UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS
FIRST SESSION

VOLUME 121—PART 11

MAY 7, 1975 TO MAY 15, 1975

(PAGES 13281 TO 14762)

SEP 7 1977

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1975

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

SENATE—*Wednesday, May 7, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, we thank Thee for this new day and for the high privilege of serving the Nation in this place. Grant unto us to waste none of its hours, to soil none of its moments, to neglect none of its opportunities, to fail in none of its duties. May we grow in self-control and self-mastery. Use us for making a better Nation and better world. Grant to us the purity of heart of those who see God. May Thy kingdom come and Thy will be done beginning in us. Bring us to the evening at peace with ourselves, at peace with our fellow men, and at peace with Thee.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 7, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, May 6, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of all the measures on page 8 of the calendar, beginning with Calendar No. 91.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DISAPPROVAL OF DEFERRAL OF BUDGET AUTHORITY

The resolution (S. Res. 32) disapproving deferral of budget authority, was considered and agreed to, as follows:

Resolved, That the Senate disapproves the proposed deferral of budget authority for continuing research to develop a nuclear-powered artificial heart, which deferral (D 75–115) was set forth in the President's message to the Congress of November 26, 1974, transmitted under authority of section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—(D 75–117)

The resolution (S. Res. 75) disapproving the deferral of certain budget authority (D 75–117) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–117, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D75–116

The resolution (S. Res. 76) disapproving the deferral of certain budget authority (D75–116) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D75–116, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D75–114

The resolution (S. Res. 77) disapproving the deferral of certain budget authority (D–75–114) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–114, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D 75–113

The resolution (S. Res. 78) disapproving the deferral of certain budget authority (D 75–113) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–113, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D75–112

The resolution (S. Res. 79) disapproving the deferral of certain budget authority (D 75–112) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75–112, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF DEFERRAL OF CERTAIN BUDGET AUTHORITY RELATING TO ATOMIC ENERGY—D75-111

The resolution (S. Res. 80) disapproving the deferral of certain budget authority (D 75-111) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974, was considered and agreed to, as follows:

Resolved, That the Senate expresses its disapproval of proposed deferral D 75-111, at set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) is recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 10 minutes.

UNITED STATES-CUBA RELATIONS

Mr. HARRY F. BYRD, JR. Mr. President, today seems an appropriate time to discuss U.S. relations with Cuba. The foreign ministers of the Organization of American States will meet in Washington tomorrow. On the agenda will be the question as to whether that group will recommend a change in that relationship. Of course, whatever is done by that group does not necessarily affect the United States.

Another reason why a discussion of our relations with Cuba is timely today is that one of our colleagues, the senior Senator from South Dakota, is in Cuba. Undoubtedly, upon his return, he will recommend a normalization, so to speak, of relations with Cuba.

Also, the senior Senator from Massachusetts (Mr. Kennedy) has introduced a bill; namely, S. 935, which would repeal Public Law 87-733. The purpose of the measure introduced by the senior Senator from Massachusetts would be to change the relationship between the United States and Cuba.

Mr. President, I think it appropriate to read a portion of Public Law 87-733, and I will put the entire joint resolution in the Record later.

One aspect of Public Law 87-733 reads as follows:

> The present Government of Cuba has identified itself with the principles of Marxist-Leninist ideology, has established a political, economic, and social system based on that doctrine, and accepts military assistance from extracontinental Communist powers, including even the threat of military intervention in America on the part of the Soviet Union . . .

Mr. President, I wonder whether the foreign ministers of the Organization of American States, when they meet tomorrow, will be willing to say that there has been no change in Cuba's identification with Soviet Russia. I wonder whether those who advocate a change in our relationship with Cuba are willing to say there has been any change in the close identification of the Government of Cuba with the principles of Marxist-Leninist ideology and Communist Russia.

I believe that before the Congress of the United States repeals what it did in 1962, namely, the joint resolution labeled Public Law 87-733, there should be a thorough discussion of this matter in the Senate.

So that we will be prepared for steps which undoubtedly will be taken in the Senate to embrace Fidel Castro and change our relationship with that Communist country 90 miles off of our shores, I am offering amendments to the proposal of the Senator from Massachusetts (Mr. Kennedy), amendments to S. 935. Before introducing those amendments, I wish to say that this proposal would repeal entirely Public Law 87-733, a resolution of Congress approved October 3, 1962. It would repeal the Foreign Assistance Act of 1961, the section which prohibits assistance to Cuba and to any country which furnishes assistance to Cuba unless the President determines such assistance to be in the national interest.

Why in the world does the Congress of the United States want to get into the posture of granting foreign aid to Cuba? We are giving foreign aid now to 100 countries. What we ought to do is reduce our commitments, not expand them.

The proposal by the Senator from Massachusetts (Mr. Kennedy) would also repeal provisions of the Agricultural Trade Development Assistance Act, which, again, would permit taxpayer assistance to Castro's Cuba. Well, Congress may want to take those steps. I expect that the proposal will be brought up before Congress in a reasonable length of time and if and when that is brought up, I will have available, and I shall present now, amendments which will give Congress and the Senate an opportunity to go on record on this question.

REMOVAL OF EMBARGO AGAINST TRADE BETWEEN THE UNITED STATES AND CUBA—S. 935

Mr. President, I send to the desk five amendments to the Kennedy proposal. I ask that those amendments be printed at this point in the Record, and, I ask that they also be printed and be placed on the table for consideration when S. 935 is called up for consideration.

The ACTING PRESIDENT pro tempore. The amendments will be received and printed, and will lie on the table; and, without objection, the amendments will be printed in the Record.

The amendments are as follows:

Amendment No. 397

At the end of the bill add the following new section:

"Sec. 9 ( ) The amendments made by sections 1 through 8 of this Act shall not take effect unless and until the President certifies in writing to the Congress that

"( ) the government of Cuba has renounced its alliance with the Soviet Union, ordered a withdrawal of all members of the Soviet armed forces, all Soviet military advisors, and all Soviet intelligence agents, and does not allow Soviet naval vessels to use any Cuban port, base, or territorial waters.

Amendment No. 398

At the end of the bill add the following new section:

"Sec. 9 ( ) The amendments made by sections 1 through 8 of the Act shall not take effect unless and until the President certifies in writing to Congress that—

"( ) the government of Cuba is not engaged in any intervention in the domestic affairs of any other country in this hemisphere.

Amendment No. 399

At the end of the bill add the following new section:

"Sec. 9 ( ) No funds authorized to be appropriated under any laws be made available to disband or close down the United States Naval Base at Guantanamo Bay in Cuba, and the President in pursuance of such closing or disbandment may not otherwise abandon or dispose of any property, tangible or intangible, of the United States government on such base, without the approval of the Congress.

Amendment No. 400

At the end of the bill add the following new section:

"Sec. 9( ) The President may not dispose of the United States Naval Base at Guantanamo Bay in Cuba unless approved by the Congress in a concurrent resolution as provided in Article IV, Section 3, clause 2 of the United States Constitution.

Amendment No. 401

At the end of the bill add the following new section:

"Sec. 9( ) The amendments made by sections 1 through 8 of the Act shall not take effect unless and until—

"(1) The President transmits to both Houses of Congress a special message specifying that the government of Cuba has entered into a satisfactory agreement with the United States providing for the settlement and discharge of claims of the government of the United States and of nationals of the United States against the government of Cuba, arising out of the nationalization or taking of property by the government of Cuba, and;

"(2) appropriate legislation approving the terms of the agreement contained in the President's special message has been approved by the Congress within 60 days of the submission of said message.

Mr. HARRY F. BYRD, JR. Mr. President, prior to the insertion of a speech which I have prepared for the Record, I ask unanimous consent to have printed in the Record Public Law 87-733, a joint resolution adopted in 1962, which resolution would be repealed by the Kennedy proposal. I ask unanimous consent that that be printed at this point in the Record, to be followed by the speech captioned "United States and Cuba, Yesterday and Today."

There being no objection, the public law and speech were ordered to be printed in the Record, as follows:

Public Law 87-733

Joint resolution expressing the determination of the United States with respect to the situation in Cuba

Whereas President James Monroe, announcing the Monroe Doctrine in 1823, declared that the United States would consider any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety"; and

Whereas in the Rio Treaty of 1947 the

parties agreed that "an armed attack by any State against an American State shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations"; and

Whereas the Foreign Ministers of the Organization of American States at Punta del Este in January 1962 declared: "The present Government of Cuba has identified itself with the principles of Marxist-Leninist ideology, has established a political, economic, and social system based on that doctrine, and accepts military assistance from extracontinental Communist powers, including even the threat of military intervention in America on the part of the Soviet Union"; and

Whereas the international Communist movement has increasingly extended into Cuba its political, economic, and military sphere of influence; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—

(a) to prevent by whatever means may be necessary, including the use of arms, the Marxist-Leninist regime in Cuba from extending, by force or the threat of force, its aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability endangering the security of the United States; and

(c) to work with the Organization of American States and with freedom-loving Cubans to support the aspirations of the Cuban people for self determination.

Approved October 3, 1962.

THE UNITED STATES AND CUBA: YESTERDAY AND TODAY

Fidel Castro grabbed power—and immediately became Cuba's dictator—on January 1, 1959, nearly 16 years ago. While the Batista government which he ousted had many faults, it was pro-American, and people had economic freedom. The Cuban people were also strongly pro-American.

I saw all this change in a short period of time.

As a newspaper correspondent, I was sent to Cuba in an effort to assess Fidel Castro and his new regime.

On my first trip, shortly after Castro came to power, I found Castro welcomed with opened arms by the overwhelming majority of the Cuban people.

In the many discussions I had with large numbers of persons of all political and economic persuasions, I found that few thought him a Communist and even fewer foresaw the extreme to which he subsequently would go.

On leaving Cuba after that first trip, I reported that Castro had overwhelming support and a great opportunity to create a better life for his fellow citizens.

But I raised the caution flag by stating that while Castro was riding high in both acclaim and opportunity, I had the uneasy feeling that the future for the Cuban people was not as bright as most Cubans at that time believed.

That was August, 1959.

I returned to Cuba in late October of that year—and what a change had taken place.

My purpose in returning was to cover for the newspapers I represented the huge anti-American rally, which Castro held on the ground of the Presidential Palace in Havana.

The rally lasted from early afternoon until late that night, the 26th of October if my memory is correct. The first speaker was President Osvaldo Dorticos Torrado. Then followed numerous government officials. Fidel Castro was the anchor man and spoke for 3 hours and 15 minutes.

The crowd was estimated at 1 million persons. Bus loads of peasants were brought from throughout Cuba to add to the multitude of Havanans.

I telephoned my report of the event from the apartment of the editor of the Times of Havana which apartment overlooked the Presidential grounds.

The speeches were bitterly and vindictively anti-American.

During that trip, I spent much time with the late Jules DuBois, Latin American correspondent for the Chicago Tribune. DuBois had been pro-Castro during the time Castro's guerrillas were fighting Batista. He had written a favorable book on Fidel Castro but broke with Castro when the latter established a dictatorship.

DuBois then became public enemy No. 1 being continually denounced by the leaders of government.

A day or so after the anti-American rally DuBois was attacked by an angry mob and saved from harm by Havana police.

The next day, he was ordered out of the country and it was suggested that since I had been with him so much, it would be well for me to leave Havana. So I went to Santiago.

During that October trip to Cuba, I talked with many of those whom I had seen in August. Most of those who previously had been favorable to Castro had become deeply alarmed. It was clear that the Castro government would be not only bitterly anti-American, but a tight dictatorship which would tolerate no opposition.

I sought to find two prominent businessmen who had been particularly outspoken on behalf of Castro when I had talked with them in August. They were not available in October, and I learned that they had fled the country after Castro had confiscated their properties.

I have seen more fear on the part of individual citizens in Cuba than I have seen in any countries except Czechoslovakia and East Germany.

I shall never forget visiting a small produce merchant at the Havana market to whom I had been given an introduction by a mutual friend. When I handed him the letter of introduction on the sidewalk in front of his place of business, he indicated clearly that he did not wish to talk with me—except about the price of produce.

As I was preparing to leave he said he would like to show me his cold storage facility. After he closed the door and we were alone in the refrigerated room, he said, "Now we can talk."

We seated ourselves on sacks of potatoes, and he proceeded to give me in great detail the change that had taken place in Cuba, the stifling of individual liberty, the harassment or imprisonment of those expressing opposition to the Castro regime and the militancy being developed among the Castro supporters.

He had tears in his eyes when he said that his own daughter, the night before, had told him that if he did not like what Castro was doing, he should leave Cuba.

Through the years I have tried to keep in touch with many who knew Cuba well and who, although forced to flee themselves, have kept contact with the year-to-year developments in Cuba.

There is little doubt that Cuba today is a strict Communist dictatorship with personal freedom virtually nonexistent.

Yet despite the present state of Castro's regime, there is increasing interest to change US-Cuban relations, as well as Cuba's relations with the Organization of American States.

The new mood for a reconciliation of sorts with Cuba is not the result of any policy shift on the part of Castro and the Soviet Union.

Indeed, in every official pronouncement, Castro has continued to reaffirm those policies which resulted in the Soviet-American confrontation.

The new mood results from the ambiguities of detente.

Early in 1974, U.S. supporters of normalized U.S.-Cuban relations launched a concerted effort for their case.

In Congress, initial steps in this direction were undertaken when Senator Fulbright introduced legislation to repeal provisions of current Federal law enacted under three separate Acts.

The Fulbright proposal would repeal legislation which prohibits trade between the two nations. In addition, it would repeal the prohibition on U.S. aid to Castro.

Senator Fulbright's legislation also would repeal the law signifying our opposition to the Castro regime's subversive activities in the Western hemisphere.

Furthermore, his proposal would repeal the law committing the U.S. to prevent an externally supported military capability in Cuba that would endanger the United States.

I shall oppose the enactment of Senator Fulbright's legislation.

There nevertheless remains a strong sentiment among our Latin American neighbors, and among many prominent U.S. businessmen, publishers, academicians, and politicians, for a normalization of U.S.-Cuban relations.

Despite, however, what appears as a trend toward changed Cuban-Western Hemispheric relations, I think a number of questions must be raised.

Proponents of normalized U.S.-Cuban relations assert that U.S. policy has failed to isolate Cuba, and that the changing international environment makes our present policy inadequate.

Few critics of our policy, however, seem willing to ask what, in fact, the U.S. stands to gain from a resumption of relations with Cuba, and what the long-term consequences would be for free Cubans everywhere.

What do we stand to gain? In my view, very little.

My objection to detente with the Soviet Union is not that there should not be a dialogue, but that in all our agreements with Russia, we seem to come out second best.

By the same token, I would oppose unilateral concessions to Cuba.

Fidel Castro's statement to the effect that he is "willing to talk to Secretary of State Kissinger if the economic embargo against Cuba is unconditionally lifted" has of course raised speculation that Cuba is ready to meet U.S. requirements for a reconciliation between the two nations.

But I do not believe that Castro is ready to meet U.S. requirements and I doubt the wisdom of lifting the economic embargo against Cuba as a prelude to negotiations.

Since Cuba is seriously interested in trade with the United States, particularly access to our money markets, we should not give away the only leverage we really have without getting something in return.

In the past, the United States has insisted that improved relations would require a cessation by Cuba of interfering in the affairs of other American states, and severing close political and military ties between Cuba and the U.S.S.R.

There is no evidence that Cuba is prepared to sever close ties with Russia.

On the contrary, in 1970 the Soviet Union established a nuclear submarine base in Cienfuegos, in violation of an agreement with the United States not to deploy strategic offensive weapons on the island.

Without revealing any details, President Nixon in 1971 stated that, in the event nuclear submarines were serviced in Cuba, or from Cuba, it would be considered a violation of the U.S.-Soviet understanding.

Recently published sources indicate that only one month after the Nixon warning, a Soviet nuclear submarine sailed into Cienfuegos.

The Soviets have continued to violate the agreement regularly ever since.

These Soviet submarine visits to Cuba illustrate just how shallow detente is.

If the Soviet Union persists in violating agreements there can be no detente.

Since the Cuban Missile Crisis of little more than a decade ago, the Soviet Union has become a Caribbean power, with bases only 90 miles from the United States.

Besides the immediate strategic gains accruing to Russia because of its newly established presence in the Caribbean, there is also a gain in prestige for the Soviets.

This has to be damaging for the United States with respect to our relations with our Latin American neighbors, as well as within the overall East-West context.

Where does this situation then leave the United States with respect to a normalization of relations with Cuba?

I think we must recognize that there is little hope that the U.S. policy of isolating Castro will result in his being deposed. He operates a repressive police state and has strong external backing from Russia.

Nevertheless, I personally cannot accept any unilateral concessions on the part of the United States.

I cannot accept the proposal to lift the embargo on Cuba as a prelude to negotiations.

An end to the embargo should only come if Cuba is willing to meet certain conditions. Here are three examples.

First, I think the United States and Cuba should permit free access to the news media representatives of the other country, and allow for a greater freedom of movement between the two peoples.

Second, I think the Cuban Government should provide compensation for the confiscation of property. Vast amounts of property were seized by Castro—land, cattle, factories, homes.

The State Department has an obligation to demand a full settlement and the time to do it is as a prior condition to any lifting of U.S. restrictions. The Foreign Claims Settlement Commission has certified claims of losses by American citizens totaling some $1.8 billion.

Third, there is the question of oppression.

In our country, the press talks extensively about the political repression, the terror, and the torture in countries like Brazil and Chile. The U.S. government is urged to intervene and use its diplomatic leverage to seek improved conditions.

In contrast, few seem willing to write about the brutality and horrors of the Castro regime. Clearly, if the United States is to be concerned about repression in non-Communist countries, we must be concerned about conditions in Cuba—a country that has shared such good and close relations with the United States historically.

We cannot afford to delude ourselves about the nature of Castro's regime.

Castro must drastically change his ways if the United States is to change its present policy toward Cuba.

Mr. HARRY F. BYRD, JR. Mr. President, I reserve the remainder of my time and ask how much time I have remaining.

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining.

Mr. HARRY F. BYRD, JR. I thank the Chair.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized for not to exceed 15 minutes.

REMOVAL OF RESTRICTIONS ON FOREIGN CORRESPONDENTS IN CUBA

Mr. HELMS. Mr. President, I commend the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) for his typically cogent remarks on a subject which is of great interest and concern to me. Needless to say, I support each of the four amendments which the Senator from Virginia has submitted. I have a fifth amendment to propose.

Mr. President, S. 935, which was introduced by the distinguished Senator from Massachusetts (Mr. KENNEDY) proposes to remove the trade embargo and sanctions with regard to Cuba. This proposal, I presume, is put forward in the hope that it will improve relations with Cuba, and gradually lead to diplomatic recognition of the Cuban regime and the integration of Cuba into normal hemispheric relations.

Mr. President, I, too, look forward to the day when Cuba will rejoin the nations of the Western Hemisphere on an equal standing; but I do not look forward to that prospect until such basic human rights as the right to free speech, to private property, and to individual freedom are respected in that nation. We simply cannot accept Cuba as a full-fledged member of the American community until Cuba herself acknowledges the standards which are common to all the nations of the Americas.

Certainly, there is little evidence that Cuba, at present, respects those basic standards of human dignity and freedom. I have just returned from a brief trip to Latin America, and in the countries I visited—Brazil and Argentina—I find widespread concern among the officials with whom I talked about the problems of allowing a country such as Cuba to have full intercourse with nations which are struggling against internal subversion.

Brazil, of course, narrowly averted the fate of being subject to the same type of inhuman regime which rules Cuba today; and Argentina is currently gripped by a terrorist campaign which had its origins in a guerrilla movement originally trained and equipped in Cuba. That movement today is so strong that it does not need the present support of Cuba, and it threatens the stability and human rights of the nation. And nearby in Chile, which I did not have an opportunity to visit, it is a matter of record that the pattern of subversion which was, fortunately, overthrown at the last minute by the present Chilean Government was to a great extent directed and supplied with arms from Cuba.

Mr. President, I do not pretend that governments faced with such an open attempt at subversion necessarily all reach the optimum degree of freedom that we are accustomed to in the United States. When a nation is under siege, strict measures are often taken, and sometimes they err in going too far. But one of the reasons why there has been continual improvement in the countries I have mentioned is because of the continuing monitoring of events by the international press.

I think the same circumstances apply to Cuba. If we are going to open Cuba to trade, we should be interested not only in the economic benefits of such trade, but also in improving the standards of human rights which exist in that country. Cuba, at a minimum, should be open to inspection by international journalists who are free and unfettered in their travels about the country.

I am, therefore, proposing an amendment to S. 935 which reads as follows:

SEC. 9. The amendments made by sections 1 through 8 of this Act shall not take effect unless and until the President of the United States certifies in writing to Congress that the government of Cuba provides full access to all parts of Cuba to all media representatives of all nations.

There is a great need for such an amendment. As a Nation, we do not want to be profiting from trade with a country which tramples upon basic human rights. Unless Cuba is open to free travel by foreign journalists, there will be no monitoring by the outside world of the situation in Cuba itself.

At the present time, the situation is very restrictive. All visitors to Cuba have tours conducted by the Cuban Institute of Friendship with Peoples—ICAP in the Spanish acronym. ICAP is an arm of the General Directorate of Intelligence. Journalists and other visitors get only the "official" tour.

Moreover, news film is controlled by the Cuban Institute of Motion Picture Arts and Industry—ICAIC in the Spanish acronym. This is the outfit that cooperated with CBS to such an extent that CBS saw fit to omit clips in which Fidel Castro stated that he would continue to support revolution throughout Latin America. Not surprisingly, ICAIC is also a part of General Directorate of Intelligence.

Similarly, the Cuban Broadcasting Institute—ICR—is also an arm of the General Directorate of Intelligence, as is the Union of Cuban Newspapermen—UPEC.

In short, the normal press outlets are completely controlled by Cuban Intelligence operations, and by the Cuban Communist Party. This is to be expected; but it must also be expected that the Communists will continue to try to manipulate and control the news which emanates from Cuba.

The least that we can expect, as a quid pro quo for removing trade sanctions is that Cuba will open up to newsmen, so that a variety of reporters can give information on what is happening in that society. This does not demand changes in Cuban society; we would only be demanding that the world get the truth about what is happening in that unfortunate island.

I need only mention that responsible sources have brought serious charges against the Cuban regime in the matter of political prisoners. Not so long ago, four Cuban organizations based in the United States sent a petition to the United Nations Human Rights Commission, meeting in Geneva, outlining the plight of political prisoners in their homeland. They cite specific cases of forced labor, lack of medical assistance, torture, and death. To date, I know of no action by the Human Rights Commission. On the other hand, if reporters from many nations were allowed free access to Cuba, these charges could be verified or refuted, or at least progress could be made toward that end. From what we know of the history of Castro's prisons, the charges are very plausible; but the pressure of investigation by a free press would force progress not only upon Castro, but also upon the U.N. Human Rights Commission.

Mr. President, an account of the petition to the U.N. Human Rights Commission appeared in Spanish in the Diario Las Americas, Miami, on February 7, 1975, and I ask unanimous consent that a translation prepared by the Library of Congress be printed in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. To sum up, Mr. President, my amendment demands only one thing in exchange for trade, and that one thing is the truth. Unless we know the truth about Cuba, we will continue to make grave mistakes about our future policy directions with that country.

Exhibit 1

Let Human Rights Investigate in Cuba

In a joint action, which for once demonstrates the spirit of solidarity in the exile's struggle for our Cuban ideals, the four organizations created and active in the defense of our captive brothers, have just signed and sent a common document to the United Nations Human Rights Commission, meeting in Geneva, Switzerland, outlining the suffering of the political prisoners in Cuba and demanding the naming of an investigative committee to go to Cuba, verify the situation of the political prisoners and ask that they be unconditionally set free. The document, addressed to the President of the Human Rights Commission, is also being sent to each and every one of the delegates from the nations who are members of this Commission, as well as to the non-government organizations with a consulting status who are taking part in the sessions with a voice to express their opinions and recommendations. Other measures are being taken to strengthen this request which cannot be expressed at this time. What really is necessary is that all the organizations of the exile; political, economic, revolutionary, religious, student, professional, social, etc. send their immediate adhesion to these denouncements, in the form which appears at the end of the transcription of the document which we are going to make. And of course, that each Cuban, or Latin American in particular, send the message of adhesion that is accompanying.

Here is the document:

January 28, 1975.

His Excellency Dr. Ghulan Allana,
President of the Human Rights Commission, United Nations, United Nations Palace, Geneva, Switzerland.

Dear Mr. President: The undersigned organizations, constituted fundamentally to proclaim and defend the respect of human rights in Cuba and denounce their violations, especially those that affect the political prisoners in that country, appear before you and with all respect and regard do submit: First: That according to what has been being posed in repeated denouncements submitted to your high international organization for over a decade, the treatment that is applied to the political prisoners in Cuba presents a permanent pattern of serious violations of human rights, characterized by ideological genocide, institutionalized terror and crimes against humanity.

Second: That these deeds characterizing the permanent pattern of violations of human rights that is being reported are comprised of murder; physical and mental tortures; insufficient and sickening food; absence of medical attention; prohibition of visits; the refusal to surrender foodstuffs and correspondence from relatives; the imposition of political indoctrination and forced labor; the arbitrary reimposition of sentences on prisoners who have already served those which had been imposed on them before, thus illegally extending, for an indefinite period the term of their imprisonment; the new arrests of those who have been set free for any trumped up motive, real or made up; the placing of obstacles to finding work and hindrances to leaving the country; solitary confinement in closed cells where the prisoners become ill and die without seeing sunlight for years; subjection to biological and psychological experiments; beatings with clubs, round irons, chains, cables and bayonets and imposition of all kinds of harassing measures such as nudity.

Third: That this situation has been denounced on different occasions by the following international organizations:

(A) International Jurists Commission: Study "Cuba and the Empire of the Law", 1962.

(B) Interamerican Human Rights Commission of the OAS: "Report on the Situation of Political Prisoners and Their Relatives in Cuba", 1963; "Report on Human Rights in Cuba", 1967; and "Second Report on the Situation of the Political Prisoners and Their Relatives in Cuba", 1970.

Three recent official resolutions from that organization corresponding to 1973 on cases 1604 (killing of student leader Pedro Luis Boitel, who was allowed to die on a hunger strike, beaten and tortured); 1721 (repeated physical abuses of a group of political prisoners among which one could name specifically former Comandantes of the Rebel Army Huber Matos, Eloy Gutiérrez Menoyo and César Páez, former Captain Tony Lamas, labor leader Lauro Blanco and J. Pujals, A. Gámiz, Jorge Vallas and O. Figueroa) and 1726 (the gun-slaying of sugar worker José Oriol Acosta García, in the Security Center 4 in Manacas, Las Villas).

(C) International Red Cross Committee: Annual reports in which are outlined how the repeated requests by its representatives to visit the prisoners in Cuba and give them medical attention have been rejected and the authorization to make the visits denied.

Letter from Mr. José Barroso Ch., President of the League of Societies of the Red Cross, to Dr. Aurelio Alvarez Echezarreta on August 1, 1974, from Mexico, confirming the futility of said efforts.

(D) Interamerican Press Association: Several resolutions on the matter and especially those unanimously agreed upon in its most recent annual meetings, held in Boston, USA in 1973 and in Caracas, Venezuela in 1974.

(E) Serious concerns felt and submitted by the following international organizations: International Rescue Committee; International League for the Rights of Man; Amnesty International.

Fourth: That among the most recent abuses constituting very serious violations of human rights we might point out, among hundreds, and only by way of example, the following:

(A) Denial of food and medicines to a group of political prisoners in La Cabana prison in Havana because of refusing to accept the so-called "Plan of Rehabilitation" which carries with it the acceptance of political indoctrination and forced labor. The abuse lasted from June 24 until August 12, 1974. As a result six prisoners were left invalid because of polyneuritis. Their names are: Rolando de Vera Méndez, Oscar Rodríguez Terrero, Pedro Gallardo Batista, Fernando Gómez Fonseca, Israel Domínguez Rodríguez, and Armando Valladares Pérez.

(B) Death of the young negro Olegario Chariot Pileta, at the prison in Boniato, Oriente. He declared himself on a hunger strike over the physical abuses and solitary confinement. He didn't receive any medical assistance. He died in early 1973.

(C) Death of political prisoner Marcelo Díaz, who was transferred from Security Camp No. 4 in Manacas, Las Villas, to the jails of the G-2 (State Security) in Santa Clara, Las Villas. He was subjected to physical and mental tortures. He died in those jails in early 1974. His death was reported as suicide by hanging.

(D) Death of the political prisoner known by the name of Miguel "Cachimba". This political prisoner accepted the Rehabilitation Plan. He was sent to the Melena concentration camp in Havana and subjected to forced labor. He tried to escape. A guard shot at him and wounded him in the leg. He fell in a sitting position. He begged for mercy. The garrison's officer ordered that they keep firing. He fell dead with four bullet wounds in his chest.

(E) In the beginning days of August, 1974, youths Miguel Sales, 23 years old, Luis Zúñiga and Roberto Camps Verdecia, 24 and 25 years old respectively, who had been political prisoners and had succeeded in escaping from Cuba after having served their sentences and having been received as exiles in the U.S., decided to set out for Cuba in a small boat to rescue their relatives. They were captured. At the trial that was held for them the report from the State Security Department confirmed the reasons for their trip. Nevertheless, the prosecuting attorney insisted that they "had sold out to Yankee imperialism". They were sentenced to 30 years imprisonment. They were not allowed to name lawyers. The lawyers which the government designated showed themselves to be in agreement with the penalty. They are imprisoned in La Cabaña prison in Havana. Miguel Sales is a writer and poet and a polyglot despite his young age. Several of his poems have just received awards from the Club of Spanish-American Writers and Poets of New York in December of 1974. Those poems were taken out of Cuba clandestinely. Besides sentencing them for the crime of brotherly love, some of them have been victims of brutal beatings recently.

(F) Miriam Ortega, who was president of Catholic Youth in Cuba, as punishment for her hunger strikes is shut up in La Cabaña prison in Havana, a jail for men. She is semi-invalid because of the beatings she received. Her mother, who lives in Miami, is willing to testify to this before whomsoever deems it suitable. With her there are four women political prisoners plus over 35 women political prisoners who have refused the Rehabilitation Plan in the "Nuevo Amanecer" jail for women in Havana. These are Leonor Olivera, Leopoldina Grau Alsina (niece of former President Dr. Ramon Grau San Martín), Fidelina Suárez, Nereida Polo, Esther Castellanos, Aleja Sánchez Piloto, Bertha Alemán, María Amalia Fernández, Felicia Guillermina García, Georgina Cid, Nilda Diaz, Ana Bustamante, Dolores Correoso, Xiomara Wong, Elda Denys, Albertina O'Farrill, Esther Campos, Clara Alonso, Caridad Cabrera, Araceli Rodriguez, Zolia Avila ("La Niña"), Dora Delgado, Américan Quesada, Ofelia Rodriguez, Maria Magdalena Alvarez, Teresa Bastanzuri, Sara Carranza, María García Rangel, Miriam Ortega, Mercedes Peña, Lucrecia Sánchez and Ana Lázara Rodriguez.

Of the above-mentioned prisoners, we know that Aleja Sánchez Piloto, 50 years old, suffers with progressive and deforming arthritis, as well as an oral tumor; Sara Carranza is almost blind, Dolores Correoso underwent an unsuccessful operation on her ovaries; and Zoila Avila ("La Niña") is suffering mental disturbances. Due to the lack of medical assistance, almost all have lost their teeth, they suffer from avitaminosis and ovarian problems owing to a traumatic menopause as a result of the lack of medicines and the tension produced by the physical abuses they have had to suffer. These women, especially those who have suffered for over ten years, show advanced geriatric symptoms, especially in their visual organs.

(G) Sentences of one to two years have been reimposed on the following political prisoners after they had finished serving the ones that had been imposed on them previously. These sentences were made without a trial, or with a mock trial in which the court was made up of heads of the prison and without defense lawyers. Roberto Cardés Valdés, 36 years old, employee, sentenced to nine years in trial 501 in 1963, finished serving it on July 25, 1972. Sentenced to one year of labor through a trial. Upon serving the year without working, he was sentenced to another year, but without holding any trial.

Pablo Arenal Piñón, 33 years old, student, sentenced to 12 years in Trial 294 in 1961, finished serving them on April 16, 1973. Sentenced to one year of labor. Angel Luis Bicet, 43 years old, carpenter, sentenced to nine years in Trial 702 in 1963, finished serving them on November 14, 1972. Sentenced to two years of forced labor.

Julio Rodríguez Lamelas, 54 years old, pharmaceutical representative. Sentenced to six years in Trial 569 in 1965, finished serving them on November 29, 1971. Sentenced to two years of labor through trial. Upon serving the two years without doing the forced labor, he was sentenced to two more years without the holding of a trial. He has suffered two heart attacks and chronic hypertension. Pablo Castellanos Caballero, 50 years old, journalist, former director of the Radio Morón News Program. Sentenced to 12 years in Trial 105 in 1962. Finished serving them on October 30, 1973. Sentenced to a year of labor. Has suffered a heart attack. Chronic hypertension, has ulcer in duodenum and bursitis and is asthmatic.

Segundo de la O. Elejalde Cepero, 32 years old, construction worker, sentenced to ten years in Trial 325 in 1963. Finished serving them on May 18, 1973. Sentenced anew on April 11, 1973 to one year more.

Manuel Hernández Gómez, 33 years old. Finished serving a 10 year sentence in 1973. Sentenced again to two years because of not having done forced labor. He worked (before his imprisonment) in the San Antonio Central of the town of Madruga. Eddy Carrera Vallina, 38 years old, university student (5th year of business administration), sentenced to 12 years in Trial 301 in 1961. Finished serving them on April 16, 1973. Sentenced anew to two years because of refusing to work as a prisoner on March 19, 1973.

Federico Rodriguez Avila, 44 years old, businessman, sentenced to nine years. Trial 356 in 1963. Finished serving them on May 2, 1972. Sentenced anew to two more years on April 28, 1972.

Santiago Diaz Perez, 47 years old, electrician, sentenced to nine years, in Trial 608 in 1963. Finished serving them in September 1972. Sentenced anew to one year and another one later on for refusing to do forced labor, which political prisoners are not obliged to do.

Luis Felipe Sabatela Pardo, 47 years, taxi driver, sentenced to nine years in Trial 779 in 1963. Finished serving them on December 14, 1972. Sentenced to one year for refusing to work as a prisoner. Having served this sentence, he was sentenced again without a trial.

All these prisoners are in La Cabana Prison in Havana.

In the Cinco y Medio jail in Pinar del Río, Reinaldo Cordero has been sentenced to three more years, after serving nine. Also, Pedro Baquet, Vidal Arocha Cubillas and Amado González in Pinar del Río. The following had previously suffered reimposition of sentences, which they are still serving in Las Villas prison: Carlos Más Guerra, Juan Cruz González, Reynaldo Aquit, Eduardo Cuencio, Blas Camacho, César Ja, José Luis Márquez, Nerín Sánchez, Heriberto Trujillo Montes. At Guanajay: Federico Rodríguez, Lázaro Hesta, Bolo Capote. At the gloomy Castle of San Severino: Evaristo Sardiñas Cruz, Baudilio Echeverría Yanes, Alfonso Loo Suú and Luis de los Santos Naranjo.

Fifth: That there are numerous prisoners in a precarious state of health to whom due medical attention is not given, nor for mercy's sake are they taken out of jail and delivered over to the care of their relatives. Here are some names: Federico Hernandez González, cerebellar ataxia; Francisco López Pérez, 70 years old, cancer of the throat, cannot speak; Alfonso de Aramas Orozco, cancer of the stomach; Tony Cuesta, blind and crippled; Antonio Dominguez Hernández and Ramón García Salcedo, almost blind, due to a type of toxoplasmosis which they acquired through the contamination by specific germs when they were handling bat manure at a forced labor camp; Abel Nievel Morales, has only one kidney and he has to have one testicle removed; Alfredo Izaguirre, journalist, hepatocirrhosis; Dr. Abelardo Codinach, 72 years old, pride of Cuban medicine, cancer of the spine; Dr. Andrés Vargas-Gómez, grandson of Generalísimo Máximo Gómez, hero of the War of Independence, with one kidney amputated and infection in the other one; Pablo Castellanos Caballero, journalist, 50 years old, heart attack, chronic hypertension, duodenal ulcer, asthma; Manuel Romeu Fernández, Juan Miguel Coello Moreno, Rigoberto Pereda López, Gerardo Martiatu Daniel, Heriberto León Ruiz, René Ramos Angulo, José Agustín González Savio, and Beato Guerra Piñero, all totally disabled. Only Coello Moreno has a wheelchair; the others depend on their companions to get around and the attention to all their needs. In addition, the six affected with polyneuritis who are serving time in La Cabaña whom we mentioned previously. It is spread upon the record that there are thousands of prisoners also in a poor state of health in numerous prisons and concentration camps throughout the island.

Sixth: That the proofs of these denouncements lie in unrefutable documents, clandestinely taken out of the prisons in Cuba, many of which are already in the hands of your Commission. The others that were required will be duly submitted.

Seventh: That with regard to the foregoing we respectfully request of your United Nations Human Rights Commission:

1.—That naming of an investigating committee for the verification of the reported violations of human rights.

2.—That said Committee call for the corresponding authorization to go to Cuba and make an on-the-spot inspection of the political prisons, especially: the Cinco y Medio in Pinar del Río; La Cabaña and Nuevo Amanecer in Havana; San Severino in Matanzas; Nieves Morejón in Las Villas; Morón in Camaguey; and Boniato in Oriente. There are hundreds of jails and concentration camps whose names and locations we will immediately and gladly put at the disposal of the delegates upon their request.

3.—That they be permitted to interview, even be it only a reduced number of political prisoners, among which we suggest: Tony Cuesta; former comandantes of the Rebel Army Huber Matos and Eloy Guitiérrez Menoyo; Miguel Sales; Dr. Andrés Vargas-Gómez; and journalists Alfredo Izaguirre and Pablo Castellanos Caballero at La Cabaña prison in Havana; and mesdames Miriam Ortega and Leopoldina Grau Alsina in the prisons of La Cabaña and Nuevo Amanecer, in the same province.

4. That once the reported facts are proven, demand, in the name of respect for human rights, that they cease the mistreatment of the political prisoners and set them unconditionally free, allowing them to leave the country under the supervision of your organization and the International Red Cross.

Very respectfully yours,

For the Committee for the Divulgation of Abuses Against Political Prisoners in Cuba: Dr. Humberto Medrano, Coordinator.

For the Association of Former Political Prisoners in Cuba: Board of Directors: Mercedes Roselló, F. Suarez Roqueta, Sergio Aguilera.

For the Worldwide "Pedro Luis Boitel" Committee for Cuban Political Prisoners: Jose A. Ponjuan, President, N.Y., Ricardo A. Pastrana, Vice President, N.Y., Roberto Ruiz Lavin, Sec. Gen., State of Florida.

For the Committee for the Liberty of Cuba's Political Prisoners: Juan Angulo, President, San Juan, Puerto Rico. Dr. Aurelio Alvarez Echezarreta, President, Caracas, Venezula.

FOR THE CUBAN POLITICAL PRISONERS

Campaign suggested by:

Committee for the Divulgation of Abuses Against Political Prisoners in Cuba.

Association of Former Political Prisoners in Cuba.

Worldwide "Pedro Luis Boitel" Committee for Cuban Political Prisoners.

Committee for the Liberty of Cuba's Political Prisoners (Puerto Rico and Venezuela).

Mr. HELMS. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining.

Mr. STONE. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to my good friend, the able Senator from Florida.

Mr. STONE. Mr. President, today there are newsmen in Castro's Cuba accompanying one of our colleagues on his tour down there.

Does the Senator suppose that when they return or when they broadcast from Cuba they will broadcast any film footage or any coverage whatsoever of the political prisons?

Mr. HELMS. The Senator's question is almost rhetorical, and I appreciate his asking it. The answer is no, of course, news from all Communist countries, including Cuba, is heavily censored. That is why the American people are so often misled about the nature of the Communist menace around the world.

Mr. STONE. Does the Senator suppose that any of this tour or any of the coverage of the tour is going to cover the forced labor camps doing agricultural service?

Mr. HELMS. I say to the Senator, in no way will such coverage occur, if previous experience is any guide, and we all know—or should know—that experience is a good teacher when it comes to dealing with the Communists.

Mr. STONE. Does the Senator think that this tour or the coverage of this tour is going to cover the committees for the revolution which occur on every single block, and the members of which committees monitor and supervise not merely political thought on their block or in their neighborhood but even such things as the manner of life, the comings and goings, who visits whom, what soap they use for their laundry and their other washing and how much of it? Does the Senator suppose that we will get coverage of that?

Mr. HELMS. The Senator's series of penetrating questions drive home the very point of my amendment, and I thank him most sincerely.

Mr. STONE. Mr. President, that is a valid and needed amendment in the opinion of the Senator from Florida. In my opinion as well as in the opinion of the Senator from North Carolina we are not dealing here with just another Communist bloc nation, but one of the most tightly controlled Communist societies in the world. Part of that is because it is an island, part of it is just because of the way they set themselves up. For us to put our seal of approval on that type of punishment of innocent civilians and that type of political mind control 90 miles from our shores does not make much sense to the Senator from Florida.

I ask one final question of the Senator: Is it or is it not a fact that the island of Cuba under the Castro regime maintains and assists in maintaining bases for Soviet nuclear submarines, again 90 miles from our shores?

Mr. HELMS. The Senator is absolutely correct, in the opinion of the Senator from North Carolina. That is one of the most serious problems we face.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Virginia has 5 minutes remaining.

Mr. HARRY F. BYRD, JR. Mr. President, I point out that those who seek to change the status of our relationship with Cuba, in order to accomplish that, will need to repeal Public Law 37–733, and, as I mentioned earlier, such legislation has been introduced by the senior Senator from Massachusetts (Mr. KENNEDY).

I want to read the first paragraph of the preamble of Public Law 37–733.

It states:

> Whereas President James Monroe, announcing the Monroe Doctrine in 1823, declared that the United States would consider any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety";

I submit if we repeal Public Law 87–733 we are, in effect, repealing the Monroe Doctrine. This country has winked at the Monroe Doctrine for some years now, but we will be going much further if we are to adopt any proposal which would formally acquiesce in the existence of the Soviet influence in the Western Hemisphere such as the influence of the Soviets in Cuba today.

As the able Senator from Florida just pointed out, it is a highly regimented, totally Communist society in Cuba, and yet legislation has been introduced in the Senate which would permit foreign aid of American tax dollars to be given to Cuba.

I think it would be a great mistake to do that. I do not say there should be no change at any time in our relationship with Cuba, but I think before there is a change in our relationship with Cuba there must be a change on the part of Fidel Castro, an acknowledged Communist agent, the acknowledged Communist representative in Cuba.

The able Senator from North Carolina has pointed out an important need if our relationship with Cuba is to be changed. I say again I do not say that there should not be a change in relationship, but I say if there is a change that there should be important demands or important concessions made by Castro, particularly in regard to the Soviet influence in that island.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Florida.

Mr. STONE. Did the Senator happen to notice this morning's television interview on the NBC "Today" show with Secretary of State Kissinger in which the question was asked what was the Secretary's view with regard to changing our relationship with Castro Cuba, and the Secretary replied:

> We have made some gestures to ask, in effect, for a changed attitude and change in circumstances by Fidel Castro, but to this moment we have not heard anything back from them, and they know how to reach us.

Yet, in the face of that, the Secretary announced, in effect, a policy of permitting the OAS, without any objection on our part, to change the rules so that by a majority, a mere majority, sanctions could be lifted against Castro Cuba.

I just wonder whether the Senator from Virginia feels that in the absence of these gestures, and more than a gesture—because people's lives are involved by the tens of thousands—whether we should blithely go on our way and proceed as if changes had occurred, changes in the export of revolution, changes in the training of saboteurs, changes in the total mind control and regimentation of those people so close to our shores.

Mr. HARRY F. BYRD, JR. I think the Senator from Florida is quite right in his assertion. The Senator from Virginia said 6 months ago that the State Department was laying the groundwork for a change in relationship, and trying to do that not directly but indirectly through the Organization of American States, and if our country acquiesces in the change in the rules of the OAS, a change in the rules which Congress has approved, which rules Congress has approved if we acquiesce in the change of those rules, then that will mean the State Department is trying to do indirectly what it is not willing to do directly.

Mr. STONE. Mr. President, will the Senator yield for one further question?

Mr. HARRY F. BYRD, JR. I yield.

Mr. STONE. Senator, is it not the case that our State Department and our President are now in the process of reassessing our foreign policies so that we do not either seem to be or actually be so much of a loser in our foreign policy as we have been in recent months? Is it wise, in reassessing the policy, to continue a policy of a giveaway first and hope for something in return last as opposed to a quid pro quo approach, a reciprocity approach, which was enunciated early by Cordell Hull, which said if they would do something back for us we will do something for them? Is it wise for us to continue in this policy and say that we are reassessing when actually we are doing more of the same, failing, failing, failing, and getting nothing back to our taxpayers or citizens for these giveaways or concessions.

Mr. HARRY F. BYRD, JR. I think it is a very unwise policy that we have been pursuing, and that is the reason why I have had a grave question about détente. I approve of détente, and if by détente you mean a dialog between the leaders of the great nations of our world, that is important. I favor a dialog.

Where I part company with Secretary Kissinger on the question of détente is in regard to the agreements which have been made, and the United States has come out second best in these agreements in many cases, and this looks like it might be another case where we give away all of our chips without getting anything in return.

The ACTING PRESIDENT pro tempore. All time of the Senator from Virginia has expired.

The Senator from North Carolina has 1 minute.

Mr. HELMS. Mr. President, to illustrate the way the free press is treated in Cuba, I want to refer to page 1649 of a committee print from the Judiciary Committee, Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws. This has to do with the testimony of a Communist functionary of Cuba, Francisco Antonio Teira Alfonso, connected with the intelligence apparatus of the Department of the Security of States, who defected. In the testimony they are talking about Bert Quint, of CBS, who visited Cuba and came back with one of those glowing reports.

In this excerpt, Mr. Tarabochia, who is chief investigator for the subcommittee, identifies Mr. Quint through cross-examination and the excerpt continues as follows:

> Mr. TEIRA. . . . people like John Roberts, Bert Quint.
>
> Mr. TARABOCHIA. He was a correspondent for CBS?
>
> Mr. TEIRA. For CBS; yes.
>
> Mr. TARABOCHIA. What kind of treatment did he receive?
>
> Mr. TEIRA. Well, with many, the treatment consisted of making believe that he was seeing what he wanted, and we put on a facade that we were a bunch of honest people. Actually, it was a matter of trying to disinform them a little.
>
> Mr. TARABOCHIA. By disinformation you mean misinform him?

Mr. TEIRA. Misinform him; yes.

Mr. TARABOCHIA. Give him information that——

Mr. TEIRA. That was not true.

Mr. TARABOCHIA. It was not true.

Mr. TEIRA. But, we let him have the impression that he was able to get information from us while we pretended that we had violated rules and committed an error by allowing him to get this information, because we would make a remark that the information we gave him was wanted for the record and that would put us in a difficult position if my superiors found out that I had let this information reach him. Naturally, this air of conspiracy made him believe that he was getting valuable information when actually, we were giving him what we wanted him to get.

I just want to say this confirms precisely what the able Senator from Florida said in his fine line of questioning, and what the able Senator from Virginia said in his excellent presentation.

I yield back the remainder of my time.

ORDER OF BUSINESS

The **ACTING PRESIDENT** pro tempore. The Senator from Florida has, under the previous order, 15 minutes.

UNITED STATES-CUBA RELATIONS

Mr. STONE. Mr. President and Senators, I shall be brief. If my distinguished colleagues wish to utilize any of the time reserved under the previous order, I will be very happy to yield further time.

Briefly, Mr. President, we are about to commence a meeting of the Organization of American States within just a few days right here in Washington. Again it will be proposed by a majority vote that the sanctions which have been imposed against Communist Cuba for cause will be lifted.

Our State Department will probably go along with that, and there are two routes that it can follow in going along with that approach, either route being objected to by the Senator from Florida.

There are two routes. One is to amend the internal procedures of the body in such a way as to affect the two-thirds requirement in the resolution of sanctions itself, and the other is to change the rules of the Organization which occur under the Rio Treaty. That latter approach would allow the Senate to advise and consent or to advise and not consent.

I have not exactly been assured, but the implication has been made to me by high State Department officials that the latter route will be followed if the State Department chooses to approve or acquiesce by its silence in this majority approach.

If so, the Senate will be faced within a matter of a few weeks or months with the ratification of this change in relationship toward Communist Cuba, toward Castro Communist Cuba, toward a regime which, without any dispute, is one of the most regimented, repressive, politically imprisoning type of regimes in the world today—not just in this hemisphere but in the world.

When the distinguished Senators who last year proposed and signed a resolution to object to the unilateral giveaway of the Panama Canal Zone, obtained lawfully and through treaties and through benefits conferred on the Republic of Panama and its citizens, and when those Senators stood up, the entire process of unilateral giveaway slowed to a walk.

The other day on this floor when the distinguished Senator from North Carolina brought to light a distinct possibility that unilaterally and by executive agreement, and maybe even by secret executive agreement, essential services in the Canal Zone were to be given away without amending the treaty, I think that we had some effect because nothing of the sort took place even though more than sufficient smoke was there for there to be a fire.

So I think it is appropriate for us in this body to express ourselves and to be part of this process of reassessment of foreign policy that is now taking place.

What should our foreign policy be to be more realistic in the world?

The giveaways have not purchased love for this country. What is worse, the unilateral weakness, the concessions in advance with no quid pro quo have purchased for our foreign policy a total lack of respect and one defeat after the other.

When I return home to Florida, I find all of our constituents there, almost to a person, urging that we not continue this self-defeating policy of unilateral concessions and that we in our foreign trade, in our military posture, in all of our relationships with both the free world and the nonfree world, insist on being treated as we treat others.

Now we are about to embark on another one of these unilateral concessions in advance with no gain for liberty in the world, with no major gain for our own pocketbook and those of our taxpayers, with more of the same, with pouring water on a drowning foreign policy, with pouring of acid on the upset stomachs of our citizens and taxpayers, to no purpose.

I think it is appropriate that in advance the Senate advise and not consent to that type of continuing wasteful foreign policy that produces a lack of pride in our heritage just as we are beginning to celebrate our 200th birthday.

Mr. HELMS. Will the Senator yield?

Mr. STONE. I yield to the Senator.

Mr. HELMS. Mr. President, the Senator from North Carolina wishes to commend the able Senator from Florida for his eloquent, sound, and sensible comments. He is a great addition to this body and I want to say to him that I am glad he is here, because his voice needs to be heard.

Mr. STONE. I appreciate that very much.

Mr. HELMS. Further, the distinguished Senator mentioned the current visit to Cuba by the Senator from South Dakota (Mr. McGOVERN). The Senator from Florida expressed some interest in what Senator McGOVERN may report to us when he returns to this body.

I recall Senator McGOVERN's allegations about political prisoners in Vietnam in prior years. I hope that he will be able to perceive the plight of political prisoners in Cuba, and report to this Senate thereon.

Mr. STONE. The Senator from North Carolina knows, as does the junior Senator from Florida, that there are political prisoners in the Republic of Cuba that are Americans, that are U.S. citizens.

Mr. HELMS. The Senator is correct. There is no doubt in my mind about there being political prisoners in Cuba, and I regret that the major news media of the United States are suffering from an epidemic of blind spots in this connection. I am concerned, as is the Senator from Florida, about these people.

Mr. STONE. They are unable to leave and they want to leave. They are not even MIA's or POW's. They are there as civilians and cannot get out.

Mr. HELMS. For too many Americans, they are forgotten.

Mr. STONE. And forgotten except on the floor of the Senate. I do not propose, and I do not believe the distinguished Senator from North Carolina or the distinguished Senator from Virginia proposes, to forget those citizens. For us to consent and passively acquiesce to a change of policy without immediately getting the exit right for those U.S. citizens that are not accused of any crime or even any offense is more of the same. We lose before we even start.

Mr. HELMS. Once again, I commend the Senator for his splendid remarks.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. STONE. I yield to the Senator.

Mr. HARRY F. BYRD, JR. The Senator from Florida made a splendid statement today, an outstanding statement. I agree with all that he has said in regard to the situation in Cuba. It is tragic, I think.

I spent a lot of time in Cuba in 1959. I was doing newspaper work there and saw a great deal of Cuba. It is a wonderful island, wonderful people. It is so tragic, what has happened to it. It has become a totally communistic country situated so close to our shores.

If the State Department acquiesces in what the Organization of American States and majority may do, then it will, it seems to me, be putting the stamp of approval on a Soviet military base 90 miles from the shores of the United States.

So long as the Soviet military base exists in that island, I will have a great deal of reluctance, a great deal of difficulty in supporting any change in the status of our relations with Cuba.

Mr. STONE. The Senator from Virginia is completely accurate and one of the main reasons, apart from our unilateral giveaway in advance, for the failure of our foreign policy is the fact that the world used to perceive this country as the guardian of liberty, the guardian of individual freedom.

That is what made America the hope of the world, and if we give that underpinning of our basic policy away it must fail, no matter how pragmatic it seems at the time.

There are imprisoned Americans in the sense they cannot get out of that country. There are tens of thousands of imprisoned Cubans, imprisoned for political reasons, not reasons of crime. Just to acquiesce either by acceding to a back-door approach through the OAS or a front-door approach would be to say to the world that we really do not care about freedom and liberty of the individual, we only care about what seems to be advantageous at the moment.

That type of foreign policy must fail because it gives away the one great thing we have.

They may not like us around the world. They may never have liked us around the world, but they always respected us and hope for our success because we stood up for the right of an individual person to have a free choice of his religion, of his citizenship, of his right to leave and come back to a country. Some basic freedoms.

If we give that all away in the name of a reassessment, which is really more of the same, we will continue to fail and we should not. We owe ourselves better on this 200th birthday.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Mississippi (Mr. Stennis) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order allotted to Mr. Stennis be altered to provide for a period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for the transaction of routine morning business.

PRIVILEGE OF THE FLOOR—S. 200

Mr. MORGAN. Mr. President, I ask unanimous consent that my aide, Neil Hill, be given the privilege of the floor during the consideration of the Consumer Protection Agency bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:03 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1387. An act for the relief of Paul Alvarez Rodriquez;

H.R. 1388. An act for the relief of Guadalupe Villegas-Cantu;

H.R. 1393. An act for the relief of Jacinta Roque Armstrong-Perez;

H.R. 1408. An act for the relief of Joseph Hoffman;

H.R. 1510. An act for the relief of Steve P. Reese;

H.R. 1553. An act for the relief of Victor Henrique Carlos Gibson;

H.R. 1556. An act for the relief of Henrika Koenders Lyne;

H.R. 2119. An act for the relief of Maria Gilda Haro;

H.R. 4510. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations; and

H.R. 5810. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

ENROLLED BILL SIGNED

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the enrolled bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

At 2:30 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has agreed to the following concurrent resolutions without amendment:

S. Con. Res. 16. A concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Income Security for Americans: Recommendations of the Public Welfare Study"; and

S. Con. Res. 17. A concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Subsidy Programs."

The message also announced that, pursuant to the provisions of section 1(e), Public Law 93-568, the Speaker has appointed as members of the Advisory Committee of the White House Conference on Library and Information Services the following member on the part of the House: Mr. Ford of Michigan, and the following members from private life: Mr. Gene Shalit of New York City, N.Y.; Mrs. Allie Beth Martin of Tulsa, Okla.; Mrs. Jeanne Hurley Simon of Carbondale, Ill.; and Mr. Michael A. McCarroll of Lexington, Mass.

The message further announced that, pursuant to the provisions of section 2(a), Public Law 9379, the minority leader has appointed Mr. Stanford E. Parris of Virginia as a member of the District of Columbia Law Revision Commission, vice Mr. Henry P. Smith III, of New York, resigned.

At 4:30 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions without amendment:

S. Con. Res. 23. A concurrent resolution to authorize the printing of additional copies of "The Congressional Program of Economic Recovery and Energy Sufficiency"; and

S. Con. Res. 31. A concurrent resolution authorizing the printing as a Senate document of the prayers offered by the Chaplain of the Senate, the Reverend Edward L. R. Elson, S.T.D., during the 93d Congress.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Bumpers) laid before the Senate the following letters, which were referred as indicated:

Report of the Defense Civil Preparedness Agency

A letter from the Director of the Defense Civil Preparedness Agency transmitting, pursuant to law, a report of Federal Contributions Program Equipment and Facilities for the quarter ending March 31, 1975 (with an accompanying report); to the Committee on Armed Services.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Inefficient Management of F-14 Spare Parts" (with an accompanying report); to the Committee on Government Operations.

Proposed Legislation by the Department of the Navy

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to authorize officers of flag rank to serve in the Medical Service Corps in the Navy, and for other purposes (with accompanying papers); to the Committee on Armed Services.

Supplemental Estimate of Appropriation for the Railroad Retirement Board

A letter from the Deputy Director of the Office of Management and Budget reporting, pursuant to law, that the appropriation to the Railroad Retirement Board for "Limitation on Salaries and Expenses," has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation for the fiscal year 1975 (with accompanying papers); to the Committee on Appropriations.

Proposed Legislation by the President

A communication from the President of the United States transmitting a draft of proposed legislation to set a termination date for veterans educational benefits under Chapters 34 and 36 of title 38, U.S.C., and for other purposes (with accompanying papers); to the Committee on Veterans' Affairs, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HRUSKA, from the committee on the Judiciary, without amendment:

S. 240. A bill to amend the Act entitled "An Act granting a charter to the General Federation of Women's Clubs" (Rept. No. 94-105).

S.J. Res. 44. A joint resolution authorizing the President to proclaim September 28, 1975, as National Indian Day (Rept. No. 94-106).

S.J. Res. 46. A joint resolution authorizing and requesting the President to issue a proclamation designating October 5-11, 1975, as "Newspaper Week" and also designating October 11, 1975, as "Newspaper Carrier Day" (Rept. No. 94-107).

By Mr. Hruska, from the committee on the Judiciary, with an amendment:

S.J. Res. 79. A joint resolution to authorize "National Shut-In Day" (Rept. No. 94-108).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S.J. Res. 34. A joint resolution asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day" (Rept. No. 94–109).

By Mr. HARTKE, from the Committee on Commerce, without amendment:

H.R. 4975. An act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Donald Sharp Fredrickson, of Maryland, to be Director of the National Institutes of Health;

Harold L. Hodgkinson, of California, to be Director of the National Institute of Education;

Richard C. Atkinson, of California, to be Deputy Director of the National Science Foundation;

Edward E. Booher, of New Jersey, to be a member of the National Council on Educational Research;

Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare; and

The following-named persons to be members of the Advisory Council on Women's Educational Programs for the terms indicated (new positions):

For a term of 1 year:

Benjamin DeMott, of Massachusetts.
Marsha Jean Darling, of North Carolina.
Jon W. Fuller, of Michigan.
Margaret B. Harty, of Texas.
Holly Knox, of the District of Columbia.
Irene E. Portillo, of California.

For a term of 2 years:

M. Anne Campbell, of Nebraska.
Joanne M. Carlson, of Oregon.
Bernice Sandler, of Maryland.
Gerald E. Weaver, of Mississippi.
Sister M. Joyce Rowland, of Minnesota.

For a term of 3 years:

Mary L. Allen, of Kansas.
Ernest L. Boyer, of New York.
Katherine K. Burgum, of North Dakota.
Theresa Aragon de Shepro, of Washington.
Mary Beth Peters, of Pennsylvania.
Agnes M. Dill, of New Mexico.

(The above nominations were reported with the recommendations that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, May 7, 1975, he presented to the President of the United States the enrolled bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 1387. An act for the relief of Paul Alvarez Rodriguez;

H.R. 1388. An act for the relief of Guadalupe Villegas-Cantu;

H.R. 1393. An act for the relief of Jacinta Roque Armstrong-Perez;

H.R. 1408. An act for the relief of Joseph Hoffman;

H.R. 1510. An act for the relief of Steve P. Reese;

H.R. 1553. An act for the relief of Victor Henrique Carlos Gibson;

H.R. 1556. An act for the relief of Hendrika Koenders Lyne; and

H.R. 2119. An act for the relief of Maria Gilda Haro; to the Committee on the Judiciary.

H.R. 4510. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations; and

H.R. 5810. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations; to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 1672. A bill to amend the Food Stamp Act; and

S. 1673. A bill to amend the Food Stamp Act. Referred to the Committee on Agriculture and Forestry.

By Mr. SPARKMAN (by request):

S. 1674. A bill providing for participation by the Government of the United States in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association, and authorizing appropriations therefor. Referred to the Committee on Foreign Relations.

By Mr. PHILIP A. HART (for himself, Mr. Griffin, Mr. Bayh, Mr. Hartke, Mr. Humphrey, Mr. Mondale, Mr. Nelson, Mr. Percy, Mr. Proxmire, and Mr. Stevenson):

S. 1675. A bill to designate certain lands in the Isle Royale National Park in Michigan as wilderness, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. TAFT (for himself, Mr. Thurmond, and Mr. McClure):

S. 1676. A bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes. Referred to the Committee on Government Operations.

By Mr. MONDALE:

S. 1677. A bill to amend 23 of the Internal Revenue Code of 1954 (relating to the Federal Unemployment Tax Act) to provide for the eligibility of school teachers for unemployment insurance under the unemployment insurance program. Referred to the Committee on Finance.

By Mr. ABOUREZK:

S. 1678. A bill to help preserve the separation of powers and to further the intent of Congress in the delegation of responsibilities to the agencies by providing for congressional review of rulemaking proposed by executive agencies. Referred to the Committee on the Judiciary, by unanimous consent.

By Mr. HARTKE (for himself and Mr. Magnuson):

S. 1679. A bill to amend the Regional Rail Reorganization Act of 1973 to permit responsible consideration of the profitability of light density lines, and for other purposes. Referred to the Committee on Commerce.

By Mr. HARTKE (by request):

S. 1680. A bill to authorize the Secretary of Transportation to guarantee loans of $100,000,000 to Railroad Systems in the Midwestern United States. Referred to the Committee on Commerce.

By Mr. EAGLETON:

S. 1681. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to cosmetic safety. Referred to the Committee on Labor and Public Welfare.

By Mr. BENTSEN:

S. 1682. A bill entitled "The Justice Department Reform Act." Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 1683. A bill to amend the Internal Revenue Code of 1954 to permit a parent who supports a handicapped child to take a personal exemption for that child even though the child earns more than $750. Referred to the Committee on Finance.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 1672. A bill to amend the Food Stamp Act; and

S. 1673. A bill to amend the Food Stamp Act. Referred to the Committee on Agriculture and Forestry.

Mr. HUGH SCOTT. Mr. President, I am pleased today to be introducing two bill to amend the Food Stamp Act of 1964. As you know, there have been many abuses and inequities in this program since its inception. In essence, these two bills are designed to eliminate abuses and improve and streamline the program.

The first bill will allow all those already eligible for food stamps to use them to purchase Meals on Wheels. In 1969 I introduced a bill to authorize the elderly to exchange food stamps for meals prepared by private, nonprofit organizations. Although this bill was subsequently made a part of a more comprehensive bill adopted by the Senate in 1969, the House failed to take action. The bill I introduce today is designed to do the same thing; namely, to allow all those elderly or disabled who receive Meals on Wheels to pay for them with food stamps.

The second bill is designed to aid in the administration of the food stamp program by requiring a more efficient and orderly procedure for the issuance of food stamp vouchers, for certification and verification of potential applicants. At present, Pennsylvania has nearly 900,000 people receiving food stamps—this represents more than 290,000 households.

As my colleagues know, the biggest problem facing most States is getting those eligible for the program properly and quickly enrolled. In many States potential recipients are forced to wait in long lines day after day in their effort to register for the program. This bill will eliminate lengthy waiting periods by improving certification procedures. In addition, the bill provides for notification of all social security supplemental security income and unemployment compensation applicants and recipients of the food stamp program and its income and resource guidelines.

I think it is appropriate to state that the two bills I am introducing today are also part of a comprehensive bill introduced by Senator McGovern, chairman of the Select Committee on Nutrition and Human Needs. He has graciously agreed to my introducing two of the sections of his bill which I believe are critical to the continued efficient and equitable operation of the food stamp program.

In this time of rising unemployment, the food stamp program represents salvation to hundreds of thousands of people across the country. It is designed to lessen their struggle against skyrocketing prices. Because of the critical role that food stamps play, it is essential that we make them readily available and easily accessible to all those eligible to participate in the program. These two bills go a long way toward accomplishing that goal.

Mr. President, I ask unanimous consent that the text of my two bills be printed immediately following my reremarks.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1672

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 10(h) of the Food Stamp Act of 1964, as amended, is amended by deleting the first sentence and inserting in lieu thereof the following:

"Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members or persons who are elderly, housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which: (1) is operated in a manner consistent with the purposes of this Act; and (2) is recognized as a tax exempt organization by the Internal Revenue Service."

S. 1673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Food Stamp Act, as amended, is amended by adding new subsections 10(j) and (k) as follows:

"(j) In order to insure the participation of eligible households and to provide for the effective and efficient administration of the food stamp program, the Secretary shall provide for in the regulations issued pursuant to this Act:"

"(j) (1) Certification procedures that shall provide for:

"(a) each potential applicant to have an opportunity to file an application for participation in the food stamp program on the same day of such person's first reasonable attempt to make a request for food stamp aid."

"(b) immediate 30-day certification, and issuance of an authorization to purchase card, to any household which meets the uniform national standards of eligibility on the face of the application, without requiring supporting documents, subject to the provisions of subsection (c)."

"(c) verification of each application within 30 days after certification: *Provided,* That a household's certification shall not expire prior to the State agency completing verification."

"(d) a minimum certification period of three months: *Provided,* That households containing an elderly, blind, or disabled recipient, shall be certified for a minimum of six months."

"(e) convenient, adequately staffed certification centers."

(2) Outreach guidelines to insure the participation of all eligible households, including but not limited to:

"(a) notification of all Social Security, SSI, and unemployment compensation applicants and recipients, or the existence of the food stamp program and its income and resource guidelines. A full-time outreach director for each State and county.

"(b) a continuing media campaign in each State to inform the public about the food stamp program eligibility guidelines, how and where to apply, and what to take to the certification office.

"(c) personal contact with low-income persons by outreach workers to be hired primarily from the low-income community and the use of nonprofit organizations.

"(d) a toll-free telephone number through which food stamp information may be obtained and to provide adequate telephone lines into food stamp offices."

"(3) In such areas as are necessary, multilingual personnel, printed material, and other services provided for in subsection (1) and (2)."

"(4) The creation of a Food Stamp Advisory Board, to be composed equally of State administrators, community representatives including food stamp recipients and persons generally recognized as experts in the field. The Board shall be composed of 15 members and shall be consulted prior to regulation changes, and in no case less than quarterly. The Board shall issue a yearly report to the Congress on the operation of the food stamp program."

"(k) The United States Postal Service shall provide for the issuance of food stamps to certified households in all post offices during normal working hours, notwithstanding the responsibility of the State agency for the issuance of coupons under subsection (b). The Postmaster General shall consult with the Secretary in formulating regulations pursuant to this subsection."

By Mr. SPARKMAN (by request):

S. 1674. A bill providing for participation by the Government of the United States in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association, and authorizing appropriations therefor. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for participation by the Government of the United States in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association, and authorizing appropriations therefor.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill, a justification and a section-by-section analysis be printed in the RECORD at this point, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated April 25, 1975.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 1674

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to maintain membership in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association.

SEC. 2. There is hereby authorized to be appropriated to the Department of State such sums as may be necessary for the annual payment by the United States as a member of its share of the expenses of the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Organization.

APRIL 25, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
U.S. Senate

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation which would authorize United States Government participation in the following organizations: (1) the International Seed Testing Association; (2) the International Cotton Advisory Committee; (3) the International Rubber Study Group; and (4) the International Lead and Zinc Study Group. The United States has participated in these organizations since 1924, 1939, 1945, and 1960 respectively.

We are also requesting authorization of appropriations to the Department of State for such sums as may be necessary for the annual payment by the United States as a member of its share of the expenses of these International Organizations.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress.

Respectfully,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

Enclosure:

1. Proposed Legislation
2. Section-by-Section Analysis
3. Explanatory Justification

EXPLANATORY JUSTIFICATION

The four organizations in which the proposed bill will formally authorize United States membership, the International Cotton Advisory Committee (ICAC), the International Rubber Study Group (IRSG), the International Seed Testing Association (ISTA) and the Lead and Zinc Study Group (LZSG) have been in existence for many years. They provide useful forums for international cooperation and for discussion and solution of international problems pertaining to the commodities concerned. Continuation of our membership in these organizations is in the national interest.

The ICAC is the source of widely respected statistical data and economic analysis with respect to world cotton production, consumption, trade, stocks, and prices, and serves as a forum for the consideration of cotton problems. As a major cotton producer and consumer, the United States has an important interest in the activities of the ICAC, and has participated in the Committee since 1939.

The IRSG provides valuable statistics and other data on production and trade in rubber, and a forum for discussion of the problems of the rubber industry. As the world's largest consumer of rubber and the largest producer of synthetic rubber, the United States has an important interest in developments in the rubber industry. United States participation in the IRSG started in 1945.

The ISTA develops internationally acceptable seed testing criteria. These are important in protecting the farmer against the hazard of sowing inferior seed and helps insure that U.S. seeds may enter foreign markets. We have participated in the ISTA since 1924.

The LZSG is a valuable source of data on these important and often unstable commodities. As a major producer and consumer of these metals, the United States has an important need for these data and for the LZSG as a forum for discussing specific problems of these industries. We have participated in the LZSG since 1960.

In its report 93–176, the Senate Foreign Relations Committee recommended that action be taken to obtain formal Congressional authorization of United States participation in these organizations. The proposed bill will accomplish this objective. It will also authorize appropriation of our share of the organizations' expenses. Upon enactment of the legislation, our share of the organizations' expenses will be moved from the "Contributions to New or Provisional Organizations" section of the *International Conferences and Contingencies* appropriation to the *Contributions to International Organizations* appropriation. Our share of the expenses of all four of these organizations for fiscal year 1976 is estimated at $55,000.

SECTION-BY-SECTION ANALYSIS

Section 1. This section authorizes the President to maintain membership in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association.

Section 2. This section authorizes the annual appropriation of sums for payment by the United States of its share of the expenses of the four organizations.

By Mr. PHILIP A. HART (for himself, Mr. Griffin, Mr. Bayh, Mr. Hartke, Mr. Humphrey, Mr. Mondale, Mr. Nelson, Mr. Percy, Mr. Proxmire, and Mr. Stevenson):

S. 1675. A bill to designate certain lands in the Isle Royale National Park in Michigan as wilderness, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. PHILIP A. HART. Mr. President, on behalf of Senator Griffin and myself, I am reintroducing a bill to designate portions of Isle Royale National Park for preservation as wilderness. Again we are pleased to be joined in sponsorship of this measure by the Senators from Illinois (Mr. Percy and Mr. Stevenson), the Senators from Indiana (Mr. Bayh and Mr. Hartke), the Senators from Minnesota (Mr. Humphrey and Mr. Mondale), and the Senators from Wisconsin (Mr. Nelson and Mr. Proxmire).

Isle Royale National Park, situated in Lake Superior, is one of the most outstanding natural areas in North America. Due to its location and insularity the island offers a rare opportunity to the hiker and naturalist alike for the enjoyment and study of a basically undisturbed fragile ecosystem, including the only naturally balanced population of timber wolf in the continental United States.

From the time Isle Royale was established as a national park in 1931, studies done for and by the National Park Service have repeatedly emphasized that the singular, most important characteristic of Isle Royale is its value as a wilderness area.

Today, with visitation at or near carrying-capacity, the need is ever more pressing to protect that wilderness value for which this national park was established. With the passage of the Wilderness Act in 1974, Congress provided a mechanism to prevent the dilution of wilderness values, irreplaceable once lost.

The proposal we introduce today again embodies a "citizen alternative proposal," the result of a great deal of interest and detailed field work by conservation groups in Michigan, ecologists, and scientists at several Michigan universities, and members of leading national conservation groups. Officials of the State of Michigan—Governor William Milliken, his Natural Areas Advisory Council, and the Michigan Department of Natural Resources—have also endorsed the "citizen alternative proposal," a 132,744-acre alternative to the smaller acreage which would be designated as wilderness in the Department of Interior official proposal.

Senator Griffin and I first introduced legislation to implement the citizens proposal as S. 2539 in 1971. As a result of policy clarifications in hearings on S. 2539 in 1972, the Senate Subcommittee on Public Lands directed the Department of Interior to revise its recommendations to conform to the Wilderness Act. This resulted in the addition of some 9,000 acres to their earlier 120,588–acre proposal, a significant and welcome improvement. This, we believe, can be further improved with the other 3,000 odd acres we additionally propose.

As a result of the 1972 hearings, our bill was also refined and introduced as S. 452 in the 93d Congress. The bill Senator Griffin and I, and our cosponsors introduce today is identical to S. 452, and we look forward to its prompt consideration in the Committee on Interior and Insular Affairs.

By Mr. TAFT (for himself, Mr. Thurmond, and Mr. McClure):

S. 1676. A bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes. Referred to the Committee on Government Operations.

(The remarks of Mr. Taft on the introduction of the above bill are printed later in the Record.)

By Mr. MONDALE:

S. 1677. A bill to amend chapter 23 of the Internal Revenue Code of 1954—relating to the Federal Unemployment Tax Act—to provide for the eligibility of school teachers for unemployment insurance under the unemployment insurance program. Referred to the Committee on Finance.

Mr. MONDALE. Mr. President, I am today introducing legislation designed to remove an inexcusable inequity in our Federal-State unemployment compensation system. The bill which I am proud to introduce would bring teachers within the unemployment compensation system.

The unemployment compensation system in this country is designed as a cooperative effort between the Federal Government and the governments of the States. As a general rule, the Federal legislation embodying the system requires the States to equal or exceed specifically described Federal requirements in order to participate.

Under present law, the States are given the option to include non-Federal employees in the unemployment compensation system. Unfortunately, coverage has not been generously forthcoming.

Only 8 States, including Minnesota, provide mandatory coverage for teachers. Although 24 States allow local governments the choice of whether or not to cover teachers, there has been minimal exercise of the local option. Generally, because the local districts are fiscally dependent upon higher legislative bodies, teachers must convince the school district plus one or more legislative bodies of the desirability of coverage.

Most unfortunate of all, 17 States provide for neither mandatory nor voluntary coverage of teachers.

The Supreme Court of the United States has said:

> Today, education is perhaps the most important function of state and local governments. . . . It is required in the performance of our most basic public responsibilities. . . . It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education.

Although written many years ago, these words ring equally true today.

It is, after all, the teacher who serves as the vehicle for the transmission of this important input into the lives of our children. The teacher conveys facts and figures. The teacher serves as a moral and ethical example. The teacher serves as a parent-substitute for many hours of the day.

The teacher is, in short, an indispensable public servant, performing a vitally important professional function. The work performed by teachers is as important as that performed by any group of our society.

It is, therefore both unwise and unfair to treat the teacher as a second-class citizen when he or she, through no personal fault, falls victim to unemployment.

Mr. President, teachers are not escaping the effects of our current economic problems. Several years ago teachers were part of a booming job market. There were not enough teachers to fill the enormous need. Today, however, teaching positions are very, very hard to find. Many experienced, qualified teachers have been laid off and are unable to find new employment. Recent graduates are entering the market with no prospect for employment.

These people want to teach, they are trained to teach, but the employment situation is desperate. The Office of Education estimates that, within the next 5 years, there will be a Nationwide reduction of 80,000 teaching jobs.

Mr. President, we must not ignore this important segment of our society when they fall victim to unemployment. We must help teachers over periods of economic adversity as we help others.

It is estimated that, of the 2.2 million teachers in the United States today, only approximately 424,220—about 16 percent—are presently covered by permanent unemployment compensation protection.

Fortunately, the 93d Congress enacted Public Law 93-567, providing a temporary program of unemployment compensation benefits for workers—including teachers—who are not presently covered. Under this law, teachers in 41 States are currently receiving unemployment compensation benefits.

We should—we must—continue this program during our current period of high unemployment. However, we must also think ahead, toward basic reform of our unemployment compensation system. The legislation I am introducing today is designed to do just that.

Unemployment insurance is a Federal-State System designed to provide temporary wage-loss compensation to workers as protection against the economic hazards of unemployment. Funds accumulated from taxes on wages during periods of employment permit payments of benefits to covered workers during periods of unemployment.

At the same time as the unemployed worker is assisted financially while he is looking for work, the benefit payments help maintain purchasing power throughout the economy and cushion the shock of unemployment on the economy. In addition to helping the worker, the program is designed to help the entire economy, helping to prevent an economic downturn from gathering momentum and forcing further declines in consumer purchasing power. The benefits are countercyclical in effect and help to prevent unemployment from spreading and lasting a longer time.

Thus, Mr. President, not only does the importance of the teaching profession dictate inclusion of educators in our Unemployment Compensation System, the basic rationale of the System dictates inclusion.

Mr. President, I continue to advocate broad reform of the Unemployment Compensation System. Accordingly, I will shortly introduce a much broader bill on this subject, including reform of numerous aspects of the System—duration, eligibility, benefit amounts, and the like.

The legislation I am introducing today aims at a specific inequity. I am hopeful that it will serve as a vehicle for the Senate to focus on this problem.

I ask unanimous consent that the text of the bill be printed in the Record, at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "School Teachers' Unemployment Insurance Act."

Sec. 2. (a) Section 3304(a)(6)(A) of the Internal Revenue Code of 1954 is amended by striking out the word "higher" in each instance in which the word appears therein immediately preceding the word "education" in the subparagraph.

(b) Section 3304(a) of such Code is further amended by striking out, in paragraph (12) of such subsection, the words "and institutions of higher education as defined in section 3309(d)" where such words appear therein immediately preceding the words "operated by such political subdivisions."

(c) Section 3309 of the Internal Revenue Code of 1954 is amended by—

(1) striking out the word "higher" where such word appears immediately preceding the word "education" in subsection (a)(1)(B);

(2) striking out paragraph (3) of subsection (b) and redesignating paragraphs (4), (5) and (6) of such subsection as paragraphs 3, (4) and (5), respectively;

(3) amending subsection (d) to read as follows:

"(d) DEFINITION OF INSTITUTION OF EDUCATION.—For purposes of this section, the term "institution of education" means an educational institution in any State—

"(1) which offers preschool, elementary or secondary education or occupational training, (except that the term shall not include any day care center that provides predominantly custodial service) and is a public institution, or

"(2) which is an institution of higher education and which

"(a) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

"(b) is legally authorized within such State to provide a program of education beyond high school;

"(c) provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, or offers a program of training to prepare students for gainful employment in a recognized occupation; and

"(d) is a public or other nonprofit institution."

Sec. 3. (a) the captions of section 3309 of the Internal Revenue Code 1954 is amended to read as follows:

"STATE LAW COVERAGE OF CERTAIN SERVICES PERFORMED FOR NONPROFIT ORGANIZATIONS, INSTITUTIONS OF EDUCATION AND STATE HOSPITALS

(b) The table of sections for chapter 23 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 3309 and inserting in lieu thereof the following:

"Sec. 3309. State law coverage of certain services performed for nonprofit organizations, institutions of education, and State hospitals."

Sec. 4. Section 3303(f) of the Internal Revenue Code of 1954 is amended by inserting immediately after "January 1, 1969," in such subsection "or, in the case of an organization or group of organizations to which section section 3309(a)(1)(A) applies as the result of amendments made by the School Teacher's Unemployment Insurance Act, January 1, 1972."

Sec. 5. (a) The amendments made by sections 2, 3 and 4 shall apply with respect to certifications of State laws for 1977 and subsequent taxable years, but only with respect to service performed after December 31, 1975.

(b) Section 3304(a)(6) of the Internal Revenue Code of 1954 (as amended by this Act) shall not be a requirement for the State law of any State prior to July 1, 1977, if the legislature of such State does not meet in a regular session which closes during the calendar year 1976.

By Mr. ABOUREZK:

S. 1678. A bill to help preserve the separation of powers and to further the intent of Congress in the delegation of responsibilities to the agencies by providing for congressional review of rulemaking proposed by executive agencies. Referred to the Committee on the Judiciary, by unanimous consent.

Mr. ABOUREZK. Mr. President, today I introduce S. 1678, a bill to help preserve the separation of powers and to further the intent of Congress in the delegation of responsibilities to the agencies by providing for Congressional review of rulemaking proposed by executive agencies.

The provisions of this bill are identical to H.R. 3658 introduced by Representative Levitas in the House of Representatives on February 25, 1975, and referred to the Judiciary Committee of the House. I introduced this bill for the purposes of discussion because I believe that the need for such an inquiry is real and crucial.

The volume and importance of these administrative rules are much greater than one would think. Sam Ervin, my predecessor as chairman of the Subcommittee on Separation of Powers, once noted that all the volumes of the United States Code, representing the entire output of Congress from 1787 to the present do not take up nearly the room on his shelves as do the regulations issued by executive departments and independent agencies over an 18 month period.

Let me reemphasize this point. Last year the Congress enacted 647 public laws while approximately 6,000 administrative rules were adopted by 67 Federal agencies, departments, and bureaus. More law, in the sense of rules governing our society is produced by the executive branch and independent agencies than is produced by the national legislature. Administrative agencies, the headless "fourth branch" of Government have grown up virtually unsupervised. Administrative rulemaking has filled the gaps between the broad principles embodied in acts of Congress, yet this process has not been subjected to effective congressional control and direction.

As chairman of the Separation of Powers Subcommittee, I am deeply concerned with the broad discretion given these agencies. I believe that the procedures which permit civil servants and appointed officials to pass upon thousands of far-reaching laws that in some circumstances put the liberty or property of our citizens in jeopardy are in need of reexamination.

The separation of powers interest in the rulemaking operations of the administrative agencies transcends the practical problems of the internal organization procedures, substance and quality of the work of any one agency.

As introduced, this bill would provide for congressional review of any administrative rule adopted by an agency under the procedures of the Administrative Procedure Act, 5 U.S.C. 553—where the violation of such rule could result in a criminal sanction. Either House of Congress would have 30 days in which to consider whether to introduce a resolution disapproving the adopted regulation. If during this period, a member of either House introduces a resolution disapproving the specific rule, the resolution can be either voted on or referred to the appropriate oversight committee for its consideration and action. In this event, the time period for consideration and action. In this event, the time period for consideration would be extended an additional 30 days. If either House by majority vote, passes a resolution of disapproval, the proposed regulation could not take effect. Moreover, the failure of Congress to adopt a negative resolution would not be construed an expression of approval, therefore, avoiding interference with any litigation which might arise from an adopted rule.

Mr. President, the Separation of Powers Subcommittee has had the matter under investigation for some time. In fact, the procedures contemplated in this bill for Congressional review and the mechanism for disapproval were patterned on procedures adopted in the Budget and Impoundment Control Act of 1974, which originated in the subcommittee in 1971.

Whether this procedure will ultimately be adopted by the Congress remains to be seen. As I said earlier, I am not wedded to this approach. However, I am convinced that it is time for Congress to reexamine the practice of delegating authority to the agencies and the manner in which the agencies interpret such delegations through administrative rulemaking procedures.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD following the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Administrative Rulemaking Control Act".

SEC. 2. The Congress finds that—

(1) the executive agencies through rulemaking powers have promulgated many rules which contain criminal sanctions;

(2) the executive agencies have often exceeded the intent of Congress in the manner in which such agencies have administered various laws; and

(3) the executive agencies in the administration of any law should be more responsive to the intentions of Congress in enacting such law.

Therefore, it is the purpose of this Act to establish a procedure whereby Congress may review certain rulemaking activities of executive agencies, thereby exercising greater control and oversight over the operations of such agencies.

SEC. 3. Section 553 of title 5, United States Code (relating to rulemaking), is amended to read as follows:

"§ 553. Rulemaking and congressional disapproval of proposed rules

"(a) This section applies, according to the provisions thereof, except the extent that there is involved—

"(1) a military or foreign affairs function of the United States; or

"(2) a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.

"(b) General notice of proposed rulemaking shall be published in the Federal Register. The notice shall include—

"(1) a statement of the time, place, and nature of public rulemaking proceedings;

"(2) reference to the legal authority under which the rule is proposed; and

"(3) either the terms or substance of the proposed rule or a description of the subjects and issues involved.

Except when notice or hearing is required by statute, this subsection does not apply—

"(A) to interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice; or

"(B) when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

"(c) After notice required by this section, the agency shall give interested persons an opportunity to participate in the rulemaking through submission of written data, views, or arguments with or without opportunity for oral presentation. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.

"(d) Except where subsections (f) and (g) apply, the required publication or service of a substantive rule shall be made not less than thirty days before its effective date, except—

"(1) a substantive rule which grants or recognizes an exemption or relieves a restriction;

"(2) interpretative rules and statements of policy; or

"(3) as otherwise provided by the agency for good cause found and published with the rule.

"(e) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.

"(f) A rule shall take effect only in the manner provided in subsection (g) if it is a rule—

"(1) with respect to which general notice of a proposed rulemaking is required to be published by this section; and

"(2) the violation of which subjects the person in violation to a criminal penalty.

"(g) (1) (A) Except as provided in subparagraphs (B) and (D), a rule described in subsection (f) may take effect (i) only if published (with an identification number) in the Federal Register, (ii) only after the expiration of the first period of thirty calendar days of continuous session of Congress after the date on which the rule was published, and (iii) only if, between the date of publication and the end of the thirty-day period, neither House, without referral of such matter to the appropriate committee, passes a resolution stating in substance that that House does not favor the rule.

"(B) Notwithstanding the provisions of subparagraph (A) of this paragraph, whenever a resolution, stating in substance that a House does not favor a rule described in paragraph (f), is referred to a committee of either House, such rule may take effect (i) only after the expiration of the first period of sixty days of continuous session of Congress after the date on which the rule was published, and (ii) only if, between the date of publication and the end of the sixty-day period, neither House passes such resolution.

"(C) For the purpose of subparagraph (A) of this paragraph—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.

"(D) Under provisions contained in a rule, a provision of the rule may be effective at a time later than the date on which the rule otherwise is effective.

"(2) Paragraphs (3) through (8) of this subsection are enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (3) of this subsection; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(3) For the purpose of paragraphs (2) through (8) of this subsection, 'resolution' means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: 'That the   does not favor the rule numbered   published in the Federal Register on   , 19 .', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one rule.

"(4) Upon introduction of a resolution with respect to a rule, it shall be in order at any time thereafter to move the referral of such resolution to a committee pursuant to paragraph (5) or to move the adoption of such resolution. Each such motion is highly privileged and is not debatable. An amendment to such motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to. In the case of a motion to adopt a resolution, the procedures set forth in paragraphs (7) (B) and (8) (A) and (B) shall apply.

"(5) After passage by a majority vote of a motion to refer a resolution to a committee, such resolution shall be referred to such committee (and all resolutions with respect to the same rule shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(6) (A) If the committee to which a resolution with respect to a rule has been referred has not reported it at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the rule which has been referred to the committee.

"(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same rule), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same rule.

"(7) (A) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a rule, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(8) (A) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a rule, and motions to proceed to the consideration of other business, shall be decided without debate.

"(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a rule shall be decided without debate.

"(h) Congressional inaction with respect to, or the rejection without referral to a committee of any resolution disapproving a rule described in subsection (f) of this section shall not be deemed to be an expression of approval of such rule.".

Mr. **ABOUREZK** subsequently said: Mr. President, I ask unanimous consent that the bill I introduced earlier today on rulemaking be referred to the Commitee on the Judiciary.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

By Mr. HARTKE (for himself and Mr. Magnuson):

S. 1679. A bill to amend the Regional Rail Reorganization Act of 1973 to permit responsible consideration of the profitability of light density lines, and for other purposes. Referred to the Committee on Commerce.

Mr. **HARTKE**. Mr. President, I am introducing today the Light Density Railroad Lines Evaluation Act of 1975. This legislation is conceptually similiar to S. 1396, which I introduced a short while ago. It is designed to deal with two increasingly serious problems that have resulted from the implementation of the Regional Railroad Reorganization Act of 1973. Title IV of the Regional Railroad Reorganization Act provided for a system of local rail service continuation subsidies to allow the continuation of light density lines that do not pay their way when there is reason to do so. Essential to the functioning of title IV are two things: First, State wishing to participate in the program must create a State rail program analogous to the familiar State highway programs that have developed over the years; and second, there must be a good analysis of the characteristics of each light density line so that those not covering their costs can be clearly identified and the extent to which they would have to be subsidized can clearly be ascertained.

Unfortunately, because of the immense scope of the task that the Congress assigned to the U.S. Railway Association and the limited time which we have permitted them to accomplish that task, there has not been a site—specific analysis of all light density lines with special attention paid to the individualities of each line. Furthermore, the Association has had to use a formula approach that has not met with universal agreement. The relatively short time in which the Congress has given for implementation of this very significant statute has also been difficult for the States. Many States have not had sufficient time to create the needed State rail programs, and if title IV were to be implemented as originally envisioned by Congress in 1973, there are States that would be completely unable to participate through a State rail program.

The Light Density Railroad Lines Evaluation Act of 1975 is designed to resolve these problems. The legislation creates a new category of "interim light density lines" which are to be studied for a 2-year period while being operated by ConRail. This will provide actual operating data for the lines in question so that more accurate and up-to-date information can be obtained. A reworking of the subsidy formula is required in order to get the optimum possible formula for determining subsidies, and the development of an accounting and information system is enhanced which will give a uniform determination of revenue, costs, and other features of operation of light density lines as individual operating and economic units.

Mr. President, this amendment provides for congressional review of the lines involved in much the same manner as Congress is to review the final system plan of the Association later this year. Both the Association and the Rail Services Planning Office will contribute to this process, and at the end of the 2-year period during which this analysis and review is conducted, the subsidy provisions revert to a 70/30 mix, and abandonment of unsubsidized lines occurs in the same manner as is presently provided in the Regional Rail Reorganization Act. Finally, the bill would assist the ability of the States to productively contribute to this process with rail planning grants. This legislative suggestion would implement a position that has already been taken by the Conference of States on the Regional Rail Reorganization Act.

Mr. President, my subcommittee intends to evaluate a number of amendments to the Regional Rail Reorganization Act. Amendments to the way in which the act deals with light density lines will probably be dealt with legislatively, as will other provisions of the Regional Rail Reorganization Act. This legislation is being introduced today so that it will be before the committee and the Congress to enable public and Government comment on the bill. While the Light Density Railroad Evaluation Act of 1975 will not solve any of the basic problems facing railroad transportation in the United States today, it is a worthwhile proposal for dealing with the specific problem of light density lines which has already received some attention in the Regional Rail Reorganization Act. I am hopeful that my subcommittee and the full Commerce Committee will be able to incorporate many of the concepts in this bill I am introducing today in the eventual package of legislation that will be necessary to assure the proper implementation of the reorganization. I am also hopeful that a similar process can be applied to light density lines elsewhere in order to adequately resolve the problems facing rail transportation over light density lines.

Mr. President, I ask unanimous consent that the full text of the Light Density Railroad Lines Evaluation Act of 1975 be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1679

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Light Density Railroad Lines Evaluation Act of 1975."

Sec. 2. Section 102 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702) is amended (1) by redesignating paragraphs "(8)" through "(15)" thereof as paragraphs (9) thorugh (16) thereof; and (2) by inserting after "paragraph "(7)" thereof the following new paragraph:

"(8) 'interim light density lines' means rail properties which are used in or useful for local rail services in the region; except that the term shall not include any such rail properties (A) which have been designated in the final system plan as rail properties (i) to be transferred to the Corporation, (ii) to be conveyed to a profitable railroad, or (iii) to be operated by any responsible person pursuant to section 206(c)(3) of this Act; or (B) which have been authorized to be abandoned, or over which rail service has been authorized to be discontinued, under section 304(f) of this Act, prior to the effective date of the final system plan;".

Sec. 3. (a) Paragraph (3) of section 205 (d) of such Act (45 U.S.C. 715(d)(3)) is amended by deleting ";" after "United States Code" and inserting in lieu thereof the following: ". Such standards shall be used to compute the amount of any rail service continuation subsidy to be paid entirely by the United States pursuant to section 402(b) (3) of this Act. Such standards shall, if necessary, be revised and republished by the Office within 450 days after the date of submission of a final system plan under section 207(c) of this title, on the basis of evaluation of all reports prepared pursuant to section 216(b) of this title, after a proceeding in accordance with the provisions of section 553 of title 5, United States Code. Such revised standards shall be used to compute the amount of any rail service continuation subsidy to be paid pursuant to section 402(a) of this Act;".

(b) Paragraph (4) of such section 205(d) is amended by (1) deleting "assist" and inserting in lieu thereof "provide legal and technical assistance to"; and (2) inserting after "criteria" and before "for determining whether" the following: ", not later than 360 days after the effective date of the final system plan and following public hearings and a proceeding in accordance with section 553 of title 5, United States Code,".

Sec. 4. Section 206(c) of such Act (45 U.S.C. 716(c)) is amended by—

(1) inserting in paragraph (1) thereof after "rail properties" and before "of railroads in reorganization" the following: ", including those identified as interim light density lines,";

(2) deleting ";" after "such offer" at the end of subparagraph (B) of paragraph (1) thereof and inserting in lieu thereof the following: ". All rail properties identified as interim light density lines shall be designated as such additions;";

(3) deleting "and" at the end of paragraph (1) thereof;

(4) deleting "." at the end of paragraph (2) thereof and inserting in lieu thereof "; and"; and

(5) adding at the end thereof the following new paragraph:

"(3) which interim light density lines shall be transferred to, continued in rail service, and operated by (A) the Corporation, (B) a profitable railroad, or (C) any responsible person; following the effective date of the final system plan, pursuant to section 304(c) of this Act, and how much annual subsidy shall be paid entirely by the United States to any such entity or person pursuant to section 402(b) (3) of this Act.".

SEC. 5. Section 214 of such Act (45 U.S.C. 724) is amended by—

(1) deleting "$5,000,000" in subsection (b) thereof and inserting in lieu thereof "$10,000,000"; and

(2) deleting "$40,000,000" in subsection (c) thereof and inserting in lieu there of "$50,000,000".

SEC. 6. Title II of such Act is amended by adding at the end thereof the following new section:

"LIGHT DENSITY LINES

"SEC. 216 (a) GENERAL.—Upon the effective date of the final system plan, the Association and the Office shall each commence a further study of interim light density lines. The additional study shall be conducted in accordance with sections 206 (a) and (b) of this title and shall include

"(1) further analysis of the methodology used by the Association in preparing the final system plan to determine the economic viability of light density lines; and,

"(2) further analysis of the subsidy standards and suitability criteria developed by the Office prior to the adoption of a final system plan, pursuant to sections 205(d) (3) and 205(d) (4) of this Act; and,

"(3) development of an accounting and information system necessary to produce an accurate determination of the revenue, costs and operations of light density lines as operating and economic units.

In addition, the Association and the Office shall review the actual operations of the Corporation and shall make recommendations for any changes in its operations and financing to the extent required to meet the purposes and goals of the Act.

"(b) REPORT.—(1) Within 120 days after the effective date of the final system plan, the Association shall prepare a report on the methodology to be used by it to determine the economic viability of interim light density lines. The Association shall make such changes in the methodology used in the preparation of the final system plan as are necessary or appropriate to reflect accurately actual revenues and actual costs of operation with respect to such lines, including any revenues and costs associated with repair, rehabilitation, and improvement activities required to provide safe, reliable, and efficient rail service. Such report shall include a statement as to any changes, including any increase in traffic or improvement in efficiency, that would or might make a specified interim light density line economically viable. Such report shall identify the accounting and information system, including the data with respect to operations, that are necessary to determine the actual revenues and actual costs of operation of such lines. A copy of such report shall be transmitted by the Association to the Secretary, to the Office, to the Governor and public utility commission of each State in the region, and to each Member of the Congress; shall be made available to interested persons; and shall be published in the Federal Register.

"(2) The Office shall conduct public hearings in the region on the Association's report and shall make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of such report, not later than 90 days after the date of the release of the Association's report;

"(3) Within 270 days after the effective date of the final system plan, the Association shall issue a final report. Copies shall be submitted to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. Such report shall be deemed approved and shall have the force of law at the end of the first period of 30 calendar days of continuous session of the Congress after the date that it is submitted, unless (following is probably unconstitutional since the power to make laws is granted to the Congress, not to any segment thereof like a Committee) either Committee of Congress during such period states its disapproval of the report and the reasons therefor. In this event, the Association shall prepare a revised report. Each such revised report shall be submitted for like review. The days of continuous session of Congress shall be computed as required under section 208(c) of this Act.

"(4) Within 30 days after the Association submits its report pursuant to the preceding paragraph, the Office shall issue a report outlining the applicability of the interim standards developed pursuant to section 205(d) (3) of this title to the determination of actual revenues and actual costs of operation of light density lines.

"(c) REVIEW AND RE-EVALUATION.—(1) Within 570 days after the effective date of the final system plan, the Association shall issue a preliminary report on interim light density lines. Such report shall include—

"(A) an analysis and identification of the economic viability of interim light density lines, utilizing the accounting and information system implemented pursuant to sections 302(e) and 402(g) (3) of this Act, together with changes in traffic, rates, operations and other such factors which, if accomplished, would improve the economic viability of interim light density lines;

"(B) an analysis of the economic, social and environmental effect on local communities of discontinuing service on interim light density lines;

"(C) recommendations for continuance or discontinuance of service on interim light density lines together with the subsidy amount to be paid pursuant to sections 304 (c), and 304(g), 402(b) (1), and 402(b) (2) of this Act and computed pursuant to section 205(d) (3) of this Act;

"(D) recommendations regarding suitable public uses for interim light density lines designated as unprofitable, pursuant to section 216(c) (1) (C) of this title; and

"(E) a designation of those interim light density lines found to be profitable which shall be operated by the Corporation, profitable railroads, or any responsible person without a subsidy paid pursuant to sections 304(c), 304(g) 402(a), and 402(b) of this Act;

"(F) any recommendations for changes in operations or financing that are necessary or appropriate to more completely or effectively meet the purposes and goals of this Act.

A copy of such report shall be transmitted by the Association to the Secretary, to the Office, to the Governor and public utility commission of each State in the region, and to each Member of the Congress; shall be made available to interested persons; and shall be published in the Federal Register.

"(2) The Office shall conduct public hearings in the region on the Association's report and shall make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of such report, not later than 90 days after the release of the Association's report.

"(3) Within 720 days after the effective date of the final system plan, the Association shall prepare and submit to the Congress a final report, pursuant to this section. Such submission shall reflect (A) study by evaluation by the Association of all responses, summaries, and testimony received by it, including the critique and evaluation of the Office; and (B) the results of any additional study and review by it. Copies of such final reports shall be made available to interested persons and shall be published in the Federal Register. Such final report shall include final analyses and conclusions as to each of the matters listed in paragraph (1) of this subsection. Such final report shall be deemed approved by the Congress and shall take effect at the end of the first period of 30 calendar days of continuous session of Congress after the date the final report is transmitted, unless either the House of Representatives or the Senate passes a resolution during such period stating that it does not favor the final report, in which event the Association shall prepare a revised report. Each such revised report shall be submitted for like review. The days of continuous session of Congress shall be computed as required under section 208(c) of this Act."

SEC. 7. Section 302 of such Act (45 U.S.C. 742) is amended by (1) redesignating "(a)", "(b)", "(c)", and "(d)" as "(1)", "(2)", "(3)", and "(5)" respectively; and (2) inserting immediately after "rail properties;" the following new paragraph:

"(4) implement and utilize the accounting and information system developed by the Association under section 216 of this Act;"

SEC. 8. Section 304 of such Act (45 U.S.C. 744) is amended by—

(1) inserting ", including interim light density lines" after "rail properties" and before the semicolon at the end of subparagraph (A) of subsection (a) thereof;

(2) (A) deleting "and (b)" in the first sentence of subsection (c) thereof and inserting in lieu thereof ", (b), and (g)"; (B) deleting "after 2 years from the effective date" in paragraph (1) of subsection (c) thereof and inserting in lieu thereof "after 4 years from the effective date"; (C) deleting "or" at the end of paragraph (1) of subsection (c) thereof; (D) deleting "." at the end of paragraph (2) of subsection (c) thereof and inserting in lieu thereof "; or"; and (E) inserting after paragraph (2) of subsection (c) thereof the following new paragraph:

"(3) when the United States offers a rail service continuation subsidy pursuant to section 402(b) (3) of this Act for the operation of rail service on such rail properties as interim light density lines; in which case the United States shall enter into an operating agreement with the Corporation, a profitable railroad, or any responsible person (including a government entity) pursuant to which such person or entity shall operate rail service and receive the required amount of such subsidy to be paid entirely by the United States under such section and in an amount to be computed pursuant to section 205(d) (3) of this Act.";

(3) deleting the period at the end of the first sentence of subsection (d) thereof and inserting in lieu thereof the following: ": *Provided,* That no offer of a rail service continuation subsidy shall be required to accompany an offer to purchase rail properties that are designated as interim light density lines and which are operated pursuant to a subsidy paid entirely by the United States pursuant to section 402(b) (3) of this Act if such purchase is executed during the term of such subsidy.";

(4) deleting "2 years" in subsection (e) thereof and inserting in lieu thereof "4 years";

(5) inserting after "no railroad in reorganization" and before "may discontinue" in subsection (f) thereof the following: ", the Corporation, no profitable railroad, and no responsible person operating interim light

density lines pursuant to a rail service continuation subsidy paid entirely by the United States pursuant to section 402(b)(3) of this Act, with respect to such a line during the term of such subsidy,"; and

(6) adding at the end thereof the following new subsection:

"(g) Interim Light Density Lines.—(1) Except as provided in subsection (c) and (f) of this section, rail service on interim light density lines operated by the Corporation, by a profitable railroad, or by an responsible person pursuant to this Act may be discontinued, to the extent that such discontinuance is not precluded by the terms of the leases and agreements referred to in section 303(b)(2) of this title, if—

"(A) the final report of the Association under section 216(c) of this Act does not designate rail service to be operated over such interim light density line;

"(B) not sooner than 30 days following the effective date of such final report, the person or entity operating such rail service gives notice in writing of intent to discontinue such rail service on a date certain and such date is not less than 60 days after the date of such notice; and

"(C) such notice was sent by certified mail to the Governor and state transportation agency of each State, and to the government of each political subdivision thereof, within which such rail properties are located; to the office; and to each shipper who has used such rail service during the 12-month period prior to the date of such notice.

"(2) Interim light density lines over which rail service has been discontinued, pursuant to paragraph (1) of this subsection, may not be abandoned sooner than 60 days after the effective date of such discontinuance, except as provided in subsections (c) and (f) of this section. Thereafter, such a line may be abandoned upon 30 days notice in writing to those required to receive notice pursuant to subparagraph (C) of paragraph (1) of this subsection.

"(3) If any rail properties proposed to be abandoned under this subsection are recommended, in the final report of the Association under section 216(c) of this Act, as rail properties which are suitable for use for other public purposes, such rail properties shall not be sold, leased, exchanged, or otherwise disposed of during the 180-day period beginning on the date of notice abandonment, unless such properties have first been offered, upon reasonable terms, for use of public purposes.".

Sec. 9. Section 402 of such Act (45 U.S.C. 762) is amended by—

(1) adding the following new sentence at the end of subsection (a) thereof: "For purposes of subsection (b)(3) of this section, the Federal share of a rail service continuation subsidy shall be 100 per centum.";

(2) adding the following two new paragraphs at the end of subsection (b) thereof:

"(3) The Secretary is authorized and directed to provide financial assistance to the Corporation, to a profitable railroad, or to a responsible person (including a government entity), if such person or entity is operating or intends to operate rail service over an interim light density line that is designated as such in the final system plan, for the purpose of continuing local rail service on such line. The amount of such assistance shall be computed in accordance with section 205(d)(3) of this Act, and the terms and conditions of such assistance shall be governed by regulations issued under subsection (d) of this section and by applicable operating agreements entered into by the Secretary.

"(4) The Secretary is authorized and directed to provide financial assistance in the form of grants to States in the region to assist such States to meet the cost of establishing and implementing the State plan for rail transportation and local rail services that is required as a condition of eligibility under subsection (c)(1) of this section. Such grants shall be made available as needed subject to reasonable conditions. The amount that each State in the region is entitled to receive, of the sums appropriated therefor, in the form of such State rail planning grants shall be determined by the Secretary according to the same ratio calculation as is used under paragraph (1) of this subsection to determine entitlement as to 50 per centum of the sums appropriated.";

(3) deleting the period at the end of subsection (d) thereof and inserting in lieu thereof the following: "and with respect to subsidies pursuant to subsection (b)(3) and planning grants pursuant to subsection (b)(4) of this section. Such regulations shall include a requirement that each recipient of a rail service continuation subsidy, including any person or entity operating an interim light density line, implement the accounting and information system developed by the Association under section 216 of this Act within 480 days after the effective date of the final system plan.";

(4) deleting paragraph (1) of subsection (i) thereof and inserting in lieu thereof the following: "(1) There are authorized to be appropriated to carry out the purposes of this section such sums as are necessary, not to exceed $55,000,000, of which $5,000,000 is to be made available for State rail planning grants in the region, for each of the two fiscal years including and following the effective date of the final system plan, and $45,000,000, of which $5,000,000 is to be made available for State rail planning grants in the region, for each of the next two fiscal years. Such sums as are appropriated shall remain available until expended."; and

(5) inserting in paragraph (2) of subsection (i) thereof immediately after "authorization", each place such term appears, the following: "for the last two fiscal years pursuant to paragraph (1)".

By Mr. HARTKE (by request):

S. 1680. A bill to authorize the Secretary of Transportation to guarantee loans of $100,000,000 to railroad systems in the Midwestern United States. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, I introduce by request, for appropriate reference, a bill, to authorize the Secretary of Transportation to guarantee loans of $100,000,000 to railroad systems in the Midwestern United States, and ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1680

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

STATEMENT OF PURPOSE

Section 1. It is the purpose of this Act to promote commerce, to meet the needs of consumers, to encourage the continued employment of the labor force and to foster the preservation and development of a rail transportation system in the Midwestern United States of America capable of meeting the national needs by providing financial assistance in the form of loan guarantees to those railroads in the Midwestern United States which need such assistance—

(a) to continue their operations without interruption;

(b) to acquire, construct, and maintain facilities and equipment necessary to continue safe and efficient operations; and

(c) to prevent the precipitous piece-meal division of such railroads among other railroads in the same region.

DEFINITIONS

Sec. 2. For the purposes of this Act—

(a) the term "additions and betterments or other capital expenditures" means expenditures for the acquisition or construction of property used in transportation service, chargeable to the road, property, or equipment investment accounts, in the Uniform System of Accounts prescribed by the Interstate Commerce Commission;

(b) the term "Company" shall mean any carrier by railroad subject to proceedings under Section 77 of the Bankruptcy Act (11 U.S.C. 205) which operates primarily in the Midwestern region of the United States;

(c) the term "Midwestern Region" shall mean that region of the United States comprising the following states: Colorado, Illinois, Iowa, Kansas, Louisiana, Arkansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, New Mexico, South Dakota, Tennessee, Texas and Wisconsin.

(d) the term "expenditures for maintenance of property" means expenditures for labor, materials, and other costs incurred in maintaining, repairing, or renewing equipment, road, or property used in transportation service chargeable to operating expenses in accordance with the Uniform System of Accounts prescribed by the Interstate Commerce Commission;

(e) the term "operating expense" means the day-to-day operating expenses of the company, including the normal and usual payroll expenditures for the company; and

(f) the term "Secretary" means the Secretary of the Department of Transportation.

AUTHORIZATION

Sec. 3. (a) The Secretary, is authorized and directed, on such reasonable terms and conditions as he may prescribe, to guarantee any person against loss of principal (including all payment obligations under a lease) and interest on securities, obligations (including rolling stock leases), or loans (including refinancing thereof) issued to a company for expenditures for maintenance of property.

(b) There is created within the Department of the Treasury a separate fund which shall be known as the "Midwestern Rail Fund" (hereinafter referred to as the "Fund") which shall be available to the Secretary without fiscal year limitation as a revolving fund for the purpose of this section. The total of guarantees made from this fund shall not exceed $100,000,000.

(c) There are authorized to be appropriated to the Fund from time to time such amounts as may be necessary to provide capital for the Fund.

(d) If at any time the amounts available in the Fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees under this section, he shall issue to the Secretary of the Treasury notes or other obligations in such forms as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Secretary from appropriations or other funds available under subsection (c) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

TERMS AND CONDITIONS

SEC. 4. (a) Prior to issuing the loan guarantee required by section 3 of this Act, the Secretary shall—

(1) require that application for such loan guarantee be made by the company in such form and with such content as he shall prescribe to reasonably protect the interests of the United States;

(2) obtain satisfactory assurances from the company that no more than $9,100,000 of funds guaranteed will be utilized to meet operating expenses and that the remainder of such guaranteed funds will be utilized for expenditures for maintenance of property; and

(3) obtain satisfactory assurance from the company that the company will be able to repay such guaranteed funds no later than fifteen years after the date on which they are made.

RULES AND REGULATIONS

SEC. 5. The Secretary shall issue such rules and regulations as are appropriate to carry out the purposes of this Act.

ENFORCEMENT

SEC. 6. The Secretary shall insure that the company complies with the provisions of this Act and any rules, regulations, or conditions imposed by the Secretary pursuant to this Act. In the event of any failure to comply with such provisions, rules, regulations, or conditions, the Secretary may take such enforcement action as he deems appropriate.

REPORTS

SEC. 7. The Secretary shall, within one year after enactment of this Act, report to the President and to the Congress with respect to his activities pursuant to this Act, including an evaluation of the financial conditions of the company. Such report shall also include recommendations, if any, for additional legislation action.

AUDIT

SEC. 8. The Comptroller General of the United States, or any of his duly authorized representatives, shall have access to such information, books, records, and documents as he determined necessary to effectively audit financial transactions and operations carried out by the Secretary in the administration of this Act. The Comptroller General shall make such reports to the Congress on the results of any such audits as he determines necessary.

INTERSTATE COMMERCE COMMISSION APPROVAL

SEC. 9. The company shall not be required to comply with the provisions of section 20a of the Interstate Commerce Act (49 U.S.C. 20a) with respect to guarantees made by the Secretary under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. In addition to the amount set forth in section 3(b) of this Act, there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. EAGLETON:

S. 1681. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to cosmetic safety. Referred to the Committee on Labor and Public Welfare.

COSMETIC SAFETY AMENDMENTS OF 1975

Mr. EAGLETON. Mr. President, today I am introducing a revised version of the Cosmetic Safety Amendments, a bill to insure that cosmetic products offered for sale to the public are safe, and that consumers have available the information they need to make informed purchases and to protect themselves against unnecessary injury. The bill is based on S. 863, which I introduced in the 93d Congress.

The need for this legislation has become increasingly apparent. Estimates of annual injuries presented in hearings held last year on my bill ranged from 60,000 by the Commission on Product Safety, to 29,000 by Mrs. Virginia Knauer, Special Assistant to the President for Consumer Affairs, to 9,700 by the director of applied research for Chesbrough-Ponds. Regardless of the precise figure, it is clear that a substantial number of persons suffer injuries associated with cosmetic use.

Question regarding the safety of cosmetics continue to be raised by authoritative sources. A recent report by a Food and Drug Administration Advisory Review Panel charged with studying and evaluating the safety and effectiveness of over-the-counter (OTC) antimicrobial drug products which are used on a daily basis has found some ingredients that are used in both cosmetics and OTC drugs are not generally recognized as safe. The Review Panel concluded that these ingredients should not be used in drugs until evidence to substantiate their safety is developed. However, as the panel also noted, in the absence of adequate regulatory authority with respect to cosmetics, there is nothing to prevent the incorporation of these ingredients of questionable safety in cosmetic products used daily by millions of Americans.

Other disturbing reports include the recent account of laboratory studies by Dr. Bruce Ames, a biochemist at the University of California, which raised the possibility that hair dyes may cause cancer and birth defects. In addition, a New York Times article of March 18, 1975, reported that a New York internist has noted that an unusually high percentage of his patients who developed breast cancer had been regular users of hair dyes. Both studies, while not purporting to be definitive statements on the safety of the products involved, do point to the existence of potential hazards to consumers of cosmetics.

The Federal Food, Drug, and Cosmetic Act of 1938 gives the Food and Drug Administration some limited power over cosmetics, but this authority is clearly inadequate. The law specifies a few labeling requirements—all products must indicate that net weight contents of a package and the name and address of the manufacturer—but contains no provisions regarding ingredient labeling, that is, the kind of labeling which is most important to the consumer to allow him or her to avoid certain ingredients which are known to cause allergic reaction or about which safety questions have been raised.

The existing law also gives the FDA authority to act against cosmetics which are adulterated—that is filthy, putrid, or decomposed. Should a cosmetic be determined to be either misbranded or adulterated, the FDA has the authority to seize the product. However, this after-the-fact approach permits potentially injurious products to be sold and leaves totally unprotected those who have already purchased these products and who continue to use them.

At the present time, the FDA can neither require manufacturers to provide proof that their products are safe nor require that premarket testing be undertaken. Let me add that many companies, both large and small, test their products thoroughly prior to production to assure that they are safe. But the average consumer assumes that some Federal control over safety is exercised, when in fact it is not. There is simply no uniformity of safety standards of procedures within the industry.

Only recently has the FDA begun to move to provide greater information to the consumer by proposing regulations under the Fair Packaging and Labeling Act to require ingredient labeling of all cosmetic products. However, the statutory basis for these regulations has been questioned, and in certain areas of regulation the FDA has had to depend to some degree on voluntary industry cooperation.

The bill I am introducing today gives clear statutory authority to the FDA to promulgate substantive regulations in the areas of ingredient labeling and safety substantiation. It will allow the FDA to use the broad authorities contained in the Food, Drug, and Cosmetic Act to enforce cosmetic safety rather than being forced to rely on the narrow authority of the Fair Packaging and Labeling Act.

I would like briefly to describe the provisions of my bill:

Title I sets forth procedures for the safety substantiation of cosmetics and cosmetic ingredients, placing the burden on manufacturers of thoroughly testing their products for safety before offering them to the public. There is no blanket requirement that the manufacturer submit these data indicating the safety of his products prior to sale as there was in the prior legislation I introduced, but the FDA is given the authority to require premarket submission of safety test data when it believes such submission would better protect the safety of consumers.

In addition, the FDA is given the authority to require specific safety testing which it believes is necessary to set screening levels for toxicity, sensitization, and irritancy of cosmetics, and to designate certain ingredients or classes of cosmetics which it finds present a significant risk of injury. If it finds that a product or ingredient presents a hazard, the FDA can prohibit certain ingredients, prescribe limits of tolerance, require additional labeling, or ban a cosmetic.

Title II requires manufacturers: First, to register with the FDA; second, to submit formulas for cosmetic products to the FDA—with safeguards to insure preservation of trade secrets; and third, to periodically forward consumer complaints about adverse reactions to products to the FDA. This title codifies and makes mandatory the FDA's "voluntary compliance program" launched in 1972. Registration of manufacturers and packagers and their products with the FDA will facilitate a two-way flow of information that is currently hampered by the FDA's inability to know precisely who and what they are regulating. The requirement as to submission of product formulas is included so that the FDA has precise information on ingredients and composition of products which can then be made available to poison control centers and other organizations requiring specific toxicological information. The filing of adverse reactions will enable the FDA to pinpoint those products or ingredients which are causing injury and will allow it to focus its attention on those products.

Title II also broadens the FDA's inspection powers of cosmetic facilities, and allows it to administratively detain suspect products for up to 20 days, pending seizure. At the present time, the FDA's primary enforcement tool is judicial seizure, but at times a suspected product is shipped before seizure can be accomplished. This proposed authority, which is similar to that now exercised by both the Department of Agriculture and the FDA with respect to certain foods, would provide an effective and speedy method of enforcement.

Title III provides for ingredient, cautionary, and informational labeling of cosmetics. Such information will alert consumers with allergies about the particular contents of products so they can avoid allergens, and will make comparative shopping possible. The provisions of this title are generally compatible with the regulations published by the FDA, although they do not track them completely.

Title IV contains general provisions relating to cosmetics. First, it establishes a system through poison control centers to make information available when there has been ingestion of cosmetics; second, requires the Secretary to cooperate with the Small Business Administration in recommending loans to small cosmetics manufacturers to assist them in complying with the safety substantiation and good manufacturing provisions; third, provides for preemption of State law with respect to labeling; fourth, gives the FDA substantive rulemaking power and sets forth procedures for issuing regulations and judicial review of the regulations; and fifth, authorizes the appointment of advisory committees to make recommendations to the Secretary regarding the administration of this act.

Mr. President, I believe that this bill represents an important step forward in consumer safety. I have sought to strike a reasonable balance between the entirely proper desire of the cosmetic industry to conduct its business with a minimum of Government regulation, on the one hand, and the compelling need of millions of American consumers for some measure of protection against cosmetic-related health hazards on the other. I am hopeful that the Committee on Labor and Public Welfare, and particularly the Health Subcommittee thereof, will give it careful consideration within the coming months.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cosmetic Safety Amendments of 1975".

TITLE I—COSMETIC SAFETY

SEC. 101. Title VI of the Federal Food, Drug, and Cosmetic Act is amended to add a new section as follows:

"COSMETIC SAFETY

"Cosmetics deemed adulterated

"SEC. 604(a). A cosmetic shall be deemed to be adulterated for the purposes of section 601(a) if—

"(1) its safety has not been adequately substantiated prior to the commercial distribution of the cosmetic;

"(2) requirements applicable to that cosmetic by or under subsections (c), (d), or (e) of this section have not been met; or

"(3) it is a banned cosmetic.

"Cosmetic safety substantiation

"(b)(1) The safety of a cosmetic shall not be considered adequately substantiated unless—

"(A) on the basis of all data and information relating to the safety of the cosmetic which is published or known to, or which should reasonably be known to, the manufacturer or distributor, it can reasonably be concluded that the cosmetic is safe under the conditions of use prescribed in the labeling of the cosmetic or under such conditions of use as are customary and usual;

"(B) such data and information are contained in, or referred to, in records maintained by that manufacturer or distributor who is designated under section 605(b)(1)(D) as responsible for maintenance of such records respecting that cosmetic; and

"(C) such data and information are submitted to the Secretary—

"(i) upon a written request by the Secretary, or

"(ii) where required by regulation under subsection (d) of this section.

"(2) The data or information referred to in paragraph (1)—

(A) shall include information on such specific testing, in animals or humans, of the potential of the ingredients of the cosmetic or the finished cosmetic product, for—

"(i) toxicity,

"(ii) sensitization, and

"(iii) irritation,

as is appropriate or necessary; and

"(B) may include scientific literature, or unpublished data and information in the possession of the manufacturer or distributor, relevant to the safety of the ingredients of the cosmetic or the finished cosmetic product.

"Requirements for specific testing and screening levels

"(c)(1) The Secretary may by regulation—

"(A) determine when specific testing is appropriate or necessary for any cosmetic in order to constitute adequate substantiation of safety;

"(B) establish the procedure to be used in such specific testing; and

"(C) require that such specific testing be conducted by a qualified person independent of any cosmetic manufacturer or distributor, with costs of such testing paid such person by the manufacturer or distributor.

"(2) The Secretary shall by regulation establish screening levels or other criteria for toxicity, sensitization, and irritation of cosmetics. The manufacturer or distributor of any cosmetic which meets any such level or criteria established in such regulation shall notify the Secretary of this fact within 30 days after it is found to meet such level or criterion. If the cosmetic is not in commercial distribution at the time the regulation becomes effective, it shall not be offered for commercial distribution for a period of 90 days following notification of the Secretary, except as authorized by the Secretary.

"(3) Specific testing requirements and screening levels or other criteria established under this section shall be relevant to the conditions of use prescribed in the labeling of the cosmetic or to such conditions of use as are customary or usual.

"(4) Manufacturers and distributors may perform such specific testing individually or jointly.

"(5) The Secretary may in accordance with section 606(e) appoint advisory committees to provide advice concerning the development of specific testing requirements and screening levels and other criteria under this subsection.

"Regulations requiring submission of cosmetic safety substantiation data

"(d)(1) The Secretary shall by regulation—

"(A) designate those cosmetic ingredients or classes of cosmetics which he finds present a significant risk of injury;

"(B) require the submission to him within a reasonable period after such regulation becomes effective, but not to exceed 60 days, of the data and information required to be maintained under subsection (b) concerning cosmetics in commercial distribution concerning cosmetics in commercial distribution containing any ingredient or included in any class designated by such regulation;

"(C) require, as to any product which is not in commercial distribution at the time such regulation becomes effective and which contains any ingredient or is included in any class designated by such regulation, the submission to him of that data and information required to be maintained under subsection (b) within a reasonable period, but not to exceed 60 days, after such data or information becomes known to the manufacturer or distributor of such product; and

"(D) require that any product containing any such ingredient, or included in such a class, which is not in commercial distribution at the time such regulation becomes effective not be offered for commercial distribution for 90 days after such submission, except as authorized by the Secretary.

"(2) The Secretary may by regulation require any manufacturer or distributor of a cosmetic which is proposed to be offered for commercial distribution—

"(A) which is not within a type of cosmetic which was previously in commercial distribution, or

"(B) which is within such a type of cosmetic, but, in accordance with regulations of the Secretary, is significantly different from other cosmetics within that type,

to submit to him the data and information required to be maintained under subsection (b) concerning such cosmetic prior to such proposed distribution and to withhold the cosmetic from commercial distribution for 90 days after such submission except as authorized by the Secretary.

"Cosmetic safety regulations

"(e)(1) Whenever the Secretary finds on the basis of all available information, including data and information obtained under this section, that such action is necessary to assure the safety of cosmetics, he may by regulation—

"(A) require additional specific testing pursuant to subsection (e);

"(B) prohibit the cosmetic from bearing or containing any poisonous or deleterious substance or prescribe limits of tolerance upon such substance; or

"(C) require appropriate labeling pursuant to section 602; or

"(D) declare a cosmetic to be a banned cosmetic.

"(2) The Secretary may declare a proposed regulation under paragraph (1) to be effective upon its publication in the Federal Register and until the effective date of any final action taken respecting such regulation if he determines, on the basis of all available information, that making such proposed regulation so effective is necessary to reduce or eliminate a substantial risk of illness or injury associated with the use of the cosmetic which is the subject of the regulation. If the Secretary makes a proposed regulation so effective, he shall, as expeditiously as possible, give interested persons prompt notice of his action under this subsection, provide reasonable opportunity for an informal hearing, and either affirm, modify, or revoke such proposed regulation.

"(3) In addition to such findings as the Secretary may make pursuant to subparagraph (1) of this subsection, a cosmetic or cosmetic ingredient shall be deemed unsafe within the meaning of this subsection—

"(A) for any use which will or may result in ingestion of all or part of such cosmetic or cosmetic ingredient if the cosmetic or cosmetic ingredient is found by the Secretary to induce cancer when ingested by man or animal, or if it is found by the Secretary, after tests which are appropriate for the evaluation of chemicals liable to be ingested by man, to induce cancer in man or animal, and

"(B) for any use which will not result in ingestion of any part of such cosmetic or cosmetic ingredient if, after tests which are appropriate for the evaluation of the safety of such cosmetic or cosmetic ingredient, it is found by the Secretary to induce cancer in man or animal.

"Definitions

"(f) As used in this section the term—

"(1) 'toxicity' refers to the short-term or long-term capacity of a cosmetic to produce personal injury or illness to human beings through ingestion, inhalation, or absorption through any body surface;

"(2) 'sensitization' refers to the capacity of a cosmetic to cause on normal living tissue through an allergic or photodynamic process a hypersensitivity which is manifested on reapplication of the same substance; and

"(3) 'irritation' refers to the capacity of a cosmetic, on immedate, prolonged, or repeated contact with normal living tissue, to induce a local inflammatory reaction."

GOOD MANUFACTURING PRACTICES

SEC. 102. Section 601 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new subsection:

"(f) (1) If the methods used in, or facilities and controls used for its processing do not conform to, or are not operated or administered in conformity with, current good manufacturing practices, as determined by regulations promulgated by the Secretary.

"(2) Such regulations shall, where appropriate, include requirements for the testing of the cosmetic, on a sample basis or otherwise, if necessary to assure that cosmetic is not adulterated."

CONFORMING AMENDMENTS

Definition

SEC. 103. (a) Section 201 of the Federal Food, Drug, and Cosmetic Act is amended by adding the following new subsection at the end thereof:

"(y) For purposes of sections 301(q), 604, and 605, the term 'commercial distribution' means any distribution outside the establishment manufacturing the product for sale, for promoting future sales (including distribution of free samples of the product), or for measuring consumer acceptance through market testing."

Deletion of soap exemption

(b) Section 201(i) of such Act is amended by striking "articles; except that such term shall not include soap." and inserting in lieu thereof "articles.".

Prohibited acts

(c) (1) Subsection (e) of section 301 of such Act is amended by striking the word "or" before "512" and adding a comma and "604" after "(m)".

(2) Section 301 of such Act is further amended by adding new subsections as follows:

"(q) The commercial distribution of any cosmetic which is deemed adulterated under section 604(a).

"(r) The failure to notify the Secretary of any cosmetic which meets any screening level or criterion required under section 604(c)."

Guarantees

(d) Section 303(c) (1) of such Act is amended by striking the period at the end thereof and inserting at the end thereof the following: ", or (6) for having violated section 301 (a) or (c) because the cosmetic is deemed adulterated under section 604(a), if such person establishes a guarantee in a form and under such conditions as are established by the Secretary by regulations."

Adultered and misbranded cosmetics

(e) Section 601(a) of such Act is amended to read as follows:

"(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to users, or if it is or may be injurious to users, under the conditions of use prescribed in the labeling thereof, or under such conditions of use as are customary or usual, or if it is deemed adulterated by section 604(a).

(2) Section 601(e) of such Act is amended to read as follows:

"(e) If it is, or it bears or contains, a color additive which is unsafe within the meaning of section 706(a). This paragraph shall not apply to any hair dye other than any eyelash dye or eyebrow dye."

(e) Section 602(e) of such Act (21 U.S.C. 362(e)) is amended by striking "(as defined in the last sentence of section 601(a))" from the second sentence and inserting "(other than any eyelash dye or eyebrow dye)" in lieu thereof.

EFFECTIVE DATE

SEC. 104(a). The provision of this title shall take effect upon enactment, except as provided in subsections (b) and (c).

(b) With respect to cosmetics in commercial distribution on the day immediately preceding enactment of this Act, the provisions of subsections (a) and (d) of new section 604 of the Federal Food, Drug, and Cosmetic Act shall take effect on the first day of the twelfth month following the month in which this Act is enacted, provided that the Secretary may for good cause extend such effective date an additional six months. The definition of "commercial distribution" in new subsection (y) of section 201 of the Federal Food, Drug, and Cosmetic Act shall apply to this section

(c) The legend required to be placed on the label of a coal-tar hair dye by the proviso of section 601(a), prior to the enactment of this Act, shall continue to be required until the Secretary promulgates regulations under section 602 prescribing different requirements.

TITLE II—REGISTRATION AND COMPLIANCE

SEC. 201. Chapter VI of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new section:

"REGISTRATION OF COSMETIC PROCESSORS

"Establishment registration required

"(a) (1) On or before December 31 of each year, every person who owns or operates an establishment engaged in processing a cosmetic shall register with the Secretary his name, principal place of business, and the location of each such establishment, in such manner and form as the Secretary shall prescribe by regulation.

"(2) Every person required to register under this subsection shall, within 10 days after commencing operation of any additional establishment, register with the Secretary.

"Registration of cosmetic lists

"(b) (1) Every person required to register under this section shall, for each such establishment, include as part of such registration the following information regarding any cosmetic which is in commercial distribution—

"(A) a list of each cosmetic processed in each such establishment by brand name or names;

"(B) the product class (as prescribed by the Secretary by regulation) of each such cosmetic;

"(C) a list of each ingredient used in each such cosmetic in descending order of predominance by weight, showing the percentage range of each such ingredient, which range shall not deviate by more than 5 percent from the actual percentage;

"(D) the name and principal place of business of that manufacturer or distributor who is to be responsible, with respect to each such cosmetic, for the maintenance of records relating to safety substantiation required to be kept by section 604(b) and the location of such records; and

"(E) summary information on such cosmetic relevant to hazards from accidental ingestion or misuse of such cosmetic (which information shall be based upon such investigations as are necessary to identify such hazards) and, where appropriate, as to antidotes or treatment.

"(2) The Secretary may also require the submission by any person required to be registered under this section (as part of annual registration or otherwise) of the following information concerning any cosmetic in commercial distribution if he finds that such submission is necessary or appropriate to carry out the purposes of this Act—

(A) a quantitative list of the ingredients of any cosmetic,

"(B) a list of all cosmetics that include a particular ingredient or fall within a particular cosmetic class or for any particular use;

"(C) representative samples of the labeling or all labeling of any cosmetic or class of cosmetics;

"(D) information which indicates that there is, with respect to any cosmetic processed by such person which has left an establishment under his control, an unreasonable risk of adulteration; and

"(E) information as to any recall of any cosmetic processed by such person which may be adulterated, if it left an establishment under his control.

"Changes in registration information

"(c) The annual registration under subsections (a) and (b) of this section shall include all changes in information previously submitted. Information previously submitted under such subsections shall not be required to be resubmitted in any subsequent annual registration. The Secretary may by regulation specify circumstances under which any changes in the information previously submitted shall be submitted at a date other than that prescribed for the annual registration.

"Notification of new cosmetics

"(d) (1) Every person required to register pursuant to this section upon first engaging in processing a cosmetic not previously included in a list submitted by him under subsection (b) (1) shall—

(A) notify the Secretary prior to the proposed commercial distribution of such cosmetic;

(B) submit such information concerning such cosmetic prescribed in subsection (b), as the Secretary shall by regulation require; and

(C) comply with any applicable requirements of section 604.

"Notification of discontinuance and resumption of processing

"(e)(1) The Secretary shall by regulation require that any person required to register under this section notify him (as part of annual registration or otherwise) of any cosmetic which he has discontinued processing for commercial distribution, providing the date of such discontinuance and a brief summary of the reasons therefor.

(2) If such person resumes processing of a cosmetic which is identical, similar, or related to—

(A) a cosmetic which has been the subject of a prior notification under this subsection of discontinuance of processing, or

(B) a cosmetic which had been declared a banned cosmetic under section 604(e), such person shall, upon such resumption of processing, notify the Secretary of such resumption, the date thereof, and a brief explanation of the reasons for such resumption.

"Filing of adverse reactions

"(f) The Secretary shall by regulation require every person required to register under this section to file with him every report of any adverse reaction received by such person which may have resulted, or is alleged to have resulted, from the use of a cosmetic processed by him, within 90 days after receipt of such report. Each such person shall preserve, for at least five years from date of receipt all such reports, all information regarding such adverse reaction.

"Inspection, reporting, and recordkeeping

"(g)(1) Every establishment required to register under this section shall be subject to the inspection and reporting requirements of section 704.

"(2) Every person required to register under this section shall maintain records of all information submitted to the Secretary under this section. Such information, and other records relating to such information, may be inspected or required to be submitted under section 704.

"Availability of information

"(h) The Secretary shall make available for inspection, to any person so requesting, any registration filed pursuant to this section except to the extent that such information is a trade secret or other matter referred to in section 1905 of title 18, United States Code.

"Definitions

"(i)(1) As used in this section the term—

"(1) 'process,' 'processed,' or 'processing' with respect to cosmetics means the manufacturing, processing, preparing, packaging, labeling, or holding of a cosmetic in any State, except that such term shall not include retailers;

"(2) 'name' shall include in the case of a partnership the name of each partner, and in the case of a corporation the name appearing on the corporation's charter or certificate of incorporation and the name of each principal corporate officer and director and the State of incorporation;

"(3) 'owns or operates' means any person who owns, operates, leases, charters, or controls any establishment used in processing a cosmetic;

"(4) 'establishment' means the premises, building, structures, and facilities used in processing cosmetics; and

"(5) 'adverse reaction' means any allergic reaction or other bodily injury associated with or contemporaneous with the use of a cosmetic."

INSPECTION AND REPORTING

SEC. 202. Section 704(a) of such Act is amended by adding at the end thereof the following new sentence: "In the case of establishments manufacturing, processing, preparing, packaging, labeling, or holding a cosmetic in any State, (1) inspection shall extend to all things therein (including records, files, papers, processes, controls, and facilities, but excluding those financial, sales, pricing personnel and research data not bearing upon whether the product may be adulterated or misbranded), bearing on whether a cosmetic may be adulterated or misbranded or on whether there has been a violation of section 301; and (2) the owner or operator of any information which may be inspected under this section shall, upon written request by the Secretary, submit such information to him. The district courts of the United States shall have jurisdiction to enforce requests under the preceding sentence and to require access to such information upon application of the Secretary or the Attorney General, in an action brought in any district wherein the person or establishment involved is found or transacts business."

ADMINISTRATIVE RESTRAINT AND SEIZURE

SEC. 203. (a) Section 304 of such Act is amended by adding at the end the following new subsection:

"Administrative restraint

"(g)(1) If during an inspection conducted under section 704 of an establishment or a vehicle, a cosmetic which the officer or employee making the inspection has reason to believe is adulterated or misbranded is found in such establishment or vehicle, such officer or employee may order the cosmetic detained (in accordance with regulations prescribed by the Secretary) for a reasonable period which may not exceed 20 days unless the Secretary determines that a period of detention greater than 20 days is required to institute an action under subsection (a) to seize the cosmetic, in which case he may authorize a detention period of not to exceed 30 days. A detention order under this paragraph may require the labeling or marking of a cosmetic during the period of its detention for the purpose of identifying the cosmetic as detained. Any person who would be entitled to claim a cosmetic if it were seized under subsection (a) may appeal to the Secretary a detention of such cosmetic under this paragraph. Within 5 days of the date an appeal of a detention is filed with the Secretary, the Secretary shall after affording opportunity for an informal hearing by order confirm the detention or revoke it.

"(2)(A) Except as authorized by subparagraph (B), a cosmetic subject to a detention order issued under paragraph (1) shall not be moved by any person from the place at which it is ordered detained until—

"(i) released by the Secretary, or

"(ii) the expiration of the detention period applicable to such order,

whichever occurs first.

"(B) A cosmetic subject to a detention order under paragraph (1) may be moved—

"(i) in accordance with regulations prescribed by the Secretary, and

"(ii) if not in final form for shipment, at the discretion of the manufacturer of the cosmetic for the purpose of completing the work required to put it in such form.".

Seizure of any adulterated or misbranded cosmetic

(b) Section 304 of such Act is further amended (1) by striking out "and" before "(C)" and, (2) by striking out the period at the end and inserting in lieu thereof a comma and the following: "and (D) any adulterated or misbranded cosmetic.".

CONFORMING AMENDMENTS

Prohibited acts

SEC. 204. (a) Section 301 of such Act is further amended by adding the following new paragraphs:

"(s) The failure to register under section 605, or to submit or maintain any information as required by or under section 605, or to submit any information as required under section 704.

"(t) The movement of a cosmetic in violation of an order under section 304(g) or the removal or alteration of any mark or label required by the order to identify the cosmetic as detained.".

Misbranded cosmetics

(b) Section 602 of such Act is further amended by adding at the end thereof the following new paragraph:

"(i) If it was processed in an establishment which was not registered as required under section 605, or if information concerning it is not submitted or maintained as required under section 605, or if information concerning it is not submitted as required under section 704."

Imports

(c) Section 801(a) of such Act (21 U.S.C. 381(a)) is amended by inserting "(1)" immediately after "(a)" and adding at the end thereof:

"(2) The Secretary shall refuse entry of any cosmetic offered for importation into the United States which has been processed in any establishment other than an establishment registered or exempt from registration pursuant to section 605."

EFFECTIVE DATES

SEC. 307. Cosmetic processors shall first register pursuant to section 605 of the Federal Food, Drug, and Cosmetic Act on the first day of the third month after regulations are promulgated under section 605 of the Federal Food, Drug, and Cosmetic Act and registration forms made available by the Secretary of Health, Education, and Welfare. All other provisions of this title shall take effect upon enactment.

TITLE III—COSMETIC LABELING

Cosmetic ingredient labeling

SEC. 401(a). Section 602 of such Act is further amended by adding at the end thereof the following new subsections:

"(g)(1) Unless labeling affixed to or within the package bears—

"(A) the common or usual name of the cosmetic, if any, and

"(B) in case it is fabricated from two or more ingredients, the common or usual name of each such ingredient in the order of decreasing predominance by weight.

The first sentence of this subsection shall not apply in a case where an ingredient is a color which is declared in a manner that accurately states the nature of the ingredients without regard to order of predominance, and a fragrance and flavor may be designated as fragrance and flavor without naming each ingredient, except that the Secretary may by regulation require any fragrance or flavor ingredient to be named on such labels upon a finding that such disclosure is necessary to protect the public health or to provide information useful to consumers.

"(2) Subject to such conditions as the Secretary may by regulation provide—

"(A) this subsection shall not apply to cosmetics sold in bulk or to incidental additives that are present in a cosmetic in insignificant levels and which do not have any technical or functional effect in such cosmetic, and

"(B) closely related ingredients may be declared by a general term or without regard to order of predominance in a manner that accurately states the nature of the ingredients.

"Warning and other labeling

"(h) Unless its label or labeling bears adequate warnings against use where it may be hazardous to health, or such warnings or information as the Secretary may by regulation require with respect to use which the Secretary has determined to be necessary for the protection of the public health or appropriate as a guide to use."

EFFECTIVE DATE

SEC. 303. The amendments made by this title shall be effective on the first day of the thirteenth calendar month following the month in which this Act is enacted.

TITLE IV—GENERAL PROVISIONS CONCERNING COSMETICS

SEC. 401. Chapter VI of the Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by inserting at the end thereof the following:

"GENERAL PROVISIONS CONCERNING COSMETICS

"Poison control information

"SEC. 606. (a) The Secretary shall establish a system for making publicly available, through poison control centers and other appropriate means, the summary information collected under section 605(b)(1)(E) relevant to hazards from accidental ingestion or misuse of cosmetics and antidotes or treatment. Such system shall assure that such information is available at any time to persons (including physicians, hospitals, clinics, and poison control centers) who request such information to aid in treatment of individuals who may be injured as a result of the ingestion of, contact with, or exposure to, any cosmetic. The system shall also include a continuing program by the Secretary to inform physicians, hospitals, clinics, and poison control centers, and other persons to whom such information may be useful, of the availability of such information and the methods by which it may be obtained at any time.

"Small business assistance

"(b) The Secretary shall cooperate with the Small Business Administration with respect to applications (under section 7(b)(5) of the Small Business Act, as amended (15 U.S.C. 631)) for loans to assist affected small business entities to comply with requirements under sections 604 and 601(f). The Small Business Administration shall direct that applications from such small business entities, regarding proposed additions to or alterations in plants, facilities, or methods of operation which are designed to enable such entities to comply with such requirements, shall be reviewed by the Secretary. The Secretary shall evaluate each such application and shall report to the Administrator (or to the bank or lending institution) within 60 days to determine if such additions or alterations are appropriate and necessary to assist the applicant to comply with such requirements and whether he recommends that the loan be granted.

"Effect on State law

(c)(1) It is declared to be the express intent of Congress to supersede any and all laws of the States or political subdivisions thereof, insofar as they may now or hereafter provide for information on the label or in labeling of a cosmetic which is in addition to or different from information required on the label or in labeling by or under section 602 of this Act, except as provided in this section.

"(2) Upon application of a State or political subdivision thereof, the Secretary may by regulation, after notice and opportunity for oral presentation of views, exempt from the provisions of paragraph (1) (under such conditions as he may impose) a proposed safety requirement described in such application, where the proposed requirement—

"(A) imposes a higher level of performance than the Federal standard.

"(B) is required by compelling local conditions, and

"(C) does not unduly burden interstate commerce."

"Procedures and judicial review

"(d)(1) Proceedings to issue, amend, or repeal a regulation under this chapter shall be conducted in accordance with the procedures prescribed by section 553 of title 5 of the United States Code.

"(2) In the case of any regulation or order under this chapter any interested person (including a consumer or consumer organization), who may be adversely affected by such regulation or order may, at any time within 60 days after the regulation or order is issued by the Secretary, file a petition with the United States Court of Appeals for the District of Columbia, or for the circuit wherein such person resides or has the principal place of business, for judicial review of such regulation or order. A copy of the petition shall be transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary shall file in the court the record of the proceedings on which the Secretary based his regulation or order as provided in section 2112 of title 28 of the United States Code. For purposes of this subsection, the term 'record' means all notices and other matter published in the Federal Register with respect to the regulation or order reviewed, all information submitted to the Secretary with respect to such regulation or order, proceedings of any advisory committee with respect to such regulation or order, any hearing held with respect to such regulation or order, and any other information identified by the Secretary, in the administrative proceeding held with respect to such regulation or order, as being relevant to such regulation of order.

"(3) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there was no opportunity to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary in a hearing or in such other manner, and upon such terms and conditions, as to the court may deem proper. The Secretary may modify his findings, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original regulation or order, with the return of such additional evidence.

"(4) Upon the filing of the petition under subsection (b) of this section, the court shall have jurisdiction to review the regulation or order of the Secretary in accordance with subparagraphs (A), (B), (C), and (D) of paragraph (2) of section 706 of title 5 of the United States Code. If the court orders additional evidence to be taken under subsection (c) of this section, the court shall also review the Secretary's regulation or order to determine if, on the basis of the entire record before the court pursuant to subsections (b) and (c) of this section, it is supported by substantial evidence. If the court finds the regulation or order is not so supported, the court may set it aside.

"(5) With respect to any regulation or order reviewed under this section, other than a regulation made effective upon publication in the Federal Register pursuant to section 604(e)(2), the court may grant appropriate relief pending conclusion of the review proceedings, as provided in section 705 of such title 5.

"(6) The judgment of the court affirming or setting aside, in whole or in part, any such regulation or order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28 of the United States Code."

"Advisory committees

(e) The Secretary may appoint advisory committees to assist in the administration of this chapter. Any such committee shall consist of members who are individuals appropriately qualified by training and experience and shall include, as non-voting members, a representative of consumer interests and a representative of industry interests. The Secretary shall prescribe by regulation the procedures to be followed by such committees and shall assure that each committee provides, to the maximum extent practicable, an opportunity for any interested person to submit data and views on all matters considered by the committee. All meetings of the committee shall be open in accordance with the requirements of the Federal Advisory Committee Act.

SEC. 401. The provisions of this title shall take effect on the date of enactment of this Act, except that new section 606(c) shall be effective on the first day of the seventh calendar month following the initial registration pursuant to new section 605 of the Federal Food, Drug, and Cosmetic Act.

By Mr. BENTSEN:

S. 1682. A bill entitled "The Justice Department Reform Act." Referred to the Committee on the Judiciary.

JUSTICE DEPARTMENT REFORM ACT

Mr. BENTSEN. Mr. President, I am deeply concerned about the American people's loss of confidence in the Department of Justice. I believe that loss of confidence is due in large measure to the politicization of legal posts within the Department. The time has come to end what seems to have become the nearly standard practice of Presidents appointing as Attorney General one of the principal leaders of the political campaign in which they were elected. The time has also come to remove the U.S. attorneys' offices from the patronage system.

John Mitchell, Robert Kennedy, and J. Howard McGrath, Attorney General under Truman, are the most obvious examples of men who managed the successful Presidential campaigns and who immediately after the election were appointed to head the Justice Department. Unfortunately, the practice has been working its way into our political system for much longer than these relatively recent appointments. A Mitchell Palmer, Attorney General under Woodrow Wilson, had been the President's floor manager at the 1912 Democratic Convention. Frank Murphy, Attorney General under Franklin Roosevelt, served as leader of the Roosevelt forces in the State of Michigan. President Eisenhower's Attorney General, Herbert Brownell, had not only been active in his campaign, but had served as campaign manager for Republican Presidential Candidate Thomas E. Dewey in both 1944 and 1948. Several of these men after appointment continued to serve as political advisers to the President as well as his legal counsel. By historical tradition, and with certain exceptions, the top Presidential appointees in the Department of Justice have been highly respected representatives of the legal profession. But where they have also been major campaign officials for the President their appointment only contributes to a growing perception of the Justice Department as a political instrument. With all of the highly competent members of the legal profession to choose from, it is simply not necessary to look to the ranks of the campaign staff for Justice Department personnel.

The conduct of some of the recent officials of the Department is too fresh in the mind of the public and too deeply etched on the minds of the bar to be passed with a bromide that, "The next President won't let it happen."

It is time to assure the American people that law enforcement decisions will not be determined by partisan politics—either Democratic or Republican. It is time to get a little closer to the statement of President Lincoln's Attorney General Elward Bates, when he said,

> The office I hold is not properly political, but strictly legal; and it is my duty, above all other ministers of state to uphold the law and to resist all encroachments, from whatever quarter, of mere will and power.

In an effort to restore that spirit, I am today introducing legislation which I believe will be a major step to effectively deal with the politicization of legal posts within the Department of Justice. My bill is directed at insuring the Department's capacity to administer justice evenly and at restoring the public's perception of the quality and impartiality of the justice that is administered. Specifically my bill will do the following:

First, it will statutorily prohibit the President from appointing as Attorney General, Deputy Attorney General, a person who held a paid or unpaid position in the political campaign in which he was elected. This prohibition includes the national and State party organizations at the time of his election.

Second, it will amend the Hatch Act, which prohibits partisan political activities, to encompass within its purview all personnel in the Department of Justice, including the Attorney General, his Deputy, the Solicitor General, and all of the U.S. attorneys.

Third, the bill provides for the appointment of U.S. attorneys and U.S. marshals by the Attorney General. Such appointments would continue to be for 4-year terms, subject to Senate confirmation and reconfirmation after 4 years in the event of reappointment. Thirty years ago the Collectors of the Internal Revenue, the Postmasters, and the U.S. attorneys were the backbone of the patronage system. Today, only the Presidentially appointed U.S. attorney remains. It is time that these positions were filled on the basis of ability to effectively enforce the Nation's laws rather than as rewards for backing a successful Presidential candidate.

Fourth, the bill provides that all assistant U.S. attorneys and their legal staffs become part of the career service already effectively established within the headquarters of the Department of Justice.

The President must retain authority to carry out his responsibilities of seeing that our laws are enforced and my bill would not alter or inhibit that authority. But, the partisan orientation in recent years of those responsible for supervising the Nation's legal affairs seems extreme. If justice is to be impartial it must, for starters, be nonpartisan.

The Department of Justice should not be run or even give the appearance of being run by people who march to a drum beat emanating from the political advisers of any President or his party. We must move now to restore the American people's confidence that their laws are being enforced impartially and without regard to political affiliation. Decisions as to whether cases are prosecuted or dismissed, whether appeals are taken or settled, must not depend upon the political influence of the litigant. Even the appearance of impropriety undermines people's faith in our system.

Mr. President, I was interested to learn that the House Judiciary Committee shares my concern over these matters and has ordered a study of the history of the politicization of the Justice Department. I am hopeful that this report will provide recommendations, in addition to those proposed in the legislation I am introducing today, which will once and for all divorce politics from the impartial administration of justice in this country.

I believe that the Congress has a responsibility to act now to restore confidence in our system. I ask unanimous consent that the text of my bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Justice Department Reform Act."

APPOINTMENT OF OFFICERS

SEC. 2. (a) Chapter 31 of Title 28, United States Code, is amended by inserting after Section 505 the following new section:

"§ 505A. Qualifications

"Any individual who—

"(1) whether paid or unpaid, held a position of trust and responsibility to an individual who was elected to the office of President while serving (A) on the personal campaign staff of such individual, or (B) on an organization working on such individual's campaign, or

"(2) held a State-wide or National office or was employed by a State or National political party, respectively, that campaigned for an individual who was elected to the office of President,

shall be ineligible for appointment to any position under sections 503–506 of this title if the appointing authority is the President for whom such individual campaigned."

(b) The analysis of Chapter 31 of such title is amended by inserting immediately below item 506 the following new item:

"506A. Qualifications."

APPOINTMENT OF UNITED STATES ATTORNEYS AND UNITED STATES MARSHALS

SEC. 3. (a) Section 541 of such title is amended by striking out "President" in subsections (a) and (c) and inserting in lieu thereof "Attorney General".

(b) Section 561 of such title is amended by striking out "President" in subsections (a) and (b) and inserting in lieu thereof "Attorney General".

(c) Section 27 of the Revised Organic Act of the Virgin Islands (40 U.S.C. 1617) is amended by striking out "President" and inserting in lieu thereof "Attorney General".

APPOINTMENT OF ASSISTANT UNITED STATES ATTORNEYS

SEC. 4. Section 542 of such title is amended to read as follows:

"§ 542. Assistant United States Attorneys.

"(a) The Attorney General may appoint assistant United States attorneys, and may assign such attorneys to assist any United States attorney the Attorney General considers appropriate.

"(b) Each assistant United States attorney is subject to removal by the Attorney General".

POLITICAL ACTIVITY

SEC. 5. Section 7324 of Title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding the provisions of subsection (d) of this section, subsection (a) (2) of this section applies to all officers and employees of the Department of Justice."

EFFECTIVE DATE: INITIAL APPOINTMENT OF OFFICERS

SEC. 6. (a) This Act, and amendments made by this Act, other than this section shall take effect 90 days after the enactment of this Act.

(b) Nowithstanding subsection (a) of this section, any vacancy in any office affected by this Act may be filled in the manner provided by this Act at any time after the date of enactment of this Act.

(c) The provisions of this Act shall not apply to any individual holding an office affected by any amendment made by this Act if such individual would be eligible for appointment to such office after the provisions of this Act becomes effective.

By Mr. BAYH:

S. 1683. A bill to amend the Internal Revenue Code of 1954 to permit a parent who supports a handicapped child to take a personal exemption for that child even though the child earns more than $750. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, today I am introducing a bill which would make it possible for parents of a physically handicapped or mentally retarded child to claim an exemption deduction for the child despite the fact that the child had earnings in excess of $750.

The necessity for such an amendment to the Internal Revenue Code was called to my attention by constituents whose 24-year-old retarded son earned $763 in a sheltered workshop in 1974. When the couple filled out their tax returns, they learned that they could not claim an exemption deduction for that child though they could claim deductions for two children who were college students and who earned far more than the retarded child.

Mr. President, it does not make sense to me to deny the exemption deduction to parents of a retarded or handicapped child if the parents provide more than half the child's support. Expenses incurred in behalf of such children often exceed those incurred for children who are not so afflicted, and parents should not be penalized because their child takes part in meaningful outside activities which produce income.

The bill I introduce today would make a simple amendment to section 151(e) (1)(B) of the Code by adding another exception to the $750 earnings limitation, in this case for physically handicapped or mentally retarded children. I do not believe it is necessary to put a new ceiling on the earnings permitted since it would still be necessary for parents to provide more than 50 percent of the child's support under section 152. As a child's earnings increased, he would be providing for an increased portion of his support, and eventually cease to qualify as a dependent.

Mr. President, we know there are over 25 million physically handicapped and approximately 6 million mentally retarded persons in the United States. There are about 9.5 million handicapped children, including the mentally retarded. Certainly, a significant number of the families of these people have suffered from the provisions of the Tax Code which my bill addresses. I hope my colleagues will carefully consider my proposal and support it. I believe it is very important that we provide fair tax treatment to families with physically handicapped or mentally retarded children.

I ask unanimous consent that the full text of this bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1683

Be it enacted by the Senate and House cf Representatives of the United States of America in Congress assembled, That section 151(e)(1)(B) of the Internal Revenue Code of 1954 (relating to additional exemption for dependents) is amended by striking out the period at the end thereof and inserting in lieu thereof ", or (iii) is physically handicapped or mentally retarded.".

Sec. 2. The amendment made by the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 100

At the request of Mr. Pell, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 100, a bill to provide a national program in order to make the international metric system the predominant but not exclusive system of measurement in the United States and to provide for converting to the general use of such system within 10 years.

S. 1336

At the request of Mr. Case, the Senator from Massachusetts (Mr. Brooke) was added as a cosponsor of S. 1336, a bill to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

S. 1625

At his own request, the Senator from Maine (Mr. Muskie) was added as a cosponsor of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

S. CON. RES. 29

At the request of Mr. Curtis, the Senator from Florida (Mr. Chiles) and the Senator from Maryland (Mr. Beall) were added as cosponsors of Senate Concurrent Resolution 29, expressing the sense of Congress regarding the annexation of the Baltic nations.

AMENDMENTS SUBMITTED FOR PRINTING

REMOVAL OF EMBARGO AGAINST TRADE BETWEEN THE UNITED STATES AND CUBA—S. 935

AMENDMENTS NOS. 397 THROUGH 401

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR., submitted five amendments intended to be proposed by him to the bill (S. 935) to terminate the embargo against trade between the United States and Cuba.

AMENDMENT NO. 402

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (S. 935), supra.

CONSUMER PROTECTION ACT—S. 200

AMENDMENT NO. 403

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS. Mr. President, today I am submitting an amendment to S. 200, the proposed Consumer Protection Act of 1975.

This amendment concerns the right of the Agency for Consumer Advocacy, acting through its Administrator, to initiate judicial proceedings with rtspect to Federal administrative agency proceedings or activities. Under section 6(c)(1) of S. 200, the Administrator as a matter of right may initiate a civil proceeding in court which involves the review of a Federal agency action taken in an administrative proceeding in which the Administrator of Agency for Consumer Advocacy had intervened or otherwise participated. The section goes on to say that if the Administrator did not intervene or otherwise participate before the agency, he may nevertheless initiate a Federal court proceeding with respect to an agency action unless the court shall determine that initiation of such a judicial proceeding would impede the interests of justice.

In my view, a finding by a court that initiation of a proceeding would impede the interests of justice would be most unlikely ever to be made. This provision of S. 200, it seems to me, means in effect that ACA will almost always be able to initiate a Federal court proceeding, even in those instances where it was not a party before the agency. I can understand that ACA should have the right to go to court to seek review of agency action resulting from an agency proceeding in which it was an intervenor or otherwise participated, but in cases where ACA did not participate before the agency, I do not see the need for unlimited access by ACA to the courts. Instead, I would suggest that it be permitted to initiate a judicial proceeding in such a case only if the court should find that initiation of such a proceeding would advance the interests of justice.

In this way, ACA could go to court if, first, it had intervened or otherwise participated before the agency, or second, a court should find that initiation of a court proceeding by ACA would be in the interests of justice. Such a statutory scheme, which would be the result of my proposed amendment to S. 200, would give ACA the right to initiate a court proceeding as a matter of course in those instances in which private parties would have such a right, and perhaps even in a broader category of instances. In those cases, however, in which ACA had not been a party before the agency, it would have to secure a special public-interest finding from the court before being permitted to initiate a court proceeding. In this way, the interests of consumers and of other parties to agency proceedings would be fairly balanced, and a potential burden on the administration of justice through overcrowding of court dockets would be alleviated.

Mr. President, I ask unanimous consent that the text of this amendment be printed in the Record immediately following these remarks.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 403

On page 15, strike the last five words in line 25, and on page 16, strike lines 1 through 12, and insert in lieu thereof the following:

"Where the Administrator did not intervene or otherwise participate in a federal agency proceeding or activity, the Administrator shall not be permitted to initiate a judicial proceeding with respect to such agency proceeding or activity unless the court shall first have determined that initiation of such a proceeding by the Administrator would advance the interests of justice. In advance of the initiation of such a proceeding by the Administrator, he shall file a statement setting forth the reasons why he did not intervene or otherwise participate in the federal agency proceeding or activity out of which the contemplated judicial proceeding arises, for the court's consideration in connection with its determination whether the initiation of such judicial proceeding would advance the interests of justice."

AMENDMENT NO. 404

(Ordered to be printed and to lie on the table.)

Mr. TAFT (for himself, Mr. Thurmond, and Mr. McClure) submitted an amendment intended to be proposed by them jointly to the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

AMENDMENT NO. 405

(Ordered to be printed and to lie on the table.)

FARM EXEMPTION

Mr. DOLE. Mr. President, I am submitting today an amendment to make all Federal proceedings and activities that directly affect farmers exempt from the jurisdiction of the Agency for Consumer Advocacy. This amendment would not exempt proceedings related to what is the greatest factor in the consumer's food budget—the expenses related to operations after commodities leave the farm.

This farm exemption is essential. There are numerous examples of Government interventions prompted by well-intentioned consumer-oriented efforts that have had a detrimental impact on the agricultural industry. These examples, while intended to help consumers in the short run, have been harmful in the long run to public, national, and consumer interests.

Among these examples, I will refer in a moment to the soybean embargo of 1973, the "export prior approval system" instituted last year, and the beef price freeze of 1973.

I am aware that some language is included in the pending bill which is intended to protect legitimate interests of food producers. The language, unfortunately, is not adequate, however. It is not as comprehensive nor as precise nor as effective as the language which was accepted last year when I offered a substitute to S. 707, and as the language of the amendment I propose today. I believe it to be of critical importance that this language be included in S. 200.

NONFARM FOOD COSTS NOT EXEMPTED

At the same time, there are undoubtedly many Federal proceedings and activities not directly affecting agricultural producers in which greater consumer representation is warranted.

A recent USDA report showed farm-to-retail price spreads for February 1975 to be 22 percent higher than those a year earlier. During that period, the farmer's share of food prices has been sliding downward month after month. This has been a repetition of a cycle familiar to every farmer:

> When farm prices go up, they eventually go down, but when most other prices go up, they just keep climbing.

The fact of the matter is that farm prices are subject to strong and constant competitive pressures. Intervention in this finely tuned and sensitive market mechanism would be counterproductive for consumers, just as it has been in the past. But there are other areas where I would greatly welcome the participation of an Agency for Consumer Advocacy.

The Wall Street Journal, for example, recently ran an investigative report on the meat industry's "yellow sheet" and possible manipulations of wholesale prices for beef. There have been charges of kickbacks to organized crime for shipments of food commodities into New York and other large metropolitan areas. It is clear to me that strong action is needed in these and similar cases.

There is a need for action by consumer representatives as might be taken by ACA, first to inform the public and to clarify common myths about profit margins in the food industry, from farm to retail shelf. And there is an urgent need to pursue the shady or illegal operations of a few, to sharply delineate these from the efficiency and high standards of the majority of those in the food processing, distribution, and retailing industries and, in general, to build consumer awareness as it protects consumer interests.

INTERVENTION IN AGRICULTURE COUNTERPRODUCTIVE

But intervention by the Federal Government in those areas directly affecting the actual production of agricultural commodities is almost invariably counterproductive. Many cases of Government interference with agriculture can be cited that were initiated with the goal of protecting consumers from higher food prices. Yet consumers did not benefit to any appreciable degree and the interests of the public, the Nation, and ultimately consumers themselves have suffered.

Earlier I mentioned the soybean embargo of 1973, the "export prior approval system" of last year and the beef price freeze of 1973.

In 1973, there was great concern that we would "run out" of soybeans and that the high prices for soybeans would force prices up for foods derived from this excellent protein source. So an embargo on soybean exports was instituted. As expected, soybean prices plummeted and farmers suffered.

But I would challenge anyone to show how consumer food prices declined as a result. Farm prices declined and farmers were deprived of income, but consumers did not benefit.

At the same time, our trade balance declined due to loss of export sales. Our reputation as a reliable supplier in the world food market was shattered.

In short, farmers, the public, and the Nation as a whole suffered and in the long run, consumers did also because of the harm to the economy. Although the embargo action was taken on behalf of consumers, I cannot find how it benefited them.

EXPORT RESTRICTIONS DO NOT HELP CONSUMERS

A similar situation took place last year. Out of concern that our grain market was oversold, a prior approval requirement was placed on export sales. Again, the goal was to protect consumers from higher food prices.

As with soybeans in 1973, farm prices for wheat have plummeted. Even though the prior approval system has not specifically prohibited any export sales, it is common knowledge in the wheat trade that many foreign buyers have been discouraged from making wheat purchases in the United States because of the requirement. So the public and the Nation as a whole have suffered again because of the harm done to our trade balance.

And even though farm prices for wheat have declined more than 30 percent, I have yet to see any benefit to consumers through a substantial decline in bread prices.

The most recent calculations from the Department of Agriculture indicate the farm value of wheat in a loaf of bread at 4.4 cents in March. This compares to an average price of 37.3 cents per loaf. These calculations are based on an average price of $3.54 per bushel for wheat which is at least 50 cents higher than what most farmers in Kansas have been getting for their wheat.

When the farm value of wheat in a 37-cent loaf of bread is less than a nickel, it is hard for me to understand how any consumer advocate could expect to benefit consumers by intervening to reduce farm exports. Yet last year major sponsors of the predecessor of this bill stated that exports of farm commodities would be a major concern of the Agency for Consumer Advocacy.

FARM PRICES DOWN BUT NOT CONSUMER PRICES

Another example of how consumer intervention has hurt agricultural producers is the beef price freeze of 1973. Again, in the apparent interest of consumers and under pressure from Congress, the Cost of Living Council imposed price controls and a price freeze on the meat industry in order to maintain "favorable prices for food." The immediate result was the destruction of the incentive for cattlemen and other livestock producers to bring their animals to market. A beef shortage developed immediately. The economic dislocations which occurred in the livestock industry at that time have had repercussions which are still being felt today.

As a result of the 1973 beef price freeze, there has been an oversupply of cattle on the market. The oversupply has led to depression level prices in the livestock market for over a year and only now are we beginning to see some recovery in the industry.

While the price freeze in 1973 certainly resulted in lower prices for cattle, I have been unable to see any comparable declines in the price of meat for consumers. However, the loss of income to cattlemen has been detrimental to the economy as a whole and that certainly has been contrary to the public interest.

Mr. President, the conclusion is that Federal actions directly affecting the production of agricultural commodities which were intended to reduce food prices for consumers have not benefited consumers at all. In fact, they have been contrary to the public interest and the ultimate interests of consumers.

ACA WOULD REPEAT BLUNDERS

It is my strong belief and many others share this view that without their exemption, the Agency for Consumer Advocacy would risk repeating the many mistakes that have been made regarding farm production in the past.

IMPACT OF ACA INDIRECT

The sponsors of S. 200 have defended the impact of ACA on agriculture by saying that the Agency would have no direct control over Federal actions related to agricultural production. While technically true, this does not adequately reflect the role ACA is intended to play.

In a colloquy with the junior Senator from Kansas on the predecessor of this bill, S. 707, last year, the senior Senator from Connecticut stated:

> The administrator of ACA would not be able to interrupt or otherwise participate in private sales or negotiations relating to agriculture. The ACA would no more be able to interrupt, delay or halt the export sales of agriculture commodities than any other private party such as the millers and bakers who tried to limit export sales of wheat last spring. The Administrator of ACA would only

> be able to participate in Federal proceedings concerning agriculture in the same respect as any other private party, consumer group or business enterprise would be able to do.

I do not quarrel with this statement. However, it has been clearly stated by the Senator from Connecticut and others that farm exports would be a matter of prime interest for ACA.

The result would be that by creating ACA, we will create another voice in the Government calling for intervention in export sales and other matters directly affecting farm production. While ACA would have no direct control over exports or other Federal actions regarding agriculture, the existence of this powerful voice in the Government with a large amount of resources to back it up is bound to have a detrimental impact on farmers.

As in the case of small businesses, farmers would not have the time or money to come to Washington to defend their interests in Federal proceedings by countering the recommendations that could be expected to come from ACA. Therefore, I strongly believe that this exemption for farmers should be adopted.

MILK PRICES AND ACA TARGET

Milk marketing orders is another area directly affecting farm production that would certainly be a target of ACA.

The indications are that milk prices through milk marketing orders and price supports would be a major concern of ACA. In view of consumer protests of milk price increases resulting from USDA milk marketing orders, it could be expected that ACA would strongly and vigorously oppose any USDA action increasing milk prices. Such opposition would be a repetition of shortsighted action apparently intended to help consumers but ultimately detrimental to the public as a whole and to the long-term interests of consumers.

Opposition to higher dairy prices totally disregards an even more important consumer interest—the supply of dairy products. Clearly when farmers do not receive an income adequate to cover their cost of production, they are forced out of business. Having an Agency for Consumer Advocacy publicly pressing for lower price supports and milk marketing orders would undoubtedly result in many dairy producers being forced out of business with the consequent result of a lower supply of milk. This is an example of how advocacy of short-term consumer interests would ultimately be detrimental to the long-term public and consumer interests.

Supporters of S. 200 may argue that the bill already includes a provision requiring ACA to consider the consumer's interest in an adequate supply of food and the interests of farmers in an adequate level of income and production. It is clear in my mind that this provision is totally inadequate. First of all, an adequate supply of food is contingent upon farmers having enough income to stay in business. While ACA is charged with considering farm income, there is no assurance in this bill that I can find that ACA will have any expertise to realistically evaluate the farm costs of production or the income requirements of agricultural producers. That expertise is vested in the Department of Agriculture. No consumer interest would be served by allowing ACA to participate in dairy producer-related proceedings or any other farmer related proceeding. On the contrary, the probable harmful impact ACA would have on farm production would undoubtedly be contrary to the long-term interests of consumers and the public.

Not only could ACA intervene directly in proceedings and activities related directly to dairy and other farm production, but the Agency could pursue court review of any milk marketing order or other action initiated by the Department of Agriculture. A court review could delay implementation of a milk marketing order for months. During the delay, many dairy producers could be forced out of business and the supply of milk production would be decreased. In addition, the number of producers would be reduced if dairy farmers are forced out of business. The decline in numbers leads to concentration in the dairy industry and a resulting decline in competition.

Mr. President, I feel strongly that in view of the particular considerations of agricultural producers the exemption provided by this amendment should be adopted.

I request unanimous consent that the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 405

On page 37, delete lines 5 through 11 and insert in lieu thereof the following:

"(b) Nothing in this Act shall be construed to authorize the Administrator to intervene or participate in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops, including but not limited to, such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loan, and payment programs; P.L. 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests and noxious weeds."

AMENDMENTS NOS. 406, 407, AND 408

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself and Mr. JAVITS) submitted three amendments intended to be proposed by them jointly to the bill (S. 200), supra.

WITHDRAWAL OF A COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 342

At the request of Mr. WEICKER, the Senator from Oregon (Mr. HATFIELD) was withdrawn as a cosponsor of Amendment No. 342, intended to be proposed to the bill (S. 200), the Consumer Protection Act of 1975.

NOTICE OF HEARINGS

Mr. PHILIP A. HART. Mr. President, as many of my colleagues know, the Antitrust and Monopoly Subcommittee Monday ordered reported S. 408, which would overturn fair trade laws. The bill was reported as introduced by Senator BROOKE, with one minor technical amendment. However, it was agreed by the subcommittee that a day of hearings would be held to receive testimony on the request of various newspaper publishers for an antitrust exemption to allow them to set the resale price for their newspapers. This hearing was to be timed to come before consideration of S. 408 by the full Judiciary Committee. I wish to inform those interested that that hearing will be at 9:30 a.m., Monday, May 12, in room 2228.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for May 16, 1975, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding several measures pending before the committee relating to the Alaska Native Claims Settlement Act. The measures are:

S. 131—a bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act;

S. 685—a bill to authorize certain corporations under the Alaska Native Claims Settlement Act to merge or consolidate;

S. 1469—a bill to amend the Alaska Native Claims Settlement Act to continue the authority of the Joint Federal-State Land Use Planning Commission for Alaska until June 30, 1979; and

S. 1501—a bill to extend the existence of the Joint Federal-State Land Use Planning Commission for Alaska.

Additionally, it may be that before the hearings are held, other related bills will be introduced which will also be considered.

For further information regarding the hearings you may wish to contact Mr. Steven Quarles of the committee staff on 224-9894. Those wishing to testify or submit a written statement for the hearing record should write to the Senate Interior and Insular Affairs Committee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE ENERGY RESEARCH AND WATER RESOURCES SUBCOMMITTEE OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. CHURCH. Mr. President, I would like to announce for the information of the Senate and the public, the cancellation of a public hearing before the Energy Research and Water Resources Subcommittee of the Senate Interior and Insular Affairs Committee.

This hearing was to examine the Energy Research and Development Administration upon implementation of the Solar Heating and Cooling Demonstration Act passed by the Congress last year.

Instead of conducting a hearing on solar energy and because of the urgency of the matter, a markup hearing on the ERDA authorization bill (S. 598), which has been referred to the Senate Interior Committee, has been scheduled for May 13, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. This markup session will allow the subcommittee to address the nonnuclear portion of the ERDA budget request.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, this is to announce to the Senators and other interested persons that a joint hearing will be held by the Senate Committee on Labor and Public Welfare and the House Subcommittee on Manpower, Compensation, Health and Safety of the Committee on Education and Labor on Jobs and Unemployment, Monday, May 19, 1975. The hearing will begin at 9:30 a.m. at Marist High School, 1241 Kennedy Boulevard, Bayonne, N.J. Interested persons who wish to testify or who wish to submit testimony to be included in the record should contact Mr. Donald E. Elisburg, General Counsel, Senate Committee on Labor and Public Welfare, 224–7665.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, this is to announce to the Senators and other interested persons that hearings on the nominations for the Board of Directors of the Legal Services Corporation will be held by the Senate Committee on Labor and Public Welfare on Wednesday, May 14, and Thursday, May 15. The hearings will begin at 9 a.m. in room 4232, Dirksen Senate Office Building. Interested persons who wish to testify or who wish to submit testimony to be included in the record should contact Donald Elisburg, General Counsel, Senate Committee on Labor and Public Welfare, 224–7665.

ANNOUNCEMENT OF HEARINGS ON LOBBY REFORM

Mr. RIBICOFF. Mr. President, I wish to announce that the Senate Committee on Government Operations will hold a second set of hearings on S. 774 and S. 815, lobby reform legislation, next Wednesday and Thursday, May 14 and 15.

The hearings will begin at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

The committee will hear from the following witnesses:

Wednesday, May 14: Milton A. Smith, general counsel, Chamber of Commerce of the United States; Andrew Biemiller, legislative director, AFL–CIO.

Thursday, May 15: Harold R. Tyler, Deputy Attorney General, Department of Justice; and Richard D. Godown, senior vice president and general counsel, National Association of Manufacturers.

Anyone wishing to submit written testimony for the hearing record may write the Senate Committee on Government Operations, room 3306, Dirksen Senate Office Building, Washington, D.C. 20510. Phone 224–4751.

ADDITIONAL STATEMENTS

REVENUE SHARING RENEWAL

Mr. MUSKIE. Mr. President, last week renewal of revenue sharing was introduced in the Senate. Though I do not support every detail of the President's bill, I remain a firm supporter of general revenue sharing. For that reason, I am today joining as a cosponsor of S. 1625.

Four years ago the 92d Congress debated the merits of enacting a general revenue-sharing program to provide a new form of financial assistance to revenue-starved State and local governments. As a longtime supporter of revenue sharing, I understood the program's goals at that time to be quite simple. They were:

One. To relieve the fiscal problems of hard-pressed local governments with inadequate or inflexible tax bases.

Two. To reduce the regressive burden of State and local taxes by substituting revenues from progressive Federal income taxes; and

Three. To give people at the State and local levels the resources and the flexibility to develop solutions suited to their unique problems.

General revenue sharing is not—nor was it ever intended to be—a substitute for carefully targeted categorical programs aimed at specific social problems. The proper role for revenue sharing is—and should remain—that of a complement—not a substitute—for a balanced mix of general revenue sharing, block grants, and categorical programs.

As the 94th Congress begins to assess the impact of general revenue sharing, it would be helpful if both its critics and supporters returned to these relatively modest but extremely meaningful goals. When measured by this limited test, I believe the success column for revenue sharing is longer than its critics would have us believe.

In most cases, revenue-sharing funds have gone into worthwhile programs. Hot lunches for the elderly, improved police protection, and new sewage treatment facilities are some of the successes.

In many other instances, State and local taxes have been held down because of revenue sharing. And I might add that in many of our urban areas, holding down property taxes is a worthy social objective.

That is not to say that the first revenue sharing program has been an unqualified success, or that there are not problems that have cropped up. As the 94th Congress considers extending the present program beyond 1976, it faces some tough choices. Some of those choices are necessary because of the flaws that have become evident in the program's first 3 years of operation. Others are choices that should have been made before revenue sharing was ever enacted, but which were avoided in the spirit of compromise deemed necessary to get any program at all in 1972.

Perhaps the most difficult question of all is if it makes sense, or if we can afford, to give something to everybody under revenue sharing, whether they need it or not. That is what we did in 1972, in order to get a bill.

I personally do not think it does make sense, and I do not think we can afford, to give revenue sharing money to certain units of government simply because they exist, but serve no substantial governmental function. I do not think it makes sense, nor do I think we can afford, to give money to affluent communities with no demonstrated need for assistance, while big cities with big problems have arbitrary limits imposed on the amount they receive.

So our first tough choice must be to rewrite the revenue sharing formula to insure that greater emphasis is placed on need.

We need to raise or eliminate the ceiling that holds down payments to cities, relative to other communities in the same State. We must find a better way to judge the amount all governments should receive, and adjust the formula where it deprives cities of needed funds because they are located in relatively affluent States. At the same time, we need to revise the current 20-percent floor where it benefits wealthy communities or governments with very limited functions.

A second difficult question facing the Congress in renewing revenue sharing is the matter of incentives for tax reform at the State and local levels.

To be sure, tying tax reform to revenue sharing is not going to be popular with many people. But we must consider the argument of critics that revenue sharing has actually shored up regressive State and local tax systems. For every time a local government has been able to cut property taxes because of revenue sharing, the pressure for reform is weakened.

A third major focus of the revenue sharing debate this year must be on improved civil rights enforcement. The problem here is not one we avoided during the original debate, but one which has reappeared in the administration of the present program.

In our upcoming efforts to enact revenue sharing renewal, we must make it very clear that simply because the funds are free, they are not a blank check to discriminate. We must also assure that the Office of Revenue Sharing has the staff to enforce the law.

And we must also assure for local citizens the opportunity to participate more fully in decisions about how revenue sharing money will be used.

In presenting its recommendations for revenue-sharing renewal, the administration has addressed some—but not all—of these important questions. I am cosponsoring S. 1625, the adminstration's bill, because I share its assessment that general revenue sharing has been an important shot in the arm for our Federal system. I do so—not in the belief that

S. 1625 is the final answer in our efforts to build upon the strengths and iron out the flaws of the current program—but in the belief that the legislation can be improved and strengthened by constructive debate.

VIETNAMESE REFUGEES

Mr. CURTIS. Mr. President, I support the actions of President Ford directed at taking care of the Vietnamese refugees who have come to our shores seeking the freedom and the care and compassion for fellow man that is our heritage as Americans.

I am shocked and baffled at the antirefugee attitude being expressed by some people whose ancestors were immigrants at one time. Letters arriving at congressional offices are signed by people with "foreign" names, people who are proud to call themselves American but whose surnames clearly depict their national origins. These people are also proud of their ancestral backgrounds, and rightly so, since they have contributed to this great "melting pot" our young people are reading about in their history books.

Is the "melting pot" concept past history?

Are we now ready to deny our own immigrant backgrounds, to refuse the welcome and the compassion that greeted our ancestors when they came to this country seeking a better life, seeking the kind of life America is supposed to be all about?

We must remember that inscription on the Statue of Liberty, "Give me your tired, your poor, your huddled masses yearning to breathe free. . . ." They are not meaningless words that have no support from people whose hearts have turned to stone like the statue itself. I am sure of this.

And for this reason, I do not understand the reports that vast numbers of Americans are opposed to receiving any Vietnamese refugees in our country. As President Ford so aptly stated, these reports do not typify the America I know. They must represent a bad sampling of opinion. I believe that the majority of Americans agree with the President.

I do understand the logical concerns. We are in a period of high unemployment. We are in a period of high inflation, high welfare, long food stamp lines. And, of course, we are concerned about taking care of our own people who face these very real problems.

But no one said that the final end to Vietnam would be easy.

There is no way to plan a war to end when it is most convenient for your economy to absorb an influx of refugees.

I was in Congress when thousands of Hungarians were offered refuge and comfort here. Following World War II, we took in the largest number of refugees ever. When Cuba collapsed, I was in Congress to see this country welcome hundreds of thousands of persons who preferred freedom to communism.

I cannot bear to see this Congress or this country turn its back on a people who have come to us for help now. Would we have wanted our ancestors to be treated that way?

The Vietnamese who are coming to our country, and who are already here, are largely middle-class, hard-working people like ourselves. Many of them have professional skills that will benefit our economy. The South Vietnamese are industrious, family-oriented and freedom-loving.

They do not come to take jobs away from our people. They come to seek the freedom we fought for in their country, could not win, and should be happy to offer them now. They have left their homeland. Many families have split up.

They will be paying the price of war all their lives.

If this country turns its back on them now, we may as well go out and sink the Statue of Liberty. It says, "Send these, the homeless, tempest-tossed, to me. . . ."

If we do not mean that any more, then how can we honestly say we were fighting for freedom in the first place?

V-E DAY—VICTORY IN EUROPE

Mr. KENNEDY. Mr. President, today, we celebrate the 30th anniversary of the end of the war in Europe: V-E Day—Victory in Europe. It is ironic, perhaps, that the victory over Nazism and the liberation of Europe came just three decades to the week before the end of the Vietnam war. These 30 years span two generations of American involvement in the outside world; they bound an era in our foreign relations.

The coincidence of these two events is important for a particular reason:for as we put the Vietnam experience behind us, we are challenged to regain perspective on the world and our place in it; we are challenged to reaffirm our commitment to truly vital interests; we are challenged to build upon cooperative relations with those countries most important for us and for the future of the world.

So as the Indochina war ends, we return to our concern for the future of Europe. The contrast with May 7, 1945 is staggering. In ruins following mankind's most devastating war, Europe then seemed almost beyond salvation. Once great nations—friend and foe—lay prostrate. The Continent was crying out for help in building shattered economies and broken lives. And the seeds of cold war had already been sown.

Thirty years later, the shape of the Continent has radically changed. Recovery from the ravages of war is complete. The European Community is a hopeful effort in relations between states that go beyond the rivalries of the past—that look toward new institutions for the future. The Community has achieved economic power second only to that of the United States. In Western Europe, there has been a resurgence of political strength and democratic values, and deep dedication to human freedoms—in countries we fought against in World War II as well as in those Western countries that joined us in the crusade in Europe.

Meanwhile, we have gone through the dark night of the cold war, and are now concerned with settling the issues of the past, with promoting détente, and with reconciling nations of a divided continent.

Today, as we turn from our preoccupation with Indochina, our task in Europe is clear:

We must reaffirm the preeminent place that this continent—and the Western alliance—play in U.S. interests and concerns;

We must reaffirm the importance of the NATO alliance, and the military security upon which our hopes for détente are based;

And we must redouble our efforts to work with the nations of Europe—especially our friends and allies in the West—on meeting economic problems peculiar to industrial states, and the new global problems of food, fuel, raw materials, and the workings of the international economic system.

These are all important and critical items on the agenda for American leadership and action in the months and years ahead.

We are particularly concerned with reviving the strength and vitality of the Western alliance. Beyond a renewal of our military and political commitment to Europe, this means in particular a steadfast concern with the economic bonds of alliance. There is a pressing need for real reform of the international economic system, in which the industrial states of the West play a central role. We are now about to enter a new round of trade negotiations, which will set the pattern of trade relations for many years to come. And there is still the critical problem of energy—where, unfortunately, there is now less momentum following a brief creative period at the end of last year.

Yet the test of Atlantic cooperation in the near future will come in this vital area. There was a high degree of common effort during the recent energy conference in Paris; but far more needs to be done, before we can genuinely say that there is forward-looking, productive response in common to the energy challenge.

Here American leadership will be indispensable, just as it is in other areas of international economic and political life. Yet it cannot be leadership alone. Unlike the difficult days of three decades ago, both Western Europe and Japan now have the economic strength and capacity to share the burdens with us. Together, there is much that we can do to meet the challenges of the future, as we have met those of the past.

In the near future, President Ford will be going to Western Europe for a summit meeting of NATO leaders. I welcome this trip. It can prove to be a practical demonstration of this Nation's commitment to Atlantic relations, and a first step in the post-Vietnam era of U.S. foreign policy.

At the same time, we must be aware of changes taking place in Europe that pose new difficulties. In addition to economic problems brought about by rising energy prices, by inflation, and by recession, there is continuing concern about the vitality and effectiveness of the European Community. But there must be no doubt here or in Europe about one thing:

Continued U.S. support for the Community, and our willingness to work with it as equals in the years ahead.

We have also become aware of shifts within various countries of the alliance, taking place for a variety of reasons. And one lesson is uppermost: As we saw in both Greece and Portugal, reluctance to face the demands of human aspirations—as enshrined in the North Atlantic Treaty—can have consequences for all the nations of the alliance. It is therefore important for the allies to indicate their support—in tangible ways—both for Greek democracy and for elements in Portugal supporting that nation's efforts to build democracy and complete the process of decolonizing.

Today, Greece is at odds with NATO; and it is possible that Portugal will be estranged from the alliance. In both cases, we must do what we can to rebuild and reaffirm vital ties with these nations.

In the near future, NATO is likely to take up again the question of admitting Spain to full membership, supplementing those bilateral ties that include Spain in West Europe defense efforts. Yet because of what has happened in Portugal and Greece, there is reason to proceed cautiously with taking this further step. The internal situation in Spain is different from that in Portugal before the coup of April 1974. Yet while the future of Spain is unclear—while it is still not a democratic state—I believe that the Allies should postpone a decision on Spanish membership as a full NATO ally.

America's concerns with Europe, three decades after V–E Day, do not end with the need for paying renewed attention to traditional security concerns, or to the new economic issues—themselves vital to Western security. We must also continue looking beyond Western Europe to the nations of the East.

Partly because of events that followed the Second World War, there remain critical issues that primarily concern the United States and the Soviet Union in their bilateral relations. Most important is the need to proceed with efforts to bring the nuclear arms race firmly and finally under control.

But beyond aspects of détente that most directly affect the United States and the Soviet Union, we must continually realize that so much of the unfinished business of détente involves the nations of Europe, themselves. Just as détente must begin with firm ties to Western Europe, so the process of détente must continue with deep European involvement.

We in the United States have benefited from efforts to reduce tensions in Europe, from the first French approaches through the invaluable work of West Germany's Ostpolitik.

Now we are engaged in two major efforts in European détente: the mutual and balanced force reduction talks in Vienna—MBFR—and the Conference on Security and Cooperation in Europe in Geneva—CSCE. Both are important steps; both are connected; both must be pursued. Unfortunately, progress at Vienna at the MBFR talks has been slow and uncertain. Our own Government has been preoccupied with other foreign policy issues and other aspects of détente; while nations in the East—led by the Soviet Union—have proceeded at a slow pace for reasons of their own.

Meanwhile, the CSCE has made some progress primarily on issues deriving from the Second World War and its aftermath. The current phase of negotiations is expected to end in the near future, to be followed by a formal meeting at the level of heads of state.

I welcome the idea of the CSCE. By focusing on many issues outstanding from the end of the European war—and by approaching important matters of free exchange of peoples and ideas—this conference can help build understanding and contribute to the reconciliation of East and West in Europe.

Yet I have doubts about the rush to conclude the CSCE. To be sure, there has been some progress on what for the West is the critical issue—the human dimension of détente, the so-called "basket three." But has this progress been great enough to justify a summit meeting in the near future? I do not believe that it has. I believe that we should not be in such a rush to bring to an end this phase of détente that we fail to provide the best basis for continuing steps in the future.

To be sure, pursuing détente remains a vital interest of the United States and its allies. For many years, I have supported constructive steps leading in the direction of a final end to the cold war, and the building of new links between East and West. This is particularly true when so many problems remain in the nuclear arms race; when there are new problems, such as the need to halt the spread of nuclear weapons, that loom before us; and when there is some questioning of the value of détente in the wake of Soviet abrogation of the United States Soviet trade agreement.

But as we pursue détente—and beyond—we must also make each effort both real and deep. For to do otherwise could breed disillusionment in the future, and erode the basis for steps that will be genuinely in the interests of all parties, and bring a new era of security to Europe.

I therefore urge the President to seek, with our Allies, further agreements at the Conference on Security and Cooperation in Europe, in the area of "basket three"—in the human dimension of détente. And I urge him to seek further progress at the talks on mutual and balanced force reductions, before embarking on a multilateral summit meeting between East and West. For in the final analysis, it is concrete, specific steps toward détente—and particularly in the human realm—that will give us the best hope for the future. In the long run, détente must be built in the lives of people, going beyond arrangements in the military realm, going beyond an improved climate of political relations between states of East and West.

We should continue to pursue the goals of the CSCE for as long as necessary, while seeking further agreements both in bilateral United States-Soviet relations—such as in strategic arms control—and in a broader European détente. By contrast, holding a summit meeting of the CSCE too soon could risk giving the peoples of Europe the impression that this particular phase of détente has been finished—when it has only just begun. At the very least, we should do nothing to imply that a summit conference of the CSCE marks the end of building a human basis for détente. We should reaffirm that détente is at heart, a process of change, not a search for dramatic events. And we should give the strongest support to the Danish proposal that there be a time of testing in fulfilling the agreements already reached at the CSCE.

At the same time we should join with our allies in Europe in seeking to extend détente into other areas. For the Soviet Union and its allies will also be inevitably involved in the great global issues that are gripping mankind. Whether in food, fuel, raw materials, the sharing of the resources of the areas, or protecting the environment, the nations of the Warsaw Pact cannot forever remain aloof. They, too, will have much to gain and to contribute from an approach based on cooperation rather than on confrontation or isolation. Seeking their involvement will not be easy, for a host of reasons. But as we build for the future, the effort of East-West involvement could help promote the objectiveness of détente, and recognize the growing interdependence of the world's nations, East and West, rich and poor.

Mr. President, I have sketched some ideas today on our relations with Europe. I believe this is an appropriate day to do so, as we celebrate the return of European peace three decades ago, and as we seek to go beyond the area of conflict in Indochina, to gain new perspectives about the future of American foreign policy. There is no more appropriate place to begin than in Europe. There is no area in the world so vital to us, nor our friendships with old allies so indispensable. Here, I believe, we can begin a new era of American involvement and shared leadership, designed to meet the needs of the future.

WYOMING RESERVE RESOLUTIONS

Mr. HANSEN. Mr. President, the Wyoming Department of the Reserve Officers Association of the United States met in convention at Sheridan, Wyo., April 12 and passed a number of resolutions.

These resolutions should be brought to the attention of the Congress, and I ask unanimous consent that they be printed in the Record.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

Recall of Ready Reservists

Whereas, under the Total Force Policy the Reserve Components are to play an increasingly important role, and

Whereas, as a part of the implementation of the Total Force Policy it is necessary to be able to utilize the Reserve Components under circumstances less serious than warranting a declaration of war or a national emergency, and

Whereas, the Congress has given the President authority to respond to such military threats for a limited period of time while it is reviewing such action in accordance with its constitutional responsibilities under the War Powers Act: Now therefore be it

Resolved that the Wyoming Department of the Reserve Officers Association of the United States supports legislative authority for the President of the United States to recall up to 50,000 Ready Reservists for up to 90 days without a declaration of national emergency by the President, or by the Congress, and that this resolution be forwarded to the Wyoming Congressional Delegation.

B–1 ADVANCED BOMBER

Whereas, the national strategy of Realistic Deterrence rests upon the maintenance of a blend of land-based missiles, sea-based missiles, and manned bombers, a blend known as the Triad; and

Whereas, each element of the Triad is essential to a strong deterrent posture through its ability to compensate for potential vulnerabilities in any one system; and

Whereas, the manned bomber component of the Triad requires, for its continued effectiveness, a new aircraft to meet the requirements for higher penetration speeds, reduced radar cross-section, larger payload, improved low-level penetration, dispersal, and quick reaction; and

Whereas, the B–1 advanced bomber possesses all these attributes together with a growth potential which ensures its value as a strategic weapon system over many years; now, therefore, be it

Resolved that the Wyoming Department of the Reserve Officers Association strongly urges the Wyoming Congressional Delegation to support the Air Force request for the B–1 program as a critial and urgent requirement in maintaining the effectiveness and credibility of the strategic deterrent Triad.

RESOLUTION ON RESERVE FORCE REDUCTIONS

Whereas, the Active Armed Forces are being reduced, and

Whereas, under the Total Force concept the Reserve Forces are to be strengthened to compensate for the reduction in Active Duty Forces, and

Whereas, the country must maintain a strong military posture as a deterrent to future aggression; now therefore be it

Resolved by the Wyoming Department of the Reserve Officers Association that the Reserve Forces of the United States be strengthened rather than reduced as it is now proposed.

WHALING DAYS IN NEW JERSEY

Mr. WILLIAMS. Mr. President, the Newark Museum's first Bicentennial project is a fascinating exhibition on "Whaling Days in New Jersey." The exhibition presents an extensive amount of material about all aspects of whaling in my State. The exhibition is the product of a year of original research by the museum staff, and includes items from the Newark Museum's own collections as well as material lent by private collectors, museums, and historical societies as far away as Wisconsin. It truly reflects the concept of a Museum of Art, Science, and Industry because virtually every museum department was involved in preparations for the show.

Whaling was an important factor in the economic life of New Jersey and the United States for more than a century. This is amply demonstrated by the display of utilitarian objects made from whale products. Whale oil lamps recall the days when whale and sperm oil, not electricity and petroleum, were the best sources of light and lubrication.

Many luxury items made from whale bone and other whale products are on view, including ladies' fancy corsets, elaborately carved fans, parasols, and elegant walking sticks with handles carved in the shape of knots, birds, fish, and whales.

A section of the exhibition is devoted to scrimshaw, the sailor's "spare time" art of carving wood, ivory, and whalebone during the long voyages at sea. The unschooled carvers fashioned children's toys and models and carved and etched elaborate scenes of whaling ships and 19th century life onto the smooth surface of whales' teeth.

A three-screen multimedia slide show presents details of a whaler's life by tracing a round-the-world voyage through whaling prints, paintings and drawings to a background of oldtime sea chanties.

I believe one of the most important areas of the exhibition is that devoted to the natural history of the whale. It strongly emphasizes the danger of extinction posed to today's small remaining whale population. The message of that exhibit is very timely since the International Whaling Commission is meeting next month in London, and I am hopeful that the IWC will finally accept a moratorium on the killing of whales at that meeting.

I was pleased to have had the opportunity to attend the United Nations Conference on the Human Environment in Stockholm with the U.S. delegation. One of the substantial agreements achieved by the conference was a resolution adopted by a 53-to-0 vote calling for a 10-year moratorium on commercial whaling.

I was also the sponsor of the Senate version of the Endangered Species Act and the Marine Mammal Protection Act which were signed into law last Congress. These acts have resulted in a ban on the importation of whale products and a prohibition against U.S. fishermen killing whales. However, a binding international agreement for the protection and conservation of marine mammals is still needed.

Whales are today an endangered species. There are no very accurate statistics of how many there are, but such information as we have gives us cause for alarm. The International Whaling Commission has acknowledged this to some extent, by its prohibitions on the taking of some species, such as the blue whale, the humpbacks, and four species of right whales. But it has not protected others, such as the fin, Bryde's and sperm whales, and several other species. Even if the Commission's limited prohibitions are respected, authorities agree that it is already too late for some species. Populations of some species are extremely low at the present time, and whales reproduce very slowly. Moreover, as the Commission's limited prohibitions take effect, hunters kill ever-larger numbers of other species because quotas for the killing of whales are set in terms of the oil production of the very large blue whale.

Considered in the total scheme of the global environment, whale killing may not appear to be of very great importance. Whales are, after all, rather remote from the everyday environment of most men. Few people have ever seen one. And for most people, they exist as almost fictional creatures. But calling for a moratorium on killing them can have a great significance in at least two important ways.

First, we have become more aware of the importance of the interdependence of the various elements that make up our natural environment. Our knowledge of the earth and our survival on it is endangered when we alter its delicate balance. The complete extinction of whales might not have a direct and significant effect on the lives of any of us. But to assume that it is to miss the point that ecologists have found is so hard to make. That point is that whales, like any other part of our complex natural world, might possibly represent a vital link in the ecology chain. Enough research has been accomplished with other ocean mammals, such as porpoises and dolphins, to give weight to the proposition that whales are a potential for research. This research could show that they are vital for man's well-being. Their extinction would remove even that option for the future.

A second important point regarding this proposal concerns the willingness and ability of the international community and its institutions to bring some order to the global environment. One of our most hopeful accomplishments lies in the indication that mankind is at last determined to protect this earth.

Finally, I must admit to a very personal, sentimental aversion to the possibility that these magnificent animals become extinct. I hope that the International Whaling Commission finally will attempt to enforce a moratorium on these endangered mammals. Previously, the Commission's members have not even bound themselves to observe the quotas set for each of them. It is important to note that the quotas have not been set for several years because whaling fleets are not able to find enough whales to fill them.

Mr. President, I wish to commend Mr. Samuel C. Miller, director of the Newark Museum, for the outstanding job he and his staff have done to make "Whaling Days in New Jersey" a success. There have been many important contributions toward this show. I believe the Barbara Johnson collection typifies the extensive breadth and profound depth of the exhibition. It includes a library of over 10,000 titles on whales and whaling with 40,000 cross-filed subject titles, journals and manuscripts, gear and tools, paintings, prints, and carvings, and scrimshaw. In addition, the collection is just one manifestation of her interest and tireless efforts to save this magnificent animal. I know of no one who has done more to help preserve this endangered species. Among other important contributors to this magnificent exhibition are Mr. and Mrs. H Harrison Huster, and Mrs. Leonard Dreyfuss.

This comprehensive project serves many valuable purposes. It reminds us of an exciting era in our past; it informs us of issues which face us in the present;

it indicates some directions we should take to improve our future.

I feel a most important contribution of "Whaling Days in New Jersey" is the lesson that the survival of whales and the survival of man may both depend on our rededication to preserving our world environment. We cannot escape the fact that the fate of other creatures on this Earth might determine ours.

VIETNAMESE REFUGEES

Mr. JAVITS. Mr. President, the debate regarding America's newest immigrants and refugees is beginning to emerge into a rational discussion although some vocal critics are yet being heard.

I want to praise again the posture of President Ford in addition to other responsible Americans in positions of influence and authority: President Meany of the AFL–CIO Speaker ALBERT, Senator HUGH SCOTT, minority leader in the Senate, Senator CLAIBORNE PELL, who cosponsored legislation with me yesterday to provide humanitarian assistance for the refugees, Congressman UDALL, and other Members of the Congress and the public, who have spoken out responsibly on the issue.

I am particularly proud of a voice of reason and moral awareness that has been heard from the editorial pages of many of our influential newspapers.

I ask unanimous consent, Mr. President, that editorials from the New York Daily News, New York Times, Washington Star, and the Christian Science Monitor be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

ON WINNING REFUGEE-AID SUPPORT

We share President Ford's disappointment with the attitudes reflected in the debate over and defeat of the South Vietnamese refugee-aid bill. Mr. Ford said of the one-sided (246-to-162) vote in the House: "This action does not reflect the values we cherish as a nation of immigrants."

But the White House will hardly persuade Congress to a different point of view by attempting to shame it. A new Gallup poll on the issue of permitting South Vietnamese evacuees to live in the U.S. showed the congressman not far off the mark of public sentiment. By a margin of 54 percent to 37 percent, citizens opposed such relocation.

As a first step, the White House will have to come up with a new piece of legislation. The $327 million refugee-aid bill rejected by the House had a serious defect. It contained the clause giving the President authority to use troops for evacuating citizens. New legislation, such as that being readied by Senators Javits and Pell, can now deal strictly with the humanitarian aspects of the problem.

As a second step, the White House should address the attitude of the public, which, as Mr. Ford said of Congress, "reflects fear and misunderstanding rather than charity and compassion." The White House cannot ignore the pervasive feeling that America's own underemployed and overtaxed merit attention. It need not go so far as Gov. Edmund Brown Jr. of California, who had his state's million unemployed in mind when he called for a Vietnamese aid bill that would provide "jobs for Americans first." But it would help Mr. Ford's effort to secure refugee aid financing if he would show more regard for his country's native jobless.

At base, the exact price of resettling the Vietnamese refugees is not the issue—whether it takes the $327 million the House rejected or the $500 million the White House says is needed. Nor is the issue the sharing of jobs or communities. This issue is whether America's conclusion of the Vietnamese adventure is to be humane and generous, or self-seeking and mean.

The refugee aid is needed. It should be voted.

'WE HAVE NO CHOICE'

The antagonistic response of some Americans in and out of Congress to the prospect of granting refuge in the United States to 150,000 Vietnamese seeking asylum here recalls the worst days of McCarranism a quarter century ago. At that time, the late Senator McCarran of Nevada became the odious symbol for all that was ungenerous in the American attitude toward the admission of political and other refugees after World War II. A recrudescent McCarranism is the last thing Americans should want to see today.

The most immediate and obvious way for the Congress to demonstrate that Americans have not lost their moral sense as a result of the Vietnam tragedy is to grant President Ford's urgent request for sufficient funds to meet the expenses of transporting, housing and resettling those Vietnamese refugees who have managed to escape to this country. Senators Javits of New York and Pell of Rhode Island are sponsoring a bill to provide the requisite funds; the ultimate shame of American involvement in the Vietnam war would be the hesitation—or, worse yet, refusal—to accept this much responsibility.

In fact, one of the few shreds of glory that the United States has been able to retrieve from the closing days—or years—of the Vietnam war consists of the success of the tremendous air and sea lift that rescued so many thousands of Vietnamese who had been associated in one way or another with the American involvement.

* * * * *

The attitude expressed by a few public officials—including Governor Brown of California—and many private citizens to the effect that the influx of Vietnamese is unwelcome because they will take needed jobs from Americans may be understandable but it is unwarranted. As Representative Morris Udall of Arizona has sensibly pointed out, the incoming Vietnamese will comprise a minuscule fraction of the labor force (certainly not more than one-tenth of 1 per cent); they total less than half the number of immigrants normally admitted to the United States annually; they are less than one-fifth the number of Cubans who came here after the Castro revolution. "We have no choice," says Mr. Udall, "except to take them in."

He is right, on the grounds of humanitarianism, of decency and of political freedom—and as much for our own self-respect as for the Vietnamese.

WELCOME THE REFUGEES

There is grumbling—with racial overtones—that the 100,000 Vietnamese refugees will put an added burden on the taxpayer and steal jobs from Americans.

We don't agree in any way, shape or form.

These selfish, short-sighted complaints are unworthy of our shining tradition of compassion, and are inaccurate to boot.

Many of the refugees have relatives already in the U.S. who will help look after them. They will be dispersed so that no section of the country will bear a disproportionate burden.

Probably only 20,000 of them will be looking for jobs. A surprisingly high percentage of these are middle and upper-class professionals we can well use—lawyers, doctors, college teachers.

In welcoming them, we are carrying out our splendid tradition of offering refuge to the homeless and the tempest-tossed.

We succored victims of famine and revolution in the 18th and 19th Centuries—they were our ancestors. We gave haven to those who suffered the Nazi programs, those who fled Red tyranny in Hungary and Cuba.

America can easily absorb this wave of immigration and thus reinvigorate herself as each wave in the past invigorated her.

Most of all, we will be fulfilling our destiny, the destiny that Emma Lazarus so hauntingly described in her inscription for the Statue of Liberty:

> A mighty woman with a torch, whose flame
> Is the imprisoned lightning, and her name
> Mother of exiles.

ANOTHER HUDDLED MASS

The Vietnamese refugees are the badly chosen target of several of this nation's discontents, to judge from widely quoted criticisms and a Gallup Poll showing most Americans opposed to the influx.

The unpopularity of our involvement in the Indochina wars ironically has rubbed off on some of its most pathetic victims. So has impatience with the recession: The newcomers are seen as taking jobs away from Americans or requiring welfare handouts from harried taxpayers. Other negative thoughts include a vein of racism. The evacuees are non-white, Oriental, somehow lacking the ideal credentials of would-be Americans.

There is more particular criticism of the selection process that broke down in the last frantic days of the Saigon regime. It was indeed an untidy mess, for which it is hard to place blame. Not all of the prospective immigrants are dependents or employes of Americans, or the most likely targets of Communist reprisal had they stayed home. Some bought their way out or used connections, were lucky or were desperate enough to head for the open sea in small boats. There is no sending them back to Ho Chi Minh City.

None of the misgivings voiced by Americans dilutes this country's responsibility to take in those of the more than 100,000 fleeing Vietnamese who want to come here. As seekers of political asylum, they have a more-than-ordinary claim to our hospitality (more than the 675,000 Cubans or 40,000 Hungarians) because of the United States role in their country's resistance to Communist takeover.

The recession-based fear shrinks when put in perspective. The minority of refugees who will enter the labor market will have an imperceptible impact in a national work force of more than 90 million. They will be felt less than the year-to-year flow of regular immigrants and far, far less than the perennial problem of millions of illegal aliens. The racist quibble should get a quick burial in this diverse nation of immigrants, former slaves and descendants of the original (non-white) Americans.

As for the tendency of older immigrants to look askance at newer arrivals—that is an America tradition that has marked all of the successive waves of migration to these shores. The ethnics seeking their place always have brushed annoyingly against the ethnics already established here. But the country's generous side for the most part has prevailed, and should have little trouble doing so in the case of a relative handful from Vietnam. Compared with the Irish potato famine and the pogroms of Eastern Europe, for instance, the fall of Saigon will prove a relatively minor event in the history of American immigration. Dispersed around the country in line with the government's settlement plans, the Vietnamese soon will be hard to spot in the national mosaic.

The task of absorbing the Indochinese refugees can be eased, and the critics disarmed, by intelligent leadership. Public officials should stop amplifying constituents' fears and help solve any problems that arise. Congress should provide for settlement costs and the future legal status of the Vietnamese outside the regular immigration quotas. As a national responsibility, the influx should not be allowed to become a burden and an irritant in a few communities. Private agencies and individuals stand ready to help in the absorption process.

By giving the Vietnamese a humane welcome, the nation will be doing more than making good on a debt of honor. It will be fulfilling some of its own promise, for "older" Americans as well as those to come.

WHAT DO WE EXPECT OF THE MILITARY?

Mr. PELL. Mr. President, a very interesting and provocative article entitled, "What Do We Expect of the Military?" by Philip L. Geyelin appeared in the Washington Post on Monday, May 5, 1975.

This article has particular meaning for all of us who have served our country in a military capacity.

It is an excellent piece and one that I commend to my colleagues. For this reason, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

What Do We Expect of the Military?

(By Philip L. Geyelin)

The following is adapted from an address given at a "Symposium on Officer Responsibilities" at the Command and General Staff College, Fort Leavenworth.

I have been asked to answer the question: What is it that those of us in the civilian world, in and out of government and however intimately or remotely involved in the political process, expect of you who have military service as your career?

The short answer is, quite a lot—and often, almost certainly, too much. For example, we expect you:

to defend us from foreign enemies and in fact from any threats to our national security as this may be defined, not by you, but by political leaders;

to maintain order during disturbances at home—without trampling upon civil liberties;

to be quite precise about your needs—even though the dangers you are charged with defending us against may change drastically from time to time;

to design experimental weapons and give us firm estimates of their cost and to deliver them to your units at no higher cost than you originally estimated;

to advise the President and other civilian leaders about the military implications of this or that foreign policy question, even though you do not participate as an equal partner in the making of that policy; and when an ill-conceived policy gets us into a war that cannot be won under the rules of engagement that have been imposed upon you, we expect you to win it anyway;

To be scrupulously truthful about your needs, however, they may be altered by unpredictable events, and also to be scrupulously honest about your battle reports and never mind how much aid and comfort adverse reporting might give to an enemy.

If some of these expectations seem to you to have particular application to the long and tragic Vietnam struggle now ended, the fact is that there is no better example than Vietnam of a war in which too much was asked of the military by civilians who were unprepared to take the risk of doing nothing and equally unprepared for the risks that would have been involved in moving in a conclusive and decisive way.

An even larger lesson, however, is that the war, and the manner in which it was waged asked too much, not only of the military but of the process of government of which the military is an essential element and a vital arm. For what was asked of military and civilian leaders alike was that they lend themselves to a kind of continuing, calculated deception—a conspiracy in restraint of candor required by the very nature of this new concept of limited war. The name of the game was "graduated response" to enemy initiatives. The objective was to convey by incremental increases in the application of military force an impression of limitless American will power and staying power. This, it was believed, would persuade the North Vietnamese and their supporters that their cause was hopeless. And so, the theory went, they would soon stop doing what they were doing and leave their neighbors alone—in Secretary of State Dean Rusk's familiar litany.

What this meant in practical terms, however, was that military progress reports were very nearly required to report progress. Civilian leaders, for their part, were encouraged to conceal military cutbacks—or escalation—from their own people in order not to alarm the public or generate the sort of divisive debate that might undercut the impression of a united resolve that we were trying to project to the enemy.

Well, it didn't work—because it was by its nature unworkable. And the reason it was unworkable, in my view, was that we were all expecting too much of each other. Civilian leaders in the executive were asking too much of the military and also too much of the Congress and the public and the press.

They were asking Congress to suspend free debate and blindly vote for resolutions and for appropriations in support of a war that nobody was prepared to declare. They were asking the public to pay the taxes for it and to send their sons, without saying how long it would last or how big it would get or even admitting that it was getting big without anybody knowing it. And they were asking the press not to question their official accounts of their conduct of the war.

You in the military were asking us in the press to accept your body counts and your estimates of enemy forces and your warnings of enemy intentions on faith, even though, to be blunt about it, they were not always reliable.

And we in the press, of course, were asking you to tell us about your plans and future operations and force levels and deployments, because we were not formally at war, and there was no censorship—even though you knew that this information could help the enemy.

I don't want to labor the point or refight the war. But I think it is important for us to recognize that the question we are asking ourselves has no easy answer out of our recent experience. For our recent experience is almost a case history of our system gone wrong, of a sustained distortion and straining of healthy adversary relationships between us all—between the relevant branches of government, between civilian and military, between government and the people, and between government and the press. There is at least the glimmer of an answer, however, growing out of our recent experience, and it is that each of us is going to have to not only ask less of each other, but also try harder to understand each other.

Accordingly, what I would put high on my list of what civilians expect of professional officers in the armed services is simply that you understand the rights and prerogatives of the public and the press in our society.

Yours is a society which, by necessity, indeed almost by definition, depends on strict discipline, tight security and firm, not to say unquestioning, support for policies and directives issued by higher authority. But the larger American society operates under no such constraints. The right to question, to debate, to dissent, to demonstrate lawfully, is inherent. No government policy is sacrosanct. It is not disloyal or even necessarily destructive to disagree openly and as forcefully as possible with the word of the authorities. On the contrary, that is the way we conduct our government; that is the essence of a free society.

And when we think about the problem of preserving this free society, it is necessary for all of us to remember that there is more than one way to destroy it. It can be destroyed from without by hostile adversaries against which you are charged with defending us. But our fundamental freedoms—our national security, if you will—can also be threatened from within, when in the very name of national security we resort to "plumbers" and "enemies lists" and unconstitutional invasions of privacy in order to suppress public discussion and debate about a war in which the public has a vital stake. In this respect it is perhaps worth recalling the point that Arnold Toynbee makes in his study of civilization: of the 16 great civilizations that have been destroyed over the centuries, every one was destroyed from within—from the corruption of fundamental institutions and the slow erosion of fundamental values. The most that any outside power did was to administer the coup de grace.

I'm sure that you know that. But I also sense that sometimes you find our fundamental freedoms inconvenient, that you often feel that they work contrary to your purposes, and that there are times, and the Vietnam war is a notable example, when you believe it would be in the urgent interest of national security to suspend these processes and liberties.

The origins of your Vietnam dilemma, of course, did not lie with you. The origins began with your civilian superiors who were consistently unwilling to be honest with Congress and with the public about a policy that was ill-founded and failing.

Nevertheless, the fact remains that too much was expected of the American body politic, with all that term implies, by the military establishment during the course of the war. You expected the press and the Congress not to inquire too deeply into the course of a war that was taking a heavy toll in casualties and in material resources without showing any promise of coming to an end. You expected the public to retain its confidence in policies and strategies that depended for their success on a high measure of demonstrable dissembling and deception. And you measured the performance of both the press and the Congress in terms of a "patriotic" willingness to support whatever the government proposed even though it is inherent in our system to question whether what's good for the country at any given time is what a particular politician or cabinet head or President proclaims to be good.

We live, in fact, by a difficult and delicate system of checks and balances, which may in extreme crises oblige a newspaper reporter to report something that others will believe is harmful to the national interest, and may also require an Army officer or a government official to go against the official line. We have, I think, recently undergone two such extreme crises in our affairs: Vietnam and Watergate. To work our way back to that careful balance by which we manage our affairs may well require all of us to re-examine and re-define what it is we can reasonably expect of each other as military officers, private citizens, civilian leaders, politicians, and members of the press.

VIETNAMESE REFUGEES: OUR LATEST IMMIGRANTS

Mr. KENNEDY. Mr. President, our Nation has long prided itself on a long tradition of compassion and humanitarianism toward the homeless of the world. America's heritage and the very vitality of our democracy is built upon the lives of immigrants seeking hope, freedom, and opportunity in a new land. I am troubled that this Nation of immigrants—whose bicentennial is nearly here—is struggling over whether our doors will remain open to the latest group of refugees from South Vietnam. Widespread concern over new refugees may find its roots in fears of the future, in present economic hardship in our Nation, or in a desire to rid ourselves once and for all of the nightmare of the Indochina war.

For us, the war is truly over. For the Vietnamese too, the end of suffering from continuing decades of hostility has arrived, and peace will come to Indochina for the first time in two generations.

But as the curtain falls on war, the tragedy is not finished—nor is the responsibility of the United States. For the suffering continues in both Cambodia and Vietnam. Millions of people are still homeless. We cannot ignore this suffering. We cannot ignore the needs of orphans, of the wounded and maimed, and the countless other war victims who cry out for protection and help. The United Nations, and others, stand ready to help. And the humanitarian appeal of the United Nations deserves our country's support. The time is past due for us to meet our humanitarian obligations to the people of Indochina, and for the President to declare our country's support of international efforts to rehabilitate their lives.

As I said in Boston on Law Day last week, we in the United States cannot ignore what is happening now. We have evacuated those Vietnamese we could, before the ports and airfields were closed. Now we open a new chapter in our history as a nation of immigrants, and we should welcome those now arriving in our Nation and help them to make new lives. As the violence subsides in Indochina, we must cease doing violence to ourselves, and begin binding up the wounds at home. We can begin by coming to the immediate assistance of our newest immigrants.

There were always those who opposed immigration—even at the beginning of our Republic. Many more later sought to restrict the flow of immigrants—how many and whom we would accept. But for nearly a century following the Declaration of Independence, our national policy was to encourage a free flow of immigrants—and we have in recent years had the courage to resist those who would discriminate against immigrants from particular lands. Each year we open our doors to approximately 400,000 new immigrants. Millions more have entered the United States from the Western Hemisphere. And, as in the past when millions of Russians, Poles, and Jews sought protection and haven from persecution, the American people have remained exceptionally generous when war and oppression forced people to flee their homelands—seeking security, relief, and freedom.

Since 1959, nearly 650,000 Cuban refugees have arrived on our shores. Thousands of Hungarians, Czechs, and Germans—and others—have not only sought asylum in the United States, but have developed rich and creative lives, providing new meaning to our own lives as Americans. This constant flow of immigrants has come about with little if any hardship to the rest of our people.

The Vietnamese who choose to stay can also become productive Americans.

In the days ahead, as thousands of new refugees arrive to hastily built reception camps, we will soon understand the scope of their needs. Their requirements must be met with ample resources and a compassionate approach to their needs. Their successful and swift integration in our society will be measured by our dedication. Their impact upon our communities will be measured by our determination to meet the challenge and the efforts our Government can muster to insure a rapid assimilation.

But most of all I call upon all Americans to receive the Vietnamese warmly. They fled in fear, from a nation torn by war, from a life marked by devastation and death. We can do no less to end their suffering and bring a new purpose to their shattered lives than by accepting the challenge of their arrival, and meeting this new problem in a positive manner. Let us not forsake the conscience of a nation, whose humanitarian idea serves as an example for other nations, by turning our backs on those who more than ever before are totally dependent upon our good will and expressions of concern.

Last night the President appealed to the American people not to turn away from these Vietnamese refugees. He voiced his deep concern over opposition to their arrival. I share his concern, and I know I speak for millions of Americans, who have offered their resources and homes in expressing my belief that the American people will once again be as generous as they have been in the past.

Mr. President, we face a task of resettling nearly 150,000 new refugees. We have confronted more burdening problems in the past. Despite the state of our economy, despite the critical levels of unemployment and the critical needs of our own people, let us end this final chapter of our painful involvement in Indochina with a strong determination to move toward the achievement of success in bringing new hope to the Vietnamese refugees.

VIETNAMESE REFUGEES

Mr. MUSKIE. Mr. President, I would like to take a few moments to express a personal viewpoint about the arrival of many thousands of refugees from South Vietnam. I am deeply concerned that this issue now threatens to divide us as a nation even as the war itself has divided us for so many years.

I hope that this will not be so—and that our country will welcome these new immigrants just as we have welcomed refugees from war and political oppression throughout our history. I speak to this issue as one who is himself the son of a refugee.

First, let me point out that the agony of Vietnam is over. America squandered much of her wealth, the lives of her young men, and much of her moral leadership in a policy that was wrong.

In our sensitivity to those consequences, let us not be insensitive to the suffering of Vietnam. The magnitude and depth of Vietnamese suffering exceeds our own.

And we cannot simply forget that suffering. For the ledger of Vietnam will be part of this Nation's history forever.

We have the opportunity now to relieve a small part of that suffering, to make a positive, humane entry in that ledger. It is more than an opportunity, it is an obligation, a moral imperative.

I am not blind to the fact that some of the refugees are those who helped corrupt their own society. There may be some who are undesirable additions to our own society.

But the overwhelming majority are the middle class—the artisans, the scholars, technicians, minor officials, the women and children. They did not profit from war. They bring no secret bank accounts with them. They bought our aims unselfishly. They sacrificed much at our urging.

They have now fled Vietnam, fearing harsh retaliation. They are homeless, many are ill, their careers shattered, their dreams wiped away. Now all they have is the reality of their plight.

We can offer them hope in the refuge of our land. We can—and must—give them a new start in a new land.

This is not unusual or unprecedented in our history.

We are a Nation of refugees.

For more than three centuries we offered a new start to people of all races and nationalities. The Pilgrims and Puritans, Germans, Irish, Italians, Chinese, and scores of other groups who came here were refugees.

They came to avoid conscription, to escape political, religious, or social persecution, to rebuild mortgaged lives. They came because America welcomed them. The Nation gathered strength and vitality from them. Our powerful economy and rich culture was built by them.

My own father was a refugee. He fled from eastern Poland to avoid conscription in the czarist army. And when he fled, he came to America; the bright, hopeful refuge for the dispossessed of the world.

In recent years, we provided refuge for tens of thousands of Hungarians and hundreds of thousands of Cubans. They are now Hungarian Americans and Cuban Americans. They are productive people. They have prospered, and we have prospered.

We cannot turn our back on this history.

There are many who would, of course. Congressional mail has run strongly against aid to refugees. My own mail is no exception.

I believe that many of these opponents react impulsively to the frustration of seeing Vietnam collapse so quickly and completely. They would punish the wrongdoers, and classify all refugees as wrongdoers.

Others say that we cannot afford to help them. There are too many jobless and poor Americans, already, to take on another burden.

But there are many others who in private acts of charity have aided the refugees. With quiet generosity, in small ways, they are breathing life into our history and responsibility.

I believe we must build on that private charity with legislation providing necessary aid.

If it may not seem momentarily popular, if rancor seems ascendant, if selfishness seems the order of the day, we must still act.

We must take on what all of us in public life must take on—leadership. We may be ahead of many Americans in exercising this leadership, but it must be done nevertheless. We must be honest and moral in this leadership.

Eight years ago, the Reverend Martin Luther King, Jr., spoke about the suffering of the Vietnamese. He urged the war's end and the repair of the damage.

In calling for that, he said:

> To be honest is to realize that the ultimate measure of a man is not where he stands in moments of convenience and moments of comfort, but where he stands in moments of challenge, in moments of controversy.

We have that opportunity today. We in Congress and the American people have the opportunity to meet the challenge and reassert our moral leadership to the world. We can—and must—do no less.

THE PROBLEMS OF THE AIRLINES

Mr. CANNON. Mr. President, there has recently been much public attention given to the problems of air transportation, the Civil Aeronautics Board, the airlines, and the public.

The Nation's airlines are undergoing very difficult times as a result of depressed traffic due to the national recession and rapidly increasing costs, attributable in part to the phenomenal increase in the price of fuel. Some, including myself, believe the airlines are about to price themselves out of the market, particularly that market known as the discretionary travel market composed of persons traveling for personal or vacation purposes.

In this regard, I was recently pleased to read the remarks of the president of Allegheny Airlines, Mr. Leslie O. Barnes, before the Institutional Investor Conference in New York. Mr. Barnes thoughtfully deals with the problems faced by the airlines and the current fare structure and the need for the Civil Aeronautics Board to encourage and strengthen competition in the airline industry.

Because Mr. Barnes' remarks are so timely and well reasoned, I recommend them to my colleagues as an excellent analysis of the current problems of the industry and the traveling public.

Mr. President, I ask unanimous consent that Mr. Barnes' speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

INDUSTRY TRENDS—CAUSE AND EFFECT

(By Leslie O. Barnes)

(Note.—Revised paper to include changes made by Mr. Barnes to the paper he prepared, this as presented to panel.)

Any reading of current airline trends must be alarming. Growth trends have flattened—even declined; costs continue to rise, and have been accelerated by reduced service volume; essential profits are down or have disappeared altogether.

New concepts—by the airlines, by our labor groups, by the Civil Aeronautics Board—are urgently required if these trends are to be reversed. Gone are the days when newer, larger jet aircraft could be added with the assurance that this was singly the most reliable way to meet higher costs, to increase productivity. Gone, also, are the days when another fare increase could be added to keep profits in balance.

For a number of reasons, the "bounce" has gone out of the industry. Share with me a look at what has been happening:

First.—We are pricing ourselves out of the market—not the business market, but in the discretionary travel market. The business traveler's fare has been increased only 15% based upon 1973 levels—not bad considering national inflationary trends. But the discretionary travelers' fare has been increased by 60% through the progressive elimination of most discounts including the key Family Plan and Youth Fare discounts effective June 1, 1974. While the Civil Aeronautics Board thought it was forced as a legal matter to outlaw these discounts as being discriminatory and unlawful, many in our industry were placid about the whole matter because the belief persisted in many quarters that discounts were unnecessary to maintain business volume. Mixed with an industry and CAB concern over rapidly rising fuel and labor costs, it became very easy to *accept the conclusion* instead of exploring or developing alternative off-setting programs.

If Youth and Family Plans *are* unlawful, and if these discounts *are* essential to a resumption of our growth trends, then the industry should vigorously be supporting pending legislation which would legalize this type discount. And it should similarly support the inclusion of Retired Senior Citizens for obvious reasons of fairness and common sense.

Second.—This industry was built upon the principle of vigorous competition. And over the years, a vast network of services in *both* primary and secondary markets resulted from an aggressive route development program. In turn, the interfacing between the primary and secondary markets produced numerous opportunities and choices for the traveler to move literally at will between any pair of cities in the country. *And it is these secondary markets which are the lifeblood of the industry!*

Today's larger jumbo jet aircraft do not lend themselves to services in the secondary markets. And as cost pressures have increased, smaller aircraft have been rendered economically obsolete; as marketing efforts have shifted and concentrated on the essentiality of filling the larger aircraft, the nation's service patterns have shifted and deteriorated in the secondary markets. The result of all this is that many large, short-haul markets receive not only less service, but those services which are provided are poorly timed by comparison to 1973 and earlier. I can show you several markets where only one trunk is serving the market today, which were formerly served by two or more trunks and where the other trunk or trunks have completely withdrawn from that market.

The industry and the CAB have grown to be afraid of competition. The capacity agreements may have been necessary, and certainly were a part of a premature use of those marvelous machines called Jumbo Jets. But these agreements are a part of the poison which has crept into our industry. And the over-capacity produced by the Jumbos has in turn fed the myth that the Board has over-certificated the industry and thus created too much competition.

The "too-much competition" theme led the CAB into the trap of declaring a "moratorium" on any competitive route authorities. And this moratorium has now existed for over five years. While I can subscribe to a policy which says that a third or fourth carrier is unnecessary in any but unusual circumstances, I cannot subscribe to a passive acceptance of inadequate services. I can show you markets in major city pairs where vigorous competition existed five years ago, but where the market today and for over a year or more has been served by only one carrier; I can show you major city markets which were served on a nonstop basis five years ago, but which today receive only connecting services. *This is wrong.*

The Board is *not* functioning under the law when a carrier is permitted to literally abandon a market without vigorous and positive steps being taken to provide a replacement carrier; the Board is *not* functioning under the law when it denies a willing carrier the right to be heard in a market which is clearly unserved or underserved.

Much of the industry's woes would be eased, and I suggest that some of the CAB's current woes would be eased, if they adopted a vigorous and aggressive program of identifying those markets which are being neglected, and then promptly instituted a case to determine whether a second *and willing* carrier should be certificated. And if the CAB is concerned about too much competition occurring some time later should the neglectful carrier decide to return to the market, then the neglectful carrier should be decertificated. The law provides ample authority and latitude for this kind of action. We don't need new "entries," new airlines; *we do need* greater freedom to move into vacuums.

Third, the CAB can't win, I suppose. They are lambasted on the one hand for over-certification, for creating too much competition, on the other hand they are criticized for not permitting the "entry" of new airlines into the scheduled transportation scene. They are blamed when the industry's economy goes sour, and they are criticized when they grant a fare increase to correct the situation. They are required by law to promote the same industry they are required to regulate. They are criticized for being too close to the industry and in other quarters criticized because they are not close enough or familiar enough with the problems of the industry.

Our nation and our industry is in a kind of pause period. There is confusion and a loss of leadership throughout the fabric of the government at virtually all levels. For seven years now the Congress has waited for a National Aviation Policy from the Department of Transportation; we are witnessing a conflict between two Senate committees which are overlapping each other. The CAB has lost its drive. There has been an almost unprecedented media attack on the Regulators as being dominated by the Regulated; yet the economic facts show that the fruits of the allegations are not flowing to the culprit.

The CAB is in a "hapless" position. But it is operating under a good statute. The existing laws and the application of the law have developed the best and safest air transportation system in the world. I would not change the law in any respect and I would resist any attempt to do so. And I wish that those who are advocating change would spend a little time analyzing that law and the consequences of the changes being advocated. More particularly, I hope that the Congress, who wisely created the statutes in the first place, will recognize the source and purpose of those attacks, and tell the CAB to do its thing.

Fourth.—Our costs *are* too high. As these costs rise *without* compensating productivity increases, then formerly profitable markets become unprofitable; as costs rise, aircraft used in those markets become economically obsolete and are retired from service, and since the newer, larger aircraft cannot replace them service is reduced; as services are reduced furloughs occur. And unless we arrest this trend, unless we find meaningful, fair ways to produce more for less, then furloughs must increase and the airlines will ultimately get into situations *from which there is no retreat.*

All of us are affected by rising costs—particularly in fuel, services, parts and labor. We are faced with the necessity—indeed an urgency—for new thinking and new ideas by the CAB, by the airline managements, by the unions and working groups making up 45% of our total operating costs.

These are *not* adversary times between management and labor, nor between the CAB and the airlines. The time has come, indeed it is past time, when critical and searching reassessments must be made. We must find new ways to do things at lower costs; we must find new ways to achieve major increases in productivity at lower unit costs; and we must have the opportunity to experiment again.

Unless our industry, our labor groups, and the CAB, can on a concerted, dedicated basis arrest the continued upward swing in costs, furloughs will continue; unless our industry can arrest the erosion and elimination of services in significant city pairs, our economic woes will increase and one by one we will either disappear or be courting nationalization.

I think there is the mood abroad to reevaluate what we who are called the industry are doing, to assess cause and effect, to restore what has been lost. It is time to get on with it.

KENNETH B. KEATING

Mr. WILLIAMS. Mr. President, I join my colleagues today in mourning the death of a great public servant, and a former Member of this body, Ambassador Kenneth B. Keating.

It was my distinct privilege to have served both in the House and in the Senate with Ken Keating. He was a gentleman, a statesman, and a fine representative of the people of New York. He merited universal respect and affection from those of us who served with him.

Kenneth Keating was a native of Lima in upstate New York, and practiced law in Rochester. He served with valor and distinction in both World War I and II, and rose from enlisted man to brigadier general.

In 1946 Ken Keating was elected to the House of Representatives. He was reelected five times in succession, until in 1958 he sought, and won, a seat in the Senate. As a Senator he continued to serve on the Judiciary Committee, as he had in the House. He quickly enhanced his reputation as champion of human rights, and was a major backer of the historic Civil Rights Act of 1964.

Following his Senate service, Ken Keating was elected to the New York State Court of Appeals and served there with distinction for 4 years, until he resigned in 1969 to accept appointment as U.S. Ambassador to India. In 1973, he was appointed Ambassador to Israel, an appointment that brought him great personal satisfaction because of his deep and longstanding interest in that nation. The Ambassador dedicated his efforts to strengthening the traditional ties of friendship between the United States and Israel, and to the search for a lasting peace in the Middle East.

Mr. President, Ken Keating was truly a great American, and one who will be sorely missed. I am proud to have had the opportunity to know him and work with him, and I join my colleagues in conveying my most heartfelt condolences to his widow.

JUSTICE ARTHUR GOLDBERG WRITES ON VIETNAM

Mr. PELL. Mr. President, Justice Arthur Goldberg, a truly distinguished American and an individual whose high abilities and intelligence have often been placed in the service of his Nation, wrote an excellent column in the Washington Star of April 30, 1975.

Justice Goldberg, who gave up his Supreme Court seat in order to try to bring to an end the ill-fated Vietnam war, possesses the wisdom that few had at the time—or today!

I believe his column calling for a realistic reassessment and for us to learn from the lessons of Vietnam is an excellent one and one which will be of interest to my colleagues.

For that reason, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

GOLDBERG: "THE WAR IS FINISHED—THERE SHALL BE NO MORE VIETNAMS"

(By Arthur J. Goldberg)

The war in Vietnam is finished. The cost is incalculable—in lives, American and Vietnamese; in dollars; in divisiveness among our people; in disruption of our economy; and in disaster for the people of South Vietnam.

The dead have died with valor but without victory, the dollars have been squandered, a new isolationism menaces our vital national interests in other parts of the world. Divisiveness and disruption of the economy have corroded the quality of American life. And the plight of the South Vietnamese people is beyond comprehension.

There is no need for a commission to assess responsibility; we know where the fault lies. All administrations, past and present, however well intentioned, which have either involved us in this war or prolonged our involvement, are responsible for the consequences of Vietnam.

I write not from hindsight. In 1965, when I first assumed a position of responsibility in foreign affairs as our ambassador to the United Nations and ever since, I have steadfastly adhered to the view that there was no justification for our involvement in this war.

Inasmuch as President Lyndon B. Johnson declassified my memorandum to him of March 15, 1968, which summarized my consistent viewpoint throughout my tenure at the U.N., I am at liberty to quote from this memorandum:

"Developments in our country have demonstrated that there is grave concern among the American people whether the course we have set in our Vietnam policy is right . . . concern which has been deepened by the reverses we and the South Vietnamese suffered during the Tet offensive by the apparent lack of energy, effectiveness and appeal of the South Vietnamese government, by the mounting rate of American casualties, by the extent of the destruction of life and property in Vietnam, and by reports that requests have been made of the President for substantial troop reinforcements in South Vietnam. . . . Public support is permanently and substantially eroded. . . . And never has a serious move toward a political settlement been more necessary."

The thesis of this and prior memoranda and statements by me to the National Security Council was a simple one: Our government, we are taught by the Declaration of Independence, depends upon the consent of the governed; consent of the governed increasingly became lacking in the Vietnam war, not because of overexposure by the media, but for good and solid reasons.

The people were not fooled; long before their leaders, the people recognized that the course we had set in our Vietnam policy was not right.

It is said that this is not the time for recriminations; I agree. This is a time, however, to ponder whether we have indeed learned the lessons of this great tragedy in American history which has caused us such incalculable damage.

Let me state what I conceive these lessons to be.

There shall be no more Vietnams. This is a catchy phrase which only partially illuminates the teaching. It means that we must not fight wars or make major military commitments without the underlying consent of the people and their representatives in Congress. Under the Constitution, Congress, not the President, declares war. Congress must assume and discharge this responsibility. The people's representatives in Congress must see to it that this constitutional command is not infringed by the President.

America cannot be the world's policeman. The end of the war in Vietnam calls for a realistic reassessment of our commitments—both legal and moral. A great nation should make only realistic commitments, but it should keep the ones it makes. We committed far more in Vietnam than we should have, but less than we had led the Vietnamese to expect.

In reassessing our commitments, we must determine by constitutional processes and candid, public discussion what our real interests are, interests which would truly justify commitment of American forces. Public opinion polls which indicate that the American people support our commitments to Europe, to Japan, to Israel, areas of vital interest, are not convincing. They do not really test public opinion on the hard question. Are we prepared to commit American forces, suffer substantial casualties, spend huge sums of money, and dislocate our economy in order to support other nations—even those whose interests are vitally linked with ours? Before Vietnam the answer would have been clear. It is not so now.

Reassessment dictates that we rebuild national confidence just as Gen. DeGaulle did for France after its defeat in Algeria. This will not be easy, not only because of disillusionment with Vietnam, but because of the state of our domestic affairs. Our economy is in a shambles, present unemployment intolerable, inflation rampant, crime still growing, our cities in squalor, our racial problems unresolved, any cynicism about our political process widespread.

It is a first priority that we put our domestic house in order if America is to return to a viable foreign policy.

No American president and no Congress can any longer assume that Americans will as they often have done in the past, adhere to the notion that: "Our country . . . may she always be in the right; but our country, right or wrong."

This slogan is no longer on the masthead of the Chicago Tribune. It is no longer on the masthead of the American people. They are patriotic but not jingoistic.

Our country will henceforth have to be right in its foreign involvements and commitments. Being wrong, as Vietnam teaches, will no longer command the consent of the governed. And on the vital question of declaring and waging war, the ultimate lesson of Vietnam is that the consent of the governed is imperative.

U.S. ARMS TO THE PERSIAN GULF: $10 BILLION SINCE 1973

Mr. KENNEDY. Mr. President, one of the thoughts weighing heavily on the minds of many Americans today is the importance of exercising caution with regard to future U.S. military involvements in far-off lands. Yet we face this danger again, in a region potentially as explosive as Indochina, and clearly more vital to American interests—the Persian Gulf.

American military involvement in the gulf—through arms sales—has developed rapidly, without congressional guidelines or oversight. I have introduced legislation calling for a 6-month moratorium on arms sales to the littoral states of the Persian Gulf to give the Congress the time to examine our activities in this region, and to develop a coherent policy toward the gulf. As we begin now the difficult but necessary reexamination of the long-range political, strategic, and economic goals of the United States, we must not fail to act with caution and wisdom in the Persian Gulf and elsewhere.

I ask unanimous consent that the article on this subject, which appeared in the May issue of the Defense Monitor, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. ARMS TO THE PERSIAN GULF: $10 BILLION SINCE 1973

U.S. political and military involvement in the Persian Gulf has been expanding rapidly in recent years. The leading edge of our involvement in this area—as it was in Southeast Asia in the 1950's and 1960's—is military assistance and arms sales.

The U.S. is not the only supplier of arms to the Persian Gulf, but it is by far the largest. In 1974 the U.S. sold over $4.4 Billion worth of arms to Persian Gulf countries. Russia sold $1.5 Billion, France sold $1.5 Billion and Britain sold $50 million. Saudi Arabia and Iran have been the chief customers for U.S. arms. In 1974, these two countries alone bought $4.4 Billion worth of American weapons. Recently Iran and the U.S. announced a $15 Billion five-year trade deal, that is expected to include the delivery of $5 Billion worth of U.S. arms are helping to make Iran a major world military power.

The major countries of the region are now spending about $5.8 Billion a year on their military forces. Just five years ago the total was $1.6 Billion. Kuwait and Saudi Arabia are among the leading countries of the Middle East and the world in per capita military expenditures ranking second and third in the Middle East and thirteenth and nineteenth respectively in the world.

One justification U.S. officials give for arming Iran has been to make direct U.S. involvement in the area unnecessary. There are indications, however, that Pentagon officials have decided that a U.S. presence in the area is necessary in any case. The Navy has begun regular deployment of a carrier task force to the Indian Ocean and visits to the Persian Gulf. At the same time, the U.S. is in the process of developing a base at Diego Garcia and there are plans to use the former British base at Masirah and perhaps the base at Gan. In addition, the U.S. Middle East Force has a base at Bahrain. All of this points to growing U.S. involvement in a highly volatile region of the world.

CHANGING SALES PATTERNS

The character of U.S. military assistance and arms transfers has undergone major changes in recent years. In the past it was unusual for the U.S. or any other country to provide or sell its most advanced weapons to foreign governments. With the possible exception of some favored allies, foreign recipients of military aid had to content themselves with older or obsolescent equipment. For example, in the early 1960's, Saudi Arabia's air force consisted of obsolete U.S. B–26's, British Vampires and some Korean war vintage F–86's.

This pattern has changed quite radically in recent years, particularly in the Middle East and Persian Gulf, where oil-rich governments can afford to pay for the most up-to-date equipment. Beginning in the mid-1960's, Iran began acquiring the F–4 Phantom which was, and still is, one of the first-line fighter aircraft of the U.S. Air Force. Iran is now about to buy sophisticated and expensive F–14 fighters from the U.S. It is scheduled to get these aircraft in 1976, only 21 months after the first F–14's are placed in the U.S. Navy's inventory. Iran will be adding ocean-going DD–963 destroyers to its Navy soon after the last of these destroyers are introduced into the U.S. Navy. It will soon receive improved Hawk surface-to-air missiles and has already received TOW anti-tank missiles, both currently being added to the U.S. inventory. From Britain, Iran has purchased Chieftain tanks, which are the first-line tank of the British Army. Kuwait has announced plans to purchase the Mirage F–1 aircraft from France, and will begin adding it to its inventory at the same France acquires the Mirage in large numbers for its own Air Force. The fundamental point is that the sophistication of the weapons available to the countries of the Persian Gulf has escalated substantially in recent years and a full-scale war in the region is likely to prove highly destructive and very costly.

GROWING POTENTIAL FOR DESTRUCTION

This infusion of advanced military technology has greatly increased the offensive military capabilities of several Persian Gulf countries—Iran in particular. The countries in the region are acquiring the capability to make war at ever-increasing levels of potential destructiveness. Neighbors who previously did not have the means to threaten each other are now becoming capable of waging full-scale wars. Such conflicts could lead to U.S. involvement. We must also ask whether the U.S. may also be creating military powers that some day will turn against us.

Many of these advanced long-range weapons, such as the F–4, F–14, and DD–963 destroyers, supplied or about to be supplied to Iran, have strategic implications beyond the Persian Gulf. The Iranian military build-up and Iranian aid to Pakistan (Iran has given 90 F–86 jets and several modern C–130 transports to Pakistan) could in the future be seen as a threat by India. At present Iranian-Indian relations are cordial but a continued Iranian build-up and more Iranian aid to Pakistan could turn the relations between these two countries sour over the next few years. In similar fashion Saudi and Kuwaiti arms may soon have an impact on the Arab-Israeli military balance. As Saudi Arabia and Kuwait grow in power the Israelis may have to begin to weigh them in the total balance. This may make the Israelis less secure and undermine a key tenet of U.S. policy which is to insure the survival of Israel. It may also increase Israel's need for military assistance and cost the U.S. money in the long run.

ACDA SEES DANGERS

"In some cases the flow of weapons to an already tense region can further aggravate the situation by raising doubts about the recipient's intentions, particularly when the transfers involve a marked acceleration of a recipient's rate of acquisitions or a sudden shift to a more advanced weapon system. In such a climate of heightened distrust, the chances of miscalculation and precipitate military action may increase."—U.S. Arms Control and Disarmament Agency, Report to the Congress, 1973.

U.S. FOREIGN MILITARY SALES TO THE PERSIAN GULF
[In thousands of dollars]

	1950–69	1970	1971	1972	1973	1974	[1] 1975	Total
Iran	$647, 497	$113, 284	$396, 613	$528, 022	$2, 108, 787	$3, 794, 369	$1, 935, 242	$9, 523, 816
Iraq	13, 152							13, 152
Kuwait					53	18, 154	331, 671	349, 878
Oman							1, 613	1, 613
Saudi Arabia	161, 468	14, 854	95, 815	342, 295	83, 984	587, 698	1, 101, 774	2, 387, 887
Total	822, 117	128, 138	492, 428	870, 317	2, 192, 824	4, 400, 221	3, 370, 330	12, 276, 346

[1] First 9 mo. of fiscal year.

DISPUTES MAKES GULF A VOLATILE AREA

The Persian Gulf is a highly volatile area. Numerous disputes among countries in the region make it an area of great instability. As Senator Kennedy has pointed out, "Passions are deep and distances are short."

The two largest purchasers of U.S. weapons in the Persian Gulf area—Iran and Saudi Arabia—are traditional rivals. At the root of their rivalry are a number of long standing differences. Both are strongly nationalistic and disagree over whether the Gulf that separates them is the Persian Gulf or the Arabian Gulf. Saudis are Arab and Iranians are Aryan. They are divided by religious differences—Iranians are Shia Muslims and Saudis are Sunni Muslims. Saudi Arabia has been a strong opponent of Israel and a supporter of Israel's Arab enemies, while Iran has quietly supported Israel and continued to sell oil to Israel. Finally, and most important of all, the Shah's ambitions to be the dominant power in the Gulf clash with Saudi aspirations and undoubtedly make the Saudis uneasy about their own security. Despite the avowed intention of the U.S., sales of arms to Iran can only serve to further increase tensions and reduce the chances of peaceful cooperation. Arming one power leads in turn to increased demands for arms by the other. Such a policy may stimulate business for U.S. arms manufacturers, but it could lead to war.

The continuing dispute between Iran and Saudi Arabia is the most prominent among the Persian Gulf countries, but it is by no means the only one.

ARMS TRANSFERS TO MAJOR PERSIAN GULF COUNTRIES 1970–75

[In millions of dollars]

Weapon	Supplier	Year ordered	Cost	Number of weapons
IRAN				
Fighter-bombers			2,716.6	359
Phantom II (F-4)	United States	1971, 1972, 1974.	581.6	138
Tiger II (F-5E)	do	1972	285.0	141
Tomcat/Phoenix (F-14)	do	1974	1,850.0	80
Transport planes			412.03	125
Hercules (C-130)	United States	1970, 1972	203.30	50
Fokker (F-27)	Netherlands	1971, 1973, 1974.	30.93	20
Bonanza (F-33 690)	United States	1972	1.60	30
Aero-Commander	do	1972	2.50	3
Boeing (707)	do	1972	62.50	6
Aero-Shrike	do	1973	5.00	6
Fokker (F-28)	Netherlands	1973	7.20	4
Boeing (C-747)	United States	1975	99.00	6
Missiles			911.6	10,814
Antitank (SS-11-12)	France	1970	4.65	(1,000)
Antitank (TOW)	United States	1972	15.0	2,880
Surface to air:				
(Rapier)	United Kingdom	1970	113.0	[1] 24
(Seacat)	do	1971	2.5	[1] 12
Surface to air: Hawk	United States	1972	100	(240)
Air to air:				
(Sidewinder)	do	1971, 972, 1974.	78.7	(3,462)
(Sparrow)	do	1971, 1972, 1974.	521.7	(2,616)
Surface to surface (Sea Killer)	Italy	1971	1.8	(60)
Surface to surface (Exocet)	France	1974	4.27	(142)
Torpedo (MK 46)	United States	1975	70.0	414
Helicopters			1007.5	709
Other aircraft			111.0	22
Fwd air control (0-2)	United States	1970	1.0	12
Reconnaissance (RF-4)	do	1971	20.0	4
Anti-sub war (P-3 Orion)	do	1972	90.0	6
Tanks			418	1500
Medium tank (Chieftain)	United Kingdom	1971	346	800
Light tank (Scorpion)	do	1972	41	400
Armored car	do	1972	31	300
Other equipment			76.4	475
Blindfire radar	United Kingdom	1973	14.4	([2])
Artillery (175 mm 155 mm all self-propelled).	United States	1973	12	75
Arm personnel carrier (BMP-76)	U.S.S.R	1974		
Self-propelled anti-air gun (ZSU 23/4).	do	1974	25-50	(200-400)
Artillery	do	1974		
Ships			871.62	43
Patrol boats	United States	1970	2.1	3
Hovercraft	United Kingdom	1970,1971 1973	32.62	10
Frigate (Saam)	do	1971	32.0	4
Store, repair ships	United Kingdom, United States.	1971, 1973	18.0	3
Destroyer (Sumner)	United States	1972	7	3
Fast patrol boat (Combattante)	France	1974	57.6	12
Patrol boat	Germany	1974	2.1	3
Destroyer (Spruance)	United States	1975	726.5	6
SAUDI ARABIA				
Fighter-bombers			1,349.5	208
Tiger I (F-5A)	United States	1971	130.0	50
BAC-167	United Kingdom	1972	4.5	10
Tiger II (F-5E)	United States	1973–75	1,095.0	90
Tiger I (F-5B)	do	1973		20
Mirage III	France	1973	120.0	38
Transports			60.2	10
Hercules (C-130)	United States	1970	60.0	6
Cessna	do	1970	.2	4
Helicopters			20.0	36
Alouette III	French	1970	1.4	6
Missiles			296.3	1,848
Air to air (Sidewinder)	United States	1971, 1973, 1974	21.8	(960)
Anit-tank (Vigilant)	United Kingdom	1971	1.4	300
Air to air (Matra)	France	1973	3.1	(228)
Surface to air (Hawk)	United States	1973	270	(300)
Surface to air [3] (Crotale)	France	1974	([3])	([2])
Tanks			816.8	430
Med. tank (AMX 30)	France	1972/1974	[4] 800	230
Lt. tank (Scorpion)	United Kingdom	1973	16.8	100–200
Arm. car (Fox)	do	1973		
Other equipment			960+	950
Artillery	United States	1974	335	300–400
Arm. personnel carriers (M-113)	do	1974		
Arm. personnel [4] carriers (AMX-10)	France	1974		250
Spare parts	United Kingdom	1972	625	
Ships			870.8	59
Patrol boat	United Kingdom	1970, 1971	217	31
Hovercraft	do	1971	26.1	8
Destroyer escorts patrol boats	United States	1974	823.0	20

Note: Numbers in parentheses are estimates.

[1] Launchers.

[2] Unknown.

[3] Part of package which also included 250 armored personnel carriers (AMX-10) and 200 AMX-30 tanks.

[4] Cost of package which included crotale air to air missiles and AMX-30 tanks, and AMX-10 armored personnel carriers.

THE IRANIAN CONNECTION: NEW DANGERS

With American assistance Iran has become the dominant military power in the Persian Gulf. Iranian military forces are twice as large as those of Iraq and five times larger than those of Saudi Arabia. Iran spends on its military forces four times what Iraq spends and twice what Saudi Arabia spends. This expansion of Iranian military power poses significant risks, both for the U.S. and for other Persian Gulf states. A few years ago the late Senator Richard Russell, commenting on U.S. military capabilities, pointed out that "If Americans find it easy to go anywhere and do anything, they will always be going somewhere and doing something." The same can be said of Iran. If we make it easy for Iranians "to go anywhere and do anything," they will "always be going somewhere and doing something." By massively expanding Iranian military capabilities the U.S. may be encouraging Iranian ambitions to dominate the Persian Gulf. Even if the present regime remains in power there are dangers in this policy.

As the Soviet-Iranian detente has moved forward, the deployment of Iranian military forces has been altered to reflect the new international situation and Iranian ambitions. In the late 1960's, Iranian army units were moved from the northern border area to south of Teheran. The Iranian Navy moved its headquarters to Shiraz in the South.

Three-fourths of the F–14's that Iran has ordered from the U.S. will be based in the central and southern part of the country. This pattern indicates that Iran is much more concerned with dominating the politics of the Gulf than it is with the Soviet threat.

NEW IRANIAN BASES

Consistent with its new concern with dominating the Persian Gulf, Iran has built several new military bases in the southern part of the country. New bases have been built at Kharg Island, Tunbs Island and Abu Musa. A new base is also being built at Chah Bahr near the Straits of Hormuz on the Indian Ocean, while facilities are being modernized and expanded at Bandar Abbas and Bushire. The continued growth of Iranian military power and its southward deployment will make many of the smaller countries of the Persian Gulf increasingly insecure.

In justifying U.S. arms sales to Iran, U.S. officials have recently emphasized the shared interest between the U.S. and Iran in safeguarding the flow of oil from the Persian Gulf to the U.S., Europe and Japan. The Shah has insisted that he will not participate in another embargo under any circumstances. While there is no reason to doubt the Shah's commitment to this goal—especially given the very high prices he is now getting for his oil—there are some potential dangers. One possibility is that the Shah's ambitions and Iran's growing military power might lead to conflicts in the Persian Gulf area that would disrupt the flow of oil—or might even end with the Shah in control of *all* Persian Gulf oil. The U.S. policy of virtually unlimited arms sales to Iran increases this danger.

MILITARY FORCES AND INSTABILITY

The backward and oppressive governments in power in the Persian Gulf—seven of the eight are monarchies and the other one is a military dictatorship—are constantly faced with the threat of domestic unrest, coups and rebellion. It is worth remembering that Saudi Arabia abolished slavery as recently as 1964. Iran maintains domestic tranquility by means of a powerful and pervasive secret police organization. The recent assassination of King Faisal is rather typical of the kinds of threats that Persian Gulf governments face, especially the conservative monarchies. Iraq, Iran and Saudi Arabia have all experienced coups, attempted coups or assassinations in recent years. Thus, while military forces are created to enhance political stability, in developing countries they often produce just the opposite. In sum, political and social change is inevitable in the Persian Gulf, and U.S. programs that create excessive military establishments can actually stimulate political upheavals.

A second result of creating new and powerful military forces in Persian Gulf countries is that once military establishments become petites for weapons grow. They come to absorb larger and larger quantities of resources and aspire to new and more expensive weapons. Indeed, once they have their appetites whetted for sophisticated modern weapons, we can expect the political and military leaders of the Persian Gulf countries to begin to think about acquiring nuclear weapons—especially in light of the recent Indian nuclear explosion. Iran has already indicated that planning is underway to build nuclear air-raid shelters.

THE RAPID GROWTH OF IRANIAN MILITARY MIGHT

	1965 (in millions)	1975 (in billions)	1985 [1] (in billions)
Defense spending	$217	[1] $4–5	$10–20
Aircraft	90	500	2,000
Ships	32	41	90
Tanks	500	1,260	2,460

[1] Projected.

INTERVENTION FOR OIL?

In recent weeks several government officials and commentators have proposed that the United States should consider using military force to seize oil fields in the Persian Gulf. The notion that we can solve our energy problems by military means smacks of scapegoating. It distracts our attention from serious discussion of any meaningful solutions to our energy problems by blaming the Arabs. It ignores the role played by U.S. oil companies and by our own wasteful use of energy.

First of all, we must ask if this country should even consider using its military might in this manner. Seizing Middle Eastern oil would be an act of international theft, and that is surely not what this country believes in. However, for those who are not persuaded by moral considerations there are practical objections to such an act. Such an act would set a precedent that would undoubtedly come to haunt the U.S.

There are strong indications that dependence on Persian Gulf oil will be a relatively short-lived phenomenon. The North Sea oil fields near Britain will help make several European countries self-sufficient over the next few years. In addition, major oil discoveries have been announced in Israel, Mexico, India and other countries. Soon the Alaskan oil fields will begin operations. There is, in fact, currently a glut of oil on the world market and the new sources can only increase this glut. There is no pressing need for the Persian Gulf oil—and certainly no need that demands the dangerous and drastic step of military action.

MILITARY OBSTACLES TO INTERVENTION

However, since others have made the case for military intervention in the Persian Gulf it is worthwhile pointing out certain fundamental military and political problems they have failed to consider. Certainly, not all the countries in the Persian Gulf are militarily weak. One likely source of resistance is Iran, which has become a formidable regional military power, thanks largely to U.S. arms sales. It is hard to imagine that Iran would stand by and watch the U.S. destroy O.P.E.C. (Organization of Petroleum Exporting Countries), the cartel that has succeeded in raising oil prices to such heights, so quickly. Iran is one of the most active members of O.P.E.C. Saudi Arabia would also resist any attempted U.S. take-over. Contrary to the impression given by so much pro-intervention talk, the Persian Gulf is not simply an empty desert laid out for the taking.

The area of the Persian Gulf discussed by one invasion scenario—the stretch of Persian Gulf coast from Kuwait to Qatar—contains several hundred oil wells in at least a half dozen separate fields, hundreds of miles apart in some cases. There are also thousands of miles of pipeline that must be guarded if the oil is to be moved from the wells to the U.S., Europe and Japan. In other words, the problem is not simply to seize the wells in a quick assault but to hold, protect and operate them over a long period of time while the oil is extracted, in the face of strong opposition in the U.S., abroad, and armed resistance by either guerrillas or conventional armed forces or both. What is contemplated is a costly long-term colonial occupation.

One way to get a sense of the military problems of the proposed invasion is to look at a recent historical comparison—the 1956 Anglo-French-Israeli invasion of Suez. The Suez invasion offers several instructive lessons. First, it helps to illustrate the size and logistical problems that would be involved in an invasion of the Persian Gulf. The British, French and Israelis committed approximately 125,000 ground troops, nearly 200 ships and about 1000 aircraft to that operation. The Chiefs of Staff of Britain and France who were involved in planning and executing the Suez invasion thought that it was more difficult than planning operation Overlord—the Normandy invasion of Europe in 1944. An invasion of the Persian Gulf would be at least as large and probably more difficult and costly.

A second lesson is that we should not expect the Soviets to stand by and not react to such an invasion. In 1956, the Soviets threatened intervention, put pressure on the U.S. which in turn pressured the French, British and Israelis to withdraw. In any future invasion of the Persian Gulf the incentives for the Soviets to intervene would be great and such action would have to be anticipated, though it could take different forms. The risk of confrontation with the Soviets as well as other states in and out of the region would be very great.

CENTER CONCLUSIONS

1. There should be a U.S. moratorium on arms transfers to Persian Gulf countries. This would provide a period in which the Congress, the Executive branch, and the American people could carefully reassess American policy toward this volatile region of the world. Today the U.S. seems to have no policy except unrestrained arms sales.

2. The U.S. should convene a conference of arms suppliers to attempt to establish controls on the kinds and amounts of weapons introduced into the Persian Gulf. No serious effort along these lines has yet been made.

3. The U.S. should sell no offensive weapons to the Persian Gulf. The sale of weapons with long-range offensive capabilities, such as bombers, sophisticated fighter bombers, refueling planes and large warships, does not serve U.S. interests. The British have set a precedent by refusing to sell offensive weapons to Libya.

4. The Executive branch should be required to submit regular reports to the Congress assessing the military and political impact of the introduction of particular weapons into the Persian Gulf in clear, comprehensive terms.

5. Congress should set an annual ceiling on arms sales to the Persian Gulf area and should be required to approve all major arms sales.

MARY McGRORY WINS A PULITZER PRIZE

Mr. McINTYRE. Mr. President, Mary McGrory has won a Pulitzer Prize, and I would like to congratulate her on a great honor greatly deserved, and to ask unanimous consent to have Miss McGrory's column of May 5 printed in the RECORD at the conclusion of these brief remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McINTYRE. I do this, Mr. President, because the column in question underscores the real reason why Miss McGrory should be honored.

The Pulitzer Prize Committee cited her "trenchant commentary spread over more than 20 years as a reporter and a columnist in the Nation's Capital," but Duncan Spencer's profile of Mary, which also appeared in Tuesday's Washington Star, points up that 1974 was "the McGrory year," because it was the year that she had been "right and right and right so many times that it seemed almost annoying."

As one who has not always agreed with Mary, but usually learned that she was, indeed, right, when I was wrong, Mr. Spencer's characterization forcefully reminds me to pay attention to what Mary says, when she says it. For if I had done that in the past, I could have said "I told you so" a good many times more than developing situations forced me to say, "I am sorry. I was wrong."

So while the lesson is fresh, Mr. President, I am going to subscribe to Mary's "Point of View" in Tuesday's edition, for once again this dauntless lady is telling it like it is.

She faces squarely up to the painful Vietnamese refugee question and lets our collective conscience have it right between the eyes. She says:

> We did this to Vietnam. We must pay the price.

How right you are, Mary McGrory. How right you are.

[Exhibit 1]

So What Happened, America?

(By Mary McGrory)

The Irish poet, William Butler Yeats put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question: What kind of people are we?

The response this time has been roughly what it was when we were confronted with the My Lai massacre. We avoid the question. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right and left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country physically as we destroyed their country physically, are coming here, living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants.

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipients.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

LIVESTOCK ENTERPRISE RETURNS, 1965–74

Mr. HUDDLESTON. Mr. President, farmers of the Midwest, including the Corn Belt regions of Kentucky, have always viewed Illinois as an agricultural barometer.

The University of Illinois Cooperative Extension Service operates in Illinois a farm records program, the Illinois Farm Business Farm Management Service, which indicates the profitability of types of farms and farm enterprises. D. F. Wilken, an extension farm management specialist with the Illinois program, has written an article regarding livestock enterprise returns from 1965 through 1974.

This article indicates how disastrous 1974 was for the livestock farmers of our Nation. Further indicated is the acute economic distress suffered by cattlemen.

Mr. President, I ask unanimous consent that the April 18, 1975, Illinois Farm Management Facts and Opinions be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Department of
Agricultural Economics,
Urbana, Ill., April 18, 1975.

Livestock Enterprise Returns, 1965–74

About 30 percent of the Illinois corn crop currently is marketed through livestock, and substantial quantities of labor and capital are utilized in livestock enterprises. Shifts in feed-grain prices cause significant changes in net earnings from livestock. Livestock returns above the cost of feed and of purchased animals indicate the margin available to pay for labor, equipment, supplies, and management—plus a profit, if any.

The accompanying table shows average returns for five, major livestock enterprises by year since 1965. Several thousand enterprise records are sampled each year, and the returns are expressed per enterprise unit. A litter of hogs was equivalent to 16.5 hundredweight of pork produced. Records were kept by Illinois farmers enrolled in Farm Business Farm Management Associations. Data from these farms are reasonably comparable to livestock enterprises on all farms, even though the record-keeping farms as a group include a higher proportion of the larger farms in the state.

To place this adjusted-gross-income measure in perspective, we have estimated nonfeed costs (direct cash and other) for each livestock unit. The estimated, 1965–1974 total nonfeed cost reflects average annual costs over this ten-year period.

Commitments to produce livestock are made with the expectation of returns over a long period of years. Diversified farms raising both crops and livestock in 1974 had higher earnings than highly specialized livestock farms. The difference between the ten-year average return in the table and the total nonfeed costs gives some indication of the margins available on the average farm for management and compensation for the risks involved. These long-time, average margins are important in helping farmers decide whether to continue or to expand livestock production.

Hog returns follow a cyclical pattern. The average Illinois producer can expect two or three profit years for each nonprofit year. This favorable profit ratio is verified in the table. The ten-year average return above feed of $167 per litter is $34 higher ($2 per hundredweight) than the estimated, total nonfeed cost of $133. But to consider expansion or a new enterprise, the recent cost increases may require a return above feed per litter of at least $185, or $11.20 per hundredweight (see table) on the average farm to recover all costs.

Since 1955, feeder-cattle returns above the cost of feed and purchased animals have completed five cycles of high returns followed by low ones. This was one cycle every three or four years. The record low returns in 1974 resulted in a ten-year average return of $12 ($27 to $39) below the estimated, average nonfeed cost. To consider expansion at current costs would require about $50 per feeder (500-pound gain) to pay all nonfeed costs on these farms. Unless the average livestock producer is willing to discount the value of some of the roughage, labor, or buildings used, the ten-year average return continues to show little or no profit available.

Summaries of these records show feed costs per 100 pounds of production in 1974 were 23 to 33 percent higher than in 1973 for all enterprises. Average prices received for all production sold in 1974 were down 10 to 15 percent for all products except milk. These changes plus lower year-end inventory values resulted in record low returns for beef enterprises.

Producers should consider the long-run returns before making new investments in livestock facilities. The last line in the table shows estimated nonfeed costs per unit at 1975 price levels, and may be used as a guide when planning. Also, each producer needs to estimate his own costs and efficiency level in order to evaluate his profit potentials.

AVERAGE LIVESTOCK RETURNS ABOVE THE COST OF FEED AND FURCHASED ANIMALS, PER ENTERPRISE UNIT, 1965-74

Year	Hogs per litter	Feeder pigs per 175-lb gain	Feeder cattle per 500-lb gain	Dairy, per cow	Beef, per cow[1]	Yearly corn price
1965	$204	$14.84	$47	$216	$30	$1.15
1966	162	8.20	17	292	39	1.23
1967	107	4.29	18	314	43	1.17
1968	127	6.19	39	350	60	1.02
1969	217	14.25	50	361	70	1.14
1970	86	.88	19	370	58	1.26
1971	106	5.05	61	389	87	1.27
1972	242	14.51	64	446	123	1.16
1973	322	22.31	35	438	128	2.00
1974	100	3.85	−79	282	−117	3.00
10-yr average	167	9.43	27	346	52	1.44
Nonfeed cost 1965-74:[2]						
Direct cash	30	1.46	9	94	13	
Other	103	4.68	30	343	83	
Total	133	6.14	39	437	96	
Nonfeed cost for new enterprise:[3]	185	10.17	50	615	116	

[1] Feed cost includes up to $40 of hay equivalent gleaned from nonmarketable **salvage** roughage.

[2] Estimates of annual nonfeed costs are based on studies of operative units, 1965 to 1974.

[3] Estimate of total nonfeed costs for new or expanded enterprises, 1974-75.

THE VIETNAM REFUGEES

Mr. WILLIAMS. Mr. President, I have been surprised and saddened by the unexpected national controversy that has arisen over the refugees who fled South Vietnam in the last moments of its existence, and who now wish to settle in the United States. We must put this divisive and degrading debate behind us and set about the business of welcoming these newest immigrants and integrating them as productive members of our society.

The war in Vietnam is, thank God, finally ended after 30 years of bloodshed and destruction. Whether the United States was right or wrong to enter that war is something we will never really know. At the end, most of us had become firmly convinced that our involvement was wrong, and should be ended. But the fact remains that for a decade, our country contributed in a mind-boggling degree to the warfare that devastated much of South Vietnam.

The 130,000 or so refugees who fled their homeland even as the last shots were being fired may well be the war's last victims. Many of them were people who worked with or for the United States and who would almost certainly fare very badly at the hands of the Communist victors. Others are members of the middle or upper class who could afford to buy their way out of Saigon. Still others are just ordinary Vietnamese who for reasons of their own felt compelled to flee to an unknown fate—leaving possessions, homes, friends, and families—rather than live under the new government.

And the total number of Vietnamese seeking to enter our country is small compared to, for example, the 675,000 Cubans whom we have absorbed. The Cuban refugees have proven to be excellent citizens and an asset rather than a liability. The same is true of every other refugee group that has ever sought asylum on our shores and the same, I am sure, will be true of the Vietnamese.

Mr. President, much has been made of the fact that Congressional mail in the last week or so has run heavily against the Vietnamese refugees. But I would like to point out that my own mail—reflecting the sentiments of 7.2 million New Jerseyans—has been very light. And in the last few days I have noticed an increasing trend of letters from people reacting in a positive way to reports of opposition to the refugees.

For example, a woman in Upper Montclair wrote:

> Despite our own financial problems, the United States surely owes humanitarian aid to the South Vietnamese refugees. After all they were to some extent pawns in the U.S. foreign policy maneuvers. It would be unconscionable to refuse it.

A man in Leonia said:

> I believe that in the long run the great majority of the American public will accept these newest immigrants in the spirit in which we accepted Hungarian and Cuban political refugees.

I make no value judgments on any of these people, or on their motivations in fleeing South Vietnam. If our tragic involvement in Vietnam has taught us anything, it is that we are in no position to tell others how they ought to live.

But it is absolutely unthinkable that the United States of America—the Nation of immigrants—the haven of peoples seeking new lives—the refuge of the oppressed and the persecuted—would slam its door in the face of this relatively handful of homeless people.

We Americans are making much of the fact that next year we will celebrate the 200th anniversary of our Nation's birth. I suggest that a fitting way to mark that occasion is to reaffirm some of the traditions that we are so proud of. As President Franklin D. Roosevelt once told a meeting of the Daughters of the American Revolution:

> Remember, remember always that all of us . . . are descended from immigrants.

Mr. President, it is important that all Americans understand they have nothing to fear from the new Vietnamese immigrants. It is true that we are facing very difficult economic conditions—conditions that we in Congres are working hard to change. But the addition of perhaps 30,000 jobseekers to our economy will not materially affect the unemployment problem or the chances for any individual American who is unemployed to get a job.

And a man in Short Hills sent me a telegram that read:

> Has this nation lost all moral dignity? We have an obligation to assist all those fleeing Vietnam.

Mr. President, I truly believe that these sentiments are representative of the overwhelming majority of Americans. I have been very heartened by the courage displayed on this issue by numerous elected officials, from the President down. And I was most gratified by the resolution passed yesterday by the executive committee of the AFL–CIO, our Nation's largest labor organization, which welcomed our newest immigrants and urged support of sufficient Federal funds to resettle them.

I do not believe that our experience in Vietnam has so brutalized this Nation that we will turn our backs on this remnants of a long and tragic war. Instead, let us welcome the refugees and give them the opportunity to build new lives. They will help to strengthen our society much as the immigrants of yesterday—our forebears—did.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session and proceed to consider nominations on the Executive Calendar, beginning with Calendar No. 79.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of William C. Harrop, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

MISMANAGEMENT IN STATE DEPARTMENT APPOINTMENTS

Mr. HELMS. Mr. President, a number of important considerations have been brought to my attention concerning the nomination of William C. Harrop as U.S. Ambassador to Guinea, which I feel should be shared with my colleagues.

But it is a crisis perhaps as much of our own making as of external forces in the world. A principal cause, Mr. President, is the failure to reinvigorate the State Department as a policymaking vehicle, a failure to restore morale among its employees, and a failure to offer recognition to those who perform competently and with distinction. Instead, the same failure that we see in our policies worldwide is reflected in the poor management and misadministration of the Department itself.

Too often it appears that the incompetent get the promotions in the State Department, and those who are adept at internal politics and deals manage to survive despite deficiencies and negative elements in their records. In a large system there are bound to be inequities that occur, Mr. President, of course. But at the very least whenever serious questions are raised about an individual, the State Department owes it both to that individual and to the Congress to set the record straight, or to acknowledge the truth of such charges. Instead, we appear to have a system in which the friends of the system are protected no matter what their record. I have spoken on this floor many times about the failure of the State Department to study objectively the background of those who are being promoted to places where they will make important policy decisions. But Mr. Harrop in a way is unique, because the accusations against him suggest that he is a symbol of the very mismanagement I have described. He is regarded by many as not only responsible for malpractices but as part of the system which seeks to cover up the incompetent and crush dissent within the Foreign Service itself.

Mr. President, we are about to vote on the nomination of Mr. Harrop without any Senator being able to say that he knows anything about this man. The Senator from North Carolina believes that the Foreign Relations Committee would want to consider any charges against Mr. Harrop on their merits and not dismiss them summarily, if, Mr. President, the committee were aware of the deep feelings in various quarters about this nomination. It would be far better for the committee to recall Mr. Harrop—and this would be fair to Mr. Harrop, if he were recalled—and simultaneously to call the appropriate witnesses, perhaps in executive session for the protection of all concerned, and provide an appropriate review of this matter.

The committee has recently been very active, Mr. President, in investigating and opposing such so-called political appointments in the upper echelons, yet the career service is the backbone of the Department and perhaps the most important in the long run.

Now that we are entering a new era in our foreign policy, it would be appropriate for the committee to study the promotion of career service officers a little more carefully.

In the judgment of the Senator from North Carolina, the nomination of Mr. Harrop is a mighty good place to begin. It is my understanding that serious charges have been made publicly concerning the qualifications of Mr. Harrop for this important diplomatic post. In fact, in a statement transmitted to the Senate Foreign Relations Committee on April 21, 1975, John J. Harter, a Foreign Service officer, alleged that William C. Harrop, while serving as chairman of the board of directors of the American Foreign Service Association, "manipulated himself into a position whereby large sums of AFSA resources were illegally disbursed to himself."

Why no investigation? Why no discussion of this, Mr. President? Why move this nomination through the Senate without a discussion?

Mr. Harter has also made the accusation that William C. Harrop is responsible for deplorable personnel malpractices in the Foreign Service. According to Harter—

> Mr. Harrop has probably done more than any other career Foreign Service officer in recent years to destroy the confidence of his associates in the Foreign Service personnel system.

Indeed, Mr. Harter alleges that Mr. Harrop stifled Foreign Service dissent to prevent public discovery of improper activities in the personnel policies of the Foreign Service; that he occupied his AFSA leadership position as a consequence of manipulated elections, the result of which is that the Department of Labor, Mr. President, has found it necessary to supervise the current 1975 AFSA election to prevent the recurrence of corrupt campaign and balloting practices.

Further, Mr. Harter alleges that Mr. Harrop, as the AFSA chairman, personally exerted stringent censorship over the editorial policies of the Foreign Service Journal to insure support for his allegedly unethical and unprofessional personnel policies.

Mr. President, I cannot vouch for the accuracy of Mr. Harter's charges, but this I do know: Either these allegations are true or they are false. It seems to me that it would be a service to Mr. Harrop to have this cloud lifted from his head, if indeed it is only a cloud.

Let me call to your attention, Mr. President, the fact that Representative ASHBROOK, of Ohio, has introduced information into the CONGRESSIONAL RECORD dating back to 1972 which also casts doubt on Mr. Harrop's fitness for the position as American Ambassador to Guinea. Since this information has already been printed in the RECORD, Mr. President, I shall not reinsert it, because it would be a costly item for the taxpayers. I shall simply refer to it today by citation. I refer specifically to Representative ASHBROOK's remarks on May 15, 1972, on pages 17383 through 17387 of the CONGRESSIONAL RECORD; his remarks on June 22, 1972, on pages 22163 through 22164; and his remarks on August 31, 1972, on pages 29286 through 29287.

Mr. President, I also understand that two locals of the American Federation of Government Employees—AFL–CIO—have considerable further information which would establish the accuracy of these allegations. I believe, Mr. President, that these two locals, regardless of what the true facts may be, should be asked to submit statements for the committee record, or be asked to appear in executive session, concerning Mr. Harrop's alleged malfeasance in office.

It is my understanding that representatives of these two locals are perhaps at this moment visiting with the distinguished chairman of the committee but, of course, too late, because this matter is now before the Senate.

The charges that have been made against Mr. Harrop are grave. They cast, as I said a moment ago, a cloud of suspicion over his integrity and his commitment to democratic principles, his administrative abilities, and his general fitness for office.

I reiterate and emphasize that I have no personal knowledge of the truth or falsity of the charges. Still, they come from responsible enough sources that certainly, Mr. President, I feel that it is incumbent upon the Senate of the United States at least to give them consideration before acting on this nomination. If they are true, the President of the United States has an obligation to withdraw this nomination. If these allegations are false, then Secretary of State Kissinger and Mr. Harrop should be given an opportunity to come forward and refute them.

With all due respect to the Committee on Foreign Relations—and I do respect the members of the committee—the Senate cannot, in my opinion, properly perform its duty of voting on the confirmation of Mr. Harrop at this time. I feel most sincerely, Mr. President, that such action is premature. The testimony and correspondence presented to the Committee on Foreign Relations on April 21, 1975, concerning Mr. Harrop have not even been printed or made available to Members of the Senate, nor has any of the information on Mr. Harrop, supplied earlier by Representative ASHBROOK, been distributed to assist us in evaluating the qualifications of the nominee. Nor have the charges against Mr. Harrop been investigated or denied.

How, then, can we make an intelligent determination of Mr. Harrop's abilities for this important ambassdorship when we have no access to information about his complete professional background?

What explains the urgency of this appointment that we cannot wait until we have the full record before us on Mr. Harrop?

With all due respect to the Committee on Foreign Relations, why have we not been supplied with adequate information prior to the reporting of this nomination to the floor of the Senate? That is why, Mr. President, I placed a "hold" on this nomination for the past several days.

With our diplomacy in shambles, we cannot afford the luxury of confirming the nominations of individuals for high diplomatic positions before they are carefully screened by Members of the Senate. I fear that we, as Senators, are avoiding our constitutional duty if we do not demand the highest standards of our ambassadors, after a full and careful analysis of the record of their past performance.

I appreciate the fact, Mr. President, that the Committee on Foreign Relations is under a great burden to consider countless nominations and appointments, and that it is simply humanly impossible for the committee to study every particular executive appointment with the kind of thoroughness that is probably necessary.

But I do wish—and I must say so here today— that, in the best interests of Mr.

Harrop and in the best interests of the regarding this nomination. At least, in country, more witnesses could be heard this way Mr. Harrop would be given an opportunity to remove this cloud of suspicion about his past record; and the American public—this is far more important—would be given an opportunity to see for itself whether this is a good appointment or a bad one.

I shall not delay further the confirmation of the nomination of Mr. Harrop. But I do want it to be a matter of record that the Senator from North Carolina raised questions about the wisdom of this appointment. Inasmuch as the questions about Mr. Harrop's fitness have not been resolved in my mind, I feel obliged to request that the record show, by these comments, that I cannot approve the nomination unless and until the questions are resolved. I feel that we owe it to ourselves, as Senators, and to Mr. Harrop, to study this matter more carefully than has been done.

Mr. President, I oppose the nomination.

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to the nomination of William C. Harrop to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

The "nays" appear to have it.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

The question is: Will the Senate advise and consent to the nomination of William C. Harrop, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Guinea?

The nomination was confirmed.

(The following proceedings occurred subsequently:)

Mr. WILLIAM L. SCOTT. Mr. President, reserving the right to object, could I ask the distinguished majority leader, have we now voted on Mr. Harrop?

Mr. MANSFIELD. That is right.

Mr. WILLIAM L. SCOTT. That was the first vote?

Mr. MANSFIELD. Yes. The leadership was informed that that was the only one on which some discussion would be held. That is why it was called up first. Now I have asked unanimous consent that the remainder of the State Department nominations, all favorably reported unanimously by the Committee on Foreign Relations, be considered en bloc.

Mr. WILLIAM L. SCOTT. Mr. President, continuing to reserve the right to object, and I shall not object, I have heard that when Mr. Harrop's name came up, there were no hearings. I did want to make some inquiry with regard to that, as to whether there had been thorough consideration. This is a man whom I do not know.

I do think that when a committee makes a report, we should have an opportunity to hear from the committee as to what action the committee took, and whether there was a fair examination; it should not just be pro forma approved.

Mr. MANSFIELD. May I say I was not there at the time of the hearings, but I was there at the time these nominations were reported, and there was some discussion about some of the nominations, though not that of Mr. Harrop. The committee unanimously reported all those which are on the calendar today. I have had them held on the calendar because I did not want to have one man singled out from the others, when they were all reported favorably at the same time. That is the reason why we are taking them all up in this fashion.

Mr. HUGH SCOTT. Mr. President, may I say it is my recollection that the background and biography of these men was available for all the members of the committee. There was a general discussion of various persons there. There was, as I recall, no request for hearings, and often that is what happens in the committee. No notice had been given and no request for hearings, and that is why the committee reported these nominations favorably and unanimously.

Mr. WILLIAM L. SCOTT. Mr. President, further reserving the right to object, I did talk with the distinguished minority leader very briefly, and, as I understood, he was not present at any hearings; so perhaps he may be speaking secondhand information.

I just feel, Mr. President, that before we act on any nomination, we should be assured by the committee that it has been looked into.

I believe in the committee system, and I am not going to object, but the distinguished Senator from North Carolina said there were serious reservations by a number of people, and perhaps he could address himself to the reservation that he had. But I would hope that we would have an opportunity at least to be heard.

I am sure the distinguished majority leader would agree.

Mr. MANSFIELD. Of course.

Mr. WILLIAM L. SCOTT. I have no further reservation.

Mr. HUGH SCOTT. I think I ought to say that my recollection is that I was there at the executive session when these names were discussed and approved. I am virtually certain of that recollection. I do not think there was a request for hearings. But the distinguished Senator from Virginia has made an important point.

On the 21st of April Mr. Harrop did appear in his own behalf and was heard by the committee. I was not present, to the best of my recollection, at that hearing.

Mr. HELMS. Mr. President, if the distinguished Senator will yield—I do not know who has the floor.

Mr. MANSFIELD. I have the floor.

Mr. HELMS. If the Senator will yield 1 minute——

Mr. MANSFIELD. Surely.

Mr. HELMS. I shall not repeat the comments that I made in my statement earlier.

I certainly am not passing judgment on the accuracy or inaccuracy of the charges that have been made against the nominee in question. I do think, however, that since questions have arisen, coming from reliable sources as they do, it would be worthwhile for the committee to take a look at the charges in the interests of Mr. Harrop himself. If I were the nominee, I say to the distinguished Senator from Montana, I would demand that these charges be aired.

Mr. MANSFIELD. Mr. President, as I indicated, I was not present because of official duties.

Mr. HELMS. I understand.

Mr. MANSFIELD. But I do understand that Mr. Harrop, who is a career Foreign Service officer of class 1, did appear at his own request before the committee and was interrogated.

I did preside as acting chairman at the time that these nominations were reported, and I must reiterate again that at that time they received the unanimous approval of the Committee on Foreign Relations.

So I must assume that all the prior details had been attended to. The Senator from North Carolina is correct in saying that as far as he knows the charges and the allegations are untrue, but I would assume that the appearance of Mr. Harrop satisfied the committee as to that particular nomination.

Mr. HELMS. The Senator from Montana understands that the Senator from North Carolina is not being critical of the committee in any way, nor of the majority leader?

Mr. MANSFIELD. Oh, yes.

Mr. HELMS. I am simply raising the question about this information—it may have come subsequent to the hearings—but in any case, the Senator from North Carolina must confess that he is a bit disappointed that these charges or allegations, true or not, were not looked into.

Mr. MANSFIELD. I appreciate the Senator's statement.

Mr. HELMS. I thank the distinguished Senator from Montana.

The PRESIDING OFFICER. The clerk will state the next nomination.

The legislative clerk proceeded to read the nomination of Lawrence S. Eagleburger, of Wisconsin, to be Deputy Under Secretary of State.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the remaining nominations in the Department of State be considered en bloc.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the remaining nominations in the Department of State.

The nominations were confirmed.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

AMBASSADOR

The legislative clerk read the nomination of Laurence W. Lane, Jr., for temporary rank as ambassador during his service as Commissioner General of the U.S. Exhibition at the International Ocean Exposition.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

The legislative clerk read the nomination of Alfred D. Starbird, of Virginia, to be an Assistant Administrator of Energy Research and Development.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. MARINE CORPS

The legislative clerk read the nomination of Lt. Gen. Louis H. Wilson, Jr., to be Commandant of the Marine Corps with the temporary rank of general.

Mr. MANSFIELD. Mr. President, let me say that this is just about the speediest confirmation of a Commandant of the Marine Corps that I am aware of. He appeared before the committee yesterday and was approved today. I speak, as a former private first class in the Marine Corps, to express my appreciation of the rapidity with which this nomination was confirmed.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. WILLIAM L. SCOTT. I understand that the nominee is a Medal of Honor winner. Perhaps that in part accounts for the rapidity of the action.

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. STENNIS. Mr. President, it is a long road, and often a rocky one, from an enlisted man, a private, to a four-star general in the U.S. Marine Corps. Such is the road traveled by Lt. Gen. Louis H. Wilson, Jr., who has been nominated by President Ford and unanimously confirmed today by the U.S. Senate for Commandant of the U.S. Marine Corps. He has served continuously from the date of his enlistment in May of 1941 until the present time, and has served in World War II, the Korean war, and the war in South Vietnam. His awards include the Congressional Medal of Honor. I read from a portion of that citation, not merely to honor him but also to honor the memory and sacrifices of those men who were serving with him that lost their lives at that time in honored glory that our Nation might live, and may God rest their souls:

MEDAL OF HONOR

As Commanding Officer of Company F, Second Battalion, Ninth Marines, Third Marine Division, in action against enemy Japanese forces at Fonte Hill, Guam, Mariana Islands, July 25 and 26, 1944, ordered to take that portion of the hill within his zone of action, Captain Wilson initiated his attacks in mid-afternoon, pushed up the rugged, open terrain against terrific machine-gun and rifle fire for 300 yards and successfully captured the objective. Promptly assuming command of other disorganized units and motorized equipment in addition to his own company and one reinforcing platoon, he organized his night defenses in the face of continuous hostile fire and, although wounded three times during the five-hour period, completed his disposition of men and guns before retiring to the company command post for medical attention. Shortly thereafter when the enemy launched the first of a series of savage counterattacks lasting all night, he voluntarily rejoined his besieged units and repeatedly exposed himself to the merciless hail of shrapnel and bullets, dashing fifty yards into the open on one occasion to rescue a wounded Marine lying helpless beyond the front lines. Fighting fiercely in hand-to-hand encounters, he led his men in furiously waged battle for approximately ten hours, tenaciously holding his line and repelling the fanatically renewed counterthrusts until he suceeded in crushing the last efforts of the hard-pressed Japanese early in the following morning. Then, organizing a seventeen-man patrol, he immediately advanced upon a strategic slope essential to the security of his position and, boldly defying intense mortar, machine-gun, and rifle fire which struck down thirteen of his men, drove relentlessly forward with the remnants of his patrol to seize the vital ground. By his indomitable leadership, daring combat tactics and dauntless valor in the face of overwhelming odds, Captain Wilson succeeded in capturing and holding the strategic high ground in his regimental sector, thereby contributing essentially to the success of his regimental mission and to the annihilation of 350 Japanese troops. His inspiring conduct throughout the critical periods of this decisive action enhanced and sustained the highest traditions of the United States Naval Service.

It is my conviction that the Chiefs of each of the services, including the Chairman of the Joint Chiefs, are men of high attainments, outstanding ability, and well worthy of the confidence of those in their services, the President, the Congress, and the people of our great Nation. General Wilson is qualified in every respect to serve as a member of this select group. This was a case where the position sought the man.

I take great pride, as do all Mississippians, in the fact that General Wilson is a native Mississippian where he is well known and highly respected.

NOMINATIONS ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry routine nominations in the Foreign Service and the Coast Guard which had been placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask that the distinguished Senator from Connecticut (Mr. Ribicoff) now be recognized to undertake the beginning of the consideration of the pending business.

Mr. RIBICOFF. I thank the Senator very much.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER (Mr. Leahy). Under the previous order, the Senate will proceed to the consideration of S. 200, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 200) to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the following staff members be permitted to remain on the floor during the debate and for all rollcall votes, in connection with the consideration of S. 200:

Dick Wegman, Matt Schneider, Paul Hoff, Lee Stillwell, Brian Conboy, Stuart Statler, Claudia Ingram, Martha Weisz, and Lyle Ryter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I yield to the distinguished Senator from North Carolina (Mr. Morgan) for a unanimous-consent request.

Mr. MORGAN. Mr. President, I ask unanimous consent that my staff aide, Carol Liggett, be accorded the privilege of the floor during the consideration of and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, legislation to create a Federal consumer protection agency, S. 200, is once again before the Senate. This bill is sponsored by 45 Senators—12 more than last year—and is very similar to the consumer bill supported by 65 Senators on the floor last September. At that time, on a fourth cloture vote we came within one vote of breaking a filibuster against the bill.

The House overwhelmingly passed consumer agency legislation in both the 92d and 93d Congresses. The Senate overwhelmingly passed a similar bill in the 91st Congress. In March of this year, the Senate Government Operations Committee voted 11 to 1 to report this bill to the Senate floor.

The Consumer Protection Act is supported by hundreds of prominent individuals and groups including Governors, mayors, attorneys general, and many businesses. Recently, one of the Nation's largest food chains, Stop & Shop Co., and the Mobil Oil Co., endorsed the bill. I ask unanimous consent that a list of the supporters of S. 200 be printed in the Record directly following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Since Senator Estes Kefauver introduced a bill to establish a Department of Consumers to represent the economic interests of consumers in 1961, the concepts embodied in S. 200 have been considered, discussed, debated, and analyzed to an unprecedented degree. S. 200 represents a synthesis of the best and most practical ideas put forth over the past 14 years.

S. 200 creates a Federal Agency for Consumer Advocacy—ACA. This small, specialized Agency will be authorized to represent consumer interests by participating in Federal agency proceedings and activities and in resulting judicial review. To insure that representation is meaningful, ACA is provided with the means to obtain and disseminate information relevant to consumers.

This legislation does not create another regulatory body. The ACA will have no power to compel any decision or compliance. ACA will be an advocate. It will not be able to require any agency to take any action or make any decision. And, it will not simply be a consumer information office, like many of the offices and bureaus throughout the Government. Its power lies in persuasion—in the same manner as any other party that participates in Federal agency proceedings. In general, the rights granted the ACA are parallel to those accorded any private party under the Administrative Procedures Act.

Mr. President, this Agency is needed to give consumers a voice in Government which can be heard. It provides a measured response to a pressing national problem.

ACA SHOULD REPAY ITS COSTS

The ACA is not a major new spending program. The authorization levels for the ACA are $15 million for the first year, $20 million for the second year, and $25 million for the third year. It will cost the average American taxpaying family about 25 cents per year.

This represents a negligible percentage of any Federal budget. Its first year budget of $15,000,000 is about two one-hundredths of 1 percent of the Federal budget for 1975.

ACA also would be a tiny but vital part of the Federal system. The Department of Commerce, whose function is to "foster, promote, and develop commerce and industry," has a budget of 60 times of that projected for ACA. ACA will hardly be an excessive burden on the taxpayer. It could save consumers billions of dollars each year.

CONSUMERS NOT ADEQUATELY REPRESENTED BEFORE REGULATORY AGENCIES

Each year Federal agencies make hundreds of decisions which have enormous impact on the health, safety, and economic well-being of American consumers. Frequently, these decisions are made without adequate consideration of consumer interests.

A former high FTC official testified in the last Congress that business representatives outnumber consumer representatives in appearances before Federal agencies by 100 to 1. This imbalance of advocacy results in a hearing record heavily weighted with facts and arguments of the business advocate. Businesses certainly have every right to make their case as forcefully as they can. Generally, their positions are responsible and in the public interest. Sometimes, however, they are not. The regulatory agency gets "snowed" by all the information given by one side, and the case goes to a decision with a record that is heavily overweighted against the consumer. The result is agency action that costs consumers—economically and otherwise.

Government decisions that unjustifiably drive up the costs of goods and services or needlessly jeopardize public health and safety represent bad government and have a tremendous inflationary impact.

In a recent speech at the White House on domestic and economic affairs, the President cited surveys indicating that the average American family is paying $2,000 a year—a national total of $130 billion—in excessive and unnecessary costs resulting from ineffective Government regulation.

Department of Justice Antitrust Chief, Thomas Kauper, has estimated that price fixing and other anticompetitive actions by businesses raise price levels by as much as $80 billion each year.

The imbalance between consumer and business impact in Federal agency proceedings is one of the chief causes of the Federal Government's inability to respond effectively to consumer interests and problems. Day after day agencies confront the difficult task of balancing many diverse interests. Often, they act in areas relying on abundance of detailed and highly technical information.

No decisionmaker, no matter how honest and competent, can be expected to take full and accurate account of interests when their views are not presented in an effective manner. The agencies act in a quasi-judicial capacity. The role of judge and advocate are simply incompatible.

As long as regulatory decisionmaking relies heavily on the adversary process, as is traditional in our system, a consumer agency is necessary to bring the consumer's perspective to Government. Many expert witnesses, including the attorney general of the State of Alabama, Mr. William Baxley, presented convincing testimony to this effect before the Government Operations Committee earlier this year.

ACA AND REGULATORY REFORM

In recent months opponents of this bill have taken to saying that instead of an ACA we need a study of regulatory reform. This is not an either/or proposition. The creation of the ACA is not inconsistent with regulatory reform efforts.

Earlier this year the Government Operations Committee reported out Senate Resolution 71 which would authorize $750,000 for a joint study of regulatory reform by the Government Operations Committee and the Commerce Committee. That resolution is currently pending before the Rules Commitee.

This study will deal with other problems which today affect Federal regulation and which ACA will not address such as the possible need for deregulation in certain areas. The choice is not ACA or regulatory reform. ACA is important regulatory reform. Detailed study of the need for consumer representation has shown that ACA is the best way to insure that regulatory agencies take into consideration the views of consumers before making important decisions which have enormous impact. Many other regulatory reforms are vitally necessary—but no reform of an existing agency can address the need for independent consumer advocacy.

HOW ACA WILL HELP CONSUMERS: A FEW EXAMPLES

As a practical matter consumers get the short end of the stick in a flood of regulatory decisions each year. Too often, big business gets what it wants. The public, of course, ends up paying the bill. Let me cite some recent examples of the high cost we have paid in dollars and lives.

First. In November 1974, the Civil Aeronautics Board raised domestic air fares by 4 percent. This increase, the third in 12 months, brought air fares up to an average level 20 percent higher than they had been a year before. According to CAB figures, for the same amount of air travel as under the old rates, passengers would pay an additional $300 million. In fact, air travel fell off so substantially after the increases took effect that the airlines returned to the CAB within weeks to request renewed special discount fares.

Was a smaller increase, no increase, or even a decrease in fares to stimulate air travel justified by economic conditions prevailing at that time? These hundreds of millions of dollars in increased fares were approved with no independent advocacy of the consumer's point of view.

Second. Another example: The FEA—Federal Energy Administration—issued a regulation in November of 1974 making it clear that all oil fefiners must treat refinery-fuel costs as nonproduct cost subject to profit-margin limitations, rather than as a product cost which could be automatically passed through dollar-for-dollar to the consumer. The FEA decided not to make the new clarification retroactive. The potential cost to consumers of that refusal is estimated at $750 million. Had there been an ACA—Agency for Consumer Advocacy—it could have urged the FEA to make the interpretation retroactive.

Third. Another FEA regulation permitted oil refiners to collect increased oil costs twice. This practice which has been dubbed "double dipping" might have eventually led to $332 million in consumer overcharges. After 6 months this loophole was discovered and eliminated. Had there been an Agency for Consumer Advocacy, the Agency might have spotted the loophole and spared us 6 months of "double dipping."

Fourth. In 1972, after a DC–10 passenger plane was involved in a near fatal accident, the FAA discovered that the plane's cargo door was at fault. The FAA drafted a directive requiring the manufacturer, McDonnell Douglas, to correct the defect in the cargo door. McDonnell Douglas intervened directly with the FAA Administrator, urging that FAA make the notice permissive, rather than mandatory. The FAA buckled, and the modification was not made on all DC–10's.

A recent public television special "The World's Worst Air Crash," suggests that the reason the modification was not required is the too cozy relationship between the FAA and the industry.

In March 1974, a DC–10 crashed near Paris killing 344 people. It was a plane on which the cargo door had not been modified. The FAA believes that the faulty cargo door caused the crash.

Had ACA been in existence in 1972, it could have fought for stronger measures by FAA—saving hundreds of lives.

Fifth. Last week I released a very disturbing report by the Comptroller General of the United States in which the Food and Drug Administration was found not to have complied with its own procedure in a "life threatening situation." Apparently, the FDA failed even to follow its own procedures to independently investigate the cause of a recall of cardiac pacemakers by manufacturers. The common defect in the pacemakers was a leakage of body fluids through the plastic seal of the pacemakers causing short circuiting which led to sudden speeding up or slowing down of the electronic heart pacing. To date, no standard has been issued by the FDA to deal with this problem.

The FDA has not independently established how many deaths and injuries have been caused by this defect, and the number could be substantial. What we do know is that the FDA did not give adequate consideration to possible adoption of a standard developed by the Navy for hermetic sealing of electronic components to prevent short-circuiting caused by moisture. Had there been an ACA, the Agency could have urged the FDA to consider the advantages of hermetically sealing, perhaps saving many lives.

These examples are just the tip of the iceberg.

The total cost to consumers of government decisions made without consumer input is impossible to estimate. However, we know that the actions and inactions of Federal agencies have an enormous impact on the cost and quality of goods and services in the marketplace.

Under normal conditions the need for this legislation is great—during these very difficult economic times, it is critical. Today, the average American consumer can ill-afford to pay needless costs or suffer the consequences of unsafe or unhealthy products.

NO AGENCY EXISTS TO REPRESENT CONSUMER INTERESTS

ACA's function will be unique in Government—to advocate the interests of consumers before other Federal agencies and departments. There is no such entity now in existence which has that function or power.

When the Administrator speaks for the consumer, he will speak with knowledge of consumer preferences. The legislation assures this. Consumers will be free to petition the agency to express their views and to request the agency to become involved in particular issues. In its capacity as a clearinghouse for consumer complaints, the Agency will be receiving, reviewing and transmitting complaints from the public. Its information-gathering powers will provide yet a further means for the agency to discover consumer trouble spots.

Finally, the agency will be free to conduct surveys and other studies to assure that it is acquainted with consumer preferences. I ask unanimous consent that the brief summary and explanation of S. 200 be printed in the Record following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. RIBICOFF. This bill is not antibusiness. It is proconsumer. Indeed, the great majority of American businesses have nothing to fear from the bill. The ACA will help to protect their good name and promote the consumer's faith in American business generally. It will help end the practices of a few that may give a whole industry a bad name.

This legislation does not abridge the rights of any individual, corporation, or organization to make its case before Federal agencies. Instead, it honors the principle that all persons affected by Government action should have equal access to those Government agencies responsible for that action.

In fact, the act contains a number of important safeguards to assure that the rights of persons in private enterprise will not be infringed upon by any agency activity. I ask unanimous consent that a list of these principal safeguards be inserted in the Record following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. RIBICOFF. While the main provisions of S. 200 are identical in most respects to the bill considered by the Senate last year—the differences are described in the committee report on S. 200, report No. 94–66, pages 5–9—there is one major addition to the bill.

Section 24 of S. 200 was offered as an amendment in committee by Senator Brock, and unanimously supported by those present. The Brock amendment is a response to growing concern by businesses and consumers alike, that very often the costs of Government policies and programs outweigh their benefits.

The Brock amendment requires Federal agencies to prepare cost and benefit assessment statements in connection with the promulgation of rules and preparation of legislative proposals which have a substantial economic impact.

The Brock amendment creates a mechanism for the public and the Congress to evaluate the extent to which Government agencies are promulgating regulations and proposing legislation whose benefits outweigh costs. It does not add to the already long administrative delays or burden the agencies with needless additional paperwork.

Section 24 requires the GAO to review its implementation after 3 years to determine how well it has worked and to determine if changes are necessary. The Brock amendment is an important first step in the direction of insuring that Government programs are cost effective. I commend Senator Brock for his initiative in this area.

FCC LICENSE RENEWALS

S. 200, as introduced, prohibited the ACA from intervening or otherwise participating in FCC license renewal proceedings before the FCC. The committee voted to delete this exemption in order not to flatly exclude ACA from the possibility of participation in such proceedings.

As a practical matter, even with this exemption deleted, I believe the jurisdiction of the ACA would not extend to most license renewal proceedings. This is because the issues generally contested in license renewal proceedings involve questions of free speech, fairness in broadcasting, equal time provisions, racial discrimination, and other aspects of the broadcaster's obligation to serve the public adequately. As the report language makes clear these issues do not ordinarily relate to marketplace consumer transactions—and the bill empowers ACA to participate only when a marketplace transaction is involved. The definition of "interest of consumers" in section 14(11) makes this point clear. By deleting this exemption, however, the committee has provided that the ACA could intervene in those instances where consumer interests are involved.

LETTER FROM PRESIDENT FORD

On April 17, I received a letter from the President requesting that "the Congress postpone further action on S. 200." The President indicated that he was making this request "in view of the steps that are being taken by the executive department to make Government-wide improvements in the quality of service to the consumer."

I am pleased that the President has requested the various departments and agencies to make internal reform. Such an effort is long overdue. There are without doubt many constructive steps which could be taken within the Government to make the Federal bureaucracy more responsive to consumer needs—I applaud all such initiatives.

In his letter, the President also called for a repeal of outmoded fair trade laws, overhaul of transportation regulations, and protection of small saving deposits. These are good suggestions, which I support. However, none of these proposals addresses the compelling need for an effective advocate to represent consumer interests before the Federal agencies and courts.

The President has supported consumer agency legislation in the past. In 1971, then Congressman Ford spoke out in favor of the bill and supported it on the floor of the House. He stated on the House floor:

> I am glad to join with [Mr. Holifield] and those on his side in support of the Committee bill . . . Mr. Chairman, this is good legislation. This is good legislation that ought not to be tampered with on the floor of the House.

I hope that the President continues to support this legislation, as he has done in the past.

In my response to the President's letter, I praised his efforts. I stressed out the need for an ACA and its modest cost. I noted its widespread support in the Congress and around the Nation. I detailed the long, careful study which the Congress has given this proposal. I urged the President to support the bill.

I ask unanimous consent that the full text of the President's letter and of my letter in response to the President be reprinted in the Record following this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. RIBICOFF. Opponents of this legislation have alleged that S. 200 is special interest legislation because it has an exclusion for labor-management relations proceedings. This simply is not true.

Labor is not exempted by this provision any more than management is exempted. The exemption prohibits the ACA from intervening in proceedings concerning labor-management matters before such agencies as the National Labor Relations Board or the National Mediation Board.

Labor-management issues which come before the NLRB typically concern recognition of a union, elections, or unfair labor practices. Such issues are far removed from the marketplace transaction necessary to invoke ACA's jurisdiction.

There is no question, of course, that labor-management issues can affect the consumer. But the issues that typically affect the consumer are private contract terms which result from private negotiations, and, therefore, not subject to ACA's participation.

This exemption is thus consistent with the underlying philosophy of the act—that the ACA may only participate or intervene in proceedings which affect a "interest of consumers" as that term is defined in section 14(11) of the Act—that is, matters which touch on a concern of consumers arising out of a marketplace transaction. The exempted matters have no direct relationship to any marketplace transaction.

Moreover, the balance which ACA is designed to provide before regulatory agencies is not lacking in labor-management negotiations. There, labor and management constitute two well-financed and effective advocates negotiating over private contracts. In contrast, when airlines come before the CAB, or when the telephone company comes before the FCC, the consumer side is largely unrepresented, and there is a great need for a ACA.

Issues in which labor and management are not opposing each other—such as labor ownership of a business—are not within the expemption, and would be subject to ACA's jurisdiction.

This provision preserves a principle, reflected in legislation and court decisions over the past 40 years, that Federal agencies not get involved in the substance of private labor-management contract negotiations. In the words of a leading Supreme Court opinion, the Federal agencies which oversee labor-management relations and contracts should not "sit in judgment upon the substantive terms of collective-bargaining agreements" (*Porter Company* v. *NLRB*, 397 U.S. 99, 106).

The National Labor Relations Act itself specifically provides that nothing in the act "shall be construed to authorize the Board to appoint individuals for the purpose of * * * economic analysis" (NLRA, section 4). The provision recognizes the distinction between the labor market, and the product and service market. The ACA's concern is with the product and service market, and where unions intervene in the product and service market, they are as much subject to S. 200 as anyone else. But where a matter is concerned exclusively with labor-management disputes or contracts, and falls under the exclusive jurisdiction of a Federal agency overseeing labor-management relations, that matter is beyond any authority expressly granted by this act to the ACA.

The explicit inclusion of this exception in the bill simply reflects Congress' continuing desire to keep Government out of the substance of labor-management relations. This is not a special interest exception. Labor is not exempt. The opponents of this bill are raising a red herring in the so-called labor exemption.

POLL COMMISSIONED BY BUSINESS ROUNDTABLE

Mr. President, lately opponents of this bill have contended that the American people do not want an ACA. As evidence, they cite a poll commissioned by the Business Roundtable, a group of conservative industrialists. The poll allegedly shows that American consumers oppose the ACA by a margin of 75 percent to 13 percent.

To give each Senator and the public an opportunity to make an independent judgment on the validity of this poll, I would like to recite the exact wording of the question which 75 percent of those polled answered in the affirmative:

> Those in favor of setting up an *additional* Federal Consumer Protection Agency *on top of all the other agencies* say it is needed because the agencies we have are not getting the job done by themselves. Those who oppose setting up the *additional agency* say that *we already have plenty of government agencies* to protect consumers, and it's just a matter of making them work better. How do you feel? Do you favor setting up an additional Consumer Protection Agency *over all the others*, or *do you favor doing what is necessary to make the agencies we now have* more effective in protecting consumer interests? (emphasis added)

For those 13 percent who reportedly answered that they favored a new agency, the next question said:

> Well, to get the *additional* Federal Consumer Protection Agency set up and started will cost at least $60 million *new tax dollars* in the first 3 years. Would you still be in favor if it means spending *that kind of money?* (emphasis added)

Public opinion polls can be very useful tools to gauge public opinion on a variety of issues. However, we are all well aware that polls can be unreliable and misused if the questions are not fairly worded.

Mr. President, I believe it is obvious that these are rhetorical, slanted, unscientific and self-serving questions. Moreover, of those who answered the first question, only 22 percent had ever heard of the legislation, and of that 22 percent there was virtually no agreement as to what the proposed agency was intended to do. In view of these facts, I believe that it is quite inaccurate to say, on the basis of this poll, that the public does not support this legislation.

A more meaningful indication of public sentiment on this legislation is the huge number of endorsements by consumer groups, government officials and others across the country whose names are listed after this statement.

Mr. President, this bill is responsible legislation. It undeniably breaks new ground. If it did not, it would not be worth enacting—for the last thing we need is a perpetuation of the problems which have created the need for this new agency. Enactment of this legislation will show the American consumer that the Congress is serious about regulatory reform—about making government more responsive to people's needs and desires. Those who support this bill can point to it with pride when people ask what they are doing to restore the people's faith in the Federal Government.

Mr. President, I believe that this year the American people will finally get a consumer protection agency and I urge my colleagues to support this important bill.

EXHIBIT 1

Our coalition, consisting of various consumer, farm, senior citizen, religious, and community groups, labor unions, and state and local officials, favor enactment of the agency for consumer advocacy legislation.

NATIONAL GROUPS

Amalgamated Clothing Workers of America (AFL–CIO).
Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO).
American Association of Retired Persons.
American Association of University Women.
Americans for Democratic Action.
B'nai B'rith Women.
Common Cause.
Communications Workers of America (AFL–CIO).
Consumer Action for Improved Food and Drugs.
Consumer Federation of America.
Consumers Union of the United States, Inc.
Cooperative League of the United States of America.
Friends of the Earth.
International Association of Machinists and Aerospace Workers (AFL–CIO).
International Union of Electrical Radio and Machine Workers (AFL–CIO).
International Ladies Garment Workers Union (AFL–CIO).
Movement for Economic Justice.
National Black Media Coalition.
National Congress of Hispanic-American Citizens.
National Consumers Congress.
National Consumers League (Esther Peterson, President).
National Council of Senior Citizens.
National Farmers Union.
National Women's Political Caucus.
Oil, Chemical and Atomic Workers International Union (AFL–CIO).
Public Citizen (Congress Watch).
Retail Clerks International Association (AFL–CIO).
Sierra Club.
United Auto Workers.
United Mine Workers of America.
United Presbyterian Church (Washington Office).
United Steelworkers of America (AFL–CIO).
Women's Equity Action League.
Women's Lobby.
Women's National Democratic Club.

LOCAL GROUPS AND INDIVIDUALS

Alabama

Alabama Labor Council (AFL–CIO).
Julian Butler, Attorney-at-Law (Huntsville).
Morris Dees, Civil Rights Attorney (Montgomery).
Elmore Community Action Committee (Wetumpka).
Dr. Higdon Roberts, Jr., Director, Center for Labor Education and Research, University of Alabama (Birmingham).
Ronald Menton, Director, Alabama Credit Union League.
William Baxley, Attorney General.

Arizona

Arizona Consumer Council.

Arizona Committee for Social Utility.

Tucson Public Power.

Arkansas

Earl Anthes, Community Development Consultant (West Memphis).

Arkansas Community Organization for Reform Now (Little Rock).

Arkansas Consumer Research (Little Rock).

California

Alameda County Consumer Action, Inc.

California Citizen Action Group.

California Public Interest Research Group.

CalPIRG Advocates.

Coalition for Santa Clara Valley.

Consumer Cooperative (Don Rothenberg, Richmond).

Consumers Coop of Palo Alto.

Consumers United of Palo Alto.

Fight Inflation Together (Los Angeles).

Friends Committee on Legislation of Southern California.

Gil Graham, Esq., Lawyers Committee for Urban Affairs (San Francisco).

Bob Fellmeth, Deputy District Attorney (San Diego).

People's Lobby (Los Angeles).

San Francisco Consumer Action.

San Francisco Consumer Advocates.

Colorado

Colorado League for Consumer Protection.

Colorado Public Interest Research Group.

Connecticut

Connecticut Citizen Action Group.

Connecticut Consumer Association, Inc.

Connecticut Public Interest Research Group.

Consumer Advocates.

Delaware

Mrs. Frances West (Director, Consumer Affairs Division).

District of Columbia

District of Columbia Public Interest Research Group.

Florida

Reubin Askew, Governor.

American Consumers Association, Inc.

Concerned Consumers of Dade County.

Congress of Senior Citizens.

Consumer Information Center of Central Florida, Inc.

Mrs. Stanley Goldberg, Commissioner of Metropolitan Dade County.

Georgia

Citizens Consumer Council of Georgia.

Idaho

Cecil D. Andrus, Governor.

Illinois

Dan Walker, Governor, Illinois Public Interest Research Group.

Indiana

Otis R. Bowen, Governor, Indiana Public Interest Research Group.

Iowa

Iowa Consumers' League, Iowa Public Interest Research Group.

Kansas

Consumer Relations Board, Kansas State University.

Consumer United Program.

William Griffin, Assistant Attorney General & Chief, Consumer Protection Division.

Kansas City Consumers Association.

Richard L. D. Moore, Professor, Family Economics, Kansas State University.

Earl Sayre, Legislative Chairman, Kansas Council on Aging.

Curt Schneider, Attorney General.

Kentucky

Consumers Association of Kentucky, Inc.

Kentucky Public Interest Research Group.

Louisiana

Acadiana League.

Consumer Protection Center.

William Guste, Attorney General.

Louisiana Consumers' League.

Mayor's Office of Consumer Affairs (New Orleans).

Charles W. Tapp, Director, Louisiana Governor's Office of Consumer Protection.

Maine

COMBAT, Inc. (Portland).

Maine Public Interest Research Group.

Maryland

Marvin Mandel, Governor.

Alliance for Democratic Reform (Montgomery County).

Maryland Citizens Consumer Council.

Maryland Public Interest Research Group.

Montgomery County Office of Consumer Affairs.

Massachusetts

Father McEwen, President, Association of Massachusetts Consumers (Boston).

Massachusetts Public Interest Research Group.

Michigan

William G. Milliken, Governor.

Consumer Alliance of Michigan.

Michigan Citizen's Lobby.

Michigan Consumer's Council.

Michigan Public Interest Research Group.

Esther K. Shapiro, Director, Consumer Affairs Department, City of Detroit.

Minnesota

Wendell R. Anderson, Governor.

Sherry Chenoweth, Director, Minnesota Office of Consumer Services.

Missouri

Housewives Elect Lower Prices.

Mid-American Coalition for Energy Alternatives (Clinton).

Missouri Public Interest Research Group.

St. Louis Consumer Federation.

Montana

Thomas L. Judge, Governor, Consumer Affairs Council, Inc., of Montana.

Nebraska

J. James Exon, Governor, Consumer Alliance of Nebraska.

Nevada

Consumer League of Nevada.

Rex Lundberg, Commissioner of Consumer Affairs.

Robert List, Attorney General.

Elliot Sattler, Deputy Attorney General.

New Jersey

Brendan Byrne, Governor.

Center for Consumer Education Services (Edison).

New Jersey Public Interest Research Group.

New Mexico

Toney Anaya, Attorney General.

Emily Belasquez, Director, Consumer Education Program, All Indian Pueblo Council.

Delacroix Davis, Jr., Chairman, FEB Consumer Issues Committee (Albuquerque-Santa Fe).

Herman Grace, Director, Division of Human Resources, Office of the Governor.

Mrs. Viola Pena, Director, Consumer Protection Division (Albuquerque).

New Mexico Public Interest Research Group.

New York

Adolfo Alayon, Consumer Action (Bedford Stuyvesant).

Center for Community Issues Research (Rochester).

Consumer Action Now (CAN).

Consumers Association of New York (Rochester).

Consumer Protection Board (Huntington).

Metro-Act of Rochester.

New York Consumers Assembly.

New York Public Interest Research Group.

James Picken, Commissioner of Consumer Affairs (Nassau County).

North Carolina

James E. Holshouser, Governor.

Consumer Center of North Carolina.

Conservation Council of North Carolina.

North Carolina Public Interest Research Group.

North Dakota

Arthur A. Link, Governor, Community Action Line (Grand Forks).

Ohio

Consumer Action of North Dayton.

Consumer Conference of Greater Cincinnati.

Consumer Protection Association of Cleveland.

Consumers League of Ohio.

Ohio Consumers Association.

Oregon

Community Care Association, Inc. (Portland).

Oregon Consumers' League.

Pennsylvania

Milton Shapp, Governor. Alliance for Consumer Protection, Bucks County Consumer Organization, Pennsylvania League for Consumer Protection, Philadelphia Area Consumers' Council.

Ruth Rodman, Director, Consumer Affairs Education Division, Philadelphia School District.

Rhode Island

Philip W. Noel, Governor.

South Dakota

Richard F. Kneip, Governor.

Tennessee

Tennessee Consumer Alliance.

Texas

Texan Consumer Association. Texas Public Interest Research Group.

Vermont

Thomas P. Salmon, Governor. Vermont Public Interest Research Group.

Virginia

Mills Godwin, Governor. Virginia Consumers Citizens Council.

Washington

Daniel J. Evans, Governor. Washington Committee on Consumer Interests.

Wisconsin

Patrick J. Lucey, Governor.

Wyoming

Wyoming Public Interest Research Group.

COMPANIES WHICH SUPPORTED S. 707

Alexander Hamilton Life Insurance Company of America, Farmington, Michigan.

American Income Life Insurance Company, Waco, Texas.

AMFAC, Inc., Honolulu, Hawaii.

Amivest Corporation, New York, New York.

Ar-Ex Products Company, Chicago, Illinois.

Bantam Books, New York, New York.

Brands Mart, Long Island City, New York.

Chief Auto Supply, Cerritos, California.

Condamatic Company, Inc., Dyna-Day Plastics, Inc., American Sound Corporation, Warren, Michigan.

Connecticut General Life Insurance Company, Hartford, Connecticut.

Consumers Cooperative of Berkeley, Inc., Berkeley, California.

Consumers Cooperative Society, Palo Alto, California.

Consumers United Insurance Company, Arlington, Virginia.

Co-op Supermarkets, SCAN Co-Op Contemporary Furniture, Silver Spring, Maryland.

Cummins Engine Company, Columbus, Indiana.

The Dreyfus Corporation, New York, New York.

Executive Life Insurance Company of New York, New York, New York.

Federation of Cooperatives, Inc., New York, New York.

GRT Corporation, Sunnyvale, California.

Harper Systems, Little Rock, Arkansas.

International Group Plans, Inc., Washington, D.C.

Kings Super Markets, Inc., Irvington, New Jersey.

Maxwell Corporation of America, Moonachie, New Jersey.

Monogram Industries, Inc., Los Angeles, California.

Montgomery Ward, Chicago, Illinois.

Motorola, Inc., Franklin Park, Illinois.

Polaroid Corporation, Cambridge, Massachusetts.

Stride-Rite Shoes, Boston, Massachusetts.

Zenith, Inc., Chicago, Illinois.

NEW COMPANIES WHICH SUPPORT S. 200

Mobil Oil Corporation, 150 E. 42nd Street, New York, New York 10017.

The Stop and Shop Company, Boston, Massachusetts.

Jewel Companies, Inc., Chicago, Illinois.

United Artists, Hollywood, California.

EXHIBIT 2

SUMMARY AND EXPLANATION OF S. 200

(April 1975)

The bill would establish an independent, nonregulatory Agency for Consumer Advocacy (ACA) to speak for the interests of the consumer. The Agency will be authorized to advocate the interests of consumers before agencies and the courts and to provide the public with information about consumer matters.

The Agency will have no regulatory or other legal power to force business enterprises to change their practices in any way. Rather, it will operate purely as a spokesman for the consumer before the other agencies that do make decisions affecting the consumer.

CONSUMER ADVOCACY BEFORE FEDERAL AGENCIES

The most important function of the Agency will be representation of consumer interests before Federal agencies and courts. In *formal* adjusticatory or rule making proceedings under the Administrative Procedure Act, the ACA is authorized to intervene as a party. In such cases the Agency will be subject to the same rules as any other person who is a party to the proceedings. The Act directs ACA to refrain from intervening in such proceedings unless necessary to adequately represent the interests of consumers.

When a Federal agency considers a decision affecting the interests of consumers outside a formal adjudicatory or rule-making proceeding, the Act gives the ACA the right to submit data and other relevent information or arguments. Such submission will be in either written or oral form and presented in such a way as not to hinder the agency's ability to act expeditiously. This means that if the lead tinsel manufacturers have a meeting with the Commissioner of FDA on the schedule for removing lead tinsel from the market, the Administrator of ACA is entitled to present his views on the subject to FDA officials. The section does *not* give him the right to be present at the tinsel manufacturers meeting and argue his case at the same time they do.

JUDICIAL REVIEW

The ACA Administrator is also authorized, where necessary to protect consumer interests, to seek judicial review of an agency proceeding reviewable under law. He may also intervene in any judicial proceeding reviewing or enforcing such agency actions. This right to seek review is analogous to the right now enjoyed by private persons aggrieved by agency action. If the Administrator did not participate in the agency proceeding below, he may appeal the agency decision only if he first files a timely petition before the Federal agency for rehearing and reconsideration and the agency fails to act favorably on the petition.

CLEARINGHOUSE FOR COMPLAINTS

The Agency is authorized to act as a clearinghouse for consumer complaints. ACA is required to notify businesses of complaints. ACA is required to notify businesses of complaints concerning them, to give them an opportunity to respond, to transmit such complaints to appropriate Federal or state agencies, and to maintain an up-to-date file for public inspection of complaints together with any comments which are received.

GATHERING INFORMATION

The ACA is authorized to obtain the information it needs through the submission of written interrogatories. However the Administrator may only use this authority where the information is not publicly available and cannot be obtained from another Federal agency. Moreover, he may not use this authority in an agency proceeding in which the Administrator has intervened. The interrogatories may only be enforced if the Administrator sustains the burden of showing that they are relevant to the purpose for which they are sought and are necessary to uncover consumer fraud or to protect consumer health or safety. Small businesses, which includes about 95% of all businesses, are exempted from enforcement of interrogatories.

INFORMATION FROM OTHER AGENCIES

The ACA may obtain information from other agencies. But ACA is expressly prohibited from collecting information from other agencies concerning national security, tax records, internal policy recommendations, and other similar private information. There are also strict limits on the Agency's right to have access to trade secrets. The Agency is prohibited from publicly disclosing any information obtained from another Federal agency if the information is exempted from such disclosure by the other agency.

COST AND BENEFIT ASSESSMENT STATEMENTS

Every Federal agency which issues rules is required to prepare a cost and benefit assessment statement in connection with the promulgation of any rule likely to have a substantial economic impact.

Statements are required to include an estimate of the costs and benefits, including those which are direct and indirect, economic and non-economic, quantifiable and non-quantifiable. In addition, the statements are required to include a statement of the relationship between estimated costs and benefits.

Applicable agencies are required to give public notice of the preparation of such assessment statements, seek to obtain information relevant to the preparation of such statements, and to the extent permitted by law, make all information utilized in connection with the preparation of such statements available to interested persons. Agencies are required to publish such statements yearly in the Federal Register. Cost and benefit assessment statements are not subject to judicial review.

In addition, Federal agencies are required to include a cost-benefit statement whenever they submit any legislative proposal to Congress which is likely to have a substantial economic impact.

FUNDING

The bill would authorize $15 million for fiscal year 76, $20 million for fiscal year 77, and $25 million for fiscal year 78. By way of contrast, the U.S. Budget for fiscal year 1975 provides $1.433 billion in Federal funds under the category "advancement of business."

EXHIBIT 3

THE CONSUMER PROTECTION ACT OF 1975

(S. 200)

SAFEGUARDS FOR BUSINESS

The Act contains a number of important safeguards to assure that the rights of persons in private enterprise will not be infringed upon by any Agency activity. These safeguards include the following:

1. *Restrictions on Information-Gathering*. Section 10 delineates the ACA's information-gathering authority, placing restrictions on the Agency's powers to obtain information from business and from government. Generally, the Administrator is authorized to compel disclosure of information only when necessary to protect the health or safety of consumers or to discover consumer fraud and substantial economic injury to consumers. Such information may only be obtained from businesses which substantially affect interstate commerce whose activities substantially affect consumer interests. In addition to these general limitations, specific prohibitions limit ACA power to obtain information from small businesses and from other Federal agencies.

a. The ACA is prohibited from requiring the disclosure of information from small businesses as defined in the Act* (Section 10(a)(4)). (Additional small business protections are outlined in this memo, number 8.)

b. The Act also includes a number of restrictions on access to information held by other Federal agencies. The categories of information which ACA has no right of access to include: information classified in the interest of national security; policy or prosecutorial recommendations; personnel and medical files; information which a Federal agency is prohibited from disclosing to another agency; information which would disclose the financial condition of individual bank customers; information from Federal income tax returns (Section 10(c)); and trade secrets and confidential commercial or financial information obtained prior to the enactment of the Act. The ACA has no right of access to any information collected in the future by another agency if the agency is only able to obtain such information by promising to keep it confidential. And, before ACA obtains *any* trade secrets or confidential commercial or financial information from another agency, the agency holding the information must first notify the person from whom the information was collected. Such a person will have a reasonable time to comment or seek injunctive relief. (Section 10(b))

2. *Prohibitions on Disclosure of Information*. Section 11 governing the ACA's duty to disclose information to the public, prohibits the Agency from disclosing information received from another agency which is exempt from disclosure under the Freedom of Information Act or any other law, and which the Agency has specified shall not be disclosed. (Section 11(b)) Trade secrets or other confidential business information received from a business, may be withheld by the ACA.

3. *Limitations Governing Disclosure of Information*. Section 11(c) sets forth provisions governing the release of information by the Administrator. Where the release of information is likely to cause substantial injury to a person, the Administrator is required to notify such person and provide an opportunity for comment and injunctive relief, unless immediate release is necessary to protect the public health or safety. (Section 11(c)(4)) In addition, the Administrator is directed to take all reasonable meas-

---

*Available statistics show that under this definition, over 95% of all businesses would be exempted from interrogatories.

ures to assure that any information it releases is accurate and not misleading or incomplete. Tight restrictions are imposed on the release of information which discloses product or service names. Among other restrictions, the Agency is prohibited from indicating that any specific product is a better buy than any other product.

4. *Objections to Interrogatories—ACA Burden.* A private party may object to any interrogatory ACA serves on it. In such a case, the burden will be on the Administrator to prove that the information sought substantially affects the health or safety of consumers, or is necessary in the discovery of consumer fraud or substantial economic injury to consumers and is relevant to the purposes for which the information is sought. In addition, no person is required to answer an interrogatory which is unnecessarily burdensome (Section 10(a)(3)), and no small business, as defined in section 10(a)(4), is required to answer an interrogatory.

5. *Consumer Complaints—Opportunity to Respond.* When, under Section 7, ACA transmits consumer complaints to other government agencies or makes them available to the public, ACA must also forward the complaint to the person who is the subject of the complaint. The only exception to this requirement is when such notification might impede action against a person for a violation of the law. The person's response to the complaint must be made available to the public along with any disclosure of the original complaint.

6. *Judicial Review Protection.* Section 21 (b)(1) gives any party to a final agency proceeding reviewable under law the right to obtain judicial review on the grounds that the ACA participation in the proceedings resulted in error prejudicial to the party.

7. *Restrictions on Initiation of Civil Proceedings.* ACA's ability to initiate court actions involving agency proceedings in which it did not participate is specifically subject to a requirement that the ACA first petition the agency for reconsideration and is further subject to an initial judicial determination that such action would not impede the interests of justice. (Section 6(c))

8. *Additional Small Business Protections.* Section 18 requires the ACA and all other Federal agencies to keep the unique needs of small businesses in mind when implementing the Act, and requires the ACA to treat all businesses, whether large or small, in an equitable fashion. In addition, the Small Business Administrator is directed to keep small businesses informed about the activities of the ACA, and to report to Congress on actions taken under this Act affecting small businesses. Similarly, the Administrator of the ACA is required to consult with representatives of small businesses before establishing the Agency's general priorities or policies, and he is to respond in an expeditious manner to requests and other correspondence from small businesses.

9. *Assurance of Fairness.* Generally, in carrying out functions under the Act, the Administrator is required to act in accordance with the rules that assure fairness to affected persons. (Section 4(a)(4))

EXHIBIT 4

THE WHITE HOUSE,
Washington, April 17, 1975.

Hon. ABRAHAM A. RIBICOFF,
Committee, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: In the interest of protecting the American consumer, I am directing department and agency heads, in coordination with the Domestic Council, to review Executive branch procedures to make certain that consumer interests receive full consideration in all Government actions.

To be frank, I recognize the legitimate public and Congressional concerns that departments and agencies be more responsive to the interests of consumers. This must be changed. Therefore, I am asking agency heads to examine the specific efforts they are making now to represent the consumer in their agencies' decisions and activities and to work with Virginia Knauer, my Special Assistant for Consumer Affairs, in instituting additional efforts which the agencies can undertake to better represent consumer interests.

In examining their present procedures and in establishing new ones, department and agency heads will follow these guidelines:

All consumer interests should receive a fair chance to be heard in the Government decision making process; and

The costs and administrative requirements of Federal rules and regulations on the private sector should be held to a minimum.

Regulatory reform is one of the most important vehicles for improving consumer protection. Outdated regulatory practices lead to higher prices and reduced services. I urge the Congress to enact a number of specific legislative proposals in this regard, including the bill I submitted in January to establish a Regulatory Review Commission. I renew my request to the Congress to repeal outdated fair trade laws which raise prices and to reform many of the existing banking laws and regulations which penalize small savers. I will soon request legislation to overhaul our system of transportation regulation to allow freer competition, improved services, and lower prices.

I also intend to ask the chairmen and members of the independent regulatory agencies to meet with me to discuss ways they can make immediate improvements in the regulatory process. I am determined that the public will receive the most efficient and effective public service at the least cost.

In view of the steps that are being taken by the Executive department to make Government-wide improvements in the quality of service to the consumer, I am requesting that the Congress postpone further action on S. 200, which would create a new Federal Agency for Consumer Advocacy.

I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of $60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I look forward to working with you, the members of your Committee, and the Congress in advancing the interests of all consumers within our existing departments and agencies.

Sincerely,

GERALD R. FORD.

COMMITTEE ON GOVERNMENT
OPERATIONS,
Washington, D.C., April 17, 1975.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Thank you for your letter outlining some positive and constructive steps to assist the American consumer. I believe that repeal of outmoded fair trade laws, overhaul of transportation regulation, and protection of small savings deposits are all important, and I strongly support such initiatives.

However, none of these proposals addresses the compelling need for an effective advocate to represent consumer interests before the Federal agencies and departments.

These agencies and departments make decisions every day which affect the consumer.

When the Federal Communications Commission decides to increase telephone rates, when the Department of Agriculture approves the export of American grain to Russia, when the Civil Aeronautics Board approves higher airline fares, or when the Food and Drug Administration authorizes the sale of a new drug, the business or industry which has an interest in the outcome is well represented—often by an entire team of lawyers and technical experts. But not the consumer—he can hardly afford the hundreds of thousands of dollars that it takes to present his side of the case. The result is almost inevitable: the consumer very rarely wins when government decisions are made.

S. 200, the Consumer Protection Act, would correct this imbalance. It would provide the consumer with an effective and well-organized advocate to plead his cause with government decisionmakers. And S. 200 would do this for the relatively modest sum of $15 million in the first year, $20 million in the second year, and $25 million in the third year. This is not enormous, when compared with Assistant Attorney General Kauper's estimate that inefficient government regulation is costing American consumers some $80 billion a year.

I might add that S. 200 includes a provision added in Committee which requires Federal agencies to prepare cost and benefit assessment statements when promulgating regulations or proposing legislation. This should help to achieve the goal outlined in your letter that the costs of Federal rules and regulations to the private sector be held to a minimum.

Mr. President, support for this legislation is widespread and growing. More than 100 national, state, and local organizations have endorsed creation of a strong consumer protection agency—and among them the Consumer Federation of America, Common Cause, the American Bar Association, the National Conference of Mayors, the National Association of Attorneys General, and a number of the unions comprising the AFL–CIO. Thirty-two of the nation's governors supported the bill in a telegram to the Senate last year. And a number of businesses—including such major corporations as Polaroid, Connecticut General Life Insurance, Montgomery Ward, Zenith, and Dreyfus Fund—have endorsed the bill. In just the last few days, one of the country's largest food chains, Stop and Shop, and one of the country's biggest oil companies, Mobil Oil Corporation, have endorsed S. 200.

This increasing level of support is reflected in the Senate when S. 200 now is sponsored by 45 Senators—12 more than last year. Last Wednesday, the bill was reported out of the Government Operations Committee by a vote of 11 to 1.

Mr. President, legislation to create a consumer protection agency has been worked on by Congress for more than 5 years. As you may recall, you supported it and spoke out in favor of it in 1971, the one time it came to the floor of the House while you were a member of that body. I am confident that the legislation we have prepared represents a fair balancing of all the interests concerned and that S. 200 meets the needs of the American consumer.

Under the circumstances, I feel that S. 200 should be passed this year.

Mr. President, I believe very strongly that the Consumer Protection Act deserves your support. I hope that you will be able to support it.

Sincerely,

ABE RIBICOFF.

Mr. THURMOND. Mr. President, proposals to create a so-called Consumer

Protection or Advocacy Agency at the Federal level have been before Congress for some years now. The Senate Government Operations Committee has made some relatively minor changes in this legislation from similar bills previously debated in this Chamber. However, in my opinion, this proposal, as presently written, still ranks as one of the most dangerous, unwise, and unnecessary pieces of legislation ever considered by Congress.

I would like to emphasize that I am not opposed to the basic goals and purposes of this bill. I believe that Federal agencies and private businesses should adequately consider the interests of consumers in their decisions. Furthermore, I agree that the performance of the present system in responding to the needs and concerns of the average American citizen should be improved.

However, I firmly believe that this concept of a free-wheeling, all-powerful, new Federal bureaucracy is not the best means to achieve laudable ends. Are we in Congress really ready to admit to the public that the only way we know of to make the present bureaucracy more responsible is to create still another, massive bureaucracy? Well, I, for one, am not ready to hand over still more of the people's rights and tax dollars to a group of appointed agency representatives, who will sit here in Washington and arbitrarily decide what is the "consumer interest" and how it will be pursued.

The creation of this new bureaucracy, designed to pit consumer against producer, and, indeed, consumer against consumer, would still entail the same disrupting functions as before. After all, we are all consumers, and we are all producers in some fashion.

This bill's sponsors have laboriously emphasized that they are protecting the rights of the consumer. Yet, clearly it is in the interests of Americans, all of whom are consumers to some degree, to have a thriving economy. It seems paradoxical that anyone would want to see the creation of a Government agency whose actions would be to involve American businessmen, large and small, in even more red tape. This can only act to further stifle our competitive, free enterprise system.

Certainly no one is adverse to the basic concept of consumer protection. It is in large part for this reason that we have the Federal Trade Commission, the Interstate Commerce Commission, the Federal Aviation Administration, the Civil Aeronautics Board, the Federal Energy Administration, the Consumer Products Safety Commission, the National Traffic Safety Commission, the Food and Drug Administration, and numerous other Federal agencies. All of these agencies take into account the consumer interest in carrying out their functions. The last thing we Americans need is yet another Federal bureaucracy to "protect" us.

In addition to being unwise and unnecessary, this legislation would prove costly to taxpayers and consumers. The outright cost of setting up this new bureaucratic machinery, estimated to be $60 million through the first 3 years, is itself a burdensome addition to already excessive budget deficits in fiscal years 1975 and 1976. However, the hidden cost of this bill due to its impact on other Federal agencies and private businesses will undoubtedly add up to many additional millions of dollars.

Proponents of this legislation argue that this new agency will save consumers billions of dollars annually by curtailing instances of fraud and consumer "rip-off." If that were the certain consequence, then this bill might be worth it. However, I tend to think that an even greater rip-off would occur with the enactment of this bill. It seems to me that this proposal would inevitably add to the cost of doing business and result in even higher prices to consumers.

I really wonder if the supporters of this proposal have stopped to consider why nearly every business concern in the Nation, both large and small, has opposed this bill. Granted, a few less responsible businesses may fear that the ACA will cut into their excessively profitable or suspect operations. However, apparently the majority of the American people still believe that most businessmen are responsible. If that is true, then it is certainly plausible that businesses would be concerned about the additional cost of hiring legal and clerical staff to comply with the dictates of the ACA.

If the business community sees the ACA proposal as another bureaucratic monster, then I think we at least should take a hard look at the substance of their concerns. Surely the some 33 existing Federal departments and over 1,000 programs that monitor and regulate the private sector can responsibly reflect consumer interests. We do not need to create this consumer super-agency with its probable costly and inflationary repercussions.

Mr. President, I ask unanimous consent that relevant editorials from two of the leading newspapers in South Carolina, the Greenville News-Piedmont and the Spartanburg Herald, be included in the RECORD at the conclusion of my remarks. I also ask unanimous consent that a letter from the Honorable Jeffrey H. Joseph, consumer affairs attorney for the U.S. Chamber of Commerce, which appeared in the April 1, 1975, issue of the Washington Post, be printed in the RECORD following these editorials.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MORE PROTECTION NOT NEEDED

Consumer advocacy these days is an issue ranking right along with campaign reform, environmental protection and fuel conservation in political appeal.

It seems likely, then, that creation of an independent consumer agency, envisioned in a bill reported by the Senate Government Operations Committee, will be embraced lovingly when the legislation progresses to the Senate floor.

Only a herculean filibuster eoffrt by Sen. James B. Allen prevented passage in the last Congress. The Alabama Democrat under amended cloture rules will find his lonely position woefully eroded this year.

But, despite the automatic appeal of the proposed Agency for Consumer Advocacy, its potential for consumer benefit is unclear. Perhaps the most we can expect from doubtful lawmakers is that they ensure it does no harm.

The indicated role of the agency is to represent consumers before other federal agencies and in the courts.

The dangerous assumption is that the nation's 212 million consumers share identical concerns and think with like minds. Obviously, they do not.

And the agencies with which the proposed ACA will "intervene" are themselves—in theory at least—engaged in consumer protection activities.

A proclaimed goal is to scrutinize decisions or agreements that will affect prices consumers eventually will pay for goods and services. Yet the bill studiously rejects agency involvement in labor-management disputes handled by the National Labor Relations Board, which contribute significantly to consumer costs.

The sometimes incomprehensible dictates of Congress, too, are beyond the scope of ACA criticism, although the price of legislated programs in tax dollars—not excluding the agency in question—demands a big bite from consumer paychecks.

Since neither house of Congress will be enthusiastic about treading on labor's toes or exposing its own handiwork to an evaluation of benefits and costs, consumer protection at the agency level seems destined, at best, to be nothing more than a costly duplication of the mission of the Federal Trade Commission, the Civil Aeronautics Board, the Interstate Commerce Commission and our other regulatory powers.

At its worst, it could obstruct and confuse the essential functions of those agencies.

The consumer right now could use a protector to prevent establishment of yet another unneeded, unproductive bureaucracy.

TOO MUCH 'HELP' FOR CONSUMERS

A phenomenon of the Seventies is the proliferation of self-appointed consumer protectors.

Not the least of these is the U.S. Congress.

Often, consumers get more "protection" than they want. Witness some of the zany devices that federal law required for automobiles.

Now the Senate is on the verge of setting up another outfit, called the Agency for Consumer Advocacy. It would add another $60 million to the dangerously expanded federal deficit.

There is no ground swell of support for such an independent government agency to stand guardian for consumers.

A poll taken by the National Federation of Independent Business showed 84 per cent of small business people who responded are opposed to the legislation.

This particular poll may be challenged as reflecting a special interest.

However, an Opinion Research Corp. survey last month—which covered a cross-section of citizens all over the nation—showed 75 per cent opposed, only 13 per cent in favor.

One bad thing about the bill as it now stands is a provision that would prohibit the agency from gathering information or expressing opinions, on any matter involving a labor-union dispute or agreement.

Thus, the consumer would be less than completely advocated and protected.

With so little evident desire or need for new federal bureaucracy to exercise more control over the free market economy, the Senate should abandon this little project.

OPPOSING AN AGENCY FOR CONSUMER ADVOCACY

In a March 11 editorial, "A Voice for Consumers," the Post states that S. 200, which would create an independent Agency for Consumer Advocacy, represents an idea "whose time has come". The Chamber of Commerce of the United States disagrees.

While in 1969, when this legislation was first conceived, consumers may have had few spokesmen, the opposite is true today. In the Washington Metropolitan area alone, there are no fewer than 38 private and 14 public consumer organizations, national and local, alive and active. Much new legislation has been enacted to protect consumers. Despite this umbrella of protective activity, what can only be described as a federal super-agency may soon be created.

If, as the Post says, the agency would have no regulatory powers, and would serve only as an advocate "for consumers who have been victimized by marketplace irresponsibility," why is it necessary to give the agency the unchallengeable right to monitor and intervene in the formal proceedings of other agencies; to participate in virtually thousands of informal agency actions, even if it were not a party to the initial action. Such authority is not enjoyed by other advocates—whether they represent business, environmental or other consumer interests. Indeed, the legislation requires the agency to be treated as an independent federal regulatory agency with regard to information gathering and disclosure and the Federal Reports Act.

Further, the Post states that "compelling arguments for the bill are being made." When Ralph Nader testified recently on behalf of the agency, he suggested that had the agency been in existence it could have saved millions of dollars for consumers by blocking the Russian wheat deal, trimming milk supports, holding down the price of oil, and curbing the rise in air fares. If true, these certainly might be "compelling arguments," but if an agency with that much control over our destinies is a mere "advocate," then someone had best resurrect Mr. Webster to rewrite his Dictionary.

In its editorial, The Post states a minority successfully manipulated the bill by using "parliamentary tactics" to prevent its passage. Then, the following day, we read of the bill's supporters filibustering in the Senate Government Operations Committee to exempt organized labor from the act.

In spite of the impact which labor disputes may have on the cost and availability of consumer products, an exemption is organized labor's price for supporting the measure. Indeed, Senator Javits, a primary sponsor of the bill, stated on the Senate floor during debate on similar legislation in the 93rd Congress that if the labor exemption were deleted, "it will kill this bill". The New York Times and The Wall Street Journal have urged removal of the labor exemption. Will The Post do the same?

Despite its position on consumer advocacy legislation The Post does have the consumers' interests at heart. In a March 5 editorial, "It's Time for Economic Impact Statements," we are told that "federal legislation and administrative orders . . . cost somebody something, and the costs that don't show up in tax bills tend sooner or later to show up in price increases." S. 200 is an example of precisely the kind of costly legislation.

Finally, in a recently released nationwide survey of public attitudes by the Opinion Research Corporation, American consumers, by a 75% majority opposed creation of a new, independent federal consumer agency. When given the choice between creating a new consumer agency or taking steps necessary to make existing consumer agencies more effective, respondents strongly favored improving the present agencies by a margin of 75% to 13%.

The Post calls for "A Voice for Consumers". It seems to us that a representative sector of taxpayers who participated in the survey are trying to speak. Is no one in Washington listening?

JEFFREY H. JOSEPH,
Consumer Affairs Attorney,
Chamber of Commerce
of the United States.

WASHINGTON.

CONSUMER REPRESENTATION ACT OF 1975—S. 1676

Mr. TAFT. Mr. President, I have today introduced the Consumer Representation Act of 1975. I have also introduced, by way of an amendment to this bill, in the nature of a substitute, an amendment which is identical in basic terms and application to the bill I have introduced.

The bill and the amendment seek to offer a more realistic and effective program for consumer protection than is presently contained in S. 200.

Effective consumer protection legislation must deal in a coordinated way both with the issue of consumer representation before the Federal agencies and with the issue of indirect adverse impact on the economy and consumer prices caused by the hidden costs and burdens of Federal regulation. Moreover, especially during these inflationary times, such legislation cannot itself be expensive, nor can it unduly complicate or disrupt existing regulatory procedures in a manner that will hinder the work of the pending regulatory reform study commissions which must ultimately suggest the best long-term solutions to our regulatory problems.

In this context, the Agency for Consumer Advocacy (S. 200) is exceedingly ill-advised, in my opinion. Although well-intentioned, I can see the establishment of an agency for consumer advocacy as actually working against the orderly process of the Government, working against the consumers' best interests, and working especially, against the consumers' sorely tested pocketbook.

In my view, the Agency for Consumer Advocacy can only lead to minority rule in matters affecting consumer interests. It is beyond my comprehension how the proposed Agency, with 50 to 100 lawyers, can divine the will of millions of consumers. The premise upon which ACA is established is the notion that this Agency represents the interests of what I like to refer to as our mythical "every man"—which I spoke of last year in the debates on S. 707. I say "mythical," for I do not believe that there is a composite every man out there in this complex ever-changing Nation of individuals.

The hard fact is that the consumer interest is as broad, and as varied, as complex as the entire U.S. economy of the entire U.S. population. The great bulk of producers of consumers goods exist to serve an infinite variety of consumer interests and an infinite variety of circumstances. What is in the interest of one consumer in one set of circumstances may well be contrary to the interests of another consumer in another set of circumstances. Every consumer has his own needs—his own desires—his own standards of satisfaction. S. 200 fails to recognize these very real considerations.

To superimpose over all of this a single agency with the authority to speak for all consumers and all their interests and in all circumstances is a fallacious and unworkable concept. It can only have the effect of being responsive to vocal minorities and, indeed, unresponsive to the general consumer and public interest.

I believe the continuing debate on S. 200 will establish that, indeed, it is an unsound concept to set up one "super-agency" with the absolute power to intervene in the affairs of other agencies, and to call the decisions of all others into question in the courts. This bill contains built-in disruptions of virtually all Government agencies and would give the new agency unlimited power to second-guess and override decisions of Cabinet officers and other Government agencies. S. 200, I believe, will hinder, not help, effective representation of consumer interests within the Federal Government.

Of importance is the fact that S. 200 fails to integrate the advocacy provisions in a coordinated way with the recently added economic impact provisions, it will require large appropriations for a vast new bureaucracy that will only complicate the work of necessary regulatory reform. My proposal seeks to take advantage of the worthwhile and effective provisions of S. 200, avoid the problems it would create, and deal with the issues it ignores, in the following manner.

The heart of my proposal is title II, which establishes within each Federal agency an office of consumer representation. Each office is authorized and mandated to protect the consumer interest that may be affected by agency action either by representing an interest of consumers as an advocate in a proceeding—or by submitting views—or by requesting his agency to prepare a consumer impact evaluation, or both. The choice of which way to proceed is left generally to the office's discretion, subject to overall coordination by the Office of Consumer Affairs, made into a separate statutory office by title I to eliminate the risk of costly and destructive duplication and conflict within Government.

This new approach is designed to create far greater flexibility and coordination in the choice of suitable means to protect consumers. For example, some proceedings may simply be unsuited for an advocacy role, either because the proceedings is too complex for one single, ununified consumer interest to be identified, or because the long-term indirect and direct costs outweigh any immediate benefits that may appear on the surface. At the same time, my approach is offered within the framework of existing agency structures and budgets. Because each office is a part of the agency itself, it will have full access to all of the information needed to insure that attention is focused upon consumer goals within that agency. It may use this information to call for and help develop consumer impact statements, or, if suitable, the office may choose an advocate's role in the proceedings before the agency, but without engendering the excess of struggles between agencies as presently under S. 200 proposed. In summary, the benefits of this approach are the following:

It eliminates the need for creating and funding an enormous new consumer protection bureaucracy which a vast majority of the American people and the President do not want.

It introduces a new and more flexible approach toward consumer protection that takes into account the diversity of consumer viewpoints, that reduces the risk that one superagency will represent its view of the consumer interests, and that requires analysis of the hidden costs of regulation in relation to apparent benefits.

It provides for a minimal disruption of fundamental administrative law principles and the operation of the independent regulatory agencies during the pendency of studies of regulatory agency reform which will provide the Congress with the best long-term solutions for improving the regulatory process.

It will assure that every Federal agency—not just those agencies selected by a single advocacy bureaucracy—will be forced to give full consideration to consumer interests, while requiring that legislative oversight will be kept in the jurisdiction of the subject matter committee reviewing the respective regulatory agencies.

Mr. President, the American consumers, through reliable polls conducted by the National Federation of Independent Businessmen and the Opinion Research Corp., have told us they do not want an independent agency for consumer advocacy, I believe American consumers ought to be heard. They do expect, and rightfully so, the existing Government agencies to work more effectively on behalf of their consumer interests. My bill recognizes the fact that there are already ample Federal agencies in being to protect the consumers' interest. Congress job is not to proliferate these agencies, but to see to it that they discharge their duties in the interests of consumers. I submit that our efforts would be better spent in cranking up existing mechanisms on behalf of consumers than trying to legislate a fairy godmother or guardian angel for them. My bill and my amendment are geared toward these objections.

Mr. President, I ask unanimous consent that the substitute amendment, together with its summary be printed in the RECORD at this point.

There being no objection, the amendment and summary were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 404

Intended to be proposed by Mr. TAFT, Mr. THURMOND, and Mr. MCCLURE to S. 200, a bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Consumer Representation Act of 1975".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that the interests of consumers are often inadequately represented within the Federal agencies to the detriment of the fair and efficient functioning of a free market economy; that better consumer representation can be achieved in some circumstances if consumers are represented by an advocate; that in other circumstances, representation is better achieved by evaluating multiple consumer views or addressing the impact of actions upon consumers; and that vigorous advocacy of different consumer interests is essential to decisionmaking that is informed, timely, and in the best interests of the public.

(b) The Congress therefore declares that it is the purpose of this Act to establish consumer advocates to engage in active representation of consumer interests where appropriate and to require mose systematic evaluation of consumer interests; and this Act should be so interpreted by the executive branch, the independent regulatory agencies, and the courts so as to implement the intent of Congress to protect and promote the interests of consumers.

DEFINITIONS

SEC. 3. As used in the Act, unless the context otherwise requires, the term—

(1) "Director" means the Director of the Office of Consumer Affairs;

(2) "Administrator" means the Administrator of each Office of Consumer Representation;

(3) "agency action" includes the whole or part of an agency "rule," "order," "license," "sanction," "relief," as defined in section 551 of title 5, United States Code, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency civil process, conducted pursuant to any authority or responsibility under law, whether such process if formal or informal;

(5) "agency proceeding" means agency "rulemaking," "adjudication," or "licensing," as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) '"consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes;

(8) "Federal agency" means any executive department, or independent regulatory agency or commission of the United States;

(9) "individual" means a human being;

(10) "interest of consumers" means any health, education, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(11) "participation" includes any form of submission;

(12) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(13) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(14) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

APPLICATION TO SMALL BUSINESS AND AGRICULTURE

SEC. 4. (a) The particular varied needs of small business and agricultural enterprises shall be considered by all levels of government in the implementation of the procedures provided for throughout this Act.

(b) In order to carry out the small business aspect of the requirement set forth in subsection (a), the Small Business Administration shall (1) to the maximum extent possible, provide small business enterprises with full information concerning the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various agencies in connection with such provisions, and (2) as part of its annual report, provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(c) In order to carry out the agricultural aspect of the requirement set forth in subsection (a), the Administrator shall, before intervening in any United States Department of Agriculture proceeding, consider (1) the interests of consumers in obtaining an adequate supply of food, and (2) the interests of farmers in maintaining an adequate level of income and production.

(d) (1) To the extent feasible, the Director of the Office of Consumer Affairs shall seek the views of small business and agricultural interests in connection with establishing the Federal Agency's priorities, as well as in promulgating the rules to implement this Act.

(2) In administering the programs provided for in this Act, each Administrator shall respond in an expeditious manner to the views, requests, and other filings by small business and agricultural enterprises.

(3) In implementing the provisions of this Act, each Administrator shall give due consideration to the unique problems of small business and agriculture in order to avoid unnecessary hardships on those enterprises and activities.

EXEMPTIONS

SEC. 5. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Department of State and Defense (including the Departments of the Army, Navy, and Air Force) and the military weapons program of the Energy Research and Development Administration.

DISCRIMINATION

SEC. 6. No person shall on the ground of sex, race, religion, age or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under Title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a person alleging discrimination.

EFFECTIVE DATE

SEC. 7. (a) This Act shall take effect ninety calendar days following the date on which this Act is enacted, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 8. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

TITLE I—OFFICE OF CONSUMER AFFAIRS

ESTABLISHMENT

SECTION 1. (a) There is hereby created in the Executive Office of the President an office to be known as the Office of Consumer Affairs (OCA). The Office shall be directed and administered by a Director who shall be appointed by the President, and who shall serve as a Special Assistant to the President for Consumer Affairs. There shall be in the Office of Consumer Affairs a Deputy Director who shall be appointed by the President. The Deputy Director shall perform such functions, powers, and duties as may be prescribed from time to time by the Director and shall act for, and exercise the powers of, the Director during the absence or disability of, or in the event of a vacancy in the Office of the Director.

(b) No employee of OCA while serving in such position may engage in any business, vocation, other employment, or have other interests, inconsistent with his official responsibilities.

(c) There shall be in the Office of Consumer Affairs a General Counsel and not more than five additional officers. Each such officer shall be appointed by the Director, subject to the approval of the President, under the classified civil service, shall have such title as the Director shall from time to time determine, and shall receive compensation at the rate now or hereafter prescribed for offices and positions at Level V of the Executive Schedule (5 U.S.C. 5316).

POWERS AND DUTIES OF THE DIRECTOR

SEC. 2. (a) The Director shall be responsible for the exercise of the powers and the discharge of the duties of OCA, and shall have the authority to diretc and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Director is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties:

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for Grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Director, compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants: *Provided*, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Director may prescribe;

(4) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(5) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, on such terms as the Director may deem appropriate, with any agency or instrumentality of the United States, with any State, or any political subdivision thereof, or with any person;

(6) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(7) adopt an official seal, which shall be judicially noticed;

(8) conduct conferences and hearings and otherwise secure data and expression of opinion;

(9) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Upon request made by the Director, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Office of Consumer Affairs in the performance of its functions.

(d) The Director shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include a description and analysis of—

(1) the activities of the Office of Consumer Affairs;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Office of Consumer Affairs by other Federal agencies in carrying out the purposes of this Act;

(4) the performance of Federal agencies in protecting the interests of consumers.

FUNCTIONS OF THE OFFICE OF CONSUMER AFFAIRS

SEC. 3. (a) The Office of Consumer Affairs shall, in the performance of its functions, advise the President as to matters affecting the interests of consumers; and shall protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The function of the Director shall be to—

(1) communicate with each Office of Consumer Representation established pursuant to Title II of this Act for the purpose of encouraging and assisting in development, implementation and coordination of the activities of the respective Offices. The Director shall endeavor to make available to each such Office, appropriate assistance in the preparation of consumer benefit analysis or in such other functions as the Offices may undertake pursuant to Title II of this Act.

(2) conduct and support research, studies, and testing to the extent authorized in section 5 of this Act;

(3) submit recommendations to the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) obtain information and publish and distribute material developed in carrying out his responsibilities under this Act in order to inform consumers of matters of interest to them, to the extent authorized in this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) perform the functions assigned to the President's Committee on Consumer Interests in Executive Order No. 11566 of October 26, 1970;

(8) receive and act upon consumer complaints in the following manner. Upon receipt of a consumer complaint or other information disclosing a possible violation of (1) any law of the United States, or (2) any rule or order of any Federal agency concerning consumer interests, the Director shall promptly transmit such complaint or other information to the Federal agency's Office of Consumer Representation for appropriate action and may in its discretion also refer such complaint or other information to the private persons or industry against whom the complaint is made.

(9) publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(10) encourage the adoption and expansion of effective consumer education programs;

(11) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(12) encourage the development of informal dispute settlement procedures involving consumers;

(13) encourage meaningful participation by consumers in the activities of the OCA;

(14) promote the consumer interests of farmers in obtaining a full supply of goods and services at a fair and equitable price; and

(15) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

CONSUMER INFORMATION AND SERVICES

SEC. 4. (a) In order to carry out the purposes of the Act the Director shall develop on his own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as he determines to be most effective, information, statistics, and other data including, but not limited to, matter concerning—

(1) the functions and duties of the Office;

(2) consumer products and services;

(3) problems encountered by consumers generally, including commercial and trade practices which may adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with the Director in making such information available to the public (to the extent such information is not exempt from disclosure pursuant to title 5, U.S.C., sec. 552).

LIMITATIONS ON DISCLOSURES

SEC. 5. The Director shall not disclose to the public or any State or local agency any information in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, U.S.C., obtained from a person privileged or confidential unless the Director determines that the release of such information is necessary to protect health or safety.

STUDIES

SEC. 6. The Director is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interests of consumers.

CONFORMING AMENDMENT

SEC. 7. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Director, Office of Consumer Affairs."

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(100) Deputy Director, Office of Consumer Affairs."

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(135) General Counsel, Office of Consumer Affairs."

"(136) Assistant Directors, Office of Consumer Affairs."

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 8. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Office of Consumer Affairs and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Office of Consumer Affairs.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to this section shall be without reduction in classification or compensation for one year after such transfer.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated to carry out the provisions of this title not to exceed $4,000,000 for fiscal year ending June 30, 1976.

TITLE II—CONSIDERATION OF CONSUMER INTERESTS BY THE FEDERAL AGENCIES

ESTABLISHMENT

SECTION 1. (a) There is hereby established an Office of Consumer Representation within each Executive Department and independent regulatory agency and commission. Each Office shall be directed and managed by an Administrator who shall be appointed by such agency.

(b) The Administrator of each office is authorized to appoint within his office a Public Counsel and two Assistant Administrators, one for economics and one for complaint handling. The Administrator shall have such other professional and support staff as are necessary to adequately represent within his agency the interests of the consumers.

(c) Each Federal agency is directed to provide sufficient funding within its budget for its Office of Consumer Representation to enable it to carry out its functions under this Title. The budget request for the Office of Consumer Representation shall be separately stated.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 2. (a) Each Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Office of Consumer Representation within his agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Title, the Administrator is authorized, in carrying out his functions under this Title, to—

(1) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(2) conduct conferences and hearings and otherwise secure data and expression of opinion;

(3) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Each Administrator shall, subject to the Civil Service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Title and to prescribe their authority and duties.

FUNCTIONS OF EACH OFFICE OF CONSUMER REPRESENTATION

SEC. 3. (a) The functions of each Office of Consumer Representation shall be to—

(1) represent and protect the interests of consumers before its agency to the extent authorized by this title;

(2) submit such reports as may be required by the Office of Consumer Affairs or its agency on measures to improve the operation of its agency in the protection and promotion of the interests of consumers;

(3) obtain information and publish and distribute material developed in carrying out its responsibilities, under this title in order to inform consumers of matters of interest to them, to the extent authorized in this title.

(4) receive, transmit to the appropriate bureaus, division, and persons within its agency and make publicly available, consumer complaints to the extent authorized in section 7 of this title;

(5) keep the Office of Consumer Affairs fully and currently informed of all its agency's activities substantially affecting consumer interests, when asked or on its own initiative;

(6) encourage meaningful participation by consumers in the proceedings of its agency; and

(7) perform such other related activities as it deems necessary for the effective fulfillment of its duties and functions.

CONSUMER PROTECTION

SEC. 4. (a) Each Federal agency shall keep its Administrator informed of all major proceedings and activities pending before the agency which may substantially affect an interest of consumers.

(b)(1) Whenever an Administrator finds that the result of any proceedings or activity before the agency may substantially affect one or more interests of consumers, he may (i) represent an interest of consumers as an advocate in the proceeding or activity pursuant to section 5 of this title and (ii) request the agency for and assist in the preparation of a consumer benefit analysis pursuant to section 6 of this title.

(2) When the Administrator makes such determination, he shall issue publicly a written statement setting forth concisely the reasons for his determination. Notwithstanding the foregoing, the Administrator shall, upon petition in writing in a proceeding by a substantial number of persons, request his agency for and assist in the preparation of a consumer benefit analysis whether or not he has determined to represent an interest of consumers pursuant to section 5.

(c) The Administrator shall have access to all the information, data, and other materials customarily made available by his agency to its staff, provided, that where the Administrator appears as a party in a proceeding under section 5, he shall be subject to the agency's rules of practice and procedure generally applicable to other parties to the proceeding. The Administrator may obtain information from other agencies through his agency or by independent request. When the Administrator makes an independent request, he shall be deemed a "person" within the meaning of Section 552, Title 5, United States Code. The Administrator shall be subject to laws governing public disclosure of information applicable to any officer or employee of his agency.

CONSUMER ADVOCACY

SEC. 5. (a) In any agency proceeding or activity in which the Administrator has determined, pursuant to section 4, to represent an interest of consumers as an advocate, the Administrator may:

(1) pursuant to the agency's rules of practice and procedure of general applicability, intervene as a party, appear as amicus or otherwise participate for the purpose of representing an interest of consumers in any proceeding which is subject to the provisions of Sections 553, 554, 556, or 557 of Title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, or which is conducted on the record after opportunity for an agency hearing, or which provide for public notice and opportunity for comment. In any such proceeding, the Administrator may request the agency to issue and the agency shall issue such orders as are authorized by the Federal agency's statutory powers and rules of general applicability, for the copying of documents, papers, and records, summoning of witnesses, production of goods and papers, and submission of information in writing. The participation of the Administrator in any proceeding shall not affect the obligation of the agency conducting such proceeding to assure procedural fairness to all participants.

(2) With respect to any proceeding of this agency not covered by paragraph (1) of this subsection, or any other activity of his agency which the Administrator determines may substantially affect an interest or interests of consumers, the Administrator may participate by presenting written or oral submissions.

(b) The Administrator may in the manner prescribed by law apply for leave to intervene as a party or, otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of an action of his agency.

(c) When the Administrator determines it to be in the interests of consumers, he may request his agency to initiate such proceeding or activity as may be authorized by law with respect to such agency. If the agency fails to comply with his request, it shall promptly notify the Administrator of the reasons therefor, and such notification shall be a matter of public record.

CONSUMER BENEFIT ANALYSIS

SEC. 6. (a) If the Administrator determines to request a consumer benefit analysis in a proceeding, he shall promptly transmit his request to the appropriate official in the agency, who shall comply with the requirements of this section.

(b) The consumer benefit analysis requested by the Administrator shall assess in detail—

(1) the short-and-long-term costs and benefits to consumers, if any, of the agency proceeding;

(2) the short-and-long-term costs and benefits, if any, to other relevant interests;

(3) the real costs to the public, if any, of developing and administering or enforcing action taken by the agency in the proceeding;

(4) alternative means, if any, for achieving the same or similar result sought by the agency in the proceeding, and a comparison of their benefits and costs to consumers as well as other competing interests; for purposes of this subsection, "alternative means" shall include realistic alternatives, including those which require further action by a Federal agency or Congress;

(5) effect on productivity, competition, employment, and supply and demand of important materials, including energy;

(6) the relationship of the action taken to Federal, State or local regulatory programs or actions (including those not directly involved in the proceeding), and the need, if any, for more inter-agency coordination; and

(7) any other criteria specified by the Administrator or the Office of Management and Budget or the General Accounting Office.

(c) When published in final form as specified by subsection (f), the evaluation must be a product of the agency's independent analysis of all relevant data, and shall discuss the reasons for failing to take into account any responsible data submitted by the Administrator and interested persons (at the hearing or otherwise) which is not included within the anaylsis of the body of the consumer benefit analysis, or for failing to choose a proposed alternative course of action less damaging to a significant consumer interest.

(d) A draft of the consumer benefit analysis shall be published no later than 30 days after such time as public notice of the proceeding is given, except that a draft of an evaluation requested pursuant to section 4 (b) shall be published within 20 days of the request.

(e) Each agency shall establish procedures pursuant to which

(1) the Administrator may publicly request views on specific matters identified by him, and

(2) all interested persons (including interested Federal, State and local agencies) may have reasonable time to submit comments and data to be considered by the agency in its preparation of the consumer analysis.

(f) The consumer impact evaluation shall be published in final form no later than 20 days after announcement of the final action taken by the agency; and the consumer benefit analysis shall be subsequently updated upon request by the Administrator.

(g) The Administrator shall assist in the preparation of the consumer impact evaluations and shall provide information to the agency with respect to subparagraphs (1), (4), and (6) of subsection (b) of this section.

CONSUMER COMPLAINTS

SEC. 7. (a) Whenever the Administrator receives from the Office of Consumer Affairs or from any person any complaint or other information which discloses—

(1) an apparent violation of any law administered by his agency or of any rule or order of the agency relating to an interest of consumers; or

(2) a commercial, trade, or other practice within the jurisdiction of his agency which is detrimental to an interest of consumers; he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to the appropriate bureau, division or person within the agency which has the authority to take appropriate action. The agency shall keep the Administrator informed to the greatest practicable extent of any action which it is taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Administrator shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) Each agency, with the assistance of the Administrator, shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all consumer complaints of any significance which the Office of Consumer Representation or agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in respect thereto. Unless the agency, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, that—

(1) the person complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the bureau, division or person of the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to recommend with respect to the complaint.

PUBLIC PARTICIPATION

SEC. 8. (a) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers. Any additional rules adopted pursuant to the requirements of this subsection shall be published in proposed and final form in the Federal Register.

(b) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

JUDICIAL REVIEW

SEC. 9. Nothing in this Act shall be construed as altering or affecting in any way either the law governing the substantive standards or the scope of judicial review otherwise applicable to the agency proceeding or activity involved.

AUTHORIZATION FOR APPROPRIATION

SEC. 10. (a) For purposes of this Title, existing resources should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $300,000 per Office of Consumer Representation for the fiscal year ending June 30, 1976.

SUMMARY OF TAFT CONSUMER PROPOSAL

1. Title: Consumer Representation Act of 1975.

2. Purpose: Establish consumer advocates to improve representation and evaluation of multiple consumer interests in the Federal government.

3. Organization:

a. Office of Consumer Affairs—

Created in the Executive Office of the President;

Contains Consumer Product Information Coordinating Center (transferred from GSA);

Authorization: $4 million for FY '76 (includes $2.5 million already in budget.

b. Offices of Consumer Representation—

Created in each Executive Department and independent regulatory agency;

Authorization: $300,000 plus budgets for existing consumer offices.

4. Main functions of the Office of Consumer Affairs are to:

a. Advise and make recommendations to the President;

b. Coordinate and assist the Offices of Consumer Representation;

c. Conduct studies, investigations, etc.;

d. Collect, publish and distribute information about consumer interests;

e. Work with state and local governments and private enterprise to promote and protect consumer interests;

f. Prepare an annual report to the Congress and the President on the state of consumer affairs.

5. Main functions of the Offices of Consumer Representation:

a. May participate as a full party or as amicus in parent agency proceedings or activities (in its participation, each OCR will be subject to the parent agency's rules of practice and procedure and will have full access to information, subject to those rules); and/or:

b. In the same proceedings, may request a Consumer Benefit Analysis (the Consumer Benefit Analysis will assess, 1) the short and long-term costs and benefits of Federal agency actions to consumers, the public, and other relevant interests, 2) alternative means for achieving the desired results, and 3) effect on productivity, competition, employment and supply demand);

c. May petition to participate as a full party or otherwise in Federal court civil proceedings which involve actions of the parent agency;

d. May request parent agency proceedings or actions which may be the interests of consumers;

e. Action on consumer complaints by (1) referring to the appropriate office(s); (2) notifying any enterprise concerned; (3) placing in a document room for public inspection after giving the concerned office or enterprise a reasonable time to respond.

6. Special considerations provided for Small Businesses and Farmers.

7. Exemptions:

a. CIA, FBI, NSA;

b. National security and intelligence functions of the Department of State and Defense;

c. Military weapons program of ERDA.

Mr. WEICKER. Mr. President, as a cosponsor of S. 200, I commend my distinguished colleague, the chairman of the Committee on Government Operations, for the very excellent job which was done on the committee report on S. 200. On the whole, the report explains clearly and accurately the bill in great detail. In order that the legislative history of this bill not be subjected to any misinterpretation, I wish to get a clarification from the chairman on one paragraph of the report, which explains the committee's action in removing the FCC license renewal proceeding exemption.

Mr. President, I believe the Consumer Protection Act will be very beneficial to all American consumers. In order to have maximum benefit, I believe that the administrator of the new agency should have the ability to represent consumer interests in government wherever they arise. To insure this, I oppose the inclusion in the bill of any exemption for any agency proceedings.

I understand that the jurisdiction of the ACA extends only to those proceedings which have a substantial effect on an interest of consumers, as those terms are defined in the act. I recognize that this limited jurisdiction will prevent the ACA from intervening in agency proceedings which do not directly involve consumer interests. I support this limitation as a proper focus for this new agency, but I oppose any explicit exemption such as those included in section 16 of the act.

Because of the jurisdictional limitations already in the act, such exemptions are by and large unnecessary and give opponents of this bill an excuse to charge that it is special interest legislation. This is not special interest legislation. I would like to take the opponents argument away. And so in committee mark-up, I introduced amendments to take out of the bill all exemptions. One of my amendments passed in committee by a 5 to 3 vote deleted from the bill an exemption which would have prohibited the ACA from participating in FCC license renewal proceedings. I was very gratified by the committee's action. I hope the Senate will defeat any attempt to put the exemption back in the bill.

The committee report explains the action of the committee in voting out the exemption in some detail.

The second full paragraph on page 46 of the report begins:

> The committee voted to remove from the act the provision which would have prohibited the ACA from intervening or otherwise participating in license renewal proceedings of the Federal Communications Commission. It was the committee's judgment that a broad across the board exemption should not be explicitly provided for in the act.

These sentences present a fair statement of the committee's action in my judgment. The paragraph continues:

> The committee's decision not to include the provision should not be interpreted, however, as expressing an intent that the act's definition of consumer interests be interpreted in such a way as to include license renewal proceedings.

I would appreciate it if the chairman of the Government Operations Committee would clarify what was intended by this latter statement.

Mr. RIBICOFF. First, I commend my colleague, the distinguished junior Senator from my home State of Connecticut, for his strong support of this legislation and his valuable contributions in the Government Operations Committee on this and many other matters. The Senator is a welcome addition to the committee. With regard to the Senator's question let me say this:

There is no question that there is no longer any exemption in the bill for FCC license renewal proceedings as a result of Senator WEICKER's amendment in committee. To the extent that the act's jurisdiction extends to issues raised in license renewal proceedings, the ACA would now have a clear right to participate in such proceedings. The language cited by the Senator was included in the report to make it clear that the deletion of the exemption has no effect on the definition of interest of consumers as that term is carefully defined in the act, section 14, paragraph 11.

This is a complex bill, one which has been worked out carefully over many years. The jurisdiction of the ACA has been subject to a great deal of consideration. Often, when something is changed in the bill such as this, inferences are created which may not be true. In this case, by taking out the exemption, there might have been an inference in the legislative history that the definition of interest of consumers was being altered. I do not believe that that was the intent of the Senator's amendment in committee.

Mr. WEICKER. The Senator is correct. My intention was to make it possible for the agency to get involved in such proceedings if the act otherwise permitted it. My point was to give the Administrator maximum discretion.

Mr. RIBICOFF. That was precisely the point of the language: To give the Administrator maximum discretion.

Mr. WEICKER. I think the Senator has clarified the meaning of the language I cited. I am quite satisfied that the report accurately reflects my intention in proposing this amendment. The paragraph we were discussing concludes with the following sentences:

> In license renewal proceedings generally, the issues contested involve questions of free speech, fairness in broadcasting, equal time provisions, racial discrimination, and other aspects of the broadcaster's obligation to serve the public adequately. Such issues do not relate to the marketplace transactions, and since there is no commercial transaction involved between a licensee and a consumer, there is no direct consumer interest involved in the license renewal proceeding. FCC rule-making proceedings may have a substantial effect on an interest of consumers and in such instances the ACA may seek to become involved.

From what the chairman has said so far, I assume that these sentences were included in the report to clarify the act's jurisdiction as it would relate to issues raised in license renewal proceedings.

Mr. RIBICOFF. The Senator is correct.

Mr. WEICKER. I was wondering if the Senator might be able to give an example of an issue which could be considered by the FCC in license renewal proceedings which would come under the jurisdiction of the ACA.

Mr. RIBICOFF. As the report indicates, they would be quite rare. I asked my staff to find one. The FCC prior to the ban on television cigarette advertising, required all stations to give equal time to those seeking to point out the health hazards of cigarette smoking. A licensee's compliance with this requirement would have been an issue which the FCC could consider in deciding whether to renew a station's license. This requirement was a short-lived and rare instance when the FCC gets involved with issues relating to health safety or economic concerns of consumers involving a commercial transaction in the marketplace—which the act's jurisdiction requires in order for the ACA to be involved.

As the report states, the issues generally considered in license renewal proceedings involve questions of free speech, fairness in broadcasting, racial discrimination and other aspects of the broadcasters obligation to serve the public adequately. Normally, these issues do not relate to marketplace transactions which involve consumers. As a practical matter even without the exemption, the jurisdiction of the ACA would not extend to the vast majority of license renewal proceedings. However, without the exemption, as the report states, there may be instances where the ACA may seek to become involved on behalf of consumers.

Mr. WEICKER. I very much appreciate the chairman's very excellent clarification. As a sponsor of this amendment which the report language explains, I am quite satisfied that the language accurately reflects the committee's action.

Mr. MONDALE. Mr. President, I wish to congratulate the distinguished Senator from Connecticut (Mr. RIBICOFF) for the outstanding work he has done in preparing this legislation for Senate action. As you know, Mr. President, this legislation has had a long and stormy history. The concepts embodied in this bill have been developed in the course of hearings and committee meetings over more than a decade. It is to the great credit of the distinguished Senator from Connecticut (Mr. RIBICOFF) and the others who have worked long and hard on this bill that we are able to act upon it today.

The purpose of S. 200 is simple—to protect the interests of consumers and to promote consumer protection in the United States. In order to achieve this purpose, S. 200 creates an independent Agency for Consumer Advocacy to represent and advocate the interests of consumers before Federal agencies and Federal courts. The ACA will also receive and transmit complaints from individual consumers as well as disseminate information concerning consumer interests.

Federal agencies and Federal courts make decisions daily which affect the American consumer. The statutes under which these agencies operate and the statutes being enforced by these courts frequently require decisionmaking in the public interest. Yet, thousands of decisions are made each year "in the public interest" without the input of an important public interest—the interest of the American consumer. The lengthy hearings which have been held on S. 200 and similar proposals document the frequent failure of the decisionmaking process to consider and act in the interest of the American consumer. S. 200 will help Federal agencies and Federal courts better meet their statutory responsibilities by assuring that, before they act, they hear from the consumer.

Consumers are usually poorly organized, underfunded, and ill equipped to present an effective case before a Federal court or agency. A single consumer can rarely gather the resources needed to intervene or litigate. A group of consumers often feel a sense of powerlessness, even if it is able to find out about an important consumer proceeding in time to participate. Even when the consumer is represented in a particular proceeding, he goes unrepresented in a thousand others.

On the other hand, business interests are often well-organized, well-funded, and usually fully able to engage in business-related intervention or litigation. The imbalance is well known, and it is to correct this imbalance that S. 200 should be enacted.

The Agency for Consumer Advocacy will function as an advocate and spokesman for consumer interests. It will have no authority to directly regulate activities affecting the interests of consumers. Nor may it dictate how other Federal agencies or how Federal courts decide in matters of importance to consumers. The ACA will provide useful input to the decisionmaking process and will provide important and helpful information to the American consumer.

We have needed the Agency for Consumer Advocacy for a long time. Now is the time to take decisive action to insure the prompt creation of the ACA, the effective representation of the consumer before Federal courts and Federal agencies, and decisionmaking in the consumer interest.

Mr. TOWER. Mr. President, once again we are faced with legislation to create an independent super agency to protect the American consumer. This proposal has become a real perennial around here—as predictable and appealing as crab grass.

Proponents of S. 200 would have us believe that the helpless consumer is being hornswoggled in the marketplace by villainous business in collusion with corrupt Government agencies. The answer to this problem, they assure us, is to create yet another Government agency—an Agency for Consumer Advocacy which will do battle against the armies of business lobbyists and lawyers who are out to swindle the consumers.

Time and again, I have listened to my colleagues who tout the merits of a Consumer Advocacy Agency. Time and again, I have studied these bills as they are paraded before us. And with each go-round of these tired proposals I become more and more convinced of three things:

First, the rationale behind this approach to consumer protection is fraught with inconsistencies and out of step with the wants and needs of the American people.

Second, the bill itself contains a number of dangerous provisions and constitutes special interest legislation at its worst.

And third, if enacted, this bill will expand bureaucracy, impede the administrative law process, clog our courts, disrupt the free market system, and cause untold economic problems.

Now let me expand for a moment on these points. For nearly 70 years now, Congress has been aware of, and responsive to, the needs of consumers. In 1906, Congress passed the Pure Food and Drugs Act and since that time, dozens of other measures have been enacted to protect consumers. Among these are the Fair Package and Labeling Act, the Truth in Lending Act, the Flammable Fabrics Act, the National Commission on Product Safety, the Highway Safety Act, and many others.

During the 1930's, the first serious attempts to create consumer advocacy units were realized under President Franklin D. Roosevelt. These efforts failed miserably, however, because of the inability to define consumer interest. Surely, this task of defining the consumer interest has become even more difficult if not impossible, in the intervening 40 years. What was considered a bad deal during the New Deal should be left at that.

When called upon to justify the need for the ACA, many of its proponents rely on the so-called "capture" theory. In essence, this line of reasoning says that the regulatory agencies designed to protect the public are "captured" by the very interests they are supposed to regulate. The implication is thus made that these agencies are not fulfilling their responsibilities; that they are in fact abusing their authority.

Now I do not discount this theory in its entirety, Mr. President, and I would like to point out that consumers, too, have done some "capturing" from time to time. The freeze on meat prices was certainly a response to consumer pressure. And the Federal Power Commission bent to consumer demands by keeping natural gas rates down.

Regardless of who is capturing our regulatory agencies, it seems to me that general reforms in this area would be a viable solution to consumer problems. Certainly, if we give any credence at all to this whole "capture" theory, there is no logic to the proposal that we create another fallible Federal agency.

Prof. Milton Friedman, in a 1973 Newsweek article, commented on the faulty reasoning of consumer activists who use the capture theory as timber for the ACA. One might expect them, Friedman observes—

> To draw the obvious conclusion that there is something innate in the political process that produces this result; that, imperfect as it is, the market does a better job of protecting the consumer than the political process. But no, their conclusion is very different: Establish stronger agencies instructed more explicitly and at greater length to do good and put people like us in charge, and all will be well. Cats will bark.

Mr. President, there are 34 agencies and departments conducting over 1,000 consumer-related programs. Congress is vested with oversight responsibility for those agencies it creates, and if the agencies are not doing their job, then it is up to us to find out why and do something about it.

The proponents of this bill evidently do not see it that way. They seem to be ignoring the fact that the Federal bureaucracy is already laden with expensive consumer programs—programs which may or may not be functioning as they should. One thing is for sure—the taxpayer is a big investor in consumer protection, whether he knows it or not, and my feeling is that we should make sure our tax dollars are being put to good use before we go out and spend more.

It might interest my colleagues to know, Mr. President just what we are spending on consumer-related programs. The Library of Congress recently completed a study of Government expenditures in this area and the result is astounding: Annual Federal outlays in this area range from $20 billion to $65 billion.

For cost reasons alone, many Americans are opposed to creating the ACA. Others—and a great many others I might add—simply do not feel the ACA is necessary, and have indicated they would rather make existing agencies more effective. This sentiment is reflected in a survey conducted by Research Strategies Corp. in conjunction with Opinion Research Corp. The results of that survey show that 75 percent of those questioned are opposed to the ACA, while 10 percent favor it.

Of those who did favor the bill, 6 percent changed their minds when they found out how much it would cost. That brings the total opposed to 81 percent.

Furthermore, the National Federation of Independent Business conducted their own poll on the ACA, and once again, 84 percent were opposed. What I hear from by constituents in Texas reflects this same attitude toward S. 200. The mail I have received has been overwhelmingly opposed. Whenever I speak to audiences in my State, the response is likewise—we do not need another layer of bureaucracy crammed down our throats.

The Houston Chronicle, in an April 7 editorial had this to say about the ACA:

> A free marketplace does more for consumers than any Federal agency for consumer advocacy could ever do . . . Consumers already know what one of their biggest problems is—that there are too many bureaucrats interfering in every stage of their lives, forcing costs up, stifling competition and invading privacy.

The Fort Worth Press puts it this way:

> If we thought the proposed Agency for Consumer Advocacy would help consumers by intervening in their behalf with regulatory bodies and the courts, we'd be all for the idea. That's not exactly right. Another agency in a government already awash with agencies isn't exactly what is needed.

I wonder, Mr. President, just where is the great mandate for this bill. Who wants it; obviously not the consumers. And I firmly believe, that if my colleagues will take the time to carefully study the language of this bill, they will come to the same conclusion.

Consider, for example, the status of the ACA Administrator. Once confirmed, this individual will be virtually untouchable by anyone, including the President. His 4-year term is to run conterminous with that of the President, and he may be removed only for "inefficiency, neglect of duty, or malfeasance in office." Furthermore, the power granted this person is incredible, and far outstrips that of any other agency head or Cabinet member.

It will be up to this Administrator to determine what the consumer interest is, and to represent that particular interest in various agency proceedings and in the courts.

Now herein lies one of the greatest dangers and one of the most blatant inequities in this bill. There simply is no such thing as a single consumer interest. In any given situation, there will almost inevitably be multiple consumer interests involved, and it will be up to the ACA to select one of these interests to represent, most likely in opposition to the other consumers.

Consider the classic example of automobiles, for instance. Should the pervading consumer interest be the maximum safety, health—such as low emission controls—or economy? We have already seen what these so-called consumer protectors have done here. First, the interlocking seatbelts, then the catalytic converters. Cars became so expensive no one would buy them and they gave off sulfuric fumes that were hazardous to our health. Meanwhile, unemployment in Detroit skyrocketed.

Another aspect of this determination process which bothers me, Mr. President, is this: While the ACA is busy protecting the so-called consumer interest, who will be protecting the public interest?

The Federal Power Commission, under the Natural Gas Act, is directed to establish "just and reasonable rates" for natural gas sales by producers and pipelines in interstate commerce. Obviously, consumers want to spend as little as possible for utilities and in response to this "consumer" pressure, the FPC has kept these gas rates low. While such action may have strong appeal to the short term consumer interest, it is detrimental to the long-range public interest in having adequate future supplies of this valuable energy source.

What about the consumer interest in lower priced foreign imports versus the working man who may lose his job if imports are allowed to flood the market? Is this working man not a consumer too?

The inference by the sponsors of S. 200 that it will protect American consumers is misleading and untrue. It may protect some consumers, while opposing others. One thing is for sure—no matter which consumers benefit from ACA actions, they will all pay for it.

As far as intervention powers are concerned, S. 200 will assure the ACA free rein to stick its meddlesome fingers in almost every kind of agency activity—both formal and informal. While supporters argue that consumers are often left out of these procedures, what they fail to mention is that the result of this bill will be to give the ACA powers that none of the other parties to such actions will have.

For instance, prior to a formal agency proceeding such as rate-setting or a cease and desist order, ACA will be able to request a company to respond to court-enforceable interrogatories. Such information would not be available to the host agency involved, or the public. As far as trade secrets and similar confidential information is concerned, there is no assurance that such materials will be protected should the ACA get involved.

Most of those familiar with administrative procedure predict that ACA intervention in these activities will result in more formal proceedings, frequent delays, and increased costs to all involved. Similar predictions are made with reference to judicial activities. ACA suits could further clog court dockets and tie up urgent decisions for months.

ACA would have the same right as an aggrieved party to initiate or participate in civil proceedings in Federal court to review an agency action. What is more, even if they did not participate in original agency proceedings, the ACA can still petition the court for the right to initiate judicial proceedings.

What will result from all these maneuverings is a dual-prosecutor situation where a company might well find itself facing two Government lawyers who will simultaneously prosecute the case. In addition, there will be a proliferation of U.S. against U.S. cases, pitting Government agency against Government agency, while the taxpayer supports this lawyers' bonanza.

While the lawyers may have something to gain from passage of S. 200, labor seems to have nothing to lose. Once again, the sponsors of S. 200 have bolstered their support by exempting labor disputes and agreements. We are asked to swallow this brazen special interest language on the basis that labor negotiations are so removed from the marketplace they do not have a direct bearing on consumer transactions.

Well, now, that is the most ridiculous reasoning I ever heard. I am more inclined to accept the explanation offered by AFL-CIO Legislative Director Andrew Biemiller in 1974:

> We don't want another Government agency intervening in labor-management relations, sticking their noses in our affairs.

While rationale for this exemption may be hazy, the loophole it opens is very clear. Labor costs figure heavily in the ultimate price of most products on the market today. And what about a dock strike? Or a secondary boycott? Are we really supposed to believe that such actions have no direct bearing on prices or availability of goods? Even the New York Times, in a March 4 editorial comments that for Congress to include the exemption "would be politics at its most cynical."

There is one further point I would like to make, Mr. President, and that concerns the economic damage this bill would cause—at a time, I might add, when we can least afford it.

We can set up and operate the ACA for 3 years, its supporters claim, for a mere $60 million. Well, in my opinion, that is $60 million too much to begin with, but now let us take a closer look at this cost estimate.

Consider, for example, the Consumer Product Safety Commission, set up in October of 1972. Just 1 year later they had a staff of 667. And I seem to recall their authorization request this year is in the neighborhood of $51 million. Now if the Product Safety Commission, whose powers look like small change in comparison to the ACA, needs $51 million a year, it simply does not follow that ACA can scrape along for 3 years on $61 million.

Inherent in the provisions of S. 200, but unmentioned by its supporters, are the indirect costs the ACA will place upon almost every segment of the economy—and particularly on the consumer.

First of all, there will be substantial costs incurred by other agencies as they are forced to comply with the demands of ACA. The paperwork burden, manhour costs, and legal fees will mount up substantially. Businesses will be faced with similar expenses. Now think about it for a minute—who will ultimately pay for the ACA? Government costs will eat up tax dollars. Business costs will result in higher prices, or reduction in the work force.

The consumer, of course, will pay. For this great advocacy service, the well-protected consumer can pay more taxes, higher prices, and may even find himself out of a job.

Mr. President, this bill is an utter atrocity. It will proliferate the bureaucracy, impede the administrative law process, clog our courts, disrupt the free market system, and cause untold economic damage. I sincerly hope this body will not see fit to place such a burden on the American people.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the committee amendments to S. 200 be considered and agreed to en bloc and that the bill as thus amended be regarded as original text for the purpose of further amendment.

The PRESIDING OFFICER (Mr. Leahy). Without objection, it is so ordered.

(The committee amendments are printed in the Record of yesterday, May 6, 1975, at page 13253.)

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Mr. Michael Pertschuk, Mr. Edward Merlis, Mr. S. Lynn Sutcliffe, and Mr. Art Pankopf be granted permission to be in the Chamber during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I know that my distinguished colleague, the Senator from Alabama, has some remarks. But I think his preference is that other proponents make their statements; is that not correct?

Mr. ALLEN. Yes.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING AFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Mr. Herb Jolovitz and Mr. Robert Daniels be accorded the privileges of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I join again with Senator Ribicoff, Senator Percy, and Senator Magnuson in relaunching the effort to enact a consumer protection agency, or Agency for Consumer Advocacy as it is now called, bill.

Mr. President, this matter has been pending for 6 years. The interesting thing is that in that length of time a piece of legislation can be seasoned and the seasoning of this legislation has only indicated more and more that it should be enacted rather than that it should not.

Indeed, the views of the President asking us to delay on the matter only emphasized the fact that there is no substitute for it at the Federal level.

The reason, Mr. President, is that the idea that we will somehow protect the consumer because every Government department and regulatory agency is a public agency supposed to protect the consumer is not, in fact, the fact. The President himself has recognized it in calling for a review and overhauling of the functions of regulatory agencies because by the natural flow of events they tend to get more concerned than they should with the industry and those participating in it that they are supposed to regulate.

Again, I repeat what we have said so many times before. An Agency for Consumer Advocacy is not something new; it is simply a Government reorganization in which we aggregate the consumer protection function in one agency because it is not being adequately and effectively performed in all the agencies in which it is now located.

It really is not at all some new design, some new enterprise which is suddenly is being engrafted upon the whole Federal establishment. The fact is that the rank and file of people, more and more, are supporting this activitity because we simply have not had it, while an enormous number of decisions are made by regulatory agencies dealing with a consumer's rights without an adequate and effective consumer voice.

The fundamental objective of the bill, therefore, is to right the imbalance between the consumers in the community—a very, very vital group—and those who are the managers and the operators of American business and deal on a direct basis with the regulatory agencies.

The idea is to improve and refine the adversary process by which under our system everything gets done, dealing with fair prices, with public health and with public safety.

I think the most important thing to consider, circa 1975, after 1969 when the original version of this legislation was first introduced, is that it has stood the test of time and, indeed, a great deal has been done to improve the bill in all of that time.

That is no reason why it should not have been enacted before. We can do that with any piece of legislation. The fact is that the lapse of time has occurred and we have not been dead on our feet, those of us who sponsored this measure, but we have been trying all the time to meet the objections and also become as close as possible to a broad consensus.

It is interesting that some of the Senators who have heretofore opposed this have now come around to supporting it with modifications which have been agreeable to them and entirely agreeable to us, and that is true in the business community, which is no surprise. There have been a number of very material changes in the attitude of the business community toward this bill.

Now the effort is renewed and I believe it is very hopeful now of at long last being successful because so much evidence has piled up, really pyramided, as to the need.

This evidence is found in the hearings of the Committee on Government Operations of which Senator RIBICOFF, Senator PERCY, and I are senior members, the Commerce Committee, the Government Operations Committee in the House, and by the repeated reports of the General Accounting Office setting out the failure of Federal programs to take the consumer's interest into consideration in their decisionmaking.

This interest has particularly suffered because adequate information about the consensus and the effects on consumers in health, safety, and jobs of the decisions of these agencies has not been laid before them. These stakes are, of course, enhanced by stringent financial conditions.

So I believe that the case for the agency, both by the lapse of time, the changes made in the measure itself, and the condition of the general economy, has been enormously strengthened, rather than weakened.

One thing that is very important for all of us to understand is that the very heart of our system is the adversary system. The pride of Anglo-Saxon law is that the two sides, evenly balanced, in presenting the facts and their views of the law, finally have a final determination by the courts. This is the strength of this particular approach; that is, the approach of advocacy rather than the approach of coinciding with some government or particular industry view.

Also we have seen examples of where the consumer has suffered from the inadequate enforcement of Federal laws designed to protect his interests.

We have seen this in a wide range of things, most important, by the way, in the food and drug field, as well as in the field of flammable fibers, unsafe toys and infant cribs.

I served as attorney general of my own State from 1954 to 1957 and in that capacity I had a lot to do with setting up the consumer protection office which has since been enormously enlarged and developed by my successor, Judge Lefkowitz, now attorney general of New York.

I saw there the enormous feeling of confidence in Government which it gives the consumer to have a place to which he can resort for making some effort to get to the bottom of things on his consumer complaints.

I might say that I can understand why a good many businesses are now interested in this agency for consumer advocacy because it also enables them to deal with vexatious and often very irresponsible claims. The consumer is not always right, either, and an agency which can intelligently deal with that with some experience can also be extremely helpful to business.

Many in the business community, however, are concerned—and this is the main argument against the agency—that in its advocate's role it would disrupt the orderly processes of Government and unduly interfere with legitimate businesses.

But, Mr. President, we have gone to enormous lengths. I am sure that this has been put in the RECORD, if it has not I will put it in, we have a whole list of safeguards, 12 in number, I will just give the headings.

A design to protect exactly against the situation of undue vexation, delay or interference with legitimate business activities.

Indeed, both Senator RIBICOFF and I are very professional lawyers in the business field. We used to get very well paid for our services. Senator PERCY himself is one of the top business executives of the country. We really have used our heads in a very strong way to deal with what we considered to be, from long experience, proper feelings about vexatiousness on the part of this agency.

Mr. RIBICOFF. Will the Senator yield?

I am sure the Senator will agree that we were very concerned and considerate of other members on the committee who had many doubts and wanted to be assured that there was protection and no sense of vexation.

We accepted from our colleagues numerous amendments to strengthen the bill to insure that there would not be any vexatious proceedings against business. The current bill contains many safeguards in addition to those contained in the original bill.

I believe that accounts for the strong vote in the committee to report S. 200, the 11 to 1 vote, as has been pointed out.

Mr. JAVITS. That is absolutely correct.

I will read into the RECORD the titles of these various forms of protection and also ask unanimous consent that an analysis of them may be printed in the RECORD.

The agency will have no regulatory authority. It is strictly limited to a very serious degree in the cases in which it can intervene, which must be broad interest to consumers.

The limits on the involvement of the agency are very strict in that regard.

There is a strong protection against delay and disruption of agency proceedings.

There is a strong protection against the misuse of compulsory process, that is, the subpena. This agency has no power to issue subpenas. It must seek the subpena from the host agency, as it were, which is where it is participating in the proceedings.

There is a very sharp limitation on what was one of the big objections to this bill. That is on the power of the agency to issue interrogatories to business. The possibility is very real, and undoubtedly there will be, like interrogatories in a law case to be tested in court.

There is strong protection against arbitrary, capricious or vindictive intervention by the agency in ongoing proceedings.

There are strong restrictions against publicity so that frivolous consumer complaints may not cast reflections upon a given product or enterprise.

There is even a limitation on the agency's right of access to information held by other Federal agencies, and protection against their access to income tax records and to the disclosure of confidential information relating to business practices or trade secrets.

There are protections against disclosure to the public of any false or misleading information regarding a business, and even surprise disclosures likely to injure, because there is not enough time to catch up with the allegation, the reputation or good will of the business.

Those are generic, broad headings in which, in specific detail, we have dealt with in this bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SAFEGUARDS AGAINST UNDUE INTERFERENCE BY THE CONSUMER PROTECTION AGENCY (CPA) WITH RESPONSIBLE BUSINESS PRACTICES AND THE ORDERLY PROCESSES OF GOVERNMENT

1. *The CPA will have no regulatory authority.* The CPA can not overrule, veto or impair any Federal agency's final determinations. CPA cannot institute enforcement proceedings against alleged violators of law, or impose fines or other penalties. No

authority granted to the CPA may be construed to supersede, supplant, or replace the jurisdiction, functions or powers of any other agency to discharge its own statutory responsibilities. Sec. 3(2), Sec. 17(b).

2. *Limitations on CPA intervention.* CPA may intervene as a party in formal agency proceedings, but the Administrator must exercise discretion to avoid unnecessary involvement. He must refrain from intervening as a party unless he determines that participation to that extent is necessary to adequately represent an interest of consumers. Where the submission of written views or information or the presentation of oral argument would suffice, he must limit his involvement accordingly. Sec. 7(a).

3. *Protection against disruption and delay of agency proceedings and activities.* When intervening or participating in agency proceedings, the Administrator must comply with the host agency's statutes and rules of procedure. Sec. 7(a). When submitting oral or written views in an informal agency activity, the Administrator must do so in orderly manner and without causing undue delay. Sec. 7(b).

4. *Protection against misuse of a host agency's compulsory process.* Where CPA seeks to use an agency's subpoena authority for discovery purposes, the host agency retains discretion and control over the CPA's access to such authority. The host agency has discretion to deny CPA's request if it "reasonably determines" either that (1) it is not relevant to the matter at issue, (2) it would be unnecessarily burdensome to the person specified, *or* (3) it would unduly interfere with the host agency's discharge of its own statutory responsibilities. Sec. 7(c).

5. *Limitations on CPA's Power to Issue Interrogatories to Business.* The Administrator's authority to gather information from businesses through the use of interrogatories may not be exercised to obtain data which (1) is available as a matter of public record, (2) can be obtained from another Federal agency, or (3) is for use in connection with his intervention in any pending agency proceeding involving the person to whom an interrogatory is addressed. Sec. 11(b)(2). Interrogatories may not be directed to businesses unless required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to consumers. Moreover, any interrogatory must be relevant to a legitimate inquiry and not unnecessarily burdensome to the person to whom it is addressed.

6. *Protection against arbitrary, capricious or vindictive intervention by the CPA.* The Administrator is required to set forth explicitly and concisely in a public statement the interest of consumers which he is representing, and, to the extent practicable, any substantial interest of consumers which he is not representing, in any formal agency or court proceeding. Sec. 14(g). Any party to a proceeding or participant in any activity in which the Administrator took part may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review on the ground that the Administrator's intervention or participation resulted in prejudicial error. Sec. 14(e)(1)(B).

7. *Protection against publicity of frivolous consumer complaints against a business, its products or services.* Upon receipt of consumer complaints which the Administrator has determined are not frivolous, the CPA must notify the companies named and afford them a reasonable time to comment before complaints may be publicly displayed. When placed on public display, these complaints must be displayed together with any comments received. Sec. 10(c).

8. *Limitations on CPA's access to information held by other federal agencies.* Federal agencies may deny CPA access to classified information and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act; policy and prosecutorial recommendations intended for internal agency use only; information concerning routine executive and administrative functions, personnel and medial files, and information which agencies are expressly prohibited from disclosing to another federal agency.

9. *Protection against CPA access to income tax records.* There is no authorization in this act to any federal agency to divulge the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit the Administrator access to any Federal income tax return. This will insure that records which are now treated as confidential by the IRS with respect to access by other federal agencies will be treated in the same manner with respect to CPA. Sec. 11(d).

10. *Protection against disclosure of confidential information relating to business practices and trade secrets.* Federal agencies may deny CPA access to trade secrets and other confidential business information if the agency could not have obtained the information without an agreement to keep it confidential and if the failure to obtain the information would seriously impair the carrying out of the host agency's program and CPA's access to it would be likely to cause substantial competitive injury to the person who provided it. Sec. 11(c)(6). Where CPA is given access to this information by another agency, CPA may *not* disclose it to the public. Where CPA obtains this data from a source other than other agency, it may disclose it only in two very limited circumstances: (1) when required to protect the public health or safety, or (2) in a manner designed to preserve confidentiality, to Congress, the courts, or another agency. Sec. 12(c).

11. *Protections against disclosure to the public of false or misleading information regarding a business.* CPA is directed to take all reasonable measures to insure that any information it discloses is accurate and not misleading or incomplete. If it is, CPA is required to promptly issue a retraction, take other reasonable action to correct the error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Sec. 12(d).

12. *Protection against "surprise" disclosures to the public of information likely to injure the reputation or good will of a business.* The CPA is required, as a matter of course, to give prior notice to businesses likely to sustain injury due to release of information and to afford an opportunity to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Sec. 12(d). In releasing information naming products or services CPA must make clear when all products have not been compared and CPA may not indicate expressly that one product is a "better buy" than another.

Mr. JAVITS. This bill has gone through the other body, with even more protections in it now than when it went through the other body, by a vote of more than 3 to 1, after the most careful scrutiny by business, consumer, and professional groups, including the American Bar Association.

The Governors of 32 States, the Conference of Mayors and the Association of State Attorneys General have supported this bill.

It seems to me, Mr. President, that we really have knocked ourselves out in the effort to reduce the reasons for any alarm by the American business community or by the public respecting this bill. Indeed, one of our members helped us a lot, the Senator from Kansas (Mr. Dole), by introducing a substitute bill which was supposed to be very conservative. We took a good deal from that bill and placed it in the bill we now present to the Senate in order to give a sense of security to those who felt that this would be some mischievous meddling agency that interfered in everybody's business and delayed and retarded the regulatory processes of the Federal agencies.

Mr. President, for all of those reasons and because it represents the total product now of years of work, years of exposure to the public view which have so refined this bill, I believe it is ready to become law, and I hope very much the Senate will make it law.

Mr. McCLURE. Will the Senator yield for a unanimous-consent request?

Mr. JAVITS. Yes, without losing my right to the floor.

Mr. McCLURE. I ask unanimous consent that Margo Carlisle, of my staff, and Tom Cantrell, of Senator Laxalt's staff be allowed the privilege of the floor during the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Among the business concerns supporting this bill are Montgomery Ward, Zenith, Jewel Tea Co., and Stop and Shop, Inc., which is a grocery chain. I think there is a lot of credit due to these companies, and I give a lot of credit to Senator Percy, for working hard to convince business concerns that there is no threat in this bill to them, to any legitimate operation or enterprise.

Mr. President, this is a fundamental institution, consolidating within itself the consumer protection activities of all the institutions of Government, and which is long overdue. It is not establishing some new function or new enterprise or new liberal idea. It is simply the consolidation of what every Government department and agency should do which experience has demonstrated it will not or cannot do for organic reasons in its own operations. Having recognized that, it is only provident for the Congress to protect the consumer's interest by consolidating and organizing those activities, taking the utmost precaution, which we feel we have really gone far beyond, to reassure American businesses and all Americans that this will be a constructive, helpful and extremely profitable activity for the American consumer and will not be a vexation, a disruption or a delay to American business enterprise. I hope at long last this recognition will bring about the enactment of this bill into law in this current effort.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GARY W. HART). Without objection, it is so ordered.

Mr. PERCY. Mr. President, today we consider again landmark legislation seeking to assure that American consumers are paid attention to in matters affecting their pocketbooks and their health and safety.

S. 200, to create an Agency for Consumer Advocacy, reflects a growing awareness within Government and business that consumers are expressing real and deep-seated complaints about important safety and economic concerns, and that they intend and demand to be taken seriously.

More often than not, whenever we hear talk about wage and price controls, whenever we have inflated propane prices and sugar prices, whenever we have sky-high home mortgage rates, whenever we have a meat shortage or a gas crisis, whenever we have a highly political milk deal or an ill-handled international wheat deal—the consumer is the first to suffer and the last to be listened to.

The ACA is meant to put an end to that. The establishment of an independent agency for consumers is intended to make the existing agencies of Government work better—or, in some cases, to begin working again. It is intended to promote open, honest Government responsive to the broader public interest rather than narrow special interests. In doing that, the ACA should help to restore integrity to the marketplace, stability to the economy, and dignity to the American consumer.

The underlying issue we face is not whether we need an Agency for Consumer Advocacy, but how much longer we can afford to be without one. How much longer can we fail to face up to deeply-felt grievances about health, safety, and economic matters that affect the daily lives of some 200 million Americans?

I share President Ford's recently expressed concern as to the pressing need for regulatory reform. I support his initiative in repealing the so-called fair trade laws and in reforming transportation regulation and the regulation of financial institutions, with a view toward mitigating the impact of inflation, improving competition, and better serving the public interest. It is my personal view that consumers and the country would be better off if such costly and ineffective agencies as the Interstate Commerce Commission, the Federal Maritime Commission, and the Civil Aeronautics Board were to be promptly phased out of existence, in line with a national goal of returning to free market competition.

I quote from a recent letter that I sent to the President:

> . . . At the core of regulatory reform, in my view, is the recognition that it is not nearly enough to merge or consolidate agencies, eliminate overlapping functions, and revise, revamp or reorient the structure and purpose of government regulation. However well we succeed in that, there remains the ever present and gnawing reality that while the process may function better, and make more sense in theory, consumers will probably be no better off unless commensurate steps are taken to assure that the views and concerns of individual consumers are taken into account at each and every stage of agency decision-making.
>
> . . . [F]or lack of time and money and organizational means, individual consumers are generally at a total loss when faced with the red tape and revolving doors of government decision-making (or more often lack of decision or action) affecting their daily lives. Accordingly, the regulatory reform which we both seek hinges ultimately on devising a means by which consumer views may be voiced, focused, and systematically brought to bear within that process.
>
> After years of effort, and consultation with enlightened and open-minded businessmen, economists, lawyers, academicians, consumer groups, and the government decision-makers themselves (including numerous experts within the Administrations of the last two presidents, and your own), the Congress has settled upon just such a means for assuring consistent, informed, and responsible consumer input in agency decisions. The means we have settled upon is an Agency for Consumer Advocacy as outlined in S. 200. In my view it would be a tragic mistake to defer any longer consideration of creating the one agency of government which will be closest to and speaking on behalf of consumers of this nation.

I also wish to reference the fact that the President said that this would add cost at a time of budget stringency. Certainly, the cost added by the new agency would be a very, very small part of the savings that would be made if we eliminate, totally and completely, or phase out of existence the huge agencies that I have mentioned. Three of those—the ICC, FMC, and CAB, are not in the best interest of this country. They overregulate and control in such a way that they work contrary to the interests of consumers. Some of them are essentially set up for the purpose of perpetuating the monopolies and the guarded markets of the very companies that they are supposed to be regulating.

The evidence of that is the fact that the proponents of keeping these regulatory agencies are the regulated companies themselves. The consumer's interest should be the voice that is heard. However, these regulatory agencies no longer are serving the interests of the consumer, but cater, instead, to special vested interests that have helped keep them in being all these years.

Mr. RIBICOFF. If the Senator will yield, first, I commend the Senator for his outstanding work in making this bill possible. His contributions have been monumental, indeed.

I have here an excerpt from remarks of the President at the White House Conference on Domestic and Economic Affairs in New Hampshire recently. I wish to quote from those remarks.

The President says:

> Although it is difficult to come up with an exact price tag on the cost of unnecessary and ineffective Government regulation, some estimates that I have seen place the combined cost to consumers of Government regulation and restrictive practices in the private sector at more than the Federal Government actually collects in personal income taxes each year—or something in the order of $2,000 per family—unbelievable.
>
> Even if the real costs are only a fraction of this amount, this is an intolerable burden on our pocketbooks.

The President says he is opposed to this legislation. He wants regulatory reform. So do the Senator from Illinois and myself want regulatory reform. But even with reform, someone has to look out for the consumer. If the President's statement indicates that regulation and restrictive practices cost $2,000 per family, it behooves us to spend 25 cents per year per family to get somebody to speak for and protect the consumer.

Will the distinguished Senator agree with me on that point?

Mr. PERCY. I certainly do agree with my distinguished colleague. He makes a very apt and pertinent point.

Mr. President, I wish also to add that the cost factor that the President has pointed out—the $60 million authorization for ACA for 3 years—is equivalent to about 6 hours of the Pentagon's annual budget. The entire $60 million is not even as large as the advertising budget of some of the companies who are devoting so much time and attention to trying to defeat this effort by saying that a voice for the consumer is not needed.

My distinguished colleague (Mr. RIBICOFF) the chairman of the Committee on Government Operations, and Senator JAVITS from New York, who has worked together with Senator RIBICOFF and myself in the formulations of this legislation over a period of years have cited so many of the grievances of consumers which need to be immediately addressed. But how much longer will certain segments of business remain oblivious to the very legitimate complaints of consumers concerning products that do not work or are dangerous, services that are defective, and practices that cause the American business community to be held in low esteem.

As I have consistently said, the overwhelming majority of U.S. businesses know and understand that their own success depends upon serving the real interests of the consumer. But the existence of such agencies as the FCC, SEC, FTC, FPC, FDA, and the Federal Reserve Board, demonstrates that a need exists for the Federal Government to play a role. For it is the unscrupulous actions of the minority which stain the good name of the great majority of businesses that are reputable and out to serve the best interests of their customers.

The grievances of consumers should be immediately addressed. The litany of consumer abuses that I personally know of is much too long. In almost every case, the consumer has not had an effective spokesman to protect him against neglect by Federal agencies or corporate disregard of his interests. Just a few examples will recall for each of us the fact that action has been too long delayed.

I ask now of any Senator who challenges these specific cases that I will mention, to let me know at any time if he wants to debate the particular situations that exist in those particular industries. These are problems that the consumer in America faces and must be handled somehow. They include:

Overly inflated fuel prices charged to utilities;

Hearing aid frauds that victimize older persons in particular;

Nursing home indignities;

Dangerous heart pacemaker implants;

Millions of doses of ineffective, even dangerous flu vaccines sold in the late 1960's; and paid for, to a large extent, by the Federal Government;

Yellow, tin-can schoolbuses that are unsafe for children to ride in;

Carcinogenic additives in foods; that are dangerous to health;

Deadly, mercury-tainted tuna;

Corruption in FHA-financed housing;

Interstate land scandals;

Gas station gimmickry to promote more sales when the Nation is being asked to conserve on fuel use;

Unsafe cargo doors on DC-10 aircraft;

Diseased blood used in transfusions;

Excessive exposure to X-rays;

Toxic leaded-paint in federally financed housing;

Filth-laden and infested food warehouses;

High-risk intrauterine contraceptive devices;

Auto repair ripoffs; and,

Assembly lines of defective and dangerous automobiles.

Can any Member of this body who opposes the creation of a consumer advocacy agency say that these are not specific instances in our time, when there has been an abuse of the privilege of the private sector. Advocacy on behalf of the consumer might have helped to stamp out these abuses.

Again, these examples are but a few which readily come to mind. And, sadly, there are so many more. As a former businessman, I am at a loss to understand why some segments of the business community—with certain notable exceptions—remain so headstrong in opposition to an agency whose primary responsibility is to speak out loudly and clearly for consumers in the daily deliberations of Government agencies and courts. The ACA is intended to balance the scales, to offset the weighty lobbying resources of special interests, and to make certain that matters which are important to consumers are at least considered before a Federal agency or court decides to act or refuses to act on important health, safety or economic matters.

No one has yet been able to satisfy me as to what responsible businesses have to fear over consumers being better informed and better able to have their grievances brought to the attention of the very agencies of Government that can do something about them. Why should any segment of the American business community be so agitated over a concerted and informed voice signaling the beginning of the end to unfair trade practices, false and fraudulent advertising, empty warranties and guarantees, deceptive packaging, bait and switch merchandising, shoddy or unsafe goods and services, and price-fixing and other forms of competitive behavior.

All the specious talk of the ACA as some kind of a "superagency" is absolute nonsense. The bill is expressly designed to insure that in protecting the consumer, the agency does not unduly or unfairly harass business, and that the regulatory process is made more fair, expeditious, accountable, and responsive to the needs of consumers. To assure this result, working cooperatively with many representatives from the business community over the years, we have written into the bill significant safeguards against undue interference with responsible business practices and the orderly functions of Government. These include the following:

9. INTERROGATORIES—SMALL BUSINESS

1. Restrictions on Information Gathering. Section 10 delineates the ACA's information gathering authority, placing restrictions on the Agency's powers to obtain information from business and from government. Generally, the administrator is authorized to compel disclosure of information only when necessary to protect the health or safety of consumers or to discover consumer fraud and substantial economic injury to consumers. Such information may only be obtained from businesses which substantially affect interstate commerce whose activities substantially affect consumer interests. In addition to these general limitations, specific prohibitions limit ACA power to obtain information from small businesses and from other Federal agencies.

(a) The ACA is prohibited from requiring the disclosure of information from small businesses as defined in the Act.* (Section 10(a)(4)). (Additional small business protections are outlined in this memo, number 8.)

(b) The Act also includes a number of restrictions on access to information held by other Federal agencies. The categories of information which ACA has *no* access to include: information classified in the interest of national security; policy or prosecutorial recommendations; personnel and medical files; information which a Federal agency is prohibited from disclosing to another agency; information which would disclose the financial condition of individual bank customers; information from Federal income tax returns (Section 7(c)); and trade secrets and confidential commercial or financial information obtained prior to the enactment of the Act. The ACA has no right of access to any information collected in the future by another agency if the agency is only able to obtain such information by promising to keep it confidential. And, before ACA obtains *any* trade secrets or confidential commercial or financial information from another agency, the agency holding the information must first notify the person from whom the information was collected. Such a person will have a reasonable time to comment or seek injunctive relief. (Section 10(b))

2. Prohibitions on Disclosure of Information. Section 11 governing the ACA's duty to disclose information to the public, prohibits the Agency from disclosing any of the following:

(a) information received from another agency which is exempt from disclosure under the Freedom of Information Act or any other law, and which the agency has specified shall not be disclosed. (Section 11(a)(2))

(b) trade secrets or other confidential business information received from a business, except where necessary to protect the public health and safety. (Section 11(a)(1))

3. Limitations Governing Disclosure of Information. Section 11(b) sets forth provisions governing the release of information by the Administrator. Where the release of information is likely to cause substantial injury to a person, the Administrator is required to notify such person and provide an opportunity for comment and injunctive relief, unless immediate release is necessary to protect the public health or safety. In addition, the Administrator is directed to take all reasonable measures to assure that any information it releases is accurate and not misleading or incomplete. Tight restrictions are imposed on the release of information which discloses product or service names. Among other restrictions, the Agency is prohibited from indicating that any specific product is a better buy than any other product.

4. Objections to Interrogatories—ACA Burden. A private party may object to any interrogatory ACA serves on it. In such a case, the burden will be on the Administrator to prove that the information sought substantially affects the health or safety of consumers, or is necessary in the discovery of consumer fraud or other unconscionable conduct and is relevant to the purposes for which the information is sought. In addition, no person is required to answer an interrogatory which is unnecessarily burdensome. (Section 10(a)(3)).

5. Consumer Complaints—Opportunity to Respond. When, under Section 7, ACA transmits consumer complaints to other government agencies or makes them available to the public, ACA must also forward the complaint to the person who is the subject of the complaint. The only exception to this requirement is when such notification might impede action against a person for a violation of the law. The person's response to the complaint must be made available to the public along with any disclosure of the original complaint.

6. Judicial Review Protection. Section 21 (b)(1) gives any party to a final agency proceeding reviewable under law the right to obtain judicial review on the grounds that the ACA participation in the proceedings resulted in error prejudicial to the party.

7. Restrictions on Initiation of Civil Proceedings. ACA's ability to initiate court actions involving agency proceedings in which it did not participate is specifically subject to a requirement that the ACA first petition the agency for reconsideration and is further subject to an initial judicial determination that such action would not impede the interests of justice. (Section 6(c)).

8. Additional Small Business Protections. Section 18 requires the ACA and all other Federal agencies to keep the unique needs of small businesses in mind when implementing the act, and requires the ACA to treat all businesses, whether large or small, in an equitable fashion. In addition, the Small Business Administrator is directed to keep small businesses informed about the activities of the ACA, and to report to Congress on actions taken under this act affecting small businesses. Similarly, the Administrator of the ACA is required to consult with representatives of small businesses before establishing the agency's general priorities or policies, and directs the Agency to respond in an expeditious manner to requests and other correspondence from small businesses.

9. Assurance of Fairness. Generally, in carrying out functions under the Act, the Administrator is required to act in accordance with the rules that assure fairness to affected persons. (Section 4(a)(4))

All along, we have counseled with experts in the field of agency procedure, and with numerous segments of industry who have been interested enough to consider this legislation with an open mind. As a result, the following important changes in the measure, originally introduced as S. 707 in the 93d Congress, are now to be found in S. 200, as reported 11-1 by the Government Operations Committee on March 12:

---

*Available statistics show that under this definition, over 90% of all businesses would be exempted from interrogatories.

Major Differences Between S. 707 as Introduced and S. 200 as Reported by the Committee

1. CONSUMER COUNCIL

S. 707, provided for a Council of Consumer advisors, in the Executive Office of the President, to set priorities on consumer matters and review impact of Federal programs.

S. 200 deletes the Council entirely.

2. STATE AND LOCAL PROCEEDINGS

S. 707 authorized the consumer agency to intervene or participate in State or local agency or court proceedings, on request of State officials or the State or local agency or court.

S. 200 denies ACA such authority, but specifically empowers the ACA to communicate with, provide information to, or provide assistance requested by any Federal, State or local agency or court.

3. GRANT PROGRAM

S. 707 authorized grants to State and local public agencies to promote consumer interests and education. It provided for $20 million in the first fiscal year and $40 million in the second fiscal year after enactment.

S. 200 contains no grant program.

4. NAME OF AGENCY

S. 707 designated Consumer Protection Agency (CPA) as name of the Agency.

S. 200 designates Agency for Consumer Advocacy (ACA) as name of the Agency.

5. BUDGET BYPASS

S. 707 provided that the Administrator's proposed budget estimates, and recommendations or testimony on legislation be submitted to Congress at the same time they are submitted to Office of Management and Budget.

S. 200 deletes this provision.

6. INFORMAL PROCEEDINGS

S. 707 provided that the Administrator of the Consumer Protection Agency could "as of right participate" in informal agency proceedings which substantially affect consumers. It was understood that the participation would be equal to that of others.

S. 200 does not require agencies to allow ACA to participate in their informal proceedings simultaneously or equally with others. ACA may present "written and oral submissions", and Federal agencies must give "full consideration" to such ACA submissions.

7. SUBPOENAS

S. 707 required the Federal host agency to issue subpoenas under its authority where the consumer agency was intervening or participating in an agency proceeding or activity.

S. 200 limits host agency issuance of subpoenas requested by ACA to agency proceedings.

8. JUDICIAL REVIEW

S. 707 allowed consumer agency, where it did not participate below, to seek judicial review unless the court determined it would be detrimental to the interests of justice. S. 707 also required the Administration to petition the agency for reconsideration prior to seeking judicial review of an agency decision whenever the Federal agency's laws *required* such petition, and the Administrator had not participated at the agency level.

S. 200 requires the court to make a determination as to whether or not the ACA's institution of a proceeding in court would impede the interests of justice. When initiating such appeal the Administrator must state his reasons for not participating at the agency level. S. 200 also requires the Administrator to petition the agency for reconsideration before initiating an appeal whenever such a petition is *authorized* by agency laws and the Administrator had not participated in the proceeding at the agency level.

9. INTERROGATORIES—SMALL BUSINESS

S. 707 contained no exemption from the interrogatory section for small businesses.

S. 200 exempts from the interrogatory section, except in the case of an imminent and substantial danger to health or safety, any business with assets under $7½ million, net worth under $2½ million, and average annual net income under $250,000.

10. ACCESS TO AGENCY RECORDS

S. 707 allowed the consumer agency full access to Federal agency records, with exceptions only for national security information, policy recommendations, and administrative and personnel records.

S. 200 imposes much more stringent limitations on ACA access. In addition to the original protections, it prohibits ACA from obtaining trade secrets which an agency could obtain only by agreeing to keep them confidential. It prohibits ACA from obtaining prosecutorial recommendations from law enforcement agencies. It prohibits ACA access to bank examination reports to the same extent other agencies are denied access to such information. And it prohibits ACA access to information which would disclose the financial condition of individuals who are customers of financial institutions.

11. FARMERS

S. 707 did not include farmers within the definition of consumers.

S. 200 redefines consumers to include farmers, and specifically directs the Administrator to promote the interests of farmers "in obtaining a full supply of goods and services at a fair and equitable price". It also contains a provision requiring the Administrator to consider the interests of both farmers and consumers before intervening in any Department of Agriculture proceeding.

12. PROTECTION FOR SMALL BUSINESS

S. 707 contained no special protection for small business.

S. 200 requires ACA to take the views of small business into account in setting ACA's priorities, and requires ACA to solicit advice from small business before promulgating any rules or regulations under the Act.

13. EXEMPTIONS

S. 707 contained no explicit provision barring the consumer agency from participating in labor-management relations cases before the NLRB, although accompanying committee report stated such cases would be exempt.

S. 200 adotps the labor-management exemption contained in the bill passed by the House in 1974.

14. GAO REVIEW

S. 707 contained no provision for GAO review.

S. 200 requires GAO to review all of ACA's activities, and provide a full report to Congress within three years of the date of enactment, with an evaluation of ACA's effectiveness and recommendations for any modifying legislation.

15. CONSUMER COMPLAINTS

S. 707 permitted the ACA to place anonymous complaints in the public document room but allowed the withholding of such complaints if the Administrator determines that the complaint is frivilous, or that publication is detrimental to the complainant or that for good cause the complaint should be withheld.

S. 200 provides that no unsigned complaint shall be placed in the public document room.

16. LIMITATIONS ON DISCLOSURES

S. 707 prohibited the ACA from publicly disclosing any trade secret or other confidential commercial or financial information obtained from a person unless disclosure is necessary to protect health or safety.

S. 200 puts the ACA in the same position as any other government agency, in this respect, by making the provisions of the Freedom of Information Act applicable to the ACA. Under the Freedom of Information Act, the ACA *may* withhold such information from the public.

17. COST AND BENEFIT ASSESSMENT STATEMENTS

S. 707 contained no provision for the preparation of cost and benefit assessment statements by Federal agencies.

S. 200 provides for the preparation of cost and benefit assessment statements by Federal agencies issuing rules or proposing legislation which have a substantial economic impact.

These several years of effort have led to endorsement of the legislation by the national platforms of both political parties, by the American Bar Association, the American Trial Lawyers, the Association of the Bar of the City of New York, and the Chicago Council of Lawyers, and last year by the Governors of 33 States, the Conference of Mayors, and the National Association of Attorneys General.

It is for the same reason that the President's Special Assistant for Consumer Affairs, Virginia Knauer, has consistently expressed her very strong support, having termed the legislation "a powerful antidote to the poison of alienation and helplessness affecting many of our citizens—who—believe their pleas for help or understanding are unheeded—that only the big and powerful have access to decisionmakers."

For like reason, Business Week magazine last year strongly endorsed the kind of ACA described in this legislation, noting that—

> By equalizing the balance between well-financed, well-organized business groups, and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process.

The editorial continued:

> [A] consumer agency could improve the level of debate between business and the consumerist. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are.

At the same time, outstanding national corporations—such as Mobil Oil Corp., Zenith, Marcor, and its subsidiary Montgomery Ward, Connecticut General Life Insurance Co., Bantam Books, Stop and Shop Corp., Stride-Rite Shoes, the Dreyfus Corp., and so many others—have been willing to speak out loudly and clearly in support of this legislation as good for business. In a letter to me, Leo Schoenhofen, chairman and chief executive officer of Marcor explained the basis of his company's endorsement:

> There is a growing body of opinion that sees a close correlation between the belief of numerous consumers that they don't yet have adequate protection in some important circumstances and today's less than optimum public confidence in business, the declining interest of some talented young people in business careers and other ills that currently plague the marketplace. Because we believe a fair and effective Consumer Protection Agency law would be a positive step toward correcting some of these problems and because we believe it would advance the vital cause of providing all Americans with fair and effective consumer protection,

> we are pleased to announce our support for Senate passage. . . .

Two new businesses announced their support just today—United Artists and the Jewell Companies, Inc., one of the Nation's largest food chains, including Jewel, Star, Buttrey, and Eisner Food Stores, Osco Drug, and the Turnstyle General Merchandise Stores.

Certainly when United Artists, one of the Nation's great distributors and producers of motion picture film, and Jewell Co., one of our great retail chains in America today, announce their support, this is personally satisfying since these businesses are supporting a principle that they know is in the best interests of American business. I personally extend my deep appreciation to Don Perkins, chairman of the board of Jewell, and one of the most highly respected business leaders in this country, who endeavored to study the legislation in detail in coming to the conclusion that the measure was not only good for the very consumer interests that he and Jewell have so consistently promoted, but that it would be helpful in upgrading the all too tarnished image of American business.

Just last month, after an exhaustive reappraisal of the measure, in separate letters to me, Rawleigh Warner, chairman of the board of Mobil Oil Corp.—the Nation's fifth largest corporation, and William Tavoulareas, Mobil president, expressed support for this legislation after noting—

> That many of the difficulties in the earlier proposal have been cured.

It is sheer futility for so much of the business community to keep its head stuck in the sand and to do everything possible to defeat this legislation, with the same kind of negativism that evidenced past opposition to the securities legislation of the 1930's, social security, truth-in-lending, and the rest.

This consumer bill before us—as responsibly worked upon and reported by the Government Operations Committee—is a precise and balanced measure which provides the authority and resources needed to effectively represent consumer interests in the everyday workings of Federal agencies. The measure does not tip the scales for the consumer or against business. It is needed because the regulatory agencies we have set up to protect the consumer simply have not been performing their assigned tasks. Too often in the past, the very agencies we have set up as watchdogs for the public interest have long since become lapdogs for special interests.

Once and for all, let us permit the American consumer to have a voice as to matters before Federal decisionmakers which affect the pocketbooks of each and every buyer of goods and services. Shall we not attempt, through this legislation, to give consumers an equal chance to have their fair say, to seek satisfaction as to their complaints concerning poor quality goods and services?

And shall we not permit consumers to have a mechanism within Government to channel their views and to express their legitimate concerns as to the cruel inflationary pressures which are preventing consumers from buying or building homes, which are impeding consumers from obtaining needed credit, and which are ravaging the dearly held savings and fixed-income pensions of so many Americans? There can be no more pressing concern, no higher priority, to which the ACA should address itself upon being established.

Out of the dedicated efforts of so many of our colleagues, we now have in this measure a delicate balance which is fair to consumers and to business. I know of no better way to frustrate the hopes and spirit of so many Americans—outstanding businessmen and consumers alike, who have rallied to the support of this measure—than to postpone further the passage of this legislation.

As I have emphasized time and again, an Agency for Consumer Advocacy would begin to redress the imbalance in the regulatory process which permits the voices of special interests and big money to silence the voices of consumers.

An Agency for Consumer Advocacy would afford consumers a voice in dealing with the principal economic issues before the country at this time—recession and inflation—and help to put a halt to the productivity slump and price spirals which undercut our economic system.

An Agency for Consumer Advocacy would restore integrity to the free enterprise system by helping to put back in balance the bargaining power of consumers when they deal with producers and suppliers of goods and services.

An Agency for Consumer Advocacy would help correct the tattered image of American business by focusing acutely on the actions of those few unscrupulous or callous firms which have held the rest of American industry up to scorn and disrepute.

An Agency for Consumer Advocacy would be a catalyst for timely, effective actions in the public interest by those very Government agencies and bureaucracies which have too often turned away from the legitimate health, safety, and economic concerns of American consumers from every region of the country and from every walk of life.

Finally, this legislation will be seen as a beacon to Government and industry that the day of the consumer is finally at hand. The Agency for Consumer Advocacy will be seen as a signal for improved quality of goods and services, for fairness in advertising and promotion, and for honesty in the marketplace.

Mr. President, I ask unanimous consent to have printed in the RECORD the full text of my letter of April 18, 1975, to President Ford, concerning the vital need to act now on creating an Agency for Consumer Advocacy. I also ask unanimous consent to have printed a letter dated April 28, 1975, to the President's Special Assistant for Consumer Affairs, Mrs. Virginia Knauer, cosigned by representatives of seven highly respected national consumer and public interest groups, namely, Common Cause, Consumer Federation of America, National Consumer's League, Consumer Action for Improved Food and Drugs, Consumer's Union, Public Citizen, and National Consumer's Congress.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 18, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have carefully reviewed your letter yesterday to Senator Ribicoff, Chairman of the Senate Government Operations Committee, and the copy you sent me as ranking Republican, describing actions you intend to take, and have already taken, on behalf of the American consumer.

I was especially pleased by your recognition that the departments and agencies that administer programs and make daily decisions affecting the health, safety, and economic wellbeing of all consumers have, over the years and especially in recent times, failed to be sufficiently responsive to consumers. I can think of no better beginning than your directive to those units of government that a major and immediate effort must be made to make sure that consumers are adequately listened to and consulted in the decisionmaking process. And, with respect to the high costs and prolonged delays of agency actions, your intent to personally involve yourself in redressing these matters must be seen by all consumers as a significant development.

So far as regulatory reform is a means of accomplishing both ends, I share your interest in repealing the so-called fair trade laws and in reforming transportation regulation and the regulation of financial institutions, with an overall view toward lessening the impact of inflation, improving competition, and better serving the public interest. Toward this end, I have myself introduced legislation to get the Senate moving on regulatory reform, substantive and procedural, by authorizing a comprehensive study under the joint auspices of the Senate Government Operations Committee and the Senate Commerce Committee. It is my personal view that consumers and the country would be better off if such costly and ineffective agencies as the Interstate Commerce Commission, the Federal Maritime Commission, and the Civil Aeronautics Board were to be phased out of existence, consistent with a national effort to return to free market competition.

But at the core of regulatory reform, in my view, is the recognition that it is not nearly enough to merge or consolidate agencies, eliminate overlapping functions, and revise, revamp or reorient the structure and purpose of government regulation. However well we succeed in that, there remains the ever present and gnawing reality that while the process may function better, and make more sense in theory, consumers will probably be no better off unless commensurate steps are taken to assure that the views and concerns of individual consumers are taken into account at each and every stage of agency decision-making.

You have been in government life longer than I, but I am sure that you share my observation that, for lack of time and money and organizational means, individual consumers are generally at a total loss when faced with the red tape and revolving doors of government decision-making (or more often lack of decision or action) affecting their daily lives. Accordingly, the regulatory reform which we both seek hinges ultimately on devising a means by which consumer views may be voiced, focused, and systematically brought to bear within that process.

After years of effort, and consultation with enlightened and open-minded businessmen, economists, lawyers, academicians, consumer groups, and the government decision-makers themselves (including numerous experts

within the Administrations of the last two presidents, and your own), the Congress has settled upon just such a means for assuring consistent, informed, and responsible consumer input in agency decisions. The means we have settled upon is an Agency for Consumer Advocacy as outlined in S. 200. It my view it would be a tragic mistake to defer any longer consideration of creating the one agency of government which will be closest to and speaking on behalf of consumers of this nation.

At the very time that vital decisions are being made by Presidential Counselors, cabinet heads, regulators, and government bureaucrats regarding today's twin crises of energy and the economy, there needs to be some agency of government which can speak out forcefully for consumers and relate how intimately those decisions are tied to their earnings, savings, and purchasing power—how their jobs will be affected, their weekly budgets, and their bank accounts. There needs to be some agency of government mandated to seek out and express the views of those who are most devastatingly affected by the rate of unemployment at current levels above 8.5 percent, by the housing slump, and by too-high interest rates that put home and auto loans out of reach for so many, and in turn, get the economy out of joint. If consumers today are at all able to get someone in government even to pay attention when decisions of this sort are being made, it would appear that their advice is not being taken.

In reaching the conclusion that an Agency for Consumer Advocacy is needed, I have, at the same time worked consistently over the past four years to incorporate safeguards in the legislation to make sure that responsible business will be fairly dealt with and that the orderly functions and processes of government will not be delayed or disrupted. What we have today achieved in the legislation is a delicate balance which will better protect the American consumer while at the same time deal with some of the serious wrongs which unfairly stain the good name of the overwhelming majority of responsible businesses throughout this great nation.

Mr. President, it is not without thought that 45 Senators are cosponsoring this legislation. Nor that major American businesses, including such outstanding and far-sighted firms as the Mobil Oil Corporation, Zenith, Marcor (parent of Montgomery Ward), Polaroid, the Dreyfus Fund, Connecticut General Life Insurance, and others, have lent their good names in support of the concept and the legislation before us. I note that you apparently had reached the same conclusion back in 1971 when very similar legislation overwhelmingly passed the House of Representatives, as it did again in the last Congress. Whatever has caused you to change your thoughts in this regard, I urge that you personally take the time to study the amended version of S. 200 as reported to the Senate late last week following an 11–1 vote of the Government Operations Committee, and soon to be scheduled for floor action. The bill, as reported, now includes a provision giving legislative effect to, and providing guidelines consistent with your own Executive Order of last fall which mandated a weighing of respective costs to the consumer and benefits to be gained from government regulatory decisions.

I am confident that a thoroughgoing review on your part will convince you, as it has numerous Senators and leaders in the buisness community, that this bill needs to be passed and the agency created without further delay. In this light, I want to share with you my very recent correspondence with Rawleigh Warner, Chairman of the Board of Mobil, and William Tavoulareas, President of that company. (attached)

Finally, I would personally be very happy to sit down with you to discuss this matter. You should be aware that nine years ago, when I first came to the Senate, I set an objective relevant to the money concerns you expressed, and have maintained it to this date. That goal was never to propose new legislation involving additional expenditure of Federal funds without recommending reductions in comparable expenditures, so that the net cost to the government is zero. I would welcome, therefore, reviewing with you ways of cutting hundreds of millions of dollars—nay billions of dollars—of needless government expense by existing departments and agencies which have utterly outlived their usefulness, as a trade-off for the relatively small sum of $60 million, over 3 years, for financing this one new agency which can really make a difference. That total amount is considerably less than the annual advertising budgets of some of the companies lobbying vigorously, once again, to defeat this needed legislation.

Warmest personal regards,

CHARLES H. PERCY,
U.S. Senator.

APRIL 28, 1975.

MS. VIRGINIA KNAUER,
Special Assistant to the President for Consumer Affairs, The White House, Washington, D.C.

DEAR VIRGINIA: Thank you for the opportunity to present recommendations for improvement in the responsiveness and accountability of the Federal Executive Branch agencies to the needs of the American consumer. We are delighted to be able to make a number of suggestions which should be given early and expeditious consideration. As you noted, the notice of this meeting was quite short and we therefore were unable to prepare a comprehensive package of recommendations for substantive reforms. These will be forwarded within the next several weeks.

All of the consumer proposals to improve federal agencies complement the proposal for an advocate to represent consumers before federal regulatory agencies and departments as provided in S. 200, and we hope you will not cease your strong and effective support for this bill. As a small, anti-inflationary, anti-bureaucratic force within the government, there is no substitute for a consumer advocate who would challenge agencies to consider the anticompetitive and cost impacts of their actions. Our system of justice in the regulatory agencies and the courts is based on an adversarial relationship where opposing parties make their best case and the impartial judge makes the decision. But only rarely is the case now being made for the consumer in the complex maze of federal regulatory actions. As has been documented by hundreds of Congressional committee hearings and reports since 1966, the absence of a consumer advocate has permitted, if not encouraged, repeated marketplace abuses and the sluggish, often industry-indentured performance of the federal agencies.

The Antitrust Division in the Justice Department not uncommonly intervenes before other federal regulatory agencies on antitrust matters. Recently the Division's chief public counsel, Joseph J. Saunders, stated: "Agency officials are principally exposed through industry meetings and informal chats to the industry they regulate. To an extent, it is desirable that they get the business point of view, but there is no counter balancing with the consumer view or interest."

In spite of the tax deductions available to business for lobbying federal agencies, there is scarcely a major business interest group which does not also have an agency or department expressly designed to spend its many dollars of annual budget to *promote, subsidize* or *advocate* its interests. Consumers are increasingly at the mercy of this joint government-business power interlock, and it is manifestly unfair to continue depriving consumers of a small advocate's voice within the Executive branch. It is more than unfair; it is dangerous to our economic system to so imbalance the powers against the consumer whose confidence in industry and government must no longer be eroded.

Legislation to create a nonregulatory consumer advocate in the federal government has been discussed and debated by both Houses of Congress for six years and is supported by a coalition of more than 140 consumer, farm, senior citizen, religious and community groups and labor unions, a large number of governors, the Conference of Mayors, and the National Association of Attorneys General. In 1970 the Senate passed Consumer Protection Agency (CPA) legislation, 74–4, but that legislation did not reach the House floor after a tie vote blocked it in the House Rules Committee. In 1972, after the House passed CPA legislation, the Senate version was never voted on when supporters failed by only three votes to achieve cloture. In 1974 the House passed CPA by a 3 to 1 margin, but it was stopped once again by a Senate filibuster when in an unusual fourth cloture vote with 65 Senators supporting it, one Senator switched and voted for the filibuster.

In the face of this overwhelming support and thorough consideration, as well as the endorsement of S. 200 by a number of business firms including Montgomery Ward, Zenith, Mobil Oil and Stop and Shop food stores, plus endorsement by the Democratic and Republican party platforms in 1972 and bipartisan sponsorship in both the House and the Senate, President Ford on April 17, 1975, without ever discussing the bill with its supporters, asked the Congress to "postpone further action" on S. 200.

President Ford suggests we should not add costs to the government budget, yet the maximum authorization (the appropriation will undoubtedly be less) over *three years* is $60 million, approximately *6 hours* of the Pentagon's budget. The President requests postponement on the basis of "the steps that are being taken by the Executive department to make government-wide improvements in the quality of service to the consumer". The "steps" referred to are apparently the President's very recent request to all agency heads to give all consumer interests a fair chance to be heard in government decision making and to hold to a minimum the costs and administrative requirements of federal rules and regulations on the private sector. This is exactly what S. 200 would do, by creating the consumer advocate, by mandating, in section 23, far more specifically than the President, that each federal agency through review and revision of agency rules and procedures assist individuals in representing their interests, and in section 24 by requiring cost and benefit assessment statements for all federal regulations issued.

What President Ford ignores is the fact that the consumer advocate would give consumers a fighting chance in the regulatory process where hundreds of crucial decisions directly affecting our health, safety and economic well-being are made each year. Although Congress has passed important consumer protection laws in recent years, the consumer is often given short shrift in the day-to-day administration of these laws. What CPA would provide for consumers—and what the Chamber of Commerce, the National Association of Manufacturers, the Grocery Manufacturers, the National Association of Food Chains, and several major corporations would deny us—is a chance to effectively monitor the regulatory agencies on a regular basis so that the consumers' case can be presented to these agencies at the appropriate time. The powerful business interests which oppose extending these capabilities to consumers have themselves long enjoyed them on a much more massive scale.

Consumers want corporations to obey consumer protection laws and for administrative agencies to strictly enforce them, without favoritism. No one can doubt that consumers want high quality goods at the lowest fair price, or that consumers want to avoid unnecessary hazards in the marketplace. No one can doubt that the politically potent milk fund and the decision to sell wheat to the Russians at a ridiculously low price were detrimental to consumers. Having no decisionmaking power, the CPA is uniquely able to advocate the multiple interests of consumers, leaving to the regulatory agency the task of striking a balance in the public interest among these and other views. The public interest can emerge only from an honest confrontation between differing interests presented with equal force. CPA's mission is to insure that these decisionmakers have all the consumer-related facts in front of them before this balance is struck. As Mr. William P. Tavoulareas, President of Mobil Oil recently stated, "There is no question in my mind that Mobil can support this measure with the confidence that it will help to redress some of the serious wrongs which unfairly tarnish the good name of responsible business, and that at the same time the legislation will help to better protect the American consumer."

In the wake of Watergate, a hallmark of which has been abuse of the regulatory process by the wealthy and influential, the time has never been more appropriate for creation of a consumer advocate. The CPA would breathe fresh air into the regulatory process, opening the closed door behind which are made many of the arbitrary, unsubstantiated decisions for which consumers have paid and paid and paid. The CPA will work to make relevant government decisions on the record, supported cogently by facts and law, instead of "political" considerations which are contrary to both.

Having stated our unequivocal support for immediate enactment of S. 200, we urge you to ask the President to reconsider his position and to permit himself the opportunity to hear the case made for the bill by its advocates, not just by its opponents. As his daily calendar documents, the President has spent considerable time on perfunctory and ceremonial obligations and communications with businessmen, but he has yet to meet with and hear the arguments of consumers for this bill, or for other much needed consumer programs. We are puzzled and disappointed by a decisionmaking process that systematically excludes citizen advocates on one side of an issue.

Enactment of S. 200 is our major organizational recommendation. Other comments on regulatory agency structure and consumer complaint-handling will follow shortly.

In response to your request for procedural and consumer information recommendations, we are attaching a memorandum prepared by Public Citizen which makes a large number of very important suggestions, including self-funding mechanisms for consumer representation, improvements in rule making procedures, authorities for congressional oversight of agency actions, changes to remove conflicts of interest, improvements in penalties and antitrust enforcement and broadening of citizens' right of action before agencies and courts. Rather than delay any Congressional or Executive action by a year or more with a Presidential Commission on Regulatory Reform as recommended by the President, we have urged the appropriate Congressional committees to conduct staff studies and consider such legislative proposals in this Congress.

In order for our recommendations to you to be considered in the most effective and efficient manner by agency heads, we think it would be worthwhile for us to meet with them to discuss the concerns from which they arise and our view of their importance in remedying specific problems. We would appreciate your assistance in making these arrangements.

As the President indicated in the Hersey *New York Times Magazine* article last week, there are serious questions about the ability of consumer affairs officers within individual agencies to adequately represent consumers. The President is concerned that the agency head will not be able to control them. We are concerned, and have generally found, that this type of in-house consumer representative is unable to exercise any independent judgment. Those offices presently in existence have demonstrated no independence of thought or action and no ability to influence agency decisions. There could not be a better example of the ineffectuality of agency consumer representatives than the recent experience with the U.S. Department of Agriculture beef grading regulations. Despite opposition from its in-house consumer representative, her consumer committee, from thousands of consumers who wrote letters and signed petitions and from some segments of the industry, the Department promulgated regulations raising most "good" grade beef into the "choice" grade category. There is absolutely no indication that the Department considered any of the objections to this action and the regulations made no attempt to explain why the substance of the comments were rejected.

This experience is reflective of the window dressing approach described in an April 28, 1975 *Business Week* editorial commenting on the sudden increase in the number of corporate executives with "consumer affairs manager" titles as concessions to the consumerist movement. The editorial states:

"Unfortunately, the number of consumer affairs managers who have real authority within the company is considerably smaller than the number who rejoice in the title. Under an honest system of titles, a good many companies would have to call the job "vice president in charge of soft soap" or "chief runaround officer".

"There is a simple test which any management can apply to determine whether it is taking consumer affairs seriously. It can ask the question: Does the manager of customer relations have any authority over product design, quality, and advertising? If he does, then he can help make peace between the company and its customers. If he does not, then he is window dressing."

Regretfully, this same ornamental approach to consumer concerns appears to be surfacing in the President's statements. It is not consistent with the goals of honesty and responsiveness he has outlined for his presidency. We believe the list of recommendations we have and will set forth provide a minimum standard by which to judge the Ford Administration's commitment to go beyond window dressing. And it must be clear, Virginia, that creation of the Agency for Consumer Advocacy has headed and will continue to head any list of actions required for a meaningful program of consumer protection.

Sincerely,

Common Cause: Dick Clark.

Consumer Action for Improved Food and Drugs: James Turner.

Consumer Federation of America: Carol Foreman.

Consumer's Union: Peter Schuck.

National Consumer's Congress: Ellen Zawel.

National Consumer's League: Ellen Haas.

Public Citizen: Joan Claybrook.

Mr. PERCY. Mr. President, I should just like to say in closing that this legislation should be seen as a beacon to Government and industry. The day of the consumer is finally at hand. The Agency for Consumer Advocacy will be seen as a signal for improved quality of goods and services, for fairness in advertising and promotion, and for honesty in the marketplace.

It is my deep hope that my colleagues who oppose this measure will take into account that it has been debated now on the floor of the Senate and in committee for a period of over 5 years. Its provisions are not revolutionary or new. They have evolved over a period of many, many years.

There are modifications and improvements in the present bill, S. 200, that are fully explained in the views expressed by the committee in its report as well as the supplementary individual views. But we now have before us everything we need to carry on an adequate discussion, weighing and certainly airing all factors. Therefore, it would be my hope that there would not be any resort to filibuster, which I think would be unbecoming.

This measure should be voted up or down on the basis of its merits, in line with the arguments on both sides. I would hope that we would not go into protracted, unnecessary delaying tactics, which would really contribute nothing to the Nation's good at this stage. Such tactics would seem, I should think, to all Americans witnessing such action, to be a case of fiddling while Rome burns, since the Senate has very, very important measures to deliberate and debate; and we should not be engaged, in my judgment, in protracted debate on a measure that has been fully debated through the years. After a reasonable passage of time for every Member to adequately express his viewpoint, the bill should be voted up or down. I hope that vote will come very shortly.

I wish to commend my distinguished colleague (Mr. RIBICOFF) once again for the tremendous leadership he has provided. I think every consumer in America should be grateful to him and to Senator JAVITS for the truly distinctive effort that they have made and for the efforts that have been made by many other Members of the Senate—among them WARREN MAGNUSON, ALAN CRANSTON, FRANK MOSS, BILL BROCK, BOB DOLE, and LOWELL WEICKER—who have worked on this measure, improved it, and who continue to provide assistance in assuring its prompt passage.

Mr. WILLIAM L. SCOTT. Mr. President, I listened with great interest to my distinguished colleague from Illinois and his thought that we would not take an undue amount of time in the consideration of this bill; that, in fact, if we engaged in extended debate that it would be a disservice to the people of the country.

Well, in all candor, Mr. President, I believe that if we pass this bill it will be a disservice to the people of the country.

I refer to it as the common law barratry bill. If you will remember, common law barratry is the crime by which people meddle in matters that are not of concern to them directly. They stir up strife and litigation.

I hate to even think of this as the ACA bill because we have Americans for Constitutional Action, which is a group that rates Members of Congress on how they vote. They happened to rate me during the time I served in the House of Representatives and the Senate at 96. Well, I am sure that if the proponents of this bill were rating, I would not have any 96 as I do with the Americans for Constitutional Action. It is a relatively conservative group.

I would like to ask the distinguished chairman of the committee, the floor leader, just a very few general questions in view, particularly, of the statements that were made by the Senator from Illinois.

He referred to this as having been a matter that had been debated for 5 years. If the Senator might tell me, Senator RIBICOFF, is this substantially the same bill as we debated last year?

Mr. RIBICOFF. Yes. There have been a few changes, but it is substantially the same bill that was debated on last year.

But may I comment on the distinguished Senator's concern with the use of the symbol ACA, which is ironical, but the Senator's distinguished colleague, philosophically on all fours with himself, Senator ALLEN, was the one who put in the amendment to change the name from CPA to ACA, so the Senator is going to have to take up the cudgels with the distinguished Senator from Alabama.

Mr. WILLIAM L. SCOTT. I think he was trying to get the wording changed; he was trying to change the wording rather than the initials of the bill. I can understand a CPA, a certified public accountant, not wanting to be confused with this matter either.

Mr. RIBICOFF. May I add further to my distinguished colleague that he made an inquiry concerning the major differences between S. 200 and S. 707 last year.

In the report on page 6 the distinguished Senator will find listed therein the various changes that have been made.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's comments, and I expect we will be engaging in discussion of this bill for some time. My comments today are prefaced on the bill as it existed last year.

Mr. RIBICOFF. May I say that basically the Senator's comments based on last year's bill would still be pertinent to the bill this year, so the Senator for himself can be reassured that his objections would probably pertain this year as well.

Mr. WILLIAM L. SCOTT. Mr. President, I believe the suggestion of having a consumer advocacy agency indicates that the existing public agencies do not speak for, they do not protect, the consumers. They do not speak for nor protect the general public; that the Government agencies are captives of business organizations they were created to regulate.

This, to me, Mr. President, calls to mind the purpose of having any government at any level. What is our concept of government? Now we like to believe that the only purpose of government is to serve people. We do not believe the people are the servants of an all-powerful government but, to the contrary, that the government is our servant, that we can make of this government what we want to, and we have elections from time to time in which we elect people to represent us, to mold the government in such a way as we feel it should be.

We like to believe that the sovereignty, or ultimate will, reside in the people of the country collectively and in their exercise of sovereignty that they can change the existing agencies. If a given agency is not acting in the public interest, rather than put another agency over it, rather than put an advocate to go before that agency, it would seem more reasonable to me to replace the head of that agency or to replace the commissioners or whoever the governing directors are of a given agency so that it will represent the public interest.

It does not seem to me that it is good government to have an agency in existence that is not representing the public interest. But then to put a watchdog over that agency and say to it:

> You are not acting in the Government's interest and, therefore, we will have a duplicate agency, we will have a super agency which is operating in the Government's interest to straighten you out.

How can we assume that any new agency we create will act in the public interest? How can we assume that any agency, any group of men or women who are appointed to an agency, will not sell out, as is suggested, to the business community?

I believe we should reflect also on what a consumer is. In the act last year—and I do not know whether this has been changed or not—a consumer was defined as any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services or credits for personal, family or household purposes. This appears to include everyone. I believe that serving the consumer is serving the public interest at the same time. All of us are consumers.

It seems obvious that every government official should be imbued with the public interest regardless of the agency or the branch of government in which he serves.

We have no assurance, once again, Mr. President, that the head of a consumer protection agency would be more representative of the public interest than the head of our existing agencies, with the vast powers that are given to him under this act. He might be arbitrary. It might be that what he considers to be in the interest of the consumer would not be what another given individual considered to be in the interest of the consumer.

We in this Chamber often disagree, and I think that reasonable men and women can disagree on a given issue. So to say that we are going to have a consumer or a consumer advocacy agency that will speak for the consumer is rather presumptuous because I would submit that there is no single consumer's interest, there is no all-encompassing consumer's point of view because individuals are different. They have a wide variety of individual views. There are liberal points of view, there are conservative points of view, there are points of view that a church group has, that a labor group has, that a management group has.

We know here in Congress that all kinds of groups come up here, special interest groups that want to present their point of view; and I know, for my own part, I listen to all of them, and I like to hear their point of view before making up my own mind as to how I should vote on a given piece of legislation that comes before Congress.

I just do not believe we have anyone who is omnipotent, who is able to say, "This is it; this is what the American consumer believes."

We do not have anyone knowledgeable enough to fill the position that we would create and to represent the consumer's point of view because there is no one consumer point of view. We are talking about 210-plus million people that live in the United States, that each have their own minds, that have their own opinions, and the Government agencies that we have should look after the public interest to see that the public is not trampled upon.

Under this bill, we would have a new agency, a consumer agency to look over the shoulders of existing agencies. This implies that they are not doing their job. I think that is an unwarranted broad smear of existing Government departments and agencies.

Perhaps in exercising legislative oversight, we in the Congress should examine into the various Government agencies. Perhaps we should change the law where necessary, and, with the cooperation of the executive branch of the Government, remove from office anyone who is not acting in the public interest.

It would certainly have an adverse effect upon a given agency to have a public consumer lobbyist appealing a decision that is made to the courts. It would result in one agency contesting the action of another agency, the United States against the United States. In my opinion, this would be poor administration.

I believe if we look at the various sections of the bill we will see example after example of something that does approach common law barratry, the needless stirring up of strife, quarrels, litigation, controversy, division within our Government.

We should ask if it is in the public interest and think hard before we adopt this bill (S. 200).

Certainly, we do not want to create a new Government agency, a Frankenstein monster over which the Congress will have little control.

Mr. CURTIS. Will the distinguished Senator yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to my friend from Nebraska.

Mr. CURTIS. This bill has implications beyond what anyone realizes.

Theoretically, it provides that this consumer advocate could intervene in any proceeding that adversely affected the consumer. I assume that they would go on the premise that an increase in price adversely affected the consumer.

The very reason that we have an agricultural program is because it is public policy to increase the price paid for farm products. Does this mean that if this bill is enacted, the Department of Agriculture undertakes to establish a support ceiling on food prices, admittedly it will raise the price to the consumer, that we will be faced with the harassment, interference, injunctive procedures, and everything in the book, by this consumer advocacy? I think that is a real danger.

It is not any surprise that a very reputable concern, Opinion Research, after conducting a thorough survey came up with the finding that 75 percent of the people of the country are opposed to this legislation.

I used this opinion survey in debating this bill with Ralph Nader. He downgraded it, implied that it was not a valid survey. However, it was anticipated that he would do that.

Before the debate, officials of Opinion Survey came to see me and said they had kept their working papers and, if any statement like that was made, I was free to state that they would make all the background of the survey available to any research group or group of researchers who would like to look it over and let them decide whether or not they conducted a fair survey.

I know that many of our colleagues believe strongly in this bill. I do not think it will benefit consumers. I think they believe it will. It will add to the burdens of government.

The sizable amount of money it will take to put it in operation is a small part. The added expense it will bring to every Government agency is tremendous. The great increase in cost of products the consumer must buy will more than destroy any known benefit or claimed benefit that might come from the bill.

I thank my distinguished friend for yielding.

Mr. WILLIAM L. SCOTT. I would ask the distinguished Senator from Nebraska, when he was debating with Mr. Nader, did Mr. Nader express any interest in being appointed head of this agency during debate?

Mr. CURTIS. He was asked that question and he said he was not.

Mr. WILLIAM L. SCOTT. Well, I am glad to hear that. At least that is one good thing about the consideration of the bill, the first good thing I have heard.

Mr. CURTIS. Will the Senator yield further on that?

Mr. WILLIAM L. SCOTT. Yes, I am glad to yield to the Senator.

Mr. CURTIS. Here is what it would do if this bill is enacted. The agency could turn this money over to Mr. Nader and his organization. It very clearly provides for the use of private organizations and to transfer the funds appropriated to any private concern.

Mr. WILLIAM L. SCOTT. That is good administration, in the Senator's opinion?

Mr. CURTIS. Well, not in this case.

Mr. TOWER. Will the Senator yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to the Senator.

Mr. TOWER. The Senator from Nebraska alluded to a survey conducted by Opinion Research and the question has been raised about whether or not the question, which was answered 75 percent in the negative by the respondents, was a biased question.

I want to read that question into the RECORD right now, if the Senator from Virginia will indulge me. We should bear in mind that a vast majority of the people in this country never heard of the proposed Agency for Consumer Advocacy. They do not know what it is.

Now, here is the question:

> Those in favor of setting up an additional Federal Consumer Protection Agency on top of all the other agencies say it is needed because the agencies we have are not getting the job done by themselves.
>
> Those who oppose setting up the additional agency say that we already have plenty of government agencies to protect consumers, and it's just a matter of making them work better.
>
> How do you feel? Do you favor setting up an additional Consumer Protection Agency over all the others, or do you favor doing what is necessary to make the agencies we now have more effective in protecting consumers' interests?

Total U.S. public

	Percent
Favor new agency	10
Make existing agencies more effective	75
Both (volunteered by respondents)	3
No opinion	12

Now, that is how much popular support this thing has.

I might note that the Roper Organization commenting on this question said it was not all biased, said they did not regard the full wording of this question as biased.

There is another distinguished posture that bears out the efficacy of the question.

So I think that should be brought to our attention at this moment, that this survey is done by a highly reputable organization, used by many business and political establishments in this country, and shows unmistakably the public does not want this thing.

We are being bullied into it by some self-appointed consumer advocates outside the Congress.

Mr. WILLIAM L. SCOTT. Let me say to the distinguished Senator that I appreciate the contribution he has made and his remarks. It calls to mind, however, a statement that was made by a Congressman from Ohio some years ago, WAYNE HAYS, when we were talking about a campaign reform bill.

He said, "You can call the trash can a reform can and everybody will be for it."

The words "consumer protection" have a connotation that calls to mind something that would appear to be helpful to people. We all want to be helpful.

I think having the word "consumer" in the statement that was made makes the result even more meaningful than it might otherwise be.

Mr. CURTIS. Will the Senator yield further?

Mr. WILLIAM L. SCOTT. I will be glad to yield.

Mr. CURTIS. I feel that Senators should carefully note what this bill provides. Section 4, among other things, says:

> In addition to any other authority conferred on him by this Act, the Administrator is authorized in carrying out functions under this Act to . . . utilize the services, personnel and facilities of private agencies, and to transfer funds made available under this Act to private agencies.

It goes on to say:

> Enter into and perform such contracts, leases, cooperative agreements or other transactions as may be necessary to carry out the provisions of this Act on such terms that the Administrator may deem appropriate with any person.

It is a broad grant of power, not only to a Government agency but to provide parties to intervene, to delay, to increase costs, to harass, to drive out of business, to do anything they choose. The Administrator, under the terms of this act, is the judge of what is the consumer's interest.

I thank the Senator.

Mr. TOWER. Will the Senator from Virginia yield for a unanimous-consent request?

Mr. WILLIAM L. SCOTT. I will be glad to yield.

Mr. TOWER. I ask unanimous consent that a member of my staff, Pam Turner, be given the privilege of the floor during consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that a member of my staff, Jim Roberts, be accorded the privilege of the floor during consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. We might also consider the proper function of an individual in looking after his own interests, the function of a State as well as the proper function of the Federal Government. Is it more proper to have police power, the right to regulate the health, the morals, the well-being of the people at the State level, closer to the individual citizen, at the level that is more familiar with his views than an appointed Federal official?

Under the statement of finding in the bill we considered last year, it says consumers suffer because of lack of effective representation before Federal agencies and courts, giving the appearance that only the Federal Government can protect the individual from the Federal Government.

My mail, incidentally, is just to the contrary. I get a lot of mail from people who want us to leave them alone for awhile. I have a letter that I received yesterday in which a businessman was expressing great concern and displeasure about what we were doing for him.

This report also finds that a new Government agency is necessary to represent the interests of consumers before Federal agencies and courts, and that this new agency should be an independent one, established for the sole purpose of representing the consumer. It would create another layer of Government to advocate the cause of the consumer.

It might help by putting more people to work. Obviously, if you have a new agency, you have more people at work, and that might help with our 8.9 percent unemployment.

I happen to believe that we have so much regulation of business that we are depressing business now. If we want to get out of our economic slump we need to have less intervention in the affairs of the business community and not more, as we would have under this bill.

I find no provision for the policing or any check on the Consumer Protection Agency. Apparently, the Administrator of that Agency would determine what is and what is not in the interest of the American consumer or the general public. For example, there is the statement in the bill that it is the purpose of the act to promote protection of consumers with respect to, among other things, the protection against unfair and deceptive trade practices.

What about the Federal Trade Commission? One of the functions of the Federal Trade Commission is to safeguard the consuming public by preventing the dissemination of false or deceptive advertisements of food, drugs, cosmetics, therapeutic devices, and other unfair and deceptive practices.

Are we saying we have no confidence in the Federal Trade Commission? Are we saying we have no confidence in the Pure Food and Drug Administration? Are we saying we have no confidence in any of the Government regulatory agencies, but that we have to create a new agency in which we do have confidence, for some strange reason not known to me since we do not have the agency created at this time? We do not know who will make up the staff of the agency. But somehow we are going to create a superagency in which all of the American people will have confidence, an agency where the head will be omnipotent and he will know what is best for all of the people of the country.

I understand to some extent the things that I have just read duplicates the function of the Food and Drug Administration, but these two agencies amicably resolve their jurisdictional conflicts between themselves. However, this proposal would create a third agency to represent the consuming public.

Mr. President, I have a recent editorial that I would like to read to my colleagues in the Senate from the Richmond Times-Dispatch. It is dated Wednesday, April 9. This newspaper, published in the capital city of Virginia contains a masthead entitled "The State Newspaper."

The editorial is entitled "An Unneeded Agency."

I might say that it is nice to know that the President of the United States agrees that this is an unneeded agency and has recommended against the passage of this legislation. There are indications that he will veto the bill if the Congress does pass it. Reading the editorial, it states:

> ### An Unneeded Agency
>
> A few years ago an *anti-pollution* label on a bill almost assured its passage by Congress. Today the magic phrase is *consumer protection.*
>
> Congress seems on the verge of setting up a brand new federal agency designed to protect consumers' interests. It would be called the Agency for Consumer Advocacy. It would be virtually the same as the proposed Consumer Protection Agency which was narrowly defeated in the Senate last year. The name has been changed because certified public accounts (CPAs) complained that their acronym was being stolen.
>
> The Agency for Consumer Advocacy (ACA) would represent consumers in matters brought before other federal regulatory bodies, such as the Civil Aeronautics Board, the Interstate Commerce Commission, the Federal Trade Commission and others which have powers to regulate transportation fares or to take other actions which affect the pocketbooks or other interests of the people of the country. The ACA could also represent consumers in court, and it would serve as a clearinghouse for consumer information and complaints.
>
> No one is against consumer protection; the question is whether any significant contribution to such protection would be made by a new federal agency, which in itself would cost the taxpayers many millions of dollars to staff and operate. Opponents also fear that the powers given the ACA in the bill would permit that agency to demand and get sensitive confidential information as to the internal affairs of private business firms and to make such information public, to the detriment of the firms involved from a competitive standpoint. A further concern is that the ACA would publicize complaints which might be totally without foundation but which could cause damage to the businesses complained against.
>
> J. W. Reihm of the U.S. Chamber of Commerce, in testimony before the Senate Government Operations Committee, summed up a major argument against the proposed new agency:
>
> "Consumer interest" is an amorphous concept, made up of many competing elements, and the ACA, time and again, will be called upon to make paternalistic judgments as to what is best for 210 million American consumers. We submit that the more logical approach is to determine why the [regulatory] agencies are failing to execute their statutory mandates and then seek to correct these shortcomings."
>
> That "more logical approach" was recommended to Congress last October by President Ford. He urged creation of a National Commission on Regulatory Reform "to identify and eliminate existing federal rules and regulations that increase costs to the consumer."
>
> If the federal regulatory agencies are set up in such a way, and under such laws, as to fail to provide sufficient consumer protection, then the answer would be to change those agenceis by law. It would be costly, confusing and time-consuming to approach the problem by establishing a new permanent government bureaucracy on top of what already exists.

Mr. President, we might say that if this Consumer Advocacy Agency does not work out, then we should have another agency created on top of it, to see that it does the job that it is created to do; and we could go on ad infinitum on a matter such as that.

The clear answer is for Congress, in its legislative oversight, with the cooperation of the executive branch of the Government, to make the agencies we have do the work they were created to do.

I return to the editorial:

> Unfortunately, however, as pointed out above, legislators at all levels of government tend to rush to jump on any bandwagon labeled "consumer," even if the wagon is rolling the wrong way. Passage of the bill in the House of Representatives seems highly probable, since the House passed a similar measure last year. In the Senate, 42 members are co-sponsors of the pending bill, so it looks as though it will get through that body too, especially since opponents felt they had to resort to a filibuster to defeat the similar measure last year. Proponents even claim they have enough support to override any presidential veto.
>
> So we may soon be saddled with another federal agency—as though there weren't enough already! But opponents should continue the fight; they are on the right side, even if it turns out that they are in the minority when the votes are counted.

Mr. President, I hope the concluding paragraph of this editorial proves to be wrong, that this bill does not pass.

Mr. President, the proposal permits the Consumer Advocacy Agency to intervene not only among Government agencies but also in the courts, including the Supreme Court of the United States.

Having worked for a number of years with the Department of Justice, I am aware that it has plenary authority under the law and Executive orders to represent the Government in suits to which the Government is a party. The Congress should be very cautious in dividing this authority to represent the Federal Government in the courts. To do so might well result in inconsistencies of Government positions before the courts. Certainly it would be an imposition on the American taxpayer to have the Department of Justice file one set of briefs and the Consumer Advocacy Agency, at taxpayers' expense, to file a brief representing a different point of view.

It is interesting to note in the bill that the function of the Administrator would be "to inform the appropriate committees and Members of Congress of the activities of the Agency and testify, when asked or on his own initiative, before the committees of Congress on matters affecting the interest of consumers."

This appears to mean that Congress would create an agency and give the Administrator the authority to lobby with individual Congressmen and before our various committees regarding his concept of what is best for the American public.

As I understand the proposal, the new Agency would have no regulatory function but would intervene in an effort to see that existing agencies are properly performing their prescribed duties. For example, it is provided that the Administrator shall include in his annual report a statement on—

> The performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interest of consumers, and the prospective results of alternative consumer protection programs;

Would this not also duplicate the watchdog function of the General Accounting Office and the Office of Management and Budget? Would it not also duplicate our Congressional Budget

Committees, the committees of the House and the Senate? Are we to assume that Americans are unable to look after their own personal affairs and that a bureaucratic representative must appear before a Federal regulatory agency, a court, or a committee of the Congress to protect their interest? We used to pride ourselves on the self-reliance of the average American. Over the years we have achieved higher educational levels but this act would have you believe that we are now less able to look after our own interests.

There was a time in American history when business enterprise was unregulated but that certainly is not true today. Not only has the Government, over the years, regulated business more and more but I believe that the business community has become more conscious of the public interest. This act would have you believe that all businessmen are out to swindle the public, that the individual is unable to protect himself, that existing Federal agencies are incapable or unwilling to protect the consumer and that it is necessary to create another layer of bureaucracy not held captive by private industry. Of course, the question could well be raised, if the same reasoning is adopted, as to how soon the consumer protection agency would be captured. It seems to me that this proposal ignores the market processes, the competition between various producers of goods and services which helps to protect the American consumer, who can compare the various products on the market to determine whether he wants to purchase one or another, who can consider the reputation of the manufacturer for competence and integrity.

If we assume as this proposal appears to do, that existing Government agencies are not performing the functions for which they were created, if there is malfeasance in office among the officials of regulatory agencies, it would seem preferable to fire the officials than to create another level of government to protect the public. The concept of creating an additional level of government when confidence is lost could go on ad infinitum. There is no assurance that the administrator of the Consumer Protection Agency would be any more dependable than anyone else. And, I wonder if the individual Senators and various committees of the Congress need another Government bureaucrat to appear and advise them on what is best for the American people.

My mail, at least, indicates that the people of Virginia are not inhibited in telling me what they think about the pending legislation and the various issues confronting the country. I wonder if the same is not true of the citizens of each of our States.

Mr. President, I wish to share with the Senate some mail that I have received with regard to this particular matter. I have a letter from a gentleman in Springfield, Va., in which he says, among other things:

> Russia and China are still fine examples of what is accomplished by people whose every facet of life is controlled by bureaucratic rules and regulations.

A gentleman from Lynchburg, Va., among other things, indicates:

> I hope you will not be part of placing another bureau on the backs of the taxpayers, and urge you to vote against it.

At the conclusion, he says:

> I understand there are thirty three consumer agencies operating more than one thousand consumer-related programs! Do we need another? No!

From the Virginia Farm Bureau Federation, its president writes, among other things:

> We believe that enough federal agencies are presently protecting and representing the consumer without the creation of another massive bureaucratic agency that would be expensive and act as a "bottleneck" to proper and expedient functions of existing federal agencies. With the present economic conditions of the United States, our country cannot afford another agency to increase deficit spending and fuel inflation.

From a furniture dealer in Galax, Va., a paragraph is included reading:

> I am sure that you realize that the country is actually burdened to death now with different bills that have been passed, one on top of another, and the over-lap of authority has been so confusing that none of us know what to do.

I have a letter from a gentleman in Norfolk, Va., who writes:

> As I understand, this agency would be created to hire thousands of people to supervise people that are overlooking people that are supervising people that are overlooking people that are now protecting the consumer through such organizations as the Interstate Commerce Commission, the F.C.C., the F.A.A., etc., and I feel that this is entirely unnecessary.

I have a telegram from a gentleman in Lynchburg, Va. He says, in part:

> It does not properly attack the problem of making the Government responsive to the consumer.

A gentleman in the moving and storage business in nearby Merrifield, Va., commences his letter by saying:

> As a citizen and businessman, I am quite alarmed about this.
>
> This bill seems to me as if we would be creating another group of people to tell the people we have now to run their agencies. I cannot for the life of me see how we could hire a new group of people to tell the ICC how to run that agency. This same thought applies to the DOT, FAA, and any other agencies. I do not think that we need to federalize the Nader group or Common Cause group to dictate to these agencies.

A letter from one of our larger chain stores in Virginia includes this paragraph:

> If such an agency were created it would have the opportunity to second guess the decisions of other federal agencies affecting business. It could arbitrarily ask that any case be reopened if the ACA believes that the other agency's decision is not in what the ACA says is in the consumer interest. The resultant uncertainty would surely not be conducive to either good regulatory law or business.

I have a short letter, Mr. President, from a contractor and engineer in Arlington that I would like to read in its entirety, because he is just completely disgusted with the increasing Government regulation of business. He says this:

> During my more than forty working years I have attempted to provide for our few remaining years.
>
> Unfortunately, I could not anticipate the utterly reckless spend, waste and inflation be damned of the present Congress.
>
> Quoting an old axiom, "If you would destroy a nation, first destroy its currency."
>
> And Congress is accomplishing this end with great gusto!

I ask unanimous consent, Mr. President, that all of these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SPRINGFIELD, VA.,
April 23, 1975.

WILLIAM L. SCOTT,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR: I understand that the Senate will soon be voting on a bill which proposes to create a governmental Consumer Protection Agency. It is requested that serious consideration be given to the possible detrimental effects of such a proposal.

New rules and regulations are being passed almost daily at the city, county, state, and national levels. Nearly all of these rules and regulations impose additional costs upon the individuals who must comply. In my mind, if costs go up, prices and wages must go up. To me, there has been no question, such as seems to have stumped our great economists, as to why this nation has experienced serious inflationary trends at a time when we are in the middle of a recession.

Those who are sponsoring and passing these rules and regulations are missing a very important point. They use the cliche that the new legislation is for the good of the taxpayer or the consumer. It is expedient for them to ignore the fact that the taxpayer and the consumer in most cases is also an employee whose livelihood depends on the sound health of the private sector of industry and commerce. To those who feel that we as individuals are incapable of acting or thinking for ourselves and must be sheltered from all possible adverse situations by the many levels of government, I say: permit me some measure of freedom to decide and act for myself, I will accept responsibility for my actions.

Russia and China are still fine examples of what is accomplished by a people whose every facet of life is controlled by bureaucratic rules and regulations.

Please vote against one more expansion of bureaucracy—the Consumer Protection Agency.

Sincerely,

GEORGE S. ROAL.

LYNCHBURG, VA.,
April 21, 1975.

Hon. WILLIAM SCOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I am very concerned about the ever-increasing list of government agencies that regulate every segment of the citizen's lives, to say nothing of the soaring costs that add billions to the national debt.

I understand there are thirty-three consumer agencies operating more than one thousand consumer-related programs! Do we need another? NO!

Senator Ribicoff's bill S200 (Agency for Consumer Advocacy) should be turned down pronto! Sixty million dollars to operate it the first three years! If all the agencies we already have are not doing the job, how in the name of common sense can we expect another to do it?

I hope you will not be part of placing another bureau on the backs of the taxpayers, and urge you to vote against it.

Yours very truly,

J. L. Thompson.

P.S. It is not necessary to reply to this. I simply want to register my protest. Also, I hope the rumor that you may not run for the Senate again is unfounded. I like your record.

Virginia Farm Bureau Federation,
Richmond, Va., April 25, 1975.

Senator William L. Scott,
Senate Office Building,
Washington, D.C.

Dear Bill: The Virginia Farm Bureau Federation requests that you oppose S. 200, the Federal Agency for Consumer Advocacy bill.

We believe that enough federal agencies are presently protecting and representing the consumer without the creation of another massive bureaucratic agency that would be expensive and act as a "bottleneck" to proper and expedient functions of existing federal agencies. With the present economic conditions of the United States, our country cannot afford another agency to increase deficit spending and fuel inflation.

Your utmost attention is needed to thwart the creation of a Federal Agency for Consumer Advocacy. Your opposition to S. 200 plus any opposition that you can muster from your colleagues is gratefully appreciated.

Sincerely,

Robert B. Delano,
President.

Webb Furniture Corp.,
Galax, Va., April 30, 1975.

Senator William F. Scott,
U.S. Senate, Washington, D.C.

Dear Senator Scott: You have a long, established record and from our previous correspondence, I do not think that it is necessary to write to you and express my opposition to the new Federal Agency for Consumer Advocacy under Bill S–200.

I am sure that you realize that the country is actually burdened to death now with different bills that have been passed, one on top of another, and the over-lap of authority has been so confusing that none of us know what to do.

I trust you will do everything possible to see that this measure is defeated.

Yours very truly,

D. E. Ward, Sr.,
Chairman of the Board.

Norfolk, Va.,
April 24, 1975.

Senator William L. Scott,
Senate Office Building,
Washington, D.C.

Dear Senator Scott: You may recall that I wrote last year, requesting that you oppose the bill for the Federal Agency for Consumer Advocacy, which is, as I understand, again before the Senate under Senate Bill 200. I believe that at that time you, in principle, opposed this legislation, but I, again, ask that you not just passively oppose the Consumer Protection Agency but that you actively work for its defeat and permanent elimination from the legislative slate.

As I understand, this agency would be created to hire thousands of people to supervise people that are overlooking people that are supervising people that are overlooking people that are now protecting the consumer through such organizations as the Interstate Commerce Commission, the F.C.C., the F.A.A., etc., and I feel that this is entirely unnecessary.

Congress created a monstrosity when they passed the OSHA provisions and allowed the Health, Education and Welfare to invade free enterprise with ridiculous regulations in many instances. Whereas I am not opposed to the concept of OSHA, I am opposed to the implementation, and am afraid the same thing would occur in a consumer agency bureau. In fact, I understand that recent surveys indicate that 75% of the general public do not feel that a master protection agency is necessary—and certainly, those in Virginia do not need such an agency as we have adequate protection, I feel, from the current regulatory and consumer protection agency.

I am sorry this has been so long, but I hope that you will forcefully oppose this Senate Bill 200 at every opportunity that occurs.

Sincerely,

J. Parker New, Sr.

Telegram

Lynchburg, Va.

Senator William L. Scott,
Senate Office Building,
Washington, D.C.

Concerning Senate bill 200 the Agency for Consumer Advocacy we are strongly opposed to the passage of this bill. The most serious flaw is that it does not properly attack the problem of making the Government responsive to the consumer. If existing agencies have not shown proper consumer advocacy, then the internal pocedures of the existing agencies should be reviewed and revised as necessary. In these inflationary times, we should look for methods of reducing Government spending rather than creating additional layers of bureaucracy. While the initial costs of establishing such an agency appear modest, you are of course aware that such agencies tend to be self-perpetuating and vastly more expensive than originally planned. I urge your consideration of these points.

W. E. Masencup, Jr.,
Chairman, Lynchburg Foundry.

Sterling Storage & Van Co., Inc.,
Merrifield, Va., March 21, 1975.

Re: Senate Bill S–200

Hon. William L. Scott,
House of Representatives,
Washington, D.C.

As a citizen and businessman, I am quite alarmed about this.

This bill seems to me as if we would be creating another group of people to tell the people we have now to run their agencies. I cannot for the life of me see how we could hire a new group of people to tell the ICC how to run that agency. This same thought applies to the DOT, FAA, and any other agencies. I do not think that we need to federalize the Nader group or Common Cause group to dictate to these agencies.

Prior to the defeat of Congressman Parris, I was in an audience of his and heard him report that we have one government employee per every seven citizens. How can we possibly support more? Congressman Parris was in support of this new agency and I asked him this same question; he told me that the consumer needed protection from the other consumers.

Senator Scott, I do not feel nor will I ever feel that we could hire or elect someone more knowledgeable to tell *you* how to conduct your Senate duties. This new proposed agency is just as ridiculous.

Also, I see the labor unions and the FCC are exempted from this bill. I guess the lobbyst from this group have been active, but if we are to have such a super monster run our society—why should anyone be exempted. I feel, Senator Scott, that you will not give this bill your support without consideration of all the facts. And I rest my plea.

Respectfully yours,

Harold B. Pack,
President.

Miller & Rhoads,
Richmond, Va., March 17, 1975.

Hon. William L. Scott,
U.S. Senate
Washington, D.C.

Dear Senator Scott: I understand that the Senate Committee on Government Operations has reported to the full Senate S 200. the Consumer Protection Act, which would create an Agency for Consumer Advocacy. Once again I write to express the hope that you will oppose this bill, as you did last year, with the full measure of your good influence.

If such an agency were created it would have the opportunity to second guess the decisions of other federal agencies affecting business. It could arbitrarily ask that any case be reopened if the ACA believes that the other agency's decision is not in what the ACA says is in the consumer interest. The resultant uncertainty would surely not be conducive to either good regulatory law or business.

There is no need to add another level of bureaucracy to that which we already have at the federal level.

Furthermore, why should labor disputes be exempted from ACA's attention when union demands and work practices etc. represent a distinct cost factor which ultimately has a direct impact on consumers?

Sincerely yours,

Thomas P. Bryan.

V. L. Frederick Co.,
Arlington, Va., May 2, 1975.

Senator William L. Scott,
Senate Office Building,
Washington, D.C.

Dear Senator Scott: During my more than forty working years I have attempted to provide for our few remaining years.

Unfortunately, I could not anticipate the utterly reckless spend, waste and inflation be damned of the present Congress.

Quoting an old axiom, "If you would destroy a nation, first destroy its currency."

And Congress is accomplishing this end with great gusto!

Yours very truly,

V. L. Frederick.

Mr. WILLIAM L. SCOTT. Mr. President, I wish to have printed in the Record an editorial from the Washington Star-News of March 21. It says, "Watch out for the watchdog."

Mr. President, I think that is a phrase that we have to deal with, with regard to this bill, "watch out for the watchdog."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Watch Out for the Watchdog

Legislation to create a Consumer Protection Agency—that super-bureau that is supposed to save all of us from flim-flams and shoddy but expensive merchandise—is before Congress again, seemingly more vigorous than it was last year when it fell before a filibuster led by Senator James Allen of Alabama.

There is no more justification for it this year than last. But with Congress more titled toward the liberal side as a result of the November elections and with the Senate having made it easier to cut off filibusters, the chances are higher than 50–50 that this bureaucratic monstrosity will be unloaded on the taxpayers, in the name of consumerism.

The new agency would be given a mandate to stick its finger into any governmental operation that "may substantially affect the interest of consumers"—which is to say, just about every thing. The administrator of such an agency would be one of the most powerful persons in government. We already can

> see him sending off legal staff, investigators and paper shufflers of various sorts to nose around all over town. The probability is very high that this new agency would soon dwarf most other governmental units, as to size of both staff and budget.
>
> About the only justification we can think of for creating the new agency is that it would provide some jobs for the growing lists of unemployed. The problem is that once the economy gets straightened out, the taxpayers still would be saddled with it; the chances of ever getting rid of a government agency are almost nil.
>
> What this legislation would do is add another "watchdog" agency to a federal government that already is up to its ears in watchdog agencies. If the existing watchdogs were doing their jobs, we wouldn't need another. If Congress really wants to look out for the consumers' interest, it ought to see that the watchdogs we've already got earn their keep.

Mr. WILLIAM L. SCOTT. I see we have the floor leader for our side of the aisle here at the present time, Mr. President. I wish to ask him to respond, if he will, to a couple of questions on matters that I heard mentioned in his remarks in general an hour or two ago. He was speaking of phasing out some agencies of Government if we create this new agency, that it would phase out some other agencies. What agency, if I may ask the distinguished Senator from Illinois, did he have in mind?

Mr. PERCY. I am very happy to respond to questions of my distinguished colleague. If the Senator from Virginia would refer to the comments of the Senator from Illinois, I said that what we should do, as I pledged to the President, is see that we eliminate enough Government agencies or functions to more than pay for this one. I did not say that it automatically would do away with those, but I did mention agencies, such as the ICC, FMC, and CAB, which are very costly and which really work to the detriment of the consumer rather than to his benefit. They provide protected routes, they set rates that are really uncompetitive, and they create idle capacity. Certainly, the elimination of the ICC alone would more than pay for all the cost of this new agency which, of itself, would probably result in a tenfold return on investment each year.

It is perfectly obvious that certain offices would be eliminated—for instance, the office of Virginia Knauer, which used to be an office of the President but now is part of the Department of Health, Education and Welfare. Similarly, so many of the consumer information offices scattered about in many departments and agencies. The President has asked for a report from every agency of Government as to what they are doing for the consumer. I think when he gets that report, he might be able to identify for us certain activities which can either be done away with entirely or be trimmed by merging the activity within ACA.

I made the pledge to the President, based on the general pledge I made to myself when I came to the Senate, that I would never sponsor a piece of legislation that called for expenditures beyond the budget without showing where we could reduce the budget on an overall basis, over a period of time, in another area; in other words, not put a matter of higher priority in and just add it, but actually, in tandem, do away with something of lower priority. The Senator from Illinois, for 9 years, has held to that principle. I simply was repeating a pledge I made to the President that we would be able to find enough Government cost, and waste, in other areas to eliminate and phase out so that the $15 million, $20 million, and $25 million authorization for this agency over 3 years would not be any net addition to the budgetary cost of the Government.

Mr. WILLIAM L. SCOTT. Is the distinguished Senator saying that the cost of this proposed new agency would be less than that of the office of a Presidential Adviser on Consumer Affairs?

Mr. PERCY. Oh, no.

But we would be able to pinpoint areas of lesser priority, or duplicative functions, that could be cut out.

We have to pay for things, and when we propose legislation we ought to propose how we are going to pay for it. I would think whether we are conservative, moderate, or liberal, whatever we call ourselves, that is a good pledge to take.

Mr. WILLIAM L. SCOTT. I ask the distinguished Senator, with reference to the statement that he made with regard to schoolbuses, as I understood the distinguished Senator indicated that there would be some regulation by this agency of safety on schoolbuses. Will he tell us just what he had in mind in that statement?

Mr. PERCY. I am happy to respond.

I would not be surprised if the Senator from Virginia pricked up his ears when he heard the word "busing." The Senator from Illinois was not inferring that there was any busing amendment on this bill.

Mr. WILLIAM L. SCOTT. I understood the Senator was referring to safety on schoolbuses, not racial busing.

Mr. PERCY. That is right.

What the Senator from Illinois was referring to in just listing the schoolbus, which I consider on a whole as used throughout the country a relatively unsafe vehicle for our children, was that this is the kind of an activity that the Senator from Illinois feels that an agency for consumer protection could do a better job with safetywise. It could urge the National Highway Traffic Safety Administration and the parent Department of Transportation to issue regulations that would require that there be safe schoolbuses that would protect our children—that seating standards, brake standards, crashworthiness standards, and other kinds of design standards be substantially upgraded now, not 10 years from now. In looking into this matter, the Senator from Illinois has found that there are contractors who feel that uniform regulations on safety so far as schoolbuses are concerned would be extraordinarily helpful to the industry, but right now the children go to school in the bus provided by the lowest bidder.

This is not reassuring to parents who send children to school in buses with protrusions sticking out, for example, and without safety belts.

So these are the kinds of things in the school bus safety area that an advocacy agency could help to improve upon. The Senator from Illinois has been an advocate and ombudsman in this particular area, and for several years has tried to get DOT to take needed action. But it should not be up to a U.S. Senator's office to try to do things like this on a daily basis.

We are making progress, however. DOT is moving, and the industry is moving, but this is the very kind of thing that should not have to be done by a member of the legislative branch. It should be done by an agency with the time, the staff, the authority, and the resources to act upon the legitimate health, safety, and economic concerns of consumers.

Mr. WILLIAM L. SCOTT. Is there not already a Federal agency with regard to safety of consumer products, an existing Federal agency that could do the very thing that the Senator is referring to?

Mr. PERCY. NHTSA is the Agency set up within DOT. I have worked with it and with the schoolbus industry on this particular matter. They could have picked this up, but they felt they had other "higher priorities." It may well be that they were aware of the work that was being done and is continuing to be done in this field; but it would be appropriate as one item for the Agency for Consumer Advocacy to take up. I would be very happy to turn over all the files that I have in my office to the Senator from Virginia to make up his own mind whether or not progress has been made. When he reads the files, sees the statistics, and sees the number of needless deaths and injuries on our highways every year involving school buses, I think he will agree that someone ought to be doing something about this other than the Senator from Illinois.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the comments of the Senator from Illinois. Oftentimes, men of good will who are Members of this body can have a difference of opinion. I disagree with the need to have a new agency to phase out the old agencies. I think we can phase out a lot of old agencies without creating a new agency to do it.

I think we can have safety on our schoolbuses by getting the existing Federal agencies, State agencies, and local agencies to provide it. I do not believe in this empire-building concept, putting one agency over the other.

To conclude my remarks, Mr. President, let me point out that not only would the administrator of this proposed new Agency tell Congress, the various departments and agencies of the Government and the courts what is best for the consumer or the public, but once he is appointed for a term concurrent with that of the President, he could be removed only for inefficiency, neglect of duty or malfeasance in office, with the power to decide what is best for all of us. He would be an advocate of what he believes to be in the public interest and his determination would not be reviewable by any agency of Government, any court, or any instrumentality during his term of office. I doubt that we could find any individual with the complete knowledge necessary to perform the function of this office.

It has been 1,975 years since we have had the "Perfect Man" living in the flesh on this Earth. I hope that we will examine every phase of this bill and see how the bill that we have before us today, S. 200, differs from the one we had before us last year and those discussed in previous years.

It may well be that this proposal would act counter to its intention and create such uncertainty and chaos within the Government, among businessmen and in the marketplace, that the cost of goods and services would be increased, taxes would be raised and that it would be harmful to the very one it is intended to help—the consumer or the individual American citizen.

Its broad scope requires the most careful examination. I believe we will serve the public interest by extended discussion of each paragraph of this common law barratry bill.

One of the most encouraging news items that I have heard recently is that the President will veto this measure, and I commend the President for his promise to do this. Certainly I am prepared to vote to sustain his veto in the event that the bill does reach that point.

Mr. President, it was understood, and there was unanimous consent, that when I completed my remarks the Senator from Alabama would again be given the privilege of the floor.

Mr. PERCY. Mr. President, will the Senator from Virginia just yield for a question?

Mr. WILLIAM L. SCOTT. I would request, Mr. President, that that request be made of the distinguished Senator from Alabama.

Mr. PERCY. Mr. President, the Senator from Illinois would like to direct a question to the Senator from Alabama because the Senator from Alabama has the floor now. Before the Senator from Alabama takes the floor, I ask unanimous consent that I be permitted to ask one or two questions of the Senator from Virginia.

Mr. ALLEN. I have no objection if I can resume the floor under the same terms granted to me at the outset.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. I thank the Senator very much indeed.

I would like to ask the Senator from Virginia, first, whether, in his comments just now, he mentioned or said anything as to whether the President had definitely said he would veto the bill. I was not sure I heard that part of it correctly.

Mr. WILLIAM L. SCOTT. Well, it is my understanding that in a letter to Senator Tower, our colleague from Texas, the President made such a statement. But the Senator from Texas will be here at a later time and, perhaps, could answer the question more directly. This is hearsay on my part, but I have heard from a number of sources that the President will veto the bill. I do not know it of my own personal information. It is hearsay. I believe it to be true and I hope it is true.

Mr. PERCY. I merely asked the question because, although I know the President has taken a position opposed to the bill, I had not heard that he had intended to veto the bill if passed by the House and the Senate. I think it would be well if we could have that point clarified and, perhaps, Senator Tower could clarify it.

Mr. WILLIAM L. SCOTT. I believe Senator Tower would be the better source.

Mr. PERCY. Second, I would like to point out to the Senator from Virginia, who is a strong State's rights Senator, that I should like to identify myself also with that principle. But what should be the Federal role in this area?

Mr. WILLIAM L. SCOTT. I would go further and say that nothing should be done by any government and any agency that the individual can best do for himself. I believe somebody from Illinois said that 100 years or so ago.

Mr. PERCY. That is quite right, and certainly nothing should be done at the State level that can be done at the county level or municipal level, and certainly nothing undertaken by any government that can be done by private citizens or by private groups.

So we agree in philosophy on that. But I should like to ask the Senator from Virginia how he can reconcile the fact that 39 States now have adopted legislation creating, in effect, a consumer protection agency; that 33 Governors last year endorsed the concept of a Federal agency for consumer protection.

In our Federal system we have the good virtue of being able to try out ideas in our respective States. First one State adopted the idea of fair employment practice laws, then another State, then another State in the South, the West, the North, and the Midwest. You can try these ideas out and then finally, after it is proven that it is valuable and necessary, we ultimately adopt a national policy, and we have done that in an infinite number of areas.

Here, consumer protection started out in one State, then another State, and finally approximately 39 States have created that concept. But they are the very ones that would come down and say, "There are certain things we can do in our States but, just like environmental laws, it is probably better to have a national pattern once you have established the principle, because in our own State we cannot be effective in regulating a national situation or prescribing guidelines for a national situation."

Or when we get, for instance, in the case of housing scandals all over the country, involving collusion between unions, contractors, brokers, and real estate dealers defrauding the Federal Government and defrauding poor people—a consumer advocate, and ombudsman, at the national level could have detected that pattern far more quickly than grand juries conducting piecemeal inquiries all over the country and duplicating an effort that could have been done much more economically and much more easily by a Federal agency at the outset. So I ask how we can justify turning down the judgment of that many States when they have had actual practical experience, and feel this is needed at the national level?

Mr. WILLIAM L. SCOTT. Let me say to the distinguished Senator that oftentimes individuals put different emphasis and interpretations on the same facts.

I would submit that some of these things that the distinguished Senator mentions have come about because of pressure groups pressure upon their State legislatures, which indicates to me that the individual citizen can contact his representative at the State level as well as his representative at the Federal level, and make his views known.

We do not need to have a consumer advocate administrator who says what is best for the American consumer. The American consumer can speak for himself. He always has.

The Senator says there are 39 State consumer protection agencies. To me that would negate the need to have a Federal consumer protection agency. Apparently the States are meeting the need.

If the States are doing the job, it is not necessary to have the Federal Government to get into the act. Furthermore, this bill would impose another agency over one that is charged with the responsibility to represent the public interest.

We were discussing the Federal Trade Commission a few minutes ago, and before that going back to the Federal Communications Commission under the amendment of the Senator from Washington. Under this bill we would have a duplication of agencies in almost every field.

I am saying when we are talking about protecting consumers we have innumerable agencies now to protect them but with all our Government agencies, at all levels they can still best protect themselves.

AMENDMENT NO. 371

Mr. MAGNUSON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. Magnuson), for himself, Mr. Dole, and Mr. Pearson, proposes an amendment:

On page 36, line 20, after the comma, insert the following: "to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license,".

Mr. MAGNUSON. Mr. President, my amendment would strike the committee amendment on page 36, line 20 through 22. The committee amendment struck out the exemption relating to Agency for Consumer Advocacy Intervention in Federal Communications Commission proceedings having to do with renewals of radio or television broadcasting licenses. By striking the committee amendment, we would restore the exemption and insure that the ACA does not get bogged down in the endless procedures of the FCC which deal with broadcast license renewals. It must be pointed out that in no way would this action deprive the ACA of participation in other FCC activities; it is limited only to license renewal proceedings for broadcasting stations.

The exemption was contained in last year's Senate bill and was overwhelmingly supported on the floor by a 57 to 17 vote to reject its deletion. There are many good reasons for this exemption.

This legislation is to assist consumers. Renewal proceedings bear no resemblance to the market-place transactions that are the focal point of the bill, and it should be obvious that there are no such transactions between the broadcaster and his viewers and listeners.

Even if, by some stretch of the imagination, the broadcaster-listener/viewer relationship could be interpreted as a "consumer" one, it would be farfetched to claim that the interest is substantial enough to require ACA participation.

Practical problems are also involved. One-third of all licenses are up for renewal each year, and the new Agency would spend thousands of manhours on renewal proceedings which have little impact on the Nation's consumers while neglecting those areas of concern which are of the greatest importance to the consumer.

The exemption is a limited one: it would extend to only the license renewal process and not prevent the ACA from participating in other matters before the FCC such as rulemaking procedures which affect the entire industry rather than a single radio or television station.

We feel strongly that such an intrusion is in violation of the first amendment and, furthermore, is discriminatory against the broadcast industry.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Will the distinguished Senator yield?

Mr. TAFT. I yield to the distinguished Senator from Connecticut.

Mr. MAGNUSON. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. STAFFORD). The pending business is the amendment of the Senator from Washington.

Mr. TAFT. Will the Senator yield for a unanimous-consent request?

Mr. WEICKER. Certainly.

Mr. TAFT. Mr. President, I ask unanimous consent that during debate on this bill, my aide, Robert Hunter, be permitted the privilege of the floor.

The PRESIDENT OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that a member of my staff, Mr. Kim Wells, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that during the course of the debate, members of my staff, Mr. Robert Dotchin and Mr. Jack Harvey, be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Washington.

Mr. WEICKER. Mr. President, may I have the amendment read or has an explanation of the amendment been given?

The PRESIDING OFFICER. Without objection, the Chair will have the clerk read the pending amendment.

Mr. WEICKER. Is this an unprinted amendment?

The legislative clerk read as follows:

AMENDMENT No. 371

On page 36, line 20, after the comma, insert the following: "to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license,".

Mr. WEICKER. Mr President, I shall have a good deal further to say on this entire subject when I present my own amendment, which will relate to the labor exemption. But a few opening comments at this time I think might very well be in order as to the subject matter of the Magnuson amendment, and any subsequent amendments that try to put exemptions into this bill.

The real problem in this country today is that the establishment, and that means all aspects of the establishment, suffers from a credibility gap as between itself and the American people. I am not just talking about politicians. We have our particular problems in trying to achieve credibility with our own constituencies.

When I talk about the Establishment, and when I talk about leadership, I am in essence talking about the powerful of this country, whether they are politicians, educators, labor leaders, the news media, or religious leaders. They, indeed, are the Establishment; they are the powerful. All of us put together have a problem of restoring the faith of the American people in the leadership of this country.

It is not politically wise, or practical, I suppose, at least for a politician, to oppose an exemption which in effect would give the electronic broadcast media freedom from the provisions of this act; and I suppose it is even more impolitic and impractical to oppose an exemption for the labor unions and the labor leadership of this country.

But if we want to continue to go this route, in effect what we are going to end up with is a bill which says to the American people, "This law will apply to all of you, but not to any of us."

That is the whole problem in the country today. People think there are two sets of rules: One for the powerful and one for them.

I suggest to you that nothing is more important than to make it clear in our deeds that indeed we are all equal, and there is one set of rules, and it applies to everybody.

I am appalled by this exemption. There is no reason for it. Obviously the electronic media is involved with consumers, no question about it. Just because we have been prevailed upon, certain of our Members have been prevailed upon, to exempt them from the legislation is no reason to follow that lead out of fear for our own personal fortunes in the future.

If we are going to have a consumer protection bill that does not apply to everybody, then let us not have it.

The whole spirit of consumerism, it seems to me, is a breath of fresh air on the American scene whereby every American is given a voice as it relates to the products and services offered by everybody in this country. One voice applying to all.

Here, right at the outset of this legislation, we sully it by making it special interest legislation.

We are well known, Mr. President, for special interest legislation. We do not need to be known for that. Go out on the streets of this country and ask about legislation that we pass here, and while the image might not be true, the image is, "Well, we do it for ourselves" or "We do it for those who have enough money and enough power to reach the various Members of Congress." That is what we are known for.

I would like to start to get known for our independence, for our being able to make these judgments separate and apart from whatever it is the powerful think or do.

We can go back home, we can give all the speeches we want to about the equal system of justice and, we can ask people to work within the system, and all the rest of it, and then we do one thing like this, and the people will say, "It is a great speech but that is not what goes on."

So I do want a new beginning. It is what should go on.

I think we all forget too soon the difficulties that encompassed this country in the late 1960's and the early 1970's. I know, I came down here to Washington in 1969, and Washington, like so many other areas of the country, was a city of confrontation, a city of violence.

I remember the leadership when I would talk to them, the political leaders as well as those leaders in other areas of the media, of education, of religion, of labor; they were all honestly wondering whether we were going to make it through those difficult times.

I am glad that the American people did not have a chance to hear the timidity that was expressed by the leadership of this country as to whether or not we were going to come through those times of violence and confrontation.

But, in any event, those leaders stood before the American people in an attempt to bring order out of the chaos that existed, and they said two things, if you will recall:

> Work within the system and believe in our system of equal justice.

Those two things were said, and I think there was a reservoir of belief in our political system and in the equality of our justice, not in the National Guard or in the U.S. Army or in the police that, in effect, brought order out of chaos at that time.

Well now, let us take a look and see what has happened since the late sixties. Let us understand what it is the American people have come to learn.

Do you think they honestly have learned that there is equal justice? Have they learned that working within the system is the best way to accomplish change? Or have they learned that there are two strata of justice and of legislation, one for the powerful and one for the rest of the country?

If you stand up today in light of the facts of the last several years, including what it is that we do on the floor today, and ask people to work within the system and believe in the equality of our justice, do you think you would be heeded on the basis of the experiences and the words and the revealed deeds of the last several years? I think you would have difficulty in bringing the classroom to order, and when I say "you" I mean "we," because this is a part of that leadership.

So, regardless of the actual substance of the legislation before us—and that is important—I think it is also important that it be passed or it come to the attention of the American people in the right light, which is that here is a law that applies to us all. It is not tailored to include everybody except elements of the power structure in this country.

Is it not amazing that the two exemptions, the two principal exemptions, are the electronic broadcast media and the labor unions? How about the citizen out in the street? Where is his exemption? What about Mr. Joe Doe, Main Street, Bridgeport, Conn.? I do not see subparagraph (b), paragraph (1), or whatever it is, saying that he shall be exempt from the provisions of this act. Why?

Because he does not have a battery of lawyers, because he cannot come in here and promise great blocs of votes and support in the next reelection effort. It is as simple as that. So no exemption as far as he is concerned, because he cannot generate enough fear, votewise, insofar as the Members who are going to vote on this legislation are concerned.

But I will tell you what does happen. His faith, I think, in his country is just a little bit weakened, and so democracy is just a little bit more unsure, unstable.

Mr. President, I hope that my colleagues will reject the amendment of the distinguished Senator from Washington. Normally, I have enormous respect for the matters that he speaks out on. I am fortunate enough to serve on his committee under his stewardship.

The committee, in its wisdom, decided that it would knock it out in the first instance, and I hope that judgment will be upheld here on the floor.

Believe me, the electronic media has nothing to fear by the inclusion of the FCC. Indeed, later on as we get to my amendment, the labor unions have nothing to fear from the inclusion of the labor-management negotiations.

But, by exempting these special interests, what it will do is cast a cloud on the entire bill, and I will tell you what is going to happen.

Year after year we are going to get more heat from specific groups, and more exemptions and more amendments to this legislation and, in the final analysis, what started out, I think, to be a great idea and a pure idea will have been politicized into the mud.

So, Mr. President, I repeat my urgings that the amendment of the distinguished Senator from Washington be rejected, and that the committee's judgment be supported. If we take this action, we have the people of this country once again looking with admiration and respect to what it is that we do on this floor rather than to look upon us as conducting politics as usual and supporting those famous words of recent history, "Everybody does it down there." Everybody does not do it. We should not do it now.

Mr. THURMOND. Mr. President, I ask unanimous consent that a member of my staff, Mr. John Steen, be allowed on the floor during consideration and action on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. I yield to the distinguished Senator from Virginia.

Mr. WILLIAM L. SCOTT. I may well vote against the amendment, as the distinguished Senator from Connecticut has suggested that he will, and I may well vote, intend to vote, for his amendment with regard to labor unions. But I do not really follow his reasoning in its entirety. If this is a measure in which that is bad for the media, why is it not bad for everything to have a consumer advocacy agency? Is that what he is saying? Is the distinguished Senator saying that this is a bad bill as it applies to the media, or that it is a bad bill as it applies to labor? Or is he saying that if we include labor, if we include the media, then it is a good bill and he is going to vote for it?

Mr. WEICKER. I thank the distinguished Senator from Virginia for his question.

I am saying this is a good bill for everybody. This is a good bill for everybody. It is the electronic broadcast media that says, however, it is a bad bill for them; it is labor that says it is a bad bill for them if they are included. If they are included, that is their opinion.

In my opinion, it is a good bill for everybody as long as everybody is included.

The inadequacies of the bill insofar as it affects each one of these interests, that is what they are claiming, and what I say is that it is good for everybody in its purest form and there is no reason for exemption whatsoever.

Mr. WILLIAM L. SCOTT. Well, I believe that the distinguished Senator is being consistent, and I am being consistent exactly the opposite way.

Mr. WEICKER. I understand that and I think the distinguished Senator from Virginia has not flown under any false colors whatsoever. He is opposed to it, he does not think it is a good piece of legislation. Fair enough. I take the opposite point of view. So I am glad this point was raised. I repeat: The Senator from Virginia has made his feelings known explicitly:

On the other hand, I would like to say that there are those that I am sure will try to use my amendment to kill the bill. This is not the Senator from Virginia. I want to repeat that. Please understand that I am not offering this amendment in the hopes that if it passes it will kill the bill. I am hoping my amendment passes and that Senator MAGNUSON's amendment is defeated in order to make it a better bill and with full expectation that then it will pass, not only this Senate Chamber but, more importantly, the judgment of the American people that we have done the right thing.

The PRESIDING OFFICER. The question is on the amendment.

Mr. WILLIAM L. SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Magnuson amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, the exemption in S. 200 of FCC license renewal proceedings is important. The same exemption was contained in S. 707 which was considered by the Senate last year. As I understand, it is contained in the Taft substitute which is pending before the Senate this year. The increasing frequency of license challenges by citizen groups and others has already greatly increased the cost of successfully getting a radio or TV station license renewed.

One study by the National Association of Broadcasters indicates that some stations have spent over $1 million to maintain their licenses.

The Senator from Kansas will add that that is not the average cost. That may be a very high cost. The median cost reported in the survey was somewhere in the neighborhood of $300,000. There is nothing to prevent repeated challenges to broadcast licenses every 3 years when licenses come up for renewal. It is, therefore, important that we not allow a federally funded Government agency to interject itself into these renewal proceedings. Already the FCC is charged with the responsibility to insure that "the public interest, convenience, and necessity" is served by every license renewal.

The interjection of the ACA into the license renewal process would only add another layer of Government to the already confused license renewal process. The committee amendment which removes the FCC license renewal exemption should be stricken.

Mr. President, I ask unanimous consent that the abbreviated report of the study by the NAB with reference to station expenses incurred in license challenges be printed in the RECORD.

There being no objection, the abbreviated study was ordered to be printed in the RECORD, as follows:

STATION EXPENSES RELATED TO LICENSE CHALLENGE

NAB has developed some rough estimates of the expenses incurred by radio and television stations in responding to petitions to deny the station's license renewal application or to competing applications for the station's license. Challenges to licenses typically add to station costs in two ways—the actual out-of-pocket expenses (attorneys' fees, hearing costs, etc.), and the expenditure of staff time that must be diverted from normal station operations.

Data were collected on the *extra* out-of-pocket costs and staff time required by license challenges, so the following figures refer to dollars and man-hours expended in addition to those normally required for license renewal. These expenses vary widely; if the station is a radio station in a small market, the total amounts of time and money involved would be expected to be less than in the challenge to a major television station's license.

Nine of twenty-two stations answered our request for estimates of expenses incurred in response to competing applications. The extra out-of-pocket expenses reported by these stations ranged from $2,800 to $1,500,000; the median amount was $300,000. The extra staff time reported ranged from 400 man-hours to 22,000 man-hours; the median amount was 3,500 man-hours.

Information on costs of defending against a petition to deny was obtained from about one-half of 97 stations against whom petitions to deny were filed during a two-year period ending February 1, 1972. The median amount of extra staff time required by the petition to deny was 250 man-hours; estimates reported by stations ranged from "some" to 4,000 man-hours. The median for radio stations was 180 man-hours, and for television, 250 man-hours.

The median amount reported for extra, out-of-pocket expenses was $8,300; the range was $100 to $45,000. The medians for radio and television were $5,000 and $10,000 respectively. It should be noted that twenty-four of the reporting stations had not yet resolved the challenges to their licenses; how much additional time and money will be required obviously depends quite strongly on whether the station has to go to hearing; if set for hearing, total expenses presumably will be much greater than those already incurred.

CONSUMER REPRESENTATION

Mr. DOLE. Mr. President, I am pleased to see that the Senate is considering legislation to increase consumer representation in the Federal Government.

It has been and is my strong feeling that consumers need better representation in the decisions, proceedings, and activities of the Federal Government. We have heard a great deal about regulations and actions by the Government that have resulted in large additional costs for taxpayers and consumers and in additional burdens for the public as a whole. I strongly believe that the consumer voice should be better heard in the Federal Government.

That is why I worked last year to create a substitute consumer protection bill that would provide meaningful representation for consumers yet reduce the objections of many in private industry and Government. I believe we made some progress in that direction, since the so-called Dole substitute was short only by a vote or two of being passed. It is my understanding that S. 200 was based on the Dole substitute of last year and it seems to me this substitute, which had a large amount of support last year, was a good starting point for consideration this year.

NEED FOR BETTER REPRESENTATION CONTINUES

The need for better consumer representation in the Government still exists. I was pleased to see the President's recent action ordering the Department and agency heads to improve consumer representation within their organizations. There may be a need for further action beyond this.

Although the Dole substitute of 1974 was the basis for the legislation we are considering now, I have strong reservations about some of the changes that have been made in this bill since that time. A number of amendments I have introduced would resolve these problems.

The substitute I authored last year was based on the concept of parity and equality between the agency for consumer advocacy, private enterprise, and any other private interest. Some changes made in S. 200 substantially depart from that concept. Since sponsors and opponents of S. 200 alike have agreed that ACA should not be a super agency, it is my hope that we can adopt those amendments I have submitted that would return S. 200 to the concept of parity.

Other changes made in S. 200 would create difficulties for private enterprise and for the conduct of effective and meaningful Government by existing departments and agencies. While consumer interests are of vital importance, the national and public interests of effective Government and a healthy economy should not be subordinated to the concerns of consumers alone. In the long term, the interests of consumers and the interests of the public and the Nation become identical in most cases.

A further concern of mine related to S. 200 is that provisions I introduced last year have been greatly watered down from what was originally intended. Accordingly I have proposed amendments to correct the language in the bill.

As stated before, I continue to be concerned about increasing consumer representation before the Federal Government. It is my hope that we can work for passage of legislation that will provide meaningful representation for consumers, yet, at the same time, will not create a new and expensive agency that will unduly burden effective Government or our great private enterprise system.

Mr. President, as we enter the debate on S. 200, the Senator from Kansas has a number of amendments which he will be calling up dealing with provisions which are contained in the modified S. 707 of last year, which are not presently in S. 200. It is the hope of the junior Senator from Kansas that these amendments might be accepted. If not, we will proceed to determine whether or not the Senate will accept the amendments on a record vote.

The Senator from Kansas, of course, is aware of the interest in this legislation, interest in the White House, of having no legislation interest by some in this body, of having far-reaching legislation, and then, hopefully, some interest by others in the Senate and in the House in a moderate but meaningful approach to protect the American consumer.

I can understand the President's reluctance to embrace any proposal which calls for a new governmental agency, which calls for spending $60 million in the first 3 years. This flies in the face of an already strained budget threatened with deficits coming up to $60 to $70 to $80 billion. I think very clearly the President would probably veto S. 200 on the basis that it is a new program; that it does call for increased spending.

Though we have changed the rules insofar as shutting off debate is concerned, and I was one of those who voted to shut off debate on this measure last year, it would appear to the Senator from Kansas that we must now take a hard look at what happens to this legislation if it is passed by the House and passed by the Senate, signed, vetoed, and sent back to the Senate in the first instance to make a determination of whether or not it will sustain or override the veto.

I make these preliminary remarks in the hopes that the manager of the bill might be receptive to some of the responsible and reasonable amendments to be offered to S. 200 in the next few days or few weeks, whichever the case may be.

I do strongly support the amendment of Senator MAGNUSON. I agree, to a certain extent, with the distinguished Senator from Connecticut (Mr. WEICKER). If we want to be totally pure, then we grant no exemptions. I support the amendment of the Senator from Connecticut (Mr. WEICKER) with reference to the labor exemption.

I would say, however, that the FCC license renewal exemption is very limited. It applies only to license renewal proceedings. It does not affect rulemaking. I believe it is in the best interest not only of this legislation and not just to the broadcast industry but to the consumer that the Magnuson amendment be adopted.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, the thought occurred to me when the distinguished Senator from Kansas mentioned exemption, that in Connecticut, and I am sure the case is similar in other States, whenever we pass laws and have exemptions they usually relate to the least powerful elements of our society. For example, in our sales tax we exempt clothing. We exempt food. We exempt those things that are literally the basis of life to those who have to struggle over it.

This is great legislation for the Senate. We exempt the powerful. That is what this is all about. It is a different concept, though it is a rather interesting one for the country. We are not exempting items that relate to the poor or to those who are in need in terms of health, nutrition, or what have you. These are the most powerful elements of our society that we are now exempting. That is the difference in philosophy as between this legislation and what has usually been done legislatively both at the State and Federal levels.

I yield the floor.

Mr. DOLE. Will the Senator yield?

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, there is a practical aspect to this which is quite important.

The PRESIDING OFFICER. Will the Senator please use his microphone?

Mr. MAGNUSON. Mr. President, there is a practical aspect to this matter that we in the Commerce Committee have been looking at for many, many years. There are more than 6,000 broadcast licensees in the United States. The number used to be 6,000. The total now is 7,200. This poses a real problem to any agency outside the FCC, which I believe has ample procedures to handle these matters with respect to the renewals. This is one problem with which we are concerned.

Many people are angry at television for one reason or another. I become angry with it sometimes, too. If we are going to get at some of the evils we think may exist in TV in this country, or even with some radio stations that are part of networks, we should not approach it through the ACA.

We are talking about the fellow at home, with the license, who comes up for renewal. He just could not live with ACA involvement in license renewal, nor would ACA have the ability to become involved.

Networks, of course, are not under any kind of regulation, except to the extent that they are licensees. This should be understood. We are not talking about TV as we know it through networks, or even the big networks that have stations; we are talking about the individual licensee. Some of the radio licensees have had a pretty bad time financially because there are too many of them.

Mr. WEICKER. Mr. President, will the distinguished Senator from Washington yield for a question?

Mr. MAGNUSON. I will yield in a moment.

We opened it up about 8 or 9 years ago. There is a radio station in the Senator's community. In my community there are about 15 or 20 outlets that have to have their licenses renewed. Some of them are having a difficult time.

The distinguished Senator from Rhode Island has been very diligent and dedicated in trying to get at these things in his subcommittee, and I think that perhaps we should consider some amendments to the FCC law rather than have the ACA intervene in license renewals. I do not see how any agency could do anything about looking at 7,200 licenses that must be renewed every 3 years. It would be impossible.

I just want to pose the technical side of this matter. I have some misgivings about the greatest media in the world, the television and radio of the United States, but overall they have done a pretty good job, considering all the problems we have.

I want the record to be clear that part of my reason for this amendment and part of the reason the Committee on Commerce, which has consistently supported this concept, is the practical aspect of it, too.

Mr. WEICKER. Does the distinguished Senator from Washington know how many people there are in the United States?

Mr. MAGNUSON. How many people are there?

Mr. WEICKER. Yes; 212 million.

I appreciate the problems of 7,200 radio stations and television stations, but 212 million people are out there. They all have the same burdens. They have hundreds of requirements placed upon them by their Government in a variety of ways. Why should we feel more sorry for the 7,200 radio stations than for the 212 million people?

Mr. MAGNUSON. I am not feeling sorry for them at all. I merely am suggesting that we created the FCC to handle these matters, and they do, and there are ample procedures down there to handle this matter. If someone objects to something, he can go down there and appear at the hearings on renewals and licenses. The stations have to submit logs of what they are doing.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WILLIAM L. SCOTT. I agree with the distinguished Senator from Washington that a consumer advocacy agency should have no part in licensing renewal. Yet, I am going to vote against his amendment, because I do not think we have any need for a consumer advocacy agency to second guess any agency of the Government, and I would just strike it all and vote against the amendment and accomplish what the distinguished Senator is attempting to accomplish.

Mr. DOLE. Mr. President, I point out that the efforts of the Senator from Washington in no way would have any impact on what the Department of Justice may do at any time, and that is to file a petition to deny the license renewal on the basis of overconcentration of power. That, in itself, is consumer protection. Cases are pending all the time. That is not touched by this amendment. We are talking about the FCC powers with reference to license renewal.

I do not really believe that there is going to be any damage to the rights of consumers.

I also address myself to an earlier point raised by the Senator from Connecticut. I believe that the most difficulty with the ACA would be with the small and medium-sized stations. I suppose there will be consumer groups presenting challenges, when they determine there should be challenges, to some of the big city VHF television stations. As disorderly as this makes the license renewal process, the large, urban TV stations can afford it. I know it is difficult to separate what we call big from small or medium sized. But I believe that the RECORD will show that the amendment would primarily benefit the small operators, the middle-sized operators who cannot easily absorb the tremendous expense which might be incurred by a license challenge from the ACA. Therefore, the amendment does not represent an effort to pick out of this bill some giant network or large VHF TV stations. That is not the intent of the Senator from Kansas, and I am certain that it is not the intent of the Senator from Washington.

Mr. WEICKER. The distinguished Senator from Kansas is raising the point that I think will be the nub of our discussions in the next several days relative to these exemption amendments.

I appreciate the small station in Kansas, but I also appreciate the small person. Does the Senator realize the obligations that the Federal Government imposes upon the individual? 212 million Americans are out there, with obligation upon obligation placed upon them to observe the laws of this country. If indeed the small station is in tight straits, the small individual is in even tighter straits. I point out that this is the only purpose in opposing this amendment and being for mine.

I feel that we all should undergo this type of scrutiny by being subject to this law, and there should be no exemptions at all.

I make this comment to keep the record straight: First of all, I have no complaints whatever against the television medium or the radio medium, whether it is a network or whatever. I think they have done a fantastic job. In fact, I have said many times over that the reason why the United States today is a changed constituency and a far more aware constituency is due principally to two factors: our tremendous investment in public education, number one, and the ability to disseminate facts immediately to all the American people, principally by the electronic media. Make no mistake about it, they do a fantastic job in informing the American people, and we are a stronger nation today because of the job they do.

I have no particular gripe against a station or in a general sense against the communications industry. But I want to establish the fact that when we pass a law in this Chamber, it applies to everybody—whether small, big, or medium sized—it makes no difference. If, in effect, this is going to have a bad effect on small television stations, small radio stations, if it is going to hurt small people, hurt small businesses, right on down the line, do not pass it. I do not think it is going to hurt anybody. Everybody else has a spokesman in Government; everybody else has an agency. We all know that is one of the difficulties with regulatory agencies today.

That is the reason why we have consumer protection legislation before us. Obviously, we have gone past that point where the regulatory agencies serve the public. More and more, they have come to serve the entities which they are supposed to regulate; so the public has demanded that they have a voice in Government. That is what this is all about, that they have a voice.

Apparently, what they are going to have is a voice as far as certain aspects of our life are concerned, but not insofar as others are. Again, the same arguments can be made on the labor proposition—obviously, an enormously important part of our national fabric, one which I am proud to have represented and supported most of the time. It makes no difference to me; they should not be exempt from this legislation, either.

Let us face it: What we are all involved with here is compromise, compromise, compromise, to the extent that we weaken the credibility of this legislation. That is what is so harmful in this particular instance.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

Mr. ALLEN. Mr. President, I first wish to commend the distinguished senior Senator from Connecticut (Mr. Ribicoff), chairman of the Committee on Government Operations, for the eminently fair manner in which he has handled this bill, both on the floor and in committee. The distinguished chairman knew, of course, of my opposition to the bill. He was extremely courteous to the Senator from Alabama at every stage of the proceedings, seeing to it that the Senator from Alabama had every opportunity to offer amendments to the bill in committee, seeing that he had an opportunity to call before the committee such witnesses as the Senator from Alabama desired to ask to come before the committee. In the discussion today, he has been extremely courteous and affable and cooperative in allowing those of us who oppose this bill, or who may wish to offer amendments to this bill, every opportunity to speak against the bill or to offer those amendments. Certainly, no chairman could have been fairer through every stage of the proceedings than has been the distinguished chairman of the committee (Mr. Ribicoff).

Mr. President, I might state that my comments at this time, in view of the fact that we seem to be recessing from day to day rather than adjourning, will be directed against the amendment offered by the distinguished Senator from Washington, not the bill itself, in case the matter comes up as to whether the Senator from Alabama has spoken more than twice in one day on the bill itself.

Mr. President, we are today considering what I would call the Exemption Protection Act of 1975. I was interested in listening to the debate here, on the floor—the theory of the distinguished Senator from Connecticut (Mr. Weicker), as to why the proceedings before the FCC should not be exempt, and the reasoning of the distinguished Senator from Virginia (Mr. William L. Scott) as to why the proceedings before the FCC having to do with the granting of licenses to TV and radio stations and the renewal of those licenses should not be exempt from the provisions of this bill. The distinguished Senator from Connecticut, as the Senator from Alabama understands it, feels that this bill is a good bill and that no agency or no operation before the Government agencies should be deprived of coverage by the bill. That is a benefit that is being extended; therefore, it should apply to all matters and there should be no exemptions.

The distinguished Senator from Virginia (Mr. William L. Scott), on the other hand, feels, as the Senator from Alabama understands it from his argument, that this is a bad bill, that its provisions should not be applicable to any proceedings before the regulatory commission, but that if the bill is to be enacted into law, it should apply equally to all; that this detriment should not be removed from radio and TV licensing procedure before the FCC; that if it is a detriment, it should apply to all items or areas involved. But the bill, being bad, should be defeated.

I say that there is good argument on both sides, I assume, to support the two theories that have been outlined by the distinguished Senators. We have considered proposals similar to S. 200 in the past. These past proposals and their attendant debates make the Senator from Alabama impressed most by what is not found in the present proposal, S. 200. Gone are most of the safeguards of yesteryear. Once upon a time, we were assured that ACA, the Agency for Consumer Advocacy, formerly the Consumer Protection Agency, was a moderate proposal, further moderated by built-in safeguards against the potential for abuse.

Here again, I commend the distinguished chairman of the committee, the floor manager of the bill (Mr. Ribicoff). It has been the theory of the distinguished chairman that this agency, if it should be created, would not be a regulatory agency; that it would be an agency to advocate the interests of the consumer, supposedly, and that possibly, the term "Consumer Protection Agency" might imply that this agency was to be a regulatory agency. The Senator from Alabama insisted that if the advocates of the bill, in fact, conceded that the agency was not to be a regulatory agency, there should be no reason for not agreeing to a change in the name of the agency to avoid any confusion as to the basic function of the agency. Though during the last Congress, the Senator from Alabama did propose an amendment changing the name of the agency from Consumer Protection Agency for Consumer Advocacy, the distinguished chairman of the committee (Mr. Ribicoff) stated that he felt that that term, "Agency for Consumer Advocacy," did more nearly describe the function of the agency than "Consumer Protection Agency." He advocated the adoption of the amendment and it was adopted.

Then when the bill came forward in this Congress and was redrafted the name was carried forward, Agency for Consumer Advocacy, and an effort was made in committee to change the name back or to a name more similar to the original term, CPA, and the distinguished Senator from Connecticut, the chairman of the committee, took the position against changing it from ACA.

So I wish again to commend the Senator from Connecticut for his fairness in this matter.

These safeguards were included, we were assured, as a concession to those among us who were fearful that the ACA would abuse its considerable powers.

Yes, the safeguards are gone. To fill the gaps created by their departure we now have exemptions.

I refer to the exemption of proceedings before the FCC on behalf of applications for TV and radio licenses or renewals of those licenses as one such exemption. The other exemption is labor-management negotiations and relationships, which are exempted under the provisions of the bill from coverage by the bill.

I might state at this point, Mr. President, that the exemption of the FCC proceedings on TV and radio applications for license or applications for renewal was considered.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. RIBICOFF. I am sure that the Senator would not want the record to be incorrect. The Magnuson amendment only applies to renewals, not to original applications.

Mr. RIBICOFF. I think the Senator would want the record correct.

Mr. ALLEN. Yes. I am really not talking about that at this time. I am talking about the action by the committee as to the bill itself, not the Magnuson amendment.

Mr. RIBICOFF. It is my understanding that the original bill as well applied the exception only to renewals, but not to applications. But the committee, by a vote of 5 to 3, changed the original bill and eliminated the exemption.

Mr. ALLEN. Yes. It eliminated the exemption as to applications and as to renewals as well, did it not?

Mr. RIBICOFF. On page 36 of S. 200, if the Senator will refer to section 16, line 21, he will see what was stricken out was the word "renewal" and not "application".

Mr. ALLEN. Yes.

The point the Senator from Alabama is making is that this matter came up in the Committee on Government Operations at a time when the exemption was in the bill, and by action of the committee the exemption was stricken out.

Mr. RIBICOFF. Yes.

Mr. ALLEN. What the Senator from Washington is seeking to do is to put that exemption back in.

Mr. RIBICOFF. That is right.

The only thing I am trying to do is have the record reflect that at all times the exemption only went to renewals, and this is what is sought to be reinserted.

Mr. ALLEN. Does the Senator concede, then, that even under the Magnuson amendment the granting of the original license would be a proper area for intervention by the ACA?

Mr. RIBICOFF. That is correct. In the

original application, the ACA could intervene. but it could not intervene in renewals if the Magnuson amendment were adopted.

Mr. ALLEN. Yes. I am glad that the Senator from Connecticut is making that concession as part of the legislative history.

The distinguished Senator from Washington (Mr. MAGNUSON) was making a point of the voluminous work that would be involved in going into the matter of these various applications, not only for renewal, as the Senator from Alabama understood it, but for the original applications as well, which would also be very voluminous.

Mr. RIBICOFF. Of course, I cannot speak for the distinguished Senator from Washington, the chairman of the Commerce Committee, but it has always been my understanding that what we were talking about were renewals and not applications, and I believe that is what the Senator from Washington (Mr. MAGNUSON) has in mind.

Mr. ALLEN. Very well.

Mr. RIBICOFF. I just want the record to be clear, and I know that the Senator does not want it to be unclear.

Mr. ALLEN. I am glad to have it made clear, as part of the legislative history, that it is conceded that the ACA could intervene in the matter of an original application for a license, whether it be for radio or for television. Is that correct?

Mr. RIBICOFF. In the event that the Senate adopts the Magnuson amendment, the ACA could intervene on original application but could not on renewals.

Mr. ALLEN. I think that is good, that this concession has been made, because it would certainly cut the ground out from under the argument of the proponents of the amendment and the proponents of the bill that there is no marketplace transaction involved here and, therefore, there is no need for requiring the ACA to have jurisdiction in this matter.

So, if it is conceded that they can intervene in original applications but not renewals, what has become of the argument of the advocates of the bill that the exemption is proper because no marketplace transaction is involved? That is the only argument I have heard in favor of the exemption.

Mr. RIBICOFF. Again, I cannot speak for the distinguished chairman of the Commerce Committee, but I think the difference comes in that the number of applications that are being made today are limited in number as against the renewals.

The figures I had last year indicated that there were television stations, either UHF, VHF, UHF educational, or VHF educational, numbering 940, and radio stations, AM, FM, and FM educational, making a total of 7,640, in this particular field. So, when you add 940 to 7,640, we are talking about a lot of licenses, and my understanding is that each year the FCC must consider some 1,860 license renewals.

These are local issues. They are local in the Senator's State of Alabama and in my State of Connecticut.

With the limited budget I contemplate for ACA, if ACA had to get involved in some 7,000 to 8,000 license renewals on a local level they would not be involved with the basic problems that I can see for ACA: the large problems that really affect 210 million people, and not the local problems.

I have always felt the States are going to have to take care of their local consumer problems. I believe the State of Alabama has a consumer agency and that their able attorney general talked about the problems.

Mr. ALLEN. Yes.

Mr. RIBICOFF. We have a consumer agency in my State of Connecticut, and they would have to take care of the local problems.

At one time in the original bill there were grants of funds to State agencies and authority of the Federal agency to intervene in State proceedings. These were deleted at a later time because of monetary considerations and the feeling that we ought to stay with the larger interstate matters instead of the local.

But I raise this point with the Senator in order to have the RECORD straight, that at no time are we trying to make an exception for the original application, but just the renewal. Even if the Magnuson amendment were adopted, it would apply only to renewals, and not original applications.

Mr. ALLEN. I thank the Senator for his explanation, but the Senator failed to answer the question of the Senator from Alabama in asking what has become of the argument that was made in committee and will be made here on the floor that the reason for granting an exception on renewal applications is that no market place transaction is involved; therefore, no consumer interest is involved; therefore, it should be exempt. If that argument would apply as to renewals, why would not that same argument apply as to original applications?

Why would there be no marketplace transactions with regard to renewals and yet there would be marketplace transactions regarding applications? That has not been answered, as the Senator from Alabama sees it.

Mr. RIBICOFF. I think, in all fairness, I should state that Mr. Nader agreed with the Senator from Alabama and my colleague from Connecticut. He was very unhappy that there was an exception made.

But, as I look at it, I want this agency to succeed, and one way that it will not succeed is if we have it bogged down with local transactions and local problems instead of looking at the basic problems affecting the consumers throughout the country.

I do not conceive of this agency's getting involved with every problem that exists, because you cannot do it with 200 people and you cannot do it with a $15 million budget. To have the Agency for Consumer Advocacy start getting involved in license renewals on a day-to-day basis, they would never be adequately able to get into the basic health and economic problems that affect 212 million people.

My hope, in setting up this agency is to make sure that this agency works and make sure it does not get involved with every local problem as against the major big problems that affect this country.

I am just being candid with my colleague. I want to express my appreciation for his gracious comments on the way in which I conducted these hearings as chairman, and conducted the markup, as well as my activities on the floor but, as the Senator realizes, I never have tried, and I do not think I ever will, as a U.S. Senator, try to mislead or misrepresent my own feelings as I see and interpret any measure over which I have a responsibility on the floor of the U.S. Senate.

Mr. ALLEN. I thank the distinguished Senator for his remarks.

Apparently he has withdrawn the argument as to why renewals of TV and radio licenses before the FCC should not be under the coverage of the bill because no marketplace transaction is involved.

Now he makes the basis the difference between nationwide interests and purely local interests. It is difficult for the Senator from Alabama to see how the applications would be local and renewals would be national, because it comes from all of the country nationally. But no longer then will the argument be valid that the renewals should not be under the FCC because no marketplace transaction is involved, because the Senator from Connecticut now seems to feel they do have a direct interest or effect on the day-to-day lives of consumers. So that argument has been laid to rest by the distinguished floor manager of the bill.

Obviously, there could not be no marketplace transactions with regard to renewals and be marketplace transactions with regard to original applications. But whatever the state of the bill as it appeared before the committee, whether it applied to original applications and renewals, whatever the exemption was, it was stricken out by the committee, and the committee took the position that if this coverage is good for one, it is good for all, or if it is bad for one, it is bad for all, and all ought to share the bad features, just as if it is good for all, all ought to have the right to share in those good features.

So what the amendment of the Senator from Washington seeks to do is to nullify or strike down the action of the committee which has come forward with this bill.

Well, if we are going to risk the committee on the thrust of the bill, if we are going to risk the committee on the theory underlying the bill, why can we not risk the committee when it says that all should be covered? So the Magnuson amendment seeks to undo the work of the committee in this particular area.

Now, let us read the language of the bill which had granted an exemption to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license. The committee struck out those very words which are now embraced in the Magnuson amendment. This is what the committee report, the majority report, adopted by, I believe, an 11-to-1 vote on page 46 says:

> The committee voted to remove from the act a provision which would have prohibited the ACA from intervening or otherwise participating in license renewal proceedings of the Federal Communications Commission.

That is just about as plain as the English language can state it.

> It was the committee's judgment that a broad, across-the-board exemption should not be explicitly provided for in the act.

That is still very clear. Now here is where it gets very muddy, gets very muddy indeed. After knocking this exemption out, let us see this gobbledygook that the report now has in it.

> The Committee's decision not to include the provision should not be interpreted, however, as expressing an intent that the Act's definition of consumer interest be interpreted in such a way to include license renewal proceedings.

This report, with all due respect, was not drafted by the Senators as the Senator from Alabama knows. The first time the Senator saw it was in this little booklet. But the report says that the committee in taking this action, knocking out the exemption, meant just the opposite.

I read again:

> The Committee's decision not to include the provision should not be interpreted, however, as expressing an intent that the Act's definition of consumer interest be interpreted in such a way to include license renewal proceedings.

Now we see it, now we do not. Now the exception is knocked out, now it is still in there, according to the report.

> In license renewal proceedings generally, the issues contested involve questions of free speech, fairness in broadcasting, equal time provisions, racial discrimination, and other aspects of the broadcasters' obligation to serve the public adequately.

Now, here is this language that they all try to hang their hat on:

> Such issues do not relate to marketplace transactions, and since there is no commercial transaction involved between a licensee and a consumer, there is not direct consumer interest involved in the license renewal proceeding.

So when the committee knocked that exemption out, according to the report, it meant just the opposite of what it did.

Mr. President, getting back to the matter of the distinguished Senator from Connecticut, the chairman of the committee, saying that the bill originally, and even after the Magnuson amendment is adopted, as it will be, of course, the ACA could intervene in applications for original license.

But the committee and the Senators—I can dig out the hearing and show it, if necessary—favoring the exemption and the distinguished Senator from New York (Mr. JAVITS) made frequent reference to lack of a marketplace transaction, so since they are agreeing that original applications shall be covered, how can they say that renewals ought not to be covered because there are no marketplace transactions.

There is just as much a marketplace transaction in the matter of the original application as there would be on the renewal.

No longer Mr. President, it would seem to the Senator from Alabama, could the contention logically be made that these proceedings before the FCC should not be covered by the agent of the consumer action bill because no marketplace transaction is involved.

If it is involved in the original application, it would be involved in the renewal application. No difference whatsoever of the principle involved.

Mr. President, after the committee acts, as the chairman said a moment ago by a 5 to 3 vote, knocking out this exemption, the committee report written, I assume, by the staff—and very able staff, I might say—says we did not mean what we did when we struck out the exemption. The exemption is still there.

Mr. President, as I mentioned, this bill might well be called the Exemption Protection Act of 1975.

The Magnuson amendment is seeking to put back an exemption that the committee knocked out. The other exemption involves big labor and big business, their negotiations. Big labor and big business in their wage negotiations and other relationships that might affect the consumer do not need any exemption.

The statement was made by one of the Senators advocating this bill on the floor during the last Congress that big labor and big business do not need the Agency for Consumer Advocacy, they can take care of themselves. The Senator in making that argument overlooked the fact that, yes, big business and big labor can take care of themselves, but who is going to take care of the public? There is a public interest involved, not just the interests of big labor and big business, so the Senator misses the point.

The Consumer Advocacy agent would not be in there to protect the special interests. I assume he would be in there to protect the public interest and the consumer interest.

What justification then is there for either the FCC proceedings exemption or the big business-big labor exemption?

When business commits an unfair business practice, by limiting competition, perhaps, the Agency for Consumer Advocacy can appear in adjudicatory proceedings in the Federal Trade Commission to assure punishment of the business responsible.

But when big labor commits an unfair labor practice, by also limiting competition, perhaps, the ACA is, under S. 200, estopped from participating in similar NLRB adjudications—even where the practice is performed in collusion with a business organization.

As a rationale for exempting labor activities, the majority report on S. 200 tells us that Federal agencies cannot "sit in judgment on the substantive terms of collective-bargaining agreements," quoting the Supreme Court case of Porter Company against NLRB.

Thus, they cite the rule of the Supreme Court that Federal agencies cannot dictate a single term of a labor contract.

But this is not an argument for an exemption. This is an argument against exemption. If the National Labor Relations Board cannot impose contract terms, the ACA cannot force the NLRB to impose contract terms. What, then, is the fear of these apologists for this exemption who say that the ACA can have absolutely no input in labor disputes?

The ACA can run roughshod over the rights of participants in other agencies' proceedings, but, when it comes to labor-management disputes—disputes which affect the price consumers pay for goods and services, disputes which affect the availability of goods and services to consumers who need them—we are told by the proponents of the bill that the consumers' concern is too remote to permit the ACA to even express an opinion.

Why is that? The AFL–CIO legislative director has already told us why that is. Because big labor and big business, too, does not want another Government agency "sticking its nose into our affairs," he says quite candidly.

The New York Times, in recommending deletion of this exemption, has said editorially that this "special interest exemption is foreign to the whole concept of independence for the ACA" and for the Senate to yield to union pressure on this "would be politics at its most cynical."

I would not charge that politics is involved in this matter, but the representatives of the national labor organizations have stated that with labor included in this bill they will oppose it. With labor out from under the bill, they will support it. So they are out from under the bill. Any person would be able to draw his own conclusion as to whether politics influenced the decision to leave big labor and big business in their negotiations out from under the provisions of the bill.

I do not always agree with what the New York Times has to say on public issues, but I believe they are right in this regard.

I am imposing somewhat on the distinguished Senator from Washington in discussing these two major exemptions at the same time, but I will have enough to say on the FCC exemption in a moment.

The New York Times, speaking of the labor-management exemption, says:

> The long fight to establish an independent agency to defend the interests of consumers in proceedings before Federal regulatory bodies and courts has moved an important step closer to victory in the Senate.

So, Mr. President, the New York Times is for this bill.

> The 11 to 1 vote by which the consumer advocate bill was approved in committee this week measurably reduces the danger that it can be killed by filibuster, the fate that befell it on the Senate floor last year.

Mr. President, I do not feel that there is going to be any successful filibuster with respect to this bill. I believe during the last Congress some 65 votes were cast to cut off debate. That would be five votes more than necessary to cut off debate under the present rules. I do not anticipate that many of those 65 votes have been lost.

I might say I have not asked a single Senator to vote for or against cloture.

I am sure each Senator will be able to make up his mind. I would anticipate that cloture, which I understand is to be voted on next Tuesday, would resoundingly carry. There is some thought that the President may veto the bill if it does reach him, as I rather imagine it will. I would feel there is probably more of a likelihood that he might possibly veto the bill if the vote here in the Senate would be fairly close to the number necessary to sustain a veto. So the matter must be discussed. The matter must be laid before the Senate, the dangerous precedent of leaving out special interest groups, leaving out these 7,600 radio and TV stations that the Senator from Washington speaks of, leaving out big labor and big business in their negotiations because the legislative director of the biggest union in this country or group of unions says they will be against this bill if they are included.

I think it might be interesting at this point to read some of the hearings on this bill before the Government Operations Committee wherein I questioned Mr. Ralph Nader, who is the No. 1 proponent of this legislation, the No. 1 proponent, I guess, in or out of the Senate, for that matter. Let us see what he says about this Magnuson amendment seeking to strike down the committee version of the bill.

At page 123 of the hearings before the Committee on Government Operations, I had the opportunity to question Mr. Nader:

> Senator Allen. Thank you, Mr. Chairman. Mr. Nader, I appreciate your appearances before the committee with your great knowledge and expertise and the fine reputation that you have as a consumer advocate.
>
> Would it be fair to state that although this bill might not be exactly what you would like, it is acceptable to you?
>
> Mr. Nader. It is acceptable to me, with the recommendations contained in my testimony today, Senator Allen.
>
> Senator Allen. Yes. Well, I am not quite sure what your recommendation was with respect to the FCC exemption. I do not believe you touched on that. Does that mean that you have no recommendation there? You do not feel that radio and TV licenses and renewals of licenses should be covered by this act?
>
> Mr. Nader. Well, as I stated on prior occasions, I am opposed to that, that broadcasting FCC exemption.
>
> Senator Allen. Well, I am glad to hear you say that. I did not notice—I may have drifted off a bit while you were giving your testimony. I do not believe you covered that, though, in your statement, did you?
>
> Mr. Nader. I was certain that you would raise the issue, though. I do say, however, that the bill——
>
> Senator Allen. Well, you raised the issue initially, did you not? I mean, you commented before on the opposition to that exemption?

That is the exemption we are talking about here now, the exemption that is sought to be put back into the bill under the pending Magnuson amendment.

> Mr. Nader. Yes, I was opposed to that exemption, but I think that the bill is acceptable even with that exemption, and hopefully in subsequent years, that exemption can be removed.

Well, let us just not put it in; that would be the answer to that, and thereby we would comply with Mr. Nader's wishes in the matter.

Mr. RIBICOFF. Mr. President, will the Senator yield to me for unanimous-consent request?

Mr. ALLEN. Yes.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that when the Senate resumes consideration of S. 200 tomorrow that the Senator from Alabama be recognized.

Mr. ALLEN. For the completion of his first speech.

Mr. RIBICOFF. For the completion of his first speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. tomorrow.

Mr. ALLEN. Mr. President, will the Senator withhold that? The Senator from Illinois wishes a few minutes.

Mr. RIBICOFF. Certainly.

OUR ATTITUDE TOWARD SOUTH VIETNAMESE REFUGEES

Mr. PERCY. Will the Senator from Connecticut yield to me 2 minutes?

Mr. RIBICOFF. Yes, I yield.

Mr. PERCY. Mr. President, I should like to discuss a subject that has been much discussed in recent days involving South Vietnamese refugees.

It has been reported that the mail to Members of Congress is running heavily against providing assistance to the tens of thousands of Vietnamese refugees arriving in this country. I know that in my own office mail has run about 70 percent against providing assistance.

However, I should point out that the total mail received in my office on this issue has amounted to only about 250 letters per week, which is not a great number. Actually I am receiving more than twice as many letters on the issue of handguns alone.

I should also point out that the letters on handguns are, like those on refugees, heavily negative. These letters are running 90 percent against handgun controls, despite public surveys which show that 70 percent of the American population favor some type of control over handguns. Statistics of mail received by Congress do not always reflect the broad range or consensus of public opinion. I cannot believe that the American people are overwhelmingly hostile to assisting the new immigrants to our country.

In regard to the arrival of the Vietnamese at a time of economic hardship in our country, special problems are created. For this reason I have urged that other nations, particularly in Asia and the Pacific, share in accepting these refugees.

In the comments the Senator from Illinois made yesterday, I expanded on that thought and on other ways we should approach this problem, not putting everyone in the same category, but making value judgments in individual cases.

My remarks this evening should certainly be taken together with, and in the same context as my remarks on the floor of the Senate yesterday.

I also hope that those Vietnamese who come to the United States, and those who must stay here for lack of opportunity to go elsewhere, will find a warm welcome among our people. They have already suffered a wrenching separation from their families, loss of their possessions, and the pain of being uprooted from their own society.

I am encouraged by the splendid statement from many private agencies and sources such as the Chicago Board of Rabbis which calls on members of the Jewish community to contribute to the relief efforts for the Vietnamese and which has established a fund for this purpose. Other religious leaders and groups are similarly responding to the needs of the new refugees, and I commend such efforts.

Even as Federal and voluntary funds are sought for relief purposes, I would suggest that Americans can also contribute something more important and equally necessary, and that is the warmth and personal interest in the Vietnamese which will ease their concerns, calm their anxieties and provide hope as they seek to adjust to our different and complex society.

We are still a nation of immigrants, and we should sympathize with and assist those Vietnamese who fled their own land out of fear for their lives and the lives of their children.

I thank my distinguished colleague.

ORDER FOR RECESS UNTIL 10 A.M., RECOGNITION OF SENATOR ABOUREZK, AND FOR DESIGNATION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes tomorrow it convene at the hour of 10 o'clock; that after the two leaders or their designees be recognized under the standing order the junior Senator from South Dakota (Mr. Abourezk) be recognized not to exceed 15 minutes, to be followed by a period of transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 5 minutes each; and that at the conclusion of that period of routine morning business the Senate resume the consideration of S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. The Senate will convene tomorrow at 10 a.m., following a recess.

After the two leaders or their designees have been recognized under the standing order, Mr. Abourezk will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of S. 200. Rollcall votes may occur on amendments thereto or on amendments in relation thereto.

RECESS UNTIL 10 A.M.

Mr. RIBICOFF. Mr. President, I move in accordance with the previous order that the Senate stand in recess until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 4:44 p.m., the Senate recessed until tomorrow, Thursday, May 8, 1975, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 7, 1975:

Department of State

Lawrence S. Eagleburger, of Wisconsin, a Foreign Service officer of class 1, to be Deputy Under Secretary of State.

William C. Harrop, of New Jersey, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Charles S. Whitehouse, of Virginia, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Thailand.

John L. Loughran, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Somali Democratic Republic.

Laurence H. Silberman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Federal Republic of Yugoslavia.

Ambassador

Laurence W. Lane, Jr., of California, for the rank of Ambassador during the tenure of his service as Commissioner General of the U.S. Exhibition at the International Ocean Exposition to be held in Okinawa, Japan, in 1975.

Energy Research and Development

Alfred D. Starbird, of Virginia, to be an Assistant Administrator of Energy Research and Development.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

In the Marine Corps

Lt. Gen. Louis H. Wilson, Jr., U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a period of 4 years pursuant to title 10, United States Code, section 5201.

In the Foreign Service

Foreign Service nominations beginning Edward Alexander, to be a Foreign Service information officer of class 1, and ending Sheila West Austrian, to be a Foreign Service information officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 1975.

In the Coast Guard

oCast Guard nominations beginning Gregory Don Ahlstrom, to be ensign, and ending Gregory N. Yaroch, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 21, 1975.

Coast Guard nominations beginning William R. Volpentest, to be commander, and ending Philip L. Adair, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1975.

HOUSE OF REPRESENTATIVES—*Wednesday, May 7, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is my shepherd; I shall not want.—Psalms 23: 1.

O Thou Seeking Shepherd of our souls, from the wilderness of our foolish and futile ways lead us into the green pastures of prayer and beside the still waters of meditation where Thy presence is revealed, our spirits restored, and our faith renewed. Incline our hearts to seek Thy way for our day and Thy will for our lives. Out of this moment of quiet thought may there come wise legislation for our country.

Grant that we may learn to discipline ourselves as individuals and as a nation. Out of this discipline may there come a better day for a better nation in a better world.

In all of life and through dark shadows lead us in the paths of righteousness for Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the concurrent resolution (H. Con. Res. 218) entitled "A concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Muskie, Mr. Magnuson, Mr. Moss, Mr. Mondale, Mr. Hollings, Mr. Cranston, Mr. Bellmon, Mr. Dole, Mr. Beall, and Mr. Domenici to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 409. An act to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

JOINT COMMITTEE REVIEW OF THE LIQUID METAL FAST BREEDER REACTOR PROGRAM

(Mr. McCORMACK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, in continuance of my practice of keeping this body informed of the activities of the Joint Committee on Atomic Energy's Subcommittee on Review of the National Breeder Reactor program, I have the following report. Yesterday, the subcommittee received a briefing on the subject of the status, reliability, and performance to date of operating nuclear powerplants and a description of the Clinch River demonstration breeder reactor project.

The first presentation was by Mr. William Lee, vice president of Duke Power Co. He provided up-to-date availability and capacity factors for nuclear plants and compared them to similar data derived from fossil-fired plants.

Mr. Wallace Behnke, executive vice president of Commonwealth Edison Co., described the evolution of industry involvement in the Clinch River demonstration breeder project and reported on the present status of design and procurement. I include in the Extensions of Remarks a summary of the presentations which were heard from our two speakers.

I was pleased that Senator Clifford Case, Congressmen Melvin Price, John Anderson, Manuel Lujan, and Frank Horton were able to attend and participate in this briefing session.

This afternoon at 2 p.m., the subcommittee will convene to hear testimony by the Honorable Russell Train, Administrator of the Environmental Protection Agency, concerning comments recently provided by his Agency to the Energy Research and Development Administration on the proposed final environmental impact statement on the liquid metal fast breeder reactor program. The Honorable Frank Zarb, Administrator of the Federal Energy Administration, will then present administration views on projections of electrical load growth and the prospective role of the liquid metal fast breeder reactor in meeting our future electrical energy needs.

PERSONAL EXPLANATION

Mr. METCALFE. Mr. Speaker, yesterday because of hearings by the Subcommittee on Transportation and Commerce, I was unable to reach the House floor in time to cast my vote on S. 1236, the Emergency Livestock Credit Act. I would have voted "aye" on the bill.

NATION'S FOOD STAMP PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the Nation's food stamp program is rapidly turning from a problem into an outrage.

An announcement this week by the Department of Agriculture shows just how bad it is getting, and how far we have moved down the road to a welfare state.

Effective July 1, the allotment for a family of four will be increased from $154 to $162 a month, and the maximum income eligibility level raised from $513 to $540 a month.

Let us put those figures in perspective. The current poverty guideline level is $420 a month gross income. But the food stamp eligibility level of $540 a month, net income, is equivalent to $765 a month, gross. Moreover, the Bureau of Labor Statistics Consumer Survey, updated just last week, indicates that an average U.S. family of four has a gross income of $985 a month, and spends $170 a month for food. This is only $8 more than USDA will be providing a food stamp recipient in July. In other words, we are moving closer and closer to making the average American a welfare recipient.

Over half of those eligible for food stamps are above the poverty level, clearly an indication that the current eligibility formula is defective.

Food stamps should help the needy. Instead, they are rapidly replacing currency as the medium of exchange for foodstuffs.

Such a situation is intolerable; it is destructive of economic stability and basic American values. Surely the time has come to reform this overgrown and unjust program. Surely the time has come to rethink its goals and performance, and put a stop to creeping food stampism.

LEGISLATION NEEDED TO COMBAT TORNADOES

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I am sure that all my colleagues were as saddened as I was to learn of the deaths, injuries, and destruction which occurred yesterday as more than a dozen tornadoes swept through eastern Nebraska. Three persons were killed and more than 100 injured just in Omaha. Scores of others were left homeless. Certainly, our hearts and prayers go out to these people.

The lesson we must learn from this tragedy is that, in spite of the tremendous strides which have been made in recent years, there is still a large degree of ignorance and helplessness associated with severe storms.

I believe we can change that. With even more sophisticated weather satellites and aircraft for storm prediction and improved communications systems for issuing warnings, we should be able to prevent more of the death and destruction wreaked by such storms. With increased understanding of weather phenomena, we may eventually be able to exert some control over them.

Earlier this spring with the support of 13 colleagues from every part of the Nation, I introduced a bill to step up our utilization of the advanced technologies and equipment of the National Aeronautics and Space Administration in severe storm research. I intend to reintroduce this legislation in the near future, and I urge the rest of you to join me in my efforts to prevent a repeat of yesterday's tragedy.

BUDGET BUSTER BIRD AWARDS COMING

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, next Tuesday, when the House votes on the override of the farm bill veto, will be an historic day. It will be one which deserves special recognition. In the past Members of Congress who have voted for fiscal prudence have received the Watchdog of the Treasury Award.

Because the vote Tuesday will be an historic first—the first test of the House's brandnew budget control resolution—I am hereby establishing a new award for those Members who help to override the veto and thus destroy budget control less than 2 weeks after the control resolution was approved by the House. This new award will be known as the Budget Buster Bird Award.

Each Member who votes to override the nonbudgeted farm bill will be given this new Budget Buster Bird Award.

But there will be special recognition within this select group. For example, each Member who votes to override after having voted against the farm bill on just one previous vote will receive the boll weavil cluster in recognition of the importance of the cotton lobby in the override operation.

Each Member who votes to override after having voted twice against the farm bill will receive double recognition—the boll weevil cluster, of course, and in addition the sour milk citation, this in recognition of the importance of the role of the well-financed milk lobby in this override operation.

Then there will be a special prize—the Budget Buster Bird Award with three clusters—the boll weevil, the sour milk citation, and the chicken pin. This combination will be reserved for those Members who voted against the bill on a previous occasion, but ducked out—did not vote at all—on the override motion.

AUTHORIZING THE CLERK TO MAKE CORRECTION IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 1236

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that the Clerk of the House of Representatives in the engrossment of the House amendment to S. 1236, to extend and amend the Emergency Livestock Credit Act of 1974 and section 316 of the Consolidated Farm and Rural Development Act, and for other purposes, is authorized and directed to make the correction described in the following sentence. In subsection (1)(h) of the House amendment, immediately after the word "by" in the first line, strike all that follows down through the word "language" and insert the following: "deleting the figure '$2,000,000,000' and inserting in lieu thereof '$1,000,000,000' and by adding the following language".

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is this a substantive change from what we discussed and passed yesterday?

Mr. BERGLAND. Mr. Speaker, if the gentleman will yield, it is not a substantive change.

Yesterday when the House was considering this bill, the amendment offered by the gentleman from New York (Mr. PEYSER) was accepted. It had the effect of reducing the lending authorization from the $2 billion authorized by current law to $1 billion. Subsequent to the accepting of that amendment, that section was amended again, with a substitute designed to clarify some points that needed to be dealt with; and inadvertently the Peyser amendment was deleted.

Mr. Speaker, the effect of this unanimous-consent request is to restore the Peyser amendment, as the House intended.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT SATURDAY, MAY 10, 1975, TO FILE A REPORT ON H.R. 6674

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have until midnight Saturday, May 10, 1975, to file its report on H.R. 6674, a bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

RESIGNATION FROM DISTRICT OF COLUMBIA LAW REVISION COMMISSION

The SPEAKER laid before the House the following resignation from the District of Columbia Law Revision Commission:

INTERNATIONAL JOINT COMMISSION,
UNITED STATES AND CANADA,
Washington, May 1, 1975.

The SPEAKER,
House of Representatives, The Capitol,
Washington, D.C.

DEAR MR. SPEAKER: I have heretofore been nominated and appointed to be a member of the District of Columbia Law Revision Commission by the Honorable John J. Rhodes, Minority Leader of the House of Representatives. I regret that I must at this time resign this appointment because of my new duties, and so I do hereby resign effective immediately.

Sincerely,

HENRY P. SMITH III.

The SPEAKER. Without objection the resignation will be accepted.

There was no objection.

APPOINTMENT AS MEMBER OF DISTRICT OF COLUMBIA LAW REVISION COMMISSION

Mr. RHODES. Mr. Speaker, pursuant to the provisions of section 2(a), Public Law 93-379, I have today appointed as a member of the District of Columbia Law Revision Commission the Honorable Stanford E. Parris, of Virginia, to fill the existing vacancy thereon.

PROVIDING FOR PRINTING OF ADDITIONAL COPIES OF "REPORT OF THE SPECIAL SUBCOMMITTEE ON THE MIDDLE EAST OF THE COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES," COMMITTEE PAPER NUMBERED 94-3

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 390, and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. COCHRAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 183]

Ambro
Anderson, Ill.
Brown, Ohio
Chisholm
Clay
Conlan
Conyers
de la Garza
Dellums
Derrick
Derwinski
Diggs
Dingell
Drinan
Eckhardt
Erlenborn
Fish
Ford, Mich.
Goldwater
Gonzalez
Hébert
Hinshaw
Holt
Kemp
Landrum
Lent
McCollister
Macdonald
Mink
Mollohan
Moorhead, Pa.
Mosher
Patman
Pritchard
Rangel
Rinaldo
Rosenthal
Roybal
Scheuer
Shriver
Smith, Iowa
Teague
Thompson
Van Deerlin
Waxman
Wilson, Charles H., Calif.
Wolff

The SPEAKER. On this rollcall 386 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR PRINTING OF ADDITIONAL COPIES OF "REPORT OF THE SPECIAL SUBCOMMITTEE ON THE MIDDLE EAST OF THE COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES," COMMITTEE PAPER NO. 94-3

The Clerk read the resolution, as follows:

H. RES. 390

Resolved, That there shall be printed for the use of the Committee on Armed Services of the House of Representatives one thousand additional copies of the "Report of the Special Subcommittee on the Middle East of the Committee on Armed Services, House of Representatives", it being Committee Paper Numbered 94-3 (Ninety-fourth Congress, first session).

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR PRINTING AS A HOUSE DOCUMENT A REVISED EDITION OF "HISTORY OF THE U.S. HOUSE OF REPRESENTATIVES"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution (H. Con. Res. 177) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 177

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document a revised edition of the publication entitled "History of the United States House of Representatives". The document shall be prepared under the supervision of the Joint Committee on Printing and shall be bound in such style as the Joint Committee on Printing shall direct.

SEC. 2. There shall be printed forty-five thousand additional copies of such House document for the use of the House of Representatives to be prorated for a period of sixty days, after which the unused balance shall revert to the Joint Committee on Printing.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF THE HEARING ON AMNESTY

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution (H. Con. Res. 178) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 178

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for use of the House Committee on the Judiciary one thousand five hundred copies of the committee hearing, "Amnesty", Ninety-third Congress.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF "INCOME SECURITY FOR AMERICANS: RECOMMENDATIONS OF THE PUBLIC WELFARE STUDY"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 16) and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 16

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Economic Committee three thousand additional copies of its joint committee print of the Ninety-third Congress, second session, entitled "Income Security for Americans: Recommendations of the Public Welfare Study".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF "FEDERAL SUBSIDY PROGRAMS"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 17) and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 17

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Economic Committee three thousand additional copies of its joint committee print of the Ninety-third Congress, second session, entitled "Federal Subsidy Programs".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF "THE CONGRESSIONAL PROGRAM OF ECONOMIC RECOVERY AND ENERGY SUFFICIENCY"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 23) and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 23

Resolved by the Senate (the House of Representatives concurring), That there shall be printed twenty thousand additional copies of the publication entitled "The Congressional Program of Economic Recovery and Energy Sufficiency", of which ten thousand copies shall be for the use of the Members of the Senate and ten thousand copies shall be for the use of the Members of the House of Representatives.

Mr. CLEVELAND. Mr. Speaker, on this resolution I have reservations, and I want to discuss this. I opposed this in committee, and I wish to oppose it on the floor.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, it is, of course, not my intention to take 1 hour to discuss the concurrent resolution. I would only call to the attention of the Members of the House that the report which is proposed to be printed under Senate Concurrent Resolution 23 is, I think, already known to most Members of the House.

It is entitled "The Congressional Program of Economic Recovery and Energy Sufficiency," and represents the combined reports of the committees appointed by the Speaker of the House and the majority leader of the Senate to draw up a congressional program of action in these two fields vital to our country.

So I hope very much that Members of the House will approve this concurrent resolution, for which there is a demand.

Mr. Speaker, I would yield to the gentleman from New Hampshire (Mr. CLEVELAND) for such observations as he may care to make.

Mr. CLEVELAND. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, my reason for opposing this resolution is that I feel the document entitled "The Congressional Program of Economic Recovery and Energy Sufficiency" is essentially a political document, although it purports on its face to represent a congressional policy. Indeed, the gentleman from Indiana has already spoken of this document being reported from committees appointed by the majority leader of the Senate and the Speaker of the House. These committees were composed entirely of members of the Democratic party. There was no opportunity for Republican Members to participate in deliberations or to file with this report either supplemental views or minority views.

I would further point out, Mr. Speaker, that this document is now sadly out of date. It bears the date of February 1975. It purports to describe to the general public a congressional program, and since that time, Mr. Speaker, I think it is common knowledge that there have been a good many so-called congressional programs with a regrettable lack of action on most of them.

Mr. Speaker, the economic recovery and energy sufficiency problems facing this country are enormous, but in the House at least the jurisdiction is divided between the Committee on Ways and Means, the Committee on Interstate and Foreign Commerce, the Committee on Banking, Currency and Housing, my own Committee on Public Works, and Transportation to mention a few. I think it is very misleading to purport to have a document such as this, which presents a congressional program for economic recovery and energy sufficiency, at a time when indeed there is no such program. The committees of the House are addressing these various problems in different ways and eventually they will bring proposals to the floor of this House for debate and discussion concerning aspects of the problems they have in their jurisdiction.

Mr. Speaker, I think we would be doing a disservice to the House to start printing what is essentially a political document with public funds. I think that if this document is something that the gentleman from Indiana (Mr. BRADEMAS) feels should have wide distribution, then the funding of the printing should be obtained from some other sources.

Mr. Speaker, this is why I strongly objected in committee, and it is why I am constrained to object on the floor of the House to using public money to publish this document.

Mr. BRADEMAS. Mr. Speaker, I appreciate the observations of my friend from New Hampshire (Mr. CLEVELAND).

What I want to ask my friend from New Hampshire is if he would not agree that nearly every point he has made could with equal force be made with respect to the printing by the House of Representatives of the President's state of the Union message.

I am not aware that Members of the House of Representatives or Members of the U.S. Senate of the majority party are invited to participate in the writing of the President's state of the Union message.

I am also very sure of my ground in asserting that the state of the Union message delivered by a President can be described, in most instances, as an essentially political document. Yet we do not hesitate to print speeches made by the President of the United States in this Chamber within a few weeks after their having been given.

Regarding the further criticism that the gentleman has made, namely, that the report proposed to be printed is out of date, I dare say that President Ford's state of the Union message is in many respects already out of date. But I would not object on those grounds to a request, if there were sufficient support for it, for a printing of additional copies of a state of the Union message.

Mr. Speaker, I therefore suggest to the gentleman that if he wants to start establishing a precedent using the kinds of arguments that he has used, he is on very shaky ground because we may then have to question the authorization by Congress of the printing of a lot of other documents that are requested to be printed by the executive branch of the Government, in the writing of which Members of Congress of the majority party here have had no participation.

So I think the logic of the gentleman's criticism is, in the American constitutional system, where we have a separation of powers, very ill-advised.

I would further observe to my friend from New Hampshire that this document does not pretend to be a program representing all of the views of all of the Members of Congress of the United States.

So I hope very much, Mr. Speaker, that the gentleman will not put some of us in the position where we would have to look with jaundiced eyes on proposals to print documents that objective people might agree are essentially political in nature but happen to be produced by the executive branch of the Government of the United States.

Mr. CLEVELAND. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to my friend from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. I thank the gentleman for yielding.

I do think that to compare this document, which is entitled "The Congressional Program," and therefore purports to speak for all of Congress, is not the same as the state of the Union message required by the Constitution which the President may come into the well of this House to deliver.

Everybody knows that it is the President who gives it. The television records this for the entire country, and indeed, following the President's delivery of the state of the Union message, as the gentleman knows, the television commentators start commenting on it. It is a very a public document. However, here is a document that purports to speak for Congress. There is no opportunity for minority views. There is no opportunity for supplemental views, and I just think that it is unwise for us to get into the position of publishing what one has to confess is essentially a political document because it represents only Democratic Members of the Senate and the House, if indeed it does even that.

Mr. BRADEMAS. Mr. Speaker, is my friend, the gentleman from New Hampshire, going to stand on the floor of this House and tell us seriously that a state of the Union message by a President who, in our system, is the leader of his party is not essentially a political document? Yet the President's state of the Union messages are printed by Congress and I do not at all object to that.

I suggest to the gentleman that the printing of this particular document—which certains congressional views—symbolizes, in part, a redress of an imbalance in our constitutional system because the Congress and Members of Congress are also responsible, under the Constitution, for writing laws.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding.

I would like to back up the statement of the gentleman from New Hampshire (Mr. CLEVELAND).

What the distinguished gentleman from Indiana (Mr. BRADEMAS) is really guilty of is deceptive packaging. Perhaps he ought to stamp across the face of this document, "Reading this Democrat propaganda is likely to be dangerous to your health or sanity."

Mr. BRADEMAS. Is the gentleman from Minnesota describing a state of the Union message?

Mr. FRENZEL. If the gentleman will yield further, I was going to say that what he is doing is clothing a partisan document, which was constructed in secrecy, without the normal hearings we are used to in the House, and without the participation of the minority, in congressional guise by putting on the front of it that it is a congressional program. That is just plain, downright misleading.

Mr. BRADEMAS. Mr. Speaker, is the gentleman from Minnesota (Mr. FRENZEL) seriously suggesting that a state of the Union message is composed out in the open, with an opportunity for all to participate?

The gentleman knows that that is, of course, not the case.

Mr. FRENZEL. Mr. Speaker, the gentleman is dealing in irrelevancies. We are not discussing the constitutional mandated state of the Union address. We are talking about a program that the gentleman is trying to print in the name of the Congress and which was not a creation of the Congress.

If the gentleman's party wants to take the responsibility for publishing this, it has all the votes it needs to publish it. But the gentleman from New Hampshire (Mr. CLEVELAND) and I are not going to vote for it and to help the gentleman perpetrate this fraud. We also want the public to know that there is an attempt to mislead us.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BRADEMAS. Mr. Speaker, I might just say that I think perhaps the problem on the other side may be that Members there do not have a program of economic recovery and energy sufficiency.

Mr. ESCH. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Michigan.

Mr. ESCH. Mr. Speaker, I believe that it is in our interest, as one who supports the independent judgment of Congress, that, indeed, the Congress ought to try to develop its own program.

However, Mr. Speaker, I think the difference, between the President's addressing us and this program is that the President represents one individual or one monolithic entity, whereas, in the case of the Congress, traditionally and historically the rights of the minority have always been protected. We are not a monolithic body. We are diversified. Therefore, in order to bring about equity of discussion and dialog, certainly any publication such as this should, in normal course, allow for the divergence of views as expressed by the various groups in Congress.

Consequently, I do not object in any way if the Congress publishes its own programs, but I would suggest to the gentleman from Indiana that from the standpoint of protection of minority's rights and views, that it would be in the interest of this Congress to allow diversified views to be printed. In fact, the minority was not represented in the development of this so-called national policy, and any publication should recognize that fact.

Mr. BRADEMAS. Mr. Speaker, I appreciate the gentleman's observations, but not very much.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman for yielding.

I think the gentleman from Michigan (Mr. ESCH) is making a point here, and I do not know how much of a point it is but, frankly, as a Member of the Democratic side of the aisle, I personally would prefer to have it called the congressional majority program because then we on the majority side will get credit for it to the extent that it has merit, and I think it has merit. But the fact is that it has already been labeled congressional program, and so if we printed it with some other title on it, we would not be reprinting what has already been printed before.

Mr. BRADEMAS. If I may say to my friend, the gentleman from Ohio, I think his is a constructive suggestion, but I am also constrained to point out that our Subcommittee on Printing, as I am sure the gentleman from New Hampshire would agree, does not assume responsibility for developing the format of the documents which come before us with resolutions calling for more copies to be printed.

Mr. MYERS of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Speaker, in other words is it the opinion of the gentleman from Indiana that if the minority were to come up next week with their own program, printed it in a red cover and called it the congressional economic recovery program, the gentleman from Indiana would support that printing?

Mr. BRADEMAS. I would certainly be glad to give it some consideration, the consideration that it deserves.

Mr. SEIBERLING. If the gentleman will yield still further, I might add that what the gentleman from Pennsylvania just suggested would be misleading, because everybody knows that the majority party, not the minority party, is supposed to rule in the Congress. If the congressional majority puts out their own program, then it can fairly be called a congressional program. Of course, since the program has not been adopted as yet by the Congress it obviously is not the final program, but it is a program of the majority. The gentleman can rest assured that any Member who issues this will be very careful to have the people who are getting it from him know that this is a Democratic Party program.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I do not want to depart too far from the high constitutional plane on which we have embarked, but I would point out that when this resolution first came up on March 25, I observed that I had contacted the Government Printing Office and found that there had already been some $3,452.30 spent for the printing of 3,000 copies of this particular report. I wonder if the gentleman from Indiana can tell us by what authority those moneys were used to have this printed without prior authorization by the Congress?

Mr. BRADEMAS. I am not aware of the answer to that question because that was not a matter which came before the Subcommittee on Printing.

Mr. BAUMAN. But it is within the jurisdiction of the Subcommittee on Printing?

Mr. BRADEMAS. The resolution presently under consideration is within the jurisdiction of the subcommittee.

Mr. BAUMAN. But the gentleman from Indiana does not know who authorized the printing?

Mr. BRADEMAS. I do not know the answer to that question, for it is not one within the jurisdiction of the Subcommittee on Printing.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I appreciate the gentleman from Indiana yielding to me for a moment.

I would like to say to my friends of the minority who are questioning this expenditure that for the past year the Nation's citizens have been subjected to quite a debate between the executive branch, the President, who has been advancing his own program, on energy known as Project Independence, and on energy conservation and on the economy in general.

The President has been asking for a congressional program, he has complained that the Congress has not acted as it has been asked to do. He did not complain about the Democrats as such, he cites Congress.

Now Congress has come up with an answer, it is squarely in the realm of public debate and discussion, and consequently it ought to be placed in printed form.

Of course there are obviously political overtones to everything we do in the Congress. We cannot begin our day's work in this body without obvious political overtones, our opening prayer generally excluded.

We often ask unanimous consent of the Members that certain material be included in the RECORD, notwithstanding certain costs, so that political material and dialog may ensue. All of it is subject also to a similar objection that the gentleman makes. But we cannot work in a vacuum.

The Congress is controlled by majority rule, and if the leader of the other body presents us with a resolution that is appropriate, I think as a matter of comity, there should be acceptance of a publication of this kind for printing.

I thank the gentleman.

Mr. BRADEMAS. I thank the gentleman from Wyoming.

I have no further observations to make, Mr. Speaker, other than to urge Members of the House on both sides of the aisle to give their support to the resolution under consideration.

MOTION TO RECOMMIT WITH INSTRUCTIONS OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion to recommit with instructions.

The Clerk read as follows:

Mr. BAUMAN moves to recommit Senate Concurrent Resolution 23 to the Committee on House Administration with instructions to report the resolution back forthwith with the following amendment: Page 1, line 3 and 4 strike the word "Congressional" and insert in lieu thereof the word "Democrat".

The SPEAKER pro tempore. Is the gentleman opposed to the Senate concurrent resolution?

Mr. BAUMAN. I am, Mr. Speaker, in its present form or in any other form.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BAUMAN. Am I not permitted time to discuss the motion?

The SPEAKER pro tempore. I would inform the gentleman from Maryland that it is not a debatable motion on a concurrent resolution.

Mr. BAUMAN. I am relieved. I thank the Speaker.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 133, nays 264, not voting 36, as follows:

[Roll No. 184]

YEAS—133

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Biester
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Coughlin
Crane
Daniel, Robert W., Jr.
Devine
Dickinson
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
Esch
Eshleman
Fenwick
Findley
Fish
Forsythe
Frenzel
Frey
Gilman
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hastings
Heckler, Mass.
Heinz
Hillis
Horton
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lott
Lujan
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Myers, Ind.
Myers, Pa.
Pettis
Peyser
Pressler
Quie
Quillen
Railsback
Regula
Rhodes
Robinson
Rousselot
Ruppe
Sarasin
Schneebeli
Schulze
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Walsh
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NAYS—264

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Green
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Randall
Rees
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—36

Ambro
Burton, John
Chappell
Conlan
de la Garza
Diggs
Erlenborn
Evans, Ind.
Ford, Mich.
Fountain
Goldwater
Gonzalez
Hicks
Hinshaw
Holt
Landrum
Leggett
Lent
Long, Md.
McCollister
McCormack
Madigan
Meeds
Mink
Mollohan
Moorhead, Calif.
Mosher
Pritchard
Rangel
Rinaldo
Roybal
Shipley
Shriver
Smith, Iowa
Sullivan
Van Deerlin

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McFALL). The question is on the Senate concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CLEVELAND. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 262, noes 138, not voting 33, as follows:

[Roll No. 185]

AYES—262

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Cotter
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Green
Haley
Hall
Hamilton
Hanley
Hannaford
Harrington
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Koch
Krebs
Krueger
LaFalce
Lehman
Levitas
Litton
Lloyd, Tenn.
Long, La.
Long, Md.
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moffett
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Randall
Rees
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler

Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—138

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bell
Biester
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Coughlin
Crane
D'Amours
Daniel, Robert W., Jr.
Devine
Dickinson
Duncan, Tenn.
du Pont
Edgar
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Forsythe
Frey
Gilman
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hastings
Heckler, Mass.
Heinz
Hillis
Horton
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Kasten
Kelly
Kemp
Ketchum
Keys
Kindness
Lagomarsino
Latta
Lloyd, Calif.
Lott
Lujan
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Myers, Ind.
Myers, Pa.
Pettis
Peyser
Pressler
Quie
Quillen
Railsback
Regula
Rhodes
Robinson
Rousselot
Ruppe
Sarasin
Schneebeli
Schulze
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Walsh
Wampler
Whalen
Whitehurst
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—33

Ambro
Beard, R.I.
Burton, John
Chappell
Conlan
de la Garza
Diggs
Ford, Mich.
Frenzel
Goldwater
Gonzalez
Harkin
Harris
Hinshaw
Holt
Jenrette
Landrum
Leggett
Lent
McCollister
Mink
Moakley
Mollohan
Moorhead, Calif.
Mosher
Pritchard
Rangel
Rinaldo
Roybal
Shriver
Stuckey
Van Deerlin
Wiggins

So the Senate concurrent resolution was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING AS A SENATE DOCUMENT OF THE PRAYERS OFFERED BY THE CHAPLAIN OF THE SENATE, THE REVEREND EDWARD L. R. ELSON, S.T.D., DURING THE 93D CONGRESS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration I call up the Senate concurrent resolution, (S. Con. Res. 31), and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 31

Resolved by the Senate (the House of Representatives concurring), That there be printed with an illustration as a Senate document, the prayers by the Reverend Edward L. R. Elson, S.T.D., the Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Ninety-third Congress, together with any other prayers offered by him during that period in his official capacity as Chaplain of the Senate; and that there be printed two thousand additional copies of such document, of which one thousand and thirty would be for the use of the Senate and nine hundred and seventy would be for the use of the Joint Committee on Printing.

SEC. 2. The copy for the document authorized in section 1 shall be prepared under the direction of the Joint Committee on Printing.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several resolutions just agreed to.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONFERENCE REPORT ON H.R. 25, SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975

Mr. UDALL. Mr. Speaker, I call up the conference report on the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 5, 1975.)

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the joint statement of the committee of conference.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Alaska?

There was no objection.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona (Mr. UDALL) is recognized.

Mr. UDALL. I yield myself such time as I may consume.

Mr. Speaker, we bring here today to the House Chamber an old friend, the strip mining, surface mining legislation. This will not be the last time, if the script goes as now indicated. We will be back here in a couple of weeks confronted with another Presidential veto, and the House will have a chance at long last to say whether we will write something on the law books or whether we will continue to struggle with this most difficult and crucial national problem.

This bill passed 333 to 86 here in the House in March. We had a lengthy conference with the other body. We bring back today a very similar measure. It is a measure which is very similar also to the one which the House of Representatives and the Congress passed last December and which was pocket-vetoed by the President.

There has been a flood of propaganda and Dear Colleague letters concerning this legislation in the last few days, and I must confess that I am troubled and puzzled and, indeed, a little bit amused by the unholy alliance among a few strong opponents of any surface mining whatever, who now oppose the conference report on the ground that it is too weak, that it is a toothless bill, that the House conferees gave way too much in conference; and on the other hand the same old tired arguments in opposition from the National Coal Association and from those retrogressive elements in an industry who want to keep on strip mining in the same old way. In a sense both of these arguments are right. This bill is too strong for those who want to continue to mine in the same way.

We have a very good exhibit showing what is going on down in southern Virginia right now. It is too strong for those who want to continue the same kind of efforts that have devastated so much land in this country and, yes, in a sense the bill is too weak for those who want to prohibit all surface mining of coal even in instances where the land can be restored, because this is not a prohibition bill. The fact is that this is a bill which will do two central things. It will end the shameful practices of the past which have destroyed and devastated millions of acres of land in this country; and, second, it will enable the coal industry to get on with the job of getting more coal.

We need more coal, and we should double the production of coal in the next decade, and we will double the production of coal in the next decade if we can get some certainty in this legislation into the industry so that the capital investments can be made and the new mines can be opened.

We have over here—and I hope during the course of the debate my colleagues will have a chance to see it—a display showing what has been done wrong in the past, a display showing what has been done under similar legislation in Pennsylvania, and this should prove beyond a doubt that coal can be mined through surface-mining techniques and the land restored, even on steep slopes of the kind the Members will hear about here this afternoon.

We have here an ad from Coal Age magazine by the Caterpillar Co. in which they tell industry they can mine coal and restore the land using different techniques but using the same equipment that is now available, that is available today.

So I think the time has come to get this bill written on the statute books of this country. It will help provide jobs. It will help bring down the price of coal which has been such a key element in the big increase in the utility bills for residential customers. It will help lessen our dependence on foreign oil and it will help our balance of payments. It will help us do the job of restoring and reclaiming land in this country which has been devastated by past practices.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the chairman of the Interior and Insular Affairs Committee, the gentleman from Florida (Mr. HALEY).

Mr. HALEY. Mr. Speaker, I thank the gentleman for yielding. I call the attention of the gentleman to the fact that in addition to what the gentleman has outlined on this bill, we are also going to try to restore the land and put it back in a situation where in the future it will be beneficial to generations to come. I think that is something we had better look to because, as the gentleman has called attention to, we have the strip mining practices which have raped the land, so to speak. We want to require the mining operators do something to put that land back into a condition where it can be used.

Mr. UDALL. I thank the gentleman.

Before we close I want to quote two witnesses. One is Rogers C. B. Morton, formerly Secretary of the Interior and now Secretary of Commerce. Members have been hearing this afternoon that the passage of this legislation will cause a loss in employment. Secretary Morton on February 18 at a hearing in our committee—and the bill has not been changed essentially since then—said:

> There will be a net gain in employment because of the passage of this bill since reclamation is going to require capital investment, it is going to require a work force, and so we should have a net gain in employment.

The second witness is the new Secretary-designate of the Interior, Governor Hathaway of Wyoming, and he has been having some trouble over in another legislative body about confirmation. I do not know what pressures he is under at this time, but as reported in today's New York Times issue he was asked about the strip mining legislation passed yesterday by the Senate, and I quote from the article:

> Governor Hathaway said that he thought it was administratively workable and that he approved the provisions for mandatory reclamation of stripped land and the regulatory authority given to the States.

Mr. Speaker, we have been here before.

In the past year, I have stood before this body four times urging action on strip mining legislation. Each time a considerable majority of the Members of this House have responded affirmatively.

Yet we have no law. The blame for that disgrace must be placed on the President who vetoed the bill of the last Congress at the urging of the energy industry lobbyists. But the Congress went back to work and to its credit, it has acted thoughtfully and expeditiously. Again, the House has an opportunity to affirm its commitment to tough but workable strip mining legislation, and I have no doubt that such a commitment will be forthcoming.

We took a strong bill to conference, and the conferees have returned with legislation that substantially conforms with the will of the House. The conference report retains the critical environmental safeguards and procedures of the House bill, a number of the House amendments that strengthen the bill, as well as some new language that resulted from the necessity to reach a common ground with the Senate. While all of the decisions reached by the Conferees were not entirely consistent with my own preferences, I believe that, on balance, the conference report is a remarkably good piece of work and certainly deserves speedy enactment.

For the vast majority of the Members of this House, and for the people of the country, the legislation is on track. We have reached the goal of fashioning workable regulation that eliminates the abuses of strip mining while allowing the production of needed coal. This is not an easy goal, but a review of the conference report will reveal that it has been attained.

The basic environmental standards and the regulatory scheme of the bill vetoed by the President in 1974 have been retained in the conference report.

First. Environmental standards. In general, the conference report requires that the mined area must be returned to a condition that is fully capable of supporting premining uses or higher or better uses. This is accomplished through implementation of these key environmental performance standards:

At the outset, topsoil must be separately removed and preserved for later replacement;

Following the extraction of the coal, the lands must be returned to their "approximate original contour"—there is a limited variance from the approximate original contour provision where the operator demonstrates that the variance is necessary to achieve planned industrial, commercial public facility or residential development.

The topsoil is to be replaced on the mined area and the operator must reestablish vegetation comparable to that which existed prior to mining;

There are a number of provisions for the preservation of the quality and quantity of affected water resources; and

A number of other environmental performance standards must be met, including standards designed to insure the safe construction of waste impoundments.

Second. Application procedures. The operator will be required to submit a detailed permit application and a mining and reclamation plan which will set forth the specifics of his proposed operation and other information to allow the regulatory authority to determine if he is in compliance with the act. The operator will be required to post a bond in an amount sufficient to complete reclamation should the operator default. The entire bond will not be released until all the requirements of the act are met, including the elimination of increased siltation and successful revegetation—unaugmented vegetative cover under the act's requirements for a period of 5 years, or 10 years in dry areas.

Third. Citizen involvement. The bill provides for full citizen access at all stages of the act's implementation, including a variety of regulations, approval or disapproval of the State program, Federal enforcement, approval or disapproval of mining permit and bond release.

Fourth. Phase-in of new regulatory program. The key environmental performance standards will become applicable to all surface coal mining operations within 135 days after enactment—approximate original contour, topsoil preservation and replacement, hydrologic protection, impoundment construction requirements, and revegetation. Note that the specific requirements applicable to steep slope mining—spoil may not be placed on the downslope and highwalls must be eliminated—also come into effect within 135 days.

While both the House and the Senate bills were identical upon introduction, various amendments were made to each during committee and floor action. The following are decisions made by the conferees. All of these amendments represent the decision to adopt the stronger position from an environmental standpoint:

First. The House bill was amended to provide that the Director of the Office to enforce the act in the Department of Interior would report to the Assistant Secretary for Land and Water Resources and would be compensated at a level IV. This amendment is intended to insulate the enforcement office from other bureaus and agencies of the Department which have a minerals development mission. The conferees modified this amendment by providing that the Director would report directly to the Secretary, but that he would be compensated at the level IV instead of the lower level V provided by the vetoed bill and the Senate amendment.

Second. The House bill included two conflict-of-interest amendments that barred the holding of an interest in coal mining operations other than the total of a hundred shares of stock of a company with such interests. The Senate bill had no such provision. The conferees dropped the hundred-share exception and adopted the House provision.

Third. The vetoed bill and Senate bill provided for a fee of 35 cents a ton on strip mined coal and 25 cents a ton on deep mined coal. The House bill was amended to impose only a 10 cents per ton fee on coal from underground mines. This was done to encourage deep mining which must carry the economic burden of compliance with the Coal Mine Health and Safety Act. The conference adopted a fee of 15 cents on deep-mined coal.

Fourth. The House amended the section dealing with the use of the fund referred to in the above paragraph, which was, in general, limited to purposes of reclaiming abandoned coal mined lands and providing for the development of public facilities needed in areas experiencing rapid development attendant to increased coal production. The House amendment opened the purposes of the fund to aid all areas experiencing development of their "energy resources." This would have the effect of depleting the amounts available for the primary goal of reclaiming orphan mined lands. The conferees rejected the House amendment.

Fifth. The vetoed bill provided that the permit would lapse 3 years after its issuance if development of the mine had not commenced. This is a significant provision as there are vast amounts of coal currently under Federal lease that are not being developed to meet the Nation's energy needs. This increases the pressure for additional leasing. The 3-year cutoff could have been a problem, however, for the development of synthetic fuel plants, for such a plant to obtain financing there would have to be an assured supply of coal; that is, a permit would have to have been issued, but the actual construction of the plant would not be completed for a number of years and thus the coal operation would not have commenced within 3 years. The Senate adopted language that would have simply allowed the waiver of the 3-year requirement while the House limited such waiver specifically to the situation where a synthetic fuel is contemplated. The conferees adopted the House provision.

Sixth. The vetoed bill and the Senate amendment included a provision that could have been a substantial loophole to the revegetation requirements where previously mined and unreclaimed land is to be remined. This was not included in the House bill, and this loophole was dropped by the conferees.

Seventh. Both the House and Senate bills were amended to include a new provision that required the replacement of the water supply of an owner whose supply had been affected or interrupted by mining. The Senate amendment, however, precluded such replacement for water from a "subterranean stream channel" and did not include surface sources. The House bill provided the protection for both all underground and surface sources. The conferees adopted the House provision.

Eighth. Both the vetoed bill and the House bill provided for the preservation of the important functions of alluvial valley floors in the West. The Senate bill was amended to provide that such areas must be protected only "to the maximum extent possible" using the "best available technology." As the issue presented here is whether such technology currently exists, the Senate provision was a substantial weakening of the bill. The conferees adopted a House approach and approved language that is more specific thus generally improving the standard. Also relevant to this issue is treatment of a ban on mining of certain alluvial valley floors which I will discuss later.

Ninth. The vetoed bill and the Senate amendment provided that where practices of an operation could result in significant environmental harm, the inspector is to issue an immediate cessation order. The House adopted an amendment that provided that where the significant environmental harm could be repaired, an immediate cessation order would not be issued. This substantially weakened the mandatory provision. The conferees dropped the House amendment.

Tenth. The House bill did not provide for control waste impoundments associated with deep coal mining during the interim period. The Senate version controlled all impoundments from the outset. As the hazards involved in unsafe waste impoundments are the same whether they are associated with deep or underground mines, the conference chose the Senate approach.

Eleventh. The House bill could have resulted in not requiring compliance with the full terms of the act until 40 months or more after enactment. The conferees adopted the Senate approach which provides that the State program, or a Federal program if the State program is not approved, must be in place by 30 months after the date of enactment.

The conferees also took the following actions which, while receding from the House position, did not, in my view, substantially interfere with the integrity of the bill:

First. Citizen suits. The charge is made that citizens suffered a serious loss when the conferees adopted the modified Senate version of the citizen suit section.

Nothing could be more inaccurate.

Under the adopted version, citizens may sue the operator who is in violation of his permit, any rule, regulation, or order of the regulatory authority. Moreover, citizens may sue the State or the Secretary for violation of its own regulations or violations of the act. This makes administrative sense.

It means that an operator can have the assurance of the validity of his permit—assuming that it was issued in accordance with the act—and thus there is some finality in the administrative process. This is nothing more than normal administrative procedure, and it makes sense. Under the House version there was an argument that the permit would always be up for grabs as the operator could have been sued for direct violations of the act.

The point of fact, the same result probably would have been obtained under the House language as the permit would have carried with it the normal presumption of validity. So nothing was really lost in adopting more rational legislative language and arguments that the citizen suit provision was somehow weakened are grossly exaggerated.

Of course, the plaintiff may bring an action against the regulatory authority if the regulations are not in compliance with the act and, again, this is standard procedure.

Second. Alluvial valley floors. The vetoed bill provided that a mining application was to be denied if the proposed operation would have a substantially adverse effect on alluvial valley floors where farming can be practiced or where such valley floors are significant to present or potential farming or ranching operations.

The House adopted an amendment that banned mining within such alluvial valley floors.

The Senate modified the limited prohibition of the vetoed bill and, essentially weakened it.

The conferees rejected the House's stronger ban language and wrote a new version that prohibits mining on such alluvial valley floors which are important for agricultural uses, and potential agricultural uses, but this "ban" is alleged to be more limited than the vetoed version—in fact, it probably is not.

Environmentalists would like to avoid any necessity to litigate the issue and therefore support the House approved "ban" language.

Third. The House bill contains certain procedural mechanisms for the protection of water rights. The conferees rejected this language as it could possibly interfere or modify well developed State law on the subject of water rights and was viewed as unnecessary.

Fourth. While both the House and Senate bills prohibit the placing of overburden on the downslope on a mountain mining operation because such placement generally results in landslides and siltation problems, the vetoed bill and the Senate version as approved on the floor, allowed the placing of the "first cut"; that is, the material removed initially to obtain access to the coal seam, on the downslope if material is stabilized to prevent landslides. The House adopted an amendment that provided that such material could be placed on the downslope but only temporarily and that it would have to be picked up and removed. The conferees returned to the vetoed version.

As production loss has also been a factor in this debate, I would like to add these comments.

The administration has played a shabby numbers game asserting coal production losses resulting from the enactment of this bill which upon examination appear to be nothing more than smoke. Only twice has the Department furnished the committee with backup data on these estimates and in both instances the data and analysis have been totally flawed.

The first set of figures provided in May of 1974 on production losses associated with H.R. 11500 showed an immediate loss of 31 to 187 million tons per year. An analysis of the data of these estimates revealed: First, a spread in range in each set of estimates indicating enormous uncertainty on the part of analysts; second, misinterpretation of provisions in the legislation accounting for more than 60 percent of these losses; third, double counting; fourth, no recognition that operations can shift geographically; and fifth, no consideration of potential increases in coal production due to certainty about environmental standards.

Over 55 percent or 106 million tons of the losses identified above were due to provisions relating to subsidence impacts of underground mines—provisions in the bill that did not go into effect for more than 2 years after enactment. Further, the study noted that the subsidence provision should not have any loss with it, since the principal method of subsidence control is to leave more coal underground for support and this would not reduce coal production, but only the amount of coal recovered from the deposit. However, the administration chose to count this coal left in place as a production loss. Under this logic, every underground mining operation in the world has production losses due to coal left in place for roof stability and control.

Current estimates of coal production losses advanced by Mr. Zarb on H.R. 25 indicate a range of 62 to 162 million tons per year. Of this total, 66 million tons, or over 40 percent are predicated on losses due to coal production from mining operations located within alluvial valley floors in the West.

On March 14, the Department of Interior personnel, including professional members from the U.S. Geological Survey, Bureau of Mines, and the Secretary's office, admitted that the interpretation of the geographic extent of the definition of alluvial valley floors on which this data is based was "unreasonable" and made without reference or knowledge of the legislative history of the provisions. The USGS personnel who prepared the basic data on the extent of alluvial valley floors in the West admitted that he did not read the committee report dealing with this provision.

Yet, we find the Department and the administration still use this data for their assessments. A mine-by-mine analysis supporting this provision shows virtually every surface mining operation in the West located on alluvial valley floors. In fact, it is exactly the opposite. According to the best estimates of USGS field personnel in the Denver office, there are only approximately four mines presently located in alluvial valley floors and only two of these are producing significant amounts of coal. The total production from these four mines is about 10 million tons a year.

The above data in Mr. Zarb's letter also includes double counting and the assumption that operators would rather go out of business than meet economically feasible environmental standards in the Appalachian coal fields.

The SPEAKER pro tempore. The gentleman from Arizona (Mr. STEIGER) is recognized for 30 minutes.

Mr. STEIGER of Arizona. I yield 5 minutes to the gentleman from Michigan (Mr. RUPPE), the ranking minority but misguided member of our subcommittee.

Mr. RUPPE. Mr. Speaker, throughout the House's debate and deliberations on H.R. 25 we have heard the word "compromise" used repeatedly. I personally feel that we do an injustice to this legislation by continuing to refer to it in such a manner. Rather, what I think the Congress has done is to realize two things: First, that this country depends on coal for a great deal of its energy needs; and second, that uncontrolled strip mining has in the past left thousands upon thousands of acres of land in a useless and disastrous condition. We have interrelated the issues into one piece of legislation, but we have not compromised our dedication to preserving our environment and we have not compromised our responsibilities to this Nation to insure that we have adequate energy resources. Quite the opposite, we have effectively said that our concerns about the environment and our concerns about energy can coexist, that one does not preclude the other, and that both can be dealt with in a single piece of legislation. This is not compromise, for that word connotes, at least to me, a surrender of principle, and I sincerely feel that we have been true to our principles and true to our responsibilities.

The conference committee did make some modifications of the House-passed bill, and I would like to take a couple of minutes to key in on two of them.

Perhaps the most controversial change we made was in the section dealing with alluvial valley floors. The House passed an amendment which provided for a total ban on surface mining on these valley floors west of the 100th meridian west longitude. In my opinion this was a mistake—it was overkill. I am well aware of the importance of the alluvial valley floors in the West, those unconsolidated deposits, formed by streams where the ground water level is so near the surface that it directly supports extensive vegetation. In many cases they are the only natural irrigation for haylands and croplands which are essential to farming and ranching operations in the West. If the essential functions of these floors were disturbed, these farming and ranching operations could be seriously affected. The conference committee went to the heart of the matter. We agreed on a provision specifying that a permit should not be approved if the proposed mining operation would have a substantial adverse effect on alluvial valley floors in those areas where farming can be practiced in the form of irrigated or naturally subirrigated hay meadows or other crop lands where the alluvial valley floors are significant to the practice of farming and ranching operations. We specifically included "potential" farming or ranching operations as well, not just those presently in existence.

Now, this is what we should have been doing all along. Our efforts should have been directed toward protecting the productive capacity of the lands lying over the alluvial valley floors. An outright ban was the wrong approach. However, I would say to those who favored the ban, I think the inclusion of potential ranching or farming operations will insure that the productive capacity of all lands overlying the valley floors will be carefully studied before a mining permit would be issued.

The conference also perfected the provision dealing with citizen suits. Very few, I am sure, would question the premise that an operator should be held accountable for violations of his permit or the regulations specifically applicable to him. However, under the House passed version, the operator could have been subject to a citizen suit based on an erroneous interpretation of the law by the regulatory authority. This was a mistake on our part. When an operator is issued a permit, he should be able to assume that it was processed and issued in accordance with congressional mandates. However, if that was not the case, a suit should lie against the regulatory authority, the body that committed the error. The conference agreed that we should not hold an operator, who in good faith is complying with the terms of his permit, accountable for the mistakes of others.

These are just two of the changes that the conferees agreed upon, but they are important in that they address two major objections which had been previously voiced by the administration. President Ford, in a letter dated February 6, 1975, outlined eight critical differences between the administration's version and the bill passed, and vetoed, in the 93d Congress. Of these eight differences, the conference committee has in six cases accepted the viewpoint expressed or modified the language of applicable sections to deal with their concerns. Besides alluvial valley floors and citizen suits, the other four are stream siltation, the abandoned land reclamation fund, impoundments, and the special unemployment provisions.

The conference did not modify the ban on mining in national forests, as the administration requested. But I think it should be pointed out, that the administration has said over and over again that they do not intend to issue any leases for mining in the national forests, so some of us were somewhat puzzled by their insistence on the point. Also, it should be noted that the amount of reserves in the forest is about 7 billion tons, six of which are in the Custer National Forest in Montana. Standing by itself, 7 billion tons is no small amount, but in comparison to a total reserve base of 434 billion tons, 137 of which is strippable, we can see that in relative terms, we are not talking about a considerable amount of this Nation's coal.

The administration also asked that the bill include explicit authority for the Secretary of Interior to define ambiguous terms. Both the House and the Senate rejected this request. First of all, I believe the Secretary, through his general rulemaking authority, already may define terms. And second, we feared that this provision would force courts to give unusual weight to the Secretary's interpretations, perhaps even more than that which would be given to the legislative history developed in the Congress.

But, I would say that the administration has provided valuable input into this legislative process. Many of their thoughts and objections have been valid and insightful, and incorporated into the bill. I would hope that the President would sign it: Six out of eight is a pretty good track record. The bill will not place unnecessary burdens on the mining industry, it should not take out of production needed coal, and it should not have a significant impact on this Nation's utilities bills. Rather, H.R. 25 will stabilize the mining industry and will provide needed environmental protection.

I would hope we have produced a bill which the President will have no difficulty in signing. But that is getting ahead of ourselves. For the present, I urge the House to adopt this conference report. The nightmare of uncontrolled strip mining of coal must stop, and this legislation is an effective tool for accomplishing that end.

Mr. UDALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I support the conference report. I commend the committee for including the amendments I put in with respect to conflicts.

Mr. Speaker, I want to take this opportunity to comment on several provisions in the Conference Report on H.R. 25, Surface Mining and Reclamation Act of 1975.

First. The conferees accepted section 201(e) of the bill which I authored and which makes the new Office of Surface Mining Reclamation and Enforcement an "independent Federal regulatory agency" for the purpose of 44 U.S.C. 3502 and 3512—that is, the Federal Reports Act. This means that all questionnaires, applications, permit forms, report forms, and similar documents used or required by this Office to obtain information from 10 or more persons must be reviewed and approved by the General Accounting Office. In this regard, I want to make it clear, as author of this provision, that it is the duty of the GAO to review these forms, et cetera, carefully and to insure that any proposed provision included therein giving blanket or even partial confidentiality, to some or all of the data supplied therein, shall be justified by the new Office to the GAO and the public as being required by this legislation. Moreover, the GAO should ascertain that these forms, et cetera, specify that the person seeking confidentiality must clearly show to the satisfaction of the new Office that such confidentiality is authorized and warranted in whole or in part.

Second. The conferees adopted section 201(f) of H.R. 25, which I also authored, concerning the disclosure of financial interest by Federal employees (See CONGRESSIONAL RECORD, of March 17, 1975, pp. 6486–6489). The conferees modified my amendment slightly in an effort to strengthen it by deleting the exception for persons holding up to 100 shares of stock in companies listed in a registered securities exchange. This change does not affect the basic requirements of the section and is therefore helpful.

Mr. Speaker, I want to make it clear that this section not only pertains to Federal employees of the new Office, but also to all Federal employees "performing a function or duty under this act." This includes persons in Interior's Solicitor's Office, the Office of Hearings and Appeals, MESA, the Bureau of Mines, the Geological Survey, Secretarial officials, including the Secretary himself, and employees of non-Interior agencies having duties and functions under this act. The term "employee" should be broadly construed to include, as a minimum, persons covered by 5 U.S.C. 2105 and temporary employees referred to in 5 U.S.C. 3109.

It is my intention that this section and a similar section for State employees (517(g)) shall be effectively administered and enforced by Interior, Justice, and these other agencies, and I look to the GAO to periodically review such administration and enforcement and to make its findings available to me and the public. I want particularly for the GAO to review and comment on the regulations when they are proposed under these Sections.

Third. Section 702(a) of this conference report states unequivocally that it does not, in any way, affect several statutes, including the Fish and Wildlife Coordination Act, all antipollution laws, including the Refuse Act of 1899, and the National Environmental Policy Act of 1969. Section 702(d) also specifies by statute that certain actions required by the conference report are "major actions" requiring an environmental impact statement. The conference report comments on this section as follows (p. 86):

> This Subsection provides that certain enumerated actions taken pursuant to the Act shall constitute major Federal actions significantly affecting the quality of the human environment within the meaning of Section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332 (NEPA), i.e. that such actions will require the preparation of an Environmental Impact Statement.
>
> The Section is not intended as a limitation or modification of NEPA but, to the contrary, the provision is viewed as being consistent with the Act. The Conferees believe that, properly interpreted and applied, the operation of NEPA will not result in any delay in the implementation of the various regulatory provisions of this environmental regulatory legislation including those actions which must be accomplished in a relatively short time period such as the establishment of the Federal Enforcement Program within 135 days after enactment.

As author of NEPA, I agree with these comments, but point out that section 702 (d) does not exhaustively state what actions under this conference report constitute a "major action" requiring an EIS. It merely identifies some actions where an EIS is required by statute. The new Office must still determine what other actions require an EIS and, if it determines that a particular action is not a major action, the Office must make this determination public by notice.

Fourth. Section 522(e) of the conference report prohibits surface coal mining operations in several categories of areas, such as the National Park System and national forest areas, "subject to valid existing rights." During the House debate on this section, I questioned the need for this phrase, saying that "it is extra verbiage and really has no meaning" (See CONGRESSIONAL RECORD, of March 18, 1975, p. 7048). I now note that this phrase was adopted for application to the national forests and really has no effect or purpose for these other Federal areas. Indeed, the conference report makes this very clear in saying (p. 85):

> This Subsection prohibits surface coal mining on lands within the boundaries of national forests, "subject to valid existing rights." It is not the intent, therefore, nor is it the effect of this provision to preclude surface coal mining on private inholdings within the national forests.
>
> The language "subject to valid existing rights" in Section 522(e) is intended to make clear that the prohibition of strip mining on the national forests is subject to previous state court interpretation of valid existing rights. For example, in West Virginia's Monongahela National Forest, strip mining of privately owned coal underlying federally owned surface has been prohibited as a result of U.S. vs. Polino (133 F.S. 722, 1955). In this case the court held that "stripping was not authorized by mineral reservation in a deed executed before the practice was adopted in the county where the land lies, unless the contract expressly grants stripping rights by use of direct or clearly equivalent words. The party claiming such rights must show usage or custom at the time and place where the contract is to be executed and must show that such rights were contemplated by the parties." The phrase "subject to valid existing rights" is thus in no way intended to open up national forest lands to strip mining where previous legal precedents have prohibited stripping.

This is the explanation I had hoped for. It is helpful and should remove the cloud I mentioned earlier.

Fifth. The conference report notes (p. 87) that the Administration objected to the citizen suit provisions of the House version of H.R. 25 because it allowed suits against operators for a "violation of the provisions" of the act. The administration suggested that the language be changed to allow suits against operators for violation of regulations or permits. The Conferees did change this provision, but the change does not and cannot preclude suits against operators for violations by the operators of the act.

The operator has a duty to comply with the "law." This includes, first and foremost, the statute and then the regulations and permit conditions issued or promulgated pursuant to the statute. It also includes case law. Like the conferees, I agree that the operator should not be sued for the failures of the new office, so long as the operator is complying with the law. This clarification of the citizen suit provision adopted by the conferees should not be viewed as a major change. It is in fact very narrow in effect.

Sixth. I want to stress that the purpose of this legislation is to regulate coal mining operations. To do this effectively, it must be liberally construed in favor of protection rather than in favor of production. I continue to be skeptical that Interior, with its poor protection record to date, will do this. Thus, I look to citizens and the courts to be, in effect, the enforcers of this bill.

In this regard, I want to stress the importance of having this bill liberally construed by Interior and the courts to encourage participation by a wide spectrum of the public.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, 4 years have passed since the Congress first seriously began to consider and try to pass strip mining legislation. This effort was started because the Nation was shocked with the ruthless ripping up of the land in the Appalachian Mountains.

Unfortunately, this conference report

fails to protect those very people in the mountains. Huge profits are being extracted from the hills by strip mining, but these are profits without honor.

This conference report feeds LCD to people. It is an LCD bill, the lowest common denominator. Time after time the Interior Committee and the Conference Committee folded, caved in, and yielded to pressure to weaken the regulations in this bill.

There was pressure from those interests who could afford to maintain round-the-clock lobbyists here for the coal industry and its allies. The people most affected could not afford to come up here and tell the Congress precisely how strip mining affected them in its exploitation of land, water, and people.

Congress has labored long and hard to protect the mountains, but it has come forth with a mouse of a bill. To meet the energy needs of the Nation, we must turn to deep mining. There has been a disastrous decline in deep mining ever since coal companies have discovered the tremendous profits available in stripping. The regulations in this conference report really put the burden on the citizens in the mountains and in other sections of the country who are forced through their efforts, through citizen suits, to try to protect themselves.

Mr. Speaker, on pages 12996–12997 of the CONGRESSIONAL RECORD of Monday, May 5, I set forth precisely and specifically many of the weaknesses in this conference report. The gentleman from Arizona (Mr. UDALL) mentioned the Caterpillar Co. This is sort of like unleashing millions of tent caterpillars across the country in the form of stripping machines, not only in the mountains, but to Appalachianize the rest of the Nation.

Mr. Speaker, I feel certain that this conference report, after 4 years of strip mining, is not stronger. I intend to vote against the conference report.

Mr. Speaker, the Congress is approaching what may be the final chapter in the process of fashioning this strip mining legislation. I want to assure the Members that this bill will not mark the end of the struggle. It will take several years for the false promises offered by this legislation to become obvious to all. The people of the mountains already look at this with skeptical eyes—because they have seen all this before. They have seen each new version of State strip mining laws greeted with eulogies of how "this bill will stop the devastation." But the destruction of their land has continued and is continuing at this very moment.

The people are way ahead of Congress; they know the pitfalls of regulations which do not regulate, of strong-sounding legislative language that is forgotten once one gets outside the world of Washington. This bill aims to change this process by providing citizen access through public hearings and the courts. We'll see how this uneven match works out—the well-financed, well-represented coal operators against the person living below the strip mine who hasn't the time or the expertise to fight the long battle required. Congress has copped out—instead of facing up to this issue by phasing out strip mining, Congress has written a lot of high sounding phrases and said "OK, citizen now you fight it."

In all the discussion of how weak or strong the provisions of this bill are, the real issue of phasing out strip mining has been tossed aside. Perhaps it is useful at this point to recount the balance sheet that has led so many people to believe that abolition is the only real answer.

RECLAMATION HAS FAILED IN THE UNITED STATES

In Appalachia, the combination of steep slopes, pyritic shales, heavy rainfall, and thin topsoil, creates monumental erosion problems, sedimentation, landslides, and acid drainage. Newer techniques have reduced environmental damage in the mountains, but the key problems: landslides and sedimentation continue regardless as documented by the recent Mathematica study of eastern Kentucky.

In the flatter terrain of Ohio and the Midwest, reclamation would seem to have a better chance. However, because of the high sulfur content of the coal and of the shale strata above and below the coal seam, acid drainage problems are very serious. Extensive research by Dr. Moid Ahmad of Ohio University and by the Ohio Department of Natural Resources have found that even when toxic materials are buried and compacted, leaching of acid and toxic elements has continued. While reclamation efforts in the Midwest occasionally produce esthetically pleasing sites, this can be quite misleading since degradation to neighboring streams and to ground water systems is often being caused by these same reclamation sites.

The arid lands of the West present still another set of reclamation problems. Western lands are characterized by very thin topsoil, low rainfall, alkali, saline, and sodic spoils—no acid producing materials—and the general scarcity of water. Recent research by the National Academy of Science, by Dr. Robert Curry of the University of Montana, and by the Montana Bureau of Mines has all indicated that reclamation in the west faces grave difficulties.

STATE REGULATION HAS FAILED

Yet this bill turns enforcement over to those same States which have failed in the past. My own State of West Virginia is considered to have a moderate law in comparison with other States. Yet in 1974, the Department of Natural Resources rejected just 4 of 402 strip mining permit applications. The cases which pour into my office each week, detailing the landslide which has covered a person's yard or moved his trailer, the blasting that has destroyed his water well, are testimony to the ineffectiveness of State regulation.

WE DO NOT NEED STRIP MINING TO MEET OUR ENERGY NEEDS

Every one concedes that deep minable reserves vastly outnumber strippable reserves by ratios of at least 8 to 1. The Department of the Interior in its Energy Research program plan for 1974 clearly stated that strippable reserves in the west will be depleted by the year 1996. Yet we continue to accept the propaganda of the coal industry and the Ford administration about the "vital" need for strip mining.

STRIP MINING IS A ONE-CROP HARVEST

Strip mining is a one-time use of the land. It prevents the future use of the land for timber, agriculture, tourism, and light industrial development. Deep mining would be compatible with these alternate land uses.

AN END TO STRIP MINING WOULD MEAN MORE JOBS NOT LESS

Strip mining is capital-intensive rather than labor-intensive. Extensive research by the Appalachian Regional Commission and by the Regional Research Institute at West Virginia University has shown that abolition of strip mining would result in a net gain in jobs because of the much more labor-intensive nature of deep mining. Deep mines generally require three times the number of miners to produce the same amount of coal produced by a comparable sized strip mine.

CONGRESSIONAL INTENT

Mr. Speaker, there are several provisions in the conference report which deserve emphasis. I would like to set forth these provisions as an interpretation of legislative intent.

First. Section 201(b) specifically provides that the new office created by this Act shall not be merged with program functions of the Bureau of Mines or MESA. In addition, section 201(c)(12) while recognizing that other duties may be assigned to this new office "by law"—that is, act of Congress—such duties must "relate to the purposes of this Act".

Quite clearly, the purpose of these requirements is to avoid the possibility of overburdening this office and creating built-in conflict of interests. This is a regulatory agency. Its purpose is to protect against the ravages of surface mining. That is why this legislation was even considered by Congress. Promotion of coal development is not a function of this office.

Second. Section 201(b) of the conference report specifically states that "Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer" the act. That does not mean that all key personnel need be, or should be, drawn from the mining industry or mining schools. Indeed, the old and tried words used in other mining laws that persons must have practical experience in the mining of coal or experience as a mining engineer were deliberately not used by Congress. This is clearly intended to convey the concept that persons in other fields who are innovative and possess other skills may be even more competent than persons from the mining industry.

Third. Section 201(d) which I authored—see CONGRESSIONAL RECORD of March 17, 1975, pages 6487–6488—requires that coal mine inspectors not be used even temporarily to enforce this law unless the Director "finds" in writing "that such activities would not interfere with such inspections." This is not to be a perfunctory finding. The new office must clearly show on a case-by-case basis that the use of such inspectors would not drain off employees now inspecting coal mines for health and safety purposes. It also means that such inspectors cannot be assigned an additional function of carrying out the provisions of this law and health and safety functions without an explicit finding on a case-by-case basis.

Fourth. Section 713(d) of the conference report which I also authored—see Congressional Record, March 18, 1975, pages 7065–7060—requires that before any funds "are obligated" by the Interior Department for research, studies, surveys, experiments, demonstration, or development projects authorized by this conference report, including that authorized through funding under title III of this conference report, must consult with ERDA and other Federal agencies to determine that such activities "are not being conducted or financed" by ERDA or some other Federal agency. Implicit in this, is the requirement that Interior, ERDA, and these other agencies determine whether such activities should or should not be funded by Interior. These determinations must be published at least 60 days prior to the making of any grant, contract, or similar agreement to fund such an activity.

The basic purpose of this provision is to avoid duplication and to make sure that scarce dollars are being spent wisely. Inherent in this provision is a procedure for a broad-based review by ERDA and other agencies to see if these activities are well-conceived, needed, and will achieve the purposes of the law. It is the intent of this provision that ERDA formally comment in writing on these various proposals and that each agency take the responsibility seriously.

This section also requires an annual report to Congress which shall go to the House and Senate Interior and Insular Affairs Committees and the House Committee on Science and Technology. The report is designed to fully inform Congress of the R. & D. work, studies, and so forth, financed pursuant to this legislation.

Fifth. Section 713(e) was also authored by me—see Congressional Record, March 18, 1975, page 7066. For the first time, the Interior Department has a clear public disclosure mandate, subject to the limited patent provisions of section 306(d) of the conference report. It places an obligation on the Department to make a positive effort to disclose widely R. & D. results to the public and to inform the public about the existence of such results in a timely manner.

Sixth. The success or failure of a national coal surface mining regulation program will depend, to a significant extent, on the role played by the citizens in the regulatory process. While citizen participation is not, and cannot be, a substitute for governmental authority, citizen involvement in all phases of the regulatory scheme will help insure that the decisions and actions of the regulatory authority are grounded upon complete and full information. In addition, providing citizen access to administrative appellate procedures and the courts in a practical and legitimate method of assuring the regulatory authority's compliance with requirements of the act.

The House committee's reports on this legislation have made it clear that public participation is not limited to those who have an economic or proprietary interest. The history of coal surface mining is replete with examples of significant environmental and social costs being borne by those who neither profited from the mining activities nor had full access to the institutions of government to correct this unfair distribution of the impact of such mining. The poor surface landowner and tenant suffer.

The conference report adopts a broad test of standing to participate in such critical decisions as the issuance of a permit, designation of areas unsuitable for surface coal mining, bond release, and other matters. It is the intent of the conference report that the phrases "any person with a valid legal interest" or "any person having a right which is or may be adversely affected" shall be construed by Interior and the Courts to be coterminous with the broadest standing requirements enunciated by the United States Supreme Court. Where there is doubt, the doubt should be resolved in favor of public participation.

CONCLUSION

Mr. Speaker, I am deeply disturbed by the fact that so must depends on how well these already weak regulations will be administered. The States, with very few exceptions, have been subjected to economic pressure and competitive economic blackmail which have weakened enforcement in the name of "production" rather than protection of the land and people. Backup enforcement is through the Department of the Interior, to be headed by former Gov. Stanley Hathaway of Wyoming whose record is for pellmell exploitation through strip mining. It was pointed out that Secretary-designate Hathaway supports the pending legislation. This fact alone would make me suspicious of how strong this legislation might be, and I intend to vote against the conference report.

Mr. STEIGER of Arizona. Mr. Speaker, I would like to yield 5 minutes to the ranking minority member of the Committee on Interior and Insular Affairs, the gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. Mr. Speaker, I signed the conference report on surface mining control. I did so because I believe in reclaiming stripped lands—and that's what this legislation is all about.

It has been more than 4 years since the first draft of this act was introduced. Members of this House, and particularly members of the Interior Committee have been educated and re-educated on the pros and cons of surface mining control and land reclamations. Some Members—including myself—feel they could now write articles entitled: "More Than You Ever Wanted To Know About Surface Mining Control."

We have learned about alluvial valley floors, orphaned lands, backfill, first cuts, approximate original contour, overburden, angle or repose, and acid-forming materials—by legitimate mining experts as well as some self-styled experts who have never mined a pound of coal in their life.

We have designed, crafted, shaped, and reshaped compromise language to meet the objections—of environmentalists and industry representatives.

We have arrived at a balance of some sort between current environmental concerns and the need for coal as an energy source.

But is that balance a fair measure for the months ahead?

Have we properly weighed the need to protect the environment against the need for jobs and energy self-sufficiency in a seriously slumping economy?

Is our need for energy now so great that we should postpone action on this bill?

Last year, I supported H.R. 11500. I supported this year's H.R. 25 and the conference report before us now. But times are changing.

Several years ago we could afford the extra costs of environmental protection without a great pinch on our fundamental living expenses.

Clean-air cars cost more, smokeless industries require higher product prices.

But more important is the question—whether our immediate energy demands are so paramount, so vital, that nothing should be done to thwart maximum production.

Admittedly, some damage to the environment may result, but would such damage be so great, so irreparable that it should take precedence over our energy needs?

So we have to look at today's economy and predict tomorrow's economy and ask the question: Can we afford this bill 6 months or a year from now?

That is my concern, Mr. Speaker. If we were voting on this land reclamation program in a healthy economy with no energy problem—I would not have any reservations.

I shall vote for this conference report, but I do so with reservations—reservations not related to the objectives of the bill but the timing of this legislation.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. Ottinger).

Mr. OTTINGER. Mr. Speaker, I rise in support of the conference report. My reservations, I suppose, are the opposite of the gentleman from Kansas (Mr. Skubitz). I am very sympathetic to the concerns expressed by the gentleman from West Virginia (Mr. Hechler). I joined with him in supporting virtually all of the amendments that he offered, or inspired, to strengthen this legislation, and I think he did yeoman work. The strength of this legislation is largely attributable to his effective efforts.

Unfortunately, we are faced here today with the practicalities of legislative life. One very seldom can walk out of this body with legislation that he thinks is perfect. The fact of the matter is that this legislation is stronger than the legislation that was passed last year and which was vetoed by the President. It offers a measure of protection. While I would like to see strip mining greatly more curbed, I don't think we can get more than what is provided in this bill, and while I certainly would like to see deep mining encouraged in West Virginia and all of the eastern portions of the country which would meaningfully contribute to solving our energy problems, we will have to do battle for that in another forum.

It is clear that we cannot stop strip mining. We cannot get all of the curbs we would like against strip mining on mountaintops and steep slopes, or complete protection of our alluvial valleys. We must pass a bill that is not only passable, but passable with a margin sufficient to permit override of a possible veto—or to discourage a veto.

What we have here is a compromise, a compromise which will offer a measure of protection, a compromise which is as strong as I believe we could get out of this body. I hope my colleagues will support it, as indeed environmental organizations generally throughout the country are supporting it. I think it is a good deal better than what we would have if we did not pass this legislation.

Mr. STEIGER of Arizona. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. STEELMAN).

Mr. STEELMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the conference report on H.R. 25, the Surface Mining Control and Reclamation Act.

This legislation will allow for coal production along with the preservation of the environment. Once we get to the merits of the legislation before us, I think it will be seen that this is a balanced approach and provides for environmental protection and at the same time allow for the production of essential coal energy. This conference report would permit mining coal, it would require revegetation and it would require responsible conduct on the part of the mining companies.

A strong part of this conference report is the involvement of the public. The public is an integral component in strip mine regulation—they suffer the economic and environmental consequences. Under the provision of the conference report hearings will be held upon petition of interested citizens, and a citizens suit provision is included. Too often in the past individuals who are directly affected by coal surface mining have been totally unable to participate in regulatory procedures. I submit that since surface mining ca nso alter an area or region, it is necessary to give citizens who are affected by this a chance to participate in these procedures.

Mr. Speaker, as we are all aware, coal is an essential element in our energy program for quite possibly the next several hundred years. And, although I am a strong advocate of research and development of alternative sources of energy, such as solar and geothermal, our present information indicates that the bulk of our energy needs until the year 2000 and probably somewhat beyond, revolves around oil and gas, and, principally, coal. Since our estimates of oil reserves range between 30 and 60 years at present rates of usage, the expanded production of coal is imminent.

Of course, I do not believe we need to, or should, consume energy at the present rate, but the development of a strong conservation program still leaves us with a great dependency on coal in the immediate future.

Neither am I disregarding the national security and balance of payments problems inherent in the use of foreign energy supplies at the current, much less the projected, rate.

However, at the same time the adoption of conservation measures the last several years, plus what I hope will become even stronger incentives to our domestic oil producers for secondary and tertiary recovery, as well as tax incentives to invest in more new starts, does not demand that we go pell-mell in ripping up our lands and aquifers to satiate our every desire.

Coal can be mined under this legislation, and I hope my colleagues will see the wisdom of adopting the conference report.

Mr. STEIGER of Arizona. Mr. Speaker, I would like to recognize for 8 minutes the distinguished gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I am strongly opposed to this legislation in its present form, because in all its ramifications, it is a negative bill. It is antienergy—antibusiness — antilabor — and anticonsumer. If there is anything we need today in this country, it is positive thinking.

The bill was introduced early in the first session of the 93d Congress. It passed late in the second session, and was vetoed by President Ford because of its potential adverse effects upon the Nation's critical energy situation. This bill, H.R. 25, was rammed through the Committee on Interior and Insular Affairs early this session, without benefit of public hearings. Requests of the administration, Members of Congress, and the public for new hearings were denied. The sponsors of this legislation were so determined to push it through the newly elected Congress that they failed to give due consideration to our deteriorating national energy picture, rising unemployment, and severe economic strain, all of which has occurred since hearings were last held in 1973. Because of the manner in which this measure was rushed to the floor for a vote, many Members who opposed the bill during debate still are of the strong opinion that the true impact and phenomenal cost of this legislation has never been brought home to the Members, nor to the public.

I have no quarrel with the intent of the Surface Mining Control and Reclamation Act. I concur in the consensus that the environment must be preserved—that land must be returned to a useful condition following surface mining.

The crux of the surface mining bill, as far as southwestern Virginia is concerned, lies in the definition of "steep slope." Section 515, the section of the bill that concerns itself with "environmental protection performance standards," defines "steep slope" as any slope above 20 degrees. Surface mining in "steep slope" areas is severely restricted by the bill. Coal surface mining in Virginia ranges from approximately 20 degrees in Wise County to slightly over 29 degrees in Buchanan County. Of the six counties in the Ninth District of Virginia which produce commercial quantities of surface mined coal, all have average surface mine slopes of 20 degrees or more. Essentially, these restrictions will abolish the coal surface mining industry in Virginia and bring economic chaos.

If this bill goes into effect, it will cost this Nation 162 million tons annually in lost coal production—and this at a time when the President has asked the coal industry to increase its annual production from 591 million tons to 1.2 billion tons annually to help meet our energy needs. Even using a conservative figure of 100 million tons lost annually in coal production, this loss would require an additional 1 million barrels of oil each day, just to replace the energy-producing capacity of the coal we fail to mine. With domestic oil already in critically short supply, the bulk of the replacement requirements would be imported and paid for at the prevailing exorbitant rates. Instead of saving a million barrels of oil daily, our national energy goal, we would be doubling our demand.

If coal production is reduced by 162 million tons because of this legislation, it is estimated that 14,000 jobs would be lost directly during the first year of the act's implementation. An additional 12,000 jobs would be lost indirectly, for a total first-year impact of 26,000 jobs. This would amount to a loss in wages of $467 million.

In Virginia, the bill will virtually wipe out over 100 coal surface mining companies and suppliers; 2,000 surface miners could be added to the unemployment rolls; 5,000 to 7,000 workers employed in related jobs could be affected; and the Commonwealth's economy would suffer to the tune of $125 million which circulate each year because of coal surface mining within the State.

I have covered in the past few minutes the antienergy, antibusiness, and antilabor aspects of this bill. There is nothing new here. You have heard it all before. But for weeks, I have been trying to get an answer to a question closer to home—How much will this bill cost the consumer? Apparently this is a difficult question to answer and one which appears not to have been studied very deeply. Yet to me, and to millions of Virginians concerned about the phenomenal rise in their electric bills, it is a valid question and a pressing question. I should think this question would also be important to millions upon millions of other Americans who are alarmed about the recent rise in their electric bills.

Several weeks ago, I asked the Congressional Research Service of the Library of Congress to provide for me a comprehensive report, using the best available data, on the economic and social costs of implementing the Surface Mining Control and Reclamation Act, with special emphasis on how much these bills would cost the consumer. The report estimates an annual cost to consumers of $850 million, plus an unnecessary $11 billion in payments for imported oil, which would annually be charged to consumers, because of losses in coal production that will be brought about by enactment of this legislation. To me, an annual energy cost increase to the American consumer of approximately $12 billion for any legislation is disturbing. I would think that every one of you—consumers all—would want to know why this increase is necessary. I would think the press of America would want to know why these costs have not been presented to the public before. I know that I am not satisfied that this much of an increase in cost is necessary. Let us, for a moment, take a closer look.

The potential for damage to consumers' vital interests from passage of H.R. 25 lies in its implications for both the cost and availability of coal. Whatever the initial impact of higher production costs, it is predictably the final energy user who will eventually be called upon to shoulder these increased expenses. Through higher priced fuels and the additions to prices of every product that uses energy from coal in its production, America's consumers will end up paying the check for this ill-considered measure. Quantifiable costs for the 684 million tons of coal affected after 1976 will burden consumers with more than $350 million in additional energy expenses. Unquantifiable costs could, according to the administration, boost this total to nearly half a billion dollars in additional annual outlays. Against the heady rises in petroleum prices, this figure may seem small. Yet it is important to realize that its impact will be focused on exactly those sectors of the economy that can little afford another shock. Because coal plays so dominant a role in the fueling of electric powerplants, the already hard-pressed utility industry—and its customers—will bear the brunt of more expensive coal supplies. Utility companies must either further shrink the earnings that alone enable future growth, or already dissatisfied electricity purchasers, in homes and factories across the land, must be asked to ante up millions of dollars to pay utility bills they view as excessive now. The task of financing needed expansion of utility generating power, regulating the chaotic utility markets, and gaining public understanding of the problems and prospects confronting electricity users—all will be rendered more difficult by a sudden and unnecessary hike in the cost of coal.

These consequences will flow inevitably from those provisions of H.R. 25 imposing additional costs on coal production. Less easily seen, perhaps, but far more important in the long run are the effects of the bill on the actual volume of coal production that we can expect in coming years. President Ford has submitted his plan for reducing U.S. dependence on foreign oil by 1 million barrels a day next year. Whatever the final disposition of his plan, or congressional enery plans, I think one fact has emerged in recent debates: Any workable policy designed to save this much energy will force real sacrifices on the American people. Yet the entire benefit of these sacrifices could be offset, indeed squandered, by the immediate impact of this one piece of legislation.

There is no easy answer to the question of consumer cost in this matter, but a review of some of the issues involved leads to the inescapable conclusion that the cost could be immense. The purpose of a serious energy conservation program is chiefly to reduce America's import needs enough to moderate the price-setting manipulations of the oil cartel itself. No target number of "barrels a day" saved can be regarded as certain to achieve this goal. Yet it is clear that the more we save in energy the better our chances of restraining imported oil prices and the sooner we can expect to do so. Conversely, the more energy we waste—either by overconsuming or failing to develop practical reserves of coal and other sources—the longer we will have to go on paying exorbitant charges for foreign crude oil. We presently import more than 6 million barrels a day of crude and products at a price approaching $12 a barrel. If the coal lost because of H.R. 25 were to delay a return to something like a free international energy market by just 1 year—most free market experts put the free market price at about $7 a barrel—it would cost the Nation unnecessarily $11 billion in payments for imported oil, as I mentioned earlier.

The fulfillment of that particular scenario—or of any other precise set of developments in world oil markets—cannot, of course, be predicted. But the point stands: H.R. 25 works against the essential directions which U.S. energy policy must take if we are to solve the problem of our addition to foreign fuel supplies at monopoly price levels. And it works against these policies in ways that are measurable and measurably significant.

For the American consumer who has been asked to pay so much for our past oil policy mistakes, the cost of further mistakes may prove intolerable. Intolerable as well to the consumer, as taxpayer and voter, would be the sort of elected representative that would needlessly impose such costs.

In conclusion, let us consider the impact of H.R. 25 as it relates to reclamation requirements, and compare them briefly with Virginia's reclamation law.

Since 1966 the State of Virginia has regulated surface coal mining operations within its boundaries. Amended in 1968 and again in 1972, the law has proven effective, yet it has not placed unreasonable burdens upon operators within the State. Much of its success can be attributed to the efforts of State legislators, who have tailored the regulations to the unique characteristics of the coal beds in Virginia and have considered the needs of both the landowners and the coal operators within the State.

I have made it a point to closely examine and compare the Virginia reclamation law with the present House and Senate bills. One item I found to be particularly important was the definition of reclamation. According to the State law, reclamation means "the restoration or conversion of disturbed land to a stable condition which minimizes or prevents adverse disruption and the injurious effects thereof and presents a reasonable opportunity for further productive use."

This concept is embodied throughout all of the provisions of Virginia's reclamation law and should have been the primary concern in drafting equitable and effective surface mining legislation for the rest of the Nation. If the land can be restored to a reasonable use, why is it necessary to arbitrarily restrict mining on any slopes? It is the final result that counts.

The past 4 years of investigations by the Congress into the surface mining issue have shown us that the problems associated with surface mining are unique to the different areas of the country. Reclamation methods for returning Western lands to a useful condition cannot be compared with lands in the Eastern United States. This is a weakness in the surface mining bill. The sponsors of the bill, in an attempt to write forceful effective legislation, have impaired the flexibility that any regulatory authority must have in order to adapt the provisions of H.R. 25 to the vastly different reclamation situations that will be encountered now and in the future.

Not only does H.R. 25 require that the land must be restored to a condition fully capable of supporting its previous uses, but it also specifies the procedure the operator must use in achieving this goal. It would appear, therefore, that the supporters of H.R. 25 have confused the law with the regulations—regulations which, if initiated at the State regulatory level, could be adapted to the local environment, to local land use, to local programs for agricultural, recreational, commercial, or residential development, to local coal mining operation, and to local human needs.

In addition, H.R. 25 is riddled with uncertainties for the coal mine operators. As the administration pointed out in testimony before both the House and Senate Interior Committees and in statements to congressional leaders, the surface mining bills have retained provisions from the bill passed by the 93d Congress that would permit practically any citizen to bring civil action against mine operators, and to halt production of vitally needed coal. This type of provision establishes a negative and unstable framework within which the operator must make business decisions and invest large amounts of capital. His commitments may be for as long as 8 years, and the risk may be too great for many operators. Long-term decisions are critical to the successful operation of the coal industry and the electric utilities, and cannot be made in the climate of uncertainty that would result from the prospect that a company's coal reserves might be locked up by an injunction resulting from a civil suit. Before committing company funds to large outlays of capital for equipment, and before making contractual arrangements with public utilities, managers must have reasonable assurance that their production will continue without delays.

Another critical point of difference between the law we have in Virginia and that which would result from the Federal bills is that of restoring the original contours of the mined land. H.R. 25 and S. 7 would require the surface of mined land to be restored to its approximate original contour with very few exceptions. The Virginia law does not specify original contours, but the Director of the State regulatory agency is urged to encourage the adoption of more productive land uses such as pasture, agriculture, recreational areas, industrial, and building sites, when mining operations are completed in each area. Not only in Virginia, but also in neighboring States as well, the productivity of mined lands has actually been increased by not restoring the original contour. In the State of Kentucky, orchards now yield bountiful harvests of fruits from lands that previously could not have supported such agricultural activity. Perhaps more importantly, much of this agriculture activity could not take place if the original contour had been restored. Benches left by contour mining can even serve a useful purpose as roadbeds for public transportation. The Virginia surface mining law is not a weak law. The law is tough, where it needs to be tough. For example, H.R. 25 requires that operators whose permits have been subsequently revoked disclose such revocation only on new permit applications. The Virginia law, however, in addition to requiring disclosure of any such revocation, prohibits the issuance of a new permit until a detailed hearing is convened to determine whether or not an operator should be allowed to engage in new surface mining operations.

In this instance, Virginia felt that former noncompliance with the law should not be taken lightly, and has reinforced these provisions to prevent repeated offenses.

I have given you many examples of a lack of consideration for an industry which in the past has struggled to survive. We should not kill it now when we need it most. Renewed interest in coal mining has brought a resurgence to the economy of Appalachia, one of our Nation's most impoverished areas.

Coal mining is finally emerging once again as an important industry and it is an essential industry if energy independence is to be achieved. Ill-conceived proposals, such as the one now before us, would dash those hopes. I hope we will defeat the conference report and send this matter back to committee for further study and proper hearings. Should that be unsuccessful, and should the conference report pass, I will renew my appeal for a Presidential veto.

With proper consideration, Congress could write and pass a surface mining bill that would be fair and equitable for all concerned—one that will take into account economic, as well as environmental interests—and one that will permit our Nation to provide its citizens with the kind of life they have struggled so hard to attain.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. STEIGER of Arizona. Mr. Speaker, I yield 1 additional minute to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, the distinguished gentleman from Arizona (Mr. UDALL) has a display here on the floor in which he depicts scenes of surface mining in my district in southwestern Virginia.

I have here a color photograph taken within the last 2 weeks of a surface mining operation in my district that has been reclaimed according to the laws of Virginia, and the distinguished gentleman from Arizona (Mr. UDALL), who represents much of the arid wastelands of our Nation, can see green grass and beautiful cows.

I appeal to the gentleman's sense of fairness, and I know the gentleman from Arizona will not object to my placing this photograph also on his display to show actually what is happening in Virginia.

Mr. UDALL. Mr. Speaker, if the gentleman will yield, the gentleman from Virginia (Mr. WAMPLER) has just made our case. What they want to do to their land in southern Virginia is shown in the diagram here, and it shows what they have been doing for the last 50 years, dumping spoil on the downslope and leaving high walls, and that is what they want to keep right on doing, and they have confused their own people who live in that area into believing that strip mining cannot be done without such damage.

If any of the Members have time, they should look at the right-hand side of our display, and there they will see 30-degree and 26-degree slopes in the State of Pennsylvanna, which has done a lot to handle the situation, and they are putting the land back, and that is the way the people in Virginia should put their land back, and you can see on the left-hand side what they have been doing, this is an actual photograph of a Virginia coal mine, and it looks like the Moon.

Mr. WAMPLER. Mr. Speaker, I would like to ask the gentleman from Arizona whether the gentleman has ever visited in Virginia?

Mr. UDALL. Mr. Speaker, I have been in all parts of Virginia, and I have seen areas just like this one down in the gentleman's district.

Mr. WAMPLER. Would the gentleman be specific and say just what part of my district the gentleman visited?

Mr. UDALL. I cannot be, but for the last 10 years I have been in all parts of Virginia, and have seen areas similar to the one shown. I have flown all over that State.

Mr. WAMPLER. Mr. Speaker, that is the trouble. The gentleman from Arizona ought to get down onto the ground and look it over, just like this bill ought to get down to earth.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Speaker, first I would like to direct the attention of the chairman of the subcommittee, the gentleman from Arizona (Mr. UDALL) to section 709(g) of the House bill which was amended by the Senate by inserting the words "including mineral interests" in reference to lands held in trust or supervised by any Indian tribe. It was the purpose of this amendment to clarify the term "land" so that it would be given its normal meaning to include mineral estates.

Mr. UDALL. The gentleman is correct. That is correct.

Mr. MELCHER. As a member of the conference, I understand that it was not our intention in accepting the Senate provision to in any way alter the existing State jurisdiction in regulating surface coal mining on such lands. Is my understanding correct?

Mr. UDALL. The gentleman is correct. As is stated in the joint statement of the committee of conference:

> This language is not intended to change any existing jurisdiction which the States may have over such land.

Mr. MELCHER. Mr. Speaker, I believe it is necessary to point out some of the needs in a Federal strip mining coal bill which should address themselves particularly to mining on Indian reservations, because those lands are not covered by State law. Within the boundaries of the Indian reservations State regulation of this reclamation law will not be enforced.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. UDALL. Mr. Speaker, I yield 2 additional minutes to the gentleman from Montana.

Mr. MELCHER. Mr. Speaker, that regulation will be in the hands of the Secretary of the Interior. I believe the tribes should be able to have a voice in deciding on stronger features, if they believe their lands within their reservations require it. The House agreed with that and gave the Indians those particular rights separate from the authority so traditionally granted to the Secretary of the Interior.

However, the weakest part of the Federal strip mine bill which we have before us now after the conference—the weakest part for the West is the requirement it contains affecting Indian lands. The broader Indian lands provisions adopted here in the House were scuttled by rejection of the Senate conferees.

Within the boundaries of reservation lands the bill requires the Secretary of the Interior to enforce minimum strip mining reclamation requirements, but only part of the sections of the bill that apply to private or State lands. While the bill allows States to set higher standards, including finding some areas unsuitable for mining because of doubtful reclamation feasibility, the requirements for Indian lands are not covered by those sections of the bill.

The bill does call for a year's study by the Secretary of the Interior concerning the special requirements of reclamation on Indian reservation land that is strip mined. But the bill leaves for a future act of Congress to determine when and how the left-out requirements of the bill will be applied to Indian lands. Regardless of the study, this leaves Indian lands in a vulnerable state of affairs.

With thousands of acres of Indian coal lands already leased to energy companies by leases approved by the Secretary of the Interior, the tribes may find themselves in a pitched battle to gain by law stronger provisions of reclamation, the enforcement section afforded by the bill on all other lands whether private or State, and the right to determine areas they do not want strip mined.

The result may be to make strip mining on Indian lands easier than on other lands, and that should not be the case. This law should apply the same minimum standards everywhere on all lands. But the tribes' failure to back the House version of the bill has opened their futures to a year's study and the mercy and sufferance of the Secretary of the Interior and further unknown acts of Congress.

At best this is less than satisfactory and at worst a rip-off of Indian lands—and the tribes had a chance to prevent it by endorsing the broader concept for Indian reservation lands that gave them greater protection and greater self-determination as passed by the House.

Mr. Speaker, it is necessary to state clearly what coal strip mining is prohibited in alluvial valley floors. One of the major points of discussion in the conference concerned the geographic extent of alluvial valley floors.

The Department of Interior had confusing estimates that over 40 percent of western lands could be covered by this term as defined in H.R. 25.

On April 29 Assistant Secretary of Interior Jack Carlson sent me a letter indicating that 97 percent of the lands in the Powder River Basin in Montana and Wyoming was undeveloped rangelands and, therefore, would be excluded from such provision. He further stated in the letter that colluvial deposits should be explicitly excluded in the definition. Colluvial deposits are composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation, and windblown deposits.

The inclusion of colluvial deposits in this provision is a strawman put forth by the Department in order to cast doubt upon the provisions of this legislation. There is no professional or reasonable basis for the inclusion of such deposits in the meaning of the term "alluvial valley floors," the definition of which stipulates that they be "stream-laid deposits"—for example, formed by concentrated runoff—and it should be noted that the definition in H.R. 25 is the same as that in the administration bill submitted by the President last February.

USGS personnel admitted on April 14 to both the minority and majority House and Senate Interior staffs that the inclusion of colluvial deposits in the interpretation of "alluvial valley floors" was "unreasonable" and that they had not read the committee report or legislative history on this provision prior to preparing maps and data showing that the term could apply to wide areas in the West. I find it very disturbing that the professional agency within the Federal Government with respect to Earth sciences and geology could not clearly provide accurate data on this provision of this act.

At this point I would like to include in the RECORD that portion of the statement of managers which pertains to the geographic extent of alluvial valley floors in the West and note that it covers 5 percent or so of the land overlying surface coal minable deposits:

> There has been considerable discussion on the potential geographical extent of this provision. For example, estimates have ranged up to nearly 50 percent, of the land over the strippable coal in the Powder River Basin being included under this provision. The conferees strongly disagree with such interpretations noting that specific investigations of representative portions of the Powder River in the Gillette area, indicate that only 5 percent or so of the lands containing strippable coal deposits appeared to be alluvial valley floors. It should also be noted that the Department of the Interior advised the conferees that 97 percent of the agricultural land in the Powder River Basin is undeveloped range land, and therefore excluded from the application of this provision.
>
> While both of these estimates are based on sample data, it is recognized that the amount of land affected in an area might well be higher and the total proportion of land affected in the entire Powder River Basin may also be higher. However, this data strongly suggests that the estimates of large scale geographic impacts of this provision are erroneous, not only in the Powder River Basin but also in other pertinent areas west of the 100th meridian.

Mr. UDALL. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. VIGORITO).

Mr. VIGORITO. Mr. Speaker, I rise in strong support and urge my colleagues to approve this conference report.

As the gentleman from Arizona (Mr. UDALL) pointed out regarding the slopes of 25 degrees and 30 degrees that we have in Pennsylvania, we have a much stronger law in Pennsylvania right now than we anticipate having in the Federal law, and we in Pennsylvania can sell every ton of coal that we can possibly produce today, and the additional cost is small. Everyone is willing to pay that additional cost so that we can restore our land to the original contour and preserve our land for generations to come. It is imperative that we have a law on the national level, a law that other States can use as a guide.

So I urge my colleagues to vote for this conference report.

Mr. STEIGER of Arizona. Mr. Speaker, I yield myself 12 minutes.

Mr. RUPPE. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

I would like to ask, if I might, two questions of the chairman of the subcommittee, the other gentleman from Arizona. On page 39 of the conference report there is a reference to section 515 (b)(10)(E), the water replacement standards.

As I understand the water replacement standard provision, this would be met by a performance bond. Is that the understanding how the standard would be met?

Mr. UDALL. If the gentleman will yield, it is my understanding that the legislation does not provide for posting a bond. I would be glad to look at it and maybe give the gentleman a more comprehensive reply.

Mr. RUPPE. In other words, under the water replacement standard I would question whether the individual would have to call up a water truck or have one readily available, and our provision requires that there would have to be a performance bond, and if there was any question the water would have to be replaced, the bond would have to be filled, but the water would not have to be immediately there.

Mr. UDALL. If this would be physically impossible I assume they would have to compensate the owners for damages under applicable State law, and they would be in violation of the act if they did not produce the water.

Mr. RUPPE. Or produce the water.

Mr. UDALL. Yes.

Mr. RUPPE. Then there is another problem. On page 79 and also page 82 of the report there are several references to alluvial valley floors. On page 79 the report states:

> These areas protected by this provision are very small.

Then it goes on to refer to that as being generally undeveloped range land.

Also on page 83 there is a second reference to the alluvial valley floor:

> Alluvial valley floors do not include upland areas which are generally overlain by a thin veneer of colluvial deposits . . .

I understand that language was acceptable and that is the understanding of the committee and subcommittee?

Mr. UDALL. Yes. The first reference on page 79 to alluvial valley floors is that they are insignificant nationally and in some valleys they may have a very large segment in a particular place which was alluvial.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the chairman one question. When the bill came up the last time I voted for it. It was a parochial vote since the requirements in our State of Pennsylvania, as the gentleman from Pennsylvania (Mr. VIGORITO) said, are more strict than this. Since then I have had a friend in Virginia, who is in Farmers Home Administration, responsible for the low-income and low-cost homes that are built for people, tells me the only place he has to build these homes is in the southern part of Virginia on reclaimed land. Are we saying that land must be put back the same as it was before it was mined?

Mr. UDALL. If the gentleman will yield, no, this is an old bromide they keep throwing at us. They keep throwing it in. We have in the bill a provision for a variance. But they have to say that they need a school or shopping center or homes to be built in this particular instance and in this particular instance they will not put it back to the original contour, but they will leave it level. That is perfectly permissible under the bill. We encourage that.

What we do not encourage is leaving the high walls and the benches as they have been doing in the past years, using the dodge that sometime in the future, maybe 100 years from now, they will need that for home land. But if they do have a particular use and a particular plan, the bill does permit that.

Mr. GOODLING. The gentleman is saying the bill does permit that.

Mr. UDALL. Yes, it does.

Mr. STEIGER of Arizona. Mr. Speaker, whereas we are once again gathered together to do to our country that which we would not do to ourselves, I recognize once again that everybody in this room with the possible exception of the gentleman from California has heard much of this rhetroic before. I should simply like the record to reflect that we are not all presumed to be politically seduced by the hopefully achievable or the emotionally attractive. We have a piece of legislation here that is based upon the desires of all of us to do the best possible job for the environment that we can do. We simply fail to recognize that we have the capacity here in the Congress to produce an entity that is absolutely counterproductive and we do it in this bill.

We take 91 pages of ambiguity, written again by people who honestly know nothing of coal mining; in fact, written by people who resent very deeply the intrusion of the coal companies input, and said input having been invoked as a reason to refute all objections to the bill in recent hours by my good friend, the gentleman from Arizona.

I will simply advise my good friend, the gentleman from Arizona, that everybody opposed to this bill is not involved in the coal business, that people who pay electric utility bills are opposed to this bill, that a 15-percent increase in their electric utility bills is too great a price for people to pay for the aggrandizement of individual Members of Congress so that they can best demonstrate their concern about the environment.

The fact is, and the sad fact, is that this committee knows and every Member of this body knows that the Federal Government is no more competent to administer a set of regulations and standards at this time or any other time than they are in administering a set of regulations and standards for any other qualitative assignment; but what we have done in this 91-page horror is to incorporate into the law—and this hopefully somebody will hear—incorporate into the law solid ambiguity which can only invite litigation.

There has been a great deal of debate between the insiders, the White House staffers, the Interior Department staffers, as to how much coal we are going to lose by this bill.

I submit that no estimate is right and pride of authorship means nothing. The one single thing is we are going to lose coal, that is No. 1. The second thing is that we are going to lose a lot more new starts in the future because of these ambiguous terms, such terms that are incorporated in this bill as a matter of law and by statute and that will lend themselves to litigatory interpretation, such terms as "essential hydrologic function," "unconsolidated stream-laid deposits," "substantially degrade."

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I would not yield to the gentleman if his clothing were on fire—"Contemporaneously as possible."—did we catch that one? "Contemporaneously as possible."

CALL OF THE HOUSE

Mr. FORD of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. STEIGER of Arizona. That does not surprise me, Mr. Speaker.

Mr. UDALL. Mr. Speaker, I yield the gentleman a minute.

Mr. STEIGER of Arizona. Mr. Speaker, I refuse to be intimidated by such shallow parliamentary tactics.

The SPEAKER pro tempore (Mr. Brademas). The Chair will count.

Seventy-six Members are present, not a quorum.

Mr. UDALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 186]

Ambro
Anderson, Ill.
Archer
Bergland
Brodhead
Chisholm
Conyers
Corman
de la Garza
Diggs
Drinan
Esch
Fascell
Fisher
Gibbons
Goldwater
Gonzalez
Hawkins
Hays, Ohio
Hinshaw
Holt
Ichord
Jones, Tenn.
Karth
Koch
Landrum
Lent
McCollister
McCormack
McFall
Mink
Mollohan
Mosher
Pritchard
Rangel
Rinaldo
Roybal
Shriver
Staggers
Stark
Van Deerlin
Wilson, Charles, Tex.
Young, Ga.

The SPEAKER pro tempore (Mr. Brademas). On this rollcall 390 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER pro tempore. The Chair will advise the gentleman from Arizona (Mr. Steiger) that he has 4 minutes remaining, and the gentleman from Arizona (Mr. Udall) has 12½ minutes remaining.

Mr. STEIGER of Arizona. I thank the Speaker.

Mr. Speaker, I would like to advise those of my colleagues who are here under the demands of the quorum call that it was not my doing, it was rather the petulant action of a colleague of ours who was angry with me. So I would not want to bear the blame for requiring you to hear the remainder of my few poor words.

At any rate, what I want the Members to understand is that this bill is a symphony of ambiguity. It is best personified by the colloquy—and I hope the Members will listen to this, or perhaps read the Record tomorrow, because they will hear this no other place, and they will read of it in no newspapers. But the ambiguity inherent in this bill is best personified by the colloquy in the conference committee between the Senate and the House leaders of the conference in which the Senate leader allowed as to how this bill permitted State standards to supersede Federal standards where applicable, and the colloquy we just heard a little earlier between the gentleman from Montana and the gentleman from Arizona, whereas the conferees, the House conferees, through their spokesman, allowed that it did not, the State authority could not supersede the Federal authority. The bottom line of this, I will tell my friends, is that the conferees agreed to put nothing in the report about it, and to let the courts decide it.

I will tell my friends that this whole legislation is filled with that same potential.

I submit that the lawyers need all of the business they can get, but the folks need all the coal they can get, and this will deny them that coal. This will guarantee unemployment, regardless of what my good friend, the gentleman from Arizona, says, this will guarantee unemployment in excess of 47,000 people who would lose jobs through this legislation, and the electric utilities and every consumer in the country, even in your district and mine, will have their bills increased by 15 percent, and they will have absolutely no positive gain. Because there is not one line and there is not one word, not one line written, that if the State laws are adequate, that the Federal standards will prevail. We have all of these horror stories and all of these horror pictures, and some are on display here, but the facts are we are putting everything into the hands of a few bureaucrats, and the rest of us, and we will not have any reform. That is how bad this bill is.

You will be doing yourselves a favor by voting against this conference report, but you will also be doing the country a far greater service.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from Wyoming (Mr. Roncalio).

Mr. RONCALIO. Mr. Speaker, I am happy that I could get a little time of my own, because I had asked for time from the previous speaker, my good friend, the gentleman from Arizona (Mr. Steiger) and he said he would not yield to me even if my clothes were on fire. I am indebted to the lovely gentlewoman from Texas, Barbara Jordan, for telling me that my response should have been that were my clothes on fire I would not ask him to yield, I would race into the well and embrace him.

Mr. UDALL. In that event the gentleman would not have had to rescue him, because the gentleman from Arizona is usually all wet.

Mr. RONCALIO. Mr. Speaker, I am glad we have a pleasant tone, so that I can proceed with a final response to some of the criticism to the conference report we have heard today.

The New Yorker magazine's "block that metaphor" department that we used to read in our college days should have an editor here today. We have become involved in wild metaphors, such as: This is a symphony of ambiguity—let us say it is an "essay on discord." Of course, there is a little bit of ambiguity in this legislation.

There will be litigation. It is inevitable, because we are defining matters of first instance in the law, and, therefore, there is no other way to determine what the implications are of some of our protections for the surface owner, of the refusal of mining without his written consent.

There is no need for this law—my good friend, the gentleman from Arizona (Mr. STEIGER) says—because the State laws govern. How can a State law have jurisdiction in a State that is 55 percent owned by the United States of America, as is the case in Wyoming? How can a State law govern when a vast percentage of the mineral deposits in that State underlie land not owned by the United States—where the coal belongs to the Arapahoes or the Shoshones or to other individuals, and the surface in other hands?

Basically, Mr. Speaker, in response to the gentleman from Virginia (Mr. WAMPLER) who has opposed this, the loss that will be sustained in Virginia because certain operators refuse to accept the fact that downslope spilling of soil will no longer be tolerated in America.

Some of these operators came to my office at the suggestion of our friend, the Clerk of the House, Mr. Pat Jennings. The Clerk said to me, "Teno, these gentlemen are desperate; they are worried. Can they come and talk to you about this bill?"

I said, "Yes; send them in."

They said, "Mr. Congressman, that definition of a 20-degree slope means we are out of business."

I said, "Why is that?"

They said, "Because we are not allowed to mine a 20-degree slope."

I showed them the bill and said, "There is nothing in the law that prohibits you from mining a 20-degree slope. All it does is define what is a steep slope, and it says you cannot spill the overburden down that downslope. You must restore to approximate original contours."

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

Would the distinguished gentleman from Wyoming agree with me that the requirement in the bill to restore steep slope land to the approximate original contour does not constitute the best possible post mining use of that land?

Mr. RONCALIO. I will answer the gentleman this way. There is no doubt that writing one law to apply to the hydrology and topography of 50 jurisdictions is inevitably difficult.

Mr. WAMPLER. If the gentleman will yield further, is that not one of the best reasons why we ought to send this conference report back to the committee and bring out a workable bill?

Mr. RONCALIO. No, sir. Let me respond, in conclusion before my time is up, that that is the finest reason I know for at long last, after 4 years of deliberation and toil, after one pocket veto, getting a bill on the statute books. Let us all be reasonably pleased with it, and then let us move ahead with better legislation in years to come.

Please vote for the conference report.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Speaker, I take this time in order to direct some questions to the gentleman from Arizona (Mr. UDALL). I might point out this legislation passed by a vote of 333 to 83, and I just wanted to compare the conference report with some of the provisions in the original bill.

Is the conference report in any way more restrictive than the House-passed bill in regard to steep slope mining or mountain top mining?

Mr. UDALL. No. As a matter of fact, it is less restrictive, and we have been restricted by some members of our group from moving away from that point. Under the House-passed bill this year one could temporarily place spoil from the initial short cut on the downslope and did not have to bring it back for the permanent reclamation. Now if one has a place for it—to fill along haul roads or in old, abandoned areas, or one can leave it permanently on the downslope as long as it is in accordance with the provisions of the act.

Mr. TAYLOR of North Carolina. What is the requirement in the conference report in regard to returning the land to the original contour when the mine is located on top of a mountain?

Mr. UDALL. We went into this in great detail. We had exactly the provisions as we had before which permits mountaintop removal if one had a suitable plan that required, with all of the restrictions, and put the topsoil back with all of the rest.

Mr. TAYLOR of North Carolina. How does the language in the conference report vary from the language in the original bill with regard to citizen suits?

Mr. UDALL. Because there were a number of complaints, including some by the administration, we removed a provision that the administration claimed was unduly restrictive that permitted an operator to be sued for any violation of the act, even though he was complying with his permit, or complying with his license. We thought the operator ought not to be put under that jeopardy. The conference revision makes it better for the coal operator.

Mr. TAYLOR of North Carolina. I thank the gentleman.

Mr. UDALL. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. SEIBERLING), one of the conferees.

Mr. SEIBERLING. Mr. Speaker, no one can say that this bill has not been thoroughly deliberated. This is the fifth time a stripmining bill has been brought before the House. It is, in fact, a very carefully drafted bill.

We have heard all kinds of dire predictions about how this legislation is going to cost jobs and put mine operators out of work. We have been down that road before. The State of Ohio 3 years ago passed a stripmining law which was very similar to this bill and which probably will fit very neatly within this bill. We heard the same kind of song and dance from the largest strip mine operator in the State, and yet the ink was hardly dry on the law when he was asking for a permit to expand his operations in Ohio.

And the State of Ohio has gone on producing strip mined coal.

We have heard predictions that this bill will raise the cost of electricity to the consumer. The fact is that the price of coal has gone up fantastically in the last two years during which time there has been no Federal strip mine program. Coal that 2 years ago was selling for $12 to $15 a ton is now selling for $50 and $60 on the spot market, and the coal companies have made astronomical profits, the fact is that the price of coal is determined today not by the cost of mining it but by other factors, including tremendous increases in the price of oil. This bill will, in fact, have little or no effect on the cost of coal to the consumer.

Of course this is not an ideal bill. Having lived with it in the subcommittee, the full committee and weeks and weeks of House-Senate conferences, no one is more aware of this than I am. But nothing we do here is ideal. This is a carefully considered and carefully drafted bill which is designed to take into account many conflicting considerations. In my opinion, it strikes a reasonable balance. We cannot ban strip mining in this country, much as I would like to do that. In today's world that is simply an unattainable goal.

This bill is practically the same as the bill which passed the House last December. It is a strong bill. It has very specific and very tough environmental protection provisions in it.

The only unanswered question is whether this bill, if it becomes law, is going to be enforced. If it is enforced in accordance with its intent then we are going to have an end to the depredations of coal strip mining. If it is not enforced, then we can tighten the law as experience indicates.

I urge support of the conference report.

Mr. UDALL. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, if any of my colleagues are in doubt before they vote, I hope they will walk down to the display at my right. On the right-hand side of that display they can see what has been done in the State of Virginia, the area from which all these big trucks and all these poor misled and misinformed miners came here about a month ago.

This area looks like the Moon. It is devastated land and it is done under the Virginia law. There are other States which have either weak laws or which are administering them in ways that will let that activity continue.

They tell us they cannot mine from steep slopes. On the right-hand side there are two pictures from the State of Pennsylvania, one is 26 degrees and one is 30 degrees, and the pictures show the kinds of results one can get using present techniques and present machinery at almost no additional expense. They just plan in advance and do it the right way.

In the middle is an advertisement from the Caterpillar Tractor Co. in Coal Age magazine, and they show in a very simple way the techniques of moving along and taking topsoil from the place where it was earlier and putting it back in sequence.

I want to close by reading from a letter that our colleague Congressman JOHN DENT, the gentleman from Pennsylvania, was going to read but he was unable to be here this afternoon and I will do it for him. In Pennsylvania there is a man named W. E. "Bill" Guckert and he was down in Virginia about a month ago, and he wrote a letter to the senior Senator from the State of Virginia, Senator BYRD, and this is what Mr. Guckert, who administers the law in Pennsylvania, said:

> In the afternoon, I was invited, along with all the other people attending the conference, including the people from Virginia that were in charge of the enforcement of strip mining in Virginia, to make a tour of strip mined areas in Wise County. The areas covered on the tour were the Dewey and Flat Gap area near Pound and the Duncan's Gap, Roundtop area near Wise. We traveled throughout this area from 2 p.m. to 6 p.m. and, Senator, I want to tell you this, I have never seen such utter devastation, exploitation and destruction of the land as I saw in Wise County, and I am not saying this for public consumption, what I am telling you is the truth. When the State of Virginia says they have a strong strip mine law, they are not telling the truth because if what I saw was an example of their strip mine law, they don't have a law.
>
> Any man with a conscience could never stand up and say that is what is called restoration.

Then Mr. Guckert tells about Pennsylvania by saying:

> When our Surface Mining Law was passed in Pennsylvania, which required the land to be restored to the approximate original contour, the Strip Mine industry said it would put them out of business and, Senator, today we have more strip mines and more strip mine production than ever before and the industry is making more money. Another thing, you don't hear in Pennsylvania the story I heard in Virginia (and Ohio, West Virginia, Kentucky and Alabama) where the people were calling to "abolish strip mining". The reason for that is that in Pennsylvania the industry is doing a good job. The land is being restored after strip mining in such a manner that future generations will be able to live and benefit from the land.

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the conference report on H.R. 25, the Surface Mining Control and Reclamation Act of 1975.

This morning I received the following telegram from the Chamber of Commerce of the United States which gives a clear summary of private industry's views of this legislation and its impact on domestic coal production, and on jobs in the coal mining industry:

> MAY 7, 1975.
>
> Hon. JOHN H. ROUSSELOT,
> *House of Representatives,*
> *Washington, D.C.:*
>
> Members of National Chamber urge you reject conference report on coal surface mining. However worthy its intentions, bill's impact would worsen both our energy and economic problems.
>
> Proposed restrictions on surface mining expected cut coal production as much as 22% first year; would also eliminate 50% of coal reserves from future production. Considering that surface-mined coal currently provides two-thirds of all electric power, effect of such cutback will not only reduce current supply of electricity but impede essential development of new generating facilities, all to disadvantage of consumers.
>
> Consumers also adversely affected by bill's requirements of new coal taxes, production costs and enforcement costs—totalling $400–$500 million or more.
>
> Further, FEA has estimated bill could cost up to 36,000 mining jobs, at time national employment at 8.9%.
>
> With nation trying improve energy self-sufficiency, put unemployed back to work, and curb inflation, surface mining bill goes in wrong direction. In national interest, House should reject this bill so more reasonable and responsible measure can be developed.
>
> HILTON DAVIS,
> *Chamber of Commerce of the United States.*

The reclamation fee required by title IV of this legislation which is to be levied on every ton of coal mined—35 cents per ton for surface-mined coal, 15 cents per ton for underground mined coal, or 10 percent of the value of the coal, whichever is less—is essentially a tax which will be paid into a trust fund to be known as the "Abandoned Mine Reclamation Fund." I have several objections to this provision:

First. The cost of this "tax" will be passed on to consumers thereby forcing up the price of coal;

Second. There is a committee jurisdictional problem with this section of the legislation. A trust fund is established, and what amounts to a tax is imposed in a provision that has never been considered by the House Ways and Means Committee—the committee which has jurisdiction over such proposals; and

Third. Higher coal costs will force increased reliance on imported oil, and it is counterproductive to our national goal of developing domestic energy supplies.

My objections to this legislation go beyond just problems with section 401, as I feel this entire bill is counterproductive to meeting national goals of developing domestic energy needs, and encouraging production in our private market industries in order to stimulate employment in the private sector.

This legislation has the same characteristics of so many of the bills we have been considering in this Congress. It overreacts to a problem that can and is being solved at the State level. The conference report itself states on page 78:

> Virtually all of the specific standards set forth in the conference report are already required in one or more of the several States regulating surface coal mining.

I urge my colleagues to join me in voting down this conference report, which can only further intensify the federally mandated inflationary forces in the economy that are causing the upward pressure on prices and interest rates, and are stunting private industry growth and employment.

Mrs. MINK. Mr. Speaker, once more, and hopefully for the last time, I speak up on behalf of the Surface Mining Control and Reclamation Act of 1975—a bill which has experienced almost every vicissitude imaginable, but a bill which persists because it is meant to answer a national dilemma that becomes more evident every day. How can we dig the coal essential for the running of our economy—for our electric generators today, our gasification and liquifaction plants tomorrow—how can we dig this coal from the abundant resources at hand and still discharge our stewardship over land and water? Your conference committee members have grappled repeatedly with this question in their attempts to resolve outstanding differences beween H.R. 25 and S. 7.

It has not been an easy process. The attempt to hold on to what is vital in the bill has been especially difficult because the administration saw fit to bring before the conference a list of amendments and modifications which were pressed upon the members by Mr. Zarb of the Federal Energy Administration under the threat of Presidential veto. Nearly all the conferees had already been through the experience, in the last days of the 93d Congress, of a Presidential veto which in turn necessitated starting anew on this measure in the present session. The large majority by which the House passed H.R. 25 in March, sending it to conference by a vote of 333 to 86, must be taken as a definite indication that all but a small group of Members have concluded the time for debate is nearly over. It is indeed time to get this measure into the law books, to take steps implementing it in all the States, Indian lands and Federal lands—in a word, to get down to the business of encouraging the orderly development of the surface coal mining industry.

Despite the difficulties, your conferees have given exhaustive scrutiny to the administration's overall demands. As you will note on page 87 and following of the conference report, President Ford in his February transmittal letter set forth 8 "critical" and 19 "important" differences between the administration's proposal and the conference report on S. 425, 93d Congress. A review of changes made in the bill indicates that six of the eight critical items were adopted in one way or another. These six include modifications of provisions covering citizens suits, stream siltation, hydrologic disturbances, abandoned mine reclamation fund, coal waste impoundments, and unemployment provisions.

In two instances, the conferees rejected administration suggestions outright. These were the authority for the Secretary to define ambiguous terms, and the opening up of national forests to strip mining.

In no instance where the President's recommendation was accepted did the conference committee relinquish provisions which are essential to the adequate enforcement of the act. To make my point, I will review these quickly. In the case of citizen suits, mine operators would not be exempted from suit if they are in violation of the rules and regulations, or permit terms or the Secretary's orders, nor would they be immune from suit under other sections of the act, but only where they are in good faith compliance with such requirements.

In the case of stream siltation, the insertion of a qualifying term—"to the extent possible using the best technology currently available"—was made in recognition of the existence of techniques at this time which will allow near-total removal of suspended solids from water running off from the mined site. The committee report for H.R. 25 on page 105, refers to the highly effective technology used at the surface coal mine of the Washington Irrigation and Development Co. of Centralia, Wash., as an example. In other words, Mr. Speaker, there is no excuse for an operator, even under the qualifying clause, to discharge water having a higher sediment load than that which is normal to the area prior to the start of mining. Additionally, the conferees adopted a provision in section 519 (c) (2) requiring the withholding of the operator's revegetation bond until the minimum levels of sedimentation have been reached.

Regarding hydrologic disturbances to alluvial valley floors, the conferees accepted the earlier conference report language limiting the ban on mining in alluvial valley floors to those areas wherein the hydrologic function of the alluvial material allows irrigated or subirrigated ranching or farming, including potentially significant and economically feasible ranching or farming, but excluding undeveloped rangelands. The purpose has been not protection of alluvial valleys as such, but protection of the food-producing capacity of these valleys. In the West, agricultural potential depends largely upon the water-holding and transmitting capability of the alluvial material underlying these valleys. Consequently, while the ban has been narrowed, its effect is still the preservation of the surface and subsurface water systems of these critical areas. The outcome of the conference language is entirely in keeping with this purpose.

In considering the abandoned mined lands reclamation fund, the conferees made it clear that the fund's primary objective remains the reclamation of previously mined areas, and that before the Governor of any State may request the use of funds for removing public hazards caused by mining for other than coal, all reclamation of abandoned coal mined lands must have been completed in that State. Areas which experience rapid development of coal resources may more easily qualify for funding under the new conference language, because of broader criteria by which the Secretary would make a selection. The administration's request for reduction of the reclamation fee to $0.10 per ton across the board was rejected by the conference committee.

The conferees also scrutinized the administration's contention that the use of new and existing mine waste impoundments would be "unduly restrictive" because of requirements for their location. The House response to this criticism was adopted and modified so as to require the Army Corps of Engineers through its Chief of Engineers, to oversee the promulgation of standards for the design, construction, maintenance, operation and removal of any such structures which serve as either temporary or permanent impoundments. Thus, while avoiding needless duplication of enforcement inspectors, the conference report will insure that these potentially disastrous dams are built according to the safety standards applying to flood control structures of the Army Corps, for the safeguarding of downstream populations.

The special unemployment provisions were dropped from the conference report at the administration's suggestion because they are clearly in conflict with the anticipated effect of the act, which is, to permit the expansion of surface mining where reclamation of the land can and will be accomplished. It is evident that new jobs will be created both under the requirements of the act's environmental protection performance standards and the program for the reclamation of orphaned mine lands. These jobs should more than compensate for the temporary unemployment which may be experienced by a few in the process of adjusting to the new law. Thus, it makes no sense whatsoever to include unemployment compensation provisions which will require a complex administration.

Turning from the major changes to amendments of a less critical nature as proposed by the administration, it is instructive to note that many of those which were rejected outright would have eliminated key provisions in the act relating to environmental protection, the rights of surface owners and long-range planning. A brief review of these rejected provisions follows:

First. Reclamation fund. The administration amendment would have deleted the portion of the orphaned lands program under which private landowners would be encouraged to reclaim and upgrade lands affected by previous coal mining, through grants administered by the Secretary of Agriculture. This program would have wide applicability throughout Appalachia and the Midwest.

Second. Federal enforcement. The administration would limit the Federal enforcement role only to cases of imminent danger to public health and safety or harm to the environment during the period of up to 30 months prior to the initiation of the permanent regulatory programs by States and by the Secretary. This limitation would have encouraged continuance of inadequate State regulation, seriously undermining the confidence of citizens in the ability of the Interior Department to bring about effective implementation of the act.

Third. Surface owner consent. The administration would completely wipe out all provisions in the act for the protection of surface owners where the underlying coal is owned by the Federal Government. Under existing law, condemnation procedures can be initiated in such cases where a rancher or farmer who is located in the Federal coal lands of the West resists the strip mining of his land. The conference report, by retaining language in section 714, would provide an equitable arrangement under which surface owners (as defined) would be protected from displacement or if willing, would be adequately compensated.

Fourth. Research centers. The administration would totally eliminate title III of the conference report which establishes a program for funding State mineral resources research institutes to carry out needed research and to prepare specialized personnel now greatly in demand throughout the mining industry. This program will not duplicate existing Federal programs because its primary objective is manpower training, the need for which has been documented by industry groups, including the National Coal Association.

Fifth. Hydrologic data. The administration would—at the discretion of the regulatory authority—waive the requirement that a permit applicant provide essential hydrologic data. Unless such data is made available during the process of review by the regulatory authority and during scrutiny by the interested public, the permit application would be grossly deficient in documenting whether or not the applicant can meet performance standards of the act dealing with water quality and quantity. For western strip mines in particular, the gathering of hydrologic data prior to the issuance of the permit is absolutely essential—without it the act cannot live up to its promise.

Sixth. Variances to performance standards. The administration proposed to weaken a central requirement, that the mined site be returned to its approximate original contour, with highwalls eliminated and with no spoil except that from the initial cut placed on the downslope below the bench. In short, the guts of the performance standards—as applying to the humid East—would be removed from the bill. This proposition had been firmly rejected in committee and was not at issue in conference.

Seventh. Prohibition on mining within 500 feet of an active mine. The administration, claiming that this reasonable precautionary measure would "unnecessarily restrict recovery of substantial coal resources," opted for deletion of the ban. Endorsed by the United Mine Workers, the prohibition is meant to safeguard the welfare of underground miners who might be endangered by blasting and excavating activities of nearby surface mining operations. There was no inclination to remove the ban in conference.

Mr. Speaker, in reviewing various administration changes which were rejected in conference and in committee, I would note that better than half of the group of "non-critical" modifications were incorporated into the bill in one form or another. Again, in my judgment, none of these modifications has done serious harm to the basic integrity of the act. For example, unintended moratoriums on surface mining, an inadvertent ban against connecting haul roads to public highways and needless interference with long term contracts between producers and consumers of coal were exposed and cleared up. An antidegradation clause which could cause further unintentional shutdowns of strip mining operations was removed, and use of the term "potential ranching and farming" was clarified, as it would apply to restrictions on mining within alluvial valley floors.

The attention given by conferees to striking a compromise in keeping with the purposes of the act is evident in the above summary of how administration amendments were disposed of. There was no sellout to the coal interests. Nor was there any caving in to the administration, as some would have us believe. Rather, there was a meticulous effort to examine each issue on its merits, and to harmonize as far as possible the legitimate interests of the coal industry in maximizing production together with the equally legitimate interests of ranchers, users of waters, mountain residents living in the shadow of mine waste embankments, and the rest of us who must have electric energy and food produced from these coal lands. Yet there are some among the environmentalists and some in the industry who seem determined to distort our effort toward a workable compromise.

On the one hand we are accused of producing a "spineless and toothless" conference report with a "dismal litany of weaknesses." Matching this rhetoric is the stridency of the strip mine operators of Virginia, spreading misinformation about the bill, and predicting a veritable plague of unemployment. I have already entered into the CONGRESSIONAL RECORD—on May 1—letters sent to me by many individuals in southern Appalachia who do not swallow the hogwash of either the environmentalists or of the strip mine operators. These individuals live with strip mining and its awful consequences every day of their lives. They truly appreciate the urgency of establishing an equitable, enforceable nationwide system for regulating and ameliorating the effects of strip mining. Without any ifs, ands or buts, they are writing to urge me to "hang in there—we need this bill—don't let anyone tell you otherwise!"

Mr. Speaker, I intend to hang in there. I make no apologies for this conference report. It represents a reasonable approach. It recognizes the just needs of the coal industry, of the utilities, of the gas companies, of the administration, of the States, of the Indian tribes, of the miners, of the public interest and environmental groups, and most especially, as far as I am concerned, it recognizes the just needs of the many, many ordinary people who in the last analysis, are paying all the costs of strip mining.

Many of us wonder what the President intends to do. Doubtless, the coal production loss estimates which were bandied about by the administration are now being presented in their latest reincarnation to the President, by proponents of a renewed Presidential veto. There is absolutely no reason to believe that any of these figures have any validity. They all boil down to unsupportable interpretations of various provisions of the conference report, interpretations which by admission of the Interior Department staff members who compiled the figures, have no justification in the congressional history, particularly where they relate to restrictions on the mining within alluvial valley floors in the West.

In fact, the alluvial valley floor estimates and a map illustrating how the interpretations would apply to one river basin, were produced under explicit instructions that the "broadest possible interpretation" of the alluvial valley floor language be taken, without regard to any reasonable reading of committee reports or floor debates or any other background material which might shed more light on what Congress intended. An inadmissibly large area of western coal lands has been included in the calculations, distorting the final estimates out of all proportion.

There is no more validity to such claims of coal production loss—which have been ground out like so much sausage by the Bureau of Mines, by the Geological Survey, and by the Federal Energy Administration—than there is validity to that other spurious claim: By boycotting pineapples, strip miners in Virginia claim they will hit me where it hurts and so persuade me to give way in determining to bring about an effective strip mine bill. Both claims are ridiculous. They are based on a willful misreading of reality—the administration by stretching the definition of "alluvial valley floors," and the strip miners of Virginia by underestimating the intelligence of their fellow Appalachians. Just as the so-called pineapple boycott has inspired many Appalachians to buy more pineapples so I believe the fallacious calculations of the administration is having a contrary effect upon those in Congress who exercise their commonsense to review the basis of these claims.

In the unfortunate event that the President is not one to perceive the fallacy of the administration's estimates, and if he should then succumb to the pressures for a veto of this bill, I will confidently predict, Mr. Speaker, that an even larger proportion of my colleagues in the House than voted to pass H.R. 25 on March 18 will vote to override his veto.

What is at stake is not the enormous investment of time and energy in bringing this legislation a second time to the White House, nor the question of affirming the integrity of the Congress. What is at stake is whether we can establish, once and for all, order and equity in a necessary industrial activity which has grown rampant too long and which now threatens to disembowel this continent.

I respectfully urge my colleagues to support the conference report with an affirmative vote.

Mr. RHODES. Mr. Speaker, the proposed legislation we are considering today has been described as an act concerning the mining of coal. It should really be entitled "The Coal Undermining Act of 1975." It proposes to limit coal production. It would have very serious detrimental impact on the coal industry, our energy supplies, the American economy, jobs, and the standards of living of our people.

Quite simply, coal is one of the natural resources we have been blessed with in huge amounts. It is most interesting that the Democratic congressional leadership has proposed a plan to increase production from today's 600 million tons a year to 1.37 billion tons by the year 1985. Yet—that same leadership today is pushing a bill that would cripple coal production—and make their own declared goals unattainable.

This bill could well be labeled "The Foreign Oil Dependency Act of 1975." It is estimated that in its first year of full operation, H.R. 25 will cost up to 162 million tons of coal production a year. This will require some 450 million barrels of oil. This Congress already has shown that it talks a good energy fight, but in the clutch it acts to curb our energy development. We will not have the additional domestic oil, due to the disincentive already enacted by this Congress. This means we will depend more on imported oil. Our balance of payments will be adversely affected. This wil have an inflationary impact on our economy.

This bill might also be called the Brownout and Electric Power Cost Increase Act of 1975. By cutting production of strip-mined, low-sulfur coal, it will force utilities to turn to expensive oil, or to burn expensive metallurgical grade coal in their boilers. Experts estimate that it will take 6 years to up production of deep-mined coal in sufficient quantities to supply power needs. Much of this high-grade coal will be needed in our industries, and to divert it to boiler use would up electric bills for consumers. Estimates are that power bills could go up at least 16 percent due to this bill.

This bill could also be called the Unemployment Assurance Act of 1975. Due to its ambiguity, its 266 pages of regulations on the mining of surface coal, and its prohibitory sections, many of the 2,178 small coal producers, who extract 100 million tons of coal a year, would be forced out of business. This could cost 46,000 jobs immediately. The ripple effect from constrained energy supplies in allied industries would idle thousands of other workers, foreclose business expansion, and cost millions in further unemployment compensation. At a time when the Nation is fighting recession, when Congress is charged with the responsibility to enact economic stimulative measures, this act would be a travesty against the national interest, and cause untold hardship and suffering for thousands of those now working, and those unable to find jobs in the future.

H.R. 25 could well qualify as the Economic Stagnation Act of 1975. In our energy-dependent economy, we can ill-afford to enact legislation that hamstrings our energy future. This bill does nothing to create more energy resources. It does insure lessened energy production. Our economic vitality cannot be enhanced by any measure that curtails prospects for the energy we will need for future industrial productivity.

Perhaps the worst feature of this bill is that it is really the Resources Waste Act of 1975. This measure simply assures that millions of tons of needed coal will be locked up in the ground. Far from reality, it bears the appearance of having been concocted under the influence of high-rise naturalists.

We have heard scare stories that the West would be ripped wide open, left a scarred and useless, exploited land. In actuality, by 1990 there would be only 143 square miles of high-production coal lands involved. Under Federal and State laws, these lands will be reclaimed after mining. This is a costly process, up to $6,000 per acre. It will increase the price of coal, but it has been accepted as part of the costs of coal mining today.

Far from laying waste to the West, the area involved is less than five one-hundredths of 1 percent of the western 1.6 million square miles. It is an area equal in size to one-twentieth of the Washington, D.C., metropolitan area. Each year we take 373 square miles of land for interstate highway construction. Of the land to be mined, only 2 to 3 percent would be disturbed in any one year.

This bill would waste up to 53 percent of the United States' 137 billion tons of coal reserves, and would be unconscionable misuse of our natural resources. Some 88 percent of Western coal is low-sulfur, the kind that is best suited for our environmental needs.

It is interesting to note that this very chamber is lighted by electric power supplied by the Potomac Electric Power Co., and produced almost entirely from surface mined coal from Western Maryland, Pennsylvania, and West Virginia. It would not seem very illuminating for Congress to pass this bill, which could turn its own lights out.

When you add up the disadvantages of this ill-conceived legislation, and weigh them against America's needs, it should be obvious that Congress would be doing a great disservice to the public to pass this bill. There has been talk of special interests opposing strip mining legislation. The most special interest this Congress should be concerned about is the Nation's general economic well-being. This proposal would jeopardize our economic future.

Since we in Congress represent the people, the public interest must be paramount. This bill does not do the job. We are today considering a proposal that could have far-reaching effects for the next decade. Do we want to enact a bill that increases our dependence on foreign oil? Do we want a bill that might return the long lines at the gas station and disrupt our trucking industry because petroleum is diverted to power production? Should we lock up and waste more than half of the coal we have in the ground? Should we waste high-quality metallurgical coal by burning it in boilers? Is it right to enact legislation that we know will cause unemployment, and increase that unemployment as the years multiply its damaging effects throughout our economy?

We all share concern for the environment. But, we all live here, we all depend on a strong, vigorous American economy. Present laws, Federal and local, protect the long-run environmental impact of strip mining. The proposal we have before us is unreasonable in its demands, impractical in its impact, and against the public interest. It is bad legislation, and I urge my colleagues to cast a vote for the future of America by rejecting this conference report.

Mr. MIKVA. Mr. Speaker, I rise in support of the conference report on H.R. 25, the Surface Mining Control and Reclamation Act of 1975. This bill contains the essential environmental safeguards and regulatory procedures adopted by the House on March 17 and 18, 1975. It is similar in many respects to the bill which passed the Congress during 1974 but which was pocket vetoed by President Ford.

While I would have personally preferred a bill which would have placed enforcement jurisdiction within the Environmental Protection Agency, required the Director of the Office of Surface Mining Reclamation and Enforcement to report to the Assistant Secretary for Land and Water Resources, and prohibited dumping of spoil on down slopes, I nevertheless believe that the conference report represents effective and workable strip mining legislation.

Further, in view of the opposition of the Ford administration to certain provisions of the bill, I feel the bill indicates a willingness on the part of Congress to work cooperatively with the administration to resolve legitimate differences. On this point, it is my understanding that the conferees adopted eight modifications recommended by the administration and approved language designed to meet another six. Thus, the conferees have met many of the administration objections while, at the same time, they have protected environmental safeguards.

In view of this, Mr. Speaker, I urge my colleagues to vote in support of the Surface Mining Control and Reclamation Act of 1975 and I call upon the President to sign this bill when it is presented to him for his signature.

Mr. DENT. Mr. Speaker, at the request of Bill Guckert, Pennsylvania's director of bureau of surface mines reclamation, I wish to submit a letter to Senator Harry F. Byrd, Jr., on the opposition views on this legislation.

Many of us, including Bill Guckert, one of the most knowledgeable persons in America on stripping, rehabilitation, ecology, and environment on some features of this proposal. However, like myself, he finds more to recommend passage rather than defeating this conference report.

I include the following:

Commonwealth of Pennsylvania,
Department of Environmental Resources,
Harrisburg, Pa., April 21, 1975.

Hon. Harry F. Byrd, Jr.,
U.S. Senate, New Senate Office Building, Washington, D.C.

Dear Senator Byrd: I have received a letter from Franklin D. Hubbard, Route 1, Box 310–H, Wise, Virginia, in which he requested that I explain to you exactly what I saw as far as surface mining is concerned in the State of Virginia when I visited there in March, 1974.

I had been invited to attend the Interstate Center on Corporate Responsibility, a conference on the energy crisis and strip mining, held at the Clinch Valley College in Virginia. The purpose of my visit was to show slides and speak on what the strip mining industry was accomplishing in Pennsylvania as far as restoration was concerned. I was not aware at the time that the group was church people and that the majority of them were anti-strip mining or wanted to control strip mining. I was scheduled to show my slides and talk on Pennsylvania's restoration but the gymnasium where the conference was held did not have any ways and means of darkening the room so I requested that I be excused to show my slides in the evening in order to make a better presentation. In the afternoon, I was invited, along with all the other people attending the conference, including the people from Virginia that were in charge of the enforcement of strip mining in Virginia, to make a tour of strip mined areas in Wise County. The areas covered on the tour were the Dewey and Flat Gap area near Pound and the Duncan's Gap, Roundtop area near Wise. We traveled throughout this area from 2 p.m. to 6 p.m. and, Senator, I want to tell you this, I have never seen such utter devastation, exploitation and destruction of the land as I saw in Wise County, and I am not saying this for public consumption, what I am telling you is the truth. When the State of Virginia says they have a strong strip mine law, they are not telling the truth because if what I saw was an example of their strip mine law, they don't have a law.

If you want to do justice to the State of Virginia, you should personally visit that particular area in Wise County and take a drive through those mountains. Quite a few of the highwalls along the mountains that were auger mined were never backfilled; never even covered. Some day you people in Virginia are going to have these coal seams on fire and it is going to cost millions of dollars to control them. Your streams are going to be completely filled with silt because the industry is pushing the material over the mountain side and down into the valley. I actually saw that with my own eyes.

Any man with a conscience could never stand up and say that is what is called restoration.

Now, in conclusion, if you believe that strip mining cannot be done properly with the land restored to the approximate original contour, I am prepared to invite you to come to Pennsylvania and I will pay your fare both ways and take you on a tour of any part of the Bituminous Coal Region of Pennsylvania and show you what we are talking about. You can name the area and I will take you there and then you will see first-hand what can be done.

When our Surface Mining Law was passed in Pennsylvania, which required the land to be restored to the approximate original contour, the Strip Mine Industry said it would put them out of business and, Senator, today we have more strip mines and more strip mine production than ever before and the industry is making more money. Another thing, you don't hear in Pennsylvania the story I heard in Virginia (and Ohio, West Virginia, Kentucky and Alabama) where the people were calling for "abolish strip mining". The reason for that is that in Pennsylvania the Industry is doing a good job. The land is being restored after strip mining in such that future generations will be able to live and benefit from the land.

Very truly yours,

W. E. Guckert,
Director, Bureau of Surface Mine Reclamation.

Mr. ASHBROOK. Mr. Speaker, I rise in opposition to the conference report on H.R. 25, the Surface Mining Control and Reclamation Act.

I certainly agree with the goals of this legislation. We need to regulate surface coal mining. We need to put a halt to the environmental abuses that have characterized such mining in the past.

I am opposed to H.R. 25, however, for two reasons: First, the bill does not adequately provide for the energy needs of our Nation; and second, it would mean further price increases for consumers, especially the cost of electricity.

It is essential that our Nation work toward energy independence. Recent events have shown that we cannot depend on unreliable foreign oil without endangering our national and economic security.

If we are to become self-sufficient in energy, however, we must have increased utilization of coal. There is no way around it. The administration's program calls for doubling domestic coal production to 1.2 billion tons by 1985. The plan advanced by the congressional Democratic leadership likewise envisions a twofold increase in production.

Unreasonable and unnecessary restrictions in H.R. 25, however, would sharply reduce coal production. The Department of the Interior and the Federal Energy Administration forecast a drop of at least 40 million to 162 million tons annually. Over one-fourth of our annual coal production could be lost.

Even more coal would be locked away from development. Perhaps as much as one-half of our strippable coal could not be mined because of the ridiculously stringent provisions of H.R. 25. It makes no sense to deny ourselves the use of our own coal reserves.

At a time when we must increase coal production H.R. 25 would reduce production. At a time when we must spur the development of our coal and other energy resources H.R. 25 would prevent the development of vast amounts of potentially minable coal. This is not in the public interest.

Nor is this legislation in the best interest of the consumer. H.R. 25 would mean higher prices. Ohio electric rates, which have skyrocketed in recent months, would increase even more.

Why is this so? Because two thirds of our coal is used to produce electricity. When the cost of coal goes up, so does the cost of electricity.

H.R. 25 would add to the current price of coal another $130 to $204 million in taxes, $171 million in increased coal production and reclamation costs and $100 to $160 million for Federal and State government activities to carry out the bill's provisions. These costs would be added into everyone's electrical bills.

This is just part of the cost. Every ton of coal is equal in energy value to about 4.3 barrels of oil. Every ton of reduced or blocked domestic coal production because of H.R. 25 means we must import another 4.3 barrels of high-priced foreign oil to meet our energy requirements. This translates into more inflation, further balance-of-payments problems and higher priced consumer goods.

For the sake of our national interest and the interest of the consumer I urge the defeat of the conference report to H.R. 25.

Mr. FRENZEL. Mr. Speaker, I rise today in support of the conference report filed on H.R. 25, the Surface Mining Control and Reclamation Act.

During our recent debates on the passage of the strip mining bill I am afraid that I may have bored some Members with my lengthly description of past history, my support for the bill and my thoughts on some of the changes which still needed to be made before forwarding the bill to the President. However, I am rising again because I believe that this legislation is not only far superior to the measure which we passed in the 93d Congress but is also an improvement over either of the original House or Senate bills in this session.

In the report before us the conferees have offered a package which meets a majority of those objections which caused President Ford to pocket veto the measure. The areas which have been substantially altered are citizens suits, hydrologic disturbances, stream siltation, alluvial floor disturbance provisions, the mine reclamation fees, and the elimination of the odious special unemployment benefits. Improvements have also been made in reclamation fees and use of the reclamation fund and violation of cessation orders.

While H.R. 25 is not perfect legislation it does appear to be the best bill that we can get. I will certainly vote for it and I hope that others will support it also.

Mr. UDALL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. UDALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 293, nays 115, not voting 25, as follows:

[Roll No. 187]

YEAS—293

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Danielson
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Gradison
Grassley
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Karth
Kasten
Kastenmeier
Kelly
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Quie
Railsback
Rees
Regula
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Smith, Iowa
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Thone
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—115

Alexander
Andrews, N.C.
Archer
Ashbrook
Bauman
Beard, Tenn.
Bevill
Bowen
Breaux
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis
Derrick
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Evins, Tenn.
Flowers
Flynt
Ginn
Guyer
Hagedorn
Hammerschmidt
Hansen
Hébert
Hechler, W. Va.
Hefner
Hightower
Holland
Hubbard
Hutchinson
Ichord
Jarman
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Ketchum
Kindness
Latta
Lott
Lujan
McDonald
McEwen
Mahon
Mann
Mathis
Michel
Milford
Mills
Montgomery
Moore
Myers, Ind.
Nichols
O'Brien
Passman
Patman
Poage
Quillen
Randall
Rhodes
Risenhoover
Roberts
Robinson
Rose
Rousselot
Runnels
Satterfield
Sebelius
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steiger, Ariz.
Stephens
Symms
Taylor, Mo.
Teague
Thornton
Treen
Vander Jagt
Waggonner
Wampler
Whitten
Wilson, Bob
Wright
Young, Alaska
Young, Tex.

NOT VOTING—25

Ambro
Anderson, Ill.
Burke, Mass.
Conyers
de la Garza
Fithian
Ford, Mich.
Goldwater
Gonzalez
Hawkins
Hinshaw
Holt
Landrum
Lent
McCollister
Mink
Mollohan
Mosher
Pritchard
Rangel
Rinaldo
Shriver
Staggers
Van Deerlin
Wilson, Charles, Tex.

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rangel for, with Mr. de la Garza against.

Mr. Ambro for, with Mr. Gonzalez against.

Mr. Staggers for, with Mr. Landrum against.

Mr. Lent for, with Mr. Goldwater against.

Mr. Rinaldo for, with Mrs. Holt against.

Until further notice:

Mr. Mollohan with Mr. Charles Wilson of Texas.

Mr. Hawkins with Mr. Burke of Massachusetts.

Mr. Fithian with Mr. Anderson of Illinois.

Mr. Ford of Michigan with Mr. Hinshaw.

Mrs. Mink with Mr. Conyers.

Mr. Van Deerlin with Mr. Mosher.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BURKE of Massachusetts. Mr. Speaker, during rollcall No. 187, on the conference report on H.R. 25, I was unavoidably detained by an official of a labor organization in the Rayburn Building. This is the first rollcall I missed this year. I rushed into the Chamber, but time had expired. Had I been allowed to vote, I would have voted in favor of the conference report. My vote would have been "aye." I ask that this statement be placed in the Record immediately following the rollcall.

PERSONAL EXPLANATION

Mr. FORD of Michigan. Mr. Speaker, on the vote on the strip mining conference report today, I was on the floor during the debate and during a quorum call just before the vote and put my card in to vote in the affirmative. Apparently my vote has not been recorded, and I would like the record to show that I did attempt to vote in the affirmative.

PROVIDING FOR CONSIDERATION OF H.R. 4115, NURSE TRAINING ACT OF 1975

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 418 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 418

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401 of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4115) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training, and all points of order against section 222(e)(2) of the bill are hereby waived for failure to comply with the provisions of clause 5, rule XXI. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The **SPEAKER.** The gentleman from Hawaii (Mr. Matsunaga) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 418 provides for consideration of H.R. 4115, which, as reported by our Committee on Interstate and Foreign Commerce, would extend without change through the remainder of 1975 the authorizations of the Nurse Training Act of 1971. The authorities for fiscal years 1976 through 1978 would be continued with some modifications.

The resolution provides an open rule with 1 hour of general debate, the time being equally divided and controlled by the chairman of the committee and the ranking minority member.

After general debate, the bill would be read for amendment under the 5-minute rule, by titles instead of by sections.

Points of order against H.R. 4115 for violation of section 401 of Public Law 93–344, the Congressional Budget Act, would be waived. That section prohibits consideration in the House unless that bill provides that new spending authority included in the bill is to be effective only to the extent provided in appropriations acts. H.R. 4115 lacks such a provision, necessitating the waiver provided by House Resolution 418.

However, the spirit and substance of Public Law 93–344 will be complied with. The gentleman from Florida (Mr. Rogers) has stated his intention to offer an amendment to the bill at the appropriate time to bring it into compliance with section 401 of the Budget Act. It is my understanding that the gentleman from Washington (Mr. Adams), the chairman of the Budget Committee, has agreed to this procedure.

The resolution also provides for a waiver of all points of order against section 222(e)(2) of H.R. 4115 for failure to comply with clause 5, rule XXI of the Rules of the House of Representatives. Clause 5 prohibits appropriations in a legislative measure. Section 222(e)(2) of the bill provides a limited transfer authority for certain nurse training funds.

At the conclusion of consideration on H.R. 4115 for amendment, the committee will rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole.

The previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions.

Mr. Speaker, it was not until 1964 that Congress enacted the first comprehensive Federal legislation to help fund nursing education. The Nurse Training Act of 1964 authorized a balanced program of Federal assistance to both nursing students and to professional schools of nursing. Grants were provided for construction of facilities for nurse education, special training improvement projects and loans to student nurses. This legislation, which comprises title VIII of the Public Health Service Act, was revised and extended first in 1968, and then again in 1971.

The legislative authority for existing programs under the Nurse Training Act expired at the end of fiscal year 1974. Except for loans to nursing students, authority for which was extended through June 30, 1975, all of the programs in the act are currently being funded under continuing resolution.

Legislation to extend the act's provisions through 1977 was passed by Congress in December 1974, but vetoed by President Ford.

This action necessitated consideration of new authority for the programs under the Nurse Training Act. As reported, H.R. 4115 extends authorizations for the current fiscal year at 1974 levels, and makes appropriate adjustments and revisions for the following 3 years.

Mr. Speaker, the U.S. Public Health Service estimated some time ago that we would need 1 million nurses by 1975. The Interstate and Foreign Commerce Committee points out in its report on H.R. 4115 that we have fallen thousands short of that goal. The Senate Select Committee on Aging has just released a new section in its comprehensive report on nursing homes, noting that one of the principal reasons for the poor level of care in nursing homes is the acute lack of skilled nurses in the homes.

The committee bill attempts to address this overall shortage in three separate ways:

First. By continuing to expand enrollment in nursing education programs of various types;

Second. By providing remedial education to nurses who have left active service for families or other work; and

Third. By encouraging upward mobility toward professional nursing by licensed practical nurses and other health personnel.

To achieve these goals, the committee bill would continue institutional support for schools of nursing through grants based on enrollment. Special project grants would also be continued, and new authority added to help nursing schools in establishing advanced training programs and programs to train nurse practitioners.

This is needed, Mr. Speaker, not only

to meet the shortage in professional nurses for traditional tasks, but to permit the increasing utilization of nurses to perfrom duties normally thought of as requiring a physician. In a great many States, including Hawaii, nurse practice statutes are being revised, to permit nurses to expand their authorized areas of responsibility to more nearly match their skills. This will eventually permit physicians to perform the more sophisticated tasks for which only they are qualified. It will also give some isolated areas a better chance for access to adequate health care through licensed nurse practitioners.

Under H.R. 4115, existing authority would also be continued for advanced nursing traineeships, nursing student loans and scholarships for nursing students. Programs for grants, loan guarantees and interest subsidies for construction of teaching facilities would also be extended.

Mr. Speaker, I am sure that the able gentleman from Florida (Mr. ROGERS) and the other members of the Interstate and Foreign Commerce Committee will explain this important legislation in more detail. I urge at this time the adoption of House Resolution 418, in order that H.R. 4115 may be considered.

Mr. Speaker, I now yield to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been noted by the gentleman from Hawaii, House Resolution 418 provides for the consideration of H.R. 4115, the Nurses Training Act of 1975, under an open rule with 1 hour of general debate. Included in the rule, though, is a waiver of the provisions of section 401 of the Congressional Budget Act relating to legislation providing new spending authority, and there is a waiver of points of order against section 222 (e)(2) of the bill for failure to comply with the provisions of clause 5, rule XXI of the rules of the House, which prohibit appropriations in an authorization bill.

The general purpose of this bill is to continue the Nursing Act for 1 year at fiscal year 1974 authorization levels, and to extend it for 3 years, through 1978, with modifications. There are several revisions in the bill that properly should be and will be later on discussed; but I should like to mention a few of them.

There is included the addition of $60 million over the next 3 fiscal years for grants for the construction of new educational facilities. It changes the formula for capitation grants, which are formula grants to nursing schools based on enrollment. It continues financial distress grants, nursing student loans, and also scholarships for nurses.

In addition, there is new authority to assist nursing schools in the establishment of advanced nurse training programs and new authority to assist schools of nursing in establishing programs for the training of nurse practitioners.

There are some objections to the bill, to certain sections of it relating to the capitation grants, and also some expression of concern about the cost of this bill, which is $558 million for fiscal years 1975 through 1977.

At this point I should like to remind my colleagues that points of order are waived against this bill relating to backdoor spending and the making of appropriations in a legislative committee bill, and this will be the fourth bill that the rule has provided for this waiver of points of order this year.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Is the gentleman saying that the budget bill which was passed last week is not operative here; that we are waiving the provisions of that bill?

Mr. LOTT. We are waiving one of the provisions of that bill; but it is my understanding that the subcommittee chairman, the gentleman from Florida (Mr. ROGERS), plans to offer an amendment to correct these Budget Act violations.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Florida.

Mr. ROGERS. I thank the gentleman for yielding.

Yes, we will offer an amendment to correct this. We gave that assurance to the Committee on Rules and to our Budget Committee, and it was on that ground that a waiver was authorized in the rule.

Mr. LOTT. I thank the gentleman from Florida.

I maintain, however, and a substantial number of Members share the views just expressed by the gentleman from Ohio, that these corrections should be made before the legislation comes to the Committee on Rules. I understand in this particular case there were some reasons why the corrections were not made.

I am going to vote for this rule, but I hope that in the future there will be a real effort to comply with the Budget Act.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, just for the purpose of the record, is this bill nearly identical with the bill that was enacted in the latter part of the 93d Congress that the President vetoed?

Mr. LOTT. It is the same basic subject. I understand some changes have been made and I am sure the chairman, the gentleman from Florida (Mr. ROGERS), will speak to that.

Mr. DEVINE. If I may ask further, as revealed in the minority views on this bill, I understand it does violence to the budget by about $128 million, which was one of the basic reasons for the veto last year?

Mr. LOTT. It is $128.1 million above the budget.

Mr. DEVINE. I thank the gentleman.

Mr. LOTT. There is one other section I might mention. There is a prohibition of the Secretary of HEW from delegating his authority to administer any program under this act to any officer in any regional office.

I was interested in that particular section and asked about it. I understand this is so there will be some way one can actually find out what is happening in these programs and one does not have to go through the hierarchy to find out the answers to basic questions, and I think that certainly is an improvement.

Mr. MATSUNAGA. Mr. Speaker, I have no further requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 4114, NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF 1975

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 417 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 417

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4114) to amend the Public Health Service Act to revise and extend the National Health Service Corps program. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 417 provides for an open rule with 1 hour of general debate on H.R. 4114, National Health Service Corps Amendments of 1975.

H.R. 4114 provides for a 1-year simple extension through fiscal year 1975 of the National Health Service Corps program with an authorization of $16 million. The authorization for the program expired on June 30, 1974, and it is presently being funded by a 1-year continuing resolution for fiscal year 1975.

For fiscal year 1976, the bill authorizes $30 million. It makes some substantive revisions in the program. It authorizes the award of bonuses of up to $1,000 per month to members of the National Health Service Corps, in order that the monthly income of a member of the NHSC member may be competitive with the average monthly income of a member of the applicable profession with equivalent training. It also provides for the designation of medically underserved areas of populations, by the Secretary of HEW, and authorizes such areas to receive health services from NHSC personnel in order to establish medical practice management systems, acquire equipment, and provide continuing education for NHSC personnel.

Mr. Speaker, I urge the adoption of House Resolution 417 in order that we may discuss, debate, and pass H.R. 4114.

Mr. LOTT. Mr. Speaker, the distinguished gentleman from Florida has explained the provisions of House Resolution 417, the rule allowing for 1 hour of general debate on H.R. 4114, the National Health Service Corps Amendments of 1975. I know of no serious objections to this body debating the bill, and I would hope that the rule as recommended by the authorizing committee would be approved.

The general purpose of H.R. 4114 is to revise through fiscal year 1976 and extend through fiscal year 1975 the National Health Service Corps program in an effort to solve the problems of geographic maldistribution of health manpower personnel. In order to do this, the legislation authorizes $16 million for fiscal year 1975 and $30 million for fiscal year 1976.

The major revisions called for by H.R. 4114 are as follows:

First. Authorization of bonus awards up to $1,000 per month to members of the NHSC to make their income competitive with other physicians in the area.

Second. Provision for the designation of medically underserved populations by the Secretary of HEW;

Third. Provision for the mandatory repayment of the Federal Government by an entity to which NHSC personnel are assigned, from collections it receives as a result of service provided by such personnel, the amount of any grant the entity has received, amounts equal to the pay of the NHSC members assigned to it, and the amount of scholarship assistance received by the NHSC assignee; and

Fourth. Authorization of grants of up to $25,000 to entities with approved applications for assignment of NHSC personnel in order to establish medical practice management systems, acquire equipment, and provide continuing education for the NHSC personnel.

Mr. Speaker, since my home State of Mississippi has the lowest physician population ratio in the Nation, I would urge the adoption of this rule, which will allow for 1 hour of general debate on H.R. 4114 and open the floor to all germane amendments.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 401, nays 0, not voting 32, as follows:

[Roll No. 188]

YEAS—401

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—32

Anderson, Ill.
Crane
de la Garza
Eshleman
Frenzel
Goldwater
Gonzalez
Hawkins
Hébert
Hinshaw
Holt
Landrum
Lent
McCollister
McFall
Mink
Mollohan
Mosher
Neal
Nowak
Pettis
Pritchard
Railsback
Rangel
Riegle
Rinaldo
Shriver
Sikes
Teague
Van Deerlin
Wilson, Charles, Tex.
Young, Alaska

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Teague with Mr. Anderson of Illinois.

Mrs. Mink with Mr. Eschleman.

Mr. de la Garza with Mr. Lent.

Mr. Hébert with Mr. Rinaldo.

Mr. Rangel with Mr. Crane.

Mr. Riegle with Mr. Railsback.

Mr. Mollohan with Mr. Young of Alaska.

Mr. Sikes with Mr. Neal.

Mr. Van Deerlin with Mr. Shriver.

Mr. Charles Wilson of Texas with Mr. Frenzel.

Mr. McFall with Mr. Mosher.

Mr. Gonzalez with Mrs. Pettis.

Mr. Nowak with Mr. Goldwater.

Mr. Landrum with Mrs. Holt.

Mr. Hawkins with Mr. Hinshaw.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, may I say in my personal capacity that on Monday, May 5, 1975, I was unavoidably detained and failed to make the vote on rollcall No. 176, H.R. 1244, having to do with the Presidential protection. I was detained by constituents in my office and failed to get here in time. Had I been here, I would have voted "aye."

NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF 1975

Mr. ROGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4114) to amend the Public Health Service Act to revise and extend the National Health Service Corps program.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. ROGERS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4114), with Mr. CHARLES H. WILSON of California in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. ROGERS) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I call up today H.R. 4114, the National Health Service Corps Amendments of 1975.

This legislation provides a 1-year simple extension through fiscal 1975 of the National Health Service Corps program, which is presently being funded under continuing resolution at an authorization level of $16 million. H.R. 4114, however, does not affect the provisions of the scholarship training program which authorize the award of scholarships to health professions students who agree to join the National Health Service Corps in return for scholarship assistance. These provisions will be considered as part of the National Health Manpower Act of 1975 (H.R. 5546), which is presently pending consideration by the full Interstate and Foreign Commerce Committee.

Mr. Chairman, legislation which resulted in the establishment of the National Health Service Corps was first enacted in 1970 as the Emergency Health Personnel Act as a result of the geographical imbalance of physicians and other health professionals. The geographic maldistribution of health manpower represents one of the most serious barriers to access to quality health care in this Nation today. Increases in the supply of health professionals have not led to a more equitable distribution of health manpower. In fact, despite significant increases in total supply, the geographic maldistribution of health manpower has worsened in the past decade.

The national ratio of physicians to population is 156 physicians for every 100,000 people, or one physician for every 641 people. Although many experts believe that this ratio would be sufficient to meet many medical needs of this country, the distribution of physicians significantly hampers access to medical care for large segments of the population.

In 35 States, rural areas now have less than one-half of the per capita physician supply of urban areas. In 14 States, rural areas have less than one-third the urban supply. A recent HEW study indicates that the discrepancy in physician/population ratios between rural and urban counties worsened in 43 States between 1960 and 1970.

Through implementation of the Emergency Health Personnel Act and subsequent amendments thereto, a substantial number of voluntary physicians, dentists, nurses, and other health professionals have joined the Corps and have received assignments to practice their professions in critical health manpower shortage areas in the United States. This program represents the most effective legislative mechanism ever developed by the Congress to solve the growing problem of geographic maldistribution of health professionals.

It has already attracted 405 health professionals into rural and inner city areas experiencing acute health manpower shortages, and a substantial percentage of these professionals have remained in these areas after completing their assignments. The potential of this program is such that, if adequate funding for the program continues, it will undoubtedly serve to attract several thousand health professionals to provide much needed care to medically underserved populations in the foreseeable future.

The major substantive revisions made in the program effective in fiscal year 1976 would make the program more attractive to both health professionals and the communities in which they would serve. The following changes are proposed:

First. It authorizes the award of bonuses of up to $1,000 per month to members of the National Health Service Corps in order that the monthly income of the Corps member may be competitive with the average monthly income of a member of his or her profession with equivalent training and time in practice;

Second. It provides for the designation of medically underserved populations by the Secretary of HEW in lieu of the provisions of existing law, which authorize designation of medically underserved areas. Populations are eligible to receive health services from Corps personnel for periods of up to 4 years, with provisions for extension of this period;

Third. It provides that an entity to which Corps personnel are assigned must repay the Federal Government, from collections it receives as a result of service provided by such personnel, amounts equal to the pay of the Corps members assigned to it, the amounts of any grant the entity has received, and the amount of scholarship assistance received by a Corps assignee. A waiver of this provision is authorized in instances in which an entity is financially unable to comply or if compliance would unduly limit quality or services;

Fourth. It authorizes grants of up to $25,000 to communities or other entities with approved applications for assignment of Corps personnel in order to establish medical practice management systems acquire equipment, and provide continuing education for Corps personnel; and

Fifth. It continues, with revisions, the National Advisory Council on the National Health Service Corps.

Mr. Chairman, H.R. 4114 would extend and expand the Natinoal Health Service Corps program at levels reflecting its potential. If the authorizations under this act are fully funded, the Corps will be able to increase the number of assigned personnel to 551 by June of 1975, and to 826 by June of 1976. In addition, revisions proposed for fiscal 1976 would make the program more attractive to potential personnel and to medically underserved communities.

Because there is no authority for the Corps program for fiscal year 1976, the Office of Management and Budget has denied HEW requests that the present ceiling limitation on Corps field positions be raised from 405 positions to 551. These 146 new positions could be immediately filled by already approved physician and nurse applicants. By raising the present ceiling, health services will be made available to 50 additional communities which presently do not have such services. This legislation in no way affects health manpower policy which will be ready for consideration by this body within the next few weeks. It simply places the National Health Service Corps on a firm footing and avoids a 1-year delay in the provision of vital health services to 50 additional communities.

This is cost-effective legislation which deserves the support of every Member of ths body, and I urge its adoption.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I join my colleagues from Florida in urging passage of H.R. 4114, the National Health Service Corps Amendments of 1975.

The Health Service Corps has meant much to the effort to provide primary health care to urban and rural areas. In southeastern Kentucky, that area I represent, nearly every community is medically underserved. This measure will assist the citizens of my district in attracting qualified medical personnel to the area.

The bill provides a simple extension of the present program through fiscal year 1975. It establishes a new, revised program for 1976.

Revisions in the program to take effect in 1976 are meant to improve upon a good thing. We have seen the program in operation, and we know, now, where some changes can be made for more effective, efficient use of resources and administration.

One most welcome revision in the program allows the Secretary to designate areas other than political subdivisions as underserved populations. Many communities which would not qualify for corps personnel under existing provisions would meet requirements under the revised law due to their isolation from existing medical facilities and personnel. This new provision will mean much to southeastern Kentucky, as I am sure it will for many other areas.

Already, this program has attracted 405 professionals to urban and rural areas. If this program receives its full authorization, that figure will increase to 551 by next month, and 826 a year from now.

The Health Service Corps program is cost effective. Authorizations for 1975 are $16 million. That figure goes up to $30 million in 1976. Funds loaned Service Corps personnel will be paid back in services. It is not the Federal give-away some may think.

The problem of maldistribution of health manpower has been of acute concern to Congress and the professions for years and the solutions are elusive. Convincing medical and other health graduates to practice their professions in remote or otherwise unattractive areas is not easy. It is understandable that after putting forth the mighty effort to attain a place in the health professions that a graduate should consider it his right to decide how he wants to use that training. Several things have been tried over the years to entice graduates into medically underserved areas. None have worked too well.

A few years ago, when the uniformed ranks of the Public Health Service were still being filled, it was decided that these health officers should be assigned to communities needing a doctor as well as to purely Federal installations and projects. It was the start of the National Health Service Corps concept. Once the draft had ceased and the emphasis upon the uniformed corps had waned for other reasons as well, the requests for assignment of doctors still flowed in. It was then that the idea of contracting with doctors to serve was conceived. It works.

The bill before us today is a straight extension of the authority needed to contract with and assign doctors to underserved areas. This is not the program which provides scholarships in medicine in return for obligated service. The recipients of these scholarships, however, will serve in the National Health Service Corps which is hereby continued.

H.R. 4114 provides for a 1-year simple extension and $16 million to finance it. The authority for this program expired last July, and it has been existing only by virtue of a continuing resolution since that time. This bill will legitimatize the program which has been in place and carry it through the remainder of fiscal year 1975.

For the fiscal year 1975, the bill provides a $30 million authorization and makes some substantive changes in the program which experience has indicated are necessary. First, there is a bonus provision which allows the payment to doctors assigned to communities up to $1,000 per month to make the income at least competitive with that of similarly situated doctors in private practice.

A most significant change provides for the designation of underserved populations rather than underserved areas. It has been amply demonstrated that within areas having statistically enough doctors will be pockets of population which have no medical service whatsoever. Everyone recognizes the desirabilty of getting the service to people who need it and the area is not important.

If a doctor is assigned to an entity which collects fees and payments for the services rendered by the assigned doctor, then that entity is required to pay back to the Federal Government the amounts it is paying the doctor and also any scholarship funds which have been advanced to educate that doctor. Waivers may be granted where appropriate.

When a doctor is assigned to a community which has had no medical service, it may be necessary to assist that community in acquiring equipment and setting up management systems. For this purpose, grants of up to $25,000 are authorized.

It might be pertinent to inquire why this aspect of medical manpower utilization has not been incorporated into legislation which deals with the general subject of health manpower. The answer is that it was incorporated into the health manpower bill which came from our committee in the 93d Congress. That bill was too late to make it, and the expired program was forced to limp along on the continuing resolution. In the 94th Congress, a health manpower bill has been making its way slowly through the committee process. It is now at the markup stage in the full committee. By the time it has gone the rounds and through conference, the program will have languished for a year. In addition, there are controversial aspects to the health manpower legislation which could become roadblocks to the continuation of this program which seems to be universally acceptable.

I recommend that the House accept and pass H.R. 4114.

I include the following:

H.R. 4114: NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF 1975

H.R. 4114, as reported by the full Committee, provides for a simple one year extension of the present program through 1975 and continuation of a revised program in 1976.

Obligational authority for fiscal year 1975 and 1976 through H.R. 4114, NHSC amendments

NHSC program:	*Millions*
1975	16
1976	30

The major substantive changes made in the program by H.R. 4114 are as follows:

1. It authorizes the award of bonuses of up to one thousand dollars per month to members of the NHSC in order that the income could be competitive with the average monthly income of a member of the applicable profession with equivalent training and time in practice.

2. It provides for the designation of Medically Underserved Populations by the Secretary of HEW, in lieu of present provisions of law.

Populations are eligible to receive services of NHSC personnel for a period of four years with an extension possible.

3. The entity to which NHSC personnel are assigned must repay the Federal Government for collections it receives as a result of services performed, amounts paid members of the NHSC assigned there, the amount of the grant the entity has received, and the amount of scholarship received by the NHSC member.

A waiver is provided when an entity is financially unable to comply or if compliance would limit quality.

4. It authorizes grants of up to twenty five thousand dollars to communities or other entities with approved application for assignment of personnel to assist in establishing medical practice management systems, acquire equipment, and provide continuing education.

5. It continues with revisions, the National Advisory Council on the Nationl Health Service Corps.

"To say we're eliminating the shortage of physicians is playing with words. It won't make any difference if we do have 440,000 physicians by 1980 because they won't be where we need them. Unles we come up with acceptable incentives for rural practice and inner city practice, we're going to have the same (distribution) problem in 1980 that we do now."—Dr. Malcolm Todd, President, American Medical Association.

The program has already attracted 405 health professionals into rural and inner city areas experiencing acute manpower shortages.

The Potential of the program is such that it will serve to attract many to serve this medically underserved population. . . . If the program is fully funded, it will be able to increase the number of personnel assigned to 551 by June, 1975, and if the 1976 authorization is funded, that number can increase to 826 by June, 1976.

INFLATION IMPACT

The authorization of FY 1975 is 16 million dollars. which compares favorably with amounts already provided under continuing resolution.

The proposed authorizations represent .005 percent of the President's proposed budget for FY 1975 and .009 percent for the 1976 budget.

The authorizations represent .06 percent of the budget for health programs for FY 1975 and .11 percent for that budgeted for 1976.

It is cost effective. Unlike many Federal grant programs, the majority of funds appropriated to the NHSC program will be repaid to the Federal Government.

NHSC BUDGET HISTORY

Fiscal year	Authorization	Budget request	Appropriation	Obligation
1971	10	0	0	0
1972	20	10	12.574	8.58
1973	30	14.803	[1] 11	10.701
1974	25	11	13	12.574
1975		12.383	[1] 15.180	[2] 15.180

[1] Continuing resolution.
[2] HEW projection.

Mr. ROGERS. Mr. Chairman, I yield such time as he may desire to the distinguished chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS) who has been most supportive of this committee and who has helped us tremendously in getting the legislation to the floor.

Mr. STAGGERS. I thank the gentlefor yielding.

Mr. Chairman, I want to congratulate

all of the members of the subcommittee for the work they have done. As usual, they have done their usual good jobs.

Mr. Chairman, I rise in support of the legislation and urge its overwhelming adoption by the House.

I have long been one of the most vigorous supporters of the National Health Service Corps which as my fellow Members know is the only Federal program designed to place doctors and nurses in communities which do not have them.

The legislation would extend the program for 1 additional year through 1975 with an authorization of $16 million and would then revise the program and extend it through 1976 with an authorization of $30 million. The revisions which are proposed by 1976 are designed to expand and strengthen the program in hopes that it will be able to attract more doctors and provide more assistance to the communities which receive the doctors in developing good practices for them.

This is good legislation which we wrote in the last Congress and were unable to enact because of our difficulty with the health manpower legislation. We are, therefore, bringing it forward as a separate proposal for extension through 1976 so that it will not be endangered by the time it takes us to complete consideration of health manpower.

It is a good bill and I urge your support for it.

Mr. ROGERS. I thank the gentleman for his strong support.

Mr. Chairman, I yield 1 minute to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. I thank the distinguished chairman for yielding.

I first would like to say on behalf, I am sure, of all of the members of the subcommittee, how grateful we are for the chairman's leadership on this bill and the tremendous job he did, which I think will have favorable impact across this country, from coast to coast.

Mr. Chairman, this year one of the first priorities for the House Public Health and Environment Subcommittee on which I serve was to extend the authorities for the National Health Service Corps. The bill before the House today, H.R. 4114, is the result of our efforts. The Service Corps legislation is designed to insure more equal distribution of professional health care. Last year, the corps established services in 206 communities across the Nation; about 85 percent of these practices were in rural areas and the remainder in medically underserved urban communities. Health professions students have grown reliant on the financial aid provided by this legislation in exchange for their commitments to practice in underserved areas. Further, many communities have grown dependent on the services of corps professionals. Today we must reaffirm our commitment to these students, to those currently serving in the corps, and to those communities benefiting from the corps' programs by passing H.R. 4114.

Mr. ROGERS. Mr. Chairman, I yield such time as he may desire to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I should like to commend the chairman of the subcommittee on this legislation.

Mr. Chairman, as one who has experienced firsthand the severe problems that maldistribution of physicians can cause, I heartily welcome the National Health Service Corps amendments. I believe the Corps to be a well-conceived idea which, with proper support from the administration, can provide the services of health care professionals to rural and inner-city communities without seriously impeding the progress of the lives of the people who must provide those services. In fact, the bill provides economic access to medical training to those who might otherwise be unable to afford such a regimen; by bringing the stipend to a more livable level, we encourage individuals of more modest means to participate, and by allowing repayment through working in medically deprived communities we do not saddle them with unmanageable debts for a substantial portion of their working lives. I am very pleased to note that the Committee on Interstate and Foreign Commerce projects a growth in this program of almost 300 percent over the next 3 years, from authorization of $16 million in fiscal year 1975 to $45 million in fiscal 1978. This kind of dynamic growth is necessary to fulfill the requirements of medical need in underserved communities.

I said that I had firsthand knowledge of this problem, and I would like to relate one of my experiences to the House. There is a rather substantial portion of my district which has been designated by the Secretary of Health, Education, and Welfare as critically short of doctors. This area has only one emergency medical facility, and it recently faced the necessity for closing due to a lack of medical personnel. Fortunately, the fortuitous location of Travis AFB nearby and the cooperation of the Air Force and individual Air Force physicians averted the closure by supplying physicians on a part-time basis to enable the emergency room to stay open. But for this circumstance, many of my constituents would be faced with the necessity of driving distances up to 40 miles for emergency treatment. As Members well know, other communities are not so fortunate as to have a resource of a major facility to fall back on, and would be left in a totally unsupportable position if faced with similar circumstances, as happens far too often.

Because the letters I received tell this story far more eloquently than I can, I would like to insert at this point in the RECORD correspondence I received from the cities of Rio Vista, Fairfield, and Vacaville which describe in detail the problem these communities faced in maintaining adequate medical service. It is the existence of problems such as this which prompt me to support this legislation.

The letters follow:

CITY OF RIO VISTA,
Rio Vista, Calif., January 15, 1975.

Re Civilian Employment of Air Force Physicians as Emergency Room Doctors at Intercommunity Memorial Hospital, Fairfield, Calif.

Hon. ROBERT L. LEGGETT,
Representative in Congress,
Washington, D.C.

DEAR CONGRESSMAN LEGGETT: The City Council at their regular meeting of January 9, 1975, voted to endorse the City of Fairfield's request for approval in obtaining the services of military physicians on their off hours from duty at Travis Air Force Base to work in the Emergency Room at Intercommunity Hospital, Fairfield, California.

The only Emergency Room available between Vallejo, California and the Davis-Secramento area, which also includes Rio Vista, is the Emergency Room at Intercommunity Memorial Hospital, Fairfield, California. As the Department of Health, Education, and Welfare has designated the Vacaville, Dixon and Rio Vista areas as critically short of physicians, a number of military physicians have indicated they would be willing to serve as Emergency Room Physicians if approval could be obtained from their Hospital Commander, Military Airlift Command and the Surgeon General of the United States Air Force.

As the physician shortage is critical and all Air Force requirements would be complied with, it is requested that any assistance you may give the City of Fairfield in obtaining permission from the Military Airlift Command Surgeon would be greatly appreciated.

It is emphasized, the military physicians, if granted permission for civilian practice, would work in the capacity of Emergency Room physicians only. Without help from the military, the Emergency Room may be forced to close which would cause a great problem in a number of Cities as well as rural areas.

Very truly yours,
GERALDINE MCCORMICK,
City Clerk.

CITY OF FAIRFIELD,
December 24, 1974.

Re. Civilian employment of Air Force Physicians as emergency room doctors, at Intercommunity Memorial Hospital, Fairfield, Calif.

Hon. ROBERT L. LEGGETT,
Representative in Congress,
Washington, D.C.

DEAR BOB: The Department of Health, Education, and Welfare has designated the Vacaville-Dixon-Rio Vista areas as critically short of physicians, eligible for Public Health Service physicians. These cities, as well as Fairfield, California, are primarily served by Intercommunity Memorial Hospital, Fairfield, California. Since the designation of these areas as "critically short of doctors", four additional physicians have left Fairfield, which was already short of physicians, as regards the physician: population ratio. The only Emergency Room available between Vallejo, California and the Davis-Sacramento area is the Emergency Room at Intercommunity Memorial Hospital, Fairfield, California.

Attempts to "recruit" civilian physicians by various means have been unsuccessful. Most of the physicians in Fairfield, as well as those in the Vacaville-Dixon-Rio Vista areas, are working from seventy to one hundred hours per week. It is literally impossible for a patient, who does not have an established family doctor, to obtain an appointment for a semi-urgent, much less an urgent, problem in less than four to six weeks. We can also add that a fair percentage of these "emergency" visits represent a workload incident to Air Force dependent and retired Air Force families who have elected to remain in this area.

The Solano County Medical Society, recognizing the critical shortage of physicians in this area, not only has no objections to "outside" physicians serving in the Emergency Room, but recognizes that employment of such physicians is essential if we are to continue to operate an Emergency Room service.

The David Grant U.S.A.F. Medical Center, at Travis Air Force Base, is a large Air Force hospital, with a fairly large number of physicians, many of whom have indicated that, upon separation from the military service, they intend to settle in this area, the prospect of which is considered to be invaluable as regards the future development of the Upper Solano County area. Numerous Air Force physicians have indicated that they would be perfectly willing to serve in the capacity of Emergency Room physicians, providing approval of such civilian employment (strictly in accordance with Air Force regulations) were approved by their Hospital Commander, Military Airlift Command, and the Surgeon General of the United States Air Force. In any case, it is obligatory that an officer on active duty obtain approval from Headquarters, Military Airlift Command, prior to (strictly in accordance with Air Force regulations) were approved by their Hospital Commander, Military Airlift Command, and the Surgeon General of the United States Air Force. In any case, it is obligatory that an officer on active duty obtain approval from Headquarters, Military Airlift Command, prior to engaging in civilian practice. The requirements for engagement in civilian practice by officers of the medical service of the Air Force are contained in AFM 168–4, Chapter II, Section D.

These requirements are well known to the Hospital Administrator of Intercommunity Memorial Hospital, as well as to the Emergency Room/Disaster Committee of Intercommunity Memorial Hospital (over fifty percent of the members of this Committee are ex-Air Force Hospital Commanders or retired Air Force Medical Officers). The Administrator of Intercommunity Memorial Hospital, Mr. Macias, has indicated to us that there would be no problem whatsoever in conforming to the specific requirements of AFM 168–4, insofar as the utilization of Air Force physicians as Strictly Emergency Room Physicians, is concerned. The only problem consists of obtaining administrative approval for volunteer Air Force physicians by Military Airlift Command.

It is our desire to cooperate completely with Air Force requirements. "Volunteers" from the David Grant U.S.A.F. Hospital have submitted a request, through channels, for approval of civilian practice in accordance with the appropriate Air Force Regulations. The Solano County Medical Society has unequivocally approved of the employment of Air Force physicians in this capacity. (See attached sample letter of approval.) The only "bind" consists in obtaining approval, through channels, from higher authorities. The Hospital Commander at the David Grant U.S.A.F. Hospital has been most understanding of our problems, but has indicated to Intercommunity Memorial Hospital that approval for civilian employment must be obtained from Military Airlift Command.

Our Physician shortage problem is critical. Unless the Military Airlift Command Surgeon will grant permission for civilian practice (Strictly as Emergency Room Physicians), the hospital may be forced to close the Emergency Room Department of Intercommunity Memorial Hospitals, and we can assure you, this would produce a panic in our city, and in the surrounding physician-shortage areas.

It is, therefore, requested that you intercede on our behalf, with the Air Force Surgeon General, as well as the Military Airlift Command), in attempting to obtain a favorable decision as regards employment of Air Force Physicians in our Emergency Room. Mr. Macias, Hospital Administrator of Intercommunity Memorial Hospital, as well as the Chief and members of the Emergency Room Department, are well acquainted with Air Force requirements and will abide rigidly to the limitations which have been designated in Air Force Regulations.

The future of this area is intimately bound to the ability of this area to provide.

In short, we have a dire need for outside support in this area of critical physician shortage. Anything that you can do to influence the Surgeon General, United States Air Force, or his subordinate, the Surgeon of Military Airlift Command would be very gratefully received by the citizens of this community.

Sincerely,

Manuel Campos,
Mayor.

City of Vacaville,
Vacaville, Calif., December 31, 1974.

Subject: Employment of Air Force physicians as emergency room doctors at Fairfield Intercommunity Memorial Hospital

Hon. Robert L. Leggett,
Representative in Congress,
Washington, D.C.

Dear Congressman Leggett: As you know the Vacaville area has been designated by the Department of Health, Education and Welfare as an area eligible for Public Health Service physicians. This designation simply means that we do not now have sufficient medical doctors to provide adequate service to our area. We—as a community—have been making every reasonable effort to bring additional physicians to our area. Although we have had some success, it has not been enough to eliminate the critical need for additional physicians in our area.

One major source of physicians which could be readily used by our community would be those at the David Grant Hospital at Travis Air Force Base. If these physicians could be permitted (subject to all military regulations) to work as Emergency Room physicians at the Fairfield Intercommunity Hospital it would be of immense help to the Vacaville/Fairfield communities.

We are hopeful that you might be able to emphasize to the Surgeon General, United States Air Force or his subordinate, the Surgeon General, United States Air Force or his subordinate, the Surgeon General of the Military Air Lift Command, that the need for Emergency Room physicians is critical in our area. Additionally we emphasize that this service would be on a paid voluntary basis. We are not asking the Air Force to provide physicians on duty time. We are only hopeful that if the Military Commanders grant permission for their medical officers to work "after hours," there will be some of the medical officers who will provide this critically needed service.

Thank you for any help you might be able to give our community on this matter.

Yours very truly,

William J. Carroll,
Mayor.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. Hastings), who has been extremely helpful in formulating this legislation.

Mr. HASTINGS. I thank the gentleman for yielding.

Mr. Chairman, I join in support of H.R. 4114. As we proceed through the committee to reach the health manpower legislation that is complemented by the act that we are passing today, I might make the observation that if there is any possibility of solving this problem of providing health personnel in the underserved areas of this country, the passage of this act is extremely important to that overall objective. It is for that reason, Mr. Chairman, that I do strongly support this measure and urge the vote for favorable action on it.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. Broyhill), who also has been extremely helpful in the formulation of this legislation.

Mr. BROYHILL. Mr. Chairman, as an original sponsor of H.R. 4114, amendments to the National Health Service Corps Act, I rise in support of this legislation.

H.R. 4114 provides a simple 1-year extension through fiscal year 1975 of the National Health Service Corps program, and a 1-year substantive revision of the program through fiscal year 1976. The total authorization level is $46 million.

The bill will pay a monthy bonus of $1,000 to members of the National Health Service Corps, to make salaries comparable to that received by private physicians. It authorizes the Secretary of HEW to designate medically underserved populations to which NHSC members will be assigned for up to 4 years, with a provision to extend this period. Additionally, it provides grants up to $25,000 to communities to establish facilities for use by NHSC members; these grants must be repaid from collections received from patients.

I believe we are all aware of the geographic maldistribution problem in our health care delivery program. The National Health Service Corps program was begun as an attempt to help solve this problem. It has started to make a dent. But much more needs to be done.

The problem is acute in North Carolina, a largely rural State. The use of NHSC members, however, has made it possible for areas which have never before had a doctor to acquire one.

People who have never had an opportunity to receive proper medical care are able to do so because the National Health Service Corps has supplied a qualified physician.

The benefits derived from this program more than justify the authorization level. I would hope, therefore, that it will be agreed to.

Mr. ROGERS. Mr. Chairman, I yield such time as he may require to the distinguished gentleman from Florida (Mr. Pepper).

Mr. PEPPER. Mr. Chairman, I am strongly for this bill which my distinguished colleague has presented to the House. We all realize the need for more trained nurses, who render a very essential service in the treatment of people in this country. But there are two other areas that I think are also vitally important for the treatment of people.

One of them is the practical nurse, the person who does not get the compensation and does not have to have the training of the registered nurse or professional nurse and yet who can render a very important and very valuable service in the care of people particularly in nursing homes and particularly in private homes.

I have just spoken today with a distinguished citizen of Great Britain, Dr. Cozins who has a project at Oxford University where they save a great deal of public money by training members of families of people not desperately ill but who would otherwise be in institutions, to look after those ill in the homes. There may be cases where family members are not capable or available to look after their loved ones and that is a typical example where the practical nurse could render a service so much required.

Another area of kindred character is the elderly people, the senior aids. A great many of our elderly people need employment and they are ideally fitted to go into the homes of people who need care and assistance and serve those people in a way that will permit them to stay in the home and avoid the expense of staying in a hospital or nursing home, so that expense need not be incurred.

I am sure my distinguished colleague will agree those people can render a useful service. What Federal program or encouragement or assistance do we have or may we contemplate to provide services of people of that character?

Mr. ROGERS. I thank the gentleman for his comments. I think they are certainly well made.

It is true we are trying to document some of these programs under the health programs. There are some under the adult education and there are some under other programs, but they are necessary factors in the health personnel and they should be expanded and used, I agree with the gentleman completely .

Mr. PEPPER. If the gentleman will yield further—I know the magnificent contribution the gentleman and his committee have made to the rendition of health care to the people of his country, but if his committee will follow through in these areas I think he will render a great public service.

Mr. ROGERS. I thank the gentleman. We will try to check into these matters.

Mr. CARTER. I yield such time as he may consume to the distinguished gentleman fom Pennsylvania (Mr. Heinz).

Mr. HEINZ. I thank the gentleman for yielding.

Mr. Chairman, I just want to say the chairman of our committee, the gentleman from Florida (Mr. Rogers), and our ranking minority member, the gentleman from Kentucky (Mr. Carter), have done an excellent job in our view in bringing this legislation to the floor. The subcommittee has worked long and hard. The full committee under the chairmanship of the gentleman from West Virginia (Mr. Staggers) and the ranking minority member (Mr. Devine) have made very valuable contributions. I think the committee deserves a great deal of credit for having brought to the House what I consider to be a fine piece of legislation.

Mr. BADILLO. Mr. Chairman, I rise in support of H.R. 4114. I am pleased that the Interstate and Foreign Commerce Committee has seen fit to take additional steps to correct the serious problem of geographical maldistribution of doctors and other types of health professionals.

Previously, the National Health Service Corps., while intended to correct the problem of medical personnel shortage in currently underserved areas, had been limited in the types of populations which could be served. HEW regulations mandated that the eligible health manpower shortage areas have a primary care physican-to-population ratio of less than 1 to 4,000 and a dentist-to-population ratio of less than 1 to 5,000.

I am pleased to note that the committee has, in this legislation, recognized the problem of districts such as the one which I represent, specific neighborhoods which are pockets of poverty, with critical manpower shortages in the health field, but which have previously been ineligible for services because they are in the midst of areas which, for the purposes of the National Health Services Corps Act, were designated as having high physician-to-patient ratios. Testimony about the problem of the inner city in this regard, and studies of New York and other cities, have indicated that the physician supply has been decreasing over the past decade in poverty-stricken areas.

It is my hope that the legislation before us, by changing the criteria for designation of medically underserved populations, will bring increased health services to my district, and others like it, in which health care is so desperately needed.

Mr. ROGERS. Mr. Chairman, I have no further requests for time.

Mr. CARTER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

EXTENSION OF CURRENT AUTHORITY THROUGH FISCAL YEAR 1975

Section 1. Section 329(h) of the Public Health Service Act is amended by striking out "and" after "1973;" and by inserting before the period a comma and the following: "and $16,000,000 for the fiscal year ending June 30, 1975".

REVISION OF NATIONAL HEALTH SERVICE CORPS PROGRAM

Sec. 2. (a)(1) Part C of title III of the Public Health Service Act is amended by inserting immediately below the heading for such part the following:

"Subpart I—General Provisions".

(2) Sections 331 and 332 of part D of such title are redesignated as sections 338 and 339, respectively.

(b) Part C of title III of the Public Health Service Act is amended by striking out section 329 and inserting in lieu thereof the following:

"Subpart II—National Health Service Corps Program

"NATIONAL HEALTH SERVICE CORPS

"Sec. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this subpart referred to as the 'Corps') which (1) shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate, and (2) shall be utilized by the Secretary under this subpart to improve the delivery of health services to medically underserved populations.

"(b)(1) The Secretary shall conduct at medical and nursing schools and other schools of the health professions and at entities which train allied health personnel recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools and entities by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their places of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned under section 331 to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(c)(1) The Secretary shall, under regulations prescribed by him, adjust the monthly pay of each physician and dentist member of the Corps who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly pay shall be increased by an amount (not to exceed $1,000) which when added to the member's monthly pay and allowance will provide a monthly income competitive with the average monthly income from an established practice of a member of such member's profession with equivalent training.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's monthly pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his monthly pay and allowances an amount which when added to such monthly pay and allowances equals the monthly income he received for such last month.

For purposes of subparagraphs (A) and (B), the term monthly pay' includes special pay received under chapter 5 of title 37 of the United States Code.

"(2) In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under the Public Health Service and National Health Service Corps Scholarship Training Program, the provisions of paragraph (1) shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of paragraph (1)(A), be deemed to begin upon such satisfactory completion.

DESIGNATION OF MEDICALLY UNDERSERVED POPULATIONS:

"Sec. 330. (a) For purposes of this subpart—

"(1) the term 'medically underserved population' means (A) the population of an urban or rural area (which need not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical health manpower shortage, or (B) a population group determined by the Secretary to have such a shortage; and

"(2) the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(b)(1) The Secretary shall designate the medically underserved populations in the States. In designating a medically underserved population, the Secretary shall take into account the following:

(A) The recommendations of each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population under consideration for designation resides.

"(B) If such area is within a health service area (or areas) for which no health systems agency has been designated, the recommendations of the State health planning and development agency designated under section 1521 for the State (or States) in which such area is located.

"(C) Ratios of available health manpower to the population under consideration for designation.

"(D) Indicators of the population's access to health services.

"(E) Indicators of the health status of the population.

"(F) Indicators of such population's need and demand for health services.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation (in accordance with the second sentence of paragraph (1)) of a population as a medically underserved population.

"ASSIGNMENT OF CORPS PERSONNEL

"SEC. 331. (a)(1) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population only if—

"(A) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(B)(i) the local government of the area in which such population resides certifies to the Secretary that such assignment of Corps personnel is needed for such population, and

"(ii) any State and district medical, osteopathic, or dental society for such area, or any other appropriate health society (as the case may be) for such area, makes such a certification to the Secretary.

"(2) The Secretary may not approve an application under paragraph (1)(A) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (b) and has afforded—

"(A) each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population for which the application is submitted resides, and

"(B) if there is a part of such area within a health service area for which no health systems agency has been designated, the State health planning and development agency of the State (designated under section 1521) in which such part is located.

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of the Corps personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this subpart; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, osteopathic, dental, or other health societies or from medical personnel serving the population.

"(3) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of subparagraphs (A) and (B) of paragraph (1) are met except for the certification required by subparagraph (B)(ii) of such paragraph and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, osteopathic, dental, or other health societies, waive the application of the certification requirement to such proposed assignment.

"(b)(1) The Secretary shall require as a condition to the approval of an application under subsection (a) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (3) for health services provided by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this subpart, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall pay to the United States as prescribed by the Secretary for each calendar quarter (or other period as may be specified in the arrangement) during which any Corps personnel are assigned to such entity the sum of—

"(i) the pay (including amounts paid in accordance with 329(c)) and allowances of such Corps personnel for the portion of such quarter (or other period) during which assigned to the entity;

"(ii) if such entity received a grant under section 332 for the assistance period (as defined in subsection (c)) for which such personnel are assigned, an amount which bears the same ratio to the amount of such grant as the number of days in such quarter (or other period) during which any Corps personnel were assigned to the entity bears to the number of days in the assistance period after such entity received such grant; and

"(iii) if during such quarter (or other period) any member of the Corps assigned to such entity is providing obligated service pursuant to an agreement under the Public Health and National Health Service Corps Scholarship Training Program, for each such member an amount which bears the same ratio to the amount paid under such Program to or on the behalf of such member as the number of days of obligated service provided by such number during such quarter (or other period) bears to the number of days in his period of obligated service under such Program.

The Secretary may waive in whole or in part the application of the requirement of subparagraph (C) to an entity if he determines that the entity is financially unable to meet such requirement or if he determines that compliance with such requirement would unduly limit the ability of the entity to maintain the quality of the services it provides.

"(2) The excess (if any) of the amount collected by an entity in accordance with paragraph (1)(B) ever the amount paid to the United States in accordance with paragraph (1)(C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (a) or to recruit and retain health manpower to provide health services for such population.

"(3) Any person who receives health services provided by Corps personnel under this subpart shall be charged for such services on a free-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(4) Funds received by the Secretary under an arrangement entered into under paragraph (1) shall be deposited in the Treasury as miscellaneous receipts and shall be disregarded in determining the amounts of appropriations to be requested under section 335 and the amounts to be made available from appropriations made under such section to carry out this subpart.

"(c) Upon approval of an application submitted under subsection (a) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (hereinafter in this subpart referred to as the 'assistant period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(d) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with subsection (a) for such new assignment. The Secretary may not approve such an application unless—

"(1) the application and certification requirements of subsection (a) are met;

"(2) the Secretary has conducted an evaluation of the continued need for health manpower of the population for which the application is submitted, of the utilization of the manpower by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(3) the Secretary has determined that such population has made continued efforts to secure its own health manpower, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third-party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(e) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(f) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(g)(1) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel under this section, and (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public and private health entities serving those areas of the assistance available to such populations by virtue of their designation under section 330 as medically underserved.

"(2) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health manpower for such populations. The Secretary shall also give such populations current information respecting public and private programs under which they may receive assistance in securing health manpower for them.

"PROVISION OF HEALTH SERVICES BY CORPS PERSONNEL

"SEC. 332. (a) In providing health services for a medically underserved population under this subpart, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (1) to all members of the population regardless of their ability to pay for the services, and (2) in connection with (A) direct health services programs carried out by the Service; (B) any other direct health services program carried out in whole or in part with Federal financial assistance; or (C) any other health services activity which is in furtherance of the purposes of this subpart.

"(b)(1) Notwithstanding any other provision of law, the Secretary (A) may, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the area in which the population resides and if there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services, (B) may make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and (C) may secure the temporary services of nurses and allied health professionals.

"(2) If such an area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under paragraph (1), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility.

"(c) The Secretary may make one grant to any applicant with an approved application under section 331 to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this subsection unless an application therefor is submitted to, and approved by, the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(d) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may (notwithstanding any other provision of law) sell to the entity which submitted the last application approved under section 331 for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this subsection shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"REPORTS

"SEC. 333. The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under section 330 in the calendar year in which the report is made;

"(2) the number of applications filed under section 331 in such preceding calendar year for assignment of Corps personnel and the action taken on each such application;

"(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under section 329 (b)(1), and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health personnel electing to remain, after termination of their services in the Corps, to provide health services to medically underserved populations, the number of such personnel who do not make such election, and their reasons for not making such election;

"(7) the results of evaluations made under section 331(d)(2), and determinations made under section 331(d)(3), during such preceding year; and

"(8) the total amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under section 331(b), and (C) paid to the Secretary in such year under such arrangements.

"NATIONAL ADVISORY COUNCIL

"SEC. 334. (a) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(1) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this subpart.

"(2) Three members shall be appointed from the medical, dental, and other health professions and health teaching professions.

"(3) One member shall be appointed from a State health planning and development agency designated under section 1521, one member shall be appointed from a Statewide Health Coordinating Council under section 1524, and one member shall be appointed from a health systems agency designated under section 1515.

"(4) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(5) Two members shall be appointed from the National Council on Health Planning and Development (established under section 1503).

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this subpart, and shall review and comment upon regulations promulgated by the Secretary under this section subpart.

"(b)(1) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(2) Members of the Council (other than members who are officers or employees of the United States), while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule; and while so serving away from their homes or regular places of business all members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the Government Service employed intermittently.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 335. To carry out the purposes of this subpart, there is authorized to be appropriated $30,000,000 for fiscal year 1976.".

(c)(1) The amendments made by subsections (a) and (b) of this section shall take effect July 1, 1975.

(2)(A) Any area for which a designation under section 329(b) of the Public Health Service Act (as in effect on June 30, 1975) was in effect on such date and in which National Health Service Corps personnel were, on such date, providing, under an assignment made under such section (as so in effect), health care and services for persons residing in such area shall, effective July 1, 1975, be deemed under subpart II of part C of title III of such Act (as added by subsection (b) of this section) to (i) be an area in which is located a medically underserved population (as defined by section 330 of such Act (as so added)), and (ii) be qualified under section 331 of such Act (as so added) for the assignment of Corps personnel unless, as determined under subparagraph (B) of this paragraph, the assistance period applicable to such area (within the meaning of such section 331) has expired.

(B) The assistance period (within the meaning of such section 331) applicable to an area described in subparagraph (A) of this paragraph shall be deemed to have begun on the date Corps personnel were first assigned to such area under section 329 of such Act (as in effect on June 30, 1975).

(C) In the case of any physician or dentist member of the Corps who was providing health care and services on June 30, 1975, under an assignment made under section 329(b) of such Act (as in effect on June 30, 1975), the number of the months during which such member provided such care and services before July 1, 1975, shall be counted in determining the application of the additional pay provisions of section 329(c) of such Act (as added by section (b) of this section) to such member.

(3) The amendment made by subsection (b) which changed the name of the Advisory Council established under section 329 of the Public Health Service Act (and placed the authority for the Advisory Council in section 334 of such Act) shall not be construed as requiring the establishment of a new Advisory Council under such section 334; and the amendment made by such subsection with respect to the composition of

such Advisory Council shall apply with respect to appointments made by the Advisory Council after July 1, 1975, and the Secretary of Health, Education, and Welfare shall make appointments to the Advisory Council after such date in a manner which will bring about, at the earliest feasible time, the Advisory Council composition prescribed by the amendment.

REPORT AND STUDIES

SEC. 3. (a) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than October 1, 1975, the criteria used by him in designating medically underserved populations under section 330 of the Public Health Service Act, and (2) not later than January 1, 1976, the identity and number of medically underserved populations in each State meeting such criteria.

(b) The Secretary of Health, Education, and Welfare shall conduct or contract for studies of methods of assigning under section 331 of the Public Health Service Act (as added by section 2(b) of this Act) National Health Service Corps personnel to medically underserved populations and of providing health care to such populations. Such studies shall be for the purpose of identifying (1) the characteristics of health manpower who are more likely to remain in practice in areas in which medically underserved populations are located, (2) the characteristics of areas which have been able to retain health manpower, (3) personnel, and (3) the appropriate conditions for assignment of nurse practitioners, physician's assistants, and expanded function dental auxiliaries in areas in which medically underserved populations are located, and (4) the effect that primary care residency training in such areas has on the health care provided in such areas and on the decisions of physicians who received such training respecting the areas in which to locate their practice.

CONFORMING AMENDMENT

SEC. 4. (a) Section 741(f)(1)(C) of the Public Health Service Act is amended by striking out all that follows after "in a State" and inserting in lieu therof "in which is located a medically underserved population designated under section 330;".

(b) The amendment made by subsection (a) shall apply with respect to agreements entered into under section 741(f) of the Public Health Service Act after June 30, 1975.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 3, strike out lines 12 through 15 and insert in lieu thereof the following: "for medically underserved populations shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare."

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the committee amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the remaining committee amendments.

The Clerk read as follows:

Page 3, strike out "shall" in line 16 and insert in lieu thereof "may".

Page 4, beginning in line 1, strike out "competitive with" and all that follows down through and including line 3 and insert in lieu thereof the following: "competitive with the average monthly income from a practice of an individual who is a member of the profession of the Corps member, who has equivalent training, and who has been in practice for a period equivalent to the period during which the Corps member has been in practice."

Page 4, beginning in line 21, strike out "the provisions of paragraph (1) shall apply to such member" and insert in lieu thereof "the adjustment in pay authorized by paragraph (1) may be made for such a member only".

Page 5, line 7, strike out "have to".

Page 5, line 16, strike out "designating" and insert in lieu thereof "determining whether to designate a population as".

Page 5, line 22, insert "the" after "which".

Page 6, line 22, insert "only" after "population".

Page 13, line 24, strike out "expiration" and insert in lieu thereof "beginning".

Page 15, line 21, strike out "nurses" and insert in lieu thereof "physicians, nurses,".

Page 16, line 19, strike out "be made for" and insert in lieu thereof "exceed".

Page 18, line 21, insert "total" after "the".

Page 23, line 15, strike out ", (3)" and insert in lieu thereof "personnel, and (3)"; and strike out ", and" in line 18 and all that follows through line 22 and insert in lieu thereof a period.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The committee amendments were agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCFALL) having assumed the chair, Mr. CHARLES H. WILSON of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4114) to amend the Public Health Service Act to revise and extend the National Health Service Corps program, pursuant to House Resolution 417, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 399, nays 4, not voting 30, as follows:

[Roll No. 189]

YEAS—399

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours

Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner

Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta

Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—4

Burlison, Mo.
Collins, Tex.
McDonald
Symms

NOT VOTING—30

Adams
Anderson, Ill.
Barrett
Crane
de la Garza
Derrick
Esch
Eshleman
Gonzalez
Gradison
Hawkins
Hinshaw
Holt
Landrum
Lent
McCollister
Mink
Mollohan
Mosher
Pritchard
Rangel
Riegle
Rinaldo
Shriver
Sikes
Sisk
Teague
Van Deerlin
Wiggins
Young, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mrs. Mink with Mr. Hinshaw.
Mr. Teague with Mr. Mosher.
Mr. Hawkins with Mr. Wiggins.
Mr. Barrett with Mr. Rinaldo.
Mr. de la Garza with Mr. McCollister.
Mr. Rangel with Mr. Lent.
Mr. Van Deerlin with Mr. Shriver.
Mr. Sikes with Mrs. Holt.
Mr. Sisk with Mr. Anderson of Illinois.
Mr. Adams with Mr. Derrick.
Mr. Gonzalez with Mr. Esch.
Mr. Landrum with Mr. Crane.
Mr. Riegle with Mr. Eshleman.
Mr. Young of Texas with Mr. Gradison.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed and that the gentleman from California (Mr. LEGGETT) be permitted to include extraneous matter in his remarks.

The SPEAKER pro tempore. (Mr. McFALL). Is there objection to the request of the gentleman from Florida?

There was no objection.

NURSE TRAINING ACT OF 1975

Mr. ROGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4115) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. ROGERS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4115, with Mr. CHARLES H. WILSON of California in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. ROGERS) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I call up today H.R. 4115, the Nurse Training Act of 1975. This legislation provides a simple 1-year extension through fiscal year 1975 of the nurse training authorities, which expired June 30, 1974, and which are presently being funded under continuing resolution. It also provides a 3-year substantive revision of the existing authority for fiscal years 1976, 1977, and 1978 with a total authorization of appropriations of $558 million. The provisions for fiscal years 1976 through 1978 are practically identical to a bill which passed the House last year but was vetoed by the President after the Congress adjourned. The committee has reduced authorization levels by $96 million from the 1974 levels in an effort to meet the President's objections. This does not, however, mean that the committee has reduced its commitment to the necessary effort to train fully qualified nurses.

Congress first took steps to reduce the critical national shortage of nurses and improve the quality of nursing education in 1966. Since that time, the Congress has, through enactment of several laws respecting nurse training, devised a Federal effort designed to assist nursing schools and students.

The Nurse Training Act of 1975 builds upon the strengths of existing law and makes some revisions directed at shortages of nursing personnel, the need for increasingly sophisticated nurse training and the need to attract more health professionals into rural areas.

Mr. Chairman, the proposed legislation would:

First. Continue the existing authority for grants for construction of teaching facilities for diploma, associate degree, and collegiate schools of nursing at $20 million for each of the next 3 fiscal years; and for loan guarantees and interest subsidies to assist in financing such construction at $1 million for each of the next 3 fiscal years.

Second. Continue existing authority for capitation support for schools of nursing at $50 million, $55 million and $60 million for fiscal years 1976, 1977, and 1978 respectively, and modify the capitation formula as it relates to level of support and the period for which different types of programs would be eligible for support. Baccalaureate schools would receive $400 for each student enrolled in the last 2 years of the educational program; associate degree schools would receive $275 for each student enrolled in the last year and a half of the educational program; and diploma programs would receive $250 for each student in each year of the educational program of such schools. In order to be eligible for capitation support each school must provide assurance that it will maintain existing enrollment levels and maintain non-Federal efforts. In addition, each school must either increase enrollment over a base year level or submit a plan to carry out one of four special programs aimed at improving the quality of and opportunities in the nursing profession.

Third. Continue the existing authority for financial distress grants to schools of nursing at $5 million for each of the next 3 fiscal years.

Fourth. Modify the existing authority for project grants to schools of nursing and authorize $15 million for each of the next 3 fiscal years.

Fifth. Add new authority to assist schools of nursing in establishment of advanced nurse training programs with authorizations of $15 million, $20 million and $25 million for fiscal years 1976, 1977 and 1978 respectively.

Sixth. Add new authority to assist schools of nursing in establishing programs for the training of nurse practitioners with authorizations of $15 million, $20 million and $25 million for each of the next 3 fiscal years.

Seventh. Continue the existing authority for traineeships for advanced training of professional nurses to become teachers, supervisors, clinical specialists and nurse practitioners at $15 million, $20 million, and $25 million over the next 3 fiscal years.

Eighth. Continue the existing authority for student loans at $25 million, $30 million and $35 million for fiscal years 1976, 1977, and 1978, respectively.

Ninth. Continue the existing program for scholarships for nursing students based on a statutory formula for allocation of funds.

Tenth. Require the Secretary of HEW to collect, analyze and report on a continuing basis, information respecting the supply and distribution of and requirements for nurses.

Eleventh. Prohibit the Secretary of HEW from delegating his authority to administer any program under this act to any officer in any regional office.

Mr. Chairman, the committee recognizes the need for fiscal economy in its consideration of existing programs. Whereas fully 85 percent of the funds authorized in fiscal year 1974 were for basic support of traditional nursing education, the proposed legislation represents a gradual shift toward support of innovative nursing education through special projects to improve geographic distribution, recruit individuals from disadvantaged backgrounds, provide continuing and remedial training for professional nurses and provide advanced training opportunities including the training of new nurse practitioners who will help to relieve current shortages of trained health professionals. By training professional nurses to perform many of the tasks traditionally performed by physicians, at less than one-third of the cost of training a physician, the implementation of this legislation should promote better health care for many Americans at a significantly lower cost. The bill before us today would continue Federal support to assure that the gain made in the supply of nurse manpower is not diminished and that progress can continue.

Mr. Chairman, as you know, the rule authorizes a waiver of points of order against section 222(e)(2) of the bill for failure to comply with the provisions of clause 5, rule XXI. This is necessary because the committee deleted, at the request of the Department of Health, Education, and Welfare, a requirement in existing law that the Secretary of HEW's authority to issue notes to the Secretary in order to discharge certain obligations be limited by appropriation acts. This action violates section 401(a) of the Budget Control Act which recently has been implemented by the Budget Committee. I will offer, on behalf of the committee, an amendment to reinstate that deleted provision.

Mr. Chairman, nurse training legislation deserves the support of every member of this body. I urge the adoption of the bill.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I am happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to speak in support of this bill.

Mr. Chairman and Members of the House, as a member of my State's health planning council I can speak with experience on the very great shortage of nurses in New Jersey. We have had some wards in our hospitals with only one nurse for 100 beds. The nursing need is acute. I hope very much that this bill will receive the support of the House.

Mr. ROGERS. Mr. Chairman, I thank the gentlewoman from New Jersey for her contribution. What the gentlewoman says is true of many, many of our States. In fact, 36 States have such a shortage.

Mr. Chairman, I now yield such time as he may consume to the gentleman from New Jersey (Mr. FLORIO), who is a member of the committee.

Mr. FLORIO. Mr. Chairman, the Nurse Training Act of 1971 has made it possible for us to approach the desired number of nurses needed to meet our ever increasing health requirements. Presently, we are considering passage of an extension of that program so that the accomplishments of the past 3 years will be continued.

This legislation has come under attack by the administration since its inception in 1971. However, a review of the progress being made in nursing and nursing education indicates that this is clearly a necessary and highly desirable program.

If this legislation is defeated, the effects on the nursing industry, nursing schools, and nursing students would be devastating. We must not allow this to happen.

Two new sections of this bill are also vital to the nursing profession. The nurse practitioner program, which will provide manpower for critical inner city and rural areas, should begin to address the primary health care needs of these people.

In addition, a priority need of the profession is graduate education, provided in this bill by the advanced training section. This addendum will help to alleviate the shortages of clinical nurse specialists who are increasingly sought by the health professionals and hospital staffs.

Now we have the opportunity to conscientiously continue the responsive approach this Congress has taken to meet the health needs of the American people. Let us not falter in this area which is so very essential to all of us; our physical well-being. I call on all of my colleagues to vote favorably on this bill so that its passage will be assured.

Mr. Chairman, I should like to take this time to commend the chairman of the subcommittee who has done a very fine job with regard to both pieces of legislation with which we have dealt today. I consider it a great pleasure to have served with him and look forward to serving with him on other good pieces of legislation.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I should like to ask the gentleman from Florida: I notice in the Minority Views of the gentleman from Ohio (Mr. DEVINE) and the gentleman from Texas (Mr. COLLINS) the statement that the spending level of this legislation is $128.1 million more than the fiscal year 1976 budget request.

Last week we adopted a resolution here with certain levels of spending, and I should like to ask the gentleman, how does the excess budget authority in this bill fit in with that overall budget legislation that we adopted last week?

Mr. ROGERS. This is within the congressional budget.

Mr. BAUMAN. But it is not within the Presidential budget?

Mr. ROGERS. It is not within the President's budget, although we did try to accede to some of the President's concerns by cutting this bill over last year's by some $96 million. So we have tried to take into consideration the President's objections.

Mr. BAUMAN. I thank the gentleman.

Mr. ROGERS. Mr. Chairman, I now yield to the distinguished gentleman from West Virginia (Mr. STAGGERS) who has been a strong supporter of nurses' training and has done a tremendous job in helping this committee to bring forward legislation to provide more nurses for the Nation.

Mr. STAGGERS. I thank the gentleman from Florida for yielding.

Mr. Chairman, I rise in support of the legislation and urge its favorable consideration by the House.

This bill would extend existing nurse training programs with some modification for the 3 years, 1976–78. For this period it would authorize appropriations of $558 million for the various purposes of the act which includes: Capitation grants to nursing schools, construction grants for new teaching facilities, authority for assisting schools in the advanced training of nurses, support for new programs for training nurse practitioners, and continued support for nursing student loans and scholarships.

This legislation has already provided for the construction of over 200 new nursing schools and has assisted over 980 schools with the cost of actually educating their students. In addition, it is presently providing loan assistance to over 26,000 students each year. Our Nation needs a growing supply of nurses as our health care system expands and this legislation is vitally important to the creation of that supply.

I urge its enactment.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Nurse Training Act of 1975 is an extremely important piece of legislation providing continued Federal assistance to nursing students and to schools of nursing. As many of my colleagues here will remember, this House passed a similar measure during the last session of the Congress and it was pocket vetoed. Through this important legislation, nurses and nurse practitioners will be able to assist in meeting the needs of those rural and inner-city areas where their services are in such great demand.

The Commonwealth of Kentucky enjoys the services of one of the oldest and best examples of rural health care delivery. In the high hills of eastern Kentucky, situated near the community of Hyden, whose residents I represent, the Frontier Nursing Service continues to render invaluable service to the people of Appalachia. Founded in 1925 by Mary Breckinridge, the FNS has expanded its operations and now covers an area of 1,000 square miles with a population of 18,000. Mary Breckinridge was an ancestor of my distinguished colleague, the Honorable JOHN BRECKINRIDGE.

Through the efforts of Mary Breckinridge, many English mid-wives came to this country to work with her in providing maternal health care to the women of eastern Kentucky. Incidentally, the FNS will be celebrating its 50th anniversary this May 28. During the ceremonies in Frankfort, the featured speaker will be Lady Ramsbotham, wife of the distinguished Ambassador from Britain. Much of the celebration will center about the newly dedicated Mary Breckinridge Hospital and Health Center at Hyden.

Mr. Chairman, the people of the mountains are fortunate to benefit from this fine organization. I firmly believe that through the enactment of this legislation, the Congress and the Federal Government can work toward assuring that the type of quality care offered by the nurses of the FNS and other nursing organizations will be available to those areas in need.

There is that need. Estimates are that this country will need one million nurses this year. We are presently below that by some 50,000. We will need 1.1 million by 1980.

During the consideration of this legislation, the subcommittee cut $97 million from last year's authorization. The total authorization for this measure through fiscal year 1978 is $558 million.

The implementation of this bill should promote better health care for many Americans at a significantly lower cost. I urge its adoption.

In the 93d Congress, the Commerce Committee brought forth a Nurse Training Act which was accepted by the House, passed by the Senate, and presented to the President. It was vetoed. The bill before the House today is very much the same bill. Some minor changes have been made, but it is the same program. We are here to urge you to pass it once again. I cannot tell you that it will not now be vetoed. It may be.

The problem with the program is that the administration, for all intents and purposes, would like to scrap it. The Department of Health, Education, and Welfare is convinced that no program of nurse training is necessary and that we will get all of the nurses we need if we merely make student loans available in exactly the same manner as loans to other undergraduates. The profession feels otherwise. The committee has been convinced that it is not time to cut off the inducements and the various kinds of assistance to both the personnel and the schools which have resulted in the past few years in a dramatic increase in the numbers of nurses.

The nurse is the original paramedic. Nurses have worked with the medical profession over the years. They are respected and trusted by patients. Their role in health care has expanded greatly in recent years, and it is the purpose of this bill to expand it further. The concept of nurse practitioner which is embodied in this bill could be one of the major breakthroughs in solving or ameliorating the maldistribution of health manpower.

Even if students were flocking to the nursing schools without any unusual support, the program would still be necessary. The quality of the education offered to them is as important, if not more important, than the presence of warm bodies willing to be trained. The creation of supervisors and teaching nurses is as important as the student body and the larger that student body, the greater the need for well-educated, advance-trained nurses to guide them. All this presumes that no shortage of nurses will exist if we let well enough alone, but the information convincing to your committee indicates that we are 50,000 nurses short of our national goals at present and all indications point to the need for greater overall numbers in the future.

In the field of nursing, as in the field of medicine, there has come to be an increasing reliance upon foreign-trained personnel. This does help to alleviate the shortages, but it is not a trend which should be encouraged.

It is also intended to develop mechanisms to get nurses to the underserved populations. That again will require greater numbers than we presently anticipate training.

The bill before you today continues, in the main, the nurse training programs which have been in effect for some time. They consist of financial assistance to nursing schools in the form of capitation grants, postgraduate training, and assistance to undergraduates in the form of loans and scholarships. Since 1965, the schools participating in the loan program have increased from 426 to 1,151, and the number of students using the loan program has increased from 3,654 to 26,250. In addition, the scholarship program which is designed to assist students with exceptional financial need and disadvantaged backgrounds pursue a course of study in nursing has been helping up to 20,000 individuals.

There would seem to be no need to justify at length the nurse training program which we bring to you today. That was done previously, and there is nothing basically different. We do urge the House to accept the program once more, and we can at least hope that this time it will receive the blessing of the executive branch.

I include the following:

H.R. 4115—Nurse Training Act of 1975, as Approved by the Health Subcommittee, February 27, 1975

BACKGROUND

H.R. 4115 extends for 3 years authorizations for the existing Nurse Training Program (Authorizations expired June 30, 1974). This bill is very similar to H.R. 17085 which passed both Houses late in the 93rd Congress and was pocket vetoed by the President on January 2, 1975. A copy of a letter from HEW is attached. FY 1975 authorizations are deleted and left to the continuing resolution while FY 1978 authorizations are added.

SUMMARY

1. Construction Grants: FY 1976, $20 million; FY 1977, $20 million; FY 1978, $20 million.

2. Interest Subsidies: FY 1976, $1 million; FY 1977, $1 million; FY 1978, $1 million.

3. Capitation Grants:

A. Continues the existing program and modifies the capitation formula as follows:

(1) Collegiate: $400 per each undergraduate full-time student enrolled in each of the last two years.

(2) Associate: $275 per one-half the number of the full-time students enrolled in the first year and for each of the full-time students enrolled in the last year.

(3) Diploma: $250 per each full-time student enrolled.

B. Authorizations: FY 1976, $50 million; FY 1977, $55 million; FY 1978, $60 million.

4. Financial Distress Grants: FY 1976, $5 million; FY 1977, $5 million; FY 1978, $5 million.

5. Traineeships: FY 1976, $15 million; FY 1977, $20 million; FY 1978, $25 million.

6. Special Project Grants:

A. Amends the existing program to provide grants for the following:

(1) mergers of training programs.

(2) cooperative arrangements.

(3) new nurse training programs.

(4) increases nurse education opportunities for individuals from disadvantaged backgrounds.

(a) Not less than 10% of appropriated funds for any fiscal year are to be used for this purpose.

(5) continuing education.

(6) retraining opportunities.

(7) improved distribution by geographic area or by specialty group of trained nursing personnel (including bilingual personnel).

(8) upgrading skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

B. Authorizations: FY 1976, $15 million; FY 1977, $15 million; FY 1978, $15 million.

7. Advanced Nurse Training Programs:

A. Authorizes a *new* program of grants to collegiate nursing schools to assist in the establishment of advanced nurse training programs (i.e., training professional nurses as teachers, administrative supervisors).

B. Authorizations: FY 1976, $15 million; FY 1977, $20 million; FY 1978, $25 million.

8. Nurse Practioner Programs:

A. Authorizes a *new* program of grants to public or nonprofit schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to assist in the establishment of programs for the training of nurse practioners to provide primary health care (including pediatric and geriatric nurses).

B. Authorization: FY 1976, $15 million; FY 1977, $20 million; FY 1978, $25 million.

9. Student Loans: FY 1976, $25 million; FY 1977, $30 million; FY 1978, $35 million.

10. Scholarship Grants:

A. Continues the existing program with no line item authorization.

B. No specific authorization figures given.

11. Provides that the Secretary of HEW may delegate some of his authority to regional offices—Secretary make final grant decisions.

12. Requires Secretary of HEW to determine and report on a continuing basis on the supply and distribution of and requirements for nurses.

13. The letter from HEW does not reflect accurately the final figures as reported. The budget $32.9 million for FY 1976 compares with $161 million in the reported bill.

14. Total bill authorization: $558 million.

Mr. BRECKINRIDGE. Mr. Chairman, I rise in support of this legislation, and I thank the chairman for bringing it before the House.

I want, more particularly, though, and personally, and in my private capacity as a member of the board of trustees of the Frontier Nursing Service, to acknowledge the deep debt of gratitude which the people of Kentucky and the Frontier Nursing Service owe our colleague from Kentucky, the Honorable Tim Lee Carter. He has, to my personal knowledge, as a boy, as a young man, as a physician, as a personal friend, and as Congressman from his district over the years supported not only the people but also the activities of the Frontier

Nursing Service in that area in taking care of the needs of the people.

Mr. Chairman, I wish to take advantage of this opportunity to personally extend to him my expression of appreciation.

Mr. ROGERS. I yield to the gentleman from New York (Mr. Biaggi) such time as he may consume.

Mr. BIAGGI. Mr. Chairman, I intended to offer an amendment today but withdrew it after I received the assurances of the chairman that he would see to it that its objective would be carried out in the final bill. For the purposes of discussing the intent of my amendment I would like to establish some colloquy. It has been my experience that when we leave the establishment of criteria to the agencies, that is oftentimes abused. The arrogance of bureaucracy has long been established. My amendment was designed to insure that the criteria which determine disadvantaged students under this act are equitable. More importantly, the amendment reflected my deep concern that many disadvantaged students are not taking advantage of educational opportunities such as those provided in this bill.

In the past, the Federal Government has applied the term "disadvantaged" to large racial and ethnic blocks such as Spanish-speaking Americans, blacks, Native Americans and Appalachian whites. In the process, we have lost sight of other disadvantaged groups in the Nation.

For example, in my own district and in cities across the Nation, many students of Italian American, Greek, Irish, and other ethnic descent have language and socioeconomic problems which effectively close the doors of education to them. They become high school dropouts and subsequently swell the ranks of the unemployed because they do not have the skills or the educational background to find steady work.

We are dealing today with legislation which seeks to provide nursing skills and training for qualified students. Under section 820(a)(3), the bill would provide moneys to increase nursing education opportunities for individuals from disadvantaged backgrounds as determined in accordance with criteria prescribed by the Secretary.

I would like for the Record to state my amendment would have provided the Congress with the opportunity to exercise its oversight function with respect to these criteria. It required the Secretary to report the criteria to Congress and it allowed Congress a period to consider, modify or reject the criteria before they became effective.

It is only through such congressional oversight of the executive branch that we can be certain that all disadvantaged students will be given a full opportunity to participate in the educational opportunities offered in H.R. 4115.

I would like to establish with the chairman for the record and further for the instruction perhaps and guidance of the Secretary, that the Secretary should apply the criteria across the board with equity. If the chairman will respond to that I will appreciate it.

Mr. ROGERS. Yes. I thank the gentleman for bringing this matter to the attention of the committee. The committee will check into this because it certainly is our intent that the disadvantaged program should be applied completely across the board without discrimination. We will check into this and ask for an accounting by the Secretary of HEW. If the gentleman has specifics in mind and if he will let the committee know of abuses, we will check into the specifics.

Mr. BIAGGI. I thank the gentleman.

I would hope, if the gentleman agrees, that the application of this bill the Secretary will normally provide funds to schools and for recruitment activities among the disadvantaged at all levels and in all portions of the United States.

Mr. ROGERS. We would hope there would be equity throughout the United States. I thank the gentleman for his contribution.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to my colleague, the gentleman from Illinois, from Chicago.

Mr. ANNUNZIO. Mr. Chairman, I commend the gentleman from New York for raising this point and I wish to say I agree with the gentleman and he is absolutely correct.

When we talk about people across the board, I assume, and I will be a lot more blunt than the gentleman from New York has been, because in my own city I have seen standards deteriorate because of not only the bureaucracy, but of the Federal courts, wherever there is Federal money involved.

I would like to mention as an example the police department in the city of Chicago, where I have seen a court decision made by a Federal judge in the northern district of Illinois where an entire examination of 2,000 was thrown out on the basis there was not enough spread between whites, blacks, and Chicanos. As a result, we have not had a policeman assigned in over 2 years and our crime rate has more than quadrupled.

I am assuming on this nursing business that it will be applied across the board, because it is pretty hard to tell who is poor and who is rich; I have more people applying for unemployment compensation in my district than at any other time. So I want to compliment the gentleman for raising this point. It is about time we stopped the quota basis. People ought to be recognized on the basis of need, regardless of the question of race, nationality, color, or age. The need should determine the ability of the Government to provide help to people across the board.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for his support.

I am, indeed, addressing myself to areas where we have pockets of poverty, where whole denominations would be eligible under this bill. I thank the gentleman and sincerely hope that we will pursue the Secretary in the event of any aberration.

Mr. ROGERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. Boggs), who has been most interested and most effective in helping us, in this legislation, to obtain nurses.

Mrs. BOGGS. Mr. Chairman, presently in my own State of Louisiana, there is a significant shortage of qualified nurses. Nurses are needed to staff hospitals and community health agencies throughout the State. Our several splendid nursing schools have embarked on programs to upgrade their basic education programs and to develop graduate programs to train specialists in new and innovative nursing fields.

We in Louisiana need the grants contained in this legislation to expand and improve nursing education programs, nursing traineeships, for student loans and scholarships, and for the interest subsidies for the construction of teaching facilities.

When an individual becomes hospitalized, it is the nurse who is responsible for identifying the needs of that individual. Only through proper education and training and continuing education programs can we be assured of the presence of the quality of nurse needed for critical care and early recognition of impending danger to the individual patient.

Without our favorable action on this legislation, the quality of health care in Louisiana and throughout the United States will be endangered.

Mr. Chairman, I urge the adoption of H.R. 4115.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. Mr. Chairman, I support the passage of H.R. 4115, the Nurse Training Act of 1975. Basically, this bill would continue existing programs for nurse training through fiscal year 1978.

The nurse training program has had a measure of success in increasing the number of nurses throughout the country. A similar bill was vetoed last year, after the Congress adjourned.

There has been a great deal of controversy over this bill because of the basic differences in policy between the administration and the Congress. The administration has said that we have enough nurses and we can now afford to terminate this program. On the other hand, the Interstate and Foreign Commerce Committee feels, and I agree, that there is still a need for more nurses, especially in the more rural areas of our country.

This is not the time to eliminate the nurse training program. As the Congress moves toward the implementation of a system of national health insurance, it must also consider how the health professions will deliver the health care provided under the system. One way is through the greater use of properly trained nurses. This bill assures us that we will continue to have an adequate supply of properly trained nurses.

I do believe, however, that the Health Subcommittee will have to take a look at the overall operation of the nurse training program in the next year or 2, to determine the total supply of nurses needed in the future. If it is shown that the need will not be as great as in the past, then the program can and should be tailored to fit our projected needs.

In the meantime, Mr. Chairman, we need to continue the Nurse Training Act and I would urge my colleagues to vote for this bill.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio (Mr. DEVINE), the ranking Member of the Committee on Interstate and Foreign Commerce.

Mr. DEVINE. Mr. Chairman, I thank the gentleman from Kentucky for yielding me this time.

I hate to be a dog in the manger and break up this love feast. I do not think our colleagues here are necessarily intimidated by the lovely ladies in the powerful nurses' lobby; but this legislation, I am sure, will pass with a resounding vote.

I would be less than frank and candid if I did not point out that this is nearly identical with the bill that we passed last year and which the President vetoed. The President vetoed it, not because he is against nurses or nurses' training and the needs of our people, but because it does great violence to the budget. I do not know where anybody gets the idea that if we send the bill back to him again this year, since it is a new year, that the President will not veto it again. I have no assurance, I have no right to speak for the President in this regard.

I would point out to the Members of the Committee that this is $128.1 million above the budget. It is just that simple. Here we all were, on the same floor here last week talking about a balanced budget; the same Members who were saying that we will have no new spending programs are now ready to pass this by a tremendous vote.

I recognize that we have very fine capable people in the nursing profession and they are vitally concerned, but I would invite all my colleagues to look at the minority views of the gentleman from Texas (Mr. COLLINS) and myself, who have affixed our signatures to it and sincerely believe that such grants directly to teaching institutions are no longer necessary.

We say:

> We continue programs because they are there and at increasing levels of funding—never decreasing. Congress professes to be vitally concerned with cutting back spending and then rejects about 90 percent of the rescissions and deferrals presented by the Executive. In addition, it continues to authorize appropriations in a business-as-usual fashion.

A number of weeks ago we passed a bill, a tax cut bill which, in effect, reduced revenues by about $25 billion. Yet, we continue to spend and spend and spend, and then we are appalled when the Budget Committee comes up with a deficit. The President's figure was, I think, $52.3 billion over the budget. Our Budget Committee decided to hold things down and came up with a figure of $72 billion or $73 billion, even greater than the Senate, and yet we continue to spend above the budget. I would predict, regretfully, that we are going to have a deficit closer to $80 billion to $100 billion rather than what is estimated today. That is because of activity such as this.

The Department of Health, Education, and Welfare wrote a letter, and they say this:

> Moreover, the reported bill does not meet in any significant measure any of the programmatic issues which concern the Administration. Continued emphasis on capitation for this undergraduate field is costly, inefficient, and unnecessary. Capitation subsidies to encourage enrollment expansion are not needed in view of the sizeable increase in the aggregate supply of nurses already realized, as well as those projected to occur in the future. Moreover, the capitation mechanisms do not permit scarce Federal resources to be targeted on addressing the needs of schools and students in underserved areas. The construction authority in the bill is not needed, the general student assistance provisions are largely duplicative of existing undergraduate student assistance programs offered by the Office of Education and are unnecessary.

That is with reference to the remarks of one of our colleagues who thought this bill, if passed, the under-served areas will be included. This bill does not guarantee it in any sense of the word. It says:

> The construction authority in the bill is not needed, the general student assistance provisions are largely duplicative of existing undergraduate student assistance programs offered by the Office of Education and are unnecessary.

Finally, the minority views pointed out that continuation of grant programs because they are extremely popular with the recipients is not enough justification in present circumstances relating to the budget.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, is the $123 million in this bill included in the projections of the Budget Committee report we considered on the House floor last week?

Mr. DEVINE. I believe the gentleman from Florida suggested that it was included in the bill passed last week.

Mr. WYDLER. Can the gentleman also clarify for me whether there is in fact in our country a national shortage of nurses, or whether this is a localized problem?

Mr. DEVINE. I am not prepared to answer that. I associated myself with the minority views, but I would refer that question to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, I will say that there is a very great shortage. The American Hospital Association has just completed a survey which indicates a definite statewide shortage of nurses in 36 States. In the remaining 14 States, there are pockets of critical shortages, that affect health care in the Nation. There is a great shortage of nurses in this country, and this bill is designed to do something about it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CARTER. Mr. Chairman, I yield 1 additional minute to the distinguished gentleman from Ohio.

Mr. DEVINE. Mr. Chairman, I thank the gentleman from Kentucky for yielding to me.

In response to the gentleman from Florida—and I am sure he is an expert on this subject because he has devoted a great part of his congressional career to health services and in attempting to help the American people with regard to health problems—I believe HEW would disagree with him that there is indeed a shortage of nurses across the country.

I find it very difficult myself to be the kind of a person like Simon Legree kicking poor Liza across the ice, because I know this is a sacred cow, so to speak. Nursing is a great profession. They do great things for everybody.

Someone said, "You better not vote against this bill, because you might have to go to the hospital some day and you will be in bad shape with nurses."

I am willing to take that risk, because I think our country is in bad shape, and the reason it is in bad shape is because of inflation, and inflation is our fault here in Congress because we do not have the courage, the guts, to vote against anything. As long as it blows the budget by $128 million, I am going to vote against it, and I hope the President will veto it if it passes.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I want to thank my good friend from Kentucky, and I strongly support this bill.

Mr. Chairman, I rise in support of this bill to revise and extend the authorization for programs of assistance for nurse training.

There continues to be a need for additional numbers of registered nurses. Conservative estimates place the need at 1 million nurses in 1975 and 1.1 million nurses by 1980. Such estimates do not take into account the additional need which would result from passage of a national health insurance program. These statistics would indicate that there is an immediate need for about 100,000 additional nurses, with many more needed in future years.

The increasing complexity of health care resulting from scientific research, the rise in life expectancy, the expansion of health services made possible by insurance programs, all contribute to the demand for health manpower, including well-prepared registered nurses, able to adapt to changing needs and to help make essential health care available in all parts of the country and to all people.

The Nurse Training Act of 1971, of which this bill is essentially an extension, has significantly helped to meet the Nation's need for nurses.

Under the provisions of this act, more nurses have been able to get the advanced educational preparation they need for new and expanded responsibilities in pediatrics, nurse midwifery, family nursing, and other specialty areas.

Research into better methods of nursing care has brought benefits to patients throughout the country.

New teaching methods and cooperative projects among schools and between schools and local agencies have made nursing education accessible to more students and made possible the development of new educational programs closely geared to community needs.

In addition, more minority students have been able to prepare for careers in nursing, as well as more men and those from older age groups.

In short, Mr. Chairman, programs under the Nurse Training Act have permitted significant advances in health care delivery through the encouragement of greater numbers and quality of nursing professionals.

I think that it is clear that without continued Federal support, this progress cannot continue.

Among the excellent provisions of this bill, I would like to focus my colleagues' attention on the authorization of special project assistance. Grants and contracts under this section can include cooperative arrangements between hospitals and academic institutions, innovative nurse training programs, and continuing education and retraining programs for nurses.

In addition, as indicated by the committee's intent, an intent with which I wholeheartedly concur, special consideration should be given to programs in geriatric and pediatric nursing, and projects to improve the geographic distribution of nurses.

As my colleagues well know, a similar measure was pocket vetoed by the President at the end of the last Congress. I believe that this bill, with its lower level of authorization, is a more responsible bill, yet one which will not hamper efforts to provide the necessary manpower to our health care delivery system.

Mr. Chairman, I believe that this is an excellent program and an excellent bill, and I urge my colleagues' support for its adoption.

Mr. HAYES of Indiana. Mr. Chairman, the Nurse Training Act of 1975 (H.R. 4115) is of major importance to the health services of the United States.

This bill continues through 1978 the nurse training authorities of title VIII of the Public Health Services Act. Specifically it includes provisions for the continued support for schools of nursing throughout the Nation for special project grants, grants for advanced nurse training programs, nursing student loans and scholarships and support for the construction of teaching facilities.

Since the Federal Government began supporting nursing education in 1956 the number of professional nurses has increased dramatically. In 1956 the ratio of employed registered nurses to population was 259 nurses per 100,000 people. In 1975 the ratio was 361 per 100,000. Yet the American Nurses' Association estimates that we are meeting only 75 percent of the current need. This need has increased in recent years with continued population growth, the greater availability of health insurance, advances in the variety and complexity of health care treatments and equipment, and more emphasis on the importance of health education and prevention.

Yet the quantity of these professionals must not be our only concern. Advanced education in areas of speciality is a pressing need as treatment becomes more complex and specialized. The quality of the education of nurses must constantly improve to meet the advances in health care.

Since 1964, when the nurse training authorities of title VIII of the Public Health Service Act were established, more than $700 million has been awarded for student scholarships, loans, and traineeships, for construction and basic support for nursing education programs and for projects to improve nursing education and recruitment.

A specific example of the successful results of such Federal support is the Deaconess Hospital School of Nursing in Evansville, Ind. There the capitation grant funds have been used to develop projects that could not have been pursued without Federal assistance. At Deaconess Hospital audiovisual tutorial learning laboratories have been built to utilize the A–V material developed to enhance the quality of the curriculum. Students check out this A–V material and can progress at their own speed. Students are reported to learn much faster and more effectively by using these resources.

At Deaconess, capitation funds were also used to obtain new classroom equipment, to revise and expand the curriculum to accommodate a larger senior class, to employ an additional instructor and to finance part-time lecturers in areas of psychiatric nursing and nursing leadership.

At the University of Evansville School of Nursing in Evansville, Ind., the Nurses Training Act enabled the school administration to finance the construction of a three-story $3.2 million facility that includes laboratories for individual research, classrooms, seminar rooms, closed circuit television teaching aids and rooms for private counseling. Also $1.2 million of the funds for construction were furnished through the Nurse's Training Act.

The University of Evansville has also been able, through Federal funds, to establish a masters degree program in nursing and an upward educational mobility program for licensed practical nurses and nurse aides.

Many of the student nurses of the University of Evansville receive practical training in their chosen profession in the many inner-city clinics established with grants received through the Nurses Training Act. Besides being a learning resource for the students these clinics provide much needed health care to the poor and elderly of Evansville.

But more basic to this Federal program are the thousands of students across the Nation preparing for careers in the nursing field who receive direct financial support for their education.

One student at Deaconess said:

> My main reservation in entering nursing was a lack of money, but I talked with the school's Director, Miss Ellen Lynch, and she was convincing. She said financial help was available.

This student is a junior this year and to date has received $1,300 in loans and $1,650 in scholarships. As a former medic in the Army's Green Berets, he is married and has a 2-year-old son. The assistance he receives through the Nurses Training Act enables him to pursue his education which otherwise may have been deferred or never been initiated.

Another student, 25 and a mother of a 5-year-old son, lives with her parents who can provide no financial help for her education. She works part-time and is a full-time student who commutes 20 miles a day to the school. To date she has received $1,500 in loans and $1,000 in scholarships through the Nurses Training Act. As a senior, she realizes she could not have continued in the school without this Federal aid.

A third student in Evansville is a member of a family with eight children, three of whom are in postsecondary schools. Her parents are unable to help finance her education, but she has qualified for and has received $1,400 in loans and $1,200 in scholarships.

These are but a few examples of the good that has been accomplished by Federal assistance to the nursing profession through the Nurses Training Act. To halt this program—which is beneficial to the Nation through improved health care—would strike a blow to the progress made in this field.

Finally, the President has indicated he will veto this bill, as he did a similar bill during the last session of Congress. It is my hope that such a threat will be ignored by my colleagues. The education of thousands of deserving students, the progress of the nursing profession and the health care of the Nation are the issues here. I urge the Members of the House to vote favorably.

Mr. PRESSLER. Mr. Chairman, the Nurse Training Act of 1975 is a vitally important piece of legislation which would help fill the gaps in one of the few areas currently needing employees—the health services field.

I know the struggle many fine young men and women have when they wish to become nurses. I have two sisters who are both South Dakota nurses, and who graduated from South Dakota nursing schools. Through continued aid, as would be provided in the Nurse Training Act of 1975, we can provide the assistance these students need in order to further their education.

I have heard from the administrators of, and students in, nursing schools throughout the First District of South Dakota. The administrators have expressed their fear that if they no longer receive capitation grants, the quality of the education currently offered would rapidly deteriorate. Many students have told me their studies would be jeopardized if they are deprived of the aid provided by capitation grants. In rural areas where the doctor/patient ratio is often remarkably disproportionate in comparison with the ratio in urban locales, nurses could, and in fact often do, perform some of the functions traditionally associated with physicians. Therefore, I cannot overly stress the importance of the capitation grants provision of H.R. 4115 to South Dakota nursing schools and students.

Another insightful provision of this bill stresses the need for nurses with advanced training. Once again, the shortage of doctors in numerous areas of the United States underscores the dire need for nurses who are capable of performing certain duties historically designated to a doctor's purview. With the advanced training and specialization provided by this bill, those in the nursing profession could help alleviate the problems concomitant with our country's chronic shortage of doctors.

The authorization contained in the Nurse Training Act of 1975 for special project assistance is a forward-looking consideration. I am most pleased the committee intends that a portion of these funds be used to promote nursing in pediatric and geriatric areas, as well as for projects to improve the geographic distribution of nurses.

I ask that my colleagues consider the long-run benefits the United States will garner from the passage of this bill. The quality and scope of training that would be available to our nursing students under H.R. 4115 would insure an adequate supply of competent men and women in the health care professions in the years to come.

Mr. LEGGETT. Mr. Chairman, I am glad to record my views again in today's health doubleheader.

Actually, I am sorry that it is necessary for us to have to consider this matter again. We passed a perfectly good bill in the 93d Congress which, unfortunately, the President felt the necessity to veto, and while his veto continues to have its effect, the effect is still not a good one. We are 50,000 nurses short of what the Public Health Service estimates to be our current requirements. In California, we are feeling the pinch. Our nurse-patient ratio is 334 per 100,000, well below the national average of 380 per 100,000, despite the fact that we licensed more graduates than all but two States last year. Many of our teaching facilities are dated, and the entire nurse training program continues in the limbo of a continuing resolution.

The Committee on Interstate and Foreign Commerce has obviously labored hard and long on this bill, and I am pleased to support its efforts. It is obvious to all of us that we have to have a nurse training program that does something other than just to stumble along from year to year and continuing resolution to continuing resolution. We must have a dynamic, expanding program to meet the country's expanding needs. The fact that the United States attracted and licensed over 9,000 foreign nursing graduates in 1972 alone, and that we are still 50,000 nurses short of current needs, should tell us all that we are not doing nearly enough about nurse training. This bill is a minimum requirement if we are to offer to our own citizens both the advantages of jobs and careers in medicine and the benefits of quality medical care.

Mrs. LLOYD of Tennessee. Mr. Chairman, despite the advances in increasing the supply of professional nurses and the improvements which have been realized in the education and training of nurses, this Nation still faces a nurse shortage. The U.S. Public Health Service estimates that in 1975 we are 50,000 nurses below the level of projected need.

As more of our senior citizens enter nursing homes, or require home health care services, this shortage will increase. The inevitability of some form of national health insurance will add more demands to increase the number of nurses in health professions.

Many of today's nursing graduates will find themselves moving more and more into the roles that were once reserved for doctors. Frequently, particularly in some of our rural areas, the nurse-practitioner is the only trained medical service provider available to the community. The continuing availability of qualified nursing professionals is essential to the well-being of these communities.

Nurses have used their improved training to expand into other responsible roles in which they are directly accountable for their actions. Nurse practitioners, for example, have gained increasing respect from the public and from physicians. The visibility of nurses in these roles have helped alert the public to the fact that the nurses are a new breed of health care professionals.

The future of the nurse profession will be closely tied as it has always been to patient needs. These needs are now undergoing dramatic changes as more and more Americans come to regard the availability of health care as a right and look to their governments for guarantees that medical attention will be available at a price they can afford.

Today, the Congress has before it a major piece of health care legislation. The Nurse Training Act of 1975. This legislation would provide for the continuation of nurse training programs through fiscal years 1976, 1977, and 1978. Included in the Nurse Training Act are sections calling for the establishment of advanced nurse training loans and grants, as well as scholarships and funding for construction of additional nurse training facilities. This legislation has my strong support and I urge my colleagues to join with me and vote for passage of the bill.

The importance of these programs is dramatically illustrated by the nurse-population ratios of some States. In Tennessee, there are 223 nurses for every 100,000 residents. The national average is 380 per 100,000. The highest ratio is in the District of Columbia where there are 673 nurses for every 100,000 residents.

In an effort to solve this problem of maldistribution of nurses, the Congress has added language to the Nurse Training Act to encourage the establishment and expansion of nursing education facilities in areas below the national average in nurse-population ratios.

I cite these figures to emphasize both the need for more, better trained, better educated nursing professionals, and the extent to which the Government is committed to meeting this need. But the end product of these programs can never be described in the figures and projections I have discussed. The contribution of nurses to the improved health care of our country cannot be exaggerated. We must continue to support the training and education of nursing professionals as part of our national effort to achieve a healthier America.

Mr. SYMINGTON. Mr. Chairman, the Nurse Training Act, H.R. 4115, before the House today, is an integral part of the Congress continuing effort to ameliorate two problems which currently impede adequate delivery of health care in America: Maldistribution and insufficient numbers of primary care health professionals. In an effort to address these problems, early this session, the House Public Health and Environment Subcommittee gave careful consideration to the Nurse Training Act which is before the House today.

In the past, nurse training legislation has been designed to provide students and schools of nursing with a thorough program of Federal assistance. This year's bill, H.R. 4115, builds on that program and includes revisions to improve the distribution of registered nurses in medically underserved areas. It would also make additional funds available to institutions training nurse practitioners to help meet our need for primary health care professionals.

It has been estimated that we spend 8 percent of our gross national product on health services. Despite this huge expenditure of resources, delivery of health care is not uniform. This year's nurse training bill is designed to distribute health services more equitably and to meet the critical need for primary health care. I am hopeful my colleagues will recognize these merits of the nurse training bill and today vote to affirm H.R. 4115.

Mr. DODD. Mr. Chairman, I rise in support of H.R. 4115, the Nurse Training Act of 1975. This legislation, which is very similar to the bill which I introduced in the beginning of this session on nurse training, would continue without change, for fiscal year 1975, the nurse training authority of title VIII of the Public Health Service Act and would continue the authorities for fiscal year 1976, 1977, and 1978 with modifications.

Last year, similar legislation was passed by Congress and vetoed by the President, leaving no authority in existence at present which would continue provisions of the Nurse Training Act for fiscal 1975. In view of the shortage of trained professional nurses which we are currently facing and which is expected to expand in the years to come, I urge the House of Representatives to vote its support of this legislation today.

Medical care in this country is at a deplorable level—the number of doctors and hospitals in the Nation is inadequate to even come close to meeting the needs of the people. In my district in Connecticut, there are only 8 hospitals providing 1,449 beds to care for the medical needs of 555,800. The doctor shortage is one of the worst in the entire Northeastern region. In New London, there is only 1 doctor for every 840 people and in Middletown there is only 1 doctor for every 590 people.

Nurses can and should play a primary role in changing this situation. The Nurse Training Act is one means by which we can properly develop and utilize nursing personnel to the fullest extent possible. The Nurse Training Act would provide $100 million in undergraduate student loan funds and $60 million in funding for advanced nurse training programs. By increasing the number of nurses and nurses with advanced training, this legislation would alleviate much of the work currently performed by greatly overworked physicians and consequently improve our primary medical care system substantially.

I would like to particularly emphasize the portion of the Nurse Training Act which authorizes funds for nurse practitioner programs. This legislation provides $60 million for fiscal years 1976, 1977, and 1978, for grants and contracts for the planning, development, and operation of training programs for nurse practitioners. The nurse practitioner is a relatively new concept in the nursing field, who has been trained to give independent care to individuals, provide basic diagnostic service, make decisions about treatment in collaboration with physicians, and provide routine care to patients. One very important aspect of a nurse practitioner's work is the training and counseling which the practitioner is able to give patients, in an extension of medical care from clinical service to preventive medical service. This type of medical care which the nurse practitioner gives has proven invaluable in rural and other underserved areas. Its inclusion in the Nurse Training Act will help meet the need for medical personnel in shortage areas, such as my district in Connecticut, and is an extremely vital part of the Nurse Training Act.

President Ford has said that he objects to the Nurse Training Act because "Such high Federal spending for nursing education would be intolerable at a time when even high priority activities are being pressed to justify their existence." Obviously, the President does not consider nurse training among his priority actvities. Here, I must disagree with the President. The simple fact is that the costs of medical care have increased at a greater rate than any other service or product in our economy. We are fast approaching the situation where basic medical care is too expensive for many Americans to afford.

Therefore, to the President's concern that we cannot afford to spend the money that the Nurse Training Act will require, I say that we cannot afford not to spend it. If we are going to assure that adequate health services are available to the people of this country, we must create the programs that will train the people we need. The Nurse Training Act is an important step in this direction.

Mr. ROGERS. Mr. Chairman, I have no further requests for time.

Mr. CARTER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Nurse Training Act of 1975".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—ONE-YEAR EXTENSION

EXTENSION OF EXISTING AUTHORITIES THROUGH FISCAL YEAR 1975

SEC. 101. (a) Section 801 (relating to construction grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(b) Section 806(i) (relating to capitation grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(c) Section 808 (relating to special project grants and contracts and financial distress grants) is amended by striking out "for the fiscal year ending June 30, 1974" each place it occurs and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(d) Section 809 (relating to loan guarantees and interest subsidies) is amended—

(1) by striking out "1974" in subsections (a) and (b) and inserting in lieu thereof "1975", and

(2) by striking out "in the fiscal year ending June 30, 1974" in subsection (e) and inserting in lieu thereof "in the fiscal year ending June 30, 1974, or in the next fiscal year".

(e) Section 810(d) (relating to start-up grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(f) Section 860 (relating to scholarships) is amended—

(1) by striking out "next two fiscal years" in subsection (b) and inserting in lieu thereof "next three fiscal years",

(2) by striking out "1975" in that subsection and inserting in lieu thereof "1976",

(3) by striking out "1974" in that subsection and inserting in lieu thereof "1975",

(4) by striking out "the next two fiscal years" in subsection (c)(1)(A) and inserting in lieu thereof "the next three fiscal years",

(5) by striking out "1974" in subsection (c)(1)(B) and inserting in lieu thereof "1975", and

(6) by striking out "1975" in that subsection and inserting in lieu thereof "1976"

(g) Section 868(b) (relating to recruitment programs) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

TITLE II—REVISION AND EXTENSION OF PROGRAMS THROUGH FISCAL YEAR 1978

Part A—Effective Date

EFFECTIVE DATE

SEC. 201. Except as may otherwise be specifically provided, the amendments made by this title shall take effect July 1, 1975. The amendments made by this title to provisions of title VIII of the Public Health Service Act (hereinafter in this title referred to as the "Act") are made to such provisions as amended by title I of this Act.

Part B—Construction Assistance

EXTENSION OF GRANTS AND LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. 202. (a)(1) Section 801 is amended by striking out "and" after "1973,"; and by inserting before the period a comma and the following: "$20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978".

(2) Effective with respect to grants for construction projects under part A of title VIII of the Act made from appropriations under section 801 of the Act, section 801(c)(1)(A) is amended (A) by inserting "(i)" after "proposed facilities", and (B) by inserting before the semicolon ", or (ii) in expanding the capacity of the school to provide graduate training".

(b)(1)(A) Subsections (a) and (b) of sections 809 are each amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1978".

(B)(i) The last sentence of subsection (a) of section 809 is amended (I) by striking out "(1)" and (II) by striking out all after "the project" and inserting in lieu thereof a period.

(ii) The amendment made by clause (i) shall apply with respect to loans guaranteed under subpart I of part A of title VIII of the Act after the date of the enactment of this Act.

(2) The second sentence of subsection (e) of such section is amended (A) by striking out "and" after "1973,", (B) by inserting after "the next fiscal year" a comma and the following: "$1,000,000 in fiscal year 1976, $1,000,000 in fiscal year 1977, and $1,000,000 in fiscal year 1978", and (C) by inserting a period after "Treasury" the second time it appears in the fourth sentence and by striking out the remainder of that sentence.

(c)(1) Subsection (a) of section 809 is amended by inserting "or the Federal Financing Bank" and "non-Federal lenders".

(2) Subsection (b) of section 809 is amended by inserting "or the Federal Financing Bank" after "non-Federal lender".

TECHNICAL AMENDMENTS

SEC. 203. (a)(1) Title VIII is amended by inserting after the heading for part A the following:

"Subpart I—Construction Assistance"

(2) The heading for part A is amended by striking out "GRANTS" and inserting in lieu thereof "ASSISTANCE".

(b) Section 809 is inserted after section 804 and is redesignated as section 805.

Part C—Capitation Grants

EXTENSION AND REVISION OF CAPITATION GRANTS

SEC. 205. (a) Section 806(a) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) Each collegiate school of nursing shall receive $400 for each undergraduate full-time student enrolled in each of the last two years of such school in such year.

"(2) Each associate degree school of nursing shall receive (A) the product of $275 and one-half of the number of full-time students enrolled in the first year of such school in such year, and (B) for each full-time student enrolled in the last year of such school in such year.

"(3) Each diploma school of nursing shall receive $250 for each full-time student enrolled in such school in such year.".

(b) Subsections (c), (d), (e), and (f) of section 806 are repealed and the following new subsection is inserted after subsection (b):

"(c)(1) REQUIREMENTS FOR GRANTS.—The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(A) the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year; and

"(B) that the school will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purposes (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirement of subparagraph (A) shall be in addition to the requirements of section 802(b) (2) (D), where applicable.

"(2) The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless one of the following requirements is met:

"(A) The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that for the school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than one hundred, or

"(ii) by 5 per centum of such number if such number was more than one hundred.

"(B) The school has provided reasonable assurances satisfactory to the Secretary that it will carry out, in accordance with a plan submitted by the school to the Secretary and approved by him, one of the following programs in the school year beginning after the close of the fiscal year in which such grant is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made:

"(i) In the case of collegiate schools of nursing, a program for the training of nurse practitioners (as defined in section 822).

"(ii) A program under which students enrolled in a school of nursing will receive a significant portion of their clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of the teaching facilities of the school.

"(iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).

"(iv) A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged backgrounds (as determined in accordance with criteria prescribed by the Secretary) under which program at least 10 per centum of each year's entering class (or ten students, whichever is greater) is comprised of such individuals.".

(c) (1) Section 806(i) (1) is amended by striking out "and" after "1973," and by inserting before "for grants" the following: "$50,000,000 for fiscal year 1976, $55,000,000 for fiscal year 1977, and $60,000,000 for fiscal year 1978".

(d) For fiscal year 1976, and for each of the next two fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make annual grants to schools of nursing under section 806(a) of the Act (as in effect cn June 30, 1975) based on the number of enrollment bonus students (determined in accordance with subsections (c) and (d) of section 806 of the Act (as so in effect)) enrolled in such schools who were first-year students in such schools for school years beginning before June 30, 1975.

TECHNICAL AMENDMENTS

SEC. 206. (a) Subsections (g), (h), and (i) of section 806 are redesignated as subsections (d), (e), and (f) respectively.

(b) Subsection (b) of such section is amended by striking out "subsection (i)" and inserting in lieu thereof "subsection (f)".

(c) Title VIII is amended by inserting after section 805 (as so redesignated by section 102(b) of this Act) the following:

"Subpart II—Capitation Grants"

EFFECTIVE DATE

SEC. 207. The amendments made by this part shall take effect with respect to grants made under section 806 (redesignated as section 810 by title III of this Act) of the Act from appropriations under such section for fiscal years beginning after June 30, 1975.

PART D—FINANCIAL DISTRESS GRANTS

EXTENSION OF FINANCIAL DISTRESS GRANT PROGRAM

SEC. 209. Title VIII is amended by inserting after section 807 the following:

"Subpart III—Financial Distress Grants

"FINANCIAL DISTRESS GRANTS

"SEC. 815. (a) The Secretary may make grants to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information.

"(b) (1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training.

"(2) An application for a grant under subsection (a) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation wtih the National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (a).

"(c) For payments under grants under this section there are authorized to be appropriated $5,000,000 for fiscal year 1976, $5,000,000 for fiscal year 1977, and $5,000,000 for fiscal year 1978.".

TECHNICAL AMENDMENT

SEC. 210. Sections 805 and 808 as in effect on June 30, 1975) are repealed.

PART E—SPECIAL PROJECT ASSISTANCE

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 215. (a) Title VIII is amended by inserting after subpart III of part A (as added by section 209 of this Act) the following:

"Subpart IV—Special Projects

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

"(1) assist in—

"(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

"(B) other cooperative arrangments among hospitals and academic institutions,

leading to the establishment of nurse training programs;

"(2) (A) plan, develop, or establish new nurse training programs or programs of research in nursing education, or

(B) significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

"(3) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

"(A) identifying, recruiting, and selecting such individuals,

"(B) facilitating the entry of such individuals into schools of nursing,

"(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

"(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

"(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

"(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

"(4) provide continuing education for nurses;

"(5) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

"(6) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care; or

"(7) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

Contracts may be entered into under this subsection without regard to section 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(b) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

"(c) No grant or contract may be made under this section unless an application therefor has been submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training. Such an application shall provide for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for

Federal funds paid to the applicant under this section.

"(d) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $15,000,000 for fiscal year 1977, and $15,000,000 for fiscal year 1978. Not less than 10 per centum of the funds appropriated under this subsection for any fiscal year shall be used for payments under grants and contracts to meet the costs of the special projects described in subsection (a)(3).

"ADVANCED NURSE TRAINING PROGRAMS

"SEC. 821. (a)(1) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to—

"(A) plan, develop, and operate,

"(B) significantly expand, or

"(C) maintain existing,

programs for the advanced training of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the Secretary to require advanced training.

"(b) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.

"NURSE PRACTITIONER PROGRAMS

"SEC. 822. (a)(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

"(A) plan, develop, and operate,

"(B) significantly expand, or

"(C) maintain existing,

programs for the training of nurse practitioners.

"(2)(A) For purposes of this section, the term 'programs for the training of nurse practitioners' means educational programs which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.

"(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for nurse practitioners. Such guidelines shall, as a minimum, require—

"(i) a program of at least one academic year consisting of (I) supervised clinical practice and (II) at least four months (in the aggregate) classroom instruction, and that the program be directed toward preparing nurses to deliver primary health care; and

"(ii) a minimum level of enrollment in each year of not less than eight students.

"(b) No grant may be made or contract entered into to plan, develop, and operate a program for the training of nurse practitioners unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a)(2)(B); and no grant may be made or contract entered into to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

"(c) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a)(2)(B).

"(d) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.".

(b) Sections 810 and 868 are repealed.

GUIDELINES FOR NURSE PRACTITIONER TRAINING PROGRAMS

SEC. 216. The Secretary of Health, Education, and Welfare shall within ninety days of the date of the enactment of this Act prescribe the guidelines for nurse practitioner programs specified in section 822(a) of the Act (as added by section 215 of this Act).

PART F—ASSISTANCE TO NURSING STUDENTS

EXTENSION OF TRAINEESHIPS

SEC. 221. (a) Subsection (a) of section 821 (as in effect on June 30, 1975) is amended to read as follows:

"(a) There are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978, to cover the costs of traineeships for the training of professional nurses—

"(1) to teach in the various fields of nurse training (including practical nurse training),

"(2) to serve in administrative or supervisory capacities,

"(3) to serve as nurse practitioners, or

"(4) to serve in other professional nursing specialties determined by the Secretary to require advanced training.".

(b) Effective with respect to grants under section 821 of the Act from appropriations under such section for fiscal years beginning after June 30, 1975, subsection (b) of section 821 (as so in effect) is amended by adding at the end thereof the following: "In making grants for traineeships under this section, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established by the Secretary under section 822 (a)(2)(B).".

EXTENSION OF STUDENT LOAN PROGRAM

SEC. 222. (a) Section 822(b)(4) (as in effect on June 30, 1975) is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1978".

(b) Effective with respect to periods of training to be a nurse anesthetist undertaken on or after the date of the enactment of this Act, section 823(b)(2)(B) is amended by inserting "(or training to be a nurse anesthetist)" after "professional training in nursing".

(c) Section 824 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS FOR STUDENT LOAN FUNDS

"SEC. 824. There are authorized to be appropriated for allotments under section 825 to schools of nursing for Federal capital contributions to their student loan funds established under section 822, $25,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, and $35,000,000 for fiscal year 1978. For fiscal year 1979, and for each of the next two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan for any academic year ending before October 1, 1978, to continue or complete their education.".

(d) Section 826 is amended (1) by striking out "June 30, 1977" each place it occurs and inserting in lieu thereof "September 30, 1980", and (2) by striking out "September 30, 1977" and inserting in lieu thereof "December 31, 1980".

(e)(1) Section 827 is repealed.

(2) The nurse training fund created within the Treasury by section 827(d)(1) of the Act shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under section 827 of the Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 827. If at any time the Secretary determines the moneys in the funds exceed the present and any reasonable prospective further requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to enable the Secretary to make payments under agreements entered into under section 827(b) of the Act before the date of the enactment of this Act.

EXTENSION OF SCHOLARSHIP PROGRAM

SEC. 223. Section 860 is amended—

(1) by striking out "1972 and, the next three fiscal years" in subsection (b) and in subsection (c)(1)(A) inserting in lieu thereof "1976 and, the next two fiscal years";

(2) by striking out "June 30, 1976" in the second sentence of subsection (b) and in subsection (c)(1)(B) and inserting in lieu thereof "September 30, 1979"; and

(3) by striking out "July 1, 1975" in the second sentence of subsection (b) and in subsection (c)(1)(B) and inserting in lieu thereof "October 1, 1978".

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 301. (a)(1) Section 802 is amended—

(A) by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart";

(B) by striking out "subsection 806(e) of this Act" in subsection (b)(2) and inserting in lieu thereof "section 810(c)";

(C) by striking out paragraph (5) of subsection (b) and inserting in lieu thereof the following:

"(5) the application contains or is supported by adequate assurances that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).";

(D) by striking out "section 841 (hereinafter in this part referred to as the 'Council')" in the first sentence following paragraph (5) of subsection (b) and inserting in lieu thereof "section 851";

(E) by striking out the second sentence following such paragraph; and

(F) by striking out "above in paragraph (A)" in subsection (c)(1)(B) and inserting in lieu thereof "in subparagraph (A)".

(b)(1) Subsection (a) of section 803 is amended to read as follows:

"(a) The amount of any grant for a construction project under this subpart shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the National Advisory Council on Nurse Training; except that—

"(1) in the case of a grant—

"(A) for a project for a new school,

"(B) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, or

"(C) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student **enrollment,** the amount of such grant may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and

"(2) in the case of a grant for any other project, the amount of such grant may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this subpart, exceed 67 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.".

(2) Subsections (b) and (c) of section 803 are each amended by striking out "this part" and inserting in lieu thereof "this subpart".

(c) Section 804 is amended (1) by striking out "this part" and inserting in lieu thereof "this subpart", and (2) by redesignating paragraphs (a), (b), and (c) as paragraphs (1), (2), and (3), respectively.

(d) Section 805 (as redesignated by section 203(b)) is amended by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart".

(e) Section 806 is redesignated as section 810.

(f) Section 807 is redesignated as section 811 and is amended—

(1) by striking out "section 805, 806, or 810" in subsections (a) and (c) and inserted in lieu thereof "this subpart";

(2) by striking out "part" in subsection (b) and inserting in lieu thereof "subpart";

(3) by amending paragraph (1) of subsection (c) to read as follows:

"(1) is from a public or nonprofit private school of nursing;"; and

(4) by striking out "those sections" each place it occurs in paragraphs (2) and (3) of such subsection.

(g)(1) Title VIII is amended by inserting after the heading for part B the following:

"Subpart I—Traineeships".

(2) Section 821 (as so designated on the day before the date of the enactment of this Act) is redesignated as section 830.

(3) Title VIII is amended by inserting after section 830 (as so redesignated) the following:

"Subpart II—Student Loans".

(h) Sections 822, 823, 825, 826, 828, and 830 (as so designated on the day before the date of the enactment of this Act) are amended as follows:

(1) Sections 822(a), 823, 825, 826, and 828 are each amended by striking out "this part" and inserting in lieu thereof "this subpart".

(2) Sections 822(a), 823(b), 823(c), 825 (b) (2), and 826(a)(1) are each amended by striking out "of Health, Education, and Welfare".

(3) Section 822(b)(2)(A) is amended by striking out "under this part" and inserting in lieu thereof "from allotments under section 838".

(4)(A) Section 825 is amended—

(i) by striking out "(whether as Federal capital contributions or as loans to schools under section 827)" in subsection (a); and

(ii) by striking out ", and for loans pursuant to section 827," in subsection (b)(1).

(B) Section 826(b) is amended by striking out "(other than so much of such fund as relates to payments from the revolving fund established by section 827(d))".

(C) Section 828 is amended by striking out "or loans."

(5) Section 830 is—

(A) transferred to section 823 and inserted after subsection (i) of such section; and

(B) is amended by striking out "Sec. 830. (a)" and inserting in lieu thereof "(j)".

(i)(1) Sections 822, 823, 824, 825, 826, 828, and 829 (as so designated on the day before the date of the enactment of this Act) are redesignated as sections 835, 836, 837, 838, 839, 840, and 841, respectively.

(2) Section 835 (as so redesignated) is amended (A) by striking out "829" each place it occurs and inserting in lieu thereof "841", and (B) by striking out "828" and inserting in lieu thereof "836".

(3) Section 837 (as so redesignated) is amended (A) by striking out "825" and inserting in lieu thereof "838", and (B) by striking out "822" and inserting in lieu thereof "835".

(4) Section 838 (as so redesignated) is amended by striking out "824" each place it occurs and inserting in lieu thereof "837".

(5) Section 839 (as so redesignated) is amended by striking out "822" each place it occurs and inserting in lieu thereof "835".

(6) Section 841 (as so redesignated) is amended (A) by striking out "822" and inserting in lieu thereof "835", and (B) by striking out "part D" and inserting in lieu thereof "subpart III of this part".

(j)(1) Part D of title VIII is inserted after subpart II of part B of such title; sections 860 and 861 are redesignated as sections 845 and 846, respectively; and the heading for such part is amended to read as follows:

"Subpart III—Scholarship Grants to Schools of Nursing".

(2) Section 845(a) (as so redesignated) is amended by striking out "this part" and inserting in lieu thereof "this section".

(3) Section 853 (as so redesignated) is amended (A) by striking out "this part" the first time it occurs and inserting in lieu thereof "section 845", and (B) by striking out "to the sums available to the school under this part for (and to be regarded as) Federal capital contributions, to be used for the same purpose as such sums" and inserting in lieu thereof "to the student loan fund of the school established under an agreement under section 835. Funds transferred under this section to such a student loan fund shall be considered as part of the Federal capital contributions to such fund".

(4) Section 869 is repealed.

(k)(1) Sections 841, 842, 843, 844, and 845 (as so designated on the day before the date of the enactment of this Act) are redesignated as sections 851, 852, 853, 854, and 855, respectively.

(2) Section 851 (as so redesignated) is amended (A) by striking out "part A of applications under section 805" in subsection (a)(2) and inserting in lieu thereof "subpart I of part A, of applications under section 805, and of applications under subpart III of part A"; (B) by striking out subsection (b); (C) by striking out "(a) (1)" and inserting in lieu thereof "(a)"; and (D) by striking out "(2)" and inserting in lieu thereof "(b)".

(3) Section 853 (as so redesignated) is amended—

(A) by striking out "part A" in paragraph (f) and inserting in lieu thereof "subpart I of part A";

(B) by striking out "806" in paragraph (f) and inserting in lieu thereof "810";

(C) by striking out "part B" each place it occurs in paragraph (f) and inserting in lieu thereof "section 835";

(D) by striking out "825" in paragraph (i) and inserting in lieu thereof "838";

(E) by redesignating paragraphs (a) through (j) as paragraphs (1) through (10) respectively;

(F) by redesignating clauses (1), (2), and (3) of paragraph (6) (as so redesignated) as clauses (A), (B), and (C), respectively.

(G) by redesignating subclauses (A) and (B) of such paragraph (6) as subclauses (i) and (ii), respectively; and

(H) by redesignating clauses (1) and (2) of paragraph (9) (as so redesignated) as clauses (A) and (B), respectively.

(4) Part C is amended by adding at the end thereof the following:

"DELEGATION

"Sec. 856. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices in the Department of Health, Education, and Welfare, except that the authority—

"(1) to review, and prepare comments on the merit of, any application for a grant or contract under any program authorized by this title for purposes of presenting such application to the National Advisory Council on Nurse Training, or

"(2) to make such a grant or enter into such a contract,

shall not be further delegated to any administrator of, or officer in, any regional office or offices in the Department.".

EFFECTIVE DATE

Sec. 302. The amendments made by section 301 shall take effect July 1, 1975. Except as otherwise specifically provided, the amendments made by section 301 to provisions of title VIII of the Act are made to such provisions as in effect July 1, 1975, and as amended by title II of this Act.

TITLE IV—MISCELLANEOUS

INFORMATION RESPECTING THE SUPPLY AND DISTRIBUTION OF AND REQUIREMENTS FOR NURSES

Sec. 401. (a)(1) Using procedures developed in accordance with paragraph (3), the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall determine on a continuing basis—

(A) the supply (both current and projected and within the United States and within each State) of registered nurses, licensed practical and vocational nurses, nurse's aides, registered nurses with advanced training or graduate degrees, and nurse practitioners;

(B) the distribution, within the United States and within each State, of such nurses so as to determine (i) those areas of the United States which are oversupplied or undersupplied, or which have an adequate supply of such nurses in relation to the population of the area, and (ii) the demand for the services which such nurses provide; and

(C) the current and future requirements for such nurses, nationally and within each State.

(2) The Secretary shall survey and gather data, on a continuing basis, on—

(A) the number and distribution of nurses, by type of employment and location of practice;

(B) the number of nurses who are practicing full time and those who are employed part time, within the United States and within each State;

(C) the average rates of compensation for nurses, by type of practice and location of practice;

(D) the activity status of the total number of registered nurses within the United States and within each State;

(E) the number of nurses with advanced training or graduate degrees in nursing, by specialty, including nurse practitioners, nurse clinicians, nurse researchers, nurse educators, and nurse supervisors and administrators; and

(F) the number of registered nurses entering the United States annually from other nations, by country of nurse training and by immigrant status.

(3) Within six months of the date of the enactment of this Act, the Secretary shall develop procedures for determining (on both a current and projected basis) the supply and distribution of and requirements for nurses within the United States and within each State.

(b) Not later than February 1, 1977, and February 1 of each succeeding year, the Secretary shall report to the Congress—

(1) his determinations under subsection (a)(1) and the data gathered under subsection (a)(2);

(2) an analysis of such determination and data; and

(3) recommendations for such legislation as the Secretary determines, based on such determinations and data, will achieve (A) an equitable distribution of nurses within the United States and within each State, and (B) adequate supplies of nurses within the United States and within each State.

(c) The Office of Management and Budget may review the Secretary's report under subsection (b) before its submission to the Congress, but the Office may not revise the report or delay its submission, and it may submit to the Congress its comments (and those of other departments or agencies of the Government) respecting such report.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 4, line 21, strike out "801" the second time it appears and insert in lieu thereof "802".

Page 8, line 21, insert ", or ten students, whichever is greater," after "number".

Page 18, line 10, insert "for registered nurses (irrespective of the type of nursing school in which the nurses received their training)" after "programs".

On page 18, strike out line 18 and all that follows down through and including line 4 on page 19, and insert the following:

"(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

"(ii) have an enrollment of not less than eight students."

Page 19 insert "for a project" after "entered into" in lines 5 and 11.

Page 22, line 8, immediately before "and" insert "in subsection (b)".

Page 23, line 5, strike out "and" and insert in lieu thereof ", and for each of".

Page 23, line 7, strike out "and" and insert in lieu thereof ", and for each of".

Page 27, line 4, insert "and inserting in lieu thereof 'this subpart'" after "subsection" and before the period.

Page 27, line 18, insert "each place it occurs" immediately before "and".

Page 31, line 8, strike out "(i)" and insert in lieu thereof "(f)".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, considered en bloc and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Chairman, these amendments are technical in nature, all except for the one which is conforming, the amendment on page 18, which just makes it clear that all registered nurses, irrespective of the type of school in which they received their training, will be eligible as nurse practitioners.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS: Page 5, insert "and" at the end of line 13 and strike out the comma at the end of line 16 and all that follows down through and including line 19 and insert in lieu thereof a period.

Mr. ROGERS. Mr. Chairman, this is the amendment which we had agreed in the Committee on Rules to offer so that this legislation would conform to the provisions of the Budget Act.

It simply would require that HEW's authority to issue notes to the Secretary of the Treasury to discharge obligations with respect to loan guarantees and interest subsidies for construction of nurse training facilities be limited by appropriations acts. It is a very simple, straightforward amendment which would bring this bill into compliance with the House Rules and the Budget Act, in accordance with our commitment to the Committee on Rules.

Mr. CARTER. Mr. Chairman, will the chairman of the subcommittee yield?

Mr. ROGERS. Yes; I will yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, certainly we, on this side, agree to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlman from Florida (Mr. ROGERS).

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. ROGERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS: Page 6, line 21, insert "$275" after "(B)".

Mr. ROGERS. Mr. Chairman, the sole purpose of the amendment is to correct a printer's error. The figure "$275" was to appear in the bill in the place in which the amendment would include it, and does not appear because it was inadvertently dropped by the printer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. ROGERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 7, line 1, strike "$250" and insert thereof "$375."

Mr. MURPHY of New York. Mr. Chairman, while I support passage of this bill I believe it contains an unfortunate change from the bill passed by the House in the 93d Congress.

When the committee reported H.R. 17085 last year it contained procedures for allocating assistance to eligible schools of nursing based on per capita enrollment and net educational expenditures of the three different types of nursing schools. The formula for allocation of these capitation grants was carefully constructed by the members of the Health Subcommittee to insure that each type of nursing school would be allocated approximately the same percentage of its net educational expenditures as determined by the Institute of Medicine/National Academy of Sciences' cost study. This study endorsed capitation grants as an appropriate mechanism to lend stability to Federal support to schools of the health professions. The study expressed the opinion that capitation grants ranging between 25 and 40 percent of net educational expenditures would contribute to the financial stability of these institutions. Last year's bill would have provided all eligible nursing schools approximately 17 percent of net expenditures.

What the Health Subcommittee has done this year is to alter last year's formula so that one of the three nurse training programs will receive a larger percentage of available Federal funds.

I attempted in full committee to at least partially correct this situation and at the same time not raise authorizations. This issue is one of equity and nothing else. It does not impact on whether the bill will be acceptable to this administration nor is it related to the total dollars authorized by this bill. The capitation formula as reported by the full committee is based on the assumption that all nursing schools will apply for and receive capitation grants. However, in fiscal year 1974 diploma nursing programs received only $5.6 million of the $34.3 million expended by the Federal Government, while last year diploma schools graduated 32 percent of all nursing students. Appropriations rarely reach the authorization levels, and it is obvious that appropriations are not proportionate to the size of the degree program. The question here is whether the basis of nursing will be made on the basis of equality for each type of program, or whether favoritism will be shown to one program at the expense of the others.

I favor very strongly continued and strengthened Federal support to nursing education but I am disturbed at the precedent this bill may establish for the allocation of these funds.

I include the following:

Last year's bill included the following capitation formula:

Bachelor's degree: $400 per student for each of the last 2 years of school.

Associate degree: $275 per student for the last year of school.

Diploma: $250 per full-time student for the last year of school.

These figures represent one-sixth, or 17 percent of the Institute of Medicine cost study recommendations for nursing based on net annual expenditures which were:

Baccalaureate	$2,450
Associate	1,650
Diploma	1,500

The formula in the bill passed last year gave equity for the three programs. All were 17%. This year, the Subcommittee bill increased the formula and total authorizations to Associate programs to 25% and up 15 million dollars.

This amendment will raise capitations for diplomas from $250 per student per year to $375 per student per year. This would increase diploma school share of capitation funds to 25% of net expenditures.

This amendment will not increase authorizations, simply change redistribution of the funds which will eventually be appropriated. The Rogers capitation formula is based on the assumption that all nursing schools will apply for and receive capitation grants, which records prove is not the truth. Of all schools, diploma schools apply for and receive the least amount of federal monies. Last year approximately 32% of all nursing students graduated from diploma schools.

Nursing school distribution in two states as examples—

New York: 63 diploma; 37 association; and 29 bachelor.

Florida: 4 diploma; 20 associate; and 6 bachelor.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. MURPHY).

Mr. Chairman, I might say that I am sure the committee would like to be able to accept the amendment and every other amendment like it which would provide even more money for nursing schools. As I say, we would like to do this. But this bill has already been vetoed once. We have tried to be moderate in our funding.

What the committee has done in changing the formula is to rely on a study by the Institute of Medicine which studied the cost of medical education per student per year for nurses in each of the category of schools: The baccalaureate schools which are the 4-year nursing schools; the diploma schools, which are the hospital-based programs; and third, the associate degree schools, which are the junior colleges, or 2-year schools.

We have tried to be fair by adopting a formula which authorizes a little over 16 percent of the cost of education of a student to each of those schools for each of its students. So we have treated all schools fairly.

To do what the gentleman from New York now suggests would completely upset that balance that we have worked out, which we believe to be fair.

I think the House would be interested to know that, in fact, the bill provides over $16 million per year to the diploma schools which the gentleman from New York wants to help, and rightfully so; this is $11 million more than they are receiving under the present appropriation. So we in effect are giving them $11 million more to apply to their schools, whereas the associate degree schools are only getting $4 million more and the baccalaureate schools are getting about $1 million more. So we have been fair to everyone. We would like to give everyone everything they ask for, but it is not possible. The committee has reasoned this through and has come to a judgment that I think the House can be proud to stand with.

I would, therefore, reluctantly urge that the amendment be defeated.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

The American Hospital Association strongly opposed the change that the subcommittee made this year. To correct one other statement of the gentleman, my amendment would not necessitate a change in the total dollar funding in this legislation. Adoption of my amendment will not affect the President's consideration of the legislation. What the amendment does is to require a return to the historical and the equitable formula for these three types of schools that we established last year in the vetoed bill and which for some strange reason was changed this year.

Mr. ROGERS. It was not strange at all. It was done after the study made by the Institute of Medicine. Furthermore, the gentleman's statement that he is not changing authorization simply does not hold up because, if he examines the total amount that would go to diploma schools under his formula, if all schools took advantage of the programs the authorization would have to be changed.

So the gentleman's amendment, to be effective would have to authorize an additional $8 million for each of the next 3 years or a total of $24 million. Thus his amendment would either boost the cost of the bill or else the schools are not going to get any more money, because there are no additional funds authorized, even though the formula is changed. A change in the formula is not effective without a change in the authorization.

The gentleman's amendment does not change the authorization, so it does not mean anything. It is not a proper or a fair amendment, and I oppose it strongly.

Mr. MURPHY of New York. Will the gentleman yield further?

Mr. ROGERS. I yield to the gentleman.

Mr. MURPHY of New York. There is no change in authorization. Total dollars will remain the same. The amendment merely would constitute a return to the historical formula in order that diploma schools receive equitable treatment.

Mr. ROGERS. The gentleman is in error. The authorization would have to be changed or else there would not be money to fund the gentleman's proposed formula for the diploma schools.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. I thank the gentleman for yielding.

Is the gentleman from New York implying that the diploma schools are on a decrease because of some action on this?

Mr. MURPHY of New York. If the gentleman will yield, yes, there will be a decrease in the diploma schools' proportionate participation in relation to the baccalaureate and associate degree schools. Under the formulation this year, as proposed by the subcommittee, more money would be available to the associate degree schools on a per-student basis. As I pointed out earlier, a proportionately lesser amount would go to diploma schools, and yet they graduate 32 percent of the nurses each year.

I might say that the American Hospital Association supports this amendment because it feels that the nurse in the diploma school is the nurse who is definitely going to stay in nursing because of his or her type of training and degree of commitment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I reluctantly oppose the amendment offered by the distinguished gentleman from New York. In going over the features which he has mentioned, I have looked at the total capitation for collegiate nurses, and for the 2 years for which they receive capitation, it is $800. Our diploma schools of nursing at $250 for each of 3 years receive $750.

There is not a great deal of difference there. However, the associate degree nurses only receive for 1½ years $412.50.

I strongly support this capitation. I do not want to rock the boat. I feel that this is good legislation. I feel that if we attempt to amend and increase authorization, we may well cause defeat of a good bill. I oppose the amendment reluctantly.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman.

Mr. MURPHY of New York. I thank the gentleman for yielding.

The distinguished doctor from Kentucky, and one of the revered Members of this House, is certainly a leader in the medical professional and very knowledgeable in the medical profession. Does the gentleman know the dropout rate of associate degree students?

Mr. CARTER. I am not conversant with it. Really I am not.

Mr. MURPHY of New York. It is my information that help of the students in associate degree programs fail to graduate. However, the bill proposes to change the formula of support to associate degree programs at the expense of the diploma programs which graduate 75 percent of enrolled students, a higher percentage of whom then stay in the nursing profession.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am happy to yield to the distinguished chairman.

Mr. ROGERS. Mr. Chairman, under the capitation formula proposed in H.R. 4115, diploma schools could receive $11.5 million more than they recevied in fiscal year 1974. The collegiate schools would only be eligible for an increase of $1 million and the 2-year schools only $4 million more, so we are providing a substantial increase in support to the diploma schools. What the committee has done is more than equitable. Furthermore, I would advise the gentleman from New York that according to the 1974 Report to the Congress on Nurse Training, more than two-thirds of the students enrolled in associate degree schools in school year 1971-72 graduated.

Mr. CARTER. I certainly feel we should keep the capitation figures as they are. Really there is not enough difference between the formula for collegiate degree schools and the diploma schools—only $50 per student—so I really do not think we should raise too much fuss about the formula. This is a good bill and I think we should proceed with it as it is.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield further?

Mr. CARTER. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the diploma schools did not get $11 million. They are eligible for $11 million and I pointed this out in the full committee. They received $5.7 million of the $34.4 million appropriated in fiscal year 1974, while contributing 32 percent of the total output of nurse graduates in that year. I pointed out these statistics several times in the last 15 minutes. Under the formula established by H.R. 4115 we are prejudicing the diploma schools.

Mr. ROGERS. Mr. Chairman, will the gentleman yield only for a correction?

Mr. CARTER. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, the diploma schools will be eligible for $16.5 million in fiscal 1976 under this bill. This is $11 million more than they received in 1974. I want the Members of the House to have accurate information.

I recommend that the amendment be voted down.

Mr. CARTER. Mr. Chairman, I suggest this amendment is a tempest in a teapot. The amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Murphy).

The amendment was rejected.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I fully appreciate the important role that nurses perform in our society. I am unable to justify, however, the large sums of money authorized in this bill.

The administration has requested $50.4 million and $34.5 million for the next 2 years. By comparison, H.R. 4115 would authorize $141 million for fiscal year 1975, $161 million for fiscal year 1976, $181 million for fiscal year 1977 and $211 million for fiscal year 1978. I certainly support the requested levels and feel they are adequate.

Although the Congress is being asked to vote ever larger sums of money for this program, it is extremely doubtful whether increased funding is necessary. The President's memorandum of disapproval states:

> Without any additional Federal stimulation, we expect that the number of active duty registered nurses will increase by over 50 percent during this decade.

Any overall shortage of nurses that currently exists will be eliminated in the near future even without "additional Federal stimulation." Why, then, should we continue to subsidize the construction of new nurse training facilities? Why should we encourage even more people to go into nursing through loans, scholarships, and subsidies?

On numerous occasions, Mr. Chairman, I have expressed my reluctance to start up new Federal programs. A major reason for my reluctance is that once a Federal program is started it seems to go on forever—and at ever increasing levels of funding. It is nearly impossible to decrease funding or terminate a program even though the original purpose of the program has been fulfilled.

Now that we are confronted with huge budget deficits and expanding Federal expenditures the Congress must change this attitude. We cannot afford to go on funding Federal programs at ever higher levels. Even those which are necessary should be limited wherever possible.

The Nurses Training Act is a good place to begin cutting Federal spending. As the President's memorandum says, the expected 50-percent increase in nurses—

> suggests that our incentives for expansion have been successful, and that continuation of the current federal program is likely to be of less benefit to the Nation than using these scarce resources in other ways.

The Government must start living within its means. The alternative is economic chaos. This does not mean nurses will not be trained. There is adequate evidence that these programs at the local level are more than able to be funded without a budget breaking $128 million additional spending. This budget breaking excessive expenditure resulted in a veto last year. Across the board, we must hold the line if we are to keep the deficit at a figure of $60 billion.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFall) having resumed the chair, Mr. Charles H. Wilson of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4115) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training, pursuant to House Resolution 418, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker (pro tempore announced that the ayes appeared to have it.

Mr. BRINKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 17, not voting 32, as follows:

[Roll No. 190]

YEAS—384

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills

Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—17

Archer
Armstrong
Ashbrook
Bauman
Clawson, Del
Collins, Tex.
Conlan
Devine
Hansen
Kelly
McDonald
Michel
Rousselot
Shuster
Steiger, Ariz.
Symms
Wilson, Bob

NOT VOTING—32

Adams
Anderson, Ill.
Barrett
Crane
de la Garza
Esch
Eshleman
Gonzalez
Gradison
Hawkins
Hébert
Hinshaw
Holt
Hubbard
LaFalce
Landrum
Lent
McCollister
Mink
Mollohan
Mosher
Pritchard
Rangel
Riegle
Rinaldo
Risenhoover
Shriver
Sikes
Teague
Van Deerlin
Wiggins
Wilson, Charles, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Anderson of Illinois.
Mrs. Mink with Mr. Gradison.
Mr. Rangel with Mr. Hinshaw.
Mr. Mollohan with Mr. LaFalce.
Mr. Hawkins with Mr. Crane.
Mr. Sikes with Mr. Lent.
Mr. de la Garza with Mr. Rinaldo.
Mr. Van Deerlin with Mr. Esch.
Mr. Landrum with Mr. Mosher.
Mr. Barrett with Mr. Gonzalez.
Mr. Adams with Mr. Hubbard.
Mr. Riegle with Mr. Eshleman.
Mr. Teague with Mr. Shriver.
Mr. Charles Wilson of Texas with Mr. Wiggins.
Mr. Risenhoover with Mrs. Holt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON CEMETERIES AND BURIAL BENEFITS OF COMMITTEE ON VETERANS' AFFAIRS TO MEET DURING PROCEEDINGS OF HOUSE ON MAY 12 AND 19, 1975, AND UNDER 5-MINUTE RULE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Cemeteries and Burial Benefits of the Committee on Veterans' Affairs be allowed to meet on the afternoon of May 12 and 19, 1975, during general debate and under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING SPEAKER TO SIGN ENROLLED BILLS AND THE CLERK TO RECEIVE MESSAGES WHEN HOUSE IS NOT IN SESSION

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to sign enrolled bills and the Clerk be authorized to receive messages, when the House is not in session today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PRACTICAL EFFECTS OF LEGISLATION PASSED BY CONGRESS

(Mr. YOUNG of Texas asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Texas. Mr. Speaker, without rancor and in the hope that reason will prevail, I am continuing to bring to the attention of our membership some of the practical effects of legislation which the Congress has passed. I have been concerned for some time that the Congress has not and never will learn to leave well enough alone. It seems to me if we are ever to learn such a valuable lesson it surely must come from examining into the actual and practical happenings as a result of legislation which we have passed.

As these matters are brought to the attention of the membership of this House, I hope that the Members who are specially interested in steel production, automobile production, recreation industry, boats, trailers, airplanes and a hundred other items important to the wholesomeness of our economy take careful note. Congress has the oil and gas industry in a shambles—your industry is bound to suffer from this disaster and, in fact, your industry might, indeed, be marked for the same kind of treatment. The steel, automobile, and farming industry seem to be already under the gun—who will be next?

Mr. Speaker, I am including an account of the deferring of a $160 million terminal and pipeline in California as a result of action taken by Congress when it passed legislation disastrous to the oil and gas industry:

[From the Wall Street Journal, Apr. 29, 1975]

CALIFORNIA STANDARD DEFERS PLAN TO BUILD TERMINAL, PIPELINE

MORRO BAY, CALIF.—Standards Oil Co. of California announced it's deferring indefinitely a deepwater terminal and crude oil pipeline it had proposed to build here.

A spokesman for the company said the project was expected to cost the company $160 million.

He said the deferral came partly because of "uncertainties over government policies as well as escalating costs" and the repeal of the oil depletion allowance. "The primary factor is the lack of ground rules. Obviously we're going to need more oil, but whether it will be imported under tariffs or quotas is just so uncertain we can't make a commitment at this time," he said.

At an interview in February, H. J. Haynes, chairman, said that a total loss of the oil depletion allowance and the imposition of a windfall profits tax would raise California Standard's tax bill $125 million this year. He said the company, under such circumstances, would reduce its capital and exploration effort "by that amount in the U.S."

The company said the postponement of the project doesn't mean it won't be reinstated in the future "as there is still a need for a deepwater terminal to serve northern California."

"INDIA ADDS SOME SALT TO OUR WOUNDS"

(Mr. GAYDOS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, I have tried to come up with a firm figure on the number of U.S. dollars which have been poured without strings attached into India by our aid dispensers since the "Great Giveaway" began.

In publications of the Agency for International Development and other organizations of our Nation's unmitigated generosity we find India listed in tables on dollar grants so complex that it is virtually impossible to get the full truth. Even the reliable World Almanac has had trouble, listing figures with so many reservations attached that a researcher is led into complete confusion.

But it is sufficient for my purpose now to say that India has tapped the American taxpayers for billions over the years. No one disputes this. We have been India's mainstay since it cut loose from Britain at the end of World War II.

And what has it gotten us? Certainly no aid recipient has been as persistently critical of us, carping at our faults and impugning our motives generally. And now, with our setbacks in Southeast Asia, India is engaged in an almost hysterical binge of gloating. I quote Indian Foreign Minister Y. B. Chavan's recent statement as reported by the Associated Press:

> These developments in Indochina (the fall of Cambodia and South Vietnam) are the culmination of a heroic struggle waged by the people of Indochina to assert their independence and sovereignty and their determination to shape their destiny without external interference.

In other words, in the view of this high New Delhi official, we Americans, with our heavy investment of lives, arms, and money in South Vietnam and Cambodia, have been an "external interference" to the heroic aspirations of those whose liberty we sought to protect. But what of Communist China and the Soviet Union and their roles in Southeast Asia? Foreign Minister Chavan has no criticism of them. When we have friends like him, no enemies are needed.

We have become accustomed to ingratitude since we first set out to share our substance with the rest of the world. Countries have eagerly taken our dollars and then turned deaf ears to our pleas for help in emergency situations. Britain repeatedly has held aloof, regardless of our postwar assistance. So has France, and indeed, Japan. Our supposed Southeast Asia Treaty Organization partners did little for us either in Korea or in Indochina. Each was very willing to let Uncle Sam hack it alone.

But none, save India, to my knowledge, has made a point of expressing official glee at our current wounds. As a Congressman, I shall never forget the statement of India's Foreign Minister—the branding of us as an "external interference" in the "heroic struggle" which now has ended with complete Communist takeovers of the once free nations of South Vietnam and Cambodia.

LANCASTER, PA., WAS BIRTHPLACE OF CONTINENTAL ARMY

(Mr. ESHLEMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ESHLEMAN. Mr. Speaker, at this point I would like to call to the attention of my colleagues a study completed recently by the noted Pennsylvania historian, Frederic S. Klein. In this paper Dr. Klein shows convincingly that the Continental Army was born at Lancaster, Pa., on June 25, 1775. From that muster of volunteers came our U.S. Army.

Since my congressional district includes Lancaster, I am proud to make my colleagues aware of another major contribution our community made to the struggle for independence.

The item follows:

Congress Selected Pennsylvania Riflemen To Begin a Continental Army

On June 14th, 1775, the Continental Congress brought all the American colonies together in a war for independence by a bold decision to call up and control a Continental Army, whose first volunteers formed the official beginning of what was to become the United States Army. They were skilled riflemen, from Pennsylvania, Maryland and Virginia, who had defended their frontiers in previous years against French and Indians.

After Lexington and Concord and during the siege of Boston, the Massachusetts Convention appealed to the Congress in Philadelphia to assist New England militia in the defense of American rights. The response of Congress was to call on other colonies for special troops, by the following resolution: "Resolved, that six companies of expert riflemen be immediately raised in Pennsylvania, two in Maryland and two in Virginia; that each company consist of a captain, three lieutenants, four sergeants, four corporals, a drummer or trumpeter, and sixty-eight privates . . ." The resolution included a pay scale and a form of enlistment, as follows: "I have this day voluntarily enlisted myself as a soldier in the American Continental Army, for one year . . . and I do bind myself to conform to such rules and regulations as are or shall be established for the government of said Army."

This is the first official reference by the Congress to a Continental Army, and the rules and regulations were not established until June 30th.

The day after these soldiers for the Continental Army were called out, Congress resolved that a General must be appointed to command all forces, and elected George Washington. On June 17th Washington was commissioned, by June 22nd, Pennsylvania had raised a battalion of eight companies instead of six, and by June 25th, the first commissions printed by Congress were issued to the Pennsylvania Battalion officers—Colonel William Thompson, of Carlisle; Lt. Colonel Edward Hand, of Lancaster, and the eight captains of the rifle companies. By July, the riflemen, with two Lancaster companies instead of one, were marching to Boston, armed with their long Pennsylvania rifles—the secret weapon of the Revolutionary War with the precise accuracy and long range that kept the British pinned down in Boston for months.

Militia and New England volunteers who had been opposing the British were speedily enrolled in the new Continental Army, but it is significant that when Congress first decided to raise and manage an army, they confidently began by selecting the group they considered most formidable—the riflemen of Pennsylvania, Maryland and Virginia—for the beginnings of the United States Army.

Even the very first act of the newly appointed Congressional Treasurers, on the very day of their appointment, July 29th, 1775, was to pay Colonel Thompson five thousand dollars, as advance pay for his battalion of riflemen—the first pay ever granted to American soldiers.

It is a significant coincidence that June 14th, the day the Army began, is also now Flag Day, officially recognized in Pennsylvania as a legal holiday.

In Lancaster during the last week in June, representatives of rifle companies from various counties in Pennsylvania which raised troops for the new army will meet at the home of General Edward Hand, first a rifle company commander, and later Adjutant General of the Army under Washington, to commemorate the beginnings of the army in 1775 by demonstrations of marksmanship, uniform displays and battle re-enactments on the grounds at Rockford.

Frederic S. Klein,
Franklin and Marshall College.

Sources: Journals of the Continental Congress, 1775, Vol. 2, pp. 89, 90, 91, 96, 104, 111, 173, 221: Pennsylvania Archives, Series II, Vol. X, No. 1, p. 3.

PERSONAL EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, during the past 2 weeks, I have been off the floor when five votes were taken. For the Record, I now state how I would have voted on each of those questions had I been present:

THURSDAY, APRIL 24, 1975

Rollcall No. 153: Passage of H.R. 4111, to amend the Securities and Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system, and to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations. I would have voted "yea."

Rollcall No. 155: An amendment to H.R. 4975, to amend the Rail Passenger Service Act, that sought to delete the section that provides for an increase in the salary of the president of Amtrak from $60,000 to $85,000. I would have voted "aye."

Rollcall No. 156: Passage of H.R. 4975, to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation. I would have voted "yea."

MONDAY, APRIL 28, 1975

Rollcall No. 159: An amendment to H.R. 4222, the National School Lunch and Child Nutrition Act amendments, that requires the funding of the supplemental feeding program for women, infants, and children be on the same performance basis as the school lunch program. I would have voted "aye."

THURSDAY, MAY 1, 1975

Rollcall No. 166: To dispense with the reading of the Journal of the proceedings of April 30, 1975. I would have voted "yea."

SITUATION OF HUNGARIANS IN ROMANIA

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from New Jersey (Mr. Patten) is recognized for 30 minutes.

Mr. PATTEN. Mr. Speaker, for the past 8 years I have remained silent about the situation of the about 2½ million Hungarians in Transylvania, Romania, whom I had the opportunity to visit in the summer of 1965. I did so because there were signs that the oppressive measures of the Romanian Government might be easing.

Despite superficial improvements, however, the situation did not change. The transfer of Hungarian intellectuals to purely Romanian areas which was recognized by our State Department in a memorandum sent to me and other Members of Congress on September 19, 1967 continued unabated. The State Department wrote in 1967:

> The method of assigning jobs to most university graduates on a nationwide basis rather than according to the desires of the individual tends, in addition, to scatter Hungarian intellectuals throughout the country.

While the number of Hungarian sections in the grade schools improved, a sign of the growth of the numbers of the Hungarian minority, the situation deteriorated on the high school and college levels. In 1973, the law making the first year of high school (lycee) obligatory for every pupil resulted in inadequate number of Hungarian sections in the first year schools as did the establishment of increasing numbers of vocational and professional high schools since 1973.

The reason for my speech today is the fact that since 1974 the situation of the Hungarians in Romania is deteriorating at a rapid rate. The old grievances listed in the memorandum signed by me and 48 other Members in 1966 to the then Secretary of State Dean Rusk, remain unremedied and new kinds of discrimination are occurring driving even some of the Communist Party leaders of Hungarian origin, like Janos Fazekas, to well-nigh despair.

The deterioration occurs primarily in regard to schooling. According to reliable sources, during 1972–73 about 40 vocational school sections were established in Transylvania for the benefit of the Hungarian students. As usual, history, geography and Romanian language were taught in Romanian. After the end of the first year, mathematics, mechanical arts and sciences were also taught in Romanian by Hungarian teachers in accordance with new regulations passed by the Education Ministry in Bucarest. By now only Hungarian language and physical education are taught in Hungarian, but the 50 vocational sections are still listed as Hungarian.

The situation at the Babes-Bolyai University only worsened. Already in 1967 the same State Department memorandum noted:

> The Bolyai (Hungarian) and Babes (Romanian) universities in the Transylvanian city of Cluj (Kolozsvar) were amalgamated in 1959, becoming the Babes-Bolyai University. Proficiency in the Romanian language is now a prerequisite for entry and all courses are taught in Romanian, even by professors of Magyar origin, except those on Hungarian language and literature. Hungarian students make up about 30 percent of the University's enrollment.

In 1973, according to the statement of the Rector of the University, Stefan Pascu, a Romanian, only 6 of the 56 doctorates were awarded in languages and literatures. Even these include both Romanian and Hungarian languages and literature. If we assume that 30 percent of the student body is still Hungarian and that of the graduates 17 of the 56 are working outside of Transylvania and 5 at a city with a small Hungarian minority, we can see that the majority of the Hungarian graduates are still transferred to purely Romanian areas.

The Medical and Pharmaceutical College at Tirgu Mures—Marosvásárhely—is also in the process of Romanization. Already in 1967 the State Department memorandum noted:

> About the same time, the Medical Institute of the region introduced Romanian in addition to the Hungarian as a language of instruction, and the proportion of Romanian students has been increased.

By now, a majority of the students and the language of the majority of the courses are in Romanian. For window-dressing purposes, the Hungarian prorector is still in office, but both of his deputies are Romanian.

In the county of Mures—Maros—about equally divided between Hungarians and Romanians in population, the County Educational Commissioner, Ioan Ratiu, is a Romanian as is the Mayor of the major city, Tirgu Mures—Marosvásárhely. The director of the Teachers College there, until 1968 a bulwark of Hungarian-language teachers' education, is now Emil Popp, a Romanian.

In the same county, the high school—lycée—graduation examination commissions were as follows: Hungarian: 9, Romanian: 30, mixed Romanian-Hungarian: 4, and mixed Hungarian-German: 1. In addition, the 30 Romanian commissions included all the vocational, economic, and scientific high schools except those of performing arts and teachers education where 1 Hungarian section each survives. Let me express the situation in numbers: 43 percent Hungarians—data from Romanian statistics—possessed less than one-third of the examination commissions which are based on the number of students taking the examination; 45 percent Romanians possessed 66 percent of the same commissions and 88 percent of all the commissions in vocational, scientific, and other specialized high schools; 5 percent Germans had 1.2 percent of all the commissions.

This data was reported in the Communist Party's Hungarian-language daily of Tirgu Mures—Marosvásárhely—Vörös Zászló—Red Flag—of June 16, 1973.

The second thrust of renewed Romanian pressure was aimed at the Hungarian historical documents in private and church possessions. In Transylvania, the churches reflect the nationalities. The Romanians are Greek Orthodox, until 1948 also Uniates—Greek Catholics. Hungarians are Catholic or Reformed Protestant, 70,000 of them even Unitarians. The Germans are Lutherans. Church records, church-related libraries of educational institutions nationalized in 1947–48 constitute the major historical sources for the province which for 1,000 years before 1918 was directly or indirectly part of the Hungarian kingdom and was politically and culturally dominated by the Hungarians of the region.

Even incipient Romanian nationalist historiography was originally encouraged by the Hungarian administration with the assistance of the Rome-oriented Romanian Greek Catholic church.

Today, the Romanian Government is assuming direct control of all archives, documents, publications, art objects in private or church hands which are over 40 years old and are of interest to the history of the Romanian nation.

What this means in practice, was explained even by Louis Takács, a member of the Romanian Communist Party's Central Committee and a deputy of the Grand National Assembly, during the debate in October 1974 at the Assembly:

> For twenty-five years no archival instruction was provided at the universities. The archival officials no longer understand the Old Slavonic, Classical Greek and Hungarian and Latin languages. They could only provide for the preservation of the materials. But the latter would be inaccessible as it could not be organized and being deprived of usage even the danger of their destruction would exist.

Yet the law was passed on October 28, 1974, and was published in the Official Bulletin on December 10, 1974. In case of most of the Catholic and Protestant churches the transfer of the documents and art objects to the National County Archives and Museums have been completed.

Past experience makes Hungarian experts in Romania to fear the destruction of some and inaccessibility of most of the documents. That is, when the new State Archives were built in Cluj—Kolozsvár—construction workers used "documents in unknown languages"—that is, Hungarian and Latin—for kindling their open fire during the cold winter days.

The Romanian Academy of Arts and Sciences already acquired 2 million archival documents from the Transylvanian Museum Society and 170,000 volumes from the libraries of the former Protestant College, Piarist Preparatory School and Unitarian Gymnasium—high school—at Cluj—Kolozsvár—alone.

At the same time the Romanian Academy of Arts and Sciences employs only 3 Hungarians and 2 or 3 Romanians who read Hungarian from a staff of 28.

Many other aspects of the old grievances remain unremedied, but my colleagues will report on them.

I believe that analyzing the national discrimination policies of the Romanian Government abridging the human and civil rights of the Hungarians in Romania is of legislative significance. We will soon have before us for approval President Ford's proclamation awarding Romania the status of a "most favored nation" in regard to import duties. Even if we no longer regard ourselves as guardians of the freedom of the peoples of the world, we must ask ourselves the question: have we permanently abandoned our standards in international affairs? Are we going to award the oppressors professing an alien ideology with substantial economic concession without even using our good offices to ease the desperate situation of the largest national minority in Europe? I would like to believe that my colleagues do not think so and will want assurance from our Government that we will raise the issue with the Romanian Government in the near future.

May I also ask for an extension of 5 legislative days for my colleagues to extend and revise their remarks on this subject?

Mr. HORTON. Mr. Speaker, between 1965 and 1968 I spoke several times about the plight of the Hungarian minority in Romania and made representations to our Secretary of State.

Then for 7 years I remained silent, as did several of my colleagues who had a personal concern, in the hope the situation would gradually improve and the Romanization techniques of the Romanian Government would cease, or at least abate.

Our interest is now rekindled by two series of events. First, the conditions of the Hungarian minority have deteriorated in 1974 and 1975. Practically all education on the college and university level and in specialized or vocational high schools is given completely in Romanian and the texts abuse the Hungarians as barbarian, nomad people who had exploited the state nation for many centuries. The documentary traces of the Hungarians in the province are being eradicated by the transfer of church records and private materials over 40 years old to state and local archives without proper staffs. Even the collection procedures, as described by the Neue Zurcher Zeitung—Swiss—and the Washington Star News, were primitive and truckloads of unassembled records were taken from the parishes and congregations. Churches are also harassed again and they are even forbidden to receive gifts from abroad, while every individual citizen is permitted to do so.

Human rights, and the denial of the same, always exercised an important bearing upon our understanding of foreign relations. For many decades we championed oppressed peoples and we cannot abandon this basic principle despite any reappraisal of our global commitments.

Therefore, we must be careful not to present the oppressors with prime economic concessions and to reward those who treat their citizens and their minorities with ill-will and harassment. We must ask our Government to use its diplomatic influence to effect an improvement of the situation for these Rumanian citizens of Hungarian ethnic background before we can speak of a normalization of American-Romanian relations. This is also true of the recently concluded Romanian-American trade agreement of April 2, 1975, which is now pending before the Ways and Means Committee.

Mr. RODINO. Mr. Speaker, between 1965 and 1968 many of my colleagues and I spoke several times on the floor about the attitude of the Romanian Government toward its citizens of Hungarian ethnic background, denouncing many of its practices. We also wrote to Secretary of State Dean Rusk in 1966 on the problem.

For many years we expected some improvements in the situation of the largest national minority in Europe. But despite some easing of the conditions between 1968 and 1972, the repressive cycle continued and the situation worsened in the last 12 months. Therefore, my distinguished colleague from New Jersey (Mr. PATTEN), and others are rising today to remind us of the deplorable conditions facing Romanian citizens of Hungarian ethnic background in Transylvania.

Our remarks are important at this time because of the recent Presidential proclamation awarding Romania the status of most favored nation on import duties, part of the agreement of April 5, 1975. This agreement is now before the Ways and Means Committee for approval.

Judging from the reports received lately from Romania, the educational situation is deteriorating and there are practically no college or university courses in Hungarian any more. In the vocational, professional, and commercial high schools there are few Hungarian sections left. Only in general high schools do Hungarian sections still exist, encompassing, however, less than half of the Hungarian youth in the province.

The history of the Hungarians in Transylvania, where they were the dominant governmental and cultural force for 1,000 years while the province was part of the Hungarian Kingdom, is also being eradicated by administrative means. The law of October 30, 1974, which has now been implemented, deprives churches and private collections from possessing documents, archival materials, art objects and other historically important library material which is over 40 years old. These are now transferred into state and county museums and archives. Unfortunately, here they cannot be properly cataloged and organized as there are few trained archivists who also read the languages—Greek, Latin, Hungarian—of the documents.

The old grievances of job discrimination; inadequate representation on local, county and state levels in the administrations; the absence of civil servants who speak Hungarian in the Hungarian areas; housing discrimination in the cities; and the scattering of intellectuals into purely Romanian areas by job transfers still prevail.

Under these conditions, we must weigh carefully the approval of major economic concessions, at a time when our economy is in a severe recession.

Mr. HOWARD. Mr. Speaker, today I am joining my distinguished colleague from New Jersey (Mr. PATTEN) in discussing the continued oppression of the Hungarians in Romania.

In the mid-1960's many of my colleagues pointed out the lack of human and civil rights of the Hungarian minority in Romania which constitutes a group of almost 2.5 million people. They referred to the scattering of university graduates of Hungarian origin to purely Romanian areas as the state is the sole employer, discrimination in regard to housing and promotion, inadequate schools and opportunities to attend a school in the mother language, neglect of Hungarian areas regarding economic development and harrassment of churches belonging to the Hungarian minorities.

These grievances continue to exist and in some fields, during the past year, the situation became worse. That is, the documents on the history of the province are now transferred into state and county archives from churches and private collections. The end result will be that the documents in Hungarian and Latin relating to the history of the Hungarians will not even be cataloged or made available to researchers as according to deputies in the Romanian Grand National Assembly for 25 years no archival degrees were awarded by Romanian universities and few of the archivists read these languages and can do the cataloging.

There is also increased pressure for Romanizing the secondary schools and university education and professoinal schools. Of the four teachers' colleges which provided for the education of teachers in the Hungarian sections, two are almost completely teaching courses in Romanian and the number of Romanian courses is substantially increasing in the other two. There is not one teacher's college which has a Hungarian rector. The medical school in Tirgu Mures (Marosvásárhely) is also teaching courses mostly in Romanian and only Hungarian literature courses are still taught in Hungarian at the Babes-Bolyai University of Cluj—Kolozsvár. Eighty-eight percent of the professional high schools even in the half-Hungarian county of Mures—Maros—are Romanian.

Churches are increasingly harassed. While any Romanian citizen may except gifts from abroad, the churches were prohibited from doing last fall by ministerial decree. The Greek Catholic Church has been abolished by decree in 1948 and three of its four bishops died in prison, and the fourth one, Julius Hossu, is still under arrest. Religious instruction of children is very chancy for the parents and for the future of the children alike and is restricted to rural areas. Two of the four Catholic dioceses are still unfilled, and the Government forced Bishop Aron Marton of Alba Iulia to appoint a Romanian as the Catholic bishop of Iasy although there are few Romanian Roman Catholics in the country, but there are about one million Hungarian Roman Catholics. The list could be continued for several more pages but some of my other colleagues refer to the other grievances in detail.

The situation assumes legislative interest because of the Proclamation of President Ford on awarding "most favored nation" status to Romania. The proclamation was sent at the end of April to the Ways and Means Committee and will be presented as a concurrent resolution to us in the near future for approval.

Indeed, I believe that the administration should raise the continued and increasing oppression of the Hungarian minority in Romania to the Romanian Government before seeking approval and we should be very careful in our vote lest we promote further denial of human and civil rights to the largest national minority in Europe.

GENERAL LEAVE

Mr. PATTEN. Mr. Speaker, I ask unanimous consent that all Members may be permitted 5 legislative days in which to extend their remarks and to include extraneous material on the special order today of the gentleman from New York (Mr. PATTEN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE VIETNAM BACKLASH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 20 minutes.

Mr. CRANE. Mr. Speaker, it is with great dismay that I note the rising hue and cry raised in opposition to the admission of refugees from South Vietnam into America. Not only is such a position totally inconsistent with our previous attitudes toward refugees fleeing totalitarian regimes, but it raises serious moral and spiritual questions.

America is a nation of immigrants. In the 17th century Englishmen, Dutchmen, Germans, Scots, Frenchmen, and Swedes settled the eastern seaboard, drawn together by a common desire to escape religious and/or political oppression. Spaniards began settling Florida, the gulf coast, and later what became Texas and California. Frenchmen explored the Midwest and settled in Louisiana. Long before the term was coined, America became the great melting pot, proof of which is found by looking at the names of some of those who helped this Nation win its independence—names like Lafayette, Von Steuben, Kosciuszko, and Pulaski.

Once independence was assured, more people came from abroad, spurred by the torch of freedom that had been lighted in America and encouraged by the opportunity to make of themselves whatever their ability and initiative would permit. Irishmen, Scandinavians, Germans, Chinese, and Poles came during the 19th century, soon to be followed by Italians and Slavs in what became the greatest wave of immigration in modern history. Today, most Americans number among their ancestors people who were part of that wave of immigration.

Even more recently, America has been a haven for those fleeing from totalitarian regimes—from Eastern Europe after World War II, from China after the Communist takeover, from Hungary after the Soviets crushed the freedom fighters in 1956 and from Cuba after Castro seized power in 1959. In many cases these people were not only accepted, but greeted as heroes who deserved a refuge and a helping hand after all they had suffered and lost. And, almost universally, these refugees from totalitarianism have more than repaid us for our kindness by becoming valuable, contributing members of our society.

No better recent example can be found than that of the three quarters of a million Cubans who have come to this country in the past 15 years. Not only have they required a minimum of assistance in readjusting, but their shops, stores, skills, and industry have rejuvenated part of one great American city, Miami, and have contributed greatly to many others. About 350,000 of those Cubans have settled in the State of Florida and yet by 1970, despite having to overcome a language barrier and adjusting to life in a new nation, the median average income of Spanish-speaking Floridians—most of whom were these very same Cubans—was only $100 or so less than the median average income of all Floridians. Rather than a burden, the Cubans have been a tremendous asset. Indeed, we have been fortunate to have such people, many of whom were business, professional, and civic leaders before fleeing Castro.

But now with thousands of refugees from the Vietnam conflict having nowhere else to go, our attitude seems to be changing even though, as in the case of the Cubans, many of the early arrivals are drawn from the business and professional community. Many Americans seem to be saying—do not come here, we do not want you competing with us for jobs, we do not like the looks of you.

What has come over some of us? How, in good conscience can we, as a nation of immigrants, say things like that? Where is our sympathy for those to whom freedom or even life would otherwise be denied? And what has happened to our belief in freedom itself? Furthermore, these Vietnamese will constitute only 12 percent of the immigrants who will be permitted to enter the United States this year. What sets them apart from the hundreds of thousands of new immigrants coming to our shores from other countries?

Not only did we promise the South Vietnamese that we would help them maintain their independence through the Paris accords, and then fail to live up to our pledge, but now we seem to be saying that we do not want to help them even after they have nowhere else to go. Never before in our history have we ever contemplated turning our back on beleaguered allies, not once but twice in succession. And what was their crime? Apparently nothing more than believing in America and the strength of its commitment. May God help us if we do not live up to at least a small part of our obligation—because if we do not, no one else will help us or respect us in the future.

And it is not as if America cannot help these people. First of all, despite the inflation and recession that has everyone so worried, we still have the highest standard of living on Earth. Second, we have been through hard times before and have not turned our back on others in such a manner. And, third, many of these people will be self-sufficient almost from the outset and will soon be contributing their skills and their tax dollars to America. Can we really say that times are so bad that we cannot help those whom we have already let down once? I do not think we can and I fear that many of those taking that position are reflecting selfish concerns that speak more to the decay of our values than anything else.

As the most affluent society on Earth, have we become so used to the good life that materialism has become our paramount goal, rather than the principles of justice, humanity, and righteousness upon which the good life is built? Have we become so "security conscious," so concerned that we might not be able to buy that third color TV for the upstairs den, that we seem to have forgotten that we got where we are by taking risks and by opening our doors to others so that they might take the same risks? Have we also forgotten that freedom is never free and that turning our backs on those who seek it can only hasten the coming of the day when we will lose it ourselves? Perhaps the ultimate irony is that past experience indicates that these refugees from totalitarianism will likely be in the forefront of those willing to fight for our freedom when the occasion arises.

What such protest really boils down to is a repudiation of our moral fiber and spirit as a Nation. We seem to be abandoning those principles for which we have fought so long and so hard. We seem to be substituting for them the plastic comforts of the Pepsi generation. Too many seem to be losing the will to take the high road, preferring instead to follow along the easy road. Compromise and expediency seem to be the order of the day. Now that may seem harsh, but how else can one explain the fact that so many Americans have not only apparently forgotten the sacrifice of our own men in Southeast Asia, but can turn their back on those for whom we were fighting less than 3 years ago.

Many Americans will reject such an assessment but one need only look at what others are saying about us to put things back in their proper perspective. Several weeks ago Sirik Matak, the No. 2 man in Lon Nol's Cambodian government, refused to flee his country, choosing instead to await his fate at the hands of the Communists. But he sent the American Ambassador a letter in which he commented on America as follows: "I have only committed this mistake of believing you." And then, just last Friday, Foreign Minister Chatichai Choonhavan of Thailand put it even more clearly. "Moral?" he said of us, "The United States does not have any morals at this point."

Harsh words, but we delude ourselves if we seek to dismiss them.

There may be those who will shrug these words off as representing a minority viewpoint. However, if we do so, we are ignoring reality as well as the words and deeds of diplomats all over the world, diplomats who are acting in accordance with the underlying assumptions behind those words. Ferdinand Marcos of the Philippines now questions the validity of a mutual security pact with the United States; the Israelis bluntly point out that two mountain passes and an oil field are of far more value to Israel's security than any guarantee that the United States might make; the Premier of Malaysia has begun talking about a "neutral zone" in Southeast Asia; the Japanese have sought U.S. reassurances that our promises to defend Japan in case of attack are meaningful; Thailand began immediate negotiations for a complete U.S. withdrawal from its territory.

One can hardly blame these people. In fact, if I were in their shoes I would wonder if the failure of America to live up to its commitments to the South Vietnamese and Cambodians was an indication that America had become a paper tiger. I would further wonder whether the hue and cry about the Vietnamese refugees were not evidence of a lack of humanity as well. As an American, the whole episode, from the beginning to its present state, makes me sick at heart and fearful for the future of our country.

However, I am not one of those doomsayers who believe all is lost and nothing can be done to turn things around. First of all, a nation which contributed $25.2 billion to charity last year alone has within itself the ability to welcome with open arms these South Vietnamese refugees. All it needs to do is put aside unreasoned fears, selfish interests and personal prejudices in our best national tradition. Secondly, there are some lessons to be learned from our experience in Southeast Asia that should help us not only in accommodating these refugees but also in preventing similar situations from occurring in the future.

The lessons are simple really. The first is, as Thomas Jefferson once said, to recognize that "the price of liberty is eternal vigilance." Any thought of retiring within "Fortress America" at this point in history would be suicidal. The second lesson is that freedom is ever worth fighting for. But when we decide something is worth fighting for, we should fight to win. The experience of both Korea and Vietnam speaks eloquently to the folly of fighting for limited objectives that fall short of victory. And, finally, the last lesson is that the domino theory is alive, well, and in motion. If we do not put aside the myth about it not existing, we may well become, as Kenneth Crawford so aptly put it a few days ago, the last domino. "Aggression unchecked," as President Johnson correctly observed, "is aggression unleashed."

History is replete with examples of what happens when aggression is rewarded by conquest. Just 40 years ago, the Germans abrogated the Versailles Treaty by announcing formation of an army and air force, but nothing was done. Then, the Italians attacked Ethiopia and protests were not supported by action. Then Hitler retook the Rhineland and the Allied Powers lifted not a finger to stop him. Thus encouraged, Hitler annexed Austria and then moved on Czechoslovakia where, instead of a stand, we witnessed the sellout at Munich in September 1938. What Neville Chamberlain, the British Prime Minister, thought was "peace in our time" became war in no time. Six months later, Hitler took the rest of Czechoslovakia and a year later Europe went to war.

During the course of that war, it was decided that the principles at stake, the principles of the Atlantic Charter, made it necessary to bring about the unconditional surrender and total conquest of Germany. There was even some discussion of making postwar Germany a pastoral state—something we fortunately did not do. But there was no thought of fighting only until a demarcation line, or a parallel, or a demilitarized zone was reached. The fight was to be carried on until the overriding objectives, the principles at stake, were assured.

Unfortunately, these experiences seem to have been forgotten, just as the fact that we are a nation of immigrants seems to have been forgotten, at least temporarily, by too many Americans. But, if we are willing to look back and learn from history all is not lost provided we act upon those lessons in accordance with our proud heritage. The fact that we have stood by the principles of freedom, and those who believe in them, in something we can be proud of—but only if we are willing to keep up the good fight in the future, even if it does mean an element of personal sacrifice.

Looking at our history again, it seems that economic adversity, or threat of economic adversity, tends to bring out the worst in Americans—cynicism, materialism, isolationism. The great depression, for instance, spawned not only economic discontent but an isolationism that led to the Nye Committee, the Neutrality Acts and a reluctance to get involved until the day we were actually attacked at Pearl Harbor. So, there is hope that our apparent xenophobia over Vietnam will pass away as it has before with respect to other minorities as we rediscover our traditional commitment to basic principles of justice, righteousness, and personal liberty.

There are, however, salient differences. The first is that times are not nearly as grim as they were in the great depression. Moreover, the art of warfare has progressed to the point where we cannot afford to wait until we are attacked before we alter our attitude and prepare to defend our liberty. The protection of the oceans is a thing of the past; now we may get 30 minutes warning before our own cities come under attack.

Thus we cannot afford to ignore the lessons history can teach us about aggression, nor can we afford to adopt something less than a "win policy" in defense of freedom. And, finally, if we are to maintain our own self-respect, to say nothing of keeping the respect of others, we must not turn our backs on those who fought with us on the side of freedom and now ask only that they be given refuge. To do any of these things would not only be shortsighted from a practical standpoint but from a moral viewpoint as well.

If we are to maintain our position as leader of the free world, we must be willing to stand up for what we believe wherever those beliefs are challenged. And we must stand ready to help those who share those beliefs with us, particularly if they have backed up their words with deeds. To do less seems counter to the finest traditions of this Nation, traditions which have set us apart and made us unique in the annals of human history.

Sometimes it is difficult to live up to such a fine tradition but surely the benefits accruing from adherence to that tradition far outweigh any transitory material comforts or conveniences that we might otherwise crave. Let it not be said by our children or our grandchildren that we failed in our obligations when the going got tough and thereby helped to extinguish the torch of freedom, not only for others, but ultimately for ourselves.

Perhaps the most eloquent symbol of our past tradition is the Statue of Liberty, overlooking New York Harbor. It was given to us by the French in recognition of our contribution to the cause of freedom but, for almost a century now, it has held aloft a beckoning hand to millions of immigrants who have come to our shores to enjoy the fruits of liberty. It would indeed be a shame if we forgot how good those fruits tasted or how much human suffering would have resulted had we had not been allowed to walk down the gangplank.

For our own sakes, if for no one else's, we cannot forget.

RAIL EMPLOYMENT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. HEINZ) is recognized for 20 minutes.

Mr. HEINZ. Mr. Speaker, I am today introducing legislation similar to H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975, which I introduced on March 11, 1975.

The bill I introduce today is identical to legislation reported out of the Senate Labor Committee and should be given consideration by the House Commerce Subcommittee on Transportation when hearings soon begin on H.R. 4622.

I personally feel that H.R. 4622 more quickly, effectively, and fairly achieves the goal of putting people to work rebuilding our Nation's railroad rights-of-way.

Nonetheless, the bill I introduce today has the same worthy end, even if the means differ somewhat from H.R. 4622. Because of my interest in achieving the goals of both approaches as quickly and expeditiously as possible, I believe the Transportation Subcommittee should have before it for full consideration the widest possible choice of good legislative options. It is for this reason I am bringing the legislation I introduce today to the attention of my colleagues.

Mr. Speaker, I ask unanimous consent that the text of this bill be printed in the RECORD at this point:

H.R. 6767

A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Rail Transportation Improvement and Employment Act of 1975".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) Adequate and safe rail transportation is essential to the public interest, and jobs which involve repairing, rehabilitating, and improving essential railroad roadbeds and facilities to increase the public service capability of railroads are important public service jobs.

(2) Unemployment can be reduced significantly by stimulating and expediting the repair, rehabilitation, and improvement of the Nation's railroad roadbeds and facilities, because there is a great need for such activity and because such activity is labor intensive.

(b) PURPOSE.—It is therefore declared to be the purpose of the Congress in this Act to authorize the Secretary of Transportation in consultation with the Secretary of Labor to provide financial assistance, from funds appropriated and made available under section 11 and in accordance with the provisions of this Act to eligible applicants, for programs aimed at reducing unemployment and at repairing, rehabilitating, or improving essential railroad roadbeds and facilities.

SEC. 3. DEFINITIONS.—As used in this Act, unless the context indicates otherwise, the term—

(1) "eligible applicant" means any (A) State or political subdivision thereof, (B) railroad, (C) regional, State, or local transportation authority, or (D) regional commission;

(2) "government" means the Federal Government or the government of a State;

(3) "railroad" means a common carrier by railroad, as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)); the term includes the National Railroad Passenger Corporation, and the Consolidated Rail Corporation.

(4) "regional commission" means the Appalachian Regional Commission, established pursuant to section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101), and the Regional Action Planning Commissions, established pursuant to title V of the Public Works and Economic Development Act (42 U.S.C. 3181);

(5) "roadbeds and facilities" means the physical assets of a railroad, other than rolling stock, that are necessary for the actual movement of rolling stock, including, but not limited to, tracks, ties, rails, switches, roadbeds, bridges, yards, stations and terminals, machines for loading and unloading, ferries and shoreside facilities for transporting rolling stock over water, signal systems, grade crossings, train monitoring systems, electrification and other power transmission systems, and structures and equipment necessary to the functioning of any of the foregoing;

(6) "Secretary" means the Secretary of Transportation; and

(7) "State" means any State of the United States, or the District of Columbia.

GRANTS FOR EMPLOYMENT IN RAILROAD REPAIR OR REHABILITATION PROJECTS

SEC. 4. (a) GENERAL.—The Secretary shall, in accordance with this Act, provide financial assistance in the form of grants to eligible applicants for projects involving the repair, rehabilitation or improvement of railroad roadbeds and facilities as set forth in section 6 of this Act and that best fulfill the following three objections:

(1) the reduction of unemployment in areas that are identified by the Secretary of Labor as areas of substantial unemployment;

(2) the improvement of severely deteriorated roadbeds and facilities that (A) constitute a significant risk to public safety or (B) seriously inhibit the expeditious movement of freight or passengers; and

(3) the improvement of roadbeds and facilities that (A) contribute significantly to a balanced national rail transportation system, and (B) meet national or regional goals set forth in section 79 of this Act.

In making such a grant, the Secretary shall obtain adequate assurances that the proposed project substantially meets the goals set forth in section 7.

(b) GUIDELINES AND PROCEDURES FOR GRANT APPLICATIONS.—(1) To facilitate the rapid initiation of railroad repair, rehabilitation or improvement projects, the Secretary shall establish and publish within 30 days after the date of enactment of this Act, guidelines and procedures for making and evaluating applications for financial assistance pursuant to this section.

(2) Any such application shall be prepared and submitted to the Secretary pursuant to such guidelines and procedures. Such an application shall include, but need not be limited to, the following information and documentation in support thereof, with respect to the project for which financial assistance is requested:

(A) a description of the roadbed and facilities to be repaired or rehabilitated or improved;

(B) a statement as to the number of persons to be employed;

(C) a description of the relationship between the applicant and the roadbed and facility to be affected, if such applicant does not directly own or control such roadbed or facility;

(D) an evaluation of the roadbed and facility to be affected, in terms of its present or potential significance for national or regional transportation; and

(E) a description of the way in which the goals set forth in section 7 of this Act will be realized, and the manner in which such realization will be monitored.

The Secretary shall act upon any application under this section within 15 days after it has been received and is complete.

(c) SUPERVISION OF PRODUCTS.—In administering this Act, the Secretary is authorized to establish objective criteria to aid in determining whether the recipient of a grant made pursuant to this Act is maintaining a good faith level of repair and rehabilitation, on the basis of past experience and the present financial capability of the recipient.

(d) LIMITATIONS.—Grants made to eligible applicants pursuant to this section shall be used solely to pay the wages, and other benefits earned by individuals employed in programs funded by this Act, and shall not be used by such applicants for any administrative expenses incurred with respect to any such programs. Funds made available under this section for roadbed and facility repair and rehabilitation are to be used by eligible applicants in addition to, and not as a partial or total substitute for, or as a replacement for, any other funds that the applicant would would have been reasonably expected to utilize in the absence of this Act, for roadbed and facility repair and rehabilitation.

EMPLOYMENT PRIORITIES

SEC. 5. The jobs created pursuant to financial assistance provided pursuant to this Act shall, after the recall of furloughed maintenance-of-way and signal system maintenance employees pursuant to applicable collective bargaining agreements, be made available, consistent with other provisions of this Act, (1) to unemployed persons who have exhausted unemployment insurance benefits, to unemployed persons who are not eligible for unemployment insurance benefits (except for persons lacking work experience), and to unemployed persons who have been unemployed for 15 or more weeks; (2) to unemployed or underemployed persons as defined by section 601 of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 801 et seq.). The Secretary of Labor shall promptly establish such procedures, rules, or regulations as necessary to insure that sufficient numbers of such unemployed persons are referred to eligible applicants receiving funds pursuant to this Act by State unemployment service agencies, by the Railroad Retirement Board, and by prime sponsors designated under the Comprehensive Employment and Training Act. All jobs created under this Act, except those to which furloughed employees are being recalled, must be listed with the State employment service at least 72 hours before such vacancies are filled.

ELIGIBLE ROADBEDS AND FACILITIES

SEC. 6. Roadbeds and facilities are eligible for project grants pursuant to section 4 if they:

(1) have been included in the preliminary system plan, or in any subsequent plan, that has been approved by the Board of the United States Railway Association;

(2) are used in a substantial way in a rail commuter passenger service;

(3) are utilized by the National Railroad Passenger Corporation pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.) for providing rail passenger service or are part of either the basic system or the experimental routes established pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.), or by any other railroad providing intercity rail passenger service;

(4) have been subject to track usage of at least five million gross ton-miles per mile of road per year, during at least one calendar year following January 1, 1970;

(5) have been identified to the Secretary by any State, political subdivision thereof, or regional commission as significantly contributing to improvements in, or the continuation of, essential present or anticipated transportation needs, if the Secretary concurs in such identification; or

(6) are owned by a State or public entity.

GOALS

SEC. 7. In order to receive financial assistance under this Act, a project shall be structured and administered so as to achieve substantially the following goals:

(1) the reduction of unemployment;

(2) the acceleration and expansion of a nationally balanced rail rehabilitation effort designed to improve railroad roadbeds and facilities that meet essential national and regional transportation needs or policies or that will eliminate serious safety hazards involving such roadbeds and facilities;

(3) the coordination of repair and rehabilitation work with other national transportation priorities, such as the elimination of grade crossings and similar safety problems, the improvement of rail passenger service, and the modernization of facilities, including the electrification of appropriate lines.

(4) the substantial completion of such project within 18 months after the date on which work is commenced; and

(5) the maximization of the chances for permanent employment by the railroad of the individuals employed on such projects.

MATERIALS AND EQUIPMENT ASSISTANCE

SEC. 8. (a) GENERAL.—To the extent necessary to carry out a project receiving financial assistance pursuant to section 4, the Secretary may provide financial assistance to eligible applicants, in accordance with this section, for the acquisition of materials and equipment necessary and appropriate to such project. Such financial assistance shall not be made available until the Secretary receives adequate assurances that it will not be used, directly or indirectly, as a substitute for financial resources which would otherwise have been expended for such purposes by the applicant. Financial assistance pursuant to this subsection may be provided by the Secretary in the form of guarantees by the United States of the payment of the principal amount of, and the periodic interest obligation on, loans, or in the form of grants, with or without conditions. In the case of a grant under this subsection, which adds, or may add, value to the rail properties or other assets of a railroad other than a Government corporation, the Secretary may require that adequate and binding assurances be made for recompensating the Federal Government for any such value added, through a mechanism such as reduced user fees for rail passenger service operated by the National Railroad Passenger Corporation or other compensatory device. In the event of any transfer of railroad roadbeds or facilities to the Government or to any corporation established by the Government, the transferring railroad shall not receive compensation for that portion of the value of such roadbed or facilities which was added by materials and equipment obtained with the proceeds of grants under this section. At any time after the completion of such a project, the Secretary and an affected railroad may enter into a stipulation as to amount of such value added, or as to the absence thereof, and such a stipulation shall be binding in any subsequent negotiation or proceeding.

(b) Limitation on Amount.—The aggregate unpaid amount of outstanding obligations, including principal and interest thereon, that may be guaranteed under this section shall not exceed $100,000,000.

LABOR PROTECTION

Sec. 9. (a) All work in connection with the projects funded under this Act which has been performed by practice or agreement in accordance with provisions of the existing contracts in effect with the representatives of the employees of the classes or crafts involved shall continue to be performed by the applicant's employees, including employees on furlough. Should the applicant lack a sufficient number of employees, including employees on furlough, and be unable to hire additional qualified employees from among the unemployed and underemployed persons specified under section 5 of this Act, to perform the work required, it shall be permitted to subcontract that part of such work which cannot be performed by its employees consistent with applicable collective-bargaining agreements. Applicants shall be required, prior to contracting out work under this subsection, to secure certification from the Department of Labor that there is an insufficient number of furloughed maintenance of way employees, or of unemployed persons referred pursuant to section 5 of this Act, to perform the work required. In the event that such work is subcontracted, after meeting the requirements of this subsection, wages and benefits paid shall be not less than those provided for in collective-bargaining agreements in effect and negotiated pursuant to the Railway Labor Act for similar jobs and classifications. Such rates shall be considered in compliance with the Davis-Bacon Act (40 U.S.C. 267(a); Walsh-Healy Act (41 U.S.C. 35), or Service Contract Act (41 U.S.C. 35)), whichever is applicable.

(b) Work to be performed with financial assistance received under this Act, which has not traditionally been performed by employees of the applicant, may continue to be performed by a contractor of the applicant: *Provided, however,* That the applicant shall take such action as may be necessary to insure that all laborers and mechanics employed by such contractor or subcontractors in the performance of work done with the aid of such financial assistance shall be paid wages and benefits at rates not less than those prevailing on similar work in the locality, as determined in accordance with the Davis-Bacon, Walsh-Healy Act, or Service Contract Act, as applicable. No contract or agreement for the performance of work receiving Federal financial assistance shall be entered into under this subsection without first obtaining adequate assurances that required labor standards shall be maintained in the performance of such work and that persons employed, whether by the applicant, contractor, or subcontractor of the applicant, shall be hired in accordance with the priorities and procedures set forth in section 5 of this Act.

MISCELLANEOUS PROVISIONS

Sec. 10. (a) Records and Audit.—Each recipient of Federal financial assistance pursuant to this Act, regardless of form, shall maintain such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the program' or project in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after the completion of such program or project, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary of the Comptroller General, may be related to or pertinent to any such Federal financial assistance.

(b) Cost and Benefit Assessment.—The Secretary is authorized to conduct, or to cause to be conducted, cost and benefit assessment studies of various programs and projects receiving Federal financial assistance pursuant to this Act and of proposed projects to the extent necessary to assure that funds appropriated for purposes of this Act are expended in the manner most cost-beneficial to the people of the United States, except that this provision may not be applied in any way which is likely to delay reduction in unemployment.

(c) Reports and Oversight.—The Secretary shall submit to the Congress and the President periodic reports on his actions taken pursuant to this Act, including statements as to progress made in reducing unemployment and in improving the Nation's rail transportation system in terms of reliability, safety, and energy efficiency.

(d) Conforming Amendment.—Section 5108(c) of title 5, United States Code, is amended by adding, immediately after paragraph (11) thereof, the following new paragraph:

"(12) The Secretary of Transportation, subject to the standards and procedures prescribed by this chapter, may place an additional 6 positions in the Federal Railroad Administration in GS-16, GS-17, and GS-18 for the purposes of carrying out his responsibilities under the Rail Transportation Improvement and Employment Act of 1975, and related legislation.".

AUTHORIZATIONS FOR APPROPRIATIONS

Sec. 11. There are authorized to be appropriated, not to exceed $600,000,000 to the Secretary for purposes of providing financial assistance pursuant to section 4, of which not more than $7,000,000 shall be available to the Secretary for administrative expenses in implementing this Act, such sums to remain available until expended. There are also authorized to be appropriated, not to exceed $100,000,000 to the Secretary for purposes of providing grants pursuant to section 8, such sums to remain available until expended.

YUGOSLAVIAN BLOODBATH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashbrook) is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, yesterday in a special order I outlined details of Communist bloodbaths which have been a part of their policy in the past. Today, I want to deal with Communist atrocities and brutality in Yugoslavia.

Unlike the other Communist satellites, Yugoslavia did not have the direct presence of the Soviet Army following World War II, as it did during the end of the war, to aid its native Communists in the takeover of the reins of power. Much of the spadework, however, was done during the war years by Marshall Josip Tito's forces against his natural enemies, the Christian anti-Communists, under the guise of fighting Germany.

Indigenous Communists led by Tito also recognized that if Yugoslavia was defeated by Hitler an opportunity would also be provided for a revolution. Regardless of the outcome—victory or defeat—Tito would be ready to make the revolution. To this end Stalin and Tito advanced proposals to the Nazi that they would refrain from fighting the Germans in certain parts or "reservations" of the country and even went so far as to propose helping Germany to counter an Allied landing. Hitler declined the offer.

Meanwhile, Gen. Draza Mihajlovic's paramilitary forces who were avid anti-Communists, were carrying the main burden of the fighting against the German occupation forces in Yugoslavia.

Tito, whom Communist propaganda agents made out to be an anti-German, superpatriot, was in fact off on other business, that is, incurring the hatred of the Serbs, Croats, and Slovenes by establishing miniature Communist regimes and by ruthlessly exterminating all native opposition elements—his future potential opponents. This was the test of a true Communist leader who was guided by the Kremlin, that is, save your energy and preserve your forces for the postwar, so-called civil war. Mao saved his Sunday punch for Chiang's Nationalist forces in China who were fighting the Japanese, and Ho Chi Minh reserved his for South Vietnam who suffered most of the casulties against the Japanese and the French.

Communist propaganda agents working through British Intelligence, BBC, and other forms of British mass media, persuaded Churchill by means of exaggerated and falsified accounts, of Tito's partisan achievements against Germany coupled with a massive anti-Mihajlovic campaign, that the former should be supported and the latter repudiated. Churchill was later to admit that he had been badly mislead. The net effect was that Tito received the full backing of the Western allies in addition, of course, to that of the U.S.S.R. The anti-Communist forces received the leftovers, if any.

The U.S. inadvertent assistance to Tito's takeover ambitions and the complete liquidation of his postwar opposition was also a contributing factor as the following example illustrates. The following was inserted into the Congressional Record in December 1950 by my colleague from Ohio, Mr. Wayne Hays:

> That on Easter Sunday in Belgrade during the last year of the war . . . Tito asked that American bombers bomb the city of Belgrade, which was not strategicaly important; he specified that day and he specified that hour. That day and that hour happened, purely by accident I suppose, to be on Easter Sunday when the Serbs were coming out of the Orthodox churches.

Finally in September 1944, the Soviet Army entered northern Serbia and the Bulgarian Army southern Serbia and thus, the genuine patriot of Yugoslavia, General Mihajlovic, exhausted from fighting both the Germans and Tito's guerrillas and unsupported by the West, was finished. Many of his anti-Communist troops who were not captured by the invading Communist armies or by Tito's partisans fled to the American Zone—where they found safety, or to British-occupied Carinthia—where they found treachery.

The British, out of ignorance, or deception by their own diplomats such as

Guy Burgess who later defected to the U.S.S.R., and by James Klugmann, wartime chief of Balkan intelligence for the British Middle East Command who later became "director of education" for the Communist Party of Great Britain, sent back thousands of the General's men to Tito's partisans who immediately massacred them without benefit of trial.

Their numbers included over 11,000 young Slovenians including civilians, several thousand unarmed Croatian soldiers, and about 3,000 anti-Communist fighters from Ljotic's movement, and 1,000 Montenegrin cetnici, according to the excellent study on Yugoslav communism prepared by Dr. Charles Zalar for the Senate Internal Security Committee and from which the major portion of these remarks are taken.

In a work entitled "Requiem for Massacred Slovenes," it was noted that:

> The quiet mountains and hidden valleys of Slovenia were the scenes of mass executions during the whole months of May and June 1945. By a terrible mistake the Christian leaders of the Western World had sent to their deaths over ten thousands of convinced anti-Communists; these young men were the first victims in the defense of the West against Eastern barbarism.

Wrote Bishop Bernard J. Topel of Spokane—

> Not only men, but also women and children, even babies and grandparents were murdered at Tito's whim. Sometimes the killing came after sadistic torture that is so much a part of Communism.

Tens of thousands of Yugoslavs fled to refuge abroad. A great number of Yugoslav prisoners of war who were held in concentration camps by the Germans and Italians refused to return to the "new liberated" homeland.

But this was only the beginning. Whom Tito's Communist-led partisans missed in the massacres during the wartime mopup, his secret police finished off during the postwar period. Under the lofty-sounding name of the "Department for the Protection of the People," otherwise known as the infamous OZNA, 200,000 persons were liquidated.

Marshall Tito, the butcher of Belgrade, in a speech at Tuzla, in September 1946 stated piously, according to Martin Ebon in his work, "World Communism Today:"

> Those who will persist in hindering the creation of a better future, the reconstruction of our country, the creation of something better and new, will have to disappear from the face of this earth. We will have no pity toward them and will act toward them as against our worst enemies. We cannot stop halfway.

And indeed he did not. Or, as a member of the Yugoslav Communist Party's Central Committee, Moshe Pijade threatened—

> The altar lamp of terror must never be extinguished. The people must have fear.
>
> And fear they were given.

Meanwhile what did the vanguard of the working class get? Communist Party members and cohorts entered the administration, received vast powers, and a high standard of living. Tito himself was forced to rough it in the former residence of the royal family, the White Palace, located in the fashionable, hilly Dedinje suburb of Belgrade.

In classic, satellite-takeover fashion, the usual postwar, Communist-led coalition government was created as prescribed by Stalin and agreed to by Churchill who had agreed in Moscow in 1944 to share "influence" equally in Yugoslavia on a 50–50 basis. By June 1945 Churchill was protesting that Britain's share of "influence" had diminished to only 10 percent, if that, because "we have been subjected to violent pressure by Marshall Tito."

Tito could not care less by this time. He was busy nationalizing everything that was nailed down, and most of that which was not. The handful of democratic leaders from the non-Communist political parties who provided the window dressing in the make-believe coalition government had already served their purpose of creating for the benefit of the Western Allies, the illusion of democracy. The die was cast.

During this period and somewhat later, allied soldiers in Europe were moving to the Pacific to shore up their colleagues there, and when that was concluded in August 1945 to sail for home to be discharged from service. But the Communist armies remained intact and uncontested because for them the booty and spoils of war had to be solidified; that is, the 10 nations of central-eastern Europe extending from the Baltic to the Mediterranean Seas. These armies would bring the blessings of Bolshevism bloodbaths to the stubborn, land-loving peasant who would fight against Tito's collectivization of his soil as the long-suffering Ukrainians had done against Stalin before them, and also to the freedom-loving democratic leaders, to the idealistic intellectuals, the industrious businessmen, and to anyone else who challenged Communist rule in the so-called Peoples' Democracy of Yugoslavia. In short, all members of the pre-Tito establishment in the public and private sectors of society would soon be looking into the business end of a Communist gun barrel out of which, as Mao reminds us, comes political power.

And down that barrel now peer the peoples of Southeast Asia.

THE NEED FOR ENERGY RESEARCH AND THE DEVELOPMENT OF FUSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Fithian) is recognized for 15 minutes.

Mr. FITHIAN. Mr. Speaker, I recently received an excellent letter from Dr. C. Richard Mueller, professor of chemistry at Purdue University in West Lafayette, Ind., which I would like to share with my distinguished colleagues in the House.

Dr. Mueller has given lectures in the field of fusion research, delivered scholarly essays, and conducted original research in the area of fusion. He is a leading spokesman in the field.

Nearly every American is conscious of the need for a plentiful, inexpensive supply of energy. In the long run, fusion holds the brightest prospect for achieving this goal. The scientific research that is necessary to achieve this goal must begin on a massive scale as soon as possible. We need a Manhattan-type project to examine all the aspects of fusion research and work toward its success within this century. We can ill afford to cut the budget for fusion research. In fact, we might well shift some of the funds from fission related research and development to fusion. Unless we do something today to resolve the problems of tomorrow, these problems will be on our doorstep and we will be unprepared for them. The future is now.

It is my privilege to reprint Dr. Mueller's letter and his position statement. It is as follows:

Purdue University,
West Lafayette, Ind., April 29, 1975.

There are two methods of producing nuclear energy

a. Fission—the split up of heavy atoms into two or more parts. The disadvantage is that the products are lovely things like strontium-90 which has a long half life and is biologically ingested. The radiation products require geological integrity; are dangerous for 500,000-1,000,000 yrs.

b. Fusion—combination of light elements to produce slightly heavier elements. This is the mechanism of the sun and other stars and is the primary source of energy. The problem with fusion is that it requires an ignition temperature of 100 million degrees.

Recently KMS Industries has demonstrated the attainability of fusion. The old AEC bunch under ERDA is now trying to attain the break-even point. I suspect that the present group in ERDA are not really trying to make fusion practical. The level of research proposed by ERDA is basically large enough to maintain a small in-house effort. Their results to this date are not very impressive. In fact KMS, on a much smaller budget has done much more.

The eventual effort required is on the scale of the Manhattan project, but the quality of the people in ERDA is certainly far below the war-time effort which involved Fermi, Einstein, Teller etc. The Russian effort incidentally involves three Nobel prize winners. In addition the old A.E.C. group are heavily pushing fission reactors, which are their bread and butter. There really is a conflict of interest here as well as a rather low level of competence; and it would be better, somehow, to separate the fusion and fission problems into independently administered programs.

Realistic levels for the fusion program will ultimately rise to about a billion per year. My guess is that this will occur only when the Russians have a spectacular success.

Yours sincerely,
C. R. Mueller,
Professor of Chemistry

The Role of Fusion in a Rational Energy Program

The energy problem is so complex and so vital to industrialized civilization that a variety of approaches are needed. Some of these are short-range, but others require a long period of sustained and determined effort. Of all of the proposed solutions to the energy crisis, only fusion can provide the possibility of a source of unlimited, cheap, and clean energy.

The process of fusion bears a striking resemblance to the conventional process of combustion. Nuclei react with one another to produce other nuclei with the release of tremendous energies. For example, deuterium nuclei react with tritium nuclei to form helium and neutrons. At a higher temperature, deuterium will react with deuterium to produce helium and a neutron or tritium and hydrogen.

The basic fuel for this process is deuterium since the tritium can be produced by reaction of neutrons with the reactor wall materials. There is a billion years supply of deuterium and fuel costs are microscopic. The price of deuterium is less than 30 cents a gram. 200 metric tons would produce all the power being produced in the United States in a year at a fuel cost of $100,000,000.

The question is not whether fusion will work. The stars including our sun have been using this process since the dawn of time. This has been the source of virtually all the energy in the universe. Since we are still surviving after five billion years, its safety is beyond doubt. The question is whether scientists and engineers can produce fusion reactors sufficiently advanced and economical enough to make fusion practical.

The difficulty lies in the tremendous ignition temperature of the fusion process, 100 million degrees centigrade. There are presently two possible methods of igniting and containing the fusion process. The first of these is magnetic confinement and the second is by laser ignition and compression. Both of these methods provide valuable design data and both provide possible routes to a solution of the reactor design problem. In particular laser fusion has been done and the break-even point of energy put in equaling energy output is not far away. We are now at the point where research on optimizing laser efficiency could have tremendous pay-offs.

Congress is debating about whether the proposed $130,000,000 budget for fusion research should be reduced to $100,000,000. Congress should consider the alternatives. The shortage of petroleum is well known. While we have an abundant supply of coal, that coal transformed into fuel for mobile purposes will cost two or three times the present price of gasoline. If nuclear fission is used and the energy applied to synthesizing gasoline the net effect will be the same. Unless fusion becomes practical, we will suffer from increasingly higher energy costs, suffocating and stifling productivity.

While no one can guarantee the success of the fusion effort, the prognosis is good. In view of the critical and overriding importance of the energy crisis to civilization, in view of the support that Congress has given to the development of nuclear fission and to the space program; it is extremely difficult to understand the pathetically low level of support being proposed for the fusion program.

No one doubts that an effort on the scale of the Manhattan project is ultimately required. This entailed an expenditure of two billion dollars in the 1940's. When we consider the effect of inflation and divide by the current proposed support of $130,000,000; we come to the conclusion that, at the present rate of support, we might achieve success in 62 years.

If there is an element of facetious humor in the preceding remark, it is difficult to decide on whom the joke has been played. The fact is that this is the most difficult and important problem that has ever faced the scientific community. This is a challenge that the best scientific minds will accept, but this is not a project that can be undertaken at the present cavalier level of support.

THE C–SELM PROJECT IN NORTHWESTERN INDIANA

Mr. Speaker, I appreciated the opportunity to testify against the land filtration aspect of the Chicago-South End Lake Michigan—C–SELM—project before the Appropriations Subcommittee on Public Works.

Since the first announcement that the Army Corps of Engineers proposed to utilize Indiana farmland to treat Chicago sludge and sewage, I have continuously fought this ridiculous program. I want to kill this portion of the C–SELM. It is an unwise, unpopular project that should never be adopted.

The people of northwestern Indiana are completely opposed to the land filtration aspect of the C-SELM project, and the local officials, the State legislature, and the Governor have categorically stated their opposition to the project. The Army Corps of Engineers even concedes that the project will never be built unless the local officials, the Governor, and the Congress agree to this plan.

Now it is time for Congress to register its disapproval of this land treatment policy. I strongly urge that not one cent of the taxpayers' dollars be expended by the Army Corps of Engineers for either the continued study or the construction of a land filtration system as an option of the C–SELM project's wastewater management program.

I urge Congress to cut off all funds necessary to engage in any further study or construction of the land filtration system in this project and deny any future funding for an interstate agency or commission to implement such a program.

I have asked the subcommittee to insert three statements in its official report that accompanies the present appropriation bill. These three statements would prohibit the Army Corps of Engineers from any further study or construction of the land filtration aspect of the C–SELM project and prohibit the use of funds for an interstate agency. I hope that the subcommittee acts favorably on these proposals and that the Congress adopts the full committee's report.

I have enclosed these three statements and the supporting arguments from the testimony I gave to the subcommittee, and which is printed hereafter:

THE C–SELM PROJECT IN NORTHWESTERN INDIANA

Mr. Chairman, usually a member appears before a subcommittee asking that funds be appropriated for projects within his district. I come today, however, for the opposite reason. I strongly urge that not one cent of the taxpayers' dollars be expended by the Army Corps of Engineers for either the continued study or the construction of a land filtration system as an option of the Chicago-South End Lake Michigan (C–SELM) project's wastewater management program. The residents of northwestern Indiana are totally opposed to the land treatment aspect of the C–SELM Project.

I urge the committee to insert the following statements in its official Report that accompanies the present appropriation bill. These statements are:

1. The committee directs that none of the $192,000 for the C–SELM project be utilized for further study or construction of any land treatment system of wastewater management in the State of Indiana.

2. The committee directs that any appropriated, but unspent, funds for the Wastewater Management Study for C–SELM, not be utilized for further study or construction of any land treatment system in Indiana.

3. The committee further directs that no federal funds be utilized for the creation of an interstate agency to regulate a wastewater management system in Illinois and Indiana.

If the land filtration alternative in the C–SELM proposal is adopted, the area affected would lie solely within the congressional district which I have the honor to represent. These changes would confirm in the law itself what has already been indicated by earlier testimony presented by Brig. General Walter O. Bachus, Division Engineer Army Corps of Engineers in answer to the questions which, you, Mr. Chairman, were good enough to ask on my behalf. This testimony appears in the subcommittee hearings on Public Works for Water and Power Development and Energy Research Appropriations Bill, 1976 Part II, pages 548–549. If the Army Corps policy is not to build a project over the objections of state and local governments, then land filtration is not possible as an alternative in the Chicago Wastewater Management Program now being studied by the Army Corps. Let me briefly discuss the reasons why such approval is not attainable.

It is blatantly unfair to utilize the resources of one reigon to resolve the problems of another. The C–SELM projects seeks to transfer the problems of one area, in this case, Chicago, to another, northwestern Indiana. This solution lacks the fairness and equity with which Americans traditionally resolve their problems.

There is a natural resistence in northwestern Indiana as well as across the country to having the Federal Government impose an unpopular proposal the people profoundly and unanimously reject. C-SELM is such a proposal as far as northwestern Indiana is concerned.

I would like to take this opportunity to briefly outline the efforts which have been made by we Hoosiers in demonstrating total opposition to the land filtration aspects of the proposed C-SELM's program for wastewater management.

1. Over 1,500 people joined the Kankakee Valley Association, spearheaded originally by Mr. John DeGraf. This organization was formed literally within days after the C-SELM propect first became public. I am proud to say that I was a charter member of this organization. Citizens from all over northwestern Indiana joined this effort to kill C-SELM. Collectively, we stand as one person in our total and unequivocal opposition to the potential use of Northwestern Indiana farm land in the beautiful Kankakee River Valley as a receptical for human organic and industrial waste or sludge from the greater Chicago area or any where else.

2. The Indiana State Legislature has gone on record against the land filtration system included in the C-SELM project. Under the leadership of Walter Roorda, the legislature voted over-whelmingly to oppose implementation of any plan which resulted in land filtration. Governor Otis Bowen signed the bill and has frequently recorded his strong opposition to the C-SELM proposal.

3. When the C-SELM project was first announced in 1972, thousands of inspired and concerned public citizens jammed schools, town halls, and armories to protest it. These area citizens attended public meetings conducted by the Army Corps of Engineers and voiced their nearly unanimous objection in the strongest possible way. These same citizens, working through the KVA, have pursued a course in strong opposition to C-SELM, have held their own public meetings, have received the support of all local, state, any federal officials, including our United States Senators, Birch Bayh and Vance Hartke, and have left a vigilant guard against any surprise developments.

4. In 1972 I circulated a petition in the six counties to be affected by the C-SELM project (Jasper, Newton, Starke, Pulaski, Lake, and Porter). More than 3,000 persons signed these petitions in less than ten days, thereby recording their strong opposition to C-SELM. I sent a strong letter to the Corps indicating my total opposition and reported the results of the petition.

It is time to lay this project aside and to do so permanently. In several discussions with the Army Corps of Engineers, I have been told repeatedly that it is contrary to their policy to build a project without the assent of the local and state officials. It is manifestly clear that they do not have that assent, and in fact, are faced by a solid wall of opposition stretching from the affected counties, to the State House, and on to Washington.

When General Bachus testified before this committee on March 10th, he stated that "none of the remaining funds would be spent on further study or construction of wastewater management facilities or land treatment or sewage treatment facilities within the State of Indiana." He further conceded that the Army Corps of Engineers "is not pushing land treatment or the dumping of any waste material from Illinois into Indiana."

When asked how the people of Indiana felt about the prospects of utilizing the land treatment approach for Chicago sludge and wastewater products, General Bachus stated that "almost no one was willing to accept the disposal of waste products in their area." "There was particularly strong concern expressed," note General Bachus, "about a number of land disposal schemes and about transporting Chicago wastewater effluents to outlaying areas and across state lines."

General Bachus pointed out that he could "see no way" in which the Army Corps of Engineers might make a recommendation for the implementation of C-SELM proposal without the approval of appropriate state or local sponsoring agencies. He further stated that the C-SELM decision depended on "the governors, the local officials and . . . the Congress."

In responding to other questions, General Bachus pointed out that the Corps had finished its studies and left the decision for implementing C-SELM at the local, state and federal levels. "It now depends on how the states want to move out with this information," noted Bachus. "It is primarily a local problem and decision, of course. However, Congress may choose to supplement this with funds and perhaps with guidance." General Bachus conceded that it would "take a coordinated effort by the States and the Federal Government to do whatever has to be done."

In recent surveys which the Army Corps has prepared, they have clearly indicated that they have outlined "the feasible alternatives," and "land treatment happens to be one such alternative." They stated that they made no recommendations nor favored one alternative over the other. "It would be blind and politically naive on our part to be pushing an alternative that is not acceptable to the people involved," concluded General Bachus.

If the State of Indiana and Illinois decided to implement a wastewater management system, they would have to create an interstate agency or commission under the authority of Section 208, of the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500). General Bachus conceded that "some sort of agreement or compact would be required between the two states" if they decided "to implement a wastewater management plan involving the transport of sewage or sludge from one state to another." He further concluded that "such a compact would require congressional approval." I urge the Congress to oppose such an agency or commission if its purpose is designed to regulate the inter-state shipment of sewage and sludge or calls for utilizing a land filtration system in northwestern Indiana.

Since the Army Corps of Engineers have repeatedly stated that the land filtration system will never be implemented over the protests of local and state officials, I urge the Congress to remove all funds for this aspect of the C-SELM project. Is it not an awful waste of the taxpayer's money if the Army Corps proceeds to work on a project that it knows has a lack of public and popular support? Why waste money on a project which will never be implemented? Why study and restudy a project that cannot be built without public and popular support? I can assure you that if the local and state government approval is required prior to implementing land filtration in northwestern Indiana, there is no chance it will be built.

Local residents, locally elected officials, the State Legislature, and the Governor have categorically opposed the land filtration aspect of the C-SELM project. Now it is time for Congress to go on record disposing of the land treatment alternative. I urge Congress to cut off the funds necessary to engage in any further study or construction of the land filtration in this project and deny any future funding for an inter-state agency or commission to implement such a program.

REASSESSMENT ON THE BIAS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, I am deeply concerned by the news that the administration is proceeding with the sale of Hawk surface-to-air missiles to Jordan, at a time when all new commitments of weapons to Middle Eastern countries were supposedly under suspension, because of the announced "reassessment" of U.S. policies in the Middle East. This proposed sale is doubly disturbing, because it follows on the heels of King Hussein's declaration that the principal reason Jordan did not join Syria and Egypt in the Yom Kippur war was the lack of a Jordanian air defense system. The only possible conclusion is that this sale is the latest turn of the screw in the Ford administration's increasing pressure campaign designed to force Israel to agree to a settlement of Arab terms.

The Arabs will never make an acceptable peace with Israel just because the United States is nice to them. They will make peace, if at all, when they conclude that it is in their interest to do so because they have no more palatable alternatives. To that end, it is imperative for stability and ultimate peace in the area that the Arabs regard the Israelis as militarily impregnable. That is why an assured flow of American arms to Israel is necessary for stability and peace, and why supplying American arms to Arab States is unsettling and destabilizing.

Fortunately, there are limits to the discretion the administration has in arms sales abroad. Thanks to the Nelson-Bingham amendment to the Foreign Military Sales Act, Congress must be formally notified of any proposed sale of weapons costing $25 million or more, and can veto sales which seem unwise. It is hard to see the wisdom in selling one side American missiles to shoot down the other side's American Phantom jets. I expect the Congress will scrutinize this matter with the utmost care.

FAILURE TO ACT AGAINST MEDICAID FRAUDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, recently, I wrote to the Department of Health, Education, and Welfare concerning the Department's efforts to prevent frauds and overbillings in medicare and medicaid. In response to my inquiries on medicaid, I recently received the following letter from Administrator James S. Dwight, Jr., of the Social and Rehabilitation Service. I would like to include Administrator Dwight's letter in the RECORD, since it provides a quantity of valuable information on cost and fraud controls in the $13.5 billion medicaid program.

There are several major issues raised in the letter. First, it is incredible that for the past 10 years, there has been almost no Federal staff to investigate fraud and abuse in the medicaid program. As Mr. Dwight states:

> We have been limited to one person on a part-time basis in our Central Office in Washington, D.C.

The situation is improving—but is still woefully inadequate:

> However, Congress has recently authorized Medical Services Administration ninety new positions; of those positions, the Commissioner of MSA has designated eleven positions with which to form a Fraud and Abuse Surveillance Branch in the Division of Program Monitoring.
>
> Our Department is requesting in its FY 1976 budget 108 positions to be filled in the ten Regional Office to organize a RO fraud unit for the surveillance and the detection of fraud and abuse in the Medicaid program.

This is a minimum request, Mr. Speaker, since it would still provide only one Federal auditor and investigator per $100 million in a program which has been plagued by scandal and abuse. It would be my hope that the Congress would support this expansion of investigative staff and even provide for additional personnel. I believe that this investment in auditors will more than pay for itself in the reduction of fraudulent and unnecessary charges to the medicaid program.

Despite indications that SRS is concerned and seeking to improve its cost and quality control over the medicare program, the Administrator's letter reveals a number of deficiencies in the administration of the program.

For example, there is little data available on what actions have been taken against those who have abused the program and the Department is just now moving to make it easier to combine medicare and medicaid fraud investigations.

The main problem, however, is that the States, which are charged with the field administration of the medicaid program, often do little or nothing to investigate potential frauds and overbillings. In all too many States, the medicaid program is a sitting duck for abuse by the unscrupulous. It is particularly interesting to note that "recently" SRS requested a report on the number of full-time equivalent staff in the States involved in fraud surveillance. The results of this inquiry reveal that approximately 468 investigators are employed by the States—but that this is "made up primarily of 100 in the State of Florida and 77 in California." While New York, Puerto Rico, and the District of Columbia are not included in these figures, it appears that 38 percent of the State fraud investigators may be concentrated in just two States. It is interesting to note from the table on "Medicaid Fraud Cases in the States," Florida and California, which have made such a substantial effort to employ investigators have some of the best civil and criminal action records against those who are abusing the system. In fact, California with its 77 investigators, accounted for 168 of the 207 cases nationwide referred for civil or criminal prosecution between 1972 and 1974.

Many States do not even bother reporting to HEW on actions they have taken to prevent abuses, and in general, we can assume that those States are taking no action to stop these abuses against the Treasury and against the poor and sick.

As a final point, I would like to call attention to the request of Administrator Dwight for stiffer monetary penalties:

> In many cases, the provider reimburses the State for just the overcharges. In some States and in some cases, the provider is fined up to $10,000. Again, this is a State's prerogative. SRS would like to see legislation passed penalizing a provider double or treble the amount of money the provider is found guilty of defrauding the Medicaid program.

I appreciate Mr. Dwight's comments on the need for stronger legislation, and I am planning to introduce this proposal as separate legislation within the next several days.

The full text of Administrator Dwight's letter follows:

April 17, 1975.

Hon. Charles A. Vanik,
House of Representatives,
Washington, D.C.

Dear Mr. Vanik: Social and Rehabilitation Service is in receipt of a copy of your letter to the Social Security Administration Commissioner, James B. Cardwell. As some of your questions apply equally to Medicaid, I wish to take the opportunity to respond to them. The answers will be in the same sequence as your questions.

(1) Since Medicaid is a State-operated program with Federal matching, the responsibility for surveillance, detection, investigation and the prosecution of fraud and abuse in the Medicaid program is primarily with the States.

However, in those cases where the State or local enforcement agency declines prosecution and there is the possibility that fraud or abuse has been committed under Federal statutes, it is the responsibility of the SRS Regional Office (RO) to follow-up on the case and, in consultation with the HEW Regional Attorney, to determine whether the allegation should be referred for possible action by the U.S. Attorney's Office for either criminal prosecution or institution of legal proceedings to recover the indebtedness under applicable Federal statutes. If the HEW Regional Attorney and the SRS Regional Commissioner (RC), after review, find the case merits further action, it is then forwarded to the U.S. Attorney's Office in the appropriate judicial district.

As for staff on the Federal level to investigate fraud and abuse in the Medicaid program, we have been limited to one person on a part-time basis in our Central Office (CO) in Washington, D.C. However, Congress has recently authorized Medical Services Administration (MSA) ninety new positions; of those positions, the Commissioner of MSA has designated eleven positions with which to form a Fraud and Abuse Surveillance Branch in the Division of Program Monitoring.

Our Department is requesting in its FY 1976 budget 108 positions to be filled in the ten RO's to organize a RO fraud unit for the surveillance and the detection of fraud and abuse in the Medicaid program. Grades for professionals will range from GS–5 or 7 to GS–14.

(2) A quick survey undertaken by the Regional Offices in January 1975 relating to civil and criminal action taken in Medicaid fraud cases covering the years 1972–74 indicated 504 cases referred for either civil or criminal action to the State legal system and 207 prosecuted. In the Federal legal system, only 27 were referred for either civil or criminal action and only 8 prosecuted.

(3) There are no figures on hand at present to indicate how many providers have been *terminated* from the Medicaid program. MSA is now in the process of updating the SRS Quarterly Fraud Report to include this information (see attached FAS–1).

However, California has reported 38 providers *suspended* in the past year as follows:

1 provider suspended for 1 month.
4 providers suspended for 6 months.
31 providers suspended indefinitely.
2 providers suspended permanently.

Prior to January 1975, Michigan's only effort in provider fraud and abuse was to recover funds improperly obtained from the Medicaid program. Since January 1, 1975, however, Michigan has *suspended* 29 providers from the Medicaid program.

(4) The following is a list of citations for the Medicaid program that was incorporated into the Federal regulations, 45 CFR 250.80:

Section 229, P.L. 92–603.
Section 235, P.L. 92–603.
Section 242, P.L. 92–603 (Section 1090 of the Social Security Act).

Also included in the Federal regulations, but not in the 45 CFR 250.80, is Section 236, P.L. 92–603 (Section 1902(a) (32) of the Social Security Act).

In many cases, the provider reimburses the State for just the overcharges. In some States and in some cases, the provider is fined up to $10,000. Again, this is a State's prerogative.

SRS would like to see legislation passed penalizing a provider double or treble the amount of money the provider is found gulity of defrauding the Medicaid program.

(5) Since Medicaid is a State-operated program, the State is obligated to carry on its own investigation. **Only when the State** declines to prosecute may the case become a Federal responsibility.

The Secretary of the Department has just signed a "Proposed Rule Making" to the amendment to the fraud regulations (see attached) authorizing the exchange of information on providers suspected of fraud between Medicare and Medicaid.

Also, with the 108 new fraud positions that SRS is requesting in the FY 1976 budget, we plan on making an all out effort to curtail fraud and abuse by providers in the Medicaid program.

(6) Attached are tables compiled from information received in our Quarterly Fraud Report from each State. Due to some misunderstandings by the States, these figures are far from accurate or all-inclusive.

Recently, SRS requested our Regional Offices to query the States on the number of full-time equivalent staff engaged in various functional activities in the title XIX program. One of the identified activities was "graud surveillance." From the data reported, it would appear that there are 279 full-time equivalent staff in the single State agency (Medicaid agency) and an additional 189 in other State departments supporting this activity. This latter figure is made up primarily of 100 in the State of Florida and 77 in California. The above figures exclude Puerto Rico and the District of Columbia and do not include any figures for New York State where all such activities are conducted by local or county staff and the State was unable to provide such information.

If I can be of further service, please feel free to call on me.

Your very truly,
James S. Dwight, Jr.,
Administrator.

IN SUPPORT OF THE PRESIDENT'S REQUEST FOR ASSISTANCE TO SOUTH VIETNAMESE REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 30 minutes.

Mr. KOCH. Mr. Speaker, it is appalling that Americans in any substantial number should be objecting to providing asylum and assistance for those Vietnamese who are fortunate enough to have escaped from South Vietnam and who fled because of their fear that they would be subjected to reprisals by the provisional revolutionary and North Vietnamese Communist governments. No matter whether one was in support of our military involvement in Vietnam or opposed as I have been, we have a moral obligation to provide assistance to Vietnamese and Cambodian refugees, considering the fact that it was our country that was in part responsible for extending their agony.

The United States, notwithstanding the inequities that exist domestically and the mistakes that we have made in foreign policy, still sets an example for the rest of the world, particularly in its treatment of refugees. We can reaffirm our proud tradition of offering haven to the politically exiled by welcoming the refugees from Vietnam—these "new Americans." To this end, my colleague, Congressman Peyser, and I have written to President Ford expressing our support for his request for humanitarian assistance. We have also today circulated for cosponsors in the House a resolution expressing support for the President's request. We urge your support for this resolution.

Our letter to the President and today's editorial from the New York Times are appended:

May 7, 1975.

Hon. Gerald R. Ford,
President, The White House,
Washington, D.C.

Dear Mr. President: You have been described as "damned mad" because of widespread opposition to the resettlement of 130,000 Vietnamese and Cambodians in this country. We want you to know that your anger is well placed and that we support you in this great humanitarian effort. We, too, are damn mad that there is opposition to assisting these people who are fleeing from what they believe would be communist reprisals against them for having assisted the United States in their respective countries. It matters not whether one was for our military involvement in Vietnam and Cambodia or opposed to it. Indeed the undersigned were not always on the same side of that issue but we are on the same side when it comes to continuing the tradition of American asylum for refugees. From the beginning of our history we as a country have opened our doors to the oppressed of the world to a far greater degree than any other country.

That tradition must continue notwithstanding our domestic economic problems. And the truth is that the 130,000 Vietnamese and Cambodian refugees who were evacuated from their homelands are less than one-half of our annual number of immigrants. It is with pride that we can point to our humanitarian efforts in providing asylum for refugees from Cuba, Hungary, Czechoslovakia, and the Soviet Union. We can do no less for the South Vietnamese and Cambodians.

For the fainthearted who seem obsessed with the thought that the 130,000 refugees will overburden our employment situation we say, consider the fact that 60% are children and many others are elderly; and that perhaps only 35,000 who are heads of households are likely to seek work. Frankly, we see in this opposition those who oppose our assistance for political reasons, condemnation of South Vietnamese and indirect support of the North Vietnamese. Joining this faction are those, who in all candor, would discriminate between refugees on the basis of color. Many who supported assisting Cuban, Hungarian, Czech, and Soviet Jewish refugees today would turn their back on South Vietnamese refugees. We will not.

We are today, Mr. President circulating a House Resolution supporting your efforts to provide humanitarian assistance to these refugees. Our country has survived many tragedies and we have been blessed with many bounties and most of all we have had as our shining achievement through our history a demonstrated compassion unsurpassed by any other country.

Let not the light held in the hand of the Statue of Liberty be extinguished in 1975. It has blazed too long for this generation to allow that to occur.

Sincerely,

Edward I. Koch,
Peter A. Peyser.

Denying the Heritage

President Ford is right to be angry at the querulous and uncharitable responses of too many Americans toward the plight of the Vietnamese refugees. His request for $507 million to assist the resettlement of approximately 150,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing less.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 per cent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refugees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, president of the A.F.L.-C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam War, those words express, the true American tradition.

Mr. PEYSER. Mr. Speaker, today I joined with my colleague, Edward Koch, of New York, in urging the Members of the House to join us in a resolution stating that we support the humanitarian efforts of the President to aid the unfortunate people of Vietnam who have come to our shores as refugees.

It will indeed be a black day in American history when this great land no longer opens its arms and heart for those who are desperate and in need.

When we consider that over 60 percent of the refugees are women and children and we recognize that their impact on the job market has been estimated to be fewer than 12,000 full-time jobs, I am convinced that the American people will want to be true to their tradition of the past.

GENERAL LEAVE

Mr. KOCH. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on my special order today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

JUDICIAL SELECTION AND THE BLACK EXPERIENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, the very distinguished judge of the recorders court of the city of Detroit, the Honorable George W. Crockett, Jr., has written what I believe to be an excellent article on "Judicial Selection and the Black Experience." This article, which appears in the April 1975, issue of Judicature, addresses an issue of national significance and provides insights into the process of judicial selection. I commend it to the attention of my colleagues:

Judicial Selection and the Black Experience

(By George W. Crockett, Jr.)

The subject of judicial selection has long been contentious and controversial. While each of us loudly asserts his "objectivity and fairness" in developing his arguments for or against at-large election of judges, or for or against an appointive system, the truth is that our attitudes are determined largely by our individual perspectives and social objectives. Unfortunately, latent and patent biases are also part of the debate.

Among the criteria generally (and properly) applied to judicial candidates—in addition to the hope for at least a modicum of understanding of the law, a breath of compassion, a spark of originality—is the need for judges to represent a true cross-section of the population over which they are to preside. There are few, if any, who deny the importance of this qualification.

In this regard, our system of presidential appointment of Federal judges has been a distinct failure. Federal judges, whatever their other redeeming qualities or shortcomings, have historically been selected for reasons other than as "mirrors of their constituencies."

Of the approximately 700 Federal judges now in office, only 20 are black. And, significantly, each one of these black Federal judges is from a geographic area where the black voting potential is crucial; none is from the areas where the bulk of the black people reside. After 100 years of full citizenship, no southern black (one who resides south of Washington, D.C.) has ever been found "qualified" for nomination to a Federal judgeship. Atlanta, New Orleans, Houston and St. Louis with their increasing numbers of black voters and black attorneys would surely not be without black Federal judges today if all Federal trial court judges were elected.

The proponents of the appointive method of judicial selection always refer to their various plans as "merit selection." The implication is that popular selection and election of judges is without merit, or does not produce judges of sufficient merit. Underlying the "merit" proposals is the further assumption that the people themselves—those who are to be judged—are not competent to choose those who are to sit in judgment upon them.

Members of the bar, the argument goes have a superior appreciation of what constitutes a good judge. At most, some of the proponents of the appointive system concede, the ordinary citizen should be allowed to veto a candidate who has been appointed by the governor from a list prepared by a blue ribbon, lawyer-dominated committee. This, the "Missouri Plan", and its variations, allows the governor's appointee to serve a minimal period of time before he faces the electorate. By this time, the political cards are stacked because the appointee has no opposition. The electorate almost invariably will approve him rather than recommence the long tortuous process of selection, appointment, trial period and referendum. The so-called citizen-input becomes an empty promise impossible to fulfill.

Here in Michigan the change to an appointive system is vigorously advocated by the leadership of the Detroit Bar Association, the State Bar of Michigan, the Michigan League of Woman Voters and the major Detroit press. The change is just as determinedly opposed by the Wolverine (black) Bar Association, the leadership of the State Federation of Labor, the Michigan Judges Association, and by most judges and attorneys located outside the metropolitan areas.

Michigan has had a popularly elected judiciary ever since its first constitution in 1835. While that document provided for an appointed Supreme Court (consisting of four justices), it specified that all other judges in the state were to be "elected by the qualified electors." For 124 years—ever since the Constitution of 1850—all Michigan judges, including justices of the Supreme Court, have been "elected by the qualified electors."

The Missouri Plan and its variations have been hotly contested among Michigan lawyers since 1951 when the annual meeting of the Michigan State Bar refused even to put it to a referendum of the membership. It was debated in 1962–63 at the Michigan Constitutional Convention where the "leaders" of the bar tried to write the plan into the new state constitution. Again the proponents failed. The revival of agitation in recent years for merit selection of Michigan judges coincides with the comparatively large increase in the number of black judges in Michigan in recent years, and some see a direct connection between these two developments.

Unlike most states, Michigan has had a sizable contingent of competent black lawyers since the late 1920's. But as late as 1966 there were only eight black judges in Michigan, due to the fact that Michigan governors had the power to fill all interim judicial vacancies by appointment until the next general election. It wasn't until 1950 that a governor, G. Mennen Williams, demonstrated enough political guts to appoint our first black judge. Today the number of black judges in Michigan has increased to 21, and 16 of these are in the city of Detroit where black voters are in the majority.

Blacks in Detroit no longer depend upon gubernatorial courage to get fair judicial representation. "The shoe is on the other foot," one black political leader recently remarked, "and no one can expect to gain or retain judicial office in Detroit or in Wayne County without substantial black support."

A basic question, of course, is whether the quality of the judiciary is materially improved by making selection appointive rather than elective. The arguments pro and con are similar in many respects to those made in 1912–13 when the people adopted the 17th Amendment to the U.S. Constitution, abolished the appointment of United States senators by state legislatures and asserted their competency to select and elect their senators. It would be difficult today to support the proposition that our present popularly elected United States Senate is inferior in quality to the former legislatively appointed Senate.

The same general considerations that influence the selection of such public officers, as presidents, governors, mayors, and members of legislative bodies, should also influence the selection of judges. The citizen selects and votes for candidates whom he believes more closely reflect his point of view and his personal philosophy with respect to the powers, duties, and obligations associated with the particular public office. And this is true whether he is making the selection as a voter in the privacy of the polling place or secretly casting his ballot as a member of a blue ribbon screening of nominating committee or commission. In each case the choice will reflect as closely as possible the selectors own personal, social, economic and political judgement.

In like fashion, regardless of high-sounding protestations to the contrary, the person chosen is inclined to feel an affinity for those who selected him whether it be the electors at the poll or the selectors at a conference table. The simple question is whether his "instinctive" responses will lean more toward the "power structure" or toward the "man in the street."

The primary difference then between choice by electors and choice by a commission is the matter of constituency, accountability and control. A judge selected (nominated) from an open field and then selected by popular vote, has a broad constituency, is accountable directly to the voters, and control of the selection process is diffused among the thousands and tens of thousands who voted for him. He feels a sense of responsibility and gratitude to those who make him their judge. But selection by a committee or a commission concentrates that control in the hands of those interests directly represented on that committee or commission. Such commissions normally are top heavy with "status" representatives (i.e. corporation lawyers, big business executive, professional "liberals") with under-representation, if not complete exclusion, of blacks and other minorities. The result of their deliberations is a list of judicial nominees that mirriors a cross-section not of the community but of the economic, social, moral and political views of the commissioners.

This is what judicial selection by appointment is all about. Notwithstanding the claim that a better caliber of judge is obtained when nominees are selected by a committee or commission, the real issue is: who will the judge represent in his rulings particularly with respect to those sensitive areas where "the law" is whatever we judges decide "our community" wants the law to be? Judges have an enormous tool in the power of judicial discretion. It is this tool, after all, that allows the law to keep pace with change in society. It is this tool which, in the hands of one judge may be used to uphold an outmoded precedent but in the hands of another may be used to revise, reform and advance our law. It is this tool with which a defendant may find himself jailed or freed—depending upon which judge wields it.

Judicial discretion, after all, is what our system of common law is all about. Roscoe Pound put it. "Justice is an alloy of men and mechanism in which men count more than machinery."

The dual society—white and black—which continues after 300 years to plague American life, has conditioned black Americans to think and to react to public issues in much the same manner as persons who have inherited dual citizenship. To blacks, every public issue has its two-pronged aspect: how will it affect blacks? and how will it affect the people generally? The answer to both questions should be, but is not always, the same.

The answer to the first question will reflect the black experience; the answer to the second will reflect the white patina encrusted upon all blacks by three centuries of living in a dominant white society.

Black judges are sensitive to their dual personality and their dual reaction to the question of elective versus appointive judicial selection. Not only are we aware of this duality, but all candidates who face a sizable black voting potential must be aware of it. Blacks, like other minorities in the past, are now voting black with ever-increasing consistency in an effort to win that mirror representation for themselves in every branch and on every level of government that has been consistently denied them by the appointive method. This is why in Michigan any suggested change in our traditional practice of having all judges elected by the people themselves—and not selected by the governor upon the recommendation of some blue ribbon committee—has to take into account the reaction of the black electoral majority in populous Detroit. Every politically astute leader in Michigan knows that on any closely-contested statewide issue, this group casts the decisive vote. Black experience in Michigan argues against the appointive process and in favor of continuing the elective process for all judicial offices. The commission was reminded that blacks were not appointed to judicial vacancies in anything like representative numbers until the late 1960's when their voting potential reached the point where they could elect black judges of their own selection and were no longer dependent on appointments; and that this same voting potential spelled defeat for any proposed constitutional amendment that would deprive them now of their ability to have meaningful participation in the administration of justice on the highest levels.

The black experience in Michigan is not necessarily synonymous with the experience of blacks in other states. The increase in black participation in the judicial process has been greatest in those states and cities where judges are elected and where the black voting potential is significant. Roughly two-thirds of the nation's black judges—about 200 out of a total of 325—are located in eight jurisdictions (California, District of Columbia, Illinois, Michigan, New Jersey, New York, Ohio and Pennsylvania). All except the District of Columbia have popular election of judges, and all have a substantial black voting potential.

It is quite understandable, therefore, that while the black experience in geographic areas having large concentrations of black voters will favor the election of judges, blacks who live in predominantly white political enclaves and are dependent for their political advancement on white largesse are more likely to favor the appointive process of judicial selection.

Judicial selection, like jury selection, should endeavor to achieve and thereby reflect a true cross-section of the population over which the judges are to preside. A system like the Federal system that has not achieved this result in more than a hundred years of operation is hardly one to be emulated at either the state or local level. To those who insist on pursuing this change in our electoral tradition we ask: "Why now, when blacks have at last begun to achieve the political influence they so rightfully have earned?"

TWENTY-SEVENTH ANNIVERSARY OF THE INDEPENDENCE OF ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, for the past 27 years, the world has had the opportunity to observe a nation that began with every adversity known to man raise itself by hard work and an incredible perseverance to become a model of modern economic progress. It was 27 years ago on May 15, 1948, that the British mandate for Palestine came to an end and the State of Israel proclaimed its independence.

The proclamation of independence pledged that the new state "will rest upon the foundations of liberty, justice, and peace as envisioned by the prophets of Israel. It will maintain complete equality of social and political rights for all its citizens, without distinction of creed, race, or sex. It will guarantee freedom of religion and conscience, of language, education, and culture. It will safeguard the holy places of all religions. It will be loyal to the principles of the United Nations Charter."

Almost immediately President Truman recognized the new nation. His policy was based on the desire, he later wrote, to find a peaceful solution of a world trouble spot, to see promises kept, to relieve human misery, and to open the door for the development of the productive potential of the Middle East. Most of these objectives have been achieved although, unfortunately, true peace has not yet been realized. For 2 years after proclaiming its independence, Israel had to fight for its existence, and tension still remains high throughout the area.

From humble beginnings, the State of Israel has created a strong economy despite an apparent lack of resources. In the deserts of the south, Israeli farmers and pioneers have started farms and orchards by transporting much-needed and scarce water through a pipeline that is considered to be an outstanding engineering accomplishment.

In the northern part of the country, the opposite condition existed. There, the industrious Jews of Israel have drained the swamps and built farms and villages on the land reclaimed from the stagnant waters. In every endeavor, the Israelis have displayed amazing ingenuity and inventiveness.

The Israelis have built a manufacturing complex utilizing the few resources they have available, such as the minerals found in the Dead Sea. Eager to find markets for Israeli products, the people of Israel decided to sell the one product of their land that could not be found elsewhere in the world—the skill of trained artisans. Today Israeli manufactured goods can be found in almost all of the markets of the world displaying the imagination and true craftsmanship that can be found in this ancient land.

Israel has grown and progressed in many other areas so vital to the well-being of a new nation. The Israeli educational system is one of the finest in the world despite the fact that the immigrants to Israel spoke almost every language known to man and had to be taught the Hebrew tongue.

Mr. Speaker, Israel stands today as a tribute to courage, strength, ingenuity, and perseverance. On this 27th anniversary celebration of independence, I congratulate Israel and wish for her people peace, prosperity, and happiness in their homeland. I salute our friends in Israel, as well as Americans of Jewish descent in my own city of Chicago and throughout our Nation, who are joining in this celebration, and extend to them my profound respect and warmest personal regards.

MINNESOTA PAYS TRIBUTE TO FORMER CONGRESSMAN JOHN A. BLATNIK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'Neill) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, it is the fate of many public officials to be forgotten by those they served, regardless of how well, as soon as they cease to render service.

Not so with our former colleague, John Blatnik of Minnesota, who retired from Congress last year.

A Member of Congress for 28 years; architect of the Nation's water pollution control program; guiding force behind the Interstate Highway program and the public works jobs and community development program, John made a powerful impact on Congress, the Nation, and on the Eighth District of Minnesota, which spans roughly 260 miles from the Canadian border, through the Mesabi Iron Range and Duluth to the outskirts of the Twin Cities.

Last Sunday, May 4, the people he had served for 34 years—since he was first elected to the Minnesota State Senate in 1941—gathered to pay tribute to their most distinguished citizen.

Over 2,500 people gathered in Duluth for an evening with John and his close personal friend, entertainer Danny Thomas. Many came as far as 170 miles to be counted among his friends.

All of who know John know the pleasure of being in his company, but this gathering signified far more—it represented a tremendous outpouring of public spirit, sentiment, and appreciation for this dedicated legislator and leader of men.

From reports I have personally received, and from the following coverage of the evening, which appeared in the Duluth News-Tribune, it is clear that John Blatnik is more than a friend to the people he served: he has the enduring love, admiration, and respect of the people he so ably represented for over a third of a century.

I want to share that evening with all of you, so that we can join the people of Minnesota in paying our respects to this great man, and great Congressman, John A. Blatnik.

An article by George D. Johnson follows:

John Blatnik? ". . . Love the Guy"

(By George D. Johnson)

"None knew thee but to love thee,
Nor named thee but to praise."

When Fitz-Greene Halleck wrote those lines in 1820 he wasn't thinking of John A. Blatnik, but he might just as well have been considering Sunday's tribute to the retired congressman in the Duluth Auditorium.

Sen. Walter Mondale told a standing-room-only crowd that despite Blatnik's great accomplishments in Congress, for this country, and particularly for the Eighth Congressional District, his greatest accomplishment was in being a totally honest, decent, hard-working human being.

"We all love the guy," Mondale said.

Several cats of yesteryear emerged from the bag at Sunday's tribute.

Sen. Hubert Humphrey told of the time when Blatnik, because of his relationship with Marshal Tito, practically singlehandedly settled a dispute between Yugoslavia and Italy over Trieste that could well have erupted into a shooting war.

Rep. James Oberstar, master of ceremonies with Lee Vann, told of two opportunities his old boss had to become a cabinet member in the Kennedy or Johnson administrations.

Blatnik apparently had been considered for—or perhaps offered—the secretary of interior post under Kennedy, and also the top spot in the Department of Health, Education, and Welfare. "But he chose to continue to serve the people of the Eighth District," Oberstar said.

Television personalities Earl Henton and John LaForge's description of Blatnik's career, although concise and business-like, took nearly 10 minutes—a measure of how varied and productive that career is.

Oberstar spoke of Blatnik's early days, particularly his first congressional campaign against Republican incumbent William A. Pittenger where the chief issue seemed to be whether Blatnik would follow the Communist party line or not.

After Blatnik's victory that year, the Hibbing Tribune lamented that, while the rest of the country was going Republican, the Eighth District now had a freshman member of the minority party as its representative. "The $64 question is how he will accomplish anything," the paper said.

Shortly after that, Blatnik became the only freshman Democrat appointed to the powerful Public Works Committee which years later he chaired.

In 28 years in Congress Blatnik had served under six presidents. Minnesota had seven governors during that time. During his tenure, Blatnik voted on 10,919 pieces of legislation and cast over 40,000 votes, Oberstar reported.

The program opened with Johnny's Accordionaires, who look too young to be all that good. Later, the Duluth Boys Chorus paid musical tribute to the retired congressman with several clever parodies.

Blatnik's friend, television star Danny Thomas, said to Humphrey, "We almost made it last time, didn't we?" referring to the senator's presidential bid of 1968.

Humphrey said of Blatnik, "He is the only man in the country that can stay up later than I can." In a more serious vein he said "No greater tribute can be paid to anyone than to gain the respect of his fellow man the way John has."

Mondale said he had, in all his time in Washington, heard only one criticism of Blatnik—this from a senator who complained that the congressman got too much money for the Eighth District. Mondale said he called Blatnik and advised him of this criticism, to which Blatnik reportedly replied, "I'm totally fair about this—I want half the money for the Eighth District and half for the rest of the country."

Oberstar reported that it was Blatnik's committee that first widely publicized the relationship between cigarettes and cancer. Blatnik, who once smoked cigarettes, no longer does.

The visibly affected Blatnik expressed profuse thanks to all who had helped in his campaigns over the years and praised his successor, Oberstar, for the job he was doing.

U.S. Civil Service Commissioner Lud Andolsek, Blatnik's alter ego for many years, was detained in Washington but sent a lengthy telegram based on "What is so rare as a day in June?" in which he describes his old boss as rarer than such a day, but like it in that he was bright and warm.

PANAMA CANAL TREATY NEGOTIATOR WRITES TO PANAMA CANAL COMPANY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Metcalfe) is recognized for 5 minutes.

Mr. METCALFE. Mr. Speaker, the Panama Canal Subcommittee of the Committee on Merchant Marine and Fisheries is responsible for the legislative jurisdiction of the operation and maintenance of the Panama Canal and the Government of the Canal Zone. Because of its jurisdictional responsibility the subcommittee, which I chair, has a deep concern for the morale and well-being of employees of the Panama Canal Company and Canal Zone Government. This concern was demonstrated recently in the subcommittee's efforts to bring forth a response from the Executive as to the apprehensions of canal employees that jurisdictional services in the Canal Zone were to be transferred to the Republic of Panama by Executive order.

Ambassador-at-Large Ellsworth Bunker, chief U.S. negotiator for a new Panama Canal treaty, last week wrote to the Governor of the Canal Zone, Maj. Gen. Harold R. Parfitt, to respond to employee apprehensions and to discuss the treaty negotiations in general. I believe that all those who are concerned with or about these negotiations will find the Ambassador's letter helpful. I would call special attention to the Ambassador's statement that "any proposed change in basic U.S. relations with Panama, and especially any jurisdictional change, would be submitted to Congress for approval." Given the strong interest of the Congress in Panama Canal matters, I am inserting the letter at this point in the RECORD:

DEPARTMENT OF STATE,
AMBASSADOR AT LARGE,
Washington, D.C., May 1, 1975.

Maj. Gen. HAROLD R. PARFITT,
Governor of the Canal Zone,
Balboa Heights, Canal Zone

DEAR GOVERNOR PARFITT: As the United States moves toward a new treaty relationship with Panama, you and I will share an important concern—the protection of the rights and interests of the employees of the Panama Canal enterprise.

I thought it would be appropriate to write you at the outset of your tenure as Governor to emphasize my intent to provide that protection.

Without it the new relationship could not be fully equitable as between the parties.

You may know that during my first visit to Panama in November of 1973, I met with representative groups of employees in the Canal Zone, to acquaint myself with their sentiments on a new treaty. I shall hope to be able to meet with them again during my next visit to Panama. My purpose will be to offer a perspective on the course of the negotiations thus far.

I must be frank, however, in saying that there will be limits to the perspective I can offer.

The two countries have been attemping to reach an accommodation of the national interests of each since the unfortunate events of 1964. That they have not yet been able to reach it is in part the consequence of premature public revelations of the details of important matters agreed upon—or not agreed upon—during negotiation. The public discussion which ensued made it impossible for the two governments to exercise the flexibility required to complete the process of accommodation.

I cannot contribute to a repetition of those negotiating misfortunes. Accordingly I shall be able to offer only a broad, rather than a detailed, perspective.

I am aware, of course, and very much regret, that the absence of detailed information leads to rumor and to anxiety among those who stand to be affected by change in the Panama-United States relationship. Rumor and anxiety have undoubtedly been reinforced by speculation in the media of both countries concerning the negotiations—speculation which has in the main been false or misleading.

I understand, for example, that a rumor is circulating that the United States intends to transfer police, fire, customs, postal, educational and other jurisdictional services to Panama through executive action without the approval of Congress. That is not so. Any proposed change in basic United States relations with Panama, and especially any jurisdictional change, would be submitted to the Congress for approval. I am confident that the Congress would scrutinize proposed changes carefully, to assure that the paramount interests of our country and its citizens are safeguarded.

I would hope that the employees of the enterprise would treat any such speculation and, indeed, any reports on the negotiations which do not come to them from official United States sources, with a considerable measure of skepticism. I should add that a good deal of the speculation and rumor relates to elements in the new relationship which have not been addressed by the negotiators, much less resolved.

I should also emphasize that in this, as in any other major international negotiation, agreements made along the negotiating path are tentative ones, subject to modification as the parties reach the point of preparing a final "package" of agreements.

Much work remains to be done, many difficult issues remain to be negotiated, before that point is reached. It is only after that point is passed that the negotiators would begin the drafting of treaty texts.

Naturally my intent is to negotiate a new relationship which, while reflecting the legitimate national interests of Panama, provides the safeguards that will lead to congressional approval of it.

Plainly there is opposition in the Congress to a new relationship with Panama. I have urged members of the Senate and House of Representatives, however, to withhold judgment on the matter of a new relationship until they have an opportunity to examine its configuration.

I would ask the same of the employees of the Panama Canal enterprise.

The configuration for which I am striving is one of a partnership in the enterprise fair to both countries. The Joint Statement of Principles of February 7, 1974, sketched the broad outline of that partnership. In effect:

For the new treaty's lifetime the United States will retain the responsibility and rights necessary for the operation and maintenance of the Canal and the transit of ships.

Upon the treaty's expiration, however, Panama will assume those responsibilities and rights.

In order to make it possible for Panama to assume those responsibilities and rights in a manner which will permit the uninterrupted and efficient operation of the waterway, Panama's participation in all aspects of Canal operation will increase over time in an orderly, mutually-agreed fashion.

In addition, during the treaty period Panama will assume—again in an orderly fashion—the jurisdictional responsibilities now exercised by the United States in the present Canal Zone.

One of the indispensable details to be incorporated into that outline is an arrangement whereby those who have contributed to making the Panama Canal the grand enterprise it is today will not only wish to continue making that contribution but will also welcome the new environment in which to make it. All negotiators have critical objectives. Securing that arrangement is one of mine.

With respects and all good wishes,
Sincerely,
ELLSWORTH BUNKER.

SELECT COMMITTEE ON AGING STUDIES PROBLEMS OF FINANCING THE SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 10 minutes.

Mr. RANDALL. Mr. Speaker, among the many complex problems affecting America's aged citizens that are being studied by our new Select Committee on Aging is the short- and long-term financing problems of the social security system.

Recently, our Retirement Income and Employment Subcommittee held hearings on this problem, receiving testimony from the Commissioner of the Social Security Administration, James B. Cardwell. After that hearing, I placed portions of his statement in the RECORD in which his views and comments on alternative plans to meet future financing needs of the social security system were set forth.

Comments on this same problem were recently expressed by the former Social Security Commissioner, Robert M. Ball, in an interview published in the Washington Star. Mr. Ball served as Commissioner from 1962 to 1973 and is considered to be one of the Nation's leading experts on the social security system. Mr. Ball will testify before the committee later this month.

Mr. Speaker, I feel sure that our colleagues will benefit from this incisive analysis of the social security financing problem presented in this interview with Mr. Ball. I read into the RECORD at this point. Mr. Ball's answers to questions by writer Ned Scharff as the interview appeared in the Washington Star on April 29, 1975:

[From the Washington Star, Apr. 29, 1975]

BALL ON TAX FOR SOCIAL SECURITY AID

Robert M. Ball has been involved with the Social Security Administration since he went to work in 1939 as a petty officer in the Newark district office. He served as commissioner of the system from 1962 to 1973, and is now scholar-in-residence at the Institute of Medicine of the National Academy of Sciences. Ball was interviewed by Washington Star Staff Writer Ned Scharff.

Q. Many observers of the Social Security system are saying that it's in trouble financially. Do you think Social Security can continue to function as it does now?

BALL. Well, the system does need more financing. I think the best way to look at this is in two parts. There is a short-range financing problem which grows out of the present economic situation. And then in the next century there is the possibility of a problem in Social Security financing which grows out of an expected change in the age composition of the population. I have no doubt that the promises of Social Security will be met by the U.S. government, but, as I say, some additional financing will undoubtedly be needed.

Q. Where do you think that should come from?

A. Well, it would not be good economics to raise Social Security contributions, taxes or premiums, at this time, but obviously you can't let the deficits go on. It is very important that the income to the program be raised so that it is in excess of the benefit payments that have to be made just as soon as an economic turnaround. I would not do it until the economy is on the upbeat. But when that happens, I would propose that the maximum amount on which people pay and the maximum which is credited to their benefits be raised to $24,000 a year.

Q. That is you would advocate an increase in the tax base rather than in the tax rate itself?

A. The tax rate which falls on everybody under Social Security is now 5.85% and that is a fairly sizable rate if that applies to workers of all levels. If you increase the base it applies only to 15% of workers under the system who have the highest earnings. In other words, 85% of workers today have all their earnings counted toward those security benefits and they pay on those earnings. The 15% at the upper end do not.

Q. Would you agree that it makes it a regressive tax that falls hardest on low income earners?

A. I don't think really it's correct to look at Social Security finance primarily as a tax. It's the purchase of retirement insurance, disability insurance and of life insurance. People are paying for a protection and what they pay is marked for the purpose of Social Security. Now if you look at it as a complete system, then it is not regressive because the benefit amounts that people get are weighted in favor of the lower wages. If you look at both of what you pay in and what you take out the lower paid wage earner has a break as compared to the high-paid wage earner.

Q. But generally, a man or a woman retiring now on nothing other than Social Security benefits would find it pretty difficult to lead a decent life?

A. No, I don't think so. I think the way to judge a retirement system like Social Security or Federal Civil Service or private pension is the relationship of the payment made to the recent earnings that the individual has been getting. And for people retiring today under Social Security, the worker who has been earning the federal minimum wage, he and his wife together if he retires at 65, would be getting benefits at about 80 percent of what he had been earning in the years just before retiring. The worker earning the amount that the average male worker would get, he and his wife together would be getting about two-thirds of what they had been earning just before retiring.

Q. When the system was introduced in 1935, it was designed not only to provide a minimal income for the elderly but at the same time to get elderly people out of the job market to help clear the way for younger people. Is that fair or wise?

A. I feel very strongly that there should be increased opportunities for older people to work. I think that it ought to be up to the individual whether 65 is the right age for him to stop paid employment and start something else, volunteer work and other activities or whether he wants to continue in a regular or part-time job. However, I do not believe that a retirement system should be paying people who aren't retired any more than a disability insurance system should be paying people who aren't disabled. And I think it would be a great mistake to turn the Social Security system into what the insurance people call an "annuity program," which just gives you the benefit because you reached age 65, say. Up till now the philosophy has been that it's retirement insurance designed to partly make up for the income you lose when you retire. So you need some sort of a test of when a person is retired and the present provision in Social Security seems to me reasonably satisfactory.

Q. But as far as retirement itself goes, do you think the government is proper in making this a basic humanitarian goal?

A. I think at age 65 what I'd like to see is the opportunity for people to choose. I'm against forced retirement. I think the trend toward compulsory retirement in industry is undesirable, particularly if we take note of the problem of a high ratio of older people to 20 to 64-year-olds in the next century. The more older people who have the opportunity to work, the less economic burden therefore they would be. At the same time, I think if individuals are willing to accept a somewhat lower level of living as they do under well-designed retirement systems, then I think that's acceptable. I think what we want to do is enlarge choices.

Q. The present Social Security Advisory Council suggests that part of the burden in the next few years be paid for out of the general treasury. How do you feel about that?

A. I'm very much against the specific proposal made by the advisory council. What they suggested was that the Medicare program, the health insurance program providing hospitalization for older people and disabled people, be supported 100 percent out of general revenue, not be a contributory system at all. The reason I'm opposed to that is that I believe that if Medicare was supported entirely out of general revenues there would be a good possibility that in the future that an income test might be introduced. People might say, in effect, well if this is all being paid for from general revenues why should the protection be given to people who could take care of it on their own. You'd soon find I think that instead of an insurance program, like Medicare now is, you'd have turned it into a relief program. Now on the larger question of general revenues for the Social Security program as a whole I am not opposed to that if it's kept to a subordinate part of the financing for the long run. I see no need to introduce general revenues at this point. I'd be for raising the maximum earnings base to $24,000 which I think helps on the benefits side as well as on the financing, and that would carry the program for many many years into the future. If in the next century we find that the commitments of the present program still need additional financing at that time, I would be personally in favor of the gradual introduction of some general revenue financing, both on the cash program and on the health insurance. Not putting it all one way or the other.

Q. One of the most difficult questions about the future of the system is that as we become an aging society with fewer workers proportionate to the number of retirees in our society, the current level of benefits may well be impossible to keep up some years from now without severely damaging the economy. How do you feel about this?

A. I don't agree with that at all. It seems to me that we are now into the question of the long range financing of Social Security and I think the problem you are raising really applies to an estimated or projected situation that begins about 2010. Assuming an accumulation of low fertility rates, by about 2010 the people of working age, those between 20 and 65, in absolute numbers will come to a halt and the numbers of people above 65 greatly increases for a period there between 2010 and 2030. Now that just taken in itself would create an additional economic burden on the people of working age, and this is to aside from Social Security. This would be true if you were to support an entire elderly population entirely out of private pension plans or if you were going to do it out of relief or assistance or if you were going to do it all from the wages of their children. That kind of a shift in the larger number of retired people vs. people of working age would apply to any matter. But the point I want to emphasize is that exactly the same in birth rate that has brought what we have just described also results in a lot fewer children and so that the people of working age, the 20–64 group, we have no more dependents to support in an economic sense than they do today. As a matter of fact, they have less. There are fewer combined dependents, that is those under 20 plus the group over 65 as a ratio to those of 20–64 than is true right now today.

Q. So it would certainly be easier for them to prepare for retirement?

A. Yes. Maybe the long-range problem could be described as: how do we translate the reduced burden of caring for and raising children on the willingness of people of working ages to pay higher rates for retirement benefits.

WELCOME "HUDDLED MASSES YEARNING TO BREATHE FREE"

(Mr. REES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tossed, to me,
I lift my lamp beside the golden door.

Mr. REES. Mr. Speaker, I had to read and reread these words from the poem by Emma Lazarus inscribed on the pedestal of the Statute of Liberty to make sure in my own mind that the United States was still that great melting pot, that wonderful country which had offered so much hope to many millions of immigrants these past 200 years.

The words are still inscribed on the pedestal of the Statue of Liberty, but do we Americans believe them any more?

The panic of so many of us 205 million Americans over the arrival of 100,000 South Vietnam refugees defies logic. It is almost like the outcry over the "yellow peril" of a century ago. The statements of public officials in my own State of California, officials who should know better, border on the absurd.

"Disease, disease, they are bringing all those diseases," I heard from one of my constituents who somehow likened the refugees to the bubonic plague. Others felt that this so-called horde—estimated by one Los Angeles County official to be upward of 1 million—only 1,000 percent off the mark—would suddenly swoop down and take their jobs away from them.

According to some press reports the evacuees constituted "bar girls, pimps, and corrupt generals and civil servants" whose first desire was to land in America and send for their gold in Swiss bank accounts.

But it seems that the bulk of the refugees are families of Americans, employees and their families of American Government and business, or simply people who did not want to live under Communist domination. Most refugees felt they would be persecuted because of their participation in the South Vietnam cause and their friendship with the Americans.

We are a nation of immigrants. Historians have noted that much of the strength and stability of this country and its democracy has been due to our broad racial and religious base enriched by new immigrants. Our policy of welcoming those faced with political or religious persecution has been in sharp contrast to other countries with their narrowly restrictive immigration barriers.

Perhaps the vocal opinions we hear today are merely a reaction to the tragedy of Vietnam and the total bankruptcy of our policy there over the past 20 years. Would we deny Vietnamese refugees a haven in order to blot out reminders of our failure?

We need reminders of our failures as well as our successes. But a human being's survival should be valued as just that and not as a symbol of a success or failure.

Those Vietnamese who choose to adopt the United States will, like the many millions of immigrants before them, add strength and new values to our country. They should be welcomed and given an opportunity to succeed just as my father was given the same chance when he immigrated in 1912.

On the eve of the American Bicentennial, what better way can we renew the spirit of our country's meaning?

PART II: IN OPPOSITION TO REVERSE DISCRIMINATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on Sunday, May 4, I attended a breakfast held by the Metropolitan New York Coordinating Council on Jewish Poverty which I, in error, described as being hosted by another organization in my RECORD statement of May 5. The purpose of the breakfast was to provide the New York legislators in attendance with the facts concerning unfair Federal Government regulations and restrictions governing the use of Federal poverty moneys and other Federal programs. I discussed in some detail the reverse discrimination that these Government regulations and restrictions cause in my statement of May 5, 1975.

Mr. Speaker, I tried to outline in my statement on May 5 on the subject of reverse discrimination the reasons for my opposition to those regulations. I believe that while we must seek out through affirmative action those needing Federal assistance, our criteria must be other than race, creed, color, religion, national origin, or sex. Our criteria must be predicated on poverty in the poverty programs and merit in the scholastic programs. We must always bear in mind that those restrictions, whether they limit programs to a particular geographic area, or impose tests that are not related to the job opportunities offered, are to be condemned. We must do all that is necessary to remove the existing inequities in our society but in doing so we must not impose new ones.

I am appending at this time the statement of Rabbi Jack Simcha Cohen, executive director, Metropolitan New York Coordinating Council on Jewish Poverty, delivered at that breakfast which I think will be of interest to our colleagues.

The statement follows:

STATEMENT OF RABBI COHEN

Mr. Chairman, distinguished Government officials, ladies and gentlemen:

The purpose of this morning's session is to raise the level of consciousness of government officials to the tragic plight of New York City's Jewish poor. Today we have told our story; a story of neglect and deprivation—a brief glimpse of a major social problem affecting the viable existence of our contemporary Jewish community.

We have learned that the myth of Jewish affluence must be immediately debunked—we should be aware that one out of every five Jews living in the city of New York City is a potential welfare recipient. This makes the Jewish poor the third largest poverty group in the city of New York.

Now—what has been the response to this problem? How has government reacted to the legitimate needs of the Jewish poor?

In terms of community action and programs to help Jewish neighborhoods to serve the Jewish poor, the response from certain components of government has been as tragically pathetic as the need.

In New York City, by executive order of the mayor, the Council Against Poverty (CAP) and the Community Development Agency (CDA) are authorized to serve as the official agency to meet the needs of New York City's poor.

In program year I, CAP–CDA lists a total expenditure and budget of $41,195,634 to serve New York City's poor. Of this amount, approximately 16 million comes from the Federal Government and the remainder, above and beyond the mandated 20% share, was derived from New York City funds.

How much did the Jewish poor receive? .5% ($212,258), ½ of 1% was specifically allocated to a Jewish program. ½ of 1% of 41 million dollars. An additional 0.3% (136,580) was allocated to programs with some Jewish input.

Thus, only $348,838 or .8% of a total budget of 41,195,634 can be cited as being earmarked for projects having any degree of service to the Jewish poor.

Why? This is a question that we wish our Government officials to investigate and provide answers.

CAP and CDA have designated 26 poverty areas plus 26 poverty corporations to provide services to the poor. Do these poverty programs meet the needs of the Jewish poor? Again the answer is "no". The criteria for the designation of poverty areas simply disenfranchises and neglects the Jewish poor. The poverty areas are based upon three major criteria:

1—The number of live births in city hospitals per 100 population.

2—Juvenile delinquency offenses per 100 population between the ages 7–20.

3—The total number of persons receiving welfare assistance in April 1965 per 100 total population.

It is obvious that these criteria do not provide any accurate index of Jewish poverty. The overwhelming number of Jewish poor are the aged who are certainly not giving birth in city hospitals nor, by any stretch of the imagination, engaging in juvenile delinquency. Indeed the traditional reluctance of Jews to seek public welfare would also effectively eliminate the first criterion. These facts were recognized by HRA in their official report on Jewish poverty prepared in 1971. Today it is 1975 and the old poverty area criteria still exist. Therefore, because few Jews live in officially designated poverty areas—their needs have been ignored. Of our government officials we ask, is it not about time that the poor are serviced on the basis of need and not geography?

Even those Jews residing in poverty areas are underserviced due to insensitivity to Jewish needs. Such insensitive attitudes have tended to discourage Jewish participation in local poverty corporations and programs.

Indeed, it should be noted that the Government persists in utilizing artificial boundary lines in a variety of programs geared to servicing the poor. For example, criteria for establishing HRD districts are similar to those of the poverty areas and drastically curtail Jewish input in the delivery of services to the poor. HRD district #18 was established with a population of 450,000 people. Community Planning District #12, of which Boro Park in Brooklyn is a major component, has a total population of 190,000. Yet it is lumped together with two other CP's despite the acknowledged fact that every area in the city of New York with a population in excess of 150,000 has its own HRD district. Thus, once again, Jewish needs are ignored.

My friends, the needs of the Jewish poor are vast and in one way similar to the needs of all poor. Our poor vitally need food, clothing, shelter, medical services and jobs and we want Government programs to provide these basic human needs—programs geared to need, regardless of religion or color or geography. As a result, we implore our government officials to support legislation increasing services to the poor and the elderly.

But, we also have distinctive cultural needs that must be met. Many of our poor, especially the aged, do not speak English. Their primary language is Yiddish. As a result, they simply do not comprehend the range of services available and are not able to master or understand the forms used to register for basic services. Government must provide personnel who have facility in Yiddish or make grants to organizations who have such personnel to enable our poor to acquire basic services. Official linkage with the Jewish poor must be developed and the Jewish community must be used to help service its poor.

This past year, moreover, the Federal guidelines to the Older Americans Act defined as a minority those who speak Spanish or whose major language is not English. The MNYCJP led the Jewish community in calling upon HEW and former governor Malcolm Wilson to implement administrative proceedings on both the Federal and State level to designate as minorities those whose primary language was yiddish. The implementation of this would reap innumerable benefits for thousands of Jews in New York City as well as in other major urban areas. Its implication definitely would extend beyond the aged and would assist Jews of all age levels. Progress report—so far the response has been a bureaucratic snafu.

Jews, as is well known, have special dietary laws. Luncheon clubs must be constantly provided with facilities for kosher observance.

Thus, the Jewish poor need a variety of services to meet their needs. This means that every level of Government: Federal, State, and city and every level of authority-elected official to appointed executive must increase efforts to serve our people.

The city administration has been the prime backbone of our support. It has, since 1972, provided city wide grants to serve the Jewish poor. In 1975 the MNYCCJP received $475,000. The Jewish community is appreciative of these funds. But, at the same time, we must say it is not enough—simply not enough. The funds come out to 25c per capita Jew or $1.32 per capita Jewish poor. The Jewish poor need more. The Jewish poor deserve more. We ask our city officials to continue to sustain and support our endeavors and at the same time to energetically join our cause by supporting our proposals for increased aid and vastly increased funds to care for the Jewish poor.

To the State—we must say that Jewish Community Action programs have been totally non-existent and grants to serve the Jewish poor only minimal. A rethinking of priorities is necessary. The Jewish poor cannot be simply neglected. Your help in crystalizing new programs is vital. Perhaps this administration and this legislature will be more responsive to our needs and will not provide us with benign neglect.

To the Federal Government—to those responsible for dispensing billions of dollars of social welfare funds, the Jewish poor cannot forgive such neglect. The tragedy of an absence of Federal leadership cannot continue.

Our President, Mr. Becker, indicated in his remarks that a $750,000 two-year Federal grant to the MNYCCJP via CDA was terminated after 9 months as a result of bureaucratic disputes over the intended disposition of the funds. This left Jewish poverty programs in a shambles. Hopes and aspirations to serve the poor through local groups were shattered. The MNYCCJP through obstacles and intricate maneuvers succeeded in rescuing some elements of our programs. This issue is being adjudicated in the courts and now is not the time to review its details.

It is important, however, to realize that now, more than ever, Federal funds and programs are needed. We ask your support to provide funds for the Jewish poor—to help with grants and programs to meet our needs—to not forsake or neglect us.

We ask all—we, rather, implore you to serve as our friends, to provide leadership, to sustain life, to facilitate funds—to encourage other Government officials to generate programs to meet the need of the Jewish poor.

Hopefully, as a result, the future will be as Browning once said, "Grown old along with me—the best is yet to be."

VITAMIN AND MINERAL LEGISLATION

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, today I am joined by my colleagues in the House, Mr. PREYER, Mr. CARNEY, Mr. SCHEUER, Mr. WAXMAN, Mr. HEFNER, Mr. DEVINE, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. GOLDWATER, in introducing new legislation to amend and clarify the provisions of the Federal Food, Drug, and Cosmetic Act with respect to foods for special dietary use containing vitamins and minerals. Senator PROXMIRE and Senator SCHWEIKER will be introducing identical legislation today in the Senate.

This legislation has a long history. On June 20, 1962, the Commissioner of the Food and Drug Administration published a notice in the Federal Register announcing his agency's intention to revise regulations pertaining to the labeling of food or dietary supplements. These proposals met with the criticisms that the regulations would unduly interfere with the "freedom of choice" of consumers to purchase vitamin and mineral products and that they were scientifically unsound. Later, on June 18, 1966, the FDA Commissioner published regulations pertaining to the labeling and content of special dietary food products. Shortly thereafter, FDA issued an order staying the effective date of the regulations because of the many objections received.

On August 2, 1973, the FDA published final regulations which were intended to become effective on January 1, 1975. These new regulations proposed that most vitamins and minerals with a potency of 150 percent or more of their recommended daily allowances be classified as drugs. Vitamins A and D were classified as drugs at 100 percent or more of their RDA levels because of their potential toxicity and have subsequently been subject to prescription drug regulations promulgated by the FDA. Further, they would have restricted vitamin and mineral manufacturers from distributing combinations of these products except in extremely limited circumstances.

This effective date was stayed until at least June 30, 1975, by the U.S. Court of Appeals for the Second Circuit in *National Nutritional Foods Association, et al.* v. *FDA, et al.* (No. 73-2129, C.A. 2, Aug. 15, 1974). The court generally sustained FDA's authority to establish standards of identity for vitamin and mineral supplements and to regulate their labeling. However, the court remanded the regulations to the FDA in accordance with the instructions in the 85 page opinion. This decision limited FDA's power to declare products "drugs" and instructed FDA to liberalize its criteria for determining what combinations and potencies of vitamins and minerals should be permitted in dietary supplements.

During the past several years, hundreds of bills have been introduced in response to FDA's proposed regulations. In 1966 the first version of legislation to restrict FDA's authority over vitamin and mineral supplements, was introduced by Representative CRAIG HOSMER. This bill, and subsequent versions of it, would have virtually nullified FDA's regulatory authority over foods for special dietary uses, even those products which were potentially carcinogenic, toxic, or otherwise unsafe. Moreover, the legislation would have had the effect of nullifying existing standards of identity of conventional foods, such as breakfast cereals and orange juice, which are fortified with vitamins and minerals except where actual harm could be demonstrated. A version of the Hosmer bill was incorporated, as a floor amendment by Senator PROXMIRE, to the Senate health manpower bill last year. The manpower bill died in conference.

During the second session of the last Congress our subcommittee conducted hearings and markup on vitamin and mineral legislation and reported out H.R. 16317 which was not considered in the full committee before adjournment.

The reported House subcommittee bill reflected the concerns of the members that the Proxmire amendment to the Manpower Act took away too much authority from FDA to regulate the safety of vitamin and mineral supplements. In addition, the subcommittee bill provided the FDA with new authority to regulate false or misleading advertising of vitamin and mineral supplements.

The bill we are introducing today is designed to modify and clarify the authority of the Food and Drug Administration regarding vitamin and mineral food supplements. This legislation would preserve the right of the individual to continue to freely purchase vitamins and minerals in tablet, capsule, and certain other forms, while protecting the public from unsafe and fraudulently labeled and falsely advertised products. Under the bill, the FDA would be prohibited from classifying vitamins and minerals as drugs solely on the basis of their potency or on some other basis, except where they are habit forming, toxic, injected by syringe, or are otherwise not safe for use except under the supervision of a licensed practitioner, or are represented in their labeling for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man.

In addition, the FDA would continue to have full authority under the "food" provisions of the Food, Drug, and Cosmetic Act to regulate these products where there is evidence that they may be toxic or carcinogenic or where they are not generally recognized among qualified experts to be safe under the conditions of their intended use.

The bill also contains special provisisions applicable to protect certain consumers—pregnant and lactating women, infants, and small children—where food supplements are represented for their use. Other provisions of the bill provide for additional protection of the public from false and misleading advertising and for truthful and informative disclosure to the consumer of all the ingredients in the labeling of vitamin and mineral food supplement products.

Mr. Speaker, I wish to commend my able colleagues and cosponsors in the House and the distinguished members of the Senate, Senator PROXMIRE and Senator SCHWEIKER, in joining me in the introduction of legislation which will protect the individual's freedom to purchase vitamins and minerals without sacrificing adequate protection of public health and safety and control of consumer fraud.

For the information and use by members and the public I am inserting herewith a section-by-section analysis of the bill as introduced. It is my understanding that Senator PROMIRE is inserting the text of the bill in the RECORD for today's Senate proceedings.

The analysis follows:

SECTION-BY-SECTION ANALYSIS

Section 1(a) of the bill adds a new section 411 to the Federal Food, Drug, and Cosmetic Act (hereinafter referred to as "the Act") with respect to vitamins and minerals in certain forms as follows:

Section 411(a)(1), except as provided in section 411(a)(2) below, prohibits the Secretary from—

a. establishing maximum limits on the potency of vitamins or minerals,

b. classifying vitamins or minerals as a drug on the basis of potency or any other basis except where they are presented in their labeling for use in the diagnosis, cure, mitigation, treatment, or prevention of disease, or where they are toxic or habit forming and should be dispensed only upon prescription, or

c. limiting the combinations or number of any synthetic or natural vitamin, mineral, or other ingredient of food.

Section 411(a)(2)(A) provides that the limitations in section 411(a)(1) on the Secretary's authority do not limit his authority under the following sections of the Food, Drug, & Cosmetic Act:

a. 402 (which governors adulterated foods),

b. 406 (which authorizes tolerances for poisonous ingredients in food),

c. 409 (which establishes procedures and regulations with respect to unsafe food additives),

d. Chapter 5 (relating to drugs), and

e. any other provisions of the Act except as limited by this bill.

Section 411(a)(2)(B) provides that the limitations in section 411(a)(1) on the Secretary's authority do not limit his authority to regulate vitamins, minerals or other food ingredients represented for use by children (under age 12) or pregnant or lactating women.

Section 411(b)(1) provides that a food is not misbranded solely because its label bears all the ingredients in the food. This provision is necessary in view of FDA's attempts to have products declared misbranded because their labeling lists ingredients other than vitamins or minerals that are contained in the product.

Section 411(b)(2) provides that the labeling of foods may not list non-vitamin or non-mineral ingredients—

a. except as part of a list of all the ingredients and

b. unless the ingredients are listed in accordance with an applicable regulation under section 403(j) of the Act (pertaining to information required on labeling of foods for special dietary use). Section 411(b)(2) also provides that the labeling may not give prominence to or emphasize non-vitamin or non-mineral ingredients.

Section 411(c)(1) defines the term "food" for purposes of application of the provisions of this bill as a food for special dietary use containing vitamins or minerals which is intended for ingestion in tablet, capsule, liquid, or other forms which do not simulate or are not represented as conventional food. "Liquid form" is that form of food determined by the Secretary to be formulated in a fluid carrier and intended for ingestion in daily quantities measured in drops or similar small units of measure.

Section 411(c)(2) defines "special dietary use" for the purposes of the Act.

Section 1(b) of the bill directs the Secretary of HEW to amend existing regulations that are inconsistent with the new section 411 of the Act and to promulgate amended regulations in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. § 553).

Section 2(a)(1) of the bill amends the Act to provide that foods described in the new section 411 are misbranded if their advertising is false or misleading in a material respect or if their labeling is in violation of new section 411(b)(2).

Section 2 (a) (2) (A) of the bill amends section 201(n) of the Act to provide that factors to be taken into account in determining whether a food is misbranded because its labeling is misleading shall also be considered in determining whether its advertising is misleading. These factors include affirmative suggestions and failure to reveal material facts relating to the conditions and consequences of use.

Section 2. (a)(2)(B) of the bill amends section 303 of the Act to provide that persons in violation of the Act because of misbranded advertising shall not be subject to criminal fines or imprisonment unless the violation is committed with the intent to defraud or mislead.

Section 2(a)(2)(C) of the bill amends section 304(a) of the Act to provide that a libel for condemnation action (seizure) may not be instituted against a food which is misbranded because of its advertising if the food is being held for sale to the ultimate consumer in an establishment not owned or operated by a manufacturer, packer, distributor, except under the following circumstances:

a. the false or misleading advertising of the misbranded food was disseminated in the establishment in which the food is being held for sale to the ultimate consumer, or was disseminated by, or under the direction of the owner or operator of the establishment, or all or part of the cost of the advertising was paid by the owner or operator, and

b. the owner or operator of the establishment used the advertising in the establishment to promote the sale of the food.

Section 2(b) of the bill provides that for the purpose of avoiding unnecessary duplication, the Secretary shall consult with the Federal Trade Commission prior to taking any action with respect to foods which are misbranded because of their advertising and to coordinate any such action with any action taken or proposed to be taken by the F.T.C.

Section 2(c) of the bill provides that the advertising provisions in the bill shall take effect 180 days after enactment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. McCollister (at the request of Mr. Rhodes), for May 7 and 8, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. Crane, for 20 minutes, today.

Mr. Young of Alaska, for 10 minutes, today.

Mr. Heinz, for 20 minutes, today.

Mr. Kemp, for 25 minutes, May 8, 1975.

Mr. Ashbrook, for 10 minutes, today.

(The following Members (at the request of Mr. Lloyd of California) to revise and extend their remarks and include extraneous material:)

Mr. Fithian, for 15 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Koch, for 30 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Dodd, for 5 minutes, today.

Mr. Dingell, for 5 minutes, today.

Mr. O'Neill, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Metcalfe, for 5 minutes, today.

Mr. Randall, for 10 minutes, today.

Mr. Rostenkowski, for 5 minutes, on May 8, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. McCormack, to extend his remarks today.

Mr. Gaydos.

Mr. Breckinridge, and to appear in the Record immediately following the remarks of Mr. Carter.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous material:)

Mr. O'Brien.

Mr. Archer.

Mr. Heinz in two instances.

Mr. Ashbrook in five instances.

Mr. Hinshaw.

Mr. Brown of Ohio.

Mr. Biester.

Mr. Steelman.

Mr. Rhodes.

Mr. Crane in three instances.

Mr. Emery.

Mr. Gradison.

Mr. Symms in two instances.

Mr. Kemp in two instances.

Mr. Derwinski in two instances.

Mr. Frey.

(The following Members (at the request of Mr. Lloyd of California) and to include extraneous matter:)

Mr. McCormack.

Mr. Edwards of California in two instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Downing.

Mr. Dent in two instances.

Mrs. Schroeder.

Mr. McDonald of Georgia in five instances.

Mr. Moffett in 10 instances.

Mr. Brademas in 10 instances.

Mr. Rodino.

Mr. Downey in five instances.

Mr. Pickle in 10 instances.

Mr. Won Pat.

Mr. Symington in two instances.

Mr. Rostenkowski.

Mr. Addabbo.

Mr. Jones of Tennessee.

Mr. Fraser in two instances.

Mr. Traxler.

Mr. Dodd in two instances.

Mr. Wirth.

Mr. Karth in two instances.

Mr. Simon.

Mr. Young of Georgia.

Mr. Preyer.

Mr. Dingell.

Mr. Ginn.

Mr. Dominick V. Daniels.

Mr. Harrington.

Mr. Jacobs.

Mr. Boland.

Mr. Minish in two instances.

Mr. Yates.

Mr. D'Amours.

Mr. Obey.

Mr. Nowak.

Mr. Nichols.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 172. An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did May 6, 1977, present to the President, for his approval a joint resolution of the House of the following title:

H.J. Res. 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

ADJOURNMENT

Mr. LLOYD of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 26 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 8, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as folfollows:

960. A letter from the President of the United States, transmitting a draft of proposed legislation to amend title 38, United States Code, to set a termination date for veterans educational benefits under chapters 34 and 36 of such title, and for other purposes (H. Doc. No. 94–138); to the Committee on Veterans' Affairs and ordered to be printed.

961. A letter from the Secretary of Agriculture and the Secretary of Housing and Urban Development, transmitting the fifth annual report on financial and technical assistance provided for nonmetropolitan planning districts, covering fiscal year 1974, pursuant to section 901(c) of the Agricultural Act of 1970; to the Committee on Agriculture.

962. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions to Communist countries supported by Eximbank during March 1975; to the Committee on Banking, Currency and Housing.

963. A letter from the Chairman, Indian Claims Commission, transmitting a draft of proposed legislation to authorize appropriations for the Indian Claims Commission for fiscal year 1977; to the Committee on Interior and Insular Affairs.

964. A letter from the Chief Commissioner, U.S. Court of Claims, transmitting a report on allowance of claims for attorney fees in proceedings conducted under the Alaska Native Claims Settlement Act, pursuant to section 20(e) of the act (Public Law 92–203); to the Committee on Interior and Insular Affairs.

965. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Holland Construction Co., Billings, Mont., for a research project entitled "Develop a Continuous Stripping and Mining Technique," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

966. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Foster-Miller Associates, Inc., Waltham, Mass., for a research project entitled "Develop and Demonstrate an Auto-Track Bridge Conveyor Train for Continuous Face Haulage," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

967. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Foster-Miller Associates, Inc., Waltham, Mass., for a research project entitled "Research and Development Contract for the Demonstration of a New Continuous Excavator for Surface Coal Mining," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

968. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the University of Utah, Salt Lake City, Utah, for a research project entitled "Adsorption-Desorption Reactions in the Desulfurization of Coal by Pyrite Flotation Technique," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

969. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with MSA Research Corp., Evans City, Pa., for a research project entitled "Evaluation of Foamed Concrete for a Rapid Center-Wall Placement System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

970. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with The Robbins Co., Seattle, Wash., for a research project entitled "Develop and Demonstrate A Blind Shaft Borer," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

971. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Southwest Research Institute, San Antonio, Tex., for a research project entitled "A Draft Power Sensor For Improved Dozer Performance," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

972. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend appropriations authorizations for communicable disease and other control programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

973. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a) (28) (I) (ii) of the Immigration and Nationality Act [8 U.S.C. 1182 (a) (28) (I) (ii) (b)]; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Reported adversely. H.R. 5970. A bill to provide, through tax incentives in the Internal Revenue Code of 1954, that all future employment-based group health insurance plans extend coverage to workers who become unemployed and receive unemployment compensation benefits, with a temporary program financed through a trust fund and a temporary assessment on group health insurance arrangements to cover workers who are currently unemployed and receiving unemployment compensation (or who become unemployed before the applicable health insurance plans are modified to cover them), and for other purposes (Rept. No. 94–171, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations H.R. 6573. A bill to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109), transmitted pursuant to the Impoundment Control Act of 1974 (Rept. No. 94–191). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 4925. A bill to amend the Public Health Service Act and related laws to revise and extend programs of health revenue sharing and health services, and for other purposes; with amendment (Rept. No. 94–192). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 444. Resolution providing for the consideration of H.R. 3902. A bill to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes (Rept. No. 94–193). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 445. Resolution providing for the consideration of H.R. 5357. A bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel (Rept. No. 94–194). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 446. Resolution providing for the consideration of H.R. 6209. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates (Rept. No. 94–195). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO:

H.R. 6755. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. ARCHER:

H.R. 6756. A bill to provide a tax credit for expenditures made in the exploration and development of new reserves of oil and gas in the United States; to the Committee on Ways and Means.

By Mr. ARCHER (for himself and Mr. Conlan):

H.R. 6757. A bill to repeal the Davis-Bacon Act; to the Committee on Education and Labor.

By Mr. BOWEN (for himself and Mrs. Meyner):

H.R. 6758. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and for other purposes; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 6759. A bill to amend the Internal Revenue Code of 1954 to provide that the tax rules now applicable to savings and loan associations, mutual savings banks, and certain cooperative banks, shall be applicable to the comparable mortgage programs now undertaken by national mortgage associations; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 6760. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DRINAN:

H.R. 6761. A bill to repeal the Military Selective Service Act and for other purposes; to the Committee on Armed Services.

By Mr. FISH (for himself and Mr. Cohen):

H.R. 6762. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.R. 6763. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLOOD (for himself, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6764. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. FULTON (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6765. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. HASTINGS (for himself, Mr. Mosher, Mr. Broyhill, Mr. Walsh, Mr. Whitehurst, Mr. Zeferetti, Mr. Nix, Mr. Fascell, Mr. Winn, Mr. Eshleman, Mr. Ruppe, Mr. Van Deerlin, Mr. Frenzel, Mr. Carney, and Mr. Pressler):

H.R. 6766. A bill to assist in the settlement of medical malpractice claims through a Federal program of reinsurance and through voluntary arbitration under State laws, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ:

H.R. 6767. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitation, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN (for herself, Mr. Bingham, Mr. Addabbo, Mr. Badillo, Mr. Beard of Rhode Island, Mr. John L. Burton, Mr. Carr, Mrs. Chisholm, Mr. Cornell, Mr. Drinan, Mr. Koch, Mr. Mineta, Mr. Moss, Mr. Nowak, Mr. Pattison of New York, Mr. Riegle, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mrs. Spellman, Mr. Stokes, Mr. Studds, and Mr. Waxman):

H.R. 6768. A bill to amend title XVI of the Social Security Act to insure that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, to provide a housing supplement to certain recipients of such benefits, to prevent reductions in such benefits because of social security benefit increases, to allow recipients of such benefits in cash-out States to elect to receive food stamps, to provide for emergency assistance to recipients, and for other purposes; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. Bingham, Mr. Brown of California, Mr. Carney, Mr. Conyers, Mr. Dellums, Mr. Edwards of California, Mr. Eilberg, Mr. Fish, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hawkins, Mr. Horton, Mr. Hungate, Mr. LaFalce, Mr. Mitchell of Maryland, Mr. Nix, Mr. Ottinger, Mr. Richmond, Mr. Roybal, Mr. Ryan, Mr. Solarz, Mr. Stratton, and Mr. Thompson):

H.R. 6769. A bill to amend title XVI of the Social Security Act to insure that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, to provide a housing supplement to certain recipients of such benefits, to prevent reductions in such benefits because of social security benefit increases, to allow recipients of such benefits in cash-out States to elect to receive food stamps, to provide for emergency assistance to recipients, and for other purposes; to the Committee on Ways and Means.

By Mr. HUNGATE:

H.R. 6770. A bill to authorize the Secretary of Commerce to make a grant to Monroe, Mo., for the construction of a facility system to interconnect with a rural electric cooperative; to the Committee on Public Works and Transportation.

By Mr. JONES of Alabama (for himself, Mr. Roe, Mr. Nolan, Mrs. Mink, Mr. Mitchell of Maryland, and Mrs. Fenwick):

H.R. 6771. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. KEMP:

H.R. 6772. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

H.R. 6773. A bill to amend the Tariff Schedules of the United States to provide for the duty-free entry of certain machines, molds, and equipment, if products of Canada, used in molding and forming plastic materials; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 6774. A bill to amend the Comprehensive Employment and Training Act of 1973 to make native Hawaiians eligible for assistance under certain programs established by such act; to the Committee on Education and Labor.

By Mr. MATSUNAGA (for himself, Mr. Thompson, Mr. Downey of New York, Mr. Pepper, and Mr. Ford of Tennessee):

H.R. 6775. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 6776. A bill to amend the Railroad Retirement Act of 1974 with respect to the entitlement under such act of certain remarried widows and divorced wives of railroad employees; to the Committee on Interstate and Foreign Commerce.

H.R. 6777. A bill to amend the Railroad Retirement Act of 1974 to provide that an individual who has completed 30 years of railroad service shall be deemed to have a current connection with the railroad industry for the purposes of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 6778. A bill to amend chapter 44 of title 18 of the United States Code to limit the availability of guns not suitable for lawful sporting purposes; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 6779. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. QUILLEN:

H.R. 6780. A bill to amend the Higher Education Act of 1965 to provide that vocational schools in a State which are designated as postsecondary schools by the State educational agency shall be eligible as institutions for purposes of basic educational opportunity grants; to the Committee on Education and Labor.

H.R. 6781. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. RAILSBACK:

H.R. 6782. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. Badillo, Ms. Chisholm, Mr. Conyers, Mr. Gilman, Mr. Gude, Mr. Harrington, Mr. Horton, Mr. Hyde, Mr. McCloskey, Mr. Metcalfe, Mr. Murphy of Illinois, Mr. Nix, Mr. Ottinger and Mr. Pressler):

H.R. 6783. A bill relating to the employment and training of criminal offenders and for other purposes; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. Kastenmeier, Mr. Andrews of North Dakota, Mr. Bafalis, Mr. Drinan, Mr. Fraser, Mr. Hall, Mr. Ketchum, Mr. Mann, Mr. Mezvinsky, Mr. Mottl, Mr. Richmond, Mr. Rooney, Mr. Sarasin, Mr. Scheuer, Mr. Stark, and Mr. Young of Georgia):

H.R. 6784. A bill to regulate lobbying and related activities; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. RISENHOOVER (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6785. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. RODINO (for himself, Mr. Brooks, Mr. Flowers, Mr. Sarbanes, Mr. Seiberling, Ms. Jordan, Mr. Mezvinsky, Mr. Mazzoli, Mr. Hughes, and Mr. Howe):

H.R. 6786. A bill to permit the attorneys general of the States to secure damages and other relief for persons and political subdivisions of their States which are injured by reason of any violation of the antitrust laws and for other purposes; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Mr. Derwinski, Mr. Mazzoli, Mr. Steiger of Wisconsin, Mr. Fraser, Mr. Whitehurst, Mr. Harrington, Mr. Anderson of California, and Mr. Bingham):

H.R. 6787. A bill to provide for a program of grants for Vietnamese and Cambodian students at institutions of higher education; to the Committee on Education and Labor.

By Mr. SPENCE:

H.R. 6788. A bill to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of cemeteries for veterans; to the Committee on Veterans' Affairs.

By Mr. SPENCE (for himself, Mr. Mann, Mr. Davis, Mr. Derrick, Mr. Holland, and Mr. Jenrette):

H.R. 6789. A bill to name a Federal office building to be located in Columbia, S.C., the Strom Thurmond Federal Building; to the Committee on Public Works and Transportation.

By Mr. UDALL (for himself, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6790. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. WALSH:

H.R. 6791. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. WALSH (for himself, Mr. Collins of Texas, Mr. Conte, Mr. Ford of Tennessee, Mr. Anderson of California, Mrs. Spellman, Mr. Metcalfe, Mr. Brown of Michigan, Mr. Hannaford, and Mrs. Collins of Illinois):

H.R. 6792. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for volunteer services performed in Veterans' Administration hospitals; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself and Ms. HOLTZMAN):

H.R. 6793. A bill to amend the Federal law relating to the protection, management, and control of wild free-roaming horses and burros on public lands in order to provide the authority needed to properly manage wild horses and burros in harmony with wildlife and other uses of the national resource land; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Ohio (for himself, Mr. BROYHILL, Mr. MOORHEAD of California, and Mr. HEINZ):

H.R. 6794. A bill to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLAY (for himself, Mr. EVANS of Indiana, and Mr. MURPHY of New York):

H.R. 6795. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, to protect Federal civilian employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DOWNEY of New York:

H.R. 6796. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. HARRINGTON:

H.R. 6797. A bill to assist refugees from South Vietnam who wish to return to their native country; to the Committee on International Relations.

By Mr. HASTINGS:

H.R. 6798. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. HUNGATE (for himself, Mr. RUSSO, Mr. WIGGINS, and Mr. HYDE):

H.R. 6799. A bill to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 6800. A bill to amend section 44 of the Internal Revenue Code of 1954 (relating to credit for purchase of new principal residence) to provide that the lowest offering price requirement be limited to offers after December 31, 1974, and to expedite the prescribing of final regulations on such section 44; to the Committee on Ways and Means.

By Mr. MEZVINSKY:

H.R. 6801. A bill to incorporate the Army and Navy Union of the United States of America; to the Committee on the Judiciary.

H.R. 6802. A bill to provide a program of income tax counseling for elderly individuals; to the Committee on Ways and Means.

By Mrs. PETTIS:

H.R. 6803. A bill to amend title 18, United States Code, to promote public confidence in the legislative branch of the Government of the United States by requiring the disclosure by Members of Congress and certain employees of the Congress of certain financial interests; to the Committee on Standards of Official Conduct.

H.R. 6804. A bill to amend title 38 of the United States Code so as to provide that public or private retirement, annuity, or endowment payments (including monthly social security insurance benefits) shall not be included in computing annual income for the purpose of determining eligibility for a pension under chapter 15 of that title; to the Committee on Veterans' Affairs.

H.R. 6805. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. ROBERTS (for himself, Mr. TEAGUE, Mr. HAMMERSCHMIDT, Mr. SATTERFIELD, Mr. EDWARDS of California, Mr. MONTGOMERY, Mr. CARNEY, Mr. DANIELSON, Mr. WOLFF, Mr. CHARLES WILSON of Texas, Mr. MOTTL, Mr. CORNELL, Mr. HEFNER, Mr. HANNAFORD, Mr. EDGAR, Mrs. HECKLER of Massachusetts, Mr. WYLIE, Mr. HILLIS, Mr. ABDNOR, Mr. WALSH, Mr. GUYER, Mr. HANSEN, Mr. O'BRIEN, and Mr. BEARD of Rhode Island):

H.R. 6806. A bill to terminate the Vietnam era period of war for purposes of the veterans' laws, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. CARNEY, Mr. SCHEUER, Mr. WAXMAN, Mr. HEFNER, Mr. DEVINE, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. GOLDWATER):

H.R. 6807. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 6808. A bill to improve the reliability and safety of railroad transportation so as to promote the efficient use of energy in surface transportation, and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. DEVINE):

H.R. 6809. A bill to amend certain provisions of the Communications Satellite Act of 1962, as amended; to the Committee on Interstate and Foreign Commerce.

H.R. 6810. A bill to authorize an additional Assistant Secretary of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFF:

H.R. 6811. A bill to authorize the emergency issuance of 2,000 special immigrant visas to nationals of Ireland; to the Committee on the Judiciary.

By Mr. BELL:

H.J. Res. 444. Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling; to the Committee on Ways and Means.

By Mr. BOWEN:

H.J. Res. 445. Joint resolution to restore posthumously full rights of citizenship to Gen. R. E. Lee; to the Committee on the Judiciary.

By Mr. MOTTL:

H.J. Res. 446. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. OBERSTAR (for himself and Mr. CASEY):

H.J. Res. 447. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H. Con. Res. 269. Concurrent resolution providing for the printing of a House document, "Federal Election Campaign Laws Relating to the U.S. House of Representatives"; to the Committee on House Administration.

By Mr. MOTTL (for himself, Mr. HAYS of Ohio, Ms. ABZUG, Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BLANCHARD, Mr. DEVINE, Mr. DERWINSKI, Mr. EMERY, Mr. EVANS of Indiana, Mr. FITHIAN, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HUBBARD, Mr. JENRETTE, Mr. KASTEN, Mr. KEMP, Mr. LAGOMARSINO, Mr. McCLOSKEY, Mr. MAZZOLI, Mrs. MEYNER, Mr. OTTINGER, Mr. RIEGLE, and Mr. SARBANES):

H. Con. Res. 270. Concurrent resolution expressing the sense of Congress with respect to the complexity of Federal income tax forms; to the Committee on Ways and Means.

By Mrs. PETTIS:

H. Res. 443. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

129. The SPEAKER presented a memorial of the Legislature of the State of Missouri, requesting Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States with respect to abortion; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUTLER:

H.R. 6812. A bill for the relief of Robert Alexander; to the Committee on the Judiciary.

By Mrs. PETTIS:

H.R. 6813. A bill to authorize the President of the United States to present, in the name of Congress, a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

By Mr. RHODES:

H.R. 6814. A bill for the relief of Health Maintenance Associates, a professional corporation of the State of Arizona; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 6815. A bill for the relief of Albert Edward Squitieri; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 6816. A bill for the relief of Dr. Daryl C. Johnson; to the Committee on the Judiciary.

By Mr. WAXMAN:

H.R. 6817. A bill for the relief of Fidel Grosso-Padilla; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mr. JEFFORDS:

On page 5, line 13, after the word "if" and before the word "Each" on line 15, delete the words "neither the House of Representatives nor the Senate adopts a resolution of disapproval.", and replace them with the following words: "both the House of Representatives and the Senate adopt a resolution of approval."

On page 7, line 3, add the following words: "Any oil offered for sale under this Act shall be subject to the provisions of the Petroleum Allocation Act and shall be considered as old crude petroleum as defined in section 212.72 of title 10, Code of Federal Regulations (as in effect on January 1, 1975)."

On page 7, after line 15, add the following:

"SEC. 4. (a) It is hereby declared to be the policy of the United States that a National Strategic Petroleum Reserve (Military) shall be established in order that the energy requirements of the United States military will be met in the event of any disruption of foreign supplies of petroleum and petroleum products or any military emergency. The stockpiles of such a reserve shall be created in such a manner that they may be, as a general rule, physically integrated and managed together with such stockpiles as may be created in the event the Congress creates a national civilian petroleum reserve. Accordingly—

"(b) Upon enactment of this Act, the Secretary of Defense shall commence a search for suitable storage facilities within which petroleum from any national petroleum reserves the Secretary of the Interior may establish under this Act, or its equivalent, may be stockpiled. The Secretary of Defense shall conduct his search with the cooperation of the Administrator of the Federal Energy Administration for the purpose of integrating such stockpile with such petroleum which may be stockpiled by that Administrator in the event that a national civilian strategic petroleum reserve be created by Congress. The search shall be conducted under the assumption that storage will be needed for at least 100 million barrels of military stockpiles. This figure may be modified upon completion of the study delineated in subsection (d) thereof.

"(c) When suitable facilities, either in or above ground, or both, are found, the Secretary of Defense is directed to stockpile up to 50% of the daily production of petroleum from any national petroleum reserves the Secretary of the Interior may establish under this Act, or its equivalent, in such facilities.

"(d) One year after the enactment of this Act, the Secretary of Defense, after consultation with the Joint Chiefs of Staff, shall provide the Congress a report recommending the amount of petroleum to be stockpiled on an annual basis in such Military Reserve."

H.R. 6209

By Mr. REES:

Amendment in the nature of a substitute: Strike out all after the enacting clause and insert the following: "The Federal Home Loan Bank Board is prohibited from authorizing by rule, regulation or otherwise any Federal savings and loan association from making a variable interest rate mortgage loan on any one-to-four family dwelling unit occupied or to be occupied by the borrower for two years after enactment of this law, except as follows:

"(a) The variable interest rate mortgage loan is on a dwelling unit located in a state where building and loan or savings and loan associations chartered or organized under the laws of such state are, on the date of enactment of this act, offering such loans; and

"(b) The terms of the variable interest rate mortgage loan satisfy the following standards and such additional standards as the Board may prescribe:

"(i) Any such association shall also make available on reasonable terms and conditions to the borrower a mortgage loan at a fixed interest rate.

"(ii) The rate of interest on a variable interest rate mortgage loan shall change not more often than once during any semi-annual period and at least six months shall elapse between any two such changes.

"(iii) Any increase in the interest rate on a variable interest rate mortgage loan shall not exceed one-fourth of one percent in any semi-annual period, nor shall any such rate be increased more than ½ of one percent at any one time not withstanding the waiver of any previously authorized increases by the lender.

"(iv) Total increases in the interest rate on a variable interest rate mortgage loan shall not exceed the initial interest rate over the term of the loan by more than two percent.

"(v) The rate of interest on a variable interest rate mortgage loan shall not change except in accordance with standards prescribed by the Board under this paragraph (b); however, such association must decrease the rate of interest in accordance with such prescribed standards but has the option of increasing the rate in accordance with such prescribed standards.

"(vi) The rate of interest on a variable interest rate mortgage loan shall not change until after a year following the operative date of the mortgage.

"(vii) The borrower is permitted to prepay the variable interest rate mortgage in whole or in part without a prepayment charge within 90 days of notification of any increase in the rate of interest above the initial interest rate.

"(viii) The borrower must be given 60 days advance notification of any increase in the rate of interest on a variable interest rate mortgage loan."

And amend the title to read as follows: "To prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to make home mortgage loans with variable interest rates except in special circumstances."

EXTENSIONS OF REMARKS

CHARLES R. "DICK" STANTON

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. D'AMOURS. Mr. Speaker, I rise to praise the Honorable Charles R. "Dick" Stanton, mayor of Manchester, N.H.

One of the qualities which makes this country great is the willingness of her people when called upon to help. "Dick" Stanton exemplifies this spirit, and has demonstrated his willingness to serve his fellow citizens in times of need.

Upon the untimely death of the Honorable Mayor Henry Pariseau in 1970, Charles R. "Dick" Stanton served in a dual capacity as city clerk and mayor. He is the only person ever to hold both positions simultaneously.

Serving admirably, "Dick" Stanton remained as mayor until the election of the Honorable Sylvio Dupuis in 1971.

Recently, in January 1975, Mayor Dupuis accepted another position of responsibility, and again, Charles "Dick" Stanton was called upon by his fellow citizens to serve as mayor of Manchester.

In these times of economic crisis, both at the national and local levels, and requiring personal sacrifice to himself, "Dick" Stanton again comes forward to offer his administrative leadership to the city of Manchester.

Therefore, Mr. Speaker, I rise to acknowledge the debt of gratitude from the citizens of Manchester, N.H., to a hard working and dedicated public servant, Charles R. "Dick" Stanton.

GUN CONTROL: NEAT, PLAUSIBLE, AND WRONG

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ASHBROOK. Mr. Speaker, at the opening of another Congress we have been met with a veritable torrent of bills introduced by, I am sure, well-intentioned, but ill-advised gentlemen in this body, to attempt to reduce violent crime and particularly homicides by the hopeless expedient of attempting to control the possession of one of the tools used.

We have had homicides since Cain slew Abel with the jawbone of an ass and homicides were common before the discovery of gunpowder. We all know that crimes of violence, particularly homicides, flow from a state of mind—the will or desire to commit a crime—not the availability of the tools. Human beings are obviously the most resourceful animals on Earth and if one method to accomplish an objective is not available another will be used. If an existing method is inadequate another will be devised. We have only to look at the last few years in the United States to see how the use of hand grenades and bombs has increased in the commission of homicides, bank robberies, airplane hijackings, and so forth. In the tragic struggle in Northern Ireland, far more people have been killed by bombs than by all kinds of firearms. In both the United States and Ulster, the manufacture, possession, sale, or use of grenades and bombs has been illegal for years.

The estimates of the cost of such firearms controls as those proposed by the gentleman from New York, (Mr. BINGHAM) would put the United States another $1 billion to $4 billion a year in debt and create a huge bureaucracy. It would create millions of new criminals such as those who would not turn in or register their guns on one hand and on the other, those being gun runners from Mexico, Canada, and Europe. The police, the courts, and the prisons would be more overworked and overloaded than now.

Better that we put this money and manpower into the enforcement of existing law, into increasing judicial capability to insure prompt trial and sentencing, into better corrections systems and personnel and into minimizing the causes of crime such as poor education, poor housing, and unemployment.

There follows an article entitled "Gun Control: Neat, Plausible, and Wrong" by Gary G. Vance which appeared in the October 1974 issue of Guns and Ammo.

I am sure that it expresses the views of millions of dedicated Americans:

GUN CONTROL: NEAT, PLAUSIBLE, AND WRONG

(By Gary G. Vance)

(Gun Control Advocates Corrode Constitutional Freedoms While Burdening Taxpayers with Greater Bureaucratic Expense.)

If one studies the history of mankind's major calamities one must eventually reach the conclusion that most of them were engineered by individuals or groups whose good intentions and high purposes were above question. Within their own conceptual framework, their actions were both moral and in the best interests of some social or political grouping. The failure of such well-intentioned enterprises is that they are invariably shortsighted, selfish and simplistic. They are born more of passion than of wisdom. In the name of justice and societal welfare both Communism and Fascism have perpetrated some of the most heinous, brutal and dehumanizing acts known to man, all with good intentions.

The damage issuing from such good intentions is not confined to sweeping political movements. Around my home in Southeast Alaska there are still a few of the original totems carved and colored by the Tlingit and Haida Indians native to this area. The totems were a means of recording family or tribal history and they represent an art form that I consider singularly magnificent. There were once many such totems on the islands where the Indians lived but most were burned by early missionaries because they were thought to be pagan and godless. More good intentions.

When the U.S. Constitution was amended to make the manufacture, sale and consumption of alcoholic beverages illegal, the advocates of the amendment surely had our best interests at heart. The issue was simple. Some people drank too much which resulted in wasted lives and ravaged families. Make the alcohol illegal and the problem would be solved. Only things did not work out as they had planned; bootlegging became big business. Alcohol was everywhere, much of it being scarcely better than poison. Prices skyrocketed. And, most important of all, that great social experiment resulted in the establishment of an organized criminal empire that flourishes even today. So much for good intentions.

The history of mankind's survival is one narrow escape after another from the ministrations of some misguided zealot and his particular recipe for the common good. This is not to say there have not been events and individuals that have done much to correct inequities in human affairs. The decision of the U.S. to plunge into the mad war in Europe in 1942 was a necessary step to rekindle the lights which were winking out under Nazi domination of that said continent. However, that whole grim chapter in history need never have happened. It was born of the good intentions of all the political leaders who sought to appease and conciliate the criminals that had seized power in Germany. A firmer and less well-intentioned approach to Hitler's government may have changed the entire history of the world much for the better.

Today we are threatened by still another cadre of politicians who are convinced that they alone know what is best for us all. I am personally appalled by the plans they are making. The gun control issue is a classic example of how these well-intentioned hustlers promote injustice, infringe on human rights and move us ever further down the road toward the practice of empire. And make no mistake that the practice of empire is what these gentlemen have in mind. They all staunchly proclaim their belief in the concept of government by the people but they enjoy their power as a personal attribute, they are convinced that they personally know what is best for you and me, they are determined to impose their will to the fullest extent possible, and most of them are frightfully naive and shortsighted opportunists. Let's see what happens when you and I, law-abiding citizens, are deprived of our right to own handguns of any sort and are forced to register long guns with a government bureau.

1. A lucrative black market in handguns will spring up, with little delay, across the entire nation, centering primarily on the major cities. Huge sums will be spent on a law enforcement effort that will, at best, be no more effective than present efforts in controlling the criminal use of guns. Handguns will still be widely available to anyone who may want one for a quick stick-up or to back up other illegal activities. They will also be available to any blowhard who feels he needs one to bolster his sagging ego. All he has to do is pay the black market price.

2. Crime rates will show no significant slackening and may well increase as the average citizen becomes more vulnerable. The causes of crime in the U.S. have nothing to do with the availability of legitimately owned guns.

3. The record-keeping costs for long guns will multiply as another federal bureaucracy becomes entrenched and begins to grow fat and sloppy. The bureaucrats will seek ever newer controls and restrictions to justify more expansion and broader powers. Record-keeping will become an end in itself.

4. Little information useful in the solving of crimes will be generated by all of those expensive records. This is borne out by other cases of registration both here and abroad.

5. Red tape harassment of law-abiding gun owners will grow out of proportion to any rational purpose. The shooting sports will go into a decline resulting in sharply reduced revenue for game conservation purposes. (By far the greatest amount spent for conservation comes from the pocket of the shooters and hunters of this nation; recently around $160 million a year.)

6. Game habitat and control will deteriorate and game animals, as well as non-game animals, will die off in great numbers further insuring the decline of hunting in particular and the shooting sports in general.

7. A readily available listing of arms in the hands of private citizens will be created which internal enemies could conceivably use in a case of armed confrontation. Couldn't happen in the U.S., you say? The naive trust of a complacent citizenry is the foundation upon which totalitarian governments are built. The framers of the Constitution fully intended that personal arms should *not* be taken from the private citizen. Gun control advocates will argue that such reasoning is obsolete, pointing to huge standing armies and nuclear hardware. But they fail to explain away the increasing trend toward kidnapping, terrorism and guerrilla warfare as instruments of social change. An armed citizenry is just as important now as it ever was.

In summary, the crime problem will remain unchanged and possibly grow worse; taxes will be increased or funds diverted from other programs (probably wildlife conservation) to pay for the new bureaus; our national wildlife resources will decline and we will grow individually and collectively more vulnerable to the tyrants known to exist everywhere, in every nation, throughout history.

Meanwhile, those well-intentioned fellows that started the whole thing will express "deep personal concern" over the worsening situation. They will draw up even more restrictive measures to "sew up the loopholes" in their earlier efforts. They will even order "funding of special task forces and study groups to come to grips with the problem." You have heard their siren speeches and witnessed their posing before. By that time the battle will be lost.

H. L. Mencken once wrote, "There is always an easy solution to every human problem ... neat, plausible, and wrong." Strict gun controls simply feel right to those crusading politicians seeking an easy scapegoat to complex social problems. Guns are loud, dangerous, expensive and unnecessary in their estimation. Many people get along fine without them so obviously they are not needed. Arms represent a source of power in the hands of private citizens and in the gun control politician's mind such power is a threat to his own.

The outlawing of guns is strangely like the outlawing of books. The beginning of tyranny can invariably be traced to episodes of attempted thought-control through the banning of certain books. And just as tyrants seek to control our thoughts, they must seek to control our actions. It is the mind and will of a free people, seeking to determine their own outcomes, that is the enemy of the empire builders. What difference is there between the tyrant who decides to dispose of certain books because he believes the common man cannot be trusted to judge them wisely and the politician who advocates the banning of guns because he believes the common man cannot be trusted to use them wisely? Attempts to pass laws legalizing the seizure and control of guns or books must be met with unfailing resistance wherever such attempts are encountered. I am not interested in how nobly conceived attempts at control may be. I am only interested in the end result. The road to hell, it's said, is paved with good intentions.

WAYS TO FIND WORK IN THE HIDDEN JOB MARKET

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. MOFFETT. Mr. Speaker, as you are already aware, unemployment is raging across our Nation at a cancerous clip. People who have never had a financial worry before are confronted with a rapid depletion of their life's savings.

In my own State of Connecticut unemployment was computed to be 9.9 percent at the March midpoint. I suggest this is a conservative estimate, as the figure quoted does not account for those who have dropped out of the labor force in utter despair.

It is outrageous that the employment situation should even approach the point where great numbers of job hunters have ceased searching. Mr. Speaker, for those men and women who labor tirelessly in their quest for a job and are finding even interviews few and far between, and for those who desire to reenter the labor force, I ask for unanimous consent to insert into the RECORD an article that appeared in U.S. News & World Report entitled, "Ways To Find Work in the Hidden Job Market." I recommend that it be carefully examined as it has some excellent professional hints to aid the active jobseeker.

The article follows:

WAYS TO FIND WORK IN THE "HIDDEN JOB MARKET"

(Interview with James I. Briggs, Jr., an expert on career planning)

Q. Mr. Briggs, with 7.5 million people out of work, and predictions that more will soon join them, what advice do you have for job seekers?

A. I tell people that an unemployment rate of 8 percent doesn't mean there are no jobs, or that companies are not hiring. It does mean that the market is much more competitive. Today's job seeker has to do what I call creative job hunting, as opposed to the traditional method of trying to find a vacancy and then submitting an application.

Q. What about all the pages of help-wanted ads in the newspapers, even in cities where unemployment is high?

A. If you follow those ads with any kind of concentration, you'll notice there are great numbers of ads for jobs in particular categories, and no openings at all in other categories.

For example, there aren't enough secretaries to go around, and employers advertise to try to surface applicants. There are many ads, too, for unpopular jobs that people don't want to accept. Other ads are for jobs that demand a high degree of technical skill, and usually there is a shortage of people who can qualify.

Finally, many employers have legitimate job openings that they advertise to comply with Equal Employment Opportunity regulations. In many cases an employer will have decided already on who is going to get the job, but he goes through with the publication procedures to comply with the law.

Q. Do you advise job seekers to sign up at company personnel offices?

A. No. Generally I advise people to avoid them if at all possible. Most personnel offices are not in the business of hiring people; they're in the business of screening them out. When you make it through their screening process, you are referred to the person with the ultimate responsibility for the position that's open. If you can circumvent this whole process and establish some kind of personal relationship with the employer, I think you are miles ahead of the individual who walks in off the street and fills out an application.

Q. What about sending out résumés—are they useful?

A. They can be in some cases. But the typical résumé—a straight, factual account of your education and the jobs you have held—tends to be flat and rather uninteresting. It can't convey your interest, enthusiasm and personality.

A better approach is the functional résumé that supports your specific job objective by outlining the four or five major skill and ability areas in which you are strongest. The success of any résumé depends on how personalized and well-targeted it is. But in most cases the résumé is used as a screening device and, therefore, is a poor substitute for the personal contact.

Q. How should one go about looking for work in a tight job market, such as the present?

A. First, I think it's important to describe what we mean by a "tight job market." When people talk about how hard or easy it is to get a job, they often base that on stories they read in the newspaper, on the broad unemployment figures put out by the Bureau of Labor Statistics, on tales they hear from friends, or on their own experiences. A lot of what we read about layoffs in particular lines of business, or cutbacks in hiring plans, would lead you to believe that jobs are disappearing across the board. That is not really the case. The situation is localized in certain parts of the economy.

Beyond that, studies indicate that only about 20 per cent of all the job vacancies that exist at any one time ever get listed by the traditional sources of job information—classified ads, private employment agencies, public employment services, college placement offices.

Q. Are you saying that there are 80 per cent more potential job openings than people hear about?

A. Exactly. These openings are in what is called the "hidden job market." The only way you can find out about them is to decide what sort of work you really want to do, then make contacts in that particular field and let your abilities and strengths be known. You have to muster the self-confidence and courage to go after what you want without being put off by rumors and intimations about how bad the job market is.

Q. What specific advice can you give about going after a job?

A. When students ask me about that, I try first to get them to make five basic determinations: (1) their skills, abilities and personal qualities; (2) what they hope to accomplish with those personal assets; (3) the sort of organization and work environment they prefer; (4) their preferred geographical location, and (5) how much money they want to make.

Making these determinations and defining one's job objective is, for most people, the most difficult part of the job hunt. Yet it is crucial to giving focus to the job-search campaign and overcoming the problem of where to begin looking.

As a second step, I suggest they research the organizations that meet their qualifications. That means gathering all the information you can about them.

Q. Suppose I'm a job seeker who has done all this. What next?

A. Then you must find out which person in the organization is responsible for the kind of work in which you are most interested, and get in touch with him. You do that not as a job applicant, but as someone who shares mutual enthusiasm for what his organization is doing. You stress that you want to talk with him to get information about what he is doing in your particular area of concern. You should also get from him the names of three or four others who are prime movers in your field of interest. Before you know it, you have inserted yourself within the inner-communications network of people who are on the cutting edge of whatever field you have chosen to enter.

You now have access to inside information on job opportunities, as well as being in an excellent position to propose to the employer of your choice how you can help his organization.

Under this creative system, you have conducted a well-prepared, well-researched job campaign, talking to people with responsibility to hire. Contrast that with just dropping in off the street and asking a receptionist if the company has job openings. She probably will say, "Go to the personnel office, or send along a résumé." There is just no comparison between the two approaches.

Q. All of that seems adaptable to a college student. But what about the 40-year-old man who has lost his job as a bookkeeper. Can he use this same method?

A. I think he should try. First of all, a person is not just a bookkeeper. That may be the job he has held for seven or eight years, but he can do more than that. Certainly he has outside interests—cultural, social or recreational. Perhaps he does a lot of reading, or takes enrichment courses. You have to look at a person's whole life to get the range of his personal assets. And personal assets that have been developed outside of an eight-hour workday are just as valuable as those that a worker is paid to use on the job.

Q. Suppose a person has been out of work for two or three months and desperately needs a job. Would you advise him to take the first thing that comes along, or hold out for the sort of job he'd most like to have?

A. There are plenty of examples of the desperation and dehumanization that takes place when people have been out of work for a while. I think that if a person is emotionally desperate because of frequent turndowns for a job, or if he needs money to survive, his best bet is to take something that will meet those needs and allay the desperation—but only on a part-time or temporary basis while he decides what he really wants and goes after it.

Q. Is it true that it's easier to go from one job to another than to find work once you're unemployed?

A. I think there is some truth in that. If a person has been out of work for a long time and that is known to a potential employer, the job seeker may seem less attractive than someone who is working and giving the impression that his skills are in demand.

Q. If you are jobless and let it be known you will take anything, no matter what, will you have a better chance of getting work?

A. I think your chances are poorer. Most employers, in addition to looking for individuals with a particular level of education and ability, also are alert to human characteristics. A person who is willing to jump at the first offered gives the impression he has no direction to his life. Chances are he will not bring to the job the same confidence and enthusiasm as one who says: "This is exactly what I'm looking for. It's what I want to do, and I know I can do it."

Q. Are students who are getting out of college this spring going to face discouraging job conditions?

A. Yes, if they rely only on the conventional ways of finding out about jobs. One such method, for example, involves being interviewed on the campus by recruiters for major companies. In the last few weeks, six or seven companies have canceled their plans for interviews on our campus. This doesn't mean those companies are not hiring—just that their hiring level at this time doesn't warrant a visit to a college.

Q. Is that happening at other campuses?

A. Yes. I should add that the cancellations so far represent only about 10 percent of all the firms that had planned to send recruiters to Georgetown. But it's clear that jobs for graduates are not going to be as readily available this year as last, and certainly they will be less available than five or six years ago.

Q. Where do you see the best job opportunities in the next few months?

A. According to most studies, the highest demand seems to be for people in engineering, sales, accounting and computer science.

Q. Do you hear complaints from employers that colleges are not training people the way they want them trained?

A. Yes. And that raises a philosophical question: Should all educational institutions go the vocational route and attempt to reduce a person's education to skilled training for a particular position that is currently in demand by business and industry? Or should that type of training be left to certain institutions, while others continue to offer a broad liberal-arts education that also turns out well-prepared, marketable individuals—students who may not meet a specific need at any one time but who, in the long run, will probably be better material in terms of filling the on-going demand for knowledge workers?

I think it is dangerous for students to base career decisions simply on the availability of jobs and on the income they'll get as a starting salary. The job market is volatile, as we're seen in the past, with gluts at various times of aerospace engineers, teachers and others.

Q. Do most young people today know what they want to do when they enter college?

A. No—and that's a big problem. A lot of the how-to-find-a-job advice that's given today, valuable as it may be, is fruitless until the individual student has a strong knowledge base. He needs knowledge about himself and about the world of work, so that he can say: "These are my goals, and here is how I plan to reach them, step by step."

This sort of self-knowledge and self-confidence often is far more important than the external economic situation in determining success in getting a job.

VIETNAM REFUGEE RETURN ACT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HARRINGTON. Mr. Speaker, over the past several days we have witnessed a human spectacle of staggering proportions. Tens of thousands of South Vietnamese—the total number is still not known—have fled their homeland in fear of reprisals by the new revolutionary government. And in spite of scattered expressions of public resentment, the United States has generously opened its doors to the flood. I have every expectation that the Congress will vote the necessary funds for refugee resettlement once the exact dimensions of the need become clear.

I hope, however, that we will not close off a critical option to those who have suddenly appeared among us. As Senator McGOVERN has suggested, many of these refugees probably have nothing to fear from the new leadership in "Ho Chi Minh City" and may therefore be much happier if given the opportunity to return to their homeland when the bloodbath scare has subsided.

That is why I am introducing today a bill to provide for the return of those Vietnamese refugees who wish to go back. The terms would be strictly voluntary, of course, with transportation provided by the U.S. Government on either commercial or military carriers.

This bill is identical in substance, though not in language, to the measure introduced on Monday by Senator McGOVERN. The text follows:

H.R. 6797

A bill to assist refugees from South Vietnam who wish to return to their native country

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Refugee Return Act of 1975".

SEC. 2. It is the sense of Congress that South Vietnamese refugees who would not be physically endangered by a return to South Vietnam should be offered an opportunity to return to that country.

SEC. 3. (a) The President shall take appropriate steps to determine whether the government of South Vietnam will permit refugees who have been evacuated from such country to return.

(b) At the earliest practicable date the President shall take appropriate steps to identify those refugees from South Vietnam who would choose to return to such country if the government of South Vietnam permits such return. For the refugees so identified, the President is authorized (1) to provide transportation for such refugees through the use of commercial carriers or, if the government of South Vietnam agrees, of military transport, and (2) to make other necessary arrangements for the return of such refugees.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

THE WESTERNAIRES: OUTSTANDING YOUNG AMERICANS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. WIRTH. Mr. Speaker, the youth of America are the future of this country. Unfortunately, it has become fashionable among many people in recent years to condemn youth as a major source of this Nation's problems. I would like to take this opportunity to put the spotlight on a group which is working to help the young people of our country become outstanding citizens.

The Westernaires is a self-supporting, nonprofit youth group of mounted riders, with about 1,200 members, based in Jefferson County, Colo. The riders specialize in spectacular arena shows and "Horsecapades," the horse-riding version of the Ice Capades. The Westernaires were organized in 1949 and now have 45 riding clubs, plus 21 specialty clubs. They have become internationally famous, and have traveled all over North America and appeared in movies and on television.

This outstanding group has never had a fund drive, nor has it ever received funds from any outside source. Group members buy their own horses and ride on their own grounds, in addition to putting on their performances. Youth-oriented activities tend to be neglected by most Government officials, and I think it should not go unnoticed that in the Westernaires' 26-year history no member has appeared before even a juvenile court.

The Westernaires have a guiding slogan:

> Never ask anyone to do something for you until you have proven that you can't do it for yourself.

With that guideline, and with a totally volunteer organization directed by Mr. and Mrs. Elmer E. Wyland, the Westernaires have met all of their needs on their own.

In true pioneer spirit, the Westernaires have succeeded in building their own Fort Westernaire, where the group spends about 65 percent of its time. The fort's complex is made up of five classrooms, a covered show arena, an open-air arena, barns for the 40 Westernaire-owned horses and 32 ponies, a printshop, office space, a club store, costume rooms, sewing rooms, a museum, and much more.

Mr. Speaker, I think it is important that we pay tribute to youth groups such as the Westernaires. They fill a real need in our society, one which will make for a better America.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their congressman as well as by the various public officials who were also in attendance.

Mr. William Bartsch, the Public Assistance Administrator of Suffolk County, was one of the witnesses. I was personally very impressed with the thoroughness of his testimony. He outlined many of the specific problems that plague the supplemental security income program, and I think his words should be read by those of us who are best able to do something about the SSI situation. Accordingly, I ask that Mr. Bartsch's testimony be printed in the RECORD.

The testimony follows:

TESTIMONY OF WILLIAM BARTSCH

Mr. BARTSCH. I'm Public Assistant Administrator of Suffolk County.

I appreciate the opportunity, Congressman Downey, to speak to you today about the SSI Program.

In a report such as this, it is difficult to convey the extraordinary hardship and frustration which the SSI Program has brought to many of the converted cases in Suffolk County, especially those people who are the most vulnerable and the least able to cope with life because they are poor and because they also suffer the afflictions of blindness. disability or age.

A basic assumption of SSI appears to be that the aged, blind and disabled poor are a relatively stable group with simple, predictable needs who are, therefore, easy to maintain on a flat grant with simple supporting services and minimal professional casework. This was apparently the wishful thinking of the program's designers. On the contrary, the SSI eligible population of Suffolk County, and, we can assume the nation, are as dissimilar in their financial and shelter needs, and in their need for easily accessible supporting services as are those eligible for the remaining programs of public assistance. The implementation of SSI, which is a less flexible framework of financial assistance, has resulted in a system inconsistent with the real nature and needs of its intended beneficiaries. Many of these people, as a consequence, now have less financial security in the marketplace.

A basic goal of SSI was to shift the burden of financing a portion of the costs of public assistance from the local governments to the more adequate federal tax base. However, without providing for federal protection of cost-of-living increases necessitated by nationwide inflation, states such as New York, which have historically made the greatest effort to meet the real needs of its aged, blind and disabled citizens, must continue to experience rising income maintenance costs for economic factors external to it.

SSI has, therefore, fallen short in a very significant way as it has proven a fiscal disappointment for states such as New York.

It is clearly apparent that the division of governmental responsibility for the comprehensive needs of the SSI participant—namely, the receipt of recurring grants from the SSA office while services and emergency assistance are provided by the local Social Services Department—has caused extreme hardship, uncertainty and despair on the part of many participants.

None of Suffolk's 9,000 transferred SSI cases experienced a reduction of cash benefits when SSI was implemented. They received the greater of either their 1973 grant or 1974 SSI entitlement less food stamps. However, new applicants received a flat grant varying only with a few living arrangement variations. The flat grant takes into account none of the actual cost-of-living variables accruing from varying personal needs, regional variations in rent, transportation or nutrition or any number of factors which do not apply with equal impact upon each and every SSI client.

The result is that SSI recipients are placed in a hierarchy where, for no equitable reason, one group has, in effect, more money with which to purchase food and other personal essentials than another.

It is not at all uncommon in Suffolk County for even a single person to have to pay rent in the range of $150 to $225 per month. After also paying for utilities, an essential phone, personal necessities, transportation and heat, a person with as little as the basic monthly SSI grant of $206.85 may have less than a dollar a day with which to put food on the table. SSI recipients must, therefore, each month tread a thin line between malnutrition and eviction or utility disconnection.

Thus, one of the most incredible inequitable and most potent defects in the SSI Program, is the fact that ADC and Home Relief recipients clearly fare better now in overall program benefits than the aged, blind and disabled poor on SSI who may live next door.

The state-administered ADC and Home Relief Programs provide variable cash grants based upon individual need. The federally administered SSI Program pays flat grants varying only to the extent of five broadly defined groups of participants without regard to individual need.

For example, an SSI person living alone receives $206.85. Suffolk County's Home Relief standard for that person would be $299 a month. A difference of ninety-three dollars per month. An SSI couple living alone receives $294.94. Our Home Relief standard for that couple would be $371. A difference of seventy-six dollars per month. In addition, Home Relief clients receive food stamps, excess fuel allowances as needed and periodic cost-of-living increases granted by New York State. SSI recipients do not.

Increases reflecting the rising cost of living have been made for the other programs with matching federal funds.

For example, during 1974, ADC and Home Relief clients received two fuel increases and two cost-of-living increases in their monthly grants. SSI grants, however, remained as is. SSI participants in New York State are denied such cost-of-living increases because any increase in New York State's payment level are not Federally protected under the "Hold-harmless" clause and, therefore, would not be matched with federal funds.

Under the federal SSI law, states had the option to supplement the nationally uniform federal SSI benefit levels. These federal levels are very low $146 per month for individuals and $219 per month for couples. State supplementation was mandatory, however, for those former aged, blind and disabled beneficiaries whose December, 1973, public assistance needs were above their 1974 SSI entitlement. These preconversion cases protected by this provision receive an SSI check at least as much as their December, 1973, public assistance payment.

New York State contracted with the Social Security administration to administer the state supplement including eligibility determination and check issuance. Under this option, the Social Security administration would pay 100 per cent of the costs of administration, and the state could take advantage of a provision in the law written to protect states against costs resulting from increased caseloads.

In other words, a state choosing a federally-administered state supplement can avail itself of a "Hold-harmless" clause which provides that the federal government will fund all supplemental payments which exceed the state's share of such expenditures in 1972. This fiscal protection, however, applies only to the level of state supplementation that was needed in the state as of January, 1972. This level of assistance included cash assistance, shelter and fuel plus a ten dollar "Cash-out" allowed in lieu of continued participation in the food stamp program for which SSI recipients would no longer be eligible. This combination of a "Hold-harmless" clause and a time-specific fixed payment level makes the federal government fiscally responsible for increased costs resulting from expanding caseloads in future years but not responsible for costs arising from increases needed in the payment level above January, 1972 standards.

In New York State, the opportunity for this liability limitation, as provided in the "Hold-harmless" clause, was the crucial factor in determining the features of the State's Supplementation Program such as the state's decision on federal administration and its selection of payment levels and variations.

In order to have SSA administer these payments, New York State's program had to meet SSA criteria, and it had to be a flat grant supplementation with a very limited number of variations. Specifically, SSA refused to administer a supplementation program that required individual rent variations, verifications or adjustments.

In addition to income maintenance administered by the SSA, SSI recipients continue to be eligible for supporting social services such as homemaking, housekeeping, counseling, institutional placement and home finding which are provided by the district offices of the Social Services Department upon referral from either the Social Services Administration or the SSI client himself.

Federally determined eligibility for SSI also makes SSI recipients automatically eligible for the state-administered Medical Assistance Program. The disbursement of Medicaid identification cards depends upon the transfer of specific information on computer tapes forwarded from the federal government to the state.

Unlike SSI clients, recipients in the state programs deal with one agency for continuing and emergency services and medical assistance. SSI participants must go to two separate offices to meet the same needs, duplicating effort and travel expenses.

Another comparable inequity is the failure of Congress to disregard cost-of-living increases in federal Social Security benefits, such as the seven per cent increase of April 1, 1974. SSI recipients saw their Social Security checks increase while their SSI checks decreased by the same amount. An individual or couple receiving Social Security alone or with other income sufficient to be ineligible for SSI, in fact, received the increase. This means that the aged, blind and disabled so poor as to require assistance to put them above the January, 1972 adjusted payment level, are to be held at that minimal level while some persons who are better off financially may receive increased income.

The rational basis upon which the federal government selected the figure of $146 per month for a single person living alone as the basic federal flat grant under SSI is not clear. To establish a flat grant without taking into consideration cost-of-living variables between the several states was a serious error. The additional failure of Congress to protect the "Passalong" of cost-of-living increases in federal payment levels, only contributes to this basic inequity. The program should be redesigned in such a way as to afford equitable standards of real income for participants regardless of the state in which he or she may reside. It thus appears that so far as the SSI Program is concerned, New York recipients may suffer a de-facto deprivation of the equal protection of law. In addition to the inequities resulting from the inappropriate rigidity of the national flat grant, inflexibility and lack of precision in the nationwide criteria for disability are excluding or making it inordinately difficult for certain groups of potential SSI eligibles to receive the help Congress seems to have intended for them.

* * * * *

Home Relief grants run twenty-five per cent to thirty per cent higher than SSI, such individuals are better off financially as a result of this phenomenon.

The SSI Program breaks with this historically valid reasoning in failing to account meaningfully for the emergency needs of its participants. The aged, blind and disabled poor are, as a group, particularly susceptible to finding themselves in need of emergency assistance as they are the group most victimized by theft and unscrupulous sales practices, the group most likely to lose cash or fail to make rent or utility payments because of memory lapses and the group least capable of facing an emergency without help. Under SSI, they are forced to look elsewhere in their hours of most urgent need and greatest stress.

While we believe that an adequate federal emergency assistance capability must be built into SSI administratively and fiscally, we must also express disappointment and concern with the emergency program which the State of New York was compelled on short notice to implement in order to meet the real and urgent needs by the SSI Program.

This program, called Emergency Assistance to Adults, or EAA, is funded equally by the state and local government with no federal participation. The EAA Program provides very limited assistance to SSI clients with emergency problems. Those emergencies covered under EAA are as follows:

1. Replacement of essential clothing, furniture, food and shelter lost as a result of catastrophes such as fire and flood.
2. Replacement of stolen cash.
3. Maintenance of a home while an SSI client is placed in a medical facility for no longer than approximately three months.
4. Repair or replacement of essential household heating, cooking and refrigeration equipment.
5. Relocation costs if the SSI client is required to move because of substandard housing. This does not include relocation costs due to eviction for nonpayment of rent.
6. Purchase of clothing and furniture to establish a home for an individual being discharged from an institution.

This emergency assistance can only be granted once to the same SSI client during a twelve-month period. The program does not provide for recurring or special grants required by SSI clients as a result of increased rents and increased fuel or food prices. This emergency assistance program is, therefore, very restrictive and falls far short of meeting the real needs of many aged, blind and disabled individuals.

So far as SSI is concerned, immediate and cooperative remedial action is necessary at both the state and federal levels but primarily on the federal level.

The flat, nationwide federal payment level should be abandoned and replaced with a flexible framework of federal benefit levels related to interstate and intrastate variations in the cost of living.

The provision of emergency assistance must be accepted as an integral part of the income maintenance function now under federal administration.

The long perod of time it now takes to process an SSI application must be shortened to reduce the financial strain and emotional stress now imposed on SSI applicants. This financial strain is also reflected in Suffolk's growing Home Relief rolls because an SSI applicant while awaiting federal determination of his SSI eligibility is entitled to Home Relief during the interim period, and the fiscal burden of Home Relief is not shared with the federal government.

Sufficient staff must be hired to enable SSA to visit homebound and hospitalized applicants about to be discharged to bring them into the program as rapidly and smoothly as possible.

Federal legislation must be enacted to allow increases in the January, 1972 adjusted payment levels of states to include cost-of-living increases in the federal payment level permitting states to pass through such increases to SSI recipients with limited cost to the states.

Federal legislation must be enacted to increase the statutory disregard to Social Security benefits in order to pass along cost-of-living increases in such benefits to SSI recipients without additional costs to the local governments.

Federal legislation must be enacted to permit SSI recipients to purchase food stamps without adversely affecting the "Cash-out" bonus already given them in 1974. The purchase amount should be the difference between each household's current entitlement and the value "Cashed out" to recipients. Recipients themselves should decide whether relief from the stigma of using food stamps is worth the purchasing power they may be lost through the "Cash-out" provision.

Federal disability criteria and application processing procedures must be developed specifically relevant to the unique needs of the mentally handicapped, alcoholics and drug addicts to eliminate the imprecision and exclusionary effects of present criteria.

Local governments such as Suffolk County must not be required to spend any more of their limited resources on the SSI Program over and above their 1972 contribution. It is up to the federal government to administer and fund a total program for the nation's aged, blind and disabled citizens.

Thank you very much.

The Chairman. I'm very impressed with the thoroughness of your testimony and the points you have made. I will send you a copy of Congresswoman Holtzman's bill and a few others, and I would appreciate your comments on them. I think they address themselves to the variety of shortcomings that you pointed out in SSI, and, believe me, from my previous experience as a County Legislator, I know how we are limited in terms of what we can finance.

Thank you for coming today, Mr. Bartsch.

STARTLING STATISTICS

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. PREYER. Mr. Speaker, an Associated Press story recently termed the 1-percent "catchup" increase for Federal retirees as a bonus which could cost the taxpayers "$100 billion or more by 1990." As this body well knows, the additional 1 percent was approved by Congress to allow for the lag time involved in getting cost-of-living raises into the retirees' checks. The 1 percent does not go into effect until and unless the cost of living rises by 3 percent and remains at that level for a period of 3 months. Then there is a time lag of 60 days before the increase is reflected in pension checks. In the meantime, the cost of living has risen still further and without the 1 percent the Federal retiree is still behind the cost-of-living increase.

Perhaps my colleagues will be interested in some startling statistics on what would happen to salaries and the price of consumer items assuming the 12-percent annual rate of inflation used by the AP reporter in calling the 1 percent "a bonus." The following article appeared in the April 1975 issue of the Retired Officer magazine:

Startling Statistics

The news media can come up with some pretty startling statistics sometimes. One of the wire services, for example, reported that the one percent added to each CPI pay increase for federal civilian and military retirees could cost taxpayers "$100 billion or more" by 1990.

One journalist, following up on the report, said that the figure could easily be pegged as high as $157.5 billion, or even as low as $42 billion, depending on the rate of inflation used. It "appeared," he wrote, that the wire service had assumed a 12 percent annual rate of inflation in arriving at the $100 billion figure.

Assuming 12 percent inflation until 1990, he reported:

Today's $40,000 house will sell for $280,000.

Today's $15,000 salary will be $105,000, even if it merely keeps pace with the cost-of-living without standard-of-living increases.

And, a president submitting today's version of a $350 billion budget will have to ask Congress for $2.5 trillion.

TRIBUTE TO THE LAST AMERICANS TO DIE IN THE WAR IN VIETNAM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BIAGGI. Mr. Speaker, the profound tragedy which has befallen the nation of South Vietnam has occupied the front pages of our newspapers and the constant thoughts of our citizenry. Yet one especially tragic fact seems to have been obscured in the confusion, namely that four U.S. marines were killed in action during the closing days of our commitment in South Vietnam.

One was killed during a Communist attack at the Tan Son Nhut Air Base, another was killed assisting in the evacuation of fellow Americans, and still another was killed by enemy fire 12 hours before he was scheduled to leave Vietnam. The fourth soldier was listed as missing in the crash of a helicopter. All of these men served our Nation in the finest military tradition. They continued to fight for the freedom of the South Vietnamese people even though they themselves abandoned this effort and were immediately conquered by Communist forces.

These 4 Americans added to the more than 50,000 others who preceded them in death represented the real tragedy of Vietnam. These last deaths must have been especially difficult for their families and loved ones who were anticipating each of their imminent returns to the United States.

This Nation owes an eternal debt of gratitude to those who fought and died in Vietnam. They were fighting in a war opposed by many here but they realized they had a commitment and honored it with distinction.

Even though our commitment in Vietnam is over the harsh and bitter feelings will remain. Yet we cannot afford to have them hover over us much longer. We must pick up the pieces and work on promoting peace in the world and improving the quality of life for Americans hard hit by economic hard times, caused to some extent by Vietnam.

We do have one further task to complete in Vietnam. We must intensify our efforts at locating the remaining men missing in action in Vietnam. I have cosponsored important legislation which will establish a select committee in the House to investigate and expedite information on the status of our MIA's. The Congress should make this a top priority legislative item as now with the Communists in firm control of Vietnam, the dangers confronting our missing servicemen increase. The administration must work with Congress in this area to present a full effort which will be needed if we are to get our MIA's out.

Mr. Speaker, at this point in the Record, I insert an article which contains a biography of each of the last four Americans to die in Vietnam:

Four Marines Lost as the War in Vietnam Ends

DARWIN L. JUDGE

The youngest of three children, Lance Cpl. Darwin L. Judge, 19 years old, of Marshalltown, Iowa, joined the Marines after graduating from high school last June and was put in an honor detachment. He was proud to be a Marine and had volunteered to serve in Vietnam.

Last Monday, under a rocket and artillery attack, he and another Marine were killed at Tan Son Nhut Air Base.

Corporal Judge, the son of Mr. and Mrs. Henry Judge, had been assigned temporarily with the defense attaché's office at the air base to help evacuate refugees.

The corporal's father, now a mail carrier, was a tail gunner in Europe in World War II and was rescued after being shot down over the North Sea. "It hurts, it hurts, but we're real proud of our son," Mrs. Judge said in a television interview.

A brother of the dead Marine, Loren, is stationed with the Air Force at Colorado Springs, Colo., and a sister, Mrs. Lorrain De Saulniers, lives in Marshalltown.

A spokesman for the family said that Corporal Judge, after enlisting in the Marine Corps last June, received basic training in California and then attended a Marine Corps Embassy Guard School in Virginia. He went to Vietnam with an honor detachment from the Virginia school.

Robert McCormack, assistant principal of Marshalltown High School, said: "He was a good student, very cooperative and had an excellent school record. He was a good friend. His attitude was very positive. He gave me the impression he liked the service very much."

Greg De Saulniers, a Marshalltown policeman and brother-in-law of Corporal Judge, said: "I think we should have gotten the Americans out of Vietnam sooner."

WILLIAM CRAIG NYSTUL

Capt. William Craig Nystul was one of two Marine officers listed by the corps as missing in the crash Tuesday of their helicopter near the carrier Hancock in the South China sea during the evacuation in South Vietnam.

The officers were aboard a CH-46 helicopter that was on rescue duty during takeoff and landing of other helicopters that had gone to Saigon to pick up refugees. Two Marine enlisted men who also were aboard the helicopter were rescued, according to the corps announcement.

In Coronado, Calif., the parents of Captain Nystul were notified by the Navy that their 29-year-old son, a pilot, was "unaccounted for" and that an extensive search was on.

Captain Nystul's father, Oliver Nystul, is a retired captain of the Navy dental corps.

The son's wife, Carol, and their 23-month-old son, Sean, who have been living in Okinawa, are scheduled to return to their home in Los Angeles today, according to a family spokesman.

Captain Nystul, who had been on duty in the Western Pacific for eight months, graduated from Coronado High School in 1963, enlisted in the Marine Corps Reserve in 1964 while a freshman at San Diego State College and had been on active duty since 1968.

CHARLES M'MAHON JR.

Four years ago, a year before he graduated from high school in Woburn, Mass., Charles McMahon Jr. was named by the Woburn Boys Club as its "boy of the year." Three weeks ago, Charles and Edna McMahon said good-by to their son, a 22-year-old Marine corporal, but they were not worried—the war in Vietnam was just about over.

On Tuesday, two Marines walked up to the McMahon's pink and white house in the Boston suburb, and the message they carried could not have been worse. Their son was dead, one of the last two Marines to be killed under enemy fire on Vietnam soil, less than 12 hours before the start of the final evacuation of Americans from Saigon.

Corporal McMahon, who had been in Vietnam two weeks, was killed last Monday in a rocket and artillery attack on Tan Son Nhut Air Base outside Saigon as he stood guard over the United States defense attache's office.

After receiving the news of Corporal McMahon's death, his parents went into seclusion with their two other sons and a daughter.

Last April 5, when he was home on leave, Corporal McMahon attended the annual dinner of the Woburn Boys Club, where he was singled out as a former holder of the club's model boy award. He had been on leave after embassy duty in Washington. He spent some of his leave at Tenney Mountain in Plymouth, N.H., a favorite skiing resort.

When he left Woburn on April 17, he told friends he was to be assigned to the United States Embassy in Lima, Peru. However, his orders were changed at the last minute and he was ordered to report to Hawaii. Friends said that was the last they heard from him.

MICHAEL JOHN SHEA

First Lieut. Michael John Shea, a Marine Corps pilot listed as missing in the crash Tuesday of a helicopter, went to flight training after college graduation "to serve his country and fly helicopters," according to his wife.

In an interview at her home in El Paso, Tex., Jennifer McCabe Shea, 21 years old, said that her husband, who turned 25 on April 7, had been "dedicated to the Marines" but had thought of returning to college to earn a degree in electrical engineering.

Lieutenant Shea, a native of Milwaukee, was the son of Clarence J. Shea, a retired chief warrant officer who now is a civil employe at Fort Bliss.

At Parkland High School in El Paso, young Shea was captain and quarterback of the football team, played basketball, was the starting catcher for the baseball team and ran the high and low hurdles in track.

One of his high school coaches said of him: "He was a natural leader. He was a fierce competitor in anything he did." In his senior year in 1968, the faculty voted him "most outstanding boy."

In 1972 he graduated from the University of Texas with a major in Mathematics and a minor in physics.

In addition to his wife, parents and two sisters, Lieutenant Shea leaves two sons, Matthew John, 3, and Mark Darren, 11½ months.

SENATOR MANSFIELD SEES RESURGENCE IN U.S. POLITICAL LEADERSHIP

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the Record the text of a most thoughtful address delivered recently by the distinguished majority leader of the U.S. Senate, the Honorable Mike Mansfield, before the Washington Committee of the Mortgage Bankers Association of America.

The address, which was published in the May 1975 issue of the journal, "The Mortgage Banker," follows:

Senator Mansfield Sees Resurgence in U.S. Political Leadership

NOTES "GREAT DEAL OF RIGHT IN NATION"

It is not without some reticence that I choose to address you on the subject of Congressional leadership. As someone has recently pointed out, the trouble with being a political leader these days is that you cannot be sure whether people are following you or chasing you. Whether it is called a "message" or a "signal," some sort of shock has definitely been sent by the people to Washington. At a minimum, it causes a painful ringing in the ears. It can, in more serious cases, portend sudden political death. It is even rumored to be the only known cure for Potomac fever.

However that may be, it is obvious that the public impression of the Federal government, at this time, is not a happy one. An August 1974 public opinion poll shows the Congress at its highest point in history—48 percent—compared to 21 percent in December 1974. The Presidency has also had its ups and downs, as we all know. What our respective standings are now is open to question.

Leaving aside for the moment the question of whether such feeling is warranted, the fact remains that what is being expressed is, in part, a deep sense of public dissatisfaction and concern with the Federal government. Our people are caught between the jaws of inflation and recession. The effects of this painful pressure were intensified by the Indochina War, the oil crisis and a growing awareness of an inequitable tax structure. To cap the situation are the shocking blows against the nation's political institutions which have been delivered by the tragedies of Watergate and related matters.

NOT AT END OF ROAD

Whatever the sense of frustration, I hasten to add that I do not think that the nation is at the end of the road. To the bumper sticker which commands: "America: Love it or leave it," the response is simple: whatever the current irritants, who is leaving and who doesn't love it?

You can understand the reasons for that sentiment. Your industry at its best is a symbol of this country. It is energy and growth. It is fresh ideas, competition, progress, service, a faith in the future of the people of the nation. Qualities such as these go with the United States. They have enabled us to withstand the gravest adversity in the past. They provide the binders which hold the nation together, even at a time of government disarray.

Out of these qualities will come the source of tomorrow's renewal of the nation's spirit. It is in this context—in the context of renewal—that I would like to discuss the Congress of the United States, its role and the leadership it is trying to contribute to the nation in this time of trial.

Fourteen years ago, I was elected the Majority Leader of the United States Senate. The mandate has been renewed by my colleagues at regular two year intervals. Many have taken issue with the nature of that leadership over the years. It is a political fact of life that some individuals—Republicans, that is—would have preferred me to be the leader of a minority.

Notwithstanding my party role in the Senate, I can assure you that there exists a close working relationship with the leadership of the other party. To be sure, Senator Hugh Scott of Pennsylvania and I have our differences. Most of all, however, we share our problems in common. A Senate in continual partisan conflict is an ineffectual Senate. The Senates of the past few years have had their faults but measured by any responsible yardstick, they have ben effective. They have been active, innovative, careful, cooperative, and they have been made up of Americans with a sense of decency, integrity, and fair play.

ROCK OF REPUBLIC

For the past two years, in particular, the Legislative Branch has been the principal rock of the Republic and the guardian of Representative government. On the fundamental Constitutional questions, party labels have faded almost completely. On the many other issues, whether the energy crisis, taxes, appropriations or whatever, there are differences between the parties and even within the parties in the Congress. There are also differences between the branches and the Congress. It can be no other way. We are a government of separate branches; our politics remain lodged in two major parties. The juxtaposition of views from these various centers of political power are healthy and they are essential under our system of government.

I would note in this connection that the Democratic Majority in the Congress accepted without question, at that time, the vast electoral mandate given a Republican President in 1972. We were not, however, over-awed by it then or our increased majority this year. We concluded that the retention of the Democratic Majority in the Congress also carried a message. We read it as a separate mandate from the voters for the assertion of the independent functions of the Legislative Branch. Therefore, we acted to reinforce the Nation's system of checks and balances against what seemed to us to be an excessive accumulation of power in the Executive Branch and, may I say, that in this process we had a great deal of help from the Republicans in Congress.

The accumulation of Executive power did not begin in the present administration. It has been going on, administration after administration, for decades and much of it had become lodged, as a practical matter, in the permanent bureaucracy. Nevertheless, there were, at the outset of the last Congress, many evidences of a decided shift toward one-branch government which most members of the Congress of both parties found deeply disturbing in a Constitutional sense.

SYSTEM EROSION HALTED

In my judgment, the erosion of the system of checks and balances has been halted. It has not been easy. A President can make decisions as one person and, in a moment, if he chooses to do so. In Congress, a majority of the 100 Senators and of the 435 House Members not only have to agree on a goal but on what course to take to reach it. Then, if a Presidential veto stands in the way of that source, we have to begin again and reshape a new one which will gain the adherence of two-thirds of the Members.

If the country is not in the best of shape today, we might well ponder what the situation might have been if there had not been an independent Congress of dedicated Members—Republicans and Democrats. The fact is that there has been a more constructive Congressional input into National Leadership in the past two years than at any other time in many years. While it may be too early for this change to be felt or even to be widely perceived, it is, nevertheless, a change of great significance.

I would like to state in my remarks today that even as we give our attention increasingly to domestic problems, we cannot turn away from the international underpinning of these problems. The interrelationship of foreign and domestic developments, of course, has long been recognized. I would go further, however, and suggest that our involvement in what goes on outside the United States is greater than is commonly realized. What has happened abroad and how we have responded, in my judgment, has done much to delineate the situation which now confronts us at home.

I do not propose to try to answer the question of whether this is as it should be. What I should like to do in these brief remarks is to examine some recent examples of ways in which certain foreign policies have affected our life here in the United States.

There is, first of all, to repeat, the tremendous impact of two decades of U.S. activity in Southeast Asia which culminated in one of the most tragic wars in modern history. The circumstances and the attitudes which led us into the deep involvement in that remote part of the world have already receded into the past. What ought to remain fresh in our minds, lest we forget, is the price we have and will continue to pay for that involvement.

In much the same fashion, a general line of foreign policy which has consisted of providing military equipment and supplies to just about any nation willing to take it has also distorted the domestic situation of the nation. In fiscal year 1974, even after Congressionally imposed retrenchment had been legislated, we still managed to sell, give, or otherwise make available equipment and supplies to seventy-eight countries. Last year, $5.4 billion of military equipment was sold abroad—most of it through the Department of Defense. An additional $4 billion worth was given to nations without the capacity to pay for it.

EXPORT EFFECT ON NATION

That this great outflow of devastation has had a profound effect on some recipient nations is obvious, even a few artillery pieces can sometimes make a difference in the precipitation of coups and in the outcome of power struggles in new or unstable nations. What is not nearly so obvious, however, is that an export of $10 billion worth of military equipment is also not without deep effect on this nation's inner affairs. In the first place, a massive outpouring of military equipment, year in and year out, feeds domestic inflation. It draws down stockpiles of strategic materials. It depletes supplies of finite raw materials. It diverts large amounts of inventive genius and engineering skill to the production of military equipment which lives a short and not very useful life and then goes into obsolescence. It directs a flow of Federal resources from areas of urgent domestic need into a vast and largely useless overseas drain.

As I contemplate that while we are turning out ever more refined military equipment, other nations are doing better at producing electronic equipment, pollution-free automobiles, and are buying U.S. resources for manufacture and re-sale to the United States.

Another aspect of our foreign relations, which, interrelated with our domestic situation is the maintaining of large U.S. military garrisons in bases abroad. This practice has been going on ever since World War II. Its effect is not unlike the give-away of billions of dollars of military equipment and supplies. Even now, we have over 300 major overseas military bases and more than a thousand minor bases. There are over 3 million American servicemen, plus dependents, in Western Europe. Another 38,000 are stationed in South Korea; U.S. outposts in Southeast Asia contain still another 28,000.

FINANCIAL DRAIN APPARENT

The financial drain of these deployments is readily apparent. What is only beginning to become clear, however, is that we can no longer afford to use federal funds and exchange resources for extravagances of this kind. There has been a severe shrinkage in the large margin for error which this nation possessed a quarter of a century ago. Years of attrition have weakened the value of the dollar abroad. Years of deficits are doing the same thing at home.

The U.S. Military presence overseas has been too much for too long, at too great a cost.

Overseas deployments and military exports constitute only a part of the sum of the current military enterprises of federal government. Total expenditures for the Defense Department have become so astronomical that they are now a key element in the general economic condition of the nation. This year's military budget request of $85.8 billion is the largest in our history, surpassing even the $81.6 billion we spent in 1945, the last year of World War II. At the height of the Indochinese war, the military budget was $20 billion less than the amount requested for this fiscal year. It is reported that the amount for fiscal year '76 will be even higher than this year's.

An area of foreign policy which will have a continuing impact on our domestic situation is the nature of our relations with nations controlling significant sources of energy and industrial raw materials. We have come to a shocking realization of the precariousness of our situation in this connection. I do not profess to know whether any U.S. policy towards the states of the Middle East might have avoided the Arab cut-off of oil exports. I do know that we have done little until recently to pursue a policy which might lead to an acceptable stability in that region.

Without reflecting on the men and women who have struggled with the problems of the region for many years, the fact is that the Middle East has scarcely been a pre-occupation of our principal policy makers except when the blood of war begins to flow.

We must also face the fact that a decent future for the people of the United States cannot be found by shutting a non-existent door. We need the rest of the world even as it needs us. In short, the challenge is to look outward with new perceptions, even as we turn inward to build anew at home.

While there is reason for optimism in regard to a renewal in foreign affairs, it will be of little avail unless there is also a restoration of confidence in government and in the nation's political institutions at home. It is not just a question of Watergate or forgetting it or pretending that it never happened. It is the whole cloth of government which has become tattered with doubt, distrust, and dissatisfaction. It would, indeed, be convenient were it possible to exorcise in a moment all the inertia, neglects, and abuses that have gone into creating this climate. That cannot be. What can be done is to use the chief instruments of government—the Courts, the Congress and the Executive Branch—to dissolve these abuses before they ever again become fatal to liberty. That is a fundamental responsibility of public leadership—in the Congress, no less than in the Presidency.

PEOPLE'S RIGHTS

Before all else, the people have a right to an electoral system free of doubts and capable of yielding honest, responsible and responsive government open to all and shaped to meet the needs of all. It is incumbent on us to foreclose an excessive intrusion of great wealth, whether corporate, labor, personal or whatever, into the electoral process. That is a solemn and urgent obligation and, in my judgment, it will not be met except as we are prepared, in the end, to pay for the public business of elections largely with public funds. We are moving in that direction.

It is up to the Congress, too, to do something about other government abuses. Quite apart from Watergate, for example, there have been invasions into the most intimate workings of our lives, into the privacy of all Americans, by ill-coordinated, bureaucratic activity. There have been misinterpretations and maladministrations of laws, sometimes to the extent that they bear little or no resemblance to what Congress intended in the enactment. Representative government has yet to deal effectively with the problem of how to keep bureaucracies responsive to the public need, especially when they grow large, inert, cumbersome, and as in our times, more and more, automated and impersonal. In my judgment, Congress spends enough time writing laws—in some instances, too much. It may be that it is time, now, for Congress to devote itself more to looking to the manner of execution of these laws.

What Watergate, election abuses and, often, a distant bureaucracy have done to public confidence with regard to the Federal government, the energy crisis has done in the realm of the nation's economy.

IMMEDIATE RESPONSIBILITY

The immediate responsibility is to make certain that oil shortages do not devastate the economy again and that the price of past neglect is borne equitably by all Americans. We should fit our needs to our resources and we can if we will.

Beyond the immediate, what we must have is a foundation of facts on which to build a national policy on energy. We have to know far more than we know now if we are to meet what otherwise promises to be a recurrent threat to the nation's well-being. It is a threat of widespread business shutdowns, of transportation paralysis and of a permanent inflation which can only culminate in recession, unemployment and appalling human hardship. That, the people of this nation will not tolerate. That, the Congress of the United States no less than the Executive Branch must do all in its power to prevent. The need will not change even if the OPEC nations turn the valves wide-open. I hope that the ball of blame, therefore, will not be passed between the two branches for failure to meet the problem; I hope that we will be able to work together to resolve it. I am sure that with President Ford that will be the case.

The energy crisis has shocked this nation.

In so doing, it has also shown us in a sudden flash the precarious manner in which our entire national economic life has come to be organized. It is all well and good to be concerned at this time with the shortage of petroleum. But what of bauxite, nickel, tin, iron and copper and many other materials? What of wood and concrete? Where will the supplies of these and other essentials come from in the years ahead? Indeed, what of food, with the kind of disjointed policies in which exports of wheat in 1972 are stimulated one year only to compel high-priced imports the next?

To say that we have been extravagant with our resources is to put it mildly. In the earliest years of this nation, the first President, George Washington, spoke of raising "a standard to which the wisest and honest can repair." Do we meet such a standard when one day we are obsessed with the threats to our environment and the next, in our concern over the driving up of petroleum supplies, we all but forget that pure air and water are also exhaustible resources? To meet the Washingtonian standard—that is, the President's, not the city's—will take courage, courage to change, courage to innovate, courage to learn, and courage to renew.

It is my hope that the concern of the President and the Congress will not stop with just the energy crisis. The need is to learn from a bad dream before it becomes a nightmare again. The need is to begin, now, to take a careful look at not only the flashing of isolated warning lights but at the whole integrated switchboard of our national economic existence.

It is not enough, for example, for the Federal government to dole out tens of millions of dollars in a rescue operation to keep bankrupt Penn Central Railroad on the tracks. We need to know where an action of this kind fits into a national rail policy; where that policy, in turn, fits into the overall transportation requirements and the availability of fuels and other essentials in meeting them, not only today, but for the next decade or more. In short, we need to think ahead and to think in an integrated fashion. We need to begin to make the hard choices between what is more important to the nation and what is less, between what is enduring and what is transitory. That is the full scale by which government intervention in the nation's economy, if and when it must take place, should be measured. Unless we begin soon to develop that scale, the right hand of government will tend more and more to undo what the left hand has done.

Let me close by saying that there is a great deal that is right in this nation. We are a generous country with a strong, decent, industrious, and compassionate people. There is ample intelligence and inventiveness and an immense experience and vitality in our midst. If, working together, today, we will put these attributes to use for the benefit of all, there need be no fear for the nation's tomorrow.

This nation will withstand the adversity of the present. This nation will find, again, in the months and years ahead, the essential political leadership in the Presidency and in the Congress. We will renew. We will endure. There is no other choice.

A TRIBUTE TO MARY McGRORY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. RODINO. Mr. Speaker, a recent profile of her in a national magazine said this of columnist Mary McGrory:

> Mary McG., as she signs herself, is chilling wineglasses and chatting about her garden and the importance of having sun in one's kitchen. Her voice has unusual and memorable charm—gentle, low-pitched, with the clarity of a cultivated Boston accent. She has an especially beguiling smile, inward yet conspiratorial, something just between the two of us.

Two days ago, Mr. Speaker, this wonderful lady and acomplished journalist was awarded a Pulitzer Prize in the field of commentary. And, as her former executive editor at the Star-News, Newbold Hayes, remarked:

> I just don't understand why it took so long for her to win it.

For 21 years Mary McGrory's reporting, and for 15 years her syndicated column has provided insightful, incisive, and most of all, human, analyses of the great events in our world. Whether reporting about the campuses, the hearing rooms or the Asian battlefields she has always brought to her work a keenly intelligent perspective and what has been aptly described as a "poet's gift" for understanding and analogy.

It is a pleasure and a high honor to salute her this day on her richly deserved Pulitzer Prize.

GOOD-BYE, GREAT BRITAIN

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. SYMMS. Mr. Speaker, for a number of years now Americans have watched and commented on the steady trend toward socialism and consequent economic collapse in Great Britain. Unfortunately, Americans have learned from the economic disasters of Britain for we are heading down the same road. The April 29, 1975, Wall Street Journal carried an editorial on the demise of Britain and I commend it to my colleagues in the Congress:

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinions. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Britain earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business prerequisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

LEGISLATIVE QUESTIONNAIRE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. PICKLE. Mr. Speaker, about 2 months ago I mailed nearly 20,000 questionnaires to constituents throughout the 10th Congressional District. I was very glad to get a heavy response of around 10 percent on this long and detailed survey.

There are many contradictions in the opinions expressed throughout the survey. But I take this is a healthy sign. It demonstrates to me that our citizenry is not locked in a liberal position or a conservative position, but rather that they judge each issue or question on its individual merits or appeal.

Naturally, it is impossible to know the feelings of the more than 560,000 people who reside in the 10th Congressional District of Texas on each issue of the day, but I believe that this questionnaire is representative of a healthy cross section of the "grassroots."

I would like to insert the results of this survey for the benefit of my colleagues:

LEGISLATIVE QUESTIONNAIRE

[Answers in percent]

1. What do you feel is the bigger problem in the American economy at this time?

Inflation, 45.

Recession, 9.

Both, 45.

2. Check the following programs you think the government should institute to fight recession.

Tax cut, 68.

Create a credit institution similar to the Reconstruction Finance Corporation, 14.

More unemployment insurance, 7.

Public service jobs, 46.

Other (Please specify), 17.

3. Do you favor the $20 billion tax cut voted by the Ways & Means Committee?

About right, 51.

Too large, 14.

Too small, 22.

No cut at all, 18.

Other (Please specify), 5.

4. Check the statement or statements with which you can generally agree.

The Federal tax system is fair, 13.

The Federal tax system does not give enough incentives to business and investors, 17.

The Federal tax system is unfair to the lower and middle income people, 83.

The Federal tax system should give tax incentives to business that invest to increase their production, 37.

The Federal tax system should not have special provisions for business and investors, 26.

The domestic oil depletion allowance should be retained, 37.

The domestic oil depletion allowance should be eliminated gradually over several years, 31.

The domestic oil depletion allowance should be eliminated immediately, 17.

5. a. Should energy company profits be taxed more heavily?

Yes, 49.

No, 31.

Not sure, 27.

b. If yes, what should be done with the revenue?

The companies should reinvest the funds in efforts to find more energy, 28.

The U.S. government should use the money to find more energy, 21.

The money should go into general revenues, 17.

6. If tax cuts and government anti-recession programs are instituted, should we:

Allow an increase in the Federal deficit to cover the cost, 11.

Raise additional taxes to cover costs, 18.

Cut spending in other areas, 96.

7. Check the statement most representative of your views:

I favor total government controls on wages, prices, and profits, 15.

I favor selective government controls on wages, prices, and profits, 41.

I do not favor government controls whatsoever on wages, prices and profits, 56.

8. If Federal spending is cut, what areas would you recommend for less Federal spending? (Check one or more):

Defense, 44.

Human services (Social Security, welfare, education, housing, health care, etc.), 45.

Environmental programs, 46.

Research & development, 16.

Agriculture, 14.

Equal cuts in all areas, 29.

Other (Please specify), 10.

9. Do you agree with this statement: "Inflation is completely caused by too much government spending, and inflation could be completely stopped if Federal spending were reduced."

Yes, 36.

No, 47.

Not sure, 24.

10. Do you feel that the demand for oil and gas in the United States is greater than the available oil and gas supplies in the United States?

Yes, 50.

No, 36.

Not sure, 22.

11. What new forms of energy do you think should be emphasized in the future? (Check one or more)

Coal gasification, 35.

Oil shale, 26.

Solar energy, 57.

Geothermal energy, 34.

Nuclear fission, 30.

Fusion, 21.

All of the above, 46.

12. What steps would you support in order to increase the domestic production of oil and gas? (Check one or more)

Initiate offshore drilling on the Eastern & Western Seaboards, 80.

Lift price controls on old oil, 24.

Deregulate interstate natural gas, 27.

Ease environmental controls, 47.

Increase tax incentives for new production, 38.

Require oil and gas companies to invest more of their profits in exploration and development, 68.

Other (Please specify), 3.

13. Should the United States support the nation of Israel if Israel and the Arab States begin another armed conflict?

Yes, 26.

No, 47.

Not sure, 29.

14. If the Middle East producers instituted another oil embargo that brought the Western World to the brink of economic collapse, should the United States use armed force to break the embargo? (Check one or more)

Yes, 31.

No, 55.

Only if European countries and Japan support the action, 28.

Regardless of the feelings of Europe and Japan, 10.

15. What is your reaction to the following statement: "The United States should try to eliminate its need for imported oil."

Yes, even if it means reducing automobile use and changing lifestyles here at home, 77.

No, 22.

16. In order to cut down on this country's dependence on imported oil, which of the following actions could you support? (Check one or more)

A 25–50 cent tax on gasoline, 9.

A smaller gasoline tax earmarked for developing energy alternatives, 51.

A tax on imported oil, 41.

Mandatory oil and fuel allocation, 13.

Direct rationing, 29.

Special taxes on heavier, high horsepower, and low-gasoline mileage cars, 44.

A tax on industrial and commercial energy consumption, 19.

A ban on gasoline sales on certain days, 18.

Relaxation of environmental standards, 47.

Tax incentives for improved home insulation, 31.

We should continue to import as much oil as we need, 18.

17. If the choice were among the following, which would you choose:

Either direct or indirect taxes on petroleum products, 40.

Rationing, 33.

Allocation, 23.

Quota limitation, 16.

18. Do you agree with this statement: "Family farms and ranches are no longer economically feasible, and large-scale corporate farming is a good solution for our food-producing problems."

Yes, 13.

No, 76.

Not sure, 19.

19. Check any of the following statements you agree with:

I approve a government target price program over an allocation subsidy system for

peanuts, 14.

for wheat, 24.

for corn, 21.

for soybeans, 19.

for cotton, 17.

for rice, 13.

None of the above; I favor the old system, 17.

None of the above; I do not favor any form of price security for agriculture, 48.

20. In order to alleviate the present economic squeeze faced by livestock producers, which of the following actions do you think we should take? (Check one or more)

Ban beef imports, 45.

Liberalize the Emergency Livestock Loan Program, 11.

Institute price supports for meat as in the Common Market countries, 11.

Let the free market system work its will whether it alleviates the squeeze or not, 68.

Other (please specify), 6.

21. What do you blame for high food prices?

Producers, 1.

Processors, 50.

Retailers, 42.

All of the above, 20.

None of the above; it is a factor of general inflation, 31.

22. Do you think there is a world food shortage?

Yes, 63.

No, 22.

Not sure, 19.

23. Should the United States participate in an international program to aid nations with a food shortage by allotting some US agricultural production to the international program?

Yes, 61.

No, 27.

Not sure, 17.

24. Should we increase military aid to the government of South Vietnam?

Yes, 13.

No, 76.

Not sure, 16.

25. Check the statement or statements most representative of your views:

I favor a Federal health insurance program, 42.

I do not favor any kind of Federal health insurance program, 34.

If there is a Federal health insurance program, I favor the administration and financing to be through the Social Security Administration, and not through private insurance companies, 34.

If there is a Federal health insurance program, I favor Federal guidelines and Federal support for those who cannot afford health insurance, but a system where the private insurance companies manage health insurance matters, 39.

26. Do you favor a Federal no-fault insurance system for automobiles?

I do favor, 51.

I do not favor, 45.

27. Do you feel Social Security deductions from paychecks are too high?

Yes, 50.

No, 41.

Not sure, 13.

28. a. If the answer to No. 27 is "Yes," which of the following courses of action would you most favor to rectify the situation?

Cut the tax and reduce the level of benefits, 7.

Cut the tax and reduce the number of people covered by the benefits, 16.

Supplement the Social Security fund with revenues from the Federal Treasury, 20.

Lower the Social Security tax rate and increase the tax base, 20.

b. Are there any of the above solutions which you strongly oppose?

Cut the tax and reduce the level of benefits, 39.

Cut the tax and reduce the number of people covered by the benefits, 31.

Supplement the Social Security fund with revenues from the Federal Treasury, 30.

Lower the Social Security tax rate and increase the tax base, 22.

GUN CONTROL AS PEOPLE CONTROL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ASHBROOK. Mr. Speaker, in a continuing effort to shed the light of reason on the efforts of those well-intentioned persons who seem to feel that it is just and equitable to deprive the 45 million handgun owners in the United States of the legal right to possess such arms for sport and self protection in the futile and unfounded hope that the less than three-tenths of 1 percent will be unavailable for missuse, I am inserting in the RECORD a recent article contained in the April issue of Guns and Ammunition. It is written from the point of view of a man with a unique background. He has been on the inside of both the elite Presidential Palace Guard and the District of Columbia jail. There follows "Gun Control As People Control" by G. Gordon Liddy:

G. GORDON LIDDY: GUN CONTROL AS PEOPLE CONTROL

Early in the middle ages there was invented in Italy another in that long series of weapons predicted to "revolutionize warfare." In this case the prediction proved correct in a social as well as military sense.

Accurate to a range of three hundred yards, the new shoulder weapon had an extraordinary capability: it was armor-piercing. For the *medieval panzer*, the mounted armored knight, an effective anti-tank weapon had been developed.

By 1139 A.D. the one existing Pan-European political entity, the Catholic Church had, at the Second Lateran Council chaired by Innocent II, banned the crossbow on the ground that its use constituted an atrocity. The reason given by the Pope for crossbow control has in common with those asserted on behalf of its modern equivalent, gun control, two elements: both are as self-rightous as they are spurious.

The real reason the church banned the crossbow had nothing whatever to do with morality and everything to do with power since the proscription did not extend to use against non-Christian knights. Prior to the introduction of the crossbow, a ruling-class noble, encased in armor, mounted on a horse and carrying a sword and lance in the use of which he was skilled, had nothing to fear from a homespun-clad peasant afoot armed with the glorified spear called a pike.

Suddenly, the ruling class found itself in an unacceptable situation. A peasant father, for example, seeking to preserve his daughter from casual rape at the hands of a bored baron need no longer wring his hands and appeal to God; he could elect to preserve her purity with power rather than prayer. Safely out of range of lance and sword, a lowly peasant could send a bolt smashing through the armor of a lord to transfix the man who threatened a member of his family.

Even more importantly, an entire class of exploited persons had for the first time the technological capability to attack successfully their previously invulnerable masters; an atrocity indeed if, as was the Pope, one happened to be a master.

The medieval aristocracy had no intention of sharing the power of life and death if that sharing could be prevented. Fortunately, for the peasants, crossbow control was as effective then as gun control is today, which is to say not at all. The reason is the same. It has not and will not achieve the support of a huge portion of the population. People do not readily surrender power, and power is what the argument is really all about.

Cellblock 4 of the District of Columbia Jail has, on its third floor, a common room where prisoners may view television. One evening recently, following the local news, a young white man appeared on screen and delivered himself of an editorial calling for the confiscation of handguns owned privately. Save one observer, myself a convict, all those in the room were black. The listeners reacted to the editorial not as convicts but as black citizens. The editorial was viewed unanimously as a threat to what little power a black man, especially a poor one, had in a white, affluent nation. The barons did not want the peasants to have the power inherent in the possession of a crossbow, and *Whitey* does not want a *Brother* to have the power inherent in the possession of a gun.

The old arguments about registration, licensing, owner identification cards and the like are *passe* now. Few serious men on either side of the controversy bother to deny any longer that the issue is private possession of firearms; of a handgun today, of a long gun tomorrow (a long gun plus a hacksaw equals a handgun).

Feeling on both sides is intense. How could it be otherwise when such elemental and opposite emotions as fear, on the one hand, and a sense of security on the other, are at the center of the dispute?

We have, as a people (black and white) abandoned our streets after dark to the feral, only to sit behind dead-bolted doors there to ignore the cries of the street victim as of someone who should have known better than to have been abroad at that hour in the first place. We have not, however, abandoned our homes. There we stand and fight. Indeed, what choice is there? Further retreat is impossible.

Years ago someone engraved on the barrel of a Colt revolver: "Be not afraid of any man, no matter what his size. When danger threatens, call on me. I will equalize."

There is a profound sense of security felt by some forty-five million firearms-owning citizens in the knowledge that they have in their homes a gun. It may not be an appropriate weapon in fact (many a woman places her faith in a .22 caliber pistol when, for man-stopping purposes, a .38 special is marginal) but the feeling of security is there. If someone from "out there" tries to break into the last sanctuary, the home, there is a powerful last resort. Anyone believing that such a person is going to turn in the gun the government doesn't know he or she possesses, and with it what little sense of security he or she has left, because a law purports to make criminal what has existed as a right for two hundred years, is mistaken.

It is also vain to expect those who do not own firearms, are not familiar with them and thus fear them, to care that a firearms confiscation program would entail billions in direct and indirect costs; would be as effective as prohibition; would not prevent a robber from arming himself with a handgun; or prevent a person in a murderous rage from using it on a spouse, or oneself if determined upon committing suicide.

One wishing to gauge the impact of the emotional character of this argument need but reflect upon the position taken by many an erstwhile civil libertarian on this issue.

Fewer than three-tenths of one percent of firearm owners are involved in any crime in which, in any way, a firearm is used. In no other issue-area would a civil libertarian even suggest that one could justify the deprivation of a right and the confiscation of property from a majority on the ground that a minuscule minority had abused that right or misused that property.

What those who call for "gun control" really mean is people control, but they lack the courage to say so. Gun control has always been a convenient scapegoat for those unwilling or unable to address themselves to the real problems of our society. But gun control will not protect its advocates from those who believe that they are excluded from our society, are social outlaws and might as well become outlaws in fact to take by force that which they are not equipped to acquire by acceptable means or which they believe, correctly or incorrectly, they will not be permitted the opportunity to acquire whether equipped to do so or not.

There will always be among us those who do not choose to delay gratification and who elect to prey upon others. Such persons are not confined to any social class, educational background, race or other identifiable grouping factor. Such persons, however, cannot account for the extraordinary amount of violent crime in the United States. There are other reasons for that, not the least being the fact that millions of our people perceive themselves, not without reason, as members of an underclass, without power and without access to power by ordinary means.

In struggles for power, people get hurt. Sooner or later responsible leaders will have to stop occupying their time with such symptom-treating approaches as gun control and attack the real problem. The only aristocracy that can last is that based upon merit. Joining with the Pope in cursing the crossbows will not preserve an aristocracy based upon one's pigmentation or parents.

PROFESSOR HAYEK, NOBEL PRIZE WINNING ECONOMIST, EXPLAINS THAT "SO-CALLED" FULL EMPLOYMENT POLICIES OF GOVERMENT ACTUALLY CAUSE UNEMPLOYMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. KEMP. Mr. Speaker, last month I had the pleasure of organizing a discussion with Prof. F. A. von Hayek, Nobel Laureate in Economics, and several Members of Congress. All of us benefited greatly from the insights of this distinguished scholar into our current economic problems.

At this meeting he stressed to us what many of us have been saying here on the floor, that is, that inflation is a result of deficit spending and that inflation causes unemployment. The way to create jobs is not through inflation but by unleashing the creative and productive energies of a free society, as Professor Hayek has pointed out in his most valuable book, "The Constitution of Liberty."

Mr. Speaker, Professor Hayek recently spoke under the auspices of the University of Chicago School of Business on this most important point: The causes of unemployment. I should like to insert in the RECORD at this time a report of his remarks, which appeared in the April 20, 1975 issue of the Chicago Tribune by Nick Poulos:

REMARKS BY PROF. F. A. VON HAYEK

Intellectually, the man towers like a giant oak in a forest of saplings.

He is Friedrich A. von Hayek, the 75-year-old cowinner of the 1974 Nobel Prize for economics—the man who captivated Chicago's economic community last week with his refreshingly honest ideas, integrity, and charm.

The Austrian-born economist was one of a select group of economists, bankers, and government officials from major industrial nations who attended a conference sponsored by the University of Chicago Graduate School of Business and the First National Bank of Chicago.

While most of his peers flirted rhetorically with the problems of inflation, unemployment, and other economic ills, Von Hayek demonstrated an instinct for the jugular. Indeed, Von Hayek left quite a few of them bloodied and bowed.

Von Hayek charged that the economists who subscribe to the distorted Keynesian theories have given "wrong advice" to their governments in the last 25 years; that they are primarily responsible for the "mess" the Western world finds itself in.

"They ought to do penance in sack cloth and ashes," he suggested. "They should admit they have lost credibility and no longer deserve audience in determining current economic policy."

Von Hayek recalled that back in 1945, he had warned Lord John Maynard Keynes, the famous British economist, that his theories were being distorted by his disciples.

"Keynes said he intended to repudiate the misleading interpretations of his economic theories, but he died six weeks later," Von Hayek said.

"What we are suffering today is Keynesianism, not Keynes. Most of his disciples welcomed the fact inflation would eventually destroy the market economy. If Keynes were alive today, he would be fighting inflation.

"We can avoid calamity by following effective economic policies supported by a better informed public. The public has been miseducated in economics.

"For example, there is no question in my mind that the present high unemployment is a direct necessary consequence of a full employment policy.

"We must make clear to the public the true relationship between inflation and unemployment. The relationship is one of overeating and indigestion.

"Unemployment is the indigestion you get after you swallow the pill of inflation.

"We may have reached the stage—I pray we have reached that stage—where a further dose of inflation will no longer be sufficient to stop the rise in unemployment, and that it will be obvious we must consider other alternatives.

"Full employment is a desirable aim, but the policy doesn't work in the long run. In the short run, it attracts people into jobs that cannot be permanently maintained without rapid acceleration of inflation.

"It simply creates false jobs which require even more inflation.

"I'm not arguing that unemployment is a desirable instrument to secure economic recovery. Unemployment, unfortunately, is a consequence of the expansive political policies we have been following for the last 15 to 20 years.

"As long as the public believes unemployment can be cured by a little more government spending, no government can resist the pressure to do so.

"Inflation is solely and entirely the result of an increased quantity of money, not the necessary consequence of other political actions.

"And if there is anything worse than open inflation, it is suppressed inflation. Wage and price controls simply aggravate the situation.

"I believe that our chances of achieving a relatively stable and prosperous society depend upon the recognition of such truths."

Von Hayek, who taught at the University of Chicago in the 1950s, called for an eventual return to fixed exchange rates for currencies and a central monetary standard based on gold or some combination of values of commodities.

He added that the same economists who had misled their governments in economic policy had contributed to the destruction of valued monetary institutions such as the old gold standard and the Bretton Woods system.

Having disposed of his errant fellow economists, Von Hayek went on to express his growing alarm about the general disillusionment over democracy in general because of political and economic events.

"We must be prepared to admit that while the principle of democracy is still valid, some of our democratic institutions are defective," he asserted. "Democracy is being blamed for things which are really a defect of our institutions."

Von Hayek said democracy must change if it is to survive, and that the ultimate solution to economic and political problems is adoption of some form of super government body that is able to provide the sound guidance a nation needs.

The economist said this will be the subject of a third book in an economic trilogy he is working on.

Von Hayek shared the 1974 Nobel Prize in economics with Gunnar Myrdal of Sweden.

The Swedish Academy of Sciences cited Von Hayek for his "profound and original" contributions to economic theory which aroused widespread debate in the 1920s and 1930s.

Von Hayek was one of the few economists who warned of the dangers of a major economic crisis before the 1929 crash.

Today, Von Hayek fears the western world may experience a long economic depression with higher unemployment if governments do not reverse their high spending policies.

Whether the sound economic policies of men such as Von Hayek are adopted remains to be seen. If they are not, and economic and political disaster results, no one need try to fault the Von Hayeks of the world.

PRESIDENT FORD AND COVERT ACTION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HARRINGTON. Mr. Speaker, on April 10, 1975, President Gerald R. Ford gave the state of the world address to a joint session of Congress. In his speech, the President declared that the first priority of his Presidency was to "sustain and strengthen the mutual trust and respect which must exist among Americans and their Government." The President went on to state that, as long as he is President, America will "maintain its strengths, its alliances, and its principles as a prerequisite to a more peaceful planet."

The goals which President Ford has set for his administration are certainly admirable and no one who has recently reviewed public opinion polls could doubt the necessity of reviving popular trust and confidence in our governmental institutions. In addition, anyone who has assessed America's international standing would similarly agree to the necessity of reaffirming our principles as a nation.

Having stated my agreement with these goals, I seriously question whether the means by which the President will seek to accomplish them are not in and of themselves antithetical to the principles of democracy. In an interview on April 21, with Walter Cronkite, Eric Sevareid, and Bob Schieffer, President Ford said:

> I can assure you that if we are to compete with foes on the one hand, or even be equal in the execution of foreign policy with our friends, we have to have covert activities carried out.

By reiterating his support for covert action and expressing his belief that such activities are necessary to compete on an equal footing with friends and foes alike, President Ford has placed himself among those who, perhaps unwittingly, have contributed to the crisis of trust and confidence at home and our loss of power and prestige abroad.

Covert action means cover story, and cover story is simply an euphemism for lying. Valiant attempts to maintain the cover stories for covert activities which failed have subjected the American people to the repulsive spectacle of watching our most respected public officials lying until finally forced to reveal the truth. President Eisenhower lied publicly in the U-2 incident, Adlai Stevenson unwittingly lied before the U.N. during the Bay of Pigs invasion, Secretary of State Dean Rusk also lied on this occasion, and the list could go on and on. Opinion leaders, whether on the local or national level, set the moral climate of the Nation. When opinion leaders such as these find lying expedient, lying could well become an acceptable form of behavior throughout our society.

Commonsense proved long ago the validity of the adage that one lie begets another. The behavioral requirements of covert action soon overlap and permeate our domestic scene, and the techniques of covert operations begin to be applied at home, as Watergate so clearly proves. John Kenneth Galbraith noted this linkage when he wrote:

> Nothing growing out of the episode has been more salutary than its advertisement of the banality, ineptitude and general unattractiveness of the people who, released from foreign employment, sought to bring the darker arts nurtured by our recent foreign policy to domestic purposes.

The illegality and corruption inherent in covert operations are soon linked to our domestic institutions, compromising their purposes and functions. When domestic corporations are used as fronts by the CIA for covert action operations the credibility and integrity of our legal system is subverted and the independence of our regulatory commissions becomes questionable. The case of the *Glomar Explorer* is instructive in this regard. To protect the secrecy of the operation, the Los Angeles County tax assessor was requested to place the ship on the tax rolls at less than total value. False affidavits of ownership were filed with the Coast Guard, and I know of no investigation of perjury in this regard. Systematically, the illegality inherent in such operations has a snowball effect and undermines the legitimacy of our regulatory commissions and our legal system in general.

David Wise, in "The Politics of Lying," perhaps best sums up the effect of Government deception:

> The consent of the governed is basic to American democracy. If the governed are misled, if they are not told the truth, or if through official secrecy and deception they lack information on which to base intelligent decisions, the system may go on—but not as a democracy.

Historians who have for years argued that our generation lacks a sense of historical perspective would be quick to add that great civilizations of the past have all been destroyed from within by the corruption of their institutions and the erosion of their values.

The effects of covert action on America's prestige and power abroad is no less important. The assumption by President Ford that covert operations are necessary in order for U.S. foreign policy to compete successfully with its allies and foes alike reflects the President's inability to discard outdated cold war assumptions and learn the single most important lesson to emerge from our defeat in Vietnam: Paramilitary operations, secret wars, bribery, and even massive commitments of American firepower and money cannot compete with the power of insurgent forces engendered by a commitment to a national ideal.

The single most important competition in which the United States must participate and win will be for the minds of men; not for the momentary allegiance of one particular leader, or regime, or junta, or faction of a political party. The extent to which Secretary Kissinger continues to ignore the ideological component of power in favor of an easily quantifiable military balance of power will be reflected by continued setbacks in the competition for the minds of men.

The primary purpose of American foreign policy should be to support the right of self-determination and encourage the development of democratic institutions. For the most part, American political scientists have been hard pressed to explain why developing countries of the third world have had such a difficult time making democracy work.

Perhaps because of the necessity to protect the secrecy of covert operations they were unable to factor in several key variables affecting its development: Massive monetary support from the CIA to various political parties; sustained bribery thus subverting the political process, as in Chile; supporting, encouraging, and planning, military interventions in their political processes.

These latter acts fundamentally alter civil-military relations, a process which once begun is hard to reverse. None of these acts would be tolerated in our own democratic society, and to undertake or encourage such actions abroad puts the lie to our stated commitments and makes virtually impossible an already difficult task.

Third world countries who attempt to make democracy work deserve the chance to do so free of foreign intervention. The use of covert action to support a status quo throughout the third world identifies the United States as the primary stumbling block to progress and social change.

The use of similar tactics as those of our supposed enemy, the installation of military juntas and one-man dictatorships by use of covert action—many of which have in the past or presently stand accused in the United Nations of gross violations of human rights—makes the United States appear the mirror image of the forces of oppression which we abhor. Richard Falk, professor of international law at Princeton University makes a similar point when he notes:

> The CIA has opposed regimes that basically upheld human rights and helped replace them with regimes utilizing torture as a routine technique of governance such as in Guatemala, Greece and South Vietnam.

These covert activities of the CIA do not speak highly of our supposed commitment to articles 55 and 66 of the United Nations Charter or the Universal Declaration of Human Rights.

Professor Falk goes on to list examples of paramilitary interventions by the CIA to overthrow legally constituted governments:

> The anti-Mossadegh coup of 1953 in Iran; the anti-Arbenz coup of 1954 in Guatemala; the unsuccessful anti-Sukarno coup of 1958 in Indonesia; the unsuccessful anti-Castro invasion of Cuba at the Bay of Pigs in 1961; the unsuccessful harassment of Chinese administration of Tibet throughout the 1960's; the anti-Papandreou coup of 1967 in Greece; and the anti-Sihanouk coup of 1970 in Cambodia.

He goes on to say that such actions by the CIA "violate the United Nations Charter and as a duly ratified treaty, is part of the supreme law of the land by the U.S. Constitution." The President of the United States in his oath of office, swears to uphold the supreme law of the land and one could reasonably ask in this regard if by authorizing these covert activities he is not committing an impeachable offense.

One searches in vain for any validity to the President's assertion of a "new dialog with Latin America, looking toward a healthier hemispheric partnership." And his comment that "our relations with Europe have never been stronger" raises the intriguing question of who is censoring his morning papers? Anti-Americanism is rampant in Greece, which has recently pulled out of the military side of NATO, and Turkey is reevaluating our bilateral base agreements. Portugal, whose military leaders were disgusted with their long and weary participation in oppressive colonial wars, are now on a leftward trend that seems destined to take them out of the NATO orbit.

Arnold Toynbee's reflection on America's image in Europe is probably much more accurate than the President's:

> To most Europeans I guess America now looks like the most dangerous country in the world, since America is unquestionably the most powerful country. The transformation of America's image in the last thirty years is very frightening to Europeans. They feel that at any moment America may intervene in their own internal affairs with the same appalling consequences that have followed from American intervention in Southeast Asia. For the world as a whole the CIA has now become the bogey that Communism has been for America. Whenever there is trouble, violence, suffering, tragedy, the rest of us are now quick to suspect that the CIA had a hand in it. Our phobia about the CIA is no doubt as fantastically excessive as America's phobia about world Communism. But, in this case too, there is just enough convincing evidence to make the phobia genuine. In fact, the roles of America and Russia have been reversed in the World's eyes. Today, America has become the world's nightmare.

To cite covert activities by the CIA as antithetical to our own democratic principles, as direct violations of international law and the Charter of the United Nations, as inherently destructive to the development of democratic institutions in the third world, and as eventually subverting our own domestic political system is not to say that the agency is not to some degree responsive to policymakers.

In this regard, it behooves us to scrutinize closely the commitments of our Secretary of State to democratic values, American ideals, and our stated support for self determination. His statement with regard to Chile is instructive:

> I don't see why we need to stand by and watch a country go communist due to the irresponsibility of its own people.

Such an elitist and ethnocentric point of view has no foundation in basic American ideals.

Secretary Kissinger simply is not comfortable with democratic institutions, either at home or abroad, an observation easily defended by noting the character of those regimes he feels most comfortable with and is willing to support. As Thomas L. Hughes recently noted, realpolitik has to operate under restraints in a democratic society and in the context of realpolitik unlimited, "slippery men seek slippery measures, and odious measures seek odious men—a fateful combination destructive of democracy."

Covert action must cease. Congressional oversight of our intelligence community is long overdue; without it the threat to our domestic institutions has become too real and the damage to our international standing too great. We can no longer afford the luxury of saying "I don't want to know"—we must instead demand to know and those who are charged with conducting these investigations who do not want to know should resign their positions and leave the task to others. As is usually the case with most cancers, rarely is the first operation a total success. Covert activities undermine our basic principles, belie our cause, defeat our purpose and should therefore cease to be an integral part of American foreign policy.

A QUESTION OF FAIRNESS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. SYMMS. Mr. Speaker, a matter has recently come to my attention which merits, in my opinion, further examination. It involves the House Subcommittee on Oversight and Investigations and actions it took against the Federal Energy Administration which, on the surface at least, appear to have been highly imprudent. The article I submit on this matter speaks for itself. I urge my colleagues to read it carefully and draw their own conclusions.

Mr. Speaker, I would further state that we should abolish FEA, but I fear that the subcommittee chairman has plans not to get rid of FEA, but to give it more authority thereby helping us slide even further into the dark ages of no heat, no lights and no gas.

The article, from the Baltimore Sun, follows:

AGGRESSIVE HOUSE OVERSIGHT SUBCOMMITTEE FLEXES MUSCLES, MAKES LIFE TOUGH FOR FEA

(By Stephen E. Nordlinger)

WASHINGTON.—Suddenly, in the middle of an afternoon three weeks ago today, a congressional investigator arrived at the offices of the Federal Energy Administration with a letter that demanded all the documents on a controversial oil-price case at the agency's "earliest convenience but no later than 12 o'clock noon Tuesday"—the next day.

This letter, signed by Representative John E. Moss (D., Calif.), chairman of the newly reformed House Subcommittee on Oversight and Investigations, set in motion hurried public hearings that raised questions about the fairness and objectivity of the subcommittee, which is expected to emerge this year as perhaps the strongest and most important investigative panel in the House of Representatives. It is operating with a $600,000 budget and 15 investigators.

Despite the short deadline in the letter from Mr. Moss, the subcommittee's investigator, Albert McGrath, pressed for faster action from the FEA.

He asked for the immediate delivery to him on the spot of material from the files, but officials in the FEA general counsel's office wanted at least the limited time afforded by the letter. Some of the documents had to be sent by telecopier from the FEA regional office in Atlanta.

Later that same afternoon, even before the material was put together for delivery, a public hearing was scheduled by the subcommittee for two days later to examine the evidence in the case, in which top FEA officials were accused by federal and Florida law-enforcement authorities of not cooperating in investigating alleged overcharges by a fuel supplier to the Jacksonville Electric Authority.

The chief FEA officials in the case who were called to testify at the hearings were not interviewed in advance to give their version of the case or to be informed of the scope and nature of the charges to be presented against them.

In contrast, the subcommittee's investigative staff talked with the chief accusers from the U.S. Customs Service and Florida agencies as well as officials at the State and Justice departments who were involved in the case.

The staff also spoke to lower-level FEA staff members about the actions of the officials who were called to testify, including Robert E. Montgomery, Jr., the general counsel, and Douglas G. Robinson, his deputy.

So quickly did the subcommittee staff, under Michael Lemov, the chief counsel, put together the hearing material that few members had an opportunity to read, much less analyze, the thick volume of documents.

The Republicans, in the dark about the investigation, met privately to discuss boycotting the hearings but decided to attend. As it was, no Republican was present when Mr. Moss decided at the outset to move ahead. By a vote of 6 to 0, the Democrats quickly waived the House rule that requires seven days notice for hearings.

Without having interviewed the key FEA officials in the investigation and before the testimony began, Mr. Moss said in his opening statement: "I am certain that officials of the FEA . . . will have explanations for their less than vigorous cooperation with state and federal law enforcement officials. We will want to hear them out. We will reserve final judgment until all the facts are in."

The FEA officials later denied the charges of noncooperation lodged by the Florida and federal law-enforcement officials.

Mr. Moss, a 60-year-old, 12-term House member and long-time critic of the oil industry and of the relations of the industry to Republican administrations, spoke at the hearing of the need for "urgency" and said it was "essential" to move quickly to investigate FEA enforcement policies.

At no time during the two days of the hearings, April 9 and 11, was there an explanation of the requirement to pursue the case so quickly.

During a study over the next two weeks of the manner in which the hearings were put together, neither Mr. Moss nor Mr. Lemov cited a specific reason for the need to waive the House rule and hold the hearings that particular week. Apparently no emergency existed.

Representative Richard L. Ottinger (D., N.Y.), who moved to waive the rule, said in an interview that there were "trials going on" in the Jacksonville case that, he said, prompted the speedy hearings. When informed that no trials were taking place, he said that grand juries were investigating, but two grand juries in Jacksonville have been in session for months on the case without a conclusion in sight.

Some congressional committees, in fact, avoid public hearings on matters being investigated by grand juries to prevent publicizing material that could jeopardize the criminal investigation.

Finally, Mr. Ottinger said that he made his motion at the request of Mr. Moss who said later in an interview that "in my judgment this was the appropriate way to proceed."

"I am answerable to the committee [the parent House Commerce Committee], to the Congress and ultimately to the electorate," Mr. Moss said. "I feel that I have acted in a manner consistent with the responsibilities I bear."

Later, he added: "I have been attempting to catch up with lost time. We should have gotten started in the last year."

In a separate interview, Mr. Lemov gave additional reasons for scheduling the hearing so quickly, but, when pressed, he cited no specific reason for needing to move that week.

He mentioned that President Ford had been appealing to Congress for speedy action on energy legislation, but the President had been applying this pressure for months and it is expected to continue indefinitely.

Mr. Lemov also said there was a need for the hearing to occur while another subcommittee, headed by Representative John D. Dingell (D., Mich.), was drawing up a bill concerned with federal controls over oil prices. But, in an interview, Mr. Dingell said he was uncertain when this legislation would be completed.

Finally, Mr. Lemov said that the U.S. Customs Service was investigating possible illegal overcharges by oil suppliers in 40 ports and that there was a need to move quickly in the subcommittee. But a spokesman for the agency said that these investigations had been proceeding for months and there was no indication of an end.

Discussing the subcommittee's approach to its investigative functions, Mr. Lemov said: "If you think that was fast, just watch us when the situation demands it. We're going to move ahead, within, of course, the requirements of due process and fairness to all sides."

Late in the same week of the Moss hearings, the Senate Permanent Subcommittee on Investigations was holding a closed hearing on matters before the FEA, including the Jacksonville case. Mr. Moss, by moving speedily, allowed the first day of his public hearings to precede the executive session by the Senate panel.

On the Thursday afternoon between the Wednesday and Friday hearings held by Mr. Moss, the Republicans on the subcommittee, evidently incensed by the procedures used by Mr. Moss and his staff, met for four hours to review the case with the group of FEA officials summoned to the hearings.

The next day, Friday, Representative Edward R. Madigan (R., Ill.) elicited from the FEA officials testimony that none of them appearing before the subcommittee had been consulted in advance of the hearing.

Defending this procedure, Mr. Moss told the hearing: "I do not waste the time of a limited investigative staff to go out and interview each of the persons here in town who are already employed by the government."

However, a staff investigator, Kirk Smith, interviewed officials at the Customs Service and the State and Justice departments as well as the lower echelons of the FEA, apparently to build up his case.

Mr. Kirk said in an interview that it was subcommittee policy not to disclose the list of those interviewed, but checks with several officials determined that they had been interviewed in the week before the hearing.

"I do not at this moment feel at all embarrassed by the conduct of my staff," said Mr. Moss. "As a matter of fact, within the very limited space of time available to them, I am proud of the thoroughness of the job they have done to date."

When Mr. Montgomery noted that Mr. Moss had said that it was his policy only to interview people out of town but that, in fact, his staff had also talked to other officials at the FEA in Washington, Mr. Moss replied:

"It is also my policy to determine whom I will interview."

After consulting Mr. Lemov, Mr. Moss noted that his staff had actually met with the FEA general counsel's staff "in Room 2323 of the Rayburn Building at 2 P.M. on March 24 to discuss the areas of interest to this committee as it commenced to undertake an inquiry."

The Jacksonville case was never discussed at this meeting, Mr. Lemov later acknowledged. None of the seven FEA officials sent to the meeting scheduled by Mr. Lemov knew the details of the case and no other meeting was arranged by Mr. Lemov before the public hearings.

Asked why he had not interviewed the FEA officials on the specific case before the subcommitte, Mr. Lemov said that he was "not in the habit of tipping off possible subjects as to the exact nature of the investigation" because "they would be able to exert pressure on persons in the agency in question who are assisting the subcommittee."

Mr. Moss said in a separate interview that he felt "no compulsion" to interview all parties in advance of a public hearing. He said that he felt the preparation of the hearing in this case was "quite adequate."

Mr. Moss is known on Capitol Hill as a bright, aggressive legislator who had been eager over the years to move into a position of greater influence and power.

Last January, with the help of an influx of freshmen congressmen on the House Commerce Committee, he ousted Representative Harley O. Staggers (D. W.Va.) as subcommittee chairman after a bitter fight.

For years under Mr. Staggers, who is chairman of the full Commerce Committee, the investigations subcommittee had been dormant. It gained its greatest prominence in recent years in 1971 when Mr. Staggers investigated alleged bias in a CBS television program, "The Selling of the Pentagon," about Defense Department public relations activities.

In his campaign, Mr. Moss charged that Mr. Staggers had failed to exercise the subcommittee's functions overseeing various regulatory agencies and he pledged that he would vigorously investigate such matters as the hiring of oil company executives by the FEA and the implementation of oil price controls.

Mr. Moss's first public hearings as chairman were devoted to the Jacksonville case. After the first two sessions, now more than two weeks ago, no further hearings have been held or scheduled.

As a result of reforms within the Commerce Committee this past January, Mr. Moss as subcommittee chairman will be given considerable power. He has the right to hire his own staff and dispose of an appreciably increased budget, subject only to approval of the other Democrats on the panel. Before this change, all the staff and funds of all subcommittees were kept at the full committee level, under the thumb of Mr. Staggers.

THE INDIANA DUNES: THE NEED FOR A COMPROMISE

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. FITHIAN. Mr. Speaker, on March 20, I introduced a compromise bill for the expansion of the Indiana Dunes National Lakeshore Park.

This compromise addresses itself to the vital interests of both environmentalists and industrialists, and seeks, therefore, to preserve the best natural areas for park expansion while allowing for adequate industrial growth and development. It is a compromise that has no group or agency dancing in the streets. It is not a victory for anyone except for the people of northern Indiana who desire a fair and equitable solution that finally resolves this controversy which has long divided the community.

I am pleased to have received these favorable comments from the local print media. I would like to reprint two editorials, one from the Gary Post-Tribune, March 19, 1975, and another from the LaPorte Herald-Argus, March 31, 1975, as well as a story in the Chesterton Tribune of March 17, 1975. I would like to call these comments to the attention of my colleagues in the House. This information is reprinted as follows:

[From the Gary Post-Tribune, Mar. 19, 1975]

PARK AND INDUSTRY GROWTH

The side-by-side creation of a national park and industrial development around the Port of Indiana, including creation of the port, itself, came into being through a spirit of congressional compromise.

That same spirit seems to us encompassed in the further expansion plans for the Dunes National Lakeshore as advanced by Rep. Floyd Fithian, the new Democratic 2nd District congressman.

Fithian's proposal would add 4,580 acres to the park as compared with a 5,328-acre addition supported by Rep. J. Edward Roush of Huntington.

Fithian, in whose district the park is located—except for additions touching Rep. Ray J. Madden's 1st District and Rep. John Brademas' 3rd—would make certain exceptions asked by three major industrial developers in the area, Bethlehem Steel, Midwest Division of National Steel and Northern Indiana Public Service Co.

That doesn't mean that those concentrating on industrial expansion of the area are thoroughly in accord with the Fithian proposal.

In fact, somewhat sharp criticism of the plan both from the industrialists and from the environmentalists tends, in our view, to indicate the Fithian program is truly a compromise, and since no one will get everything he wanted, none is fully satisfied.

That doesn't mean that the Fithian plan need be accepted as the final blueprint. Nevertheless, it is based on a careful taking of testimony by a man desirous of seeing both sides of the arguments, and it should afford a workable vehicle for developing a final map.

We regard Fithian as sincere in stating:

"I firmly believe that it is possible to have industrial expansion and still expand the park to preserve the best of the natural areas."

Let's take it from there.

[From the LaPorte Herald-Argus, Mar. 31, 1975]

FITHIAN PLAN ACCEPTABLE

A compromise expansion plan is welcomed for the Dunes National Lakeshore as proposed by Second District Congressman Floyd Fithian.

It was by compromise that the national park was created side-by-side with industrial development along the lakeshore in Porter County. Both recreational park area and industrial installations surround the Port of Indiana, which also came into being because of congressional and state legislative agreements to carry out all projects that had been planned in the area for many years.

Congressman Fithian arrived on the scene as a freshman U.S. representative after a long and drawn out struggle between conservationists and promoters of economic growth. In the aftermath, since he took office, he has held a series of public hearings, listening to both sides and researching details involved in developing industry, a port and a national park in the same vicinity.

Nothing that now exists can very well be removed. Fithian, in proposing to add approximately 4,500 acres to the national park, leaned toward protecting the open spaces as a first priority in his compromise proposal. He includes the town of Beverly Shores in the expanded area, which squares with what the majority of affected residents in Beverly Shores have advocated during numerous past hearings.

The Fithian plan falls short of the 5,300-acre addition proposed in the Roush Bill now before Congress—introduced by Indiana Rep. Edward Roush, from Huntington, a longtime supporter of preserving the lakeshore and vicinity for park and recreational purposes.

Fithian deletes from the federal park area several sectors in the immediate vicinity of existing steel mills and close to the Northern Indiana Public Service Co. property because of the necessity, as he sees it, for "green belt" areas between park and private property.

That part of the plan appears particularly consistent with the spirit of compromise that has characterized so much of park-industrial development in the area.

The Fithian proposal does not have to be accepted as such, but it opens the way to accord that is badly needed to resolve the controversy in the best interests of all concerned.

We believe it urgent that the Congress accept Fithian's proposal as a basic blueprint for drawing up a final settlement.

[From the Chesterton Tribune, Mar. 17, 1975]

FITHIAN PLAN APPEARS TO BE TRUE COMPROMISE

Congressman Floyd Fithian, D-2nd, appears to have a true park-industry compromise bill with his national lakeshore expansion bill proposed for introduction this week.

The test. Neither side (supporters of the national park or proponents of industry) stood up and cheered Friday afternoon when the congressman from this district unveiled his plans at a press conference in the city council chambers of Valparaiso city hall, nor did they shout protest.

Ed Frank of Bethlehem Steel said he was not enthusiastic but the company would need time to analyze Fithian's proposal before making a comment.

John Hillenbrand, chairman of the Indiana Natural Resources Commission, said he felt the Fithian proposal still "boxed in industry" and that is what the state wanted to avoid.

John Schnurlein, member of the lakeshore advisory commission, said the Fithian proposal further clouded the issue.

"It's a whole new can of worms," he said, "and is more confusing than before. It creates more islands."

When asked what the reaction had been to his proposal from Midwest Steel, Bethlehem Steel, NIPSCO, and Gov. Otis Bowen, Fithian said that he had not discussed the actual bill he introduced with any of them. A snowfall in Indianapolis prevented the Governor and him from meeting.

Fithian updated his press conference to announce the proposal from 8:30 a.m. today to Friday afternoon, because he wanted to be in Washington to help Congressman Udall pass a conservation bill today, and consequently was not as prepared as he would have been.

He expressed surprise over Ed Roush, D-Huntington, introducing the same bill that Roush introduced last session. Fithian said he talked for two hours with Roush explaining to him the reasons for dropping certain areas from the bill, but he said he understood Roush's long time committment to the Dunes National park and to the port-park controversy. Roush was in the battle since the beginning, he said.

But Congressman Fithian said he was not a part of the port-park controversy. He said the issue was no longer whether there should be a park or industry. Steel mills were built and operating and the park was a fact. He said he wanted to see the industries develop and prosper and the park be developed to operate, too.

"My introduction of a bill should not be interpreted as any rancor or bitterness toward the Roush bill," Fithian said, but he believes in time that Roush and the rest of the Indiana congressional delegation will be able to settle upon such a compromise as a proper expansion bill.

Fithian views his bill as a "moderate compromise of this complex situation." And he further considers it a chance to end the turmoil of what is park and what is not park.

He said he hoped it would define the area of the park once and for all and it would provide for the speedy acquiring of property.

He said he wanted to see an end of the unrest or limbo that the park created, and "I won't rest comfortably until this decision is behind us," Congressman Fithian said.

For the LaPorte county areas he took Congressman Brademas' word for it, and for the Lake county areas in the bill he relied on Ray J. Madden, a long time supporter of the national park.

Fithian said that he realized he would not get 100 percent agreement about the park expansion from either side. Some of his decisions he said he did not make until as late as Wednesday and were agonizing to make.

He pointed out that Roush's bill nearly passed Congress last session, and this could account for Roush's dedication to the same bill. He expected further hearings since his bill was different, but not nearly as extensive as before. Fithian pointed out that he walked over much of the area, read testimony, conducted hearings, and his staff and he spent more than 300 hours on the problem (his staff upped the figure to more than 600 or 700 hours), but if other congressmen wish to visit the area, he said, he would be glad to serve as host.

The Fithian proposal calls for adding 4,580 acres to the park, which is 894 less than the Roush bill, and 2,143 more acres than the Gov. Bowen bill. The National Park Service recommended about 1,100 acres.

The Fithian proposal is the same as the Roush proposal in LaPorte county and in Lake county including the lagoons, where it connects areas with a few acres, and the Hoosier prairie.

The Fithian proposal includes Beverly Shores as does the Roush and Bowen proposals. He said there seemed agreement among the residents, 100 percent of the town board, and privately members of the National Park Service want that area in the park.

Although he included the Blue Heron rookery in Pine twp., he excludes the Little Calumet river valley from the rookery to the Penn-Central crossing (east of Waverly rd.), and then includes the Little Calumet river to the Westchester-Portage township line just west of Shadyside. Excluded is the Salt Creek valley and the part from Shadyside to the Burns Ditch. It includes the falls in Burns Harbor.

Fithian says that he excluded all the parts of the river that are already in channels. The eastern arm is in a channel and would "unnecessarily infringe on homeowners and property owners along the Little Calumet river who did not favor this section's inclusion in the Lakeshore."

About the western arm Fithian said that the Roush proposal cuts the Bethlehem property in half and would make its development difficult. Fithian eliminates about half the acreage proposed in that area, and feels that he permits Bethlehem the opportunity to develop its property on both sides of the river. He also suggests that Bethlehem be given a 200 ft. wide easement across the river about 200 ft. west of Ind. 149. His proposal includes a little more of the river valley, and more acres at the west end of Shadyside to provide access to the river there. He provides for two or three more landings along the river.

Fithian said that he did not want to comment one way or another on the NIPSCO nuclear plant, since the matter was in court.

With help from attorneys, Fithian provides for a scenic right of way for NIPSCO greenbelt area. This keeps the land under NIPSCO's ownership, so it can be considered a part of the nuclear plant site, but permits the Secretary of the Interior to protect the wildlife in the tract.

Fithian said that he talked with AEC officials, and if the greenbelt were in the park it would open the door to law suit since the tract would not have enough acreage as a nuclear site.

The Midwest Steel land between Burns Ditch and Ogden Dunes, Fithian considered his tough decision. He cut the area in half keeping the dune areas in the bill, and removing the sludge lagoon and some beach area. The sludge ponds are necessary to a steel mill, he said. He included Lefty's Coho landing and added some more high dune area in the U.S. 12 area.

In Ogden Dunes, he pointed out that the town was divided on the issue with the town board not wanting any land included and the park board favoring inclusion. His proposal divides the parcel on the western side of the town cutting out 24 acres now under development, but adding 60 acres near the beach.

Fithian said that the NIPSCO green belt needed to be controlled by the NPS to prevent pollution of Cowels bog, but Hillenbrand said that independent chemists did not find evidence of pollution in that area.

The Fithian bill also makes some changes in the acquiring of property. It requires the property owner to tell the government within five years whether or not he plans to sell, and it gives the Secretary of the Interior the right of first refusal.

U.S. AID WASTED ON INDIA

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. SIMON. Mr. Speaker, one of the ablest, most conscientious Members of the House is the distinguished Member from Ohio, JOHN M. ASHBROOK. But that does not prevent him from being on the wrong side of things occasionally, and the May 5 CONGRESSIONAL RECORD is unfortunately such an example.

While I do not agree with everything India and her prime minister do, several things ought to be pointed out:

First. Far from being in total collapse, India has made progress since those days of independence. There remain overwhelming problems, but by whatever gage you use, progress has been made in per capita income, in agricultural production per capita, and in other ways. I do not want to suggest that India is anywhere near where she should be; that country has some problems that deserve our concern and sympathy, rather than our hostility.

Second. The biggest cash customer of wheat from the United States this year will be India, according to an article in the New York Times a few days ago. The balance of trade this year between India and the United States will favor the United States by more than $425 million. Aid to India has not paid off? I suggest that it has paid off—and will continue to pay off—in purely economic terms.

Third. What is not mentioned in the comments by our distinguished colleague and the comments of Henry Taylor is that India is the world's largest democracy. It is trying—in a free way—to meet the problems which that nation faces. There are occasional abuses of civil liberties, which I do not defend, but considering the kind of economic problems India confronts, her leadership has done a remarkable job in keeping the lamp of freedom burning there. If we had paid as much attention to India on a per capita basis as we have to some military dictatorships, India would probably be in much better shape today.

Finally, the figures cited by Mr. Taylor are distorted. He suggests that the United States has spent as much on India as we did on Western Europe during the Marshall plan. Let us use his figure of $8 billion as correct in aid to India. Western Europe received $23 billion—and in dollars that would be worth at least twice that amount today.

But even if his assertions were accurate—which it is not—does it not make sense to aid the area of greater need more than the area with less need?

We have given Taiwan almost as much aid through the years as we have India. I am not complaining, because Taiwan has made remarkable strides in building her economy, but the Ashbrook-Taylor statement makes it sound as if we have given a disproportionate amount of assistance to India. That simply is not the fact.

Taylor's assertions make the easy assumption that if we aid Western Europe as much as we aid India, India should be as far advanced as Western Europe. But India has roughly 80 per cent illiteracy, and has massive economic problems. The response in these economies of nations like India will not be as rapid, but it will be there—as the wheat sales for 1975 suggest.

I am proud that this Nation has aided

India. I hope this Nation does more to show in concrete ways that we care about the fate of human beings everywhere, for our fate is ultimately intertwined with theirs.

IMOGENE H. MANNING, M.D.

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DODD. Mr. Speaker, I rise at this time to pay tribute to and commend Imogene H. Manning, M.D.—Mrs. Carol Tarcauanu—a woman who has dedicated her full time and energy to tending and healing the children of my district.

Dr. Manning has had a private practice in pediatrics in Norwich, Conn., since 1953, in affiliation with W. W. Backus Hospital. And, for as long as she has practiced, Dr. Manning has donated her services as physician to schools and preschool well-child conference clinics in the surrounding Connecticut towns of Bozrah, Franklin, Sprague, and her hometown, Lebanon.

The atmosphere of her office has always been in the tradition of New England neighborliness, an encouragement to all to "come and sit a spell." There is a crib for the use of the busy mother of several small children, toys to entertain the brothers and sisters whose turn will be another day and, of course, books. It is not an uncommon occurrence for a mother to stand impatiently at the doorway while her child finishes a story. How many doctors can claim children go out of their office door crying, because they do not want to leave? Testimonials of the children's love are hung on the office walls, school pictures, family portraits, and budding artistry—the legion of Dr. Manning's "family."

To the children of Lebanon, Dr. Manning is not only a familiar figure during school hours, but after school as well. She tries to attend the various fairs, plays, and concerts of her "children," though often she never gets to see the end, because a call has come that someone needs her. No matter how tired, she will stop to see a homebound patient when she finishes with office hours and is prone to calling the parents again in the evening and before she goes to work the next day. Though the epitome of a lady, she is not above plowing through the mud or skidding over the ice to get to a sick child. In this day of modern medicine she achieves results with salt, boiled water, and Karo sirup as readily as with antibiotics. A plaque hanging in the entrance of the elementary school sums it up:

> In appreciation for your unselfish contribution to Lebanon children . . .

Throughout her 66 years of life her family, religion, and education have been the priorities of this remarkable woman. An active member of the First Congregational Church of Lebanon, she has taught Sunday school, chaired the religious education committee, served on the board of trustees, was a member of the building committee for the fellowship hall and, recently, reorganized and updated the church library. At her own expense, she had a light installed in her pew at the church that connected with the church telephone so she would still be available on the Sunday mornings she was "on call."

For 15 years, she worked as a research assistant, then a chemistry professor to earn the money that would make her goal, to be a pediatrician. A former student of hers claims the exacting standards of Professor Manning have made her chemistry notes useful to four decades of chemistry students in the family. Nieces, nephews, and former patients who discuss college plans or further education with her are apt to get practical as well as philosophical encouragement. Inspired, herself, by the former town physician, Dr. Laura Hill, in 1946 at the age of 38 she was accepted at the Women's Medical School of Philadelphia. After an internship at Baroness Erlanger Hospital in Chattanooga, Tenn., she did her residency in pediatrics at Waterbury Hospital, Connecticut, and later, the Hitchcock Clinic in Hanover, N.H. But, her learning did not stop there. Dr. Manning constantly attends conferences in Europe, Canada, and throughout the United States, learning new methods, updating her practice.

Imogene Hopkins Manning was born December 30, 1908, in South Windham, Conn.; the oldest girl of nine children in a family that dates its heritage in America back to the *Mayflower*. Her wry sense of humor has enhanced many an informal get-together arranged by her to celebrate some family wedding, birth, or special occasion. Over the years, she has kept abreast of family and never forgets to send special remembrances to the more than 115 members of her family ranging from uncles and aunts to grandnieces and grandnephews.

In 1963, Imogene Manning married Carol Tarcauanu, a former vice consul and chancellor of the Romanian diplomatic corps, who has divided his Lebanon years between farming and teaching. Mr. Tarcauanu, who became an American citizen in 1945, has been the Lebanon Democratic town chairman, the first president of the Lebanon Lions Club, and has served on numerous town commissions.

Lebanon residents are particularly appreciative of Dr. Manning's willingness to be available at any time; a confidant for all ages and walks of life, a familiar "friend" to the community. In spite of the demands on her time, Dr. Manning maintains an active interest in all phases of town government. She actively encouraged the establishment of a town-supported public health nursing service, presently serves as president of the Lebanon Historical Society, has been the town health official and school physician.

Over the years at W. W. Backus Hospital, she has served as physician to the school of nursing and secretary to both the medical staff and the pediatric staff. There, statewide, she has served on New London County Medical Association, New England Pediatrics Association, Connecticut State Milk Control Board, and child rights and abuse panel.

In recognition of Dr. Manning's total humanitarian service, the town of Lebanon has declared Sunday, May 25, 1975, as "Dr. Imogene Manning Tarcauanu Day." Family, friends, and townspeople from near and far will gather at a silver tea in her honor to offer testimonials of praise, appreciation, and love.

LITTLE CALUMET RIVER

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ROSTENKOWSKI. Mr. Speaker, on Monday, May 5, 1975, my colleague and fellow Member of the Illinois delegation, the Honorable Martin A. Russo, testified before the Subcommittee on Public Works of the House Committee on Appropriations.

The purpose of his testimony was to request that the funds necessary to begin phase I of the Little Calumet River cleanup be included in the Public Works Appropriations Act for fiscal year 1976 and the transition quarter.

I know the Little Calumet River. It runs through the southern suburbs of Metropolitan Chicago and the people in that area have lived with the polluted conditions of the Little Calumet River for years.

The cleanup program for which my colleague seeks to obtain funding is exemplary. At this point, I would like to share Congressman Russo's testimony with the entire membership of this body:

STATEMENT OF THE HONORABLE MARTIN A. RUSSO

Mr. Chairman, please accept my thanks for allowing me and my guests to appear before you this morning. I know the serious time limitation you are operating under and your kindness to us is very much appreciated. It is my pleasure to introduce the Honorable Richard F. Kelly of East Hazelcrest, Illinois and the Honorable Thomas Miller of South Holland, Illinois. These gentlemen are the representatives in the Illinois General Assembly of a large portion of the same community I represent in Congress. They are with us today on behalf of the Little Calumet River Commission. I know that you are as pleased as I, that they were able to join us.

Our reason for coming before you is to request that the funds necessary to begin Phase I of the Little Calumet River clean-up be included in Public Works Appropriations Act for Fiscal Year 1976 and the transition quarter.

The clean-up, as provided for in Public Law 93–251 (Section 66, Subsection A), will entail the removal of fallen trees, roots, waste, and other debris along the twelve mile course of the river within the Third Congressional District of Illinois. The project is to be carried out by the United States Army Corps of Engineers.

The Corps estimates that $290,000 is necessary to satisfactorily complete the project. Today I am introducing legislation to this end in the House of Representatives. It is my hope that this Subcommittee will include this amount as an item in the omnibus Public Works Appropriations bill which will be reported to the House for final action.

There are over 200,000 people who reside in the 16 communities through which the Little Cal River flows. With open lands quickly disappearing and very little space reserved for the pleasure and benefit of the increasing number of our people, it is an urgent matter to save our river.

For several years the residents of the Thornton Township in the southern suburbs of metropolitan Chicago have lived with the polluted condition of the Little Calumet River. At first these same residents through the formation of concerned citizen groups have attempted to remedy the polluted condition of the Little Calumet River by conducting several river clearing projects of their own. In their attempts to clear the river of debris, hundreds of residents have taken part and much debris has been removed from the river, but a massive amount of work still remains to be done. For the successful completion of this project these interested residents are seeking the assistance of their Congressman and in turn the Federal Government.

When we take into consideration the great concern our society places on environmental matters, the initiation of this government sponsored project would go a long way toward restoring a once clean and free flowing river, and it would bolster the confidence of the people in a government that is truly concerned with their environmental well-being.

The benefits of having this river cleared of obstructions and restored to its once free flowing state will be numerous. Besides ending hazards to public health and safety and serious visual pollution problems, the waterway will once again be available for recreational use—in an area where recreational facilities are very much needed. By appropriating the necessary funds the Congress will help take the necessary first step to restore a once vibrant river as the lifeline of south suburban Cook County.

I would like to extend my thanks to you, Mr. Chairman, and the members of the Subcommittee for allowing me the opportunity to appear before you today. Hopefully you will look favorably on my request for funds for the Little Calumet River.

RENEWED COMMITMENT TO OUR ALLIES

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. TRAXLER. Mr. Speaker, in the wake of the fall of South Vietnam, I think it is essential that we let no nation or government misunderstand our pledge to meet our standing commitments to our allies in the remainder of the Far East, Europe, and South America, particularly Israel.

The tragedy in Indochina does not affect our strength as a nation and should not affect our reliability as an ally.

With the morass of Vietnam removed as a reason for devisiveness in our society, I believe the United States will be more likely and better prepared to honor our longstanding ties and treaty commitments.

It is time for us to reassure nations with whom we have longstanding relations that we remain their friends, that we are offering them our continued support, and we are not turning our backs on them.

Our first priority must be renewed efforts for a true and lasting peace in the Middle East.

And I believe it is more important than ever to reaffirm our support for Israel.

We must continue to support Israel both economically and militarily to the extent necessary to maintain a balance of power in the Middle East and to encourage the Arab States to enter into direct negotiations with Israel to settle the Middle East dispute.

I am not in favor of the United States continuing to arm both sides of the conflict at a level that might trigger another war. However, to abruptly cut off or curtail aid to Israel at a time when Arab countries seem to be arming themselves at a record pace would only result in the threat of more war at the expense of a negotiated settlement. We can expect successful negotiations only if both sides enter with equal relative strength and the understanding that there are no other alternatives.

I am opposed, as are United States and Israeli officials, to the use of any American troops in Israel or the Middle East.

The United States must reaffirm our support for the integrity and sovereignty of the State of Israel within recognized and secure borders.

Israel's right to exist and to maintain its position as a democratic state should be recognized as an important factor in the foreign policy of the United States so Israel may be able to continue its peaceful negotiations with the Arab States.

There are those who say that the fall of Vietnam signals an end to the American credibility in foreign policy. There are those who say Americans no longer have the will, or the strength, to stand by their friends. We must not permit those who would test our will to overrun Israel, a small, stalwart nation that has endured much hardship since its beginnings just a few decades ago. We must reaffirm our commitment to the strength and viability of the state of Israel.

This is a moment for all Americans to look back, profit by our mistakes and to look forward and recommit ourselves to making the world safer for ourselves and the rest of humanity.

TRIBUTE TO BILL BONSELL

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. COUGHLIN. Mr. Speaker, I know that I will miss Bill Bonsell, as will all of us who had the honor and pleasure of working with him, on his retirement as minority doorkeeper of the House.

In the more than 6 years since I have known him, I always am impressed by Bill's unflappable qualities, easygoing nature, and his keen insight and knowledge of the inner workings of the House. I think it is a tribute to Bill's character that after 29 years of House service he never has lost these sterling traits that have endeared him to so many of us.

As a freshman, I soon discovered that Bill was a reliable and well-informed House aide who could be depended upon to exert that extra effort to help those of us who were groping our way into a new system and surroundings. I later discovered that this was Bill's way and he never stinted in helping new Members and old friends.

In the broader concept of Federal Government service, Bill Bonsell is the type of public servant who exemplifies the best. I know that too often we only hear of the worst—through the news media or from others in Government. That is another reason why knowing Bill has been a greater experience and delight for me.

To Bill, his wife and their son, I wish only the best for a bright, happy, healthy, and secure future. I hope that he will look back on occasion to his rewarding service in the House of Representatives with the knowledge that we who were associated with him, indeed, were rewarded by his friendship.

REOPEN INVESTIGATION OF PRESIDENT JOHN F. KENNEDY?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. GAYDOS. Mr. Speaker, should Congress reopen a full-scale investigation of the 1963 assassination of President John F. Kennedy on the possibility that the Warren Commission Report does not tell the entire tragic story?

This question is becoming of increasing importance here in Washington as more and more Americans, their interest heightened by recent TV showings of a technically improved reproduction of the famed Zapruder film of the murder, have expressed doubts that Lee Harvey Oswald was the lone gunman that fatal day in Dallas.

Now Congressman HENRY B. GONZALEZ, of Texas, has provided Congress with a "draft brief" written by students at the University of Virginia calling for another inquiry. He has introduced legislation to this purpose which is awaiting action.

The chief point made by the students concerns the Warren Reports "single bullet" finding—the conclusion that the same shot caused the President's back and neck wound and also the wounds suffered by Gov. John B. Connally as he rode in the jump seat of the Presidential car.

The students contest this assumption with evidence from the Zapruder film which they claim shows the President was hit while Governor Connally was still unharmed, "holding his hat in his yet uninjured right hand in a position higher than when it was struck."

I need not point out that the single bullet theory as to the President's and Governor Connally's wound is essential to the Warren Commission verdict that Oswald acted alone.

If the President and Governor Connally, however, were struck by separate bullets, then the timespan, as shown by the Zapruder film, was not great enough, the students contend, to have enabled Oswald to fire twice.

His gun would not work that fast. So another, or others, were shooting, too, and thus there was an assassination plot which, even at this late date, we need to know the truth about. I cannot disregard the possibility of this being so.

I plan, therefore, to support Congressman GONZALEZ' resolution in the belief that questions about the Kennedy murder must be answered and not be left to fester down through history, inviting all kinds of speculation. I feel also that Congress should learn all the circumstances surrounding the deaths of Senator Robert F. Kennedy and Dr. Martin Luther King and the attempted assassination of Gov. George Wallace. These cases, too, ought to be stripped of all doubts and be marked closed.

I would welcome the views of my constituents on this matter.

STATE OF MAINE RESOLUTION

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. EMERY. Mr. Speaker, I wish to include in the RECORD for your interest a joint resolution memorializing the U.S. Congress to extend the Voting Rights Act of 1965 for 10 additional years, as passed by the Maine Legislature on April 16, 1975:

JOINT RESOLUTION MEMORIALIZING THE UNITED STATES CONGRESS TO EXTEND THE VOTING RIGHTS ACT OF 1965 FOR 10 ADDITIONAL YEARS

We, your Memorialists, the House of Representatives and the Senate of the State of Maine of the One Hundred and Seventh Legislative Session assembled, most respectfully present and petition the United States Congress, as follows:

Whereas, the 1965 Voting Rights Act is one of the most significant pieces of civil rights legislation ever enacted; and

Whereas, the Voting Rights Act is a complex piece of legislation that was developed in response to the failure of earlier legislation to remedy discrimination in voting, and is designed to enable minority citizens to gain access to the political process and to gain the influence that participation brings; and

Whereas, its passage and enforcement have been responsible for substantial increases in the number of blacks registered, voting and elected to office in the seven southern states covered by the Act; and

Whereas, the Voting Rights Act Amendment of 1970 continues the special coverage provisions which reach into every corner of the United States; and

Whereas, the United States Commission on Civil Rights, in its January, 1975 evaluation of the current status on minority rights in jurisdictions covered under the Voting Rights Act of 1965 as amended in 1970, concluded that there is still hostility and resistance to the free and effective political participation of blacks, native Americans, Puerto Ricans and Mexican-Americans; and

Whereas, a democratic system depends on the full participation of all its citizens; and

Whereas, the Voting Rights Act of 1965 will expire on August 6, 1975 of this year unless it is further extended by Congress; now, therefore, be it

Resolved: That we, your Memorialists, do hereby respectfully urge that Congress, prior to August 6, 1975, extend the Voting Rights Act of 1965 for an additional 10 years; and be it further

Resolved: That a copy of this resolution, duly authenticated by the Secretary of State, be transmitted by the Secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to each Member of the Maine Congressional Delegation.

LIBERTY COUNTY AND THE AMERICAN REVOLUTION

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. GINN. Mr. Speaker, the First District of Georgia, which I have the honor of representing, is an area that is rich in the history of the founding of our great Nation. Our past is the foundation of our future, and we treasure the growth of our knowledge of our past.

For that reason, it was a special privilege to have my distinguished colleague, JAMES G. MARTIN of North Carolina, deliver an outstanding address to the Midway Society in Midway, Ga., on April 27. Representative MARTIN spoke in the historic Midway Church in Liberty County. Many members of Mr. MARTIN's family reside today in the Midway and Liberty County area, and so my colleague was doing my constituents and me a great honor in returning to the home of his ancestors to share with us his own expansive knowledge of Georgia and America.

It is my pleasure to share Representative MARTIN's address with my colleagues, and I include it in the RECORD at this point:

LIBERTY COUNTY AND THE AMERICAN REVOLUTION

(Address by Hon. James G. Martin)

May I first express my deep appreciation to Congressman Ginn for attending this occasion and for the kindness of his introductory remarks. In serving this district in the United States Congress, he continues a distinguished line of representation interwoven with the early history of this Liberty County and of St. John's Parish, as it was designated in colonial times.

It is awesome to attempt a historical narrative in so ancient a place which, built in 1792 (one year after President Washington's visit), predates by a full year the laying by President Washington of the cornerstone of that place where Bo Ginn and I work. It is folly to dare anything memorable in the presence of so distinguished a company of published historians as Aunt Josephine Bacon Martin and my esteemed father Reverend Dr. Arthur Morrison Martin, Sr. (whom I recently introduced to the Congress for the opening prayer as being not one of my constituents, although for almost two score years I have been one of his constituents.) All of this is downright frightening for one whose scholarship was trained in the pits of the chemistry laboratories! Yet I am sustained by the realization, borne of a career in politics, that one's friends are generously inclined to forgive so much. It is humbling to realize that if I achieve historical accuracy it will only suffice to tell many of you what you already know and what a few of you have already written!

Realizing that I would be standing at the very spot where eight years ago my father stood to address this Society amid the "gospeling glooms of the ancient oaks of Midway", and where 21 years ago the late Senator Richard B. Russell, also a direct descendant of colonial Midway, addressed the Bicentennial of the Midway Settlement, humility wrestled against despair—until in my studies I came across the Midway Centennial of the American Revolution, and a most informative address on that occasion by Professor John B. Mallard. who is derivatively represented here today. Listen to the soaring sweep of his opening words:

"When the sun went down on the night of the 18th of April, 1775, England and her American Colonies, exasperated as they were, might still, by a generous regard on the part of the former to the rights of the latter, have remained together in the bonds of union. When the stars vanished on the morning of the 19th, bands of iron could not have held them together."—from which introduction he unfolded the story of the American Revolution and early Liberty County.

Then I determined to speak to you on the American Revolution and the rich historical tapestry woven by our ancestral patriots of Midway and Sunbury, eight miles to the East in St. John's Parish. As with many of you, I have often been just as impressed on the one hand with the quality of the lineal foliage which always adorns such occasions, as on the other hand, I have been mystified by those ancestral roots that stretch back to antiquity (to Roger Bacon, that ancient practitioner of Black Magic, and to Grimbaldus of the Norman Conquest, to King Henry I of France, to several Barons of Runymede, and even to the Lady of Warwickshire—Lady Godiva). Yet I have always indulged the irreverent assurance that even the unrecorded genealogies of the humblest among us stretch undeniably back much further.

There are many colorful events and movements in the history of the Midway Church and Society the retelling of which have thrilled these annual homecomings.

Perhaps the most fascinating and compelling period is that of the American Revolution. We have been celebrating its Bicentennial since December 16, 1973, with the reenactment of the Boston Tea Party and will continue until 1987, then commemorating the adoption of the United States Constitution.

As I began my study, I was soon chagrined (although briefly) to find that one recent standard reference, Coleman's The American Revolution in Georgia, 1763–1789, paid little attention to Midway or Liberty County. With an undaunted confidence that our forebears would not fail us, and with the able assistance of Mr. Stephen Stathis of the staff of the Library of Congress, a bibliography of seventeen publications was soon assembled, unfolding to me a most impressive and "satisfactory" story. It soon became very clear why it was that in 1777 the Georgia legislature changed the name of the Parish of St. John (together with St. Andrew and St. James) to the County of Liberty, thereby forever enshrining the patriotic devotion to freedom of the patriots of Midway and Sunbury. It's quite a story!

The Province of Georgia had shown little zeal for rebellion. This youngest Colony, and the one most favored by Parliament, hesitated to encourage the radical Revolutionists, and in 1774 declined even to send a delegation to the First Continental Congress at Philadelphia.

One relatively moderate, colonial protest in the form of an agreement to limit importation of certain English goods, was rejected by the Georgia Assembly in 1775. This infuriated the Puritan settlers in Midway (by now successful planters), who despaired in finding any way to generate a patriotic resistance on the part of Provincial Georgia.

They boldly attempted to secede from Georgia and ally themselves with their cousins in South Carolina, with whom they shared a common ancestry and political sympathies. Both were intolerant of the Divine Rights of Kings, and (like today's successful merchants) impatient of trade restraints.

Now, the Charleston General Committee had just proclaimed that South Carolina would boycott and embargo all trade and other dealings with Royalist Georgia.

They must have then been quite perplexed on February 23, 1775, to receive the delegation of three Midway Malcontents requesting that South Carolina "not condemn the innocent with the guilty", but allow commerce with St. John's Parish in light of its full support of the Continental Congress. South Carolina judged it impractical to annex the middle coast of Georgia, and could go no farther than to encourage them to continue trying to persuade the entire Province. Surely, South Carolina realized that the entire Georgia buffer would be advantageous in terms of a "domino theory".

Thereafter, the maverick St. John's Parish held a mass meeting here and vowed to cut trade with the offending parts of Georgia! Dr. Lyman Hall of Sudbury was elected to represent the Parish at the Second Continental Congress. He was duly admitted, but without a vote since he did not represent a full Province. Later, when lukewarm Georgia finally got hot and approved a delegation to the Congress in July, 1775, Hall was joined by his good friend Button Gwinnett of nearby St. Catherine's Island. Both, along with Savannah's George Walton, later signed the immortal Declaration of Independence. All three of these stalwarts served as Governor of the State, although Gwinnett only for two months as an appointed Acting Governor. Incidentally it was when his bid for election was thwarted by General Lachlan McIntosh, for whom he held a fatal hatred, that Gwinnett's challenge to mortal combat was accepted by McIntosh. In the ensuing duel both were shot in the leg, on account of which, Gwinnett died soon after and McIntosh departed in disrepute.

Walton was for a while held captive at Sunbury by the British as attested by the historical marker at the site of colonial Sunbury. Two other Sunbury citizens attended the Continental Congress: Richard Howley and Dr. Nathan Brownson, who later was a delegate to the Constitutional Convention. Both were Revolutionary Governors of Georgia as well.

Sir James Wright, in whose pasture the aforementioned duel was staged, was Royal Governor of the Colony of Georgia at the time Hall had set sail in 1775 for Philadelphia and the Continental Congress. Hall took with him 160 barrels of rice and 50 pounds sterling as aid for Boston which had suffered severe trade restraints. Sir James dismissed the Puritan rebels in a letter to Lord Dartmouth as "insignificant fanatics" who had been rejected by South Carolina and probably would be unwelcome in the North even with their rice for the Bostonians—whom Wright ridiculed as "poor distressed, innocent breathern . . . suffering under tyranny and oppression." His judgment was faulty to say the least, and his leadership out of touch. Governor Wright could not once muster a quorum of his Colonial Assembly throughout 1775.

Lyman Hall, one of five physicians to sign the Declaration of Independence, is now portrayed as one of the principal characters in the musical comedy "1776".

Other notable patriots of this Parish were the early settler Colonel John Baker, and two Generals now buried here at Midway: James Screven and Daniel Stewart (ancestor of President Theodore Roosevelt). All three, along with Gwinnett and Hall have been immortalized by Georgia Counties bearing their names. (Another son, Senator Augustus O. Bacon was similarly memorialized, but his career was just prior to the First World War.)

James Maxwell, John Stevens and William Bacon, all early settlers, served as delegates to the more moderate Provincial Congress on July 4, 1775. As an additional irony, St. John's Parish earlier had sent no delegates to the First Provincial Congress in late 1774, because that body lacked the courage to support those "Non-importation" agreements promoted by the Continental Congress.

We should also note the name of Grey Elliott, who accompanied Benjamin Franklin to England with grievances against Parliaments Repressive Acts and against "taxation without representation". Also, Colonel Samuel Spry Law served as First Captain of the Liberty Independent Troop, whose military traditions continued through the Second World War in the South Pacific theater in the form of Battery B of the 101st Anti-Aircraft Battalion, led by none other than then Colonel Joseph Fraser. Two earlier volunteer companies were the St. John's Rangers and the St. John Riflemen. Add to these distinguished Puritans the legendary, swashbuckling exploits of Robert Sallette, a mere soldier of great daring and great strength who literally terrorized the Tories.

Historic Midway was founded in 1752–54 by Reverend John Osgood's Congregational Church, derived from Dorchester, South Carolina, which in turn derived from Dorchester, Masachusetts, in its turn derived from Dorchester, England. Sunbury, a healthier (nonmalarial) settlement, was established out on the salt water bluffs in 1758. There soon developed a shipping trade rivalling that of Savannah just before the Revolution, clearing 56 ships (7 in one day!) in 1772. Sunbury was the site of Fort Morris under Colonel John McIntosh. Laying siege to the Fort, British Colonel Fuser demanded surrender, to which McIntosh replied "Come and take it" (although I suspect that is handed down in a somewhat sanitized form!). In any event, the British came but they couldn't take it.

In retaliation for their rebellious fervor, which finally had led Georgia away from her Tory inclinations, Midway and Sunbury were severely punished in 1778. The church on this spot was burned to the ground by Colonel Prevost, the settlers were scattered, and their crops and homes destroyed. In 1782, survivors returned to re-establish Midway, but Sunbury never recovered its former prominence. What a historic tragedy there! Yet what a beautiful place today.

One further story looms out of that past as a genealogical puzzle, which in closing I leave with you. This involves an identity of some published dispute, together with a tantalizing unpublished hypothesis for which I am indebted to my father. Consider, if you will, the question: Who was John Martin?

About 1800, there arrived from Inverness, Scotland (whence many Highlanders had come to what is now Darien), an Immigrant named John Martin. He married Jane Martin, eldest child of Martin Martin, whose father was also named John Martin. Thus we display John Martin (the Immigrant), whom we will temporarily withhold from further consideration, and his Grandfather-in-law John Martin (the Obscure). This elder John Martin was occasionally recorded in association with both his son Martin Martin and a certain James Martin, who may have been related.

Now, prior to the Revolution, a John Martin was named Naval Officer (a political commission) at Sunbury in 1761. He is believed to be the same John Martin of adjoining St. Phillip's Parish on the North, who had come from Rhode Island with *his* brother James, and who served both in the Provincial Congress and as an officer in the Georgia Continental Battalion. This John Martin later became Governor of Georgia in 1782, then aiding General Nathaniel Greene in forcing the British to evacuate Savannah.

A likely and tempting tradition in the family holds that this John Martin (the Governor) and our lineal John Martin (the Obscure) are one and the same. John the Governor did hold property on the Liberty County side of the Ogeechee River just downstream from property on the Canouchee tributary owned by Martin Martin, son of John the Obscure. The only catch to this connection is that when he died in 1786 Governor John Martin mentioned no children in his Will, which conveyed the estate to his wife Polly, the former Mary Deborah Spencer, whom he married in 1783. This can, however, be rationalized theoretically by postulating that Polly was his *second* wife late in life, and that children by an earlier marriage had already been taken care of by bestowing them with their inheritance just after their mother's death, as was then customary.

To this haunting spell, you will now hear for the first time a fascinating new complexity. In the Scottish Rebellion of 1745, James the VIII of Scotland, Pretender to the Throne of England, sent his son Bonnie Prince Charlie on his famous march to London. His rebel forces were met and driven back to the disastrous Battle of Culloden, near Inverness, and his defeated men had to flee for their lives. Many were captured, and exiled to Cape Fear, North Carolina, pardoned upon an oath never again to take arms against the British Crown. For this reason many could only in good consciency be Tory soldiers during the Revolution.

On a wall in Edinburgh Castle (I am informed on good authority of my father), there hangs today a Proclamation of Fealty to James VIII, signed in 1745 by a few officers from each company in the Duke of Perth's Regiment. You will have guessed by now that this Proclamation (approximately 3′ by 4′ in dimensions) contains the signature, in a loose script, of John Martin. Psychic powers may even have drawn you to the knowledge that right beside his is the signature, in a fairly tight script, of James Martin! Perhaps they were brothers.

A published "List of Persons Concerned in the Rebellion of 1745–46" does not mention James at all. It does record "John Martin, no employment, abode and parish of Perth, and Co., went off a volunteer with Rebels. Last reported 'Lurking'."

May we wonder: had this John Martin, never killed or captured, but "lurking", managed to escape to the New World, perhaps with his brother James? If so, they would not be bound by the loyalty oath of their captured comrades, and would be free to fight in the American Revolution. A young officer in the Rebellion of 1745 might thus have become a mature leader in the Revolution of 1776, having never stopped fighting the British. Of necessity would not he and his brother have sought for a while the safety of relative . . . obscurity?

Was John the Rebel identical with John the Obscure or John the Governor, or both? If so, how did Martin Martin get himself born "about 1745" and where? What prior relation was John the Immigrant from of all places, Inverness? I don't rightly know, but I eagerly look forward to the 1976 Midway Society meeting when the next speaker will be expected to solve the Riddle of John Martin the Obscure.

OIL SHALE: WATER AND AGRICULTURE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mrs. SCHROEDER. Mr. Speaker, water is a necessity to the oil shale industry. It is needed to run shale processing plants, to revegetate areas from which oil shale has been removed, and to nourish the people working in oil shale production facilities.

The unfortunate drawback to the shale oil industry's water requirements is the scarcity of water in the oil shale region of this Nation. The water to sustain the industry exists, but it appears that to obtain it, it would have to be appropriated on behalf of the industry by the Federal Government from amounts now destined for agricultural uses.

An additional water-related problem which oil shale development would produce is an increase in salinity levels in the region's ground and percolating waters. In order to remove these salts from the water, so that it is once again fit for human consumption and agricultural production, salinity removal plants must be built. Already, with limited water but increased use of water in and around our Nation's oil shale regions, we have a problem in reducing water salinity levels. Last year, for example, Congress had to authorize further salinity treatment plants at the Mexican border to meet our water quality treatment standards on water flowing to that nation.

Both less water and more water salinity affect agricultural production. While this Nation faces an energy problem based in obtainability and price, it also faces a food shortage based in scarcity. The promise of oil shale in helping our energy problem hampers further agricultural development in a region which can grow more food. This is an economic factor of large scale oil shale development which offers no easy resolution.

VIETNAM REFUGEES

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. RHODES. Mr. Speaker, I would like to pass along for my colleagues' consideration a recent editorial comment on KOOL TV and radio in Phoenix, Ariz. Homer Lane, vice president and general manager of the stations, reports on a letter he received from Mary Cordalis, which offers constructive thought about our handling of the Vietnam refugee problem in the United States.

Text of her suggestion is as follows:

The war in Viet Nam is over, but the problems remain along with some new and very pressing problems that must be solved. We didn't do very well in our effort to save South Viet Nam as a country, separate from the Communist North. Perhaps we can do better in helping to provide a new life for the tens of thousands of Vietnamese that are on their way out of Saigon.

Rather than disperse these people all over the United States, or even the globe, it might be far better to keep those who choose to do so in a group, much as the Cuban refugees stayed together in Dade County, Florida. The Federal Government owns huge tracts of land in every State. A plan might be worked out to provide a tract of land on which the Vietnamese can build a new city. The construction would provide jobs, a culture could be held together and a segment of society built that could help each other, rather than having thousands of small groups depending on the government for survival.

A thought in rough form with many details to be worked out . . . but it could work.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOWNEY. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizens organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Ms. Frieda Rosen is the program manager of the Martin J. McNicholas senior citizen program in Amityville, N.Y. She brought to the hearing several individuals who are receiving SSI benefits. They spoke for themselves, relating some disturbing stories about their lives under this program. I think we can better understand the need to change SSI if we know some of the specific problems with it. Accordingly, I include this testimony to be printed in the RECORD so that my colleagues may benefit from it:

Ms. ROSEN. I'm Frieda Rosen from Catholic Charities, and I am Program Manager of the Martin J. McNicholas Senior Citizens Program in Amityville. It's a federally funded program under Title VII of the Older Americans Act.

I'm not going to read any prepared material because some of the recipients of the Title VII Act are here, and they've asked to be heard. So I'm withdrawing from speaking so that you can see the people who are recipients of SSI and who are trying to live under Social Security and are parents of disabled. So, if you don't mind——

Sylvia Allocco, please.

Ms. ALLOCCO. The thing I want to bring out on the opening is that we get the check which just about pays our mortgage or our rent, and it pays the oil bill and the electric, and then there is no money for food or for any—anything we need. And the oil bill went up almost 300 percent.

The CHAIRMAN. How much is left? After you have finished paying for all these things, how much do you have for food?

Ms. ALLOCCO. There is no money after I pay the rent and electric and oil.

The CHAIRMAN. How do you get money for food?

Ms. ALLOCCO. I have to borrow from friends and neighbors and relatives, and it's a real hard position to be in, and I come to the program for lunches, and, if they didn't bring them, then I think I would have died a long time ago. And, the fact that we have to suffer because the things are so hard and there is no money for anything that we really need, we are begging for help, and help us.

The CHAIRMAN. Thank you, ma'am. We intend to, ma'am.

Ms. ROSEN. Charles Amato.

Mr. AMATO. We need the same thing. I need a lot of medical help, and I can't get any medical help. And when I get my Social Security checks, I have to take out money to pay for certain medicine. I have a bad psoriasis, bad polio and three-quarters of my other leg is shot with arthritis and all. Now, you see the way I walk. So I thought that people would help me to walk. Instead, they put you in bed, and I would like to walk yet.

I don't have all this facility of getting a little more money which I need.

When my wife goes shopping, she don't go shopping where everybody else shops. She looks at what they call the day before goods. We won't say stale. She carves it out, and she knows how to make something.

The CHAIRMAN. You don't get Medicaid?

Mr. AMATO. They took it away. I was on this line that said, "Too rich to be poor and too poor to be rich."

I have a car because when I went disabled, I had the car which I could drive. It's under the way I was taught to drive all these years while I was working. So I keep the car yet. That's my only way to get around. Otherwise, I can't get around any other way. If I get a few dollars from my wife, I put gas in my car. It's a good thing I have a good gas man. So he will go a dollar with me.

And I have all these things here. I need Medicaid badly.

The CHAIRMAN. I think in terms of some restrictions, they have been liberalized. So you could get the amount.

Mr. AMATO. That would help me out very much.

Ms. ROSEN. This is Anna Amato.

Mrs. AMATO. This psoriasis is something that the whole world has. He has to pay twenty dollars just to see a doctor. Why can't you go in the drugstore and buy the stuff just the way you are supposed to. Whatever he gets at the end of the month, he needs just to get the medicine. This is something the whole world has.

The CHAIRMAN. I don't know why, ma'am.

It's pretty clear that among the problems we have heard today are some of the arbitrary restrictions between what is poor and what is not poor, and it's true that they have to be changed.

Mrs. AMATO. The idea is to spend ten, twenty dollars and thirty dollars every two weeks.

Ms. ROSEN. This is Sandy Governaoe.

Mrs. GOVERNAOE. Congressman Downey, you must excuse my way of speaking. I'm not used to addressing people.

I have a daughter. She is an epileptic, and she has been mentally disturbed.

I don't speak only for my daughter, but I speak for all of the people in the Holiday Manor in Lindenhurst. Mrs. O'Mara takes care of them. She is the head of the nursing home. She has another place in Laurel Hollow where they need her very badly.

They cut my daughter off on SSI for three months—she was not the only person; all the others in this home—saying that they are not completely disabled. This, I can't understand.

I had quite an argument with them, and they have been giving me the runaround ever since. Why should these people who are disabled be cut off from SSI? After a while, they started dillydallying for about twenty minutes. When they finally looked into it, they made a mistake. How many mistakes can they make with all these disabled people?

I think it's high time they stopped politics and stopped touching the taxpayers' money and utilized this money to help the seniors, the disabled, the widows and those who don't get enough money instead of playing wars with other countries. This is my feeling deeply, and I think it's high time something should be done about it soon.

That's all I have to say.

Ms. ROSEN. This is Carl Engel.

The CHAIRMAN. Let me just add not only do we want to hear your problems today, but we have staff people around who might be able to help you with individual problems. We would be happy to work with you on particular individual problems.

Ms. ROSEN. We have associate chapters in Catholic Charities.

The CHAIRMAN. Sometimes it helps to have a Congressman intervene with Social Security, and we would be happy to do that if we can.

Ms. ROSEN. The point I think Mrs. Governaoe was trying to make is when these errors are made, what happens to the disabled in that three-month period? Who pays those bills?

The CHAIRMAN. Not only is that a problem but, normally, you hear people who say these people who have these three-month gaps are only three percent of the total population. They never stop to realize that three percent of the people have some very hard times in the interim.

Ms. ROSEN. They are citizens of the country.

The CHAIRMAN Go ahead, sir.

Mr. ENGEL. First of all, I would like to compliment you on the fact that you are interested in the welfare of people like ourselves.

The CHAIRMAN. Thank you.

Mr. ENGEL. Another point I would like to make is that I don't think we are here as beggars. I don't think we have a tin cup out. We simply want some adjustments and recognition of the ills that are being practiced upon defenseless people.

Most of what I had in mind was very beautifully expressed by people before me. So I'm going to cut out a lot of my thoughts, but I would like to ask a couple of questions if I may.

For example, my wife passed away on December 2nd. I got a check for her on December 3rd for ninety-six dollars. I went down to the Social Security office and turned it in and got a receipt for it. This check was for November which was a month prior to her death. I'm still waiting for that money even though I have turned in more checks, and here's another one today for her. This is inefficiency to the extent where money is being tied up and people really need it.

I can tell you this. I get along on Social Security only, and I have a disabled son I take care of, too. I have no pension. I worked for fifty-six years. I'm going to be seventy-two my next birthday.

I can say that you can't get by on that kind of money. Fortunately for me, I was a guy who put a few bucks aside, and I do own property which has certain disadvantages today, too. I have a home, a one-family house, that I live in. If I sell it, I, perhaps, would be worth $35,000 to $40,000. I'm not about to do that. Don't misunderstand me. I simply mean that as time goes on, my life savings are dwindling down to a big nothing to the point where I would be forced to sell the house. Then where do we go, a sick boy and myself, from there?

The amount of money that we have coming in doesn't nearly cover our expenses. I asked a simple question. Why don't they in their projects ever mention senior citizens at all.

For example, our President says that we have to have a gasoline tax. Our Governor says that we have to have a gasoline tax. Senior citizens drive cars.

They have to get diagonally across the Island. There is no transportation besides the car. We can hardly pay the price of a gallon of gas right now. What happens to us if it goes up any further? There is no opportunity for us to get around for our necessities. That is one question.

The other question is, of course, about that money that I keep turning back to them and the ninety-six dollars they owe me. They don't pay me.

The CHAIRMAN. How many months has this been going on?

Mr. ENGEL. Well, the November check, I haven't received yet, and it's taken four hours of time plus the fact that I'm burning gas to get there from Amityville to Babylon.

I'm not saying this as any criticism other than to wonder why a system can't be more efficient. That's all.

The CHAIRMAN. There is no reason why the system can't be more efficient. It's pretty clear that not only is it the money but an emotional factor of receiving your wife's checks after her death.

Mr. ENGEL. They make rules, and then all their rules about increases in sales taxes and so forth never once mention how the senior citizen is going to pay for them. They never make provisions for that at all.

Actually, there are many people much worse off than I am.

The CHAIRMAN. We have been talking about, in one sense or another, the whole question of what it takes to live adequately and what you deserve in terms of your share of federal benefits, and it's pretty clear from what we have heard today that the levels are not adequate. You are not asking for charity. You are only requesting what you deserve to survive.

Mr. ENGEL. I'm a proud person. As an individual, I was a thousand miles from home with a very wealthy uncle within a stone's throw of me, and I slept in a park for three nights and wouldn't holler for help. That's the kind of guy I am.

Ms. ROSEN. I think what they are saying is that some man sits up there with a $30,000 income and decides they can live on $2,000 or $2,400 a year. It's a little bit ludicrous, and they are trying to tell you that.

The CHAIRMAN. It's ludicrous to have someone propose as was recently proposed that the price of food stamps be increased. It's pretty clear that the people who voted for the price to be increased have never been hungry.

Ms. ROSEN. I have a few more people who would like to speak. These are real Americans. They are American Indians.

This is Audrey Fowles.

The CHAIRMAN. Hello, ma'am.

Ms. FOWLES. Mr. Downey, I would just like to say I have lived here all my life. I have never had any taxes cut. I am a very proud woman, too. I have worked to maintain a home, but my husband is in his seventies. I am also, and we have never had the taxes cut. Now, I am wondering why. Now, I joined the senior citizens, and we have a very fine lady who leads us.

Through their medical care, I only learned the other day that I have such high blood pressure. It's because of the high cost of living and the strain that I'm under.

My husband has very bad eyesight. This is bad. I have no way hardly to get around except depending upon people.

Now, why can't I be helped?

Ms. ROSEN. I think we are aware that when you turn sixty, you are eligible for a tax deduction. You have to wait for a period that comes due before you can get it. It could be a year. Your birthday could be one month after the period, and you have to wait a year. That is a long time to wait when you are putting out that kind of money and you don't have it.

The CHAIRMAN. This is one of the areas not of my jurisdiction. It's a state and local thing, but let me assure you that the state and local government really have to provide the property tax reduction, but the federal government can provide more revenue sharing money so that property tax reductions can be made.

I think one of the things we looked at earlier in the hearing was that a great number of people actually did reside in their own homes and were trying to make ends meet, and the biggest burden they have were the escalating property taxes. The loss in tax revenue is very small in comparison to what it does for individuals. I don't think there is any reason why an amendment to the Older Americans Act or Social Security that federal money go back to the state and local governments to provide for property tax reductions for older Americans. I think it's about time that the federal government had a role in that. It's one of the things I have heard loud and clear today.

Ms. ROSEN. Lucy Tyson.

Mrs. TYSON. What I wanted to speak about is I don't feel that our Social Security should become income. If a state like Massachusetts could give it tax free after 1970, I don't see why a big state like New York couldn't do it. That was what I was going to speak about for all senior citizens.

We just can't make it. It's hard.

The CHAIRMAN. I know, ma'am. I think, again, there were a number of proposals that I mentioned before. I would exempt Social Security both from being deducted as income from Supplemental Security Income and also from programs for a reduction of property taxes. I, personally, would support them.

Mrs. TYSON. My husband and I together might go $200 over the allotted amount, and we have to pay full taxes.

The CHAIRMAN. Thank you.

Ms. ROSEN. Rita M. Flaherty.

Ms. FLAHERTY. Ladies and gentlemen, fellow senior citizens, I'm very happy to be here on your behalf.

To start off with, I have a little note from a fellow senior citizen, a woman. I will not divulge her name to embarrass her. Now, she is paying $135 a month rent. Fifty dollars for heat. A detective owns the house. He raised the rent. She hasn't got enough to eat. She feeds the dog and starves herself. She wrote a message here which I'd like to read.

"Last year O.A.A. gave a refund for oil bill. The oil has tripled since that. Then, also, if you don't pay electric bill that has gone up, they will shut it off. The SSI deducts any raise we get from Social Security."

Now, I could speak of myself. I'd been in the same predicament. I'm a widow. I spent twenty-five years in the subway, retired, got Social Security. My son lived with me. He was an ex-Marine, four and a half years in the South Pacific, got a pension for a heart condition.

We had a time—get living. We came out here. I got a house, worked for a florist in Farmingdale because we got free rent. Then I went to work for a funeral director in Bay Shore and got free rent. Seven dollars for every corpse that came in. Free electric. Free telephone.

Then we left there. I bought a house, a bungalow in Lindenhurst. Our income wasn't adequate. My son went to Social Security. They wouldn't give Medicare. They said I was getting eight dollars too much a month.

Fortunately for me, he died. He used to—he wasn't able to work, but he took a civil service job and was a clerk in Agricultural College of Farmingdale. He left me $10,000 in insurance. I paid off the mortgage.

That's why I don't have to eat the dog's food. So I have no problem, but I'm looking—after he had died, I went to get the taxes reduced.

They said to me, "You're not five years."

This year, I wanted to file to have the taxes reduced, but you have to have your birth certificate, which I got from Brooklyn. You have to have certain other conditions, and I found out that because I hadn't filed by June 1st that now I'm paying taxes.

Thank you very much.

Ms. ROSEN. I know you have several other speakers whom you want to hear, and I'll leave now. But I hope that you would listen to these people. These are the people whom you're talking about serving.

The CHAIRMAN. Thank you.

TOM WICKER ON DEFICITS AND JOBS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, every Member of this House is keenly aware of the economic ills besetting our Nation—the most dramatic symptom of which is a disturbingly high rate of unemployment.

Yet, at the same time, many Members are becoming increasingly concerned about the size of our national budget deficit, and they have expressed reservations about expending too much money to put unemployed Americans back to work. Many philosophical debates have ensued in these Halls about the level of unemployment that should be deemed "acceptable" in terms of public policy. Quite frankly, I believe that unemployment, in general, is unacceptable. Unemployment is more than a manifestation of a downturn in our national economy. It is a social and political problem, as well as an economic problem. It is a problem that we ignore or evade only at our own peril. Cities with unusually high rates of unemployment are becoming caldrons of discontent which can boil over at any time. Unemployment is the crucible of social unrest; it begets frustration, violence, and crime. It drains our national vigor, and transfuses our national spirit with a venemous blend of cynicism, distrust, and fear. Any Member who doubts the validity of that statement need only look at the national phenomenon we are now witnessing—an angry and beleaguered American public willing to slam the doors of sanctuary in the face of Vietnamese war refugees, because they fear that these Vietnamese will deprive American citizens of badly needed jobs.

Mr. Speaker, it is indeed a sorry day when our unemployment problems can cause such a dramatic reversal in the traditionally generous American character.

What shall be our response? Shall we take comfort in the soothing phrases issuing from the Treasury Department and the White House that "conditions should start to improve soon." Or should we, instead, take a very objective look at some less optimistic predictions which indicate that while recovery may be on the way, it will not be enough to restore full economic vitality, and that high rates of joblessness will persist.

Mr. Speaker, Tom Wicker, the highly respected author and social commentator, has written a very interesting article which appeared in the New York Times of May 6, on the subject of unemployment and budget deficits. I believe my colleagues will be interested to discover that a recent Republican National Committee poll revealed that Americans are more concerned about unemployment—as it affects them personally—than they are about inflation.

Mr. Wicker points out that every increase of 1 percent in unemployment in today's economy results in an increase of $16 billion in the Federal budget deficit—$14 billion in lost tax revenues and $2 billion for unemployment compensation.

It is clear to me that our budgetary problems and our unemployment problems have a mutual solution—more jobs.

Mr. Speaker, there is a timeworn phrase that "sometimes you have to spend money to save money." I believe this is precisely the case in our national unemployment situation. The problem will not be solved by benign neglect or halfhearted attempts. It is a problem that can only be solved with the full and vigorous application of our collective imagination and intellect in the design of an effective manpower policy—including an adequately funded public service jobs program. Public service jobs are not the complete answer to our domestic employment woes; however, they are an important part of the solution.

Mr. Speaker, I commend the article by Tom Wicker to the attention of my colleagues, and I include it at this point in my remarks:

DEFICITS, JOBS AND DEMOCRATS

(By Tom Wicker)

WASHINGTON.—A comprehensive poll taken for the Republican National Committee confirms the finding of other surveys that the American people, remarkably enough, still regard inflation as the No. 1 problem of the nation, with unemployment rated second. Yet, unemployment rose to 8.9 per cent of the work force in April, a post-World War II record, while the rate of inflation has been declining in recent months.

In another part of the Republican poll, however, respondents were asked which issue was most important for them personally, rather than for the country generally. Six out of ten said unemployment was more important to them personally than inflation—which suggests that it would be a political error of the first magnitude for either party to worry too much about inflation at the expense of putting people back to work.

That is just what some Congressional Democrats—for example, the able Representative Ab Mikva of Illinois, a member of the Ways and Means Committee—fear their party may be doing. Mr. Mikva thinks a $3.6-billion program to create 450,000 public service jobs, for instance, is much too limited at a time when 8 million persons are out of work and another half-million are so discouraged they've stopped looking for jobs.

The new House Budget Committee, moreover, has assumed a target of reducing unemployment only to 7.4 per cent by the end of calendar 1976—a goal so conservative that many Democrats regard it as unacceptable. The Senate Budget Committee's unemployment target is even more conservative—8 per cent by the end of July 1976.

Mr. Mikva believes that the Democrats' relative reluctance to provide for more public service jobs is due in part to over-confidence that the big tax reduction bill already passed provides sufficient stimulus to economic recovery. But another major reason, in his opinion, is an active fear of increasing the huge deficits already in prospect, and being blamed for those deficits by President Ford.

The House Budget Committee proposes a deficit of $73.2 billion for fiscal 1976; the Senate committee proposal would produce a deficit of $69.6 billion. Mr. Ford's budget calculated that there would be a $60-billion deficit, and he has left no doubt that he would attack as inflationary any deficit out of the general $60- to $70-billion range.

In fact, however, the $73-billion deficit projected by the House would represent 4.4 per cent of a gross national product estimated at $1.7 trillion. The Democratic Study Group has pointed out that the $12.8-billion deficit for fiscal year 1959, during the last big recession, was about 4 per cent of that year's G.N.P. Since the unemployment situation now is worse than it was then, a deficit beyond the $60–70-billion range would not necessarily be out of line.

Both George Meany of the A.F.L.–C.I.O. and Representative Brock Adams of Washington, chairman of the Budget Committee, contend that the primary cause of the deficit is going to be the recession itself, rather than excessive spending by Congress. That is, every increase of 1 per cent in unemployment in today's economy results in a $16-billion increase in the Federal budget deficit.

That $16 billion is accounted for by $14 billion in lost tax revenues and $2 billion in increased spending for unemployment compensation. Mr. Adams therefore calculated that if unemployment should somehow be reduced to 4.2 per cent in fiscal 1976, the Ford budget would be in balance and the House and Senate budget proposals not far out.

No amount of job-creating programs, of course, could produce a result so spectacular, but these figures do suggest that, as Mr. Meany told a House subcommittee, "The problem is not the budget and the budget deficit. The problem is the jobs."

Aside from these economic calculations, there may be a good political reason for the Democrats to open up the purse and the deficit in an effort to put more people back to work. Mr. Ford intends to capitalize upon any improvement in the unemployment rate in 1976 to claim that under his Administration the recession has bottomed out and things are looking up. And while the Democrats will counter that, if so, it was their tax cut that was responsible, a President in office usually gets much public credit for improving economic times.

On the other hand, what will the Democrats be able to claim? For the party of Franklin Roosevelt to go into an election campaign boasting an unemployment target of over 7 per cent is not much of a platform, tax cut or no tax cut. But if the Democrats openly accept Mr. Ford's challenge on the budgetary issue, with the stated purpose of putting people back to work more quickly than he or they now contemplate, they will have a traditional Democratic platform and can make the solid economic claim that they are attacking the major cause of the deficit—unemployment.

TRIBUTE TO JOZSEF CARDINAL MINDSZENTY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. NOWAK. Mr. Speaker, freedom-loving persons in the world today mourn the passing of Jozsef Cardinal Mindszenty, the former primate of the Hungarian Catholic Church, whose dedication to principle brought him suffering, bondage and eventual exile from his homeland. His reputation and his inspiration have extended far beyond the borders of Hungary; for the sacrifices he endured and the ideals he symbolized made him a truly living legend.

Almost 1 year ago, Cardinal Mindszenty visited the western New York area, including parishes in the cities of Buffalo and Lackawanna, where he received a warm reception. Visiting the campus of Niagara University, the cardinal was told by its president, Father Slattery:

> This is Niagara's finest hour because we welcome a Prince of the Church, a hero of our times and a man who has spoken out against the enemies of the Church. By your heroic suffering, you have truly enobled all of humanity.

In a world plagued by materialism, Cardinal Mindszenty stood as a sterling example of what one man, especially a spiritually-motivated one, can do. As we offer this tribute to one of the 20th century's genuine heroes, it is with the conviction that his example will continue to serve as an inspiration to all liberty-loving peoples.

CHIEF DAVIS SPEAKS ON GUN CONTROL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ASHBROOK. Mr. Speaker, one of the outstanding chiefs of police in this country is Edward M. Davis of Los Angeles. On a number of occasions, I have had the opportunity to bring to the attention of this body his thoughtful comments.

Last month, Chief Davis spoke on the important issue of gun control. His remarks are worthy of close study because of his intimate understanding of crime, the criminal and the problems of law enforcement. Chief Davis is one of those who believes that adequate enforcement of our laws is the goal Americans should seek rather than removing the right to own a weapon from the law-abiding citizen.

I include his remarks at this point in the RECORD:

A PRESENTATION BY EDWARD M. DAVIS ON APRIL 22, 1975, IN SAN DIEGO

Let me preface my remarks by saying that if you came here to hear Ed Davis speak about gun control, you may be extremely disappointed. My comments will be directed toward two rather basic and endearing concepts—liberty and freedom and the tyrants who would trample them.

Today, we stand at the threshold of celebrating the two hundredth anniversary of this government. If that celebration is to be made complete, it should continue until 1991. For the birth and foundation of this government involved more than the development of a Declaration of Independence. Our government was sired in a revolution which began on April 19, 1775, when a British expedition marched on Concord in an effort to seize colonial arms. So you see that gun control way back then started the American Revolution. The maturation and growth of this nation was nurtured in debate beginning with the Revolutionary War and continuing even today. You have heard the voices of those who desire to limit your rights and instill government control over your life. That concept has been the subject of debate since there was government. One of the very basic liberties that seems to raise serious conflict with some critics is the Second Amendment to the Bill of Rights.

Let's digress for a moment and briefly trace the development of our Bill or Rights. During the Constitutional Convention between 1787–89, our founding fathers sought to modify the Articles of Confederation. The convention was composed of two camps of political thinkers. One group, in favor of a strong centralized government, became known as the Federalists. The other group, desirous of state's rights and a loosely knit central government, became known as the Antifederalists.

About mid-way through the convention, a representative from the state of Virginia—a truly outstanding patriot—George Mason, recognized that the Constitution was deficient in providing for the rights of the people. He expressed a desire to preface the Constitution with a Bill of Rights. He said, "It would give great quiet to the people; and, with the aid of state declarations, a Bill might be prepared in a few hours." This was later developed as a motion and it was soundly defeated. As the convention progressed, Mason and others expressed serious concern and reflection over the power this new central government might exert on the states and on the people. In fact, it was through the urging of such men as Mason that the Fifth Article, providing for amendments to the Constitution, was finally adopted. Governor Randolph, of Virginia, George Mason of Virginia and Elbridge Gerry of Massachusetts refused to sign the Constitution because of its serious deficiencies in freedom. They feared that the Constitution's deficiencies in personal liberty would soon lead this nation to monarchy or tyranny.

This great concern for liberty coupled with a desire for a Bill of Rights was nothing new to these men. Each state had its own Constitution and a majority of the states had their own Bill of Rights.

The first Bill of Rights, after considering the Magna Carta, was probably the English Bill of Rights of 1689. It was codified after the English Revolution of 1688, and after James II fled his kingdom. Among the many provisions of this Bill was the right of the people to keep and bear arms that's back in the British Bill of Rights. Now, with the development of Colonial Charters and Laws in this country, many of these liberties became a part of our law. These liberties were further defined and included in many revolutionary declarations and constitutions. The seventeenth Amendment to the Massachusetts Declaration of Rights, for example, includes a right to keep and bear arms. So, when George Mason asked the Constitutional Convention to consider a Bill of Rights, his request was made as a result of long-standing practice for the insurance of freedom. He was the author of Virginia's Declaration of Rights and he had a profound love for these basic liberties.

However, as I said, his motion was defeated unanimously. The Federalists, like Hamilton, could not see a need for a Bill of Rights. When the work of the convention has concluded and the representatives left for their home states for the purpose of seeking ratification of this document, the fate of the Constitution was in serious jeopardy. Many of the delegates, like Hamilton, Washington, Jefferson, and Madison voiced concern for the ability of the Constitution to extricate itself from the deep divisions of the Convention.

The first state to ratify the Constitution was Delaware. The vote was unanimous. However, in the second state, Pennsylvania, Robert Whitehill successfully argued for a bill of rights. The next states ratifying the Constitution were New Jersey and Georgia. Their ratification did not include a bill of rights. Massachusetts was next and because of the efforts of Samuel Adams and other Antifederalists, a Bill of Rights was developed by John Hancock, a president of that state's convention. Maryland and New Hampshire also included a Bill of Rights in their ratification of the Constitution. The most crucial state in the ratification contest was Virginia. It was, at that time in our history, the largest and most important state. The debates in Virginia's State Convention are well recorded. The ratification debates lasted a month. The most profound and most glorious oratory delivered for individual rights was delivered by Patrick Henry and supported by such men as George Mason. Mason expressed a fear that the new government's standing army, like the British Regulars, might invade the state and keep the people under martial law. Henry thought that this new government might exercise its "power oppressively" and cautioned about enslaving the people. He asked if the other members were able to recall that France, Spain, Germany, Turkey and other countries were enslaved by their own people. He agreed with Mason's concern about providing the absolute power of the sword as well as the pursue in the hands of this new government. The convention finally adopted 20 provisions for a Bill of Rights. These provisions were later used by Madison in the Congress.

In the first Congress, the issue of a Bill of Rights was a very crucial concern. There was a talk of a Second Constitutional Convention to modify the existing draft of the proposed Constitution; 210 different amendments to the Constitution were proposed by eight states. This was finally refined to 22 amendments, and 14 were included in Madison's recommendations to Congress. However, the great debate on these liberties continued. The 14 amendments submitted by Madison were cut down to 12. Each of those 12 amendments was debated and defined. Finally, ten amendments were adopted.

The purpose of our Bill of Rights was perhaps best summed up in the House: "These are essential and unalienable rights of the people designed to protect them from maladministration."

Let's look at the second provision of the Bill of Rights: "A well regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed." When Madison presented that article it read, "The right of the people to keep and bear arms shall not be infringed; (semicolon) a well regulated militia being the best security of a free country; (semicolon) but no person religiously scrupulous of bearing arms shall be compelled to render military service in person." After some debate on the "religiously scrupulous" portion of this provision in both committee and in the full house, the Article came out in final form as we have it today. There was little discussion of this provision in the Senate.

Okay, let's tear this article apart and try to define it. The first part says, "A well regulated militia . . ."—Does that mean an Army? Does this mean a national guard? When you read the debates of these meetings the answer is definitely no. The framers of this provision believed that standing armies were a threat to peace and liberty. Madison, Mason and Henry spoke at great lengths about the problems of a standing army ruling the people or supporting a tyrant. So, what was the militia? Well, according to the framers of the Constitution, and this is supported by dictionaries of that era, it was individual free men, like you and me, who would leave their usual occupations to fight for the town or the state or the government. The officers of the old militia units were often prominent businessmen or statesmen. The soldiers were just workers, like you and me, lovers of liberty. And Patrick Henry, when speaking at the Virginia Convention said, "All people," he was a women's libber way back then. He didn't say able bodied men.

Okay, we are not talking about any army. We are talking about free men willing to fight. The second half of this amendment states, ". . . being necessary to the security of a free state . . ." These amendments were designed to protect the people against the

tyranny of central government. They were concerned about their ability to protect themselves, their families, and their friends from invasion both without and within. Is the danger any less today? I think not. Let us not forget the plight of the British during the second World War. They were about to be invaded by the German Army. If the British citizens had been totally unarmed during an invasion, they would have been forced to peacefully submit to Nazi Germany. If this country ever again went to war, could our Army and Navy protect us at home while it is divided upon two continents? Could it protect more than 4,000 miles of coastline? I think not. It would become the responsibility of individual citizens.

Remember, our Navy was almost destroyed at Pearl Harbor and thousands of our regular army troops were lost in a holding action against the Japanese. Remember, the same people who advocate gun control are the same people who advocate cutting the budget for the Department of Defense. It could happen again. On June 20, 1940, a United Press story stated, "The British people, undaunted by Germany's air attacks, grimly asked the government to put arms in their hands so that they might meet their invaders in hand-to-hand combat." That was a reality in England a short time ago. That could be a reality for us at any time in the future. The British were saved by American sportsmen sending weapons over and a benevolent President. We represent about five percent of the world's population and have about 50 percent of the world's wealth. President Ford and Secretary of State Henry Kissinger recently commented on the possibility of our using force against some smaller nations. Obviously, 95 percent of the rest of the world can make the same threat against the United States.

Let's discuss the threat from within. During the early days of settling our Western states, there was a threat from the powerful Indian Nations. In the 1800's, the army was most inept at protecting the frontiersmen from Indian raids. By the time the army heard about an attack and a troop of calvary travelled a distance of 100 miles, the ashes of the ranch house were cold. The settler-victims were in an advanced state of decomposition. That was less than a century ago and things really haven't changed. Instead of fighting Indians, we are fighting modern hoodlums. The hoodlums and criminals are terrorizing our communities. Look at the crime statistics. Crime increased nationally by 17 percent in 1974. This is the largest annual increase in the recorded history of this country. The largest increase was not in the central city, it was in the suburbs—the small towns and rural areas. It went up 17 percent on the average; about 6 percent in the major cities, about 19 percent in the suburbs and up 25 percent in the towns under twenty-five thousand.

I can tell you that today's law enforcement cannot protect you. When you call, do the police immediately appear. I don't think that there is any town that, when you call, the policeman appears like a genie. In order to insure your protection, we would have to hire ten times as many policemen—as they do in many foreign countries. The costs for such an increase would be prohibitive. So, if the law enforcement agencies can't insure your protection and the protection of your family from hoodlums, it becomes your responsibility. When and if we arrive at a point in time where all the criminals are properly processed through the criminal justice system—properly meaning that the criminal no longer presents a threat to the community—and I am able to insure your protection, then you may want to give up your gun. However, I don't see that secure existence ever presenting itself. The crime rate so far this year is even going up at a higher rate than in 1974.

Okay, I've talked about the threat from without and the threat from within, represented by the criminal element, but I failed to mention the terrorists. Groups like the SLA and the Weather Underground could pose a threat to you. If the police and National Guard are busy battling these terrorists, who is going to protect your home and your family? Again, it comes down to the ability of the individual to provide for his own self-protection.

The final part of this Amendment states, ". . . The right of the people to keep and bear arms shall not be infringed." According to Webster's New Collegiate Dictionary, the word infringe means to "defeat, frustrate; violate, or transgress." The final part of the Amendment, therefore, seems to indicate that, "The right of the people to keep and bear arms shall not be" violated or frustrated or defeated. Patrick Henry speaking before the Virginia Convention states, "If you intend to reserve your unalienable rights, you must have the most expressed stipulation; for, if implication be allowed, you are ousted of those rights. If the people do not think it necessary to reserve them, they will be supposed given up." Well we expressly reserve them—we think. That statement tends to sum up the intent of our forefathers in developing this Bill of Rights. So, when they said that this right should not be infringed, they meant that Government could not take this right from the people. Mason and Henry and the other Antifederalists had just rid themselves of one King George and they wanted to retain the ability to rid themselves of a future tyrant.

Mason, Henry, Jefferson and other true patriots had some specific protections in mind when they developed our Bill of Rights. The need for liberties has not become less in our brief 200 year history. The fact that this Amendment was placed second on our Bill or Rights has special significance. Members of the House of Representatives at our First Congress were asked, after debating the amendments, to arrange them in proper order. The Bill of Rights starts with Freedom of Speech, Religion, Press and Assemblance and concludes with an admonition prohibiting the Government from taking any powers not expressly granted by the Constitution. It's interesting to note that the Right to Keep and Bear Arms was placed second after the Right of Free Speech and Religion.

Judicially, the full intent of this Constitutional right has not been tested. In reviewing an old legal text book, I found this definition of the Second Amendment: "This Amendment means no more than that the right of bearing arms for a lawful purpose shall not be infringed by Congress. It is one of the amendments that has no other effect than to restrict the powers of the National Government, leaving the people to look for their protection against any violation by their fellow citizens of the rights it recognizes to the State power of internal police."

The Supreme Court in the United States v. Miller, in 1939, sustained a statute requiring the registration of sawed-off shotguns. The court said, "In the absence of any evidence tending to show that possession or use of a shotgun having a barrel of less than 18 inches in length at this time has some reasonable relationship to the preservation or efficiency of a well regulated militia; we cannot say that the Second Amendment guarantees the right to keep and bear such an instrument. Certainly it is not within judicial notice that this weapon is any part of the ordinary military equipment or that its use could contribute to the common defense." So, the court has defined the right to keep only military type equipment. What these decisions seem to say is that the type of weapon you bear can be regulated by the federal government. Since there is some discussion in these cases about the military relatedness of the weapon, it appears that both sidearms and rifles are included. It would be difficult for the court to argue against the military relatedness of sidearms. History indicates that ever since the first handgun was manufactured they have served as a part of military hardware, starting with the flint lock pistols of the 16th Century and continuing with the .45 caliber automatic and the .38 caliber revolver which have distinguished themselves in two world wars. Further, I think the court could take "judicial notice" of the .22 caliber's effectiveness to provide for "common defense."

Justice William O. Douglas, writing in the New York Law Review, stated, "A Bill of Rights . . . is a reminder to officials that all power is a heady thing, and that there are limits beyond which it is not safe to go. A few provisions of our Bill of Rights, notably the Third Amendment, and its prohibition against quartering of soldiers in private homes, have no immediate connection to any modern problem. Most of the other guarantees of government are, however, as important today as they were when first adopted. Many of them are even more important." Considering the continued attack by some against our liberties, including the right to keep and bear arms, it seems clear that our Bill of Rights and its provisions are even more important today.

Let's discuss the thinking and reasoning behind those who desire to compromise our liberties. They cite the misuse of guns as a reason for their abolition. They point out that a certain percentage of all robberies, murders and assaults are accomplished with firearms. What they seem to overlook is the fact that we are talking about a very small percentage of people. Would it be fair to sanction 99 plus percent of the people in an effort to control one-tenth of one percent of the population? If such a sanction were imposed on the populace, would it work? Would it be effective? Would it be a viable alternative? Most emphatically no. Tim Sullivan gave New York one of the strictest gun laws in this country and it has done little to help New York. Criminals still use guns in New York. As a matter of fact, New York and several other states with strict gun control laws have distinguished themselves with their high crime rate. Some officials from these states are now asking the government to ride roughshod over the Second Amendment. They want others to share in the unsuccessful efforts of their gun control measures. You see, when a criminal makes up his mind to violate one law, like robbery, the violation of another law is a very small thing. A professional criminal—one who makes a living by violating the law—doesn't give a damn about society's rules. He has his own rules. So, gun laws, like those in New York, restrict the law-abiding citizens and not the criminal.

Alan S. Krug, an economist formerly with Pennsylvania State University, completed a comparison study of jurisdictions with strong gun laws compared to those with lenient laws. He found that firearms are involved in only three percent of all crimes. He found that while the number of guns purchased and owned by citizens has increased significantly during the past decade, the number of deaths resulting from firearms, per hundred thousand population, has remained fairly constant. So, the availability of firearms to the general public is not the cause of abuse. The United States Congress in 1967, involved itself in a study dealing with the hypothesis that strict firearm licensing laws resulted in a lower crime rate. The study found no correlation between firearm regulations and crime. The antagonists of our liberties appear to be utilizing a false and emotional argument as a reason for infringing upon our rights. When that is done by government, it smacks of tyranny. King George the third is alive and well in the United States today.

Now listen to this king or would be king. The United States Senate Judiciary Committee of the 93rd Congress, headed by Senator Sam Ervin of Watergate fame, drafted a "Layman's Guide to Individual Rights

Under the United States Constitution." Under the Second Amendment, the following quote is provided: "The Right to Bear Arms: The Second Amendment provides for the freedom of the citizen to protect himself against both disorder in the community and attack from foreign enemies. This right to bear arms has become much less important in recent decades as well-trained military and police forces have been developed to protect the citizen." I'm just departing from the quotes now, but I wonder where in the hell they got that information. I don't know anything about it. "No longer does he need to place reliance on having his own weapons available." And so I say no thank you King Sam. This Senate Committee believes that your right is not as important as it once was. I disagree. I believe that this right is just as important today as it was when it was developed. It is an inalienable right of the people promulgated for posterity by our forefathers. It will not be infringed.

Now listen to this would be King. The new Attorney General of the United States, Edward Levi, in a meeting just a few weeks ago came out with a proposition that would impose Federal gun control on certain cities, at certain times, under certain conditions. To me, its incredible that this brilliant legal scholar has not heard of the Second and Fifth and Fourteenth Amendments to the United States Constitution. No thanks to you King Ed.

The answer to gun abuse lies not in abolishing the right of the majority, but in protecting that majority against a few. This end should be achieved by the criminal justice ssytem working with existing law. The proper administration of penalties against those who abuse this right will act as a proper deterrent. I have statistics on the workings of this Criminal Justice System which indicate that the criminal is more often rewarded with probation than censured by punishment. Those who would propose an endorsement for the abolition of our right to keep and bear arms must seriously consider this . . . are you listening A.C.L.U.? They must seriously question their future position on the relinquishment or renunciation of other Constitutional guarantees. For to surrender and abandon one liberty might well lead to the surrender of others. When man forsakes his liberties, he becomes a slave.

And now there's the House of Lords who would impose something. Listen to what this House of Lords has to say. The United States Conference of Mayors just a few days ago endorsed a proposition that would take our bullets away. Now this is the theft of our Second Amendment rights by trick and device. A special form of theft covered in the penal code and we say No thank you Lord Mayors. We will not have that here.

In conclusion, let me say that Mason and Henry and Jefferson probably had these protections in mind when they drafted our Bill of Rights. Certainly, the value of these liberties is no less today than it was at the time of our founding. The abandonment of these guarantees will ultimately lead to the destruction of this great nation. I am but a servant of the people and a lover of liberty and I cannot let that happen.

And there is an existence in the beginning of the bicentennial, a well coordinated nation-wide effort to strip us of our personal Constitutional rights, to keep and bear arms. Unless we match the efforts of those would-be tyrants, we will lose these rights. We must alert our fellow countrymen and have them stand with us. Perhaps our badge or lapel pin during the bicentennial period could be a serpent floating a circle with a No. 2 inside. This would be similar to the Minuteman flag of the Colony of Virginia where Patrick Henry did his great work for us. That flag said, "Liberty or death—Don't tread on me." And let this bicentennial of ours mark the beginning of a new declaration against tyrants. Let this bicentennial mark an awareness of our now inalienable rights. Let this mark a return to a deep reverence for the law, its principles, and our rights, liberties and obligations.

APPROPRIATING FUNDS FOR RAILROAD EMPLOYMENT

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HEINZ. Mr. Speaker, the Nation was shocked last week to learn that unemployment during April has risen to 8.9 percent, the highest level in nearly three decades.

Part of the solution should be getting people back to work by providing employment in repairing our Nations deteriorated but absolutely essential railroad rights-of-way.

I am personally delighted that the Executive Committee of the AFL–CIO, at their meeting on Tuesday, May 6, 1975, has taken a strong position endorsing congressional action to do this along the lines of my bill, H.R. 4622, the Railroad Right of Way Improvement Act.

The most immediate step Congress can take today is to set aside money to fund this program. This is an action that can be taken right now as the House and Senate conferees consider and move toward final action on H.R. 4481, the Emergency Employment Appropriation Act of 1975 which was sent to conference on April 28, 1975.

In this connection five members, including myself, of the Interstate and Foreign Commerce Committee, the committee responsible for authorizing such an appropriation in H.R. 4481, have today written to one of the conferees, the Honorable Silvio Conte, in support of actions to reserve in H.R. 4481 funds for the immediate task of railroad rehabilitation through an emergency employment program.

Mr. Speaker, because of the widespread interest in this matter, I include the letter to be printed at this point in the Record:

Congress of the United States,
House of Representatives,
Washington, D.C., May 7, 1975.

Hon. Silvio O. Conte,
Cannon House Office Building,
Washington, D.C.

Dear Silvio: We, the undersigned members of the House Interstate and Foreign Commerce Committee, have introduced H.R. 4622, "The Railroad Right-of-Way Improvement Act", or identical legislation, which has as its goal, in these times of high unemployment, putting people to work improving our nation's badly deteriorated and vital railroad rights-of way.

Most of us have, either in writing or verbally, urged the Chairman of the Transportation Subcommittee, Congressman Rooney, to hold hearings at the earliest possible date. We are pleased to report that Chairman Rooney has assured us of his intentions to do so, and we expect him to announce an exact date very shortly. Based on yesterday's action by the Senate Labor and Public Welfare Committee in reporting similar legislation only five days after hearings were held (on Thursday, May 1, 1975) we would anticipate similarly prompt action on the House side.

We join you in recognizing the importance of initiating any railroad employment program at the earliest possible time this spring, and agree that such a program could put people to work immediately and most effectively right now, as the peak season for railroad maintenance, the fair weather months, is now just beginning. With unemployment now reaching 8.9 percent nationally, certainly there is a need for more good and productive jobs.

Most importantly, we support your effort, in anticipation of the early enactment of authorizing legislation, to include in the appropriations bill now pending in conference, funding that would be made available for the immediate initiation of such program upon passage of appropriate authorizing legislation.

We sincerely believe that money spent to employ persons in rehabilitating our railroad tracks is a superior taxpayer investment to the kind of public employment which too often results in "make-work" programs like raking leaves or sweeping streets, leaves no permanent improvement to benefit our citizens and fails to provide any positive "ripple" effect in employing people in other sectors of our economy.

It is our hope that your efforts in this regard will be successful and we strongly support your initiative.

Sincerely,

H. John Heinz III,
Member of Congress, Member, Interstate and Foreign Commerce Committee.
Samuel L. Devine,
Member of Congress, Ranking Minority Member, Interstate and Foreign Commerce Committee.
Clarence J. Brown,
Member of Congress, Ranking Minority Member, House Commerce Subcommittee on Energy and Power.
Joe Skubitz
Member of Congress, Ranking Minority Member, House Commerce Subcommittee on Transportation.
James F. Hastings,
Member of Congress, Member, House Commerce Subcommittee on Transportation.

P.S.—We are attaching, in the belief it may be of current interest, yesterday's statement by the AFL–CIO Executive Committee in support of legislation like H.R. 4622.

Statement by the AFL–CIO Executive Council on Restoration of Track and Roadbed

Washington, D.C.,
May 6, 1975.

Among the important programs to create jobs in the present depressed economy is the restoration of track and roadbeds. This program would not only create tens of thousands of direct jobs, but would create many more back-up jobs in manufacturing steel rails and railroad equipment.

Bills are pending in both the House and Senate Commerce Committees to authorize this program. We urge both Committees to proceed immediately with this legislation. We also urge the Appropriations Committee to take immediate steps to supply funds for this program.

A RESOLUTION ADOPTED BY HARTFORD COURT OF COMMON COUNCIL

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. MOFFETT. Mr. Speaker, I am pleased to submit a resolution passed by the Hartford Court of Common Council. This resolution is a clear expression of opposition to the administration's proposal to allow a mere 5-percent increase in benefits under the supplemental security income program. Congressional efforts to limit Federal spending cannot be allowed to increase the already oppressive burden on the aged, the blind, and the disabled. The resolution follows:

RESOLUTION

Whereas, The Supplemental Security Income Program, administered by the Department of Health, Education and Welfare, provides substantial financial aid to aged, blind, or disabled persons; and

Whereas, President Ford has proposed drastic cutbacks in the 1975–76 fiscal budget for the Department of Health, Education and Welfare, mostly in the form of cutting back funding increases set for the coming year by previous legislation and by cutting coverage of other increases; and

Whereas, According to Senator Abraham A. Ribicoff, President Ford's proposal to cut the benefit rise for the Supplemental Security Income program to 5 per cent would cause a loss of more than $1.76 million to Connecticut's 21,000 aged, blind, or disabled persons; now, therefore, be it

Resolved, That the Hartford Court of Common Council does hereby go on record as strongly opposing any cutbacks in funding to the Supplemental Security Income Program administered by the Department of Health, Education and Welfare; and be it further

Resolved, That the Town Clerk is hereby directed to forward a copy of this resolution to President Ford and the Connecticut Congressional Delegation in Washington, D.C.

FEA ENTITLEMENTS PROGRAM LETS THE RICH GET RICHER

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. PICKLE. Mr. Speaker, without much fanfare, I want the Members to have notice of some facts about petroleum costs in the New England area compared to the rest of the Nation.

First, I want to place in the record a list of five localities having the lowest posted price for gasoline on or about April 22, 1975. The posted price is the price paid for wholesale gasoline. These prices are not retail prices, or prices paid at the gasoline pump.

Following are the five lower posted price, for regular grade gasoline, exclusive of taxes, by city, on or about April 22, to wit:

(1) Providence, R.I. (tie) 39.9 cents. Miami, Fla. (tie) 39.9 cents.
(2) Springfield, Mass. 40.4 cents.
(3) New Haven, Conn. 40.9 cents.
(4) Boston, Mass. 41.4 cents.
(5) Wichita, Kan. 42.0 cents.

Following are the cities posting the five highest prices on or about April 22, to wit:

(1) Omaha, Neb. 47.9 cents.
(2) Louisville, Ken. 46.0 cents.
(3) Chicago, Ill. (tie) 45.9 cents, Minn.-St. Paul, Minn. (tie) 45.9 cents. Montgomery, Ala. (tie) 45.9 cents.
(4) Birmingham, Ala. (tie) 45.7 cents. Phoenix, Ariz. (tie) 45.7 cents.
(5) Boise, Idaho (tie) 45.5 cents. Los Angeles (tie) 45.5 cents.

Next, I want to place in the CONGRESSIONAL RECORD an excerpt of a research paper done by the George Washington University's Energy Policy Research Project. The paper is authored by Messrs. William A. Johnson, Samuel Van Vactor, and Frank R. Wyant. The paper is titled "The Regional Impact of the Entitlements Program," and was released on April 23, 1975.

The following from this paper is very interesting:

Even so, there are definite regional biases in the program. In the first place, retail gasoline prices could, in theory at least, increase for all states except one—Connecticut. There would, in other words, appear to be a slight gasoline "tilt" implicit in the entitlements program. For the nation as a whole, gasoline prices could increase, on average, by about 0.2 cents per gallon. As a result, the entitlements program disadvantages certain sections of the country, such as the Rocky Mountain states, which have a relatively high per capita consumption of gasoline.

One can only speculate why this tilt occurs. In the first place, despite some notable exceptions, the largest refiners tend to be net buyers of entitlements while the smaller refiners tend to be net sellers. The larger refiners also tend to produce higher gasoline fractions than the smaller refiners, primarily because they can afford the more expensive plant and equipment, such as catalytic crackers and alkylation units, which increase gasoline yields. Perhaps most important, during the first three months of the program certain product importers were allowed to sell entitlements. These benefits were restricted to importers of number two and residual fuel oil. The inclusion of these product importers would, very definitely, tilt the entitlements program against gasoline.

There are other noticeable, even if small, regional shifts in the prices of gasoline resulting from the entitlements program. The most disadvantaged part of the country is the South. Alabama is most adversely affected, followed, in order, by Tennessee, Mississippi, and North Carolina. The Mid-West is also adversely affected by the program, while the part of the country that is least disadvantaged is, once again, the Northeast. The Northeast is also the area of the country with the lowest per capita consumption of gasoline.

The total cost of gasoline to all American consumers could, in theory, increase by over $74 million for the first three months of the entitlements program. By far, the bulk of this increase in costs will be borne by states in the "Other Areas." Altogether, the added cost of gasoline for these states would be $68 million, or 92 percent of the total for the Nation.

The results of the second approximation are generally consistent with the results of the first. Those areas of the country with the lowest per capita incomes are being forced to subsidize those areas with the highest per capita incomes. Alabama, Tennessee, and Mississippi, the states that will pay the highest gasoline prices under the entitlements program, are the poorest states of the country. Connecticut, the one state in which gasoline prices should fall, has the highest per capita income of any state of the Union. The entitlements program, in other words, lends credibility to the old adage that the rich get richer and the poor get poorer.

GAINS ON GREEK BASES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. EDWARDS of California. Mr. Speaker, during the years of junta control in Greece, those of us who supported a return to democracy in Greece were adamant in our concern that excessive emphasis on U.S. military considerations had the effect of lending unwarranted support to the junta.

Now that a freely elected government has been established in Greece, it is encouraging to note the efforts being made by Greek leaders to restrain any ill will over U.S. behavior during the 1974 Cyprus crisis. It is gratifying as well that our negotiators fully appreciate Greek concern about the presence of U.S. homeporting facilities.

I want to bring to the attention of my colleagues the New York Times editorial of May 1, 1975, commenting on the current negotiations between the United States and Greece regarding the future of U.S. military installations:

GAINS ON GREEK BASES

The Government of Greece has now indicated clearly that it will not permit resentment over United States behavior during the Cyprus tragedy of 1974 to destroy the links with this country that are vital for Greek security. Negotiations about the American military presence in Greece have not been concluded; but the communiqué issued after the latest talks suggests the likelihood of a settlement reasonably satisfactory to both countries.

At Greece's request, the United States has agreed to terminate the Navy's homeporting arrangement at Eleusis, west of Athens, and to close the Air Force bases at Hellenikon airport, east of Athens. These agreements may cause inconveniences but they will not basically reduce military capability in the area.

Although the separate American air base will close, some American facilities which "contribute to Greek defense needs" will continue to operate from the Greek Air Force base at Hellenikon. The Navy's homeporting arrangement, which stationed 3,000 American servicemen and their families in the already-jammed Athens-Piraeus area, was bitterly resented by Greek democrats who regarded it as ostentatious backing for the despised military dictatiorship.

When Greece withdrew from NATO commands to protest the failure of the alliance and of the United States to prevent Turkey's massive invasion of Cyprus last August, it also threatened to close all American bases on Greek territory. The communiqué merely says "agreement is expected on the elimination, reduction and consolidation" of the other American facilities. The installations that remain will be put under Greek command.

Most of these actions might well have been taken had there been no Cyprus crisis. The homeporting agreement of 1973 was an aberration from what should have been Washington's policy, in Greece as it had been in Turkey, to cut back those aspects of the American military presence not related to security. The atmosphere of the Greek-American talks thus far provides hope for a conclusion that will ease relations without damaging the security of either country or of the West as a whole.

RESIGNATION IN PROTEST

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BINGHAM. Mr. Speaker, it would be more than unfortunate if the backwash of our Vietnam disaster pushed out of mind the Watergate issue of personal integrity in government. "Resignation in Protest," by Edward Weisband and Thomas M. Franck, persuasively argues that questions regarding the personal integrity of high officials should be as fundamental to any discussion of the Vietnam debacle as they are to Watergate. In both cases, a basic cause of disaster was that men in high positions valued being a "team player" above their obligation to tell the truth to the American people. And in both cases the force of personal ambition, finding principle too weak a reason to depart from the thrills of the inner circle, served our Nation badly.

Richard Reeves' review of "Resignation in Protest," carried in last Sunday's New York Times Book Review, raises important questions about truth, ambition, and their relationship to the structure of rewards in the American political system. At this point in history, we in Congress could do worse than to spend some time thinking about these questions.

The text of Mr. Reeves' review follows:

"RESIGNATION IN PROTEST"

(By Edward Weisband, and Thomas M. Franck, reviewed By Richard Reeves)

In 1938, the First Lord of the British Admiralty, A. Duff Cooper, read the terms of the Munich agreement between his Prime Minister, friend and benefactor, Neville Chamberlain, and Adolf Hitler. "I said to myself," Cooper wrote later, "if these are accepted it will be the end of all decency in the conduct of public affairs in the world."

Then Cooper resigned.

"I have given up an office that I loved, work in which I was deeply interested and a staff of which any man might be proud," he said. "I have given up the privilege of serving as lieutenant to a leader whom I still regard with the deepest admiration and affection. I have ruined, perhaps, my political career. But that is a little matter; I have retained something which is to me of great value—I can still walk about the world with my head erect."

Compare Cooper with Robert McNamara, or George Ball, or John Gardner or Nicholas Katzenbach or the respectable men around Richard Nixon. That comparison is the core of "Resignation in Protest." It is the best book I have read about Vietnam and Watergate.

The book is so rich and disturbing that it is hard to decide how to begin discussing it. Three paragraphs, perhaps, demonstrate something of the mix of historical perspective, statistical analysis and tough interpretation that make the work convincing:

"The costs of ethical autonomy, in this society, are prohibitive and the rewards minimal. It is a disturbing but inevitable conclusion of the statistics and case studies that, in America, it is both dangerous and costly for those best placed to speak out—the insiders. One almost has to be a bit mad to resign in protest. Nice, sensible insiders keep quiet.

"Another way of fudging a protest resignation, of copping out of effective public dissent while still seeming to be possessed of heroic ethical autonomy, is to delay going public just long enough for the issue to become—that deadly word!—academic. Washington, today, is as full of lately self-confessed opponents of the Vietnam war as postwar Berlin was of Germans claiming Jewish grandmothers. If all the top State, White House and Pentagon officials whose recently published memoirs place them as squarely in the camp of the doves had indeed been doves, Presidents Kennedy, Johnson and Nixon must have conceived, organized, administered and almost fought the war alone. The chroniclers of former Administrations are particularly adept at walking the tightrope between publishing too early—in which case the Establishment will thereafter exclude them—or too late, in which event their royalties suffer.

"The reluctance to speak out is getting worse. This lamentable fact emerges from a further examination of the 389 'prime' resigners. Among this group, the rate of going public has declined sharply during the past thirty years. The percentage of persons resigning and speaking out was 16 per cent of the officials surveyed in the decade 1910–19, 10.5 per cent between 1920 and 1929, and 21.7 per cent went public 1930–39. In 1950–59 it was 5.1 per cent and in 1960–69, the era of the Vietnam war, only 6.3 per cent."

Despite those statistics, "Resignation in Protest," is not a numbers book. But Edward Weisband and Thomas Franck do use their own surveys rather effectively. They began with a base of 2,000 Federal officials—assistant secretaries and higher, plus senior White House staff members—then narrowed that down to 389 "prime" resigners who left before their terms were completed, in good health and at an age younger than 62. Of those 389, only 34 spoke any words of protest about public policies and only one was ever named to a public position again.

The book, in fact, is about the calculated evolution of an American "system which compels a direct and irrevocable choice between principled autonomy and ambition." Most choose ambition, ignoring Antigone's reply when Creon offered her power and comfort at court if she would not oppose his will: "Tell me: to whom shall I have to lie? Upon whom shall I have to fawn? To whom must I sell myself? Whom do you want me to leave dying, while I turn away my eyes?"

Weisband and Franck, professors at the State University of New York and New York University Law School respectively, build their case from "the constitutional miscalculation" of James Madison, who believed the Presidency would always be less powerful than Congress. They document the scorn that has been heaped on principled resigners beginning with William Jennings Bryan's loud exit as Woodrow Wilson's Secretary of State. Loyalty! Loyalty! Loyalty! Discretion! Discretion! Discretion! thundered The New York Times and almost every other worthy journal and public voice. And, they detail the dissent-suppressing of ethics of business and the law—75 per cent of the Cabinet and White House staff come from those professions—the ethics of "leave our arguments in this room" and the lawyer-client relationship.

The trouble with leaving the argument in the Cabinet Room—where, in fact, there is little stomach for argument when a President is as strong as Lyndon Johnson—is that you are also suppressing information needed for a reasonable public debate. If the American people had known some of what Robert McNamara knew and led him to consider resigning, they very well might have come to much different personal conclusions on Vietnam, and political action would have inevitably followed. The knowledgeable, silent dissenter playing by team rules is as culpable, in the end, as the public liar.

"When I was at Ford," McNamara, a former president of the automobile company, told a friend, "if I didn't like a policy, I used to take it up with the chairman. If he ignored my criticism, I would take it to him again. Then, if that didn't help, and it were something I felt strongly about, I might even go back a third time. But after that, I'd never raise that particular issue again. I'd just tend to my knitting."

The book also touches on an interesting contemporary argument—no one is really responsible. Things are just too big, too complicated, you can't blame anybody. "This, for a time," write Weisband and Franck, "was Richard N. Goodwin's public position after he resigned. In The New Yorker Goodwin tried to disassociate himself from Johnson's Vietnam policy without attacking his former boss—for whom he continued to be a free-lance speechwriter. If Vietnam were to turn into the apocalypse, he wrote, 'there will be no act of madness, no single villain on whom to discharge guilt; just the flow of history.' "

In the end, "Resignation in Protest" advocates the British model, where public resignations are common and effective because cabinet members are also members of Parliament and stay in public life on a bench in the House of Commons. Weisband and Franck argue that the President's Cabinet should be restricted to sitting members of Congress.

That idea is certainly worth talking about, although I, for one, know too many Congressmen to quickly endorse it.

This book itself, I think, is part of the solution—it heaps scorn, richly deserved, on the respectable, team-playing resigners. Elliot Richardson and Jerald ter Horst are part of the solution. If "Resignation in Protest" gets half the audience it deserves, the McNamaras and Gardners and Herbert Porters of the future are going to have to think twice about the quiet resignations and the discreet whisperings that they were really good guys all along.

Jerry ter Horst was not really an insider; he had been President's Ford's press secretary only 30 days when he quit in protest, but he has said some things that I think have made an impression on at least one generation of dutiful public appointees: "I very distinctly recall the moment I took my oath of office, and there was nothing in that oath of office that said I was working for the President of the United States and that I owed him my loyalty to the extent that I would do anything for him. My loyalty was pledged to the United States of America."

TOO MUCH GOVERNMENT BY DECREE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. CRANE. Mr. Speaker, unfortunately, the American people seem no longer to be in control of their Government.

More and more, elected officials have turned over to nonelected administrators the right to make rules and regulations which have the authority of law. In a sense, Americans are being subjected to a 20th century version of what their ancestors viewed as being sufficient cause for a revolution in the 18th century—taxation without representation.

The rules and regulations promulgated by nonelected officials are also one of the major reasons for the inflated prices we are now forced to pay for a variety of goods and services.

This point is clearly made in a study published in February by the American Enterprise Institute. This study, entitled "Government Mandated Price Increases" is written by Prof. Murray L. Weidenbaum. He lists "29 major pieces of regulatory legislation which imposed nonproductive costs on business during the period 1962–73."

In 1974, for example, new car purchases cost American motorists $3 billion extra for the new devices required by government regulators. In addition, the added weight and complexity of the mandated features have increased the operating costs of vehicles, particularly the fuel costs. The cost of the new catalytic converters that will be required on 1975 automobiles is estimated at $150 per vehicle—and the evidence is mounting that they do not work properly.

In a recent article, John Barron notes:

> The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the Federal Register needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Random examination of the Register suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Navel-Orange Regulation 311, for example, prescribes how many oranges may be shipped from California to Arizona counties during a specific one week period. Contractors in Allegheny County, Pennsylvania, are informed their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary Register regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Mr. Barron concludes:

> The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power it has bestowed. Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent.

I wish to share with my colleagues the important article, "Too Much Government By Decree," by John Barron, which appears in the May 1975 issue of Readers Digest, and insert it into the RECORD at this time:

TOO MUCH GOVERNMENT BY DECREE

(By John Barron)

The decree from the Environmental Protection Agency (EPA) fell upon Bostonians like an edict from some ancient king. Beginning March 1, 1975, no one might park on a downtown street between 7 and 10 a.m. Forty percent of all spaces in Boston's parking garages must be kept empty during the same hours. Employers must eliminate one fourth of all employe parking spaces. By making it difficult, if not impossible, for Boston workers to drive to their jobs, the Washington bureaucrats who handed down these sweeping orders hoped to reduce air pollution.

Boston community leaders were appalled. "We cannot eliminate the car until there is a viable alternative," declared Mayor Kevin White. Businessmen predicted serious economic loss and unemployment, as well as personal hardship and traffic chaos. Nevertheless, the EPA all last year stubbornly proclaimed its determination to compel Bostonians to do what it wanted, regardless of the consequences. Repeatedly it warned employers that they were liable to a year's imprisonment and a $25,000 fine if they disobeyed. Threatened with Congressional intervention, the EPA finally, last February, modified its Draconian decrees and granted the city more time to gird for their effects. Grateful for the reprieve, Boston Chamber of Commerce executive William F. Chouinard nonetheless said, "I hate to think what might have happened if we had not fought like hell."

MASS MEDDLING

Even though postponed, the orders arrogantly visited upon Boston are symptomatic of an insidious change which is occurring in governmental processes. Traditionally, Americans have been governed according to laws enacted by elected representatives answerable to voters. Today, Americans increasingly find their lives regulated by decrees emanating from bureaucrats who are, in effect, accountable to no one.

The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the *Federal Register* needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Random examination of the *Register* suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Navel-Orange Regulation 311, for instance, prescribes how many oranges may be shipped from California and Arizona counties during a specific one-week period. Contractors in Allegheny County, Pa., are informed that their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary *Register* regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Consumer advocate Ralph Nader points out that senseless or incompetent rulings by federal regulatory agencies drive up prices by suppressing competition, stifling innovation and perpetuating inefficiency. A Senate subcommittee estimates that private business spends $18 billion annually on paperwork demanded by federal bureaucrats, while the General Accounting Office calculated that 1973 paperwork cost the government itself $15 billion. But the gravest consequence of all this bureaucratic meddling carries no price tag. It is eloquently summed up by Sen. Sam Ervin (D., N.C.), Congress' leading constitutional authority, who retired this year after presiding over the Senate Watergate investigation. "Government by bureaucratic decree threatens freedom itself," Ervin declares. "The pursuit of no goal justifies the destruction, or even the erosion, of freedom."

Few Americans would dispute that abolishing racial discrimination, promoting industrial and consumer safety, and cleaning up the environment are worthy goals. The trouble is that Congress has created vast new bureaucracies with sweeping powers to pursue such goals as they see fit. All too often, the results are tragic.

BUSINESS BUSTER

Marlin Toy Products, Inc., in Horicon, Wis., used to provide jobs for 85 of the town's 1400 residents. Its most profitable products were two popular toys designed for babies. One was a transparent plastic sphere containing artificial birds and tiny, bright-colored plastic pellets. The other was a similar sphere containing pellets and artificial butterflies. When the spheres rolled, the birds or butterflies fluttered, the pellets rattled and a child enjoyed motion, color and sound.

In November 1972, the Food and Drug Administration (FDA), then responsible for product safety, suddenly informed Marlin that the toys were unsafe, reasoning that, if a sphere broke, a child might be tempted to eat the pellets.

Since Marlin first marketed the toys in 1962, millions of Americans had purchased them. Not one had complained to the company of any harmful results. The toys had already passed three rigorous safety tests—Marlin's, an insurance company's and a department store's. Nevertheless, Marlin agreed promptly to recall all the spheres and remove the pellets. Within a month, the FDA said it was satisfied and promised to remove the toys from the next published list of banned products.

Marlin proceeded to manufacture hundreds of thousands of the toys, hoping to recover, through the 1973 holiday sales, the losses from the 1972 recalls. But in September 1973 the newly formed Consumer Product Safety Commission (CPSC) issued a "Special Holiday List" of dangerous toys whose sale was prohibited—including the toys Marlin had redesigned months before to FDA satisfaction.

Not until early December did frantic company and Wisconsin officials succeed in getting CPSC to acknowledge that it had made an "editorial error." It was too late. Stores all over the country had canceled toy orders, and Marlin had lost at least $1.2 million. Today the company is on the verge of collapse.

"ARBITRARY . . . CAPRICIOUS"

Congress in 1970 created the Occupational Safety and Health Administration (OSHA), endowing it with authority to dictate work rules to virtually every segment of American business, from the corporate giants of Detroit to mom-and-pop shops at rural crossroads. OSHA inspectors can walk into any business unannounced, search the premises without a warrant and levy fines without a hearing or trial. Industry and labor alike recognize that there are industrial hazards which require intelligent remedies, but too often OSHA simply makes a nitpicking nuisance of itself. Consider:

In Newport Beach, Calif., an OSHA inspector visited Blackie's Boatyard, where owner Arsene "Blackie" Gadarian and six workers repair small craft. Pointing to a man without a life jacket who was working in a boat tied to the pier, the inspector asked, "What would happen if he fell in the water?"

"He would stand up," Gadarian replied. "The water's only three feet deep all along the pier." Still, the inspector thought there should be a ladder at the pier's end. Gadarian said he would nail up a ladder.

Three weeks later, OSHA formally notified Gadarian that he had violated its ladder regulation—Section 1501.84(c)(4)—and was liable to a fine of as much as $1000. When Gadarian asked to see the rule, OSHA sent him a 248-page document a month later. Nowhere could Gadarian discover any reference to ladders. Asked for clarification, OSHA sent a 48-page supplement saying only that a ladder must be installed in the vicinity of a dock where boats are repaired.

Because Gadarian already had four ladders near his pier, he decided to appeal the fine. OSHA set the fine at only $15, but Gadarian refused to pay.

A battery of government lawyers assembled to argue the OSHA case before a specially appointed federal hearing examiner and a flock of other federal officials. Gadarian, helped by his wife, acted as his own lawyer. The proceedings lasted four hours before Gadarian's innocence was certified. Gadarian's wife would not let him buy a transcript of the proceedings. It cost $500.

OSHA can be just as foolishly autocratic in dealing with big matters as with little. At a cost of $100,000 annually, the Continental Can Corp. effectively safeguards its employes from noise by providing comfortable ear protectors and insisting that they be worn. OSHA itself admits that the protectors reduce the noise level well below federal standards. Nevertheless, OSHA demanded two years ago that Continental Can "engineer" noise abatement by building sound shields around thousands of machines at a cost of $33.5 million—contending that some workers might be too "ignorant or obstinate" to wear the ear protectors. Continental contested the OSHA decree.

After reviewing 1000 pages of testimony, Judge Robert N. Burchmore last October issued what added up to a searing indictment of both the judgment and the competence of

OSHA. A government "expert" had claimed that sound shields could be designed and installed in two months. The court ruled that after seven more years of research it *might* be feasible to install them. OSHA had had to admit that it had found not a single employe who was not wearing the ear protectors. Judge Burchmore dismissed the OSHA ruling, calling it "arbitrary to the point of capriciousness."

PASSION AND THE POLICE

The Equal Employment Opportunities Commission (EEOC) was created to insure that employers should not discriminate against minorities in hiring and promotions. But the EEOC now ranges far beyond this stated mission; its flagrant excesses have provoked outspoken criticism from even longtime champions of minority causes.

Late last year, for example, the EEOC issued an astonishing set of decrees against the police department of Houston, Texas. By EEOC's own admission, this department has had, in recent years, a commendable record of employing minority personnel, who presently compose about 40 percent of the force. But the Houston police require that applicants have a high-school diploma, and they refuse to hire convicted criminals, people dishonorably discharged from the armed services, and those with a history of defaulting on debts.

The EEOC asserted that the ratio of individuals convicted of crimes, dishonorably discharged from the military, or marked as bad credit risks, is higher among blacks and other minorities than among whites. Therefore, ruled the agency, the Houston police department is guilty of racial discrimination and must cease investigating the backgrounds of prospective officers. It threatened legal action unless the Houston police opened their ranks to convicts, those with dishonorable discharges from the armed services, those who had not completed high school.

"If we do not even have the right to ask a man if he has been convicted, we could turn over the department to a bunch of criminals, the very element we're supposed to fight!" exploded Chief Carrol Lynn. "Hire a convicted kidnaper, burglar, rapist, murderer as a policeman? My God!" Houston's leading black newspaper, *Forward Times*, published a full-page editorial ridiculing EEOC and defending the police. To all protests, the EEOC has so far responded with bureaucratic contempt for common sense.

Meanwhile, EEOC's real business often goes unattended. It has a backlog of 100,000 cases, and now takes an average of 28 months to process a complaint. In their passion to pursue their mandate, EEOC investigators frequently fail to get facts straight. As a result, the EEOC general counsel has to return to the field as "unsuitable for litigation" between 80 and 90 percent of the cases submitted to his office. Yet this is the bureaucracy that has the power to impose racial and sexual quotas at all levels of business, and to drag any employer into a costly lawsuit at will.

THE SINGLE MOST POWERFUL

But the Congressional creation that threatens to grow into the most fearsome bureaucratic monster of all is the Environmental Protection Agency. Under a pervasive umbrella of power conferred by the National Environmental Policy Act, the Clean Air Amendments, the Water Pollution Control Act and the Noise Control Act, EPA has claimed for itself authority unprecedented in American peacetime history. Indeed, Prof. Irving Kristol of New York University recently wrote: "If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress or the Executive or state and local government." Professor Kristol does not exaggerate. Consider:

EPA asserts the right to veto construction of virtually anything that might generate a substantial volume of traffic. Thus, unless Congress intercedes, as of January 1, 1976, local communities may not permit development of a major shopping center, hotel, stadium or factory without approval from Washington.

In Gary, Ind., the U.S. Steel Corp. tried to meet EPA requirements by building two new installations of non-polluting furnaces. But initially their output was limited by factors beyond the company's control: a power failure that damaged its furnaces, the coal strike and a construction strike. So U.S. Steel last fall asked EPA permission to keep its one remaining open-hearth installation in operation six months more. It was told that the installation could be kept open for three months with a $2300 fine for each day of operation. Instead, the company closed the installation, and hundreds of workers are losing their jobs as a result.

An infestation of deadly tussock moths in 1972 defoliated 174,000 acres of magnificent Washington and Oregon forests. To prevent further ravages, state officials and conservationists pleaded with EPA to allow a carefully controlled spraying of DDT. EPA stubbornly refused even a temporary removal of its ban against DDT. Unchecked, the multiplying moths by the summer of 1973 had afflicted 700,000 acres of timber. Faced with Congressional uproar and a lawsuit, EPA in February 1974 relented and authorized use of DDT. Helicopters sprayed the forest, and the infestation ended. But the devastation inflicted by doctrinaire bureaucrats endures.

ULTIMATE REMEDY

Nearly two centuries ago, the people of Boston started one of history's most important revolutions in the name of freedom. In the years since, millions of Americans have risked their lives to preserve that freedom. It is inconceivable that we will now sit back passively and allow it to be lost to bureaucratic usurpation.

The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power that it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent. Finally, broad national policies required to protect consumers, workers, minorities and the environment should be implemented through specific legislation rather than bureaucratic fiat.

If the people don't like the results, then—in the next election—they can remove the members of Congress responsible. That is why the American system has always provided that power must be exercised by elected representatives instead of by bureaucrats who have earned the vote of no one. If freedom is to survive, power must *remain* in the hands of elected representatives.

NEW COMMITTEE FOR THE AGED

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DENT. Mr. Speaker, the problems of the aging have recently become a matter of concern for a great number of people, so much so that we recently created a special select committee in the House dealing with the aged.

This is not to say that the problems of the aging have not always been with us, or that they did not elicit concern from people previous to these days. I have always realized the inherent difficulties in growing old, and early in the 1960's initiated hearings to study these problems and to propose improvements important to the well-being of these important members of society. Unfortunately, my jurisdictions were changed after only having a very short period of time to deal with the aging situation.

I would like to take this opportunity to introduce the testimony of a man who has been involved in the aging problem for a number of years at a recent hearing held by the Pennsylvania Advisory Council on Comprehensive Health Planning. Robert Baron, of Glassport, Pa., has long been associated with pensioners activities with the United Steelworkers, and as such affords us a much needed viewpoint into the question of health care for the aging.

The testimony follows:

I welcome and appreciate this opportunity to outline some views and recommendations at these Public Hearings on Critical Health Issues.

My name is Robert Baron. I have been privileged to work with the Committee on Older and Retired Workers of the United Steelworkers of America. For the past 20 years, I have been active in the field of aging, working with prospective retirees at the local and district level, and as a Regional Board Member of the National Council of Senior Citizens.

Years ago, when life was simpler, it was easier to get health care. There were more doctors to treat ordinary illnesses, although fewer ways to treat the diseases we had.

In the 1930's, there was at least one family doctor for every 700 people. Today, because so many physicians have been specializing, we have one family doctor for every 2,000 people. This means we have a lot less of a chance of finding doctors just for family illness. We may be able to get open heart surgery, yet have to sit outside a doctor's office for hours on end.

Recently, my wife and I took one of our children to the doctor's office for treatment, arriving at 5:30 P.M. and leaving at 11:45 P.M. Emergency room waits at hospitals usually last upwards to 5 hours and more. It is not uncommon to wait 6 to 8 weeks and longer to get a doctor's appointment.

Ten years ago, full hospital care for an average person was $37 per day. Now it is $114, an increase of 200% since 1964. In 1966, the Medicare deductible was $40, now it is $92.

The cost of living has been going up, but not as much as the 145% in hospital and medical costs in the past ten years.

Our whole health insurance program is geared essentially to putting a person in a hospital when he's sick rather than treating the illness in the doctor's office or in the home. We have thousands of physicians who are practicing alone and not making wise use of assistants.

More doctors should be encouraged to go into group practice. This would result in savings that could be passed on to the patient. Hospitals should operate on a 7-day week basis instead of the present 5-day week. This creates numerous inefficiencies and costly delays in getting people in and out of the hospital.

Whose fault is it when a routine test or procedure is performed on Thursday, to find out on Tuesday of the following week the results of the test. Imagine the effect on the patient waiting nervous days and nights for some news on the results.

Patients want to be treated as a whole person, not as an assembly of separate organs, tissues and bones. Specialization of physicians makes it more difficult for patients to achieve their desire to be treated as a whole person than when the old-style general practitioner treated patients for almost all of their ills.

Most consumers feel lost in medical care maze. The difficulties in obtaining primary care have resulted in too many patients having to make their own diagnosis and referring themselves to a specialist. This should not be. A major medical care problem today is the shortage of primary care physicians. Less than 50 percent of physicians are family practitioners, internist or pediatricians. Yet primary physicians take care of 90% of the medical care problems patients may have.

There are too many specialists and not enough primary care physicans. Access to quality health care should be a right of all citizens, regardless of race, color, creed or income status.

Consumers want comprehensive health care benefits without deductibles and co-insurance. Some 40 national organizations representing labor, including The United Steelworkers and National Council of Senior Citizens, farmers and consumers are convinced that only a National Health Security Bill meets these precepts.

At this point, I would like to list some ideas, suggestions, and questions which I hope will provoke some thought in developing a statewide comprehensive health plan to meet the health needs of Pennsylvania Citizens.

Non-profit group HMO's, such as the Allegheny County Group Health Plan, should be strongly supported and encouraged to expand and given financial assistance.

Consumers should have freedom of choice, including chiropractic services. Patients want to avoid high out-of-pocket costs for uncovered services when illness strikes. More emphasis and expansion of preventive care programs for older people should be considered, such as blood pressure, diabetes, and heart testing at Senior Citizens' centers.

Routine physicals at least every 6 months should be a part of any insurance plan with no extra cost to the consumer.

More medical students should be encouraged to practice in geriatrics.

Nutrition Programs and Meals-on-Wheels Programs should be expanded.

There should be a system of intermediate care facilities in our communities (Neighborhood clinics).

Our system of transportation to get the handicapped to health services needs improved and expanded.

Homemaker and social care services should be developed to help care for chronically ill and the homebound.

A Family Practice Plan being developed by McKeesport Hospital should be considered by other hospitals, and Health Maintenance Organizations.

Too many of our students, including the most brilliant, are barred from medical schools. Medical Service Academies similar to West Point and Annapolis, should be established to produce physicians and others to take care of the Nation's health needs.

A hospital is a public resource and should be treated as such.

There are very few, if any, consumer representatives on area hospital Boards of Trustees. It should be mandatory that some representation come from consumers, labor or senior citizen organizations.

M.D.'s should spend more time with their patients.

There is a lack of communication between patient and doctor. (Attached is an item from the Pittsburgh Post Gazette by Dr. Steinchron on this matter.)

Pharmacies should advertise prices of prescription drugs. M.D.'s should write out prescription plainly, and understandable, so that patients know what they are taking. Avail themselves of the best price.

The doctor should prescribe by Generic name whenever possible.

Public Law 63, Section 490-5, should be amended by the legislature which would lawfully permit a pharmacist to substitute the generic equivalent for a trade name medicine. (Attached is a detailed explanation on this matter.)

To cite an example, *Resperine*, the *generic name* for treatment of high blood pressure, costs the druggist $2.50 per thousand, and are sold to the consumer for $1.29 for 100 pills, 25mgs. strength. However, if prescribed by the *brand name, Serpasil,* the price charged is usually up to $7.50 and higher for 100 pills 25mgs. strength. (Attached is a resolution on this matter recently adopted by the U.S.W. District 15 Pensioners Association and other affiliates of the National Council of Senior Citizens.)

Legislation should be enacted to provide stiff penalties, including fine and jail sentence for deliberate overcharges under Medicare and other insurance plans.

For the benefit of our Senior Citizens, a toll free line should be made available for calls to Blue Cross-Blue Shield.

Better yet, a branch office of Blue Cross-Blue Shield should be located in the Mon-Yough Area.

Kane Hospital has a waiting list of up to 2 months and more. An additional facility similar to Kane should be built in the eastern part of the county.

In closing, I want to thank you for this opportunity. I am hopeful for the future that out of these hearings will come a better system to care for the health needs of the people regardless of race, creed, color, or income status.

If there are any questions, I would be glad to respond.

IN MEMORY OF A GREAT AND COURAGEOUS MAN OF GOD, JOSZEF CARDINAL MINDSZENTY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. KEMP. Mr. Speaker, it is with great sadness that the world has received word of the death of Cardinal Mindszenty.

Joszef Cardinal Mindszenty was born in the small town of Mindszenty, Hungary, in 1892. He was ordained in 1915 at the age of 23, and changed his name to Mindszenty in 1940. In March of 1944, he was named bishop of Veszprem. That fall he was arrested by the Nazi-controlled Hungarian government.

When victorious allied forces effected his release in 1945, Pope Pius XII appointed him archbishop of Esztergom, which automatically made him prince primate of Hungary. He retained this title until his death, even though Pope Paul VI formally announced his removal as primate of Hungary on February 5, 1974, after Cardinal Mindszenty refused to resign.

On December 26, 1948, Cardinal Mindszenty was arrested again by the Nazi occupiers of Hungary, and sentenced to death after a mock trial. His sentence was commuted to life imprisonment, and he spent almost 8 years in solitary confinement until he was freed by the Hungarian Freedom Fighters in the short-lived war for independence in 1956. He fled to the top-floor apartment in the American Embassy in Budapest, where he lived for 15 years in self-imposed confinement despite repeated tries by the Vatican and the American Government to leave Hungary.

Cardinal Mindszenty steadfastly maintained that, as he served the Hungarian people as prince primate of their church, he would not leave his flock. He vowed to remain in his homeland until he was completely cleared of all charges by the Hungarian government. "Cardinal Mindszenty cannot abdicate," he said repeatedly. He finally agreed to leave his native land under extreme pressure and a communique that indicated that his presence in the American Embassy was becoming an embarrassment to the United States in its efforts toward détente with the Communist government.

Mr. Speaker, Joszef Cardinal Mindszenty was truly one of the giants of our time. In his unceasing efforts to combat the evils of communism and its total annihilation of individual freedom, Cardinal Mindszenty was a beacon of hope for Hungarians and freedom loving people everywhere. In submitting to the tortures of his Communist oppressors without surrendering his duty to his native countrymen, he singlehandedly led the Hungarian people in their drive for independence throughout three decades of occupation.

Mr. Speaker, I rise in tribute today to the memory of a great man who put God and country before his life. May he always be remembered for his heroic self-sacrifice, for his total opposition to tyranny, and for his courageous fight for the preservation of liberty for Hungarians and for all mankind. One of the great honors of my congressional career was receiving from the Cardinal himself, his "Mindszenty medal" as a "fighter for freedom." I pray that we carry on his great work.

THREE MORE DEAD EAGLES LINKED TO POISONING

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I insert into the CONGRESSIONAL RECORD an article that appeared in the Rocky Mountain News, Colo., on April 23, 1975, regarding the deaths of three eagles.

The article is as follows:

THREE MORE DEAD EAGLES LINKED TO POISONING

(By Jack Olsen, Jr.)

Three more dead eagles have been found along a stretch of the Colorado River southwest of Rifle, bringing to eight the number believed killed by poison-laced baits put out to kill coyotes.

Spokesmen for the U.S. Fish and Wildlife Service and the Colorado Division of Wildlife, which are investigating the deaths, said

Tuesday they feared the toll could soar, as more intensive searches are mounted.

The six bald and two golden eagles—four of which were confirmed to have died of doses of thallium sulfate, a notorious predator poison—were found in hit-and-miss searches by a few persons canoing down the river or walking its banks between Rifle and Grand Valley, about 160 air miles west of Denver.

Four years ago, the nationally publicized search of Jackson Canyon, Wyo., near Casper, began similarly. Seven eagles, poisoned by thallium sulfate, were discovered. Then, when area conservationists and wildlife officers combed the area, they turned up at least 16 more in a three-week period. They also came upon several antelope carcasses impregnated with thallium sulfate.

The six bald eagles found dead along the Colorado River constitute roughly 1 per cent of the bald eagles believed in Colorado at this time of the year.

The state's population of balds is wholly migratory. No active bald eagle nests, called aeries, have been confirmed in Colorado in two decades, according to Colorado raptor biologist Jerry Craig. There is a good chance the recently killed eagles included a mated pair who were refurbishing an old nest in a cottonwood tree on an island in the Colorado River near Rulison.

A wildlife conservation officer, Gene Byrne, said he had watched the pair periodically, but they disappeared recently. He said he would canoe to the island Thursday or Friday to search for possible carcasses.

Marvin Smith, the state's wildlife supervisor in the Glenwood Springs area, said "more than one" ranch was being investigated. Several dead animals believed used as poison baits were spotted in aerial searches of the river area, and some where taken to the federal Wildlife Research Center in Denver for analysis. But no significant amounts of thallium sulfate were found.

The poison has a peculiar status. It has been banned from interstate commerce and from commercial application in Colorado and most other states. Its primary manufacturer, the American Smelting & Refining Co. of Denver, stopped selling it for predator control several years ago.

But ranchers who had stored large quantities of the potent powder can still use it on their own land, according to Dennis Burchett, chief of the pesticides section of the Colorado Department of Agriculture. That doesn't lessen culpability for killing eagles with it, however.

The U.S. Fish and Wildlife Service's top agent in the Utah-Colorado region, James Hogue, has been assigned to the case, and he and the Colorado Division of Wildlife hope to prosecute the person or persons who put out the poison, on private land or not.

The Bald Eagle Protection Act provides a $2,500 reward to persons giving information about eagle killers. Investigating about eagle killers.

"Right now we want whoever put them out to stop it before more eagles are killed," Smith said. He added that there was no telling how many eagles had died already. Most bald eagles who ate the tainted carrion probably returned to the river area to die, he said. "But there's no telling how far away the goldens went before dying."

Eagles range over hundreds of square miles a day.

Nathaniel P. Reed, assistant secretary of the U.S. Interior Department, who is in charge of the nation's wildlife resources, has taken a personal interest in the eagle deaths, and, according to local federal investigators, has asked for a detailed search of the Colorado River area where the carcasses were found.

Smith said that during the past three years "from 12 to 16" other eagles were found, most of them poisoned with thallium, in the same area.

The six bald eagles killed probably were all that inhabited a several-mile stretch of the river. Bald eagles are notorious loners. Colorado has as dense a concentration of them as any of the 48 contiguous states—about one eagle for each 2.4 square miles in certain parts of northwest Colorado.

National Audubon Society activists have charted the number of eagles along the Colorado and other rivers, Smith said, "I got a call last night from a woman who said that six bad eagles were all there were in her entire patrol area from Aspen to Silt (roughly 60 miles)."

BERNARD H. RIDDER, A GIANT OF JOURNALISM, ENRICHED THE PRESS AND DEMOCRACY

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. KARTH. Mr. Speaker, a giant of American journalism has been lost to the Nation's press and our democratic institutions.

Bernard H. Ridder, chairman emeritus of Ridder Publications, Inc., died on May 5 at the age of 92 after a lifetime of major contributions to the strengthening of the free press in our country and its prestige at home and abroad.

The nationwide Ridder organization either owned or had substantial interests in 19 daily newspapers in 10 States at the time of a merger late last year with the Knight Newspapers. The 35 newspaper chain with publications in 17 States has since been known as Knight-Ridder Newspapers, Inc.

I have written to Mr. Ridder's family that—

> American journalism will be the permanent beneficiary of his pioneering work and thought. He has enriched our national life and democratic institutions and thus made our country a better place to live for this generation and generations to come.

William G. Sumner, editor of the St. Paul Dispatch, one of the most distinguished newspapers in the Knight-Ridder group, has written a valedictory to Bernard Ridder that is a moving and memorable tribute. I submit this column for inclusion in the RECORD:

LESSONS FOR THE LIVING IN A MAN'S DEATH

(By William G. Sumner)

Bernard H. Ridder, former publisher of this newspaper and most recently the president emeritus of Ridder Publications, would not I suspect, have wanted any black borders or sackcloth and ashes to attend his passing.

I began to know him a bit when he was retired and just past 80, and never having had to undergo a scalding by him—this in the tradition of the old-time publisher—was able to observe him with some detachment and growing admiration.

He had a sense of humor based on a keen sense of realism and of the absurd, so much so that should there be an attempt to dampen towels and handkerchiefs at this moment one would almost jump at the ringing of the telephone.

One would expect something such as this: "Mr. Sumner, I would rather be in Philadelphia."

So this isn't your instant obituary, but a series of impressions about an interesting man who as much as anyone I have known could offer some clues about active and healthy old age. I don't mind using this last, for I think the term "golden ager" would have been offensive to him.

Not everyone is so blessed with such apparent good health past the age of 90, but then I am inclined to think that it was the zest for things—his latest, but not sole interest, was the writing of poetry—along with his sense of humor and his concern for the state, the Nation and the world that kept his pump going at a great rate.

His favorite mot, when congratulated on being 85, 87, 90, was not an original but it was a statement he liked:

"It is better than the alternative."

I always worked for his son, Bernie (B. H. Ridder Jr.), and "B.H." scrupulously observed his position and mine, which kept me out of the middle of things. But there could be exceptions, and they usually came as questions, probably by telephone.

"Don't you think you are being a little rough on Eugene McCarthy?"

This was in 1968. B. H. was a dedicated "dove" on the subject of Vietnam, and McCarthy was his candidate. To me, McCarthy was a bright but cynical man whose wisdom in foreign policy had come late and whose laziness as a Minnesota Senator was scandalous, which called for an answer such as:

"Perhaps so. I'll read the article again."

That would be all. When he reads something of yours that pleased him, of course, he was delighted and told you so.

I cannot begin to tell you all of his interests, but I get back to my theory of longevity again and feel that it must be the continual pursuit of various interests that makes for a later life free of senility and one of reasonably good health.

There was the garden. There was photography, he was an expert. There was chess and, as I have noted, poetry. On Monday mornings, in the fall, there were the Vikings to be analyzed. Without mercy, at times.

He was an enthusiastic and expert traveler. Interestingly, his travel reports improved, in my opinion, as he grew older. He had a good eye for human interest and events and an easy way of recording them. A professional, I thought.

That B. H. was not universally loved in this city, is no secret to be hushed at this hour, but no one of strong conviction really desires adulation from all parts and, as is said, in truth, a man can be judged by both his friends and his enemies.

I think that B. H. comes ahead on this score, and it is another good lesson for those interested in the preservation of their mental health: that is, do and say what you think is right and you will not be crippled by anxiety.

There will be some who would say that B. H. was in a better position than most to so indulge himself, but I wonder. He hired—and occasionally fired, I am told—some pretty strong-willed men, and those who stood up to be counted either prospered here or elsewhere. He loved his newspaper; he loved his community, although not so much in winter that in his later years a stay in Florida could seem disloyal.

B. H. was a bonafide character, an honest-to-God individualist, and I am glad I knew him however briefly. Many, you see, could write this more in depth. Fortunately, I have the space, I hope he would have approved.

A PRAYER IN THANKSGIVING FOR THE LIFE OF OTTO LOWE

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOWNING. Mr. Speaker, on April 16, 1975, Otto Lowe died. He had many friends on Capitol Hill whose memory of him will not soon fade. He was a lawyer by profession, but most of us knew him as an informed advocate of the produce and railroad industries. Otto was one of those fine persons whom we occasionally meet in Government life who made our own lives more complete. I would like to include in the RECORD the very elegant words of his former law partner, Arthur B. "Tim" Hanson, spoken at the funeral service:

A PRAYER IN THANKSGIVING FOR THE LIFE OF OTTO LOWE

Today we are gathered here to honor a gentle man and a gentleman. There has never been anyone who felt the sun and shadows of this earth who was more fully a gentle man and a gentleman.

These characteristics of Otto made his presence known to all who were associated with him in the practice of law, in his beloved institution of the College of William and Mary in Virginia, and most of all to his beloved son Otto, Jr. who is here with us today, as we remember this man's touch upon us all.

What I wish to speak of here to you is not what he meant to me, from when we first met at the College in 1936, for which I shall always thank God, but what he has meant to his family and to many thousands of people both at the College of William and Mary, at the State House in Virginia, and on Capitol Hill here in the Federal Congress.

Otto was the youngest of eleven children born just before the turn of the century. His family, like many in the South, had been impoverished by the War between the States. All they had left was the land upon which they lived. Yet some light burned in the youngest son which made the desire for an education a burning torch within.

Toward the end of World War I, Otto served briefly as a Private in the U.S. Army and then came to Williamsburg to seek admission to the College of William and Mary under the guidance of Dr. J. A. C. Chandler. This man had a profound influence over Otto's life, as he did over many during the 1920s and early 30s. Otto had no funds, but Dr. Chandler recognized in him the qualities which became evident to so many in later life.

The fact that he was an outstanding athlete and a youngster who epitomized clean living had influence on Dr. Chandler's decision to admit Otto to the College on a full scholarship.

He excelled on the baseball team of which he was Captain in 1921–22, and on the football team where he was an outstanding guard in 1920–21. He excelled in the classroom where he earned his Phi Beta Kappa, and he excelled as a student leader where his fellow students elected him President of the men's student body in 1922–23. He also was elected to Omicron Delta Kappa and the FHC Society, the most ancient collegiate fraternity in America.

His baseball coach in those days was James G. Driver, a distinguished citizen of Williamsburg, who is still alive and who was an Olympic coach in 1936. Mr. Driver described Otto as "the individual who epitomizes the scholar-athlete". He has written his will leaving his entire estate to the establishment of a scholarship fund in honor of Otto Lowe to be awarded to that individual at the College of William and Mary playing baseball and exemplifying to the highest degree scholarly pursuits and athletic ability as done by Otto Lowe.

Otto has served the institution of the College of William and Mary throughout his adult life. From 1924 to 1933, he was one of the alumni who served on the Athletic Committee and assisted Dr. Chandler in maintaining the program at the College. He was a member of the Board of Visitors of the College, appointed by the Governor of Virginia from 1942 to 1950. He served on the Board of the Society of the Alumni and he received the Alumni Medallion for service and loyalty to the College in 1959.

He was elected to the William and Mary Sports Hall of Fame in 1969, and he received the Degree of Doctor of Law and Taxation in 1964 in recognition of his great service in that field.

From the foregoing, we can all see that this man gave much of himself to others.

He was admitted to the practice of law in Virginia in 1923, and from that date until his passing on April 16, 1975, Otto participated in the profession which he illuminated with honor and devotion.

In his professional life, he participated in the war crimes trials following World War II, where as a Special Assistant to the Attorney General he assisted United States Special Prosecutors in Tokyo in the Trial of Tojo and other Japanese war criminals.

He was also a member of the Virginia Constitutional Convention in 1945 and for some twenty-five years served as Of Counsel to the law firm of Hanson, O'Brien, Birney, Stickle & Butler and its predecessor firms.

He was a member of the Bars of the highest Courts in Virginia, the District of Columbia and of the Bar of the Supreme Court of the United States.

All of the foregoing serves once again to illustrate the depth of this person.

Let us now, however, come to the true love of his life. Otto Lowe, Jr., his only progeny. The father wanted everything good for his son.

The torch of scholarship was passed from father to son. Young Otto emerged as an outstanding scholar. He completed his years at the Episcopal High School in Alexandria, Virginia, and then followed in his father's footsteps at William and Mary.

I know of nothing that made anyone happier than Otto glorying in the success of his son. I know of no one more supportive in times of difficulty and in times of triumph than this man to his son. And when Otto, Jr., and Patricia began to raise their fine family, no one drew more comfort from four wonderful grandchildren than did Otto.

When his beloved wife, Bere, passed away tragically nearly a year ago, the sustaining thought in Otto's mind was his son and daughter-in-law and his grandchildren.

But, now let us look to the key to the man spiritually. His generosity of spirit, his abiding faith in his fellowman, his gentle humor, and his persistent desire to assist those whom he loved have been marked by countless evidences throughout his long and fruitful life. No hard-luck story was too insignificant, no pain too small for Otto not to try to assist. He was a warm, bright friend.

We thank you, O God, for that special gift of gentleness in him which enabled him to see the best in all those whose lives he touched, to be an inspiration to all who knew him, a person to turn to for counsel, a sensitive listener, a shoulder to lean on. We thank you, O God, for all the qualities of spirit that strengthened by your good spirit made him the person that he was and is and ever shall be to his family and friends.

Those gathered here today are amongst those who knew and loved him for those same qualities which enabled him to endure suffering without surrender and sickness without defeat, through Jesus Christ, Our Lord, Amen.

WASHINGTON REPORT: CONTROLLING THE BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HAMILTON. Mr. Speaker, the Budget and Impoundment Control Act approved last July is providing improved methods to determine national spending and taxing policies and overall budget priorities.

This process, which involves the adoption of concurrent resolutions on the budget and includes a timetable for other congressional actions on the budget, is mandatory for fiscal year 1977—October 1, 1976 to September 30, 1977—but the Congress is trying to go through as much of the procedure as it can for fiscal 1976, at a time when Federal spending policy and the deficit is a crucial issue. Because of our economic problems this is not a comfortable year to begin the new system, but the very difficulty of these problems this year may make it a good time for the Congress to confront its new responsibility. It is painful, but not intolerable, to begin the new process when the United States is in the midst of its worst economic crisis since the Great Depression of the 1930's. My conviction is that the new budget procedure opens the way to a new kind of congressional influence on the Nation's economic affairs.

The most important action affecting the economy taken by the Congress each year is to determine total income, total spending, and the size of the deficit or surplus. Until recently, the Congress has always considered tax spending bills separately and has not concerned itself with the impact of a deficit or a surplus on the economy. This procedure permitted the Congress to vote for popular Federal programs without explicitly voting for the deficits the programs created. By dealing with the Federal budget one appropriations bill at a time and without any effort to relate an individual bill to the impact of overall budget policy, it was difficult for the Congress to approach economic policy coherently and to set consistent spending and taxing policies. The Congress was always guided by the President's budget. The President would send his budget to Capitol Hill, where it was divided into separate pieces and parceled out to numerous committees. The budget never came back together again until the President put out the final figures.

Under the Budget Control Act, the Congress gains a real measure of budgetary and economic policy control, which it shares with the President. The act requires that Congress accept responsibility for the budget as a whole, including the size of the deficit, rather than just passing a series of spending bills and letting the President worry about the impact of the Federal budget on the economy.

Under the new procedures, by April 15 of each year the House and Senate Budget Committees will report out tax and spending targets of their own. The two Houses of Congress will vote on these target resolutions, reconcile their differences in conference, and, as the law requires, agree on a single target resolution by May 15 of each year. Congress will then have the summer to pass its traditional spending bills for the various sectors of the Government. In September the Budget Committees will add up the spending bills. If they add up to more than the spending target, Congress will either have to cut them back or go on record as favoring a spending total and deficit level higher than the target they initially set. This week the House and the Senate adopted preliminary resolutions setting basic targets for spending, revenues, and the resulting deficits for use in development of authorizing, spending, and tax legislation. In the fall, a final binding resolution will be passed, making adjustments for new developments.

Even though the process is just beginning, it is clear that some benefits are flowing from it. It imposes a discipline on both the House and Senate, and it requires the Congress to develop its own overall budgetary targets and ceilings to guide and determine congressional action on the budget. Also, the Congress will have better information on which to base its budgetary decisions than it has had in the past. This improved information means that the President's budget is going to be examined with much greater scrutiny. One example of the results of that scrutiny is the discovery that the Pentagon was adding on an inflation factor of 15 percent to the budget this year, which was stunningly high in light of the current rate of a little more than 7 percent. The Budget Act establishes new mechanisms for catching the mistakes, misrepresentations, and exaggerations of any President's budget and spotting the real points at issue.

The significance of these new procedures is that they will help to force budget decisions into the open, right the imbalance in budgetary decisionmaking between the executive branch and the Congress, and make the congressional budgetary process more comprehensive and effective. The budgetary control machinery is just getting started and has much yet to accomplish. It is, nevertheless, a prime example of the kind of reform that is needed to make the Federal Government function more effectively.

MARY McGRORY WINS THE PULITZER PRIZE

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BOLAND. Mr. Speaker, today's paper reports the happy news that Mary McGrory, longtime columnist for the Washington Star, has been awarded the Pulitzer Prize for commentary in journalism. As one who has read her columns for as long as she has written them, I would like to add a few words of praise to the many which will no doubt be spoken about her accomplishments.

Mary was cited by the Pulitzer Committee in particular for her columns dealing with former President Nixon's last year in the White House. Those columns deserve the praise they have received, but her very first columns dealing with the Army-McCarthy hearings dealt with their subject with as much acerbity, wit, and grittiness as any she has written since. In short, Mary McGrory's real excellence lies in the formidable consistency with which she seems to ferret out the truths behind the news of the day. Over a period spanning 20 years—from the Korean war to the end of the war in Southeast Asia—I have found her commentary such as to offer, in my humble opinion, a high standard for other journalists. As she continues in that role today, she manages to impress even those who disagree with her. In this town, that is a high accomplishment indeed.

Mr. Speaker, I could add further encomiums to this gifted writer, but I will conclude with the very best evidence that these tributes are not lightly given. Today's McGrory column in the Star leaves little doubt in my mind as to why she was selected for the Pulitzer Prize. It should only have come sooner.

SO WHAT HAPPENED, AMERICA?

(By Mary McGrory)

The Irish poet, William Butler Yeats, put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question: What kind of people are we?

The response this time has been roughly what it was when we were confronted with the My Lai massacre. We avoid the question. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right and left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country psychically as we destroyed their country physically, are coming here living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants.

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipients.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

LION OF THE YEAR

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. JONES of Tennessee. Mr. Speaker, I would like to take the opportunity today, to commend Mr. Dave Martin, of Humboldt, Tenn., on being named "Lion of the Year."

Mr. Martin, president of the West Tennessee Strawberry Festival, was named District 12 L "Lion of the Year" at the Humboldt, Tenn., Lions Club meeting on Tuesday, April 22, 1975.

Dave is a sales representative with the

Federal Chemical Corp. in Humboldt, and has been a member of the Lions Club since July 1963.

He is one of Humboldt's leading citizens and I ask that the following newspaper article be inserted in today's Record. The article appeared in the April 24, 1975, Humboldt, Tenn., Courier-Chronicle:

Lion of the Year

Dave Martin, President of the West Tennessee Strawberry Festival and a sales representative with Federal Chemical Company here, has been named District 12 L "Lion of the Year."

The announcement was made Tuesday night after District officials had selected Martin from the other club nominees in the district.

Martin was named Humboldt's Lion of the Year in February of this year.

Lion Martin joined the Humboldt Lions Club in July 1963 and served as President during 1966–67. Other club offices he has held are Third Vice President, Second Vice President, First Vice President, and Director. In 1971 he moved to Brentwood, Tennessee where he organized the Brentwood Lions Club and served as its Charter President. Transferring back to the Humboldt Lions Club in 1972 he has since served on the Convention, Membership, and Constitution and By Laws Committees. He served as Cabinet Secretary of District 12L in 1970–71.

Lion Martin was born in Junction, Illinois and received his early education at Shawnee Town, Ill. He and his wife June have two married daughters and four grandchildren. He has been employed by Federal Chemical Company for twenty-five years and is a sales representative for the company. He is also a Mason.

He is a member of the First Baptist Church, is a deacon and vice chairman of the deacons committee. He is also chairman of the finance committee and is teacher of the Young Men's Sunday School Class.

In other civic activities Lion Martin served as General Chairman of the Humboldt Strawberry Festival in 1974, and is currently serving as President of the 1975 Humboldt Strawberry Festival Association. In this capacity as President he is the executive officer presiding over more than forty different committees comprised of several hundred people. The entire city, citizenship and industry, are involved in this annual festival and celebration requiring many months of planning and work that culminate in a week long calendar of events during the month of May. Among the events are two giant parades with bands and floats representing many cities, colleges, schools, and organizations. There is a Tennessee Walking Horse Show, Bowling Tournament, Golf Tournament, Festival Beauty Revue, Governor's Luncheon, Street Dance, Farm Products Show, Carnival and Band Contests.

During 1974–75 in Lions Club activities, Lion Martin is serving as a member of the Board of Directors of Mid-South Lion Sight Service located at Methodist Hospital in Memphis, Tennessee. This organization, of which the Humboldt Lions Club is a member, is owned and operated by Lions Clubs in West Tennessee, Eastern Arkansas, and North Mississippi. Its function is to provide specialized eye care and surgery to indigent persons.

He is also serving as a member of the District Governors Cabinet and is Chairman of the District 121 Youth Exchange Committee. In this capacity Lion Martin corresponded with Lions Club Youth Exchange Chairman in Stellenbosch, Cape Province, South Africa and arranged for the visit of Brian Kenneth Schreuder, a native of Bellville, South Africa, to the Humboldt Lions Club in early December. He was also a guest of other area Lions Clubs during his visit.

DOMINICK V. DANIELS SPEAKS OUT ON NATIONAL CRIME PROBLEM

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. MINISH. Mr. Speaker, on Friday, April 25, our distinguished colleague and my close friend, Dominick V. Daniels, addressed the Women's Grand Jury Association of Hudson County. The subject of Congressman Daniels' speech was the growing problem of crime and the steps that he thought were necessary to get this problem under control.

Mr. Speaker, I was struck by the coincidence of Congressman Daniels' hard-hitting speech on crime and the speech that the President delivered on the same subject that very afternoon. Not only the timing, but the tenor of both of these speeches underscores the fact that our crime problem has reached the point where we must respond if we are to protect the rights of the law-abiding citizens of this Nation.

Mr. Speaker, I know that my colleagues will be interested in seeing what our distinguished colleague, Mr. Daniels, has to say about the subject of crime and the steps needed to bring this problem under control.

Mr. Speaker, I include the excellent speech of our colleague, Mr. Dominick Daniels, at this point in my remarks:

Remarks of Congressman Dominick V. Daniels Before the Womens' Grand Jury Association of Hudson County, April 25, 1975.

Mrs. Spiegelthal, members of the Women's Grand Jury Association of Hudson County, honored guests, ladies and gentlemen.

Tonight, I would like to talk to you lovely ladies and your guests about a problem that is not very pretty, in fact, it is an ugly problem that is growing like a cancer in the center of every community. It is the problem of crime.

I am sure you are concerned as I am about the rising incidence of violent crime, and the growing number of children who commit murder, armed robbery and even rape. I think we have to act now to review our system of criminal justice—including juvenile justice. Government has an absolute duty to protect its citizens against the predations of violent criminals—be they young or mature.

As urban residents, you are all too aware that violent crime has reached epidemic proportions in our Nation's cities.

The Federal Bureau of Investigation's latest figures indicate that the rate of serious crime—murder, forcible rape, robbery, aggravated assault, burglary, larceny and auto theft—was 17 percent higher in 1974 than it was in 1973. This represents the greatest increase since the Bureau began collecting these statistics 42 years ago.

Since 1960, the crime rate has increased nearly 200 percent. This is a shocking figure for a society that spends millions of dollars each year on crime prevention and detection. The most alarming aspect of these statistics is the kinds of crime that are on the increase—violent crimes that are occurring with increasing frequency on the Nation's city streets and in suburban neighborhoods.

Not too many years ago, the majority of murders were crimes of passion committed within the family circle. This is no longer true. Today we are seeing an increase in the number of violent crimes in which the perpetrator and the victim were total strangers.

We have all heard shocking stories about senseless murder committed on our cities' streets—

Old people killed in robberies that net the killers only small change;

Businessmen killed in robbery attempts even when they offer no resistance and try to cooperate;

People killed for no reason at all—except for the fact that they happened to be in tne wrong place at the wrong time.

These shocking incidents have resulted in a seige mentality in many urban dwellers. They have also drained the confidence of the American people in their own system of law and justice. Crime has destroyed the sense of trust and confidence that is so necessary in a friendly and neighborly community.

Crime has drawn boundaries of fear around people who have traditionally prized their mobility. We don't feel safe on the streets at night, and many of us don't even feel safe in our own homes. We fear for our children; we fear for our friends and neighbors; we fear for ourselves.

This fear threatens our society in insidious ways. Frightened people are far more likely to attack the very laws that protect them—laws and constitutional provisions that offer our best hope for a free society.

You and I have a great respect for the law. I have devoted my entire life to it. I am not ready to abandon my confidence in the law and its ability to protect you and me. I do not favor an armed standoff between citizens. I do not want to see our Nation's cities turned into armed camps. We cannot allow those who have no respect for society to reduce us to that level.

I know there are some people who are cynical about the law. Some of their cynicism is well-founded.

The criminal justice system in the United States has become slow and inefficient. Innocent people get lost in its labyrinth, while the guilty—well-practiced as they are in negotiating its twists and turns—make their way through it without punishment, or with a minimal punishment that bears no relation to the seriousness of the crime that has been committed.

A study conducted recently in one major American city reveals the glaring deficiencies of the system that was originally designed to protect us. Unfortunately, that system now shields many who deserve to be removed from society.

In the city that was studied, only 4 percent of the persons arrested for a felony were actually convicted of that felony. Even fewer went to prison.

FBI statistics show that there are only 19 arrests for every 100 serious crimes reported. Recent research by the Law Enforcement Assistance Administration indicates that in some categories of crime, many occurrences are never even reported to the police by the victims.

The deterrent value of punishment is minimal when the criminal knows there is little likelihood of being caught and punished—and punished severely for serious crimes.

The deterrent power of the criminal law depends upon the swiftness and certainty with which punishment follows the crime. Swift and certain prosecution and imprisonment for the serious offender will not only prevent him from claiming new victims—it will also have a deterrent effect on others.

We are spending a lot of money to improve police effectiveness. There have been noticeable improvements in many cities in police apprehension of criminals. Other cities still have a long way to go. However, our quest to make the streets safe once more must not depend solely upon increasing our police manpower and supplying our policemen with more sophisticated tools for apprehending criminals. This will help—but it will not solve the entire problem. What good will it do to catch every criminal if we simply release him again with a mere slap on the wrist and an admonition to "go forward and sin no more"?

We must overhaul our criminal justice system so that it protects society against the predations of the criminal. This overhaul must include a long hard look at the juvenile delinquent who commits murder and mayhem.

Society is not served when dangerous felons are allowed to plea bargain their way to freedom.

Society is not served when judges fail to impose sentences that reflect the severity of the crime.

Society is not served when dangerous offenders are free to prey upon law-abiding citizens—free to prowl the streets while they are out and awaiting trial.

Society is not served when deviates and criminal psycopaths are released after minimal terms in prison or mental institutions.

Society can start being served right in the courtroom. Judges must be more alert to the violent criminals who come before them. They must weigh each case carefully before allowing the violent criminal to plead to a lesser, non-violent crime.

I also believe we must restore the death penalty. The House and Senate are currently working on a major revision of the Federal Criminal Code which will restore the death penalty for Federal crimes of treason, sabatoge, espionage and murder under certain circumstances.

I am also strongly in favor of revising our juvenile justice system to reflect the new realities that we face.

Youngsters are committing serious crimes—and committing them repeatedly. In New York City, one third of all violent felonies are committed by boys and girls under the age of 16. 75 percent of juvenile offenders are arrested more than once in their lives. Many of these juveniles are psychologically damaged individuals who will repeat patterns of violence until they reach an age where they can be removed from society through long prison terms.

I know that those of you who are mothers probably shrink from the thought of treating the youthful offender like an adult. Let's not let our emotions and sentimentality blind us to one very important fact: there is nothing cute and helpless about a sixteen year old kid at the end of a smoking gun.

We must identify those juveniles who are intent on a life of crime and violence. A youngster who can kill, rape, rob and assault without remorse or compunction should not be free to prey upon society. These juveniles should be tried and sentenced on the same basis as an adult offender. They should have a trial by jury, and they should have the guarantee of good counsel. But they should not be allowed to escape punishment again and again. They should not be allowed to terrorize law-abiding citizens.

Let's try to help the youngster who has some potential for rehabilitation. The first-time offender should receive our special attention. He or she may just need a decent job or some good counseling to be set straight. Let's begin to differentiate between the juvenile who has the potential to become a useful citizen and the juvenile who is little more than an animal.

Let's remember that murder, rape, armed robbery and assault are not acceptable expressions of youthful exuberance. They are serious and violent crimes which offend the sensibilities of all civilized men and women. These crimes cannot be condoned on the basis of age alone.

There is one more thing that we must do to start making the streets safe for the law-abiding citizen.

We must achieve better control of handguns.

I know this is an emotional issue, and I do not intend to debate the pros and cons of the issue with you tonight. Handguns have become instruments of terror in the nation's cities. They have become the common denominator of much of the violence that besets us.

There were 10,000 handgun murders in the United States last year. There were 100,000 aggravated assaults committed with firearms and more than a quarter of a million armed robberies. In England and Wales combined last year, there were only 35 murders committed with guns. What made the difference? A tough and effective handgun control law.

The Attorney General of the United States has proposed an interesting plan that would prohibit handgun possession outside the home or business only in those cities whose gun-related crime rate was much higher than the national average. Under the criteria developed by the Justice Department, Jersey City would fall under this plan. I think this proposal deserves our thoughtful consideration. Here is a fair and reasonable way to get this horrible problem under control. I plan to study it carefully, as well as other proposals that are being drafted regarding handgun control. I am willing to take a little heat from the gun lobby to make the streets safe for law-abiding citizens. I hope that I can count on your support in this effort.

I would like to close tonight on a hopeful note. Our national crime problem is serious—but it is solvable. We have to roll up our sleeves and get tough with those who prey upon society. We can be fair—but we must be firm. Our Nation's cities must put out a sign at the edge of town—criminals not wanted here. We can put out this sign by supporting our police in their work, supporting legislators who will work for the enactment of no-nonsense laws that will deter crime, and by demanding that judges and prosecutors have as much concern about the rights of law-abiding citizens as they have about the rights of criminals.

I know that the Women's Grand Jury Association of Hudson County will take an active role in this effort. You can be sure that I will be working, too, to make America a safer place in which to live.

THE DEATH OF JOSEF CARDINAL MINDSZENTY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. CRANE. Mr. Speaker, the death of Josef Cardinal Mindszenty at the age of 83 is one which grieves men and women throughout the world. All those who believe in freedom and in individual dignity have lost a friend and valiant fighter. The future may well find that he was one of the few saints produced in this era of so much violence and terror. In the midst of the tyrannies of nazism and communism which overran his Hungarian homeland, Josef Mindszenty remained true to his own principles. That he was brutally tortured and endured almost half a lifetime in prison is only further testimony to his integrity and fortitude.

While lesser men made their deals with the representatives of a modern barbarism, Mindszenty would not. The future cardinal was born Jozsef Pehm in Mindszent, Hungary. Ordained a priest in 1915, he was imprisoned by every authoritarian regime which has controlled Hungary in the intervening years.

In 1933, Hitler seized power in Germany and Nazi influence began to increase. The Nazis initiated a campaign to persuade Hungarians of German descent to discard their Hungarian names and replace them with German names. The name of Cardinal Mindszenty was already German—Joszef Pehm. It was at this time—in defiance of the Nazis—that he changed his name to the Hungarian. Thus, he took the name of his native village and became Mindszenty.

When the Nazi puppet government of Hungary ordered the Jews to be confined in ghettos, Mindszenty protested vigorously in a pastoral letter. He ordered that church buildings under his jurisdiction be used to hide as many Jews as possible, although the penalty for doing so was death. It was because of his efforts that the majority of Jews in Budapest were saved. Cardinal Mindszenty ended up in a Nazi prison as a result.

In the spring of 1945 the Soviet Army occupied Hungary and on September 16, 1945, Pope Pius XII appointed Mindszenty Archbishop of Esztergom and Primate of Hungary. The Communist-dominated government took more and more control of the economy and interfered in church activities and education. Cardinal Mindszenty fought them every step of the way. He became a symbol of Hungarian liberty and the Communists felt it necessary to destroy him.

Imprisoned by the Communists in 1949, he saw a few short days of freedom during the Hungarian Revolution of 1956 and then escaped to the American Embassy where he spent the next 15 years. Thus, he suffered nearly 25 years imprisonment—and his only "crime" was his belief in freedom and in the church.

More recently, in a period of alleged détente, Cardinal Mindszenty was persuaded by the Vatican to leave Hungary. He left against his will and wrote his memoirs, which described in great detail his life-long battle against tyranny. Because he continued to tell the world the truth about communism he angered the Vatican hierarchy just as he had earlier angered the Nazi and Communist secular authorities. On November 1, 1973. Mindszenty was ordered to relinquish the office of archbishop. On February 5, 1974, "precisely on the 25th anniversary of my show trial," he writes in his memoirs, his removal from that office was publicly announced. The final break came because of his insistence to publish the memoirs.

Josef Mindszenty ends his memoirs by noting that:

> This is the path I traveled to the end, and this is how I arrive at complete and total exile.

Writing in the Swiss Review of World Affairs, Alfred Cattani has summed up the Mindszenty affair this way:

> This restless spirit continues to struggle in his old age, and an ironic fate has decreed that his latest opponent be that very Church to which he dedicated his life in innocent faith and which now subjects him to profound anguish of the soul. No longer pained

by the physical tortures once inflicted on him by secular totalitarian powers, the very meaning of this man's existence, which has been so full of sacrifice and self-denial, is now threatened by the calculating tactics of the Curia. Seen from this standpoint, Josef Cardinal Mindszenty's resistance takes on a new dimension of its own.

Now this noble spirit who was an embarrassment to the tyrants, to the compromisers, to the church itself, has gone. We will miss him and we can only hope that God whom he worshipped so well, will provide us with men like Josef Mindszenty again so that there can continue to be some hope that good will prevail over evil in this imperfect world. When men look back to this time for examples of virtue, principle, and steadfastness, the name of Cardinal Mindszenty will quickly jump to mind. We will miss him more than we can know in this moment of grief at his passing.

NUCLEAR REACTOR PROGRAM

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. YATES. Mr. Speaker, during the debate on the second supplemental appropriations bill, I inserted in the RECORD a critique of the nuclear reactor program which had been prepared by David Dinsmore Comey of the organization known as Business and Professional People for the Public Interest. Inasmuch as Mr. Comey's remarks were in measure critical of the position taken by Dr. Ralph E. Lapp and Dr. Hans A. Bethe, I am attaching copies of letters which I have received in reply by Dr. Ralph E. Lapp and Dr. Hans A. Bethe in order that the record may be complete:

ALEXANDRIA, VA.,
April 25, 1975.

Hon. SIDNEY YATES,
House of Representatives,
Washington, D.C.

DEAR SIDNEY: I note from your remarks in the *Congressional Record* for April 15th that you inserted a letter from David Comey dealing in part with the Bethe energy statement released earlier this year.

Since I had a hand in this statement and since I am referenced incorrectly by David Comey, I thought you might like to get some facts about this statement.

1. It is true that I participated in preparing the Bethe statement, but let me assure you that I did not write it. Anyone who knows Dr. Bethe will agree that my role could not have been more than that of typist-amanuensis.

2. Let me assure you that I did not solicit signatures for the statement. Dr. Bethe was the only person who did this. Thus, when Mr. Comey writes ". . . Lapp approached almost 300 scientists who refused to sign." I suggest you ask him the source of his information.

3. Knowing Dr. Bethe, I am sure that every person who signed the statement did receive a copy of the statement. In fact, I acknowledege that with my own fingers I typed the envelopes to relieve Dr. Bethe of this chore. Believe me, I'm incapable of typing 100, let alone 300 envelopes.

4. Mr. Comey asserts that he ". . . could produce a much more impressive list of scientists who believe that the nuclear power program ought to be scrapped." I think he will have to turn astronaut and visit another planet to accomplish such a feat.

I am not commenting on the remainder of Mr. Comey's letter, but I suggest that you inquire into his technical qualifications and take what he writes with a kilogram of salt.

Sincerely,

R. E. LAPP,

P.S.—I hope that you will be good enough to insert this letter into the *Congr. Rec.*

CORNELL UNIVERSITY,
LABORATORY OF NUCLEAR STUDIES,
Ithaca, N.Y., April 25, 1975.

Hon. SIDNEY YATES,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. YATES: In a telephone conversation with Dr Ralph Lapp I learned that Mr. Comey has written a letter which was inserted into the Congressional Record in which he claimed that the Energy statement which I issued at a press conference on 16 January had been sent to 300 scientists, most of whom refused to sign it. This claim is completely contrary to the facts.

Enclosed I am sending you a copy of a letter I received from Mr. Ralph Nader, and my answer to him which explains all the details related to that press statement. I hope this will be useful to you.

Yours sincerely,

HANS A. BETHE.

WASHINGTON, D.C.,
April 15, 1975.

Dr. HANS A. BETHE,
Laboratory of Nuclear Studies, Cornell University, Ithaca, N.Y.

DEAR DR. BETHE: This letter is a request for information concerning the statement that was released in January on behalf of 32 scientists.

We understand that you circulated a draft statement to a number of scientists, together with an invitation for them to sign. We would appreciate it if you would identify the scientists who declined to sign the statement that was released. For those persons who declined to sign the statement, could you generally describe what aspect of the statement they disagreed with and what other comments, if any, they made regarding the statement?

We have learned, moreover, that Dr. Victor Weisskopf, listed as a signatory to the statement, has denied that he signed or even saw the statement that you released, purportedly on his behalf. Would you please explain how it came about that Dr. Weisskopf's name was included in the list that you made public? Would you also say what action, if any, you took to inform those using the statement that Dr. Weisskopf's name was improperly included?

Your responses to these questions are needed to help clarify the unfortunate ambiguities surrounding the January statement. Inasmuch as the statement will be discussed in testimony that I am preparing for a Congressional hearing on April 28, I would appreciate receiving your reply in advance of that date.

Thank you very much for your consideration of this request.

Sincerely yours,

RALPH NADER.

CORNELL UNIVERSITY,
LABORATORY OF NUCLEAR STUDIES,
Ithaca, N.Y., April 23, 1975.

Mr. RALPH NADER,
Washington, D.C.

DEAR MR. NADER: Your letter of April 15 was received by me today, after returning from a prolonged journey.

You are correct that I circulated a draft statement to a number of scientists, together wtih an invitation for them to sign. I will not identify the scientists who declined to sign or did not respond. However, I will describe the comments of the six scientists who declined.

Only two of the six actually disagreed with the intent of my statement. One of them expressed his concern about proliferation of nuclear weapons, and thought that the use of nuclear power would accelerate that spread. The other had been a consultant to the AEC in the late 1950s and was disturbed by the mode of operation of that agency.

A third scientist thought that a statement of a group like ours should be more general, about on the line of the advertisement sponsored by Mr. Peter Peterson in the *New York Times* of December 26. The three other scientists agreed with the intent of my message, but felt that because of their official positions, or membership in some committees, it would be improper for them to sign.

Dr. Victor Weisskopf indeed does not wish to be listed as a signatory to our statement. I had sent him the first draft and he had expressed some disagreement with some details. Responding also to criticism from some other prospective signatories, I changed these passages in a manner which I thought was responsive to Dr. Weisskopf's objections. He could not be reached because he was out of the country. Since I thought that I had in a general way taken care of his objections I listed him as a signatory. This was an error on my part. Dr. Weisskopf has informed the scientific public, and many other readers, by publishing his denial in the April issue of the *Bulletin of the Atomic Scientists*.

After we published the statement, several prominent scientists called or wrote me to tell me that they wished their names had been included among the signatories.

Yours truly,

HANS A. BETHE.

ART BUCHWALD ON THE REFUGEES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BINGHAM. Mr. Speaker, in his column of May 6, Art Buchwald could find nothing humorous in the indications of American hostility to the refugees from Vietnam. Instead he wrote with obviously deep feeling, urging America to live up to its finest traditions, as follows:

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families.

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and great-grandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that?"

"It's not the same thing," the statue said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, 'Welcome. We're glad you came,' most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate bridge, perhaps the people will be ashamed of the way they've behaved."

The Statue of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, "Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door.'"

TARIFFS, DUTIES AND THE U.S. INTERNATIONAL TRADE COMMISSION

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HUGHES. Mr. Speaker, this morning I testified in general disagreement with proposed tariff concessions and duty free preferences at hearings called by the U.S. International Trade Commission in Camden, N.J.

As a word of commendation, the Commission deserves the utmost praise for its decision to leave the sheltered confines of Washington, D.C., and venture out into the field to obtain the widest possible comment from industry, labor, public officials, and other interested citizens.

Camden, I believe, was the 20th of 21 planned field hearings.

Field hearings dilute the power and influence of special interest groups and provide a forum to those unable to travel to Washington or maintain a high-powered lobbyist here.

The Commission hearings are enormously important because they very well may lead to decisions that will have an immediate and lasting impact on jobs not only in New Jersey but across the country.

The Commission is considering tariff concessions on 6,800 articles and the extension of duty free imports to as many as 115 nations. I explained that in my opinion our State's fragile economy hard hit by the recession could not accommodate such drastic steps.

Frankly, I don't want to see jobs become south Jersey's greatest export.

I recommended to the Commission that it go forward and complete its consideration of the proposals before it, file its July 14 report to the President, but tie any implementation to a drop in the unemployment rate and a growth in American industrial capacity.

To do otherwise would devastate textile, glass, and other industries particularly threatened by low-cost labor-produced foreign-made goods.

With your permission, Mr. Speaker, I include in the RECORD my statement on Wednesday, May 7, to the U.S. International Trade Commission hearing held in Camden, N.J.:

STATEMENT OF HON. WILLIAM J. HUGHES

Thank you for this opportunity to discuss today the probable impact on certain segments of the economy, with emphasis on my South Jersey constituency, of the two questions before this Commission.

Namely, the proposed tariff concessions on some 6,800 articles under consideration and the generalized system of preferences for duty free imports on about 3,100 articles to as many as 92 nations designated as eligible by the President.

I can't help but notice that the entire list of Organization of Petroleum Exporting Countries, of which we on the Eastern Seaboard have had some disagreements on oil pricing policies, seek recognition among a smaller list of 23 nations for preferences.

I would hope, whatever the final determination of these hearings, that the Commission recommend to the President that he not wave the Title 5 provision of the Trade Act for the OPEC nations and insist that the anti-boycott pledges be signed as a precondition for any agreements.

Obviously this Commission does not need to be reminded of the enormity of its task. The Trade Act imposes a July 14 deadline and the General Agreement on Tariff and Trade (GATT) negotiations are just around the corner in Geneva this fall.

My statement would not be complete if I did not express my concern at this point that perhaps, for a change, government might be moving a bit too fast. I will expand on this observation a little later in my presentation.

First, a commendation. This Commission is to be highly praised for going out into the field to expand its hearings to a total of 21 cities.

This will contribute enormously to the value of your effort by obtaining the widest possible comment from industry, labor, public officials and others who have a vital stake in the recommendations you make.

Field hearings dilute the power and influence of special interest groups and provide a forum to those unable to travel to Washington or maintain a high-powered lobbyist there.

These hearings are important since the constraints under which you labor make it essential that the Commission compile and analyze as much data as quickly as practical.

I am troubled, nonetheless, to hear the word "adequate" substituted for the word "thorough." We desperately need a thorough assessment of probable economic impact prior to Commission recommendations.

I submit that many industries in my district as well as throughout New Jersey and the nation may not survive an "adequate" assessment. This is not merely a play on words. With 8 million Americans out of work and another million or more out of hope, this nation needs a better than adequate assessment of the domestic impact of a further loosening of trade restrictions.

THE SECOND DISTRICT

My congressional district, the second, is New Jersey's largest geographically and in population, comprising nearly a third of the state and more than 550,000 permanent residents.

April figures have advanced the national rate of unemployment to 8.9 percent. That rate has consistently been two to three percentage points higher throughout New Jersey and greater still in South Jersey.

This is due in some measure to the seasonal nature of some jobs, but speaks as well to the large numbers associated with construction and manufacturing. Unemployment in my district exceeds 20 percent in some areas and has gone as high as 80 percent in several of the construction trades.

Bleak as these statistics are, foreign imports are not yet, and I underscore yet, the principal cause of unemployment.

However some of the largest employers in South Jersey are particularly susceptible to competition from low-paying labor produced imports and stand to suffer irreparably from significant overseas competition.

For example, approximately 17,000 New Jerseyans work in the glass container industry alone—about 8,500 in six plants in my area. The recession has claimed 5,000 jobs in this industry and at least a fair percentage can be traced to increased competition from foreign imports.

Glass containers are included in your list of tariff concessions and as probable export items from Mexico, Colombia, Hong Kong, Taiwan and other nations should they be afforded duty free preference.

The relaxation of these trade barriers would have devastating consequences in my district in an industry and in an area where unemployment is already intolerably high.

An American firm has recently opened a glass container plant in Colombia with exports going to U.S. markets. In a duty free situation, like-minded multinational corporations could do serious and permanent damage to this vital industry.

I don't want to see jobs become South Jersey's largest export.

We only have to look to the recent past in Mexico to see how that nation, in concert with multinational firms took advantage of a loophole in the U.S. Tariff Schedules, to eliminate thousands of U.S. jobs by opening 500 new Mexican plants that in many cases were literally just across the border.

OVERSEAS INVESTMENT

Other inducements to invest overseas have also weakened our industrial base at home, contributing to high unemployment.

U.S. tax laws which permit firms to credit their taxes paid overseas against income taxes in this country as well as deferring taxes on profits abroad until they were brought home—if ever—are taking their toll.

In passing the tax reduction legislation last March the Congress limited these credits and deferrals relating to overseas oil and gas investments. In my opinion we need to further restrict these encouragements to invest away from home in other carefully selected areas where significant numbers of domestic jobs are at stake.

More importantly, we should not take steps which would accelerate foreign investment at a cost of jobs here.

In addition to glass containers my district has three plants specializing in laboratory glass products—two located in Cumberland County and another in Atlantic. They would unquestionably attract import rivals under the provisions permitting the President to reduce tariffs by as much as 60 percent.

This raises a question which I hope this Commission will address. Why is this particular item being considered in view of the amendment offered by U.S. Sen. Robert Byrd and accepted in the Trade Act? The amendment in question, as I understand it, specifically precludes import sensitive semimanufactured glass and manufactured glass under the generalized system of preferences.

CHINA AND TEXTILES

I can not hope in the limited time this morning to survey all industries which almost certainly stand to be adversely effected by the related actions you are weighting. Two others must be emphasized.

Ninety-six percent of all china is now imported into the U.S. One major employer in my district, Lenox China of Atlantic County, has managed to survive despite this unfavorable climate. Further concessions would almost certainly mean the loss of hundreds of jobs at that firm alone in a part of South Jersey particularly hard-hit by the recession.

So, too, has been the fate of the textile manufacturing industry—an important but marginally operating business.

At its peak, textile manufacturing plants numbered more than 130 and employed nearly 10,000 people from Trenton south. We are now down to 95 plants providing jobs for 7,500 workers in the manufacture of women's coats, suits and other outer garments. The manufacture of children's apparel ceased.

Every surviving textile business is undermined by cheap imports, with the exception of those few firms fortunate enough to be sustained by contracts for military clothing.

In sum, I simply don't believe that our economy can accommodate such drastic import concessions as have been suggested. For 40 years the U.S. has been an international leader in cutting tariffs and permitting duty free imports.

But until our economy begins to show signs of recovery, I would offer the following recommendations:

That negotiations go forward on proposed tariff concessions in Geneva but that implementation be tied to a drop in the unemployment rate and a growth in industrial capacity. Other nations already take such steps to protect their industries.

That the Commission continue to carefully monitor imports of industrial goods and urge the President to exercise his powers under the Trade Act of 1974 to set quotas in segments of the economy where U.S. production has fallen off.

Tariff reductions and duty free status should only be offered during our recovery period after the closest of monitoring and on a nation-by-nation and article-by-article basis with periodic reviews.

For the Congress' part, I foresee the need to limit the foreign tax credit and provisions for the deferral of tax payments on foreign-earned profits which has been an open invitation for U.S.-based multinational corporations to expand overseas.

American capital and technological investment in other nations should be curtailed. There has been nearly a ten to one advantage in royalties and fees paid for American technology which is ultimately felt in terms of low-cost imports.

Finally, I endorse as essential a recommendation first made by the AFL–CIO that Congress repeal Sections 806.30 and 807 of the Tariff Code through which Mexico and other countries have circumvented tariff restrictions by assembling parts or components shipped from the U.S. and reimported as a final product with tariff forgiveness. In seven years, this loophole has seen a growth from $20 million to $1 billion in Mexico alone with a subsequent significant loss in American jobs and productivity.

I would be delighted to discuss with the Commission any of the concerns which I bring here this morning or to respond to any questions within or beyond the scope of my remarks.

Thank you.

COMMISSARIES THREATENED BY BUDGET AX

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. NICHOLS. Mr. Speaker, the Investigating Subcommittee of the House Armed Services Committee began hearings today on a series of bills designed to continue the operation of the military commissary services both for active duty and retired military personnel and their families. I am extremely concerned that the Department of Defense has not included in their budget request necessary moneys to operate our military commissaries and I consider the deletion from the budget request of these moneys a serious breech of contract to those who have served the country.

We are also slowly chipping away at the benefits which this Government promised retired military personnel as an inducement to make the military a career. Today, there are several million retired enlisted men and officers who have spent 20 years and more serving our country in uniform. We promised these men and women medical care, commissary privilege, a good retirement plan, and dangled other carrots in their faces to entice them into a military career.

But other men are also considered retired and these are the men who are 100 percent disabled from the field of battle. Many of these men are blind, have lost limbs, or are in some way severely disabled. These men also receive Government supports which are in some cases their whole means of a livelihood.

This Congress has been asked by the President to cut from the military budget $250 million in funds used to pay the staff and personnel of more than 270 commissaries. Presently these facilities are providing our retired military persons savings of up to 20 percent on their food bills. For some of these families this is a difference between a balanced monthly budget or seeking monetary assistance from relief agencies.

If the money for the commissaries is denied by this Congress, the Federal Government will be reneging on a commitment made to many Americans. It would be a shame and a crime for us not to fulfill commitments made in recruiting persons for military service and I seriously doubt that the Members of this body would stand for private industry doing the same. To better emphasize my point I hope that Members take the time to read the following article "Commissaries Threatened by Budget Axe." We need to take a close look at this budget and realize that we have made these commitments to our people. We must fulfill these commitments.

The article follows:

[From VFW magazine]

COMMISSARIES THREATENED BY BUDGET AXE

(By Howard Silber)

To use his own words, Sam Swenson was transformed "in a fraction of a second from a reasonably self-sufficient person into one who can never again be really independent."

It happened in January, 1966, when Sam was a noncommissioned officer in the 1st Infantry Division in Vietnam. He was leading a patrol through the carnage of a frequently-fought-over rubber plantation northwest of Saigon. A sniper—Viet Cong or North Vietnamese, he'll never know which—trained an automatic rifle squarely in the middle of Sam's back.

The sniper made a slight error, Sam believes. Instead of hitting him midway between the shoulder blades, the bullet smashed into the lower back, shattering the spine and condemning Sam to a wheelchair for the rest of his days.

Months later, Sam left Fitzsimmons General Hospital in Denver and returned to his home town near Sioux City, Ia., to rejoin his wife, June, and their two small children and to find a new life.

Before he began his Army service Sam knew best the rich farmlands of western Iowa. The bullet that pulverized an inch or two of his spine and made him a paraplegic also shattered his boyhood dream of becoming a farmer and livestock feeder.

There is a dream today. But it is for his two sons, James and Stanley. He would like them to do what he never will. That dream is becoming clouded by circumstance. Sam is discouraged.

Sam Swenson isn't the real name of the ex-sergeant. He shared his thoughts with his V.F.W. comrades, but asked to protect the identity of his family.

"It isn't a big thing, but it's personal with me," he explained. "I don't think my problems have to be public knowledge."

Sam is deeply troubled by the Department of Defense and White House Office of Management and Budget proposal to withdraw the overall tax support of the military commissary system. Based on the volume of mail that has deluged Capitol Hill in recent weeks, his views are shared by many other veterans and several million active duty and retired military personnel.

The plan presented to Congress in President Gerald R. Ford's proposed budget for the fiscal year beginning July 1, 1975, is for the 277 commissaries scattered about the 50 states to become 50% self-supporting by October, 1976, and entirely self-supporting by the following October.

At present, tax subsidy amounting to about $250 million a year enables the commissaries to offer food and related goods to retired and active duty military personnel, their dependents and widows and to veterans with 100% disability ratings at substantial savings. Average prices at commissaries reportedly are more than 20% lower than day-to-day costs in supermarkets outside the gates of military bases.

Spokesmen for the retail food industry say that without the tax subsidy, which includes salaries of clerks and other employees along with commissary building costs, the military markets would present little price competition to the civilian supermarket.

Charles Monasee, of Omaha, Nebr., president of Hinky Dinky, a Midwestern retail food chain, and a former career Air Force officer, put it this way:

"There is no way the military can operate markets with the efficiency that private enterprise requires. Whatever advantages that would remain in the commissary system would be swept away by the inefficiencies necessitated by bureaucratic red tape and the absence of initiative we sometimes see in military organizations.

"The commissaries might retain the advantage of geographic convenience to people on military bases. That would be about all."

There would be no convenience to June and Sam Swenson who drive their station wagon some 125 miles to Offutt Air Force Base south of Omaha every four weeks. They stock up with meat and pantry staples, spending nearly $200, and return to their home with most of a month's larder.

Without the cost saving of $40 or more, there would be no reason for the Swensons to make the trip.

"When I first realized how badly I'd been hit," said Sam, "I consoled myself with the belief that Uncle Sam was never going to let me down. There was no use kidding myself—there was no way I could make it alone, no matter how much I wanted to. I figured I'd have to have help for the rest of my life and my country would give me that help.

"Now I'm not so sure. There's talk about closing the VA hospitals and there is an actual plan to deprive me of those commissary benefits."

Sam supplements his pension by solicting magazine subscriptions over the telephone and by typing term papers for college students. June works several nights a week as a telephone operator.

"The money we save at the commissary is mighty important to us," Sam declared. "Sure, we could survive without the commissary. But it would be more difficult, especially the way prices are today.

"What bothers me most, though, would be the betrayal of me and a lot of other people. We were promised the advantages of the commissary."

Millions of others who enjoy military commissary privileges express the same feeling. And there seems to be considerable sympathy for their attitude in Congress.

The commissary system was born of necessity.

In the Revolutionary War, civilian merchants known at sutlers were among the most enterprising of camp followers, selling food, whiskey, tobacco and other items to troops. Sutlers even supplied the Army itself during the Revolution and the War of 1812.

It was all very official until 1825, when Congress authorized the sale of "subsistence merchandise" at Army posts "remote from markets."

Sutler stores at frontier forts were both saloons and general stores, supplying trappers, freighters, people moving west on wagon trains and sometimes ranchers along with soldiers and their families.

Many sutlers were profiteers. They gouged the soldiers, encouraged them to drink heavily, extended excessive credit and then collected through liens on their pay.

The acute need to protect the military from the profiteering practices and to assure a reasonably constant supply of goods was called to the attention of Congress by the War Department in 1866. Congress abolished the sutler system and directed what is now the Army Quartermaster Corps to procure and sell at cost a line of subsistence supplies to military families.

Commissaries became supermarkets after World War II. It was similar to the transformation of the corner grocery into the big, modern food-selling establishment.

A principal difference was that the commissary did not become a veritable department store in the manner of some civilian supermarkets. The commissaries offer food, paper goods, cleaning products, cigarettes, health and beauty aids and a few other nonfood products.

The goods are sold at cost plus a small surcharge to cover expenses of paper bags and some overhead items that are not tax-supported.

The proposal to remove tax support from domestic commissaries and to confine the subsidy for overseas commissaries to the transportation of goods is explained by the Pentagon as purely for economy—to save $250 million a year in the salaries of some 25,000 commissary employees and the cost of the 2,500 military personnel who are assigned to commissary duty.

In addition to affecting the veteran with a 100% disability, the change would create new hardships for many retired military personnel and for enlisted men and women on active duty.

Sixty-seven percent of the men and women presently in uniform are in the lower enlisted grades and receive less than $7,000 a year in pay and allowances.

Approximately 1 million are military retirees. The average among them retired as a staff sergeant or third-class petty officer and receive marginal pensions.

The majority of retirees settled in communities in which military hospitals and commissaries were available. They use the commissaries.

"Those commissary savings are a matter of economic life or death to a lot of retired people," said Russell Musick, Past Commander of the V.F.W. Department of South Dakota, who retired from the Army in 1961 as a chief warrant officer.

Musick shops regularly at the Ellsworth Air Force Base commissary, about 11 miles from his home in Rapid City. Approximately 1,500 similar retiree families live in Rapid City; a community of about 45,000.

"It is hard to guess how some of them would get along without the commissary advantages we now have," he said. "A lot of them have developed their life-style around the savings. So have active duty people.

"Those advantages were pledged to us when we entered the service and when we elected to make the service our career."

Charles Monasee, the Midwest Supermarket chain president, sees the commissaries in their present form as strongly competitive to the private sector food industry.

Nevertheless, he describes the plan to withdraw the tax subsidy as "a gross rip-off, a violation of faith."

Support for the retention of the commissary system in its present form comes from numerous other sectors, with some surprising divergence of backround.

As a project of the Fund for Peace, the Washington-based Center for Defense Information is dedicated to sharply reduced military spending. But its director, retired Adm. Gene R. LaRocque, describes the proposal to end the tax subsidy as "penny-wise and pound-foolish."

LaRocque told the *V.F.W. Magazine* in an interview the commissary system "is an inexpensive way to maintain morale, to provide fair treatment of the loyal and patriotic members of the armed services and to maintain a high quality in the military."

The V.F.W. was among the first to do battle against the proposed change in the commissary system. Commander-in-Chief John J. Stang personally expressed opposition to Sen. John Stennis (Miss.) and Rep. Melvin Price (Ill.), chairmen of the two Armed Services Committees.

And the strong opposition of the V.F.W. has been made known to other members of Congress.

Said Commander-in-Chief Stang:

""On this issue, as on all others, your V.F.W. will keep the faith with those who have borne the battle, their widows and their orphans."

CHANGES NEEDED IN RAILROAD REGULATION

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. GRADISON. Mr. Speaker, later this year Congress will be called upon to accept or reject a massive Federal rescue plan for bankrupt eastern and midwestern railroads. The U.S. Railroad Association, which was delegated the responsibility for design of a restructuring plan by the Regional Rail Reorganization Act of 1973, issued its preliminary system plan in February, and is now working on a final system plan. The final system plan is due to be submitted to Congress by July 26 and Congress will then have 60 days in which to act, modify, approve, or reject the plan.

It is apparent that whatever final plan is agreed upon, large amounts of Federal money will be involved. The USRA in its preliminary system plan estimates that it will take about $3 billion over the next 10 years to implement the plan.

Unfortunately, it looks as if the USRA has been overly optimistic in assessing the need for Federal subsidies to carry out their plan. The Rail Services Planning Office has studied the USRA plan and has issued its own report critical of the USRA for what it believes are overly optimistic financial projections contained in the USRA report. The USRA estimates that ConRail, the Government-backed corporation which will take over most of the operations of the bankrupt railroads, will be able to break even by 1978 and operate at a profit thereafter. The RSPO has pointed out that this result depends on making very optimistic assumptions about revenues and costs and on using an accounting system which will present ConRail data in a favorable way.

If more realistic assumptions and more conventional accounting techniques are employed, the need for Federal subsidies will be even greater than the huge figures estimated by USRA.

Before Congress commits itself to paying all the bills for restructuring the bankrupt railroads, I believe we must look at why these railroads got into such a mess in the first place and why other railroads besides the bankrupts are having serious problems right now. If we approve a rescue plan without addressing fundamental problems, we will be in effect, pouring huge sums of the taxpayers' money down the drain and we will be committing ourselves to permanent and massive subsidies to keep ConRail operating.

There is also a very good chance that the Penn Central situation will recur before too long in another part of the country if we do not attack the basic problems of the system. We already have a preview of this in the situation with the Rock Island Railroad. Whatever the final costs of the USRA plan turn out to be, these could be multiplied several times over as similar rescue plans are needed in other parts of the country.

In looking for fundamental problems which have weakened the Nation's railroads, one is very obvious. This is the inefficient and detrimental way in which the railroads have been regulated by the Interstate Commerce Commission.

ICC policies have prevented the railroads from setting rates so as to attract business and meet competition from other modes of transportation. In one case, Southern Railway Co. in 1961 proposed a new rate for hauling grain which was substantially below then prevailing rates. Southern was able to offer the new rate because it had developed a new type of gondola car which allowed considerable cost savings. The ICC opposed the lower rates and Southern had to fight the ICC for 4 years and eventually take the case to the Supreme Court before it was allowed to implement the rates. ICC rate policies have also discouraged the railroads from taking full advantage of the advances in containerization which other modes of transportation have adopted so effectively.

The ICC has been detrimental to the industry through unwarranted delays in considering merger proposals. The best example is the Rock Island Railroad case where it took the ICC almost 12 years to render a decision while the Rock Island was slowly going bankrupt at the same time the ICC was delaying action on the case.

The railroads and the country cannot afford to continue with these same old-fashioned regulatory procedures. The question of regulatory reform has been studied again and again and every study has come to the same conclusion: our regulatory procedures are outmoded and economically damaging. It is now time to change these procedures.

Legislation to reform the ICC should be passed prior to approval of a final system plan for the bankrupt railroads. In this way, we will make success more likely for the restructuring plan and minimize the possibilities of the present situation recurring in another part of the country. I do not believe we can justify asking the Nation's taxpayers to put up more than $3 billion to bail out the bankrupt railroads unless we first take steps to reform the ICC.

At a minimum, the following changes should be made in ICC procedures:

First. Railroads should be given much greater flexibility to raise and lower rates. When the ICC was set up in 1887, the public needed protection against the railroads which were the only means of transportation in many areas. Today, other modes of transportation compete with railroads and this limits the railroads' monopoly power.

Second. New procedures must be established to insure prompt consideration of merger proposals.

Third. Railroads must be allowed to institute new types of services to take advantage of advances in technology without getting tied up in a lot of redtape with the ICC. Railroads should also not be required to subsidize services which have become unprofitable. If continuation of such services is in the public interest, then Federal, State, or local governments should provide the subsidies, not the railroads themselves.

Excessive Government regulation has been a major cause of the problems that railroads have experienced in recent years. Instead of trying to cure these problems by throwing more money at them, we should first change the regulatory system that helped create these problems.

CONGRESS MUST REASSERT ACADEMIC FREEDOM OF LOCAL CITIZENS

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HAGEDORN. Mr. Speaker, local citizens in communities across America are looking to Congress for help in reasserting their authority over their own local schools.

The academic freedom of these citizens—their right to decide what is taught in schools, and how—has been largely destroyed because the Federal Government's aggressive promotion of certain education policies and school materials, along with sizable Federal subsidies, is forcing local school choices and decisions that citizens themselves would not make.

Local citizens are helpless against the massive power and resources of the Federal Government as it manipulates local school policies.

One of the most flagrant examples of this problem recently brought to our attention is the National Science Foundation's aggressive promotion and marketing at taxpayers' expense of certain school curriculum materials. Many of these school materials, particularly in the social studies area, are very controversial and have caused heated opposition in local communities throughout the country.

One such course, "Man: A Course of Study," also known as MACOS, is an especially objectionable program used with 10-year-olds in fifth grade classrooms. The central human subject of the course is the Netsilik Eskimo subculture, whose lifestyle condones barbaric practices such as cannibalism, killing the weak and helpless, wife swapping, and other immoral behavior. The MACOS program is designed to make children tolerant of such practices in different cultures, and by extension to question their own values and social attitudes.

MACOS was developed with more than $5 million from NSF, and is being promoted and marketed with NSF support and funding.

An amendment to NSF's 1976 budget authorization, which would have stopped this Federal interference in local school curriculum choices, was proposed by our colleague, JOHN CONLAN of Arizona, when the House passed the NSF bill on April 9. The amendment was narrowly defeated by a 196 to 215 recorded vote. I was proud to vote for that amendment, which I believe would have passed if more Members realized the danger to local school autonomy posed by NSF curriculum promotion activities.

I understand that a similar amendment banning NSF promotion and marketing of school materials will be offered when the Senate considers the NSF budget authorization within the next week or so. I hope such a provision is part of the final bill Congress approves for the President's signature.

An excellent article outlining the facts behind the National Science Foundation's MACOS controversy is included in the current issue of Human Events. I would like to share that article, along with its accompanying rollcall vote on the Conlan amendment, at this point in the RECORD.

MACOS: PUPILS BRAINWASHED WITH FEDERAL FUNDS

(By J. F. Baldacchino, Jr.)

Democratic Rep. James W. Symington of Missouri is making no secret these days of his desire to succeed his father, Stuart Symington (D.-Mo.), as a Missouri senator when the elder Symington retires next year. But if the people of that "Bible belt" state come to understand Rep. Symington's key role in defeating a recent amendment by Rep. John Conlan (R.-Ariz.) to the National Science Foundation authorization bill, he may experience difficulty getting himself elected dog catcher in Missouri, much less United States senator.

Conlan's amendment, which was rejected on a close 215-to-196 vote (see rollcall, page 6), was designed to prevent further use of NSF funds for the promotion or marketing of controversial courses in the nation's public schools—courses that manipulate unsuspecting school children into rejecting long-established moral values and even go so far as to rationalize infanticide, killing of the aged and wife-swapping.

What prompted the Conlan amendment was the National Science Foundation's spending of over $7 million to develop and promote a social studies course for 10-year-olds called "Man: A Course of Study," or MACOS.

After this course was developed by a group called the Educational Development Center, Inc., (EDC) at a cost to the taxpayers of over $6.5 million, it was considered so outrageously controversial that fully 50 commercial publishers refused to touch it. In order to make MACOS commercially available, therefore, the NSF entered into a dubious arrangement whereby it agreed to allow an off-beat publishing outfit known as Curriculum Development Associates, Inc., (CDA) an 80 per cent discount on royalties owed to the government.

The resulting savings—in effect, federal subsidies—enabled CDA to undercut prices to the nation's public school systems for more conventional, non-subsidized course alternatives published by the more reputable textbook firms. Much of these subsidies, moreover, have gone into a high-pressure promotion campaign to persuade school administrators to adopt MACOS for use in their school systems.

Thanks in no small part to these federal subsidies, then, MACOS is now being used in an estimated 1,700 elementary schools, in nearly every state in the Union; and many parents do not even realize their children are being subjected to it.

Materials for MACOS, which include numerous books, films, records, pamphlets and other teaching aids, are full of references to adultery, cannibalism, infanticide, killing of old people, trial marriages, wife-swapping, murder and other behavior practiced by the Netsilik Eskimos studied as part of the course.

The idea, drummed into fifth-grade children day after day, is that such practices are considered all right by the Eskimo culture and, by extension, should be looked upon with tolerance by ours. And this is what bothers parents and other critics of this program. It is not that students should not be exposed to knowledge of other cultures, but there is some question as to whether children should be exposed to such harsh realities at this young stage of their development. In the view of many, this kind of material might better be reserved for college-level anthropology courses.

Even worse, if children are going to be expected to this kind of behavior in other cultures, it should be made clear to them that such activities should by no means be considered acceptable or morally upstanding. Yet the purpose of MACOS, as its educator supporters readily admit, is precisely to get children to question this society's most cherished values.

The alarming result, as Susan Marshner demonstrates in a study to be published shortly by the Washington-based Heritage Foundation, is that children come to believe "that there are no moral absolutes. To say that it is not possible to use a set of moral values to arrive at answers to problems assumes the truth of situation ethics and relativism."

In short, MACOS teaches children that nothing is sacred. Not the religious beliefs taught them by their parents. Not Western civilization. Not their country. Nothing, except perhaps the "anything-goes" beliefs of the course's leftist developers, Jerome S. Bruner and B. F. Skinner, whose book Beyond Freedom and Dignity showed in stark relief his affinity for changing human values through psychological conditioning.

Here are direct quotes from some of the written materials provided elementary school children as part of their MACOS training:

Adultery and wife-swapping. "Husbands have a very free hand in their married life and it is considered to be quite in order for them to have intercourse with any woman whenever there is an opportunity." (The Netsilik Eskimos, MACOS Vol. I, p. 117).

"Two men who become song partners . . . are so closely bound together that they can exchange wives if they choose." (A Journey to the Arctic, MACOS Booklet 18, p. 38).

Cannibalism. "The wife knew that the spirits had said her husband should eat her, but she was so exhausted that it made no impression on her. She did not care. It was only when he began to feel her, when it occurred to him to stick his fingers in her side to feel if there was flesh on her, that she suddenly felt a terrible fear; so she, who had never been afraid of dying, now tried to escape. With her feeble strength she ran for her life, and then it was as if Tuneq saw her only as a quarry that was about to escape him; he ran after her and stabbed her to death. After that, he lived on her, and he collected her bones in a heap over by the side of the platform for the purpose of fulfilling the taboo rule required of all who die." (The Netsilik Eskimos, Volume 1, pp. 97–98).

Divorce and trial marriage. "Divorce is common as long as there are no children, and there are women who go through seven or eight trial marriages before they finally settle down." (The Netsilik Eskimos, Volume I, p. 115).

Female infanticide. "I talked to several Netsilik women in one camp about the children they had. One had borne 11 children—four boys and seven girls, of which four girls had been allowed to die at birth." (A Journey to the Arctic, MACOS Booklet 18, pp. 24–25).

Murder. "As time went on, the old woman grew angry, for she too wanted a husband. She envied her daughter more and more, until one day when Kiviok was out hunting caribou, she killed her. She pulled the young smooth skin from her daughter's face and hand, and with it she covered her wrinkled old face and her bony hands. When Kiviok returned, the mother went to greet him as her daughter always did." (The Many Lives of Kiviok, MACOS Booklet 25, pp. 11–12).

Senilicide. "When we spoke of Eskimo murder, Father Henry told me about a man now at Committee Bay who had come to him one day, and, after the usual tea and silence, had said to him suddenly: 'I took the old woman out on the ice today.' It was his own mother that he had driven out and set down at sea to freeze to death.

"He was fond of her, he explained. He had always been kind to her. But she was too old, she was no longer good for anything; so blind, she couldn't even find the porch to crawl into the igloo. So, on a day of blizzard, the whole family agreeing, he had taken her out, and they had struck camp and gone off, leaving her to die." (Old Kigtak, MACOS Volume 7, p. 18).

The children are far from being passive observers in this program. On the contrary, they are required to grapple with some of the most difficult of moral questions. In addition, they are made to participate in psychological games involving surveillance of the actions of their fellow pupils and of their parents' conduct of family life.

MACOS has been denounced by the renowned New York clinical psychologist Dr. Rhoda Lorand, for 25 years a practitioner of psychotherapy for children and young adolescents and also a professor at Long Island University.

Said Dr. Lorand: "The program not only forces the children to be preoccupied with infanticide and senilicide as well as the gory details of animal slaughter, it also aims at making the children accepting of these practices. Further, the children are forced to identify with the customs through role-playing, even of Eskimo myths.

"In the enactment of one myth, a child about whom I was told, was required to play the role of the elderly grandmother who clings to a boat which is about to leave her behind to die. Another child was assigned the role of her offspring who chops off the grandmother's fingers so that she cannot delay their departure."

Dr. Armand DiFrancesco, a family physician in Buffalo, N.Y., says MACOS has caused emotional traumas and psychological disturbances for several young children he has personally treated:

"I first became interested in this course of study when a young 12-year-old girl from a nearby city was referred to me because of severe anxiety, and insomnia, and school phobia, and who began to have sexual obsessive thoughts. In therapy, I have learned that this was brought about by the teachings and by the stories as recounted in the MACOS program.

"I subsequently had occasion to have two other cases of children who developed anxiety and conflicts as a result of some of the things that were taught in this program that were in conflict with some of their religious beliefs and teachings at home."

But as if MACOS were not doing enough harm, EDC is now moving forward under a new grant approved on January 10 of this year to promote and market a sequel to MACOS for high schools called "Exploring Human Nature."

Prior to receipt of the January 10 grant, EDC had already developed "Exploring Human Nature" at a cost to the government of nearly $2.5 million. The January 10 grant has nothing to do with developing the course. That has already been accomplished. This year's grant is strictly for use in developing and maintaining a high-powered system whose main purpose it will be to get MACOS, "Exploring Human Nature" and several other social-value-modification courses accepted by local school systems.

Here, as described by Rep. Conlan, are some of the specific goals of EDC that were accepted as the basis for NSF grant No. PES 75-01635, which was approved and funded as of Jan. 10, 1975:

"The marketing strategy announced in the NSF-approved EDC grant proposal included establishing key target regions and localities throughout the U.S. as a first step towards implementing "Exploring Human Nature in every U.S. high school. They include: Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, Washington, and the District of Columbia.

"NSF funding for 'Exploring Human Nature' under its 1975 grant provides for a series of promotion conferences to train local school administrators and teachers in the EDC social studies philosophy over the next 18 months."

And what is the purpose of all of this frantic organizing at taxpayers' expense? Why, to implement "Exploring Human Nature," MACOS, and related EDC curricula with NSF funding in a *minimum* of 1,900 additional classrooms in 500 school districts in 50 states. And this is to be accomplished by next year.

But that is just the beginning. "In addition," said Conlan, "Education Development Center received NSF approval in its grant prospectus to:

"Lobby for 'Exploring Human Nature,' 'Man: A Course of Study' and other EDC/NSF social science courses among federal, state and local agencies which provide support services and financial assistance to local school districts and employ personnel who help local school districts introduce new curriculum programs. . . ."

In short, NSF is funding efforts by backers of these radical school courses to wring further government grants from other agencies at both the federal and state levels.

Moreover, while this year's grant to EDC was $95,993, which is relatively modest by NSF's standards, Conlan counted up commitments in the 1975 grant of more than $1,275,000 for a third year's promotion campaign for these courses, to begin either in late 1976 or early 1977.

And adding insult to injury, the EDC promotion plan funded by this year's NSF grant actually requires each promotion team in the growing EDC educator network to apply for yearly NSF grants for their own activities for an indeterminate number of years into the future.

To understand the significance of this funding pyramid structure, it should be put in the perspective of recent educational developments in this country. In contrast to the early days of American public schooling when parents prescribed what the schools should teach and how, in recent years parents have been virtually shut out from decisions relating to the schools that teach their children.

As Dr. Onalee McGraw, coordinator for the National Coalition for Children, recently testified before a congressional subcommittee, the parents' "inherent right to decide how schools can best serve the educational needs of their children has been usurped by a highly powerful organization of educators and the National Education Association."

Members of this elitist group of educators, said Dr. McGraw, have widely stated that, in their view, parents are inadequate for childraising. "They further view the home as an inadequate, unhealthy, and even pernicious source of character formation. They have thus established themselves as models for children's standards and behavior, in place of the children's own parents and relatives."

This belief has become orthodoxy among the educationist establishment in the United States today. And by using NSF funding for the promotion of their views, they are rapidly extending their grip into the various school districts nationwide. Only if Congress puts a stop to NSF funding of promotion activities for courses such as MACOS can this erosion of parental control of the public schools be slowed.

By requiring Congress to give specific approval before NSF could promote or market any commercially available curriculum program, the Conlan amendment would have helped Congress to put educational policy back in the hands of parents where it rightfully belongs.

Still another amendment which could prove helpful in this regard is the Bauman amendment, which passed the House by a close 212-to-199 margin on April 9 (see rollcall, HUMAN EVENTS, April 26, 1975, page 15). This amendment, which may run into difficulty in the Senate, gives Congress a 30-day opportunity to reject any grant proposal approved by NSF and could thereby give the people's elected representatives in Congress an opportunity to nip future dangerous programs such as MACOS in the bud.

Yet Rep. Symington insisted that he saw no need for either of these proposals and, indeed, led the opposition to the Conlan amendment. He could live to regret it in next year's Missouri Senate race.

The National Science Foundation authorization measure now resides in the Senate Committee on Labor and Public Welfare, chaired by Sen. Harrison A. Williams Jr. (D-N.J.). As the bill came out of Sen. Edward M. Kennedy's Special Subcommittee on the National Science Foundation, neither the Bauman amendment nor the Conlan amendment is included in the Senate version of the bill. It is all but certain, however, that both the Bauman amendment and a modified version of the Conlan amendment—one that would flatly prohibit use of NSF funds for promotion of curriculum materials—will be offered on the Senate side, either at the committee stage or when the measure reaches the Senate floor.

ROLLCALL: NATIONAL SCIENCE FOUNDATION MARKETING OF CURRICULUM PROGRAMS

On April 9, 1975, the House by a narrow margin—196 to 215—rejected a bid by Rep. John Conlan (R.-Ariz.) to require specific congressional approval of National Science Foundation funding for implementing or marketing course or curriculum programs or materials (see story above). Following is the rollcall on the Conlan amendment (a nay vote is against congressional oversight of such controversial material as "Man: A Course of Studies"):

DEMOCRATS FOR: 89

Addabbo, Alexander, Andrews (N.C.), Annunzio, Barrett, Bennett, Bevill, Biaggi, Boggs, Breaux, Brinkley, Burleson (Tex.), Byron, Casey, Chappell, Daniel, Dan, Davis, Delaney, Dent, Derrick, Downing, Evans (Ind.), Ford (Tenn.), Fountain, Fulton, Gaydos, Ginn, Gonzalez, Haley, Hays (Ohio), Hebert, Hefner, Henderson, Hightower, Holland, Howe, Hubbard, Hungate, Ichord, Jenrette, Jones (N.C.), Jones (Tenn.), Kazen, Levitas, Lloyd (Tenn.), Long (La.), and McDonald.

McKay, Mahon, Mann, Mathis, Mazzoli, Melcher, Minish, Montgomery, Mottl, Murphy (Ill.), Murphy (N.Y.), Murtha, Natcher, Nichols, Passman, Patten, Pickle, Randall, Roe, Rose, Runnels, Russo, Satterfield, Shipley, Slack, Staggers, Steed, Stephens, Stratton, Sullivan, Taylor (N.C.), Traxler, Waggonner, White, Whitten, Wilson, C. (Tex.), Wolff, Wright, Yatron, Young (Tex.), Zablocki, and Zeferetti.

REPUBLICANS FOR: 107

Abdnor, Andrews (N.D.), Archer, Armstrong, Ashbrook, Bafalis, Bauman, Beard (Tenn.), Bell, Broomfield, Brown (Ohio), Broyhill, Buchanan, Burgener, Burke (Fla.), Butler, Carter, Cederberg, Clancy, Clausen, Don, Clawson, Del, Cleveland, Cohen, Collins (Tex.), Conlan, Crane, Daniel, Robert, Devine, Dickinson, Duncan (Tenn.), Edwards (Ala.), Emery, Eshleman, Fish, Forsythe, Goldwater, Goodling, Gradison, Grassley, Guyer, Hagedorn Hammerschmidt, Hansen, Harsha, Hillis, Hinshaw, Holt, Horton, Hutchinson, Hyde, Jeffords, Johnson (Colo.), and Johnson (Pa.).

Kasten, Kelly, Kemp, Ketchum, Kindness, Lagomarsino, Latta, Lent, Lott, Lujan, McCollister, McKinney, Madigan, Martin, Michel, Miller (Ohio), Mitchell (N.Y.), Moore, Moorhead (Calif.), Myers (Ind.), Myers (Pa.), O'Brien, Pressler, Quillen, Railsback, Regula, Rinaldo, Robinson, Rousselot, Schneebeli, Schulze, Sebelius, Shriver, Shuster, Skubitz, Smith (Neb.), Snyder, Spence, Steelman, Symms, Talcott, Taylor (Mo.), Thone, Treen, Vander Jagt, Walsh, Wampler, Whitehurst, Wilson, Bob, Winn, Wydler, Wylie, Young (Alaska), and Young (Fla.).

DEMOCRATS AGAINST: 182

Abzug, Adams, Ambro, Anderson (Calif.), Aspin, Badillo, Baldus, Baucus, Beard (R.I.), Bedell, Bergland, Bingham, Blanchard, Blouin, Bolling, Bonker, Bowen, Brademas, Breckenridge, Brodhead, Brooks, Brown lison (Mo.), Burton, John, Burton, Phillip, (Calif.), Burke (Calif.), Burke (Mass.), Bur-Carney, Carr, Chisholm, Clay, Collins (Ill.), Corman, Cornell, Cotter, D'Amours, Daniels, Dominick, Danielson, de la Garza, Dellums, Diggs, and Dingell.

Dodd, Downey, Drinan, Duncan (Ore.), Early, Eckhardt, Edgar, Edwards (Calif.), Eilberg, Evans (Colo.), Evins (Tenn.), Fascell, Fisher, Fithian, Flood, Florio, Flowers, Foley, Ford (Mich.), Fraser, Fuqua, Gibbons, Green, Hall, Hamilton, Hanley, Hannaford, Harkin, Harrington, Harris, Hawkins, Hayes (Ind.), Hechler (W. Va.), Helstoski, Hicks, Holtzman, Howard, Hughes, Jacobs, Johnson (Calif.), Jones (Ala.), Jones (Okla.), Jordan, Karth, Kastenmeier, Keys, Koch, Krebs, Kreuger, and LaFalce.

Leggett, Lehman, Litton, Lloyd (Calif.), Long (Md.), McCormack, McFall, McHugh, Macdonald, Madden, Maguire, Meeds, Metcalfe, Meyner, Mezvinsky, Mikva, Milford, Miller (Calif.), Mineta, Mitchell (Md.), Moakley, Moffett, Moorhead (Pa.), Morgan, Moss, Neal, Nedzi, Nix, Nolan, Nowak, Oberstar, Obey, O'Hara, O'Neill, Ottinger, Patterson (Calif.), Pepper, Perkins, Pike, Poage, Preyer, Price, Rees, Reuss, Richmond, Riegle, Risenhoover, Roberts, Rodino, and Rogers.

Roncalio, Rooney, Rosenthal, Rostenkowski, Roush, Roybal, Ryan, St Germain, Santini, Sarbanes, Scheuer, Schroeder, Seiberling, Sharp, Sikes, Simon, Sisk, Smith (Iowa), Solarz, Spellman, Stanton, James V., Stark, Stokes, Studds, Symington, Teague, Thompson, Thornton, Tsongas, Ullman, Van Deerlin, Vander Veen, Vanik, Vigorito, Waxman, Weaver, Wilson, C. (Calif.), Wirth, Yates, and Young (Ga.).

REPUBLICANS AGAINST: 33

Anderson (Ill.), Biester, Brown (Mich.), Cochran, Conable, Conte, Coughlin, Derwinski, du Pont, Erlenborn, Fenwick, Findley, Frenzel, Frey, Gilman, Gude, Hastings, Heckler (Mass.), Heinz, Jarman, McClory, McCloskey, McDade, Mosher, Peyser, Pritchard, Quie, Ruppe, Sarasin, Stanton, J. William, Steiger (Wis.), Whalen, and Wiggins.

Not Voting: 21.

LAND USE: WHAT'S IN STORE FOR AGRICULTURE

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. STEELMAN. Mr. Speaker, in the past, urbanization of farmland has not had an overall impact on farm production, because, through irrigation and application of fertilizer, we have been able to transform relatively poor land into productive cropland. But, the recent world food crisis and rising domestic costs for farm products have heightened awareness of the fact that our supply of prime agricultural land is limited.

The statistics on urban encroachment into the countryside are sobering: between 1960 and 1970, over 2,000 acres of rural land was urbanized every day. Each year, 350,000 acres of farmland is lost to urban development—much of it prime agricultural land. For instance, since 1935 farm acreage in Maryland has declined from 6.30 million acres to 2.5 million acres in 1974, and the number of farms has declined from 44,000 to 15,000. Once urbanized, farmland is almost irretrievably removed from the Nation's agricultural system.

We can no longer afford to be complacent about the loss of rich farmland to development. Just 5 years ago, only 330 million acres of land were cultivated in this country, and the Federal Government was paying farmers to keep land out of production. Last year, virtually all of the Nation's 470 million acres of cropland were in production. In addition, the costs of transformation is likely to increase in the future, as the quality of potential land available for conversion to cropland declines.

Under the prevailing system in which urbanization occurs, even the most highly productive farmland may not be able to compete with the economics of urbanization. The dynamics of development are such that land values and property taxes in urbanizing areas may rise to the point where it is really impossible to maintain a farm operation.

The Bureau of Reclamation has estimated that the initial cost of bringing new cropland into production is $1,000 an acre. This estimate is likely to change as the cost of irrigation projects and fertilizer escalates. In addition to these costs, farmers must also adopt new costly farming practices and buy new types of equipment to attain the goals and regulations imposed by environmental protection laws. Needless to say, these factors will send food prices soaring. Thus, if we are to insure an adequate supply of food at reasonable costs in the future, it is apparent that we as a nation must commit ourselves to policies which minimize indiscriminate urbanization of prime food and fiber producing land. An important step in this direction would be the enactment of H.R. 3510, the Land Use and Resource Conservation Act of 1975.

One of the purposes of this bill would be to aid States in developing policies and procedures to identify prime food and fiber producing lands, and to promote their continued use and productivity to meet long range food and fiber requirements.

On March 18, 1975, Assistant Secretary Long, USDA, testified before the House Interior Committee, Subcommittee on Energy and the Environment, as to the Department's position on H.R. 3510. During his questioning by members of the subcommittee, Secretary Long acknowledged "that there has been no department or national policy on prime land, its preservation and maintenance."

This came as a great shock for one who had always assumed that the Department of Agriculture had up-to-date information on prime land, where it is, what was happening to it, and what suggestion ought to be considered in order to maintain these lands. Now, knowing that the USDA does not have this information, makes it all the more vital that H.R. 3510 is enacted so as to encourage the State and local governments, with a broad base of citizen participation, to develop the specific policies and procedures they want for promoting the continued productivity of these types of land.

A good example of the need for a comprehensive State-local plan for agricultural lands as envisioned in H.R. 3510, is the scenario of Suffolk County. In Suffolk County, on the edge of the sprawling metropolitan area formed by New York City and its neighboring Nassau County suburbs, the land is perfect for developers. Fortunately, Suffolk, which has 40,000 acres of New York's most productive cropland, has decided in the absence of any meaningful State plan, to keep the developers from obliterating Suffolk's rural character. Their plan is to purchase the farmer's right to sell his acreage to developers. Although this concept has gained in popularity in other counties, there remains the doubt that this single plan will work in all the States.

Therefore, H.R. 3510 would be in furtherance of initiatives already being taken by some States and local governments to protect farmland and farmers from the consequences of indiscriminate urban sprawl. Presently, in much of the country, urbanization proceeds in a leapfrog pattern—in which new development is placed in relatively rural areas thus extending the urban fringe into the countryside. The bill would help through giving States an idea of some type of procedures to assess proposals for large scale development projects, and growth-generating key facilities. In addition, the States and ultimately the farmer, would be helped by a process which would coordinate Federal programs and make these programs and projects consistent with the overall State programs and policies.

I feel strongly that the rural community needs to participate fully and effectively in the future planning and development of the rural areas in particular as well as America in general. Combine these elements with such provisions as no Federal role in the review of the substance of any State's plan, no sanctions, and a voluntary State grant-in-aid program and you have a modern, enlightened approach to land use planning whereby the States and local government with public participation make the decisions about the types of use for their land. H.R. 3510 gives the farmer and forester this opportunity which will hopefully lead to sound planning which is an essential element to our future growth.

I commend to my colleagues' attention the following article from Time magazine:

SAVING THE FARMS

Every year about 350,000 acres of farm land on the fringes of America's suburbs—an area roughly half the size of Rhode Island—are taken out of crops and put into buildings. Though the loss may seem insignificant in a nation with 470 million acres of cropland, there is a hitch. Much of the lost acreage is top-quality farm land, rich soil that the U.S. should keep as a major resource. But to save such land for farming has been almost impossible. Buying it outright is too expensive. Zoning it for agricultural use only can often be illegal. The U.S. Constitution forbids any action that lowers land values (in this case by banning any sort of development) without "just compensation."

But there is a middle way, one now being tested in Suffolk County on the eastern end of Long Island. Famous for the Hamptons, a string of summer resort communities along the Atlantic Ocean beaches, Suffolk has 40,000 acres of cropland that has made it the most productive farm county in New York State. The land is also perfect for developers—pancake flat and on the edge of the sprawling metropolitan area formed by New York City and its neighboring Nassau County suburbs. To keep the developers from obliterating Suffolk's rural character, the citizens of the county have decided to try something new: buying not the farm land but the farmer's right to sell his acreage to developers. That will cost money, but not as much as buying the land outright. If a farm is worth, say, $6,000 per acre to a developer but only $1,500 per acre to a farmer, the county will pay the difference—$4,500—for the "development rights." In return, farmers who join the program must agree to keep the land in farms forever.

TOO RADICAL

The scheme is mainly the work of County Executive John Klein, 43, who began his campaign to save what he calls "New York City's breadbasket" right after being elected in 1971. His first step was to set up a twelve-man committee of farmers and charge it with finding a way to keep the farm lands. John Talmage, 45, a farmer in Riverhead, suggested the development-rights formula. The idea seemed so radical, he recalls, that "I thought it was not salable."

But Klein bought it and resold it to the county legislature, which voted $60 million in 30-year bonds to acquire development rights. The cost will be borne by local residents, whose taxes will rise a few cents a year. Yet Suffolk's citizens have generally supported the bond issue because they stand to gain from preserving the farms. Some of those who will benefit:

1) Year-round residents will keep their low tax base. At first, some Suffolk County residents subscribed to the popular myth that new subdivisions, by bringing in more taxpayers, would lower per capita taxes. But Klein proved that in Nassau County rapid development actually caused a rise in local taxes, which were needed for costly new roads, schools and other services.

2) Summer homeowners, drawn to the area by the attractive landscape, will continue to enjoy the unspoiled look that well-farmed, wide-open fields provide.

3) Farmers will have their taxes stabilized. As elsewhere, taxes in Suffolk are figured on the land's "highest and best use"—*i.e.,* its value to developers. Local governments now give farmers a break by assessing their land at what Klein candidly describes as "illegally low preferential rates." But such treatment cannot continue indefinitely, he says. Nor can the county help when federal and state inheritance taxes, which are based on the land's full value, come due. Under the development-rights scheme, however, all taxes will be reckoned only on the land's agricultural value. Beyond the tax advantage, says Water Mill Farmer Tom Halsey, "I still keep my pride in ownership. I am still able to build farm buildings on my land. And with the money that I can get from selling my development rights, I might even be able to buy more farm land."

That left only one question. How many of the county's farmers—a notably independent lot—would choose to sell their development rights? This winter Suffolk invited farmers to join the program. The response was overwhelming: 381 property owners offered the county rights to 17,800 acres for some $117 million. Klein has established a committee to select the best buys for Suffolk's $60 million. He plans to ask the legislature to authorize another $15 million bond issue next year, but already he feels vindicated. "Suffolk is a microcosm of the U.S.," he says. "If the development-rights program can work here, it can work anywhere."

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mrs. Elisabeth Taibbi is the director of the Suffolk County Office of the Aging. Her office is funded under the Triple A provision of the Older Americans Act creating area administrations on aging. In her testimony she discusses some of the administrative problems facing agencies set up to help the elderly as well as some of the specific issues that affect them directly. I insert Mrs. Taibbi's testimony in the RECORD:

TESTIMONY OF ELISABETH TAIBBI

I would like to call our next witness, Elisabeth Taibbi, from the Suffolk County Office of the Aging. I might add that Mrs. Taibbi was one of my former colleagues on the Suffolk County Leigslature.

Mrs. TAIBBI. Congressman Downey, Mrs. Morris:

I would like to thank you for the opportunity to participate in this discussion regarding the debilitating impact of the economy-related problems that Suffolk's senior population has been struggling with most nobly. The escalating problems they face are varied and many, and the light at the end of the tunnel seems to get dimmer with the uncertainty they face on a daily basis. The poetic promise that once might have sustained us all, "Grow old with me, the best is yet to be", no longer applies and cannot apply unless and until the complexities of the many issues confronting the elderly receive the intense consideration and earnest understanding of the entire population, especially those of us charged with the responsibility for the well-being of our senior citizen population.

It is not enough for Legislative Committees on Aging, be they local, state or federal, to implement needed legislation if they do not take into consideration the ripple effects of proposed legislation of other legislative committees. The ideal can be achieved by establishing a continuing dialogue between flowchart related groups. Other legislative standing committees must be made aware of the necessity of including in their dialogue those areas of concern which, on the surface, may not be recognized as having a direct impact on the elderly. The vicious cycle of government giving with one hand and taking it back with the other because of conflicting legislation, must be broken.

Lack of adequate income is the most pressing problem facing older persons today. While we could enumerate the well known and widely publicized spiraling costs of basic essentials and the despair this generates among the elderly, within the time frame of this hearing, of necessity, I will have to limit my presentation to answering your specific inquiries.

Your main inquiries seem to be the assessment of current programs and suggested changes.

Supplemental Security Income Program, better known as S.S.I., was established as a federally funded income maintenance program effective January 1, 1974, replacing Public Assistance for the Aging, Blind and Disabled, and it is going down for the third time under the weight of inadequate and unrealistic guidelines that are generating much confusion and controversy about federal and state responsibiilties.

The Chairman. If you want to go on to how the County has helped, that would be fine.

Mrs. Taibbi. On the positive side, our office has received a one-year model project grant which enabled us to provide an SSI Coordinator whose primary function is to meet with the elderly singly and in groups and explain the eligibility requirements to them. With the welcome assistance of volunteers, he has literally gone out into the marketplace, actively seeking out senior citizens who are not aware of their possible eligibility. Final determinations of eligibility are, of course, made by the local Social Security Offices.

I submit for your review this twenty-page report, which I will call Exhibit 1, compiled by the Temporary Committee to Monitor SSI which comes out of the New York State Office for the Aging, a dedicated, knowledgeable volunteer group. Suffolk County is fortunate to be represented by Mrs. Helen Gould, Executive Director of the Suffolk Community Council. Her membership recommendation was submitted by our office to the New York State Office for the Aging. Hopefully, you will seriously consider the recommended changes and encourage the appropriate officials within your sphere of jurisdiction to take immediate action to improve SSI.

Next on our list of answers to your questions is Social Security. Of immediate concern is the projected five per cent ceiling on increases rather than the anticipated eight and a half per cent.

Federal funding through the New York State Office for the Aging is provided to our office under Title III and Title VII of the Older Americans Act, as amended, and I will leave you a copy of some of our programs.

Some of the recommendations for changes include but are not limited to—and I would like to read from a response we made to the Honorable Frank Church, the Chairman of the U.S. Senate Special Committee on Aging.

Would you clarify for me are you now a member of this committee?

The Chairman. I am not a member of the Senate Committee. I am a member of the House Committee on Aging.

Mrs. Taibbi. I thought this was a committee composed of both.

The Chairman. There is one in the Senate and one in the House.

Mrs. Taibbi. I would like to take excerpts from this letter.

I thanked him for the opportunity and so forth.

"Hopefully, our remarks will serve to provide you and your valued committee with what we feel has been sadly lacking. Mainly, the local input from the ground up rather than the reverse which seems to be the policy in effect at this time."

The Chairman. Let me suggest that you give us a copy of the letter without reading it. We can use it in the body of the record.

I have one question that I find interesting, and I was not aware that the County has a SSI Coordinator whose function is to find people who are eligible for SSI. I have a feeling there are many people in the County who are eligible who are not aware of their eligibility. Can you give me an idea of the effectiveness of your coordinator in getting people?

Mrs. Taibbi. He has addressed himself to the various clubs that he can possibly get to, organizations that are related to senior citizens, and he has been very well received. What has been more effective is going out into the supermarkets, also. He has developed a brochure with the eligibility requirements.

The Chairman. How large is his staff?

Mrs. Taibbi. He is the person.

The Chairman. He is the person?

Mrs. Taibbi. That is all we are permitted. Of course with the help of the rest of our staff.

The Chairman. Would it be appropriate in an area like this, the outreach, to provide additional staff so that you would have additional coordinators? Would this help you?

Mrs. Taibbi. Most probably it would. I think the important thing with SSI is to get more money into the program.

The Chairman. That we have heard today on several occasions. I'm sure we will hear it again. There is no question that we need more money.

Mrs. Taibbi. Even when we find people who are eligible, the guidelines were very cloudy. For instance, one woman sold a car that was a gas eater to get one that was more economical. When they deducted the allowance for her car, she no longer qualified.

The Chairman. We would be interested in knowing, if you could provide it for me later on, the effectiveness of the SSI Coordinators in terms of numbers of increased people you have been able to put on SSI.

Mrs. Taibbi. He has been compiling as much data as he can. We will get some feedback and this is what we are working on now.

One of the programs I would like to address myself to is Title VII which is a Nutrition Program. I think it's one government funding program where they can see the benefits of the funding. It's a visible program. Of course, the outcry is there is never enough money to reach the people that we would like to. What is happening with Title VII is we are turning into community centers, really. There has been many, many beautiful side effects of it. They are just not coming to eat and run. People are giving of themselves and participating in the program. They are teaching each other to read and write in some cases. They are teaching each other. They are using their live's experiences to help one another.

I would like to tell you the story of one man who was never able to write his name. Now he keeps ruled paper that he can now write his name on. This doesn't show up in any guideline of eligibility.

I think Title VII should be expanded if at all possible.

The Chairman. The administration is not expanding it. They are asking for a cutback for Title VII. So we have a lot of work in Congress just to maintain the authorized levels of funding without increasing it. I think this should be increased as well.

Mrs. Taibbi. Under the current guidance of our federal and state coordinators, we were able to start three new centers.

It went so well that the County of Suffolk committed itself to keep them going by hook or crook.

I hope you will have time to have more of these hearings. We can all use some constructive criticism. I don't have any criticism at the moment.

The Chairman. I haven't been there long enough.

Mrs. Taibbi. The Suffolk County Office for the Aging is pleased to present you with a copy of the Senior Citizen Journal "Taproot", the first published literary effort of a small group of resourceful and talented Suffolk County Seniors. Their creative ability should do much to perpetuate their life experiences from which all generations can benefit.

The Chairman. Thank you for coming here today, Elisabeth.

THE VIETNAMESE REFUGEES: A PLEA FOR ELEMENTARY DECENCY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. CRANE. Mr. Speaker, Americans who are proud of our Nation's history as a refuge for the weak and oppressed of all nations, faiths, and races can only view the enmity with which the refugees from South Vietnam are being greeted by many of our fellow countrymen with sorrow and grief.

For Members of Congress to propose resolutions sending these men and women who were willing to risk everything for freedom back to the tyranny of ironclad Communist rule is shocking. For individual American families to express hostility, often in racial terms, for these victims of Communist aggression is something which shames our history.

Fortunately, all of the voices who are speaking are not expressing such coldness of heart and lack of compassion for those who are less fortunate than we who live in the world's richest and most comfortable Nation.

Two reporters who spent time in Vietnam, Michael T. Malloy and Wesley Pruden, Jr., recently expressed their own dismay at the negative response of so many Americans to the suffering of the Vietnamese refugees.

Mr. Malloy noted that it is really too late for a plea for elementary decency:

> It became too late for that, of course, when the last Americans scrambled on the getaway

helicopters in Saigon while Congress still haggled over whether to help anyone at all. So now this essay is only a plea that we accept the victims of our policies with something better than the mean and selfish spirit they have inspired so far. The refugees have lost their homes and country because they supported the United States. . . . Too many Americans have responded with selfish hysteria over the impact their tiny numbers might make on our 80 million job economy. . . . There seems to be a powerful and unworthy desire here to blame our victims for our failures.

In his analysis, Mr. Pruden noted that:

Senator Frank Church of Idaho, who hadn't done very much to prevent a massacre, helpfully promised that Congress would investigate if there was one. Senator George McGovern of South Dakota said he thought all the Vietnamese, "even the babies," ought to stay in Vietnam. . . . But we mustn't blame our leaders too much. That they are merely pandering to the American spirit is hardly to be doubted. . . . It was enough to snap the patience of any Christian and patriot.

Our performance in South Vietnam, the abandonment of our commitments, our acquiescence in permitting aggression to succeed, can never be reversed. As a result, our word is suspect throughout the world. But, as Mr. Malloy notes:

The refugees offer our last opportunity to save even a small shred of American honor and self-respect before we close that shameful chapter of our history.

I wish to share with my colleagues these two thoughtful and heartfelt articles by Michael T. Malloy and Wesley Pruden, Jr., which appeared in the National Observer of May 10, 1975, and insert them into the RECORD at this time:

A PLEA FOR ELEMENTARY DECENCY . . .

(By Michael T. Malloy)

It was on New Year's Day of 1965 or 1966, so long ago I can't remember, that Gen. William Westmoreland, our military proconsul in Vietnam, summoned some reporters to a briefing and said something I can't forget: "This is the year the peasants get off the fence."

Well, they didn't get much choice. On the wrong side of the fence it was a war of Old Testament ferocity. We burned the homes, killed the buffalo, and poisoned crops with herbicides. War against animal, vegetable, and man.

We drafted them the same way too. All the Vietnamese had to go into somebody's army sooner or later, but the way the armies were entwined, they had a choice:

They could join the Viet Cong and be hunted like animals, without shoes, food, or a fire at night. They could abandon their families to poverty and maybe imprisonment or death. Shaking with malaria they could hide in the jungle until the most intense bombing in history tore them apart.

Or they could join our army, and go to war with air support above them and boots on their feet. They would get rice, medicine, and regular pay; their families would have some security behind the government's barbwire. If they were wounded, a helicopter might even take them to a hospital.

So there were an awful lot of Vietnamese, millions of them, who in one way or another served us in Vietnam. Served *us!* There have always been good reasons for getting out of Vietnam, but certainly not the perverse justification of recent months that *we* had done enough for *them*.

The Vietnamese never matched the American public and Congress in enthusiasm (now conveniently forgotten) for the war we made them fight. It was Kennedy's war, McNamara's war, Johnson's war, Nixon's war, but hardly their war. Even the generals and cabinet ministers knew they were pawns of the Americans, playing roles we created with our interventions of 1954 and 1965. Willing pawns, some of them, but still pawns. Our leaders used to say as much; we wanted Asians to fight Asians to keep the Chinese or somebody from landing on the beaches of Hawaii. Remember that stuff?

They served us much better than we had a right to expect, a quarter million dead against only 46,000 Americans sacrificed to our fantasies about "Asian communism with its headquarters in Peking." (Remember that too?) So one would think, when we tired of our fantasies, that we would at least rescue the survivors of our policy from the disaster it has brought them.

These victims are typified for me by some fishermen that we armed long ago to patrol the coast in wooden junks with red eyes painted on the bows. We gave them a typical choice. If they joined us, they got paid. If they didn't, they went hungry, because a good good catch meant getting to the fishing grounds before dawn, and now we bombed the boats that moved at night. Encouraged by their American advisers, who thought it was cute, our armed fishermen tattooed each other with the words "SAT CONG." It means "kill Communists," and they must live the rest of their lives in a Communist country with that upon their chests.

"Seduced and abandoned" is how a Cambodian leader described what we had done when the Americans ran away from his country in the other debacle of the past month. This was literally true for tens of thousands of Vietnamese girls who had to choose, at a painfully young age, between the hell of the refugee camps and the big money of the Yankee ghettos. It was more subtly true of the despised political leaders and war profiteers who have had to choose since youth or childhood between American largess and suffering or death with the other side. We won their "hearts and minds" with a golden carrot and a lethal stick, and the failings we blame for their collapse were rooted in our policy.

So these Observations started out as a plea for America to show the elementary decency that France, Holland, and Britain exhibited toward their native followers when they were driven from their colonies, for the same asylum that our own country offered Cubans and Hungarians when generosity was still a marked American trait.

It became too late for that, of course, when the last Americans scrambled on the getaway helicopters in Saigon while Congress still haggled over whether to help anyone at all. So now this essay is only a plea that we accept the victims of our policies with something better than the mean and selfish spirit they have inspired so far. The refugees have lost their homes and country because they supported the United States, either through conviction or the power of our carrot and our stick. Too many Americans have responded with selfish hysteria over the impact their tiny numbers might make on our 80-million-job economy, or the unlikely prospect that they will bring exotic germs that somehow skipped the millions of Americans who have come back from Vietnam in the past. There seems to be a powerful and unworthy desire here to blame our victims for our failures.

Perhaps our churches, communities, and we ourselves will awaken soon to the fact we owe these people help and kindness instead of sour toleration or worse. We owe it to ourselves too. Our 25 years in Vietnam have brought nothing but disgrace on ourselves, our leaders, and our armed forces. The refugees offer our last opportunity to save even a small shred of American honor and self-respect before we close that shameful chapter of our history.

BUT NOT FROM OUR LEADERS

(By Wesley Pruden, Jr.)

The last of the Americans finally left Saigon, tails tucked between their legs, while the Marines used rifle butts and clubs to beat to bloody pulp the fingers of our old friends and allies trying to climb the fence around our embassy in Saigon. They wanted to leave with us, to collect on the promises repeated so often over the decade that we would stand steadfast with them. So much for an American promise.

The Communists could hardly arrive soon enough for some of the hysterical old men in the Congress, who worried and fretted that if the Americans didn't run soon we might be forced to bring out a lot of refugees with us, mostly the women and children of men who had taken us at our word.

On learning that one of the refugee reception centers would be established in his state, aging Sen. John L. McClellan of Arkansas, one of the great humanitarians of our age, insisted that American generosity and charity was excessive and he for one, by God, intended to raise some questions about why the Ford Administration wanted to spend $327 million for humanitarian assistance. McClellan likes to spend his money on better things; he was one of the Senate's fiercest hawks when the skies were full of sun and B-52s.

McClellan wasn't alone in his concern for his constituents' nickel and dimes, of course. Sen. Roberft C. Byrd of West Virginia, the assistant Democratic leader, worried about "some very practical considerations" in saving the lives of all those people who thought they were our friends, like "cultural differences" and "unemployment." He was right, of course. The Vietnamese just wouldn't fit in at the Kennedy Center, where there is hardly ever a concert of Vietnamese music, and if there is any consideration more important than one affecting an American's pocketbook, God himself would like to hear about it.

Sen. Frank Church of Idaho, who hadn't done very much to prevent a massacre, helpfully promised that Congress would investigate if there was one. Sen. George McGovern of South Dakota said he thought all the Vietnamese, "even the babies," ought to stay in Vietnam. They would be better off there, he said, charitably.

But we mustn't blame our leaders too much. That they are merely pandering to the American spirit is hardly to be doubted. "The South Vietnamese are co-operating beautifully," said a young Seabee cook spooning out rice and beans at a refugee camp on Guam. "But the Americans are a pain. They get into line and insist on a steak and a baked potato."

It was enough to snap the patience of any Christian and patriot. You would think that the Vietnamese, after all we have done for them, would have stood fast in Saigon, where they belong, and died with a little grace and with not so much loud screaming. Now *that* would be the American way.

CONGRESS' "INACTION" ON WAR

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. FRASER. Mr. Speaker, Senator TOM EAGLETON has written an excellent essay on the House of Representative's failure to support the conference report on H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act.

Some said that the events prior to the

House consideration of the Senate-approved conference report proved that the bill was not needed, and that, although the President used armed forces to bring out both South Vietnamese and Americans, the issue was moot.

As I pointed out in the floor debate, that conclusion worries me. It is like saying that when the President used armed forces in Cambodia without congressional authority, it proved he did not need it. That is not a very satisfactory way to leave the effort that we are trying to make in Congress to share with the President the decisions on the use of combat forces abroad.

There is a substantial question as to whether the President's use of those forces was lawful or unlawful. My judgment is that it was unlawful. Nobody argued on the floor April 23 when we passed the committee bill that the President had the authority to use armed forces to bring out South Vietnamese but he went ahead and did it anyway.

Now a case could be made that at least both Houses had voted on a measure authorizing it; but, clearly, we had not completed action. There was no law when the President acted.

I would have liked to wind up this matter by leaving the record for the future that the President did what was in the bill approved by the conference, and did no more and that we completed action and even though he acted before the bill was law, nevertheless, we worked together to define the limit of the President's authority.

So I share Senator EAGLETON's view that:

> Congress has again failed to act in a forthright and timely manner to proscribe a Presidential war-making initiative. By its inaction, and by its refusal even to provide expost facto authorization for the Vietnam evacuation. Congress has once again shirked its constitutional duty.

I recommend Senator EAGLETON's Tuesday, May 6, New York Times essay to my colleagues:

CONGRESS' "INACTION" ON WAR

(By THOMAS F. EAGLETON)

WASHINGTON.—On Jan. 5, 1957 President Dwight D. Eisenhower, concerned about possible Communist advances in the Middle East, addresed a joint session of Congress to request authority to use military force, if needed, in the region.

Congressional liberals, feeling that the United States was best served by a strong and flexible President, were suspicious of the request. They moved in the Senate to strike the word "authorized" from the draft of the White House resolution and, when the resolution passed, it read part "if the President determines the necessity thereof, the United States is prepared to use armed forces."

The Middle East resolution was considered a great liberal victory in 1957. It also represented a virtual renunciation of Congress' constitutional duty to authorize—and proscribe—the use of American forces in a war.

In the Congressional handling of the recent Vietnam evacuation, history has repeated itself.

On April 10, 1975, President Ford requested "clarification" of his legal authority to use United States forces in South Vietnam to rescue American and foreign nationals. Clarification was needed.

I share the view of many constitutional scholars that the President, as Commander in Chief, possesses an inherent right to rescue endangered Americans. However, there is no precedent to support an inherent right to use United States forces to rescue foreign nationals.

The President's request presented an important opportunity to proscribe by law the use of force for the Vietnam evacuation. More important, Congress had the chance to resurrect the concept, advanced by the Founding Fathers, that the executive and Congress would participate together in decisions potentially involving war.

But Congress fumbled the ball. When the President was forced by events to order the evacuation from South Vietnam on April 29, the House of Representatives had not yet completed the final stage in enacting the necessary legislation. Two days later, when the House finally had the opportunity to express Congressional will and intent, the House voted overwelmingly not to act.

This unfortunate decision raises grave questions about the willingness of Congress to fulfill its constitutional responsibilities. The President obviously had no authority to use the United States forces to rescue foreign nationals in Vietnam. Yet our forces evacuated thousands of Vietnamese. Asked to explain, President Ford tried to justify his action on "moral" rather than legal grounds. Yet Congress let the precedent stand. Future Presidents might now conclude that the Commander in Chief had an inherent right to do what Mr. Ford did.

The failure of the war-powers resolution to specify those emergency situations wherein the President may unilaterally commit United States forces to battle has left the war powers of Congress and the President as vague as ever.

Lacking such a statutory definition, power accrues to the branch that invokes it. And, once again, in rescuing foreign nationals from Vietnam the President has invoked powers the Founders did not grant the Presidency.

The President can move all too quickly to usurp Congressional powers. He has only to order troops into battle. Congress, on the other hand, can only impose its will through the legislative process.

That is the tragedy of the House's recent action. On the verge of reimposing itself in the decision-making process, Congress rejected the opportunity to legislate.

From the beginning the debate over the President's request for "clarification" was marked by distrust of the executive branch, fear of military reinvolvement in Vietnam, and a conspicuous lack of confidence that a law, however tightly drafted, would be faithfully executed. In the end, liberals, long disenchanted by the imperial Presidency they helped create, unintentionally threw their considerable weight in the direction of Presidential omnipotence.

To avoid the remotest of possibilities—that President Ford would send forces back into Vietnam despite his written promise not to—Congress chose to leave a precedent for unilateral and unrestricted Presidential rescue authority.

White House references to "moral" justification and the pleasure Congress seems to derive in abrogating its constitutional responsibilities should alarm those who see the rule of law as America's primary source of strength.

Congress has again failed to act in a forthright and timely manner to proscribe a Presidential war-making initiative. By its inaction, and by its refusal even to provide expost facto authorization for the Vietnam evacuation, Congress has once again shirked its constitutional duty.

"IS IT ENOUGH TO ROLL WITH THE TIMES," AN ESSAY BY ROBERT A. GOLDWIN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BRADEMAS. Mr. Speaker, I believe that Members of Congress will read with interest the following thoughtful essay, "Is It Enough to Roll With the Times," published in the May 1973 issue of Change magazine.

Mr. Goldwin is Special Assistant to President Ford and is a former dean of St. John's College, Annapolis, Md.

The essay to which I refer follows:

IS IT ENOUGH TO ROLL WITH THE TIMES?

(By Robert A. Goldwin)

Many private institutions of higher education around the country are in danger. Not all will be saved, and perhaps not all deserve to be saved. There are low-quality schools just as there are low-quality businesses. We have no obligation to save them simply because they exist.

But many thriving institutions that deserve to continue are threatened. They are doing a fine job educationally, but they are caught in a financial squeeze, with no way to reduce rising costs or increase revenues significantly. Raising tuition doesn't bring in more revenue, for each time tuition goes up, the enrollment goes down, or the amount that must be given away in student aid goes up. Schools are bad businesses, whether public or private, not usually because of mismanagement but because of the nature of the enterprise. They lose money on every customer, and they can go bankrupt either from too few students or too many students. Even a very good college is a very bad business. That has always been true.

It is such colleges, thriving but threatened, I worry about. Low enrollment is not their chief problem. Even with full enrollments, they may go under. Efforts to save them, and preferably to keep them private, are a national necessity. There is no basis for arguing that private schools are inherently better than public schools. Examples to the contrary abound. Anyone can name state universities and colleges that rank as the finest in the nation and the world. It is now inevitable that public institutions will be dominant, and therefore diversity is a national necessity. Diversity in the way we support schools tends to give us a healthy diversity in the forms of education. In an imperfect society such as ours, uniformity of education throughout the nation could be dangerous. In an imperfect society, diversity is a positive good. Ardent supporters of public higher education knows the importance of sustaining private higher education.

Diversity is a familiar argument, and a sound one, for sustaining a mixture of private and public educational institutions. But let me suggest another, perhaps less familiar argument: There are public elements and private elements in different kinds of education, striving toward different educational goals. Vocational or career education programs are designed to give the student salable skills and enable him to find a useful are needed to keep our economy going, and job. The public has an interest because skills so there is a public reason to provide such training. But the student's new skills are his exclusively, to sell as he chooses. This private aspect gives him a private reason to pay for the training. We get the benefit of his skills; he gets the income for himself.

Another element of education might be called civic education. One important function of schools is development of an understanding of government and of the rights and duties of citizens. Especially in a democratic republic such as ours, citizens must be skilled in understanding the powers of government, and how those powers must be limited if our fundamental rights are to be secured. We are in danger if our many governments do too much or too little, and the only way to find the moderate middle ground is through education.

The public has a very great stake in this task of civic education. If one is skilled in good citizenship, fellow citizens benefit at least as much. Is it the business of colleges to train good citizens? I think it is, at a higher and more discerning level than in grade schools, which means a more questioning and challenging level. Undergraduates should inquire into the nature of the American government, its past, its present, its future—not as in graduate programs, from the detached viewpoint of the political scientist or the professional historian, but from the viewpoint of the concerned citizen who is part of a living community facing problems.

There is a third element of education that is harder to name and that cannot easily be classified in terms of the benefits—who gets them or what they are. Some call these studies valueless. I call them invaluable. I mean those skills called the liberal arts. We don't often think of liberal studies as connected with skills, but in fact the liberal skills are the highest and hardest skills.

There is a story that Euclid was giving a first geometry lesson to a young man, demonstrating the first theorem of geometry, the construction of an equilateral triangle. When he finished, the young man asked, "But Euclid, what shall I gain by learning such things?"

Now consider how Euclid might have answered. He might have said, "Learn this and the theorems that follow, and when you get to the end of the first book of only 47 theorems, you will learn the Pythagorean theorem, which depends on this first theorem. And with that Pythagorean theorem you will have the basis of physics, and vectors of forces, and be able to design a bridge that will not fall down when the chariots cross. And with that theorem you will have the basis of trigonometry, which you can use to survey your next real estate purchase. That theorem also starts you on an understanding of irrational numbers, a great advance in number theory." Euclid might have said all of that—and more—to explain the practical benefits that could flow, and have flowed, from studying his first theorem.

Instead, Euclid turned to another in the group and said, "Give this man a coin since he must show a profit for everything he learns."

Why should he have given such a scornful response to that question? My guess is that Euclid was greatly disappointed in the young man because he did not see at once that mathematics is a liberal skill, in addition to being a powerful practical skill. Eucil hoped that the young man's heart would be gladdened, his spirit enlivened, his soul lifted, his mind expanded at the first experience of geometrical proof.

We call such studies "the humanities," because when we engage in them we discover something extraordinary about ourselves. We discover how exciting being human can be. We find we can develop very special skills that imitate the Creator himself, for we too can make new worlds, not out of nothing, but with nothing more than a pencil, a straight edge, and a mind. Such humanistic skills are also called liberal because they free us from let us soar as free men and women in the realm of the mind.

in the service. Nearly 43 percent said they

In a recent speech, Terrel H. Bell, U.S. Commissioner of Education, gave some advice to the leaders of small private colleges, from a different point of view that mine. He very properly said first that as U.S. Education Commissioner he had no right to tell anyone how to run his college. In fact, he said, there is a low against it. But he did feel that he had a personal responsibility to speak out candidly and exercise some leadership. I, of course, write on the same basis, expressing my own opinion, seeking to contribute to thinking on this vital question.

His message was that private colleges must "roll with the times" if they are to survive. The college that devotes itself "totally and unequivocally to the liberal arts today is just kidding itself." There is a "duty to provide our students also with salable skills. We are facing the worst economic situation that this country has seen since the end of World War II, with an unemployment rate of over 8 percent. To send young men and women into today's world armed only with Aristotle, Freud, and Hemingway is like sending a lamb into the lion's den. It is to delude them as well as ourselves. But if we give young men and women a useful skill, we give them not only the means to earn a good living, but also the opportunity to do something constructive and useful for society. Moreover, these graduates will experience some of those valuable qualities that come with meaningful work—self-respect, self-confidence, independence."

At first glance it would seem that Commissioner Bell means that the study of liberal arts is a useless luxury we cannot afford in hard times. But I don't think that is his meaning. I think he is criticizing those who send students into the world of work without skills. There are, unfortunately, schools in which students do not develop useful skills, especially skills of analytical thinking and experimenting and calculating. I agree that it is unfair to students, and to all of us, just as Commissioner Bell says, to leave them to seek jobs in such an unprepared state.

But there is a problem in speaking of "salable skills." What skills are salable? Right now, skills for making automobiles are not highly salable, but they have been for decades and might be again. Skills in teaching are not now as salable as they were during the past 20 years, and the population charts indicate they may not be soon again. Home construction skills are another example of varying salability, as the job market fluctuates.

The first difficulty, then, is that if one wants to build a curriculum exclusively on what is salable, one will have to make the courses very short and change them very often, in order to keep up with the rapid changes in the job market. But will not the effort be in vain? In very few things can we be sure of future salability, and in a society where people are free to study what they want, and work where they want, and invest as they want, there is no way to keep supply and demand in labor in perfect accord.

A school that devotes itself totally and unequivocally to salable skills, especially in a time of high unemployment, sending young men and women into the world armed with only a narrow range of skills, is also sending lambs into the lion's den. If those people gain nothing more from their studies than supposedly salable skills, and can't make the sale because of changes in the job market, they have been cheated. But if those skills were more than salable, if study made them better citizens and made them happier to be human beings, they have not been cheated. They will find some kind of job soon enough. It might even turn out that those humanizing and liberating skills are salable. Flexibility, an ability to change and learn new things, is a valuable skill. People who have learned how to learn can learn outside of school. That is where most of us have learned to do what we do, not in school. Learning to learn is one of the highest liberal skills.

There is more to living than earning a living, but many earn good livings by the liberal skills of analyzing, experimenting, discussing, reading, and writing. Skills that are always in demand are those of a mind trained to think and imagine and express itself.

When the confidence of some is shaken, and many are confused about the direction the nation ought to follow in a new world situation, then civic education is more important than ever. And when the foundations of Western civilization are being challenged, and resolution seems to falter because many people are not sure what we are defending and how we ought to defend it, then it seems to me we ought not to abandon liberal studies, but rather the reverse: We ought to redouble our commitment to that study, as if our lives depended on it.

Any college worthy of itself must set its sights higher than to "roll with the times." It must strive to make the times roll our way. And only if we understand our time and try to shape it and make it conform to what is right and best, are we doing what we are capable of doing. Perhaps that is the right way to deal with the times—with daring and class and style—as befits a truly great people.

We have always known that America made no sense as just another nation, as just one more power in the long historical parade. We have always known that we must stand for something special, or we don't stand at all. Without such a special commitment to liberty and justice for all, can America survive except perhaps under the most severe sort of dictatorship? What else can hold together such a vast and diverse territory and people? Liberal studies of human nature and the nature of things in general are not luxuries for us, but matters of life and death, and certainly a matter of our political liberty, which should be as dear to us as our lives.

WHAT HAS BEEN GIVEN CAN ALSO BE TAKEN BACK?

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. WON PAT. Mr. Speaker, a recent survey of nearly 7,000 wives conducted in the February 1975, issue of Ladycom, a bi-monthly magazine distributed to 300,000 military wives, has brought to light a number of significant facts and valuable opinions. The President's proposal, supported by the Department of Defense, to make all military commissaries self-sustaining by October 1976, has caused great concern in our military community, as you might expect. I would like to share with my colleagues some of the survey's pertinent information relative to this subject in the hope of making available the other side of the coin in this issue.

Approximately three-quarters of the 6,898 respondents to this survey believe that the present 20 to 25 percent savings at military commissaries are a definite inducement to their husbands to remain in the service. Nearly 43 percent said they believe an increase in the prices that would inevitably result from self-sustaining commissaries would be significant enough to cause their husbands to consider leaving the service. Only one-third indicated the loss of savings would not affect their husbands' careers. Notable in these statistics is the fact that 20 percent of those responding to the survey were wives of field and flag grade officers, men who had already invested considerable time in their military careers, while 59.7 percent of the respondents were in the E–4 to E–9 group.

Department of Defense officials estimate that savings to military shoppers once commissaries have become self-supporting would be approximately 4 percent. Of those surveyed by Ladycom, 73.5 percent insisted that the present savings now positively influence a higher retention rate. Of these, 78.7 percent are enlisted personnel in the E–1 to E–3 group and 75.6 percent are in the E–4 to E–6 grouping. It is quite evident from these statistics that the lower a man's rating and pay and the less time he has in the service, the more important commissary savings are and the greater the inducement to remain in the military service. In an era of the Volunteer Army this fact certainly has significant implications.

Commissary patronage reflects further information: 96 percent of active duty families and 91.5 percent of retired families do 75 percent of their shopping in the commissaries; 49.7 perecnt of the E–1 to E–3 personnel do all their shopping there. Also revealing is the fact that the field and flag grade officer families are the groups which will most often shop outside the military commissaries in civilian supermarkets. In effect, those personnel with more rank and pay are more inclined not to use the commissary system.

Many military personnel feel that the present effort to reduce commissary costs by making them self-supporting is but another example of decreasing military benefits in an inflationary society.

Ninety-three and three-tenths percent said they interpret the President's proposal as a harbinger of future reductions in their benefits. They cite the already implemented reductions in CHAMPUS benefits, elimination of reenlistment bonuses, proficiency and superior performance pay, and the decreasing supply of doctors and dentists needed to supply expensive services.

Advocates of the plan to make commissaries self-sustaining argue that military personnel have received significant increases in pay during the last years. Respondents, however, claim that this compensation often adds up to more on paper than it does in the serviceman's wallet, especially in the area of housing. Base housing, a benefit included by DOD as part of the regular military compensation, is often not available to the lower-ranking enlisted family. Off-base housing and the increased rates of utilities more often than not cost far more than the $138.60 allowance rated by the enlisted man.

I have stated publicly to my constituents and officials of the Defense Department that the withdrawal of military benefits promised upon enlistment is not an equitable solution to the problems of our defense economy. The men and women of the Armed Forces are the backbone of our military defenses, frequently separated from their families, frequently making as many as 34 housing moves in 19 years of service, frequently exposing themselves to personal danger. Yet in so many issues relative to fiscal matters they are the first ones to be asked to bite the bullet. One may draw whatever implications he sees in these statistics; but the survey does indicate the opinions of many military personnel. In my mind it also brings to light the extremely important and grassroots feelings of our service men and women. These opinions deserve to be taken into the greatest consideration by those in whose power it is, in effect, to take back the very incentives and benefits that once were so influential in persuading a man or woman to choose a career in the U.S. Armed Forces.

THE DEATH OF KENNETH B. KEATING

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ADDABBO. Mr. Speaker, the death of Ambassador Kenneth B. Keating yesterday at 74 is a sad loss for the Nation as well as for those of us who knew and worked with him so well during his service in the House and the Senate.

Ken Keating served his Nation well during 12 years in the House, 6 years in the Senate, and in two ambassadorial posts in India and Israel.

Particularly in these last few years as Ambassador to Israel during years of intense crisis, Mr. Keating proved himself again to be a vital key in the search for peace.

But those of us who worked closely with Mr. Keating knew him to be a wise and gentle man of uncommon grace whose life was devoted to public service. We have lost a good friend.

Perhaps as well as anything else, today's Washington Post summarizes Mr. Keating's public career. I insert it in the RECORD. And I would like to join with those others in the House who extend to Mrs. Keating and to his daughter our sympathy for their loss.

The article follows:

AMBASSADOR, SENATOR, JUDGE: KENNETH B. KEATING DIES AT 74

(By Jean R. Hailey)

Kenneth B. Keating, 74, U.S. ambassador to Israel, former U.S. ambassador to India and former U.S. senator from New York, died yesterday in New York.

H has been admitted to the Harkness Pavilion Hospital of the Columbia Presbyterian Medical Center April 17 after he was stricken with what was described at the time as "the mildest form of a heart attack."

Ambassador Keating, who had served in Israel since August, 1973, suffered the attack at the hospital while visiting his daughter, Judith K. Howe, who had undergone minor surgery.

He had been recalled to this country last month to participate in talks on the reassessment of American policy in the Middle East.

Ambassador Keating was a popular figure in Israel.

While serving as ambassador to India from 1969 to 1972, Ambassador Keating was equally popular in that country, while relations between India and this country worsened steadily.

Actually, Ambassador Keating was at odds with the Nixon Administration over its policies toward India and Pakistan during the war in Bangladesh in 1971, when this country opposed the Bangladesh independence movement, while India supported the Bangladesh rebels in their attempt to separate from Pakistan.

A year later, however, Ambassador Keating left his post to work for the re-election of former President Nixon.

He said then that he felt Mr. Nixon wanted to improve relations between the two countries and also that he was impressed by the diplomatic initiatives that Mr. Nixon had taken with China and the Soviet Union.

Ambassador Keating, considered a liberal Republican, had served New York as a U.S. representative for 12 years, beginning in 1946. During the last two years, he was ranking Republican member of the House Judiciary Committee.

In 1958, although reluctant, he was persuaded to run for the Senate on an underdog ticket headed by now Vice President Nelson A. Rockefeller, who was seeking New York's governorship. Both won upset victories.

Ambassador Keating's service in Congress ended in 1964, when he was defeated for re-election to his Senate seat by the late Robert F. Kennedy.

He waged what was probably one of the hardest campaigns in his political career, but he took a calculated chance. He withheld support of Sen. Barry Goldwater of Arizona, a conservative running for president on the Republican ticket, and waged his own campaign independent of the national ticket.

During his years in Congress, Ambassador Keating, who had been told more than once that he truly looked like a senator, had been a champion of civil rights, immigration and congressional reform, draft law revisions, crime and narcotics legislation, and a GOP version of health care for the aged under Social Security.

He became best known, however, for his criticism of the Kennedy Administration's handling of the 1962 Cuban arms buildup and subsequent missile crisis.

In a Senate speech on Aug. 31, 1962, he said that Russian ships had landed 1,200 troops in Cuba earlier that month.

In another Senate speech on Oct. 10, 1962, the then Sen. Keating said that construction had already begun on at least six sites in Cuba for launching of intermediate tactical missiles, which could reach either the Panama Canal or the U.S. heartland.

Twelve days later, President John F. Kennedy admitted in a nationwide television address that Russian missiles had been detected in Cuba and declared the quarantine that resulted in the eventual removal of the missiles.

Ambassador Keating never revealed the sources of the information he had received.

In the following statement, President Ford said of Ambassador Keating:

"Ken Keating was an outstanding public servant and an old and valued friend. . . With the conclusion of his congressional years, Ken began another distinguished career, this time as a diplomat, ably representing America as ambassador to both India and Israel . . .

"As U.S. representative to Tel Aviv for the past two years, Ambassador Keating has played a key role in the formulation and execution of our policies in the Middle East. He was known by both Americans and Israelis for his statesmanship, his gentle grace and his commitment to peace."

Yesterday, Israeli Ambassador Simcha Dinitz, in a cable to Ambassador Keating's wife in New York, expressed his country's deep sorrow and described Ambassador Keating as a distinguished servant of his country.

Vice President Rockefeller issued the following statement:

"Our nation has lost a great American. I have lost a dear friend.

"With courage in wartime, with effectiveness in both the House and Senate, with justice on the bench of the highest court of New York State, with diplomatic acumen in India and Israel, Ambassador Keating served this nation and its people brilliantly and tirelessly. His death at this time is a particular loss because of the key roll he had been playing in the search for peace in the Middle East."

Secretary of State Henry Kissinger praised Ambassador Keating as a "valued colleague in search for peace in the Middle East. This country has lost a great public servant."

Sen. Jacob K. Javits (R-N.Y.), who had worked closely with Ambassador Keating in the Senate, said:

"The most distinguished career of a highly patriotic New Yorker has ended. Few men have been permitted so broad a range of public service—congressman, senator, judge and ambassador. His service in Israel for the United States was a source of security and reassurance to Israel's people and to millions of Americans."

"He was a man of good humor, good intent, who conducted himself with dignity," said Senate Majority Leader Mike Mansfield (D-Mont.).

Born in Lima, N.Y., Ambassador Keating was a graduate of Genesee Wesleyan Seminary in Lima and of the University of Rochester. He received his law degree from Harvard and began practicing law in Rochester in 1923, maintaining that practice until 1949.

After his defeat for re-election to the Senate and until his appointment to the diplomatic post in India, Ambassador Keating served as an associate justice of the New York Court of Appeals.

He was a veteran of both World Wars, serving with the Army as a sergeant in World War I and being recalled to duty as a major in World War II.

He saw duty in the China-Burma-India theater, received numerous decorations including the Legion of Merit with Oak Leaf Cluster and the Order of the British Empire, and received a reserve brigadier general's commission in 1948.

Ambassador Keating, who held honorary degrees from 12 colleges and universities, was a member of numerous organizations, including the American and New York Bar Associations, the American Legion, Veterans of Foreign Wars, Reserve Officers Association, Kiwanis and the Masons.

In addition to his daughter, of Short Hills, N.J., he is survived by his second wife, the former Mary Pitcairn Davis, whom he married last June.

LINGERING QUESTIONS FROM THE END OF THE WAR

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BIESTER. Mr. Speaker, the end of the war in Vietnam has left some questions unanswered. Much debate has already taken place about the action of Congress with regard to Presidential authority to conduct the evacuation of non-Americans from Vietnam, and of the future of Vietnamese refugees who have begun to arrive in the United States. I believe the comments of the distinguished Senator from Missouri (Mr. EAGLETON) about congressional responsibilities on war-making powers deserve very careful consideration by the House. I also submit for the RECORD an editorial on "Vietnamese Refugees" from the Sunday Times Advertiser of Trenton, N.J.:

[From the New York Times, May 6, 1975]

CONGRESS'S "INACTION" ON WAR

(By THOMAS F. EAGLETON)

WASHINGTON.—On Jan. 5, 1957, President Dwight D. Eisenhower, concerned about possible Communist advances in the Middle East, addressed a joint session of Congress to request authority to use military force, if needed, in the region.

Congressional liberals, feeling that the United States was best served by a strong and flexible President, were suspicious of the request. They moved in the Senate to strike the word "authorized" from the draft of the White House resolution and, when the resolution passed, it read part "if the President determines the necessity thereof, the United States is prepared to use armed forces."

The Middle East resolution was considered a great liberal victory in 1957. It also represented a virtual renunciation of Congress's constitutional duty to authorize—and proscribe—the use of American forces in a war.

In the Congressional handling of the recent Vietnam evacuation, history has repeated itself.

On April 10, 1975, President Ford requested "clarification" of his legal authority to use United States forces in South Vietnam to rescue American and foreign nationals. Clarification was needed.

I share the view of many constitutional scholars that the President, as Commander in Chief, possesses an inherent right to rescue endangered Americans. However, there is no precedent to support an inherent right to use United States forces to rescue foreign nationals.

The President's request presented an important opportunity to proscribe by law the use of force for the Vietnam evacuation. More important, Congress had the chance to resurrect the concept, advanced by the Founding Fathers, that the executive and Congress would participate together in decisions potentially involving war.

But Congress fumbled the ball. When the President was forced by events to order the evacuation from South Vietnam on April 29, the House of Representatives had not yet completed the final stage in enacting the necessary legislation. Two days later, when the House finally had the opportunity to express Congressional will and intent, the House voted overwhelmingly not to act.

This unfortunate decision raises grave questions about the willingness of Congress to fulfill its constitutional responsibilities. The President obviously had no authority to use the United States forces to rescue foreign nationals in Vietnam. Yet our forces evacuated thousands of Vietnamese. Asked to explain, President Ford tried to justify his action on "moral" rather than legal grounds. Yet Congress let the precedent stand. Future Presidents might now conclude that the Commander in Chief had an inherent right to do what Mr. Ford did.

The failure of the war-powers resolution to specify those emergency situations wherein the President may unilaterally commit United States forces to battle has left the war powers of Congress and the President as vague as ever.

Lacking such a statutory definition, power accrues to the branch that invokes it. And, once again, in rescuing foreign nationals from Vietnam the President has invoked powers the Founders did not grant the Presidency.

The President can move all too quickly to usurp Congressional powers. He has only to order troops into battle. Congress, on the other hand, can only impose its will through the legislative process.

That is the tragedy of the House's recent action. On the verge of reimposing itself in the decision-making process, Congress rejected the opportunity to legislate.

From the beginning the debate over the President's request for "clarification" was marked by distrust of the executive branch, fear of military reinvolvement in Vietnam, and a conspicuous lack of confidence that a law, however tightly drafted, would be faithfully executed. In the end, liberals, long disenchanted by the imperial Presidency they helped create, unintentionally threw their considerable weight in the direction of Presidential omnipotence.

To avoid the remotest of possibilities—that President Ford would send forces back into Vietnam despite his written promise not to—Congress chose to leave a precedent for unilateral and unrestricted Presidential rescue authority.

White House reference to "moral" justification and the pleasure Congress seems to derive in abrogating its constitutional responsibilities should alarm those who see the rule of law as America's primary source of strength.

Congress has again failed to act in a forthright and timely manner to proscribe a Presidential war-making initiative. By its inaction, and by its refusal even to provide expost facto authorization for the Vietnam evacuation, Congress has once again shirked its constitutional duty.

[From the Trenton Sunday Times Advertiser, May 4, 1975]

VIETNAMESE REFUGEES

The American presence is gone from Ho Chi Minh City, formerly Saigon, but the relief that Americans of every persuasion felt at the end of this unhappy adventure is not yet full and complete. The ghost of a lost cause is still very much alive and haunts our government and our people.

Past mistakes in Vietnam were much in evidence on Capitol Hill last week, when the House of Representatives rejected a bill that would have authorized $327 million for the relief of Vietnamese refugees and the use of troops to evacuate those fleeing the Communist triumph.

The provision on troops is, of course, an after-the-fact sanction that is no longer needed. It is a measure of the congressional disillusion remaining from Vietnam that a majority of House members would not accept President Ford's assurance that the troop authorization would not be used. The memory of another President's deception in gaining congressional approval of the Tonkin Gulf resolution, an earlier authorization for using our military power, is still strong.

It should be no major problem to draft a straight refugee relief bill on which Congress can act this week. But it would be foolish to pretend the Vietnamese refugees are being warmly welcomed by all Americans. An undercurrent of opposition is coming to the surface.

There is, indeed, scant evidence that the evacuation of Vietnamese fleeing the Communist victors was handled with any rational forethought or orderly procedure assuring that those accepted are worthy or have any claim on this country. Nor, apparently, was much thought given to which Vietnamese can make a successful adjustment to this alien culture.

It's quite possible that among the 120,000 refugees are corrupt generals, absconding businessmen and torturers of their own people. But the numbers also includes Vietnamese relatives of American citizens and patriotic Vietnamese who allied themselves to our effort in Indochina out of honest conviction and thereby put their lives and fortunes in danger.

The refugees are, unfortunately for us all, arriving in a country beset by unemployment and economic malaise, and the problem of finding work to enable the newest immigrants become self-sufficient troubles many Americans. Moreover, Vietnamese are being flown into this country at government expense while young Americans who exiled themselves in protest to the war are still excluded. Those with relatives in Communist-controlled countries of Europe who are unable to gain entrance also have a valid objection.

All of these considerations not withstanding, Congress should promptly pass an appropriate refugee relief measure. It is too late to distinguish between the worthy and the unworthy among the refugees. Besides those related to Americans, many will undoubtedly contribute to the strength and diversity of the United States, as have many of the 40,000 Hungarian refugees of the 1950's, the 675,000 Cuban refugees of the 1960's, and the millions more from every land who have come here during our 199 years.

The present numbers, in fact, are not large, only about 25 percent of the legal immigrants admitted each year and probably fewer than those who enter illegally. After the dust has settled, some Vietnamese may decide voluntarily to return to their own country or other parts of Asia. Much depends upon the skill of the Ford administration in recovering from the hasty, unplanned evacuation. The refugee problem will not assume inflated proportions if there is proper dispersal and effective use of the volunteer agencies and individuals ready and willing to help.

It would be the final stain on American honor if we closed the door on refugees from a country upon which we visited so much destruction and disruption over 25 years.

REPORT OF SUBCOMMITTEE TO REVIEW THE LIQUID METAL FAST BREEDER REACTOR

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

STATUS OF NUCLEAR POWER

Mr. McCORMACK. Mr. Speaker, on May 6, 1975, Mr. William Lee, senior vice president of Duke Power Co., presented an excellent briefing to the ad hoc subcommittee of the Joint Committee on Atomic Energy on the present status of civilian nuclear power. It was shown that today's nuclear powerplants were built because they represented the best energy supply alternative, particularly in that they provided the lowest cost energy to consumers, no penalty to shareholders' earnings, reliability comparable to fossil-fueled plants of the same size and vintage, and safe and environmentally acceptable operation. Now that these plants are providing up to 9 percent of U.S. electrical generating capacity they have essentially met these promises with the exception of shareholders' earnings, in that the high capital costs of nuclear plants and delays by regulatory bodies in reflecting these costs in utilities rate bases have resulted in lower earnings. On the other hand, very substantial savings to consumers have been achieved on the order of $750 million in 1974, due primarily to the lower operating and fuel costs of nuclear power plants.

Mr. Lee also presented a comparison of the operating availability and capacity factors of nuclear- and fossil-fueled plants over the 10-year period 1964–73. It was shown that nuclear plant availability was 78.8 percent as opposed to 72.9 percent for fossil-fueled plants. Similarly, the average nuclear capacity factor over this period was 64.2 percent, as compared to 59.5 percent for fossil plants. More currently, in the last half of 1974, fossil plant availability exceeded that of nuclear plants, 76.1 percent to 71.5 percent. The turnaround was due to the large number of nuclear plants coming online in 1974, and the maturing of fossil plants. However, nuclear plant capacity factors still exceeded those of fossil plants in this period, 61.8 percent to 57.3 percent.

Looking to the future, it was shown that by 1980, 100 nuclear powerplants are expected to be online representing a nuclear capacity 135 percent greater than that available today. The flow-through savings to consumers are expected to reach $3.5 billion, or $7 per capita. A substantial savings in oil consumption will also result, on the order of 750,000 barrels per day. An even more substantial increase in the use of coal will also be achieved.

Mr. Lee reported that the most significant near-term problems which might affect the achievement of these goals are financing, licensing difficulties, and delays from intervention. Other problems, considered solvable by the utility industry, are availabality of manpower, shop capacity and materials, quality assurance, and availability for the long term. The areas of enrichment, reprocessing, waste disposal, safeguards, Price-Anderson, and public acceptance all require continued attention.

In summary, it was reported that the use of nuclear power has resulted in very substantial savings to consumers, and that nuclear plant reliability experience has been more than satisfactory in comparison to fossil-fueled plants. Further, the future of nuclear power, while faced with some problems, is bright and of substantial benefit to the Nation. In this respect, Mr. Lee reported the breeder is needed and must be the next step in national energy production, so as to achieve maximum utilization of our limited uranium resources.

CLINCH RIVER BREEDER DEMONSTRATION PROJECT

Mr. Wallace B. Behnke, executive vice president of Commonwealth Edison Co., gave the ad hoc subcommittee an excellent briefing on the Clinch River breeder reactor, a demonstration project in the LMFBR program. In his briefing, Mr. Behnke discussed the following topics:

Why utilities are interested in the LMFBR.

Chronology of utility involvement leading to the Clinch River project.

Description of the Clinch River project.

Status of the Clinch River project.

Near-term milestones of the Clinch River project.

Mr. Behnke said the utilities favor the LMFBR because they project that it will provide power at a lower cost, provide electricity with less environmental impact in such areas as land use for fuel mining, and preserve the nuclear option over the long term. Preserving the nuclear option is important because in Mr. Behnke's mind there is no question that the country must turn to nuclear power and coal to meet its long-term, electric power generation needs.

Mr. Behnke presented the following chronology of utility involvement in the Clinch River project:

CHRONOLOGY OF UTILITY

1965–1970: The Edison Electric Institute conducted studies on the feasibility of the breeder concept. These studies and studies done in other countries concluded that a large scale demonstration of the LMFBR was needed.

1967: Electric utility industry conducted

1969: Congress authorized AEC to embark on a two-phase approach for the LMFBR Demonstration Plant. The first phase, the Project Definition Phase, permitted all participants to better understand and define the technical and economic characteristics of the demonstration plant. The second phase, the Definitive Cooperative Arrangement Phase, involves the design, construction and operation of the demonstration plant.

1971: AEC established the Senior Utility Steering Committee and the Senior Utility Technical Advisory Panel to seek advice and assistance in obtaining support from the electric utility industry. Over 700 utilities pledged $257 million in 10 equal annual installments.

1971: AEC requested proposals from utility groups to own the demonstration plant.

1971: President issued energy message calling for LMFBR demonstration by 1980.

1972: In January, the AEC accepted the joint proposal of Commonwealth Edison and the Tennessee Valley Authority as the basis for negotiation on a Government utility arrangement. In March, Project Management Corporation and Breeder Reactor Corporation were formed to represent the utility organizations. Also in March, proposals were solicited from the reactor manufacturer participants in the Project Definition Phase and qualified architect engineer firms.

In November, Westinghouse was selected to be lead reactor manufacturer with Atomics International and General Electric as supporting reactor manufacturers.

In December, Burns and Roe was selected as the architect engineer.

1973: Principal Project Agreements between participants were signed.

Mr. Behnke described the Clinch River project in terms of its objectives, urgency, and plant description. He said the project's objectives were to:

(1) provide needed experience in the areas of engineering, construction and operation; (2) confirm assumptions on the environmental, reliability, maintenance and safety aspects; (3) confirm projections that the breeder will be an economic producer of electricity; and (4) build an integrated LMFBR supply industry.

Mr. Behnke feels it is urgently necessary to proceed with the Clinch River project and the breeder program for the following reasons:

To maximize savings to the consumers which he estimates as $76 billion if the breeder is commercially available by 1989. He projected that the savings would be reduced to $43 billion if commercial introduction is delayed until 1999.

To reduce the environmental impact of electrical production resulting from factors such as fuel mining.

To keep the breeder on the critical path to development in case of schedule slippages.

To minimize the impact of inflation on cost.

The Clinch River project will be a 380-megawatt electric plant. The site is presently undeveloped. Work cannot begin on the site until authorization is received from the Nuclear Regulatory Commission.

In his comments on the present status of the Clinch River project, Mr. Behnke said a construction permit and a limited work authorization from NRC have been applied for and the preliminary safety analysis report has been sent to NRC.

Mr. Behnke enumerated the following near term milestones for the Clinch River project:

June 1975: Sign revised project agreements.

July 1975: Award construction contract.

September 1975: Relocate staff to Oak Ridge.

November 1975: Receive limited work authorization and start site work.

January 1977: Start construction work.

1982: Put plant on line.

PUBLIC WORKS JOBS—NO SOLUTION TO ECONOMIC PROBLEMS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ARCHER. Mr. Speaker, the House of Representatives may soon consider H.R. 5247, a bill to provide up to $5 billion for public works projects. The best way to provide new and permanent jobs in a free enterprise economy is to encourage businesses through our tax system to create new investment capital, to increase productivity, and to expand business facilities. It is not a desirable approach for the Federal Government to spending billions of dollars to establish temporary jobs in our economy which do little for our economic growth in the long-range view and add to our present inflationary problems caused by excessive Government spending.

I recently had the opportunity to submit my views on H.R. 5247 to the Public Works and Transportation Committee and would like to enter my testimony in the Congressional Record:

TESTIMONY

(By Hon. Bill Archer)

I am delighted to have the opportunity to present my views on H.R. 5247, a bill which would authorize up to $5 billion for local public works projects. I am in agreement with the sentiment behind the bill—reducing unemployment—but I believe that the approach taken by this bill will serve in the long run to exacerbate the underlying cause of the problem.

The problem is that jobs in the private sector have been shrinking mightily over the past several quarters. Business has been experiencing a slowdown, and the job market has been correspondingly reduced. Public sector jobs are considered by most as a stop-gap measure until the private sector can recover. However, the truth is that the private sector slowdown cannot reverse itself through federal deficit spending.

For far too many years Congress has been spending more money than it takes in. The projected deficit for FY 1976 has been put by some at $80 billion and could very well go over $100 billion. Whatever the actual deficit will be, this bill would raise it another five billion. To finance that deficit, the federal government borrows from the private money market, leaving that much less available for most of the private sector to borrow—to expand business, to buy appliances or other consumer items, to improve or buy homes—all of which would create and maintain private sector jobs. It is not difficult to understand what we are doing to our country's economic fiber through this practice.

Clearly this House must put its own economic practices in order, reducing expenditures so that they are in line with income, and eliminating the raid on private sector resources. All of us, of course, would like to see the many worthy programs that are brought to our attention funded fully and appropriately. It is always difficult to allocate limited resources. Yet we must if we are to conduct ourselves responsibly. We simply cannot continue to spend more than we have. If the private sector monies had not been increasingly crowded out by the large volume of federal borrowing necessary to finance a deficit budget, I am convinced that our private sector economy would not be in quite the straits it is today.

In addition to my objections to the overall approach of this bill, I find Section 8 of the proposed bill particularly inflationary. That section incorporates the provisions of the Davis-Bacon Act, an act which should have been repealed long ago.

The original purpose of the Davis-Bacon Act was to discourage non-local contractors and labor from depressing local wage rates in the construction industry. It was passed in the days before minimum wage laws, unemployment benefits and welfare. Today the Fair Labor Standards Act provides protection against depressing the wage floor, and the effect of the Davis-Bacon Act has been to establish artificially high wage rates thus creating an inflationary impact on the local and national economy. One reason for this is that the Department of Labor, rather than the localities, determines what the prevailing wages of the locality are with the result that in practice the Department simply adopts the union rate of the nearest large city. Senator Fannin has noted that "the people of San Luis Valley of southern Colorado had to pay 2½ times what they should have to construct a community center because the Department of Labor decreed that Denver wage rates should apply. . . . Similarly, Las Vegas wage rates have been applied to Federally-assisted projects in rural Utah and Arizona."

Other specific criticisms include:

a) Use of inaccurate data or prevailing union rates discriminates against the area's non-union bidders.

b) Judicial review of rates determined by the Department of Labor is not permitted, even when the determination is believed to be inconsistent with the actual local rates.

c) The Act's administration results in an inflationary push with a ripple effect in other sectors in the economy.

d) Taxpayers' money is wasted.

The GAO has stated that federally financed projects have "obtained less construction per dollar" than private builders, but even those costs have been increased by the Act. Walter Heller, Hendrik S. Houthakker and others have criticized this Act's inflationary effect. Government contracts, like all others, should be exposed to the full benefits of natural market forces. This Act should be repealed without delay, and its incorporation has no place in any bill concerned with inflation and jobs, and the recovery of our free market economy.

YOUTH ADVISORY COUNCIL

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BROWN of Ohio. Mr. Speaker, the Youth Advisory Council in the Seventh Ohio District has again reported to me on its studies of various issues during the school year. As in the past, I found these reports to be very well done and quite helpful to me.

It is encouraging to see such enthusiastic involvement in the system by high school age youth. In order that others may benefit from their work, I place in the Record at this point the bill on long-range financing of public broadcasting which was produced by the committee from Greene County and Mad River Township of Montgomery County.

Long-Range Financing of Public Broadcasting—Greene County-Mad River Township Committee

H.R. —

A bill to amend Sections 396 and 397 of the Communications Act of 1934 to provide long-range public financing for the Corporation of Public Broadcasting

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Broadcasting Financing Act of 1975".

Section 1. The Communications Act of 1934 is amended by inserting after paragraph (2) of Section 396(k) the following:

(3) There is hereby established in the Treasury a fund which shall be known as the "Public Broadcasting Fund" which shall be administered by the Secretary of the Treasury. During the five year period commencing October 1, 1976 and ending September 30, 1981, it is authorized to be appropriated to this Fund, an amount equal to 40 percent of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year preceding each such fiscal year. These appropriations, however, shall not exceed $88,000,000 for the first fiscal year ending September 30, 1977; $103,000,000 for the fiscal year ending September 30, 1978; $121,000,000 for the fiscal year ending September 30, 1979; $140,000,000 for the fiscal year ending September 30, 1980; or $160,000,000 for the fiscal year ending September 30, 1981.

(4) The said funds shall be used solely for the expenses of the Corporation. Moneys appropriated to this fund from the Treasury shall remain available until expended. The Corporation shall determine the amount of non-Federal financial support received by public broadcasting entities during the fiscal year preceding each such fiscal year, and shall certify such amount to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall disburse from the Public Broadcasting Fund

to the Corporation the amount appropriated to the Fund for such fiscal year pursuant to the provisions of subsection (3).

(5) The Corporation shall reserve for distribution among the licensees and permittees of noncommercial educational broadcast stations (that are on the air) an amount equal to not less than 50 percent of the funds disbursed to the Corporation from the Public Broadcasting Fund in each fiscal year in which the amount disbursed is $88,000,000 or more but less than $121,000,000; not less than 55 percent in each fiscal year in which the amount disbursed is $121,000,000 or more but less than $160,000,000; and not less than 60 percent in each fiscal year in which the amount disbursed is $160,000,000.

(6) The Corporation shall, after consultation with licensees and permittees of noncommercial educational broadcast stations (that are on the air), establish, and review annually, criteria and conditions regarding the distribution of funds reserved to paragraph (5).

(7) The total amount of funds shall be divided into two portions, one to be distributed among radio stations and one to be distributed among television stations to each licensee and permittee of a non-commercial educational television station (that is on the air). The balance of the portion reserved for television stations and the total portion reserved for radio stations shall be distributed to licensees and permittees of such stations in accordance with eligibility criteria that promote the public interest in noncommercial educational broadcasting and on the basis of a formula designed to:

(a) provide for the financial needs and requirements of stations in relation to the communities and audiences such stations undertake to serve,

(b) maintain existing, and stimulate new sources of non-Federal financial support for stations by providing incentives for increases in such support, and

(c) assume that each eligible licensee and permittee of a noncommercial educational radio station receives a basic grant.

(8) No distribution of funds shall exceed in any fiscal year 50 percent of a licensee's or permittee's total non-Federal financial support during the fiscal year preceding the fiscal year in which such distribution is made, unless, however the station is less than 2 years old from the day of licensing or permittance day then for:

(a) radio stations this limit shall not exceed 55 percent of a licensee's or permitee's total non-Federal financial support and

(b) television stations this limit shall not exceed 60 percent of a licensee's or permittee's total non-Federal financial support.

(9) Funds distributed may be used at the discretion of stations for purposes of educational television and radio programming, including the use of nonbroadcast communications technologies for educational television or radio programming purposes.

SEC. 2. Subsection 396(1) of the Communications Act of 1934 is amended by inserting after the word "appropriate" the following sentence: The officers and directors of the Corporation shall be available to testify annually before appropriate committees of the Congress with respect to such report and with respect to the report of any audit made by the Comptroller General.

SEC. 3. Section 397 of the Communications Act of 1934 is amended by inserting, after paragraph (9), the following:

(10) The term "non-Federal financial support" means the total value of cash and the fair market value of property and services (except for personal services of volunteers) received—

(a) as gifts, grants, bequests, donations, or other contributions for the construction or operation of noncommercial educational broadcast stations, or for the production, acquisition, distribution, or dissemination of educational television or radio programs, and related activities, from any source other than (1) the United States or any agency or establishment thereof, or (2) any public broadcasting entity; or

(b) as gifts, grants, donations, contributions, or payments from any State, any agency or political subdivision of a State, or any educational institution, for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution, or dissemination of educational television or materials respecting the provision of educational or instructional television or radio programs.

(11) The term "public broadcasting entity" means the Corporation, any licensee or permittee of a noncommercial educational broadcast station, or any nonprofit institution engaged primarily in the production, acquisition, distribution, or dissemination of educational television and radio programs.

Following discussion, with no amendments, the bill was adopted by the full Council by a vote of 32–2.

GREENE COUNTY AND MAD RIVER TOWNSHIP COMMITTEE MEMBERS

Carroll High School, Jerry Lackey, 826 Morse Ave., Dayton, 45420.

Xenia High School, Sue Barborak, 138 Robert Lane, Xenia 45385.

Bellbrook High School, Rick Powell, 4200 Bellemeade Rd., Bellbrook 45305.

Fairborn Baker High School, Anne Plathe 1351 Timberwyck Ct., Fairborn 45324.

Stebbins High School, Roger McCoy, 5323 Underwood Rd., Dayton 45431.

Beavercreek High School, Wendall Bauman, 2386 Red Apple Dr., Dayton 45431.

Greene Vocational School, Daniel Castillo, 38 Umstead, Wright Patterson AFB, 45433.

Yellow Springs High School, Dan Hardman, 1375 Cory St., Yellow Springs 45387.

Fairborn Park Hills High School, Julia Jennings, 1616 Flick Dr., Fairborn 45324.

Greenview High School, Michelle Thompson, 6771 U.S. 35 East, Jamestown 45335.

Cedarville High School, Allan Weber, 411 Walnut, Cedarville 45314.

LAND USE PLANNING AND THE ECONOMY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BROWN of California. Mr. Speaker, the issue of land use planning is one that has generated much interest. As the Committee on Interior and Insular Affairs continues its consideration of the Land-Use Planning and Resource Conservation Act of 1975, I believe it is important for every Member of Congress to recognize the relationship of this legislation to the overriding economic issues facing the Nation.

It is for this reason that I would like to insert in the RECORD an article from the May 6 issue of the Los Angeles Times which was authored by the ranking minority member of the Subcommittee on Energy and Environment. I believe our colleague from Texas (Mr. STEELMAN) has very aptly explained the relationship of land use planning to the economy.

I commend this article to my colleagues:

The article follows:

ONE MORE TRY AT LAND USE PLANNING

(By Alan Steelman)

There is now broad agreement among government and business groups that the United States needs some sort of land-use-planning legislation. Even the Administration, which opposes the land-use bill currently before Congress, does so on economic rather than philosophical grounds.

This new agreement is possible because our traditional concept of America as a land of limitless open space has at last given away to recognition of a simple point: Our nation is a finite geographic region. It stretches from the Atlantic to the Pacific, and from Canada to Mexico and, barring some staggering event, will continue to do so for a long while. Population may explode and cities may sprawl, but the physical boundaries in which those events occur cannot expand one square inch.

Yet the United States is currently using land more intensively than ever before, with little or no thought to the consequences. This intense and unplanned use has led not only to an increasing concentration of our nation's population in urban areas (estimates are that 75% of the people live on about 1½% of the land), but also to a growing consumption of natural resources.

In short, we can no longer operate on the assumption that American land is limitless. We have achieved material progress, sure—but we have created problems which now demand sober reflection and solution. It is obvious that the United States requires a system to plan the use of our land.

But how do we do this without violating other basic rights to property? In my view, we must reassert the traditional concept of property rights: proper balance between the rights of real property owners and those of society as a whole. Some citizens, of course, will argue that property rights are absolute by tradition, but this definition has never been adopted in the United States.

Even as early as 1700, forms of land regulation were used to protect the public health and safety, as well as aesthetic values. And over the years, restrictions have been placed on the use of private property, justified as benefiting soicety as a whole. What emerges is the concept that no citizen has the right to use his land in such a way as to create a nuisance to his fellows or to endanger the health, safety or welfare of the general public.

Landowners, then, are short-term guardians of a valuable, nonrenewable resource. While we must always be concerned with due process and constitutional rights, we must also realize our responsibility to use land wisely and to pass it on to future generations in as wholesome a condition as possible. This, in fact, is the underlying philosophy of any land-use-planning bill worth its salt.

On a working level, such legislation should meet these criteria:

First and foremost, it should establish a comprehensive planning process that would enable states, in concert with city and county governments, to make land-use decisions of greater than local scope. Thus, a state would make its voice heard in decisions affecting the siting of power plants, highways, airports and other large-scale developments, but not of individual housing developments.

Land-use-planning legislation should provide that plans of individual states be free of substantial federal review; that is, the federal government would act only to ensure that each state establishes a process for orderly planning, and then leave specific decisions to that state.

There should be some sort of requirement that federal and federally assisted programs and projects—whether on federal or nonfederal lands—be consistent with state land-use programs.

Combine these fundamental elements with

procedures to assure speedy consideration of development proposals (including rules of procedure on fair hearings, public records and elimination of duplicative hearings and permits), and you have a modern enlightened approach to land-use planning.

Early this year, I introduced a bill with Rep. Morris K. Udall (D-Ariz.), chairman of the subcommittee on energy and the environment, that would utilize such an approach. (It differs from the land-use bill rejected by the 93rd Congress in that it provides a much more limited federal role in a state's land-use-planning program.)

Briefly, our bill would provide federal money to establish state land-planning agencies, review existing state and local planning programs, and fund a complete and accurate study of resources and land capabilities throughout the United States.

The prospects for passage are good. One reason is the new composition of Congress, especially the House. Among returning congressmen, it is estimated that land-use supporters outnumber those opposed, 183 to 155. New members should increase the margin.

The bill has also drawn support from a wide range of trade and public-interest groups—not just the League of Women Voters but the Mortgage Bankers Assn., the National Parking Assn., and the National Realty Committee and the National Grange.

Yet, despite this broad base of support, a new obstacle has appeared in the form of White House opposition. The Ford Administration support the principles of land-use planning, but argues that because of America's present economic difficulties, a moratorium must be placed on all new federal spending.

During recent hearings, however, Administration witnesses suggested support might be forthcoming if the economy turns around or if some type of compromise on funding can be reached.

My answer to the Administration's economic objections to the bill is simply this: Unplanned growth has a fiscal impact on taxpayers through the loss of prime agricultural land, not to mention billions of dollars spent to save decaying cities and to finance public-works programs. Such remedial expenditures, the inevitable product of chaotic and unchecked growth, are infinitely more costly and wasteful than any planning apparatus.

The evidence is in, and the facts are clear: Our land is being misused and mistreated. Certainly, we can survive in some fashion as a nation without land-use planning. But if we give federal impetus to our state and local governments for better planning, we shall not only survive but also continue to grow in an orderly and prosperous fashion.

UKRAINIAN QUARTERLY CELEBRATES 30TH ANNIVERSARY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. DERWINSKI. Mr. Speaker, several months ago the 30th anniversary of the internationally renowned journal, the Ukrainian Quarterly, was observed in a number of ceremonies in New York City and elsewhere. The quarterly is a journal of East European and Asian affairs and is ranked with our best institutions analyzing the Soviet Union and Communist developments generally. The current issue of the quarterly is a special 30th anniversary one, and an informative and analytic section of the journal is the commentary on Soviet society and Ukrainian and non-Russian developments written by Dr. Lev E. Dobriansky of Georgetown University. Because of its timeliness regarding our present policy toward the Soviet Union and its critical viewpoints, I commend this section to the reading of our Members:

UKRAINICA IN AMERICAN AND FOREIGN PERIODICALS

"UKRAINIAN INJUSTICE"

(An editorial. The New York Times, New York, Sept. 12, 1974)

This excellent editorial in one of our outstanding newspaper organs centers attention on Valentyn Moroz and Leonid I. Plyushch. The two Ukrainian intellectuals and dissidents are serving prison terms in the USSR for their advocacy of basic human and national rights. The editorial's tone is set in the very first paragraph where the editors state, "the Soviet authorities in Moscow still find themselves stymied by the tenacity of the dissident nationalist movement in the Ukraine, second most populous republic of the Soviet Union."

Several striking points appear in the editorial. One, for example, is the checkered history of Ukrainian nationalism in the twentieth century. As the editors observe, "In recent years, however, it has gained influential champions among the other dissident groups of Moscow and Leningrad." Also, the symbolic significance of both Moroz and Plyusch for Ukrainian nationalism is heavily stressed.

The fact that both Ukrainian intellectuals are not as well known as they should be in the West may be cause for Moscow to ignore the pleas of diverse groups in their behalf. On this, the editors make the point that "Moscow's policymakers should not be deluded into waiting until some specific outrage against the two Ukrainians makes the protest genuinely universal." Factually, by the time of the Vladivostok sub-summit the name of Moroz rang in authoritative Soviet ears.

"SOLZHENITSYN ADMITS TO UKRAINIAN LINEAGE"

(A report. Svoboda, The Ukrainian Weekly Section, Jersey City, N.J., Aug. 31, 1974)

Solzhenitsyn, the prime Russian dissident now in exile, is reported in this main Ukrainian American organ as having attested to his partial Ukrainian background. The admission came in a response to an invitation issued by the Ukranian Free University in Munich to participate in summer courses offered by the university. Because of his pressing commitments, Solzhenitsyn gratefully declined but expressed his admiration for Ukrainian culture and history.

As he put it, "I am deeply moved by your invitation. Ukrainian culture, life and hopes are not foreign to me. My beloved grandfather (the only one I ever knew) was Ukrainian, and his wife was half-Ukrainian." He continued, "In my youth I constantly heard about the Ukrainian cause. Also, I shared with Ukrainians some of the most trying years of my life—I befriended many of them." These few passages are sufficient to indicate the scope of the famous Russian novelist's feelings for his Ukrainian background and for Ukrainians generally.

"THE GENOCIDE CONVENTION"

(A report by Senator Proxmire, CONGRESSIONAL RECORD, Washington, D.C., Aug. 13, 1974)

For years the persevering Senator from Wisconsin has hammered away at the urgent need for the ratification of the Genocide Convention. It is now some 23 years that our Government has been considering this matter. The Ukrainian Congress Committee of America was one of the first organizations to testify in support of the convention. In fact, its president, Dr. Lev E. Dobriansky of Georgetown University, worked closely with Dr. Raphael Lemkin, the originator of the genocide concept, in the years of 1949–51 for the passage of the treaty in the U.S. Senate.

The Senator explicitly states in this report: "Mr. President, many concerned groups have been strong supporters of the Genocide Convention. During the 1970 and 1971 hearings, the following organizations presented favorable testimony: The American Civil Liberties Union, Ad Hoc Committee on the Human Rights and Genocide Treaties, New York State Bar Association Committee on International Law, Ukrainian Congress Committee of America, and the U.S. Constitution Council." As the Senator knows, action by the UCCA is a persistent, ongoing one. After a quarter of a century, it still works hard on the matter.

"A COOL DEBUT FOR UKRAINIAN ICE SHOW"

(A report by Michael Iachetta. *Daily News*, New York, Sept. 5, 1974)

A favorable, detailed account is given of the Ukrainian Festival on Ice in New York. The Kiev-based ensemble, with its lavishly costumed production, evidently staged a very impressive and moving performance. The multi-faceted presentation ran for three hours studded with acrobatics and tumbling, folk dancing and ballet, and over 100 skilled skaters.

In part, the writer observes that "the evening was like many a classically great Russian novel—overly long, overly ambitious, overly plotted and overly populated with extraneous characters, yet impossible to put down." Direct overtones of this mischaracterization were conveyed in the show itself.

"UKRAINIANS HONOR ONE OF OWN"

(A report, *The Pittsburgh Press*, Pittsburgh, Pa., Nov. 25, 1974)

A comprehensive report is presented here of the numerous contributions made by Michael Komichak to American understanding of the Ukrainian heritage. A Pittsburgh radio personality for many years, Mr. Komichak was honored as the Ukrainian Technological Society's "Man of the Year" at the Pittsburgh Athletic Association. He has been assistant general manager, chief engineer and on-air personality at WPIT–AM and FM radio.

The honored recipient also served for many years as secretary of the Captive Nations Committee of Allegheny County. In addition to maintaining two Ukrainian programs on the air, he contributed heavily to the settlement of Ukrainian displaced persons after World War II, raised money for construction of the American Museum of Immigration near the Statue of Liberty, and engaged in countless projects promoting Ukrainian ethnicity. The bestowed honor was well deserved.

"WHILE DIPLOMATS SMILE, SOVIETS ARE IMPRISONED IN STALINIST MADNESS"

(An article by Roman Rakhmanny. *The Gazette,* Montreal, Canada, Apr. 13, 1974)

With his usual keen perceptiveness and analysis, this Canadian writer dwells in general on dissidence in the Soviet Union and in particular on the Moroz case. He clearly points out the two-tiered tactics of the Kremlin with regard to its treatment of dissidents. As he states it, "While Solzhenitsyn, for a change, was going up on an escalator to be spirited out of the Soviet Union, many Soviet citizens were riding the escalators which were bringing them down to prisons, asylums for the insane, hard labor camps, or the districts of 'voluntary settlement' in remote regions of the Kremlin empire."

Case after case of selective imprisonment has been collected and established by both Amnesty International and the United Nations' Human Rights Commission. The writer singles out the case of Valentyn Moroz, which he at the time of this article regarded [illegible] as a "neglected plight." Factually, it was far from being neglected, for the fruits of the cumulative efforts made then and after showed by the end of the year. Briefly, as an adjunct to the trade issue, the human rights pressure must be maintained to bring to an end the crimes being committed by both Kosygin and Brezhnev.

"SAKHAROV HITS SOVIET MARXISM"

(An article by Hedrick Smith, The Washington Star-News, Washington, D.C., Apr. 15, 1974)

A thorough account is given here on the latest politico-economic stance taken by the prominent Russian scientist and dissident, Andrei D. Sakharov. With the most significant implications for Ukraine and the other non-Russian republics in the USSR, Sakharov's statement conjoins with the earlier one issued by Alexander I. Solzhenitsyn. It calls on the Soviet leadership to renounce Marxism as its ideology and give up hegemony over Eastern Europe and over the non-Russian republics within the Soviet Union.

The 4,000 word statement differs in several respects from the earlier Solzhenitsyn one. It does not share the novelist's fear of a major war with Red China. It also views Marxist ideology only as a "convenient facade" for the Moscow leadership, with Soviet society afflicted at large by "ideological indifference." Sakharov, in addition, challenges the novelist's views regarding Russia's unpreparedness for democracy and his advocacy of Great Russian nationalism, patriotism, and the development of Siberia.

Clearly, at this stage the significance of both Sakharov and Solzhenitsyn is seen in two dominant facts. One is the fairness and objectivity both have shown toward the freedom of the non-Russian republics in the USSR. No prominent Russians in the past have taken this position. The other fact is that their common views on Marxian ideology and the "satellites" both within and outside the USSR have long been advocated by captive nations' adherents in the United States. The conformity of views and perspectives is uncanny.

"SOVIET NATIONALITIES POLICY AND DISSENT IN THE UKRAINE"

(An article by Bohdan R. Bociurkiw. *The World Today*. The Roybal Institute of International Affairs, London, England, May 1974)

The writer of this analytical article is a professor of political science at Carleton University in Ottawa. He is a specialist on Soviet affairs, and in this piece traces the nationalities policy pursued by Moscow since the Bolshevik Revolution. In a provactive manner he begins by quoting the Secretary General of the Communist Party, Leonid Ilyich Brezhnev, who on the 50th anniversary of the Soviet Union, in December 1972, declared that the nationalities question in the USSR "has been resolved completely, resolved definitely and irrevocably."

Filled with countless salient facts, the article proves the statement to be "grossly premature." Methodically, the piece develops Moscow's policy toward the non-Russian nations and conclusively shows that behind quasi-Marxist semantics Moscow seeks integration through Russification. The subsequent sections of the article highlight Ukrainian dissent. Dzyuba's protest, and the growing repressions in Ukraine to this day. As the author correctly concludes, "In the years to come, the nationalities question, far from reaching its solution, is likely to become an even more explosive issue in Soviet domestic politics and a source of greater internal instability for the Soviet system."

"RUSK BIDS U.S., SOVIET TRIM MISSILES TO 500"

(A report by Jeffrey Antevil, *Daily News*, New York, Sept. 19, 1974.)

The importance of this report is found not so much in Dean Rusk's observations on nuclear weapons but rather on the so-called captive nations question. The former Secretary of State testified before the Senate Foreign Relations Committee on the subject of detente. His testimony supported Kissinger and opposed Senator Jackson on the matter of linking trade with the human rights issue.

Still believing the Soviet Union to be a "nation," Rusk observed, "It might even be desirable to repeal such things as the captive nations resolution—which would break the Soviet into some doben independent nations." This he regards as a further decrease in "polemic and ideological" rhetoric between the U.S. and Soviet governments. In short, by principle, Mr. Rusk has no qualms about the Soviet Russian Empire and the colonialist domination over captive nations. What a pallid contrast to the principled characters of Sakharov and Solzhenitsyn!

"MESSAGE TO BREZHNEV"

(A release from Senator Henry M. Jackson, *News Agency*, Washington, D.C., Sept. 10, 1974)

Senator Jackson of Washington made a personal appeal to the Communist Party leader, Leonid I. Brezhnev, in behalf of Valentyn Moroz. In his message the Senator commenced, "I would like to call your personal attention to the urgent situation of Valentyn Moroz, the Ukrainian historian who is near death after more than two months of a hunger strike and undertaken in desperate protest against the extreme conditions of his imprisonment." The Senator mentions the closed trial that Moroz had.

The message continued in part, "I want to convey to you my own grave concern and that of so many American citizens—among them thousands of Americans of Ukrainian descent who are justly proud of their great heritage and who feel a special kinship with their fellow Ukrainians—for the fate of Valentyn Moroz." The stirring message from this champion of human rights had its effect.

"TEXTBOOK EVALUATION REPORT"

(A report by Nicholas G. Bohatiuk, *Textbook Evaluation Committee of America's Future*, New Rochelle, N.Y.)

The book under review in this report is titled *The Soviet Union and Eastern Europe*, authored by professor Henry W. Morton of Queens College and published by Macmillan. The reviewer is a professor of economics at LeMoyne College in Syracuse. The quality of the work is revealed in the very first paragraph where the reviewer states, "there begins an endless confusion of terms such as Russia, Rusisan people, Communist Russians, Soviet, Soviet people, Soviet peoples, Soviet Rusisa (the terms that must not be used synonymously because of their different meanings—the error so frequently committed by our communications media, our political leaders and even our professors of Soviet affairs) and this quite consistently followed throughout the whole book."

Specifically and methodically, this report/article substantiates the above overall evaluation. For example, the author holds the book with its title as primarily concerned in the historical period before 1917 "with the Russians and their ancestors." To which the reviewer quite properly raises the question "Why only the Rusians who constitute about 50 percent of the Soviet population?" They were even less in the pre-'17 period. A review of chapter by chapter shows glaring and unpardonable errors of like kind. The net finding is expressed in the last sentence: "Any conscious and serious scholar of Soviet affairs should be better informed about the true situation there."

"FREEDOM FOR THE UKRAINIAN PEOPLE"

(A statement by Representative Edward Koch. Congressional Record, Washington, D.C., Oct. 16, 1974)

This prominent New York Congressman has consistently addressed the Members in the House of Representatives on the freedom aspirations of the Ukrainian people. In his account here he expressly states, "Mr. Speaker, on September 29, 1974, I marched with thousands of Ukrainian Americans and those who are not Ukrainian, such as myself, in support of human rights for Ukrainians in the Soviet Union." The Congressman is referring to the National Manifestation in Defense of Human Rights in Ukraine which was held in Bryant Park in New York City.

In his remarks the Congressman further observes, "The Soviet Union is engaging in cultural genocide against many of the captive nations now in the U.S.S.R. It is also engaging in the physical destruction of those who dissent." He mentions the two Ukrainian intellectuals and dissenters, Valentyn Moroz and Leonid Plyushch. Appended to his address are the resolutions of the rally and the text of a night letter to Senator Jackson and others opposing agreements on the trade act without provisions for general emigration from the USSR and the release of Moroz and Plyushch.

"URGES VATICAN TO PROD SOVIET"

(A report from Vatican City. *New York Post*, New York, Oct. 3, 1974)

At the fourth world synod of bishops the Ukrainian Cardinal Josyf Slipyj charged the Roman Catholic Church of a lack of concern regarding conditions in the USSR. According to this report, he particularly pointed to Moscow's imprisonment and harsh treatment of dissidents in that empire-state. He also stressed the continuing exile of priests to Siberia or the psychiatric wards.

The Cardinal is quoted as saying "It is our duty to condemn every injustice which violates freedom of faith, conscience, reason and opinion." He continued, "We must demand the liberation of those who are kept in custody and of those who are detained without cause in so-called psychiatric prisons." Pointedly, he raised in his address the question, "If the Holy Church neglects these people, who will be able to vindicate divine and human justice?" By all evidence, the Vatican has not voiced itself on this subject as many of its proponents have anticipated.

"UKRAINIANS ARRIVE—ON SKATES"

(An article by David Anable, Christian Science Monitor, Boston, Mass., Sept. 16, 1974)

"Watch out, North America, the Ukrainians have come . . . on skates" is the way this writer begins his observations of the Ukrainian Festival on Ice." No sooner said, the next few comments take a somewhat unfavorable turn, and throughout the piece the writer exudes doubtful reservations. He even raises the question, "Who is the show aimed at?"

In contrast to other more favorable critiques this one views the premiere as "just a trifle heavy for an American taste, sharpened by the slick fascinations of such audience-catchers as 'Ice Follies' and 'Holiday on Ice.'" Along with others, the writer is confused as to whether the performance is Ukrainian or Russian. For him "Russian romanticism" capped about a dozen balletic climaxes. The writer concludes, "Whether the same mix will carry the company through its full two-month tour as a commercial proposition remains a moot point." It appears that not all can be satisfied.

"72 HUNGRY DAYS IN A SOVIET JAIL"

(A report, New York Post, New York, Sept. 11, 1974)

At the time of this report dissident historian Valentyn Moroz had endured 72 days of a hunger strike, one which actually continued into December. The report relates the flood of phone calls made from New York to Vladmir prison where the young dissident has been incarcerated and reported near death. It goes on to give a condensed account of his sentencing in November 1970 and the solitary confinement to which he was subjected.

Mrs. Moroz is quoted at length regarding the condition of her hubsand. "He declared to me he would begin a hunger strike demanding to be transferred to a labor camp, to be in the open among people." For some time she had been denied permission to visit her husband. Her repeated requests to have a private physician examine him have also been denied. In view of subsequent developments it is expected that Moroz will at least be released from solitary confinement and may be shipped out of the Soviet Union itself.

"REMEMBERING KEELHAUL"

(A column by Smith Hempstone, Washington Star-News, Washington, D.C., Jan. 16, 1974)

Solzhenitsyn's new book *The Gulag Archipelago*, 1918–1956, virtually indicts both Roosevelt and Churchill for condemning millions of Russians, Ukrainians, Cossacks and others to execution or imprisonment by agreeing at Yalta to their forcible repatriation. The phenomenon has come to be known as "Operation Keelhaul." This keen analysis describes the repatriation of some 6 to 7 million so-called "Soviet nationals" during the period of 1945–47.

Unfortunately, the article is not sufficiently descriptive of the many different nationals that were repatriated under coercion. Ukrainians, Georgians, Byelorussians, Kalmuks and others are scarcely mentioned. Solzhenitsyn has described this indelible stain on the honor of the West to the "systematic shortsightedness and stupidity" of Roosevelt and Churchill. The suit on Operation Keelhaul is still before the federal appellate court in Washington, seeking the declassification of official papers on the matter.

"PERSECUTION OF CHRISTIANS IN UKRAINE AND THE U.S.S.R."

(An article by Victor Borowsky. *Christian Crusade Weekly,* Tulsa, Oklahoma, Aug. 1974)

The unrelenting persecution of Christians in the USSR by mutant Soviet bears rather than the lions of the past is emphasized in this article written by a Detroit attorney. The persecution is enacted through a variety of tactics, such as torture, dismissal from employment, exile, commitment to mental institutions, murder and concentration camp confinement.

Among other specified cases, the writer cites the May 2, 1973 atrocity in the Kharkiv area of Ukraine. About 1500 young Ukrainian baptists convened in a forest near Kharkiv for an Easter Worship Service after being denied the church or hall by the authorities. When the service began, Soviet militia forces moved in and brutally molested hundreds in the gathering. Case after case is cited, all to show the gross hypocrisy of a regime which rants about "freedom of religion."

"THE RUTHLESS CZAR OF ALL THE RUSSIAS"

(A book review by Roman Rakhmanny. *The Montreal Star,* Montreal, Canada, Nov. 16, 1974)

This prolific Canadian writer reviews in this piece Ronald Kingley's book *Joseph Stalin: Man and Legend*. The review is quite favorable and in itself makes for delightful reading. Quotes used by the writer are enough to indicate the character of Stalin as so well portrayed by the book's author. Quoting Vasyl Symonenko, one of the earliest Ukrainian dissenters, "Stalin, of course, did not ascend the pedestal, nor did people place him there. He clawed his way up by treachery and wickedness. He clawed his way up arrogantly and bloodily, like all butchers. . ."

Some of the strong points in the book are emphasized, such as Stalin's fence-sitting at the time of the October revolution, his dealings with the Czarist secret police Okhrana, and his tyrannical regime. Trotsky is aptly quoted, "Stalin seeks to strike, not at the ideas of his opponent, but at his skull." As the reviewer well points out, "The acceptance of Stalin's deadening legacy by Kremlin leaders only proves that in putting together his 'empire of human cogs' (as Valentyn Moroz has it) Stalin recruited many willing mechanics."

VIETNAM REFUGEES AND AMERICAN OBLIGATIONS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. OBEY. Mr. Speaker, the Vietnam war has been a long one and I know people are tired of it. I am tired of it, too. I have been tired of it for years and I have opposed defense budgets and foreign aid budgets because they have contained money to continue our involvement in that war.

But we are not children. We are adults and as adults we must face the hard fact of life that we cannot escape responsibility for our actions. There are those who, at least temporarily, are trying to do just that. In part I can understand why. We would all like to put thoughts of Vietnam behind us. But I am frankly appalled that some of those who in past years were so enthusiastic in their support for America's involvement in the Vietnam war are now trying to ignore a responsibility to the human refuse which that war has produced—and I use that word in its saddest sense. I am also frankly chagrined that some others who have in the past opposed that war, at least in part on moral grounds, would not now recognize the moral imperative represented by Vietnamese refugees seeking a place in this country.

No one can claim that every refugee entering this country is a kind, sweet, and desirable person but there are many innocent victims of that war who are now seeking refuge in this country. And as Mary McGrory, the Washington Star's newest Pulitzer Prize winner, said in her column last night, we cannot take out our frustration about the war on its victims.

There is no disgrace in America's turning away finally from the course of war in Vietnam, but there would be a supreme disgrace in our turning away from the consequences of our past actions in that war. Because we are a moral and decent people, we must accept these refugees who have no other place to go. I wish that were not true, but it is.

I congratulate the President for stating that fact squarely in his press conference last night. I congratulate the AFL–CIO Executive Council and the American Jewish Committee for taking that same position and I include at this time the stunningly truthful and poignant column written by Mary McGrory in last night's Washington Star and also the thoughtful editorial of the previous day by the New York Times.

[From the Washington Star, May 6, 1975]

SO WHAT HAPPENED, AMERICA?

(By Mary McGrory)

The Irish poet, William Butler Yeats put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question: What kind of people are we?

The response this time has been roughly what it was when we were confronted with the My Lai massacre. We avoid the question. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right to left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country psychically as we destroyed their country physically, are coming here, living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants?

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipient.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

[From the New York Times, May 5, 1975]

"WE HAVE NO CHOICE"

The antagonistic response of some Americans in and out of Congress to the prospect of granting refuge in the United States to 150,000 Vietnamese seeking asylum here recalls the worst days of McCarranism a quarter century ago. At that time, the late Senator McCarran of Nevada became the odious symbol for all that was ungenerous in the American attitude toward the admission of political and other refugees after World War II. A recrudescent McCarranism is the last thing Americans should want to see today.

The most immediate and obvious way for the Congress to demonstrate that Americans have not lost their moral sense as a result of the Vietnamese tragedy is to grant President Ford's urgent request for sufficient funds to meet the expenses of transporting, housing and resettling those Vietnamese refugees who have managed to escape to this country. Senators Javits of New York and Pell of Rhode Island are sponsoring a bill to provide the requisite funds; the ultimate shame of American involvement in the Vietnam war would be the hesitation—or, worse yet, refusal—to accept this much responsibility.

In fact, one of the few shreds of glory that the United States has been able to retrieve from the closing days—or years—of the Vietnam war consists of the success of the tremendous air and sea lift that rescued so many thousands of Vietnamese who had been associated in one way or another with the American involvement.

The attitude expressed by a few public officials—including Governor Brown of California—and many private citizens to the effect that the influx of Vietnamese is unwelcome because they will take needed jobs from Americans may be understandable but it is unwarranted. As Representative Morris Udall of Arizona has sensibly pointed out, the incoming Vietnamese will comprise a miniscule fraction of the labor force (certainly not more than one-tenth of 1 per cent); they total less than half the number of immigrants normally admitted to the United States annually; they are less than one-fifth the number of Cubans who came here after the Castro revolution. "We have no choice," says Mr. Udall, "except to take them in."

He is right, on the grounds of humanitarianism, of decency and of political freedom—and as much for our own self-respect as for the Vietnamese.

EARLY STORAGE PROGRAM: STRATEGIC PETROLEUM RESERVES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. FRASER. Mr. Speaker, a strategic petroleum storage program is the most effective, near-term strategy against both a wartime and peace time supply disruption. The mere existence of a national strategic oil reserve would serve as a deterrent to future embargoes and would increase the flexibility of U.S. policymakers. If we start now, in 5 to 6 years we will have enough oil in storage to enable us, with modest emergency precautions, to withstand an embargo without economic hardship for 6 to 8 months.

The National Petroleum Council—NPC—completed a study of emergency preparedness against a disruption of foreign oil supply. The Council reported that a strategic petroleum storage program should be established and that "efforts to implement such a program should begin immediately because of the long construction leadtimes involved." The NPC has followed up with an analysis and specific recommendations on how a storage program would work. This implementation report should be available early next month.

The Project Independence Report also strongly recommends strategic petroleum storage and points out the favorable cost/benefit ratio for oil stockpiles. If another embargo should occur, the economy would save $3 to $5 for each $1 cost of storage.

The Federal Energy Administration has in the works a comprehensive long-range plan—LRP—as well as an early storage program—ESP. This early storage program could give us 150 million barrels of storage by 1978. A recent FEA paper, "Strategic Petroleum Storage Program Plan and Objectives,'" emphasizes that because of long construction leadtimes, implementation of an early storage program should begin as soon as possible and should not wait for completion of the long-range plan.

Excerpts from the FEA paper appear below:

STRATEGIC PETROLEUM STORAGE PROGRAM PLAN AND OBJECTIVES

I. NEED FOR STRATEGIC STORAGE

The Administration's decision to undertake a large-scale (1.3 billion barrels) oil storage program is based upon the continued need for foreign energy resources, the unreliability of such sources (which are subject to disruption for political and economic reasons), the lack of an adequate standby production capacity and consideration of the protection which a security storage program would afford the country. The 1973–74 embargo, which reduced our projected imports about 2.5 million barrels per day, resulted in a GNP loss of between $10–20 billion and substantially contributed to inflation and unemployment. Emergency petroleum supplies, used in conjunction with demand restraint and allocation programs, could have substantially lessened this impact if available.

* * * * *

No matter what reasonable actions we take to increase domestic supplies and to conserve energy, analysis indicates that imports will be at least four to five million barrels per day by 1985 if prices remain at or near present levels. A one billion barrel civilian reserve would provide three million barrels a day for domestic allocation in the event of an embargo of one year's duration. The remainder could be dealt with through imposition of various emergency conservation and allocation measures. National defense would be guaranteed an additional 300 million barrels during a crisis by means of a military strategic reserve.

Standby production capacity, to be utilized only in an emergency situation, would not provide a sufficient amount of crude to limit the economic effects of an embargo. For example, it is estimated that Naval Petroleum Reserve No. 1 [Elk Hills], with estimated reserves in excess of one billion barrels, could only produce at the rate of 300,000 barrels per day, while our projected imports were reduced by over 2.5 million barrels per day during the 1973–74 embargo. Further, the cost of developing and maintaining new standby production capacity is substantial—not only in capital and resource requirements—but it also increases our dependence on imports if domestic production remains unutilized. Our balance of payments problems would increase because of the continued use of higher priced imported crude.

While a program of the magnitude outlined in Titles I and II [of the Administration's Bill] will take many years to fully implement, it is essential that we begin immediately. Even in the early stages of the program, as facilities are being acquired and stocks are being built up, the Nation will have protection not now enjoyed.

One of the principal advantages of a stockpile program is its flexibility. The target size of the stockpile can be adjusted as we reassess our vulnerability to imported supplies, and also if the schedule and level of domestic production lags behind projections. We would also be in a position to take advantage of variations in the price of oil.

Finally, the International Emergency Program (IEP) specifies that we must maintain reserves sufficient to maintain current consumption without imports for 60 days (later to be increased to 90). While according to the IEP definitions, our reserves are currently far in excess of requirements (approximately 120 days), the amount of reserves we could actually draw down in an emergency situation without seriously impairing the operation of our refinery/distribution system is quite limited. However, strategic reserves in excess of IEP requirements are valuable in that the IEP Treaty specifically allows their use in place of the specified demand restraint measures when imports are reduced by seven percent.

II. BACKGROUND

* * * * *

1. *Salt Dome Cavities.*

* * * * *

Salt dome cavities or existing salt cavern storage provides a potentially economic method of providing sufficient capacity for a strategic reserve system.

Large salt dome formations are located near the Gulf Coast, either inland or offshore. The major limitations in the preparation of leached salt dome cavities are the availability of fresh water to dissolve the salt (salt water can also be used if available), the time required to leach cavities in the salt formations, and the environmental constraints in disposing of the brine solution either in the sea or in subsurface salt water acquifiers. It is estimated that it would take three to four years before we can begin to fill salt dome storage facilities adequate for large-scale storage. Salt cavities are much less expensive to construct and maintain than steel tanks. Estimates place the cost at about $1 per barrel for construction and less than 1c a barrel per year to maintain, as compared to $4 to $5 per barrel for a steel tank construction and 10c for maintenance.

There is no doubt about the feasibility of salt dome storage facilities. In both France and Germany, large amounts of crude oil are currently being stored in salt domes and additional facilities are being prepared. Even in the United States, large amounts of petroleum products are currently being stored in salt domes.

An additional advantage of salt dome storage is related to these geographic locations. The facilities would be located in the Gulf Coast, where they could be integrated into the existing pipeline and refinery distribution system. They would also complement the two proposed offshore supertanker ports currently under consideration by Congress (Loop and Seadock).

2. *Other Possible Storage Facilities.* As it will probably take three to four years before we can start filling newly prepared salt dome storage facilities, it is desirable to examine what other type facilities might be available in the short term. These include:

a. *Dry Salt Mines.* We have identified dry salt mines in Louisiana which could possibly be converted to crude storage at an economic cost.

* * * * *

B. *The President's Proposed Legislation.*

* * * * *

2. *Relationship with Naval Petroleum Reserves.*—Titles I and II of the President's Energy Independence Act are closely related. Title I authorizes the development of the Naval Petroleum Reserve (primarily Elk Hills in California with reserves well over one billion barrels of oil). Development of Elk Hills would accomplish four objectives. First, in the short term (two to three years), it would increase domestic production by approximately 300,000 barrels per day, thus reducing our reliance on foreign imports by that amount. Second, the funds from the sale of the oil and/or oil itself would be used to replenish DOD's prepositioned war reserves and peace time operating stocks (probably less than 20 million barrels). Third, the proceeds from the sale of oil would be used to explore and develop NPR–4 on the North Slope of Alaska, which could produce as much as two million barrels of oil per day by the early 1980's. Fourth, the oil itself or the proceeds from its sale will be used to establish both the Civilian and Military Strategic Petroleum Reserves. This would involve the purchase and construction of storage and related facilities (pipelines, pumps, roadways, etc.) and the actual filling of the reserves. It could be accomplished by actually transferring NPR–1 oil to storage, switching with other oil which could be more easily put into storage, or purchasing petroleum or petroleum products on the open market.

Thus, the development of the Naval Petroleum Reserves is an integral part of the implementation of the Strategic Reserve System. It provides the flexibility to implement the program in the quickest and most cost effective manner. While the Military and Civilian Reserves are authorized in separate titles, both programs will be completely integrated. The Department of Defense will be involved in the planning of the Civilian System and those federal agencies responsible for planning the Civilian System will be involved in the planning of the Military System.

* * * * *

D. *Results of Current Analysis.*

While definitive answers to questions such as, what the stockpile should consist of and how large it should be, types of storage facilities and their locations, costs and environmental assessment, must await the preparation of the President's report, we can give some preliminary conclusions based upon current analysis.

1. Storage will be predominantly of crude oil stored in caverns leached in salt domes near the Gulf Coast. Some product storage may be required to offset (a) the time it will take to develop crude storage, and (b) the time it will take to refine stored crude into products and transport them to the consumers.

2. We should be able to provide a limited amount of non-salt dome storage capacity in the short-term (mines, tanks, etc.) while some salt facilities are being prepared.

3. Salt dome cavern storage is among the least expensive methods, and those located in the Gulf Coast area could be readily integrated into the Nation's transportation and refinery network. There is ample technology both here and abroad to support such an undertaking.

4. The limited experience in France indicates some mines can be converted at less cost than new salt cavities.

5. The Federal Government will most likely own major underground storage facilities and the crude oil stored in them. To the extent products are stored, they would probably be owned by the private importers and refiners.

III. THE PROGRAM PLAN ALSO INSURES THAT NO MAJOR ACTIONS WOULD BE TAKEN BEFORE CONSULTING THE APPROPRIATE COMMITTEES IN CONGRESS

A. *Program Elements.* The program plan will consist of three major elements which will be pursued concurrently, as shown in Exhibit 1. The program elements are:

1. *The Long-Range Plan (LRP).* The LRP is a comprehensive plan developed to fully satisfy the legislative requirements of Title II, addressing such issues as quantities, sources, and mix of petroleum to be stored; time tables, cost; ownership, types and location to facilities; and environmental impacts.

2. *The Early Storage Program (ESP).* The ESP is directed at determining the capability to bring into being within a few years a first increment of storage capacity. It will focus on selecting small number of means for storage offering the best prospect of achieving that objective, and developing an adequate information base which would allow us to proceed with lease, purchase, or construction of these storage facilities. It will examine potential storage both (a) within the concept of a government owned storage facility, either underground or above ground, and (b) within the concept of directing the maintenance of a greater storage of crude or petroleum product by privately owned importers.

* * * * *

Work would be started as quickly as possible on all three major program elements. There would be a continuous cross-flow of information as necessary between these three elements as shown in Exhibit 1. This would be particularly true of the relationship between the Long-Term Plan and Early Storage Program analyses, as is illustrated in Exhibit 2.

As shown, there would be a single survey and data collection effort for both program elements. Then with the selection of a few candidate sites, the Early Storage Program would very quickly be oriented toward specific site analysis and engineering, cost and schedule estimates and environmental assessments. The Long-Term Plan would involve broader scope assessments of a greater number of potential sites and facilities aimed toward (a) determining the ultimate goal of quantity and type of storage to be provided, and (b) defining and evaluating practicable alternative approaches which could be followed for providing the required Reserve capability.

B. *Program Schedule (Exhibit 2).* The schedule of the various program elements is shown in Exhibit 2. (Graph not printed in RECORD.)

* * * * *

IV. CONCLUSION

The last embargo and the previous experience of our allies is concluding evidence that there is a pressing need for a Strategic Storage Program. Oil storage is insurance to protect our economy in the event of an oil disruption or embargo. It is essential that a reserve be provided at a minimum cost to the Nation, that the cost of this reserve be equitably distributed, and that no region or locality or industry share an undue burden.

It is impossible to predict when or if there will be an oil interruption, how large it will be, nor its duration. Further, if we do nothing, our vulnerability to interruption will increase over the next several years as our imports grow and, even with the President's program, by 1985 we will be importing four to five million barrels per day. Therefore, it is essential that the initial increments of the storage program be implemented in the most expeditious manner. Program objectives are to provide some measure of insurance as soon as possible, and in the long term provide the maximum insurance, at minimum cost. The program plan would provide for an Early Storage Program while conducting the longer range studies. Due to the long lead times involved in the acquisition and construction of facilities, it is essential that the implementation begin before the final results are in hand.

MARY McGRORY WINS PULITZER PRIZE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. EDWARDS of California. Mr. Speaker, at this time I would like to extend my sincerest congratulations to Mary McGrory of the Washington Star, on her Pulitzer Prize. Ms. McGrory is certainly a most outstanding journalist and well deserving of this high honor. Her columns demonstrate a remarkable perceptiveness and talent in writing about the news. I am very proud to know Ms. McGrory personally, and am pleased to have this opportunity to express my deep admiration of her work.

Following is an article about Ms. McGrory which I feel captures the essence of this exceptional reporter. I am also including an example of a recent column which speaks for itself why Mary McGrory has been awarded the Pulitzer Prize.

The article follows:

A Reporter at Her Primitive Best

(By Duncan Spencer)

Into the newsroom of The Star, a place as romantic as a parking garage, as evocative as a hospital waiting room, marches Miss Mary McGrory, quick step.

Mary is usually in tatters after a day on Capitol Hill. Her brow is furrowed with thought, her jaw working on a wad of gum, her hands shaking for a sit-down cigarette—her hands have been bothering her hair. But the step is quick and athletic, her legs carry her along a familiar route to a familiar corner.

Her steps have taken her past sleepy building guards, into a metal box of an elevator that stinks of sour roto ink, along a tiled corridor as lonely and nameless as an empty mine shaft, to the lighted, noisy, newsroom, the place of her daily struggle.

Everyone here knows Mary hates to write. The floor of her tiny cubicle is covered with evidences of the difficulty of these attempts. One of the National desk editors gives her a small graham cracker, each day—something to look forward to in the hour of need. She will come out, agitated and tense, asking for a cigarette. Nothing ever seems to diminish the number of false starts or the quivering of the hands, or the effort.

By these rigorous means, she produces a prodigy of copy; it's not easy for her, and it takes days that are seldom shorter than 12 hours. They call her a columnist, but this is not quite it: She's a reporter. She has never been known not to leg a story. She doesn't write tips, scoops, rumors: She writes what she sees, what she hears, sometimes what people tell her; she writes what is on their faces, what their clothes or their pace show—knowing with the sureness of good nerves what clues are given by the surface.

She has been asked why, for heaven's sake, she doesn't do it like the famous columnists—with staffs to research and make telephone calls, or why she doesn't get into the political prognostication business or the inside sources business, or any of the other realms of theater in the Washington journalistic world. The question is easy for her to answer: "I can't do it any other way," she says. "I have to see, I have to hear. I'm primitive, I guess. I don't want anyone else doing my listening and watching for me."

Also she has been asked why she has never married. In the town where many respect her, some fear her, and a few hate her with hysterical venom, she is alone with her work, her intoxication with words and faces, some gardening behind her park-edge Northwest Washington apartment, and charity work with a Catholic orphanage. "I never married," she says, "because the right man never asked." That is the end of the subject.

Mary McG., as she has come to sign herself, is a reporter and a writer. She doesn't do television. She doesn't do speeches: Occasionally, she will give a lecture in the newsroom to her colleagues. It is on the subject of quiet. It is a request for quiet. She will stamp out of her cubicle with a false smile on her face. "Say, gentlemen," she will say in the soft Boston alto voice. "Would you mind? Would you just mind holding this meeting somewhere else?"

This is something of the state-of-the-art of McGrory in 1975. It is the year in which Mary McG. bought her first car. The learning to drive was traumatic. The little nerves between the hand and the eye only function well on a Royal; on the wheel their skill is gone. "I belong in another century," she would explain after a half-hour parking job.

But '74 was the McGrory year, the year that her anathema, Richard Nixon, met his come-uppance, that the war ended, that she had been right and right and right so many times that it seemed almost annoying—because Miss McGrory does not hide her elation in a victory, her tears in defeat.

Besides the fact that she hates to write and that it's hard for her—a fact that never shows for an instant on the surface of the graceful, spare prose, the one fair copy that didn't end in the wastebasket—everyone also knows that she came from Boston, where she learned about words listening to the poetry of Irish conversation.

She would have been another brainy Radcliffe girl before World War II, but she didn't get a scholarship, and her family couldn't afford it: she went to college at Emmanuel, a small all-women's school. She became a secretary and didn't even get close to the keyboard of a typewriter as an author until she was made secretary to the book review editor of the Boston Herald-Traveler, an ironic fact because the paper, like The Star, was an afternoon paper that suffered reverses. She fought to become a book reviewer, and can't remember the first piece she saw published.

In six years, she wrote nothing but reviews, and the now-famous dog pieces, which were, as she says, stories about dogs. At last, because of the good offices of a friendly Herald editor, she got a reviewer's job, at the age of 29, at the Evening Star. It was 1947. She was, she remembers, "delirious."

No one then, and no one now, pays any attention to the writers of Sunday book reviews. The formation of her style, so careful, word-conscious, so much more like story writing, with a beginning, middle and end, than the usual top-heavy news writing, was noticed only by a few.

One McGrory story that likes to be told is how Scotty Reston offered her a job at the New York Times with the understanding that she cover the switch board in the morning. She declined.

One day in 1954, Newbold Noyes, the blue-blooded and boyish former editor of The Star, came into the book review section of the newspaper's editorial office. These were the last days in the "old building" at the corner of 11th Street downtown. With him, he carried two cold bottles of root beer, for he was bound on a mission of some import, and like a proper emissary, was carrying a gift: He wanted to persuade her to cover the Army-McCarthy hearings.

Mary jumped at the chance, but promptly flopped: she wrote a story like a newspaper reporter. Noyes told her it was no good. That she shouldn't do it that way. He gave her advise that would only work once: "Write it like a letter to your favorite aunt," he is said to have said, though who knows, over the years, how whatever he did actually say has been polished and sharpened?

The story matters because of what followed: Mary took off with the hearings, writing news stories combined with pointed descriptions of conversations, attitudes, faces, bodies, dramas that made pictures and were her style.

The rest is better known—a steadily increasing readership, a regular column syndication in some 50 papers and even that unknown thing: an office at The Star. The office is a gray fiberboard box with a window with a bullet hole in it (not political foes, it's thought, but a youthful B-B gun), two telephones, and a changing assortment of posters, anchored by an ugly and incomprehensible Italian traffic poster that says enigmatically "facilitate passing . . . if you wish to arrive."

Yesterday there were flowers on the black plastic window ledge, carefully placed there by Elizabeth Cleland, Miss McGrory's assistant (and ironically, a book reviewer herself).

The author was seated by the window, in her study, as it were. She was not talking to sources or drinking champagne. She was preparing the next day's copy. Already, the imperfect starts were drifting to the floor like autumn leaves. She was smoking Marlboros, and people were interrupting with congratulations about the grand, at-long-last Pulitzer Prize that has come to her. At least, she was not falsely diffident.

"I saw an article in a journalism magazine once," she said. "It was called 'Who Wants the Pulitzer Prize?' The answer is that I do. The answer is, did Beverley Sills want to sing at the Met? C'mon, who are you kidding?"

There were more flowers from Star publisher Joe Allbritton (they were yellow roses—from Texas, Allbritton said). He called it the "brightest day this year" for the paper, and Mary, who has boasted she never made a speech, thanked all those who had helped her, all the way from Allbritton ("without whom we might all be meeting at the Chicken Hut") to entrance door guard Clarence Harris ("who takes me to my car every night and more than anyone is responsible for my continued existence.").

Then she drank champagne. She had not even entered the Pulitzer competition this year, she said. Instead, her entry was made by a trio of colleagues, Elizabeth Cleland, 1974 Pulitzer winner James Polk, and Star National Editor John Cassady. "It was the scrapbook that won," Miss McG. said.

So What Happened, America?

(By Mary McGrory)

The Irish poet, William Butler Yeats put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question: What kind of people are we?

The response this time has been roughly what it was when we were confronted with the My Lai massacre. We avoid the question. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right and left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country psychically as we destroyed their country physically, are coming here, living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants.

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipients.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

THE LESSONS OF VIETNAM

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HARRINGTON. Mr. Speaker, in his press conference last night President Ford expressed a strong wish to avoid any retrospective examination of our involvement in Vietnam, insisting that such an inquiry would "only be divisive and not helpful."

I totally disagree. If we fail to examine our history, we will fail to learn its lessons and will thereby doom ourselves to repetition. Henry Steele Commager, in an incisive article appearing in Sunday's Boston Globe, has drawn some important conclusions from America's Vietnam experience. I include his observations in the RECORD at this time for the attention of my colleagues.

The text follows:

THE LESSONS OF VIETNAM

(By Henry Steele Commager)

Can we learn anything from the collapse of our 10-year war in Vietnam, our 20-year involvement in the internal affairs of Southeast Asia? Nothing, perhaps, that we should not have known by instinct, if not by history—for that intervention was contrary to all of our traditions, our standards, our principles.

Yet nations, like people, are reluctant to learn from their mistakes. It took Britain a long time to profit from the lesson of the American Revolution; it took Spain even longer to give up the dream of a world empire; it took the Germans two wars and two defeats, not one, to learn to forswear military conquests as the road to glory.

We are a practical people, not, on the whole, burdened down by the weight of history. The South, after 1865, did create the myth of the Old South, and of the Lost Cause. But however much it indulged itself in romanticism, it did not refuse to accept the verdict of Appomattox. Can Americans of this generation be equally realistic about the verdict of Phnom Penh and Saigon?

What are some of the lessons we should draw from this chapter of our history?

First, the lesson that we are not God, and that we have not been designated by Providence to arrange the affairs of the rest of the globe. We have neither the obligation nor the right to intervene in the internal struggles of people throughout the world, nor do we have the wisdom or the expertise to undertake ventures of this nature. If there is to be intervention on behalf of law, or of liberty, it must come from the United Nations, not from one member of that body arrogating to itself judgment and powers to intervene.

Second, the lesson—clear enough to those who could read history—that we are not an Asian power and that, in the nature of things, we cannot be. Because we border on the Pacific all the way from Alaska to the border of Southern California, because Hawaii is an American state, and because we have special ties to the Philippines, we are a Pacific power. But being a Pacific power no more justifies our intervening in the affairs of Asia than the fact the Soviet Union and China are Pacific powers justifies them in intervening in the affairs of America.

Third, the lesson that we should not attempt to solve world problems on our own, but should enlist the cooperation of the United Nations and its subordinate organizations, and the regional powers, in attempts at settling disputes between or within nations. This is what we have done in the past, in our relations with the states of Latin America; it is what we have done in our intervention in the crisis of the Middle East today.

We were in part responsible for creating the United Nations: we have largely ignored it. We were wholly responsible for creating SEATO: it has almost wholly ignored us—and rightly so, for we attempted to use it for private and dangerous purposes. We do have a moral and practical obligation to help preserve the peace of the world; that obligation is not to be fulfilled by the mindless application of military power.

Fourth, the lesson that there are no simple military solutions to the problems that confront the world today—problems rooted in ethnic or religious differences, in deep ideological conflicts, in overpopulation or in the scarcity of resources or economic and industrial backwardness. The instinct of the military is for force; to bomb the enemy back to the Stone Age, as Gen. LeMay urged, to dwell on more B52s as Gen. Westmoreland recommended, to "destroy it (the village, the country) in order to save it," as one American officer advised.

Never has it been more clear—not even after the dismissal of Gen. McClellan, not even after the dismissal of Gen. MacArthur—than in these last years, that war is too serious a matter to be left to the generals. Certainly in our kind of society, the military is the least effective of all agencies for imposing freedom or democracy on other people.

Since 1945 the United States has spent something like $1700 billion on defense, and spokesmen for the Pentagon—whose arguments are faithfully echoed by President Ford—assure us that if we are to be safe we must spend more and more. But we are in fact no more secure now than we were at the beginning of the process. One hundred and sixty billion dollars did not enable us to bring freedom or democracy to Vietnam or Cambodia—quite the contrary; ten times the sum will not advance freedom and democracy generally throughout the globe. If we fritter away not only our financial but our political, our scientific and our moral resources on futile enterprise like that in Southeast Asia, we shall end up in fiscal, political and moral bankruptcy.

Fifth, the lesson that we should not permit government or military to take refuge in secrecy, or defeat—qualities which characterize the conduct of foreign and of military affairs in the United States for the last 12 years. Congress, and the American people, were deceived about the secret war in Laos, deceived about the trumped up affair of Tonkin Bay, deceived about the progress of the war in Vietnam, deceived about these methods of warfare that violated international law—the use of herbicides, of napalm, the bombing of helpless villages, massacres such as those at My Lai.

The people were deceived by one President in the campaign of '64 and another in the campaign of '68 and by idle promises in the campaign of '72. They were deceived by the secret bombing of Cambodia, they were deceived at the very end by a President who solemnly denied the existence of any secret understanding between President Nixon and Thieu—a deception unveiled by Thieu himself.

The prophecies of deception were, to be sure, not confined to Southeast Asia; they were global. One reason for the shambles of American foreign policy today is clearly that the Congress was not permitted to exercise its constitutional function of participating in the conduct of foreign affairs, nor the American people their constitutional rights to know what their government was up to.

Six, the lesson that we should not spread our resources thin. We cannot intervene successfully in the affairs of Southeast Asia, India, the Middle East, and the Caribbean. It is not merely that we do not have the military or financial resources for such intervention; more important, we do not have the intellectual or moral resources.

The record of much of our foreign policy in the past quarter century is like the record in Vietnam—a record of incompetence and blundering. This is perhaps another way of saying that we have not, over this long stretch of years, defined our long-range objectives. From the decision to drop the Atomic Bomb on two Japanese cities in 1945 to the Christmas bombing of Vietnam in 1972 we chose the immediate rather than the ultimate goals.

During all these years we invoked considerations of "national interest" and "national security" without ever being clear what either was, or required. No wonder we ended up supporting tyrannical, military, and totalitarian regimes throughout the globe—the generals in Brazil, the reactionaries in Santo Domingo, the colonels in Brazil, the French in Vietnam, and then Diem and Ky and Thieu, Chiang Kai-shek in Taiwan, and the Pakistanis in their conflict with India.

The ultimate inconsistency here was to wage war in Vietnam in order to stop the triumphant progress of Chinese communism, than to embrace Communist China but persist in the war. . . . All of this was somehow supposed to strengthen national security and to advance freedom throughout the world. Instead it dissipated American resources and deeply impaired the cause of freedom.

Seven, the lesson that we should emancipate ourselves from our self-imposed obsession with ideology and return to our traditional respect for reality. No one can deny that after a Communist takeover of Czechoslovakia and the Berlin blockage the Cold War was inevitable, but it is difficult to find justification for extending the Cold War to China, or for clinging for 20 years to the conviction that Chiang Kai-shek in Taiwan somehow represented the real China.

The Cold War soon became an obsession and eventually Americans imprisoned themselves in that obsession. Thus the almost demented notion that somehow American security depended on a "free" Vietnam; thus the adamant resistance for 20 years, to the admission of Red China to the United Nation, thus the readiness to embrace almost any regime anywhere on the globe so long as it flew the flag of anti-Communism. Perhaps now, at last, we can free ourselves of the misperception that there are two worlds, one free—represented by the United States—and one represented by Russia and China, and return to that common sense which dictated American policies for over a century and a half of recognizing realities rather than ideologies.

Eight, the lesson of the limits of power. In 1945 we strolled the world like a colossus. We had won the war (we conveniently forgot the Russian contribution), we had restored a free Europe after the war, we set up the United Nations and launched the Marshall Plan and put NATO in motion; we, and we alone, had the atomic weapons and with them we could control the affairs of the world.

We knew that we were a virtuous people, our purposes noble, our hearts pure and our vision unclouded, and we assumed that we had a moral right to impose our will upon the world. The next quarter century taught us the lesson that so many other powers had learned in the past—the lesson of the limits of power.

Perhaps now we shall be content to take our place with many others among the nations of the world, to set our own house in order, to cooperate through international agencies in advancing the prosperity of others and less fortunate nations, to share with great powers like the Soviet Union and China and India—and in the not distant future—Japan and the Arab states, Mexico and Brazil, in the governance of world affairs. Surely a nation conscious of the limits of power is stronger, and healthier, than one that indulges itself in the arrogance of power.

Two final lessons emerge from Vietnam—lessons which we shall fail to learn at our cost. The first of these is that the great problems that confront all the peoples on the globe must be solved by reason, not by force, by cooperation, not by competition, by confidence, not by fear. This is a lesson which all nations must learn if they are to survive.

If learned it will spell the end of those national animosities, those ideological hostilities, those racial and ethnic and religious antipathies, which have made a shambles of history for the past millenium. This dictates the tenth and perhaps the most important of all the lessons—lessons drawn not only from the Vietnam experience, but from the national and ideological quarrels of the past four years.

It is this: We must now recognize that all major problems are global, that none can be solved by any one nation, or even by a small group of nations. No one nation can deal with the problems of population, of waning resources and energy, pollution of land and air and water, of nuclear power and nuclear hazards, of the resources under the water and in the stratosphere, of world health, world law, world arms control, world peace.

Once we recognize this we have come face to face with a new world and a new world philosophy. There will have to be an abatement of traditional nationalism, limitations on the rights of individuals, corporations, or even nations to dispose at will of the resources of the globe, and regulation of many of those activities which affect the lives of men and women everywhere on earth.

We have seen, in the past generations, that no one power, however great, can impose its will on the world or even on a small segment of that world. We must realize that in the future all the nations and peoples of the world will have to combine to save mankind from annihilation.

THE UNITED STATES, THE ARABS, AND THE U.N.

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BINGHAM—

The United States must find appropriate ways to persuade the Arabs that it is unacceptable for them to destroy the U.N. system for their political convenience.

That is the conclusion and the theme of an excellent column in the Washington Post of April 18 by Stephen Rosenfeld. It states a principle which our State Department so far fails to comprehend.

The article follows:

[From the Washington Post, Apr. 18, 1975]

THE UNITED STATES AND THE U.N.

(By Stephen S. Rosenfeld)

At this moment when the United States is looking to demonstrate the continuity of its foreign policy in areas and forums outside Vietnam, the unhappy but unblinkable prospect is that American participation in the United Nations system appears to be not far from the end of the line.

This is the clear thrust of two congressional votes whose implications have been only dimly apprehended in the general political community.

In the first of these votes last December, the Congress wrote the United States out of participation in UNESCO so long as the cultural agency's politicization—represented by its egregious discrimination against Israel—goes on. Significantly, the vote was engineered not by the conservatives who've long been muttering "get the U.S. out of the U.N. and the U.N. out of the U.S.," but by Sen. Clifford Case (R-N.J.) and Rep. Jonathan Bingham (D-N.Y.), two politicians commonly identified as liberal internationalists.

The danger here arises from the fact that the Arab diplomatic strategy which provoked the UNESCO crisis remains operative. As the Egyptian foreign minister said on March 24, "It is inevitable to escalate the campaign of isolating and rejecting Israel from the international community and the United Nations."

Too few people have yet grasped the fact that the Arabs have made the U.N. system hostage to their grievance against Israel. But whatever one thinks of the merits of the Arab-Israeli dispute, there is no absolute defense for the Arabs' readiness to undermine the U.N. system for their own political purposes.

For there is little doubt but that the Congress will react to further abuses by suspending American participation in the affected U.N. agency or body. That is the unequivocal meaning of the vote on UNESCO. The next place to look for trouble is the World Health Organization assembly in May. After that, a special session of the General Assembly is to meet in August.

The second germane congressional action is the vote last month on money for the voluntary agencies. The administration sought $153 million. The exertions of Sen. Gale McGee (D-Wyo.) and Rep. Don Fraser (D-Minn.) produced an authorization of $165 million, most of the extra for the U.N. Development Program and UNICEF. But in appropriations, Daniel Inouye (D-Hawaii) cut the Senate figure to $140 million and Otto Passman (D-La.) cut the House figure to $115 million. On the key floor vote to restore the full request, the tally was an overwhelming 65 to 28 against. The conference appropriated $125 million.

Again the new congressional coalition was in evidence. Voting to shrink the budget were traditionally conservatives plus a covey of traditional liberals. The spirit of the vote was essentially irritation verging on anger at the general performance of the Third World, both in that bloc's various positions at the U.N. and in its reluctance to take political or financial responsibility for such damaging blows to poor countries' economies as the oil-price increases.

Given the likely persistence of Third World attitudes, it is only prudent to assume that the Congress will continue to take out American frustrations in its votes on the budgets of the voluntary agencies. The more these attitudes persist, in fact, the harder it becomes for the forces of enlightened international engagement to make and carry the case for the U.N.

For those concerned to keep American participation alive and viable in the U.N. system in these new conditions, a more careful and discrete policy is probably indicated.

The United States should, as it has already begun to do, try to focus the U.N. and its agencies more on specific doable tasks and less on political issues of a sort which invite posturing. This is no time to expect the U.N. to take on new operational burdens especially in the politically volatile "soft" issues of food, environment and the like, the so-called interdependence issues on which Third World ideological juices run strongly.

The executive branch should, again as it has already begun to do, accept as a political reality that the Congress requires evidence that the President is responding forthrightly to the sharp winds out of the Third World. The response can take the form of upholding the American position vigorously when it is attacked or of steering important American business into other international channels where there is a better chance of effectiveness. It is quite proper, for instance, that the energy talks have been taking place outside the U.N.

Finally, the United States must find appropriate ways to persuade the Arabs that it is unacceptable for them to destroy the U.N. system for their political convenience. The only conceivable rationale for maintaining a U.N. is to ensure that there is one place on this globe, if only one, where some minimal standards of fairness are applied. For every other purpose, some other functional organization will do.

CONGRESSMAN HEINZ SUPPORTS EXPANDED IN-HOME HEALTH CARE SERVICES

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. HEINZ. Mr. Speaker, medicare, enacted in 1966, came as a blessing for millions of elderly Americans and for their families. It helped assure adequate health benefits for a segment of the population for whom soaring costs were rapidly pushing health care out of reach.

But valuable as medicare is, it still only covers about 42 percent of health care costs of the elderly. In fact, inflationary pressures and gaps in coverage have steadily eroded medicare coverage. By 1972, the average elderly American paid $276 from his own pocket for medical care. In 1966, prior to enactment of medicare, the average out-of-pocket expense was $234 per year, 18 percent less than the 1966 level. So, Mr. Speaker, health costs for the elderly have risen to the point where average personal expenditures by the elderly exceed premedicare levels.

All this provides ample testimony of the pressing need to control rapidly rising costs in the health care sector. I believe it argues forcefully for providing health care to the elderly—and perhaps others as well—in that setting which will provide the best opportunity for succesful treatment at the most reasonable cost. One such means is home health care programs.

A recent article in the Pittsburgh Post-Gazette, entitled "Care for Aged at Home, Not in Nursing Homes," explained well the logic of home health care. Not only is such care more convenient to the elderly patient, but it saves both the patient and the Government money. It does so by reducing the days spent under expensive hospital care, and by avoiding the provision of services by specialists when other health professionals can do the job as well.

As the article indicates, greater Federal emphasis on home health care is needed if we are to promote nationwide this cost-effective mode of care. Only strong Federal leadership will induce health insurance companies and Blue Cross affiliates to offer coverage of home health services.

I insert the Post-Gazette article, "Care for Aged at Home, Not in Nursing Homes," in the Record at this point:

Care for Aged at Home, Not in Nursing Homes

(By Grace Proven)

Unless we're witness to a heartbreaking condition, few of us think about the lonely, the aging, the helpless.

Concern for those whose welfare depends on "outsiders" is the plea of Mrs. Florence Moore, executive director of the National Council for Homemaker-Health Aide Services.

Mrs. Moore, in Pittsburgh to address the Visiting Nurse Association of Allegheny County, an affiliate of the council, cited trends in her field.

"In the early days of this country," she said, "people didn't need in-home services. There were extended families—grandparents, aunts, uncles and cousins to look after one who needed help.

"As society becomes more urbanized, the family group diminishes and the communities must develop new services."

The council Mrs. Moore heads was founded just after the turn of the century as a substitute-mother service. When the mother in a home was ill or deceased, a trained homemaker was sent to manage the household and release the father to earn a living.

Now, in-home service is more for the aged who are unable to care for themselves, their homes or each other. It helps the ill to return from a hospital more quickly or prevents them from having to go at all.

"The Visiting Nurse Association is just for the sick and the elderly," Mrs. Moore said. "There are other homemaker agencies in Pennsylvania such as Meals on Wheels, Friendly Visitors, Telephone Reassurance and transportation and shopping services to supplement the work of the Visiting Nurses.

"But we're way behind Europe in in-home services. However, there is an increasing awareness. There are a number of bills in Congress which increase emphasis on in-home services. But we won't have the growth we need until the bills are passed and funds are made available.

"Federal legislation tends to move the decision making on such services back to state and local levels. This means local citizens must be more alert to the quality of the services, the needs of their neighbors and the services themselves."

Mrs. Moore believes it would be unnecessary for many older people to go into nursing homes if more of the young and healthy took an interest in their plight.

"Insurance companies and Blue Cross are just beginning to recognize the need for coverage of such services," she said.

"Both the American Medical Asosciation and its auxiliary are strong supporters of the National Council whose role is to promote the development of quality in-home service across the country."

Mrs. Moore joined the council in 1969 as associate director. A Canadian by birth, she married an American, John H. Moore, in 1959, and made her home on this side of the border.

She had lived on a farm in Manitoba—prairie country, she called it. Her husband had grown up on a farm in Ohio.

Both are in social work in New York City where they live in an apartment five days a week.

But on weekends, they take off for their second home: a 300-acre farm in Pine Plains, N.Y., about 100 miles from the city. There they raise beef cattle.

At the moment, they have about 200 head. They expect about 80 calves to be born soon.

"We're going to need a midwife for those calves," Mrs. Moore said.

Unfortunately, her agencies provide services only for human beings.

MY MOST CHERISHED FREEDOM CONTEST

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. MOFFETT. Mr. Speaker, I would like to insert for the Record an essay which recently won the Freedom Essay Contest held by the Chic Miller's Atwood Chevrolet Co. of Bristol, Conn. The essay, written by Linda D'Aprile of Forestville, Conn., speaks movingly of such fundamental principles as freedom of speech, individual autonomy, and self-determination. An explanation of the contest and the essay itself follow:

My Most Cherished Freedom Contest

"Chic" Miller of Chic Miller's Atwood Chevrolet Co. launched an essay contest in Bristol, Conn. aimed at commemorating this country's Bicentennial and helping the local high school band get to Disney World. Previously the band had won, in competition, an invitation to play in Disney World April 12th and was attempting to raise the necessary funds for the trip, $12,000.

Mr. Miller offered to donate $1.00 to the band's trip for every entry he received with a uniting contribution of $2,000. In addition he offered a cash prize of $200 to the person writing the best essay. Everything was done in 2's tieing into the 200th anniversary of the country.

The contest open to anyone living in the Bristol area, was based on the writing of a 100 words of less essay entitled "My Most Cherised Freedom". The contest opened February 22nd, 1975 and closed March 22nd 1975. Entries were judged by a panel of three local civic citizens—The president of the Chamber of Commerce, the president of Hadassah and the president of the Boy Scout Council.

Two thousand flyers advertising the contest were printed gratis by Al's Press, a local printing company. Both the local newspaper, the Bristol Press and the local radio station, WBIS gave the contest excellent publicity. In fact the local newspaper from week to week kept residents informed of how many dollars had been contributed to the band's fund for Disney World. The Chamber of Commerce endorsed the project and hired Mrs. Lois Graham to oversee the details of the contest. Citywide support of the project was gratifying.

Essays were received from brownie and cub scout troops, from high school and college students, from entire families and many many senior citizens. **Total entries received** exceeded 2000. The greater percentage of entrants wrote that their most cherished freedom was freedom of speech. Either by voice or by pen they felt that freedom of speech was truly a great gift from our founding fathers. The very young expressed their thoughts uniquely as indicated by the enclosed essay.

Winner of the contest was a Bristol girl working her way through college in Boston, Mass. and she was delighted to receive the $200 cash prize. The 72 band members plus chaperones chartered the buses for Disney World and the whole city of Bristol was thrilled and excited that the band was able to accept the invitation to Orlando, Florida.

My Most Cherished Freedom

(By Linda D'Aprile)

The most esteemed freedom I have is the ability to live as a unique human being with a sense of dignity and individuality. I have the unequaled right to pursue my ambitions and become the self-fulfilled person that I want to be. Fortunately I am able to accomplish my endeavors because I live in a great country that gives me the chance to be a complete person. I can live as I wish, say what I will, and be who I am. I am an individual, a woman, an American, but most of all, I am me.

EVELYN DUBROW TEACHES THE LEGISLATIVE PROCESS AT HARVARD

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. BRADEMAS. Mr. Speaker, one of the most highly respected legislative representatives in Washington is Evelyn Dubrow of the International Ladies' Garment Workers' Union.

Miss Dubrow is currently a fellow of the Institute of Politics of the John Fitzgerald Kennedy School of Government at Harvard University and is giving the seminar at the institute this term on the role of labor in government through the legislative process.

I insert at this point in the Record an article about Miss Dubrow's fellowship at Harvard as published in the April 25, 1975, issue of the Harvard Gazette.

The article follows:

Feet Fit? Facts Straight? Then Get Set for Lobbying, Says Evelyn Dubrow

Many lobbyists might be surprised to learn that what they need more than anything else is a good pair of feet. The traditional trio of the lobbyist's trade—booze, bucks, and broads—are nothing compared to lively legwork on two fit feet.

These observations, and others, were made in a *Gazette* interview with Evelyn Dubrow, a Fellow of the Institute of Politics of the John F. Kennedy School of Government, and the Washington lobbyist of the International

Ladies' Garment Workers' Union (ILGWU), who is giving the seminar, "Labor's Participation in Government Through the Legislative Process" at the Institute this term.

Miss Dubrow has been the ILGWU's legislative representative in Washington for the past 18 years and is now widely regarded as the dean of women lobbyists in the nation's capital. She is a five-foot, 110-pound, red-haired woman in her fifties who has been reminding people of an unleashed keg of explosives ever since a Passaic, New Jersey, police commissioner nicknamed her "Dynamite" in the 1930's.

One of the chief misconceptions Miss Dubrow has found it necessary to correct at Harvard and elsewhere is "the notion that women lobbyists are members of the world's oldest profession."

Although ancient, lobbying is hardly the oldest of professions. The term, coined in this country, according to the Oxford English Dictionary, in 1863, refers to the lobbies or anterooms of state legislatures, where special interest groups sought to influence legislators' votes. The privilege was often abused, and Washington's 2,000 lobbyists are now required by law to register. About 80 percent of the nation's top 1,000 companies have Washington lobbyists who usually hold the title, as does Miss Dubrow, of "legislative representative."

Miss Dubrow says five basic rules govern her lobbying efforts and she recommends these guidelines to anyone dealing with elected officials. (1) Always be polite. (2) Never pressure a politician to make a commitment on the spot. (3) Be brief and to the point. (She will invariably buttonhole a member of Congress with the brief and to-the-point opener, "Senator, I wonder if I could have three minutes.") (4) Be prepared to follow through with more facts if necessary. (5) Always thank a legislator who helps you out.

"Courtesy saves time," Miss Dubrow says, "A good share of a lobbyist's time is spent sitting or standing around waiting for answers. That time is never wasted if you are polite and helpful to the legislator's staff while you're waiting to see the member of Congress.

"They'll ask you lots of questions. You must admit it if you don't know the answers, though. Say you don't know but you'll find out. You also have to avoid outrageous statements. Anything said merely for effect is a waste of a Congressman's and lobbyist's time.

Sitting in her Institute of Politics study in an impeccably tailored light grey pants suit ("Well, of course," she will reply to any compliment concerning her wardrobe, "with my constituents, I certainly should be well-dressed, don't you think?") Miss Dubrow continues her rapid-fire delivery of facts and findings gleaned from 32 years in the labor movement.

"The most effective woman on the Hill," says Rep. Thomas P. ("Tip") O'Neill (D.-Mass.), adding, "She can give whip counts [*i.e.*, nose counts on upcoming votes] as good as any I've seen. She's like having a couple of extra staff people."

A graduate of New York University who majored in journalism, Miss Dubrow worked briefly on an Italian newspaper before joining the labor movement as executive secretary and organizer for the Textile Workers Union in New Jersey.

"I instantly felt right at home in labor," she says now, "since my father, a carpenter, had been a dues-paying socialist, a Jewish immigrant from Russia; and my mother, who had also immigrated from Russia, was a lifelong suffragette, as was my older sister. I was the baby and my family always encouraged me to do whatever work I believed in. There was never any thought given along the lines that I oughtn't to do something simply because I was a woman.

"I've been lucky," she continued, "in my choice of family and my choice of employers, I've always had men employers who have never discriminated against me because of my sex. I chose them carefully because I could never work for someone who wasn't able to respect the work I could do. And I could never work for industry.

"I get emotional about my work. I have to really believe in the bills I am advocating. When I have any doubts about a measure, I know I am less effective than when I know it is right."

What measures have given Miss Dubrow her greatest satisfaction? Without hesitation, she says, "That no one in this country works for less than $2.50 an hour. That in 1938 the minimum wage was 25 cents an hour.

"And bills concerned with day care for children of workers. Eighty percent of my 450,000 constituents in the ILGWU are women and they need day care centers for their children. The centers must not be warehouses, but rather, nutritional, recreational, educational and mental health centers, as well.

"And consumer education. I was one of the founders of the Consumer Federation of America, and I think the movement is very important for everyone."

What qualities of her own does Miss Dubrow think have contributed to her effectiveness in Washington on behalf of her union?

"First and foremost," she begins. Pause. "My good feet. I have my feet checked every three weeks by a podiatrist.

CONSUMER PROTECTION AGENCY: A FUTURE HEADACHE FOR AMERICA'S BUSINESSMEN?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1975

Mr. ASHBROOK. Mr. Speaker, America's businessmen are being buried under a torrent of Government paperwork, Federal forms and bureaucratic regulations. In large measure this stems from the emergence and growth of a host of new Federal agencies. Within the last 5 years Congress has created such bureaucratic monstrosities as the Occupational Safety and Health Administration, OSHA, the Environmental Protection Agency, EPA, and the Equal Employment Opportunity Commission, EEOC.

Moreover, no end is in sight. The next headache for our Nation's businessmen may well be a federally financed Consumer Protection Agency.

During the last session of Congress the House of Representatives passed legislation creating such an agency. It died, however, when proponents were unable to break a Senate filibuster against the bill. Another effort to establish a Consumer Protection Agency is underway in the 94th Congress.

If this effort is successful, the result will be even more Government control of private business. The CPA would be granted broad powers over business and industry, as well as some power over other Federal agencies.

A major problem area would be the CPA's almost unlimited ability to obtain access to information. The legislation killed in the previous Congress would have given the CPA authority to send interrogatories to businessmen on virtually any topic.

Knowing the Government's penchant for paperwork, it is easy to imagine what interrogatories prepared by the CPA would look like. Businessmen already have to spend too much of their time filling out Federal forms. Congress should be devising ways to cut the paperwork burden rather than adding to it.

There is, however, another important reason for opposing the interrogatories. The CPA could use this information-gathering power to conduct its own inquiry when no Federal agency proceedings are pending against a business. Such a Government invasion of private business cannot be justified.

American businessmen do not need another watchdog agency looking over their shoulders. They are already harassed by too many Government bureaucrats as is. I urge the Congress not to add another layer of bureaucracy on to the backs of our businessmen.

Following is the text of an article from the March 22 edition of the Washington Star:

WATCH OUT FOR THE WATCHDOG

Legislation to create a Consumer Protection Agency—that super-bureau that is supposed to save all of us from flam-flams and shoddy but expensive merchandise—is before Congress again, seemingly more vigorous than it was last year when it fell before a filibuster led by Senator James Allen of Alabama.

There is no more justification for it this year than last. But with Congress more tilted toward the liberal side as a result of the November election and with the Senate having made it easier to cut off filibusters, the chances are higher than 50–50 that this bureaucratic monstrosity will be unloaded on the taxpayers, in the name of consumerism.

The new agency would be given a mandate to stick its finger into any governmental operation that "may substantially affect the interest of consumers"—which is to say, just about everything. The administrator of such an agency would be one of the most powerful persons in government. We already can see him sending off legal staff, investigators and paper shufflers of various sorts to nose around all over town. The probability is very high that this new agency would seen dwarf most other governmental units, as to size of both staff and budget.

About the only justification we can think of for creating the new agency is that it would provide some jobs for the growing lists of unemployed. The problem is that once the economy gets straightened out, the taxpayers still would be saddled with it; the chances of ever getting rid of a government agency are almost nil.

What this legislation would do is add another "watchdog" agency to a federal government that already is up to its ears in watchdog agencies. If the existing watchdogs were doing their jobs, we wouldn't need another. If Congress really wants to look out for the consumers' interest, it ought to see that the watchdogs we've already got earn their keep.

SENATE—*Thursday, May 8, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. FLOYD K. HASKELL, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend L. R. Elson, D.D., offered the following prayer:

Almighty God, as we are made one people in prayer, so make us one in our dedication and our work. Guide the Government of this Nation that it may ever make it as hard as possible to do wrong and as easy as possible to do right. May we love Thee with our whole heart and mind and soul and strength. And may we love our neighbors whom we do not see as sincerely as the neighbor we do see. In our day to day labor, guide us by the eternal truths of the Holy Bible and by Thy revelation in Thy Son, Jesus Christ, in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 8, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. FLOYD K. HASKELL, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HASKELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, May 7, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL INSTITUTE OF EDUCATION

The legislative clerk read the nomination of Harold L. Hodgkinson, of California, to be Director of the National Institute of Education.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL INSTITUTES OF HEALTH

The legislative clerk read the nomination of Donald Sharp Fredrickson, of Maryland, to be Director of the National Institutes of Health.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The legislative clerk read the nomination of Edward E. Booher, of New Jersey, to be a member of the National Council on Educational Research.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL SCIENCE FOUNDATION

The legislative clerk read the nomination of Richard C. Atkinson, of California, to be Deputy Director of the National Science Foundation.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The legislative clerk proceeded to read sundry nominations in the Advisory Council on Women's Educational Programs.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of measures on the calendar, beginning with Calendar No. 99 and continuing through Calendar No. 103.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GENERAL FEDERATION OF WOMEN'S CLUBS

The bill (S. 240) to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs", was considered, ordered to be engrossed for a third reading read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act granting a charter to the General Federation of Women's Clubs", approved March 3, 1901, as amended by an Act approved April 28, 1904, as amended by an Act approved June 7, 1934, be, and the same are hereby, amended to read as follows:

"SEC. 2. That the said corporation is authorized to acquire, by devise, bequest, or otherwise, hold, purchase, and convey such real and personal estate as shall or may be required for the purpose of its incorporation with authority in said corporation, should it be by it deemed necessary so to do, to mortgage or otherwise encumber the real estate which it may hereafter own or acquire and may give therefor such evidences of indebtedness as such corporation may decide upon.".

NATIONAL INDIAN DAY

The joint resolution (S.J. Res. 44) authorizing the President to proclaim September 28, 1975, as National Indian Day, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

Whereas American Indians have made important contributions to the cultural and social history of the Nation; and

Whereas American Indians are now assuming a greater role in the economic life of the Nation; and

Whereas it is appropriate to extend recognition to American Indians for their achievements as citizens of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating September 28, 1975, as "National Indian Day", and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NEWSPAPER WEEK AND NEWSPAPER CARRIER DAY

The joint resolution (S.J. Res. 46) authorizing and requesting the President to issue a proclamation designating October 5–11, 1975, as "Newspaper Week" and also designating October 11, 1975, as "Newspaper Carrier Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 5–11, 1975, as "Newspaper Week", and also designating October 11, 1975, as "Newspaper Carrier Day", and calling upon the people of the United States to observe such week and such day with appropriate ceremonies and activities.

NATIONAL HUNTING AND FISHING DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 34) asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day," which had been reported from the Committee on the Judiciary with amendments on page 2, in line 4, strike out "each"; and on page 2, in line 4, after "September" insert "1975".

The amendments were agreed to.

The joint resolution, as amended, was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

Whereas in the congestion and the complexities, the tensions and frustrations of today's life, the need for outdoor recreation—the opportunity to "get away from it all"—has become of crucial importance; and

Whereas there are few pursuits providing a better chance for healthy exercise, peaceful solitude, and appreciation of the great outdoors than hunting and fishing; and

Whereas this is evident in the fact that more than fifteen million hunting licenses and twenty-four million fishing licenses were issued in 1970; and

Whereas this income provides a rich source of funds for fish and wildlife conservation and management and for the salvation, preservation, and propagation of vanishing species; and

Whereas hunters and anglers traditionally have led in the effort to preserve our natural resources; and

Whereas outdoor sportsmen also have led in the promotion of proper respect for private as well as public property, of courtesy in the field and forest, and in boating and firearm safety programs; and

Whereas there is no present national recognition of the many and worthwhile contributions of the American hunter and angler: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States declare the fourth Saturday of September 1975, as "National Hunting and Fishing Day" to provide that deserved national recognition, to recognize the esthetic, health, and recreational virtues of hunting and fishing, to dramatize the continued need for gun and boat safety, and to rededicate ourselves to the conservation and respectful use of our wildlife and natural resources.

The title was amended so as to read: "Joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as 'National Hunting and Fishing Day.'."

NATIONAL SHUT-IN DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 79) to authorize "National Shut-In Day" which had been reported from the Committee on the Judiciary with an amendment on page 1, in line 5, strike out "of each year" and insert in lieu thereof "1975", so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the first Sunday in June 1975, as "National Shut-In Day" and calling upon the people of the United States to observe such day by visiting at least one shut-in person on this special day if possible, and by participating in other appropriate ceremonies and activities.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to transfer my time to the distinguished Senator from California (Mr. CRANSTON) and the distinguished Senator from Alabama (Mr. ALLEN).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 148—SUBMISSION OF A RESOLUTION TO WELCOME THE LATEST REFUGEES TO OUR SHORES

Mr. CRANSTON. Mr. President, I will send to the desk a resolution which Senator ALLEN and I are submitting. We will ask that it be held at the desk and will ask for its immediate consideration. Although we will not actually seek a vote at this moment, we will ask unanimous consent that it may be brought up at 2:30 this afternoon and voted upon at 3 o'clock.

Senator ALLEN and I very often find ourselves on opposite sides of issues, on voting and on various matters we may be considering on the floor of the Senate. For example, in the pending matter before the Senate—the consumer protection bill—he is the commanding general on one side, and I am an aide-de-camp to the commanding general, the Senator from Connecticut (Mr. RIBICOFF), on the other side. But there are times when Senator ALLEN and I find ourselves in agreement. That is the way the Senate works: there are times when people differ, and times when they agree.

Today, he and I are in agreement on what I think is probably the most emotional and most important issue before the American people at this time. It is an issue on which there is a good deal of bitter disagreement. But I believe the American people can and will unite overwhelmingly on the issue, once they have thought it through. To do less than what we hope the Senate will do by approving this resolution would, I believe, increase the cynicism of those young people who think that though our country has great proclamations and slogans, our government often proceeds to do the opposite.

I hope, also, that if the Senate adopts this resolution, as I believe it will, we will strengthen greatly the inner fiber of America and reaffirm what hopefully America really stands for, both here at home and in the world.

The resolution speaks for itself. I will read it, and that is all I will say at this particular moment:

S. RES. 148

Whereas, ours is a nation of immigrants and descendants of immigrants, many of whom fled from tyranny and bloodshed in their native lands where they were scorned, hated and hunted, and

Whereas, they came here because they knew they could find in America safety, freedom and opportunity, and

Whereas, they found all those things and more, for they also found America to be a land of compassion as well as wealth, as affluence, magnanimity as well as wealth, and

Whereas, Americans welcomed these fellow, less-fortunate human beings not only for their sake but for our own, knowing that they strengthened our national vitality, constantly renewing the diversity and richness of our lives and the pluralism and dynamism of our society, and

Whereas, this periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and self-righteousness by reminding us of our origins, of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage, now therefore

Be it resolved, That the Senate reaffirms that the Statue of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

Mr. President, I send the resolution to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk proceeded to read the resolution.

Mr. CRANSTON. Mr. President, since I have just read the resolution, I ask unanimous consent that the reading be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent—this has been discussed with the leadership on both sides—that at 2:30 p.m. today, this resolution be laid before the Senate and that the vote on the resolution occur at 3 p.m.

today, after which the Senate will return to the consideration of the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan seek recognition?

Mr. GRIFFIN. No, Mr. President.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from South Dakota is recognized for not to exceed 15 minutes.

HUMANITARIAN AND RESETTLEMENT ASSISTANCE TO REFUGEES FROM INDOCHINA

Mr. ABOUREZK. Mr. President, the bill which I am introducing today to provide resettlement and humanitarian assistance to refugees from Indochina, differs in at least four ways from the bills already introduced.

First. The bill would limit the administration's aid request to $127,000,000 for a period of 3 months following the date of enactment of this bill.

Second. This legislation would require that at the end of the 2 months, the administration report to Congress exactly how they are spending the refugee funds, how much more they need, and exactly why they need it. It requires a plan by the administration.

Third. It would provide funds to any Vietnamese or Cambodian refugee who has had a change of heart and who wishes to return to his or her homeland.

Finally, the bill would set a 1-year moratorium on all hiring by any U.S. intelligence agency or the Department of Defense of refugees who participated in the Operation Phoenix program.

The administration is using the figure of $507 million, in addition to the $98 million already appropriated for the Vietnamese refugees. The bills already introduced, however, provide for unlimited and open-ended funding for the President's program. If we accept about 130,000 refugees as the reports now state—and incidentally, I might add, Mr. President, that just yesterday, the administration announced its intention to increase its parole authority to 150,000—the sum requested by the administration breaks down to approximately $4,000 per person, or $16,000 for a family of four—which is a great deal more than needy Americans receive from any Government agency and infinitely more than we proposed in the farm bill which the President found "inflationary." Furthermore, we have preliminary reports that a large percentage of these refugees speak English and have American sponsors who have pledged to be responsible for them.

Because of our involvement and complicity in the war, it would be unfair and certainly errant to turn our backs on these people now that our involvement has ended. We ought to help the legitimate refugees, just as we have helped the hundreds of thousands of refugees from other parts of the world in years passed. What we ought not to do is to commit ourselves unnecessarily to a plan which is based on emotionalism and hastily prepared plans and statistics. There is no logical reason why this Congress must commit itself all the way through 1977 to decisions made within a few days' time. It is highly unusual for Congress to commit itself this far in advance, especially in a case such as this where many questions regarding the future are still unanswered. The State Department, for example, has indicated that a few refugees have indicated that they would like to return to their homeland. There may be more, and it should be the responsibility, of the U.S. Government to provide this kind of assistance to refugees as well.

The administration has failed to compile adequate data on the refugees and continues to provide inadequate and sketchy reports to Congress as to their progress. But more important are the administration's appeals on behalf of refugees which in effect cover up for its behavior during the final shabby chapter of our involvement in Vietnam. Even though the fall of the Thieu government was seen as inevitable, the administration, through the Embassy in Saigon, did not prepare for an orderly evacuation as did our allied governments. Instead, it spread confusion and panic, well reported by CBS' Ed Bradley. Many of these refugees could have remained in Vietnam, as Senator McGovern has so cogently explained, had a clear policy been followed by the administration. But just as we bungled into Vietnam, so we seem to have bungled out of it, ruining lives and upsetting possibilities for future reconciliation with the Vietnamese people.

This administration has turned its back on humanitarian aid for American farmers by vetoing Congress farm bill, by trying to extort additional money from the poor and elderly for food stamps, and by labeling various other congressional proposals to help Americans inflationary. This administration turned its back on refugees from fascism and barbarism in Chile and other countries; it shows little interest in stopping or protesting the widespread use of torture practiced by several of our so-called allies. The very people who dropped millions of tons of bombs on Vietnam, many of them hitting civilian targets in the north and south, those same policymakers who defoliated the countryside and pushed hundreds of thousands of Vietnamese from their villages, now call on Congress to pass a so-called humanitarian aid measure.

We are offering humanitarian aid to thousands of trained political assassins who operated the Phoenix program, for Vietnamese who corrupted their own society using American money, food, and equipment; for prostitutes, bar girls, pimps, and other undesirables; but we have refused asylum in this country for people who have tried to live honestly in other countries, but could not do so because of the antihumanitarian policies of some other governments, most of who obtain support from our Government. I am speaking of Soviet Jews, Palestinian refugees, refugees from Brazil, Chile, and other nations.

The same President who says that young Americans must earn their way back to the United States from Canada has denounced other American citizens who question admission of Vietnamese refugees.

We did not evacuate only those Vietnamese who were supposedly marked for death. We did not have such a list. Instead our Embassy spread panic among many sectors of the Vietnamese and, therefore, induced more to flee than might have done so under a more responsible policy. I call the administration to answer for its handling of this situation. I do not think that allocating more money in the way the administration suggests will solve anything.

Before we vote on appropriations of this magnitude and for this length of time, we ought to let the dust settle and emotions come down. I think it is about time we combined a little thought with our generous inclinations. Instead of continuing to bungle and bumble along, following the contradictory and capricious whims of the administration and other officials, that we rethink and replan our policy.

This bill is designed to do that, Mr. President. It provides the amount of money which the President has requested, but for a more rational time period. Circumstances and subsequent needs are bound to change within the next 2 months. I am convinced that Congress will be in a much better position to make further decisions and commitments after we have had the benefit of hindsight in 2 months' time.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1684

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Vietnam and Cambodia Refugee Resettlement Assistance Act."

Sec. 2. For the purposes of this Act the term "refugee" shall be defined by section 2(b)(3) of the Migration and Refugee Assistance Act of 1962, as amended.

Sec. 3. There is authorized to be appropriated $127,000,000 for a period of no more than ninety days for assistance to refugees from South Vietnam and Cambodia for the following purposes:

(a) for the construction and maintenance of refugee staging areas and processing facilities;

(b) for the processing and care of refugees, including food, medical care, clothing and shelter;

(c) for resettlement costs of volunteer agencies;

(d) for social services, welfare, Medicaid, bilingual and vocational education and public health;

(e) for transportation to third countries of refugees who need and desire such assistance;

(f) for transportation to Vietnam and Cambodia of refugees who wish to return to their homeland.

Sec. 4. (a) At the end of a period of sixty days following the date of enactment of this Act the President shall report to the appropriate Committees of Congress regarding the specific uses of the funds authorized by this Act, the need for additional funds should he deem such funds necessary and the specific purpose for which such additional funds are requested;

(b) At the end of the time period specified in Section 4(a) of this Act the President shall submit a report to the appropriate Committees of Congress containing all pertinent data regarding the occupations and backgrounds of the refugees;

(c) Prior to the expiration of the time period specified in Section 3 of this Act, the Congress shall consider the amount of additional funds to be used for the purposes of this Act and the duration of time in which such additional funds may be expended.

SEC. 5. (a) Upon the enactment of this Act, there shall be a one year moratorium on all hiring of refugees from South Vietnam who participated in the Operation Phoenix Program by any intelligence agency of the United States government or by the Department of Defense;

(b) In addition to the information required by Section 4(b) of this Act, the President shall submit a report to the appropriate Committees of the Congress containing all pertinent information relative to refugees from South Vietnam who participated in the Operation Phoenix Program.

Mr. ABOUREZK. I yield back the remainder of my time.

Mr. GRIFFIN. Will the Senator from South Dakota yield for a question?

Mr. ABOUREZK. I am happy to yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. Under the bill he has just introduced, am I correct in assuming that there would be numbers of refugees who would not want to go back to South Vietnam because of concern about being killed, but, under the bill, would he be required to go back?

Mr. ABOUREZK. No, this bill does not require refugees to go anywhere.

Mr. GRIFFIN. Did not the Senator's bill——

Mr. ABOUREZK. If I might answer the Senator's question——

Mr. GRIFFIN. Did not his bill exclude——

Mr. ABOUREZK. Does the Senator wish me to answer the question or not?

Mr. GRIFFIN. I am asking, does not the bill——

Mr. ABOUREZK. I do not wish to yield further.

I yield back the remainder of my time, Mr. President.

Mr. GRIFFIN. May I be recognized, Mr. President?

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes.

The Senator from Michigan is recognized.

HUMANITARIAN AND RESETTLEMENT ASSISTANCE TO REFUGEES FROM INDOCHINA

Mr. GRIFFIN. I was seeking to get an answer to the question whether the bill introduced by the Senator from South Dakota would preclude some of the South Vietnamese refugees from staying, and which ones. There was reference to those who had been associated with particular projects or activities, as I recall. I assume that those particular refugees could not stay and would have to go back.

I assume that because of their association with such projects or activities, those refugees might find themselves high on the death list of the Communist rulers in Vietnam. I wonder if I am mistaken?

Mr. ABOUREZK. Is the Senator asking me to respond to that?

Mr. GRIFFIN. I shall be glad to yield.

Mr. ABOUREZK. Will the Senator yield enough time for a response?

Mr. GRIFFIN. Absolutely.

Mr. ABOUREZK. The bill does not establish any qualifications for admission of refugees. This bill provides that, instead of granting the administration an open-ended commitment for unlimited sums of money to resettle refugees, they come back in 2 months' time with a plan. It requires that the administration return with a plan that will inform Congress exactly what it intends to do with the money and how it intends to resettle the refugees. It also requires a report on what is to be done with the thousands of hired political assassins in the Phoenix program who are reported to be among the refugees. It also sets a moratorium on the hiring of these people by U.S. intelligence agencies and the Defense Department.

Mr. GRIFFIN. But it would be the intention and contemplation of the Senator from South Dakota that he would oppose any plan that did not exclude and send out those refugees to whom he has made reference; is that right?

Mr. ABOUREZK. Let me inform the Senator of my position, if that is what he is asking.

Mr. GRIFFIN. Yes, I am trying to find out.

Mr. ABOUREZK. All right. I will be happy to tell him.

Although the bill which I have just introduced does not deal with this, I would oppose the admission into this country of any hired political assassin if I know that is what he is. I do not want to allow the possibility of hired political assassins coming into the United States and choosing American citizens as their next targets.

Does the Senator from Michigan want that?

Mr. GRIFFIN. No. I thoroughly agree, insofar as anyone can be identified in that category.

Mr. ABOUREZK. I am glad that the Senator agrees with me.

Mr. GRIFFIN. Now let us talk about the South Vietnamese refugees who happened to work in the office of the U.S. Army or the CIA, and suppose the Army or the CIA may have engaged in certain military activities with which the Senator from South Dakota may not approve and did not approve.

As I understand the Senator's explanation he would send those refugees back. He would not characterize those people as hired political assassins, would he?

Mr. ABOUREZK. Neither my speech nor my bill deals with sending anybody back.

Mr. GRIFFIN. There was reference to some associated with a Phoenix project. I wonder what the Senator meant by that?

Mr. ABOUREZK. Those are the political assassins, the people associated with the program whose objective was to assassinate opponents of President Thieu.

Mr. GRIFFIN. The Senator also made reference to defoliation.

Mr. ABOUREZK. Yes.

Mr. GRIFFIN. Was he referring to any South Vietnamese who worked for a U.S. agency that had anything to do with that project, also?

Mr. ABOUREZK. No, I did not include that category.

Mr. GRIFFIN. I thought the Senator did make reference to that.

Mr. ABOUREZK. I referred to defoliation in terms of the administration now asking for humanitarian aid. The same policymakers who wanted to defoliate the whole countryside in Vietnam are now talking about humanitarianism.

Mr. GRIFFIN. How many South Vietnamese refugees does the Senator think might be required to return to Vietnam?

Mr. ABOUREZK. I am not advocating anyone's return to Vietnam unless that is their desire. I do oppose the admission of undesirables such as Operation Phoenix employees, and there has been no official report as to their total numbers. We had a hearing yesterday in the Judiciary Committee and received testimony by Ambassador Brown, who was unable to provide that information. He does not know how many people are involved.

As soon as I find out, I will be happy to share that information with the Senator from Michigan.

Mr. GRIFFIN. I wonder if the Senator is going to vote for the resolution of the Senator from California (Mr. CRANSTON) and the Senator from Alabama (Mr. ALLEN) this afternoon?

Mr. ABOUREZK. I am not familiar with the resolution.

Mr. GRIFFIN. It says:

> Be it resolved that the Senate reaffirms that the Statute of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

Mr. ABOUREZK. I would vote for it with certain reservations as to which exiles we are permitting into this country.

Mr. CRANSTON. Will the Senator yield?

Mr. GRIFFIN. The Senator from South Dakota has time.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

The Chair recognizes the Senator from California.

Mr. CRANSTON. I would like to read an extract from this morning's Washington Post that I think is relevant to the debate that has just been occurring.

It is an item headed "Panel Speeds Refugee Funds." It is a compilation of what occurred in the House Committee on the Judiciary yesterday. Then it states:

> Miss Holtzman also offered an amendment that would have required refugees to sign an affidavit swearing that they had not participated in the persecution of any person because of race, religion, national origin or political opinion.

The amendment was designed to exclude

> from the United States war criminals and other Vietnamese who had engaged in other acts of torture or mistreatment of other persons.
>
> It would have left a refugee open to perjury charges if the affidavit contained any false statements and also would have subjected such a refugee to deportation.
>
> Miss Holtzman withdrew the amendment, however, after receiving assurances from Deputy Immigration and Naturalization Service Commissioner, James F. Greene that the service would require all refugees to sign such an affidavit.

It seems to me, Mr. President, that since the Immigration Service will require such an affidavit, adequate protections will be provided in connection with the concern raised by the Senator from South Dakota.

Mr. GRIFFIN. I would just like to make clear that I do not disagree with everything, of course, that the Senator from South Dakota has said.

Mr. ABOUREZK. I appreciate that.

Mr. GRIFFIN. We ought to be interested and concerned about who these refugees are; and we ought to take a good look at them. I am not so sure that just having each one sign an affidavit should be adequate proof of anyone's character. But, on the other hand, if as Senators we are to mean what we say in adopting the resolution to be voted on today, I hope we will follow through and implement it in the same spirit. I am disturbed by some of the connotations and I think the further explanations of the Senator from South Dakota have certainly narrowed the import of what I thought he said, and I am glad to have his explanation.

I thank the Senator from South Dakota.

Mr. CRANSTON. Mr. President, will the Senator yield to me?

Mr. ABOUREZK. The Senator has the floor.

Mr. CRANSTON. I just wish to say that I recognize that someone who has done some of the terrible things that some people in South Vietnam apparently did would, of course, not hesitate to sign the sort of affidavit that the Immigration Service will require. But that is not the end of the matter. Signing such a document exposes them to charges of perjury and to expulsion from our land if it turns out that they were not telling the truth. It leaves an opportunity to deal with the sort of problem that the Senator from South Dakota has discussed. I certainly share some of the concerns that led the Senator to make the point that he made.

Mr. ABOUREZK. Mr. President, if the Senator will yield, I am disturbed about the entire refugee policy of the administration.

First of all, I think a great many people left South Vietnam who need not have left, people who left because our Embassy in Saigon contributed to the panic for years by telling the South Vietnamese that they would all be killed. They warned of an imminent bloodbath. But the news reports coming out of Saigon, at least up to date, have shown no evidence of a bloodbath.

I am not going to delude myself that the lives of some of the former top officials in Saigon are not going to be jeopardized. But for the administration to encourage thousands of Vietnamese people to leave in their boats and sampans to avoid a bloodbath is wrong.

For all of my adult life, I have felt compassion for refugees from other countries. But the compassion now shown by the administration is selective. Why should we go through with an open-ended plan for resettlement before we have all of the facts?

I am proposing that we come back in a couple of months and see what the plan for resettlement is, how many people are affected, and what categories they are. If they are chronic alcoholics, for example, how will they be treated?

We have a great difficulty providing treatment to the Indian people for alcoholism due to a severe lack of funds. We cannot even get enough money for the Indian Health Service to operate properly. Why now, do we see this humanitarian urge on the part of the administration to Vietnamese, when they have denied the same kind of assistance to our own citizens?

I reject the implication that I am advocating sending anybody back to his death. I never voted for one cent for the death that occurred in Vietnam, and I am not arguing for anyone to be sent back to Indochina against his will. But I do not want professional killers coming to this country with a philosophy that might do great damage to the people of this country.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. GRIFFIN. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

AMERICA MUST OPEN ITS DOORS

Mr. RIBICOFF. Mr. President, I have been troubled deeply by news reports of widespread hostility from the public to America's acceptance of refugees from Vietnam and Cambodia.

I have read and heard that America has turned its back on these refugees. That Americans are petty, selfish, and spiteful. I have been told Americans oppose these refugees out of latent racism. That we as a nation are trying to escape realities and responsibilities.

I believe none of this. To date I feel we have heard only from a small minority of people.

Now I believe we will hear from a real America. From God-fearing, hard-working people who understand that we are mankind's one true melting pot—a nation of immigrants. These people will not turn their backs or their hearts away from these needy refugees.

Already, the tide is turning. I commend President Ford for his stand on behalf of these refugees. I am pleased that national organizations like the American Jewish Committee are supporting the opening of America's doors to these refugees.

We all should applaud the courageous stand of the AFL–CIO executive committee and its president, George Meany, on behalf of its refugees. Although they more than anyone else are aware that this Nation is crippled by an 8.9 percent unemployment rate, they also realize that America cannot close the door on its heritage.

State Department and relief officials also report that they now are flooded with offers of jobs, job training, temporary homes, and financial assistance for refugees.

Now it is time for Congress to do its share. Although I have been a long-time opponent of the war in Southeast Asia, I feel the time for recrimination is past. We have brought our servicemen home. We have evacuated our American civilians from Vietnam and Cambodia.

Now it is time to pay the final bill. We must approve legislation providing humanitarian and resettlement assistance for the refugees.

Our Nation spent an estimated $150 billion during our military involvement in Southeast Asia. The least we can do now is provide the necessary money to help the victims of our involvement resettle.

We owe these people the chance to start anew in the land of the free. It is a moral obligation. Much of the opposition to these refugees, I believe, has been caused by misinformation.

We are talking about less than 150,000 people. About 30,000 household heads who will need jobs. They are to be spread across the country to cut down on the economic impact to any one area.

Many of you have read reports that there are undesirables among the hoards of refugees making their way to this Nation. While this may be true, checks now show that the majority are potentially good, solid citizens. The U.S. Immigration and Naturalization Service says it is running security checks on all these people to weed out the bad. I would encourage them to do so, but we must make sure that we do not allow a few bad apples in the basket to turn public opinion against the entire group.

Most are hard-working, honorable people who belong to highly religious and closely knit families. Many speak English. Goodly numbers are professional people with a great deal of education. They are journalists, doctors, lawyers, trade unionists, engineers, and businessmen. They are the kind of people that most Americans now live next door to.

They are people who, I am sure, will some day make great contributions to an American society they so much want to join. If anyone wishes to challenge this, I proudly point to two other nationalities that have achieved great success after suffering terrible misfortunes. They are the Hungarians and Cubans and I have firsthand experience of both groups.

As Governor of Connecticut, I established a State committee to handle Hungarian refugee resettlement in 1957. My State took a considerable number of the 38,000 Hungarian refugees and it proved a great success story. These people overcame language and cultural difficulties to become an integral part of the United States.

As Secretary of Health, Education, and Welfare, I was sent to Florida by President Kennedy to set up a program for Cuba's fleeing refugees. More than 650,000 Cubans now have made their way to this country. And figures show that 8 out of 10 are fully self-supporting. Most of those who are not belong to the aged or disabled category.

I am sure that records also would prove that the taxes collected from Hungarian and Cuban refugees who are now citizens more than pay this Nation back for its initial investment in them.

When President Kennedy sent me to Florida, he told me that this Nation had a moral obligation to help the Cuban refugees. Today, although we already have many burdens to bear, this Nation has a new moral obligation that must be met.

Freedom-loving people the world over are watching to see if we will meet our responsibility to these people who have been displaced.

Common decency calls out for us to help these people. Until we do, I cannot see how Americans can rest comfortably while these unfortunate people huddle in tents at night to fight the cold air.

I am positive that Congress and the American people will support President Ford on the Vietnam refugee problem and its solution.

A timely article by Stephen Fuzesi in the New York Times entitled, "The New Land," now is most appropriate. It places the problems of the Vietnamese refugees in their proper perspective. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 8, 1975]

THE NEW LAND

(By Stephen Fuzesi, Jr.)

Though I was only eight years old at the time, I will never forget the tears in my father's eyes as we crossed the Hungarian border one cold November night in 1956. My brother, a little over a year old, slept in a blanket strapped to his back. Mother held dad's hand and mine. We had just walked twenty miles searching for the border.

Having helped us crawl across the remains of the bombed bridge at Andau, my dad turned back, staring for a moment across the snow-dotted Hungarian countryside. Then looking straight at me, he said: "If we can't live in Hungary, America is the country to live in. You and your brother will have the opportunity to live and work and believe freely. It is sad that our little Hungary should lose two such fine young men." We walked quickly the 100 yards or so to Austria.

It would be incorrect to draw parallels between the Vietnam war and the Hungarian revolution. It does seem fair to note though that the vast majority of Vietnamese who have left their homeland have done so, much like us, with tears not smiles. They left relying on the opportunity to begin a new life in the United States.

It would seem a mistake to deny that opportunity now. The Vietnamese refugees, among them tens of thousands of innocent and politically unaware and uninvolved children, should not be made to bear the backlash of popular disgust with our foreign-policy failures in Indochina, reflected in further Congressional rejection of requests for appropriations to fund resettlement.

The 40,000 Hungarian refugees who have come to the United States since 1956, and the 675,000 Cubans who have followed, as the millions of immigrants who preceded them, all have been absorbed in our culture, economy and political life. Even if 150,000 Vietnamese refugees were resettled in the United States, this would represent only slightly more than one-third of the total number of immigrants admitted legally to the United States each year since 1968, and less than 3 per cent of the immigrants admitted in the decade 1960 to 1970. In 1960, at the beginning of the Cuban immigration, the United States was suffering from the highest level of unemployment of that decade. And while an exact total of Government expenditures for activities related to Vietnam, beginning with our involvement in the 1950's, would be impossible to calculate, the $507-million that President Ford has asked from Congress for resettlement and transport would clearly be less than 1 per cent of the total, and less than 2 per cent of the $30 billion expended in the peak year of 1968.

Statesmen and scholars, as well as all of us, will search our experience in Vietnam for lessons and morals. One focus of this review will certainly be the meaning of an American commitment to an ally. The foreign-policy impact and realignment of policies as well as treaties and relationships with the United States provoked by such an evaluation will vary, perhaps country by country. Commitment, to have any value, must mean at least that we will open our doors to refugees from a country with which we had been allied in a cause that met defeat.

Leaving one's homeland, family and friends, and the culture in which one feels natural, is a sad occasion chosen by few in search of opportunity and suffered by millions of victims of international politics.

Perhaps some leave solely in the pursuit of a more comfortable life. For Vietnamese, from a war-torn country, is that so unforgivable?

The masses who seek refuge after a war leave with children clinging to their arms. They seek opportunity—but opportunity for their children to live a life in peace, in a country whose people have a tradition of evaluating men for what they do, not for where they were born; a tradition of respecting individuals not on the basis of their name, or the color of their skin, but on their character and decency.

It has been almost twenty years since we came to the United States, over ten since I have become a citizen. My dad's first job, although he had advanced degrees in chemistry and law, was that of a janitor in a General Motors factory. Earlier this year, I reviewed, as legal counsel, the $600-million check that underwriters were delivering to General Motors Corporation as the closing for the largest public offering of industrial-debt securities in American history. I am honored to have tasted of the opportunity my dad had noted during our last moment in Hungary.

As I have watched televised news of Vietnamese refugee children scattered in camps, my memory has often wandered back to 1956 and our arrival at Camp Kilmer, N.J. I have remembered the taste of my first bite of creamy American-style chocolate ice cream I hope that each Vietnamese refugee will some day have the opportunity, should he seek admittance to the United States, to relish that same sweet flavor. It would be a mistake consistent with a history of bad judgments to deny that opportunity, but not a fitting end to our 25-year involvement in Vietnam.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HASKELL) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE ADMINISTRATION OF THE RAILROAD SAFETY ACT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HASKELL) laid before the Senate a message from the President of the United States transmitting the fourth annual report on the administration of the Railroad Safety Act, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I transmit herewith the Fourth Annual Report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et. seq.) as required by that Act. This report has been prepared in accordance with Section 211 of the Act, and covers the period January 1, 1974, through December 31, 1974.

GERALD R. FORD.

THE WHITE HOUSE, *May 8, 1975.*

PROPOSED RESCISSION AND DEFERRAL—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States reporting one new proposed rescission and one new deferral, and a supplementary report revising a deferral report, which, with the accompanying papers, was referred jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on the Budget, the Committee on Armed Services, the Committee on Commerce, and the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I herewith report one new proposed rescission and one new deferral as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmitting one supplementary report which revises a deferral report made to the Congress in a previous special message. The details of the rescission and deferral reports are attached.

The proposed rescission would affect two programs of the Community Services Administration that duplicate several programs currently operating at Federal, State and local levels. The two deferrals are routine in nature and do not affect program levels in either case.

I urge the Congress to act promptly on this rescission and other rescission proposals now pending.

GERALD R. FORD.

THE WHITE HOUSE, *May 8, 1975.*

MESSAGES FROM THE HOUSE

At 10:30 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, with amendments in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. METCALF).

At 3:15 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 4114. An act to amend the Public Health Service Act to revise and extend the National Health Service Corps program; and

H.R. 4115. An act to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training.

The message also announced that the House has agreed to the following concurrent resolutions in which it requests the concurrence of the Senate:

H. Con. Res. 177. A concurrent resolution providing for the printing as a House document a revised edition of the publication entitled "History of the United States House of Representatives"; and

H. Con. Res. 178. A concurrent resolution to authorize the printing of the hearing on amnesty.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Armed Services, with amendments:

S. 182. A bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes (Together with dissenting views) (Rept. No. 94–110).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Daniel E. Wherry, of Nebraska, to be U.S. attorney for the district of Nebraska;

Len E. Blaylock, of Arkansas, to be U.S. marshal for the eastern district of Arkansas;

Jervis S. Finney, of Maryland, to be U.S. attorney for the district of Maryland;

Rex E. Lee, of Utah, to be an Assistant Attorney General;

John T. San Agustin, of Guam, to be U.S. marshal for the district of Guam; and

Emmett G. Wyche, of Louisiana, to be U.S. marshal for the western district of Louisiana.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 4114. An act to amend the Public Health Service Act to revise and extend the National Health Service Corps program; and

H.R. 4115. An act to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training; to the Committee on Labor and Public Welfare.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were referred as indicated:

H. Con. Res. 177. A concurrent resolution providing for the printing as a House document a revised edition of the publication entitled "History of the United States House of Representatives;" and

H. Con. Res. 178. A concurrent resolution to authorize the printing of the hearing on amnesty; to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTION

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ABOUREZK:

S. 1684. A bill to provide resettlement assistance to refugees from Cambodia and Vietnam, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. RIBICOFF:

S. 1685. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis. Referred to the Committee on Finance.

By Mr. YOUNG (for himself and Mr. BURDICK):

S. 1686. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of potential resource development. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1687. A bill to provide for the addition of certain lands in the State of Alaska to the National Park, National Wildlife Refuge, National Forest, and the Wild and Scenic Rivers Systems, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1688. A bill to designate certain public lands and waters in the State of Alaska for national conservation purposes to be administered as units of the National Park System, the National Wildlife Refuge System, National Wild and Scenic Rivers System, and the National Forest System. Referred to Committee on Interior and Insular Affairs.

S. 1689. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended. Referred to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN:

S. 1690. A bill for the relief of Celedonio M. Gapasin and his wife, Dely P. Gapasin. Referred to the Committee on the Judiciary.

By Mr. TAFT:

S. 1691. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter. Referred to the Committee on Finance.

By Mr. PROXMIRE (for himself and Mr. SCHWEIKER):

S. 1692. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1693. A bill to amend certain provisions of the Communications Satellite Act of 1962, as amended. Referred to the Committee on Commerce.

By Mr. LONG (for himself and Mr. TALMADGE):

S. 1694. A bill to amend Public Law 93–233 to extend for an additional 12 months (through June 30, 1976) the existing provisions of law with respect to eligibility of supplemental security income recipients to participate in the food stamp program. Referred to the Committee on Finance.

By Mr. NELSON (for himself, Mr. JAVITS, Mr. KENNEDY, Mr. RANDOLPH, Mr. PELL, Mr. WILLIAMS, Mr. CRANSTON, Mr. MONDALE, and Mr. HUMPHREY):

S. 1695. A bill to extend and improve programs authorized by the Emergency Jobs and Unemployment Assistance Act of 1974, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HATFIELD (for himself, Mr. SPARKMAN, Mr. THURMOND, Mr. JAVITS, Mr. CASE, Mr. CRANSTON, Mr. MANSFIELD, Mr. BROOKE, Mr. BUCKLEY, Mr. WEICKER, Mr. RIBICOFF, Mr. GARN, Mr. PELL, Mr. RANDOLPH, Mr. LAXALT, and Mr. PERCY):

S. 1696. A bill to authorize amounts available but not committed for military assistance to South Vietnam and Cambodia to be used for humanitarian assistance for refugees from South Vietnam and Cambodia. Considered and passed.

By Mr. FONG:

S. 1697. A bill to clarify existing authority for the employment of personnel and the procurement of services by the President and the Vice President, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. KENNEDY:

S. 1698. A bill to amend the Internal Revenue Code of 1954 to disallow the business expense tax deduction for first-class air travel in excess of the coach fare for such travel and for other expenses. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABOUREZK:

S. 1684. A bill to provide resettlement assistance to refugees from Cambodia and Vietnam, and for other purposes. Referred to the Committee on Foreign Relations.

(The remarks of Mr. ABOUREZK and other Senators on the introduction of the above bill are printed earlier in the RECORD.)

By Mr. RIBICOFF:

S. 1685. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis. Referred to the Committee on Finance.

Mr. RIBICOFF. Mr. President, today I am introducing legislation to prohibit HEW from making a change in social security regulations which could cost the State of Connecticut $700,000 and would result in a loss of as much as $250,000 in revenues to the towns and cities in Connecticut.

Under present social security law, States and localities which withhold social security taxes from employees' wages, have to send these contributions to the Federal Government on a quarterly basis.

HEW now proposes that these moneys be sent in to Washington on a monthly basis.

This change would only create more redtape for every town in Connecticut. Furthermore, the towns and the State would be deprived of the short-term income they receive from investing this money.

In the case of the State, the proposed speedup of payment to social security would result in a loss of $700,000 in short-term investment income.

In the case of the towns and cities in Connecticut, a recent test survey made by J. Edward Caldwell, the comptroller of the State of Connecticut, disclosed that the 13 towns surveyed would suffer a loss of $100,000 each year of short-term investment income. The survey projected a possible loss of up to $250,000 in income for all local governments in the State.

It makes no sense to add to the burdens which our State and local governmental units face.

The State of Connecticut at the present time is remitting about $40 million annually to the United States, representing withholdings from over 43,000 State employees. Some $30 million is being sent to Washington from the local level, representing withholdings from 45,000 employees.

Increasing the paperwork burden on these State and local governments for this number of employees will be a heavy burden.

My bill simply maintains the present quarterly remittance procedure. It will not result in the loss of any money to the Social Security System.

I hope HEW will not approve its proposal to go to a monthly system. In order to safeguard our State and its municipalities I hope Congress will approve my legislation which would require contributions of social security withholdings to be made to the Federal Government on a quarterly rather than on a monthly basis.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1687. A bill to provide for the addition of certain lands in the State of Alaska to the National Park, National Wildlife Refuge, National Forest, and Wild and Scenic Rivers Systems, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1688. A bill to designate certain public lands and waters in the State of Alaska for national conservation purposes to be administered as units of the National Park System, the National Wildlife Refuge System, National Wild and Scenic Rivers System, and the National Forest System. Referred to the committee on Interior and Insular Affairs.

NATIONAL INTEREST LANDS LEGISLATION

Mr. JACKSON. Mr. President, I am introducing for appropriate reference two measures concerning one of the most significant land use issues ever to confront the Congress—the use of millions of acres of some of this country's finest public lands. Both these measures would designate vast areas of Alaska as components of the National Park, Wildlife Refuge, Wild and Scenic River, and Forest Systems.

This legislation arises from certain provisions in the Alaska Native Claims Settlement Act. The Settlement Act, the result of extensive deliberations by the Senate Interior Committee during the 1960's and early 1970's, embodies the recognition that the settlement of Native claims must be accompanied by careful planning and management of the remaining public lands in Alaska if the haphazard and ill-advised development which occurred in the land rushes associated with earlier disposals of public lands—lands which possess unqiue wild-particular, there was a strong feeling that a process must be established to preserve the so-called national interest lands—lands which possess unique wildlife, wilderness, scenic, scientific, cultural and historical values of national—even international—significance.

Therefore, in addition to settling Native claims to Alaska land by payments in land—40 million acres—and funds—$462.5 million from the general fund of the Treasury and $500 million from mineral revenues from lands conveyed to Alaska under the Statehood Act and Federal lands other than the Naval Petroleum Reserve No. 4—the Settlement Act also contains two provisions establishing a procedure for the identification and protection of national interest lands. Section 17(d)(1) of the act authorizes the Secretary of the Interior to withdraw such public domain lands as he deems advisable to insure that the general public interest in them is properly protected. Section 17(d)(2) of the act authorizes the Secretary to withdraw up to 80 million acres of public domain land to be studied for possible addition to the national park, forest, wildlife refuge, and wild and scenic rivers systems. The same paragraph also requires that all legislative proposals which arising from such studies which would place areas in the four systems be submitted to the Congress by December 18, 1973, and provides a 5-year period for Congress to act following receipt of the legislation. During this period land withdrawn under section 17(d)(2) would not be subject to appropriation under the public land laws.

In September 1972, the Secretary of the Interior withdrew 79 million acres under the authority of section 17(d)(2) and 47 million acres under section 17(d)(1). Also withdrawn were 112 million acres to serve as a "pool" from which the Natives are to select their 40 million acres. Finally, the Secretary withdrew a 4.5 million acre utility corridor for a possible gas pipeline adjoining the Arctic National Wildlife Range.

A year later, the Secretary submitted his national interest lands legislative proposal (S. 2917) which my colleague from Arizona, the distinguished ranking minority member of the Interior Committee (Mr. FANNIN), and I introduced by request on January 30, 1974. The first measure I introduce today for Senator FANNIN and myself (by request) is identical to S. 2917. If enacted, this administration bill would more than double the National Park and Wildlife Refuge Systems. In particular, the measure proposes to enlarge two existing national parks and to create nine new parks for a total addition of 32.26 million acres to the National Park System, which now embraces approximately 30 million acres. It would also create nine new wildlife refuges, adding 31.59 million acres to the National Wildlife Refuge System, which now contains 30.4 million acres. Three new National Forest System areas totalling 18.8 million acres would be established. The following new components of the wild and scenic rivers system would be designated: six rivers entirely within national wildlife refuge areas, one within both a park and a refuge, four entirely within national forest areas, and four—totalling .82 million acres—on public domain lands. The total area encompassed by the administration's proposal is 83.47 million acres.

Also on January 30, 1974, I introduced (by request) a second measure (S. 2918) representing the efforts of several conservation, environmental, and citizen public interest groups. Senator FANNIN and I are again today introducing (by request) this bill. In this measure, the conservation community recommends 27.5 million acres more for the National Park System than does the administration in its bill, and an extra 11.6 million acres for wildlife refuges. The total land involved in this proposal is 106 million acres.

Also before the Congress last year was a bill in the House of Representatives which proposed to set aside 133.5 million acres in Alaska for wildlife refuges. In addition, I expect that the State may wish to submit its own proposal and the Native community, among other parties, may decide to send forward its own suggested national interest land legislation.

Finally, prior to, contemporaneously with, and subsequent to Congress efforts to select the national interest lands for inclusion in the four systems, land selection rights will be exercised by the Natives—more than 40 million acres principally under the Settlement Act—and the State—over 104 million acres principally under the Statehood Act.

Mr. President, the purpose of my introducing the two bills today and of my plans to introduce other significant d–2 land proposals should they come forward is to insure that the Congress is fully apprised of all the alternatives proposed by the various parties most concerned about, familiar with, and potentially affected by the national interest lands selection process. Consideration of all proposals is the best method I know to insure that we make the best possible decisions in the legislation we finally enact.

Second, I believe it is imperative that all potential national interest lands be identified by placing the various proposals in the public realm so that no party—the Congress, the Interior Department, the State of Alaska, or the Native community—can, by pleading ignorance, take actions concerning those lands which would alter their ownership, their status, or their values so as to effectively eliminate them from congressional consideration without prior notification of Congress. The whole question of the interim management of the national interest lands has been of particular concern to me. Management decisions which could adversely affect congressional prerogatives in selecting the national interest lands for addition to the four systems should not be made in the absence of advance consultation with Congress. On numerous occassions I have sought assurances from the Secretary of the Interior that such consultation will be undertaken. I have failed to receive a satisfactory response. I will continue to press for such a commitment because a whole range of potential interim decisions could be made which would clearly foreclose legislative opportunities presently available to the Congress.

Mr. President, I propose to ask the committee to address this legislation early this Congress, despite the 5-year period in which we have to act. I do so because of the enormity of the task involved. This legislation cuts across the jurisdiction of most of the committee's subcommittees. Four of the five national systems involved—wildlife refuge, forest, wild and scenic, and national resource lands—are within the purview of the Environment and Land Resources Subcommittee. The park system is within the jurisdiction of the Parks and Recreation Subcommittee. Protection of Native interest would be under the auspices of the Indian Affair Subcommittee. And the numerous fuels development and transportation issues are the subject of the Minerals, Materials, and Fuels Subcommittee.

I would like to have printed at the conclusion of my remarks a brief memorandum prepared by committee staff which demonstrates the wide variety of issues related to the national interest lands. As this memorandum suggests the national interest lands legislation provides enough issues to require the attention of the Members and staff of each subcommittee for a lengthy period. However, as the issues are inextricably interwoven, the legislation cannot be broken down and assigned in portions to the various subcommittees.

I, therefore, propose to place these bills in the full committee and to begin the hearing process as soon as the committee's schedule permits this summer. I believe it is important that we gain an understanding of the likely growth patterns in Alaska and the various interests' concerns relating to those patterns before we consider the individual proposals and undertake the task of fixing lines on maps. I anticipate a general hearing early this summer. An understanding of the issues should be followed by an acquaintance with the land itself. Presently, the committee is planning to seek this knowledge in a field trip to Alaska in August. Upon our return, in the fall we would begin the intensive hearings process necessary to acquaint ourselves with the details concerning each area contained in the legislative proposals.

Mr. President, with the enactment of the Alaska Statehood Act and the Alaska Native Claims Settlement Act the Congress took the first steps in a process of extreme importance to the history of this Nation—the process of completing three centuries of westward expansion. With final enactment of national interest lands legislation, America's last frontier will be closed. We must consider this legislation with the care and diligence which is merited by its historical importance.

Mr. President, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks the letter of the Secretary of the Interior transmitting the administration bill and a letter from the Executive Director of the Sierra Club concerning the conservationists' proposal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ISSUES RELATING TO ALASKA LANDS LEGISLATION

(Prepared by the Staff of the Senate Committee on Interior and Insular Affairs)

SHAPING ALASKA

All of the issues discussed below may be subsumed under that described as "shaping Alaska". Over the next five years, Congressional selection of the d–2 lands for inclusion in the four systems, together with Native selection of 40 million acres as partial settlement of their land claims, and State selection of 103 million acres under the Statehood Act will result in the closing of America's "last frontier". Decisions on what land is selected, to whom it is to belong, and what uses are to be permitted upon it will virtually dictate the shape of Alaska's future and the economic pursuits and life styles of its citizens. The Committee will be forced to undertake a unique role—not the traditional role of simply determining the boundaries of a certain park or forest but rather one of conducting a full-fledged planning exercise for areas much larger than most States. Unlike most State planning exercises, this planning must be done without a planning staff and with the unsettling knowledge that it will, in fact, be implemented.

FOUR SYSTEMS DECISIONS

The three legislative proposals introduced last Congress call for designation of from 32.26 million acres to 59.76 million acres (Administration's and citizens' bill, respectively) of national parks (existing system totals 30 million acres); from 31.59 million acres to 43.19 million acres to 133.5 million acres (Administration's, citizen's, and Dingell's bill, respectively) of wildlife refuges (existing system totals 30.4 million acres), from 3 million acres to 18 million acres (citizen's and Administration's bills, respectively) to the national forests, and less than a million acres in the Wild and Scenic Rivers System.

* * * * *

ADMINISTRATION

In the past, the Congress has found it necessary to enact special legislation for Alaska with provisions reflecting the unique conditions of that State (e.g., the homestead law for Alaska). At a minimum, the Committee will experience a number of requests for special legislative exemptions from the general administrative provisions for the four systems, such as the allowance of subsistence hunting and certain forms of mining in the national parks. The Committee may also wish to consider the advisability of creating an entirely new national system.

WILDERNESS

The National Wilderness Preservation System is a unique national system in that it is always associated with another system. Components of the system may be established in national parks, forests, or wildlife refuges. (Should the National Resource Lands Management Act be enacted in this Congress, wilderness will also be established on the public domain lands under the Bureau of Land Management. Lands in Alaska not selected for the four systems or by the State or Natives will remain as BLM lands.) As wilderness areas can only be established within the other systems, the legislative proposals attempt to establish the other systems first and do not designate any wilderness. The Committee will have to establish the ground rules for consideration of wilderness proposals.

TRANSPORTATION CORRIDORS

Under section 17(b) of the Settlement Act, the Secretary of the Interior is authorized to reserve public easements in patents conveyed to the Natives. The purpose of this provision was to assure access across Native lands for travel and recreation purposes and, more importantly, to provide for transportation of fuels and minerals extracted from Alaska's interior.

Selections of lands by Native village corporations were to be completed by December 18, 1974; whereas, Native regional corporations are to complete land selections by December 18, 1975. Easements are presently being written into the patents for selected land. Several controversies surround these easements, most notable of which is the decision to take linear easements rather than access point easements along certain bodies of water.

However, in relation to the d–2 lands, most controversial are the BLM transportation and utility corridor easement proposals contained in the BLM's October 1974 document "Multimodal Transportation and Utility Corridor Systems in Alaska: A Preliminary, Conceptual Analysis". This report explores potential corridor easements not only across Native lands but also across d–2 lands. In a preliminary Committee hearing on the document last month, the significance of this proposal was made manifest. Its effect on consideration of wilderness (which must remain roadless) is obvious; however, its impact on the four systems and such management problems as wildlife management, tourist density, etc. is also significant.

NATIVE STATE LAND SELECTION

In January 1972, one month after the Settlement Act was signed, the State of Alaska made a surprise selection of its remaining entitlement under the Statehood Act: 77 million acres. Two months later, the Secretary made his 79 million acre d–2 lands withdrawal and many portions of this withdrawal overlapped the State's January selections. The State filed suit against the d–2 withdrawals in April 1972. Five months later, in September 1972, Secretary Morton and Governor Egan announced a settlement of the lawsuit in which the State relinquished approximately 35 million acres of its 77 million acre January selections and Interior made some of the land within its March d–2 withdrawals available for State selection and changed other March d–2 withdrawals to d–1 withdrawals (d–1 withdrawals allow metalliferous mining and discretionary State selection). These two actions involved a change of status of a total of 14 million acres.

However, there are still significant conflicts between State selected lands and lands proposed for the four systems particularly with respect to lands proposed in the citizens' proposal. These conflicts became clear when this summer, the State requested patent to the 42 million acres which were identified in January 1972, and not relinquished as part of the out-of-court settlement. The Department is presently conducting the necessary patenting procedures.

The State has a right to select a total of approximately 103 million acres of land and thus has approximately 30 million acres yet to select. The Natives have selection rights to approximately 42 million acres.

Many of the selections already made conflict with each other and it is assumed that new conflicts will arise. Resolution of competitive claims based on rights created by the Congress will be a delicate matter.

NAVAL PETROLEUM RESERVE 4

Naval Petroleum Reserve No. 4 comprises 23 million acres of Federal lands on the North Slope of Alaska. There is intense interest by the oil industry and the Administration is opening the Reserve to exploration and development by private industry. Congress has provided greatly increased funds for exploration by the Navy during the last two years. Legislative proposals designed to accomplish this undoubtedly will be considered by the 94th Congress. Future development of Petroleum 4 will have a significant impact on proposed parks and transportation corridors.

ALASKA OUTER CONTINENTAL SHELF DEVELOPMENT

The Interior Department's proposed OCS four-year leasing program includes proposed sales in the Gulf of Alaska, Bering Strait and the Arctic Ocean. Any significant development would have substantial onshore impacts which must be considered in land use planning for Alaska.

PROPOSED NATURAL GAS LINE SYSTEM

The Interior Department and the Federal Power Commission are considering two proposed natural gas pipeline systems from Alaska's North Slope to the "lower 48". The system proposed by the Arctic Gas Pipeline Company would provide for the construction from Prudhoe Bay across the Arctic National Wildlife Range to the Alaska-Canada border. This system would re-enter the United States in Idaho and Montana. One branch line would run to California. The other would run east through the Dakotas and Northern Illinois all the way to western Pennsylvania.

The system proposed by the El Paso Natural Gas Company would run by pipeline from Prudhoe Bay to a southern Alaska port. The gas would then be liquefied and shipped to California for distribution. Congressional authorization of one or both lines (similar to the Trans Alaska oil pipeline legislation) will undoubtedly be proposed and probably will be necessary.

COAL DEVELOPMENT

Alaska contains vast coal reserves. The Japanese have expressed considerable interest in development of Alaskan coal for export to Japan. Potential coal developments must be considered.

DEEPWATER PORTS

One or more deepwater ports may be proposed off the coast of Alaska under the authority of the Deepwater Port Act of 1974. These are required onshore facilities. Potential sites should be recognized in land use planning.

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., March 21, 1975.

Hon. Nelson Rockefeller,
President of the Senate,
Washington, D.C.
Hon. Carl Albert,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. President: and Dear Mr. Speaker: On December 17, 1973 this Department transmitted to the 93rd Congress a bill "To provide for the addition of certain lands in the State of Alaska to the National Park, National Wildlife Refuge, National Forest, and the Wild and Scenic Rivers Systems, and for other purposes." This bill was transmitted pursuant to section 17(d) (2) of the Alaska Native Claims Settlement Act (ANCSA) (P.L. 92–203) and was introduced in the House and Senate as H.R. 12336 and S. 2917 respectively. No action was taken in the 93rd Congress on these bills.

The Alaska Native Claims Settlement Act extinguished all aboriginal claims to land in Alaska and in return provided the Natives with a land settlement of 40 million acres and a monetary settlement of nearly a billion dollars.

In addition, section 17(d) (1) of ANCSA authorized the Secretary of the Interior to withdraw such public domain lands as he thought advisable to ensure that the public interest in them is properly protected.

Section 17(d) (2) of the Act authorized the Secretary to withdraw up to 80 million acres of land to be studied for possible addition to the National Park, Forest, Wildlife Refuge, and Wild and Scenic Rivers Systems. Section 17(d) (2) also required all legislative proposals coming from such studies to be submitted to the Congress within two years, by December 18, 1973, and provided that Congress would have five years to act following receipt of the legislation. During this period lands in those proposals withdrawn under 17(d) (2) would not be subject to appropriation under the public land laws. S. 2917 and H.R. 12336 in the 93rd Congress constituted the legislative proposals pursuant to that authority.

Our proposal, entitled the "Alaska Conservation Act", will dedicate 83.47 million acres to conservation purposes. The proposal would allocate the total acreage among four distinct management systems: 32.26 million acres to the National Park System, 31.59 million acres to the National Wildlife Refuge System, 18.80 million acres to the National Forest System, and 0.82 million acres to the National Wild and Scenic Rivers System. These potential additions to the "Four Systems" are outstanding in their variety of ecosystems, their spectacular beauty, and their undisturbed integrity.

Attachment.

The Department is prepared to offer any assistance which is necessary to facilitate congressional consideration of this proposal. I believe that we can achieve an effective partnership which will insure the broad overview necessary for a proposal of this scope and complexity. In this regard, I would respectfully suggest that we arrange for the members and staff of the appropriate committees to receive preliminary, generalized briefings in advance of committee hearings. Accordingly, I have asked the Department's Legislative Counsel, Ken M. Brown, to coordinate such an effort in his additional capacity as Chairman of the Working Group of the Department's Alaska Task Force.

Field trips to various locations in Alaska will undoubtedly be an integral part of the congressional deliberations on this proposal. We welcome the opportunity to provide technical assistance to members and their staff who wish to make such trips. We would, however, request their indulgence in arranging such visits: logistical problems and weather conditions in Alaska sometimes create unique transportation problems. We would appreciate congressional efforts to afford us ample notice of travel so that we can make appropriate staff available in Alaska as well as attempt to alleviate these problems.

I look forward to close cooperation between the Congress and the Department in making this proposal a reality. If we adopt a systematic, unified approach to the conservation of Alaska's abundant resources, we cannot fail to leave future generations an environmental legacy without peer. Early enactment by the 94th Congress would be convincing evidence of our Nation's devotion to the preservation of this wondrous frontier environment. Accordingly, I urge that this proposal be reintroduced, that it be referred to the appropriate committee and that it be enacted.

Sincerely yours,
Rogers C. B. Morton,
Secretary of the Interior.

Sierra Club,
Washington, D.C., April 17, 1975.

Hon. Henry M. Jackson,
U.S. Senate,
Washington, D.C.

Dear Senator Jackson: We understand that you will soon be introducing legislation regarding the dedication of federal lands in Alaska as National Parks, Wildlife Refuges, Forests, and Wild and Scenic Rivers. Since we would like you to introduce a bill basically supported by the conservation community, we hereby request that you reintroduce S. 2918 from the 93rd Congress at the time you re-introduce the Administration's recommendations, S. 2917.

A number of national and Alaskan conservation groups have met and are continuing to work together in revising our proposals. Since there has been only one summer season for field work since the Administration made its recommendations public, it will take our groups collectively some additional time to finalize our proposals. The changes in our proposals will involve in certain cases both acreage adjustments and management designations. We will also define management criteria in greater specificity. We would very much like to present our revised proposals to you when completed.

The Sierra Club as well as several other national citizen environmental groups have placed a very high priority on the Alaskan d-2 project. We urge you as chairman to commence Committee consideration of the Alaskan d-2 matter as soon as possible. We appreciate your commitment and leadership on this issue.

Yours truly,
Michael McCloskey,
Executive Director.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 1689. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. Fannin) a bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended.

Mr. President, this draft legislation was submitted and recommended by Pennsylvania Avenue Development Corp., and I ask unanimous consent that the letter of explanation by the chairman be printed in the Record at this point in my remarks.

There being no objection, the letter was ordered to be printed in the Record as follows:

Washington, D.C.,
April 7, 1975.

Hon. Nelson A. Rockefeller,
President, U.S. Senate,
Washington, D.C.

Dear Mr. President: Transmitted herewith for referral to the appropriate Committee is a draft bill prepared by the Pennsylvania Avenue Development Corporation "To amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended". The proposed legislation is designed to authorize appropriations for the operating and administrative expenses of the Corporation for fiscal year 1976, the budget transition period of July 1 through September 30, 1976, and for the succeeding four fiscal years.

The Pennsylvania Avenue Development Corporation was established by Act of Congress on October 27, 1972 to plan and redevelop Pennsylvania Avenue and its northern environs between the Capitol and the White House. The Corporation completed the preparation of a comprehensive development plan and transmitted it to the Senate and the House of Representatives on November 19, 1974. The enabling Act provides that the Corporation may proceed with implementation if neither the House nor the Senate passes a resolution in opposition to the plan within sixty legislative days after transmittal. The period of Congressional review of the Pennsylvania Avenue Plan has almost expired, with no unfavorable action having been taken by either House.

The President's budget for fiscal year 1976 contains an appropriations request of $1,256,000 for the salaries and expenses of the Corporation. However, the authorization provision in the Corporation's enabling Act is currently insufficient to cover the budget request for the forthcoming fiscal year.

The draft bill would amend the section 17 of the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations necessary for operation and administration of the Corporation, for fiscal year 1976 and for several succeeding fiscal periods.

For the reasons stated above, prompt favorable consideration of the enclosed draft bill is requested.

The Office of Management and Budget has advised that, there is no objection to the submission of this draft legislation and that its enactment would be in accord with the program of the President.

Sincerely,

E. R. Quesada,
Chairman.

By Mr. TAFT:

S. 1691. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter. Referred to the Committee on Finance.

Mr. TAFT. Mr. President, in the spring of 1971, I received a letter from a constituent who is a small businessman. He complained that frequent deposits of social security taxes and income taxes withheld from employees presented a great burden in paperwork for the small businessman. He indicated that these reports necessitated a disproportionately large expense for auditors and accountants, and he inquired why small businessmen could not make their deposits on a quarterly basis.

I wrote to the Secretary of the Treasury and asked if this change could be made by administrative regulation. I was informed that it could, but that the Treasury's policy was against making a change.

Thereafter, on May 18, 1971, I introduced S. 1890, which provides that employers having 50 or less employees shall not be required to make their deposits more often than once a quarter.

On November 22, 1971, when offered as an amendment on the floor of the Senate, this measure was adopted. However, it was dropped in conference on the Revenue Act of 1971.

Today the small businessman is pressured on many sides. While the entire economy is suffering substantially from recession and past inflation, it is common knowledge that small businessmen suffer disproportionately during periods of economic stress. Even in better economic times, the rate of small business failures indicates that the road of the small businessman is not an easy one.

In the Senate we have a Select Committee on Small Business and it generally expresses great concern for the problems which the small businessman must face. How ironic it is, therefore, that we have compounded his burdens with unnecessary paperwork and redtape. I refer specifically to the deposits which are required to be made by our small businessmen for FICA taxes and income tax withholdings. At the present time, the actual tax returns are to be filed quarterly. Deposits, however, generally must be made more frequently in accordance with rules published by the Internal Revenue Service. These rules require no deposits prior to the end of the quarter if tax liability is less than $200, a tax deposit by the 15th day after any month in which undeposited cumulative tax liability reaches $200 or more, and deposits within three banking days after any of four dates per month if undeposited cumulative tax liability has reached $2,000 or more.

It is the frequency of these deposits which creates an enormous bookkeeping problem and a great deal of overhead and paperwork for the small businessman. For large firms which have computerized data processing, frequent deposits are no problem. But for the small businessman of America, the frequency of these deposits results in a great deal of administrative expense. Any small business with more than one or two employees probably has to file deposits monthly, while any small business with more than about five employees probably has to file additional deposits perhaps numerous additional deposits.

It is estimated by the Small Business Administration that 94 percent of all businesses in America have 50 or fewer employees. My bill would simply provide that businesses having 50 or fewer employees could not be required to make their FICA and income tax withholding deposits more than once a quarter.

Let me emphasize that this bill would in no way affect these businesses' financial obligations and would not reduce the amount which they must remit to the Federal Government. The bill would simply reduce the amount of redtape, bookkeeping, and clerical expense with which they are now confronted. This bill should also reduce administrative expenses on the part of the Federal Government.

In mid-1971, The National Federation of Independent Businesses conducted a nationwide survey of independent businessmen to determine whether they favored the approach taken in this legislation. That survey indicated that 74 percent of the Nation's independent businesses favor this measure. I ask unanimous consent to have printed at this point in the Record the figures indicating the support of this bill on a State-by-State basis.

There being no objection, the table was ordered to be printed in the Record, as follows:

STATE BREAKDOWN FIGURES—RELIEVE EMPLOYERS OF UP TO 50 PERSONS OF HAVING TO DEPOSIT TAXES MORE THAN ONCE A QUARTER

State	Percent in favor	Percent against	Percent undecided
Alabama	80	15	5
Aaska	71	25	4
Arizona	69	26	5
Arkansas	72	23	5
California	71	24	5
Colorado	71	24	5
Connecticut	69	26	5
Delaware	80	18	2
Florida	69	25	6
Georgia	80	18	2
Hawaii	71	25	4
Idaho	83	14	3
Illinois	72	24	4
Indiana	75	20	5
Iowa	70	25	5
Kansas	73	22	5
Kentucky	75	18	7
Louisiana	80	16	4
Maine	68	25	7
Maryland	75	19	6
Massachusetts	74	23	3
Michigan	73	22	5
Minnesota	74	21	5
Mississippi	79	16	5
Missouri	74	19	7
Montana	75	19	6
Nebraska	79	16	5
Nevada	73	24	3
New Hampshire	74	22	4
New Jersey	71	24	5
New Mexico	70	25	5
New York	73	22	5
North Carolina	77	20	3
North Dakota	79	17	4
Ohio	74	20	6
Oklahoma	76	19	5
Oregon	72	25	3
Pennsylvania	75	22	3
Rhode Island	67	33	---------
South Carolina	79	16	5
South Dakota	72	22	6
Tennessee	77	19	4
Texas	75	21	4
Utah	78	17	5
Vermont	72	24	4
Virginia	75	22	3
Washington	75	21	4
Washington, D.C	71	29	---------
West Virginia	82	16	2
Wisconsin	73	22	5
Wyoming	71	24	5

Mr. TAFT. I have been informed that a similar survey in 1972 indicated an even wider margin of small businessman support for the bill—77 percent for and 20 percent against.

Mr. President, I ask unanimous consent to have this bill printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6302 of the Internal Revenue Code of 1954 (relating to mode or time of collection) is amended by adding at the end thereof the following new subsection:

"(d) COLLECTION OF CERTAIN EMPLOYMENT TAXES FROM EMPLOYERS OF 50 OR LESS EMPLOYEES.—Payment or deposit of—

"(1) taxes deducted under section 3112 from wages paid by an employer during a calendar quarter,

"(2) taxes imposed under section 3111 on wages paid by such employer during such calendar quarter, and

"(3) taxes deducted and withheld under section 3402 upon wages paid by such employer during such calendar quarter,

shall not be required more than one time, if at all times during the preceding calendar quarter such employer had 50 or less individuals in his employ."

(b) The amendment made by subsection (a) shall take effect on the first day of the first calendar quarter beginning more than 30 days after the date of the enactment of this Act.

By Mr. PROXMIRE (for himself and Mr. SCHWEIKER):

S. 1692. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

REVISED VITAMIN BILL

Mr. PROXMIRE. Mr. President, for a period extending back for a decade the Food and Drug Administration has been attempting to regulate safe vitamins and minerals as dangerous drugs. This has created an unstable, unsettling, and difficult situation for the vitamin manufacturers, the vitamin retailers, and for thousands of consumers who routinely use vitamins and minerals as a supplement to their diet.

Basically the Food and Drug Administration tried to say through new regulations that any vitamin or mineral sold in quantities in excess of 150 percent of the so-called U.S. recommended daily allowance—an FDA standard based on the Food and Nutrition Board's recommended daily dietary allowance—was a drug. In addition the FDA attempted to limit the combinations in which vitamins and minerals could be sold, and they further attempted to change the definition—by regulation—of foods for special dietary uses which had been in the regulations for 35 years.

All of this was done with a fervor and zealousness on the part of the FDA which was highly disturbing to the public. Essentially the situation is that there is a wide difference of opinion among scientists over the value of vitamins and minerals. What the FDA did was to come down squarely on the side of one group—the orthodox nutritionists.

This would not be alarming except for one fact. The FDA was not just expressing an opinion on these matters. They were using the viewpoint, opinion, or bias of one set of scientists as against another set of scientists as the standard to enforce the criminal law. In other words, if you disagreed with the FDA, you could go to jail. This was too much, and as a result we have been attempting to get remedial legislation which would settle this matter once and for all.

THE 1974 BILL

Last year in the Senate we passed the Proxmire-Schweiker bill by an 81 to 10 vote. Essentially this bill treated vitamins as foods—which they are—and limited the ability of the FDA to treat them as drugs.

The House, on the other hand, had a different bill which, in addition to granting some of the conditions in the Senate bill, went well beyond it. In particular, the House insisted on giving the Food and Drug Administration authority over the advertising of vitamins and minerals if they were restricted in their ability to regulate vitamins and minerals as drugs.

COMPROMISE BILL

In 1975, the Senator from Pennsylvania (Mr. SCHWEIKER) and I introduced a new vitamin bill which has 39 sponsors. It was similar to but not identical with last year's Senate bill.

The situation soon became very clear. We could pass our bill again in the Senate by an overwhelming margin, but we could not get it passed in the House over the opposition of the House committee. Similarly, the House could pass its bill but we had the ability in the Senate to defeat it.

Therefore, early in the year the Congressman from Florida (Mr. ROGERS) recognizing the nature of the standoff, proposed to us that we attempt to work out a bill which we could all support and which we could pass in both the House and the Senate and get this matter settled once and for all. We agreed to try and our staffs have been meeting once or twice a week since early in the year.

We now have a bill, which I am introducing today with the Senator from Pennsylvania (Mr. SCHWEIKER). We have jointly agreed to this bill we believe we can pass. Further, we think this bill is both in the interests of the vitamin industry and in the interests of the public and the consumer.

MAJOR PROVISIONS

Here are its major provisions.

Essentially the bill is a compact. In return for treating vitamins essentially as foods—or not as drugs—we provide power to the FDA to regulate their advertising. That is the compromise and the quid pro quo.

And since vitamins—with only a few exceptions—are not only nutritional but also harmless, there is both logic in refusing to allow the FDA to limit them and in allowing the advertising to be regulated.

First, the bill provides that the Food and Drug Administration may not limit the potency of vitamins; that is, whether they are sold in 1 milligram or 500 milligram or any other amounts.

Second, the Food and Drug Administration may not limit the combinations of vitamins and minerals.

Third, the FDA may not classify any vitamin or mineral as a drug on the basis of potency, or on any other basis except two:

First, if a therapeutic claim is made in its labeling; that is, if it is represented for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, or

Second, if it is toxic or is habit forming or is taken by syringe through the vein, or in some other clearly drug condition.

Fourth, if one reads this language clearly, in its advertising—but not in its labeling unless it is found to be safe and efficacious by the FDA—one may make a true therapeutic claim for a vitamin.

Fifth, the old language of the law that a vitamin could become a drug on the basis that it was "intended"—either by the seller or consumer—for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, no longer applies.

Only if it is represented in its labeling for such purposes could it now be classified as a drug. And since such claims are not new made on the labels of vitamins, this requirement does not essentially change the status quo.

Sixth, the bill expressly states that none of the authority the FDA now has to regulate adulterated foods, food additives, or drugs is affected by the provisions of the bill in any way other than that expressly and explicitly stated.

Seventh, the bill states that the provisions limiting the FDA shall not apply to vitamins, minerals, and other ingredients of food which are "represented" for use by children or pregnant or lactating women.

Under the most recent appellate court decision on vitamins, in my view the Secretary or the FDA would be required in these circumstances to base their limitations on potencies or combinations on some very objective evidence or hard fact that the amounts or combinations could in fact have some harmful effect or potential harmful effect. In other words, because of the court decision the FDA could not be as arbitrary in setting these standards as they were in the past by stating that vitamins in excess of 150 percent of the FDA's were drugs, or in limiting combinations.

Eighth, the bill contains a definition of a food for special dietary use which restores much of what the FDA tried to delete in their new regulations. A food for special dietary use, first of all, is one which contains any natural or synthetic vitamin or mineral and which is intended for ingestion in tablet, capsule, or liquid form, or if it is not in such form, if it does not simulate or is not represented as a conventional food.

The purpose of this section is to make certain the provisions of the bill apply to vitamins and minerals in all of their forms—tablets, flakes, capsules, et cetera, but that the provisions do not apply to conventional foods such as breakfast foods in flake form, et cetera.

In addition the new definition states clearly that the term "special dietary use" includes foods which supply a special dietary need that exists by reason of "* * * a physical, physiological, pathological, or other condition, including but not limited to the condition of disease, convalescense, pregnancy, lactation, infancy, allergic hypersensitivity to food, underweight, overweight, or the need to control the intake of sodium."

The key words here are "pathological" and "disease" which the FDA deleted in their new definition of vitamins and minerals but which we clearly, by law, include in the definition.

ADVERTISING AND LABELING PROVISIONS

The bill provides that section 201 of the Food and Drug Act is amended by inserting "advertising" after "labeling" each time it occurs. What this means is that advertising is included with labeling as matter which may cause food to be misbranded.

However, the penalties are limited to violations in which there is an "intent" to defraud or mislead. Mere innocent violations are not subject to the penalties.

Furthermore, the remedy of "seizure" of the product for a violation of the advertising provisions is defined in considerable detail so that it would apply to the retailers of vitamins and minerals only in these situations where the advertising is disseminated in the establishment, or under the direction of the owner or operator, or where he paid for the costs of the advertising and where the owner or operator used the advertising in his store to promote the sale of the food itself.

We intend that all the first amendment and other constitutional guarantees of free speech and press shall apply.

Finally, there is a provision which limits the labeling so that they may not list any ingredients on the label which are not vitamins or minerals except as a part of a list of all the ingredients in the food. In addition, prominence may not be given to any ingredient which is not a vitamin or mineral. What this section means is that while the vitamin or mineral may be given prominence on the label the nonvitamins and minerals such as rose hips or rhutin may not be given emphasis on the label. The nonvitamin or mineral ingredient, however, can most certainly be listed on the label, but it may not be given prominence or emphasized.

The bill also provides that the Secretary should consult with the Federal Trade Commission before initiating any action under the advertising provision in order to avoid duplication.

CONCLUSION

Mr. President, I believe that overall this is a good bill. It is without question the very best bill we can introduce and get passed into law.

It certainly goes a very long way in limiting the FDA's power to regulate safe vitamins and minerals. At the same time it protects the public by giving the FDA power over advertising and to treat advertising essentially as labeling with certain important exceptions.

We are introducing it today so that we may get a bill and get a bill this year. I believe that is now possible where it was impossible before.

This bill is being introduced simultaneously in the House and Senate. The Congressman from Florida (Mr. ROGERS) will be offering a section-by-section analysis of the bill coupled with his statement.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) (1) Chapter IV of the Federal Food, Drug, and Cosmetic Act is amended by adding after section 410 (21 U.S.C. 349) the following new section:

"VITAMINS AND MINERALS

"SEC. 411. (a) (1) Except as provided in paragraph (2)—

"(A) the Secretary may not establish maximum limits on the potency of any synthetic or natural vitamin or mineral within a food to which this section applies;

"(B) the Secretary may not classify any vitamin or mineral as a drug on the basis of the potency of the vitamin or mineral or on any other basis other than the fact that—

"(i) the vitamin or mineral is represented (as determined by the Secretary by regulation) in its labeling for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man; or

"(ii) a condition (including toxicity) which—

"(I) is described in section 503(b) (1), and

"(II) requires that a drug be dispensed only upon prescription,

exists with respect to the vitamin or mineral; and

"(C) the Secretary may not limit the combination or number of any synthetic or natural—

"(i) vitamin,

"(ii) mineral, or

"(iii) other ingredient of food.

within a food to which this section applies.

"(2) (A) Paragraph (1) does not limit the Secretary in the exercise of his authority under and in accordance with—

"(i) section 402, 406, or 409, or chapter V, or

"(ii) any other provision of this Act except to the extent that the authority under such other provision is to be exercised to take an action specifically prohibited by subparagraph (A), (B), or (C) of such paragraph.

"(B) Paragraph (1) shall not apply in the case of a vitamin, mineral, or other ingredient of food which the Secretary determines by regulation is represented for use by children or pregnant or lactating women. For purposes of this subparagraph, the term 'children' means individuals who are under the age of twelve years.

"(b) (1) A food to which this section applies shall not be deemed under section 403 to be misbranded solely because its label bears, in accordance with section 403(i) (2), all the ingredients in the food.

"(2) The labeling for any food to which this section applies may not—

"(A) list its ingredients which are not vitamins or minerals (i) except as a part of a list of all the ingredients of such food, and (ii) unless such ingredients are listed in accordance with an applicable regulation promulgated under section 403(j), or

"(B) give prominence to or emphasize ingredients which are not vitamins or minerals.

"(c) (1) For purposes of subsections (a) and (b) of this section, the term 'food to which this section applies' means a food for humans which is a food for special dietary use—

"(A) which is or contains any natural or synthetic vitamin or mineral, and

"(B) which—

"(i) as determined by the Secretary by regulation is intended for ingestion in tablet, capsule, or liquid form, or

"(ii) if not intended for ingestion in such a form, does not simulate or is not represented as conventional food (as defined by the Secretary by regulation).

"(2) For purposes of paragraph (1) (B) (i), a food shall be considered as intended for ingestion in liquid form only if, as determined by the Secretary by regulation, it is formulated in a fluid carrier and it is intended for ingestion in daily quantities measured in drops or similar small units of measure."

(2) Section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended (A) by inserting "(1)" after "(f)", (B) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively, and (C) by adding immediately after such section the following:

"(2) The term 'special dietary use' as applied to food used by man means a particular use for which a food purports or is represented to be used, including but not limited to the following:

"(A) Supplying a special dietary need that exists by reason of a physical, physiological, pathological, or other condition, including but not limited to the condition of disease, convalescence, pregnancy, lactation, infancy, allergic hypersensitivity to food, underweight, overweight, or the need to control the intake of sodium.

"(B) Supplying a vitamin, mineral, or other ingredient for use by man to supplement his diet by increasing the total dietary intake.

"(C) Supplying a special dietary need by reason of being a food for use as the sole item of the diet.".

(b) The Secretary of Health, Education, and Welfare shall amend any regulation promulgated under the Federal Food, Drug, and Cosmetic Act which is inconsistent with section 411 of such Act (as added by subsection (a)) and such amendments shall be promulgated in accordance with section 553 of title 5, United States Code.

SEC. 2. (a) (1) Section 403(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(a)) is amended (A) by inserting "(1)" after "If", and (B) by inserting before the period at the end a comma and the following: "or (2) in the case of a food to which section 411 applies, its advertising is false or misleading in a material respect or its labeling is in violation of section 411(b) (2)".

(2) (A) Section 201(n) of such Act is amended by inserting "or advertising" after "labeling" each time it occurs.

(B) Section 303 of such Act is amended by adding at the end the following new subsection:

"(d) No person shall be subject to the penalties of subsection (a) of this section for a violation of section 301 involving misbranded food if the violation exists solely because the food is misbranded under section 403(a) (2) because of its advertising, and no person shall be subject to the penalties of subsection (b) of this section for such a violation unless the violation is committed with the intent to defraud or mislead.".

(C) Section 304(a) of such Act (21 U.S.C. 334(a)) is amended by adding after paragraph (2) the following new paragraph:

"(3) (A) Except as provided in subparagraph (B), no libel for condemnation may be instituted under paragraph (1) or (2) against any food which—

"(i) is misbranded under section 403(a) (2) because of its advertising, and

"(ii) is being held for sale to the ultimate consumer in an establishment other than an establishment owned or operated by a manufacturer, packer, or distributor of the food.

"(B) A libel for condemnation may be instituted under paragraph (1) or (2) against a food described in subparagraph (A) if—

"(i) (I) the food's advertising which resulted in the food being misbranded under section 403(a) (2) was disseminated in the establishment in which the food is being held for sale to the ultimate consumer,

"(II) such advertising was disseminated by, or under the direction of, the owner or operator of such establishment, or

"(III) all or part of the cost of such advertising was paid by such owner or operator; and

"(ii) the owner or operator of such establishment used such advertising in the establishment to promote the sale of the food.".

(b) Chapter VII of such Act is amended by adding after section 706 (21 U.S.C. 376) the following new section:

"ADVERTISING OF CERTAIN FOODS

"SEC. 707. Before initiating any action under chapter III with respect to any food to which section 411 applies and which is deemed to be misbranded under section 403 (a) (2) because of its advertising, the Secretary shall consult with the Federal Trade Commission and, for the purpose of avoiding unnecessary duplication, coordinate such action with any action taken or proposed to be taken by the Commission under the Federal Trade Commission Act.".

(c) The amendments made by subsection (a) shall take effect one hundred and eighty days after the date of the enactment of this Act.

Mr. SCHWEIKER. Mr. President, I am pleased to join my distinguished colleague, Mr. PROXMIRE, today in introducing this bill designed to prevent the Food and Drug Administration from controlling the sale of vitamin and mineral supplements solely on the basis of their potency. This new bill clearly states that the Commissioner of the Food and Drug Administration cannot regulate vitamins and minerals as over-the-counter drugs or as prescription drugs just because their potency may exceed some arbitrary standard, such as 150 percent of the RDA. Furthermore, it clearly states that the Commissioner may not limit the sale of combinations of vitamins and minerals.

During the 93d Congress I was a cosponsor of S. 2801, and earlier this year, I cosponsored S. 548. Both bills were designed to provide the Food and Drug Administration with guidance on how Congress intends that the sale of safe vitamin and mineral supplements be controlled. Unlike S. 2801 and S. 548, this new bill we are introducing today is also being introduced by the distinguished chairman of the House Health and Environment Subcommittee, Congressman PAUL ROGERS.

Although Congressman ROGERS and I have previously differed over the extent of FDA's authority to control the sale of vitamins and minerals, I am pleased that during the past 3 months, through continual contact among our staffs and us, Congressman ROGERS, Senator PROXMIRE, and I have been able to write a bill which has gained wide acceptance among those who have been involved in this problem over the past several years.

Mr. President, the scope of this bill we are introducing today is greatly expanded over that which Senator PROXMIRE and I introduced in January of this year. This new bill contains provisions giving the Food and Drug Administration concurrent jurisdiction over the control of advertising used to promote the sale of vitamins and minerals. It is with great reluctance that I have agreed to any bill expanding FDA's authority over an industry which it has apparently condemned in the past. However, in order to make it abundantly clear that the FDA does not have authority to regulate or control the sale of vitamin and mineral supplements, I have agreed to give FDA authority over advertising material. I hope these proposed advertising regulations will be implemented fairly and carefully so that they will be in the best interest of the consuming public.

As ranking Republican on the Senate Health Subcommittee and as a member of the Select Committee on Nutrition and Human Needs, I have been closely involved with the study and improvement of our Nation's health care system. I have introduced legislation to provide funding for teaching applied nutritional education in medical schools and dental schools. Furthermore, I sponsored a bill to require mandatory nutritional labeling of all food commodities months prior to FDA's initial issuance of voluntary nutritional labeling regulations.

Since the FDA originally published their proposed regulations to regulate the sale of vitamins and minerals, I have been greatly concerned over the impact of this decision. Testimony before my committees has centered on the lack of sound nutritional education in the medical profession, and I have questioned the wisdom of making vitamins and minerals either over-the-counter drugs or prescription drugs at some later date when the only person who can prescribe such "drugs" may not have received any formal education in applied nutrition.

Mr. President, legislation which Senator PROXMIRE and I have introduced in the past has generated a tremendous amount of interest and support. As you will recall, S. 2801 passed the Senate by an 81 to 10 margin as an amendment to the Health Manpower Act last year. Unfortunately, the conference committee did not complete its work on the bill, and it died with the adjournment of the 93d Congress.

I am hopeful this bill will be acceptable to the Members of this distinguished body and am optimistic it can be sent to the President for signature during the current session.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1693. A bill to amend certain provisions of the Communications Satellite Act of 1962, as amended. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill, to amend certain provisions of the Communications Satellite Act of 1962, as amended, and ask unanimous consent that the statement of need, letter of transmittal and text of the bill be printed in the RECORD.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 1693

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Satellite Communications Act of 1975."

SEC. 101. Section 201(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) The following paragraph is inserted after paragraph (7): "(8) aid in the planning and development of additional communications satellite systems which are developed pursuant to any agreement, understanding, or other arrangement between the United States and foreign countries; and in conjunction therewith, provide for continuous review of all phases of the development and operation of such systems, coordinate the activities of government agencies with responsibilities in the field of telecommunication, and carry out the functions set forth in subsections (a) (4) through (a) (7) of this section with respect to such systems and with respect to the corporation or any other communications common carrier or other entity which participates in the establishment, ownership, or operation of such systems."

SEC. 102. Section 201 (c) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) Section 201 (c) (8) is deleted.

(b) Sections 201(c) (9), (c) (10), and (c) (11) are redesignated 201 (c) (8), (c) (9) and (c) (10) respectively.

SEC. 103. Section 301 of the Communications Satellite Act of 1962, as amended, is amended by striking the words "to the District of Columbia Business Corporation Act." and substituting therefor the words "to the laws governing corporations in the jurisdiction within the United States in which it is incorporated."

SEC. 104. Section 303(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by striking all except the last three sentences of Section 303(a) and substituting therefor the words "The corporation shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman; *Provided, however,* That effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section."

(b) by striking, in the antepenultimate sentence of Section 303(a), the words "Subject to the foregoing limitations, the" and substituting therefor the word "The".

(c) by striking, in the antepenultimate and penultimate sentences of Section 303(a), the words "under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29–911(d)). The articles of incorporation of the corporation" and substituting therefor a comma followed by the word "and, in the manner prescribed by the laws governing corporations in the jurisdiction in which the corporation is incorporated,".

(d) by striking, in the penultimate sentence of Section 303(a), the words "of not less than 66⅔ per centum".

(e) by striking, in the last sentence of

Section 303(a), the words "section 36 of District of Columbia Business Corporation Act (D.C. Code, sec. 29–916(d)," and substituting therefor the words "the law of any State or of the District of Columbia,".

SEC. 105. Section 304 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by adding in Section 304(a) the words "with or" before "without par value".

(b) by striking the second sentence in Section 304(b)(2).

(c) by striking in Section 304(b)(2) the number "50" and substituting therefor "5".

(d) by striking in the third sentence of Section 304(b)(2) the words "after the initial issue is completed" and substituting therefor "after the effective date of this Act".

(e) by striking in Section 304(d) the words "which are held by holders other than authorized carrier".

(f) by striking the present language of Section 304(e) and substituting therefor the words "Any record holder of the stock of the corporation, without regard to the percentage of stock so held, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the corporation's record of shareholders and to make extracts therefrom."

SEC. 106. Section 305 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) The following is added after Section 305(b)(5):

"(c) Nothing herein shall be deemed to vest in the corporation the exclusive right to establish, own or operate communications satellite systems or associated equipment and facilities separate from those used in conjunction with the global system referred to in Section 102(a) of this Act, nor to preclude the corporation from establishing, owning or operating such facilities."

(b) Section 305(c) is redesignated as 305 (d) and is amended by striking the words "District of Columbia Business Corporation Act." and substituting therefor the words "laws of the jurisdiction in which it is incorporated."

SEC. 107. Section 402 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by striking the words "the corporation" following the word "Whenever" in the first sentence of Section 402 and substituting therefor the words "any communications common carrier or other entity which participates in the establishment, ownership and operation of a communications satellite system which is developed pursuant to an agreement, understanding or other arrangement between the United States and foreign countries".

(b) by striking the words "authorized by this Act" in the first sentence of Section 402 and substituting therefor the words "related to such system".

(c) by striking the word "corporation" following the words "advise the" in the first sentence of Section 402 and substituting therefor the words "carrier or other entity".

(d) by striking the word "corporation" in the second sentence of Section 402 and substituting therefor the words "carrier or other entity".

(e) by striking the word "corporation" in the third sentence of Section 402 and substituting therefor the words "carrier or other entity".

SEC. 108. Section 403(c) of the Communications Satellite Act of 1962, as amended, is amended by inserting the words "or other entities" after the words "communications common carriers".

SEC. 109. Section 404(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by striking the word "and" after the words "objectives of this Act" and substituting therefor a comma; and

(b) by striking the period at the end of Section 404(a) and substituting therefor the words "and, where appropriate, a summary of activities and accomplishments with respect to communications satellite systems referred to in Section 201(a)(8)."

OFFICE OF
TELECOMMUNICATIONS POLICY,
Washington, D.C., April 25, 1975.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed for the consideration of the Congress is a draft bill to amend the Communications Satellite Act of 1962. These amendments are designed to update the Act to reflect current conditions in international satellite communications; they do not change the basic policy premises underlying the original legislation.

In 1962, there were a number of technical and operational uncertainties regarding the creation of the Communications Satellite Corporation (Comsat) to serve as the chosen instrument of the United States in a global system. These uncertainties gave rise to the inclusion of several special provisions in the Act relating to Comsat's ownership and the conduct of its affairs, provisions not normally associated with a private communications common carrier enterprise. With the successful establishment of the International Telecommunications Satellite Organization (INTELSAT) global communications satellite system and the emergence of Comsat as an established and mature corporation, it is appropriate to remove a number of these special provisions.

COMMON CARRIER OWNERSHIP

The need for operational expertise and technical know-how in the establishment of Comsat led to special provisions for participation by other common carriers in Comsat's financing and management. The need for this expertise has diminished, however, as Comsat has gained operating experience over the years. Moreover, most of the carriers for various reasons have now sold their interests in Comsat so that the special carrier ownership provisions are no longer relevant. The proposed bill would eliminate the special class of Comsat stock reserved for common carriers, reduce the aggregate amount of Comsat's outstanding shares that may be held by such carriers from 50 percent to 5 percent, and eliminate the special provision for common carrier directors on Comsat's board.

PRESIDENTIAL DIRECTORS

The present Act requires Comsat's Board of Directors to include three directors appointed by the President. The proposed bill would eliminate this requirement. While public interest considerations may have justified this special class of directors during the initial years of the Corporation's development, this requirement no longer appears warranted. As a communications common carrier, Comsat is subject to regulation by the Federal Communications Commission and as the U.S. participant in INTELSAT, is subject to Executive Branch oversight. Thus, public interest considerations are adequately protected without retaining a special class of Presidentially-appointed directors.

FCC AUTHORITY OVER COMSAT FINANCING

The amendments would also repeal the provision requiring Comsat to obtain FCC approval prior to obtaining additional capital. The FCC does not exercise similar financial control over other common carriers, and the technological and operational uncertainties which originally warranted this departure from normal procedures are no longer present. This change would, of course, leave intact current FCC procedures regarding the licensing of Comsat's facilities and regulation of its common carrier activities.

CORPORATE SITUS AND PAR VALUE STOCK

The amendments would permit Comsat to incorporate in jurisdictions other than the District of Columbia and would allow the Corporation to issue stock having par value. These changes will afford Comsat the same flexibility as any other common carrier in decisions regarding place of incorporation and par valuation of stock.

NEW INTERNATIONAL SATELLITE SYSTEMS

In addition to updating the Act as discussed above, the amendments also deal with the possible emergence of specialized international satellite systems that would be separate from the INTELSAT system. Discussions have been taking place among various foreign governments and the United States regarding the possibility of implementing such specialized systems for aeronautical and maritime communications purposes.

One amendment would make explicit that Comsat could participate in any such new international systems, on a non-exclusive basis, thus legislatively affirming an FCC rule-making decision to the same effect in the context of domestic satellite systems.

Another relates to the clarification of the Executive Branch role in the planning, implementation and operation of new international satellite systems that are developed pursuant to intergovernmental agreements to which the United States is a party. Specifically, the Presidential responsibilities set forth in Section 201(a)(1) through 201(a)(7) of the present Act, and the State Department role specified in Section 402 of the Act, would be made applicable to such systems. Presidential oversight and coordination would assure that international arrangements and operational procedures with respect to these new systems are responsive to the national interest and consistent with the foreign policy objectives and commitments of the United States.

The Office of Management and Budget advises that the enactment of the proposed legislation would be consistent with the program of the President.

A similar letter is being sent to the Speaker of the House of Representatives:

Sincerely,

JOHN EGER,
Acting Director.

SECTION-BY-SECTION ANALYSIS OF THE "INTERNATIONAL SATELLITE COMMUNICATIONS ACT OF 1975"

Section 101. Subsections 201(a)(1) through 201(a)(7) of the Communications Satellite Act of 1962 provide for Executive Branch involvement in the organization, implementation and development of the global communications satellite system (INTELSAT). Additional international systems, separate from the INTELSAT system, are permitted under Section 102(d) of the Act, if required to meet unique governmental needs or if otherwise required by the national interest. Discussions have been taking place among various foreign governments and the United States regarding the possibility of creating new specialized systems for aeronautical and maritime communications purposes.

As was the case with INTELSAT, the organization, implementation and operation of these systems would require a high level of government-to-government cooperation and accord; the foreign policy implications of systems serving the interests of a large number of countries call for clearly defined Executive Branch responsibility. Accordingly, a new subsection is added to Section 201(a) whereby the Executive Branch would aid in the planning, development, coordination and review of additional international communications satellite systems that are developed and operated pursuant to intergovernmental agreements to which the United States is a party. Presidential oversight and coordination will assure that institutional arrangements and operational procedures are responsive to the national interest and consistent with the foreign policy objectives and commitments of the United States. Responsibilities similar to those vested in the Executive Branch with respect to Comsat as the U.S. participant in INTELSAT are extended to include any communications common carrier or other entity (*e.g.*, a consortium of U.S. users, a private non-carrier corporation, etc.) which serves as the U.S. participant in any new international systems that are developed and operate pursuant to intergovernmental agreements to which the U.S. is a party.

Section 102. Section 201(c)(8), which requires Comsat to receive authorization from the Federal Communications Commission prior to the issuance of any debt or equity securities, is repealed. The need for such close regulation of Comsat's financing, originally warranted by the uncertainties and business risks associated with an unprecedented venture, no longer exists. The FCC does not possess similar authority over the equity and debt of any other communications common carrier. This amendment would in no way affect normal FCC procedures with respect to licensing of facilities and regulation of Comsat's common carrier activities.

Section 103. Section 301 is amended to eliminate the requirement of incorporation in the District of Columbia, thus giving Comsat the same flexibility as any other common carrier regarding selection of its place of incorporation.

Section 104. Section 303(a) is amended to eliminate Presidentially-appointed and common-carrier elected directors. The factors which originally warranted such representation on the Comsat board of directors, *i.e.*, the need to provide formally for common carrier experience on the Board and the need for close governmental guidance, are no longer present, and the continued provision for such representation serves no meaningful purpose now that Comsat is a mature, viable commercial enterprise. The effect of this amendment would be to treat Comsat in the same manner as any other communications common carrier is treated with respect to its board of directors.

The deletion of the reference in Section 303(a) to the District of Columbia Business Corporation Act is a consequent editorial change resulting from the amendment to Section 301.

Section 303(a) is also amended to delete the requirement of a 66⅔ vote for amendment to Comsat's articles of incorporation. This requirement was originally included in the Act because a vote of that percentage was required under the District of Columbia Business Corporation Act. Elimination of this requirement is appropriate in view of the amendment permitting Comsat to incorporate in another jurisdiction, which may have a different statutory voting requirement.

Section 105. Section 302(a) is amended to permit Comsat to issue stock having par value. This affords the corporation the same flexibility as any other common carrier in determining whether to issue stock with or without par value and thereby obtain comparable tax treatment. Other Congressionally-created stock corporations modeled after Comsat are not subject to the no par stock requirement.

Section 304(b)(2) is amended to eliminate a special class of stock for common carriers and reduce the aggregate amount of shares that may be held by such carriers from 50 percent to 5 percent of Comsat's outstanding shares. With the passage of time the carriers, for various reasons, have sold their stock and no longer have any significant ownership interest in the corporation. The requirement that shares should be reserved for such carriers in any future issue no longer serves any practical purpose. The proposed 5 percent ceiling is sufficient to accommodate present carrier holdings and any foreseeable purchases by independent carriers.

The amendment of Section 304(d) is a consequent editorial change.

Section 304(e) is amended to eliminate reference to the District of Columbia Business Corporation Act, while retaining the substantive shareholder inspection rights that were intended by the 1962 Act.

Section 106. The right of Comsat to participate in satellite systems that are separate from the INTELSAT system is clarified in new Section 305(c). In addition, this section makes it clear that Comsat does not have exclusive statutory authority to operate such additional systems. Both of these points were implicit in the original Act, as interpreted by the FCC, and this section affirms the Commission's conclusions.

Section 305(c) is redesignated as Section 305(d). The amendment of this section is a consequent editorial change resulting from the amendment of Section 301 relating to the District of Columbia Business Corporation Act.

Section 107. As a result of this amendment, the State Department role specified in Section 402 of the Act is made applicable to new international satellite systems that are developed and operate pursuant to intergovernmental agreements to which the United States is a party. This amendment complements the addition of Section 201(c)(8) regarding the Executive Branch role in the planning, implementation and operation of these new international satellite systems.

Section 108. The amendment to Section 403(c) is a consequent editorial change resulting from the addition of Section 201(a)(8).

Section 109. The amendment to Section 404(a) requires the President to transmit to the Congress a summary of activities and accomplishments regarding additional international communications satellite systems which are encompassed by Section 201(a)(8).

TITLE I—SHORT TITLE, DECLARATION OF POLICY AND DEFINITIONS

SHORT TITLE: DECLARATION OF POLICY AND PURPOSE

SEC. 102. (a) The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system, as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

(b) The new and expanded telecommunication services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical use of the electromagnetic frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

(c) In order to facilitate this development and to provide for the widest possible participation by private enterprise, United States participation in the global system shall be in the form of a private corporation, subject to appropriate governmental regulation. It is the intent of Congress that all authorized users shall have nondiscriminatory access to the system; that maximum competition be maintained in the provision of equipment and services utilized by the system; that the corporation created under this Act be so organized and operated as to maintain and strengthen competition in the provision of communications services to the public; and that the activities of the corporation created under this Act and of the persons or companies participating in the ownership of the corporation shall be consistent with the national antitrust laws.

(d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic communication services where consistent with the provisions of this Act nor to preclude the creation of additional communications satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest.

DEFINITIONS

SEC. 103. As used in this Act, and unless the context otherwise requires—

(1) the term "communications satellite system" refers to a system of communications satellites in space whose purpose is to relay telecommunication information between satellite terminal stations, together with such associated equipment and facilities for tracking, guidance, control, and command functions as are not part of the generalized launching, tracking, control, and command facilities for all space purposes;

(2) the term "satellite terminal station" refers to a complex of communication equipment located on the earth's surface, operationally connected with one or more terrestrial communications systems, and capable of transmitting telecommunications to or receiving telecommunications from a communications satellite system.

(3) the term "communications satellite" means an earth satellite which is intentionally used to relay telecommunication information;

(4) the term "associated equipment and facilities" refers to facilities other than satellite terminal stations and communications satellites, to be constructed and operated for the primary purpose of a communications satellite system,, whether for administration and management, for research and development, or for direct support of space operations;

(5) term "research and development" refers to the conception, design, and first creation of experimental or prototype operational devices for the operation of a communications satellite system, including the assembly of separate components into a working whole, as distinguished from the term "production" which relates to the construction of such devices to fixed specifications compatible with repetitive duplication for operational applications; and

(6) the term "telecommunication" means any transmission, emission or reception of signs, signals, writings, images, and sounds or intelligence of any nature by wire, radio optical, or other electromagnetic systems

(7) the term "communications common carrier" has the same meaning as the term "common carrier" has when used in the Communications Act of 1934, as amended, and in addition includes, but only for purposes of sections 303 and 304, any individual, partnership, association, joint-stock company, trust, corporation, or other entity

which owns or controls, directly or indirectly, or is under direct or indirect common control with, any such carrier; and the term "authorized carrier", except as otherwise provided for purposes of section 304 by section 304(b)(1), means a communications common carrier which has been authorized by the Federal Communications Commission under the Communications Act of 1934, as amended, to provide services by means of communications satellites;

(8) the term "corporation" means the corporation authorized by title III of this Act;

(9) the term "Administration" means the National Aeronautics and Space Administration; and

(10) the term "Commission" means the Federal Communications Commission.

TITLE II—FEDERAL COORDINATION, PLANNING, AND REGULATION

IMPLEMENTATION OF POLICY

SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act—

(a) the President shall—

(1) aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of a commercial communications satellite system;

(2) provide for continuous review of all phases of the development and operation of such a system, including the activities of a communications satellite corporation authorized under title III of this Act;

(3) coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, so as to insure that there is full and effective compliance at all times with the policies set forth in this Act;

(4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

(5) insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellite system;

(6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for general governmental purposes except where a separate communications satellite system is required to meet unique governmental needs, or is otherwise required in the national interest; and

(7) so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad;

(8) aid in the planning and development of additional communications satellite systems which are developed pursuant to any agreement, understanding, or other arrangement between the United States and foreign countries; and in conjunction therewith, provide for continuous review of all phases of the development and operation of such systems, coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, and carry out the functions set forth in subsections (a)(4) through (a)(7) of this section with respect to such systems and with respect to the corporation or any other communications common carrier or other entity which participates in the establishment, ownership, or operation of such systems."

(b) the National Aeronautics and Space Administration shall—

(1) advise the Commission on technical characteristics of the communications satellite system;

(2) cooperate with the corporation in research and development to the extent deemed appropriate by the Administration in the public interest;

(3) assist the corporation in the conduct of its research and development program by furnishing to the corporation, when requested, on a reimbursable basis, such satellite launching and associated services as the Administration deems necessary for the most expeditious and economical development of the communications satellite system;

(4) consult with the corporation with respect to the technical characteristics of the communications satellite system;

(5) furnish to the corporation, on request and on a reimbursable basis, satellite launching and associated services required for the establishment, operation, and maintenance of the communications satellite system approved by the Commission; and

(6) to the extent feasible, furnish other services, on a reimbursable basis, to the corporation in connection with the establishment and operation of the system.

(c) the Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

(1) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation and communications common carriers of apparatus, equipment, and services required for the establishment and operation of the communications satellite system and satellite terminal stations; and the Commission shall consult with the Small Business Administration and solicit its recommendations on measures and procedures which will insure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation for property and services, including but not limited to research, development, construction, maintenance, and repair.

(2) Insure that all present and future authorized carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations under just and reasonable charges, classifications, practices, regulations, and other terms and conditions and regulate the manner in which available facilities of the system and stations are allocated among such users thereof;

(3) in any case where the Secretary of State, after obtaining the advice of the Administration as to technical feasibility, has advised that commercial communications to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings under section 214 (d) of the Communications Act of 1934, as amended, to require the establishment of such communication by the corporation and the apppropriate common carrier or carriers;

(4) insure that facilities of the communications satellite system and satellite terminal stations are technically compatible and interconnected operationally with each other and with existing communications facilities;

(5) prescribe such accounting regulations and systems and engage in such ratemaking procedures as will insure that any economies made possible by a communications satellite system are appropriately reflected in rates for public communication services;

(6) approve technical characteristics of the operational communications satellite system to be employed by the corporation and of the satellite terminal stations; and

(7) grant appropriate authorizations for the construction and operation of each satellite terminal station, either to the corporation or to one or more authorized carriers or to the corporation and one or more such carriers jointly, as will best serve the public interest, convenience, and necessity. In determining the public interest, convenience, and necessity the Commission shall authorize the construction and operation of such stations by communications common carriers or the corporation, without preference to either;

(8) insure that no substantial additions are made by the corporation or carriers with respect to facilities of the system or satellite terminal stations unless such additions are required by the public interest, convenience, and necessity;

(9) require, in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended, that additions be made by the corporation or carriers with respect to facilities of the system or satellite terminal stations where such additions would serve the public interest, convenience, and necessity; and

(10) make rules and regulations to carry out the provisions of this Act.

TITLE III—CREATION OF A COMMUNICATIONS SATELLITE CORPORATION

CREATION OF CORPORATION

SEC. 301. There is hereby authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government. The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act, to the laws governing corporations in the jurisdiction within the United States in which it is incorporated. The right to repeal, alter, or amend this Act at any time is expressly reserved.

PROCESS OF ORGANIZATION

SEC. 302. The President of the United States shall appoint incorporators, by and with the advice and consent of the Senate, who shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and qualified. Such incorporators shall arrange for an initial stock offering and take whatever other actions are necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

SEC. 303. (a) The corporation shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman: *Provided, however,* that effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section. The articles of incorporation of the corporation shall provide for cumulative voting, and, in the manner prescribed by the laws governing corporations in the jurisdiction in which the corporation is incorporated, may be amended, altered, changed or repealed by a vote of the outstanding shares of the voting capital stock of the corporation owned by stockholders who are communications common carriers and by stockholders who are not communications common carriers, voting together, if such vote complies with all other requirements of this chapter and of the articles of incorporation of the corporation with respect to the amendment, alteration, change, or repeal of such articles. The corporation may adopt such bylaws as shall, notwithstanding the provisions of the law of any State or of the District of Columbia, provide for the continued ability of the board to transact business under such circumstances of national emergency as the President of the United States, or the officer designated by him, may determine, would not permit a prompt meeting of a majority of the board to transact business.

(b) The corporation shall have a president, and such other officers as may be named and appointed by the board, at rates of compensation fixed by the board, and serving at the pleasure of the board. No individual other than a citizen of the United States may be an officer of the corporation. No officer of the corporation shall receive any salary from any source other than the corporation during the period of his employment by the corporation.

FINANCING OF THE CORPORATION

Sec. 304. (a) The corporation is authorized to issue and have outstanding, in such amounts as it shall determine, shares of capital stock, with or without par value, which shall carry voting rights and be eligible for dividends. The shares of such stock initially offered shall be sold at a price not in excess of $100 for each share and in a manner to encourage the widest distribution to the American public. Subject to the provisions of subsections (b) and (d) of this section, shares of stock offered under this subsection may be issued to and held by any person.

(b)(1) For the purposes of this section the term "authorized carrier" shall mean a communications common carrier which is specifically authorized or which is a member of a class of carriers authorized by the Commission to own shares of stock in the corporation upon a finding that such ownership will be consistent with the public interest, convenience, and necessity.

(2) Only those communications common carriers which are authorized carriers shall own shares of stock in the corporation at any time, and no other communications common carrier shall own shares either directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to its direction or control. At no time after the effective date of this Act shall the aggregate of the shares of voting stock of the corporation owned by authorized carriers directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to their direction or control exceed 5 per centum of such shares issued and outstanding.

(3) At no time shall any stockholder who is not an authorized carrier or any syndicate or affiliated group of such stockholders, own more than 10 per centum of the shares of voting stock of the corporation issued and outstanding.

(c) The corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, and other certificates of indebtedness as it may determine. Such nonvoting securities, bonds, debentures, or other certificates of indebtedness of the corporation as a communications common carrier may own shall be eligible for inclusion in the rate base of the carrier to the extent allowed by the Commission. The voting stock of the corporation shall not be eligible for inclusion in the rate base of the carrier.

(d) Not more than an aggregate of 20 per centum of the shares of stock of the corporation authorized by subsection (a) of this section which are held by holders other than authorized carriers may be held by persons of the classes described in paragraphs (1), (2), (3), (4), and (5) of section 310(a) of the Communications Act of 1934, as amended (47 U.S.C. 310).

(e) Any record holder of the stock of the corporation, without regard to the percentage of stock so held, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the corporation's record of shareholders and to make extracts therefrom.

(f) Upon application to the Commission by any authorized carrier and after notice and hearing, the Commission may compel any other authorized carrier which owns shares of stock in the corporation to transfer to the applicant, for a fair and reasonable consideration, a number of such shares as the Commission determines will advance the public interest and the purposes of this Act. In its determination with respect to ownership of shares of stock in the corporation, the Commission, whenever consistent with the public interest, shall promote the widest possible distribution of stock among the authorized carriers.

PURPOSES AND POWERS OF THE CORPORATION

Sec. 305. (a) In order to achieve the objectives and to carry out the purposes of this Act, the corporation is authorized to—

(1) plan, initiate, construct, own, manage, and operate itself or in conjunction with foreign governments or business entities a commercial communications satellite system;

(2) furnish, for hire, channels of communication to United States communications common carriers and to other authorized entities, foreign and domestic; and

(3) own and operate satellite terminal stations when licensed by the Commission under section 201(c)(7).

(b) Included in the activities authorized to the corporation for accomplishment of the purposes indicated in subsection (a) of this section, are, among others not specifically named—

(1) to conduct or contract for research and development related to its mission;

(2) to acquire the physical facilities, equipment and devices necessary to its operations, including communications satellites and associated equipment and facilities, whether by construction, purchase, or gift;

(3) to purchase satellite launching and related services from the United States Government;

(4) to contract with authorized users, including the United States Government, for the services of the communications satellite system; and

(5) to develop plans for the technical specifications of all elements of the communications satellite system.

(c) Nothing herein shall be deemed to vest in the corporation the exclusive right to establish, own or operate communications satellite systems or associated equipment and facilities separate from those used in conjunction with the global system referred to in Section 102(a) of this Act, nor to preclude the corporation from establishing, owning or operating such facilities.

(d) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the laws of the jurisdiction in which it is incorporated.

TITLE IV—MISCELLANEOUS

APPLICABILITY OF COMMUNICATIONS ACT OF 1934

Sec. 401. The corporation shall be deemed to be a common carrier within the meaning of section 3(b) of the Communications Act of 1934, as amended, and as such shall be fully subject to the provisions of title II and title III of that Act. The provision of satellite terminal station facilities by one communication common carrier to one or more other communications common carriers shall be deemed to be a common carrier activity fully subject to the Communications Act. Whenever the application of the provisions of this Act shall be inconsistent with the application of the provisions of the Communications Act, the provisions of this Act shall govern.

NOTICE OF FOREIGN BUSINESS NEGOTIATIONS

Sec. 402. Whenever any communications common carrier or other entity which participates in the establishment, ownership, and operation of a communications satellite system which is developed pursuant to any agreement, understanding or other arrangement between the United States and foreign countries shall enter into business negotiations with respect to facilities, operations, or services related to such system with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation carrier or other entity of relevant foreign policy considerations. Throughout such negotiations the carrier or other entity may request the Department of State to assist in the negotiations, and the Department shall render such assistance as may be appropriate.

SANCTIONS

Sec. 403. (a) If the corporation created pursuant to this Act shall engage in or adhere to any action, practices, or policies inconsistent with the policy and purposes declared in section 102 of this Act, or if the corporation or any other person shall violate any provision of this Act, or shall obstruct or interfere with any activities authorized by this Act, or shall refuse, fail, or neglect to discharge his duties and responsibilities under this Act, or shall threaten any such violation, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which such corporation or other person resides or may be found shall have jurisdiction, except as otherwise prohibited by law, upon petition of the Attorney General of the United States, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct or threat.

(b) Nothing contained in this section shall be construed as relieving any person of any punishment, liability, or sanction which may be imposed otherwise than under this Act.

(c) It shall be the duty of the corporation and all communications common carriers or other entities to comply, insofar as applicable, with all provisions of this Act and all rules and regulations promulgated thereunder.

REPORTS TO THE CONGRESS

Sec. 404. (a) The President shall transmit to the Congress in January of each year a report which shall include a comprehensive description of the activities and accomplishments during the preceding calendar year under the national program referred to in section 201(a)(1), together with an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act, and any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of such objectives, and, where appropriate, a summary of activities and accomplishments with respect to communications satellite systems referred to in section 201(a)(8).

(b) The corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

(c) The Commission shall transmit to the Congress, annually and at such other times as it deems desirable, (i) a report of its activities and actions on anticompetitive practices as they apply to the communications satellite programs; (ii) an evaluation of such activities and actions taken by it within the scope of its authority with a view to recommending such additional legislation which the Commission may consider necessary in the public interest; and (iii) an evaluation of the capital structure of the corporation so as to assure the Congress that such structure is consistent with the most efficient and economical operation of the corporation.

By Mr. LONG (for himself and Mr. TALMADGE):

S. 1694. A bill to amend Public Law 93–233 to extend for an additional 12

months—through June 30, 1976—the existing provisions of law with respect to eligibility of supplemental security income recipients to participate in the food stamp program. Referred to the Committee on Finance.

Mr. LONG. Mr. President, in most States, needy aged, blind, and disabled people who qualify for benefits under the supplemental security income—SSI—program are also eligible to participate in the food stamp program. This food stamp eligibility of SSI recipients is based, however, on a temporary provision of law which expires on June 30, 1975. The bill I am introducing today will extend that provision for an additional 12 months to June 30, 1976. Without such legislation, thousands of needy aged, blind, and disabled persons will, in effect, suffer a cut in income in that they will no longer be eligible to receive food stamps.

In addition to cutting off benefits to many needy aged, blind, and disabled, the expiration of the current temporary law would result in administrative complications which many State welfare agencies believe would paralyze their operations. This is so because unless we postpone it, the law which will take effect July 1, 1975, will require that each aged, blind, and disabled applicant for food stamps be evaluated under the terms and conditions of the State programs of aid to the aged, blind, and disabled which were repealed at the end of 1973 upon the inauguration of the new SSI program. This evaluation would be necessary to determine whether or not each individual's situation in a given month is more or less favorable under the current programs than under the former programs. Only those who are found to have suffered a reduction in total income would be made eligible for food stamps.

A third problem which arises if the current temporary provision is allowed to expire affects the so-called "cash out" States in which aged, blind, and disabled SSI beneficiaries do not now qualify for food stamps. These States have instead elected to raise the cash benefits they pay to supplement the SSI program in order to offset the elimination of food stamp eligibility. In these States, there is in effect a Federal subsidy paid to the State government to compensate it for providing cash benefits in lieu of food stamps. These States have found that the aged, blind, and disabled are better served by the existing cash-out provisions than they would be by a return to food stamp eligibility. These current cash-out provisions, however, would be undermined by the expiration of the current temporary law.

It would, of course, be desirable to find a permanent solution to this question of the relationship between food stamps and SSI. At the end of 1973, the Committee on Finance did propose such a solution and it was agreed to by the Senate. This solution was included in the bill H.R. 3153 along with a number of other meritorious Senate amendments, but that bill died without becoming law, because the conferees on the part of the House of Representatives were unwilling to meet with the Senate conferees. The most that we could get the House to agree to was the adoption of a temporary measure. Because the temporary provision is due to expire at the end of next month, I believe that the proper course at this point is to propose a further 1-year extension of the current provision, which does appear to be working satisfactorily. Such action will assure that needy aged, blind, and disabled SSI recipients will not have to fear a sudden cutoff of their food stamps.

By Mr. NELSON (for himself, Mr. JAVITS, Mr. KENNEDY, Mr. RANDOLPH, Mr. PELL, Mr. WILLIAMS, Mr. CRANSTON, Mr. MONDALE, and Mr. HUMPHREY):

S. 1695. A bill to extend and improve programs authorized by the Emergency Jobs and Unemployment Assistance Act of 1974, and for other purposes. Referred to the Committee on Labor and Public Welfare.

EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE AMENDMENTS OF 1975

Mr. NELSON. Mr. President, I am introducing legislation today to extend and improve the public service employment program and the unemployment assistance program passed by Congress last December in the Emergency Jobs and Unemployment Assistance Act of 1974. That act which added a new title VI to the Comprehensive Employment and Training Act of 1973—CETA—authorized $2.5 billion to fund public service jobs during fiscal year 1975. It also provided up to 6 months of unemployment assistance for unemployed workers not otherwise eligible for such assistance under any State or Federal unemployment compensation law.

The bill I am introducing today would extend the authorization for public service jobs through fiscal year 1977, at the same time increasing the annual authorization to $5 billion when the nationwide unemployment rate is over 7 percent. This would support about 550,000 public service jobs for the unemployed. If the unemployment rate declines below that level, funds could be obligated up to a limit of $3.5 billion when unemployment recedes below 7 percent for 3 consecutive months; or $2 million when unemployment recedes below 6 percent; or $500 million when unemployment recedes below 5 percent. No further funds could be obligated if unemployment falls below 4½ percent.

The bill also eases the problems faced by State and local governments responsible for hiring public service employees by amending the current law to provide that up to 10 percent of the additional funds may be used to provide supplies and equipment necessary to the creation of productive jobs for these jobholders.

In addition, the measure I am introducing today would extend the authorization for the special unemployment benefits program for 1 year beyond its current cutoff date of December 31, 1975, and would lengthen the potential duration of assistance to the individual unemployed worker, from the current maximum of 26 weeks to a maximum of 52 weeks. This latter amendment would make the emergency program for unemployed workers not covered under existing program comparable to that for workers who are insured who can now receive up to a year of benefits.

Mr. President, the central role of Government in helping the Nation move toward economic recovery is no longer denied by any substantial body of economic or political opinion. Most people now recognize the urgency of vigorous governmental action to stimulate the economy through fiscal and monetary measures, including tax cuts and increased aid for depressed areas of economic activity, such as housing. Congress has already passed a sizable tax cut and is moving expeditiously to provide such further aid as the economy requires.

But there is another aspect of the role of government in our society that is of equal significance. That is the simple fact that government itself is the largest employer in our Nation. Federal, State, and local governments together employ almost 20 percent of the Nation's work force. Some 15 million individuals are on government payrolls, 12 million of them employed by State and local governments. Government taken as a whole is much larger than any industry in the Nation.

As such, the government has a special responsibility, as well as the capability, in a time of unemployment crisis to provde jobs as well as tax breaks. Public service employment cannot be the only answer to our economic woes. But it has shown itself to be a swift, effective countercyclical tool that must be expanded as the recession deepens.

Mr. President, last December 12, the Senate passed by a vote of 79 to 13 a bill providing an authorization of $4 billion for public service employment. At that time, the unemployment rate stood at 6.5 percent. Six million people were officially listed as unemployed.

Despite its overwhelming support for a $4 billion authorization, the Senate compromised with the House at that time and agreed to an authorization level for title VI of $2.5 billion for fiscal year 1975; $875 million of that was appropriated immediately to get the expanded public jobs program under way.

The current program provides Federal funds to State and local governments to enable them to hire unemployed workers. The State and local governments act as prime sponsors to choose the jobs for these workers. There are 433 prime sponsors. Cities and counties of over 100,000 population are eligible to be prime sponsors but many have joined together in consortiums. The State prime sponsors serve the balance of a State, but most of them pass funds on to smaller cities and counties. They must aim to maintain an average annual wage of $7,800 per worker, and must give preferred consideration for the jobs to the long-term unemployed, including those who have exhausted unemployment compensation. At least 90 percent of the funds must be spent directly on wages or fringe benefits such as health insurance, but most prime sponsors have used less than the 10 percent for administrative expenses, and in fact close to 95 percent goes for wages and employment benefits to the jobholders.

The Department of Labor has already been compiling statistics on the speed and efficacy of public service employment hiring under title VI. These facts and figures bear out the claim of swift effectiveness for this program.

By the end of January, for example, barely 1 month after the ink had dried on the title VI authorization and appropriation bills, more than 43,000 workers had been hired across the Nation. By the end of February, nearly 35,000 more unemployed workers had been added to such jobs, and another 26,000 were added in March for a total of nearly 104,000 new hires.

In addition to these new hires under title VI, approximately 32,000 new public service employees were added in January, 34,000 in February and 22,000 in March pursuant to previous appropriations under title II of CETA, bringing that total to nearly 144,000.

Finally, over 40,000 workers were being funded as of the end of March pursuant to fiscal year 1975 appropriations under CETA transitional provisions relating to the Emergency Employment Act of 1971, and over 9,000 had been hired using the general manpower revenue sharing funds available under title I of CETA. The most recent available data, therefore, shows a combined total of nearly 297,000 public service employees actually on board as of the end of March with funds thus far appropriated, with over 192,000 of those workers hired since the Emergency Jobs Act was enacted in December.

The additional $1.625 billion that remains to be appropriated under title VI has already been requested by the President and is included in an Emergency Employment Appropriations Act that has passed both the House and Senate. This appropriations bill is currently in conference to iron out a few differences, but the amount for public service employment is the same in both bills. While some of those funds will be used to sustain and continue support for existing public service employees whose funding may expire in the middle of this year, additional hires with these funds are expected to push the overall total to more than 330,000 under all existing authority. To increase the total number of jobs above that level, it will be necessary for Congress to pass additional authorizing legislation, as I am proposing today.

Last fall, when the unemployment rate was below 6 percent, Arthur Burns, the conservative economist who is chairman of the Federal Reserve Board, advocated a program to provide 800,000 public service jobs for the unemployed—more than double the number of jobs provided under the existing authorization.

Clearly, our current effort is insufficient. At 8.9 percent unemployment, over 8.2 million workers are unemployed—or over 2 million more than when the Senate voted last December to authorize a $4 billion program. And unemployment is traditionally the last major segment of the economy to recover from a severe recession, lagging months—or even years—behind other segments.

The National Commission for Manpower Policy, a presidentially appointed Commission created by the Comprehensive Employment and Training Act of 1973, issued its first "Interim Report to Congress" at the end of February. In that report, in a section it called "The Specter of Unemployment," the Commission warned us that an 8-percent rate of unemployment conceals an impact even more serious than many of us realize. For although 7½ million workers may be unemployed at any given time with unemployment at 8 percent, the Commission noted that—

> Possibly up to some 20 million individuals may experience a period of unemployment at some time during the year and that perhaps as many as 4½ million of these may be out of work for at least 6 months or more.

The Commission concludes its section on "The Specter of Unemployment" by pointing out that—

> The American people are no longer willing to permit their government to do little to stem the ravages that unemployment brings in its wake. If the government ignores the demands of the public in general, and the inner city frustrations in particular, it will do so at a tremendous cost to our social fabric.

Many analysts believe that a million new jobs can be usefully created in communities throughout the Nation at the rate of unemployment we are experiencing today. They believe these jobs will serve the dual purpose of putting the unemployed to work and of providing public services which are needed in local communities.

The Joint Economic Committee, for example, has called for a public employment program that would fund a total of 1½ million jobs at 8 percent unemployment, and an additional half million jobs if unemployment goes to 9 percent before the end of this year.

The Joint Economic Committee's report said:

> A greatly expanded program of emergency public service employment appears to be the quickest way to reduce unemployment to more bearable levels.

The committee has made its proposal with the expressed support of many prominent economists, including Walter Heller, who said:

> At the moment, the forces that will turn us around are not clearly in sight . . . and there is little to arrest and reverse the economy's sickening slide.

Heller told Congress, claiming that—

> Traditional standards (of legislative action) won't do in the face of the current economic emergency, it would be economically and socially imprudent not to undertake . . . the expansion of the emergency public service jobs program, as well as other stimulating measures.

America is probably not heading for a nationwide depression today. Most economists believe the recession will be severe, but do not think we are in great danger of slipping into a depression like that of the 1930's.

But calling this economic slump a recession, instead of a depression, does not make it any better for blue collar workers, whose double-digit unemployment went from 6.3 percent last April to 13 percent this April; or for autoworkers, with an unemployment rate of nearly 18 percent; or construction laborers, with over 19 percent unemployed.

Nor does calling it a recession, instead of a depression, give the full story of the human deprivation that lies behind the unemployment statistics. In addition to the 8.2 million "officially" unemployed workers, for example, we find there are more than 1 million workers who are so discouraged they have simply given up looking for a job, as well as nearly 4 million workers who are working part time, because they are unable to find full time employment.

And calling it a recession, instead of a depression, does not negate the plain economic fact that recessions traditionally reserve their cruelest punishment for the unemployed, since the rate of unemployment rarely shows any signs of improvement until many months after the rest of the economy has "bottomed out" and started back up the road to recovery.

The national unemployment rate has averaged more than 6 percent for only 2 years—1958 and 1961—since the great depression. Is it any wonder that the Nation was shocked, on February 3, when the President submitted a budget which projected unemployment above 6 percent for the next 5 years?

The administration's recognition of the economic realities continues to come too little and too late. The people of this Nation cannot be expected to accept economic policies which assume that such disastrous levels of unemployment will continue for half a decade.

The question must not be whether our Government is going to act in the face of such dire predictions, but how—and how quickly.

Nations like Sweden and Germany declare States of national emergency when their unemployment rates rise above 3 percent.

We are put to shame in this country by Sweden, for example, which spends 7 percent of its entire budget on manpower programs. If the United States spent 7 percent of the Federal budget on employment and training programs, that would be more than $25 billion.

Compare that to this year's Federal budget for employment and training programs of nearly $6 billion, less than 2 percent of the total budget of the U.S. Government.

While no economic analyst today recommends that we spend $25 billion on recession oriented employment and training programs, we do need a significant increase in the current program in order to promote economic recovery.

The $5 billion authorization level I am proposing today will not bring the total number of public service jobs to the 1 million job level many have suggested for this program. I believe it is a realistic level, however, in light of the recent tax cut, the Federal deficit and the other spending programs that are being proposed.

But we should bear in mind that even the creation of 1 million such jobs would still fall far short of approaching the 3 million jobs the WPA provided at its peak, or the yearly average of 2 million jobs the WPA provided from 1935 through 1942.

Forty-one years ago—in 1934 in the middle of the depression—there were more than 11 million Americans in the ranks of the unemployed. But the Federal Government that year created jobs for half of those unemployed, providing employment for over 6 million persons in work relief programs, including the Works Progress Administration, the Civilian Conservation Corps, and the National Youth Administration.

Ninety-five percent of the WPA projects were initiated by State and local governments, with the remainder initiated by Federal agencies. Half the unemployed workers they hired were from the relief rolls and half from the ranks of the unemployed not on relief. WPA workers served meals to the poor and elderly; they made clothing; they constructed and repaired roads, buildings, bridges, airports, and recreation facilities; they painted murals and wrote books; and they did hundreds of other things.

Certain programs were geared to specific groups among the unemployed. The National Youth Administration, for example, provided mostly part-time jobs for an average of 150,000 to 190,000 in-school and out-of-school youth between 1935 and 1940. The Civilian Conservation Corps, a much larger program, provided jobs for an annual average of 250,000 to 300,000 unemployed youths to build trails, roads, cabins, firebreaks, and to do other conservation work in the country's national parks and forests. Their legacy is still very much a part of our lives today, along with the legacy of the many millions of others the Government put to work during that last great unemployment crisis.

Apart from the psychological confidence that is provided by the governmental creation of jobs, an expanded public service employment program will enable local governments to meet many unfilled needs. Those needs include the repair and rehabilitation of our inner-city schools, housing, and parks; and the provision of increased police and fire protection, public transportation, and sanitation and health care in poverty areas and for the elderly.

Early information concerning the mix of jobs funded under title VI indicate that current public service employees include engineers, librarians, typists, maintenance men, firemen, juvenile officers, and teachers. The following percent distribution appears to be developing for current jobs:

Type of job and percent of total

Law enforcement	12
Education	11
Public works and transportation	23
Health and hospitals	6
Environmental quality	5
Fire protection	1
Parks and recreation	7
Social services	5
Other miscellaneous	30

The State manpower council in my home State of Wisconsin, for example, plans to use public employment funds to put jobholders to work on the winterization of homes to make them more energy-efficient. By making minor repairs, closing up cracks and leaks, and installing insulation, public service jobholders who would otherwise be unemployed are put to work doing the necessary labor to improve the conditions in a substantial number of older houses. Clearly, everything that can be done to conserve heat provides a substantial payoff in reduced fuel costs for the poor and the elderly. The President's Manpower Policy Commission has pointed to the winterization of homes as one example of the type of valuable services which can be provided by public service jobholders.

America must get its economic house in order. While we struggle to stabilize our economy, it is imperative that we alleviate the real personal plight of our unemployed workers.

We must never forget that unemployment rates are more than statistics. Unemployed persons are human resources who can do their part in the Nation's rebuilding process.

When a man or woman becomes unemployed, often the first thing he or she does is to fix up the home, doing the odd jobs and repairs there never seems to be time for when the employment situation is better.

America has a lot of odd jobs and repairs that need to be done, and this is the time to do them—by putting people back to work performing valuable public services. There are thousands of small jobs America needs done today, especially in poverty areas and for the elderly poor. We can and must use the skills of our unemployed workers to do them.

In addition to extending and increasing the public service employment program, this bill also amends title II of the December act, which created a special unemployment assistance program for workers not covered under any other State or Federal unemployment compensation law.

As it is currently drafted, title II provides up to 26 weeks of assistance to unemployed workers whose previous employment was not covered under any existing State or Federal unemployment compensation laws, provided such workers meet the quantitative wage and employment qualifications of their applicable State law and would not otherwise be disqualified under that law.

This title was intended to extend temporary emergency coverage to these workers for the duration of this unemployment crisis and, after a slow start, more than 200,000 unemployed workers are currently participating in the program.

Since it is clear that the current crisis is going to last well beyond the December 31, 1975, expiration date of this title, one amendment I propose extends the authorization an additional year, expiring December 31, 1976, with no benefits to be paid after March 31, 1977. I would emphasize that, in spite of this extension, this amendment is no more meant to take the place of long-overdue meaningful reform of the entire unemployment insurance system than was the original program passed in December.

In addition to extending the life of the program, my amendment would also bring the total assistance available to workers covered under title II more into equality with the assistance available to unemployed workers covered under other State and Federal systems. Accordingly, my proposed amendment would make workers covered under title II eligible for the same duration of assistance as a worker covered under current State and Federal regular, extended and supplemental programs, up to a maximum of 52 weeks.

Finally, the proposed amendment clarifies the existing law in an important way by writing into the law the clear intention of Congress that previously self-employed workers be eligible for assistance under this title. Although title II as written extends coverage in plain language to any unemployed individual "not eligible for compensation under any State or Federal unemployment compensation law," with no provision excluding any such individual from coverage under its provisions, the Department of Labor has promulgated regulations effectively excluding previously self-employed individuals. Although some self-employed individuals currently come under the aegis of existing State laws, especially if they have employees of their own outside of their immediate family, there are many such workers, such as sole proprietors, who would not be covered in some States. Since these individuals are often worse off in a severe recession than wage and salary workers, there is no intention on the part of Congress to deny them assistance when they become unemployed, and this inequity in the Department's interpretation must be corrected.

I ask unanimous consent that the bill and a summary be printed in the RECORD following these remarks.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Jobs and Unemployment Assistance Amendments of 1975".

EXTENSION OF AUTHORIZATION FOR EMERGENCY JOBS PROGRAMS

SEC. 2. Section 601 of the Comprehensive Employment and Training Act of 1973 (as amended by the Emergency Jobs and Unemployment Assistance Act of 1974) is amended by inserting after "SEC. 601." the subsection designation "(a)" and by adding the following new subsection:

"(b) There are authorized to be appropriated $5,000,000,000 for fiscal year 1976, and such sums as may be necessary for fiscal year 1977, for carrying out the provisions of this title. Amounts so appropriated shall be available for obligation whenever the national rate of unemployment exceeds 4½ per centum for three consecutive months, except that no further amounts shall be available for obligation in excess of the annual sum of—

"(1) $3,500,000,000 after the national rate of unemployment has receded below 7 per centum for three consecutive months; or

"(2) $2,000,000,000 after the national rate of unemployment has receded below 6 per centum for three consecutive months; or

"(3) $500,000,000 after the national rate of unemployment has receded below 5 per centum for three consecutive months.

"(c) For purposes of this section, the term 'national rate of unemployment' means the seasonally adjusted national rate of unemploment as determined monthly by the Bureau of Labor Statistics of the Department of Labor."

SUPPLIES AND EQUIPMENT

Sec. 3. (a) Section 203(b) and 602(b) of the Comprehensive Employment and Training Act of 1973 are each amended by striking out "90 per centum" and inserting in lieu thereof "85 per centum".

(b) Section 208(a)(7) of such Act is amended by striking out "no funds" and inserting in lieu thereof "not to exceed 10 per centum of the financial assistance provided to each eligible applicant carrying out programs", and by inserting before the semicolon "directly related to carrying out jobs created with assistance under this title".

TECHNICAL AMENDMENTS

Sec. 4. (a) Section 204(c) of the Comprehensive Employment Training Act of 1973 is amended to read as follows:

"(c) As used in this Act, an 'area of substantial unemployment' means any area which is of sufficient size and scope to sustain a public service employment program and which had a rate of unemployment averaging 6.5 per centum or more for any period of three consecutive months during the most recent twelve months for which satisfactory data is available preceding such determination."

(b) Section 701 of such Act is amended by inserting at the end thereof the following new subsection:

"(c) In making the determinations required by section 103(a)(2)(B), section 202(a), and paragraphs (A), (B), and (C) of section 603(a)(2) of this Act, for the purpose of allocating financial assistance among prime sponsors and program agents, the Secretary shall use data for that period of three consecutive months for which the qualifying areas served by each prime sponsor and program agent had the highest average number of unemployed persons during the most recent twelve months for which satisfactory data is available preceding such allocations. Such determinations shall be made as soon as practicable after appropriations to be so allocated are made."

(c) The second sentence of section 103(f) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "in the preceding fiscal year" and inserting in lieu thereof "for fiscal year 1974".

PROCEDURES FOR REALLOCATION OF FUNDS

Sec. 5. Section 606 of the Comprehensive Employment and Training Act of 1973 is amended as follows: (1) the first sentence thereof is amended by inserting "or title II of this Act" after "under this title", (2) and the last sentence thereof is amended to read as follows: "In reallocating any such funds, the Secretary shall give first priority to reallocating such funds for use within the same area to another eligible applicant within the jurisdiction of which such area is located, and shall give priority in reallocating any remaining funds to other areas within the same State."

EXTENSION OF SPECIAL UNEMPLOYMENT ASSISTANCE

Sec. 6. (a) Section 206 of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567) is amended—

(1) after "regular" by inserting a comma and "extended, or supplemental";

(2) after "applicable State unemployment compensation law" by inserting a comma and "the Federal-State Extended Unemployment Compensation Act of 1970, and the Emergency Unemployment Assistance Act of 1974"; and

(3) by striking out "twenty-six" and inserting in lieu thereof "fifty-two".

(b) Section 208 of such Act is amended by striking out "March 31, 1976" and inserting in lieu thereof "March 31, 1977" and by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

CLARIFYING AMENDMENTS

Sec. 7. (a) Paragraph (1) of section 203 of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567) is amended by inserting before "shall be treated" a comma and the following: "including self-employment and any remuneration therefrom,".

(b) Subsection (a) of section 205 of such Act is amended by inserting before "shall be treated" a comma and the following: "including self-employment and any remuneration therefrom,".

(c) Section 206 of such Act is amended by inserting before "shall be treated" a comma and the following: "including self-employment and any remuneration therefrom".

Summary of Proposed Emergency Jobs Amendments of 1975

(By Senator Gaylord Nelson)

The proposed legislation extends the authorization for public service employment programs under Title VI of the Comprehensive Employment and Training Act through fiscal years 1976 and 1977. The current law's $2.5 billion authorization would be increased to $5 billion for fiscal year 1976 and such sums as may be necessary for fiscal year 1977, except that funds could not be obligated in excess of $3.5 billion when the national unemployment rate recedes below 7 percent, $2 billion when unemployment recedes below 6 percent, and $500 million when unemployment recedes below 5 percent. No further funds could be obligated after unempolyment recedes below 4½ percent.

The bill would remove the prohibition on using Federal funds made available for public service empolyment programs for supplies and equipment, by amending the current law to permit such use of funds up to 10 percent of program expenditures.

The bill also extends the special unemployment benefits program under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974, providing benefits comparable to unempolyment insurance for those workers not eligible under regular State and Federal unemployment compensation laws. The bill would extend the maximum duration of benefits from the current law's limitation of 26 weeks to a maximum of 52 weeks. The bill also extends for one additional year the current law's cut-off date for further applicants (from December 31, 1975, until December 31, 1976).

Mr. WILLIAMS. Mr. President, I am pleased to be cosponsor today, along with Senator Nelson, on legislation designed to continue an expanded program of public service jobs and to provide improvements to the Comprehensive Employment and Training Act of 1973—CETA—and the Special Employment Assistance Act of 1974.

There is little question today that we are facing a serious economic situation. Industrial production fell 1 percent in March and was down 12.1 percent from a year ago. This decline of production has resulted in a sharp drop in industry's operating rate. According to the Federal Reserve Board, only 68.3 percent of the productive capacity of manufacturing industries was utilized in the first quarter of 1975, a decline of 18 percent since the recession started. The Federal Reserve Board has also reported a drop of 24 percent in the operating rate of the major materials industries in the same period—from 94.5 percent to 70.7 percent.

With great amounts of idle plants and machines and high interest rates, business is cutting back investment in new productive capacity—hitting the machinery industries and heavy construction. An 8½-percent drop in the real volume of business investment is expected by the Commerce Department this year, and the actual decline may be much steeper.

Higher interest payments and falling tax revenues are squeezing State and local governments—resulting in layoffs of public employees and cutbacks in programs to improve public facilities and services.

The drop in consumer buying power has been so great that the $24 billion tax cut will offset only a small part. The buying power of the average worker's weekly take-home pay in March was down 4.8 percent from a year ago and down 10.8 percent from the peak reached in October 1972. It would now require an increase of $65 billion in after-tax personal income merely to bring the per capita purchasing power of the American people back to where it was in the summer of 1973, before the recession started.

This depressed state of the economy is underscored even more graphically by the dramatic rise in unemployment. Last week, the Bureau of Labor Statistics released figures which once again reflect an increased national unemployment rate. The United States was plagued with 8.9 percent unemployment for the month of April. This figure represents 8,176,000 Americans who were jobless and in need of some form of financial assistance. In my own State of New Jersey, this figure was even higher—12.1 percent. The legislative task involved in coping realistically with the needs of this many people is staggering.

The unemployment figures continued to affect the major groups of employees throughout the Nation. Unemployment rates were 20.4 percent among teenagers, 19.3 percent among construction workers, 17.2 percent among the unskilled, 14.9 percent among the semiskilled, 14.6 percent among blacks, 14.6 percent among the 20- to 24-year-olds, and 12.2 percent among factory workers. The unemployment rate among black teenagers was 40.2 percent. Among heads of households, the unemployment rate was up to 6 percent in April, double that rate of a year ago. Jobless rates in construction and manufacturing were at alltime recorded highs. The number of those unemployed for 15 weeks or more jumped to 2.4 million, with nearly a million jobless for 6 or more continuing months.

In the face of these kinds of figures, it is becoming increasingly important that the Congress act quickly to alleviate this intolerable situation. While there are avenues open to us, through a variety of countercyclical, job-creating programs, one of the most important issues is to provide immediate relief now while some of the other programs continue to be developed and refined. The program of emergency public service jobs, which we established through our amendments to CETA in December of 1974, is one of the most effective of these programs. The bill which we are introducing today is designed to extend through fiscal year 1976 and 1977 this authorization for emergency public service jobs.

I have also for some time been deeply concerned about the increasingly large volume of complaints which I have received from prime sponsors and employers under the CETA programs. These complaints make it obvious to me that existing provisions in the law and their implementing regulations governing the expenditure of Federal public assistance funds have created many problems and much frustration among program administrators.

The bill which we are introducing today will remove the prohibition on using Federal funds made available under the public service jobs program for supplies and equipment. We have successfully created the emergency public service jobs program to hire large numbers of our unemployed workers, but we have continued the original prohibitions of CETA which did not allow any of these funds to be used for capital equipment. While this prohibition is perfectly valid under ordinary application of the public service jobs program, with vastly increased hiring and already strained local budgets, many public employers cannot obtain enough equipment for all the workers for whom they now have jobs.

To compound the frustration, local governments are faced with a rigid timetable in which to either spend their share of the Federal revenue or lose it entirely. Our bill today removes the blanket restriction and allows local sponsors to allocate up to 10 percent of their expenditures for capital equipment.

But no matter how effectively or how broadly we implement our public service jobs program, with the vast numbers of unemployed already looking for work, there will never be enough public service jobs to provide work for all these persons. There are thousands of workers who have now exhausted their extended unemployment benefits which we provided in the Emergency Jobs and Unemployment Assistance Act. Their prospects for returning to work soon are dim. With the job market dwindling and more layoffs forecast, these individuals will be forced to turn to welfare to provide for themselves and their families. It is a deplorable and degrading situation which must not be allowed to prevail. Our bill will extend from 26 to 52 the maximum number of weeks to which workers are entitled to receive these extended unemployment benefits.

Mr. President, I would like to commend my colleague, Senator NELSON, for his continuing efforts to improve the lot of our country's workers by his tireless work as chairman of the Subcommittee on Employment, Poverty, and Migratory Labor. His work has always reflected his great concern for improving not only the general economic conditions for all of our workers, but also his interest in many specific areas to improve their general welfare. His concern is well reflected in this bill today, Mr. President, and I urge the Senate to act quickly for its adoption when we report this measure back to the Senate after the committee has had an opportunity to consider it.

Mr. JAVITS. Mr. President, as evidenced by the intolerably high, and still rising, rate of unemployment, the jobs crisis in the Nation remains the most serious problem before us. I, therefore, join today with Senator NELSON, chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, in introducing the Emergency Jobs Amendments of 1975, a bill to extend the authorization of appropriations for the emergency jobs program under title VI of the Comprehensive Employment and Training Act of 1973, and to extend from 26 to 52 weeks the duration of unemployment benefits under the special unemployment assistance program.

Previously, on February 7, 1975, I introduced, with Senator WILLIAMS, the chairman of the Committee on Labor and Public Welfare, and 15 other Senators, including Senator NELSON, S. 609, the Emergency Public Service Employment Extension Act of 1975, which would also extend the authorization of appropriations under title VI of the Comprehensive Employment and Training Act of 1973. In addition, on February 20, 1975, I introduced, along with 21 other Senators, S. 767, also extending the duration of benefits available under the special unemployment assistance program.

The bill introduced today by Senator NELSON would set a public service jobs program authorization level of $5 billion for fiscal year 1976 and such sums as may be necessary for fiscal year 1977. As a temporary countercyclical measure, it would authorize in 1977 up to $3.5 billion to be made available when the unemployment rate recedes below 7 percent for 3 consecutive months; $2.0 billion when the rate recedes below 6 percent; and $500 million when it recedes below 5 percent. The stated goal in S. 609 is to provide 1 million jobs—at $7,800 per year per job. This still remains the objective. One of the questions to be considered by the Committee on Labor and Public Welfare is the level of unemployment at which emergency public service jobs programs should be implemented on a large scale. I believe we will find that 6 percent unemployment, as already established in the public service jobs program, is an adequate trigger level.

I am also pleased that this bill provides for an extension of the duration of benefits under the special unemployment assistance program which was enacted last December, as a part of the Emergency Jobs and Unemployment Assistance Act of 1974. This program, for the first time, brought us to almost universal coverage of the work force, which remains one of the most urgently needed reforms of permanent Federal-State unemployment insurance programs.

The Congress has shown great wisdom in continuing individuals on unemployment compensation during this emergency period rather than forcing unemployed workers into the welfare system. This approach has been right both in terms of providing at least minimal protection to unemployed workers and their families, and in terms of its stimulus to the general economy which we need to respond adequately to this recession-depression. Nearly $20 billion in unemployment compensation benefits will flow to individual workers during this year.

By incorporating in the tax reduction bill my amendment to provide unemployment benefits up to a total of 65 weeks, Congress has effectively asserted its initiative on income protection for those worst affected by the present state of our economy. Although payments were limited to the period ending June 30, 1975, I am confident that both the House and the Senate will soon act to extend this program through next year. The administration has come to similar conclusions, and has submitted legislation along the lines of the measures I introduced in February 1975.

Hearings to be held in the next 2 weeks by the Subcommittee on Employment, Poverty, and Migratory Labor should portray the urgent need for implementation of the legislation that has been proposed in these three bills.

The need for emergency measures such as those we have proposed need not be reiterated. The steady rise of unemployment is well-known to us all. The national unemployment rate for April was 8.9 percent with 8.2 million persons out of work. In my own State of New York, the unemployment rate for March, the latest figures available, was 10.2 percent with 775,000 unemployed. New York City is suffering from a rate of 11.5 percent unemployment with 372,600 unemployed, and the city of Buffalo is at the 14.7-percent level with 81,700 persons unemployed.

Mr. President, the urgent need for legislation to enable the country to be productive and to give those looking for work the opportunity to get it, is the highest priority of our country. These emergency measures must be enacted promptly to deal with the severe crisis.

This morning the Washington Post carried an excellent editorial supporting the urgent need for Federal action on public service jobs and unemployment compensation. Mr. President, I ask unanimous consent that it be included at the end of my remarks.

There being no objection, it is so ordered to be printed in the RECORD, as follows:

THE RECESSION IS OVER?

"I think we're at the end of the recession" President Ford told his press conference on Tuesday. He did not mean, unfortunately, that the unemployment rate is about to start briskly downward or that the long awaited revival of those two weathervane industries, automobiles and housing, is under way. Mr. Ford meant only to say, presumably, that the long and unexpectedly severe slide in production and jobs seems to be ending. Later this year production will probably begin to rise, but it does not necessarily follow that unemployment will diminish very promptly. That disparity is going to make life difficult for both the President and Congress over the next two years.

The administration fears, above all, that Congress is going to embark on a frantic splurge of spending. Both parties will confront growing pressure to sacrifice every other consideration to a desperate attempt to crank up the economy and generate new jobs before the next election. That is why Mr. Ford went out of his way—in the course of answering a question about his chances of winning that election—to celebrate a bit prematurely the end of the recession.

But Congress has been proceeding with caution and sophistication. It enacted a substantially larger tax cut than Mr. Ford had asked in his budget last February, but the budget was based on forecasts that considerably underestimated the dimensions of the recession. In view of the shocking level of unemployment currently, the highest since the end of the Depression in 1941, it has to be said that Congress managed to keep its balance remarkably well.

The first emergency appears to have passed, with the end of the winter's precipitous decline. The question now is the management of a return to stable growth. The administration has substantially overstated the immediate dangers of a large budget deficit in the coming year. But there is a genuine threat of renewed inflation and instability in the period around 1977. The economy needs the stimulus of spending now, but it has to be spending of a kind that turns itself off when production begins to climb steeply.

With 8.2 million people looking for work, it becomes tempting to argue that any remedy, applied on any scale, can only help. That, unfortunately, is not true. Many of the traditional countermeasures—public works appropriations, for example—begin to produce actual jobs only very slowly and tend to take full effect late in the cycle when the economy no longer needs their help. Unemployment compensation is an illustration of the most effective kind of antidote to recession. It puts purchasing power into a worker's pocket when he is laid off, and it cuts itself off automatically when he goes back on the job.

Over the past several months the federal government has put in place a variety of programs to life employment. Amidst the gloom of the present statistics, it is useful to remember that most of these programs—the rebates on last year's income taxes, the cuts in this year's taxes, Social Security payment increases, released highway construction money—have not yet had time to take effect.

The President is doubtless right in saying that the economy will begin to show "some improvement" in the second half of this year. But the unemployment rate is not likely to respond very quickly. One reason is the steady growth of the American labor force. Now 94 million people, it is rising at a rate of about 2 million a year. The economy, in other words, has to create more than 2 million additional jobs a year before it begins to cut the unemployment rate.

The process of putting people back to work is going to be slow, difficult and sometimes disheartening. It would be very easy for either the administration or Congress, under the pressure of the coming election, to react to its frustrations by stoking up another unmanageable and perilous boom like 1973. But the country has presumably learned something from 1973, which followed Mr. Nixon's 1972 determination to create a climate of lush prosperity for his re-election campaign. The wisest course for economic policy now begins with great concern for the people most seriously hurt by the recession. That means very generous unemployment compensation and funds for public service employment. But the key distinction lies between funds that turn themselves off when conditions improve and those that keep pouring out regardless of conditions.

From the recession of 1970 the country slid, by a combination of bad luck and bad management, into the great inflation of 1973–74. Then the inflation toppled over into the severe and damaging recession of 1975. The accustomed methods of fiscal management have not proved totally successful, you might say, in recent years. The challenge now is to help people who are out of work today, without generating another tide of inflation in 1977.

By Mr. KENNEDY:

S. 1698. A bill to amend the Internal Revenue Code of 1954 to disallow the business expense tax deduction for first-class air travel in excess of the coach fare for such travel and for other purposes. Referred to the Committee on Finance.

REPEAL OF THE BUSINESS TAX DEDUCTION FOR FIRST-CLASS AIR TRAVEL

Mr. KENNEDY. Mr. President, I send to the desk a bill to amend the Internal Revenue Code, and I ask for its appropriate referral.

The purpose of this bill is to eliminate one of the least justifiable loopholes in the Internal Revenue Code, the deduction allowed for first-class air travel as an ordinary and necessary business expense. The revenue gain from the change is substantial—is estimated at $280 million for 1975, rising to $431 million in 1978. The change would become effective on the date of enactment of the legislation.

Over the years, the business deduction for travel and entertainment expenses has been a continuing source of controversy, confusion, and injustice in the tax laws. For years, the ordinary taxpayer has been a silent partner at many business functions. With the marginal corporate tax rate at 48 percent, the corporation receives a 48-cent tax subsidy for every dollar of deductible business expense.

In effect, the ordinary taxpayer picks up half the tab for every business expense that qualifies as a tax deduction. Every time the waiter brings the bill at the end of a martini business lunch or four-course dinner or evening entertainment, the corporate host pays half the bill himself, but he sticks the taxpayer with the other half. And every year, the Federal Government shells out hundreds of millions, perhaps billions of dollars in tax expenditures to maintain this extravagant executive lifestyle.

My hope is that in our forthcoming action on tax reform this year, Congress will deal in detail with the many difficult aspects of the business deduction for travel and entertainment expenses. The ordinary and necessary cost of doing business is a legitimate tax deduction, and many deductions now being taken are obviously legitimate. But many others are not, and I suspect that a thorough scrutiny by Congress will reveal that in many areas, the definition of "ordinary and necessary" has been stretched beyond the breaking point.

Whatever the complexity of other aspects of the business expense deduction, there is one aspect of which we ought to be able to act quickly—and that is to eliminate the deduction for first class air travel. Especially in this time of deep recession, there is no justification for a loophole in the tax laws that requires the hard-pressed average taxpayer to subsidize the comforts of first-class airfare for traveling executives.

Specifically, the bill I am introducing would disallow as a business tax deduction the difference between first class air fare and coach air fare. The deduction for coach fare is legitimate and would continue to be allowed. It is a legitimate business decision to travel by air as opposed to train or car or bus or ship. But once the decision is made to travel by commercial airline, the business objective is achieved by traveling in coach class. The executive will travel on the same flight. He will arrive at the same time and in the same place. This is all that is required to implement the valid business decision, and it is all that should be allowed as a business tax deduction.

The additional cost of first class air travel is a luxury item and should not be deductible. If the executive decides to travel first class as opposed to coach class, the extra expense is a premium incurred for personal consumption reasons, rather than for a legitimate business purpose. As a general rule, expenditures for personal consumption are not deductible under the tax laws. Therefore, the differences between first class fare and coach fare should be disallowed as a business deduction.

The disallowance of the first class component of air fare as a tax deduction does not lead to the conclusion that the executive must choose the cheapest possible form of transportation. There may be valid reasons for choosing faster air travel rather than slower transportation by other means. Similarly, it does not follow that the executive must use the cheapest form of lodging when he is away from home. A number of business factors, such as proximity to the work to be transacted, might justify using more expensive hotel accommodations.

Nor does the bill deny the tax deduction for business trips by private plane. The use of private planes can be justified as a proper business decision, involving factors such as greater flexibility in scheduling and the ability to fly to places not serviced by commercial airlines. Thus, separate considerations apply to the question of deductions by corporations for the substantial costs of maintaining private planes. It is doubtful that the decision to buy and use a private plane will be seriously affected by the availability or not of the tax deduction for first-class air fare. Even if the business use of the private plane is deductible, the corporation will still be bearing half the large cost of using the private plane.

If the bill is enacted, it would follow under the present tax laws that the difference between first-class fare and coach fare would be taxable as income for the executive, if the corporation continues to provide first-class air travel. As I have stated, the difference in the two fares is essentially a personal consumption expenditure made for the benefit of the executive. Under present rules, the payment of such consumption items by a corporation would result in taxable income to the executive.

As the following table indicates, the revenue gain from enactment of this legislation will be substantial. The figures are based on CAB estimates of first-class business travel by U.S. citizens, both internationally and domestically, using the following assumptions: 75 percent of first-class travel is business travel; no air traffic growth or fare increases through 1978; and a continuation of the present 48 percent corporate tax rate. Under these assumptions, the bill will produce the following revenue gains in 1975 and future years:

	Million
1975	$280
1976	342
1977	414
1978	431

In this period of deep concern over the size of the Federal deficit, the substantial revenues gained by this tax reform will be especially welcome. As the recent Senate and House debates over the budget resolution have demonstrated, the achievement of significant revenue-raising tax reforms this year may well be the key to success by Congress in undertaking vital additional antirecession programs.

Also, to the extent that this legislation reduces the demand for first class seats and increases the demand for coach class seats, the air traveling public will be the beneficiary. Since a first class seat occupies the space of about one and a half coach seats, the total number of available aircraft seats should increase, with obvious benefits for peak period travelers, who often now must travel in an unwanted first class seat, because all coach seats are filled. In these and other ways, the bill may lead to development of lower cost air transportation, so that citizens will benefit not only as taxpayers, but as air travelers as well.

But the principal justification for this tax reform is the clear demand for greater equity in our tax laws. The enormous annual Federal tax subsidy for first class air travel is unjustified and undeserved, and it should be ended now.

Mr. President, I ask unanimous consent that the text of the bill may be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

DISALLOWANCE OF FIRST CLASS AIR TRAVEL AS A BUSINESS EXPENSE TAX DEDUCTION

SEC. 1. Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended—

(a) by redesignating subsection (h) as subsection (i); and

(b) by inserting immediately after subsection (g) the following new subsection:

"(h) First Class Air Travel Expenses.—Notwithstanding the provisions of this section or section 212 (relating to expenses for production of income), no deduction shall be allowed for any expense paid or incurred for the transportation of any person by commercial airplane in excess of an amount which is equal to the retail price of a coach class fare ticket for such person on the same airline to the same destination at the same time of day and at the same time of year, as determined by the Civil Aeronautics Board and reported to the Secretary or his delegate."

EFFECTIVE DATE

SEC. 2. The amendments made by section 1 shall apply with respect to transportation by airplane that begins after the date of enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 985

At the request of Mr. PELL, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 985, the Social Security Recipients Fairness Act.

S. 1507

At the request of Mr. BENTSEN, the Senator from Wyoming (Mr. MCGEE) and the Senator from Arizona (Mr. FANNIN) were added as cosponsors of S. 1507, a bill to amend title 38, United States Code, to provide for a salary increase not to exceed 25 percent for qualified physicians, dentists, and nurses in the Veterans' Administration's Department of Medicine and Surgery.

S. 1539

At the request of Mr. KENNEDY, the Senator from Rhode Island (Mr. PELL) and the Senator from Minnesota (Mr. MONDALE) were added as cosponsors of S. 1539, a bill to authorize appropriations for the National Science Foundation for the fiscal year 1976.

S. 1623

At the request of Mr. MANSFIELD (for Mr. NELSON), the Senator from Tennessee (Mr. BROCK) and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of S. 1623, a bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index.

S. 1625

At the request of Mr. HATHAWAY, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

SENATE RESOLUTION 131

At the request of Mr. STONE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Resolution 131, to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy.

SENATE RESOLUTION 149—SUBMISSION OF A RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY

(Referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Interior and Insular Affairs, jointly, pursuant to the order of January 30, 1975.)

Mr. MONTOYA submitted the following resolution:

S. RES. 149

Resolved, That the Senate disapproves the proposed deferral of budget authority for initiation of construction of the new Acoma-Laguna Canoncito hospital at Acomita, New Mexico, which deferral (D 75-153) was set forth in the President's message to the Congress of April 18, 1975, transmitted under authority of section 1013 of the Congressional Budget and Impoundment Control Act of 1974.

Mr. MONTOYA. Mr. President, I am today introducing a resolution disapproving of deferral D 75-153 which proposes the deferral of budget authority for the initiation of construction of the new Acoma-Laguna Canoncito Hospital at Acomita, N. Mex.

The hospital, for which $340,000 in planning funds were provided in 1972 by the Congress, is a 40-bed facility designed to serve the needs of the Pueblos of Acoma and Laguna and the Navajo community of Canoncito. At present, there is no existing in-patient facility serving these peoples. Medical care is provided on a part-time basis at an out-patient clinic. The distances and language barriers resulting from this situation have created a barrier to the needed program of comprehensive health care. The planned facility will serve as a focal point of a total health care program. General medical and obstetric care as well as a full range of in-patient and specialty clinics will be provided. By 1985, the out-patient workload is estimated to amount to 18,000 Indian and 5,000 non-Indian visits per year.

The Indian Health Service has requested funds to complete this hospital in both fiscal years 1975 and 1976, but in both instances the request was struck from the President's budget by OMB. The hospital is high on IHS's priority list. I am very hopeful that the Congress will appropriate for fiscal year 1976 the additional $5,555,000 needed to complete it. I think it would be wise, therefore, to go ahead and get this project started.

SENATE RESOLUTION 150—SUBMISSION OF A RESOLUTION URGING A WHITE HOUSE CONFERENCE ON MEDICAL MALPRACTICE INSURANCE

(Referred to the Committee on Labor and Public Welfare.)

Mr. FANNIN. Mr. President, the resolution I am introducing today is intended to express my conviction that the problems associated with the medical malpractice insurance crisis can no longer be ignored. The recent reports of physicians and other specialty health care personnel refusing to practice and the voluntary retirement of others because of the high costs of medical malpractice insurance threatens not only the welfare of current patients but the capacity of the health care system itself to meet its objectives.

Clearly, the cost of medical malpractice insurance has become a serious problem. According to Congressman JAMES F. HASTINGS:

> In 1960, the Secretary's Medical Malpractice Commission estimated the cost of professional liability coverage at $60 million. In 1970, the figure was approximately $300 million.

Today, estimates are that liability costs are closer to over $1 billion. In terms of specific costs to providers, Congressman HASTINGS reported that—

> Between 1960 and 1970, malpractice insurance premiums for dentists rose 115%, for hospitals, 262%; for physicians other than surgeons, 540.8%; and for surgeons, 949.2%.

In dollars, the increases have been substantial. For example, an orthopedic surgeon in Houston, Tex., paid $711, 5 years ago for malpractice insurance but will pay $6,772 today. For "high risk" practitioners the costs could exceed $10,000 and in some cases, $60,000. Under these conditions many physicians are simply being stretched beyond financial reason to meet the cost of these premiums. As a result some physicians are discouraged about practicing and this is producing a situation in which the health care needs of our citizens are being jeopardized.

In addition, the consumer, whether a patient or not is having to bear the costs associated with medical malpractice insurance problems. The high incidence of malpractice suits has made it necessary for the health care provider to utilize tests and examinations which may be marginally important but necessary in the event a suit is filed. These efforts at "defensive medicine" as it is termed can only lead to higher health insurance premiums and other costs. Dr. Roger Egeberg, special assistant to Secretary Weinberger, estimates that $4.5 billion is attributable to the malpractice problem nationwide. Dr. Egeberg further states:

> Ten years ago a hospital paid 10 cents per bed for malpractice insurance. Now it is up to at least $2 and in some hospitals, as high as $10.

Mr. President, the current costs of medical malpractice insurance to physicians, hospitals, and to consumers are facts known to all of us. What is not known is the solution and a solution is critically necessary if we are to avoid any paralysis in our health care delivery system. The debate over the reasons for increased costs of medical malpractice insurance involve fundamental issues affecting both our health care system and our legal institutions. Because these issues are fundamental, as well as being complex, solutions will be difficult, if not resisted. But the current reality of discouraged physicians confronting excessive costs for malpractice insurance requires some solution.

While stopgap measures have been enacted in some States the situation is far from stable and in fact could become even worse. What is needed, in my opinion, is a national forum through which the affected groups and institutions can join in common purpose to identify the immediate problem and then set in motion those endeavors which, hopefully, will guarantee a solution of some permanence.

In addition, this forum could be utilized to build a lasting framework for dealing with the larger issues associated with medical malpractice itself. While I recognize that solutions to the medical malpractice insurance problem are primarily a State matter, and should remain so, there is nevertheless a need to utilize a national mechanism for promoting unity and for pooling essential knowledge that States could use in pursuing a solution appropriate to each State.

Mr. President, a White House Conference on Medical Malpractice Insurance would be the logical forum to provide a national focus on this problem. Just as the White House has served to provide a forum on countless other occasions to discuss issues of national importance, so could it serve in a similar capacity in this case. By utilizing his good offices, the President could immediately provide sorely needed leadership in resolving this serious crisis.

I am aware of the fact that the issue of medical malpractice insurance has not gone unnoticed. A Conference on Medical Malpractice sponsored by Congressman Hastings was held earlier this year; Secretary Weinberger has been meeting with representatives of insurance providers and health care personnel; and congressional committees have been holding hearings on this issue. Nevertheless, despite these efforts there is a clear and compelling need for a forum, national in scope, in which those affected can gather to discuss the immediate problem and to determine a course of action. While the Conference initiated by Congressman Hastings set the stage for effectively dramatizing the emergence of this serious problem, the use of congressional hearings and secretarial meetings have been inadequate in dealing with the current problem. A White House conference, on the other hand, can be designed to produce maximum results through broad participation and Presidential leadership. Neither congressional hearings nor the limited scope of secretarial involvement can produce the necessary climate conducive to positive action and resolution.

Mr. President, in the spirit of mediation and conciliation of severe problems of public distress, the President of the United States could, through a Conference on Medical Malpractice Insurance, dramatize the need for unity, solution, and understanding. Presidential involvement could give us an unequaled opportunity to find solutions so that the health care needs of our citizens are not jeopardized. Without doubt this is the appropriate time for such a conference and the White House is the appropriate place. If we fail to appreciate the magnitude of this crisis now, the problem may overwhelm us with the result that our reaction may produce an inappropriate response at best or a Federal mandate at worst. To avoid that possibility a White House conference could provide the necessary conditions for producing a solution acceptable to all concerned.

Mr. President, I want to urge the President to consider this suggestion in the spirit of sincerity and deep concern for the survival of our health care delivery system. We simply cannot allow medical malpractice insurance to impair the ability of physicians and hospitals to deliver health care services to our citizens. I urge my colleagues to join with me in supporting the need for a White House Conference on Medical Malpractice Insurance. Surely, such a conference could provide a positive hope to providers and patients alike, that this problem is a major priority worthy of Federal interest and cooperative assistance.

Mr. President, I ask unanimous consent to have printed in full, at this point, the text of my resolution.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

S. Res. 150

Whereas medical malpractice insurance rates have increased substantially; and

Whereas many physicians are finding it difficult to maintain their medical practices because of such rates; and

Whereas patients and health care consumers are confronting limitations in health care services due to malpractice insurance problems; and

Whereas the effect of high malpractice health insurance could adversely affect the future of health care manpower, and the capacity of our health care system to meet our health care needs; and

Whereas the need for immediate cooperation between and among those affected by the problems of medical malpractice insurance is clear; now therefore be it

Resolved, That it is the sense of the Senate that the President of the United States should convene a White House Conference on Medical Malpractice within the next ninety days.

Sec. 2. The President should extend invitations to representatives of health care providers, bar associations, State and local governments, the insurance industry, the Federal Government, the Congress, consumer organizations, and other appropriate individuals and groups, to discuss the nature and scope of the medical malpractice insurance crisis, and to determine possible solutions to that crisis.

Sec. 3. The Secretary of the Senate is directed to transmit this resolution to the President who is requested to report to the Senate his response to this resolution.

SENATE CONCURRENT RESOLUTION 37—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE PROBLEMS OF POLLUTION AND ENERGY SHORTAGES

(Referred to the Committee on Commerce.)

Mr. HUGH SCOTT submitted the following concurrent resolution:

S. Con. Res. 37

Whereas, the price and availability of petroleum products for future needs is under serious question; and

Whereas, the types of passenger vehicles currently used for transportation in cities and suburbs are unnecessarily large, noisy, and inefficient in consumption of petroleum products; and

Whereas, energy efficiency in vehicles must be improved to consume scarce resources; and

Whereas, systems of public transportation will not be able fully to meet all the needs of the urban, suburban and rural populations of the United States:

Now, therefore, be it resolved by the Senate (the House of Representatives concurring), That there be instituted a program of research to develop a passenger car more efficient than existing alternatives for inter and intra-city use, and that such a research program be directed toward the following objectives:

1. The vehicle should be sufficiently small to facilitate easy storage and parking. Its design should be adequate to be safe and comfortable for different traveling conditions. The model should have comfortable

seating for four passengers, a net weight of no more than 1500 pounds, an engine of 50 horsepower or equivalent power output, and capacity to operate at peak economy while traveling at a maximum speed of 50 miles per hour with four occupants.

2. The vehicle should perform consistent with environmental protection and energy conservation standards currently in effect.

Sec. 2. That research and development on the vehicle be performed and/or directed by the Department of Transportation, with the Secretary of Transportation having authority to direct the development of this vehicle and request justifiable authorizations and appropriations.

Sec. 3. That all ideas and/or patents be licensed to any domestic automobile manufacturer who would commercially build such a vehicle.

Sec. 4. That the Secretary of Transportation report to the Congress in January and July of each year on the progress of the research.

Mr. HUGH SCOTT. Mr. President, the events of the past 18 months have focused our attention on the problems of energy shortage and pollution. However, comparatively little effort has been devoted to finding long-term solutions which would lessen our dependence on finite oil supplies and at the same time improve the quality of life in our cities by reducing automobile noise and pollution. So today, I am introducing a resolution to develop a prototype automobile that would deal more efficiently with these problems. It is not possible entirely to replace the car by public transportation systems, although further development in this field could greatly reduce our reliance on imported oil.

Unfortunately, only the automobile can satisfactorily meet the individual's need for personal transport, particularly in the rural areas of the country where there will never be adequate mass transportation. We must, therefore, devote our attention to developing a vehicle which combines the unique advantages of the automobile with qualities that it has previously lacked, qualities such as silence and fuel economy.

Just this week, Secretary of Transportation William T. Coleman chided American auto manufacturers for failing to produce gas-saving models to compete with foreign imports.

The car I envision need not necessarily be powered by an internal combustion engine, or indeed by an engine which uses petroleum products. Currently a promising form of power is electricity. Such a car would weigh not more than 1,500 pounds, would have a top speed of 50 miles per hour and would accommodate four people in comfort. These specifications are by no means impractical, in fact, we should demand them because other countries already manufacture cars which include some of the features I have mentioned. A car of this sort would contribute greatly to the quality of life, particularly in our cities. It would help to eliminate the noise and fumes that poison our streets. Equally important is that by reducing our consumption of gasoline it would help to eliminate oil imports.

In 1973, we paid $4 billion for imported oil; in 1974 the bill came to $24 billion. Everyone is aware of the disastrous and inflationary effects of this price jump on our economy.

Mr. President, the development of a car of this sort is urgently needed. It is obviously in the public interest to do everything possible to expedite its design and production. I, therefore, propose that its design and development should be directed by the Department of Transportation, and that the Secretary of Transportation should be authorized to request the necessary appropriations. When the vehicle has been developed, the plans and patents should be made freely available to any domestic automobile manufacturer who would build it.

The price and availability of energy is crucial to our well-being. In the past, oil was cheap and plentiful. We could afford to waste it by driving cars that were unnecessarily large and wasteful. But those days are gone, and we must learn to adapt ourselves to our changed situation. I urge my colleagues to approve this measure for it will improve our environment and promote economic recovery.

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENT NO. 409

(Ordered to be printed and to lie on the table.)

Mr. SPARKMAN submitted an amendment intended to be proposed by him to the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

AMENDMENT NO. 410

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself, Mr. Laxalt, Mr. Hansen, Mr. Garn, Mr. Thurmond, Mr. Eagleton, Mr. Church, Mr. Dole, Mr. Helms, Mr. Buckley, Mr. Schweiker, Mr. McGee, Mr. Stevens, Mr. Hruska, Mr. Bartlett, Mr. Goldwater, and Mr. Domenici) submitted an amendment intended to be proposed by them jointly to the bill (S. 200), supra.

Mr. McCLURE. Mr. President, today I am offering an amendment which would exempt firearms and ammunition from the authority of the Agency for Consumer Advocacy.

S. 200 purports to set up an agency that will represent the interest of the consumer. Repeatedly, I have attempted to get a definition of just who is the consumer? In most instances, a definition is difficult at best. But in one case involving a "consumer" controversy—the definition is clear. In the current controversy over the Consumer Product Safety Commission's court-ordered consideration of a ban on handgun ammunition, the question was clearly and finally answered.

The consumers in this case are the millions of Americans who daily purchase handgun ammunition for lawful and constitutional purposes—for sport or for protection in their homes or places of business. The CPSC request for comments on the ammunition ban proposal has been answered—answered by consumers of handgun ammunition. Tens of thousands—no hundreds of thousands—of these consumers have expressed themselves in vehement opposition to any ban of the product they consume. The Commission has been inundated by protests from consumers of handgun ammunition. I personally handed over to the CPSC mail and petitions with well over 20,000 signatures of citizens—mostly from my State—who wrote in total opposition to a government agency "protecting" them by banning a product they use. They clearly see that this so-called service will destroy their rights to own and use firearms—legitimate rights guaranteed by the Constitution.

The ratio of mail on the issue to my office was 20,000-plus against the ban to none for it. None of my constituents—not one—said he favored consideration of any ammunition ban. And if there was ever a mandate from consumers—the men and women who purchase and use a consumer product—this is it.

My amendment will prevent this same kind of misuse of power under the guise of consumer protection by another Federal agency—the proposed Agency for Consumer Advocacy. The consumers read the situation well, because this attempt to force the CPSC to ban ammunition is nothing more than an attempt to force back-door gun control.

The controversy over any CPSC consideration of an ammunition ban is vitally important because it indicates the kind of activity that will likely occur under a massive bureaucratic structure that the legislation currently being considered establishes. During consideration of the bill establishing the Consumer Product Safety Commission, the Congress defeated amendments on the House floor that specifically would have given the Commission power to deal with or consider firearms ammunition under its purview. Congressman Bingham who wants the CPSC to consider a ban stated in the Congressional Record last year the following:

> I recall standing in the well of the House on September 20th, 1972. . . . The amendment I offered that day, to bring handguns under the purview of the Commission, failed.

Congressman John Dingell and others in the House at that time made it very clear that the intent of Congress was that any aspect of firearms or firearm use was to be exempted from the act. The legislative history was clear. Further, the Commission itself last year denied petitions urging a ban because it presumably felt that it was not in their authority to do so. Then the Federal Court stepped in ordering the Commission to consider a ban. This was a bad judgment in my opinion, but it certainly points to the need for Congress to make it clear by statute that the Agency for Consumer Advocacy does not have the authority over firearms or firearms ammunition. The Consumer Product Safety Commission itself wants their authority defined and Congress is currently dealing with legislation to clarify the Commission's authority in this case once and for all.

Mr. President, as I have explained, there is at least one area in which definition of consumer is easy. While we all have to purchase food and clothing we do not all have to purchase firearms. Those people who choose to do so are relatively visible and vocal. They have already come forward and identified themselves and told us how they visualize being "protected" from items which they use for sport or protection. Thousands of my fellow Idahoans signed letters and petitions insisting that forcing them to accept this sort of protection would be doing them no favor. No one expected the CPSC to be involved in gun control but here it is by court order and hundreds of thousands of men and women rejected this call for "protection" by notifying the Commission to let them alone. Here, for once, is the clearly identified consumer telling his Government to stay out of his affairs.

With my amendment there can be no opportunity for the proposed Agency for Consumer Advocacy to mistake the intent of Congress with regard to its authority over firearms and firearms ammunition. Plainly it will not be its function.

AMENDMENTS NOS. 411 AND 412

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted two amendments intended to be proposed by him to the bill (S. 200), supra.

NOTICE OF HEARINGS

Mr. NELSON. Mr. President, I announce to Senators and other interested persons that hearings on the extension and expansion of the Emergency Jobs and Unemployment Assistance Act of 1974 will be held by the Senate Subcommittee on Employment, Poverty, and Migratory Labor on Monday, May 19, and Tuesday, May 20. The hearings will begin at 10 a.m. each day in room 4232, Dirksen Senate Office Building. Interested persons who wish to testify or who wish to submit testimony to be included in the record should contact Richard Johnson or Larry Gage, of the subcommittee staff, at 224-3968.

NOTICE OF HEARINGS BEFORE THE JOINT COMMITTEE ON DEFENSE PRODUCTION

Mr. PROXMIRE. Mr. President, on May 22 and May 23 the Joint Committee on Defense Production will be holding hearings on the defense priorities system, a program established in furtherance of the objectives of the Defense Production Act of 1950, as amended. These hearings will be the first in a series aimed at reviewing programs authorized by the act. The committee will examine the administration and operation of the defense priorities system and the special priorities assistance program.

The hearings will begin at 10 a.m. on May 22 and May 23 in room 5302 of the Dirksen Senate Office Building.

Witnesses scheduled to testify are: Gen. Leslie W. Bray, Jr., Director of Preparedness, GSA; Hon. Tilton H. Dobbin, Assistant Secretary of Commerce for Domestic and International Business; Mr. Richard W. Gutmann, Director, Procurement and Systems Acquisition Division, GAO; and Hon. Jacques Gansler, Deputy Assistant Secretary of Defense for Materiel Acquisition.

NOTICE OF HEARINGS

Mr. MATHIAS. Mr. President, the Subcommittee on Separation of Powers of the Senate Judiciary Committee will hold a hearing to assess the administrative procedure and judicial review provisions incorporated in our energy legislation.

This hearing will be held on June 3, 1975, in room 6226 of the Dirksen Senate Office Building, beginning at 10 a.m.

All persons who wish to testify or submit a statement for inclusion in the record should contact either the subcommittee or Quincy Rodgers, minority counsel, Subcommittee on Separation of Powers, 224-4654.

NOTICE OF HEARINGS

Mr. MATHIAS. Mr. President, the procedures which now govern the operations of the Federal Energy Administration were established as the result of an amendment prepared by myself and the former Senator from North Carolina, Mr. Ervin. The Congress is currently considering increasing the authority of that Agency. I believe it is important that we look at the administrative procedures and provisions for judicial review now in effect to see how they are operating and to see whether any improvements might be made.

On June 3, the Subcommittee on Separation of Powers will hold hearings to assess the administrative procedure and judicial review provisions incorporated in our current and proposed energy legislation. It is essential for Congress to reviw the performance of the FEA to insure that the impact and burdens that necessarily will befall certain sectors of our Nation—as we attempt to lessen and regulate our energy consumption—are minimized and equitably distributed.

The purpose of the hearings is not to look into the substance of our energy policy; such questions have been under constant review by others. Rather, the hearings will deal with questions concerning the administrative procedures employed by the FEA.

These procedures are the direct result of hearings held by the subcommittee in October 1973, on procedural problems of the now-defunct Cost of Living Council. Eighteen months have now elapsed since I chaired those oversight hearings before the Subcommittee on Separation of Powers on the procedural and due process problems that arose with the implementation of the wage/price program. As a result of these hearings, we were able to identify a number of areas that demanded congressional attention, among them: Inadequacy of notice of actions taken by an agency; general unavailability of guidelines and standards upon which the agency bases its rulings; lack of clear-cut precedential value of agency actions; inconsistencies in agency decisions; unconscionable delays associated with agency actions; failure of an agency to consider things that might have been taken into account if there had been proper opportunity for input into the agency.

The end product of our hearings was legislation designed to insure the fair administration of agency powers—and to provide for accountability of action and due process in agency proceedings. The substantive area of regulation, energy, was only partly related to wage/price control. But the procedural problems which we foresaw were the same.

The attention now devoted to the formulation of substantive energy legislation demands that we look again at the procedural safeguards that we hoped would alleviate the problems that arose in conjunction with the Cost of Living Council. Energy intervention on the scale permitted by the Federal Energy Administration Act of 1974, FEA Act, the Standby Energy Authorities Act (S. 622), as well as the Emergency Petroleum Allocation Act of 1973 (EPAA) is certain to have an impact upon the traditional values of due process of law and the accountability of Government for its actions unless those values are vigorously preserved.

All too often the true intent behind the imposition of administrative procedures becomes clouded by agency warnings that some provisions are impracticable and others impose too great a burden. It is crucial to remember that administrative procedures are not arbitrary sanctions imposed upon agencies designed to make the administration of agency functions more difficult. Rather, such procedures are a congressional attempt to insure the merger, and not the divergence, of public and private interests. No agency will long retain or deserve popular support if its decisions are not arrived at by a process which appears open, fair, consistent, thorough, rational, enforceable, and necessary.

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations will hold a public hearing on Monday, May 12, 1975, at 10 a.m., in room 4221, Dirksen Senate Office Building, on legislation to aid refugees from Indochina.

Any persons wishing to testify on this subject should contact Mr. Norvill Jones of the committee staff.

ADDITIONAL STATEMENTS

CONCORDE

Mr. BUCKLEY. Mr. President, I am deeply troubled by the applications of British Airways and Air France, requesting that the Federal Aviation Administration amend its operating specifications to permit limited regular commercial service of the Concorde into and out of JFK and Dulles International Airports. The proposed entrance of the Concorde has caused grave concern to my constituents in the Nassau/Suffolk County area and indeed, to concerned environmentalists throughout the Nation.

I do not see any compelling reason for

subjecting thousands of our people to daily aggravation and setting aside our own laws protecting the environment just so that a few hundred persons per day can save a few hours crossing the Atlantic.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I made before the FAA in a regional hearing held in Flushing, New York, on April 18, 1975.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY BY SENATOR JAMES L. BUCKLEY

I wish to thank the Federal Aviation Administration and the members present here today for enabling me to testify. In addition, I would especially thank the citizens of Queens and Nassau counties, who have written and called to express their strenuous objection to the proposed flights of the Concorde into Kennedy International Airport.

Americans living in the vicinity of airports here and elsewhere around the country, have long and tirelessly worked to reduce aircraft noise to tolerable levels through federal legislation and operation restrictions at the local level. If I may sum up their attitude in one phrase, it is: "Enough is enough!" I concur.

I urge that the Concorde not be allowed to land at JFK until it can meet the existing environmental limitations which apply to subsonic aircraft.

It is proposed that Concorde be allowed to fly in and out of JFK four times per day—at least for starters. According to the 1973 FAA statistics, the average number of daily flight operations at JFK is 1046, and these operations take place twenty-four hours a day. At present, 375,000 people are exposed to what the FAA deems "acceptable" noise levels, in the impacted area of approximately six square miles. 50,500 are exposed to "unacceptable" levels. The presence of only four Concorde flights in and out of JFK per day would extend the impacted area to approximately seven square miles, and would raise the total number of people exposed to "acceptable" noise levels to 379,500, and the number exposed to "unacceptable" noise levels to 53,100.

It is somehow being suggested that as the number of people exposed to unacceptable noise levels would be increased by less than 6% the proposal is somehow tolerable. I say that it is intolerable to ask 2,600 residents of Queens and Nassau to put up with these higher levels of noise day in and day out just so that a few hundred travelers per day can shave three or four hours from the time it takes them to cross the Atlantic. I don't know what kind of calculations the EPA undertook in coming up with its tradeoff of cost and benefits; but it is clear they should go back to the drawing board.

Another important aspects to consider is the vibration-causing content of noise generated by aircraft operations. Already my constituents in the impacted areas are extremely disturbed by household rattle caused by dishes, pictures, lamps, etc. vibrating against their supporting surfaces. As stated earlier, they are subjected to this irritating disruption of their private possessions twenty-four hours a day. Cold weather tests of the Concorde have shown that vibration was as much as five times greater for Concorde than for subsonic long-range aircraft. Again, why should 2,500 New Yorkers be asked to put up with this additional disturbance so that a few hundred passengers per day can claim the satisfaction of a supersonic flight?

Finally, there are the still unresolved environmental factors. According to the FAA's draft Environmental Impact Statement, four flights per day would increase total aircraft emission pollution at JFK by 4.39% daily. One Concorde emits 804 pounds of carbon monoxide per landing/takeoff cycle as opposed to 202 pounds for a B–707 or 187 pounds for the B–747. Later, the emission of NO_x accumulates in the stratosphere, further adding to the problem of ozone reduction about which we still have insufficient information. There is reason to believe that ozone reduction can lead to a numerical increase in cases of fatal and nonfatal skin cancer. Other pollutants that would increase would be sulfur dioxide and others that can have an adverse effect on such climactic variables as temperature, wind and rainfall, with an impact on agricultural productivity, especially in farming areas with a marginally short growing season.

It can be argued that the proposed increases in pollutants would be marginal. I suggest, however, that this not a time to be stepping backwards on environmental standards in order to accommodate the marginal convenience of a small number of travelers when we are already being asked to relax those standards in our utilities and other major users of fuel so that we may begin to reduce our unhealthy degree of dependence on foreign sources of oil. The latter involves major economic and political considerations that environmentalists must take into the balance in determining the rate at which we move forward to our ultimate goals for clean air and pure water. The former case clearly fails to justify any relaxations.

We are reminded that Britain and France waived their own environmental limitations pursuant to Annex Roman-16 of the Chicago Convention in order to permit the entrance of American-made 747s in to Heathrow and Orley. They did so, however, with the sure knowledge that we had the means to make the 747 quieter than existing aircraft within two years, and their own carriers were as anxious as ours to begin exploiting the operational economies of these huge aircraft. Furthermore, the use of the jumbo aircraft did not add to the problem of air pollution, nor did it introduce commercial flying into a new arena, the stratosphere, in which atmospheric mechanics are still too little known.

In the case of the Concorde, we have no guarantees that the noise levels can be reduced in the near future, and we are faced with the continuing problems of increased levels of pollution and their still little-known impact on the upper atmosphere.

The French and the British, in other words, could reasonably argue that the long-range benefits to very large numbers of daily air travelers would offset the temporary increase in noise levels that local residents would be asked to put up with. We are dealing here with an entirely different situation.

It is also argued that a refusal to accommodate British Airways and Air France would be an act of discrimination that would serve to scuttle a foreign commercial venture. I disagree. We are merely insisting that foreign aircraft be asked to meet the same standards that we are imposing on our own. No one in the business world has the right to expect a foreign nation to make special exceptions in statutes or regulations that are designed to protect the health and well-being of their own citizens. Nor can it be charged that we are retaliating against the French and the British because they have stolen a technological march on us because they are in a position to fly commercially an aircraft more advanced than any we have in service. The evidence is quite to the contrary. It is clear from the entire record of Congressional concerns for the environment that we are not prepared to compromise our safeguards irrespective of what nation manufactures the equipment or flies it.

As I have stated many times before, I believe that those who would introduce SSTs into commercial aviation have the burden of establishing that no new environmental hazards will be created and that existing standards will be met. Only then should we be prepared to open the door to their commercial use.

I can see no overriding public interest that would justify a change of policy at this time.

In this instance, I find myself agreeing with the great American humorist, Ogden Nash who wrote: "There has been a lot of progress during my lifetime, but I'm afraid its heading in the wrong direction."

All of this the citizens here today realize far better than I. They can testify more eloquently to the detrimental effects which a constant bombardment of noise has had upon their daily lives.

Hopefully and with a great deal of effort, we can turn the tide. We as citizens, as representatives of the Federal Aviation Administration, and as legislators can work for genuine progress that does not demand that we sacrifice the quality of life.

This is a matter I intend to pursue as ranking Republican on the Environmental Pollution Subcommittee of the Senate Committee on Public Works, which has jurisdiction over the Environmental Noise Control Act of 1972. I will urge that hearings be held in which members of the affected public can testify. We need the opportunity to carefully examine this and a variety of issues relating to aircraft noise abatement and control. Such an examination would better enable us to judge the effectiveness which the Environmental Noise Control Act of 1972 has or has not had.

THE PROBLEMS OF ALCOHOL ABUSE

Mr. HOLLINGS. Mr. President, I am taking this opportunity to enclose for the RECORD a paper presented by Col. Arthur Datnoff of the South Carolina Commission on Alcohol and Drug Abuse to the armed services section of the Alcohol and Drug Problems Association last December in San Francisco.

The paper outlines the success and potential of mutual cooperation between military and civilian programs dealing with the problems of alcohol abuse. The progress made in South Carolina is encouraging and I hope to see this approach continue and spread to other sections of the country.

I ask unanimous consent that the paper be printed in the REORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

MILITARY-CIVILIAN COOPERATION IN SOUTH CAROLINA

(By Arthur R. Datnoff, Col. U.S. Army, retired)

In the 12 month period from December 1970 to December 1971, a series of four major developments in the alcohol abuse field was recognized by the S.C. Commission on Alcohol & Drug Abuse as offering an unusual opportunity to combine the forces being generated into a powerful attack on alcohol abuse, alcoholism and problem drinking in South Carolina.

Development No. 1 was the emergence of the industrial approach to alcoholism. Reports by the National Council on Alcoholism, the Department of HEW and the National Institute on Alcohol Abuse and Alcoholism indicated that while psychologists, psychiatrists and state mental institutions were realizing a 30% success rate in dealing with alcoholism; while Alcoholics Anonymous was estimated to have a 40–50% success rate in motivating the achievement and maintenance of sobriety; businesses and industries were claiming 60–80% success in restoring their alcohol-troubled employees to productivity and responsibility. The businessman's nerve that runs from his heart, straight to his pocketbook, has been pinched, and he had learned a way to relieve the pain of alcoholism's economic costs. Leaders of organized labor and business leaders learned "tough love," and "hard nosed" confrontation were both constructive and effective in protecting the investment in, and well being of, skilled and valued employees.

Development #2 was PL 91–616, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970. That law established the National Institute on Alcohol Abuse and Alcoholism and its Occupational Branch charged with the responsibility to promote programs in business, industry, state and local government throughout the country.

The third development was the publication and distribution of a letter by the U.S. Civil Service Commission directing the implementation of alcoholism programs by each U.S. Department and Agency having federal civilian employees.

Development #4 occurred on September 28, 1971, with the enactment of PL 92–129, directing the Secretary of Defense to implement drug and alcohol programs for all of the Armed Forces of the United States.

The S.C. Commission on Alcohol and Drug Abuse recognized the interrelationships in these significant developments in South that next to the textile industry, National Defense was the biggest "industry" in South Carolina. Added together, the active duty military and their dependents, civilians employed on military installations and the military retired community, approximate 10% of the state's population. In the greater Charleston area, they represent about 30% of the population, and in Beaufort County, S.C., they total more than 50% of that county's population.

Defense related personnel work on their installations during the day, but are merged into, and are generally indistinguishable from the civilian community after normal working hours. They reside in the community, drive on its streets and highways, attend its churches and schools, shop in its stores and markets, use its entertainment and recreational facilities.

The Commission knew that if it could negotiate a "marriage" with the military installations in South Carolina, then highly successful programs could evolve to the benefit of the military installation, the local community and the entire state. In this marriage, the Commission would contribute its wealth of 15 years of experience, its trained personnel, its helping resources and other assets; the military commands contributed their organized, structured, responsive and disciplined capabilities to the partnership. Such a combined, coordinated military-civilian attack promised great success. Neither could separately afford the luxury of separate facilities, or training and maintaining enough professionals in an already sparse field, without first jointly maximizing the use of existing information, education, training, prevention and rehabilitation capabilities. By combining and sharing, the state would extend its services to all of its residents; and the military would gain civilian sources of help as a supplement, or alternative, to their own on-base programs. Success in the military program would inevitable benefit the entire community.

The concept of the military-civilian cooperative effort was approved and funded by NIAAA; and when the Department of Defense issued its directive on March 1, 1972, the S.C. Commission on Alcohol and Drug Abuse was already preparing to offer the military commands in S.C. every assistance of civilian alcohol authorities toward reaching the objectives in the Defense Department's alcohol abuse programs. When the offer was made, each command accepted, and promised the closest cooperation and collaboration.

The need for such cooperation was strongly reinforced by findings in a study commissioned by the Department of Defense and conducted by the Human Resources Research Organization (HumRRO). HumRRO interviewed 36,000 troops, of all services, around the world and submitted their report on March 1972.

The objective of the coordinated military/civilian program was to provide for prevention, referral, rehabilitation, identification, treatment and control of alcohol related problems through information, training, education and research among active duty military, DOD civilian employees, retired military and military dependents.

The Project Director would work with civilian agencies and their military counterparts, seeking common ground for coordinated efforts. He would have no authority over any program in either community, but would have considerable responsibility as the focal point and coordinator in initiating and developing information, education and training programs for coordinated efforts in identification, treatment, rehabilitation and control of alcohol abuse problems. We began with Ft. Jackson which lies within the city limits of Columbia. In August 1972 we briefed the Commanding General, his major subordinate commanders and staff and won approval to proceed. On September 5, 1972, the Commanding General of Ft. Jackson and the Director of the S.C. Commission on Alcohol and Drug Abuse signed a joint document establishing the "Ft. Jackson-Columbia Metropolitan Area, Military-Civilian Steering Committee on Problem Drinking," specifying its purpose, objectives, specific functions and organization.

This Committee met every two weeks until it had developed its first joint project. Since then it has met monthly and has had 30 meetings to date. There are 11 members, all of whom are intimately involved with alcohol and drug problems. There are no prestige members. The military members were: Director of Personnel, Chairman (a full Colonel); the Hospital Commander (a full Colonel); a Brigade Commander (full Colonel); Deputy Civilian Personnel Officer; Director, Alcohol & Drug Program (Major). The civilian members were: Directors of the Mid-Carolina Council on Alcoholism; Richland County ASAP; Direct Services Project, S.C. Commission on Alcohol & Drug Abuse; a representative of the Columbia Area Mental Health Center and the Director of the Military Industrial Alcoholism Program (myself) serving as Secretary.

Our first project was a 4-hour Information/Education Program with required attendance by all commissioned officers, key non-commissioned officers and all civilians employed in supervisory positions. It is a 4-part program in which Part 1 explains alcoholism, its nature, and why it is an illness, disease or condition which is treatable. Part 2 deals with the signs, symptoms and behavior that facilitate identification of the problem drinker; Part 3 presents a detailed explanation of each helping resource in the civilian community, and Part 4 provides an explanation of the military alcohol abuse and alcoholism program at Ft. Jackson. 86 classes were held from February through November 1974 with a total of 1,811 attendees.

A few months ago, in September, the Commanding General of Ft. Jackson sent letters to 53 addressee represented on the Federal Executive Council in Columbia, inviting their supervisory personnel to attend the Ft. Jackson course. Most of the recent civilian attendees are from these agencies. This action by Ft. Jackson is particularly meaningful and timely in light of the recently released report of the Committee on Government Operations, severely criticizing the poor implementation of "Occupational Alcoholism Programs for Federal Employees."

Our 4-hour course attempts to deal with that most important issue of attitudes toward problem drinkers and alcoholism. Official policy statements notwithstanding, it remains an uphill battle to persuade key individuals that alcoholism is a disease or illness which can and should be treated, rather than moral and spiritual misconduct which should be stigmatized, punished and used to justify dismissal from the service.

We know from surveys conducted 6 months after course completion that attitudes are changing, supervisors are being motivated and that things are happening. 67% of those responding to the survey have either attempted to deal with a problem drinker/alcoholic or have taken the initiative and engaged with others in discussions about problem drinking. 67% of those responding represents 40% of all who attended the course, so we can conclude that a broad base of interested people willing to support the program is progressively developing.

Proof positive that things are happening is the growth in the numbers of military related clients receiving assistance for their alcohol problems. In 1972 Ft. Jackson had 108 cases, while MiCCA had 20, for a total of 128. In 1973, the first full year of our program, Ft. Jackson had 198 clients (176% increase), while MiCCA had 87 clients (335% increase). This year's data indicates the 1973 figures were equalled in October. So we can project a continued increase for 1974.

But perhaps the most significant development of all is the extent to which military and civilian counterparts, once introduced, acquainted and confident of each others' sincerity and professional qualifications, have generated new and cooperative projects. Some of these are: exchange of speakers (military to community/civilians to Ft. Jackson); exchange of films and literature; brochure racks (racks and literature provided by civilians/siting and servicing by the military); community services seminar (quarterly) and social services seminar (periodic); ASAP Law Enforcement seminar; Central Midlands Planning Council (4 county—state has 10 regions); MiCCA Board of Directors; Richland County Council; ASAP information and breathalyzer; ATS school; ADDIC (quarterly joint meeting with Steering Committee); Southeastern School of Alcohol Studies. And lastly, in August of this year, Ft. Jackson employed its first full time civilian alcohol program coordinator; it quietly changed its "Alcohol & Drug Center" to the "Personal Assistance & Counselling Center," and the Mid-Carolina Council on Alcoholism obtained funds for a full-time person to take over my functions with Ft. Jackcson, freeing me to pursue the project in other parts of the state.

In October 1973 we launched a similar military/civilian cooperative program in Beaufort, S.C., where military and related personnel constitute more than half the county's population. Other than Alcoholics Anonymous, this was the first such planned program in that county.

The Commanding General, Marine Corps Recruit Depot, Commanding Officer, Marine Corps Air Station and the Commander, Naval Hospital, jointly approved the concept; each signed a document establishing a military-civilian Steering Committee on Problem Drinking and each collaborated in a joint order initiating an Information-Education course similar to that we had established at Ft. Jackson.

The Steering Committee of 13 members

has representatives from each of the military and naval activities. The civilian members represent Beaufort Co. Commission on Alcohol & Drug Abuse; the Coastal Empire Mental Health Center; Vocational Rehabilitation Office in Beaufort; Beaufort-Jasper Comprehensive Health Services, Inc.; Coastal Regional Office of the S.C. Commission on Alcohol & Drug Abuse; Columbia Office of the S.C. Commission.

We began our Information-Education course on January 22, 1974. From January to November 12, 40 classes were conducted with a total of 847 persons attending. The Marines also invited their civilian neighbors to attend the Tuesday classes. City and County officials, educators, the judiciary, law enforcement personnel, the chiefs and key staff members of social and health servicing agencies are included.

In June this year the first on-post AA chapter in its history was established at the Parris Island Marine Corps Recruit Depot. It was a "closed" group for 6 months. Last month, they felt secure enough and confident enough to begin having "open" meetings. This speaks well for its trust in the Command.

Before our program began, Parris Island had " a dozen or so" referrals in 1973. Now the Alcohol & Drug Abuse Control Officer says he averages about 2 calls a day from problemed persons or supervisors seeking advice.

A Marine Corps LTC, retiring this month, has been selected as director of the 1-year Beaufort Co. Commission on Alcohol & Drug Abuse. This will be a tremendous spur to cementing military-civilian cooperation. With the support and endorsement of the Military-Civilian Steering Committee, Beaufort last month received $25,000 from the State Commission on Alcohol & Drug Abuse to establish a Crisis Intervention Hotline and another $13,000 to start an Alcohol Safety Action Program to deal with driving under the influence.

While good things are beginning to happen, there are ever present problems. We know that just as in the private sector, the successful implementation of any substance abuse program depends largely on the personal convictions of individuals up and down the chain of command—that without command commitment, involvement and support, the program is in trouble.

Another problem is that in many cases, military personnel are assigned to the alcohol abuse program as an additional duty. Of these, many are "putting in their time," but don't really have their hearts in the work. Command and staff personnel are often so busy with their myriad duties that their contribution to the alcohol abuse program becomes more a function of personal conviction than a function of official responsibilities.

Moreover, the high mobility of military personnel, instability in military assignments, budget problems and chronic fluctuations between authorized spaces and bodies to fill them generate turbulence in the program, disrupt its long-term requirements and afford those opposed to the program a chance to "outlast" the system.

In a military-civilian cooperative program the civilian partner can help mitigate some of these problems. Because they have been actively engaged in the attack against alcoholism many more years than their military counterparts, civilians have highly qualified professionals dedicating full time and attention to the issues. These civilian agencies and staffs are relatively stabilized and can contribute the continuity that is so essential to the progressive strengthening and growth of the installation program.

On the matter of general and specialized treatment facilities, the military services have made great progress in just a few years, but in many locations civilian facilities still offer the widest variety of potentially successful helping resources.

To summarize the benefits of this program:

(1) Each community reinforces the other. Neither has an endless supply of resources. There are shortages in money, trained personnel and treatment facilities. A cooperative program helps to overcome some of these shortages and provides opportunities for military and civilian to work together in determning how to spend dollars.

(2) It provides an unusual opportunity for state alcohol & drug authorities to reach a significant part of its population which works on federal property but lives in great part in the civilian community.

(3) It demonstrates to military families the sincere interest and concern of the civilian community, thus facilitating the transition to civilian helping agencies upon separation or retirement.

(4) It provides an alternative source of treatment for those who seek help but refuse to turn themselves in to military facilities.

(5) More acceptable provisions can be made for female problem drinkers.

(6) A broader spectrum of treatment options is made available.

(7) Because of their full time attention to the issues, civilian professionals can contribute to a continuing and extensive exchange of ideas and experiences.

Finally, let me cite a joint regulation of the Army, Navy, Air Force, Marine Corps and Defense Supply Agency, published 1 August 1973 dealing with "Motor Vehicle Traffic Supervision." Under this innocuous title, these armed services have essentially adopted the Alcohol Safety Action Project and have opened the doors wide to military-civilian cooperation. Listen to these quotes which are virtually directive in nature: "Coordinate with national, regional and state traffic officials and agencies, including active participation in conferences and workshops. . . ." "Cooperate with and support programs of state and regional highway traffic safety organizations"—"Where possible, actively support and participate in Alcohol Safety Action Projects in neighboring civil communities."—"Where civil authorities conduct remedial driver training courses, local arrangements may be made for installation personnel to attend these courses in lieu of courses conducted on military installations."

It seems to me the Armed Forces want to join us in the attack on alcohol and drug abuse. Why don't we do a better job of enlisting them in the good fight?

CRISIS IN MEDICAL MALPRACTICE FIELD

Mr. LAXALT. Mr. President, as many of my colleagues are aware, an incipient crisis in the medical malpractice field is currently the subject of considerable national attention. For the past 10 years there has been a dramatic upturn in the number and size of malpractice claims being filed against health care providers with the result being that there are only half a dozen companies which carry malpractice insurance. And I am informed that it is now questionable whether any of these will be doing business in 2 or 3 years unless the situation improves.

Many private insurers have dropped their malpractice insurance coverage claiming that it is a profitless business. They point to statistics showing that 10 years ago about 6,000 malpractice claims were filed per year; in 1970 this number climbed to approximately 11,000, while today it is estimated that anywhere from 15,000 to 20,000 such claims will be opened. With the incidence of claims balloning, 1 out of every 5 doctors can now expect to be sued during his career, and 1 out of every 7 physicians in some high risk specialties and suit-prone localities can expect to be sued each year. The average settlement or court judgment has grown by 13 to 14 percent each year.

Mr. President, all of us in Congress should recognize that the increased incidence of malpractice suits may have, or already has had, an extremely detrimental effect on the practice of medicine and the quality of medical care in this country. It is conceivable that medical providers, hypersensitized to the possibility of being sued, could practice "defensive medicine." Providers are being forced to protect themselves by taking excessive precautions in the treatment of patients—this is, they may undertreat patients, foregoing treatments and procedures which carry higher risk of injury in favor of more secure alternatives which could prove less beneficial in the long run—for the sake of building a strong defense in any claims that may result. In addition, the threat of malpractice suits has led to an inefficient use of manpower.

Physicians and hospitals—sometimes liable for injuries negligently caused by nurses, paraprofessionals, and other health personnel—are naturally reluctant to permit those personnel to perform any services which carry a risk of injury to the patient. As a result, these people are underutilized, being prohibited from administering treatment which they are fully trained and qualified to handle.

This problem reached crisis proportions in my State of Nevada at the end of last month, Mr. President. A major malpractice insurer went out of this business and, for a time, it appeared that many physicians would be forced to stop practicing. The Nevada State Legislature acted swiftly, however, and passed legislation which set up a quasi-governmental "Nevada Essential Insurance Association" to form an assigned risk insurance pool and write malpractice policies with all the State insurers participating. This commendably resourceful and quick response by the State government prevented the possibility of an immediate breakdown in Nevada's medical care system. However, I am informed that though the pool insurance is available the insurance rates remain high. Consequently, the health care providers in our area are not entirely satisfied and, of course, the long-range national problem has not been alleviated; the private malpractice insurance market continues to deteriorate while the volume of law suits does not promise to subside. We in the Senate, a national body, have a responsibility to study the problem and suggest courses of remedial action.

Several bills to provide for a national program of medical injury compensation insurance have been referred to the Committee on Labor and Public Welfare, of which I am a member.

Mr. President, all of us realize that

something must be done before the small number of companies in the private insurance market who still do write malpractice insurance shrinks further and before the astronomical rates climb even higher. Any bill which comes to the Congress for consideration must be complete and equitable if it is to solve the problem without creating new ones. I believe that if we concentrate our attention on this very serious matter, good legislation can be written for consideration during this Congress. I urge my colleagues to address themselves to this issue immediately.

STATEMENT BY JORGE MAS CANOSA BEFORE THE SUBCOMMITTEE ON INTERNATIONAL TRADE OF THE HOUSE OF REPRESENTATIVES

Mr. STONE. Mr. President, I ask unanimous consent that a statement made today before the Subcommittee on International Trade and Commerce of the House Committee on International Relations, together with the exhibits attached, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY JORGE MAS CANOSA

Mr. Chairman and distinguished members of the Committee:

It is a privilege and an honor for me to testify before this Committee in behalf of my fellow citizens and the cause of free Cuba.

I was notified only last Thursday of this appearance before this Committee. In spite of this short notice, I would try to bring to your attention providing facts, principles and specific examples that will support the position taken by the Cuban people in exile, contrary to the resumption of trade and diplomatic relations with the communist tyranny of Cuba. In this testimony, I have tried, and I think I have succeeded, to set aside all emotional involvement or traumatic experiences that, as a Cuban refugee, I have suffered during the last sixteen years.

Therefore, my objections to such trade and diplomatic relations are based on cold facts that I would try to prove in this testimony.

TRADE BETWEEN THE UNITED STATES AND CUBA

Early and throughout 1960, the Fidel Castro regime illegally confiscated, according to the Foreign Claims Settlement Commission, more than 1.8 billion dollars from United States citizens without any compensation.

Furthermore, over 2.5 billion dollars were illegally confiscated from Cuban nationals who up to 1960 owned business enterprises. As a result of this policy, Cuba, which was one of the most prosperous and richest nations of the Western Hemisphere, became one of the poorest nations. For more than fourteen years, and up to now, every Cuban citizen is forced to live under a very strict rationing that, in the opinion of many experts, is even worse than the one that was in effect last century when Cuba was still a colony of Spain.

To resume any commercial trade with the Castro regime will, in effect, legitimate the illegal confiscation of U.S. properties that has put such heavy burden on the United States tax payers. It will also encourage other nations throughout the world to take American properties without paying due compensation. It will also show to those nations that a waiting period of sixteen years or more—after confiscating illegally such property—is enough to claim and obtain free and clear title to those properties.

Furthermore, as an additional trophy for that illegal confiscation, those nations will receive the benefits of profitable trading with their former confiscation victims.

It should be clear to all American investors and businessmen, that the nature of the economic system under a Communist regime is absolutely contrary to the essence of free enterprise. It has been reiterated by Castro in one of his recent speeches, that Cuba will never tolerate the right to own any private property, not only by Cubans but by any foreign businessmen. Since the right of possessing private property to earn a reasonable profit are the basic fundamentals of any free enterprise, I ask myself, on what basis can American businessmen establish any commercial relations with the Communist tyranny of Cuba?

I also would like to bring to the attention of this Committee that the economic interest as well as the improvement of better living conditions for the Cuban people is always second to the egocentric political ambitions of Fidel Castro. When Cuba was enduring one of the most deeply economic crises of its history, Castro further reduced the quota of sugar to the Cuban people (the irony, coming from one of the largest producers of sugar in the world) in order to send more sugar to the government of his good friend and ally, Salvador Allende, in Chile. During that same period of time, Castro was sending sugar and other Cuban goods, which the Cuban nationals were deprived of, to the government of North Viet Nam. The same happened when Peru suffered the tragedy of the earthquake. It has even been proved the economic support that the guerrilla fighters on Portugal's African colonies, have received from the Castro regime during the same critical time of shortage in Cuba.

There is no reason to believe that Castro would ever sacrifice his political ambitions for the well-being of the Cuban people, not even if the United States decides to establish commercial trade with his regime. What would probably happen—if the latter materializes—is that American enterprises will be subsidizing Communist causes around the world through the Communist tyranny of Cuba. American businessmen should not dream about the potential market that Cuba might represent to them. Cuba is the most formidable and strategic political and military base the Soviet Union has outside its territory in the whole world. Russia has lent to the Castro regime billions of dollars under the most favorable conditions, not only eliminating any interest charge, but deferring payment of principal to start in the year of 2001.

Let's suppose Russia decides to withdraw its costly economic support to Cuba. Would the American taxpayer be willing to take Russia's place, at this time of great economic crisis, and bare this heavy burden in behalf of one of U.S. worst enemies?

The dependency of Cuban economy to the USSR is so deep that it would be senseless to assume that because of the resumption of U.S. commercial trade with Castro, the Cuban regime will be able to obtain any grade of independence from the Soviet Union in the future.

Any economic aid that the United States government might give to the Cuban regime is a waste of time and money. The failure of the economy in Cuba is due to the nature of the system itself. Under very strict rationing of goods and without any incentive to produce, the Cuban people refuse, by all means, to cooperate in working diligently in behalf of such a system. The following facts will prove such a statement: Sugar is the basic industry of Cuba. All sugar production before Castro was restricted, due to international agreements. The last ten sugar crops before Castro, with a duration of approximately 120 days grinding season, produced an average of 5.8 million tons of sugar. After Castro, without the above restriction, and despite the fact that lately all efforts of the Cuban government have been aimed to increase the capacity of the sugar mills, the fact is that the average crop of sugar has decreased to 5.3 million tons. This is even worse if you take into consideration that the lower production required an average of more than six months of grinding season. What is the reason behind that fact? One and only one. The lack of cooperation of the Cuban people.

The absurd prices that American housewives have been paying for sugar in the local markets, are due mainly to the fact that Castro is purposely withholding information on the amount of every year's sugar crop in Cuba to panic the world market and make the American consumers "pay through the nose" and help to increase the inflationary trend of this country's economy.

While the production of sugar in Cuba decreases, the demand of this commodity is increasing at the rate of 3% per year in the world market. This situation could have been avoided, in the opinion of sugar experts, if Cuba had remained free. The most conservative estimates, indicate that in the latter case Cuba would have been producing around 8 million tons of sugar per year, thus, avoiding the incredible prices that the American consumers are still paying in local markets.

If the United States government, among other considerations, has entertained the idea that by resuming commercial trade with the Castro regime, the Cuban people would obtain some benefit from this measure, I must call the attention that this would not happen.

This is substantiated by the fact that last year, sugar reached its highest price in history, yet not one single Cuban national received any benefit from this increase. It only goes to prove once more, that the Castro regime, recipient of that "bonanza", does not pass unto its people any benefits at all.

As a Cuban, I think I have established that no benefit will ever be obtained by my fellow citizens in case of a resumption of commercial trade between United States and communist Cuba.

Now, as representatives of the American people, I believe you should ask yourselves a very vital question: Is the resumption of Cuban-American, commercial trade to the best interest of the United States?

Castro has received economic assistance from countries such as Argentina (1.2 billion dollars), Japan, France, Spain and other countries. Credits have been extended by these countries at low interest rates and with long term payment facilities. American business will have to better those credit terms in order to enter the Cuban market.

I respectfully ask the Members of this Committee: Is the United States government or American business willing to extend new credits to this type of debtor who took 1.8 billion dollars from U.S. citizens without due compensation? Are you Americans willing to lay the groundwork for another confiscation plot?

It is a well known fact that the lack of hard currency by the Castro regime, forces it to request and rely on long term credits or barter trades.

What products does the United States need from Castro? Sugar? Nickel?—the great majority of these are already committed to the USSR in exchange for the generous aid and assistance, and the special protection afforded Cuba for the survival of its present regime.

The main reason for the economic assistance that Cuba is receiving from the USSR is better explained by former Premier Nikita Khrushchev, who in his Memoirs expressed the following:

"The USSR extracted from the U.S. a promise that Cuba would not be invaded. This assurance, established the political stability of Cuba, helped, from an economic point of view, to consolidate the regime and in this manner allow Comrade Castro to receive economic assistance".

This statement from Nikita Khrushchev proved that the main motivation for the USSR to give Cuba such tremendous economic assistance is to protect Cuba as its most important political beachhead in the Western Hemisphere.

While this is the basic reason for Russia's economic policy toward Cuba; the United States policy cannot be of the same nature for obvious reasons: Castro is an ally of the Soviet Union. Castro is an enemy of the United States. How then, can the United States better the terms of the Russian and Cuban trade and at the same time obtain benefits for American industries without supporting the political establishment in Cuba whose aims are to continue the task of diminishing all political and economical influence of the U.S. in Latin America and in other parts of the world.

Last, but not least, Mr. Chairman and distinguished Members of the Committee, let's not deceive ourselves. Castro's ambition is to achieve the moral capitulation of the United States in behalf of his communist regime. If the U.S. Government resumes trade with Cuba, Castro will no doubt claim: That the U.S. has been wrong for the past 15 years; that communist Cuba throughout these years has been the victim of "Yankee Imperialism" and that the Cuban Revolution has emerged victorious from its struggle for justice.

Let's deprive him of that opportunity!

Let's not play into Castro's hands!, and

Let's stay away from what will be a senseless adventure from which the worst consequences can only be expected.

UNITED STATES DIPLOMATIC RELATIONS WITH COMMUNIST CUBA

After Castro came to power in Cuba, the United States started to encourage Cuban nationals to leave their country and seek refuge in American soil.

A chain of events concluded in the interruption of diplomatic relations between the United States and communist Cuba. A year later, freedom loving Cubans, with the support of the United States, invaded the Island, in an effort to liberate their country. That tragic episode in the United States military history is better known as the "BAY OF PIGS FIASCO".

EXPULSION OF CUBA FROM THE ORGANIZATION OF AMERICAN STATES (O.A.S.)

In January, 1962, in a meeting of the Foreign Relations Ministers, held at Punta del Este, Uruguay, the Castro regime was expelled from the Organization of American States, because of the "incompatibility of its regime with the principles of the Charter of the OAS".

We would like to emphasize that the U.S. is bound by that resolution and we also want to call your attention that the nature of the Castro regime has not changed and still maintains those same principles that were the reason for its expulsion.

BREAKING OF DIPLOMATIC AND COMMERCIAL RELATIONS WITH CUBA

On July, 1964, at the Ninth Conference of Foreign Relations Minister held at Washington, D.C., convene under the Inter-American Treaty of Reciprocal Assistance, a resolution was passed calling on all Member nations to break diplomatic and commercial relations with the Castro regime because of its interference with the internal affairs of other nations of the Hemisphere.

The circumstances which prevailed at that time are still in effect today. Even after the above resolution was passed by the O.A.S., the Castro regime persisted in carrying out its subversive activities. "Che" Guevara, one of the most important leaders of the Cuban revolution, together with a number of Majors and Captains of Castro's Army, was killed by the Bolivian Army while trying to take over that country and establish a communist regime similar to Cuba's.

Furthermore, other Members of the Cuban Armed Forces were imprisoned or killed while trying to subvert or overthrow the government of such countries as: Panama, Dominican Republic, Guatemala, Nicaragua, Venezuela, Colombia, Ecuador, Peru, Chile, Paraguay, Uruguay, Argentina and Brazil.

As recently as November of 1974, "Background Notes" on Cuba, distributed by the U.S. Department to the Latin American Embassies stated that: "Castro and other top Cuban leaders have continued publicly to reaffirm their commitment to support revolution abroad". (See Addendum "A")

But these attempts of subversion are not limited to our Hemisphere. It has been proven that the Cuban communist government has also sent Military Technicians and weapons as far as North Viet-Nam, Syria, Portugal's African colonies, where Major Rodriguez Peralta, of the Cuban Army was captured and sent to a Lisbon prison.

We could spend hours and hours giving this Committee specific information about Castro's intervention in the affairs of other nations, but let Castro himself tell us about his plans in his last two speeches.

On March 20, 1975, less than two months ago, speaking at Hotel Atlantico in Santa Maria del Mar, at a closing meeting of the Coordination Bureau of the Non-Aligned countries, Fidel Castro proclaimed, once more, his all out support to North Viet-Nam in its aggression against South Viet-Nam; he also encouraged North Korea in its struggle for the reunification of both Koreas, and the subversive groups of Brazil, Chile and Nicaragua.

Recently, on Wednesday, April 9, 1975, at the City of Cienfuegos, Cuba, during the visit of Forbes Burnham, Prime Minister of Guayana, Castro promised to support the terrorist activities of the Palestinian Front and the subversive groups of South Africa, Chile and Brazil.

Thus, it is clear that Castro is not trying or has ever tried to hide these facts, which he proclaims with much pride, as he continues to aid and support all communist subversion groups throughout the world.

Moreover, the resumption of diplomatic and commercial relations with the Castro regime would show other nations of the world that opportunism, blackmail, confiscation, extortion, execution of all dissenters, constant insults, exportation of subversive actions and violations of all the rules and laws of a civilized world can be condoned after a reasonable lapse of time when the pragmatism of detente overcomes the legal and moral principles on which the free world has been able to survive up to the present time.

A LAW OF THE LAND: U.S. PUBLIC LAW 87–733

There is presently in force in the United States a Law concerning the Marxist-Lenninist regime in Cuba.

It is Public Law 87–733 of October 3, 1962 which is well known to all Members of this Committee, and whose repeal has been requested.

This Law *must* be maintained by all means, if the United States is to preserve its leadership among the democratic nations of the world and also because of the following reasons:

First: In order to have legal basis to prevent the aggressive and subversive activities of Castro in the Western Hemisphere, Asia and Africa.

Second: In order to prevent a potential danger to the security of the United States in view of the Soviet Union encroachment throughout the world, as demonstrated by its Naval Maneuvers mentioned in an information from The Miami Herald in its Thursday, May 1st, 1975 edition dealing with a mock nuclear attack against the United States and which reveals the largest world wide Naval exercises in the history of the Soviet Union and how significantly Cuba was utilized as a very important base of operations. (See Addendum B).

There always remain, Mr. Chairman, the question of the Port of Cienfuegos being used as a Soviet Nuclear Submarine base.

Thus, Public Law 87–733 of 1962 is a ready legal instrument to cope with the situations quoted above, and therefore should be maintained as a safeguard for the security of this country.

We shall never forget that on several occasions the U.S. Department of Defense has declared that Cuba is—after the United States—the strongest military power in the Western Hemisphere.

Third: The repeal of Public Law 87–733 of 1962, will be the final crushing blow to the already cool relations between the Cubans in Exile and the United States government.

The Cubans were abandoned at the Bay of Pigs invasion—all promises of support and aid broken—and finally our people have seen, that what was a patriotic deed in the early 60's is today a felony deserving persecution and imprisonment by the same institutions which used to give us aid and support in our struggle for freedom and independence.

LACK OF U.S. LEADERSHIP

All recent events, including the hearing of this Committee, indicate that in the long struggle between the United States and Fidel Castro, the latter apparently is going to emerge victorious.

The relaxation of U.S. policy toward Cuba—strongly backed by the Soviet Union—is another signal of how U.S. leadership is deteriorating throughout Latin America.

The abandonment of the freedom loving people of Indochina in 1975—as already happened to the freedom loving Cubans in the Bay of Pigs invasion in 1961—has evidenced to the Latin American countries that the United States government is no longer a reliable ally.

The weakness and contradictions found in the U.S. foreign policy has created a vacuum of leadership in the Western Hemisphere.

Thus many Latin American nations are reassessing their policies and are now seeking an easing of their relations with the Castro regime. They are trying to borrow time for their own survival, due to the fact that they no longer feel protected and secure with their alliance with the United States. So, they are now looking for a way to deter any aggression from Communist Cuba. This is today a world-wide political trend affecting countries such as the Philippines, Thailand, etc.

Those are, Mr. Chairman, the real reasons why many Latin American countries have decided to re-establish diplomatic relations with Cuba, and not as the State Department claims, that it is because the Cuban government is not interfering any more in their internal affairs.

There always remains, Mr. Chairman, the question of human rights in Cuba. For more than 15 years "Cuban political prisoners have been enduring the most cruel, inhumane and degrading imprisonment".

From the International Jurist Commission in 1962, in their study entitled "Cuba and the Empire of Law". Such inhumane imprisonment is characterized by gross violations of human rights based on the practice of the institutionalized terror and community hate affecting tens of thousands of men and women.

These facts are: murder; physical and mental torture; insufficient and revolting food; denial of visiting rights; refusal to deliver food and mail from relatives; imposition of political indoctrination and forced labour; arbitrary re-sentencing of prisoners who have already served their sentences for having refused to accept political indoctrination and forced labour and as a means to extend, illegally and indefinitely, their term of imprisonment; re-arrest of those released for the most trivial of reasons, true or invented; and for the released, great difficulties in finding work or obstruction to their departure from the country; solitary confinement in windowless cells where prisoners become sick and die without having seen daylight in many years; subjection to biologic and psychologic experiments; beatings with sticks, canes, chains, sables and bayonets, and the imposition of degrading measures such as complete nudity.

This situation and these facts have been repeatedly denounced by international organizations as the Inter-american Human Rights Commission of the Organization of American States. (See Addendum C).

Other International organizations as the International Commission of Jurists, the Inter-american Press Association, the International Rescue Committee, the International League for the Rights of Men and Amnesty International have demonstrated their concern over the human rights situation in Cuba, but neither one of them have been able to succeed in stopping the Fidel Castro regime from the inhuman and cruel treatment to their political prisoners.

I wonder, Mr. Chairman, that in light of recent trips to Cuba of distinguished members of the Senate, including a sympathizer of Fidel Castro, the honorable Senator George McGovern, if any of those visitors have requested from Fidel Castro to visit any of the 150 jails or concentration camps spread throughout the Island, or has asked Fidel Castro or any one of his representatives for the following facts:

Thirty-five women prisoners who have refused the "rehabilitation" (marxist-leninist political indoctrination) are kept in one of the labor camps called "Nuevo Amanecer". They are: Leonor Olivera, Leopoldina Grau-Alsina (Polita, niece of former President Dr. Grau-San Martin), Fidelina Suarez, Nercida Polo, Ester Castellanos, Aleja Sanchez Piloto, Berta Alemán, Maria Amalia Fernandez, Felicia Guillermina Garcia, Georgina Cid, Nilda Diaz, Ana Bustamante, Dolores Correoso, Xiomara Wong (the Japanese), Elda Denys Albertina O'Farrill, Esther Campos, Clara Alonso, Caridad Cabrera, Aracely Rodriguez, Zoila Avila (la niña), Dora Delgado, America Quesada, Ofelia Rodriguez, Maria Magdalena Alvarez, Teresa Bastanzuri, Sara Carranza, Maria Garcia Rangel, Miriam Ortega, Mercedes Peña, Lucrecia Sanchez and Ana Lazara Rodriguez.

Of the above mentioned women, we know that Aleja Sanchez Piloto, age 50, suffers progressive and deforming arthrosis as well as a bucal growth. Sara Carranza is almost blind, Dolores Corroso has an operation of the ovaries and Zoila Avila (la niña) is mentally disturbed. Due to lack of medical assistance, almost all have lost their teeth, suffer avitaminosis, ovaric problems due to a traumatic menopause as a result of lack of medicines as well as the mental anguish and physical tortures endured.

These women especially the ones who have been imprisoned for over ten years, show signs of an extremely advanced geriatric development, especially in their visual organs.

Six of these women were recently transferred to La Cabaña, prison for men, among them, Miriam Ortega, who is semi-invalid and also lost an eye as a result of a beating.

Among the prisoners at La Cabaña, we wish to mention a few sick and invalid men: Federico Hernandez Gonzalez, cerebral ataxia; Francisco Lopez Perez, age 70, cancer of the throat and unable to speak; Alfonso de Armas Orozco, cancer of the stomach; Tony Cuesta, blind and mutilated; Antonio Dominguez-Hernandez, and Ramon Garcia Salcedo are almost blind and have a type of toxoplasmosis which they acquired through germs in bat manure they handled at labor camp, Abel Nieves-Morales, with only one kidney and a testicle that has to be removed, Alfredo Izaguirre, journalist, with hepatic cirrhosis; Dr. Abelardo Codinach, age 72, spinal cancer; Andres Vargas-Gomez, grandson of Generalissimo Maximo Gomez, hero of the War of Independence and Pablo Castellanos, journalist, with cardiac infarcts, chronic hypertension, duodenal ulcer and asthma. Additionally, Manuel Romeu Fernandez, Juan Miguel Coello Moreno, Rigoberto Pereda Lopez, Gerardo Martiatu Daniel, Heriberto Leon Ruiz, Rene Ramos Angulo, Jose Agustin Gonzalez Savio and Beato Guerra Piñero. Vargas-Gomez has one infected kidney; the other was amputated.

Also at La Cabaña, there are innumerable men who upon completion of their terms have been arbitrarily resentenced to new periods of confinement because they have refused to accept hard labor, which implies the admission of marxist-leninist indoctrination-thus, rehabilitation.

Among these are: Roberto Cardes Valdes, Pablo Arenal Piñon, Julio Rodriguez Lamelas, Pablo Castellanos Caballero, Angel Luis Bicet, Segundo de la O, Elejalde Cepero, Manuel Hernandez Gomez, Eddy Carrera Vallina, Federico Rodriguez Avila Santiago Diaz Perez, Luis Felipe Sabatela Pardo, Reinaldo Cordero and many more. A detailed list with more names, cause, number, ages, etc. will be provided upon request. Former Majors of the Rebel Army, Huber Matos, Eloy Gutierrez-Menoyo and Cesar Paez, as well as labor leader Lauro Blanco and student leader and intellectual Jorge Valls remain isolated and suffering the consequences of repeated beatings. Matos and Blanco were savagely beaten at El Principe several months ago because they refused to accept a bodily search completely naked.

To complete this brief information on La Cabaña, the following men are suffering polyneuritis and are semi-invalid as a result of the most brutal and recent repressive action: Rolando de Vera Mendez, Oscar Rodriguez Terrero, Pedro Batista, Fernando Gomez Fonseca, Israel Dominguez Rodriguez and Armando Valladares Perez. Authorities responsible for this savage aggression on June 24, last decided that the 44 men who refused to accept communist indocrination be deprived of the meager food they received as well as any aspirins or other medicines. In short, he declared them in hunger strike. Following an international scandal, which we started and the totality of Cuban exiles seconded, inside and outside the United States, the savage measure was stopped on August 12th, 1974. The men who resulted with polyneuritis are in urgent need of a special treatment to enable them to walk again.

At the Prison of Boniato, Oriente Province, a great number of prisoners in two of the five wards are starving away to death, living in Cells that are 5 x 10 feet, two men per cell, with steel-planked doors and windows, not seeing the sunlight for years. (If the Congressmen so desire, we will provide you with a list of the prisoners who have died in prison from 1959 through early 1974).

CONCLUSION

As you can see, Mr. Chairman and distinguished Members of this Committee, we do object to the resumption of diplomatic and commercial relations with the Castro regime based on three fundamental reasons:

1) It will be a violation of treaties and resolutions approved by the Organization of American States as well as of Public Law 87–733 of 1962.

2) It will be a decisive blow to the cause of Democracy in the Western Hemisphere, as United States surrenders to the Castro Regime the traditional principles on which this nation was founded.

3) It will be a violation of all moral principles by resuming relations with a regime labeled properly by the International Commission of Jurists as the most "cruel, inhumane and degrading known to America."

Cuba, Mr. Chairman, is going to be free, and Cuba is going to be free through the patriotic efforts of the Cubans themselves, with or without the help or understanding of this great nation.

In the Cuban issue, you are facing a grave decision. We hope and pray that in these critical times you will have the courage and wisdom that will lead you to take the positive steps which are so desperately needed in order to save mankind from Communist enslavery.

Thank you very much.

Addendum "A"

Background Notes—Cuba.

Department of State,
November 1974.

Foreign Relations

Shortly after the fall of Batista, the determination to "export" Cuban revolutionary techniques and experience, especially to other Latin American countries, became a major element of Cuba's foreign policy. This development, along with the avowedly Marxist-Leninist character of Cuba's Government and its alignment with the Soviet Union, led in January 1962 to its exclusion from active participation in the Organization of American States (OAS).

In July 1964 the Ninth Meeting of Consultation of Foreign Ministers of the American Republics condemned Cuba for aggression and intervention in Venezuela and resolved that OAS member states should: (1) have no diplomatic and consular relations with Cuba and (2) suspend all trade and sea transportation, with certain exceptions for humanitarian reasons, until the Permanent Council of the OAS determines by two-thirds vote that Cuba has ceased to pose a danger to the peace and security of the hemisphere. This decision was reaffirmed by the OAS in September 1967.

Cuba's interventionist activities in the internal affairs of other countries became more selective after the failure by Ernesto "Che" Guevara, Castro's fellow-revolutionary, to mount a rural insurgency in Bolivia in October 1967. However, Castro and other top Cuban leaders have continued publicly to reaffirm their commitment to support revolution abroad, although failures have forced them to be less dogmatic in their insistence on the Cuban model as the only way to mount a revolution.

Other major elements of the foreign policy of Castro have been his hostility toward the United States and his dependence on the Soviet Union for economic and military assistance.

Addendum "B"

[From the Miami Herald, May 1, 1975]

Soviet Navy Conducts Mock Nuclear Attack

(By Jack Anderson)

Intercepted messages and reconnaissance reports reveal that the gigantic month-long Soviet naval exercise, just concluded, was a mock nuclear attack on the United States.

Other ominous intelligence reports compiled by the Central Intelligence Agency, Defense Intelligence Agency and State Department show that the Russians also are constructing supersophisticated, bomb-proof underground installations around Moscow.

These awesome activities have American intelligence analysts gravely perplexed. "We live with the possibility of nuclear war every day," one top intelligence official told us. "But no one really believes it will ever happen. Now here are the Russians actually practicing for such a thing. It's really scary."

Our sources caution, however, against jumping to any conclusion about the developments in Russia. The Soviets, they say, show no indication that they are abandoning the détente with the United States. On the contrary, the dismissal of Kremlin hardliner Alexander Shelepin, according to intelligence analyses, suggests that Moscow still wants friendly relations with the West.

More ships were involved in the mock nuclear attack than have ever been deployed in Soviet naval history. Not even the United States, with all its allies, has ever held such large-scale maneuvers.

Over 220 Russian vessels participated in the worldwide exercises, including the most powerful cruisers, destroyers and submarines in the Russian fleet.

They sailed from their home ports into the Atlantic and Pacific oceans, the North Sea, the Indian ocean and the Mediterranean and zeroed in on American sea lanes.

Soviet battle groups, playing the role of U.S. warships, were dispatched throughout the seven seas. Then, longrange Russian reconnaisance aircraft located and intercepted them.

Significantly, some of the Soviet planes operated out of bases in Cuba, Guinea, East Africa and the Soviet Union itself. The use of Cuba as a military base, some sources pointed out, comes close to violating the Monroe Doctrine.

Throughout the exercise, Soviet planes and ships engaged in simulated attacks.

The scenario they used, the intercepted messages show, was a nuclear war. And the compelling drama began with a simulated Soviet nuclear attack on the United States.

Official spokesmen refused to confirm that the spectacular exercise was a mock nuclear war. But our sources say they are worried about Russian sensibilities.

Around Moscow, meanwhile, the Kremlin is building a reported 27 subterranean facilities which are designed, say our sources, to be used as command centers in the event of nuclear war.

The United States also has underground command posts, but they are far inferior to the sophisticated Soviet centers.

Some of the subterranean shelters are marked by acres of antennae and are referred to by U.S. analysts as "antennae farms." Some of the antennae are for low-frequency communications, which will enable the Soviets to stay in touch with their submarines.

ADDENUM "C"

RESOLUTION OF THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

RESOLUTION ON CASE NO. 1604 (CUBA) THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

Whereas: That by communication of October 14, 1965, the following was denounced:

"Reports have shown that Pedro Luis Boitel, former President of the Student Body of the School of Engineering of the University of Havana, who in 1959 ran in the elections for President of the University Students Federation, is about to die.

"We beg of you to take the steps necessary to approach the Havana Government Representatives to obtain that Pedro Luis Boitel be included among the sick Cubans that are authorized to leave Cuba";

That according to the faculty conferred upon it by Article 9 (bis) of its Statute, this Commission requested from the Government of Cuba, by note of April 28, 1966, the corresponding information, transcribing the pertinent parts of the aforementioned communication, in compliance with the manner established in Articles 42(1) and 44 of its By-laws;

That the Government of Cuba did not reply to this request, in spite of the urgency and graveness of the facts listed in the denouncement;

That during its twentieth period of sessions (December of 1968), the Commission noted that the Cuban Government had not yet provided the reports requested and, having elapsed the 180 days prescribed in Article 51 of the By-laws, it agreed, in accordance with Clause 1) of said article, to presume that the facts denounced were true;

That by note of February 14, 1969, the Government of Cuba was advised of the agreement reached during the twentieth period of sessions, and stating likewise that the Commission assumed that the corresponding authorities of that government had taken the measures necessary to stop the conditions to which Pedro Luis Boitel was subjected, since they were in violation of the American Declaration of the Rights and Duties of Man;

That again in this instance, the Government of Cuba did not answer said note;

That in view of the fact that, continuously, communications or claims were received from individuals and entities, including Mr. Pedro Luis Boitel himself, exposing the pitiful conditions in which he and other political prisoners remained imprisoned in Cuba, the Commission agreed, during its twenty-second period of sessions (November of 1969), to reopen the examination of this and other cases and address, by note of December 22, 1969, the then Council of American States, to declared:

"At present, the Commission, through numerous denouncements and various testimonies to which value is granted, has been informed of the extremely grave situation that has been created for the political prisoners in that country, which are counted by tens of thousands."

That as was stated in said note:

"According to said denouncements and testimonies, following infliction upon these prisoners, especially those at 'La Cabaña', of inhumane, cruel, and degrading treatment, a hunger strike was staged during 36 days several months ago, which strike ended with the death of several and endangered the lives of many more. In a desperate reaction from the political prisoners, started at 'La Cabaña', with the slogan of "deportation or death" (abiding by the offer made by the United States Government that they would welcome those who were expelled from the Island), action spread throughout other prisons in similar movements. The reply from the Cuban Government came to be, from reports in possession of this Commission, overemphasizing the cruelty of treatment beyond the limits of toleration by these citizens. We have also received denouncements as to the suppression of medical assistance, supply of medication and adequate clothing as well as the minimal food required; the imposition of forced labor, and all types of physical and moral tortures, to the extreme of simulated executions. But not only have these political prisoners been subjected to these inadmissible treatments, but their mothers and wives have also been subjected to all types of vexations and moral tortures, having been forced to humiliating bodily examinations, denying them all communication with their imprisoned relatives, even going to the cruelty—during the hunger strike at 'La Cabaña—of announcing publicly to the women gathered outside the prison the new deaths occurred, but withholding the names of the dead prisoners."

That, likewise, the November 22, 1969 communication made it known that:

"According to news that the Commission has on hand, this process of worsening of living conditions among Cuban political prisoners is still in escalation, with the resulting imminent danger of death for many of them. Specifically in connection with the facts with which this note deals, the Commission requested information from the Government of Cuba by cablegrams dated the 18th and the 23rd of October, 1969, which, to date, have not merited an answer."

That, finally, in said note it was stated to the then Council of the Organization that:

"Moved by deep humanitarian considerations, the Commission has felt it necessary to advise urgently the Council of the Organization in connection with these extremely grave facts so that they be known by all member States, and also in the hope that the Council, having more ample and varied resources for action, as well as the government represented therein, may dictate efficient formulae for the protection of so many human beings who are exposed to the risk of imminent death."

That, on May 15, 1972, it was denounced before the Commission that Mr. Pedro Luis Boitel, still imprisoned at the so-called 'Castillo del Príncipe', in Havana, was in critical health due to the tortures and cruelties to which he was still being subjected.

That, again, the Commission, exercising the faculty granted by Article 9 (bis) of its Statute, requested from the Government of Cuba, by note dated May 24, 1972, the corresponding information, transcribing the pertinent parts of the afore-mentioned communication, in the manner prescribed by Articles 42(1) and 44 of its By-laws;

That on the 28th instant, the Commission received a communication stating that Mr. Pedro Luis Boitel had died in prison, following eleven years of confinement, as the result of the tortures inflicted upon him;

That again in this instance, and in compliance with its By-laws, the Commission reiterated, by note dated June 6, 1972 to the Government of Cuba, its request for the information on this case which that government deemed pertinent;

That the Commission, in its twenty-ninth period of sessions (October of 1972), in compliance with Article 9 (bis) c) of its Statute, agreed to set forth the observations which it deems appropriate relative to this case in the annual report which is to be submitted to the General Assembly of the Organization;

That neither the formulation of such observations nor, in general, the competence of this Commission to know of the denouncements regarding the violations of human rights committed in Cuban territory, finds impediments in the measures adopted by the Organization of American States with respect to the present regime of that country, since it has not started off the mechanism for denouncements set forth in Article 148 of the Organization Charter, due to which this Commission has the duty to keep abreast of these denouncements.

That in view of the systematic silence adopted by the present Government of Cuba in the face of the numerous communications received from this Commission, it would serve no practical objective to issue recommendations of the types set forth by Articles 9, Clause b); and 9 (bis), Clause b) of the Statute. It does not impede, however, that the Commission makes known to the Assembly the judgement deserved by the facts denounced;

Resolves:

1. To make it known to the Assembly that the facts denounced in communication No. 1604, imputable to the Government of Cuba,

constitute an extremely grave case of violation of the right to life, to freedom, to safety and integrity of the person, consecrated in Article I of the American Declaration of the Rights and Duties of Man.

2. To forward the text of this Resolution to the Assembly, to the Government of Cuba and to the claimants.

Organization of American States,
Inter-American Commission on
Human Rights.

Resolution on Case 1721 (Cuba)

Whereas: The following was denounced in a communication of August 5, 1971:

"In El Principe Castle, Sixth Section, there is a group of ten men, political prisoners, who have been totally isolated from the other inmates since December 19, 1970.

Their names are: Eloy Gutiérrez Menoyo, Hubert Matos, Pedro Luie Boitel, César Paez, T. Lamas, A. Gamis, L. Blanco, J. Pujal, J. Valls and O. Figueroa.

The majority of these ten men were kept in the Guanajay Prison and on December 18, they were ordered to collect their few and wretched belongings and were kept totally incommunicado until the next day when they were transferred to El Principe Castle and confined in the Sixth Section.

Since then (exactly seven and a half months ago), the only contact these men have had with other persons is on visiting days, once a month, when one or two relatives are allowed inside the prison. The visit lasts for one or two hours and it is conducted in private (not in the place intended for visits) and nobody else is allowed to see them, nor can they see anybody else.

They are allowed to use a tiny patio measuring approximately 3 by 10 meters, enclosed on all four sides by huge whitewashed walls which, despite their height, allow the passage of a little sunshine from 12 to 3 p.m.";

In exercise of the authority granted it by article 9 (bis) of its Statute, the Commission requested the Government of Cuba, in a note of November 17, 1971, to provide information on the matter and transmitted to it, at the same time, the pertinent parts of the above-mentioned communication, in the manner established in articles 42(1) and 44 of its Regulations;

At its twenty-ninth session (October 1972) the Commission noted that the Government of Cuba had not yet furnished the information requested and that the 180-day period specified in article 51 of its Regulations had elapsed;

Article 51 of the Regulations reads as follows:

"1. The occurrence of the events on which information has been requested will be presumed to be confirmed if the Government referred to has not supplied such information within 180 days of the request, provided always, that the invalidity of the events denounced is not shown by other elements of proof.

2. The Commission may make an extension to the term of 180 days in cases in which it finds it justified";

Neither the formulation of such observations nor, in general, the competence of this Commission to take cognizance of denunciations regarding violations of human rights committed in the territory of Cuba is barred by the measures adopted by the Organization of American States with respect to the present government of that country, since that government has not denounced the Charter of the Organization as provided for in Article 148 of the Charter, for which reason it is the duty of this Commission to continue to take cognizance of these denunciations;

In view of the systematic silence of the present Government of Cuba in the face of the numerous communications received from this Commission, it would serve no practical purpose to make recommendations to that government of the type envisaged in articles 9 paragraph b) and 9 (bis) paragraph b) of the Statute. However, this does not prevent the Commission from making known to the Assembly the judgments merited by the events denounced.

THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

Resolves:

1. To consider confirmed, through application of article 51 of the Regulations, the occurrence of the events denounced in the communication of August 5, 1971.

2. To make known to the Assembly that the events in question constitute a very serious violation of the right to liberty and personal security, set forth in Article I of the American Declaration of the Rights and Duties of Man, and that such events are imputable to the Government of Cuba.

3. To transmit the text of this resolution to the Government of Cuba and to the claimants.

Organization of American States,
Inter-American Commission on
Human Rights.

Resolution on Case 1726 (Cuba)

Whereas: A communication of October 10, 1971, alleged that, in the jail of the town of Manacas, Province of Las Villas, Cuba, Mr. Oriol Acosta y Garcia, a political prisoner, had been murdered in his cell by guards on August 5, 1971 and other prisoners had been wounded;

Pursuant to the authority conferred upon it by article 9 (bis) of its Statute, this Commission requested the Government of Cuba, by note of March 26, 1972, to provide information on the matter and transmitted to it, at the same time, the pertinent parts of the aforementioned communication, in the manner established in articles 42 (1) and 44 of its Regulations;

At its twenty-ninth session (October 1972), the Commission noted that the Government of Cuba had not yet furnished the information requested and that the 180–day period specified in its Regulations had elapsed;

Article 51 of the Regulations reads as follows:

"1. The occurrence of the events on which information has been requested will be presumed to be confirmed if the Government referred to has not supplied such information within 180 days of the request, provided always, that the invalidity of the events denounced is not shown by other elements of proof.

"2. The Commission may make an extension to the term of 180 days in cases in which it finds it justified";

Neither the formulation of such observations nor, in general, the competence of this Commission to take cognizance of denunciations regarding violations of human rights committed in the territory of Cuba is barred by the measures adopted by the Organization of American States with respect to the present government of that country, since that government has not denounced the Charter of the Organization, as provided for in Article 148 of the Charter, for which reason it is the duty of this Commission to continue to take cognizance of these denunciations;

In view of the systematic silence of the present Government of Cuba in the face of the numerous communications received from this Commission, it would serve no practical purpose to make recommendations to that government of the type envisaged in articles 9 paragraph b) and 9 (bis) paragraph b) of the Statute. However, this does not prevent the Commission from making known to the Assembly the judgments merited by the events denounced, the Inter-American Commission on Human Rights.

Resolves:

1. To consider confirmed, through application of article 51 of the Regulations, the occurrence of the events denounced in the communication of October 10, 1971, and that such events are imputable to be Government of Cuba.

2. To make known to the Assembly that the events described in case 1726 constitute a very serious case of violation of the right to life, liberty and personal security, set forth in Article I of the American Declaration of the Rights and Duties of Man.

3. To transmit the text of this resolution to the Government Cuba and to the claimants.

THE DEATH OF CARDINAL MINDSZENTY

Mr. BUCKLEY. Mr. President, the death of Josef Cardinal Mindszenty leaves an enormous, unfillable void among the champions of freedom. He fought the twin tyrannies of our cruel century—Nazi, Fascism, and Communism—with a courage and determination and fortitude that seem to be sadly lacking in the Western World today.

It is a sad irony that Cardinal Mindszenty's death should come at a time when millions of innocent victims in Southeast Asia have recently been given over to the same kind of totalitarian rule against which he fought so long and so bravely.

In the terms the world recognizes, he died without power and in defeat. But he never heeded the siren call of worldly power. He chose a different—and a better—path. He left us a great legacy.

No matter what the fasionable ideas of the time may say, no matter how "diplomatic" acquiescence to dictators may seem, there is only one answer to tyranny and that is the answer he gave: a magnificent, unyielding no.

Mr. President, I request unanimous consent that remarks I made on February 19, 1974, regarding Josef Cardinal Mindszenty's heroic struggle for freedom, be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

[From the Congressional Record, Feb. 19, 1974]

Mindszenty: Crown of Thorns, Crown of Glory

Mr. President, there are men and women throughout history who, because of their character and nobility of spirit, attain a kind of glory that makes them symbols of courage, patriotism, and perseverance. Such a man is Josef Cardinal Mindszenty of Hungary. As you know, he has been living in Vienna, in exile from his beloved Hungary, since 1971. The Washington Post, February 6, 1974, reported that this great man has been dismissed by Pope Paul VI as primate of Hungary. The decision is, of course, one made strictly within the Roman Catholic Church and I shall not comment the decision as such. But I would like to say a few words about what this action will be seen to mean in terms of Cardinal Mindszenty's long, heroic fight against tyranny.

It would seem that we have come to the end of an era, for the name of Mindszenty has for many many years, symbolized to the world the unyielding, uncompromising, splendid defiance of Nazi and Communist tyranny. We do not know the reaction of the Communist rulers of Hungary to Cardinal Mindszenty's dismissal. But it is not unreasonable to suspect that in the corridors of power in Budapest those who came to power wading through the blood of their countrymen in the late 1940's and in 1956 are breathing sighs of relief. It is not simply Mindszenty the man who caused them so much trouble, but what he represented: the refusal based on principle to cooperate in the enslavement of one's countrymen.

There are those who say that the kind of anticommunism represented by Cardinal Mindszenty is no longer fashionable, that it is a "relic" of the "cold war." I do not share this view. When the history of this cruel century is finally written, when men and women can look back with some perspective on the modern totalitarian age in Europe, I am confident that Mindszenty's majestic fortitude will be seen as one of the few truly honorable acts of our time. The Post article described Cardinal Mindszenty's anticommunism as "fiery." That is, I believe, a well-chosen word, for what Cardinal Mindszenty has done, since 1948, when the Communists tortured and beat and drugged him in order to make him "confess" to a nonexistent crime, until today, is to enflame the hearts of all those who love freedom and to light a torch of liberty that not even the spohisticated barbarism of communism could extinguish. I wish the political leaders of the West had such a fire inside their hearts and minds.

The Pope, in writing to Cardinal Mindszenty, said that his years of resistance were a "crown of thorns." This is no doubt true, but what a magnificent crown it is, what a crown of honor, what a crown of glory.

Josef Cardinal Mindszenty may have been dismissed; he will never be forgotten.

PLUTONIUM PROLIFERATION

Mr. RIBICOFF. Mr. President, the inherent hazards of plutonium are of growing concern to all Americans because of its dual role as a potential fuel for nuclear power reactors and as a basic material for atomic bombs.

Current projections for the growth of the nuclear power industry indicate that by the year 2000, reactors in the United States may be producing as much as 1 million pounds of plutonium a year; the worldwide figure may be as high as 2 million pounds. Approximately 20 pounds of plutonium is sufficient to fabricate a crude nuclear device capable of killing up to 100,000 people in a densely populated area, according to Dr. Theodore Taylor and other nuclear weapons experts.

Last year, I introduced and managed the Energy Reorganization Act, which abolished the Atomic Energy Commission and divided its regulatory and promotional functions between two new independent agencies. There is a high-level safeguards office in the new Nuclear Regulatory Commission to deal with the difficult problem of safeguarding plutonium against theft by would-be terrorist bombmakers.

At present, most of the plutonium generated by commercial reactors is still contained in highly radioactive and, therefore, inaccessible, spent reactor fuel. The plutonium hazard will be upon us at such time as reprocessing of plutonium from spent fuel begins. Plutonium reprocessing has been delayed by technical difficulties being encountered in the nuclear industry, as well as by environmental impact studies now being made by the Commission. If it is eventually approved, safeguards must be strict enough to prevent theft or diversion of even the smallest amounts. Development of the breeder reactor, which will generate more plutonium than it consumes, will complicate the safeguards problem even further.

Mr. President, a recent series of three articles in the Washington Star by Jon Fialka provides an excellent summary of all aspects of the plutonium issue. I ask unanimous consent that these articles, which appeared on April 23–25, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star-News,
Apr. 23, 1975]

PRIVATE PLUTONIUM BUSINESS IS BRINGING BIG MONEY TO THE SOUTH

By John Fialka

BARNWELL, S.C.—Sometime next year, if the planners of the nation's private nuclear power industry have their way, the rhythm of this quiet Southern town will be changed in a profound way.

Heavily armored trucks will be pulling out of a massive plant being built just outside of town, carrying in fortified, specially ventilated compartments one of the strangest, most dangerous elements known to man.

State, local and perhaps federal police will track the movements of the trucks around the clock and across the nation because they will be carrying plutonium oxide—the stuff that atomic bombs are made of.

Barnwell is about to become the center of the plutonium business in the United States. It is strange business, involving some of the most complex and dangerous technology man must employ as he increasingly calls upon science to help satisfy his daily needs.

It also is a business that currently has federal planners tied in knots. At this point they are not sure of the legality of almost anything involved in the business which, at the outset, will involve the recycling of plutonium from the spent fuel of the nation's nuclear powered electric utilities.

How will the recovered plutonium be guarded? The federal Nuclear Regulatory Commission (NRC) is not sure whether federal, state, local or private police will do the job.

How will it be transported? Federal planners have thought about armored trains, trucks, even helicopters, but no definite policy has evolved.

Where will it be shipped? Many experts believe that it should not be shipped at all. It should be removed from spent fuel and reassembled into new fuel components on the same site, they have argued.

While federal planners have been studying that one, private industry planners have been working on a supply network that will take the raw plutonium for thousands of miles—into almost every area of the country—before it is remanufactured. Even after the plutonium is put into new fuel assemblies, those components will have to be guarded on their trip to the nuclear power plant.

Will an industry that recycles plutonium have an adverse impact on the environment? Federal planners are mulling over that one, too.

Where will the huge quantities of radioactive wastes that are derived from the process be stored? There is no official answer here, either. You might say, said one NRC spokesman, "that everything is up for grabs at the moment."

Nothing is up for grabs in Barnwell. The backers of the "Barnwell Nuclear Fuel Plant" have already put down $250 million worth of cement and uniquely sophisticated equipment on the belief that they will be allowed to recycle plutonium beginning next year. They have signed up $250 million worth of business, fuel processing contracts with nuclear power plants across the nation. They have the state of South Carolina and the residents of Barnwell solidly behind them. They want the plant open.

"We just fear if there's not a license for this some day soon, the big boys behind it with the money might just want to quit," says Rodman Lemon, the mayor of Barnwell, pop. 7,000. "Everybody," asserts Lemon, "is just as happy as a lark with the plant."

The "big boys" with the money are two corporations, Allied Chemical and General Atomic. Allied Chemical has a diversified chemical business. General Atomic is a partnership of two oil companies that have gone into nuclear power—Gulf and Royal Dutch Shell.

They are gambling that private industry can successfully take over the final, complex and most dangerous step of the Atomic Energy Commission's old scenario of turning over all aspects of nuclear power to private industry.

The plutonium business, if Allied-General and other industry backers have their way, will be located primarily in the South and will begin developing momentum in the next five years. If the industry is correct in its planning, it will represent a massive influx of money. Many nuclear proponents argue that plutonium will be the basic fuel of the nation's energy future.

"This is a credit to capitalism in this country that they're willing to take a risk like that," exulted Stanley Ahrends, an official of the Federal Energy Research and Development Administration (ERDA), which has taken over the AEC's former role as the promoter of the use of nuclear power by private utilities.

The basic energy producing component of a nuclear power plant is called a fuel assembly. It is a square bundle of about 200 hollow metal rods filled with pellets of uranium dioxide, a lead-like powder. The bundle is usually about 8 inches square and 14 feet long.

The fuel assembly is to the nuclear reactor what a penlight cell is to a massive flashlight. It takes 200 fuel assemblies to make enough heat in the core of a nuclear power plant to generate the steam needed to make electricity. At the end of a year, about one third of the assemblies become exhausted and must be replaced with fresh ones.

At the moment, used fuel assemblies are a kind of embarrassment to the nuclear industry. There are, according to a new study by ERDA, 927 metric tons of spent fuel sitting around in various storage basins and nobody knows quite what to do with it. At least 10 nuclear plants have run out of room in their storage facilities, which are usually swimming pool-like installations that use water as a radiation shield.

New fuel assemblies cost about $300,000 and, in theory, the used ones are still worth $100,000 because of the strange alchemy brought about by the chain reaction. Part of the original charge of uranium has been split into a host of lighter elements, all of them noxious, radioactive and many that are heat-producing. The list includes iodine, cobalt, krypton, tritium, strontium and cesium.

But some of the uranium has refused to split; instead it has absorbed neutrons, turning itself into a new and heavier metal—plutonium 239. This is the valuable part because plutonium is what scientists call fissile material. Like the uranium isotope U-235 that began the chain reaction when the fuel assembly was new, plutonium can be used to start a new one. It also can be fashioned into bombs and has been the primary material used in the nation's nuclear weapons program.

Thus, if someone could figure out a way to extract the plutonium from the hot, radioactive spent fuel assemblies, he would be dealing in something that is more valu- than gold. Westinghouse, one of a growing constellation of company that are closely watching the development of the Barnwell plant, has estimated, for instance, that plutonium recycled into new fuel assemblies would be worth about $237 an ounce.

"We talk big money in this business," admits Allied-General's Robert I. Newman, a tall man with a graying crew cut who has been in charge of the Barnwell plant's development since 1969. That year, in a complicated real estate transaction, a chunk of land was severed from the AEC's sprawling Savannah River complex and sold to Barnwell County. The county then resold part of it to Newman's company.

Newman's is no small ambition. At this point the only organization that has demonstrated the capability of recovering plutonium on a major scale in the western hemisphere is the U.S. government. The government's Savannah River plant, for instance, produced much of the plutonium used in the nation's weapons programs.

The production of plutonium at Savannah River took place on a massive scale without a major incident or substantial disturbance to the environment. (The only tangible problem resulting from the process is some 20 million gallons of radioactive wastes that the government is storing in tanks on the Savannah reservation until someone determines a safe way to dispose of them.)

The track record of private companies that have attempted the process, however, is not so good. A company called Nuclear Fuel Services opened a plutonium reprocessing plant at West Valley, N.Y., in the late 1960s. After some operating problems and considerable difficulty with radioactive wastes leaking into the environment, however, that plant closed in 1971 for "modifications" and expansion. It is not supposed to open again until 1979.

Then the General Electric Co. put $64 million into a plant at Morris, Ill., that was supposed to be a radical improvement on the process of recycling plutonium.

That plant was supposed to go into production in 1970, but after five postponements and considerable agony, GE has admitted that the facility may never produce plutonium because of design errors.

GE, according to a report it submitted to the AEC, found the process would be extremely messy and dangerous. After two years of testing, the company admitted that most of the process would have to be done remotely, because of the radioactivity. Operated remotely, however, much of the plant's machinery would have a tendency to break down, requiring nonremote repairs. As GE described the process to the AEC, it amounted to a kind of nuclear "Catch-22":

"The failure rate of equipment experienced during testing in the past two years indicates that the time operating efficiency of the present plant will be extremely low because of the anticipated small percentage of the time when all equipment would be simultaneously operating correctly. . . ."

Faced with the possibility that between $90 million and $130 million more may be needed to redesign the Morris plant, GE is suggesting that the nuclear industry simply keep storing used fuel assemblies until some time when simpler methods of recovery are invented.

The GE experience, however, did not daunt Allied-General. Its plant would be the third one to attempt plutonium recycling. When and if it begins operation, it will be the fifth largest plutonium production facility in the world and the largest in private hands.

Putting the plant near Savannah was, Newman admits, a way to avoid a battle with environmental and civic groups that might be wary of the process elsewhere. The plant's neighbors have watched the Savannah River operation for years. Many of them have worked there and they are not afraid of the word plutonium.

"And they know they've lived the good life here. People haven't been popping up with cancer and all these sorts of things. They know the precautions that have been taken to protect the environment, the public and the workers," Newman said recently as he showed a visitor through the facility.

The first thing that might suggest to a visitor that this is no ordinary Southern factory is a machine with a mirror on its face. There is a slot under the mirror. To get past the machine, which has a television camera behind the mirror, you must stick the proper identification card in the slot.

There are similar machines throughout the plant area. The information they collect is fed to a computer programed to know where every employe is at any given time.

An intruder or an employe in the wrong area, according to Newman, would be instantly spotted. Unseen operators watching him through the computer and via television would be able to trigger locks on the doors of whatever room he is in, keeping him there until the plant's sizeable armed security force arrives.

The fuel assemblies, he explains, would be brought in by truck in containers resembling giant vacuum bottles. This part of the fuel cycle is believed to be theft proof because the assemblies are extremely hot and radioactive.

Inside the plant, behind 5-foot-thick cement walls, the assemblies are removed by giant cranes and stored in deep pools of water where the process is begun under the scrutiny of television cameras.

The cover of water, some 60 feet of it, serves as a coolant and a barrier to radioactivity until a batch of assemblies is deemed ready for recycling. Then a moving belt takes the assembly into a sealed room where a huge, specially designed shearing machine chews the assembly into pieces approximately three inches long.

The pieces are then dropped into vats of nitric acid which dissolve them, turning what was a fuel assembly into a kind of nuclear soup from which plutonium nitrate, a liquid, is extracted. All of this is done by remote equipment, manned by operators who watch through windows that are 3 feet thick, two sheets of thick glass separated by a tank of transparent oil that absorbs radiation.

At this point and in all stages beyond this the plutonium must be very carefully handled because it could "go critical" or begin a chain reaction leading to a nuclear explosion if certain errors are made. Much attention must be paid to the geometry or configuration of the nitrate solution.

For example, if it is stored in wide tanks there is a chance the liquid could go critical. So the storage tanks at Barnwell are only 2¼ inches thick. Before shipment, the liquid is changed into a powder, plutonium oxide, which is believed to be a safer form, although it too can go critical in certain configurations.

Newman is proud of his plant, which he says is more conservatively designed and contains more redundant safety features than any of the other private plants.

Driving a green Volkswagen with a bumper sticker that says "Nuclear Energy Means Clean Air." Newman has driven all over the state explaining the process to various civic, political and school groups. (Although Allied-General admits the facility will emit radioactive, gaseous isotopes including tritium and krypton from its 329-foot stack, Newman usually explains that the dosage to a person standing next to the facility's perimeter fence would be less than the equivalent of one chest X-ray per year.)

He has squabbled repeatedly with Townsend Belser Jr., a Columbia, S.C., lawyer who also has a degree in chemical engineering. Belser has been the leader of a small but determined group of environmentalists that has battled the project since 1970.

"Folks here just pat you on the back and say, 'I don't know what you're doing, but you're doing a good job,' " Belser told a reporter.

"We will have the whole recycling industry right here and I don't want even one of these things in my state."

Newman has also battled against the environmental heavyweights from Washington, the National Resources Defense Council (NRDC), which brought in expert scientists and lawyers to point up possible health dangers posed by Barnwell.

The NRDC has argued that the AEC should never have promoted private plutonium recycling, but went ahead anyway, either from "blind faith in the technology it has fostered or from callous promotion of the bureaucratic and industrial interests of the nuclear power complex. . . ."

But Newman has done his job well, even his environmental opponents admit that he has won over state, county and local officials and has the devoted backing of the Barnwell community, which is looking forward to the 700 jobs the plant will create.

It is at the federal level that the Barnwell plant still has its problems, most of which revolve around what will happen to the plutonium once it leaves the plant.

Through a complex process, the plutonium will be converted from a liquid to a powder for shipment. Allied-General envisions shipment to at least five facilities that are under construction or in the planning stage. There, the plutonium would be installed as pellets in new fuel assemblies which then would be returned to the utilities which sent the spent assemblies to Barnwell.

One would be operated by Westinghouse at nearby Anderson, S.C. Another is being considered by GE at Wilmington, N.C. A third would be run by Babcock & Wilcox Co. at Lynchburg, Va. A fourth is operated by Kerr McGee at Cimarron, Okla., and a fifth recipient would be a plant planned by Exxon Nuclear Corp. at Richland, Wash.

It is the widespread distribution pattern that disturbs most of Barnwell's critics. At any point in transit a cargo could be hijacked and it is possible for the hijackers to turn the cargo into a nuclear weapon.

Ideally, both the reprocessing facility and the fabrication plant could be located next to each other, on a site federal planners euphemistically refer to as a "nuclear park."

The NRC is working on this scheme but, as one government expert admitted, it may be too late because the industry is already "all over the map."

Just how easy it would be to make Barnwell's output into a bomb is a matter of considerable dispute. Newman asserts that it will be in the form of a powder that is "tough as hell to dissolve. It's a son-of-a-gun to dissolve and you've got to dissolve it in order to do anything with it."

Newman also argues that any would-be hijacker would have to be a "martyr" because the plutonium his plant will produce would be more radioactive than the weapons-grade plutonium produced by the government.

Terrorist groups, he asserts, could use dynamite, LSD or other chemical substances to terrorize a community more effectively than it could with Barnwell plutonium. Furthermore, he asserts, it would be impolitic for terrorists to use nuclear weapons because they are usually trying to attract public sympathy.

Dr. Ted Taylor, the former bomb designer for the AEC who has recently focused considerable criticism on the lack of security around nuclear facilities, disagrees strongly.

A terrorist who wanted to risk the radiation of "quite a few chest X-rays," he asserts, could make a bomb out of the type of plutonium oxide powder produced at Barnwell. Taylor argues that Newman's assertion that the powder would have to be dissolved and returned to the plutonium's metallic form in order to manufacture a bomb is "categorically not true."

"You can use plutonium oxide as is and I can prove that with 18 documents."

The relative degrees of apprehension the two men have is evident in the form of transportation they would like to see used. Allied-General, Newman explains, will operate sort of like a "dry cleaner." It will not take title to the fuel assemblies and may not have the responsibility of shipment after the process is finished.

Nevertheless, he says, the company has been working on plans for a special trailer truck which would have a driver's compartment that is "hardened against armed attack." The plutonium would be loaded into four 3,500-pound containers, each carrying about 32 kilograms.

The truck would have a crew of two men and would be in constant radio contact with police. The containers are, he points out, "not the kind of thing you throw into the trunk of your car."

Taylor, who says that a bomb could be made out of as little as 5 to 10 kilograms of plutonium, would rather see a special armored train that would carry the plutonium in lead casks that weigh 100 tons.

"It should be possible to design the shipment vehicle and communications system so no one could get into the plutonium no matter what they do." An armored train, he believes, could resist terrorists with high speed drills and high explosives for several hours while authorities could assemble "heavy security forces" to bring to the scene. Trains, he points out, are relatively immobile if hijacked because they must go down a fixed track for a certain distance before they could be diverted. Given the enormous value of the plutonium, the cost of such measures, he asserts, would be very low.

Taylor is also attracted by the idea of using helicopters, which, he argues, would be even more difficult to attack. (Unlike other critics of nuclear power, Taylor believes that the technical problems involved are solvable. "All of the technology is achievable, it's the political point of whether the government will take the effort to have the proper security that may be the problem," he says.)

NRC planners are known to be exploring these scenarios as well as others along with the possibility that the entire process of shipment would be guarded by federal security forces.

Neither Newman or Taylor are worried about the security aspects of the massive quanities of radio-active wastes that would be amassed at Barnwell. They are, in nuclear jargon, "self protecting." In fact, no one would want to handle them for thousands of years. (One of the few South Carolina critics of Barnwell argued at one hearing that the facility would be like "unleashing a thousand immortal rabid bats upon the world.")

The federal government, however, is worried because there currently is no permanent storage facility for it. Newman assumes that the material will, ultimately, be shipped out to an ERDA storage site somewhere in the West on special, insulated trains.

Change is coming to Barnwell. Some industry enthusiasts believe that the plutonium business may become one of the dominant industries of the South.

For an agricultural town that started industrializing with a zipper factory after World War II, the evolution of technology in 30 years here has been stunning.

Still, the residents here maintain they can accept the change, even the krypton and tritium that will be injected into their pristine air and, even with the procession of armored trucks or trains or helicopters that will head away from their newest industrial acquisition to all corners of the nation.

"We're happy with the plant and most unhappy with people who go to bat against it," asserts Mayor Lemon, who operates a peach orchard. Lemon has visited the Barnwell facility twice and each time he has come away impressed with Newman's description of its overlapping system of safety devices.

"I'm sure I run a more dangerous business than they do," Lemon told a reporter.

[From the Washington Star-News, Apr. 24, 1975]

NEW REACTOR WILL BREED PLUTONIUM—AND POSSIBLY TROUBLE

(By John Fialka)

OAK RIDGE, TENN.—Sometime around the turn of the century, according to a local legend, an eccentric man named John Hendrix staggered out of the woods here after 40 days and 40 nights of meditation.

He told his neighbors, the handful of poor tobacco farmers who once lived here, that he had a vision that this place might some day be "filled with great buildings and factories."

"They will be building things, and there will be a great noise and confusion and the earth will shake," Hendrix is reported to have said, adding that the product of the factories would be used to win "the greatest war that will ever be."

When Hendrix died in 1915 he was regarded as a madman.

In 1943 the federal government came in and bought 94 square miles of East Tennessee farmland, fenced it off, and, in tightest secrecy, built several factories.

One of them was half a mile long. It contained a highly complicated process called gaseous diffusion. This plant produced the nation's first Uranium-235, the strange metal that incinerated Hiroshima. Oak Ridge made the basic ingredient of the first atomic bomb.

And John Hendrix was promoted posthumously, from a madman to a prophet.

This year, if Hendrix were still alive, he might come running out of the woods again. This time he would say that Oak Ridge will soon become the site of another huge plant. This would produce another strange metal—plutonium—that will be powerful and plentiful enough to fill the nation's electric power needs for a thousand years.

This time, however, Oak Ridgers would be waiting for Hendrix. Right, they would say. You are absolutely right. Most everybody in this city of 30,000, a city spawned by the bomb, already believes that. Local merchants are hungry for some new action.

The federal government and a consortium of the nation's electric utilities and nuclear equipment manufacturers are about to give it to them. They are in the process of spending $1.7 billion here to build something called the Clinch River Breeder Reactor.

The difference between this plant and current nuclear reactors that generate electricity throughout the nation will be that this facility will not only generate electricity, it will multiply or "breed" plutonium at the same time.

The federal Energy Research and Development Administration (ERDA) and the private nuclear power industry believe that the Clinch River breeder will be the prototype for the power plant of the future. It will, they say, launch the nation on a plutonium-based energy system because plutonium can be fabricated into fuel assemblies that can provide the heat source for generations of nuclear power plants.

One of the problems with this scenario is that plutonium, unlike the uranium-based fuel of most current nuclear plants, can also be fashioned into an atomic bomb. If the breeder works, according to one estimate, it will raise the amount of plutonium in private hands from about half a metric ton in 1971 to something like 720 metric tons by the year 2000.

A small mountain of plutonium will have been created by the offspring of the Clinch River plant and parts of it will be moving through thousands of communities as the fuel is fabricated and shipped to power plants all over the nation. It will have to be guarded at every step along the way.

Another problem is that the government has had difficulty figuring out how much the breeder development program will cost. It began with a $3.3 billion estimate, which is about three times the cost of the Manhattan Project, which produced the atomic bomb. Now ERDA has revised that upward to $8.8 billion, which makes it, along with the Apollo moon landing program, one of the most costly non-defense federal research projects in history.

All of this has made Congress feel uneasy. Most congressmen, like most people, can tell you what the Apollo money was spent for, but their eyes glaze over during explanations of the breeder.

Currently, at least three major committees, the General Accounting Office and several other agencies are investigating the breeder program, weighing its risks and its costs. Much of the rhetoric being generated in this process has given the impression that the breeder program is still in the proposal stage.

As any Oak Ridger can tell you, it is not. The hardware is already being purchased for the Clinch River plant, and this fall they will be digging a big hole in the ground here for the foundations.

The plutonium business is thriving here, without causing a local stir, in much the same way that a plutonium recycling facility being built near Barnwell, S.C., has been accepted by the local community. People who live near Barnwell have grown up in the shadow of the AEC's huge Savannah River plant, which produced much of the plutonium for the nation's hydrogen-bomb program.

Oak Ridgers have seen bomb-grade uranium-235 move out of the Oak Ridge diffusion plant since 1944. Around 15,000 of them have worked in various AEC facilities here. They are, in a way that no other community can be, perculiarly unafraid.

"I have confidence in the (breeder) process," says Tom Hill, president of a group of merchants called the Roane-Onderson Economic Council. The group has spent over $80,000 lobbying for Oak Ridge to become the breeder site and is pushing for two other plutonium-related businesses to locate here.

"When you live with neighbors who have run these facilities and you get to know them, you realize the kind of people they are you develop more confidence than when you simply read and hear the scare stories that people like (consumer advocate Ralph) Nader put out," says Hill, who is also publisher of this city's newspaper, the "Oak Ridger."

Nader has charged that the breeder is "maniacal." And the Natural Resources Defense Council (NRDC), which is leading an assault by environmental groups on the whole breeder program, has charged that a decision to go ahead with the breeder program "is literally a decision for all people and all time" and should only be made "with the most compelling justification."

Part of this controversy swirls around the very nature of plutonium itself. The principal isotope is Pu-239, a metal. It is a man-made element, first discovered in 1940. It is highly radioactive with a half life of 24,000 years. That means that the plutonium devices will still have half its radioactive potency 24,000 years from now.

Thomas B. Cochran, a nuclear physicist who works for NRDC, asserts it is "perhaps the most toxic substance known. One millionth of a gram has been shown capable of producing cancer in animals."

Because a chunk of pure Pu-239 the size of a softball could be fashioned into a powerful nuclear bomb, Cochran and others have argued that guarding all the plutonium that is made in a breeder program would "place an intolerable strain on our society and its institutions."

Indeed the government has had difficulty keeping track of its own stocks of plutonium. From time to time there have been incidents called, in the acronym-riddled nuclear jargon, MUFS, for material unaccounted for.

Hundreds of pounds of plutonium have already disappeared, most of it, according to the government, in the form of metal shavings and other particles given off by normal manufacturing processes. Some of it has gone home on the clothes of employes who work in plutonium fabrication plants. However, none of the MUFS is known to have been the starting point for the manufacture of a clandestine bomb.

Industry has approached plutonium from another, much more sanguine viewpoint. Westinghouse, which is the lead reactor manufacturer working on the Clinch River breeder, has written several tracts on the subject.

First, Westinghouse objects to people calling plutonium the most toxic substance known to man. "This superlative is undeserved; certain mushrooms or botulin are more toxic than plutonium."

Moreover, while very little is known about the safety devices that would be needed to handle tons of botulin toxin, or to transport truckloads of poisonous mushrooms throughout the country, Westinghouse argues that "probably more is understood about plutonium than any other toxic substance," because the government has been working with it in various weapons programs since the early 1940s.

As for making bombs out of plutonium, Westinghouse and other industry proponents have argued that the simplicity of doing this has been overstated. "Weekend cabinet makers know that the trail from concept to reality is strewn with many obstacles. Bomb-making is infinitely more exacting than cabinet-making," asserts Westinghouse.

ERDA officials, while they share the industry's enthusiasm for the breeder, have taken sort of a fatalistic, middle ground in this argument.

Last week, Thomas A. Nemzek, director of ERDA's division of reactor research, complained that a statement by a Nader group that one tablespoon of Pu-239, if dispersed in the atmosphere, would be enough to give 200 million people lung cancer was "misleading" and untrue.

If it were true, said Nemzek, "then I suggest we should all relax. The testing of nuclear weapons has in the past dispersed approximately 5 tons of plutonium in the atmosphere."

"Each person in this audience, Nemzek told an assembly of scientists, "in the U.S., and I suspect in the world, has plutonium particles in his or her lungs."

While admitting that there are some risks in going to a plutonium-based energy system, ERDA and its predecessor, the AEC, have always argued that the United States cannot afford not to assume the risks.

This double negative argument is laced throughout all of the voluminous environmental statements about the breeder and can be found in most officials' speeches. Plutonium is not defined in terms of its dangers, but in terms of its stupendous potency for delivering relatively cheap power.

One pound of plutonium, according to the government, is the equivalent of 3 million pounds of coal or 275,000 gallons of oil, roughly about 25 railroad cars full. While we are running out of oil and uranium, the argument goes, plutonium stocks can be multiplied in breeders to serve as a reliable power source, insensitive to world supply problems, for hundreds of years.

(Breeders will create plutonium from huge stocks of uranium tailings, or U–238, which are left over from the process of separating U–238 from its more unstable and therefore more valuable brother U–235. The are believed to be enough U–238 tailings to last for centuries.)

The generation of breeder plants that proponents have in mind will really be the second phase of the plutonium business. The first phase is still struggling to get off the ground.

The average nuclear power plant now in operation creates a little plutonium in its fuel core as the chain reaction that produces heat transforms uranium fuel into various radioactive byproducts. However, they are not said to "breed" because more atoms of U–235, the ingredient that causes the chain reaction, are destroyed than new plutonium atoms are created. The ratio is something like 10 U–235 atoms destroyed to make 6 plutonium atoms.

Still, the plutonium could be separated from the other wastes and recycled into new fuel components, and the nuclear industry has been trying to do this since the late 1960s without much success. A new plutonium recycling plant, the Barnwell facility, is expected to make another attempt this year. If it succeeds, then quantities of plutonium will begin moving from spent fuel storage facilities to Barnwell to fuel reassembly plants, which are scattered throughout the nation, and finally, back to the nuclear power plant.

But this business in recycled plutonium would be only a fraction of the plutonium business that would be created by breeders. With breeders turning out as many as 14 atoms of plutonium for each 10 atoms of fuel they use up, the amount of plutonium moving through the nation will be multiplied two or three times. Several more Barnwell-type facilities would have to be built, probably in various parts of the nation.

New security problems created by this new business would, however, be subtantial. Fuel shipments to the current generation of nuclear plants contain only about 4 percent U-235, or weapons grade material. Making a bomb out of this fuel is believed to be impossible, so security precautions are generally lax. Fuel shipments to breeders, however, would contain about 70 percent plutonium-239.

Thih risk, however, will be gladly accepted by Oak Ridge, according to Hill. His council of local merchants helped persuade the AEC to locate the breeder in Oak Ridge when the agency tentatively had decided on another site.

* * * * *

And so Hill's Roane-Anderson group has been trying to entice other plutonium enterprises to Oak Ridge, preferably those operated by private industry on a taxable basis. (Roane County and Anderson County, the two counties within which Oak Ridge rests, have also asked for federal impact aid.)

EXXON, the giant oil company, has been interested in building a plutonium recycling plant in Oak Ridge and is currently negotiating with ERDA over a parcel of government land. That would mean another $350 million worth of the plutonium business for Oak Ridge.

Then the government or industry will probably need another recycling plant to reprocess the fuel from the breeder (which can't be handled in ordinary recycling plants) and Hill and his fellow merchants hope that that facility will also find a home in Oak Ridge. That would be, perhaps, another $100 million worth of the business.

Some day then, if the nation is able to solve the many problems presented by the visions of a plutonium-based energy system, Oak Ridge may come to be known as the Saudi Arabia of plutonium. That would not bother Hill and his fellow merchants. They argue there is plenty of room for growth.

There are limits, however, to the amount of changes they will accept. Last winter, Congress Joint Committee on Atomic Energy was looking for a way to honor retiring Rep. Chet Holifield, D-Calif., a man who, probably more than any other, has labored on behalf of turning nuclear power over to private industry.

Committee aides finally hit on the idea of changing the name of the Oak Ridge National Laboratory, an ERDA facility, to the Holifield National Laboratory. Congress, which usually follows the committee's lead on nuclear matters without objection, passed a bill on the subject.

And one day Oak Ridge woke up to find that one of its most prized facilities was named Holifield. The laboratory is regarded as a landmark, a reminder of the days of the Manhattan Project and the government's other successful early ventures into the nuclear age.

"The people were shocked," recalls Hill. "They were hurt and they were angered. They felt that Oak Ridge was a name that had great significance, that it had a lot of meaning, that it had historical connotations. Nobody has anything against Holifield, it's the principle of the thing."

And so Oak Ridgers are now forming behind their congresswoman, Rep. Marilyn Lloyd, D-Tenn., who has sponsored a bill to change the laboratory back to Oak Ridge.

The bill's rationale is rather simple, according to Rep. Lloyd: Since it was Holifield who supplied much of the driving legislative force behind the breeder, why not name the breeder after him?

So it could be that, one day soon, Oak Ridge will become the site of the "Chet Holifield Breeder Reactor."

[From the Washington Star, Apr. 25, 1975]

NUCLEAR POWER EXPERTS' NEW WORRY: "THE POOF"

(By John Fialka)

OAK RIDGE, TENN.—There is an intense debate going on here—much of it confined to scientific circles—over the question of, as one nuclear power industry official put it, "What to do about the poof."

The "poof" question is something fairly new to the consortium of government and nuclear industry officials who have been striving for decades to harness the atom for peaceful purposes and turn the technology over to private industry.

It is a new question because conventional nuclear power plants, it is believed, could not experience a nuclear explosion, even if the most horrendous imaginable accidents all occurred in series under the roof of the same plant.

Not so with a new kind of nuclear power plant soon to be constructed here. There is a chance, perhaps slight, that it could be the scene of a nuclear explosion if the right human error happened or if certain equipment failed.

But the people who are going to build this new plant, the Clinch River Breeder Reactor, are quick to caution outsiders that the possible explosion will not be a big nuclear explosion, it will be only a little one, if it happens at all.

"And let's be sure that when we're talking about explosions we're talking about poofs not bangs," Peter Van Nort, a 37-year-old engineer who is heading something called the Project Management Corp., reminds a reporter.

Just how big the poof will be and what it will do to the plant and surrounding environs has become a major question that has delayed the construction of the breeder facility, which is being touted by the federal Energy Research and Development Administration (ERDA) as the prototype of a whole generation of new power plants, which will use and multiply plutonium as a new base of power for the nation's electrical energy system.

Some say the poof might be the equivalent of only a few hundred tons of TNT, something that might only rattle windows (if nuclear power plants had windows) or put a dent on the fuel core, the steel-clad heart of a nuclear reactor.

Others worry that the poof might be the equivalent of a few thousand pounds of TNT. That, they theorize, might be enough to blow a hole in the plant's exterior wall or enough to turn the fuel core into a molten ball that would melt its way through the plant's foundation. There, somewhere under the plant, according to the most pessimistic theorists, the glob of molten fuel could cause a second explosion that would be substantially larger than a poof.

They worry because breeder reactors will be fueled with plutonium, a man-made heavy metal which, in certain configurations, has the capacity to "go critical" or to begin a rapid chain reaction that generates heat and, ultimately, an explosion unless it is controlled.

The debate over the poof has become so intense that it now threatens to end the combine of federal agencies, private utilities and nuclear equipment manufacturers which banded together in 1973 to build the Clinch River Breeder.

The private companies are threatening to leave if the federal government forces them to install a $25 million device called a "core catcher," a kind of cement-and-steel safety net that would be positioned under the plant to catch and disperse the molten core before it could generate something beyond poof magnitude.

If private industry left, according to Stanly Ahrends, an ERDA official who has recently been put in charge of streamlining and reorganizing the Clinch River plant's managerial setup, that would be a disaster, because the federal government has been trying since 1968 to tailor the breeder program to the needs of the private power industry, an effort that may eventually cost taxpayers a total of $8.8 billion.

"We're not just building this to be building it for the government, we're building it for commercialization," Ahends asserts.

While the government may not be building Clinch River for itself, it is increasingly winding up in the position of paying most of an enormous cost overrun experienced by the project. This development has also put a growing strain on the breader program.

As originally devised, the program would have been controlled by private industry. A group of 737 electric utility systems representing 80 percent of the nation's power capacity got together in an entity called the Breeder Reactor Corporation (BRC). They and several nuclear equipment manufacturers, including General Electric and Westinghouse, promised to put up $277 million.

The AEC agreed to put up $422 million as the government's share of the cost. In addition, it agreed to absorb additional costs, if any. This last part has caused the problem, for the cost estimate of the Clinch River breeder has now risen to $1.736 billion without counting the core catcher.

The industry money was to be funneled through the BRC into the Project Management Company (PMC), which in turn would let contracts and manage the construction of the facility. PMC was directed by a committee with representatives from the Commonwealth Edison Co. of Illinois and the Tennessee Valley Authority (TVA), two members of the BRC which have had the most experience with nuclear power plants. AEC and, subsequently, ERDA, also had a voice on the committee, but the government's voice was a minority.

(Technically, the TVA is a federal corporation, but it has generally tended to act as though it were private industry in breeder-related matters. "The TVA almost violently objects to being considered a federal agency," commented one participant in committee disputes that have arisen.)

Even the machinery to be used in the breeder was chosen to make the private industry feel at home with the concept. In 1968 the government was looking at eight different breeder concepts. Some generated their own fuel and remanufactured it right on the same site, obviating the need to transport dangerous materials.

The AEC chose a device which would require fuel assemblies, bundles of rods containing powdered plutonium. And the fuel assemblies would have to be manufactured in special offsite plants, many of which are being contemplated by major energy companies. Environmentalists charged that the breeder selected was selected because industry favored the "razor blade business," the concept that plants always would need to buy new fuel assemblies.

Industry and the AEC asserted however, that the device they picked was the best one because its fuel system would be much like the one the nuclear industry was already used to.

The selective device, the one that will be the prototype for dozens if not hundreds of commercial reactors, will not use pressurized water as a heat transfer mechanism and coolant as current reactors do, but it will use a molten metal, liquid sodium, which can carry much higher temperatures to the boilers that generate steam for electricity.

While it is heating the liquid sodium, the fuel core of a breeder reactor will also be throwing off fast moving atomic particles, called neutrons, into a "blanket" of Uranium-238, which surrounds the fuel core. The neutrons will change the uranium into plutonium, thereby creating new fuel for additional reactors.

The reaction will be faster and hotter than in current plants. If the coolant system malfunctions or if control rods which are used to slow down the reaction are not called into play quick enough, there is the possibility that the fuel assemblies may begin to melt.

If the fuel assemblies, which are mostly plutonium-239, begin to melt, then the carefully designed geometry of the fuel core will change, giving rise to the possibility of the poof.

After that, all sorts of things could happen, according to various experts who have studied the problem. Most of the studies have been done by the Nuclear Regulatory Commission (NRC), which is the federal regulatory agency that must issue a license to the Clinch River breeder.

One study indicates that if the liquid sodium pipes begin leaking, that could be almost as troublesome as the poof. Liquid sodium has a tendency to eat through cement, creating substantial quantities of hydrogen in the process. The hydrogen would have the capacity for creating another poof.

The vision of the molten fuel core descending into the cement floor of the plant, perhaps aided by leaking liquid sodium, persuaded NRC planners to begin seriously considering some kind of core catcher. One design would be sort of a cement and metal spatter board that would spread out the molten core, keeping it flat and not round, which is believed to be the most dangerous shape for plutonium. Another would be a big chamber full of pebbles or small rocks that would absorb heat from the core, helping to control the reaction.

Industry, which had been watching the costs of the breeder soar, objected strenuously to the core catcher idea. Higher costs, they said, would persuade utilities not to buy breeders. BRC objected. So did PMC and TVA.

According to Van Nort, the executive officer of PMC, the debate took up about five months last year. It ended when NRC rejected a "safety philosophy" prepared by PMC which did not include a core catcher. PMC was ordered to prepare two sets of construction plans, one with a core catcher and one without.

All along, according to Van Nort, he and other industry officials argued that the accident was improbable and would be prevented by redundant control rod and coolant systems.

"As a plant gets further along, the pressure increases to get things done," he explained. "Regulatory people became more and more concerned about this. They wanted assurance of the mitigation of a big, uh, of a poof."

This pressure, along with the soaring cost estimates ultimately caused a kind of "poof" in the BRC–AEC–PMC–TVA organizing structure for building the plant.

"It was not the best organizational set up in the world," commented one knowledgeable Oak Ridger.

Last month ERDA assumed direct managerial control over the whole program. BRC and PMC are still in it, but their role has been changed to more of a consultant's role. They are currently working on a contract that will allow industry to terminate its contributions to the Clinch River breeder if the NRC insists on a core catcher.

According to ERDA's Ahrends, ERDA is preparing to go it alone if it comes to that, but he'd rather it didn't. By next fall he hopes ERDA can settle the question by assembling enough data to convince NRC that the poof is not a "credible accident."

"We are in this with the utilities as part of a cooperative commercial effort. If that fails we've kind of missed our overall objective anyway. We want to keep them (the utilities) with them in terms of financial participation. We could probably do it without them, but the financial participation keeps them interested."

Perhaps the strongest stand on this has been taken by Westinghouse, which will put together the breeder reactor. "Our best analysis indicates there would not be an explosion," said Dr. Jorn Yasinsky, manager of advanced systems of the advanced reactor division of Westinghouse.

"However," he added, "if certain things were to occur which we don't feel could occur, the explosion would not be enough to rupture the head of the vessel." (The reactor vessel contains the fuel core and the liquid sodium.)

Furthermore, he said, Westinghouse hopes the NRC will not accept "the dangerous precedent of adding anything any critic would feel is necessary."

Germany, one of a number of European countries experimenting with breeders, recently ordered the installation of a core catcher. Yasinsky said the German designers agreed to accept "anything their regulatory people feel is necessary without quarreling because they are afraid it (the quarreling) will slow down the program."

"There are those who are doing anything they can to cut off the breeder program," Yasinsky told a reporter. "Once they see you have put it (the core catcher) in, now they would say since you put it in you will have to prove that it will work. Then you would need a core meltdown."

"Now, nobody in their right mind would want to initiate a core meltdown," Yasinsky added. "Do I test the sprinkler system in a skyscraper by turning on the sprinkler system after setting a fire?"

FINANCIAL REPORT OF SENATOR CASE

Mr. CASE. Mr. President, I ask unanimous consent to have printed in the RECORD the following combined statement for my wife and myself of our assets and liabilities at the end of 1974 and our income for that year. This is our 13th such report:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FINANCIAL STATEMENT OF SENATOR AND MRS. CLIFFORD P. CASE

ASSETS

Cash in checking and savings accounts (after provision for Federal income tax for 1974), approximately $54,000.

Life insurance policies with the following insurers (currently providing for death benefits totaling $138,500):

U.S. Group Life Insurance.
Aetna Life Insurance Co.
Connecticut General Life Insurance Co.
Connecticut Mutual Life Insurance Co.
Travelers Insurance Co.
Continental Assurance Co.
Equitable Life Assurance Society.
Provident Mutual Life Insurance Co. of Philadelphia.

Cash surrender value, $54,940.

Retirement contract with Federal Employees Retirement System (providing for single life annuity effective January 3, 1979 of $33,996 per annum). Senator Case's own contribution to the fund total, without interest, $51,273.

Annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. As at 12/31/74 these contracts (estimated to provide a life annuity—10-Year Guaranteed Period—effective January 1979 of $1,591) had an accumulation value of $11,222.

Securities as listed in Schedule A, $361,827.

House in Washington, D.C. (original cost plus capital expenditures), $65,900.

Tangible personal property in Rahway and Washington, estimated, $15,000.

LIABILITIES

None.

INCOME IN 1974

Senate salary and allowances, $42,582, less estimated expenses allowable as income tax deductions of $5,295 (actual expenses considerably exceed this figure), $37,287.

Dividends and interest on above securities and account, $22,498.

Net loss on sales of property, $1,641.

SCHEDULE A: SECURITIES

Bonds and debentures of the following, at cost (aggregate market value somewhat lower): $96,293.

American Telephone & Telegraph Co., $12,000.
Cincinnati Gas & Electric Co., $4,000.
Consolidated Edison Co. of New York, $5,000.
Consumers Power Co., $5,000.
General Motors Acceptance Corp., $17,000.
Mountain States Tel. & Tel. Co., $5,000.
N.J. Bell Tel. Co., $22,000.
N.Y. City Debentures, $10,000.
South Western Bell Tel. Co., $5,000.
Toledo Edison Co., $5,000.
U.S. Treasury Bills, $10,000.

Stocks (Common, unless otherwise noted) at market: $265,534.

CORPORATION AND NO. OF SHARES

American Natural Gas Co., 200.
Chubb Corp., 1,000.
Consolidated Edison Co. of New York, $5 Pfd., 50.
DuPont, 40.
General Electric Co., 340.
General Motors Corp., 420.
Household Finance Corp., 550.
International Business Machines Corp., 160.
Investors Mutual, Inc., 2,760.
Kenilworth State Bank, 32.
Marine Midland Corp., 563.
Merck & Company, Inc., 400.
Morgan, J. P., 44.
National Community Bank, Rutherford, 600.
Reynolds Industries, 100.
Tri-Continental Corp., 1,851.
Tri-Continental, $2,50 Pfd., 1,000.
United Counties Trust Co., 1,305.
Warner-Lambert Pharmaceutical Co., 600.

DECLARATION OF THE COUNCIL OF FREE CZECHOSLOVAKIA ON THE OCCASION OF THE 30TH ANNIVERSARY OF THE END OF THE SECOND WORLD WAR IN EUROPE

Mr. NELSON. Mr. President, today is the 30th anniversary of the end of the Second World War in Europe. On the occasion of this event, the Council of Free Czechoslovakia has issued a declaration directed to the Congress of the United States. The University of Wisconsin is fortunate to have as a professor one of the signers of this declaration, Mr. Mojmir Povolny, who is also the Chairman of the Executive Committee of the Council of Free Czechoslovakia.

Mr. President, in the belief that this thoughtful statement deserves the attention of the Senate, I ask unanimous consent that the declaration be printed in the RECORD.

There being no objection, the declaration was ordered to be printed in the RECORD, as follows:

DECLARATION OF THE COUNCIL OF FREE CZECHOSLOVAKIA ON THE OCCASION OF THE 30TH ANNIVERSARY OF THE END OF THE SECOND WORLD WAR IN EUROPE

We address the Congress of the United States on the occasion of the 30th anniversary of the end of the Second World War in Europe in order to express the gratitude of the Czechoslovak people, who cannot speak freely for themselves, to the American people for the United States magnanimous and selfless part in the liberation of their country from Nazi rule.

This greatest sacrifice of life and wealth that men have ever asked of themselves was possibly only because it was asked in the name of the most noble ideal that men can seek in this world—in the name of human rights and freedoms.

In the Atlantic Charter of August 12, 1941, President Roosevelt and Prime Minister Churchill spoke of the right of all people to choose their own government. The United Nations Declaration of January 1, 1942, of which the Czechoslovak Government in Exile was a signatory, subscribed unequivocably to the principles of the Atlantic Charter and committed all its signatories to the defense of "life, liberty, independence and religious freedom, . . . human rights and justice in their own lands as well as in other lands." Finally, the three Great Allied Powers—the United States of America, the United Kingdom, and the U.S.S.R.—pledged themselves at Yalta in February 1945 in a Declaration on Liberated Europe "to concert during the temporary period of instability in the liberated Europe the policies of their Governments in assisting the Peoples of Europe liberated from the domination of Nazi Germany, and the people of the former Axis satellite states, to solve by democratic means their pressing political and economic problems." Referring to the principles of the Atlantic Charter, they assured the liberated peoples of Europe of restoration of their sovereign rights and self-government and of their assistance in the formation of "interim governmental authorities broadly representative of all democratic elements." Most importantly, however, the three Great Allied Powers pledged these authorities and themselves to "the earliest establishment possible through free elections of Governments responsive to the will of the people."

At no time in its long history was the whole of Europe as ripe for the universal implementation of human rights and freedoms as it was in the spring of 1945. The experience of its people with Fascism, Nazism, and different small dictatorships and autocracies and their defeat on the battlefield crushed the psychological as well as the social and economic foundations of these systems and regimes built on oppression and exploitation. Even though exhausted and badly damaged by the war, the old Europe was young again and filled with hope in the future, convinced that the long civil war of its nations has been finally and definitely decided in favor of individual freedom, social equality, economic justice, and national self-determination. But three years after the signing of the armistice in Reims this splendid dream was in ruins.

While the compliance of the United States and its Western Allies with the sacred principles and commitments for which they had fought in the Second World War transformed the prewar colonial world into a family of independent and sovereign peoples, the struggle of the liberated peoples in Czechoslovakia and in the other Central and East European states for the implementation within their territories of the Atlantic Charter and of the United Nations and Yalta Declarations went downhill from the day the Nazi occupiers were displaced by the Soviet Army. Step by step, country by country, the Soviet Union and the local Communist parties associated with it deprived the peoples of Czechoslovakia and of the other Central and East European countries of their rights and freedoms, which they hoped to enjoy and for which they too paid their price on the battlefield, in the underground, and in concentration camps, and subjected them to their own exclusive control. In the very part of Europe where the Second World War had started in defense of the right of small states to govern themselves and of the right of their peoples to live in freedom and dignity, a new colonial empire was born. Today, thirty years later, none of the Central and East European states is governed by a government issued from free elections, responsive to the will of the people, and respecting their rights and freedoms.

For almost thirty years these rights and freedoms have been no more than articles in the Communist Czechoslovakia's constitution and in the constitutions of all the other Central and East European states, as if their Communist rulers wished to add humiliating insult to the injuries which they keep inflicting on their subjects. Nevertheless, for the peoples of Central and Eastern Europe human rights and freedoms, those noble goals of all men who had sacrificed so much for them in the Second World War, have remained an end to which they have never ceased to aspire. They rose in East Germany in 1953, rebelled in Poland and fought in Hungary in 1956, changed the face of Czechoslovakia, even if for a short while only, in 1968, and struck again in Poland in 1970. Time and again they have tried to demonstrate against unbelievable odds that nowhere in Central and Eastern Europe was there any higher principle or pragmatic justification for the destruction of human rights and freedoms, unless one is prepared to accept the dictatorship of the Communist *apparatchiki* as the greatest fortune and supreme good that a nation can experience.

Nobody can doubt today thirty years after the end of the Second World War that for the Czechoslovak people and for all the nations of Central and Eastern Europe the issue of human rights and freedoms is the first item on the unfinished agenda of that great conflict. Moreover, the principal source of our world's malady lies in the lack of these rights and freedoms in the Communist states and in the oppression of the Central and East European peoples which breeds misunderstanding, suspicion, fear, and insecurity. All rapproachement between the West and the East has always faltered on the original Soviet breach of their solemn commitment made during the Second World War.

There is a great danger that the West, too, may forget its own pledge and sacrifice it on the altar of detente. The West will not, however, get a stable and reciprocally beneficial detente, unless it is a detente based on the universal implementation of human rights and freedoms. There is also a great danger that should the United States and the West abandon their commitment, they might destroy their own soul.

We are, however, convinced that an inspired use of American principles and resources can bring back to life and fruition the noble ideals and pledges for which the American people had so much sacrificed in the Second World War and which remain also on their unfinished agenda.

HOW TO RESUME HEALTHY ECONOMIC GROWTH: A PRESCRIPTION

Mr. GARN. Mr. President, Americans are currently facing some very tough and extremely vital problems whose resolutions could determine whether we will remain the strongest country in the free world and will continue to enjoy a high standard of living and opportunity for personal growth and achievement.

In an address to a meeting of the American Statistical Association in New York on April 17 of this year entitled "How To Resume Healthy Economic Growth: A Prescription," James J. O'Leary, vice chairman, U.S. Trust Co., discusses how America can solve the two major problems facing it today—inflation and recession. Dr. O'Leary reasons that the solution to these problems requires an end to the totally unacceptable current rate of inflation while easing us out of the recession without repeating the public policy mistakes which got is into the mess we are now in.

Dr. O'Leary points out that although inflation is not a simple process, it is easy to oversimplify its explanation. The fundamental causes of inflation during the past decade have been excessive demands by the consumer, business, and government, fueled by large Federal deficits and overly easy credit—all aimed at keeping the economy fully empolyed and growing vigorously. Dr. O'Leary fears that unless we bring the high rate of inflation down to a much lower level and hold it there, we will face a threat that our private enterprise and market economy will be destroyed and that economic and political freedom will be reduced if not seriously jeopardized.

Three suggestions are made as to what our public policy should be during the years ahead:

Take effective steps to bring the recession to an end by encouraging a business recovery and rising employment. Heavy unemployment takes a terrible toll in human dignity and we must take steps to not only rebuild public confidence in the marketplace but to rebuild public confidence in its own capabilities;

In bringing an end to the recession, we must remember that it was spawned by the inflation; and so

Government policy must strive for a balance between encouraging a renewed expansion of business and rising employment, on the one hand, and persisting in the effort to reduce the inflation rate and to restore reasonable price stability in the long run, too.

As for fiscal policy, Dr. O'Leary would encourage business recovery while maintaining the fight against inflation. Therefore the actions taken for fiscal stimulus must be temporary and should be terminated when the economy is in the process of recovery and no longer needs the stimulus. He warns against a wave of new Federal expenditure programs which will make it difficult if not impossible to bring the budget back into balance as the economy moves to full recovery from the recession.

Next, Dr. O'Leary warns against giving Congress the power to dictate monetary policy by citing the fact that Congress and the Presidency have committed terrible excesses in the field of fiscal policy. He feels it would be dangerous to entrust monetary policy to an arena dominated by politics.

Dr. O'Leary also discusses the policies that we should follow related to housing, energy, and productivity. One of the major goals we need to accomplish as far as the last category is concerned is to return from our recent public policy of consumption to America's historical ethic which encourages a high rate of real savings and capital formation along with rapid technological growth.

Mr. President, the emblem of my State of Utah is the beehive representing the industry of the honeybee. The Utah pioneers picked this as their emblem because they knew it would take a great amount of industry to make the desert in which they had to settle, bloom. Those who have visited Utah know that despite dire predictions by people who knew the Utah desert, the pioneers accomplished their goal and their descendents now live in a beautiful State because of the industry and hard work of their ancestors in the face of difficult problems. I know that the American people, through their industry, faith and striving for a goal of a stable economy can overcome the difficult problems they face today.

Mr. President, I ask unanimous consent that the text of Dr. O'Leary's address be printed in the Record so that others may read this well thought out prescription for a healthy economic growth.

There being no objection, the address was ordered to be printed in the Record, as follows:

How To Resume Healthy Economic Growth: A Prescription

(Address by James J. O'Leary)

Just a year ago we were in the midst of a rise to "double-digit inflation", the severest liquidity crunch in United States history which drove interest rates up to record levels, and another round of decline in the value of the dollar in foreign exchange markets. It is not surprising that in such a climate there was complete consensus that Government policy had to be directed to bringing down the inflation rate. There was difference of opinion about what was causing the double-digit inflation and what measures were needed to bring it under control, but virtually everyone—economists, the Administration, the Congress, business and the consumer—agreed that it would be disastrous if inflation were not curbed.

By early last autumn, however, the U.S. economy began to fall into the most serious recession of the post-World War II period. To a large degree the recession was the natural outgrowth of the inflation and the steps taken to combat it. The "Summit Conferences" of last autumn, called by President Ford to advise him on how to fight inflation, were forced by events to shift the emphasis from fighting inflation to combatting the recession. One measure of the suddenness of the change in public policy emphasis is that whereas a year ago the consensus was in favor of a balanced budget, most economists today accept the need for a Federal deficit and debate only as to how large it should be and how much of it should come from tax cuts versus expenditure increases.

No one with an ounce of human kindness likes serious unemployment and a decline of output, so that we would all agree that Government policy must now be directed to containing the increases of unemployment and to alleviating its ill effects. But my great concern today is that we are already in the process of repeating the public policy mistakes which got us into the "mess" we are now in—I mean of course that in an effort to produce economic recovery and "full employment" again we are putting into place fiscal and monetary policies which threaten to bring on a new round of severe inflation. My guess is that, despite the declining inflation rate of recent months, the expectation that a high rate of inflation will persist in the years ahead is just as strong today as it has ever been.

Our public policies being employed today to fight inflation and recession need perspective and balance. We must avoid the mistakes which we have kept making during the past decade or longer. We must refrain, in our eagerness to bring about a business recovery, from overreacting in the direction of highly expansionary policies, and even worse staying with such policies after they are no longer needed.

In my discussion today of "How To Resume Healthy Economic Growth: a Prescription", I am planning to cover the following: (1) The forces behind the rising tide of inflation during the past decade—and the consequences: (2) Fiscal policy; (3) Monetary policy; (4) Energy policy; (5) Housing policy; and (6) Measures to stimulate increased productivity and expansion and modernization of productive capacity.

THE FORCES BEHIND THE RISING TIDE OF INFLATION DURING THE PAST DECADES—AND THE CONSEQUENCES

As we move to expansionary fiscal and monetary measures to cure the recession and to promote recovery, it is helpful to recall briefly the forces behind the rising tide of inflation during the past decade and the consequences of that inflation. Since 1964 the consumer price index has risen 59 percent.

The rate of increase jumped from 1.7 percent in 1965 to nearly 6 percent in 1970, and then after receding briefly in 1971 and 1972, it leaped to nearly 11 percent in 1974.

Inflation is not a simple process so that it is easy to oversimplify its explanation. In my view, the basic thrust of inflation during the past decade came from excessive demands in the economy fueled by chronic large Federal deficits and, too often, overly easy credit policy. During the past decade we have had Federal deficits on a national income accounts basis in eight years (the exceptions were 1965 and 1969 in which surpluses of $1.2 billion and $8.1 billion, respectively, were realized) totaling $84 billion. In practically all of this period the unemployment rate was quite low so that the economy was vulnerable to excessive demands. We went through successive bursts of "demand-pull" inflation followed by periods of "cost-push" inflation as labor exerted pressure for large increases in compensation to keep up with the rising cost-of-living.

There is no doubt that the escalation of the Vietnam War was an important factor in the inflation in that it contributed to the budget deficits and to the excessive rates of monetary expansion. Just as in all wars, the output of war materials increased civilian incomes without adding to the supply of goods and services for civilian consumption. In 1974, of course, the jump to "double-digit" inflation was importantly the result of the quadrupling of the price of oil by the OPEC cartel as well as by the rash of price increases after wage-price controls were ended.

In the climate of the past decade there is no doubt that sheer market power by labor and business played a major part in the inflation. Nor is there any doubt that the "Santa Claus expectations" which the Government has encouraged has helped to reduce the willingness of people to work hard, and that this has lowered productivity in our economy and has thus made us more vulnerable to inflation.

But, come back to the fundamentals of our inflation during the past decade—excessive demands by the consumer, business, and Government, fueled by large Federal deficits and easy credit—all aimed at keeping the economy fully employed and growing vigorously. These were the basic forces behind our inflation.

The experience of the past decade makes it clear that a high rate of inflation brings on disastrous consequences. It causes high interest rates because it inflates loan demands and forces a restrictive credit policy. It leads to extreme volatility in the financial markets and is bearish for the prices of common stocks. It is no exaggeration to say that a high inflation rate erodes the sounddess of the commercial banking system and undermines the viability of the bond and mortgage markets. Moreover, the rising tide of inflation during the past dacade has destroyed the fixed exchange rate system established at Bretton Woods and has forced the world onto floating exchange rates. It has caused a serious devaluation of the dollar.

The rising tide of inflation during the past decade has brought on a "stop-go" pattern of behavior of our economy. It cuts the real purchasing power of most of our people, especially after taxes, and weakens public confidence. Consumer resistance to inflated prices for automobiles and other durable goods, as well as housing, is a powerful force for recession.

A high rate of inflation leads inevitably to political and social tensions and makes our country vulnerable to disorderly political and social change. We are now seeing how inflation undermines the effectiveness of our state and local government units.

These are but some of the consequences of the high rate of inflation which have developed in America. They force me to conclude that unless we can succeed in bringing the inflation rate down to a much lower level and in holding it there, we face the threat that our private enterprise and market economy will be destroyed and that economic and political freedom will be reduced if not seriously jeopardized.

So, as I face the question of what our public policy should be this year and in the years ahead, I take the following position:

(1) We must, of course, take effective steps to bring the recession to an end and to encourage a business recovery and rising employment. We must recognize that the shocks to public confidence in recent years have been great and that there is a real danger of a deep and prolonged recession. Heavy unemployment takes a terrible toll in human dignity and it has very serious political dangers in itself.

(2) But, we must keep our eye on the fact that the recession was spawned by the inflation, and we must avoid overreacting in fiscal and monetary and other policies to the point that we bring on another wave of demand-pull inflation.

(3) The balance in Government policy between encouraging a renewed expansion of business and rising employment, on the one hand, and persisting in the effort to reduce the inflation rate and to restore reasonable price stability for the longer run may be very difficult, if not impossible, to achieve, but we must strive for it. I am hopeful that we can achieve that balance and find the way back to price stability and healthy economic growth in the years ahead. In what follows I shall try to outline the public policy path we should follow to return to healthy economic growth.

FISCAL POLICY

First, what can be said about fiscal policy? We are now in the process of incurring a staggering Federal deficit for fiscal 1976. The Administration is urging that it not exceed $60 billion and the House and Senate Budget Committees have come up with $69.6 billion and $73.3 billion respectively as the appropriate deficits, given the state of the economy. My guess is that, assuming the normal political processes and the severity of the recession, the Federal deficit for fiscal 1976 is apt to be larger than any of these figures.

Given the depth and sharpness of the recession, the Federal deficit is to an important degree, of course, the result of the shortfall of personal income and corporate profits tax revenues. But in the short run, at least, it will also be the product of the deliberate action taken by the Congress to cut personal and corporate tax revenues by an estimated $23 billion. I am enough of a Keynesian to approve a sizeable tax cut in the face of the sharp recession, particularly since it is clear that the effect of the inflation has been to inflate money incomes and to shift many taxpayers into higher personal income tax brackets while their real incomes have not risen proportionately. But I think that the $16 billion tax reduction package recommended by the Administration—both as to amount and content—was to be preferred over the $23 billion program of tax reductions passed by the Congress. The bill which emerged from the Congress was a "Christmas tree" in many respects, but it was not as bad as I expected considering the political forces at play.

It is difficult to make the judgment as to how much fiscal stimulus the economy should have at this time. My own judgment is that the Federal deficit should be held closer to the $60 billion figure being urged by the Administration than the $73 billion figure set by the Senate Budget Committee. We can already see corrective forces at work which are leading to a bottoming out of the recession by summer. From the standpoint of winning the fight against inflation, it is desirable that the business recovery, as it occurs, be gradual rather than vigorous. So, I feel that there is real danger that the deficit will be too large and that it will be too stimulative. Since I place such a high premium on bringing inflation under control, I would prefer to err on the side of too little fiscal stimulus rather than too much. Moreover, the recognition that there will be a huge Federal deficit, and that it may balloon to an astronomical figure, has in itself already had some perverse effects. It has kept the expectation of a very high inflation rate alive in spite of the recent decline in inflation and it has undoubtedly been an important factor in the further deterioration this year in the foreign exchange value of the dollar. Beyond that, in recent weeks the fear that the huge Treasury financing may crowd private borrowers out of the market has been a major factor in pushing up corporate bond yields and other long-term interest rates. So, there are many reasons for being careful about how high the deficit goes.

As a general very significant principle, it is highly important that the fiscal stimulus take the form of an action which is temporary and which can be terminated when the economy is in process of recovery and no longer needs the stimulus. This is why the idea of a one-shot personal income tax rebate has so much to commend it. If the economy does not need a special stimulus in 1976, the rebate need not be repeated. The danger is that measures involving a substantial increase in Federal expenditures will be put in place this year and that the rise in Federal expenditures will continue on top of increasing expenditures in the private sectors of the economy as business recovery develops. My fear is that, in addition to the tax reduction bill, Congress will now launch new Federal expenditure programs which will raise the deficit in fiscal 1976 beyond the $60–70 billion level and that these expenditure programs will carry over into fiscal 1977 and contribute to another large Federal deficit on top of an increase in private spending by consumers and business as the economy recovers. This is the syndrome we have been in for the past decade and which we must free ourselves from if the enterprise system is to survive. We do need a large stimulus in fiscal 1975, but it must take such a form that it can be removed or reduced when it is no longer needed and when it would only serve to provoke a new round of demand-pull inflation. The tax rebate serves this purpose admirably. We must avoid piling on new Federal expenditure programs this year which will make it difficult if not impossible to bring the budget back into balance as the economy moves to full recovery.

It is too early to appraise the potential of the new Senate-House Budget Committee procedures for making the Federal budget an instrument for encouraging reasonable price stability and healthy economic growth rather than an engine of inflation. But I think these new procedures are a promising development and I am hopeful that they will help to avoid the fiscal excesses which have contributed so much to the escalation of inflation which we have experienced in the past decade.

MONETARY POLICY

Turning now to monetary policy, it is fashionable today to be critical of Federal Reserve policy decisions during the past decade.

Criticism mounted in the first quarter of this year as it appeared from the low rate of expansion of the monetary aggregates that the monetary authorities were not doing their part toward encouraging a business recovery. With the benefit of 20/20 hindsight, we would all agree that the Federal Reserve authorities have made some serious mistakes during the past decade and that they have contributed to the inflation syndrome in which we find ourselves. Usually the authorities were forced into excessively expansionary policies because they had no alternative but to help accommodate the financing of Federal deficits in the commercial banking system.

In thinking about the appropriate monetary policy for the near term or the long term, the monetarists argue that the wisest course for the Fed to follow would be to provide for a steady increase in the rate of monetary expansion, say at 6 percent, and that the authorities should avoid trying to vary the rate of monetary expansion in line with forecasts of the economy which often prove wrong. I find it very difficult to accept this simplistic formula. For one thing, it would be unwise, in my view, for the monetary authorities to rely on any one of the existing monetary aggregates. What is "money supply" in our economy today? Certainly M_1 is not a good measure because of the high average short-term interest rates of the past several years there is a downward bias on non-interest-bearing demand deposits. I have similar reservations about the precise relevancy of the other current measures of money, even when they include time deposits and certificates of deposit. The simple fact is that in today's economy money has to be defined much more broadly than M_1 or M_2 and the appropriate definition probably varies over the business cycle. It seems to me also that the Fed has to pay attention to the behavior of interest rates as well as to the measurements of money. Early this year short-term rates were falling sharply, partly because of the decline in private loan demand but also importantly because of Federal Reserve policy measures. At the same time the rate of expansion of M_1 was very low so that the monetarists were complaining that the Fed was persisting in a restrictive credit policy and contributing to the recession. Suddenly, the annual rate of increase of M_1 in the past two months has jumped to nearly 13 percent so that the monetarists probably will begin to worry that the Fed is moving to an excessive expansionary credit stance. But, at the same time, short-term interest rates have recently leveled out and until recently we had a collapse in bond prices which led to a sharp rise of corporate bond yields. This would seem to me to suggest that the Fed is not doing enough to ease credit and that it should be pushing hard to encourage a further drop of short-term rates and a renewed decline of corporate bond yields. If the Fed should adopt this policy, the rate of increase in M_1 could move much higher and would soon raise a hue and cry from the monetarists. I think that the current situation illustrates the futility of relying on any one simplistic measure to guide policy. It also illustrates why the Fed must not be bound by any rigid formula but must have the flexibility to determine policy in the light of an overall view of the monetary aggregates and interest rates and in the light of other public policy measures and developments in the economy.

Concerning current Federal Reserve policy, the monetary authorities have an obligation to urge that an excessive Federal deficit be voided in fiscal 1976 and that steps in particular be taken to avoid big increases in expenditure programs which will cause another huge deficit in fiscal 1977. The authorities have this obligation because the commercial banks will be expected to buy a major portion of the Federal deficits and the Fed will be expected to provide the banks with the reserves needed to facilitate their acquisition of Government securities.

I have been encouraged by the way the monetary authorities have persisted in their emphasis upon carrying through in the fight against inflation as a secular phenomenon, while at the same time recognizing the need for and implementing a relaxation of credit to encourage a recovery of business. I must confess, however, that I am worried about the recent flattening out of short-term rates and the upward bulge of corporate bond yields. The latter may be correcting itself, but I fear that there has been a rather profound change in capital market psychology which will make it difficult to bring long-term corporate bond yields down very much from current levels. The big factor in this changed psychology has been the rise of the expected Federal deficit to the $80–100 billion level and the fear that such a deficit will cause a rise of short- and long-term rates and crowd out private borrowers. The scare talk about this has hurt market psychology. Also, I think that the Fed has let the market become convinced that it has gone as far as it can in pushing down short-term rates. From the standpoint of the business recovery, it seems to me that it would be very harmful if short rates bottomed out at current levels and it would be especially hurtful if they proceeded to move upward. Also, I feel rather uncomfortable with the prospect that corporate bond yields may hold at the present high levels. The Treasury can help this situation by avoiding new large issues of long-term Government bonds in this market climate. Moreover, consistent with maintaining a proper balance between fighting inflation and fighting business recession, I think that the Federal Reserve can safely push further toward lower short-term rates and hopefully toward encouraging lower long-term rates.

But the monetary policy balance is a delicate one and I certainly applaud the Fed's resolve not to overdo credit ease in this cyclical swing at the cost of contributing uiltimately to a new wave of inflation. My judgment, however, is that the monetary authorities can still safely put the weight of their policy toward encouraging business recovery and that it is too early to be putting on the credit brakes for fear of a new round of inflation. At the same time, however, past experience tells us that the Fed tends to stay too long with credit ease so that in the interest of getting back on the path of healthy growth it will be better this time around for the monetary authorities to err on the side of being too early in applying the brakes rather than too late.

One last word on monetary policy. In my view, the political threat to the independence of the Federal Reserve is the greatest today since the creation of the system. It would be tragic if Congress were to gain the power to dictate monetary policy in this country. We have only to look at the terrible excesses which Congress and the Presidency have committed in the field of fiscal policy to realize how dangerous it would be if politics dominated our monetary policy. During the past sixty years the Federal Reserve, despite its imperfections, has been the great reliable force working for price stability and healthy growth. If we are to have any hope of getting back to a healthy economy, we must have a capable and independent Federal Reserve System

ENERGY POLICY

Time does not permit me to discuss energy policy except very briefly to set forth some general principles. Clearly, however, if we desire to return to healthy economic growth with reasonable price stability we must pursue a public policy which will ensure a sufficient energy supply to satisfy our economic growth requirements and in doing so we must free ourselves from the OPEC control of our energy supply.

The Administration energy program has much to commend it. I am glad, however, that Congress has slowed up in pursuing the matter because almost any action at the moment on the energy front probably would complicate the task of reducing the inflation rate and at the same time encouraging an economic recovery. But we obviously cannot delay for long in moving ahead with a comprehensive and effective energy policy.

Energy policy must, of course, have a long-run character to it. As I see it, it must rely mainly on private profit incentives with Government policy setting the framework for these incentives. The mechanism must be the market pricing system rather than Government rationing or allocation. The policy must permit the price of all sources of energy to reflect market forces and not to be held at artificially low levels. At the same time, however, if energy producers are to be encouraged to make the long-term investment commitments needed to produce new supplies, they must have assurance of a "floor price" of oil to avoid the danger that OPEC would from time to time cut prices temporarily to injure the economic viability of U.S. producers.

We have, of course, been extremely wasteful in our use of energy, so that it is highly essential that incentives be provided to encourage a more efficient use of energy in transportation, industry, and in our homes. My own feeling is that the greatest saving can be made by using the tax and price mechanism to discourage the wasteful use of gasoline in automobiles.

Regardless of how important it is to increase the reliable output of energy, we must do so—and I think we can do so—within the framework of proper environmental standards.

HOUSING POLICY

With respect to housing, the thrust of public policy today is that greater availability of home mortgage credit at lower financing costs will bring about a recovery of housing this year and next and help the economy to recover. At the same time, however, it is generally recognized that the inflated costs of land and housing have greatly limited effective demand so that sheer availability of credit will not have the stimulative effect at this time that it has had in past cycles. To some extent deflationary forces will help to strengthen effective demand for housing. The Administration and Congress are struggling with the problem of stimulating effective demand but the prescription usually involves Government subsidy measures which quickly run into the broader problem of keeping Federal spending under control. Frankly, in the interest of a gradual recovery of the economy, it may be salutory that housing not rebound too vigorously.

For the longer pull, I have the feeling that national housing policy needs a thorough rethinking and overhaul. A great deal of our policy has been "jerry-built" over the past quarter century and has been the result of a succession of ad hoc measures to meet particular problems of the moment.

We seem to have come to the end of the line in terms of reducing the down payment and lengthening the amortization period for home mortgage loans as a means of facilitating effective demand for housing. Total needs for housing in this country remain great, but the problem is how to meet these needs without launching huge new Government subsidy programs which will increase the difficulty of bringing inflation under control. The inflation of the past decade has perhaps left its worst legacy in the housing field.

POLICIES NEEDED TO STIMULATE INCREASED PRODUCTIVITY AND EXPANSION AND MODERNIZATION OF PRODUCTIVE CAPACITY

When we think about policies needed to restore reasonable price stability and healthy economic growth, nothing is more important in my view than a whole series of policies needed to stimulate increased productivity and expansion and modernization of our nation's industrial capacity. Evidence of this is the fact that during the past decade the trend of productivity in the private nonfarm economy has declined at a disturbing rate. During the past ten years the average annual increase in output per man-hour was less than 2 percent, compared with nearly 3 percent in the previous decade. This must stem in large part from inadequate investment by business firms in new and more modern plant and equipment, which in turn is in my judgment the product of the fact that business profits have fallen increasingly short of the amounts needed to finance the growth and modernization of our industrial plant.

Historically the U.S. economy has enjoyed a fairly vigorous growth and rising living standards because until comparatively recently the public policy and general economic climate have been favorable to a high rate of real saving and capital formation as well as rapid technological change. But in recent years our public policy has shifted priorities much too strongly toward consumption and away from capital formation. In my view, we sorely need to redress the balance. We need to reinstitute policies to stimulate increased productivity and expansion and modernization of productive capacity. This is the way, along with appropriate fiscal and monetary policies, to return to reasonable price stability, healthy economic growth, and rising living standards.

First, we urgently need policy measures to rstore adequate business profits and to strengthen the ability of business to obtain sufficient equity capital either through retained earnings or the sale of stock, or both. There is a great deal of confusion and misunderstanding today about business profits. Actually, in any *real* sense corporate profitability has been rather abysmal. Last year, for example, the estimated pre-tax profits of all non-financial corporations from their domestic operations were 16 percent higher than in 1973 and 46 perecnt higher than in 1972. The predominant factor in this rise, however, was a huge increase in inventory profits. This arises from the fact that the accounting practices of many corporations still do not allow for the fact that inventories used up in production must be replaced at higher prices during a period of inflation. As a result, costs of operation have been understated and illusory profits have been created that are being taxed by the Government. Excluding the illusory inventory profits, the after-tax domestic profits of non-financial corporations did not rise last year. Rather, they fell by 20 percent and were lower than 8 or 10 years earlier, when the current dollar value of the output of these corporations was about one-half what it is today.

Last year the after-tax profits of non-financial business firms—adjusted for inventory gains—were no larger than the amount of dividends these firms paid to their stockholders. Even worse, when provision is made for the fact that depreciation schedules for fixed capital are also based on historical rather than replacement costs, and thus contribute yet another illusory element to book profits, these firms really paid out more in dividends than they earned from current production.

This decline in the profitability of business firms has hurt the financial strength of corporations. When their profits were more adequate, our business firms were able to finance much of their capital investment from internal sources rather than from borrowed funds. However, dependence upon borrowed funds has been rising steadily for more than a decade. In the past five years, funds borrowed in the money and capital markets by all non-financial corporations averaged nearly 70 percent of the amounts raised internally, and in 1974 their borrowings exceeded their internal funds. This growing reliance on borrowed funds has cause a sharp increase in the amount of debt owed by business firms relative to their equity positions. In 1950 total debt liabilities of manufacturing corporations amounted to less than half of the book value of stockholders' equity. Today the size of total debt and equity of manufacturing corporations is just about equal. Moreover, a large part of the indebtedness accumulated by business firms has been in the form of short-term debts, and these, in turn, have grown more rapidly than holdings of current assets. The liquidity position of non-financial businesses has accordingly been weakened.

These are very disturbing trends. They indicate that if we are to lay a base for the expansion and modernization of productive capacity in the years ahead we must create a public policy climate in which business firms can successfully raise the required equity capital and reverse the trend toward overloading firms with debt. In my view this problem should be attacked on a number of fronts, such as follows:

1. The corporate profits tax rate should be reduced.

2. The depreciation guidelines should be realigned to permit business firms to account for depreciation on a replacement cost basis rather than on a historical cost basis.

3. The investment tax credit should be mintained indefinitely on a liberal enough basis to encourage capital spending.

4. The double taxation of corporate earnings—at the corporate level and at the dividend end with individuals—should be eliminated.

5. The capital gains tax rate should be reduced with the length of time stocks are held.

6. In the area of energy, special tax incentives should be employed to encourage exploration and development.

7. The above suggestions especially apply to the public utilities, as well as to industrial firms, and in addition ways must be found to make the state regulatory authorities more responsive to the earnings requirements of the regulated firms.

Beyond this, we are going to require tremendous amounts of saving in the years ahead to finance healthy economic growth at reasonable interest rates. Measures such as those suggested above will help to encourage saving in equity form, both by business firms themselves and by investors. The reduction in the inflation rate to a reasonable level, if we can achieve it, will itself help to encourage the required saving. A balanced Federal budget—or hopefully even some surpluses—will aid in making funds available to the private sectors of the economy. Beyond this, we may well need special tax incentives to encourage saving by individuals in all types of financial institutions.

I suppose these various suggestions do not seem to have political feasibility. But it seems to me that they are absolutely essential if we are to succeed in restoring reasonable price stability and healthy economic growth.

CONCLUDING COMMENTS

The American economy—indeed our political economy—is at its most crucial point in history. The current recession is giving us the chance to restore reasonable price stability and healthy economic growth. If we fail to cash in on this chance—and if we let political opportunism carry us back to the old inflation syndrome—we are risking the destruction of the enterprise system and the economic freedoms which have served us so well throughout our history.

THE GENOCIDE CONVENTION: AN INTERNATIONAL CONCERN

Mr. PROXMIRE. Mr. President, I have spoken out in favor of the Genocide Convention on many occasions, referring to it as an issue of international concern, one that transcends religious beliefs and crosses political lines. One of the best appeals for the Convention's ratification along these same lines is perhaps that of the late Gabriela Mistral, the famous Chilean poet who won the Nobel Prize for literature in 1945.

> With amazing regularity genocide has repeated itself throughout history. Despite all advances in our civilization the twentieth century must unfortunately be considered as one of the most guilty of the crime of genocide. Losses of life and culture have been staggering. But deep in his heart man cherishes a fervent yearning for justice and love; among small nations and minorities the craving for security is particularly alive. The success of the Genocide Convention today and its greater success tomorrow can be traced to the fact that it responds to necessities and desires of a universal nature. The word Genocide carries in itself a moral judgment over an evil in which every feeling man and woman concurs.

In light of this statement and many others in the same vein, although perhaps not quite so eloquent, how can we as a nation not lend our support to the treaty? It seems to me our moral obligation to our own people as well as the greater community of nations. As a country which has always stood in support of human rights, how can we pass up this chance to set the stage for the establishment of a universal code of moral ethics through international law? It is a small commitment which will reap huge benefits.

LAW DAY ADDRESS BY THE ATTORNEY GENERAL

Mr. HRUSKA. Mr. President, the University of Nebraska at Lincoln was honored on May 1 to have the Attorney General of the United States, Edmund H. Levi, as its guest for Law Day activities.

The Attorney General dedicated the magnificent, new college of law building on the university east campus and was awarded an honorary doctor of laws degree for his "distinguished career in the service of his community, his university, and his Nation."

At a law day dinner sponsored by the university and the Lincoln Bar Association, the Attorney General addressed some of the problems of our system of justice. He also had this to say about the law:

> Throughout the history of Anglo-American law there has been a debate over the meaning of justice and its relationship with the law. The two have been seen as, in some ways, distinct. Justice has many forms. Justice is one of the virtues, to be sure, but in some sense it is all of the human virtues viewed collectively. Justice is the name we give our values, and as such it is the source all members of the legal profession must draw upon.
>
> The lawyer's job is to translate these values into rules. It is to make those rules consistent one with the other in a craftsmanlike manner. It is to try to clarify the ambiguity of words, to use language in the service of values. The legislator has an enormous responsibility in this regard. The effort by Senator HRUSKA and his staff to revise the federal criminal code demonstrates how that responsibility can be met. Consider the reason why the revision was undertaken.
>
> Over the years the federal criminal law has expanded and changed—partly because Congress has passed new laws and partly

because courts, responding to the arguments of private individuals and their attorneys along with those of prosecutors, have interpreted the words written by Congress and set the principled limitations within which Congress could act. The accretion of judicial decisions, and by private parties, has made the criminal laws unduly complicated, redundant in some instances and flatly contradictory in others.

We should not despair, the Attorney General points out, because our society is one that constantly strives for perfection, but rarely attains it. He points out that this effort is one that is wholesome:

> It is not necessarily a reproach that our society has not fulfilled all its aspirations. In many ways we have progressed far beyond the dreams of the founders who set our law into motion—in our size and numbers, in the distribution of material advantages, in the access to education and in the cultivation of the arts. In many ways our aspirations have changed and will continue to change. Even the good society—perhaps because it is good—cannot ever be wholly satisfied. Indeed the good society must have ideals beyond its attainment. A vital responsibility and the joy of the lawyer to try to solve them.

Mr. President, so that my colleagues may benefit from all of the thoughts expressed by the Attorney General on this subject, I ask unanimous consent that his remarks on May 1 in Lincoln, Nebr., be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HRUSKA. Mr. Levi's presence in Lincoln served to enhance the importance of the dedication of the new law building at the University of Nebraska. As Henry Grether, Jr., dean of the college of law said:

> The dedication of the new Law Building is the culmination of years of hard work and planning by many people. It is especially appropriate that the dedication should occur on Law Day 1975, as the Nation begins to look back at our past two hundred years and the look forward to the future two hundred. During those past two hundred years the role of law and the lawyer has been a prominent one and there is every reason to believe that that role will expand even more in the future.

Mr. President, I was proud to be present at this dedication. I know the faculty, students, and alumni will be pleased with the fine facilities of the new law building.

[EXHIBIT 1]

LAW DAY ADDRESS BY HON. EDWARD H. LEVI

This is a special day for law and for the legal profession. The day has added meaning for the Nebraska bar and the University of Nebraska-Lincoln College of Law. You have dedicated a new law school building to the service of the profession, a building where new attorneys will be introduced to what Sir Edward Coke called "the artificial Reason and Judgment of the law." And as they master it, they will become members of a proud and great profession.

But Law Day is not solely a celebration of the legal profession. It is intended for our entire society because law by its virtues and by its defects affects all of us—the powerful and the weak, the learned and the unlearned. We recognize this universality of the law when we speak of the sovereignty of the rule of law under which we all live.

The law which is sovereign is not complete, and it is not perfect. If we measure law by justice, we find it wanting, for we know there are many injustices. Also there is great cynicism about the law now, as there has been at other times. Some see it as merely an instrument in the hands of the powerful for accomplishing their personal aims. Even if we think of law as a noble instrument of society for maintaining civility, we must pause at lack of success. Crime rates, a measure of our lack of civility, have been continuously on the rise. The Federal Bureau of Investigation's latest figures show that the rate of serious crimes—murder, forcible rape, robbery, aggravated assault, burglary, larceny, and auto theft—was 17 percent higher in 1974 than in 1973. The Bureau has been keeping those figures for 42 years, and it has never computed a greater annual increase than that. The FBI figures do not tell the whole story of crime, and the whole story is by no means more pleasing. A study by the Law Enforcement Assistance Administration has indicated that much crime still goes unreported; that is, it does not even appear in the figures I have cited. And the statistics do not accurately reflect the growing fear the increasing crime rate has inspired.

Of course, the law is imperfect. It is made by man. It reflects his failings, his human weaknesses. But it also reflects his powers and wisdom. It is made by man, and it must contend with the forces man sets against it. It must contend with our conflicting desires and ambitions for power and material goods. It exists in a human society where each man does not necessarily judge correctly in his own cause, where resources for which men compete cannot satisfy them all, where factionalism is probably the inevitable price of diversity.

It is not necessarily a reproach that our society has not fulfilled all its aspirations. In many ways we have progressed far beyond the dreams of the founders who set our law into motion—in our size and numbers, in the distribution of material advantages, in the access to education and in the cultivation of the arts. In many ways our aspirations have changed and will continue to change. Even the good society—perhaps because it is good—cannot ever be wholly satisfied. Indeed the good society must have ideals beyond its attainment. A vital society inevitably has problems which must be solved. It is the responsibility and the joy of the lawyer to try to solve them.

Our society and its law have difficult problems to face today. Not the least of the problems is the increasing resort to the law to settle differences among individuals and organizations once resolved by informal relations of trust and comity. The courts clog with lawsuits brought either because people don't believe they can make their grievance known any other way or because they don't want to give up a single chip in the process of bargaining for an advantageous settlement of their claim. The lawsuit is no longer the last resort. For those who think they are powerless in the face of impersonal and indifferent institutions, the lawsuit is the only resort. And for those who are well-schooled in the resolution of disputes, the lawsuit is a method, not so much for having a tribunal resolve an issue as for forcing a resolution out of court.

As the system of civil justice has become cluttered, the criminal justice system has fallen into incredible disrepair. The burden of increasing crime has put pressures upon the system which it is incapable of supporting. Criminals have learned to use the inefficiency of the system to their own advantage and the result is grave. An unpublished study conducted in one major American city showed that only four per cent of the persons arrested for a felony were actually convicted of that felony. Even fewer ever went to prison. FBI statistics show that there are only 19 arrests for every 100 serious crimes reported. The lesson for potential criminals in this is clear: that they can use the law's weakness to avoid being punished. The deterrent force of the law falters upon that lesson. The crime problem spirals upon itself. If the criminal justice system weakens the deterrent force of the law, then there is more crime. And that extra crime puts its burden directly back on the already overwhelmed system.

The law has also outgrown many of its traditional categories as we have called upon it to solve complex, technological problems. For example, while once the law of nuisance served as the bulwark of environmental protection, today its easy maxims are not nearly enough. The law is now called upon to discover what may harm us, strike a subtle balance of harms and benefits, and recognize that the conduct of any one of us may be trivial individually but devastating in the aggregate. The law must concern itself with events so great as an accidental burn-out at a nuclear power plant and so small as the tiny bursts of vapor from the nozzles of aerosol cans. Of course, the law has always been general, has always applied to the great and the small. But the burden put upon our law by scientific knowledge about the consequences of our acts and the technological advances that raise ever more complicated questions of control cause some to yearn for the return of innocence. They might wish for the return of an era in which the threat to our environment might again be as obvious as a chimney belching black smoke now seems to us. But that era will not return. Rather what we must now reach for is a much more delicate balance of interest.

There are problems, indeed, and it is because of these problems, not in spite of them, that the rule of law is so central in maintaining progress. For the rule of law requires that we meet these problems by applying to them our deepest human values. What then is the rule of law?

It is often said upon solemn occasions such as this that ours is a system of laws and not of men. The idea of the rule of law developed in the Middle Ages in an otherworldly context that could distinguish laws from men. In the 13th century in England Bracton argued that since a universal law rules the world, even kings and rulers were subject to the law. British history gave content to Bracton's abstract argument, and by the 16th century the medieval idea that a universal law governed the world supported the growing belief in the supremacy of the common law.

That belief is really quite extraordinary. Its development was hardly irresistible. Lord Coke himself resisted it while Attorney General only to advance it powerfully when he became a judge. On a Sunday late in 1608 in Whitehall Palace Coke, then Chief Justice of Common Pleas, stood before King James I as the King assured him that the King would "ever protect the common law." But Coke replied, you will recall, "The common law protecteth the King," and James flew into a rage, calling Coke's argument traitorous for it set law above the monarch. By Coke's own report, the King proclaimed that since the law was founded upon reason, the King's reason could be the final source of law. To that Coke replied that the King had natural reason as well as any man but that "his Majesty was not learned in the Laws of his Realm of England; and abuses which concern the Life, or Inheritance, or Goods, or Fortunes of his Subjects are not to be decided by natural Reason but by the artificial Reason and Judgment of the Law, which requires long Study and Experience before a man can attain to the cognizance of it."

The King's reply was explosive. He threatened to strike the Chief Justice, and Coke fell prostrate before the King's majestic wrath.

But the next day, from the Bench, Lord Coke issued an order under his seal which again asserted the supremacy of the common law.

Over time Coke's views as to the supremacy of law prevailed and even the Crown's prerogatives became so circumscribed by Parliamentary and judicial limitations that those which remained could only be described as existing as an aspect of the common law exercised by the Crown only because the law allowed it. What does the rule of law mean today? It cannot mean that the law operates independently of men. It must mean that there is some common center of agreement that informs the conduct of all men who work with the law. Sometimes the rule of law is taken to prohibit discretion in the application of government power. But the law works through words, and words themselves invite discretion in their application. The rule of law, if it means anything in this regard, refers to the disciplined application of words or ideas to the situations they are called upon to influence. No rule is automatic in its application. To a greater or lesser degree the step of determination is always required.

As I said at the outset, the idea of the sovereignty of the rule of law recognizes the universality of the law's effect. It also recognizes the universality of the manner in which law develops. Law is not only the product of lawyers. The whole society uses and interprets the law. And because of that, the law expresses something deep and important about the values we hold as a people. It expresses our strongest commitments and the highest aspirations. Law is not everything in society. The law is only one of a number of institutions through which we express ourselves and which in turn influence us, maintain our customs and change our habits. Thus law takes a place along with family structures, religious beliefs, the expressions of art and the explanations of science. Law embodies the values common to many of those institutions. Law, as the custodian of the historic rights mankind has developed for itself, must never be regarded as the tool of the power of the moment.

The public, the press, the academic community, the artists, all by their assertions and conduct inform and develop the law. As new human values and ideas make their way into common acceptance, they also make their way into the law which translates them into words by which common conduct may be governed. By guiding common conduct, by speaking in words, the law has its own power to educate, to alter commonly held views, to shape the thinking of the public whose thinking in turn shapes the law.

As the law is the custodian of historical value, the legal profession has a special role as the trustee of the law. But what is the nature of the legal profession? It has many different roles.

If one reaches back into legal history the difference between courts and legislatures was much less marked than it is today. Parliament still functions as a high court, a reminder of the time when the distinct functions of legislatures and courts were seen as one. Today the courts and the legislatures operate quite differently, representing separate aspects of the legal system. Nevertheless, the distinction between judging and legislating is quite old. Even though legislatures do sometimes merely restate the law and even though judges sometimes change it, there is a central difference between applying the law as a judge and changing it in the public interest as a legislator. The legislators are guided, of course, by their vision of the Constitution's meaning and by a sense of duty to lead and to speak for their constituents as the constituents would speak were they present to be informed by debate in the public forum. The question of change is before the legislator and the fashioning of the public will must be their goal. Legislatures in large part are the forum for public involvement in its most immediate, changing and diverse form.

Courts recently have on occasion been places of high public drama, and modern procedures allow great diversity of interest to be represented in cases which would at one time have included only the two primary parties in dispute. Still the courts have a different goal than legislatures. Theirs is not primarily to shape the public will although they do this somewhat. And they must display a different sort of reasoning to support their judgment. The power of judges to resolve disputes and speak the law depends in large part upon the unique tone in which they render their judgments. More than any other lawgivers, they derive their power from the acquiescence of others in their judgments. Confronted with the duty of resolving a particular dispute based upon a particular set of facts, the judges must meet the duty by applying resonant rules of general and lasting application so that their decisions will be seen as legitimate. Thus they determine finally the rule of law as it applies among the parties before it, but they state the law knowing that their statement will bear heavily in resolution of future disputes. Though the courts use the language of principle, principles change over time as society reassesses its values and comes to accept new ways of looking at its problems.

Because they phrase their judgments in terms of the reasoned application of principle, too often what courts say has been mistaken for the single voice of the law. Lately the practice has been to go to the judges when legislators and officials of the executive branch fail to live up to their responsibilities. The apportionment of legislators, the operation of public schools, even the conduct of the war in Vietnam have all been brought to courts by those who would have the judges state the single rule of law. Sometimes the judges have wisely declined to comment. Sometimes they have not. In any case, the appeal to the judges as the only spokesmen of justice results from a failure to recognize the more subtle nature of the rule of law in this nation.

Throughout the history of Anglo-American law there has been a debate over the meaning of justice and its relationship with the law. The two have been seen as, in some ways, distinct. Justice has many forms. Justice is one of the virtues, to be sure, but in some sense it is all of the human virtues viewed collectively. Justice is the name we give our values, and as such it is the source all members of the legal profession must draw upon.

The lawyer's job is to translate these values into rules. It is to make those rules consistent one with the other in a craftsmanlike manner. It is to try to clarify the ambiguity of words, to use language in the service of values. The legislator has an enormous responsibility in this regard. The effort by Senator Hruska and his staff to revise the federal criminal code demonstrates how that responsibility can be met. Consider the reason why the revision was undertaken.

Over the years the federal criminal law has expanded and changed—partly because Congress has passed new laws and partly because courts, responding to the arguments of private individuals and their attorneys along with those of prosecutors, have interpreted the words written by Congress and set the principled limitations within which Congress could act. The accretion of judicial decisions, congressional statements and patterns of practice by the executive and by private parties, has made the criminal laws unduly complicated, redundant in some instances and flatly contradictory in others.

Senator Hruska has been a leader in the response to the need for revision. It is in part a technical job—fitting the pieces of the code together that they might be consistent and bear a reasonable relationship one with another. But it has been more than a technical task. It has been an effort to go deep into the reservoir of our values and take the measure of the rules that are supposed to embody them. It has been an effort to translate values into law. It has been an example of the highest calling of the legal profession.

It is an enormous responsibility a lawyer bears—to face the most complex and demanding problems that our society faces, to treat them dispassionately but not without feeling, to work with words which demand constant interpretation. Yet it is also his pleasure to do so. It is what distinguishes him from others in the system of law he shares with everyone.

The purpose of this day is to honor the law, and the purpose of the law is to try to create the conditions for the just society, for the continual re-examination of our values and the way they are reflected in our actions. It is to the aspirations of the law that, whatever its inevitable current failings and weakness, we may rightly and unhesitatingly pay tribute today.

AN INNOVATIVE PROPOSAL ON ASSISTANCE FOR INDOCHINA

Mr. HUMPHREY. Mr. President, many compelling and innovative proposals come from the American people. Recently, while visiting in the city of Minneapolis, I was presented a paper by one of our most distinguished citizens, Mr. Anton G. Hanson of Minneapolis, Minn.

I call to the attention of my colleagues the proposal of Mr. Hanson entitled "A Joint Partnership." Mr. Anton Hanson suggests that the United States invite China, the Soviet Union, and Germany to join in a partnership development program to help the people of Vietnam, Cambodia, Laos, and Thailand.

To some, this program may seem far-reaching and idealistic but in all candor it is the sort of creative thinking that this Nation needs and that the world longs for. I take the liberty of bringing it to the attention of the Senate because I do believe that the old lines of foreign policy need to be re-examined. We must think in terms of development and not in terms of confrontation. We must use our resources in nation-building and not in the destructive instruments of war. My old friend Anton Hanson has the courage to speak out for sharing, building, developing, and peace. It is this kind of devotion and patriotism that commands the respect of all of us. I ask unanimous consent that the proposal entitled "Joint Partnership Programs" as developed and presented by Mr. Anton Hanson of Minneapolis be printed in the Record.

There being no objection, the proposal was ordered to be printed in the Record, as follows:

Joint Partnership Programs

5521 Woodlawn Blvd.,
Minneapolis, Minn.

According to the newspapers and television programs S.E. Asia has a lot of problems yet to be solved.

We suggest the United States invite China, Russia and Germany to join us in a partnership development program (2 communist and 2 capitalist countries) to help the people of depressed countries such as Vietnam, Cambodia, Laos and Thailand. A meeting of some of the top men and women of the four partner countries should be held in Geneva, Switzerland as soon as possible to set up a World Advisory and Development Board which could get started immediately on the problems. Combining our knowledge and resources could greatly accelerate this vitally needed aid to these countries.

Food, farm machinery, seed and the necessary manpower to teach and help them set up good food producing programs should be sent as soon as possible; also chickens, cattle, sheep, etc. so they can start raising large herds.

Building materials, tools and manpower to start large housing programs should be sent. They could be helped build sawmills, sash and door factories, prefab housing factories, cement plants and concrete factories to make large slabs for apartment, commercial and industrial buildings and shopping centers.

We should help them build and staff several vocational schools so the people could learn to be more self-sufficient.

We also recommend that every country involved in this venture, including the four partnership program members, sign an agreement stating they will not start any wars against each other or any other country, but will work together for WORLD PEACE and progress for all. Policing and world order should be handled through and by the United Nations. Disputes which cannot be settled by discussion should be referred to and handled by the United Nations Court in Switzerland.

Money for these programs could be taken from the defense budgets of Russia, China, Germany and the U.S. as this will be a vigorous war against hunger and poverty and the beginning of a new way of life for the whole world with no need for large armies. If these four countries each put as many men and women necessary and 20% of their one year defense funds to work on this joint development program a great deal could be accomplished in a short time.

We could further help these countries by:

1. Putting on industrial fairs each year—something like our state fairs—in some central area where all these countries could display their arts and crafts, industrial machinery, farm products, cattle, etc. This would help increase their self-esteem and mutual understanding.

2. Sending athletic coaches to train the youth in all types of sports so they can have good, friendly competition between themselves, their countries and other countries and all get to know each other better. Along with the coaches we should send some people to help build the necessary athletic fields and swimming pools; also some of the world's top, most diplomatic, athletes could visit these countries and help train and build enthusiasm among the youth.

3. Medical centers could be set up, maintained and staffed by the four partnership countries to help the people regain their health and learn better ways to keep healthy and combat diseases.

All help should be given to everyone with no discrimination as to race, religion or politics.

We will all learn to know and understand each other better and reach our goals much sooner by working together combining our knowledge and abilities.

Let's get started with this most important project of providing food, housing, and guaranteed world peace. Food for all and hope for all the people who so desperately need it right now!

ANTON G. HANSON.

PROJECT ISEED

Mr. TAFT. Mr. President, at the outset of this Congress, Senator PROXMIRE and I sent to our colleague in the Senate information on the "International Symposium on Entrepreneurship and Enterprise Development"—Project ISEED.

As we stated previously, the purpose of the symposium is to help improve the skills of persons and organizations who are trying to assist and encourage the development of new small companies. The conference, which will be held from June 15–19 in Cincinnati, will focus on what can be done to help small business development. It now has the endorsement of nearly every national and international economic development agency.

As the symposium date draws near, it seems appropriate to again bring information on Project ISEED to the attention of all Members of Congress and their staffs. In addition to the material which follows my statement, additional information can be obtained by contacting my office.

The health and vitality of new and smaller businesses is crucial to the health of the economic systems in the United States and many countries. We should all support efforts designed to further this end.

I ask unanimous consent to have printed in the RECORD an explanatory paper on ISEED.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

PROJECT ISEED

WHAT IS ISEED?

The International Symposium on Entrepreneurship and Enterprise Development (Project ISEED) is an international conference for persons and organizations who assist, stimulate and nurture the enterprise development process.

During the four days of ISEED, discussions will be focused on identifying and evaluating efforts to foster the enterpreneurial process.

ISEED will feature about fifty leading authorities from around the world who will have prepared "talking papers" as a basis for discussion. These authorities will include:

Educators currently teaching in this field,

Venture capitalists, financiers, and bankers active with new ventures,

Representatives of government agencies concerned with new approaches to economic development,

Corporate specialists pursuing internal or external entrepreneurial activities, and

Representatives from foundations supporting innovative economic development programs.

Proceedings of ISEED will be published, including a summary of papers, discussions and proposals, and a list of attendees.

ISEED will be immediately followed by a two-day "demonstration" seminar, showing one approach to encouraging and assisting entrepreneurs. A week of special programs, including field trips, visits to newly formed companies, and specific discussion groups, is being planned for the week following ISEED.

WHEN AND WHERE?

ISEED will be held during the period from June 15–27, 1975.

June 15–19 ISEED, Cincinnati, Ohio, U.S.A.

June 20–22 Weekend Enterpreneurship Seminar, Cleveland, Ohio, U.S.A.

June 23–27 Special Programs, various U.S. locations.

WHY ISEED?

A. *The Value of Local Entrepreneurship—*

Local enterprise creation and growth is a key element in regional economic development—anywhere. As a complement to government projects and large company branch plants, indigenous entrepreneurship offers:

Local leadership attuned to the needs and resources of the community.

Local innovation develops enterprises to maintain and expand the economic competitiveness of the region.

Economic sovereignty—local leadership and management facilitates retention of capital profits in the region for further economic growth.

The creation and preservation of employment and income for lower-income persons in depressed areas.

B. *Why ISEED Is Needed Now—*

Interest is high and growing in many countries to develop programs to assist and encourage the development of new indigenous businesses.

Some recent assistance efforts, especially those concerned with identifying and educating entrepreneurs, are proving effective in helping newly formed companies to grow.

Practitioners working to assist the entrepreneurial process are widely scattered and little-known to each other.

There is duplication of expended efforts, repetition of programs with little promise, and lack of awareness of many programs that are working.

The published results of projects and experiments are not assembled and disseminated in any organized fashion, or housed in a centrally known location for study, evaluation and possible use by others.

C. How ISEED Will Help Those Assisting The Entrepreneurial Process—

ISEED will help accelerate the forms of cooperation and communications in this emerging field by:

Identifying an international group of qualified and experienced workers in entrepreneurship.

Improving the awareness of various types of assistance efforts that are being undertaken.

Establishing a better understanding of the current "state-of-the-art" of entrepreneurship stimulation and assistance programs.

Improving lines of communications among workers in this field, and also among them and others who are developing an active interest in entrepreneurship.

Publishing results of the Symposium in a form useful for participants intercommunication and follow-up. Copies of these materials will be assigned to the Entrepreneurship Library at The Center For Venture Management, Milwaukee, to be made available worldwide as resource documents.

Being the initiating event leading toward a new era of communication and cooperation among individuals and institutions concerned with fostering the enterprise development process.

D. Goals—

We would hope that four to five year from now there will be a discernable increase in the number of new ventures formed in those countries who sent participants to the ISEED Conference in 1975.

We would hope that in the two to three years following the 1975 initial conference the conferees will be able to increase efforts and effectiveness because of what they learned about successful and unsuccessful techniques and conditions from fellow conferees at this 1975 conference.

We would hope that in the year following this conference there would be an increased awareness of information and persons with resources among the attendees at ISEED.

WHO SHOULD ATTEND ISEED?

ISEED is the first major international conference designed exclusively for individuals and organizations concerned with development of entrepreneurs and new ventures. The conference provides a significant opportunity for practitioners in the field to interact with colleagues throughout the world. The cross-pollination of the international practitioners will provide enrichment of the entrepreneurial process through the world. ISEED should be particularly significant to:

Government agencies of all countries providing programs and assistance to small businesses for regional economic development on a domestic and international basis.

Institutional and investment financiers providing the financial stimulus to new venture situations.

Development bankers providing financial resources to regional economic development.

Corporate venture specialists developing new venture bases within the environment of existing organizations.

Venture capitalists/individual investors actively participating in the funding and development of new enterprises.

Foundations providing financial and technical resources for regional economic development, and supporting research related to entrepreneurial activities.

Educators/Administrators involved in the design and implementation of research, curricula, special programs and courses related to the development of entrepreneurs and new enterprise.

Professionals, including consultants, attorneys, accountants and others counseling and providing guidance services to new venture situations, and to other organizations/institutions aiding in regional economic development.

(Note: ISEED is not a conference for entrepreneurs themselves. It is designed for professionals/practitioners serving the entrepreneurial process.)

THE AIRLINE MUTUAL AID PACT

Mr. TUNNEY. Mr. President, as a member of the Subcommittee on Aviation on the Senate Commerce Committee, I have been long concerned with the effect of the Airline Mutual Aid Pact upon members of the public who rely upon the airlines for their travel needs.

I listened to and studied at some length testimony taken by the Aviation Subcommittee to abolish the Airline Mutual Aid Pact, and I support passage of legislation which will do so. My review of the arguments on both sides has convinced me that the pact as presently implemented is deeply detrimental to the interests of the traveling public.

The history demonstrates that the pact has been responsible for increasing the length of strikes in the airline industry. Before the pact came into existence, the average industry strike lasted 15 days. This compared favorably with a national average strike duration of 19.7 days in 1958, the year the pact was first established. During the first 3 years of the pact, the average duration of airline strikes rose to 23 days. When changes in the pact were made so as to substantially increase payments received by struck carriers, the average strike period in the industry rose to 102 days. The national average was only 25.3 days during the same period.

Mr. President, it is poor transportation policy and worse labor relations policy to permit arrangements which upset the balance of bargaining power and generate long and costly strikes. The basic labor policy of this Nation has always been to promote rough equality of bargaining power and to require good-faith bargaining by both sides. The pact undermines this policy by making strikes relatively costless for the airlines. Indeed, in some cases, the pact makes it possible for an airline to profit from a strike. Profits are fine, but not when they are gained at the expense of the general public, employees, and stockholders of other airlines.

Action should be taken by Congress soon to eliminate what is in essence an unfair labor practice.

OUR NATION'S ENERGY PROBLEMS

Mr. DOMENICI. Mr. President, our Nation was struck a severe blow with the 1973 Arab nation oil embargo. As a result, we have become more energy conscious and are alert to the fact that we do not have limitless supplies of energy. If we are to learn from the past, it is imperative that we move forward on a strong national energy policy of our domestic fuel resources.

My State of New Mexico has been a leading energy exporter of natural gas, uranium, and other fuel resources, and like other energy producing States faces great economic inequities for its product. A case in point, is the exportation of crude oil. Seventy-eight percent of our crude oil is sent out of State, however, under the two-tier price system, the price for that oil is half the amount of foreign oil. We can justly be called an energy colony, receiving smaller revenues for our precious energy resources.

Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by New Mexico State Senator Philip "Bob" Grant who has addressed himself to this major problem. His remarks were delivered before the New Mexico Academy of Science Seminar in Los Alamos, N. Mex.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NEW MEXICO'S LEGISLATIVE RESPONSE TO OUR NATION'S ENERGY PROBLEMS

(By Philip R. Grant, Jr.)

Just 20 short years ago, the United States was a net exporter of oil, and natural gas was simply a nuisance associated with oil production that had to be flared into the atmosphere in order to be disposed of! Now, our country must import at extravagant prices almost half of the oil it consumes. And natural gas has become such a precious commodity that there isn't enough of it to go around at any price.

Despite sharply increased drilling and higher prices for the raw product in the past two years, proved recoverable reserves of crude oil in the U.S. declined from 35.3 billion barrels in 1973 to 34.25 billion barrels at the end of 1974. Reserves of natural gas declined by 13 trillion cubic feet—an amount greater than all the established reserves in New Mexico—to 237 trillion cubic feet during 1974. The United States' share of total known world-wide crude oil reserves dropped to less than 6%, including Alaska. And, most unfortunate of all, there are still skeptics who believe the fuel crisis in the United States was something contrived by the oil companies!

How did we get there and what are we going to do about it? Certainly, few things in the history of our nation have been so suddenly thrust on the American people which demand solutions as the indigenous Energy Crisis. And, there are about as many solutions proposed as there are instant experts to propose them. Some 25 years ago, with crude oil selling for $2.65 a barrel and virtually all of America's economy tied to oil and its products, our national leadership made a conscious decision to encourage American oil companys to explore for foreign oil. If successful, they were assured a market in the United States. Within a very few years they succeeded beyond anyone's imagination in establishing hundreds of billions of barrels of reserves in the Middle East which could be produced for less than twelve cents a barrel.

This oil found a ready market in the populous east coast at prices as low as $1.00 a barrel. For 25 years, industry was encouraged to switch from coal to cheap, and apparently endless supplies of non-polluting foreign oil and then abundant domestic natural gas. During that 25 year period, with oil and gas as its servant, the United States enjoyed phenomenal growth, and unprecedented prosperity. All of this came to a sudden halt in the fall of 1973 when the OPEC nations placed an embargo on their oil to our country. From an easy assumption of an everlasting abundance of petroleum, we suddenly learned that for the first time in our history we were dependent upon others for our well-being. When the valves were turned on again we found ourselves paying $26 billion a year to others for a product we were used to paying no more than $3 billion for, and glad to get it at any price.

Our domestic oil industry, which had languished in the wake of cheap foreign crude, had received a raise in the price of its product from $2.65 a barrel in 1950 to a remarkable $3.17 at the beginning of 1973. Our total capital requirements in 1972 for the oil we used was in the neighborhood of $14 billion. Unfortunately, when the oil crisis came, we couldn't snap our fingers and increase our own production. From a high of over 5,000 wildcat exploratory wells drilled each year in the late 50's in the United States, industry had dropped to a level of around 1600 by 1970. The lack of exploration during this period created a genuine shortage of drilling rigs, oil field pipe and supplies, and trained oil exploration and development people in the industry, as any geologist seeking employment during this period can testify. With absolute maximum production from existing fields and wells established in 1973 and 1974, domestic production peaked out at about 9.5 million barrels a day last year.

Today, the maximum amount of oil this country is capable of producing is less than 8.4 million barrels a day. Obviously, the domestic oil industry needs a tremendous amount of venture capital for exploratory and development drilling, an assurance of reasonable prices for the product they are rapidly depleting, freedom from unreasonable and punitive governmental actions, time, skill, and a lot of luck to turn the bleak picture around while the country develops alternate sources of fuel energy.

However, look at what has happened in just the past 18 months. Congress passed a so-called emergency tax act removing the depletion allowance for major operators entirely and, in the case of independents, limiting it to 65% of their net income from all sources. This effectively removed an important source of funds needed by the industry for exploration and discourages outside investors who in the past have been major sources of risk capital. Federal regulations limit the price received by producers of "old" oil—that production established prior to 1973—which constitutes 73% of domestic production, to $5.25 a barrel, some 40% of what our Arabian friends receive. They are now contemplating rolling back the price on "new" oil from the free market price of about $12 a barrel. The Federal Power Commission has long regulated the price received for interstate gas at a level far below what is necessary to encourage new exploration.

The controlled price of interstate gas is now at a ceiling of 51 cents per thousand cubic feet, up from 28 cents a year ago, while the free market price of uncontrolled intrastate gas is at a level ranging between $1 and $2 a thousand cubic feet. So far congress has been irrational and contradictory in its dealings with the oil and gas industry. It has started a policy that says that the companies must expand domestic energy supplies in order to reduce dependence on imports while offering little incentive to do so, and initiating a number of punitive measures that are at best irresponsible and potentially disastrous in their consequences to the nation's energy posture.

What has all this to do with New Mexico's legislative response to these problems? Recognizing the fragmented efforts and lack of direction at the national level, the state has taken numerous statutory steps to preserve for the maximum benefit of its citizens whatever initiatives remain in the development and utilization of its natural resources. Ranking 49th or 50th in per-capita income, the state, like any business entity, must capitalize on those resources—natural or otherwise—which offer the most opportunity for its citizens to progress economically, while it still has those resources.

New Mexico ranks fourth in the nation in the production of natural gas and sixth in oil production. However, 89% of our gas is exported from the state at controlled interstate rates which are approximately one-third the average free market, intrastate rate. 78% of our crude oil is sent to other states for processing and use, and under the "two-tier" price structure maintained by the federal government, we must sell our oil for about half the price imported oil brings. In effect, we are subsidizing the rest of the nation at the expense of depleting those finite resources we are fortunate to have now, but not, perhaps, in the future. Not only are we producing these products at an artificially low price, we receive virtually nothing in terms of whatever value added taxes would be available if these materials were converted into finished products within our boundaries.

If, for instance, oil and gas prices were freed to seek their actual value in the marketplace, our tax revenues alone would increase from about $175 million a year, presently 38% of the state's revenues, to at least $350 million. If, again, those industries which make use of these products had to come to New Mexico to obtain them, instead of our being mandated to export them for another state's financial benefit, the economic advantage to New Mexico in terms of employment and tax revenues is obvious.

Further, if those states desiring to use our coal resources to generate their electricity or create their artificial gas want these benefits at the expense of our environment, they should be prepared to trade or barter something we can use, such as water, for them.

The state of New Mexico is not saying "no" to cooperation with other states in the use of its resources. It does deem specious, however, the argument of consuming states that it is economic blackmail to attempt to raise the price or reserve for indigenous use these valuable, irreplaceable resources. We offer in return that the past availability and artificially low price of these fossil fuels is precisely why their states have enjoyed a far better standard of living than ours.

Some of the initiatives taken to preserve the state's rights for the benefit of its citizens began in 1972 when New Mexico declared that, at its option, it could take its royalty on oil and gas produced on state lands in production instead of cash. In 1973, prior to the impact of the middle east embargo, the state took two far reaching steps.

First, it determined by statute that, "The state has a continuing option to purchase at any time and from time to time, at the market price prevailing in the area on the date of purchase, all or part of any minerals that may be produced from the lands covered by this lease." In effect, this gives the state the right to purchase 100% of the oil and gas produced on state leases, after the effective date of the act. State leases currently produce 45% of New Mexico's oil and 21% of its gas.

Second, the legislature created a "Permanent Severance Tax Fund," which mandated that all revenues from the severance tax on extracted minerals be deposited in a special fund instead of being commingled with general fund revenues, and that only the interest earned by the investment of this fund could be appropriated. Concurrently, we raised the severance tax from 2.5% of the value of production to 3.75%. Of course, we had no knowledge that by the end of the year oil and gas revenues would virtually double, as would our tax revenues from this source.

By 1974, in the middle of the "Energy Crunch," acknowledging that the nation would spend billions of dollars for research and development of alternate sources of energy, and recognizing that one of the other primary resources we had in our state was the concentration of scientific and technical personnel in our federal laboratories and universities, the legislature appropriated $2 million from the interest earned on the severance tax permanent fund. The $2 million was appropriated to our universities to initiate energy research and development projects of merit and potential benefit to the state and had the effect of "gearing up" our research potential for the availability of federal dollars, estimated to be over $2.2 billion a year, which the recently created Federal Energy Research and Dvelopment Administration will spend next fiscal year. Some $1.6 million has already been allocated to the state's researchers, who are now working on 42 projects in all energy areas, and attracting national attention with their initiatives.

The 1975 legislature continued the funding at a $2 million dollar level for energy research and development and also enacted perhaps the most comprehensive and sophisticated Energy Act of any state in the union. The new Energy Resources Board of seven members yet to be appointed by the Governor has immense power. If specifically authorized by the legislature it could build fuel and power production, pipeline, transmission and manufacturing facilities. It will maintain a continuing inventory of all energy reserves and potential power sources. It will administer the research and development effort, and will develop a statewide plan for the siting, production and refining of fuel and power of all kinds. It places the existing Oil and Gas Conservation Commission under the Energy Board and has subpoena power to, if necessary, examine industry records and contracts. It has jurisdiction in the energy area on state, federal, Indian, and private lands which are not specifically delegated to others. And it is mandated to interact with Congress and federal agencies to preserve and protect New Mexico's interests in all energy matters.

The legislature also created this year an interim legislative Energy Committee which already, on an ad-hoc basis, has organized and is meeting with legislators, state officials, and federal energy agency heads representing the five major oil and gas producing states of Texas, Oklahoma, Louisiana, Arkansas and New Mexico to formulate plans for the orderly and beneficial use of these states' fuel resources, currently supplying over 60% of the nation's domestic energy fuel requirements. Our state is also a member of the 11 state Rocky Mountain Energy Producing States, of which our Governor is Chairman. Obviously, some 15 states with common interests in energy development and utilization speak with far more power and authority to Congress and federal agencies than a single state could alone.

Many of us believe, then, that we have reacted with rational initiatives to cope with the nation's energy problems. The future, however, will determine how appropriate and timely these actions are.

WORLD FOOD CONFERENCE FOLLOWUP

Mr. HUMPHREY. Mr. President, on May 1, the Subcommittee on Foreign Agricultural Policy of the Senate Committee on Agriculture and Forestry held a hearing to review progress on the work which has taken place to implement the proposals of the World Food Conference, held in Rome in November, 1974.

We received testimony from the Department of State, the Agency for International Development, and the Department of Agriculture. It is clear to me that progress has been made in implementing the resolutions of the World Food Conference; however, a great deal of work remains to be done. We, for example, have only begun the process of negotiating a world food reserve, and there is a great split within the administration as to how this program is to be arranged and managed.

One of the conclusions which I have reached, as a result of this hearing, is that the United Nations agcncies will be instrumental in any successful endeavors in following up the World Food Conference. It is somewhat unfortunate that the prospect of improved food supplies during the coming year has reduced the urgency with which nations, including our own, have looked on this problem in recent weeks. I hope that the urgency and the priority of this problem will not be lost upon the policymakers within our Government.

Mr. President, I ask unanimous consent that my statement at the hearing be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Hubert H. Humphrey—Hearing on the World Food Conference Follow-Up, Subcommittee on Foreign Agricultural Policy, Senate Committee on Agriculture and Forestry, May 1, 1975

Today we are here to review the progress on the proposals recommended by the World Food Conference.

It has been six months since the Conference convened in Rome. In my report on the World Food Conference entitled, "Hunger and Diplomacy," I stated that "the strength of the commitment made by the United States and the other nations of the world in Rome last November will only be measured in the coming months."

Ambassador Edwin Martin, Vice-Chairman of the U.S. delegation to the World Food Conference, also remarked shortly after the Conference that "we may not have to wait more than six months to be able to judge the (World Food) Conference a failure." And while the full judgment on the success of the World Food Conference may not become apparent until many years into the future, the attitude and progress in implementing the recommendations of the Conference reveal much about the serious intent of the nations of the world to actively address the issue of world food security.

Section 55 of the Foreign Assistance Act of 1974 called upon the President to proceed with the implementation of the resolutions and recommendations adopted by the World Food Conference, and to report on the progress in this regard by April 29. We have before us this report and shall include it in its entirety in the record of this proceeding.

The Preparatory Committee for the World Food Conference was able to reach a general consensus on three points.

First, the Preparatory Committee felt that increasing food production in the developing world should be given first priority in the attention of the Conference.

Second, the Committee agreed that increasing food production would require substantial new resources.

Third, the preparatory group called for greater integration of development assistance to insure the most efficient application of resources available to such assistance.

The Conference went far to outline a strategy for increasing food production. Measures designed to increase the availability of farm inputs, provide for integrated rural development, intensify agricultural research and to adjust national policies to promote agricultural development were recommended by the delegates to the Rome Conference.

The World Food Conference recommended that new funds be designated to draw more resources to the problem of increasing food production. Yet, it is still unclear whether developed nations are willing to commit new resources to multilateral development assistance. For the part of the United States, we are not even sending high-level representation to the first meeting to create an International Fund for Agricultural Development to be held May 5–6. Such representation can only convey a lack of real American interest in such a fund and, without high-level U.S. interest, little progress can be expected to encourage other nations to shoulder a larger share of the burden for development assistance.

The most glaring disappointment of the expectations of the preparatory work was the failure to create arrangements for better integration and coordination of agricultural development assistance. The Secretariat of the World Food Conference recommended the creation of a World Food Authority to oversee all aspects of agricultural assistance efforts.

However, multilateral institutions and governments were unwilling to take steps which would diminish their authority over the flow of development assistance. After the World Food Authority was sufficiently diluted to meet such objections, what remained was a World Food Council with little more than advisory powers. As long as each U.N. agency, with responsibilities relating to food, is responsible only to their governing council, little has been changed, and the inefficiency and duplication which led to the call for better integration will continue to waste resources available to assist the developing world to increase its food production.

The prospects for the Consultative Group on Food Production and Investment appear more promising. If the question of leadership of this organization can be resolved, this agency could provide a useful function by coordinating the policy and flow of investment in agricultural production. Yet, still to be overcome is a question of acceptance by the developing world and an uncertain relationship to other international institutions.

Another major initiative to which the World Food Conference responded was the proposal to establish an international system of food stockpiles. The Reserves Coordination group has met several times in London, under the wing of the International Wheat Council, but has made little progress to further define a reserve scheme. In fact, the United States has not even developed a clear position on the mechanism of an international system of reserves.

With the prospects for an improved supply situation, most other nations are just not going to commit themselves to build grain inventories when they are not yet convinced that the United States will not hold their reserves for them. And we may do so again, not as a result of design but as a result of our unwillingness to develop a clear policy.

Six months ago, consuming nations had been burned by the drawdown of stocks. They might have been encouraged to pick up a share of the burden for carrying world cereal stocks. But we have dawdled and this sense of urgency was diminished by the improving supply situation. So the U.S. may—depending on the weather in the coming months—again be back in the boat as world grainery and residual supplier. I am afraid our policy makers and policy markers around the world will have to be burned once or twice again before we take reserves seriously.

It is clear to me that our own policy makers are seriously split over this issue.

The most important component of our efforts to address future food security is the political will of national governments. It means little to pass loftily worded resolutions unless nations are ready to deal seriously and substantively with present and potential food problems. The test, then, of political will is the commitment to action to bring the recommendations of the World Food Conference into being.

We can still insure that the million of man-hours and dollars which went into the World Food Conference are not lost. It takes only a commitment to action at the highest levels of government. And it takes our government to lead the way.

Let us move forward with the implementations of the proposals of the World Food Conference. The task could not be more important to the food security of the generations that will follow ours.

FINANCIAL STATEMENT OF SENATOR STAFFORD

Mr. STAFFORD. Mr. President, today I place in the RECORD a statement of my financial holdings, along with a summary of my 1974 Federal income tax return.

The financial statement shows that my wife, Helen, and I had net assets of $296,200 on May 2, 1975, when the evaluation was made. That total is about $700 less than the total of our assets a year ago.

The statement I am making public lists details of our holdings, including bank accounts, cash value of life insurance, real and personal property we own, and stocks and bonds.

Virtually all of the stocks and bonds listed were owned by us before I entered public office, and there has been little change in our financial condition since I entered politics in Vermont 21 years ago.

The summary of our joint Federal tax return shows that my wife and I had a gross income last year of almost $55,600. Of that total, $42,500 came from my salary as a U.S. Senator. Our taxable income for the year was slightly less than $41,000—a small increase over a year ago.

We paid $12,583 in Federal income taxes for the year, and almost $3,300 in Vermont State income taxes. Both our Federal and State income tax bills were higher this year than last.

I am making copies of this financial statement available to newspapers, radio stations and other news services in Vermont, as I did last year.

I am doing this because I remain convinced that those who serve in Government, as well as Government itself, must be as open and candid as possible with the public.

I believe one of the reasons for public suspicion of government and politics is that so much of our activity takes place away from public view.

The best way to enable Americans to judge whether their Government and their officials are acting properly is to provide full disclosure of all interests of Government and of those who make decisions in government.

Thus, I invite all Vermonters—and all other Americans—who are interested to examine my financial holdings and to match those holdings with my record as a public official.

I plan to make a similar financial report on the public record each year for the remainder of my time in public office.

I ask unanimous consent that the financial statement and the Federal income tax return summary referred to above be printed in the RECORD.

There being no objection, the financial statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF FINANCIAL CONDITION OF SENATOR AND MRS. ROBERT T. STAFFORD AS OF MAY 2, 1975

Bellows Falls Trust Co	$5,000.00
Burlington Savings Bank	5,000.00
The Howard Bank	5,000.00
Rutland Savings Bank	5,000.00
Burlington Federal Savings & Loan	5,000.00
Total	$25,000.00
CHECKING ACCOUNTS	
Riggs National Bank	
First Virginia Bank	
The Howard Bank	
Total	4,996.00
LIFE INSURANCE (Cash Value)	
Travelers Insurance Co	1,130.00
MONY	4,790.00
NYLIC	1,337.00
NYLIC	1,337.00
NSLI	None
NYLIO	3,325.00
Connecticut General	3,355.00
Total	15,274.00
REAL ESTATE	
64 Litchfield Avenue, Rutland, Vt.	50,000.00
27 Howard Avenue, Rutland, Vt.	30,000.00
Total	80,000.00

ADDITIONAL PROPERTY

Real Estate—House, 3541 Devon Drive, Falls Church, Va	60,000.00
Law Library and Office Furniture, 27 South Main Street, Rutland, Vt.	2,000.00
Contribution to Federal Retirement, (as of 4-30-75)	36,901.87
Boat and two cars	14,000.00
Personal Property	20,000.00
Total	132,901.87

BONDS

Grace Line	650.00
Grace Line	650.00
Total	1,300.00

STOCKS

Name and shares:	*Value*
American Finance System—50 @ 4⅝	$231.25
A.&T. & T.—100 @ 49⅝	4,962.50
Bankers Trust of N.Y.—16 @ 36¼	580.00
Bellows Falls Trust—80 @ 60	4,800.00
Book of the Month—50 @ 16½	825.00
Cluett Peabody—20 @ 5⅜	107.50
Con. Edison of N.Y.—100 @ 12¼	1,225.00
Exxon—10 @ 83½	835.00
Gillette Co—20 @ 31¼	625.00
Greyhound—20 @ 11⅛	225.50
Hayes Albion—11 @ 9⅝	105.87
Hayes Industries—1 @ 9⅝	9.62
Hayes Industries—10 @ 9⅝	96.25
The Howard Bank—545 @ 12	6,540.00
International Harvester—20 @ 26⅞	537.50
Manufacturers Hanover Trust—364 @ 36	13,104.00
Manufacturers Hanover Trust—64 @ 36	2,304.00
Manufacturers Hanover Trust—100 @ 36	3,600.00
Manufacturers Hanover Trust—100 @ 36	3,600.00
Manufacturers Hanover Trust—100 @ 36	3,600.00
Monsanto—40 @ 60½	2,780.00
NL Industries—40 @ 15½	620.00
National Distillers—20 @ 14⅞	297.50
National Distillers—20 @ 14⅞	297.50
Outboard Marine—20 @ 20⅝	432.50
Standard Brands—10 @ 66	660.00
Texaco—40 @ 25⅝	1,025.00
Vendo—10 @ 7⅜	73.75
Total	54,097.24

LIAIBILITIES

Eastern Liberty Federal Savings and Loan Assn., Washington, D.C. (as of 12-31-74) first mortgage on house at 3541 Devon Drive, Falls Church, Va	$13,179.27
The Howard Bank, Rutland, Vt	4,200.00
Total	17,379.27

RECAPITULATION

Total Assets	313,569.13
Total Liabilities	17,379.27
Net Assets	296,189.86

ROBERT T. AND HELEN K. STAFFORD—SUMMARY OF 1974 JOINT FEDERAL INCOME TAX RETURN

Income:	
Salary	$42,500.00
Dividends	3,151.63
Interest	1,304.19
Other	8,629.94
Total income	55,585.76
Adjustment to income:	
Allowable Congressional Expenses Not Reimbursed	4,508.82
Total adjustments to income	4,508.82
Adjusted gross income	51,076.94
Itemized deductions:	
Medical	150.00
Taxes	6,966.62
Interest	965.10
Contributions	431.00
Miscellaneous	140.00
Total deductions	8,652.72
Exemptions claimed (2)	1,500.00
Taxable income	40,924.22
Federal income tax due and paid	12,583.62

H.R. 4700 AND THE OZONE PROBELM

Mr. MOSS. Mr. President, on Monday, May 5, I reported for the Committee on Aeronautical and Space Sciences, the NASA fiscal year 1976 authorization bill, H.R. 4700. The committee added a new section 8 to that bill which directs and authorizes NASA to carry out a comprehensive program of research, technology, and monitoring of the phenomena of the upper atmosphere. The purpose of that program is to provide a better understanding of the chemical and physical processes of that part of our environment.

Mr. President, during the past year there has been considerable concern expressed in the scientific community and by the public about the contamination of the stratosphere by such chemicals as nitrogen oxides, the chlorofluoromethanes and methyl bromide. The fear is that such chemicals through a catalytic cyclical process destroy ozone in the stratosphere permitting more ultraviolet radiation to reach the Earth. Since ultraviolet radiation is inimical to life, the concern is genuine and it is an important problem with which the Federal Government must be concerned.

Pursuant to that problem, earlier this year I introduced S. 851. It is the substantive provisions of this bill that have been incorporated into the committee's section 8 amendment to H.R. 4700.

There is general agreement among the scientists, the industry, and the public that there is much that needs to be learned about the upper atmosphere and that it is important to proceed immediately with a program such as provided for by the committee's amendment. Consequently, this proposed legislation received wide support.

The committee's recommended section 8 to H.R. 4700 does not prejudge the regulatory issues. Its sole purpose is to provide the information necessary so that regulation of man's activities with respect to the stratospheric ozone can be done logically and intelligently.

Mr. President, I ask unanimous consent that four representative letters supporting the amendment be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *May 1, 1975.*

Hon. FRANK E. MOSS,
Chairman, Senate Committee on Aeronautical and Space Sciences, Washington, D.C.

DEAR TED: Thank you for your letter concerning the additional funds for research, development and monitoring of the physical and chemical properties of the upper atmosphere to be carried out by NASA. I understand that the additional $7 million for FY 1976 and $4 million for the transition quarter have now been approved by your committee.

I will, of course, be glad to support this when it comes up on the floor.

Sincerely,

CLIFFORD P. CASE,
U.S. Senator.

SEAQUIST VALVE CO.,
Cary, Ill., April 24, 1975.

Re Senate Bill 851.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, Washington, D.C.

DEAR SENATOR MOSS: I am writing this letter to you in support of your efforts under Senate Bill No. 851 to instigate in-depth studies of the atmosphere as it relates to the potential effect on the ozone layer of fluorocarbon compounds. As I am sure you have found in your research on this bill, the problem is a very complex situation.

Certainly the data presented indicates that study is needed to determine what effect modern use of all chemicals upon our atmosphere. However, the data also shows that the problem is not merely one of fluorocarbons, but of many other items and specifically that of chlorine.

Fluorocarbon gas, as you know, is only one of many sources of chlorine in the atmosphere; and therefore, the study should include all potential sources of chlorine as well as any other chemicals which may cause deleterious effect to the ozone layer.

Most experts agree that there is certainly no imminent danger and there is time, therefore, to study the situation completely before taking precipitous action. I am sure you will find all of the resources of industry will be behind any government effort to study this potential problem.

Sincerely yours,

ERVIN J. LECOQUE,
President.

SPACE SCIENCE LABORATORY, CENTER FOR RESEARCH IN AERONOMY,
UTAH STATE UNIVERSITY,
Logan, Utah, April 30, 1975.

Hon. FRANK MOSS,
U.S. Senate,
Washington, D.C.

SIR: Please accept my compliments on your bill S. 851. It is most gratifying in these times of shrinking emphasis on research to see some realization by our government that research in the area of understanding our environment and the controlling processes is most important. This bill wisely states the problem in general terms rather than falling into the trap of so many that attack only the one problem heard in the latest loud cries, such as the freon-ozone problem.

In our atmospheric studies here at Utah State University we have become acutely aware of the need to place increased emphases on all facets of aeronamic research: monitoring, modelling, and predictive studies. As recognized in your bill, this program also involves the development of new technology in order to appropriately measure the parameters critical to the upper atmospheric balance.

If there are ways our team can assist you in your endeavors, we would be most happy to do so.

Sincerely,

K. D. BAKER,
Director.

FULLERTON, CALIF., *April 21, 1975.*

Senator FRANK MOSS,
Committee on Aeronautical and Space Sciences, Washington, D.C.

DEAR SENATOR MOSS: I have recently received from your Committee a copy of the transcript of your hearing on Planetary Science and the Earth's Upper Atmosphere as well as your news release detailing your support of NASA's plans to use the Orbiting Astronomical Observatory to monitor the level of chlorine in the Earth's atmosphere.

I would like to commend you for the insight and imagination you have shown in your Committee's hearings and your position. It sometimes seems that too many of our Senators can do no more than wring their hands when confronted with problems of this seriousness and magnitude. Your performance has demonstrated that you are a pleasant exception to the rest. If all the congressional committees were as productive as yours, the condition of our country would be much improved.

In addition, I would like to express to you my admiration for your continuing support of the Space Transportation System of which the Space Shuttle is an important part. There is no doubt in my mind that the benefits reaped will demonstrate that the investment was a wise one.

Again, thank you for your perception and hard work. The people of the United States owe you a great debt.

Sincerely,

Dwight L. Woolhouse.

GRAIN-FED VERSUS GRASS-FED BEEF PRODUCTION

Mr. DOMENICI. Mr. President, in my remarks on May 6, I discussed several of the misconceptions currently making the rounds about beef production and grain. One of the most widely discussed of these issues is the assertion that beef production is a wasteful use of food-producing resources. Naturally, this issue stems from the fact that a large percentage of the steers and heifers slaughtered are finished on rations that include large amounts of grain.

The critics of feeding grain to livestock often overlook two very important factors. First, the animals being fed grain are only finished on those rations and are dependent upon forages and other roughages before entering the feedlot; and second, that only a small percentage of all cattle and calves are being fed grain at any given time.

On January 1, 1975, only 9 percent of the total beef cattle and calf inventory were being fed grain rations. This illustrates the point that only a small percentage of the total inventory are being fed grain at any given time. Also, if we make allowances for the weight an animal gains before entering the feedlot and for the cattle who are never placed on feed, we find that only 30 to 35 percent of the annual beef production since 1965 can be contributed to beef produced while cattle are being fed grain.

One of the principal points of confusion about beef production has to do with the amount of grain used to produce a pound of steer or a pound of beef. In a recent paper by USDA Agricultural Economist James E. Nix, the author gives the following example of a typical feeding period for a 1,050-pound steer:

> To illustrate the amount of grain consumed by grain-fed beef, the placement of a 600 pound feeder steer in a feed-lot and the selling of this steer at 1,050 pounds is used as an example. It is often quoted that it takes x pounds of feed to produce y pounds of beef, for example, 10 pounds of feed per pound of beef, when producing grain-fed beef. This is sometimes construed to mean that it would take over 10,000 pounds of grain to produce a 1,050 pound fat steer. This is a gross overestimate of the grain actually fed. It is likely that roughages accounted for almost all of the ration prior to placement in the feedlot. Furthermore, grain normally accounts for about 65 percent of the feedlot ration. Therefore, of the 10 pounds of feed fed per pound of beef, only 6.5 pounds would be grain. The other 3.5 pounds normally consist of about 0.5 pounds of other concentrates and 3 pounds of roughages. The amount of grain fed to the 1,050 pound fat steer would more likely be about 2,900 pounds (6.5 pounds of grain for each of the 450 pounds of weight added in the feedlot or less than 3 pounds of grain per pound of liveweight at slaughter).

It can be seen from this example that up to a weight of 600 pounds or more, a steer, as well as its mother, may have had no grain. He would have been receiving grass, forage or crop byproducts. On a birth to market basis, the 1,050-pound steer coming out of a feedlot generally would eat no more than 3 pounds of grain per pound of animal, and it could be less.

I should also note here that there are marked economic and other advantages from finishing cattle on grain-containing rations. Not only does it help in producing more truly flavorful beef, it also has shortened the production period and greatly increased the amount of beef available. Our total beef production is up without a correspondingly large increase in beef cows partly because of the pounds of meat added in the feedlots as compared with cattle marketed directly off grass.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Grain-Fed Versus Grass-Fed Beef

(By James E. Nix, agricultural economist, Commodity Economics Division, ERS)

ABSTRACT

The poor 1974 U.S. corn crop caused sharp rises in feed prices and many changes were made in beef production. Large numbers of cattle were forced to slaughter because of short feed supplies and nongrain-fed beef slaughter increased. World food shortages prompted much discussion about beef production being a wasteful use of food producing resources. Quantities of grain consumed by beef cattle per pound of beef produced are, however, less than that assumed by many.

Keywords: Beef production, grass-fed, forages, feed grains, feed process.

The poor 1974 U.S. feed grain crop and the World Food Conference in Rome brought world food needs to the forefront of the U.S. news media and provoked much discussion about way to alleviate food shortages. The beef cattle industry has emerged as the center of attention in many of these discussions. Many assertions have been made about the cost and possibility of producing various types of beef, and about beef production being a wasteful use of food producing resources. Some rather drastic changes in feed supplies and costs have reversed past trends in the beef cattle industry during the past several months. This article reviews the current situation and puts forth some ideas about the direction beef cattle production might take in the future.

PAST TRENDS AND CURRENT SITUATION

The trend toward marketing a larger percentage of the beef cattle as grain-fed beef continued until 1974. This shift to a larger and larger proportion of fed cattle developed during a period of adequate supplies of feed grains as evidenced by the relatively low feed grain prices that prevailed, and ending feed grain stocks that were averaging about 25 percent of the year's production. Furthermore, cattle prices remained relatively stable compared with recent fluctuations, while trending upward for several years prior to 1972.

Some of the more significant events which led to the present situation began to take place in 1972. During 1972, feeder cattle prices started to rise sharply and continued to rise into 1973, reaching a peak about midyear. This sharp rise in feeder cattle prices was prompted by earlier low grain prices, profits in the cattle feeding industry, an influx of outside capital that led to a rapid expansion of commercial feedlot capacity.

Feedlots with a capacity of 1,000 head or more accounted for about 1 percent of all feedlots in 1968 and 1.4 percent in 1973. These feedlots, however, increased their share of total fed cattle marketings from about 47 percent in 1968 to almost 65 percent in 1973. During this rapid expansion of feedlot capacity, cattle feeders bid up feeder cattle prices which prompted further increases in the cow herd. Although fat cattle prices also rose, the increase did not match that for feeder catle and some rather large negative price margins developed by mid-to late-1973. This left many feeders with substantial losses. Since mid-1973, however, feeder cattle prices have declined considerably to their present low levels and the price margin has been reversed to a positive price margin the past several months.

Beginning in mid-1972, feed grain prices also started to increase from the low levels of the previous decade. The sharp upward surge in feed grain exports was a major factor in these price increases. Then in 1974, a devastating blow was dealt the cattle industry when extremely poor growing conditions drastically reduced the 1974 corn crop and also reduced forage supplies. Feed grain prices rose sharply and losses to cattle feeders increased. Cattle feeders reacted by reducing feedlot placements substantially, particularly in the commercial feeding areas, and many who had invested capital earlier now withdrew, aggravating the decline in feeding activity and leaving record large numbers of cattle outside of feedlot to compete for a reduced and limited supply of forage. The reduced demand for feeders and reduced feed supplies forced many animals from the pastures and ranges to slaughter, resulting in an increase in the slaughter of animals that had received little or no grain feeding and decreases in slaughter of grain-fed beef.

These events, coupled with the current perplexing situation of the beef industry, have led to the expression of varied opinions about beef production. Some topics relevant to the beef production situation and some ideas about future beef production are reviewed below.

BEEF PRODUCTION-GRAIN AND/OR GRASS-FED

A common issue, and one that has been widely discussed, is that beef production is a wasteful use of food producing resources. This issue stems from the fact that a large percentage of the steers and heifers slaughtered are finished on rations that include large amounts of grain. A contributing factor to this issue is a misunderstanding about the number of animals being fed the grain rations at any given time. On January 1, 1975, about 10.2 million cattle were in feedlots and being fed the grain rations. This represented about 9 percent of the total beef cattle and calf inventory which was estimated to be 116.5 million head.

Therefore, the weakness of the issue that beef production is a wasteful use of food producing resources stems from the fact that (1) the animals being fed rations that are largely grain are only finished on these rations and are dependent on forages and other roughages prior to being placed in feedlots and (2) that only a small percent of all cattle and calves are being fed the grain rations at any given time. True, over 70 percent of total cattle slaughter was fed cattle for several years prior to 1974, but this has recently dropped to about 60 percent. After making allowances for the weight an animal gains prior to being placed on feed in the feedlot and the beef produced by animals such as cull beef cows and grass-fed beef that are never placed on feed, the total pounds of beef produced while cattle are being fed the feedlot grain ration have accounted for about 30 to 35 percent of the annual beef production since 1965.

To illustrate the amount of grain consumed by grain-fed beef, the placement of a 600 pound feeder steer in a feedlot and the selling of this steer at 1,050 pounds is used as an example. It is often quoted that it takes x pounds of feed to produce y pounds of beef, for example, 10 pounds of feed per pound of beef, when producing grain-fed beef. This is sometimes construed to mean that it would take over 10,000 pounds of grain to produce a 1,050 pound fat steer. This is a gross overestimate of the grain actually fed. It is likely that roughages accounted for almost all of the ration prior to placement in the feedlot. Furthermore, grain normally accounts for about 65 percent of the feedlot ration.

Therefore, of the 10 pounds of feed fed per pound of beef, only 6.5 pounds would be grain. The other 3.5 pounds normally consist of about 0.5 pounds of other concentrates and 3 pounds of roughages. The amount of grain fed to the 1,050 pound fat steer would more likely be about 2,900 pounds (6.5 pounds of grain for each of the 450 pounds of weight added in the feedlot or less than 3 pounds of grain per pound of liveweight at slaughter).

Table 1 shows an estimate of the grain consumed by beef cattle and swine for the crop years 1965/66 through 1973/74. These data show that swine consume more corn than beef cattle, and also that total grain consumed by swine is over 90 percent of the amount consumed by all beef cattle, even though pork production is only about 60 percent of beef production. Translated into pounds of grain consumed per pound of carcass weight meat produced, an upward trend is observed for beef. These data do indicate, however, that the amount of grain consumed by beef cattle per pound of beef produced has declined during the recent grain shortage. The upward trend in pounds of grain consumed per pound of beef produced is the result of longer feeding periods and not that beef cattle are becoming less efficient users of grain.

The preliminary estimates of gross livestock production for the 1973/74 crop year show that pounds of grain consumed per pound of carcass weight beef and pork produced are 4.1 and 6.3, respectively. The pounds of grain consumed per pound of retail weight beef and pork produced during this same period were 5.6 and 8.4, respectively. These data show that the amount of grain consumed per pound of beef produced is much less than that which is often quoted. They also show that fewer pounds of grain are used to produce a pound of beef than to produce a pound of pork because a substantial quantity of the beef marketed represents weight gains from roughages.

An examination of the supply and utilization of feed grains since 1965 shows that feed grains used for livestock feed increased steadily during a period of relatively low prices and high carryover for feed grains which ended about 1972. In this period relatively low priced fertilizer and fuel were important factors in the level of grain production. As feed grain supplies decreased and prices increased during the past few years, the amount of grain fed to livestock declined, table 2.

Roughages are a large and important part of beef cattle rations. Only small quantities of grain are normally fed to beef cattle outside of feedlots. In the 1972/73 crop year, a period when almost 97 percent of the steers and heifers slaughtered were finished on grain rations, roughages accounted for almost 75 percent of the total feed consumption of beef cattle. For cattle on feed in the 1972/73 period, almost 28 percent of the feed consumed was roughages and for other beef cattle can convert to food for humans are inedible by humans. If not utilized by cattle most of these roughages—which produce millions of pounds of meat—would be wasted. Furthermore, much of the land used for producing roughages is not suitable for grain production. A brief review of the U.S. land resources and some of the major land uses can provide some insight into this situation.

In 1969, about 57 percent (1,283 million acres) of the U.S. land area was used for agricultural purposes. Major uses of this 1,283 million acres were: cropland, 472 million acres (37 percent); grassland pasture and range, 604 million acres (47 percent); woodland grazed, 198 million acres (15 percent); and farmsteads and farm roads, 9 million acres (1 percent). Almost 19 percent (88 million acres) of the cropland was used for pasture, table 4.

Part of the 802 million acres being used for grassland pasture and range and as woodland grazed could be converted to cropland. Under current and past cost-price relationships, however, this has not been a feasible alternative for most of this land. Therefore, the situation that has evolved is one that includes not only the 604 million acres of grassland pasture and range plus 198 million acres of woodland grazed, but also the use of 88 million acres of cropland for pasture.

In the quest to alleviate world food shortages, feasible productive capabilities of most of the grassland pasture and range and woodland grazed other than the production of forages for cattle is quite limited. Forage yields of the land devoted to forage production ranges from woodland grazing which is the least productive to cropland pasture, the most productive and also that which is most competitive with other crop production.

A Forest-Range Task Force Study (5), which estimated the acreage of land in the forest-range environment and the forage produced on this land, gives some indication of the amount of forage produced on lands with almost no feasible grain production potential. This study shows that in 1970 about 835 million acres of the 1.2 billion acres of land in the forest-range environment in the conterminous U.S. were grazed by livestock and that it produced 213.1 million animal unit months (AUM's) of grazing.

Even though a sizable portion of the beef cattle ration comes from roughages and even though there is a large production of roughages from land with little other feasible production alternatives, production of present day quantities and qualities of beef would be difficult without some grain feeding. To maintain the production of beef approximating current supplies for any extended period would require a big increase in roughage production, more than is presently feasible. Droughts, such as occurred in 1974 and reduced roughage supplies, would cause more severe disruptions in the cattle market than have occurred under present conditions if forages were the sole source of cattle feed.

Costs for roughage production, like most other agricultural production costs, have soared during the past year. For some time a portion of the roughage produced in various regions of the U.S. has been viewed as a relatively cheap source of feed. This is roughage produced in the more arid regions of the U.S. and on land which has little other production potential. The potential for increasing the productivity of roughages on this land is very limited or quite expensive. The greatest potential for increasing roughage production with current feasible technology is in the more humid regions. Increased production in the humid regions, however, is highly dependent on increased rates of fertilization, particularly nitrogen, which has become very costly.

Due to the soaring cost of producing roughages and the increased cost of other inputs, the cost of producing grass-fed beef has increased considerably. For many producers these costs have increased to where the cost of producing grass-fed beef is about as high, if not higher, than that for producing grain-fed beef at current grain prices. Because of the large supply of beef and short supply of feeds—grains and roughages, cattlemen have been forced to sell beef at prices much below total production costs. After current inventories of cattle are reduced, cattlemen are not likely to continue to produce grass-fed beef for prices like they have been receiving recently, unless production costs decline. Grass-fed beef is being marketed today at somewhat lower prices under such names as grass-fed, forage-fed, nonfed, and baby beef. The availability of this beef is the result of (1) the excess inventory of cattle and (2) the short feed supplies.

FUTURE BEEF PRODUCTION

As in the past, the type of beef produced and the kind of feeds used to produce it will be dictated by economics. If grain prices are cheap relative to other sources of feed, then more grain will be used. If grain prices are high, the amount of grain fed will be reduced, as it has recently.

Beef cattle, because they are ruminants, can use roughages which man and other monogastric animals cannot. Currently large quantities of roughages are produced in the U.S. and with technological advancements the production of roughages will likely increase, particularly on land not suitable for grain production. Grains will continue to be an important part of the beef cattle ration because of the more rapid gains obtained from feeding grain and because more pounds of meat can be produced from an acre of grain than from an acre of roughage. Also, grain feeding makes an excellent product out of a good one.

There are also many byproducts of grain production such as straw and corn stalks that can be utilized by ruminant animals. Salvaging of crop residues are potential sources of large quantities of feed for beef cattle (3). Technological advancements will likely make these and other byproducts more feasible sources of feed in the future.

The switch to slaughtering more nongrain-fed steers and heifers that has occurred in 1974 and 1975 is probably a temporary situation. Numerous factors, which in themselves are temporary, led to this situation. The extremely poor growing conditions for feed grains and forages in many regions of the U.S., together with relatively large exports of feed grains, substantially reduced feed supplies during 1974 and caused feed prices to increase sharply. This, coupled with a record large cattle inventory, forced many cattle to market earlier than they would have under usual conditions. Many of these cattle went to market as grass-fed steers and heifers rather than being finished on grain.

This situation is expected to change in the future and nearly all of the steers and heifers will again be finished on grain. The grain feeding period may be reduced from that which was common in the early 1970's because of several factors, including the new grade changes to become effective in April

1975. Part of any reduction in the feeding period will probably be the result of placing heavier cattle on feed. Another part of the reduction could come from slaughtering animals at somewhat lighter weights. Reductions in slaughter weights would, however, reduce the pounds of beef produced per brood cow and a given number of cows would produce less total beef.

Feed grain production is also expected to increase in the future. A study conducted by ERS in 1973 (4) estimated that the U.S. has the capacity under favorable conditions to substantially increase feed grain production in the next 10 years. If realized, this increased feed grain production will lead to more grain-fed beef being produced in the future. The time required to change the current situation from one of reducing the percentage of steers and heifers being finished on grain to increasing the percentage will be strongly influenced by the size of this year's feed grain crop.

REFERENCES

1. Allen, George C. and Earl F. Hodges, *Livestock-Feed Relationships—National and State*, USDA-ERS, Stat. Bul. No. 530, June 1974.

2. Frey, K. Thomas, *Major Uses of Land in the United States—Summary for 1969*, USDA-ERS, Agric. Econ. Rpt. No. 247, Dec. 1973.

3. Skold, Melvin D., "Forage Requirements to Meet Future Meat Production Demands", *Livestock and Meat Situation*, LMS-197, July 1974.

4. U.S. Department of Agriculture, *American Agriculture Its Capacity to Produce;* USDA-ERS-544, Feb. 1974.

5. U.S. Department of Agriculture. *The Nation's Range Resources—A Forest-Range Environmental Study*, Forest Service, Forest Resource Report No. 19, Dec. 1972.

6. U.S. Department of Agriculture, *Feed Situation*, USDA-ERS FdS-256, Feb. 1975 and earlier.

7. U.S. Department of Agriculture, *Livestock and Meat Situation*, USDA-ERS, LMS-201, Feb. 1975 and earlier.

TABLE 1.—GRAIN CONSUMED, MEAT PRODUCED, AND GRAIN CONSUMED PER POUND OF MEAT PRODUCED FOR BEEF AND PORK, 1965–1973

	Unit	Crop year beginning Oct. 1								
		1965	1966	1967	1968	1969	1970	1971	1972	[1] 1973
Grain consumed by cattle on feed:										
Corn	1,000 ton	10,539	12,020	14,656	17,038	18,925	18,167	22,150	24,761	22,871
Sorghum	do	8,486	8,789	8,141	10,318	10,459	11,866	12,072	11,750	9,663
Other	do	2,995	3,259	4,335	6,197	7,912	8,125	9,002	5,396	3,142
Total	do	22,020	24,068	27,132	33,553	37,296	38,158	43,224	41,907	35,676
Other beef cattle:										
Corn	do	4,594	4,931	5,047	5,084	5,669	5,655	6,008	8,320	
Sorghum	do	791	850	877	882	697	1,097	1,107	1,028	1,194
Other	do	1,235	1,336	1,421	1,433	1,843	1,756	1,727	1,651	1,194
Total	do	6,620	7,117	7,345	7,399	8,209	8,508	8,842	9,744	10,708
All beef cattle:										
Corn	do	15,133	16,951	19,703	22,122	24,594	23,822	28,158	31,826	31,191
Sorghum	do	9,277	9,639	9,018	11,200	11,156	12,963	13,179	12,778	10,857
Other	do	4,230	4,595	5,756	7,630	9,755	9,881	10,729	7,047	4,336
Total	do	28,640	31,185	34,477	40,952	45,505	46,666	52,066	51,651	46,384
Swine:										
Corn	do	35,309	38,502	40,522	39,140	38,834	39,541	39,592	43,205	40,024
Sorghum	do	1,646	1,501	1,134	1,256	1,473	1,522	1,334	606	1,079
Other	do	3,602	3,465	2,812	2,711	2,989	4,234	4,380	3,451	2,137
Total	do	40,557	43,468	44,468	43,107	43,296	45,297	45,306	47,062	43,240
Meat produced:										
Fed beef	Million pound	12,796	13,964	14,527	15,211	16,532	16,569	17,112	16,851	16,374
Other beef	do	6,772	6,282	6,067	5,738	5,128	5,417	4,963	4,501	6,279
Total beef	do	19,568	20,246	20,594	20,949	21,660	21,986	22,075	21,352	22,653
Pork	do	10,909	12,424	12,903	13,218	12,830	14,882	13,951	12,913	13,677
Grain consumed per pound of meat produced:										
Fed beef	Pound	3.4	3.4	3.7	4.4	4.5	4.6	5.1	5.0	4.4
Other beef	do	2.0	2.3	2.4	2.6	3.2	3.1	3.6	4.3	3.4
Total beef	do	2.9	3.1	3.3	3.9	4.2	4.2	4.7	4.8	4.1
Pork	do	7.4	7.0	6.9	6.5	6.7	6.1	6.5	7.3	6.3

[1] Preliminary. Source: Grain consumption: 1965–1970 [1]; 1971–73 unpublished updates to [1]. Beef production: Fed and other are unpublished estimates prepared by CED-ERS staff. Total beef and pork [7].

TABLE 2.—ACREAGE, SUPPLY, AND UTILIZATION OF FEED GRAINS, 1965–74

	Unit	Crop year beginning Oct. 1									
		1965	1966	1967	1968	1969	1970	1971	1972	1973[1]	1974[2]
Acreage planted	Million, acres	116.4	117.2	120.9	116.7	115.3	118.8	128.0	115.1	121.4	122.6
Acreage harvested	do	96.1	97.9	101.0	97.3	95.5	99.3	106.3	94.0	102.4	100.7
Supply:											
Beginning stock	Million ton	54.8	42.1	37.2	48.5	50.2	48.6	33.2	48.4	32.4	22.2
Production	do	158.0	159.0	178.9	170.5	177.4	160.1	207.7	199.9	205.0	165.1
Imports	do	.3	.3	.3	.3	.4	.4	.5	.4	.2	.5
Total	do	213.1	201.4	216.4	219.3	228.0	209.1	142.4	248.7	237.6	187.8
Utilization:											
Livestock feed	Dollar	126.8	126.9	128.9	134.7	141.8	138.9	149.0	156.2	153.5	123.3
Food, seed, and industry	do	15.1	15.3	15.7	16.0	16.4	16.3	16.7	17.0	17.5	18.1
Total domestic	do	141.9	142.2	144.6	150.7	158.2	155.2	165.7	173.2	171.0	141.4
Exports	do	29.1	22.0	23.3	18.4	21.2	20.7	27.3	43.1	44.4	33.7
Total	do	171.0	164.2	167.9	169.1	179.4	175.9	193.0	216.3	215.4	175.1
Ending stock	do	42.1	37.2	48.5	50.2	48.6	33.2	48.4	32.4	22.2	12.7
Season average corn price received by farmers	Dollar per bushel	1.16	1.24	1.03	1.08	1.15	1.33	1.08	1.57	2.55	3.51

[1] Preliminary.
[2] Estimated.

Source: [6].

TABLE 3.—BEEF CATTLE FEED CONSUMPTION (CORN EQUIVALENT UNITS) BY TYPE OF FEED AND PERCENT EACH TYPE IS OF TOTAL, 1965-73

	Crop year beginning Oct. 1								
	1965	1966	1967	1968	1969	1970	1971	1972	[1] 1973
In thousands of tons:									
Cattle on feed:									
Feed grains	20,988	23,021	26,151	32,229	35,989	36,789	41,817	40,605	39,656
Other concentrates	5,161	4,617	4,051	4,305	4,741	5,653	4,979	5,157	3,714
Roughages	11,147	12,638	13,453	13,991	16,013	15,974	16,958	17,608	18,106
All feed	37,296	40,276	43,655	50,525	56,743	58,416	63,754	63,370	61,476
Other beef cattle:									
Feed grains	6,620	7,117	7,345	7,399	8,209	8,508	8,842	9,744	10,708
Other concentrates	3,417	3,035	3,049	3,246	3,525	3,850	3,989	3,716	2,349
Roughages	119,959	120,900	125,614	125,308	135,575	136,896	146,551	155,780	162,547
All feed	129,996	131,052	136,008	135,953	147,309	149,254	159,382	169,240	175,604
In percent:									
Cattle on feed:									
Feed grains	56.3	57.2	59.9	63.8	63.4	63.0	65.6	64.1	64.5
Other concentrates	13.8	11.9	9.3	8.5	8.4	9.7	7.8	8.1	6.0
Roughages	29.9	31.3	30.8	27.7	28.2	27.3	26.6	27.8	29.5
All feed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Other beef cattle:									
Feed grains	5.1	5.4	5.4	5.4	5.6	5.7	5.5	5.8	6.1
Other concentrates	2.6	2.3	2.2	2.4	2.4	2.6	2.5	2.2	1.3
Roughages	92.3	92.3	92.4	92.2	92.0	91.7	92.0	92.0	92.6
All feed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Preliminary.

Source: 1965-70 [1]; 1971-73 unpublished updates to [1].

TABLE 4.—MAJOR AGRICULTURAL AND NONAGRICULTURAL USES OF LAND IN FARMS AND LAND NOT IN FARMS, 1969

[In millions of acres]

Land use	Land in farms	Land not in farms	Total
Agricultural uses of land:			
Cropland	472	--------	472
Cropland used for crops	(333)	--------	(333)
Soil improvement crops and idle cropland	(51)	--------	(51)
Cropland pasture	(88)	--------	(88)
Grassland pasture and range	452	152	604
Woodland grazed	62	136	198
Farmsteads, farm roads	9	--------	9
Total agricultural land	995	288	1,283
Nonagricultural uses of land:			
Forest land not grazed	50	475	525
Special uses		169	169
Urban and other built-up areas		(61)	(61)
Primarily for recreation and wildlife		(81)	(81)
Public installations and facilities		(27)	(27)
Other land	19	268	287
Total nonagricultural land	69	912	981
Total land areas	1,064	1,200	2,264

Source: [2]

EMERGENCY FARM BILL VETO

Mr. HUMPHREY. Mr. President, the Joint Economic Committee held two days of hearings on the agriculture situation on April 11 and April 25.

I recently commented on some of the testimony from April 11 on the Senate floor. It is an understatement to say that witnesses at this hearing were alarmed over the prospects of a veto of the emergency farm bill. There was testimony on meetings called to encourage reduced plantings because of inadequate present loan and target price support levels. There was testimony that the administration was leading farmers into producing all-out, while not endorsing a level of price supports to protect farmers from bankruptcy if a bumper crop resulted.

It was clear that widespread dissatisfaction existed at that time with administration policies designed to force farmers to bear all the price risks of all-out production.

The emergency farm bill has now been vetoed. I am very concerned that the veto will spur a massive reduction in planting intentions. However, it is my sincere hope that farmers will await efforts by Congress to override the veto before giving vent to their dissatisfaction with administration policy in general, and the veto in particular.

I must confess that I do not expect my hopes to be realized in this regard, nor do our State agriculture policy makers who daily work with farmers. In testimony before the JEC on April 25, Mr. Jon Wefald, Minnesota Commissioner of Agriculture, stated:

> I have been to many meetings of farmers in the Midwest in the past months. I spoke to five thousand farmers in the State of Iowa; and when you get five thousand farmers in Iowa or anywhere together, you can rest assured they are concerned.
>
> I talked to two thousand farmers in Minnesota, and they are concerned. I talked to a thousand dairy farmers six weeks ago in Foley, Minnesota.
>
> The meetings that I have been to in the past month concern farmers who told me they think the only alternative is to cut back on production in 1975 because they are very concerned about the price they are going to get for their production in 1975; and this is what a family farmer told me.

Mr. President, we take our farmers for granted. Consistently over the years, we maintained a "cheap food" policy, a policy designed primarily to benefit our balance of payments by encouraging exports. As noted by Mr. Wefald:

> Over the last 25 years we have had a cheap food policy in America. We have an articulated policy of having farmers and ranchers go all out and produce, produce, produce, and getting less and less of a return.
>
> Let me give you an example. In 1947 total net farm income was $17.1 billion—$17.1 billion. Now, isn't it interesting that it is not until 1972 that we topped that? Now, the Secretary just indicated in 1972 we went up to about $17.5 billion. Now, isn't it incredible, from 1947 until 1972 there is no year in there where we come close to 1947. And, as a matter of fact, it's clear that from the early 1950's on there was all-out production with no programs, and a cheap food policy, and farm income down, down, down.

But cheap food has not meant low retail food prices because the middleman's cut has increased every year like clockwork. In fact, farmers now receive only 39 cents of every consumer retail food dollar.

We must begin to treat our farmers like any other major production sector, for, as Jon Wefald puts it:

> You would get the idea, reading the newspapers in this country that the key to full production and full employment in America is to have General Motors sell more cars, and that somehow the key to American economy is General Motors, and Ford, and Chrysler; and that could not be further from the truth.
>
> There is no one here, I am sure, that is not for a fair return to General Motors and all the other automobile corporations. But for anybody to speak directly or imply that the key to America's prosperity is to have big automobile companies sell more cars, they are missing the whole point. General Motors' total assets are about $77 million. In farming, we have the nation's largest industry, $500 billion, seven to eight times greater than General Motors, and then we have the press, the newspapers and everybody else spending every day, and every week, and every month on the automobile industry; and they think that American agriculture, which is worth over $500 billion, should go into all-out production, producing 6 billion bushels of corn, 2 billion bushels of wheat, 1.5 billion bushels or soybeans without any consideration at the end of the road for a fair rate of investment.
>
> Now, here we are arguing about the loan

> target date for 1975. Now, Senator Humphrey, the loan on corn in your target bill is $1.87 for corn, and it's $2.50 for wheat. And a lot of people are saying, "Well, this is too much, this is going to be inflationary."
>
> Now wait a minute, in 1947 corn averaged in America $2.38 a bushel, in 1947! Now, the loan rate that we are talking about on wheat is $2.50. In 1947, wheat sold for $2.50.

That is right. The emergency farm bill which President Ford vetoed would have left the farmer with corn and wheat prices where they were in 1947—28 years ago. Despite a tripling of production costs and a many-fold rise in debt, the loan levels in the farm bill—which the administration said were too high—are equal to 1947 price levels.

It is astounding. We would never ask any corporation to set prices today at 1947 levels. Yet, for farmers, the administration refuses even that. It refuses to protect farmers by establishing temporary floor levels at 1947 price levels.

The House of Representatives, and then the Senate, will shortly seek to override this veto. President Ford has challenged the Congress to override his veto. And we should do so.

We should override the veto primarily to insure that we get that all-out commodity production called for by the administration. Equally important, however, is that a veto override will show that Congress is ready to bear the responsibility for government policies, even as the administration ducks that same responsibility.

A DISSENTING OPINION ON THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975

Mr. BARTLETT. Mr. President, I am opposed to enactment of H.R. 25, which was passed by a voice vote last Monday, not because it requires reclamation but because it unnecessarily goes beyond that. It is a land use bill which would cause a loss of current coal production and the locking-up of our coal reserves even in areas where the land can be properly reclaimed. This legislation is inappropriate at a time when our national objectives of energy independence, reducing unemployment, stemming our balance-of-payments deficits, and lowering inflation should have the highest priorities.

Both the administration's and Congress' energy programs call for at least a doubling of coal production by 1985. If this does not occur, it will not be possible to reduce our increasing dependence on foreign oil to solve the consequent inflationary and financial problems which afflict our Nation.

The Surface Mining Control and Reclamation Act of 1975 will not permit this objective to be achieved. It will cause a loss of current coal production estimated at between 40 and 162 million tons per year. This is 7 to 27 percent of all annual U.S. production of coal and 14 to 54 percent of all strip production.

The bill will result in a locking-up of 11 to 72 billion tons of coal reserves because of provisions which effectively preclude mining. This represents 8 to 52 percent of the total known strippable reserves of 137 billion tons.

There is no way the goal of Congress and the administration to double coal output by 1985 can be met if this legislation is passed.

Because each ton of coal is approximately equivalent to 4.3 barrels of oil, shutting in 40 million tons per year of coal production—the minimum estimate for lost production—will require the additional and unnecessary importation of 172 million barrels of oil, worth approximately $2.2 billion at today's oil prices. This aggravation of our balance-of-payments situation, which is the inevitable end result of H.R. 25, is enough, in itself, to warrant a vote against the bill.

However, both the Interior Department and the FEA estimate that 9,000 to 36,000 jobs will be lost because of the shut-in production. Similarly, a tremendous number of jobs will not be developed due to the locking-up of future reserves. Considering, the current record unemployment in this Nation and the state of our economy, passage of a bill with these impacts is inconsistent with all of our stated national objectives.

The fact that the Senate version of this legislation included an unemployment provision, which was opposed by the administration and not accepted by the conference committee, attests to my conclusions that this legislation will cause loss of current and future production, loss of jobs, and increased dependence on foreign oil.

In the minority views accompanying S. 7, Senator FANNIN and I asked several questions. I quote from those minority views:

> The Congress in the last session and again in this current session has moved forward to preempt state laws governing reclamation of strip mined land. Why does Congress feel this need when 32 States already require reclamation of surface mined land and of these, 25 have updated or enacted new laws since 1970? Their laws are tailored to meet the peculiar and specific climatic, geological, geographic and other conditions which vary from state to state. Is the land not really being reclaimed under state enforcement? Where is the evil? Are some, which do, failing to combat their problems? What necessitates a federal law?

Before voting to accept this conference report, each of my colleagues should consider these questions thoughtfully. Is there a need for this legislation? In my opinion, there is not.

Has the conference report really solved any of the basic issues which are critical to this Nation? Based on the way I interpret this bill, it has not.

We need increased coal production. It is wrong to pass legislation which will inevitably cause less production.

We require a reduction in the volume of imported oil and a lessening in the huge outflow of dollars to foreign nations, but H.R. 25 means greater oil imports. We will strengthen the position of the OPEC cartel by passing this bill.

The current unemployment situation is desperately urgent. Yet this Congress is about to pass legislation which will worsen our unemployment problems.

Notwithstanding the claims of the proponents of this legislation, this bill will cause lost production of coal. Each of my colleagues should understand that this is not a surface mining reclamation bill as its name implies. It is not a bill which will allow mining provided the land can be reclaimed. It is a land-use bill designed to preclude mining in as many instances as possible. This conclusion is apparent throughout the legislation, from the surface owner consent provisions to the sections which effectively prohibit mining on alluvial valley floors.

Our Nation does not deserve this kind of legislation. I urge the President to veto it. Through continuing efforts to properly inform the Congress of the real ramifications of this legislation, it may be possible to prevent its disastrous effects from becoming realities.

TWENTY-FIFTH ANNIVERSARY OF THE NATIONAL SCIENCE FOUNDATION ACT

Mr. MAGNUSON. Mr. President, nearly 30 years ago I introduced in this Chamber a bill calling for the establishment of a new Federal agency to support basic research and education in the sciences. In November 1944, President Franklin D. Roosevelt, looking ahead to the end of World War II, called on Dr. Vannevar Bush, Director of the Office of Scientific Research and Development, to recommend ways to use scientific knowledge and techniques developed during the war "for the improvement of the national health, the creation of new enterprises bringing new jobs, and the betterment of the national standard of living." The famous report resulting from that request, "Science—The Endless Frontier," was released to the public by President Harry S. Truman on July 19, 1945. On the same day I introduced S. 1285, the National Research Foundation Act of 1945. This bill embodied the principal recommendations of Dr. Bush's report.

I shall not recount the long, and sometimes acrimonious, legislative struggle over the next 5 years, which led finally to the passage of S. 247, the National Science Foundation Act. This act was signed by President Truman on May 10, 1950, while he was traveling by train through the States of Idaho, Oregon, and Washington. I was privileged to join him that evening in Washington State and to take satisfaction in the final success of the long effort.

This year the National Science Foundation is celebrating its 25th anniversary. I extend my hearty congratulations to its Director, Dr. H. Guyford Stever, the National Science Board, and the Foundation's able and dedicated staff. I am proud to have sponsored the legislation that created this important independent agency.

Recalling the debates on the Science Foundation legislation, I remember a colloquy I engaged in on the floor with the distinguished Senator from Wisconsin, Alexander Wiley, in which I said:

I assure the Senator that if he votes for the bill, at some time in the future he can look with pride on the fact that by his vote he did something for the welfare of our country, because it could be one of the most important undertakings Congress has embarked upon for the welfare of the country in two or three decades.

I believe that the record of the National Science Foundation and its promise of future service to the Nation justify that prediction. Through its grants for basic research, the Foundation has helped expand and deepen our understanding of the nature of life, of the Earth and the universe, and of man's relations to his fellows. Through its educational programs, the Foundation has greatly improved the teaching of science in our schools and colleges and provided an opportunity for talented young people to achieve their ambition to become scientists. And increasingly in recent years the Foundation has facilitated the application of science and technology to national and international problems.

I am sure my fellow Senators will wish to join me in saluting the National Science Foundation on the occasion of its 25th birthday.

MARIHUANA DECRIMINALIZATION—SMALL PRIVATE USE

Mr. JAVITS. Mr. President, as the Senate knows, S. 1450 which I introduced together with Senators CRANSTON, BROOKE, and NELSON would remove Federal criminal penalties for the possession of up to 1 ounce of marihuana. The legislation is modeled after the Oregon law which authorizes the imposition of a civil fine not to exceed $100.

Two recent editorial comments on our bill appeared in the Washington Post and Buffalo Courier Express. These comments are the latest in a growing number of positive expressions from private organizations, the communications media, and public officials throughout the country supporting the concept of decriminalization. I urge the Senate to examine these points of view.

Mr. President, I ask unanimous consent that the text of both editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

DECRIMINALIZING USE OF MARIHUANA

Recently introduced federal legislation to decriminalize the use and possession of small amounts of marihuana seems to be a reasonable attempt to deal with a highly controversial problem. Under the measure, sponsored by Sen. Jacob K. Javits, R-N.Y., among others, it would no longer be a criminal offense for a person to possess up to one ounce of the drug providing it was for private use. The bill would substitute for any existing federal criminal penalty a system of civil fines up to $100.

We agree with Sen. Javits that the existing penalties for the use of marihuana are disproportionate to the degree of mental and physical risk involved. Marihuana cannot be said to be harmless, but it probably is not physically addictive and many experts consider it to be a relatively benign drug. Further, marihuana use is so widespread (an estimated 13 million users in the United States), with penalties varying widely from state to state, that the existing federal law clearly is not a deterrent.

Sen. Javits makes a proper distinction between legalization of marihuana, which would sanction the sale, as well as the use, of the drug, a change to which the senator is opposed, and decriminalization, under which law enforcement would continue to be focused on the trafficker. The criminal penalties for sale of the drug would remain unchanged.

The decriminalization approach has attracted increasing support among medical, legal and other groups over recent years (Gov. Carey reportedly is considering recommending such a shift for New York State). While we have some reservations—for example, it is acknowledged that some marihuana users, even though a small minority, progress to the use of more potent drugs—we support the idea of eliminating the disproportionately harsh penalties for modest marihuana usage. At the same time, however, we would hope that research into the long-term use of the drug would continue, so that serious ill effects could be detected and laws amended to reflect them.

[From the Washington Post, April 19, 1975]

A "CEASE-FIRE" ON MARIHUANA

It is now estimated that 13 million Americans are regular users of marijuana and that at least 30 million have at some time experimented with the substance. About 35 years ago, when marijuana was identified by federal bureaucrats as a "killer weed," about 50,000 Americans were thought to use it. The result of its identification as a menace was that the Congress and the states made it either a felony or a misdemeanor to possess or sell it. The evidence now is that there may indeed be medically sound reasons for avoiding the use of marijuana, but none of those reasons justifies the severe criminal sanctions that exist in the federal criminal code and in those of most of the states.

In the last several years, that situation has been remedied in several states and more each year are amending their codes in face of the legal anomaly that now exists. Few would argue that marijuana is more of a health hazard than cigarettes or alcohol, yet more than 400,000 citizens a year are arrested for possession of marijuana, and some of them do more than a year in prison for their offense. Oregon has ended that anomaly, and California, Colorado, Minnesota and Alaska are about to follow suit in this legislative season. Maine, Massachusetts and New York are reconsidering their laws.

The question now facing the Congress is what should happen at the federal level. As matters now stand, possession of an ounce of marijuana is a federal misdemeanor carrying a penalty of one year in jail and a maximum fine of $5,000. A bipartisan group in the Senate, led by Jacob Javits of New York and including Edward Brooke of Massachusetts, Gaylord Nelson of Wisconsin and Alan Cranston of California, have introduced a bill intended to remedy the current situation. It would replace current severe penalties with something called a "civil fine" and it would not exceed $100. The penalties for sale of the substance as a profitable transaction would remain intact. Only simple possession and "not for profit" would be covered by the bill.

The senators said when they introduced the new legislation that the criminal penalties for possession "are so disproportionate to the degree of mental and physical risk involved that there can be no longer any justification for their imposition." They further argue that use is so pervasive, and the arrest pattern so capricious, "that fair and impartial enforcement and prosecution are impossible."

The sentiment of the legislation is laudable, but as a solution it is hazy. If, indeed, the sponsors believe the substance is relatively "benign," as they put it, then why a penalty at all? And why a penalty that is almost unknown in our legal system. There is virtually nothing else, with the possible exception of the customs code, that recognizes a "civil fine." The legislation would create a new category of offender and a new remedy for society, the "civil offender" and the "civil fine" as punishment. Yet, that is what several of the states are now doing, and what is proposed at the federal level.

The simple answer to the question of why this route is being taken out of the marijuana morass is that it is thought to be the only politically practical one. As one proponent put it, "This is a 'cease-fire' proposal. As it now stands, 400,000 smokers a year are being arrested and stuck with criminal records. Even though this bill is not the long-range answer, at least it will stop young people from going to jail." In short, this new proposal is a compromise intended to lift the criminal sanction, without taking the logical steps that will surely follow and ultimately lead to the day when marijuana is properly controlled through taxation and standards for quality, strength and age of legal usage. In the meanwhile, the Congress will argue over passage of a vague concept called "decriminalization," which is the same as saying there is half a crime. The half of the crime called "use" would no longer exist. The half called "sale" would continue as before to be a crime. If this bill is passed, it will be interesting to see how the courts view such a hybrid notion, but it appears to be the best the sponsors believe they can do. Given today's climate of opinion, they are probably right.

NATIONAL MARINE FISHERIES SERVICE INSPECTION PROGRAM

Mr. MAGNUSON. Mr. President, as chairman of the Commerce Committee, I maintain a continuing interest in programs being developed on behalf of the American consumer. Many of these programs are initiated by industry itself, of course, and many others are initiated by Government. I would like to point out one program which was recently initiated as a cooperative effort by both. It involves the Federal inspection of seafood packaged for sale in the United States.

I believe that if American consumers were polled on the question, the majority would indicate an assumption that packaged seafood receives the same degree of Federal inspection as that provided for meat and poultry. That is not the case. Although packaged meat and poultry have long been controlled by compulsory continuous Federal inspection—that involves the constant presence of Federal inspectors—seafood has not. Federal standards for seafood wholesomeness and packaging sanitation procedures, of course, do exist. For some time, there has been discussion over the merits of extending compulsory Federal inspection to include the packaging of seafood.

That discussion may ebb if the voluntary inspection program offered to the seafood industry by the National Marine Fisheries Service operating under a memorandum of agreement between the Department of Commerce and the Department of Health, Education, and Welfare continues to gain momentum. It provides for full-time inplant Federal inspection of seafood being packaged for sale in the United States. The NMFS operates the voluntary program under standards even broader than those imposed by the FDA and participating companies pay for the service through special assessments. But, once the volunteering packer has met Federal standards and is operating under the inspection program, it is allowed to carry a seal on its product verifying that it was "Packed Under Federal Inspection." This will provide assurance to consumers that the seafood is wholesome, of good quality, and properly labeled.

Recently, the Van Camp Sea Food Co. of San Diego, Calif., became the first tuna canner to join the program and its Chicken of the Sea brand tuna currently carries the Federal inspection seal. This is a very encouraging beginning.

Eventually, it is to be hoped, all members of the seafood packing community will be participating in the voluntary inspection program. This program stands as an exemplary model of how industry and Government can work together in the public interest.

HAZARDS TO PUBLIC SAFETY OF WAR POWERS RESOLUTION AND OTHER ACTS OF CONGRESS

Mr. GOLDWATER. Mr. President, on April 3, U.S. naval vessels entered the territorial waters of South Vietnam at the direction of President Ford to assist in an international humanitarian relief mission that resulted in the evacuation of many thousands of foreign citizens from Danang and other imperiled Vietnamese seaports. On April 11, President Ford singlehandedly ordered the rescue of some 100 Americans, 160 Cambodians, and 35 third-country nationals from Phnom Penh. Finally, on April 29, President Ford directed the airlift by U.S. Marines and naval units which successfully evacuated all Americans from Saigon, including approximately 1,400 Americans and 5,500 South Vietnamese and third-country nationals.

Recent laws of Congress were a hazard to the success of each of these courageous and wise operations. The laws of Congress were an impediment to safety of American citizens. The laws of Congress have cast a cloud of doubt over the legality of the President's actions that may remain unresolved throughout history. These same laws have weakened the ability of the United States to remain a respected and believed power able to exercise its historic prerogatives across the world.

These recent humanitarian rescue missions by President Ford were accomplished in spite of a maze of difficult legal questions erected by recent laws of Congress. For example, there is the war powers resolution. This resolution spells out in section 2(c) that the President possesses constitutional power to introduce the Armed Forces "into hostilities" or into situations where their "imminent involvement in hostilities is clearly indicated" only, and I emphasize the word "only," when Congress has provided a declaration of war or specific statutory authority or where there is "a national emergency created by attack upon the United States, its territories or possessions, or its Armed Forces."

Does the word "only" mean "only"? If so, it appears that President Ford's recent actions were illegal under this provision of law.

The provision does not state that troops can be introduced to "protect U.S. citizens abroad." But some of the sponsors of the war powers resolution claim that the law does not mean what its provisions say. It means what they say it means. This is their device for making any exceptions that may be required by unexpected situations that arise to cast doubt on the wisdom of the original law. Thus, they say that there is an implied exception to the war powers resolution which allows the President to use the Armed Forces in the protection of American citizens.

Very well, assuming that the sponsors of the law can make amendments to it by legislative history discussed in the Halls of Congress, what about the withdrawal of foreign nationals? Does the implied exception, if any, which permits the evacuation of American citizens stretch far enough to confer authority upon the President to rescue endangered foreign nationals?

In the Cambodian evacuation, it appears more foreign nationals were flown out by the U.S. military than were American citizens. A contingent of 350 Marines in full combat gear participated in the operation, standing guard in the area where the helicopters landed. Twenty U.S. warplanes patrolled the skies and two helicopter gunships escorted the fleet. No casualties were incurred, but a 75 mm. recoilless rifle round and four rockets hit the landing field.

Was this situation a "hostility" or an "imminent" hostility? Phnom Penh was beseiged by attacking Communist forces and there was firing on U.S. forces. If this constitutes the involvement of the American military "in hostilities," then it could be prohibited not only by the war powers resolution, but by section 806 of Public Law 93-155 and section 13 of Public Law 93-126. Each law provides that "no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of U.S. military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized by the Congress."

These laws apply on their face not only to funds represented by those laws alone, but specifically cover any funds "heretofore or hereafter appropriated" by any law.

How can the President contend that the Cambodian evacuation did not involve the employment of U.S. military forces in hostilities? Can he fairly raise an exception not identified in these laws themselves because the operation was an emergency rescue mission of brief duration whose original primary objective was to protect endangered Americans and in the process of which he chose on moral grounds to allow the humanitarian evacuation of a limited number of foreign nationals?

Perhaps he can, absent any legislative history showing that such an exception should not be implied. But the question gives pause. It could cause delay in starting up an urgently needed emergency mission. Unless it was carried off as a complete success, the questions would have left the President vulnerable to critics whose hindsight is always better than their foresight.

But there are more questions. In the Danang relief mission, U.S. naval vessels with embarked helicopters and combat-equipped Marines, picked up foreign national refugees and some U.S. citizens from the coast of South Vietnam and transported them to safer areas. Unquestionably, the vast majority of persons helped were not Americans. At the time the military situation in Vietnam was worsening, with South Vietnam giving up additional provinces and the capital of Hue to the Communists.

Was this a military operation in Vietnam? If so, it was prohibited by section 30 of the Foreign Assistance Act of 1973. This law provides:

> No funds authorized or appropriated under *this or any other* law may be expended to finance military or paramilitary operations by the United States in or over Vietnam, Laos, or Cambodia.

Although military units were involved and these forces were equipped for combat, can it be said that a relief operation is not a "military" operation? Can it be argued that an operation in the territorial waters and along the coast of South Vietnam is not an operation "in" Vietnam? Perhaps, but once again the President is placed at his own peril in making such an interpretation of the law.

During the final removal of Americans from South Vietnam, there was a direct and imminent threat to the remaining U.S. citizens and their dependents in and around Saigon. A fleet of some 70 helicopters protected by U.S. fighter aircraft had to be utilized in order to carry out the final evacuation. In one instance, American planes suppressed North Vietnamese antiaircraft artillery that was firing upon evacuation helicopters. About 865 marines were involved in the operation. At least two U.S. marines and two pilots were killed in the final days. The ground security forces returned fire during the operation.

Was this "combat activity"? If so, it was apparently prohibited by at least four acts of Congress. The 1974 and 1975 Department of Defense Appropriations Acts each prohibit any of the funds therein appropriated from being obligated or expended "to finance directly or indirectly combat activities by U.S. military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia." Section 108 of the continuing resolution enacted July 1, 1973, provides that—

> On or after August 15, 1973, no funds herein or heretofore appropriated may be ob-

> ligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia.

Finally, section 307 of the Second Supplemental Appropriations Act of 1973 states that none of the funds appropriated under that act or "heretofore appropriated under any other act" may be expended after August 15, 1973, "to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam, and South Vietnam or off the shores of Cambodia, Laos, North Vietnam, and South Vietnam by U.S. forces."

Perhaps none of the funds appropriated by any of these four laws and not even any funds appropriated previous to those laws were used in any way during the final evacuation. Perhaps none of the equipment, ammunition, clothing, and so forth, were supplied by any funds appropriated under all these laws. Perhaps, but again it takes bold and decisive action by the President willing to assume the responsibility for his own interpretation of those laws to order the action that he did.

There is another question raised by these laws that did not occur during the evacuations, but very well could have. The answer to this question may be crucial to the safety of the United States and its citizens at some time in the future. This question is raised by the belief of the sponsors of the war powers resolution that Congress can put a halt to an emergency rescue operation at any time even though it involves the protection of U.S. citizens.

For example, on April 23, I engaged in a colloquy over the pending evacuation authority with the senior Senator from New York (Mr. JAVITS). While admitting that the President "has an unchallenged right, under the Constitution, to use the Armed Forces of the United States to rescue Americans from a war zone," the Senator from New York declared that—

> Those forces, when so used, remain accountable to the Country through both he and the Congress, so that we may have some control over what happens with respect to their use, and so that *the whole thing may be called off* if it goes beyond what we think is a fair measure of use for their purpose. (Emphasis added.)

If what my friend from New York says is true, then it means that Congress can tell the President 1 day, or 1 hour, after he initiates a humanitarian rescue mission to protect American citizens that he must call the whole thing off. If Congress fears the operation could involve some risk which outweighs the safety of the number of Americans immediately involved, it can direct the President to abandon those Americans.

This contingency, which I truly hope will never happen, could occur under section 5(c) of the war powers resolution which provides that American forces engaged in hostilities outside the United States without a declaration of war or specific statutory authorization "shall be removed by the President if the Congress so directs by concurrent resolution."

Mr. President, congressional measures of this type could cripple not only the President, but through him, the United States at some time of great need for immediate and decisive action. The very fact that one might argue that the President now stands in violation of the law points up the dangerous position in which we have placed our country, our citizens, and our President.

Mr. President, congressional measures of this type have already crippled the power of the Secretary of State in dealing with foreign friends, enemies, and potential enemies. These foreign nations now know that the United States cannot go to war in a meaningful way without the approval of the Congress. They also know that the will of the Congress can be bent to a large extent by the attitude of the American press and media and, from every evidence so far, these tools have been most effective in slowing down America's ability to maintain its place in the world. With the growing danger caused by a mounting isolationist feeling in this country, the addition of the War Powers Act can, in my opinion, reduce us rather rapidly to a power of a much reduced stature in the world in a position from which we could not effectively negotiate or operate to maintain the interests of America, Americans, and our freedom.

Mr. President, I intend to continue discussing the war powers resolution and similar laws from time to time in the continuing hope that we might get it before the American people for consideration of a proper solution through a constitutional amendment.

SECRETARY-GENERAL WALDHEIM'S REMARKS BEFORE THE CHICAGO COUNCIL ON FOREIGN RELATIONS

Mr. HUMPHREY. Mr. President, the Chicago Council on Foreign Relations had the good fortune on April 23 to host U.N. Secretary-General Kurt Waldheim.

In his address before the Council, Mr. Waldheim cogently offered an inspired world view. I believe it merits not only our attention, but truly our aspiration.

Mr. Waldheim argues that, in the long run, peace will not be served by a balance of power and the arms race it entails, nor by a widening division between the rich and poor, the powerful and less-developed countries.

We are ultimately, in the term of Wendell Willkie that he repeats, "One World." For the "principal problems of our time," Mr. Waldheim explains, "all have a world dimension," and therefore they require international communication, global strategies, and multilateral remedies. As Mr. Waldheim states:

> Only through the interdependence of all nations can the independence of each be assured.

Is there any solution on the horizon? Mr. Waldheim asks, "Why not the United Nations?" And so do I.

Mr. President, I ask unanimous consent that Mr. Waldheim's wise remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TEXT OF SPEECH BY SECRETARY-GENERAL KURT WALDHEIM TO CHICAGO COUNCIL ON FOREIGN RELATIONS, APRIL 23, 1975

It was a great pleasure for me to receive and to be able to accept the invitation of the Chicago Council on Foreign Relations. The long history and outstanding record at this Council are well-known to us at the United Nations, and indeed to all who are actively involved in world affairs.

I need not elaborate before this body on the symbolic power of the name Stevenson among all who cherish the cause of peace in the world. I might say—in connexion with the generous introduction I have just received—that Adlai Stevenson once remarked that a speaker was entitled to enjoy a flattering introduction—just so long as he didn't inhale. I believe Ambassador Stevenson also observed that a speech does not have to be eternal to be immortal. This wise advice is not heeded as often as many of us would wish.

You have reason to take pride in the fact that Senator Percy was a member of the United States delegation to the last General Assembly. Those of us who labour in the vineyards of the United Nations know him to be a strong advocate of the principles of world organizations in general and of the United Nations in particular. Senator Percy has demonstrated that friendship for the United Nations is best manifested not by uninformed praise but by highly knowledgeable and constructive criticism and evaluation. And what the United Nations needs even more than money—which we have little enough of—is constructive criticism rather than destructive criticism—which we have too much of. The United Nations will not be served or saved either by indiscriminate praise or indiscriminate criticism.

My compliments, in fact, to Mayor Daley and Governor Walker—and, indeed, to the people of Illinois—on the historic contribution this State has made to the cause of world organization over the years. There is a fiction that this area has been something akin to a stronghold of isolation. I must say I personally have seen little evidence of it—whether with respect to my reception here tonight, or to the calibre of the statesmen who have come from Illinois, or to the kind of support the citizens of Illinois have given to the quest for a peaceful world.

There is much talk these days of a new surge of isolationism. I am not sure that the correct word is "isolationism". What I have seen leads me to believe that what is happening—and I am thinking not just of a particular country but of almost every part of the world—what is happening is that there is a new mood of withdrawal. People are not turning away from ideas of world interdependence. What they are turning away from are outmoded and unworkable ways of trying to deal with the world.

If I sense correctly the trend now emerging, I would describe it as a renunciation of the idea that peace can be achieved through a balance-of-power or through superior stockpiles of weapons which, if used, would produce a world holocaust. These ideas belong to the past and cannot be used to build the future.

I repeat: People are not withdrawing from the idea of peace through world order. They are not giving up their hopes for a world of justice under law. They are not abandoning their dream that this frail planet of ours can be managed in the human interest, or that we can leave to the next generation a world in which human beings do not have to kill or be killed.

People are not giving up on these ideas—and, I might add—neither am I.

I had no difficulty in agreeing with President Ford when he said the other day at Notre Dame that we cannot live in a compartmentalized globe but that we must return to the concept of One World. He was referring, obviously, to the term used so effectively by Wendell Willkie. It was a little more than thirty years ago that Wendell Willkie wrote his book "One World". I can think of no more useful way of returning to fundamentals on our quest for peace than by rediscovering the power and validity of what he was trying to tell us.

I am not troubled by the simplicity of Willkie's message. Truth doesn't have to be complicated to be persuasive. What Willkie was saying was that the world's nations have come to the end of the road in which they traditionally sought peace by being more powerful than their opponents. He was trying to tell us that the world has become too small for big wars; that any war, anywhere, in fact, is a danger to the entire community of human beings. He was trying to persuade us that new approaches were necessary based on the concept of world institutions that could deal with world problems.

He correctly anticipated that the principal problems of our time would all have a world dimension and that no nation would be able to solve them unilaterally. And it is clear to me that he would doubt that a bilateral approach alone would be adequate to the kind of problems confronting the human race today.

It is presumptuous, of course, for any person to say what someone who died thirty years ago would say about any present day situation—but Willkie's writings seem to me to be clear on the point that he felt world peace could be achieved and maintained only through a world order.

I don't say there is no place for bilateralism in the building of a peaceful world. If bilateralism means joint leadership in strengthening the principles of world organization; if it means joint action in creating a stage for the fullest possible interdependence among nations; if it means common efforts in behalf of a strengthened United Nations that can act effectively in the human interest—if it means any or all of these things, then that kind of bilateralism will earn the gratitude of every human being on earth.

I do not despair about the future of the United Nations or the prospects of world peace in general. The events of recent years and months have produced widespread apprehension, confusion, and uncertainty. Yet I believe the time is right for new beginnings.

It has been demonstrated—at great cost—that we have to create effective means for keeping the peace and for serving the cause of justice.

It has been demonstrated that the arms race will not create enlarged security for anyone caught up in it. It will create greater insecurity and a long slide into inflation and depression.

It has been demonstrated that the attempt to stay on top of the international game through a balance of power leads to a greater unsettled condition of the nations that are caught up in it.

Since the old notions and old approaches don't work, where do we look?

The moral of the story seems clear:

Why not try the United Nations?

I contend that the United Nations, with all its weaknesses and limitations, is still the world's best hope for peace.

I contend that such weaknesses and limitations as exist will not be eliminated by spurning or bypassing the United Nations but by working to make the United Nations better.

I contend that the United Nations will never work properly if the nations regard it as an adjunct to their unilateral foreign policies rather than as the mechanism for building common peace.

To do this, everyone is going to have to give up a little. What we will get in return is a genuine basis for a durable peace.

The United Nation's is still an unfinished organism. No one knows this better than I do.

Some problems are structural.

Some problems are organizational.

Some problems are functional.

Some problems are philosophical.

But none of these problems are insoluble.

I can't think of any weaknesses or limitation involving the United Nations that can't be solved if enough nations regard the cause of a fully functional United Nations as the underlying and unifying objective of their foreign policies.

Basic changes are occurring with great rapidity. If we understand these changes and see the United Nations as a resolving mechanism, we need not feel overwhelmed or discouraged.

At the height of the Cold War it was believed that the world was in danger of becoming divided into two ideological and mutually hostile groups. Today there is the peril that it may become divided into two economically separate and mutually hostile groups—the rich and the poor. The gap between these groups is not narrowing. The poor are becoming poorer. They are also becoming more populous. Three billion people now live in the less developed regions of the world. 60 per cent of these people are under 25 years of age. Their life expectancy is 25 per cent lower than in the developed world.

The result is not just a massive imbalance of economic resources, but a massive imbalance in living standards and of opportunity.

It may be argued that it has been ever thus. But today there are new problems of scale and scope which give a blazing intensity to this old division between rich and poor. In 1925, the world's population was under two billion. Today it is now almost four billion. If present trends continue, it will be eight billion by the year 2000.

How will the future citizens of our planet be fed, housed, and educated? How will they be employed? Unless we begin to manage our planet now in the common good, the generations just ahead will be born in poverty and spend their lives in poverty.

The economic division of the world into two camps, the affluent minority and the poor majority, has already been sharply reflected at the United Nations, and most significantly at the last General Assembly. This had results which surprised and in some cases dismayed the developed countires, not least among them the United States.

Irrespective of the merits of particular actions by the majority, the significance of what happened last year must not be ignored or misjudged. What happened showed that the poor nations are tired of being poor, are losing patience and demanding action.

The oil crisis and the following developments are certainly a warning in this regard.

If we see these warnings in the perspective of a world that has become a single geographic community, we must recognize that we can lose no time in undertaking collective global action. The nation-state remains the principal instrument for acting on changing world conditions, but the scale and nature of the problems themselves have made purely national approaches obsolete. We need global strategies and guidelines within which the national governments will operate.

What are our chances for achieving such strategies and guidelines?

I believe those chances are good in direct proportion to the willingness of people to act in their common interest.

I see nothing irreconcilable between the surge of nationalism and the new need for interdependent and even contractual ways of living inside a world community.

The ability of nations to preside over their own cultures and institutions will be strengthened, not weakened, by the acceptance of common objectives in their world relationships.

No country will be able to sustain the costs and pressures of unilateralism, of which the arms race is the most conspicuous manifestation.

Only as a workable form of common world security is created will it be possible for the finest experience of nationalism to take place.

Only through the interdependence of all nations can the independence of each nation be assured.

The United Nations offers a practical basis for such interdependence.

The United Nations, in the words of the Charter, is "a centre for harmonizing the actions of nations". But the gap between declarations of internationalism and its implementation has been widening. As Adlai Stevenson put it so characteristically, "making peace is not merely a matter of nations looking at each other, but of their looking together in the same direction".

One of the greatest fallacies in much of the thinking about the United Nations is to believe there can be a separation between "political" questions and "economic and social" questions.

The United Nations is a highly political organization. We in the Secretariat are dependent upon the creation of the political will before we can act. I am frequently troubled by the realization that this fundamental point is so poorly understood.

Naturally, the Secretary-General does not sit idly by and passively wait for political will to be mysteriously created. It is his task to help shape that political will, to take advantage of changing situation, and to guide contending parties into effective negotiations. But the Secretary-General often finds that his main job is to find ways of coping with the existing limitations and weaknesses of the United Nations itself. Repeatedly serious issues that are brought before the Secretary-General are those that are not resolved by the General Assembly or the Security Council.

While I do not object to this part of my job you will certainly understand the enormous difficulties with which I am then faced.

When people ask—as they often do—what is "the United Nations" doing about a particular question, they reflect the common misapprehension that there is a single entity called "the United Nations" which has supranational powers. There is also often a misunderstanding about the role and position of the Secretary-General himself. I am constantly urged to intervene in a very wide variety of matters as though the Secretary-General can disregard the limitations imposed upon him by the Charter and the political realities of a world of sovereign States. In such cases a great deal can often be done, and is done, through quiet diplomacy, which must remain confidential if it is to be effective. Nothing would destroy the usefulness of the Secretary-General's role more swiftly and effectively than his taking sides in highly complex political situations in disregard of the authority and policies of member-governments. This does not mean inactivity on his part. It means that he must act at the same time on the basis of the principles of the Charter and in full awareness of the political realities. It is not always easy to reconcile these two essential conditions.

The creation of trust and confidence is a long business. Months, even years, of such efforts can be lost overnight by one action, however well-intentioned, which is seen as constituting interference without authority in the internal affairs of a nation.

We must not forget, however, that the United Nations has not been exactly inactive or irrelevant. The United Nations had had considerable success in developing techniques of peace-keeping during the past 25 years. It has proved that, in many situations, it can exercise an important moderating influence, not only in limiting or forestalling conflict, but also in providing a framework within which the settlement of basic and difficult problems between States can be pursued.

Obviously, the effective involvement of the United Nations in conflict situations requires the consent of the parties concerned and their willingness to co-operate with the world Organization. Despite the fundamental problems of the Middle East, I think it fair to say that the United Nations through the efforts of the Security Council, through its various peace-keeping efforts, and through various forms of mediation and good offices, has done a great deal to preserve peace in an area where the danger of a world conflict is ever present.

For reasons beyond the control of the Organization, the United Nations has not been effectively involved at any time in the problems of Indo-China. In fact, during the long period of conflict, the search for a political solution has taken place outside the framework of the United Nations. I should like to say a word, however, about the efforts we are now making in the very tragic situation prevailing in that part of the world.

The Secretary-General was invited to participate in the International Conference on Vietnam in Paris in February 1973. In my statement to that Conference I said that the United Nations stood ready to assume its responsibilities wherever and whenever it was called upon to offer useful and realistic assistance. I also said that, should the Governments of the area so desire, the United Nations and its family of organizations could play a significant role in receiving, co-ordinating, and channelling international relief and rehabilitation assistance to the Governments and peoples of the region. Such assistance would be provided without discrimination of any kind.

Ever since that time, the United Nations has been operating on the same basis—providing humanitarian assistance wherever and whenever requested. It has persevered in this task despite a military situation which obviously makes it much more difficult to help the victims of the war. In light of the most recent developments, I appealed on 31 March to all concerned to do everything possible to relieve the plight of innocent persons, including those who have been displaced. I requested the governing authorities on both sides to do their utmost to limit the suffering of innocent people. I also appealed to Governments and individuals everywhere for increased humanitarian assistance to help alleviate the misery of the millions of human beings who find themselves in tragic circumstances.

We have set up special machinery at the United Nations Headquarters to co-ordinate the already considerable response to this appeal and to maximize the effectiveness of the humanitarian effort. At the present time, two programmes of the United Nations system—the United Nations Children's Fund and the Office of the High Commissioner for Refugees, which already had programmes of humanitarian assistance on both sides of the conflict in Indo-China—are carrying the main burden of humanitarian assistance, and their operations are being intensified.

On 17 April, in a further appeal, I indicated that, in the immediate phase we should set a target figure of $100 million in order to meet essential requirements.

It seems to me that in the interests of providing the maximum assistance to all of those afflicted by the deteriorating situation in Indo-China, this approach is the one most likely to be effective. It goes without saying that I shall continue through whatever channels are available to me to make the facilities of the United Nations available to all of the parties to the conflict, if they wish to make use of them, for the purposes of putting an end to the conflict and alleviating the vast human suffering which it has caused. Communication and understanding are vital in such a situation. For this reason I am making the utmost effort to establish and maintain contact with all parties in this great human tragedy.

There are other things that can be done on a day-to-day basis to help the United Nations, even as it is, to do a better job in fulfilling its original purpose. First, there must be a heightened understanding of the urgent importance of using its machinery for negotiation and preventive diplomacy before conflict erupts. To use it as a court of last resort when all else has failed, or to use it merely as an international relief operation at the end of the day, is to discard the most important potentiality for peace and stability.

As has been said, great conflicts may arise from small events but never from small causes. While we grapple with immediate problems of peace and war, in Indo-China, in Cyprus, and in the Middle East, we must also look ahead. We must try to discern the serious potential causes of future unrest and discord, and think not simply in national terms but in global ones as well. While mankind is divided by economic inequities, it will be divided by political divisions, and there can be no real stability or real co-operation to work together to meet the awesome challenges which confront us all.

The United Nations, being a human institution, is fallible. There can be collective foolishness as well as collective wisdom. There have been, and will be in the future, disappointments, setbacks, and frustrations. But these must not make us despair, or lose heart and faith. In the thirtieth year of the life of this unique human experiment, we must never forget that we are looking at the world as it is. But we are also, in a very real sense, looking at ourselves. Are we to seize the opportunities which lie before us, taking full advantage of the lessons of the past, or are we to turn aside from the realities of the world—and from looking at ourselves as we really are?

I cannot give you the answer. The choice is stark and clear. I would like to remind you of what Adlai Stevenson, when Governor of Illinois, said: "This is not the time for superficial solutions and everlasting elocution, nor for frantic boast and foolish word . . . What counts now is not just what we are against, but what we are for. Who leads us is less important than what leads us—what convictions, what courage, what faith".

This Republic, now approaching its Bicentennial, survived great difficulties and dangers through the hard work and idealism of tens of millions of unknown Americans dedicated to the ideals of the Declaration of Independence. Similarly, the United Nations can succeed or fail not only through the work of Governments but through dedication to the ideals of the Charter of countless millions throughout the world. But we shall only succeed if we continue, despite all obstacles and frustrations, to believe that those goals are attainable, and to work towards them with all our convictions and understanding.

THE NATION'S AGRICULTURAL COMMUNITY

Mr. FORD. Mr. President, now that the Emergency Agriculture Act of 1975 has been vetoed by President Ford, many of us are seeking ways to renew our efforts in giving support to the Nation's agricultural community.

A policy must be forwarded to prevent further economic disruption to a segment of our business society which is growing smaller in numbers each year.

And that business society—the farm community—must have its confidence restored.

There is a glaring omission of confidence for good reason. Farmers consider the administration and the Secretary of Agriculture in adversary roles. This is fully reflected by my communication from those engaged in agriculture. Unless there is strong congressional leadership, in a practical, orderly manner, the very backbone of agriculture—the farm family—will cease to exist.

In a few words, an editorial published this morning in the Lexington Herald, describes quite well our position, but more importantly our duty.

Mr. President, I ask unanimous consent that this brief commentary be printed in the Record, and I compliment the editor, Mr. Don Mills, for the wisdom expressed.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Congress Must Make New Farm Policy

President Gerald Ford's veto of the emergency farm aid bill was motivated, he says, by concern for both farmers and consumers.

By vetoing the bill, Mr. Ford assures us, he is saving money and helping to keep the cost of food and other agricultural products down. To pay more subsidies would, he added, be a return to already discredited policies. But the sad situation most American farmers now face is proof plenty that the polices (or nonpolicies) of Mr. Ford and Agriculture Secretary Earl Butz are themselves discredited.

The American farm economy is rapidly approaching a crisis. Before 1972, when the Nixon administration finished dismantling the old system of agricultural supports and controls, the farm economy at least kept things running. Farmers and consumers grumbled, but there were no actual shortages and productivity increased regularly.

The Nixon-Butz-Ford approach has changed all of this. Butz seems proud of the free-market status of our agricultural markets, but the abilities of foreign nations to buy our essential goods with no apparent restrictions has caused havoc which is apparent to everyone.

The fact is that the risks in farming, which were formerly shared by the federal government, now rest entirely with the farmers and consumers. Mr. Ford seems incapable of grasping the simple fact that Earl Butz and his troglyditic notions about the marketplace are exposing both farmers and consumers to the whims of not only weather and production but also of foreign nations' needs.

It is now up to Congress to reconstruct a farm policy for America. That policy must recognize that the government, as representative of both farmers and consumers, has an obligation to take some of the risk now being borne by those groups.

AGRICULTURAL EXTENSION SERVICE CENTENNIAL BANQUET

Mr. HUMPHREY. Mr. President, I recently had the privilege and honor to participate in the 100th anniversary of the Agricultural Extension Service and the 90th anniversary of the Minnesota Agricultural Experiment Station.

It was indeed an honor to point out the great productivity of our American agricultural machine and the major role which research has played in this record.

I indicated that from the earliest days of our country's history—beginning with Thomas Jefferson's interest in improved rice varieties—our Nation's farmers were constantly on the lookout for ways of ever increasing their production.

I pointed out some of the significant landmark legislation such as the Land Grant College Act of 1862, the Hatch Act of 1887, and the 1914 Smith-Lever Act.

I also pointed out some of the accomplishments of the experiment station at the University of Minnesota itself, such as new dwarf wheat varieties, which are currently yielding about 5 bushels more per acre than the traditional varieties. The Minnesota station also has developed new soybean varieties, and crop losses have been reduced by work which has been carried out on various plant diseases.

I indicated that in the coming years, we would need to turn our research attention to the conservation of energy on our farms. I have already introduced legislation, S. 1482, to begin this process.

At the international level, we must begin to make a stronger effort to find ways to increase the productivity of the small farmer. There are a network of international research institutes already in existence which can and must give a greater priority to this task.

Our American land grant universities can play a major role in stimulating increased production on the part of small farmers in the developing countries. They have a wealth of experience which can be adapted to meet this need.

In the future, we will need to select our priorities with greater care, so that the maximum benefits can be obtained. Agricultural research is a matter of the utmost importance in the future of our Nation and the world.

Mr. President, I ask unanimous consent that the text of my prepared address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by Senator Hubert H. Humphrey

It is a pleasure and an honor to participate with you in this great event, commemorating the 100th anniversary of agricultural experiment stations in the nation and the 90th anniversary of the Minnesota Agricultural Experiment Station.

For too many years, the great productivity of our agricultural heartland has been taken for granted. Now, all that has changed. Our people have begun to realize the importance and the great complexity of our agricultural system.

The word has gone forth, and the Rome World Food Conference, in particular, highlighted the world's need for ever-increasing supplies of food.

The role of the United States in preventing food deficits of 100 million tons by 1985 in the developing countries is of critical importance. If the world is to have increased food security in the years ahead, the United States can and must play a central role.

One of the important keys to expanding the food supplies in the future is a high level of investment in agricultural research.

Agricultural research has been important since the early days of our country. We are aware of Thomas Jefferson's interest in looking for improved rice varieties, experimenting with crop rotation and soil fertility, and developing a formula for a lower resistance moldboard plow.

From the earliest days of our country, the dissemination of agricultural information was important in spreading new ideas. In 1784, the South Carolina Agricultural Society was formed, and in 1785 the Philadelphia Society for Promoting Agriculture was founded.

The Department of Agriculture was established by President Lincoln in 1862, the first Commissioner of Agriculture, Isaac Newton, reported to the President that "the essential conditions, it seems to me, are—peace; a continued and increasing demand for agricultural products, both at home and abroad; and an increased respect for labor; a more thorough knowledge and practice of agriculture as an art and science; and, finally, a more thorough education of our farmers in the physical sciences, in political economy, in taste, in general reading . . . but as there is no royal road to agriculture, neither is there to knowledge. The latter must be acquired by long mental husbandry, but like that of the soil, it yields many solid pleasures. . . ."

In 1862 the Land Grant College Act was passed. These institutions, or "people's colleges" were established to provide practical education and knowledge for the people.

In 1887 the Hatch Act was enacted to create state agriculture experiment stations. This program vastly increased the efficiency of agriculture research and the adaptive research required for specific geographic areas.

In 1914 the Smith-Lever Act was passed, creating the Federal Extension Service, to disseminate the research results to farmers.

These steps were of critical importance in laying the groundwork for our rapid expansion in food production. In the past three decades, the average yields of corn have gone up by about three-fold, wheat yields have doubled, and milk production per cow also has doubled.

Work at the University of Minnesota has led to the development of a new semi-dwarf wheat variety, which is yielding about 5 bushels per acre more than the earlier varieties.

In practical terms, planting this new variety on 1.6 million acres in 1974 meant 460 million more loaves of bread than would have been available with the traditional varieties.

This experiment station has also developed new soybean varieties, with a higher protein yield. It is anticipated that the extra yield from 2 million acres, planted with the new varieties, will meet the protein requirements of an additional 1 million people for a year.

Research on plant diseases such as stem and leaf rust as well as fungi has resulted in considerable savings of grains which otherwise would have been lost.

A new source of oats genes has been identified by Dr. Kenneth J. Frey, which indicates that yields of oats could be increased by 25 to 30 percent. This would be a major contribution in addressing the world's food requirements.

In the years ahead, we will need to pay far greater attention to our agriculture research priorities. And we will need to identify and fund those activities demonstrating the greatest potential.

I have introduced the Agricultural Energy Research Act of 1975 to deal with another important area of agricultural research, the uses of energy in the field of agriculture.

As we all know, agriculture is a great user of energy and energy products. In recent years, we have come to realize the vital connection between agricultural production and petroleum products.

The conservation of petroleum products, while keeping up our agricultural output, will be a major concern in the years ahead.

This effort will require a careful examination, relating energy costs and amounts to levels of agricultural production.

I also have recommended that we give high priority attention to soybean research, since its "fixation process" holds great promise as a way of conserving nitrogen fertilizer.

I have pointed out the importance of carrying out intensified research on weather trends, so that we can have greater predictability in the future concerning food availabilities.

In addition to improved research itself, we need to develop an improved worldwide agricultural information system, which would provide current data on food availabilities and food production. This system would share vital information and maximize the availabilities of the world's food productive system.

While paying greater attention to our domestic research priorities, we also must look carefully at agricultural research in the developing world. Far greater stress must be placed on tropical research, and particularly increasing the output of the small farmer.

It is generally agreed that a major effort must be made to increase the productivity of the small farmer. But to date, most research has been designed to benefit the large-scale farmer.

The small farmer has not been able to make the investment necessary for the new seed varieties, fertilizer and irrigation. The International Rice Research Institute, located in the Philippines, has begun to pay more careful attention to finding ways of assisting the small farmer.

We must recognize the risk involved for the small farmer in changing his pattern of production.

And a related problem has been that governments have not been responsive to the needs of small farmers. It is always easier to provide services for a few established farmers than a multitude of small, struggling peasants.

The existing network of international agricultural research centers across the world need to relate their programs to the needs and realities of the small farmer, whether it be in potatoes, rice, corn, or wheat. Approaches must be developed which involve minimal investment and limited risk for the small farmer.

I have introduced legislation in the Senate to bring our land grant universities more actively into the agricultural production effort in the developing countries.

At our recent food aid hearings in the Senate. It was pointed out that in the United States the land grant universities played a major role in expanding U.S. food production and bringing new information to our family farmers.

I believe that the land grant universities can play the same role in devising relevant programs to increase food production in the developing countries.

We should not encourage a developing country to prematurely adopt our own sophisticated research and production practices. We should encourage those practices which are realistic and can be adopted by small farmers on a wide-scale basis.

We have been able to observe that, both at home and abroad, the "trickle-down" approach just does not work. We need to encourage a system of development which promotes change and improvement through the "percolation" process.

By "percolation" we mean working with the small farmers and having the benefits bubble upward. The problem with the "trickle-down" approach is that most of the benefits stay near the top.

Last year we rewrote the foreign aid legislation along these lines, but we need to do more in moving in this direction.

A major lesson to keep in mind is that agricultural research is not a sterile or dull topic which should be of interest only to the professional. It involves understanding agricultural policies and the entire production process.

We can, and we certainly will continue to provide food aid to meet the world's food needs. But we also must look for ways of expanding the world's agricultural production.

In remarks before the World Food Conference, Secretary of State Kissinger stated, "(The United States) regards our good fortune and strength in the field of food production as a global trust. We recognize the responsibilities we bear by virtue of our extraordinary productivity, our advanced technology, and our tradition of assistance."

I most strongly support this commitment. The United States has an opportunity and a challenge which can only be described as awesome.

Those connected with the Minnesota Experiment Station and its outstanding accomplishments are to be congratulated on this occasion.

I wish you continued success in the future. You are certainly among the best of our nation's hunger fighters.

PORTUGAL

Mr. KENNEDY. Mr. President, nearly 2 weeks ago, elections for a constituent assembly were held in Portugal. Despite nearly 50 years without free elections, the Portuguese people voted in overwhelming numbers, in an orderly fashion, showing seriousness of intent. This in itself is a major achievement.

The verdict of the Portuguese people is clear: they seek to establish a government in the mainstream of Western social democracy, gathering strength from the consent of the governed. This is a vindication of the hopes that many of us have placed in the Portuguese people in the year since the fall of the Caetano government, and the beginning of Portugal's democratic experiment and decolonialization in Africa.

Before the elections, the Armed Forces Movement secured agreement from the major parties that it would remain in effective control of the Portuguese Government for the next 3 to 5 years. Yet it is my hope that the results of these elections will guide the Armed Forces Movement as it considers its own role and policies in the weeks and months ahead.

I join other Americans in reaffirming support for democratic efforts in Portugal, such as the elections held on April 25. Provided that the will of the people as expressed in these elections plays an important part in the evolution of Portuguese political institutions, that country will have a real chance to regain its rightful position in Western Europe, and among the nations of the world.

I ask unanimous consent that a recent editorial from the Boston Globe be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Boston Globe, Apr. 30, 1975]

THE SURPRISING PORTUGUESE

Those surprising people, the Portuguese, have done it again. The West held its breath when the old dictatorship was replaced a year ago and a traditionalist, largely Catholic regime was replaced by a new guard. It was easy to imagine then, as many did, that the country might head into a period of bloodshed and anarchy and that the swing to the left might go all the way.

But no such thing happened. Order prevailed and change came steadily but gradually. Then, last month, an apparent rightist coup was followed by a left-wing takeover by the Portuguese Armed Forces Movement which nationalized several major industries and outlawed parties at both ends of the political spectrum.

Last week, when Portugal held its first election since that takeover, there was again fear that the leftward trend might continue since the Communists had managed to insinuate themselves into many branches of government, the schools and the media. There had also been a strong effort on the part of the radicals to persuade the voters to cast blank ballots as a demonstration of their support of the AFM, which holds the governmental reins.

But 92 percent of the voters went to the polls and no more than seven percent of them cast blank ballots. The Communists got only 12 percent of the vote, a solid and humiliating defeat for them. The more moderate Socialists and Popular Democrats got 38 and 27 percent, respectively, which constituted a victory for the liberals and conservatives and indicated that there was no national desire for a swing from one political extreme to the other.

The power of the Portuguese Assembly is still limited by agreement and military rule is guaranteed for another five years. But certainly the military will be forced to consider the election returns and act accordingly.

In the meantime the United States, which in recent years has to often made a mess of other peoples' revolutions, should continue to keep its hand off Portugal's domestic affairs but be prepared to cooperate with this country which is so rich in history and culture but so poor economically. Certainly we now have all the proof we need that it would be in our interests to help out this old European friend.

ORVILLE FREEMAN ADDRESSES THE INTERNATIONAL ECONOMIC CHALLENGE

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues a very thoughtful address given by former Secretary of Agriculture Orville L. Freeman before the Chicago World Trade Conference.

Mr. Freeman's remarks, entitled, "The Underdeveloped Nations: Victims and Victors of Commodity Price Increases." explores the complex and changing relationship between the developing and developed world.

Mr. Freeman points out that there are developing countries which have benefited from sharply increased commodity prices and, at the same time, there are 100 million more illiterate people than there were 25 years ago, and 1 billion people who are hungry.

Particularly noteworthy is Mr. Freeman's challenge to international companies in the agribusiness sector to direct their capital, technology, and management capabilities to the problem of increasing the productivity of the small farmer in the developing nations.

Mr. President, I commend this article to the attention of my colleagues. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE UNDERDEVELOPED NATIONS: VICTIMS—AND VICTORS—OF COMMODITY PRICE INCREASES

(By Orville L. Freeman)

The topic I was asked to address is: "The Underdeveloped Nations: Victims of Commodity Price Increases." But the world moves so quickly now, and the magnitude of change is so great, that what was a single, clear concern only yesterday can become a many-faceted problem almost overnight, demanding complex responses and, most important, new solutions.

It is my proposition that the underdeveloped countries are no longer victims only—although this is still true in many ways as well. What complicates the world picture is that they have also become, in some areas, victors, with the ability to negotiate from a position of strength, and with demands, deeply felt and not always rational, that they are in a position to enforce.

What we need—we of the politically and economically developed world—are responses that cope adequately and fairly with both aspects of the situation, for their sake and for ours. I believe the need is urgent, and I intend to outline here a number of responses that seem to be both responsible and possible—now.

Let me address myself first to the new problem of the underdeveloped countries as victors. The position is, of course, illustrated most clearly by OPEC, the cartel of the oil-producing countries, which in a time span of less than two years succeeded in quintupling the price of oil, and keeping it there, while other raw materials (copper, aluminum rubber, soybeans, and cotton to name just a few) also rose steeply but then fell back in response to the forces of the market.

The lesson the underdeveloped countries lerned from this is painfully obvious. The lesson is that banding together to suit their own interests, whatever the effects on others, brings economic results and political power that they have not been able to win in decades, even centuries of pleading or reasoning.

This recognition on the part of the underdeveloped nations has already produced two important new trends in the world's balance of power: one economic, the other political. In the economic sphere, the underdeveloped countries that produce other commodities the world needs or wants, look at OPEC's success and are determined to copy the pattern—with OPEC financing. In the political sphere, there is a new, united front of what is now generally called the third world, confronting the developed countries, directly and in every international forum, not with requests but with demands, demands that are becoming increasingly vehement.

This new political clout with its economic ramifications found its first, cohesive expression at the United Nations where it was articulated by the President of Algeria, Mr. Boumediene, who called quite bluntly for nothing less than a new world economic order. It was followed up by another UN document, tagged, not quite accurately, "The Charter of Economic Rights and Duties of States." It focuses on what the developing nations see as their rights rather than what they hold to be their duties—with Mexican

President Echeverria as its main proponent. The document formulates, in fact, what underdeveloped countries shoud demand of the developed world, both its public sector and its private sector.

These documents, in a number of versions, have become the credo of the developing world, echoed everywhere with varying degrees of intensity but with unmistakable, increasingly unyielding insistence and in a tone that is becoming disturbingly shrill.

In a world that is more troubled, challenged, and finds its institutions more critically threatened by disruption and even anarchy than at any time since World War II, this widely spread, strongly and emotionally supported demand to re-order economic relations between the peoples of the world is, it seems to me, a clear signal. The message beamed at us is, that unless we understand the demand and visibly move toward a different kind of economic alignment, the threat of dislocation and disruption for all is deadly serious. It is serious because billions of people are involved, with millions among them emotionally motivated to extremes of action if they can see no sign of change.

There are those who say: "so what?" Demands from the less affluent part of the world or, for that matter, from the less affluent segments of the population even in the most economically advanced countries, are not new. It was always so. Those who "have not" are envious and make demands on those who "have." People who argue from that corner go on to say that, of course, we want to have a more equitable world with a fairer sharing of the world's goods, but this takes time and it takes an increase of productivity to create the necessary resources to pass down the line. This argument holds that, while our intentions are good and fair, there is really very little in terms of quick or abrupt action that makes any sense. The argument concludes that the world, rather than responding to the rising crescendo of demands with its dramatic gestures, had best ignore these unreasonable and meaningless noises and go about its business of seeking solid improvement for all over the long term.

Until recently, this line of thought, based fundamentally on an analysis of the power and ability of the developing world, with its deep, all-around dependence on the more advanced nations, represented reality. To state it simply and bluntly, the basic assumption was that, in the last analysis, there is nothing the developing world can do about converting its demands into pressures to which the advanced nations must respond.

It is my contention that this is no longer true. Power shifts in recent years—in fact, in recent months and even weeks—have been such that I, for one, am beginning to feel a real, almost desperate urgency. As I stand before you today, it is my considered judgment that, if the developed world fails to respond in reasonable measure to the calls for a new economic order—and does so in fairly short and highly visible order—major disruptions could occur which, combined with other fundamental dislocations now taking place in the world, could tear to shreds, in this decade of the seventies, civilization as we know it.

This, then, is how I see the essence and meaning of one side of the coin: The underdeveloped countries as victors. But there is another side, and it is a very valid one still: The underdeveloped countries as victims.

The fact is that a quarter century of unprecedented economic growth and achievement in which world output rose from $1 trillion to $3 and even close to $4 trillion—as it has done since the end of World War II—still left a major part of mankind destitute.

I need not take much time to spell out to you the miserable circumstances under which at least one billion persons still live. In these days of instant mass communication you have all seen on your TV sets just what this entails and what it looks like. My point here, today, is that while it is bad enough that idleness, undernourishment, disease and hunger are still the lot of more than a quarter of the world's people; it is even worse—and more dangerous—that there has been little improvement, and even retrogression, for the great masses of the less developed world in these infinitely productive and highly prosperous 25 years.

To illustrate: there are 100 million more illiterate persons in the world today than there were twenty-five years ago. One out of five human beings in the less developed world is unemployed or underemployed. In two and a half decades, two thirds of the world's population has increased its per capita income less than one dollar a year. A billion people are hungry. Abject poverty of this kind is not—cannot be permitted to be—an abstraction. It is a daily pain, a weekly grief, a year-round despair. And a permanent fuse for a worldwide explosion.

That a billion people suffer abject poverty on our rich and productive planet is, I hold, morally intolerable and realistically dangerous. It is the great moral and revolutionary issue of the second half of this century, supplanting the issue of colonialism that haunted the first half of the century. And it is, if anything, more imperative and more explosive than was colonialism in its time.

As an issue, it stirs not only the developing world. Some of the best young people in the advanced nations, including, I dare say, the children of many of us right here, are deeply committed to the cause of an economic order they perceive as more just, more equitable, and finally more constructive. It is not easy to gainsay some of their arguments and much of their commitment.

With both danger and dedication, menace and morality demanding a new orientation and calling for imaginative and immediate problem solving, let me propose to you some contributions I would like to make to the problems at hand. I would divide them into what must be done by the public sector, on a government-to-government basis, and what can be done by the private sector where we find, in the first rank, the kind of people and the kind of companies represented right here today.

Let me start with the public sector. As I see it, the basic situation now shapes up roughtly as follows.

Many of the underdeveloped countries are important producers of raw materials. These countries feel, and with some merit, that raw material producers and tillers of the soil have been treated badly in the course of history. They feel that the benefits of their resources and their labor have gone primarily to the processors and the marketers, leaving them with only small rewards for their effort and the riches of their soil. To them this is the history of colonialism write large, in the letters of their economies as nations and as individuals. Now they are demanding what they see as a reasonable price for their raw materials, feeling that only in this way can they get hold of the capital they need to reshape their economies and improve the well-being of their people.

The industrial world, on the other hand, has, in the very recent past, faced surging price increases that have proven highly disruptive and is likely to face another cycle of the same phenomenon if, as we all hope and trust, the industrial world's economies are turned around and head for a new period of growth.

It should then be in the interest of all concerned to try and work out some kind of agreement, some kind of international arrangement that will ensure to the producers a fair minimum price for their raw materials and for the consumers a price that will not escalate to extraordinary and harmful levels. What I am proposing, at least in general terms, are international commodity arrangements to cover not only petroleum, the most urgent raw material at stake, but also other commodities, including minerals and major agricultural products. I know there are those—probably even among us here—who will throw up their arms in horror at this intrusion on the market as arbiter, and will consider such an arrangement an invasion and a distortion of liberal, free enterprise, profit-incentivized economies. I would strongly argue that this is not the case; that what we are mounting is, in fact, a rescue operation of our system and our way of life. And I would point out that laissezfaire as an economic and even a social doctrine has been substantially modified in every industrial economy of the world, and for good reason.

I think that international commodity arrangements could be negotiated that would maximize the play of the market as the most efficient allocator of resources, and could enhance the function of price and profit to incentivize production. Such arrangements, by setting ceilings and floors, could at the same time keep price fluctuations within bearable bounds, for producer and consumer alike. These arrangements would thus be in the evident interest of the industrial world, which needs the raw materials, and the developing world, which needs to sell them.

I won't try here to spell out in detail just how this can be done. In fact, I don't know: nobody does. But I do know that it is clearly not beyond the wit of man to devise a system and a set of techniques that can make such arrangements work.

It is true that to date the history of efforts to establish smoothly functioning international commodity agreements has not been a great success. At best, they have worked spottily, or for emergency purposes only. But I would maintain that there has never yet been a concentrated effort to make them work and that such an attempt might well turn out to be not only workable at this time but would, I believe, also set a completely new tone in the current global confrontation between the industrial world and the developing world, between statism of one kind or another and free enterprise.

Personally, what I have seen of the developing world and its leaders—and I have seen a great deal of both—leads me to believe that the developing world would be prepared to come aboard the free enterprise system if it had the assurance that, within that system, it could look forward to a fair piece of the action rather than being overwhelmed in a market that claims to be open and free but is, in fact, quite often restricted and distorted by concentrations of power.

While negotiations proceed to hammer out such arrangements, bringing long-term security of income to the producing countries with which they can restructure their economies, short and medium-term action is required from the rich countries, which now include the OPEC countries as well as the industrial world. Such action calls for commitment by the industrial countries to increase their assistance, particularly in transferring technology and know-how to the third world, and capital to those economically most underprivileged nations that are now subsumed under the appellation "the fourth world." The needed capital infusion can be shared by the members of OPEC who have, in fact, been extraordinarily generous already with their surplus income. While this generosity may be propelled in part by political goals—and, as some argue, by the strange situation that secure and lucrative outlets for these mammoth surplus funds are not easy to come by—the fact remains that the OPEC countries have channelled close to 10% of their zooming oil income into bilaterial or multilaterial aid.

In addition to efforts by governments—long-term, medium-term and short-term, offering immediate aid in a number of forms and concentrating on institution-building of a basic nature—there is a large role in my scenario for the private sector and, most particularly, the multinational corporation.

In the main, the developing countries until now have received only minor or secondary attention from the multinational corporation in investment decisions. This is understandable because frequently the investment climate in these countries carries a high environmental risk; the markets are limited; and investment decisions must meet sound return-on-capital criteria. Nevertheless, I would urge that at this time international companies give renewed and careful attention to searching out the opportunities in the developing world that do meet bottom line criteria. I am personally convinced that the world is full of bankable projects and that, generally speaking, international companies have not really searched them out. It is, I believe, in the interest of the international companies to track down these bankable projects because, if they want to operate in a relatively free, open, worldwide environment, such an environment must exist in the developing world as well as in the industrial countries. And the only way to make certain this happens is to involve the people of the developing world in growing economies of their own, by giving them a stake in the private sector, through the transfer of technology and the managerial knowhow they must have if they are to progress and which the international company is uniquely suited to transmit.

This audience does not need from me a full-blown exposition of why and how the multinational corporation is an unparalleled and unmatchable agent of economic growth. Let me just stress in this context that the distinctive contribution that the multinational corporation can make is not so much the mere transfer of resources, but the compound impact of moving those resources of capital, technology and management skills as a package of productive factors, tailored to the needs of a given opportunity or project. The multinational company in a sense invents opportunities and, through its vision and its knowledge, creates projects by focusing resources of capital and technology where nothing existed before.

This is quite different from the employment of experts and technicians in purely technical assistance programs. As all of you here know, and in many instances from direct experience, it is a classic instance of the whole being considerably more than the sum of its parts. The complementary capability of efficient utilization that comes with the complete package of productive factors geared to the competitive needs of a given opportunity or project is crucial. The support service of head office staff and research, of access to procurement channels, financing and marketing outlets, and the ability to mobilize and deploy resources of every kind around the world are all ingredients of the package that make possible a unique contribution by the multinational corporation. Finally, of course, the multinational corporation makes it possible for host country nationals to learn the realities with which they will finally have to live, and in which their country has to survive economically in the competitive world market place. And in this process there is no substitute for the crucible of experience, which only the multinational company can provide.

If you will permit me another personal reference, my own experience, both as a Cabinet member in two US Administrations and in my present capacity as president of Business International, has brought me into direct contact with many of the developing countries and their political as well as their business leaders. I would like to share with you a recognition that may sound startling but derives directly from that experience. It is that, despite increasingly demanding rules of the game stipulated by host countries, in spite of the occasional outright harassment, and certainly in spite of the vituperative rhetoric attacking multinational companies in public forums, the basic fact, the cornfield fact, is that most developing nations want international companies to operate in their countries. Admittedly, the welcome mat they put out is bristly. Nevertheless, most of the political leadership in the third world, and the fourth world, recognizes that it needs help at this stage of development. The political framework varies from country to country, but not only my own experience but surely that of many of you here has shown that there are many ways to work out arrangements satisfactory to both the multinational company and the host country, if the will to do so exists on both sides. Multinational enterprises in manufacturing, in agribusiness, in services and in finance, have demonstrated extraordinary adaptibility and resourcefulness. And, with few exceptions, political leaders in the developing world, however vociferous in public fulminations against outside investment and domination, are quite realistic and flexible when capital, technology and knowhow can be made available to meet local needs in a politically defused package.

Let me, finally illustrate my point in an area with which I have had a particularly close association over the years and which, I believe, is indeed basic to the well-being of mankind. I refer, of course, to agriculture.

When we look down the perspective of human history, no country in the world, with the exception perhaps of a few city states, has gone forward to satisfactory growth and economic progress, and a sustainable rise in the living standards and the well-being of its people, without a sound agricultural base, and without continually improving agricultural activity. This is true even in a highly developed economy like our own.

In the developing world today, 80% of the people still live on the land. This is where we find the potential purchasing power for industry. This is where we find the great mass of the people. And unless the well-being of these largely poverty-stricken masses of people is improved, there is little real prospect of significant economic growth for anyone.

Despite an important increase in the production of food and fibre in the developing countries over the last decade, sparked by what has been called, somewhat loosely, "the green revolution," the core problem in world agriculture has not yet been met. That core problem is the productivity of small farmers, the little cultivators in the developing countries everywhere, but in particular in those countries that have the most massive concentration of populations. These concentrations are, for the most part, in what today we call the fourth world: the subcontinent of Asia, many parts of Africa and some parts of Latin America.

If these large segments of the world are to avoid mass starvation, famine on a scale so vast as to haunt our conscience and threaten our stability and, in the last extension, our way of life, something must be done to bring agricultural knowhow to the small cultivators in these countries.

This is extraordinarily difficult to do, for a host of reasons. However, I do believe that international companies—in this instance the big agribusiness firms—have the special capacity that is needed to transfer technology in an effective way to small producers, wherever they are. These proudcers can be reached, and to good effect. They live now on the very precipice of existence; their holdings are often miniscule; their access to modern agricultural technology and knowhow and to the inputs necessary to increase their yields is limited or non-existent. Most important perhaps, the realistic situation is that, given the inputs, these small cultivators could triple and quadruple their yield, thereby achieving four parallel goals, each one of them highly desirable. Let me list them. These small cultivators could, given the requisite help, transform their own misery into relative well-being; they could create in that process a vast new market for industry and services, thus stimulating broad-based economic development; these two factors separately, and in tandem, would result in a third desirable goal, more social cohesion and political stability for these developing countries.

Finally, such action would have a far-reaching salutory effect on the entire world; it would increase absolute production at the most fundamental level and thereby contribute substantially to alleviating what I believe is the basic cause of the worldwide inflation that has been plaguing us for the past couple of years and will, I predict, come back to plague us again unless something drastic is done about it. I refer here to the pernicious inflation that has swept the world and which, in my opinion, is not due to the blackmail of the oil embargo or even the quintupling of oil prices, but to a more fundamental cause: the classic cause of supply insufficient to meet demand. In the simplest, most brutal terms, these are the economics of the world as I see them: four billion people on this planet want to eat; and as things stand now, there is not enough food to go around.

It is my conviction that international companies in the agribusiness sector can make a major contribution to cutting this Gordian knot. They could set up efficient producing core units of appropriate size, which would enter into cooperative arrangements with small producers in the vicinity: a kind of contract farming—as we have it, working successfully, in some places in the U.S.—which would entail the core unit making available to the small cultivators all the necessary inputs, including credit, technology and knowhow; helping them to clear the soil; aiding them at harvest time; using their labor on occasions; and moving their produce into processing and marketing.

To do this takes imagination and effort on the part of the international firms; sound policies on the part of the developing countries' leadership; and capital which I know is short in today's world. Except, that is, for the OPEC countries. And it is my conviction that triangular arrangements can be worked out that will put together OPEC money, company expertise, and policy support—including perhaps equity participation—from the developing countries where projects of the kind I have outlined are so clearly, so desperatley needed.

If my suggestions appear too specific, too concrete to the more abstract and comprehensive of our world planners, I would like to point out that all policy has a base as well as a sweep, and that starting from the ground up is not a bad way to get things accomplished. It has served us well in this country. I believe—and cretainly hope—that many of you here feel the same way. So I would ask you to consider seriously—and actively—my basic propositions: 1) It is a small, increasingly inter-dependent planet we now share with four billion other persons; no part of it can go it along. 2) If we believe that our liberal, free enterprise system can best serve mankind, it is incumbent upon us to demonstrate by deed as well as word that the developing world can get its own piece of the action and that its prospects for the future are best served not by pushing for increasingly acrimonious confrontation and, quite possibly, chaos, but by working with us to create a better world for all.

CUBA

Mr. KENNEDY. Mr. Speaker, the Organization of American States opens its general assembly session today here in Washington. Along with my colleagues, I join in welcoming this gathering and, at the same time, urging an initiative by our own delegation on the Cuba issue.

As I have in the past, I urge the President to instruct the U.S. delegation to take this opportunity to put substance behind the rhetoric of the new dialog. Now is the moment for the United States to respond favorably to the movement already initiated by Venezuela, Colombia, Mexico, Peru, and others for the removal of the 11-year-old sanctions against Cuba.

The sanctions against Cuba clearly have failed in their purposes. Their justification—as shown by the majority vote to remove them in Quito last November—no longer exists. If we are to show that we recognize the changed realities in the hemisphere, we should declare ourselves publicly in favor of removing the sanctions. How this should be done is provided for in resolutions already put forward in the OAS to permit each nation to determine for itself—without regard for the 1964 actions—whether to restore diplomatic and economic relations with Cuba. For nearly half of the OAS members, this matter is moot, since they already have reestablished economic and diplomatic relations. For several others, the vote at Quito was an expression of their view that the time had come to turn away from the past and to end the isolation of Cuba.

An end to the sanctions, after shifting the question from a two-thirds to a majority vote, may come without our full and public support. But, if so, I feel we would see a further deterioration of our relations in the hemisphere—relations which many observers believe have declined following Quito, following the enactment of a discriminatory provision in the Trade Reform Act of 1974, and following the on-again, off-again planning of a trip by the Secretary of State to Latin America.

Public support for an end to Cuba sanctions, permitting bilateral relations of OAS nations with Cuba to evolve naturally, would represent a substantial step forward in U.S. efforts to remove obstacles to improved relations with other nations in the hemisphere.

I, therefore, welcome yesterday's statement by Assistant Secretary of State William Rogers, indicating that the United States would support a majority vote on the sanctions question. I hope there will be further movement when the time comes for a vote on the sanctions themselves. I hope the United States will change from a position of abstention to one of support.

Once the sanctions are removed, I hope that the United States will follow the lead of nations like Venezuela, Colombia, and Peru in ending the embargo and negotiating a further normalization in our relations with Cuba. I have already introduced legislation in the Congress that would accomplish that purpose.

Clearly, bilateral relations with Cuba involve the issue of human rights in that country, including questions of emigration, of family visits and of political prisoners. But the fact is that our policy of isolating Cuba has in no way helped to resolve those matters; and the possibility exists that an end to our policy of hostility may be a key factor in seeing an improvement in this critical area of human rights.

I therefore call upon the President to reaffirm our support for a change from a two-thirds to a majority vote in considering sanctions; and to place the United States, publicly and formally, on record in support of the removal of sanctions by the OAS, to put an end to the Cold War era in the Western Hemisphere.

CESAR CHAVEZ: A PROFILE OF LEADERSHIP

Mr. PERCY. Mr. President, Cesar Chavez, leader of the United Farm Workers Union, has begun a national campaign to rekindle public interest in the plight of the migrant farmworker.

Chavez is believed by many who know him to be a dedicated, compassionate and persistent leader, a man who has toiled for years in behalf of his fellow farmworkers. During the past decade he and his followers have made considerable progress in improving wages and working conditions for migrant laborers.

Other unions share in the representation of farmworkers. I believe all workers should have the opportunity to choose their union affiliation in secret elections. But in the fight for justice and equality for farmworkers, I believe Cesar Chavez has set an example of leadership.

Cesar Chavez is said to live by a simple yet compelling creed: "Tell the truth and don't make promises you can't keep." He has abundant faith in his cause and persistent patience in its pursuit. His only goal is to see his fellow workers "live like Americans."

Mr. President, Cesar Chavez is a fascinating public figure. Chavez himself has said that the success of a cause often demands focus on a person rather than an issue. But we must not allow the glare of the spotlight to obscure what appears to be the true qualities of this man and the rightness of his cause.

Mr. President, the May 4, 1975, edition of the Washington Post featured a comprehensive profile of Cesar Chavez written by the gifted journalist Sally Quinn. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, May 4, 1975]

Indefatigable Cesar Chavez: Trying for a Comeback

(By Sally Quinn)

There is a theory, popular in some quarters, that Cesar Chavez is a saint.

Cesar Chavez rolls his eyes heavenward when he hears this and smiles his funny little shy smile.

But he doesn't demur.

"Well, you know," he says in his Mexican accent, "there is a b-i-i-ig difference between being a saint and being an angel. Saints are known for being tough and stubborn . . . I am very stubborn," he admits. "But not angels, that has to be understood."

Saints, he explains, aren't always good either. "I am," he confesses, "an awful sinner."

Things happen to saints these days that didn't happen in the time of Peter and Paul. Like people asking for their autographs, having their pictures taken with them, interviewing them on TV, inviting them to make speeches and asking them for personal objects to raffle off at celebrity auctions.

When Cesar Chavez, leader of the United Farm Workers Union, first started trying to help farm workers in California nearly 20 years ago he was just another grape picker, dirt poor, without much hope of ever being anything but an impoverished migrant.

When he first came to New York City to try to raise money for his cause, now known simply as "La Causa," things were hard.

"In the early days," he says, "we used to stay in subways at night. We had no friends. We'd go to a restaurant and drink coffee all night. That was back in the mid-'60s.

"Not only did we not have any friends then, but no one knew who we were, and a lot of people were suspicious. We look back and have some fun thinking about it, but that life was not fun. It's much easier these days."

Chavez was born March 31, 1927, and though poor his family owned a tiny farm near Yuma, Ariz. But during the Depression they lost the farm and joined the ranks of thousands of migrants who followed the crops from Arizona to California.

He spent his youth in labor camps, attended 30 elementary schools and finished, barely able to read, with a seventh grade education.

His father became involved in union activities and at 19 Cesar Chavez joined the National Agricultural Workers Union, then left to join the Navy, serving from 1944–46 in the South Pacific at the tail-end of the war. He came back as a migrant laborer, and it wasn't until Saul Alinsky, the liberal activist from Chicago, sent his man Fred Ross to California, that Chavez began getting active himself. Ross picked him as a potential leader, and together they set up the California Community Service Organization where Chavez stayed until 1962. That year the CSO convention voted down his proposal that they create a farm workers union so Chavez quit, took his $1,200 savings out of the bank and started the National Farm Workers Association.

Chavez has big, soulful, even mournful eyes, like a puppy begging not to be spanked. He also has a tiny twinkle and the corners of his mouth turn up ever so slightly when he's talking, as though he's about to tell you he's just teasing. He has a reticent, self-conscious manner in front of people which makes him seem uncomfortable with a lot of attention. And, he has a toughness, a grimness about him that gives credence to his role as leader of the Farm Workers Union.

He has a teasing personality. Sometimes it's difficult to tell whether he is serious or joking. Dolores Huerta, the vice president of the union, says he used to have a much better sense of humor. "He used to be a real riot, he was always laughing," she said. "That was before things got so serious. Now he has to work with a lot of big egos and things aren't so funny."

Finally, there is about him a certain indefinable spiritual quality, which draws one to him. He radiates a sense of security and calmness, a sort of "Now that Cesar is here everything will be all right" feeling. That is his charisma, his draw—and it is powerful.

Talking to Chavez one gets the impression that he is exactly what his image is. That he is, in a profound way, one dimensional. That to probe deeper one would discover nothing more about him, no secret quirks, idiosyncracies, weird habits, nothing, in fact, beyond what he seems. He says that he always tells the truth exactly the way it is and that is completely believable. When he answers questions the answers are straight, simple and uncomplicated. His devout Catholicism may account for an almost naive sincerity. Then too, it could be that for Chavez it's just too complicated to lie Strangely enough, one's curiosity about him is satisfied very quickly and his appeal to others becomes more interesting. It has got to be his simple honesty that draws people to him. An honesty so rare in American leaders today.

It's one of the things that bothers people about Chavez, a constant complaint, that feeling that he is "just too good to be true."

Reporters, always eager to decanonize national heroes, have struggled in vain to find something, anything, wrong with Cesar Chavez. Many, who have been covering him for years, will reluctantly admit that he is totally clean. "He doesn't even beat his wife," despaired one. "And there's no gimmick there either."

These days Chavez stays with friends wherever he goes, has plenty to eat—when he's not fasting—and finds himself, more often than not, in plush auditoriums and elegant Park Avenue drawing rooms raising money for La Causa. In fact, he has developed a cause that never seems to die, that just keeps on going, buoyed by money from rich liberals and by his own compelling personality which is indeed saintly to many who see him only as a media culture hero.

Oh, sure, the Farm Workers have their ups and downs, often subject to the whimsy of the rich and fashionable, and the popular causes of the hour. But Chavez, for some reason, keeps bouncing back just when everybody has him down for the count.

He was big in the mid and late '60s, he and his cause had been embraced by then Sen. Robert Kennedy and the full prestige of the Kennedy family was behind La Causa. As a Chavez supporter remembers, "every kid on every California campus wanted to run up to Delano (the scene of a major Chavez-led strike against some 30 growers) and carry a picket sign. That doesn't happen anymore. That resource has dried up."

Chavez was at his pinnacle in the summer of 1969 when thousands of consumers across the country joined his boycott. Then New York Democrat Andrew Stein gave a huge fund-raiser for the Farm Workers at his Long Island estate. Anne Ford Uzielli was chairman, Charlotte Ford Niarchos was on the committee, as were composer Richard Adler, the Carter Burdens, writer George Plimpton, Ethel Kennedy and Gloria Steinem. "This is no chic gathering," commented Steinem at the time. But it was. "We just hope they'll get interested in making this something they give to and continue to give to," Steinem said.

Well, it looked for a while as if they were going to stay interested. But then the beautiful people got sidetracked by the Black Panthers and the Indians and poverty and prisoners and—oh, there were just so many diversions. The Farm Workers, it appeared, were a lost cause with that group anyway. Syndicated columnist Nicholas von Hoffman sounded the death knell for Chavez in December, 1970, when he wrote:

"You've nobody but yourself to blame if you let Cesar Chavez spoil your Christmas. He's out of date and unfashionable, but not long enough over the hill to be camp. You can forget about him and not let him make you feel guilty.

"In case you've already forgotten, Chavez was the Mexican who caused the furor over the grapes. That was a couple of years ago when greasers were in and they were throwing society benefits for their cause at Newport and Fisher's Island, when radical chic was at its height and you had to be bleeding over some sobby cause—Every day a new minority was in vogue and it was poo on the establishment, but that's out. Who talks about hunger anymore?"

But Chavez won his union contracts from the growers, got nearly 350 of them, representing about 60,000 workers, and no longer needed the East Coast liberals. With their money and his perseverance, along with that of his followers, he had triumphed . . . for a while.

Then the International Brotherhood of Teamsters moved in, renegotiated and took away most of his workers, leaving Chavez with only 15 contracts and about 15,000 workers.

Then the press started writing that his movement was dead, a cause of a past era. This upset him.

So Cesar Chavez is making a comeback. In the fine American tradition of Judy Garland, Frank Sinatra, Muhammad Ali and Ruby Keeler, he's back on the ascent, back from his Farm Workers' hideway in La Paz, Calif., near Bakersfield, back in Hollywood and New York at fund-raisers, back in the news.

His detractors will say that the setbacks he has encountered with the Teamsters stem from the fact that he is a poor organizer and that he has never been able to translate the Farm Workers into a viable organization.

On the other hand, Chavez followers including some politically wise, note that the governor of California, Jerry Brown, is a big Chavez supporter, that the movement is still strong and healthy, that he still has an incredible network of contacts, lots of powerful support and that it is impossible to do a balance sheet on him because of his continuing pursuit of new ideas, new issues and strategies.

For example, a propaganda film put out by the Farm Workers, "Fighting for Our Lives," which will be shown here next Saturday, is sponsored by, among others, Ethel Kennedy, Sen. Edward Kennedy (D-Mass.), George Meany, Sen. Walter Mondale (D-Minn.), and Mayor Walter Washington.

And he's aiming higher than ever. He has proclaimed an International Farm Workers week which was kicked off by a fashionable party Thursday night at El Corso in Manhattan.

Even Pope Paul has gotten in the act, promising to raise funds in Europe for the Farm Workers. And Chavez himself has undertaken a major 40-city fund-raising and publicity tour of the country from spring until fall; the first major tour he's done since 1969 when he went out for 4½ months.

Those who know Chavez well say that his appeal to people of all kinds is that he is "a real person, a genuine person, very humble. He's never pretended to be a demagogue or even a great leader," says a Chavez fan. "The qualities attributed to him are attributed by other people. I've never met anyone who didn't like him as a person."

It is this person, whether he is what people think him to be or not who has become an image, the focus for a whole movement. Without Cesar Chavez and his impact as a personality the movement might have foundered long ago. But this is hard to take for someone who is touted by his admirers as a saint.

Saints aren't supposed to be superstars.

At George Washington University recently Chavez led a rally urging students to boycott non-UFW iceberg lettuce and table grapes and Gallo wines. "When in doubt, boycott," he said in his low key way when someone asked what they could eat. "We have only one contract for grapes left," he said. "Our bird is on the boxes. And you can eat cabbage, escarole, Boston, and bibb lettuce and romaine, although some of the growers are now planting romaine."

He told them the boycott will continue until UFW's demand for free, secret ballot elections among America's farm workers is granted.

The students loved him, they clapped and screamed and sang "This Land is Your Land," and then converged on this little (5-feet-6) man when he came off the stage. They worshipfully asked for his autographs in their Chavez T-shirts and boycott armbands, posed for pictures with him, told him how they admired him or just stood and stared in awe.

Cesar Chavez is a superstar.

It makes him nervous. He talks about it later, surrounded by a group of followers.

"I guess I can do better for the cause," he says, "because I can get the press, and it will help the boycott. It's the American thing, you know. You can't focus on an issue. You have to focus on a person."

He is at once puzzled and realistic about the publicity that he engenders. It is without question his most valuable weapon and he knows it, yet he views being interviewed or speaking as though he were being offered as some sort of sacrifice.

"But the publicity," he grimaces, "I don't know how to deal with it yet.

"Every time you give an interview it takes a little bit of your soul." He ponders, starts a sentence several times, falls silent, buries his head in his hands. "It's a very difficult thing to verbalize. It's like personally every time you come before the public a little bit of you goes away with them and the more public you become the more it takes away. You don't ever really cope with it."

He lapses into a philosophical silence for a moment, then says, "This is all a passing thing. Some day there won't be this. We won't be in the public eye, and I will become anonymous very quickly.

"You have to be so careful of not getting a false impression of who you are or what you're all about," he says. "Luckily for me my family won't let me. They treat me just like an ordinary guy, nothing special, you know. They are not impressed with the publicity so that's a good guard.

"But there is definitely a problem. And it can be so frightening, all this publicity, being a celebrity. We often say, we didn't want all these things, we just wanted to start a union."

He flinches when asked if there are Chavez groupies. "What?" he says, "Oh, I suppose you mean farm workers. Well, once in a while. Its' downright embarrassing. And then people write and ask for some personal object to auction off. I always want to help . . ." his voice trails off limply, "but I don't want to send my socks." What he does do, he says, is send out autographed pictures of himself. "I don't mind that," he admits, "especially to the kids. And," he ventures brightly, "somebody did name a college after me."

He is not, he says, at ease when he speaks to groups and he laughs at the idea, shaking his head back and forth. "That would be the goal. But I have done it a million times, yet nothing is as difficult as that. I can do very well when it is one-to-one."

In interviews Cesar Chavez often brings up what is referred to with loathing by farm workers as "el cortito," or the short hoe which requires a person to bend over to do the work. "El cortito, the short hoe," Chavez once was quoted as saying, "probably the most crucifying work of all, degrading, the most vicious exploitation of the human body.

"I would rather go to the fields," he says, "and work with the short handled hoe than speak in front of people. Speaking has cost me a lot of sleepless nights."

Speaking however is his primary method of getting publicity, support and money from the rich and beautiful. And the rich and beautiful simply adore Cesar Chavez. It has even been unkindly suggested that they essentially couldn't care less about the strike.

That they only care for chic causes and use whatever cause will provide them with the most social mileage until they run across something with more pizzazz.

For some reason Chavez seems to have "It" for the liberal luminaries. They just can't stay away from him.

Does he feel he is being used for the amusement of the bored, the wealthy and the politicians? He stumbles a bit trying to explain, very, very carefully why he and his movement appeal to them.

"Well," he says, "a movement attracts a cross-section of people. One day we're in Hollywood with the movie industry, the next day we're in Portland with workers, the next day in Denver with the Chicanos. I would hate to say bad things about some of these people, to tell you that they are using me. That would be prejudicing them. It would be an awful thing, a sinful thing to do. I think the rich people support me out of conviction."

A pained, somewhat pleading look crosses his face as he says, "I don't hear the gossip, though. When I go to these parties people I talk to are concerned. Some are even very knowledgeable. And we haven't really had that many parties." He rushes on to explain.

"One of the things to keep in mind is that we're dealing with something very special here besides people's rights. We are very close to all of you because every time you eat something you've got to think of the people who produce the food you're eating even though you may not think of it consciously. The food is touched by human hands, and a lot of sacrifice is entailed. Food has a very powerful force."

The real reason Chavez believes the beautiful people hang in there with him is this: "We're asking them a very concerete thing. It's clear. To boycott. They can do what we ask, and it doesn't cost them any money or any time. They can continue their normal lives, and it's not that difficult.

"We really don't know why they keep supporting us, probably because of the persistence and the energy of the people in the movement, but we just pray to God that it continues that way.

"Part of the support comes from people seeing that we are willing to sacrifice. But the communications are unbelievable. Every newscast there is a new issue, and people go from one to the other. Focusing is difficult. The good thing is that the nature of the American people is being for the underdog. The problem is getting the message across."

Getting the message across depends on the press, and Chavez long ago learned how to deal with the media. Consequently, he has few complaints.

"I'm stubborn, I don't get discouraged. There isn't anything else I'd rather do. This movement has to be joyous."

Even the deaths of two strikers in the summer of 1973 in California didn't get him down. "Of course we go through hell," he says. "But it's not like saying, 'what's the use.' It's the awful pain of knowing someone was lost because of an unjust system. But these people are the martyrs, they keep the movement going. It solidifies and strengthens the resolve."

Though he has to be guarded continuously and has had threats made on his own life, he says he is not afraid. "I've never been. I couldn't work. I don't mean to sound like a fatalist but if it happens, it happens. I'm so much in love with what I'm doing. How can I be afraid? Love and fear don't coexist. My faith keeps me going. And love is limitless. My wife, Helen, keeps telling me that."

He begins to sound more saintly by the minute.

But sincerely so.

He says he couldn't keep going without his wife, who has given him eight children, who relinquishes him to La Causa unselfishly. He makes her sound saintly too.

"It's impossible unless you have a wife like Helen. If she weren't the way she is, I couldn't do it."

"In the morning I say my prayers hoping to do my best but at night I lie in bed and think of all those sins of omission, all the people I could have helped. I have great expectations of doing things but life is so short."

Chavez says his tactics and strategies have not changed since he started the movement. "Tell the truth and don't make promises you can't keep." But the followers have changed. For instances he has lost the fervent young people who rallied so passionately to his cause in the late '60s, a valuable and publicity-getting crowd. He says in the early days people used to laugh at his nonviolent tactics but now they applaud them.

And then, of course, there are his famous fasts, not to be confused with hunger strikes, he explains.

"Fasting is to win people over not by compulsion but by example." He held two public fasts, one 24 days, the other 25. The first one was in Delano in 1968 when people were getting impatient for something to happen. "I had to rekindle their commitment, that special weapon, patience. It helped, and they were able to get themselves together. It inspired them to make sacrifices too."

Doesn't he get hungry fasting?

"Yes," he smiles. "For the first few days. But this is my third day of another fast," he says. Chavez is a health food addict and he fasts for six to eight days every 12 weeks or so "for my diet and my spirit. I'm 48 years old and did you see me come upstairs?" (he sprinted four flights in seconds) he asks proudly. "Everybody else was huffing and puffing."

Chavez has never had a vacation and says he wouldn't know what to do with himself. "I have to be working. If you like what you do you don't have to get away from it."

He says his big problem is his sense of humor." It's so low key most people miss it. And I'm very difficult to work with. I demand that people try. I work and work and work, and they can't keep up and they get upset. But I can't stand to see people not working, Oooooooh." He gets visibly excited.

"I try to tolerate it but to come into an office and see someone reading a newspaper, ooooooooh," he hisses again, even more disturbed now. "I can tolerate it."

Richard Chavez, who is two years younger than his brother, Cesar, is quite candid about his feelings for him. "He's a good person," he says. "Sometimes too good. But he's not so good to be a brother to. He expects too much of people. He demands that people keep up with him. He sets the example but nobody can keep up with him."

Chavez says that there are no sacrifices too great to make for his cause and that whatever they are he gets back in satisfaction. "Very few people have something they really believe in." Material things means nothing to him, he insists, "But Helen talks about it more than I do." His last paycheck was in 1961. He lives, as do the other workers, on a commune and each receives $5 a week. The funds raised by him go directly to the union coffers.

What Chavez hopes for is to see the day when the farm workers "live like Americans. Then they can help others, help until it hurts them, until they have to sacrifice. That's the only way it counts."

Will he ever give up? "Before this I worked for 17 years and everything we touched turned to dust. Will I ever give up? No."

FATHER HESBURGH'S DITCHLEY FOUNDATION LECTURE

Mr. KENNEDY. Mr. President, last September, Rev. Theodore M. Hesburgh, the distinguished president of Notre Dame University, delivered the Ditchley Foundation Lecture in Ditchley Park, England, in which he addressed the issue of the growing interdependence among nations of the world. In this eloquent lecture, "The Problems and Opportunities on a Very Interdependent Planet," Father Hesburgh points out the need for worldwide cooperation between the stronger, richer nations of the world and those who have fewer natural and financial resources. Cooperation in such areas as restraint on arms proliferation, environmental protection, and health care is essential if our goal of world peace is to be achieved.

Father Hesburgh recognized the vast amount of good will ready to be mobilized in the pursuit of world unity. This good will is gaining ground now, as increasing numbers of Americans open their doors to the Vietnamese and Cambodian orphans and refugees. Father Hesburgh's suggestions for world unity are provocative and noteworthy. He shares a common goal, as Robert Kennedy once said, to seek a newer world, where justice and equity are the prelude to peace.

Mr. President, I ask unanimous consent that Father Hesburgh's address may be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

THE PROBLEMS AND OPPORTUNITIES ON A VERY INTERDEPENDENT PLANET

(Ditchley Foundation Lecture delivered by Rev. Theodore M. Hesburgh, C.S.C., President, University of Notre Dame, at Ditchley Park, Oxfordshire, England, on September 20, 1974)

One of the greatest intellectual and moral needs of mankind is to find a workable rationale for continuity in times of change. We cannot live in peace and progress in a world of abrupt and sudden and cataclysmic change if, at the same time, our era is characterized in the words of Peter Drucker, as an Age of Discontinuity.

The workable rationale I suggest for conceptualizing continuity in change is bound up in the notion of interdependence. It is a notion relatively new in our world lexicon, but suddenly it has appeared in almost every recent article or book one reads on world politics or economics. Interdependence is involved in every current discussion of world development, trade, or monetary policy. No one even attempts to analyze or prescribe for the present world problems of food or fuel or environment without focusing on the concept of interdependence. It haunts the current détente between the great powers, the search for lasting peace in the Middle East. Where mention of it is lacking at times, say in the sad situation in North Ireland, it may in reality be the hidden agenda of an ultimate solution.

Even the poets allude to it: "No man is an island"—the inspiring theme of John Donne.

Interdependence is a thought and a theme that runs counter to many of our shibboleths of the past: nationalism, ethnocentrism, rugged individualism, empire, cold war, East and West with never the twain meeting, declarations of independence. How did interdependence so suddenly emerge as an idea whose time has come? Partially, I believe, it came as a response to new and unprecedented challenges that have burst upon the world scene in recent years. More fundamentally, it represents a kind of modern Copernican revolution that involves a new way of looking at our world. I have been impressed by the fact that this new look is a fallout of the Space Age, whose most important result was not close-up pictures of the moon, but a new look at the world from afar. There it whirls in the black void of space, blue and brown, flecked with white clouds, in the words of Lady Jackson, Barbara Ward, our "Spaceship Earth."

In the past, our vision of the earth was dominated, even in the age of exploration, as a world of immense distances, of infinite resources, "the treasures of the Indies and of Cathay," of widely different varieties of mankind, flora and fauna, in a word, a world of immensity and variety and difference.

Now, when asked what impressed him most in viewing the earth from the moon, one astronaut said: "I could put up my thumb and blot out the whole earth". Viewed as a small spacecraft, the passengers as crew, it is not a large step to understand their interdependence in all they do, living together interdependently on a planet with limited resources and growing needs. In fact, there are few serious human problems today whose impact and significance are not global, requiring, therefore, a global solution as well. I offer a small list: war and peace, human development, population, food, energy, unemployment, trade and commerce, communications, crime, arms control, drugs, environment, literacy, the use of the seas, the resources of the seabed, atomic technology, monetary systems, agriculture, air and sea transport, health.

In every one of these items, global considerations are needed to describe their full reality, and in each of them, we have a concrete example of the modern interdependence of nations and mankind globally. In the past, each of these problems or opportunities would have been viewed solely in the national or local perspective. Today, any local or national response to any one of these realities would be both inadequate and largely useless.

For example, in the area of world peace, recent months have seen us all focused on the Middle East. The land involved in the Arab-Israeli conflict was miniscule, some few miles of barren sand wastes in the Sinai and some rocky hills on the Golan Heights. In the distant past, this war would have been a largely local struggle. This year, it involved billions of dollars of the most sophisticated military equipment, provided to each side by the two mightiest military powers on earth. The tensions it generated risked sparking a global conflict and did, indeed, precipitate an oil embargo which, in turn, threatened the whole Atlantic Alliance, nearly ruined Japan's economic miracle, dislocated fuel prices to an extent that will involve massive shifts in world capital balances, aggravated the emerging fertilizer and food crises worldwide, possibly will mean massive starvation in the developing world and consequent political and economic chaos among the Third World's billions of peoples. The geography involved was only a few hundred square miles of poor land, but the repercussions were worldwide and of almost cataclysmic proportions. The earth will be reverberating from these crises for years yet to come. All of these concatenated developments both illustrate and are illuminated by the notion of interdependence.

It was the same notion of interdependence that inspired last Summer's United Nations Conference on (The Law of) the Seas in Caracas, the Conference on Population during August in Romania, and the upcoming November Conference on Food in Rome. Interdependence was also a key theme of the recent United Nations Santiago Conference on Trade and Development and the Stockholm Conference on Environment in 1972.

As is the case of other great seminal ideas, this notion of interdependence is useful only if translated into the world of reality, to help understand real problems, to elaborate realistic solutions, to change mentalities and cast world views into a more meaningful perspective for a better world. We do, in fact, have an interdependent world. What is needed is to recognize the fact and shape world policy accordingly.

For this reason, it would be helpful for the purposes of this discussion to translate global interdependence into terms of a specific and urgent modern problem which, like all other such problems, both illustrates the reality of interdependence in a graphic way and provides a frame of reference in which to demonstrate how interdependence at work can bring hope to an otherwise hopeless situation. In turn, this exercise involves a totally new perspective for life on Spaceship Earth, a perspective that is applicable to other global problems.

I would like to focus now on the global food problem, not because it is the most important problem facing mankind—man does not live by bread alone—but because it is present, urgent, and itself interdependent upon other global problems, such as human rights, development, population, fuel, pollution, agriculture, trade, monetary balances, and a host of others relating totally to the future of life on this planet.

The food situation on this planet has never been more precarious than at present. Food was, of course, the almost total concern for primitive man, so much so that early man is characterized as a hunter or a gatherer, but never before has the whole matter of sufficient food for survival been cast in such monumental world proportions as at present. Food demand is up 50% since twenty years ago, while world food stocks as of last Summer stood at 27 days of world needs, compared to a 95-day world supply available fifteen years ago. Climate has complicated the situation. With some perceptible cooling in the Northern polar latitudes due to the expansion of the circumpolar vortex, there has occurred a series of floods in the United States, Pakistan, the Philippines, and Japan, with unusual drought conditions North and South of the equatorial line from Nicaragua through the Sahelian belt of Sub-Sahara Africa through the Wallo region of Ethiopia and into India's Maharashtra Province and China's Yangtze valley.

This climatic change has had a disastrous effect on food production. Last year, I visited some of the Sahelian countries in Africa where the Sahara Desert is moving South at about 30 miles a year. In the refugee camps around Nouakshott, Timbuktu, and Gao, one sees hundreds of thousands of Tuaregs who have lost all of their herds and are despondently dependent on a minimal amount of rice, wheat, and corn flown in daily on military air lifts. It is like attempting to feed an elephant with a teaspoon. In those incredibly torrid and sandy spots, one sees the face of hungry desperation and realizes that human suffering transcends the grim statistics. People starve and die, not numbers.

As this is happening in the underdeveloped world, we in the developed world are consuming almost a ton of food grains annually per person while the poorest barely subsist on 400 pounds a year. We only consume 150 pounds of our grain directly as bread and pastry products, the rest going into the production of meat, milk, and eggs. The poor consume all of the grain directly in bread, chapattis, and tortillas. Affluence has doubled meat consumption during the past twenty years in America and Canada. Since it takes seven pounds of grain to produce one pound of beef, more grains are fed to animals in America than is consumed directly in the poor nations, thus further complicating the food crisis. Now the face of interdependence begins to appear. For example, a quarter of a pound less of beef a week per person in the United States would free over ten million tons of wheat a year for a hungry world, and contribute to American health, too, with the lowering of cholesterol intake.

Only three countries are exporting substantial amounts of grain today, the United States, Canada, and Australia, who together export about 100 million tons. One might pray that the climatic changes will not further affect these breadbaskets of the world as they have Russia. The Russian wheat deal with America forced prices up threefold, even before the oil shortage. In the past, America kept about 60 million acres of farmland in reserve, mainly to stabilize prices. Now it is all in cultivation.

At this point last year, the oil crisis arrived. As a further indication of interdependence, we had an immediate fertilizer crisis. Several developments are worthy of mention. Japan, the supplier of one-third of the fertilizer to South Asia, had to decide during the oil shortage to concentrate on producing autos for export or fertilizer. Autos won. The United States was in the middle of a price control program and quietly, to maintain lower prices at home, last October put an embargo on new export contracts for fertilizer. To complete the picture, one must realize that while oil and natural gas convert to nitrogenous fertilizer on a one-to-one basis, a pound of fertilizer used with the new genetic strains of food grains converts to ten pounds of grain in the developing countries.

As a result of these interdependent developments, India, for example, is almost a million tons short of fertilizer this year, which translates into a shortfall of ten million tons of grain. While this is happening, three times more fertilizer than India needs is being used on lawns, golf courses, and, ironically, cemeteries. In the underdeveloped nations, always short of capital, increased fuel and food prices will cost an extra $15 billion this year, just about twice the amount of the total assistance ($8 billion) they receive annually from all sources.

In the past, interdependence was seen in political terms as the Third World wooed by the Western and Socialist countries with various assistance schemes. Now that detente has arrived among the great powers, that motivation must be replaced by a new sense of interdependence. Some call for self-interest since we are moving into an age of shortage of industrial materials that mostly come from the Third World, oil being only the tip of the shortage iceberg. Now the banana countries, the copper producers, the bauxite group are beginning to follow the Organization of Petroleum Exporting Countries' example in forming cartels to raise prices, so they can pay for their spiraling costs of fuel and food.

These interdependent developments have given rise to a new category among the 115 countries of the Third World, namely the 35 to 40 countries who have nothing with which to bargain, neither raw materials nor industrial potential, countries such as India, Bangladesh, Sri Lanka, and Pakistan, the Sahelian countries of Africa, and some Caribbean nations. This is the new, so-called Fourth World, comprising almost a billion people who will go under without an additional three billion in aid this year.

Norman Borlaug, winner of the Nobel Prize, recently returned from India where he saw farmers with containers waiting not hours, but days, for non-existing fuel with which to operate their well pumps. Without this pumped water, their crops died. For us in the developed world, the fuel shortage meant inconvenience. For those in the Fourth World, it means death.

If we viewed the world as truly interdependent, and all men as brothers, we would not allow this to happen. Some will say there is not enough money to help, but this rings false in a world that spends over $200 billion for armaments each year. Others will say that the Organization of Petroleum Exporting Countries should help, and indeed they should, but we must approach the whole problem globally, not piece-meal.

What would interdependence suggest to aid this dire food and fuel disaster for the Fourth World? We might begin by recognizing that the United States, Canada, and Australia are in the same relationship to the devastated Fourth World vis-a-vis food, as the Organization of Petroleum Exporting Countries are regarding fuel. The Organization of Petroleum Exporting Countries will have at least a $50 billion surplus of income over import costs this year and the food grain producing countries will have—even in the case of a possible United States over-all deficit—greatly increased income from the export of higher priced food.

The least that either group could do in a truly humane and interdependent world would be to make a concessional grant of food and fuel to these countries of the Fourth World which are put into a life-and-death position by the tripling of prices for food and fuel. A long range solution would, of course, be to aid these countries to become more self-sufficient in their own food production, despite the drought. Plans are available for this, but again the capital would have to come from recycling the excess profits of the surplus countries, if the world was truly seen as interdependent. The alternative is to watch a billion people die of slow starvation. Such recycling would not only avert that tragedy, but would also help solve the serious imbalance that threatens the world's banking, monetary, and trading systems.

I have illustrated the notion of interdependence mainly by using the current food crisis, but I might just as well have spoken of population, almost half of whose net annual world addition comes from five countries, mainly in the Fourth World category—India, China, Bangladesh, Indonesia, Pakistan. I could have spoken of trade dominated by the 24 nations in the Organization of Economic Cooperation and Development which consume two-thirds of the World Product of $4.6 trillion dollars, despite the fact that trade is nine times more important to the developing countries than aid, if one looks at the sheer dollar volume. I could have illustrated the notion of interdependence, or the lack of it in practice, by a broader look at the use of the seas which cover 70% of the earth's surface.

It is the developed countries mainly that have the technology to use these seas and their pelagic floors efficiently for shipping, for fishing (often to excess with the extinction of useful species), for the production of off-shore oil, for the harvesting of minerals, such as manganese nodules containing copper and lead, as well as manganese. It should amply illustrate interdependence if I mention seeing a beautiful Caribbean beach, a small island's only real physical asset, ruined by a developed nation's tanker, voiding the remnants of Arab oil offshore while flushing its tanks. It reminded me of the prophet Nathan's example to King David about the rich man killing his poor neighbor's only ewe-lamb to feed a guest.

Finally, I might have illustrated interdependence, or again the lack of it in reality, by observing that when the International Monetary Fund created a new trade mechanism of $10 billion, called Special Drawing Rights, nearly three-quarters of it went to the twenty-five industrialized member countries, leaving little over a quarter of the new monetary assets for the ninety remaining non-industrial developing nations who are in desperate need of new capital. Several Arab States, although members of the International Monetary Fund, do not participate in the Special Drawing Rights system.

Each one of these items could be developed at length to illumine and illustrate the need for a greater measure of real interdependence among the inhabitants of a shrinking planet with growing needs. Absent such considerations in any present workable form—even though discussions are finally in progress on all of these subjects—I do not find it surprising that many thoughtful earth dwellers are losing heart.

In the face of such dismal discontinuities on the world scene, we are witnessing a whole spate of pessimistic and doomsday predictions. I assume you are acquainted with the thrust of the "Club of Rome's" computer study that predicts either zero to minus growth or worldwide catastrophe, politically, economically, socially. A much discussed recent study in America, "An Inquiry into the Human Prospect" by Robert L. Heilbroner, asks in the very first paragraph, "Is there hope for man?" and, by and large, the answer throughout the book is "No". His second opening paragraph puts the case fairly well: "In another era such a question might have raised thoughts of man's ultimate salvation or damnation. But today the brooding doubts that it arouses have to do with life on earth, now, and in the relatively few generations that constitute the limit of our capacity to imagine the future. For the question asks whether we can imagine the future other than as a continuation of the darkness, cruelty, and disorder of the past: worse, whether we do not foresee in the human prospect a deterioration of things, even an impending catastrophe of fearful dimensions". (p 13).

At this point, I need not repeat to this audience the recent prediction of C. P. Snow that before long, we of the West will be watching millions of people engaging in food riots and dying on television before our eyes.

I have not indulged in this discussion of food and interrelated problems to scare the audience, but to underline the proposition with which I began, namely that we must urgently develop a new *Weltanschauung*, a world perspective based upon the interdependence of all mankind on this relatively small spacecraft with very finite life resources. I am not a prophet of gloom and doom. Neither am I a Micawber who believes that somehow everything will get better and turn out for the right. It will get better, I believe, but only if we change profoundly, only if interdependence passes from an idea to a fruitful and operative reality in the political, economic, and social life of the whole planet.

We in the West began this century, theologically speaking, with strong Pelagian tendencies. With the scientific and technological revolutions spurring us on, we believed that we could do all things of ourselves, on our own selfish and insensitive terms, whatever the consequences to others. We created, in short order as history runs, a world of incredible global discontinuities and injustices. For example, one could always sense racial prejudices, but today billions of people are automatically and uncontrollably suffering geographic prejudice. If a child is born in the North, he or she faces an ever-lengthening life characterized by increasing health, education, economic and social well-being. If born in most of the Southern parts of our globe, he or she will face a short life, illness, illiteracy, hunger, abominable housing, hopelessness. We in the Northern part of this globe worry about overproducing Ph.D.'s; many children in the Southern Hemisphere never enter a school. We speak of heart and kidney transplants; they never see a doctor from birth to death. Half the children already born in the poorest countries will die before the age of five. We are often overfed and overweight; they are undernourished from birth, often suffering brain damage therefrom.

We speak often of second homes; they live in cardboard or mud and wattle huts. We travel anywhere on earth, now supersonically, in hours; they are trapped for a miserable lifetime in urban or rural slums. We spend more annually on foolish armaments, devilishly devised to destroy life, than they have annually available to maintain life.

And yet, we all are fellow travelers aboard a common spacecraft, ever more intimately interdependent. The decision of an Arab sheik, a Japanese industrialist, an American governmental bureaucrat leaves them without irrigation water and fertilizer and, consequently, without food. A decision between the great powers to end the cold war removes the one foolish reason that motivated a substantial part of the aid they received—so aid starts diminishing drastically just when the need is greatest. For example, this year, in a fit of pique against the actions of the Oil Producing Exporting Countries, our House of Representatives overwhelmingly refused the replenishment promised to the International Development Association. Our Senate later repaired the damage and the House was then persuaded to change its selfish view. Our food program for overseas was cut two-thirds with most of the remaining third going to Indochina, Korea, and Israel where military considerations dominate. Our Secretary of Agriculture does not want to replenish world food stocks, because with a good harvest, we can more profitably sell food grains on the world market. I speak of these dismal facts in my own country because I know it best. The picture here in Europe is hardly better, if one is looking for a global spirit of human interdependence instead of nationalistic selfishness. America still did more than closer Europe nations in providing and transporting food to starving Africans, about 600,000 metric tons of food grains at a cost of $150,000,000. America, of course, has a long tradition of humanitarian aid.

After several generations of foolish Pelagian optimism had created this present cruel world scene, we are now, in the face of worldwide crises—inflation, shortages, unemployment, pollution, trade imbalances, etc.—seeing a new swing to pessimism, again theologically a recrudescence of Manichaeism, that sees man as essentially evil and capable mainly of destroying himself and his world. Again, Heilbroner expresses this position well towards the end of his book on the human prospect:

"If I nonetheless publish these thoughts, with all their potential mischeviousness, it is for two reasons. The first is that the weakest part of the humanitarian outlook, both philosophically and pragmatically, has been its inability or unwillingness to come to grips with certain obdurate human characteristics. As a result, we find buried within 'humanist' appeals a conception of human nature that is often as reactionary, in the sense of ascribing an inherent element of evil to man, as that of the most unthinking conservative.

"My second reason for advancing these views relates to the first. I have tried to take the measure of man as a creature of his socioeconomic arrangements and his political bonds. It may be that from some other perspective the prospect for collective human adaptation would seem brighter. But from the vantage point of this book, a failure to recognize the limitations and difficulties of our capacities for response would only build an architecture of hope on false beliefs". (Ibid., pp. 123–4)

One is always in danger of oversimplifying when casting world views in definite categories, but I think that whether or not one likes the theological characterizations of Pelagianism and Manichaeism, there is little doubt that pessimism rather than optimism is the order of the day. If I had to characterize my own position, it would be one of Christian and cautious optimism. Theologically, I have good reasons for Christian optimism. It is my reading of the unwillingness of the affluent and powerful of this world to change, to begin to think interdependently, that makes me cautious. It is my hope that if we develop a new world view, really understand our current situation on this troubled planet, we will begin to create a better world as the new millennium approaches.

Rather than think of ourselves as, in Heilbroner's worlds, "creatures of our socio-economic arrangements and political bonds", I would hope that we might indeed create new interdependent worldwide socio-economic relations, and new political ones, too. Rather than simply looking at the difficulties and limitations of our capacities for response, I would prefer to look at the new opportunities and creative responses that interdependence would suggest. Human ingenuity in the face of crisis has been one of mankind's greatest glories. I am not blind to the evil and greed in man, but there is, with God's grace—something almost never mentioned in these studies—an enormous reserve of good will to be mobilized. However, I also believe that God's grace both proceeds and follows upon some effort of our own to create a new world where justice and equity are the prelude to peace. I pray daily for this grace.

Sometimes a picture is worth a million words. Take the view of the earth from the moon, which reduces the size of our spacecraft. Instead of 3.6 billion people, difficult to imagine, think of a crew of five persons, each representing a segment of humanity. The person representing us and our world, mostly Judeo-Christian, white, Western, affluent, has the use of 80% of the available life resources and amenities aboard our spacecraft. The other four crew members must share the 20% that is left. The situation, though inequitous and unjust, is still deteriorating. Our crew man is increasing his share to 90% at the moment, leaving 2½% for each of the other crew members.

Now I ask you—given the fundamental interdependence of a spacecraft's crew—can you imagine much lasting peace or order or good life aboard this spacecraft? The other crew members are not just uneasy and frustrated, they are outraged, as well as hungry and hopeless, since one person also seems to have the only lethal weapon aboards. If our person, we ourselves, do not begin to perceive the utter injustice of the situation, and begin to organize the use of these finite resources in a more just fashion, he will ultimately, inevitably be overwhelmed by some manner of violence. It is no chance affair that one of the most troubled nations of all has just developed an atomic bomb.

My thesis is that we have every theological, philosophical, and humane imperative to change, to respond, and we can find creative ways of doing so. And we must, if we wish peace, as well as survival. I have been heartened by the words of Faulkner in receiving the Nobel Prize for literature: "Man will not simply endure; he will prevail". But mankind will not automatically prevail.

At this juncture, I believe I should advance some concrete proposals so that you do not think me a utopian dreamer or impractical theologian. My proposals are necessarily in shorthand. They are spelled out at greater length in my book, "The Humane Imperative" to be published this month by the Yale University Press.

First, for interdependence to become a central concern in the Western World, somehow it must be related to the key theological and philosophical principles that characterize our culture today.

1. Theologically, we might begin answering the question of Cain in the book of Genesis: "Am I my brother's keeper?" I hope we answer "Yes", especially since our Lord gave us a most specific mandate: "Whatsoever you do for these, My least brethren, you do for *Me*". No discontinuity here and no question who are our least brethren in today's world. The choices are simple and stark: greed or altruism, hatred or love, growing discontinuities or new development, in a word, war or peace.

Beyond these specific imperatives, it seems to me that the movement to ecumenism in our times, new understanding between and among Christians of various Christian churches first, and then a broader religious understanding between Christians and non-Christians, is a most important underpinning for unity among the great majority of earth dwellers who believe in God—first the sons of Abraham: Muslims, Jews, and Christians, and then the other great religions of the world: Hindus, Confucianists, Buddhists, Shintos, animists, and others. Nothing cements world dwellers together so much as belief in a supreme being who has established a moral order binding on all of us who believe in Him, whatever we call Him. The disregard of that moral order today is at the root of our problems.

2. Philosophically, the unity of mankind is best manifested in our times by a new commitment to human dignity and human rights, to be observed always and everywhere. The United Nations Universal Declaration of Human Rights, spelled out twenty-five years ago under the leadership of Eleanor Roosevelt and Rene Cassin, was indeed a high mark of declaration that in our day must be ever more matched by reality—even though all will admit we are yet far from the mark. Interpendence will be meaningless until we show in practice that justice to men and women and children everywhere is our goal, and injustice anywhere by anyone will meet with condemnation by the human community. We are far from achieving this goal, but at least I take it that we have agreed on the road map.

3. The material realities of food, housing, and health are important because they provide the indispensable material context within which human dignity may be a reality and not a travesty. As one who has worked for more than a decade with the Rockefeller Foundation on the Green Revolution, I can assure you that the world can feed itself if it really decides to do so. Population growth will have to level off because the net addition of 70 million people a year puts an intolerable burden on possible and probable agricultural productivity advances. Actually, every developed country controls its population, so that development and population strategies must go hand-in-hand. But this can be done if mankind determines to do it. Actually, it is much less difficult than putting a man on the moon and we have done that.

4. There are more illiterate today than twenty years ago. But during these years, we have developed technologies that now make it possible to teach everyone in the world—using the best teachers and the latest teaching techniques. This involves synchronous satellites, miniaturized data banks, computers, television, miniaturized atomic energy, Xerography, and various other techniques. But all are at hand. We have only to use them to create a university of the world. I use university here in its broadest sense: comprising access to the vast storehouse of human knowledge, science, and art through literacy and, in addition, access to all those practical arts and sciences and technologies that are indispensable to mankind's total human and personal development. I believe we are suffering worldwide urbanization today with all its dire human miseries, because the rural areas are so isolated and deathly dull. A university of the world through worldwide free television could change this, just as your university without walls has enriched the lives and the possibilities of so many of your people.

5. The political organization of the world would seem nonsensical to anyone visiting us from outer space. As Lord Franks said many years ago, our present problem is not East and West, but North and South. I would suggest a tri-regional global North-South configuration for future development. The three North-South regions would be the Orient, Europe, including Russia and its satellites, the Middle East and Africa, and, thirdly, the Western Hemisphere. The Northern components of these three regions, in my projection, would be interested in developing the resources South of them—the developed teamed up with the underdeveloped, the strong strengthening the weak with an infusion of capital and technology with the multinational corporations perhaps being most helpful in the process.

I should perhaps add a somewhat oversimplified, but necessary footnote on my mention of the multinational corporations as an engine for world development, since they are viewed quite negatively and with great suspicion by many developing nations today. In fact, multinationals, or transnationals as they are sometimes called, are an impressive interdependent reality in today's world, although some think that they highlight dependency verging on exploitation and political interference at times. Of the 100 largest economic entities in the world, 58 are sovereign nations and 42 are multinational corporations. General Motors is larger than Switzerland, Pakistan, or South Africa. The combined sales of the multinationals top $400 billion, more than ten per cent of the global gross national product and still growing. While most of the multinationals' investment is in industrial countries, a growing amount is in developing nations. For example, of the United States multinationals' cumulative direct overseas investment of $94 billion, $17 billion were invested in Latin America.

One should admit that the experience of multinationals in developing countries has been mixed, both positive and negative, depending on the company and the country. It is quite possible now to devise a tentative set of conditions that would clearly make the multinational corporation an engine of development, an agent of social justice in an interdependent world, even greater than country-to-country relationships, since the multinational has greater freedom of action and greater mobility, sometimes even greater vision.

First, the multinational has capital and technological expertise that the developing country desperately needs and could pay for out of new profits.

Secondly, the multinational can pick the best developing country for a given product and assure good markets for its delivery and sale.

Thirdly, the multinational could assure at least 51% ownership of the local enterprise in the developing country. This is also the best insurance against nationalization and expropriation.

Fourthly, the multinational could develop a new developing-country technology that is labor intensive rather than capital intensive, and could train nationals for every level of work and management.

Lastly, multinationals could also consider regional development and work for agricultural, as well as industrial, progress.

If these five conditions were observed, both the multinational and the host developing country would prosper together.

To return now to my tri-regional perspective, I would not see this as impeding normal East-West trade relationships, but at least each region would deal with the other totally and from a position of strength. In the political order, certainly this tri-regional arrangement would be better than the present foolish situation in the United Nations with almost 150 nations as large as China and as small as Gambia, each with an equal vote. Each of the three regions would come together economically easier than politically, but eventually a tri-regional political alignment, however loose, would be more rational, especially in liberating for regional and world development the enormous financial and technological resources now wasted on foolish armaments.

6. The greatest enemy to all of these proposals is nationalism, a kind of historical insanity that deeply afflicts us all. Rather than fight nationalism lodged so deeply in our bones, I would prefer to bypass it. What I am suggesting is that each human being be given the option of dual citizenship. All are, in fact, citizens of the country in which they were born. Why not give everyone the additional option, in this largely interdependent world, of opting for dual citizenship—world citizenship, in addition to national citizenship.

Everyone opting for world citizenship would have to produce some evidence of their dedication to world justice and peace, some perception of the interdependence of all mankind on spaceship earth today. I think all of us will be surprised to see how many of the younger generation will opt for dual citizenship and work for global justice. This expectation, I trust not vain, is one of my main reasons for personal hope today and for world peace tomorrow.

WITNESS LIST AND DISCUSSION QUESTIONS ANNOUNCED FOR HEARINGS ON "SOLAR ENERGY: HOW MUCH? HOW MUCH FROM SMALL BUSINESS? HOW SOON? WHY NOT MORE? WHY NOT SOONER?"

Mr. NELSON. Mr. President, as I announced on April 25—Record, page 11892—the Senate Small Business Committee will open hearings on May 13 and 14 on energy research and development and small business.

These first 2 days in what we expect to be a series of hearings continuing intermittently over the next several months will be concerned with solar energy and small business.

The May 13 session will be in room 318 and the May 14 session in room 457 of the Russell Senate Office Building. The May 13 session will begin at 9:30 a.m. and the May 14 session at 10 a.m.

Senator McIntyre, chairman of the Subcommittee on Government Regulation, and Senator Hathaway, chairman of the Subcommittee on Government Procurement, will alternate with me in chairing these full committee hearings.

On May 13 our witnesses will be Dr. Jerry D. Plunkett, president, Materials Consultants, Inc., 2150 South Josephine Street, Denver, Calo. 80210; James R. Piper, president, Piper Hydro, Inc., 2895 East La Palma, Anaheim, Calif. 92806; and Barney Menditch, president, General Heating Engineering Co., 5919 Central Ace., Capitol Heights, Md. 20027 accompanied by James Norris, executive director, National Environmental Systems Contractors Association.

On May 14, our witnesses will be from the Energy Research and Development Administration, ERDA, the Department of Housing and Urban Development, HUD, and the Federal Energy Administration, FEA. ERDA's testimony will be presented by Dr. John M. Teem, Assistant Administrator for Solar, Geothermal, and Advanced Energy Systems. The witness from HUD is still to be designated. The FEA will be represented by Donald B. Craven, Acting Assistant Administrator for Energy Resources and Development.

On both days, the committee has invited the Small Business Administration and the National Science Foundation—as well as ERDA, FEA, and HUD—to have well-informed representatives in attendance. They will also be afforded an opportunity to comment orally or in writing, or both, on the testimony of the witnesses from the private sector, and on the list of questions which we have circulated as a focus for discussion at these hearings. (See exhibit 1.)

THE QUESTIONS PRESENTED

Our questions, among other things, seek to elicit testimony from the small business community on any deficiencies in Federal programs for solar research, development and demonstration, and in efforts to assure small business participation therein. Our private sector witnesses have indicated that they will offer some constructive criticism.

While our formal list includes, thus far, some 16 questions for committee study, the burden and thrust of all of them may be stated very briefly, in just five short questions:

How much solar energy can be converted to human use?

How much can be provided by small business?

How soon can we get it?

Why not more?

Why not sooner?

It is necessary to ask the last two questions because the answers that we have been given to the first three over the past two decades, and until very recently, have been, respectively:

Not much.

Not much.

Not soon.

In fact, a recent article on solar energy in the New York Times magazine was entitled, "But Not Soon." (See exhibit 3.)

But doubts are growing about that conclusion. An even more recent article in Ramparts magazine, for example, was entitled, "Solar Energy Now." (See exhibit 4.)

And the official estimates of the percentage of our national energy needs that can be provided by solar technologies have started to go up rather rapidly.

ESTIMATES ON THE RISE

Here are a few examples. In late 1972, the joint solar energy panel of the National Science Foundation, NSF, and the National Aeronautics and Space Administration, NASA, estimated that by the year 2000 wind energy conversion—one of the oldest, simplest and most promising solar energy technologies—would be providing 1 percent of our electricity. In early 1975, the NSF was reported in the New York Times magazine to believe that 25 percent of our electricity would be wind-generated by 2000.

The NSF/NASA solar panel estimated in 1972 that photovoltaic electricity—generation by solar electric cells of the same general nature as those used now on spacecraft—would account for under 3 percent of our electricity needs in 2000. But NSF, by early 1975, was estimating the photovoltaic percentage in 2000 to be over 9.

Electricity generation by harnessing ocean thermal differences was estimated by the NSF/NASA panel of 1972 to be the source of 1 percent of our total electricity budget in 2000. But NSF this year has raised that estimate to over 16 percent.

HEATING AND COOLING OF BUILDINGS

As promising as are the prospects for harnessing the Sun and wind to generate our electricity, even more promising for the short-term future is the prospect of widespread heating and cooling of our homes, offices and factories by drawing off the Sun's energy simply and directly.

Currently we spend from one-fourth to one-third of our national energy budget—depending on which expert you are reading—to heat and cool our buildings. This sector is as large an energy user—end energy waster—as the transportation sector; some say it is larger.

According to the Energy Research and Development Administration's—ERDA's—recent interim report on a national plan for heating and cooling—

> The installation of solar heating and cooling systems on only one percent of the buildings in the United States would save the equivalent of about 30 million barrels of oil annually.

In 1974, the General Electric Co., after making a half-million-dollar study financed with public funds from the NSF, estimated that only 1.6 percent of all national energy requirements for building heating and cooling could be met by solar systems by 2000. Westinghouse Corp. and TRW, Inc., makers of similar studies on identical grants, thought it might be 3.04 percent and 3.56 percent, respectively. With a 25-percent tax credit incentive, TRW thought the solar contribution could reach 5.77 percent of all building heating and cooling energy by 2000.

But NSF, early this year, estimated that we could be approaching 4 percent by 1985—some 15 years earlier than the year Westinghouse thought we could top 3 percent and GE thought we would still be under 2 percent.

TABLE COMPARES ESTIMATES

To assist me in comparing quickly and easily the wide variety of estimates that have been made of U.S. energy consumption in future years, and of possible solar energy contributions to the national energy budget, committee and my own staff members have put some of the estimates in tabular form. All of the percentage estimates I have just mentioned, and many more, are in the table. (See exhibit 2.)

All estimates have been converted to a single measuring unit of energy consumption: quads per year. A quad is 1 quadrillion—10^{15}—British thermal units, Btu.

In 1974, our consumption of energy, for all purposes and from all sources, was about 75 quads. In 1970 it was 67.4. In 1960 it was 44.6. In 1900, this country consumed, for the entire year, only about 9.6 quads.

The annual capacity of the Trans-Alaska Pipeline, when it is completed, will be 3.4 quads. Our current oil imports from OPEC countries amount to 12.86 quads per year.

According to the table the staff has prepared, recent estimates of total national energy consumption in the year 1980 range from 82 to 113 quads. For 1990 the estimates run from 102 to 148 quads, and for the year 2000 from 124 to 201.

The table shows some of the estimates of total energy consumption and of solar energy contributions in various future years in each of the five energy sectors, designated by roman numerals I through V, as follows:

I. U.S. total energy consumption. Only one solar estimate for 1 future year is presented: the Joint Committee on Atomic Energy's 1973 projection of 2.1 quads in 2000—1.2 percent of that committee's estimate of total energy consumption that year.

II. U.S. total heating and cooling of buildings—residential and commercial. According to most of the estimates, this sector is going to increase in total quads consumed but diminish as a percentage of all energy consumption. The table shows a wide range of possibilities, from the Federal Energy Administration's "accelerated development" projection of 1.4 percent solar by 1980 to General Electric's projection of a mere 0.327 percent by 1985—5 years later—and only 1.6 percent by 2000.

III. U.S. generation of electricity. The NSF/NASA solar energy panel is shown to have estimated in 1972 that electricity generation will grow as a percentage of all energy consumed, and various estimates show solar technologies—five major varieties—contributing measurably to quite significant percentages of the total generation by 2000, but no earlier.

IV. U.S. total gaseous fuel consumption. Solar energy can be used to make gaseous fuels. These technologies could be accounting for 1 percent of all gaseous fuel consumption by 1985 and for 10 to 22 percent by 2000.

V. U.S. total liquid fuel consumption. Only one estimate is shown—that of the 1972 NSF/NASA solar panel report—showing that each of two solar energy technologies might contribute 1 percent of the Nation's total liquid fuel in the year 2000.

It is my hope that this table will be widely used—but also that it will be corrected if and as necessary, improved and amplified during the forthcoming hearings. The committee will especially welcome additional line-item entries for the table from other identified, published estimates.

SMALL BUSINESS SHUNTED ASIDE

It is interesting, Mr. President, that when the NSF wanted studies made of the feasibility of widespread solar heating and cooling of buildings, it turned to three very large companies, Westinghouse, General Electric, and TRW. Each of those companies received a one-half-million dollar grant of Federal funds to conduct the study.

It is also interesting that those three companies' estimates were so varied, so low, and so stretched out into the future.

Small business concerns have been offering complete solar home heating systems in small numbers for years, and many claim they need only better publicity from their Government to offer those systems in large quantities. Complete home hot water systems powered by the sun are in use at this moment by the tens of thousands all over the world. The technology has been fully commercial in this country since the early part of this century, although it declined sharply in market share with the advent of cheap natural gas.

What the Senate Small Business Committee has been hearing from the small business pioneers of solar energy development is that, until very recently, solar energy has been ignored and underrated by the American people and their Government. Now that, at long last, solar energy is "in," it is the small business pioneers that are being ignored and underrated.

The Senator from New Hampshire (Mr. McIntyre), who will be joining me in the conduct of these hearings, has recently spoken out eloquently on both of these points.

In a remarkable speech to the Exchequer Club on February 19, Senator McIntyre stated that the industrialized world's dependence on oil had become a form of enslavement that weakened the national security of every country that has permitted itself to become so enslaved. He went on:

> I believe that this enslavement—coupled with a blind refusal to research and develop clean, renewable, alternative energy resources—must, indeed, be one of the most calamitous errors in human judgment since time began.

The text of that speech, by the way, was inserted in the Congressional Record of February 26 at page 4440 by the Senator from Minnesota (Mr. Humphrey) and is well worth reading in full.

On April 30, Senator McIntyre made a short statement in the Senate—Record, page 12523—criticized a front-page story in the April edition of the FEA's newsletter for citizens, the "Energy Reporter." The article was captioned, "Solar Energy in the Home" and contained this statement:

> The Most Expensive Route: It could cost that family an initial investment of up to $120,000 for photovoltaic cells to provide their home with . . . electricity.

The Senator from New Hampshire observed, correctly and with some quite proper indignation, that this—

> . . . scarcely informs the public of what it can do to install solar heating and cooling equipment in houses.
>
> Clearly this story does not tell the average citizen that he can go out and buy a solar home heating unit that will cut his home heating costs by a substantial amount and cost him under $5,000. No place in the story, for instance, is the current ability of solar home heating equipment manufacturers mentioned.

One major goal of the hearings that begin next week will be to clarify the immediate and the very early future potential for solar home heating and cooling, as well as the longer-term prospects. Estimates of the numbers of small business concerns that are able and willing to install turnkey systems right now, and evaluations of their varied offerings, differ considerably. We shall try, at the least, to make a record that includes the leading estimates, lists and evaluations, and to understand the reasons for the differences that appear.

OUR MOST ABUNDANT ENERGY RESOURCE

Whatever confusion may exist about the details of products, technologies and companies, however, one thing is clear and unarguable at the very beginning of these hearings: Solar energy is our most abundant energy resource. That has been known for a long time. In 1949, President Truman created the President's Materials Policy Commission—the Paley Commission. In June 1952, that commission issued its justly famed, five-volume final report, "Resources for Freedom." In chapter 15 of volume IV, the commission discussed "The Possibilities of Solar Energy." This statement appears:

> The area of the United States is about 2 billion acres, on which there falls, in an average year, sunlight with an energy content equal to that of about 1,900 billion tons of bituminous coal. The input to the energy system of the United States in 1947 was equivalent to about 1,300 million tons of bituminous coal. So, the United States supply of solar energy is about 1,500 times the present requirement.

In the unit used in the table mentioned earlier, the quad, the total U.S. annual insolation—the term used to describe energy intake from the sun—is 49,400 quads. That is almost 700 times the total amount of energy used in the United States in 1974 and about 250 times the high-side estimates of total U.S. energy consumption in 2000. So, by developing ways to convert to human use just one-half of 1 percent of the total solar energy that reaches the surface of the United States every year, we could provide 3½ times today's total U.S. energy requirements and more than 100 percent of the higher estimates of national energy requirements in the year 2000.

In 1952, the year the Paley Commission report was issued, this country had not yet done any significant work or made any significant expenditure to deal with the forthcoming depletion of oil—which the report predicted—by either the nuclear or solar routes. Both options were open to us and the Paley Commission recommended that both be vigorously pursued.

Certainly now, if not then, solar energy would seem to have been—and to be—the more hopeful of the two routes. It is, therefore, one of the mysteries as well as the tragedies of history that, in the fiscal years 1954–74 inclusive, approximately $5 billion in public funds, plus vast private investment, were spent in research, development and demonstration of the nuclear option, and virtually nothing on the solar option.

A recent FEA press release—numbered E–75–1000 and dated March 29, 1975—tells us that in the 19-month period from July 1973 through January 1975—

> To push solar energy development, 14 Federal agencies have sponsored 171 solar projects at a cost of 25.2 million dollars.

Before 1973, it is doubtful that all Federal expenditures on solar energy development had reached a total of $1 million. That $25.2 million, 19-month expenditure on solar energy by 14 agencies—in the mid 1970's—may be compared with a $36.7 million expenditure on fission energy and a $1.8 million expenditure on fusion energy by Federal agencies in fiscal 1954 alone. Of course, the annual spending on nuclear energy went up by leaps and bounds in subsequent years.

In the light of hindsight, at least, the juxtaposition of these nuclear and solar development expenditures seems to exhibit a kind of collective national unwisdom.

Consider also this: The $5 billion public expenditure on the nuclear option has resulted in fission generation plants that now account for about 6 percent of all our electricity. The atom as a source of electricity jumped from zero to 6 percent in less than 20 years. Why, then, are General Electric and Westinghouse, whose technology and industrial strengths helped make that happen, estimating that, in 25 years, starting now, this country will be capable of developing solar home heating and cooling, a far simpler technology than nuclear fission, to the level of only 1 to 3 percent?

The suspicion is almost unavoidable that these and other absurdly low estimates of the solar contribution during the next 25 years are projections not of what the estimates think this country could do, if it put forward anything like the commitment of money and effort that was made for nuclear energy or Moon shots, but rather what they hope is the most the country will do. Not because doing so little is in the best interests of the great majority of Americans, but because doing more would possibly threaten existing investment in older technologies.

Such threat may in fact be present in any rapid development of solar energy technologies; but the task of policy makers in the Government and the private sector alike should be to find ways to make transition as painless as possible, not to arrest or unduly delay a transition that is already long overdue.

It is to provide a forum for consideration of all these issues and concerns—especially the concerns of the small business pioneers in the solar and other alternative energy technologies—that the Small Business Committee hearings are being convened.

Mr. President, I ask unanimous consent that the following exhibits referred to in this statement may be printed in the RECORD.

Exhibit 1. List of questions to be considered at hearings of the Small Business Committee on solar energy and small business.

Exhibit 2. Table—including footnotes, conversion table, definition and comparisons—entitled "Estimates of U.S. Energy Consumption, Total and by Function, and of Solar Energy Contributions, by Technology, 1980–2020."

Exhibit 3. Article by Michael Harwood, "But Not Soon," from the New York Times Magazine, March 16, 1975, page 42.

Exhibit 4. Article by Tome Zeman, "Solar Power Now," from Ramparts magazine, April 1975, page 21, including a short bibliography appended to the article.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

QUESTIONS ON SOLAR ENERGY

1. Why have the estimates varied so widely—and been so low—on the contribution that solar energy might make, by the years 1985 and 2000, to the Nation's total energy budget?

2. Why has the Federal Governmet spent so little, and spent it so late, on the development of solar energy, in comparison to expenditures for support of other forms of energy?

3. What contributions to solar energy development have been and may be made by small business?

4. Now that Federal expenditures for solar research, development and demonstration are increasing, what steps are being taken by the various agencies to recognize the contributions and protect the positions of the small business pioneers of solar energy?

5. What amounts and percentages of Federal research, development and demonstration expenditures in the solar energy field have been channeled to small business, to big business, to large universities, to small universities and colleges, and to non-profit organizations other than universities in recent years? What changes in any of the important percentage shares are contemplated in the next fiscal year or years?

6. What are the prospects for greatly accelerating the pace of solar energy development and greatly increasing the percentage of our total energy budget that will be met by solar energy within the next decade?

7. What is the maximum percentage contribution that solar energy could make to the total national energy budget by 1980, 1990, 2000 and 2020? To heating and cooling of buildings? To electricity generation?

8. What types and dollar levels of Federal expenditure would be necessary to attain these maximum percentage levels of solar energy contribution?

9. What are the arguments for and against *maximizing* the solar energy contribution to the total energy budget?

10. What can small businesses do differently and better than large businesses in furtherance of the development of solar energy?

11. Are there documented cases in which small businesses in the solar energy field have been threatened, intimidated, purchased or otherwise suppressed by utilities or large businesses?

12. How can communications on solar energy subjects be improved between the Government and small business?

13. Should there be small business set-asides for the solar demonstration programs?

14. Have technology transfer and technology utilization activities and programs of the Federal Government been useful to small business and designed for maximum benefit to small business?

15. How might the Congress improve the relevant legislation or its own oversight activity in the area of solar energy development?

16. What criteria and accomplishments should the Congress use to judge the success of Federal Government programs intended to foster solar energy development and small business participation in that development?

EXHIBIT 2

ESTIMATES OF U.S. ENERGY CONSUMPTION, TOTAL AND BY FUNCTION, AND OF SOLAR ENERGY CONTRIBUTIONS, BY TECHNOLOGY, 1980–2020

[In quads* per year (and in percentages of totals of estimated consumption)]

Energy consumption and solar contribution estimates	1980	1985	1990	2000	2020
I. U.S. TOTAL ENERGY CONSUMPTION					
1. Consumption of energy from all sources, for all uses, as estimated by—					
(a) Federal Energy Administration [1]	82.2	94.1	112		
(b) Ford Foundation Energy Project [2]		92	102	124	
(c) NSF/NASA [3]	91	117	128	177	300
(d) Joint Committee on Atomic Energy [4]	91.5	127	133	180	
(e) National Petroleum Council [5]		127	148	201	
(f) Dupree-West [6]	96	116	136	192	
(g) TRW [7]	94	114	128	155	
(h) Westinghouse [8]	104				
(i) Shell Oil Co.[9]	101	121	141		
(j) Stanford Research Institute [10]	113.2	142.9			
(k) Council on Environmental Quality [11]	97	123.7			
2. Contribution of solar energy to total energy consumption, as estimated by—					
(a) Joint Committee on Atomic Energy [4]				2.1	
(Percentage of estimated U.S. total)				(1.2)	
II. U.S. TOTAL HEATING AND COOLING OF BUILDINGS (RESIDENTIAL AND COMMERCIAL)					
1. Consumption of energy from all sources for heating and cooling, as estimated by—					
(a) Federal Energy Administration [1]	21.5	25.5			
(Percentage of estimated U.S. total energy for all purposes)	(26.2)	(27.1)			
(b) Ford Foundation Energy Project [2]		32		36.2	
(Percentage of estimated U.S. total energy for all purposes)		(35)		(29.2)	
(c) NSF/NASA [3]	17			21	30
(Percentage of estimated U.S. total energy for all purposes)	(15)			(12)	(10)
(d) Joint Committee on Atomic Energy [4]	21		30.7		
(Percentage of estimated U.S. total energy for all purposes)	(22.9)		(23.1)		
2. Contribution of solar energy to heating and cooling of buildings, as estimated by—					
(a) Federal Energy Administration, under "accelerated development" [1]	.3	.6	1.5		
(Percentage of estimated heating and cooling energy)	(1.4)	(2.35)	(?)		
(Percentage of estimated U.S. total energy for all purposes)	(.37)	(.64)	(1.3)		
(b) NSF/NASA [3]				2.1	10.5
(Percentage of estimated heating and cooling energy)				(5.8)	(35)
(Percentage of estimated U.S. total energy for all purposes)				(1.69)	(?)
(c) NSF [15]		[15a].94			
(Percentage of estimated heating and cooling energy)		(3.68)			
(Percentage of estimated U.S. total energy for all purposes)		(1.0)			
(d) Westinghouse [8]	.0006	.1	.3	1.1	3.8
(Percentage of estimated heating and cooling energy)	(.003)	(.39)	(?)	(3.04)	(?)
(Percentage of estimated U.S. total energy for all purposes)	(.0007)	(.106)	(.27)	(.89)	(?)
(e) TRW: no incentives [7]				1.29	
(Percentage of estimated heating and cooling energy)				(3.56)	
(Percentage of estimated U.S. total energy for all purposes)				(1.04)	
TRW: 25 percent tax credit incentive [7]				2.09	
(Percentage of estimated heating and cooling energy)				(5.77)	
(Percentage of estimated U.S. total energy for all purposes)				(1.69)	
(f) Energy Research and Development Administration [12]	.021	.21			
(Percentage of estimated heating and cooling energy)	(.1)	(.83)			
(Percentage of estimated U.S. total energy for all purposes)	(.026)	(.23)			
(g) General Electric Co.[13]		.08	.2	.6	
(Percentage of estimated heating and cooling energy)		(.32)	(?)	(1.6)	
(Percentage of estimated U.S. total energy for all purposes)		(.09)	(.2)	(.5)	
(h) Joint Committee on Atomic Energy [4]				2.1	
(Percentage of estimated heating and cooling energy)				(?)	
(Percentage of estimated U.S. total energy for all purposes)				(1.2)	
III. U.S. GENERATION OF ELECTRICITY					
1. Total U.S. electricity generation, by all methods, as estimated by—					
(a) NSF/NASA [3]		37		76	160
(Percentage of estimated U.S. total energy of all types)		(31.6)		(42.9)	(53.3)
2. Contribution of solar energy to electricity generation, five technologies:					
(a) Thermal conversion, as estimated by—					
(1) Federal Energy Administration [16]				1.3	
(Percentage of estimate total electrical energy)				(1.71)	
(Percentage of U.S. total energy of all types)				(.73)	
(2) NSF/NASA [3]				.76	8
(Percentage of estimate total electrical energy)				(1)	(5)
(Percentage of U.S. total energy of all types)				(.43)	(2.67)
(3) NSF [15]				(?)	
(Percentage of estimate total electrical energy)				(1)	
(Percentage of U.S. total energy of all types)					
(b) Photovoltaic, all forms, as estimated by—					
(1) NSF/NASA [3]				2.26	42.5
(Percentage of estimated total electrical energy)				(2.97)	(26.6)
Percentage of U.S. total energy of all types)				(1.27)	(14.17)
(2) NSF [15]				(?)	
(Percentage of estimated total electrical energy)				(9.3)	
(Percentage of U.S. total energy of all types)				(4)	
(3) Federal Energy Administration "Business As Usual" estimate [16]		.03		1.7	
(Percentage of estimated total electrical energy)		(.07)		(2.3)	
(Percentage of U.S. total energy of all types)		(.02)		(1.1)	
(c) Wind energy conversion, as estimated by—					
(1) NSF/NASA [3]				.76	16
(Percentage of estimated total electrical energy)				(1)	(10)
(Percentage of U.S. total energy of all types)				(.43)	(5.3)
(2) NSF [15]				(?)	
(Percentage of estimated total electrical energy)				(25)	
(Percentage of U.S. total energy of all types)				(6)	
(d) Ocean thermal difference, as estimated by—					
(1) NSF/NASA [3]				.76	16
Percentage of estimated total electrical energy)				(1)	(10)
Percentage of U.S. total energy of all types)				(.43)	(5.3)
(2) NSF [15]				(?)	
(Percentage of estimated total electrical energy)				(16.6)	
(Percentage of U.S. total energy of all types)				(4)	
(e) Combustion of organic matter, as estimated by—					
(1) NSF/NASA [3]				.76	16
(Percentage of estimated total electrical energy)				(1)	(10)
(Percentage of U.S. total energy of all types)				(.43)	(5.3)
IV. U.S. TOTAL GASEOUS FUEL CONSUMPTION					
1. Consumption of gaseous fuel from all sources, for all uses, as estimated by—					
(a) NSF/NASA [3]		27		31	40
(Percentage of estimated U.S. total energy for all purposes)		(23)		(17.5)	(13.3)
2. Contribution of solar energy to gaseous fuel production (methane bioconversion), as estimated by—					
(a) NSF/NASA [3]		.27		3.1	12.3
(Percentage of estimated total gaseous fuel)		(1)		(10)	(30)
(Percentage of U.S. total energy of all types)		(.23)		(1.8)	(4)
(b) NSF [15]				(?)	
(Percentage of estimated total gaseous fuel)				(22)	
(Percentage of U.S. total energy of all types)				(4)	

Footnotes at end of table.

ESTIMATES OF U.S. ENERGY CONSUMPTION, TOTAL AND BY FUNCTION, AND OF SOLAR ENERGY CONTRIBUTIONS, BY TECHNOLOGY, 1980–2020

[In quads * per year (and in percentages of totals of estimated consumption)]

Energy consumption and solar contribution estimates	1980	1985	1990	2000	2020
V. U.S. TOTAL LIQUID FUEL CONSUMPTION					
1. Consumption of liquid fuel of all types, from all sources, as estimated by—					
(a) NSF/NASA[3]		50	----------	63	8
(Percentage of estimated U.S. total energy for all purposes)		(42.7)	----------	(35.6)	(26.6)
2. Contribution of solar energy to liquid Fuel production, 2 technologies;					
(a) Chemical reduction, as estimated by—					
(1) NSF/NASA[3]				.63	8
(Percentage of estimated total liquid fuel)				(1)	(0)
(Percentage of U.S. total energy of all types)				(.36)	(2.7)
(b) Pyrolisis, as estimated by—					
(1) NSF/NASA[3]				.63	8
(Percentage of estimated total liquid fuel)				(1)	(10)
(Percentage of U.S. total energy of all types)				(.36)	(2.7)

FOOTNOTES

*1 quad equals 10^{15} (1 quadrillion) British thermal units (Btu).

? —The question mark symbol is used when the cited source provided either an energy unit figure or a percentage figure but did not provide a basis for calculating the other figure.

[1] Federal Energy Administration, "Project Independence Report," November 1974, "Conservation" scenario, at oil price of $11/bbl.

[2] Ford Foundation Energy Policy Project, "A Time to Choose," "Technical Fix" scenario November 1974.

[3] National Science Foundation/National Aeronautics and Space Administration Solar Energy Panel, "Solar Energy As a National Energy Resource," December 1972.

[4] Joint Committee on Atomic Energy, "Understanding the 'National Energy Dilemma', " 1973, Foldout "N".

[5] Ibid., citing National Petroleum Council "intermediate" scenario.

[6] Walter G. Dupree, Jr., and James A. West, "United States Energy Through the Year 2000," U.S. Department of the Interior, December 1972.

[7] TRW Corp., "Solar Heating and Cooling of Buildings, Phase 0 Report," May 1974.

[8] Westinghouse Corp., "Solar Heating and Cooling of Buildings, Phase 0 Report," May 1974.

[9] Shell Oil Co., cited on p. 60 of "The End of the Energy Crisis," Mitchell, Hutchins, Inc., May 1974.

[10] Stanford Research Institute, "World Energy," November 1972.

[11] Council on Environmental Quality, "Energy and Environment: Electric Power," August 1973.

[12] Energy Research and Development Administration, "National Plan for Solar Heating & Cooling Interim Report," March 1975.

[13] General Electric Co., "Solar Heating and Cooling of Buildings, Phase 0 Report," May 1974.

[14] Joint Committee on Atomic Energy, note 4, supra, Fold-out "O".

[15] National Science Foundation, as cited in "But Not Soon," The New York Times Magazine, Mar. 16, 1975.

[15a] Number of quads calculated from cited source's statement of percentage only, using as 100 percent the FEA total energy estimate of 94.1 quads, note 1, supra.

[16] Federal Energy Administration, "Final Task Force Report on Solar Energy," "Project Independence," November 1974.

Source: Data derived, in part by arithmetic conversions of statistics stated in various different units, from the sources cited in footnotes 1 through 16. Table concept and design by Ray Watts, Senate Small Business Committee. Data collection and arithmetic conversions by Jeff Angus, staff of Senator Gaylord Nelson.

CONVERSION TABLE (DEFINITION, COMPARISONS)

1 British thermal unit (Btu)=the amount of heat energy required to raise the temperature of 1 pound of water 1° F.
—Btu=1,055 joules=252 small calories.
1 barrel (bbl) of oil=5,800,000 Btu=6,119,000,000 joules.
1 kilowatt hour (kWh)=3,142 Btu.
1 cubic foot of natural gas=1,000 Btu.
1 ton of coal=26,000,000 Btu.
1 quad=10^{15} Btu.
1 quad=172,414,000 bbl of oil.
1 quad=472,044 bbl of oil per day for a year.
1 quad=1 trillion cu. ft. of natural gas.
1 quad=293,083,200,000 kWh.
1 quad=38,461,580 tons of coal=105,302 tons coal per day for a year.
1 quad=the capacity of the Alaska Pipeline for 108 days.
3.4 quads=the capacity of the Alaska Pipeline for a year.
1 quad=the energy spent by a subcompact car going 181 billion miles.
1 quad=the energy spent by a luxury car going 71 billion miles.

EXHIBIT 3

[From the New York Times Magazine, Mar. 16, 1975]

ENERGY FROM OUR STAR WILL COMPETE WITH OIL, NATURAL GAS, COAL, AND URANIUM—BUT NOT SOON

(By Michael Harwood)

Solar power has suddenly become respectable. Only a few years ago it was treated in the United States as a subject for eco-freaks, too futuristic to deserve more than a polite smile; now thousands of people in universities, industries and Government are investigating such schemes as covering large sections of the Southwest desert with heat collectors, building strings of enormous windmills on the Great Plains or offshore, and generating electricity in space at orbiting power stations whose size would be measured in square miles. Some are even tempted to predict that one day all the world's energy needs will be supplied by the plentiful light and heat of the sun, so that the only plumes of smoke in the sky will come from wood fires on the hearth, and energy will no longer be a cause for international conflict or domestic debate.

A lovely thought; very seductive. In fact, because of the energy fix we're in, the prospect is so attractive that it has tended to obscure the truth—that such a world is a long way off, however much we may like the idea. At the moment, says Congressman Mike McCormack of Washington, chairman of the Energy Subcommittee of the House Committee on Science and Astronautics, Americans are behaving like a man waking up in a drunk tank on Sunday morning. The fellow opens one eye, sees where he is, and shuts the eye again, hoping that some magic will spirit him away from the reality of his situation. There is no magic for him in his fix, and there is none for us in ours. But, says McCormack impatiently, our fix has already produced "all kinds of people who hadn't the slightest notion what solar energy was about who would stand up and make wild statements about having solar energy solve our energy crisis immediately, and then they would sit down and forget what they had said and do nothing whatsoever about it. It has been and is our position that solar energy is an emerging technology and can be developed in an orderly manner."

The scientists know how to do much of what they believe can be done with solar power. The technologies involved are conceptually quite simple. Now we have to move from the "can-do" point to the economical mass-production stage, and that takes time.

The process has begun. The Federal Government is spending sizable—though far from awesome—amounts to support solar-power work. In fiscal 1975, it will spend $50-million, up from $13.1-million in fiscal 1974 and an average of $100,000 per year from 1950 to 1970. And two bills designed by Congressman McCormack and passed by Congress last year provide more funds. The Solar Heating and Cooling Demonstration Act calls for $60-million to be spent over the next five years, and the Solar Energy Research, Development and Demonstration Act declares the Federal Government's intent to spend at least $75-million on solar power in fiscal 1976. These amounts are not yet in the same ballpark with the amounts being spent on nuclear breeder-reactor development ($499-million in fiscal 1975) and fusion ($165-million). But they are getting there.

And the whole field is beginning to look like an infant industry. Major firms are thinking in terms of solar-power product lines, and the first of these are already on the market. Consumers are showing interest; solar-power experts who have worked for years in peaceful obscurity now find themselves bombarded with mail and telephone calls from potential customers for equipment. They find the new interest encouraging—even if many of these potential customers, like the rest of the American public, have only a vague idea of the scope and the current status of solar-power equipment.

The term solar power today encompasses a great deal more than most people think. Actually, it may be appropriately applied to no fewer than six different technologies. It may be confusing to hear energy experts apply the label of solar power to such seemingly disparate activities as generating electricity with windmills, burning wood and producing methane gas from cow manure, but it can be justified. Each year, the sun pours 3,600 quintillion British thermal units (B.T.U.'s) of energy upon the earth. That is about 18,000 times the amount needed to meet the world's annual demand for mechanical energy and heating. In space, before the sunlight is diffused by the earth's atmosphere, it carries a great deal more energy than that. As it approaches the earth, it stirs the atmosphere, creating winds. It strikes the earth's surface, warms it and makes plants grow, energizing the cycle of living, dying and decaying that supports man's existence. At many points in that process the energy can be tapped to fuel our electric power systems, warm and cool our homes, drive our industries. The six technologies, therefore, involve different ways to make use of the sun's energy.

SOLAR HEATING AND COOLING

The most developed application of solar power so far involves the heating of buildings and the heating of wash water. Use of solar power for cooling is only a few steps behind. The process is simple enough. The sun's heat can be caught and held in thermal collectors—panels set up on or near a building and tilted to face the daily path of the sun across the sky. Typically, one of these collectors consists of piping mounted on a flat rectangular surface, all of it painted a dull black (black absorbs heat) and then surrounded by a deep frame to support one or two shielding sheets of glass, which will trap the heat the way a greenhouse does. Air or water or some other liquid (for instance, an antifreeze mixture where the outside temperature is likely to drop below freezing at night) is piped through the collectors, where it picks up the heat, and is then carried in pipes to a storage unit. The unit can use water, chemicals, rocks, even mud for storing the delivered heat; its purpose is to make the collected warmth last well beyond the time when the sun is shining. This heat can then be distributed to the building through air ducts with the help of a fan, or through pipes, as hot water, or be used to power air-conditioning equipment (refrigerators and absorption air-conditioners need heat to run). Basic versions of this system have been used for years in various parts of the world—for example, Japan, Israel and Australia, as well as California and Florida—largely to heat wash water. A few homes today get most of their space heating this way.

Since the process depends on essentially familiar equipment, the heating and cooling of buildings with the sun is attracting a good deal of attention. Over the last two years, the consulting firm of Arthur D. Little, Inc, Cambridge, Mass., has put together a consortium of 90 major companies in Europe, Japan and the United States to finance a cooperative analysis of the commercial possibilities. Last summer, Congress passed the Solar Heating and Cooling Demonstration Act—Mike McCormack's bill—which provided for the National Aeronautics and Space Administration and the Department of Housing and Urban Development to work on a wide range of development projects and practical applications for residential and commercial buildings. The project is expected, within three years, to show the value of solar-heating technology, and within five years to develop and demonstrate combined heating and cooling systems.

This kind of Federal Government interest has made industry prick up its ears and start sniffing the air. During the American Society of Mechanical Engineers' annual meeting in New York in November, the group's solar-energy division and the University of Maryland's department of mechanical engineering offered two and a half days of sessions on solar heating and cooling; three years ago, the sessions could have been in a hotel bedroom, but this time, they filled a ballroom. In 1974, PPG Industries Inc. (Pittsburgh Plate Glass) and Revere Copper & Brass Inc. each came on the market with solar-heat collecting panels. Several smaller firms are selling whole systems and even whole houses. A few large school buildings—in Minneapolis, Minn., South Boston, Mass., Warrenton, Va., and Baltimore, Md.—have been fitted with experimental solar collecting panels, and plans for equipping major new buildings with the panels are multiplying. Arthur D. Little's vice president Peter E. Glaser, who heads the solar study, predicts that solar heating and cooling will be clearly shown to be practical within the schedule set forth by Congress, and as early as 1985 will have grown into a billion-dollar industry in the United States, accounting for 1 per cent of the national energy market. The National Science Foundation, which until recently was the leading Federal agency in this field,* expects that if an accelerated program of study and application is followed, this technology could be meeting most of the heating and cooling demands of 12 per cent of the nation's buildings in the year 2000.

WIND ENERGY CONVERSION

Commercially competitive products to derive usable power from the wind are also possible within five years. It may seem strange that they are not available already, because man has been tapping wind energy for centuries; the earliest windmill written about was built—a fine bit of historical irony—in Iran in the seventh century A.D., and wind-energy machines have been used since to mill corn, pump water and even, in this century, to make fairly large amounts of electricity. A few wind generators are now produced in the United States, and other equipment can be imported from abroad. Last year, Grumman Aircraft Corporation bought the rights to a windmill design developed at Princeton University and began to study it, along with other designs, looking for a marketable item. The problem now is that windmill systems cost too much. The power that comes in over utility lines now costs the consumer anywhere from 2 cents to 8 cents a kilowatt-hour including any fuel-adjustment "tax." The Solar Wind Company of East Holden, Me., which distributes wind-power equipment, estimates that if you buy one of the home systems now available and figure on amortizing the capital costs over a period of 15 years, the power you get out of it will cost 10 to 25 cents a kilowatt-hour, depending on the equipment you buy and the local wind conditions. That may already be attractive if you have a grudge against your local utility or if you are building a new home a considerable distance from existing utility lines. You might decide to forgo the high cost of stringing in a line and spend the money instead on a wind turbine, the tower to mount it on, the storage batteries to supply a steady amount of power and the equipment for transferring the wind-generated power to the batteries.

The wind-system costs could be cut somewhat by improving the efficiency of the equipment, but not by much. "If you took a good windmill of today," says Louis V. Divone, program manager for wind-energy systems at the Energy Research and Development Administration, "and got it theoretically perfect, you would improve its performance only by about 20 per cent." Efficiency could be improved by simplifying the machinery, making it lighter and stronger, reducing the likelihood of breakdowns, insuring the long life that makes a system economic, and then mass-producing it.

No one foresees any overwhelming difficulty in achieving this. Eventually many homes may have their own wind turbines—to produce power and perhaps to drive "wind furnaces" for heating. It is possible that platoons of huge wind machines will march across the Great Plains and float at anchor off the Northeast coast and the Aleutians, areas of consistent strong winds. The floating generators could produce large blocks of electric power that could be cabled ashore directly or else, in an electrolytic process, used to separate hydrogen gas from sea water. The hydrogen could then be piped or shipped ashore for burning in generating plants or fuel cells. If the technology is pushed, according to the National Science Foundation, the United States might by the year 2000 be generating about one-fourth of the electric power it will need with windmills. This amount would equal half the electricity we use today and would meet 6 per cent of our total energy needs at the turn of the century.

BIOCONVERSION

It is possible to grow crops—a basic result of sunlight on the planet—specifically for burning to produce power. These can include trees, sugar cane, marine plants, many things. Plant products can be heated in a vacuum (the method is called "pyrolysis") to make gas and oil—"fossil fuels"—thereby cutting a few million years off nature's schedule for doing the same job. Or, after plant products have passed through some initial process—a natural one, as in the digestive tracts of animals and humans, or a mechanical one, as in production of paper—they can be burned as fuel. (Dry cow dung has been used that way in India for centuries, and the buffalo-chip fire warmed many an American plainsman in the last century.) These materials can also be converted to gas, oil or a solid fuel; so can the waste food in your garbage pail.

The development of economically viable bioconversion systems seems likely in the near future. The National Science Foundation believes that pilot plants should now be built and tested for several bioconversion approaches, including direct combustion of vegetation as well as the burning or converting to methane and methyl alcohol of vegetable wastes, municipal refuse, sewage and wastes from animal feedlots. The Environmental Protection Agency has been backing a demonstration project in St. Louis, where the Union Electric Company feeds burnable solid wastes—shredded—into a boiler furnace along with coal; the process has been so successful that Union Electric is now moving to enlarge it to handle most of the solid waste produced in the seven-county St. Louis area.

Similar systems are being built in Chicago; Ames, Iowa; Bridgeport and New Britain, Conn. A number of other cities are planning to follow suit. The environmental agency is also helping finance two pyrolysis demonstration plants, in Baltimore and San Diego. The Baltimore facility, which will make gas for firing steam plants to heat and cool downtown buildings, is finished and will start up early this year; the San Diego plant, which will make oil for sale to a utility, is scheduled to be ready in two years. Under an accelerated implementation program, bioconversion might be providing as much as 8 per cent of the nation's energy by the year 2000, according to the National Science Foundation.

PHOTOVOLTAICS

Solar-cell collectors have produced the electricity for all our space satellites. They consist mainly of pieces of semiconductor—a material whose ability to conduct electricity is somewhere between that of copper wire and that of an insulator such as rubber or porcelain. A semiconductor can be specially treated so that when light strikes it a voltage is created—the so-called photovoltaic effect. This current can then be stored in batteries or used directly. At the moment, photovoltaic technology is economical only for remote applications—powering satellites or certain navigation lights and telephones. There are relatively cheap semiconductors available, but they deteriorate quickly and must be replaced frequently.

Silicon solar cells, which have a virtually infinite life, are exceedingly expensive to make at the moment, and the method used to make them does not lend itself well to mass production. A home could today be powered with 1,000 square feet of long-life solar cells, but it would cost $300,000 to buy them. However, Tyco Laboratories in Waltham, Mass., has developed a way of producing—in the laboratory—silicon solar cells in the form of fine ribbon as thin as a human hair, and that appears to point toward a mass-production technique that will lower the costs dramatically. Mobil Oil Corporation thinks the Tyco process is so promising that it has joined forces with Tyco to develop the technique and will spend up to $30-million on it between now and the end of 1981. If that or some other research effort pays off, the National Science Foundation projects that the first demonstration plants could be operating by 1985, and that by the year 2000, 4 per cent of the nation's energy demands could be met by this technology.

---

* The foundation has just relinquished its responsibility for supporting the development and demonstration of existing solar-power technologies to the recently created Energy Research and Development Administration, and will concentrate instead on encouraging research into new approaches. It is still not entirely clear, however, who in Washington will be in charge of overseeing solar-power development. It appears that nominal responsibility will pass to the Energy Research and Development Administration, which will also absorb a good deal of the National Aeronautic and Space Administration's role, but that the Office of Management and Budget—which holds the Federal purse strings—will play a crucial part, by reflecting the Administration's attitude toward solar power.

The foundation is concentrating on terrestrial uses for solar cells, but Peter Glaser of Arthur D. Little has proposed putting huge solar-cell collectors—arrays six miles long and two and a half miles across—into orbit and beaming the power they generate back to earth on microwaves. This is not really Buck Rogers stuff; everything that goes into such a system has been shown to work. It is "futuristic," however, because of its scale, and because the collectors would have to be constructed in space, with the help of a new generation of space vehicles. But Glaser believes that the first of these orbiting power stations could be supplying electricity before the turn of the century.

OCEAN THERMAL DIFFERENCES

Half of those 3,600 quintillion B.T.U.'s that reach the earth each year land in the tropics. Since the tropics are largely ocean, most of the heat is soaked up and stored in the surface water of the sea. It is possible to tap that energy, too, by using the stored heat alongside "stored cold"—water pumped up from the cooler depths. The proposed mechanism is extremely simple: An electricity-generating turbine is turned by the force of some fluid that becomes a gas and expands when it is warmed to the relatively low temperature of the surface seawater. Propane will do that, for example. So will ammonia. Then the gas is condensed back to a fluid by cooler water pumped up from the depths of the ocean and the fluid is cycled back to be evaporated again.

The ocean-thermal-differences idea is almost a hundred years old, having first been conceptualized in 1881 by the French physicist Arsene d'Arsonval. An experimental model was tested in the twenties, but nothing similar has been built since then. Nonetheless, William E. Heronemus, a University of Massachusetts professor who has done extensive research in both wind-power and ocean-thermal technology, believes that if we wanted to, we could have the first commercial-sized ocean-thermal-differences power plant in place and making electricity in the Gulf Stream off Florida within six to eight years. The National Science Foundation, which is funding two industry studies of the concept, suggests that the process may take a decade, but that by the turn of the century strings of these plants in the Gulf Stream could be making 260 million kilowatts of electricity. A good deal of that power would probably be used to electrolyze water to produce hydrogen gas. The hydrogen could then be piped ashore over long distances or shipped in containers. In all, the foundation estimates, the process could be supplying about 4 percent of the nation's energy in the year 2000.

SOLAR THERMAL CONVERSION

Still another way to make large amounts of electricity from sunlight is to trap the heat in vast arrays of collectors, and make steam with that heat to turn turbines. Or other vast arrays—of mirrors—could be used to focus the sun's heat on a boiler, set atop a tall "power tower," again to make steam and thus electricity. This is a space-taker, requiring on the average a square mile of land covered with collectors or mirrors for every 25,000 kilowatts of electricity produced; but it is estimated that if 10,000 square miles—about 10 per cent—of the super-sunny California-Arizona desert were planted with this sort of collecting and generating equipment, solar thermal conversion alone could produce more than twice the electricity generated today in the United States. By the year 2000, solar thermal-conversion installations won't be anywhere near that extensive, but they might be making some 80 million kilowatts—a lot of kilowatts, and a meaningful contribution to the power needs of the American Southwest, though still less than 1 per cent of the nation's expected energy demand. Researchers are also giving a good deal of attention to what they call "total energy systems," in which solar thermal-conversion plants would generate electric power for military bases, shopping centers, industries, perhaps whole communities; the leftover heat—of which there would be plenty—would then be used to warm and cool buildings and run certain kinds of equipment, instead of being thrown away into the atmosphere.

If the development of each of these technologies were to proceed at a rapid pace, and if all the other circumstances remain favorable (particularly if oil supplies remain short and high-priced), we might see some power produced with each of them 10 years from now, and in 25 years be meeting about one-fourth of our energy needs with solar power. The likelihood, of course, is that things won't work out that well. Progress will probably be a good deal slower and have a smaller impact on our energy situation at the end of the century.

Why no more, and why no faster? There is a raft of reasons. The first of them is money. "Even if they all did get through [the research and development programs] on schedule," says Lloyd Herwig, director of Advanced Solar Energy Research and Technology for the National Science Foundation, "there's no way that you can implement all six at the maximum rate, because it takes a hell of a lot of capital for each one."

The second—despite the fact that we already know how to do most of what we want to do—is technological. There could be no better friend of solar power than James J. MacKenzie of the Union of Concerned Scientists, a member of the Joint Scientific Staff of the Massachusetts and National Audubon Societies; yet Dr. MacKenzie declared recently that if someone came knocking on his door today and offered to put a solar heating system on his home for $2,000—a low cost he could make up in about six years with saved fuel bills—"I'd tell him to go jump in the lake, because I wouldn't believe him." To convince Dr. MacKenzie as a homeowner, it would take "a thorough economic and engineering study of the system's performance over a period of at least one or preferably two heating seasons. You've got to know these things work, that they work not for weeks but for years." When the homeowner or builder can buy the solar-heating equipment for a reasonable price at Sears, Roebuck, and it comes with warranties, a service contract and a guarantee of available replacement parts for everything, then it will sell, and in principle the same rule applies to all the solar-power technologies. For their part, the major manufacturers have to be convinced, too; they've got reputations—and other product lines—to protect. And that kind of progress takes time.

Wouldn't more Government money help? Some, but it wouldn't solve everything. "There is a concept," says A. I. Mlavsky, the Tyco executive who heads the Mobil-Tyco photovoltaic project,—"it's engrained in the American ethos—that if you put enough guys and enough money to work on something, you can do anything. It's baloney. It'll work on certain kinds of things. It worked for the Manhattan Project. But they finished up with two bombs. That was enough to finish the war. If they had wanted to make 10,000 of those things, each as alike as peas in a pod, it would have taken another 10 or 20 years."

Besides financial and technical hurdles, there are others. Primary among them is competition with other energy sources, notably petroleum, natural gas, coal and nuclear power. The search for more efficient ways to use them will continue to divide the resources available for energy development, including the dollars of consumers long accustomed to these traditional sources. And there will no doubt be a lot of competition among the various solar technologies themselves. The next 25 to 30 years will probably see something like the first boom decades of the automobile, when hundreds of companies came into being to make hundreds of different kinds of cars—gas buggies, streamers, electrics. It was an unsettled shake-out period, and solar power will probably go through the same kind of process.

Since setting up a new power network is a tricky undertaking, there will also be logistical problems. Where do you put what kind of equipment to make the most efficient use of the sun's energy? There are certain areas in the United States where hydropower provides plenty of cheap energy, and it will be some time before even the best of the solar technologies are cheaper; other places simply don't have a lot of sunlight in the periods when they need the most heating; everywhere, the sun is on the other side of the earth half the time; the wind is fickle in a great many areas and highly consistent in others. At least in the beginning, solar power systems will have to be backed up with conventional systems.

And of course there are the human factors. Just as the automobile caused a transformation of society, so would the need to adapt to solar energy on a huge scale, and such social transformations do not occur without strain. Even the environmental movement, long a champion of solar power, will have some adjustments to make. How about covering 10,000 square miles of the great American desert with mirrors and power towers? And do you want a wind-energy farm in your neighborhood—a hundred shiny wind turbines sitting there, whistling away? These would not be the weather-beaten gray structures of the picture books; instead, they could be huge machines sitting on towers "bigger than oil derricks," as Mike McCormack put it.

And so, if solar power is clearly on its way to becoming some sort of reality, the most immediate problem may be that it will be oversold. "The solar field is a young field," cautions Tyco's Mlavsky. "It's neophytic. It's receiving a lot of attention. It will not provide major solutions to our energy problems in a short time, and those—including myself—who sometimes get sucked into thinking that it will are wrong. It shouldn't be expected to produce a major impact on our energy economics in a period of just a few years, because nothing else we do moves that fast either. And if in 20 or 25 years—by the turn of the century—we can be replacing, with solar energy, a significant fraction of the energy now made by conventional sources, we'll have done a hell of a job."

(EXHIBIT 4)

[From Ramparts, April 1975]

SOLAR POWER NOW

(By Tom Zeman)

Few people pay any special attention to the home of Chuck and Jan Ward in Davis, California. And at first glance, it's not apparent why anyone should. The Wards live in a ranch-style home in a recently developed suburban area of this college town, and their house looks a great deal like others on the block. But the nine window-like panels discretely designed into a dormer on the roof remind the careful observer that there is something very unusual and exciting happening in this particular house. Those panels represent an important new departure in this country's struggle over a national energy policy: the arrival of direct solar energy as a practical, economically feasible way of providing heat for the average American home.

The advantages of direct use of the sun's energy are obvious and decisive. At a time when the nation is on the brink of a trillion dollar commitment to massive development of fossil fuel and nuclear power, carrying with it the gravest environmental and social implications, solar power—combined with a serious energy conservation program—offers us an infinitely more attractive alternative. Solar energy is not only safe and environmentally clean; it is also inexhaustible and free. Not even Exxon, not even OPEC, will ever own the sun.

The solarpower/conservation approach also offers the most practical remedy to the short-term energy crunch over the coming decade because it is technologically the simplest. In contrast, practical, *safe* nuclear energy is a long way off. A nuclear power plant takes a decade to build and license. Uranium supplies in this country are running short, prices for building and fueling nuclear power plants have doubled and tripled since 1970, and perfection of the first generation of nuclear reactors, let alone the as yet untried breeder reactors, is far away. One business magazine, *Forbes,* recently warned that America's increasing dependence on foreign uranium supplies could lead to the formation of a "uranium OPEC" which would do to the price of nuclear power what the oil producers have done to the price of oil. (Similarly, it takes about eight years to put an offshore oil well into production.)

By contrast, a serious solar power/conservation program could be applied immediately and begin cutting into demand for other forms of energy by the end of the decade. While the nuclear reactor program remains bogged down in scandals over safety standards, solar technology has been extensively tested and proved. Solar water heating did a booming business in Florida, the southwest, and California during the first half of the century, and it died out only in the Fifties when natural gas was temporarily cheap and plentiful. In the last two decades, tens of thousands of solar heating units have been manufactured and installed in Israel, Japan, and elsewhere. In parts of Australia, solar water heating is now required by law.

Other, more sophisticated applications of solar power do indeed require considerable research and development before they can be put into practice. But that should not obscure the fact that present day solar technology, such as the Wards employ in their home, is ready to be implemented now.

But without a word of public debate, the solar/conservation strategy has been shunted aside by the energy policymakers in favor of an accelerated nuclear/fossil fuel program. The R & D budget recently proposed by the new Energy Research and Development Agency (successor to the AEC) tells part of the story. The vast majority of the budget—over two billion dollars worth—is devoted to nuclear energy, including weapons development (ominously the biggest single item in the national energy budget), uranium enrichment, and reactor development. Next comes funding for coal, then petroleum, then oil shale. Finally, with a mere 1.5 percent of the ERDA budget, comes solar research. The $57 million dollar solar program is just a fraction of the accelerated solar development budget proposed by the National Science Foundation, and is actually $10 million short of the "minimal" solar program described by the NSF.

But the ERDA budget is no more than a reflection of the overall national budget for energy development—a budget which, according to Chase Manhattan Bank, will run well over a trillion dollars between 1970 and 1985. As the oil company advertisements never tire of telling us, the vast bulk of research and development of new energy sources will come not from public tax moneys, but from private corporate profits over whose disposition only the boards of directors have any say. A sign of the extent to which national energy policy has become hostage to corporate balance sheets was the recent abandonment by the Ford Administration of its modest proposal to tax windfall oil profits after the oil companies threatened to curtail their new investments. When the trillion dollar investment decisions have already been left to the energy industry to make, it should be no surprise that federal R & D priorities simply follow suit. And the leading suit for the big decisionmakers, such as Exxon, General Electric, Westinghouse, and the utilities, is certainly not the rapid development of a free, limitless supply of energy provided by the sun.

What all this amounts to is an abdication of any meaningful public control over national energy policy in general, and a deferral, for the "foreseeable future," as a GE spokesman put it, of serious development of available solar technology in particular. The lopsided numbers in the ERDA budget tell us that perhaps the most fateful decision of the last quarter of the century has been made for us, and we have not even been told, let alone consulted.

TAKING WRONG TURNS

Direct use of solar energy has a long history, stretching back to the second century before Christ when the Romans used solar reflectors to set enemy ships on fire. A solar powered steam engine was featured at the Paris world exposition almost a century ago. The National Petroleum Institute, hardly the chief proponent of the solar/conservation strategy, admits that, "Had it not been for an abundance of fossil fuels . . . we might today have a 'Solar Energy Economy' just as effective and efficient as our 'Fossil Fuel Economy.'" Well supplied by fossil fuels, Americans have tended to relegate direct use of solar energy to the realm of science fiction. But it is now apparent that fossil fuels are not unlimited, and that the fossil fuel economy is neither effective nor efficient; in fact, it is collapsing. What is less apparent to most people is that our present energy system sounds and works more like science fiction than any alternative we could possibly invent. We take for granted the incredibly circuitous process of discovering, extracting, refining, transporting packaging and burning long-fossilized plant life in order to obtain geologically concentrated doses of the same solar energy that shines down upon us, every day and everywhere.

To be sure, this Rube Goldberg system of putting the sun's energy to work performed quite well for a century or so, but the awkwardness of the system has finally caught up with us. First, we've been using this stored up energy much faster than nature can manage to concentrate it for us: fossilization takes a long time, and nature's cupboard is beginning to look bare. Second, we can't even use efficiently all the fossilized sunlight we have been releasing so indiscriminately. The better part of that solar energy which has been accumulating under the earth over the lifetime of the planet is being returned to the environment in a geological instant, as *wasted* heat—resulting in serious thermal pollution (not to mention all the other more familiar pollution problems caused by burning fossil fuel). It has become obvious that the financial, environmental, and social costs of such a roundabout system of utilizing the sun's energy have become too much to bear.

Nuclear power plants were once heralded as the answer to the nation's future energy needs. But it turns out that the nuclear cure is worse than the fossil fuel disease. Uranium for the present generation of reactors is running in even shorter supply than fossil fuels. The "breeder reactor," which is supposed to produce more fuel than it consumes, is still on the drawing board and is likely to stay there for a long time. But what is worse, the reactor program has been beset by a series of scandals surrounding the safety of the plants (see RAMPARTS, August 1974). A great many of the plants now in operation have been shut down to investigate mysterious cracks in the pipes carrying coolant to the nuclear core. So far, the back-up core cooling system, which is suposed to prevent disaster in case the main system fails, has itself failed to operate properly in the only tests made. And even if that system could be made to work, it would still not put to rest legitimate fears of a core "meltdown" which could result in tens of thousands of deaths. Although there would be no mushroom cloud explosion, the release of deadly radioactive materials would be disastrous.

In addition, nuclear power plants release *more* waste heat to the environment than do fossil fuel plants, thus *accelerating* thermal pollution. And nuclear power plants leave another legacy, one far more dangerous than even the worst effects of fossil fuel plants—intensely radioactive waste products, often seething with their own heat, which will remain a severe threat for thousands of years. Our present technology has no idea how to neutralize these wastes: they can only be stored, and watched continually. Even proponents of nuclear power, such as Dr. Alvin Weinberg, formerly head of the AEC's Oak Ridge Laboratories and now with Project Independence, admit that *just guarding these wastes* against accident or sabotage will require a "commitment to a permanent social order" and the creation of a "nuclear priesthood" that must dedicate itself to thousands of years of uninterrupted service.

SOLAR POWER NOW

The obvious alternative to the fossil fuel and nuclear nightmares is to cut across the long, complicated process of photosynthesis, fossilization, extraction, combustion, and all the intermediate steps, and simply utilize the sun's free and plentiful energy directly. About 5000 times as much energy shines down on this country every year than even the most extravagant predictions tell us we'll need in the year 2000. The problem is learning how to concentrate and store it for our own purposes. As the energy industries are quick to point out, large-scale centralized production of solar-generated electricity is not yet feasible. But that is not really the point. We could use solar energy *now,* using decentralized solar collection equipment—in houses, apartment buildings, farms, offices, even factories—to cut deeply into the supplies of fossil fuel and electricity the energy industries must now provide.

The most promising way of doing this in the long run is the photovoltaic cell, which converts sunlight into electrical energy. The cells work—they are used on orbiting satellites to provide electrical energy. But at the moment they are about ten times too expensive for widespread terrestrial use. Bringing down the cost of solar cells, to meet the whole spectrum of energy needs, would constitute a major revolution in energy technology. It ought to be the nation's primary research and development commitment, ahead of new weapons systems, nuclear reactors, and the like. Instead, solar cell technology will receive about as much money all next year as the reactor program spends every *day.*

But there's no reason to wait for the solar cell in order to start using the sun to provide energy in the form we most instinctively turn to it for: warmth. Most homes and other buildings built in this country today are constructed as if to spite the weather outside. They require heating on even the sunniest winter day and cooling during most of the summer, due mainly to poor design. A number of modern office buildings lack even that miraculous energy-saving device, the window that opens. New York's World Trade Center, built with permanently closed windows, is heated with lights that cannot be turned off; in the summer its air conditioners must work *against* the lights.

Americans use more energy for room and water heating than they do to power their automobiles. With a serious commitment to the solar/conservation energy strategy, most of this demand could be permanently eliminated within a few years. The first step in such a program would be to reinsulate old homes and revamp building codes for new homes to cut the need for heating and cooling energy. According to a recent study published by the American Institute of Architects, a program of improving the design of new buildings and refitting old buildings with better insulation could cut energy consumption by 25 percent in older buildings and by 50 percent in newly-designed buildings. Improvements would include better insulation, storm windows and doors, and windows that make the best use of the sun's warmth in the winter while not making the building too hot in the summer.

These figures alone are impressive, but just building to use the sun rather than to fight it is not quite enough. By using simple solar heat collecting technology, combined with insulation, we can cut energy consumption in older buildings by 50 percent and in new buildings by 80 percent.

The main component of this technology is the solar collector, a glass-covered pan of water that sits on the roof of a house. The collector works on two very simple principles. Think how hot it can get standing behind a sunlit window on even the coldest winter's day from the radiant heat of the sun. Then think of how a swimming pool or a lake remains warm even after the sun has set if it has been sufficiently heated by the sun during the day. These two principles explain how the flat-plate solar collector works. It is a six-foot by four-foot flat pan or a system of pipes painted black (to absorb as much heat as possible) covered by a sheet of glass and some insulating material. Place it on your roof facing south on a sunny, or even a hazy day, and run some water (or other fluid) through it. In a very short time the fluid will become remarkably hot. Run the hot fluid into your hot water heater and/or your room heating system and provide a well-insulated tank to store the fluid for use at night and on cloudy days. There are many permutations and variations on this scheme but that, essentially, is all there is to it (see above).

In many areas you will need a conventional back-up system to provide heat during long periods of bad weather (more than 2 or 3 sunless days in a row). But in most parts of the country, an array of solar collecting units will meet most of a family's energy needs—including hot water, room heating, and air conditioning (which constitute about 75 percent of a household's energy needs). Here is how such a system could work:

Water Heating: This is the simplest use of the solar collector. You run the water directly through the collector and then divert it into an insulated storage tank (though you will want a storage tank larger than your present hot water heater). Or you may prefer a "closed system," in which the collector fluid runs out of the collector, passes through a heat coil in a water-heating tank (which heats the water in the tank by convection) and then goes back up into the collector. According to Dr. Donald Aiken of California State University at San Jose, a solar water heater can be added to a home for about $500—a one-time expense.

Room Heating: The principle is the same as the solar water heater. The collector could be used to provide hot water for steam heating. Or air could be blown over the coils heated by the collector as in a standard hot air furnace. In the Ward house in Davis, a third system is used: water from the collector is run under the cement floor of the house and heat radiates through the floor.

There are other solar heating systems. Dr. George Lof of Denver, Colorado, has been living in a solar-heated house for 15 years, in which air it heated directly by passing it through the collectors. Another variation is the "passive" solar heating and cooling system used by Harold Hay in his house in Atascadero, California, and by Jonathan Hammond in his own home in Davis, and a home he is presently building in Winters, California. A passive system uses a mass of water, placed either along the south wall of the house or on the roof. The water absorbs and stores heat during the sunniest parts of the day, which keeps the house comfortably cool in hot weather, and it radiates the heat back into the house at night. The passive system is not as versatile as the collector system, but it is simpler, and in some climates can do the job just as well.

At present, a solar collector heating system costs from $3000 to $6000. But the price should be reduced considerably once the system is mass produced. Pittsburgh Plate Glass is the only company manufacturing collectors on a large scale, but most people working in solar energy say their price for the collectors ($6 or more per square foot) is far too expensive.

Air Conditioning: There hasn't been as much experimenting with solar-powered air conditioning as there has been with space and especially water heating. But the technology is readily available. How can heat from the sun cool a room? The principle is the same as that used in gas refrigerators and air conditioners. The gas flame, (or in the case of solar power, a coil from the collector) heats up ammonia within the system. In the process of cooling, the ammonia absorbs heat from the surrounding area.

Electrical Generation: Most of the work being done in this field is with photovoltaic cells, which are still too expensive. But Sandy Parsons, an inventor in Richmond, California, has invented a device which converts the heat from a standard solar collector into electrical energy. He is now in the process of patenting it, and says that with a few refinements it will be able to supply electricity economically to a household with the use of rooftop collectors.

The main problem with solar collectors is their initial cost. But since the sunlight is inexhaustible and free, solar heating is already cheaper in the long run than electrical heating—even where the solar system requires a conventional back-up system for long periods of bad weather. Natural gas is temporarily the cheapest fuel for heating. But natural gas supplies are running low, and unless the nation quickly begins to convert to solar energy, we will have no other choice but to rely increasingly on electricity. As anyone who pays a heating bill in an all-electric home knows, this is not the answer. For every unit of usable electric energy received in a home, three times that amount is wasted in the generating plant and over the transmission lines. Even more than the automobile, electric home heating, so widely advertised in the Sixties, is leading us towards a national energy famine. If, on the other hand, we switch to the solar/conservation strategy, we should be able to stretch natural gas supplies to meet the small auxiliary requirements for heating and cooling in the foreseeable future. We would see a drastic *reduction* in heating and cooling energy requirements within a decade, while actually making homes and office buildings *more* comfortable.

PROFIT AND LOSS

Dr. H. Guyford Stever, chairman of the National Science Foundation, recently told an audience that solar energy systems "would come along before society is ready to solve the economic issues surrounding it." And already that prophecy has come true. As long as we pay for the nation's energy program through utility bills and at the gasoline pump, rather than in the form of taxation, energy policy will remain in the hands of the oil and utility companies which dispose of that money. And as long as that is the case, these companies will play out the fossil fuel/nuclear option for all it is worth, despite the consequences, before they seriously consider investing in solar energy.

Even the emerging solar energy industry, about which there has been much talk lately, is controlled by those same reluctant interests. Arthur D. Little Incorporated, a consulting firm that has been trying to organize a solar energy industry, is also a consultant to Northeastern Utilities, and advised them to go heavily into nuclear energy. A good deal of federal money for solar energy development has gone to Westinghouse and General Electric, the two major nuclear reactor builders, both of whom are waiting for their multi-million dollar investments in nuclear power plants to show profit. Not surprisingly, GE's researchers found that "additional research is needed before solar heating/cooling systems become commercially viable" (which would surely surprise the tens of thousands of people around the world who rely on solar heating devices), and that "nuclear power and coal offer the most feasible means to meet energy needs for the foreseeable future."

The oil industry is also interested in making sure that the foreseeable future does not include rapid solar energy development. As Senator James Abourezk warned in a speech last year, "While the AEC is trying to deceive the public into thinking that solar energy is 'way down the road' and 'decades away,' Exxon, Gulf, and Shell have bought up solar power companies [and are] doing whatever is necessary to make that prophecy come true." Spokesmen for the solar industry have complained that they just need some start-up money in order to put solar collectors into mass production. The industry may well succeed in getting the money from the federal government, but they apparently will not get it from the record profits of their oil industry parent companies.

There are a number of pioneering individuals, genuinely interested in implementing the solar/conservation strategy for themselves, such as Mike Corbet, who built the Ward house, and Professor Richard Davis at the College of the Atlantic in Bar Harbor, Maine. Corbet went to the federal government for financial aid and Davis, who is building his own solar and wind-powered house, went to Washington with an idea to construct a community of solar homes accessible for all to observe. Both were turned down (though Corbet did receive an FHA mortgage for the Ward house). Both concluded that "there's no money for the little guy" in solar energy work. (Corbet also reports that the bank which had previously financed his other, more conventional building projects, refused to give him a loan on the solar house because of the "risk." The people who bought the solar house built by Jonathan Hammond in Winters, California, report having similar financing problems.)

In short, nearly all of the funding available for energy research has been tied up, one way or another, by those who have the most to gain by the fossil fuel/nuclear strategy. A number of bills in Congress and in state legislatures providing for miscellaneous loans and tax incentives for solar energy are steps in the right direction, but they are not nearly enough. Solar collectors, as well as better insulation, require sizeable initial investments, building by building. Although they eventually more than pay for themselves in terms of reduced energy consumption, not many people can afford that initial cost. As a result, for the foreseeable future, the solar collector industry seems likely to stay small, the technology overpriced—a fuel-saving convenience for the rich, who least need it. (Solar collectors are already in use to heat home swimming pools, and a development of expensive private homes in Ohio is being built with solar heating equipment). Unless national energy policy is changed to make that initial investment possible for more people, solar heating and cooling, no matter how attractive, will continue to play a marginal role in solving the "energy crunch."

And as the Energy Research and Development Agency budget intimates, we cannot expect much help from the federal energy bureaucracy. The replacement of the old scandal-wracked Atomic Energy Commission, with its heavy pro-nuclear bias, by the new, supposedly more balanced ERDA, has turned out to be little more than a face-lift. Of the 92,000 employees of ERDA, 91,000 come from the old AEC. At their first hearings on solar energy development, ERDA representatives told an outraged House Science and Technology Committee that plans to implement a five-year, $60 million Congressional mandate to demonstrate the feasibility of solar heating and cooling called for only $2 million in spending the first year. And rather than install several thousand solar heating units, as the Congressional sponsors of the project had contemplated, ERDA now says that it will install only about one thousand units over the entire five-year project. The AEC by any other name still has uranium fever.

And while Congress may grumble about the pace of solar development, few members have any stomach for questioning national energy priorities as a whole. For example, Congressman Mike McCormack, a comparatively strong supporter of solar research, recently expressed fear that "excessive optimism" about solar energy could hamper the nation's "nuclear energy program" (as indeed it should). An aide to McCormack suggested that while Congress may add five or ten million dollars to ERDA's solar budget, there was no chance that it would come near the accelerated solar research budget proposed by the National Science Foundation. Even an effort by Congressman Charles A. Vanik of Ohio to insert a solar energy utilization clause in an energy conservation bill passed last year was defeated. The occasional efforts in Congress to promote solar energy *could* point to the beginning of a coherent national energy policy, or at least to a serious debate on what that policy should be. But as things stand, the few pieces of solar energy legislation will probably remain isolated, token efforts. "The oil lobby hasn't opposed solar energy legislation so far because they don't see it as a threat," said a Vanick aide.

PLANNING FOR THE INEVITABLE

ERDA, GE, and the rest of the present energy policymaking machine seem intent on forestalling the solar/conservation solution. But the reality of houses like Chuck and Jan Ward's will not disappear. Nor will the disturbing questions disappear about the viability of the fossil fuel/nuclear course that has been presented to us as a *fait accompli*. Those questions have been asked in the form of increasing public concern about the wisdom of the nuclear reactor program, a concern that was expressed by the recent nuclear power moratorium proclaimed by the new governor of New York. They are raised in the persistent concern about the "windfall profits" of the oil industry. And they were raised with scholarly eloquence by Professor William E. Heronemus of the School of Engineering at the University of Massachusetts in a paper for the Center for the Study of Democratic Institutions:

"The willingness, indeed the demonstrated compulsion of modern man to live off fossil fuel energy capital while refusing to concern himself about the near-term depletion of that capital is a puzzling phenomenon. And the current refusal to acknowledge and convert to his use the great abundance of incoming energy bestowed upon him each day, simply by virtue of his being a captive part of the solar system, is equally puzzling. The espousal of "economics" which show that it is more beneficial to deplete finite resources than it is to invest in systems for the conversion of renewable solar energy needs some discussion. Is the current concept of economics too closely tied to a time constant that is too small? Are we wise in permitting day-to-day marketplace economics to rule solar energy processes as uneconomic?"

In fact, what should amaze us is that the fossil fuel/nuclear strategy, with its manifold economic, social, and environmental absurdities, could be considered economic at all. For instance, the American Institute of Architects points out that in the next 15 years $415 billion will be required to produce wasted energy alone. It goes to show that having a trillion dollars to play with can make anything look plausible. Certainly, if a fraction of the trillion dollars, and the materials and labor power it represents, were transferred from the fossil fuel/nuclear development program to a serious solar/conservation effort, there is no question as to which program would prove more sound.

The first step in such a program would be, of course, to take the investment capital, and with it the decision-making power, away from the corporations, and open the issue of national energy policy to genuine public debate. If this were done, the alternatives to the environmentally and socially bleak prospects offered us by the fossil fuel/nuclear strategy would become startlingly clear and attractive.

Research and development of new solar technologies would move from last to first place on the national priority list. We would see dramatic results fairly quickly. In a staff report suppressed by AEC Chairman Dixy Lee Ray, it was reported that with sufficient research, the photovoltaic cell which turns sunlight into electricity would become practical by 1985. There are a number of plans, some for decentralized and some for large-scale projects, for converting sunlight as well as wind-power into electricity.

In the meantime, there would be plenty of other work to do. Industrial processes and the transportation system would have to be made more efficient. In the home and in other buildings, the full potential of combining better design with solar collector technology, with an assist from windpower, could be realized increasingly over the next several years.

The kind of comprehensive planning this would require, and what it would yield, is discussed in detail in an "Energy Conservation and Solar Utilization Ordinance" recently proposed by a group of environmentalists to the city council of Davis, California. For example, to allow for solar collectors, three-dimensional zoning would be required in order to ensure that no building would block another's sunlight. The proposal argues that a series of ordinances installing bicycle paths, narrowing the width of streets and encouraging the planting of trees (all of which would help keep neighborhoods cooler in summer), and regulating the glazing and direction of windows, size of roof overhangs, color of rooftops (white roofs stay cooler), and insulation, would cut heating and cooling requirements for a typical new house in Davis by 50 percent. And if solar heating and cooling equipment were installed, the new house would use only 7 percent of the heating and cooling energy required by the average Davis house today.

The Davis group emphasizes that different plans would be necessary for different microclimates. Each town would have to come up with an energy conservation ordinance best suited to its own needs. And what emerges, as the Davis group concludes, "is not the harsh and austere program some would imagine necessary to achieve substantial energy savings, but rather a more efficient way of planning so that people going about their daily lives simply need less energy."

And, as an important part of the implementation of the solar/conservation strategy, a combination of mandatory requirements (as in Australia) and public subsidy could make the installation of solar collectors and insulation in most buildings feasible in less than a decade. As the Davis group points out, the cost of insulating 30,000 homes is already cheaper than the cost of building new power plants to generate the heat wasted by those homes. Eliminating most of the huge energy requirements for heating and cooling—an amount greater than the total required energy for all American automobiles—is not a bad goal to shoot for by 1985 (especially in combination with other energy-saving projects like a revamping of the transportation system). It would not mean suddenly unplugging all the conventional power plants. But it *would* mean an end to the manic building of ever-bigger, more dangerous, and environmentally more destructive power plants to supply increasing heating and cooling needs. It would put an end to the awful vision of 24,000 nuclear power plants, all producing lethal radioactive wastes, that the Club of Rome says the world will need to supply its energy needs in the year 2000.

We need not allow Exxon, GE and friends to make for us what is possibly the single most important decision of this era. The alternatives are there, as people like the Wards are quietly demonstrating. It is *our* dollars that pay for the energy industry's nuclear/fossil fuel program. We can, if we want to, use those same dollars to make our own choice.

Going to the Source

A wide range of books and articles are available on solar power, energy conservation, and other forms of alternative energy. Books of particular interest are:

Direct Use of the Sun's Energy, by Farrington Daniels, Ballantine, $1.95.

Energy for Survival: Alternative to Extinction, by Wilson Clark, Doubleday, $12.50.

Energy Primer: Solar, Water, Wind and Biofuels, edited by R. Merrill, Portola Institute.

Project Independence: Solar Energy, U.S. Government Printing House, $6.20 (contact Superintendent of Documents).

Solar Energy Handbook, by Henry Landa, FICOA, $9.00.

The Coming Age of Solar Energy, by D. S. Halacy, Avon, $1.95.

Many more titles can be found by looking under energy (solar, wind, etc.) in *Books in Print* and the *Readers Guide to Periodical Literature*, available in any library.

Friends of the Earth, based in Washington

D.C., and San Francisco, California, have a wide range of information on solar energy, energy conservation, etc.

Senators Mike Gravel (Alaska) and James Abourezk (South Dakota) are strong proponents of solar energy. Their staff people put out newsletters, and are very helpful in providing information.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CONSUMER PROTECTION ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 200, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alabama (Mr. ALLEN) is recognized.

The pending question is the amendment of the Senator from Washington.

Mr. ALLEN. Mr. President, we have before us an amendment of the distinguished Senator from Washington (Mr. MAGNUSON) that would insert in the bill an exemption from coverage by the bill of "any agency action in the Federal Communications Commission with respect to renewal of any radio or television broadcasting license."

"If the amendment is adopted, it would nullify the action of the committee which knocked this exemption out of the bill.

To retrace the course of the bill, the committee knocked out the exemption of proceedings before the FCC on renewal applications for radio and TV licenses. As the bill now stands, the committee amendments having been adopted and the bill treated as original text, the bill presently gives no exemption in this area.

The amendment of the Senator from Washington now pending would restore that exemption.

The distinguished Senator from Connecticut (Mr. WEICKER) offered an amendment in the committee to remove all exemptions of every sort from the bill. That question was divided and, hence, the separate vote on the FCC exemption.

During the debate there have been two theories set forth by Senators as to why there should be no exemptions for proceedings before the FCC on the matter of renewal of licenses. The Senator from Connecticut (Mr. WEICKER) says that this is a good bill and he supports it. He wants all agency proceedings to have the benefit of being under possible jurisdiction of the Agency for Consumer Advocacy in any proceedings before any Federal agency. In other words, cover everybody because this is a good bill.

The distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT), on the other hand, contended that this was a bad bill.

The Senator from Alabama agrees with the Senator from Virginia (Mr. WILLIAM L. SCOTT) in making this statement. He says that it is a bad bill; that since it is bad, all proceedings before all Federal agencies should be covered, or, in the instant case, the proceedings before the FCC on the matter of renewal of licenses should be covered; because, if it is bad, the work of all agencies should be required to carry this burden, this onus. I have to subscribe to the thinking of the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT) in this connection. But the separate theories lead to the very same conclusion, that the exemptions should not be allowed.

Mr. President, I do not want to see jurisdiction given to this newly created agency as to intervening in any proceedings before any Federal agency. Certainly, if there were a bill seeking to put the proceedings before the FCC under the ACA or the CPA—whatever it might be called—I would strongly oppose that. I do not want to put anybody under it, because it is unnecessary. It is just another echelon of Federal bureaucracy, and I do not want to see anybody harassed by this agency.

I say that if the existing regulatory agencies are not doing a good job, abolish them, or put in new members. Do not just set up a new agency to police the work of regulatory agencies. Get to the root cause of the difficulty.

In that connection, I approve of the President's plan to reform the existing Federal regulatory agencies to remove some of the red tape, some of the regulations, to cut through all this red tape and get to the heart of the problem.

Mr. MORGAN. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. MORGAN. I understand, of course, that it is the Senator's feeling that the agency should not be created and that it would create another level of bureaucracy for regulatory agencies. I think the Senator knows that I am not entirely in accord with that conclusion. I believe there is room for consumer advocacy in the Federal Government.

Long ago, as attorney general of North Carolina, I served as a consumer advocate before the Utilities Commission. Whenever power companies and telephone companies sought increases and when they came before those quasijudicial bodies with their lawyers, their accountants, and their economists to present their side of the case, I served as a consumer advocate, to present the opposing point of view, to the end that when the utilities commission reached its decision, it was a decision based on all the evidence that could be adduced.

Will the Senator agree that if we are going to have a consumer advocate on the Federal level who would represent in given cases the consuming public's point of view before any regulatory agency, it would be fair that they should be privileged to represent the consuming public before the Federal Communications Commission when a television station seeks to renew its license? In other words, if the consumer advocate is permitted to appear before the Federal Power Commission, will the Senator tell me why it would not be fair for that advocate also to represent the consuming public's point of view before the Federal Power Commission in a license renewal?

Mr. ALLEN. Taking into account that I do not want to see any of these proceedings turned over to an ACA administrator or a CPA administrator, I feel that the burden should be shared by all the agencies; and if it is good for one it would be good for another. I do not want to see it apply to anybody.

Mr. MORGAN. We used to say down home that what is sauce for the goose is sauce for the gander.

Mr. ALLEN. That expression has been heard in Alabama, too, I might say.

Mr. MORGAN. Perhaps I can give an illustration. Suppose we have a television station in a given area of the Senator's State or my State which enjoys a very special franchise, granted to it by the people of the United States, to occupy the airwaves on a given frequency. The same people of the United States, through its Government, limit the station's competition. The Senator from Alabama and I could not go into that community, in the same area, and establish a competing television station. Because a lack of competition is guaranteed to it by the Federal Government, that station has a certain responsibility to the public. Suppose that station neglects that responsibility. It does very little public service programing, and it limits its programing to just those programs that would bring in revenue.

Suppose, for example, it fails to cover the positions of political candidates seeking public office, because they are not able to pay $1,000 for a 10-second spot.

Then the station seeks a license renewal. Would it not be encumbent upon a consumer advocate—if this bill is passed—having received substantial information that this station was not meeting its public service obligations, to present those facts to the FCC, so that when the latter did rule on the license petition, it would have the advantage of and access to that knowledge? Would that not be reasonable?

Mr. ALLEN. I say again to the distinguished Senator from North Carolina—and I am sorry that he is not following in the footsteps of his distinguished predecessor, Senator Sam J. Ervin, Jr., who led the fight against the creation of this CPA agency—that I am mindful of his remarks and contention here with respect to this exemption.

I state again that I do not want to see the CPA harassing TV and radio stations in the matter of applications for renewal of licenses before the FCC. I do not want to see the matter of applications before the FCC covered by legislation. But I do take the position, as enunciated by the distinguished Senator from North Carolina, that if we are going to have the bill—and I say that we do not need the bill and we should not have the bill—it would seem to me to be fair to cover everybody alike. I believe there would be a good chance that if it covered everybody alike, the bill might not be enacted.

The other major exemption here is with respect to big labor and big business in their negotiations. The labor representatives have stated that if labor is covered by the bill, they are going to be against it.

I might mention that before the Committee on Government Operations, Mr. Nader, who opposes this exemption, appeared to testify, and I asked him why it was, since he had helped shape this legislation, an exemption was given in the matter of application for renewal of TV and radio licenses. This is what he said, appearing on page 124 of the hearings on this bill:

> That exemption was inserted in the bill because there are television stations and radio stations all over America who are organized through the National Association of Broadcasters who have great influence, particularly over some Senators of the Senate Commerce Committee.

I do not know whom he had reference to there on the Senate Committee on Commerce that the broadcasters have great influence over. I do not vouch for the accuracy of his statement; I am merely stating what the No. 1 consumer activist in the country is saying as to why this exemption was placed in the bill.

I might indicate my view that I do not want to see these radio or television stations harassed by consumer activists, or CPA for that matter. I supported, on the floor, the extension to 5 years, from the present 3 years, of the length of license for radio and TV stations. I do not want to see them harassed.

Mr. MORGAN. Will the Senator yield on that point?

Mr. ALLEN. I am happy to yield.

Mr. MORGAN. I was trying to get the Senator to inform me of some of the arguments that were presented in the committee, because I was not privileged to be there, and I see no one else is clamoring for the floor. First, let me preface my remarks by saying that, while I recognize that in some areas, perhaps Mr. Nader has served a purpose, I, for one, do not consider Mr. Nader to be the No. 1 consumer advocate in the country.

Mr. ALLEN. I said "activist."

Mr. MORGAN. I shall concede that he would claim that position.

Mr. ALLEN. I am willing to concede it to him.

Mr. MORGAN. Is the Senator telling me that that is the reason that was given in the committee for eliminating the broadcast community from the provisions of this bill, simply because they had influence over a number of Senators and that the bill might not pass if it were left in?

Mr. ALLEN. Well, I read what Mr. Nader had to say in the committee. He seemed to think it was a political decision whether to include them or not.

Mr. MORGAN. Again, I recognize the Senator's opposition to the entire bill——

Mr. ALLEN. And that includes coverage of the FCC procedures as well.

Mr. MORGAN. Assuming that that is true, did the Senator hear any convincing arguments in the committee as to why the communications area should not be included if others were going to be included?

Mr. ALLEN. Mainly, the contention was given that these proceedings have no marketplace transaction involved. That is what the consumer advocate proposed to represent. Of course, all matters—safety, health, interests of the consumer—are involved. But the fallacy of their statement that no marketplace transaction is involved is seen in the fact that the bill does still cover, and there is no effort to knock this out, the matter of original applications for licenses for radio and TV. They are covered, so how could they say that there is a marketplace transaction with respect to original applications and no marketplace transaction as to renewal applications? It seems that the argument has been exposed as being absolutely fallacious—it would seem to the Senator from Alabama.

Mr. MORGAN. Recognizing again the difference in our viewpoints under the original bill, would it be a fair conclusion to make that the reason there is an effort to exclude the communications community from the bill is solely political?

Mr. ALLEN. Well, I shall let the Senator form his own conclusion, but I would cite the statement of Mr. Nader to that effect.

I wish to resume this colloquy in just a moment, but first I ask unanimous consent, Mr. President, that I might yield to the distinguished assistant majority leader for 2 minutes for a unanimous-consent request and ask that, at the conclusion of that time, the floor be restored to me for the continuation of my first speech on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Alabama for his courtesy.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 4975.

The PRESIDING OFFICER (Mr. GLENN). The bill will be stated by title.

> A bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. What is involved in this bill?

Mr. ROBERT C. BYRD. I cannot explain, except to say that this measure was cleared on both sides of the aisle and it was my understanding that it could be passed by unanimous consent.

Mr. ALLEN. Mr. President, at the end of the 2 minutes, I should like to have the floor back. I have consistently opposed further federalization and Federal subsidy of the bankrupt roads of the Northeast. I wish to have an opportunity to check on this before I agree to its passage.

The PRESIDING OFFICER. Does the Senator from Alabama object?

Mr. ALLEN. I object to its immediate consideration.

Mr. ROBERT C. BYRD. Very well.

Mr. President, may I say that I plead to error in not clearing this with the Senator, because, now that I have called it up and he made reference to his opposition, I realize that I should have spoken to him about it, because he has——

Mr. ALLEN. There is no necessity for that, but the Senator does know my opposition to the Penn Central bailout.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. It was stated on the floor that to rebuild the bankrupt roads, it would take around $5 billion or $6 billion, and I am just wondering if this is another segment of that tremendous sum of money.

Mr. ROBERT C. BYRD. I know of the Senator's previous position on this matter, and I should have discussed it further with him.

Mr. ALLEN. The Senator from Alabama does not feel that way about it.

The PRESIDING OFFICER. Does the Senator wish the bill returned to the calendar?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Without objection, it will be returned to the calendar.

TIME LIMITATION AGREEMENT—H.R. 4700

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the NASA authorization, H.R. 4700, is called up and made the pending business before the Senate, there be a limitation for debate thereon of 1 hour, with a limitation of 30 minutes on any amendment, 20 minutes on any debatable motion or appeal or a point of order, in the event the Chair should submit such to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

> MAY 8, 1975.
>
> *Ordered,* That when the Senate proceed to the consideration of H.R. 4700 (Order No. 98), an act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order that is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment, motion, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not ger-

mane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Majority and Minority Leaders, or their designees: *Provided*, That the said Leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER FOR CONSIDERATION OF H.R. 4700 ON MONDAY AND FOR RESUMPTION OF CONSIDERATION OF S. 200

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of morning business on Monday the Senate proceed to the consideration of H.R. 4700, the NASA authorization, and that upon the disposition of that measure the Senate resume consideration of the unfinished business, S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 additional minute?

Mr. ALLEN. Yes, I am delighted to yield the Senator 1 additional minute.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum on the basis that the Senator from Alabama requested.

Mr. ALLEN. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the vote on the Cranston resolution today the vote occur on the Magnuson amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Alabama.

Mr. ALLEN. I thank the Senator from West Virginia.

Mr. President, on the point raised by the distinguished Senator from North Carolina, I have some prepared remarks that I wish to make with respect to the bill and the pending amendment, but I feel that colloquy with the distinguished Senator from North Carolina will be helpful for the RECORD.

It seems to the Senator from Alabama that the distinguished Senator from North Carolina adopts the theory of the Senator from Connecticut (Mr. WEICKER) with respect to this bill.

There are two conflicting theories with respect to the amendment. The Senator from Connecticut (Mr. WEICKER) says that this is a good bill and everybody ought to be covered; whereas the Senator from Virginia (Mr. WILLIAM L. SCOTT) has said it is a bad bill but since it is a bad bill an exemption should not be given to special interests—and that is what is involved here—but that all should bear the burden alike.

So, I assume the Senator from North Carolina adopts the reasoning of the Senator from Connecticut (Mr. WEICKER) that this is a good bill and everybody ought to be covered by it. Is that correct?

Mr. MORGAN. I say to the Senator from Alabama that I adopt the position that it is a good bill. If it is a good bill—and I believe it is—there is no reason why it should not be applicable to all segments of industry and of the economy.

I could give an illustration. Let us assume for the sake of illustration that the Virginia Electric Power Co. in North Carolina files a petition with the Federal Power Commission seeking to increase rates charged to municipalities. The Virginia Electric Power Co. serves a number of municipalities in northeastern North Carolina. As they come before the Federal Power Commission this necessarily places that Commission in what I would term a quasi-judicial capacity. They have to weigh the evidence, weigh the facts, and arrive at a decision.

Of course, here is the Virginia Electric Power Co. with all of its attorneys, economists, and accountants. They come before the Federal Power Commission. They say: "Here are the facts. Here is why we need a rate increase."

The individual small towns in northeastern North Carolina cannot afford to employ a $50,000 consultant or an economist here in Washington. It is an area of specialty.

If we are going to have it—and I grant that the Senator from Alabama does not agree that we should have it—but if we are going to have it, here is where a consumer advocate could come in with his expertise and play the adversary role and present the contradictory facts, and so forth, so that the Federal Power Commission could have access to both sides before arriving at its opinion.

In addition, the Federal Power Commission would not be placed in a position of sitting as judge and prosecutor at the same time.

Assume that this is true.

Now let us go to the Federal Communications Commission. You have a TV station that occupies a very valuable broadcast frequency. Of course, it is required by law to render a certain amount of public service, because of that special privilege that it enjoys. It comes before the Federal Communications Commission for renewal of its license. It comes with all of the expert attorneys. Here again, as the Senator knows, is an area of the law that there are very few experts in. So it comes with its attorneys and its witnesses to seek a renewal of its license.

The Federal Communications Commission has to accept at face value what this particular TV station says or it has to act as prosecutor and go out and see if it can gather up some evidence which seems to me to place the Federal Communications Commission in an untenable position. It is acting sort of as judge and prosecutor.

It seems to me that if it is fair to do it to the power company it would be just as logical for the consumer advocate to gather up what complaints or evidence it might have from the listeners and viewers in that listening area and to make a decision as to whether or not there is sufficient evidence to raise a question as to its public service, and then bring it in.

It would not be feasible for me or a dozen of us who happen to feel very strongly that it is not rendering a public service to employ attorneys and experts, because we would not have the time and money.

I am saying to the Senator that I feel very strongly that if we are going to subject the power companies, the telephone companies, and the business world as a whole to this procedure, I see no reason under the sun why we should not subject the broadcast community to the same procedure.

If I had to voice an opinion I would say it would be more important because, after all, they effect and mold public opinion, which has so much to do with the conduct of the affairs of this Nation.

If I might digress, with the Senator's permission just a moment to say to the Senator and to those few who might be listening how important the broadcast and print media are to the affairs of Government.

I was very much interested in the President's request for humanitarian and military aid to Vietnam. During the weeks preceding the vote on the floor of the Senate, I was very much concerned about the hearings held by the Foreign Relations Committee, but as the Senator well knows those hearings were in executive session so the public was not privy to the information that was heard inside of the hearing room.

Two weeks ago Monday we came into the Senate to participate in that debate, and just before I arrived a very small committee report was placed on my desk, which contained little more than the bill itself and very little record, I assume because so much of the information before the Foreign Relations Committee was sensitive.

I sat here all morning and listened to the debate. I listened to the distinguished chairman of the Committee on Foreign Relations make his presentation. I listened to a number of our other colleagues make presentations.

But I say to the Senator that at no time during the morning were there more than 7 Senators on the floor of the Senate, and during the entire debate on the bill proper there were no more than 10 different Senators.

So I have to assume that the remaining Senators cast their votes based upon the information and the impressions that they had gained from the news media.

Mr. ALLEN. It might be a good idea

to have this CPA prod the Senate a little bit, then, might it not?

Mr. MORGAN. It might very well, I say with deference to the Senator.

But I say if we are going to allow that much, it seems to me, they certainly should be subjected to close scrutiny as to whether or not they are fulfilling their obligation of public service they are required to fulfill in return for the special privileges that they enjoy.

I was wondering if the Senator has heard any arguments for the exemption of the broadcast media from the provisions of this bill that he would consider persuasive, if he were going to vote for the bill itself?

Mr. ALLEN. If I were going to vote for the bill I would want to include everybody, and for defensive tactics, I would want to have everybody included so that we could get some help from that area because, as I pointed out, big labor has said they are going to be against the bill if they are included, and there is an amendment coming up later on that.

I would say if the proceeding before the FCC on renewal of licenses is kept in the bill, we have some very fine friends there because Mr. Nader, in his testimony, pointed out that this decision not to include them was a political decision.

Mr. MORGAN. Senator, it has been a long time since I asked a hypothetical question in court, and I doubt if I could meet the qualifications, but if I could ask the Senator, assuming for the sake of this discussion the Senator felt the bill was a good bill——

Mr. ALLEN. Well, that would sure be a violent assumption, I will state to the Senator.

Mr. MORGAN. I grant the Senator that. But assuming that is true, can he see any logical reason why the broadcast media should not be included within the provisions of the bill?

Mr. ALLEN. If it is to cover any of the regulatory agencies it ought to cover them all. I think the solution is not having another echelon of Federal bureaucracy, more redtape, more expense, more regulation; I think the solution is reform of our regulatory agencies.

The President has called for that. I have a bill in to that effect which is before the Government Operations Committee, and I am hopeful we can get it out, and I believe that is the better way to reach this because if the regulatory agencies are botching their work, if they are doing a poor job, if their regulations are out of date, if they cause so much confusion, so much delay, we need to either reform the agencies, abolish the agencies, or find new heads of the agencies. That is the opinion of the Senator from Alabama.

Mr. MORGAN. On that point, I concede that we need some changes in the regulatory agencies, and I concede that we need to eliminate some of them. But is it really fair to the public or to the regulated industries to have an agency such as the Federal Power Commission sit as judge and prosecutor at the same time? Does not the Senator think it would be fairer to have an independent agency to present the opposing point of view from the industry so that then they could act more as an impartial and fair judge than it would be for the very agency that has got to pass on the issue to have to prosecute, too?

Mr. ALLEN. Well, I have never favored having any Federal agency serve as judge, jury and prosecutor. Another amendment that the Senator from Connecticut (Mr. WEICKER) is going to offer is going to put the proceedings before the National Labor Relations Board under the same thing, the negotiations between big labor and big business.

The answer has been given that they do not need ACA to help big labor and big business reach an agreement, so there is no occasion for a CPA or ACA administrator. But they overlook the fact that the public interest is involved, the consumer is involved, and why they should not be covered is similar to the situation with respect to FCC. So I am not in favor of any of these exemptions.

Of course, the National Security Council, things of that sort, things having to do with the security of our Nation, I would certainly not be in favor of having CPA nosing around in that.

Mr. MORGAN. I would agree with the Senator there.

But the Senator says he is not in favor of any regulatory agencies serving as judge, jury, and prosecutor. Let us go back to the Federal Power Commission which sets the wholesale rates that a power company charges to a municipality or to an REA group.

If the power company comes in and presents its case for a rate increase, unless we have this consumer agency, is there anyone else to present the opposing point of view unless the Federal Power Commission does it itself?

Mr. ALLEN. Well, the Federal Power Commission, I assume, are themselves experts in this area, and they have a tremendous staff to assist them in coming to a decision.

Mr. MORGAN. Does not the Senator agree, though, that it puts the Federal Power Commission and its staff in somewhat of a position of having a conflict of interest?

Mr. ALLEN. No, I do not think so. I think they are supposed to have the public interest at heart.

Mr. MORGAN. I know.

Mr. ALLEN. And I assume they do have it.

Mr. MORGAN. But, Senator, if the Federal Power Commission employs a staff or supervises a staff that is going to go out and seek the information and evidence that might contradict the power company, and present it before the Power Commission, it seems to me that it puts them in an awkward position to rule against what their staff says, because if they rule against the recommendations of their staff then they are expressing a lack of confidence in their own staff.

Mr. ALLEN. Well, I would think they would be acting through their staff. I think there would not be any conflict there that I can see.

Mr. MORGAN. If I may, Senator, pursue it further——

Mr. ALLEN. Yes.

Mr. MORGAN. And I will cut this off if I see someone else wishes the floor, and I will say to the Senator I will be presiding for the next hour and I will be interested in listening to his prepared remarks.

The North Carolina Utilities Commission has the responsibility of setting rates charged by the various utilities. It has a staff it employs which assists it in the day-to-day regulation of utilities. In the regulatory process it is necessary for them to deal with it on a day-to-day basis.

When a power company comes in seeking a rate increase, it seems to me that it puts that staff in an untenable position to have to oppose, first of all, the executives of a power company with whom they are dealing daily. You know, you build relationships; you learn to place trust sometimes—maybe erroneously—when you get to know somebody; but, certainly, if that staff goes out and brings in information and presents it to their bosses who are sitting as judges at that time, it seems to me the commissioners have got to either accept recommendations of their staff or be left in a position of expressing a lack of confidence in them.

Mr. ALLEN. At that point, I might say that it has been brought out here on the floor that 39 States have their own State consumer protection agencies and I would certainly not object if the good people of the State of North Carolina, acting through their duly constituted representatives in the legislature or in the Governor's office, would set up a local CPA.

That is the way I think it ought to be handled. If it is handled on a local basis, I would have no objection whatsoever.

Mr. MORGAN. I would say to the Senator, as attorney general of North Carolina, I did that.

Mr. ALLEN. That is fine, I am glad the Senator did.

I would like to see this operated on a local basis.

Mr. MORGAN. I would say to the Senator——

Mr. ALLEN. Maybe the hand of Washington, deciding what is best for the consumer, deciding what the consumer interest is, sometimes without regard to what the public interest is. I think it is an underlying interest and greater than the consumer's interest, and I think that is the public interest.

Mr. MORGAN. Well, I would say to the Senator that I did it in North Carolina. I did it before the utilities commission, with regard to rate requests by telephone companies, by power companies, by transportation companies, and so forth.

I also did it before the insurance commissioner, who sets the rates charged by insurance companies. I did it before the milk commission, on all regulatory agencies.

I would say that when I started doing

it in 1969 that the industry was extremely skeptical, but before I left office the president of Carolina Power & Light Co., came to me and said that it was the finest thing that had happened in the State. He said that if he could not prove by competent evidence that he was entitled to a rate increase, he did not think he was entitled to it.

But the difficulty is that as attorney general of North Carolina I could not undertake to represent the consumers of my State before the Federal regulatory agency.

I grant that we did on a number of occasions. For instance, I appeared before the Federal Power Commission on a number of instances in opposition to proposed rate increases to municipalities, but I could not undertake that on a national basis, because I was not equipped to do it.

Before the Federal Power Commission, we had a question of natural gas coming into North Carolina that affected not only North Carolina but Arkansas and other States, and I was not in a position to serve as consumer advocate, because to do so I would have had to move my one expert to Washington.

So as a result, we employed a Washington law firm at what I consider a very high fee. It seemed to me that this was a role that the consumer advocate could play on a national level.

As I understand, and I would ask the Senator who sat on the Judiciary Committee if I am correct, this bill prohibits the consumer advocate from intervening before State and local regulatory agencies, does it not?

Mr. ALLEN. Unless invited to do so, yes.

Mr. MORGAN. Unless invited.

Mr. ALLEN. Right.

Mr. MORGAN. So unless it is invited by a State or local regulatory body, this, in effect, would be doing on the Federal level what I as attorney general, attempted to do in North Carolina.

Mr. ALLEN. Well, if that is the way the Senator views it, that is fine. I understand the Senator is for the bill and he is against the amendment. I am glad that we have an area of agreement, that we are both against the amendment. We are against the amendment for different reasons.

I am against the amendment, because I feel that the whole bill is bad, that it ought not apply to anybody, but I feel that misery loves company and if it applies to regulatory agencies generally, there should not be a special interest exemption such as the bill has. It has two tremendous areas of special interest exemptions.

I might ask the distinguished Senator while we are talking about it, how does the Senator feel about the exemption of big labor and big business in their negotiations, how does the Senator stand on that?

Mr. MORGAN. I would say to the Senator that I am just as opposed to exempting labor and management from the provisions of this bill as I am of exempting the broadcast media or as I would be to exempting the power companies and telephone companies.

Mr. ALLEN. That is fine. I am glad to hear the Senator say that.

To sum up our positions in the matter, I believe that both of us want to see everybody included in the bill and then the Senator from North Carolina is going to vote for the bill and the Senator from Alabama is going to vote against the bill. I believe that would correctly——

Mr. RIBICOFF. Will the Senator yield, will both Senators yield for clarification?

Mr. ALLEN. Yes.

Mr. RIBICOFF. I have been following this with interest, and for clarification, the distinguished Senator from North Carolina asked concerning intervention in local and State matters.

Mr. ALLEN. Yes.

Mr. RIBICOFF. I would like to call attention to section 6(g) on page 88 of the report:

> (g) The Administrator is not authorized to intervene in proceedings or actions before State or local agencies and courts.

Section (h):

> (h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, providing information to, or providing assistance requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law or agency rules.

At one time, the first time the consumer protection bill was before us, there were provisions for grants to the States, and for direct intervention by the consumer agency in State and local agency and judicial proceedings, but as we went along that was deleted. It has been our thinking that on local matters, State and local agencies should generally handle their own problems, but they should be able to come to the ACA for information that they may have.

But I do not conceive of this agency particularly getting involved in purely State or local matters. I think they are going to have enough big problems to handle and their budget will be limited. I would be very reluctant to see the Federal agency get involved very much in local or State matters.

Mr. ALLEN. I understood the Senator to say that on request of the local agencies they could render assistance, is that correct?

Mr. RIBICOFF. Render assistance. I look at that as informational.

Mr. ALLEN. I see.

Mr. RIBICOFF. I do not look to them to send staff, or get involved in court proceedings, or even administrative proceedings.

The Senator from Alabama may recall that a number of representatives, I think a representative of Governor Dukakis of Massachusetts, and other attorneys general, came in and wanted the Federal agency to get involved, but the committee rejected the intervention or participation of this agency into State proceedings.

I just wanted to clarify the record on my thinking, because there was a colloquy taking place between the two distinguished Senators. I just wanted to clarify it.

Mr. ALLEN. Yes. I am glad to have the Senator make this explanation.

Quoting again from page 88 of the report:

> (h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, providing information to, or providing assistance requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law or agency rules.

So there is an area there, I fear, that the agency might possibly render more than just the giving of information.

Mr. RIBICOFF. Well, I am glad to have the legislative history included in our colloquy because as I would read (h) and (g) it is not my conception that this agency is going to really get involved in State and local matters.

I look forward to information they may have that they have accumulated, that could be made available, but I do not believe that this Federal agency should generally get involved in local or State matters.

Mr. ALLEN. I am glad to hear the Senator say that he would not feel, even at the request of a Governor or a State regulatory agency, that the Federal agency could intervene in any proceeding before a State regulatory agency.

Mr. RIBICOFF. On page 29 of the report it states:

> Section 6(g) specifically prohibits the ACA from formally intervening in proceedings or actions before State or local agencies and courts.
>
> However, section 6(h) specifically affirms the Administrator's authority to communicate with, provide information to, or provide assistance requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law. The nature, form and extent of such communication, presentations, and submissions will be determined by the particular situation although it must be in a manner consistent with other law. It is anticipated that the Administrator will consult with Federal, State and local agencies and courts on a wide variety of matters. In addition to providing such agencies and courts with information and technical services, the ACA will be able to express its views in an appropriate manner, such as an amicus curiae, on particular matters currently under consideration by such agencies or courts.

To me, I do not see it getting involved, and it is not my personal intention nor, I believe, the committee's, that they should get deeply involved in any State or local problems except providing information and technical assistance that they may have within the agency. I would be very disappointed if I found the ACA going into the State of Connecticut, North Carolina, or Alabama with local fights or local problems. That is not the job that I conceive this agency performing.

Mr. ALLEN. Does the Senator think, then, after having read the sections, that the committee report goes beyond the reading of the sections themselves? I refer specifically to the last sentence of the explanation of section 6(h), appearing on page 29:

> In addition to providing such agencies and courts with information and technical services, the ACA will be able to express its views in an appropriate manner—

Well, that is mighty close to intervening—

> such as an amicus curiae, in particular matters currently under consideration by such agencies or courts.

That is the nearest thing in the world to being an intervention. It is intervention as amicus curiae. Does the Senator feel that this report language goes beyond the language of the bill?

Mr. RIBICOFF. I do not contemplate that it should get involved in legal proceedings outside of making its position information known.

Mr. ALLEN. An amicus curiae brief is pretty well intervening, is it not?

Mr. RIBICOFF. I would expect amicus curiate to be used where information is asked for. As manager of this bill, looking to the legislative history for the future, this is the interpretation that I place on it, which I believe would take precedence over any doubts in the language of the report.

Mr. MORGAN. Will the Senator yield for a moment on that?

I wonder if the Senator would have any objection if somewhere along the line we offered some clarifying amendments to make this clear. I feel very strongly for the bill, but I also feel very strongly that the people in the State are better able to represent the interest of the consumer in that State. I do not think the Senator and I would transcend this line because we both respect State government. I am afraid too often bureaucrats do not.

Mr. RIBICOFF. May I say here that if the Senator's staff will meet with Senator ALLEN's staff and my staff, we can agree upon an amendment to clarify. The Senator can offer that amendment somewhere during the proceedings. I would check with Senator Percy, but personally I would be willing to accept such an amendment to clarify this.

Mr. ALLEN. I thank the Senator.

Mr. McCLURE. Will the Senator yield?

Mr. ALLEN. I want to pursue this for a moment.

The Senator does feel that there can be a construction on the report language that does go beyond the language of the bill itself?

Mr. RIBICOFF. Under those circumstances I am willing to accept the clarifying amendment from the Senator from North Carolina.

Mr. ALLEN. I thank the Senator.

Mr. McCLURE. Will the Senator from Alabama yield?

Mr. ALLEN. I am delighted to yield.

Mr. McCLURE. I am happy this matter came up. A matter which I raised in my own office among my staff is that the language of 6(g) is not as broad as perhaps it might be, and the language in 6(h), both of which appear on the bottom of page 17 and the top of page 18 in the bill, is perhaps too broad in the exceptions granted for the proceedings.

I note that the Senator, as sponsor of the bill and manager of the bill, has indicated that it was not his perception, and he did not believe that it was the committee's perception, that the ACA should become involved in proceedings before State regulatory agencies.

Mr. RIBICOFF. If the Senator will yield further, this was an amendment put into the bill by Senators PERCY and METCALF. I do believe that I would have an obligation to discuss it with Senators PERCY and METCALF. There will be time in the next few days, I would imagine, to straighten this out. We will notify Senator PERCY and Senator METCALF of the questions raised.

I will also indicate my perception of what this means. I will personally ask Senator PERCY and Senator METCALF to cooperate with the Senator from Alabama and see if we can clarify this.

Mr. ALLEN. I thank the Senator.

Mr. McCLURE. Will the Senator yield further on that point?

Mr. ALLEN. I yield.

Mr. McCLURE. I believe when we look at the language of both sections 6(g) and 6(h) that in the amending process it is perhaps possible to define the limitation or the extent of participation more closely than has been done here. I am happy that it appears we are able to do that. I hope we are able to do it. I have an amendment prepared which goes to that issue. I will be glad to work with the Senator from Alabama and the Senator from North Carolina, and any others who are interested in this matter, trying to more carefully proscribe the actions.

I will give one example of the concern I have under subsection (h). While I believe it is clear that the intention is that they shall provide that information and assistance upon request, that they should be given that authority, I am not certain that the language or the construction of the language necessarily is confined to their responding to a request by the court or the agency. They might be able to act on their own to provide that information. I do not think that is the intention of the committee, if I understand this colloquy correctly. I believe we can define the language to clearly state that.

Mr. RIBICOFF. If the Senator from Alabama will yield further, just talking for myself it is not my intention, and it never has been, to have the ACA get involved in purely local and State problems. In doing so, the whole concept of interstate commerce, the concept of what a Federal agency is as it relates to the State, would be destroyed. I believe there is enough to be done at the Federal level and enough to be done at the State and local levels. I do not want to place the burden of local and State problems on the shoulders of this Federal agency. The distinguished Senator from North Carolina, as an attorney general of North Carolina, has really been one of the most knowledgeable men and also one of the leaders in the role of the State to protect the consumer. He is very well qualified in understanding the differential.

I would hope that the States and localities would assume their responsibility on purely State and local matters. Heavens knows there are enough problems on the State level and there are enough problems on the Federal level. I do not want to see the ACA administrator get involved in all the local problems that we have in the 50 States and the innumerable localities.

I am sure that, with the thoughtful guidance of the Senator from North Carolina, we can work out an amendment that will satisfy all of those who have taken part in this colloquy, but I do feel I have an obligation to call this to the attention of both Senator PERCY and Senator METCALF. I will specifically request that they meet with the Senator from North Carolina.

Mr. ALLEN. I thank the Senator. The Senator is always very fair in all matters having to do with the procedure on a bill.

Mr. MORGAN. I thank the Senator from Connecticut.

If the Senator from Alabama will yield for one more moment, before I assume the Chair, would it be an unreasonable conclusion to draw from our discussions and from what the Senator from Alabama has read from the report that those who would exempt the broadcast media from the provisions of this law intend to do so on the ground that it might enhance the chances of the bill passing, and that the Senator's reason for including it would be that it might enhance the chances of the bill being defeated?

Mr. ALLEN. That conclusion could be reached. I assume that the Senator has reached that conclusion.

I do not believe that the Senator from Alabama is as enthusiastic in his opposition to the amendment as is the Senator from North Carolina. We have different reasons for opposing it.

I feel that if these special interest exemptions could be knocked out, the bill would not pass. That is the judgment of the Senator from Alabama. He wants to defeat the bill.

I thank the distinguished Senator for his very valuable contribution to this colloquy.

Mr. President, why is this exemption so cynical? Because, as the New York Times has said:

> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the proposed agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.

I have examined the history of these ACA proposals over the last few years, as those who have read my views in the report on S. 200 must realize. I found that, from the inception of the ACA concept—it was formerly the CPA—it was recognized that Federal involvement in labor disputes and agreements had a major impact on the interests of consumers. And, it was specifically intended that the ACA should make a contribution by getting involved in those areas.

Big labor gave its unqualified endorsement to these early ACA proposals. They did, that is, until it was pointed out to the AFL–CIO associate general counsel in the 92d Congress that proceedings of the National Labor Relations Board, and the Federal Mediation and Conciliation Service were covered.

Thus, in the 92d Congress, when our Government Operations Committee later reported out an ACA bill in 1972, the bill was silent on the labor issue. But, the report on that bill gratuitously stated that NLRB proceedings are "beyond the jurisdiction" of the ACA. How that conclusion was arrived at was a mystery. Our revered former colleague, Senator Sam J. Ervin, however, noticed this attempted rearrangement of the legislative history, and proved that such proceedings were clearly covered by that bill.

Then, in the 93d Congress, with the exemption cat out of the bag, the Senate ACA bill was reported with a partial exemption for labor. The exemption prohibited the ACA from using its advocacy rights in labor disputes—but allowed the ACA to gather and disseminate information about such matters.

Now, in the 94th Congress, the labor advocates have grown bolder and more demanding. Or, in the view of the New York Times, they have grown more cynical. Now, there is a complete exemption for labor disputes in this ACA bill.

The ACA cannot advocate on labor issues.

The ACA cannot investigate labor issues.

The ACA cannot disseminate information concerning labor issues.

Insofar as the ACA is concerned, labor issues do not exist.

We are asked by the advocates of this special labor exemption to believe, despite numerous Supreme Court rulings that labor disputes are public interest matters greatly affecting consumers, that Federal adjudications of labor disputes are private matters; that there is neither a public interest nor a consumer interest involved in such disputes. This will seem strange to the consumers of Puerto Rico or of Hawaii who remember being cut off from access to many of the necessaries of life by a dock strike.

Indeed, all consumers may wonder why the President invokes an 80-day cooling off period when a national railroad strike is threatened. Why, they may ask, should a President be permitted to involve himself in such private matters?

Those of us who question this exemption are asked to forget that the National Labor Relations Act, which establishes the National Labor Relations Board and the Federal Mediation and Conciliation Service, expressly states that labor disputes and labor agreements can and do burden interstate commerce to the point of restraining availability of consumer goods and affecting their prices.

We are asked to forget what the New York Times has reminded us of—that the records of the NLRB abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition.

Pushing up prices, we are told, has "no appreciable relationship to any marketplace transaction."

Limiting competition, we are told, has "no appreciable relationship to any marketplace transaction."

Cutting off access to the market, we are told, has "no appreciable relationship to any marketplace transaction."

Is it any wonder that, as the New York Times tells us, for the Senate to submit to coercion in this exemption would be politics at its most cynical?

That is a pretty broad statement, I do not always agree with the editorials of the New York Times. I disagree more often than I agree with their editorials. I agree with this one.

Is is any wonder that, as the New York Times tells us, for the Senate to submit to coercion in this exemption would be politics at its most cynical?

In other words, we have two special interest exemptions here in order to pass this bill. I suppose it will be conceded that if these exemptions were stricken, if it were made to apply to everybody, the bill would not pass. So, to save the bill, to get this agency created, the drafters of the bill grant two tremendous loopholes, two tremendous areas, of noncoverage. The New York Times says that is cynical action on the part of the Senate.

I do not favor the creation of this agency. I do not want it to apply to labor-management disputes. I do not want it to apply to the FCC in the matter of application for renewal of TV or radio licenses. I do not believe it is necessary. I believe it is just another addition to any already bloated Federal bureaucracy. But I say that if this is an idea whose time has come, as the proponents of the measure say, let us put everybody under it. Let us see then if it will be an idea whose time has come, or whether it will fall of its own weight.

Everybody seems to be for it as long as it does not trouble them. Anybody who gets covered by it immediately becomes an opponent. I should like to see these special interest exemptions eliminated, put everybody on the same basis. Equal protection of the law—we hear all that said cynically, and then they proceed to do just what they want to, grant two tremendous special interest exemptions in order to pass the bill.

I do not believe in playing ball that way. If it is a good idea, if it is something that is in the public interest, if it is something that is in the interest of the consumer, let us make it applicable to all proceedings before all Federal agencies. What could be wrong with that? But to grant these two special interest exemptions is certainly not in the public interest, as the Senator from Alabama sees it.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and, when the proceedings under the quorum call have been rescinded, that the floor be restored to the Senator from Alabama, with the resumption of his remarks constituting a continuation of his first speech.

The PRESIDING OFFICER (Mr. MORGAN). If there is no objection, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, there is another cynical exemption in this bill. But, to find it, we must read the majority report accompanying S. 200, for the exemption cannot be found in S. 200 itself. As introduced, this bill stated:

> This Act shall not apply . . . to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license. . . .

This provision was controversial, because television viewers, and radio listeners are consumers, and they are as much in need of protection as any others.

In committee, this controversial provision was stricken on a rollcall vote. A reader of the original committee report on S. 200 could not have known this because the vote and its true subject matter were not shown. I am gratified, however, that a corrected report has been printed to comply with the clear requirement of the Legislative Reorganization Act of 1946. The star print records the vote that clearly removed this exemption.

But, more importantly, and more cynically, the new report continues to allege that FCC license renewals were removed from the bill for the reason that it "was the committee's judgment that a broad, across-the-board exemption should not be explicitly provided for in the act."

Inexplicably, the report continues—and I read from page 46 of the Star Print—

> The Committee's decision not to include the provision should not be interpreted, however, as expressing an intent that the Act's definition of consumer interest be interpreted in such a way to include license renewal proceedings.

This is simply an incredible attempt to rewrite history, as the transcript of the markup session will clearly prove.

This raises no less a question than who is legislating. Is the committee staff to be permitted, by creating nonexisting motives to senatorial action, to undo the action of the peoples' elected representatives?

When the Senators on the committee vote to remove a special interest provision, can the special interests have it put back through the committee staff? The Senator from Alabama has reviewed the Rules of the Senate and can find no provision giving the staff of my committee a veto over senatorial committee action. This action is simply unconscionable. It is an example of the type of twisted advocacy we can expect from an ACA.

This Senator was present. This Senator participated in committee discussion. This Senator voted on this provision. When he did so he was not informed by the committee staff that his vote was a useless act. He was not told by the committee staff that they would decide after the vote whether or not they would allow his vote and the votes of Senator CHILES, Senator NUNN, Senator BROCK, and Senator WEICKER to be effective.

The report continues, and I quote again—

> In license renewal proceedings, generally, the issues contested involve questions of free speech, fairness in broadcasting, equal time provisions, racial discrimination, and other aspects of the broadcasters obligation to serve the public adequately. Such issues do not relate to marketplace transactions, and since there is no commercial transaction involved between a licensee and a consumer, there is no direct consumer interest involved in the license renewal proceeding.

That is the argument that was made in the committee prior to the vote to remove the exemption. It is not an argument advanced by anyone who voted to remove the exemption. That was not the majority view. That is the view that was stated and voted down in committee.

It is also not the view of the courts. The right of public participation in FCC license renewal proceedings is founded on the landmark Church of Christ cases. It is instructive to review the series of cases which made up the public challenge to license renewal there, and to examine the court rationale for allowing standing to the challenging group of consumers. I now read an excerpt from the opinion of the court at 359 F 2d at 1004–1005:

> (U) nless the listeners—the broadcast consumers—can be heard, there may be no one to bring programing deficiencies or offensive overcommercialization to the attention of the Commission in an effective manner. By process of elimination those 'consumers' willing to shoulder the burdensome and costly processes of intervention in a Commission proceeding are likely to be the only ones 'having a sufficient interest' to challenge a renewal application. The late Edmond Cahn addressed himself to this problem in its broadest aspects when he said, 'Some consumers need bread; others need Shakespeare; others need their rightful place in the national society—what they all need is processors of law who will consider the people's needs more significant than administrative convenience.

That opinion, incidentally, was written by then Circuit Judge Warren Burger. I submit that the present Chief Justice's view of the law is more authoritative than that of some anonymous committee staff person who considers a Senate committee vote of no consequence.

That court also appears to have been swayed by the estimate that viewers—the consumers—at that time, nine years ago, had a $40 billion investment in TV sets—not to mention radios. It appears to me that 40-billion-dollars-plus represents a sizable marketplace interest of consumers. If any interests of consumers are to be advocated by an ACA, I do not know how a more-than-40-billion-dollar interest can be ignored.

Of course, if we are to believe the insidious special interest language in the committee report, we must assume that TV sets are no longer bought in the marketplace. Or, perhaps, that TV broadcast licenses have no relation to the programs appearing on TV sets. Or, perhaps, that consumers buy TV sets as piece of furniture, and never turn them on. Or that TV commercials do not exist.

When Mr. Ralph Nader testified on S. 200, I asked him if there was a consumer interest in granting licenses and renewals of licenses to TV and radio stations. He said there was, and he agreed to endorse an amendment to remove the FCC license renewal exemption from S. 200. I sometimes do not agree with Mr. Nader, but I think it is clear that when he says TV viewers are consumers he speaks with more authority than whoever is responsible for the special interest language in the majority report which overturns the vote of five duly elected U.S. Senators.

We have thus far been discussing exemptions—both overt and covert exemptions. There is in this nefarious bill yet another type of novel exemption. This is an exemption by inclusion.

In the definition section of S. 200, the term "consumers" is defined. Within that definition it is given that, and I quote:

> "Consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for . . . agricultural . . . purposes.

By this provision, it was intended that individual farmers are to have their interests protected by the ACA. Now, these are hard times for the American farmer. And I would like to see him get all the help he can. However, I do not think that the ACA is the kind of friend farmers—or anyone else—need right now. Some other time, maybe, but not just now.

In my judgment, the Agency for Consumer Advocacy would be greatly influenced by consumer activist organizations such as those which take expensive full page ads in the Washington Post drumming up support for ACA legislation. The farmer as a consumer will not find himself getting much representation from any such ACA. But, the farmer as a farmer will have to contend with an ACA attempting to reduce the price of food and fiber—a reduction which will run counter to the farmers' interest as a producer of our basic commodities.

The prestigious farm publication, the Progressive Farmer, cogently and accurately discussed the representation farmers could expect from an ACA shortly after last year's debate on similar legislation. The magazine stated:

> Originally, farm programs were to be one of the major targets of the proposed new agency. But when it became apparent that the ACA bill was dying in the Senate (in 1974) its proponents appeared to back away from their opposition to such programs. They offered to amend the bill's application to agriculture. First, they would amend the bill's definition of consumers to include working farmers. With its awesome authority such an agency could be a powerful advocate of farmer interests. But think a minute, what friend of agriculture would want a powerful group of consumer activists . . . as the farmer's strongest advocate in Washington? It would be too much like appointing a weasel to protect the interests of a coop of chickens.
>
> In a conflict between farm income and consumer food supply, it is a good bet an administrator of an agency set up to protect consumers would decide the issue against farm producers.

S. 200 allegedly exempts farmers from attack by including them as beneficiaries of this super advocate. The cynical approach this bill takes for farmers would be like making George Meany the lobbyist for the U.S. Chamber of Commerce.

In the coming days, I would like to discuss the need for regulatory reform. The sponsors of this legislation seek to improve the performance of the Federal bureaucracy as it affects consumers. While we can agree on the need for improving the performance of Federal agencies, we have philosophical differences concerning how this objective should be achieved. Whereas the supporters of S. 200 believe that creating a new Federal agency will inspire the existing Federal agencies into an improved performance, I maintain that this approach will not achieve the end sought.

What is needed is not a new super Federal agency.

What is not needed is an additional bureaucratic layer to sugarcoat the existing bureaucracy.

What is needed is reform of the existing Federal agencies so that their performance will be improved; so that they will achieve what the Congress which created them desired that they achieve.

Fattening the Federal bureaucracy simply will not work. Proper streamlining of the existing bureaucracy will result in increased performance, with reduced Federal drag on the taxpayer, and added responsiveness to resolving the problems that Government should resolve for the people.

Mr. President, there are so many things wrong with S. 200. I hope we have an opportunity to discuss some more of these in the coming days. On another occasion I would like to talk about some of the things that are wrong with what has been left in the bill. For today, I just wanted to discuss what is wrong with some of the things that have been left out of this bill—cynically and seemingly deliberately left out.

As this debate on S. 200 progresses, however, I ask all Senators to consider seriously whether we should, as a first order of business, amend section 1 so that we may forever refer to this proposal as what it is, the Exemption Protection Act of 1975.

Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

Mr. BARTLETT. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

ORDER FOR ROLLCALL VOTES TO OCCUR BEGINNING AT 2:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the rollcall vote which was to occur today at 3 p.m. on the resolution by Mr. ALLEN and Mr. CRANSTON occur at 2:30

p.m. instead, and that the vote on the amendment by Mr. MAGNUSON occur immediately thereafter; of course, with the understanding that if there is an amendment to the Magnuson amendment, that the amendment would be allowed to come in for a vote prior to the vote on the Magnuson amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Will the Senator from West Virginia yield for a suggestion?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. I suppose that it is possible, although perhaps it will not happen, that there could be an amendment or amendments to the Cranston resolution.

There could also, as the Senator from West Virginia has indicated, be an amendment or amendments to the Magnuson amendment.

Would the Senator want to perhaps provide that following the first vote in that regard that the other votes, back to back, would be 10-minute votes?

Mr. ROBERT C. BYRD. Yes, I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON MONDAY, MAY 12, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS ON MONDAY, MAY 12, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on Monday, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR WEICKER TODAY AND FOR VOTE ON WEICKER AMENDMENT AT 4 P.M. ON MONDAY, MAY 12, 1975.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the vote on the Magnuson amendment today, the distinguished Senator from Connecticut (Mr. WEICKER) be recognized to call up an amendment, and that a vote occur on the Weicker amendment on Monday at 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT NO ROLLCALL VOTES OCCUR PRIOR TO 4 P.M. ON MONDAY, MAY 12, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes on Monday prior to the hour of 4 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTES ON THE NASA AUTHORIZATION BILL, IF ORDERED, TO OCCUR IMMEDIATELY FOLLOWING VOTE ON THE WEICKER AMENDMENT ON MONDAY, MAY 12, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if rollcall votes are ordered on the NASA authorization bill or amendments thereto on Monday, they occur in proper sequence, but immediately following the vote on the Weicker amendment at 4 o'clock p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR 30 MINUTES OF DEBATE ON CRANSTON RESOLUTION TO BEGIN TODAY AT THE HOUR OF 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be 30 minutes allowed for debate on the Cranston resolution today, such debate to begin at the hour of 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE 1 HOUR UNDER RULE XXII BEGIN RUNNING ON TUESDAY, MAY 13, 1975, AT 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under rule XXII on the motion to invoke cloture begin running on Tuesday at the hour of 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would mean, Mr. President, that at 3 p.m. the automatic quorum call would occur, to be followed immediately by the automatic rollcall vote.

Mr. GRIFFIN. Will the Senator yield? I have another suggestion for the majority whip.

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. Can we get the agreement now that all amendments at the desk at the time of the vote on cloture will be considered as having been read and qualified under the rule?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all amendments at the desk at the time the vote begins on the motion to invoke cloture on Tuesday next be considered as having met the reading requirement under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent Consumer Agency to protect and serve the interest of consumers, and for other purposes.

CLOTURE MOTION

Mr. RIBICOFF. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. 200, the Consumer Protection Act of 1975.

Abraham Ribicoff, Jacob K. Javits, Quentin N. Burdick, Walter D. Huddleston, Charles H. Percy, Lowell P. Weicker, Jr., Warren G. Magnuson, Gale W. McGee, Thomas F. Eagleton. Mike Mansfield, Edward M. Kennedy, Edmund S. Muskie, Alan Cranston, Thomas J. McIntyre, Henry M. Jackson, James Abourezk, Wendell H. Ford, Harrison A. Williams, Jr., Robert C. Byrd.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that during consideration of the pending legislation George Shanks, of my staff, be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, the provisions of the legislation to create an Agency for Consumer Advocacy has an implication that the existing agencies are not representing all the people of this country, all the consumers, and certainly every citizen is a consumer.

I think it is important to realize that in representing all the people, an agency is going to be representing consumers of varying points of view. But I am afraid that there is an implication in this legislation that the points of view of all consumers can be represented.

If an agency or administration does not do a balanced job of representing the varying points of view of its citizens, and certainly respecting the point of view of the minority, then, of course, it can be replaced in the ballot box. A new President, new heads of agencies and departments would follow, and a different approach to representing varying points of view would take place.

I think it is silly to think that any agency can represent everyone's point of view.

Ideally, agencies should represent interested parties by listening to the varying points of view and the weighing of them very judiciously.

Those who are proposing a bigger government here, should point out that with an increase in the bureaucracy there will be an erosion of freedom of the individual.

It is just not possible to add another layer of bureaucratic control which is going to result in the United States versus the United States and which is certainly going to be disruptive within the bureaucracy as well as without, reducing the freedoms of the individual.

I believe it raises the question of who is a consumer. A consumer, in my opinion, is every single citizen of this country. We know that consumers have varying points of view. For example, I know that some consumers want to have available to them, with every purchase that they makes, the lowest possible price that can be achieved, period. And if a controlled price is more than a free market price, they want the lowest possible price.

If they are thinking about the supplies of the particular item, they are going to be aware that, with a very low price, they are also going to be working toward shortages of that particular item.

On the other hand, there are those consumers who want to pay the fairest price possible which will also bring on sufficient supplies to replace the item that is consumed, and perhaps, if there is a shortage, to maximize the forces of the market to increase domestic supplies to the maximum.

This is a different point of view, and these points of view are represented in this body today. The different points of view are perhaps represented in many, many ways, but certainly in two striking ways, by the elected representatives of the people from the various States in the two houses of Congress.

One is a representation of individuals and sometimes groups who have certain complaints about regulations that are formed resulting from specific legislation, or from specific administrative acts of various agencies. The representative of a district or State may very well feel that the case in question deserves his checking with the proper department head, Cabinet officer, or whoever it may be, to make certain that the law is properly enforced and administered, and that the rights of individuals who may be in a minority position are properly handled.

The representative of the people in this body also will frequently differ with other Members of the body in representing their citizens, who are consumers, regarding legislation. I believe every Member of the body is at one time or another in the minority vote. So each person realizes that there are questions and viewpoints on which he has strong opinions which are in the minority.

I believe that the proposed Consumer Advocacy Act will tend to be divisive because it is going to have the tendency to represent one consumer over another and not, in my mind, to advocate a balanced position of representing all consumers. It is going to represent a consumer point of view, and this point of view would probably be the majority point of view. So there is going to be a strengthening of the majority position in interpreting the laws that are passed by the majority and tending to violate the points of view and perhaps even the rights of the minority.

Certainly, the new agency created would be interpreting the acts of Congress, interpreting the laws signed by the President, and interpreting the intent of Congress from a point of view that is bound to be prejudiced and is bound to be, in most cases, representing the majority viewpoint while entirely neglecting the minority.

We hear a lot about protection. Certainly the big city hoodlums offer all kinds of protection with little concern for the wishes of the protectee.

I believe that the Members of Congress will be abdicating their responsibilities as representatives of all the people of varying points of view if they see fit to pass this legislation. There will not be the balanced position that I think is taken with Democratic and Republican administrations alike in the administration of the various and many bills which have been passed for the protection of the consumer, and for the interests of the citizens of this Nation.

There should always be, in the passage of this type of legislation, an interest paid to the desires and the point of view of the minority. I believe in the administration, whether it be Democratic or Republican, there is a very conscious realization that there is another point of view that should be considered. I am afraid that this point of view is going to lose some of its advocacy with the passage of this bill.

I am concerned, too, that some pressure groups are not always objective in their purposes. Certainly, most pressure groups are organized for a particular purpose. I am aware that many and perhaps most of those purposes are worthy. But sometimes a stated purpose can be a camouflage for another purpose, a coverup. I believe that quite often some are dedicated to a single aim, perhaps with little concern of how others may be affected.

Sometimes there is an effort to use something such as consumer protection as a smokescreen to hide the real purpose.

While this agency is operating as another layer of bureaucracy in our Government, as another agency, it can be very constructive to a balanced approach.

Certainly there are those who have a point of view, in my opinion, which is contrary to the best interests of private enterprise. This could become—and I do not know that it will—a goal—under the so-called best interests of the consumer—of such an agency.

I am concerned that there is not going to be the responsiveness of this agency to the very opinions and desires of the citizens of this country, those who would be in the majority on a particular consumer question and those who would be in the minority, who would disagree. I think it is vital to keep alive the kind of government we have which goes out of its way to have a check and balance to represent the point of view of the minority on any particular question.

I believe that if we pass this legislation today or tomorrow and it becomes law, that those who are supporting it will be abdicating a very important role they play in representing their citizenry, in representing their consumers.

This Government agency could very well favor the majority consumer point of view over the minority consumer point of view.

I believe that this could be extremely divisive among citizens, as well as very divisive and confusing within the bureaucracy itself.

Normally, with an administration, there is a certain point of view of representing American citizens that tends to be a part of the total effort of all the various departments and agencies of that administration, reflecting the votes of the previous election. It might be that this particular consumer agency would not be in tune or in line with that point of view which would be a reflection of the majority wishes of the citizens of this country.

So we must realize that a very big measure of freedom will be withdrawn from individual actions with the addition of this agency—more red tape, more brakes put on individual initiative in business and free enterprise. There will be more false starts and less opportunities to innovate, to have a differing point of view put into effect, to compete in the market place of opposing points of view.

So, Mr. President, I call upon my colleagues in the Senate to reason very carefully concerning this important measure and to decide whether or not they are giving up some of their responsibilities, as representatives of the people, by supporting it. I believe that a vote for this measure by a Member of Congress, by a Member of this body, is a vote to back away from the responsibilities that a Senator has.

Mr. President, I know that Senators agree with me that no Member of the Senate adds more to the value of debate of important issues than the Senator from Alabama (Mr. ALLEN). The Senator from Alabama makes some cogent points on the legislation to create a Federal Agency for Consumer Advocacy that are highlighted in a column by Baxter Omohundro in the Florence Times-Tri-Cities Daily, of May 4, 1975.

Mr. President, I ask unanimous consent that the article may be printed in the RECORD in its entirety so that Senators may consider his sound logic.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALLEN SEES CONFLICTS IN CONSUMER BILL

(By Baxter Omohundro)

In a little-noticed dissent, Alabama's Sen. James B. Allen has taken measured and emphatic exception to a bill aimed at creation of a federal Agency for Consumer Advocacy.

Allen spelled out his objections to the bill and the sprawling bureaucracy it would create in a report issued last month by the Senate Committee on Government Operations, of which he is a member.

The Alabamian points out that the bill's objectives are most noble: To centralize the federal government's consumer advocacy. Such activities now are scattered among scores of bureaus, agencies, offices and commissions throughout the federal establishment.

Many of these, as Allen and proponents of the bill point out, are cast in the dual and conflicting role of representing both the consumer and the interests with which the consumer must deal. A prime example is the Agriculture Department, which is supposed to represent both farmers and the people who use their products.

Calling it a "pitiful, flightless thing," Allen contends the proposed Agency for Consumer Advocacy not only would not solve these problems but would create more. Some examples:

Funding for the first three years of the agency has been estimated at $60 million, adding yet another burden to consumers at tax time.

The bill forbids the agency from taking cognizance of labor disputes, even those frequently having direct and heavy impact on consumers.

The agency would have the power to obtain and publish the trade secrets submitted by business to various regulatory agencies for review. The confidentiality of such information is protected under existing law.

Creation of the agency would create "federal guerrilla warfare" by pitting one federal agency against another and resulting in court battles to determine who speaks for the government.

If consumers cannot afford the time or money to appear before existing regulatory agencies, it's doubtful they'd be able to do so before the proposed agency.

The agency would further contribute to inflation by adding to the current "serious overregulation of commerce."

In the torrent of information flowing daily from the nation's capital, Allen's views received scant attention at the time or even later.

Yet one of the points made in his dissent merits detailed examination by the Senators and news media executives who are pressing for a federal "shield law."

The shield law, being vigorously pushed by Sen. Alan Cranston of California, is aimed at guaranteeing reporters greater protection for the confidentiality of their news sources so that they may better inform consumers of matters directly affecting them.

Allen believes the proposed Agency for Consumer Advocacy could "demand names of sources or other material accepted in confidence" by the news media, since these are not exempted from the scope of the agency's powers.

If Allen is correct, the consumer advocacy act would be directly in conflict with the shield law, and the result surely would be long and tedious litigation during which provisions of both legislation would be, for all intents and purposes, moot.

Mr. GARN. Mr. President, the Senate is currently deliberating what I consider to be another Government monstrosity in its worst form—the Agency for Consumer Advocacy. The American people need less Federal Government, not more. As a recent editorial in the Salt Lake Tribune points out "the idea of imposing another Federal bureaucracy on the already overcrowded consumer protection endeavor is as faulty today as it was 14 years ago" when consumer protection legislation was first introduced.

Consumers do not need another agency to protect them from the existing ones. ACA attempts to do this. I ask unanimous consent that the Tribune editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune, Apr. 30, 1975]

No Need for Super Bureaucracy To Protect U.S. Consumers

Ever since 1961 when the late Sen. Estes Kefauver, D-Tenn., introduced a bill to establish a Department of Consumers, proponents of a giant consumer advocate agency have been at work. But the idea of imposing another federal bureaucracy on the already overcrowded consumer protection endeavor is as faulty today as it was 14 years ago.

Legislation now in Congress, though as yet not approved by either chamber, would create an all-powerful Consumer Protection Agency (CPA) charged with representing the "consumer" before other federal bureaus (already laboring in the public's behalf) as well as carrying on a host of other busy work.

On the surface the CPA idea seems to have some merit. But a closer examination of the proposed legislation and existing agencies in the consumer protection field dispels the superficial attraction.

Among the federal agencies dedicated wholly or in part to protecting the consumer are the Office of Consumer Affairs, Consumer Product Safety Commission, Federal Trade Commission, Food and Drug Administration, General Services Administration, Agricultural Marketing Service and the Animal and Plant Health Inspection Service.

Proponents of the CPA are asking consumers—which under the proposed legislation's definition of a consumer includes everybody—to believe that these and other existing federal, state and local consumer police have failed miserably.

At the very least it is implied that a superprotector must be created to ride herd on the established guardians. But the record does not justify such an assumption. Old line agencies have by no means been perfect but neither have they been the massive failures CPA sponsors would have the public believe.

CPA backers also lean heavily on the premise that most American businessmen are out to bilk their customers in one way or another. Here again the record shows a good deal of chicanery by producers and distributors but nowhere near a level to warrant establishment of a new federal agency with authority so all-encompassing that more mischief than benefit would probably result.

Despite what the advocates of a CPA say, American consumers are not the helpless victims of unscrupulous producers. Some areas of protection should be shored up and others require more staff to implement their regulations. But the need for a super-agency in the consumer field simply has not been demonstrated.

Those in Congress and out who are bent on bringing another bureaucracy to Washington in the name of the poor, sitting duck consumer, would do better to direct their energies toward improving the functions of those watchdogs already on the premises.

Mr. FANNIN. Mr. President, I rise in opposition to S. 200, the Consumer Protection Act of 1975.

In this period of economic crisis, energy crisis, and various international crises, we are called upon to again consider a bill which has been almost continually before us throughout my service in the Senate. True, we continue to change the name, but the purpose, powers, and administration remain the same. It has been called a Cabinet-level Department of Consumer Affairs; the Office of Consumer Affairs in the Executive Office of the President; a Consumer Protection Division in the Department of Justice; the independent Consumer Protection Agency; and now the Agency for Consumer Advocacy—ACA.

Advocates of the bill argue that consumer interests are not now properly protected by the Federal Government, even though some 33 agencies and departments now operate more than 1,000 consumer-related programs.

The contention is that these agencies too frequently pursue regulatory paths more favorable to business than to consumers. If that is really the problem, Congress should insist that the present agencies do their jobs properly. That would be a responsible, efficient, economical approach. It is irresponsible for Congress to add another level of bureaucracy to an already burgeoning Federal bureaucracy.

During the last decade, Congress has reacted to consumer protection demands by enacting many new, laws creating new Federal agencies. To mention a few of the better known agencies over which the new agency would become a superagency; National Commission for Product Safety; Fair Packaging and Labeling Act; Product Safety Administration; Occupational Safety and Health Administration; Interstate Land Sales Act; Truth in Lending Act; the Environmental Protection Agency; the Clean Air Act; the Ban and Warning on Cigarette Advertising; the Radiation Control Act; the Federal Energy Office; Interstate Protection System for Wholesome Meat, and the Legal Services Act.

Earlier created, but recently more active and effective, we have: the Food and Drug Administration; the Federal Trade Commission; the Federal Communications Commission; and the Security & Exchange Commission.

Mr. President, speaking as a consumer, I sometimes feel already overprotected.

I wish I could have added the National Labor Relations Board and the Mediation and Conciliation Service, but this year and last year, agencies dealing with labor and unions are specifically exempted, presumably because this bill could not possibly pass without the support of big labor. Yet I can think of nothing which hurts the consumer more than the increased costs if not unavailability of products than a secondary boycott, a jurisdictional strike or a recognition strike.

Arizona growers of lettuce and grapes, for example, have had recurring national boycotts of retail stores selling such products not picked and handled by Chavez' union.

The Mediation and Conciliation Service performs a highly useful service in bringing the employers and unions together to settle a strike or potential strike. Of course, that service has no power to order either side to increase an offer or reduce a demand. However, their sole purpose is to assist the parties in reaching a contract. There is never any thought on the part of the mediator about the increased cost to the consumer if the settlement reached is too high and can only result in increased cost to the consumer. And that is too often the result. While there is no actual pressure on the employer, he is bargaining in a Federal office and a Federal employee is telling him that he will have to increase his offer substantially or he, the mediator, cannot sell it to the union.

Mr. President, the exemption of labor is a fatal defect in this bill. If we are going to exempt some Government agencies, I would place those concerned with the research and development of new sources of energy high on the list. Here we have a real emergency, one that should not be delayed by the intervention of the Administrator of the Agency for Consumer Advocacy. We all remember the protracted delays in starting the Alaska pipeline. I shudder to think how much further delay there may have been had this proposed Agency been in existence at that time.

Mr. President, the committee report estimates a 3-year cost of $60 million. I wish I could believe that to be a realistic figure. But I envision more and more supplemental requests for greatly increased funds and the employment of every lawyer in the country who wants to get on a governmental payroll. I have just looked at a table on page 330 of the executive budget for fiscal 1976. The first column sets forth the actual amounts spent in 1974. The fourth column provides a 1976 estimate. With the exception of Defense and Aeronautics and Space, all call for increases. Mr. President, this is no time to create new expensive agencies.

Consider a specific example of a recently created regulatory agency selected at random. The Occupational Health and Safety Administration started operation in April of 1971. For the year 1972, its first full year of operation, OSHA spent $35,884,000 and employed between 1,500 and 1,600 employees. Its present request for fiscal 1976 is $116 million and 2,170 Federal, full-time, employees.

Mr. President, I am concerned about the logic behind our considering the Consumer Protection Act of 1975 as proposed in S. 200. Who is it that is asking for another sprawling bureaucracy?

In making decisions as elected representatives, we are all supposed to take the lead from the people of our States. I have not had any mail from home saying there is a need for such an agency. My constituents do not write and ask me to create another board, bureau, commission—much less an agency to oversee the actions of other agencies.

But, they do write to complain about the high cost of Government, and to object to the loss of freedom, extra work, and expense caused by the Government agencies. The people of my State are tired of expensive, handholding Government bureaucracies, and they rightly do not understand why Members of Congress seem to think they need them.

Mr. President, S. 200 is based on the assumption that a single agency can act as an advocate for "consumers" as a class. The fact is that there are as many consumers as there are citizens, and their interests are as diverse as one can imagine. It is folly to think that any one Federal agency could possibly represent them all. Since it is impossible to represent the diverse interests of all consumers, it will inevitably develop that CPA will represent some consumers while other consumers will be left unrepresented. Consumers whose interests differ from those of the dominant consumer lobby of the moment will be left unrepresented. Their tax dollars will be spent to support the opposing position.

Mr. President, the consumer agency as it is now proposed, will have no immediate impact on any of these day-to-day consumer problems. Rather it will be involved in every complex and lengthy Federal administrative proceedings and court appeals involving such things as antitrust cases, rate settings, drug approvals and a plethora of other complicated matters which may take months or even years to resolve. We all complain about overcharges for unneeded automotive repairs, the prepaid merchandise that never arrives, the dishonest used car salesman and the unhonored guarantee. Let no one be deceived that the proposed agency will solve those irritating problems. It is much more effective to direct one's complaint to the Better Business Bureau that exists in almost every city.

Mr. President, the bill provides for the appointment of an Administrator for a term of 4 years. All functions and powers of the Agency are vested in the Administrator. He appoints a general counsel and may appoint five Assistant Administrators. The function of the Administrator is to represent the interests of consumers before Federal agencies and Federal courts. "Interest of consumers" is defined to include any health, safety, or economic concern of consumers.

Section 3(a) provides that "the Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office." I foresee trouble here. This language ties the hand of the President to an unreasonable degree. The bill gives the Administrator practically unlimited powers and then insulates him from removal.

We are told that the agency will have no regulatory powers. As a practical matter, this is a ridiculous statement. Consider an example. The Consumer Protection Agency or Product Safety Agency, after investigation, has found the new product safe and of no danger to public health. The Administrator for Consumer Advocacy does not agree. He condemns the product in a press conference or a mere statement to a reporter that he will take it all the way to the Supreme Court. The public reaction forces the retailer to take the product off the shelf and the manufacturer to go out of business. This is regulation.

Mr. President, I have a final question: Who regulates or investigates the Administrator? I suggest that under this bill such task can only be performed by the Administrator.

Mr. President, the Arizona Republic on April 1, 1975, carried an excellent editorial pointing out some of the shortcomings and the deceptions in this proposed legislation. I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PHONY CONSUMER BILL

Such an alluring name.

"The Agency for Consumer Advocacy."

It instantly conjures up the image of Washington finally doing battle at the side of hard-pressed American homemakers.

Unfortunately, such is not the case of S. 200, a legislative perennial of the U.S. Senate.

Apparently, most Americans realize that.

A survey just completed by the Opinion Research Corp. finds that 75 per cent of 2,038 American voters are opposed to creation of the $20-million-a-year new bureaucracy.

But this gives members of the Senate no pause in their fervor to father the ACA. Some are bound and determined to use tax funds to give Ralph Nader his own plaything.

Aside from creating another bureaucracy of dubious need, the fault of S. 200 is that it prohibits the agency by exemptions from intervening in matters which are causing most consumers the most grief.

While the new bureaucracy can intervene in relicensing procedures before the Federal Communications Commission, it is prohibited from intervening before the National Labor Relations Board.

The NLRB is where disputed agreements between labor and management land. And the NLRB can settle matters involving worker productivity, job access and therefore prices of virtually every service or product in the American marketplace.

The Senate's prohibition clearly was done at the command of organized labor, which for years has been elevated into privileged standing with members of Congress who wallow in labor contributions.

A test of the Senate's willingness to serve consumers—a willingness which at this point is phony—would be to write a bill giving ACA a mandate to attack costs created artificially by government itself, and which fall on the consumer.

What of the Federal Energy Administration, whose energy policies and allocation schemes forced up fuel prices?

What of the Federal Power Commission, which refuses to deregulate natural gas prices, and thus creates shortages and higher prices of the consumer?

What of the Civil Aeronautics Board, which fixes prices and restricts competition, thus forcing up consumer costs?

What of the Environmental Protection Agency, whose multibillion-dollar blunder in auto emission control standards has failed to end pollution, but forced up consumer prices on cars.

What of the Senate and House themselves and the cascade of legislation they write which cannot demonstrably provide anything for the consumer—except higher prices?

Senators who support ACA are playing games with the voter. It is a window-dressing bill which implies help for the consumer, but does nothing of the sort.

The American taxpayer, already told that his share of the national debt just went up again, doesn't need another $20 million-a-year agency, especially one which protects the sacred cows who really are adding the costs.

Mr. BARTLETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BUMPERS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I move that the Senate stand in recess until 1:45 p.m.

The motion was agreed to and, at 1:11 p.m., the Senate recessed until 1:45 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

The PRESIDING OFFICER. The Chair in its capacity as Senator from

Arkansas suggests the absence of a quorum, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—SENATE RESOLUTION 148

Mr. CRANSTON. Mr. President, I ask unanimous consent that Bill Jackson and Murray Flander of my staff may have the privilege of the floor during the consideration of the resolution which is about to come before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

WELCOME TO THE LATEST REFUGEES TO OUR SHORES

The PRESIDING OFFICER. The hour being 2 p.m., under the previous consent order, Senate Resolution 148 is ready for immediate consideration, with debate therein limited to 30 minutes.

The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 148) to welcome the latest refugees to our shores.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Percy). Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of the refugee resolution. I am delighted that one of them is the minority leader, Senator Hugh Scott; also, Senator Ribicoff and Senator Weicker. I am particularly delighted that the name of Senator Bumpers is on this list, because many of the refugees are now going to Fort Chaffee in Arkansas. Other cosponsors are Senator Chiles and Senator Stone, the Senators from Florida, where Eglin Air Force Base is located. Florida, like California, is a staging area for the refugees. The other Senators are Senator Goldwater, Senator Morgan, Senator Mondale, Senator McIntyre, Senator Garn, and Senator Buckley.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, are we a mean-spirited nation of racists or—as I firmly believe—are we a people of compassion, proud of a heritage built upon the diversity of our origins?

I ask this because I was appalled to learn today of an ugly incident which occurred this week to a friend of one of my staff members.

This young woman, who happens to be of oriental descent, was approached by a woman she did not know while she was shopping. The other woman said nothing but spat upon her and walked away. The young woman was terribly distressed, as well she might be.

She has been in this country for several years. She is of Thai descent and she looks forward to becoming an American citizen next year.

Mr. President, the strength of our country is in opening our doors and our hearts to the peoples of many lands who believe, as I do, that America is the land of freedom and opportunity. Let us not debase our strength or degrade our heritage by ugly incidents such as this. Rather, let us reach out our hands to those who look to America as the great and welcoming Nation she is.

We have no refugee problem; we have a problem only if we allow our hearts and our minds to become refugees from compassion and forgetful that the roots of this land are mature and strong. From many cultures, we have forged one people, proud of each other, proud of the nationhood we have wrought.

As Elizabeth Barrett Browning wrote:

> Happy are all free peoples, too strong to be
> dispossessed;
> But blessed are those among nations who
> dare to be strong for the rest.

We have greatly dared. We have not always won. But in the willingness to bear burdens, we have dared to dare.

There are lessons to be learned, new and better answers to be found.

This great people will find them.

Mr. President, I am pleased that the media is beginning to speak out in support of U.S. efforts to aid the Vietnamese refugees. As a New York Times editorial so aptly stated:

> They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

Mr. President, I ask unanimous consent that this editorial from the New York Times, as well as an editorial from the Philadelphia Inquirer, be inserted at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

"Denying Our Heritage"

President Ford was fully justified in his press conference last night to express his concern at the querulous and uncharitable reaction of too many Americans to the plight of the Vietnamese refugees. His statement on the desirability of admitting them to the United States ought to be read by every American. Mr. Ford's request for $507 million to assist the resettlement of approximately 130,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing else.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 per cent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refugees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, president of the A.F.L.-C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam war, those words express the true American tradition.

[From the Philadelphia Inquirer, May 7, 1975]

Ford Plea for Refugees Is in the American Tradition

President Ford has asked Congress for $507 million to finance the evacuation and resettlement of refugees who fled the Communist takeovers of South Vietnam and Cambodia. The bill, referred to the House Judiciary Committee, does not contain the authorization for the use of American troops which resulted in a House rejection of his earlier request last week.

It is, thus, a "clean" bill to handle a dirty situation, and Congress should act promptly to provide.

That doesn't mean that Congress shouldn't ask questions or require some kind of screening program for the refugees. In the chaos of the evacuation, many deserving Vietnamese were left behind while others managed to buy their way out of the country—sometimes by paying off Americans.

There is no reason why, as a number of congressmen declared at a Judiciary subcommittee hearing on the subject, the refugees who can afford to pay their own way shouldn't be required to do so. Nor is there any reason why, as Rep. William Cohen of Maine said, American companies shouldn't reimburse the Defense Department for expenses of evacuating their American and Vietnamese personnel.

Still, it is disturbing to note the intensity of some of the opposition to the refugees. "In my opinion," declared Rep. Elizabeth Holtzman of New York, "persons engaged in stealing American funds, who operated tiger cages and assassinated people, are undesirable." Well, one can hardly argue with that, but that is not the immediate issue.

The U.S. Government now estimates that about 140,000 refugees will seek asylum in this country. If their ranks include some few corrupt generals and avaricious businessmen who did well financially out of America's misguided attempt to do good, the vast majority of refugees are people who invested their lives in a cause, a lost cause, that they believed in and that the American government supported.

Most of them are decent people, as deserving of our aid and compassion as the Cubans who fled Castro in the Sixties and the Hungarians who fled Russian tanks in the Fifties, and to whom America opened its doors.

Yet the issue is not what kind of people they are but what kind of people we are. Like President Ford, we cannot believe that Americans will turn their backs on their own tradition of giving asylum to political refugees.

THE NEW LAND

(By Stephen Fuzesi Jr.)

Though I was only eight years old at the time, I will never forget the tears in my father's eyes as we crossed the Hungarian border one cold November night in 1956. My brother, a little over a year old, slept in a blanket strapped to his back. Mother held dad's hand and mine. We had just walked twenty miles searching for the border.

Having helped us crawl across the remains of the bombed bridge at Andau, my dad turned back staring for a moment across the snow-dotted Hungarian countryside. Then looking straight at me, he said: "If we can't live in Hungary, America is the country to live in. You and your brother will have the opportunity to live and work and believe freely. It is sad that our little Hungary should lose two such fine young men" We walked quickly the 100 yards or so to Austria.

It would be incorrect to draw parallels between the Vietnam war and the Hungarian revolution. It does seem fair to note though that the vast majority of Vietnamese who have left their homeland have done so, much like us, with tears not smiles. They left relying on the opportunity to begin a new life in the United States.

It would seem a mistake to deny that opportunity now. The Vietnamese refugees, among them tens of thousands of innocent and politically unaware and uninvolved children, should not be made to bear the backlash of popular disgust with our foreign-policy failures in Indochina, reflected in further Congressional rejection of requests for appropriations to fund resettlement.

The 40,000 Hungarian refugees who have come to the United States since 1956, and the 675,000 Cubans who have followed, as the millions of immigrants who preceded them, have all been absorbed in our culture, economy and political life. Even if 150,000 Vietnamese refugees were resettled in the United States, this would represent only slightly more than one-third of the total number of immigrants admitted legally to the United States each year since 1968, and less than 3 per cent of the immigrants admitted in the decade 1960 to 1970. In 1960, at the beginning of the Cuban immigration, the United States was suffering from the highest level of unemployment of that decade. And while an exact total of Government expenditures for activities related to Vietnam, beginning with our involvement in the 1950's, would be impossible to calculate, the $507-million that President Ford has asked from Congress for resettlement and transport would clearly be less than 1 per cent of the total, and less than 2 per cent of the $30 billion expended in the peak year of 1968.

Statesmen and scholars, as well as all of us, will search our experience in Vietnam for lessons and morals. One focus of this review will certainly be the meaning of an American commitment to an ally. The foreign-policy impact and realignment of policies as well as treaties and relationships with the United States provoked by such an evaluation will vary, perhaps country by country. Commitment, to have any value, must mean at least that we will open our doors to refugees from a country with which we had been allied in a cause that met defeat.

Leaving one's homeland, family and friends, and the culture in which one feels natural, is a sad occasion chosen by few in search of opportunity and suffered by millions of victims of international politics.

Perhaps some leave solely in the pursuit of a more comfortable life. For Vietnamese, from a war-torn country, is that so unforgiveable?

The masses who seek refuge after a war leave with children clinging to their arms. They seek opportunity—but opportunity for their children to live a life in peace, in a country whose people have a tradition of evaluating men for what they do, not for where they were born; a tradition of respecting individuals not on the basis of their name, or the color of their skin, but on their character and decency.

It has been almost twenty years since we came to the United States, over ten since I have become a citizen. My dad's first job, although he had advanced degrees in chemistry and law, was that of a janitor in a General Motors factory. Earlier this year, I reviewed, as legal counsel, the $600-million check that underwriters were delivering to General Motors Corporation at the closing for the largest public offering of industrial-debt securities in American history. I am honored to have tasted of the opportunity my dad had noted during our last moment in Hungary.

As I have watched televised news of Vietnamese refugee children scattered in camps, my memory has often wandered back to 1956 and our arrival at Camp Kilmer, N.J. I have remembered the taste of my first bite of creamy American-style chocolate ice cream. I hope that each Vietnamese refugee will some day have the opportunity, should he seek admittance to the United States, to relish that same sweet flavor. It would be a mistake consistent with a history of bad judgments to deny that opportunity, but not a fitting end to our 25-year involvement in Vietnam.

Mr. CRANSTON. Mr. President, those of us who are fortunate enough to have been entrusted by the people with the power to lead them must now exercise a special vision. It is not enough to have learned the lessons of our national past; we must now chart the truly honorable course of America's future. Our leadership must be forceful, humane, and unyielding.

There is not one among us in this solemn Chamber who does not sense the moral peril of this moment. All who sit here share the burden of recalling to all Americans the compassionately dynamic words and deeds upon which this great Nation was founded. And all of us share the critical responsibility to hold our Nation to the course set by men of decency and honor some 200 years before us.

Shakespeare wrote that some are born great, some achieve greatness, and some have greatness thrust upon them. Among nations, America is all of those. The moment before us will put us to the test. And we will meet it well.

Mr. President, the resolution which Senator ALLEN and I have introduced is, in a sense, based on three texts: our political heritage, symbolized by the Lazarus poem which appears on the Statue of Liberty and is referred to in the resolution; our Judaic-Christian religious heritage, summarized by the parable of the Good Samaritan in the Bible; and our laws, specifically the 1968 protocol on refugees.

Inscribed on a tablet in the pedestal of the Statue of Liberty is a poem by Emma Lazarus titled "The New Colossus." It reads:

Not like the brazen giant of Greek fame,
With conquering limbs astride from land to land:
Here at our sea-washed, sunset gates shall stand
A mighty woman with a torch, whose flame is the imprisoned lightning, and her name Mother of Exiles.
From her beacon-hand glows world-wide welcome:
Her mild eyes command
The air bridged harbor that twin cities frame.
"Keep ancient lands, your storied pomp!" cries she with silent lips.
"Give me your tired, your poor, your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door!"

I now read, from the Bible, the parable of the Good Samaritan, which is referred to in the text of the pending resolution:

And Jesus answering said, A certain *man* went down from Jerusalem to Jericho, and fell among thieves, which stripped him of his raiment, and wounded *him*, and departed, leaving *him* half dead.

And by chance there came down a certain priest that way: and when he saw him, he passed by on the other side.

And likewise a Levite, when he was at the place, came and looked *on him*, and passed by on the other side.

But a certain Samaritan, as he journeyed, came where he was: and when he saw him, he had compassion *on him*,

And went to *him*, and bound up his wounds, pouring in oil and wine, and set him on his own beast, and brought him to an inn, and took care of him.

And on the morrow when he departed, he took out two pence, and gave *them* to the host, and said unto him, Take care of him; and whatsoever thou spendest more, when I come again, I will repay thee.

Which now of these three, thinkest thou, was neighbour unto him that fell among the thieves?

And he said, He that shewed mercy on him. Then said Jesus unto him, Go, and do thou likewise.

I wish to stress that what we are seeking to do for these refugees ties in with our obligations to the United Nations. I believe that most Americans, long before this resolution was introduced today, were of a similar mind and were determined to do what must be done: to provide a hospitable welcome to the refugees from Southeast Asia and to aid them in finding a new life among us.

Mr. CHILES. Will the Senator yield?

Mr. CRANSTON. Yes; if the Senator will just let me add one point. There were some who were doubtful, some uncertain, some who were hostile in their first statements. I do not believe that hostility reflected a broad view or a carefully thought out view, and I am confident that virtually all Americans, when they reflect upon our heritage and upon the principles of our country, will agree with the sense of this resolution when they have thought it through. I have no doubt about the welcome that America will provide to these refugees.

I am delighted to yield to my colleague from Florida, who represents a State which, like California, has had previous experiences with refugees and which, again like California, will receive refugees from Southeast Asia. I am delighted that he joined as a cosponsor of this resolution.

Mr. CHILES. I thank the distinguished Senator from California and I congratulate the distinguished Senator from California, along with the Senator from Alabama and the others who are supporting and cosponsoring this resolution. I think it is timely, I think it is very important. I agree with the Senator from California that the vast majority of people in this country do support the premise of this resolution and support the fact that we are a country that has been made up, virtually, of refugees. All of us—unless, I guess, we can call ourselves American Indians—were sort of refugees to this country at some time ourselves. I think that part of our problem, of course, is that we are in a situation where we have a time of recession and a time of high unemployment, and because of that, many of us are concerned and many of us are kind of afraid now and have started thinking about that, rather than the overall premise of, really, what built our country, the responsibility that we have.

I look at the matter and I think I overreacted to it initially. I felt compelled to make some statement a few days ago, myself, because of my overreaction to it. When I started thinking—and I have found many other people who said this, too—of the fact that we lost 55,000 of our young men's lives in Vietnam because we were trying to protect the ability of a country to choose its own way and to choose freedom, and that we spent $156 billion of the money of this country in order to protect that, for us to say at this stage that we are now not going to support those bare 100,000 or so who chose freedom, who elected to come to freedom rather than stay as that country falls, that would bring me to where I could not look in the eyes of a mother or father who had lost a son, or the eyes of anyone else in this country who had supported the sacrifice that we did when we thought we were there for the right purpose.

We certainly were not after any gain for ourselves. We were trying to protect and allow that country to be able to choose its own destiny. Now, for those people who have elected to leave, certainly, we can take care of them.

I think, also, of over 400,000 Cuban refugees my State took, they have assimilated themselves into the community, not without hardship to some of the people that were native to Florida before the Cubans came, but on the whole, they have done an excellent job. They have added to my State. They have added to our community. They have furnished a new growth and a new enthusiasm and they are great Americans. They are becoming citizens daily, and they are adding strength, I think, and fiber to our country. When we think now of the numbers that we are talking about here scattered across the country, I do not think we are going to be able to find their presence or find any problem.

I think the Senator's resolution is excellent, because I think it sets the spirit and the tone in which we should approach this matter.

I say that while there were some problems in my State originally, and we were one of the States selected for these refugees, I could not have been prouder of my State when I saw the Niceville High School band and the dignitaries and everyone else who was on hand to greet the refugees when they came to Eglin Air Force Base. They have been met warmly and with open hands, and Florida will continue to show that kind of spirit for them. Our Governor was one of the first to recognize our responsibility in the leadership role we should play here, and he has gone out of his way to make them welcome.

I think that we need to realize, even though we have some problems in the country today, that those problems are not going to go away, because we try to close our doors here. What we need to do is regain that spirit that made this country great. That is how we will deal with our problems. I congratulate the Senator for his resolution.

Mr. CRANSTON. I thank the Senator for a very eloquent statement. It is my hope that for those who are uncertain about what their feelings ought to be and what our actions should be in regard to the refugees, the sort of leadership that the Senate can now provide in statements like that will help those who have not thought it through to think it through and to respond to the current situation, as America has always responded to such situations.

I am delighted to yield to my colleague from New York.

Mr. JAVITS. I thank the Senator.

Mr. President, I first compliment Senator CRANSTON and Senator ALLEN on this initiative. It is precisely the same feeling that prompted me, together with Senator PELL, over the weekend, to announce that we would introduce—and we have introduced—the necessary implementing legislation to make this promise a reality. I think it is a very proper opening, as the Senator from Florida (Mr. CHILES), I think, has said very well, for implementing action in the way of the necessary authorization.

I was sorry that the other body did not see fit to deal with the conference report on the evacuation and humanitarian aid as we did. I hope that that chapter is closed and forgotten. I can understand it, though I do not agree.

We are now on to the new situation which urgently requires this resolution to set the tone, as Senator CHILES has said, in implementing legislation which I hope we will accelerate in point of time.

I think it is uniquely fitting that these expressions come from California and Florida, which have had experience with this kind of migration, as well as from my own State, which received a great number of displaced persons after World War II and a great many of the freedom fighters.

The signal which should not go out from America, after the debacle of the Vietnam war, is that we are either isolationists or heartless. Yet that is the grave danger from both events, what occurred in Phnom Penh and Saigon and what has now occurred in some voices raised inhospitably as far as the refugees are concerned.

As has been properly said, on the economic front it is a drop in the bucket to take 30,000 or 40,000 heads of families, most of whom will prove to be extremely useful citizens. While we have almost 9 million unemployed, we have 81 million who are employed. I think America's heart can find a place for the 30,000 or 40,000 as we are finding places today for a few hundred thousands of normal immigrants who come into the United States under our immigration laws.

Mr. President, I would greatly appreciate it, in the same spirit in which Senator PELL and I have introduced our bill, if the Senator from California would ask unanimous consent to join me as a party to this splendid resolution, which will be extremely helpful in setting us straight with the world and with our own consciences, and also forming the proper backdrop for early action which is urgently needed upon the necessary implementing legislation.

Mr. CRANSTON. I thank the Senator.

Mr. President, I ask unanimous consent that the name of the Senator from New York be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I thank the Senator from New York very much. Let me say he has provided the leadership, the real meat and potatoes, on the crucial matter of funds for aid to these refugees. If that could have moved as fast as such matters seldom can move, there would not have been the need for this resolution, and I applaud him for it.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. CRANSTON. I promised to yield first to the other Senator from New York, and I yield him 1 minute.

Mr. BUCKLEY. Mr. President, I thank my friend from California, and I want to join others in commending him for his leadership in this enormously fine statement. I read it with care. It says everything that needs to be said.

We are a country that is proud of its tradition of opening our gates to the oppressed and to the helpless. Certainly it is hard to imagine people more helpless than those who have been forced to leave their own country under such terrible conditions.

I believe that Americans will find, as time goes on, these people will become extremely productive citizens, and we will be proud of the hand of friendship and welcome that we are extending to them if this resolution is agreed to.

I thank the Senator.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. CRANSTON. I thank the Senator very much.

I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, as one whose maternal grandparents immigrated to the State of Vermont from Italy and paternal great-great-grandparents, from Ireland, I strongly support the resolution that is before the Senate.

I have stated time and time again in deliberations in the Committee on Armed Services and in other forums that this country of 220 million people had involved itself in a tragic and I feel needless war for years. Now that the war is ended, we have a moral obligation not to close the door on displaced and fleeing refugees of that conflict, but to show the same kind of welcome and help that we have shown in a very proud tradition through the years of our history.

Mr. CRANSTON. Mr. President, I thank the Senator.

Mr. President, I ask unanimous consent that the name of the Senator from Vermont (Mr. LEAHY) be added as a cosponsor of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CRANSTON. Mr. President, I am delighted to yield 1 minute to the Senator from Arizona.

Mr. GOLDWATER. I ask unanimous consent that the Senator from California add my name as a cosponsor of his resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. I commend him on his gesture, which I think is totally typical of him.

As I told my friend this morning, I often wonder where I would be today had the attitude that we suspect on the part of some Americans prevailed in this country when my Polish-Jewish grandfather brought his English wife to our shores, and eventually we got Scotch and Irish out of our mother's side. I rather think I like it better the way it is than the way it might have been. So I congratulate the Senator.

Mr. CRANSTON. I thank the Senator from Arizona very much. I yield the Senator from Oregon 1 minute.

Mr. HATFIELD. I thank the Senator.

Mr. President, I join the Senator from California in support of this very eloquent statement of principle. I would like to give notice at this point that I feel it is incumbent on us not only to make a statement of principle, but then to implement it, especially in the light of the fact that the money available for refugees will be running out by tomorrow or this weekend.

I have had a statement from the Defense Department that a part of the half billion dollars we provided for military assistance to Southeast Asia is still available and unallocated. Therefore, I shall offer, after the passage of this resolution, and ask for its immediate consideration, a bill asking that money be made available for continued support of refugees until they can be relocated and Senator JAVITS' and Senator PELL's bill can be considered in the Committee on Foreign Relations.

The funds available are now about $17 million in unobligated funds from $130 million of retrievable funds now in the Defense Department, and upon our initial inquiry we found no objection to having those moneys made available for purposes of support of refugees.

I thank the Senator from California.

Mr. CRANSTON. I thank the Senator from Oregon, and I applaud his leadership in this regard.

I yield 1 minute to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Senator from California for this very fine and appropriate resolution.

The State of Arkansas is the home of Fort Chaffee, where the vast majority of the refugees will be processed. My home in Arkansas is less than 2 miles from Fort Chaffee, and I was very pleased with the reception that all of the people in the area, many of whom I know personally, gave the refugees. The Governor of the State and the city fathers from the neighboring city of Fort Smith turned out to greet them, and I went there last Saturday myself to visit with the refugees and inspect the procedures and processes being used. I was not only pleased with the progress, but with the sensitivity and the dignity with which these refugees were being treated.

I will say that the apprehensions of the people of this country are understandable. All of us have heard from those objecting to the reception of the refugees. But I think we should take note that most of that is a reflection of apprehension and concern about the unknown. I think that the vast majority of the people in this country, on more sober reflection, will welcome the adoption of this resolution by this body, and I am very pleased to be a cosponsor.

Mr. CRANSTON. I thank the Senator. I yield 2 minutes, if there are 2 minutes remaining, to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. MONDALE. I thank the Senator. I strongly join in support of the pending resolution.

Today, together with 27 other Senators, I signed a letter addressed to the Honorable JOHN B. SPARKMAN, chairman of the Committee on Foreign Relations, and to the Honorable JOHN L. MCCLELLAN, chairman of the Committee on Appropriations, expressing the hope that we could immediately grant relief for these refugees. I am glad to see that the Senate is obviously about to adopt a resolution that is in accord with that position. I think that is consistent with American tradition, it is consistent with our Judeo-Christian ethic, and I am glad we are making it clear that we are that kind of nation.

I wish to make a second point. I have spent some time reading my mail and going over some of the communications that I have received in opposition to the entry of these evacuees. I think I know what they are saying. Most of them are really objecting to what they think is a double standard. They are willing to be open and warmhearted with the evacuees coming from Vietnam, but they are wondering about their own unemployed. They are wondering about the lack of housing for Americans.

I would like to see the same sense of humanitarianism shown as well to some of our own citizens.

Mr. President, earlier this week public attention was focused almost exclusively on those who, for economic or other reasons, expressed fear and opposition to the influx of refugees from Vietnam.

At a time when 8 million Americans are unemployed, when we are facing a budget deficit of $70 billion, and when many domestic needs are still unmet, these concerns are understandable.

Nevertheless, the picture some have attempted to paint of 150,000 Vietnamese pushing Americans out of work or vying with the unemployed for jobs is grossly exaggerated. Official estimates place the number of refugees needing employment at 30,000. This is a small percentage of our total work force of 94 million; and in an economy as large and diverse as ours, there need be little, if any, impact when these individuals are dispersed throughout the country.

When the facts are understood, I am confident that many critics of the refugee relief efforts will join in welcoming a people who have so much to contribute to the strength and vitality of our Nation. To his credit, President Ford has persisted in seeking the understanding and support of the American people for this effort.

Now there is clear evidence that the tide is turning.

Yesterday, a subcommittee of the House Judiciary Committee approved an authorization to pay evacuation and resettlement costs for South Vietnamese refugees. This evening the bill will be considered by the full Judiciary Committee.

The resolution which is before the Senate at this time and the joint letter to the Foreign Relations and Appropriations Committees testify to the growing support in the Senate for action to ease the plight of those whose lives have been shattered by the fall of South Vietnam and Cambodia.

There will naturally be problems in connection with refugee assistance programs. Nevertheless, as we said in the joint letter today:

> These problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and goodwill we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

Mr. President, I agree very strongly with the intent of the Cranston-Allen resolution, and I urge its prompt and overwhelming approval by the Senate.

As evidence of the support for such action, I ask unanimous consent that the joint letter I mentioned earlier and an editorial from the New York Times be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 8, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Senate Foreign Relations Committee, Dirksen Senate Office Building.

DEAR MR. CHAIRMAN: Within the next few days the Committees on Appropriations and Foreign Relations will be considering the question of aid for refugees of the Vietnam war.

We feel it is unfortunate that the climate for consideration of this important issue is being shaped by the fears of some who are exaggerating the costs and ignoring the responsibilities of the United States in providing help to the victims of the war.

We believe and think that the President is right in asserting that the overwhelming majority of Americans feel an obligation toward those who have been forced to flee their homes, in many cases because of their loyalty toward the United States.

It would be a tragedy if our response to the plight of the refugees was determined by a few vocal opponents while the majority remained silent in their support for the refugees. In the eyes of other nations, we might be wrongly perceived as a people who were unwilling to make even this small sacrifice to help our friends.

We recognize that the Committee will want to carefully examine the dollar amount that has been requested by the White House. There may be other problems associated with resettlement, including the necessity of assuring that no undue burdens are placed on individual states and communities. Many Governors and local officials have already contacted the White House to express their willingness to cooperate in placement efforts.

Furthermore, a maximum effort should be made by our government to enlist the help of other countries in providing aid and asylum to refugees who would be willing to live elsewhere.

Nevertheless, these problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and goodwill we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

We are confident that when faced with this choice, the Senate will overwhelmingly approve the legislation necessary to find homes, jobs and a fresh start for those whose lives have been shattered by the fall of South Vietnam. We urge your full support in this effort.

Sincerely,

Walter F. Mondale, Hiram L. Fong, Philip A. Hart, Dale Bumpers, Robert B. Morgan, Bob Packwood, Adlai E. Stevenson, John V. Tunney, and Dewey F. Bartlett.

John C. Culver, Thomas J. McIntyre, Henry M. Jackson, William D. Hathaway, Daniel K. Inouye, Edmund S. Muskie, E. J. Jake Garn, Robert Stafford, and James Buckley.

William V. Roth, Dick Clark, Abraham A. Ribicoff, Patrick J. Leahy, Hubert H. Humphrey, Gaylord Nelson, Alan Cranston, Carl Curtis, and Lowell P. Weicker, Jr.

DENYING OUR HERITAGE

President Ford was fully justified in his press conference last night to express his concern at the querulous and uncharitable reaction of too many Americans to the plight of the Vietnamese refugees. His statement on the desirability of admitting them to the United States ought to be read by every American. Mr. Ford's request for $507 million to assist the resettlement of approximately 130,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing less.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 per cent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refguees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, president of the A.F.L.–C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam war, those words express the true American tradition.

Mr. HRUSKA. Mr. President, I support the recent actions by President Ford to extend to the refugees of the South Vietnamese tragedy the friendly and helping hand of America, and to speak on behalf of Senate Resolution 148, introduced by the Senator from California (Mr. CRANSTON).

Twice before, I have had the privilege to participate, both personally and officially, as a member of the Committee on the Judiciary, in activities to help large groups of refugees. I refer to the plight of the brave Hungarian "Freedom Fighters" and to the problems of the refugees who escaped from the repression in Cuba. These people, like the South Vietnamese of today, were forced to flee their homes because of the brutal force of communism. They came to this country with few possessions. But they carried one which could not be taken from them—the human spirit. Mr. President, they did not ask for America's charity. They sought America's opportunity.

They settled, worked hard, prospered, and have made many outstanding contributions to this country—their new home.

This is all that the refugees from South Vietnam seek—an opportunity to start their lives over again in an atmosphere of freedom where a man can voice his opinions, provide for his family, and follow his religious beliefs free from the fear of persecution, imprisonment, or death.

Mr. President, in these respects they are no different than those who have come before them.

The plight of any refugee is not a happy one. He is confused and bewildered from past experiences and anxiously awaiting the promise of the future. I have visited the international refugee camps in Austria where refugees from Eastern Europe await passage to new homes in strange lands. It is an experience that many of our ancestors shared.

Motivated by the same desire for freedom that I witnessed in Austria at the International Refugee Center, the South Vietnamese who have experienced so much hardship and sorrow in the last four decades, will be most welcome additions to our land.

In recent days we have read and heard about opposition to the President's action in welcoming these refugees to our country. That opposition does not, however, speak for America. They are only a few who have forgotten their own origins.

The real voice of America is still symbolized by the Statute of Liberty in New York Harbor welcoming all who seek refuge and comfort on our shores.

As we begin the celebration of our 200th anniversary of the establishment of our Nation's own freedom, let us—as representatives of the American people—welcome the newest refugees to our land.

Mr. HATHAWAY. Mr. President, there is considerable opposition shaping up in this Nation toward the acceptance of Vietnamese refugees seeking asylum and a new life here. For many years we offered our blood and money to win the hearts and minds of the Vietnamese people. What a travesty it will be if we now turn our backs on the victims of that effort, and deny them the opporunity for freedom here when we gave so much to win it for them there.

I have read several articles in the past few days on this problem, but no others so direct as one by syndicated columnist, Art Buchwald, and one by Washington Post columnist, David Broder. I commend these columnists for using their writing skills to such good purpose, and wish to share with my colleagues the two columns.

I ask unanimous consent to have the articles printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Paying Our Moral Accounts

By David S. Broder

The Vietnam refugee controversy suggests a new rule for American foreign policy: Don't bloody up countries whose vanquished you will not accept. No refugees, no bombing, in short.

It is not much of a policy, but if the refugee reaction measures the political and moral condition of this country, it may be the best we can do.

This reporter saw the wave of anti-refugee sentiment beginning to form two weeks ago in the classroom of a community college in Southern California. Many of the students in the introductory political science course were themselves no more than a generation or two from the immigration office, working to acquire an education in the classic American pattern.

But that morning, the Los Angeles Times had headlined a local official's scare-warning that half-a-million Vietnamese might be on their way to California, and the students peppered the visitor from Washington with questions:

Who's going to pay for this? Why should they come here, when we're having a hard time finding jobs as it is? Aren't they just running out on their own country, buying a ticket to Uncle Sucker's welfare state?

The questions went on until the teacher, who happened to be a black woman, cut them off with the remark that she was "ashamed" her students seemed to have forgotten this country's tradition as a place of refuge for the victims of wars and tyrannies.

Her rebuke was just about as ineffective as President Ford's remonstrance ten days later to the House of Representatives, when it refused to vote the $327 million he had requested for refugee aid.

The members of Congress, of course, had other reasons for their action, they said. They were disturbed by language in the same bill allowing President Ford to use American forces to assist the evacuation of Americans and some South Vietnamese from the overrun country.

The language had been written before Saigon's surrender; the evacuation was complete; and Mr. Ford gave his written assurance he would not send American troops back into Vietnam. But members of Congress love acts of retroactive vigilance, and they refused to pass the bill.

Democrats who were trying belatedly to make amends for Lyndon Johnson's misuse of the Gulf of Tonkin resolution joined forces with conservative Republicans who feared some of the money might find its way into Communist hands. Together they turned against the refugees—those inconvenient reminders of the failure of past policies.

The mail from home, most members of Congress report, has been like the conversation in the California classroom—strongly anti-refugee. And congressmen get re-elected by finding statesmanlike reasons to justify their constituents' strongest emotional biases.

In this case, there is a certain latent racism overlaid with a pervasive desire to escape the responsibilities and the realities of the outside world. Americans resent being told that they have obligations beyond the borders. When some of those obligations attempt to cross the border, the inclination is to resist.

Add that to the Congress' pervasive cynicism about presidential utterances and you have the sour sentiment that surface in the vote against the refugees.

Rep. John B. Anderson of Illinois tried, in the House debate, to invoke the impact of the unforgettable film "of those hundreds—yes, thousands—of people, who, in their desperate rush and bid for freedom, were literally clawing at the embassy walls in an effort to get through in time to be helicoptered to safety. . . ."

"We do owe some moral responsibility, some humanitarian obligation to those people," the Rockford Republican said, "and I am willing to accept the pledged word of the President of the United States" that the funds would be used to aid the refugees, not to restart the American war in Vietnam.

But Anderson's words were as futile as the California school-teacher's. And so America emerges as the kind of country that will send a half-million men to a small nation, finance seven years of bombing and burning and battle, shattering the economy and the social order, and then balk at accepting in return 150,000 peaceful refugees into a society of 210 million.

Sometime, somehow, we have to start balancing the moral accounts. And for a start, we might try the no refugees—no bombing rule.

Look West, Miss Liberty, and Shine Your Light

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families.

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and greatgrandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that."

"It's not the same thing," the statute said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, "Welcome. We're glad you came," most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate bridge, perhaps the people will be ashamed of the way they've behaved."

The Statue of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, 'Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door.' "

THE VIETNAMESE REFUGEE ISSUE

Mr. HUMPHREY. Mr. President, I have been personally puzzled and disturbed by the public's generally adverse reaction to the sudden influx of Vietnamese refugees. We have traditionally been a compassionate country—and I hope that, even in the face of tough realities, we can remain one.

Whatever the roots of this reaction, and however unappealing, I believe that Congress has a responsibility to recognize and understand them. On May 3, the Washington Post did us a service by providing an informed and subtle commentary on this profound sociological matter. I commend it to my colleagues' attention and ask unanimous consent that it be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Enmity to Refugees Puzzling—Reaction Unlike That for Cubans, Hungarians

(By William Greider)

The sudden burst of passion was like a last poisonous convulsion from the finished war in Vietnam—so ugly and out of character with an American past when refugees were welcome.

"Gooks, go home," the placard in Arkansas said. Elsewhere, the message was less crude, but the same. Public officials whined about the cost. Members of Congress received letters of protest. The Gallup Poll reported that a majority of Americans would not welcome the Vietnamese refugees, 54 to 36 per cent.

"It's very troubling," said David Reisman, the Harvard sociologist and student of the American character. "Americans are full of self-pity. We are all justifying our grievances by striking out at others. The national mood is poisonous and dangerous and this is one symptom—striking out at helpless refugees whose number is infinitesimal."

What happened to change public attitudes so much? No one can say for certain, of course, and there is some hope among thoughtful observers that this first burst of hostility toward the Vietnamese refugees will quickly fade, replaced by a more generous mood. In the Florida town of Niceville yesterday, some citizens were hanging up "Welcome" banners—embarrassed by their own nasty comments reported in the press the day before.

This is the same country, after all, which absorbed 400,000 displaced persons from Eastern Europe after World War II. It took in 200,000 more East Germans who were fleeing from a Communist government in the early 1950s. It celebrated, almost euphorically, the arrival of 40,000 Hungarians—"freedom fighters" in the anti-Soviet uprising of 1956. During the last 15 years, America has absorbed, at great expense, more than 675,000 refugees from Castro's Cuba.

The difference in 1975 is potent. The long and costly war is over, the U.S. ally utterly defeated. Now a total of 55,000 refugees from South Vietnam have been declared eligible for admission and 70,000 more will soon be added.

The speculative explanations range from a latent racism aimed at Orientals, suddenly brought out by the sorry climax in Vietnam, to more complicated theories about public frustration.

"Obviously, people are different with nonwhite races," said Amitai Etzioni, director of Columbia University's Center for Policy Research. "It's widely suggested that we would not have dropped the atomic bomb on a white country. People in California have often talked in the past about being overrun by the 'yellow hordes.' The color line has often affected how Americans feel about things."

Yet, every year without fanfare or controversy, Asian nations—China, the Philippines, India—are leading sources of immigrants. So the resentment must involve something deeper than the "mere gook" syndrome, the GI slang which soldiers sardonically used to explain the casual killing of Asians in the war.

The frustration may be political, a pent-up disgust with the war, with its high cost, even with the ally whom America tried to help.

"The major thing," said Nathan Glazer, co-author of "Beyond the Melting Pot," "is the change in the way people see America's role in the world. With the Hungarians and the Cubans, it was 'fighting communism' and people supported that in the 1950s and the early 1960s. Now they've given up on that view. . . . I don't think we feel on the same side politically as the South Vietnamese. The press has been so hostile to them—they've been described as corrupt, so unable to defend themselves."

Reisman sees a peculiar coming together in the public resentment—the working-class and the upper-income elite, both hostile toward the South Vietnamese for difference reasons.

"The middle Americans, ordinary working people, don't like war and sacrifice, they don't like 'wogs,' as the British would say," Reisman said. "The educated of the antiwar movement, especially the young, always had an extraordinary callousness toward the South Vietnamese.

"So we have middle America which never accepts 'furriners' anway, then we have the enlightened America which neither has sympathy for nor knowledge of South Vietnamese, which regards them all as corrupt carpetbaggers."

Charles Gordon, former general counsel of the Immigration and Naturalization Service, who helped manage those earlier surges of refugees, thinks the American people this time were overwhelmed by events—the press of the recession and its unemployment, the sudden collapse of Saigon, then the on-rush of immigrants.

"People just haven't had a chance to digest this," Gordon said. "They're facing nearly 10 per cent unemployment in this country and then the State Department is talking about hundreds of millions in relief. We thought we'd gotten out of Vietnam, now we're suddenly faced with all this. I think this is a reaction to the whole episode—we got ourselves in such a mess and now there's this."

When Americans rallied to help the Hungarians nearly 20 years ago, the country was genuinely united in the belief that the Hungarians' doomed struggle for independence was a heroic cause. Universities and cities made a great show of helping the refugees to resettle, to find jobs and homes.

Chalmers Johnson, an Asian scholar at the University of California, said he was having dinner the other night with a Berkeley faculty colleague who was one of those Hungarian refugees. "He said it just scared the crap out of him to read what was being said about the refugees now and he hoped that Americans never found themselves in the same position," Johnson remarked.

Ironically, Johnson noted: "From everything we know about this population, this is one of the most attractive group of immigrants we are ever likely to get."

Orientals, generally, have the highest educational attainment of ethnic minorities and these Vietnamese, coming largely from the city of Saigon, will be "much more sophisticated in terms of linguistic ability and education than the Asian immigrants overall, most of whom, after all, were working population," Johnson said.

Furthermore, he suspects that the Vietnamese immigrants, contrary to popular impressions, will include a lot of schoolteachers and clerks, women and children and elderly—instead of a concentration of corrupt war profiteers and police thugs.

"This reaction may change," Johnson said, "when we know more about them. The press has suggested that they are all cutthroats from the Phoenix program, whereas most of them are likely to be, as in the Cuban and Hungarian situations, intellectuals and teachers."

Etzioni, likewise, thinks the initial shocked reaction of Americans will pass, that six months from now the refugees will be absorbed without special dislocations and the public will forget it was upset.

"The media is a cause of this reaction as much as anything," the Colombia sociologist said. "If somebody steps on my toe for a moment, I say ouch and soon forget about it. But if somebody takes a picture of it, I feel much worse."

Glazer also thinks that the American society will ultimately accept the Vietnamese newcomers, just as it has so many others before them, without any genuine pain or dislocation.

"I hope the hostility is a kind of abstract one," Glazer said, "and that we won't see it taken out on a personal level. I don't think we will, I hope not."

SENATOR RANDOLPH URGES CONGRESS AND THE UNITED NATIONS TO PROVIDE AID TO VIETNAM REFUGEES—BELIEVES FUNDS APPROPRIATED BE THOROUGHLY DOCUMENTED

Mr. RANDOLPH. Mr. President, I am gratified that the Senator from California (Mr. Cranston) and the Senator from Alabama (Mr. Allen) bring this resolution before the Senate to focus attention on the critical and complex issue of Vietnamese refugees. I am a cosponsor of the measure.

The determination of the response of our Nation to the refugee situation presents a perplexing problem which calls for reasoned and thorough discussion, keeping in mind our economic difficulties and the heritage of this country. It is essential that we refrain from emotionally charged and hasty judgments. They will serve no purpose and will only polarize the thinking of our citizenry and the views of elected and appointed officials.

I strongly feel that this problem carries a clear moral obligation for the United States to actively seek a solution for the placement and the care of refugees, including resettlement in this Nation and, hopefully, in other countries of the world. It may be simplistic but in my view if the United States can spend billions of dollars supporting wars which in degree have devastated populations then certainly we can afford to spend some millions of dollars to assist refugees resulting from these actions.

In my work in the Senate, through the Committee on Public Works and the Committee on Labor and Public Welfare, I have strongly supported measures to create jobs for unemployed workers and to strengthen our industrial and business base. My efforts toward these vital objectives will be continued. Nevertheless, I cannot ignore the plight of the thousands of refugees who are either in this country from Southeast Asia or have arrived in the Western Pacific. The overwhelming majority are frightened, helpless, and destitute individuals and families.

These persons are already in this country or are being moved toward our shores under the direction of the U.S. Government. We must also recognize that these individuals are fleeing a government which they fear. Theirs is a fear for health, safety and life and in large part the basis for this fear has been generated by the actions of the United States in promoting and supporting the efforts of a people in opposition to the Vietcong, the North Vietnamese and Communist forces during the Indochina conflicts.

It is the responsibility of the Congress and the administration to insure that any funds requested—and moneys appropriated—be thoroughly documented and justified. There is the urgent obligation also to insist on an effective screening process and placement program which will not impose an undue burden on any State or locality in our Nation. The Congress must demand that these objectives are met and if they require a slowing of the pace of the movement of persons of the refugee centers, then this must be done.

Mr. President, there is one very critical facet of the refugee situation that I continue to view with great alarm and disappointment. On April 1, I urged the President of the United States to appeal to the United Nations for a cooperative international program to assist refugees and displaced persons in South Vietnam and to commit the United States to such a cooperative effort. This message was sent to the President prior to the fall of South Vietnam. I am sure that many other Members of this body expressed similar views to our Chief Executive. Regrettably, there is no indication that the President or the Secretary of State has responded affirmatively and, hopefully, in an effective manner to secure the participation of the United Nations in solving this problem. There have been muted urgings and muted expressions of concern on the part of the officials of the U.N. though the Secretary-General has not responded to this situation in the manner that one would anticipate of such an international body. However, I am convinced that movement within and by the U.N. with the cooperation of the United States will not be achieved through diplomatic niceties. The President and the Secretary of State must publicly, clearly, and forcefully endeavor to initiate affirmative activities through this international organization.

Our current policy as it relates to the U.N. appears to be predicated on the prejudgment that the U.N.'s response will be negative. If such is the case, I can only categorize the inaction of the President and the Secretary of State as deeply disappointing. At the same time, the Secretary-General, Kurt Waldheim, is clearly ducking the refugee issue presumably based on a hesitancy to possibly offend the sensibilities of the Communist countries. His performance at this critical time in history is disheartening.

I again appeal in the most urgent way to the President and to the Secretary-General of the U.N. to act vigorously and affirmatively in the development of a cooperative international effort to share the responsibility of placement and care of the Vietnamese refugees.

Mr. ROBERT C. BYRD. Mr. President, there is no doubt in my mind that the vast majority of the Vietnamese refugees will prove to be good citizens, and that, like waves of immigrants who came to our shores before them, they will eventually make valuable contributions to the United States. Yet, there are certain facets of the current situation that concern me; and I believe the emotionalism that has greeted the arrival of the refugees should be tempered by serious reflection and thought.

The evacuation process itself was, in my opinion, delayed and drawn out to the point where the lives of Americans in South Vietnam were unnecessarily endangered. We should have moved quicker in bringing home our citizens from that embattled country; and had we moved sooner, the evacuation of the South Vietnamese who truly needed asylum in America could have been accomplished without the confusion and chaos that marked the final hours in Saigon.

For example, we were originally told that about 80,000 South Vietnamese would be evacuated; then we were told 117,000 would be brought out. But by the time the final figure is tabulated, by the time those escaping helter-skelter on the flotilla of sampans are included, the number could be over 150,000—with many left behind who were included on the original lists of those who desperately needed to escape.

Part of the problem—a large part of the problem—was of our own making. Instead of evacuating those whose lives would be endangered under Communist rule and then leaving for the United States, our ships stayed off the shore of South Vietnam and took aboard anyone ingenious enough to find a way to reach them.

As a result, among the refugees already in the United States or waiting on Guam, there are many who not only would be safe in their own country, but who also may not qualify for immigration to our country.

Newspapers have carried numerous stories of prostitutes who managed to escape, and title 8, United States Code, section 1182, specifically prohibits "aliens who are prostitutes or who engage in prostitution" from entering the United States. The same prohibition applies to persons guilty of crimes of "moral turpitude," which would seem to cover those high-ranking South Vietnamese Government officials involved in the corruption that played such a large part in the downfall of their country.

I have been informed that, partially because of the emergency nature of the situation, all the refugees could be allowed into the United States for 2 years. However, at the end of those 2 years, they would have to apply for permanent visas; and at that time, some would be denied residence here.

That eventuality leads to this question: If we are going to exclude some of the refugees in 2 years, why not make the current screening process thorough enough to exclude them now? By closing our eyes to the fact that not all the refugees may deserve admittance to the United States, we are merely postponing a potentially serious problem. And worse, we are doing a disservice to the majority of the refugees who truly need asylum here, and who are anxious to begin their lives as productive residents of America.

Vietnam was a tragic and painful experience for the United States. We lost over 56,000 men, and invested over $150 billion. It is also tragic and painful for the South Vietnamese refugees. Many of them lost all their wordly possessions, and all have lost their country.

I want very much to help those who need our help, but I doubt if we are helping them by providing a blanket asylum that may cover some South Vietnamese who exploited their own countrymen and their American allies during the war—and whose personal conduct is held in disrepute equally by Americans and South Vietnamese.

The United States has always welcomed the oppressed peoples of the world, and it will continue to do so. But let us guard against having our humanitarian tradition abused by any who should not be included in the numbers of deserving refugees.

The PRESIDING OFFICER. The hour of 2:30 having arrived, the question is on agreeing to the resolution of the Senator from California.

Mr. CRANSTON. Mr. President, I ask unanimous consent that I may have 30 seconds to speak for our colleague the Senator from Alabama (Mr. ALLEN).

I just want to say JIM ALLEN wanted to be here. He was required to testify before a committee and could not be in the Chamber. I want to thank him for his wonderful cooperation. He participated in the drafting of the resolution, and his contribution gave me great strength, and I thank the Senator for that.

Mr. ALLEN subsequently said: Mr. President, the time for the vote on Senate Resolution 148 by the distinguished senior Senator from California (Mr. CRANSTON) and the junior Senator from Alabama was originally set for 3 o'clock. Thereafter to accommodate other Senators, the time was set at 2:30, and the Senator from Alabama had already made a commitment to testify before the Post Office Committee against the postcard registration bill, and he was detained during that testimony and was unable to be on the floor prior to the rollcall vote on Senate Resolution No. 148, the resolution having to do with the Vietnam and Cambodian refugees.

Along with the leadership of the distinguished Senator from California (Mr. CRANSTON), the Senator from Alabama was one of the cosponsors of the resolution, and at this time I ask unanimous consent that the name of the Senator from Oklahoma (Mr. BARTLETT), the Senator from Nebraska (Mr. CURTIS), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Delaware (Mr. BIDEN), be added as cosponsors of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN subsequently said: Mr. President, I had intended to make brief remarks in support of Senate Resolution 148, and not having been able to be present at that time I would like to state that on May 1 I was asked by a newspaper reporter for one of the Alabama newspapers what I felt about the bringing of Vietnamese and Cambodian refugees to this country. My answer at that time was:

> Well, naturally, I'm sorry that we are presented with the problem, and I have mixed feelings about it. These people will be a burden for a time and they will take some jobs. But let's look at the positive side. Many are members of families of Americans; many worked with the U.S. in Vietnam and we are obligated to them; some will take work that many Americans would reject. But, overall, I feel that I must, in my thinking, apply the lesson taught by Jesus in the parable of the Good Samaritan. If we do this, I have no doubt God will bless America for its charitable and generous impulses and actions.

This thought along with similar compassionate and humanitarian thoughts were expressed in the resolution referred to, offered personally by the distinguished senior Senator from California (Mr. CRANSTON).

Mr. President, I might say that I feel that this resolution may possibly be somewhat ahead of, shall I say, superficial public opinion. But I feel that it is not ahead of the basic, fundamental, charitable, compassionate and humanitarian instincts, and beliefs of the American people.

I hope that this resolution, which has been passed by a vote of 91 to 1 here in the Senate, will help shape public opinion in the direction of adopting a humane, compassionate, considerate outlook, and viewpoint with respect to these sad and tragic refugees from cruelty and tyranny across the seas.

I feel that it is only fitting and proper that we do receive these refugees. I am delighted that the Senate by this almost unanimous vote has acted in this fashion.

Mr. President, I think that these sense of the Senate resolutions, that we pass in the Senate from time to time, are most meaningful when there is a rollcall vote because frequently something will be put in as a sense of the Senate resolution, two or three Senators are on the floor, possibly only one in addition to the Presiding Officer—as is the case at this time—and it is sometimes easy to get a sense of the Senate resolution passed and it might not be the true sense of the Senate.

So I think that rollcall votes should be taken on all sense of the Senate resolutions and I am delighted that in this case the vote was 91 for to only 1 against.

Mr. CRANSTON. Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER.** The hour of 2:30 having arrived, under the previous unanimous-consent order, the Senate will proceed to a vote on the resolution of the Senator from California.

The question is on agreeing to the resolution. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order.

The **PRESIDING OFFICER.** The Senate will be in order.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGOVERN), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Kansas (Mr. PEARSON), are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BROCK), would vote "yea."

The result was announced—yeas 91, nays 1, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—91

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—1

Scott, William L.

NOT VOTING—7

Brock
Cannon
Church
Hartke
Haskell
McGovern
Pearson

So the resolution (S. Res. 148) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 148

Whereas, ours is a nation of immigrants and descendants of immigrants, many of whom fled from tyranny and bloodshed in their native lands where they were scorned, hated and hunted, and

Whereas, they came here because they knew they could find in America safety, freedom and opportunity, and

Whereas, they found all those things and more, for they also found America to be a land of compassion as well as affluence, magnanimity as well as wealth, and

Whereas, Americans welcomed these fellow, less-fortunate human beings not only for their sake but for our own, knowing that they strengthened our national vitality, constantly renewing the diversity and richness of our lives and the pluralism and dynamism of our society, and

Whereas, this periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and self-righteousness by reminding us of our origins, of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage, now therefore

Be it resolved that the Senate reaffirms that the Statue of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The **PRESIDING OFFICER.** Pursuant to the previous order, the Senate will proceed immediately to vote on an amendment of the Senator from Washington (Mr. MAGNUSON) to S. 200.

The yeas and nays have been ordered.

Mr. GRIFFIN. Mr. President, may we have order?

Mr. MAGNUSON. Mr. President, the pending business to be voted on is my amendment to exempt broadcasting licenses for 3 years from this bill. Is that correct?

The **PRESIDING OFFICER.** That is correct.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The **PRESIDING OFFICER** (Mr. STEVENS). Will the Senators please take their seats?

The clerk will suspend.

Will the Senators please be in order so the Senators who are here can hear their name being called and the clerk can hear the response?

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Idaho (Mr. CHURCH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BROCK) would vote "yea."

The result was announced—yeas 69, nays 21, as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—69

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hatfield
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—21

Allen
Buckley
Bumpers
Chiles
Fong
Glenn
Griffin
Hart, Philip A.
Haskell
Hathaway
Hollings
Leahy
McClellan
McClure
Morgan
Nunn
Roth
Scott, William L.
Stone
Weicker
Williams

ANSWERED "PRESENT"—3

Helms
Huddleston
Taft

NOT VOTING—6

Brock
Cannon
Church
Hartke
McGovern
Pearson

So Mr. MAGNUSON's amendment was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 342

The PRESIDING OFFICER. Pursuant to the previous order, the Senator from Connecticut (Mr. WEICKER) is recognized for the purpose of calling up an amendment.

Mr. WEICKER. Mr. President, I call up my amendment No. 342.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 36, beginning with the comma on line 20, strike out through line 4 on page 37 and insert in lieu thereof a period.

Mr. WEICKER. Mr. President, I ask unanimous consent that my amendment become the pending business on Monday and that I be recognized at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, reserving the right to object, is this the amendment that would strike the exemption in the bill that applies to labor organizations, labor-management relations?

Mr. WEICKER. That is correct.

Mr. GRIFFIN. I thank the Senator.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Mr. Frank Gorham, of Senator DOMENICI's staff, have the privilege of the floor during further consideration of S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMANITARIAN ASSISTANCE FOR REFUGEES FROM SOUTH VIETNAM AND CAMBODIA

Mr. HATFIELD. Mr. President, I have sent to the desk a bill, and I ask unanimous consent that it be made the pending business and be considered immediately.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the bill (S. 1696) to authorize amounts available but not committed for military assistance to South Vietnam and Cambodia to be used for humanitarian assistance for refugees from South Vietnam and Cambodia, which was read the first time by title and the second time at length.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the names of the following Senators be listed as cosponsors of the bill: Senator SPARKMAN, Senator THURMOND, Senator JAVITS, Senator CASE, Senator CRANSTON, Senator MANSFIELD, Senator BROOKE, Senator BUCKLEY, Senator WEICKER, Senator RIBICOFF, and Senator GARN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I am today introducing a bill which will provide initial, humanitarian assistance for the Vietnamese refugees in this country, without costing the American taxpayer additional funds. Let me indicate at the outset of my remarks that I do not believe this bill will be sufficient to meet the total needs of these people, but it will provide assistance while Congress debates the question of additional aid.

This legislation provides that unobligated funds authorized and appropriated by Congress for military purposes in South Vietnam in this fiscal year, will immediately be made available to the President for the humanitarian assistance of those who fled that country. I have been told that $17 million of appropriated funds for the military assistance program to South Vietnam remains unobligated. This $17 million can be put to immediate use to aid these refugees.

In addition, it is estimated that from between $100 and $130 million remains in the pipeline. It is not known what percentage of these funds are retrievable, but the Department of Defense is working now to compile that information, and to restore these funds to the Treasury. I am told that precise figures will be forthcoming.

There is, then, the potential of $147 million that can be made available if this legislation passes Congress. Even should the available funds be substantially less than is hoped, those that are retrievable will substantially ease the plight of the refugees while debate continues in Congress over the $507 million request by President Ford. Again I stress that this bill provides no further expenditure of funds beyond that which the Congress has already allowed. Given the lack of money now available for the relief of these refugees, and given the dangerous delays that may occur as Congress debates added assistance, I urge my colleagues to pass this legislation with every haste.

Let me make a further observation, Mr. President. I have been carefully watching in recent weeks the national reaction against providing additional assistance for the 120,000 refugees who have come to American shores from the desolation of Vietnam, and I am saddened by that reaction. The nightmare of that agonizing war will apparently not leave us, nor will the hate that it spawned be easily extinguished. The war in Vietnam has nurtured a fear and desperation of its own, which now threatens to consume us.

For those who counted the human casualties of Vietnam only in statistics of human death, or in the billions of dollars spent, or in the innocents that were murdered at My Lai, Hue or a thousand nameless villages throughout Southeast Asia, I believe their judgments to be incomplete. It is apparent that much more died in the jungles and swamps of Indochina; lost too was a sense of decency, of common compassion, that may prove the most costly casualty of the Vietnam war.

The question is asked, "What kind of people are we?" and the answers pour in: We are a tired people, battered by the memory of war we should not have waged; we are a beaten people; we are a people scorned and so we feel the need to respond with equal hatreds and silent curses. "Not one cent for those yellow people," I am told, and the hollow message echoes across a nation whose people are weary and angry, wanting only to forget.

But we cannot forget. I can accept their weariness, because I too am weary of the tragedies of this war, I can accept their anger, which is born of fear and confusion surrounding our failures in Vietnam. But we cannot forget or ignore these people, nor have we the moral right to turn our back on their suffering, for they will, if prevailing opinion has its way, simply die a slow and quiet death.

There is a solution, but it cannot be found in this initial reaction of panic. We must reach beyond the maelstrom of fear and desperation that now surrounds us. We must somehow grab hold of our reason, our compassion and our humanity. If we abandon these qualities now, we have lost far more than a war; we have lost control of ourselves. If we refuse to forgive these people for following the power of America, however deeply misguided, then we cannot ever hope to forgive ourselves. And without such forgiveness we are indeed a beaten people.

If we are a people of moral principles then let us live those principles, surrounded as we may be by the gravest difficulties at home. It is in the darkest hours that we can attain the brightest achievements and thereby regain a sense of dignity where now there exists only a feeling of loss, fear and hopelessness. We must listen quietly to an understanding far older and far wiser than our own. As the prophet has said.

> For if you truly amend your ways, and your doings, if you truly execute justice one with another, if you do not appress the alien, the fatherless of the widow, or shed innocent blood, and if you do not go after other gods to your own hurt, then I will let you dwell in the land that I gave your fathers forever.

Mr. President, there can be no compromise in our treatment of these refugees from war. For those who would insist that we have no obligation to them, that we cannot afford to help in the reconstruction of their lives, I can only respond: There is no alternative. We either assist them now, or we allow these children and their parents to die without food, without shelter, and without hope. I could not believe more strongly that to deny them this compassion would be the final tragedy of Vietnam; a tragedy that would haunt both ourselves and our children. By refusing assistance we can only further the nightmare of despair that is, and will always be, symbolized by Vietnam.

The assimilation of these Vietnamese refugees into our culture will not irrevocably harm our economy. Such fears are unnecessary. Those eligible for work represent less than one-tenth of 1 percent of the labor force that is now unemployed. Nor at this time is it practical that these Vietnamese can be returned to their homeland. Perhaps in the future, and if they so choose, the international situation will allow for their return. But that is not feasible at this time, and we should recognize that fact.

The bill I am introducing today will provide, I believe, a basis on which the assistance and relocation of these people can proceed. It is money that has already been authorized and appropriated by Congress. It is money that has been directed for the use of war, and that can now be redirected toward the purpose of peace. It will cost the taxpayer nothing more, and its dividends will be substantial. And yet, it will not be enough. I want to make clear that I support requests for additional funds.

It must be remembered, by those who fought for so many years to end the waste and suffering this country endured during the Vietnam era, that far greater sums than have now been requested for humanitarian assistance would have been requested of this Congress if the war had continued. It must be remembered that we would have been asked for $5 billion in the next 3 years.

While we were militarily engaged in Vietnam we spent over $150 billion, the equivalent of $500 million every 10 days. These funds only furthered a pointless and bloody slaughter. Now a small portion of these moneys can be directed toward healing the sick and promoting, rather than destroying, human life.

Many citizens have expressed very real concerns over the fact that these moneys will be spent at the sacrifice of those who need it most, our senior citizens, our poor, our jobless, and our hungry. I can only indicate to those who are concerned that I will not be a party to such a sacrifice, nor do I believe that a sacrifice is necessary. This Nation remains strong enough to help those of its citizens who suffer, and that strength will grow. We have now ended our involvement in a war that cost us heavily in lives and treasure; we can now proceed with programs aimed at easing the strain on our economy with that burden having been lifted.

Let me stress, Mr. President, my belief that these people are now a part of us, and they should be treated with the courtesy we would extend to any countryman. We are fundamentally responsible for their plight, for they are the cultural fragments of a society which we chose as a battlefield between the forces of the free and Communist world. The fact that some believed from the beginning that that choice was a catastrophic mistake, in no way lessens this Nation's obligation to them. Their cause was our cause, and their future is now interwoven with our own.

Mr. President, let me finally say that I understand the worries and fears of the people of this Nation. We are faced with immense difficulties that weigh heavily on everyone. In some ways, we are all frightened.

But in fear let us not destroy our decency, and in anger let us not lose sight of our purpose. As Thomas Merton has written:

> We can learn to love them even in their sin, as God has loved them. If we can love the men we cannot trust, and if we can to some extent share the burden of their sin by identifying ourselves with them, then perhaps there is some hope of a kind of peace on earth, based not on the wisdom and the manipulations of men but on the inscrutable mercy of God. For only love—which means humility—can exorcise the fear which is at the root of all war.

I understand the difficult decisions that are facing my colleagues, and this Nation. Yet, I ask that we allow these people a simple chance at life. Perhaps, in such allowance, we shall finally find a peace within ourselves.

Mr. President, basically, what we have here is an implementation of the Cranston resolution, which was passed by an almost unanimous vote of the Senate, which stated a very noble and a very apropriate ideal as to the attitude and the sentiment of the Senate toward the refugees. I think, to look at the situation of the moment, we have to recognize that the money for the refugees will be running out by tomorrow. The Senate will not be in session until Monday. The Senate bill, which is the Javits-Pell proposal to deal with the refugee problem, will be taken up for expeditious hearings before the Committee on Foreign Relations on Tuesday. But between now and then, and perhaps even following Tuesday, we shall have to have resources to care for those refugees who are already here.

I have checked with the Department of Defense and I have ascertained that there are about $17 million of unobligated funds which have been appropriated by Congress under the $700 million Military Assistance Act. There is an additonal $100 to $130 million in what we refer to in budgetary nomenclature as retrievable funds. The proposal that we now have before us is merely an authorization to utilize such unexpended and available funds under the Military Assistance Act, which we have already appropriated, for the use of the refugees and to care for the refugees until we can set up a basic program to be funded at a later date.

Mr. President, I ask unanimous consent that Senator PELL be made a cosponsor of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, we have alerted the White House, we have alerted the National Security Council, we have alerted the Department of State, we have discussed it with the Department of Defense, and in the initial reactions of the people with whom we have discussed this proposal, we have found no objections.

I say further that I have checked this with the chairman of the Committee on Appropriations, the ranking minority member of the Committee on Appropriations, the chairman of the Committee on Foreign Relations and the ranking minority member, the chairman of the Senate Committee on Armed Services and the ranking minority member. I have checked it with the leadership of the Senate, and we have not found objections. I think it does provide us with the interim resources necessary to care for these refugees until Congress can fully debate and discuss the question as to the final and more permanent disposition of this problem.

Mr. MANSFIELD. Will the Senator allow me to proceed when he is through?

Mr. HATFIELD. I shall be very happy to yield to the distinguished majority leader. Before I do so, Mr. President, I ask unanimous consent that the Senator from West Virginia (Mr. RANDOLPH) be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, as so often happens, I find myself on the side of the distinguished senior Senator from Oregon. That goes back for a number of years. Once again, he has come up with a solution to a difficulty which I had intended to discuss at the time the Cranston-Allen amendment was being debated, but during that period, I had a conversation with the distinguished Senator from Oregon (Mr. HATFIELD). He indicated to me what he had in mind and I wholeheartedly approve of this approach, because it ties in, in part, with some remarks I am about to make.

I am delighted that the Senate, this afternoon, almost unanimously approved the Cranston-Allen amendment. I am delighted to report to the Senate that the Committee on Foreign Relations, instead of initiating hearings on the President's request for $507 million on Tuesday, will meet instead on Monday morning, and therefore, the committee did indicate its interest and its desire to get along. But we should not move too fast. That is the reason why I think it is most important that the proposal offered by the Senator from Oregon be given immediate consideration: Because something has to be done to fill in the stopgap which will occur at the end of this week and, at the same time, will allow the appropriate committees a time to look into this matter, not hastily but cautiously and carefully, so that we will be sure of what we are undertaking.

Mr. President, on Tuesday last, the President expressed a deep concern for the Vietnamese refugees who have arrived in the United States or are on the way. He recognized a profound moral obligation on the part of this Nation to these 120,000 or more people. I can understand and appreciate the President's concern. Although I opposed the U.S. military involvement in Vietnam from the outset, it seems to me that the President is acting in accord with a national obligation in urging the Nation not to blot out the plight of these unfortunates in a recoil from the overwhelming tragedy of the Vietnamese war. Whether or not it was the proper course to encourage these Vietnamese—and Cambodians, I might say—to build up a dependency on us in the first place is moot. The fact is that the executive branch, with congressional acquiescence, did permit this to happen in the pursuit of the war. We cannot now slough off the consequences without doing violence to our finest traditions.

The administration has indicated that the funds which have been transferred from the foreign aid program to sustain the relief of the refugees to date are just about exhausted, as the Senator from Oregon indicated earlier. Congress is now asked to appropriate $500 million to continue the effort. I trust that this request will be given careful and serious consideration. Time for thought and deliberation are essential if we are to understand what we are about in this situation and how best to handle it.

To be sure, the Vietnamese refugees must be fed and clothed and housed in the meantime. In a government spending $300 billion a year, however, I must say in all candor that I would find it little short of amazing if there were not a few million uncommitted dollars to carry on the relief work a little longer, to the end that Congress may have adequate time to design appropriate legislation.

The distinguished Senator from Oregon (Mr. HATFIELD) was thinking along the same lines.

Perhaps the President can draw several million dollars from the current Defense Department budget of $85 billion to cover the short time it will take to consider the refugee program fully.

Again, the distinguished Senator from Oregon has gone to the source and found out where there is something in excess of $100 million available. After all, contingent defense needs for Indochina for which, I should think, past appropriations have provided have been changed drastically by recent events. If the President lacks legal authority to transfer such funds to take care of the refugees, what may be needed in the first instance on an urgent basis from Congress is a grant of authority to make such transfers.

In the meantime, it is my hope and expectation that the Senate will move expeditiously on the President's broader request for $500 million for refugee assistance. In my judgment, however, this is a larger question than merely housing, feeding and shunting thousands of people around the United States.

We need to look beyond the immediate tasks. It is entirely possible, for example, that other countries may be prepared to welcome some of these people and offer them better opportunities than can be found here. In view of the sudden collapse of the previous government in South Vietnam, moreover, it is entirely possible that many refugees left Vietnam in panic, even though they may not have been personally endangered. Indeed, there are reports that some were compelled by superiors to leave, as, for example, Vietnamese Air Force support personnel who were required to fly to Thailand.

Another group was one which wound up in Guam. Reports indicate that a wave of homesickness and second thoughts is passing through the refugee camps—a natural reaction.

In any event, any Vietnamese wishing to move to another country or to return to Vietnam should be given, in my judgment, not only that opportunity but every reasonable financial assistance not only for transportation but for resettlement and rehabilitation. To make this possible, a suitable general understanding must be reached with other governments and, notably, at an appropriate time, the successor government in Saigon and Phnom Penh. I trust that this possibility will be fully examined by the committees considering the administration's request for appropriations. Perhaps, it will be necessary to enlarge the authority which the President sesks in the refugee bill. It may be that what will be needed is a somewhat larger appropriation than has been sought for the refugees, with the understanding that a substantial part of the total will be reserved for a program of resettlement and rehabilitation in their homeland. What would be involved here, of course, is working out arrangements with the new government in Saigon and the engagement in the work of a mutually acceptable private international body, such as the International Red Cross. I must emphasize, too, that I am referring to those refugees who, voluntarily, wish to return but their number may be far greater than is now apparent, provided there are appropriate safeguards.

I reiterate, too, that while the legislation is being devised, if necessary, a special grant of authority to the President should be sought which would permit him to transfer some unobligated funds from elsewhere in the budget, perhaps, from the Defense Department to sustain the refugees, to the end that Congress will have adequate time to consider the principal measure fully.

I commend the distinguished Senator from Oregon on finding these possibilities and for being able to present to the Senate a proposal which should prevent any lapse in taking care of these refugees throughout this country and on American islands in the Pacific, and thereby allowing the committee, which will start hearings on Monday morning, to go into this carefully, cautiously, and thoroughly, and in that way to make absolutely certain of what we are doing.

The Senator, I think, has done the Nation a service.

Mr. HATFIELD. Mr. President, I thank the Senator from Montana, our very distinguished majority leader. He has in a typical statesmanlike way put his finger in the most eloquent and concise manner upon a point of importance, when he speaks to the fact that we need the time for careful consideration of this matter without removing the sense of urgency that exists.

He, also very properly, places his finger on another point, and that is that we are in the process of computing and calculating these unexpended funds. We do not have a precise figure, but it is important to empower the President to utilize what funds are deemed as authorized, available and uncommitted funds. That is why we used the language in this bill that we used, which is simply to authorize the President to utilize available military assistance funds for humanitarian purposes in assisting refugees from South Vietnam and Cambodia.

So I underscore those two points that the distinguished majority leader has commented on today.

The fact remains that we must now have our sister body, the House of Representatives, take similar action. The President of the United States would then be required, if affirmative action is taken by both bodies, to sign the bill into law.

All of this does give us, then, the lead time necessary to get some more precise figures on what funds are available in the Military Assistance Act.

I ask unanimous consent, Mr. President, to add the name of the Senator from Nevada (Mr. LAXALT) as cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I think it is wonderful that America is finally rolling on what should have appealed to its conscience originally. In this way we give a most eloquent rebuttal to those who would for a moment think that we are heartless or turning our backs on our own heritage as a Nation of immigrants and as a Nation willing, in the name of our own tradition and Constitution, to receive those who are in danger of persecution on political, religious, or other grounds of which we would thoroughly approve.

I am deeply gratified that my bill with Senator PELL has touched off this spate of initiatives, thoughtfulness, and investigation which has produced such fine results on the part of Senator CRANSTON and Senator HATFIELD. I join the majority leader in saying they have rendered a very distinct service to the Nation in doing and enabling us to do what needs to be done immediately leading to the consideration of the basic legislation which has been introduced by me with Senator PELL.

I thank the majority leader, who is always so modest, for taking it as a personal duty to accelerate to the maximum extent possible the moment for hearings on the bill for the definitive authorization which can lead to the definitive appropriations. I join with him also in the feeling that we have not and will not lose our sense of balance.

There may be some who wish to return; and perhaps even we, notwithstanding our situation in Southeast Asia, may provide appropriate auspices by which that may be encompassed.

No one wishes to override the concerns of any American about this situation. We have adequate screening processes. We have been in Vietnam for a long time, unhappily for us. We know a lot about what goes on there and the people who are there, and, of course, those processes will be gone through in an appropriate way.

Finally, this is and should be a multinational responsibility. We should call upon other countries to do their fair share. Those were exactly the words used, and I was a party to it myself, years ago with respect to the displaced persons in Europe.

But the important thing is that America's conscience has now stimulated the necessary action in the Senate of the United States. I am confident that it will be met reciprocally in the House of Representatives. That is all to the good.

The message must go out to the world, Mr. President, that we are not isolationists and that we are not heartless. We have not lost our reason because of this reversal. America still remains the America that has inspired so much faith, so much idealism in the hundreds of millions of oppressed and depressed peoples in the world.

For my part, Mr. President, I pledge myself—and I know I speak for Senator PELL—to go forward with the utmost diligence and speed in the effort to construct a bill which will be acceptable to the Senate, which will give the President the necessary basic authority to proceed with this resettlement effort.

While we have taken interim measures here today, or will have when we pass Senator HATFIELD's bill, which I hope we will do very shortly, we all understand that the pattern of legislation must be the frame of reference within which this matter will proceed. That is the key point. We can do one makeshift thing or another for a few days, perhaps, or even a week or two, but we cannot wait much longer than that.

The President has already stuck his neck out a mile in taking Vietnamese off of the mainland of Asia and in expending money which was not necessarily ever intended for these particular purposes.

It needs to be regularized, as well as the general activities to resettle these refugees, both in our own interests, so that acknowledged and accepted national policy, with the necessary money, may not be replaced by fears and concerns which are both inappropriate and unnecessary.

So I express my gratitude to Senator HATFIELD, as I did to Senator CRANSTON, for the fine work which shows that we, too, can operate as a team, that we are not all individual prima donnas, but that a line of action having been inaugurated, there are very constructive lateral supports for it such as those on which we are acting today by Senator CRANSTON and Senator HATFIELD.

Finally again I thank our majority leader, MIKE MANSFIELD, for his deep feeling of conscience which has enabled us to accelerate materially the timetable of the Foreign Relations Committee; and my thanks to Senator SPARKMAN and Senator CASE, our chairman and ranking member, who have cooperated in that effort.

I thank the Chair.

Mr. HATFIELD. Mr. President, I wish to express my appreciation to the Senator from New York for his comments and for setting this action into the context that he did, because I would like to underscore, too, that this is but an interim measure, interim action. This does not solve the problem, and it will be necessary for the Senator from New York and the distinguished majority leader, who are members of the Foreign Relations Committee, to carry on to bring forth the solution, the ultimate solution, to this problem.

I would also indicate, to make sure the record is complete, the Pentagon has informed us that it may even be necessary for a period of time to elapse should this become law, hopefully by the weekend, to retrieve some of these funds that are in the pipeline or from a budgetary point of view to extrapolate the funds from the other funds in the Defense Department budget.

I am hopeful that bureaucratic procedures will not necessarily impede the action that is indicated by this kind of a bill, and the urgency of meeting the needs of the refugees as they exist today. I am hopeful that the Pentagon will give its full support and full cooperation to the purposes outlined in this bill, and thus give the President power, empower the President, to act as he must.

I again want to thank my colleagues, particularly the Senator from Montana and the Senator from New York, for their assistance in this action at this time.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. HATFIELD. I am happy to yield to the Senator from Illinois.

Mr. PERCY. I would very much appreciate being added as a cosponsor.

Mr. HATFIELD. Mr. President, I ask unanimous consent that Senator PERCY be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. I should simply like to express my deep appreciation to Senator HATFIELD for this bill. We have all been subjected to tremendous mail pressure, but I do not think we really, other than wanting to look at it to see what public opinion is—that does not influence our judgment. I still get more letters every day, today and yesterday and the day before, on just the issue of gun control than on this issue. 250 letters this week coming on this issue are not overly impressive, and I do not think it represents really the feeling of the American people whatsoever.

We should do what we need to do to take care of this situation and to be the kind of a nation and the kind of a people that will be in the perspective of history proud of our actions.

I think the distinguished Senator has added tremendously in contributing to this measure.

Mr. HATFIELD. The Senator from Illinois has spoken most graciously, and I want to thank him for his cosponsorship and for his comments.

Mr. KENNEDY. Mr. President, I rise in support of this effort which will provide emergency relief toward the swift resettlement of Vietnamese refugees in the United States.

Yesterday I was told by representatives of the administration that current funds are running out which have so far been used to provide transportation and logistical support to move the refugees into resettlement camps in the United States. So far, the administration has expended $98 million. However, by this weekend these funds will be exhausted. In order to meet the urgent needs arising each day, it is necessary that the administration and the Congress move forward quickly to insure that the voluntary agencies which are currently beginning to assume responsibility for the Vietnamese refugees have our necessary support.

The Congress is not expected to approve authorization legislation until next week. In the meantime, thousands of refugees are piling into camps throughout the country.

Until final legislation is approved, it is imperative that the efforts of the voluntary agencies can continue. They require money—and it is upon our shoulders here in Congress to guarantee they have our full support.

As chairman of the Subcommittee on Refugees, I am keenly sensitive to the very special problems which the refugees face upon their arrival. Let us therefore move to lighten their burden and approve this legislation. We can do not less to end their suffering and bring a new purpose to their lives than by meeting the challenge of their arrival.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any amounts available for military assistance for South Vietnam and Cambodia but not committed are authorized to be used as the President may direct for humanitarian assistance for refugees from South Vietnam and Cambodia.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. I move to lay that motion on the table.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS UNTIL 5 P.M., MAY 9, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that committees may have permission to file reports from the close of business today until 5 p.m., tomorrow, May 9, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. ALLEN. Mr. President, the matter under discussion is Senate bill 200 and the pending amendment is the amendment of the distinguished Senator from Connecticut (Mr. WEICKER).

I have many things I would like to say on this subject, but it seems to be the will of the Senate that we recess at this time.

I hoped that a number of Senators

would be on hand to listen to arguments with respect to the bill, but that is not the case and the leadership has expressed a desire that at the time of our recess today we recess over to Monday at 11 a.m.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will next convene on Monday, May 12, at 11 a.m., following a recess. At the conclusion of routine morning business, H.R. 4700, the NASA authorization bill, will be taken up under a time agreement. Rollcall votes may occur on amendments thereto and on final passage, but no rollcall vote will occur before 4 o'clock p.m. At 4 o'clock p.m., a rollcall vote will occur on the Weicker amendment to S. 200, the Consumer Protection Agency bill. Any other votes ordered prior to 4 p.m., will occur following the rollcall vote on the Weicker amendment.

RECESS UNTIL 11 A.M. MONDAY, MAY 12, 1975

Mr. ALLEN. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 a.m. on Monday.

The motion was agreed to; and at 3:45 p.m. the Senate recessed until Monday, May 12, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 8, 1975:

Department of Transportation

John Hart Ely, of Massachusetts, to be General Counsel of the Department of Transportation, vice Rodney Eugene Eyster, resigned.

Farm Credit Administration

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for terms expiring March 31, 1981:

Ralph N. Austin, of Colorado, vice James H. Dean, term expired.

David C. Waldrop, of South Carolina, vice T. Carroll Atkinson, Jr., term expired.

In the Air Force

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. James M. Archer, [redacted].
Maj. Charles R. Barnes, [redacted].
Maj. Ervin J. Bedker, [redacted].
Maj. Robert O. Boardman, [redacted]
Maj. Jerrold W. Brown, [redacted].
Maj. Carl T. Butterworth, [redacted].
Maj. Jerry Edwards, [redacted].
Maj. Marion D. Garrett, [redacted].
Maj. James N. Holcomb, [redacted].
Maj. Floyd F. Honea, [redacted].
Maj. Bernard W. Hurlock, [redacted].
Maj. Robert A. Lawrence, [redacted].
Maj. Donald E. Lynd, [redacted].
Maj. Virgil A. Maxwell, [redacted].
Maj. Joseph R. McCabe, [redacted].
Maj. William R. Moor, [redacted].
Maj. Reginald Parsons, [redacted].
Maj. George C. Poravas, [redacted].
Maj. Robert F. Ranzenbach, [redacted].
Maj. James D. Recco, [redacted].
Maj. James W. Thomas, [redacted].
Maj. Frank F. Tinley, Jr., [redacted].
Maj. Wilfred S. Unverricht, [redacted].
Maj. Charles E. Williams, [redacted].

MEDICAL CORPS

Maj. John S. Burrell, [redacted].
Maj. Ivyl W. Wells, [redacted].

In The Navy

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

Line

Abretski, Paul R.
Allen, Duke D.
Allum, Arthur E.
Altman, Kenneth B., Jr.
Anderson, Edward W.
Ascione, Raymond A.
Avenson, Jerome H.
Axelrod, William H.
Bacon, William F.
Bagley, Raymond C.
Ballas, Jim W.
Barber, Theodore Jr.
Bassett, William T.
Bates, William A., Jr.
Beardin, Larry D.
Beck, Donald D.
Beck, Harold R.
Becker, William E.
Beer, Bill E.
Bence, Ronald P.
Bolton, Frederick A.
Borno, Louis M., Jr.
Boyar, John A.
Brittain, William G., Jr.
Brown, Tommy A.
Brownhill, Lloyd D.
Buchanan, Robert W.
Burgess, Thomas C.
Burns, Daniel P.
Busch, Danny G.
Calhoun, Jimmy R.
Campo, Milton P.
Carroll, Charles E.
Chapman, Davey S.
Christensen, Erick T.
Coffman, Bert U.
Collins, Richard W.
Combs, Russell W.
Combs, Charles R.
Coupland, Steve J.
Cousins, Jack W.
Craigie, George S., Jr.
Crooks, Dennis J.
Curry, Raymond M.
Dalton, Merrill A.
Dean, Alvin E.
Decker, Charles E.
Deese, David S.
DeLong, Richard C.
Demarco, Jimmy W.
Deneen, Brian M.
Dewald, Bruce F.
Dickson, Lee A.
Dilick, Gregory F.
Dossey, Melvin L.
Dragone, Joseph A., Jr.
Dukes, Donald C.
Earnest, William G.
Eckler, Burton F., Jr.
Evans, Gary W.
Fahner, Richard B.
Fehrs, Thomas L.
Finley, Charles C.
Fitzhugh, Gary L.
Fleet, George B.
Fleming, Robert E.
Fox, Ronald G.
Froemel, Anthony F.
Gaffrey, James T.
Gebbie, Larry A.
Giusti, Gerald J.
Glover, Andrew L.
Godfrey, Thomas J.
Goforth, George T.
Gordon, Harry J., III.
Gravely, Robert O.
Greene, Montie R.
Griggs, Edward C.
Gunn, Terrell L.
Gustin, Bruce A., III.
Hahn, Kurt R.
Hammerle, Gerald T.
Harmer, Donald W.
Hartfield, Daniel T.
Hartsock, Thomas P.
Hawk, Bruce L.
Hawkins, Robert F.
Haworth, James R.
Henderson, Harold D.
Hicks, Edward K.
Holcomb, William K.
Holzworth, James E.
Howard, Frank W.
Hubbard, Calvin E.
Hudgens, Robert T.
Hudson, Thomas G.
Huff, David G.
Hull, Roger L.
Hunter, Thomas D.
Hyatt, Jerry O.
Jackson, Bernard T.
Jacobs, Thomas E.
James, Richard H.
Johnson, James W.
Johnson, Paul R., Jr.
Johnson, Paul W.
Jones, Preston L.
Josey, Laverne
Joyner, Thomas F.
Kale, James E.
Keesling, Robert A.
Kilmer, Harold B., Jr.
Knapik, Paul P., Jr.
Knight, Cletius D.
Knueppel, Wolfgang W.
Krueger, Lloyd E.
Lambert, Carlton D.
Lambing, Edward W.
Lancharic, James V.
Landick Richard E., Jr.
Langenohl, Frederick C.
Laporte, Charles R.
Laughland, Ronald W.
Leal, Pedro G.
Lose, Jay D., Sr.
Lovejoy, Paul G.
Lovett, Harry L.
Lovett, Joel D.
Lundby, Neil W.
Lutes, Jack
MacDonald, Donald J.
Mancini, Dante R.
Mares, Joe N.
Marsh, William H.
Marshall, Rudy F.
Martin, John P.
Martin, Kenneth R.
McAvinia, Thomas F.
McBrayer, Gary D.
McCollum, James W.
McCoy, Charles K.
McDermott, Kenneth R.
McDowell, Gary E.
McGowan, Kenneth A.
McKinzie, Joe E.
McManus, Floyd L.
Mercy, Richard A.
Miller, Edward L.
Mitchell, Kenneth R.
Moilanen, Thomas E.
Mone, Frederick P.
Montoya, Kenneth E.
Moore, Donald R.
Moore, Gilbert J.
Mott, Charles W.
Neal, Robert A.
Nice, Dan E., Jr.
O'Neal, Loren L.
Orlekoski, Michael G.
Othus, Ross Bradley
Parks, James F.
Parsons, Walter P.
Paulsen, Howard N.
Pease, Milton L.
Peay, Larry G.
Petty, William M.
Pfadenhauer, John J., Jr.
Pierce, Billie J.
Poffinbarger, James C.
Porter, David P.
Porter, Robert L.
Power, Jerry R.
Price, Earl J.
Priolo, Gary P.
Rand, Benjamin W.
Ray, Harold L.
Reeves, Thomas E.
Rhine, Russell L.
Richards, Jack, Jr.
Roach, Frank E., Jr.
Robinson, James E.
Robinson, Robert L.
Robinson, Warren E.
Roper, Thomas W.
Ruth, Jack L.
Ruybal, George N.
Salinas, Amando S.
Sanders, Thomas A.
Schroeder, Kenneth R.
Sciuto, John J.
Seal, Warren G.
Seaman, James R.
Shamburger, William A.
Sheehan, Leroy E.
Shipley, Thomas E.
Smallwood, James V.
Smith, Howard P.
Smith, John F.
Solak, Lawrence E.
Sontag, Alvin J.
Sprangler, Ralph G.
Spatt, Frank R.
Spears, Buddy W.
Stegeman, Ronald A.
Steverson, Gerald H.
Stewart, James H.
Stimpson, Gerald N.
Stowe, Abraham R.
Sutton, Frank C.
Sweeney, Robert L.
Talley, James A., Jr.
Tarantino, John F.
Tavares, Michael H.
Tegethoff, Dennis D.
Thompson, Stelio G.
Urben, Bruce L.
Vaden, Don R.
Valade, Gerald R.
Vanness, Henry A.
Vannoy, Richard T., II
Ventgen, Robert J.
Walker, Charles R.
Wetmore, Walter G.
White, Frank H., Jr.
Wiggins, James D.
Wiley, John E.
Williams, Comer L.
Williams, George B.
Wise, Herbert F.
Wollam, Neil R.
Wood, James W.
Wood, Kenneth H.
Yoneda, Minoru M.
Young, Donald R.
Zetsch, Kurt J., Jr.

SUPPLY CORPS

Anderson, Howard J.
Cannon, Jamie R.
Curry, Dennis S.
Fortier, Ormond L.
Link, Spencer F.
Santonil, Rosendo T.
Simoneaux, Ramon J.
Smith, Theodore L.

CIVIL ENGINEER CORPS

Shank, John

MEDICAL SERVICE CORPS

Ansley, Bobby G.
Berube, Richard P.
Brent, William H.
Briere, Gerald P.
Brown, Harold T., Jr.
Caton, Gene A.
Cox, Tommy W.
Crank, Harold L.
Cunningham, David W.
Dillard, James B., Jr.
Eichelberg, Wallace C.
Farnham, Willard H.
Finn, Robert F. M.
Gervais, David R.
Ghent, Ernest R.
Hazzard, Charles A.
Heltsley, John R.
Jones, Robert G.
Jones, Rudolph
Langston, Carl C.
Meskill, Gerard V.
Mohler, Dennis L.
Morris, Donald L.
Murphree, Garry W.
Norris, Henry H., Jr.
Nunn, Thomas D., Jr.
Olson, Peter K.
Olson, Steven D.
Pate, George
Peters, Vernon M.
Pierce, Charles R.
Radmore, Kenneth J., Jr.
Ruby, Perry M., Jr.
Smedley, Fulton J.
Tyson, Gary D.
Webb, John R., Jr.

The following named officers of the United States Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Aarnes, Richard L.
Ackley, Victor H.
Adams, Andrew R.
Adams, George F., Jr.
Adams, Jerry C.
Agostini, John M.
Ainsley, William L., III
Akers, Carl W.
Albert, Lawrence R.
Albin, David E.
Aldridge, Billy D.
Allen, Kristin L.
Allen, William R.
Allin, Robert W.

Allison, John S., Jr.
Anderson, Eric L.
Anderson, John H., Jr.
Anderson, Kenneth G.
Anderson, Larry E.
Anderson, Patricia K.
Andrew, Stewart R.
Andrews, Kenton G.
Angelo, James W.
Antonik, Berthold L. B.
Appelgate, James M.
Archibald, Gary T.
Arnold, Robert B.
Ash, Michael C.
Ashbridge, George, IV
Ashim, Larry D.
Askey, Charles B.
Attoe, Kenneth A.
Atwell, Cynthia T.
Aukland, Bruce M.
Ault, Jon F.
Austin, Kenneth B., Jr.
Axtell, Stephen P.
Ayres, Kermit A.
Baas, Daniel L.
Babbitt, James C., Jr.
Babin, Ordale P., Jr.
Baczenas, Robert C.
Baer, Howard F., Jr.
Bagley, Edward G., III
Bailey, Claudia L.
Bailey, Jack N.
Bailey, William C.
Bailly, Richard M.
Baird, Robert K.
Baker, Neil D.
Baker, Richard C.
Bal, Eugene, III
Ballweber, William A.
Bang, Paul G.
Banks, Willie B., Jr.
Barber, David H.
Bard, Ralph M.
Barlow, Ronald D.
Barnett, Stewart R., III
Barnhill, Arizona W.
Barnes, Leslie W.
Barnett, Peter G.
Barthell, Walter C.
Bartz, Glen O.
Bates, Richard S.
Baugh, Dale E.
Bean, Jerry W.
Beard, Jeffrey R.
Beason, John C.
Beaver, Robert J.
Bechem, Anthony J.
Beck, George H.
Becker, Paul R.
Beede, Albert F.
Beelman, Ronald J.
Been, Richard G.
Beene, Ronald O.
Beers, William R.
Behringer, Stephen E.
Beirne, Vincent J.
Beiter, Michael W.
Belcher, John C.
Bell, John B.
Beloncik, Chris J.
Benefield, Robert B.
Benham, Webster L., III
Benson, James E.
Benton, William D.
Berard, Raymond W.
Berdinka, Mitchell, J
Berg, Robert J.
Bernander, Paul R.
Berriman, John W.
Berry, Gale V.
Berry, George Z.
Berto, David S.
Bertram, David L.
Besal, Robert E.
Beutell, Timothy O.
Bever, Daryl L.
Biby, Dennis K.
Biedermann, Robert J.
Bienhoff, Paul A.
Bills, Steven H.
Bisceglia, Stephen V.
Bishop, Edward S.
Bishop, Phillip A.
Bishop, Theodore A.
Black, Gene C.
Blackman, Richard A.
Blaine, William K.
Blakely, James M.
Blakey, Blake V., Jr.
Blanchard, Robert K.
Blanding, Jonathan H.
Blanton, William D., Jr.
Blevins, Timothy R.
Blomeke, Hugh D.
Blosser, John D.
Blume, Russell E.
Blunt, James M.
Blunt, Paul F.
Bobo, William, Jr.
Bodson, Gerard R.
Boeshaar, Richard T.
Bolin, Phil W.
Bollen, Anthony K.
Bond, Robert M.
Bondy, Robert E., III
Bones, John D., III
Boniface, William S.
Booker, Robert W.
Boost, Walter G.
Boroff, Jeffrey L.
Boswell, Daniel M.
Bouch, Timothy W.
Bower, Michael J.
Bowlin, James A.
Boy, David C., III
Boyd, James W.
Boyd, William L.
Boyer, Pelham G.
Boyle, Jerome P.
Bozeman, Virgil, III
Bradley, James W.
Brady, Bernard G.
Brady, Edward D.
Brady, Joseph B.
Brandenburg, Edward J.
Branson, James L.
Braseth, Peter C.
Breiner, Thomas L.
Brennan, Michael F.
Brewer, Charles G.
Brewer, Craig W.
Bridewell, Bruce M.
Bridge, Jonathan J.
Bridgeford, Joseph V.
Briggs, Fred M., III
Brilla, Richard C.
Brown, David K.
Brown, Glenn T.
Brown, Guy H.
Brown, Jesse H.
Brown, Kelley A.
Brown, Larry A.
Brown, Peter G.
Brownsberger, Nicholas M.
Broyles, James W.
Bruce, Robert J.
Brucker, Blaine R.
Bruckner, Charles J., Jr.
Brumbaugh, David L.
Bruner, Todd T. W.
Bruns, Richard M.
Bryant, Michael L.
Buker, Gary E.
Bullough, Bruce L.
Burdette, Allen L., II
Burdge, Richard J., Jr.
Buresh, Jon A.
Burke, Thomas S.
Burkhart, Larry W.
Burnett, Douglas R.
Burnham, Robert L.
Burr, Gerald L.
Burroughs, Bruce D.
Burton, Fred E.
Buschmann, Roger L.
Butler, James P.
Butler, Lester E., Jr.
Byham, Richard J.
Byrd, John T.
Cahill, Edwin J.
Cahoon, David C.
Calcaterra, Frank S.
Caldwell, Daniel E., Jr.
Caldwell, John W.
Caldwell, Timothy D.
Callahan, Stephen F.
Cambre, James R.
Cameron, Gerald P.
Campbell, Barry L.
Campbell, Liinda A.
Campbell, Richard L., Jr.
Campbell, Richard P.
Candalor, Michael B.
Cannan, Robert W.
Canteil, Scott T.
Cantwell, William J., Jr.
Card, Loren P.
Carle, Mark V.
Carlson, Donald J.
Carmichael, John S.
Caroli, William A.
Carrier, Guy J.
Caskey, Henry D., Jr.
Cassano, Anthony J., Jr.
Cassidy, Kevin G.
Castleman, Lexie C.
Cattanach, Robert E., Jr.
Cealgio, Lawrence B.
Cereghino, Stephen J.
Chabot, Robert E.
Chalker, John E.
Chambliss, Kevin V.
Chandler, Richard W.
Chapin, Lee A.
Chapman, Robert G.
Chesneau, Lee S.
Chiasson, Richard A.
Childers, Robert B.
Christensen, Steven D.
Christianson, Donald T.
Chung, William G.
Cincotta, Paul E.
Clancy, Dion F.
Clark, James S.
Clark, Michael A.
Clarkin, Thomas R., Jr.
Clawson, Michael J.
Clawson, Stephen H.
Clayman, William D.
Clayton, Irving B., III.
Clifford, John D.
Clutter, Michael D.
Clyne, Edith R.
Coffey, Jeffrey G.
Goggins, Andrew O., Jr.
Cohrs, Fred L.
Coleman, Alfred B., Jr.
Coleman, David S.
Coleman, James H.
Coleman, Joe T., Jr.
Coleman, Robert O.
Collins, Harold M.
Collins, Kevin R.
Collins, William W.
Combs, Osie V., Jr.
Condon, Robert W.
Connair, Thomas P.
Connelly, Thomas J., Jr.
Conner, Hilton L., Jr.
Connolly, Paul M.
Conover, Charles D., Jr.
Converse, Thomas I.
Cook, Hal L.
Cook, Robert B., Jr.
Cook, William E., Jr.
Cook, William J.
Coonan, Robert P.
Cooper, Charles C., Jr.
Cooper, Michael R.
Cooper, Robert J.
Corcoran, Thomas C.
Corson, Craig W.
Cosgrove, Douglas F.
Cosgrove, Patrick E.
Costigan, Kenneth M.
Cover, Craig H.
Covington, Richard B.
Coward, Thomas W.
Coyle, Gary L.
Cozine, Susan L. P.
Crabtree, Joseph H., Jr.
Craig, Michael C.
Crall, Max R.
Crane, Dennis J.
Crawford, Bertram M., Jr.
Crawford, Gary R.
Crawford, John T.
Crawford, Mary P.
Crawford, Thomas F., III
Creamer, Charles G.
Crim, Mark A.
Crimmins, Dennis P., II
Crinklaw, Douglas L., Jr.
Cronauer, Harold T., Jr.
Crook, Kevin P.
Cross, Raymond S.
Crossen, James R.
Crossland, Edward E.
Crouse, David L.
Crowell, Charles D.
Crowell, Michael A.
Crowley, Dennis E.
Cummings, Darryl P.
Cummings, John A.
Cunningham, James P.
Cunningham, Richard M.
Curcio, Samuel R., Jr.
Curley, Timothy J.
Curnutt, Randall C.
Curtsinger, Delbert A.
Curtin, Thomas
Cymerman, Zbigniew A.
Dabney, Stephen F.
Dabritz, David E.
Dahlquist, Paul W.
Dalby, Brian S.
Daley, Michael J.
Dalonzo, John M.
Dalton, Mary A.
Daley, Joseph T., III
Danco, Thomas R.
Dankert, David M.
Dapser, Wayne R.
Darling, Ralph E.
Darnell, Wayne C.
Darton, Terry H.
Darwin, George R.
Daughtry, Douglas S.
Daum, Bryan E.
Davenport, Mark J.
Davidsson, Jeffrey J.
Davis, Dan A.
Davis, Eric S.
Davis, Nelson C.
Davis, Robert M.
Davis, Rodney M.
Daywalt, Theodore L.
Deacon, Thomas G.
Deal, Rocklun A.
Dean, Dennis R.
Debutts, Harry A., II
Deering, Ronald D.
Defors, Michael J.
Degolian, William D.
Deibler, Michael J.
Deken, James D.
Demain, William R.
Dempsey, Perry W.
Dengler, Robert J.
Dennis, David A.
Dentler, John C.
Depoix, Christopher P.
Derbyshire, James W.
Derget, John P.
Deschauer, John J., Jr.
Deschene, David J.
Deuley, Thomas P.
Devillier, Julian P.
Devin, James D.
Devlin, John C.
Devore, George K.
Devries, Robert D.
Dewalt, Arnold S.
Dickson, James B.
Dietrich, Leif L.
Digeorge, Frank P., III
Dilgren, Glen A.
Dillingham, John L.
Dillon, John M.
Dohse, John F.
Dolan, Robert E.
Dom, Stuart N.
Dominick, George C.
Donahue, John R.
Donihi, Burleson M.
Donlan, Joseph A.
Donohue, Richard H.
Donovan, Michael D.
Doo, Harry Y. C. K.
Doran, Milton D., Jr.
Dorticos, Raul H.
Dose, Walter S., Jr.,
Doshier, Alan J.
Dougherty, Barry L.
Dowd, Vincent P.
Doyel, Roger T.
Doyle, Michael T.
Doyle, Patrick R.
Drake, Thomas J.
Drawneck, Richard A.
Dreiling, David L.
Drews, Robert A.
Dreyer, Donald R.
Driscoll, Joseph F.
Drobnak, Peter M.
Drumm, Donald K.
Drummond, Thomas F.
Dubina, Daniel E.
Dudek, David P.
Duffett, Neale A.
Duncan, Richard R.
Dunkley William F., Jr.
Dunlap, Billy W.
Dunn, David A.
Dunn, James P., Jr.
Dunne, Patrick W.
Dunning, John A.
Dye, John D.
Dziedzic, Thomas J.
Dzura, John M.
Eads, Robert S.
Earwaker, John S., III
Easton, William R., Jr.
Ebeling, Charles W., II
Edelstein, Daniel N.
Edmonds, Justin D.
Edwards, Mark J.
Edwards, Scott W.
Eichel, Laurence A.
Eiland, Garland B., Jr.
Eisenhuth, Joseph P.
Elberling, Lance E.
Elfervig, Leonard R., II
Elliker, John S., Jr.
Ellis, Jimmy L.
Ellis, Mark E.
Ellis, Robert B.
Ellison, Carl E.
Elsen, Paul D.
Emmert, Mark A.
Endicott, David C.
Engelhardt, Bruce B.
Englund, Richard T.
Epley, John D.
Erazo, Luis R.
Erbele, Douglas J.
Ersek, David A.
Evans, Gary G.
Evans, Ted R.
Everett, James L., IV
Evers, William B.
Ewart, Uson Y.
Falkey, Mark S.
Fargo, Dennis K.
Farthing, James W., II
Farver, Rick C.
Farwell, Bruce K.
Fayle, Patrick A.
Federici, Dennis C.
Fennessey, Donald B.
Ferguson, Kevin J.
Ferguson, Margaret A.
Fifer, Louis G.
Filanowicz, Robert W.
Filippini, Daniel A.
Firth, David J.
Fischbeck, Jeffrey A.
Fischer, Stephen M.
Fisher, Calvin
Fisher, John W.
Fite, Christine E.
Flanigan, Richard J.
Flatt, Dean M.
Fleming, Daniel E.
Foley, George B.
Fondren, Steven V.
Fosse, Roger W.
Foster, Thomas H., II
Foti, Stephen G.
Fouke, Ronald L.
Fox, Donald C.
Frahler, Donald A.
Franklin, Richard A.
Franklin, Roland M.
Fraser, Powell A., Jr.
Fratello, Thomas J.
Frederick, Stephen E.
Fredrickson, James M.
Freeland, Newton F., Jr.
Freeland, Thomas L.
Frenzel, Brian D.
Friedel, John M.
Frieden, Charles O.
Friedman, Leonard
Froehling, Judith
Fulham, Thomas A., Jr.
Fuller, Richard L.
Fullerton, John A.
Fulwider, David V.
Funk, Duane H.
Galluccio, Joseph M.
Gallup, Frederick S., III
Galvin, Daniel T., Jr.
Games, Lila L.
Gant, Gregon L.
Ganzer, Keith J.
Garden, George C., Jr.
Gardner, Thomas L.
Garrick, Francis L.
Garrish, James W.
Garry, William J.
Gastrock, Martin D., Jr.
Gavett, Wallace L., Jr.
Gawbill, James J., III
Gay, James F.
Gear, Bud S.
Gebeaux, Margrette C.
Geddes, Stephen S.
Gehrke, Lee E.
Gentilhomme, Claude P.
Geopfarth, Robert N.
Gersuk, Donald J.
Getzlaff, Darryll J.
Giannotti, Bruce B.
Giarra, Paul S.
Gibbons, David H.
Gift, Wendell J., II
Gilbert, James M., Jr.
Gilbert, Richard P.
Gilchrist, David M., Jr.

Gill, Timothy J.
Gillmor, William S., Jr.
Gilmer, Ernest V., Jr.
Gilson, Thomas G., Jr.
Gimer, Paul A.
Givens, Joel D.
Glass, Joseph W.
Glenn, Michael
Glennon, Raymond M.
Glick, Dean F.
Glick, Robert C.
Gloor, Louis O.
Glover, Ronald B.
Goad, Steven R.
Goddard, James R., Jr.
Godwin, Michael G.
Goldsby, Richard E.
Goldstein, Robert J.
Goldthwaite, George B., Jr.
Golisch, James A., Jr.
Golubovs, Paul
Good, Mark I
Goodwin, Thomas J.
Goodwin, William V.
Gordon, Douglas T.
Gorman, James F.
Gorman, Michael A.
Gorris, Frederick D.
Gossett, Jeffrey L.
Goudy, Thomas C.
Goyer, James L., III
Grabski, Timothy M.
Gracey, Michael P.
Graham, William L.
Grant, Charles A., Jr.
Grant, Geoffrey E.
Grau, David G.
Gray, Richard H.
Greaser, Donald C.
Green, James D.
Greene, Kerry D.
Gregory, Erik S.
Gregory, William H.
Griffin, Daniel E.
Griffith, Carl D., Jr.
Griffith, Robert D.
Grimes, Gary C.
Gritzke, Arnold R.
Groff, George T.
Groefsema, Gary G.
Grover, Henry L.
Grover, James C.
Grubbs, Kenneth K.
Grube, Alan L.
Gruebnau, Paul J.
Grutzmacher, Ralph E.
Guebert, David R.
Guglietti, Albert D.
Guiles, Richard H.
Gutekunst, Richard M.
Gutierriz, Kathleen C.
Haagensen, Brian C.
Haas, David J.
Hackett, William F.
Hadley, Karl A.
Haizlip, John T.
Hale, Dayton F., Jr.
Haley, Richard L., Jr.
Hall, Barney R.
Hall, Charles J.
Hall, Delmon B., III
Hall, Gary M.
Hall, Gwendolyn F.
Hall, Harold L., Jr.
Hall, James D.
Hall, Thomas D.
Hallihan, Timothy J.
Halsted, David P.
Halter, Jeffress P.
Hamelin, Gregory R.
Hamilton, David W.
Hammar, Kevin D.
Hammond, Gary R.
Hample, Oscar L., III
Hanback, David L.
Hancock, Edward L., Jr.
Hancock, William A.
Hanley, John T., Jr.
Hansen, Christian P.
Hansen, Raymond H., Jr.
Hansell, Dennis R.
Hanson, Paul E.
Hardaway, James H.
Hardin, John T.
Hardy, Robert O., II
Hardy, Robert W.
Hargrave, Douglas F., Jr.
Harland, Joseph A.
Harlow, William R., Jr.
Harmon, Sidney W.
Harper, Allen D., III
Harrington, Carol A.
Harrington, Michael J.
Harris, Craig H.
Harris, Robert R.
Harrison, Robert W.
Harrisonbrown Dorothy S.
Harrold, John B.
Harrop, John K.
Hart, David T., Jr.
Hart, Joseph M., Jr.
Hartley, Thomas F.
Hartrick, Thomas F.
Harvey, Donald D., III
Harvey, Gerald A.
Hastings, David C., Jr.
Hauser, Christopher G.
Hawrylo, Jean E.
Haycock, Melvin S.
Hayes, Allison C.
Hayes, Michael E.
Heagney, Mary G.
Hearding, David W.
Heath Christopher E.
Heatley, Charles J., III
Hedgepeth, Stephen A.
Hedrick, Michael K.
Heimbach, Daniel R.
Hemphill, Gregory L.
Henrich, Robert P.
Henry, Christopher R.
Heppner, Frederick G.
Hermann, Rory M.
Herring, Jeff F.
Herzog, John M.
Hess, Herbert I., Jr.
Hess, James R.
Hesser, Neal P.
Hett, Harley W.
Hewitt, Robert A., Jr.
Heyworth, Gordon
Hiers, Preston H.
Higgins, Melanie L.
Higgins, Paul M.
Hilbig, Peter L.
Hill, Billy P.
Hill, Clarence E.
Hill, Ronald L.
Hinckley, Cynthia
Hines, James M.
Hinson, Larry A.
Hipp, Larkin D.
Hirsh, Gerald R.
Hirst, William C., Jr.
Hitras, Henry R., II
Hobbs, Robert N.
Hodson, Brian J.
Hoffman, Dennis E.
Hoffman, Ross M.
Hoffman, James E.
Hogen, David J.
Hogue, Wayne D.
Holden, Timothy A.
Holdstein, Wallace W.
Holesinger, Daniel L.
Holland, Howard M.
Holley, Paul E., Jr.
Hollingsworth, Alan G.
Holmes, Robert D.
Holt, John B.
Holz, Lloyd N.
Hoover, James D.
Hopkins, Robert L.
Hopper, James H., II
Hopper, William F.
Horne, Bennett F., Jr.
Horner, Donald G.
Hostetter, Damon R.
Horstmann, Richard F.
Horstmeyer, Robert J.
Houck, Charles M.
Housel, Mark A.
Howard, Donald P.
Howard, George R.
Howard, John F.
Howard, Walter G., Jr.
Howe, Robert H.
Hrenko, John, Jr.
Huban, Kevin M.
Huck, Leonard W., Jr.
Huck, Paul E.
Huddleston, Colin C.
Hudson, Suellen A.
Hudson, William G., III
Hughes, Roger A.
Hughes, Ronald A.
Hughes, William R.
Humble, Alan D.
Hunter, Bruce R.
Hutfless, Michael J.
Hyland, Joel T.
Iaia, John T.
Ill, Frederick E., Jr.
Ingalsbe, Stephen R.
Ingle, William C., Jr.
Ingram, Walter E.
Ives, Kenneth M.
Jack, Susan K.
Jackson, Andrew H.
Jackson, Andrew J., Jr.
Jackson, Eric B.
Jacobs, Richard H.
Jacobsen, Walter L.
Jacobson, Robert A.
James, Robert B.
Jamison, Christopher P.
Jaquess, Garrison W.
Jarosinski, John M.
Jarrett, Stephen M.
Jaskunas, Thomas M.
Jenkins, Jerry M.
Jenkins, Williams V.
Jenness, William A.
Jennings, Joe C., Jr.
Jewell, Keith A.
Jewett, Charles E.
John, Edmund K.
John, Gary A.
Johns, Stephen B.
Johnsen, Martin W.
Johnson, Arthur G.
Johnson, Arthur L.
Johnson, Glenn L.
Johnson, Johnny W.
Johnson, Larry C.
Johnson, Mark G.
Johnson, Michael D.
Johnson, Ralph W., III
Johnson, Terry A.
Jolly, David B.
Jones, Edward L.
Jones, Glenn E.
Jones, Granville P.
Jones, Lawrence E.
Jones, Richard M.
Jones, Thomas H.
Jones, Thomas L.
Jones, Thomas R.
Jordan, Timothy G.
Jorgensen, Paul C.
Joseph, Alfred M.
Joslin, William D., Jr.
Joyner, Michael C.
Judd, Thomas M.
Kaden, Glenn L.
Kallin, Peter L.
Kalstad, Kendall W.
Kane, John M.
Kaplan, Leonard, II
Karlsven, George, J., Jr.
Kasianchuk, Walter J.
Kassner, Michael E.
Kaufman, Delbert R.
Kaye, Theodore L.
Kearney, John M.
Keefe, Daniel S.
Keegan, Joseph W.
Keenan, John J., Jr.
Kehoe, James W., Jr.
Keim, James F.
Keith, Douglas W.
Keith, Michael G.
Keithly, Thomas M.
Kelly, Clifford P.
Kelly, Mark C.
Kelly, Verland R., Jr.
Kelson, Jesse J.
Kemp, Curtis A.
Kemple, Steven J.
Kennedy, Kristopher M.
Kennedy, Terence S.
Kennedy, William G.
Kenney, Paul S.
Kenning, James A.
Kessler, James M.
Kessler, Paul K., Jr.
Kessler, Stephen F.
Kester, Lawrence V.
Kibler, Adrian E., Jr.
Kidrick, James G.
Kieling, Jared T.
Kilgore, George K.
Kilmartin, Mark D.
Kindel, George F.
King, David F.
King, Manton A.
Kinney, Thomas P.
Kirby, John J.
Kirk, Bruce R.
Kirker, Karen J.
Kirkland, Douglas I.
Kissling, Robert F., Jr.
Klein, James M.
Klein, Larry R.
Klein, Phillip D.
Klein, Saul D.
Klein, Terrance J.
Klima, James R.
Klinker, Patrick J.
Klueber, Christopher L.
Knight, John R.
Knight, Robert M.
Knight, William B.
Knos, Carl T.
Koch, Raymond W.
Koelemay, Maurice M.
Kohler, Gene M.
Konopa, Steven J.
Konya, Bruce R.
Kopacz, Anthony J.
Koski, Carlos I.
Koss, Andrew J.
Kraft, Alan R.
Kraker, Lawrence L.
Kreeger, Theodore W.
Kren, John J.
Krogstad, Roger E.
Krohn, Raymond L.
Krupski, Paul J.
Kubo, Lawrence H.
Kuczler, Frank J., Jr.
Kuhn, Richard E.
Kujat, Edward J.
Kull, Frederick J., Jr.
Kulp, Lawrence E., Jr.
Labelle, James J.
Laforce, Don C.
Lakis, Nicholas P., Jr.
Lamkin, Harry B., III
Landrum, Stephen M.
Lane, Douglas S.
Lane, Gregory B.
Langenheim, John L.
Lanning, Ronald D.
Lapointe, Jean B.
Largess, Dennis N.
Larkin, Robert L.
Larsen, William P., III
Larson, Thomas G.
Larue, Stephen L.
Lasken, John C.
Laughead, David C.
Laughter, Selwyn S.
Lavalley, David L.
Lawrence, David E., Jr
Lawson, Karl T.
Leard, Ernest L.
Leclair, Daniel V.
Ledbetter, Wayne D.
Lee, Patrick D.
Lee, Richard P.
Leggett, John G.
Leib, Robert C.
Leidel, John S., Jr.
Lemmelin, Leopold H.
Lemmon, John M.
Lenc, Stanley P.
Leonard, Raymond E., III
Leonard, William A., Jr.
Leverette, Glen
Levi, Jonathan A.
Lewandowski, Lawrence A.
Lewis, Paul S.
Libera, Daniel C.
Lichtenberg, Robert D., Jr.
Liggett, Robert D.
Likens, Dallas D.
Lillard, Michael L.
Lillard, William A., III
Lilly, Stuart C.
Lind, David J.
Lindner, Robert W.
Lindsay, Mark S.
Lindsay, Peter R.
Lindstrom, Jerry D.
Lipsey, Mark D.
Little, Michael M.
Livesay, Steven A.
Llewellyn, David J.
Loeffler, Robert D.
Loftus, Thomas A., III
Logue, Stephen J.
Lohsen, Mark A.
Long, Stephen T.
Long, William H., Jr.
Loomis, Andrew F.
Love, John B.
Love, Patrick S.
Lovvorn, Terry J.
Luce, Randal S.
Luebs, William A.
Luoto, Gary S.
Lynch, Vincent J.
Lyons, Patrick W.
Lyons, Thomas W.
Lyons, William A.
MacBean, Thomas P.
Machovina, William M.
Mack, Stanley J.
Macklin, Richard G.
Mackown, Raymond M.
Maclean, Bruce K.
Macon, Richard T.
MacPherson, Robert A.
Madden, Robert S.
Main, Glenn A.
Maixner, Michael R.
Makin, John P.
Makings, Dean M.
Malloy, Paul F.
Mann, Gary D.
Manning, Walter W.
Mansfield, Phillip S.
Manvel, John T., Jr.
Marecic, Terrence J.
Markevicz, John W.
Marlin, Robert D.
Marra, Kenneth J.
Marrs, Alton D.
Marshall, Lawrence D.
Martello, Keith W.
Martin, Anthony D.
Martin, Colin L.
Martin, William C.
Mason, Bruce D.
Mason, James R.
Mason, Lee C., II
Mastagni, Daniel S.
Mastin, Robert L., Jr.
Mathews, Kirk A.
Mathis, Don W.
Matthews, John M., Jr.
Matthews, William T.
Mavar, John A.
Maxson, Phillip J.
Maxwell, Walter R., III
May, Bruce B.
Mayes, Larry L.
McArthur, James D., Jr.
McCabe, Sally J.
McCarty, James D.
McCarville, Patrick A.
McClanahan, Michel W.
McCloskey, John D.
McCollum, John W.
McCort, Daniel R.
McCrae, James A.
McCrory, Stephen L.
McCurdy, Russell A.
McCutchen, John M.
McDevitt, Rodney P.
McElmurry, Brian L.
McElroy, Daniel W.
McElroy, Kevin J.
McEvoy, Michael K.
McFetridge, George W., Jr.
McGee, Martin H.
McGinn, Leo F., Jr.
McGrail, John M.
McGrath, Joseph J.
McGraw, William L.
McIver, Richard R.
McKay, Rayburn L.
McKinney, Michael
McKinnon, Arthur
McLane, Robert L.
McLaughlin, John P.
McLoughlin, William R.
McMican, William J.
McMillan, Patricia A.
McNary, Kathleen L.
McVay, Breathitt R., Jr.
McWilliams, Hugh N.
Meade, Gary A.
Mears, George H.
Mease, Frank B.
Meek, Terry L.
Melley, William A., Jr.
Melle, Anthony J., Jr.
Mello, Charles F.
Melnicoff, Mark A.
Mendillo, Mark
Mendygral, Steven J.
Merschoff, Ellis W.
Merwine, Charles W.
Metheny, Floy L.
Meyer, Daniel H.
Meyer, John G.
Meyer, Lloyd J.
Meyers, John E.
Meyett, Robert S.
Miars, Thomas E.

Michael, Kirk B.
Michalske, Ralph R.
Mikhalevsky, Peter N.
Milanette, Jeffrey C.
Miller, Allen C., Jr.
Miller, David R.
Miller, Dennis W., Jr.
Miller, Gregory P.
Miller, Robert A.
Miller, Wayne J.
Mills, Donald M.
Mills, Jack B.
Mills, Walter L., Jr.
Milo, Michael J.
Minder, Lawrence C.
Minnis, Richard D.
Minton, Johnny E.
Miskelly, Elizabeth T.
Misko, Louis D.
Mitani, Michael K.
Mitchell, Alfred W.
Mitchum, Robert W.
Moffatt, William G.
Moffitt, Michel L.
Molochko, Gerald A.
Molteni, Christopher R.
Monahan, Robert P.
Monahan, Timothy P.
Monkhouse, Michael W.
Montgomery, James H.
Moody, William V.
Moon, Eugene L.
Moon, Robert L.
Moore, Robert C.
Moore, William T, III
Morandi, Theodore R.
Morgan, Floyd J.
Morgan, John G., Jr.
Morgan, Kelly B.
Morral, Dennis G.
Morreale, Bruce V.
Morris, William D.
Morrison, Donald S.
Morrissey, Martin L.
Morrissey, Penny M.
Mortimer, Thomas R.
Morton, Robert G.
Moseley, James R.
Moser, Sammy L.
Mosher, Steven W.
Moss, Charles M.
Mote, Erle N.
Moyer, Jeffrey K.
Muller, Robert J.
Mullican, James N.
Murdock, Jerry
Murphy, George J., III
Murphy, Lewis F.
Murphy, Peter J.
Musselman, Robert P., Jr.
Musselman, Warren E.
Mutty, Daniel H.
Myers, Howard H., III
Myers, Rodney A.
Nadeau, William J.
Natter, James A.
Naughton, Michael J.
Naylor, William M.
Nease, Robert M.
Needham, William D.
Neihart, Charles W., Jr.
Nellis, John D., Jr.
Nelson, Duane L.
Nelson, Jeffrey R.
Nelson, William H.
Nesbitt, Allan P., III
Ness, Christian Q.
Nestor, Don A.
Neuman, Stephen L.
Neupaver, Albert J.
New, George F.
Newlan, Ronald S.
Newton, Danny R.
Nichols, Todd C.
Nickodem, Peter W.
Nielsen, Jack S.
Nielsen, Peter H.
Nitschke, Roy H.
Nocon, Eduardo C.
Nolen, Ulysses I.
Norcross, Carl S.
Norden, Lynn W.
Norrbom, Timothy J.
Norris, John W.
Norris, Ted L.
Norris, Donald O., Jr.
Norvell, Larry M.
Nosek, John T.
Nupp, James L.
Nyarady, Stefan A.
O'Brien, William H.
O'Bryon, Raymond T.
O'Connell, John T.
O'Connell, Timothy D.
O'Connor, Michael L.
Offutt, Darrell J.
O'Grady, Arthur J.
O'Keefe, James G.
Olechnovich, Paul J. V.
Oleson, Melvin W.
Olsen, Alfred J.
Olson, Clifford M.
Olson, David J.
Olson, Earl F.
O'Malley, Dennis P.
O'Meara, Jacqueline
Opyd, Walter G.
Orender, Bernard R.
Orr, Paul L., Jr.
Orr, William D.
Osborne, Kip R.
Ostendorf, Robert E., Jr.
Ostrander, Thomas W.
Ostrow, Andrew A.
Ott, Andrew A.
Otto, David T.
Ozehoski, Edward M.
Pache, Eugene P.
Paleck, Robert H.
Palmatier, Philip F., Jr.
Palmer, George W.
Palmer, Steven W.
Panos, Christopher W.
Pantelides, Nicos S.
Panzigrau, Jerome E.
Papin, Gregory A.
Papineau, Larry R.
Pariseau, Robert R.
Park, James D.
Parker, David J.
Parker, Lutrelle F.
Parrish, Joseph V.
Passmore, Robert O.
Pastorino, Thomas J.
Patras, Richard S.
Patterson, James H.
Patterson, Ricky L.
Patterson, Terry L.
Patterson, Wayne L.
Paul, James
Paul, Kenneth A., Jr.
Paul, MacGregor H.
Peairs, Gregory R.
Peck, Andrew J.
Peck, John E.
Pedone, Kenneth A.
Peglar, Randall E.
Pell, Robert A.
Pence, Derry T.
Perreault, Mark D.
Perry, Joseph L., Jr.
Perry, Robert P.
Peske, John G.
Peterman, Ronald R.
Peters, Kenneth W.
Peterson, Harry W.
Peterson, Thad D.
Petrea, Howard A., Jr.
Petty, Ralph E.
Pfeiffer, Frank G.
Pfister, Russell J.
Phelps, Laurence M. III
Phillips, James G., III
Phillips, John L.
Phillips, William L.
Pickett, Mark A.
Pickett, Rusell A.
Piecuch, John L.
Pieper, Richard W.
Pirkle, Douglas A.
Pistochini, Mark D.
Pledger, James E.
Plovanich, Stephen W.
Poe, Ronald D.
Poland, Marc M.
Pope, Richard P.
Porritt, Richard H., Jr.
Porter, Alan E.
Porter, John S.
Porterfield, Richard B.
Posey, Allen M., Jr.
Pottschmidt, Fred C.
Power, Timothy H.
Powers, George L.
Powers, Thomas J.
Powers, William H.
Poy, Russell H.
Preisel, John H., Jr.
Preston, Randall D.
Price, Michael J.
Price, Michael K.
Price, William R., III
Prill, Larry R.
Prince, Thomas A.
Pring, Brian L.
Prokasky, Stephen S.
Protzman, James A.
Pruden, Glenn R.
Pryor, Hershel W., Jr.
Puccini, Bruce A. J.
Pumilia, Michael P.
Puryear, Eric P.
Pytlik, Theodore A.
Quinlan, Dale K.
Quinn, John M., III
Quinn, Paul F.
Rae, Robert B.
Rainey, John C.
Rajamaki, David W.
Randolph, Garry L.
Rappe, David J.
Rappold, William A., III
Rasmussen, Steven E.
Rau, David A.
Rauch, Dale A.
Rawls, Rodger C.
Ray, James R.
Raydo, Alan W.
Read, Page F. K.
Rebeske, Sharon A.
Rebhann, John E.
Reeder, Thomas L., III
Reeves, Jerry D.
Reichel, Sharon A.
Reichert, Paulette
Reise, Jeffrey A.
Reistetter, David P.
Reitinger, Glenn E.
Remshank, Christopher J.
Repeta, Thomas J.
Reppard, David B.
Reuter, David G.
Reymann, Charles B.
Reynolds, Thomas F., Jr.
Rheam, Gary M.
Rhiddlehoover, Suzanne
Rhoades, William A.
Rhodes, Jesse C.
Rhodes, Thomas W., Jr.
Rice, Elijah E.
Rice, Michael L.
Rice, Randall L.
Rich, Robert T.
Richard, Michael P.
Richardson, Steven D.
Richardson, William R
Riche, Christopher R.
Richman, Jane L.
Rigot, William L., Jr.
Riley, Patrick O.
Riordan, Katherine L.
Rizy, David J.
Roark, Louis K.
Robb, James A.
Roberge, John S.
Roberts, Warren L.
Robertson, Michael D.
Robertson, Norbert W.
Robie, Charles R.
Robinson, Nancy L.
Robison, Richard A.
Robinson, Steven N.
Roderick, Willard P.
Rodjom, Thomas J.
Rodriguez, Glenn R.
Roesky, Robert J., Jr.
Rogers, George C., Jr.
Rogers, Suzanne B.
Rogers, William A., Jr.
Rohrer, Alan D.
Rolich, Paul W.
Roller, James P.
Roman, Theodore R., Jr.
Rood, Homer J.
Ross, David J.
Ross, Stephen C.
Rothwell, Jeffrey A.
Rothwell, John H.
Rothwell, Peter S.
Rotondo, Michael J.
Rough, James R.
Roukema, William E.
Roulstone, Douglas R.
Round, William H.
Rowland, Curtis A.
Rubel, William R.
Rucker, Steven W.
Ruggiero, Joseph G., Jr.
Ruggles, Thomas G.
Ruhl, Philip C.
Rule, Richard W.
Rummer, David B.
Ruschmeier, Stephen J.
Rush, Douglas K.
Russell, Glenn H.
Russell, Joan M.
Russell, Roy W.
Russell, William D.
Rust, William W., III
Ryan, Jeffrey B.
Ryan, Mary K.
Ryskamp, Robert H.
Sabin, Stephen C.
Sabo, William J.
Saboski, Timothy A.
Salamon, James A.
Salscheider, Kurt M.
Salyer, Jack G.
Salzer, Thomas B.
Sandvig, William W.
Sands, Robert W.
Sanford, Gregory B.
Santino, John B.
Sare, Michael J.
Sarraino, Michael
Saunders, Robert P.
Saunders, William C.
Savage, Charles L., III
Savitsky, Adam, J.
Scarbrough, James E., Jr.
Schaad, Frederick G.
Schaffer, John E.
Schalk, John E.
Schey, Stephen L.
Schlehr, Christopher G.
Schlieper, Fred J.
Schluderberg, Larry E.
Schmidt, Colman A.
Schmidt, Wesley H., Jr.
Schmucker, Thomas J.
Schneegas, David A.
Schneider, David F.
Schork, John Forrest
Schrade, Donald E.
Schramm, Mark S.
Schubert, Jerry L.
Schultz, Randall C.
Schwab, Claude R.
Schwaller, Charles D., II
Schwenke, George W.
Schwieger, Terry R.
Schwinghammer, William E.
Scott, Bruce B.
Scott, Robert J.
Scudder, Stephen V.
Seckinger, David N.
Sedivy, Dean G.
Seeley, James R.
Seiss, William A.
Semko, Fred A.
Sensat, Robert J.
Shalles, Siegeried L.
Shanline, Stephen J.
Sharp, Larry R.
Shaw, Daniel N.
Shay, Jon V.
Shealy, Wilson O., Jr.
Shearer, Geoffrey L.
Sheller, Jon
Shemanski, Clem J., Jr.
Shemella, Paul
Shepard, Jonathan M.
Sheppard, David E.
Sheppard, William L., Jr.
Sherman, Vining A., Jr.
Shibuya, Allen I.
Shields, Robert B.
Shields, Robert G.
Shilling, William A.
Shipman, Mary C.
Shipman, Terry C.
Shoemaker, James E.
Short, Marshall S.
Shubert, Charles R.
Shurtleff, William H., IV
Sieve, Glennon L.
Sievers, Edward E.
Signor, Philip W., III
Silcox, John H., Jr.
Silkaitis, Lawrence A.
Silvers, Richard A.
Simmons, Gordon B.
Simpson, Charles C., III
Simpson, Charles E.
Simpson, Jeffrey P.
Simpson, William M., Jr.
Sisa, Steven A.
Sise, Michael J.
Skiano, Ralph D.
Skolds, John L.
Skrzat, Richard P.
Sleeper, Arthur B.
Slocumb, Dennis A., Jr.
Smethurst, Marilyn I.
Smith, Bradley P.
Smith, Charles H.
Smith, Earl M.
Smith, Edward S., Jr.
Smith, Gray W.
Smith, Gregory C.
Smith, James A.
Smith, Janvier K.
Smith, Jeffrey F.
Smith, Kenneth R.
Smith, Leigh R.
Smith, Robert D., Jr.
Smith, Robert E.
Smith, Robert G.
Smith, Robert S. K.
Smith, Ronald C.
Snead, Leonard A., III
Snow, Murray C.
Snyder, Thomas E.
Snyder, William L.
Soballe, David M.
Soha, Walter M., Jr.
Somadelis, Michael G.
Sonn, Bruce E.
Sorg, Robert E.
Soroka, Steven L.
Soule, Douglas J.
Sowers, James R.
Spahr, Robert L.
Speed, Austin H., III
Speights, William D.
Spence, Maurice F.
Spencer, Kenneth G.
Spoerry, Dale E.
Spradlin, Charles W., Jr.
Stabler, Lemuel C., III
Staebler, Robert P.
Stahl, Gerald W., Jr.
Stamand, Richard A. J.
Stanfield, David M.
Stanton, Donald C.
Stark, Thomas A.
Starr, Philip J.
Staton, Ronald B.
Steele, Howard L., III
Steele, Peter W.
Steele, Scott L.
Steinbacher, Daniel J.
Stender, Mark K.
Stenroos, Joseph R.
Stephen, Alexander C.
Sterner, Robert C.
Stevens, Don T.
Stevens, William R.
Stevenson, Michael S.
Stevenson, Susan M.
Stewart, James R.
Steward, John R., Jr.
Stewart, Michael A.
Stewart, Melvin L.
Stickler, Christopher A.
Stine, Jeffrey L.
Stocks, Alton L.
Stockton, Herbert H.
Stoehr, Dale E.
Stone, Jeffrey M.
Storez, Robert A.
Strange, William B., III
Strawbridge, Carl N.
Stringer, George F., III
Stringer, Richard H.
Strohmeyer, George F.
Strube, David C.
Stuart, Gary L.
Stupfer, Bruce W.
Sueirro, Allen M.
Sullivan, William T.
Sumner, Gary B.
Sumner, Robert L.
Suplicki, Edward P.
Sutter, John L.
Sutton, David B.
Swailes, John H.
Swanson, Jhan C.
Swanson, Richard N.
Swedenborg, Thomas M.
Swift, Lloyd F. K.
Swisher, William A.
Switzer, David R.
Szigety, Allen J.
Szoka, Michael A.
Talbot, Gerald L., Jr.
Tammes, Bradley S.
Tarantino, Terry A.
Tarnoff, Steven A.
Teitsworth, Dennis L.
Teller, Robert W., Jr.
Tennyson, Nicholas J.
Teply, John F.

Terhar, Louis F.
Terry, Kenneth S.
Tetlow, Thomas G.
Thanig, Dale J.
Thielemann, George W.
Thies, Denzil D.
Thoma, John O.
Thomas, Henry D.
Thomas, Jeffrey H.
Thomas, John A.
Thomas, John R.
Thompson, Clark F.
Thompson, Ronald T.
Thompson, Walter R.
Thomson, Alan D.
Thorne, Silas O., III
Tierney, Michael R.
Tillberg, Arthur R.
Tillson, Joseph L., Jr.
Timony, John F.
Tindle, John R.
Titus, Frank A., II
Tobiason, Erik A.
Tofalo, Michael R.
Tolk, Lloyd A.
Tomaszeski, Steven J.
Tomlin, Edwin L.
Tompkins, James M.
Toney, James H.
Torelli, Nicholas M., Jr.
Torgerson, Jordan L.
Torgesen, Joseph E.
Tornatore, Gary P.
Tornatore, William P.
Torres, Joseph F., Jr.
Townes, John W., III
Traverso, Timothy J.
Travis, Cecil L., Jr.
Traynham, Wayne O.
Treeman, Michael W.
Trenta, Richard F.
Tribelhorn, Ronald W.
Troxell, Richard K.
Troxler, Kirk A.
Trudeau, Michael D.
Turkowski, Robert W.
Tussey, David A.
Tuttle, Jackson C., II
Uebelherr, Michael F.
Ulrich, Henry G., III
Underwood, Arthur R., III
Uricoli, Eugene F.
Vandyke, Gary P.
Vandyke, Raymond W.
Vanderhoof, Lauren B.
Vanmaele, John E.
Vanorsdel, Robert F.
Vanschoik, Douglas R.
Vanvliet, James A.
Varakin, Walter A., Jr.
Vaughn, David R.
Veatch, James M.
Veldstra, Daniel R.
Vessely, Robert P.
Vetter, Thomas G.
Vincent, Michael P.
Vislocky, Daniel
Voelker, George E.
Vogan, Charles S., Jr.
Vogt, Michael C.
Volpe, Joseph M., Jr.
Voltz, Scott L.
Voros, Charles D.
Voter, James C.
Wachter, Christopher M.
Wadington, Clair A.
Wagner, Wayne L.
Wainionpaa, John W.
Walderhaug, John A.
Walker, James L., III
Wall, James L.
Walla, David L.
Wallace Edward C.
Wallace, Harry R., Jr.
Wallace, James R.
Wallace, John
Wallmark, Walter W.
Walsh, Dennis P.
Walter, Bruce E.
Walters, James A.
Waltman, William R.
Ward, David A.
Wardlaw, William E.
Ware, Jerry S.
Warner, Bruce E.
Warren, Jerry L.
Warren, Joe N.
Warres, Edward C.
Wasserman, William L.
Waters, Cecil L.
Watt, Alexander Y., Jr.
Watwood, William B.
Weatherspoon, Stephen S.
Weber, Donald B.
Wechselberger, Jacob F.
Weigand, Charles A.
Weigand, Charles J.
Weis, Timothy J.
Weise, Stephen P.
Weiss, David R.
Welch, John K.
Wellington, Bruce D.
Wells, William I.
Welsh, Joseph L.
Wenneson, Gregory J.
Werner, James A.
Wessel, Kenneth J.
West, Paul K.
Wetterlin, Harold J.
Whalen, Gregory T.
Wheeler, Dennis R.
Wheeler, Philip H.
Wheeler, William G.
Whelan, Stephen J.
White, Donald G.
White, George W.
White, James W.
White, John C.
White, Joseph W.
White, Judson H., Jr.
White, Kimber L.
White, Philip J.
White, Richard M.
White, William T.
Whitehead, Oliver W.
Whitehill, Archie R.
Whitford, Dennis J.
Whittaker, James A.
Wick, Peter A.
Wiestling, Stephen H.
Wigge, Conrad J., III
Wilcox, Galen D.
Wilfong, Dallas G., III
Wilhelmy, Mark D.
Wilkie, Steven C.
Wilkinson, Joseph B., Jr.
Willats, Steven J.
Williams, David M.
Williams, Lee K.
Williams, Robert E., Jr.
Williams, Russell L.
Williamson, Richard C.
Willis, Clarence C.
Willis, Leland S., III
Wilson, Daniel M.
Wilson, Steven E.
Wilson, Steven P.
Wilus, Michael S.
Winde, Ronald H., III
Windrow, John L.
Wingert, Neil S.
Winney, Justin W., Jr
Winterstein, Thomas A.
Wismer, Stephen J.
Wisner, Gary D.
Wohlford, Gerald D.
Woiwode, Michael J.
Wolf, Dallas M.
Wolfe, Thomas P.
Womer, Rodney K.
Wood, Charles A.
Wooldridge, Michael R.
Worley, Dennis L.
Worth, James R.
Worthington, John R.
Worthington, Ralph L. Jr.
Wray, Robert S.
Wright, Oliver L., III
Wright, Robert J.
Wyse, Frederick C.
Yancy, Joseph C., Jr.
Yard, Richard G., Jr.
Yarrows, Edward P.
Yates, Christopher B.,
Yates, Mitchael E.
Young, Charles S. B.
Young, Gordon A.
Young, Philip W.
Young, Timothy J.
Youngblood, Cathey A
Yount, Gregory G.
Yourth, Ronald D.
Zagrabbe, Ralph C.
Zeigler, Howell C.
Zimmerman, Kenneth R.
Zorbas, Frederick C.
Zuber, James D., Jr.

SUPPLY CORPS

Ace, Drexel M., Jr.
Albright, Keith R.
Alderman, Elliot L.
Alexander Oran T.
Anderson, James S.
Ansley, Robert E., Jr.
Argue, Arthur C., III
Assad, Shay D.
Atkinson, Eric J.
Awtrey, Warren
Baltazar, Wilfred, Jr.
Bent, Randal T.
Bonner, Alonzo B., Jr.
Borden, William G.
Bouts, Larry D.
Boyer, James C.
Boyle, John E.
Brown, David A.
Bullock, David R.
Cafaro, Patrick R.
Capron, Donald L.
Casey, John J. Jr.
Castle, Christopher H.
Cavanaugh, John H.
Champlin, William G., Jr.
Condon, Kevin E.
Costello, Mark E.
Croll, John M.
Crowley, Indy C.
Crozier, Terry S.
Cummings, Patrick W.
Curtin, Michael F.
David, Robert E.
Delaurentis, Michael J.
Dickerson, Daniel J.
Eller, Jeffrey M.
Epstein, David S.
Erickson, Steven C.
Feltes, Dale J.
Flanagan, John F., Jr.
Flowers, John M., Jr.
Folland, Clifford W.
Foraker, Millard W.
Fowler, James M.
Frazier, Robert B.
Fredericks, Kenneth D.
Ginman, Richard T.
Grady, Patrick J.
Grant, Charles W.
Guerard, Franklin P.
Haller, Brian Q.
Hammond, Richard C., Jr.
Hannaford, Philip S.
Hanson, Peter G.
Hayes, Bryan F.
Hayes, John R.
Hayes, Reginald S.
Helms, Douglas M.
Henderson, Harold E.
Hill, Gordon R.
Hodges, John P.
Honsinger, Larry E.
Hubbard, Mark A.
Hurley, Joseph F., Jr.
Hutcheson, Rex J.
Jamrisko, Steven F.
Jennings, William E., III.
Johnson, Johnnie, III.
Johnson, Mitchell C.
Johnson, Robert B., II.
Johnson, William E.
Jones, David C.
Joslin, Richard M.
Kaiser, Richard S., Jr.
Kamen, Roger D.
Kave, Roger L.
Keeton, Ronald J.
Kimble, Lawrence C.
King, Sammy L.
King, Wallace V.
Kirk, John R.
Knight, David J.
Koehler, Jay B.
Kratzer, Victor E.
Leather, John E.
Lee, Larry D.
Leroy, Osborn.
Lippert, Thomas R.
Long, Wayne R.
Lorenza, Mark C.
Lottes, William R., II.
Lowndes, Rawlins.
Mayo, Thomas J.
McGoun, Elton George, Jr.
Mellard, Charles W., Jr.
Michalczyk, Michael E.
Miller, Felton
Miller, Robert F.
Miller, Roy E., III
Moessner, Frederick W.
Mokodean, Mark M.
Moore, Darrell L.
Morse, Lawrence J.
Murphy, Timothy R.
Netro, William R.
Nielsen, Gerald T.
O'Connell, Matthew P.
Owen, Wayne A.
Palmer, William A., Jr.
Peart, Douglas T.
Pecuch, Ramon.
Perry, Gordon C.
Petry, Gerard K.
Pine, William C., Jr.
Pixa, Rand R.
Richardson, Albert C.
Richardson, Howard V., III.
Ritchey, Raymond A.
Rorex, Thomas A.
Rosenzweig, David A.
Rossi, Philip R.
Rossley, Thomas W.
Rowe, Gerald M.
Rowland, Frank M., Jr.
Sample, Thomas C.
Scheer, Robert H.
Schnell, Martin J.
Schopelin, William, II
Schrader, Thomas D.
Scott, Murray J.
Seebeck, Robert N.
Shaw, Ronnie J.
Silver, Irving.
Simmons, John R.
Skipper, Carol L.
Solis, Armando R.
Stoddard, Jeffrey R.
Stone, Daniel H.
Strong, David K.
Strunk, Lawrence W.
St. Thomas, Stephen F.
Swanson, Graydon N.
Swanson, James L.
Tandy, Daniel F.
Tarleton, George L.
Teipel, Mark A.
Thompson, John E.
Thurston, Kevin P.
Tornes, Linda M.
Vandernoot, Craig M.
Vinagre, Eduardo G.
Vinson, Charles M.
Vorhoff, Robert W.
Wadsworth, David B.
Walters, James S.
Wathen, Michael A.
Watts, Ralph S.
Weigand, John R.
Wenslaff, William A.
Whiteside, Steven L.
Wilcox, Thomas A.
Williams, David B.
Wilson, Arthur R.
Wilson, George W.
Wright, Dennis L.
Yates, David S.
Young, William A.
Zackrison, Peter C.
Zulak, Barbara

CIVIL ENGINEER CORPS

Anderson, Lee L., Jr.
Augustin, James H., Jr.
Ball, Owen K., Jr.
Barrows, William C.
Berg, Eric R.
Checkovich, James K.
Chin, Gene H.
Clements, Neal W., Jr.
Cornell, Wayne L.
Costello, Donald H., Jr.
Doyle, John R.
Dun, Richard A.
Farmer, Ronald B.
Fritchen, David R.
Gault, Alan C., Jr.
Gebhardt, Gregory W.
George, David R.
Goddard, Nelson G.
Gorden, David W.
Halwachs, James E.
Hanes, Samuel H., Jr.
Hering, Alfred G.
Hutchins, Donald B.
Irvine, Jac D.
Keane, William P.
Keifer, John M.
Kendall, James B.
Kranz, David W.
Krochalis, Richard F.
Litherland, Paul S.
Longo, Paul D.
Malarchik, Nicholas A.
McKay, Kenneth P.
Miller, Steven R.
Murphy, Bernard F., Jr.
Myers, George W., Jr.
Newton, Clifford C.
Nylen, Sven T., III
Peterson, Edward H.
Praskievicz, Michael W.
Pylant, Linward R.
Ramsey, Ova W.
Schneider, Charles H.
Smith, Loren W.
Sollenberger, Lee A.
Stotmeister, Kevin S.
Vandyk, Peter M.
Watkins, Paul W.
Wight, Norman R.
Yaroschak, Paul J., Jr.
Ybanez, Robert E.
Zook, Michael J.

MEDICAL SERVICE CORPS

Benny, Judith A.
Brickeen, Jerry W.
Carroll, Robert M.
Davidson, Dennis M.
Day, Charles S.
Gammarano, Peter V., Jr.
Gibson, George E., Jr.
Hargett, David A.
Harmon, Layton O.
Higgins, Janet L.
Langston, Carl C., Jr.
Lemmerman, Donald J.
Lockhart, Ralph A.
Maskulak, Michael J.
McCaig, Joe M.
McGann, Dennis M.
Moses, William R.
Mullin, Jimmie J.
Oldham, Richard T.
Olson, Steven D.
Peterson, John C.
Renfro, Mary A.
Siddle, David L.
Simas, Amance R.
Todd, Michael L.
Turocy, Regis H.
Ward, Ernest D.
Wheeler, David L.

NURSE CORPS

Arlov, Christine S.
Barlow, Judy L.
Broad, John R.
Burns, Kathryn P.
Butchy, Linda S.
Cappiello, Joseph L., Jr.
Chojnowski, Eileen K.
Cornelius, Mary G.
Cronin, Mary A.
Day, Lynn B.
Day, Marilyn A.
Donahue, Mary H.
Eilers, Barbara G.
Ellis, Jo C.
Eversole, Donna R.
Field, Marion G., Jr.
Gryniewski, Margaret K.
Hagen, Karen P.
Hamer, Terry L.
Haviland, Rebecca J.
Hopper, Janet H.
Jackson, Royal H.
Kanurick, Ronald G.
Kidgell, Patrick F.
Korns, Barbara J.
Lescavage, Nancy
Lind, Nancy K.
Loftus, Margaret M.
Luck, Reginald L.
Malloy, Suzanne E.
McCulley Patrick M.
Moore, Judith C.
Morsillo, Sigrun M.
O'Connell, Linda G.
Oswald, Gregory S.
Paul, Linda J.
Ratigan, Thomas R.
Richard, Shirley M.
Richburg, William E.
Robins, Margaret M.
Robinson, Leslie E.
Shaia, Evelyn R.
Smiley, Janice S.
Sutton, James W.
Trent, James E.
Trinkwalder, Janet C.
Walgren, Kenneth D.
Wallace, Thomas W.
Ward, Kathyrn M.
Wells, Mary E.

Wenner, Linda J.
Wierzbowski, Daniel S.
Wilkins, Karen L.

IN THE MARINE CORPS

The following-named male officers of the Marine Corps for permanent appointment to the grade of colonel:

George N. Bell
Allan H. Bloom
Bernard B. Brause, Jr.
Talman C. Budd II
Charles D. Bujan
Ernest W. Buschhaus
Frank C. Chace, Jr.
Stanley A. Challgren
Arthur B. Colbert
Eugene S. Courson
John E. Crandell
Robert W. Creighton
Warren G. Cretney
Duane D. Crews, Jr.
Chester P. Dereng
David K. Dickey
Merritt W. Dinnage
Wales S. Dixon, Jr.
John W. Dresely
Thomas J. Dumont
Randall W. Duphiney
George M. Edmondson, Jr.
David L. Elam
Bob W. Farley
Louis I. Fein
Walter D. Fillmore
John R. Fridell
Gerald F. Gallagher
Marvin T. Garrison
Louis Gasparine, Jr.
Clarence U. Gebsen
Thomas T. Glidden
James L. Harrison
Donald C. Heim
William E. House, Jr.
William D. Hubbard
James Jaross
Edward C. Johnson
Robert W. Jones
Conrad A. Jorgenson
Raymond C. Kargol
Louis K. Keck
Simon J. Kittler
John K. Knope
Charles H. Knowles
Walter R. Ledbetter, Jr.
Prentice A. Lindsay
Earle D. Litzenberger
Joseph J. Louder
Joseph A. Mallery, Jr.
Frederick A. Mathews
Oliver G. McDonald
Kent A. McFerren
Robert D. Miller
Donald C. Morgan
Dennis J. Murphy
Duane F. Newton
Bruce F. Ogden
Richard L. Palmer
Eugene E. Paro, Jr.
Frank E. Petersen, Jr.
Bayard S. Pickett
Clifford E. Reese
Francis Riney
Robert O. Ritts
Joseph S. Rosenthal
Bruce B. Rutherford
Patrick J. Saxton
Harry E. Sexton
Speed F. Shea
James R. Sherman
Joseph Sleger, Jr.
Charles V. Smillie, Jr.
Thomas M. Stokes, Jr.
Herbert R. Tiede
Dwight R. Timmons, Jr.
Robert J. Weiss
Kenneth H. Wilcox
Robert C. Wise
Charles D. Wood

The following-named woman officer of the Marine Corps for permanent appointment to the grade of colonel:

Roberta N. Patrick

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of colonel:

John W. Black
William Cunningham
Thomas M. Dandrea
Charles G. Frederick
Thomas R. Johnson
Donald G. Keast
Paul F. Maginnis

CONFIRMATIONS

Executive nominations confirmed by the Senate May 8, 1975:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare.

NATIONAL INSTITUTE OF EDUCATION

Harold L. Hodgkinson, of California, to be Director of the National Institute of Education.

NATIONAL INSTITUTES OF HEALTH

Donald Sharp Fredrickson, of Maryland, to be Director of the National Institutes of Health.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Edward E. Booher, of New Jersey, to be a member of the National Council on Educational Research for the remainder of the term expiring June 11, 1976.

NATIONAL SCIENCE FOUNDATION

Richard C. Atkinson, of California, to be Deputy Director of the National Science Foundation.

ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The following-named persons to be members of the Advisory Council on Women's Educational Programs for the terms indicated:

For a term of 1 year:

Benjamin DeMott, of Massachusetts.
Marsha Jean Darling, of North Carolina.
Jon W. Fuller, of Michigan.
Margaret B. Harty, of Texas.
Holly Knox, of the District of Columbia.
Irene E. Portillo, of California.

For a term of 2 years:

M. Anne Campbell, of Nebraska.
Joanne M. Carlson, of Oregon.
Bernice Sandler, of Maryland.
Gerald E. Weaver, of Mississippi.
Sister M. Joyce Rowland, of Minnesota.

For a term of 3 years:

Mary L. Allen, of Kansas.
Ernest L. Boyer, of New York.
Katherine K. Burgum, of North Dakota.
Theresa Aragon de Shepro, of Washington.
Mary Beth Peters, of Pennsylvania.
Agnes M. Dill, of New Mexico.

(The above nominations were approved subject to the nominations' commitments to respond to requests to appear and testify before and duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Thursday, May 8, 1975*

The House met at 12 o'clock noon.

The Rev. Clarence E. Budke, Immanuel Lutheran Church, Preston, Md., offered the following prayer:

O Lord God, Heavenly Father, as we today recall the ascension of Your Son into heaven, may our hearts also be lifted up, that we might see in Your Son Your love, and our hope and salvation. Open our hearts to receive in faith the forgiveness which we need from Thee; the wisdom and strength to do Thy will; and then, Lord, give the assurance of Thy presence with us. Help us each day to seek Thy direction and loving guidance, that the work of this beloved Nation, which Thou hast placed within our hands, might indeed be done through us, to the well-being of men, and to Thine honor and glory. We pray in the name of Jesus Christ, our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed resolutions of the following titles:

S. RES. 52

Resolved, That the Senate disapproves the proposed deferral of budget authority for continuing research to develop a nuclear-powered artificial heart, which deferral (D75–115) was set forth in the President's message to the Congress of November 26, 1974, transmitted under authority of section 1013 of the Impoundment Control Act of 1974.

S. RES. 75

Resolved, That the Senate expresses its disapproval of proposed deferral D75–117, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 76

Resolved, That the Senate expresses its disapproval of proposed deferral D75–116, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 77

Resolved, That the Senate expresses its disapproval of proposed deferral D75–114, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 78

Resolved, That the Senate expresses its disapproval of proposed deferral D75–113, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 79

Resolved, That the Senate expresses its disapproval of proposed deferral D75–112, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

S. RES. 80

Resolved, That the Senate expresses its disapproval of proposed deferral D75–111, as set forth in the message of November 26, 1974, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

THE REVEREND CLARENCE E. BUDKE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, the opening prayer was offered today by the Reverend Clarence E. Budke, pastor of Immanuel Lutheran Church in Preston, Md.

It is a privilege to introduce Reverend Budke to the House and to express my appreciation to our Chaplain, Dr. Latch, for his warmth in welcoming this outstanding clergyman to our chambers.

Reverend Budke's career of service has had a remarkable diversity, rendering Christian service all across the world. He was born in Monson Township, Traverse County, Minn., educated in the local one-room schoolhouse, and graduated from high school in Morris, Minn. He served his country in infantry and airborne divisions from 1944 to 1947.

Returning from military service, Reverend Budke attended Gustavus Adolphus College in St. Peter, Minn., receiving a B.A. in biology. He then served as a teacher in British North Borneo, and later as an evangelistic/educational missionary in Tanganyika.

Returning from his missionary work, Mr. Budke attended St. Olaf College in Northfield, Minn., and Concordia Theological Seminary in Springfield, Ill. He was ordained into the ministry of the Lutheran Church-Missouri Synod on July 3, 1960, and served as pastor of St. John's Lutheran Church until 1962.

In 1962 Reverend Budke was again called overseas, this time to New Guinea, where he served as evangelistic missionary in the Muritaka and Lyaimi areas of the Western Highlands, until 1967. From 1968 to 1971 he was chaplain and teacher at St. Paul's High School in Pausa in the same district of New Guinea. In 1971 he returned to the United States and completed his clinical pastoral education at Midway Hospital, St. Paul, and the University of Minnesota Hospital in Minneapolis. He has been pastor at Immanuel Lutheran Church in Preston since March 1972.

Reverend Budke married his wife Ruth in 1952 in Jesselton, British North Borneo. The Budkes have three children, Susan, Elizabeth, and Timothy.

I am proud to introduce this distinguished clergyman of such richness and diversity of experience to the House, and I know we will all benefit from the sincerity and thoughtfulness of his prayer today.

AMENDING HOUSING AND COMMUNITY DEVELOPMENT ACT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I am today introducing legislation to amend title I of the Housing and Community Development Act of 1974 for the purpose of assuring that at least 5 percent of the funds allocated under section 106 of the act is distributed to units of general local government other than metropolitan cities and urban counties.

The need for amending legislation of this type became apparent earlier this year when it developed that funds intended for these smaller communities were being gobbled up by the central cities and counties within SMSA's, whose applications HUD has been obliged to consider first.

At the time the 1974 act was passed, estimates were made as to the number of such governmental units that would be eligible, but the estimates proved to be seriously understated. As a result, there was nothing left for the smaller communities.

Last month, I joined with the gentleman from Massachusetts (Mr. BOLAND) and others, in supporting a stopgap measure which passed the House, and provided some $54 million in fiscal year 1975 for these communities. But the problem will recur again next year unless remedial legislation is passed, and it is to avoid that circumstance that I offer this bill today.

This legislation sets a floor for the smaller communities. In that way, local planners will be able to develop their proposals in a sensible and rational way, knowing that there will be funds for good ideas.

If the community grant program for fiscal year 1976 is funded at the level proposed by the administration, my bill would mean that $108 would be guaranteed for this purpose.

In no way does this bill mean that the smaller communities might not be eligible for more than 5 percent of the funds. Indeed, over the long haul, the current law plans for the phaseout of the hold harmless provisions which has tied HUD's hands in allocating money to them, but the bill is needed because for the next few years it is the only way to guarantee the smaller communities their fair share.

I want to point out, too, that this bill does not represent an increase in total spending. This approach is not going to cost the taxpayers more money. It is simply going to see to it that their money is spent more fairly.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Wednesday, May 7, 1975, he did, on that day, sign the following enrolled bill of the House:

H.R. 25. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

PROPOSED RESCISSION AND DEFERRAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-139)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I herewith report one new proposed rescission and one new deferral as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmitting one supplementary report which revises a deferral report made to the Congress in a previous special message. The details of the rescission and deferral reports are attached.

The proposed rescission would affect two programs of the Community Services Administration that duplicate several programs currently operating at Federal, State, and local levels. The two deferrals are routine in nature and do not affect program levels in either case.

I urge the Congress to act promptly on this rescission and other rescission proposals now pending.

GERALD R. FORD.

THE WHITE HOUSE, *May 8, 1975.*

FOURTH ANNUAL REPORT ON ADMINISTRATION OF RAILROAD SAFETY ACT OF 1970—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the Fourth Annual Report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et. seq.) as required by that Act. This report has been prepared in accordance with Section 211 of the Act, and covers the period January 1, 1974 through December 31, 1974.

GERALD R. FORD.

THE WHITE HOUSE, *May 8, 1975.*

COMMEMORATION ON JUNE 12 OF FLAG DAY

Mr. McFALL. Mr. Speaker, Saturday, June 14, 1975, will mark the 198th anniversary of Flag Day. For many years the House has commemorated Flag Day here in the House Chamber by appropriate ceremonies.

Inasmuch as June 14 falls on Saturday this year, I ask unanimous consent that it may be in order at any time on Thursday, June 12, 1975, for the Speaker to declare a recess for the purpose of observing and commemorating Flag Day in such manner as the Speaker may deem appropriate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DESIGNATION AS MEMBERS OF COMMITTEE TO MAKE ARRANGEMENTS FOR FLAG DAY

The SPEAKER. The Chair will state for the information of the House that, after consultation with the distinguished minority leader, the Chair has informally designated the following Members to constitute a committee to make the necessary arrangements for appropriate ceremonies in connection with the unanimous-consent agreement just adopted: the gentleman from Alabama, Mr. NICHOLS; the gentleman from Oklahoma, Mr. RISENHOOVER; the gentleman from Illinois, Mr. MADIGAN; and the gentleman from Pennsylvania, Mr. MYERS.

PROVIDING FOR CONSIDERATION OF H.R. 6209, PROHIBITION OF VARIABLE INTEREST RATE MORTGAGES BY FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 446 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 446

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Currency and Housing, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Georgia (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 446 provides for an open rule with 1 hour of general debate on H.R. 6209, a bill prohibiting variable interest rate mortgages.

On February 14, 1975, the Federal Home Loan Bank Board proposed regulations that would permit Federal savings and loan associations to offer loans secured by one- to four-family homes or dwelling units with variable interest rates. The proposal also provided for a 90-day comment period to allow congressional hearings and, absent congressional action such as approval of this bill, the proposed regulations could become effective on May 15, 1975.

H.R. 6209 would prohibit the federally chartered savings and loan associations from offering loans with variable interest rates. VRM's are a type of mortgage instrument which would probably lead to tougher underwriting standards and would basically shift the risk from the lender to the borrower and would tend to discriminate against the low- and moderate-income families, the unemployed, and minority groups. At a time when unemployment is at the highest rate since 1941 and the housing industry is suffering its worse economic depression, VRM's would not be likely to attract the already hesitant consumer and would therefore further damage the housing industry.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, as has been ably explained by the gentleman from Georgia (Mr. YOUNG), this rule provides for 1 hour of general debate. The bill will be open to all germane amendments. There are no waivers of points of order in the rule.

While the rule is not controversial, the bill generated a good deal of discussion in the Rules Committee. The committee bill was reported from the Committee on Banking, Currency and Housing by a vote of 20 to 13.

The purpose of the bill is to prohibit federally chartered savings and loan associations from offering loans with variable interest rates on one to four family dwelling units. A variable interest rate loan is a loan where the contract permits the interest rate to vary over time.

There are five different sets of minority, additional or supplemental views in the committee report.

And in the Rules Committee, it was made clear that a substitute will be offered on the floor today, which will allow the use of variable rate mortgages by federally chartered savings and loan associations in certain situations in States where State chartered savings and loan associations are allowed to offer such mortgages.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYLIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 0, answered "present" 4, not voting 37, as follows:

[Roll No. 191]

YEAS—392

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Goodling
Grassley
Green
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symms
Talcott
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

ANSWERED "PRESENT"—4

Abdnor
Symington
Thompson
Tsongas

NOT VOTING—37

Anderson, Ill.
Bedell
Clawson, Del
Collins, Ill.
de la Garza
Dellums
Edwards, Calif.
Erlenborn
Eshleman
Gibbons
Gonzalez
Gradison
Gude
Hastings
Hébert
Helstoski
Hightower
Hinshaw
Kemp
Landrum
Lent
McCollister
Macdonald
Mink
Mollohan
Mosher
Murphy, N.Y.
O'Brien
Rangel
Risenhoover
Russo
Santini
Shipley
Sullivan
Taylor, Mo.
Vander Jagt
Wilson, Charles, Tex.

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Anderson of Delaware.
Mr. Murphy of New York with Mr. Hinshaw.
Mr. Risenhoover with Mr. Gradison.
Mr. Russo with Mr. Bedell.
Mr. de la Garza with Mr. Gude.
Mr. Edwards of California with Mr. Del Clawson.
Mr. Gibbons with Mr. O'Brien.
Mr. Macdonald with Mr. Erlenborn.
Mrs. Sullivan with Mr. Taylor of Missouri.
Mr. Shipley with Mrs. Eshleman.
Mr. Santini with Mr. Mosher.
Mr. Rangel with Mr. Vander Jagt.
Mr. Charles Wilson of Texas with Mr. Landrum.
Mrs. Mink with Mr. Helstoski.
Mr. Mollohan with Mr. Gonzalez.
Mr. Dellums with Mr. Lent.
Mr. Hightower with Mr. Hastings.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 218, THE FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1976, BY MIDNIGHT, FRIDAY, MAY 9, 1975

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that the conference report on House Concurrent Resolution 218, the first budget resolution for fiscal year 1976, may be filed by midnight, Friday, May 9, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROHIBITION OF VARIABLE INTEREST RATE MORTGAGES BY FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS

Mr. REUSS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. REUSS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6209), with Mr. BURLISON of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Wisconsin (Mr. REUSS) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. JOHNSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we know the crisis in the homebuilding industry today, and the growing uncertainty and lack of confidence among consumers due to the devastating effect of inflation and unemployment.

We have been endeavoring to take legislative steps to assist homeownership and to prevent the prospect of increasing foreclosures. Today we are considering legislation which, if not enacted, could well lead to a decrease in the demand for mortgages and the desirability of homeownership.

H.R. 6209 is needed to prohibit the Federal Home Loan Bank Board from implementing its regulatory proposal opening the door for Federal savings and loan associations to make variable rate mortgages. Shifting the burden of interest rate increases from lenders to borrowers, could cause further uncertainty among consumers.

The Banking Committee is undertaking a major review of the Nation's financial institutions and their regulation by the Federal Government. There is a compelling need to conduct a comprehensive review of how our financial institutions function in today's economy, and how well they serve the needs of all Americans.

The subject of one of the five major study areas will be the relationship between banks and thrift institutions. An integral part of this subject will include Regulation Q considerations, one of the most important factors in our discussion of variable rate mortgages. We must take a hard look at the problem of enabling the consumer-saver to receive a greater return on his investment, and at how to insure stability in the volume of funds available for home mortgage financing.

Variable rate mortgages may well be revealed by our study as part of the solution for the problems of our lending institutions. Meanwhile, H.R. 6209 is needed to preserve the status quo pending the study.

Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Chairman and members of the committee, regardless of future technical discussion of what variable interest rate mortgages are, even if we could adequately define them, I want to make it perfectly clear that what we are talking about today is the consumer-saver and borrower, the average American workingman and woman, and the American dream to some day own a home.

The entire rationale for a variable rate mortgage is that it will enable the lending institution to provide more funds for housing and permit the consumer-saver to receive a higher rate of interest on his savings. While I fully recognize the difficulties being experienced increasingly by savings and loan associations, an approach of this nature, dealing only with a part of the overall problem, must not, and I emphasize must not, be permitted until the problem of enabling the saver-depositor to receive a greater return on his investment is faced squarely. This means that any discussion of variable rate mortgages of necessity must include consideration of regulation Q.

The authority granted Federal financial regulatory agencies under regulation Q to set interest rate ceilings on time and savings deposits dates back to 1966. Since that time Congress has considered rate control authority on a number of occasions and given it a "temporary" extension. In each instance, Congress concluded that temporary rate control authority must be continued if stability in the volume of funds available for home mortgage financing was to be maintained and the soundness and solvency of financial institutions insured, by the prevention of costly rate wars between banks and thrift institutions.

Mr. Chairman, what then are we talking about today? If we permit our Nation's thrift institutions to transfer the burden of inflation, which has increased their costs, on to the consumer-borrower without eliminating regulation Q which limits the amount of interest paid to savers—are we not permitting the lending institution to have the best of both worlds? By passing on their increased costs and not permitting the saver-depositor to receive a greater return—we do nothing other than to guarantee that the lender will maximize his profits.

The variable rate mortgage is analogous to the fuel adjustment charges so many of us are familiar with. The costs keep going up and we cannot anticipate when, if ever, the price will come down. The same has been more than true with interest rates.

Can anyone deny that over the past 25 years mortgage rates have gone from 4 percent to 11 percent. True, there have been slight variations downward, but in no way can they be viewed as having any significant impact in offsetting the upward push. Looking at the money market rates for new conventional housing from 1965 through March 1974, according to the Federal Reserve, is as follows:

	Percent
1965	5.83
1968	7.12
1969	7.99
1970	8.52
1971	7.75
1972	7.64
1973	8.30
March 1974	9.47

In fact, it is interesting to note that the realtors handbook today starts at 6 percent. When, I ask, will we ever see the day when the interest rate decreases by a significant amount?

In England, they have had the variable rate mortgage for over 40 years. After

studying their experiences with the VRM we find that the interest rate has gone up by leaps and bounds—it now is 12 percent—the Government has had to impose a miniregulation Q, limiting the amount of interest paid to small savers, and, as a result, today England has a nation of renters, rather than homeowners. Is this what we have to look forward to with a variable rate mortgage?

Going back to the proponents for the VRM, that is the industry and the Federal Home Loan Bank Board, why will they not support the elimination of regulation Q? In fact, they cannot or will not tell us when the saver will be able to look forward to an increased rate on his deposit.

Mr. Chairman, while the proponents admit that the VRM is not a panacea to the problems facing their industry, they agree "it will help them do beter." I ask you how will it help the consumer to do better? I am convinced that the variable rate mortgage will have no advantage or benefit for anyone other than the lender.

Recognizing that today we have nearly 10 million Americans unemployed, facing the prospect of losing their homes, we in the Congress are endeavoring to take every legislative step possible to assist the home borrower facing great uncertainty due to circumstances beyond his control, through the forbearance bill, the emergency middle income housing bill—both of which are now in conference. These same people, if a variable rate mortgage had been in effect the past 2 years, would be faced with increasing monthly mortgage payments, further compounding their difficulties today.

Make no mistake about it, we are a long way from solving our Nation's skyrocketing inflation and unemployment problems. Coming from a State where the unemployment rate is now 18 percent, I can speak with great credibility as to the personal crisis and hardship involved.

Recognizing the critical impact of the variable rate mortgage proposal on consumers already facing great uncertainties, why are we here today? In January of this year four of the largest saving and loans in the Nation, ranking 1st, 2d, 6th, and 10th nationally, ranging in asset size from $1.5 billion to $5.4 billion, announced their intention to offer variable rate mortgages. Coincidentally, all four institutions are located in the State of California and represent 40 percent of the industry in that State. A Wall Street Journal article dated January 13, 1975, describing the event noted, and I quote:

> It still isn't clear how the California public will react to this new assault on fixed rate mortgages. But it is apparent that the move caught many industry officials by surprise, primarily because the S. & L.'s involved acted so suddenly and so quietly. The move apparently began last Monday when Gilbraltar Savings quietly switched to a variable-rate lending policy without announcement. That same night, Maurice Mann, President of the San Francisco Federal Home Loan Bank, called an "informal meeting" with about 10 of the State's largest S. & L.'s. There Anthony Frank, chairman of Citizens Savings, presented a memorandum on Citizens' plan to start offering variable rates this week. The subject of variable rates was discussed thoroughly, although Mr. Mann says the meeting was "in no way" specifically called to discuss them.

The article goes on to quote the president of Financial Federation, a saving and loan holding company, consisting of 11 associations operating some 40 offices throughout California, who also appeared to testify during our subcommittee's hearings, as stating:

> Right now home buyers are content with knowing what they're going to pay. It's mostly psychological. But this variable rate thing could divide the industry into two groups (Fixed-vs-variable-rate lenders).

Subsequent to the action taken in January by the four California S. & L.'s the Federal Home Loan Bank Board on February 6 promulgated its proposed variable rate mortgage regulation, published in the Federal Register, February 14, providing for a 90-day comment period to permit congressional hearings. Absent action by the Congress, the proposed regulation could become effective on May 15 at the option of the FHLBB.

Mr. Chairman, the bill we have before us today is the result of 3 days of extensive hearings by the Subcommittee on Financial Institutions Supervision, Regulation and Insurance which on 2 days extended well into the evening. Among the 19 witnesses who testified before the subcommittee were all major labor, consumer and civil rights organizations who were unanimous in their opposition to the bank board's proposal.

The opponents to the variable rate mortgage proposal include: the AFL–CIO, the steelworkers, the communication workers, the Consumer Federation of America, Ralph Nader's public interest research group, the NAACP, the Center for National Policy Review, the Center for Urban Ethnic Affairs, the Housing Training Information Center, the Mortgage Bankers Association of America, the National Association of Home Builders, the National Task Force on Credit Policy—a California-based consumer organization—and the Department of Consumer Affairs in the State of California.

INDEX

The Chairman of the Federal Home Loan Bank Board stated during the subcommittee hearings that the Board does not intend to determine what the interest rate index should be, only it "must be beyond lender control" and have "a proven history of moving up and down with money markets generally." This could mean that the index used to determine the interest rate on a VRM could vary from one lending institution to another in the same community. The inability of the Bank Board to determine an index that could be easily understood by the consumer borrower and the inability of the average borrower to assess the interest rate risk of various indexing schemes—which factors are likely to have the most impact on one index over another in the future influencing the likelihood of an increase in the monthly mortgage payments—as I stated earlier will create greater confusion and uncertainty among prospective home borrowers.

THE OPTION—WILL FIXED AND VARIABLE RATE MORTGAGES CO-EXIST?

During testimony before the subcommittee, Chairman Bomar stated that the Board "does not intend to" and "should not mandate a fixed rate mortgage," but that "it should be left to the marketplace to decide what is most acceptable." Additionally, he referred to one State-chartered savings and loan in California which has used the VRM exclusively since 1970—Guardian—as "evidence that VRM's can work successfully with proper safeguards"; to date 75 percent of its mortgage portfolio is VRM. This same savings and loan was referred to by a California-based consumer group—National Task Force on Credit Policy—in their statement in opposition to the VRM proposal, quoting the executive vice president as follows:

> The reason for Guardian's success in adopting VRM's was that we didn't give our loan people or the borrower a choice. It simplified the selling job tremendously.

This reinforces my belief and that of a majority of the committee for VRM's to be successful from the lender's point of view, it must be offered exclusively, thus denying the borrower any real choice.

Additionally, the Bank Board would not mandate what the differential should be, however, the Chairman of the Bank Board stated during testimony that it should be dictated by whatever amount it took to convince borrowers to select the VRM—page 291. Chairman Bomar also admitted that the fixed rate option could be "gotten around by making the terms so onerous as to really make it no option at all,"—page 299.

To those who continue to argue that the consumer should have an "option," a choice, have any of you ever heard of a borrower who asked for a variable rate mortgage, except perhaps for tax shelter purposes? It is a fiction to talk about the prospective home borrower bargaining his way to a better loan offer. The lender has all the options, not the borrower.

EFFECTS UPON UNDERWRITING PRACTICES

The Chairman of the Federal Home Loan Bank Board also testified during subcommittee hearings that the VRM would lead to tougher underwriting standards and that it does have a "tremendous disadvantage"—page 254—because payments can go up, creating an additional element of uncertainty.

Because savings and loans would take into account the likelihood of interest rate increases necessitating an increase in the monthly payment, savings and loans would be looking to make loans only to families they perceive as being upwardly mobile. The more conservative and restrictive underwriting practices that would result would have a sharp discriminatory effect against racial minorities, women, the elderly, and people who seek loans in older neighborhoods. In fact, the Chairman of the FHLBB admitted that the VRM proposal "does not go to the very legitimate needs of the low-income borrowers or the underlying problems of our cities. . . ."—page 253.

If thrift institutions making VRM loans will not be able to lend to the average American working man and woman, then who will? Do we in fact need another type of institution to meet the growing and unmet needs of middle America?

The variable rate mortgage proposal is clearly ill-advised, in that it fails to provide adequate consumer safeguards. It benefits only the lender by permitting him to pass on his increased costs to the consumer-borrower while not allowing the consumer-saver to receive a greater return on his deposit.

H.R. 6209 is needed to prevent this cruel hoax on the consumer. I urge the passage of H.R. 6209 to prohibit Federal—not State—savings and loans from issuing variable rate mortgages, one of the most important consumer issues likely to come before this Congress.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. ROUSSELOT), the ranking minority member of the subcommittee.

(Mr. ROUSSELOT asked and was given permission to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the Rees substitute, which is designed to permit federally-chartered thrift institutions to offer variable rate mortgages in a limited number of States—namely, those States, including California, in which as of the date of enactment State-chartered thrift institutions are offering such loans. This substitute will enable federally-chartered institutions to stand on an equal competitive footing with State-chartered institutions and to demonstrate the soundness of the variable rate mortgage concept.

The benefits of variable rate loans were discussed at length in correspondence between Gov. W. M. Harding of the Farm Credit Administration and Chairman REUSS. Governor Harding commented on the effect which another bill, H.R. 5532 would have had on FCA programs, but his comments on variable rate loans are very pertinent, and I am therefore inserting a copy of this correspondence, and of a covering letter from Governor Harding to me, for inclusion at this point in the RECORD. Especially interesting is the Governor's statement that—

> During the recent period of high interest rates, the success of the Farm Credit System is attributed to the success of the variable rate program.

There are several additional points which should be carefully considered as we debate the future of the VRM:

First. The use of variable rate mortgages would gradually end the irrational and inequitable subsidy of some borrowers by other borrowers, the subsidy of borrowers generally by small savers, and the artificial incentive of mortgagors paying low fixed interest rates to withdraw from the housing market at all times except when credit is loose.

Second. All of the major provisions which we could devise to protect the consumer are present or accounted for. Most important of these is paragraph (b)(i), which provides that the association "* * * shall also make available on reasonable terms and conditions to the borrower a mortgage loan at a fixed interest rate." Frankly, I do not see how a borrower can go wrong. Even if he later decides that he made a mistake, under (b)(vii) he "is permitted to prepay * * * in whole or in part without a prepayment charge within 90 days of notification of any increase * * * above the initial interest rate."

Third. Finally, I cannot emphasize too strongly that the overall level of interest rates will not go up or down because of our action on this bill. The root cause of high rates is inflation, which in turn has been caused by the irresponsible fiscal and monetary policies of the Federal Government. We will not restore stable prices and interest rates until we change our own spending practices here in the Congress. Meanwhile, I see no reason whatever to deny to hard-pressed thrift institutions and consumers, the victims of inflation, a mechanism which may be helpful to them in insuring a stable flow of housing credit at market rates.

I believe that our substitute represents a well-balanced vehicle for providing a fair test of the acceptability of the variable rate mortgage in the marketplace, and I strongly urge my colleagues to support it.

The text of the correspondence with Governor Harding follows:

FARM CREDIT ADMINISTRATION,
Washington, D.C., April 11, 1975.

Hon. JOHN H. ROUSSELOT,
House of Representatives,
Washington, D.C.

DEAR MR. ROUSSELOT: Enclosed is a copy of my letter to Honorable Henry S. Reuss, Chairman of the House Banking, Currency and Housing Committee, regarding the variable interest rate and the Farm Credit System. This has been written because of the recent discussion in one of your subcommittees on the subject of variable interest rates and because your committee has before it H.R. 5532. If H.R. 5532 is enacted in its present form, it would prohibit further use of a variable interest rate program in the Farm Credit System.

The Farm Credit System has successfully used the variable interest rate for nearly 20 years. Its use was specifically authorized by Congress in the Farm Credit Act in 1971 after a thorough review of the record.

We believe that to prohibit Farm Credit institutions from continued use of the variable interest rate would be to the detriment of farmers and ranchers, as well as of consumers who must depend upon agriculture for adequate production of food and fiber.

My enclosed letter describes this in more detail.

Sincerely,

W. M. HARDING,
Governor.

FARM CREDIT ADMINISTRATION,
Washington, D.C., April 11, 1975.

Hon. HENRY S. REUSS,
Chairman, Banking, Currency and Housing Committee, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The Federal Farm Credit Board, in its capacity as policymaking body for the Farm Credit System, has instructed me to inform you of its opposition to H.R. 5532 which would prohibit variable interest rates.

The Farm Credit System provides credit and closely related services to farmers, ranchers, producers and harvesters of aquatic products, agricultural and aquatic cooperatives, rural homeowners, and certain businesses which perform essential on-farm services to farmers.

The System is composed of 12 Federal land banks which make long term loans on farm and rural real estate through 552 Federal land bank associations, 12 Federal intermediate credit banks which provide short and intermediate term loan funds to 433 production credit associations and other financing institutions, and 13 banks for cooperatives which extend credit to agricultural and aquatic cooperatives.

Member-borrowers own all the capital stock in the Federal land bank associations and production credit associations. The associations, in turn, own the capital stock of their respective banks. Similarly, borrowing cooperatives own all the stock in the banks for cooperatives. Nearly one million farmers and 4,000 cooperatives are involved in this ownership.

All units of the System operate under the Farm Credit Act of 1971, PL 92–181, and are supervised and examined according to that law and in the public interest by the Farm Credit Administration.

During the year ended December 31, 1974, the System provided $27.5 billion in credit or approximately 46 percent of that portion of the capital flow used by U.S. agriculture which was debt financed.

As the supervisory agency for this major agricultural lending group, we are convinced that enactment of H.R. 5532 would increase the cost of credit to agricultural producers and, consequently, would result in an increase in the cost of farm and ranch products to consumers.

The authority to make loans with variable interest rates, which is a basic part of the Farm Credit Act of 1971, has proved to be an effective means of providing the borrower-owners of the System with ample credit at a minimum cost. The availability of adequate credit is, in fact, dependent on the System's ability to lend at variable rates because it makes possible the acquisition of funds in the Nation's capital markets at competitive rates. It is precisely this ability that enables the System to provide agriculture with the billions of dollars in non-Government credit needed to help produce critically needed food and fiber.

It is important to understand that nearly all of the System's loan funds are obtained through the sale of securities in the capital markets. The System has no other source of funds and, therefore, must be competitive in those markets. The Farm Credit banks and associations cannot accept or create deposits.

The variable interest rate program has been used in the Farm Credit System for about 20 years. The banks for cooperatives and production credit associations were the earliest users. The Federal land banks started with an elementary type variable interest rate program in September of 1963. This has evolved to the present method of operation whereby most loan contracts are written with variable interest rate provisions. Though some fixed rate land bank loans remain in the banks' portfolios, 77 percent of their $14.5 billion in loans outstanding have variable rates.

The variable rate programs have been particularly important during the past several years during which liquidity problems affected many lending institutions because they allowed the System to adapt to rapidly rising money costs and meet agriculture's increased credit needs. Similarly, the variable rate rural home mortgage program of the Federal land banks aids in meeting the increasing need for funds of that type. Loans made from the beginning of the program in mid-1972 rose to more than $400 million by the end of 1974 benefiting more than 10,000 rural homeowners.

Securities sold by the Farm Credit banks typically have shorter maturities than their loan portfolios. This requires debt to be refunded frequently. If the banks did not generate cash flow sufficient to meet the interest rate demands of the market, loans would have to be financed by other methods. During the recent period of high interest rates, the success of the Farm Credit System is attributed to the success of the variable interest rate program.

Even though interest rate programs established by the boards of directors of the Farm Credit banks are subject to the approval of the Farm Credit Administration, the borrower-ownership aspect of the System provides great incentive for these boards to provide the lowest cost funds possible.

Interest rates of the Farm Credit banks are not directly linked to any index system. However, the bank boards usually set rates high enough to cover the cost of money, to provide for operating expenses and loan losses, and to allow for some accumulation of equity capital for future growth. Rates may be changed at any time by action of the boards of directors of the institutions based on these factors. Rates may decrease under the variable rate provisions and often have during the many years of use in the System. The borrowers are protected from abuse by the cooperative nature of the System and the supervision exercised by the Farm Credit Administration. Furthermore, excess earnings are paid to borrowers as dividends or patronage refunds. Borrowers also have the option of prepaying their loans at any time without penalty.

While H.R. 5532 is apparently designed to be applied primarily to savings and loan associations, the language of the bill goes far beyond that limited scope. For example, Section 2 of the bill states, "For the purposes of this Act, the term 'federally related mortgage loan' includes any loan which . . . is made in whole or in part by any lender which is regulated by any agency of the Federal Government." The Farm Credit Administration is an independent agency of the Federal Government, and it regulates the Farm Credit institutions. Consequently, even though there is no Federal money in the Farm Credit System and neither its loans nor its securities carry any Government guarantee, its banks and associations would be adversely affected by the Act if it were considered to apply to them.

The objective of the Farm Credit System is to enhance the income and well being of its borrowers through the extension of sound, adequate and constructive credit. This permanent and dependable source of credit is absolutely essential if this Nation is to produce food and fiber vital to the economy and to life itself. The System must continually provide credit to all sectors of the agricultural economy, through loans both large and small to credit-worthy enterprises, and in good times and bad. If it is to continue to fill this important mission, it is of utmost importance that the variable interest rate programs that have served the System and its borrowers so well continue.

We urge the committee to reject H.R. 5532 in the national interest.

Sincerely,

W. M. HARDING,
Governor.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding me this time, and I rise in reluctant opposition to the bill before the House today because I have great admiration and respect for the gentleman from Rhode Island (Mr. ST GERMAIN), the chairman of the subcommittee. As a matter of fact, I think he is one of the most knowledgeable men in Congress on this subject. I have found this to be an extremely difficult issue for me to decide on how I will vote.

First of all, when the gentleman from Texas (Mr. PATMAN) introduced his original variable rate mortgage bill, I reasoned that variable rate mortgages ought to be prohibited, because how can the ordinary layman who invests in a home know what his mortgage rate might be later on, or how long the term of mortgage might be increased? And I thought that the person who is unsophisticated in finances might go into a savings and loan office and the savings and loan officer would only offer the prospective borrower a variable rate mortgage which would include the option to increase or decrease the interest rate over the period of the loan.

And I listened to the testimony of the various witnesses from labor groups, the AFL–CIO and various consumer groups, who expressed fear that the unwary applicant for a mortgage would be pressed into a situation where he would never really know what his monthly mortgage payment might be.

The representatives of the Federal Home Loan Bank Board who came before our committee reminded me of the fact that the Congress of the United States has expressed a national interest in housing and has a national commitment to housing and homeowners help through a series of statutes which established the Federal Home Loan Bank Board and, indeed, the thrift institution concept as we know it today.

Today—and I just checked a little while ago—a Federal savings and loan must invest at least 75 percent of its investment money in homes or in home ownership.

State savings and loans are not under that same restriction, and in most States, State savings and loans do not invest anywhere near that much in housing.

Additionally, I was reminded that last fall the Federal Government was offering Treasury bills for as much as 9.5 percent on a short-term basis, 90 days that is, and other forms of investment were made available to the investor and to the saver. The result was that there was a record amount of withdrawals from savings and loans, and little money coming into the savings and loans. This process of money flowing to other investments with higher yields is described by economists as disintermediation. Last August the savings and loans experienced the greatest period of disintermediation ever. In order to try to help them out, the Federal Home Loan Bank Board suggested that Federal savings and loans be permitted to offer variable rate mortgages with variable interest rate loans so that they would be encouraged to make loans on a long-term basis and could compete in the marketplace for investment money at the same time.

It seems to me that Federal savings and loans ought to be able to compete with State savings and loans, as I suggested a little earlier; and I am going to support, at the proper time, the Rees substitute, just as the gentleman from California (Mr. ROUSSELOT) has suggested that he is going to support it, because it would allow the Federal savings and loans to compete, in effect, with the State savings and loans, as I have suggested. The Rees substitute would permit the Federal savings and loans in those States where State savings and loans can offer variable rate mortgages to offer them on an optional basis. The borrower would not have to accept a variable rate mortgage, but the borrower would have the option of taking the variable rate mortgage, and that is the whole thrust of the substitute, which I want to impress on the Membership of the House here at the present time.

There is no mandate that a Federal savings and loan would have to offer a variable rate mortgage or a variable interest rate loan. Rather, the option would be granted in those States where State savings and loans have that option at the present time.

The gentleman from New Jersey has indicated that the variable rate mortgage concept is so bad that we ought to turn it down here today, but I would suggest to the gentleman and to other Members on the floor of the House that if it is so bad, why do 17 States in the United States offer the variable rate mortgage at the present time?

It seems to me that we ought to permit the Federal savings and loans to operate on an experimental basis in those States where the State savings and loans have that option. At the proper time I will support the middle-ground Rees substitute, on which I had some input which will give the borrower a choice of either a variable or fixed rate mortgage in those States where the same is permitted by State law and that if it is adopted, that we support the bill; but if it is not adopted, that I think we vote the bill down.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I think it would be well to commence my remarks by reflecting upon the remarks of the chairman of the subcommittee, the gentleman from Rhode Island, especially his conclusion when he said that this very possibly might be the biggest piece of consumer legislation to be considered this year.

Looking around the Chamber I would suggest that if this is the biggest piece of consumer interest legislation that we will consider this year, then the consumer is in real deep trouble. I would like the RECORD to reflect that there are probably fewer than 50 Members on the floor.

I would suggest to my colleagues, Mr. Chairman, that the arguments made by the gentleman from Rhode Island (Mr. ST GERMAIN), the chairman of the subcommittee, if not met by the Rees substitute, are specious at best. Ninety percent of the objections to the offering of variable rate mortgages that have been voiced by consumer groups are met by the Rees substitute. But what is a vote for this bill? This bill would prohibit the use of variable interest rate mortgages by federally chartered savings and loan and other thrift institutions. In denying the use of variable interest rate mortgages, a vote for this bill is a vote against freedom of choice.

A vote for this bill, I suggest, is a vote for a front-end load because no one who is familiar with lending practices of institutions, no one disagrees that today, on a fixed rate mortgage, you are picking up the hedge of the institution on inflation. Borrowers are paying a higher interest rate on a fixed rate mortgage today than that money should really cost us today, because there is no way that an institution can protect against an increasing cost of money and recoup the devaluation of principal repayments except by charging a higher interest rate at the time a mortgage is written. Whereas with a variable interest rate mortgage the institution can fairly and properly charge one what money should cost us today, because there is going to be the opportunity for upward escalation, up to two points in the Rees substitute, at most, but there is that chance if inflation demands it.

I would suggest to the Members that if they are truly interested in the rights and concerns of the consumers, if they truly are, that there is only one way to vote on this legislation, and that is against the committee bill and in favor of the Rees substitute.

Frankly, I do not feel that the Rees substitute goes far enough. It limits the authority to those States that are presently offering variable interest rate mortgages in State-chartered institutions. I think it ought to be available in all States except where the State specifically prohibits variable interest rate mortgages.

The Rees substitute so limits the authority and contains so many protections, I do not see how anyone can vote against it.

If the Members favor freedom of choice, if they do not like the front-end load, if these things are important to them, and they should be, and if they are interested in the consumer, then they ought to vote for the Rees substitute.

Mr. Chairman, I would ask my colleagues if, in the course of the remarks of the gentleman from Rhode Island, they heard any recitation about the terrible price gouging that has gone on where variable interest rate mortgages are offered? Of course not, nor did they hear about consumers being exploited where variable interest rate mortgages are offered.

Then why deny to me, and I repeat, why deny to me that right? If I am a person who has some upward economic mobility, why require me to engage in a fixed rate mortgage, at a rate that hedges against inflation, when I could have that mortgage today at a lower rate and pay maybe a slightly higher rate later when my upward economic mobility makes it easier for me to make those payments? Why? Why am I discriminated against? Why can I not have that choice? Why are we in the Congress going to say I cannot have that choice—I cannot have the choice between a fixed rate mortgage and a variable interest rate mortgage?

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of Pennsylvania. I yield 1 additional minute to the gentleman from Michigan.

Mr. BROWN of Michigan. In conclusion I would like to say to my colleagues it is very difficult for me to understand how many of my colleagues, if not most, who support cost-of-living escalators in labor contracts where the escalator only goes up and never comes down, can oppose the flexibility of a variable rate mortgage, where the rate can come down as well as go up.

I suggest to my colleagues, Mr. Chairman, that the Rees substitute contains all of the necessary consumer protections and that it should be supported, and I urge its adoption.

Mr. ST GERMAIN. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Chairman, I rise in strong support of H.R. 6209 to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer variable interest rate mortgage loans.

It is abundantly clear from our debate today that variable rate mortgages clearly are not in the best interest of the consumer and industry proponents cannot give us any assurance that VRM's will in fact provide more funds for housing. They say it will help them do better; however, they will not say when their depositors will be able to receive a fair rate of return on their savings. Therefore, when we talk about the advantages of the variable rate mortgage proposal, we are obviously talking about advantages to the lender, not the borrower.

The benefits resulting from the VRM amount to the ability of the lending institution to shift the risk of interest rate increases to the borrower, which could easily cause a $50 or more increase in the monthly payment of principal and interest even during the early years of the mortgage. Shifting the risk would cause greater uncertainty in family budget planning and a danger of individual financial hardship and crisis, and possibly even the loss of the home. It is the height of irony that we should be considering a proposal of this nature, having such an adverse effect on prospective homeowners, while at the same time the conferees on the Emergency Middle Income Housing Act and the Foreclosure Bill will be meeting again in conference today. If there was ever an instance of the right hand not knowing what the left hand was doing, then certainly this is a classic example. In the absence of H.R. 6209, we would in effect be promoting the likelihood of foreclosure and decreasing the desirability of homeownership.

Additionally, Mr. Chairman, because savings and loans would take into account the likelihood of interest rate increases necessitating an increase in the monthly payment, savings and loans would be looking to make loans only to families they perceive as being upwardly mobile. The more conservative and restrictive underwriting practices that would result would have a sharp discriminatory effect against racial minorities, women, the elderly, and people who seek loans in older neighborhoods.

Mr. Chairman, I feel strongly that in the absence of H.R. 6209, variable rate mortgages will open up new opportunities for exploitation of borrowers by lenders, because borrowers do not possess the proper knowledge to assess the interest rate risk.

These problems, Mr. Chairman, are fundamental and cannot be cured by adding a few more "consumer safeguards." One proposed "safeguard" would be to require lenders to offer a fixed rate option to borrowers. But we know this is a sham. Even the Chairman of the Federal Home Loan Bank Board has admitted that a mandatory "option" could easily be subverted by savings and loan associations, by offering an abnormally high interest rate on the fixed rate loan, or by changing other terms, so that the fixed rate option would not be a practical option at all.

Mr. Chairman, since the Federal Home Loan Bank Board has indicated its intention to move ahead with its proposal unless affirmative action is taken by the Congress to stop it, passage of H.R. 6209 without amendments is an urgent priority.

I do not know how the gentleman does his arithmetic but I can assure him that my 6-percent mortgage provides for a lesser rate than today's 9-percent mortgage.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield at that point?

Mrs. SPELLMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentlewoman yielding since she mentioned my name. My point was if the variable interest rate mortgage concept had been in effect today the borrower would now have his interest rate declining in today's market. The gentlewoman has mentioned a 6-percent mortgage rate. It has been quite a few years since any 6-percent mortgages have been issued, as the gentlewoman knows. So I wish to make the point again, because I know the gentlewoman wishes to be fair, that if we had a variable rate right now, those who had obtained mortgages last year at high rates, under the Rees substitute would have now been given a reduction from the interest rates included in their mortgages of last year.

Mr. ST GERMAIN. Mr. Chairman, I yield 4 minutes to the Delegate from the District of Columbia.

Mr. FAUNTROY. Mr. Chairman. I rise in support of the bill as reported by the committee because I believe that it is imperative that this Congress act to prevent the Federal Home Loan Bank Board from permitting the implementation of variable rate mortgages by Federal saving and loan associations.

Variable rates would feed the fires of the inflationary psychology that we must break. Many people, encouraged by proposals such as the one promulgated by the FHLBB, are beginning to believe that the price for all goods, services, and commodities must always continue to rise in cost to them. I, for one, do not accept that fact. There is no crueler tax than the tax of inflation that destroys the incomes of the elderly, of those who lack a great deal of upward mobility in our society, of the young who are just starting life on their own and who want to build some real equity in their largest purchase, their home. Mortgage money, like any other commodity, while it will be subjected to the vicissitudes of the marketplace, must be kept as stable as possible. It is enough that taxes and utilities continue to rise.

Proponents of the VRM's, of course, argue that such a proposal would end the disintermediation that accompanies change in the interest rate structure. Your committee in 3 days of hearings did not find one iota of evidence that would be supportive of that claim. Indeed, I am inclined to believe that if we found anything at all, it would be that the impact upon a saver was minimal, the administrative costs to an institution substantial, and the need for removal of interest rate ceilings, better known as "regulation Q." I need not note again for this House that removal of the interest rate ceilings would precipitate another round of "wild-card certificates" whose last experience demonstrated amply for everyone that a lack of interest rate ceilings tends to exacerbate disintermediation effects.

This Congress, and more particularly your Committee on Banking, Currency and Housing, has long worked to make it possible for every American to realize a dream that is unique to this country—the ownership of his own home. Yet before your subcommittee, the FHLBB witnesses as well as industry proponents, stated that a move toward VRM's would increase underwriting standards. The implication for working class families and minority groups is that they would be, generally, less eligible for loans than they are presently. To permit VRM's would be to act counter to everything that this and previous Congresses have done for low- and moderate-income homeownership.

Variable mortgage rates shift the risk of inflation and monetary demands, as that demand is reflected in interest rate changes, away from the lender to the borrower who is least able to afford it and least able to analyze the risk. At present, the borrower has few options in borrowing for a mortgage. The contract is a "boilerplate," the rate is offered on a "take or leave basis" and the mortgage or deed or trust, if that is the mechanism used, is searched, examined, and held for the benefit of the lender. It can hardly be said that the present arrangement is good since prepayment penalties and new closing costs are often imposed for the acquisition of a new, lower rate. Yet, for all of our present problems, the monthly rate of payment, once budgeted by a family, is a relatively fixed and controlled expenditure. Under VRM's, this would change. For a $30,000, 30-year VRM, the change could be as much as an additional $52 per month increase in payment.

In many cases, this would be greater than the property taxes paid on a house with a $30,000 mortgage. In the Washington area, it would be about equal to the costs of taxes. In other terms, it is about equal to 2 or more additional months of payments per year. It is unreasonable to permit this kind of uncontrolled expense to be borne by a home buyer without giving him some substantial benefit. There is no substantial benefit which accrues to a homeowner under a VRM.

I know that it will be argued that rates can go down as well as go up. I must presume that those who make that argument fail to realize that one can obtain a new mortgage at a lower rate on his own at present. While this present arrangement has some problems, I believe that we can enact some appropriate legislation which would control prepayment penalties to a reasonable rate as well as the second set of closing costs. This kind of an arrangement would offer the borrower the protection he needs when he borrows at high rates, it would tend to exert a downward pressure upon interest rates and inflation, and it could, with appropriate drafting, protect a lenders' portfolio in an acceptable manner for all parties.

I would like to also point out, Mr. Chairman, that in terms of long term investments such as are made by pension funds, insurance companies, and investment trusts, the considerations are not only of yield, but they are of the stability of that yield. I should also point out that to the extent that there is a liquidity problem in our mortgage lending institutions, the answer lies in reexamining our secondary markets and by providing certain consumer lending powers to thrift institutions that will increase their short term liquidity without substantially modifying their portfolio and institutional misson.

In conclusion, Mr. Chairman, I again urge passage of the committee bill and without amendment except to the extent that they may have been urged by the committee itself.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, we have no further requests for time, but I reserve the balance of my time.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. Boggs).

Mrs. BOGGS. Mr. Chairman, I rise in support of H.R. 6209 which, by prohibiting the offering of variable interest rate mortgage contracts as recently proposed by the Federal Home Loan Bank Board, will protect the beleaguered consumer from the prospect of increased mortgage payment costs during eras of rampant inflation.

On April 16, after 3 days of extremely comprehensive hearings, on April 8, 9, and 10 chaired by our distinguished colleague from Rhode Island, Fernand St Germain, I joined with 22 of my colleagues on the House Banking, Currency and Housing Committee as a cosponsor of the original prohibition legislation which is before the House today.

We are all deeply aware of and concerned over the emergency situation involving our homebuilding industry today. We have been working tirelessly on a host of measures designed to bring relief to this industry and its suppliers. As the homebuilding industry suffers, the problems confronting our thrift institutions have intensified to the point where immediate action must be taken if an ample supply of mortgage credit is to remain available at reasonable rates. A number of steps will indeed be required to bring relief, Mr. Chairman, but the introduction of variable rate mortgages is not one of them. These instruments are pure and simple anticonsumer which prompts me to remind my many good friends in the thrift industry that without loyal support from the public at large which they have enjoyed for so many years, they simply cannot survive in an increasingly hostile competitive economic environment ravaged by the cruel forces of inflation.

Thus, Mr. Chairman, I urge the immediate adoption of H.R. 6209 accompanied by a restatement of our commitment to continue our search for real and permanent solutions that place consumer interests first.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume to the gentleman fom Pennsylvania (Mr. Barrett), the chairman of the Housing and Community Development Subcommittee.

Mr. BARRETT. Mr. Chairman, I rise in strong support of H.R. 6209, a bill to prohibit the Federal Home Loan Bank Board from authorizing the issuance of variable interest rate mortgages by federally chartered savings and loan associations. I urge that my colleagues adopt the bill as reported from committee rejecting any and all amendments.

I am firmly convinced that a system of variable interest rate mortgages would reduce the opportunities of fixed- and moderate-income persons for homeownership. Monthly payments would be subject to unpredictable changes and mortgage lenders could be expected to be reluctant to extend mortgage credit to those whose ability to meet rising mortgage payments is limited.

The establishment of variable rate mortgages would further impede economic recovery, for as I see it, interest rates would end up going in one direction—namely up. I am convinced that the VRM would not stimulate the housing industry, to the contrary it would retard homebuilding. The consumer-buyer who is the borrower would be reluctant to obligate himself to the uncertainty of the amount of future mortgage payments.

I recognize the problems facing savings and loan associations and the cyclical flow of funds; however, the use of the VRM is not the answer to that problem. It seems to me greater use must be made of the secondary mortgage market. In this regard I believe it would be well for the Federal Home Loan Mortgage Corporation, commonly referred to as Freddie Mac, to operate as a secondary market maker in mortgages, instead of as an investor as presently appears. By this I mean that Freddie Mac could, when rates and costs are going up, buy low-yield loans at par from the savings and loans. This would enable the savings and loans to continue to make loans at reasonable rates rather than the exorbitant rates necessary when they are forced to borrow at high interest rates.

Mr. Chairman, again let me express my strong support for the bill before us and urge that the House adopt the bill by an overwhelming majority so that the consumers will know we have their best interest at heart.

Mr. ST GERMAIN. Mr. Chairman, I yield the balance of my time to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I think most of us in the past year have had builders come to our offices and we have had members of the building trades come to our offices and we have had members of savings and loan institutions come to our offices and they tell us one thing. They say that the housing market is flat.

In my county in Los Angeles, unemployment in the building trades is 30 percent. They are not building houses. One of the reasons they are not building houses is that the mortgage rate on a new a house is something like 9½ percent and they have to pay points on top of that. A potential home buyer right well think, "Well, I want to buy a house, but I am not going to commit myself for the next 25 years for a 9½ percent loan, so I am not going to buy that house." As a result of fixed mortgage rates, we have this problem of a cyclical industry, the housing industry.

When long-term interest rates are high, housing starts are down and unemployment is up. When interest rates are low, housing starts go up and employment in the building trades goes up also. So when we discuss the concept of a variable interest rate, we are discussing the concept of taking the peak out of this cyclical building industry. A person will not buy a house today because the interest rates are too high and they do not want to get tied into that for the next 25 years. With a variable rate of interest, an individual would borrow money at 9½ percent. Lets assume that next year we have a good recovery. Let us assume long-term interest rates go down to 8 or 7½ percent. Under this legislation that mortgage rate would have to go down adjusting to the market rates for mortgages at that time, so the person who buys at a high rate has the opportunity to ride that rate down.

What about the person that buys at 6 percent? Now, these rates have not been around for awhile; but if they buy at 6 percent, it cannot go up more than one-fourth of 1 percent in any one 6-month period and there is a 2 percent cap; but a person that buys at 6 percent decides they do not want the variable rates on the loan under this legislation, under the Rees substitute, the borrower has the option of either using a fixed-rate mortgage or a variable rate mortgage. The borrower has that choice. It is the choice of what the borrower's needs are and what the borrower's resources are.

The Rees substitute provides that the Home Loan Bank Board cannot allow for variable interest rate mortgages for 2 years except in those States that now issue variable interest rate mortgages. The Rees substitute would give us a 2-year trial period to allow variable interest rate mortgages to be used in those States where variable interest rate mortgages are now in effect.

We have a situation in California where the State associations represent 60 percent of association assets. The Federal associations represent 40 percent. The State associations are now going very heavily into variable interest rate mortgages, and the Federals cannot do so under the bill before us.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield 6 minutes to the gentleman from California (Mr. REES).

Mr. REES. We now have a disparity in terms of competitive inequity in the State of California because the Federals cannot compete with the States, and the States are heavily into variable interest rate mortgages. The Rees substitute states that the borrower has the option of either a fixed rate interest mortgage or a variable interest rate mortgage. The consumer has freedom of choice.

The substitute provides that an increase or decrease in that rate cannot occur more than once every 6 months, and that increase or decrease cannot be any more than one-quarter of 1 percent in that 6-month period. It provides that a mortgage cannot go up any more than 2 percent during the life of the mortgage. That is a 2-percent cap. If there is an 8-percent mortgage and the rates went to 12 percent, that mortgage could not go past 10 percent.

It also provides that it is mandatory that the mortgage interest rates goes down on the mortgage when the market rate goes down, but it is not mandatory that those rates have to go up when market interest rates rise. It also provides that once the person has a fixed interest rate mortgage, there cannot be any change in the interest rate for 1 year. If the person does not like the interest rate going up, then that person has the right of prepayment without any prepayment charge.

Mr. Chairman, I think this substitute protects the consumer and certainly takes care of the complaints of the consumer groups.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I appreciate the gentleman yielding to me because after reading and studying his substitute, I anticipate voting for it. If it does fail, I am going to vote for this bill on final passage.

I want to make clear, if the gentleman in the well will anticipate, a couple of points. First of all, in his State of California, I think the gentleman said the State-chartered institutions allow this. His bill allows the Federal institutions to do so.

Mr. REES. Yes.

Mr. J. WILLIAM STANTON. Question No. 2, the gentleman made the point that today if he were in California and he had an opportunity to get a 9½-percent loan or a lower variable interest mortgage, he would take a variable interest rate mortgage because the permanent rate is near an all time high interest rate. He would not have done it at 6 percent, but today he would like to have that option. Is that correct?

Mr. REES. Yes, I would have that option.

Mr. J. WILLIAM STANTON. I think the gentleman's points cover adequately the situation, and to a very limited extent allows us to experiment on the subject of variable interest rate mortgages. I am totally against the opening up of it. I fundamentally and basically support the premise of H.R. 6209 for the simple reason that nobody as yet has conceived any mechanism to assure when these interest rates go down, so we need more experimentation.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from California for yielding to me. The gentleman from California (Mr. REES) and the gentleman from Ohio (Mr. J. WILLIAM STANTON) have just made a point I would like to emphasize and on which I think the opponents have lost sight.

They have assumed in their argument under this bill that interest would always go up. Two years ago, I had to borrow some money, and the only way I could borrow it was on a variable interest rate basis. I might say that since I borrowed that money 2 years ago, my interest rates have come down twice, so that I am the beneficiary of a variable interest rate loan.

I say to the gentleman that I think he made a good point a little while ago, and I wanted to emphasize it with the Members who are here.

Mr. REES. I appreciate the gentleman's remarks and also the remarks of the gentleman from Ohio (Mr. J. WILLIAM STANTON).

There are nine States which today allow the issuance of variable interest mortgages by their State associations. This amendment would only allow these nine States to have variable interest mortgages in the Federal system. It is very restrictive. There is also extensive consumer protection language in here to protect the consumer and to give the consumer the right of freedom of choice.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Since 1970 the interest rate has increased three times and decreased once. The other point that I think the gentleman should make in his remarks is that when people are going in and there is an option offered, there is a differential. In other words, the variable ordinarily is ¼ or ½ percent less than the fixed-rate mortgage; is that not correct?

Mr. REES. Of course, there would be a differential because there are two different types of mortgages.

Mr. ST GERMAIN. The reason I mention it is that in this debate the gentleman is using the same interest rate for both.

Mr. REES. No. The interest rate is variable, and there are two different kinds of mortgages.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. SISK. I thank the gentleman for yielding.

Mr. Chairman, did I understand the gentleman to say that there is a cap on the maximum increase? In other words, if I secured a loan at 8 percent and the rates moved up, regardless of how high they went, at no point, 20 years, 25 years, would I pay above 10 percent?

Mr. REES. That is right.

Mr. SISK. That is an absolute cap of 2 percent above whatever rate I borrowed at, whether 6 or 8 percent?

Mr. REES. There is a mandatory 2-percent cap.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Chairman, as one of the 23 members of the House Banking, Currency and Housing Committee who cosponsored legislation on April 16, prohibiting the offering of variable rate mortgages by Federal savings and loan associations, I am delighted to rise in support of H.R. 6209.

I have the privilege of serving as the ranking majority member of the Subcommittee on Financial Institutions Supervision, Regulations, and Insurance chaired by our most distinguished colleague from Rhode Island, FERNAND J. ST GERMAIN. I wish to commend the chairman for the rapid manner in which he met the latest threat to the consumer by his bringing H.R. 6209 to the floor today. The hearings on April 8, 9, and 10, extending well into the evenings, were among the most comprehensive hearings dealing with a single issue ever held. His skill and dexterity in drawing out all of the issues involved clearly led to an understanding as to the anticonsumer thrust of the Bank Board's proposal and as such we are dealing with the wrong issue at the wrong time if we are to continue the search for long-range solutions to the problems that have once again brought our homebuilding industry and the thrift industry to the brink of disaster.

I take a back seat to no one in my support of the savings and loan industry, but I say to my friends in the industry that without the support of the public we represent and they seek to serve as customers they cannot survive in today's competitive environment. When I review the testimony of every major consumer organization and virtually every major labor union, including that of my good friend, Bob Georgine, president, Building and Construction Trades Department, AFL–CIO, and find that the people are vigorously opposed and understandably so, I say to the industry and to the Bank Board we want to help, but remember you only exist to serve the public—your proposal as it exists today, for whatever advantage it may have for the industry, is blatently anticonsumer.

Mr. Chairman, I urge the immediate adoption of H.R. 6209.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, if I could have the attention of the gentleman from California (Mr. REES) I would like to ask some questions.

As I have been studying this program, I have been trying to answer some of these questions and I cannot find answers to them; so I would like to address them to the gentleman in the well.

First, what has been the experience in California with the interest rates on the variable rate mortgage as opposed to the fixed rate mortgage? Which ones are higher at the present time? And do they vary when interest rates go down?

Right now interest rates are very high, and when they go down is there any difference between what the gentleman defines as fixed rate and variable rate?

Mr. REES. Under the California statute, the savings and loan commissioner sets the rate, and the rate is an average money market rate and, therefore, the Commissioner in a 6-month period set a new rate. And under the California statute, if the rate goes down, that must be given back to the consumer as a lower mortgage payment.

Mr. JOHNSON of Colorado. I understand that, but at the present time, when you are issuing a mortgage, which goes at the highest rate, the fixed rate or varible rate, or is there a difference?

Mr. REES. I would suspect that if one went in to borrow funds that the fixed rate mortgage would be a quarter or a half percent higher, because obviously it is a fixed rate and the institutions would prefer a variable so that they could adjust the cycle.

Mr. JOHNSON of Colorado. So at the present time, when interest rates are high, if one takes out a mortgage right now, the variable rate is a half to a quarter lower than the fixed rate?

Mr. REES. After considering my previous answer I think that as a potential homebuyer it would be best for me to have a variable mortgage because the chances are the rate will go down. Therefore, varible rates would probably be higher.

Mr. JOHNSON of Colorado. I would think so, too, but I wanted to know what the experience was.

Mr. REES. I really do not know the experience in California because large use of variables began only this year. Logically, it would seem that the variable rate would be a little higher than the fixed rate.

Mr. JOHNSON of Colorado. Can the gentleman state whether or not, from his experience in California, he found that by the use of the variable rate it tends to keep moneys in the local savings and loans and stabilizes the home building rate?

Mr. REES. I cannot tell the gentleman that, because previous to about January of this year, only one association, in Oxnard, Calif., used the variable. Now the major associations in the State are going into variables, and there has not been time, really, to get the set pattern.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. Yes, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I wish to make one point with respect to the California experience. Under the gentleman from California's substitute, certain penalties are automatically eliminated that people now pay in a fixed-rate mortgage, especially if the borrower cash the mortgage out ahead of the termination date. That is an important item. With a fixed-rate mortgage contract, if one cashes out because he sells his house, he pays a penalty. Under the substitute of the gentleman from California (Mr. REES), no penalty can be charged under the variable interest rate mortgage, and that, many times, that penalty can be a substantial amount.

Mr. LEGGETT. Mr. Chairman, variable-rate mortgages are something the country needs about as badly as we needed the Vietnam war.

Variable rates make no sense whatever. We have already found that banking is probably the most recession-proof, inflation-proof industry in the Nation. When a recession comes, the amortization from existent loans keeps rolling in regardless. When inflation strikes, banks simply jack up their interest rates. If deposits fall, banks just jack up their interest rates further, or stop giving loans altogether.

In general, it is nearly a sure-win, no-lose situation. Banks get the short end only when inflation and interest rates escalate sharply after a loan is given. But this happens only after a period of many years. For example, a bank is today losing money on a 5-percent mortgage given in 1960. But in the interim, it has been receiving payments which for many years were made up almost entirely of interest. So the total picture on this loan is far from one of loss; rather, it is merely a case of a small proportion of the profits being paid back.

In an effort to give itself totally loss-protected conditions, the industry now is offering loans on which it can raise the interest at a later date if prevailing rates go up. Rates can also be lowered, but this is true in any case because most loans can be prepaid and refinanced if prevailing rates decline.

The Banking and Currency Committee has, very properly, reported a bill to outlaw this pernicious practice, and to keep the balance from turning against the consumer even more severely than is the case at present. I support this move, I support the bill, I commend the committee for it, and I urge the House to pass it overwhelmingly, and I oppose amendments conforming and yielding to State practice including the State of California.

Mr. EVANS of Indiana. Mr. Chairman, one of the strongest arguments against the variable rate mortgage is that it would tend to increase inflationary pressures in the housing market. If the VRM were widely accepted, representing a large number of mortgages, during a period of inflation it would become a cost-push factor. The effective cost of a given house would be increased during periods of tight credit.

As the Members have heard, the Federal Home Loan Bank Board has proposed a set of regulations on variable rate mortgages supposedly designed to help the housing industry. Under the proposed regulation, lenders would be free to increase payments when interest rates rose generally in the economy. Thus, the contract which the homebuyer signs with the lender would be open-ended and the borrower would have no way of knowing what his monthly payments might be in the future. Uncertainty over the rates would probably deter would-be homebuyers.

I strongly believe that the variable rate mortgage would be disastrous for the consumer and would not assist savings and loan associations and other home lending institutions during periods of rising interest rates.

The Federal Home Loan Bank Board says under its proposal that interest rates would only be raised 2½ percent over the life of the mortgage. Therefore, an 8-percent increase could go up only to 10½ percent. Although it does not sound like such a large increase, it is actually 30 percent more than that of the 8-percent interest rate. This will certainly hit hardest at elderly groups and low- and moderate-income families who may be least prepared to bear the costs of such an increase. In addition, at a time of increasing prices, the burden of paying additional costs on a home will cause workers to demand higher salaries and wages to keep up with inflationary conditions.

A further implication of VRM's is their impact on lending eligibility standards. It is quite possible that lenders will become even more reluctant than they currently are to make loans to people with relatively fixed incomes. In addition to judging the credit-worthiness of the borrower at the time the loan is made, they will be judging his ability to pay larger monthly payments in the future. This could easily result in even greater isolation of low- and moderate-income families from the home ownership market.

Mr. FRENZEL. Mr. Chairman, I support the Rees amendment to H.R. 6209. The distinguished gentleman from California (Mr. REES) has correctly identified a terrible problem for his State will occur if this bill is passed. His amendment provides suitable safeguards for potential homeowners, particularly with respect to the option of accepting either a variable or fixed rate mortgage loan.

If the Rees amendment fails, I believe the bill, H.R. 6209, ought to be defeated. I do not believe variable rate mortgages will lead the housing industry into the promised land, but where they are preferred by borrower and lender, they may help overcome shortages of mortgage funds.

It is surely reasonable to set limitations and conditions on variable mortgages, but it seems to me unreasonable to ban them altogether. It is one thing to protect a home buyer from unfair costs. It is quite another thing—as we are doing here—to give him so much unwanted protection that he cannot buy a home when he wants to do so.

Another bad feature of this bill is that it is just another temporary band aid on a pretty bloody financial system. This Congress and this committee has not met its responsibility to review and restructure that system. Each new band aid is just another bit of evidence of congressional dereliction. It would not be so bad if we had tried and failed. But we haven't even tried. Until the committee gives financial system reform a try, this body should reject further band aids unless they are a matter of emergency. There is no emergency here.

I hope the Rees amendment is passed, and, if not, I shall oppose the bill.

Mr. BADILLO. Mr. Chairman, I believe that the Federal Home Loan Bank Board's proposed regulations authorizing variable interest rate mortgages for structures with one to four dwelling units is badly timed and ill conceived. Consequently, I am pleased to support H.R. 6209, a measure prohibiting the writing of such mortgages by federally chartered thrift institutions in the absence of explicit congressional action.

All of us deplore the severely depressed state of the housing industry and are anxious to do everything possible to alleviate the plight of potential homebuyers and unemployed construction workers alike. But the implementation, by regulation, of variable interest rate mortgages at this time will not result in easier to obtain mortgages or an increased number of construction jobs. On the contrary. By generating higher interest rates and concomitantly mandating higher income limits, it will serve to further reduce the percentage of our population who can expect their dream of homeownership to become a reality.

In promulgating the regulations, the Board utilized the argument that authority, for federally chartered savings and loans to write mortgages with variable interest rates will result in increased equity for small investors, who make up the bulk of savings and loan depositors, by assuring a higher return on their investment. And, by making thrift institution deposits more competitive as investments, assure a steadier flow of funds into the mortgage market. Thus, the argument goes, the repeated boom or bust cycles so detrimental to the housing industry will be eliminated.

Quite apart from the fact that experience in other countries, such as Canada and Great Britain which utilize VMR's, indicates that they do not eliminate boom and bust cycles, the Board's argument is fallacious because it proposes to accomplish these objectives without effecting any immediate changes in regulation Q that governs the level of interest paid by thrift institutions to their depositors. Nor is the Board ready, at this time, to supply a target date for changing regulation Q requirements. Yet, without such changes there can be no increase in interest rates, no consequent growth in the number of depositors, and any increase in mortgage funds will have to come from borrowers who will be forced to pay higher interest rates on their loans.

In addition, variable interest rate mortgages carry with them the strong likelihood of increased payment levels throughout the life of the mortgage. This fact, according to Chairman Bomar's testimony, will result in tougher underwriting requirements because—

> . . . potential homebuyers should have the capacity to absorb an additional incidence of increase of payments.

Translated, this means that homeownership will become the exclusive prerogative of those deemed to be highly upward mobile—and will become increasingly difficult to attain for minority group members and women who tend to hold lower paying jobs with less job security. It will also limit the availability of mortgages for those members of the labor force whose job outlook does not include prospects of steady advancement and/or transfer into managerial positions. Thus the proposed regulations would serve as an instrument for enhancing and entrenching already existing economic discrimination.

Mr. Chairman, the last things we need right now are higher interest rates and more stringent income requirements. Today's New York Times contains some frightening statistics. According to data quoted by the paper, the average price of a new home has now reached $41,300, while that of a previously owned one is up to $35,600. To assume financial obligations of such proportions, the Times claims that families wishing to enter the housing market must have incomes of not less than $23,300. This requirement, it goes on to say, makes homeownership an impossibility for five out of six families.

I am convinced that any changes in our mortgage writing practices must be made within the framework of an overall reform of our financial institutions and review of our monetary policies. We are experiencing a tight money market and may have to look for ways to increase the supply of our available cash. One possible way to do this would be to examine some of the drains on our money supply.

Statistics indicate that short-term foreign investment by American banks has been increasing dramatically over the past years. In 1971 short-term claims by American banks against foreigners totaled $13.2 billion. In 1972 the amount was up to $15.5 billion, in 1973 $20.7 billion. By December 1974 it has reached a startling $38.4 billion. Long-term investment in this area has not grown as rapidly, but has been increasing steadily over the past several years. I hope that the Committee on Banking, Currency and Housing will examine this situation during its planned review of our financial institutions.

Mr. Chairman, I urge my colleagues on both sides of the aisle to support H.R. 6209.

Mr. ASHLEY. Mr. Chairman, I am not convinced that H.R. 6209 is in the best interests of the consumer, and therefore, I cannot support this bill. I believe that more thinking needs to be done about the implications of variable mortgage interest rates from the vantage point of the consumer. By consumer I mean both the home buyer and the person who puts his excess funds in a savings account. If a variable rate option can increase the availability of mortgage money during tight credit periods, then consumers who need to borrow mortgage funds during these periods will benefit. So will the consumers whose savings could be retained by thrift institutions through higher contract rates.

It makes a lot of sense to me to offer an option to home buyers of a fixed rate or variable rate mortgage and let them choose the method best suited to their current and future needs. However, I am not at all sure that a fair dual system can be implemented nationwide without some trial and error experience.

Accordingly, I will vote for the amendment to H.R. 6209 to be offered by Mr. Rees which would permit a dual system in those few States which permit State chartered thrift institutions to make variable rate mortgages. It seems to me that in States where there is a substantial nonfederally chartered lending industry with variable rate authority, the federally chartered institutions are put in a serious noncompetitive position. I think then, that the Rees amendment will provide both a good test of a dual system and at the same time put State and Federal thrifts in an equal position.

Mr. REES. Mr. Chairman, I rise to speak in favor of the amendment.

Mr. Chairman, I ask for support for this amendment because I would like to make sure that Congress reviews the variable interest rate mortgage. We cannot have a situation in this country where a great many States allow a variable interest rate mortgage in their State associations—and this is happening in my own State of California—while the Federal savings and loans do not have the same right. There must be some opportunity to evaluate whether a variable interest rate mortgage is good or bad.

I think a 2-year period is an adequate evaluation time. What the amendment of the gentleman from Ohio does is to say that variable interest rate mortgages are prohibited in Federal institutions for 2 years, and that there will be a time schedule for those of us in the Banking and Currency Committee to find out whether, indeed, variable interest rate mortgages work or do not work.

If we have a flat prohibition, which is the way the bill reads now, we might never get around to dealing with variable interest rates, and we might actually have a situation where Federal associations opt out of the Federal system in favor of State regulation so that they can get variable interest rate mortgages. I think our committee has to have a time period for reviewing VRM's. I think this 2-year time period is very wise, and I would ask for support for the amendment.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Chairman, there has been a lot of criticism today to the effect that the consumer is not intelligent enough to choose the proper loan program. Even if we agree with that premise, which I do not, does the gentleman think the consumer in the States where variable interest rates are allowed would know any better whether to go into bank A or bank B because one has variable interest rates and the other one does not?

Mr. REES. I think the consumer, in my State and in all the States, is wise when it comes to purchasing a home. It is the largest investment he will ever make, and of course he is going to search for the best deal he can get. The State associations are coming out with full page ads advertising the variable interest rate mortgage. That is why I think we have to have a 2-year period to review this.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 5(a) of the Home Owners' Loan Act (12 U.S.C. 1964) nor any other provision of any law of the United States, the Federal Home Loan Bank Board shall not authorize, by rule, regulation, or otherwise, a Federal association to offer loans secured by one to four homes or dwellings with variable interest rates. The Federal Home Loan Bank Board may not do so unless and until Congress specifically, by law, authorizes such variable interest rates.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On the first page, line 8, strike out "dwellings" and insert in lieu thereof "dwelling units".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. St Germain: Page 1, line 4, strike out "12 U.S.C. 1964" and insert in lieu thereof "12 U.S.C. 1464".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. St Germain).

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE BY MR. REES

Mr. REES. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Rees: Strike all after the enacting clause and add:

"The Federal Home Loan Bank Board is prohibited from authorizing by rule, regulation or otherwise any Federal savings and loan association from making a variable interest rate mortgage loan on any one-to-four family dwelling unit occupied or to be occupied by the borrower for two years after enactment of this law, except as follows:

"(a) The variable interest rate mortgage loan is on a dwelling unit located in a state where building and loan or savings and loan associations chartered or organized under the laws of such state are, on the date of enactment of this act, offering such loans; and

"(b) The terms of the variable interest rate mortgage loan satisfy the following standards and such additional standards as the Board may prescribe:

"(i) Any such association shall also make available on reasonable terms and conditions to the borrower a mortgage loan at a fixed interest rate.

"(ii) The rate of interest on a variable interest rate mortgage loan shall change not more often than once during any semi-annual period and at least six months shall elapse between any two such changes.

"(iii) Any increase in the interest rate on a variable interest rate mortgage loan shall not exceed one-fourth of one percent in any semi-annual period, nor shall any such rate be increased more than ½ of one percent at any one time not withstanding the waiver of any previously authorized increases by the lender.

"(iv) Total increases in the interest rate on a variable interest rate mortgage loan shall not exceed the initial rate over the term of the loan by more than two percent.

"(v) The rate of interest on a variable interest rate mortgage loan shall not change except in accordance with standards prescribed by the Board under this paragraph (b); however, such association must decrease the rate of interest in accordance with such prescribed standards but has the option of increasing the rate in accordance with such prescribed standards.

"(vi) The rate of interest on a variable interest rate mortgage loan shall not change until after a year following the operative date of the mortgage.

"(vii) The borrower is permitted to prepay the variable interest rate mortgage in whole or in part without a prepayment charge within 90 days of notification of any increase in the rate of interest above the initial interest rate.

"(viii) The borrower must be given 60 days advance notification of any increase in the rate of interest on a variable interest rate mortgage loan."

Mr. REES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, I think that this amendment, in itself, contains some of the adequate protections for the consumer that some of my colleagues are concerned about, and I believe we should read it so that it is clearly understood that nobody can then claim that certain protections are not there, which actually are in the amendment in the nature of a substitute.

Therefore, I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

The Clerk will continue to read.

The Clerk concluded reading the amendment in the nature of a substitute.

Mr. KAZEN. Mr. Chairman, will the gentleman yield for a question?

Mr. REES. I yield to the gentleman from Texas.

Mr. KAZEN. As I understand it, this bill will allow the savings and loan institutions of California, where the State-chartered institutions now have variable interest rates, to do the same for the federally chartered institutions. Am I right in that?

Mr. REES. It would.

Mr. KAZEN. That solves the problem in California, but what happens to a State where the State-chartered institutions are not allowed to use variable interest rates, would this legislation then allow the federally chartered institutions to have a variable rate, or does this put the State-chartered institutions at a disadvantage?

Mr. REES. No.

Mr. KAZEN. In other words, this would settle the problem in California, but it would create a special problem in other States.

Mr. REES. The language in this amendment specifically prohibits the use of variable interest rate mortgages in those States which do not now, at this time, issue or approve of variable interest rate mortgages. There is an absolute across-the-board prohibition, so the amendment would only affect the nine States that now issue variable interest rate mortgages.

Mr. KAZEN. One further question, if the gentleman will yield further: If in the future a State legislature would allow its State institutions to charge variable interest rates, or to go to the variable interest rate concept, would the federally chartered institutions in that State at that time be able to go through the same process?

Mr. REES. The way this amendment is drafted in its present form, the answer would be "no." But this is a 2-year prohibition, so if the Texas State legislature decided that its State institutions could use variable interest rate mortgages, the Federals would then have to wait until after the expiration of this act.

Mr. KAZEN. There would not be an automatic trigger?

Mr. REES. No, there is no automatic trigger.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Illinois.

Mr. SIMON. I have one other question: I have read the committee report and I do not find the answer to this: What is the practical experience, up to this point, as to the impact on the consumer by the variable interest rate mortgage compared to the standard, or fixed interest rate mortgage?

Mr. REES. The problem is that we really do not have a meaningful test of this in the United States. The purpose of this act is to give us 2 years to at least assess the effect of the variable interest rates in the States that now use it.

I can give the gentleman a statement from the Farm Credit Administration which has been using variable interest rates now for 20 years. It states that:

> The fixed interest rate mortgages have proven to be an effective means of providing borrowing owners of the system with ample credit at a minimum cost. The availability of adequate credit is, in fact, dependent upon the system's ability to lend at various rates because it makes possible the acquisition of funds in the nation's capital market at commercial rates.

This is the experience of the Farmers Home Loan Administration during the past 20 years.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Let us make one thing clear. In the case of the Farm Credit Administration the borrowers own the institution. In other words, the borrowers are the owners. They also have a dividend paid to them if there is any profit over and beyond what it costs them in the marketplace. The borrowers set their own rate. Is that not correct?

Mr. REES. And it is a variable rate.

Mr. ST GERMAIN. If the gentleman will yield further, yes, but the borrowers set their own rate, and receive a dividend back.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

In a Federal mutual savings and loan it is owned by the savings and loan, the people who have savings accounts, and through the board of directors they control the situation. So to use the argument there is no control over Federal savings and loans, of course, is not true. In the Farm Credit Administration the experience has been all favorable.

As a matter of fact, the Farm Credit Administration, as the gentleman from California has stated, has had a good experience. They have been able to meet the challenge of the credit crunch in the Farm Credit Administration because they have a variable interest rate. They have been able to overcome the problem.

So the gentleman from Illinois' question is answered by the fact that there have been 20 years of experience in the Farm Credit Administration. It has been all excellent, and especially in a time of a money crunch, which is the reason why the gentleman from California is offering his substitute.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. REES was allowed to proceed for 5 additional minutes.)

Mr. REES. Mr. Chairman, I do not plan to take the 5 minutes, but let me explain very simply what the substitute does. It provides that for the next 2 years the Home Loan Bank Board shall not approve the use of variable interest mortgages in the United States, with the exception of those States whose systems allow the use of variable rate mortgages and where variable rate mortgages are in fact being used. There are nine such states, according to the Home Loan Bank Board——

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

I would like to amend that statement. I just checked before noon with the Federal Home Loan Bank Board, and they say that now 17 States permit State savings and loans to offer variable rate mortgages.

Mr. REES. There were nine last Tuesday. I am glad they decided to check again. We now have 17 States. I will start with nine. There are California, Iowa, Louisiana, Kansas, Nebraska, New Hampshire, Ohio, Washington, and Wisconsin. These represent the only States which for the next 2 years can utilize variable rate mortgages. Most of the Rees substitute consists of restrictions, or the use of VRM's to protect the consumer.

No. 1, the consumer has the right to have either a fixed mortgage or a variable mortgage.

No. 2, the rate cannot be changed any more than once every 6 months.

No. 3, that change cannot be more than one-quarter of 1 percent.

No. 4, under no circumstances could the rate go over 2 percent of what the original mortgage rate was.

No. 5, the association has to pass through any decrease but is not required to pass through an increase.

No. 6, there is a 1-year period after the person has the mortgage during which there cannot be any increase at all.

No. 7, the borrower has 90 days after notice of prepayment of his mortgage without paying any prepayment charge; and

No. 8, there is a 60-day notice to the borrower about a proposed increase or a decrease in the rate.

I think this explains the substitute. It is very simple. It allows the Federals to compete for the next 2 years in those States where we now have variables and then sets up a series of criteria to protect the consumer.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I thank the gentleman for yielding.

To follow through on the answer to the question of the gentleman from Illinois, who I think very properly raised the question as to what is the experience on this subject, the Farmers Credit Administration informs the committee by letter that they have had this in effect for 20 years and they offer both the variable interest rate and the fixed rate to their customers, and that 77 percent of the portfolio now have the variable interest rate-type mortgages.

They have been in business for 20 years. I do not think the people in this Congress think the farmers are stupid. They are not. They are good, strong business people just as anybody else. They know a good deal when they see one. So 77 percent of the Farmers Credit Administration portfolio is in variable interest rates because they know those interest rates can come down when the interest rates are declining and they want to take advantage of that type of mortgage rate.

Obviously when the interest rates are

way down at 6 percent, as the gentlewoman from Maryland said, they would ask for a fixed rate and they do. So I think the answer to the gentleman's question is the experience is clearly there.

Mr. HANNAFORD. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California (Mr. HANNAFORD).

Mr. HANNAFORD. Mr. Chairman, I commend the gentleman from California (Mr. REES) for his amendment. I do want to speak in support of it.

Is not the very reason we have interest payment because of the interest risk. Is that not right?

Mr. REES. Yes.

Mr. HANNAFORD. And the fact is that the lending institution is required to take a long-term risk, so it seems to me that would be a compulsion for the lending institution to add onto its cushion in order to sustain that long-term risk, especially in times of an extremely unstable dollar such as we have had around lately.

Mr. REES. The gentleman is correct. Let me give one example. We poured a great deal of money into the savings and loan institutions last year during the tight money period. Unfortunately a good portion of that was invested in the Federal funds market, invested at rates like 13 and 14 and 15 percent, and it was not being put into housing because the rates there were 9 to 10 percent. People were not buying because the cost of money was too high. So not all the money we appropriated for the Home Loan Bank Board and other institutions to stimulate housing was going to housing.

Mr. HANNAFORD. I thank the gentleman.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees substitute.

Mr. Chairman, the gentleman from California mentioned earlier in his talk that there were 9 States in which is it possible to offer variable interest rate mortgages. In checking with the Federal Home Loan Bank Board I obtained a list of those States in which variable rate mortgages are now possible and I thought maybe I would read them for the Members present so they will know that without the Rees substitute there would in fact be discrimination against a Federal savings and loan institution in these 17 States, and that the State savings and loan institutions would indeed have a competitive advantage, which I do not think is in the interest of housing or housing legislation. Those States are as follows: Maine, New Hampshire, Pennsylvania, Ohio, Kentucky, Indiana, Wisconsin, Iowa, Nebraska, Kansas, Colorado, Louisiana, California, Hawaii, Washington State, North Carolina and South Carolina.

As I mentioned a little while ago in general debate it was difficult for me to decide at first whether I should support this legislation which would prohibit Federal savings and loans from allowing the option of the variable rate mortgage or whether the rule which was adopted by the Federal Home Loan Bank Board should be allowed to go into effect which would permit variable rate mortgages in all 50 States.

Now, I think the Rees substitute is a logical middle ground which I can support. It would permit an experiment for 2 years in the States which are permitting State savings and loan institutions to offer variable interest rates at the present time.

One reason I am interested in the Federal savings and loans having the same competitive advantage to get money and put money into housing is because the Federal savings and loans are required by rule at the present time, today, to put at least 75 percent of their investments in housing. That is not so with respect to State savings and loans.

As a matter of fact, in Ohio the percentage of money going to housing on a percentage basis through State savings and loans is far less, I have been told, than through Federal savings and loans.

Now, judging by the theories and counter theories advanced by the proponents of the bill and the proponents of the VRM, it seems to me this is an issue on which reasonable minds can disagree; but at the same time we ought to permit this constructive alternative—and I think it is a constructive alternative—to be allowed to go into effect.

If we vote for the bill that is before us today without the Rees substitute, then we are in effect doing nothing. We are voting that nothing be done, that the Federal savings and loans cannot ever experiment on any basis.

Again, I want to emphasize that the Federal Home Loan Bank Board proposal does not mandate a Federal savings and loans to offer a variable rate mortgage. It merely provides for the offering of the variable rate mortgage on an optional basis for 2 years, on an experimental basis in those States where State savings and loans can now offer them.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I want to compliment the gentleman from Ohio on his part in working with the gentleman from California, both members of the Committee on Banking and Currency, in constructing this fine amendment, because I know the gentleman is concerned about his own State of Ohio where variable rate mortgages are allowed and he wanted to make sure that in the State of Ohio it would be possible for the Federal Savings and Loans to proceed because the State chartered institutions have that option now.

I know that the gentleman worked hard in the committee to make sure that the concept of free choice was made available to the consumers and the borrowers in his State. The gentleman is to be complimented for that effort, along with the gentleman from California.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for his compliment. I suppose there is some pride of authorship in that I drafted part of the language which the gentleman from California thought appropriate and is part of his amendment.

I would just like to add that I think it is proper to suggest that the 17 States in which State savings and loans are now allowed to offer variable rate mortgages be permitted to do so on an experimental basis.

I would, therefore, suggest that we vote for the Rees substitute, and if it is adopted, then vote for the bill; if it is not, that we not support the bill.

Mr. PATTERSON of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees substitute.

Mr. Chairman, and my distinguished colleagues, H.R. 6209 would prohibit variable rate mortgages on real property by Federal savings and loan associations. It would not prohibit variable rate mortgages by State savings and loan associations, thus creating a two-tier method of financing in States where State savings and loan associations are prominent such as in my home State of California. There is a basic inequity in a bill that would not permit "equal footing" by all savings and loan associations. In effect the State savings and loans in my State, and perhaps in yours, would be in a more favored position, or if you will, in a better or more competitive market position.

The Rees substitute to H.R. 6209 would allow variable interest rate mortgage loans in those States in which a State chartered savings and loan association is authorized under State law to make such loans, thus eliminating the inequity in H.R. 6209. Furthermore, the Rees substitute permits variable rate mortgages only within very limited and well defined parameters. For example, no variable rate mortgage may rise more than a total of 2 percent over the lifetime of the loan, nor could a variable interest rate mortgage increase more than one quarter of 1 percent for a 6-month period of time. Perhaps one of the best features of the Rees substitute is that the substitute provides for the variable interest rate or a fixed interest rate at the option of the borrower. Thus, the borrower who did not desire the variable rate could have a fixed rate of interest. In addition to these safeguards, the borrower is permitted to prepay the variable interest rate mortgage in whole or in part, without a prepayment charge within 90 days of notification of any increase in the rate of interest above the initial interest rate.

Mr. Chairman, some of the arguments against allowing the variable rate mortgage have been those in the interest of consumer protection. I submit that, in fact, with the above consumer protection such as prepayment and the option to choose a fixed rate of mortgage, the consumer is protected more by allowing him to select the type of mortgage which he desires. The variable rate mortgage will in fact benefit the consumer. It will provide a more stable flow of funds into the housing market and thus avoid the peaks and valleys which are created in the housing industry by too much building when interest rates are low and too little building when interest rates are high. The variable rate mortgage will provide a more stable environment and will end the current situation which forces new borrowers to subsidize the lower interest rates of previous years.

To take one example, a young couple would more easily qualify for a variable rate mortgage than a fixed rate mortgage simply because the initial interest rate on a variable rate mortgage would be lower. [Obviously, if the variable rate mortgage were not lower any party would select the fixed mortgage rate.] Assuming that the variable rate mortgage would be lower initially, and therefore subject to change, the young couple would be better able to afford any increase in the interest rate up to the maximum of 2 percent as their income increased.

Finally, Mr. Chairman, I suggest that the concern over the variable rate mortgage is a fear that interest rates may rise as a result of allowing savings and loans to increase rates. The real question of course is, is this really true? No one really know. The only way to find out whether a fixed rate or a variable rate will provide a better service to the consumer is to try one. I submit that an experiment should take place in California and other States having State chartered savings and loans where the State now permits variable rate mortgages, to determine whether the consumer is better protected in the States which permit the variable rate mortgage or in the States which prohibit the variable rate mortgage.

The Rees substitute offers the chance to test these variable and fixed rate combinations in a few States for the next few years. Then the Congress can legislate the standards on the basis of this experience rather than on speculation. Over the next 2 years we could compare the States with and without the VRM to see if it does what the proponents say, or if it does what its critics predict, and therefore act accordingly.

In summary, Mr. Chairman, let me say that the variable rate mortgage experiment can do no harm and it may do some good. I know that many Members do not come from States that permit variable rate mortgages and I ask them to be considerate of the States where we do permit such variable rates and vote for the California experiment.

Thank you, Mr. Chairman.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Rees substitute, and applaud this diligent bipartisan effort. I understand that both sides of the aisle have worked hard to develop a solution which is fair and equitable to both the people and the thrift institutions in the individual States.

We are all aware of the problems in the housing industry. Housing starts are down and many families are unable to obtain financing to purchase homes. The committee bill completely prohibits variable rate mortgages. I believe this is a narrow and short sighted approach which denies the right of self-determination on this issue to the States.

We have always developed new approaches and business techniques to sustain our growing economy. At a time when we need a shot in the arm, it seems unreasonable to shut the door on one method which may help families finance homes.

The Rees substitute does not prohibit variable interest rate mortgages. It merely allows federally chartered thrift institutions to offer them if State chartered savings and loans are offering them. In addition, there are broad provisions for consumer protection in the substitute to prevent abuse.

I believe it is important that Congress allow the States and the financial community the flexibility necessary to develop new and fresh approaches to our mortgage problems. We should not arbitrarily shut the door on any possible benefits from variable interest mortgage rates.

Mr. Chairman, I urge the Members to adopt this bipartisan approach contained in the Rees substitute.

Mr. ST GERMAIN. The Home Loan Bank Board, when it first published its regulations—which, incidentally, are a whole lot different than this substitute—in the preface, referred to benefits to the depositor; in other words, increased interest rates to the depositor. They in fact did nothing for the saver. Does not the gentleman feel that if we are to go for a variable, we should ask the savings institutions to increase the rates they are going to pay the depositors?

Mr. RHODES. Of course, I am not familiar with all of the provisions of the gentleman's bill, and I did not realize that rates to depositors was a subject of the bill at all. I have been under the impression that this had to do with mortgage rates.

Mr. ST GERMAIN. This is tied in together.

Mr. RHODES. That may be, in the gentleman's mind; but they are not necessarily.

Mr. ST GERMAIN. Is the gentleman aware of the fact that the home builders, the building and construction trades, the AFL–CIO, are all in opposition to this? They do not feel it will produce more housing?

Mr. RHODES. I am sure the gentleman from Rhode Island realizes that this is not the first time that I have seen myself in opposition to some of the entities that the gentleman has mentioned.

If we allow Federal institutions to have variable interest rates, in States where the law allows State institutions to have them, it will be beneficial to everyone. For instance, because of the recent history of the rise and fall of interest rates, a prudent mortgagee must put an x factor in any mortgage rate he charges on the basis that before 20 or 25 years have elapsed the rate of interest will probably have risen. If the Rees substitute wins, mortgagees will not have to put an x factor in. I think that it is quite probable we will find actual interest rates going down if the Rees substitute is accepted.

I respected the gentleman's abilities and I respect his opinions. I do not find myself in agreement at this particular time.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. The question which the gentleman from Rhode Island is concerned about is clearly answered in the Rees substitute. He put the criteria in that substitute, and that is why so many of us are supporting it on this side, because it does, in fact, protect the consumer against some of the problems that the gentleman from Rhode Island was concerned about in his questioning of Mr. Bomar.

Obviously, the gentleman from Arizona is correct in saying that this Rees substitute provides the kind of built-in protection for the consumer and, most important, gives him a free choice to pick either the fixed-rate mortgage type instrument or the variable interest rate. If he feels he does not want to get a 10-percent mortgage for 30 years or 20 years, that he will be protected, so that when the rates come down, his rates will go down.

Mr. RHODES. Is the gentleman saying that in the committee bill that there is a provision for an increase in interest rates for depositors in thrift institutions?

Mr. ROUSSELOT. No. Regulation Q was not addressed in the bill by the gentleman from Rhode Island, the one he is supporting. That issue, of whether we will keep or not keep regulation Q will, of course, be addressed in the Financial Institutions Act.

Mr. HANNAFORD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees amendment in the nature of a substitute, a bill to prohibit the use of variable interest rate mortgages by federally chartered savings and loan associations.

Quite simply this amendment would permit States the right to choose, for a limited period of time, variable interest rate mortgage.

California is one of nine States which has chosen to allow by law State-chartered institutions to use VIRM's.

However, should this amendment fail and some States be denied the option to use VIRM's in federally chartered institutions, then the State-chartered institutions would have a competitive advantage over the Federal institution.

I believe unanimously with the other California members of the Banking and Currency Committee that variable rates will help to stabilize the housing industry by equalizing in time the availability of mortgage money.

During the committee hearings we heard testimony concerning the cyclical factors effecting the housing industry. Mortgage rates must be able to adapt to this oscillation.

A fixed mortgage rate rests upon a reasonableness in the stability of the dollar. But when we have an inflation in mortgage rates as we have had lately, lending institutions, forced into a long-term mortgage, hedge their bets against future inflation. This drives rates up to the point of prohibited levels and probably costs consumers more in the long run.

Consequently, the Government has reacted, as we are now, by artificially reducing interest rates for housing through Government subsidy.

The use of VIRM's would allow the housing and financial institutions to adapt more equitably with the changing economic conditions by minimizing the "boom and bust" cycles we have experienced.

We need of course to protect the consumer in this new process. One only need to examine the very specific guidelines written into this amendment to see that the consumer is well protected should he elect to use this new method of home financing. Furthermore, in the long run variable rates are better for the consumer because they are more equitable to all consumers whereas presently some consumers get a windfall at the bottom of the interest slide that must be unfairly subsidized by those few who purchase homes at relative credit scarcity. Who can deny the inequity for the young people in today's housing market having to subsidize the 5-percent mortgage rate that I acquired two decades ago by paying nearly twice the interest rates I pay.

Mr. Speaker, California is in a unique position because of the disparity in competition as between State and Federal institutions. The Federal Home Loan Bank Board sought to alleviate this inequity by its proposed regulations for variable rate mortgage. To deny the farsightedness of the FHLBB by prohibiting the use of variable rate mortgage would be unfortunate. But should Congress take this action it is important that we adopt the Rees amendment.

I urge you to support this amendment so that we can have a pilot program in California for a limited duration to test the thesis the California members of the committee unanimously endorse.

Mr. SCHULZE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees amendment in the nature of a substitute.

Mr. Chairman, it has been said by some that in the United States we are approaching the time when everything that is not compulsory is prohibited. The bill under consideration today, which would prohibit the Federal Home Loan Bank Board from permitting savings and loan associations from offering home loans with variable interest rates, is another example of the Federal Government restricting our options. Federal spending in recent years is responsible for a huge deficit and an inflated currency and, therefore, I support the substitute bill which will increase the alternatives of both the borrower and the lender during "tight" money periods which are a direct result of Federal fiscal irresponsibility.

The variable rate mortgage is nothing new. Seventeen of our fifty States currently permit State-chartered institutions to offer such mortgages. In addition, variables have long been used for commercial construction loans and for home loans made by the Farm Credit Administration.

One of the arguments frequently heard from critics of the VRM is that the average home buyer would be forced out of the market because he could not afford the increase in rates possible with the variable rate mortgage. I suggest that nothing could be more harmful to the consumer, to the housing and construction industries, and to the economy than the lack of any mortgage money at all. The availability of mortgage money has been virtually nonexistent during three extended periods in the last 9 years. With VRM's, such credit famines would be minimized.

Critics are also quick to point out that the interest rates on such mortgages would have risen during recent years, but they fail to add that with money rates now falling the interest cost on a VRM issued last fall at the going rate would probably drop a full percentage point by the end of 1975.

Let us take a look at how the variable rate mortgage works. Mr. Johnson takes a $30,000, 30-year mortgage at an initial interest rate of 8½ percent. His monthly payment is $231. Six months later, interest rates have dropped sharply and Mr. Johnson's mortgage interest rate is adjusted to 8 percent. His monthly payment falls to $220. At the end of a year, interest rates have risen again, but not enough to permit a minimum one-quarter-percent change in Mr. Johnson's rate. His payment is still $220. Six months later, a fast rise in interest rates clears the way for a three-quarter-percent boost in Mr. Johnson's rate to 8¾ percent. Now Mr. Johnson has three alternatives. He may accept the increased monthly rate of $236, he may accept the increase and extend his mortgage for an additional 5 years, or he may shop for another lender and pay off his present mortgage without penalty.

Mr. Chairman, I have confidence in our American consumer and in his ability to shop for the type of mortgage which best suits his needs—provided he has a choice. By supporting this substitute bill, which will offer the American consumer the opportunity to select a variable rate mortgage, I am offering him freedom of choice consistent with our free market system.

Mr. HAYES of Indiana. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Rees amendment in the nature of a substitute.

Mr. Chairman and members of the committee, I have listened with great interest to my brethren on the other side of the aisle and, of course, I want to compliment my own subcommittee chairman on International Trade, the gentleman from California, for his ability to deal with some very difficult circumstances here today. The gentleman has done a fine job in the committee with it, and I compliment the gentleman.

However, I think that the substitute that we are considering now, and some of the debate that we have already heard, ignores two or three extremely important and fundamental issues.

Mr. Chairman, it somewhat surprises me to hear the eminent leader of the minority side and to hear others, discussing the problems of the consumer in being able to get loans in tight money markets, particularly when at the same time we have debated here in the Chamber the use of a very valuable tool to the Federal Reserve Board, and that is the ability to make money tight, the ability to decrease the demand for consumer credit, and particularly for credit that would fund home buying or home building.

Where are we really, in fact? What are the really fundamental issues that we are talking about? Is it in fact consumerism? I think that is a fundamental issue.

There has been discussion from both sides of the aisle with some good differences of opinion, as to whether or not this is a consumer-oriented substitute or not. But it seems to me that we had better look at the history of this kind of loan and determine whether or not it is really financially sound, and whether or not it makes sense in terms of the kind of goals that the Federal Reserve Board has set for itself in manging interest rates in this country, and whether we want to, for all time, wipe away their ability to properly manage those interest rates.

By 1970, all of those Members who have been involved in Congress in financial affairs know that virtually every long-term loan of any length was already written in such a way that the borrowers' interest rates fluctuated. Residential lending was about the only exception to that. We had, of course, the State exceptions, as has been pointed out.

We did have in Indiana, my own State, for example, the ability to vary the term—not the interest rate, but the term variation is a very sophisticated device. Agriculture has used it for a long time, and I think it is up to us to decide whether or not we want to expand a very sophisticated instrument to the consumer in general and count on their ability to handle it using this substitute.

Term lending, as most of us who are considered conservative monetarists would know, is something that has expanded very, very dramatically, and we also know that as a result bank loans have become the primary source for capital, and we have left the public financial market. We have experienced that very dramatically in terms of funding, for example, rail passenger service to the tune of $1,012,000,000 the other day and abolishing the investment committee of Amtrak. We do not use that any more. We depend on term loans.

Since the introduction of variable interest rates, term borrowers have had no interest at all, absolutely no interest, in paying any attention to the interest rate at any given moment. If one goes to his bank and he says, "The interest rate is high today; I do not think I want to borrow," the banker, who is a money salesman, as bankers have become in this country, says, "You know, if you think it is high today, wait until tomorrow. You might as well borrow now."

"By the way, if Mr. Burns gets involved in this interest rate market and it goes down, we have got ourselves a bargain. So there is no use putting if off until tomorrow. Go ahead and borrow high. It is going to fluctuate. One might as well dive in on it."

What he is pointing out is the simple fact that using a variable instrument we can defeat the monetary tools that the Federal Reserve has used hoping to dampen down the demand for money. The Lord only knows—and that includes the good gentleman from California now on his feet—that when we debated the resolution on the Federal Reserve, when we debated whether or not Congress should take hold and interest itself in controlling the activities of the Fed and gain information about what the Fed does, I was on the side of finding out what the Fed actually does and asserting the congressional will. And I think, if I heard myself not being reflected too incorrectly during those hearings, that we had with Mr. Burns testifying, that most of the minority side of the aisle were going to be certain that we as a Congress were not going to involve ourselves in destroying the independence of the Fed or modify or seriously damage any of its tools to work with interest rates.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HAYES of Indiana was allowed to proceed for 2 additional minutes.)

Mr. HAYES of Indiana. In any event, as we went to our money salesman after expansion of this tool, this variable interest rate mortgage began to be more and more used. I think we found ourselves in a position where bank loans, according to the statistics, were growing about 2 percent a month every month for the first half of 1974, on an annual rate of more than 20 percent, in spite of the highest interest rates in the country. Consequently, variables something we had better look at very, very closely in terms of all very finely tuned mechanisms within the money economy and determine whether we really want to wipe it out for this period of time.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Indiana. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Just for previous history, I supported last year the concept of our General Accounting Office's doing an annual audit.

Mr. HAYES of Indiana. I do not know if I could.

Mr. ROUSSELOT. But at any rate, the gentleman mentioned experience on this subject on the farmers and their ability to comprehend the instrument where it was suggested it be made available. I am sure he is aware the Farm Credit Administration has had this program for 20 years, and presently 77 percent of their portfolio is in a variable rate mortgage.

Mr. HAYES of Indiana. Right.

Mr. ROUSSELOT. And that it has been a successful instrument made available on a free choice basis, so I am sure the gentleman's cause for concern is partially answered by that experience.

I appreciate the gentleman's yielding.

Mr. HAYES of Indiana. It is partially answered, but only partially.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Indiana. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Let us get this straight. The Farmers Credit Administration has had variables that are nowhere near what we are talking about, nor are they similar, only since 1963. I quote from a letter from them to me dated May 2:

> A single sheet showing the history of changes in interest billing rates of Federal Land Banks' farm loans. These were fixed rates through 1963.

In addition, the Farm Credit Administration loans we are talking about here are loans wherein the borrowers own the institution.

They set their own rates. The rates are not set at the will of who knows who and where and in what context.

Mr. HAYES of Indiana. Mr. Chairman, I have one further point to make. The other principle involved is whether or not we would accept devices such as the Rees substitute suggested and set limits on ourselves here in Congress, a 2-year limit, before we allow our creature, the Home Loan Bank Board, to proceed administratively. I think the proper answer is not to accept such time limitations. We should proceed on the basis of our own oversight jurisdiction and on the basis of our deliberations in the committee. We can gather and analyze information available in the world of finance concerning lending instruments, the types of institutions making loans, and proceed on our own to do our congressionally mandated job.

Mrs. BURKE of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees substitute.

Mr. Chairman, I would just make a statement in support of the Rees substitute. It is very true the money markets vary from one location to another. In some places the banks do provide the basic home financing and there are some States where the savings and loan industry has been the only one that has made available moneys for home purchases.

In California we had a very distressing experience. The banks would not make home loans and in many instances the savings and loans did not participate in areas with high minority concentrations. In some studies made we found where savings and loans did make loans there was a higher interest rate and higher points were charged and in many instances the loans were not competitive. But in recent years we have had another experience. There was a total withdrawal of financing of homes and multiple units within those areas with high minority concentrations.

The only way that this complete cutoff of money was broken in California in recent years was by a change in the method of allocating loans as well as competition. We found for one thing that with the variable rate more savings and loans were willing to come into the areas, there was more competition and more savings and loans expanded their portfolios. But the variable interest rate at least broke loose more of the money that was totally dried up until a few years ago. It was impossible to get a loan on a multifamily unit in a minority area until very recently.

Every community has to go by its own experience and by its own financial conditions, but in those areas where they at least have made some attempt to use variable interest rates they have done it successfully, why should we prevent them from trying to solve their problem by using a variable interest rate method when it has been shown that this is a definite means of making money available to all consumers?

Mr. BROWN of Michigan. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I commend the gentlewoman for her remarks. They have been most cogent. She has played a role in the California legislature in this field. I think her discussion of the competitive situation has been accurate. Here we are providing institutions may have the fixed rate but they now compete as far as the variable rates.

Mrs. BURKE of California. Every borrower and owner will not necessarily be the kind of person who will be best served by the variable rate but the fact is if we do have a choice between the variable interest rate and another rate, and if it is being proposed that we would have a lower rate as a choice if we take a variable rate, then I think we should have a right to make that choice. This is a choice people should be allowed to make because unfortunately many of the present instruments that are in effect in California provide for an escalation up of interest but not escalation down.

So that we need some method of making sure that the person is not just subject to an escalation up when they have signed and agreed in their loan documents to be bound by that escalation.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to my colleague, the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the gentlewoman is familiar with the protection to the consumer of our colleague, the gentleman from California. Does the gentlewoman believe that the consumer is adequately protected under the gentleman's substitute, because the institution must indicate whether it is a fixed rate variable rate and that they are protected in making sure what they are getting?

Mrs. BURKE of California. Right, and this is the important thing, because in many instances in the past in California people thought they had the protection when the interest rates went up, but there was no way they could go down.

Mr. ST GERMAIN. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman.

Mr. ST GERMAIN. The California regulations that were established in 1970 provide for the decrease.

Mrs. BURKE of California. That is right.

Mr. ST GERMAIN. And the one institution that is operating exclusively under the variable for 5 years is Guardian of Oxford, Calif. There have been three increases and one decrease during that period. I cannot see how the gentlewoman can state there is not a provision for decrease today in California.

Mrs. BURKE of California. I said there were many people who had entered into instruments before 1970 that did not——

Mr. ST GERMAIN. Those were not under the variable rate contract.

Mrs. BURKE of California. No, it was not a variable. It was only an increase without the provision for a decrease, until there was a provision to establish the variable. Does the gentleman follow me? I thank the gentleman.

Mrs. SPELLMAN. Mr. Chairman, I

move to strike the requisite number of words, and I rise in opposition to the Rees substitute amendment.

Mr. Chairman, I have heard discussions here today that really are extremely puzzling to me. My colleague from California has stated that the variable interest rate would stimulate the housing industry, that the Rees amendment would make it possible for more people to be buying houses. I find that very difficult to understand.

Homeowners would obviously be hurt by the cost of mortgage rate increases. For example, if the rates were to rise from—and I go back to when I got my mortgage—6 to 8 percent, in the third year of a $30,000, 25-year mortgage, the additional cost to the borrower would be $9,000. For the average homeowner who is unskilled in financial matters of this magnitude, it is quite conceivable that he could commit himself to an obligation under a variable rate mortgage which in the future could escalate beyond his means to pay. As a result, there would be much pressure for Federal intervention to absorb the liability, rather than to allow a large number of foreclosures.

I want to point out that a consumer who realizes that the monthly mortgage payment could well increase by $50 a month within 2½ years is unlikely to assume such an obligation. We all know that young people buying homes today are buying at costs which coincide with the very optimum of their ability to pay. They would be most concerned about mortgaging themselves to pay even more in the future. The fixed rate is what makes it possible for them to buy their homes. So even those who, because of pressures on them to do so, elect to take the variable rate mortgage, would face that substantial burden of being unable to plan a budget in a way that would insure that they could meet not only the increased mortgage obligation, but the higher real estate taxes which go into effect when inflation raises property assessments.

I do also want to make this point: We have no assurance that the fixed rate mortgage would be offered in an attractive manner. What is to guarantee that there will really be a choice? What is to guarantee that lenders will not weigh all the options in favor of the variable rates? Offering the variable rate mortgage as an option to the potential homeowner would not be acceptable if the fixed rate option would be offered in such an unattractive manner that it could not be considered a practicable alternative.

I am very much concerned that the increased profits to lenders in States which under this amendment would be eligible for variable mortgage rates, would force money out of my State and out of many other States, with the result that our housing mortgage moneys would disappear.

I must, therefore, strongly oppose the Rees amendment.

Mr. REES. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from California.

Mr. REES. The language specifically states that they shall be reasonable terms. This is language that would be interpreted by the Home Loan Bank Board. What we are trying to do here is to give a person the option, and it depends directly on a person's financial status and what they think their future earnings will be.

They can make a choice of either fixed or variable rate. If they make a choice of either fixed or variable rate, there also might be another alternative, which is not to increase the monthly payment but to extend the length of the mortgage.

The average mortgage in the United States is turned around about every 8 years, so that would be picked up with the extra sale of the House after that average 8-year period, so it would not be an additional burden.

What we are talking about is merely a choice. Is it better not to buy a house when rates are high, or is it better to buy when rates are high with a variable rate mortgage? I think it is better that we put people in houses now and stimulate the industry.

Mr. ST GERMAIN. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, on that question of reasonable experience, who determines what is reasonable, the buyer, who is totally a captive of the lender or real estate agent, who is totally unable to judge the reasonableness of such sales offer and hence totally susceptible to the supersalesmanship the lender has? As far as extending the term is concerned, we could extend that to infinity, yes, but we will never ever pay for the home. Our great, great, great grandchildren still will not own that home because they will be paying interest on it.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rees amendment.

Mr. Chairman, I support the Rees amendment which will permit federally chartered savings and loans to offer variable interest rate mortgages in those States which allow State-chartered savings and loans to offer variable rate mortgages for two very good reasons.

The first reason is because the bill insists that the creditor offer the loan applicant, along with a variable rate mortgage, a fixed interest rate or conventional mortgage. Thus, the loan applicant has the option, depending upon his financial situation, to select either variable or fixed rates of interest. If he or she is upwardly mobile, they may well desire a variable rate—starting with a lower rate of interest than offered with the conventional mortgage knowing that if the interest rate increases their salary increases will more than compensate for any such increases in the interest rate.

This is very much a consumer oriented piece of legislation. We are giving consumers the option of choosing whichever mortgage vehicle suits their particular needs the best.

The man or woman on a more or less fixed income, who sees that for the next few years his income is fairly stable, will not be in a position to make increasingly larger payments. He or she will want to choose the fixed or conventional mortgage. The important thing here is that we are providing the means for consumers to make a free choice.

The second favorable feature of the Rees amendment, in my judgment, is the right of prepayment without any penalty. This is a further safeguard in the consumers' favor. It means that any person who has opted for a variable rate mortgage can, if faced with a rising market and only if the lender determines to raise the interest rate, prepay his entire mortgage. He or she may have paid his mortgage off down to the point where he may want to borrow the money elsewhere, such as from family, and pay off the remaining balance.

I think people are getting sick and tired of Washington telling them what they can or cannot do. The substitute offers the freedom for some self-determination State by State. If you believe in States rights, if you believe in self-determination, support the substitute.

I agree that people want Congress, when it acts, to say what it means leaving less discretion to agencies to write the rules. The substitute speaks directly to this, outlining the consumer safeguards which must be included in regulations governing the use of VRM's.

Obviously, this legislation is not a panacea for the home mortgage industry, but no single piece of legislation has ever proven to be a panacea. This is an attempt by Congress to set down very specific guidelines so that the Federal savings and loans can offer variable rate mortgages under very controlled conditions.

America has grown, prospered, and led the world through experimentation and innovation. Let us not celebrate our Bicentennial cringing in the corner afraid to try something new. I recommend a vote for the substitute bill.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to engage the gentlewoman from Maryland in colloquy.

During her presentation, as I sat here and listened to it, I got the impression that the gentlewoman opposes this amendment, because she believes the motivations of lending institutions are generally geared toward forcing foreclosures rather than having successful loans. I will put this question to her, because the gentlewoman indicated that there is pressure for borrowers to accept one program or another. Is it not, in fact, much more important for a lending institution to have a reputation of granting successful loans? If this is so, the lending institution would be interested in having borrowers able to pay back the loan. Lending institutions would probably suggest, based on the borrowers' income pattern, and the current money market, one program or another but would certainly not be able to force the borrower to accept.

Does the gentlewoman not think that a lending institution would suggest a variable rate to help the borrower when the market was 9¾ percent because of the possibility of it going down?

Mrs. SPELLMAN. Of course, the lenders want to have successful mortgages, and that is exactly why they would not lend to people who do not have upward mobility—and I am speaking of minority groups now, who are the ones who would be the first ones to suffer, because they would not have the potential for the escalating incomes which would enable them to pay increasing rates. There is no question that there would be discrimination against such people. Today in a fixed rate market they have difficulty in borrowing. In a variable rate market, they would not have a chance.

Mr. MYERS of Pennsylvania. I would like to say that the gentlewoman from California just answered from a case history in California exactly the opposite of your assumptions.

I would say, if I were listening to the colloquy, that I would have to accept the information from someone who came from the State which had experienced the real effect of having put this legislation through, rather than someone who is speculating on what might happen.

Mrs. SPELLMAN. To carry that analogy through, I would point out to those who are saying this amendment would stimulate the building industry, that I would have to accept the advice of the building industry that this would be disadvantageous to home builders. To those who claim that this amendment will protect the consumer, I would point out that I would have to accept the advice of the consumer groups. It appears very obvious to me that this has to be a ripoff on the consumer and this has to be a way of closing off the building industry. I am just following the gentleman's guidance in reaching conclusions.

Mr. MYERS of Pennsylvania. In conclusion, I would like to say I do not think the motivations of lending institutions are to create foreclosure. Furthermore, I know of very few cases where our enacting legislation to remove the right of choice for the general citizenry is the best path. I think the lending institutions would use their influence to suggest how someone could successfully pay back a loan that they are getting through that institution, and I think we should provide that choice.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the substitute amendment offered by Mr. Rees.

Mr. Chairman, I think it is rather comical that this substitute seeks to accomplish that which the Home Loan Bank Board has been unable to do in over 6 years. The Board first proposed regulations in 1969 on variables and, according to their testimony, have studied the variables since that time. They came up in 1972 with some regulations subsequently withdrawn. They returned in 1975 and published them in the Federal Register for comment.

And now we have before us a substitute which again differs from what the Home Loan Bank Board has proposed and differs from the statute and regulations in effect in the State of California.

Hence the necessity for H.R. 6209. It should be abundantly clear that the variable concept, which, according to all of the consumer witnesses and labor witnesses who appeared, is nothing more or less than a ripoff on the consumer and a guarantee of a bottom-line profit for the lending institutions, is still not well thought out.

Therefore, H.R. 6209 prohibits the issuance by federally chartered institutions of variable rate mortgages and lets the Congress decide how relief should be given to the savings and loan industry in a manner that is fair to the consumer. I defy anyone on the floor of this House—anyone—to state that they can out-do me when it comes to support of the thrift institutions of this Nation, because my belief in their importance in providing mortgage money for the average-income American, the workingman, is well known by my colleagues. I have supported them time after time after time. But now and then we get to an instance where they can be wrong. In this instance, we are here because four of the Nation's largest associations, all State-chartered in California, decided in February they were going for the variables. They are stock associations, profit-making associations. There is nothing wrong with a profit, but by the same token, why should this action in California motivate, implement, or force the Congress to say, "All right, we are going to lie down and play dead. We are going to go along with the variable because they want them in California"? That is a judgment we in Congress shall make for the Nation in the public interest.

As to which States are covered, even the gentleman from California (Mr. REES) will agree that there was a list yesterday and there was a different list this morning. The Home Loan Bank Board does not even know, after 6 years of study, which States do not allow variables and whether these variables are variables in the term only or whether they are variables in the rate only or whether they are escalator clauses that we are talking about.

The sum total of all of this is, my colleagues, that this substitute seeks, after a couple of days, to come up with an answer that the Home Loan Bank Board has not been able to do in 6 years.

This substitute does not address itself to what the differential would be. Should there not be a limit or should we go along with what Chairman Bomar said and agree that the differential, that is, the difference between what the fixed rate mortgage would be and the variable would be, should be as much as is required to convince the borrower to accept the variable option because he or she would say to himself or herself, "There is no way I can compare these two because of the difference in the initial rate"?

Let us look at Guardian of California: Three increases and one decrease since 1970. They forbore in a number of instances on their last increase because they know full well it would then have gone over beyond what the fixed rate was in that same market area.

People talk about confusion as to indices. This substitute does not help us out on the index. We can have 12 savings and loans on the street, each one of them geared to a different index. How can anyone expect the poor borrower to determine which institution and which index he or she should select?

Mr. Chairman, I ask for the defeat of the Rees substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. REES).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ST GERMAIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 167, noes 232, answered "present" 3, not voting 31, as follows:

[Roll No. 192]

AYES—167

Abdnor
Alexander
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Biester
Bowen
Breckinridge
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Butler
Byron
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Devine
Dickinson
Dodd
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Fenwick
Findley
Flynt
Forsythe
Frenzel
Frey
Giaimo
Ginn
Goldwater
Goodling
Grassley
Gude
Guyer
Hagedorn
Haley
Hannaford
Hansen
Hébert
Heckler, Mass.
Hefner
Heinz
Henderson
Hillis
Holt
Hutchinson
Hyde
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Latta
Levitas
Litton
Lloyd, Calif.
Lott
Lujan
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKinney
Madigan
Martin
Mathis
Melcher
Michel
Miller, Calif.
Miller, Ohio
Mills
Mineta
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Passman
Patterson, Calif.
Pattison, N.Y.
Pettis
Pressler
Pritchard
Quie
Quillen
Randall
Rees
Regula
Rhodes
Rinaldo
Robinson
Roncalio
Rose
Rousselot
Ruppe
Ryan
Sarasin
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sisk
Smith, Iowa
Smith, Nebr.
Stanton, J. William
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, N.C.
Thone
Thornton
Treen
Waggonner
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wydler
Wylie
Young, Alaska
Young, Fla.
Zablocki

NOES—232

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Collins, Ill.
Conyers
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Downey
Downing
Drinan
Early
Eckhardt
Edgar
Eilberg
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gilman
Green
Hall
Hamilton
Hammerschmidt
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Helstoski
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krueger
LaFalce
Leggett
Lehman
Lloyd, Tenn.
Long, La.
Long, Md.
McCormack
McFall
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Railsback
Reuss
Richmond
Roberts
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
St Germain
Santini
Sarbanes
Schroeder
Seiberling
Sharp
Simon
Skubitz
Slack
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Steed
Stokes
Stratton
Studds
Symington
Teague
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
White
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex,
Zeferetti

ANSWERED "PRESENT"—3

Pepper
Walsh
Winn

NOT VOTING—31

Anderson, Ill.
Bedell
Cederberg
Clawson, Del
de la Garza
Eshleman
Foley
Gibbons
Gonzalez
Gradison
Hastings
Hightower
Hinshaw
Landrum
Lent
McCollister
Mink
Mollohan
Mosher
O'Brien
Rangel
Riegle
Risenhoover
Runnels
Russo
Shipley
Sikes
Sullivan
Taylor, Mo.
Vander Jagt
Wilson, Charles, Tex.

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. J. WILLIAM STANTON

Mr. J. WILLIAM STANTON. Mr. Chairman, I offer an amendment.

The clerk read as follows:

> Amendment offered by Mr. J. WILLIAM STANTON: Add the following after the word "rates" on line 8: "The prohibition authorized by this act shall expire on June 30, 1977."

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Arizona.

(By unanimous consent Mr. STEIGER of Arizona was allowed to speak out of order.)

HIJACKING IN THE CAPITOL

Mr. STEIGER of Arizona. Mr. Chairman, I think the House should be aware that right here in this Capitol of the United States there is a rather startling event taking place, the first hijacking, at least, that I know of. If we will, the hostage is the President's nomination for the Secretary of the Interiorship, Mr. Stan Hathaway. The price is the intimidation of the President of the United States so as to force him not to veto the strip mining bill. I thought the House should be aware of this and I am certain that the Senate will come to its senses and the House will rise to this outrage and insist that orderly process continues.

Mr. J. WILLIAM STANTON. Mr. Chairman, when the Clerk read this amendment, I inadvertently had put in there that it was an amendment on line 10. Actually, it is an amendment to line 8.

Mr. Chairman, I ask unanimous consent to change that from line 10 to line 8.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. J. WILLIAM STANTON. Mr. Chairman, the House has worked its will in regard to the subject of variable interest rates. I had stated in general debate that I certainly planned to support this legislation, regardless of the fact that the Rees amendment passed or did not pass; but what we have done is worked our will to this extent by telling the Home Loan Bank Board that at the present time under the present legislation as it now exists that for all time we have ruled out the subject of variable rate interest consideration.

I believe that the Rees amendment was profound and worth our consideration, due to the fact that some 17 States of the Union now have passed or have on the books regulations allowing variable rate interest consideration. If in the future some of these States would implement them the way California does, then I believe that some day, some time, this House would want to take another look at the step we took today, if only for the fact to meet, assemble and review it and say, "All right, we will extend this for another year or 2 years."

So what my amendment does is to limit the consideration, the vote on this bill which we are about to take, for 2 years, establish a reconsideration date as of June 30, 1977.

I think it is a reasonable amendment and I urge the favorable consideration of the House.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have a great deal of respect and regard for my colleague from Ohio. He offers the amendment with good intentions. However, we have just defeated a 2-year bill similar to this. It was defeated in committee, and the substitute was just now defeated.

What we are saying is, we are going to prohibit it for 2 years, and at the end of that time we can work this exercise all over again. I say, let us defeat this amendment and put in a prohibition. We have a study underway to go into the overall picture of financial institutions, and variable interest rates will be considered in connection with that study. If the Home Loan Bank Board and the industry want to come up and look for a variable interest rate, let them have the burden of proof. Why should we, the Congress, be led around by the industry?

Let us be the ones who make the decisions without prescribing any time. For this reason, I say we should defeat the amendment and leave the power with the Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

The question was taken; and the Chairman announced the noes appeared to have it.

RECORDED VOTE

Mr. J. WILLIAM STANTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 231, answered "present" 3, not voting 35, as follows:

[Roll No. 193]

AYES—164

Abdnor
Alexander
Andrews, N.C.
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baucus
Bauman
Beard, Tenn.
Bell
Biester
Boland
Bowen
Breckinridge
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Butler
Carter
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Robert W., Jr.
Danielson
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flynt
Forsythe
Frenzel
Frey
Giaimo
Gilman
Ginn
Goldwater
Goodling
Grassley
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Hechler, W. Va.
Heinz
Hillis
Holt
Horton
Hutchinson
Hyde
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Levitas
Litton
Lloyd, Calif.
Long, Md.
Lott
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.

Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Myers, Ind.
Myers, Pa.
Passman
Pattison, N.Y.
Pettis
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Robinson
Rose
Roush
Rousselot
Ruppe
Sarasin
Scheuer
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Symington
Symms
Talcott
Thone
Treen
Ullman
Wampler
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wolff
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—231

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Aspin
Badillo
Baldus
Barrett
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chappell
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, Dominick V.
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Green
Hall
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krueger
LaFalce
Latta
Leggett
Lehman
Lloyd, Tenn.
Long, La.
Lujan
McCormack
McFall
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Ryan
St Germain
Santini
Sarbanes
Satterfield
Schroeder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Stuckey
Studds
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Weaver
White
Wilson, Charles H., Calif.
Wirth
Wright
Yates
Yatron
Young, Ga.
Young, Tex,
Zablocki
Zeferetti

ANSWERED "PRESENT"—3

Pepper
Walsh
Winn

NOT VOTING—35

Anderson, Ill.
Bedell
Broomfield
Cederberg
Clawson, Del
de la Garza
Eshleman
Gibbons
Gonzalez
Gradison
Hastings
Hightower
Hinshaw
Landrum
Lent
McCollister
McHugh
Madigan
Mink
Mollohan
Mosher
O'Brien
Randall
Rangel
Riegle
Risenhoover
Runnels
Russo
Shipley
Sikes
Steed
Sullivan
Taylor, Mo.
Vander Jagt
Wilson, Charles, Tex.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BURLISON of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates, pursuant to House Resolution 446, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BROWN of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 291, nays 104, answered "present" 3, not voting 35, as follows:

[Roll No. 194]

YEAS—291

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brooks
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gilman
Ginn
Green
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCormack
McDade
McFall
McKay
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Railsback
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Simon
Sisk
Skubitz
Slack
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stokes
Stratton
Stuckey
Studds
Symington
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waggonner
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex,
Zablocki
Zeferetti

NAYS—104

Abdnor
Archer
Armstrong
Ashbrook
Ashley
Bauman
Beard, Tenn.
Breckinridge
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Clancy
Clausen, Don H.
Cleveland
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Devine
Dickinson
Edwards, Ala.
Erlenborn
Esch
Fascell
Fenwick
Findley
Flynt
Forsythe
Frenzel
Frey
Giaimo
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hansen
Holland
Holt
Hutchinson
Hyde
Jarman
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
McClory
McCloskey
McDonald
McEwen
McKinney
Martin
Michel
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Patterson, Calif.
Pattison, N.Y.
Pettis
Quie
Quillen
Rees
Regula
Rhodes
Robinson
Roncalio
Rose
Rousselot
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Shuster
Smith, Iowa
Smith, Nebr.
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Taylor, N.C.
Thone
Treen

Vander Veen
Wampler
Wiggins
Wilson, Bob
Wydler
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—3

Pepper
Walsh
Winn

NOT VOTING—35

Anderson, Ill.
Bedell
Brodhead
Broomfield
Cederberg
Clawson, Del
de la Garza
Eshleman
Gibbons
Gonzalez
Gradison
Hastings
Hefner
Hightower
Hinshaw
Landrum
Lent
McCollister
McHugh
Mink
Mollohan
Mosher
O'Brien
Randall
Rangel
Riegle
Risenhoover
Runnels
Russo
Shipley
Sikes
Sullivan
Taylor, Mo.
Vander Jagt
Wilson, Charles, Tex.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mrs. Sullivan for, with Mr. Risenhoover against.

Mr. Russo for, with Mr. Gradison against.

Until further notice:

Mr. Rangel with Mr. Randall.
Mr. Riegle with Mr. Vander Jagt.
Mr. de la Garza, with Mr. O'Brien.
Mr. Sikes with Mr. Gonzalez.
Mr. Charles Wilson of Texas with Mr. McCollister.
Mr. Shipley with Mr. Taylor of Missouri.
Mr. Hefner with Mr. Runnels.
Mr. Cederberg with Mr. Landrum.
Mr. Eshleman with Mr. Hastings.
Mr. Lent with Mr. McHugh.
Mr. Broomfield with Mr. Bedell.
Mrs. Mink with Mr. Hinshaw.
Mr. Mollohan with Mr. Anderson of Illinois.
Mr. Hightower with Mr. Gibbons.
Mr. Brodhead with Mr. Del Clawson.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill H.R. 6209, passed by the House today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

LEGISLATIVE PROGRAM FOR FRIDAY, MAY, 9, 1975 AND FOR THE WEEK OF MAY 12, 1975

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader if he is in a position to announce the program for the balance of the week and for next week.

Mr. O'NEILL. Mr. Speaker, if the distinguished minority leader will yield, I will be happy to do so.

Mr. RHODES. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, there is no further legislative business for today. There will be a pro forma session tomorrow. The purpose of the pro forma session tomorrow is to allow the Committee on Ways and Means to file a clean bill on the energy issue tomorrow in order that they may be able to act on it Monday in committee. We hope to act on it before we go home for our grassroots inspection at Memorial Day.

The program for the week of May 12, 1975, is as follows:

Monday is District day, and there are no bills; H.R. 6575, fourth budget rescission bill for fiscal year 1975; H.R. 3902, maritime authorization, open rule, 1 hour of debate.

On Tuesday, H.R. 4296, agriculture target prices, vote on veto override; H.R. 5357, tourist travel authorization, open rule, 1 hour of debate.

Wednesday and the balance of the week, H.R. 6755, Indochina Migration and Refugee Assistance Act;

H.R. ———, refugee assistance appropriations bill, subject to authorization having been passed by the House, and a rule must be granted;

H. Con. Res. 218, first concurrent resolution on the budget for fiscal year 1976. This is a conference report with 5 hours general debate.

H.R. 4925, Health Revenue Sharing and Health Services Act, subject to a rule being granted;

H.R. 6674, Defense authorization, subject a rule being granted, general debate only on Thursday. We anticipate this will be on Thursday.

Conference reports may be brought up at any time.

Any further program will be announced later.

We may ask on Wednesday to go into session on Thursday morning at 10 o'clock so that Congress may adjourn at a reasonable hour on Thursday.

REQUEST FOR ADJOURNMENT FROM FRIDAY, MAY 9, 1975, TO MONDAY, MAY 12, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman.

Mr. SYMMS. Is the gentleman saying that we will not be in session a week from tomorrow, as near as he can tell?

Mr. O'NEILL. No, there is no plan for a session on Friday, a week from tomorrow.

Mr. SYMMS. I thank the gentleman very much.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H.R. 6755

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on H.R. 6755, to enable the United States to render assistance to or on behalf of certain migrants or refugees.

The SPEAKER pro tempore. In there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MAY 10: THE 200TH ANNIVERSARY OF THE CONVENING OF THE SECOND CONTINENTAL CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 25 minutes.

Mr. KEMP. Mr. Speaker, May 10 marks the 200th anniversary of the reconvening of the Continental Congress in Philadelphia—the seating of the Second Continental Congress.

It was this Continental Congress which resolved to put the colonies in a state of defense, to raise an army, and to unanimously place George Washington of Virginia at its head as Commander in Chief.

It was this Congress which adopted John Dickinson's Olive Branch Petition, asking for a peaceful settlement of differences, which rejected the British Prime Minister, Lord North's, Conciliation Plan, and which in turn had George III reject theirs—the Olive Branch Petition.

It was this Congress which sent emissaries to France and Spain to garner support for the cause of independence.

It was this Congress which, upon the motion of Richard Henry Lee of Virginia and the second of John Adams of Massachusetts—not the best of friends or the closest of associates, moved:

> . . . That these United Colonies are, and of right ought to be, free and independent States, that they are absolved from all allegiance to the British Crown, and that all political connection between them and the State of Great Britain is, and ought to be, totally dissolved.
>
> * * * * *
>
> That a plan of confederation be prepared and transmitted to the respective Colonies for their consideration and approbation.

And, it was this Continental Congress which wrote upon the pages of history this Nation's Declaration of Independence and simultaneously restated fundamental liberties in these immortal words:

> When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.—We hold

> these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.—That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.—That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security.—Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government.

It is appropriate that this Congress—our own—recognize the achievements of that Second Continental Congress, those who led it, those who comprised it, and those who gave it encouragement.

This Continental Congress was concerned somewhat less than 7 months after the adjournment of the First. The date of its convening had been established by the First Continental Congress, to be reconvened if the measures it had voted upon—entering into nonimportation, nonconsumption, and nonexportation agreements and associations, preparing an address to the people of Great Britain, and preparing a "loyal address" to the King—had not been successful in attaining a reconciliation.

The Delegates reelected the venerable Peyton Randolph of Virginia—who had served as Speaker all but the last 4 days of the First Continental Congress—as their Speaker. His declining health permitted him to serve but 14 days, and though he passed the Speaker's gavel to the young John Hancock of Massachusetts on May 24, he continued involved in Philadelphia until his death on October 22.

Events began to unfold rapidly but cautiously.

On May 15 the Congress resolved to put the Colonies in a state of defense, and on May 29, it issued an address to the people of Canada, asking them to join the Colonies as "fellow sufferers."

Then, on May 31, the first formal resolves denying outright the authority and power of the Crown and establishing autonomous local authority were adopted. Known as the Mecklenberg Resolves, they were adopted in Charlotte Town—now Charlotte, N.C. Among other provisions, this crucial first step toward an irrevocable policy of independence, resolved:

> That all Commissions, civil and military, heretofore granted by the Crown, to be exercised in these Colonies, are null and void, and the Constitution of each particular Colony wholly suspended.
>
> That the Provincial Congress of each Province, under the Direction of the Great Continental Congress, is invested with all legislative and executive Powers within their respective Provinces; and that no other Legislative or Executive does or can exist, at this Time, in any of these Colonies.
>
> As all former Laws are now suspended in this Province, and the Congress have not yet provided others, we judge it necessary, for the better Preservation of good Order, to form certain Rules and Regulations for the internal Government of this County, until Laws shall be provided for us by the Congress.

Between June 14 and 17 the Congress debated, then resolved, whether or not to raise men for the New England army in the middle Colonies—Pennsylvania, Maryland, and Virginia. Upon their resolution to so do, the Congress voted unanimously to appoint George Washington of Virginia as the Commander-in-Chief of the forces—to be known as the Continental Army. On June 22 Congress voted $2 million in funds to support the Army with the 12 "Confederated Colonies" to share the burden according to population. Parenthetically, there were, at this point, only 12 Colonies because George had not yet sent official representation to the Congress.

During this period, military movements had commenced in earnest. On May 10 Benedict Arnold and Ethan Allen lead a small force to the capture of Fort Ticonderoga in its crucial emplacement between Lake George and Lake Champlain in New York State. Two days later this force captured Crown Point north of Fort Ticonderoga and on May 16 proceeded into Canada along the St. John's River.

But, there were reverses. On June 17 the British captured the Charlestown peninsula and the north bank of the Charles River above Boston after the battles of Breed's Hill and Bunker Hill. It was here that the entrenched colonials fought back wave after wave of the best the British had to offer, and those British losses have been characterized by historians as "enormous" for that day and time. It was here that the famed patriot and physician Joseph Warren perished, and it was here that the colonial commander, Israel Putnam, ran back and forth across his own lines, giving the order, "Don't fire until you see the whites of their eyes."

On July 3 George Washington took command of the 14,500 troops at Cambridge.

At this point the colonies pursued two divergent courses of action simultaneously—one designed to assure military victory if total war proved inevitable and one designed to permit reconciliation if the Crown and Colonies could come to agreement on essential points. In modern parlance, we would refer to this maneuver as preparing for war and for the possibility of détente simultaneously—which makes a great deal of both common and strategic sense.

Both courses were carried into effect by John Dickinson, the Delegate and attorney from Pennsylvania, who was to eventually become both the President of Delaware in 1781, the President of Pennsylvania in 1781–85, and one of the most important framers of the Federal Constitution in 1787.

On July 5 on Dickinson's motion, the Congress approved the "Olive Branch Petition" to George III, asking for a peaceful settlement of differences and setting forth the colonists' views on the crisis and possible avenues of action for reconciliation.

The next day, July 6, again on Dickinson's motion one in which a young Delegate from Virginia, Thomas Jefferson, had had a major hand in writing—the Congress adopted the famous "declaration of the causes and necessities of taking up arms" resolution. This resolution restated the essence of the previous day's resolution—that the Colonies did not desire independence, but then went on to state in the strongest of terms that they would not yield to enslavement.

This declaration is regarded as one of the most important documents in American history. It is well worth our remembering today some of its more salient provisions:

> We have counted the cost of this contest and find nothing so dreadful as voluntary slavery. Honor, justice, and humanity forbid us tamely to surrender that freedom which we received from our gallant ancestors, and which our innocent posterity have a right to receive from us. We cannot endure the infamy and guilt of resigning succeeding generations to that wretchedness which inevitably awaits them, if we basely entail hereditary bondage upon them.
>
> Our cause is just. Our union is perfect. Our internal resources are great; and, if necessary, foreign assistance is undoubtedly attainable. We gratefully acknowledge, as signal instances of the divine favor toward us, that His providence would not permit us to be called into this severe controversy until we were grown up to our present strength, had been previously exercised in war-like operation, and possessed of the means of defending ourselves. With hearts fortified with these animating reflections, we most solemnly, before God and the world, declare that, exerting the utmost energy of those powers which our beneficent Creator has graciously bestowed upon us, the arms we have been compelled by our enemies to assume, we will, in defiance of every hazard, with unabating firmness and perseverance, employ for the preservation of our liberties; being with one mind resolved to die free men rather than live slaves. . . .
>
> In our own native land, in defense of the freedom that is our birthright and which we ever enjoyed till the late violation of it, for the protection of our property acquired solely by the honest industry of our forefathers and ourselves, against violence actually offered, we have taken up arms. We shall lay them down when hostilities shall cease on the part of the aggressors and all danger of their being renewed shall be removed, and not before.

The Declaration raised for the first time a hint that the Colonies might receive foreign support against Britain—an attempt at giving additional leverage to their negotiating position.

On July 31 the Congress rejected the Conciliation Plan offered by Lord North, the British prime minister whose policies had brought about initially much of the disgruntlement in the colonies with British rule. The Congress thereupon recessed to return to their respective colonies for further consultations on the status of events—"feeling the pulse of the people."

On September 12 the Congress reconvened with all 13 Colonies represented.

On October 13 the Delegates began debate on authorizing a navy and two battalions of marines. With the news reaching them on November 9 that on August 23 George III had rejected the Olive Branch Petition and had declared the colonies in an open state of rebellion, the Congress approved the formation of the Navy and the equipping of the marines on November 10. During the debate of November 9 and 10—upon hearing from England of the unalterable course now before them—they resolved to conduct future proceedings in secrecy "under the ties of virtue, honor, and love of his country."

On November 29 the Delegates appointed a committee to establish formal contact with "our friends abroad," voting likewise the funds for its activities.

On December 6 the Delegates answered officially the latest communication from the Crown, reaffirming loyalty to that Crown but refusing allegiance to the Parliament.

Throughout the month the pace of events quickened.

French agents appeared to express French interests in trade with the Colonies, suggesting the possibility of aid in war against England. Two days before Christmas a royal proclamation, attempting again to regulate the affairs of the Colonies by economic coercion, closed those Colonies to all trade as of March 1, 1776.

Military ventures were marked by success; then by failure. After an expedition led by Brig. Gen. Richard Montgomery captured Montreal on November 13, Benedict Arnold and 1,100 volunteers, joined by Montgomery, attacked Quebec. The campaign was a disaster, with Montgomery being killed, and Arnold was wounded and effective command rendered impossible. During this same period the first American submarine, *American Turtle*, was constructed with great hope for a technological breakthrough in naval warfare, but its attempts to blow up a British frigate in New York Harbor were unsuccessful.

America's growth and progress was not tied exclusively to its independence and war efforts.

Great industrial and social progress was being made, too. The first surgical textbook written in America, "Remarks on the Treatment of Wounds and Fractures," was authored by John Jones, the personal physician to both Benjamin Franklin and George Washington. The first daily newspaper in America, the Pennsylvania Evening Post, was published by Benjamin Towne, and by year's end there were 37 newspapers in the Colonies. It is interesting to note their editorial postures: 23 sided with the patriots, 7 were Loyalist, and 7 were neutral. And, in spite of restrictions imposed by Britain in 1750, colonial manufacture had increased rapidly. By 1775 the Colonies were producing one-seventh of the world's iron supply.

By year's end the Second Continental Congress remained in session. Events were to take, within a few days, a strengthened turn toward creation of additional public support for the patriots' stance in defense of fundamental liberties. That rising tide of support was to be buoyed by the publication on January 10, 1776, of Thomas Paine's "Common Sense."

I intend to deal with the events of 1776 in subsequent remarks, but I think it wise to stop here to analyze briefly the lessons which ought to be gleaned from the events of 1775.

The approval in North Carolina of the Mecklenburg Resolves is important, especially to our system of government, because it shows quite clearly the ability of local citizens to have a profound impact on the course of national events and of local authority to govern themselves. The citizens of Charlotte did not wait until word came to them from higher authority as to what course of action was right and what they ought to do. They did not have to wait until Philadelphia gave them "the word" on what to do. They acted on their own initiative, and it was a successful effort.

The inevitable consequence of excessive taxation had run its course, too. The colonists, especially the middle class, had been heavily taxed to support the Crown and its minions, taxes on circulating documents—the Stamp Act, taxes on tea, taxes on wine. It had been heavily regulated, too—prohibitions on aspects of both import and export trade. In retrospect, what we see is a colonial corollary to the modern phenomenon of "transfer payments." Whereas, in our day, the middle class is carrying on its back the tax load to sustain the lower- and lower-middle-income groups—the productive supporting the essentially nonproductive, in their day it was the middle class, too, carrying the tax load—in that instance to sustain the essentially nonproductive English aristocracy. That burden could be borne only so far, without bringing about either economic collapse or turmoil—depression or revolution.

At a time like today, when nearly 40 percent of the average American family's income is paid in taxes—Federal, State, and local income taxes, sales taxes, estate taxes, gift taxes, transfer taxes, real estate taxes, gasoline taxes, and so forth—one should be deeply concerned about its effects—as I am—on both economic prosperity and the future of individual liberty.

LEGISLATION TO RELIEVE UNEMPLOYMENT THROUGH PUBLIC WORKS PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing legislation designed to enable localities to undertake much needed public works programs and relieve the high levels of unemployment within the construction and building trade industries. The effect on my own city of Chicago would be great, allowing the city to undertake projects which would otherwise have to be deferred while providing employment of our citizens.

This bill establishes a $5 billion Federal grants-in-aid program for State and local governments for construction, repair, or other improvements of public facilities. These grants-in-aid are to be made available to public facilities projects which promise rapid implementation and the reduction of unemployment. These might include construction, remodeling and repair of police and fire stations, health centers, community service centers, and street resurfacing. These types of projects are necessarily labor intensive and enjoy quick startup.

I commend the chairman of the Committee on Public Works and Transportation, BOB JONES of Alabama, who originated this much-needed legislation. I know that his fine committee will expeditiously move this legislation to the floor.

In introducing this legislation, I am joined by an impressive list of colleagues. This is exactly the kind of support that will show the American people the degree of congressional unity toward solving our economic problems.

STATEMENTS OF EMINENT SCIENTISTS ON SAFETY OF NUCLEAR POWER—CONTINUED DEVELOPMENT AND USE OF NUCLEAR POWER URGED AS ESSENTIAL IN THE PUBLIC INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. EVINS) is recognized for 15 minutes.

Mr. EVINS of Tennessee. Mr. Speaker, there has been much public debate on the advantages and disadvantages of nuclear power, and in this connection I want to summarize results of research and available information from eminent scientists and others, which indicate that nuclear powerplants are indeed safe, will in fact diminish pollution of our environment, and further, that at this time of energy crisis nuclear power is the only real alternative to conventional electric power generation.

While nuclear power continues to come under attack by various individuals and groups, the great body of available evidence is that nuclear powerplants are safe and needed. The major thrust of opposition argument revolves around the issue of the safety of nuclear plants. Before going into detail on the fine and indeed exemplary track record of nuclear safety, I would like to point out the stark reality that, for the foreseeable future, our Nation's options in providing energy are limited.

America is consuming its oil and natural gas at an extremely rapid rate. Recent studies indicate that our oil and natural gas reserves are less abundant than many experts had calculated.

Our Nation's long-range programs now in the research and development stage will ultimately pay off handsomely in terms of providing energy for our Nation. However, the most enthusiastic supporters of programs such as controlled thermonuclear fusion—another effort to develop a new source of power from nuclear energy—state that the payoff, in terms of providing significant amounts of power to the American people, is in the distant future. Therefore, existing nuclear power technology must play a major role in alleviating the present crisis because the need is pressing, the need is now and in the immediate future—and nuclear energy is the only alternative to fossil fuel-produced energy within the foreseeable future.

Testimony before the Subcommittee on Public Works Appropriations, which I am honored to serve as chairman, indicates that today some 53 nuclear powerplants are in operation and providing 7 percent of the Nation's total installed electrical generating capacity.

An additional 73 nuclear powerplants are under construction and 107 other such plants on order or in the planning stage.

Testimony before my subcommittee has shown that there have been no radiation accidents involving the public as a result of the operation of nuclear powerplants over three decades and during the more than 200 commercial reactor-years of operation in this country.

The substantial majority of the scientific community supports nuclear power as the only current practical alternative power source to fossil fuels.

A recent statement signed by 32 prominent scientists, including 10 Nobel Prize winners, concluded:

> We can see no reasonable alternative to an increased use of nuclear power to satisfy our energy needs.

This statement also included these comments:

> The U.S. choice is not coal or uranium: we need both . . . However, we see the primary use of solid fuels, especially of uranium, as a source of electricity . . . There are many interesting proposals for alternative energy sources which deserve vigorous research effort, but none of them is likely to contribute significantly to our energy supply in this century . . .
>
> The safety of civilian nuclear power has been under public surveillance without parallel in the history of technology. As in any new technology, there is a learning period. Contrary to the scare publicity given to some minor mistakes that have occurred, no appreciable amount of radioactive material has escaped from any commercial U.S. reactor . . .
>
> The separation of the Atomic Energy Commission into the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC) provides added reassurance for realistic management of potential risks and benefits. On any scaler the benefits of clean, inexpensive and inexhaustible domestic fuel far outweigh the possible risks.

Six other nuclear scientists in a position paper issued last year stated:

> Rigorous examination of the present risks, costs and impact of all electric power sources leads us to conclude that nuclear power is more than acceptable; it is preferable.

These scientists, who included Dr. Ian A. Forbes, chairman of the Department of Nuclear Engineering, Lowell Technological Institute, Lowell, Mass., reached these conclusions:

> 1. During normal operation, nuclear plants pose less risk to public health than coal- or oil-fired electric plants.
>
> 2. The risk to the public, for the worst hypothetical accidents for both nuclear and fossil plants, is less than most of the risks society has historically accepted.
>
> 3. The overall impact of nuclear plants on land, air and water is far less than that of coal-fired plants and comparable to that of the oil-fired plants.
>
> 4. Nuclear plants are much more economical . . . than contemporary large fossil plants.

Dr. Ralph Lapp, noted scientist and author, said in a recent statement:

> I oppose the nuclear moratorium on the ground that no substantial case has been advanced to indict the reactor systems on safety contentions and because opponents of nuclear power have made utterly unrealistic suggestions for alternative sources of energy.

At my request William Anders, Chairman of the recently created Nuclear Regulatory Commission, provided his views on nuclear safety.

He said:

> When nuclear power plants are built and operated in accordance with the rigid regulatory requirements of the Federal Government—and it is the job of the Nuclear Regulatory Commission to assure this—the public can be confident the plants are safe.
>
> We consider that the excellent safety record of the industry has been fostered by the substantial safety margins which have been required and provided in the design and operation of the plants.
>
> At this relatively early stage in commercial experience with nuclear power, it is our view that these margins should be preserved, and we are determined to do just that.

Most of us know that Adm. Hyman Rickover, one of the world's foremost authorities on nuclear energy, is the father of the nuclear submarine. In addition to this historic achievement, however, Admiral Rickover in the naval reactors program developed the technology for the light water power reactors which are used in today's nuclear powerplants.

And some Americans do not know and understand that this program of naval reactors demonstrated the safety of the practical application of nuclear energy 20 years ago. This program put 130 light water reactors into operation on more than 110 nuclear-powered warships.

And, I repeat, for 20 years these nuclear powered ships have sailed throughout the world in complete safety as far as the nuclear reactors are concerned. These ships have logged more than 1,250 reactor-years of operation and have never had a reactor accident.

This is the sound and demonstrated technology and record of safety that laid the foundation for the use of nuclear reactors as instruments for the production of electric power as a part of the program of peacetime application of the atom.

Not incidentally, Admiral Rickover was also responsible for developing and building the first nuclear power station in the world at Shippingport, Pa. This plant has operated since 1957—for more than 18 years—without any reactor accident and without endangering the health and safety of the local citizens.

Certainly this remarkable record demonstrates that power reactors are one of the safest major technical innovations ever developed.

Other testimony before my subcommittee supports the proposition that more radiation may be received from a chest or dental X-ray; the workings of a watch; or a flight from New York to California at 10,000 feet, than would be received if one were a security guard patrolling a nuclear powerplant 12 hours a day for 1 year by walking around the plant.

As a matter of fact, the International Atomic Energy Agency has reached this conclusion:

> Nuclear energy, far from being a major contributor to the pollution of the environment, will in fact diminish pollution as it replaces other sources of electric power such as coal and oil.

Andrew P. Hull, in an article in the magazine Nuclear Safety, stated:

> Nuclear plants produce less air pollution relative to applicable standards than do their fossil-fuel cousins. The concentrations of radioactivity in the liquid effluents from nuclear reactor plants are controllable at levels well below radiation protection standards and pose little threat to the environment.

Many scientists have pointed out—and documented—the fact that the release of radioactivity from nuclear energy is a small fraction of that naturally present in the environment.

A National Academy of Sciences report stated that the radiation from nuclear power was a fraction of the radiation emitted from natural background—natural minerals, rocks, trees, and other sources.

According to R. Philip Hammond, an authority on nuclear reactors:

> The nuclear industry is without exception the safest in the world in which to be employed, and unclear hazards are far better understood than are thousands of widely used chemical and biological agents, or of common energy sources such as coal.

As nuclear power assumes a greater share of power generation in our country, the level of pollution from power production will fall in direct proportion.

And nuclear powerplants are cheaper to operate than fossil fuel powerplants.

The Atomic Industrial Forum's Ad Hoc Committee recently reported that a 1,000 megawatt nuclear powerplant has an annual fuel savings of approximately $26 million—each year—over a similar-sized coal-fired plant.

Therefore, this report concludes, while nuclear plants are more expensive to build than conventional generating plants, the difference in cost can be recovered in 4 years of nuclear operation because of the economy of operation of nuclear plants.

The present level of energy costs is of course, extremely high—a moratorium on nuclear power construction would force them significantly higher.

In 1974 the Atomic Energy Commission commissioned an exhaustive study on nuclear plant safety. The director of the study was Prof. Norman C. Rasmussen of the department of nuclear engineering of the Massachusetts Institute of Technology.

This study concluded that—

> The risks to the public from potential accidents in nuclear power plants are very small.

The report put at 300,000,000 to 1 the chances of a resident living near a nuclear powerplant being killed from a reactor accident in any one year—and estimated the odds on an injury from a nuclear plant in any one year are one chance in 150,000,000.

The possibility of an accident involving 1,000 or more fatalities was estimated at 1 in 1,000,000—the same probability that a meteor would strike a population center and cause 1,000 fatalities.

There are a number of such comparisons—see attached table—but they all add up to the conclusion that the chances of a nuclear accident are exceedingly remote and the probability of disasters from conventional sources—airplanes, fire, explosions, and toxic gas—incomparably higher.

The table follows:

RISK OF FATALITY BY VARIOUS CAUSES

Accident type	Total number	Individual chance per year
Motor vehicle	55,791	1 in 4,000.
Falls	17,827	1 in 10,000.
Fires and hot substances	7,451	1 in 25,000.
Drowning	6,181	1 in 30,000.
Firearms	2,309	1 in 100,000.
Air travel	1,778	1 in 100,000.
Falling objects	1,271	1 in 160,000.
Electrocution	1,148	1 in 160,000.
Lightning	160	1 in 2,000,000.
Tornadoes	91	1 in 2,500,000.
Hurricanes	93	1 in 2,500,000.
All accidents	111,992	1 in 1,600.
Nuclear reactor accidents (100 plants)		1 in 300,000,000.

As a matter of fact the probability of 1,000 casualties from an earthquake are 1 in 50 years, while the probability of a nuclear plant accident causing such fatalities is 1 in 1 million years, the Rasmussen report concludes.

This report further points out that there have been no nuclear accidents to date, and that as the technology progresses and more experience gained in safety, the probability of accidents decreases even further.

Mr. Robert D. Partridge, executive vice president and general manager of the National Rural Electric Cooperative Association, in a recent newsletter summarized the importance of nuclear powerplants in this way:

> 1. Nuclear is a highly competitive power source.
>
> 2. Nuclear power is clean and safe.
>
> 3. There is no alternative.

This was a point strongly emphasized by the 32 eminent scientists in their statement on energy—that the production of electric energy by the nuclear power technology is urgently needed to accommodate the increasing demands for electric power which double every 10 years.

The further development of this power potential is required by our overall energy demands and the need for fuel conservation.

These scientists say that the urgency of the need for expedited development of nuclear plants boils down to this:

The Nation must have a rapidly increasing supply of electricity, and nuclear plants provide the only feasible alternative at this time to fossil-fuel plants—and they are cheaper to operate.

Intensive research is continuing in many fields—but at this time the nuclear technology is the only economic power-producing alternative to fossil-fuel and hydropower plants that has proved practical. Billions of dollars have been spent on research and development of nuclear technology, and to abandon nuclear power after its successful development and safe operation over three decades would be wasteful in the extreme and tragic.

As the 32 scientists said in their manifesto of January 16 last:

> Nuclear power has its critics, but we believe they lack perspective as to the feasibility of non-nuclear power sources and the gravity of the fuel crisis.

The gravity of the fuel crisis is the overriding and compelling factor—energy must be provided and nuclear power is assisting in providing this energy and will assume a greater and greater share of this burden and responsibility as the technology is refined and further developed.

IMPACT OF A MORATORIUM

Critics of nuclear power who call for a moratorium on nuclear powerplants never mention the impact their actions would have on the consumer and the Nation. Last year at hearings before the Public Works Subcommittee, which I serve as chairman, I asked Chairman Dixy Lee Ray of the former Atomic Energy Commission what the impact of a moratorium on nuclear power would be. Although this testimony was some months ago, I think it is useful to cite this testimony. She stated, in part:

> As mentioned, at the beginning of March we have 177 nuclear plants under construction, on order, or announced. This is in addition to the 42 plants that are operating.
>
> These plants represent a total of about 186,000 megawatts of electricity.
>
> That amount is more than 40 percent of the total of the U.S. electrical generating capacity on line in 1973 and that amount is equivalent to the generation of electric power which would be provided by 6.3 million barrels of oil per day.
>
> The expenses on these plants to date represent an investment of more than $12 billion. Electricity rates would rise by about $1 billion, if there were a moratorium, to cover payment on principal plus interest for each year that the plants were held up by a moratorium.
>
> In addition, contract cancellations and mothballing costs totaling many millions of dollars would need to be paid to component suppliers because of contract forfeitures. Close to 100,000 skilled and unskilled construction workers would have to be terminated, as would several thousand engineers and scientists. A nuclear plant moratorium would also impact on plant component suppliers and fuel cycle firms which would need to reduce their operations or close down, resulting in further unemployment and economic costs.
>
> At the present time there are 33 nuclear powerplants that are under review for their operating licenses. In other words, these are plants where construction has been completed.
>
> These plants represent 31,000 megawatts which would more than double the output of the 42 nuclear plants now operating. If those 33 plants were to be precluded from operating, the fastest means of replacing the needed power probably would be through the use of gas turbines or internal combustion units. A crash program might bring such units on line in 2 years at the earliest, with an increased capital cost which would be from 90 to 100 dollars a kilowatt or about $100 million per 1,000 megawatt plant.
>
> In addition to the increase in capital costs, there would be fuel costs which would be about $168 million more per year than each nuclear plant which was replaced. Diesel fuel cost 26.4 mills per kilowatt hour. Nuclear power costs 2.4 mills. In other words, nuclear is about one-tenth of the cost of diesel. Base load coal-fired plants would be less expensive but coal costs are also rising, and those plants would take a long time to bring on line.
>
> In the longer term the continuation of a moratorium would lead to either massive energy short-falls or greatly increased use of coal or oil to provide the required energy.
>
> For example, the nuclear power forcasted to be on the grid in 1985 would require, if these plants were not nuclear, the equivalent of 8.7 million barrels of oil per day. To import that amount at today's prices would adversely affect our balance of trade by an increment of $32 billion for that year alone.

ENERGY SELF-SUFFICIENCY

America's large and expanding reliance on imports for sources of energy was dramatically exposed during the Arab oil embargo. The results of that embargo—unemployment in various industries, the threat to natural security, soaring costs for fuel, the potential of a severe economic impact if the embargo was prolonged for an extensive time—have led to the emergence of a goal of attaining energy self-sufficiency for the Nation. While witnesses who have appeared before the Public Works Subcommittee on Appropriations have testified that the goal of self-sufficiency by 1980 was overly optimistic, they all supported the concept of the policy and urged that America proceed at a rapid pace to attain the goal.

The continued and expanded development of nuclear power is absolutely essential if we are to attain a reasonable level of energy self-sufficiency. A 1,000-megawatt nuclear plant operating for 1 year at 70 percent of capacity would produce 6,130,000 megawatt hours. The equivalent fossil fuel requirements for 1 year are as follows:

Oil, 11 million barrels.

Natural gas, 62 billion cubic feet.

Coal, 2 million tons.

OPPOSITION TO ENERGY DEVELOPMENT COULD HAVE SERIOUS CONSEQUENCES

Surely disagreements about the many complex issues involved in energy are inevitable and it is healthy to bring the issues out and have them discussed and analyzed. However, some seem to be guided by a one-word philosophy—"Oppose." These critics oppose hydropower because they do not want dams built, they oppose coal plants for environmental reasons, they oppose nuclear plants on safety grounds. They draw up their lawsuits to block the construction of an electrical powerplant while they sit in high-rise office buildings enjoying the conveniences of elevators, heating, lighting and air-conditioning, all powered by electricity.

The era of low-priced, abundant energy which played such an important role in making America the most prosperous Nation in history appears at an end. However, we must make certain that scarcity of energy does not become a permanent fact of American life. Those who are intent on blocking nuclear power and other forms of energy would cause even higher power rates to become a permanent fact of American life.

As indicated earlier, nuclear power has been developed over a period of three decades, and the State of Tennessee with its AEC plants at Oak Ridge and TVA power has been in the vanguard of this advance.

Nuclear power is widely accepted in Tennessee, although there has been some recent criticism with respect to the location of a TVA nuclear powerplant near Hartsville in Trousdale County.

Much of this criticism, however, appears directed at the plan by the Tennessee Valley Authority to acquire substantial good farmland for the plant and also against the impact which the plant may have on local governments with respect to increased demands for services brought on by the addition of an influx of population.

Proponents of the plant, in response to charges of dangers from radiation, point to the Atomic Energy Commission facilities at Oak Ridge where nuclear research, development and production have been in progress for some 30 years.

The Atomic Energy Commission has selected Oak Ridge for location of the liquid metal fast breeder reactor—LMFBR—demonstration plant, which is expected to develop nuclear technology further.

TVA has undertaken the largest single commitment of any single utility in this Nation to nuclear power generation to—as TVA officials put it—"assure the region a dependable supply of electricity during the coming decade."

The first TVA nuclear powerplant went into commercial operation in August of last year at the Browns Ferry Plant in northern Alabama—two units are now installed and a third unit is scheduled for operation in early 1976.

Six additional units are under construction, two each at the Sequoyah and Watts Bar plants in East Tennessee and at Bellefonte in North Alabama. Four units are proposed for the Hartsville site in Tennessee.

In total, TVA's nuclear commitment between now and 1984 involves 17 reactor units at 7 plants—with a combined generating capacity of more than 21 million kilowatts which is greatly needed because of the energy crisis.

These units will virtually double the TVA electric power system—from some 24 million kilowatts to some 47 million kilowatts between now and 1984 when almost half of TVA's total capacity will be nuclear.

Experience has shown that the operation of these nuclear plants in the Tennessee Valley is far cheaper than coal-burning plants. The first unit at Browns Ferry operated at about $7 million less for the first year than did steam plants producing the same amount of power. These are substantial savings and will be much larger, of course, when TVA's full complement of 17 reactor units are in operation in the public interest.

THINGS ACCOMPLISHED THE NAYSAYERS SAID COULD NEVER BE DONE

The harnessing of the atom for the production of power is a major scientific breakthrough—indeed, there were those who predicted that this practical application of nuclear energy could never be accomplished.

Now that the major breakthrough has been achieved, there are those who insist that nuclear production of power should be abandoned as impractical and unsafe.

It was brought to my attention recently that the Library of Congress has compiled a research paper on examples of dire predictions and negative comments on such scientific achievements as the electric light, the telephone, the telegraph, the harnessing of electricity, the gasoline engine, the steam engine locomotive, the airplane, rockets and ballistics missiles, the technique of inoculation in the field of medicine, and many others.

The gist of these negative comments is that these things could never happen—or if they were developed would have no practical application or would be destructive and of no benefit to the public. Today they are all necessities.

Henry Ford, for example, was told by his superiors to devote himself to some useful pursuit and stop tinkering around with his useless gasoline engine.

It was charged that locomotive engines could never be practical because the "boilers would burst and blow passengers to atoms."

It was charged that airplanes could never work because a propeller could never be developed to pull a plane and if one were developed, there would be no way to stop the aircraft.

Even after the invention of the airplane, an astronomer said the idea of big planes flying across oceans with hundreds of people was "visionary."

Thomas A. Edison's work on the electric light bulb was ridiculed as "unworthy of practical or scientific men"—and this by a committee of the British Parliament.

It was charged that the use of smallpox vaccine derived from cows would cause the recipient to develop a "cow-like face."

It was argued, even after the invention of firearms, that the bow and arrow were still superior weapons.

More recently there were long technical explanations by some few scientists on why the intercontinental ballistics missile could never be developed—and rocketry was called too far-fetched to be considered.

The inventor of the radio tube was actually tried in court on a charge of fraud for intimating in his stock prospectus that a voice could be transmitted across the Atlantic Ocean.

It was argued that the poisoned air from locomotives would kill birds, burn up houses along the track, make horses extinct, eliminate highway travel and drive hotels and inns out of business—and a locomotive was too heavy to move, anyway.

And a leading official of the British Navy once said that it would be "absolutely impossible" to steer a ship driven by a propeller.

More recently—in contemporary times—there were those who said this Nation could never develop the atom for any purpose.

And others scoffed at the idea that the United States could put men on the Moon and return them safely to Earth.

The development of worthwhile scientific research projects requires time—and more time is required to develop the practical application of a scientific discovery.

However, nuclear power plants are on line and working successfully. Evidence supports their safety—safety in research and development, safety in construction and safety in operation. Nuclear power is the needed and demonstrated alternative for power during the energy crisis and for the future, in the public interest.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. EVINS of Tennessee. I am pleased to yield to my distinguished friend who is a member of the Joint Committee on Atomic Energy.

Mr. RONCALIO. Mr. Speaker, I thank the gentleman in the well for the excellent presentation and for providing a few more facts in the current dialogue on Capitol Hill with respect to the nuclear powerplant safety issue. I am pleased to join with the gentleman in this business of this legislature.

I should like to call attention to the fact that last February 5 the Joint Committee on Atomic Energy, with the full membership present, held 4 days of hearings on nuclear regulatory commissions' actions requiring safety inspections as a result of the so-called shutdowns of the nuclear powerplants last year which triggered this present furor and which has now come to the Hill. These hearings contain every charge and we had representative witnesses such as Daniel F. Ford, executive director of the Union of Concerned Scientists. They had the opportunity to appear and their arguments were soundly and technically refuted with the exhibits at the hearing.

I have 25 remaining copies of these hearings. My office will gladly send one to anyone who wants the truth regarding nuclear power safety. The Joint Committee on Atomic Energy has several hundred additional copies. These hearings are available without cost while they last. They were the result of joint hearings on the Senate Committee on Government Operations, chaired by the Senator from Connecticut, Mr. RIBICOFF, and the Joint Committee on Atomic Energy, chaired by the Senator from Rhode Island, Mr. JOHN PASTORE.

My colleague, the gentleman from Washington (Mr. McCORMACK) will have more to add to this discussion.

Mr. EVINS of Tennessee. Mr. Speaker, I yield to the gentleman from Washington (Mr. McCORMACK), a recognized authority on nuclear power and, indeed, a scientist himself.

Mr. McCORMACK. Mr. Speaker, I want to congratulate the gentleman from Tennessee (Mr. EVINS) for his statement. I think it is most important at this time.

I would like to concur and associate myself with his statements, and add several of my own.

I could not help but think, as the gentleman spoke of the list of scared bunnies who have, through history, said "it could not be done," through to the story of one thing that happened when X-rays were first discovered and announced to the world. This was during the Victorian Age. There were immediately people selling X-ray proof underwear to the Victorian ladies, on the theory there would be X-ray machines for Peeping Toms who could stand along the streets and "undress the ladies" by seeing through their clothes with these new and mysterious X-rays. So they were selling X-ray proof underwear. This is about the level of some of the statements we are hearing today against nuclear energy.

Today, in the Joint Economic Committee, chaired by the gentleman from Missouri (Mr. BOLLING), and the Senator from Minnesota (Mr. HUMPHREY), Mr. Ralph Nader stated, according to the news wire and a member of the committee who were present that—

> The reactor could experience an accident known as the "core disruptive accident".
>
> In everyday language, this technical euphemism means that the breeder can blow up.

Mr. Speaker, this is categorically untrue, and Mr. Nader knows it is categorically untrue. He knew it when he said it. Unfortunately, however, Members are being deluged with this kind of nonsense as they attempt to deal with the important energy issues facing us.

The fact is, Mr. Speaker, as we try to plan an energy policy for this Nation, and as we try to look forward to 1985, if we establish a spartan conservation program and cut our energy consumption by the equivalent of 6.5 million barrels of oil, and set out on an aggressive program for exploration and drilling for petroleum and natural gas, onshore and offshore; and attempt to double our coal production, and develop all the hydro sites we are going to develop; and get the 221 nuclear plants that are in operation, on order or under construction, we must still import more oil than we are today. If we do not provide the equivalent of 48 to 50 million barrels of oil a day in 1985, the impact will be unemployment of 900,000 jobs for each million barrels of oil by which we fall short. Those 221 nuclear plants will produce the equivalent of the energy produced by 6½ million barrels per day—our total imports. And that is equivalent to about 6 million Americans employed—or unemployed if the energy is not provided.

So what we get down to, Mr. Speaker, is this: There are those who would sabotage our nuclear energy program by spreading false stories about its safety, and try to frighten Congress and the American people into an irrational state so that the nuclear program will be weakened or abandoned. What they are really doing is laying the groundwork for massive unemployment in this country. The simple facts are that if we are going to have economic stability and employment for American workers, we must have more energy. It is just as essential as steel or chemicals or concrete. This Nation's economic stability depends upon developing all sources of energy, including coal and nuclear energy.

So may I take this opportunity to again congratulate the gentleman in the well. The people of Tennessee are indeed fortunate to be represented by Congressman JOE EVINS, a man of outstanding integrity, foresight, responsibility, and courage.

Mr. EVINS of Tennessee. I thank my distinguished colleague for his comments. Some lack perspective in this matter, but not the gentleman from Washington.

THE AMERICAN ATTITUDE TOWARD REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, I am bewildered and disappointed by the attitude some Americans are displaying toward the Vietnamese refugees.

I cannot believe there are some who want to turn their backs on a people whose lands were stormed and their fields and villages bombed, and their spirit, economy, and social order destroyed. I cannot believe there are some who wish to close our doors to those people who stood beside us in a united commitment against tyranny and oppression.

Our military obligation may be over but our responsibilities are not. True responsibility goes beyond guns and ammunition and planes.

Our challenge calls us to extend a new chance, a new opportunity. Such has been our tradition. We have never refused people fleeing persecution, hardship, or oppression.

We opened our doors for the Irish during the great potato famine, Armenians running from Moslem aggression, European Jews trying to escape the reign of Hitler. We welcomed nearly a half a million people after World War II. Between 1953 and 1956 we provided new homes for 189,000 Eastern Europeans.

After the uprising in Hungary we accepted over 30,000 Hungarians. And during the past 16 years we have assimilated some 675,000 Cubans who fled Communist Cuba.

We are a nation of immigrants and refugees, a "melting pot" of many nationalities. From our Founding Fathers to the present our families have been, at one time or another, immigrant families. Not all of them had jobs. Not all of them could speak or understand English.

But our families came here and the immigrant families before them took them in.

We are now asked to welcome 150,000 people. And if this is a burden it is a minor one for a country of 210 million.

To those who say our economy cannot take it, I ask are we a haven from oppression only when it is comfortable to be, only when it is convenient? Many of these people fled sure execution. It is a small contribution we can make to life and humanity.

Most of the refugees are women and children, and those 35,000 able to work will have jobs either in private jobs or Government-supported programs.

We are completing the history of a painful period for both Vietnamese and Americans. If this is indeed the land of the free, then I believe the final chapter will not be filled with anger, apathy, and neglect. If we are to continue as the leader of the free world, if our tradition of providing new opportunities is to endure, then our strength, our courage, and our responsibility must continue after all the battles are over. At this point in the RECORD I include an article from the Washington Post:

PAYING OUR MORAL ACCOUNTS

(By David S. Broder)

The Vietnam refugee controversy suggests a new rule for American foreign policy: Don't bloody up countries whose vanquished you will not accept. No refugees, no bombing, in short.

It is not much of a policy, but if the refugee reaction measures the political and moral condition of this country, it may be the best we can do.

This reporter saw the wave of anti-refugee sentiment beginning to form two weeks ago in the classroom of a community college in Southern California. Many of the students in the introductory political science course were themselves no more than a generation or two from the immigration office, working to acquire an education in the classic American pattern.

But that morning, the Los Angeles Times had headlined a local official's scare-warning that half-a-million Vietnamese might be on their way to California, and the students peppered the visitor from Washington with questions:

Who's going to pay for this? Why should they come here, when we're having a hard time finding jobs as it is? Aren't they just running out on their own country, buying a ticket to Uncle Sucker's welfare state?

The questions went on until the teacher, who happened to be a black woman, cut them off with a remark that she was "ashamed" her students seemed to have forgotten this country's tradition as a place of refuge for the victims of wars and tyrannies.

Her rebuke was just about as ineffective as President Ford's remonstrance ten days later to the House of Representatives, when it refused to vote the $327 million he had requested for refugee aid.

The members of Congress, of course, had other reasons for their action, they said. They were disturbed by language in the same bill allowing President Ford to use American forces to assist the evacuation of Americans and some South Vietnamese from the overrun country.

The language had been written before Saigon's surrender; the evacuation was complete; and Mr. Ford gave his written assurance he would not send American troops back into Vietnam. But members of Congress love acts of retroactive vigilance, and they refused to pass the bill.

Democrats who were trying belatedly to make amends for Lyndon Johnson's misuse of the Gulf of Tonkin resolution joined forces with conservative Republicans who feared some of the money might find its way into Communist hands. Together, they turned against the refugees—those inconvenient reminders of the failure of past policies.

The mail from home, most members of Congress report, has been like the conversation in the California classroom—strongly anti-refugee. And congressmen get re-elected by finding statesmanlike reasons to justify their constituents' strongest emotional biases.

In this case, there is a certain latent racism overlaid with a pervasive desire to escape the responsibilities and the realities of the outside world. Americans resent being told that they have obligations beyond the borders. When some of those obligations attempt to cross the border, the inclination is to resist.

Add that to the Congress' pervasive synicism about presidential utterances and you have the sour sentiment that surfaced in the vote against the refugees.

Rep. John B. Anderson of Illinois tried, in the House debate, to invoke the impact of the unforgettable film "of those hundreds—yes, thousands—of people, who, in their desperate rush and bid for freedom, were literally clawing at the embassy walls in an effort to get through in time to be helicoptered to safety. . . ."

"We do owe some moral responsibility, some humanitarian obligation to those people," the Rockford Republican said, "and I am willing to accept the pledged word of the President of the United States" that the funds would be used to aid the refugees, not to restart the American war in Vietnam.

But Anderson's words were as futile as the California school-teacher's. And so America emerges as the kind of country that will send a half-million men to a small nation, finance seven years of bombing and burning and battle, shattering the economy and the social order, and then balk at accepting in return 150,000 peaceful refugees into a society of 210 million.

Sometime, somehow, we have to start balancing the moral accounts. And for a start, we might try the no refugees—no bombing rule.

CONDOMINIUM ABUSE INVESTIGATION HALTED

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Lehman) is recognized for 5 minutes.

Mr. LEHMAN. Mr. Speaker, last week I joined the chairman of the Commerce, Consumer, and Monetary Affairs Subcommittee, Representative Ben Rosenthal, on his panel to listen to the Federal Trade Commission's official justification for the termination of its 1½-year investigation into condominium abuses. I have had a particular interest in this investigation, as many of my constituents live in condominiums and are subject to the abuses the Commission was supposedly exploring. While the Commission spokesmen preferred to describe their action as a "suspension," the word "termination," more adequately defines the Commission's policy. The unalterable fact is, that the Commissioners stopped the investigation cold. On a secret vote taken March 24, the FTC Commissioners cut the funding for this project and transferred the bulk of the investigation to the Department of Housing and Urban Development. This jurisdictional shift is tantamount to squashing the entire FTC's staff investigation into past condominium sales abuses. The HUD study, while beneficial, will only recommend preventitive legislation for future problems, whereas the FTC can litigate on behalf of the consumer to remedy or correct existing conditions that so many of these unit owners are locked into—going back several years.

No testimony was presented at the hearings that convinced me that the FTC was not getting its "bang for the buck." On the contrary, the staff of the Bureau of Consumer Protection argued rather vigorously to press on with the investigation and to bring several test cases, and, were in fact, preparing to take depositions of witnesses in Florida in anticipation of court action when the word came down.

Mr. Speaker, very few can fully appreciate the impact this decision will have on the people, obviously, the FTC does not care. I am speaking now of those condominium residents who cannot get out from under the long-term leases that are attached to recreation and common facilities in a condominium. For nearly 2 years now, condominium owners have been cruelly deceived by the FTC into relying on their good faith and promises that the Commission was favorably disposed, and actively pursuing a course of action that could ultimately result in a judgment that would cancel these 99-year leases. Instead the Commission raised a lot of false hopes—and failed to deliver. It is extremely disheartening to see a Federal agency that was expressly established to protect the innocent consumer from unfair sales practices, to act in such an irresponsible and callous manner.

Mr. Speaker, the Commission testified that it relied solely on its mailbag for obtaining complaints from condominium owners. Since that appears to be their only contact with the people who are most affected by this decision, I have encouraged my constituents in condominiums through their respective association representatives to fill those mailbags with letters, cards, and telegrams expressing their individual concern with the Commission's action. For my part, I intend to pursue this matter in whatever way possible until such time as the FTC reverses itself. One thing is clear: The Commissioners' decision must not be allowed to stand. At this point, I would like to include a copy of a Miami Herald editorial that expresses, I am sure, the feelings of frustration and exasperation that many of these condominium residents are now experiencing:

[From the Miami Herald, May 7, 1975]

FTC Betrays Public on Condos

The thousands of condominium buyers who have been defrauded by unscrupulous builders learned to their dismay last week that they won't be getting any help from the Federal Trade Commission. It secretly decided against pursuing its investigation after hearing only developers as witnesses.

The problem would be well under the rug were it not for a hearing held in public by a House subcommittee headed by Benjamin S. Rosenthal of New York, who has much knowledge and interest in the subject. Both he and Dade Congressman William Lehman challenged the FTC philosophy, which was reflected in a remark by one official who said of condominium owners: "They were grown people who should have known what they were doing."

The conclusion that adults don't need consumer protection smacks heavily of the outmoded concept of "caveat emptor" and ignores the fact that dozens of federal regulatory agencies are working daily to keep grownups out of trouble. The Securities and Exchange Commission, for one, recognizes that people even affluent enough to buy stocks need protection from slicksters.

The agency's excuse for abandoning the investigation was that it was not "cost effective," that the $50,000 allocated for it next year could better be spent on other projects. Yet two million families live in condominiums (250,000 in Florida) and many of them are of modest means or elderly or both. No similar concern about cost effectiveness was expressed for the $350,000 investigation which the FTC plans to launch next year on fake furs, or one on plant labeling which cost $32,000.

Failure of the FTC to take the leadership in effecting reform of condominium abuses also will hamper the states in carrying out their own programs, as an official from Florida testified.

The problem of regulatory agencies failing to regulate is an old one in Washington, but it is time the harsh light of exposure is turned inward on these agencies so that their basic philosophy and machinery can be reformed to meet the real needs of the public.

FOOLISH PLEASURE NEW FLORIDA SPORTS HERO

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Fuqua) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, Floridians today have a new sports hero.

He is Foolish Pleasure, that magnificent horse who entered horse racing's circle of immortals when he won what many consider to be the greatest of all thoroughbred races, the Kentucky Derby.

The reason Floridians are so proud is because Foolish Pleasure is a Floridian, born and bred in the Sunshine State, and I am doubly proud because the farm which produced him is in my congressional district.

Foolish Pleasure was born on 200-acre Waldemar Farms near Williston, in Levy County, Fla. He has tremendous bloodlines; his father, What A Pleasure, the son of Bold Ruler, and his mother, Fool Me Not, the daughter of Tom Fool.

Waldemar Farms is owned by the Sams Family of Indianapolis, Ind., and they have every reason to be proud of this accomplishment.

Foolish Pleasure was purchased by John L. Greer of Knoxville, Tenn., and has been trained by LeRoy Jolley. They obviously chose a magnificent animal to wear their colors.

Saturday week, Foolish Pleasure is scheduled to enter the gate at the Preakness in Baltimore, Md. Whatever the outcome, he is already established as a legend in the annals of Florida sports.

CHEMICAL WARFARE AND BIOLOGICAL DEFENSE PROGRAMS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. Hicks) is recognized for 5 minutes.

Mr. HICKS. Mr. Speaker, the Defense Department has provided me with a detailed breakdown of their CBW research and development requests for fiscal year 1976 and the 3-month transition period, designated fiscal year 197T. I am placing these figures into the Record for Members of Congress and for the general public who wish to know more about developments in this field. Previous year appropriations are included for purposes of comparison.

The figures for research and development show steady increases over the past 2 years to the requested level of $48 million for fiscal year 1976. The fiscal year 1976 R. & D. request would lower the offensive R. & D. share to approximately 35 percent of the total. In past years, offensive R. & D. has accounted for more than 40 percent of the total funds allocated. Defense Department witnesses have told us to expect a continued lowering of the offensive R. & D. share as increased efforts are placed on defensive techniques and systems. That a lowered offensive R. & D. profile will actually result seems somewhat doubtful in view of the requested accelerated development of binary chemical munitions.

The Pentagon's hope is to eventually replace our entire CW inventory with binaries. Binary munitions are a new concept which separate the nerve gas components, making the munitions safer to stockpile and transport. But a production go-ahead on binaries brings with it a wide range of problems which must be weighed against potential advantages.

The first problem is one of money: it will reportedly cost approximately $2 billion to detoxify existing stocks and to replace them with the full panoply of binary munitions. Other problems deal with our diplomatic efforts to effectively prohibit the use of chemical weapons. A decision to go forward with another generation of nerve gas weapons may well adversely effect the negotiations now going forward in Geneva to curb the possibility of chemical warfare. While not much movement appears to have taken place over the past year in these negotiations, they are not moribund. Defense planners in the Soviet Union might well seize upon our beginning production of an entire new offensive system to increase their offensive CW capabilities. Of course, it is always possible that the Soviets may forge ahead in this field regardless of what we do.

In weighing the advantages and disadvantages of binaries last year, the Congress voted to not go ahead with the production line for this new generation of nerve gas weapons. The same decision will have to be faced this year: the fiscal year 1976 R. & D. request places three binary nerve gas munitions into engineering development. Work on the Army's 155 millimeter and 8-inch rounds is being funded under program element 64610A, Lethal Chemical Munitions. A joint Navy/Air Force air delivered binary bomb, the Bigeye, is also going into engineering development under program element 64604N, Chemical Warfare Weapons. Accelerated development on the 8-inch round during fiscal year 197T is the reason why CW offensive R. & D. once again goes above the 40 percent mark.

The Bigeye binary bomb project points out one of the major weaknesses in the Pentagon's fiscal year 1976 R. & D. request: Despite testimony to the effect that the Defense Department recognizes the need to upgrade our defensive CBW capabilities, very little is actually being done in this regard. With the request for Bigeye the Navy and Air Force are asking for a munition which they are ill prepared to use. While it is true that both services look to the Army as the lead service for CBW developments, there is almost nothing in their own budgets to prepare for the unique problems they might face if they eventually receive a procurement authorization for programs now in research and development.

The most critical funding in the area of CBW is not within H.R. 6674, the defense procurement authorization bill: An $8.8 million request to go forward with a production line for binary munitions is contained only within the fiscal year 1976 defense appropriations bill. Engineering development programs discussed here will be ready for production lines in the near future; the 155-millimeter shell, which is furthest along in development, is the first binary nerve gas munition in need of a production line.

I include the following:

Program element and title	Fiscal year—			
	1974	1975	1976	197T
61102A—Defensive systems CW/BW	1.60	1.15	1.40	0.38
62619A—Chemical combat support [1]	2.27	2.15	2.53	.61
62620A—Chemical munitions technology [2]	1.53	1.36	1.95	.47
62710A—Defense against chemical agents	7.64	9.12	11.71	2.83
62711A—Defense against biological agents	1.57	1.51	1.53	.35
62718A—General chemical investigations [1]	4.10	4.77	5.92	1.52
63607A—Army small arms program [2]	.28	.42		
63608A—Weapons and ammunition [2]	.19		.54	.28
63614A—Incapacitating chemical munitions concepts [2]	.39	.81	.54	
63615A—Lethal chemical munitions concepts [2]	1.62	.37	.96	.96
63720A—Biological defense material concepts	1.96	1.21		
63721A—Chemical defensive material concepts	1.10	2.93	6.89	1.62
64601A—Infantry support weapons systems [2]	.14	.13		
64609A—Riot control agent system	.83	125	1.11	.38
64610A—Lethal chemical munitions [2]	2.22	3.23	3.53	1.45
64613A—Incapacitating chemical munitions [2]	.20	.99		
64724A—Biological defensive material		.51	4.33	.81
64725A—Chemical defensive material	2.03	2.02	1.88	
65710A—Joint chemical/biological contact point and test			.77	.22
NAVY				
62764N—Chemical/biological defense technology	.15	.15	.15	.05
64604N—Biological warfare/chemical warfare weapons [2]			1.60	.35
64506N—BR/CW countermeasures			.53	.13
AIR FORCE				
64601F—Chemical/biological defense equipment	.50	.65	.55	.11
Total:				
R. & D.	30.32	33.73	48.42	12.52
Offensive	12.94	14.23	16.80	5.64
Defensive	17.38	19.50	30.85	6.88
Percent offensive	43	42	35	45

[1] Program element activity can be applied to offensive or defensive purposes.

[2] Offensive CW R. & D.

Note: Figures may not add due to rounding.

CHEMICAL WARFARE-BIOLOGICAL DEFENSE PROGRAMS

Category and program element	Title	Fiscal year—			
		1974	1975	1976	197T
Chemical weapons:					
Incap. systems:					
6.46.13	Incap chemical mun	0			
6.36.14	Incap chemical mun concepts	0.39	0.08	0.54	
6.26.20	Chem munitions technology	.73	.61	.74	0.18
Lethal systems:					
6.46.10	Lethal chem munitions	2.22	3.23	3.53	1.45
6.36.15	Lethal chem mun. concepts	1.62	.37	.95	.96
6.26.20	Chem munitions technology	.87	.99	1.21	.48
Total weapons program		5.83	5.28	6.97	3.07
Chemical-biological defense:					
Chemical defense:					
6.47.25	Chem def materiel	2.03	2.02	1.88	
6.37.21	Chem def matl concepts	1.10	2.93	6.89	1.62
6.27.10	Def against chem agents	7.64	9.12	11.71	2.83
Biological Defense:					
6.47.24	Biological def matl		.51	4.33	.81
6.37.20	Biological def concepts	1.96	1.21		
6.27.11	Def against bio agents	1.57	1.51	1.53	.35
Total		14.30	17.30	26.34	5.61
Combat support:					
Riot Control agents:					
6.46.09	Riot control agent sys	.83	.25	1.11	.38
6.36.07 (D455)	Army small arms program	.28	.42	0	0
6.26.19	Chem combat support	1.45	.98	1.54	.37
Flame:					
6.46.01 (D191/DF98)	Infantry sup wpns sys	.14	.13	0	0
6.36.08 (DE82/71)	Wpns and ammunition	.19		.54	.28
6.26.19 (AO65)	Chem combat support	.52	.71	1.00	.24
Total		3.41	2.49	4.19	1.27
Vegetation control 6.26.19 (AD28)	Chem combat support	.40	.46	0	0
Technological Base 6.27.18	Gen chem invest	4.10	4.77	5.92	1.52
Joint CB contact point/test 6.57.10	Joint CB contact point/test	0	0	.77	.22
Basic research 6.11.02A	Def systems CW/BW	1.60	1.15	1.40	.38
Total		29.64	31.45	45.59	12.07

LAFAYETTE LAKE PROJECT: PART II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 10 minutes.

Mr. FITHIAN. Mr. Speaker, several distinguished citizens recently testified before the Appropriations Subcommittee on Public Works, chaired by our distinguished colleague, JOE EVINS of Tennessee.

Two of these speakers, Mr. Hubert Yount and Mr. David C. Pfendler, presented expert testimony on the Lafayette Lake project in Tippecanoe County. These distinguished gentlemen analyzed the economic and recreational aspects of the project and further commented on the need for floor control and future water resources.

For nearly 18 years, the community has been divided and disrupted by indecision about the project. Having made the decision to proceed on the project, we can now go forth in an orderly manner to develop Lafayette Lake in ways that benefit the entire community.

I want to take this opportunity to place the remarks of Mr. Yount and Mr. Pfendler in the CONGRESSIONAL RECORD for the benefit of my colleagues. I would also like to include the written statement submitted by Mr. Leroy Ade, a farmer, who lives along the Wabash River and who is vitally concerned about importance of Lafayette Lake as a means of flood control for the Wabash River Valley.

These are the following statements:

TESTIMONY OF HUBERT D. YOUNT, LAFAYETTE LAKE

Mr. Chairman and Committee Members: I am Hubert Yount, Realtor and Appraiser and I am serving my third year as Chairman of Community Development Committee for the Chamber of Commerce of Lafayette, Indiana. I have been in my present business for the past twenty-five years. My purpose here today is to influence you and your committee in approving the appropriation requested by Congressman Fithian for the Lafayette Lake Project.

I, personally am in favor of the Lake as is our Chamber of Commerce, City of Lafayette and West Lafayette. I would like to direct most of my testimony to what I feel are the economic impact on our community and also on the tax base which seems to be very derogatory in the minds of some people in our community.

My first remarks are in regard to some 10,300 acres of cropland that may be removed from production, and the impact it would have on food production. This 10,300 acres which would be taken out of cropland would include recreation land acquisition as well as pool area. The cropland acquisition would be about 57% of the project. This cropland is primarily corn, soybeans, hay and winter wheat. I am familiar with this land and have viewed it on many occasions.

The Corps of Engineers in 1971 indicated that the cropland had a productivity of approximately $104 per acre. I think we should recognize that those figures would be adjusted upwardly today with respect to the fact that maybe the cropland has not increased in yield, but that the dollars received for that crop might be more. Much of this land is not what we would consider to be primary farm land. It is marginal farm land, not as highly productive as we might find in our plain lands. This is reflected by the $104 per acre figure they use. The loss of revenue in this area would be approximately $1,200,000. The Corps of Engineers report that our production down the river from protected flood land would be increased by about $1,050.000.00 a year, and that Tippecanoe County production would be increased about $150,000.00 a year. Therefore, we don't have the loss of production the opposition is claiming, and furthermore I believe the Corps to be conservative in the estimated increase in production.

There will be approximately twenty four miles of stream land that is affected by the pool or a total of about thirty miles in the completed project. Much of the land adjacent to the stream is not farm land, but pastureland.

In 1964 to 1969 the number of farms in Tippecanoe County increased, however, the size of them decreased. We apparently have more urban farmers today than before that time. Many of these landowners are not necessarily making their sole living from their farms. They have other jobs and are what we refer to as urban farmers. I don't believe the financial loss to them is going to be as great as it might appear. It is true, we will not have the products they produce from that land, but this can be supplemented by better farm management in the surrounding area and especially in the controlled flood area.

The value of our land has increased over the average of about 6% a year. This has been true until the past 18 months. The past 18 months has blown these figures to bits. But, if we take that curve and look beyond the next 5 or 10 years, I think we will find that it will average itself out, because farm prices are now beginning to level off. I make this point because the Corp of Engineers in their 1971 report stated that the average value of cropland in the Lafayette Lake area was about $700 per acre, but to be fair, I believe today the figure would be nearer $1,000 per acre. This will increase the cost of land acquisition. Based on the 1971 report of $700 per acre, the average farmer in that area was getting a yield of between 5% to 5.4% return on his investment.

I would like to point out that today you can take those funds and probably put them into other projects and get a bigger return than that. I would hope that his returns would be up but I doubt it since the costs have gone up. I might point out that in that area 49.4% of it in 1971 was urban area. So when we talk about impact of farms it is not that great you might say. We do have 375 families and commercial units that would be relocated as a result of this. . . . according to all the reports that I can read and find. In relocating these people and these businesses we are going to say we are taking our home that has been here all of our life and we should not be uprooted. Our experience in the real estate business is that today in our mobile society that most of the people living in that reservoir and I say most not all, would probably in the next 5 to 8 years voluntarily move anyway. As a result of this we have a minority group who would probably remain there the rest of their life. However, I question this minority group if very many of them would remain there because today with the old family doctor gone and are unable to get medical services in our home we find in the real estate business that most of these people when they become elderly are unable to get a doctor to come visit the home they try to move closer to medical facilities which means they usually move into either a small town or into the city where they can get to a hospital or clinic. It is much easier for them to get care. We believe that some of the people who believe they would be there for a lifetime may not remain there. They wouldn't agree with us today but I think later on they would.

Let's talk about land potential development that might occur and I would like to refer back to the Corps of Engineers report which they stated there were approximately 305 acres in their 1971 report probably privately owned land that would be potentially good development ground. This would be as they broke it down three particular types of property. One is a lakefront of 125 acres. This is land which are separated from the shoreline by joint use land only. Then they refer to a lakeview of 100 acres. Those lands contiguous to the category of but lacking direct access to the shoreline. The third category was lake associated of 80 acres. Those lands contiguous to the category but lacking direct access to shoreline.

Now, let's take a look at those. The average value out there is $700, the assessed valuation on most of the farmland in that area today is based about $100 an acre assessed value which gives it a true reflected value of $300 to $350 an acre. This is below the market value and it is quite true. It does not conform with our assessing manuals. The Corps reported that if this land was to be developed without the lake and they projected that you could get 4 lots per acre and you would have a valuation of about $4,000 per acre based on current prices. This is in 1971. I would like to disagree with the Corps' report. They would say that the current conditions without the lake they would be able to develop that with 4 lots per acre. The minimum requirements for private water and sewage systems with the State Board of Health is 18,000 square feet, so therefore, let's use 2 per acre. I am doing this to make a point and also they use some lot values going back to the highest category of the lake front being approximately $9,000 value. This would give us an $18,000 per acre value. Let's put this into assessed value. This means more. If we were to sell one of those lake fronts and add into the tax load, we would be talking about probably $1,500 assessment on the tax rose or $3,000 per acre for that 125 acres. If we move to the next category which is the lake view fronts, we would be dealing with probably 200 lots with $1,200 valuation. Then moving to the 80 acres we would be talking about $1,000.

We are talking about total assessed valuations of three categories at $775,000 on land only in Tippecanoe County alone, before the assessment of improvements for another $3,875,000.00, plus personal assessment of $2,350,000.00. The engineer's report in 1971 had $3,893,000.00 removed from the tax rolls for a tax base of $245,000.00.

I would like to point out that 305 acres alone if it were to be developed in the future will produce $439,400.00 taxes at our current tax rate. The above is just an example of the development that occurs regularly around lake projects and in addition to this many businesses will spring up.

In my opinion, the tax basis is a very small thing and before the project is completed at the end of five years, we would have more than recovered three times our loss in tax base.

I would like to point to one other thing at this point. The impact on the economy in this community would be tremendous. Let's talk about the Tippecanoe School corporation because Perry Township is the township that is affected by this and Perry township is in the Tippecanoe Corporation. It would necessitate the relocating of some students, but it would not involve many. Primarily elementary and junior high, some high school but a minimum. As I understand the school system can handle this. The tax base in TSC school corp. would increase tremendously as a result of this and should result in lower taxation for those people. I would like to point out that there is also the fact that the water reservoir use for future water supply is a very important thing to us. I think if you would familiarize yourself to the Kokomo problem now of water shortages, that you could very well be reaching us sooner than you think. I cannot help but believe that the impact on the community here in the first year of the construction of this which is in excess of $5 million to this community and over the first 5 years would result in over $23 million in income to people in this community. This is not centered right here in Lafayette but is the community surrounding the county. Based on this factor of 1971 I am sure it would be much higher with today's inflationary problems. But if you look at this it cannot help but be a tremendous impact on the relationship of livability in your district, Mr. Congressman.

I would like to also point out at this time if we go further down the project, you might say in the 10th year, five years after the reservoir has been completed, the Corp of Engineers of 1971 projected the income would be a $1,333,000. Based on that alone and not considering the inflationary things I think you would find it to be a very instrumental thing when the impact of this community is like we have here. We are a rapid growing community and we are going to continue to grow and I refuse to believe that the $60 million or $100 million, whichever it might be cost, is a bad investment, but an investment in the future.

No proposal submitted at the hearing is adequate to be considered as an alternative to the Lafayette Lake. The so called alternative plan most mentioned fails in all aspects to meet the needs of the community. Great emphasis was placed during the hearings about the increased cost of the Lake project, but little or no comment was made about similar increases in the value of benefits.

We believe that you should immediately make every effort possible to appropriate the necessary funds requested by Congressman Fithian to move ahead as rapidly on the Lafayette Lake project.

STATEMENT BY DAVID C. PFENDLER, WEST LAFAYETTE, IND.

Mr. Chairman, I am David C. Pfendler, member of the Wabash Valley Interstate Commission, former Associate Dean of Agriculture of Purdue University, and a long time resident of the Lafayette community.

The Wabash River in the area of Lafayette, Indiana, suffered 150 years of abuse and deterioration. As recently as ten years ago, the river immediately below Lafayette was little more than a series of cesspools with dissolved oxygen readings as low as zero during low flow periods. Since the construction of Missenewa, Salamonie and Huntington Lakes above Lafayette, flood crests have been reduced by about two and one-half feet, low flow has been increased by about one foot, and dissolved oxygen content has remained above 80% saturation during the low flood period. The beauty and viability of the river have been substantially increased.

Lafayette Lake is a key to the integrated development of the basin because of its capability of storing and later releasing over 300,000 acre feet of water. It will reduce the flood crest at Lafayette by eighteen inches and thereby greatly reduce flood hazard in the many thousands of productive acres farmed in the Wabash bottoms below Lafayette. The critical nature of world food supplies mandates the reduction of flood hazard to the vast stretch of productive land in the Wabash bottoms.

Lafayette is now one of the most rapidly growing industrial, university and civic centers in Indiana. The lake will provide high quality water for industrial, domestic and agricultural uses.

Local citizens and university students now need badly the outdoor recreation facilities that will be provided.

Lafayette Lake has an unusual capability for the construction of marsh and shallow water areas desperately needed by migratory water fowl and shore birds as refuge and nesting sites. It will provide sanctuary for song birds, game birds and native animals.

Hiking trails through plantations of wild flowers and native plants are planned.

Lafayette Lake has an immense potential to improve the environment, enhance the quality of life for the region and reduce the hazard to farm crops in the basin below Lafayette.

We have delayed too long. The lake site should be developed as soon as possible.

MAY 7, 1975.

To: House and Senate Appropriations Subcommittee.

MR. CHAIRMAN: I am Leroy Ade, 8526 Division Road, West Lafayette, Indiana. Farming is my only occupation, and I own and operate a farm along the Wabash River below Lafayette.

My interest in the Lafayette Lake is flood control of the Wabash River. I feel control of the Wabash would allow us to control the water table, which has dropped noticeably in the past several years, and would lead to a higher grain productivity. This higher productivity would not only affect me and others in this area who have river bottom land, but also those in areas farther down the river. A few examples should explain my point.

In the past, say 15–20 years, well water could be found at 40 ft. But now the water table has dropped so much that it now requires a well of about 160 ft. to get water. This has come about because of shedding and draining water too fast from our fields by tiling and open ditches. Although it is necessary to drain fields quickly to allow more time to work the fields, flood control would allow us to regulate the water table.

A higher productivity could be obtained by controlling the Wabash from flooding. I own farmable acreage along the river and have lost crops to flooding in the past. In the late 1950's, we lost crops in two consecutive years from flooding. I haven't lost a crop in the past 10 years because the Wabash has become more stabilized. I feel the three water shed dams farther up the river have caused this stabilization and the addition of another dam will benefit even more.

The control of the water table and the higher productivity are two very good reasons for the construction of this dam. I feel the community will reap many benefits from the dam.

LEROY ADE.

WEST LAFAYETTE, IND.

BLOWING THE WHISTLE ON SHIPROCK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, for almost 6 months, I have been actively involved in investigating the circumstances surrounding the firing of two nurses, apparently for protesting health conditions, at Shiprock Indian Health Service Hospital. In noting substandard conditions and inadequate care, Valerie Koster and Sandra Kramer managed to spotlight the scandalous conditions at Shiprock and focus attention on an outrageous situation. They contacted me, among other congressmen, and were subsequently fired.

I enclose several news stories outlining these events that were written by Clark Mollenhoff of the Des Moines Register. These articles graphically illustrate the price that HEW intended to exact for this criticism.

Perhaps most alarming were the blatant attempts to suppress corroboration of their charges. Dr. Fred Townsend, in defending the nurses and verifying their description of conditions at Shiprock, was subjected to an immediate reprimand. In a letter tersely phrased and amounting simply to a veiled intimidation, the Service Unit Director, Dr. Luverne Husen, put Dr. Townsend on notice that his continued participation might be met with more drastic action.

I include this letter and Dr. Townsend's letter to us which very articulately raises the serious questions that these blatant efforts at intimidation have failed to suppress. It quite properly concludes that "it's a wonder we haven't killed someone."

For my part, I have the same concern. Certainly Congress must ask the questions raised by Dr. Townsend, as well as by Valerie Koster and Sandra Kramer. I have seen more than enough to convince me that HEW must be confronted with these charges and I ask the House Government Operations Subcommittee on Intergovernmental Relations and Human Resources to investigate the situation at Shiprock. The article follows:

[From the Des Moines Register, Apr. 20, 1975]

IOWAN PROTESTS CARE OF INDIANS, LOSES JOB

(By Clark Mollenhoff)

WASHINGTON, D.C.—An Iowa-born nurse is being fired from her government job for protesting that the medical care for Navajo Indians is "inadequate" at the Shiprock Indian Health Service Hospital.

Valerie Koster, 23, of Davenport, last week told the story of a six-month ordeal at the hands of "a medical gestapo" after she lodged what the Washington office of the Indian Health Service now admits were "legitimate complaints."

"I wouldn't have believed that something like this could happen to a government employe who makes accurate complaints within the chain of command and to Congress," the registered nurse said in an interview.

Ms. Koster and another nurse, Sandra Kramer, 29, of Annapolis, Md., are officially listed as "absent without leave" from assignments in the Indian Health Service while a subcommittee prepares to investigate their case.

KENNEDY INVESTIGATION

The Koster-Kramer experience with the Indian Health Service will be one of several cases explored by Senator Edward Kennedy (Dem., Mass.) in an investigation by his judiciary subcommittee on administrative practices.

The subcommittee is mainly interested in alleged lack of due process of law in the efforts to demote and then fire the two nurses "for publicly criticizing their agency . . . (and) superiors."

And the subcommittee is also interested in learning why the Civil Service Commission office in Dallas, Tex., accepted without investigation the word of Dr. Marlene E. Haffner, area director of the Navajo Area Indian Health Service, and Dr. LuVerne Husen, the service unit director of the shiprock Indian Health Service Hospital in Shiprock, N.M.

INTERESTED IN TESTIMONY

Senator James Abourezk (Dem., S.D.), is interested in testimony from Ms. Koster and

Ms. Kramer on the quality of the health services being given in the Shiprock Indian Hospital. A staff member of Abourezk's interior subcommittee on Indian affairs interviewed the two nurses last week.

Ms. Koster placed number one in her 1970 graduating class at Central High School in Davenport. She is the daughter of Mrs. Henry Koster, a piano teacher.

The two nurses credit the letters of Senator Dick Clark (Dem., Ia.) and Representative Edward Mezvinsky (Dem., Ia.) with getting the kind of focus on their case that held up their discharge and will give them a chance to win over what they called "the Gestapo system at Shiprock."

AGREES WITH NURSES

H. V. Chadwick, the deputy director of the Indian Health Service in Washington, agrees with the two nurses on these important points:

The inadequate health care that they complained about is a condition that the Indian Health Service admits exists, despite some futile efforts to get corrective action.

Dr. Marlene Haffner "was flatly wrong" in the notices she posted that Indian Health Service employes could be fired, and would be fired, for complaining to Congress.

There was a lack of due process of law in failing to properly notify the two nurses of the charges against them and to afford them proper help in connection with the appeals of Ms. Kramer's demotion and the later firings of Ms. Koster and Ms. Kramer.

But Chadwick said that "it is better to go slow about resolving these problems than to do them hurriedly." Chadwick admitted knowing of the case "for four or five months," and allowing the disciplinary actions to go forward against the two nurses.

The story of the ordeal started last September, when the two nurses reported for duty at Shiprock. It was the first job as a registered nurse for Ms. Koster, a graduate of the University of Illinois Nursing School in Chicago.

Ms. Kramer had graduated from Union Memorial Hospital in Baltimore in 1969 and had worked at several hospitals before taking the GS–7 federal position (about $10,000 a year) in Indian Health Service.

"INADEQUATE CARE"

The two say that they eventualy noted dirty conditions around the buildings and evidence of "inadequate care" for Indian patients, talked about it among themselves. and in October went to the director of nursing, Beverly Smith.

Receiving no adequate response from Ms. Smith, their immediate supervisor, and no improvement, they went to Dr. Lu Verne Husen, the service unit director at the hospital, to protest the lack of proper supervision, lack of proper communications and lack of leadership in correcting the situation.

Again there was no response. So. Ms. Koster wrote a letter to the area director, Dr. Marlene Haffner, at Windowrock, Ariz., spelling out details of the unsanitary conditions in the hospital compound and that the focus of hospital activity "is on filling out forms, doing the least possible work with the least possible effort and just getting by."

The letter, also signed by Ms. Kramer, stated that lack of proper communications among the hospital staff members permitted no continuity of health care.

There was no response from Dr. Haffner, so the two nurses sent a copy of the letter to the Navajo Times and to several senators and congressmen, including Clark and Mezvinsky.

LETTER PRINTED

The Navajo Times printed the letter Dec. 5, 1974, and followed it with an editorial on the conditions in the Indian Health Service Hospital.

On Dec. 10, the two nurses were summoned to Windowrock to meet with Dr. Haffner, who denied inadequacies of medical treatment but refused to discuss specifics. She informed the nurses that they could be disciplined for making public statements critical of their agency, superiors or fellow employes. She declared that when they became government employes they lost their right to contact their senators and congressmen.

On Dec. 12, they were called to Dr. Husen's office and Ms. Kramer was informed that the promotion she was slated to receive the next day would not become effective.

After futilely seeking assistance as to how to file a grievance. Ms. Kramer and Ms. Koster finally obtained help from the Office of Equal Opportunity.

WRITTEN NOTICE

On Jan. 13, Ms. Kramer filed a grievance, and the same day Dr. Haffner and Dr. Husen gave written notice to the two nurses that they were to be fired. They received that notice in the main on Jan. 17 and were unable to obtain even a general statement on the grounds for their discharge.

The Dallas Civil Service office ruled that the firing "was not a retaliation" which would have been illegal, but was a firing for cause. But this "cause" still was not revealed to the two nurses.

Later, as a result of the protests of Senator Clark, Senator Joseph Montoya (Dem., N.M.), Representative Mezvinsky, and Representative Marjorie Holt (Rep., Md.), the Indian Health Service ordered a rescinding of the firing.

But it was not until after Apr. 1 that the nurses were . . . general charges that had been filed against them—alleged use of profanity, carelessness of dress and insufficient attention to duty.

Even as of Friday, they had been unable to obtain any specific details on the persons making the charges or the time and place of the alleged acts.

THREATENED ACTION

At the same time, Dr. Haffner and Dr. Husen have threatened disciplinary action against any Indian Health Service doctors, nurses or other employees who engage in public support of either Ms. Koster or Ms. Kramer.

Dr. Fred Townsend, a general medical officer in charge of the outpatient division, has said he received a written reprimand from Dr. Husen and threats of disciplinary action if he persisted in defense of the girls.

A copy of that letter has been requested by Mezvinsky's office to document what appears to be a violation of the law against such reprisals.

. . . The notice, signed by Dr. Haffner, was captioned: "High Court Upholds Firings." The first two paragraphs erroneously stated:

"The Supreme Court has ruled that federal and postal employes may be fired for publicly criticizing their agency, superiors or fellow employes.

"Regarding the right to a hearing and appeal in firing cases, the Supreme Court's decision leaves standing the present system whereby employes do have the right to a hearing and appeal, but only after they have been removed from their jobs."

POINT OMITTED

Ms. Kramer said last week that Dr. Haffner's statement on the Supreme Court ruling "left out the very important point that government employes may be fired for *falsely or improperly* criticizing their agency, superiors or fellow employes."

[From the Des Moines Register, May 4, 1975]

INJUSTICE AT HEW

(By Clark Mollenhoff)

WASHINGTON, D.C.—The Department of Health, Education and Welfare (HEW) is misusing the Freedom of Information Act to deny due process to two nurses the Indian Health Service is trying to fire.

Enough information has been admitted by the Indian Health Service to show the lack of due process without even getting into the merits of the decision to fire the nurses—Sandra Kramer of Annapolis, Md., and Valerie Koster of Davenport, Ia.

Dr. Marlene Haffner, area director of the Indian Health Service, approved the firing last January a few weeks after the nurses had written to their congressmen to complain of "substandard" medical care at the Indian Hospital at Shiprock, N.M.

A few weeks earlier, Dr. Haffner warned the nurses that as government employes they had no right to petition their congressmen, and that criticism of their superiors or the agency was grounds for firing or demotion.

FIRED AFTER PETITION

When nurse Kramer filed a grievance petition to protest a demotion, both nurses were fired for what Dr. Haffner calls "unwarranted disruption of the work force and conduct unbecoming of Indian Health Service employees."

The January firing was to have been effective Feb. 1, but it has been delayed by congressional protest because the nurses have been unable to obtain the details of the charges against them.

They appealed to the Civil Service Commission regional office in Dallas, Tex., but the Dallas office upheld Dr. Haffner on her assurance that "in January, documentation was received in the form of written statements prepared by employes at the Shiprock service unit" to support the charges.

FOUND NO FAULT

The two nurses said that Mrs. Beverly Smith, the director of nursing at the Shiprock hospital, had told them she found no fault with their work or their conduct on the job, and had initiated no charges against them. She had, in fact, recommended Ms. Kramer for promotion in December to head nurse in the pediatric division of the hospital, a raise of $2,000 over the $10,000-a-year job she held.

Dr. William Townsend, who headed the outpatient department at Shiprock, has obtained the names of 40 employees at the Indian Health Service Hospital to protest the firings.

The two nurses brought action under the Freedom of Information Act to obtain details of the charges and the names of those Dr. Haffner said had given written statements supporting the charges.

Russell M. Roberts, HEW's Freedom of Information officer, denied the nurses' request, saying "I must . . . deny access to the documents regarding statements given by individuals. These documents are intra-agency communications consisting entirely of internal memoranda, and to release them would constitute a clearly unwarranted invasion of personal privacy, and are therefore, exempt from disclosure under the Freedom of Information Act."

To make the HEW actions more untenable, Henry V. Chadwick, deputy director of the Indian Health Service, admits the following:

The nurses' complaints of substandard conditions at the hospital were accurate.

They made their complaints within Indian Health Service channels before making their criticism public, and they had every right to complain to congressmen.

It was improper and perhaps a violation of law for Dr. Haffner to take actions that amounted to intimidation of the two nurses or those who supported them.

But with all of those admissions, Chadwick says neither he nor Dr. Emery Johnson, director of the Indian Health Service, has investigated possible law violations by Dr. Haffner, nor directed that the charges be dropped, nor that the accusers be named.

SERIOUS HEW CHALLENGE

Through months of delays, what began as a dispute over charges that Navajo Indians received "substandard care" has escalated into a serious challenge to the competency and fairness of HEW's procedures.

The fact that the problem has been permitted to grow raises questions about whether HEW Secretary Caspar Weinberger is as good an administrator as he is reputed to be. Weinberger's Freedom of Information officer is responsible for the last gross misuse of the Freedom of Information Act to cover up what appears to be violations of the law.

If Secretary Weinberger doesn't know, why doesn't he?

[From the Des Moines Register, May 8, 1975]

HEW: OFFICIAL "MISUSE" IN CHARGE AGAINST NURSES

(By Clark Mollenhoff)

WASHINGTON, D.C.—The Department of Health, Education and Welfare (HEW) said Wednesday the Indian Health Service had "misused" the Freedom of Information Act in its refusal to inform two nurses of charges against them and the names of their accusers.

The decision to overrule the Indian Health Service and Russell M. Roberts, HEW's Freedom of Information officer, was made by Lewis M. Helms, assistant secretary of HEW, said Theodore Cooper, deputy assistant for health.

IOWA NURSE

The decision ends a three-month effort by the nurses—Valerie Koster of Davenport, Ia., and Sandra Kramer of Annapolis, Md.—to find the names of the persons who it is alleged will support charges that they were "a disruptive force" at the Indian Health Service Hospital at Shiprock, N.M.

They were ordered fired by Dr. Marlene Haffner, the area director of the Indian Health Service, a few weeks after they had written to congressmen and senators with criticism of the insanitary conditions and substandard care the Navajo Indians were receiving at the Shiprock Hospital.

Before ordering the nurses fired, Dr. Haffner demoted Ms. Kramer because she had written to members of Congress and made a copy of the complaints available to the Navajo Times.

When Ms. Kramer filed a formal protest against the firing, Dr. Haffner ordered both nurses discharged on general grounds that they had been responsible for "unwarranted disruption of the work force and conduct unbecoming of Indian Health Service employes."

NO WORK COMPLAINT

Mrs. Beverly Smith, the supervisory nurse in the hospital, told the nurses she found no complaint with their work and had made no complaint about their conduct. The two nurses had filed for a bill of particulars of the charges against them and the names of their accusers.

Dr. Haffner's refusal to file more than generalized charges was upheld by the Civil Service Commission office in Dallas, Tex., and more recently by Roberts, the HEW Freedom of Information officer.

The nurses had appealed to the office of HEW Secretary Caspar Weinberger after failing to convince Indian Health Service Director Dr. Emery Johnson and deputy director H. V. Chadwick that simple due process of law made it necessary for the Indian Health Service to name their accusers.

Helms said the withholding of the names of the accusers had been "a misuse" of the Freedom of Information Act, and the appeal of the Indian Health Service decision was a proper functioning of the act.

NO JURISDICTION

Helms said that his office does not have jurisdiction over the charges Dr. Haffner filed against the two nurses and that will be handled within the jurisdiction of others."

Representative Edward Mezvinsky (Dem., Ia.), one of the congressmen who had complained about the withholding of information from the girls, said he wished "to commend" Helms on the decision.

"It is in keeping with the way a Freedom of Information Act should be operated," Mezvinsky said. "It was inexcusable that the Indian Health Service and the Freedom of Information officer were using that law to justify withholding information."

"SHOULD DISMISS CHARGE"

"Unless there is more to this than the Indian Health Service has produced, they should dismiss the charges, reinstate the nurses, and take some type of disciplinary action against those responsible for unconscionable intimidation," Mezvinsky said.

"There are laws on the books intended to prohibit such intimidation of government employes who are simply doing their job."

DEPARTMENT OF HEALTH, EDUCATION,
AND WELFARE, PUBLIC HEALTH
SERVICE,

January 27, 1975.

MEMORANDUM

To: Fred Townsend, M.D.
From: Service Unit Director.

On January 24, 1975 you involved yourself in personnel matters of this Service Unit You publicly stated that two nurses whose employment had been terminated for disruption of operations of the hospital should be retained. To clarify your position in this matter, I ask the following questions:

1. Is it acceptable for a registered nurse to leave a body in a sitting position for several hours until rigor mortis sets in?

2. Is it acceptable for a registered nurse to lie?

3. Why did you turn a Primary Care Conference held on January 23, 1975, into a forum to attack nursing supervisors in this hospital?

4. Why did you sign a sick leave excuse during the month of December for one of the nurses involved when there was no objective evidence that she was in fact ill?

I want your response to these questions within 48 hours.

LUVERNE A. HUSEN, M.D.,
Service Unit Director.

APRIL 30, 1975.

Please forgive me for being so tardy with the letter we discussed in our phone conversation, but I wanted very much to enclose a few remarks about my view of the situation beyond that immediately surrounding Miss Valerie Koster, R.N. Regarding the letter itself, I was surprised and somewhat offended at its tone. Dr. Husen and I have always been on good terms and remain so to this day. Question #3 involves a conference the minutes of which are on file in Dr. Husen's office and which show the charges suggested in the letter are false. Question #4 suggests an improper motive for an action based on my clinical impression—an impression frequently formed by many physicians without "objective evidence." I can't understand how Dr. Husen could ask such a question. There has been no further discussion of this matter between Dr. Husen and myself since he received my reply on 1/27/75.

The personal relationship between Misses Koster and Kramer and myself has not been close. I became involved only because it appeared to be an "administrative frame-up" to dispose of vocal critics. A similar incidence had occurred to another RN (Janice Batchelder) in September 1973, and I felt strongly that this was the wrong approach. *Some* of the charges made by the original letter are clearly true. Why is there such an effort made to cover them up? Great strides have been made in the last twenty years in up-grading health care delivery to the Navajo. The I.H.S. has much of which to boast without a doubt. But because the situation was so poor at the beginning, there is still a lot of work remaining to bring the system into equality with non-Indian populations. Why don't we advertise our short-comings and display our need for funds and personnel? Why can't we reward the innovators and original thoughts? For the last 22 months, I have seen little but stifling suppression here.

More people than Misses Koster and Kramer have been involved. Hospital morale is poor. There has been a chronic problem with complaints surrounding a nursing administrator whom many here would like to see replaced. A recent report filed at the Navajo Area I.H.S. Directors Office gives what I consider a very accurate and objective account of the overall situation. A site visit was done by a team from the University of New Mexico headed by William H. Weise, M.D. on 3/5/75. Please obtain a copy of his report and pertinent correspondence concerning it from Dr. V. Alton Dohner, M.D., the assistant director of the N.A.I.H.S. at Window Rock, Arizona.

The situation is complex for an outsider to understand and yet, difficult for the insider to see objectively. There are traces of resentment by the Navajo toward white supervisors and signs of overlooking substandard performance because one "can't suspect more from the uneducated Navajo." Working conditions are poor with the whole place at times looking like a county hospital emergency room. A few nurses rushing between seriously ill patients and every nurse I know on the staff has made medication errors. It's a wonder we haven't killed someone. Complaints are received by administrators with a nod of the head and some irrelevant remark about "I remember when. . . . " Nothing positive is ever done to relieve the staffing problem in the nursing units or to respond to criticism of nursing administration. . . . I hope you have read sympathetically this letter and feel a little of the fire and frustration I have felt. Will you help our bureaucratic government respond to their human need?

Most sincerely,
FREDERICK A. TOWNSEND, M.D.

JEOPARDY ASSESSMENT—THE NEED FOR REVIEW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, the American people are now entering into the celebration of the 200th anniversary of the Nation's rebellion against a tyrannical and despotic king. As a result of that revolution, the American people adopted a Bill of Rights to protect themselves from any future abuse of power by the central government. Among the articles in the Bill of Rights are the fourth and fifth amendments to the Constitution which read, in part:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation. . . .
>
> No person . . . shall be deprived of life, liberty, or property, without due process of law . . .

Despite these nearly 200-year-old rights, there is an agency of the Federal Government which has the power to seize property—even the wristwatch off a citizen's hand—without a warrant, without a court order, without due process of law. This power was given to the Nation's tax collectors during the Civil War and reaffirmed in the Revenue Acts of the 1920's. While the power is seldom used—perhaps 500 times a year—it is a club in hands of the IRS that is often used as a threat against the citizen.

As we approach the 200th anniversary of the American Revolution against improper and despotic government, I urge that we reconsider this power of tax seizure.

WHAT IS JEOPARDY ASSESSMENT?

The sudden enforced collection of delinquent taxes by the IRS is known as jeopardy assessment. In theory, this awesome power to levy and seize personal assets without the need for a court order or judicial review is required only as a final weapon against those who design to escape or flee from payment of their tax and thus "jeopardize" the collection of the Government's revenue.

It is true that in some cases, the regular assessment procedures may be too slow to protect the Government's ability to collect duly owed revenue. It is also true, however, that there is a terrible potential for abuse in the present method of imposing jeopardy assessments.

Mr. Speaker, I believe that there are cases in which the jeopardy assessment power is being abused. Experts have labeled it a "gestapo tactic," and a sort of "legalized blackmail." Judge Brown of the fifth circuit court went so far as to say that it was a "weapon with atomic potentialities in the arsenal of the tax gatherer."

I believe that the Congress must take a close look at what jeopardy assessment actually entails and resolve to eliminate the obviously improper procedures it permits.

There is no question that summary assessment is a unique and sweeping power for a Federal agency. As Michael Peale, Jr., a tax lawyer in Pennsylvania pointed out in an article in the May, 1974 issue of Taxes:

> Section 6861 provides that if the Secretary or his delegate "believes" that the assessment or collection of a deficiency in income, estate, or gift taxes, may be jeopardized by delay, he can immediately assess the deficiency. Neither the statute nor the provisions provide any guidelines concerning the basis upon which the Secretary or his delegate must rest his belief.

This view is supported in an article by Michael Gould, a former Special Assistant to the Attorney General, Tax Division, and official of the IRS Office of General Counsel, which appeared in the publication of the 18th Institute on Federal Taxation at New York University:

> The statute does not specify that the Secretary, or his delegate, must make a determination that the collection or the assessment of the tax might be jeopardized nor does it require that the Secretary, or his delegate, give any reason why he believes that the assessment or collection would be jeopardized by delay.

Congress itself is occasionally aware of the magnitude of this provision. In 1953 the Senate Finance Committee report stated—

> Under existing law, if the Bureau of the Internal Revenue believes that ultimate collection of a tax is in danger, it may make a so-called jeopardy assessment. This is an arbitrary assessment designed to get control of available assets of a taxpayer . . .

THE DANGERS OF JEOPARDY ASSESSMENT

The issue today is twofold: It is one of inherent power, and one of potential abuse. Recently, jeopardy assessment has only been used against 450 to 550 taxpayers per year. Large numbers of taxpayers are not directly affected by this collection tool. But there are strong indications that IRS personnel frequently threaten taxpayers with jeopardy assessment. It is absolute power, it is a power that goes to the heads of bureaucrats, and leads to an arrogance of power and a violation of citizen rights throughout the tax system. The existence of this power, whether used frequently or not, tends to corrupt the entire approach of the IRS toward the American taxpayer. It may be a seldom used power, but it is a breach in the wall of rights which the American citizen believes he has and indeed should have under the protection of the Constitution.

Under jeopardy assessment, the IRS has the ability to take possession and control of the entirety of a man's assets. There are presently no structural barriers to prevent wanton assessments and seizures by over-pressured, and as a result, over zealous collection agents. There are no checks and balances to the system. No court of law much determine whether or not the Service does indeed have a case. In this sense, it is a violation of the very types of rights established by the Magna Carta 750 years ago.

The only protection afforded the taxpayer against abuse of the summary assessment procedure is the Service's own policy limitations. The only statement which I can find in Service manuals which deals with limitations, however, is a brief and very innocuous paragraph which reads:

> Jeopardy assessments should be used sparingly and care should be taken to avoid excessive and unreasonable assessments.

Yet, as the Ways and Means Committee's Subcommittee on Internal Revenue Taxation was quick to point out in the 85th Congress:

> A frequent complaint is that jeopardy assessments are being used in specific instances for punitive and not revenue purposes . . . That these instances are not in accordance with the prescribed policy of the national office is not a sufficient answer, when vital rights and dignities of individuals are being violated.

These policy limitations are binding only so long as the IRS chooses to follow them. When we consider that the consequences of a jeopardy assessment almost always result in what the Georgetown Law Journal in 1955 labeled, an "unalterable change of life for the individual," we must come to the realization that we cannot permit this "sovereign stranglehold" to continue.

Two basic issues concerning jeopardy assessments have been presented to the courts. It appears that in many cases summary assessment procedures do not conform with due process and may, in fact, be completely contradictory to the fifth and fourteenth amendments. In a recent case against the IRS, a taxpayer has argued:

> (1) that the summary assessment and seizure procedure necessarily imposes a hardship on the taxpayer,
>
> (2) that because the procedure followed by the Service does not permit a prompt post-seizure hearing following the seizure of a taxpayer's property, the procedure is violative of the requirements of due process; for there exists no compelling governmental interest to justify the long delay . . . (*Phillips* v. *Commissioner of IRS,* 283 U.S. 589, 51 S. Ct. 608, 1931)
>
> (3) the procedure followed by the Service circumvents the procedural safeguards . . . and thus makes it possible for the taxpayers property to be [taken] without due process of law. (*Rambo* v. *U.S.,* 492 F. 2d 1060, 6th Cir., 1974)
>
> (4) the necessity for the taxpayer to endure this tremendous delay between summary assessment . . . and access to a judicial forum to contest the Service's actions renders this procedure violative of the Due Process Clauses of the Fifth and Fourteenth Amendments to the United States Constitution. (*Phillips,* supra)

The IRS claims that the power of jeopardy assessment is essential to the effective administration of the collection of revenue. I am not suggesting that this power be eliminated, rather I believe that judicial review of IRS assessments is in order. Just as law enforcement officials must obtain a search warrant by providing the bench with some sort of substantive proof of need, so the IRS should justify its position.

INEFFECTIVE SAFEGUARDS

The agency asserts that there are presently adequate safeguards to the system. The Congress would be wise to evaluate these safeguards. The taxpayer has four basic options. First, he can post bond with the District Director equal in amount to the assessment. Second, he can attempt to convince the District Director that there is no substantive reason for jeopardy. Third, he can come to some sort of agreement with the Director to insure eventual payment of the deficiency; or finally, he can seek judicial relief.

It would be wise, however, to keep in mind the pertinent statement offered by the article, "Jeopardy Assessment, the Sovereign's Stranglehold" which appeared in the 1967 Georgetown Law Journal:

> Jeopardy assessments are most often levied upon those whose assets allegedly do not cover their liabilities, and they may result in the freezing of assets with the following effect: Real threat to the asset's continued existence, prevention of posting to the asset's contained existence, prevention of posting of the necessary bond, impossibility of adequate defense, and eventual loss of property at a forced sale.

Section 6863 enables the taxpayer to post bond to stay the collection of the assessment. However, this option is an illusory one since a taxpayer has no available funds to post bond if all his assets have been confiscated. No bonsdman will be willing to put forth the necessary moneys, since his collateral would be in serious doubt. All this led a fifth district court to declare in Kimmel against Tomlinson that the right to post bond was "meaningless and actually a mockery."

Section 6861(g) gives the taxpayer the opportunity to call for a conference with the District Director if he feels that the tax is not really in jeopardy. It should be noted that there are no provisions for a formal hearing. Abatement of assessment is an almost impossible task as the taxpayer is asking the man who made the decision in the first place to change his mind. The possibility of a reversal is at best remote. What it boils down to is that the taxpayer must persuade the Director that he was wrong.

Part-payment plans to insure payment of a tax deficiency are frequently worked out in the Director's office. However, they occur solely at the discretion of the Director and thus are, at least, a stop-gap measure. It should be apparent by now that the individual has no remedy to assessment administratively. Can he find judicial relief?

INADEQUATE JUDICIAL PROTECTION

John Wahl, Jr. in the "Assessment and Collection of Federal Income Taxes," 3 Miami Law Quarterly 209, 214 (1949) presents the great need for quick and efficient access to the courts:

> The need for speedy access to a judicial forum is underscored by the fact the assessment in a jeopardy proceeding is a completely arbitrary act performed by the Commissioner of the IRS or his delegate without prior judicial review. The possibility for overassessment is great. Given that this awesome power is reposed in the hands of one man, every opportunity must be made to allow the taxpayer access to a judicial forum as expeditiously as possible. Access is essential both to add regularity to the Commissioner's action and to protect the rights of the taxpayer.

It should be noted that a jeopardy assessed taxpayer who seeks to use the courts will find that he cannot sue to stop assessments since no suit for the purpose of restraining the assessment or collection of any tax shall be maintained in any court. Historically the courts have been loathe to restrain the collection of tax moneys and have refused injunctions to plaintiffs who claimed that assessment was an illegal action—Hannewinkle against Georgetown—or that it was an unconstitutional act—Heywood against City of Buffalo. None of this however has discouraged thousands of Americans from filing suits seeking equitable relief. Indeed the fact that a few injunctions have been accepted by the courts has been attributed to the "tenacity of the American taxpayer." Thus far there has been no regular system of judicial relief available to the individual. Administratively he is stifled. It is exactly this tenuous position that makes the power of jeopardy assessment such a monumental one. In the ultimate question of the rights of the individual versus the rights of the Government's agencies, the individual had so far lost.

We must resolve to change this flagrant inequity. During the coming weeks, I will discuss several legislative solutions to the major constitutional problems which I have described in this speech. Changes are imperative to protect the rights of individuals while maintaining the efficiency of the tax system.

FREEDOM AND INDEPENDENCE IN SOUTHERN AFRICA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. METCALFE) is recognized for 30 minutes.

Mr. METCALFE. Mr. Speaker, from April 7 to 10, the Organization of African Unity—OAU—held an extraordinary session in Dar es Salaam, Tanzania, in which the participating heads of state and foreign ministers discussed the rapidly changing situation in southern Africa. The recent successes of the national liberation movements in Guinea-Bissau, Mozambique, and Angola, the growing weakness of the illegal government in Rhodesia, and the growing isolation of the Republic of South Africa from its neighbors and from the world, as exemplified by its ouster from the last United Nations General Assembly session, had brought about the need to reevaluate black Africa's posture toward southern Africa. The declaration issued by the OAU at Dar es Salaam is a realistic and restrained statement of black Africa's goals. Those goals are completely consistent with traditional American goals of justice and equality for oppressed peoples and with stated American policy, as enunciated by both the State Department and the White House, toward that area of the world. The OAU's goals are:

An end to the inhuman system of apartheid in South Africa;

An end to South Africa's illegal occupation of Namibia, a halt to South Africa's plans to segment and "Bantustanize" Namibia, and full national independence for Namibia;

An end to the illegal government in Rhodesia and the institution of majority rule in that country.

The black African nations have shown that they are willing to enter into a dialog with the minority-rule governments of southern Africa. Their objective is lasting peace and stability in the area. At a recent state dinner at the White House, the Honorable Dr. Kenneth D. Kaunda, President of Zambia, stated to President Ford and those assembled that:

> We do not want to fight a war to win freedom and full national independence in Southern Africa. Africa wants to achieve these objectives by peaceful means, i.e., through negotiations. Our declaration to give high priority to peaceful methods to resolve the current crisis is a conscious decision. We feel it to be our moral duty to avoid bloodshed where we can. We are determined to fulfill this obligation but not at any price, not at the price of freedom and justice.

Dr. Kaunda's statement shows the OAU's strong desire to achieve freedom and justice in southern Africa through peaceful means. However, his statement also shows that the OAU is determined to meet force with force if, as Dr. Kaunda also stated:

> The road to peaceful change is closed by the stone walls of racial bigotry and force of arms by minority regimes.

In order to insure that the tremendous potential for violent conflict in southern Africa, a potential born of a peoples' desire to throw off the yoke of oppression and racism, is not realized, it is imperative that the United States follow the lead of the OAU and reassess its own policies in southern Africa. It is time for this country to back up its stated desire for peace and equality in the area with positive actions, especially at the United Nations. Among other actions, this country must faithfully abide by the U.N. sanctions against the illegal government in Rhodesia. This country must also press for the implementation of U.N. Security Council Resolution 366, which calls for the Republic of South Africa to withdraw from Namibia. Also, this country must halt actions which provide support for the apartheid government in the Republic of South Africa, and take those positive actions which would facilitate the attainment of full justice for all residents of that country.

The end of hostilities in Indochina has brought about an agonizing, but necessary, reappraisal of U.S. policies and actions, not only in Asia but throughout the world. It is vitally important that Africa is not ignored in such a reappraisal. The growing interdependence of the world economic order dictates that resource-rich Africa not be ignored. Also, the desire to avoid violent conflict in southern Africa dictates that Africa not be ignored. Since Congress has begun to realize that it cannot sit idly by and leave the making of foreign policy exclusively to the executive branch, it is the responsibility of Congress to offer guidance regarding other areas of the world, especially Indochina.

Too often, Congress has acted on foreign policy only when a crisis has occurred. I believe, however, that it is good policy to avoid a crisis before it happens. This is why the United States must work with the OAU and all other nations who are seeking peaceful solutions to the problems of oppression and racism in southern Africa. Therefore, I am introducing a concurrent resolution which expresses the sense of the Congress that the United States endorse the OAU declaration regarding southern Africa and work with that organization in achieving the common goals of peace and freedom in the area. My resolution also calls for complete compliance with the United Nations sanctions against the illegal government in Rhodesia and support for U.N. Security Council Resolution 366.

Mr. Speaker, at this point, I would like to insert into the RECORD the remarks made by Dr. Kaunda at the White House. I am also inserting an editorial from the New York Times of April 25, 1975 regarding Dr. Kaunda's remarks. I believe that Dr. Kaunda's remarks will help clarify for my colleagues what U.S. policy toward southern Africa should be.

The remarks and editorial follow:

REMARKS MADE BY HIS EXCELLENCY DR. KENNETH D. KAUNDA

I first want to express my deep appreciation and gratitude for inviting me to visit Washington D.C. I also thank you, the Government and the people of the United States for their warm welcome and kind hospitality given to my wife and I and the entire Zambian delegation.

We are happy to be in Washington, D.C. It is a very brief visit, but since we come for specific objectives, it is not the duration that matters, but the results. So far, we have done a lot. We find we have a lot in common on vital issues affecting mankind. Our discussions have been characterized by a spirit of frankness and cordiality. This spirit coupled by the definition of areas of urgent action should move the U.S. and Africa closer towards the attainment of our common objectives.

We come to America with a clear purpose. We simply want to be understood. We seek American understanding of Africa's objectives and America's fullest support in the attainment of these objectives.

The relations between Zambia and the U.S. cause me no concern because they are cordial although there is room for improvement through more sound co-operation.

What gives Zambia and Africa great cause for concern is America's policy toward Africa or is it the lack of it—which, of course, can mean the same thing. For I have been told of U.N. tricks in which an abstention in a vote can be a vote for or against. A no-policy position may not be a neutral position, indicative of passive posture, but a deliberate act of policy to support the status quo or to influence events in one direction or the other at a particular time. We have in recent years been most anxious about the nature and degree of the United States participation in building conditions for genuine peace based on human equity, human dignity, freedom and justice for all particularly in southern Africa.

You will forgive us, Mr. President, for our candour if we reaffirmed, on this occasion, our dismay at the fact that America has not fulfilled our expectations.

Our dismay arises from a number of factors. We are agreed that peace is central to all human endeavours. Our struggle for independence was designed to build peace, and, thank God, our people have enjoyed internal peace. We are agreed that we must help strengthen peace wherever it is threatened.

There has been no peace in southern Africa for a very long time even if there was no war as such. The absence of war does not necessarily mean peace. Peace is something much deeper than that. The threat of escalation of violence is now real. It is our duty to avoid such an escalation. We want to build peace in place of violence, racial harmony in place of disharmony, prosperity in place of economic stagnation, security in place of insecurity now digging every family everyday.

To build genuine peace in southern Africa, we must recognise with honesty the *root causes* of the existing conflict.

First: Colonialism in Rhodesia and Namibia. The existence of a rebel regime in Rhodesia has since compounded that problem.

Second: Apartheid and racial domination in South Africa. Over the last few years, a number of catalytic factors have given strength to these forces of evil. External economic and strategic interests have nourished colonial and apartheid regimes.

Realism and moral conscience dictate that those who believe in peace must join hands in promoting conditions for peace. We cannot declare our commitment to peace and yet strengthen forces which stand in the way to the attainment of that peace.

The era of colonialism has ended. Apartheid cannot endure the test of time. Our obligation is that these evil systems end peacefully. To achieve our aim, we need America's total commitment to action consistent with that aim.

So far, American policy let alone action has been low keyed. This has given psychological comfort to the forces of evil.

We become even more dismayed when the current posture of America towards Africa is set against the background of her historic performance in late 50's and early 60's. We cannot but recall:

America that did not wait for and march in step with colonial powers, but rather boldly marched ahead with the colonial people in their struggle to fulfill their aspirations.

An America undaunted by the strong forces of reaction against the wind of change, whose nationals helped teach the colonial settlers about the evils of racial discrimination.

An America whose Assistant Secretary for Africa Affairs "Soapy" Williams, could be slapped in the face by a white reactionary on our soil and yet, undaunted still smile, still stand by American principles of freedom, justice and national independence based on majority rule. Yes, the reactionaries hated Americans for "spoiling the natives," for helping to dismantle colonialism.

What has happened to that America? Have the principles changed? the aspirations of the oppressed have not changed. In desperation their anger has exploded their patience. Their resolve to fight if peaceful negotiations are impossible is borne out by history. So their struggle has now received the baptism of fire, victories in Mozambique and Angola have given them added inspiration. Africa has no reason not to support the liberation movements.

Can America still end only with declaration of support for the principles of freedom and racila justice? This will not be enough, Southern Africa is poised for a dangerous armed conflict. Peace is at stake. The conflict with disastrous consequences can be averted but there is not much time. Urgent action is required.

At this time, America cannot realistically wait and see what administering powers will do or to pledge to support their efforts when none are in plan. America must heed the call of the oppressed. America, once an apostle in decolonisation, must not be a mere discipline of those which promise but never perform and thus give strength to evils of colonialism and apartheid.

If we want peace we must end the era of inertia—in Rhodesia and Namibia and vigorously work for ending apartheid. America must now be in the vanguard of democratic revolution in southern Africa. This is not the first time we make this appeal. It is Africa's constant plea.

Now Africa has taken an unequivocal stand on decolonisation. We do not want to fight a war to win freedom and full national independence in southern Africa. Africa wants to achieve these objectives by peaceful means, i.e. through negotiations. Our declaration to give high priority to peaceful methods to resolve the current crisis is a conscious decision. We feel it to be our moral duty to avoid bloodshed where we can. We are determined to fulfill this obligation but not at any price, not at the price of freedom and justice. No.

Africa has made it clear that if the road to peaceful change is closed by the stone walls of racial bigotry and force of arms by minority regimes then we are equally duty-bound to take the inescapable alternative. The oppressed people have a right to answer force with force and Africa and all her friends in the world will support them. Liberation movements fought fascist Portugal. We supported them. They won. Now we must turn to Rhodesia and Namibia.

Can America stand and be counted in implementing the Dar-es-Salaam strategy adopted by Africa. In Dar-es-Salaam early this month Africa reaffirmed its commitment to a peaceful solution to the crisis in southern Africa as a first priority. Our strategy opens even new doors to peaceful change if those caught up in the crisis seek honourable exit. Here is a chance in a century to achieve peace based on human equality and human dignity without further violence.

We call upon America to support our efforts in achieving majority rule in Rhodesia and Namibia immediately, and the ending of apartheid in South Africa. If we are committed to peace, then let us join hands in building peace by removing factors underlying the current crisis.

If the oppressed peoples fail to achieve these noble ends by peaceful means we call upon America, not to give any support to the oppressors. Even now we call upon America to desist from direct and indirect support to minority regimes. For this puts America in direct conflict with the interests of Africa i.e. peace, deeply rooted in human dignity and equality and freedom without discrimination.

We have recently demonstrated our readiness to make peaceful change possible in Mozambique and Angola. We are equally committed to assist the oppressed if they should convince us that the road to peaceful change is closed and armed struggle is the only alternative.

The rebels in Rhodesia, assisted by South African troops have committed some of the worst atrocities on the continent. Africa cannot allow them to continue and we urge America not to allow them to continue. Victory for the majority is a matter of time. Let us, therefore, make it as painless as possible to those who have dominated their fellowmen for years.

Mr. President, we wish America to understand our aims and objectives. We are not fighting whites, we are fighting an evil and brutal system. On this there must be no compromise. America should also understand our strategy. We want to achieve our objectives by peaceful methods first and foremost. Africa is ready to try this approach with patience and exhaust all possible tactics. For peace is too precious for all of us, but our patience and the patience of the oppressed has its limits.

Mr. President, we are here only for a short time. We have no other mission except to take the opportunity of the visit to put Africa's stand. We want to avoid confrontation, but let us not be pushed into it.

Once again on behalf of my wife and my compatriots and indeed on my own behalf I thank you for this warm welcome and hospitality. This is indeed a memorable visit, memorable because it has been fruitful and it coincides with the launching, only yesterday, of your bicentenary celebrations. We congratulate the people of the United States for their anti-colonialist struggle of their founding fathers.

Finally, I take the opportunity of inviting you, Mr. President and Mrs. Ford, to pay a visit to Zambia. We will be happy to receive you in our country at anytime convenient to you.

I now invite you ladies and gentlemen to join me and my wife in this toast:

To the President and Mrs. Ford.

[From the New York Times, Apr. 25, 1975]

WARNING OF RACIAL WAR

President Kenneth Kaunda of Zambia used an unusual vehicle—a toast to President Ford at a state dinner in the White House, which is excerpted on the opposite page—to underscore the message he had brought to Washington in behalf of black Africa; racial war lies ahead in southern Africa and the United States must exert itself positively and energetically to help avert such a catastrophe.

It is clear that Dr. Kaunda, customarily one of the most polite and considerate of statesmen, resorted to this unorthodox approach becaues he felt the need to give a desperate urgency to his efforts to drive home to his hosts the dimensions and implications of the southern African crisis. There had been few indications prior to his visit that the Administration was lending any serious consideration to the question.

Government officials insist that the United States commitment to self-determination and majority rule in Rhodesia and Namibia (South-West Africa) and its abhorrence of apartheid in South Africa remain clear and undiluted. But black Africans believe they see ample evidence that Washington in recent years has moved deliberately into what Dr. Kaunda called a "no-policy position," the effect of which is to bolster white rule in southern Africa.

At the end of his visit, Dr. Kaunda said he had been "encouraged" by his talks with Mr. Ford and Secretary Kissinger and expressed hope that "what we have agreed upon will be supported by the American public." If the Zambian leader has even nudged the Administration into an overdue review of policy at a time of profound change in southern Africa, his visit will have been worthwhile.

When he defended the controversial choice of Nathaniel Davis to be Assistant Secretary of State for African Affairs in February, Mr. Kissinger told African governments that Mr. Davis had been selected "in order to give new impetus and inspiration to our African policy." That was what Dr. Kaunda was still asking for during his Washington visit.

HOME HEALTH CARE—PART XII

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 30 minutes.

Mr. KOCH. Mr. Speaker, together with 84 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen of the Senate of the Senate Subcommittee on Long-Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements by myself and others commenting on the legislation in the Record several times a week. Today, I am submitting for the Record the text of a statement I made on April 11, 1975, before the New York State Assembly Committee on Health on the subject of home health care and the National Home Health Care Act of 1975.

This is the 12th statement in the series:

Statement of Representative Edward I. Koch Before New York State Assembly Committee on Health, April 11, 1975

Mr. Chairman, I am most appreciative of your invitation to appear before the Health Committee today as it directs its attention to issues in the delivery of Home Health Care to the elderly and disabled. Important as the investigations of the Senate Subcommittee on Long Term Care, the Moreland Commission, and the Special Prosecutor, to name only a few, are in documenting corruption, incompetence and deficiencies in nursing home care, a parallel area deserves equal if not greater attention: alternatives to existing programs of long term care in our state and nation. In that respect, the importance of your inquiry here today cannot be understated. If it is unrealistic to expect self regulation by the nursing home industry, I believe it is also unrealistic to expect alternative forms of care to emerge without active intervention by federal, state and local governments. I commend the Committee for its prescience in launching this study into the home health care delivery concept. I believe it represents the future of health care for the elderly and disabled of our nation.

Care of the elderly and disabled in our country has correctly been termed "a failure in public policy." The federal commitment to long term institutional care amounts to more than 50% of the nation's $7.5 Billion nursing home bill. Yet, thousands of senior citizens do not receive the care they need; thousands others are in facilities inappropriate to their needs; and countless others suffer the traumas of institutionalization because viable alternatives are non-existent. The bill of particulars against federal health policy is a long one; let me illustrate only a few of the major weaknesses in our policy and program.

An H.E.W. study estimates that between 14%–24% of the nation's 1,070,000 nursing home patients are "unnecessarily maintained" in institutions for lack of alternative means of care. The great paradox is that social welfare programs pay too little per month to enable the elderly to remain at home—a national average of $310.00 a month under social security for a retired couple—but will readily pay the $15,000 to $20,000 per year, or $1,500 per month or $50.00 per day it costs to place *one* person in a nursing home. In too many cases such care whether long term or short term cannot be medically justified.

Medicaid and Medicare expenditures for nursing home care have grown at an astronomical rate. So too, not surprisingly, has the size of the nursing home industry: the number of facilities, size of staff and patient population. Both growth rates have been insensitive to cost effectiveness, criteria for determining the need for institutionalization and control. Nationally, between 1960 and 1970, nursing home facilities increased by 140%, beds by 232%, patients by 210%, employees by 405% and expenditures for care by 464%. Measured from 1960–1970, total expenditures increased about 1,400%. New York State has not escaped either boom. An estimated $1.4 billion has been invested in construction of proprietary facilities with 40,000 beds, 100% of it reimbursable by federal, state and local governments. The predictable has resulted: the availability of beds now exceeds demand. The Federation of Jewish Philanthropies estimates that New York State has an ample supply of nursing home beds to satisfy the demand (even at current inflated utilization rates) for the next 15 years.

This misallocation of resources by federal and state policies is further compounded by a kind of Gresham's law in which high skill-high cost services drive out lower skill-less costly ones in our system of health care for the elderly. Medicaid and Medicare spend over $20 billion of public funds annually, 67% of which goes for doctor's bills, drugs and hospital treatments. 32% of the funds pay for nursing home care. Only .3% is devoted to the primary alternative system of care: home health care.

Home Health Care, the provision of medical, social and other supportive services to persons in their homes through community based programs, cannot represent a viable alternative to long term institutional care until this misallocation of resources is corrected. This redirection in policy and reallocation of resources is best accomplished through federal legislation. Hence, I have introduced the Home Health Care Act of 1975 (HR4772). Over 70 Members of Congress have joined me on the bill, including Senators Moss and Scott.

My bill eliminates provisions in the Medicaid and Medicare laws which restrict the benefits a patient may receive at home and introduces a long overdue element of consumer choice. It provides the option—under Medicaid or Medicare—of home health care and correlative services, visits by physicians, nurses and para-professionals; assistance with household tasks, shopping, walking; and transportation to doctor's visits, senior citizen's centers and nutrition centers. In addition, the legislation authorizes subsidies for rent payment or private home costs, especially in cases where the recipient might otherwise have to be institutionalized.

The legislation contains a number of other important provisions. I want to draw attention to them because I believe they are suggestive of the direction New York State should move in making home health care a fully reimbursable complement of Medicaid.

Allows Medicaid and Medicare payments to hospitals and nursing homes for providing home health care—in addition to expanding the range of reimbursable home health and correlative services offered by traditional home health providers.

Increases from 100 to 200 per spell of illness, the number of home health visits following hospitalization which are covered under Part A of Medicare and eliminates altogether the present limit (100 per calendar year) on the number of additional home health care visits which are covered under Part B. The number of home health care visits covered under Medicaid is left up to the State involved, as it is under present law; but the coverage of at least *some* home health care visits is made mandatory for the first time.

Requires an initial and then at least two times each year, review of the need for and level of an individual's home health care by a flexible three member panel of health care providers: among them social workers, nurses, physicians and psychoanalysts. If the panel determines that home health care or nursing home care has been rendered without justification, it may recommend on behalf of the Secretary of H.E.W. that a physician's eligibility for Medicaid and Medicare reimbursement be suspended.

Establishes a home health care ombudsman in the Department of Health, Education and Welfare with responsibility for program oversight including receiving, handling and expediting the resolution of complaints of home health patients.

Permits additional home health services to patients—whose cost is reimbursable—such as physical therapy, nutritional guidance, family and personal counseling, as well as necessary medical equipment including hospital beds, wheelchairs etc.

Insures that no individual under Medicaid or Medicare receives more home health care benefits than he or she would have if they were institutionalized.

Requires the adult child of a person receiving nursing home or home health care to make a contribution toward the cost of the beneficiary's care to the extent of 5% of their child's taxable income. This means that a family of four with an income of $15,000 using the standard deduction would pay $500 . . . 5% of their $10,000 in taxable income. An individual with taxable income of less than $7,000 and a family less than $9,000 would pay less than 5% with low income persons paying nothing at all. The delivery of home health care is in no way conditional on the payment of the children; nor can the contribution exceed the cost of care.

Just as parents have certain responsibilities for the care of their children, as legislated last year under the social service amendments, I believe that this obligation also extends from an adult to his or her elderly or diasabled parent. It is a responsibility I believe public policy should encourage, but, because I also realize that this section will cause controversy and because the goal of aiding home health care is too important to delay another year, I have introduced an alternate version of the bill which deletes this provision, but which is otherwise identical with the bill I have outlined above.

The implementation of a national home health care program will impose new requirements for trained personnel with a variety of skill levels on both the public and private sector. In anticipation of these needs, I have introduced a package of companion bills which would: Offer grants to medical schools establishing departments of geriatrics and continuing education programs in geriatrics for physicians (H.R. 4777 and H.R. 4778); provide inservice-training for nursing home personnel (H.R. 4776); provide grants to colleges and universities to assist them in training nurse practicioners (H.R. 4779); provide funds for the training of veterans with paramedical experience as medical assistants in nursing homes and home health care programs (H.R. 4780).

Much of the interest in home health care as an alternative to nursing homes stems from its cost saving features. To maintain persons in non-institutional community setting will cost the government far less per patient than institutionalization does now. Reports by the G.A.O., the Senate Select Committee on Aging and a number of academic and profesional researchers demonstrate that the typical home health care program will cost between $180 and $600 per month. The aggregate cost will depend on controllable cost variables including: the complexity and intensity of services; case turnover and caseload; costs of administration, supervision and overhead. To my knowledge, only one state has had extensive experience testing community based alternatives to nursing homes: Massachusetts. Accepting as reliable Massachusett's estimates of the per case cost of home health agencies and the percentage of nursing home patients who can live in their own homes with supportive services, the aggregate cost breaks down as follows: For the 10,000 nursing home patients in Massachusetts who are assumed to be capable of home based care—a total cost of $19,200,000 annually . . . compared to the estimated $40,000,000 cost of nursing home care for the same population.

There are more compelling reasons, however, for the adoption of a public policy which supports community living over institutional living than financial considerations and cost savings. The process of aging is not only biological, it is also sociogenic. We too often limit our response to the debilities of growing old to medical therapy alone, neglecting the sensitivities of the elderly and the disabled: their associations with neighbors and family, their roots in a community, their pastimes. These are sensitivities, I might add, that when ignored can often be a greater factor in biological decline than disease itself. In this respect, I firmly believe that competent home health care may be more prolonging of live, conducive to rehabilitation and return to productive social roles than institutionalization. In a more fundamental sense, I believe that the maintenance of the elderly and disabled in non-institutional community settings is more consistent with the privacy, dignity and peace of mind to which they are entitled, than institutional care can ever be.

HUMANITARIAN FUNDS SHOULD BE ADMINISTERED WISELY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, direct U.S. involvement in Vietnam and Cambodia is over, but our obligation to the people of those war torn nations is not.

In the past, I have expressed my support for humanitarian assistance for the victims of the war and its destruction. I feel very strongly that we should help the Vietnamese and Cambodian people who are in distress—both those who chose to remain in their homelands and those who chose to flee to other countries.

At the same time, however, I also believe that we must insure that the money appropriated for humanitarian and refugee assistance is administered wisely and is spent for the proper purposes. It is for this reason that I have proposed that humanitarian assistance for those in need in Vietnam and Cambodia be channeled solely through international organizations and private relief organizations. It is also for this reason that I urge close congressional supervision of refugee resettlement assistance.

President Ford has asked Congress to provide $507 million—over $14,000 per family—in assistance for Vietnamese and Cambodian refugees. This figure is in addition to the $98 million already obligated which has been diverted for Indochina refugee assistance. The bills already introduced, and currently under consideration in the Senate and House Judiciary Committees, both contain open-ended authorization for the President's refugee resettlement program. I agree with the aim of this program, but I am very concerned about the approach to its implementation. I believe that resettlement aid should be provided. However, I do not believe that we should rush headlong into this venture. Instead, we should examine each item on the basis of its individual merits, and proceed to implement the resettlement assistance program in a rational, businesslike manner, The lack of planning and foresight which characterized our whole Indochina adventure, by both Democratic and Republican administrations, from start to finish, must not be repeated.

I am thus introducing legislation that would provide $127 million, one quarter of President Ford's request, for refugee assistance for 3 months. At the end of a period of 60 days following the date of enactment of the act, the President would be required to come to Congress to explain and justify his resettlement program. He would have to show how the administration is spending the resettlement assistance funds and indicate how much more they need and exactly why they need it. The Congress would then have 30 days to consider and act upon the administration's request for additional resettlement funds before the initial 90-day authorization period elapsed.

The bill also stipulates the purposes for which the refugee settlement assistance funds may be expended. These purposes include all the general categories requested by the President, except for reimbursement to the Department of Defense for the cost of evacuating refugees from Vietnam and Cambodia.

It also provides that funds be made available for transportation for Vietnamese and Cambodian refugees who voluntarily choose to return to their homeland.

Finally, the bill imposes a 1-year moratorium on the hiring of refugees who participated in the Operation Phoenix program by any intelligence agency of the U.S. Government or by the Department of Defense.

I propose this legislation to aid Vietnamese and Cambodian refugees as one who long opposed U.S. intervention in the Indochina conflict. In my view, our whole Indochina policy was bankrupt from the start and, in fact, was based on false historical premises.

Nevertheless, the wisdom of our long and painful involvement in Vietnam is not the issue here. The issue today is the tens of thousands of refugees who are in need of assistance. Denying help to these individuals will not make them or their problems disappear. Steamrolling through an open-ended authorization for a long term and loosely defined refugee resettlement assistance program based on hastily prepared statistics is not the answer either. I urge that the administration work with the Congress in structuring the substance and scope of a meaningful and responsible resettlement assistance program. The legislation I am introducing today is designed to serve that end.

The text of the bill follows:

H.R. 6849

A bill to provide resettlement assistance for Vietnamese and Cambodian refugees, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as, "The Vietnam and Cambodia Refugee Resettlement Assistant Act."

SEC. 2. For the purposes of this Act the term "refugee" shall be defined by section 2(b) (3) of the Migration and Refugee Assistance Act of 1962, as amended.

SEC. 3. There is authorized to be appropriated $127,000,000 for a period of no more than ninety days for assistance to refugees from Vietnam and Cambodia for the following purposes:

(a) for the construction and maintenance of refugee staging areas and processing facilities;

(b) for the processing and care of refugees, including food, medical care, clothing and shelter;

(c) for resettlement costs of volunteer agencies;

(d) for social services, welfare, medicaid, education, and public health;

(e) for transportation to third countries of refugees who desire and need such assistance;

(f) for transportation to Vietnam and Cambodia of refugees who wish to return to their homeland.

SEC. 4(a). At the end of a period of sixty days following the date of enactment of this Act, the President shall report to the appropriate committees of Congress regarding the specific uses of the funds authorized by this Act, the need for additional funds should he deem such funds necessary, and the specific purposes for which such additional funds are requested;

(b) At the end of the time period specified in Sec. 4(a) of this Act, the President shall submit a report to the appropriate committees of Congress containing all pertinent data regarding the occupations and backgrounds of the refugees;

(c) Prior to the expiration of the time period specified in Sec. 3 of this Act, the Congress shall consider the amount of additional funds to be used for the purposes of this Act, and the duration of time in which such additional funds may be expended.

SEC. 5(a). Upon the enactment of this Act, there shall be a one year moratorium on all hiring of refugees from Vietnam who participated in the Operation Phoenix Program by any intelligence agency of the United States Government or by the Department of Defense.

(b) In addition to the information required by Sec. 4(b), the President shall submit a report to the appropriate committees of Congress containing all pertinent information relative to the refugees from Vietnam who participated in the Operation Phoenix Program.

IRISH IMMIGRATION URGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I rise today in hopes of successfully completing a process begun 3 years ago by this House to end discriminatory treatment against men, women, and children from the Republic of Ireland who wish to immigrate to the United States, but who are prevented from doing so because of what I am sure is an unintentional consequence of the Immigration Act of 1965.

This House recognized in 1972 that the labor certification provisions of the 1965 act prevented not only Irish citizens, but also English, German, and Scandinavian people from leaving their homelands to seek a new life in the United States. Unfortunately, the Senate failed to follow our lead, and the law remains today what it was then—a highly discriminatory act blocking thousands of people from the lands of our forefathers from joining us on this side of the Atlantic.

In view of the utterly unrestricted immigration presently being allowed, because of the press of recent events, Mr. Speaker, I am sure that we will agree that there no longer exists any justification for continuing the restrictive practices which have discriminated against thousands of Irish and other peoples for the past decade.

While no one in this House wishes anything but well for the thousands of unfortunate Vietnamese now flowing into our land, I think that many of us have and will continue to hold severe reservations about the advisability of not screening these unfortunate people carefuly to insure that true undesirables, real criminals, are not allowed in under a cloak of genuine sympathy for their innocent fellows, who are the true victims of this war.

But, Mr. Speaker, no one has ever suggested that questions of moral propriety exist in the cast of Ireland. Indeed, the currently imposed job skill criteria flies in the face of our national experience, which has been based on allowing in willing hands regardless of skills. Ours is still the land of opportunity, and to suggest that a would-be Irish immigrant does not fit some particular job classification is both contradictory to our national experience, and truly self-defeating.

Accordingly, I am today sponsoring an amendment to the Immigration Act of 1965 dealing specifically with Ireland, a land where so many Americans have their roots, and which would immediately authorize 2,000 emergency immigrant visas for the Republic of Ireland. This is necessary because the 1965 law has virtually shut-off Irish immigration except by a very few, fortunate, elite.

I know that this House will again urge upon our colleagues in the Senate that we jointly act to open the door for fuller immigration from the land which has provided children whose record is as bright as any in America.

From the mass migrations of the 1840's—also conducted without reservations on job skills and other arbitrary limitations, I should add—our Nation was enriched by the addition of men and women who became outstanding leaders on both sides of the Civil War, who became leaders of science and industry, and who in the last few years have sent distinguished Sons of Ireland to grace the White House, and the pinnacles of leadership in this House.

Irish-Americans have set a citizenship second to none in our Nation, Mr. Speaker, and I respectfully urge my colleagues today to once again move to rectify the discriminatory provisions of the Immigration Act of 1965. I have twice visited Ireland myself, and I know that when there, I am among brothers and sisters—mothers and fathers—to us. Let us open our doors to these people as they should be opened.

Thank you, Mr. Speaker. I now introduce a bill to provide two-thousand special immigration visas to nationals of the Republic of Ireland.

OVERBOOKING AIRLINE FLIGHTS: A COMMON-LAW FRAUD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, the appeals court decision upholding the right of airlines to "bump" passengers holding confirmed reservations would seem to sanction what can most charitably be described as a form of common-law fraud.

Here on Capitol Hill we are all familiar with the split-second, computer-based communications used by the airlines to assure us that our seat will, in fact, be waiting when we buy a ticket.

Resourceful use of computer technology should enable the airlines to warn their customers of the possibility that a flight might be overbooked. I understand that some airlines already are doing this, through issuance of "special-status" tickets to persons at the head of a waiting list for a given flight.

With advance warning, the passenger would know he might miss the flight, and he would be able to plan accordingly.

Ralph Nader was not so fortunate 3 years ago when he booked an Allegheny Airlines flight from Washington to Hartford. Arriving at National Airport 15 minutes before the flight, with his ticket and confirmed reservation, Nader learned the flight had been oversold and that he would not be allowed to board. He later claimed in court that Allegheny made no effort to determine if there were any standbys on the plane, or other passengers who might be willing to give up their seat for him. Instead, Allegheny placed him on another flight that left an hour later and took him to Boston instead of Hartford, causing him to miss a rally sponsored by a citizens group at Storrs, Conn.

In 1973, a Federal District Court awarded Nader $25,000 in punitive damages plus $10 in actual damages for losses incurred as a result of his having been bumped from the Hartford flight. The Connecticut Action Citizen Group, sponsor of the Storrs rally, also was awarded $25,000.

In overturning this decision last week, the U.S. Court of Appeals said carriers should have the opportunity to make up for the loss of revenues caused by individuals who hold reservations but fail to show up.

I can appreciate the problem caused by the "no shows." But it hardly seems equitable to make passengers who do show up pay for the irresponsibility or selfishness of others.

Incidentally, the airline industry is on the verge of its greatest prosperity ever. Alarmed by the fuel crisis early last year, the major carriers reduced or combined flight schedules at a considerable reduction in operating costs. Most flights today carry passenger loads well above the airline's financial break-even point. Without doubt, an upturn in the economy will mean a significant improvement in their profit picture.

This hardly seems the time, therefore, to permit a great new gap to develop in our protection of the public interest.

Ralph Nader is well known and therefore has been able to attract a lot of attention for his causes—particularly on an occasion when he himself was an aggrieved party.

There are plenty of Americans who are inconvenienced, just as Mr. Nader was. In 1972, 83,000 passengers were bumped. In 1973, the figure was 75,000—hardly a glittering record of service.

No doubt many of these individuals were just as frustrated as Mr. Nader, but few of them would have the motivation or resources to take the carriers to court.

If we let the carriers get away with this—even allow the courts to sanctify the totally inexcusable "bumping" practice—we may ourselves be accomplices in perpetration of a fraud: selling tickets for seats on an airplane that may already be occupied. It does not matter whether there is an intent to defraud, since the end result is the same for the unhappy passenger.

Maybe next, we should legalize those efforts to sell the Brooklyn Bridge.

ALASKA NATIONAL PUBLIC LANDS CONSERVATION ACT INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, yesterday I introduced the "Alaska National Public Lands Conservation Act." Under this bill Alaska will be permitted to serve, as it has in the past, as a provider of natural resources, wildlife, and scenic beauty. At the same time the utilization of certain of Alaska's mineral and energy resources, so much in need at the present time, will be allowed.

Mr. Speaker, when Congress passed the Alaska Native Claims Settlement Act in 1971—ANCSA—Public Law 92-203—many issues vital to the future of Alaska and her citizens were resolved. All aboriginal claims to land in the State were extinguished and a process was set in motion to enable the Alaskan Native people to obtain title to 40 million acres of land and a monetary settlement of close to a billion dollars. The extinguishment of the Native claims allows the State to complete the selection of its 103.5 million acre entitlement under the Alaska Statehood Act. ANCSA also created a joint Federal-State Land Use Planning Commission for Alaska. The Commission has compiled the most comprehensive inventory of resources ever undertaken on a land mass of this size. It has solicited, through extensive hearing, information from the people of Alaska and elsewhere regarding the present and future uses of Alaskan land and resources. The testimony from these hearings, publications, and the specific recommendations submitted by the Commission have been utilized in developing the bill I am introducing today.

Section 17(d)(2) of ANCSA directed the Secretary of the Interior to withdraw up to 80 million acres of land from appropriation under the public land laws and to submit recommendations for its inclusion in the National Forest, Park, Refuge and Wild and Scenic River Systems in the State of Alaska. The Secretary submitted these proposals on December 17, 1973. Congress has, under the terms of ANCSA, up to 5 years to act upon these recommendations. Final environmental impact statements on the Secretary's proposals have recently been released. These statements contain a good deal of information about the resources in the areas covered by the Secretary's proposals and in surrounding lands. I have studied these documents and the Secretary's proposals. I find that I am in agreement with his classifications in some areas, but the classifications in my bill differ from the Secretary's insignificant ways.

Under the Secretary's proposals by far the greater portion of the land would be placed in a single use category, thus prohibiting responsible use and needed development of Alaskan resources in some of our most highly mineralized areas. The current crises in energy and resources have underscored the need to reserve future options in the use of Alaskan resources to a greater extent than the Secretary's proposals would allow.

There is no question that there should be an extensive network of national parks in the State of Alaska, and my bill provides for inclusion of over 15 million acres of land in this system. I have, however, included the majority of the land in multiple use systems in order to allow development of our natural resources as called for by State and national interests. The fact that land is placed in a multiple use category, such as a national forest, does not, of course, mean that the natural beauty of the area or the wildlife resources will be destroyed. Multiple use and sustained yield management concepts permit utilization of available resources in an environmentally sound manner. Although multiple uses are permitted, they are not mandated. Our options, however, are preserved. In making this proposal I have considered the current and, in so far as possible, future needs of our Nation as well as the Secretary's recommendations, public comment, and the Land Use Planning Commission reports.

In addition to my recommendations for categorization of land as national park, wild and scenic river, national forest land, along with existing wildlife refuges, I am proposing four areas to be managed jointly by the Federal Government and the State of Alaska. The management agency, the Alaska Scenic Reserve, would be jointly administered by Federal and State appointees. It would have jurisdiction over areas where the diversity of resources and the variety of existing uses call for a more direct State involvement than is to be had within the existing systems.

NATIONAL PARKS

Alaska is a land of great diversity, high scenic beauty, outstanding wildlife, scenic, historic and archeological interest. Within the National Park System we already have represented much of this beauty—at Mount McKinley the highest peak in the North American Continent; at Glacier Bay National Monument our standing representation of coastal fiords and glaciers; at Katmai National Monument the geologic spectacle of results of a major volcanic eruption in 1914.

To complete the National Park System in Alaska, I propose, and in this my proposal agrees with that of the Secretary, 8.64 million acres of the spectacular Wrangell-St. Elias Mountain Ranges containing an area of what is often referred to as America's mountain kingdom. This area includes the Malaspina Glacier, the largest piedmont glacier on the North American Continent, and other lowland areas suitable for visitor use and interpretation. I have also included 3.24 million acres at Gates of the Arctic, our standing wilderness scenery in the Central Brooks Range; a 1.4 million-acre addition to Mount McKinley Park; the Kobuk sand dunes and possibly the most outstanding archeological area in all of Alaska at Cape Krusenstern. Also included is the Aniakchak Caldera, a unique geological feature on the Alaska Peninsula. These additions to the National Park System totaling 13.93 million acres—greater than the combined size of Maryland and Massachusetts—should preserve for all time representative areas of Alaska of key national interest to all Americans.

NATIONAL FORESTS

The extensive forests of the interior are well represented in this proposal. Included are over 28 million acres in six new national forests and nine small additions to the Chugach National Forest in Southcentral Alaska. The national forests contain a wide variety of resources, principally wildlife, timber, energy sources, minerals, outdoor recreation, water, and some grazing and agricultural potential.

The new proposals are: The Porcupine Forest of 5.5 million acres in east-central Alaska, chiefly valuable for its oil and gas, timber and waterfowl resources; the Fortymile, 4.5 million acres in area, valuable for minerals, tourism, rivers, and recreation; the Wrangell Mountains, 5.5 million acres, combining highly scenic qualities with rich ore bodies, outstanding wildlife and recreation values; the Yukon, 5.4 million acres of timber, wildlife, minerals, and agriculture values; the Kuskokwim, an area of 4.48 million acres with values similar to the Yukon; and Lake Clark, 2.61 million acres valued for recreation, fisheries, wildlife, and minerals. These diverse systems of multiple resources are logical and valuable additions to the National Forest System.

SCENIC RIVERS

Three scenic rivers are proposed: Birch Creek, Beaver Creek, and the Unalakleet River. This 42 miles of primitive waterways and their 500,000 acres of adjacent watersheds would be managed by the Bureau of Land Management for the scenic and recreational enjoyment of present and future generations.

ALASKA SCENIC RESERVE SYSTEM

Finally, in the Federal-State management system, I propose over 22 million acres, 7.59 of which are located in the Noatak River Valley in northwestern Alaska; 1.68 in the Denali area, south of Mount McKinley; and 2 million acres in the Iliamna area, between Cook Inlet and Bristol Bay in southwestern Alaska and 3.76 million acres in the Arctic area to the southwest of the existing Arctic National Wildlife Range. These areas would be managed to meet the needs of local residents who depend on the resources of the area while protecting the National interest in both resource use and environmental quality.

Mr. Speaker, Alaska is renowned as a breeding place for migratory waterfowl and sea birds. Accordingly, I propose four major wildlife areas be included in the Alaskan Scenic Reserve. These areas of key sea bird nesting areas on islands and along the coast. The five waterfowl refuges, contiguous to the existing refuge system in Alaska, along with key wetlands contained in the proposed national parks and national forests, will encompass and protect all of the primary highly productive waterfowl areas on Federal lands in Alaska. These wildlife areas are Yukon Delta, 2.69 million acres; Yukon Flats, 2.21 million acres; Innoka, 1.84 million acres; coastal, 0.7 million acres, and Selawik, 1.70 million acres. These five regions, alone, provide over 7 million ducks and geese to the Nation's flyways.

Mr. Speaker, I ask that this bill be referred to the appropriate committee and hope that it will be given favorable consideration. This bill is based on careful study of the Secretary's recommendations, and, as indicated, public testimony and detailed reports as well as the needs of the State and the Nation. I offer this bill as most truly represenatative of the needs not only of Alaskans, but of all Americans.

Mr. Speaker, I include the text of the bill at this point in the RECORD:

H.R. 6848

A bill to designate certain public lands and waters in the State of Alaska for national conservation purposes and to provide for the benefit, use, and enjoyment by present and future generations of certain public lands containing forested, geological, scenic, historic, scientific, cultural, recreational, and wildlife areas in the State of Alaska, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Alaska National Public Lands Conservation Act".

SEC. 2. It is the purpose of this Act to:

(a) ascertain that Alaska's National Public Lands will be permitted to serve, as they have in the past as a national provider of natural resources, including wildlife, forestry and scenic beauty. At the same time, this Act will assure the future utilization of Alaska's mineral and energy resources. This Act will also insure access, vitally necessary, for the transportation of resources across these vast expanses of Alaska's public lands.

(b) provide designation of major significant areas of public land possessing a variety of resources which can best serve our nation by management under the principles of multiple-use sustained yield practices in an environmentally sound manner as units of the National Forest System.

(c) reserve for the benefit, use and inspiration of present and future generations certain National Public Lands that contain nationally significant natural, scenic, historic, geological scientific, wilderness, cultural, recreational, and wildlife values which will be declared units of the Alaska Scenic Reserve National Park System and National Wild and Scenic Rivers System.

(d) establish an Alaska Scenic Reserve comprised of certain public lands in the State of Alaska and administered by an Alaska Scenic Reserve Service. These lands, administered jointly by Federal and State appointees, are areas containing a diversity of resources and where a variety of existing uses call for a more direct state involvement than is to be had within the existing management systems.

(e) provide for a multimodal transportation and utility corridor system intended for the systematic transport of resources. This network identifies transportation routes for resources which are of national and statewide significance.

TITLE I—ESTABLISHMENT OF ALASKA SCENIC RESERVE

ESTABLISHMENT OF SERVICE

SEC. 101. There is hereby established as an independent establishment in the executive branch the Alaska Scenic Reserve Service (hereinafter in this title referred to as the "Service").

FUNCTIONS OF SERVICE

SEC. 102. The Service shall administer, manage, and protect, in accordance with the provisions of this title and other applicable Federal law, the public lands and waters which are designated as components of the Alaska Scenic Reserve.

ADMINISTRATION OF SERVICE

SEC. 103. (a) The Service shall be administered by two Co-Directors, one to be appointed by the President, by and with the advice and consent of the Senate, and one to be appointed by the Governor of Alaska.

(b) The Co-Directors shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect from time to time for Level V of the Executive Schedule.

(c) The Co-Directors may appoint and fix the pay of such personnel as may be necessary to carry out the functions of the Service and may make such other expenditures and have such powers as may be appropriate.

ALASKA SCENIC RESERVE

SEC. 104. (a) Lands and waters within the Alaska Scenic Reserve shall be used for recreational purposes, timber leasing, and for such other purposes not inconsistent with applicable Federal law, as the Co-Directors shall by regulation prescribe. Such regulations shall provide that activities carried out within any part of the Alaska Scenic Reserve shall further the highest and best use of that part, and shall promote and insure harmony between development of the lands and waters and the recreational and other uses to which such land and waters could be put.

(b) No regulation shall be prescribed under this section unless both Co-Directors concur.

(c) No regulation prescribed under this section shall take effect before the date 30 days after the date on which a public hearing was held with respect to such regulation in the State of Alaska. No such public hearing shall be held before the date 30 days after notice of such hearing has been given through publication in the Federal Register and in the newspaper of general circulation in the area or areas in the vicinity of affected lands.

TITLE II—DESIGNATION OF AREAS

ALASKA SCENIC RESERVE

SEC. 201. (a) Subject to all valid existing rights, the following public lands in the State of Alaska are withdrawn from all forms of entry or application under the public land laws of the United States and shall be established as components of the Alaska Scenic Reserve to be administered by the Alaska Scenic Reserve Service in accordance with title I of this Act:

(1) approximately 2.85 million acres to be known as the Iliamna Reserve, described in subsection (b),

(2) approximately 7.59 million acres to be known as the Noatak Valley Reserve, described in subsection (c),

(3) approximately 1.68 million acres to be known as the Denali Reserve, described in subsection (d), and

(4) approximately 3.76 million acres to be known as the Arctic Reserve, described in subsection (e).

(5) approximately 1.84 million acres described in subsection (b), to be known as the Innoko Reserve,

(6) approximately 1.70 million acres described in subsection (c), to be known as the Selawik Wildlife Reserve,

(7) approximately 2.64 million acres, described in subsection (d), to be known as the Yukon Delta Reserve,

(8) approximately 2.21 million acres described in subsection (e), to be known as the Yukon Flats Reserve, and

(9) approximately .07 million acres described in subsection (f), to be known as the Coastal National Reserve.

A map of each such Reserve shall be on file and available for public inspection in the offices of the Alaska Scenic Reserve Service, and as soon as practicable after the date of enactment of this Act, such map and a legal description of each such Reserve shall be filed with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act. Correction of any clerical or typographical errors in such map and description may be made.

(b) The Iliamna Reserve referred to in subsection (a)(1) includes lands described as follows:

Beginning at the southeast corner of T. 13 S., R. 33 W., Seward Base and Meridian; thence westerly to the east line of T. 14 S., R. 35 W.; thence southerly to the south line of T. 14 S., R. 35 W.; thence westerly to the east line of T 15 S., R. 43 W.; thence southerly to the south line of T. 15 S., R. 43 W.; thence westerly to the west line of T. 15 S., R. 43 W.; thence southerly to the south line of T. 16 S., R. 44 W.; thence easterly to the east shore line of Kvichak Bay thence northerly, westerly, and southerly along the mean high tide line to a point of intersection with the west line of T. 16 S., R. 54 W., thence northerly to the north line of T. 13 S., R. 54 W., thence easterly to the west line of T. 12 S., R. 53 W.; thence northerly to the north line of T. 5 S., R. 53 W.; thence easterly to the west line of T. 4 S., R. 52 W.; thence northerly to the north line of T. 4 S., R. 52 W.; thence easterly to the west line of T. 3 S., R. 50 W.; thence northerly to the north line of T. 1 S., R. 50 W.; thence easterly to the east line of T. 1 S., R. 45 W.; thence southerly to the north line of R. 5 S., R. 45 W.; thence westerly to the west line of T. 4 S., R. 39 W.; thence northerly to the north line of T. 4 S., R. 39 W.; thence easterly to the west line of T. 3 S., R. 38 W.; thence northerly to the north line of T. 1 S., R. 38 W.; thence easterly to the west line of T. 1 N., R. 36 W.; thence northerly to the north line of T. 4 N., R. 36 W.; thence easterly to the east line of T. 4 N., R. 36 W.; thence southerly to the north line of T. 1 N., R. 35 W.; thence easterly to the east line of T. 1 N., R. 30 W.; thence southerly to the north line of T. 2 S., R. 29 W.; thence easterly to the east line of T. 2 S., R. 26 W.; thence southerly to the south line of T. 4 S., R. 26 W.; thence westerly to the east line of T. 5 S., R. 27 W.; thence southerly to the south line of T. 6 S., R. 27 W.; thence westerly to the east line of T. 7 S., R. 30 W.; thence southerly to the south line of T. 8 S., R. 30 W.; thence westerly to the east line of T. 9 S., R. 31 W.; thence southerly to the south line of T. 12 S., R. 31 W.; thence westerly to the east line of T. 13 S., R. 33 W.; thence southerly to the point of beginning; excluding all valid existing rights and future rights or claims authorized under law.

(c) The Noatak Valley Reserve referred to in subsection (a) (2) includes lands described as follows:

Beginning at the southeast corner of T. 29 U., R. 13 E., Kateel River Base and Meridian; thence westerly to the east line of T. 28 N., R. 12 E.; thence southerly to the south line of T. 28 N., R. 12 E.; thence westerly to the east line of T. 27 N., R. 10 E.; thence southerly to the south line of T. 27 N., R. 10 E.; thence westerly to the east line of T. 26 N., R. 7 E.; thence southerly to the south line of T. 24 N., R. 7 E.; thence westerly to the mid-line of T. 23 N.; R. 6 E.; thence southerly to the south line of T. 23 N., R. 6 E.; thence westerly to the west line of T. 23 N., R. 5 E.; thence northerly to the south line of T. 25 N., R. 4 E.; thence westerly to the west line of T. 25 N., R. 2 E.; thence northerly to the south line of T. 27 N., R. 1 E.; thence westerly to the mid-line of T. 27 N., R. 3 W.; thence northerly to the south line of T. 28 N., R. 3 W.; thence westerly to the west line of T. 28 N., R. 3W.; thence northerly to the mid-line of T. 28 N., R. 4 W.; thence westerly to the west line of T. 28 N., R. 4 W.; thence northerly to the south line of T. 29 N., R. 5 W.; thence westerly to 160 degrees longitude, West of Greenwich; thence southerly to the south line of T. 28 N., R. 6 W.; thence westerly to the mid-line of T. 27 N., R. 7 W.; thence southerly to the mid-point of T. 27 N., R. 7 W.; thence westerly to the west line of T. 27 N., R. 7 W.; thence southerly to the south line of T. 22 N., R. 7 W.; thence easterly to the mid-line of T. 21 N., R. 7 W.; thence southerly to the south line of T. 21 N., R. 7 W.; thence westerly to the east line of T. 20 N., R. 11 W.; thence southerly to the south line of T. 20 N., R. 11 W.; thence westerly to the west line of T. 20 N., R. 13 W.; thence northerly to the south line of T. 22 N., R. 14 W.; thence westerly to the west line of T. 22 N., R. 17 W.; thence northerly to the north line of T. 24 N., R. 17 W.; thence easterly to the west line of T. 25 N., R. 16 W.; thence northerly to the south line of T. 28 N., R. 17 W.; thence westerly to the west line of T. 28 N., R. 21 W.; thence northerly to the north line of T. 28 N., R. 21 W.; thence easterly to the west line of T. 29 N., R. 20 W.; thence northerly to the north line of T. 29 N., R. 20 W.; thence easterly to the west line of T. 30 N., R. 19 W.; thence northerly to the north line of T. 30 N., R. 19 W.; thence easterly to the west line of T. 31 N., R. 18 W.; thence northerly to the north line of T. 34 N., R. 18 W.; thence easterly to the west line of T. 12 S., R. 45 W., Umiat Base and Meridian; thence northerly to the north line of T. 12 S., R. 45 W.; thence easterly to the west ine of T. 11 S., R. 44 W.; thence northerly to the north line of T. 11 S., R. 44 W.; thence easterly to the southwest boundary of the Naval Petroleum Reserve No. 4; thence easterly along the boundary of Naval Petroleum Reserve No. 4 to the east line of T. 30 N., R. 13 E., Kateel River Base and Meridian; thence southerly to the point of beginning; exclusive of all valid existing rights and any future rights or claims authorized under law.

(d) The Denali Reserve referred to in subsection (a)(3) includes land described as follows:

Beginning at the northeast corner of T. 33 N., R. 5 W., Seward Meridian; thence southerly to the south line of T. 32 N., R. 5 W.; thence westerly to the east line of T. 31 N., R. 6 W.; thence southerly to the south line of T. 26 N., R. 19 W.; thence northerly to the west line of the east one-fourth T. 29 N., R. 9 W.; thence southerly to the south line of the north one-half T. 29 N., R. 9 W.; thence west to the east line of T. 29 N., R. 10 W.; thence southerly to the south line of T. 29 N., R. 10 W.; thence westerly to the west line of T. 28 N., R. 11 W.; thence northerly to the south line of T. 29 N., R. 12 W.; thence westerly to the east line of T. 28 N., R. 14 W.; thence southerly to the south line of T. 26 N., R. 14 W.; thence westerly to the west line of T. 26 N., R. 19 W.; thence northerly to the one-half township line of T. 28 N., R. 19 W.; thence northeasterly to the west line of T. 29 N., R. 18 W.; thence northerly to the south line of T. 30 N., R. 18 W.; thence westerly to the east line of T. 30 N., R. 16 W.; thence northerly to the north line of T. 30 N., R. 16 W.; thence northeasterly to the one-half township line of T. 31 N., R. 15 W.; thence northerly to the south line of T. 22 S., R. 24 W., Fairbanks Base and Meridian; thence easterly to the intersection of the south line of T. 22 S., R. 23 W. and the boundary of Mt. McKinley National Park; thence southerly to the southwest corner of the Park Boundary; thence northeasterly along the Park Boundary to its intersection with the east line of T. 18 S., R. 10 W.; thence southerly to the south line of T. 18 S., R. 10 W.; thence westerly to the east line of T. 18 S., R. 11 W.; thence southwesterly to the southeast corner of T. 20 S., R. 13 W.; thence westerly to the east one-half township line of T. 21 S., R. 13 W.; thence southerly to south line of T. 22 S., R. 13 W.; thence westerly to the point of beginning.

(e) The Arctic Reserve referred to in subsection (a)(4) includes lands described as follows:

WEST UNIT

Beginning at a point on the north line at T. 37 N., R. 17 E., Fairbanks Base and Meridian, at the point of its intersection with the east line of T. 16 S., R. 35 E., Umiat Base Line and Meridian, also on the western boundary line of the wtihdrawn Utility Corridor; thence southerly to the north line of T. 36 N., R. 17 E.; thence westerly to the east line of T. 36 N., R. 16 E.; thence southerly to the south line of T. 33 N., R. 16 E., also the north boundary of the proposed Porcupine National Forest; thence westerly to the east boundary line of the former Venietie Indian Reservation; thence northerly along this line to its intersection with the south line of T. 16 S., R. 30 E., Umiat Base Line and Meridian; thence northerly to the south line of T. 12 S., R. 30 E.; thence westerly to the east line of T. 13 S., R. 25 E.; thence southerly to the south line of T. 16 S., R. 25 E.; thence westerly to the point of intersection with the east line of T. 37 N., R. 6 W., Fairbanks Base Line and Meridian; thence southerly to the north line of T. 36 N., R. 6 E.; thence westerly to the east line of T. 36 N., R. 5 E.; thence southerly to the south line of T. 35 N., R. 5 E.; thence westerly to the west line of T. 35 N., R. 5 E.; thence northerly to the south line of T. 36 N., R. 4 E.; thence westerly to the west line of T. 36 N., R. 3 E.; thence northerly to the south line of T. 37 N., R. 2 E.; thence westerly to the west line of the eastern one-half, T. 37 N., R. 2 E.; thence northerly to the intersection with the south line of T. 16 S., R. 21 E., Umiat Base Line and Meridian; thence northerly to the south line of the northern one-half of T. 16 S., R. 21 E.; thence westerly to the west line of T. 16 S., R. 21 E.; thence northerly to the south line of T. 13 S., R. 20 E.; thence westerly to the west line of T. 13 S., R. 19 E.; thence northerly to the south line of T. 4 S., R. 19 E.; thence easterly to the east line of T. 4 S., R. 22 E.; thence southerly to the north line of T. 5 S., R. 23 E.; thence easterly to the east line of T. 5 S., R. 23 E.; thence southerly to the north line of T. 6 S., R. 24 E.; thence easterly to the east line of west one-half of T. 6 S., R. 25 E., also being the boundary of the Utility Corridor; thence following the western boundary of this corridor in a southerly direction to the point of beginning.

EAST UNIT

Beginning at a point at the intersection of the International Boundary Line, Longitude 141 degrees, 00 minutes and the north line of T. 37 N., R. 30 E.; Fairbanks Base Line and Meridian; thence southerly to the intersection with the north boundary of the Utility Corridor; thence following this Utility Corridor border in a westerly direction to the intersection with the south line of T. 16 S., R. 38 E.; Umiat Base Line and Meridian; thence westerly to the intersection with the southern boundary of the Arctic National Wildlife Refuge; thence along the boundary northeasterly and easterly to the intersection with the International Boundary line; thence southerly to the point of beginning.

(f) The lands referred to in subsection (a)(5) as the Innoko National Reserve are described as follows:

Beginning at a point at the northeast corner of T. 33 N., R. 45 W., Seward Base and Meridian; thence southerly to the south line of T. 33 N., R. 45 W.; thence westerly to the east line of T. 32 N., R. 46 W.; thence southerly to the south line of T. 32 N., R. 46 W.; thence westerly to the west line of T. 32 N., R. 47 W.; thence northerly to the south line of T. 33 N., R. 47 W.; thence westerly to the west line of T. 33 N., R. 47 W.; thence northerly to the north line of T. 33 N., R. 48 W.; thence westerly to the east line of T. 33 N., R. 51 W.; thence southerly to the south line of T. 33 N., R. 51 W.; thence westerly to the west line of T. 33 N., R. 53 W.; thence northerly to the north line of T. 33 N., R. 53 W.; Seward Base and Meridian; thence northerly to the north line of T. 28 S., R. 3 W., Kateel River Base and Meridian; thence easterly to the west line of T. 27 S., R. 1 W; thence northerly to the north line of T. 25 S., R. 1 W.; thence easterly to the west line of T. 24 S., R. 2 E.; thence northerly to the north line of T. 20 S., R. 2 E.; thence easterly to the west line of T. 19 S, R. 4 E.; thence northerly to the north line of T. 18 S., R. 4 E.; thence easterly to the east line of T. 18 S., R. 8 E.; thence southerly to the north line of T. 21 S., R. 9 E.; thence easterly to the east line of T. 21 S., R. 9 E.; thence southerly to the south line of T. 22 S., R. 9 E.; thence westerly to the west line of T. 23 S., R. 5 E.; thence southerly to the north line of T. 24 S., R. 6 E.; thence easterly to the east line of T. 24 S., R. 6 E.; thence southerly to the south line of T. 28 S., R. 6 E.; thence westerly to the point of beginning.

(h) The lands referred to in subsection (a)(6) as the Selawik National Reserve are described as follows:

Beginning at a point at the southeast corner of T. 11 N., R. 4 E.; thence westerly to the east line of T. 10 N., R. 2 W.; thence southerly to the south line of T. 9 N., R. 2 W.; thence westerly to the west line of T. 9 N., R. 4 W.; thence northerly to the north line of T. 12 N., R. 4 W.; thence easterly to the west line of T. 13 N., R. 3 W.; thence northerly to the south line of T. 17 N., R. 4 W.; thence westerly to the west line of T. 17 N., R. 5 W.; thence northerly to the intersection with the southern bank of the Kobuk River; thence following this bank in a northeasterly direction to the east line of T. 20 N., R. 2 W., also the eastern boundary of the proposed Kobuk Dunes National Monument; thence southerly and easterly along this common boundary to the east line of T. 18 N., R. 2 E.; thence southerly to the north line of T. 17 N., R. 3 E.; thence easterly to the east line of T. 17 N., R. 4 E.; thence southerly to the point of beginning.

(i) The lands referred to in subsection (a)(7) as the Yukon Delta Reserve are described as follows:

WEST UNIT

Beginning at a point at the southeast corner of T. 15 N., R. 64 W.; thence westerly to the west line of T. 14 N., R. 67 W.; thence southerly to the south line of T. 13 N., R. 67 W.; thence westerly to the east line of T. 12 N., R. 70 W.; thence southerly to the south line of T. 12 N., R. 70 W.; thence westerly to the west line of T. 12 N., R. 75 W.; thence northerly to the south line of T. 13 N., R. 76 W.; thence westerly to the west line of T. 13 N., R. 76 W.; thence northerly to the south line of T. 16 N., R. 77 W.; thence westerly to the west line of T. 16 N., R. 81 W.; thence northerly to the south line of T. 17 N., R. 82 W.; thence westerly to the west line of T. 17 N., R. 82 W.; thence northerly to the south line of T. 19 N., R. 83 W.; thence westerly to the west line of T. 19 N., R. 84 W.; thence northerly to the north line of T. 20 N., R. 84 W.; thence easterly to the west line of T. 21 N., R. 83 W.; thence northerly to the south line of T. 23 N., R. 84 W.; thence westerly to the west line of T. 23 N., R. 85 W.; thence northerly to the south line of T. 25 N., R. 86 W.; thence westerly to the west line of T. 25 N., R. 86 W.; thence northerly to the north line of T. 25 N., R. 86 W.; thence easterly to the east line of T. 25 N., R. 83 W.; thence southerly to the north line of T. 20 N., R. 82 W.; thence easterly to the east line of T. 20 N., R. 79 W.; thence southerly to the north line of T. 19 N., R. 78 W.; thence easterly to the east line of T. 19 N., R. 77 W.; thence southerly to the north line of T. 18 N., R. 76 W.; thence easterly to the east line of T. 18 N., R. 72 W.; thence southerly to the north line of T. 16 N., R. 71 W.; thence easterly to the east line of T. 16 N., R. 71 W.; thence southerly to the north line of T. 14 N., R. 70 W.; thence easterly to the west line of T. 15 N., R. 66 W.; thence northerly to the north line of T. 17 N., R. 66 W.; thence easterly to the east line of T. 17 N., R. 64 W.; thence southerly to the point of beginning.

EAST UNIT

Beginning at a point at the southeast corner of T. 20 N., R. 60 W.; thence westerly to the west line of T. 20 N., R. 63 W.; thence northerly to the south line of T. 21 N., R. 64 W.; thence westerly to the west line of T. 21 N., R. 64 W.; thence northerly to the north line of T. 24 N., R. 64 W.; thence easterly to the east line of T. 24 N., R. 63 W.; thence southerly to the north line of T. 22 N., R. 62 W.; thence easterly to the east line of T. 22 N., R. 61 W.; thence southerly to the north line of T. 21 N., R. 60 W.; thence easterly to the east line of T. 21 N., R. 60 W.; thence southerly to the point of beginning.

(j) The lands referred to in subsection (a) (8) as the Yukon Flats Reserve are described as follows:

Beginning at a point at the southwest corner of T. 14 N., R. 15 E.; thence westerly to the east line T. 13 N., R. 5 W.; thence southerly to the south line T. 13 N., R. 5 W.; thence westerly to the east line T. 12 N., R. 8 W.; thence southerly to the south line T. 12 N., R. 8 W.; thence westerly to the west line T. 12 N., R. 8 W.; thence northerly to the south line T. 13 N., R. 9 W.; thence westerly to the west line of T. 13 N., R. 9 W.; thence northerly to the south line T. 14 N., R. 10 W.; thence westerly to the SW corner T. 14 N., R. 10 W.; thence northerly to the north line T. 17 N., R. 10 W.; thence eastwardly to the west line T. 18 N., R. 9 W.; thence northerly to the north line of T. 18 N., R. 9 W.; thence easterly to the west line T. 19 N., R. 6 W.; thence northerly to the north line T. 19 N., R. 6 W.; thence easterly to the west line T. 20 N., R. 1 W.; thence northerly to the north line T. 20 N., R. 1 W.; thence easterly to the west line T. 21 N., R. 4 E.; thence northerly to the intersection with the SW boundary of the former Venietie Indian Reserve and the west line of T. 26 N., R. 4 E.; thence southerly and northeasterly along the boundary of the Venietie Indian Reservation to the intersection with the north line of T. 22 N., R. 10 E.; then easterly, southerly, southwesterly and southeasterly along the common boundary with the proposed Porcupine National Forest to the east line of T. 14 N., R. 15 E.; thence southerly to the point of beginning.

(k) The lands referred to in subsection (a) (10) as the Coastal National Reserve are described as follows:

A series of approximately 1,800 land areas composed of islands, islets, rocks, pinnacles, and cliffs distributed along approximately 1,500 miles of Alaska coastline from Cape Lisburne in the Chukchi Sea to the Gulf of Alaska which includes the following named areas:

Chukchi Sea NWR: Cape Lisburn, Cape Thompson.

Bearing Sea NW: Fairway Rock, Sledge Island, Bluff, Egg Island.

Shumagin Islands NWR: Sankin Island, Egg Island, Amagat Island, Umga Island, Sozavarika Island, Sandman Reefs, Jude Island, Kennoys Island, Bay Point, Round Island, Sea Lion Rocks, High Island, The Haystacks, Karpa Island, Bird Island, Near Island, Twins, Koniuji Island, Mitrofania Group, Atkulik, Chignigak Bay.

Kodiak NWR: Kodiak Island Group.

Barren Islands NWR: Rock Islands, Latax Rocks.

Pye Islands NWR: Pye Island Group, Lower Aialik Peninsula.

Chiswell Island NWR: Chiswell Island, Lower Harris Island.

NATIONAL PARKS

SEC. 202. (a) Subject to all valid existing rights, the following public lands in the State of Alaska are reserved and withdrawn from all forms of entry or application under the public land laws of the United States and established as components of the national park system for the benefit and enjoyment of the people, to be administered by the National Park Service in accordance with the provisions of laws applicable to such system:

(1) approximately .44 million acre described in subsection (b), to be known as the Aniakechak Caldera National Park,

(3) approximately .15 million acre described in subsection (c), to be known as the Cape Krusenstern National Monument,

(3) approximately .15 million acres described in subsection (d), to be known as the Kobuk Dimes National Monument,

(4) approximately 6.63 million acres described in subsection (e), to be known as the Wrangell-St. Elias National Park, and

(5) approximately 3.24 million acres described in subsection (f) to be known as the Gates of the Arctic National Park.

A map of each such park and monument shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior, and as soon as practicable after the date of enactment of this Act, such map and a legal description of each such park and monument shall be filed with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act. Correction of any clerical or typographical errors in such map and description may be made.

(b) The lands referred to in subsection (a)(1) as the Aniakchak Caldera National Park are described as follows:

Beginning at the northeast corner of T. 37 S., R. 51 W., Seward Meridian; thence southerly to the intersection of the east line of T. 39 S., R. 51 W., and the Pacific Ocean; thence southwest along the seashore to its intersection with the east line of T. 41 S., R. 54 W.; thence northerly to the south line of T. 40 S., R. 54 W.; thence westerly to the west line of T. 40 S., R. 55 W.; thence northerly to the ½ township line of T. 40 S., R. 56 W.; thence westerly to the west line of T. 40 S., R. 56 W.; thence northerly to the north line of T. 37 S., R. 56 W.; thence easterly to the east line of T. 36 S., R. 54 W.; thence northerly to the north line of T. 36 N., R. 54 W.; thence easterly to the east line of T. 36 S., R. 52 W.; thence southerly to the north line of T. 37 S., R. 52 W.; thence easterly to the point of beginning.

(c) The lands referred to in subsection (a)(2) as the Cape Krusenstern National Monument are described as follows:

Beginning at the northeast corner of T. 19 N., R. 21 E. Kateel River Meridian; thence southerly along the east line of T. 19 N. to its intersection with the Chukchi Sea; thence along the shoreline to its intersection with the north line of T. 24 N., R. 24W.; thence easterly to the east line of T. 24 N., R. 23 W.; thence southerly to the north line of T. 21 N., R. 22 W.; thence easterly to the east line of T. 21 N., R. 22 E.; thence southerly to the north line of T. 19 N., R. 21 W.; thence southerly to the point of beginning.

(d) The lands referred to in subsection (a) (3) as the Kobuk Dunes National Monument are described as follows:

Beginning at a point at the southeast corner of T. 19 N., R. 2 E.; thence westerly to the west line of T. 19 N., R. 1 W.; thence northerly to the intersection of the west line of T. 21 N., R. 1 W., with the Kobuk River; thence easterly along the Kobuk River to its intersection with the east line of T. 20 N., R. 1 E.; thence southerly to the point of beginning.

(e) The lands referred to in subsection (a) (4) as the Wrangell-St. Elias National Park are described as follows:

Beginning at a point at 60 degrees north latitude on the International Boundary between the United States and Canada; thence westerly to the mean high tide line in the Gulf of Alaska; thence following the coast in a westerly direction to 141 degrees longitude, west of Greenwich; thence northerly to the south line of T. 19 S., R 25 E., Copper River Base and Meridian; thence westerly to the east line of T. 20 S., R. 23 E.; thence southerly to the mean high tide line on the Gulf of Alaska; thence northwesterly to the southwest corner of T. 21 S., R. 23 E.; thence westerly to the west line of T. 21 S., R. 22 E.; thence northerly to the south line of T. 20 S., R. 21 E.; thence westerly to the west line of T. 20 S., R. 21 E.; thence northerly to the south line of T. 19 S., R. 20 E; thence westerly to the west line of T 19 S., R. 19 E.; thence northerly to the south line of T. 17 S., R. 18 E; thence westerly to the east line of T. 18 S., R. 16 E.; thence southerly to the south line of T. 18 S., R. 16 E.; thence westerly to the east line of T. 18 S., R. 11½ E.; thence southerly to the south line of T. 19 S., R. 11½ E.; thence westerly to the west line of T. 19 S., R. 10 E.; thence northerly to the south line of T. 15 S., R. 9 E.; thence northeasterly along the watershed divide to Mt. Hawkins; thence continuing northeasterly along the divide between the Bremner River and the Tana River; thence continuing northeasterly along the divide between the Chitina and Tana River to the south line of T. 8 S., R. 14 E.; thence northeasterly to the intersection of the Chitina River and the south line of T. 7 S., R. 14 E.; thence easterly to the east line of T. 7 S., R. 14 E.; thence northerly to the north line of T. 6 S., R. 14 E.; thence northeasterly along the watershed divide to Nikolai Pass; thence northwesterly along the divide to the south line of T. 1 S., R. 13 E.; thence westerly to the west line of T. 1 S., R. 10½ E.; thence northerly to the intersection with the Nabesna Glacier; thence northwesterly along the glacier's edge to its intersection with the east line of T. 1 N., R. 8 E.; thence southwesterly to the southeast corner of T. 1 S., R. 7 E.; thence westerly to the west line of T. 1 S., R. 4 E.; thence northerly to the north line of T. 6 N., R. 4 E.; thence westerly to the west line of T. 7 N., R. 7 E.; thence northerly to the north line of T. 8 N., R. 7 E.; thence westerly to the west line of T. 8 N., R. 12½ E.; thence southerly to the north line of T. 6 N., R. 12 E.; thence easterly to the east line of T. 6 N., R 12 E.; thence southerly to the north line of T. 4 N., R. 13 E.; thence easterly to the west line of T. 4 N., R. 14½ E.; thence southerly to the north line of T. 3 N., R. 14 E.; thence easterly to the west line of T. 3 N., R. 17 E.; thence southerly to the north line of T. 2 N., R. 18 E.; thence easterly to the west line of T. 2 N., R. 18 E.; thence southerly to the north line of T. 2 N., R. 19 E.; thence easterly to the International

Boundary; thence southerly, easterly, and southerly along the International Boundary to the point of beginning.

(f) The lands described in subsection (a)(5) as the Gates of the Arctic National Park are described as follows:

WEST UNIT

Beginning at a point on the southeast corner of T. 15 N., R. 20 E., Kateel River Base and Meridian; thence westerly to the west line of T. 15 N., R. 15 E.; thence northerly to the south line of T. 17 N., R. 14 E.; thence westerly to the north line of T. 17 N., R. 14 E.; thence northerly to the north line of T. 17 N., R. 14 E.; thence easterly to the west line of T. 18 N., R. 15 E.; thence northerly to the north line of T. 18 N., R. 15 E.; thence easterly to the east line of T. 18 N., R. 15 E.; thence southerly to the north line of T. 17 N., R. 16 E.; thence easterly to the west line of T. 18 N., R. 19 E.; thence northerly to the south line of T. 22 N., R. 18 E.; thence westerly to the west line of T. 22 N., R. 17 E.; thence northerly to the intersection with the line of latitude of 68 degrees, 00 minutes; thence easterly along the latitude line to the east line of T. 30 N., R. 25 E.; thence southerly to the south line of T. 31 N., R. 24 W., Fairbanks Base and Meridian; thence easterly to the one-half township line of T. 30 N., R. 24 W.; thence southerly to the one-half township line of T. 29 N., R. 24 W.; thence westerly to the one-half township of T. 22 N., R. 25 E., Kateel River Base and Meridian; thence southerly to the south line of T. 22 N., R. 25 E.; thence westerly to the east line of T. 21 N., R. 23 E.; thence southerly to the south line of T. 21 N., R. 23 E.; thence westerly to the one-half township line of T. 20 N., R. 23 E.; thence southerly to the north line of T. 19 N., R. 23 E.; thence westerly to the east line of T. 19 N., R. 22 E.; thence southerly to the north line of T. 18 N., R. 22 E.; thence westerly to the east line of T. 17 N., R. 20 E.; thence southerly to the point of beginning.

EAST UNIT

Beginning at a point on the southeast corner of T. 34 N., R. 12 W., Fairbanks Meridian; thence westerly to the west line of T. 34 N., R. 15 W.; thence northerly to the north line of T. 15 S., R. 5 E., Umiat Meridian; thence easterly to the east line of T. 15 S., R. 9 E.; thence southerly to the south line of T. 16 S., R. 9 E; thence westerly to the west line of T 36 N., R. 12 W., Fairbanks Meridian; thence southerly to the point of beginning.

(g) Subject to valid existing rights there is added to Mt. McKinley National Park the lands described as follows:

Beginning at a point at the northeast corner of T. 11 S., R. 9 W.; thence southerly to the south line of T. 11 S., R. 9 W.; thence westerly to the east line of T. 12 S., R. 12 W.; thence southerly to the point of intersection of the east line of T. 13 S., R. 12 W., and the northern boundary of Mt. McKinley National Park; thence westerly and southerly along the boundary of Mt. McKinley National Park to a point of intersection with the south line of T. 22 S., R. 23 W.; thence westerly to the west line of T. 22 S., R. 25 W.; thence northerly to the north line of T. 17 N, R. 25 W.; thence easterly to the west line of T. 16 S., R. 24 W.; thence northerly to the north line of T. 16 S., R. 24 W.; thence easterly to the west line of T. 15 S., R. 22 W.; thence northerly to the north line of T. 15 S., R. 22 W.; thence easterly to the west line of T 14 S., R. 21 W.; thence northerly to the north line of T. 14 S., R. 21 W.; thence easterly to the west line of T. 13 S., R. 19 W; thence northerly to the north line of T. 13 S., R. 19 W.; thence easterly to the west line of T. 12 S., R. 17 W.; thence northerly to the north line of T. 12 S., R. 17 W.; thence easterly to the one-half township line of T. 11 S., R. 17 W.; thence northerly to the north line of T. 11 S., R. 17 W.; thence easterly to the point of beginning.

NATIONAL FORESTS

SEC. 203. (a) Subject to all valid existing rights, the following public lands in the State of Alaska are withdrawn from all forms of entry or application under the public land laws of the United States and established as national forests to be administered by the Secretary of Agriculture in accordance with the laws applicable to the national forests:

(1) approximately 5.5 million acres described in subsection (b), to be known as the Porcupine National Forest,

(2) approximately 5.5 million acres described in subsection (c), to be known as the Wrangell Mountain National Forest,

(3) approximately 5.4 million acres described in subsection (d), to be known as the Yukon National Forest,

(4) approximately 4.5 million acres described in subsection (e), to be known as the Fortymile National Forest,

(5) approximately 4.48 million acres described in subsection (f), to be known as the Kuskokwim National Forest,

(6) approximately 2.61 million acres described in subsection (g), to be known as the Lake Clark National Forest, and

(7) approximately .32 million acres described in subsection (h), to be known as the Chugach National Forest Addition.

A map of each such national forest shall be on file and available for public inspection in the offices of the Department of Agriculture, and as soon as practicable after the date of enactment of this Act, such map and a legal description of each such national forest shall be filed with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act. Correction of any clerical or typograpical errors in such map and description may be made.

(b) The lands referred to in subsection (a)(1) as the Porcupine National Forest are described as follows:

Beginning at the southeast corner T. 13 N., R. 23 E.; thence westerly to the west line T. 13 N., R. 20 E.; thence northerly to the south line T. 15 N., R. 19 E.; thence westerly to the west line of the east one-half T. 15 N., R. 15 E.; thence northerly to the south line of the north one-half T. 15 N., R. 15 E.; thence westerly to the west line T. 15 N., R. 15 E.; thence northerly to the south line T. 16 N., R. 14 E.; thence westerly to the west line of the east one-half T. 16 N., R. 14 E.; thence northerly to the south line of the north one-half T. 16 N., R. 14 E.; thence westerly to the west line T. 16 N., R. 14 E.; thence northerly to the south line T. 17 N., R. 13 E.; thence westerly to the west line of the east one-half T. 17 W., R. 13 E.; thence northerly to the south line T. 18 N., R. 13 E.; thence westerly to the west line T. 18 N. R. 13 E.; thence northerly to the intersection with the south bank of the Yukon River; thence northwesterly along the south bank of the Yukon River to the intersection with the west line of the east one-half of T. 20, N, R. 11 E.; thence northerly to the north line of T. 21 N., R. 11 E.; thence easterly to the intersection with the north bank of the Porcupine River; thence northeasterly along the north bank of the Porcupine River to the intersection with west line of T. 22 N., R. 14 E.; thence northerly to the south line of T. 23 N.; R. 13 E.; thence westerly to the intersection with the boundary of the former Venietie Indian Reservation; thence northerly along that boundary to the intersection with the north line of T. 32 N., R. 12 E.; thence easterly to International Boundary, Longitude 141 degrees, 00 minutes; thence southerly along that boundary to the junction of the south line of T. 29 N., R. 30 E.; thence westerly to the east line of T. 28 N., R. 28 E.; thence southerly to the south line of T. 25 N., R. 28 E.; thence westerly to the east line T. 24 N., R. 26 E.; thence southerly to the south line T. 15 N., R. 26 E.; thence westerly to the east line of T. 14 N., R. 23 E.; thence southerly to the point of beginning.

(c) The lands referred to in subsection (a)(2) as the Wrangell Mountain National Forest are described as follows:

SOUTH UNIT

Beginning at a point at the southeast corner of T. 15 S., R. 9 E., on the common boundary with the Wrangell-St. Elias National Park; thence westerly to the west line of T. 15 S., R. 4 E.; thence northwesterly to the east line of T. 14 S., R. 1 E.; thence northerly to the south line of T. 12 S., R. 1 E.; thence westerly to the west line of T. 12 S., R. 1 E.; thence northerly to the south line of T. 11 S., R. 1 W.; thence westerly to the west line of T. 11 S., R. 1 W.; thence northerly to the north line of T. 9 S., R. 1 W.; thence easterly to the west line of T. 8 S., R. 1 E.; thence northerly to the north line of T. 8 S., R. 1 E.; thence easterly to the west line of T. 7 S., R. 2 S.; thence northerly to the north line of T. 6 S., R. 2 E.; thence easterly to the west line of T. 5 S., R. 3 E.; thence northerly to the north line of T. 5 S., R. 3 E.; thence easterly to the east line of T. 5 S., R. 3 E.; thence southerly to the north line of T. 7 S., R. 4 E.; thence easterly to the west line of T. 6 S., R. 8 E.; thence northerly to the south line of T. 1 S., R. 7 E.; thence northeasterly, southeasterly, southerly and westerly along the common boundary of the proposed Wrangell-St. Elias National Park to the point of beginning.

NORTH UNIT

Beginning at a point of intersection of the International Boundary, Latitude 141 degrees, 00 minutes, and the south line of T. 2 N., R. 24 E.; a common boundary with the proposed Wrangell-St. Elias National Park; thence westerly and northwesterly along this boundary to the southwest corner of T. 9 N., R. 11 E.; thence northerly to the north line of T. 10 N., R. 11 E.; thence easterly to the boundary of former Tetlin Indian Reservation; thence southerly, easterly and northeasterly along this boundary to its intersection with the north line of T. 11 N., R. 17 E.; thence easterly to the west line of T. 12 N., R. 22 E.; thence northerly to the south line of T. 14., R. 21 E.; thence westerly to the west line of T. 14 N., R. 21 E.; thence northerly to the north line of T. 14 N., R. 21 E.; thence easterly to the International Boundary; thence southerly to the point of beginning.

(d) The lands referred to in subsection (a)(3) as the Yukon National Forest are described as follows:

NORTH UNIT

Beginning at a point at the southeast corner of T. 6 S., R. 18 E. of the Kateel River Base and meridian; thence westerly to the west line of T. 6 S., R. 9 E.; thence northerly to the south line of T. 4 S., R. 8 E.; thence westerly to the west line of T. 4 S., R. 6 E.; thence northerly to the north line of T. 3 N., R. 6 E.; thence easterly to the east line of T. 3 N., R. 9 E.; thence southerly to the north line of T. 1 S., R. 10 E.; thence easterly to the west line of T. 1 N., R. 15 E.; thence northerly to the south line of T. 5 N., R. 14 E.; thence westerly to the west line of T. 5 N., R. 14 E.; thence northerly to the north line of T. 6 N., R. 14 E.; thence easterly to the west line of T. 7 N., R. 16 E.; thence northerly to the north line of T. 7 N., R. 16 E.; thence easterly to the east line of T. 7 N., R. 17 E.; thence southerly to the north line of T. 5 N., R. 18 E.; thence easterly to the east line of T. 5 N., R. 22 E.; thence southerly to the south line of T. 4 N., R. 22 E.; thence westerly to the west line of T. 3 N., R. 19 E.; thence southerly to the south line of T. 5 S., R. 19 E.; thence westerly to the east line of T. 6 S., R. 18 E.; thence southerly to the point of beginning.

SOUTH UNIT

Beginning at a point at the southeast corner of T. 16 S., R. 29 E. Kateel River Base and Meridian; thence southerly to the south line of T. 17 S., R. 29 E.; thence westerly to the east line of T. 18 S., R. 25 E.; thence southerly to the south line of T. 18 S., R. 25 E.; thence westerly to the east line of T. 19 S., R. 22 E.; thence southerly to the south line of T. 19 S., R. 22 E.; thence westerly to the west line of T. 19 S., R. 22 E.; thence northerly to the south line of T. 11 S., R. 21 E.; thence westerly to the west line of T. 11 S., R. 21 E.; thence northerly to the north line of T. 6 S., R. 21 E.; thence easterly to the east line of T. 6 S., R. 23 E.; thence southerly to the north line of T. 7 S., R. 24 E.; thence easterly to the west line of T. 6 S., R. 27 E.; thence northerly to the north line of T. 4 S., R. 27 E.; thence easterly to the east line of T. 4 S., R. 28 E.; thence southerly to the south line of T. 4 S., R. 28 E.; thence westerly to the east line of T. 5 S., R. 28 E.; thence southerly to the north line of T. 6 S., R. 29 E.; thence easterly to the east boundary of the Kateel River Meridian; thence southerly to the north line of T. 5 S., R. 27 W., Fairbanks Meridian; thence easterly to the east line of T. 55, R. 27 W.; thence southerly to the south line of T. 8 S., R. 27 W.; thence westerly to the west boundary of the Fairbanks Meridian; thence southwesterly to the point of beginning.

(e) The lands referred to in subsection (a)(4) as the Fortymile National Forest are described as follows:

SOUTH UNIT

Beginning at a point on the south line of T. 15 N., R. 23 E., at its intersection with the International Boundary, Copper River Base Line and Meridian; thence westerly to the west line of T. 15 N., R. 21 E.; thence northerly to the north line of T. 16 N., R. 21 E.; thence westerly to the west line of T. 17 N., R. 17 E.; thence northerly to the south line of T. 2 N., R. 16 E.; thence westerly to the west line of T. 22 N., R. 14 E.; thence northerly to the south line of T. 25 N., R. 14 E.; thence easterly to the west line of T. 25 N., R. 14 E.; thence northerly to the north line of T. 25 N., R. 14 E.; thence easterly to the west line of T. 26 N., R. 15 E.; thence northerly to a point on the south line of T. 8 S., R. 26 W., Fairbanks Base Line and Meridian; thence westerly to the west line of T. 8 S., R. 26 E.; thence northerly to the north line of T. 8 S., R. 26 E.; thence easterly to the east line of T. 8 S., R. 26 E., thence northerly to the north line of T. 6 S., R. 27 E.; thence easterly to the east line of T. 6 S., R. 30 E.; thence southerly to the south line of T. 7 S., R. 30 E.; thence easterly to a point on the north line of T. 8 S., R. 34 E., at its intersection with the International Boundary line; thence southerly along said boundary line to the point of beginning.

WEST UNIT

Beginning at the southeast corner of T. 25 N., R. 10 E.; thence westerly to the intersection of the 144 degrees meridian of longitude with the south line of T. 25 N., R. 7 E., thence northerly to the north line of T. 26 N., R. 7 E.; thence easterly to the east line of T. 26 N., R. 10 E.; thence southerly to the point of beginning.

NORTH UNIT

Beginning at a point at the northeast corner of T. 5 S.; R. 23 E.; thence southerly to the south line of T. 5 S., R. 23 E.; thence westerly to the one-half township line of T. 6 S., R. 23 E.; thence southerly to the south line of T. 6 S., R. 23 E.; thence westerly to the east line of T. 7 S., R. 22 E.; thence southerly to the one-half township line of T. 7 S., R. 22 E.; thence westerly to the east line of T. 7 S., R. 21 E.; thence southerly to the south line of T. 7 S., R. 21 E.; thence westerly to the west line of T. 7 S., R. 21 E.; thence northerly to the south line of T. 4 S., R. 20 E.; thence westerly to the west line of T. 4 S., R. 20 E.; thence northerly to the half-township line of T. 4 S., R. 19 E.; thence westerly to the west line of T. 4 S., R. 19 E.; thence northerly to the north line of T. 4 S., R. 19 E.; thence westerly to the midpoint of the north line of T. 4 S., R. 18 E.; thence northerly to the Fairbanks Base Line at a point on the north line of T. 1 S., R. 18 E.; thence easterly to the midpoint of the south line of T. 1 N., R. 18 E.; thence northerly to the center of T. 3 N., R. 18 E.; thence westerly to the east line of T. 3 N., R. 18 E.; thence northerly to the north line of T. 3 N.; R. 18 E.; thence easterly to the east line of T. 3 N., R. 19 E.; thence northerly to the north line of T. 4 N., R. 20 E.; thence easterly to the midpoint line of the south line of T. 5 N., R. 20 E.; thence northerly to the north line of T. 5 N., R. 20 E.; thence westerly to the west line of T. 6 N., R. 20 E.; thence northerly to the south line of T. 7 N., R. 19 E.; thence westerly to the west line of T. 7 N., R. 19 E.; thence northerly to the south line of T. 8 N., R. 18 E.; thence westerly to the west line of T. 8 N., R. 18 E.; thence northerly to the south line of T. 9 N., R. 17 E.; thence westerly to the west line of T. 9 N., R. 17 E.; thence northerly to the north line of T. 9 N., R. 17 E.; thence easterly to the east line of T. 9 N., R. 18 E.; thence southerly to the north line of T. 8 N., R. 20 E.; thence easterly to the east line of T. 8 N., R. 20 E.; thence southerly to the north line of T. 7 N., R. 21 E.; thence easterly to the east line of T. 7 N., R. 28 E.; thence southerly to the north line of T. 5 N., R. 29 E.; thence easterly to the east line of T. 5 N., R. 30 E.; thence southerly to the north line of T. 4 N., R. 31 E.; thence easterly to the east line of T. 4 N., R. 31 E.; thence southerly to the north line of T. 3 N., R. 32 E.; thence easterly to the International Boundary; thence southerly to the south line of T. 3 N., R. 33 E.; thence westerly to the west line of T. 3 N., R. 29 E.; thence northerly to the south line of T. 4 N., R. 28 E.; thence westerly to the west line of T. 4 N., R. 28 E.; thence northerly to the south line of T. 4 N., R. 27 E.; thence westerly to the east line of T. 4 N., R. 25 E.; thence southerly to the south line of T. 2 S., R. 25 E.; thence westerly to the east line of T. 3 S., R. 24 E.; thence southerly to the one-half line of T. 3 S., R. 24 E.; thence westerly to the east line of T. 3 S., R. 23 E.; thence southerly to the south line of T. 4 S., R. 23 E.; thence westerly to the point of beginning.

RIVER UNITS

A corridor not to exceed an average width of two miles on either side of the river on the following units:

MIDDLEFORK UNIT

Beginning at a point on the Middlefork of the Fortymile River at its intersection with the north line of T. 6 S., R. 29E., Fairbanks Base Line and Meridian; thence in a northwesterly, westerly and southwesterly direction to the point of the river intersection with the north line of T. 26 N., R. 9 E., Copper River Base Line and Meridian.

JOSEPH CREEK UNIT

Beginning at a point at the confluence of Joseph Creek with the Middlefork of the Fortymile River; thence northwesterly to the point of river intersection with the west line of T. 5 S., R. 22 W., Fairbanks Base Line and Meridian.

SLATE CREEK UNIT

Beginning at the point of confluence of Slate Creek with Champion Creek; thence northwesterly to the point of Creek intersection with the west line of T. 3 S., R. 27 E., Fairbanks Base Line and Meridian.

FORTYMILE UNIT

Beginning at a point of intersection of the Fortymile River with the International Boundary, Longitude 141 degrees 00 minutes; thence westerly to the point of river intersection with the east line of T. 7 S., R. 30 E., Fairbanks Base Line and Meridian.

O'BRIEN CREEK UNIT

Beginning at the point of confluence of O'Brien Creek with the Fortymile River; thence northeasterly to the point of confluence of King Creek with Liberty Fork, Fairbanks Base Line and Meridian.

(f) The lands referred to in subsection (a) as the Kuskokwim National Forest are described as follows:

Beginning at a point at the northeast corner of T. 33 N., R. 20 W., Seward Base Line and Meridian; thence westerly to the east line of T. 33 N., R. 25 W.; thence southerly to the south line of T. 31 N., R. 25 W.; thence westerly to the east line of T. 30 N., R. 26 W.; thence southerly to the south line of T. 29 N., R. 26 W.; thence westerly to the east line of T. 28 N., R. 27 W.; thence southerly to the south line of T. 27 N., R. 27 W.; thence westerly to the east line of T. 26 N., R. 29 W.; thence southerly to the south line of T. 26 N., R. 29 W.; thence westerly to the east line of T. 25 N., R. 30 W.; thence southerly to the south line of T. 25 N., R. 30 W.; thence westerly to the east line of T. 24 N., R. 37 W.; thence southerly to the south line of T. 23 N., R. 37 W.; thence westerly to the west line of T. 23 N., R. 39 W.; thence northerly to the north line of T. 24 N., R. 39 W.; thence easterly to the west line of T. 25 N., R. 38 W.; thence northerly to the north line of T. 33 N., R. 38 W.; thence easterly to the intersection with the west line of T. 28 S., R. 13 E., Kateel River Base Line and Meridian; thence, proceeding from this intersection northerly to the north line of T. 26 S., R. 13 E.; thence easterly to the west line of T. 25 S., R. 20 E.; thence northerly to the north line of T. 25 S., R. 25 E.; thence easterly to the west line of T. 24 S., R. 26 E.; thence northerly to the north line of T. 22 S., R. 26 E.; thence easterly to the west line of T. 21 S., R. 27 E.; thence northerly to the north line of T. 21 S., R. 27 E.; thence easterly to the west line of T. 20 S., R. 28 E.; thence northerly to the north line of T. 20 S., R. 28 E.; thence easterly to the east line of T. 20 S., R. 30 E.; thence northerly to the intersection with the north line of T. 13 S., R. 28 W., Fairbanks Base Line and Meridian; thence, proceeding from this intersection easterly to the west line of T. 12 S., R. 26 W.; thence northerly to the north line of T. 10 S., R. 26 W.; thence easterly to the east line of T. 10 S., R. 22 W.; thence southerly to the north line of T. 12 S., R. 21 W.; thence easterly to the west line of T. 11 S., R. 20 W.; thence northerly to the north line of T. 11 S., R. 20 W.; thence easterly to the intersection with the northwestern boundary of the proposed Addition to Mount McKinley National Park; thence proceeding in a southeasterly and southerly direction along this common boundary to the intersection with the south line T. 21 S., R. 26 W.; thence westerly to the west line of T. 21 S., R. 28 W.; thence southerly to the point of beginning.

(g) The lands referred to in subsection (a)(6) as the Lake Clark National Forest are described as follows:

Beginning at a point at the southeast corner of T. 2 S., R. 20 W. of the Seward Base and Meridian; thence westerly to the east line of T. 3 S., R. 22 W.; thence southerly to the south line of T. 3 S., R. 22 W.; thence westerly to the west line of T. 3 S., R. 22 W.; thence northerly to the south line of T. 2 S., R. 23 W.; thence westerly to the west line of T. 2 S., R. 23 W.; thence northerly to the south line of T. 3 N., R. 24 W.; thence westerly to the west line of T. 3 N., R. 27 W.; thence northerly to the south line of T. 4 N., R. 28 W.; thence westerly to the west line of T. 4 N., R. 29 W.; thence northerly to the north line of T. 6 N., R. 29 W.; thence easterly to the west line of T. 7 N., R. 28 W.; thence northerly to the north line of T. 8 N., R. 28 W.; thence easterly to the west line of T. 9 N., R. 27 W.; thence northerly to the north line to T. 11 N., R. 27 W.; thence easterly to the west line of T. 12 N., R. 26 W.; thence northerly to the north line of T. 13 N., R. 26 W.; thence easterly to the west line of T. 14 N., R. 24 W.; thence northerly to the north line of T. 14 N., R. 24 W.; thence easterly to the west line of T. 15 N., R. 23 W.; thence northerly to the north line of T. 16 N., R. 23 W.; thence easterly to the east line of T. 16 N., R. 21 W.; thence southerly to the north line of T. 9 N., R. 20 W.; thence easterly to the east line of T. 9 N., R. 17 W.; thence southerly to the one-half tp. line of T. 9 N., R. 17 W.; thence westerly to the east line of T. 9 N., R. 18 W.; thence southerly to the north line of T. 8 N., R. 18 W.; thence westerly to the west line of T. 8 N., R. 20 W.; thence southerly to the one-half tp. line of T. 8 N., R. 20 W.; thence easterly to the one-half tp. line of T. 8 N., R. 18 W.; thence southerly to the north line of T. 5 N., R. 18 W.; thence westerly to the east line of T. 5 N., R. 18 W.; thence southerly to the north line of T. 4 N., R. 18 W.; thence easterly to the one-half tp. line of T. 4 N., R. 18 W.; thence southerly to the north line of T. 3 N., R. 18 W.; thence easterly to the mean high tide line of Cook Inlet; thence southerly along the mean high tide line of Tuxedni Bay-Cook Inlet (excluding the Native Selection lands) to the point of beginning.

(h) The lands referred to in subsection (a) (7) as the Chugach National Forest Addition are described as follows:

Beginning at a point at the southeast corner of T. 1 S., R. 2 W.; thence westerly to the east line of T. 2 S., R. 3 W.; thence southerly to the south line of T. 2 S., R. 3 W.; thence westerly to the east line of T. 3 S., R. 4 W.; thence southerly to the south line of T. 3 S., R. 4 W.; thence westerly to the east line to T. 4 S., R. 5 W.; thence southerly to the south line of T. 4 S., R. 5 W.; thence westerly to the east line of T. 5 S., R. 6 W.; thence southerly to the south line of T. 5 S., R. 6 W.; thence westerly to the boundary of the Chugach National Forest; thence northerly and easterly along the Forest boundary to its intersection with the east line of T. 1 N., R. 2 W.; thence southerly to the point of beginning.

WILD AND SCENIC RIVERS

SEC. 204. (a) Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraphs at the end thereof:

"(11) Birch Creek, Alaska.—The segment from the intersection with the north line of T. 9 N., R. 16 E. to the headwaters.

"(12) Beaver Creek, Alaska.—The segment from the intersection with the north line of T. 13 N., R. 7 E. to the headwaters.

"(13) Unalakleet, Alaska.—The segment from the intersection with the east line of T. 15 S., P. 4 W. to the entrance into Norton Sound."

(b) Section 3 of such Act is amended by adding at the end thereof the following new subsection:

"(c) Subsection (b) of this section shall not apply to the rivers enumerated in paragraphs (11) through (13) of subsection (a). Such rivers shall be classified, designated, and administered as scenic river areas within the meaning of section 2(b) and a plan shall be prepared by the Secretary of the Interior for necessary developments in connection with such administration. The detailed boundaries of such river areas shall be established by the Secretary of the Interior but in each case such areas shall be comprised of a corridor which would average not more than 2 miles on either side of the river such that the acreage of each such area is as follows:

(1) Birch Creek, .2 million acres;
(2) Beaver Creek, .2 million acres, and
(3) Unalakleet, .1 million acres.

HUNTING

SEC. 205. Notwithstanding any provision of law to the contrary, hunting and subsistence hunting in any area described in this title shall be governed by the laws and regulations of the State of Alaska.

TITLE III—MULTIMODAL TRANSPORTATION AND UTILITY CORRIDOR SYSTEM

SUSPENSION OF DESIGNATION

SEC. 301. (a) Land proposed to be included within corridors 1, 2, 6. 4 (excluding the protion west of the intersection of 4 and 11) 11, 13. 27 and 34 described in the Primary Corridor System Report (dated October 1, 1974) of the Bureau of Land Management and depicted on maps on file in the State Office of the Bureau of Land Management at 555 Cordova Street, Anchorage, Alaska. These lands shall not be designated as part of any system under Title II of this Act or withdrawn and transferred to State, Native, or private ownership. All corridors reserved in this section shall be 300 feet wide.

(b) After notice, hearing, and compliance with all other applicable laws, the Secretary of the Interior shall designate the corridors referred to in subsection (a) for use for transportation or utility purposes or for other reasonable purposes. On January 1, 2001, any land described in subsection (a) which the Secretary determines not to be necessary for such purposes shall become part of the Alaska Scenic Reserve, national park, national wildlife refuge, national forest, or scenic river area which the Secretary determines to be most proximate to such land. Until such time as a designation is made under the first sentence of this subsection, no restriction shall be placed on any right of access or other rights of owners of adjacent and surrounding lands, except that no poroperty rights shall accure to any person on or after the date of enactment of this Act.

(c) In any case in which and described in subsection (a) would be transferred, but for such subsection (a) under the Alaska Native Claims Settlement Act to a native corporation or village, an equivalent acreage of land which is, to the extent possible, contiguous to the land not transferred by reason of subsection (a) shall be transferred to such corporation or village.

THE WALL STREET JOURNAL DISCOVERS THE NATIONAL RIVER ACADEMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, a few short years ago the National River Academy began to meet the sophisticated training of river navigation by applying the bootstrap principle notwithstanding overwhelming discouragement from most quarters that without the Federal Government it could not succeed. Slowly and deliberately it has gained recognition in this Nation and among many foreign countries interested in river commerce as the leading educational institution in the world today on inland waterways transportation. I was especially pleased to read the story in today's Wall Street Journal which recognizes the contribution which the National River Academy of the United States of America is making to the inland waterways industry. I commend it to my colleagues:

NOW, BOAT PILOTS ARE "LEARNING THE RIVER" STRICTLY BY THE BOOK—MARK TWAIN WOULD SHUDDER, BUT TO GET A LICENSE, CADETS GO TO CLASSES AT AN ACADEMY

(By Robert L. Simison)

ABOARD THE MARK EASTIN—Squinting and frowning slightly, Donny M. Ferguson leans forward in the pilot's chair as he carefully manipulates the towboat's rudder bars to push its 15-barge tow under the Shawneetown, Ill., bridge. Responding to the pilot's warning to watch out for rocks, he makes one last adjustment, then squares the boat's rudders. The Mark Eastin passes another obstacle on her trip up the swirling, muddy Ohio River.

Mr. Ferguson, who three years ago was flying executive charter jets for $15,000 a year, is one of the first graduates of the new National River Academy. Now, as a steersman, he is gaining the final experience that will land him his coveted license as riverboat pilot.

As long as anyone can remember, riverboat pilots have "learned the river" exactly as Mark Twain did more than a century ago, picking up the secrets of the profession slowly over four or five years from experienced pilots. But faced with a shortage of pilots in the rapidly expanding industry, towing companies are turning to formal, faster training for pilots. Five years ago, a group of 14 companies involved in the river industry founded the nonprofit National River Academy, the first and only of its kind. The cadet program began two years ago.

NEW WAYS SUPPLANT THE OLD

"The old way of learning by doing is no good anymore," says Pierre R. Becker, a retired U.S. Navy captain who is superintendent of the academy. One development that hastened this conclusion was passage of a 1972 federal law requiring licensing of towboat operators on the nation's 23,000 miles of inland waterways.

The new academy, located on the banks of the Mississippi 10 miles downstream from Helena, Ark., offers prospective riverboat pilots a 22-month course consisting of two-month sessions studying at the academy alternating with equal stints working on some of the nation's 4,000 towboats. They get training in basic deckhand work (cable throwing, tank-barge handling), as well as engineering, navigation, maritime law and actual piloting. Graduates qualify for second-class operators' licenses as steersmen, which, after a one to two-year stint, lead to pilot's certificates. Cadets pay $1,250 tuition a year; sponsoring companies ante up an additional $2,700. For this, they also get their room and board.

The river, of course, is home to many of the academy's cadets, and coming here to expand their knowledge and expertise is a natural step. "I guess that river water is in my blood," drawls Henry Cummings, 19, of Biloxi, Miss., who figures his family has about 150 years of tradition on the Mississippi.

But the academy is also attracting to the river those who probably wouldn't endure the customary three years as a deckhand to get a shot at becoming a pilot. Paul Swenson, for one, was a custom-home builder in Woodstock, N.Y., before joining the class that will graduate next August. "I like fresh air and working outside, and this is a lot more stable," the 24-year-old cadet says.

TICKET TO STEADY WORK

Another who plans to use his academy training to change careers is Stephen H. Turner, a Gretna, La., mechanical engineer. He plans to leave an American Bureau of Shipping job as a $15,000-a-year structural analyst to enroll in the school this May. "I got tired of working in an office, watching the boats go by on the river," explains Mr. Turner, who is 31 and has a wife and child.

Most cadets see the river pilot's license as a ticket to a steady, well-paying job that is more interesting than most. Indeed, there is continuing demand for their skills. Capt. Becker estimates more than 300 new pilots are needed each year—far more than the 20 to 30 the academy turns out. Experienced pilots are paid $15,000 to $25,000 a year, plus free room and board on the boats. Mr. Ferguson, the former charter pilot, says, "I dearly love aviation, but I'd gone about as far as I could as a jet pilot, and there wasn't any job security there." As a steersman, he makes $10,000 a year, compared with an estimated $20,000 if he had continued flying. He is confident, however, that in the long run he'll earn more and have more permanent work on the river.

While the new school has won praise from cadets and towboat companies, some veteran rivermen remain skeptical. "You can't make a pilot at a school," one old hand says with a snort.

For romantics who visualize the riverboat pilot's life as a continuing travelogue of lazy waters, beautiful scenery and picturesque people, the hard facts of life come as a sobering surprise. For one thing, piloting requires vast knowledge of the river and considerable finesse. The Eastin, herself 178 feet long and 43 feet wide, normally pushes a "tow" of 15 barges lashed together to form an unwieldy vessel 1,000 feet long and 105 feet wide. Spring storms can turn the usually tranquil river into a swollen, rolling flood that can propel the ponderous vessels downstream at a treacherous 15 miles an hour. At such times, pilots have little chance to correct even minor errors. "There are moments of stark, raving terror," Mr. Ferguson admits.

The profession also demands a special devotion. Rivermen normally work 30 days at a time, then take 15 to 30 days off. Mr. Ferguson, on an unusually long stint, is in his 33rd day of working six hours on and six off. He won't get off the boat for 15 more days, the time it takes the boat to travel up to Louisville and back down to Paducah, Ky. "It wears on you," admits Mr. Ferguson as he wearily sips a cup of coffee during the midnight-to-6 a.m. watch.

There are some amenities, however. The Eastin's full-time cook (the only woman among the 14-member crew), prepares three sumptuous meals a day. "The food's always good on the river," says a grimly, grinning deckhand gobbling a hunk of strawberry shortcake. Except for the ague-like shudder that the Eastin's 5,600-horsepower diesels constantly send through the decks, the living quarters might well be on dry land. Mr. Ferguson sleeps in a bed and showers with hot water.

Relaxation along the way is confined mostly to watching television and reading Western novels. The Eastin's captain, Jay Supple, often ducks out of the pilothouse to join off-duty deckhands in a game of stud poker. And of course, the ever-changing scenery provides another diversion. On this trip, however, all that can be seen in a monotonous expanse of brown water broken only by treetops and isolated houses.

"There's a lot of boredom, and I'm too old to find all this romantic," concludes the 31-year-old Mr. Ferguson. "But I believe I made a wise decision."

HAPPY BIRTHDAY, SPEAKER ALBERT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. CARNEY) is recognized for 5 minutes.

Mr. CARNEY. Mr. Speaker, today we honor the prestigious and honorable Speaker of the House, CARL B. ALBERT.

Speaker ALBERT was born May 10, 1908, on a farm near McAlester, Okla. He was the oldest of five children of his humble and hardworking parents, Ernest Homer and Leona Ann Albert.

Speaker ALBERT attended the University of Oklahoma, graduating with a B.A. in government in 1931, after distinguishing himself as a member of Phi Beta Kappa and Kappa Alpha, president of the university student senate, and winner of a nationwide oratorical competition. From 1931 to 1934, he was a Rhodes scholar at Oxford University in England, where he graduated with a B.A. and B.C.L. in law.

He served in the Army in the Pacific theater in World War II, holding the rank of colonel, and also practiced law before his election to Congress.

Elected to the 80th Congress, Speaker ALBERT has represented the Third Congressional District of Oklahoma continuously since 1947, and has served in the House of Representatives longer than any other Oklahoman. He served as House majority whip from the 84th Congress through the first session of the 87th, and then as House majority leader from January 1962 until chosen Speaker. On January 21, 1971, CARL ALBERT was elected 46th Speaker of the U.S. House of Representatives.

At this time, I would like to commend the record of the Speaker on the occasion of his 67th birthday, and to express my admiration for his notable performance in office. Since entering this body some 28 years ago, he has won recognition as a practical man of affairs, an expert organizer, and, above all else, a man of his word. Throughout his long and distinguished career, Speaker ALBERT has admirably represented the best interests of both his district and his country in the House of Representatives.

PRESIDENT HARRY S. TRUMAN: THE RIGHT TO HEALTH CARE

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, 30 years ago President Harry S. Truman recommended to the Congress a comprehensive health program to assure the right to "health security for all, regardless of residence, station, or race—everywhere in the United States."

President Truman's program was not adopted, partly because of a misleading attack on the plan as "socialized medicine." As Mr. Truman said:

> What I am recommending is *not* socialized medicine. Socialized medicine means that all doctors work as employees of government. . . . No such system is here proposed.

Thirty years later, Congress is still considering legislation which is similar to President Truman's health care program, including a bill (H.R. 6283) which I introduced. And in some quarters the inaccurate label of "socialized medicine" is attached to this legislation. My bill respects the professionalism and preserves the freedom of physicians. The real issue is the right of all people in this Nation to health care, and the establishment of a health care delivery system that works.

Mr. Speaker, I submit for the RECORD the special message to the Congress from President Harry S. Truman on November 19, 1945, recommending a comprehensive health program:

SPECIAL MESSAGE TO THE CONGRESS RECOMMENDING A COMPREHENSIVE HEALTH PROGRAM, NOVEMBER 19, 1945

To the Congress of the United States:

In my message to the Congress of September 6, 1945, there were enumerated in a proposed Economic Bill of Rights certain rights which ought to be assured to every American citizen.

One of them was: "The right to adequate medical care and the opportunity to achieve and enjoy good health." Another was the "right to adequate protection from the economic fears of . . . sickness. . . ."

Millions of our citizens do not now have a full measure of opportunity to achieve and enjoy good health. Millions do not now have protection or security against the economic effects of sickness. The time has arrived for action to help them attain that opportunity and that protection.

The people of the United States received a shock when the medical examinations conducted by the Selective Service System revealed the widespread physical and mental incapacity among the young people of our nation. We had had prior warnings from eminent medical authorities and from investigating committees. The statistics of the last war had shown the same condition. But the Selective Service System has brought it forcibly to our attention recently—in terms which all of us can understand.

As of April 1, 1945, nearly 5,000,000 male registrants between the ages of 18 and 37 had been examined and classified as unfit for military service. The number of those rejected for military service was about 30 percent of all those examined. The percentage of rejection was lower in the younger age groups, and higher in the higher age groups, reaching as high as 49 percent for registrants between the ages of 34 and 37.

In addition, after actual induction, about a million and a half men had to be discharged from the Army and Navy for physical or mental disability, exclusive of wounds; and an equal number had to be treated in the Armed Forces for diseases or defects which existed before induction.

Among the young women who applied for admission to the Women's Army Corps there was similar disability. Over one-third of those examined were rejected for physical or mental reasons.

These men and women who were rejected for military service are not necessarily incapable of civilian work. It is plain, however, that they have illnesses and defects that handicap them, reduce their working capacity, or shorten their lives.

It is not so important to search the past in order to fix the blame for these conditions. It is more important to resolve now that no American child shall come to adult life with diseases or defects which can be prevented or corrected at an early age.

Medicine has made great strides in this generation—especially during the last four years. We owe much to the skill and devotion of the medical profession. In spite of great scientific progress, however, each year we lose many more persons from preventable and premature deaths than we lost in battle or from war injuries during the entire war.

We are proud of past reductions in our death rates. But these reductions have come principally from public health and other community services. We have been less effective in making available to all of our people the benefits of medical progress in the care and treatment of individuals.

In the past, the benefits of modern medical science have not been enjoyed by our citizens with any degree of equality. Nor are they today. Nor will they be in the future—unless government is bold enough to do something about it.

People with low or moderate incomes do not get the same medical attention as those with high incomes. The poor have more sickness, but they get less medical care. People who live in rural areas do not get the same amount or quality of medical attention as those who live in our cities.

Our new Economic Bill of Rights should mean health security for all, regardless of residence, station, or race—everywhere in the United States.

We should resolve now that the health of this Nation is a national concern; that financial barriers in the way of attaining health shall be removed; that the health of all its citizens deserves the help of all the Nation.

There are five basic problems which we must attack vigorously if we would reach the health objectives of our Economic Bill of Rights.

1. The first has to do with the number and distribution of doctors and hospitals. One of the most important requirements for adequate health service is professional personnel—doctors, dentists, public health and hospital administrators, nurses and other experts.

The United States has been fortunate with respect to physicians. In proportion to population it has more than any large country in the world, and they are well trained for their calling. It is not enough, however, that we have them in sufficient numbers. They should be located where their services are needed. In this respect we are not so fortunate.

The distribution of physicians in the United States has been grossly uneven and unsatisfactory. Some communities have had enough or even too many; others have had too few. Year by year the number in our rural areas has been diminishing. Indeed, in 1940, there were 31 counties in the United States, each with more than a thousand inhabitants, in which there was not a single practicing physician. The situation with respect to dentists was even worse.

One important reason for this disparity is that in some communities there are no adequate facilities for the practice of medicine. Another reason—closely allied with the first—is that the earning capacity of the people in some communities makes it difficult if not impossible for doctors who practice there to make a living.

The demobilization of 60,000 doctors, and of the tens of thousands of other professional personnel in the Armed Forces is now proceeding on a large scale. Unfortunately, unless we act rapidly, we may expect to see them concentrate in the places with greater financial resources and avoid other places, making the inequalities even greater than before the war.

Demobilized doctors cannot be assigned. They must be attracted. In order to be attracted, they must be able to see ahead of them professional opportunities and economic assurances.

Inequalities in the distribution of medical personnel are matched by inequalities in hospitals, clinics and health centers to take proper care of the people of the United States.

About 1,200 counties, 40 percent of the total in the country, with some 15,000,000 people, have either no local hospital, or none that meets even the minimum standards of national professional associations.

The deficiencies are especially severe in rural and semirural areas and in those cities where changes in population have placed great strains on community facilities.

I want to emphasize, however, that the basic problem in this field cannot be solved merely by building facilities. They have to be staffed; and the communities have to be able to pay for the services. Otherwise the new facilities will be little used.

2. The second basic problem is the need for development of public health services and maternal and child care. The Congress can be justifiably proud of its share in making recent accomplishments possible. Public health and maternal and child health programs already have made important contributions to national health. But large needs remain. Great areas of our country are still without these services. This is especially true among our rural areas; but it is true also in far too many urban communities.

Although local public health departments are now maintained by some 18,000 counties and other local units, many of these have only skeleton organizations, and approximately 40,000,000 citizens of the United States still live in communities lacking full-time local public health service. At the recent rate of progress in developing such service, it would take more than a hundred years to cover the whole Nation.

If we agree that the national health must be improved, our cities, towns and farming communities must be made healthful places in which to live through provision of safe water systems, sewage disposal plants and sanitary facilities. Our streams and rivers must be safeguarded against pollution. In addition to building a sanitary environment for ourselves and for our children, we must provide those services which prevent disease and promote health.

Services for expectant mothers and for infants, care of crippled or otherwise physically handicapped children and inoculation for the prevention of communicable diseases are accepted public health functions. So too are many kinds of personal services such as the diagnosis and treatment of widespread infections like tuberculosis and venereal disease. A large part of the population today lacks many or all of these services.

Our success in the traditional public health sphere is made plain by the conquest over many communicable diseases. Typhoid fever, smallpox, and diphtheria—diseases for which there are effective controls—have become comparatively rare. We must make the same gains in reducing our maternal and infant mortality, in controlling tuberculosis, venereal disease, malaria, and other major threats to life and health. We are only beginning to realize our potentialities in achieving physical well-being for all our people.

3. The third basic problem concerns medical research and professional education.

We have long recognized that we cannot be content with what is already known about health or disease. We must learn and understand more about health and how to prevent and cure disease.

Research—well directed and continuously supported—can do much to develop ways to reduce those diseases of body and mind which now cause most sickness, disability, and premature death—diseases of the heart, kidneys and arteries, rheumatism, cancer, diseases of childbirth, infancy and childhood, respiratory diseases and tuberculosis. And research can do much toward teaching us how to keep well and how to prolong healthy human life.

Cancer is among the leading causes of death. It is responsible for over 160,000 recorded deaths a year, and should receive special attention. Though we already have the National Cancer Institute of the Public Health Service, we need still more coordinated research on the cause, prevention and cure of this disease. We need more financial support for research and to establish special clinics and hospitals for diagnosis and treatment of the disease especially in its early stages. We need to train more physicians for the highly specialized services so essential for effective control of cancer.

There is also special need for research on mental diseases and abnormalities. We have done pitifully little about mental illnesses. Accurate statistics are lacking, but there is no doubt that there are at least two million persons in the United States who are mentally ill, and that as many as ten million will probably need hospitalization for mental illness for some period in the course of their lifetime. A great many of these persons would be helped by proper care. Mental cases occupy more than one-half of the hospital beds, at a cost of about 500 million dollars per year—practically all of it coming out of taxpayers' money. Each year there are 125,000 new mental cases admitted to institutions. We need more mental-disease hospitals, more out-patient clinics. We need more services for early diagnosis, and especially we need much more research to learn how to prevent mental breakdown. Also, we must have many more trained and qualified doctors in this field.

It is clear that we have not done enough in peace-time for medical research and education in view of our enormous resources and our national interest in health progress. The money invested in research pays enormous dividends. If any one doubts this, let him think of penicillin, plasma, DDT powder, and new rehabilitation techniques.

4. The fourth problem has to do with the high cost of individual medical care. The principal reason why people do not receive the care they need is that they cannot afford to pay for it on an individual basis at the time they need it. This is true not only for needy persons. It is also true for a large proportion of normally self-supporting persons.

In the aggregate, all health services—from public health agencies, physicians, hospitals, dentists, nurses and laboratories—absorb only about 4 percent of the national income. We can afford to spend more for health.

But four percent is only an average. It is cold comfort in individual cases. Individual families pay their individual costs, and not average costs. They may be hit by sickness that calls for many times the average cost—in extreme cases for more than their annual income. When this happens they may come face to face with economic disaster. Many families, fearful of expense, delay calling the doctor long beyond the time when medical care would do the most good.

For some persons with very low income or no income at all we now use taxpayers' money in the form of free services, free clinics, and public hospitals. Tax-supported, free medical care for needy persons, however, is insufficient in most of our cities and in nearly all of our rural areas. This deficiency cannot be met by private charity or the kindness of individual physicians.

Each of us knows doctors who work through endless days and nights, never expecting to be paid for their services because many of their patients are unable to pay. Often the physician spends not only his time and effort, but even part of the fees he has collected from patients able to pay, in order to buy medical supplies for those who cannot afford them. I am sure that there are thousands of such physicians throughout our country. They cannot, and should not, be expected to carry so heavy a load.

5. The fifth problem has to do with loss of earnings when sickness strikes. Sickness not only brings doctor bills; it also cuts off income.

On an average day, there are about 7 million persons so disabled by sickness or injury that they cannot go about their usual tasks. Of these, about 3¼ millions are persons who, if they were not disabled, would be working or seeking employment. More than one-half of these disabled workers have already been disabled for six months; many of them will continue to be disabled for years, and some for the remainder of their lives.

Every year, four or five hundred million working days are lost from productive employment because of illness and accident among those working or looking for work—about forty times the number of days lost because of strikes on the average during the ten years before the war. About nine-tenths of this enormous loss is due to illness and accident that is not directly connected with employment, and is therefore not covered by workmen's compensation laws.

These then are the five important problems which must be solved, if we hope to attain our objective of adequate medical care, good health, and protection from the economic fears of sickness and disability.

To meet these problems, I recommend that the Congress adopt a comprehensive and modern health program for the Nation, consisting of five major parts—each of which contributes to all the others.

FIRST: CONSTRUCTION OF HOSPITALS AND RELATED FACILITIES

The Federal Government should provide financial and other assistance for the construction of needed hospitals, health centers and other medical, health, and rehabilitation facilities. With the help of Federal funds, it should be possible to meet deficiencies in hospital and health facilities so that modern services—for both prevention and cure—can be accessible to all the people. Federal financial aid should be available not only to build new facilities where needed, but also to enlarge or modernize those we now have.

In carrying out this program, there should be a clear division of responsibilities between the States and the Federal Government. The States, localities and the Federal Government should share in the financial responsibilities. The Federal Government should not construct or operate these hospitals. It should, however, lay down minimum national standards for construction and operation, and should make sure that Federal funds are allocated to those areas and projects where Federal aid is needed most. In approving state plans and individual projects, and in fixing the national standards, the Federal agency should have the help of a strictly advisory body that includes both public and professional members.

Adequate emphasis should be given to facilities that are particularly useful for prevention of diseases—mental as well as physical—and to the coordination of various kinds of facilities. It should be possible to go a long way toward knitting together facilities for prevention with facilities for cure, the large hospitals of medical centers with the smaller institutions of surrounding areas, the facilities for the civilian population with the facilities for veterans.

The general policy of Federal-State partnership which has done so much to provide the magnificent highways of the United States can be adapted to the construction of hospitals in the communities which need them.

SECOND: EXPANSION OF PUBLIC HEALTH, MATERNAL AND CHILD HEALTH SERVICES

Our programs for public health and related services should be enlarged and strengthened. The present Federal-State cooperative health programs deal with general public health work, tuberculosis and venereal disease control, maternal and child health services, and services for crippled children.

These programs were especially developed in the ten years before the war, and have been extended in some areas during the war. They have already made important contributions to national health, but they have not yet reached a large proportion of our rural areas, and, in many cities, they are only partially developed.

No area in the Nation should continue to be without the services of a full-time health officer and other essential personnel. No area should be without essential public health services or sanitation facilities. No area should be without community health services such as maternal and child health care.

Hospitals, clinics and health centers must be built to meet the needs of the total population, and must make adequate provision for the safe birth of every baby, and for the health protection of infants and children.

Present laws relating to general public health, and to maternal and child health, have built a solid foundation of Federal cooperation with the States in administering community health services. The emergency maternity and infant care program for the wives and infants of servicemen—a great wartime service authorized by the Congress—has materially increased the experience of every State health agency, and has provided much-needed care. So too have other wartime programs such as venereal disease control, industrial hygiene, malaria control, tuberculosis control and other services offered in war essential communities.

The Federal Government should cooperate by more generous grants to the States than are provided under present laws for public health services and for maternal and child health care. The program should continue to be partly financed by the States themselves, and should be administered by the States. Federal grants should be in proportion to State and local expenditures, and should also vary in accordance with the financial ability of the respective States.

The health of American children, like their education, should be recognized as a definite public responsibility.

In the conquest of many diseases prevention is even more important than cure. A well-rounded national health program should, therefore, include systematic and widespread health and physical education and examinations, beginning with the youngest children and extending into community organizations. Medical and dental examinations of school children are now inadequate. A preventive health program, to be successful, must discover defects as early as possible. We should, therefore, see to it that our health programs are pushed most vigorously with the youngest section of the population.

Of course, Federal aid for community health services—for general public health and for mothers and children—should complement and not duplicate prepaid medical services for individuals, proposed by the fourth recommendation of this message.

THIRD: MEDICAL EDUCATION AND RESEARCH

The Federal Government should undertake a broad program to strengthen professional education in medical and related fields, and to encourage and support medical research.

Professional education should be strengthened where necessary through Federal grants-in-aid to public and to non-profit private institutions. Medical research, also, should be encouraged and supported in the Federal agencies and by grants-in-aid to public and non-profit private agencies.

In my message to the Congress of September 6, 1945, I made various recommendations for a general Federal research program. Medical research—dealing with the broad fields of physical and mental illnesses—should be made effective in part through that general program and in part through specific provisions within the scope of a national health program.

Federal aid to promote and support research in medicine, public health and allied fields is an essential part of a general research program to be administered by a central Federal research agency. Federal aid for medical research and education is also an essential part of any national health program, if it is to meet its responsibilities for high grade medical services and for continuing progress. Coordination of the two programs is obviously necessary to assure efficient use of Federal funds. Legislation covering medical research in a national health program should provide for such coordination.

FOURTH: PREPAYMENT OF MEDICAL COSTS

Everyone should have ready access to all necessary medical, hospital and related services.

I recommend solving the basic problem by distributing the costs through expansion of our existing compulsory social insurance system. This is not socialized medicine.

Everyone who carries fire insurance knows how the law of averages is made to work so as to spread the risk, and to benefit the insured who actually suffers the loss. If instead of the costs of sickness being paid only by those who get sick, all the people—sick and well—were required to pay premiums into an insurance fund, the pool of funds thus created would enable all who do fall sick to be adequately served without overburdening anyone. That is the principle upon which all forms of insurance are based.

During the past fifteen years, hospital insurance plans have taught many Americans this magic of averages. Voluntary health insurance plans have been expanding during recent years; but their rate of growth does not justify the belief that they will meet more than a fraction of our people's needs. Only about 3% or 4% of our population now have insurance providing comprehensive medical care.

A system of required prepayment would not only spread the costs of medical care, it would also prevent much serious disease. Since medical bills would be paid by the insurance fund, doctors would more often be consulted when the first signs of disease occur instead of when the disease has become serious. Modern hospital, specialist and laboratory services, as needed, would also become available to all, and would improve the quality and adequacy of care. Prepayment of medical care would go a long way toward furnishing insurance against disease itself, as well as against medical bills.

Such a system of prepayment should cover medical, hospital, nursing and laboratory services. It should also cover dental care—as fully and for as many of the population as the available professional personnel and the financial resources of the system permit.

The ability of our people to pay for adequate medical care will be increased if, while they are well, they pay regularly into a common health fund, instead of paying sporadically and unevenly when they are sick. This health fund should be built up nationally, in order to establish the broadest and most stable basis for spreading the costs of illness, and assure adequate financial support for doctors and hospitals everywhere. If we were to rely on state-by-state action only, many years would elapse before we had any general coverage. Meanwhile health service would continue to be grossly uneven, and disease would continue to cross state boundary lines.

Medical services are personal. Therefore the nation-wide system must be highly decentralized in administration. The local administrative unit must be the keystone of the system so as to provide for local services and adaptation to local needs and conditions. Locally as well as nationally, policy and administration should be guided by advisory committees in which the public and the medical professions are represented.

Subject to national standards, methods and rates of paying doctors and hospitals should be adjusted locally. All such rates for doctors should be adequate, and should be appropriately adjusted upward for those who are qualified specialists.

People should remain free to choose their own physicians and hospitals. The removal of financial barriers between patient and doctor would enlarge the present freedom of choice. The legal requirement on the population to contribute involves no compulsion over the doctor's freedom to decide what services his patients needs. People will remain free to obtain and pay for medical service outside of the health insurance system if they desire, even though they are members of the system; just as they are free to send their children to private instead of to public schools, although they must pay taxes for public schools.

Likewise physicians should remain free to accept or reject patients. They must be allowed to decide for themselves whether they wish to participate in the health insurance system full time, part time, or not at all. A physician may have some patients who are in the system and some who are not. Physicians must be permitted to be represented through organizaitons of their own choosing, and to decide whether to carry on in individual practice or to join with other doctors in group practice in hospitals or in clinics.

Our voluntary hospitals and our city, county and state general hospitals, in the same way, must be free to participate in the system of whatever extent they wish. In any case they must continue to retain their administrative independence.

Voluntary organizations which provide health services that meet reasonable standards of quality should be entitled to furnish services under the insurance system and to be reimbursed for them. Voluntary cooperative organizations concerned with paying doctors, hospitals or others for health services, but not providing services directly, should be entitled to participate if they can contribute to the efficiency and economy of the system.

None of this is really new. The American people are the most insurance-minded people in the world. They will not be frightened off from health insurance because some people have misnamed it "socialized medicine."

I repeat—what I am recommending is *not* socialized medicine.

Socialized medicine means that all doctors work as employees of government. The American people want no such system. No such system is here proposed.

Under the plan I suggest, our people would continue to get medical and hospital services just as they do now—on the basis of their own voluntary decisions and choices. Our doctors and hospitals would continue to deal with disease with the same professional freedom as now. There would, however, be this all-important difference: whether or not patients get the services they need would not depend on how much they can afford to pay at the time.

I am in favor of the broadest possible coverage for this insurance system. I believe that all persons who work for a living and their dependents should be covered under such an insurance plan. This would include wage and salary earners, those in business for themselves, professional persons, farmers, agricultural labor, domestic employees, government employees and employees of non-profit institutions and their families.

In addition, needy persons and other groups should be covered through appropriate premiums paid for them by public agencies. Increased Federal funds should also be made available by the Congress under the public assistance programs to reimburse the States for part of such premiums, as well as for direct expenditures made by the States in paying for medical services provided by doctors, hospitals and other agencies to needy persons.

Premiums for present social insurance benefits are calculated on the first $3,000 of earnings in a year. It might be well to have all such premiums, including those for health, calculated on a somewhat higher amount such as $3,600.

A broad program of prepayment for medical care would need total amounts approximately equal to 4% of such earnings. The people of the United States have been spending, on the average, nearly this percentage of their incomes for sickness care. How much of the total fund should come from the insurance premiums and how much from general revenues is a matter for the Congress to decide.

The plan which I have suggested would be sufficient to pay most doctors more than the best they have received in peacetime years. The payments of the doctors' bills would be guaranteed, and the doctors would be spared the annoyance and uncertainty of collecting fees from individual patients. The same assurance would apply to hospitals, dentists and nurses for the services they render.

Federal aid in the construction of hospitals will be futile unless there is current purchasing power so that people can use these hospitals. Doctors cannot be drawn to sections which need them without some assurance that they can make a living. Only a nation-wide spreading of sickness costs can supply such sections with sure and sufficient purchasing power to maintain enough physicians and hospitals.

We are a rich nation and can afford many things. But ill-health which can be prevented or cured is one thing we cannot afford.

FIFTH: PROTECTION AGAINST LOSS OF WAGES FROM SICKNESS AND DISABILITY

What I have discussed heretofore has been a program for improving and spreading the health services and facilities of the Nation, and providing an efficient and less burdensome system of paying for them.

But no matter what we do, sickness will of course come to many. Sickness brings with it loss of wages.

Therefore, as a fifth element of a comprehensive health program, the workers of the Nation and their families should be protected against loss of earnings because of illness. A comprehensive health program must include the payment of benefits to replace at least part of the earnings that are lost during the period of sickness and longterm disability. This protection can be readily and conveniently provided through expansion of our present social insurance system, with appropriate adjustment of premiums.

Insurance against loss of wages from sickness and disability deals wtih cash benefits, rather than with services. It has to be coordinated with the other cash benefits under existing social insurance systems. Such coordination should be effected when other social security measures are reexamined. I shall bring this subject again to the attention of the Congress in a separate message on social security.

I strongly urge that the Congress give careful consideration to this program of health legislation now.

Many millions of our veterans, accustomed in the armed forces to the best of medical and hospital care, will no longer be eligible for such care as a matter of right except for their service-connected disabilities. They deserve continued adequate and comprehensive health service. And their dependents deserve it too.

By preventing illness, by assuring access to needed community and personal health services, by promoting medical research, and by protecting our people against the loss caused by sickness, we shall strengthen our national health, our national defense, and our economic productivity. We shall increase the professional and economic opportunities of our physicians, dentists and nurses. We shall increase the effectiveness of our hospital and public health agencies. We shall bring new security to our people.

We need to do this especially at this time because of the return to civilian life of many doctors, dentists and nurses, particularly young men and women.

Appreciation of modern achievements in medicine and public health has created widespread demand that they be fully applied and universally available. By meeting that demand we shall strengthen the Nation to meet future economic and social problems; and we shall make a most important contribution toward freedom from want in our land.

HARRY S TRUMAN.

CHEMICAL WARFARE POLICY—A CROSSROADS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, we are now at a crossroads in our policy on chemical warfare. We face the choice of either renouncing chemical warfare and moving seriously toward a treaty, or replacing our present stockpiles either with a new binary weapon system or by updating existing munitions.

Dr. Matthew Meselson, formerly a consultant to the U.S. Arms Control and Disarmament Agency, and professor of biochemistry at Harvard University, has written an article on this subject in Arms Control Today, April 1975. I would like to share his thinking with the Members:

WHAT POLICY FOR NERVE GAS?

(By Matthew Meselson)

During World War II Germany produced, but did not use, a new super-toxic class of lethal chemicals, the nerve gases. During the 1950s and 1960s the United States produced thousands of tons of nerve gas and stockpiled nerve gas weapons designed for tactical battlefield use. These are stored mainly in the continental U.S., with a lesser quantity deployed in Europe, in the Federal Republic of Germany. We have no reliable estimate of the size or the composition of the Soviet poison gas stockpile, although the U.S.S.R. and a number of other countries could readily produce nerve gas.

Lethal chemicals are generally considered to be weapons of mass destruction. For example, under not uncommon meteorological conditions a single light bomber could deliver enough nerve gas to cause a high percentage of fatalities over a downwind area of several square miles. But despite the potential of nerve gas and certain other lethal chemicals for inflicting mass casualties, quite effective protection can be provided for combat troops, in the form of modern gas masks, protective clothing, vehicle air conditioners, and other equipment. Although an initial resort to nerve gas would inflict heavy casualties on military units if caught off guard, its subsequent use against troops with modern protective equipment would be much less effective, a fact of potential importance for chemical arms control.

EDGING TOWARD CHEMICAL ARMS CONTROL

The principal treaty dealing with chemical weapons is the Geneva Protocol of 1925. All militarily important nations are parties, including the members of NATO, the Warsaw Pact, and the People's Republic of China.

After nearly fifty years of alternating controversy and inattention, the United States has finally become a party to the Protocol, following its ratification by President Ford on January 22, 1975, with the undivided support of the Senate. The Protocol is, in effect, a no-first-use agreement. It *does not* prohibit stockpiling of chemical weapons or reprisal in kind against a violator. However, the U.S. and U.S.S.R. as parties to the Biological Weapons Convention of 1972 have undertaken, under Article IX, to negotiate effective measures for prohibiting the development, production and possession of chemical weapons of war. At Moscow in July, 1974, President Nixon and Secretary Brezhnev declared their agreement to consider a joint initiative at the Conference of the Committee on Disarmament (CCD) in Geneva to obtain an international convention eliminating the most lethal chemical weapons. This was reaffirmed by President Ford and Secretary Brezhnev at Vladivostok last November. However, no such initiative has yet been made nor has the United States put forward any proposals of its own.

AND AWAY FROM IT

Meanwhile the Department of Defense has renewed its request, voted down in the House of Representatives last year, for funds to build a facility to produce a new generation of nerve gas weapons, safer to handle and store, called binaries. Only $8.8 million is being sought for the new facility but over the course of several years it would cost approximately $1,000 million to produce binary nerve gas weapons to replace the existing stockpile and perhaps three quarters of a billion more to dispose of the latter. For two years the Defense Department has testified before Congress in favor of binaries, while the Director of the U.S. Arms Control and Disarmament Agency has testified against. The case for buying binaries is not that they are more effective on the battlefield—in fact they are not. Rather, the arguments for and against them are largely psychological and political. Advocates consider that their safety features will overcome public opposition to transportation and forward deployment of nerve gas weapons. Critics argue that a major new round of chemical weapons procurement will spoil chances for negotiating a chemical arms control treaty and will stimulate the international proliferation of chemical weapons.

U.S. POLICY AT A CROSSROADS

While the dispute over binaries has occupied center stage the present situation represents a crossroads of a more fundamental nature. Broadly defined, the choice is between (1) replacement of the existing stockpile with binaries or at least the retention of the current inventory, possibly with some modifications to suit newer types of aircraft and artillery or, (2) renunication of lethal chemical weapons, either through international agreement or unilaterally, seeking a treaty afterwards.

It is not maintained that chemical weapons are needed to deter war itself. Our conventional and nuclear forces serve that role. Neither do senior officials consider that we would have any important incentive to be the first to attack with gas should major war occur. Stated U.S. policy has long been not to start poison gas warfare, a doctrine further solidified by U.S. ratification of the Geneva Protocol. Rather, it is argued that the prospect of retaliation in kind would contribute importantly to deterring the Soviets from using the nerve gas that they must be assumed to possess and that, if such deterence fails, our retaliation could enable us to defend Europe without necessitating immediate resort to nuclear weapons. The rationale for these beliefs rests not on the direct casualty-producing capability of nerve gas, which would be minimized by the use of protective equipment, but rather on the reduction in fighting efficiency that results from wearing masks and suits and taking other protective measures. It is contended that the ability to retaliate in kind in the combat zone and in rear support areas would allow us to impose on the Soviets the same protective posture they impose on us, greatly reducing the advantages to them of any protracted use of gas. However, it must be admitted that our retaliatory capability does nothing to reduce the advantage to the Soviets inherent in the initial casualties and confusion that could be inflicted by a surprise attack on our forces.

But technical military considerations aside, the case for having nerve gas rests on psychological assumptions that go to the heart of NATO defense doctrine. Would our nerve gas deter Soviet first use or would it instead encourage them to think at a desperate moment that they might use nerve gas to break a battlefield deadlock without provoking a nuclear response? And if NATO is attacked with nerve gas, would our retaliation in kind help to gain time and promote the sanity needed to terminate hostilities? Or would it so complicate the calculations of both sides as to preclude the clarity of analysis and communication needed to stop a war short of all-out nuclear exchange? Indeed, must not nuclear weapons inevitably come rapidly into play in response to any determined Soviet thrust into Europe, thereby completely overshadowing the question of gas warfare?

SETTING THE EXAMPLE

It is generally agreed that in addition to the cost in resources, there are other costs of stockpiling nerve gas and having an active nerve gas program. Today, no nuclear nation is thought to have stockpiled nerve gas weapons. It is very much in our interest to preserve this situation. Our great wealth allows us to expend enormous quantities of conventional munitions in tactical war and to maintain large strategic and tactical nuclear forces. Very few countries even approach this capability. However, nerve gas weapons have the potential of wide area coverage at relatively low cost. Their proliferation would greatly enhance the capability of smaller countries and perhaps even of dissident paramilitary groups for threat, harassment, and destruction. The United States and the Soviet Union set the pace and direction of military developments throughout the world. The more interest we display in nerve gas weapons, the more we pioneer their technology and invest in them, the more lesser military powers are likely to question their case for refraining from acquiring nerve gas weapons of their own.

On a different level of concern, the rapid and accelerating advancement of biochemistry and the biological sciences is inevitably leading to a profound ability to manipulate life processes for good or ill. Over the long run, it may be very important to create an international consensus that such knowledge is not to be exploited for military purposes. The possession of nerve gas weapons maintains institutional commitments to such exploitation. In contrast, if nerve gas can be eliminated we would be free to create an atmosphere in which our increasing knowledge of life processes is directed solely to man's benefit and in which research is conducted under the more or less open public scrutiny that is probably necessary to ensure such beneficial use.

TRIBUTE TO OLDER AMERICANS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, May 1975, has been designated by the President as "Older Americans Month."

In this period we are privileged to comply with the Great Commandment, "Honor thy father and thy mother," for our older Americans are, in fact, the fathers and mothers of our generation.

Who more than they deserve our honor and our tribute?

They have brought forth our generation. They have made for our generation a great and beautiful land with an inspiring history and tradition offering not only material but great spiritual blessings.

They have provided great institutions, affording and protecting the freedom that we enjoy under our Constitution, and our American way of life.

They have kept our land free of aggression and conquest so that we enjoy the rich heritage of liberty and personal dignity.

These fathers and mothers—our elderly of today—not only brought us into this beautiful land of ours, but they cared for us in our infancy. They nurtured us to strength and maturity.

They gave us education. They helped us to enjoy the blessings of a family and to find our place in the community and in our country to become a part—a meaningful part—of our time and generation.

They have in general provided the moral climate and the standards for our generation; fixed our family and national objectives, aims and aspirations—set the standards, as it were, of our time.

They have in general created the wealth which is our national inheritance and made possible the good life that we enjoy.

While helping us to enjoy material blessings, they have also taught us, as Justice Oliver Wendell Holmes once said in a memorial address:

> Life can still be lifted into poetry and lit with spiritual charm.

Is it not appropriate then that we keep the Commandment to honor our fathers and mothers who have done so much for us?

Now that they have moved from the flood of life into its eddies, its quiet waters, surely we are not to forsake them or cease to give them the loving care which they may require. Do we not owe them the tender duty to see that they receive the special care their long-burdened bodies may require and that they enjoy the friendship and comradeship and association with others which would dispel the pall of loneliness which may otherwise fall upon them?

Are they not deserving of adequate nutrition to sustain their aging bodies? And cannot we make provision which will assure that they shall not want?

Are they not entitled to live in some place they are proud to call home, be it a residence, apartment, or the house of another?

These are some of the questions that a generation wishing to honor its elders—its fathers and mothers—should ask itself in this month of May which is dedicated to older Americans.

Now the Earth is bursting with the

beauty of spring. The lovely flowers in their beauty and glory are glowing everywhere, attesting that nature has again emerged from the cycle of winter into a new exhilaration of life.

We cannot make the elderly young again if we would, but we can bring a sense of spring to their hearts. We can freshen their spirits. We can inspire their minds at this season in May with a new sense of belonging—a new sense of importance, a new happiness.

The most beautiful flower we could give to them would be the rose of love that costs nothing. And there are many such flowers in every heart which could be given in great profusion without impoverishing the giver.

Let us then so enrich the lives and increase the happiness of our fathers and mothers—our older Americans—that they will truly be able to say with poet Browning:

Grow old along with me!
The best is yet to be,
The last of life for which the first was made.
Our times are in his hand.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Gradison (at the request of Mr. Rhodes), on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Evins of Tennessee, for 15 minutes, today.

(The following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. Cleveland, for 10 minutes, today.
Mr. Steelman, for 5 minutes, today.
Mr. Derwinski, for 5 minutes, today.
Mr. Young of Alaska, for 10 minutes, today.

(The following Members (at the request of Mr. Oberstar) to revise and extend their remarks and include extraneous material:)

Mr. Lehman, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Fuqua, for 5 minutes, today.
Mr. Hicks, for 5 minutes, today.
Mr. Fithian, for 10 minutes, today.
Mr. Mezvinsky, for 15 minutes, today.
Mr. Vanik, for 10 minutes, today.
Mr. Metcalfe, for 30 minutes, today.
Mr. Koch, for 30 minutes, today.
Mr. Bedell, for 5 minutes, today.
Mr. Wolff, for 5 minutes, today.
Mr. Van Deerlin, for 5 minutes, today.
Mr. Alexander, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Michel, and to include extraneous matter.

Mr. Young of Georgia, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $834.

Mr. Young of Alaska, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,756.50.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous material:)

Mr. Bell.
Mr. Sarasin.
Mr. Steelman.
Mr. Robinson.
Mr. Moore in three instances.
Mr. Brown of Ohio.
Mr. Archer in two instances.
Mr. Symms.
Mr. Emery.
Mr. Rousselot.
Mr. Sebelius.
Mr. Steiger of Arizona.
Mr. Regula.
Mr. McDade.
Mr. Broomfield in two instances.
Mr. Peyser in two instances.
Mr. Whitehurst.
Mr. Forsythe.
Mr. McEwen.
Mr. Bob Wilson in two instances.
Mr. Whalen.
Mr. Esch.
Mr. Don H. Clausen.
Mr. Ashbrook.
Mr. Derwinski in two instances.

(The following Members (at the request of Mr. Oberstar) and to include extraneous matter:)

Mr. Rosenthal.
Mr. Blanchard in two instances.
Mr. Minish.
Mr. Ryan.
Mr. Murphy of New York.
Mr. Bonker in two instances.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. McDonald of Georgia in three instances.
Mr. Evans of Indiana.
Mr. Koch in three instances.
Mr. Carr in two instances.
Mr. Teague in two instances.
Mr. Hamilton.
Mr. Roe in two instances.
Mr. Young of Georgia.
Mr. Helstoski.
Mr. Delaney.
Mr. Wolff in 10 instances.
Mr. Downey in three instances.
Mr. Simon in two instances.
Mr. Won Pat.
Mr. Maguire.
Mr. Carney.
Mr. Gaydos.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 25. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

ADJOURNMENT

Mr. OBERSTAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Friday, May 9, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

974. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting notice of proposed rulemaking concerning certification with respect to open meetings by local educational agencies in certain programs under section 812 of the Elementary and Secondary Education Act of 1965, as amended, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

975. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of a proposed agreement between the Governments of the United States and India regarding the consolidation and rescheduling of certain debts owed to the United States, pursuant to section 4 of the Foreign Assistance Act of 1974 (Public Law 93-333); to the Committee on International Relations.

976. A letter from the Comptroller, Defense Security Assistance Agency, transmitting a quarterly report on foreign military sales direct credit and guaranty agreements, pursuant to section 36(a) (3) and (4) of the Foreign Military Sales Act, as amended (22 U.S.C. 2776(a)); to the Committee on International Relations.

977. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the National Health Service Corps and for other purposes; to the Committee on Interstate and Foreign Commerce.

978. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, as amended, together with a list of the persons involved, pursuant to section 244(c) of the act (8 U.S.C. 1254(c)); to the Committee on the Judiciary.

979. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, as amended, together with a list of the persons involved, pursuant to section 244(c) of the act (8 U.S.C. 1254(c)); to the Committee on the Judiciary.

Received From the Comptroller General

980. A letter from the Comptroller General of the United States, transmitting a report on the overseas donation program carried out under title II of the Agricultural Trade Development and Assistance Act (Public Law 480); jointly, to the Committees on Government Operations, Agriculture, and International Relations.

981. A letter from the Comptroller General of the United States, transmitting a report that the United States should recover full costs of reimbursable satellite launches; jointly, to the Committees on Government Operations, Armed Services, and Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EDWARDS of California: Committee on the Judiciary:

H.R. 6219. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites to voting, and for other purposes; with amendment (Rept. No. 94–196). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 6818. A bill to provide funds for wages of employees of certain insolvent railroads under the Comprehensive Employment and Training Act of 1973; to the Committee on Education and Labor.

By Mr. BROOMFIELD:

H.R. 6819. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. DON H. CLAUSEN:

H.R. 6820. A bill to prohibit the export of timber harvested from public lands of the United States including lands within the National Forest System created from the public domain located west of the 100th meridian, and for other purposes; jointly to the Committees on International Relations and Interior and Insular Affairs.

By Mr. CLEVELAND (for himself, Mr. Wright, Mr. Bedell, Mr. Bevill, Mr. Brown of Michigan, Mr. Duncan of Oregon, Mr. Edgar, Mr. Ford of Tennessee, Mr. Fuqua, Mr. Gaydos, Mr. Howard, Mr. Hyde, Mr. LaFalce, Mrs. Lloyd of Tennessee, Mr. McCollister, Mr. Matsunaga, Mr. Mazzoli, Mr. Miller of California, Mr. Preyer, Mr. Richmond, Mr. Ryan, Mr. Simon, Mr. Steiger of Wisconsin, and Mr. Talcott):

H.R. 6821. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works and Transportation.

By Mr. CORMAN (for himself, Mr. Brodhead, Mr. Moffett, Mr. Nowak, Mr. Traxler, and Mr. Yates):

H.R. 6822. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 6823. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. HANNAFORD:

H.R. 6824. A bill to amend title 38, United States Code, to establish the per annum full-pay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HARSHA:

H.R. 6825. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JACOBS:

H.R. 6826. A bill to amend the Internal Revenue Code of 1954 to provide that a portion of an individual's wages, salary, or other income shall be exempt from levy to enforce the payment of Federal taxes; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Mitchell of Maryland, Mr. Beard of Rhode Island, Mr. Scheuer, and Ms. Holtzman):

H.R. 6827. A bill to provide for the payment by the United States of attorneys fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. Del Clawson, and Mr. Rosenthal):

H.R. 6828. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Beard of Rhode Island, Mr. Phillip Burton, Mr. Eilberg, Mr. Harrington, Mr. Ottinger, Mr. Rees, Mr. Rosenthal, Mr. Scheuer, Ms. Spellman, Mr. Gilman, and Mr. Mikva):

H.R. 6829. A bill to modify the restrictions contained in section 170(e) of the Internal Revenue Code in the case of certain contributions of literary, musical, or artistic composition, or similar property; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Beard of Rhode Island, Mr. Phillip Burton, Mr. Eilberg, Mr. Gilman, Mr. Harrington, Mr. Ottinger, Mr. Rees, Mr. Rosenthal, Mr. Scheuer, Ms. Spellman, Mr. Drinan, Mr. Mann, and Mr. Jenrette):

H.R. 6830. A bill to amend the Internal Revenue Code of 1954 to provide that the 4-percent excise tax on the net investment income of a private foundation shall not apply to a private foundation organized and operated exclusively as a library, museum, or similar educational institution; to the Committee on Ways and Means.

By Mr. MEZVINSKY (for himself and Mr. Frey):

H.R. 6831. A bill to provide a program of income tax counseling for elderly individuals; to the Committee on Ways and Means.

By Mr. MICHEL:

H.R. 6832. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of assuring that a certain percentage of the funds allocated under section 106 of such act is distributed to units of general local government, other than metropolitan cities and urban counties, and to States for use in metropolitan areas; to the Committee on Banking, Currency and Housing.

By Mr. MITCHELL of Maryland (for himself, Mr. Conyers, Mr. Nix, Mr. Ottinger, Mr. Metcalfe, Mr. Dellums, Mr. Harrington, Mr. Ford of Tennessee, Ms. Holtzman, Mr. Rangel, Mr. Corman, Ms. Collins of Illinois, and Mr. Rooney):

H.R. 6833. A bill to amend the Small Business Act to impose a moratorium on the repayment of principal and interest on certain loans made by the Small Business Administration for a period of 2 years or until such time as the President determines that the United States is no longer in a period of economic recession; to the Committee on Small Business.

By Mr. MYERS of Pennsylvania (for himself, Mr. Simon, Mr. Coughlin, Mr. Nedzi, Mr. Collins of Texas, Mr. McDonald of Georgia, Mr. Ashley, Mr. Winn, Mr. Talcott, Mr. Schneebeli, Mr. D'Amours, Mr. Krueger, Mr. Solarz, Mr. Kemp, Mr. Thone, Mr. Dickinson, Mr. Howe, Mr. Downey of New York, Mrs. Lloyd of Tennessee, Mrs. Holt, Mr. McHugh, Mr. Harrington, Mr. Fuqua, Mr. Abdnor, and Mr. Robinson):

H.R. 6834. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana:

H.R. 6835. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. NIX:

H.R. 6836. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mr. PEYSER:

H.R. 6837. A bill to provide emergency financial assistance to assure that there are adequate levels of police and fire personnel to provide for the public safety of citizens residing in areas which have been forced, due to severe financial hardship, to lay off public safety officers; to the Committee on Education and Labor.

By Mr. RICHMOND (for himself, Ms. Schroeder, Mr. Eilberg, Mr. Anderson of California, Mr. Fraser, Mr. Bowen, Mr. Maguire, Mr. Wolff, Mr. Addabbo, Mr. Litton, Ms. Holtzman, Mr. Scheuer, Mr. Barrett, Mr. Seiberling, Mr. Bingham, Mr. Carney, Mr. Beard of Rhode Island, and Mr. Downey of New York):

H.R. 6838. A bill to amend the Food Stamp Act of 1964 to provide for improved and more extensive means of distributing food stamp informational materials, to improve the application procedure for food stamp applicants and to provide special assistance in areas of high unemployment; to the Committee on Agriculture.

By Mr. RINALDO:

H.R. 6839. A bill to establish a Joint Committee on International Policy of the House of Representatives and Senate of the United States; to the Committee on Rules.

By Mr. RODINO:

H.R. 6840. A bill to revise and extend the Public Health Service Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL:

H.R. 6841. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. ROSTENKOWSKI (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6842. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. SEIBERLING (for himself, Mrs. Mink, Mr. Won Pat, Mr. de Lugo, Mr. Carr, Mr. Tsongas, Ms. Abzug, Mr. Bell, Mr. Dingell, Mr. Gude, Mr. Rees, Mr. Ryan, Mr. Stark, and Mr. Studds):

H.R. 6843. A bill to provide for the management, protection, and development of the national resource lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN (for himself, Mr. Metcalfe, and Mr. McCollister):

H.R. 6844. A bill to amend the Consumer Product Safety Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST (for himself and Mr. Snyder):

H.R. 6845. A bill to direct the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense; to the Committee on Armed Services.

By Mr. WOLFF:

H.R. 6846. A bill to authorize the emergency issuance of 2,000 special immigrant visas to nationals of Ireland; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 6847. A bill to amend the Federal Aviation Act of 1958 to insure the availability of air transportation to consumers at the lowest reasonable cost, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Alaska:

H.R. 6848. A bill to designate certain public lands and waters in the State of Alaska for national conservation purposes and to provide for the benefit, use, and enjoyment by present and future generations of certain public lands containing forested, geological, scenic, historic, scientific, cultural, recreation, and wildlife areas in the State of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BEDELL (for himself and Mr. Mineta):

H.R. 6849. A bill to provide resettlement assistance for Vietnamese and Cambodian refugees and for other purposes; jointly to the Committees on the Judiciary, and International Relations.

By Mr. FULTON (for himself Mr. Corman, Mr. Rangel, and Mr. Stark):

H.R. 6850. A bill to amend Public Law 93-233 to extend for an additional 12 months (until Juy 1, 1976) the eligibility of supplemental security income recipients for food stamps; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 6851. A bill to increase the retired pay of certain members of the former Lighthouse Service; to the Committee on Merchant Marine and Fisheries.

By Mr. BELL:

H.J. Res. 448. Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling; jointly to the Committees on Merchant Marine and Fisheries, and Ways and Means.

By Mr. BLOUIN:

H.J. Res. 449. Joint resolution proposing an amendment to the Constitution of the United States to provide an alternate procedure for the ratification by popular referendum of future proposed amendments to the Constitution; to the Committee on the Judiciary.

By Mr. COLLINS of Texas (for himself, Mr. Pickle, and Mr. Waggonner):

H. Con. Res. 271. Concurrent resolution recommending voluntary agreements between the Government and industry for the development of passive restraint systems in automobiles until these systems have been proven effective; to the Committee on Interstate and Foreign Commerce.

By Mr. METCALFE:

H. Con. Res. 272. Concurrent resolution concerning U.S. policy with respect to southern Africa; to the Committee on International Relations.

By Mr. OTTINGER:

H. Con. Res. 273. Concurrent resolution expressing the sense of the Congress with respect to the United Nations position concerning the discharge by pressurized cans of fluorocarbon compounds into the atmosphere; to the Committee on International Relations.

By Mr. ARCHER:

H. Res. 447. Resolution to provide that adjustments of certain allowances to Members, officers, and standing committees of the House of Representatives made by the Committee on House Administration shall not take effect unless such adjustments are approved by the House of Representatives; to the Committee on House Administration.

By Mr. ASHBROOK:

H. Res. 448. Resolution creating a select committee to conduct an investigation and study of executions, abductions, and other denials of basic human right in Southeast Asia by Communist forces against civilians, military personnel, police, and others; to the Committee on Rules.

By Mr. DON H. CLAUSEN:

H. Res. 449. Resolution to declare U.S. sovereignty and jurisdiction over the Panama Canal Zone; to the Committee on International Relations.

By Mr. RODINO:

H. Res. 450. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. WON PAT:

H. Res. 451. Resolution expressing the sense of the House of Representatives with respect to the Cambodian and Vietnamese refugees; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

130. The SPEAKER presented a memorial of the Legislature of the State of Texas, relative to the use of natural gas for irrigation purposes; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOGGS:

H.R. 6852. A bill for the relief of John T. Knight; to the Committee on the Judiciary.

By Mr. FLOWERS:

H.R. 6853. A bill for the relief of Mr. Chin-Pao Shao; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 6854. A bill for the relief of Israel Wald; to the Committee on the Judiciary.

By Mr. SYMINGTON:

H.R. 6855. A bill for the relief of Mrs. Hope Namgyal; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

121. The SPEAKER presented a petition of Clifford Barrister, New York, N.Y., relative to redress of grievances, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

"SEND THESE, THE HOMELESS, TEMPEST-TOSSED, TO ME"

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. HINSHAW. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following article which was published in the Blade Tribune on Monday, April 28, 1975, Thomas F. Missett, publisher:

FLEEING VIETNAMESE OUR FRIENDS

The urgency of evacuation of both American citizens from South Vietnam, and Vietnamese whose lives are endangered by the advance of the Communist northern forces, has not given the administration time to announce a settled policy on how the South Vietnamese refugees will be cared for in this country.

There is some degree of consternation in California over the fact that a large number of refugees will be landing through the ports of Los Angeles and San Francisco, and fear expressed that the refugees will become a burden on the state.

California officials make the case that the care of the refugees is properly that of the whole United States and that all fifty states should participate in the program.

State Secretary of Health and Welfare, Mario G. Obledao, has wired the commanding officer of Travis Air Force Base asking that no more refugees be scheduled to California until such action be cleared with Secretary of State Henry Kissinger. A wire was also sent to Kissinger.

We think the excitement in California over the refugee problem to be a little hysterical and almost un-American.

The Vietnamese fleeing to this country are coming here in fear of their lives because they have either worked for or had been friendly with the Americans in their country, or they have been in a position to advocate the things that we stood for in Vietnam.

They are in their present position because they were friends of ours.

It is ungrateful for us to start questioning what is going to become of them and worrying about their impact. It is almost as if we were reluctant to rescue a neighbor from his burning home, until such time as he had given us assurance that he would not be coming to live with us.

The number of refugees to be received and cared for has not yet been confirmed. Estimates vary from 50,000 to almost three times that many.

Florida took care of more Cuban refugees than this, with Miami and Dade county being the principal area for receiving the Cubans who fled.

Most all of us are descended from people who left their homeland to seek a better life in America. And our nation has been enriched by the many national strains which now make up our population.

English, Irish, Scotch, Welsh, Germans, Dutch, Scandinavians, Poles, Italians all were refugees to America from one condition or other in their native land, which made it desirable for them to leave.

Few, however, fled under the threat to their lives which is the case with many of the South Vietnamese.

There will be problems with these people, but they will eventually be relocated throughout the United States it is certain. But geographically it would be remarkable if they were disembarked in Omaha, Nebraska or Canton, Ohio.

These people are refugees in great part because of us and our involvement in their country. It is ungrateful and utterly inhumane to hinder their access to this country, merely because it will be temporarily unsettling to some regions.

We might consider the inscription on the Statue of Liberty in New York Harbor, the first thing that many of our ancestors saw as they came to the United States:

"Give me your tired, your poor, your huddled masses,
The yearning to breathe free, wretched refuse of your teeming shore,
Send these, the homeless, tempest-tossed to me:
I will lift my lamp beside the golden door."

ON DUBCEK AND CZECHOSLOVAKIA

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. KOCH. Mr. Speaker, tomorrow marks the 30th anniversary of the liberation of Czechoslovakia from fascism. Recently, the New York Times reported that the Government of Czechoslovakia extended a proposal to Alexander Dubcek, the deposed Communist party leader, to leave the country. Mr. Dubcek was ousted as Communist party leader in 1968 after his liberalizing policies resulted in the Soviet-led invasion of Czechoslovakia. Mr. Dubcek's notice of expulsion was issued after a series of his articles appeared in the West criticizing what he views as a lack of political and personal freedom in his country.

If Soviet-run Czechoslovakia continues to pursue this policy of expelling rather than imprisoning its political dissenters—in much the same manner that the Soviet Union ousted Nobel Prize winner Aleksandr Solzhenitsyn from Russia last year—then there is hope that political prisoners who are presently being held by the Czechoslovakian Government would be allowed to leave the country. I have written to the Czechoslovakian Ambassador, Dr. Dusan Spacil, requesting the release of Mr. Antonin Rusek and Mr. Jiri Muller, who were imprisoned by the Czechoslovakian Government for their dissident behavior and attempts at "ideological subversion." I have also written to the State Department urging their supporting efforts to obtain the release of these two prisoners.

On Sunday, April 13, the New York Times printed the first of a three-part series of excerpts from Alexander Dubcek's letter of protest written to the Federal Assembly and the Slovak National Council. The letter was made available to the New York Times by the Czechoslovak Socialist Opposition Abroad, which attests to its authenticity. In the letter, Mr. Dubcek denounces the government's use of surveillance and harassment, and strongly criticizes party policies and practices that have developed since the Soviet-led invasion of five Warsaw Pact countries on August 20–21, 1968, of Czechoslovakia. It is fitting that on the 30th anniversary of the liberation of Czechoslovakia from Nazi rule, I reprint here excerpts from Mr. Dubcek's letter with the hope that Czechoslovakia will once again be a free country. The letter is appended:

[From the New York Times Apr. 13, 1975]

ON DUBCEK AND CZECHOSLOVAKIA

At May 1 and [Slovak National Rising] anniversary celebrations, and on other occasions our party leaders justly demand freedom for the Chilean patriots. But how is one to judge such appeals considering the things happening in a Socialist state under Communist leadership, aimed at other Communists, internationalists and patriots of their own country and party? They are part of the method of governing a system of personal power and are being carried out against hundreds of thousands of Communists with the aim of strengthening and confirming old practices, already condemned by the party and the Communist movement, which have caused the Communist movement so much harm in the past.

During the post-August, 1968, period,[1] under the pretext of struggle against counter-revolution from a sectarian position, advantage was taken of the situation that had arisen to liquidate the official policy of the Central Committee of the Communist party of Czechoslovakia (C.C. of the C.P.), the Government and the National Front. This led to the victimization of not only ex-functionaries of the party, Government, National Assembly, revolutionary trade-union movement, the youth movement, women's movement, antifascist federations, cultural and artistic and other bodies comprising the National Front, but also of hundreds of thousands of rank-and-file members of the party and the said organizations.

Furthermore, the official line of the present party leadership still threatens their social existence and civil rights. Officially this is called systematic implementation of the party's leading role and restoration of its standing and influence in society.

Certain sections of the state security organs are misused for the conduct of illegal activities, and forces within those organs are attempting to seize sole control of political and public life. That is why these components of armed power feel called upon again to direct their activities against the "enemy" inside the party. That is why surveillance webs have been spun and informants have been planted not only where I work but throughout our society.

This hinders the activity and the education and political work of the party, stultifying its main function, which is replaced by rule based on coercion. This is much simpler and at the same time extremely harmful to Socialism, not only in Czechoslovakia. Corruption inevitably spreads in a party deprived of the possibility of open discussion and of regular and effective control of even its highest offices.

Fear for their means of existence leads a great number of members to endorse decisions they do not agree with. Duplicity becomes general. An atmosphere of suspicion, fear, hypocrisy and police-informing is created. In that kind of situation it is impossible to obtain a democratic majority in the party, and therefore it must lack drive toward progessive development.

We have gained enough experience to grasp that Marxism-Leninism is not a blind dogma, a textbook and a primer, in which the same prescription and procedure is given for every Communist party irrespective of where it is, what stage of development it has reached, and in what historical and economic situation it finds itself. We know that Marxism-Leninism is in itself a guide for the activity of each particular Communist party, even if it has generally valid maxims and principles.

I mention this because it is hard for me to bear being lumped together with party traitors because I, like so many others, differed with the present party leadership in our view of the implementation of party policy at a given stage of development and the method of solving difficulties and surmounting obstacles.

Under conditions of Socialist power and Socialist development—especially in view of today's level of development and of the history of our working-class and Socialist movement—agreement with party politics and determination of its correctness in the party and society cannot and may not be obtained by force, especially armed force.

It is totally inadmissible to achieve this by calling in "aid" from the outside, as happened in August 1968.

The enforced dismissal from the industrial and cultural spheres of large numbers of qualified people who have expressed and continue to express a different opinion from the leadership will continue to cause immense damage. The creative intelligentsia are the hardest hit; the hands of those who can create and write are tied. The greatest threat to means of existence concerns those capable of creating socially committed works. I think that the working class and its leading role has been morally affected. I should like to be mistaken when I say that the working class, as the most important component and nominal bearer of power in a Socialist state, feels that it is being thoroughly manipulated. It has been deprived of what it regarded as progressive and has had a different conception forced upon it. Worker participation in public affairs and administration has been reduced to a minimum insofar as it exists at all.

In my view the most serious consequence of the present policy is the fact that the people have been deprived of the possibility of discussing party policy without fear, i.e., freely, and thus of making decisions about matters affecting society.

I am forced to conclude that the present party line has been successfully implemented, social values have been successfully destroyed, but none of the conflicts that led to the crisis in the party and society in the sixties (before 1968) has been solved.

[The party's development has been set back] not only to the stage prior to 1968, but to a situation the like of which has not been seen during the whole of its history. Since April, 1969, the party, having failed to solve the existing crisis, has fallen into an even deeper crisis the seriousness of whose consequences it has not yet fully appreciated.

I understand now more than ever that the system of personal power is an amalgamation of political, ideological, organizational, cadre and other instruments and measures wielded primarily from a position of power. It is not enough to agree with this analysis: It is necessary to consciously overcome this system, to thwart it through legal norms, prevent its perpetuation and existence; we tried to do this partly. This method is incompatible with Marxism-Leninism. What is important is not so much the individuals and personalities who put this system into operation under the pretext of protecting orthodox Leninism, threatened by various "improvers," although this factor is by no means negligible. It is crucial that the very concept behind this method of governing, based, among other things, on manipulating the masses into obedience and discipline "in order that Socialism may not be threatened," be destroyed theoretically, organizationally and politically.

---

[1] The period after the invasion of Czechoslovakia by five Warsaw Pact countries, led by the Soviet Union, on Aug. 20–21, 1968, to end the liberal regime of Alexander Dubcek and pave the way for a return to more orthodox socialism. The incursion was later justified by the Soviet leader Leonid I. Brezhnev as the duty of socialist states to intervene to protect their system against revisionism. This policy of limited sovereignty became known as the Brezhnev Doctrine.

I have written about my political reflections and views also to show that I am not a case for the state security forces. What I have written here is not and cannot be a subject for political agitation at chance meetings with workers in the state forests commission or in the streets, or with the friends I run into sometimes when swimming at Senec, or when I go to see my relatives or the grave of my parents and brother at Uhrovec, as the surveillance officers who have spun so many webs around me clearly imagine.

If they want to know my views, they are here at their disposal; it is partly due to them that I have expressed myself. The main content of this letter is intended to show more clearly that my "guilt" (and not mine alone) consists of a different evaluation of our development than the one expressed in the ["Lessons From the Crisis Period of 1968–69"[2]] and a different view of the necessity to overcome the lasting and deepening crisis in the party and in society than that held by the present leadership of the party.

I reject the injustice shown toward me and comrades who think the same way, including even the use of the security organs. (In their defense it would perhaps be more correct to say that they are misused.) It is worth mentioning that the President of the Republic had the habit of placing transistor radios at the windows before opening any discussions. This requires no comment and speaks for itself.

CONGRESSMAN WHALEN SALUTES CHET ROUSH AS AN OUTSTANDING SUPERINTENDENT OF SCHOOLS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. WHALEN. Mr. Speaker, I rise on this occasion to pay tribute to one of the pillars of the city of Kettering, Ohio, Chester A. Roush.

Chet Roush is retiring as the superintendent of the Kettering City School District, the post he has occupied for the past 16 years. It is with no reservation whatsoever that I single him out as an outstanding superintendent of schools. That the Kettering School District is without a doubt one of the finest in Ohio and the Nation is a direct reflection of the dedication, imagination, and professionalism of this excellent man. I have known him for a long time and am honored to have his friendship.

Among all of the many good things that come to mind in describing Chet Roush, the one that perhaps sums him up best is that he is a gentleman in the fullest sense of the word. To know him is to realize that he is a kind, warm, considerate human being. This trait, together with his many other attributes, makes him what many of us believe to be the ideal superintendent.

Chet has been engaged in the profession of education for 35 years. He began teaching in 1940 after graduating from Holbrook College with a B.S. degree. His first assignment was as a teacher and coach in the Salt Creek High School in Circleville, Ohio. World War II intervened and he went into the U.S. Army Air Force for 4 years, rising to the rank of captain.

Leaving the service, he returned to Ohio and moved to the greater Dayton area as a teacher and coach at Randolph High School in Englewood. Chet entered the Kettering system in 1948, went back to Englewood for 2 years in 1952 and in 1954 become a permanent part of the Kettering educational operation. During this period, he continued to educate himself and obtain an M.S. degree in 1952 and also pursued further graduate work.

Chet's honors are understandably numerous. He was one of 25 American educators who made a month-long study of schools in the Soviet Union. Chet is past president of the Western Ohio Principals and Superintendents Round Table, was chairman of the State Board of Education Advisory Committee on title II of the Elementary and Secondary Education Act, was a member of the State Board of Education Advisory Committee on statewide educational television programs and was vice president and president of the Ohio Association of School Administrators. He also is past president of the Kettering Rotary Club, was selected as the Kettering Man of the Year by the Kettering Kiwanis Club in 1968 and was named the Ohio University Father of the Year in November 1968.

Chet Roush and his wonderful wife, Dottie, are warmly regarded and deeply respected by the citizens of Kettering. I am very pleased to be able to add my sentiments to the many that already have been and will be expressed about them between now and the end of August. We honor them for their contribution to the community. We wish them well in the years ahead.

MOVEMENT ON CYPRUS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ROSENTHAL. Mr. Speaker, the New York Times today summarizes the status of the Cyprus negotiations: discussions continue but no sign of compromise comes from Turkey which controls both the talks and the situation on the island by its predominant military presence there.

Until this stalemate ends, there is no chance, in my view, of ending or modifying the military aid ban on Turkey which is now part of the permanent aid law. It is up to Turkey to move now so that the June 5 negotiations in Vienna can resume on a positive basis.

The Times editorial follows:

CYPRUS REOPENING

The results of the first round of Cyprus talks under United Nations auspices have been but modest: an agreement "in principle" of the Greek and Turkish Cypriote representative to reopen the Nicosia airport, which has been closed since the fighting last summer, and a decision to set up a committee of experts—three from each community—to study the powers and functions of a new federal government for the island.

The two sides are at least engaged in serious discussion of the critical issues—their first direct contacts since the Turkish Cypriotes unilaterally proclaimed their "autonomous federated state" in February. They have agreed to resume negotiations with U.N. Secretary General Waldheim in Vienna in one month, by which time the group of experts is expected to have some proposals on governmental structure for their consideration.

What was disappointing about this first round was the absence of any goodwill gesture by Turkey, whose army still occupies 40 per cent of Cyprus. There have been no troop reductions, no territorial withdrawals, not even permission for some Greek Cypriote refugees to return to their homes in the northern part of the island. Slight concessions in these areas could have improved enormously the climate for negotiation and agreement in both Cyprus and Greece.

The Greek Cypriotes, with Athens' backing, have gone a long way to meet Turkish demands for a bicommunal federal state in which the Turkish Cypriotes, who comprise less than a fifth of the population, would control more than 20 per cent of the territory and nearly half the island's existing economic assets. Turkey might have shown its appreciation for these concessions with some of her own.

Even after all the setbacks of the last year, there is little doubt that, left to themselves, Glafcos Clerides and Rauf Denktash, the chief negotiators, could work out a just solution for the island. The trouble is that Mr. Denktash is held on a short leash by Ankara; and the biggest question still is whether Turkey genuinely desires a Cyprus settlement.

FAIR AIRLINE FARES

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. MINISH. Mr. Speaker, recently Station WPIX–TV of New York City presented an editorial citing the unreasonable costs incurred by persons flying between Washington, D.C., and the New York metropolitan area.

It incisively points out that Federal regulation of interstate air travel can, and in this case does, help to set artificially high ticket prices, thus unfairly burdening the flying public.

---

[2] "Lessons, From The Crisis Period of 1968–69," a document adopted by the Central Committee of the Czechoslovak party on Dec. 11, 1970, sought to justify the 1968 intervention and condemned the Dubcek reforms and all liberalization tendencies of Czechoslovak Communism.

I include this editorial comment in the RECORD, so that my colleagues may be made aware of the flagrant abuse of the public trust perpetrated by the Civil Aeronautics Board's misguided policies:

FAIR AIRLINE FARES

In New York, a person getting on an airliner for a two hundred fifteen mile trip to Washington needs a ticket that costs $33.00. In Los Angeles, a person getting on an airliner for a three hundred forty mile trip to San Francisco needs a ticket that costs $18.00. The planes, the service and the flying times are all essentially the same. So, you ask, why the difference in cost.

Well, the difference is that the New York to Washington flight crosses state borders, and in so doing subjects the airline to the ticket pricing regulations of the federal government. The Los Angeles to San Francisco flight is all within the state of California, so the federal government doesn't get involved in setting the fare, that's f-a-r-e. If you think that isn't fair, that's f-a-i-r, you have a lot of company, including the President of the United States.

The White House has estimated that federal airline regulations cost the American people at least one billion dollars a year, and has announced that it will propose legislation which would end most of the government's involvement in the nation's airlines except for federal safety standards, which would remain unchanged. At the present time, the federal government sets the rates, decides which airlines can fly where and requires that the airlines maintain their routes even if they are unprofitable.

The people who favor the proposed legislation believe that while government involvement may have been necessary in the early days of aviation, the industry is now mature enough to regulate itself, and should be allowed to decide on routes and compete with one another on the price.

On the other hand, the people who oppose the White House plan, and interestingly, that includes most of the airlines, believe it would lead to chaos. They point to the fact that air fares are lower now than they were in 1938, and believe that the carriers would seriously disrupt national air service by simply closing down unprofitable lines.

After considering the matter, the Management of WPIX favors the White House plan. We believe that competition between the airlines would not only lower the cost of air travel, but improve service as well. We believe that the free market should set the price of air travel.

WOMAN FOR CONSTITUTIONAL GOVERNMENT OPPOSE FEDERAL LAND USE REGULATIONS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ROUSSELOT. Mr. Speaker, a national women's group, the Woman for Constitutional Government, passed a resolution on November 15, 1974 opposing the imposition by the Federal Government of land use regulations.

This resolution was passed at the 36 State group's national convention which was held in Sherman Oaks, Calif., and it passed unanimously.

As the Members of this body will recall, several weeks ago I placed in the RECORD the resolutions adopted by another national women's group—the National Association of Pro America—and also included among their resolutions was one opposing Federal control of the use of land in our Nation. It is very important that we as the elected representatives of the people keep ourselves informed on the views of the citizens, and these two national women's groups are good examples of how many of the people feel about land use controls imposed at the Federal level.

In my opinion, the House acted wisely when it rejected the Federal land use bill in the last Congress. I hope that we will continue to recognize that such a proposal would violate the protection of private property rights that are guaranteed to every American in the Constitution.

The full text of the resolution adopted by the Woman for Constitutional Government follows, and I urge all of my colleagues to read it carefully:

LAND-USE PLANNING ACT

Whereas under Article 10 of the Bill of Rights, Congress has no authority over non-Federal land; and

Whereas non-Federal lands are reserved to the States and the people under our Constitution; and

Whereas seizure of land is a danger of dictatorial government, and

Whereas the adoption of Land Use Policy and Planning Assistance plans would enable the government to seize property under private ownership and violate the rights of individuals to own and control private property; and

Whereas compliance with this legislation is purported to be voluntary, but has also been demonstrated to be tyrannical.

Therefore, be it resolved: That Woman for Constitutional Government oppose this legislation as violations upon State and private ownership rights.

Motion was made by Mrs. John Faulk, Jr., seconded by Mrs. Mary D. Cain, and passed unanimously November 15, 1974.

TRIBUTE TO EDWARD D. MORGAN

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. RYAN. Mr. Speaker, on May 22, 1975, the friends and associates of Edward D. Morgan will pay tribute to this man of education with a testimonial dinner. For the past 18 years, Dr. Morgan has served with dedication and distinction as superintendent of the Jefferson Union High School District. His outstanding leadership has been a source of inspiration to all those who have served with him. Under his guidance these men and women have worked to change the classrooms into vibrant centers of human experiences.

Superintendent Morgan has worked his entire life preparing our youth to face the challenges of tomorrow. He began his professional career in 1937 as a teacher with the Oakdale Union High School District. He soon took on the responsibilities of dean of boys and vice principal. Then in 1941 Dr. Morgan began a new phase in his career and became an administrator, district superintendent of the William Union High School District. World War II came and Dr. Morgan, along with thousands of other Americans, joined the Armed Forces to serve our country.

After this 4 year departure from his work, Dr. Morgan returned and became the superintendent of the Dinuba Joint Union High School and Elementary School District. Finally in 1956 he moved to the position where we find him today, superintendent of the Jefferson Union High School District.

Mr. Morgan's work continues beyond his duties as superintendent. He holds membership in many professional educational associations; the American Association of School Administrators, the Association of California School Administrators, to name a few.

Mr. Speaker, those of us in government, as well as the public, owe a debt to those educational personnel, like Dr. Morgan, who realize that their job is not simply to get the students to memorize facts, but rather to prepare today's youth to live and function within our society, and develop within these individuals the desire, incentive, and ability to make this world a better place to live.

I know that Dr. Morgan's influence will never stop and will be felt in future generations.

THE CASE AGAINST COLLEGE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. GAYDOS. Mr. Speaker, we have before us in Washington a bill which would provide $2.2 billion for higher education in the coming year, or $228 million more than currently is being spent. Should this increase be voted?

We in Congress are well aware of the rising debate in the country as to the wisdom of pouring more and more money into higher education when thousands of degree holders already are finding job markets oversupplied.

Caroline Bird, a best-selling author, has a book out now, "The Case Against College," in which she purports to show by facts and figures that higher education, for many, is a poor investment and that a youth would be better off financially if he or she put college costs in a lump sum in a savings bank and went to work at once.

Miss Bird's figures are convincing providing monetary reward is the chief aim of higher education. I dispute this. College, in my judgment, is a means not only of preparing the student for a meaningful job, if one can be found, but also of producing a more well-rounded person, one able to live a full, intelligent and interesting life.

We are fortunate in having opened the way to higher education to most young people who desire it. With governmental grants, student aid loans, and various scholarships provided by the private sector, foundations and the schools themselves, most every young American can develop his or her potential to the fullest.

I am glad of this because, no matter what the state of the current job market, we are creating a nation with a high percentage of educated people—citizens, indeed, capable of discharging thoughtfully the immense obligations of a democratic society. This to me is assurance of a good national future and a better life in time for everyone.

It would be a disaster, in my mind, to have this trend arrested or the present educational opportunities diminished by a failure of the Federal Government to do its part. Congress must find the precise point where programs of higher education meet the long-range need and see that they are maintained there.

THE RETIREMENT OF HUGH J. CONNER

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. McDADE. Mr. Speaker, the radio broadcasting industry in northeastern Pennsylvania is about to lose one of its most active and popular personalities with the news that Hugh J. Conner will retire as station manager at Radio WEJL in Scranton effective on May 9.

Hugh Conner is one of Scranton's foremost radio personalities and he is also one of Scranton's most notable citizens. Hugh's career and the success of WEJL have gone hand in hand since he first joined WEJL as staff announcer 27 years ago.

Since that time he has moved up the ladder to program director, sales manager, and finally general manager, a position he has held for the past 9 years.

His activities in the communications field have won him statewide recognition. Hugh has served the Pennsylvania Broadcasters Association, as first vice president, member of its board of directors, and convention chairman for its annual statewide convention.

Closer to home, Hugh has embodied the concept that radio communications and public service go hand in hand. He has given his time and talents to every charitable and civic improvement organization imaginable including service as a member of the board of directors of the Scranton Red Cross, Lackawanna United Fund, American Cancer Society, Heart Association, the University of Scranton's Purple Club, the Young Musicians Society, and countless other organizations that have contributed much to the civic and charitable resources of the city of Scranton.

In 1967 Hugh was appointed by former Governor Shafer as sectional chairman of a 14-county area study on vocational rehabilitation. Hugh has also developed a reputation as one of the area's outstanding toastmasters, MC's, and authorities on radio programing and production.

I know the Members of Congress will want to join me today in acknowledging Hugh Conner's retirement from the broadcasting industry and to wish him and his lovely wife, Mary, and their family years of continued good health and happiness.

LEE HAMILTON'S APRIL 23 WASHINGTON REPORT, "ENERGY"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. HAMILTON, Mr. Speaker, under leave to extend my remarks in the RECORD, I include my April 23 Washington report, "Energy":

ENERGY

The development of an effective and equitable energy policy is one of the top priorities facing the 94th Congress.

There is basic agreement between the President and the Congress that the problem is how to cut back oil imports to reduce the growing control oil producing countries have over our economy and security. We now import about 40% of the oil we use, and at present rates of production and demand the percentage will rise to 50% by 1980. In 1970 we paid $3 billion for imported oil. Last year we paid $24 billion. That means, not only a massive outflow of dollars, but a loss of business and jobs. It also means that the United States becomes more vulnerable to pressure from the oil exporting nations.

Just about everyone in the Administration and the Congress has been involved in developing an energy plan. More than 500 energy bills have been introduced in Congress so far this year. The goal of all of the major energy proposals is to reduce energy consumption and to expand domestic production in order to lessen U.S. dependence on foreign sources. However, the timing and methods used to achieve these goals vary.

The President, whose plan basically is to reduce energy consumption by increasing the price of fuel, recommends an increase in oil import fees, a $2 excise tax on domestic crude oil, and decontrol of domestic oil prices. He supports the deregulation of natural gas price, coupled with an excise tax on natural gas, and a windfall profits tax if domestic prices are decontrolled. He also recommends the development of the naval petroleum reserves, continuation of the leasing policy for outer continental shelf areas, conversion of electric power plants from oil to coal, enactment of a less-restrictive strip mining bill, a relaxation of clean air standards, and emergency standby authority.

Critics of the President's proposal complain that it would add to inflation, and the President's own economists admit that it would add two percentage points to the inflation rate. They also say that the President's plan is more than the economy can bear this year until it works its way out of the recession.

Ways and Means Committee Chairman Ullman has recommended import quotas on petroleum and a 7 cents per gallon retail gasoline tax beginning in 1976 and rising in stages to 37 cents by April 1980. He also proposes an income tax credit which would completely offset the tax on 9 gallons a week, and the creation of a ten-year energy trust fund created by revenue from the gasoline tax to finance energy research. He supports an excise tax on cars based on miles per gallon, an import licensing system using a sealed-bid public auction, and a windfall profits tax on oil companies. He also recommends incentives for conversion from petroleum and natural gas to coal and other energy sources. The President thinks that the plan proposed by Congressman Ullman would not cut imports of oil sharply enough, and that his plan concentrates too heavily on reducing gasoline consumption rather than the consumption of all fuels.

One group of Congressmen wants government controls retained and prices rolled back, rather than having prices rise. They would curb oil imports directly by fixing quotas which would cut the amount of fuel available in the country. The problem is how to adjust to reduced supply and how to handle the government intervention in the economy it entails.

The major controversy about energy policy centers around the suggested increase in the retail gasoline tax, but there are plenty of other areas of disagreement, including whether or not to impose oil import quotas, the extent to which the President should have broad emergency standby power to deal with future energy shortages, how tough to be on the automobile industry to improve fuel efficiency in new cars, and to what extent we should deregulate the federal interstate price controls on natural gas.

In developing an energy policy, the Congress has no easy choices. Everyone wants to save energy, but everyone wants someone else to do the saving. I agree that in order to reduce national vulnerability to economic disruption, dependence on foreign oil must be reduced. I support the enactment of a comprehensive energy program to curb energy waste and reduce its consumption in a manner which will not make worse either inflation or recession. The energy program should take effect only gradually, allowing persons, families, and businesses time to adjust. Emphasis must be placed on conservation now, and every effort must be made to expand domestic supply of energy.

I would hope to be able to avoid rationing by a program designed to decrease the amount of foreign oil at the approximate rate that conservation, conversion, and alternate supply programs result in decreased consumption of foreign oil. Special consideration would have to be made for farming and other essential pursuits. I do not consider it desirable to increase the cost of the basic amount of gasoline that drivers need. I do consider it necessary to make automobiles more efficient in use of gasoline and to make buildings less wasteful of energy, and to educate the public on the need for, and the means of achieving, energy conservation.

HAPPY BIRTHDAY SPEAKER ALBERT

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. CARNEY. Mr. Speaker, today we honor the prestigious and honorable Speaker of the House, CARL B. ALBERT.

Speaker ALBERT was born May 10, 1908, on a farm near McAlester, Okla. He was the oldest of five children of his humble and hard-working parents, Ernest Homer and Leona Ann Albert.

Speaker ALBERT attended the University of Oklahoma, graduating with a B.A. in government in 1931, after distinguishing himself as a member of Phi Beta Kappa and Kappa Alpha, president of the university student senate, and winner of a nationwide oratorical competition. From 1931 to 1934, he was a Rhodes scholar at Oxford University in England, where he graduated with a B.A. and B.C.L. in law.

He served in the Army in the Pacific theater in World War II, holding the rank of colonel, and also practiced law before his election to Congress.

Elected to the 80th Congress, Speaker ALBERT has represented the Third Congressional District of Oklahoma continuously since 1947, and has served in the House of Representatives longer than any other Oklahoman. He served as House majority whip from the 84th Congress through the first session of the 87th, and then as House majority leader from January 1962 until chosen Speaker. On January 21, 1971, CARL ALBERT was elected 46th Speaker of the U.S. House of Representatives.

At this time, I would like to commend the record of the Speaker on the occasion of his 67th birthday, and to express my admiration for his notable performance in office. Since entering this body some 28 years ago, he has won recognition as a practical man of affairs, an expert organizer, and, above all else, a man of his word. Throughout his long and distinguished career, Speaker ALBERT has admirably represented the best interests of both his district and his country in the House of Representatives.

THE SITUATION OF THE HUNGARIANS IN ROMANIA

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DELANEY. Mr. Speaker, between 1965 and 1968 my distinguished colleague from New Jersey (Mr. PATTEN) and many others have protested the treatment of the citizens of Hungarian ethnic background in Romania. Forty-eight of my colleagues and I also addressed a common letter to then Secretary of State Dean Rusk on this issue.

For years we remained silent awaiting an improvement in the living and cultural conditions of this largest national minority in Europe. Unfortunately, after a period of stabilization between 1968 and 1972, a new repressive cycle started in 1974.

Hungarians in Romania were once again finding it almost impossible to settle and earn a living without some official interference. In addition, Hungarian churches, private archives, and libraries were being confiscated while the school system suppressed the very being of Hungarian language and culture.

These complaints are manifold and increasing. They are significant, however, in view of the President's recent request to Congress to grant Romania the most-favored-nation clause under the trade agreement of April 5, 1975. I suggest, Mr. Speaker, we must be careful to remind the administration that we should not extend major economic concessions to Romania without raising the issue of national and political discrimination against the almost 3 million Hungarians in Romania.

"THE REFUGEE REACTION: SICK HEARTS AND MINDS"

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. MICHEL. Mr. Speaker, in the last several days there has been much discussion, a great deal of it profoundly distressing, about the plight of the thousands of refugees from South Vietnam who are now in our country.

The distressing part of the discussion has been coming from certain segments of the population, aided and abetted, very unfortunately, by a number of national leaders, particularly within the Congress.

It is my sincere conviction that the American people as a whole do not share the sentiments of some of the hotheads who have been shouting that these people are not welcome here. Indeed, I was gratified to learn yesterday that the State Department has been literally flooded with calls from citizens asking how they can help the refugees, and in many instances specifically offering employment, housing and other assistance to them.

That is the American spirit, the true American spirit. For we are not only a Nation of immigrants, we are a Nation of compassion.

Now is not the time to repeal the Statue of Liberty, nor to offer schemes for deporting these people, schemes reminiscent of the racist "back to Africa" efforts directed at blacks years ago.

I am proud of America, proud of our heritage, proud to say that we have been, and I believe will continue to be, a refuge for the oppressed peoples of the world.

Congress must do its part in that effort, and rise above the rantings of a few who seem to feel that because they disagreed with the Vietnam policy of administrations of both parties they can turn their backs on the human beings who have suffered the most from the Vietnam war.

I was proud to read a very statesmanlike editorial in my hometown newspaper, the Peoria Journal Star this week, and I include this editorial, written by Associate Editor Tom Pugh, in the RECORD.

I also include in the RECORD an article which appeared in the Chicago Tribune, by the political writer Mike Killian. This article uses a heavy dose of sarcasm to make the same point, and very effectively at that. The articles follow:

[From the Peoria (Ill.) Journal Star, May 2, 1975]

THE REFUGEE REACTION: SICK HEARTS AND MINDS

There has been something sick about the reactions some Americans have been making to the Vietnamese refugee situation.

One Peorian telephoned the Journal Star a couple of weeks ago to shout that he hoped that the first plane-load of Vietnamese orphans would be shot down. I wonder how he felt the next day when one such plane filled with children did crash.

I also wonder whether the sydicated cartoonists who have caricatured the refugees from Vietnam as torturers, deserters, thieves, and prostitutes are going to feel when they look back on their sick production during the last days of Saigon.

The negative comments gathered by the Associated Press from politicians and some unidentified citizens in California, Florida, and Arkansas where receiving camps have been set up at military bases were shocking illustrations of selfishness and bigotry.

How different the America we are living in today seems from the America which opened its arms to the refugees from the crushed Hungarian revolution in 1956!

In the face of so much cynicism about "Operation New Life"—that's what Vietnamese resettlement program is being called—it may be useful to look back to "Operation Safe Haven"—the name which was applied to the Hungarian refugee program.

Here in Peoria the news of the Christmas season of 1956 was dominated by story after story about the extraordinary efforts which the local citizenry was making to help a plane-load of 77 Hungarian refugees who landed at the Greater Peoria Airport on Dec. 18.

There had been, prior to that arrival, a virtual contest between Peoria and other cities in America over who would get the first plane-loads of those "freedom fighters" who had fled from the Russian tanks which crushed what had been the first revolution against a Communist regime.

Four hundred people had crowded into the LaSalle Room of the Hotel Pere Marquette on Dec. 1 to hear Father Edward O'Rourke, then a priest from Champaign and now the bishop of Peoria, open a meeting to organize the Hungarian Emergency Resettlement Committee with these words:

"I think one of the bright spots of this dark mid-century which has seen so many tragedies will be that people like you have opened your homes and your hearts to people you do not know at all."

If Peorians ever responded with more compassion than they did then, it was before my time. Those 77 refugees from Communist brutality spent their first weeks living at Jefferson Hotel (it was first-class then). Food, clothing, interpreters, and jobs came to them from the hearts and pocketbooks of Peorians.

Will a similar voluntary response be made across America to the needs of today's refugees from Vietnam? It's too early to tell, but the first reactions of the people and politicians in other parts of the country do not hold much promise.

What is the difference between the Hungarians who had to flee Communism in 1956 and the Vietnamese who had to flee this week? And what is the difference between the hearts and minds of Americans of 1956 and Americans of today?

It would take a book to answer those questions, and much of that book would be a history of what happened to us and the Vietnamese we urged to resist Communism and tried so hard to help for so long.

The end of that book can't be written, because the story isn't over. How it comes out will depend upon what Americans do in the days ahead in respect to the Vietnamese refugees who need help.

If the recriminations which began with their evacuations continue and more of us do not respond with compassion, 1975 will be a darker spot in American history than it need to be.

[From the Chicago Tribune, May 5, 1975]

To Live in America Be a Real American

(By Michael Kilian)

Seeing the generous American spirit in action is enough to warm the cockles of the heart.

To about 212 degrees Fahrenheit.

Consider the response of so many of our glorious elected leaders to the decision to allow between 50,000 and 70,000 South Vietnamese refugees to immigrate to the United States.

You would have thought the South Vietnamese were black welfare mothers trying to crash the Daughters of the American Revolution.

A proposed resolution welcoming the refugees was resolutely voted down by a margin of 7 to 1 in the Seattle city council. Other politicians in such enlightened provinces as California yelled and screamed about how the South Viets would bring in strange jungle diseases and take away American jobs.

Instead of congratulating President Ford and the Pentagon on their last-minute rescue of some 6,000 refugees from the People's Liberation beheading squads, the carping liberals on Capitol Hill complained that Ford violated their precious War Powers Act in doing so.

What are a few heads when it comes to the sanctity of liberal legislation? Besides, most of those refugees really aren't "people," but merely members of the South Vietnamese middle class.

Such hypocritical knavery is to be expected of elected leaders, especially those on Capitol Hill. But I wondered if they truly reflected the attitudes of the millions of average Americans who have made our country what it is today.

To find out, I set forth with a tape recorder. To get a truly representative response, I also borrowed my neighbor, Mad Marvin's time machine. Here is the transcript:

Q. Mr. Lopez, are you opposed to the immigration of South Vietnamese refugees to the United States?

A. Sure, man. They just gonna bring in diseases and take away our jobs. We got a recession here and we oughta take care of our own first. I got it bad enough makin' payments on my motorcycle. Why they want to come to America, anyway? Why don't they stay in their own place?

Q. Mrs. Bernstein, are you opposed to the immigration of Cuban refugees to the United States?

A. Yes! They'll come in here with their cigar leaves and ruin Miami. They don't even speak English. If they don't like that Castro of theirs, that's their problem.

Q. Mr. Antonelli, are you opposed to the immigration of Jewish war refugees to the United States?

A. You betcha. We fight the war for them; what more do they want? I didn't build no concentration camps. They just come in and take our businesses. I work hard for what I got. Send them to Palestine where they belong.

Q. Mrs. Kosinski, are you opposed to letting more Italian immigrants into the United States?

A. I am. I am. They shiftless and gangsters and smell up the neighborhood with their cooking. We got a nice neighborhood. We work hard for our houses in steel mill. No Italians!

Q. Mr. Kelly, are you opposed to letting Polish refugees immigrate to the United States?

A. Sure, that I am. They may be Catholic, but they don't speak English. They don't know how to vote. 'Twasn't easy for us, you know. We're not going to give up what's ours to any Poles.

Q. Mr. Haynesworth, are you opposed to allowing Irish immigrants into the United States?

A. What, those drunken bog-trotters? They need not apply. We didn't cause their potato famine. If they have no potatoes, let them drink whisky. But not here. America for the Americans.

Q. Chief Running Fox, are you opposed to letting English immigrants settle in America?

A. Me opposed. No English. America for Americans.

THE 25TH ANNIVERSARY OF THE NSF ACT

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ESCH. Mr. Speaker, the 25th anniversary of the establishment of the National Science Foundation on May 10, 1950, is an occasion deserving our notice and expression of congratulations.

This independent agency, which supports fundamental research in the natural and social sciences and, since 1968, the application of scientific knowledge and techniques to national problems, has extended our understanding of natural forces and our ability to deal with them, and it has enriched our culture. The Foundation has also exerted a strong and beneficial influence on science education, from the elementary grades through the postdoctoral level. Even before the Soviets launched their first sputnik in October 1957, and thereby caused national anxiety about the condition of our science instruction, the Foundation was initiating significant reforms in the content of school curriculums and improving the capabilities of science teachers through summer institutes.

The Foundation has always emphasized quality—in research and education—and it has fostered the growth of quality by encouraging merit wherever it could be found. To insure a healthy academic base for American science, the Foundation has invested heavily in the improvement of colleges and universities, seeking to increase the number of centers of scientific excellence in both graduate and undergradute education throughout the Nation. It is improving educational opportunities for ethnic minorities, and it is trying to remove some of the obstacles to careers in science for women. Increasingly, the foundation is encouraging experimental projects that give promise of major change and improvement in science education.

The National Science Foundation has been fortunate in having had stability in its leadership and having had four distinguished science administrators to direct the agency's course. The late Dr. Alan T. Waterman headed the Foundation from its establishment until 1963. Dr. Leland J. Haworth led the NSF from 1963 until 1969. From then until 1972, Dr. William D. McElroy served as Director.

Dr. H. Guyford Stever, the fourth and present Director of the National Science Foundation since 1972, and his able, hard-working staff, deserve our thanks for their advancement of science and science education and they merit our encouragement as they build on the notable achievements of the past quarter century.

FEEDING THE BEAR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, we are admonished by signs in our Western parks not to feed the bears. Presumably feeding encourages the bears, who may then prey on their feeders.

Such is not the case, however, with respect to the bear to end all bears: The Soviet Union, who has preyed upon and devoured more nations and people than any other aggressor in history. Yet the larger its appetite, the greater we are admonished to increase the nourishment.

President Ford in his "state of the world" speech on April 10, simultaneously requested funds to defend South Vietnam from the bear's cubs in North Vietnam, and to remove the few remaining trade barriers preventing full, enriched nourishment of the mother bear.

The latest meal, a grand dessert to top off the main course, was reported by the Wall Street Journal on April 25 just as the moans of the latest victims were dying away in South Vietnam: Our State Department had just allowed the shipment of uranium to the Soviet Union.

The article follows:

[From the Wall Street Journal, Apr. 25, 1975]

United States Quietly Allows Uranium Shipments to Soviet Union for Processing Into Fuel

(By Barry Kramer)

WASHINGTON.—The United States alone is unable to meet the long-range needs of foreign nations for nuclear fuel. For political and commercial reasons, it has bowed to the inevitable—and is quietly allowing the shipment of American uranium to the Soviet Union for processing into fuel for power stations in other countries.

The cold war had prevented such shipments since the dawn of the atomic age. But the government recently decided that sending American uranium to the Russians for processing would "not be inimical to the common defense and security" of the U.S. and its allies.

So said a letter from the State Department last week informing the Nuclear Regulatory Commission that it could approve a license sought by Edlow International Co., Washington, D.C., to export 1.4 million pounds of uranium oxide, or yellow cake, milled from uranium ore dug from mines in Wyoming and New Mexico. The yellow cake is to be transformed into uranium hexaflouride in the United Kingdom, and the hexaflouride gas will be processed in Soviet enrichment facilities into pellets rich in uranium 235. This isotope provides the power for nuclear electric plants and for the atomic bomb. The ultimate customer is West Germany's Kraftwerk Union AG, the nuclear unit of Siemens AG.

U.S. OKAY IS NECESSARY

The Edlow shipment is the first publicly announced case in which U.S. uranium was permitted to go to the Soviet Union for enrichment. But industry sources say at least one other shipment, by Transnuclear Inc., White Plains, N.Y., is destined for the Soviet Union. The shipment is still in Britain.

A spokesman for Transnuclear, privately owned by French, West German and U.S. interests, confirms that last August it shipped about 400,000 pounds of U.S. yellow cake to British Nuclear Fuels Ltd. of the United Kingdom to be transformed into uranium hexafluoride. The place of enrichment was unspecified on the export license, but industry sources outside Transnuclear say it is the Soviet Union.

A Nuclear Regulatory Commission spokesman says Transnuclear hasn't asked for permission to have the uranium enriched in the U.S.S.R., but that such permission, if asked, would probably be granted. The eventual customer is the Italian utility, Agip S.p.A.

Under the Atomic Energy Act, it's illegal for American companies to produce nuclear material outside the U.S. unless the Nuclear Regulatory Commission approves. Requests to deal with Communist countries are passed on by the NRC to the State Department and other agencies, which must determine whether the deals are in the national interest.

Also, under the U.S. agreement with the European nuclear community, Euratom, the U.S. must approve any such export of nuclear material from Euratom countries. The U.S. has routinely been approving of contracts by European nations to send non-U.S. uranium into the U.S.S.R. to be enriched. Approval also was granted for the Edlow shipment of U.S. uranium to Russia.

In fact, the growing number of Western enrichment contracts with the Soviets was the major reason the U.S. abandoned its ban on allowing U.S. uranium into Russia.

It's also clear from the change in policy that the U.S. no longer fears that the Soviet Union would steal American uranium if it got its hands on it. "If the Soviets are prepared to enrich uranium for civil use in the West, then you must conclude that they have produced all the enriched material they need," says a State Department official. Next to the U.S., the Soviets have the largest nuclear stockpile, and both nations already have an atomic overkill capacity, he adds.

After enriching uranium for a French utility in 1971, the Soviet Union announced in 1973 that it would do so for any Western nation that asked. So far, France, Italy, West Germany, Belgium, Sweden, Spain, Austria and the United Kingdom have signed long-term enrichment contracts with the Soviets. Other contracts are being negotiated. Finland was already a customer.

The signed contracts cover more than 27 million so-called separative work units spread over several years, enough fuel to operate 225 thousand-megawatt power plants for one year. It's estimated that Europe now gets 40% of its nuclear fuel through the Soviet Union and the rest from the U.S. (By comparison, total U.S. enrichment capacity is about 17 million separative units.)

THE JAMMED AMERICAN PIPELINE

The Soviets are believed to operate an enrichment facility in Siberia, northwest of Lake Baikal, using power from the giant Bratsk hydroelectric dam. Experts estimate that the facility produces 8,000 to 10,000 metric tons of separative work a year, about the same as each of the three enrichment plants operated by the U.S. Energy Research and Development Administration (ERDA, which with the NRC perform the functions of the former Atomic Energy Commission).

Like the U.S., the Soviets apparently have built up their nuclear-weapons stocks to such an extent that the enrichment facility is largely free to process nuclear fuel.

But unlike the Soviets', U.S. facilities are heavily committed to supplying nuclear plants here and abroad. The Russians' nuclear energy program is a small fraction of the size of the U.S.'s. As of last June 30, the U.S. stopped accepting new long-term contracts from utilities for nuclear fuel processing in the knowledge that the three ERDA facilities will be fully committed by the early 1980s.

Several U.S. companies are considering commercial nuclear enrichment ventures. But because of the difficulties currently faced by utilities in obtaining finances, no commitments have been made.

In Europe, the multibillion-dollar Eurodif project, whose main participants are France, Iran, Italy, Spain and Belgium, expects to be enriching nuclear fuel at an annual rate of 10.8 million separative work units by the early 1980s, and discussions are being held about a second plant. Urenco Ltd., owned by government and commercial interests in Great Britain, the Netherlands and West Germany, also operates two large pilot plants that produce 75,000 separative work units, and hopes to increase production to two million by 1980 and 10 million by 1985.

EUROPEANS AND U.S. RELIABILITY

Elsewhere, South Africans say they intend to get into the business, too, utilizing that country's large stores of uranium ore.

The desire of European nations to diversify the sources of their enriched uranium fuel is both practical and political. There's confusion about U.S. plans to increase production. The Arab oil embargo also has shown the need for multiple sources of fuel.

Distrust of U.S. reliability in supplying nuclear fuel can be seen in the way Europeans bristled recently when NRC commissioners announced that they would personally review all "significant" shipments of nuclear materials abroad while they revamped commission safety requirements. The Europeans reacted angrily to what they considered a temporary ban on shipments, even though the NRC said the review would only mean a slight delay in some shipments.

"Such a decision, taken without prior consultation . . . is liable to threaten the orderly development of the (European Economic) Community's nuclear programs and gives rise to serious concern regarding the security of supply from the U.S.," Henri Simonet of the EEC said in a harshly worded cable to the U.S.'s ERDA.

Some countries, either because of political alignment or proximity to the Soviets, must deal with them. So if a U.S. nuclear-energy company wants to do business with these countries, it must have the option to go to the Soviet Union for enrichment services, State Department sources point out.

RUSSIAN DEALS: THE REASONS

American companies began approaching government officials several years ago with that in mind. At least one company, General Electric, held discussions with the Russians two or three years ago, according to industry sources. (GE officials couldn't confirm the contact, but they note that the company isn't any longer in the enrichment business; so to them at least the question is moot.) To compete with foreign companies offering their customers enrichment services in the U.S.S.R., American companies have told the State Department they, too, must be able to offer the options. Cost alone isn't a major factor, though the price charged by the Russians is slightly less than that charged in the West.

Another reason to turn to the Russians is to maintain a balance of trade. West Germany, for instance, U.S. experts say, exports far more to the Soviet Union than it imports, and has apparently sought enrichment contracts in an effort to correct the trade imbalance. ("After all," comments one U.S. official, "there's only so many wooden dolls they can buy from the Soviet Union.")

So far, the Soviets have required their Western customers to supply their own uranium yellow cake. Countries that have asked for enriched Soviet uranium have been turned down. "The assumption is that they're hoarding their own uranium, or perhaps they just have outdated laws on the books like we had," says one State Department official.

SPACE DATA AVAILABLE TO SOLVE PROBLEMS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. TEAGUE. Mr. Speaker, to benefit the general public, a large amount of useful practical information is available from the space program. NASA has operated for a number of years an Office of Technology Utilization. This office, although modest in size, is benefiting businessmen throughout our country with new capabilities for new products, product improvements, and manufacturing technology derived from our national space program. A recent article in Small Business magazine by Mr. Mark Stevens describes in brief the significant progress being made in the technology utilization program. I commend the reading of this article to my colleagues as an important source of information and benefit to the general public. The article follows:

SPACE DATA AVAILABLE TO SOLVE PROBLEMS

(By Mark Stevens)

Thousands of small businesses are profiting from a unique service of the National Aeronautics and Space Administration. Known as Technology Utilization, the service links space technology with the needs of private enterprise.

A vast pool of information developed by space program scientists is being put to work to solve America's business problems. Technical experts work together with entrepreneurs to seek commercial applications for scientific innovations. The idea is to seek broader uses for space-related research data.

Already in full swing, the TU program has been applied to a wide range of business operations from pollution controls to manufacturing processes.

Major features of the TU program are:

Technical briefs: Information developed in NASA labs or by government contractors is made available to businessmen through the Tech-Brief Program. The briefs are summaries of technical innovations published to inform entrepreneurs of new technology.

The Tech-Brief program, which is free, simply keeps entrepreneurs up to date on the full range of formation on the more promising concepts, write to NASA for in-depth reports, test results, and research materials. Small firms account for 55 per cent of the 18,000 companies on the Tech-Brief mailing list. Owner-managers may be put on the list by writing on company letterhead to Jeffrey Hamilton, NASA, Washington, D.C. 20546.

Industrial Application Centers: Designed as a customized technical service for the nation's business community, Industrial Application Centers help companies tackle specific problems. By tapping NASA's computerized data base, even the smallest firms can move on to greater efficiency and profit.

The centers service client companies by programming computers to seek solutions to business problems. Company managers work with experts to define and isolate operating deficiencies, to tap NASA data files for corrective measures and to implement new procedures based on superior technology. The centers operate as independent, non-profit organizations under contract to NASA. Since the majority of companies are small firms, charges tend to be modest.

Making contact with an Industrial Application Center is simple enough. Regional centers are operated across the nation by the Universities of Connecticut, Pittsburgh, Indiana, New Mexico, Southern California and by the State of California. Owner-managers should write to the nearest center to set up an initial interview.

Patent licensing workshops: Traveling across the nation, groups of NASA experts teach local entrepreneurs how to apply for NASA patents. Holding special workshops for the business community, spokesmen promote NASA's 3000 available patents and explain the techniques of private licensing. In addition, workshops for minority-owned firms are held in cooperation with the Commerce Department's Office of Minority Business Development. Details on workshop dates and locations may be obtained from NASA, Technology Utilization Department, Washington, D.C. 20546.

CONCERN FOR WELFARE OF ANIMALS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. WHITEHURST. Mr. Speaker, the Washington Post of Thursday, May 8, carried a brief but effective article by Ms. Laura A. Kiernan which emphasizes the need for prompt action on legislation such as H.R. 1152, to amend the Animal Welfare Act of 1970 to provide adequate protection for animals in transit and in terminals of common carriers.

Dedicated people such as the volunteers from the Washington Humane Society and their counterparts in Philadelphia and elsewhere are a tremendous help, but they cannot do it alone. I hope that meaningful legislation in this area can be enacted in the near future, and I am inserting the article at this point in the RECORD for the benefit of my colleagues and others who share my concern:

NO-FRILLS FLIGHTS FATAL TO ANIMALS

(By Laura A. Kiernan)

For the past three years volunteers from the Washington Humane Society have spent several evenings a week at Washington National Airport caring for animals they claim were shipped to the airport either sick or in crates so small they couldn't move and lacked adequate food, water and air.

In addition, over more than 10 years, the society has catalogued more than 100 serious cases in which they say animals were subjected to cruel treatment because of the way they were crated for shipping.

Once, 12 baby raccoons arrived in a crate no bigger than a shoebox, according to volunteer Fay Brisk. A hound shipped from Missouri bled to death after his tail was injured because his crate was too small, she said. Two puppies died of malnutrition and dehydration after a four day trip to Washington without food or water, Miss Brisk said.

Yesterday, the U.S. attorney's office in Alexandria said it intends to step up its prosecution of those who ship animals through National and Dulles airports in violation of Virginia law that prohibits cruelty to animals.

U.S. Attorney William B. Cummings released a list of guidelines that prohibit shipping animals in crates that are too small, or without provisions for food, water and sufficient air.

Animals must be healthy when they are shipped and crates must be safe and strong enough to withstand travel, Cummings said.

The penalty for a violation is $1,000 fine or one year in prison or both.

GREEK INDEPENDENCE AND AMERICAN HISTORY

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. YOUNG of Georgia. Mr. Speaker, as we approach the 200th anniversary of the founding of our Republic, it is important to remember the significant contributions made by other cultures and countries to this Nation's historical growth. We are reminded that America is representative of many peoples whose national origins have lent important values to the emergence of our unique cultural spirit.

I submit for my colleagues' interest an article written by a Greek-American constituent who expresses this sentiment with historical insight:

GREEK INDEPENDENCE AND THE SPIRIT OF 1776

(By C. G. Alexandrides)

In commemorating the 154th anniversary of the Greek War of Independence, which in 1821 shook the world of status quo imposed by the Holy Alliance of the Powers of Europe as had the American Revolution 45 years earlier, we are cognizant of the parallelism of the two historic events. Among the staunchest philhellenes of the Greek War of Independence against the Ottoman Empire were President James Monroe and Senator Daniel Webster, who like Lord Byron, ignited with their fiery speeches the imagination of freedom-loving people everywhere for the resurgence of Greece from the hordes of Attila's descendents, who had occupied the land of democracy and freedom for nearly four centuries.

The deeply entrenched bonds of friendship between Greece and the United States can be traced to the founding of the great American republic. The authors of the American Declaration of Independence were imbued with Greek philosophy and the teachings of Socrates, Plato, and Aristotle. Among the framers of the Constitution, Thomas Jefferson and James Madison were among the students of political experiments in federalism based on the experience of the federation of Greek states such as the Achean League and the Aetolean League. The political concept of separation of powers is directly attributed to the writings of Aristotle. So much were the framers of the American Federal Constitution impressed with Greek philosophy and democracy that a motion was introduced in the First Continental Congress to adopt Greek as the official language of the newborn American republic. The motion lost by one vote from being adopted.

The interplay of the two countries is also evidenced by the request of the eminent leader of the Greek War of Independence, Adamantios Koraes to Thomas Jefferson for his views on the political system for the modern Greek state on the basis of the experience gained by the American political system.

Greek-American solidarity can be attested throughout history, particularly during the first and second World Wars. The Western democracies have not forgotten the first victory of the second World War, the defeat of Mussolini's Italy in Albania in 1940, and the heroic resistance against Hitler's Germany in northern Greece and in the valiant island of Crete. As a result Hitler's campaign against Russia was delayed by more than a month, which provided the necessary timing for Hitler's defeat at Leningrad.

The Truman Doctrine in 1948 was instrumental in the defeat of the Communist insurrection against the Greek nation.

During the Korean War the Greek expeditionary forces fought valiantly alongside the American forces for saving the Republic of Korea from Communist aggression.

American economic assistance since World War II enabled the Greek nation to rehabilitate its economy from the ruins of war.

The success of the Greek immigrant in the United States is a testimony of the similar democratic ideas which permeate Greek and American traditions. At present many Greek-Americans are in positions of leadership in business, education, and government. In politics there is a score of mayors, members of city councils, as well as the Governor of Massachusetts, and five Congressmen of Greek descent.

The present misunderstanding over the policy of the present administration on Cyprus will be dissipated in view of congressional support in favor of justice in Cyprus.

Congress, by cutting off military aid to Turkey, was consistent with its constitutional obligation to have compliance for the laws of the land, which prohibit the use of U.S. military assistance for other than defensive purposes. Indeed, the decision of Congress is consistent with UN Security Council and General Assembly resolutions calling for the immediate withdrawal of all foreign troops from Cyprus and the return of refugees to their homes. Moreover, the Congressional authorization for emergency relief for the refugees in Cyprus demonstrates the humanitarianism of Congress. It is with the moral leadership of the U.S. Congress that a solution to Cyprus will become possible; thus, restoring the traditional friendship of U.S. with Greece.

[From the Wall Street Journal, Mar. 3, 1975]

GREEK OBJECTIONS

EDITOR, The Wall Street Journal: your editorial "Congress and the Turks" (Feb. 21) stating that "Congress can take some credit for the founding of the Turkish Cypriot Republic . . ." since it came "just 10 days after the congressionally ordered end to our military aid to Turkey" is misleading and unfounded.

Congress, by cutting off military aid to Turkey, was consistent with its constitutional obligation to have compliance for the laws of the land. The Foreign Assistance Act of 1961, Section 505(d) requires that U.S. military aid be used for defensive purposes. Under this act, "the use of U.S. military assistance for other than defensive purposes is barred by law," according to the legal opinion of the Library of Congress.

President Nixon and his Secretary of State Kissinger, preoccupied with Watergate and related matters, did not bother to warn the Turkish government in spite of repeated recommendations of the American Ambassador to Athens. The lack of concern by the U.S. administration during the month-long period of preparation of assembling U.S. military equipment and supplies by the Turkish government to invade Cyprus, convinced the Turkish leadership of U.S. tacit acceptance of their aggressive intentions

Indeed, the decision of Congress is consistent with UN Security Council and General Assembly resolutions calling for the immediate withdrawal of all foreign troops from Cyprus and the return of refugees to their homes. However, Mr. Kissinger's votes in the UN and his implementation of these resolutions are two different things. This double standard by great powers sworn to uphold their obligations under the UN Charter is damaging the foundations of the UN and world peace that Mr. Kissinger is eager to preserve.

It is therefore appalling that instead of condemning the Turkish aggression in Cyprus for the "protection" of 18% of the population, when it illegally occupies 40% of the most prosperous area of the country, you "philosophize" about the Congress and the Turks.

C. G. ALEXANDRIDES,
Secretary, Congress of America Hellenic Organizations.
Atlanta.

"IT'S OURS"

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DENT. I think we Americans have been hanging our heads for the last several weeks over something that has long been beyond our control. This situation becomes decidedly ironic in that one tends to forget, amidst all of the head hanging, that we are at present on the verge of our 200th anniversary, something for which we should be very proud indeed.

Not many governments last in a singular form for 200 years. Oh, sure, there will always be an England, and I can trace forbearers in Italy back beyond Lexington and Concord time. But governments have changed so many times all over the world and they will of course continue to change, if ancient history and/or current events are any indication. For some reason, though, our Founding Fathers hit upon a pretty good formula, comparisons being what they are.

Perhaps considerations for the flag are a bit old-fashioned, but I am one of those who revere the flag as something important to our sense of this sovereign land and its history. If we can instill the feeling embodied in this poem, a first-place award winner in the National Poetry Contest, by Josie Sever of St. Edward's School in Herminie, Pa., then we might begin recouping some of the pride in America that should be appropriate in our Bicentennial celebration:

"IT'S OURS"

It was Betsy Ross who made Our Flag,
She started from a tattered rag
On which she sewed thirteen stars
The people were proud and said, "it's ours."
The stars had five points in the blue
With red and white stripes it looked almost new.
It now flies high above the land.
And under it we're proud to stand.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Probably the most moving testimony taken that day was that of Mrs. Josephine Edwards, a woman receiving disability benefits. She was unable to attend the hearing because of illness, but we were able to get her words on paper. I read her testimony into the RECORD. Mrs. Edwards is a strong and proud woman who is battling to maintain herself and her blind and deaf sister in dignity. However, the programs we have established to help her do not seem to be adequate. I think my colleagues would benefit from reading her testimony:

SENIOR CITIZENS AND THE ECONOMY

Mrs. Josephine Edwards was unable to attend today's hearing because she is confined to her bed with illness.

She wanted to testify. So we arranged to get her story down on paper.

The following is what she said:

"Mr. Downey, I am Josephine Edwards of 16 Pine Street in Central Islip, and my complaint is about me and my sister.

"We live alone. She is seventy-one years old, and I am fifty-eight. And we can't get any help. I've been in the hospital for two weeks, and I been trying to get someone to keep house for us. I called, but it doesn't do any good. You call people and sometimes they hang up on you. I'm talking about the people in Bay Shore and also in Hauppauge. They give me the runaround. You have to call this place and that place. Sometimes, I have to make four or five telephone calls trying to reach the right person to tell you what's happening. Sometimes, that person hangs up. And you just don't get nowhere. That phone bill has got to be paid by me because there's nobody else to pay it.

"I called Bay Shore and they said I needed a paper from the doctor. So I sent it in. No response from them. So I called Hauppauge and still have not gotten any response.

"And is going up on my rent. It was $200. Now it's $210. They told me to send a letter when it came from my landlord. I sent it in and have not gotten any response from that. I'm gonna try to pay it.

"I have to have medicine. Some I can get from my Medicaid card, and some I can't.

"I have a telephone. I have to pay my telephone bill. This is twenty dollars a month. Well, my electric and gas bill is forty-eight to fifty dollars a month, and I get only $184 a month on SSI. My sister gets $206 a month.

"I take care of my sister, and I want to see that she gets food, and, maybe, some clear clothes. She's blind and deaf.

"I don't want money to do anything. I ain't got nothing to do.

"I do the best I can.

"All I want is a little comfort before I die."

If we take this as a barometer of how we treat our senior citizens, I'm afraid that we aren't doing a particularly good job in caring for them.

VOTE TO SUSTAIN FARM BILL VETO

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. PEYSER. Mr. Speaker, the vote to attempt to override the President's veto of the emergency farm bill will be on Tuesday, May 13.

I urge my colleagues to sustain the veto and offer the following for their consideration. It is a speech delivered by Mr. Robert Weil of the American Cotton Shippers Association.

The speech follows:

THE COTTON LOAN! AN OPTION IN DISGUISE

The word "loan" as used in cotton legislation is a misnomer because it is not a recourse loan. Because it is non-recourse, the "loan" actually amounts to an option available to the farmer to deliver to the government at a certain price if the farmer cannot obtain a better price in the market. Otherwise, there would be no point to a non-recourse "loan".

Until a few years ago, the law provided that the farmer's option would be in effect until July 31 of the marketing year; and in actuality, this is as long as an option should continue, because, beginning in August, another crop comes on the market.

The Bill recently passed by the House and Senate contains a provision for an eighteen month "loan". The effect of this provision would extend the farmer's option to as long as two-and-a-half years after the respective crop is planted; or to as long as two years or more after the respective crop is harvested. The reason for this is that the farmer has until May 31 to enter his cotton in the "loan" and the "loan" period begins on the date the cotton is entered. Therefore, a farmer, planting his crop now for the 1975/76 season, has until May 31, 1976 to enter his crop in the "loan" and he may wait as long as December 1, 1977 to redeem the cotton to be marketed.

All during this time, the farmer has control of his cotton. He can determine how much to plant and he may, even at the time of planting, sell Futures or sell his crop forward to a buyer. From the time that he harvests the cotton in the fall of the year he can sell the actual cotton in existence or he can withhold it from the market.

Beginning at the time the cotton is planted until the time that the eighteen months expire after entry into the "loan", the government has no control over the disposition of that cotton. The cotton is "in limbo", sitting in a warehouse collecting carrying charges, creating economic waste, while the government, or even the market, are powerless.

The option for this crop actually lasts through the planting and harvesting of two succeeding crops, so that the cumulative effect of the Bill may be that we will have layers of three crops in the "loan" at one time.

The crop, having entered the "loan", will be competing with not one but two subsequent crops.

When the government finally takes over the cotton, the Bill provides that the government may offer the cotton for re-sale at not less than 115% above the target price. Suffice it to say, as a practical matter, should the market advance to that level the cotton would tend to come out of the "loan" before the government takes control. Hence, it may be assumed that any cotton which the government takes over will be at a market below the target price and, conceivably, this minimum market level may not be reached for many years.

Wherefrom then comes the support for this extreme measure?

There are a few cooperatives which, not being geared to cope with the efficient marketing utilized by private entrepreneurs, rely on the "loan" as a crutch, and these groups have consistently relied on the government to provide assistance which would compensate in one way or another for their failure to cope with the market. Individual farmers, who would be satisfied with a July 31 expiry, would naturally support a longer option even if they did not contemplate using it, simply because it is natural to seek as many options as one can get. The provisions is a bonanza for the warehouse trade, particularly warehouses closely associated with groups of farmers, because the cotton can be stored for long periods of time—as much as two years—and the charge may be accrued for the government eventually to pay. In this respect, the "loan" is a vicious, blind subsidy to a particular business segment.

On the other hand, it is well-known in the history of cotton legislation that the "loan" has been the chief impediment to the free marketing of cotton. The entire concept of a market-oriented economy contemplates the direct entry of a crop, not only into a domestic market but also into a world market, where it will compete with synthetics at home and with many other growths abroad. During the past decade, when the "loan" had become less of a factor, the United States has regained much of its pre-eminence in world markets, although there is much ground yet to be recaptured.

If, in the long run, the American cotton economy is to be sustained, then all impediments to the free marketing of cotton should be removed. The eighteen month "loan" will be a most serious impediment, particularly with the "loan" at a level above the world cost of production. The eighteen month "loan", along with some of the other provisions of the House and Senate Bill, would inevitably return us to the conditions of ten years ago, when cotton was produced for the "loan", the government amassed tremendous surpluses of cotton, the United States was a residual supplier to world markets and, most importantly of all, we will inevitably return to a two-price system.

VE DAY REMEMBERED

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. PICKLE. Mr. Speaker, amidst the recent turmoil and the ending of the conflict in Vietnam, I am afraid that we might be overlooking a historic event which occurred 30 years ago yesterday, involving another war. For it was on that day in 1945, that the long nightmare of World War ended in Europe.

With the signing of unconditional surrender treaty by the Nazi General Jodl at Allied Headquarters in Rheims, this terrible holocaust came to a close.

Thousands upon thousands of Americans and their allies paid the supreme price in the European theater to bring the twin-monster of Nazism and Fascism to its demise. To quote the great historian, Samuel Eliot Morison:

> Thus ended, in ruin, horror, and despair the Axis that pretended to rule the world, and the Reich which Hitler had boasted would last a thousand years.

I want to commend the CBS Television Morning News for its retrospective report yesterday morning on VE Day, and special recognition should be given to Charles Collingwood, who commented on the ceremony which he covered as a war correspondent at Rheims.

SAVING THE GREAT WHALES FROM EXTINCTION

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BELL. Mr. Speaker, today I introduced a House joint resolution aimed at saving the world's last remaining whales from extinction. Foreign whalers, primarily from Japan and the Soviet Union, are rapidly killing off these great marine mammals.

My bill calls for an immediate embargo on the products of all foreign enterprises engaged in commercial whaling. It is specifically aimed at the Japanese and Soviet whalers. Three giant Japanese fishing companies operate pelagic whaling fleets that account for more than a third of the 38,000 whales killed each year. These companies—Taiyo Fishery Co., Nippon Suisan Kaisha Co., and Kyokuyo Co.—export large quantities of fish products to the United States, including tuna, mackerel, salmon, sardines, oysters, and crab. The Soviet Fisheries Agency, whose pelagic whaling fleet accounts for more than 40 percent of the annual whale kill, exports caviar to the United States.

By placing an embargo on these products from the offending companies, my bill could succeed in halting the whale slaughter. Only economic pressure is likely to force the whalers to end the killing. Every other form of appeal and pressure has failed so far. The Japanese and Soviets have ignored appeals from the U.S. Congress, the United Nations, and the international scientific community to halt the whale slaughter. The Japanese and Soviets have defied the quotas set by the International Whaling Commission.

The whale slaughter has been so huge—more than 2 million killed in the past 50 years—that all eight species of great whales are facing extinction. They are all on the U.S. Endangered Species List.

Because the whales are disappearing rapidly, the whaling industry is also dying. Catch Per Unit of Effort, the measure universally used by the fishing industry to determine resource levels, is dropping steadily. Unfortunately, the whalers appear to be amortizing their rusting whaling fleets at the same rate as the whales.

The economics of whaling are the economics of extinction. The food and agriculture organization, affiliated with the United Nations, made this pessimistic report last year:

> It is not realistic to presume (the whalers) will ensure either the maintenance or even the continued existence of a whale stock. It pays to exploit a resource (the whales) excessively heavily, even to extinction, and not on a sustainable basis.

Now the Japanese whalers are greedily setting their sights on the California gray whales, whose annual migration down the West Coast from Alaska to the lagoons of Baja California is a great natural spectacle. The gray whales have been protected by special international treaty for more than 30 years, but the Japanese whalers now claim the right to renew the slaughter.

More than a century ago, Herman Melville foresaw the fate of the great whales. The author of the whaling classic "Moby Dick" wrote:

> The moot point is, whether Leviathan can long endure so wide a chase and so remorseless a havoc; whether he must not at last be exterminated from the waters, and the last whale, like the last man, smoke his last pipe, and then himself evaporate in the final puff.

Jacques Cousteau, the French oceanographer, writes:

> Our century, as it turned out, was much more destructive to the whales than the period of the great romantic hunts described in the work of Herman Melville. A hundred years ago, a whaler's three-year expedition netted him 37 whales. Today, a whaler's modern weapons and fast boats give him one whale a day, and sometimes three or four.

Cousteau explains:

> The only creatures on earth that have bigger—and maybe better—brains than humans are the Cetacea, the whales and dolphins. Perhaps they could one day tell us something important, but it is unlikely that we will hear it. Because we are coldly, efficiently and economically killing them off.

The whales are the most complex animals in the ocean, just as man is on land. Both the whales and man are at the top of their ecosystems. Scientists are just beginning to learn of the complex interrelationships of marine life. The loss of the whole species could have a profound impact on the ocean ecosystem. Unless the whale slaughter is stopped soon, we may learn too late that the great whales are a vital part of life on this planet.

Next Tuesday and Wednesday, May 13 and 14, hearings on this bill and other whale-protection bills will be held before the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Merchant Marine and Fisheries Committee.

Following is the text of my bill:

H.J. Res. 448

Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling

Whereas whales form a resource which is of aesthetic and scientific value to mankind; and

Whereas whales live in international waters and therefore are the common interest of all mankind; and

Whereas the great whales have been overexploited by commercial whalers for many years, resulting in the commercial extinction of several species; and

Whereas the slaughtered whales are converted into petfood, fertilizer, soap, lipstick, shoe polish, mink food and lubricating oil, all products for which there are cheap, plentiful substitutes; and

Whereas the California gray whale, protected by special treaty for nearly four decades, is a great natural and scientific resource along the west coast of North America; and

Whereas the Japanese whalers now claim the right to renew the killing of the California gray whale; and

Whereas the whalers are steadily diminishing the species still hunted; and

Whereas the Congress enacted the Endangered Species Conservation Act of 1969 (80 Stat. 926, 83 Stat. 282–293) to protect endangered species; and

Whereas the Secretary of Interior in 1969 placed all eight species of great whales on the Endangered Species List; and

Whereas the Congress in 1971 adopted Senate Joint Resolution 115 and House Concurrent Resolution 381 requesting the Secretary of State to negotiate a ten-year moratorium on the commercial killing of whales; and

Whereas the Secretary of Commerce effectively banned all commercial whaling by United States nationals in December 1971; and

Whereas the Secretary of Commerce has responsibility for the protection of whales; and

Whereas the Congress enacted the Marine Mammal Protection Act of 1972 (86 Stat. 1027), which required the Secretary of Commerce, through the Secretary of State, to initiate international negotiations to develop agreements to protect all marine mammals; and

Whereas, fifty-three nations, including the United States, unanimously adopted a resolution at the June 1972 United Nations Conference on the Human Environment at Stockholm, Sweden, urging a ten-year moratorium on the commercial killing of whales; and

Whereas that call for a ten-year moratorium was confirmed at Geneva, Switzerland, in June 1973 at the first session of the United Nations Governing Council for Environmental Programs, and reconfirmed at Nairobi, Kenya, in March 1974 at the second session of the United Nations Governing Council for Environmental Programs; and

Whereas representatives of the United States have provided leadership for strong measures to protect whales, as demonstrated by a three-fourths majority vote by members of the International Whaling Commission to conserve the sperm, fin and minke whales in the international waters near the Antarctic; and

Whereas the Governments of Japan and the Union of Soviet Socialist Republics have exercised their right under the International Convention for the Regulation of Whaling to disagree with said conservation measures, thereby disregarding the views of the International Whaling Commission and the advice of its Scientific Committee; and

Whereas the Marine Mammal Commission has found that Japan and the Union of Soviet Socialist Republics have subverted the goals and diminished the effectiveness of the International Whaling Commission programs; and

Whereas the Secretary of Commerce has informed the President of the United States that Japan and the Union of Soviet Socialist Republics have violated an international fishery conservation program, and that sanctions under section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978), the embargo of fishery products from offending nations, may be invoked at the President's discretion; and

Whereas the vast pelagic whaling fleets of Japan and the Union of Soviet Socialist Republics are rapidly depleting the populations of fin, sei, sperm and minke whales in international waters; and

Whereas Japan and the Union of Soviet Socialist Republics each account for more than 40% of the 38,000 whales killed each year; and

Whereas the three Japanese companies operating pelagic whaling fleets are Taiyo Fishery Co., Ltd., Nippon Suisan Kaisha, Ltd., and Kyokuyo Co., Ltd.; and

Whereas these Japanese companies export to the United States large quantities of fishery products, including tuna, salmon, mackerel, sardines, clams and crab; and

Whereas the Soviet Fisheries Agency, which operates the Soviet pelagic whaling fleet, exports fishery products to the United States, including caviar; and

Whereas these Japanese and Soviet enterprises are ruthlessly slaughtering the great whales to extinction in defiance of international and scientific opinion; Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the Fishermen's Protective Act of 1967 (22 U.S.C. 1971–1979) is amended by redesignating section 9 as section 10, and by adding immediately after section 8, the following new section:

"Sec. 9. (a) For the purposes of this section—

"(1) the term 'commercial whaling' means any use of any vessel or other seagoing craft on the high seas for the purpose of killing or capturing any whale if such whale, or any part thereof, is, will be, or is intended to be used for the production of any by-product. Such term does not include the killing or capturing of any whale primarily for subsistence purposes by members of any aboriginal community.

"(2) The term 'foreign enterprise' means—

"(A) any citizen or national of any foreign nation or instrumentality, including any corporation, partnership, or other legal entity established pursuant to the law of any such nation or instrumentality;

"(B) any agency, office, or other public or quasi-public entity of any foreign nation or instrumentality; and

"(C) any subsidiary which is partially or wholly owned by any citizen or entity referred to in subparagraph (A) or (B), regardless where the subsidiary is located.

"(3) The term 'Secretary' means the Secretary of Commerce.

"(4) The term 'whale' means any blue, fin, sei, right, bowhead, humpback, gray, Bryde's, minke, or sperm whale.

"(b)(1) Before the close of the 90-day period after the date of enactment of this section, the Secretary shall undertake and complete such investigations and other actions as may be necessary to identify any foreign enterprise engaging in commercial whaling. After such 90-day period, the Secretary shall undertake such investigations and other actions as may from time to time be necessary to identify any foreign enterprise engaging in commercial whaling. In carrying out any such investigation or other action, the Secretary may request the assistance of any other Federal agency, and such Federal agency shall, to the maximum extent practicable, so assist the Secretary. The Secretary shall reimburse any such other Federal agency for the cost incurred by that agency in assisting in such investigations or other actions.

"(2) If the Secretary, as a result of any investigation or action under paragraph (1) of this subsection, finds that any foreign enterprise is engaging in commercial whaling, he shall immediately publish the name of such enterprise in the Federal Register. Unless any foreign enterprise so named files (before the close of the 30-day period after such date of publication, and in such form and manner as shall be prescribed by the Secretary) an objection to the finding by the Secretary, such finding shall be deemed to be a determination that such enterprise is engaging in commercial whaling.

"(3) If any foreign enterprise files with the Secretary an objection pursuant to paragraph (2) of this subsection, the Secretary shall treat such objection as a request by such foreign enterprise for an agency hearing (pursuant to section 554 of title 5, United States Code) with respect to whether the foreign enterprise is engaging in commercial whaling. Such hearing shall be commenced not later than 30 days after the date on which the objection is filed.

"(4) On or after—

"(A) the close of the 30-day period referred to in paragraph (2) of this subsection, if the foreign enterprise concerned does not file an objection as provided for in that subsection, or

"(B) the date of publication in the Federal Register of notice of a determination pursuant to paragraph (3) of this subsection of commercial whaling by any foreign enterprise,

it shall be unlawful for any article produced (in whole or in part), or distributed, by such enterprise to be imported into the United States. The Secretary of the Treasury shall take such action under the customs law as may be necessary to prevent the importation of any such article.

"(5) The first sentence of paragraph (4) of this subsection shall cease to have the force and effect at any time after the Secretary finds that the foreign enterprise concerned has ceased to engage in commercial whaling.

"(c) (1) In the case of any foreign enterprise to which subsection (b) (4) applies, any action by such foreign enterprise to dismantle any vessel or other seagoing craft (including equipment) used in commercial whaling, or to convert such vessels or craft to non-whaling purposes, shall be deemed to be prima facie evidence that such enterprise has ceased to engage in commercial whaling.

"(2) Any transfer, by sale or otherwise, by the foreign enterprise concerned of any vessel, seagoing craft or any other equipment used by it in commercial whaling to any other persons, corporation, or other entity which subsequently uses such vessel, craft or other equipment in commercial whaling shall be construed, for the purposes of this section, as the engagement by the foreign enterprise concerned in commercial whaling.

"(3) If a vessel, seagoing craft or other equipment used in whaling is used by any subsequent owner in commercial whaling, full force of subsection (b)(4) shall apply to the original owner or operator."

ADDRESS THE PRESIDENT MIGHT HAVE GIVEN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. SIMON. Mr. Speaker, 1 month ago this coming Saturday evening the President of the United States addressed Congress and the Nation on the topic of international affairs, one of the longest presidential speeches in this century.

I respect the President's sincerity. But I must also acknowledge great disappointment that his address did not launch into some new directions. I have taken the liberty of composing "The Speech That Might Have Been." I use that title fully aware that Anthony Lewis of the New York Times used the same title on a column immediately following the President's address. And I enter this "speech" on the Record and present it to my colleagues and those on the White House staff in the hope that something here may kindle an idea which can be used at some time in the future:

The Speech That Might Have Been

Mr. Vice President, Mr. Speaker, and my friends in Congress:

When I spoke to you on January 15th delivering the State of the Union Message, I said, "The state of the union is not good."

Tonight I come to you with a report that the state of the world is not good.

Right now our friends in Cambodia and South Vietnam face a difficult situation. We have shared in their tragedy and heartache. More than 56,000 American young men have been killed in South Vietnam. This nation has poured more than $150 billion in military assistance directly to South Vietnam and far more indirectly in costs of inflation and other impacts on the federal budget. The entire cost has probably totalled more than $300 billion. This war has caused an anguish of spirit that all of us recognize. No war in which this nation has been involved since the Civil War has so deeply divided our people. The scars of that division still show.

I shall not attempt to rewrite history. We have made mistakes—honest mistakes—and history will be the judge of what we did right and what we did wrong.

Now we shall do what we can to exert every pressure on those who control Cambodia and Vietnam to discourage the possibility of massive slaughter.

To those in the South of Vietnam, we will extend every possible humanitarian assistance, but we will not take actions which will prolong or encourage unnecessary bloodshed.

This tragedy which has seared this nation and divided other nations causes us to reflect on where we are and where we must go. Tonight I ask Congress to work with me in launching into new directions, in launching a new offensive for peace.

I wish that we lived in a world in which we did not need to maintain arms, but we do. Our friends abroad should not misunderstand either the attitude of this administration, the Congress, or the people of the United States. While we have made great sacrifices, the course of history in Southeast Asia has not turned as we had hoped. But we are not going to crawl into a shell; we will not abandon either our commitments or our friendships. To do so would invite international chaos. This nation will do its full share to maintain peace and stability around the world. We will remain strong, even as we remember the purpose of our strength.

We have learned some painful lessons and it is clear that we must work more closely in concert with other nations, when disputes and difficulties do arise. I wish that we lived in a world in which we did not need to maintain arms, but we must. Anyone who reflects on the defense posture of this nation and other nations understands that we must reduce the armed might of all nations and take much more substantial steps toward arms limitation agreements with the Soviet Union and with others. Using the explosive power of the bomb dropped on Hiroshima as a gauge, this nation has 615,835 times that much explosive power in nuclear weapons alone. Every Soviet strategic site has more than 30 nuclear warheads aimed at it, and every American installation of importance has many Soviet warheads aimed at it. The nuclear nations today have enough nuclear warheads to destroy the total population of the earth—and do it 27 times. A nuclear holocaust has become unthinkable. Yet if more decisive steps to control these weapons and all weapons are not taken, that possibility could become an inevitability. I ask this nation and the other nations of the world to pursue with much greater vigor their efforts to establish arms limitations.

Smaller, limited conflicts easily can lead to major wars; a minor explosion in any part of the world can lead to the disaster that none of us wishes to contemplate. For that reason I am asking Ambassador John Scali at the United Nations to request of the members of that body adoption of a resolution caling for a cut-back each year for the next five years of 20% in arms sales abroad. The U.S. now sells arms to 69 nations and provides military assistance to 51 nations. Whether the United Nations and the other arms suppliers accept or reject this initiative, the U.S. unilaterally will begin moving in that direction. During the next fiscal year we will reduce by twenty percent our weapons flow abroad—both arms aid and arms sales. We are willing to enter into agreements with the other major arms supplying nations at any time in any practical effort to reduce the flow of conventional weapons.

I am asking Secretary of State Henry Kissinger to become a special direct ambassador of the President of the U.S. to the world's trouble spots. Through his energy and great skill, the nations of the Middle East are moving toward negotiation rather than conflict. Obviously, a great deal more progress still needs to take place. In order that Dr. Kissinger may devote undiluted energies to this great mediation skill, I am asking him to devote full time to healing the world's wounds in this special capacity.

In order to make clear that the policy of the U.S. is a bipartisan policy, I will consult more frequently with members of the International Relations Committee of the House and the Foreign Relations Committee of the Senate and I will nominate as the new Secretary of State (George Ball, Mike Mansfield, Joseph Sisco, or Bradford Morse).

This nation and the other nations of the world must recognize that building a peaceful world requires sacrifice, just as it takes sacrifice to wage war. Unfortunately, either because of some quirk in mankind, or because of inadequacies of leadership—and I believe it is the latter—mankind has always been much more willing to sacrifice for war than for peace. The greatest exception to that grim record came from this nation following World War II when without precedent the American people launched a generous program of assistance, to friend and foe alike, through the Marshall Plan. But even that great example provided a relatively small economic sacrifice compared to the expenditure we were willing to make for war. That pattern of response must gradually change.

The nations of the world are as much concerned by our economic problems as they are by the difficulties in Southeast Asia. I can assure them that basically the U.S. economy is sound and that steps which I will be taking shortly will stimulate the growth of our gross national product and reduce the tragic unemployment which this nation has experienced. We will have a balanced economy and, after a year or two, we will have a balanced budget. Let no one in this nation or any other nation be deceived. If we fail to put our own economic house in order, we not only cannot be of assistance in helping to achieve world stability, we will become a cause of instability. We are in a situation which requires economic self-discipline. But I believe that the members of Congress and the people of this nation are willing to exercise that self-discipline.

Nothing could stimulate the economy of this nation and other nations more than if the poorer nations of the world could strengthen their economic muscle and become healthier trading partners in the world economy.

To those who view such leadership as futile, let them note these statistics: Between 1945 and 1975 the world's production grew from $400 billion a year to almost $4 trillion. Even when inflation and population growth are considered, this means an average doubling of income per person. But that growth has been uneven, and far too many of the world's billions have not shared in it.

The U.S. spent approximately $23 billion on the Marshall Plan and the nations which we once aided are now our strongest trading partners. Since the end of the Marshall Plan, the United States has sold $256.3 billion worth of our production to Western Europe. The U.S. today is a richer nation economically because of that Marshall Plan aid. What we conceived as charity turned into a great investment in our own economic future, an investment that has already paid off many times. The same will be true in the developing nations. The dollar return on that investment will not be as rapid, though it is of more than casual interest that in 1975 for the first time, the largest cash purchaser of wheat from the United States will be India.

And the balance of trade with India in 1975 will favor the United States by approximately $425 million.

A nation which can spend well over $150 billion to wage war in Vietnam, has the capacity to wage peace by assisting nations in desperate need. And in the process we will help ourselves.

We need not only new directions, we also need a new phrase. We have traditionally talked in terms of foreign aid, and it has the connotation of charity. In fact, what we are doing through assistance is making an investment in the economic prosperity and future of this nation as well as paying more than lip service to the concept of economic justice. I will recommend a change in the designation of the division of the department which is now known as A.I.D., a change that will carry both the concept of economic justice and American investment abroad.

I shall also recommend fundamental changes in that investment/assistance. More of it can and will be channeled through international agencies. Some portions of the international community operate with remarkable efficiency. The World Bank is a good example. But some portions of international organizations have not yet developed the maturity and expertise to deal with investment/assistance effectively. So direct investment/assistance from our country must continue. But some basic changes are needed. No other program for which Congress appropriates money has as much flexibility in it as does our foreign investment/assistance. While some flexibility must continue, too often our money has been used less effectively than it should have been. Too often political whim has been more important than need; too often we who thrive on freedom and independence have discouraged others who wished to express their freedom and independence. Open, above-board reasons for investment/assistance must replace closed-door decision making. Nations in need must find us an ally; nations who spend excessively on armaments must know that their investment/assistance will be cut; nations who work hard at internal reform to lift the lot of those least fortunate must understand that such programs have our support. Once a tentative investment/assistance formula has been arrived at, I intend to discuss it with the members of Congress and representatives of developing nations before formally submitting that formula for adoption as U.S. policy.

When I talk about investment/assistance, I do not mean only investment of money. I will ask each of the 50 states to attempt to develop a special friendship and extend a helping hand to one particular foreign nation, as many did with Latin American nations more than a decade ago. This can involve the universities of our states helping the universities in the other nations, just as the universities of other nations can help our universities. The cities in each of our states can exchange ideas and visits with the cities of another nation. Businessmen and labor leaders, teachers and farmers and physicians can exchange visits. What can be achieved is much greater understanding and sensitivity to the international situation; trade can increase; and there can be significant cultural enrichment.

Twenty-eight percent of our military expenditure since the Korean War has been made in Indochina. With that large an expenditure no longer required, we are in a position to invest more in the economic future of those both at home and abroad who have not had the opportunities they deserve. A military investment provides some jobs and economic stimulus to the country manufacturing the arms. But it does nothing for the recipient nation economically. If instead of $150 billion-plus on Southeast Asia's conflict, the United States could have spent that same amount in economic investment/assistance abroad, many nations would have healthier economies and would be buying our production—reducing substantially the unemployment which now plagues us.

The United States has gone from almost three percent of our gross national product in assistance to those in need (under the Marshall Plan) to less than one-fourth of one percent today, one of the lowest percentages among the wealthier nations of the world. It is in our best interest to reverse that diminishing response. I shall consult with the members of Congress to establish more realistic goals, goals which both our economy and world needs dictate.

And I want goals which are more than dollar measurements. I want goals which recognize certain basic human needs, and our responsibility to work with other nations in satisfying those needs. We Americans have long known in our hearts that poverty anywhere is partly our problem. We have shown this by the spectacular initiatives of the Marshall Plan, President Truman's Point Four Program, and our support of international banks and funds to speed development in the poorer countries. This deep humanitarian feeling is also reflected in the extraordinary outpouring of American contributions to international relief agencies, the Children's Fund, CARE, church programs, refugee relief, and the welcoming of foreign students.

It is time now for us to declare that we will participate as a willing partner in a generation of effort to meet the basic requirements of every human being—for life is the first and most fundamental requirement, the very basis of liberty and the pursuit of happiness.

Such an effort must go far beyond aid-as-charity, to international agreements for greater equity within countries, the management of population growth, and the transfer of resources between countries through international agencies. In a world where no one country is, or should be, in charge, each nation must be part of a new bargain for life. This nation is ready to do its part and I am appointing ——— to talk to governments and international organizations to develop a concrete plan for the definition and provision of basic human needs.

I believe that this earth has the resources to provide the basics of life to all human beings. There are obstacles—political obstacles—but they have been erected by all of us who are the family of man, and we can overcome those obstacles, if we have the will to do so.

The most fundamental need is, of course, the right to food. The dominant issue for the remainder of this century and well into the next century will be the struggle between food and population. If we are to build a future with any hope for the children of the world, that struggle must be won. There is no guarantee that a world of well-fed people will not go to war; but we can be sure that a world with a growing food gap, where some eat too well and some eat almost not at all, is a world unsafe for our children. And the two topics—food and population—are inextricably intertwined. From the beginning of time until the year 1830, the world accumulated a total of one billion people. About a century later we doubled that figure to two billion people. The official statistics now show a population of 3.97 billion people. Shortly after the year 2000—unless there is a great change—there will be eight billion people on the face of the earth. There is no easy, dramatic way to alter this pattern. But what is clear in every nation of the earth and in statistical studies between nations, is that generally as the standard of living rises, the birth rate goes down. If we want to avoid a population holocaust on the face of the earth, we must increase the standard of living in poorer nations where most now see having a large family as a means of social security.

The nations of the world must act together to meet these problems. We will have and we should have disagreements. But we can settle those disagreements either through direct negotiations, or in the halls of the United Nations, or in the International Court of Justice. The United Nations has made mistakes. But so has this nation and every other nation. The United Nations has also done some great and good and noble things and it has much greater tasks ahead of it. The growing problem of how we handle the resources and traffic on the international seas is a problem that can be handled effectively alone by the United Nations. The multinational corporations which have contributed a great deal to many countries—good and bad—also represent some major problems that often cannot be dealt with effectively by any one nation. Other examples could be given. The new directions which I am proposing tonight are not a call for retreat from international organizations. I am in fact suggesting just the opposite. And the indifference we have too often shown to world opinion and tb suggestions of international bodies must pass. Right now there are 29 human rights conventions called for by international bodies which the United States has not ratified, generally through neglect rather than hostility. Where we differ on a proposal, let us state that difference in accepting or rejecting a proposed convention. But let the "spare tire" attitude we all too often have toward the United Nations, the Organization of American States, and other bodies end. These are not groups to be called upon in an emergency, but agencies in which we must join effectively with other nations in the undramatic but vital day to day work of building peace. Three decades ago the United States made the choice between a world of international order and a world of chaos. That resolve is unchanged.

When John F. Kennedy was President of the United States, he conveyed—through the Alliance for Progress, the Peace Corps, and in other ways—that the leadership and the citizens of this country cared about people everywhere.

Let people in every section of this shrinking globe understand that we still care. We will show—not by words, but by deeds—that we do. A world of peace will not be built in one giant step. But if this nation and the other nations of the world are willing to take those necessary smaller steps, future generations will reflect that, while other generations were great warriors, this generation helped to move us toward a day when people did not starve and nations did not war. Let history note that this generation of Americans helped to build a world of peace. This year, in this country, let us provide that leadership.

JOZSEF CARDINAL MINDSZENTY A TRULY GREAT MAN

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BLANCHARD. Mr. Speaker, on Tuesday, May 6, 1975, the world suffered a great loss. For on this day, Jozsef Cardinal Mindszenty, a man who exemplified the traits of courage and bravery passed away. The free world mourns the loss of this remarkable individual.

I, too, feel this loss for I have long admired and respected this brave man and the principles he stood for. His life was one of sacrifice and dedication to principles of freedom. He was a man of integrity and fortitude. He was a man of deep faith and devotion, a fighter against tyranny.

Cardinal Mindszenty spent nearly one-third of his life in prison or in exile, fighting for a freedom he was never able to enjoy. Yet, he never compromised his ideals. He stood steadfastly behind his beliefs though they brought him undue pain and suffering. He rebelled against the forces of oppression; against fascism and communism.

Perhaps, his greatest disappointment was having to leave Hungary and being removed as primate of Hungary in 1974. It was not easy for him to leave the country and the people he loved. As he stated then, "Cardinal Mindszenty cannot abdicate."

The world has lost a heroic individual and I mourn. The world will remember a man of spirit, a man of unwavering devotion. No one could respect freedom more than Jozsef Cardinal Mindszenty.

INSURING REPAYMENT OF FOREIGN DEBTS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ZEFERETTI. Mr. Speaker, the United States has laid out billions upon billions of dollars on behalf of foreign governments. Today, those billions of dollars remain on our books in the form of unpaid foreign debts. In the minds of many, these debts have been written off. I feel, however, that they should be repaid to our country by those nations who incurred them. Furthermore, these repayments should be on mutually agreed-upon terms.

As of the end of the last fiscal year, we were owed $32 billion by foreign nations, exclusive of World War I debts. This is a staggering amount of money.

More unsettling, however, is the fact that in recent years, the executive branch of our Government has been entering into agreements with a number of debtor nations, resulting in the write-off of some $5 billion. This is an unacceptable policy to the overwhelming majority of Americans and to the overwhelming majority of the Congress.

The average American is very heavily taxed today. Some 10 million Americans are out of work. A combination of these two facts only serves to aggravate the fact that these Americans are left with the burden of making up the loss of revenue resulting from unpaid foreign debts. And, the burden is increased when our Government cancels delinquent debts or fails to collect others. Such attempts by the executive branch to cancel, reschedule, renegotiate, or settle any foreign debt at less than the full value of that debt should require full congressional approval.

Presently, these debts are being negotiated with little public or congressional knowledge. Yet, such debts are owed every U.S. taxpayer. These are the people who extended the loans on the reasonable assumption that they would be honored and fully repaid according to the agreed-upon terms. And, the funds themselves were lent as a result of congressional action. Therefore, any negotiations affecting these debts should allow for representation on the part of the Congress.

I feel that the behind-the-door negotiations are resulting in a massive give-away. Therefore, what is evident is the need for congressional oversight and investigation into the matter. Legislation has been introduced in both Houses to require congressional approval for settlement of any foreign debt at less than its full value. I am pleased to have been informed that the bills have received strong bipartisan support, and to announce that I joined in cosponsoring the bill in the House and will vote for it in its present form when it reaches the floor in Congress.

I feel that more is at stake than just the settlement of previous debts. For a number of years, the executive branch of Government has been unilaterally taking actions affecting millions of Americans without consulting Congress. The area of foreign debts is an example of this kind of activity. This is a time of congressional insistence on prerogatives set aside for the legislative branch. The assertion of congressional control over these negotiations and debts is a critically important reassertion of the prerogatives of the American people.

REPORTS OF THE SEVENTH OHIO DISTRICT YOUTH ADVISORY COUNCIL

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BROWN of Ohio. Mr. Speaker, the fourth annual Youth Advisory Council in the Seventh Ohio District has again produced some valuable studies of current national issues. These high school students from my district have reported to me on the results of the deliberations they made during the school year, with the help of expert witnesses.

So that others may benefit from the results of their work, I would like to place in the RECORD at this point, the Clark County Committee's report on sex and violence on television and the Marion-Union Counties Committee's proposed bill on the subject of tax credits for higher education:

CLARK COUNTY COMMITTEE REPORT ON THE QUESTION OF THE NEED FOR LEGISLATION TO CONTROL SEX AND VIOLENCE ON TELEVISION

The members of the Clark County Committee on the Legislation of Sex and Violence on Television have studied this issue for several months and have come to the conclusion that no legislation should be made regulating sex and violence on television. The first and foremost reason is that restriction of the media by the government violates the First Amendment to the Constitution, which protects the freedoms of speech and of the press. Such a thin line exists between censorship and restriction for the common good, that any bill concerning this would not stand up in a court of law.

Our second reason for not writing a bill is that the terms SEX and VIOLENCE can *not* be uniformly defined by anyone—including the Supreme Court—for the American public. This is because of the vast differences in the moralities and tastes of the general public throughout the country and even within a broadcast range.

No legislation can be enacted (effectively) concerning "family hours" and "adult hours" because of the different time zones. Our witnesses from WHIO, Station Manager Jack McCarthy, stated that it is financially impossible for every local station to delay all "adult" shows that originate from New York or Los Angeles that are relayed during "family hours".

Documentaries and the news present another problem for legislation. If sex and violence are presented in a factual and "tasteful" form, this doesn't make it any less harmful. Once again, we must protect the right of free speech.

This committee attempted to determine what type of relationship exists between sex and violence on television and anti-social behavior. The information we examined, such as the research project conducted by the Surgeon General's office, did not confirm that any specific type of relationship consistently exists. While some reports concluded that sex and violence is directly responsible for anti-social behavior, and equal number of reports repudiated it. Most studies, both pro and con, have concluded that television is only an *outside* stimulus that can cause anti-social behavior. Psychologists have listed many other possible factors such as stress within the family structure, uncertain moral values, increased academic demands, and a more automated, less personal society. Low income, unsuitable employment, and poor living conditions are still other causes for violent and/or anti-social behavior.

Using the last three factors as an example, we can see why it is very difficult to determine the exact cause for a violent act. If a young man from a ghetto area commits a murder while robbing a bank, is it because, 1) he watched a great number of violent programs, 2) his family has a low income, 3) his father has a "dead-end" job, or 4) he was cold last night in his unheated apartment? Thus, while television may play an important role in anti-social behavior, to place the blame entirely upon the medium when so many other factors could be involved would be incorrect. Likewise, to enact legislation on such slim evidence would also be incorrect.

This committee has several suggestions for *voluntary* legislation by local and network stations. First, we feel that the Ways and Means Committee and its subcommittees should consider the possibility of offering tax breaks to networks and advertisers who: 1) provide positive television programming, and, 2) consistently furnish ratings and/or warnings for viewers.

Second, we feel that long-term financing should be enacted for the Corporation of Public Broadcasting. This corporation's purpose, as set in the Public Broadcasting Act of 1967, is to disperse federal and private funds for cultural program production. Up until now, the Corporation's budget has been set for only one fiscal year at a time, and has varied from year to year. This has prevented the Corporation from establishing effective long-term programming.

Finally, this committee has concluded that the ultimate authority on programming belongs to the general public. All of our witnesses assured us that the public reactions are the major factors in determining programming. We strongly urge the people to *use* this power to its utmost capacity to assure them of better programming.

Following discussion, with no amendments, the full Council adopted the report of the committee by a vote of 23–0.

Clark County Committee Members:

Tecumseh High School—Nancy Fluty, 1720 Addison Rd., New Carlisle 45344.

Northeastern High School—Sue Prosser, 1312 Waltin Lane, Springfield 45503.

Northwestern High School—Kent Stewart, 3668 St. Paris Pike, Springfield 45504.

North High School—Steven Parker, 1003 Fruitland Rd., Springfied 45503.

Shawnee High School—Roger Southward, 2341 Crabill Rd., Springfield 45502.

Joint Vocational School—Mr. Chris Daulton, 1019 Cypress St., Springfied 45505.

Southeastern High School—Sarah McDonough, 5906 E. Pitchin Rd., South Charleston 45368.

Catholic Central High School—Cathy Bookser, 1220 Glenmore Dr., Springfield 45503.

Greenon High School—Jim Stephens, 135 Green Valley Dr., Enon 45323.

South High School—Robyn Markley, 1557 McKinley Ave., Springfield 45505.

Tax Credit for Higher Education

A Bill

To provide tax credits for students seeking higher education by revising federal tax codes.

The following definitions shall apply to this bill:

Student: A person who is enrolled in an accredited educational institution.

Higher Education: Accredited colleges and universities, and technical and business schools.

Tax Credit: Amount of aid extended in the form of a credit subtracted from the amount of income taxes due to the Federal government after deductions and exemptions have been taken into account.

Educational Expenses: Tuition, fees and books.

The following persons shall be eligible for full educational tax credits: The students who have been enrolled in a higher education program for not more than ten (10) years and whose net adjusted income does not exceed $30,000 per annum. Those students (or their families if the student(s) receives full support from them) whose net adjusted income exceeds $30,000 shall have the amount of the tax credit reduced by one (1) per cent for each $1,000 in excess of the $30,000 level.

The amount of the credit shall be determined by taking 100% of the first 200 dollars of educational expenses, 50% of the next 300 dollars of educational expenses, and 15% of the next 2,000 dollars of educational expenses for each student.

The intent of the bill shall in no way be constructed as a replacement for educational grants.

Amendments:

Line 11: By a vote of 30–2 the words "and books" were added following the word "fees".

Line 15: By a vote of 31–3 the words "if the student(s) receive full support from them" were added following the word "families".

Line 20: By a vote of 28–1 the words "for each student" were added following the word "expenses".

Following the addition of amendments, the bill was adopted by the full Council by a vote of 34–1.

Marion and Union Counties Committee Members:

Marysville High School—George R. Ihnatko III, 523 Amrine-Mill Rd., Marysville 43040.

Ridgedale High School—Scott Hoffman, 1637 Irving-Shoots Rd., Morral 43337.

Fairbanks High School—Rob Wilson, R. R. #2, Box 266, Marysville 43040.

North Union High School—Mark Redmond, R. R. #3, Box 219, Richwood 43344.

Pleasant High School—Dan Jesse, 2156 Bethlehem Rd., Prospect 43342.

River Valley High School—Mary Lawrence, 150 Harding Way East, Marion 43302.

Elgin High School—Mike Mosley, 1180 Keener Ave., Marion 43302.

Marion Harding High School—Sue Courtright, 528 King Ave., Marion 43302.

Marion Catholic High School—Philip Feldman, 244 Hane Ave., Marion 43302.

POLISH CONSTITUTION DAY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. HELSTOSKI. Mr. Speaker, the history of Poland has been one of tragedy and triumph, of domination and determination. For centuries, the Polish people have struggled to build a society free from the influence of outside governments, and a nation dedicated to the principles of freedom and dignity. Yet, even today, the Polish people stil suffer from alien interference in their lives.

Today, however, I would like to call our attention to one of the more glorious moments in Polish history, the adoption of the Constitution of Poland. On May 3, 1791, Poland adopted a constitution based on the idea that men are free and equal, and designed to establish a democratic legislature and to curtail the oppressive power of the king. One hundred and eighty-four years later, the Polish Constitution remains as a shining tribute to mankind's noblest instincts.

In conjunction with this month's celebration of Polish Constitution Day, it has been my privilege to appear before various groups interested in Polish culture and history. Thousands have joined in retelling the story of Polish Constitution Day, and today I would like to share with my colleagues an excellent account which appeared recently in the Post Eagle, a north Jersey newspaper. Written by Post Eagle columnist and associate editor E. Wilczynski, this account further underscores the importance of this famous day. Mr. Speaker, the article follows:

A Commentary on Polish History

(By Associate Editor E. Wilczynski)

I have been receiving many letters as of late requesting that I reprint some of my earlier historical columns for use by various Polonian institutions in teaching our culture. Since many topics have been cited, I will attempt to write of them in the order of their historical significance.

During the upcoming month of May as in every May past since 1791, the adoption of the viable Constitution of Poland is celebrated. It is probably the most important landmark in the history of our Fatherland.

There happens to be an actual account of how it all happened on that fateful May 3rd, 1791, a mere 184 years ago. Since there is no doubt that it will enrich your historical understanding of Poland, I've decided to share it with you. The excerpt is from "The Last King of Poland and His Contemporaries" by R. Nisbet Bain. Here it is. . . .

"Early on May 3, 1791 an unusual commotion was observable in the streets of Warsaw. Regiments of foot and squadrons of horse soldiers were seen hastening from the barracks to the Palace where the Diet was about to assemble. They were speedily followed by civic guilds, headed by their residents, with their banners borne before them. The streets were thronged by excited, gesticulating crowds of all classes. The most disquieting rumors were afloat. Every one was in a state of febrile expectation. People whispered to each other that something great, something unusual, was about to happen, and that the fate of Poland depended upon the events of the next few hours.

"The Hall of Sessions was already full to overflowing. The galleries were thronged by women of the upper classes. The benches of the deputies were surrounded by extra parliamentary politicians and agitators. In the front of the Marshal's barrier sat Prince Joseph Poniatowski with the King's adjutant, General Golkowski. A score or so of Uhians stood near them at attention. The throne was surrounded by numerous officers of the Royal Guard. The opponents of reform had taken their seats three times, but each of them was speedily surrounded and separated from his fellows by two or three of the confederates who never lost sight of them for a moment.

On the stroke of eleven, the King entered the Hall of Sessions preceded by the Marshal of the Diet and followed by a numerous retinue. He was greeted with loud applause. The High-Steward then struck his staff thrice to impose silence and, amidst a deep hush, Malachowski opened the session. He reminded the deputies of the disasters which had already befallen the Republic. He warned them that still more terrible disasters might momentarily be expected. Then he beckoned to the Secretary of State for Foreign Affairs to read aloud the latest dispatches from the Polish Ambassador abroad.

". . . They were serious enough certainly. From Vienna, Paris, Dresden, and the Hague came reports of Prussian intrigues aiming at a fresh partition of Poland. Still more alarming was the news from St. Petersburg. Debili, the Polish Minister at the Russian Court, reported that Catherine's official mouthpiece, the Russian Vice-Chancellor, Osterman, had said to him: 'If you Poles are eternally wrangling and quibbling among yourselves without coming to any conclusion, you will lose all your provinces and be made quite that way.' He concluded with a note of warning: 'Our divisions and disorders are only too welcome to our neighbors who will take the first opportunity of compensating themselves at our expense.' Finally, Matuszewica turned to the throne with these words: 'Such, Sire, is the political situation abroad. It behooves your Majesty and the illustrious Estates to provide for the safety of the Republic.'

"For a moment intense silence prevailed. Then an uneasy muttering was audible, in the midst of which Ignatius Potocki slowly arose. All eyes instinctively turned toward the leader of 'the Patriots' who for so long a time had been the most determined opponent of his Sovereign. In view of the danger threatening the Republic, said Potocki, there was but one thing to be done—appeal to the King for counsel. 'You, Sire,' he continued, turning toward Stanislaus, 'you, Sire, have the authority, the will, and the talents which entitle you, and you only, to render this service to the Republic. God grant us grace to forgo forever our private animosities.'

"Stanislaus immediately stood up and beckoned to all the Ministers and Senators to draw near to the throne. Then, very solemnly, he declared that after what they had just heard it was obvious that any further delay in establishing a new and stable Constitution must be fatal to Poland. I suppose,' he concluded, 'to read to you a project, carefully drawn up and earnestly recommended by many well disposed citizens.' Cries of 'The project, the project' came from every part of the House. The draft of the new Constitution was then read. It was received with shouts of 'Zgoda! Zgoda!' (Agreed! Agreed!) Malachowski, on behalf of the Diet, thereupon thanked the King for giving them the best of all possible Constitutions and begged him to confirm and strengthen 'the new contract between King and people!' by swearing to observe it there and then. The Chamber supported the petition of its Marshal with loud cries of: 'We beg! We Beg!'

". . . The Marshal very adroitly, ordered all those who were in favor of the Constitution to keep silence and all those who were not in favor of it to come forward and speak. This placed the malcontents in a very awkward position by revealing their numerical weakness, for it was now patent that they would only count upon eleven members in a House of more than two hundred. Before they could recover themselves, Zabriello, the deputy for Livonia, moved that all who loved their country should vote for the new Constitution on the spot and that his Majesty should set the example by swearing to observe it first of all. He then left his seat and approached the throne followed by all the Ministers and Senators and the great majority of the deputies. Surrounding the King, they begged him, with enthusiasm, to wait no longer but to take the oath. The ladies in the galleries, waving their hands and fluttering their handkerchiefs, and the general public on the floor of the Chamber concurred.

Loud cries of: "Long live the King! Long live the Constitution!" resounded on every side. For the moment the Diet had ceased to be a legislative assembly and had become a huzzahing mob. The enthusiasm within the Chamber penetrated first to the corridors of the Palace and then to the crowds outside and soon all the streets and squares in Warsaw were ringing with cries of: "Long live the King! Long live the King!". In all that vast assembly the sole dissentient was the irrepressible Suchorzewski. Unable to make himself heard any longer he flung himself down in front of the throne and the mob of Senators, Ministers and Deputies trampled him under foot as they rushed forward to take the oath. The wretched man would have been trodden to death on the spot had not the gigantic deputy, Pan Kublicki, snatched him up and taken him out of the Chamber like a child, yelling and struggling to the last.

"Meanwhile, the din and tumult around the throne had become so great that Stanislaus was obliged to mount upon his chair-of-state and make signs that he would speak. Silence instantly prevailed, and the King, in a loud voice, expressed his desire to accede to the unanimous will of the Diet that he should swear to observe the new Constitution. 'Let some of you who are priests come forward, therefore, and prescribe for me a proper form of oath!' he concluded. Turski, Bishop of Cracow, and Fr. Gorzewski thereupon approached the throne, and while the former recited the proper formula the latter held a copy of the Gospels wide open in front of the King. With his hand resting firmly on the Holy Gospels, Stanislaus took the oath. The whole assembly, in an ecstasy of joy, thereupon flung their caps into the air, and, with streaming eyes, shouted: 'Long live the King! Long live the King!' After taking the oath, the King exclaimed: 'Juravi Domino et ne poentibet! I call upon all those who love their country to follow me to the Church to take the oath in common and, at the same time, to thank God for permitting me to complete so solemn and beneficial a work."

KENNETH KEATING—A FINE AMERICAN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. SARASIN. Mr. Speaker I wish to note, with great sadness, the passing of a good friend and fine American. Kenneth Keating, who had been serving since August of 1973 as Ambassador to Israel, died on Tuesday from a heart attack suffered while visiting a hospitalized relative in New York City.

Ken Keating's distinguished career in public service began in this very House in 1946, where he was a Member for 12 years. He has also served as senator from New York, as Ambassador to India and, between these two, as an associate justice of the New York Court of Appeals. He was, in addition, awarded numerous decorations for duty in both World Wars, and in 1948 he received a commission as a reserve brigadier general.

While in Congress, Kenneth Keating distinguished himself especially in the fields of civil rights, immigration and congressional reform, health care, crime and narcotics control, and draft law revision.

I would close, Mr. Speaker, by including in the RECORD this short but apt excerpt from a statement by Vice-President ROCKEFELLER:

> With courage in wartime, with effectiveness in both the House and Senate, with justice on the bench of the highest court of New York State, with diplomatic acumen in India and Israel, Ambassador Keating served this nation brilliantly and tirelessly. His death at this time is a particular loss because of the key role he had been playing in the search for peace in the Middle East.

I join with all Americans in mourning the loss of a friend and outstanding public servant.

SENDING AMERICAN URANIUM AND COMPUTERS TO THE SOVIET UNION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ASHBROOK. Mr. Speaker, is the supplying of uranium to the Soviet Union by the United States in our national interest? I do not think so. However, the U.S. Department of State is allowing the shipment of American uranium to the Soviet Union. Supposedly, the uranium is to be processed by the Soviet Union into fuel for power stations in other countries. The processing results in the production of an isotope which provides power for nuclear electric plants and for atomic bombs.

According to the Wall Street Journal, the U.S. State Department says that such shipments would "not be inimical to the common defense and security" of the United States and its allies. All kinds of rationales can be put forth and are being put forth, but I for one cannot understand how such shipments of uranium can be anything but harmful to our interests. Shipping uranium to the U.S.S.R. which can be used to make atom bombs is beyond belief. How can our Government be allowing such trade?

But shipping uranium is not the only thing that is happening. It is reported that IBM has been given permission by the administration to sell 11 computers worth $10 million to the Soviet Union. Computer technology is necessary for the advanced weapon systems of today.

Even Jack Anderson has written in a recent column:

> The Soviets are at least 10 years behind in computer development. They have produced one computer of significant capacity, and it would take about 32 of them to equal one top-line U.S. computer.

It seems everybody is agreeing with what I said more than 1½ years ago:

> Advanced weapon technology relies on sophisticated computers . . . Soviet computer technology has always been years behind that of the West.

Everybody seems to agree except the administration and the U.S. Department of State.

There is still a third area in which the United States seems determined to help the Soviets. While a $300 million limit on credits from the U.S. Eximbank to the Soviets is in effect, El Paso Natural Gas is going ahead in getting American banks to finance gas exploration in the Soviet Union.

At a time that the United States is seeking to increase its own domestic energy supplies—a job that the Chase Manhattan Bank says will take billions of dollars—El Paso Natural Gas Co. is putting together a $100 million package of commercial bank financing. It is expected that the project will need more than $4 billion. As I have repeatedly asked, do we think the Soviet Union would be less willing to use as a weapon any energy dependence on them by us than the Arabs have? Do we really think that if we became dependent on Soviet energy the Soviets would not use that dependency as a political and economic weapon against us? Why are we helping the Soviets to develop their energy resources when our own country needs such development?

In the last few moments I have discussed three different things that we are providing the Soviets: Uranium, computers, and money to develop their energy resources. If the Soviet Union was a friend, this help could be understood. But the Soviets have not shown their friendliness in Indochina, the Middle East, Portugal, Cuba, nor to their own people.

They have been showing something else: The largest naval exercises ever, the development of two advanced antiballistic missile interceptors, and the development of a number of new ballistic missiles.

The Soviets' massive supply of North Vietnam is well-known. What is not so well known is that the Molotova military trucks which were carrying North Vietnamese soldiers and weapons were built in the Gorki plant. The Gorki plant was built by Ford in the last large expansion of U.S.-Soviet "trade" in the 1920's and 1930's. Will the uranium and computers that I have been discussing also be used against the United States or its allies?

FAIRLEIGH DICKINSON UNIVERSITY BICENTENNIAL CELEBRATION

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. MAGUIRE. Mr. Speaker, it is with pride that I insert into the CONGRESSIONAL RECORD information about a most unusual overseas Bicentennial commemoration sponsored by Fairleigh Dickinson University, New Jersey's largest independent higher educational institution. Fairleigh Dickinson University, one of the 10 largest private universities in the Nation, with an enrollment of more than 19,000 and alumni numbering nearly 80,000, is interested in promoting meaningful colloquy about the revolutionary period and its impact on the two nations directly involved.

Fairleigh Dickinson University is in a unique position to do this because in 1964 it acquired a permanent campus in Wroxton, England. From June 11 through June 14 of this year the university will bring together at its Wroxton campus leading scholars from the United States and England for a Bicentennial symposium aimed at reinforcing through academic dialog the close ties that have developed between the United States and England.

At a time when the world needs intelligent discourse to promote better understanding among all nations it is most appropriate that Fairleigh Dickinson University should offer this kind of Bicentennial conference. Because I am fortunate to have this university among my constitutents I include the following for inclusion in the RECORD:

FAIRLEIGH DICKINSON UNIVERSITY PLANS WROXTON BICENTENNIAL

At what will certainly be the first, and perhaps the only, American bicentennial celebration on British soil, Fairleigh Dickinson University will bring together scholars and government leaders representing both sides of the Revolution. The event is a unique four-day bicentennial symposium beginning June 11 in Wroxton, England.

The double irony of the bicentennial conference is that FDU's Wroxton campus—the first British-based higher education institution to be owned by an American university—was the ancestral home of Lord Frederick North, Prime Minister under King George III during the American Revolution.

The symposium will be a British-American retrospective examination of the Revolutionary period by distinguished historians, educators and political leaders from both countries.

Noted American historian Dr. Henry Steele Commager will discuss "The Creative Force of American Revolution." Professor Esmond Wright, director, Institute of American Studies, University of London, will speak on "The Role of the Losers."

Professor Ian Ralph Christie of University College, University of London, will talk of "British Ministerial Perspectives During the American Revolutionary Crisis, 1763–1776." Dr. Saul Padover, Distinguished Professor of American History, New School of Social Research, will speak about "Benjamin Franklin, A Man Truly for All Seasons."

Others speakers on the program are: Norman Cousins, editor and publisher of *The Saturday Review;* The Hon. Brendan T. Byrne, governor of the State of New Jersey; Chancellor J. Steven Watson, St. Andrews University, Scotland; Dr. Charles Ritcheson, cultural attache, United States Embassy, London.

The symposium, conceived by Fairleigh S. Dickinson, Jr., chairman of FDU's Board of Trustees, was designed as a unique example of Anglo-American academic cooperation, marking the close ties that have developed between Great Britain and the United States. The program is a joint effort of the Institute of Graduate International Studies at Fairleigh Dickinson University, the United Kingdom's Royal Society of Arts and the New Jersey Bicentennial Commission.

Wroxton College, on 56 picturesque acres of lawns, lakes and woodlands in the heart of the Cotswold country, is an appropriately historic and beautiful setting for such a symposium. The North family occupied what was Wroxton Abbey for almost 300 years. The abbey was the home of Frederick, Earl of Guilford, Lord North of Kirtling who was Prime Minister from 1770 to 1782. It has been left to future generations to surmise what Lord North would have said about his stately Oxfordshire mansion being used to educate the descendants of those erstwhile colonial rebels.

The present mansion was rebuilt on the foundation of a Priory of Augustinian Canons founded in 1217 by Michael Belet, a North Oxfordshire landowner who endowed the Priory with his Wroxton Manor House. In the 320 years between 1217 and 1537, England changed a great deal but Wroxton hardly at all. Very little is recorded of its history during this period. In 1537, Sir Thomas Pope, a wealthy courtier and friend of both Henry VIII and Sir Thomas More, whose family had acquired the Wroxton property, used the Priory and its then 3,000 plus acres, to endow Trinity College at Oxford University.

Although Pope had no direct heirs, he retained for the descendants of his brother John, a perpetual right to lease and live in the Priory which came to be called "The Old Abbey House," and later "Wroxton Abbey." From this act is derived the curious fact that the later Popes and the more important Norths, who were united to the Popes by marriage in the 17th century, almost alone among the greatest of English families, were not owners, but merely tenants in their "own home." For this reason, when William Henry John North, 11th Lord North, died in 1932, and his heirs decided to leave Wroxton, the Abbey reverted to Trinity College, Oxford, the rightful owner for almost 400 years. It was from Trinity College that the Abbey was acquired in 1964 by Fairleigh Dickinson University.

The University has done much to retain and add to the historic charm of the ancient homestead, while making it a place for serious academic study for both undergraduate and graduate students.

As part of the June bicentennial symposium, the University will dedicate the recently renovated carriage house of Wroxton Abbey in honor of Mr. Morris Leverton, a generous benefactor of the Wroxton Campus and of Fairleigh Dickinson University. The former carriage house will be dedicated as Morris Leverton Hall and there will be a rededication of the building previously named for Morris Leverton, in honor of his wife, Ann Leverton. Through the generosity of the Levertons, the old carriage house has been remodeled and furnished, providing additional living quarters and new dining and kitchen facilities for the campus.

It is a true symbol of the American heritage and Anglo-American cooperations that each year Fairleigh Dickinson University sends about 80 undergraduate students and 60 summer semester graduate students to its Wroxton campus to bask in the glory of British history, drama and literature. What better place to have a bicentennial symposium?

STATEMENT ON VIETNAMESE REFUGEES

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. WON PAT. Mr. Speaker, on behalf of the American people of Guam, I rise to express my deep pride in the role which our island is playing in the great humanitarian effort to rescue the thousands of South Vietnamese from almost certain death.

As possibly the whole civilized world knows, Guam has played host in the past weeks to thousands of South Vietnamese refugees. At present, there are over 40,000 refugees on the island although they are rapidly being processed to move on to other areas. It is anticipated that thousands more will be arriving there in the near future.

In the midst of the confusion and endless work surrounding the processing of the refugees, Ambassador L. Dean Brown must be commended. He and his staff as well as many military and civilian officials on Guam all deserve our support and recognition for doing a very difficult job under such circumstances.

Guam, however, is a small island with limited resources. Our ability to do more than lend a temporary helping hand is hindered by an economy which is in precipitous decline. The island already faces a rising unemployment rate and only in the past few days have we discovered that the U.S. Navy is laying off over 350 personnel at the Guam naval ship repair facility. Although I have opposed such action, both on the basis of humanitarian concern for those workers affected and because any move to reduce naval forces on Guam would, in my opinion, be disastrous for U.S. military plans in the Pacific at this point in our history, the Navy's decision only reinforces my concern over the island's economic condition.

Under these circumstances, I am deeply concerned that Guam may find itself called upon to provide permanent residence to more individuals than we can reasonably handle. In fact Governor Bordallo was forced by circumstances to declare the island of Guam in a state of emergency. Almost across the board, leaders of major American communities are resisting any influx of refugees into their areas.

While I appreciate the efforts of the U.S. officials in charge of the refugee task force, I am concerned about the impact of their decisions on an island 30 miles long and 8 miles wide. We on Guam are proud to do our share. But quite frankly, many members of the government of Guam, our legislature, private citizens, and myself are concerned that the State Department, lacking alternative destinations for the refugees may attempt to resettle disproportionately large numbers on Guam. There are undoubtedly some desirable refugees that can contribute to the well-being of the territory such as skilled and professional people as well as business entrepreneurs. Finally, it should be recognized that this is a Federal problem and its solution lies within the Federal Government. We cannot impose an undue burden on our State and territorial governments—a responsibility they are not adequately prepared to assume.

In recognition of the role which the Federal Government must play in this matter, I have earlier sponsored legislation with Representative ANDERSON of California and other Members of the House to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to the refugees from Southeast Asia. The House Judiciary Committee is presently considering a similar legislation and I look forward to early passage of such a measure by the House.

I am also today introducing a House resolution which addresses itself to the need to assure equitable placement of the Vietnamese refugees by providing language which states:

> The President should take any steps within his power to prevent the refugees from settling indisproportionate numbers in Guam or any other State or Territory of the United States.

It is my belief that America can and will produce a solution to the refugee question which will be fair to all concerned. I trust that the legislation I introduced today will be a small start toward that end. After the years of American sacrifice on behalf of democracy and liberty in South Vietnam, the resettlements of those who were displaced by recent events will be a fitting and proud end to our involvement in that tragic war.

TWO-HUNDREDTH ANNIVERSARY REENACTMENT OF THE CAPTURE OF FORT TICONDEROGA TO BE HELD MAY 10, 1975

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. McEWEN. Mr. Speaker, May 10, 1975, is a date of great significance to all Americans. On that date, America's first victory in the Revolution was won without firing a shot when Ethan Allen and 83 Green Mountain Boys captured Fort Ticonderoga, N.Y., from the British.

Fort Ticonderoga was strategically located on the inland waterway route between the British colonies and Canada. The fort, built by the French but taken by the British, commanded the outlet of Lake George into Lake Champlain. Solidly built on a promontory it was known as the "Gibraltar of the New World."

Allen's victory had three military results: Fort Ticonderoga, guardian of the colonies' north gate, was denied to the British; cannon from Ticonderoga enabled the Americans to drive the British out of Boston; American morale was stimulated by the victory.

Lexington and Concord are highlights of America's story, but those actions were in response to British aggression. At Fort Ticonderoga, American troops, for the first time, took the offensive against British regulars in a British stronghold. This was rebellion.

The operation began when some 230 men assembled at Hand's Cove, about 1 mile north of the promontory of Ticonderoga and across the lake from the fort, on the evining of May 9, 1775. Allen was in command but Benedict Arnold joined the group, with a commission from the Massachusetts Committee of Safety, to capture the fort. All the men had been raised by Allen, and they refused to march under another leader. Allen allowed Arnold to march at his side, but retained command.

A large scow and one small boat comprised the available transport. Allen filled these with 83 men and embarked with Arnold. The force arrived beneath the walls of the fort shortly after 3 a.m. With Allen leading, the men climbed an embankment to a breach in the south wall of the fort, opposite a wicket-gate with a sentry.

Ethan Allen overpowered the sentry, raced into the courtyard, and, with Arnold at his side, demanded the surrender of the fortress, "In the Name of the Great Jehovah and the Continental Congress." Bowing to the inevitable, the British commander, Capt. William de la Place, handed his sword to Allen. It was over in a few minutes; no one was killed. But America had achieved her first victory. There was great rejoicing, and, to quote the redoubtable Ethan:

> The sun seemed to rise with a superior lustre—and we tossed about the flowing bowl.

Two hundred years later a dramatic reenactment of that day will take place when at 3 a.m. on May 10, 1975, at Fort Ticonderoga, descendants of Ethan Allen, Benedict Arnold, and the 83 captors cross Lake Champlain before dawn and invade the fortress.

The U.S. Army's "Old Guard" 3d Infantry Fife and Drum Corps, and the Ticonderoga Fife and Drum Corps will participate in day-long festivities. Most appropriately, the reenactments and celebrations will be New York State's first Bicentennial event.

Fortunately for America, the fort stands today as it did 200 years ago because of the foresight and initiative of an individual American citizen and the continuing interest and effort of his descendants. At a time when so many may feel that if anything is to be done right, it has to be done by government, Fort Ticonderoga is a monument to the concern and dedication of individual Americans. Mr. John Pell of Ticonderoga, now heads the foundation, which has done an outstanding job in the restoration and preservation of this magnificent old fort. It was John Pell's great, great grandfather, William Ferris Pell—and the great, great, great grandfather of Senator Claiborne Pell—who acquired title to this fort 155 years ago. Had it not been for the unstinting efforts and devotion of this great American family, the planned reenactment could never have come about.

Many Americans will be privileged to witness the stirring reenactment at Fort Ticonderoga on May 10. For the many millions of others who will be unable to attend, I take this means of recalling to them that on that date, 200 years before, a band of hardy Americans won the first victory in the battle for freedom in America. At this time of turmoil and deep inner doubt, let this day serve to remind all Americans that not only a rugged group of colonists, but freedom-loving people from many countries of the world, joined in winning the ultimate victory which gave to us this great Nation.

WE THE PEOPLE . . .

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BAFALIS. Mr. Speaker, I would like to submit, for the review of my colleagues, the remarks of Judge Harold Smith, judge of the 20th circuit court of Florida, dealing with the Constitution of our country. I have read Judge Smith's remarks and feel that they constitute a fitting birthday remembrance for America. If we were to all keep these ideals in mind while exercising our legislative responsibilities, I feel we could do a more trustworthy job in representing our constituents—the people of this great country.

The remarks follow:

Remarks by Judge Harold Smith

We the people of the United States, in order to form a more perfect Union, establish Justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity—

These words are the preamble to the Constitution of the United States. The Constitution is the outgrowth of the independence that was declared 13 years earlier on July 4th, 1776. Listen again to those words. . . .

We the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity. . . . Let us analyze these objectives one by one.

Form a more perfect union. This union has been formed, enlarged and maintained. Many times new states were admitted until this perfect union was enlarged from the original 13 to its present union of 50 cohesive, unitary states. At one dark period in our history this union was threatened with dissolution, but after the blood of brothers was spilled and the wounds of war were healed, the Union was preserved.

Establish Justice. This is the keystone of our nation. We have established justice to the point where all men are equal under the law. No man is below the law. No man is above it. Thank God, throughout the life of our nation this great country has been a government of laws and not a government of men. It is the established laws which provide the framework by which the men who are but temporarily in charge run the country all within the guidelines and limitations of the law. Men may come and men may go but the law lives on. We may not love nor respect the particular individuals in our government at any particular time, but we must at all times respect and obey the law that controls them.

In a commencement address at Princeton University in 1835, Supreme Court Justice William Gaston said, "Rebellion against the law is in the nature of treason. The law deserves our obedience; it alone can reconcile the jarring interests of all and blend into one harmonious union the discordant materials of which society is composed." Think on those words. There are some in our nation today who have tried to place themselves above the law, and to select those laws which they choose to obey and those they chose to disobey. Yet should someone else choose to disobey the law which protects these people, these selective lawbreakers would proclaim that they were being brutalized. This point so clearly illustrates why the selectivity of obedience to the law is totally fallacious. As Justice Gaston said, "Rebellion against the law is in the nature of treason." It is that simple.

Insure domestic tranquility. This part of our Constitution is of particular significance today. Never in our history except during the Civil War has our nation been so domestically un-tranquil. This strife and unrest in our cities and universities ties directly back into what was said about respect for our laws. We are a prosperous nation, yet we have pockets of poverty. We are a peace-loving nation, yet we have a world-wide military commitment and are fighting a bloody war in Viet Nam; (now closed thank God) We are a law abiding nation in our international relations and we respect our treaty commitments, but domestically we have a menace to our tranquility in the form of the rioters, looters and arsonists in the streets, together with the subtle specter of organized Mafia-like crime. Our nation can be tranquil if we will but enforce our laws that insure this tranquility. Enforce the laws without fear or favor.

Provide for the common defense. Our nation has not only provided for the common defense but has insured that we shall be prepared to meet and overcome all our enemies, domestic and foreign. To prove the determination set out in these words, our country has fought many wars in many places. American blood has enriched the soil of many lands where our troops went forth to do battle with those who would trample on our flag. We must be equally vigilant to stifle those within our borders, calling themselves Americans who would defile and deface our flag. A Nazi or a Viet Cong owes no allegiance to this grand old emblem of liberty and justice. All Americans do. Yet some bearded, beaded, filthy, scurrilous scum proclaim their disdain for liberty by asserting and arrogating unto themselves the liberty guaranteed by the blood in that flag by defiling it. We must also provide for the common defense against these enemies of liberty.

Promote the general welfare. These words must not be construed to mean that ours is to be a welfare state. It was independence that our nation proclaimed on July 4, 1776, 199 years ago. It was independence to open up a new country. To till the soil; to tie the nation together by railroads and telegraphs. Independence to risk capital to begin new enterprises. Independence to do a days work for a day's wages. It was never intended to promote the general welfare by looking to the Government for a handout, nor to receive a bonus for laziness, sloth nor indolence. The general welfare means that all must work that none might be deprived. The key word there is WORK.

Secure the blessings of liberty to ourselves and our posterity. We have had the blessings of liberty here 199 years. It laps over us like a comforting cloak of security. It is truly a blessing, this liberty of ours. Liberty is a hard-bought thing. It didn't just happen. It cost blood and sweat and toil and tears. With the destructive forces present today, both within and without our country, it will require more blood and sweat and toil and tears to maintain it for ourselves—and more importantly, to pass it on to our posterity as a priceless heritage. A heritage that cannot be bought, but can only be earned. It will be the greatest endowment that anyone could ever receive.

So it has been our heritage of independence and liberty for nearly 200 years. So will it be forever.

Now to go back to the very beginning. We the people of the United States. Yes. All of us. North, South, East, West, rich, poor, black, white, Christian, Jew, Indian. All of us. We are the people of the United States, and we the people of the United States love this country of ours, this cradle of liberty and independence. May it endure forever.

Happy birthday America.

PART I: IN OPPOSITION TO REVERSE DISCRIMINATION

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. KOCH. Mr. Speaker, on Sunday, May 4, I attended a breakfast held by the Metropolitan New York Coordinating Council on Jewish Poverty. The purpose of the breakfast was to alert the legislators in New York to the fact that the Jewish elderly in the city of New York are not receiving their fair share of poverty funds made available by the Federal Government to deal with poverty because of the restrictions placed on the distribution of those funds by Federal law. There are two major restrictions which impact and in some cases deny assistance to those in poverty, not only Jews but a whole host of other identifiable groups. One of these artificial restrictions allocates and directs programed funds only to people living in designated poverty areas. The effect is that those who are poverty stricken and not living in a particular part of the city, perhaps being even more deserving in individual cases than others living in such designated areas, are denied funding.

A second artificial restriction is to limit certain funding programs to specified groups those classified as black, Spanish surname, Oriental, American Indian, Aleuts, and Eskimos. The effect of such designation is to leave without equal opportunity for assistance the more than 120 other national or ethnic groups, such as Italo-American, Ukrainian American, Irish American, and Jewish American to name a few, as second class citizens insofar as Federal poverty programs are concerned. How does one justify to a poverty stricken Italo-American living in Carnarise or a Ukrainian American living on First Avenue, that he or she is not eligible for Federal poverty assistance when others perhaps less poverty stricken are?

In December 1973, when I served on the Banking and Currency Committee, I sought to end what I consider to be a discriminatory practice which effectively denied direct loans to any otherwise eligible applicant if he or she were not in one of the six designated groups. I was able to muster support in the Small Business Subcommittee on which I sat to provide in the SBA legislation language which would bar discrimination based on race, creed, color, religion, sex, or national origin. The vote in subcommittee was 9 to 0 with two members voting "present," in support of my amendment. However, that vote was reversed in the full committee by a vote of 30 to 2 so that the SBA legislation now continues to allow this discriminatory practice of limiting funding to the six designated groups in certain programs.

Most recently our colleagues JAMES SCHEUER sought to impose comparable antidiscriminatory language, not related to poverty, in an amendment to the health manpower bill, H.R. 5546. His amendment would have prohibited medical schools receiving funds under the bill from according a preference in admissions to applicants based on race. He too won in subcommittee by a unanimous voice vote but the amendment was rejected in the full Interstate and Foreign Commerce Committee by a vote of 18 to 10.

Those of us who oppose quotas and preferential treatment support affirmative action programs and do not find them inconsistent with our opposition to reverse discrimination. We believe that everyone—the poor, the uneducated, and those who have heretofore suffered discrimination—should be sought out and alerted to the programs that are available and provided with an opportunity to increase and enhance their skills so as to place them on a par with others to apply to all Federal and private programs that may be available: but when they apply the criteria should be based on poverty or merit or both but never on the basis of race, religion, creed, national origin, color, or sex.

Mr. Speaker, this issue is one that must be addressed directly. Notwithstanding the attacks that will be made on those who seek to take it on, those who are opposed to discrimination in any form must oppose preferential treatment based on the factors of race, creed, color, religion, sex, or national origin. To permit discrimination in favor of anyone because of his or her being within one of these classifications is, in fact, reverse discrimination. And we must not flinch from our obligation to oppose discrimination whether it be direct or reverse.

PUBLIC LIBRARIES

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. EMERY. Mr. Speaker, I would like to express my respect for the free public library system. Books open many different worlds for people of all ages. Books are adventurous, mysterious, informative, and entertaining. The free public library has served as the threshold to these worlds for the American people since the early 1800's. Now the existence of the free public library has been placed in serious jeopardy with proposed Federal funding cutbacks.

My distinguished colleague from Maine, the Honorable BILL COHEN, recently spoke before the Maine Library

Association in Rockport, Maine. His speech best articulates our mutual respect for libraries and for books as an educational vehicle. If there are no objections, I would like to submit the text of Mr. COHEN's speech for the benefit of my respected colleagues of the 94th Congress.

The speech follows:

SPEECH BY CONGRESSMAN WILLIAM S. COHEN

Aristotle, was once asked how much educated men were superior to those who were uneducated. "As much," the geat philosopher said, "as the living are to the dead."

Education and knowledge have been cherished goals for Americans since the Republic was established. Education has been the vehicle for social and economic advancement for millions of Americans during the past two centuries. And free public education has been a cornerstone of our political system. For, as Thomas Jefferson once said, "If you expect a nation to be ignorant and free, you expect what never was and never will be."

Education is the essential ingredient of liberty.

Consider, for example, the words of President James Garfield:

"Next in importance to freedom and justice is popular education, without which neither freedom nor justice can be permanently maintained."

Compare them with those spoken by Adolph Hitler:

"Universal Education is the most corroding and disintegrating poison that liberalism has ever invented for its own destruction."

The policy of the Fascist state or the totalitarian one is the repression of ideas and the suppression of the human spirit.

Without an educated electorate, without educated leaders, our free Government could not have persisted these past two hundred years.

In keeping with our deep commitment to education, Americans have always highly prized their books, the storehouse of their knowledge. From the earliest New Englanders, whose libraries were their dearest possessions, to Abraham Lincoln, whose devotion to books and learning helped carry him from a log cabin to the White House, Americans have placed their faith in books. Even today, with all the competition of records, radio, television and movies, the book maintains its special character. People believe in books when they believe in nothing else.

Our libraries, the proud repositories of the books that chronicle our heritage, are the prime vehicles of America's progress. Historically, when we have found our libraries not measuring up to our own exacting standards, Americans have taken the direct action necessary to improve and expand services. In recent years, our efforts have been remarkably successful.

Before the enactment of the first Library Services Act in 1956, it was estimated that 30 million Americans—then 20 percent of the population—were without the services of a library, and fifty-three million received insufficient service. As many of you will recall, Maine had adequate service for only one-third of its population. We have made tremendous progress over the last two decades. According to the American Library Association, service in Maine has increased to 84 percent of the population as of 1972. National estimates reveal that eighty-eight percent of our people have access to libraries. This figure rises to 94 percent when we consider such services as bookmobiles and books by mail, programs which have been successful in Maine.

But despite the advances we have made in developing our libraries and distributing knowledge, there are new and greater challenges facing both you, as librarians, and us in the Congress.

More and more, we as a Nation—and indeed, the whole world—are faced with an "information explosion."

We have more books, more papers, more documents of every kind, chronicling every field of human thought and endeavor. Such a wealth of information does us no good unless it is accessible to those who need it when they need it. Organizing this information is a monumental task—one we have delegated to our library system.

In the face of the growth of knowledge, the need for new books and materials has multiplied. Yet so has the cost of publishing and managing those same books and materials. The average book today costs about thirteen dollars—double its price in 1967. And the costs of construction, education, maintenance and technical manpower have continued to climb with the inflation rate, with no relief in sight.

I find it somewhat ironic.

Indeed, our country's hard economic times have doubly challenged our libraries. While inflation has been pushing costs through the ceiling, unemployment has been pushing more customers through your doors. Traditionally, hard economic times have meant better business for libraries. Today, we are witnessing a repeat of the experience of the depression era. Now, as then, adults are using the library as a source of information about the job market, as a place where they can get help in sharpening their occupational skills or in acquiring new ones, and as a virtually cost-free way of passing the time constructively and purposefully.

How are we going to meet these challenges?

Clearly, some careful long term planning is called for. Last year, during the 93d Congress, a law was passed authorizing and requesting the President to call a White House Conference on Library and Information Services, to be held not later than 1978. The stated purpose of the legislation is to develop recommendations for further improvement of the Nation's libraries and information centers. The conference can help the States and the Federal Government better to assess their public library needs and the resources available to try to fill those needs.

While President Ford has not yet set a date for the conference, there is an indication of his support in the fact he co-sponsored the legislation calling for the White House meeting while he was still a Congressman. Some of you have already inquired about the possibility of participating in the conference. Clearly, the time to start participating is now. I would hope that the discussions here today have placed in perspective those areas of library service which need reassessment. In the meantime, it will be up to State groups to gather basic statistical information under the direction of the National Commission on Libraries and Information Science.

But I think we all recognize that one of the greatest difficulties is financial.

This year President Ford called upon every library to "seek to improve, equalize and make more accessible its services to all." But all that takes money. And the administration budget just doesn't provide enough money to fulfill the commitment.

Last year, an important piece of legislation, the Education Amendments of 1974, was passed into law. Among its many programs, the legislation provided for the consolidation of certain education programs, including library and learning resource projects. It specified that the Commissioner of Education may make grants for the access of school library resources, textbooks and other printed instructional materials for use in public and private elementary and secondary schools; for the purchase of laboratory and other special equipment; and for testing students and strengthening guidance and counseling.

This year, the administration requested $137 million for these consolidated programs. But no money was allocated for college libraries, even though existing law authorizes basic grants of up to $5,000 to each of 2,380 institutions for maintaining and updating their library collections. (In Maine, 25 institutions stand to receive $125,000 in aid, if this mandate is fulfilled.)

In the administration budget, proposed grants under the Library Services and Construction Act were reduced by more than one half. The administration has for some time been trying to reduce this kind of library aid in favor of some new kind of Federal support to be proposed through new legislation and as part of the existing revenue sharing program. For the past two years, the administration has asked for appropriations for its new library legislation, but the Congress has yet to be provided with copies of this proposal for its consideration.

And it is worth pointing out that only one per cent of general revenue sharing funds have been spent for libraries, and that sum has reached only 14 percent of the libraries throughout the country, much of it as "replacement money" for State and local support. General revenue sharing can be helpful, but it is not an acceptable substitute for the Library Services and Construction Act as presently constituted.

So what are we going to do about libraries? I was distressed to walk into a local library recently and read a sign asking patrons to list which services provided there they could do without, because there was going to be a cutback in the budget.

To leave the future of libraries in such a state of uncertainty is unacceptable. I, for one, intend to do all I can to provide libraries with the Federal funds they need to meet current demands. I believe there is a desire now in Congress to do just that.

Just two weeks ago, for example, during National Library Week, the House approved the education division appropriations for fiscal year 1976, including substantial funds for libraries.

As reported from committee, the bill contained $194 million for library resources, some $27 million more than the budget request. During the course of debate, an amendment was offered, which I supported, which added another $15 million for library programs.

As the legislation passed the House it contained almost $52 million for public libraries, under the Library Services and Construction Act, and nearly $10 million for library resources under title II of the Higher Education Act. Finally, over $147 million was appropriated for advance funding in fiscal 1977 of the consolidated programs, including elementary and secondary libraries and instructional resources.

But you as librarians should be on notice. The supply of funds from the Federal Government, as from State and local sources, is not limitless. The continued effectiveness of our public and private libraries will depend far more on your ingenuity and creativity than it will on Federal dollars.

The present period of belt-tightening is forcing us to re-evaluate our priorities. In my view, first consideration must be given to those areas of the country that are still without adequate library resources, most of which are in rural America, many of them in Maine.

We must reaffirm our commitment not to limit our own or our children's educational opportunities. We must continue our support for libraries, the custodians of our heritage, with whatever funds we can afford and through continuing improvements in administration and efficiency. Libraries are personalized, local institutions. They must be continued in the same spirit which prevailed when they were begun.

As one of the founders of the American Library Association, John Dewey, remarked in the first issue of the Library Journal, published in 1876: "The schools teach them to read; the library must supply them with reading which will serve to educate."

That 2000-year-old invention, the book, is just as relevant today as it was then. And so it will continue to be in the automated libraries of the future. For without libraries, education is impossible. And without education, as Jefferson said, A nation cannot hope to be free.

HEW—$301 MILLION A DAY

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ARCHER. Mr. Speaker, I have been strongly opposed to the continuing growth in the power of the Federal Government. A government which is so big to give the citizens everything is also big enough to take everything away. Advocates of big government can find no end to activities which they feel can and should involve the Federal Government. One of the most massive of the bureaucratic agencies is the Department of Health, Education, and Welfare, which spends an average of $301 million a day. The HEW empire includes more than one third of our total national budget and this agency continues to grow both in power and in expenditures. An excellent analysis of this agency and its growth appeared in the April 21, 1975, issue of U.S. News and World Report. This article should be a message to Congress that we need to take action to gain control over the growth of HEW expenditures:

$301 Million a Day For HEW—And No End in Sight

No Government department spends as much, nor touches as many, as Health, Education and Welfare. And few can match it for controversy.

The Department of Health, Education and Welfare celebrated its 22nd birthday on April 11 by spending 301 million dollars.

It was just an average day.

HEW spends 301 million dollars every day, 365 days a year—a whopping 109.9 billion in the year ending June 30 and perhaps 13 billion or so more than that next year.

These massive figures make HEW far and away the biggest-spending department of any government anywhere—and a prime target for President Ford as he searches for some place to trim Government expenditures.

Calling the situation "very ominous," Mr. Ford has launched what observers call the most aggressive assault ever by a Chief Executive on the constantly rising outlays at HEW.

First, in reviewing HEW's proposals for next year, the Office of Management and Budget—at the direction of the White House—turned thumbs down on almost every request for increased funds. For health services alone the final OMB mark was 485 million dollars less than the Department sought.

Mr. Ford is also attacking head-on HEW's largest programs—Social Security, public, assistance, medicare and medicaid. He has urged Congress to pass a series of legislative proposals that would curtail the natural growth of these programs by 5.7 billion dollars next year.

And finally the President has appealed to Congress to rescind, or at least defer, the spending of 1.2 billion that already had been authorized for a variety of HEW projects during the current year that ends June 30.

SHRINKPROOF BUDGET

Despite all the efforts by the White House, the prospects for slowing HEW's spending are rather dim at best.

Even if the President's program were adopted in full—a prospect regarded almost unanimously as nil—the HEW budget for next year would rise by 8.5 billion dollars over 1974–75. If, as generally predicted, none of the Administration's cutbacks is adopted spending will increase by at least 13 billion.

The seemingly inevitable growth in HEW traces back to its founding in 1953 as the tenth Cabinet department, during the Eisenhower Administration. Ever since, HEW has mushroomed in power, money and influence.

Compared with its modest beginning, when its spending amounted to less than 3 cents of every $1 of federal outlays, the HEW empire now accounts for more than one third of the total U.S. budget.

One social program after another—Social Security, medicaid, medicare and others—has been brought under the HEW umbrella. By now its activities affect the lives of every American in one way or another, from prenatal care to a payment for burial expenses.

And there is talk of taking over even more programs, such as food stamps and subsidized meals for schoolchildren, which are currently administered by the Department of Agriculture.

CHANGING ATTITUDES

What has caused such rampant growth? One HEW official makes this observation:

"In this country, welfare is no longer charity, it is a right. More and more Americans feel that their Government owes them something."

Consider these points:

Every seventh person in the U.S. now receives a monthly check directly from some HEW agency. For millions of people this is their only income.

HEW dispenses funds through 300 major programs and thousands of smaller ones. Biggest of all is Social Security, which became a part of HEW in 1963. About 31 million people receive Social Security cash benefits now, and the number of those eligible grows year by year.

The scope of HEW activities virtually defies imagination—hospitals for merchant seamen, Eskimos, American Indians; a college for the deaf; a printing house for the blind; medical assistance for the elderly and the indigent; counseling for teen-agers in trouble; a range of educational programs from prekindergarten through college, and controls in one degree or another over carpet for your floors, paint for your walls, clothing for your children and what you can or cannot eat, drink or smoke.

As one observer comments: "This is truly a case of name it and HEW is involved in it—or wants to be."

In assessing the never ending growth of their Department, HEW insiders cite Congress, lobbyists and the courts as prime factors. One high official notes: "Congressmen are intent on doing something for their constituencies and tack on another program, and we have to suffer with it. They listen intently to the lobbyists who are always asking for more.

"There is more of a lobbying effort to push new programs or get more money for HEW than there is for all the rest of the Government combined. And, of course, some of the lobbyists are right here in HEW.

"Now the courts are in the process of giving some groups the privilege of having a voice in HEW affairs. An example is the National Welfare Rights Organization, which is comparable to a union in winning benefits for its members who are on welfare."

Adding to HEW's power are 306 official advisory committees, each with a dozen or so members from outside Government who are experts in medicine, sociology, education, research and related fields.

Some of these committees—perhaps as many as 60 of them, according to one HEW official—are "after entirely too much money, power, publicity and congressional clout to further their causes, and many are out-and-out lobbyists."

This official also says that almost all of the committees, "even the quiet, effective ones," are champions of various causes and are constantly seeking new money.

One big problem in curbing HEW is that fully 95 per cent of the Department's mammoth outlays are officially regarded as "uncontrollable," dictated by laws already on the books. Spending levels can't be changed through congressional appropriations or the regular budget process.

Instead, the laws have to be amended or repealed. Mustering support for such actions is difficult at best because Congress is loath to cut benefits provided to its constituents. Such votes can prove to be political suicide.

No Government department so directly involved in the lives of so many Americans could avoid controversy. For HEW, controversy has become a way of life. Some examples:

Should cigarettes, which an agency of HEW has found dangerous to health, be banned?

How far must school districts go to eliminate racial discrimination?

If nonprescription drugs are ineffective, should they be ordered off the market?

Should colleges that grant athletic scholarships to men be forced to grant them equally to women?

Should a Government agency become an agent for consumers who claim they have been sold merchandise that is defective?

HOW HEW PARCELS OUT $110 BILLION A YEAR

	Year ending June 30, 1975 (billions)	Share of total (percent)
Income security:		
Social Security	$63.5	58
Public assistance	9.5	9
Other payments	1.1	1
Health programs	25.8	23
Education:		
Elementary, secondary and vocational aid	4.0	4
Higher education	2.1	2
Research, other purposes	.5	
Social services, manpower, other programs	3.4	3
Total	109.9	

Source: Office of Management and Budget.

At latest count HEW was involved in 8,021 court cases, either as plaintiff or defendant. Department officials expect another 5,000 cases this year and estimate that within the next year new legal actions will be running at least 11,000 annually.

Suits frequently are brought by citizens who feel the Government is meddling in their private affairs. But more often HEW is sued by those who feel they are not getting their fair share of the federal dollars available from the many welfare programs.

CIVIL RIGHTS

Racial discrimination has proved an especially ticklish area. Since it was set up in 1964, the Department's Office for Civil Rights has checked all of the nation's 16,300 local school districts and the 3,000 colleges and universities for compliance with civil-rights laws. Hospitals and nursing homes have undergone similar investigations.

The Civil Rights Office has initiated 635 court suits which have led to the cutoff, at least temporarily, of federal funds to 199 school districts. More than 700 other school districts are following desegregation plans that had to be approved by HEW. Still more districts—as many as 650—are desegregating under court orders resulting from suits filed by HEW and others.

With the racial problems still far from settled, particularly in Northern districts, HEW now finds itself involved in another bitter discrimination fight—this time over sex discrimination in high school and college athletics.

Regulations to guarantee women equality in athletics and coaching could cause schools to increase many times their expenditures on women's athletic activities. One possible result: a curtailment in the benefits for promising male athletes, such as full scholarships plus free board and room.

Framers of the plans that produced HEW in 1953 say they had no idea how big or all-pervasive the agency would become.

A conservative Republican, the late Senator Robert A. Taft, of Ohio, came up with the name for the department, according to Arthur S. Flemming, one of the early HEW Secretaries.

Mr. Taft's support was won by President Eisenhower at a time when the HEW budget was projected at less than 2 billion dollars a year and there was no suggestion that the then separate Social Security system or the host of latter-day "big Government" welfare projects would be included.

SKYROCKETING OUTLAYS

It was the addition of Social Security 10 years later that first caused the Department to zoom in size. In a single year its expenditures skyrocketed from 4.2 billion dollars to more than 20.2 billion. And it has been Social Security and medicare that have accounted for more than two thirds of the increase in HEW spending in the last decade.

Even so, other HEW outlays have risen by 26.3 billion dollars since 1965 as one program after another has been added or enlarged.

Like its spending, HEW's employment continues to grow and grow—from about 37,000 workers when it was set up to more than 143,000 now. While large, this figure is still well below some other Government departments.

About 1.1 million civilians work for the Defense Department, 705,000 for the Postal Service and 205,000 for the Veterans Administration.

Caspar W. Weinberger, a wealthy San Francisco attorney who came to the Federal Government from the staff of the then Governor of California, Ronald Reagan, in 1970, is the tenth person to serve as Secretary of HEW. He succeeded Elliot L. Richardson, now Ambassador to Britain, in 1973.

A fiscal conservative, Mr. Weinberger nevertheless supported the HEW budget requests which President Ford ordered sharply trimmed. Yet he is also known to feel that Government, including his own department, has grown despite an unorganized kind of taxpayers' resistance that has not made itself heard or felt effectively in Washington.

The Secretary, along with some others, favors replacing various programs such as Aid to Families of Dependent Children, food stamps and the Supplemental Security Income programs that provide federal aid to the blind, aged and disabled with some form of "guaranteed annual income" to welfare recipients and the "working poor."

A single payment, perhaps as a "negative income tax," it is suggested, could head off a helter-skelter expansion of HEW programs by Congress.

Yet, some officials at HEW remain skeptical of any substitute welfare program because no new scheme ever seems to replace another. Instead, the substitutes only add to the bureaucracy. Commented one insider:

"Programs continue on and on even after they've outlived their usefulness."

One frequently cited is the Hill-Burton plan first passed by Congress in 1946 to subsidize hospital construction. Now, with a surplus of hospitals in many areas, the program still is running in HEW. In late January, the House Appropriations Subcommittee overwhelmingly turned down an Administration request to rescind 291.7 million dollars in Hill-Burton funds appropriated as long ago as 1973 but still unobligated.

DUPLICATION

Even inside HEW, officials admit that the department is a "massive hodgepodge" with many duplicated services. For example, 10 complete but separate programs deal with the handicapped.

Efforts to break through red tape seem to get nowhere, in part because of infighting within the Department. Says one HEW employe: "There are bureaucratic battles on every floor. Each agency within HEW and each lobbying group supporting an agency considers itself to be the hub of the universe."

This year HEW will spend 77 billion dollars on "income maintenance" and "social services." The bulk of this is Social Security. Its outlays for health—primarily medicare and medicaid—will total some 26 billion. The various education services and subsidies will account for about 6.6 billion.

What of the future? Will this "super Department" become even larger? Almost certainly, it is widely agreed.

If expenditures rise in the next 10 years at the same rate as they did during the past decade, they will total more than 500 billion dollars in 1985.

There are many in HEW who urge the takeover of programs now lodged in other Cabinet departments, such as food stamps and subsidized school meals from Agriculture, manpower training from Labor and housing subsidies from Housing and Urban Development.

And there will be new programs. National health insurance, which has many supporters in Congress, could add billions to HEW outlays if it is adopted.

From time to time proposals are made to break up HEW into three separate Cabinet departments for health, education and welfare. But a spokesman for HEW says: "Health, education and welfare cannot be broken down because the poor can benefit from all three of these major divisions."

One high administrator observes:

"I am convinced that supporters of proposals to break up HEW are for them because they feel they could get more money for their pet projects. There is no question that we need to streamline and centralize HEW, but it should become a department of all human resources, such as 26 States already have."

What are the chances of such reform?

For now there seems little likelihood of major change. The pattern for continued growth is built into law and, as President Ford is finding out, Congress shows no inclination to alter it.

WHERE ALL THE MONEY GOES

Scarcely a family in the U.S. is untouched by one or another of HEW's diverse programs. Among those getting direct cash payments or indirect benefits—

31 million people draw Social Security.

25 million low-income individuals receive medicaid in the course of a year.

13 million aged and disabled get medicare.

11 million persons share in Aid to Families with Dependent Children.

5.5 million children benefit from federal educational programs.

5.4 million college students get federally backed loans.

4 million who are blind, aged or disabled, get Supplementary Income Security payments.

NOTE: Millions get help from two or more of these sources.

TAX REFORM PACKAGE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BONKER. Mr. Speaker, the following is by Archie Bunker in "All in the Family," April 14, 1973:

> GLORIA. How could you cheat on your taxes?
>
> ARCHIE. I'm just, what do you call it, exercisin' my loopholes, that's all. Like the big guys.

Mr. Speaker, when the 16th amendment to the U.S. Constitution was ratified some 60 years ago, the idea was very simple: The Congress shall have the power to lay and collect taxes on incomes from whatever source derived. All income was to be taxed fairly without fancy distinctions between labor earnings, profits from stock exchange or real estate windfalls.

What has happened since is a mockery of a system intended to be fair and equal and based on a theory of paying for Government services according to income. What began as commonsense definitions to taxable income has become a playground for lawyers and accountants whose specialty is decreasing the taxable income of their clients—corporations and wealthy individuals.

Mr. Speaker, someone recently said the Federal Tax Code is not a leaking vessel in need of a few patches, but a ship steaming in the wrong direction that must be turned around or sunk. Recent efforts at tax reform have been little more than touchup jobs for a corroded tax system, a painting over of the areas where the acid has seeped out without doing anything serious about what is wrong inside.

There has been a great deal of discussion recently about the size of the Federal deficit now tentatively set at $70 billion. Some point to excessive Government spending and the need to cut expenditures to achieve balance. More recently, we have noted that the sluggish economy and the lost receipts caused by unemployment only add to the deficit. Little is said, however, about the fact that $50 to $60 billion never reaches the Treasury because of tax expenditures. The point easily overlooked is that tax breaks—tax expenditures—are really no different than Government spending. A preference that reduces tax receipts by $1 billion is just the same as a new $1 billion spending program. The money that does not come in from one group of taxpayers must be wrung out of another. Otherwise, programs are cut, or the Federal deficit is increased.

Last week, the House of Representatives registered its support for legislation to raise $3 billion in revenues by closing tax loopholes. That is only a beginning. We could raise many billions more by reinstituting a more fair and equitable tax system. We could realize our Federal objectives, implement our programs, and reduce the deficit at the same time simply by requiring everyone to pay their fair share.

For these reasons, I am introducing a tax reform package which will revise the tax laws affecting multinational corporations, remove numerous tax loopholes affecting the wealthy and big business, and provide for a greater effective rate in the minimum tax. I recognize that I can have the greatest impact on tax reform efforts by joining with other Members of Congress who are interested in tax reform. Therefore, I am cosponsoring proposals introduced by two distinguished members of the Ways and Means Committee, Congressman CHARLES VANIK of Ohio and Congressman JAMES CORMAN of California. I am also reintroducing a minimum tax proposal originally sponsored by Congressman BROCK ADAMS of my home State of Washington. Below is a summary of the package's salient provisions:

FOREIGN INCOME TAXES

Various tax credits and special provisions encourage many corporations to invest funds abroad rather than in our own country. Given the current outflow of American dollars and our Nation's serious unemployment problem, we must revise our tax laws so that foreign investment is no more profitable than domestic investment. To this end, I am cosponsoring the Tax Neutrality Act proposed by Congressman VANIK. This bill would:

First. Reform the foreign tax credit, thereby increasing Federal revenue by $1.7 billion a year;

Second. Eliminate the deferral of foreign earnings taxation at an annual $1 billion savings to the Treasury;

Third. Eliminate certain exceptions for lesser developed country corporations and the Western Hemisphere Trading Corporation at a tax savings of $180 million per year; and

Fourth. Eliminate the Domestic International Sales Corporation provisions, considered by many to be the most useless provisions of the Internal Revenue Code, at a yearly tax savings of $1.3 billion.

BUSINESS INCOME TAXES

I have also included a number of business tax law revisions drafted by Congressman CORMAN. One provision would repeal the investment tax credit which was recently raised from 7 to 10 percent. This credit in theory stimulates the economy by encouraging business to invest in the purchase of new equipment and machinery. In fact, this credit is often used to offset the purchase of equipment that the businesses would have had to buy anyhow. While not appreciably stimulating the economy, this subsidy—even before the 3-percent increase—was estimated to cost $6 billion in 1976.

The bill would also prohibit the use of the asset depreciation range system and provide that tax deductions for depreciation and repairs may not exceed the actual amounts recorded on business books. Incredibly, under current law, businesses may record one set of figures in their books, and a totally different—and higher—set of figures as tax deductions.

Many wealthy individuals use business deductions to, in effect, lessen their personal income taxes. Under current law, an individual, simply by incorporating his business, can deduct certain personal and family expenses that would not be deductible by the average wage earner. This bill would eliminate various tax loopholes whereby individuals have legally deducted, as corporate expenses, their families' meals and lodgings, medical and dental bills.

Also eliminated by this bill are deductions for travel expenses to certain conventions abroad, deductions for the business use of homes, the rental use of vacation homes, and the use of beach houses, ski resorts and the like as business tax shelters. The bill would, furthermore, discourage wealthy persons from investing in losing business ventures simply for tax purposes.

PERSONAL TAXES

I am also cosponsoring several proposals by Congressman CORMAN relative to the taxation of trusts and estates. Individuals with large amounts of capital can give much of it away during their lifetimes with trust agreements that avoid various income, gift, and estate taxes. For example, by giving capital to their minor children, the affluent can split their income and cut down considerably on their effective tax rate. By giving away much of their holdings during their lifetime, they avoid paying high estate taxes at death. These provisions are, for practical purposes, unavailable to middle-class Americans who do not have sufficient holdings to give away the majority of their estates during their lifetimes. They need their limited resources for the expenses of everyday living. Consequently, middle-income Americans may end up with proportionately larger estates—and larger estate taxes—at their deaths than do very wealthy Americans. This legislation would cut down on these inequities by changing the taxation of trust incomes, integrating the gift and estate tax rates, and making certain other changes in estate tax law.

Finally, this bill would provide for the taxation of dividends and interest on a current basis. The average wage earner has his taxes withheld from every paycheck. Yet, an individual who lives off dividends and interest does not have his taxes withheld on a regular basis. We can increase Federal revenues by $1 billion per year simply by applying the withholding procedures to dividend earners that we do to wage earners.

THE MINIMUM TAX

Even with the above changes in the tax law, some people may avoid taxation by maintaining preference income holdings that are exempt from Federal taxes. The 1969 Tax Reform Act imposed a minimum tax on individuals with significant preference income. Yet in 1971, 1 year after the implementation of the new minimum tax, there were still 276 people with incomes over $100,000 paying no Federal income tax; 23,889 people with preference income averaging $100,000 were paying the minimum tax at an average rate of only 4 percent.

It is evident that further changes in the minimum tax are needed if it is to have its intended effect. I am, consequently, reintroducing a proposal by Congressman BROCK ADAMS to:

First. Eliminate the $30,000 exemption in the minimum tax;

Second. Raise the rate of taxation on preference income from a flat 10 percent to one-half the normal taxation schedule; and

Third. Remove the deduction for other Federal taxes paid.

With these changes, wealthy individuals would still have some incentive to invest in those areas where a preference is deemed necessary. However, they would be required to carry a more fair share of the tax burden. And an additional $3 to $4 billion in tax revenue would result.

Mr. Speaker, I understand that the Ways and Means Committee plans to take up tax reform legislation during the summer months. It is my belief that by approving the above amendments, the Ways and Means Committee can provide additional revenues well above the $3 billion figure set by the budget resolution—without further increasing the tax burden on low- and middle-income Americans.

FINANCIAL RECORD

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DOWNEY. Mr. Speaker, public officials at all levels of government must be prepared to offer to their constituents a full and complete financial record on a regular basis. This is not simply a matter of idle curiosity, but rather, the public has a right to know of all sources of income that may affect the public official's performance in office, and, of course, that he or she has paid a fair share of taxes. In light of recent history, I have decided that although extensive disclosure is not required under the law, I will make an annual full disclosure of my personal finances as long as I continue to hold public office.

Financial statement as of December 31, 1974, follows:

Income for 1974

Salary, Suffolk County Legislature	$16,870.00
Other income:	
a. Honoraria for speaking engagements	800.00
b. Fair rental value of county automobile—personal use	500.00
c. Suffolk County Education Tuition Refund	840.00
Total 1974 Income	19,010.00
Standard Deduction	2,000.00
Personal Exemption	750.00
1974 Taxable Income	16,260.00
Federal Income Tax Paid	3,918,40
New York State Income Tax Paid	996.00
FICA (Social Security) withheld	772.20

Statement of net worth, December 31, 1974

Assets: Personal Belongings	1,000.00
Liabilities: Personal Loan—Chase Manhattan Bank, W. Islip, N.Y.	5,000.00

I have no outside business interests, and no connection with any business entity that does business with the Federal Government, or subject to Federal regulatory agencies.

LAND USE AND RESOURCE CONSERVATION ACT OF 1975

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. STEELMAN. Mr. Speaker, as most of my colleagues know, the House Interior Committee, Subcommittee on Energy and the Environment, has concluded hearings and markup on H.R. 3510, Land Use and Resource Conservation Act of 1975.

During these hearings the subcommittee heard testimony from such organizations as the National Association of Conservation Districts, the National Grange, and the National Farmers Union, in support of this legislation as a means of enhancing and protecting agricultural producing lands.

In testimony before the subcommittee, Ms. Sally Robinson of the National Audubon Society made an impressive argument in favor of the bill because of its agricultural ramifications. I commend it to my colleagues:

TESTIMONY BY SALLY ROBINSON

Mr. Chairman and Members of the Committee: My name is Sally Robinson. I am representing the National Audubon Society, an organization of over 300,000 members whose interest in sound land use planning is of long standing. We strongly support H.R. 3510, as we have supported previous land use planning measures, and urge the Committee to report land use legislation in spite of the lack of official support from the Administration.

While we recognize that the economic problems of the country are serious, we do not agree with the Administration's conclusion that this bill should not be funded because of its inflationary impact. We find the authorization for this bill modest and well-warranted when contrasted to future expenditures which will be incurred in the absence of good land use planning. I will limit my comments to one case in point, the retention of prime agricultural lands for food production.

Events of the last year have forced us to realize that land available for food production is limited. Five years ago we were able to produce sufficient agricultural goods even though 51 million acres were deliberately held idle as a result of federal programs. Last year, however, the demand for food supplies both domestically and abroad had increased so dramatically that all available acreage was returned to cultivation as American farmers were urged to maximize their production.

Yet while the need for prime agricultural land has never been greater, it is disappearing rapidly. The USDA reports a net loss of agricultural land of 1.4 million acres a year to highways, reservoirs, stripmining, energy-related activities, and urban development.

The loss to urban encroachment is particularly disturbing of two reasons. First, urbanization seldom discriminates between highly productive land and that of less agricultural value since the potential development value derives from its location rather than its quality. Second, as urbanization surrounds isolated pockets of farmland, increased pollution may lessen productivity.

We cannot expect to watch this trend continue without experiencing greater scarcity of food supplies and accompanying higher prices. A USDA study indicates the economic importance of farming on the edge of urban areas. The 17.2% of U.S. farms that are located within the 242 Standard Metropolitan Statistical Areas produce 21% of the value of the nation's agricultural products sold and account for one-third of the nation's food.

An unpublished report prepared for the Senate Agriculture Committee indicates that while much of the land lost to indiscriminate urban development is of the highest quality and therefore at a premium because of the relatively low cost of production, much of the land available to replace it is of marginal or poor quality for farming. The Bureau of Reclamation has estimated the cost of irrigation and fertilizer to bring this new cropland into production at more than $1000 an acre, and the figure is sure to go up. Even then, the new cropland may never reach the natural productivity of the land that is lost.

The National Audubon Society has been particularly concerned about one strikingly bad example of the costs of increasing production through irrigation. This is the Garrison Diversion Project, planned to irrigate 250,000 acres of farmland in northern and eastern North Dakota. The cost of the project per acre has soared to $1,375 and is still rising, but each farmer who participates will be charged only $77 an acre for his share of the construction. An article in the March issue of *Audubon* magazine describes the project's financing in greater detail and concludes that the difference between the actual costs and the farmer's payment will have to be met by a massive subsidy from the public treasury. There are many other examples of projects carried out by the Army Corps of Engineers or the Soil Conservation Service in which the cost of reclaiming a few acres is disproportionate to the value of the reclaimed land when farmed.

In addition, the pressure to bring new farmland into production is encouraging the use of short-sighted agricultural practices which threaten the long-term productive capacity of the land. In the future considerable public expenditures may be required to restore the damage. In response to the demand for food supplies, there has been a rush to put millions of dry grassland, primarily in Texas, Oklahoma and New Mexico under cultivation. In many cases a grass cover had just been successfully reestablished on these lands after the thin vegetation was stripped by poor farming practices in the years preceding the dust bowls of the '30's. A recent *New York Times* editorial reports that current failure to employ the erosion controls that have proved effective in the past has resulted in a loss of 60 million tons of topsoil from newly cultivated land in 1974 alone. The need for new cropland has also encouraged the drainage of wetlands, particularly those along the North Carolina coast, often in disregard for the fragile ecosystems that make wetlands economically important in their own right.

Rather than financing the high cost of bringing marginal land into production or restoring fragile lands damaged through poor farming practices, it seems clearly preferable to use public funds to keep prime agricultural land in production. Relatively small sums of federal money made available through grants to the states, as provided in HR 3510, would enable the states to identify these prime agricultural lands and to develop policies to protect them before they are lost through unplanned development or unretrievably committed to other uses.

Many states, concerned about the loss of farmland and the resulting loss of income from agricultural products, are developing a variety of techniques to deal with these problems. In Suffolk County, the largest farm county in New York State, the number of acres being farmed decreased from 123,346 in 1950 to only 68,000 in 1972, a drop of almost 45%. Today there are only 45,000 acres left in production. That county has adopted a plan based on public ownership of development rights. According to the plan, the farmer retains the ownership of his land and the right to farm it without losing the value it would bring if sold for potential development. Because the value of his remaining property rights decreases, his property taxes become proportionately lower, as do the inheritance taxes which heirs must pay for keeping the ownership of the land.

Similarly, New Jersey, which ranks third in the nation in fruit and vegetable production, lost more than 600,000 acres of agricultural lands to suburbs between 1950 and 1970 and now has only a million acres of farmland left. The value of agricultural products in New Jersey is $275 million a year and the total impact of farming through related employment and services is $1.5 billion. The New Jersey State Senate, after a special study of the loss of farmland, is considering a proposal similar to that of Suffolk County. If adopted, each community would set aside at least 70% of its farmland for which the development rights would be purchased by the state. Here again the farmer would not be penalized for continuing to farm. The Farm Bureau Federation has endorsed the plan.

In Maryland the farmers are banding together to ask the state to protect their land. They are seeking passage of a bill which would allow farmers who own a total of 500 acres or more among them to group together and petition their local county government to designate their farms as an agricultural district. If they are designated as a district, they agree not to sell the land to commercial interests for 20 years. Any farmer within the district can then receive a one-time only payment equal to the difference between the land's value when farmed and when sold as commercial property. As in the other states, the Maryland plan has developed in response to a critical decline in agricultural land. The number of farms there in 1935 was 44,000 with a total acreage of 6.3 million; in 1974 there were only 15,000 farms, totaling 2.5 million acres.

Other states with similar problems are considering their own systems of land banking, preferential tax assessments, or land trusts to prevent farmers from being driven off their farms against their will or from being forced to suffer financially for supplying the nation's food requirements. I mention these examples particularly to indicate the degree of initiative by farmers and involvement of local governments in this effort and to draw attention to the diversity among state solutions to the problem of disappearing agricultural lands.

In our view HR 3510 is an important step in supporting these state efforts. The bill as introduced encourages individual farmers to participate in planning for land use and supports the role of the local governments in implementing state policies. Section 303 in leaving to the states the choice of particular "policies and procedures for identifying prime food and fiber producing lands and for promoting their continued use and productivity to meet long-range food and fiber requirements" will encourage states to adopt programs which fit their particular needs.

Finally, we think strong citizen participation is an essential part of the formulation of a state land use program. Therefore, we urge that the Committee include in HR 3510 specific language which not only describes the opportunities for citizen involvement, but also guarantees the access to information and financial resources which are necessary to make that involvement meaningful.

We thank you for this opportunity to present our views.

GOLDWATER, BRADEMAS: AVOID ISOLATIONISM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks, I am including the following editorial from the Elkhart Truth, Elkhart, Ind., May 2, 1975. The editorial demonstrates that there is overwhelming bipartisan support in the Congress for continued support of our allies around the world. The editorial quotes two of our distinguished colleagues, Senator BARRY GOLDWATER and Representative JOHN BRADEMAS. I recommend it to the attention of my colleagues:

GOLDWATER, BRADEMAS: AVOID ISOLATIONISM

SEN. Barry Goldwater, R-Ariz., and Rep. John Brademas, D-3rd-Ind., politically are a "couple of light years" apart in their views.

But it's significant that each recently counseled the U.S.A. against a return to isolationism following the defeat of our ally, South Vietnam.

Goldwater warned in a TV interview that the country is returning to pre World War II policies, living in "a happy little dream house" based on detente with the Soviets. He said world leaders are questioning whether the United States ever could be trusted to fulfill its commitments. "I don't know if we have the national guts to get back the clout we have to have," he added.

"I'm reminded precisely of the days in the 1920s and 1930s when no one thought we were ever going to war again, and we're actually in worse shape internationally now than we were then," he said.

Brademas, speaking in West Germany, was less gloomy on the subject, criticizing Sec. of State Henry Kissinger for suggesting that no one again will believe America's word. But he was equally vehement about the necessity of a vigorous foreign policy.

He said that with America "freed from our preoccupation with Vietnam," the nation can direct attention "to other areas of the world which we have been neglecting but where America's vital interests clearly are at stake." He suggested U.S. foreign policy should zero in more on western European problems and NATO problems. He mentioned the "threat of a burgeoning authoritarianism of the left" in Portugal, the Greece-Turkey dispute and Italy's economic and political woes.

Brademas said he and an overwhelming majority of Democrats and Republicans in Congress favor "a vigorous NATO and a continuing commitment by the United States to support it and work within it." He said the U.S. isn't going isolationist but that the American people and their Congress "are unwilling any longer to support a universalistic interventionism that sees our national interests equally at stake everywhere."

Goldwater and Brademas disagree in large measure on foreign policy as well as domestic policy. So do many Americans. But they agree that isolationism is unrealistic, that the U.S. has vital interests in the world which must be protected for our national security. So should all Americans.

RELIEF FROM A FEDERAL HEADACHE

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. SEBELIUS. Mr. Speaker, back in 1970, Members of this body passed the Poison Prevention Packaging Act. That legislation required the use of special child resistant packaging to protect children from serious personal injury from various medicines and household substances.

I have no doubt the Food and Drug Administration or perhaps the Consumer Product Safety Commission has statistics that will support the intent of this legislation. However, I wish to call the attention of my colleagues to a letter I received from a mother of six children who in plain language and with a great deal of commonsense and concern has summed up why I feel many of the bills we pass back here are self-defeating when measured by a cost-benefit yardstick.

Before we continue at breakneck pace to protect us from ourselves, I would hope we could first reflect on the kind of advice contained in the following letter from Mrs. Kramp of Ellinwood, Kan.

I might add section 4(b) of the Poison Prevention Packaging Act does provide drugs and prescriptions within regular containers can be ordered upon special request: But, what the authors of this legislation did not stop to figure out was that faced with these Federal requirements, the container manufacturers simply stopped making regular containers. As it stands, it appears as if we will have to continue to push, shove, twist, and pry in order to get relief from this particular Federal headache:

DEAR CONGRESSMAN SEBELIUS: I am writing in regard to medicine containers, i.e., caps, lids, etc. I have spoken with my pharmacist and family doctor about these containers and have been advised regulations regarding the use of these caps, lids, etc. is enforced by the Federal Food and Drug Administration and that it was an act of Congress that brought them about. Thus, the letter to you to bring this matter to your attention.

The purpose of these caps etc. is, I realize, to make it difficult or impossible for youngsters to get into medicine that could be injurious to them. This method, from where I see it, isn't the answer. First of all, some lids I find very difficult and frustrating to open. My young children delight in showing me how they can do it.

My hands or fingers, when in a position to push, turn or squeeze and turn simply do not have the strength to do the job. My mother has the same problem and others I know with arthritis simply leave the lids off or ajar. In doing this, the purpose is defeated. These open containers are an invitation to youngsters.

When senior citizens or handicapped folks have several medicines to take they find it too frustrating to spend so much time with the lid and they either leave it off or don't take the medicine as often as prescribed. One such cap was so hard to remove, a neighbor could only remove it by placing the container on the floor, place his heel on same and with the addition of his weight, and turn of his foot, loosen the cap!

Another cap responds only when a blunt instrument is used to pry the cap off after the arrow has been lined up with the slot on the container. I have a friend of mine who had to break a lid off of some medicine for her children. Then she had an open bottle of medicine that had to be used up immediately before evaporation changed the contents!

Frankly, I think it is a shame such measures need to be taken by the U.S. Congress to safeguard the small child. As a mother of six children, active as any, ranging from 7 to 18 years, I found it no great problem to keep medicine out of their reach. It is too bad we must add to the discomfort of our senior and handicapped citizens to cover the irresponsibility of a few parents. I realize there is a problem but this is not the answer.

I hope by bringing this to your attention you might be in a position to point out there are disadvantages to a great many things you do back there and to pass these comments on to others. Thank you for your time and efforts.

THE NEW LAND

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. REGULA. Mr. Speaker, this morning while perusing the New York Times, I noted an article written by Stephen Fuzesi. Mr. Fuzesi, now a lawyer with a New York law firm, left his native land with his family at the age of 8, a refugee from the Hungarian revolution in 1956. His story is a poignant one and one in which Americans can take pride. I think his article is worth reading in light of the present Vietnamese and Cambodian refugee situation.

I ask for unanimous consent to insert Mr. Fuzesi's article, "The New Land," in the RECORD at this point:

THE NEW LAND

(By Stephen Fuzesi Jr.)

Though I was only eight years old at the time, I will never forget the tears in my father's eyes as we crossed the Hungarian border one cold November night in 1956. My brother, a little over a year old, slept in a blanket strapped to his back. Mother held dad's hand and mine. We had just walked twenty miles searching for the border.

Having helped us crawl across the remains of the bombed bridge at Andau, my dad turned back, staring for a moment across the snow-dotted Hungarian countryside. Then looking straight at me, he said: "If we can't live in Hungary, America is the country to live in. You and your brother will have the opportunity to live and work and believe freely. It is sad that our little Hungary should lose two such fine young men." We walked quickly the 100 yards or so to Austria.

It would be incorrect to draw parallels between the Vietnam war and the Hungarian revolution. It does seem fair to note through that the vast majority of Vietnamese who have left their homeland have done so, much like us, with tears not smiles. They left relying on the opportunity to begin a new life in the United States.

It would seem a mistake to deny that opportunity now. The Vietnamese refugees, among them tens of thousands of innocent and politically unaware and uninvolved children, should not be made to bear the backlash of popular disgust with our foreign-policy failures in Indochina, reflected in further Congressional rejection of requests for appropriations to fund resettlement.

The 40,000 Hungarian refugees who have come to the United States since 1956, and the 675,000 Cubans who have followed, as the millions of immigrants who preceded them, all have been absorbed in our culture, economy and political life. Even if 150,000 Vietnamese refugees were resettled in the United States, this would represent only slightly more than one-third of the total number of immigrants admitted legally to the United States each year since 1968, and less than 3 per cent of the immigrants admitted in the decade 1960 to 1970. In 1960, at the beginning of the Cuban immigration, the United States was suffering from the highest level of unemployment of that decade. And while an exact total of Government expenditures for activities related to Vietnam, beginning with our involvement in the 1950's, would be impossible to calculate, the $507-million that President Ford has asked from Congress for resettlement and transport would clearly be less than 1 per cent of the total, and less than 2 per cent of the $30 billion expended in the peak year of 1968.

Statesmen and scholars, as well as all of us, will search our experience in Vietnam for lessons and morals. One focus of this review will certainly be the meaning of an American commitment to an ally. The foreign-policy impact and realignment of policies as well as treaties and relationships with the United States provoked by such an evaluation will vary, perhaps country by country. Commitment, to have any value, must mean at least that we will open our doors to refugees from a country with which we had been allied in a cause that met defeat.

Leaving one's homeland, family and friends, and the culture in which one feels natural, is a sad occasion chosen by few in search of opportunity and suffered by millions of victims of international politics.

Perhaps some leave solely in the pursuit of a more comfortable life. For Vietnamese, from a war-torn country, is that so unforgiveable?

The masses who seek refuge after a war leave with children clinging to their arms. They seek opportunity—but opportunity for their children to live a life in peace, in a country whose people have a tradition of evaluating men for what they do, not for where they were born; a tradition of respecting individuals not on the basis of their name, or the color of their skin, but on their character and decency.

It has been almost twenty years since we came to the United States, over ten since I have become a citizen. My dad's first job, although he had advanced degrees in chemistry and law, was that of a janitor in a General Motors factory. Earlier this year, I reviewed, as legal counsel, the $600-million check that underwriters were delivering to General Motors Corporation at the closing for the largest public offering of industrial-debt securities in American history. I am honored to have tasted of the opportunity my dad had noted during our last moment in Hungary.

As I have watched televised news of Vietnamese refugee children scattered in camps, my memory has often wandered back to 1956 and our arrival at Camp Kilmer, N.J. I have remembered the taste of my first bite of creamy American-style chocolate ice cream. I hope that each Vietnamese refugee will some day have the opportunity, should he seek admittance to the United States, to relish that same sweet flavor. It would be a mistake consistent with a history of bad judgments to deny that opportunity, but not a fitting end to our 25-year involvement in Vietnam.

CONGRESSIONAL TRIBUTE TO THE HONORABLE JOHN J. PASQUALE OF PATERSON, N.J., OUR NATION'S SMALL BUSINESSMAN OF THE YEAR

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. ROE. Mr. Speaker, this week the people of my Eighth Congressional District and State of New Jersey applaud a distinguished citizen, outstanding business executive, and public official, leading plastics manufacturer, champion employer, good friend, and neighbor, the Honorable John J. Pasquale, whose expertise in the plastics industry, management-employee policies in his business enterprise, and business acumen, nationally and internationally, as founder and president of Liberty Machine Co., Inc., of Paterson, N.J., have earned him the highly coveted State and national award of "Small Businessman of the Year."

The distinction and honor that John Pasquale has brought to his family, his neighbors, the city of Paterson, the Eighth Congressional District, and the State of New Jersey is manifested by the excellence of the professional expertise and judgment represented in the lifetimes of varied experience in the business world embodied in the membership of the Service Corps of Retired Executives—SCORE—who wholeheartedly endorsed his nomination for this annual award of the small business community of our Nation. I share the pride of his wife, Elda, and his family in John's lifetime of achievements that have brought him success not only in his career pursuits but in the respect and admiration of all of us who have had the good fortune to know him.

Mr. Speaker, with your permission I would like to insert at this point in our historical journal of Congress, the following news story that appeared in the May 1 issue of the Paterson News, one of New Jersey's most prestigious newspapers, authored by the distinguished journalist and highly adroit news correspondent, Bert Nawyn, who most eloquently portrays the exemplary performance of John Pasquale in the small business community of America. The news article reads as follows:

Mr. Speaker, it is indeed my privilege and honor to have this opportunity to call to the attention of you and our colleagues the great contribution that John Pasquale has made to the success story of America's business community and ask that you join with me in extending our warmest greetings, felicitations, and best wishes to John for all of his good works. His standards of excellence, the quality of his leadership and sincerity of purpose have truly enriched our community, State, and Nation. We do indeed salute John J. Pasquale, our Nation's Small Businessman of the Year.

The article follows:

PLASTICS KNOW-HOW MADE A DREAM COME TRUE

(By Bert Nawyn)

He has been selected as New Jersey's Small Businessman of the Year and for John J. Pasquale, president and founder of Liberty Machine Co., Inc., 275 Fourth Ave., Paterson, the award is another step in an American dream which has come true for him.

The award will be given to Pasquale on Wednesday at the eighth annual statewide meeting of the Service Corps of the Small Businessmen's Administration in the Coachman's Inn in Cranford.

The Small Business Person of the Year Award comes to Pasquale for many reasons, including his initiative, drive, determination, perseverance, self-confidence and willingness to work long and hard and make personal sacrifice to achieve his goals.

Liberty Machine Co. does very little advertising getting almost all of its business through word-of-mouth publicity by satisfied customers, including Chrysler Corp., Goodyear Rubber and many other world renown firms.

The products of Liberty Machine Co. can be found in most South American countries and in almost all of the 50 states. Foreign exports account for 60 per cent of all sales.

Pasquale founded his company in 1946 with $1,500 in a two-car garage at 124 E. 18th St. In 1950 a plot of ground was purchased on Fourth Avenue, 75 by 100 feet, for $450 and the firm moved to new quarters. Putting up some capital to get the firm started were his brother, Anthony, and Carmen Cianci.

The struggle to get a new business on its feet, in the late 1940s, was intense. The firm had no products, no customers and no work coming in. A number of times Liberty Machine Co. was on the verge of closing its doors forever.

"Each time," Pasquale says, "it was my wife who was the prime motivator in keeping me going."

The turning point came in 1949 when Pasquale's probing and inventive mind formulated ideas which would revolutionize the sheet plastic industry. Up to that time, sheet plastics were used primarily to make unprinted, dull-looking, blemish-surfaced shower curtains.

Pasquale's intensive research convinced him that he could polish the plastics, remove the blemishes, create a patent leather look and emboss the plastics with any type of grain he wished.

Knowing that he could build a machine which could do things no other machine had ever done before, Pasquale advertised this fact throughout the plastics industry. He soon received a contract to build such a machine which proved to be an overwhelming success. The turning point had come and orders appeared for the small firm. Each machine manufactured by the firm is custom built for a specific requirement.

Liberty Machine Co. holds 17 patents in the plastics field. It was the first firm to introduce continuous embossing of calendered plastics; the first to perfect the lamination of plastics to woven cloth; the first to perfect lamination of plastics to nonwoven fabrics; the first to perfect the printing and embossing of simulated floor tile from single color to multicolor in a host of different tones and patterns; the first to heat laminated polyurethane foam to cloth, vinyls and other materials used widely for insulating purposes, and the first to laminate knitted goods to woven goods used in women's apparel.

In 1946, Liberty Machine Co. had three employes and grossed $7,000. Today it has 35 employes and grosses in the millions. The firm builds machines which may be more than 350 feet long and sell for as much as $350,000. The plant has 30,000 square feet of working floor space, more than 2,500 feet of office space, and its own fully-equipped engineering department.

John Pasquale is an unusual employer. Every morning he greets each employe with a cheery "good morning, how are things today." All employes share in joint meetings to discuss problems related to the business. The employes rate each job that is performed, establish the base pay rate, and determine their pay increase.

Pasquale says the firm stands ready to help employes financially when the need arises. "We loan money for the purchase of a house, or a car, and deduct a weekly amount from the employes' pay check. We do not add interest charges," he explained.

The firm is run on a family-like atmosphere seldom found in any business establishment today. One employe said, "Throughout the years, no employe has ever been turned away when help was needed and not one employe has ever lost a day's pay due to lack of work."

A deeply religious man, born to poor immigrant parents who came to this country at the turn of the century, Pasquale has always had a great deal of sympathy for his fellow man, especially the poor, the disadvantaged, and the minorities. His company has been an "Equal Opportunity Employer" since its inception, which is many years before equal opportunity laws were enacted.

Pasquale is amazing not only in his business acumen but also in his civic life, which is an inspiration to many. He has given freely of his time, energy, ability, and money, not only to his employes, but to the community-at-large.

Scholarships to needy students, sponsorship of numerous athletic teams, assuming all expenses for cerebral palsy children, are just a few of the responsibilities assumed by Pasquale.

Pasquale has been president of the Paterson Board of Education, chairman of the Passaic County Welfare Board; Elk of the Year, designated by the Grand Lodge, National Organization; chairman of the board of trustees of the Passaic County Community College; chairman of the Paterson Fire and Police Commission; New Jersey State Chairman of the Association of Community College Trustees; listed in Who's Who in America; member of the board of directors of the Greater Paterson General Hospital in Wayne; Past Exalted Ruler of Elk's Paterson No. 60 Lodge; past president of the All Wags Athletic Club; and trustee of Our Lady of Lourdes R.C. Church.

Pasquale is married to the former Elda Bardone and resides in Paterson. Their only child, a daughter, Elda Barbara, is married to Robert Fontane of North Haledon. There are two grandchildren, Jon, three years, and Cristina Marie, five months.

A STATEMENT ON THE VLADIVOSTOK AGREEMENT

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. CARR. Mr. Speaker, six nations are now nuclear powers. Twenty-four other countries may well share that distinction by 1985. Perhaps in becoming a military/nuclear establishment, we have overlooked an important point—and that is the dangerous example we have set in showing others the way to go to war.

In having introduced the world to the destructive aspects of nuclear forces, it is essential that we now assume a more responsible role by making a concerted effort to curtail the proliferation of strategic arms. The accompanying statement addresses itself to that responsibility and I insert it in the Record:

Statement by SANE on the Vladivostok Agreement

For more than a generation the United States and the Soviet Union have engaged in an arms race. The cost of their military establishments since the end of World War II has attained $1.5 trillion for the United States, more than $1 trillion for the Soviet Union. A large part of this expenditure has been invested in nuclear arsenals. By mid-1974, the United States had 7,940 strategic nuclear warheads (H-bombs). The Soviet Union had 2,600 as of that date. Each H-bomb can destroy a city. These arsenals thus represent staggering overkill. When tactical nuclear weapons are added to the number of strategic bombs, the American nuclear arsenal possesses the equivalent of more than 615,000 Hiroshima-size explosions.

Through their continued nuclear competition, the United States and the Soviet Union have ignored the commitment they jointly made in the Nuclear Test Ban Treaty of 1963, namely, "the speediest possible achievement of an agreement on general and complete disarmament under strict international control". They have set a dangerous example for other nations with nuclear capacity, enshrining the concept that H-bombs guarantee international status and security. There are now six members of the nuclear club, while perhaps a dozen other nations ponder entry—on the eve of the review conference of the Non-Proliferation Treaty.

In their nuclear competition the United States and the Soviet Union have squandered material and human resources which could have been applied to the economic and social development of their own countries and of other countries grappling with the problems of hunger and poverty. Moreover, the massive expenditures lavished on complex nuclear weapons systems have added to the money supply while producing no goods or services that consumers can buy. The nuclear arms race has thus fueled and continues to fuel inflation.

THE PROVISIONS

It is against this background that the Vladivostok agreement must be examined. The agreement would set ceilings of 2,400 launchers (missiles and strategic bombers) on each side. With that ceiling, each side would be permitted to place multiple warheads (MIRV's) on 1,320 launchers. The number of missile silos would remain constant. Existing silos could be enlarged no more than 15%. The agreement would last until 1985. Originally, the negotiators stated that additional talks looking toward reductions in the agreed levels of arms, to take place after 1985, would begin no later than 1980–81. This deadline was subsequently eliminated and replaced by language calling for new negotiations as soon as possible, to take effect as soon as there is further agreement.

WHAT ARMS DEVELOPMENT WOULD BE PERMITTED?

The parties to the accord could build up to the agreed levels of launchers and MIRV's. They could replace existing missiles with larger, more advanced missiles. They could replace fixed land-based missiles with mobile missiles. The pact does not cover (and therefore does not restrict) the Soviet Backfire bomber, the U.S. FB–111 bomber, and the new shorter-range cruise missiles being developed by the United States, presumably because they are not inter-continental in range. The United States could build Trident submarines and B–1 bombers and deploy them as older models are removed.

The agreed ceilings could permit the United States to add several hundred launchers. The United States could also build up its arsenal of MIRVed launchers from 1,286 now deployed or underway to 1,320; the USSR, which now has none, could add the entire 1,320. And ceilings tend to become quotas.

By 1985, the United States could place betwen 16,500 and 22,000 strategic warheads on its launchers. The Soviet Union could deploy an estimated 10,000–14,000. For the United States, these 1985 levels would be at least twice as high as the 1974 levels. For the Soviet Union, they would be four to five times as high.

THE ADVANTAGES

In the absence of an agreement, the ceilings set by the pact, high as they are, could be exceeded and the arms race soar to even higher levels. The accord institutionalizes the concept of overall parity for all kinds of inter-continental weapons, which should make it easier to negotiate further agreements. From a political point of view, the existence of the agreement should make less tenable the argument of weapons-development advocates for more "bargaining chips" and the use of scare tactics which cite Soviet military programs or potentials.

THE DISADVANTAGES

The basic requirements for any meaningful arms agreement, at the current state of weapons development, are: (1) reversal of the nuclear arms race through significant reductions in armaments; (2) progress toward comprehensive disarmament; (3) significant reductions in military costs.

The Vladivostok agreement meets none of these requirements. There is no reduction in weaponry; there is only controlled mutual escalation to future ceilings. The fear of surprise attack will continue to be fed by the enormous growth in the number of H-bombs on both sides. The replacement of weapons within the agreed ceilings will permit the development production and deployment of vast new weapons systems.

Without reductions in stockpiles, there is no progress toward comprehensive disarmament.

The military programs permitted under the accord, particularly the sophisticated launch vehicles which carry the H-bombs, will prove enormously costly. It would cost the United States an estimated $70 billion to increase the size of its missiles and the size of its nuclear arsenal. The price of just two of the planned weapons systems, the B–1 bomber and the Trident submarine, is expected to reach $34 billion—before any additional cost overruns. On the Soviet side, the cost of MIRVing missiles which currently have no multiple warheads is estimated at $30 billion.

WHY NOT DISARMAMENT?

If rough parity is conducive to agreement, would not parity at lower levels of destructive power offer greater benefits? News leaks from within the Administration suggest that the USSR resisted major cuts, both in prior sessions and at Vladivostok. Although what occurred at the negotiating table may remain sceret it could be revealing to discover whether either side ever put forward a proposal for significantly lower ceilings.

Ceilings less than half the size of those negotiated at Vladivostok would represent a meaningful cut in arms. They would also provoke a major battle with the military, political or industrial interests on both sides which stimulate the arms race. The Vladivostok agreement satisfies these interests because it guarantees their power at least until 1985. Neither President Ford nor Secretary Brezhnev is ready for a fight with the generals and their allies. That is why, we believe, despite urgent economic reasons to reverse the arms race, no weapons are being scrapped.

THE RESPONSE OF CONGRESS AND CONCERNED CITIZENS

Because of its narrow perspective on the arms race, the Ford Administration leaves Congress and the public a number of bad options. If the Vladivostok agreeemnt is rendered in treaty form, it will require ratification by the Senate. If the Senate rejects the treaty outright, the arms race continues without restraint and relations with the Soviet Union are damaged. If the Senate attaches reservations (conditions), the latter would have to be accepted by both signatories. If the reservations are not accepted by both, the treaty is, de facto, rejected. And if the Senate ratifies the treaty as offered, it is buying flawed merchandise.

The Kennedy-Mathias-Mondale Resolution offers a constructive alternative. The Resolution expresses the "sense of the Senate that the President should make every possible effort to negotiate further arms limitation and reduction measures as part of the final accord carrying out the Vladivostok agreement."

Since the final accord is not expected until the spring of 1975, there is time to seek and achieve lower ceilings than those negotiated at Vladivostok. In addition, Congress can and should refuse to vote funds for new weapons systems.

SANE will vigorously support the Kennedy-Mathias-Mondale Resolution, as well as congressional moves to reject new weapons systems and cut the swollen military budget.

However, if these immediate efforts fail to reduce the Vladivostok ceilings before the final accord in 1975, SANE will actively oppose ratification by the Senate. We will no longer support international agreements which, in the name of restraint, result in further escalation of the arms race. Eleven years ago we embraced the Limited Nuclear Test Ban Treaty, which permitted underground nuclear testing, because we saw it as a small first step on the path toward disarmament. Today, it is clear that small steps do not begin to deal with an enormous problem. Nor will we permit appeals to the furtherance of Soviet-American detente to dim our critical view of agreements which add to the complexity of the problem. Detente will become meaningful to peoples, as distinct from governments, when and if it leads to a lifting of the burdens of the arms race.

For it is not simply a matter of endorsing or rejecting the halting step negotiated at Vladivostok by the two nations with the most massive arsenals. Rather, it is long past time for the United States and the Soviet Union to initiate a worldwide process of major arms reduction. Otherwise, more countries will "go nuclear", more precious resources will be wasted, and more fears will be spawned with each new escalation. The Big Two can begin the arms-reduction process by agreeing to lower the Vladivostok ceilings, negotiating substantial further cuts by 1985, and engaging all other nations in negotiations through a world disarmament conference and other forums.

Beyond the nuclear arsenals, vast arrays of highly destructive conventional arms also need to be scrapped. And beyond reductions of arms both nuclear and conventional lies the parallel long-term need to find alternatives to military-oriented systems of national security. The suicidal institution of war must be replaced by a new system of international security.

To achieve these goals, we urge the Administration to seek the implementation of past American pledges on behalf of comprehensive disarmament, buttressed by the Charter of Economic Rights and Duties of States which the UN General Assembly adopted on December 12, 1974: "All States have the duty to promote the achievement of general and complete disarmament under international control and to utilize the resources freed by effective disarmament measures for the economic and social development of countries, allocating a substantial portion of such resources as additional means for the development needs of developing countries.

NARCOTICS TASK FORCE

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. STEIGER of Arizona. Mr. Speaker, I want to bring to my colleagues' attention an article which appeared in the May 1975 FBI Law Enforcement Bulletin.

The article highlights the effective efforts of Yuma County, Ariz., Sheriff Travis Yancey, who organized a Yuma city-county task force to stop the heavy drug traffic into Yuma from nearby Mexico. Since it was begun 3 years ago, the program has resulted in 836 arrests, and seizures which, on the streets, would have been valued at well into the millions of dollars.

Sheriff Yancey has always been one of the finest law enforcement officials I have known, and is to be commended for this effort. In a nation of growing crime, this effort points up the success that can be achieved when there is active cooperation between Federal, State, and local law enforcement agencies. The article follows:

The Yuma City-County Narcotics Task Force

(By Travis Yancey)

Few officials in the law enforcement profession have the opportunity to start with an idea and see it develop into positive law enforcement which benefits the community as well as the law enforcement agencies which are involved.

For this to be accomplished, there must be a clearly defined problem in the community that is not being solved by the present method of operation. In Yuma, Ariz., the problem dealt with narcotics and drug traffic. Specifically, the problem was that of almost free flow of dangerous drugs from Mexico into and through the community to other parts of the Southwestern United States. One of the first questions to arise was, "Why is Yuma County one of the hottest spots along the international border for drug traffic?" The answer is to be found in the geographic location of Yuma County which offers almost unrestricted travel along approximately 100 miles of border between Mexico and our country. Seventeen miles of the border is the Colorado River. Any part of the river can be waded by men and animals, and little difficulty is encountered by motorized equipment. In addition, there are miles of desert terrain, which can be crossed by a pickup truck or four-wheel drive vehicle.

Since much of the growing of opium poppies and the manufacturing of heroin is carried on in the northwest part of Mexico, the San Luis, Sonora, area is a terminal and dispersement point of heroin and other dangerous drugs into the more heavily populated parts of California, Arizona, and other points in the United States.

TASK FORCE ORGANIZED

The individual efforts of the customs agencies, the sheriff's office, and the Yuma Police Department were unable to cope with the drug problem. After analyzing the efforts of the narcotics squads of these agencies, it was found that officers were putting in many long hours attempting to stem the flow of drug traffic into the community and that much of their effort was being duplicated by other officers working toward the same end.

To solve this problem, the decision was made to consolidate the narcotics squads of the city and county into one squad known as the Yuma City-County Narcotics Task Force, whose only duty would be to enforce drug laws.

In starting a new organization of this type, some plan of operation had to be submitted to the governing bodies of the city and county governments in order to secure the necessary financing. After submitting a rough plan to the governing boards, permission was given to go ahead with the consolidation. Help was solicited from the organization which handles Federal funds for the State of Arizona. A small grant was obtained, in 1970, to supplement existing task force funds.

Staffing of the newly created task force was the next order of business. The supervisor chosen was an individual who had a complete understanding of the objectives and a full knowledge of the job. The second in command was equally knowledgeable as to the problems and objectives. The remaining personnel was made up of the best available manpower.

All manpower, equipment, building space, utilities, and supplies had a monetary value placed upon them in order that the two participating agencies could arrive at a somewhat equal share in the cost of the new task force.

After the first year of operation, it was felt that the plan was right, however, the manpower and the equipment were insufficient. The next move was to apply for additional Federal moneys. A grant was received in the amount of $14,000 and was used for the addition of two agents to the task force. After another year of operation, the task force was again evaluated, and it was found that more agents and equipment were needed. Another Federal grant of $50,000 was received and was used for the addition of two agents, one clerk, cars, and radio equipment. The addition of the two agents brought the total to seven persons working on the task force.

The trafficking of dangerous drugs in Yuma County reached its peak during the year of 1973. Many long hours were spent by task force agents and Federal agents enforcing the drug laws along the Mexican border. Seizures of contraband were doubled from the previous year. Again, Federal moneys were solicited, and a $100,000 discretionary loan was received. With this grant, four new agents were added, as well as new equipment, including eight walkie-talkies, four new cars, and one small airplane. The task force now has 10 working agents, including the supervisor, and 1 clerk who maintains records and files and types reports.

Probably the most valuable purchase made for the task force was the aircraft. This has proven to be most effective in surveillance of vehicles after they cross into the United States with dealers attempting to make contact with their buyers. New radio equipment has given the task force complete coverage of the entire county.

The objective has not yet been achieved. It may never be achieved, but the task force is working hard toward its goal.

Cooperation among Federal, State, and local agencies is at its greatest height. Without the full cooperation of Federal and State agencies that is now enjoyed, Federal funding would have been much more difficult to obtain, and the smuggling of narcotics and drugs from Mexico into the United States would still be flourishing.

PROGRAM SUCCESS

In evaluating the full 3 years of the program, it is felt that a certain degree of success has been obtained. Seizures of dangerous drugs are becoming less frequent. One reason for the decrease in seizures can be attributed to Mexican federal officers who have increased their pressures upon the drug smuggler.

Over the past 3 years, 836 persons have been arrested for smuggling, and seizures include 13,850 pounds of marihuana, over 9 pounds of amphetamine powder, and 312,000 amphetamine and barbiturate pills. Street value of these seizures would be well into the millions of dollars. The task force has also provided the regular law enforcement officers with valuable information concerning stolen merchandise such as televisions, silverware, weapons, and cars.

The most important result of the task force operation is that vast quantities of illegal drugs and narcotics are not reaching the streets and homes in cities throughout the United States.

THE PUBLIC SAFETY EMERGENCY AID ACT OF 1975

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. PEYSER. Mr. Speaker, today I am introducing the Public Safety Emergency Aid Act of 1975. The purpose of this legislation is to meet a mounting crisis that is facing local governments today; namely, the fact that they are being forced to lay off police and fire personnel at the peril of the public safety.

Since last October, municipalities around the country have been placed in a position of severe financial hardship. Higher costs combined with decreased revenues have resulted in layoffs in all sectors of municipal government. Recognizing this critical problem, the Congress enacted the "Emergency Jobs Act" last year to help alleviate the burden and keep essential governmental services continuing.

Unfortunately, police and firemen have not been the beneficiaries of funds from this act. This is ironic, since the police and fire personnel have truly been the backbone of municipal government in this country, and now they find themselves victims of the economy with no relief available.

This is more than just an unfortunate situation for police and fire personnel, however. It is a menace to public safety and something must be done. Just recently, statistics were released indicating that serious crime has increased over 21 percent this year. Arsons have skyrocketed. Firemen around the country are reporting a tremendous increase in arsons this year.

In addition to menacing the public safety, these cutbacks are also menacing the personnel involved. If force strength is cut back, the remaining personnel are being asked to provide a greater amount of services with less resources. Police and firemen will be responding at weaker strength then is sufficient. This puts their lives in danger.

My bill amends the Comprehensive Employment and Training Act of 1973, by adding a new title "Public Safety Emergency Aid." Under this title, the Secretary of Labor would make financial assistance available to units of general local government to enable local governments to hire personnel who have been laid off, and to fill vacancies which have been created due to hiring freezes. In fact, reduction of force levels due to attrition created by these hiring freezes has been more serious to this point than actual layoffs. Half of the money provided in the bill will be allotted according to population, and half will be allotted in proportion to how severely hit a unit of general local government has been. The bill authorizes $250 million annually for 2 years.

This bill has the support of both the police and firemen associations, and I would like to particularly thank Mr. Edward Kiernan of the International Conference of Police Associations and Mr. Jack Waller of the International Association of Fire Fighters, AFL-CIO-CLC, for their assistance in helping me prepare this legislation.

The text of the bill follows:

H.R. 6837

A bill to provide emergency financial assistance to assure that there are adequate levels of police and fire personnel to provide for the public safety of citizens residing in areas which have been forced, due to severe financial hardship, to lay off public safety officers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Safety Emergency Aid Act of 1975."

SEC. 101. The Comprehensive Employment and Training Act of 1973 is amended by redesignating title VII, and all references thereto, as title VIII, by redesignating sections 701 through 715, and all references thereto, as sections 801 through 815, respectively, and by inserting after title VI the following new title:

"TITLE VII—PUBLIC SAFETY EMERGENCY AID

"STATEMENT OF PURPOSE

"SEC. 701. It is the purpose of this title to provide emergency financial assistance to assure that there are adequate levels of police and fire personnel to provide for the public safety of citizens residing in areas which have been forced, due to severe financial hardship, to lay off public safety officers.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 702. There are authorized to be appropriated $250 million for the fiscal year ending June 30, 1976 and $250 million for the fiscal year ending September 30, 1977 for carrying out the provisions of this title. Any amounts so appropriated for such fiscal year which remain available for obligation during the succeeding fiscal year.

"FINANCIAL ASSISTANCE

"SEC. 703. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this title in order to make financial assistance available for the purpose of providing adequate levels of public safety officers to units of general local government that are financially unable to maintain such levels without assistance as provided in this title.

"(b) The funds appropriated pursuant to this title shall be expanded by an eligible applicant solely for wages and employment benefits pursuant to this title.

"(c) As used in this title:

"(I) the term 'eligible applicant' means any unit of general local government which applies for assistance under this title and which the Secretary determines has suffered severe financial hardship, and due to this severe financial hardship has laid off, or otherwise reduced the level of public safety officers, prior to May 9, 1975, persons employed as public safety officers, so that as of May 9, 1975 there are no longer as many public safety officers employed by that unit of general local government as there were on October 15, 1974;

"(II) the term 'public safety officer' means a person serving a public agency, with compensation (excluding any reimbursement for such service) in any activity pertaining to—

"(A) the enforcement of the criminal laws, or the prevention, control, reduction, or investigation of crime; or

"(B) firefighting;

"(III) the term 'severe financial hardship' means that, with respect to a unit of general local government, notwithstanding diligent efforts on the part of the unit of general local government, it is unable to generate sufficient revenue necessary to maintain the level of governmental services that it provided during the previous calendar year and is currently or has within the last six months been laying off public safety officers.

"(d) In employing public safety officers with financial assistance provided under this title, eligible applicants shall give preferred consideration, to the maximum extent feasible, first, to those public safety officers who were laid off due to the severe financial hardship of the applicant prior to May 9, 1975, second, to those public safety officers laid off after May 9, 1975, and third, to unemployed individuals with prior experience as public safety officers, but in no event may the total number of public safety officers employed by an eligible applicant that is receiving funds under this title exceed the number employed as of October 15, 1974.

"(e) Payment of wages to persons employed pursuant to the provisions of this title shall be at the rates prevailing for public safety officers employed by the unit of general local government who perform similar functions.

"ALLOTMENT OF FUNDS

"SEC. 704(a)(1) Not less than 90 per centum of the amounts appropriated under section 702 for any fiscal year shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection.

"(2)(A) Fifty percent of the amount allotted under this subsection shall be allotted among eligible applicants in proportion to the reduction in the total number of public safety officers suffered by the applicant since October 15, 1974 as compared to the reduction in number of public safety officers suffered by all eligible applicants in all the States.

"(B) Fifty per centum of the amount allotted under this subsection shall be allotted among eligible applicants on the basis of population of the eligible applicants as compared with the population of all eligible applicants in all the States.

"(b) The remainder of the amount appropriated under section 702 shall be available to the Secretary for financial assistance under section 703 as the Secretary deems appropriate to carry out the purposes of this title, taking into account any change that may occur in the financial condition of a particular applicant.

"REALLOCATION OF FUNDS

"SEC. 705. The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated only if the Secretary has provided thirty days' advance notice to the eligible applicant and to the Governor of the State of the proposed reallocation, during which period of time the eligible applicant and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected eligible applicants of any decision to reallocate funds, and shall publish any decision in the Federal Register. Any such funds shall be reallocated to other areas within the same State."

INFLATION TREND DIMS OPTIMISM

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, the Ukiah Daily Journal recently printed an editorial I believe should be read by every Member of Congress because it expresses so eloquently the economic situation we face and the role the Congress must play in our recovery through reasonable and responsible fiscal enactments.

The editorial is timely, relevant, and well written. It reflects the views now being articulated by many economic experts led by Secretary of the Treasury William Simon.

Therefore, I am inserting the text of the editorial in the RECORD for the benefit of the Members:

[From the Ukiah (Calif.) Daily Journal, May 1, 1975]

INFLATION TREND DIMS OPTIMISM

Some economists have complained to the American Society of Newspaper Editors that reporting of economic news is so laced with gloom and doom that it is undermining America's confidence in the future, thus holding back recovery from recession. Almost as they spoke, the nation's newspapers were reporting that housing starts declined again in March, and that the gross national product had dropped by 10.4 per cent in the first quarter, the steepest decline since 1946.

This was not the kind of news an optimist would have hoped for, but newsmen have to tell it like it is. We also would submit that Americans are worried less about the current pace of business as reflected in the economic indicators than they are about the prospects for more inflation in the future. Opinion polls bear out that Americans regard inflation as our No. 1 economic problem, and their confidence in that regard is affected more by the political news than the economic news, particularly what they read about tax and fiscal policies of the 94th Congress.

Congress has concentrated on efforts to stimulate the economy through tax cuts and other programs even while a consensus was developing that forces were at work within the economy pointing to a turnaround this summer. The decline in housing starts in March does not alter the fact that there is a pent-up demand for housing around the country which can trigger a resurgence in that industry if prices and interest rates can be kept within reasonable range. Despite the first-quarter decline in the GNP, the sold-down inventories in many industries are setting the stage for an increase in production which will reverse that decline.

Readers of economic news thus have grounds for optimism—or would have if Congress were as concerned about inflation as it has been about recession. While we know enough about business cycles to predict that recessions lead inevitably into recovery, we do not know for sure how an economy heading into recovery is going to behave when the government will be borrowing as much as $100 billion to pay its bills. It is the question of whether the inflationary force of such deficit financing will derail our recovery that surely accounts for much of the doubt many Americans still harbor about the immediate future.

Our estimation is that the American people have confidence in themselves and their ability to make their economic system work. We are not so sure about their confidence in the ability of their government to avoid rocking the boat with fiscal policies that aggravate the most serious problem threatening their economic system—inflation.

As breadwinners, consumers, taxpayers and investors, Americans on the whole are sophisticated enough to keep the ups and downs in the economic news in proper perspective. If the news would show that Congress has awakened to the inflationary danger in its own spending policies, then the confidence-index of the American people would surely begin an upswing?

A BILL TO AMEND THE COMMUNICATION ACT OF 1934

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BROOMFIELD. Mr. Speaker, today I am introducing legislation to establish procedures by law for the consideration of applications for renewal of broadcast licenses, and to extend the term for such licenses from 3 to 5 years.

My colleagues will recall that both bodies passed bills of this nature during the 93d Congress, but House and Senate conferees never met to approve a final version, and the legislation died at the end of the session last December.

The great need for this legislation exists as a result of a 1971 court of appeals decision regarding broadcast license renewal procedures. In effect, this decision revoked the policy of the Federal Communications Commission to give preference to the current holder of a license over an applicant if the licensee's service has been substantial. The court ruled that the FCC did not have statutory authority in this area under the Communications Act of 1934.

As a result, every licensee is open to charges by any group who wishes to obtain a license, with the burden of proof falling on the current holder. This situation has unnecessarily disrupted the operations of many responsible broadcasters, and could have the undesirable effect of driving some of these broadcasters from the industry.

Coupled with the current 3-year term for broadcast licenses, this decision has brought a degree of instability and uncertainty to the broadcasting industry that threatens the continuity of service needed to best serve the public interest.

Three years is certainly not a long time for a station to accomplish goals such as community involvement and increased public service. In order to meet these goals, broadcasters must make long-range plans and substantial investments of both time and money. In return for these plans and investments, broadcasters should have some assurance that they will not be abruptly forced out of business. A 5-year term would allow broadcasters to become even more responsive to the public by providing that assurance, and allowing more time for planning and investment.

As I stated last year when this legislation passed the House, it is important to note that these provisions will not make it easy for irresponsible broadcasters to remain in business. They will still be subject to challenge by groups who feel they have failed to act in the best public interest. But at least it will give licensees the opportunity to stand on their previous record of service, and force challengers to prove any charges they may make.

Mr. Speaker, this bill is certainly in the best interest of not only the broadcasting industry, but the public served by this industry, as well. I am hopeful the Congress will grant it prompt and favorable consideration.

The bill follows:

H.R. 3879

To amend the Communications Act of 1934 to establish orderely procedures for the consideration of applications for renewal of broadcast licenses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307(d) shall be amended by striking the first two sentences and inserting the following: "No license granted for the operation of any class of station shall be for a longer term than five years and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed five years if the Commission finds that public interest, convenience, and necessity would be served thereby: *Provided however,* That in any hearing for the renewal of a broadcast license an applicant for renewal who is legally, financially, and technically qualified shall be awarded the grant if such applicant shows that its broadcast service during the preceding license period has reflected a good-faith effort to serve the needs and interests of its area as represented in its immediately preceding and pending license renewal applications and if it has not demonstrated a callous disregard for law or the Commission's regulations: *Provided further,* That if the renewal applicant fails to make such a showing or has demonstrated a callous disregard for law or the Commission's regulations, such failure or demonstration shall be weighed against the renewal applicant.".

REPRESENTATIVE MILLICENT FENWICK: A STAR OF THE NEW CONGRESS

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. FORSYTHE. Mr. Speaker, an article recently appeared in Parade magazine recognizing the capabilities of one of our new colleagues, the gracious Congresswoman from New Jersey, the Honorable MILLICENT FENWICK. It has been my pleasure to work with her on many of the important issues facing this Congress. I insert the article to be reprinted in the RECORD for the attention of my colleagues:

REP. MILLICENT FENWICK: A STAR OF THE NEW CONGRESS

(By Connecticut Walker)

WASHINGTON, D.C.—Mrs. Millicent Fenwick, a 65-year-old, pipe-puffing grandmother who was elected to the U.S. House of Representatives last fall, has quickly become a star of the 94th Congress freshman class.

Mrs. Fenwick is a millionaire representing New Jersey's wealthy 5th District, yet she has a long record of active concern for the poor, the elderly and the unemployed. She seems a Republican version of Eleanor Roosevelt, though the taut elegance of her looks and assertiveness of her manner are more reminiscent of Katharine Hepburn.

She made her debut last winter at the Washington Press Club's annual Congressional Dinner with a speech that sent the town's hostesses scurrying home to add her name to their guest lists. Mrs. Fenwick explained, extemporaneously, how her first day on Capitol Hill had started out badly:

"I showed up in my best outfit with a little fur hat," she said, "only to be told that hats, while appropriate as a mark of respect in the house of God, were not allowed worn on the House floor.

"But apart from such rules, which presume that anybody who is going to be good enough to get elected to Congress is a man, things are better now," she continued. "Some years ago when I was a member of the New Jersey State Assembly I was making a speech earnestly proposing an Equal Rights Amendment. After I finished, one colleague rose and with real anguish in his voice—you could tell he was addressing a subject close to his heart—said, 'I just don't like this amendment. I've always thought of women as kissable, cuddly and smelling good.'

"It was the kind of thing you really don't believe," she added. "The only answer of course was, 'That's the way I feel about men, too. I only hope for your sake that you haven't been as disappointed as often as I have.' "

Millicent Hammond Fenwick was one of three children of a successful New Jersey banker. Her mother's family, the John Stevenses, made their money through the fortuitous purchase of 500 acres along the Hudson River across from New York City. The Stevens family home is now the site of the Stevens Institute of Technology in Hoboken, N.J. Mrs. Fenwick's mother, not quite 26, went down with the Lusitania when it was torpedoed by a German sub in 1915. Millicent was 5.

She gave up formal schooling at 15, shortly after her father, Ogden Hammond, was appointed ambassador to Spain by President Calvin Collidge. "Education was not considered important for women then," she says, adding that her ultra-Victorian stepmother never encouraged her to go on to college.

TAUGHT HERSELF

So she read widely on her own, became fluent in four languages, studied philosophy briefly under Bertrand Russell, and returned to the U.S. just in time for the Depression. She modeled sporadically for Vogue and Harper's Bazaar with other steel butterflies like Clare Boothe Luce ("Clare always got to the mirror first," she recalls).

In 1938 her four-year marriage to Hugh Fenwick ended in divorce. Because the family funds had been invested badly, she went to work to support her two children and repay debts. She spent 14 years as a feature writer for Vogue, and also wrote the 1948 Vogue Book of Etiquette.

"We were brought up with a certain amount of simplicity," recalls her daughter, Mrs. Mary Reckford, herself the mother of five and a nursing school student. "We were raised to be economical and to do a great many things for ourselves long before women's lib became fashionable. Mummy herself used to save by picking up designer clothes after the Vogue models had finished with them."

"A lot of Vogue editors were then terribly involved with their children," explains Allene Talmey, who was Mrs. Fenwick's friend and boss in the '40's.

TIME TO RECUPERATE

Mrs. Fenwick left Vogue in 1952. By this time her children were grown and the family's real estate holdings had appreciated many fold. She inherited a sizable sum of money (during her 1974 Congressional campaign she reported her net worth at $5,112,637.40) and retired to the family's Bernardsville, N.J., home to wrestle with a variety of illnesses, including skin cancer from which she has now recovered.

Mrs. Fenwick resumed her activities by volunteering to aid Clifford Case in his Senate campaign in 1954. She became vice chairman of the state Republican Party, president of the county Legal Aid Society and spent four years as a member of the New Jersey Advisory Committee to the U.S. Commission on Civil Rights.

In 1969, at age 59, she concluded she "wasn't pushy enough. I was too hesitant to promote myself, and in politics if you don't no one else does." With that conclusion in mind, she won a seat in the New Jersey State Assembly.

Although Representative Fenwick hails from a section of the country where foxhunts are a more common sight than welfare offices, she has long held sympathies for the down-and-out. She was concerned about the housing problems of Newark's poor long before the riots of the '60's. She was also out in front of the consumer movement, and thus became the obvious choice of Gov. William Cahill for Director of New Jersey's Division of Consumer Affairs. She held the post in 1973 and 1974, and according to local reporters, made efficient and imaginative use of a very limited budget.

VISITS INDOCHINA

Mrs. Fenwick, like many freshman Congressmen, is busily and anxiously dividing her time between learning and legislating.

Still, she's trying hard. Among the bills she has introduced to date is one aimed at equalizing the tax burdens placed on married and single individuals, and another designed to keep the Food Stamp Program at its present funding level. She has spoken out against military aid for Vietnam and Cambodia (she visited the Indochina battlefronts in March) and criticized the Democratic caucus for killing many of last year's heralded parliamentary reforms.

Representative Fenwick usually rises at 6 a.m., grabs a quick breakfast of vitamin pills and is at her desk by 7. She doesn't often return to her rented Capitol Hill townhouse before midnight. But despite her 65 years, she says she finds the pace invigorating.

Mr. Fenwick takes a stern view on political morality. She says, "I've never known a woman in politics who has been offered a bribe. If the door of the smoke-filled room is closed, women are always on the outside. There is a general feeling that women don't understand political realities. I'm not certain whether this immunity to corruption is sexual or occupational. But I hope the spirit of awe and wonder with which we seem to approach public office doesn't change once we have more women holding government jobs."

Mrs. Fenwick's strict moral stance predates her political ventures. Explaining why her friend was chosen to write the Vogue etiquette guide, Allene Talmey says, "Millicent has always had a deep feeling for what was right. She is a most moral person. After all, people felt ethically secure with Millicent's etiquette book for 25 years."

Sometimes, according to Mrs. Fenwick's son-in-law, Kenneth Reckford, a classics professor at the University of North Carolina, "She is just too virtuous. During last year's fuel crisis, for example, she turned down the heat in her old Bernardsville home to a ridiculous 55 degrees."

TOO DANGEROUS

And in a similar burst of high-minded enthusiasm she once announced to her fellow New Jersey legislators that she was going to have her car converted to run on clean-burning propane gas. She was forced to abandon the project when she learned that she wouldn't be permitted to drive such a moving bomb through any of New York's tunnels.

If she had ever blown up her car, the spark would probably have come from her ever-present pipe. Millicent Fenwick's small briar, which she fusses with more than smokes, has been part of her life for too long to dismiss as just an attention-grabbing political gimmick. But, like Rep. Bella Abzug's wide-brimmed hats, it does serve to distinguish her from the 434 other members of the House.

THE DEFENSE BALL IS IN YOUR COURT

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. BOB WILSON. Mr. Speaker, one of our country's most distinguished military experts, Frank Gard Jameson, former head of the Navy League of America, and a consultant to many important defense industries has written an article soon to be published in the National Defense magazine.

I insert this article entitled "The Defense Ball Is in Your Court" to be included in the appendix of the RECORD as a portion of my remarks:

HONORABLE MEMBERS OF CONGRESS THE DEFENSE BALL IS IN YOUR COURT

(By Frank Gard Jameson)

"We may see April 1975 but its a certainty that none of us will live to see 1976."

"The market will penetrate the Dow 572 low and then go to 450."

"Unemployment will hit 10%."

"We should immediately take over Mexico, Venezuela and Canada by force."

Statements like this are commonplace today among our frustrated, somewhat spoiled, wasteful and worried citizens. Many of them are waiting for a man on a white horse to take over and tell them what to do so they won't have to think for themselves. They find it easier to accept discipline from someone else than practice self-discipline.

Americans have been spoiled, like many an over-indulged child. We complain about high food costs . . . and yet we feed our families on 17% of our take home pay. That is down from 19% three years ago.

At the same time, it costs Europeans 35% of their take home pay to feed their families. It costs the Chinese 80%. You can buy a good-sized chicken here and in Portugal for about $1.40. Here it represents 20 minutes work . . . in Portugal, 7 hours work.

We complain about oil costs. We threaten our best friends and customers, the Persians and Latin Americans, but we continue to drive around in automobiles twice as big as we need, one person to a car.

We build bigger parking lots in our high schools so the kids can park the million cars they don't need. We leave far more lights on in our homes and offices than we need.

I flew into southern California recently on a beautiful, clear night. I could see the lights in both Santa Barbara and San Diego . . . and all the way in between. At least 40% of those lights were not needed.

We don't seem to understand that the energy of oil is one of the greatest bargains in the world . . . even at $12.00 a barrel. It does things for us no servant or worker could do, and for a fraction of the cost.

We complain about the unemployment problem. It is true that we have more unemployment in numbers than we have had in years, but we also have more employment in total numbers than in most of our history.

Some of President Franklin Roosevelt's policies . . . that my conservative parents thought were going to ruin the country . . . look pretty good right now. Remember the CCC and the WPA. They gave people the dignity of work, not the stigma of welfare . . . which provides stored up labor in the form of money for no work.

We see the Russians building up their army, navy and air force at a feverish speed. Yet we listen to uninformed but well-meaning protesters who say we do not need new defense projects. We fail to heed our Presidents, who have access to *all* of the intelligence data, when they tell us what we need to maintain peace.

Hopefully, our Members of the House and Senate (Mendel Rivers once said this is the only insane asylum in the world run by the inmates), have taken the time to carefully analyze the Russian military threat and massive build-up of new weapon systems of all types. They are preparing for war, they will be able to fight in any of a number of ways . . . from guerrilla support of revolutionary movements to limited wars to massive weapon support of selected pawns, to full nuclear war or nuclear blackmail.

Many of our idealistic well-meaning Members of Congress understandably want better education for the hopeless, better housing for the poor and mass transit systems to conserve energy and control pollution, but they fail to realize that unfortunately we are still living in an international jungle . . . a world in which the lean, hungry, and aggressive strong nations prepare for war.

These same Congressmen would not walk alone at night on the streets of Washington, New York or Los Angeles because they know that an armed thug without principles might harm them.

Yet, they come out against military programs that have been carefully thought out to prevent war for America and the world. And they put forth no solution or recommendation of what we must do to keep the peace.

You don't stop crime by firing the police force or stop fires by shutting down the fire department.

The Congress has the awesome responsibility of deciding what and how much defense is enough. But Congress ignores the Administration, the Department of Defense and even its own committees charged with advising what its responsibilities for national defense are under Article I, section 8 of the Constitution. They have created many committees whose purpose seems to be to stop all action. Even a low-ranking committee can block legislation that the Department of Defense desperately needs.

DOD people are so busy testifying and preparing testimony that DOD is becoming hopelessly and bureaucratically overstaffed and unable to adequately pursue its original mission. Position papers must be checked and rechecked by hordes of paper shufflers who produce nothing constructive. Hearings upon hearings are held in what shamefully has become an adversary relationship between the Congress and the Department of Defense.

When our first Secretary of Defense envisioned a complete OSD staff of 140 people to set policy for the Army, Navy, and newly created Air Force, the idea was good. Now we have almost as many civilians in the DOD as we do uniformed people.

The Office of the Secretary of Defense was set up in 1947 as a policy group with operations carried out by the various services. In 1958 under President Eisenhower, it was changed to an operational group, but the Army, Navy and Air Force, were left also operational. One or the other should be operational and the other (or others) cut way back. In my opinion, the original concept was good and OSD should be cut back.

World War II has been over for thirty years and we still have 700,000 men overseas. This is happening at a time when the President is presenting an $80 billion budget deficit over the next eighteen months and our overseas balance of payments is becoming our biggest national problem alongside the preservation of freedom.

Our $4 billion military commissary system rivals the A & P, Safeway, and Sears Roebuck. Our military schools and recreation facilities . . . all needed if we have troops overseas . . . pile more and more costs on the military and national budget.

As Pogo said, "We have identified the enemy and it is us," or, "We can protect ourselves from our enemies, but not from our friends."

It is no longer a case of . . . do we, as Americans, want freedom? Of course we do. It is a question of . . . do we, as Americans, deserve freedom?

Most Americans failed to see the threats in "Das Kapital," the "Communist Manifesto," and "Mein Kampf." Few Americans even read those books. Why do we today not read the Gulag Archipelego to see how hopeless our future would be under Communist rule? An old proverb goes, "Dwell on the past and you will lose one eye." But it goes on to say, "Forget the past, and you will lose both eyes."

The Great Depression of the Thirties was bad, following a bad time in World War I. World War II was bad, and so were Korea and Vietnam. The oil crisis and current recession-depression are bad. Let's all now roll up our sleeves and do something about our country and its needs.

As Charles Edward Hunter once said, "The race is not always won by the fleet nor the battle by the strong. But if you are a wagering man, you had better count on it."

Let's start by agreeing on "how much" defense the country can afford. It seems to be about 100 billion dollars a year, the smallest percentage of our national budget or gross national product in years at a time when health, education and welfare is the highest percentage ever.

Now let those who are trained in defense matters buy those items needed to insure peace in the least expensive manner possible, "in the best interests of the government", not the cheapest equipment available.

Let's ask Congress to audit the spending and results yearly after the fact. If errors are made, chastise the defense officers. Even though we know that Monday morning quarter-backing is easier than calling the shots on game day, most defense officials would welcome that risk.

It should be clearly understood by all, but is sometimes overlooked, that a 100 billion dollar defense budget does not mean 100 billion worth of missiles, weapons, and aircraft each year. Over two-thirds of the defense budget is spent for personnel costs and only about 20 per cent is for new weapons.

When I say we should tighten our belts, work harder, spend less, stay at home more, work with government, drive smaller cars that use less gasoline, be less wasteful in all ways, many who know me well may be cynical and say that I have spilled more than many have used. They may well be right. I certainly agree that I have lived well, but I will try, and I hope we all will, to change, now that it is clear that some of those ways were wrong, more importantly because of the quadrupling of energy prices and the possible end to a free way of life, as we know it, we don't change.

I am certain that Congress will recognize that we must have many different ways to fight the many different national emergencies that may be thrust upon us. At the present time, the triad of intercontinental ballistic missiles, bombers and submarine launched ballistic missiles are not only needed for strategic defense, but need constant year by year up-grading with new and improved systems.

We also need the means of fighting conventional wars. We must never rely on nuclear force as our only course of action. The conventional forces in readiness can prevent small wars from starting and end them quickly if it is in our national interest to do so.

All this adds up to a life and casualty insurance policy for the Nation at a cost of about $500 each per person per year, even in inflated dollars. Almost all of it is spent here and taxed there and it does provide jobs and advance our technology.

We insure our automobiles and hope we don't have a wreck on the way home. We insure our home and business and hope they do not burn. We also buy insurance with our national defense budget and hope we never have to use those weapons in anger. We had pilots flying in Vietnam in airplanes older than the pilots were. Even after England was in the war and France had fallen, we approached World War II with horse drawn artillery and obsolete weapons and aircraft. I, for one, don't believe Congress will let this happen again when new carriers are only $5.00 each for every American, F-14 and F-15 fighters are 7 cents apiece and new B-1 bombers to replace the aging B-52's are 42 cents each. Mel Laird, the brilliant former Defense Secretary, has said, "Detente without defense is delusion.". . .

So, honored Members of Congress, Please don't be against virtually every major new system. Tell your constituents what you are really for, item by item, and sign your name in your newsletter stating that in your opinion your list is sufficient to meet the threat you know is there.

That's the truly honest way to do it. I would hope that if you have an error in judgment, it will be a little on the high side, because it takes much planning and ten years to develop an adequate system, and that can't be done after you are attacked.

Most of my conservative friends are wringing their hands over the structure and the so-called "threat" of the new Congress. They had better realize that these new men are in the saddle and we had better help them ride easy in it because they are molding our future.

Two of my best friends, Otis Pike and Fred Richmond, are Members of this so-called liberal, democratic, socially-minded Congress. They are adamantly against military waste but one hundred per cent for enough of the best defense products we can buy . . . but just enough, which is the tough, life and death question for our country.

They and their colleagues in Congress will, I am sure, not be against every major defense procurement that is built outside their district. And I believe they will be positively for the small premiums in dollars our national defense insurance policy needs to keep the enemy from our shore and to see that bullies and aggressors do not intimidate our friends and allies.

I am sure also that they will seek counsel from the experienced "old heads" like Eddie Hébert and Barry Goldwater, along with Tom Moorer, Lyman Lemnitzer and George Brown. They will also talk to the young sergeants, majors and lt. commanders in their districts . . . men who have fought in recent years. These men are the professionals who are ready to lay their lives down for us as so many have in our 200 year heritage! Defense is much like a dog team—only the front dog has a good view. It's up to you, honorable gentlemen.

THE PRICE OF HEALTH CARE—A FAMILY'S FUTURE?

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. YOUNG of Georgia. Mr. Speaker, the United States has long lagged behind the industrialized nations in the field of health care. No significant programs for personal health care were enacted prior to medicaid and medicare in the 1960's, although Congress has considered a succession of proposals over the last 30 years to alter the role of the Federal Government in providing health care to the American people.

I would hope that as this debate begins to take form in the 94th Congress, we recognize the need to attempt to formulate a national policy on health care. I personally feel that in a country with a gross national product approaching $1.5 trillion, health care ought to be a right. A healthy people is indispensable to a healthy nation. But even if this Congress can not address itself to such a broad policy question, we ought to be able at least to agree that health care should not be the cause of destruction of a family; it ought not ruin careers: it ought not cost a man his home and all of his hard-earned savings.

With the recent upsurge in unemployment, people who have lost their jobs may also lose their medical insurance, and most insured individuals can not afford catastrophic coverage.

Mr. Speaker, I recommend to my colleagues an article from the May 1, 1975, issue of the Atlanta Journal concerning the most tragic case of the Byrd family of Orlando, Fla.:

FAMILY LOSING HOME OVER LEUKEMIA BILL?

(By Ann Hellmuth)

ORLANDO.—Nine months after 4-year-old Rusty Byrd developed leukemia, doctors discovered his twin brother, Jamie, also was suffering from the often-fatal disease.

"I don't ask the purpose of these things," their father, Jerry Byrd, 29, said. "I think there is a purpose behind all suffering and difficulty. I believe this will give us an opportunity to come out better people than we went in."

Now the Byrds, facing $20,000 in medical bills, have lost a legal battle to prevent their Orlando home from being foreclosed. Circuit Judge Maurice Paul today enterd a $14,000 foreclosure judgment against Byrd and ordered his house sold at public auction May 26.

Frances Schneider, who requested the foreclosure, said she lent Byrd more than $10,000 to help with medical bills. She said she thought she was getting a second mortgage on his home but in fact it was a third mortgage.

"We borrowed the money to help pay Rusty's medical bills," said Byrd, an insurance agent who also has two daughters, ages 10 and 7. "We planned to sell our house to pay the woman back, but because of the economy we couldn't find a buyer."

Byrd said tragedy first hit the family last May.

"We love to go to the ocean and we were at the beach when I noticed Rusty wasn't as active as Jamie and his lips were pale," Byrd said.

Doctors at Shand Teaching Hospital in Gainesville diagnosed the problem as leukemia, a form of cancer which attacks the blood cells.

"He has been in and out of the hospital ever since but now is in remission," Byrd said.

He said "everything was starting to level out and we felt confident about the future" when last month he noticed an unusual bruise on Jamie's cheek.

"I got suspicious and we took him to an Orlando doctor who told us the dreadful news," Byrd added.

Byrd said he and his wife, Patty, 28, had a heartbreaking journey to Gainesville with Jamie, who chatted all the time about how he was going to be like his twin brother.

"He said, 'Gee, Daddy, I'll get to eat all my meals in bed like Rusty and I'll lose all my hair and all the girls will laugh at me in church and I'll get to ride around in a wagon with a tube in my arm'," Byrd said.

Byrd said Jamie's disease is now in remission and doctors will say only that if the boys go five years without lapses they may be cured.

"The thing that makes you angry is the helplessness of the middle income people in a situation like this," Byrd said.

CARDINAL MINDSZENTY—A GIANT IN THE FIGHT FOR FREEDOM DIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the death of Cardinal Mindszenty this week left a great void in the ranks of those who oppose totalitarianism in the world. The Cardinal had the distinction of being imprisoned by both the Nazis and the Communists at different times.

However, he will be largely remembered for his stand against athiestic communism in the little Hungarian nation. His spirit stood out like a shining beacon as Soviet tanks crushed the Hungarian nation again in 1956. His selfless example of no compromise with evil was a great contrast to the inactivity of the West and in particular the United States, when the Soviet tanks rolled into Budapest.

The year 1956 was a great dividing point and never again would any of the "Captive Nations" in Eastern Europe take seriously our statements espousing freedom for all nations of the world. The U.S. weak reaction to the invasion of Hungary was among the first in a series of evasions and procrastinations in our foreign policy that are exemplified by no-win wars in Korea and Vietnam. But now the downhill slide is moving at a faster pace and no one knows where it will end. Therefore, it behooves my colleagues to think of the life of Cardinal Mindszenty and the example he set in the struggle for freedom. The story of his death as it appeared in the Washington Star on May 6, 1975, follows:

JOSEF CARDINAL MINDSZENTY, COLD WAR FOE OF REDS, DIES

VIENNA.—Josef Cardinal Mindszenty, strong-willed former primate of the Hungarian Catholic church who became a symbol of inflexible resistance in the Cold War, died here today, the Catholic Press Service reported. He was 83.

A bitter enemy of Communism, Mindszenty was a refugee in the United States mission in Budapest for nearly 15 years. Communists had tortured him and sentenced him to life imprisonment in 1949 for fighting the Red takeover of his country.

He spent 23 years of his life, except for four days, either in prison or as a refugee in the U.S. Mission, which he reluctantly left for Rome in 1971 after the Hungarian government granted him amnesty.

To be closer to his homeland, he soon moved to Vienna, where he died today. A spokesman said the former primate of Hungary underwent prostate surgery at Vienna hospital this morning and died four hours later from heart failure.

He was a symbol of life-long resistance to Nazi and Communist tyranny.

When he was only a parish priest, the short-lived Communist government of Bela Kun arrested him after World War I for opopposition to the regime.

Nazis jailed him during World War II for protesting the slaughter of Hungarian Jews.

Freed by Hungarian Freedom Fighters during the 1956 uprising, he pledged "Now I will continue where I had to leave off eight years ago." But his optimism was short-lived and he fled to the U.S. Mission five days later when Soviet tanks crushed the revolt.

There he remained in self-imposed confinement, a symbol of bitter opposition to the Communist government until September, 1971, when age and failing health forced him to leave Hungary for good.

Pope Paul VI removed the cardinal as primate of Hungary and Archbishop of Esztergom on Feb. 5, 1974. Mindszenty emphatically denied that he stepped down voluntarily.

As his years in the U.S. legation passed, the gaunt churchman ceased to be a threatening martyr in Communist eyes and there was frequent speculation that a change was to be made in the cardinal's isolation.

In April 1963, for example, Pope John XXIII, who was anxious for Mindszenty to come to Rome, sent Franz Cardinal Koenig of Austria to Budapest for secret talks with the primate, reportedly to persuade him to accept amnesty terms.

On May 11, 1963, Janos Kadar, the leader of the Hungarian Communist party, hinted that he hoped to settle Hungary's disputes with the United States in return for U.S. diplomatic recognition. Kadar's regime had hinted for a long time that it wanted Mindszenty out of the country and hoped to arrange his freedom to improve relations with the West.

The United States denied knowledge of any such negotiations and said any decision for the cardinal to leave Hungary would have to be made by him. In June of 1963, he made the decision: to stay.

The following year, the Vatican and Hungary signed an agreement on church-state relations and speculation of Mindszenty's departure surged up again. But again, the cardinal decided to stay.

Then on Sept. 28, 1971, Mindszenty sadly and unceremoniously traveled to Rome, leaving his homeland for the last time. He was quoted as saying the decision to leave was "perhaps the heaviest cross of my life."

Two days later the Hungarian government announced it was suspending the remainder of the cardinal's life sentence. An agreement reportedly had been reached between the Vatican and the Hungarian government.

When Mindszenty ended his exile he was a frail 79 years old, but gaining his freedom was not a joyful occasion for him. The Catholic prelate had vowed for 22 years not to leave Hungary unless he was completely cleared of all charges.

Although some observers interpreted the Hungarian government's suspension of the sentence as an implication that the 1949 verdict has been rescinded, no retraction of charges was officially announced. Neither did the Vatican withdraw its condemnation of Hungary's treatment of the cardinal.

WHY KISSINGER MUST GO

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. MICHEL. Mr. Speaker, the editorial I should like to have printed in the Record today from the Saturday, May 3, edition of the Peoria Journal Star is a very good one, notwithstanding its title. True, the title is an eye-catcher, but the thrust of the content of the editorial certainly does not suggest that "Kissinger must go," but quite to the contrary should stick it out and prove to his adversaries that he has been right all along. I want to make it unmistakably clear that I personally do not subscribe to the title, but rather the content of the editorial. It just puts a few things in proper perspective and commend it to my colleagues for their thoughtful consideration:

Why Kissinger Must Go

It has never been much of a secret that the meteoric rise of Henry Kissinger, and the "personalization" of foreign policy was largely the work of the news media in this country.

Nor was it any secret that they lionized Kissinger because they were hot on the Watergate trail and it was a handy device to divert "credit" for break-throughs in China, Russia, the Mideast and Vietnam from the President—where it has usually been bestowed in such circumstances.

It was necessary to make a "superman" out of "Henry" in order to submerge the constitutional architect of U.S. foreign policy at that time.

And it is necessary to destroy Kissinger now, to complete the destruction of the Nixon presidency and the triumph of the Politics of Protest—whatever it costs the nation.

Never mind the irony of Clark Clifford, the man who bossed the Pentagon while 400 to 500 U.S. soldiers were being killed every week in Vietnam, now attacking the Kissinger peace failure.

The opposition first cried "No recriminations. It is sinful to use this tragedy politically!" when they had first pulled out the rug and knew they were the logical subject for any such recriminations.

Now that they think they have found a scapegoat, however, it is no longer sinful. It is time for recriminations.

They blame the treaty and its author at this late date!

That treaty got us out and it held for two years as long as as there was a Nixon in the White House and a balanced Congress, and it became a dead letter in Hanoi after this Congress made it abundantly clear that it was a dead letter in Washington and that we wouldn't lift a finger to replace South Vietnamese munitions much less react to a major treaty violation.

The facts remain there and in every world hot spot. Until this Congress pulled the rug out from under the State department publicly on negotiations with Russia, the Middle East and Vietnam in succession, there was progress, movement in the right direction in all three.

And after this Congress made it clear that they would tear up and start over with gamesmanship on anything Kissinger negotiated, and back up nothing, all three have come unravelled—of course.

To hell with the consequences to our country, it seems, so long as it provides political leverage for me.

(Note: The above is not a new idea born of an answer to "current events." As evidence of that, in late 1974, we suggested that if Kissinger was wise he would resign on the grounds that it is impossible to conduct foreign policy under the conditions created—and sit back and let others preside over the disasters sure to come. They have since come, right on schedule.)

HOW MANY DOMINOES WILL FALL?

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. TEAGUE. Mr. Speaker, a recent article in the Dallas Morning News asks the rhetorical question "How Many Dominoes Will Fall?" The editorial is self-explanatory and I hope every Member of Congress will read Robert E. Baskin's thoughts on the subject. It is not a new thought. The idea that once an Asian country became dominated by communism the remainder would fall "like a row of dominoes" has been echoing in these chambers since 1954.

The editorial follows:

How Many Dominoes Will Fall?

(By Robert E. Baskin)

For a while it became fashionable in elite intellectual circles to sneer at the so-called "domino theory" on foreign affairs. It became quite a laughable subject in that realm in the late 1960s and early 1970s as the United States endeavored to save South Vietnam from Communist aggression.

We are now seeing in Southeast Asia adequate proof that the domino theory, with the fall of one country being followed by another adjacent to it, was a valid proposition.

The tragedy that is occurring in South Vietnam and Cambodia, both of which are on the verge of downfall, is impelling evidence. The loss of these two countries to North Vietnamese imperialists will be a severe blow to American prestige throughout the world.

But this is what is in prospect, and one must raise the question: Where does it go from there?

You have only to look at a map of Asia to arrive at some kind of an answer. Laos, a former part of French Indo-China, like Vietnam and Cambodia, will be ripe for the plucking. Then turn your eyes westward to Thailand, then southward to Malaysia and Singapore.

The expansionist drive of the rulers of Hanoi surely must include plans for movements against all these countries. And there must be fears rising in their capital cities about just how far this tenacious new aggressor may want to go in its bid to become a major power in Asia.

The possibilities of aggression do not end with the countries we have named. There are greater worlds to conquer.

One of the richest areas in Southeast Asia is Indonesia, which is now enjoying relatively good relations with the United States after years of flirting with the Communist world. Its economic capacity is immense, as the Japanese understood so fully when they embarked on their invasions of the late 1930s and early 1940s.

And over the horizon lies the archipelago of the Philippines, more than a thousand islands rich in resources, largely undeveloped. The Philippines, once considered a classic example of transplanted American democracy into the Far East, is now under the dictatorship of President Ferdinand Marcos.

HOW MUCH FURTHER?

Although Marcos is mainly pro-American and anti-Communist, he has been compelled in the last few years to turn his attention more to the Asian mainland than to his historic associations with the United States.

This is a time of vast change in that whole area, and no one is sure what may happen or how far the toppling of one government after another to Communist rule may go.

But there is no question that the Communists are gaining ground rapidly at the expense of American interests and American prestige.

President Ford has asked Congress for additional military and humanitarian funds to bolster what is left of South Vietnam, but Congress does not appear to be in a good mood to invest anything further in that area.

The mood of Congress these days seems to be clearly isolationist. This raises the question of whether the United States is in a mood to abdicate its responsibilities over the globe and retire behind its own borders. Does it not feel any longer the concern for the world that most presidents since Woodrow Wilson felt about a national mission?

Perhaps the people in Congress are reading the will of their constituents correctly. The nation, during its days of military involvement in Vietnam, failed to show the patience necessary for eventual victory—or even the protection of the political integrity of South Vietnam.

We grew weary of that unpopular war, and now we apparently are prepared to stand by and let South Vietnam go down the Communist drain.

How far will the domino process go?

Somewhere we have to draw a line and say to the world that we will not permit aggression beyond certain points. But right now the rest of the world has no idea of where we stand. There is confusion in Washington, and the sounds one gets from there are those of an uncertain trumpet.

Surely, the world deserves to know us better than this. And the American people need to know what they and their government intend to do in foreign affairs.

AN ACTION PLAN FOR OUR CITIES

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1975

Mr. KOCH. Mr. Speaker, the financial plight of New York City is a serious problem with which both the municipal and Federal governments must come to grips. The social and financial problems facing New York mirror those of all our great cities. And, by the same token, we must search for common solutions. For this reason, I would like to draw your attention to a breakfast which I attended this morning sponsored by the Municipal Labor Committee. Chaired by Victor Gotbaum, the meeting dealt very intelligently and imaginatively with the problems of New York and the Nation and stressed the role of the Federal Government in helping the Nation and New York face the challenges ahead. I agree with the recommendations of "One Million New Yorkers" and am appending the proposals for the consideration of my colleagues:

ONE MILLION NEW YORKERS

NATIONAL SOLUTIONS

The members of the Municipal Labor Committee and their families number roughly one million New Yorkers.

These are New Yorkers whose social, family and financial well-being are intricately interwoven with the well-being of New York City.

These are New Yorkers whose livelihoods are immediately affected by the fiscal condition of their city.

In addition, these are New Yorkers who walk the streets, ride the subways, attend the schools, visit the parks and libraries, in short, who measure the quality of their lives by the ability of New York City to deliver the services it should.

Today, these are one million troubled New Yorkers who now turn to their elected representatives in Congress and the Senate for solutions to the problems afflicting New York City.

New York's problems are national in origin. Inflation and unemployment are products of national maladministration. Poor from many states flock to New York City for welfare assistance. New York did not make them poor, but New York absorbs the costs of maintaining them.

We must turn to our national government for lasting assistance.

We must turn to our two Senators and eighteen representatives to join together as a continuing office. In concert, they must initiate and support legislation that will provide federal aid to New York and other major urban areas.

To date, our President and Congress have not delivered the necessary programs to remedy an economic condition that is fast growing desperate.

The New York delegation to the Senate and Congress logically could and should provide the ideas and leadership to move the federal government into an effective instrument of overdue aid to the cities of the nation.

IMMEDIATE ACTION

The Humphrey-Muskie Bill (S. 1359), (H.R. 6416).—For countercyclical assistance to states and localities offers the hope of immediate aid to states and cities beset with high unemployment. The Municipal Labor Committee urges all New York representatives in Congress to unite behind this bill to advance its chances for passage in the near future.

The Off-With-the-Left-on-With-the-Right-Hand Public Employment Conundrum.—As local governments are forced to lay off employees, federal funds are proferred to fight unemployment by allowing local governments to hire the unemployed. *Net result:* the faces are switched on the unemployment lines as newly unemployed local employees replace now newly hired recently unemployed. And—local governments replace experienced employees with inexperienced, while existing federal programs allow insufficient funds for adequate training or supervision of new employees. *Needed:* a rational approach that will allow hiring of the unemployed and prevent the necessity of firing those now employed.

Low, or No Interest Debt Service.—New York City staggers under a crushing debt service cost. The federal government traditionally has made low interest loans available to foreign governments. Why not a bill to make such loans—or no interest loans—or loan guarantees—available to New York City and other municipalities?

In 1974–75, New York City borrowed in excess of 7 billion dollars. Had interest rates been 2% lower than they were, the city would have saved 140 million dollars. Banks earning record profits in this period of recession, have received 9.4% and 9.5% interest on New York City loans, even after commercial rates had fallen below this figure. A federal presence in the lending and borrowing situation is vitally necessary to help extricate the city from perenially high debt costs.

LONGER TERM

New York City's Congressional and Senatorial representatives must fill the void that now exists in the national government. The public relations pronouncements from the administration offer no real hope to the hundreds of thousands of New York City unemployed and the hundreds of thousands of other New Yorkers who are fearful of losing their jobs.

A city in desperate need of housing finds one quarter of its construction workers unemployed.

A city where hundreds of thousands, if not more, have inadequate medical care, is unable to expand its services and train and increase the number of men and women capable of delivering health care.

A city where unemployment and tension continue to mount must contemplate reducing its police force.

A city with aging housing and deteriorating environments looks to reduce its fire and sanitation departments.

A city university system undertaking the vital and too-little-praised challenge of open admissions, becomes a fearful pressure on the city budget, while unable to realize its potential because of insufficient funding.

Times have changed considerably. The social and economic phenomena that have transformed New York City are well-known. It is time for change in the philosophy and financial practices in the management of the city.

One million New Yorkers—represented by the Municipal Labor Committee—and all New Yorkers—look to the federal government and the New York City Congressional delegation for leadership in developing a new federal presence—new federal responsibilities—to keep New York City functioning at a better level than is currently possible.

MUNICIPAL LABOR COMMITTEE.

HOUSE OF REPRESENTATIVES—*Friday, May 9, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Whosoever heareth these sayings of Mine and doeth them, I will liken him unto a wise man who built his house upon a rock.—Matthew 7: 24.

Almighty and Eternal God, as we bow in Thy presence do Thou confirm our faith in those deep foundations laid to our forefathers, lest by feverish ways, or futile works, or foolish words we find ourselves building on sand rather than on rock.

During this period of swiftly moving change when anger bursts into violence, when passion dims our minds, and when doubts blind our hearts, grant unto us to be calm and courageous in the discharge of our responsibilities. May our faith be strong and our spirits steadfast that out of the turmoil of this age may come a better day for our people and a greater day for America and our world.

In the spirit of Him who built on a rock we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 240. An act to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs";

S. 1696. An act to authorize amounts available but not committed for military assistance to South Vietnam and Cambodia to be used for humanitarian assistance for refugees from South Vietnam and Cambodia.

S.J. Res. 34. Joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as "National Hunting and Fishing Day";

S.J. Res. 44. Joint resolution authorizing the President to proclaim September 28, 1975, as "National Indian Day";

S.J. Res. 46. Joint resolution authorizing and requesting the President to issue a proclamation designating October 5–11, 1975, as "Newspaper Week" and also designating October 11, 1975, as "Newspaper Carrier Day"; and

S.J. Res. 79. Joint resolution to authorize "National Shut-In Day."

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H.R. 6755

Mr. BRADEMAS. Mr. Speaker, at the request of the chairman of the Committee on the Judiciary, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on H.R. 6755, the Indochina Migration and Refugee Assistance Act.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DEATH OF JOSEPH CARDINAL MINDZENTY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, I take this time to address the House on the passing of Joseph Cardinal Mindzenty, who died in exile in Vienna on Tuesday at the age of 83. He was a heroic, stalwart champion of the people of Hungary who fought against the Communist takeover of his country.

Cardinal Mindzenty was tortured and imprisoned by the Communists in 1949 when he resisted their takeover of his homeland, and as the Members will recall, he spent almost 23 years of his life either in prison or in the U.S. mission in Budapest as a refugee. The only freedom he enjoyed during those years was a brief period during the 1956 Hungarian Revolution.

Throughout his life, Cardinal Mindzenty resisted oppression. As a young parish priest, he was arrested by the Communist regime of Bela Kun, who was in power briefly following World War I in Hungary. During the Second World War, he protested the massacre of Jews and was imprisoned by the Nazis. Then in 1949, he was jailed by the Communists and freed during the 1956 revolution, only to seek refuge in the U.S. mission when the revolt was crushed by the Soviet Union. He remained there until 1971, when his health and age forced him to leave Hungary.

Although negotiations within the church and between the Vatican and the Government of Hungary led to speculation about Cardinal Mindzenty's departure several times during the 1960's, he preferred to remain in Budapest. His departure at the age of 79 was followed by an announcement of the suspension of what remained of his life sentence by the Government of Hungary. The Cardinal had vowed that he would not leave Hungary until he was cleared of all charges against him, but he was not able to achieve this aim.

Cardinal Mindzenty was born in 1892 in Csehimindszent, Hungary, one of three children of a peasant family who became a parish priest because he was unable to afford advanced education in the church. However, he rose to higher levels as a result of his outstanding work and was named primate in 1945 and elected to the College of Cardinals in 1946.

Mr. Speaker, it was my privilege to meet with Cardinal Mindzenty when he visited the United States briefly a year ago, and it was also my privilege to communicate with him during his long years of struggle on behalf of the Hungarian people.

AT GREAT FALLS

The SPEAKER. Under a previous order of the House, the gentleman from Maryland (Mr. GUDE) is recognized for 10 minutes.

Mr. GUDE. Mr. Speaker, last Friday I was privileged to welcome to the Washington area, young relay riders—some of the 400 or so who started where Paul Revere once rode and continued on, on horseback, in relay, through several States, down our new C. & O. Canal National Historical Park as it winds through Montgomery County, Md., and Washington, D.C., and then, eventually, to the Ellipse just south of the White House.

Their ride was a stirring effort to wake America to not only her history but her great future. In tribute to them, and, in addition, to remind my colleagues of the great park authorized by Congress and now being developed along the canal right-of-way, I would like to share with you my remarks to the relay riders and to the volunteers who have helped restore the old, old tavern that is alongside the canal in the vicinity of Great Falls:

REMARKS OF CONGRESSMAN GILBERT GUDE TO RIDERS IN THE NEW SPIRIT OF 1776 FOUNDATION 4H

Good afternoon, 4H riders and friends. It is great to be here with Roger W. Eisinger Jr., President of the Friends of Great Falls Tavern who has led the effort to restore this historic tavern, and Monte Bourjaily Jr., who has organized this extraordinary relay ride, in which hundreds have participated.

Welcome, riders. Those of you who have ridden here to "Wake Up America" have arrived at one of the great stories of our country—the attempt to break the Appalachian Mountains with commercial transport, and thus unite the businesses of the East Coast with what was then, just a couple of hundred years ago, the frontier West: such areas as Ohio!

Such a route west, via canal, was a dream of George Washington, whom we know as a farmer, as a great Revolutionary War leader and as President, but who was also a businessman, a capitalist, and a speculator. He invested heavily in a canal on the Virginia side of the river—and, by many of the rules of investment, he should have done well. He knew the "lay of the land", since he, as a teenager, had been hired as surveyor of the land along the western Potomac. In addition, he had fought in the Ohio campaign of the French and Indian War and knew of the difficulties in getting supplies up the river and then overland to Ohio.

But a canal, Washington felt, could bypass a few rough falls in the Potomac and make the passage west easy. He organized a group of gentry to back the effort financially, and the canal on the Virginia side of the river was started in 1785. It was a very pioneering effort for there were few men in America with any experience in canal engineering. Thirty-four years later, the effort was abandoned. The short canals had not made the river navigable and barges had been wrecked and cargoes lost.

Washington's dream, however, was revived when this canal was started on the Fourth of July in 1828. This canal was not just a series of short by-passes of river falls, but it was to be a longer, fuller system.

But on that same Fourth of July, 1828, another pioneering effort to reach the West commercially was started. Baltimore businessmen had felt threatened by Washington-anchored canal. They feared that ships might come up the Potomac to the start of the canal, rather than use Baltimore harbor.

So they determined on a daring speculation—an attempt at the first railroad west. Yes, they decided, they would beat the canal. And in less than two years, in 1830, the first 14 miles of the Baltimore & Ohio Railroad were opened to horse-drawn rail cars. Yes, horse-drawn. And the canal's barges were to be drawn by horses or teams of mules.

The routes of the two competitors converged and the two groups of businessmen were fighting over rights of way. But the canal-diggers found trouble—unexpected engineering difficulties, unexpected layers of rock—wherever they dug.

The canal did not reach Cumberland, Md., 184 miles from the start of the canal, until 1850. The railroad had beaten it by eight years. In addition, Cumberland was a stop on the first national highway west.

The C&O's backers saw the inevitable—and abandoned plans to continue 180 more miles to Pittsburgh.

The canal never made a whole lot of money but it did operate commercially until 1924, when a flood so damaged it that it was no longer a feasible commercial operation.

So today, it is a reminder of the imagination of businessmen who saw the potential of a route West—and a wry monument to the expense of having a competitor come up with a better idea.

As you ride into Washington along this historic route, you 4H-ers will indeed be waking up America to the bicentennial and to the potential of the future if, if you yourselves are awake to this nation's possibilities and your own.

If—in a very few years and within a few miles—canals were built, railroads were developed, the first national highway was created and, in addition, a steam boat was tested in the river—well, just don't believe that it can't and won't happen again.

You who seek to awake America are, yourselves, America's future. If your minds are open to the possibilities of this country, you can become involved in exciting enterprises that can dwarf this old canal. There are doors waiting to be opened in medicine, in the science and engineering of energy and, still today, in transportation. There are doors to be opened in enterprises that don't even exist and aren't even dreamed of by most of us.

A few years ago, who would have dreamed of the miracle of computers? Or Xerox? Or Polaroid? Who would have dreamed of putting a photograph or a message in a device attached to one telephone and having it come out another device on a telephone miles away? Who would have thought of relaying phone calls and television by satellite, rather than cable?

Yet all these things have blossomed into great enterprises in your own or your parents lifetimes.

Prepare for the future. Prepare for change, even while you prepare to preserve the best of the past.

When we are open to both the past and future of our Nation, we are then truly awake, excited and enthusiastic.

That is the message of this great commercial gamble from the past, this great engineering effort, this C&O Canal.

I thank you for riding here.

CLARA BARTON HOUSE

Mr. Speaker, under legislation passed by the last Congress, the Clara Barton House at Glen Echo, Md., last week was transferred to the National Park Service for preservation and protection, and for expanded use as a memorial and museum to Miss Barton, founder of the American Red Cross.

I am pleased to have introduced the legislation that started the action that led to today's transfer.

The home itself is an interesting place—a big, 36-room frame house overlooking the C. & O. Canal National Historical Park. But we would not be making such an effort to protect the house if it were not for its original owner, Clara Barton.

There could be no more appropriate time for paying tribute to Miss Barton than now, International Women's Year. During her lifetime, she managed to ignore, defeat, or rise above every obstacle placed in her way by discriminatory social conventions.

Clara Barton achieved success in four separate careers in an era when the only really acceptable occupation for women was marriage and motherhood. She is chiefly remembered as the "Angel of the Battlefield" and the founder of the American Red Cross, but she actually began her professional life as a teacher, when she was only 15 years old. She was successful from the start. After conducting several district schools, she organized a school for the children of workers at her brothers' mill. At first it was held in an unused windowless "picking room," but in time she had some 70 pupils and her brothers built her a regular schoolhouse, with windows.

Clara Barton's reputation as a teacher increased. In 1851 she went to Clinton, N.Y. to improve her own education at the Liberal Institute there. She studied for a year and then accepted an invitation to teach in Bordentown, N.J., in a private school.

Free public schools were rare in those days. In Bordentown the pupils paid fees which constituted the teacher's salary. There was no school for those who could not pay. Clara Barton offered to serve 3 months without pay if the town would make the school free to all. Despite strong opposition, she persuaded the school board to try the experiment. It was so successful that soon a larger schoolhouse had to be built, and an assistant teacher employed. Unfortunately, there was opposition to a woman being in charge of so large a school. The board hired a male principal and demoted Clara to his assistant. It was intolerable to Miss Barton, and she resigned.

In 1854 she went to Washington, D.C. and got a job as a copyist at the Patent Office. At that time, it was just as unusual for women to work in offices as to be school principals, and the forces of opposition began to move in. The Secretary of the Interior Department personally pressed for her removal, but Miss Barton's employer, Judge Charles Mason, was so impressed by her ability that he not only kept her on; he increased her salary. She lost her job with a change in administrations, but got it back when Lincoln was elected President.

Her war service began in April 1861, with the arrival at the Capitol of the 6th Massachusetts Regiment. She had taken as her motto: "What is nobody's business is my business," and the Civil War period had great need of just such a person. The 6th Massachusetts had had to fight its way through Baltimore to get to Washington, and many of the men had lost their baggage. Clara plunged in to help gather essential supplies for them.

After the Battle of Bull Run she was deeply touched by the stories she heard of the suffering on the field, due in part to lack of supplies. She wrote to friends and advertised in a popular Massachusetts paper for provisions for the wounded. They came pouring in, from sewing circles, church societies, and relief committees, so she rented a warehouse, collected the donations there, and established a distributing agency.

Realizing that it was during battles that supplies and nursing care were most needed, she began to plead for passes to get her through to the front lines. In those days it was unheard of for women to be allowed anywhere near the battlefield, even as nurses, but in July 1862 her persuasiveness finally won her free passage through the lines and, eventually, unlimited free transportation by train and steamboat. With Washington as her base, she worked heroically, getting her supplies to the front, distributing them, and ministering to the wounded during action. In 1863 she carried her work to the operations about Charleston, S.C. The next year, after the Battle of the Wilderness, she was at Fredericksburg, and later she served as superintendent of nurses with the Army of the James. She was not primarily a hospital nurse. Her great contribution was her ability to secure supplies for the relief of suffering and get them promptly to the places where they were needed most.

When the Civil War ended in 1865, Miss Barton secured Government authority to organize a nationwide search for missing soldiers. With a staff of 12, she searched burial records, prison lists and hospital charts. The work went on for 4 years, but meanwhile Miss Barton was in great demand as a lecturer, relating her battlefield experiences.

She was almost immediately confronted with the women's rights controversy, when a newspaper announcing her lectures claimed that listeners would not have "thrust upon them a lecture on women's rights after the style of Susan B. Anthony and her clique." Her audience dotted with veterans and widows, Clara demanded:

> Who opened the way for me, who but the detested "clique" who through years of opposition, obloquy, toil, and pain openly claimed that women had rights . . . and should have the privilege to exercise them . . .

In 1869, on her doctor's advice she took a trip to Europe, for a rest. Soon, however, she was introduced to the International Red Cross, which had been founded at the Geneva Convention of 1864, and threw herself into its relief activities during the Franco-Prussian War. For her efforts she was awarded the Iron Cross of Merit by the Emperor of Germany. She returned to America in 1873 determined to establish an American Red Cross.

The United States has been invited to participate in the Geneva Convention, but had refused on the grounds that this would constitute an "entangling alliance" contrary to the Monroe Doctrine principle of noninvolvement in European affairs. Clara Barton began a single-handed campaign to secure U.S. adoption of the Geneva Convention. She lobbied the Secretaries of State and War, members of the bar, influential Congressmen, and Presidents through three administrations. Finally, in 1882 she was successful. After 4 years of struggle an American Red Cross was established, and it was largely Miss Barton's personal achievement.

For the next 23 years she devoted herself to expanding the organization and personally supervising many of its relief activities. She spent 6 weeks on the scene at the Galveston flood at the age of 79. She represented the United States at international conferences of the Red Cross. At Geneva in 1884 she secured the adoption of the "American Amendment," extending relief activities to natural catastrophes occurring in peacetime.

Clara Barton was an extraordinary woman. She was truly liberated. She refused to be bound by the social conventions that limited women of her time. She accepted every challenge to develop herself as an individual.

She was not a reformer, in the usual sense of the word. But when she saw a practical need, she gave every ounce of her strength to remedy it. Her initiative, inflexible will, tenacity of purpose and devotion to human welfare enabled her to overcome the handicaps of discrimination against women and to do a great work.

Her life and achievements are especially relevant today. As a woman, her example inspires those who are seeking a full and equal role for women in every aspect of our society. And as a citizen whose whole life was devoted to organizing private efforts to meet urgent social needs, she is an inspiration to the volunteers of today.

Her founding of the American Red Cross has saved thousands of lives and relieved the suffering of untold millions. Americans of all generations, past and yet to come, owe her an enormous debt of gratitude.

PERSONAL STATEMENT BY MR. NOWAK

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. NOWAK) is recognized for 5 minutes.

Mr. NOWAK. Mr. Speaker, on May 7, 1975, I was detained in my office and arrived on the floor moments too late to vote on rollcall No. 188. I would like the RECORD to show that had I been present, I would have voted "yea" on House Resolution 417, providing the rule for general debate on H.R. 4114.

DEATH OF THE CVT

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues an editorial which appeared in the May 5 Wall Street Journal entitled "Death of the CVT" which is the South Vietnamese Confederation of Trade Unions.

Typically, one of the first acts of totalitarian rulers upon taking over is to destroy the free trade labor movement. As we all know, when Hitler took over Germany, his first act was to destroy the free trade labor movement in Germany. Russia has no free trade labor movement. All of the countries under Russian domination—Lithuania, Poland, Hungary, Czechoslovakia, and the list gets longer every day—have no free trade labor movement. This is the same pattern that has been followed over the decades by dictators, and is now being followed in South Vietnam with the systematic execution of non-Communist labor union leaders and destruction of the CVT.

As a former labor leader, it comes as no surprise to me that the Communists in South Vietnam have branded CVT leaders as "class enemies" and have marked them for liquidation. The Communists are not interested in improving workers' lives, but in establishing a Communist regime. The Communists are not interested in a free trade labor movement, which means a productive and constructive society, but in removing competitors.

The slaughter is not limited to CVT leaders but includes those from all walks of life whose sympathies do not lie with the Communists. They, too, are branded "class enemies" and are also earmarked for elimination—through nonsubsistence rations, imprisonment, or execution.

Those refugees who have escaped to this country since the turn of the century to avoid arrest and execution—Hungarians, Italians, Armenians, Poles, Jews, Czechs, Lithuanians, and so many others—can attest to the so-called humanitarianism of their oppressors who have used every means imaginable—murder, torture, mass executions, gas chambers, ovens, concentration camps—to destroy the will of their victims and eventually to snuff out their lives. Indeed, it is unfortunate that many of us in this country have not come into direct contact with Communist tactics, for if we had, we would surely have a far better understanding of the unrelenting horrors of communism, and a far better appreciation of the freedom we enjoy in America.

The editorial follows:

DEATH OF THE CVT

Officials of the AFL–CIO are finding that the Communist takeover in South Vietnam is following a familiar pattern. The non-Communist labor leaders are the first to go. The official radio of the new Saigon regime reported over the weekend that the headquarters of the South Vietnamese Confederation of Trade Unions (CVT) had been seized "by 3,000 workers," that its members were ordered to join a new "revolutionary labor organization," and that the president of the CVT, Tran Quoc Buu, had been branded a "traitor."

The AFL–CIO reports that Mr. Buu and possibly 60 colleagues and their families have been rescued. (The roster is incomplete since AFL–CIO sponsored refugees are still making their way over the Pacific escape route.) But the union knows that many local CVT leaders have not been as lucky. According to mid-April accounts of CVT sources, the advancing Communist forces were systematically rounding up CVT members. In Da Nang, CVT officers were arrested and required to turn over all records. At Ban Me Thuot, former union officials were put on a nonsubsistence ration. In Binh Long and Binh Dong, CVT officers were shot. In Quang Ngai, Quang Tin, Pleiku, Kontum, Hue, Dalat and Nahtrang, CVT provincial council leaders and members have been arrested and have not been seen or heard of since.

AFL–CIO leaders have seen this happen before. Communists bitterly resent competition in representing the proletariat, especially when their rivals are more concerned with improving the workers' lives than with installing a Communist regime. And in the Communist view, the quickest way to remove such competitors is to shoot or arrest them. This experience has made American labor leaders among the strongest proponents of American asylum for South Vietnamese refugees. In a recent letter to congressional leaders, George Meany urged, "If we do not stand by these desperate people, how can we ever claim to conduct a credible foreign policy? . . .

"If the doctrine of 'detente' retains any meaning, then let it now be put to the test. Let us make it clear to the Soviet Union and China that we expect their cooperation in restraining Hanoi, and that detente will never survive the slaughter of our friends in South Vietnam."

Some Congressmen, including erstwhile liberals, seem about to embark on a sordid campaign to save American workers from competition from South Vietnamese refugees. Before they begin, they would be well-advised to heed what American labor has to say.

DECLARATION OF DAR-ES-SALAAM

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful consideration of my colleagues the following Declaration of Dar-es-Salaam on Southern Africa which was issued at the recent meeting of the Organization of African Unity foreign ministers:

DECLARATION OF DAR-ES-SALAAM ON SOUTHERN AFRICA

1. The Council of Ministers of the Organization of African Unity meeting in Dar-es-Salaam from April 7–10, 1975 in an Extraordinary Session has made an in-depth study of the developments in Southern Africa in general and the situation in South Africa in particular. This evaluation was made with the specific objective of devising ways and means of realising Africa's long cherished objective in the region, namely, the total liquidation of the twin evils of colonialism and racism.

2. Though OAU's position on these problems has repeatedly been made clear, the fast changing events in Southern Africa make it imperative for Africa to re-examine its strategy. Such reassessment is particularly crucial in the light of deliberate and calculated attempts by Africa's enemies to sow seeds of confusion among our ranks, and employing diversionary tactics with the view to undermining Africa's stand. It is therefore to the re-examination of Africa's strategy for, the liberation of Rhodesia and Namibia as well as the abolition of the inhuman system of apartheid in South Africa that the Ministers have devoted their Extraordinary Session in Dar-es-Salaam. And they accordingly declare as follows:

3. The decisive defeat of Portuguese colonialism by the African liberation movements and the imminent independence of Mozambique and Angola has radically altered the balance of forces in Southern Africa. The resultant fatal blow inflicted on the "Unholy Alliance" of the government in Pretoria with the Smith regime and the Portuguese colonialists has seriously undermined the geopolitical position of the South African regime. Freedom has come to the borders of South Africa and Namibia with the independence of Mozambique and Angola respectively. The buffer zones for the consolidation of colonialism and racism have ultimately crumbled.

4. Vorster's government is faced with intensified international isolation as demonstrated by the decision of the United Nations General Assembly to bar the South African delegation from taking part in the proceedings of the twenty-ninth Session.

5. Recognizing that the liberation of Angola and Mozambique brings with it a radical change in the geography of the African freedom struggle resulting in the intensification of the struggle against colonialism in Rhodesia and Namibia, South Africa has been forced to review its policies towards its client state of Rhodesia and Namibia. The apartheid regime of Vorster is therefore now engaged in new manoeuvres in an attempt to reduce, if not neutralize, the impact of the revoluntionary changes that have taken place in the region. It is desperately attempting to break its isolation and to undermine international opposition to its illegal occupation of Namibia. South Africa is trying to camouflage the reality of the obnoxious system of radical oppression in South Africa by resorting to such highly orchestrated propaganda on the removal of "petty-apartheid." The aim of Vorster's government in this exercise of white-washing apartheid is clear: to deceive world public opinion into believing that some radical changes are taking place in the Republic and thus reduce the regime's international isolation.

6. OAU's full commitment to the objective of total liberation of the continent is unequivocal and unquestionable. There can never be any surrender or compromise on this goal. But the developments in Southern Africa necessitate that the OAU re-evaluates its approach for the purpose of achieving the desired goal. Such a re-examination becomes all the more urgent by the evidence of new tactics on the part of Vorster's regime in South Africa.

7. Above all, it is of the utmost importance that such a reassessment should have as its important prerequisite the maintenance and strengthening of unity and solidarity of Africa in confronting the new situation in Southern Africa. The enemies of Africa realise that this unity is the most powerful weapon in the continent's arsenal. It is that unity and solidarity which Vorster, with his collaborators and supporters, are attempting to undermine. Therefore Africa's urgent need to close its ranks in facing South Africa's new tactics becomes self-evident.

8. There are two main areas of conflict in Southern Africa. The first is the confrontation with colonialism. The second is the conflict with the system of apartheid which has rightly been declared by the United Nations as a crime against humanity. But whether we are dealing with the struggle against colonialism in Rhodesia or illegal occupation of Namibia or racist domination in South Africa, the main opponent of Africa is the same: the South African regime and the power it wields in the three areas. Thus the Southern African problem is firstly South Africa as a colonialist power, and secondly South Africa as a racist society.

9. The OAU's objectives in Rhodesia, Namibia and South Africa have never changed. These objectives flow from Africa's commitment to achieve the total independence on the basis of majority rule with respect to the two colonial territories. Concerning South Africa, the objective has been, and still is, the ending of *apartheid* and the total elimination of racial discrimination

While the strategies and tactics in the attainment of this objective may change from one situation to another and from time to time, the objective itself is constant and non-negotiable.

10. Africans cannot, and will never acquiesce in the perpetuation of colonial and/or racist oppression in their continent. That is why any talk of ***détente*** with the *apartheid* regime is such nonsense that it should be treated with the contempt it deserves. What the OAU requires is dismantling the institutions of oppression and repression against the non-white people by the racist minority. Otherwise, Vorster's outcries about *détente* can only have one meaning insofar as the situation within South Africa is concerned. And this is that free and independent Africa should co-exist with apartheid and thus acquiesce in the daily humiliation, degradation, oppression and repression of the African people in South Africa.

11. The OAU has on many occasions declared its desire and willingness to promote peaceful settlement to the problems of Southern Africa including that of South Africa. The Liberation Movements themselves have a long history of non-violent struggle. It is only the obduracy, intransigence and recalcitrance of the colonialist and racist regimes that forced them to resort to the armed struggle. Yet even at the eleventh hour, Africa proclaimed the Lusaka Manifesto in order to seek once again a possible solution. That Manifesto was unambiguous in asserting the OAU's preference to achieve freedom and human dignity for our continent by peaceful means. But the OAU has also made it clear that if peaceful progress toward its objective is blocked, Africa will support the armed struggle carried out by the people of the oppressed areas. This remains the unshakeable position of the African States as has been clearly declared in the Mogadishu Declaration.

OAU'S STRATEGY AGAINST COLONIALISM

12. In recent years OAU has adopted and carried out several strategies against colonialism. When in 1969, the racist and colonial regimes ignored the Lusaka Manifesto, the OAU member States adopted the Mogadishu Declaration in 1971 calling for the intensification of the armed struggle. This was followed by the Accra Strategy of 1973 concentrating on the liberation of the Portuguese colonies. The victory over Portuguese colonialism which vindicated the Accra Strategy led Africa, this year, to adopt the Dar es Salaam Declaration by which the OAU has resolved to take advantage of the victories achieved by the freedom fighters of Mozambique, Angola, Guinea Bissau and Cape Verde, Sao Tome and Principe for the advance of the freedom march further south with particular emphasis on the liberation of Zimbabwe and Namibia. The Extraordinary Session of the Council of Ministers while unequivocally reaffirming this Declaration, wishes to highlight the following:

13. The process of decolonisation has gained such momentum as to make it irreversible. The new situation now requires the OAU to retain the initiative in its own hands and intensify, not relax, the pressures on South Africa's apartheid regime which is now operating from a position of declining strength.

14. In South Africa lies the key to the complete decolonisation of Southern Africa. Therefore, the problem of the Liberation of Southern Africa must be examined within the context of a comprehensive strategy for the total liberation of the area, whilst recognising that the specific factors in the three territories concerned—Zimbabwe, Namibia and South Africa—may cause the Liberation Movements to adopt different tactics.

(*a*) *Zimbabwe*

15. The OAU's objective in Zimbabwe is independence on the basis of majority rule. This can be achieved either peacefully or by violent means. Either way, the OAU will lend its unqualified support to the freedom fighters led by their nationalist movement—the African National Council. As long as the objectives of majority rule before independence is not compromised, the OAU would support all efforts made by the Zimbabwe nationalists to win independence by peaceful means. This may mean a holding of a Constitutional Conference where the nationalist forces will negotiate with the Smith regime. If that takes place, the OAU has the duty to do everything possible to assist the success of such negotiations, until and unless the Zimbabwe nationalists themselves are convinced that talks with Smith have failed. In this event, the freedom fighters will have to intensify the armed struggle with the material, financial and diplomatic assistance of independent Africa.

16. In consideration of the OAU's objectives in Zimbabwe, it is important to properly evaluate fully the role of South Africa in that territory. South Africa has troops in Zimbabwe which help to maintain white minority rule. South Africa has frustrated the efforts of the international community by being the major sanctions buster. Both in its military and economic support of the Smith regime, South Africa continues to defy opposition by independent Africa and the United Nations. The apartheid regime must forthwith withdraw its military, political, and economic support to the minority regime.

17. While the OAU accepts the task of helping in genuine negotiations in order to facilitate the transfer of power to the African majority, it must remain absolutely vigilant and undertake the necessary preparations for the intensification of the armed struggle should peaceful solution in the Zimbabwe conflict be blocked.

18. The Council of Ministers expresses its satisfaction for the declaration of the ANC on the need for strengthening UNITY amongst the people of Zimbabwe as the most powerful weapon in their armoury in the struggle for immediate majority rule, and urges them to continue with vigilance employing the double-strategy of full preparedness for intensifying the armed struggle while at the same time exploring the possibilities for peaceful change.

(*b*) *Namibia*

19. The OAU and the United Nations' position on the question of Namibia is unequivocal. South Africa's continued occupation of that land is illegal and all member states of the United Nations are under obligation to refrain from doing anything which implies the legality of its administration. The OAU must fulfil strictly this obligation to abstain from any action which may be construed as recognition or acceptance of South Africa's right to be in Namibia.

20. The OAU and the United Nations hold the unity and territorial integrity of Namibia sacrosanct. Both organizations are working for the independence of the territory as a whole and are totally opposed to its fragmentation. Both organizations recognise SWAPO as the sole legitimate and authentic representative of the Namibian people. Despite the specific and unanimous demand of the Security Council, South Africa has not yet agreed to undertake withdrawing from Namibia. In fact the apartheid regime has consolidated its repressive rule in the territory and proceeded with its bantustanization.

21. The Council of Ministers reiterate their conviction that the only possible solution to the problem of Namibia lies in the implementation by South Africa of Security Council Resolution No. ——— of December 17, 1974. The African States considering that the Security Council by its own decision is scheduled to convene on or about the 30th May, 1975 to consider the question of Namibia, call upon the Council to take the necessary measures including those envisaged under chapter VII of the United Nations Charter with a view to effectively overcome South Africa's defiance and contempt of the United Nations decisions. In the absence of South Africa's willingness to terminate its illegal occupation of Namibia, the OAU must assist the national liberation movement of Namibia, SWAPO, to intensify the armed struggle in Namibia. SWAPO should also be supported in every way possible.

THE OAU STRATEGY ON APARTHEID

22. As regards South Africa, both the OAU and the United Nations are dedicated to the principle of full equality for all the people of the country, irrespective of race or colour. It is impossible for free Africa to acquiesce in the denial of human equality and human dignity which is represented by the philosophy and system of apartheid. Thus the OAU like the United Nations, opposes the regime in South Africa, not because it is white, but because it rejects and fights against the principles of human equality and national self-determination.

23. The OAU has repeatedly warned that the apartheid regime constitutes a serious threat to international peace and security. This threat assumes graver proportions as the apartheid regime feel insecure. Despite Vorster's claims at the end of last year that given six months or so the world would be surprised by the changes that would be initiated from within the apartheid republic, the situation has taken a turn for the worst as evidenced by the mass trial of students, the consolidation and strengthening of the "Bantustans" and the vast increase of South Africa's military budget. Clearly, Vorster's regime is not about to depart from the doctrine of apartheid. Indeed, if anything, Vorster's measures have been designed to strengthen the security of the system of apartheid within South Africa.

24. Confronted with this unabashed determination of the apartheid regime to maintain its white supremacist system, the OAU's responsibility is clear. We must ostracize, and urge the rest of the world to ostracize, the South African regime as at present organized. The OAU must maintain the economic, political and cultural boycott of South Africa. Free Africa and the United Nations must work in concert for the extension of the boycott. We must, in brief, work for the total isolation of the South African regime. There is no justification at all for changing this policy. Nor is there anything for free Africa to talk to the leaders of the apartheid regime in connection with their policies in South Africa.

25. If and when the leaders of the apartheid regime of South Africa decide to abandon this racist policy they should initiate discussion with the Liberation Movements of South Africa. The regime should immediately and unconditionally release the nationalist leaders Nelson Mandela and lift the restriction order on R. Sobukwe as well as hundreds of other nationalist leaders who are now in South Africa's jails or under restriction orders.

26. The Council of Ministers of the Organisation of African Unity resolutely reaffirms free Africa's total rejection of apartheid and all its manifestations, including any so-called "independent homelands" within South Africa. The puppet leaders of so-called homelands should be denied invitations to visit independent African States. The Council underscores the importance of all independent African States to remain firmly united in the policy of isolating South Africa and ostracizing its apartheid regime. The Council reiterates its support to the na-

tional liberation movements of South Africa in their struggle in all its forms. It also calls for the intensification of international efforts—with the cooperation of Governments, Inter-Governmental and non-Governmental organisations for the eradication of apartheid.

27. Uprecedented opportunities and challenges prevail in Southern Africa subsequent to the collapse of the 500-year Portuguese colonialism. Free Africa is determined to capitalise on the opportunities in order to bring closer the day when every inch of African soil will be free from colonial and racist domination. While being cognizant of the fact that South Africa stands as the final major obstacle to Africa's march to liberation, the Council of Ministers reaffirm their unflinching determination to realise the freedom and independence of Rhodesia and Namibia and the total destruction of apartheid and racial discrimination in South Africa.

28. The Council of Ministers, conscious of the important contribution made by African friends and supporters all over the world in its quest for the liberation of the continent, launches a fervent appeal to them or urging them to continue and intensify their support for *solidarity* with the liberation of Zimbabwe and Namibia as well as for the ending of the inhuman system or apartheid in South Africa.

CHEMICAL AND BIOLOGICAL WARFARE—BREAKTHROUGH IN DISARMAMENT TALKS NEEDED

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, there has been a lot of talk about negotiating a treaty on chemical warfare for the past several years at the Conference of the Committee on Disarmament at Geneva, but there has not been much movement forward. Without a breakthrough in disarmament talks, these weapons could be assimilated into world arsenals.

I would like to share with the Members an excellent article on the subject written by Dr. Julian Perry Robinson, one of the foremost experts in the world on this issue, from the Bulletin of the Atomic Scientists, May 1975. In order to reduce the length of the article for printing in the RECORD, the historical and detailed discussion of the process of assimilation has been removed. The article follows:

[From the Bulletin of the Atomic Scientists, MAY 1975]

THE SPECIAL CASE OF CHEMICAL AND BIOLOGICAL WEAPONS

(By J. P. Perry Robinson) *

The joint U.S.-Soviet communique from Moscow dated July 3, 1974, contains the following passage:

"Both sides reaffirmed their interest in an effective international agreement which would exclude from the arsenals of states such dangerous instruments of mass destruction as chemical weapons. Desiring to contribute to early progress in this direction, the USA and the USSR agreed to consider a joint initiative in the Conference of the Committee on Disarmament with respect to the conclusion, as a first step, of an international convention dealing with the most dangerous, lethal means of chemical warfare."

The reference to a "joint initiative" in the Conference of the Committee on Disarmament (CCD) might possibly be interpreted as a step forward when set against the corresponding passage in the U.S.-Soviet communique of June 25, 1973:

"Considering the important role which an effective international agreement with respect to chemical weapons would play, the two sides agree to continue their efforts to conclude such an agreement in cooperation with other countries."

But, in fact, the grounds for optimism are not strong. It is disturbing to learn, for example, of superpower agreement on a stepwise approach to the problem—on confining the "first step" to "the most dangerous, lethal" chemicals. And then there is the fact that the decision to go for any sort of chemical treaty was still pending in Washington (and probably still is), whatever the communique may have suggested to the contrary. To the extent that the consequence of this may be an undercutting of the Defense Department's stance in the U.S. National Security Council's consideration of the matter, there are grounds for optimism. But to the extent that the communique may be public-relations rhetoric, substituting for any real superpower interest in multilateral armaments limitation, there are also grounds for pessimism.

The fact of the matter is that when the National Security Council review of chemical weapons policy got under way earlier this year, the odds were heavily weighted against a policy outcome that favored any immediate, significant step further toward chemical disarmament. The best that could be hoped for was a decision against foreclosure on the disarmament option and against endorsement of the Army's plans to embark upon a new round of chemical weapons buying. This would allow time, hopefully, for the pro-disarmament faction in Washington, such as it is, to increase its strength, and for the Socialist countries in the CCD to formulate a more defensible position on the question of international verification. All in all, therefore, the prospects for rapid progress on chemical weapons at the CCD do not look bright.

Against this background it is useful to consider the long-term implications of a failure to reach an agreement on chemical weapons and, the opposite side of the same coin, the goals that should be established as the long-term objectives of a chemical disarmament agreement.

Elsewhere I have argued that the primary function of a chemical disarmament agreement should be to constrain proliferation.[1] I take the view that the threat to international security which would arise from nerve gas proliferation would greatly exceed the threat which is currently thought to exist in those few areas of the world where nerve gas weapons are at present deployed. In a paper I presented to the 1974 Pugwash chemical warfare workshop, I explored certain of the conceivable determinants of chemical proliferation, and here I seek to define and analyze one of these determinants, namely the process of assimilation.[2]

This paper, revised and updated, has now been published under the title "The United States Binary Nerve-Gas Programme: National and International Implications," ISIO Monograph No. 10 (University of Sussex, United Kingdom). It draws from earlier published works of mine, see especially SIPRI, *The Problem of Chemical and Biological Warfare* (Vols. I, II, and V; New York: Humanities Press, 1971–1973); and *CBW, An Introduction and a Bibliography* (Los Angeles, Calif.: California State University, Center for the Study of Armament and Disarmament, 1974).

INCENTIVES FOR ASSIMILATION

The incentives that might promote the assimilation of CB weapons can also be categorized as technological and psychological. As regards the latter, CB weapons are preeminently weapons of terror. Man's fear of poison and disease appears, on historical evidence alone, to be extremely deep-rooted so that exposure to CBW agents, or the threat of exposure, may elicit very powerful responses. A potential user of CB weapons might well suppose that these responses would act in his favor. He might even value them as an instrument of strategic blackmail or deterrence. The notion of CB weapons as "the poor man's atom bomb," particularly biological weapons, has been around for many years.

The technological incentives remain much as they were during World War I, with certain additions. Bulk dissemination of CBW agents provides a means for attacking large area targets; and airborne CBW agents can penetrate into spaces protected against physical attack. These are factors of some moment today, for the great weight of tactical firepower—nuclear and non-nuclear—now available has imposed doctrines of dispersed deployment in which ground forces are scattered over wide areas. On a weight-for-weight comparison, CBW agents could be considerably more potent than almost all military casualty agents, even fissionable materials. This suggests CBW agents could compensate for quantitative manpower inferiorities. The 'biospecific' character of CB weapons, namely their capacity for leaving inanimate objects largely intact, has certain obvious attractions both at a tactical and at a strategic level. And the recent emergence of incapacitating CBW agents, ones that cause predominantly nonfatal battle casualties, could provide a means for lessening some of the political costs of using armed force—a consideration which, on the civil front, leads police forces to use tear gas. The development of antiplant and, to a lesser extent, antianimal CB weapons adds a further dimension.

PSYCHOLOGICAL CONSTRAINT

It is conceivable that if rigorous analyses were made of all the technological constraints and incentives that would govern resort to CBW in particular war scenarios, with full regard paid to the capabilities of existing CBW technology, offensive and defensive, the balance of judgment might, in some scenarios, favor use of CB weapons. This is certainly something which the advocates of CB weapons have long claimed, not least before U.S. congressional appropriations committees. The details of the analyses have, however, usually been shielded from general scrutiny by security-clearance requirements. If, nonetheless, it is assumed that the analyses have been adequately founded and their conclusions reasonable, the question still remains as to why past advocacies of CB weapons have not been more successful. What other reasons are there for the relatively low level of military interest in CBW, and could they change with time?

The factors that seem to be at work here may be thought of as the psychological constraint. Whether in fact a psychological explanation for them is to be preferred over, say, a behavioral or a sociological one is a matter for further study. The most obvious expression of the psychological constraint is seen in the attitude that CBW is in some way dishonorable, impugning military codes of professional behavior, an attitude that still seems to be widespread in military circles. A second expression of this type of constraint is seen in the legal proscriptions that are associated with CBW. Since its earliest days, the use of CB weapons has been considered peculiarly reprehensible, a view that was embodied in Roman and in Islamic law, and which is retained in a more explicit form in the modern international law of armed conflict. The central element in the present-day legal proscription is the Geneva Protocol of 1925, an international treaty to which most states are parties. The Protocol outlaws use of CB weapons, but has nothing to say about their possession.

---

* Julian Perry Robinson, chemist, is a research fellow of the Science Policy Research Unit and of the Institute for the Study of International Organizations at the University of Sussex, England.

[1] J. P. Perry Robinson, Statement to Subcommittee on National Security Policy and Scientific Developments of the Committee on Foreign Affairs, U.S. House of Representatives, May 2, 1974. (The hearings of the Subcommittee have been published under the title *U.S. Chemical Warfare Policy*.)

[2] Robinson, "Binary Nerve Gas Weapons," paper presented to Pugwash Chemical Weapons Workshop, Helsinki, Feb. 1974; see, especially, pp. 99–42.

International law is closely bound up with public opinion, which it serves both to define and to direct. When opinion changes the law begins to weaken, but opinion on CBW seems to be as hostile as ever, despite recurrent attempts at modifying it. In the short term, these attempts have sometimes succeeded (as when the U.S. Army Chemical Warfare Service succeeded in blocking U.S. ratification of the Geneva Protocol in 1926), but opinion on CBW has always tended to revert to its former state. Considered on purely logical grounds, there is no convincing reason why CBW should be regarded as any less acceptable, or more acceptable, than other forms of warfare. There is undoubtedly an element of paradox in the degree of attention it has received from jurists. To say this is not to call into question their wisdom; rather, the irrationality of the situation, and its persistence in the face of rationalizing attempts by CBW advocates, indicates the strength of the underlying psychological and sociological factors.

LAWS OF ARMED CONFLICT

The record of international law in restraining wartime behavior is not impressive; the law has more often been the servant, not the master, of military expediency. In the case of CBW, however, the relevant law will remain a substantial restraint at least for as long as the appurtenances of CBW remain poorly assimilated by the military. More important, the law constitutes an obstacle against further assimilation.

Conversely, erosion of the law on CBW will facilitate assimilation. That is why the controversy regarding the legal status of herbicides and the sensory irritant agents, such as CS and the tear gases, has been so important. Largely as a result of their employment by the United States and allied forces in Indo-China, and subsequently by their adversaries, CS weapons are now the furthest advanced toward assimilation of all CB weapons. But the Vietnam-related efforts to reduce, through R&D, the technical and operational limitations of CS weapons, and to increase their military utility and attractions for regular combat forces, has inevitably meant a weakening of at least the technological constraint on the assimilation of all types of CB weapons. This, it should be noted was by no means an unintended consequence of the use of CS, and herbicides as well, in Vietnam.

During an interview, the U.S. Army Chief Chemical Officer was utterly explicit on this point: the Vietnam war provided a much needed opportunity for him to demonstrate the value of his wares to the Army at large, and for the Chemical Corps to secure that combat role which would enhance its status and protect it from bureaucratic repression in Washington. CS employment, chemical crop destruction and chemical defoliation were only three of many CBW proposals put forward by the Chemical Corps for the Vietnam war.

The Geneva Protocol of 1925 is the strongest available bastion against this particular process of assimilation. The fact that the United States has finally ratified it is therefore an event of the greatest importance, but it is exceedingly unfortunate that the Administration should have persisted in its view, against the advice of its jurists, that the Protocol does not cover herbicides and irritants. The Senate Foreign Relations Committee succeeded in bringing the Joint Chiefs of Staff to a compromise in the form of accepting as national policy certain restrictions on the first use of these agents. But there is a disturbing similarity between the way the restrictions are worded (no first use of irritants "except in defensive military modes to save lives") and the Pentagon's public statements about CS employment during the height of its Vietnam involvement. It is to be hoped that the Committee's further success in extracting from the Administration detailed clarifications for the public record will indeed constrain the military from future excesses. The Army's development program for its newest chemical irritant—the cycloheptatriene derivative known as EA 4923—will be watched with concern.

There is another locus of potential erosion. Since 1970, it has been the British government's position that although tear gases are covered by the Protocol, "CS and other such gases" are not. The decision to adopt this bizarre interpretation arose out of the exigencies of the situation in Northern Ireland (where CS weapons were being used), even though the Protocol is not applicable there. But since 1972, the British Army has been stockpiling weapons based on the newer, and more potent, agent CR (dibenz[*b,f*][1,4] oxazepine). The effects of CR are longer lasting than those of CS, and fall within the current U.S. definition of an incapacitating agent.

Whatever the present U.S. position may be on agent CS it does at least foreswear the first use in war of incapacitating agents. Yet, because in the British Defence Ministry's view CR is evidently subsumed within "CS and other such gases," the British government is apparently reserving the right, unless it withdraws its 1970 interpretation of the Protocol, to use incapacitating agents in war as well as the irritant agent CS.

ASSIMILATION AND CB DISARMAMENT

In 1972, after nearly four years of talks on CBW at the Conference of the Committee on Disarmament (CCD), the Biological Weapons Convention was opened for signature. It contains a commitment to negotiate further, and in good faith, for the elimination of chemical weapons. The fact that biological weapons were separated out from the CB weapons category can be understood in terms of assimilation. The practice of biological warfare is technologically more demanding than that of chemical warfare, and psychologically more disquieting.

Biological warfare agents have characteristics which are difficult to harness for offensive purposes, and which do not fit at all easily into military practice. In the case of the United States, biological weapons were the subject of an R&D program which became quite intense during the early 1960s. But, even so, not one device ever passed through acceptance trials by the U.S. Air Force, the potential user for whom they were least unsuited. The weapons seem to have come up against major technical problems, which there was no great incentive to have solved. The stockpiles and the production facilities of BW agents that were destroyed several years ago were in support of a development program that had already become moribund. Chemical weapons, in contrast, were less poorly assimilated, but the United States (and maybe other countries too) is not yet willing to forego their possession.

The suggestion here is that it is the extent to which a particular class of weapon has become assimilated which determines the prospects for its elimination via a partial disarmament agreement. The agreements on collateral measures which have been concluded so far would seem to bear this out, for they are directed against activities which the military has no particular wish to indulge in. Dispiriting though this conclusion may be, it has a practcal corollary: the long-term stability of a disarmament agreement will be determined by the extent to which it brings under control the pressures toward further assimilation.

Research and development activities are an obvious source of pressure in the case of chemical weapons. There are two particular areas of concern, neither of which have yet received the attention they deserve from the CCD.

The first is that of incapacitating agent research, because it is these agents that most threaten the psychological constraint on assimilation. Until rather recently the problem did not seem to have all that much urgency, largely because of the difficulties which the R&D teams concerned were likely to have in coming up with a militarily attractive agent. The importance which the U.S. Army attached in the early 1960s to the psychochemicals SN and BZ was soon shown to be unfounded; and the inclusion of toxins within the Presidential renunciations of 1969/70 precluded the further development of PG, a staphylococcal enterotoxin formulation. But it now seems that the U.S. Army has found a new and more attractive candidate, a percutaneously-active anticholinergic glycolate code-named EA–3834. This new psychochemical, whose specific attractions remain classified, and munitions for it, are now in the terminal stages of development.

The second area of concern is that of R&D on chemical warfare protection. Since it is unlikely, and probably undesirable, that a chemical agreement could ever be negotiated that proscribed antichemical countermeasures, the supporting R&D will presumably continue. Yet it is precisely from this type of work that several of the major developments in offensive CW techniques have in the past originated.

MILITARY DOCTRINE

Since use of chemical weapons is illegal, their continued stockpiling seems to imply a scant regard for the provisions of international law. But the laws of war derive what strength they have from the sanction of reprisal, so that as a retaliatory capability the stockpiles can be given a sort of justification. The fact that they are also available for initiation of CW, law or no law, is no doubt seen as an advantage by those who value a wide range of military options. It is seen as a disadvantage, and a reason for pursuing chemical disarmament, by those who see in this ambivalence a source of international mistrust and tension.

Clearly there are parallels to be drawn here with nuclear weapons, but they should not be taken too far. States that possess nuclear weapons have by now been forced to condition themselves into at least some degree of readiness to use the weapons. So, with greater or lesser reluctance, nuclear weapons have been accepted into military doctrine and the doctrine has been modified to accommodate them. Such is not yet the case with CB weapons. There is a school of thought among strategists which holds that CBW has an important role to play as an intermediate rung on the ladder of escalation, providing a firebreak option between conventional and nuclear war. But this is a precarious rationale, for the more rungs there are, the easier will the ladder be to climb. Current

British policy, for example, appears to envisage nuclear retaliation against CBW attack.

What also has to be kept in mind is the strong element of ex post facto rationalization that runs through much of military policy-making, both nuclear and non-nuclear. One of the effects of mobilizing science and technology in the service of national defense is that new weapons tend to appear before there is any obvious requirement for them. The technologies concerned have a momentum of their own, and so long as a thriving military technology is valued as an element of national security, military policy and doctrine must be elastic enough to accommodate it. This does not seem to have been an easy task in the case of CB weapons technology, which, at least in the United States, has long been outstripping military requirements; and the military authorities concerned, as distinct from the CBW advocates, have so far shown little enthusiasm for attempting it. When they have been forced to articulate a reasoned CB weapons policy, the doctrine of like-with-like deterrence has, for all its obvious shortcomings, been put forward. Time could well bring with it a very different attitude, if CB disarmament does not come about first. It is entirely conceivable that the march of progress within the R&D laboratories, and a loosening of the inhibitions about chemical and biological warfare, could promote wider assimilation of CB weapons and ultimately their acceptance as conventional weapons.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 218

Mr. ADAMS submitted the following conference report and statement on the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976:

CONFERENCE REPORT (H. REPT. No. 94–198)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total new outlays is $367,000,000,000;

(2) the appropriate level of total new budget authority is $395,800,000,000;

(3) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $68,820,000,000;

(4) the recommended level of Federal revenues is $298,180,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,400,000,000; and

(5) the appropriate level of the public debt is $617,600,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $86,600,000,000.

And the Senate agree to the same.

BROCK ADAMS,
JIM WRIGHT,
THOMAS L. ASHLEY,
ROBERT N. GIAIMO,
NEAL SMITH,
JAMES G. O'HARA,
SAM GIBBONS,
PARREN J. MITCHELL,
BUTLER DERRICK,
Managers on the Part of the House.
EDMUND S. MUSKIE,
WARREN MAGNUSON,
FRANK MOSS,
W. F. MONDALE,
ERNEST F. HOLLINGS,
ALAN CRANSTON,
HENRY BELLMON,
ROBERT DOLE,
J. GLENN BEALL, JR.,
PETE V. DOMENICI,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

OUTLAYS

The House resolution provided for total outlays in the amount of $368.213 billion. The Senate amendment provided for outlays in the amount of $365 billion. The conference report provides for total outlays in the amount of $367 billion.

BUDGET AUTHORITY

The House resolution provided for total new budget authority in the amount of $395.938 billion. The Senate amendment provided for new budget authority in the amount of $388.6 billion. The conference report provides for total new budget authority in the amount of $395.8 billion.

DEFICIT

The House resolution provided for a budget deficit in the amount of $70,032 billion. The Senate amendment provided for a deficit in the amount of $67.2 billion. The conference report provides for a budget deficit in the amount of $68.82 billion.

REVENUES

The House resolution provided for Federal revenues in the amount of $298.181 billion; and, to achieve that level, it provided that revenues should be decreased by $4.4 billion. The Senate amendment provided for Federal revenues in the amount of $297.8 billion. The conference report provides for Federal revenues in the amount of $298.180 billion; and, to achieve that level, provides that revenues should be decreased by $3.4 billion.

The conference substitute (1) accepts the House assumption that major provisions of the Tax Reduction Act scheduled to expire December 31, 1975, will be extended by the Congress, lowering revenues by $4.4 billion;

(2) accepts the House position with respect to raising additional revenues through enactment of tax reform legislation, but reduces from $3 billion to $1 billion the amount to be realized in Fiscal Year 1976; and (3) assumes that, as a result of recent tax collection experience, an additional $2 billion in revenues will be received during Fiscal Year 1976.

PUBLIC DEBT

The House resolution provided for a public debt level of $619.9 billion; and to achieve that level, provided that the temporary statutory limit on the public debt should be increased by $88.9 billion. The Senate amendment provided for a public debt level of $617.6 billion. The conference report provides for a public debt level of $617.6 billion; and that, to achieve that level, the temporary statutory limit on the public debt should be increased by $86.6 billion.

FUNCTIONAL CATEGORIES

The aggregate budget figures in the report represent the best judgment of the managers as to the appropriate levels of spending and income for fiscal 1976. That judgment could change if economic conditions change significantly between May and September, when the Senate and House Budget Committees will submit a Second Concurrent Resolution to set aggregate ceilings for fiscal 1976.

The functional category figures in this report are intended to serve as guidelines for the Congress, to explain the steps by which the conference reached the aggregate totals, and to provide a benchmark for the Second Concurrent Resolution. The estimates of the managers for budget authority and outlays in each functional category are as follows:

National defense (050)

The House Resolution assumes budget authority of $100.5 billion and outlays of $90.2 billion.

The Senate amendment assumes budget authority of $101.0 billion and outlays of $91.2 billion.

The Conference substitute assumes $100.7 billion in budget authority and $90.7 billion in outlays. This is an increase of $0.2 billion in budget authority and $0.5 billion in outlays above the House amounts and a decrease of $0.3 billion in budget authority and $0.5 billion in outlays below the Senate amounts. In arriving at these amounts, the managers considered and agreed to the following:

(a) If Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

(b) All funds requested for military assistance to Southeast Asia were deleted from fiscal 1976 estimates, including the outlay effect of the 1975 supplemental request.

(c) The balance of the reduction are the result of revised inflation estimates, reductions in program growth, and financial adjustments.

International affairs (150)

The House Resolution assumes budget authority of $4.7 billion and outlays of $5.0 billion.

The Senate Resolution assumes budget authority of $6.0 billion and outlays of $4.9 billion.

The Conference substitute assumes $4.9 billion in budget authority and $4.9 billion in outlays.

The conference substitute allows $0.2 billion in budget authority for the Special Financing Facility and assumes that the estimate for foreign economic assistance will be reduced by $0.9 billion in budget authority and $0.4 billion in outlays below the budget as submitted.

The managers agreed to the House level for foreign economic assistance, assuming major reductions in Indochina Postwar Reconstruction. The managers also agreed that token budget authority should be provided for the Special Financing Facility to indicate the Congress anticipate a legislative proposal for this purpose.

General science, space and technology (250)

The House Resolution assumes budget authority of $4.708 billion and outlays of $4.599 billion.

The Senate amendment assumes budget authority of $4.7 billion and outlays of $4.6 billion.

The House and Senate estimates were substantially the same. The managers agreed to the Senate's figures.

Natural resources, environment and energy (300)

The House Resolution assumes budget authority of $14.1 billion and outlays of $11.5 billion.

The Senate amendment assumes budget authority of $13.4 billion and outlays of $11.7 billion.

The Conference agreed to budget authority of $13.8 billion, and outlays of $11.6 billion.

Agriculture (350)

The House Resolution assumes budget authority of $4.3 billion and outlays of $1.8 billion.

The Senate amendment assumes budget authority of $4.3 billion and outlays of $2.0 billion.

The Conference agreed to the House estimates. By this action the Conference does not either include or exclude outlays for the farm bill recently vetoed, because the conferees assume that outlays in fiscal 1976 will be minimal if that bill or a similar bill becomes law.

Commerce and transportation (400)

The House resolution assumes budget authority of $11.0 billion and outlays of $18.5 billion.

The Senate amendment assumes budget authority of $9.5 billion and outlays of $16.6 billion.

The conference substitute assumes $11.3 billion in budget authority and $17.5 billion in outlays. The estimates include a total of $0.8 billion in outlays for small business, postal service and rail rehabilitation projects now being considered by the House-Senate conference on the Emergency Empolyment Appropriations Act of 1975. The estimates also contain $3.3 billion in budget authority to continue advance highway apportionments and $6.3 billion in highway outlays. Outlays of $0.4 billion are provided for housing legislation expected to pass in fiscal 1975. Funding for other rail improvement projects recommended by the Senate is included, with $600 million in budget authority and outlays. Other items include additions to the Administration's budget of $0.2 billion in budget authority and outlays for the Washington Metro; $0.2 billion in budget authority and outlays for Postal Service subsidies; and $0.3 billion in budget authority and $0.2 billion in outlays for additional small business loans.

Community and regional development (450)

The House resolution assumes budget authority of $10.8 billion and outlays of $9.0 billion.

The Senate amendment assumes budget authority of $6.0 billion and outlays of $6.6 billion.

The conference substitute assumes $11.0 billion in budget authority and $8.65 billion in outlays.

The House resolution assumes $5.0 billion in budget authority and $2.5 billion in outlays for accelerated public works programs. The Senate amendment did not include this assumption. Since the accelerated public works program is intended to provide economic stimulus, the Conference agreed to retain the House budget authority estimate and an outlay estimate of approximately $2.1 billion to be available either for an accelerated public works program or some other appropriate stimulative program that Congress may decide to enact, such as emregncy financial assistance to state and local governments.

Education, manpower and social services (500)

The House resolution assumes budget authority of $19.0 billion and outlays of $20.4 billion.

The Senate amendment assumes budget authority of $20.7 billion and outlays of $19.4 billion.

The conferees agree to budget authority of $19.0 billion and outlays of $19.85 billion in this function. These figures assumes that all programs in this function can be funded at least at their fiscal year 1975 funding level, the regular on-going programs be increased, and that the number of public service employment jobs also be increased. The conferees reached their decision with regard to public service employment in this function, which involves a reduction in the House estimate, in view of the job-creating effect of the $0.6 billion assumed in function 400 for rail assistance.

Health (550)

The House resolution assumes budget authority of $33.1 billion and outlays of $30.7 billion.

The Senate amendment assumes budget authority of $32.6 billion and outlays of $31.0 billion.

The Conferees agreed to the House figures.

Income security (600)

The House resolution assumes budget authority of $141.3 billion and outlays of $124.9 billion.

The Senate amendment assumes budget authority of $138.5 billion and outlays of $126.1 billion.

The conferees agreed to budget authority of $140.9 billion and outlays of $125.3 billion in this function.

This total includes $0.8 billion for the extension of emergency benefits for insured unemployed for an additional 13 weeks. It also assumes savings in fiscal year 1976 through legislative and administrative improvements in programs such as food stamps, aid to families with dependent children, and social security.

The managers intend that there be no cap on benefit increases as proposed in the President's budget. The managers intend that the resolution provide sufficient funds to extend both emergency benefits for the insured unemployed and also special unemployment assistance for the uninsured unemployed.

Veterans benefits and services (700)

The House Resolution assumes budget authority of $18.0 billion and outlays of $17.5 billion.

The Senate amendment assumes budget authority of $17.6 billion and outlays of $16.9 billion.

The Conference agreed to the House assumptions of $18.0 billion in budget authority and $17.5 billion in outlays for this function. The managers on the part of the Senate agreed to these figures because of the probability that Congress will reject Administration proposals to reduce the eligibility period for veterans' readjustment benefits and to require reimbursement from private health insurers for VA health care. The Senate amendment did not assume increases in budget authority and outlays for either. The House assumed $0.7 billion in budget authority and outlays for these probable expenditures to which the conferees agreed.

Law enforcement and justice (750)

The House resolution assumes budget authority of $3.291 billion and outlays of $3.363 billion.

The Senate amendment assumes budget authority of $3.3 billion and outlays of $3.4 billion.

The Conference agreed to the House figures, rounded to the nearest tenth of a billion dollars.

General government (800)

The House resolution assumes budget authority of $3.3 billion and outlays of $3.35 billion.

The Senate amendment assumes budget authority of $3.3 billion and outlays of $3.2 billion.

The conference committee agreed to $3.3 billion in budget authority, the same as the House and Senate estimates, but to $3.3 billion in outlays, $50 million below the House assumption and $100 million above the Senate assumption.

Revenue sharing and general purpose fiscal assistance (850)

The House resolution assumes budget authority of $7.305 billion and outlays of $7.249 billion.

The Senate amendment assumes budget authority of $7.3 billion and outlays of $7.2 billion.

Essentially, the assumptions of both houses were the same for this function, but the conference committee agreed to round out the House estimate to the nearest tenth of a billion dollars.

Interest (900)

The House resolution assumes budget authority of $35.0 billion and outlays of $35.0 billion.

The Senate amendment assume budget authority of $35.3 billion and outlays of $35.3 billion.

The Conference substitute provide $35.0 billion in budget authority and outlays, the same as the House estimate and $0.3 billion lower than the Senate estimate. If interest payments are lower due to changes in the economy, the conferees agreed, up to $100 million in outlays could be made available for education, manpower and social services, and for community and regional development, to be divided equally between the two functions.

Allowances

The House resolution assumes budget authority of $1.7 billion and outlays of $1.5 billion.

The Senate amendment assumes budget authority of $1.2 billion and outlays of $1.1 billion.

The Conference agreed to $1.4 billion in budget authority and $1.2 billion in outlays.

The conferees assume that the levels agreed upon are sufficient to cover civilian agency pay raises under existing law and outlays that may be required for humanitarian assistance for Indochina refugees, as well as other contingencies.

Undistributed offsetting receipts (950)

The House resolution assumes budget authority of —$16.193 billion and outlays of —$16.193 billion.

The Senate amendment assumes $16.2 billion in each case.

The conference substitute accepts the Senate estimate.

Both the House resolution and the Senate amendment assumed $4.0 billion in receipts from leases of mineral rights on the Outer Continental Shelf, rather than $8.0 billion estimated by the Administration.

BUDGET AUTHORITY AND OUTLAYS: FISCAL YEAR 1976

[In billions of dollars]

Function	Budget authority			Outlays		
	Senate	House	Conference	Senate	House	Conference
050—National defense	101.0	100.5	100.7	91.2	90.2	90.7
150—International affairs	6.0	4.7	4.9	4.9	5.0	4.9
250—General science, space, and technology	4.7	4.7	4.7	4.6	4.6	4.6
300—Natural resources, environment, and energy	13.4	14.1	13.8	11.7	11.5	11.6
350—Agriculture	4.3	4.3	4.3	2.0	1.8	1.8
400—Commerce and transportation	9.5	11.0	11.3	16.6	18.5	17.5
450—Community and regional development	6.0	10.8	11.0	6.6	9.0	8.65
500—Education, manpower and social services	20.7	19.0	19.0	19.4	20.4	19.85
550—Health	32.6	33.1	33.1	31.0	30.7	30.7
600—Income security	138.5	141.3	140.9	126.1	124.9	125.3
700—Veterans benefits and services	17.6	18.0	18.0	16.9	17.5	17.5
750—Law enforcement and justice	3.3	3.3	3.3	3.4	3.4	3.4
800—General government	3.3	3.3	3.3	3.2	3.4	3.3
850—Revenue sharing and general purpose fiscal assistance	7.3	7.3	7.3	7.2	7.2	7.2
900—Interest	35.3	35.0	35.0	35.3	35.0	35.2
Allowances	13.	1.7	1.4	1.1	1.5	1.2
950—Undistributed offsetting receipts	−16.2	−16.2	−16.2	−16.2	−16.2	−16.0
Total	388.6	395.9	395.8	365.0	368.2	367.0

Note: Details]may not add to totals due to rounding.

BROCK ADAMS,
JIM WRIGHT,
THOMAS L. ASHLEY,
ROBERT N. GIAIMO,
NEAL SMITH,
JAMES G. O'HARA,
SAM GIBBONS,
PARREN J. MITCHELL,
BUTLER DERRICK,
Managers on the Part of the House.
EDMUND S. MUSKIE,
WARREN MAGNUSON,
FRANK MOSS,
W. F. MONDALE,
ERNEST F. HOLLINGS,
ALAN CRANSTON,
HENRY BELLMON,
ROBERT DOLE,
J. GLENN BEALL, Jr.,
PETE V. DOMENICI,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BEDELL (at the request of Mr. O'NEILL), for Thursday, May 8, and today, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MYERS of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. DERWINSKI, for 5 minutes, today.

Mr. GUDE, for 10 minutes, today.

(The following Members (at the request of Mr. BRADEMAS) to revise and extend their remarks and include extraneous matter:)

Mr. NOWAK, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. METCALFE, for 5 minutes, today.

Mr. DIGGS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MYERS of Pennsylvania) and to include extraneous matter:)

Mr. FREY.

Mr. MYERS of Pennsylvania.

(The following Members (at the request of Mr. BRADEMAS) and to include extraneous material:)

Mr. WON PAT.

Mrs. COLLINS of Illinois.

Mr. HELSTOSKI in two instances.

Mr. EDWARDS of California.

Mr. ULLMAN in 10 instances.

Mr. ROSENTHAL.

Mr. EVANS of Indiana in 10 instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. BRADEMAS in five instances.

Mr. EVINS of Tennessee.

Mr. RODINO.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 240. An act to amend the act entitled, "An act granting a charter to the General Federation of Women's Clubs"; to the Committee on the Judiciary.

S.J. Res. 34. Joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as "National Hunting and Fishing Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 44. Joint resolution authorizing the President to proclaim September 28, 1975, as "National Indian Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 46. Joint resolution authorizing and requesting the President to issue a proclamation designating October 5–11, 1975, as "Newspaper Week" and also designating October 11, 1975, as "Newspaper Carrier Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 79. Joint resolution to authorize "National Shut-In Day"; to the Committee on Post Office and Civil Service.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on May 8, 1975, present to the President, for his approval, a bill of the House of the following title:

H.R. 25. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

ADJOURNMENT

Mr. BRADEMAS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until Monday, May 12, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

982. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to permit the recall to active duty of Rear Adm. J. Edward Snyder, Jr., upon retirement in a command status as the Oceanographer of the Navy; to the Committee on Armed Services.

983. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

984. A letter from the Assistant Secretary of Agriculture, transmitting the fourth annual report of the National Advisory Council on Child Nutrition, pursuant to 84 Stat. 213; to the Committee on Education and Labor.

985. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed funding criteria and reservation of funds for the Emergency School Aid Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

986. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed regulations governing insurance premiums charged under the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

987. A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting the annual report of the Corporation for calendar year 1974, pursuant to section 11 of Public Law 92–578, as amended; to the Committee on Interior and Insular Affairs.

988. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in aggregate market shares of nonbranded independent petroleum marketers for each month from January 1972, through December 1974, pursuant to section 4(c)(2)(A)(i) of the Emergency Petroleum

Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

989. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "All Electric Homes in the United States, 1974"; to the Committee on Interstate and Foreign Commerce.

990. A letter from the Chairman of the Board, United States Railway Association, transmitting a supplementary report to the preliminary system plan of the Association on the Erie Lackawanna Railway, pursuant to section 207(b)(2) of the Regional Rail Reorganization Act of 1973, as amended (89 Stat. 7); to the Committee on Interstate and Foreign Commerce.

991. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act [8 U.S.C. 1182(d)(6)]; to the Committee on the Judiciary.

992. A letter from the Chairman, Federal Maritime Commission, transmitting a draft of proposed legislation to amend sections 5, 6, 7, and 8 of the Intercoastal Shipping Act, 1933, to make public the financial reports of common carriers by water in interstate commerce and for other purposes; to the Committee on Merchant Marine and Fisheries.

993. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to modernize and simplify customs procedures, and for other purposes; to the Committee on Ways and Means.

994. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to provide for approval of sites for production and utilization facilities, and for other purposes; to the Joint Committee on Atomic Energy.

RECEIVED FROM THE COMPTROLLER GENERAL

995. A letter from the Comptroller General of the United States, transmitting a report on the need for the Defense Department to take specific action to increase the effectiveness of technical evaluations of contractors' noncompetitive price proposals; jointly to the Committees on Government Operations, and Armed Services.

996. A letter from the Comptroller General of the United States, transmitting a report on the need for the Environmental Protection Agency to establish and implement a value analysis program to reduce the costs of waste treatment plants funded under the Federal Water Pollution Control Act Amendments of 1972; jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 6755. A bill to enable the United States to render assistance to, or in behalf of, certain migrants and refugees; with amendment (Rept. No. 94197). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on May 8, 1975, the following conference report was filed on May 9, 1975*]

Mr. ADAMS: Committee of Conference. Conference report on House Concurrent Resolution 218 (Rept. No. 94–198). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. Gilman, Mr. Ottinger, Mr. Roybal, Mrs. Spellman, Mr. Krebs, Mr. Seiberling, Mr. Frenzel, Mr. Corman, Mrs. Meyner, and Mr. Matsunaga):

H.R. 6856. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia; to the Committee on the Judiciary.

By Mr. BRODHEAD:

H.R. 6857. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 6858. A bill to amend title XX of the Social Security Act to make it clear that Federal payments may be made thereunder for the training of personnel who are preparing for employment with State or local social services agencies as well as for the training or retraining of individuals already employed by such agencies; to the Committee on Ways and Means.

By Mr. MYERS of Pennsylvania (for himself, Mr. Scheuer, Mr. Won Pat, Mr. Bedell, Mr. Fisher, Mr. Frenzel, Mr. Young of Florida, Mr. Gibbons, Mr. Rees, Mr. Richmond, Ms. Schroeder, and Mr. Fraser):

H.R. 6859. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office; to the Committee on Post Office and Civil Service.

By Mr. ULLMAN:

H.R. 6860. A bill to provide a comprehensive national energy conservation and conversion program; to the Committee on Ways and Means.

By Mr. RHODES (for himself, Mr. Young of Florida, Mr. Haley, Mr. Johnson of California, Mr. Winn, Mr. Gradison, Mr. Regula, Mr. Horton, Mr. Roe, Mr. Long of Maryland, Mr. Davis, Mr. Eilberg, Mr. Ottinger, Mrs. Holt, Mr. Forsythe, Mr. Sikes, Mr. Whitehurst, Mr. Hyde, Mr. Conte, Mr. Price, Mr. Beard of Rhode Island, Mr. Quillen, Mr. Bafalis, Mr. Treen, and Mr. Waggonner):

H.J. Res. 450. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

131. The SPEAKER presented a memorial of the Legislature of the State of Tennessee, relative to redesignating November 11 as Veterans Day; to the Committee on Post Office and Civil Service.

PETITIONS, ETC.

Under clause 1 of rule XXII,

122. The SPEAKER presented a petition of Edward E. Kubista, Owatonna, Minn., relative to unclaimed Federal grants; to the Committee on Government Operations.

EXTENSIONS OF REMARKS

RESOLUTION URGING CONGRESS TO DESIGNATE THE HOUSATONIC RIVER STUDY

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. MOFFETT. Mr. Speaker, I recently introduced legislation that would add Connecticut's Housatonic River to the list of rivers to be studied for possible inclusion in the Wild and Scenic Rivers System. I am pleased to submit, a resolution passed by the New Milford Conservation Commission which urges the passage of this legislation for the protection of this threatened river:

RESOLUTION URGING CONGRESS TO DESIGNATE THE HOUSATONIC RIVER FOR STUDY

Resolved by this—

Whereas, the Housatonic River possesses unique scenic, ecological, scientific, historic, recreational, and ther values contributing to public enjoyment, inspiration, and scientific study; and

Whereas, it is in the best interest of the citizens of the United States for the United States to take action to conserve and preserve such values for present and future generations; and

Whereas, the Housatonic River is seriously threatened by pollution and uncontrolled development; and

Whereas, time is running out on many of our great natural resources, including the Housatonic River; and

Whereas, Congress has provided a means in the Wild and Scenic Rivers Act, P.L. 90–542 to preserve and protect the Housatonic River and its unique natural attributes.

Now, therefore, be it resolved that the Congress of the United States is urged to designate the Housatonic River between the Massachusetts-Connecticut boundary and the confluence of the Shepaug River for study for inclusion in the national system of "Wild and Scenic Rivers" by amending Section 5(a) of P.L. 90–542. We favor all steps necessary to assure the Housatonic River's preservation and protection henceforth.

ENERGY LEGISLATION

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. ULLMAN. Mr. Speaker, as you know, we have been working long, hard days in the Ways and Means Committee to draft legislation which will properly and equitably address the extremely serious energy situation our Nation faces. Because of the great interest in this matter and the need for Members to examine in detail our proposals, I am including the text of the revised energy bill in the RECORD. The text follows:

H.R. 6860

A bill to provide a comprehensive national energy conservation and conversion program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Conservation and Conversion Act of 1975".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Amendment of 1954 Code.

TITLE I—IMPORT TREATMENT OF OIL

Sec. 101. Statement of purpose.

PART I—QUOTAS

Sec. 111. Imposition of quantitative restrictions.
Sec. 112. Establishment of import licensing system.

PART II—DUTIES

Sec. 121. Rates of duty on oil.

PART III—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

Sec. 131. Import restrictions and rates of duty to be reflected in the Tariff Schedules of the United States.
Sec. 132. Annual reports.
Sec. 133. Definitions.

PART IV—OFFICE OF PETROLEUM IMPORT LICENSING AND PURCHASING

Sec. 141. Establishment of office.
Sec. 142. Functions of the Deputy Administrator.
Sec. 143. Conforming amendment.

PART V—AUTHORITY FOR FEDERAL PURCHASE AND SALE OF IMPORTS OF OIL

Sec. 151. Presidential determination of need for Federal purchase and sale of oil imports.
Sec. 152. Plan for system for the Federal purchase and sale of oil imports.
Sec. 153. Congressional action with respect to proposed plans.

TITLE II—GASOLINE CONSERVATION PROGRAM

PART I—ENERGY CONSERVATION TAXES

Sec. 211. Gasoline conservation tax.
Sec. 212. Special motor vehicles fuels conservation taxes.
Sec. 213. Floor stocks taxes; technical and conforming amendments.

PART II—CREDITS, ETC., RELATING TO ENERGY CONSERVATION TAXES

Sec. 221. Credit for personal use of gasoline.
Sec. 222. Credit for use of gasoline and special fuels in businesses or in work-related travel.
Sec. 223. Repayment of gasoline and special fuels conservation taxes in case of certain uses.

PART III—MISCELLANEOUS

Sec. 231. Technical amendments with respect to certain trust funds.

TITLE III—OTHER ENERGY CONSERVATION PROGRAMS

PART I—AUTOMOBILE FUEL EFFICIENCY TAX

Sec. 311. Automobile fuel efficiency tax.

PART II—INTERCITY BUSES, RADIAL TIRES, AND REFINED OIL

Sec. 321. Repeal of excise tax on buses used in intercity public transportation.
Sec. 322. Repeal of excise tax on radial tires.
Sec. 323. Rerefined lubricating oil.

PART III—TAX INCENTIVES FOR CERTAIN ENERGY-RELATED IMPROVEMENTS OF BUILDINGS

Sec. 331. Insulation of principal residence.
Sec. 332. Residential solar energy equipment.

TITLE IV—ENERGY CONSERVATION AND CONVERSION TRUST FUND

Sec. 411. Establishment of Energy Conservation and Conversion Trust Fund.
Sec. 412. Expenditures from Trust Fund for energy projects and programs.
Sec. 413. Energy Conservation and Conversion Trust Fund Review Board.

TITLE V—ENCOURAGING BUSINESS CONVERSION FOR GREATER ENERGY SAVINGS

PART I—BUSINESS USE OF PETROLEUM AND PETROLEUM PRODUCTS

Sec. 511. Excise tax on business use of petroleum and petroleum products.

PART II—AMORTIZATION FOR CERTAIN ENERGY-RELATED PROPERTY

Sec. 521. Amortization of qualified energy use property.
Sec. 522. Amortization of qualified railroad equipment.
Sec. 523. Amendments relating to amortization of certain railroad rolling stock.
Sec. 524. Technical and conforming amendments.

PART III—TAX CREDIT CHANGES RELATING TO ENERGY CONSERVATION

Sec. 531. Changes in investment credit relating to insulation, solar energy, and air conditioning.
Sec. 532. Generating facilities powered by petroleum and petroleum products.
Sec. 533. Recycling tax credit.

SEC. 3. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—IMPORT TREATMENT OF OIL

SEC. 101. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to reduce the dependence of the United States on foreign oil by imposing restrictions on imports of oil so as to reduce such imports as rapidly as practicable without contributing to serious economic dislocation,

(2) to decrease imports of oil so that not later than 1985 the amount of such imports should not exceed 25 percent of the amount of domestic oil consumption, and

(3) to place the United States, as soon as practicable, in a position to deal with any oil embargo by foreign nations through a combination of any strategic reserve for oil which may be provided by law, other available sources of oil, and economies in the domestic consumption of oil which may be effectuated. The purpose of this title is to be certain that oil conservation which is obtained under this Act results in the reduction of oil imports and not in the reduction of domestic oil production.

PART I—QUOTAS

SEC. 111. IMPOSITION OF QUANTITATIVE RESTRICTIONS.

(a) QUANTITATIVE RESTRICTIONS.—Except as otherwise provided in this section, the maximum average daily quantity of petroleum and petroleum products which may be imported into the United States shall be determined in accordance with the following table:

Calendar year:	Maximum average daily number of barrels (in millions)
1975	6.0
1976	6.0
1977	6.5
1978	6.0
1979	5.5
1980 and thereafter	5.5

In the case of the calendar year 1975, this subsection shall apply only with respect to articles entered or withdrawn from warehouse for consumption on or after the first day on which the import licensing system established under section 112 takes effect.

(b) AUTHORITY TO VARY SCHEDULE.—

(1) IN GENERAL.—Whenever the President determines that, by reason of variations in domestic consumption caused by economic factors or the weather, by reason of delays in obtaining domestic production of oil or in achieving oil conservation goals, or by reason of other similar factors, it is in the national interest to vary the average daily quantity of oil which may be imported during any period, he shall appropriately modify the figure set forth in subsection (a) applicable to such period.

(2) LIMITATION.—Any modification under this subsection for any period may not change the maximum average daily number of barrels of petroleum and petroleum products which may be imported into the United States during any calendar year to a quantity which is above or below the figure for such calendar year set forth in subsection (a) by more than—

(A) in the case of 1975, 1976, or 1977, 1,000,000 barrels a day,

(B) in the case of 1978 or 1979, 1,500,000 barrels a day, or

(C) in the case of a calendar year after 1979, 2,000,000 barrels a day.

(c) SAVINGS IN DOMESTIC CONSUMPTION TO BE REFLECTED IN REDUCTIONS IN IMPORTS.—The President shall establish quantitative restrictions lower than the quantitative restrictions set forth in subsection (a) to the extent necessary to ensure that savings in United States consumption of oil will be fully reflected by at least equivalent reductions in the imports of oil.

(d) PETROCHEMICAL FEEDSTOCKS.—For purposes of the quantitative restrictions imposed pursuant to this section, petrochemical feedstocks shall not be counted against the maximum average daily number of barrels of petroleum and petroleum products which may be imported into the United States.

(e) NEEDS OF GEOGRAPHICAL AREAS AND INDUSTRIES FOR PARTICULAR PRODUCTS TO BE TAKEN INTO ACCOUNT.—The President shall divide any quantitative restrictions imposed pursuant to this section for any period among petroleum and petroleum products where such division is necessary to avoid substantial adverse impact on the various economic and health needs of geographical areas and industries within the United States.

(f) CERTAIN DISTILLATE AND RESIDUAL FUEL OILS IMPORTED FOR USE AS FUEL.—

(1) MINIMUM QUANTITIES IMPORTED BEFORE 1978.—Nothing in this section shall prevent the importation into the United States for

use as fuel (other than for the propulsion of motor vehicles) of distillate fuel oil and residual fuel oil (provided for in item 475.05 or 475.10 of the Tariff Schedules of the United States) in average daily quantities which are equal to 2,000,000 barrels per day in the years 1975, 1976, and 1977, of which not more than 400,000 barrels per day in any such year may be for such distillate fuel oil.

(2) Coordination with subsection (a).—Any quantities of distillate fuel oil and residual fuel oil referred to in paragraph (1) which are imported into the United States during any calendar year before 1978 and which are not greater than the applicable minimum quantities set forth in paragraph (1) shall be charged against the quantitative restrictions set forth in subsection (a) which apply for such year.

(g) Application of Quantitative Restrictions.—No quantitative restriction imposed pursuant to this section shall apply with respect to any quantity of oil which is imported into the United States during any period for storage in any strategic reserve for oil which may be provided by law.

(h) Quarterly Review of Quantitative Restrictions.—Not less frequently than once each calendar quarter, the President shall review the quantitative restrictions established by subsection (a) and any modifications made pursuant to subsections (b) and (c).

(i) Proclaiming of Quantitative Restrictions, Certifications.—

(1) Quarterly proclamation of quantitative restrictions.—Before the beginning of each calendar quarter, the President shall proclaim the aggregate quantities of petroleum and petroleum products which under subsection (a) may be imported into the United States during such calendar quarter (as modified pursuant to subsections (b) and (c)).

(2) Certification.—The President shall certify any modification made under subsection (b) or (c) to the Secretary of the Treasury and to the Deputy Administrator for Petroleum Import Licensing and Purchasing.

(j) Administration.—The Secretary of the Treasury shall take such actions under the customs laws of the United States as may be necessary and appropriate to ensure that the aggregate quantities of oil imported into the United States during any period do not exceed the quantities established by subsection (a) as modified pursuant to subsections (b) and (c).

Sec. 112. Establishment of Import Licensing System

(a) In General.—Before December 31, 1975, the President shall establish an import licensing system for petroleum and petroleum products which are imported into the United States. Import licenses issued under this subsection shall be distributed on the basis of public auctions in which bidding is by sealed bids, and such licenses shall be fully marketable.

(b) Separate Licenses for Small Refiners and Independent Marketers.—

Sec. 112. Establishment of Import Licensing System

(A) The President shall establish a separate import licensing system for small refiners and independent marketers of petroleum or petroleum products. Except as provided in subparagraph (B), import licenses issued under this subsection shall be distributed on the basis of public auctions in which bidding is by sealed bids. Import licenses issued under this subsection shall not be marketable; except that, under the circumstances and to the extent provided by regulations, they may be resold to the Deputy Administrator for Petroleum Import Licensing and Purchasing.

(B) In any case in which any small refiner or independent marketer establishes to the satisfaction of the Deputy Administrator for Petroleum Import Licensing and Purchasing—

(i) that he has made reasonable efforts to secure the import licenses necessary to carry out his business at its regular level of operation but has not been able to secure such licenses, or

(ii) that the destruction of, or damage to, any of his business facilities or any other emergency situation requires that he be issued import licenses in order to continue his business operation,

the Deputy Administrator may issue one or more import licenses to such refiner or marketer. The price for import licenses issued under this subparagraph shall be the average price for import licenses established at public auctions conducted pursuant to subsection (a).

(2) Small refiner and independent marketer defined.—For purposes of this section—

(A) Small refiner.—The term "small refiner" means a refiner whose total refinery capacity (including the refinery capacity of any person who controls, is controlled by, or is under common control with such refiner) does not exceed 50,000 barrels per day.

(B) The term "independent marketer" means a person who is engaged in the marketing or distributing of refined petroleum products, but who (i) is not a refiner, and (ii) is not a person who controls, is controlled by, is under common control with, or is affiliated with a refiner (other than by means of a supply contract).

(c) Procedures for Licensing System.—

(1) In general.—The Administrator of the Federal Energy Administration shall establish procedures for the administration of this section through the promulgation of regulations.

(2) Regulations for subsections (a) and (b).—The regulations promulgated under this section with respect to subsections (a) and (b) shall include provisions authorizing the Deputy Administrator for Petroleum Import Licensing and Purchasing—

(A) to schedule frequent auctions during each calendar quarter;

(B) to require that the bidding be for small units, but to permit persons to bid for a number of units;

(C) to establish a maximum limit on the number of units which may be acquired by related persons during any period;

(D) to establish a time limit on the period during which the rights under any import license may be exercised;

(E) to reject bids—

(i) where there is evidence of collusion as to the bidding or as to failure to bid, or

(ii) where such bids are substantially below the market price which exists for the resale of import license;

(F) to deal with identical high bids for any unit by rejecting all bids, by awarding the unit to the high bidder who has acquired fewer units during a specified period than any other high bidder, or otherwise; and

(G) to bar from acquiring or using import license issued pursuant to subsection (a) or (b) persons convicted of committting any felony or misdemeanor under the laws of the United States governing oil imports, oil allocations, or price controls on oil, and to provide procedures for removing such bar in appropriate cases.

(3) Additional regulations for subsection (b).—In addition to the regulations referred to in paragraph (2), the regulation promulgated under this section shall include provisions—

(A) to ensure that small refiners and independent marketers applying for import licenses under subsection (b) are bona fide refiners or bona fide marketers who have established distribution channels, and

(B) to limit import licenses under subsection (b) to such additional amounts of petroleum or any petroleum product as may be necessary to ensure that—

(i) any small refiner can operate his refineries at capacity; and

(ii) any independent marketer can adequately supply his regular distribution channels.

(d) President May Require User of Import Licenses To Report Country of Origin.—If the President finds such action to be necessary or appropriate to the national interest, the President may require each person importing petroleum or a petroleum product into the United States under an import license issued pursuant to this section to report to the Deputy Administrator for Petroleum Import Licensing and Purchasing the foreign country of which such petroleum or petroleum product is a product.

(e) Refineries Located in the Possessions, Etc.—The President shall take such steps as may be necessary to ensure that refineries located in the territories and possessions of the United States and foreign trade zones of the United States will participate in all appropriate aspects of the provisions of this title upon terms not less favorable than those accorded to refineries and importers of petroleum products located in the customs territory of the United States. Nothing in this subsection shall be treated as removing any quantitative restriction of duty imposed by or pursuant to this title.

Part II—Duties

Sec. 121. Rates of Duty on Oil.

(a) Statutory Rates of Duty.—Effective with respect to articles entered or withdrawn from warehouse for consumption on or after the 60th day after the date of the enactment of this Act—

(1) the rate of duty with respect to petroleum shall be 2 percent ad valorem; and

(2) the rate of duty with respect to any petroleum product described in section 133 (a)(3) shall be 5 percent ad valorem.

Such rates of duty shall replace the rates of duty heretofore provided by, or pursuant to, law.

(b) Authority To Adjust Rates of Duty.—Subject to limitations set forth in subsections (c) and (d), the President may make, from time to time, such adjustments in the rates of duty established by subsection (a), and in the rates of duty resulting from adjustment under this subsection, as he finds are necessary to carry out the purposes of this Act in the light of overall considerations of the national interest; except that the President may not make any adjustment under this subsection before the close of the 2-year period beginning on the date of the enactment of ths Act which results in a rate of duty of more than 5 percent ad valorem on any distillate fuel oil or residual fuel oil (provided for in item 475.05 or 475.10 of the Tariff Schedules of the United States) imported for use as fuel (other than for the propulsion of motor vehicles).

(c) Limitations on Adjustments.—No adjustment made under subsection (b) to any rate of duty may result in a rate of duty which—

(1) is more than the higher of 10 percent ad valorem or $1 a barrel, or

(2) is less than 2 percent ad valorem.

(d) Adjustments Increasing Rates of Duty.—

(1) SUBMISSION OF ANY PROPOSED INCREASE IN DUTY TO THE CONGRESS.—The President shall transmit to the House of Representatives and to the Senate on the same day, and to each House while it is in session, a document setting forth any adjustment which he proposes to make under subsection (b) which increases any rate of duty.

(2) TAKING EFFECT OF ANY SUCH INCREASE.—No adjustment proposed to be made under subsection (b) which increases any rate of duty may take effect sooner than the close of the 60th day after the day on which the document relating to such adjustment is delivered to Congress under paragraph (1).

(e) PROCLAIMING OF ADJUSTMENTS TO RATES OF DUTY.—Subject to the provisions of section (d), the President shall proclaim any adjustment to any rate of duty made by him under subsection (b).

(f) COORDINATION WITH OTHER LAWS.—

(1)(A) Section 232(b) of the Trade Expansion Act of 1962 (relating to national security) is amended by adding at the end thereof the following new sentence: "Nothing in this subsection shall be deemed to authorize the Presidnt, after the date of the enactment of this sentence, to adjust imports of petroleum and petroleum products; except that the President may adjust imports of petroleum and petroleum products during any period in which—

"(1) the Congress declares war,

"(2) United States Armed Forces are introduced into hostilities pursuant to specific statutory authorization,

"(3) a national emergency is created by attack upon the United States, its territories or possessions, or its Armed Forces, or

"(4) United States Armed Forces are introduced into such hostilities, situations, or places, or are enlarged in any foreign nation, under circumstances which require a report by the President to the Congress pursuant to section 4(a) of the War Powers Resolution (50 U.S.C. 1453(a)),

but any adjustment made pursuant to this exception shall not apply with respect to articles entered or withdrawn from warehouse for consumption on or after the 60th day after the closing date of the hostilities concerned."

(B) Effective with respect to articles entered or withdrawn from warehouse for consumption on or after the 60th day after the date of the enactment of this Act, no adjustment action taken under section 232 (b) of the Trade Expansion Act of 1962 before such date of enactment shall have any force or effect with respect to petroleum or any petroleum product.

(2) Section 101 of the Trade Act of 1974 shall not apply to any rate of duty established by, or to any adjustment of any rate of duty made under, this section.

(3) Petroleum and petroleum products shall not be designated by the President as eligible articles for purposes of title V of the Trade Act of 1974.

PART III—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

SEC. 131. IMPORT RESTRICTIONS AND RATES OF DUTY TO BE REFLECTED IN THE TARIFF SCHEDULES OF THE UNITED STATES.

The President shall by proclamation establish a new part 4 in the Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202) and shall reflect therein any quantitative restriction established by part I and any rate of duty established by part II and any modification of any quantitative restriction and adjustment to any rate of duty made by him under part I or II.

SEC. 132. ANNUAL REPORTS.

On or before March 15, 1976, and on or before March 15 of each year thereafter, the President shall make a full and complete report to the Congress on the operation of this Act. Each such report shall include full and complete information with respect to the economies in the domestic consumption of oil which have been effectuated, the increases in domestic production of oil which have taken place, the factors taken into account in making any modification under subsection (b) or (c) of section 111, and any other information which may be appropriate in assessing the way in which the provisions of this Act are being administered.

SEC. 133. DEFINITIONS.

(a) IN GENERAL.—For purposes of this title—

(1) The term "oil" means petroleum and petroleum products.

(2) The term "petroleum" means crude petroleum provided for in item 475.05 or 475.10 of the Tariff Schedules of the United States.

(3) The term "petroleum product" means any article provided for in part 10 of schedule 4 of the Tariff Schedules of the United States, other than petroleum, natural gas provided for under item 475.15, greases provided for under item 475.55 or 475.60, and mixtures of hydrocarbons in other than liquid form provided for under item 475.70.

(b) ADDITIONAL ARTICLES MAY BE TREATED AS PETROLEUM PRODUCTS FOR PURPOSES OF QUANTITATIVE RESTRICTIONS.—For purposes of this title (other than section 121), the term "petroleum products" may include, but only if the President proclaims such inclusion to be necessary to carry out the purposes of this Act, one or more of the following articles:

(1) Coal tar articles (benzene, cumene, toluene, and xylene) provided for under item 401.10, 401.26, 401.72, or 401. 74 of such Schedules.

(2) Mixtures, consisting wholly of two or more of the coal tar articles referred to in paragraph (1), provided for under item 401.80.

(3) Hydrocarbons provided for under item 429.50 or 429.52.

PART IV—OFFICE OF PETROLEUM IMPORT LICENSING AND PURCHASING

SEC. 141. ESTABLISHMENT OF OFFICE.

(a) IN GENERAL.—There is hereby established within the Federal Energy Administration the Office of Petroleum Import Licensing and Purchasing (hereinafter in this title referred to as the "Office").

(b) ADMINISTRATION.—The Office shall be headed by a Deputy Administrator for Petroleum Import Licensing and Purchasing (hereinafter in this title referred to as the "Deputy Administrator") who, in the performance of his duties under this title, shall be under the supervision of the Administrator of the General Energy Administration.

SEC. 142. FUNCTIONS OF THE DEPUTY ADMINMINISTRATOR.

The Deputy Administrator shall—

(1) administer the import licensing system established under section 112; and

(2) administer the provisions of part V (relating to the Federal purchase and sale of imports of petroleum and petroleum products).

SEC. 143. CONFORMING AMENDMENT.

Section 4(c) of the Federal Energy Administration Act of 1974 is amended to read as follows:

"(c) There shall be in the Administration three Deputy Administrators (one of whom shall be the Deputy Administrator for Petroleum Import Licensing and Purchasing), who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314)."

PART V—AUTHORITY FOR FEDERAL PURCHASE AND SALE OF IMPORTS OF OIL

SEC. 151. PRESIDENTIAL DETERMINATION OF NEED FOR FEDERAL PURCHASE AND SALE OF OIL IMPORTS.

Whenever the President determines that the goals of reducing United States dependency on imports of petroleum and petroleum products and the securing of adequate supplies of such imports at reasonable and stable prices will be promoted through the implementation of a system under which all, or a portion, of such imports will be purchased or otherwise acquired, and sold, by the Office, he may, subject to the provisions of this part, implement such a system.

SEC. 152. PLAN FOR SYSTEM FOR THE FEDERAL PURCHASE AND SALE OF OIL IMPORTS.

(a) IN GENERAL.—If the President determines that the system referred to in section 151 should be implemented, he shall, acting through the Deputy Administrator, prepare and submit to the Congress a plan for the establishment and administration of such system, together with the text of any Executive order or regulation proposed to be issued to implement such plan.

(b) PLAN OBJECTIVES.—The plan required to be prepared under subsection (a) shall include such provisions as are necessary and appropriate to achieve the following objectives:

(1) The Office, subject to such quantitative restrictions as may be imposed pursuant to section 111, shall purchase petroleum and petroleum products for importation into the United States at the lowest prices obtainable on the basis of competitive bidding; except that the President may direct, after taking into account the need for obtaining petroleum and petroleum products from secure foreign sources and such other factors as he deems appropriate to the national interest, that quantities of petroleum and petroleum products be purchased or otherwise acquired by the Office through other means, including—

(A) negotiated purchaser from any foreign country; and

(B) exchange of United States products for petroleum or petroleum products of any foreign country.

(2) The Office shall sell petroleum and petroleum products purchased or otherwise acquired by it to private and public persons and entities within the United States in such manner, and under such terms and conditions, as it deems necessary and appropriate.

(3) The plan shall be phased into full operation in such such stages, and over such period of time, as the President determines to be necessary to ensure that the Office will efficiently perform its functions under the plan with a minimum of disruption to existing market mechanisms.

(4) The plan may provide for the orderly phasing out of all or part of the import licensing system established under section 112.

SEC. 153. CONGRESSIONAL ACTION WITH RESPECT TO PROPOSED PLANS.

(a) IMPLEMENTATION OF PLANS SUBJECT TO CONGRESSIONAL DISAPPROVAL.—

(1) IN GENERAL.—Any plan prepared by the President pursuant to section 152 shall take effect if (and only if)—

(A) the President transmits to the House of Representatives and to the Senate a copy of the plan (together with the text of any Executive order or regulation proposed to be issued to implement such plan); and

(B) before the close of the first period of 30 calendar days of continuous session of the Congress after the date on which the copy of the plan referred to in subparagraph (A) is delivered to the House of Representatives and to the Senate, neither the House of Representatives nor the Senate adopts by an affirmative vote of the majority of those present and voting in that House a resolution of disapproval.

(2) COMPUTATION OF 30-DAY PERIOD.—For purposes of paragraph (1) (B) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period.

(3) RESOLUTION OF DISAPPROVAL.—For purposes of this section, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the ———— does not favor the taking effect of the proposed plan prepared pursuant to section 152 of the Energy Conservation and Conversion Act of 1975, transmitted to the Congress by the President on ————", the first blank space therein being filled with the name of the resolving House and the second blank space therein being filled with the day and year.

(b) PROCEDURE IN EACH HOUSE—

(1) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(2) (A) If the committee to which a resolution of disapproval has been referred has not reported it at the end of 7 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution of disapproval which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution of disapproval.

(3) (A) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(4) (A) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(5) Whenever the President transmits copies of any proposed plan to the Congress, a copy of each plan shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(6) This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval described in subsection (a) (3); and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

TITLE II—GASOLINE CONSERVATION PROGRAM

PART I—ENERGY CONSERVATION TAXES

SEC. 211. GASOLINE CONSERVATION TAX.

(a) GENERAL RULE.—Part III of subchapter A of chapter 32 (relating to petroleum products) is amended by redesignating subparts B and C as subparts C and D, respectively, and by inserting after subpart A the following new subpart:

"Subpart B—Gasoline Conservation Tax

"SEC. 4086. IMPOSITION OF TAX.

"(a) GENERAL RULE.—

"(1) IMPOSITION OF 3 CENTS A GALLON TAX.—In addition to any tax imposed by section 4081, there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

"(2) TAX TO BE DEPOSITED IN TRUST FUND.—For provisions for depositing amounts of the tax imposed by this section in the Energy Conservation and Conversion Trust Fund, see section 411(b) of the Energy Conservation and Conversion Act of 1975.

"(b) INCREASE IN RATE IF CONSERVATION GOALS ARE NOT REALIZED.—

"(1) DETERMINATION OF DOMESTIC CONSUMPTION.—Not later than January 31, of 1977, and of each year thereafter on January 1 of which the rate of tax imposed by this section is less than 23 cents a gallon, the Administrator of the Federal Energy Administration (hereinafter in this subsection referred to as the 'Administrator') shall make and publish in the Federal Register—

"(A) a determination of whether the domestic consumption of gasoline for the preceding calendar year exceeds the domestic consumption of gasoline for 1973, and

"(B) if it does, the percentage by which such consumption for the preceding calendar year exceeds such consumption for 1973.

"(2) INCREASE IN RATE.—If a determination under paragraph (1) yields a percentage which calls for a rate of tax under paragraph (3) which is greater than the rate of tax in effect on January 1 of the calendar year in which such determination is made, then, effective on April 15 of such year, the rate of the tax imposed by this section shall be increased to the rate of tax provided by paragraph (3).

"(3) TAX TABLE.—

If the domestic consumption of gasoline for the calendar year preceding the year in which the determination is made exceeds the domestic consumption of gasoline for 1973 by a percentage which is—	The total tax imposed by this section shall be the following cents per gallon—
More than 0, but not more than 1	8
More than 1, but not more than 2	13
More than 2, but not more than 3	18
More than 3	23

"(4) DOMESTIC CONSUMPTION DEFINED.—For purposes of this subsection, the term 'domestic consumption of gasoline' means the average daily usage of gasoline occurring within the United States."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1976.

SEC. 212. SPECIAL MOTOR VEHICLES FUELS CONSERVATION TAXES.

(a) IN GENERAL.—Chapter 31 (relating to retailers excise taxes) is amended by redesignating subchapter F as subchapter G and by inserting after subchapter E the following new subchapter:

"Subchapter F—Special Motor Fuels Conservation Taxes.

"SEC. 4051. IMPOSITION OF TAXES.

"(a) SPECIAL MOTOR FUELS.—In addition to any tax imposed by section 4041(b), there is hereby imposed a tax of 3 cents a gallon upon benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4041(a) or 4086)—

"(1) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat; or

"(2) used by any person as a fuel in a motor vehicle or motorboat, unless there was a taxable sale of such liquid under this section.

"(b) NONCOMMERCIAL AVIATION.—In addition to any tax imposed by section 4041(c), there is hereby imposed a tax of 3 cents a gallon upon any liquid (other than any product taxable under section 4086)—

"(1) sold by any person to an owner, lessee, or other operator of an aircraft, for use as a fuel in such aircraft in noncommercial aviation (as defined in section 4041 (c) (4)); or

"(2) used by any person as a fuel in an aircraft in noncommercial aviation (as so defined), unless there was a taxable sale of such liquid under this section.

"(c) INCREASE IN RATE.—If the rate of tax imposed by section 4086 is increased under subsection (b) of such section, then, effective on the date of such increase, the rate of the taxes imposed by subsections (a) and (b) of this section shall be the increased rate effective under section 4086(b).

"(d) EXEMPTIONS.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by this section on any liquid sold for use or used—

"(1) on a farm for farming purposes, as determined in accordance with paragraphs (1), (2), and (3) of section 6420(c), or

"(2) as supplies for vessels or aircraft (within the meaning of section 4221(d) (3)).

"(e) REGISTRATION.—If any liquid is sold by any person for use as a fuel in an aircraft, it shall be presumed, for purposes of subsection (b), that the tax imposed by such subsection applies to the sale of such liquid unless the purchaser is registered in such manner (and furnishes such information in respect of the use of the liquid) as the Secretary or his delegate shall by regulations prescribe."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1976, except that no tax shall be imposed under section 4051 of the Internal Revenue Code of 1954 (as added by subsection (a)) with respect to the use by any person of any fuel sold to such person before January 1, 1976, if such sale would have been taxable under such section 4051 if it had occurred on January 1, 1976.

SEC. 213. FLOOR STOCKS TAXES: TECHNICAL AND CONFORMING AMENDMENTS.

(a) FLOOR STOCKS TAXES.—

(1) IN GENERAL.—Subsection (a) of section 4226 (relating to floor stocks taxes) is amended to read as follows:

"(a) GASOLINE CONSERVATION TAX.—

"(1) IMPOSITION OF TAX.—On gasoline (as defined in section 4082(b)) which, on a gasoline tax increase date, is held by a dealer for sale, there is hereby imposed a floor stocks tax at a rate equal to the difference between (i) the tax (if any) imposed by section 4086 on the sale of such gasoline by the producer or importer, and (ii) the tax which would have been imposed by such section on such sale if that sale had occurred on such gasoline tax increase date. The tax imposed by this subparagraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline.

"(2) GASOLINE TAX INCREASE DATE DEFINED.—For purposes of this section, the term 'gasoline tax increase date' means January 1, 1976, and any other day on which the rate of the tax imposed by section 4086 exceeds the rate of such tax in effect on the preceding day."

(2) DUE DATE OF TAXES.—Subsection (d) of such section 4226 is amended to read as follows:

"(d) DUE DATE OF TAXES.—Any tax imposed by subsection (a) shall be paid at such time, not less than 90 days after the gasoline tax increase date in respect of which such tax was imposed, as may be prescribed by the Secretary or his delegate."

(b) DENIAL OF CERTAIN EXEMPTIONS AND REFUNDS.—

(1) Section 4056 is amended by striking out "under this chapter" and inserting in lieu thereof "under section 4041".

(2) Subsection (a) of section 4221 (relating to certain tax-free sales) is amended by adding at the end thereof the following new sentence: "Paragraph (2) shall not apply to the tax imposed by section 486."

(3) Section 4293 is amended by inserting after "chapters 31 and 32" the following: (other than section 4051 or 4086)".

(4) Paragraph (6) (C) of section 4221(d) (relating to use in further manufacture) and paragraph (3) (F) of section 6416(b) (relating to tax-paid articles used for further manufacture, etc.) are each amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086".

(c) ALLOWANCE OF REFUNDS IN CASE OF CERTAIN USES.—Paragraph (2) of section 6416(b) (relating to tax payments considered overpayments in case of specified uses and resales) is amended—

(1) by inserting after "section 4041 (a) (1) or (b)(1)" the following: "or section 4051", and

(2) by adding at the end thereof the following new sentence:

"Subparagraph (A) shall not apply to any tax paid under section 4086 or 4051."

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of subchapters for chapter 31 is amended by striking out the last item and inserting in lieu thereof:

"SUBCHAPTER F. Special motor fuels conservation taxes.

"SUBCHAPTER G. Special provisions applicable to retailers tax."

(2) The table of subparts for part III of subchapter A of chapter 32 is amended by striking out the last two items and inserting in lieu thereof the following:

"Subpart B. Gasoline conservation tax.
"Subpart C. Lubricating oil.
"Subpart D. Special provisions applicable to petroleum products."

(3) Subsections (a) and (b) of section 4082 are each amended by striking out "in this subpart" and inserting in lieu thereof "in this subpart and subpart B".

(4) Section 4083 is amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086".

(5) Section 4101 is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, 4086, or 4091".

(6) Section 4226 is amended by striking out subsection (e).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1976.

PART II—CREDITS, ETC., RELATING TO ENERGY CONSERVATION TAXES

SEC. 221. CREDIT FOR PERSONAL USE OF GASOLINE.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44 the following new section:

"SEC. 44A. PERSONAL USE OF GASOLINE.

"(a) GENERAL RULE.—In the case of a taxpayer who is a qualified individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the allowances to which the individual is entitled for each month in such year. The allowance for any month in the taxable year shall be an amount equal to—

"(1) so much of the rate of tax in effect for such month under section 4086 (relating to gasoline conservation tax) as exceeds 3 cents a gallon, multiplied by

"(2) 40.

"(b) QUALIFIED INDIVIDUAL DEFINED.—For purposes of this section, an individual is a qualified individual if, as of the close of the taxable year, such individual—

"(1) has attained the age of 16, and

"(2) resides in the United States.

"(c) TRUSTS AND ESTATES.—A trust or estate shall not be entitled to the credit allowed under subsection (a).

"(d) SPECIAL RULE FOR RATE CHANGES IN MIDDLE OF MONTH.—In the case of any month in which there is an increase in the rate of tax imposed by section 4086, the rate of such tax in effect for such month, for purposes of subsection (a), shall be deemed to be one-half of the sum of the rate of such tax in effect on the first day of such month plus the rate of such tax in effect on the last day of such month."

(b) REFUND TO BE MADE WHERE CREDIT EXCEEDS LIABILITY FOR TAX.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting "44A (relating to personal use of gasoline)," before "and 667(b)"; and

(2) by striking out "and 43" and inserting in lieu thereof "43, and 44A".

(c) WITHHOLDING TAX.—Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) REQUIREMENT OF WITHHOLDING.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary or his delegate. The tables so prescribed shall be the same as the tables contained in this subsection as in effect on the day before the date of the enactment of the Energy Conservation and Conversion Act of 1975; except that, if there is any increase under section 4086(b) in the rate of the tax imposed by section 4086, the amounts set forth as amounts of income tax to be withheld shall reflect the credit allowable under section 44A by reason of such increase. Any tables prescribed by reason of an increase in the rate of tax under section 4086 shall only apply with respect to wages paid on and after the effective date of such increase. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1)."

(d) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 44 the following:

"Sec. 44A. Personal use of gasoline."

(e) EFFECTIVE DATES.—The amendments made by subsections (a), (b), and (d) shall apply to taxable years ending after December 31, 1976.

SEC. 222. CREDIT FOR USE OF GASOLINE AND SPECIAL FUELS IN BUSINESSES OR IN WORK-RELATED TRAVEL.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"SEC. 44B. USE OF GASOLINE AND SPECIAL FUELS IN BUSINESS OR IN WORK-RELATED TRAVEL.

"(a) GENERAL RULE.—In the case of a taxpayer who is engaged in a trade or business or who has work-related travel, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the trade or business allowances to which the taxpayer is entitled for such taxable year under subsection (b), plus

"(2) the work-related travel allowances to which the taxpayer is entitled for such taxable year under subsection (c).

"(b) TRADE OR BUSINESS ALLOWANCES.

"(1) IN GENERAL.—For purposes of subsection (a), the taxpayer shall be entitled to a trade or business allowance for each month in the taxable year, and such allowance shall be equal to ½ of the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline used during such month in a trade or business, multiplied by

"(ii) so much of the rate of tax in effect under section 4086 for the month in which such gasoline was purchased by the taxpayer as exceeds 3 cents per gallon; plus

"(B) so much of the tax imposed by section 4051 on the sale to such taxpayer of fuel used during such month in a trade or business as was imposed at a rate in excess of 3 cents a gallon.

"(2) USE FOR CERTAIN PURPOSES.—Paragraph (1) shall not apply to any gasoline or other fuels used on a farm for farming purposes (within the meaning of section 6420 (c)), used as supplies for vessels or aircraft (within the meaning of section 4221(d)(3)) or used in a taxicab (as defined in section 6429(c)(2)(B)) while engaged in furnishing qualified taxicab services (as defined in section 6429(c)(2)(A)).

"(c) WORK-RELATED TRAVEL ALLOWANCES.—

"(1) IN GENERAL.—For purposes of subsection (a), the taxpayer shall be entitled to a work-related travel allowance for each month of the taxable year, and such allowance shall be equal to ½ of the product of—

"(A) the number of gallons, in excess of 25, of gasoline or special fuels on which tax was imposed by section 4086 or 4051 which were purchased by the taxpayer and which were used by the taxpayer during such month in work-related travel, multiplied by

"(B) so much of the rate of tax in effect under sections 4086 and 4051 for such month as exceeds 3 cents per gallon.

"(2) Work-related travel.—For purposes of this subsection, the term 'work-related travel' means—

"(A) travel between the individual's principal residence and any post of duty in a qualified industry pursuant to employment in such qualified industry, and

"(B) travel to a new principal post of duty in a qualified industry if such new principal post of duty is at least 20 miles from the individual's former principal post of duty in a qualified industry.

"(3) Qualified industry.—For purposes of this subsection, the term 'qualified industry' means any industry which ordinarily provides individuals, employed in such industry, employment at a number of different posts of duty throughout the year.

"(d) Special Rule for Rate Change in Middle of Month.—In the case of any month in which there is an increase in the rate of the taxes imposed by sections 4086 and 4051, the rate of such taxes in effect for such month, for purposes of subsections (b) and (c), shall be deemed to be one-half of the sum of the rate of such taxes in effect on the first day of such month plus the rate of such taxes in effect on the last day of such month."

(b) Coordination With Trade or Business Deduction.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Coordination of Deduction With Certain Provisions Relating to Energy Conservation Taxes.—

"(1) Section 44B credit.—The amount which, but for this paragraph, would be allowable as a deduction under this section for amounts paid or incurred for gasoline or other fuels subject to tax under section 4086 or 4051 shall be reduced by the amount of any credit allowable under section 44B with respect to such gasoline or other fuels.

"(2) Repayment in case of use by taxicabs.—The amount which, but for this paragraph, would be allowable as a deduction under this section for amounts paid or incurred for gasoline or other fuels which are subject to tax under section 4086 or 4051 and which are used in any taxicab (as defined in section 6429(c)(2)(B)) while engaged in furnishing qualified taxicab services (as defined in section 6429(c)(2)(A)) shall be reduced by so much of the tax which was imposed by section 4086 or 4051 on such gasoline or other fuels as was imposed at a rate in excess of 3 cents a gallon."

(c) Refund To Be Made Where Credit Exceeds Liability for Tax.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting "44B (relating to use of gasoline and special fuels in businesses or in work-related travel)," before "and 667(b)"; and

(2) by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(d) Clerical Amendment.—The table of sections for such subpart A is amended by inserting after the item relating to section 44A the following:

"Sec. 44B. Use of gasoline and special fuels in business and/or in work-related travel."

(e) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1976.

Sec. 223. Repayment of Gasoline and Special Fuels Conservation Taxes In Case of Certain Uses.

(a) General Rule.—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"Sec. 6429. Repayment of Gasoline and Special Fuels Conservation Taxes In Case of Certain Uses.

"(a) Use for Farming Purposes.—

"(1) In general.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4086 or any other fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel on a farm for farming purposes (within the meaning of section 6420(c)), the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline so used; multiplied by

"(ii) the rate of the tax imposed by section 4086 in effect for the month in which such gasoline was purchased; plus

"(B) the amount of the tax imposed by section 4051 on the sale to such purchaser of the other fuel so used.

"(2) Special rule.—If gasoline on which tax was imposed under section 4086, or any other fuel on the sale of which tax was imposed under section 4051, is used on a farm by any person other than the owner, tenant, or operator of such farm, such owner, tenant, or operator shall be treated as the user and purchaser of such gasoline or other fuel.

"(b) Local Transit Purposes.—

"(1) In General.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4086 or any other fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to ½ of the product of—

"(A) 3 cents multiplied by the number of gallons of gasoline and other fuel so used; multiplied by

"(B) the percentage which such purchaser's commuter fare revenue derived from such scheduled service during such calendar quarter was of his total passenger fare revenue derived from such scheduled service during such calendar quarter.

"(2) Limitation.—This subsection shall apply with respect to gasoline or fuel used by any purchaser during any calendar quarter only if at least 60 percent of the total passenger fare revenue derived during such calendar quarter by such purchaser from scheduled service described in paragraph (1) was attributable to commuter fare revenue derived during such quarter by such purchaser from such scheduled service.

"(3) Commuter fare revenue.—For purposes of this subsection, the term 'commuter fare revenue' has the meaning given to such term by section 6421(d)(2).

"(c) Use in Certain Taxicabs.—

"(1) In general.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4086 or any fuel on the sale of which a tax was imposed by section 4051 is used by any purchaser of such gasoline or fuel in a taxicab while engaged in furnishing qualified taxicab services, the Secretary or his delegate shall pay (without interest) to such purchaser an amount equal to ¾ of the sum of—

"(A) the product of—

"(i) the number of gallons of gasoline so used, multiplied by

"(ii) so much of the rate of tax in effect under section 4086 for the month in which such gasoline was purchased by the user as exceeds 3 cents per gallon; plus

"(B) so much of the tax imposed by section 4051 on the sale to such taxpayer of the fuel (other than gasoline) referred to in paragraph (1) as was imposed at a rate in excess of 3 cents a gallon.

"(2) Definitions.—For purposes of this subsection—

"(A) Qualified taxicab services.—The term 'qualified taxicab services' means the furnishing of nonscheduled passenger land transportation for a fixed fare by a taxicab which is operated by a person who—

"(i) is licensed to engage in the trade or business of furnishing such transportation by a Federal, State, or local authority having jurisdiction over a substantial portion of such transportation furnished by such person; and

"(ii) is not prohibited under the laws, regulations, or procedures of such Federal, State, or local authority from furnishing (with the consent of the passengers) shared transportation.

"(B) Taxicab.—The term 'taxicab' means any land vehicle the passenger capacity of which is less than 10 adult passengers, including the driver.

"(3) Special rule.—The amount of any payment under this subsection to any person shall not be included in the gross income of such person.

"(d) Special Rules and Definition.—

"(1) Exempt sales.—No amount shall be payable under this section with respect to any gasoline or special fuel which the Secretary or his delegate determines was exempt from the tax imposed by section 4086 or 4051, as the case may be.

"(2) Gasoline.—The term 'gasoline' has the meaning given to such term by section 4082(b).

"(3) Special rule for rate change in middle of month.—In the case of any month in which there is an increase in the rate of tax imposed by section 4086, the rate of such tax in effect for such month, for purposes of subsections (a) and (c), shall be deemed to be one-half of the sum of the rate of such tax in effect on the first day of such month plus the rate of such tax in effect on the last day of such month."

"(e) Time for Filing Claims; Period Covered.—

"(1) General rule.—Except as provided by paragraph (2), not more than one claim may be filed under subsection (a), (b), or (c) by any person with respect to gasoline or any other fuel used during his taxable year. No claim shall be allowed under this section with respect to gasoline or any other fuel used by such person during any taxable year unless filed by such person not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A.

(2) Exception.—If $1,000 or more is payable under this section to any person with respect to gasoline or any other fuel used during any of the first three quarters of any taxable year ending after the date on which an increase in the rate of tax under section 4086 first takes effect under subsection (b) of such section, a claim may be filed under this section by such person with respect to gasoline or any other fuel used during such quarter. No claim filed under this subparagraph shall be allowed unless filed on or before the last day of the first quarter following the quarter for which the claim is filed.

"(f) Applicable Laws.—

"(1) In general.—All provisions of law, including penalties, applicable in respect of the tax imposed by section 4051 or 4086 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds or overpayments of the tax so imposed.

"(2) EXAMINATIONS OF BOOKS AND WITNESSES.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(g) INCOME TAX CREDIT IN LIEU OF PAYMENT.—

"(1) PERSONS NOT SUBJECT TO INCOME TAX.—Payment shall be made under this section only to—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) ALLOWANCE OF CREDIT AGAINST INCOME TAX.—For allowance of credit against the tax imposed by subtitle A for certain uses of gasoline and other fuels, see section 39.

"(h) REGULATIONS.—The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

"(i) CROSS REFERENCES.—

"(1) For civil penalty for excessive claims under this section, see section 6675.

"(2) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures)."

(b) ALLOWANCE OF CREDIT FOR CERTAIN USES.—

(1) IN GENERAL.—Subsection (a) of section 38 (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by adding after paragraph (4) the following new paragraph:

"(5) under section 6429 with respect to gasoline and special fuels used during the taxable year (determined without regard to section 6429(g))."

(2) TECHNICAL AMENDMENT.—Subsection (c) of section 39 is amended by striking out "or 6427" and inserting in lieu thereof "6427, or 6429" and by striking out "or 6427(f)" and inserting in lieu thereof "6427(f), or 6429(g)".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for subchapter B of chapter 65 is amended by adding at the end thereof the following new item:

"Sec. 6429. Repayment of gasoline and special fuels conservation taxes in case of certain uses."

(2) Section 6206 is amended—

(A) by striking out "AND 6427" in the section heading and inserting in lieu thereof "6427, AND 6429";

(B) by striking out "or 6427" each place it appears and inserting in lieu thereof "6427, or 6429"; and

(C) by inserting after "under section 6427)" the following: ", or by section 4051 or 4086 (with respect to payments under section 6429)".

(3) Section 6675 is amended—

(A) by striking out "or" after "highway motor vehicle)," in subsection (a);

(B) by inserting after "fuels not used for taxable purposes)" in subsection (a) the following: ", or 6429 (relating to repayment of gasoline and special fuels conseravtion taxes in case of certain uses)"; and

(C) by striking out "or 6427" in subsection (b) and inserting in lieu thereof "6427, or 6429".

(4) Sections 7210, 7603, and 7604(b) are each amended by inserting "6429(f)(2)," after "6427(e)(2),".

(5) Section 7604(c)(2) is amended by inserting "6429(f)(2)," after "6427(e)(2),".

(6) Section 7605(a) is amended—

(A) by striking out "6427(e)(2)" the first place it appears and inserting in lieu thereof "6427(e)(2), 6429(f)(2)"; and

(B) by striking out "or 6427(e)(2)" and inserting in lieu thereof "6427(e)(2), or 6429(f)(2)".

(d) EFFECTIVE DATES.—

(1) FOR SUBSECTIONS (a) AND (c). The amendments made by subsections (a) and (c) shall take effect on January 1, 1976.

(2) FOR SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years ending atfer January 1, 1976.

PART III—MISCELLANEOUS

SEC. 231. TECHNICAL AMENDMENTS WITH RESPECT TO CERTAIN TRUST FUNDS.

(a) AIRPORT AND AIRWAY TRUST FUND.—Paragraph (3) of section 208(f) of the Airport and Airway Revenue Act of 1970 (49 U.S.C. 1742) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax.")

(b) HIGHWAY TRUST FUND.—

(1) Paragraph (1) of section 209(a) of the Highway Revenue Act of 1956 is amended—

(A) by inserting "and" at the end of subparagraph (F).

(B) by striking out subparagraph (G).

(C) by redesignating subparagraph (H) as subparagraph (G), and

(D) by striking out "subparagraph (H)" in the last sentence and inserting in lieu thereof "subparagraph (G)".

(2) Paragraph (6) of section 209(f) of such Act is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1976.

TITLE III—OTHER ENERGY CONSERVATION PROGRAMS

PART I—AUTOMOBILE FUEL EFFICIENCY TAX

SEC. 311. AUTOMOBILE FUEL EFFICIENCY TAX

(a) GENERAL RULE.—Part I of subchapter A of chapter 32 (relating to motor vehicle excise taxes) is amended by adding at the end thereof the following new section:

"SEC. 4064. AUTOMOBILE FUEL EFFICIENCY TAX

"(a) IMPOSITION OF TAX.—If the fuel mileage rating of any manufacturer or importer for the model year 1978, 1979, or 1980 is below the fuel mileage standard for that model year provided by subection (b), a tax is hereby imposed on each automobile produced by such manufactuer (or imported by such importer) during such model year which has a fuel mileage rating below the fuel mileage standard provided by subsection (b) for that model year. The tax imposed by this section shall be paid by the manufacturer or the importer, as the case may be.

"(b) FUEL MILEAGE STANDARD.—For purposes of this section—

"For the model year—	"The fuel mileage standard (in miles per gallon) is—
1978	18
1979	19
1980	20

"(c) AMOUNT OF TAX.—

"(1) IN GENERAL.—In the case of any automobile subject to tax under this section, the amount of such tax shall be the applicable percentage of the price for which such automobile (including parts and accessories, other than radial tires, sold on or in connection therewith or with the sale thereof) is sold by the manufacturer or importer.

"(2) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage shall be the percentage (for the model year in which the automobile is produced or imported, as the case may be) determined in accordance with the following table:

	The percentage is—		
	1978 model year	1979 model year	1980 model year
If the fuel mileage rating (in miles per gallon) is:			
20 or more	0	0	0
19 or more but less than 20	0	0	2
18 or more but less than 19	0	2	3
17 or more but less than 18	2	3	4
16 or more but less than 17	3	4	5
15 or more but less than 16	4	5	6
Less than 15	5	6	7

"(d) RECOMMENDATIONS FOR MODEL YEARS AFTER 1980.—Before March 15, 1978, the Administrator of the Federal Energy Administration shall submit to the Congress a report as to whether the fuel mileage standard for 1980 is attainable by the automobile manufacturers subject to the tax, and recommendations—

"(1) as to whether the tax imposed by this section shall be continued beyond the model year 1980, and

"(2) if such tax is continued—

"(A) any modifications the Administrator believes should be made in such tax, and

"(B) what the fuel mileage standard should be for model years after 1980.

"(e) DETERMINATION OF AUTOMOBILE FUEL MILEAGE RATING.—

(1) DETERMINATION OF RATING.—

"(A) IN GENERAL.—The fuel mileage rating of every automobile which may be subject to tax under this section shall be the fuel mileage rating, for the class of automobiles in which such automobile falls, determined by the Secretary or his delegate. The determination of such rating for any class of automobiles shall be based on a composite mileage resulting from the testing of such class of automobiles, conducted in accordance with procedures established under paragraph (4). Such determination shall be published in the Federal Register.

"(B) REVIEW OF DETERMINATION.—Within 30 days after the fuel mileage rating of any class of automobiles has been published under subparagraph (A), the manufacturer or importer of such class of automobiles may file a petition in the United States Court of Appeals for the District of Columbia for judicial review of such determination. Upon the filing of such petition, the court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter.

"(2) INTERAGENCY COOPERATION.—In order to avoid unnecessary expense and duplication, the Secretary or his delegate shall make such arrangements or agreements for cooperation or mutual assistance in the performance of his functions under this section and the functions of any department, agency, or establishment of the United States, as he may find practicable and consistent with law. The Secretary or his delegate may have access to and utilize, on a reimbursable or other basis, information, facilities, or services of any department, agency, or establishment of the United States; and each such department, agency, or establishment shall cooperate with the Secretary or his delegate and, to the extent permitted by law, provide such information, facilities, or services as he may request.

"(3) FUEL MILEAGE RATING.—The term 'fuel mileage rating' means, with respect to any class of automobiles, the number of miles which an automobile in such class can be expected to travel for each gallon of fuel which it consumes.

"(4) PROCEDURE FOR DETERMINING FUEL MILEAGE RATINGS.—The Secretary or his delegate shall, by regulations, establish procedures for conducting tests to determine the fuel mileage ratings of automobiles which may be subject to tax under this section. Under such regulations the Secretary or his delegate shall establish separate classes of automobiles which may be based upon—

"(A) the manufacturer (or division of the manufacturer) of the automobiles;

"(B) the engine family of the automobiles (which takes into account the type of engine, fuel induction system, and emission control system);

"(C) the type of transmission of such automobiles;

"(D) whether or not the automobiles have air conditioners;

"(E) whether or not the automobiles are station wagons; and

"(F) the inertia weight of the automobiles.

For purposes of subparagraph (F), the inertia weight shall be taken into account in categories of 250-pound increments for automobiles which have inertia weights under 3,000 pounds, and in categories of 500-pound increments for automobiles which have inertia weights of 3,000 pounds or more.

"(f) DETERMINATION OF FUEL MILEAGE RATING FOR EACH MANUFACTURER OR IMPORTER.—

"(1) MANUFACTURER.—The fuel mileage rating of any manufacturer for any model year shall be based on all automobiles produced by such manufacturer in the United States or Canada during such model year.

"(2) IMPORTER.—The fuel mileage rating of any importer for any model year shall be based on all new automobiles imported into the United States during such model year which were produced (outside the United States and Canada) by the manufacturer who produced the automobiles imported by such importer. If there is more than one such manufacturer, the importer shall have a separate fuel mileage rating with respect to the automobiles of each such manufacturer.

"(3) SPECIAL RULES.—For purposes of this subsection—

"(A) PERSONS WHO MANUFACTURE AND IMPORT.—A person who is both a manufacturer and an importer shall be treated—

"(i) as a manufacturer with respect to automobiles described in paragraph (1), and

"(ii) as an importer with respect to automobiles described in paragraph (2).

"(B) CERTAIN IMPORTS FROM CANADA.—A person who is not a manufacturer with respect to automobiles described in paragraph (1) but who imports automobiles from Canada shall be treated as an importer with respect to such automobiles.

"(C) PRODUCTION IN UNITED STATES OR CANADA.—An automobile is produced in the United States or Canada if at least 50 percent of the cost to the manufacturer of such automobile is attributable to value added in the United States or Canada.

"(D) TREATMENT OF CERTAIN EXPORTS AND IMPORTS AND SALES FOR FURTHER MANUFACTURE.—An automobile otherwise taken into account under paragraph (1) shall not be taken into account under such paragraph (1)—

"(i) if it is sold to any person before the close of the model year in which it is produced for use in further manufacture,

"(ii) if it is exported from the United States before the close of the model year in which it is produced, or

"(iii) in the case of an automobile the production of which is completed in Canada, unless it is imported into the United States before the close of the model year in which it is produced.

"(E) PERSONS UNDER COMMON CONTROL.—All persons who control, are controlled by, or are under common control with any person shall be treated as one person.

"(g) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) AUTOMOBILE.—The term 'automobile' means—

"(A) any passenger automobile (within the meaning of such term as used in section 4061(b)(2)), or

"(B) any automobile truck or bus which has a gross vehicle weight of 6,000 pounds or less (as determined under regulations prescribed by the Secretary or his delegate),

which uses gasoline or diesel fuel as a fuel for propulsion.

"(2) MODEL YEAR.—The term 'model year' means, with reference to any calendar year, the manufacturer's annual production period (as determined by the Secretary or his delegate) which includes January 1 of such calendar year. If the manufacturer has no annual production period, the term 'model year' means the calendar year.

"(3) MANUFACTURER.—The term 'manufacturer' includes a producer.

"(4) RADIAL TIRE.—The term 'radial tire' has the meaning given to such term by section 4072(d).

"(5) MATHEMATICAL CALCULATIONS.—In determining any fuel mileage rating under subsection (e) or (f), the total number of automobiles to be taken into account for that determination is to be divided by a sum of terms, each term of which is a fraction created by dividing—

"(A) the number of automobiles within each group to be taken into account, by

"(B) the fuel mileage rating for the automobiles within such group rounded to the nearest 1/10 of a mile per gallon.

"(6) CHANGES IN EMISSIONS STANDARDS.—If there is any change (whether by law or by administrative action) from the Federal emissions standards which apply to automobiles produced on May 1, 1975, the Secretary or his delegate shall determine by rule (in accordance with section 553 of title 5, United States Code) and publish in the Federal Register—

"(A) the extent (if any) to which such change reduces fuel mileage, and

"(B) the modifications in the fuel mileage standard set forth in subsection (a)(2), and in the mileage brackets of the table set forth in subsection (a)(3), which are necessary to reflect the reduction in fuel mileage resulting from such change.

Any modifications published under this paragraph shall have the force and effect of law and shall apply to all automobiles produced or imported to which the changed emissions standards apply as if such modifications were contained in this section.

"(h) EXEMPTIONS.—Under regulations prescribed by the Secretary or his delegate, for purposes of this section the term 'automobile' does not include—

"(1) an ambulance, hearse, or combination ambulance-hearse,

"(2) any bus which is to be used predominantly by the purchaser in mass transportation services in urban areas, or

"(3) any bus sold to any person for use exclusively in transporting students and employees of schools operated by State or local governments or by nonprofit educational organizations (within the meaning of section 4221(d)(5)).

For purposes of paragraph (3), incidental use of a bus in providing transportation for State or local government or a nonprofit organization described in section 501(c) which is exempt from tax under section 501(a) shall be disregarded.

"(i) APPLICATION OF CERTAIN SECTIONS.—Sections 4221 and 4293 shall not apply to the tax imposed by this section, and section 4216(b) shall apply in determining the constructive sales price of any automobile taxable under this section."

(b) TECHNICAL AND CLERICAL AMENDMENTS.—

(1) The table of sections for part I of subchapter A of chapter 32 is amended by adding at the end thereof the following new item:

"Sec. 406. Automobile fuel efficiency tax."

(2) Section 6161(b)(1) (relating to extensions of time for paying tax) is amended by inserting after "or 43," the following: "or by section 4064,". The second sentence of such section 6161(b) is amended by inserting after "chapter 43." the following: "or by section 4064 of chapter 32,".

(3) Section 6201(d) (cross reference) is amended by striking out "and chapter 4 taxes" and inserting in lieu thereof the following: "chapter 43, and section 4064 taxes".

(4) Section 6211 (defining deficiency) is amended—

(A) by striking out so much of subsection (a) as precedes paragraph (1) and inserting in lieu thereof the following:

"(a) IN GENERAL.—For purposes of this title in the case of income, estate, and gift taxes imposed by subtitles A and B and excise taxes imposed by section 4064 or by chapters 42 and 43, the term 'deficiency' means the amount by which the tax imposed by subtitle A or B, by section 4064, or by chapter 42 or 43, exceeds the excess of—"; and

(B) by inserting after "or B" in subsection (b)(2) the following: ", section 4064,".

(5) Section 6212 (relating to notice of deficiency) is amended—

(A) by inserting after "or B" in subsection (a) the following: ", section 4604,";

(B) by inserting after "chapter 12" each place it appears in subsection (b)(1) the following: ", section 4064,";

(C) by striking out "TAXES IMPOSED BY CHAPTER 42" in the heading of subsection (b)(1) and inserting in lieu thereof "CERTAIN EXCISE TAXES";

(D) by striking out "or of chapter 42 tax" in subsection (c)(1) and inserting in lieu thereof "of chapter 42 tax"; and

(E) by inserting after "to which such petition relates" the following: ", or of section 4064 tax with respect to the calendar year to which such petition relates".

(6) Section 6213 (relating to restrictions applicable to deficiencies and petition to Tax Court) is amended by inserting after "or B" in subsection (a) the following ", section 4064,".

(7) Section 6214(d) (relating to final decisions of Tax Court) is amended by inserting after "this chapter," the following: "section 4064".

(8) Section 6344(a)(1) (relating to cross references) is amended by inserting before "chapter 42" the following: "section 4064 or".

(9) Section 6512 (relating to limitations in case of petition to Tax Court) is amended—

(A) by striking out "or 43" each place it appears therein and inserting in lieu thereof ", 43", and

(B) by inserting after "to which such petition relates" the following: ", or of section 4064 tax with respect to the calendar year to which such petition relates".

(10) Section 6601(d) (relating to interest on underpayment, nonpayment, or extensions of time for payment of tax) is amended by striking out in the heading thereof "Chapter 42 or 43" and inserting in lieu thereof "Certain Excise".

(11) Section 7422(e) (relating to civil actions for refund) is amended by inserting before "chapter 42" the following: "section 4064 or".

Part II—Intercity Buses, Radial Tires, and Rerefined Oil

Sec. 321. Repeal of Excise Tax on Buses Used in Intercity Public Transportation.

(a) General Rule.—Paragraph (6) of section 4063 (relating to exemption from excise tax for local transit buses) is amended to read as follows:

"(6) Public transportation buses.—The tax imposed under section 4061(a) shall not apply in the case of automobile bus chassis or automobile bus bodies which are to be used predominantly by the purchaser in public passenger transportation service."

(b) Effective Date.—

(1) In general.—The amendment made by subsection (a) shall apply with respect to articles sold on or after the date of the enactment of this Act.

(2) When sold.—For purposes of paragraph (1), an article shall not be considered sold before the date of the enactment of this Act unless possession or right to possession passes to the purchaser before such date.

(3) Transitional rule for leases, installment contracts, etc.—In the case of—

(A) a lease,

(B) a contract for the sale of an article where it is provided that the price shall be paid by installments and title to the article sold does not pass until a future date notwithstanding partial payment by installments,

(C) a conditional sale, or

(D) a chattel mortgage arrangement wherein it is provided that the sale price shall be paid in installments,

entered into before the date of the enactment of this Act, payments made on or after such date with respect to the article leased or sold shall, for purposes of paragraph (1), be considered as payments made with respect to an article sold on or after such date, if the lessor or vendor establishes that the amount of payments payable on or after such date with respect to such article has been reduced by an amount equal to that portion of the tax applicable with respect to the lease or sale of such article which is due and payable on or after such date. If the lessor or vendor does not establish that the payments have been so reduced, they shall be treated as payments made with respect to an article sold before the date of the enactment of this Act.

Sec. 322. Repeal of Excise Tax on Radial Tires.

(a) Repeal of Tax on New Radial Tires.—Section 4073 (relating to exemptions from tax on tires and tubes) is amended by adding at the end thereof the following new subsection:

"(d) Radial Tires.—The tax imposed by section 4071 shall not apply to radial tires."

(b) Repeal of Tax on Tread Rubber Used To Retread or Recap Radial Tires.—Subsection (c) of section 4073 (relating to exemption from tax on tread rubber in certain cases) is amended by striking out "such person" and all that follows and inserting in lieu thereof the following: "such person—

"(1) in the recapping or retreading of radial tires, or

"(2) otherwise than in the recapping or retreading of tires of the types used on highway vehicles."

(c) Definition of Radial Tire.—Section 4072 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(d) Radial Tire.—For purposes of this part, the term 'radial tire' means a tire of the type used on highway vehicles in which the ply cords which extend to the beads of such tire are laid at substantially 90 degrees to the center line of the tire's tread."

(4) Technical Amendment.—Subparagraph (L) of section 6416(b)(2) (relating to specified uses and resales) is amended to read as follows:

"(L) in the case of tread rubber in respect of which tax was paid under section 4071(a)(4), used or sold for use (i) in recapping or retreading radial tires (as defined in section 4072(d)) or (ii) otherwise than in the recapping or retreading of tires of the type used on highway vehicles (as defined in section 4072(c)), unless credit or refund of such tax is allowable under subsection (b)(3);

(e) Effective Date.—

(1) In general.—The amendments made by this section shall apply with respect to sales of radial tires (as defined in section 4072(d) of the Internal Revenue Code of 1954), and tread rubber (as defined in section 4072(b) of such Code), after March 17, 1975.

(2) Floor stocks refunds.—Section 6412(a) (relating to floor stocks refunds) is amended by inserting immediately before paragraph (2) the following new paragraph:

"(1) Radial tires.—Where before March 18, 1975, any radial tire (as defined in section 4072(d)) subject to the tax imposed by section 4071(a) has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of such tire if claim for such credit or refund is filed with the Secretary or his delegate on or before December 31, 1975, based upon a request submitted to the manufacturer, producer, or importer before October 1, 1975, by the dealer who held such tire in respect of which the credit or refund is claimed, and, on or before December 31, 1975, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax on such tire or written consent has been obtained from such dealer to allowance of such credit or refund."

Sec. 323. Refined Lubricating Oil.

(a) In General.—Section 4093 (relating to exemption of sales to producers) is amended to read as follows:

"Sec. 4093. Exemptions.

"(a) Sales to Manufacturers or Producers for Resale.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4091 on lubricating oils sold to a manufacturer or producer of lubricating oils for resale by him.

"(b) Use in Producing Rerefined Oil.—

"(1) Sales to refiners.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4091 on lubricating oil sold for use in mixing with used or waste lubricating oil which has been cleaned, renovated, or rerefined. Any person to whom lubricating oil is sold tax-free under this paragraph shall be treated as the producer of such lubricating oil.

"(2) Use in producing rerefined oil.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4091 on lubricating oil used in producing rerefined oil to the extent that the amount of such lubricating oil does not exceed 55 percent of such rerefined oil.

"(3) Rerefined oil defined.—For purposes of this subsection, the term 'rerefined oil' means oil 25 percent or more of which is used or waste lubricating oil which has been cleaned, renovated, or rerefined."

(b) Conforming Amendment.—Section 4092(a) is amended by striking out "4093" and inserting in lieu thereof "4093(a)".

(c) Clerical Amendment.—The table of sections for subpart B of part III of subchapter A of chapter 32 is amended by striking out the item relating to section 4093 and inserting in lieu thereof the following:

"Sec. 4093. Exemptions."

(d) Effective Date.—The amendments made by this section shall apply to sales after March 17, 1975.

Part III—Tax Incentives for Certain Energy-Related Improvements of Buildings

Sec. 331. Insulation of Principal Residence.

(a) General Rule.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"Sec. 44C. Insulation of Principal Residence.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the qualified insulation expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $500.

"(b) Limitations.—

"(1) Application with other credits.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to investment in certain depreciable property and purchases of certain recyclable waste),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions), and

"(G) section 44 (relating to purchase of new principal residence).

"(2) Prior expenditures taken into account.—If—

"(A) the taxpayer made qualified insulation expenditures with respect to any residence in any prior taxable year, or

"(B) any prior occupant of any residence made qualified insulation expenditures with respect to such residence.

then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) the $500 amount contained in such subsection by the aggregate of the expenditures described in subparagraphs (A) and (B).

"(3) Verification.—No credit shall be allowed under subsection (a) with respect to any qualified insulation expenditures unless such expenditures are verified in such manner as the Secretary or his delegate shall prescribe by regulations.

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Qualified insulation expenditures.—The term 'qualified insulation expenditures' means any amount paid by an individual for any installation (other than pursuant to a reconstruction of the dwelling unit) which occurs after March 17, 1975, and before January 1, 1978, of insulation in any dwelling unit which—

"(A) at the time of such installation is used by the individual as his principal residence; and

"(B) is in existence on March 17, 1975, and used on such date by one or more individuals as a residence.

Such term shall only include amounts paid for the original installation of any insulation in a dwelling unit.

"(2) Insulation.—The term 'insulation' means any insulation, storm (or thermal) window or door, or any other similar item—

"(A) which is specifically and primarily designed to reduce, when installed in or on a building, the heat loss or gain of such building,

"(B) the original use of which commences with the taxpayer,

"(C) which has a useful life to the taxpayer of at least 3 years, and

"(D) which meets such performance standards as the Secretary or his delegate may prescribe by regulations after consultation with the Administrator of the Federal Energy Administration and the Secretary of Housing and Urban Development.

"(3) Joint occupancy.—In the case of any dwelling unit which is jointly occupied and is used during any calendar year as a principal residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(2)) with respect to any qualified insulation expenditures paid during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as one taxpayer whose taxable year such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of subsection (b)(1)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(4) Tenant-stockholder in cooperative housing corporation.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified insulation expenditures paid by such corporation.

"(d) Reduction of Basis.—The basis of any property shall not be increased by the amount of any qualified insulation expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) Termination.—This section shall not apply to any amount paid after December 31, 1977."

(b) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44C. Insulation of principal residence."

(2) Section 56(a)(2) (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vi), by striking out "; and" at the end of clause (vii) and inserting in lieu thereof ", and", and by inserting after clause (vii) the following new clause:

"(viii) section 44C (relating to insulation of principal residence); and".

(3) Section 56(c)(1) (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (F), by striking out "exceed" at the end of subparagraph (G) and inserting in lieu thereof "and", and by inserting after subparagraph (G) the following new subparagraph:

"(II) section 44C (relating to insulation of principal residence), exceed".

(4) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (22) and inserting in lieu thereof a semicolon and by inserting after paragraph (22) the following new paragraph:

"(23) to the extent provided in section 44C(d), in the case of property with respect to which a credit has been allowed under section 44C."

(5) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44" and inserting in lieu thereof "44, and 44C".

(c) Effective Date.—The amendments made by this section shall apply to amount paid after March 17, 1975, in taxable years ending after such date.

Sec. 332. Residential Solar Energy Equipment.

(a) General Rule.—Subpart A of chapter IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"Sec. 44D. Residential Solar Energy Equipment.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 40 percent of the qualified solar energy equipment expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $1,000, plus

"(2) 20 percent of the qualified solar energy equipment expenditures paid by the taxpayer during the taxable year with respect to such residence to the extent that such expenditures exceed $1,000 but do not exceed $2,000.

"(b) Limitations.—

"(1) Application with other credits.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to investment in certain depreciable property and purchases of certain recyclable waste),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions),

"(G) section 44 (relating to purchase of new principal residence), and

"(H) section 44C (relating to insulation of principal residence).

"(2) Prior expenditures taken into account.—If—

"(A) the taxpayer made qualified solar energy equipment expenidtures with respect to any residence in any prior taxable year, or

"(B) any prior owner of such residence made qualified solar energy equipment expenditures with respect to such residence, then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) the dollar amounts contained in such subsection by the aggregate of the expenditures described in subparagraphs (A) and (B).

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Qualified solar energy equipment expenditures.—The term 'qualified solar energy expenditures' means any amount paid by an individual for any installation which occurs after March 17, 1975, and before January 1, 1981, of solar energy equipment, in any dwelling unit which at the time of such installation is owned by the individual and used by him as his principal residence (within the meaning of section 1034).

"(2) Solar energy equipment.—The term 'solar energy equipment' means equipment—

"(A) which, when installed in or on a building—

"(i) uses solar energy to heat or cool such building or provide hot water for use within such building; and

"(ii) meets the definitive performance criteria prescribed by the Secretary of Housing and Urban Development under the Solar Heating and Cooling Demonstration Act of 1974;

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 3 years.

"(3) Joint ownership.—In the case of any building which is jointly owned, and is used during any calendar year as a principal residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(2)) with respect to any qualified solar energy equipment expenditures paid during such calendar year by any of such individuals with respect to such building shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of subsection (b)(1)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(4) Tenant-stockholder in cooperative housing corporation.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified solar energy equipment expenditures paid by such corporation.

"(d) Reduction of Basis.—The basis of any property shall not be increased by the amount of any qualified solar energy equipment expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) Termination.—This section shall not apply to any amount paid after December 31, 1980."

(b) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by inserting before the item relating to section 45 the following:

"Sec. 44D. Residential solar energy equipment."

(2) Section 56(a)(2) (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vii), by striking out "; and" at the end of clause (viii) and inserting in lieu thereof ", and", and by inserting after clause (viii) the following new clause:

"(ix) section 44D (relating to residential solar energy equipment); and".

(3) Section 56(c)(1) (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (C), by striking out "exceed" at the end of subparagraph (H) and inserting in lieu thereof "and", and by inserting after subparagraph (H) the following new subparagraph:

"(I) section 44D (relating to residential solar energy equipment), exceed".

(4) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (23) and inserting in lieu thereof a semicolon and by inserting after paragraph (23) the following new paragraph:

"(24) to the extent provided in section 44D(d), in the case of property with respect to which a credit has been allowed under section 44D."

(5) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(c) Effective Date.—The amendments made by this section shall apply to amounts paid after March 17, 1975, in taxable years ending after such date.

TITLE IV—ENERGY CONSERVATION AND CONVERSION TRUST FUND

Sec. 411. Establishment of Energy Conservation and Conversion Trust Fund.

(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the "Energy Conservation and Conversion Trust Fund" (hereinafter in this title referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) Transfer to Trust Fund of Amounts Equivalent to Certain Taxes.—

(1) In general.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this title referred to as the "Secretary") to be equivalent to the following amounts received in the Treasury before October 1, 1985:

(A) the amount of the taxes under—

(i) section 4086 of the Internal Revenue Code of 1954 (relating to gasoline conservation tax),

(ii) section 4051 of such Code (relating to special motor fuels conservation taxes),

(iii) section 4064 of such Code (relating to automobile fuel efficiency tax),

(iv) section 4991 (relating to tax on certain business uses of petroleum and petroleum products), and

(v) section 4226(a) of such Code (relating to floor stocks taxes),

reduced by the amount of the credits allowable under such Code which are properly chargeable against the amount of such taxes appropriated by this paragraph;

(B) the duties under section 121 of this Act (relating to rates of duty on oil); and

(C) to the extent provided by any law enacted after the date of the enactment of this Act, proceeds to the United States from oil and gas properties in which the United States has an interest.

(2) Method of transfer.—The amounts appropriated by paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) Annual Ceiling on Amounts Which May Be Placed in Trust Fund.—The amount appropriated by subsection (b)(1) for any fiscal year shall not exceed—

(1) in the case of any fiscal year ending on or before September 30, 1983, $5,000,000,000; and

(2) in the case of the fiscal year ending September 30, 1984, $2,500,000,000.

No amount shall be appropriated to the Trust Fund after September 30, 1984. Any amount which, but for this subsection, would be appropriated to the Trust Fund shall remain in the general fund of the Treasury.

(d) Overall Limitation on Amount in the Trust Fund.—

(1) In general.—If at any time during a fiscal year ending on or after September 30, 1984, the Secretary determines that the amount in the Trust Fund which is not obligated for expenditure exceeds $10,000,000,000, the Secretary shall transfer the amount of such excess to the general fund of the Treasury.

(2) Fiscal year 1985.—If at any time during the fiscal year ending on September 30, 1985, the Secretary determines that the amount in the Trust Fund which is not obligated for expenditure exceeds $5,000,000,000, the Secretary shall transfer the amount of such excess to the general fund of the Treasury.

(e) Management of Trust Fund.—

(1) Report.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the next 5 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(2) Investment.—

(A) In general.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (i) on original issuc at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) Sale of obligations.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(C) Interest on certain proceeds.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(f) Termination.—The Secretary shall transfer from the Trust Fund into the general fund of the Treasury any amount in the Trust Fund on October 1, 1985, which is not obligated for expenditure.

Sec. 412. Expenditures From Trust Funds for Energy Projects and Programs.

(a) In General.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for making expenditures before October 1, 1985, for purposes of conserving energy resources and expanding energy supplies through—

(1) basic and applied research programs related to new energy technologies, including (but not limited to)—

(A) solar energy,

(B) geothermal energy,

(C) advanced transportation power systems,

(D) environmental impact (and human safety),

(E) energy conversion,

(F) energy transmission,

(G) energy conservation,

(H) synthetic fuels from fossil sources,

(I) utilization of solid waste,

(J) fusion, and

(K) an engine for an efficient pollution-free automobile;

(2) development and demonstration of new energy technologies, including (but not limited to)—

(A) coal liquefaction and gasification demonstration projects,

(B) aid for powerplant conversions to coal,

(C) loans or subsidies for solid waste energy conversion plants (including production of methane gas from organic wastes),

(D) loans or subsidies for shale oil production,

(E) price guarantees on long-term purchase contracts for other new energy sources,

(F) strip mining reclamation and mine safety programs,

(G) engines for efficient pollution-free automobiles,

(H) loans and subsidies relating to solar energy systems, and

(I) demonstration and development of hot water heating systems, or space heating and cooling systems, for home use;

(3) programs relating to the development of energy resources from properties (including offshore properties) in which the United States has an interest, including (but not limited to)—

(A) geothermal energy development, and

(B) energy related environmental protection programs and research; and

(4) research projects, or capital expenditures for demonstration projects, relating to local and regional transportation systems, including (but not limited to)—

(A) mass transit by bus,

(B) fixed guideway mass transit,

(C) commuter rail transportation,

(D) intercity rail passenger service,

(E) mass transit terminal facilities,

(F) mass transit operational facilities, and

(G) exclusive or preferential bus lanes.

Nothing in this subsection shall be deemed to authorize any program, project, or other activity not otherwise authorized by law. Amounts required for purposes of this subsection shall be included in the appropriation requests of those Federal agencies authorized to carry out the program, project, or activity.

(b) Program Evaluation Criteria, etc.—Not later than 270 days after the date of the enactment of this Act, the Energy Conservation and Conversion Trust Fund Review Board shall—

(1) develop criteria for evaluating the programs, projects, and activities referred to in paragraphs (1), (2), (3), and (4) of subsection (a),

(2) evaluate potential programs, projects, and activities on the basis of such criteria, and

(3) submit to the Congress a report containing the criteria developed under paragraph (1) together with the Board's recommendations for the proportion of the Trust Fund which should be available for expenditure for each fiscal year for programs, projects, and activities referred to in each paragraph of subsection (a).

Sec. 413. Energy Construction and Conversion Trust Fund Review Board.

(a) Establishment of Board.—There is hereby established a review board to be known as the "Energy Conservation and Conversion Trust Fund Review Board" (hereinafter in this section referred to as the "Board").

(b) Membership.—

(1) Number and appointment.—

(A) In general.—The Board shall be composed of five members appointed by the President by and with the advice and consent of the Senate.

(B) Limitations.—An individual may not be appointed as a member of the Board if—

(i) at any time during the 5-year period ending on the date of his nomination such individual held interests in one or more energy related industries and the aggregate fair market value of such interests exceeded $2,500; or

(ii) for any taxable year beginning or ending during such 5-year period such individual received or accrued gross income in excess of $10,000 from one or more energy related industries.

Any individual who after appointment as a member acquires any interest in, or receives or accrues any income from, an energy related industry may not thereafter hold such position. For purposes of this paragraph, an individual shall be deemed to hold any interest held by such individual's spouse or by any child of the individual who has not attained 18 years of age.

(C) Energy related industry.—For purposes of this paragraph, the term "energy related industry" means an industry engaged in the trade or business of—

(i) the generation, transmission, distribution, or sale of electrical or other energy,

(ii) the production, transmission, distribution, or sale of oil or gas, or primary products of oil and gas,

(iii) production, importation, distribution, or sale of motor vehicles, or

(iv) the furnishing or sale of transportation.

(2) Terms.—

(A) Except as provided in subparagraphs (B) and (C), members shall be appointed for terms of 5 years.

(B) Of the members first appointed—

(i) one shall be appointed for a term of 1 year,

(ii) one shall be appointed for a term of 2 years,

(iii) one shall be appointed for a term of 3 years,

(iv) one shall be appointed for a term of 4 years, and

(v) one shall be appointed for a term of 5 years,

as designated by the President at the time of appointment.

(C) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(3) Pay and travel expenses.—

(A) Except as provided in subparagraph (B), members of the Board shall each be entitled to receive $100 for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Board.

(B) Members of the Board who are full-time officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Board.

(C) While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(4) Chairman.—The Chairman of the Board shall be elected by the members of the Board.

(c) Duties.—The Board shall review the expenditures made from the Trust Fund under section 412 and report to the Congress each year regarding expenditures so made during the preceding fiscal year. Such report shall contain evaluations of the programs and projects for which such expenditures were made, and such recommendations for such changes as the Board considers necessary to ensure that future expenditures made from the Trust Fund best carry out the purposes of this title.

(d) Staff.—The Board shall appoint such employees as it deems necessary. Such employees shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the civil service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(e) Appropriation Authorization.—There are authorized to be appropriated from time to time such sums as may be necessary to carry out the purposes of this section.

TITLE V—ENCOURAGING BUSINESS CONVERSION FOR GREATER ENERGY SAVING

Part I—Business Use of Petroleum and Petroleum Products

Sec. 511. Excise Tax on Business Use of Petroleum and Petroleum Products.

(a) In General.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 45—TAX ON BUSINESS USE OF PETROLEUM AND PETROLEUM PRODUCTS

"Sec. 4991. Imposition of tax.
"Sec. 4992. Definitions and special rules.

"Sec. 4991. Imposition of Tax.

"(a) In General.—There is hereby imposed a tax on each taxable use of a taxable petroleum or petroleum product.

"(b) Amount of Tax.—The amount of the tax imposed by subsection (a) shall be—

"(1) For natural gas.—In the case of natural gas—

"If the taxable use occurs during calendar year	The tax per 1,000 cubic feet is:
1977	4 cents.
1978	8 cents.
1979	12 cents.
1980 or thereafter	18 cents.

"(2) For crude oil and other petroleum products.—In the case of crude oil and other petroleum products—

"If the taxable use occurs during calendar year	The tax per barrel is:
1977	17 cents.
1978	33 cents.
1979	50 cents.
1980	67 cents.
1981	83 cents.
1982 or thereafter	$1.

"(c) Liability for Tax.—The tax imposed by this section shall be paid by the user.

"Sec. 4992. Definitions and Special Rules.

"(a) Taxable Use.—

"(1) In general.—For purposes of this chapter, the term 'taxable use' means any use as a fuel in a trade or business other than a use described in paragraph (2).

"(2) Certain uses excepted.—For purposes of this chapter, the term 'taxable use' does not include any use as a fuel—

"(A) in a vehicle, vessel, or aircraft,

"(B) in an apartment, hotel, motel, or other residential facility,

"(C) for the extraction of a mineral to the extent such extraction constitutes mining within the meaning of section 613(c),

"(D) on a farm for farming purposes (determined in a manner similar to that provided by section 6420(c)),

"(E) in a facility (used in a trade or business described in section 46(c)(3)(B)(i)) for the generation of electrical power if—

"(i) such facility is acquired by the user before January 1, 1976,

"(ii) the physical construction, reconstruction, or erection of such facility by the user is begun before January 1, 1976, or

"(iii) such facility is constructed, reconstructed, or erected for the user, or acquired by the user, pursuant to a contract which is on December 31, 1975, and at all times thereafter, binding on the user, and

"(F) by an organization described in section 501(c)(3) which is exempt from tax under section 501(a) other than in an unrelated trade or business (as defined in section 513).

Subparagraph (E) shall not apply to any use after December 31, 1981.

"(b) Taxable Petroleum or Petroleum Product.—For purposes of this chapter, the term 'taxable petroleum or petroleum product' means any petroleum or petroleum product other than gasoline (as defined in section 4982(b)).

"(c) Petroleum and Petroleum Products.—For purposes of this chapter, the term 'petroleum or petroleum products' includes natural gas."

(b) Clerical Amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following:

"Chapter 45. Tax on business use of petroleum and petroleum products."

(c) Report by the Administrator of the Federal Energy Administration.—

(1) In general.—The Administrator of the Federal Energy Administration (hereinafter in this subsection referred to as the "Administrator") shall conduct a study of the uses of petroleum or petroleum products (including natural gas) to identify—

(A) the industries or industrial processes where there is no economically feasible alternative to the use of petroleum or petroleum products,

(B) the areas of the country where conversion to the use of fuels other than petroleum or petroleum products is not feasible because of Federal, State, or local laws relating to pollution, and

(C) all other factors bearing on uses which should be exempted from the application of section 4991 of the Internal Revenue Code of 1954.

(2) Report.—Not later than June 1, 1976, the Administrator shall submit to Congress a report of his findings under the study conducted under paragraph (1), together with such recommendations as he may deem advisable.

(d) Effective Date.—The amendments made by subsections (a) and (b) shall apply to petroleum and petroleum products (as defined in section 4992(c) of the Internal Revenue Code of 1954) used after December 31, 1976.

Part II—Amortization for Certain Energy-Related Property

Sec. 521. Amortization of Qualified Energy Use Property.

Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"Sec. 189. Amortization of Qualified Energy Use Property.

"(a) Allowance of Deduction.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of any qualified energy use property (as defined in subsection (b)), based on a period of 60 months.

"(b) Qualified Energy Use Property.—For purposes of this section—

"(1) Qualified energy use property.—The term 'qualified energy use property' means—

"(A) qualified waste equipment,

"(B) qualified shale oil conversion equipment, "(C) qualified coal processing equipment, or

"(D) a qualified coal pipeline.

"(2) Qualified waste equipment.—The term 'qualified waste equipment' means any machinery or equipment (of a character subject to the allowance for depreciation)—

"(A) necessary to permit the use of waste as a fuel in a facility burning a combination of waste and oil as its principal fuel (including unloading equipment, feeding systems, and refuse-firing ports for waste fuels),

"(B) used to process waste into a fuel, or

"(C) used to sort and prepare solid waste for recycling or used for recycling solid waste.

"(3) Qualified shale oil conversion equipment.—The term 'qualified shale oil conversion equipment' means any machinery or equipment (of a character subject to the allowance for depreciation) necessary—

"(A) to reach the oil shale,

"(B) to extract the oil shale, or

"(C) to convert the oil shale into oil or gas.

"(4) Qualified coal processing equipment.—The term 'qualified coal processing equipment' means any machinery or equipment (of a character subject to the allowance for depreciation) for processing coal into a liquid or gaseous state.

"(5) Qualified coal pipeline.—The term 'qualified coal pipeline' means a coal slurry pipeline or any other pipeline (of a character subject to the allowance for depreciation) for the transportation of coal from the mine or other gathering point.

"(6) Coal includes lignite.—The term 'coal' includes lignite.

"(c) Amount of Deduction.—The amortization for any qualified energy use property shall be an amount, with respect to each month of the 60-month period within the taxable year, equal to the adjusted basis of the qualified energy use property at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any qualified energy use property for any month shall be in lieu of the depreciation deduction with respect to such property for such month provided by section 167. The 60-month period shall begin, as to any qualified energy use property, at the election of the taxpayer, with the month following the month in which such property was placed in service or with the succeeding taxable year.

"(d) Special Rules for Adjusted Basis.—

"(1) For purposes of this section, the adjusted basis of any qualified energy use property with respect to which an election has been made under subsection (e) shall not be increased for amounts chargeable to capital account for additions or improvements after the amortization period has begun.

"(2) The depreciation deduction provided by section 167 shall, notwithstanding subsection (c), be allowed with respect to the portion of the adjusted basis which is not taken into account in applying this section.

"(e) Election of Amortization.—The election of the taxpayer to take the amortization deduction, and the election to begin the 60-month period with the month following the month in which the qualified energy use property is placed in service or with the taxable year succeeding the taxable year in which such property is placed in service, shall be made by filing with the Secretary or his delegate, in such manner, in such form, and within such time as the Secretary or his delegate may by regulations prescribe, a statement of such election.

"(f) Termination of Election.—

"(1) By the Taxpayer.—A taxpayer which has elected under subsection (e) to take the amortization deduction with respect to any qualified energy use property may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such property.

"(2) Constructive termination.—If at any time during the amortization period any qualified energy use property ceases to meet the requirements of subsection (b) or becomes property with respect to which an amortization deduction under this section is not allowable by reason of subsection (g), the taxpayer shall be deemed to have terminated under paragraph (1) his election under this section. Such termination shall be effective beginning with the month in which such cessation occurs or in which a lease exists which causes disallowance under subsection (g).

"(g) Noncorporate Lessors.—No amortization deduction shall be allowed under this section with respect to any property of which a person which is not a corporation is the lessor. In the case of property of which a partnership is the lessor, the amortization deduction otherwise allowable under this section with respect to such property to any partner which is a corporation shall be allowed notwithstanding the preceding sentence and subsection (f)(2). For purposes of this subsection, an electing small business corporation (as defined in section 1371) shall be treated as a person which is not a corporation.

"(h) Life Tenant and Remainderman.—In the case of any qualified energy use property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

"(i) Application of Section.—

"(1) In general.—Except as provided in paragraph (2), the amortization deduction provided by this section shall apply to that portion of the basis which is attributable to construction, reconstruction, or erection after March 17, 1975, with respect to property which is placed in service after such date and before January 1, 1981.

"(2) Pre-1981 portion.—In the case of property constructed, reconstructed, or erected by the taxpayer, or for the taxpayer pursuant to a contract which is binding on the taxpayer on January 1, 1981, and at all times thereafter, which is placed in service on or after January 1, 1981, the amortization deduction provided by this section shall apply to that portion of the basis which is attributable to construction, reconstruction, or erection before January 1, 1981.

"(j) Cross Reference.—

"For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245."

Sec. 522. Amortization of Qualified Railroad Equipment.

Part VI of subchapter B of chapter 1 (relating to itemized deductions of individuals and corporations) is amended by adding at the end thereof the following new section:

"Sec. 190. Amortization of Qualified Railroad Equipment.

"(a) Allowance of Deduction.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of any qualified railroad equipment (as defined in subsection (b)), based on a period of 60 months.

"(b) Qualified Railroad Equipment Defined.—

"(1) In general.—For purposes of this section, the term 'qualified railroad equipment' means equipment described in paragraph (2) of this subsection used by a common carrier engaged in the furnishing or sale of transportation by railroad and subject to the jurisdiction of the Interstate Commerce Commission if—

"(A) such equipment is—

"(i) used by a domestic common carrier by railroad, or

"(ii) owned and used by a car line company or a switching or terminal company at least 95 percent of whose stock is owned by one or more domestic common carriers by railroad, and

"(B) the original use of such equipment commences with the taxpayer after December 31, 1974.

"(2) Equipment.—The equipment referred to in paragraph (1) of this subsection is tangible property which is of a character subject to the allowance for depreciation provided in section 167 (not including a building or its structural components) if such property—

"(A) is used as an integral part of—

"(i) a communications, signal, or traffic control system;

"(ii) a rolling stock classification yard; or

"(iii) a facility for loading and unloading trailers and containers on and from railroad flatcars; or

"(B) is an improvement or betterment in track account.

"(c) Amount of Deduction.—The amortization deduction for any qualified railroad equipment shall be an amount, with respect to each month of the 60-month period within the taxable year, equal to the adjusted basis of the qualified railroad equipment at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any qualified railroad equipment for any month shall be in lieu of the depreciation deduction with respect to such equipment for such month provided by section 167. The 60-month period shall begin, as to any qualified railroad equipment, at the election of the taxpayer, with the month following the month in which such equipment was placed in service or with the succeeding taxable year.

"(d) Special Rules.—

"(1) Adjusted basis.—

"(A) For purposes of this section, the adjusted basis of any qualified railroad equipment with respect to which an election has been made under subsection (e) shall not be increased for amounts chargeable to capital account for additions or improvements after the amortization period has begun.

"(B) Costs incurred in connection with a used unit of railroad equipment which are properly chargeable to a capital account shall be treated as a separate unit of railroad equipment for purposes of this section.

"(C) The depreciation deduction provided by section 167 shall, notwithstanding subsection (c), be allowed with respect to the portion of the adjusted basis which is not taken into account in applying this section.

"(2) Method of accounting for date placed in service.—For purposes of subsections (a) and (e) in the case of qualified railroad equipment placed in service after December 31, 1974, and before January 1, 1980, the taxpayer may elect to begin the 60-month period with the date when such equipment is treated as having been placed in service under a method of accounting for acquisitions and retirements of property which—

"(A) prescribes a date when property is placed in service, and

"(B) is consistently followed by the taxpayer.

"(e) Election of Amortization.—The election of the taxpayer to take the amortization deduction, and the election to begin the 60-month period with the month following the month in which the qualified railroad equipment is placed in service or with the taxable year succeeding the taxable year in which such equipment is placed in service, shall be made by filing with the Secretary or his delegate, in such manner, in such form, and within such time as the Secretary or his delegate may by regulations prescribe, a statement of such election.

"(f) Termination of Election.—

"(1) By the taxpayer.—A taxpayer which has elected under subsection (e) to take the amortization deduction with respect to any qualified railroad equipment may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such equipment.

"(2) Constructive termination.—If at any time during the amortization period any qualified railroad equipment ceases to meet the requirements of subsection (d)(1) or becomes property with respect to which an amortization deduction under this section is not allowable by reason of subsection (g), the taxpayer shall be deemed to have terminated under paragraph (1) his election under this section. Such termination shall be effective beginning with the month in which such cessation occurs or in which the lease exists which causes disallowance.

"(g) Noncorporate Lessors.—No amortization deduction shall be allowed under this section with respect to any property of which a person which is not a corporation is the lessor. In the case of property of which a partnership is the lessor, the amortization deduction otherwise allowable under this section with respect to such property to any partner which is a corporation shall be allowed notwithstanding the preceding sentence and subsection (f)(2). For purposes of this subsection, an electing small business corporation (as defined in section 1371) shall be treated as a person which is not a corporation.

"(h) Life Tenant and Remainderman.—In the case of any qualified railroad equipment held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the equipment and shall be allowable to the life tenant.

"(i) Application of Section.—This section shall apply to qualified railroad equipment placed in service after December 31, 1974, and before January 1, 1980.

"(j) Cross Reference.—

"For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245."

Sec. 523. Amendments Relating to Amortization of Certain Railroad Rolling Stock.

(a) Extension of Period During Which Railroad Rolling Stock May Qualify for 5-Year Amortization.—Section 184(e) (relating to amortization of railroad rolling stock) is amended—

(1) by striking out "1976" in paragraph (1) and inserting in lieu thereof "1980", and

(2) by striking out "January 1, 1976" in paragraph (7) and inserting in lieu thereof "January 1, 1980".

(b) Certain Coal Cars and Railroad Ferry Vessels.—Subsection (d) of section 184 (defining qualified railroad rolling stock) is amended to read as follows:

"Qualified Railroad Rolling Stock.—Except as provided in subsection (e)(4), the term 'qualified railroad rolling stock' means, for purposes of this section—

"(1) rolling stock of the type used by a common carrier engaged in the furnishing or sale of transportation by railroad and subject to the jurisdiction of the Interstate Commerce Commission if—

"(A) such rolling stock is—

"(i) used by a domestic common carrier by railroad on a full-time basis, or on a part-time basis if its only additional use is an incidental use by a Canadian or Mexican common carrier by railroad on a per diem basis, or

"(ii) owned and used by a switching or terminal company all of whose stock is owned by one or more domestic common carriers by railroad, and

"(B) the original use of such rolling stock commences with taxpayer after December 31, 1968;

"(2) any railroad rolling stock not described in paragraph (1)—

"(A) which is a car used by the taxpayer predominantly in the hauling within the United States of coal which is used (other than for resale) by the taxpayer in his trade or business, and

"(B) the original use of which commences with the taxpayer after May 7, 1975; and

"(3) any vessel—

"(A) which is used predominantly by the taxpayer in hauling railroad rolling stock between terminals located within the United States, and

"(B) the original use of which commences with the taxpayer after May 7, 1975."

(c) Denial of Amortization to Noncorporate Lessors.—

(1) In general.—Section 184 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) Noncorporate Lessors.—No amortization deduction shall be allowed under this section with respect to any property of which a person which is not a corporation is the lessor. In the case of property of which a partnership is the lessor, the amortization deduction otherwise allowable under this section with respect to such property to any partner which is a corporation shall be allowed notwithstanding the preceding sentence and subsection (e)(6). For purposes of this subsection, an electing small business corporation (as defined in section 1371) shall be treated as a person which is not a corporation."

(2) Constructive termination.—Paragraph (6) of section 184(e) is amended by striking out "subsection (d)(1)" and inserting in lieu thereof "subsection (d) or becomes property with respect to which an amortization deduction under this section is not allowable by reason of subsection (g)".

(d) Effective Date.—The amendments made by this section shall apply to property placed in service by the taxpayer after May 7, 1975.

Sec. 524. Technical and Conforming Amendments.

(a) Coordination With Investment Credit.—

(1) In general.—Paragraph (8) of section 48(a) (defining section 38 property) is amended by striking out "184,".

(2) Useful life.—The second sentence of section 46(c)(2) (defining applicable percentage for purposes of determining qualified investment) is amended by striking out the period at the end thereof and inserting in lieu thereof "(or, if the taxpayer has elected an amortization deduction with respect to the property, the amortization period)."

(3) Effective date.—The amendments made by this subsection shall apply to property placed in service after March 17, 1975.

(b) Conforming Amendments.—

(1) Section 642(f) (relating to amortization deduction for estates and trusts) is amended by striking out "and 188" and inserting in lieu thereof "188, 189, and 190".

(2) Section 1082(a)(2)(B) (relating to basis in certain exchanges) is amended by striking out "or 188" and inserting in lieu thereof "188, 189, or 190".

(3) Section 1245(a) (relating to gain from dispositions of certain depreciable property) is amended by striking out "or 188" each place it appears in paragraph (2) and inserting in lieu thereof "188, or 189".

(c) Clerical Amendments.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end thereof the following:

"Sec. 189. Amortization of qualified energy use property.

"Sec. 190. Amortization of qualified railroad equipment."

Part III—Tax Credit Changes Relating to Energy Conservation

Sec. 531. Changes in Investment Credit Relating to Insulation, Solar Energy, and Air Conditioning.

(a) Insulation and Solar Energy.—Section 48 (relating to definitions and special rules for purposes of the investment credit) is amended by redesignating subsection (k) as subsection (l) and by adding after subsection (j) the following new subsection:

"(k) Temporary Rules for Insulation and Solar Energy.—

"(1) Treatment of section 38 property.—Any—

"(A) insulation installed (other than pursuant to a reconstruction of the building) after March 17, 1975, and before January 1, 1978, in a structure which was in existence on March 17, 1975, and was used on such date in a trade or business (or held for the production of income) or

"(B) solar energy equipment installed after March 17, 1975, and before January 1, 1981,

shall be treated as section 38 property.

"(2) Lodging rule not to apply.—For purposes of this subsection, pararaph (3) of subsection (a) (relating to property used for lodging) shall not apply.

"(3) Definitions.—For purposes of this subsection—

"(A) Insulation.—The term 'insulation' has the meaning given to such term by section 44C(c)(2).

"(B) Solar energy equipment.—The term 'solar energy equipment' has the meaning given to sucha term by section 44D(c)(2).

"(4) Termination.—This subsection shall not apply to—

"(A) amounts paid or incurred with respect to insulation after December 31, 1977, or

"(B) amounts paid or incurred with respect to solar energy equipment after December 31, 1980."

(b) Air Conditioning, Space Heaters, Etc.—Subparagraph (A) of section 48(a)(1) (defining section 38 property) is amended to read as follows:

"(A) tangible personal property (other than an air conditioning or heating unit), or".

(c) Effective Dates.—

(1) The amendments made by subsection (a) shall apply to amounts paid or incurred after March 17, 1975.

(2) The amendment made by subsection (b) shall apply to property placed in service after the date of the enactment of this Act.

Sec. 532. Generating Facilities Powered by Petroleum and Petroleum Products.

(a) In General.—Paragraph (1) of section 48(a) (defining section 38 property) is amended by adding at the end thereof the following new sentence: "Such term does not include any electrical generating property fueled by petroleum or petroleum products (including natural gas)."

(b) Effective Date.—

(1) In general.—The amendment made by subsection (a) shall apply to property which is placed in service after April 17, 1975.

(2) Binding contracts.—The amendment made by subsection (a) shall not apply to property which is constructed, reconstructed, erected, or acquired pursuant to a contract which was, on April 17, 1975, and at all times thereafter, binding on the taxpayer.

(3) Plant facility rule.—

(A) General rule.—If—

(i) pursuant to a plan of the taxpayer in existence on April 17, 1975 (which plan was not substantially modified at any time after such date and before the taxpayer placed the plant facility in service), the taxpayer has constructed, reconstructed, or erected a plant facility, and either

(ii) the construction, reconstruction, or erection of such plant facility was commenced by the taxpayer before April 18, 1975, or

(iii) more than 50 percent of the aggregate adjusted basis of all the property of a character subject to the allowance for depreciation making up such plant facility is attributable to either property the construction, reconstruction, or erection of which was begun by the taxpayer before April 18, 1975, or property the acquisition of which by the taxpayer occurred before such date, then the amendment made by subsection (a) shall not apply to all property comprising such plant facility. For purposes of clause (iii) of the preceding sentence, the rules of paragraphs (2) and (4) shall be applied.

(B) Plant facility defined.—For purposes of this paragraph, the term "plant facility" means a facility which does not include any building (or of which buildings constitute an insignificant portion) and which is—

(i) a self-contained, single operating unit or processing operation,

(ii) located on a single site, and

(iii) identified, on April 17, 1975, in the purchasing and internal financial plans of the taxpayer as a single unitary project.

(C) Commencement of construction.—For purposes of subparagraph (A)(ii), the construction, reconstruction, or erection of a plant facility shall not be considered to have commenced until construction, reconstruction, or erection has commenced at the site of such plant facility. The preceding sentence shall not appy if the site of such plant facility is not located on land.

(4) Machinery or equipment rule.—The amendment made by subsection (a) shall not apply to any piece of machinery or equipment—

(A) more than 50 percent of the parts and components of which (determined on the basis of cost) were held by the taxpayer on April 17, 1975, or are acquired by the taxpayer pursuant to a binding contract which was in effect on such date (and all times thereafter), for inclusion or use in such piece of machinery or equipment, and

(B) the cost of the parts and components of which is not an insignificant portion of the total cost.

(c) Qualified Progress Expenditures.—Nothing in the amendment made by subsection (a) shall be construed to deny any investment credit for qualified progress expenditures described in section 46(d) of the Internal Revenue Code of 1954 for any taxable year beginning before April 17, 1975.

Sec. 533. Recycling Tax Credit.

(a) Allowance of Credit.—Paragraph (1) of section 46(a) (relating to amount of credit) (as amended by section 301(a) of the Tax Reduction Act of 1975) is amended by adding at the end thereof the following new subparagraph:

"(E) Amount for qualified recycling purchase.—The amount of the credit allowed by section 38 for the taxable year shall be the sum of—

"(i) the amount determined under the preceding provisions of this paragraph, plus

"(ii) an amount equal to the percent set forth in subparagraph (A) of the qualified recycling purchase (as defined in subsection (g)).

For purposes of clause (ii), paragraph (2)(C) shall be applied by substituting '100 percent' for '50 percent'.

(b) Qualified Recycling Purchase Defined.—Section 46 is amended by adding at the end thereof the following new subsection:

"(g) Qualified Recycling Purchase.—

"(1) In general.—For purposes of this subpart, the term 'qualified recycling purchase' means, with respect to any taxable year, the applicable percentage of the amount paid or incurred by the taxpayer to purchase any class of postconsumer solid waste materials (as defined in section 48(l)) which were recycled within the United States by the taxpayer during the taxable year. In the case of any taxpayer, such term does not include amounts paid or incurred during the taxable year for any class of postconsumer solid waste materials if a substantial portion of the materials resulting from the recycling by the taxpayer during such year of such class is exported from the United States.

"(2) Applicable percentage.—For purposes of paragraph (1), the applicable percentage shall be 100 percent reduced by the price adjustment percent determined under paragraph (3) for the calendar quarter in which the amount was paid or incurred.

"(3) Price adjustment percent.—For purposes of paragraph (2), the price adjustment percent for any calendar quarter for any class of postconsumer solid waste materials shall be the percent, if any, by which—

"(A) the price index (prepared by the Department of Labor) for such class for the computation quarter, exceeds

"(B) 200 percent of the average of the price indexes for such class for the base period, increased to reflect the increase (if any) in the Consumer Price Index prepared by the Department of Labor for the computation quarter over the average of such indexes for the base period.

The price adjustment percent for each calendar quarter for each class of postconsumer solid waste materials shall be determined by the Secretary or his delegate and published in the Federal Register.

"(4) Definitions for purposes of paragraph (3).—For purposes of paragraph (3)—

"(A) Base period.—The term 'base period' means the calendar years 1971 through 1973.

"(B) Computation quarter.—The term 'computation quarter' means, with respect to any calendar quarter, the most recent preceding calendar quarter for which the price index for the class of postconsumer solid waste materials is available.

"(5) Recycle defined.—For purposes of this subsection, the term 'recycle' means to subject to a treatment which alters the composition or physical properties of a material. Such term does not include a process consisting merely of sorting, shredding, stripping, compressing, and packing for storage and shipment.

"(6) Purchase.—For purposes of this subsection, the term 'purchase' has the meaning assigned to such term by seciton 179(d)(2)."

(b) Post-Consumer Solid Waste Materials Defined.—Section 48 (relating to definitions and special rules for purposes of the investment credit) is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) Special Rules Relating to Recycling.—

"(1) Post-consumer solid waste materials defined.—For purposes of this subpart, the term 'post-consumer solid waste materials' means glass, paper, textiles, nonferrous metals (other than precious metals and other than copper base scrap), or ferrous metals which have been used by an ultimate consumer, but only if such person cannot reuse the waste material in such further manufacture and only if neither such person nor any related person is engaged in the manufacture of such material or in the processing of such waste material. The term 'post-consumer solid waste materials' does not include any material which becomes a component part of property which is section 38 property in the hands of the taxpayer who recycles such material.

"(2) Limitation to 15 percent of qualified investment in recycling equipment.—The aggregate amount of the credit allowed under section 38 by reason of section 46(a)(1)(E)(ii) for any taxable year shall not exceed—

"(A) 15 percent of the aggregate qualified investment (determined under subsections (c) and (d) of section 46) in machinery or equipment for recycling post-consumer solid waste materials properly attributable to periods after the date of the enactment of this paragraph and before the close of such txable year, reduced by

"(B) the aggregate amount of the credit allowed under section 38 by reason of section 46(a)(1)(E)(ii) for prior taxable years.

For purposes of subparagraph (A), qualified investment shall be taken into account only if it is attributable to periods before January 1, 1984. To the extent that any amount is not allowable for any taxable year solely by reason of the first sentence of this paragraph, such amount shall be treated as arising in the next succeeding taxable year.

"(3) Subchapter S corporations; estates and trusts.—For purposes of this subpart, rules similar to the rules set forth in subsections (e) and (f) shall apply with respect to qualified recycling purchases."

(c) Clerical, Etc., Amendments.—

(1) The heading for section 38 is amended to read as follows:

"Sec. 38. Investment in Certain Depreciable
Property and Purchases of Certain Recyclable Waste."

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 38 and inserting in lieu thereof the following:

"Sec. 38. Investment in certain depreciable
property and purchases of certain
recyclable waste."

(3) The heading of subpart V of part IV of subchapter A of chapter 1 is amended to read as follows:

"SUBPART B—RULES FOR COMPUTING CREDIT FOR INVESTMENT IN CERTAIN DEPRECIABLE PROPERTY AND PURCHASES OF CERTAIN RECYCLABLE WASTE".

(4) The table of subparts for such part IV is amended by striking out the item relating to subpart B and inserting in lieu thereof the following:

"Subpart B. Rules for computing credit for investment in certain depreciable property and purchases of certain recyclable waste."

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts paid or incured after December 31, 1975, in taxable years ending after December 31, 1975.

(2) TERMINATION OF PROVISIONS.—The amendments made by this section shall not apply to amounts paid or incurred after December 31, 1980, by the taxpayer to purchase postconsumer solid waste materials, and no credit shall be allowable under section 38 by reason of section 46(a)(1)(E)(ii) for any taxable year ending after December 31, 1983.

REPRESENTATIVE MILLICENT FENWICK: "A STAR OF THE FRESHMAN CLASS"

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. EVINS of Tennessee. Mr. Speaker, in a recent issue of Parade magazine an article praises Representative MILLICENT FENWICK as a "star of the new Congress."

Certainly I share this view and I am delighted that Mrs. FENWICK was chosen as the first woman to serve as a member of the House Small Business Committee, which I am honored to serve as chairman.

Mrs. FENWICK is charming, talented, able, and articulate and I know she will contribute much to the work of our committee and the 94th Congress.

Mrs. FENWICK also serves on the Banking, Currency and Housing Committee.

Because of the interest of my colleagues in Mrs. FENWICK and because of the interest of the American people, I place in the RECORD herewith the article from Parade.

The article follows:

REPRESENTATIVE MILLICENT FENWICK: A STAR OF THE NEW CONGRESS

By Connecticut Walker

WASHINGTON, D.C.—Mrs. Millicent Fenwick, a 65-year-old, pipe-puffing grandmother who was elected to the U.S. House of Representatives last fall, has quickly become a star of the 94th Congress freshman class.

Mrs. Fenwick is a millionaire representing New Jersey's wealthy 5th District, yet she has a long record of active concern for the poor, the elderly and the unemployed. She seems a Republican version of Eleanor Roosevelt, though the taut elegance of her looks and assertiveness of her manner are more reminiscent of Katharine Hepburn.

She made her debut last winter at the Washington Press Club's annual Congressional Dinner with a speech that sent the town's hostesses scurrying home to add her name to their guest lists. Mrs. Fenwick explained, extemporaneously, how her first day on Capitol Hill had started out badly: "I showed up in my best outfit with a little fur hat," she said, "only to be told that hats, while appropriate as a mark of respect in the house of God, were not allowed worn on the House floor.

"But apart from such rules, which presume that anybody who is going to be good enough to get elected to Congress is a man, things are better now," she continued. "Some years ago when I was a member of the New Jersey State Assembly I was making a speech earnestly proposing an Equal Rights Amendment. After I finished, one colleague rose and with real anguish in his voice—you could tell he was addressing a subject close to his heart—said, 'I just don't like this amendment. I've always thought of women as kissable, cuddly and smelling good.'

"It was the kind of thing you really don't believe," she added. "The only answer of course was, 'That's the way I feel about men, too. I only hope for your sake that you haven't been as disappointed as often as I have.' "

Millicent Hammond Fenwick was one of three children of a successful New Jersey banker. Her mother's family, the John Stevenses, made their money through the fortuitous purchase of 500 acres along the Hudson River across from New York City. The Stevens family home is now the site of the Stevens Institute of Technology in Hoboken, N.J. Mrs. Fenwick's mother, not quite 26, went down with the Lusitania when it was torpedoed by a German sub in 1915. Millicent was 5.

She gave up formal schooling at 15, shortly after her father, Ogden Hammond, was appointed ambassador to Spain by President Calvin Coolidge. "Education was not considered important for women then," she says, adding that her ultra-Victorian stepmother never encouraged her to go on to college.

TAUGHT HERSELF

So she read widely on her own, became fluent in four languages, studied philosophy briefly under Bertrand Russell, and returned to the U.S. just in time for the Depression. She modeled sporadically for Vogue and Harper's Bazaar with other steel butterflies like Clare Boothe Luce ("Clare always got to the mirror first," she recalls).

In 1938 her four-year marriage to Hugh Fenwick ended in divorce. Because the family funds had been invested badly, she went to work to support her two children and repay debts. She spent 14 years as a feature writer for Vogue, and also wrote the 1948 Vogue Book of Etiquette.

"We were brought up with a certain amount of simplicity," recalls her daughter, Mrs. Mary Reckford, herself the mother of five and a nursing school student. "We were raised to be economical and to do a great many things for ourselves long before women's lib became fashionable. Mummy herself used to save by picking up designer clothes after the *Vogue* models had finished with them."

"A lot of *Vogue* editors were then terribly involved with their children," explains Allene Talmey, who was Mrs. Fenwick's friend and boss in the '40's.

TIME TO RECUPERATE

Mrs. Fenwick left *Vogue* in 1952. By this time her children were grown and the family's real estate holdings had appreciated many fold. She inherited a sizable sum of money (during her 1974 Congressional campaign she reported her net worth at $5,112,637.40) and retired to the family's Bernardsville, N.J., home to wrestle with a variety of illnesses, including skin cancer from which she has now recovered.

Mrs. Fenwick resumed her activities by volunteering to aid Clifford Case in his Senate campaign in 1954. She became vice chairman of the state Republican Party, president of the county Legal Aid Society and spent four years as a member of the New Jersey Advisory Committee to the U.S. Commission on Civil Rights.

In 1969, at age 59, she concluded she "wasn't pushy enough. I was too hesitant to promote myself, and in politics if you don't no one else does." With that conclusion in mind, she won a seat in the New Jersey State Assembly.

Although Representative Fenwick hails from a section of the country where foxhunts are a more common sight than welfare offices, she has long held sympathies for the down-and-out. She was concerned about the housing problems of Newark's poor long before the riots of the '60's. She was also out in front of the consumer movement, and thus became the obvious choice of Gov. William Cahill for Director of New Jersey's Division of Consumer Affairs. She held the post in 1973 and 1974, and according to local reporters, made efficient and imaginative use of a very limited budget.

VISITS INDOCHINA

Mrs. Fenwick, like many freshman Congressmen, is busily and anxiously dividing her time between learning and legislating.

Still, she's trying hard. Among the bills she has introduced to date is one aimed at equalizing the tax burdens placed on married and single individuals, and another designed to keep the Food Stamp Program at its present funding level. She has spoken out against military aid for Vietnam and Cambodia (she visited the Indochina battlefronts in March) and criticized the Democratic caucus for killing many of last year's heralded parliamentary reforms.

Representative Fenwick usually rises at 6 a.m., grabs a quick breakfast of vitamin pills and is at her desk by 7. She doesn't often return to her rented Capitol Hill townhouse before midnight. But despite her 65 years, she says she finds the pace invigorating.

Mrs. Fenwick takes a stern view on political morality. She says, "I've never known a woman in politics who has been offered a bribe. If the door of the smoke-filled room is closed, women are always on the outside. There is a general feeling that women don't understand political realities. I'm not certain whether this immunity to corruption is sexual or occupational. But I hope the spirit of awe and wonder with which we seem to approach public office doesn't change once we have more women holding government jobs."

Mrs. Fenwick's strict moral stance predates her political ventures. Explaining why her friend was chosen to write the Vogue etiquette guide, Allene Talmey says, "Millicent has always had a deep feeling for what was right. She is a most moral person. After all, people felt ethically secure with Millicent's etiquette book for 25 years."

Sometimes, according to Mrs. Fenwick's son-in-law, Kenneth Reckford, a classics professor at the University of North Carolina, "She is just too virtuous. During last year's fuel crisis, for example, she turned down the heat in her old Bernardsville home to a ridiculous 55 degrees."

TOO DANGEROUS

And in a similar burst of high-minded enthusiasm she once announced to her fellow New Jersey legislators that she was going to have her car converted to run on clean-burning propane gas. She was forced to abandon the project when she learned that she wouldn't be permitted to drive such a moving bomb through any of New York's tunnels.

If she ever had blown up her car, the spark would probably have come from her ever-present pipe. Millicent Fenwick's small briar, which she fusses with more than smokes, has been part of her life for too long to dismiss as just an attention-grabbing political gimmick. But, like Rep. Bella Abzug's wide brimmed hats, it does serve to distinguish her from the 434 other members of the House.

KNOWING AND KNOWING

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. MOFFETT. Mr. Speaker, the 1974 amendments to the Freedom of Information Act took effect on February 19, 1975. These amendments significantly increase citizen access to Government information and, therefore, represent an important step toward a truly knowledgeable public. At this point in the RECORD, I would like to submit an article by Theodore Jacobs from the March 8, 1975, issue of the New York Times. This article provides an excellent summary of the effects of the 1974 amendments:

KNOWING AND KNOWING

(By Theodore J. Jacobs)

WASHINGTON.—With an estimated six billion files, the Federal Government is the largest single creator and collector of information in the world.

These include the widely known Federal Bureau of Investigation and Central Intelligence Agency files as well as a vast storehouse of information on almost every type of product and service the Government purchases, safety reports on products the Government regulates, and compliance reports on the laws administered. Also included is the written record of official communication and action, the bureaucracy's constant effort to analyze, justify, and interpret its policy.

Does the public have a right to know what the Government knows? Does it have the right to the data upon which official decision-making is based? The law—the Freedom of Information Act—says yes. That law was first enacted in 1966 and recently strengthened over President Ford's veto.

It declares that all Government documents, with certain specific exceptions, must be made available to the public. The 1974 amendments, which took effect Feb. 19, were designed to clarify the all-important exceptions and to deal with the bureaucratic delays and abuses that had made the act more loophole than law.

Responding to a request under the act, the State Department formally made public on Thursday transcripts of background briefings that Secretary of State Kissinger had given reporters.

When the act was passed, it was hoped that it would be used primarily by journalists to obtain information from what seemed to be a congenitally secretive Government. But the demands of daily deadlines and the costs of extended litigation soon made it clear that the press could often be diverted by a determined bureaucracy.

It took an eighteen-month court battle before the F.B.I. disclosed documents of its surveillance and counterintelligence program.

When finally released in the post-Watergate fallout, they exposed a pattern of activities against domestic dissident groups, including such "new left" and "black militant" groups as the organization then headed by the Rev. Dr. Martin Luther King Jr.

It was also expected that the original act would be used by citizen and consumer groups to tap the rich lode of safety and products-test information accumulated by Federal agencies. In case after case, bureaucratic self-interest impeded public access to the data.

But perhaps the most compelling failure of the previous act was the Supreme Court's interpretation in a case brought by Congresswoman Patsy Mink to obtain a report on underground nuclear testing. The report had been refused on the grounds of national security, and the United States Supreme Court held, in effect, that if an agency marks a document "secret" then the court may not determine if it was properly classified, but must abide by the agency's ruling.

Since most Government offices having even a remote connection with national security routinely mark everything in sight as classified, the obvious purpose of the law was thwarted. This is now remedied by the 1974 amendments, which make it clear that the courts have a duty to determine whether a claim of national security is justified and may review the information itself to see if it is properly classified.

Another major problem with the old Freedom of Information Act, remedied by the 1974 amendments, was the over-reliance on the exemption for "investigative files compiled for law enforcement purposes."

The clear intent of this exemption was to protect the kind of investigative material that would expose police sources or violate civil liberties.

In practice, however, whole blocks of files often dealing with closed cases decades old were declared to be investigatory and thus immune from public scrutiny.

Under this exemption, the report on the cover-up of the My Lai incident and the bullet that allegedly killed President Kennedy were held to be exempt although no prosecutions were then pending.

Now, under the new amendments, law enforcement files such as those kept by the F.B.I. would have to be furnished on request unless disclosure would interfere with a pending proceeding, violate an individual's privacy, or compromise a confidential source or investigatory technique.

Agencies are now required to publish indexes of materials to help the public know what the files may contain, they must process requests for information within ten working days, and they may charge only the direct costs of search and duplication.

Finally, agency personnel may be disciplined for arbitrary or capricious conduct, and the Government may be required to pay attorney's fees and other litigation costs in cases in which the complainant prevails.

No wonder that virtually every agency recommended a veto, and that President Ford did veto the bill only months after promising an open Administration in his first public statement as President.

PEOPLE ARE HELPING PEOPLE

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, once again, Mr. Speaker, I call to the attention of the House the fact that in the 25th District of Pennsylvania, people are helping people.

This time it is a group in Beaver County, in my district, the Beaver County Branch of the Pennsylvania Association for the Blind, in Beaver Falls. They are helping 215 people. One group known as the "Dotters" are braillists, making readable-to-the-blind books on a variety of subjects. I commend the devoted individuals in Beaver Falls, good people helping people who need to be helped because life has given them less than a full measure of their birthright.

STATEMENT ON THE SITUATION OF HUNGARIANS IN ROMANIA

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. HELSTOSKI. Mr. Speaker, during the 1960's, questions concerning the repression of Hungarians in Transylvania—Romania—were of vital concern to many Members of Congress. Since that time, we have been waiting in vain for what we hoped would be a partial remedy of the longstanding grievances of nearly 2.5 million Romanian citizens of Hungarian ethnic background.

The grievances we mentioned in our letter to Secretary of State Dean Rusk in 1966 still plague these people. They are still discriminated against in the areas of housing and employment; Hungarian university graduates are still systematically scattered into purely Romanian areas; and the Hungarian regions of the country still suffer from economic neglect.

The Szekely-area of southeastern Transylvania, for example, has some of the most scenic mountain areas in the world. Yet while other areas in the Old Romanian Kingdom have benefited immensely from heavy economic investment and development, the Szekely-area, one of the world's most potentially lucrative tourist resorts, remains undeveloped.

Hungarian citizens have lived in Transylvania for nearly 1,000 years and have made many valuable political and cultural contributions to the province, yet their hopes for a better society remain unfulfilled. Moreover, I am sorry to report, their plight has taken a turn for the worse during the past year.

New unfavorable developments have taken place in the areas of culture and education. The majority of vocational, economic, scientific and other specialized high schools have been completely Romanized. Entrance examinations for high schools or vocational high schools now must be taken in Romanian. With the exception of a few scattered courses, only Hungarian language and literature classes are taught in the Hungarian tongue.

In addition, Hungarian churches have been particularly hard hit by the recently enacted law dealing with national cultural treasures. According to reports, all historical records and art objects have been transferred into state administration archives and museums. Discussing this situation last March, the Washington Star noted that—

> A church which cannot document its past and historical role will not have much of a future.

The Star went on to report:

> During recent weeks government officials have combed through the archives and libraries of some 20 Hungarian Reformed churches in northwestern Romania and reportedly confiscated material by truckload.

As a result, researchers in the years ahead may no longer have access to church records and libraries. Almost as distressing is the fact that the Romanian Parliament admitted in October 1974, that there were not enough qualified archivists available to classify the confiscated material.

Mr. Speaker, last month, President Ford submitted a proclamation to the Congress giving Romania the status of a most favored nation. Before granting this status however, we must ask the administration to raise the issue of continued oppression of the Hungarian minority with the Romanian Government, so that we do not reward these oppressors with important economic concessions.

CONGRESSIONAL PROBE OF UNITED STATES-ARAB MISSILE SALE NEEDED

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. ROSENTHAL. Mr. Speaker, the administration's decision announced this week to sell Jordan a $100 million Hawk air defense system is further evidence of the utter incoherence and inconsistency of American policy in the Middle East.

I have written to Representative DANTE B. FASCELL, chairman of the International Relations Subcommittee on International Political and Military Affirs, requesting immedite hearings on this country's arms sales policy in the Middle East.

Despite Israel's urgent need for weapons to restore the balance of forces in the Middle East, and the position of the United States as Israel's only major source of such arms, less than 21 percent of the arms sales to the Middle East so far this fiscal year were made to Israel.

The other 80 percent of the arms are going to Israel's neighbors and nations that have sworn enmity for Israel. This kind of policy invites tragedy.

The Ford administration's current so-called reassessment of its Mideast policy is a thinly veiled disguise for a program of punishing Israel for the failure of American diplomacy in arriving at a Middle East settlement.

Such a program runs counter to every expression of popular opinion in the United States which unswervingly favors a strong American commitment to Israel. This approach is calculated to lead to military, political, and economic disaster.

The argument that if the United States doesn't sell missiles to Jordan someone else will is callous and without foundation. Evidence of this can be seen in the statement of Jordan's King Hussein that he never seriously considered looking anywhere else for a surface-to-air missile system.

The United States is the world's premier arms merchant, selling more than twice as many arms as its closest competitor, the Soviet Union. This status has not helped the United States prevent wars among its arms customers, as evidenced by the recent Greece-Turkey and India-Pakistan wars.

History is full of evidence of the tragic consequences of a massive buildup of arms in a tension-filled international situation. In our indiscriminate sales to the Middle East countries, we are begging a repetition.

My letter to Chairman FASCELL follows:

MAY 8, 1975.

Hon. DANTE B. FASCELL,
Chairman, Subcommittee on International Political and Military Affairs, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR DANTE: The recently announced decision of the Administration to sell a modern $100 million Hawk air defense system to Jordan is further evidence of the utter incoherence and inconsistency of American policy in the Middle East. I am convinced more than ever that the so-called reassessment of United States policy in the Middle East is a thinly veiled disguise for a program of punishing Israel for the failure of American diplomacy in arriving at a Middle East settlement. Such a program runs counter to every expression of popular opinion in the United States which unswervingly favors a strong American commitment to Israel. Moreover, this approach is calculated to lead to military, political and economic disaster. I respectfully urge that the Political and Military Affairs Subcommittee of the International Relations Committee hold immediate hearings on the American arms sales policy in the Middle East.

In the first seven months of fiscal 1975, the United States contracted to sell $3.6 billion worth of weapons to Middle East countries. This constitutes almost 80% of American arms sold to all foreign states during this period. Despite Israel's urgent need for weapons to restore the balance of forces in the Middle East, and the position of the United States as Israel's only major source of such arms, less than 21% of the arms sales to the Middle East were made to Israel. Iran and Saudi Arabia, themselves potential opponents in a Persian Gulf conflict, contracted for over 75% of this total. Iran ordered $1.7 billion worth, chiefly 80 Navy F-14 jet fighters; Saudi Arabia contracted for $1.05 billion, including $750 million for 60 F-5 jet fighters; and Kuwait, which bought only $18.1 million worth of weapons in fiscal 1974, ordered new equipment costing $333.1 million. One of these sales, a $77 million contract to train Saudi troops to protect oilfields, has already been the subject of an excellent hearing held by the Subcommittee.

History is full of evidence of the tragic consequences of a massive build-up of arms in a tension-filled international situation. World War I is the most dramatic example but the two wars this decade between India and Pakistan and the recent Cyprus crisis are equally persuasive examples. In these latter situations, the combatants all used U.S.-made weapons. In our indiscriminate sales to the Middle East countries, we are begging a repetition.

None of the arguments advanced for the massive areawide sales to Middle East countries survives close scrutiny. Secretary Schlesinger on February 23 defended these sales as encouraging "close relationships" between the United States and these states, and giving this country" a degree of influence" in the Middle East. Yet close relationships did not prevent Turkey from ignoring the terms on which we supplied arms to it and intervening militarily in Cyprus. Nor did our influence prevent the wars on the Subcontinent. Whatever influence such sales of arms do give is of little consequence when the purchaser decides its national interest is best served by the use of these arms.

Moreover, the callous argument that if we do not sell them the arms, someone else will, is equally suspect. With respect to the Hawk sale itself, King Hussein is reported as saying Jordan never seriously considered looking anywhere but the United States for its surface-to-air missile system. Indeed, the United States is the world's premier arms merchant. We sell more than twice as many arms as the Soviet Union, our closest competitor. As the impact of the cutoff of weapons deliveries to Turkey makes clear, the armed forces of many states are unable easily to accommodate arms other than those of United States manufacture.

We cannot deceive ourselves as to the consequences of our arms sale program. At Lt. Gen. H. M. Fish (USAF) testified before the Subcommittee on March 20, the politics is a paramount consideration in each arms sale decision. The Defense Department may arrange the mechanics of each sale, but it has long been recognized that the State Department decides whether the sale furthers United States foreign policy.

In this context, the sale of the Hawk missiles to Jordan together with the whole United States military sales program in the Middle East demands careful Congressional review. The public must be assured that this critical area has received a full evaluation, and that the seemingly arbitrary and dangerous arms sales program in the Middle East not only reflects a reasoned policy but is in the best interests of the United States and world peace.

I respectfully request that hearings be promptly convened to investigate American military sales to the Middle East.

Sincerely yours,
BENJAMIN S. ROSENTHAL,
Member of Congress.

REVISED NOTICE OF HEARINGS OF THE SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS OF THE HOUSE COMMITTEE ON THE JUDICIARY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. EDWARDS of California. Mr. Speaker, I wish to revise the schedule of a public hearing to be held by the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary on May 14, 1975 at 10 a.m. in room 2237 of Rayburn House Office Building on H.R. 61, a bill to provide for the security, accuracy and confidentiality of criminal justice information and to protect the privacy of individuals to whom such information relates and for other purposes. This hearing has been postponed to May 20, 1975 at 10 a.m. in room 2237 of the Rayburn House Office Building. The witness will be the Department of Justice.

In addition, another hearing is schedduled on the criminal justice information systems bills, H.R. 61 and H.R. 62, on May 22, 1975 at 10 a.m. in room 2237 of the Rayburn House Office Building. The witness will be the Law Enforcement Assistance Administration of the Department of Justice.

Those who wish to testify or submit a statement for the record should contact the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary in room 407 of the House Annex Building, 225-1680.

THE ULTIMATE POVERTY

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. WON PAT. Mr. Speaker, I am anxious to share with my colleagues an article from the first issue of what promises to be an interesting and informative magazine, Action, the participation magazine.

The present status of our national parks is most certainly a dilemma, a constant struggle to preserve what nature has so magnificently wrought in the face of rampant commercialism and private gain. If this dilemma is left unresolved, if this struggle is not decisively won, then like so many of nature's other creations, our national parks will become an endangered species. If our trees and forests, our streams and rivers, our mountains and hilltops are not protected from the insidious spread of our concrete jungles and the abuse of man, then surely all our people will succumb to the ultimate poverty.

I call upon my colleagues to pledge themselves as protectors and public defenders of our national parks. As public servants we are responsible not only for the control of pollution, but more importantly for the preservation of that which has not yet been polluted, either by chemicals or the greed of man. It is my hope that the following article will awaken anew these responsibilities:

THE NATIONAL PARKS DILEMMA

(By Peter Stephano)

Firelight flickered on the faces of the men as they sat discussing the possibilities for developing the magnificent mountains, valleys, and lakes surrounding them. It was 1870. The place was what is now Yellowstone National Park. The Washburn-Langford-Dorne expedition had set out to explore the headwaters of the Yellowstone River—and once and for all either substantiate or disprove the tall tales they'd heard about the incredible Yellowstone Country.

Unexpectedly, the stories were absolutely true, and the explorers were overwhelmed by what they saw. Now they speculated as to how they might gain personal wealth from their adventure: "Let's each stake a claim to a portion of it, build hotels, then promote expensive tours," said one. Another was for "fencing off the place as a playground for the wealthy." But the third advanced the idea that they disregard selfish thoughts, and get at once to Washington and ask Congress to declare the land "as a public park or pleasuring ground for the benefit and enjoyment of the people." In that day, the concept was truly revolutionary, but they all agreed to the course. Two years later, through their efforts, President Ulysses S. Grant signed the bill authorizing Yellowstone as the first National Park—the first in the United States, and in the world.

As the great-grandfather of National Parks, Yellowstone fostered a tradition of preservation that grew and grew, until today the units of the National Park System number nearly 300. Surprisingly, the choices that sparked the mountain valley discussion of 1870—private profit or public park—are the same that face us now.

Today, our National Parks are more popular than ever. Why? Perhaps seeing and sensing the varied majesty of America through her parks reestablishes a sense of pride and belonging in a country constantly on the move. Too, the National Parks have made efforts over the years to accommodate the needs and demands of a growing number of visitors, developing facilities at a pace that barely manages to keep up. But intertwined between the parks' popularity, the preservation ethic, and the growing demand for more facilities, is the root of a dilemma that now casts a pall upon our National Park heritage.

In its enabling act of 1916, the National Park Service is given the express legal duty "to conserve the scenery and natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations." Yet, as it has come to be, park enjoyment and park conservation may no longer be compatible. If visitor enjoyment requires more facilities—motels, modern campgrounds, restaurants, service stations, and gift shops—then conservation must give way. And likewise, if conservation is to be uppermost, development must not only cease in the National Parks, but pull back, and facilities be removed as they become obsolete.

One solution to the popularity/conservation problem is to restrict or otherwise control the number of people able to visit a National Park at any one time. As one observer of the dilemma has phrased it: "However unpalatable regulatory controls may be to most Americans, the alternatives would seem equally displeasing: either eventual destruction of some of the most striking landscapes on the continent or complete prohibition of direct citizen contact with those environments." For all practical purposes, either alternative would mean no parks.

But there are other remedies, each dealing with one or several of the five "rights" most Americans have come to expect in the National Park System. Some are drastic, some less so; each, however, has merit.

Nearly unlimited access, the idea that you should be able to go anywhere in the parks, by any means of transportation, will necessarily have to be amended. Here, experts agree, the solution is to remove the automobile. In the more popular parks like Yosemite, Yellowstone, Glacier, and Acadia, an increasing amount of private auto traffic has created bumper-to-bumper situations during peak periods. Two years ago, the National Park Service took a great step toward relieving congestion in Yosemite by prohibiting cars in the main valley and providing an efficient mini-bus system. With free fare, frequent schedules, and no worries of traffic congestion, the little buses are not only successful but popular. A similar mass transit system, operating with the same results, is in the nation's capital. Farsighted planners think mass transit is the answer for 12 other parks, where fragile ecosystems are being threatened by cars. They envision "gateway centers" situated at the perimeter of a park, where visitors leave their cars to be shuttled efficiently and economically to and through what they came to see. Such a system would allow passengers to get off wherever they want, wander at will, then be picked up later at one of numerous "stops." Mass transit systems would do away with the need for expanded road systems, parking, and traffic enforcement.

Access involves another major conflict—public use versus conservation. Should certain delicately balanced areas of a National Park be "off limits" because use of the land will eventually upset its ecology and change its natural state? There are such areas now, designated as wilderness, where only hikers and horseback riders are allowed. At present several dozen additional areas are being considered for wilderness preserves. The problem faced by federal planners is two-fold: restricting access to more acreage encourages crowded conditions elsewhere, and also limits the number of wilderness visitors to those willing and able to get there on foot or by horseback—a form of discrimination. Would the vast majority of park visitors be content with viewing only those wonders which are easy to reach, and leaving the relentless wilderness to others with more stamina?

Availability of the National Parks to every American is crucial, if the founding concept of parks for the people is to be forever valid. But already many Americans are denied true enjoyment in various ways—through overcrowded conditions, limited park seasons, and by the very fact that some of the National Parks are so far away from the urban centers where most Americans live.

Lack of funds is a problem, too. Money for the Parks does not come from entrance fees, but from Congress. National Park entrance fees go directly into the Land and Water Conservation Fund, administered by the Bureau of Outdoor Recreation. Eventually, some money is returned to the Park Service for land purchase, but fees cannot be used for Park administration. Thus, the additional $2½ billion estimated to meet current needs, plus the billions more for the future, must, by law, come from Congress. Should the Parks Service have to stand in the long appropriations line awaiting their share of limited tax dollars, or should there be another way to assure the expansion and protection of our Park heritage?

More parks, of course, is another solution to providing a restful, outdoor experience for more Americans. To do this, the original concept guiding the National Parks will have to change. The idea that a National Park must surround some breathtaking work of nature or irreplaceable aspect of history is beginning to be reshaped to include recreation land areas adjacent to cities, and cultural parks. Wolf Trap Farm Park for the Performing Arts, in Vienna, Virginia, is the first example of a cultural park. During the summer season all kinds of performing arts are presented—from opera to bluegrass music—for every kind of person. Everything takes place in an open-air park where blankets are spread on the grass during the performances. Wolf Trap's popularity is attested by the more than half a million people who attended last season. Urban area recreational parks are underway in New York City and on the bay at San Francisco. And new types of parks, called "preserves," have been established in the Big Thicket area of eastern Texas and in the Big Cypress Swamp of Florida. The possibility of acquiring National Park lands in the prairies of Kansas is also being talked about. And, 35 million acres of Alaska land already in federal hands could become National Park System units.

One often-sounded objection to these proposals is that, except for Alaska, the suggested parks are much less spectacular than the existing "gems." And with the National Park Service already underbudgeted, how could they handle yet more parks? An alternative to providing more full-scale National Parks is to open land already under management by the Department of Agriculture and Bureau of Land Management for recreational use—many National Forests surrounding present parks far exceed them in size and are ideal for camping and hiking. The trouble is, would people still not stream to the more visually impressive National Parks?

Recreation itself contributes to the preservation problem in our National Parks. Should they be, as some people think, national resort playgrounds? Unfortunately, many of our parks approaching nearly a century of popularity have taken on a resort atmosphere—often the result of concessioner influence on local park management and a perhaps misguided devotion to giving people what they want. National Parks were creatd to give every citizen the opportunity for a high level experience with nature. Forms of recreation that detract from that, environmentalists argue, should be banned, for they are detrimental to the life of a park. Each unit of the National Park System is different, though, and lends itself to differing types of recreation.

With proper planning, National Parks not identical in purpose and quality could be used for only those types of recreation fundamental to the type of land they represent. People wishing to spend their vacation canoeing or fishing, for example, would be able to choose the National Park best suited for their interest. It is important now that we realize National Parks cannot be all things to all people—or our parks may turn out to mean little to anyone.

Extensive *accommodations* for National Park visitors are less necessary today than they were 50 or 100 years ago when travel was more of an inconvenience. Now, if you like, you can drive through most National Parks in a day or less, and daily trips in and out of a park are a common occurrence. Because visitors are so mobile, massive resort facilities and developments could just as well be located outside National Parks. The Park Service is restricted to low-key development, in order that the National Parks be "carefully protected from man's influence." Can National Parks be preserved if bulldozers are at work carving out motel sites?

Visitor services and *facilities* such as restaurants, service stations, and gift shops have proliferated in many of the National Parks. Are these structures with their luxury motifs or tinseled appearance suitable for a cherished public resource? A report filed by a Congressional subcommittee visiting Yellowstone in 1885 contained the following impression: "The Park should so far as possible be spared the vandalism of improvement. Its great and only charms are in the display of the wonderful forces of nature . . ."

If the future brings mass transportation to the parks, visitors will be shuttled to and from them without reliance upon concessioner facilities to support their travels, as we now require with the automobile as our primary means of transportation.

However, before any of these solutions can even make a start, there must be cooperation on a large scale. The power of major corporations involved in National Park concessions must be tempered so their interests do not jeopardize the preservation of the parks. The National Park Service must meet with others whose concern and livelihood revolve around the National Parks—local citizens, businessmen, and government officials. National Parks tend to dominate the economy of a region, therefore future planning and development must be on the same regional basis. Service centers have to be situated and constructed so they won't impair the environment or mar the natural beauty of adjacent parklands.

SUBCOMMITTEE ON CRIME TO HEAR MEMBERS OF CONGRESS AND FIREARMS EXPERTS ON AMENDMENTS TO THE GUN CONTROL ACT OF 1968

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Committee on the Judiciary will continue hearings this week on legislation which would amend title 18 of the United States Code concerning firearms. So far, the subcommittee has conducted 11 hearings on more than 45 bills covering this subject and on the effectiveness of the Gun Control Act of 1968.

On Wednesday, May 14, the subcommittee will hear testimony from Members of Congress beginning at 10 a.m. in 2237 Rayburn House Office Building. On Thursday, May 15, the subcommittee will hear testimony from Franklin E. Zimring, a professor of law at the University of Chicago and a noted expert on the Federal firearms laws. This hearing will be held in 2141 Rayburn House Office Building beginning at 10 a.m.

Those wishing to testify or to submit a statement for the RECORD should address their requests to the Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

JOZSEF CARDINAL MINDSZENTY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. HELSTOSKI. Mr. Speaker, Jozsef Cardinal Mindszenty, a man whose name was synonymous with the highest of human virtues, died in Vienna May 6 at the age of 83. The legacy of Cardinal Mindszenty, however, will live on forever in the hearts and spirits of all who believed in freedom and dignity.

Confronted by oppressors throughout his life, Cardinal Mindszenty never gave up, even when he was jailed. He continued to fight back, becoming more determined and stronger with each temporary setback. He risked his life continually in support of his beliefs, and was unyielding in his resistance to Nazism and communism.

Mr. Speaker, I can honestly say that few men have sacrificed more in the spirit of patriotism and liberty. Not only was his life an inspiration to the members of his own religious community, but the legend of Cardinal Mindszenty served as an inspiration to all who believed in the goodness of humanity.

People throughout the Nation and the world have lost a good friend. His life was so rich and varied, that it would be impossible for me to recount his many achievements in detail. Nevertheless, Mr. Speaker, I would like to share with my colleagues an article which does provide further insight into the significance of the Cardinal's life. The article, which appeared May 7 in the Washington Post, follows:

JOZSEF CARDINAL MINDSZENTY DIES IN EXILE AT 83

(By Marjorie Hyer)

Jozsef Cardinal Mindszenty, a symbol throughout the world of implacable resistance to communism, died yesterday in Vienna at the age of 83.

The fiery cardinal died of heart failure about four hours after undergoing prostate surgery in a Vienna hospital.

Although the prelate died in exile from his beloved Hungary, he maintained until his death that he held authority as spiritual head of the Roman Catholic Church in that country.

"Cardinal Mindszenty cannot abdicate," he declared on Feb. 5, 1974, after the Vatican publicly and formally announced his removal as primate of Hungary.

Nearly one-third of his lifetime was spent in prison or in exile as the result of his opposition both to the Nazi occupiers of his homeland and to communism.

Ironically, as militant anticommunism gave way to detente in world affairs, the church for which he had suffered so much and the country he looked to as the defender of his political views combined to send him into exile.

Cardinal Mindszenty was arrested the day after Christmas, 1948, and after a show trial the following year, was sentenced to death. The sentence was later commuted to life imprisonment. He spent most of his time in solitary confinement.

He was freed by the freedom fighters during the short-lived anti-Communist revolution of 1956. He took refuge in the American embassy in Budapest, and for 15 years lived there in a top-floor apartment.

As the cold war eased, the presence of the cardinal on American territory became an increasing embarrassment to the United States. State Department officials worried over diplomatic complications developing from a serious illness or accident.

There were also reports that his bitter anti-Communist stance and his consistent criticism of the United States for its failure to support the 1956 freedom fighters of Hungary made him less than the most welcome guest.

Over the years, the Vatican sought to negotiate several face-saving formulas to facilitate his departure. But the cardinal steadfastly maintained that as prince primate of the church in Hungary, he had taken an oath not to abandon his flock and that as a patriot he had a duty to remain—technically at least—in his homeland.

In the embassy, he offered mass regularly and on Sundays both embassy personnel and outsiders would attend. He had access to a library and publications from the outside world and also had his own private study.

The Catholic Church in the United States paid for the cost of his food and medical care from funds of the American bishops during his 15-year stay.

In April 1963, Pope John XXIII sent Franz Cardinal Koenig of Austria to Budapest for secret talks with Cardinal Mindszenty. The Austrian prelate was unsuccessful in seeking to persuade his Hungarian counterpart to leave Budapest.

Pope Paul was more successful in persuading the Hungarian primate that his continued presence in the embassy and the circumstances of it were a continuing embarrassment to Rome and an obstacle in developing a new working relationship between the Vatican and the Communist-dominated nation.

In his "Memoirs," recently published in this country, Cardinal Mindszenty reveals that in 1971 he queried President Nixon about remaining in the U.S. Embassy.

In a reply that "arrived with unexpected speediness,' the Cardinal wrote, the American President "recommended that I bow to my fate."

"Despite the courtesy of the tone, I realized from the President's letter that from now on I would actually be an unwanted guest in the Embassy," he wrote.

"I therefore had only the alternative of leaving the embassy and by that act, surrendering to the political police, or leaving the country for the West, as the pope desired."

He chose the latter, settling in a three-room apartment in the gray stone Pazmaneum Building in Vienna, which housed Hungarian seminarians studying in the Austrian capital.

It was there he set about writing his "Memoirs."

The bitterest blow came Feb. 5, 1974, when the Vatican formally announced his removal as primate of Hungary, after he had refused to resign.

"Cardinal Mindszenty cannot abidicate," he said then, and repeated the words in the closing chapter of his book.

"This is the path I traveled to the end," he concluded in the "Memoirs," "and this is how I arrived at complete and total exile."

In the years since he left Budapest, the aged cardinal traveled widely in addition to writing his "Memoirs."

If he was no longer primate of Hungary in the eyes of the official church, Hungarian emigrants wherever he traveled acclaimed him as their own.

Wherever he appeared during the two trips he made to the United States, Hungarian-Americans brought their children to him to be confirmed in mass ceremonies and jammed the services and events planned for him.

During his visit in Washington just a little more than a year ago, the faithful came from as far as Ohio. They welcomed him with flowers and flags wherever he went, pressed crucifixes upon him to be blessed and called him "a martyr and a living saint."

He told audiences he had come to the United States "to express our gratitude for all the American help and support in Hungary's cause" and made no mention of the bitterness of his later years.

But even on a mission of thanks, he managed to stir controversy when he rejected an honorary degree and canceled a planned visit to the University of Santa Clara. The Jesuit-operated school had named to its board of regents Rep. Don Edwards, who was under fire from prolife groups for his stand on antiabortion legislation.

He also took on the Vatican in some of his speaking tours.

In an appearance at the Frankfurt Book Fair last October, planned to publicize his "Memoirs," he attacked the Vatican policy of detente with Communist regimes.

He charged that detente had weakened the church, as he had claimed repeatedly since 1947. "I think I am better informed than the pope's advisers in view of my personal experience," he said.

Born Jozsef Pehm in the western Hungarian town of Mindszenty on March 29, 1892, he was ordained in 1915 and changed his name to Mindszenty in 1940. He served as a relatively obscure parish priest until March, 1944, when he became bishop of Veszprem.

Six days earlier, Nazi forces had taken over the government of Hungary and he was arrested the following autumn.

Victorious Allied forces effected his release in 1945 and he was appointed archbishop of Esztergom by Pope Pius XII. The position automatically made him primate of Hungary.

Vatican sources said that despite the pope's differences with the aged cardinal, Pope Paul was deeply moved by his death.

The pontiff had sent his nuncio in Vienna, Msgr. Opilio Rossi, to the cardinal's bedside with a personal message and blessing when he learned of the scheduled surgery.

President Ford yesterday described Cardinal Mindszenty as a man of "courage, integrity and unfailing faith. In his long life he fought against tyranny wherever he encountered it," the President said.

"There was a heroic quality about him that marked this man as a crusader for liberty as well as a man of spiritual contemplation."

THE GREAT ORLANDO PROPERTY SALE

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. FREY. Mr. Speaker, I would like to call the attention of my colleagues and the American people to the positive actions taken by Orange, Seminole, and Osceola Counties in Florida to attract industry to our area and to win jobs for our people.

The businessmen in this tricounty area through the Orlando Area Chamber of Commerce, decided to do something about our present economic situation. The chamber devised "The Great Orlando Property Sale," putting in one package all of the substantial discounts, rebates and cost reductions offered by both industrial and residential property owners.

And then the chamber persuaded other developers and owners to offer similar concessions so that this 6-week sale became truly an orderly and comprehensively planned program. The concessions offered have been so significant that companies considering opening plants in Florida—or families thinking about moving to our State—have been encouraged to do so now because property prices are low. The sale extended from March 14 to April 30.

I am delighted to report there were 197 solid inquiries. The breakdown is as follows: 96 for homes; 31 for condominiums; 29 for apartments; 2 from people interested in starting new businesses; 6 interested in purchasing apartment complexes; 3 for other investments; 10 general inquiries about homes for retirement, land development, et cetera, as well as 20 from companies.

It is interesting to note that even if only 7 of the 20 interested companies locate in the area they would hire up to 6,000 people and occupy about 1 million square feet of existing plant space.

The 197 inquiries came from 18 States located throughout the country, although most came from the East and Midwest.

Mr. Speaker, this is the kind of old-fashioned, vigorous, imaginative self-help action which made this country great, and I suggest that other cities around the country might want to consider the Great Orlando Property Sale as an aid to the generation of business and jobs.

On March 14, the Wall Street Journal contained an article on this event and I would like to insert this article at this point:

BARGAIN BUILDINGS.—THEY ARE HAVING A SALE IN ORLANDO, FLA., AREA, AND WHAT THEY ARE SELLING IS—WELL, ORLANDO

(By Neil Maxwell)

ORLANDO, FLA.—If it helped in Detroit, why not here?

The problem may not be exactly the same, but it is still a matter of rampant overproduction and bloated inventories. Instead of cars, the oversupply is of homes, apartments, condominiums, offices, factories and warehouses.

So, starting today, this central Florida area is offering six weeks of rebates, discounts, price cuts and sales gimmicks in an effort to clear the real-estate shelves of slow-moving items. Many bargains were available before today, but there will be even more over the next six weeks. The big sale is the brainchild of the Orlando Area Chamber of Commerce.

Last year this area, like many places in the U.S. was hit by a recession. But Orlando had double trouble: It was also hit by a serious drop in the important tourist business. Tourism slumped because of the fuel scare that followed the Arab embargo; when tourism slumped, so did the rest of the local economy.

Suddenly the area realized that it was seriously overbuilt. It had been seriously overbuilt anyway; the tourist-business drop and its impact simply hastened the realization. The tourists are back now, but the vacancies remain.

"I guess we sort of got caught up in a euphoria with Disney World coming in" about 15 miles southwest of downtown Orlando, says A. R. Timberman Jr., the chamber of commerce's expert in economic development. "We went from 5,800 motel units to 28,000 units almost overnight, and the euphoria permeated every other field. We were building apartments and condominiums like there was no tomorrow."

TOO BUSY TO THINK

Robert N. Gardner, an executive at Condev Corp., a real-estate developer, says, "We were so busy building apartments that everybody was unaware that a lot of the people renting the apartments were construction workers who were coming in to build more new apartments. Nobody knew what anybody else was doing, and the real-estate development trusts were throwing money in every direction."

Mr. Timberman of the chamber of commerce says that things were booming so much that efforts to attract new industry were hurt. "General Tire," he says, "was talking seriously about putting a plant here. We were No. 1 on their list. But they decided not to because they didn't think they could hire enough people to staff it." With the unemployment rate up to 10% now from 3% then, at least finding workers would be no trouble now.

Mayor Carl Langford is an optimist. He calls the big push starting today a "going-into-business sale." In politics, he says, one learns that there are no problems, only opportunities. He adds, "We are faced with some indescribable opportunities."

Whatever you call them, vacancies are undeniably in abundance, as a compilation by the chamber shows:

Condominiums—There are 8,088 in the area, and 5,033 of them, or an eight-year supply at reecnt growth rates, are vacant.

Apartments—In large complexes (more than 40 units) there are 28,894 apartments, and 7,818, a two-year supply, are vacant. And that doesn't count 8,388 others that are under construction or, at last report, scheduled to be built.

Homes—There is no accurate count of those up for sale, but Robert G. Gardner, director of the Home Builders Association of Mid-Florida, says that if a thousand new families arrived in the Orlando area tomorrow, they could all move into new homes. Prices, dealers say, are off 10% to 20% from a year ago, and often below cost. For the six-week sale, some real-estate men are offering extras such as a solar water-heater at no charge, and some brokers are cutting their commissions to 3% from 5%.

Industrial space—About 3.5 million square feet of floor space is available, much of it being discounted between 5% and 10% for the big sale. Before the sale, such space was leasing for $1 to $1.60 a square foot, a drop of 20% from boom times. In 1970 there were 12 industrial parks with 6,738 acres; now there are 25 with 18,489 acres, a 174% increase in acreage. Most factories and warehouses here are in industrial parks.

Office space—About 1.5 million square feet of floor space is available, a three-year supply. Some was leasing for less than $5 a square foot before the sale. For the next six weeks, all seven major office parks are offering 5% to 10% reductions off pre-sale prices.

HAVE A FREE RIDE

Renters of industrial and office space like to avoid talking about prices because of a lot of variables, but David Lamsens, vice president of Orlando Central Park, an industrial and office park, says he is going along with 5% to 10% discounts. He adds, "If a prospect comes to me in response to this campaign, when he walks in that door and I quote him a price he's going to know he's got a bargain."

And if he takes the bargain, Mr. Lamsens adds, the park will rebate any plane fare and motel expenses.

J. Blair Culpepper, president of Winter Park Savings and Loan, says he'll do more: "If somebody is interested in moving his business here, we send a representative with a map to talk about where to buy a home, where the school is, how far it is to the grocery, and where he has to go to ride horseback." And with a lot of money available for lending, Winter Park Savings and Loans will shave interest rates on mortgages in some cases, Mr. Culpepper says.

If someone wants an apartment instead of a home, he too can find bargains during the sale. Mr. Gardner of Condev, for example, says that new rentals at some Condev projects are being cut as much as $25 a month. At Orient Woods, a two-bedroom, two-bath unit that was $210 a month is now $185.

Condev had already lowered some condominium prices 20%. "In addition," Mr. Gardner says, "we're paying the maintenance fee (about $33 a month) for the first year. We're also guaranteeing (during the sale) that we'll buy the unit back if the man loses his job during the first year and we'll buy it back unconditionally in the second year."

BAD IN THE LONG RUN?

Bargains have been widespread here for many months now. A two-bedroom one-bath condominium that was priced at $22,900 a year ago is priced at $20,000 now, Mr. Gardner says. Other bargains in the area frighten real-estate managers, who are convinced the good buys will turn out to be disastrous for apartment operators.

With occupancy rates as low as 5% at some projects, "giveaway programs" are being offered "in a last-ditch effort to forestall the lender from closing the door," says Anthony J. Nicholson, the head of the apartment managers' association.

He says some renters have taken to moving from one apartment to another simply to take advantage of the "giveaways," and it isn't hard to see why: A new tenant at Aloma Arms All American Apartments, for example, pays only $17.76 a month rent for the first two months, then gets a rebate of a $25 U.S. savings bond for the third and fourth months.

He might, however, find the offer at the four projects operated by IFCO Ltd. even more attractive: New renters pay only $15.95 a month for the first three months instead of the regular rent of $135 to $170. Besides, the expense of moving to his new apartment will be paid for him; when he arrives, he'll find his refrigerator filled with food; and he is assured that if he loses his job his rent will be deferred for a month, with easy payments later.

Such offers, Mr. Nicholson says, are causing a lot of apartment hopping (it's hard to enforce a lease in Florida, he says) and are "causing a lot of consternation to existing tenants," when can't take advantage of the offers.

Hopping is a problem at office parks, too. At Crane's Roost, a fairly new park, broker Gaston L. DeGailler says 70% of his leasing activity involves tenants who already have space and are shopping around for something cheaper.

A similar tactic is being used by homeowners, real-estate men say. "Look at the number of homes for rent in the classifieds," says Mr. Nicholson of the apartment managers' association. "People are moving into cheap apartments and renting their homes out to save money."

FTC CHARGES INTERLOCKING DIRECTORSHIPS VIOLATE RULES OF COMPETITION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, May 9, 1975

Mr. EVINS of Tennessee. Mr. Speaker, section 8 of the Clayton Act prohibits interlocking corporate directorships—an individual cannot serve as a director of two competing companies.

Recently the Federal Trade Commission charged that 12 oil and natural gas companies were in violation of the Clayton Act and section 5 of the FTC Act—the interlocking directorships were discontinued by consent order.

The FTC found that seven persons served on the boards of directors of these companies which supposedly are in direct competition. The Commission stated in each case that the elimination of competition by agreement between the companies would restrain competition or tend to create monopoly in the energy field.

Specifically, the FTC found the following:

Horace A. Shepard of Cleveland, Ohio served on the board of the Standard Oil Co. of Ohio and also on the board of Diamond Shamrock Corp. In 1972, Sohio had sales and operating revenues of more than $1.4 billion and Diamond Shamrock's sales and revenues totaled more than $617 million for the same year.

William B. Moses of Boston served on the board of Amerada Hess Corp. and also on the board of the Newmont Mining Corp. In 1972 Amerada Hess had revenues of approximately $1 billion and Newmont Mining revenues totaled $272 million.

Alfred C. Gassell, Jr., of Houston, and Franz Schneider of New York City served on the boards of El Paso Natural Gas and Transcontinental Gas Pipe Line Corp. In 1972 El Paso had revenues of approximately $1.1 billion and Transcontinental had revenues of $482 million.

Willard M. Johnson of Houston served on the board of Dixilyn Corp., and also the Austral Oil Co., Inc. In 1973 Dixilyn had revenues of approximately $12 million, while in 1972 Austral had revenues also of approximately $12 million.

Paul A. Conley of New York City served on the boards of General American Oil Co. of Texas and Pauley Petroleum, Inc. In 1972 General had revenues of approximately $58 million, and Pauley Petroleum had revenues of approximately $28 million the same year.

Dean A. McGee of Oklahoma City served on the board of Kerr-McGee Corp. and also the Oklahoma Natural Gas Co. In 1972 revenues to Kerr-McGee totaled in excess of $679 million. Oklahoma Natural Gas had revenues the same year of $133 million.

In each of these cases, the individuals have resigned from one of the directorships previously held.

Last month the FTC announced it had accepted agreements from each of the corporations involved which contained consent orders prohibiting illegal director interlocks among competitors in the energy industry.

The concentration of economic power into the hands of the few is a threat to our free enterprise system and American democracy. Certainly, Mr. Speaker, every effort must be made to promote more competition in the energy area. A free market is essential if this Nation is to achieve its energy goals. I commend the Federal Trade Commission for its action and I hope that others who may serve in similar interlocking directorships will take note.

Because of the interest of the American people in this most important subject, I place herewith in the Record a copy of a press release from the FTC of April 22 and an FTC analysis of the proposed consent orders.

These materials follow:

[Federal Trade Commission News]

Twelve FTC Consent Orders Ban Interlocking Directorates: Public Comment Invited

The Federal Trade Commission announced today that it has by unanimous vote accepted 12 agreements containing consent orders prohibiting illegal director interlocks among competitors in the energy industry.

Cited in the Agreements are:

Standard Oil Company (Ohio), 101 Prospect Ave., Cleveland, Ohio, Diamond Shamrock Corp., 1100 Superior Ave., Cleveland, and Horace A. Shepard, a director of both. (File No. 741 0027)

Amerada Hess Corp., 51 W. 51st St., New York City, Newmont Mining Corp., 300 Park Ave., New York City, and William B. Moses, Jr., a director of both. (File No. 741 0030)

El Paso Natural Gas Co., 2727 Allen Parkway, American General Bldg., Houston, Tex., TransContinental Gas Pipe Line Corp., 3100 Travis St., Houston, and Alfred C. Glassell, Jr., and Franz Schneider, directors of both. (File No. 741 0031)

Dixilyn Corp., 1012 First City National Bank Bldg., Houston, Austral Oil Co., Inc., 2700 Exxon Bldg., Houston, and Willard M. Johnson, a director of both. (File No. 741 0035)

General American Oil Company of Texas, Meadows Bldg., Dallas, Tex., Pauley Petroleum, Inc., 10000 Santa Monica Blvd., Los Angeles, Calif. and Paul A. Conley, a director of both. (File No. 741 0036)

Kerr-McGee Corp., Kerr-McGee Center, Oklahoma City, Okla., Oklahoma Natural Gas Co., 624 S. Boston Ave., Tulsa, Okla., and Dean A. McGee, a director of both. (File No. 741 0037)

The complaints that led to these consent orders, announced by the Commission on June 27, 1974, alleged that:

Sohio and Diamond are competitors of each other with respect to the exploration, production, refining, transportation and sale of crude petroleum and natural gas.

Amerada and Newmont are competitors of each other with respect to the exploration, production, refining and sale of crude petroleum and natural gas.

El Paso and Transcontinental are competitors of each other with respect to the exploration, production, processing and sale of natural gas.

Dixilyn and Austral are competitors of each other with respect to the exploration, production and sale of crude petroleum and natural gas.

General and Pauley are competitors of each other with respect to the exploration, production and sale of crude petroleum and natural gas.

Kerr-McGee and Oklahoma Natural Gas are competitors of each other with respect to the exploration, production and sale of natural gas.

These director interlocks allegedly violate Section 5 of the FTC Act, and also Section 8 of the Clayton Act, which forbids any person to hold directorships in two competing companies where either one has capital, surplus and undivided profits aggregating more than $1 million.

In addition to prohibiting common directors between the subject companies, the consent orders require the respondents to establish a corporate procedure designed to detect the existence of interlocks. The orders also require respondents for a period of five years, to obtain statements from both current and prospective directors which disclose the name, business, and location of operations of each other corporation on whose board of directors they serve.

The complaint and consent orders will remain on the public record from April 22, 1975 through June 20, 1975. Comments from the public received during this period will become part of the public record. The FTC may withdraw its acceptance of the agreements after further consideration. An analysis of the consent orders may be obtained from Legal and Public Records, Federal Trade Commission, Washington, D.C. 20580 (Telephone No. (202) 962-5214).

Analysis of the Proposed Consent Orders To Aid Public Consent

The Federal Trade Commission has accepted agreements to proposed consent orders from:

The Standard Oil Company, et al., Dkt.
Amerada Hess Corp., et al., Dkt.
El Paso Natural Gas Co., et al., Dkt.
Dixilyn Corp., et al., Dkt.
General American Oil Company of Texas, Dkt.
Kerr-McGee Corp., et al., Dkt.

The proposed consent orders were placed on the public record for sixty (60) days for reception of comments by interested parties and the public. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreements and the comments received and will decide whether it should withdraw from the agreements or make final the agreements proposed orders.

On June 27, 1974, the Commission announced its intention to issue complaints against 12 energy companies and seven individual directors for alleged violations of Section 8 of the Clayton Act and Section 5 of the Federal Trade Commission Act.

Section 8 of the Clayton Act prohibits a person from serving simultaneously as a director of two or more corporations, if by virtue of their business and location of operation they are competitors and provided that one of the corporations has capital, surplus, and undivided profits exceeding $1 million.

During the course of consent negotiations, all of the individual directors in these companion cases resigned from the board of at least one of the subject corporations, thereby terminating the interlocks.

The consent orders in these companion cases have uniform provisions. Common directors between the subject companies are prohibited. Furthermore, the orders compel the respondents to establish a corporate procedure designed to detect the existence of interlocks. More specifically, the orders require that for a five-year period the respondents must obtain statements from both current and prospective directors which disclose the name, business, and location of operations of each other corporation on whose board of directors they serve. If a di-

Finally, the orders require that each re- rector or prospective director fails to submit such a statement, or if the statement on its face reveals, or a reasonably diligent investigation of the facts set forth in the statement would reveal, the possible existence of an interlock in the areas of corporate activity described in the order, the respondents must remove the director from its board or have him resign from the other company's board or, in the case of prospective directors, must not place the individual on its board unless the interlock is eliminated via resignation. spondent submit to the Commission, within sixty (60) days after service of the final order, copies of the statements received from their current directors.

In sum, these orders represent an effort by the Commission to encourage corporations to establish meaningful internal procedures which are designed to ferret out and eliminate or avoid illegal interlocks.

The purpose of this analysis is to facilitate public comment on the proposed orders and it is not intended to constitute an official interpretation of the agreements and proposed orders or to modify in any way their terms.

HOUSE OF REPRESENTATIVES—*Monday, May 12, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Send out Thy light and Thy truth: let them lead me.—Psalms 43: 3.

Eternal God, in the glowing beauty of springtime and the glorious beginning of another day we come to Thee praying that the power of Thy presence and the light of Thy love may come to new life within us as we bow before Thee.

Thou hast called us to live our lives and to do our work in a frustrated yet fruitful age. So by Thy grace—

"We would live ever in the light,
We would work ever for the right,
We would serve Thee with all our might,
Therefore, to Thee we come."

So may it be now as we go to work this day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on May 9, 1975, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

USDA DAIRY ACTION

(Mr. WAMPLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAMPLER. Mr. Speaker, last Friday I received notice of an important and I hope significant action by the U.S. Department of Agriculture in regard to dairy price supports during the balance of the 1975-76 marketing year.

Let me read the text of the letter Secretary of Agriculture Earl Butz sent to me:

> DEAR BILL: This is to inform you that it is our intenton to make a semiannual review of the dairy price support situation in the year ahead. If it appears necessary and advisable to make price support adjustments in order to secure the supply of milk, as defined in the law, it is our intention to do so. This is permissible under the law, even though the law mandates only annual adjustments.
>
> May I assure you that we want to do everything possible to maintain both a healthy and profitable dairy industry within the framework of an expanding market.
>
> Sincerely yours,
>
> EARL L. BUTZ.

As I am sure everyone knows, the vetoed farm bill upon which we will vote tomorrow mandates quarterly adjustments in dairy price supports under a formula which reflects certain production costs.

While I supported the vetoed bill in the past, I doubt that the House will override that veto. Thus, I am encouraged to learn that Secretary Butz will on his own initiative set up a formal semiannual review procedure this year.

I want to commend the Secretary for this decision and I hope that, when he examines the compelling evidence that dairy farmers do indeed need a reasonable boost in their price supports, he will take the appropriate and needed action.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT TO FILE CONFERENCE REPORT ON H.R. 4481

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to

the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 94–201)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) "making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 16, 17, 18, 31, 44 and 45.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 11, 13, 28, 29, 30, 32, 41, 42, 43, 46, 47, 51, 53, 54, 55, 56, 59, 60 and 62, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,066,000"; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert $26,880,000; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert $13,900,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert $7,500,000; and the Senate agree to the same.

Amendment numbered 15:

That the House receded from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert $19,500,000; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,676,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

"Salaries and Expenses

"For an additional amount for "Salaries and expenses", $3,000,000, to remain available until October 31, 1975, of which $2,000,000 shall be for the National Endowment for the Arts and $1,000,000 shall be for the National Endowment for the Humanities."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$458,050,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"RELATED AGENCIES

"Community Services Administration

"Community Services Program

For carrying out activities authorized by section 222(a)(13) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2701, et seq.) $15,300,000."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$81,625,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$1,750,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$21,000,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert: "five hundred and twenty nine"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,050,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

"UNITED STATES POSTAL SERVICE

"Payment to the Postal Service Fund

"For an additional amount for "Payment to the Postal Service Fund", pursuant to 39 U.S.C. 2004, $100,000,000."

And the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ", to remain available until September 30, 1976"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"The aggregate amount made available in the Treasury, Postal Service and General Government Appropriation Act, 1975, for real property management and related activities is increased to $1,429,847,800 and the amount provided in such Act in excess of which revenues, collections and other sums accruing to the fund (excluding reimbursements pursuant to 40 U.S.C. 490(f)(6)) shall be deposited in miscellaneous receipts is increased to $1,508,847,800."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 6, 8, 9, 12, 23, 24, 25, 26, 33, 34, 35, 36, 37, 58 and 61.

GEORGE MAHON,
JAMIE L. WHITTEN,
ROBERT L. SIKES,
OTTO PASSMAN,
JOE L. EVINS,
EDWARD P. BOLAND,
DANIEL J. FLOOD,
TOM STEED,
JOHN M. SLACK,
JOHN J. MCFALL,
SIDNEY R. YATES,
SILVIO O. CONTE,
(except amendment 61),
Managers on the Part of the House.

JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
JOHN C. STENNIS,
JOHN O. PASTORE,
ROBERT C. BYRD,
JOSEPH M. MONTOYA,
BIRCH BAYH,
MILTON R. YOUNG,
CLIFFORD P. CASE,
EDWARD W. BROOKE,
MARK O. HATFIELD,
CHARLES MCC. MATHIAS, Jr.,
TED STEVENS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) making emergency appropriations for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

CHAPTER II

Environmental Protection Agency

Abatement and Control

Amendment No. 1: Appropriates $175,000 for administering the waste treatment grant program as proposed by the Senate instead of $350,000 as proposed by the House.

CHAPTER III

Department of the Interior

Bureau of Land Management

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the appropriation for management of lands and resources shall remain available until October 31, 1975.

United States Fish and Wildlife Service

Amendment No. 3: Appropriates $23,066,000 for construction and anadromous fish instead of $21,496,000 as proposed by the House and $24,647,000 as proposed by the Senate. The managers on the part of the House and the Senate are in agreement that the funds provided in this appropriation include urgently needed rehabilitation work at the Leetown National Fish Hatchery, West Virginia.

National Park Service

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the appropriation for operation of the national park system shall remain available until October 31, 1975.

Amendment No. 5: Appropriates $26,880,000 for planning and construction instead of $22,100,000 as proposed by the House and $29,361,000 as proposed by the Senate. The managers on the part of the House and Senate are in agreement that within the total amount provided, $2,300,000 shall be available to assist the towns of Harpers Ferry and Bolivar, West Virginia in the construction of a sewage system and treatment plant.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that $2,300,000 in the appropriation for planning and construction be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park.

Amendment No. 7: Appropriates $13,900,000 for road construction (liquidation of contract authority) instead of $12,700,000 as proposed by the House and $14,650,000 as proposed by the Senate. The increase over the amount provided by the House includes $450,000 for continued planning and construction for Section 3–C of the Natchez Trace Parkway, Mississippi.

Geological Survey

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which provides $750,000 for surveys, investigations, and research, instead of $1,500,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Mining Enforcement and Safety Administration

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which provides $1,250,000 for salaries and expenses instead of $2,775,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The funds provided include $400,000 for construction of general purpose space requirements at Princeton, West Virginia; $250,000 for construction of general purpose space requirements at Pineville, West Virginia; and $600,000 for an illumination laboratory at Beckley, West Virginia.

Bureau of Indian Affairs

Amendment No. 10: Appropriates $7,500,000 for operation of Indian programs instead of $5,000,000 as proposed by the House and $10,000,000 as proposed by the Senate. The $2,500,000 increase over the amount proposed by the House is for Indian housing construction and rehabilitation.

Amendment No. 11: Provides that funds included in the appropriation for operation of Indian programs shall remain available until October 31, 1975, as proposed by the Senate.

RELATED AGENCIES

Department of Agriculture

Forest Service

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the appropriation for forest protection and utilization shall remain available until October 31, 1975.

Amendment No. 13: Appropriates $56,580,000 for forest land management as proposed by the Senate instead of $56,080,000 as proposed by the House.

Amendment No. 14: Deletes the appropriation for forest research which was proposed by the Senate.

Amendment No. 15: Appropriates $19,500,000 for construction and land acquisition instead of $18,000,000 as proposed by the House and $21,000,000 as proposed by the Senate.

Amendment No. 16: Appropriates $10,000,000 for the Youth Conservation Corps as proposed by the House instead of $15,000,000 as proposed by the Senate.

Amendment No. 17: Provides that $5,000,000 of the appropriation for the Youth Conservation Corps shall be available to the Secretary of the Interior as proposed by the House instead of $7,500,000 as proposed by the Senate.

Amendment No. 18: Provides that $5,000,000 of the appropriation for the Youth Conservation Corps shall be available to the Secretary of Agriculture as proposed by the House instead of $7,500,000 as proposed by the Senate.

Department of Health, Education and Welfare

Indian Health Service

Amendment No. 19: Appropriates $17,676,000 for Indian health facilities instead of $12,574,000 as proposed by the House and $22,453,000 as proposed by the Senate. This appropriation will provide $3,676,000 for maintenance and repair of facilities and $14,000,000 for sanitation systems. The managers on the part of the House and the Senate are in agreement that $724,000 of this appropriation shall be available for staff housing at the Lame Deer Health Clinic, Montana.

National Foundation on the Arts and the Humanities

Amendment No. 20: Appropriates $3,000,000 for salaries and expenses instead of $5,000,000 as proposed by the Senate. The amount provided includes $2,000,000 for the National Endowment for the Arts and $1,000,000 for the National Endowment for the Humanities.

CHAPTER IV

Department of Labor

Manpower Administration

Amendment No. 21: Appropriates $458,050,000 for "Comprehensive manpower assistance", instead of $412,700,000 as proposed by the House and $502,300,000 as proposed by the Senate. The increase over the amount proposed by the House includes $43,650,000 for the summer youth employment program and $1,700,000 for the summer youth transportation program.

The Department is expected to distribute funds for the summer youth employment program according to the formula under Title I of the Comprehensive Employment and Training Act, adjusted to insure that no area receives less enrollment opportunities from this source than were provided for the summer of 1974. The Department shall not require prime sponsors to provide matching funds for any part of these supplemental summer youth employment funds.

Amendment No. 22: Appropriates $30,000,000 for "Community service employment for older Americans" instead of $24,000,000 as proposed by the House and $36,000,000 as proposed by the Senate.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which provides that notwithstanding any other provision in law, amounts contained herein, together with amounts heretofore appropriated for "Community service employment for older Americans" may be expended to continue projects now being conducted as part of the National Operation Mainstream program authorized by title III of the Comprehensive Employment and Training Act of 1973 (Public Law 93–203).

Department of Health, Education and Welfare

Health Services Administration

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which adds a new paragraph for "Health services", authorizing the Secretary of Health, Education, and Welfare to hire and assign not to exceed 146 additional health professionals to serve in the National Health Service Corps.

Office of Education

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language under "Higher education", providing that any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76.

Social and Rehabilitation Service

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment, which appropriates $70,000,000 for "Work incentives" as proposed by both the House and the Senate, and revises the appropriation language to provide that the funds may be used for payments to States for the current fiscal year and for any period in the prior fiscal year provided the prior fiscal year expenditures are claimed on quarterly statements of expenditures received by the Secretary of Health, Education, and Welfare prior to February 1, 1975.

RELATED AGENCIES

Community Services Administration

Amendment No. 27: Appropriates $15,300,000 for "Community services program", instead of $39,000,000 proposed by the Senate. The House bill provided no appropriations for this purpose. The entire amount agreed upon by the conferees is to be used for the summer youth recreation program. The conferees are agreed that appropriations for the emergency energy conservation services program and the national summer youth sports program will be included in the Second Supplemental Appropriations Bill (H.R. 5899).

CHAPTER V

Department of Defense—Civil

Department of the Army

Corps of Engineers—Civil

Construction, General

Amendment No. 28: Appropriates $226,350,000 as proposed by the Senate instead of $58,055,000 as proposed by the House.

The conferees are agreed that recreation development at completed projects authorized prior to 1965 should be 100% Federally financed.

The funds appropriated under this heading are to be allocated as shown in the following tabulation.

CORPS OF ENGINEERS, FISCAL YEAR 1975—CONSTRUCTION, GENERAL

State, project, and conference	*allowance*
Alabama:	
(R) John Hollis Bankhead lock and dam	$100,000
(MP) Jones Bluff lock and dam	4,000,000
(N) Tennessee-Tombigbee Waterway, Ala. and Miss	10,000,000
Alaska:	
(FC) Chena River Lakes, Fairbanks	10,000,000

CORPS OF ENGINEERS, FISCAL YEAR 1975—CONSTRUCTION, GENERAL—continued

State, project, and conference	*allowance*
(MP) Snettisham	5,000,000
Arizona:	
(FC) Phoenix and vicinity, including New River (stage 1)	500,000
Arkansas:	
(FC) De Queen Lake	300,000
(FC) Dierks Lake	150,000
(FC) Gillham Lake	900,000
(N) McClellan-Kerr Arkansas River Navigation System, Arkansas and Oklahoma: Navigation locks and dams	1,200,000
(N) Quachita and Black Rivers, Ark. and La	1,000,000
(MP) Ozark lock and dam	300,000
(FC) Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex	2,000,000
California:	
(FC) Buchanan Dam—H. V. Eastman Lake	250,000
(BE) Imperial Beach	150,000
(FC) Lytle and Warm Creeks	3,000,000
(MP) New Melones Lake	1,500,000
(FC) Sacramento River bank protection	400,000
(N) San Diego Harbor	2,000,000
Colorado:	
(FC) Bear Creek Lake	2,200,000
(FC) Chatfield Lake	2,700,000
Connecticut:	
(FC) Danbury	1,000,000
Delaware:	
(N) Inland waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal), pt. II, Delaware and Maryland	1,000,000
Georgia:	
(MP) Carters Lake	400,000
(MP) Richard B. Russell (Trotters Shoals) Dam and Lake, Ga., and S.C	2,300,000
(N) Savannah Harbor (40 feet widening and deepening)	500,000
(N) Savannah Harbor (sediment basin)	350,000
(MP) West Point Lake, Ala. and Ga.	2,400,000
Hawaii:	
(FC) Kaneohe-Kailua area	3,000,000
Idaho:	
(MP) Dworshak Dam and Reservoir	200,000
(FC) Ririe Lake	2,000,000
Illinois:	
(FC) Carlyle Lake	500,000
(FC) Harrisonville and Ivy Landing—Drainage and levee district No. 2	1,800,000
(N) Illinois Waterway, Calumet-Sag modification, pt. I, Illinois and Indiana	1,000,000
(N) Kaskaskia River navigation	1,000,000
(N) Lock and dam 53 (temporary lock), Illinois and Kentucky	1,800,000
(N) Mississippi River between Ohio and Missouri Rivers, Ill. and Mo. (a) Chain of Rocks	800,000
(FC) Rock Island	100,000
(N) Smithland locks and dam, Illinois and Kentucky	8,600,000
Indiana:	
(FC) Evansville	250,000
(FC) Mason J. Niblack levee (pumping facilities)	200,000
(N) Newburgh locks and dam, Indiana and Kentucky	3,500,000
(FC) Patoka Lake	1,000,000
(N) Uniontown locks and dam, Indiana and Kentucky	3,000,000
Iowa:	
(FC) Clinton	1,000,000
(FC) Marshalltown	1,000,000
(FC) Missouri River levee system, Iowa, Kansas, Missouri, and Nebraska	1,000,000
Iowa—Continued	
(N) Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska	5,000,000
(FC) Saylorville Lake	5,000,000
(FC) Waterloo	5,000,000
Kansas:	
(FC) Big Hill Lake	300,000
(FC) Clinton Lake	2,800,000
(FC) El Dorado Lake	3,000,000
(FC) Hillsdale Lake	4,000,000
(FC) Kansas City, Kansas River (1962 mod)	600,000
Kentucky:	
(FC) Carr Fork Lake	500,000
(FC) Cave Run Lake	1,000,000
(FC) Paintsville Lake	500,000
(FC) Taylorsville Lake	900,000
(FC) Yatesville Lake	3,000,000
Louisiana:	
(N) Overton-Red River Waterway (lower 31 miles only)	1,000,000
(N) Red River emergency bank protection	3,000,000
(N) Red River Waterway, Mississippi River to Shreveport, La.	2,000,000
Maryland:	
(FC) Bloomington Lake, Md. and W. Va	10,000,000
Massachusetts:	
(FC) Charles River Dam	3,000,000
(N) Weymouth Fore and Town Rivers	2,100,000
Michigan:	
(FC) River Rouge	1,000,000
Minnesota:	
(FC) Mankato and North Mankato	2,000,000
Missouri:	
(MP) Harry S. Truman Dam and Reservoir	4,500,000
(FC) Long Branch Lake	900,000
(FC) Smithville Lake	4,000,000
Montana:	
(MP) Libby Dam-Lake Koocanusa	7,000,000
Nebraska:	
(MP) Gavins Point Dam Lewis and Clark Lake (relocation of Niobrara, Nebr.), Nebr. and S. Dak	2,000,000
New Jersey:	
(FC) South Orange	1,000,000
New Mexico:	
(FC) Cochiti Lake	2,500,000
(FC) Los Esteros Lake	500,000
New York:	
(BE) Fire Island Inlet to Jones Inlet	600,000
(N) New York Harbor (anchorages	4,000,000
(FC) Yonkers	300,000
North Carolina:	
(FC) B. Everett Jordan Dam and Lake	2,500,000
(FC) Falls Lake	500,000
North Dakota:	
(FC) Minot	2,500,000
Ohio:	
(FC) Alum Creek Lake	1,000,000
(FC) Caesar Creek Lake	1,000,000
(N) Willow Island locks and dam, Ohio and West Virginia	1,000,000
Oklahoma:	
(FC) Clayton Lake	2,000,000
(FC) Copan Lake	3,000,000
(FC) Hugo Lake	2,000,000
(FC) Kaw Lake	4,000,000
(FC) Optima Lake	500,000
(FC) Skiatook Lake	500,000
Oregon:	
(MP) Bonneville lock and dam (2d powerhouse), Oregon and Washington	600,000
(N) Columbia and lower Willamette Rivers (40-foot project), Oregon and Washington	200,000
(MP) Cougar Lake	200,000
(FC) Elk Creek Lake	1,000,000
(FC) Lower Columbia River bank protection, Oregon, Washington	800,000
(MP) McNary lock and dam, Oregon and Washington	500,000
(FC) Seappoose Drainage District	1,200,000
(FC) Willamette River Basin bank protection	1,000,000
Pennsylvania:	
(FC) Blue Marsh Lake	2,000,000
(FC) Cowanesque Lake	4,500,000
(BE) Presque Isle Peninsula	300,000
(FC) Raystown Lake	2,000,000
(FC) Tioga-Hammond Lakes	3,000,000
(FC) Tyrone	500,000
Tennessee:	
(MP) Cordell Hull Dam and Reservoir	500,000
Texas:	
(FC) Lavon Lake modification and east fork channel improvement	400,000
(FC) San Antonio Channel improvement	650,000
(FC) San Gabriel River	4,000,000
Virginia:	
(FC) Fourmile Run, City of Alexandria, and Arlington County	2,000,000
(FC) Gathright Lake	2,000,000
Washington:	
(MP) Chief Joseph Dam, Rufus Woods Lake (additional units)	10,000,000
(MP) Ice Harbor lock and dam, Lake Sacajawea (additional units)	500,000
(MP) Lower Granite lock and dam	2,200,000
(FC) Wahkaikum County Consolidated Diking District No. 1	200,000
West Virginia:	
(FC) Burnsville Lake	2,200,000
(FC) R. D. Bailey Lake	2,200,000
Miscellaneous:	
Shoreline erosion control demonstration (sec. 54)	1,000,000
Streambank erosion control evaluation and demonstration (sec. 32)	3,000,000
(FC) Small flood control projects not requiring specific legislation (sec. 205)	6,000,000
(N) Small navigation projects not requiring specific legislation costing up to $1,000,000 (sec. 107)	2,500,000
(FC) Emergency streambank and shoreline protection (Sec. 14)	3,000,000
Recreation facilities, at completed projects	1,000,000
Reduction for anticipated savings and slippages	−25,650,000
Grand total, construction, general	226,350,000

Flood Control, Mississippi River and Tributaries

Amendment No. 29: Appropriates $25,000,000 as proposed by the Senate.

Operation and Maintenance, General

Amendment No. 30: Appropriates $22,405,000 as proposed by the Senate instead of $48,000,000 as proposed by the House.

Department of the Interior

Bureau of Reclamation

General Investigations

Amendment No. 31: Deletes appropriation proposed by the Senate.

Construction and Rehabilitation

Amendment No. 32: Appropriates $42,920,000 as proposed by the Senate instead of $9,600,000 as proposed by the House.

Upper Colorado River Storage Project

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate $2,450,000 to remain available until expended.

Colorado River Basin Project

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate $10,400,000, to remain available until expended, of which $8,000,000 is for liquidation of contract authority.

Operation and Maintenance

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to have the funds appropriated for operation and maintenance to remain available until expended.

Loan Program

Amendment No. 36: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate $1,600,000 to remain available until expended.

CHAPTER VI

Department of Commerce

Economic Development Administration

Job Opportunities Program

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment transferring $1,000,000 to the Regional Action Planning Commissions, to remain available until expended, instead of $3,000,000 as proposed by the Senate. These funds are provided to support the Mountain Plains Project through the Old West Commission.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Economic Development Assistance Programs

Amendment No. 38: Appropriates $81,625,000 instead of $163,250,000 as proposed by the Senate. The conferees are agreed that this amount shall be distributed as follows: $34,500,000 for direct and supplementary grants for public works under Title I of the Public Works and Economic Development Act of 1965, as amended; $29,000,000 for business loans and guarantees under Title II of that Act; and $18,125,000 for economic adjustment assistance programs under Title IX of the Act.

Administration of Economic Development Assistance Programs

Amendment No. 39: Appropriates $1,750,000 instead of $3,500,000 as proposed by the Senate.

Regional Action Planning Commissions

Regional Development Programs

Amendment No. 40: Appropriates $21,000,000 instead of $42,000,000 as proposed by the Senate. This amount will provide $3,000,000 to each of the seven Regional Commissions.

RELATED AGENCIES

Small Business Administration

Business Loan and Investment Fund

Amendments Nos. 41 and 42: Earmark $10,000,000 for the handicapped loan program authorized by Section 7(h) of the Small Business Act, as proposed by the Senate.

CHAPTER VII

Department of the Treasury

Federal Law Enforcement Training Center

Amendment No. 43: Appropriates $250,000 for salaries and expenses as proposed by the Senate instead of $3,500,000 as proposed by the House.

U.S. Customs Service

Amendment No. 44: Authorizes purchase of six hundred eighty seven passenger motor vehicles as proposed by the House instead of four hundred and sixty as proposed by the Senate.

Amendment No. 45: Appropriates $52,900,000 for salaries and expenses as proposed by the House instead of $24,300,000 as proposed by the Senate.

Internal Revenue Service

Accounts, Collection, and Taxpayer Service

Amendment No. 46: Deletes language proposed by the House authorizing purchase of fifty passenger motor vehicles, as proposed by the Senate.

Compliance

Amendment No. 47: Authorizes purchase of one hundred passenger motor vehicles as proposed by the Senate instead of fifty as proposed by the House.

United States Secret Service

Amendment No. 48: Authorizes purchase of five hundred twenty-nine passenger motor vehicles instead of six hundred and forty-one as proposed by the House and four hundred and seventeen as proposed by the Senate.

Amendment No. 49: Appropriates $5,050,000 for salaries and expenses instead of $6,500,000 as proposed by the House and $3,600,000 as proposed by the Senate.

United States Postal Service

Amendment No. 50: Appropriates $100,000,000 to the Postal Service Fund instead of $900,000,000 as proposed by the House. The Senate had deleted all funds for the Postal Service. The conferees are agreed that the funds provided are to be available only for the Postal Service's "Small facility program."

INDEPENDENT AGENCIES

General Services Administration

Federal Buildings Fund

Amendment No. 51: Deletes language proposed by the House and inserts language proposed by the Senate to make funds available until expended for construction of seven specified border facilities.

Amendment No. 52: Deletes language proposed by the Senate to make funds for Alterations and Major Repairs available until expended, and inserts in lieu thereof language making such funds available until September 30, 1976.

Amendment No. 53: Appropriates $75,000,000 for Real Property Operations as proposed by the Senate instead of $100,000,000 as proposed by the House.

Amendment No. 54: Inserts language proposed by the Senate to make funds for Real Property Operations available until September 30, 1976.

Amendment No. 55: Provides that in addition to the aggregate amount made available in the Independent Agencies Appropriations Act, 1975, for real property operations, $75,000,000 shall be available for such purposes as proposed by the Senate instead of $100,000,000 as proposed by the House.

Amendment No. 56: Provides that the limitation on the aggregate amount made available for real property operations shall be increased to $426,000,000 as proposed by the Senate instead of $451,000,000 as proposed by the House.

Amendment No. 57: Inserts language proposed by the Senate of a technical nature concerning limitations on the Federal Buildings Fund after adjustment of the amounts by the conferees.

Amendment No. 58: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate eliminating the requirement for repayment with interest of amounts appropriated to this fund.

General Supply Fund

Amendment No. 59: Authorizes the purchase of eighteen thousand eight hundred and sixty-four passenger motor vehicles, trucks and trailers as proposed by the Senate instead of eighty thousand as proposed by the House.

Amendment No. 60: Appropriates $66,100,000 for the purchase of vehicles as proposed by the Senate instead of $280,000,000 as proposed by the House.

CHAPTER VIII

Department of Transportation

Amendment No. 61: Reported in disagreement. The managers on the part of the House will offer a motion to insist on their disagreement to the amendment of the Senate numbered 61 which would provide $700,000,000 to the Federal Railroad Administration.

Amendment No. 62. Inserts heading as proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1975 recommended by the committee of conference with comparisons to the fiscal year 1975 budget estimate, and the House and Senate bills for 1975 follow:

Budget estimates of new (obligational) authority, fiscal year 1975	$2,042,700,000
House bill, fiscal year 1975	5,373,474,000
Senate bill, fiscal year 1975	5,504,535,000
Conference agreement	[1] 4,729,146,000
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 1975	+2,686,446,000
House bill, fiscal year 1975	−644,328,000
Senate bill, fiscal year 1975	−775,389,000

[1] In addition, conference agreement includes $485,000,000 in direct and loan guarantees and $92,362,000 in appropriations to liquidate contract authority. The conference total does not include $700,000,000 proposed by the Senate for rail transportation improvement which is reported in disagreement.

George Mahon,
Jamie L. Whitten,
Robert L. Sikes,
Otto Passman,
Joe L. Evins,
Edward P. Boland,
Daniel J. Flood,
Tom Steed,
John M. Slack,
John J. McFall,
Sidney R. Yates,
Silvio O. Conte,
(except amendment 61),
Managers on the Part of the House.

John L. McClellan,
Warren G. Magnuson,
John C. Stennis,
John C. Pastore,
Robert C. Byrd,
Joseph M. Montoya,
Birch Bayh,
Milton R. Young,
Clifford P. Case,
Edward W. Brooke,
Mark O. Hatfield,
Charles McC. Mathias, Jr.,
Ted Stevens,
Managers on the Part of the Senate.

BREEDER REACTOR PROGRAM HEARING

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, on last Wednesday, May 7, the Joint Committee on Atomic Energy's Subcommittee on Review of the National Breeder Reactor Program held a public hearing to explore and clarify the position of the Environmental Protection Agency regarding the Energy Research and Development Administration proposed final environmental statement on the liquid metal fast breeder reactor program.

The subcommittee had the benefit of testimony by the Honorable Russell E. Train, Administrator of the Environmental Protection Agency, and the views of the Honorable Frank G. Zarb, Administrator of the Federal Energy Administration, presented by Mr. John Hill, FEA Deputy Administrator.

EPA Administrator Russell Train corrected misleading stories which appeared in the press several days before which implied that EPA was recommending a delay in the nuclear breeder program. Mr. Train reaffirmed his support and the support of EPA of the Clinch River Liquid Metal Fast Breeder Reactor and emphasized that EPA has made no recommendation for any delay in commercialization of the breeder program. Mr. Train did review the EPA comments on the breeder program pointing out that using low energy demand projections, a delay in the program "might be accommodated." A more detailed report of this hearing is included in my Extension of Remarks in today's RECORD.

Mr. Hill reviewed the energy demand projections of the FEA and stated the administration's view that the breeder is needed to preclude a possible uranium shortage within a few decades and in order that the public will fully benefit from additional low cost and environmentally clean nuclear generated electricity. Mr. Hill further stated that it was Mr. Zarb's view that the breeder demonstration program should not be delayed.

I was pleased that the following subcommittee members were able to participate in the hearing: Senator PASTORE and CASE, Congressmen PRICE, YOUNG, and HORTON.

CONSTRUCTION OF FACILITIES AT DIEGO GARCIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–140)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Armed Services and ordered to be printed:

To the Congress of the United States:

In accordance with Section 613(a)(1)(A) of the Military Construction Authorization Act, 1975, (Public Law 93–552), I have evaluated all the military and foreign policy implications regarding the need for United States facilities at Diego Garcia. On the basis of this evaluation and in accordance with Section 613(a)(1)(B), I hereby certify that the construction of such facilities is essential to the national interest of the United States.

GERALD R. FORD.

THE WHITE HOUSE, *May 12, 1975.*

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE REPORTS ON H.R. 4073 AND H.R. 5247

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation have until midnight tonight, May 12, 1975, to file reports on the following bills: H.R. 4073, the Appalachian Regional Development Act Amendments of 1975; and H.R. 5247, to authorize a local public works capital development and investment program.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON RETIREMENT AND EMPLOYEE BENEFITS, HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE, TO SIT DURING 5-MINUTE RULE THIS AFTERNOON

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Retirement, and Employee Benefits, House Post Office and Civil Service Committee, be permitted to sit during consideration of legislation under the 5-minute rule this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SPEAKER TO DECLARE A RECESS ON THURSDAY, MAY 22, 1975, FOR THE PURPOSE OF RECEIVING FORMER MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mr. McFALL. Mr. Speaker, I ask unanimous consent that it be in order for the Speaker to declare a recess on Thursday, May 22, 1975, subject to the call of the Chair, for the purpose of receiving in this Chamber former Members of the House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 195]

Andrews, N.C.
Aspin
Badillo
Bell
Biaggi
Bingham
Boland
Bolling
Brademas
Breaux
Brinkley
Burke, Calif.
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Collins, Ill.
Conlan
Conyers
Delaney
Diggs
Dodd
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Esch
Ford, Mich.
Ford, Tenn.
Giaimo
Gilman
Hammerschmidt
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hébert
Hinshaw
Horton
Jarman
Jenrette
Jones, Ala.
Kemp
Long, La.
McEwen
McHugh
Macdonald
Madden
Mann
Mills
Mollohan
Mosher
Neal
Nix
O'Neill
Ottinger
Patterson, Calif.
Pepper
Peyser
Pike
Rees
Rhodes
Risenhoover
Rousselot
Scheuer
Shipley
Staggers
Symington
Teague
Udall
Vander Jagt
Wilson, Bob
Wilson, Charles, H., Calif.
Wilson, Charles, Tex.
Young, Tex.
Zeferetti

The SPEAKER. On this rollcall 356 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOURTH BUDGET RESCISSION BILL FOR FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6573) to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109), transmitted pursuant to the Impoundment Control Act of 1974; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be divided equally between the gentleman from Illinois (Mr. MICHEL) and myself.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6573), with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas (Mr. MAHON) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MICHEL) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would make reference to the Budget Control Act of 1974, and I would refer to the fact that as a result of the Budget Control Act of 1974, the Congress in 1974 enacted one rescission bill. This is the third rescission bill to be considered by the 94th Congress. It provides for a rescission of $17 million out of requested rescissions totaling $238 million.

We are handling in the Appropriations Committee the rescission bills in the same way as we do supplemental bills. The subcommittees conduct the hearings, present their findings and recommendations to the full committee, and the full committee takes action. That is what has resulted in the bill before us today.

The subcommittee considering this matter is the subcommittee headed by the gentleman from Pennsylvania (Mr. FLOOD), and the issues and matters involved in the proposed rescissions are under the jurisdiction of that subcommittee. I am not going to take any further time, because it is the proper responsibility of the gentleman from Pennsylvania to discuss that situation and present it more fully to the House.

Mr. Chairman, I will yield now to the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. FLOOD) such time as he may require.

Mr. FLOOD. Mr. Chairman, this is the third rescission bill to be reported by the Committee on Appropriations during the 94th Congress under the provisions of title X of the new Congressional Budget and Impoundment Control Act of 1974. There was one rescission bill during the 93d Congress—H.R. 17505.

The Presidential message of April 8, 1975, contains four rescissions which have not been acted on by the Congress. These are the only rescissions pending before the House. The committee is recommending approval of three rescissions and is recommending that one not be approved.

The estimated total budget authority recommended to be rescinded in the bill is $17,873,000. This is $220,450,000 less than the amount proposed by the President, and this amount will have to be made available for obligation the day after the expiration of the 45-day period prescribed by law. Outlay reductions will total $1,623,000 over 1975 and 1976.

The $220,450,000 that the committee is not recommending for rescission will support nursing school assistance, health teaching facilities construction, and assistance to public health and allied health students. Specifically, the funds will support:

First. Nursing capitation grants to 980 institutions;

Second. Financial distress grants to aid 60 nursing schools;

Third. Nursing traineeships to approximately 3,000 students;

Fourth. Grants to 18 schools of public health and traineeship assistance for 344 students;

Fifth. Traineeship assistance to 5,050 allied health students; and

Sixth. Seventy construction projects to health teaching institutions.

All of these programs represent ongoing activities which are currently funded under the continuing resolution at the fiscal year 1974 level. The committee rejected this rescission because it was impressed with the need to expand the skills and functions of nurses and to provide increased utilization of paraprofessional manpower. Nurses and paraprofessionals will clearly be needed to meet the rising demand for health services, which will increase more rapidly once national health insurance is instituted, and to provide less expensive health care through this type of lower cost personnel. It is clear that these programs require continued support if the health manpower needs of this country are to be met.

The three items recommended for approval involve funds for evaluation of health service programs, construction of community mental health centers and planning of medical facilities in the District of Columbia.

The committee held extensive hearings on each of these items and I can assure you that the approval of these rescissions will not adversely affect the ongoing activities of these programs.

With respect to the rescission of funds for construction of community mental health centers, you must keep in mind that a balance of $27,144,000 remains available from prior year appropriations for this activity. This balance will support 125 construction projects and, according to the testimony presented by departmental witnesses, will be sufficient to meet the construction needs of the program for fiscal year 1975. The committee intends to carefully review the future construction needs of the community mental health center program as soon as new authorizing legislation is enacted.

We are also recommending approval of the rescission of $2,000,000 of funds appropriated in fiscal year 1972 for planning of hospital construction in the District of Columbia under the D.C. Medical Facilities Act. That authorizing legislation has expired and all construction funds appropriated pursuant to that act have been allocated to various hospitals within the District of Columbia. Thus, the planning phase has long been completed and there is no longer a need for these funds.

The third item we are recommending for rescission is $1,623,000 in evaluation money that was to be used for evaluation of health services programs. You must keep in mind that the Department of Health, Education, and Welfare will spend $5,500,000 in 1975 to evaluate its health services programs. The presentation by departmental witnesses revealed that even if we were to release these funds, the department would not be able to obligate the funds by June 30. Another point that you must keep in mind is that the rescission of these funds will not affect ongoing evaluation projects.

I urge you to pass this bill as reported.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to say that I concur in the recommendations that our committee brings to the floor today, as to the acceptance of the $17.9 million of the rescissions recommended out of a total of $238.3 million proposed.

I would just amplify very briefly the remarks of my distinguished subcommittee chairman, the gentleman from Pennsylvania (Mr. FLOOD), having to do with those items for which we did not agree to rescind that $220,450,000 .

HEW's justification for these rescissions centered around the third categorical emphasis for training programs, which are no longer warranted and thus should be phased out. However, this position seems to be contrary to the position taken by the House when it passed last December the Health Manpower Act of 1974. Although the House and Senate passed health manpower bills, they did not schedule a conference prior to adjournment of the 93d Congress.

The Members will recall that the Committee on Interstate and Foreign Commerce has already reported out and the House has passed a nurse training bill which retains the categorical emphasis. Furthermore, the committee is preparing to report out the health provisions of the bill which will also retain categorical health manpower training programs. Thus, it would appear to be clearly the intent of Congress that these listed programs not be phased out.

I cannot say that this Member is altogether in accord with this particular view, but if that is the will of the majority, then it is quite obvious that this is what is going to take place, and these rescissions are not in order.

I must say, quite frankly, that I was rather disturbed at the caliber of the testimony that was given to our subcommittee in support of the rescissions on this item. I actually had to admonish the witnesses, even to the extent of inquiring as to whether they were here asking for a rescission or asking for us to actually spend the money. I do not think, frankly, that Members of Congress ought to be put through the hoop on rescissions for which the justification is so weak. We certainly need better testimony to justify our position when we make our case to Members.

Mr. Chairman, I say again that I support what the committee is recommending, the $17.9 million of rescissions, and denying the $220,450,000 for health resources as the subcommittee chairman has already pointed out, covers the following items:

Nursing capitation grants to 980 institutions—$34.3 million;

Financial distress grants to aid 60 nursing schools—$4.8 million;

Nursing traineeships to approximately 3,000 students—$13 million;

Grants to Schools of Public Health—$20.5 million;

Allied health grants to assist junior colleges and universities, for curriculum improvement and expansion of enrollment; traineeships and special projects—$33 million; and

Health teaching facilities construction—$114,000,000.

I support the $17.9 million in rescissions because I believe them to be justified for the reasons described as follows.

The committee recommends rescinding for Health Services $1.6 million. This amount was for evaluation studies of the community health center—$1.08 million and family planning programs—$543,000.

The rescission is recommended because the money is for new projects and insufficient time remains in the fiscal year to properly develop evaluation contracts and to advertise for proposals from interested parties. The money, in other words, could not be obligated by June 30, 1975.

A total of $5.5 million is currently being spent by the Health Service Administration for evaluation studies, so there will be no reduction in current commitments. Nor will there be any reduction in services to recipients of family planning and community health center medical care, since the rescission funds were specifically earmarked for evaluation activities.

For alcohol, drug abuse, and mental health the committee recommends a $14.25 million rescission.

This amount was for construction grants for community mental health centers.

The rescission is recommended because there is no authorizing legislation and because a total of $27.1 million will still be available to meet the costs of 125 construction projects in fiscal year 1975. Of this amount, only about $9.7 million has been obligated to date, and the dollar value of grant applications currently in-House and under review total only about $11 million. If the funds are not rescinded, in other words, HEW will have to seek new applications and fund them in fiscal year 1976.

The committee recommends rescinding $2 million for medical facilities construction.

This money was appropriated in 1972 under authority of the D.C. Medical Facility Act—since expired—for the planning of future hospital construction projects.

The rescission is recommended because all construction funds under the expired act have been allocated, because no applications are pending, and because an HEW study has found that the District of Columbia has sufficient hospital beds to meet its needs.

Since the moneys were intended under the act for planning, it would not be in accord with the law to allocated them for construction.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, I commend the gentleman for his comment.

I was particularly disturbed to learn that the testimony recommending these rescissions was so poor.

I wonder whether the gentleman would support an addition to the Impoundment Act that I have proposed that says that during the 45 days in which Congress is considering a proposed rescission, the administration could not decline or refuse to obligate the funds. Under the present law these funds are now held up, these funds proposed for rescission. There is no logical or coherent reason for holding them up, yet these funds cannot or will not be obligated by the administration until June 2, at the end of the 45 days.

I wonder whether the distinguished gentleman would want to comment on the bill which I have filed, which now has at least 67 cosponsors that amends the Impoundment and Budget Control Act to say that the administration may not withhold funds proposed for rescission during the 45 days in which the Congress may act to approve or disapprove the President's proposal.

Mr. MICHEL. Mr. Chairman, in response to the inquiry of the gentleman from Massachusetts, I do not know that I would go that far. I am not altogether sure that 45 days makes all that much difference. This is one of those items which we can single out as being peculiarly different from some of those others that have been presented to us.

I would like to see a better testing period used during the remainder of this year before we made any real significant recommendation to alter or amend the original Budget Control Act, because I do not know that, in the absence of it operating for an entire year, that we really have a good standard of measurement. I do retain an open mind on this subject. I think we would all be better off to do so.

Mr. DRINAN. Mr. Chairman, if the gentleman will yield further, in the previous set of rescissions, some $351 million for medical research was involved. I can say from the ovehwhelming evidence in Massachusetts, and in my own congressional district, that the withholding of those funds for 45 days, which actually amounted to more than 60 days, severely hurt the three major medical schools in Greater Boston, and severely inhibited the ongoing progress of much of the research for which the $351 million was intended.

I am quite certain it was the original intention of the Impoundment Act not to allow these funds to be impounded for the 45 days, but that the original intent, as demonstrated overwhelmingly by the Senate particularly, and also by the House, was to have the administration continue to expand those appropriated funds during the period of 45 days that the Congress considers the validity of a proposed rescission.

I thank the gentleman for yielding.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, as I understand it, this is the third rescission bill the House has considered, and that we are actually approving for rescission about 7 or 8 percent, I have not figured it out exactly.

Would the gentleman from Illinois have the figures for the totals that the President has recommended to date for rescission, and what the percentage is of the amounts that the House has actually approved?

Mr. MICHEL. Mr. Chairman, in response to the inquiry of the gentleman from New York, I am not altogether sure, but if my memory serves me correctly, as of this date the Committee on Appropriations has considered 87 rescissions, of which 85 were transmitted as rescissions by the President, and two were reclassified as rescissions by the Comptroller General.

The committee recommended to the House that 28 rescissions be approved in whole, and 12 rescissions in part; 47 rescissions were recommended to be disapproved.

So then the total rescissions considered by the committee would have reduced budget authority by $3,119,000,000. The committee's recommendations have resulted in a reduction of only $285 million. Accordingly, the committee's recommendations have increased by $2,834,000,000, the 1975 budget authority to be made available for obligation.

Still pending and not yet considered is Rescission 75–87, totaling $28 million for emergency food and medical services, and youth recreation and sports program, House Document 94–139.

I would have to say to the gentleman that, on balance, this is, of course, a very poor record so far as the acceptance on the part of the Congresses is concerned for the total number of rescissions recommended to us.

Mr. WYDLER. If the gentleman will yield still further, it looks to me as though the House is approving about 5, 6, or 7 percent of the money that is being recommended to be rescinded. Is that right?

Mr. MICHEL. That is correct, and that is not a very good record, particularly in view of matching that against the President's original proposal.

But I would say again, in all fairness both downtown and up here on the Hill. I think we need a little longer period for this Budget Control Act to function so as to see just how well it will work.

I would say again, I think any administration, whether it is ours or the administration of the other side, ought to be given an opportunity to at least propose rescissions if they want to alter direction or change their priorities.

So while the gentleman from Massachusetts (Mr. DRINAN) made the suggestion that we do away altogether with that 45-day period, I think we need that timetable to pressure the Congress to act positively or affirmatively one way or another. In the absence of it, there would be no sense of urgency nor would the checking mechanism that we thought we were building into the Budget Control Act, have a chance to operate. I would like to see it given a longer period of checkout time before we made any substantive changes in the act.

Mr. WYDLER. I thank the gentleman.

Mr. FORD of Tennessee. Mr. Chairman, I rise in support H.R. 6573, the fourth budget rescission bill. The Appropriations Committee, and in particular, the Subcommittee on the Departments of Labor, and Health, Education, and Welfare, has carefully evaluated the budget reductions proposed by President

Ford. The committee concluded that the medical needs of the people of this country are our number one priority and I give my full support to this conclusion.

This legislation recommends that a total of $17,873,000 of budget authority be rescinded. These funds were originally authorized for capital improvement projects and a new health services evaluation program. Rescission of the moneys recommended in this bill would result in outlay reductions of $1,623,000 over 1975 and 1976. These are cuts that we can and should make in an effort to reduce our budget deficit.

However, as the committee advises, we must not permit sorely needed funding for health manpower programs to be rescinded. It has long been my firm belief that every American is entitled to receive the best medical care available. If the members of this body approve the rescission of $220,450,000 for health resources advocated by the administration, it will be a step down in quality medical care at a time when the demand for such care is stepping up. Furthermore, the need for medical services will be even greater with the enactment of a national health insurance program.

This proposed rescisson of funds for the health manpower programs would take away Federal support for medical facilities construction, nursing school assistance, and public health activities. This is not the place to "tighten our belts."

It is unconscionable that President Ford can request the rescission of $220.5 million for health manpower programs and later this week or early next week ask us to authorize the expenditure of over $26 billion for the procurement and research and development of new weapons system. How can any of us here today deny to the people of this country adequate medical care, saving slightly more than $200 million, while we purchase billions in aircraft missiles and other instruments of war?

Mr. Chairman, I for one, will not condone this set of misguided priorities. We must keep our responsibility for the health and welfare of this Nation's citizens foremost in our minds. I urge my colleagues to join with me in support of the fourth budget rescission bill, and thereby, making an effort to guarantee the good health of the people of the United States.

Mr. CONTE. Mr. Chairman, I rise in support of this bill to rescind some $17.9 million in 1975 budget authority.

As a member of the Labor-HEW Appropriations Subcommittee, I heard the testimony on behalf of these rescissions and I believe that this bill is the best we can do. We have approved three of the administration's four proposed rescissions, and I hope that my colleagues will concur with the judgment of the committee.

This bill approves the rescission of $1,623,000 for health services evaluation. These funds were to be used for new evaluation projects. This year the Health Services Administration will spend about $5.5 million for evaluation projects, so this rescission will not result in a reduction in commitment levels for 1975.

The bill also contains approval for the rescission of $14,250,000 for community mental health center construction. As my colleagues know, I have long been a proponent of the community mental health center program, and would certainly not condone any action which would harm the tremendous work being carried out by this program.

It was made clear in our hearings that sufficient money is available in carryover from previous years to meet the construction needs of this program for 1975. With $27 million available, grant applications to date have totaled only about $10 million. So I believe that we can safely rescind this $14.2 million.

Under D.C. medical facilities, we found that all funds for actual construction under the D.C. Medical Facility Act have already been allocated, so the $2 million rescission will not affect this program.

The rescission which was not approved by the committee, $220.4 million for health resources, was of course the largest part of the President's recission proposal.

The testimony presented to our committee indicated that the rescission could not be justified on the basis of need or reason, and represented an attempt to overturn congressional actions previously taken in the health manpower area.

If we had evidence to show that there was an abundancy of health care personnel, then I would be among the first to call for a reevaluation and restructuring of our Federal health manpower programs.

But in fact, the evidence clearly shows a continuing need for more nurses and other health workers. These people are critically needed to meet the increasing demand for affordable health services.

Once a national health insurance program is enacted, this need will become even greater. It would be a serious mistake, Mr. Chairman, to cut off Federal support for nursing, allied, and public health training programs. For that reason, I do not believe that the health resources rescission should be approved.

In short, Mr. Chairman, this bill contains rescissions which can be responsibly made without harming ongoing programs. It is a good bill, and I urge my colleagues to adopt it.

Mr. ROYBAL. Mr. Chairman, I rise in support of H.R. 6573, the fourth budget rescission bill, 1975.

On April 18, the President recommended to Congress a proposed rescission of four health programs, in the amount of $283.3 million. The proposed rescission would reduce grants to nursing students and to financially distressed nursing schools, would cut back money for construction of health teaching facilities, and would decrease funding of student assistance for public health and allied health programs.

After careful consideration, the Labor-HEW Subcommittee and the full Appropriations Committee have recommended to this House that $220.45 million of the proposed rescission be disapproved, and that $17.8 million be accepted. In making its recommendation, the Appropriations Committee foresaw that the eventual passage of national health insurance will create a tremendous need for trained medical and paramedical personnel. Thus, the proposed rescission would cripple our capacity to provide the number of trained medical personnel we will need in a few years. In addition, there are areas in this country which lack a sufficient number of trained nurses. The committee has concluded that the proposed rescission would perpetuate this system of inadequate health care in small and rural communities.

I urge my colleagues to follow the recommendation of the Appropriations Committee and vote against the proposed rescission, so that we can insure the availability of a sufficient number of trained medical personnel to meet our present and future health care needs.

Mr. MICHEL. Mr. Chairman, I have no more requests for time.

Mr. MAHON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HEALTH RESOURCES ADMINISTRATION

MEDICAL FACILITIES CONSTRUCTION

The unobligated balance of funds appropriated for grants under this head in the Department of Health, Education, and Welfare Appropriation Act, 1972, pursuant to the authority of the District of Columbia Medical Facilities Construction Act of 1968 (Public Law 90–457) is rescinded in the amount of $2,000,000.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: On page 3, after line 8, add the following new section:

"HEALTH RESOURCES

"Appropriations provided for "Health resources" for fiscal year 1975 in Public Law 93–324, as amended, are rescinded in the amount of $220,450,000."

Mr. SYMMS. Mr. Chairman, I offer this amendment more or less to make the point that the gentleman from New York (Mr. WYDLER) just brought out, that the administration brings rescissions down here, and this one is approximately in the neighborhood of $240 million, and we rescind $17 million and say that we are saving money for the taxpayers. It seems apparent to me, with HEW spending well in excess of $100 billion a year, that somewhere out of that budget they could save $220 million or $15 million here and there without doing violence to their bureaucratic fiefdom.

Just for one example—and I will not belabor this point to the House—just on the nurses training, for the period 1960 to 1972, the number of nurses enrolled in training programs rose from 119,000 to 213,000. These increases demonstrate both the general attractiveness of the nursing profession to substantial numbers of the Nation's youth and the responsiveness of the Nation's labor market, and the responsiveness of the nursing labor market to the demand for persons with these requirements and training.

Furthermore, nursing is an undergraduate field, and nursing students should look to the general aid programs made available through the Office of Health

Education, and Welfare. Apparently, education grants and student assistance programs were not available when the nurse training authorizations were first adopted. Now they are available, and they should be used to support nursing students, as well as those in the undergraduate fields.

I will not go on into many of the other areas in this rescission, but I think the point should be made that we in the Congress are not going to, by voting for the benefit of the health, education, and welfare of the United States, depreciate the value of our currency by printing more fiat money.

The Chairman of the Federal Reserve Board just last week announced that he was going to monetize the debt by 7½ to 8 percent annually to cover the debts created by Congress. In my opinion he probably, when push comes to shove, double that figure. This bill means we are going to have $220 million more of nonbudget authority monetized into our currency. It simply means we are going to have a depreciation of the value of our money, more inflation, and start the cycle all over again.

So I think it behooves the Congress to recognize that if we vote on these rescission acts, we really are not standing up to what the Budget Act intended in 1972 and 1973 when it was passed. We were going to strive to get back some kind of semblance of a balanced budget, and actions like this today are not acting responsibly under the Budget Act. We are darned if we vote "yes" and darned if we vote "no".

Mr. Chairman, I yield back the balance of my time.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

As a matter of fact these are funds, as I mentioned in my earlier remarks, provided under the 1975 continuing resolution.

I repeat this for the purpose of emphasis. There is a tremendous need for paraprofessional manpower, all types and kinds of paraprofessional manpower and not just nurses alone. We need them all very much.

These are ongoing programs. These programs are not something somebody thought up overnight. They are going on right now all across the Nation. I had enumerated the institutions and training schools in which these programs are going on. As was just mentioned, it was last week that this House by an overwhelming vote passed the Nurse Training Act. Do the Members not remember? These are ongoing programs and this is just 1 week later. It is hard to believe.

And by all means, let me tell the Members this. Never turn your back on a nurse. Do not do that. That is the worst thing in the world to do. Imagine asking for something like that.

This is the situation. These are ongoing programs for the development of all types and kinds of paramedics. We have the 980 capitation grants for nursing schools alone, and financial distress grants to 60 nursing schools, and nursing traineeships to over 3,000 students. By the way there are 18 grants to schools of public health. There are also traineeships in public health. These are to give assistance to some 344 students. There are 5,000 traineeships to students in allied health programs. Finally, there are 70 construction grants for health teaching institutions and not just for nurses.

So because of all these circumstances I suggest the amendment be defeated.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think approval of this amendment would be very unwise at this time for the reasons that have been set forth by the gentleman from Pennsylvania.

I ask for a vote in opposition to the amendment offered by the gentleman from Idaho.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

The amendment was rejected.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House without amendment, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McCORMACK, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 6573) to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94-109), transmitted pursuant to the Impoundment Control Act of 1974, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 1, not voting 53, as follows:

[Roll No. 196]

YEAS—379

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman
Patten
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.

Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson,
 Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki

NAYS—1

Collins, Tex.

NOT VOTING—53

Andrews, N.C.
Aspin
Badillo
Bell
Boland
Bolling
Brademas
Breaux
Brinkley
Chappell
Clawson, Del
Collins, Ill.
Conlan
Delaney
Diggs
Duncan, Oreg.
Edgar
Emery
Flynt
Ford, Mich.
Harrington
Hastings
Hawkins
Hinshaw
Horton
Jarman
Jones, Ala.
Kemp
Long, La.
McEwen
McHugh
Madden
Mann
Mikva
Mollohan
Mosher
Moss
Neal
Ottinger
Patterson, Calif.
Pepper
Peyser
Rees
Risenhoover
Rousselot
Scheuer
Shipley
Symington
Udall
Vander Jagt
Wilson,
 Charles H.,
 Calif.
Young, Tex,
Zeferetti

So the bill was passed.

The Clerk announced the following pairs:

Mr. Brademas with Mr. Andrews of North Carolina.

Mr. Mollohan with Mrs. Collins of Illinois.

Mr. Symington with Mr. Mann.

Mr. Charles H. Wilson of California with Mr. Risenhoover.

Mr. Pepper with Mr. Brinkley.

Mr. Mikva with Mr. Neal.

Mr. Duncan of Oregon with Mr. Hinshaw.

Mr. Ford of Michigan with Mr. Horton.

Mr. Hawkins with Mr. Peyser.

Mr. Aspin with Mr. Jarman.

Mr. Breaux with Mr. Rousselot.

Mr. Badillo with Mr. Edgar.

Mr. Delaney with Mr. Mosher.

Mr. Jones of Alabama with Mr. Vander Jagt.

Mr. Madden with Mr. Bell.

Mr. Chappell with Mr. Kemp.

Mr. Patterson of California with Mr. McEwen.

Mr. McHugh with Mr. Shipley.

Mr. Zeferetti with Mr. Boland.

Mr. Hastings with Mr. Del Clawson.

Mr. Diggs with Mr. Flynt.

Mr. Conlan with Mr. Harrington.

Mr. Long of Louisiana with Mr. Rees.

Mr. Moss with Mr. Ottinger.

Mr. Scheuer with Mr. Udall.

Mr. Young of Texas with Mr. Emery.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extent their remarks on the appropriation rescission bill just passed, and that I be permitted to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MARITIME AUTHORIZATION—FISCAL YEAR 1976

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules and on behalf of my colleague, the gentleman from Texas (Mr. Young), I call up House Resolution 444 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 444

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R 3902) to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against sections 3 and 4 of said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3902, it shall be in order in the House to take from the Speaker's table the bill S. 1542 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 3902 as passed by the House.

The SPEAKER. The gentleman from California (Mr. Sisk) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 444 makes in order the consideration of H.R. 3902, a bill authorizing appropriations for certain programs in the Maritime Administration for fiscal year 1976. House Resolution 444 provides for an open rule with 1 hour of general debate.

House Resolution 444 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule. All points of order against sections 3 and 4 of the substitute for failure to comply with the provisions of clause 7, rule XVI of the Rules of the House of Representatives—the germaneness requirement—are waived.

House Resolution 444 provides that after the passage of H.R. 3902, it shall be in order in the House to take from the Speaker's table the bill S. 1542 and to move to strike out all after the enacting clause of S. 1542 and insert in lieu thereof the provisions contained in H.R. 3902 as passed by the House.

H.R. 3902 makes a total authorization of $589,718,000 for fiscal year 1976. The authorization includes amounts for acquisition, construction and reconditioning of vessels, for payment of obligations incurred for operating-differential subsidies, for necessary expenses for research and development activities, for reserve fleet expenses, for maritime training at the Merchant Marine Academy and for financial assistance to State marine schools.

H.R. 3902 also increases the statutory ceiling of title XI guarantee programs from $5 billion to $7 billion.

Mr. Speaker, the Committee on Merchant Marine and Fisheries reported this bill by a unanimous vote. I urge the adoption of House Resolution 444 in order that we may discuss, debate, and pass H.R. 3902.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished gentleman from California (Mr. Sisk), has outlined the conditions of this rule, House Resolution 444, as well as the provisions of H.R. 3902, the maritime authorization for fiscal year 1976. Nonetheless, I would like to briefly mention a few general points about the rule and the bill at this time.

H.R. 3902 makes the following authorizations:

First, $240 million for the acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships.

Second, $315.9 million for the payment of obligations incurred for operating-differential subsidy;

Third, $12.2 million for research and development activity expenses;

Fourth, $4.2 million for reserve fleet expenses;

Fifth, $11.5 million for maritime training at the Merchant Marine Academy at Kings Point, N.Y.; and

Sixth, $5.8 million for financial assistance to State maritime schools.

In addition to the amounts authorized above, there are also authorizations of such additional supplemental amounts for fiscal 1976 as may be necessary for increases in salary, retirement, or other employee benefits and for increases in costs for public utilities, food service, and other expenses of the Merchant Marine Academy.

Finally, H.R. 3902 proposes to raise the Government guaranteed loan and mortgage ceiling from $5 billion to $7 billion to aid in construction of U.S.-flag vessels, and it increases from $600 to $1,200 the amount the Secretary of Commerce may pay to a Merchant Marine Academy or college per academic year per student.

The rule, House Resolution 444, under

which the maritime authorization is to be considered is open with 1 hour of general debate. In order to preserve the normal amending process, the rule provides that the committee substitute will be in order as an original bill for the purpose of amendment. Points of order are waived against sections in the bill relating to increases in the Government guaranteed loan ceiling and the merchant marine student payments for failure to comply with the provisions of clause 7, rule XVI of the House pretaining to germane amendments. To expedite going to conference, this allows that it be in order to substitute the House language in the Senate-passed bill, No. S. 1542.

The Senate by unanimous consent passed their maritime authorization bill on April 29. It has a total cost estimate of $542.6 million, whereas the House bill contains a $589.7 million cost figure, or a $46.1 million variance. The major differences lie in the amount of funds authorized for acquisition, construction, or reconstruction of vessels and financial assistance to State marine schools.

Mr. Speaker, enactment of H.R. 3902 and the subsequent expenditure of appropriations for shipbuilding, ship operation, and related activities will undoubtedly have a stimulative impact on the national economy. Failure to pass the bill will result in severe curtailment of shipbuilding and a corresponding decline in shipyard employment.

Therefore, I urge the acceptance of this rule, House Resolution 444, as recommended by the authorizing committee so that we may proceed to consider and pass the maritime authorization for fiscal year 1976.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I notice that this rule does provide on page 2 for the substitution of the Senate bill, which in effect would have the House passing the Senate bill in the final instance. Does this in any way waive the future rights of Members of the House to pose points of order against anything that may come over from the other body in the way of nongermane amendments, or any provisions that ordinarily could be attacked by a point of order?

Mr. LOTT. My understanding is that it would not in any way waive your rights as far as points of order.

Mr. BAUMAN. If the gentleman will yield further, so that if the other body added amendments in the conference we could still raise questions on the floor of the House about nongermane amendments that came out of the conference?

Mr. LOTT. That is my understanding; yes, sir.

Mr. BAUMAN. I thank the gentleman.

Mr. LOTT. Mr. Speaker, again, this is very important legislation that is badly needed at this time when our merchant fleet needs to be continued to be updated and improved. I would like to urge the acceptance of the rule, House Resolution 444.

Mr. Speaker, I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PRESSLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 2, not voting 52, as follows:

[Roll No. 197]

YEAS—379

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cotter

Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen

Harkin
Harris
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Martin

Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman
Patten
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie

Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.

Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki

NAYS—2

Hechler, W. Va.
Pressler

NOT VOTING—52

Andrews, N.C.
Aspin
Badillo
Bell
Boland
Brademas
Breaux
Brinkley
Burton, John
Chappell
Clawson, Del
Collins, Ill.
Conlan
Delaney
Duncan, Oreg.
Edgar
Emery
Esch

Ford, Mich.
Fountain
Frenzel
Harrington
Hastings
Hawkins
Hinshaw
Horton
Jarman
Jones, Ala.
Kemp
McEwen
McHugh
Madden
Mann
Mikva
Mollohan
Mosher

Moss
Neal
Ottinger
Patterson, Calif.
Pepper
Peyser
Rees
Risenhoover
Rousselot
Shipley
Symington
Udall
Vander Jagt
Wilson, Charles H., Calif.
Young, Tex,
Zeferetti

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Brademas with Mr. Ottinger.

Mr. Delaney with Mr. Bell.

Mr. Pepper with Mr. Andrews of North Carolina.

Mr. Shipley with Mr. Esch.

Mr. Charles H. Wilson of California with Mr. Boland.

Mr. Zeferetti with Mr. Del Clausen.

Mr. Mollohan with Mr. Duncan of Oregon.

Mr. Badillo with Mr. Hastings.

Mr. John Burton with Mrs. Collins of Illinois.

Mr. Chappell with Mr. Kemp.

Mr. Hawkins with Mr. Aspin.

Mr. Ford of Michigan with Mr. Edgar.

Mr. Moss with Mr. McEwen.

Mr. Young of Texas with Mr. Conlan.

Mr. Mikva with Mr. Mosher.

Mr. Brinkley with Mr. Emery.
Mr. Breaux with Mr. Neal.
Mr. Fountain with Mr. Frenzel.
Mr. Risenhoover with Mr. Patterson of California.
Mr. Jones of Alabama with Mr. Horton.
Mr. Madden with Mr. McHugh.
Mr. Mann with Mr. Peyser.
Mr. Harrington with Mr. Rees.
Mr. Symington with Mr. Vander Jagt.
Mr. Udall with Mr. Jarman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DOWNING of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3902) to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3902, with Mr. MOAKLEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Virginia (Mr. DOWNING) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. RUPPE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. DOWNING of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to urge the passage of H.R. 3902, a bill to authorize appropriations for fiscal year 1976 for certain maritime programs of the Department of Commerce, to increase the statutory ceiling of the title XI guarantee program from $5 to $7 billion, and to increase the subsistence allowance for students at the State marine schools from $600 to $1,200 a year.

The bill will authorize funds for the Maritime Administration in the total amount of $589,718,000 to be apportioned as follows:

Construction subsidy --------	$240,000,000
Operating subsidy ----------	315,936,000
Research and development---	12,232.,000
National defense reserve fleet-	4,242,000
Federal Maritime Academy---	11,500,000
State marine schools---------	5,808,000

As introduced, the bill would have authorized appropriations for the fiscal years 1976 and 1977. The Budget Act requires that the fiscal year 1976 authorization request be reported by May 15 of this year. As the fiscal year 1977 authorization request does not have to be reported until May 15 of next year, the committee concluded that it would not be prudent to report it at this time, and amended the bill accordingly. Additional hearings will be held on the 1977 authorization request next year.

With respect to construction subsidy, the administration requested $245 million, which, together with carryover funds, would provide a total program level of $250,750,000. Your committee amended section 1(a) to reduce this amount to $240 million in order to accommodate any Budget Act problems that could arise from the committee amendment to section 1(f), and pursuant to section 2 of the bill.

The proposed construction subsidy program level will remain at $250,750,000, due to an increased amount carried forward from previous years, and is scheduled to be used to fund the conversion of two vessels and the construction of 14 vessels: 1 roll-on/roll-off vessel, 4 large and 1 small containerships, 2 LNG vessels, 3 ore/bulk/oil vessels, and 3 bulk carriers.

As my colleagues will recall, the Merchant Marine Act of 1970 set forth guidelines for the gradual reduction of the construction subsidy level to 35 percent in fiscal year 1976, and thereafter. I am pleased to be able to inform the Members that in every instance these guidelines have been met. Prior to the Merchant Marine Act of 1970, the construction subsidy level was over 50 percent, whereas, it will be 35 percent for fiscal year 1976.

Your committee favorably reported the administration's fiscal year 1976 request of $315,936,000 for operating subsidy. These funds will be used to pay about 20 percent of the U.S. operating costs of 179 general cargo vessels, six passenger and passenger/cargo vessels, and 16 bulk vessels. The requested amount represents an increase of $73.1 million over fiscal year 1975, resulting from: First, $8.3 million for the addition of certain subsidized vessels; second, $16.2 million for cost escalation; and third, $48.6 million for the acceleration of prior year payments.

Your committee favorably reported the administration's fiscal year 1976 request of $12,232,000 for research and development activities—a decrease of $13.7 million from the previous year. The $12.2 million will be augmented by funds carried forward to fund a total program level of $20 million. As you know, the objective of the research and development program is to find ways to make the U.S.-flag merchant fleet and the U.S. shipbuilding industry more efficient and competitive. In fiscal year 1976, the program will generally concentrate on the licensing of nuclear ships, efforts in automated ship systems, satellite navigation and communications, energy-saving ship machinery and operations procedure, and maintenance of the computeraided operations research facility.

Your committee favorably reported the administration's fiscal year 1976 request of $4,242,000 for reserve fleet expenses—an increase of $500,000 over the previous year. These funds would be used for the continued preservation of 147 merchant ships in the three reserve fleet sites, as well as vessels scheduled for scrapping. As you know, the objective of the program is to maintain viable ships under preservation to supplement the active fleet in times of war or national emergency.

Your committee favorably reported the administration's fiscal year 1976 authorization request of $11.5 million for the Merchant Marine Academy at Kings Point, N.Y., where U.S. citizens are trained to become merchant marine officers. This is an increase of $982,000 over the previous year. These funds would be used for the operation of the Academy and support the continued modernization of the 30-year-old facility.

With respect to financial assistance to the State marine schools, where U.S. citizens are trained to become merchant marine officers, the administration requested $4,708,000 for fiscal year 1976—an increase of $1,735,000 over fiscal year 1975, to be used primarily for the installation of pollution abatement devices in four of the training ships. Your committee amended section 1(f), increasing this amount $1.1 million to $5,808,000, in order to fund the committee amendment set forth in section 4 of the bill.

Mr. Chairman, your committee favorably reported section 2 of H.R. 3902, without amendment. This section would authorize additional supplemental amounts for fiscal year 1976 for the activities specified in section 1 of the bill, to the extent necessary for increases in salaries, pay, retirement, other employee benefits authorized by law, and for uncontrollable cost increases in public utilities, food service, and other expenses of the Federal Academy. The purpose of this section is to avoid amending the fiscal year 1976 Authorization Act if supplemental appropriations for 1976 are sought for this purpose.

Section 3 of H.R. 3902, a committee amendment, would amend section 1103 (f) of the Merchant Marine Act of 1936, to increase the statutory ceiling of the title XI guarantee program from $5 to $7 billion. As you know, the title XI guarantee program stimulates shipbuilding by encouraging private financing of ship construction through mortgage and loan guarantees. The industry witnesses testified that if the title XI ceiling was not increased, private capital would not be available to build the vessels contemplated by the construction subsidy program of the authorization request, much less nonsubsidized construction in American shipyards that is financed by means of the title XI guarantee program.

The program is self-sustaining as a premium is paid for the guarantee. At the present time there is about $60 million in excess premiums that are available should defaults occur. Total guarantees and commitments are expected to reach $4.9 billion by June 30, 1975, and it is anticipated that the statutory ceiling will be exceeded in fiscal year 1976. The increase in the title XI ceiling from $5 to $7 billion would involve no additional cost to the Federal Government.

Mr. Chairman, section 4 of H.R. 3902, is also a committee amendment. It would amend section 6(a) of the Maritime Academy Act of 1958 to increase the subsistence allowance for students at the

State marine schools from $600 to $1,200 a year. This amendment is in accordance with one of the recommendations of the Ad Hoc Committee on Maritime Education and Training which has just concluded an indepth study of current maritime training in the United States.

H.R. 3902, as amended, was reported out of committee unanimously and has the strong support of the Merchant Marine and Fisheries Committee. However, as about 5 years have passed since the hearings on the legislation enacted as the Merchant Marine Act of 1970, the committee is of the view that it is time for exhaustive oversight hearings with respect to the various Government aids to the U.S.-flag merchant marine administered by the Maritime Administration. The need for such hearings was one of the reasons your committee did not pass on the fiscal year 1977 authorization request at this time. These hearings are scheduled to commence next week.

In conclusion, let me reiterate that H.R. 3902, as amended by your committee, is a meritorious piece of legislation, was reported unanimously, and deserves the strong support of the House.

Mr. Chairman, there are Members on both sides of the aisle who wish to speak in support of H.R. 3902.

Mr. Chairman, it is my pleasure to yield such time as she may consume to the distinguished chairman of the full committee, the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I rise to join the distinguished chairman of the Merchant Marine Subcommittee in urging the support of the Members of the House for H.R. 3902, the authorization of appropriations for the Maritime Administration for fiscal year 1976.

The subcommittee chairman has gone into great detail with respect to the various elements of H.R. 3902 and I know there are Members on both sides of the aisle who would like to speak in support of this worthwhile piece of legislation, so I will be brief. I would, however, like to comment on several aspects of the U.S.-flag merchant fleet and I would like to say that I am in full support of H.R. 3902, which is the necessary funding for various programs of the Maritime Administration.

This bill is appropriate because it provides funds for the construction and operating subsidy programs, for research and development, and for such items as the National Defense Reserve Fleet, and the maritime schools. If we wish to keep the American flag on the high seas, then it is necessary to support this bill and to provide the funding support for the Maritime Administration to carry on its programs.

Unfortunately the maritime industry is subject to great fluctuations which make it cyclical in nature. As with our general economic picture, the maritime industry seems to be in a downturn. Cargo carryings in the liner segments of the industry have been excellent in the last several years but appear to be slackening off this year.

As is well known, the bottom has fallen out of the world tanker market, with the consequent adverse impact on the U.S.-flag tanker segment. At the present time there are approximately 30 U.S.-flag tankers laid up, at an aggregate of about 1.1 million deadweight tons. This not only affects the operators of these vessels, but the men who crew them, and the shipyards. The excess tanker capacity resulting from the downturn in the tanker market has caused a number of cancellations of tanker orders, as well as the layup of vessels. Naturally, this affects the shipyards. Two of our yards have been seriously hurt and one of them, Todd Shipyard, recently received a $22.5 million loan from EDA in the Department of Commerce to help it through this difficult period. There has been a heavy layoff of employees in the Seatrain yard in Brooklyn, where two 225,000-deadweight-ton tankers are under construction. One vessel is approximately 80 percent completed and the other ship about 30 percent complete. At the present time, the administration is wrestling with this problem in an attempt to see what can be done with respect to these two partially finished tankers.

The prospects with respect to the world tanker market and the U.S.-flag tanker segment are bleak and we cannot expect a turnaround in the near future. Something must be done as to U.S.-flag tankers in layup and, in this connection, it is my understanding that the administration is also giving consideration to this pressing problem.

Of course, it was our feeling that the bill providing that a percentage of oil imported into the United States be carried in U.S.-flag tankers, which was vetoed by the President last January, would have been a big help with regard to the current unfortunate tanker situation. The funding in the present authorization bill, of course, does not relate to the problems I have just discussed by these matters cannot be considered in isolation and are part of the fabric of the entire maritime industry and should be dealt with in a coordinated manner.

The total figure authorized in H.R. 3902 is $589,718,000. Of this total figure, $240 million is requested for construction-differential subsidy. The Maritime Administration's program calls for 14 ships to be contracted for in fiscal 1976—3 liquefied natural gas carriers, LNG's; 4 ore-bulk-oil ships, OBO's; 3 bulk carriers; and 4 container ships. The ship construction program over the last several years has dealt almost exclusively in the area of energy carrying vessels. In light of the present circumstances, it is noted that the present mix of vessels to be constructed is partially energy vessels and partially dry bulk carriers and containerships, which are operated in the liner segment.

With respect to construction subsidy, the Merchant Marine Act of 1970 set out guidelines for the gradual reduction of the construction-differential subsidy level to 35 percent in fiscal year 1976 and thereafter. In fiscal year 1975, the CDS level was reduced from 39 percent to 37 percent. When the Merchant Marine Act of 1970 was enacted, the CDS level was 50 percent, so there has been a dramatic reduction in the percentage of subsidies paid for the construction of vessels in U.S. shipyards. I am happy to report that the shipyards have been able to meet these percentage reductions set out in the 1970 act and from fiscal year 1976 on, the subsidy level will be 35 percent.

I would also like to note that subsidy rates for LNG carriers are as low as 16.5 percent and this is due to the high cost of constructing this very sophisticated type of vessel in foreign yards. Due to such factors as monetary fluctuations and increased wages paid to workers in foreign yards, the gap between ship construction between U.S. and foreign shipyards is narrowing.

The Committee on Merchant Marine and Fisheries amended H.R. 3902, as inwhich would amend section 1103(f) of the Merchant Marine Act of 1936, as amended, to increase the statutory ceiling of the title XI mortgage insurance guarantee program from $5 to $7 billion.

Pursuant to title XI of the Merchant Marine Act of 1936, as amended, the Government is authorized to guarantee loans and mortgages made by private lending institutions to U.S. citizens in order to aid in the construction or reconstruction of U.S.-flag vessels. The title XI mortgage guarantee program is administered by the Maritime Administration in the Department of Commerce. The evidence at the hearings on this legislation indicated that without this increase in the ceiling for the title XI mortgage insurance, the necessary private capital would not be available for building the vessels contemplated by the construction-differential subsidy program set out in the authorization request, much less nonsubsidized construction in American shipyards that is financed by means of the title XI guarantee program.

The administration sent up a dual fiscal year 1976 and fiscal year 1977 maritime authorization program. The committee severed these 2 fiscal year programs and reported out only the fiscal year 1976 program and will act on the fiscal year 1977 program later on this year, or early next year.

I can assure the Members of the House that the provisions of H.R. 3902 were given careful scrutiny in the hearings and markup process and that the maritime industry supports this legislation, which was reported unanimously out of committee after full and careful consideration of the entire record.

I strongly urge the Members of the House to support H.R. 3902.

Mr. DOWNING of Virginia. Mr. Chairman, I reserve the balance of my time.

Mr. RUPPE. Mr. Chairman, I yield myself such time as I desire.

Mr. Chairman, I rise in support of the bill H.R. 3902. In authorizing over a half billion dollars of direct subsidies to the American shipping and shipbuilding industries, it basically continues the maritime program which began with passage of the Merchant Marine Act of 1970.

There have, in my opinion, been a

number of accomplishments under the 1970 program. Before the act, construction subsidies generally provided over 50 percent of the cost of vessel construction. The 1970 act required that this rate decline in scheduled yearly increments toward a 1976 goal of 35 percent. That goal has been met, and in fact the construction subsidies have averaged 3.8 percentage points lower than the annual subsidy rate ceilings which were set forth in the 1970 act. In some cases the subsidy rate has actually fallen to as low as 16 percent.

Moreover, since the 1970 act the tonnage of the U.S.-flag fleet has been increased by about 11 percent, the average age of the fleet has decreased by 18 percent, and today's ships are an average of 35-percent larger than those in service before 1970. Construction activity in U.S. shipyards has been high and the Alaskan oil trade holds promise for future U.S. tanker operations.

Of particular importance to those of us who represent districts near the Great Lakes is that U.S.-flag service has once again come to the Great Lakes. Through the Merchant Marine Act of 1970 it was established that the Great Lakes would be and henceforth is the Nation's fourth seacoast, but before that time its great potential as an active participant in national shipping programs had largely been unrealized.

However, the authorization bill for last year required that a regional office for the Great Lakes be established within the Maritime Administration—and I might say for the particular and direct purpose of stimulating foreign trade activity in that area of the United States—and a site for that office is in the process of being selected at the present time. The establishment of such an office will help insure that at the staff level, where so many critical decisions are made on a day-to-day basis, there will be personnel who are knowledgeable with regard to the many unique aspects of Great Lakes transportation.

More importantly, the Maritime Administration just last month signed an operating Great Lakes subsidy contract with Lykes Lines Steamship Co. establishing American-flag service between the Great Lakes and Europe. Lykes ships have already loaded cargo at Great Lakes ports. In addition, applications are pending with Prairie Shipping and American Heavylift Co. to build and to operate ships for the Great Lakes foreign trade. These are promising new developments and will be extremely helpful in revitalizing this segment of our shipping industry.

While there have been numerous accomplishments under the 1970 act, our merchant marine continues to face severe problems today. I am not sure, frankly, that the present maritime program adequately addresses them.

For example, a major tanker building program began with the 1970 act. Now world tanker rates are about 5 percent of what they were just 18 months ago, and, consequently, about 22 percent of the American tanker fleet is laid up, and construction contracts in a number of U.S. shipyards are being canceled. In addition, despite large subsidy payments under the 1970 act, between 1969 and 1974 the percentage of U.S. foreign commerce carried in American ships in terms of value actually declined from 19.2 to 18.9 percent.

I would recognize, however, that the 1969 figures are probably skewed and out of proportion because so much American cargo at that time was being carried to Vietnam.

I believe, Mr. Chairman, we have a responsibility this year to make a determination of just what role in American policy the merchant marine must play and what percentage of American cargoes, what percentage of general cargo, liner freight, oil, and other commodities should be carried in American bottoms. Our maritime policy, such as it has been, in my opinion has been far too fragmented, with the construction as well as the operation segments of the industry viewed separately and not necessarily with the thrust of implementing overall American foreign policy, trade, and energy goals.

I am hopeful the oversight hearings of this committee which will begin in the next 2 weeks will mark the beginning of a truly national maritime policy.

We are at a critical juncture now in our maritime program. The Merchant Marine Subcommittee is in the process of scheduling comprehensive oversight hearings to review the program. Those hearings will begin on May 22. We expect to explore in detail how the program can be improved and we hope to offer constructive suggestions for change.

While this review is going on I think it is important however to support the existing program and I ask all Members to join me in supporting this legislation.

Mr. Chairman, I yield 10 minutes to my colleague, the gentleman from California (Mr. McCLOSKEY), the ranking minority member of the subcommittee.

Mr. McCLOSKEY. Mr. Chairman, I would like to indicate my support for this bill and also to briefly touch on some of the reservations which have been expressed by several colleagues and by some segments of the public and to explain why we urge support of this bill at this time in spite of these reservations.

Mr. Chairman, the maritime subsidy program enacted in 1970 obviously deserves comprehensive review at this time. We are in an era of careful reexamination of the major programs and policies which this country conducts, not only with respect to the national defense prosture on which the maritime subsidy program is grounded, but also with respect to our international trade policies and our international food policies. As the recent CIA report pointed out, within the next 10 years the United States may be the primary exporter of grains and supplier of foods to much of the rest of the world. Most of this trade will be transported by ships.

We also face a reexamination of our national energy policy with the impact of that policy on offshore drilling, oil imports and the exportation of science and technological gains in the fields of maritime commerce, fishing, and deep-seabed exploration.

Against these reexaminations of national policy in defense, international trade, energy and agriculture, it is absolutely essential that we reexamine our maritime subsidy policy, to redetermine what portion of the jigsaw puzzle of our total national policies our maritime policy should represent.

I am pleased that the chairman of the full committee and the chairman of the subcommittee have agreed we will now undertake, commencing next week or the week following the recess, the first thorough and comprehensive reevaluation of our overall maritime program and policy since we enacted the 1970 act.

Viewing our obligation to proceed with an orderly and timely authorization of the programs this Congress must authorize each year, and the need for speed in that area, it seems to me appropriate we authorize the maritime bill today but also that we assure the public and other Members of this body that we are initiating a thorough reexamination, and that before we come to the House again for next year's authorization we will have completed a full review of this entire program.

With that caveat, I am glad to join in recommending passage of this bill.

Mr. DOWNING of Virginia. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I rise in support of this bill to authorize various maritime programs within the Department of Commerce. I want to commend the chairman of the Merchant Marine Subcommittee (Mr. DOWNING) for his excellent work on the bill. I think we can all be particularly proud that we have reported out a bill that provides only for the most essential programs. The committee has trimmed an additional $3.8 million from the original administration request.

Since passage of the landmark Merchant Marine Act of 1970, the U.S. Merchant Marine has experienced a revival. By the end of this decade, this country will have one of the most efficient and modern merchant fleets in the world.

This bill continues the commitment, established by Congress in 1970 to the construction of new merchant vessels in U.S. shipyards, providing thousands of jobs for American shipbuilders. It also continues our payment of operating differential subsidies and our Federal research and development programs.

To man this new generation of ships, we will need highly trained and educated merchant marine officers. The Federal Merchant Marine Academy at Kings Point continues to provide the basic supply of officers for the merchant marine. The State maritime schools complement this effort and continue to enjoy the strong support of Congress and the administration. The Calhoun Marine Engineers Beneficial Association School in

Baltimore, Md., adds further to our Nation's supply of trained personnel to man our ships. That school is entirely funded by the union itself, an outstanding demonstration of their commitment to a vital merchant marine. Their President Jesse Calhoun, the namesake of the school, has been an outstanding leader and spokesman for the need to revitalize and expand our merchant fleet. He is to be commended for his efforts.

I am proud to have in my district the State University of New York Maritime College at Fort Schuyler. The school is celebrating its 100th anniversary and is the oldest school of its kind in the country. Its graduates are found throughout the merchant marine and in the shore-related industries. Many of the graduates are working in the maritime field in the U.S. Government.

Cadets at the SUNY Maritime College and the other five State schools receive a Federal subsidy of $600 per year. Originally authorized by the Maritime Academies Act of 1958, that amount was intended to cover the greater portion of a cadet's cost at school. Today, with the high rates of inflation in the last 20 years, it barely covers the cost of uniforms and books.

During committee consideration of the bill, my amendment to increase this subsidy to $1,200 was adopted. This amount was recommended by the Select Subcommittee on Maritime Education and Training, which conducted extensive hearings and investigations during the last Congress. That report, which has been adopted by the Merchant Marine Subcommittee, recommended early action on this increase in the subsidy.

The report said in part:

> "The Maritime Administration's Supply and Demand Study has projected a shortage of licensed officers by the end of this decade . . . Acute shortages of licensed officers during periods of peak demand in the past—notably during war time—would indicate the desirability of maintaining a flexible source of supply of such personnel . . . Today's high technology vessels require the skills of individuals of superior ability. While it is necessary to establish ceilings on the number of officers, it is also imperative to attract sufficiently qualified students into our schools . . . In furtherance of this objective, it is, therefore, recommended that the annual subsistence allowance from the Maritime Administration to the students at the State Maritime academies be increased from $600 to $1,200.

I am pleased that we are acting expeditiously on the recommendations of the select subcommittee and hope the other body will concur with this action.

I urge approval of this bill. The recent events in the world today indicate our growing need to be independent of other nations in all we do. The international commerce of the United States is vital to our strength as a world leader. If we continue to remain dependent on other nations to carry our goods and to bring our essential raw materials to this country, we will be at the mercy of foreign powers in times of emergencies. A strong, vital, and modern merchant marine, manned by highly trained and well-educated officers, is essential to this country. That is what this bill is about and that is what it will do.

Mr. LEGGETT. Mr. Chairman, this bill takes care of a number of programs vital to our continuing maritime strength, and all of them are worthy. I would like to take my time to call attention to just one of these provisions, which I consider vital.

The 1975 maritime authorization bill authorizes an increase in the subsidy paid to cadets in State maritime academies from $600 to $1,200 per year. I know that this sounds like a large percentage increase, but the facts surrounding this increase serve to put it in a little better perspective.

First, this subsidy was set at its current level in 1958. As you are no doubt aware all costs have risen steeply since then, and the costs of higher education have risen more precipitously than most. Using 1967 as a base of 100, the 1958 CPI was 86.6; the current CPI is well above 150. This, as I said, is the aggregate; costs in education have risen even faster.

Even with this increase, the ratio of State to Federal contributions to these academies will still be about 2 to 1; in other words, States will continue to carry the bulk of the financial burden associated with these schools. Considering the substantial Federal benefit that derives from the trained manpower pool that these institutions provide, I do not believe that a one-third Federal financial contribution is out of line.

Then, there is the matter of what we get for our money. The people we graduate from our State maritime academies are better trained than ever before. In California we are moving toward full academic accreditation as a scholastically sound 4-year institution. A substantial amount of theoretical training in the more complex ocean sciences, such as oceanography and marine biology, is now being offered. The 1975 graduate of a State maritime academy is far more sophisticated than his 1958 counterpart, and can function in a much wider range of tasks.

Mr. Chairman, this subsidy increase is long overdue. I am greatly pleased that my Committee on Merchant Marine and Fisheries has initiated it, and I hope it receives the strong support of the House.

Mr. OBERSTAR. Mr. Chairman, I am pleased to join my colleagues on both sides of the aisle in strong support of H.R. 3902, a bill to authorize appropriations for fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

One of the purposes was a Committee Amendment that added a section 3 to the bill. Section 3 would amend section 1103 (f) of the Merchant Marine Act of 1936 to increase the statutory ceiling of the title XI guarantee program from $5 to $7 billion. This amendment is crucial if the new maritime program provided by the Merchant Marine Act of 1970 is to be carried forward in an orderly manner.

Pursuant to title XI of the Merchant Marine Act of 1936, the Government is authorized to guarantee loans and mortgages made by private lending institutions to U.S. citizens in order to aid in the construction of U.S.-flag vessels. The title XI guarantee program is administered by the Maritime Administration of the Department of Commerce.

During the hearings on H.R. 3902, Secretary Blackwell testified that the title XI guarantee program has been a very successful program, and as of January 1, 1975, guarantees in force and commitments totalled $4.1 billion with pending applications for mortgage guarantees amounting to $2.8 billion. Total guarantees and commitments are expected to reach $4.9 billion by June 30, 1975, and the statutory ceiling of $5 billion should be exceeded during fiscal year 1976.

Although title XI was not a part of the authorization bill, as introduced, industry witnesses strongly recommended that the proposed legislation be amended to increase the title XI authority of the Maritime Administration from $5 billion to $8 billion. Without such an increase, private capital would not be available to build the vessels contemplated by the construction subsidy program of the authorization request, much less nonsubsidized construction in American shipyards that is financed by means of the title XI guarantee program. The committee was also informed by one American company that they were having a $35 million oil-drilling vessel constructed in Japan and that they might have built this vessel in the United States if the Maritime Administration could have assured them that title XI financing would be available.

The committee requested additional information from the Maritime Administration and the Office of Management and Budget. The Office of Management and Budget indicated that it was requiring a comprehensive review of the title XI program by the Department of Commerce, and that it would not object to raising the ceiling since any future controls over the program would not depend on the statutory ceiling for enforcement. With respect to the response of the Maritime Administration, the committee was generally not satisfied and intends to thoroughly explore the title XI guarantee program as part of the exhaustive oversight hearings currently planned for the near future. However, in view of the immediate need for an increase in title XI authority, the committee amended the bill to increase the program ceiling from $5 to $7 billion.

Mr. Chairman, I strongly urge the House to support H.R. 3902, with this very vital amendment.

Mr. DOWNING of Virginia. Mr. Chairman, I have no further requests for time.

Mr. RUPPE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the amendment in the nature of a substitute reported in the bill as an original bill for purposes of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:

(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $240,000,000;

(b) payment of obligations incurred for operating-differential subsidy, $315,936,000;

(c) expenses necessary for research and development activities, $12,232,000;

(d) reserve fleet expenses, $4,242,000;

(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $11,500,000; and

(f) financial assistance to State marine schools, $5,808,000.

SEC. 2. In addition to the amounts authorized by section 1 of this Act, there are authorized to be appropriated for the fiscal year 1976 such additional supplemental amounts for the activities for which appropriations are authorized under section 1 of this Act as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 3. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273(f)), is amended by striking the figure "$5,000,000,000", and inserting in lieu thereof the figure "$7,000,000,000".

SEC. 4. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385(a)), is amended by striking the figure "$600", and inserting in lieu thereof "$1,200".

Mr. DOWNING of Virginia (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD and open to amendment at at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask some questions of the subcommittee chairman. We are talking about increasing our subsidies to ships which will be used on the Great Lakes, it is my understanding that the justification for the subsidies that we get into in this maritime program are largely on the basis that domestic shipbuilders cannot compete with foreign shipbuilders, because our ships have certain requirements as far as safety and as far as protection against environmental spills. If we increase our activity on the Great Lakes, is this, in fact, part of the program that we are devoting a significant amount of these subsidies to guarantee we are not going to increase the hazards of polluting those areas?

Mr. DOWNING of Virginia. Mr. Chairman, if I understand the gentleman correctly, he mentioned subsidies for the Great Lakes. As we heard previously, the Lykes Steamship Lines has a subsidy for several ports on the Great Lakes.

Did I hear the gentleman say that it would increase the hazards?

Mr. MYERS of Pennsylvania. It is my understanding that the reason we get into the program of subsidizing shipbuilding in large part is because we build ships which have features built into them which make them safer, to make them less potential for spillage, or for accidents, which can cause environmental problems. Is this correct?

Mr. DOWNING of Virginia. No; that is not altogether correct. It is true we have to put national defense features on them. We have to comply with environmental standards; but the main purpose of the subsidies is to compete with foreign flag lines. The foreign ships operate with less for labor, materials and so forth. In order for us to compete with them on an even scale, we have to have a subsidy to bring us up to their level. The subsidy was as much as 55 percent, but through the Maritime Act of 1970 we have reduced that down to 35 percent today.

Mr. MYERS of Pennsylvania. That justifies the operation of the subsidy, but what about the subsidy for construction?

Mr. DOWNING of Virginia. The same thing holds true for the construction subsidy, but here again, it used to be that the Japanese could construct a ship for about one-half of what we could construct a ship in this country, but now their costs are going up. Their lifestyles are coming up, so they are coming up slowly to meet our costs; but it is a long way off.

Mr. MYERS of Pennsylvania. Is it correct that no operating subsidies go to any domestic shipping from domestic ports to domestic ports of import?

Mr. DOWNING of Virginia. The gentleman is talking about domestic port to port?

Mr. MYERS of Pennsylvania. Yes.

Mr. DOWNING of Virginia. It is not subsidized.

Mr. MYERS of Pennsylvania. One further question. Who determines the size and the nature of the reserve fleet being subsidized on the basis of national defense; who participates in that decision?

Mr. DOWNING of Virginia. Offhand—and I would correct this later if I am wrong—it would be controlled by the Department of Defense and the Department of Commerce through its Maritime Administration.

Mr. MYERS of Pennsylvania. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MOAKLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 3902) to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes, pursuant to House Resolution 444, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DICKINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 328, nays 59, not voting 46, as follows:

[Roll No. 198]

YEAS—328

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cochran
Cohen
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell

Downey
Downing
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Green
Gude
Guyer
Haley
Hall
Hanley
Hannaford
Harkin
Harrington
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Howard
Hubbard
Hungate
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Ketchum
Kindness
Koch
Krebs
LaFalce

Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McDade
McFall
McKinney
Macdonald
Madigan
Maguire
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula

Reuss
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Seiberling
Sharp
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex,
Zablocki

NAYS—59

Abdnor
Armstrong
Beard, Tenn.
Bedell
Brown, Mich.
Broyhill
Carter
Cleveland
Collins, Tex.
Conable
Conyers
Crane
Devine
Drinan
Evans, Colo.
Fenwick
Fountain
Frenzel
Gradison
Grassley
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harris
Hayes, Ind.
Hechler, W. Va.
Holtzman
Howe
Hughes
Hutchinson
Jacobs
Johnson, Colo.
Kastenmeier
Kelly
Keys
Krueger
Lujan
McDonald
McKay
Martin
Mottl
Myers, Pa.
Pressler
Quie
Rhodes
Riegle
Schroeder
Sebelius
Shuster
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Vanik
Whalen
Winn
Wylie
Yates

NOT VOTING—46

Andrews, N.C.
Aspin
Badillo
Bell
Brademas
Breaux
Brinkley
Chappell
Clawson, Del
Collins, Ill.
Conlan
Delaney
Dodd
Duncan, Oreg.
Edgar
Ford, Mich.
Hastings
Hawkins
Hinshaw
Horton
Jarman
Jones, Ala.
Kemp
McCormack
McEwen
McHugh
Madden
Mann
Mikva
Mollohan
Mosher
Neal
O'Brien
Patterson, Calif.
Pepper
Peyser
Risenhoover
Roncalio
Rousselot
Shipley
Stokes
Symington
Vander Jagt
Wiggins
Wilson, Charles H., Calif.
Zeferetti

So the bill was passed.

The Clerk announced the following pairs:

Mr. Brademas with Mr. Andrews of North Carolina.

Mr. Mollohan with Mrs. Collins of Illinois.

Mr. Symington with Mr. Mann.

Mr. Charles H. Wilson of California with Mr. Risenhoover.

Mr. Pepper with Mr. Brinkley.

Mr. Mikva with Mr. Neal.

Mr. Duncan of Oregon with Mr. Hinshaw.

Mr. Ford of Michigan with Mr. Horton.

Mr. Hawkins with Mr. Peyser.

Mr. Aspin with Mr. Jarman.

Mr. Breaux with Mr. Rousselot.

Mr. Badillo with Mr. Edgar.

Mr. Delaney with Mr. Mosher.

Mr. Jones of Alabama with Mr. Vander Jagt.

Mr. Madden with Mr. Bell.

Mr. Chappell with Mr. Kemp.

Mr. Patterson of California with Mr. McEwen.

Mr. McHugh with Mr. Shipley.

Mr. Zeferetti with Mr. Conlan.

Mr. Hastings with Mr. Dodd.

Mr. McCormack with Mr. O'Brien.

Mr. Roncalio with Mr. Stokes.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes."

A motion to reconsider was laid on the table.

Mr. DOWNING of Virginia. Mr. Speaker, pursuant to House Resolution 444, I move to take from the Speaker's table the Senate bill S. 1542, and to strike out all after the enacting clause of said Senate bill, and insert in lieu thereof the provisions of H.R. 3902 as passed by the House.

The motion was agreed to.

The House amendment to the Senate bill reads as follows:

Strike out all after the enacting clause, and insert:

That funds are hereby authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:

(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $240,000,000;

(b) payment of obligations incurred for operating-differential subsidy, $315,936,000;

(c) expenses necessary for research and development activities, $12,232,000;

(d) reserve fleet expenses, $4,242,000;

(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $11,500,000; and

(f) financial assistance to State marine schools, $5,808,000.

SEC. 2. In addition to the amounts authorized by section 1 of this Act, there are authorized to be appropriated for the fiscal year 1976 such additional supplemental amounts for the activities for which appropriations are authorized under section 1 of this Act as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 3. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273 (f)), is amended by striking the figure "$5,000,000,000", and inserting in lieu thereof the figure "$7,000,000,000".

SEC. 4. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385 (a)), is amended by striking the figure "$600", and inserting in lieu thereof "$1,200".

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3902) was laid on the table.

GENERAL LEAVE

Mr. DOWNING of Virginia. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection

PERSONAL STATEMENT

Mr. MIKVA. Mr. Speaker, I was unavoidably detained on official business on the last three rollcalls. Had I been present on rollcalls Nos. 196, 197, and 198, I would have voted "aye."

PERSONAL STATEMENT

Mr. FOUNTAIN. Mr. Speaker, on the vote on House Resolution 444, I was on the floor, placed my card in the electronic voting device, thought I was recorded, and when the count was taken, I looked again at my name and discovered that I was not recorded. I just want the RECORD to show that had I been recorded, I would have voted "aye" on House Resolution 444.

VIETNAM 1975

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MYERS of Indiana. Mr. Speaker, those people who opposed our involvement in helping South Vietnam fight communism were extremely vocal a few years ago. Many of us have noted how silent they have been as the Communists were murdering and plundering South Vietnam. A friend of mine has written his views on this. I share with you this fine article:

VIETNAM 1975

(Submitted by Pastor R. L. Shotts, Fremont Street Baptist Church, Crawfordsville, Ind.)

Where are the Vietnam Peace Marchers today? Where are those demonstrators who worked so hard to get the United States out of Vietnam, or at least to stop the U.S. from bombing those "poor little, defenseless" Communists in North Vietnam? Where are those letter-writing Communist sympathizers who wrote so much for peace, saying that the U.S. was the aggressor and that those "peace-loving" leaders of Hanoi were just defending themselves and their people from the imperialistic onslaughts of the capitalistic despots in Washington, D.C.? Where are those who said our servicemen, who are held as prisoners of war by the Communists would be released, if we got out? Where indeed are those who have done nothing about the 1,500 men who are still unaccounted for by the North Vietnamese? Where are those who could not in their wildest dreams even imagine that the Communists could ruthlessly shoot down women and children and even bury many alive in trench-like graves as they did outside the city of Hue?

Wherever they are, they should be hiding their faces in shame, weeping over their sins, and anxiously seeking God's mercy and forgiveness, and if not that, they should be instantaneously transported to flee in terror with the thousands upon thousands of dads and moms and little children from the cities like Pleiku, Kontum, Hue, and even Da Nang who are right at this moment running for their very lives from the Communist butchers that delight in hanging the dismembered pieces of innocent girls and boys out for display to enforce the subjection of the population.

If the "peace crowd" should not like that medicine so well, perhaps it would be enough to have them visit in the 50,000 homes where the best of America's manhood lived, where there is an empty place now, because a boy died defending places like Pleiku or Kontum, and where there are dads and moms or wives who wonder why such a sacrifice was made for nothing! or who wonder why those same cities which were bought with the precious blood of boys like their own, are now betrayed into the murderous hands of brute beasts who now laugh with demonic glee at the wicked, selfish, merciless, and traitorous U.S. politicians who bowed to the whims of a few spineless, thoughtless, brain washed peace-niks who thought that the devouring dragon of Communism could be satisfied with a crust of bread, when all the while that Marxian monster has had his greedy carnivorous eyes fixed on the very hand that is now feeding him.

A MORATORIUM ON COAL LEASES WITHOUT STRIP MINING REGULATION

(Mr. MELCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MELCHER. Mr. Speaker, I am today introducing a measure for myself, Mr. EVANS, and others, providing for a moratorium on all Federal coal leasing until legislation has been signed by the President to assure reclamation of the land after the coal is stripped.

The measure is identical to a bill being introduced in the Senate by Senators METCALF, JACKSON, MANSFIELD, and HASKELL, and set for hearing May 21 in the Senate Interior Committee if the surface mining legislation is not approved by the President.

We are taking this step to make it clear to the administration that if the President vetoes the strip mining bill, Congress expects to move speedily on this moratorium act, and that no leasing should be undertaken, in the absence of regulatory legislation, at least until Congress has had time to consider this moratorium bill.

There are many precedents for the executive branch withholding action on matters which might be affected by legislation pending in the Congress.

The strip mining bill, H.R. 25, which Congress has sent to the White House has met some of the President's objections to the measure which the Congress passed last year.

However, some energy companies urge the President to veto the bill with arguments that are about as valid as the American Bakers Association's spurious warning against $1 a loaf bread last year when wheat prices were rising.

Congress is responsible under the Constitution for our public lands. It must not stand by idly while they are devastated. Consequently, I feel that we should have this measure ready to guide the administration and to enact very quickly if H.R. 25 is vetoed and the veto is not overridden.

I intend later to join with Senator METCALF in offering legislation which will require all surface coal mining operations on Federal lands to conform to the requirements of title V of H.R. 25 to prevent environmental damage by operations under Federal leases which have already been issued. I had intended to include such a provision in this moratorium measure but, because the President may yet sign H.R. 25 making such a moratorium unnecessary, the problem of bringing ongoing operations under regulation obviously should be dealt with separately.

THE FEDERAL RESERVE IS A VERY GENEROUS EMPLOYER—WITH OUR TAX MONEY, ANOTHER GOOD REASON TO PASS BILL TO AUDIT FEDERAL RESERVE SYSTEM

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, while the working people of this country suffer through one economic crisis after another, the Federal agency which is largely responsible for our boom and bust cycles—the Federal Reserve System—isolates its own employees from the harsh effects of its policies.

You can look high and low throughout the Federal Government—and I am sure, State and local governments—and you will not find more beneficent rewards given to employees.

For example, there are 12 Federal Reserve district banks. Each has a president. Mr. Speaker, each of these 12 men earns more than any elected Member of the House or the Senate. And seven of them earn as much or more than any Cabinet Secretary in the Federal Government.

PENSION PLAN 100 PERCENT EMPLOYER-FUNDED

Mr. Speaker, most Federal employees are eligible to voluntarily participate in a Federal pension plan. The bulk of these contributions are made by Federal employees with a percentage being picked up after a required number of years by the Federal Government.

But, the Federal Reserve does not bother its employees by asking them to make any contributions. The Federal Reserve very generously—with our tax money—funds 100 percent of its employees' pension plan.

THE FED'S BONANZA—THE EMPLOYEES THRIFT PLAN

But perhaps the nicest thing the Federal Reserve does for its employees is its thrift plan—unique among all Federal agencies.

For 36 years, the employees of the Federal Reserve contributed money to an annuity account program. By January 1, 1970, the employees funds plus interest, added up to $45 million.

Beginning in 1970, a new plan—the thrift plan—was inaugurated using the $45 million plus a new scheme. For every dollar that an employee contributed to the thrift plan, the Federal Reserve System puts 25 cents into the plan with a limit of $750 per year per employee on what the Federal Reserve will contribute to the plan.

There are currently 19,229 employees of the Federal Reserve System who are members of the thrift plan. And the generous employer has contributed $10,195,814 of our tax dollars to the current $92,443,097 kitty.

The money in the thrift plan is invested in a variety of ways. Approximately 80 percent of the assets were invested with the Equitable Life Assurance Society in a contract which guaranteed an annual return of 8 percent for the plan through December 31, 1974.

Now where in the United States was an investor guaranteed such a generous return on an investment? In 1974, the remaining 20 percent of the fund's assets are invested with various mutual funds, the Prudential Life Insurance Co., and the commingled pension trust fund of the Morgan Guaranty Trust Co.

Was this $10 million appropriated? Did the U.S. Congress review and approve the investment in this private money-making scheme? No, we did not. And we did not because of the unique funding of this mammoth Federal agency.

The Federal Reserve finances its far-flung operations out of a slush fund created by almost $6 billion in interest on a portfolio of Government securities which now exceeds $93 billion. These are bonds and other securities in the portfolio of the Federal Open Market Committee in the New York Federal Reserve Bank and they represent obligations which have been paid for once but which have not been cancelled.

CONGRESS HAS A CHANCE TO AUDIT THESE FUNDS

Mr. Speaker, next Wednesday, May 14, the Domestic Monetary Policy Subcommittee of the Banking, Currency and Housing Committee will meet to mark up H.R. 4316, a bill to authorize and direct the GAO to conduct a full-scale audit of the Federal Reserve System. It is my hope that this bill will move quickly through the committee and the full House and the U.S. Senate.

RABBI DAVID SHAPIRO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 15 minutes.

Mr. BURKE of Florida. Mr. Speaker, tomorrow Dr. David Shapiro, the rabbi of Temple Sinai, Hollywood, Fla., will give the invocation prayer opening our session of the House of Representatives. It is my pleasure, as his Congressman and as his friend, to welcome him, and I want my colleagues to know this extraordinary man.

There was no temple, no rabbi, and Torah in Hollywood, Fla., until the fall of 1940 when the High Holy Days brought together a handful of residents who shared the common bond of Judaism to pray together in the spirit of ritualism so customary to their faith. At that time, there were only 3,400 people in my city of Hollywood, Fla., and there were only 10 or 15 Jewish families.

Rabbi Shapiro was not among the 1940 group who founded Temple Sinai, but he and his wife Leila came to this temple in 1953. In 1959 he was given a lifetime contract. Today, Rabbi Shapiro's Temple Sinai has grown to more than 750 families, and the city of Hollywood has four other temples in addition to Temple Sinai—Temple Beth Shalom, Temple

Beth El, Temple Israel, and Temple Solel.

Rabbi Shapiro was born in Jerusalem in December of 1907. His father, grandfather, and great-grandfather on both his mother's and father's side of the family were rabbis. He was ordained in 1938, after graduating from New York University and being admitted to the New York bar.

In addition to his work in Hollywood, Rabbi Shapiro is a national vice president of the Zionist Organization of America. He is a past president of the southeast region of the Zionist Organization of America; and several other organizations including the Miami Rabbinical Association, Greater Hollywood Clergy Association, and the Broward Board of Rabbis.

It is with great personal pleasure that I welcome Rabbi Shapiro to the city of Washington, D.C., because of my affection for him and because we both came to Hollywood when it was mostly unpopulated.

Over the years I have grown to know him through his work in the community, and through the positive impact he has had as one of the great spiritual leaders of Florida.

Rabbi Shapiro is now the senior minister of the Greater Hollywood Area in terms of service. The years have gone by quickly, but before more pass, I want to take the time now to commend Rabbi Shapiro, for what he has done for Florida and for all the people of Hollywood. Many people may not know the change in events brought about by his wise counsel and good judgment, but some men, and Rabbi Shapiro is one, are destined to leave much deeper tracks in the sands of time than others. It is my fervent hope that it will be millenniums before his footprints are erased from the minds of the people he has served—his deeds I know will linger on and will never be forgotten.

I do, however, want my colleagues to know that Rabbi Shapiro's accomplishments are numerous and that he is truly a pillar of spiritual strength and a great servant of his God, the pursuit of truth, and a stalwart worker for the future of the State of Israel.

RESOLUTION TO STUDY CIRCUMSTANCES OF DEATHS AND ASSASSINATION ATTEMPTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, today I reintroduced my resolution which, if approved by the House, would create in the House a select committee of seven members for the purpose of studying the circumstances surrounding the deaths of President John F. Kennedy, U.S. Senator Robert F. Kennedy, and Dr. Martin Luther King, and the attempted assassination of Gov. George Wallace.

I first introduced this proposal, as House Resolution 204, on February 19, and today I am reintroducing it on behalf of 28 cosponsors, who are, as follows:

George Brown, Yvonne Brathwaite Burke, William M. Ketchum, Edward R. Roybal, and Charles H. Wilson, all of California; Stuart McKinney and Anthony Toby Moffett of Connecticut; Walter E. Fauntroy, District of Columbia; Antonio Borja Won Pat, Guam; Andrew Young, Georgia; Robert Carr, Michigan; Bella Abzug, Mario Biaggi, Herman Badillo, Shirley Chisholm, Thomas J. Downey, Edward I. Koch, John M. Murphy, Richard L. Ottinger, and Benjamin S. Rosenthal, all of New York; Paul Tsongas, Massachusetts; James J. Florio and Henry Helstoski of New Jersey; Stephen L. Neal, North Carolina; Louis Stokes, Ohio; Larry Pressler, South Dakota; Harold Ford, Tennessee, and Parren Mitchell, Maryland.

Mr. Speaker, it is time that the circumstances surrounding these assassinations and the near-murder of Wallace be thoroughly investigated, and that they be assessed in terms of what effects they had on the history and the national political life of this country.

It is not just a matter of finding out who, if anyone else, was involved in these killings, although this would certainly be important. What we need to know more than anything is why they happened, and how we can prevent such events from happening again.

While there has been an increasing widespread interest in restudying the assassination of President Kennedy, I would not want to limit our study to just this assassination. If we create an investigative committee in Congress, we should go ahead and do what we need to do in respect to these other assassinations at the same time, without further delay.

It is time that the Congress took action to try to find the answers to the many unresolved questions, and what these assassinations were really all about.

SUPPORT GROWS FOR REPEAL OF TRUCK WEIGHT INCREASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, together with 52 cosponsors, I have introduced H.R. 1867, legislation reducing the allowable weight of trucks to their level of August 20, 1974. It was on that date that, because of the safety and highway maintenance costs, the House voted, 252 to 159, to remove a proposed increase in truck weights from the Federal Mass Transportation Assistance Act.

Unfortunately, a similar weight increase was included 2 months later under suspension of the rules, thereby precluding amendments, as part of the Federal Aid Highway Act.

My legislation would bring truck weights down to the safer, less costly level at which they have stood for 16 years, before they were hit and run over by the truck lobby.

The American Society of Civil Engineers has been active in the fight to guarantee highway safety by keeping truck weights at safe, reasonable levels. I am including for the information of my colleagues the following position paper and policy statement adopted by the ASCE on October 19, 1974.

The paper and statement follow:

AMERICAN SOCIETY OF CIVIL ENGINEERS—SIZES AND WEIGHTS OF VEHICLES

(Policy adopted by Board of Direction, Oct. 30, 1974)

Many of our bridges and pavements are now in poor condition and inadequate for the loads they are carrying. A complete inventory of all our bridges is necessary and they must be rated for allowable carrying capacity. States, counties and municipalities must develop programs for maintaining, rehabilitating and upgrading their structures and roads. An evaluation of the costs of future bridge and highway maintenance is necessary and an equitable manner of funding must be devised.

Increases in vehicle size and/or weight limits should not be permitted until existing structures have been inspected, the effects of increased vehicle sizes and weights on bridges, pavements and underground structures evaluated, and appropriate improvement programs and capacity postings are implemented.

AMERICAN SOCIETY OF CIVIL ENGINEERS—SIZES AND WEIGHTS OF VEHICLES

(Position paper adopted by the Board of Direction, Oct. 19, 1974)

On December 15, 1967, the nation's attention was focused upon the tragic collapse of the "Silver Bridge" over the Ohio River at Point Pleasant, West Virginia. Forty-six lives were lost in this accident which caused concern and apprehension regarding the safety of our country's highway bridges. Ironically, at about the time of the collapse, the powerful trucking industry was lobbying in Congress for legislation to permit larger and heavier trucks on the nation's highways. The "Silver Bridge" collapse created an unfavorable climate of opinion for such legislation and the trucking lobby temporarily relaxed its pressure on Congress. Because the matter of permitting heavier, wider and longer vehicles on our roads, streets, highways and bridges has such serious implications in regard to public safety and the public purse, the Structures Group Executive Committee of the Metropolitan Section, American Society of Civil Engineers, has prepared this paper on this important question. As its name implies, the Structures Group consists of engineers trained especially in structural engineering, most of whom are engaged in the design of bridges and other structures.

BACKGROUND

For years, the trucking industry has advocated legislation to permit the use of heavier and larger trucks on the nation's highways. Partly because of the collapse of the "Silver Bridge" and President Johnson's order for emergency bridge inspections, together with public concern about bridge safety, action on such legislation was temporarily postponed. However, in March 1968, the issue was again raised when the Department of Transportation backed the proposal for increases in allowable truck sizes and weights on our Interstate highways. At that time, a bill (S. 2658) to permit such increases was introduced by Senator Magnuson (D-Wash.), but no action was taken on it.

In 1969, the Federal Highway Administrator testified in support of legislation permitting increased vehicle weight and width limits, but asked for a three-year delay to allow time for developing new safety standards and to study the effects of such increases on the Interstate highway system. As reported by Engineering News Record on September 11, 1969, the cost of upgrading the

Interstate system to accommodate the larger vehicles was estimated by the Federal Highway Administration to be $300 million. This seemingly low figure ($10,000 per mile) has been a point of contention among many engineers. A consultant was retained by the Highway Research Board to study the economic effects of changing the regulations to permit larger and heavier vehicles.

At present, the results of this study have not been made public and no further vehicular weight bills have been introduced or are now awaiting action by the Congress. However, with the recent passage of the "Wider Bus Bill" (H.R. 4354) by the House and the recent revelation that almost 89,000 of the nation's 563,000 bridges are in critical condition, the concern of engineers with the safety of our highways and highway structures has become even more pronounced.

Approximately half of the States have statutory limits for axle loads in excess of those allowed on the Interstate system. Yet, with few exceptions, our highways and bridges are designed in compliance with Interstate system standards and to a great extent these excess loads are the cause for the accelerated deterioration we witness today.

The discussions and Congressional hearings to date have been concerned primarily with the effects on the Interstate highway system, a very small percentage of the total length of streets, roads, and highways in our country. Where AASHO design load limits are still adhered to, how will the heavier vehicles affect our already overtaxed bridges and roads that are under the jurisdiction of State, county, and city administrations after these vehicles exit from the Interstate highway system? For example, some 400,000 bridges exist in our country which were built prior to 1935. They were designed for lighter vehicles than those presently in use. They cannot be expected to sustain the heavier truck loadings proposed without extensive, and expensive, strengthening—where this is in fact at all possible. Many structures will have to be replaced. What will be the effect of heavier vehicles on the complex underground utility systems which are often located close to the street surfaces in our towns and cities? As an illustration, the underground systems of New York City comprise some 62,000 miles of major electrical lines, about 7,800 miles of gas mains, and some 50 miles of steam mains, not to mention water mains, sewers, telephone lines, subways, and other services. Many of these services are old, especially the gas and water mains, and could be damaged by heavier traffic loadings. These questions concern the public welfare and have not been adequately studied. The fact that there are 89,000 bridges in critical condition, with 24,000 of these on the Federal-aid highway system, makes it even more imperative that we comprehensively examine our system and determine the effect of heavier loadings. In what follows, the effect of the proposed increases in allowable vehicle weights on bridges will be explored in more detail.

CONDITION OF EXISTING BRIDGES IN THE UNITED STATES

Shortly after the "Silver Bridge" collapse, President Johnson established the Task Force on Bridge Safety which had a committee charged with conducting a national study on the safety of bridges. This committee, chaired by Administrator Bridwell, issued a report in 1969 on the status of bridge safety and included a bridge inventory. A questionnaire was sent to Federal, State, county, and city agencies, as well as toll road authorities and railroads, requesting information on the status of their bridge inspection programs and inventory data of bridge components. From the response to this questionnaire, and studies by the Office of Planning of the Department of Transportation, it was determined that 407,000 bridges exist that were built prior to 1935, of which 353,000 are located on county, secondary and rural roads. A total of some 563,000 highway bridges presently exist in the country.

As mentioned before, President Johnson's Task Force encouraged the States to inspect bridges under their jurisdiction. Although most States reported in 1968 that they would meet the completion deadline of January 1, 1970 for bridge inspection, in fact they did not. Therefore, the deadline was extended to July 1, 1972 for consideration under Federal replacement funding and in any case all bridges must now be inspected by July 1, 1973. Furthermore, because of lack of funding, some county and city bridges may not receive in-depth inspection. These structures seldom receive adequate maintenance and many are in poor condition.

A frightening aspect of the condition of our bridges is that many deteriorated portions of structures are not readily visible. Examples of the hidden problems are the deteriorated structural reinforced concrete bridge slabs covered by wearing surfaces, minute cracks in steel structures which are possible sources of fatigue failures, and the reduction in cross section of metallic members caused by hidden corrosion. The major maintenance and safety problem is probably the deterioration of our bridge decks. Of the three principal defects usually encountered—cracking, scaling, and spalling—the latter is the most serious and the most difficult to control. Spalling is usually caused by salt solutions which permeate through small cracks and pores in the concrete and corrode the reinforcing steel, thereby weakening the bond between the steel and the concrete. The weakened deck then becomes progressively more susceptible to failure under truck loading. To subject our bridges to heavier loading, before the spalling problem is solved, would be extremely dangerous to the riding public. It should be noted that the tendency over the past 20 years, with the advent of composite construction has been to make lighter, more flexible structures and thinner concrete decks. This more recent type of construction appears to show evidence of accelerated deterioration on many of our bridges. The true physical condition of our bridges must be determined before the effects of heavier truck loadings can realistically be evaluated.

MAINTENANCE COST

The cost of maintaining our modern highway system and the older county and rural systems is a critical problem confronting State and highway officials. The budget squeeze experienced by most agencies, the greater demand for services, and inflation are major factors affecting the ability to maintain highways adequately. It has been estimated that between 1973 and 1985 it will cost $6 billion per year to maintain roads and streets. Significantly, the annual cost of maintaining the 43,000-mile-long Interstate highway system when completed is estimated at $6,400 per mile. Highway departments have only recently realized the tremendous maintenance programs they face. At one time, 10 to 15 percent of their budgets were allocated for maintenance. Today, the highway departments spend about 30 percent. The amount may be considerably higher, if the proposed heavier truck loadings are approved.

CONCLUSIONS

Many of our bridges and pavements are now in poor condition and inadequate for the loads they are carrying, much less for the larger and heavier vehicles proposed. We need a complete inventory of all our bridges; they must be rated for allowable carrying capacity. States, counties and municipalities must develop programs for maintaining, rehabilitating and upgrading their structures and roads. An evaluation of the real costs of future bridge and highway maintenance is necessary and an equitable manner of funding must be devised.

Though many factors will affect the decision to permit larger vehicles on our roads, from an engineering point of view no increase in vehicle size or weight should be permitted until existing structures are put in order and the true effects of increased vehicle size and weights on bridges, pavements, and underground utilities are evaluated.

THE LATE KENNETH B. KEATING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Solarz) is recognized for 5 minutes.

Mr. SOLARZ. Mr. Speaker, I wish to note the passing of an outstanding American statesman, Kenneth B. Keating, whose death has saddened the Nation, and New Yorkers in particular.

Mr. Keating served in the House for 12 years, the Senate for 6 years, and as Ambassador to India and Israel. While in the Congress, he fought for civil rights, health care, draft law revisions, crime and narcotics laws, and congressional reform.

Throughout his distinguished career, Kenneth Keating was a friend to Israel. His most recent appointment, as the Ambassador to that nation, came at a time when the political situation in Israel necessitated an envoy with qualities of leadership and dedication. Ambassador Keating was such a man. Until his untimely death, he ably represented our country's interests in Israel and was a voice of reason in the Middle East.

Kenneth Keating was a highly respected public servant whose lifelong dedication to equal justice and peace will be long remembered by all Americans.

FRED DAY HONORED BY SOUTH CAROLINA REHABILITATION ASSOCIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. Davis) is recognized for 5 minutes.

Mr. DAVIS. Mr. Speaker, I would like to call to the attention of my colleagues a most inspiring story about a friend of mine who works here in Washington. Mr. Fred Day, a project management analyst with the U.S. Postal Service, was a schoolmate of mine in Charleston, S.C. In fact, as president of the student body when I was in the 8th grade, it was Fred who really awakened my interest in politics. Fred has held jobs with the Navy Department, the State Department, and has completed a year of law school. Fred has a problem a little different from the average Government worker, because he is handicapped. He was a sophomore in college when his car crashed. Doctors at first thought he would not live, but he did. He was in the hospital for a year, lost the use of his legs and his arms, but never his will to get better and lead a useful life. With his own determination and help from the South Carolina Rehabilitation Association, Fred earned his college degree and completed a year of law school. He was very candid about dropping out of law school saying:

> I went about as far as I could get without being able to hold a pencil in my hand.

Fred later had several operations to strengthen his arms enough to even be able to write. Then he went looking for work. It was 3 years before he was able to land a temporary position with the Navy Department typing Government purchase contracts. Fred added:

> I had never typed a lick before that job, but I was soon doing 36 words a minute using one pencil and one finger.

Fred came to Washington in 1967 to work for the State Department. He also had two Navy jobs, and in 1972 joined the Postal Service.

On Thursday, May 15, Fred Day will journey to Columbia, S.C., to be honored as the outstanding handicapped individual of the year by the South Carolina Rehabilitation Association. I cannot think of any one individual who deserves an award more. Fred Day has met adversity—and vanquished it. He has experienced handicaps—and overcome them. He continues to be a source of inspiration to all who know this remarkable man. I count myself lucky to be among his friends.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MILLER) is recognized for 5 minutes.

PROTECTION FOR WILD LANDS

Mr. MILLER of California. Mr. Speaker, today I have introduced legislation that will protect some of our country's most spectacular wild lands—the 15,000-acre Mineral King Valley, located in the southern Sierra Nevada Mountains in my home State of California.

This legislation would incorporate the unusually scenic and ecologically sensitive Mineral King Valley into the Sequoia National Park, thus blocking a proposed year-round resort development by the Walt Disney Corp.

The controversy surrounding Mineral King goes back to the days of John Muir. For 50 years the conservationists have sought to include the area in the Sequoia National Park. The valley floor, at 7,800 feet elevation, offers striking views of Sierra summits, and abounds with streams and many varieties of wild flowers and trees. It also serves as an important trail head for trips into the surrounding wilderness.

If current plans come to fruition the Disney Corp. will construct a massive multi-million dollar resort in an area long recognized by Congress as a national game refuge. The forest service's decision to allow the Disney development complete with hotels and parking space lots and all the problems of air and water pollution is ample evidence that they are not qualified to manage Mineral King.

Many conservationists join me in the belief that the National Park Service and the Department of the Interior would be better stewards of this great natural area.

This bill has been introduced a number of times in the past, but never with as much support as this year. I am proud to have 65 Members of this House as cosponsors of the Mineral King bill, including a majority of my own California colleagues and 14 members of the Interior and Insular Affairs Committee.

THE INDIANA DUNES NATIONAL LAKESHORE PARK: THE NEED FOR FAIR AND EQUITABLE COMPROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 30 minutes.

Mr. FITHIAN. Mr. Speaker, I ask this opportunity to discuss the need to expand the Indiana Dunes National Lakeshore Park by 4,595 acres as proposed in my bill H.R. 5241. On Friday, May 9, I was pleased and privileged to testify before the National Parks and Recreation Subcommittee of the Interior and Insular Affairs Committee, chaired by the distinguished ROY TAYLOR of North Carolina.

The committee will be taking a field trip on May 23 and 24 and hopefully will mark up the bill in early June. Since the committee is moving with great dispatch on the Indiana Dunes bill, I would like to take this opportunity to share my comments and concerns about park expansion with my colleagues in the House. I include the statements at this point in the CONGRESSIONAL RECORD:

TESTIMONY OF CONGRESSMAN FLOYD J. FITHIAN

Mr. Chairman, it is indeed a pleasure and an honor to testify before this distinguished committee and to represent thousands of Hoosiers who desire to preserve and expand the Indiana Dunes National Lakeshore Park. I am proposing a bill today to expand the park by 4,595 acres with the objective of including the remaining natural areas, especially the undisturbed dunes and wetlands, which would substantially enhance the purpose of the Lakeshore. Other areas have been added as buffers to protect the existing parklands.

I want to compliment this committee and the Congress for its past efforts in establishing the original park in 1966. Your vision has led to the creation of an important urban national park. Your continued interest in this park is a clear indication of your dedication and concern for the development and protection of one of our most important natural resources—our national parks.

In addition, I want to thank Congressman Edward Roush for his diligent dedication to the preservation of the Indiana Dunes National Lakeshore Park. His heroic efforts have played an important role in the creation and development of this great natural resource. Every Hoosier and indeed, every American, owes Congressman Roush a debt of gratitude for his efforts to preserve the best natural and environmental areas of northern Indiana. To Congressman Ray J. Madden and John Brademas, I would like to extend my deep appreciation for their continued fight to create and expand the park.

The concern about the proposed expansion of the Indiana Dunes National Lakeshore Park has led to differing opinions about the amount of acreage to be added to the park. Congressman Edward Roush has reintroduced a bill (H.R. 4926) that calls for 5474 acres. I recently received a letter from Governor Otis Bowen, dated April 28, 1975, (and have enclosed this letter for your convenience). This letter requests certain modifications in H.R. 5241. The Governor's proposal calls for 4,293 acres (counting the II–A section as part of the park). The differences between the Roush and Bowen proposals is therefore, less than 1200 acres. To achieve a compromise between these proposals, I have introduced H.R. 5241 which is 879 acres less than the Roush Bill (a reduction of 16.3 percent), and 302 acres more than Governor Bowen's proposal. This compromise bill is a carefully weighed proposal which attempts to provide adequate park expansion without thwarting industrial growth and development. I urge that this subcommittee, the full committee and the Congress adopt this piece of legislation.

The question of park extension is a diverse and complex issue that deeply affects the lives of thousands of Americans, not only in the First, Second, and Third Congressional districts of Indiana, but throughout the Midwest and the Nation. The proposed expansion of the Lakeshore Park caused considerable anguish among the residents of northern Indiana. It has divided the community for too long. The time has come to resolve this dilemma through a compromise that is in the best interest of the entire community.

The bill which I introduced today is a compromise between the environmentalist concern for maximum expansion and industrial concern for a very reduced expansion. Too often the community has viewed this issue of park expansion as one of only park expansion or industrial development. This is not an all-or-nothing proposal. The time has come to reconcile these differences in a final solution that will be fair and equitable to everyone. We can and we must have both park expansion and industrial growth.

The average American working family deserves, in fact, demands, that sufficient recreational areas be available for their use and enjoyment. This region also needs, especally at this critical time, an expansion of jobs and factories. Industrial expansion is needed today to meet the economic demands of tomorrow. Nothing in this bill is designed to hamper, obstruct, or delay industrial growth in northern Indiana. The average American family needs both jobs and recreational areas.

This bill that I am introducing today will be the final page in the history of park expansion. Once the legislative process has run its course, and a park expansion bill has been enacted, this Congressman would not support any additional legislation that would reopen the issue of park expansion. The wounds must be healed so that the communities of northern Indiana can turn their attention and energies to other problems, such as the task of economic recovery, tax reorientation, and park development. The important task of park development looms ahead as a challenge for all concerned citizens. It is absolutely necessary that the park be developed in a way that it can be utilized by thousands of Americans.

My staff and I have conferred with Congressmen Roush, Madden, and Brademas, as well as other Congressmen from Indiana and other Midwestern States. I have discussed these problems with various individuals, groups, and agencies on numerous occasions and have held public hearings in Chesterton, Indiana, on January 31 and February 1, 1975. The response to these hearings in Chesterton and the amount of public participation in the decision-making process has strengthened my faith in the basic principles of participatory democracy. After considering all the multiple factors involved in this complex issue, I have reached a conclusion which I think is fair and just, and

I hope, acceptable, to the broadest possible spectrum of the American people.

Mr. Chairman, I would like to take this opportunity to explain the major differences that exist between the bill recently introduced by Congressman Edward Roush—renumbered H.R. 4926 and this bill.

First, I propose to delete the portion of the eastern arm of the Little Calumet River—east of the existing national park—that lies between the Penn Central Railroad crossing and the Blue Heron Preserve. This area was deleted because the river at this point is ditched and channelized, and therefore of minimal natural value. In my view the inclusion of this area would have unnecessarily infringed on the homeowners and property owners along this section of the Little Calumet River. They did not favor this section's inclusion in the National Lakeshore—usually referred to as section IV–B. The Blue Heron Preserve, however, is of such importance that it should be included in the National Lakeshore. The river bottom lands west of the Penn Central Railroad crossing to the existing eastern boundary of the national park should also be included in the park because of their natural value.

Second, much of the area along the Little Calumet River west of highway 149 should be removed from the park expansion in this area. I propose that the western-most boundary of the park be established at the section line that marks the boundary between Portage and Burns Harbor Corporate limits, a point on the river just below Shadyside. The remaining section of the Little Calumet River and of Salt Creek area should be deleted. These deleted sections contained insufficient natural features. In fact, most of these sections are ditched and channelized.

Within the section that has been included in the park, I propose that a 250-foot section be deleted where Bethlehem Steel could then construct the necessary rights-of-access that are needed for industrial expansion. The Secretary of the Interior, however, would acquire a right of public access—a strip of land 100 feet wide, 50 feet from the center of the stream on each side—across Bethlehem's property. This right of public access would allow hiking trails along the river and also link two sections of the park.

These deletions in section IB–C would allow Bethlehem Steel Corp. to have access to their lands east and west of Salt Creek and south of the Little Calumet. Bethlem's master plan of development recently designed specific crossings of the Little Calumet and Salt Creek, and these areas were deleted to allow Bethlehem room for industrial expansion on lands purchased years ago for the purpose and to guarantee access to these lands. Nothing in this bill would prohibit or curtail the necessary industrial expansion that Bethlehem has discussed. The major difficulty that Bethlehem will have in the development of these lands in the Little Calumet area is the natural terrain. These problems, however, would be present regardless of whether or not a national park existed in the region.

Third, within section II–A—the so-called NIPSCO Greenbelt—I propose that the north-south arm of the section, an area about 300 feet wide and 2,500 feet long be deleted from the fee acquisition area of the Roush Bill. The Secretary of the Interior, however, should purchase a scenic easement to protect the dunes, the trees, and the wetlands. This easement would allow the Secretary to protect the natural area already in the national park and eliminate any pollution problems in the area. The southeastern portion of the II–A section was included because it also creates a buffer between the existing park and the NIPSCO property. No park development is anticipated in this area. Nothing would bring park users closer than they are already.

The boundary lines of this section were drawn to allow NIPSCO the flexibility of enlarging its substation in the southern portion of its property without any conflict from the park.

Under the conditions of the scenic easement, NIPSCO retains control of the land, has full authority over the area, and has the right to evacuate people in case of a nuclear disaster. The scenic easement area of about 24 acres is part of the minimum exclusion area for the Bailly Station. Since NIPSCO would retain the legal rights to this land, there should be no conflict between the expansion of the park and the potential construction of the Bailly Station. On March 17, 1975. I received a letter from Mr. A. Giambusso, Director, Division of Reactor Licensing, Office of Nuclear Reactor Regulation, which commented on this matter. In part, he said that "if this parcel of section II–A land was not included in the expansion of the National Lakeshore and NIPSCO retained ownership of it, there would be no impact on the licensing status of the Bailly Station since the boundaries of the Station's exclusion area would remain the same as proposed by NIPSCO in the application and subsequently approved by the Commission." Most importantly it was necessary to assure that a decision to build or not to build the Bailly Nuclear Plant could still be made without having any interference from this park expansion bill.

Nothing in H.R. 5241 should be used to inadvertently delay or curtail the development of the nuclear plant. The nuclear plant and the park expansion are two totally separate issues that should not be intertwined. The nuclear plant issue is presently in the courts and the decision will be made there.

Concerning the pollution problem in II–A, I would like to review a recent U.S. Geological Survey that assessed the water quality within the present boundaries of the National Lakeshore. Certain data and findings relate directly to Unit II–A and indicate that NIPSCO's on-site coal ash handling and disposal pose a substantial threat to the Cowles Bog area.

This survey was undertaken by the U.S.G.S. in mid-1973 with the objectives of establishing a base-line of the chemical and bacterial quality of the water in the National Lakeshore, the development of a general geohydrologic description of the area from which ground water supplies can be developed, and lastly, recommendations for future water quality monitoring to be used in the management and protection of the area.

Although some of the sampling sites were located near the NIPSCO greenbelt, the study was not specifically designed and did not necessarily give us all the answers to questions which have come up more recently related to the threat of dewatering at the proposed nuclear site or inclusion of the greenbelt in the Lakeshore. I would, however, like to share with the committee some of the findings of this report.

One sampling point tested the drainage area included NIPSCO's ash dumping site in the southeasterly portion of Unit II–A. The company uses ash to fill a wetland bounded on the north and east by their sand dike abutting the National Lakeshore boundary. Test data taken in 1973 and 1974 from a ditch around the east end of the dike showed discharges of somewhat warmer temperature, higher sodium chloride (salt) levels and more basic pH readings than other points draining into the acidic wetlands of Cowles Bog from the north and west. While the text of the report states that the chemical quality of the surface water at this point is similar to the quality of streams (as distinguished from the more acidic nature of bogs) elsewhere in the Lakeshore, there is no basis to assume that even this will continue to be the case in the future. We are fortunate indeed that after three years of the projected twenty year use of this dump site, the pollution situation is not worse.

More immediate adverse effects have been felt "upstream" in the company's ash handling process, due to ground water seepage and direct discharges from ash settling ponds into the interdunal pond system lying in both Unit II–A and the present area of the National Lakeshore. Despite the proximity to the industrial complex, the east-west arm of the "Greenbelt" is a most attractive natural area. The Geological Survey report documents the direct discharge of overflow water from the fourth and final ash pond into interdunal pond "B" between May, 1969, and November, 1971. Furthermore as of early 1974 there was a 6.6 foot water level difference between the ash ponds and pond B, enough for subsurface water seepage. The Geological Survey was unable to quantify the exact volume of seepage. However, the report's conclusion drawn from test data was that the water in interdunal pond B, a body of water largely within the *present* boundaries of the National Lakeshore, is more similar to that of the company ash ponds than to the remainder of the interdunal pond complex. Several pollution indices substantiated this conclusion, such as specific conductance, bicarbonate ratios and sulfate levels.

There is an indication of underground water seepage from the ash ponds in the south section of Section II–A around sites 19, 20, and 20(a).

Another drainage area sampled in this area which is affected by human activity is Site 25, a culvert outlet from Bethlehem Steel property. The water discharged into the Lakeshore is of much higher temperature than normal water. In addition, definite problems with specific conductance and chemical quality are indicated. Recently Bethlehem officials told EPA officials that cooling and process water from Continental Can Plant and the Bethlehem East Office building as well as parking lot runoff water flowed into the culvert that empties into the existing Lakeshore Park via NIPSCO's land.

Not specifically addressed by the report is an apparent pollution source from the existing NIPSCO fossil power plant, wherefrom a pipe discharges into a pond which is partially on NIPSCO land (in the greenbelt) and partially on the National Lakeshore. An oily residue is visible around the pipe which would appear to be a source of potential pollution of the western portion of the Lakeshore, although not necessarily of Cowles Bog.

With the boundaries I have proposed on the map with Section 12 of the text of by bill, I have attempted, in the spirit of compromise, to assure that the National Lakeshore as a governmental institution will not interfere with responsible industrial development beyond its boundaries. The same ground rules must apply both ways. In spite of the funds spent for dikes and other remedial measures, it is documented that ash handling and disposal at the Bailly plant has not been carried out without cost to nearby public lands. I propose, therefore, that the remaining wetlands in this vicinity be placed under public ownership.

Fourth, I propose that only 38 acres of the original 201 acres in section I–B East be retained in the park. These acres included the high dune section in the northeastern part of I–B East and Left's Coho landing area. These retained acres are of the greatest natural value. The inclusion of the fishing landing will provide the park with a diversified recreational program, and the National Park Service will be strongly encouraged to utilize this area for boating and fishing. The rest of I–B East will be deleted so that the area could be utilized for potential industrial development or satellite plants. A compromise on I-B East will preserve the best of the Dunelands and still allow sufficient land for industrial growth. Some additional lands south of and adjacent to I-B East could be condemned by local government entities, such as the Portage Development Corporation, and turned over to Midwest Steel for further development. I am not suggesting this course of action, but merely pointing out the various options open to Midwest if it seeks to further expand its lands for satellite industries.

Fifth, the toughest decision concerned the portion known as I-C. It was a difficult decision because the arguments and needs of both Midwest Steel and the park expansion groups were so compelling. The bottom part of I-C was substantially reduced as compared to the Roush bill because it was of minimal value. Some of it has been sand-mined and leveled. In addition, this area would provide much-needed land for the establishment of an industrial park. It is a logical extension of an area that presently contains two structures, one of which is the American Can Co. It might be possible to locate an office building in this area or just south of highway 12.

Since the sludge lagoons are essential to the continued productivity of the finishing plant, they will be left out of the park. If at a later time technology advances to the point where Midwest no longer needs the sludge pools or desires to sell them to the Lakeshore Park, the Secretary of the Interior will be authorized to purchase them. The transfer of this area would be contingent upon the willingness of Midwest to sell the land to the park.

The area west of the sludge pools contains one of the best examples of high dunes of any land to be added to the park. In addition, it is a unique area in which teachers, students, and those concerned with environmental education can trace the entire history of duneland development. A small beach will also be added to the park.

The Secretary will construct a safety fence between the sludge pools and the high dune area at the time that the land is purchased, so that all steps are taken to protect the public usage in this area, and to provide safety in the area where visitors come in close proximity to the sludge pools.

Recently Midwest Steel announced a $1.2 billion plant expansion program that would provide 4,000 construction jobs and 2,500 steelmaking jobs. Porter County and northern Indiana need this kind of industrial expansion. Since this expansion is planned east of the present steel finishing plant, and none of this area is scheduled to be included in the National Lakeshore, there will be no conflict between industrial growth and park expansion.

Sixth, I am proposing the section I-A East be divided in such a way that the northern section be included in the Lakeshore and the southern portion be deleted from the proposed Roush bill. The northern portion includes several examples of dunes and blowouts, a truly natural area. In addition, this area is also close to the new proposed bathhouse (at West Beach) that is called for in the park development plans. It, therefore, will serve as an additional buffer between the national park and the town of Ogden Dunes. About fifty lots and homes in the southern portion will be available for development within the town of Ogden Dunes. It is hoped that these additional acres will help broaden the tax base for the community and assist it in providing much needed services.

The opinion in the town was divided. The town board voted 5 to 0 for exclusion but the park board voted 3 to 1 for inclusion of the land. Since there appears to be no consensus of opinion in the town, as compared with the near unanimous support in Beverly Shores, I sought to divide the area in a way which preserves the most natural dune area for the park and allows residential development at the same time.

Seventh, the property owners and home owners within the existing park and in the area to be added to the National Lakeshore by this expansion bill will have several choices available to them. They will not be required or forced to sell their property. If they decide to sell their home, they will be required to give the Park Service the right of first refusal. If the Park Service refuses to meet their price, the homeowner can sell his or her property to any willing purchaser. This does not compel the homeowner to sell to the Park Service, but only affords the Secretary of the Interior the first right to refuse to purchase.

Any homeowner can select a leaseback or a right-of-use and occupancy for any length of time up to a period of 25 years. The homeowner, therefore, could select a leaseback of 5, 10, or 25 years, or any length of time up to a maximum of 25 years.

Under my proposed bill, a life tenancy would be established for residents in the original park and in the newly added sections of the Lakeshore. This life tenancy provides that any owner or owners of improved property who have reached the age of majority may retain the right-of-use and occupancy for as long as he or she and his or her spouse may live. Homeowners are not required to take a life tenancy, but will have this option available to them if they desire it. It is hoped that residents will find this proposal attractive.

The option of the owner or owners of improved property to select or choose either a life tenancy or a leaseback of up to 25 years will be terminated 5 years after the enactment of this act. Thus, all the owners will have to make up their minds on these two options within a period of 5 years. This 5-year limit provides adequate time for the owners to select a course of action and will have the additional management value to the National Park Service of knowing within 5 years what options have been exercised.

If the owner or owners of improved property decide not to exercise their option of either life tenancy or a leaseback within 5 years, they maintain the option to refuse to sell their property to the National Park Service. If, at any later date, a homeowner desires to sell his or her property, he is still required to offer the National Park Service the first chance to purchase it. If for any reason the National Park Service refuses the homeowner's asking price, that homeowner is free to sell his property to any willing purchaser at the same price it was offered to the Government.

In the past some homeowners who have a right of use and occupancy have not paid their taxes. It would be a great advantage to Porter County if it was assured of receiving the proper amount of tax receipts. Under this bill, nonpayment of property taxes, validly assessed, on any retained right of use and occupancy shall be grounds for the termination of these rights by the Secretary of the Interior. If they do not pay their taxes, they should lose the right to live in the Lakeshore Park. Everyone should abide by the law of the land. Because a person happens to reside in a national park, is not an acceptable excuse for nonpayment of taxes.

Eighth, many of the industries in the area have raised questions about the impact of park expansion on the environmental pollution standards, especially the air and water quality regulations. Nothing, and I repeat, nothing in this bill imposes either new standards or raises existing EPA standards on air and water quality regulations. The various industrial units must conform to the EPA standards at the Federal, State, and local level whether or not the national lakeshore park is expanded.

Ninth, this bill requires that the Secretary submit a written report to the Committee on Interior and Insular Affairs and Appropriations Committee within 1 year, including a detailed plan for acquisition of land, and stresses that it is the intent of Congress that the Secretary should substantially complete the land acquisition program within 6 years. We must move forward at a rapid pace to insure that we have a park for future generations. We need to turn our attention to the development aspect of the national park so that the average family can utilize the recreational advantages of the Indiana Dunes National Lakeshore Park. To facilitate the development of the park, the bill also requires the Secretary of the Interior to develop a master plan for park development by December 31, 1977.

Tenth, section 11 of this new bill allows for the continuation of easements for specified purposes within rights-of-way now owned by NIPSCO, two railroads and the Gary-Hobart Water Company. While the established interest of these companies would clearly be protected by this language, it should be recognized that the Secretary has the authority to pre-empt activities not specified in the bill. For example, construction of a railroad yard is not part of a line haul rail operations; nor is the need for high voltage electrical transmission facilities a license to dispose of industrial waste within such a corridor.

Another portion of section 11 would allow the above groups to widen its existing easement and rights-of-way with the permission of the Secretary. Nothing in this bill is designed to hamper or hinder the existing NIPSCO facilities. In addition, if section II-A is added to the park as proposed in H.R. 5241, NIPSCO would be allowed the continued use of its transmission lines and weather tower and other facilities by the creation of an easement within this section.

Eleventh, I also suggest that about 60 acres be added to the park that are not included in the Roush Bill, so that some contiguous duneland be added and that the boundary of the Little Calumet be shaped to conform with the map contour lines that designate the river bed.

Mr. Chairman, these eleven differences between the proposed Roush Bill (H.R. 4296) and the bill which I have introduced are the component parts of a carefully worked out compromise designed to allow both desirable park expansion and the growth of industry. Industrial expansion is needed to stimulate a sagging economy which has plunged to its worst level since the Great Depression.

I would like to address myself to the "Beverly Shores Island" which both Congressman Roush and I have included in our bills. Recently, Governor Otis Bowen has announced he no longer opposes the addition of Beverly Shores to the Lakeshore. At present, Beverly Shores is an "island" completely surrounded by the existing National Lakeshore Park. This area is an excellent example of Indiana duneland and is of such important natural value that it should be included in the park. It has the potential to be a high user area, and could accommodate thousands of people.

If Beverly Shores is not included in the national park, it will create serious management problems for the National Park Service in future years. Many professional park service employees have told us privately that it is only a question of time before a decision to add Beverly Shores to the park must be made. Why wait ten or twenty or thirty years before making this inevitable decision? Why allow the forces of inflation to multiply the cost of acquisition and cost the American taxpayers more money in the long run? With foresight and courage, we can make the right decision at this time and place.

In addition to the difficult management problems that would be caused by not adding Beverly Shores to the park, the National Park Service, and therefore the Federal

Government would be forced to assume a substantial amount of the costs of police and fire protection, sanitation removal, safety regulations and traffic control resulting from the visitor usage of the existing park and beach in front of Beverly Shores. These costs would accrue to the Federal Government without any corresponding advantage of using the acreage within the "Beverly Shores Island." In essence, the National Park Service would pick up the costs without any of the benefits.

Within the last four years, the problems of beach erosion have become so acute that homes along the beach are actually threatened with destruction. Although many factors are responsible for this condition, the Army Corps of Engineers recently acknowledged in their lengthy study on the *Preliminary Interim Feasibility Report: Indiana Shoreline Erosion* that the breakwater and harbor structures at Michigan City were approximately 50 percent responsible for the increased erosion in front of Beverly Shores.

To correct this erosion problem along the Lake Michigan shoreline, the Army Corps of Engineers has offered many alternatives. One of these proposals calls for the construction of a low, continuous off-shore breakwater in the Beverly Shores area. Over a 12 year period, this project, if built, would cost the taxpayers $52,385,000 or the cost of the entire 4,595 acre addition that is proposed in H.R. 5241. These inordinate costs must be avoided in all cases.

Although something must be done on a temporary basis to preserve the threatened homes in the Beverly Shores area, at least until these areas go into the national park in the 1980's, the long range solution should not include an expensive Army Corps' project that costs the average working family millions of tax dollars. There will be public expenditures for erosion control, but these expenditures must be kept at a bare minimum. For all of these reasons, it makes fiscal sense to put Beverly Shores in the Indiana Dunes National Lakeshore Park.

In addition, the people of Beverly Shores desire to be added to the National Lakeshore. It is estimated by the Beverly Shores Residents Association that nearly 85 percent of the homeowners support inclusion in the National Lakeshore as evidenced by a survey of the residents. Since the people clearly have indicated their approval for inclusion, I feel this area should be added to the park.

I would like to express my deep concern for the inclusion of II-B, located at the southwestern corner of Dunes State Park, north of the Penn Central Railroad, which is supported by Congressman Roush, Governor Bowen, and the National Park Service. This land area is surrounded on all four sides by parkland and should be included in the lakeshore. There are a few homes in the area, but because they are located on low, wetlands, the septic tank systems do not work properly due to the high water table. The area is drained by a stream known as Markowitz Ditch which flows northward through the Dunes State Park and empties into Lake Michigan.

The Local Drainage Board wants to dredge this stream. This would transport raw septic tank effluent directly into the State Park Beach area. This pollution would effect the Dune Creek, the beach, and the ecological development in the area of the National Park and Cowles Bog. Pollution control needed at the State Park would cost the State a considerable sum, and there is no need to waste the taxpayer's money to develop this area. I have received letters from Francis T. Mayo, Regional Administrator (Region V) of the Environmental Protection Agency (dated March 11, 1972), Nathaniel P. Reed, Asst. Secretary of Interior (dated April 2, 1975), and Governor Otis Bowen (March 19, 1975), supporting the proposition that Markowitz Ditch not be constructed.

The area of II-B should be added to the park at the first opportunity. I strongly urge that the National Park Service place this area near the top of its priority, and move quickly to resettle the homeowners in the area. Everyone needs to take prompt and effective action to prevent the construction of Markowitz Ditch in this area.

I would now like to speak to sections of this park expansion bill that are outside the boundaries of Indiana's Second District. Since some of the area scheduled for inclusion in the National Lakeshore is located in Congressman Madden's First District and John Brademas' Third District, I have discussed these areas with them. Both Congressman Madden and Congressman Brademas have strongly supported the inclusion of their areas in the Indiana Dunes National Lakeshore Park. I greatly appreciated the advice and counsel of these two very distinguished colleagues and at their recommendations have included the areas within Lake and LaPorte Counties in this park expansion bill.

Since the main purpose of these hearings was to examine new evidence and analyze the differences between the Roush bill (H.R. 4926) and my bill (H.R. 5241), I have decided not to repeat the arguments for areas which we both agree should be included in the Lakeshore. Congressman Roush admirably discussed these portions of the Lakeshore in his testimony last year before the subcommittee.

Since there are twenty-three pieces or sections of the proposed park expansion bill, I would like to take this opportunity to identify the acreage in each section and note the correction of previous mathematical errors—not involving any map change—I include the following chart:

FITHIAN LAKESHORE PROPOSAL

Units	As calculated for H.R. 3571/S820	Acreage changes—Correction of previous errors (not involving any map change)	Fithian revisions	Net area
I-A (East)	66		−24	42
I-A (West)	92			92
I-B (East)	701	+86	−163	38
I-B (West)				586
I-C	158	+16	−76	98
I-D	420			420
I-E	302	+28		330
I-F	295			295
II-A	102	+7		109
II-B	140			140
II-C	20		+60	80
II-D	126			126
II-E	168			168
II-F	49			49
III-A	652			652
II-B	18	+12		30
III-C	68			68
IV-A	391			391
IV-B	636		−495	141
IV-C	343		−181	162
IV	150			150
VI-A	86	[1] +12		98
VI-B	345	[1] −15		330
Total	5,328	+146	−879	4,595

[1] Minor boundary corrections recommended by Congressmen Roush and Madden, Nov. 22, 1974.

For several years, there have been continuous delays in the acquisition of the land and development of recreational facilities of the park itself. The Congress is in no way responsible for this problem. The National Park Service has proposed inadequate funding and Office of Management and Budget disposes of these requests. I believe this accounts at least in part for the diminutive requests over the last five years.

We must move forward on the acquisition of land and the development of the park, and several sections of this bill attempt to expedite these matters. Our nation, is faced with a deep recession, several million unemployed and an unemployment rate of about 8.9 percent. Indiana unemployment rate is 10.2 percent and several parts of the state exceed these figures. The building trades, for example, have unemployment that runs between 25 and 35 in Lake and Porter counties. We must put people back to work and stimulate economic growth and development. Quick action on parkland acquisition and development will go a long way toward achieving the goals of jobs expansion and economic development.

During a time of economic crisis, the overall costs of a project are important to everyone. The National Park Service estimated that the costs of the entire Roush bill was $56.5 million. The subcommittee staff last year recomputed these figures by subtracting the leaseback payments to the government (1 percent per year), and reduced the cost of the bill to $53.16 million. If H.R. 5241 is adopted, the acreage deleted from the Roush bill could be further reduced by between $2.7 and 4 million. It is important, however, to note that the need to preserve this extraordinary natural area must be started immediately. The costs to the American people will be more than repaid by the preservation of one of the greatest treasures left in this nation. It is a small cost to pay for this unique area.

The Indiana Dunes is a unique combination of geographical and botanical features, a land of diverse wildlife and natural beauty, and a place of unique ecological history and outdoor recreation. It is a place where four major climatic zones of North America meet. The Dunes is a delicate balance of sandy beaches, high dunes, and blowouts, a place of Arctic Jackpine, desert cactus, and wetland ferns, as well as prairie grasses and flowers. These natural areas must be preserved at this time before they are destroyed forever. They are truly irreplaceable.

The Indiana Dunes National Lakeshore Park is uniquely located in a large metropolitan area. There are now almost 10 million people living within a one hundred mile radius of the lakeshore, a comfortable, economical, and energy-saving drive for thousands of vacationers. In dedicating the National Lakeshore in 1972, Interior Secretary Rogers C. B. Morton declared it "is one of the crown jewels of the program . . . a triumph of man's desire for beauty and open space." He went on to say that it could provide "outdoor recreation and environmental education opportunities for some 87,000 visitors daily." With the rapidly expanding population in northwestern Indiana, the need for outdoor recreation will only increase in the foreseeable future. To meet the demands of future generations, we must have the courage to move ahead toward the preservation of the Indiana Dunes.

Mr. Chairman, this expansion bill is necessary to protect the natural uniqueness of the remaining dunes, wetlands, and our natural areas. I have personally walked over, driven through, and flown over every section that is being placed in this park. We owe it to ourselves and future generations to take the initiative at this time and place, to preserve these areas for posterity. Our children and their children's children will strongly support the steps we take today. Will future generations look back at our decision and point to the dunes, and say that we missed a great opportunity to preserve a unique natural area for all time and that we failed in our duties of leadership with which the American people have entrusted us, or will they say that we had the foresight, and determination to preserve these dunelands for posterity? Mr. Chairman, the decision is ours and ours alone to make, and I earnestly plead that we have the courage to make the right decision. I am confident this bill is the right decision.

OFFICE OF THE GOVERNOR,
Indianapolic, Ind., April 28, 1975.
Hon. FLOYD FITHIAN,
Representative, Second District,
Washington, D.C.

DEAR REPRESENTATIVE FITHIAN: This letter is a follow-up to our telephone conversation of April 28, 1975, concerning your bill (H.R. 5241) for expansion of the Indiana Dunes National Lakeshore.

I am most appreciative of the time and energy which you have devoted to the drafting of this bill and to the consideration which you have given to the position of the State of Indiana as presented during the course of the Congressional hearings in 1974.

I have reviewed your bill with John Hillenbrand, Joe Cloud and several other members of my staff. As a result of that analysis and in consideration of some relatively recent events in the area, I would like to bring to your attention the following few points which I believe are of prime importance, and earnestly solicit your sincere consideration of them.

1. We recommend deletion of that small area indicated on your map (626-91.003A) as Area 1-B East, involving the area known as Lefty's Coho Landing. Our reasoning is twofold: (a) Acquisition would result in government operating of a service that is now being supplied by private enterprise, and (b) there is now in process of final review prior to submittal to the Congress a report by the Corps of Engineers for improvement of Burns Ditch and the westerly arm of the Little Calumet River for the purposes of flood control and recreational navigation. The plan envisioned in this report would make very substantial provisions for marinas and other facilities for recreational and fishing boats. It would also involve substantial channel enlargement on Burns Ditch and the Little Calumet. I have endorsed this report on behalf of the State because of the fact that the project area has perhaps the most dangerous flood problem in the State, as well as a dire need for recreational boating facilities. In summary then, it would appear wise to leave this area out of the Lakeshore since it will produce more public benefit in connection with the Corps' project.

2. recommended deletion of Area 1-C in its entirety. We recognize that you have proposed a substantial reduction in this area and have carefully noted your remarks in the Congressional Record of March 20, 1975, with respect thereto. However, we believe that, on balance, the potential long-range industrial needs, which are so vital to the economy of this area, and our inability to predict these needs with precision, dictate that we must make reasonable provisions therefore. It is significant, we believe, that this industrial area, extending from Ogden Dunes easterly to the NIPSCO property, is very probably the only area left for Lakeshore industry.

3. We recommend that Area III-B be deleted. Of particular significance is the recent Federal Court decision denying construction of the Bailey Nuclear Power Plant. This being the case, it would appear that NIPSCO will need this area for development of additional generating facilities as an adjunct to its Michigan City plant.

4. We recommend that part of Area IV-C which lies west of Highway 149, be deleted. Our concern here is the long-range needs of industry as compared to a short reach of a relatively insignificant stream. It would still provide for inclusion of the portion of the stream that lies east of Highway 149.

5. We recommend that Area II-A for which your bill proposes partial acquisition in fee and partial acquisition of a scenic easement all be handled on a scenic easement basis with provisions for electric transmission lines to be located thereon. We fear that with the demise of the Bailey Nuclear Plant and with the recent announcement of major additional steel plants expansions in the area, the problem of adequate electrical energy is going to become very critical indeed. In addition, we understand that a recent study by the U.S. Geological Survey reports that NIPSCO is not polluting any interdunal ponds by its ash storage operation.

These revisions would, in our judgment, result in a land acquisition proposal which would add substantially to the Lakeshore and the recreational opportunities which it will afford and still allow reasonable opportunity for that economic development which is so vital to our people.

Aside from the matter of the actual lands to be required, I should like to relate to you the following two matters of great importance to Indiana:

A. The first of these relates to that part of Area II-B located at the southwestern corner of Dunes State Park, north of the Penn Central Railroad. The relatively small number of homes in this area are located on low, wet ground and the septic tank systems do not work properly because of the high water table. The area is drained by a stream known as Markowitz Ditch, which flows northerly through Dunes State Park to empty into Lake Michigan through the State Park Beach.

Local efforts have been under way for several years in a Drainage Board proceeding to dredge this stream, with the anticipated result being the more efficient transport of raw septic tank effluent directly to the State Park Beach. The State has so far taken legal action to forestall this project, but may eventually be overridden.

The acquisition of the area, as proposed in your bill, would provide a permanent solution to this problem, *but only* if your proposed landowners option of a life tenancy or some lesser period of years is *not allowed* for this particular area. We would, therefore, urge that your bill provide for early and outright acquisition of this area, with no provision for continued occupancy.

B. The second matter relates only to the subject matter of Section 11 of Congressman Roush's bill, which provides that all artificial accretions to the beach automatically become the property of the United States. The bed of Lake Michigan is owned by the State of Indiana and we believe that the above provision is unconstitutional in that it would result in the taking of property without compensation.

I raise this matter only to express the hope that such a provision will not subsequently be incorporated in your bill.

I must apologize for the length of these remarks, but did want to convey to you our position and logic with respect to these relatively few points.

I would request your favorable consideration of these recommendations because I believe they would result in a proposal which could be accepted by all interests involved.

Kindest personal regards,

OTIS R. BOWEN, M.D.,
Governor.

THE HIGH-PRICED OFFICIALS OF THE FEDERAL RESERVE SYSTEM

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, today many Americans may have difficulty getting a job—much less being able to make their budgets stretch to cover the basic necessities but the big boys at the Federal Reserve continue to bask in the glories of rising salaries.

The Federal Reserve district banks have limited functions, but their chief officers continue to be some of the highest paid public officials anywhere in the world.

All 12 of the Federal Reserve district bank presidents draw salaries larger—some of them more than double—than the compensation paid Members of the U.S. Congress.

In fact, Mr. Speaker, 7 of the 12 men are at salary levels above those set for members of the President's Cabinet.

In the nine districts for which there is comparison data available, salaries of these Federal Reserve bank presidents increased more than 15 percent between 1971 and 1974.

Of course, Mr. Speaker, these increases have taken place without the benefit of congressional appropriations and without any audits from the General Accounting Office checking on any of the activities which these high-priced officers presumably supervise. It is my intention to call attention to other spending excesses in the Federal Reserve System in coming weeks. Already, 109 Members of the House of Representatives are cosponsoring legislation to require an audit of the entire Federal Reserve System so that the Congress may know more about these questions and more about the total operation of the Federal Reserve System. We hope to have this audit legislation on the floor in the very near future.

Mr. Speaker, I want to place in the RECORD the list of the salaries for the 12 Federal Reserve district bank presidents:

Bank	1974 salary	1971 salary	Percent increase
New York	$90,000	$90,000	
Chicago	76,000	67,500	13
San Francisco	75,000	(1)	
Kansas City	65,000	56,000	16
St. Louis	64,000	56,000	14
Boston	60,250	50,000	21
Atlanta	60,000	51,000	18
Dallas	59,000	48,000	23
Cleveland	58,650	(1)	
Minneapolis	56,500	(1)	
Philadelphia	55,000	45,000	22
Richmond	50,000	41,000	22

[1] Employed after June 3, 1971.

Source: December 19, 1974, letter from Dr. Arthur Burns.

HOME HEALTH CARE—PART XIII

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 85 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators FRANK MOSS and FRANK CHURCH, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, HUGH SCOTT, Senate minority leader, and Senators WILLIAMS, DOMENICI, and TUNNEY.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the RECORD several times a week by experts and lay persons commenting on the legislation.

This is the 13th in the series:

NEW YORK, N Y.,
March 18, 1975.

Representative EDWARD KOCH,
House of Representatives,
Washington, D.C.

MY DEAR MR. KOCH: Let me express vigorous support for the bills you introduced which would provide home health care for the elderly as an alternative to nursing home care. Having worked in the program in New York City which offered such services I know that they can make life not only bearable but happy for aging people. They function most effectively, I believe, when they are affiliated with a team from a local hospital, and are based in a center which is equipped to send out hot meals—"meals on wheels." Social worker services should also be part of the program.

I enclose a description and report on what was, I believe, a very effective program.

May your bills enjoy the support and success they deserve.

Sincerely yours,

TERESA GLOSTER.

REPORT ON THE COMMUNICATIONS PROGRAM

This report summarizes the activities and results of three years beginning in February, 1972, when the Communicator Program was first funded by the Astor Foundation. The program's staff, initially ten communicators all over 65 years of age, and a supervisor, remained almost unchanged through the years, except for the death of one communicator and the withdrawal of another because of serious family illness. Additional workers have been added to replace them. Three communicators are Spanish-speaking, and another speaks French, German and various Slavic languages. These language skills have been helpful both in attracting clients to the center and in serving them more effectively.

The aim of the communicator program was twofold—an outreach effort to locate isolated seniors and draw them into more active participation in the life of the community and a provision for certain kinds of service for the infirm and the homebound. Our services include shopping and paying of bills and rent, escort to hospitals and doctors' offices, and delivery of hot lunches to the homebound. Inevitably, as outreach succeeded and the communicators came to be known and trusted, our assistance has been asked in a variety of difficult situations. Thus we have arranged for medical care on both an emergency and long-term basis, working closely with the emergency services at St. Vincent's Hospital, with the Visiting Nurse Service in assisting the convalescent, and with St. Vincent's Chelsea Village program in caring for those who have been without medical attention. Through lunch delivery, telephone calls and close affiliation with our own Telephone Reassurance Program, elderly men and women are monitored daily, and medical aid has been secured in more than a dozen cases where a crisis had developed.

By maintaining close contact with the social workers of our neighborhood hospitals the daily problems of both in-patients and out-patients are worked on jointly, and we continue to write to and visit patients when they are hospitalized. We call the hospitals daily to ascertain the condition of those members who are patients. Assistance in securing housekeeping services, either through DSS or other agencies, application for or renewal of Medicaid, help in securing adjustment of hospital or utility bills are areas of concern to seniors in general, but especially to those who are ill. Our own social worker has been of constant and invaluable assistance.

Through outreach and cooperation with community agencies, our nutrition program has come to be well known, and hot lunches are delivered each day regardless of inclement weather to approximately fifty homebound men and women in the square mile of our territory, (14th to 34th Streets, and Sixth Avenue west to the Hudson). Some who are permanently homebound have been served for almost three years—Mrs. B. crippled and bed-bound with arthritis is such a case—and some are served during longer or shorter periods of convalescence. More than two hundred individuals have been served during the three years we have operated. Many others who are able to reach the center either by themselves or through use of the center bus, enjoy breakfast and lunch in our dining room. This number has grown both because of our efforts and by virtue of the publicity which attended the establishment of numerous senior lunch programs under Title VII grants.

By means of a mini-bus provided by Title VI funds a schedule of transport for seniors to and from the center has been organized, and individual escort to hospitals and doctors' offices is arranged. Both scheduling and escort are responsibilities of the communicators. Approximately twenty-five handicapped seniors use the bus each day, of whom an average of four are using it for medical visits. About forty-eight persons use the bus regularly to keep medical appointments.

Another major purpose for which the bus is used, and another concern of seniors is the process of applying for certification and recertification of SSI benefits. Prior to January, 1874, seniors whose incomes were very low were provided with supplemental assistance through the Welfare Department and through Food Stamps. Many seniors were helped with lost or missing checks, calls and visits to Welfare offices and, in the case of the homebound, visits in the role of representation. When SSI was inaugurated a major campaign was undertaken to explain its provisions, and to alert seniors to the necessity of applying early. Close to two hundred have been escorted to make application, and in recent months to be recertified.

A major aspect of our service has come to be that of acting as advocate for seniors who are bewildered by the exhaustive and voluminous application forms, baffled by the effort to assemble necessary documents, confused by the thronged offices, frustrated by the long hours of waiting, and unnerved by interviewers who are not always courteous. We have come to consider this service as advocate no less vital than the provision of food and medical care. Without such guidance and support elderly people will often simply give up and cease to make any effective efforts to secure their rights or their living.

Often the inadequacy of living quarters, poorly maintained, lacking in light or necessary services, add to the burdens of the struggling elderly. Applicants for public housing must often wait years, and sometimes fail ultimately to secure apartments. In at least a dozen cases we have been able to assemble strong enough evidence to secure needed apartments.

Through our outreach program direct contact was made with approximately 1000 seniors, and with all churches and social agencies in the Chelsea area, and including close association with hospitals and senior residential institutions. In carrying out this work it became apparent that a real bond could be established only by repeated visits and by enlisting interest in a variety of genuine senior problems. The emphasis has been social, stressing neighborliness, but it has been educational and social as well. Thus we brought information on recreational activities at the center, as well as the summer farm vacations, and delivered personal invitations to communicator teas. We distributed flyers on special hospital campaigns for hearing and glaucoma testing. We worked with the local health center which set up demonstration sessions on vegetable preparation and prepared consumer information leaflets.

In the field of social action we alerted citizens to the importance of writing to their representatives on issues of health insurance and increase in social security benefits, as well as other issues ranging from housing to tax reform. Some thousands of letters were written and mailed through our efforts. As many as ten or twelve visits were made to the same homes, and by degrees a feeling of trust was established which led these seniors to discuss their own needs and request assistance.

The success of this outreach is marked by the increased attendance at the center, and the calls for help from neighbors and friends of those we visited, as well as the people themselves. It is gratifying that a beginning we made in bringing to the center some seniors who had serious problems with vision has now been developed by our social worker into a group which meets weekly. Teas we held for Spanish-speaking seniors have grown into a large and active club under the guidance of a Spanish-speaking program worker. The more imaginative the approaches are, the more people will be drawn into participation. Those who have withdrawn need to be made aware again of the wide variety of possibilities still open to them, and the stimulus to be found in sociability.

Through patience and concern we have tried to offer friendship as well as tangible aid. An elderly gentleman who is a poet and essayist presented a reading of his own poetry at a communicators' tea, and later was helped to arrange the giving of his papers to his university.

A member of the center who writes and paints with rare enthusiasm has given us a series of personal letters to deliver with meals to the homebound, and recently members of the center newspaper, (Fulton Senior Voice), have asked us to carry their publication too. An approach which is personal and individual evokes the warmest response and brings into play the client's own capabilities and powers. Our communicators have embodied this understanding in their work and have given courage as well as compassionate care. Exclusive of lunch delivery, in a typical month 215 home visits were made and 154 seniors were helped who visited the center.

There is a growing awareness that our present society fails to provide to the young and the aging—those forms of assistance in life's crucial transitional stages which primitive societies once offered. For the aging and retired in our world today, there is the loneliness born of separation from fellow workers, from children who have grown and moved away, and often from friends also; the reduction of income leading frequently into poverty; and the medical problems of advancing age.

Added to these stresses is the bewilderment of coping with life in a period where bureaucratic impositions become constantly more invasive and more threatening. Elderly people must deal with social security offices to secure checks and report when they are lost, with SSI certification, with Medicare and Medicaid (where cards are issued monthly and only the card of the current month is valid), with half-fare applications, rent exemptions and clinic appointments. For all these agencies they must carry at all times the appropriate card, and know what to do when it is lost or fails to arrive. In many of these areas there are dates and deadlines to remember, and for some there is the additional barrier of language. We believe that the Communicator Program has helped Chelsea seniors to view the world as a friendlier, more hospitable place.

We offer one case in point, to add to those in earlier reports:

Mrs. G came to us on a cold day, poorly dressed, wearing sneakers and obviously hungry. She had lost her husband a month before and had no source of income. She could not pay her room rent and the landlady was naturally anxious. Mrs. G was so numbed by her condition that it was difficult to elicit even a single word from her. She could not remember where exactly she had been born in rural Maine, nor where she had attended school. She had no marriage or birth certificate, no voting record or any other way of establishing her age or identity, had no social security card, having done domestic work before she was married. Without definite proof of age she could not qualify for SSI. By dint of repeated efforts and visits to the Welfare Department we were able to establish her claim to Medicaid and DSS benefits. She visits us now once a month, registered and voted in the last election, and seems to be restored so that she can function with independence and assurance.

REPORT ON WIRETAPPING AND ELECTRONIC SURVEILLANCE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, New York State is the Empire State and we are proud when it leads the way as it has in a whole host of areas. However, I am sorry to report that we are in the lead in one area that I wish we were not—to wit, that of wiretapping and electronic surveillance. As appears by the appended article by Nelson Seitel, secretary of the New York Law Journal, 30 percent of all wiretaps and electronics surveillance in the Nation were authorized for prosecutors in New York City in 1974. Would that we were last and not first in this field. The article follows:

[From the New York Law Journal, May 7, 1975]

NEW YORK CITY LED IN NATION'S WIRETAPPING, BUGGING IN 1974

(By Nelson Seitel)

Thirty per cent of all wiretaps and electronic surveillance sanctioned by judges in the twenty-two jurisdictions where such intercepts by state and local law enforcement agencies are permitted were authorized by prosecutors in New York City in 1974, according to a report filed with Congress by the Administrative Office of the United States Courts.

STATISTICS FOR CITY

The total number of such orders in New York City was 191. In 1973 the number was 202. The decline in New York City was consistent with a decrease from 1973 in wiretapping and bugging in all 24 jurisdictions, including the federal system and the District of Columbia.

In 1974, 728 intercept applications were granted by Federal and state judges, a decline of 16 per cent from the 864 application approved in 1973. Federal orders declined by 7 per cent, from 130 in 1973 to 121 in 1974, while state court authorizations decreased 17 per cent from 734 in 1973 to 607 in 1974.

NEW YORK LEADS

As in 1973, as among all states that permit oral and wire intercepts, state judges in New York granted the greatest number of such applications. In 1974, the 305 applications granted by New York judges represented 50 per cent of all state court authorizations, even though the actual number of grants declined from the 334 approved in 1973. Also second with 138 authorizations approved in 1973, New Jersey ranked second with 138 authorizations in 1974 as against 215 in 1973.

The number of authorizations in New York City and the arrests and convictions resulting from such intercepts is set forth in the following table:

County	Orders	Arrests	Convictions
Bronx	42	90	2
Kings	57	210	3
New York	19	48	3
Queens	26	119	3
Richmond	15	14	3
Special prosecutor Nadjari	32	25	0
Totals	191	506	14

Following are statistics for counties in this region adjacent to New York City:

County	Orders	Arrests	Convictions
Nassau	21	29	0
Suffolk	15	44	15
Westchester	19	98	3
Total	55	171	18

Since arrests, trials and convictions resulting from interceptions frequently do not occur in the same year as the approval of applications to intercept, those statistics are subject to modification in the years ahead. For example, the intercept statistics in New York City for 1973 show 226 arrests by local officials and sixteen by Federal agencies, resulting in twenty-three convictions in the state courts and fourteen in the federal courts. However, a supplemental report to the 1973 intercept authorizations for New York City shows twenty-seven additional arrests and seven additional convictions in 1974, resulting from 1973 intercept installations.

$161,000 WIRETAP

The simple most expensive intercept installation among those approved in any jurisdiction was maintained and operated by Special State Prosecutor Maurice Nadjari. This installation, whose application cited bribery and receipt of stolen goods, was maintained for 173 days in 1974 at a cost of $161,673. It resulted in 18,455 intercepts, involving 726 persons, with only ninety-eight intercepts described as "incriminating" by the Office of the Special Prosecutor. As of the close of 1974, no arrests or convictions were reported as a result of the intercepts.

This contrasts, for example, with Kings County whose total installations produced 3,012 intercepts of which 2,246 were described by District Attorney Eugene Gold as "incriminating," and whose average cost of installation was $10,338. The average cost per installation throughout the nation was $8,000.

The contrast in the statistics as between the office of Mr. Nadjari and other law enforcement agencies is indicated by the special nature of the responsibilities of the Special Prosecutor's office.

TAPS ON GAMBLERS

A majority of the applications for intercept orders in all jurisdictions cite gambling as the principal crime under investigation, with narcotics next. Of thirty-two applications by Mr. Nadjari's office, twenty-nine cited bribery as the principal offense.

The report of the Administrative Office of the United States Court was filed in accordance with the requirement of the Omnibus Crime Control and Safe Streets Act of 1968, which sets forth the procedure for legally sanctioned wiretapping and electronic surveillance. The report for 1974 is the seventh annual report filed by the administrative office.

THE AMERICAN JEWISH COMMITTEE SPEAKS OUT IN BEHALF OF INDOCHINESE REFUGEES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am concerned about the faction, composed of widely differing groups, voicing opposition to asylum and assistance to Indochinese refugees. This is a time when all of us, who still believe that America should be a haven to the homeless and politically exiled, must speak out. For this reason, I am especially encouraged by the statement adopted by the American Jewish Committee at its 69th annual meeting in New York City on May 3. I wholeheartedly agree with the sentiments expressed in the statement, which I am appending for the interest of my colleagues:

THE AMEICAN JEWISH COMMITTEE STATEMENT ON INDO-CHINA REFUGEES

The American Jewish Committee views with profound concern the human tragedy that has unfolded in Indo-China, where the horrors of war, and social and political upheaval have once again claimed the innocent as victim. As an organization with a long-standing commitment to the principle of fundamental human rights for all people and to humanitarian relief wherever it is needed, we urge the United Nations to call upon the present governmental authorities in Indo-China to respect the right of every person to leave and to seek asylum and resettlement in the country of their choice. This basic human right is clearly enunciated in the Universal Declaration of Human Rights which guarantees to everyone "the right to leave any country, including their own," and in other international agreements.

We further urge the United Nations to call upon these governments to protect the peoples within their jurisdiction from reprisals and to admit a United Nations committee of impartial observers into the area.

We commend the United States Government for receiving those refugees of Indo-China who have sought admission as immigrants. We hope that our government will continue to follow its traditional policy of granting such rights under the appropriate provisions of our existing immigration statutes. And we also call upon other governments to open their doors to the new refugees.

We welcome the recently announced United States program to facilitate absorption of the new immigrants in a fair and compassionate manner and call upon our government to assist the agencies currently engaged in relief and humanitarian efforts in Indo-China.

We are confident that Americans will respond generously to those agencies' appeals for assistance. And we join with men and women of good will everywhere in the fervent desire for an end to the war and suffering in Indo-China and with it, true peace and reconciliation in the area.

THE MALPRACTICE INSURANCE CRISIS: A PROPOSAL FOR FEDERAL ACTION

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, I would like to call to the attention of my colleagues a recent article published in the May 1 edition of Hospitals, the Journal of the American Hospital Association.

The article, "The Malpractice Insurance Crisis: A Proposal for Federal Action," written by JIM HASTINGS, a member of my Subcommittee on Health and the Environment, presents an excellent overview of the medical malpractice dilemma.

As you may recall, Mr. Hastings sponsored earlier this year, with the cooperation of the American Group Practice Association, a national conference on medical malpractice and he has introduced H.R. 6100, the Medical Malpractice Claims Settlement Assistance Act.

The article by Mr. Hastings follows:

The Malpractice Insurance Crisis: A Proposal for Federal Action

(By James F. Hastings)

The nation's hospitals are once again taking the rap for the medical system's latest emergency—medical malpractice insurance. The current crisis over the availability and cost of professional liability insurance was no news for hospital administrators who have been trying to accommodate hundreds of thousands of dollars worth of additional premium charges in institutional budgets.

My own state of New York is one of the most seriously affected. Premiums have jumped dramatically throughout the state, adding an additional $50 to each patient's average hospital stay of 7 to 10 days. One 549-bed hospital in Buffalo now pays $118 per bed; the requested increase is 758 percent to $1,013.32 per bed. At the other end of the state in New York City, a 398-bed teaching hospital now pays $101.92 per bed and has been served notice of a premium increase of 1,297 percent—$1,425.04 per bed!

The causes are well understood by hospitals; increases in the technological components and in the complexity of the practice of medicine, rising patient expectations, strained patient-provider relationships, expanded use of the judicial system as an alternative for provider accountability, and the lengthy time span between adverse medical occurrences and settlement of malpractice claims.

TREMENDOUS PRESSURE CREATED

This is resulting in tremendous pressure on a medical system that is already strained to capacity because of rapid technological developments, increasing patient demands, and increased government intervention.

In fact, the suggestion has been made quite seriously that medical malpractice is becoming an uninsurable risk. Inability to predict the ratio of expected claims against premiums to anticipate loss experience is being likened to the risk of natural disasters.

Providers, viewing every patient contract as a possible medical injury claim, are practicing defensive medicine—ordering extra and often unnecessary tests, procedures, and consultations as protection against a malpractice claim—at a cost of billions of dollars a year to the nation's consumers who in the end must pay for it all—the medical care (including defensive medicine), the cost of the provider's malpractice insurance as reflected in fees, and the cost of any necessary legal action. Actually, in the long run, it may be easier and more equitable to insure the nation's medical care consumers against malpractice rather than to continue under the present system. Tnis possibility and others will have to be evaluated carefully when the Congress finally develops a national health insurance program.

As a member of the House subcommittee on health, I would like to share with you some observations and concepts relating to the dilemma of a federal response to the medical malpractice insurance emergency.

EXPERTS EXAMINE PROBLEM

Recently I was fortunate, through the cooperation and participation of the American Group Practice Association (representing about 14,000 physcians and dentists of various specialties practicing in group settings), to convene a National Conference on Medical Malpractice. The conference drew together expert representation from key interest groups, including the American Hospital Association, as well as from state and federal government. During the two-day forum, liability insurance for medical professionals was examined from every perspective—the provider's, the insurer's, the patient's and the lawyer's. State and federal intervention was discussed, including reinsurance, joint underwriting, no-fault compensation, arbitration, and quality control and licensure standards.

While many possible approaches were debated, there was no apparent consensus on a federal role. Actually, a strong state solution was preferred, meaning that each state, depending on the severity of the problem and the uniqueness of its own medical/legal complex, could determine the best course of action.

It is evident that those affected by the medical malpractice insurance crisis want to be certain that the federal government, especially the Congress, is acutely aware of their problem. But they are extremely cautious about broad federal intervention. The prevailing attitude seems to be, "Don't get involved, but don't go too far away!"

The Congress, while recognizing the need for caution in this complex area, must at the same time act responsibly to avert the eventuality of a nationwide medical malpractice insurance crisis and attempt to ensure the availability of reasonably priced quality medical care.

TEMPORARY PROGRAM NEEDED

The Congress should move swiftly—but judiciously—to enact a *temporary* program to deal symptomatically with the current medical malpractice insurance crisis, and at the same time it should initiate efforts to cope with the long-range problem. In terms of developing public policy, the Congress has a tendency to "shoot from the hip." It prefers easily drawn issues and instant solutions. I believe that the plethora of random, fragmented federal categorical programs in the health area illustrates my point. But *there is no readily apparent universal solution*. There are, however, reasonable actions that can be taken to offer an alternative to emergency situations and activities that must be undertaken in order to determine responsible and effective long-term public policy.

The Congress should attempt to make available temporary backup assistance on a voluntary basis as an option to states while other initiatives are undertaken to deal with the problem on a permanent basis.

I am now developing such a proposal, to be introduced in the House before the end of April. It does embody some concepts of reinsurance and arbitration already articulated in Senate legislation, but in addition proposes other activities necessary to meet long-run needs.

The "Medical Malpractice Claims Settlement Assistance Act" would utilize a temporary program of voluntary federal reinsurance for coverage over $200,000 to ensure the continued availability of medical liability insurance within those states that would qualify. In order to become eligible, states would need to establish programs of arbitration of all medical malpractice disputes. Although it would be required that all medical malpractice claims would be arbitrated before judicial recourse was sought, either party could reject the settlement; however, the decision would be admissible as evidence in any court action. Scheduling of attorney's contingent fees would be required so that the percentage of the fee would decrease as the size of the award increased.

In addition, however, the states would be required to limit the statute of limitation to two years from the time of an alleged medical malpractice occurrence for an adult and from birth until eight years of age for a minor. The states' medical professional licensing boards also would be required to establish statewide patient grievance mechanisms so that consumers could register concerns relating to individual medical practitioners. Under the law, the statistical data on all such incidents would be reported quarterly to the secretary of HEW. Finally, the states would be required to make awards on an annuity basis where feasible as a means of reducing the occurrence of windfall settlements.

JOINT RISK CONTROL

Most important, my proposal would require as a condition for receiving Medicare payments the establishment of risk control programs in all health care institutions and facilities. Such programs, established individually or jointly with other institutions, would be required to intercede directly in actual or potential malpractice situations, functioning as patient grievance mechanisms.

The grievance mechanisms undertaken by individual institutions or groups of institutions are intended to identify and prevent procedures and situations that could cause medical malpractice injury incidents, alleviate patient grievances that could lead to malpractice claims, and where necessary, bring about equitable settlements in the early stages of such incidents.

In addition, education programs would be required for staffs and patients alike so that all will be aware of the existence and function of patient grievance mechanisms and risk control. The law would require that statistical data on medical injury incidents within institutions be maintained and reported quarterly to the Secretary of HEW. The Secretary would then be required to analyze this information and make public reports concerning trends in malpractice incidents so that these situations could be recognized and prevented or corrective measures taken.

The effort here, as in arbitration, is to encourage a solution to every malpractice incident as close as possible to the point of occurrence and in the least complicated manner possible. Since over 70 percent of all medical malpractice incidents occur in health care institutions, a nationwide risk control program is essential, I believe.

FEDERAL LEVEL PROGRAM

At the federal level, in addition to providing reinsurance coverage, strong initiatives must be taken to deal with the development of more permanent and equitable solutions. For example, what will be the impact of national health insurance on medical malpractice claims? Under what conditions would medical no-fault compensation be possible? What is an appropriate quality and licensing role, if any, for the federal government? What is the effect of medical malpractice claims on federal health programs? Can statewide demonstrations of alternative legal compensation systems be effectively initiated? Research and demonstration projects to answer these questions must be undertaken as proposed under my scheme—but results must be forthcoming in the next three to five years if the information is to be utilized to determine effective and appropriate congressional responses.

I fully support the concept of solving the problem where possible without federal intervention. However, it is the responsibility of the Congress to ensure the availability of an emergency alternative should any state not be able to meet the crisis of availability and cost of medical malpractice insurance.

Also, it is essential that immediate steps be taken in every health care facility to do something about the underlying causes of medical injury and to seek solutions and alternatives prior to the initiation of a malpractice claim.

ABOUT THE AUTHOR

Rep. James F. Hastings (R-NY), prominent among members of Congress who are now taking steps to resolve the critical problems of medical malpractice insurance, was the primary sponsor in March of this year of the National Conference on Medical Malpractice, which was aimed at identifying the nature and dimensions of the issue. His bill, the Medical Malpractice Claims Settlement Assistance Act, which he describes in an exclusive article in this issue of *Hospitals J. A. H. A.*, not only reflects his growing involvement with the nation's health problems, but also supports his philosophy that a national health policy must be developed in the immediate future.

At 49, Representative Hastings is in the forefront of bipartisan legislative policy and is gaining prominence as a sponsor of legislation of major importance to the nation's health affairs. His proposal for medical malpractice insurance is viewed by many on Capitol Hill as yet another outstanding example of his growing concern for the problems of the nation's complex health care system.

The Congressman is well known for his sponsorship of legislation that would help to coordinate the health care system, with minimal federal control over its numerous components. He made news on Capitol Hill last year for his compromise proposal to create health maintenance organizations, finally adopted by the Congress and considered by the Administration and many health professionals to be among the most sweeping health care programs to be enacted by the 93rd Congress.

He also was a primary author of the National Health Planning and Resources Development Act of 1974 and supported the continuation of major health programs that, without congressional action, would have expired in early summer of 1973.

Such legislative action would seem to mark Representative Hastings as a proponent of extensive federal involvement in health affairs. Paradoxically, however, his history as national legislator, dating from when he was first elected to Congress in November 1968, after six years in the New York State Legislature (three as an assemblyman and three as a senator), shows that he has consistently emphasized the need for legislation to reduce the proliferation of federal programs and to strengthen local and state resources for the delivery and administration of health care services. Moreover, he has steadfastly opposed all increases in federal spending that would exacerbate inflation and has been an arch critic of legislative proposals that would amplify bureaucratic authority in Washington, D.C. He has been active in seeking to reform the nation's welfare system and to coordinate rural health care and health care for the elderly through local resources, providing federal assistance where he considers it necessary.

Congressman Hastings serves on the House Interstate and Foreign Commerce Committee and its Subcommittee on Public Health and Environment, more popularly known as the Rogers Committee because it is chaired by Rep. Paul Rogers (D-FL). Consequently, Representative Hastings is currently involved in health legislation of high congressional priority; in addition to medical malpractice insurance, for example, his committee work includes such issues as national health insurance, the control of medical devices, and health insurance for the unemployed.

Representative Hastings serves on the 27-member Republican Policy Committee, a leadership group that serves as an advisory body to all Republican members of the Congress and plans the party's overall legislative program. He is also a member of the newly created House Budget Committee, which is expected to have a powerful role in determining federal spending, and of the House Subcommittee on Transportation and Commerce. As a former member of the House Republican Task Force on Election Reform and the House Administration Committee, he has had responsibility for reviewing the nation's electoral system and is known for his efforts in pressing for campaign reform. Of special interest to hospitals was his appointment last year to the House/Senate Conference Committee that dealt with legislation on the nation's energy crisis. Congressman Hastings also has earned a reputation as a fighter against illegal drug traffic and drug abuse.

CHEMICAL WARFARE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on April 28—pages 12074–12075—I included in the RECORD an historical discussion of chemical warfare as the first of several articles by biochemist Dr. Robert Jones. Today I would like to submit the second article from New Scientist, April 24, 1975, in which the biochemist indicates that intensive research having failed to produce the "ideal" chemical agent for riot control, we must conclude that such a solution, as well as being counter-productive politically, is scientifically unattainable. The article follows:

CHEMICAL WARFARE—THE PEACETIME LEGACY

(By Dr. Robert Jones)

The end of the 1914–18 war witnessed an abrupt stoppage of the manufacture of poisonous gases, and a running-down of most associated research. In the United States, however, a small group of people resisted, fighting hard to keep their jobs. Their fight was successful, and the Chemical Warfare Service was retained within the U.S. Army.

The arguments that were used against the disbandment of the Service were chiefly two in number. The first insisted that the use of gas constituted a much more humane means of waging war than guns and explosives. Earlier, this line of reasoning had been pressed by an American naval strategist attending the Hague Conference in 1899, who argued that to be tender about asphyxiating men with gas was not demonstrably humane while it remained acceptable to blow the bottom out of a warship, plunging hundreds of men to their deaths by drowning.

The facile corollary of this argument—that the effects of gas are neither grossly unpleasant nor irreversible—was excusable up to 1914–18, but certainly not beyond. The first tenet was soon dispatched, when experience revealed that most war gases relied for their action on violent disabling effects. I retain a vivid boyhood memory of accidentally inhaling chloropicrin in high concentration. The physiological onslaught was immediate and intense. My lungs felt constricted as though held in massive vicelike pincers; the urge to cough was overwhelming, but each yielding to the impulse intensified the desire to do so over and over again. The temptation to cough had to be fiercely resisted before recovery took place.

PERMANENT LUNG DAMAGE

The discovery that a substantial number of war gases could produce permanent lung damage resulted from investigations in the U.S. mainly carried out by Major Milton Winternitz and his associates during the latter part of the war. Substances inducing this effect were termed lung injurants, and cause cell death (necrosis) along parts of the respiratory tract. Fibrous deposits of scar tissue develop at sites of tissue repair in the lungs themselves. Once the damage has healed, sudden increases in blood pressure, such as might be caused by exertion or struggling, lead to further bleeding in these areas, and more repair.

The vicious circle established thereby intensifies the injury with the passage of time. Chlorine, phosgene, and chloropicrin in appropriate amounts cause injuries of this nature. Winternitz and Captain Robert Lambert concluded: "A soldier that has recovered from the acute effects of gassing should be regarded as an individual with damaged lungs, and should avoid muscular effort or other practices . . . which might lead to increased blood pressure" (Pathology of War Gas Poisoning, Yale University Press, 1920). Also in the U.S., A. S. Warthin and C. V. Weller had reached similar conclusions with regard to mustard gas. "We wish to call attention . . . to the fact that the severely gassed soldier presents definite problems for his future . . . both from the standpoint of pensions and life insurance. We believe that severe gassing must be regarded as a factor lessening the expectancy of life" (Medical Aspects of Mustard Gas Poisoning, Henry Kimpton, 1919). Warthin and Weller were right to emphasize the severity of gassing; superficial exposures probably caused little or no permanent harm, regardless of the nature of the chemical agent.

Nevertheless, the champions of chemical warfare were busy with their pens. For example, J. E. Zanetti and Amos Fries wrote "Most military writers agree that chemical warfare is an effective and human weapon . . ." (Encyclopaedia Britannica, 1929). In a singularly impassioned defence of chemical warfare, E. B. Vedder switched from impersonal presentation to address his readers directly. "Do you think that the bayonet is more humane than gas? Men are trained to stick it in the belly and twist it around, thus causing painful injury and almost certain death after prolonged agony. Are high explosives and shrapnel humane? Think of the torn and mangled bodies" (Medical Aspects of Chemical Warfare, Williams and Wilkins, 1925). Displayed on the opposite page is a vivid photograph of a completely unrecognizable face, ripped apart by the impact of a bullet; the wounded soldier survived. Astonishingly, other parts of the book contain detailed accounts of the chronic as well as the immediate physiological and toxic effects of various poisonous gases. It remains the height of ingenuousness to stress the capacity of explosives, bullets and shrapnel to cause painful, disfiguring, or lethal injury while ignoring the insidious but very real damage produced by extensive gassing, injuries that in life were never overtly visible. The logic of the matter militates far more heavily in favour of pacifism than an extension of chemical warfare.

Statistics have been used to support the thesis that war gases are more humane than conventional means of waging war. The Americans in particular were fond of this line of reasoning. The final report of the Surgeon General of the U.S. Army stated that some 27 percent of all American casualties in the First World War were due to gassing, but only 2 percent of these were fatal. Of the remaining 73 percent of battle casualties, 24 percent died.

However, America entered the war towards the end of hostilities, by which time personal defensive measures against most poisonous gases had been vastly improved. Indeed, for this very reason the proportion of deaths caused by gas as opposed to other offensive means tended to fall during the course of the war. The report also claimed that gassing seldom caused any permanent after effects, but whether routine medical examination was sufficiently sophisticated to reveal the nature and extent of injury discussed above is a moot point. Damage caused by lung injurants also became worse in time—a factor which could not possibly be taken into account so close to the event.

HALDANE'S CALLINICUS

Not all the advocacy stemmed from vested interests. In 1925, Kegan Paul published J. B. S. Haldane's Callinicus; a Defence of Chemical Warfare. This slim volume was based on a lecture given before a group of tourists in the previous year. In the war Haldane had been seriously wounded by an Allied bomb, and evidently had disliked the experience. The text is a highly entertaining classic, riddled with caustic swipes at the ignorance and obtuseness of various establishment figures. These people, not all of them anonymous, are held up to merciless ridicule, not just on account of their total lack of scientific background, but also because inflexible social attitudes as well as sheer ignorance often caused them to make erroneous decisions for which many innocents paid with their lives:

Haldane had little use for chlorine and phosgene, which he categorised as being almost as obsolete as muzzle-loading cannon. He did, however, bravely submit to chlorine in valuable attempts to improve the effectiveness of respirators. Haldane claimed to be not much worse as a result, but he and others who participated in the experiments were able to regulate the dosage by quitting the chamber when their lungs became unduly irritable. This illustrates well the problem of relating voluntary controlled exposure of humans in the laboratory to the obligatory, totally uncontrolled conditions of the field. The sublethal doses received by the subjects may well have been much lower in relative terms than those given to animals in the American experiments described above.

Mustard gas, however, could cause nonlethal casualties as well as preventing the occupation of ground, and was therefore firmly advocated by the author. The latter use presaged the American military policy of "area denial" in Vietnam, by which sections of terrain were carpeted with CS, specially siliconised to prevent premature hydrolysis under hot moist conditions. By incorrectly stating that mustard gas was discovered in 1886, Haldane revealed his unfamiliarity with the literature; in referring to its properties, he omitted to mention the highly disturbing, lethal consequences of skin contact, described in the same paper of 1886. In man, the compound certainly incapacitates, with horrifying effectiveness; had he read the immediate postwar literature, there can be little doubt that this gifted and perceptive man would have re-examined his conclusions with great care.

The second argument advanced by the Chemical Warfare Service concerned the peacetime use of chemicals in riot situations. Civil and industrial unrest has endangered life in the past, while threats to property occur more often. The case was pressed for a humane, non-toxic substance of high irritant and lachrymatory power to be used for crowd control. It so happened that just such a substance appeared to be already known. Carl Graebe had synthesised $_1$-chloroacetophenone in 1871, and described the "stinging smell" of the white crystals. The intention to employ the compound on the battlefield had been thwarted only by technical difficulties of manufacture; these were resolved just too late for its application in the field. Like CS, then, $_1$-chloroacetophenone (code symbol CN) never suffered from the opprobrium of having been used in the war. The substance was given the name tear gas, a term sufficiently forceful to describe its function, yet sufficiently homely not to provoke undue alarm.

In this way, tear gas passed into the armoury of the riot police, where it remained for several decades. In 1970, a report (EATR 4474) of the biological assessment of Mk IV Chemical Mace emanated from Edgewood Arsenal in Maryland. Mace is an aerosol preparation containing mostly freons, a group of highly volatile substances widely used as refrigerants. In addition, Mace contains a small proportion of paraffins, with 1.2 percent tear gas as the active agent. The authors of the report concluded that prolonged contact with the eye could produce scarring and opacity of the cornea, and that contact with parts of the respiratory tract could cause patches of local necrosis. The conditions employed in these studies were extreme, but deaths have occurred from the use of tear gas in confined spaces. That descriptions of further similar cases were not published owing to insufficient information remains a strong possibility. It is perhaps significant that the report was not made until after CS had been adopted for use by the military authorities in the U.S. Up to a few years ago, small tear gas sprays for civilian and police use were on sale in all but a few states of America. Over a month ago, an inquiry as to whether the Mace formulation had been replaced or not produced no reply from the manufacturer.

SEARCH FOR CN ALTERNATIVE

Recognising the problems associated with handling the reins of authority over to indigenous authorities, the British government commissioned Porton in the 1950s to search for alternatives to CN. The concept is a powerfully irritating, non-toxic gas is frequently encountered in works by military authorities, but the request underlined the suspicion that the ideal substance had stubbornly resisted identification for several decades. When so much intensive searching has failed to produce the complete answer to riot control by chemical means, the conclusion must be drawn that the solution is probably no more real than the Philosopher's Stone, and that the return from further searching is unlikely to justify the expense.

Porton's answer to the request was CS, first used in the United Kingdom at Londonderry in August, 1969. This journal has devoted much space to CS; one major anxiety, regarding the possible relevance of chronic lung conditions in monkeys exposed to low sublethal doses, still remains (New Scientist, vol 57, p 61). Even the Himsworth Committee recognised that heavy exposures could, in extreme cricumstances, cause fatalities. In his recent book, Riot Control (Royal United Services Institute), Anthony Deane-Drummond mentioned the problems of residual contamination and lack of selectivity associated with the use of airborne irritants in heavily built-up areas. Once again, the answer appears to be just around the corner: "A new development known as CR is said to be completely safe, more easily soluble in water and more effective. Only minute concentrations are required to produce a nettle stinging sensation on bare skin and intense pain on contact with the eyes."

The psysiological effects of powerful irritants and lachrymators may produce temporary incapacitation, but madden and infuriate the sufferer. Haldane wrote of the effects of arsenical sternutators of the Adamsite type in the field. "These symptoms are accompanied by the most appalling mental distress and misery. Some soldiers poisoned by these substances had to be prevented from committing suicide; others temporarily went raving mad, and tried to burrow into the ground . . ." Indeed, a more effective way of alienating people from authority, whether military or police, is difficult to conceive. The British Army, on arrival in Ulster at the start of the present troubles, was greeted with open arms by a Catholic populace terrified by militant Protestants, to whom the judiciary was sympathetically disposed. The Army was equipped with CS devices, and was perfectly prepared to employ them. The extremists grasped their opportunity with both hands.

FULMINATING RESENTMENT

In retrospect, it is difficult to escape the conclusion that the circumstances were deliberately and callously exploited by the IRA. who, by staging frequent provocative confrontations between the civil and military sides, deliberately set out to create situations in which the extensive firing of riot control weapons irreversibly drove a bitter wedge of fulminating resentment between the Catholic population and the military presence. Once this aim had been achieved, the damage was done. The confrontations could gradually be faded out; tactics were changed to the selective slaughter of soldiers by trained marksmen, in the knowledge that an antagonised sectarian population could be relied upon to provide the murderers in their midst with support, succour, and above all, indispensable cover from detection. In other words, the tactical deployment of riot control agents, far from achieving pacification and control, worked effectively to produce the reverse effect.

Chemical riot control is an offshoot of chemical warfare, and the symbiotic relationship between the two cannot be ignored. There is no way of knowing what ramifications a discovery in one field will have on the other. For example, CS was developed at Porton "for subduing or controlling agitated or aggressive people, such as lawbreakers by means of chemical agents . . ." (British Patent 967 660). Yet the Americans went on to use CS in area denial, and to flush Vietcong suspects from trenches, tunnels, and dugouts and expose them to gunfire.

BINARY WEAPONS

The existence of a cadre of qualified men, committed to chemical warfare and established within the armed forces, as in the US, remains an effective guarantee of continued progress not only in research and development, but also as a source of duplicity in political and diplomatic dealings. For instance, in the US special "binary weapons" have been devised by the Defense Department. Binaries consist of comparatively innocuous chemical intermediates separated off from each other within a munition (New Scientist, vol 58, p 34). At delivery, the intermediates are made to mix, reacting to form a poison such as nerve gas. In this way, the objections to the stockpiling of chemical warfare agents that are likely to be incorporated into any agreement emanating from the current talks on chemical disarmament in Geneva could be flagrantly breached in spirit. Indeed, because two bottles of chemical intermediates sitting on a laboratory shelf could theoretically be regarded as a binary weapon, the talks are in real danger of foundering, simply because of the huge difficulties of describing binaries or their precursors in terms that do not reduce to comic absurdity.

The symbiotic relationship provides governments with the temptation to "bend the rules." As well as the problem of binaries, Congress and the US Administration have only just resolved the question of whether or not tear gases and herbicides are covered by the Geneva Protocol of 1925. A UN resolution of 1969 should have clarified the situation for the Administration, in affirming that the protocol covers the use of all chemical agents in war. No doubt short-term military gains achieved by the massive deployment of defoliants and CS in the Vietnamese conflict account for the reluctance of the Administration to accede to Congress. Sadly, a compromise has been reached; substances are now held to be outside the Protocol, but they would only be brought into combat if the other side introduced them first.

A further example is provided by the perverse reclassification of CS as a "smoke" by the British government in 1970, despite the fact that the word smoke occurs not once in the original patent specification (see New Scientist, vol 46, p 579). Recent U.S. ratification of the Protocol is unfortunately conditional, saving the face of the British government. One day the path must be free for a complete reassessment of the entire question of chemical riot control, scientifically, socially, and politically. If this should occur, the prejudices and pressures of vested interests must be carefully identified lest, important issues become obscured.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Risenhoover (at the request of Mr. O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Patman, for 15 minutes today, and to include extraneous matter, at the end of other special orders.

(The following Members (at the request of Mr. Pressler) to revise and extend their remarks and include extraneous matter:)

Mr. Burke of Florida, for 15 minutes, today.

Mr. Don H. Clausen, for 20 minutes, today.

Mr. Edwards of Alabama, for 5 minutes, today.

(The following Members (at the request of Mr. Russo) to revise and extend their remarks and include extraneous material:)

Mr. Thompson, for 15 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Danielson, for 15 minutes, today.

Mr. Solarz, for 5 minutes, today.

Mr. Davis, for 5 minutes, today.

Mr. Miller of California, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Fithian, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. McCormack, to extend his remarks in two instances today.

(The following Members (at the request of Mr. Pressler) and to include extraneous matter:)

Mr. Crane in two instances.

Mr. Anderson of Illinois in three instances.

Mr. Martin.

Mr. Young of Alaska.

Mr. Ashbrook in two instances.

Mr. Heinz.

Mr. Wylie.

Mr. Goodling in two instances.

Mr. Findley in two instances.

Mr. Shuster.

Mr. Edwards of Alabama.

Mr. Peyser.

(The following Members (at the request of Mr. Russo) and to include extraneous material:)

Mr. Solarz.

Mr. McCormack.

Mr. Anderson of California in three instances.

Mr. Kastenmeier.

Mr. Gonzalez in three instances.

Mr. Annunzio in six instances.

Mr. Bolling.

Mr. Rosenthal in 10 instances.

Mr. Eilberg in 10 instances.

Mr. Miller of California in two instances.

Mr. Lloyd of California.

Mr. Seiberling in 10 instances.

Mr. Evins of Tennessee in two instances.

Mr. Jacobs.

Mr. Evans of Indiana.

Mr. Brademas in 10 instances.

Mr. Dodd.

Mr. Florio.

Mr. Stark in three instances.

Mr. Harrington.

Mr. Koch in four instances.

Mr. Rodino.

Mr. de la Garza.

Mr. Harris.

Mr. Mitchell of Maryland.

Mr. Bedell.

Mr. Hubbard.

ADJOURNMENT

Mr. RUSSO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 33 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 13, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

997. A letter from the President of the United States, transmitting a proposed budget amendment for fiscal year 1976 for the General Services Administration (H. Doc. No. 94–141); to the Committee on Appropriations and ordered to be printed.

998. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under section 614(a) of the Foreign Assistance Act of 1961, as amended, to waive the restriction of section 620(m) of the act as it applies to security assistance to Spain for fiscal year 1975, pursuant to section 652 of the act (H. Doc. No. 94–142); to the Committee on International Relations and ordered to be printed.

999. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed criteria for the funding of applications for foreign language and area studies centers, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1000. A letter from the Acting Secretary of the Interior, transmitting a proposed plan for the use and distribution of the Northern Tonto Apache judgment funds awarded in docket 22-J before the Indian Claims Commission, pursuant to section 2(a) of Public Law 93–134; to the Committee on Interior and Insular Affairs.

1001. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1002. A letter from the Acting Secretary of Commerce, transmitting the annual report of the Maritime Administration for fiscal year 1974; to the Committee on Merchant Marine and Fisheries.

1003. A letter from the Secretary of Transportation, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the 6 months ended March 31, 1975, pursuant to 10 U.S.C. 2304(e); jointly to the Committees on Armed Services, and Merchant Marine and Fisheries.

REPORTS ON COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on the following report was filed on May 10, 1975.*]

Mr. PRICE: Committee on Armed Services. H.R. 6674. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; with amendment (Rept. No. 94–199). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted May 12, 1975*]

Mr. FRASER: Committee on International Relations. S. 818. An act to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes; (Rept. No. 94–200). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee of Conference. Conference report on H.R. 4481; (Rept. No. 94–201). Ordered to be printed.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 4073. A bill to extend the Appalachian Regional Development Act of 1965 for an additional 2 fiscal-year period; with amendment (Rept. No. 94–202). Referred to the Committee of the While House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 5247. A bill to authorize a local public works capital development and investment program; with amendment (Rept. No. 94–203). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Rhode Island:

H.R. 6861. A bill to require States to enforce guarantees of rights of patients in facilities providing inpatient care and treatment for mental illness, mental retardation, alcohol or drug abuse, or a similar condition; to the Committee on Interstate and Foreign Commerce.

By Mrs. BURKE of California (for herself, Mr. Jones of Alabama, Mr. Roe, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6862. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mrs. CHISHOLM (for herself, Mr. Badillo, Mr. Biaggi, Mr. Bell, Mr. Benitez, Mr. Meeds, Mr. Miller of California, Mrs. Mink, Mr. Mineta, Mr. Perkins, Mr. Peyser, Mr. Pressler, Mr. Quie, and Mr. Roybal):

H.R. 6863. A bill to amend the Vocational Education Act of 1963 with respect to bilingual vocational training; to the Committee on Education and Labor.

By Mr. COCHRAN:

H.R. 6864. A bill to regulate lobbying of the legislative and executive branches of the Federal Government; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. CONTE:

H.R. 6865. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN (for himself and Mr. Ford of Tennessee):

H.R. 6866. A bill to broaden the income tax base, provide equity among taxpayers, and to otherwise reform the income, estate, and gift tax provisions; to the Committee on Ways and Means.

By Mr. CORNELL (for himself and Mr. Won Pat):

H.R. 6867. A bill to encourage greater participation in Federal elections by designating election day a national holiday; to the Committee on Post Office and Civil Service.

By Mr. CORNELL (for himself, Mr. Beard of Rhode Island, Mr. Bedell, Mrs. Burke of California, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. D'Amours, Mr. Fithian, Mr. Ford of Tennessee, Mr. Fraser, Mr. Frenzel, Mr. Harkin, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Mazzoli, Mr. Metcalfe, Mr. Mottl, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Seiberling, Mr. Stark, and Mr. Charles Wilson of Texas):

H.R. 6868. A bill to encourage greater participation in Federal elections by designating election day a national holiday; to the Committee on Post Office and Civil Service.

By Mr. FISH:

H.R. 6869. A bill to stimulate new residential construction by amending the Internal Revenue Code of 1954 to allow a deduction for individuals who deposit savings in mortgage lending accounts; to the Committee on Ways and Means.

By Mr. FISH (for himself, Ms. Abzug, Mr. Bedell, Mr. Blouin, Mr. Bonker, Mrs. Chisholm, Mr. Dellums, Mr. Edgar, Mrs. Fenwick, Mr. Harkin, Mr. Hechler of West Virginia, Mr. Mezvinsky, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Mottl, Mr. Pattison of New York, Mr. Rodino, Mr. Rosenthal, Mr. Roybal, Mr. Seiberling, and Mr. Weaver):

H.R. 6870. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technology Assessment, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. GINN (for himself, Mr. Adams, Mr. Aspin, Mr. Bafalis, Mr. Blouin, Mr. Bowen, Mr. Broyhill, Mr. Carter, Mr. Cornell, Mr. Davis, Mr. Dickinson, Mr. Foley, Mr. Frey, Mr. Fulton, Mr. Hungate, Mr. Mann, Mrs. Mink, Mr. Pressler, Mr. Preyer, Mr. Symington, Mr. Wirth, and Mr. Young of Alaska):

H.R. 6871. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Mr. HEINZ:

H.R. 6872. A bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates; to the Committee on Post Office and Civil Service.

By Mr. HINSHAW:

H.R. 6873. A bill appropriating funds for the San Luis Rey River project, Calif.; to the Committee on Appropriations.

By Mr. JOHNSON of California (for himself and Mr. Lujan):

H.R. 6874. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Interior and Insular Affairs.

By Mr. KOCH:

H.R. 6875. A bill to provide amnesty to persons who, because of their principled objection to service in the Armed Forces of the United States, failed or refused to register for the draft or who refused induction or failed to be inducted into the Armed Forces or who were absent without official leave from the Armed Forces during the period from August 4, 1964, to March 28, 1973, and for other purposes; to the Committee on the Judiciary.

By Mr. KOCH (for himself and Mr. Solarz):

H.R. 6876. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself and Mr. Waxman):

H.R. 6877. A bill to provide for an immediate 15 percent cost-of-living increase in social security benefits; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 6878. A bill to amend title 23 of the United States Code to add 28 miles to the Interstate System and provide for the inclusion of a critical north-south highway corridor; to the Committee on Public Works and Transportation.

By Mr. MELCHER:

H.R. 6879. A bill authorizing the President to proclaim the fourth Friday in September of every year as Native American Indian Day; to the Committee on Post Office and Civil Service.

By Mr. MELCHER (for himself and Mr. Evans of Colorado):

H.R. 6880. A bill to suspend the Secretary of the Interior's authority to lease Federal coal lands; to the Committee on Interior and Insular Affairs.

By Mr. MEZVINSKY:

H.R. 6881. A bill to extend the number of months of educational benefits for veterans and certain other eligible persons and to include graduate study; to the Committee on Veterans' Affairs.

By Mr. MILLER of California (for himself, Mr. Taylor of North Carolina, Mr. Phillip Burton, Mrs. Mink, Mr. Meeds, Mr. Carr, Mr. Bingham, Mr. Seiberling, Mr. de Lugo, Mr. Weaver, Mr. Won Pat, Mr. Tsongas, Mr. Udall, Mr. Roncalio, Mr. Moakley, Mr. Vander Jagt, Mr. Vanik, Mr. Mitchell of Maryland, Mr. Coughlin, Mr. Brown of California, Mr. Rosenthal, Mr. Harrington, Mr. Bob Wilson, Mr. Helstoski, and Mr. Ryan):

H.R. 6882. A bill to enlarge the Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California (for himself, Mr. Leggett, Mr. Stark, Mr. Hechler of West Virginia, Mr. Riegle, Mr. Danielson, Mr. Roybal, Mr. Moss, Mr. Richmond, Mr. Dellums, Mr. Ottinger, Mr. Roe, Mr. Moffett, Mr. John L. Burton, Mr. Harris, Mr. Van Deerlin, Mr. Badillo, Mr. Conyers, Mr. Beard of Rhode Island, Mr. Dingell, Mr. Rodino, Mr. Hannaford, Mr. Edwards of California, Mr. Studds, and and Mr. Downey of New York):

H.R. 6883. A bill to enlarge the Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California (for himself, Mr. Mineta, Ms. Abzug, Mr. Anderson of California, Mr. Young of Georgia, Mr. Bonker, Mr. Ford of Michigan, Mr. Corman, Mr. Rees, Mr. Pattison of New York, Mrs. Schroeder, Mrs. Burke of California, Mr. Solarz, Mr. Waxman, Mr. Jacobs, Ms. Holtzman, Mr. Blouin, Mr. Zeferetti, Mr. Bell and Mr. Jenrette):

H.R. 6884. A bill to enlarge the Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. O'NEILL (for himself, Mr. Sarasin, Mr. Downey of New York, Mr. Howe, Mr. Hannaford, Ms. Abzug, Mr. Moorhead of Pennsylvania, Mr. Ottinger, Mr. Bevill, Mr. Diggs, and Mr. Rooney):

H.R. 6885. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. PRITCHARD:

H.R. 6886. A bill to amend the Federal Aviation Act of 1958 to authorize reduced-rate transportation for elderly people on a space-available basis; to the Committee on Public Works and Transportation.

By Mr. PRITCHARD (for himself, Mr. Meeds, Mr. Adams, Mr. Baucus, Mr. Bonker, Mr. Hicks, Mr. McCormack, Mr. Melcher, and Mr. Symms):

H.R. 6887. A bill to authorize a study for the purpose of determining the feasibility and desirability of designating the Pacific Northwest Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. RAILSBACK:

H.R. 6888. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

By Mr. RUPPE (for himself and Mr. Zablocki):

H.R. 6889. A bill to provide for establishment of the Father Marquette National Memorial near Saint Ignace, Mich., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SCHROEDER (for herself, Mr. Aspin, Mr. Carr, Mr. Dellums, Mr. Downey of New York, and Mr. Lloyd of California).

H.R. 6890. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans and for other purposes; to the Committee on Armed Services.

By Mr. STEPHENS:

H.R. 6891. A bill to maximize the availability of information on commercial bank credit uses; to the Committee on Banking, Currency and Housing.

By Mr. WHITEHURST (for himself, Mr. Robert W. Daniel, Jr., Mr. Fisher, Mr. Gude, Mrs. Holt, Mr. Preyer, Mr. Satterfield, Mr. Harris, and Mrs. Spellman):

H.R. 6892. A bill to designate certain lands in the Shenandoah National Park, Va., as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. DOMINICK V. DANIELS:

H. Con. Res. 274. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. HUNGATE (for himself, Mr. Hannaford, Mr. Roybal, Mr. Murphy of New York, Mr. McKinney, and Mr. Dominick V. Daniels):

H. Con Res. 275. Concurrent resolution urging review of the United Nations Charter; to the Committee on International Relations.

By Mr. JOHN L. BURTON (for himself, Ms. Abzug, Mr. Simon, Mr. Vigorito, Mr. Ketchum, Mr. Metcalfe, Mr. Gradison, Mr. Miller of California, Mr. Hughes, Mr. Charles H. Wilson of California, Mr. Roe, Mrs. Mink, Mr. Edwards of California, Mr. Stark, Mrs. Lloyd of Tennessee, Mr. Roybal, Mr. LaFalce, Mr. Long of Maryland, Mr. Davis, Mr. Krebs, Mr. Robinson, Mr. Harrington, Mr. Boland, Mr. Beard of Rhode Island, and Mr. Anderson of California):

H. Res. 452. Resolution to amend the Rules of the House of Representatives to provide that the House may not consider any bill or other similar measure unless copies of the bill or other measure are available to Members at least 4 hours before such consideration; to the Committee on Rules.

By Mr. JOHN L. BURTON (for himself, Mr. Bedell, Mr. Frenzel, Ms. Holtzman, Mrs. Collins of Illinois, Mr. Blanchard, Mr. Myers of Pennsylvania, Mr. Coughlin, Mr. Cleveland, Mr. Andrews of North Carolina, Mrs. Heckler of Massachusetts, Mr. Ford of Tennessee, Mr. Solarz, Mrs. Meyner, Mr. Chappell, Mr. Kelly, Mr. Mitchell of New York, Mrs. Burke of California, Mr. Baucus, Mr. Neal, Mr. Edgar, and Mr. Riegle):

H. Res. 453. Resolution to amend the Rules of the House of Representatives to provide that the House may not consider any bill or other similar measure unless copies of the bill or other measure are available to Members at least 4 hours before such consideration; to the Committee on Rules.

By Mr. DOMINICK V. DANIELS:

H. Res. 454. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

By Mr. GONZALEZ (for himself, Ms. Abzug, Mr. Badillo, Mr. Biaggi, Mr. Brown of California, Ms. Burke of California, Mr. Carr, Ms. Chisholm, Mr. Downey of New York, Mr. Fauntroy, Mr. Florio, Mr. Ford of Tennessee, Mr. Helstoski, Mr. Ketchum, Mr. Koch, and Mr. McKinney):

H. Res. 455. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, and the attempted assassination of George Wallace; to the Committee on Rules.

By Mr. GONZALEZ (for himself, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Murphy of New York, Mr. Neal, Mr. Ottinger, Mr. Pressler, Mr. Rosenthal, Mr. Royal, Mr. Stokes, Mr. Tsongas, Mr. Charles H. Wilson of California, Mr. Won Pat, and Mr. Young of Georgia):

H. Res. 456. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, and the attempted assassination of George Wallace; to the Committee on Rules.

By Mr. HARRIS:

H. Res. 457. Resolution providing that the House of Representatives should not approve funds for the renovation, remodeling, or capital improvement of the correctional facilities at Lorton, Va., of the District of Columbia Department of Corrections, and for other purposes; to the Committee on the District of Columbia.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

132. By the SPEAKER: Memorial of the General Assembly of the State of North Carolina, relative to removal of the manmade barriers to the physically handicapped; to the Committee on Public Works and Transportation.

133. Also, memorial of the Legislature of the State of California, relative to veterans' cemeteries; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WHITEHURST introduced a bill (H.R. 6893) for the relief of Lt. Col. Charles D. Seymour, which was referred to the Committee on the Judiciary.

SENATE—*Monday, May 12, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. James Abourezk, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Lord, Thou hast been our dwelling place in all generations.

Before the mountains were brought forth, or ever Thou hadst formed the Earth and the world, even from everlasting to everlasting Thou art God.—Psalms 90: 1, 2.

O God, whose presence outlasts time and eternity and whose kingdom is both in time and beyond time, make us to know that our true dwelling is with Thee. Make us one with Thee that in thought, word, and deed we may serve the present age and leave behind a better world.

May goodness and mercy follow us "all the days of our lives that we may dwell in the house of the Lord forever." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., May 12, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. James Abourezk, a Senator from the State of South Dakota, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. ABOUREZK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, May 8, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

THE JUDICIARY

The assistant legislative clerk read the nomination of William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

THE U.S. ENERGY SITUATION

Mr. MANSFIELD. Mr. President, in the May 12, 1975, issue of U.S. News & World Report, Federal Energy Administrator, Frank Zarb, was quoted as saying that the U.S. energy situation is worse today than it was before the 1973 Arab embargo.

> We are now vulnerable to the extent that 38 percent of our supply comes from abroad and this soon will rise to 40 percent.

He also said that—

> Everything is going the wrong way.

Mr. President, a great deal of rhetoric is being given to the need for reducing the Nation's dependence upon foreign fuels but very little in the way of substance is being done to properly develop our own vast coal resources to solve the dilemma.

President Ford has presented to Congress a proposal; and Congress, in effect, has asked for a delay in the implementation of certain aspects of that proposal. The President has gone more than halfway to try to cooperate with Congress; but Congress, up to this time, has not been able to develop a program which would be of sufficient accommodation to bridge the gap between the administration and the legislative branch of the Government. The ball is in our court. The time is getting short. The responsibility is ours.

There is an energy system that offers a solution. MHD—magnetohydrodynamic—electric power generation will convert coal to electrical energy, and do so in a manner 50 percent more efficient than the most advanced conventional fossil-fueled-power plant. When compared to a nuclear power plant, MHD's efficiency is even greater. It has been shown that the MHD generator will operate with stack emissions well below the pollution standards established by the Environmental Protection Agency. The system will require much less or no cooling water, thus greatly decreasing or eliminating thermal pollution.

The question properly arises as to why the United States is not actively pursuing a program to develop this technology. Let us review the record. From 1969 through 1972, Congress appropriated funds each year for the development of MHD. Repeatedly during that period, distinguished scientists in the field of MHD appeared before various congressional committees urging and justifying an accelerated MHD program. Senator METCALF and I endorsed their positions and called for an aggressive program. Unfortunately, the response of the Office of Coal Research, which has recently been integrated into the Energy Research and Development Administration, was minimal. In late 1973, Congress, through the efforts of the distinguished chairman of the Appropriations Committee, appropriated $2 million to the University of Tennessee. The Office of Coal Research delayed 1 year before authorizing the funds to that University—which, incidentally, I thoroughly approve. The Energy Appropriations Act of 1975 called for the immediate design of an MHD engineering test facility and provided for additional research on MHD techniques and applications at the Montana College of Mineral Science and Technology and other units of the Montana University system. Five million dollars was appropriated for both purposes. It was not until April of this year that ERDA authorized $1.6 million to the Montana Energy and MHD Research and Development Institute, Inc., to initiate research at the schools. No action was taken on the engineering test facility.

Consequently, Senator METCALF and I sponsored an amendment, adopted in Public Law 93-404, mandating the design of an MHD engineering test facility. This law of August 31, 1974, specifies that there will be undertaken "immediately the design and planning of an engineering test facility to be located in Montana which will be large enough so as to provide a legitimate engineering basis which when achieved will enable the immediate construction of a commercial scale MHD plant—500 megawatts electrical or above—for possible operation in the mid-1980's."

As of this date, procurement procedures to comply with this legislation have not been initiated. I note that the administration has requested only $13,700,000 for MHD in fiscal year 1976. This is not in keeping with the intent of the law which establishes the mid-1980's as a target date for an MHD demonstration plant and demonstrates a continued lack of response to the will of the Congress and a sense of urgency concerning the situation which Mr. Zarb described.

The Soviet Union has not procrastinated in the development of this important technology. The Washington Post reported on May 28, 1975, that the Soviet U-25 pilot plant, "produced 12.4 megawatts of power—enough to supply the demands of 100,000 Muscovites—for half an hour." According to the article, the Soviets are so convinced that the development program will be successful that they have committed themselves to building a 1 million kilowatt by 1981.

The story continues;

> The Soviet's lead in the field is embarrassing, because U.S. scientists first proved the system's feasibility.

The fact is, Mr. President, that the first successful operation of an MHD generator took place at the AVCO Everett Research Laboratory in Everett, Mass., in 1959. The Washington Post quotes an ERDA official as saying that the Soviet success represents, "a very significant step forward—they are five years ahead of us in this area."

Mr. President, the responsibility for allowing the United States to fall behind in this important technology lies solely with those within the Government who have the responsibility under the law to develop MHD power generation. Unfortunately, in spite of ERDA's acknowledgement of the Soviet success and the promise of MHD, I see little indication at this time that there are definite plans for an aggressive program which would make MHD available to this Nation in the mid-1980's as called for by the law.

According to the plan outlined in a document prepared by ERDA called, MHD Power Development Program, the design of the engineering test facility will not begin until February 1976. Why the delay? Why not now?

Senator METCALF and I have introduced an amendment to S. 598, the authorization of appropriations to the Energy Research and Development Administration for fiscal year 1976. This amendment, if approved, will authorize $50 million for research and development during fiscal year 1976. It will establish a division for MHD within ERDA and calls for an accelerated program that has as its goal commercial MHD power generation before 1990. Given the attitude of some members within the bureaucracy toward MHD, I am convinced that this language is essential if MHD is to achieve its proper role in the U.S. energy industry, unless it is planned to depend upon foreign sources for MHD generators as well as other fuels.

I take this opportunity to express my gratitude to my colleagues, the distinguished minority leader, HUGH SCOTT, the Senator from Massachusetts (Mr. BROOKE), the Senator from Indiana (Mr. BAYH), and the Senator from Tennessee (Mr. BAKER), who have shown an active interest in the MHD program.

If the United States is to match the achievements of the Soviet Union, all appropriate resources of this Nation must be brought to bear upon this program. The MHD activities in Tennessee, Ohio, Massachusetts, Illinois, California, Pennsylvania, and elsewhere must be accelerated and expanded. The effort should bear on both open and closed-cycle MHD power generation. We must develop new centers for MHD power generation where appropriate. The Montana College of Mineral Science and Technology in Butte is recognized internationally as an outstanding institution with capabilities that can make a significant contribution to the development of MHD. Montana State University at Bozeman has had an MHD program for several years, as has the University of Tennessee.

Mr. President, if the United States is to reduce significantly its dependence upon foreign fuel sources, it eventually must turn to coal. In doing so, however, we must be sure that this resource, vast and abundant as it is, will be carefully mined and used as efficiently as possible. The coal-producing States such as Montana must not be exploited in the process of providing minerals to the Nation, as has too often been the case. Our Western States must play a significant role in the development of the technologies which will utilize the coal extracted from their soil.

I was pleased to learn recently that the Administrator of the Energy Research and Development Administration is now giving personal attention to the development of MHD and has assigned his science adviser the responsibility for insuring that the will of the Congress and appropriate legislation is carried out. I am hopeful that the indecision and delay which he inherited are at an end, and we will see MHD take its rightful place in the Nation's effort to achieve energy independence.

Mr. President, I ask unanimous consent that the article from U.S. News & World Report entitled, "Worse Than Before the Arab Embargo," and the article from the March 28 issue of the Washington Post entitled, "Soviets Use Rocket Engine To Produce Cheap Electricity" be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ENERGY CRISIS: "WORSE THAN BEFORE THE ARAB EMBARGO"

(Interview with Frank G. Zarb, Chief, Federal Energy Administration)

(Now that the President has delayed a key part of his energy plan, what's next? Why can't he and Congress agree? For a fresh size-up of the problem, U.S. News & World Report went to the nation's "energy czar.")

Q. Mr. Zarb, what has happened to the energy crisis? There seems to be no shortage of gasoline or any other fuel in the United States.

A. The crisis, when you look at the facts, is worse than before the Arab oil embargo of 1973–74. The short supplies and inconvenience of that period brought into focus the real sickness—a heavy dependence on foreign oil that has continued to grow. We are now vulnerable to the extent that 38 per cent of our supply comes from abroad and this soon will rise to 40 per cent. Another embargo, which we could have at any time, would be more crippling than the first.

Beyond that, we are price-hostage to the cartel of producing nations who already have used their power to increase our payments for foreign oil from 3 billion dollars in 1970 to 25 billion dollars in 1975.

Q. Why do you expect imports of oil to rise?

A. Because production in this country is declining, and at the same time demand is rising. Imports make up the difference. Everything is going the wrong way. Domestic production of crude oil and condensate is now declining at the rate of 6 to 8 per cent a year. From 1973 to 1974, it fell from 9.2 million barrels a day to 8.76 million barrels a day. Meanwhile, imports have been rising and will be at around 6.7 million barrels a day by the end of this year, particularly if we have an economic recovery in the last half of 1975.

Q. In recent weeks, oil imports have been dropping sharply, sometimes even below 5 million barrels per day. Is it possible the problem of imports is going to solve itself?

A. It would certainly make my job a lot easier if America's import problem could solve itself. But the fact is that the drop in imports we have experienced in the first three months of 1975 will not last as the economy recovers from recession. The more the economy prospers, the more oil we'll need—and with domestic oil production declining, we'll have to turn to foreign suppliers.

Q. Is the President giving up on his effort to cut imports by raising the fee on foreign oil?

A. No, he has only delayed it. Last Wednesday, April 30, the President announced he would delay imposition of the second-dollar import fee for up to 30 days to give Congress time to develop energy legislation that is acceptable to him. At the same time, he announced that over the next 25 months he will gradually phase out price controls on "old" oil, the two thirds of our domestic production those controls now cover. The increase in the domestic price up to the free-market level will have the double benefit of reducing demand and stimulating new domestic production. Both factors will make vital contributions to the national goal of reducing our dependence on imported crude oil.

Q. How much of the oil that the U.S. imports comes from Arab countries?

A. About 2 million barrels a day. Some of that comes indirectly, by which I mean Arab crude oil is refined in a third country before it comes on to the U.S. as a refined product.

But the thing people lose sight of is that most of our imports do come from the cartel called OPEC [Organization of Petroleum Exporting Countries]. And all of the imported oil comes in at OPEC prices. The Canadians—though they are good friends—are charging us the OPEC rate or higher, and they've told us that the million barrels a day they've been sending us will be reduced until in five years no oil will come to the U.S. from Canada.

Q. Why is production in the U.S. declining when the price of new oil has jumped up to $11 a barrel or more, and drilling has increased rapidly?

A. The added drilling in response to higher prices has met with mixed results. Some new oil has been found, but there have been an awful lot of dry holes. The real potential for meaningful finds are the North Slope of Alaska and the outer continental shelf. We are not developing either of those sources at a fast enough pace.

Secondary and tertiary recovery methods to get more oil from existing reserves require heavy investment. Any additional flow from older wells has to be treated as "old" oil and sold at the controlled price of $5.25 a barrel. One of the reasons we are seeking decontrol of oil prices is to encourage more investment in old fields.

In all this, there are long lead times involved. It will take from three to six years to have any real impact on additional supply.

Q. How great is the danger that the Arabs will use the oil weapon against the U.S. again, invoking another embargo?

A. I don't think they would hesitate if they feel it is necessary to achieve their goals in the Mideast.

Q. Does President Ford have plans to meet the emergency that a new embargo would create?

A. One of the first things the President asked me to do when I took office was to reassess our emergency standby plans to make any changes that I felt were needed. We now have on the shelf a fairly complete program for reacting to an embargo.

The first step would be immediate implementation of a State-by-State fuel-allocation plan with fairer distribution than we had the first time around. We learned enough to make allocation more equitable.

The most extreme step, if necessary, would be gasoline rationing. We have a plan for that, which could be fully operational within 90 days.

Q. Your plan would be designed to protect major industrial users of oil—

A. Yes, our major goal would be to minimize unemployment because of the shortage.

Keep in mind that in the next embargo, cutting back on fuel use would be more difficult, because business and industry have continued many of their energy-conservation practices developed in the last crisis. So the next round of an embargo would be more difficult to deal with.

Q. Would there again be long lines at gas stations?

A. There would be less of that than at the outset of the last embargo. We've learned a lot more about the distribution system. All of the hardship, for example, would not be visited on the East Coast and a few other States. But I couldn't give a guarantee that there will be no long gas lines. And if we wait until 1977 and do nothing, we'll be importing another million and a half barrels a day, mostly from the Mideast. If supply is then cut off, the economic impacts would be many times worse than last time.

Q. Short of an embargo, do you see any way to get Americans to reduce their use of gasoline and other fuels?

A. The answer is to increase the value (price) of oil and gasoline in our economy. Then individuals and businesses will make the investment and consumption decisions that will lead to wise conservation of energy.

What we have to achieve is a new energy ethic. We need the homeowner to decide to install storm windows, insulate his attic, replace that inefficient old heating or cooling system. We need the motorist to see real savings in a smaller, lighter car. We need the industrialist to think in terms of ordering equipment that is energy efficient, even though its initial cost may be greater.

If we can do that and multiply it time after time, day in and day out, then we will achieve sound energy conservation. This is the heart of the conservation portion of President Ford's energy plan.

Q. How much would the price of gasoline and other fuels have to be raised to accomplish these things?

A. An average of 10 cents a gallon. The President proposes to do this by putting higher fees on imported oil and by decontrolling "old" oil produced in this country. There would be a windfall-profits tax with "plow-back features" to recapture excessive gains to oil companies through decontrol of "old" oil.

As a practical matter, we plan to load more of the price increase on gasoline, making it go up by something close to 15 cents a gallon. Other fuels would increase by between 6 to 8 cents a gallon.

Q. Why not put the entire load on gasoline, increasing the tax enough that people will cut out nonessential driving, join car pools, ride the bus, and so on?

A. There are two problems with that kind of gasoline tax. One is that it puts the whole burden of conservation on one product. Gasoline is 40 per cent of the crude-oil barrel. So you would be ignoring the other 60 per cent. Secondly, a heavy gas tax is geographically unfair. People in Wyoming and California depend much more heavily on the automobile than they do in New York City or Boston.

Q. Mr. Zarb, why can't Mr. Ford and Congress get together on an energy plan?

A. I'm hopeful that they can. There are many points of agreement. Let me list some of them:

Immediate development of naval petroleum reserves—Elk Hills in California and the big one in Alaska. Acceleration of drilling on the outer continental shelf with necessary protection for the environment. More incentive for production from existing wells through secondary and tertiary recovery methods. Expanded drilling for natural gas, stimulation of coal production, assisting the financially troubled utilities.

On the conservation side, we all agree that there should be incentive to conserve oil, tax credits for insulating homes, labeling of appliances for energy efficiency, and much more efficient autos.

There is not much disagreement on principles—the debate is on procedures and how fast to move. We in the Administration insist that by the end of 1977 this country must be using 2 million barrels of oil a day less than would be consumed if nothing is done. But there is growing sentiment in Congress, particularly on the Senate side, that we shouldn't try for that goal, and should let imports increase over the next two or three years. That's a major area of disagreement.

Q. Is there a danger, as some in Congress contend, that cutting imports will make the recession worse?

A. We don't think so. Our program—in terms of impact on the economy—would be neutral except for the one-time effect on the cost-of-living index.

The President has three principles on which he will not compromise:

The first is that we must start now to limit oil imports, so that we do not come to the end of 1977 even more vulnerable to an embargo or other emergency than we are now.

The second is that we have to put in place now those measures which will give us energy invulnerability by 1985.

The third principle is that we will be as fair as possible to different segments of the society and to the various geographic areas of the country.

Q. The Senate has passed, by a vote of 60 to 25, what is called a "comprehensive energy bill." Does it offer grounds for compromise?

A. Nobody in the Senate would say with a straight face that the bill is "comprehensive." It started as a bill on which we had worked with Congress for months as an emergency standby measure that would give the President needed authority in case of another embargo. Just before the bill went to the floor, there was a Title II added to it which nobody in the Administration had seen. It has a set of measures which, added all together, wouldn't amount to a barrel of savings in oil. Nobody is taking Title II of that bill seriously.

Q. Treasury Secretary William E. Simon says oil prices will come down—the only question is when. Do you agree?

A. Secretary Simon's view is that a combination of slack in economic activity around the world and new discoveries of oil outside the cartel countries is creating a surplus that will force prices down.

My view is that we're going to see a world economic recovery which, if sustained for any length of time, will mean heavier demand for oil. Beyond that, if I were part of the cartel and had a limited resource of a valuable product in the ground, my objective would be to make that resource last as long as possible and to maximize my revenue from it. I would find very little logic in a scheme that would price the product down so I could sell more and use it up more quickly at smaller revenue.

Q. The conference in Paris that was to lead to a bargaining session between the oil cartel and the importing nations collapsed without agreement. Do you favor trying again to arrange such a meeting?

A. I think it's aways useful to talk to one another across the table. But I also think the oil-consuming nations—U.S., Western Europe, Japan—should speak with one voice. If we can go to the bargaining table and show that we have taken steps to limit our imports, and bring on our own new energy supplies, we should be able to get terms favorable to us. But if we continue on our merry way of importing more and more oil, we will be in a very weak bargaining position.

Q. The Europeans appear to have done more than the U.S. to limit their oil imports—

A. That is true. We have a long way to go if we are to assume leadership in energy conservation. Europeans have increased the cost of energy. Gasoline in Paris, for example, costs $2.40 a gallon.

Q. If President Ford is determined to cut down on oil imports, why doesn't he use the authority he has to impose quotas on foreign oil?

A. Let's assume that he did that, starting with a cutback of 200,000 barrels a day in imports and increasing that in following months until we have reduced the flow of oil from abroad by 1 million barrels a day.

What are we doing? We're actually creating a shortage. The cartel isn't doing it. It would be a self-imposed embargo. My responsibilities would make me the biggest gun in town with that kind of a program. There are thousands of ways that oil is used in our economy, and I would be called upon to decide which ones get priority. But Government just is not suited to make those kinds of economic decisions, and make them fairly.

I can remember during the embargo running from the New Jersey congressional delegation to the Florida delegation, because one was saying the tourist business should be curtailed and the other was saying that tourists were the lifeblood of its economy.

If we did impose quotas and create a shortage, I predict the plan would fall of its own weight within six to eight months. It's one thing for the cartel to create hardship, but quite another for our own Government to do it. Savings must come from the demand end, not imposed on the supply end.

Q. Would having the oil-exporting countries submit sealed bids to a U.S. Government buying agency break the high prices—lead to competition and price shaving?

A. I seriously doubt it. If we turned importing over to the Federal Government as a sole buyer, that would drive members of the cartel even closer together than they presently are. There's nothing to preclude the cartel from having a conference and agreeing, "O.K., gentlemen, from now on there's going to be one envelope—one bid," and there wouldn't be anything we could do about it.

Q. What has happened to Project Independence, which is designed to enable the U.S. to get along without foreign oil?

A. It is moving ahead. We are pressing for more offshore drilling for oil and natural gas. There is agreement that we should develop the naval petroleum reserves in California and Alaska. The Alaska pipeline is under construction and will start supplying oil to the "Lower 48" States in 1977.

Research and development of coal gasification and liquefaction is under way. More atomic power is being installed, although this must move faster. We have the beginnings of an oil-shale program, and geothermal energy is being expanded. If we keep all these things on schedule, this country can have energy invulnerability by 1985.

Q. What is your definition of energy invulnerability?

A. By 1985, we will be consuming between 21 and 22 million barrels of oil a day compared to around 17 million now—assuming that conservation measures are implemented. If we don't do the things I have outlined under Project Independence, we will be importing 12 million barrels of oil a day by 1985. If we do carry through on all these projects, we can cut imports to about 4 million barrels a day. If we have in place by then the planned national strategic reserve of petroleum in storage, that will give us a year's supply at the rate of 3 million barrels a day, and make America invulnerable to an embargo or other emergency that would cut of foreign oil. It would also give us price leverage with the oil cartel.

Q. How much is all this going to cost?

A. We estimate the expenditure over the next 10 years will come to between 600 and 800 billion dollars. Some will come from the Government, but most of it will be private-sector money.

That may seem like a lot to pay for energy invulnerability, but it is a necessary investment to protect our security as a free nation.

SOVIETS USE ROCKET ENGINE TO PRODUCE CHEAP ELECTRICITY

(By Robert Toth)

MOSCOW, March 27.—Soviet scientists said today that they have succeeded in using a rocket-type engine and gigantic magnets to produce large amounts of cleaner, cheaper electricity.

The system, first proved feasible in the United States, is called magneto-hydrodynamics. In principle, the new type of power plant will be a rocket on its side with a great magnet around its exhaust. The system, which has no moving parts, will burn less fuel and produce less pollution than other generating methods.

Soviet scientists said today that their pilot plant produced 12.4 megawatts of power—enough to supply the demands of 100,000 Muscovites—for half an hour last week.

It was the first time the system had been used to produce that much power for that long, and constituted "a very significant step forward that should make some heads turn back home," according to William Jackson, a U.S. Energy Research and Development Agency official visiting here.

"They are five years ahead of us in this area," he added. "This field is one of the cooperative programs between the two countries in science and technology where we stand to gain at least as much as and probably more than we give."

The full promise of magneto-hydrodynamics is some distance from being realized, and it could still prove a failure, one American scientist said. But the odds now are for success. The Soviets are sufficiently convinced to be committed to building a 1,000-megawatt plant by 1981.

The Soviets lead in the field is embarassing, because U.S. scientists first proved the system's feasibility.

"The pioneering work done in America," said Soviet program chief Alexander Sheindlin, "was made possible by U.S. rocket technology."

"If I may be critical," he told the first group of American journalists to visit his facility, "there was exaggerated interest and support in your country for nuclear electricity in the early 1960s, and all plans for developing fossil fuel power were cut drastically.

"It was not easy for us to stay in the field in isolation, but we were sure of the correctness of the approach and continued it," he added.

The Soviets, according to U.S. estimates, have put 10 to 20 times more money into the field—$150 million to $300 million—since 1960. The current U.S. budget for magnetohydrodynamics is $12.5 million, but only four years ago it was less than $1 million, Jackson.

In 1832, Michael Faraday first theorized that electricity could be generated by passing a charged gas through a magnetic field. Before World War II some experiments were conducted in the United States. But it was not unitl 1959, at Avco Laboratories headed by Adrian Kantrowitz, that such power production was proved feasible.

The Soviet plant burns natural gas with oxygen-enriched air at 4,600 degrees Fahrenheit. About 120 pounds of matter is exhausted every second, a flow rate comparable to that of the U.S. Jupiter missile that launched America's first earth satellite.

A potassium compound is injected into the exhaust to create a plasma of positive and negative particles. The stream passes between the poles of a great magnet, where the charges separate onto electrodes and create great voltages.

In the two most significant tests so far—producing 12.4 megawatts for half an hour and 4 megawatts for 100 hours—the electricity was sent into the Moscow system to be used, Sheindlin said.

The efficiency of converting fuel to power has not been great so far—only a few percent, Americans estimated—but it should rise. It must rise, in fact, if magneto-hydrodynamics is to be successful.

Theoretically, conversion can be as high as 60 percent with the new method. The Soviets are expecting at least 50 percent in their new plant. In comparison with conventional steam turbine plants, those using oil or coal for fuel are at most 40 percent efficient, and those using nuclear fuel 33 percent.

"As conservation of fuel becomes more and more important," Jackson said, "this improved efficiency is very significant indeed." Even using coal instead of gas, as American planners intend, the higher temperatures used in the new process mean much cleaner burning of fuel and less effluent to contaminate the environment.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, if I may be recognized on my own time, I wish to underscore and endorse the statement just made by the distinguished majority leader in support of an amendment to S. 598, the authorization for appropriations to ERDA for 1976. As he has noted, this amendment, if approved, would authorize $50 million to R. & D. for fiscal year 1976 and establish a definition for MHD within ERDA calling for an accelerated program to make possible commercial MHD power generation before 1990.

I think this action is essential to be sure that the agency understands the urgency of the program, the importance of the program, and the possibilities inherent in the production of an alternative means of producing energy with less pollution and enormous future benefits to the United States.

The General Electric Co. has been conducting experiments at Valley Forge, Pa., under the closed-cycle mode and they have given me a chance to become somewhat familiar with their experiments in the same field.

I am glad that the Administrator of ERDA is giving this his personal attention and that his science advisers has been alerted to make sure that the will of Congress, under appropriate legislation, is carried out.

I think that we cannot afford any sort of delays in this program, any more than we can afford delays in the R. & D. programs involving the diminishing of coal, the development of other alternative methods of energy, such as solar energy, thermal energy, shale oil usage, coal conversions, and so on, together with conservation measures in which Congress and the President will simply have to convince themselves that they will cooperate personally with each other. If they do not, it is most unpleasant to contemplate where we will be in the future when confronted, as we may well be again, by future boycotts. I am entirely in support of these proposals of the distinguished majority leader.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

SENATE RESOLUTION 151—SUBMISSION OF A RESOLUTION PROVIDING FOR THE INSTALLATION AND USE OF ELECTRONIC VOTING EQUIPMENT IN THE SENATE CHAMBER

Mr. ROBERT C. BYRD. Mr. President, more than 100 years ago, Thomas Edison was granted a patent for his "Electrographic Vote Recorder," an electronic device which enabled legislators to vote electronically, saving time and increasing efficiency.

In 1913, Champ Clark, then Speaker of the House of Representatives, exhibited interest in the idea of the House's utilizing modern technology in the form of electronic voting. In fact, a resolution was introduced in the 63d Congress proposing that the House investigate the practicality and advisability of installing an electronic voting system. When this proposal was reported favorably by a subcommittee, a subsequent resolution was introduced in 1914 authorizing the House to purchase and install such a system. After much favorable testimony, the chairman of the then Committee on Accounts attempted to call this resolution to the floor, but was prevented from doing so.

In 1916, when once again the House was considering an electronic voting system, and when once again this proposal had received a favorable committee report, one of the arguments against electronic voting, recorded as minority views in the committee report, was that the House did not need to speed up its work, since it was the Senate that was habitually late in its completion of the legislative agenda.

Starting in 1916 with the State of Wisconsin, and continuing to the present day, numerous State legislatures have adopted and implemented electronic voting systems.

In passing the Legislative Reorganization Act of 1970, the House adopted an amendment providing for an electronic voting system in its Chamber. The House's system was installed and became operational in 1973 at the commencement of the 93d Congress. It is my understanding that the results are quite favorable. Much time is saved in the House because votes can now be completed in 15 minutes, despite its membership of 435. This is approximately the same amount of time that a rollcall vote presently consumes in the Senate with our membership of 100. Undoubtedly, an electronic voting system in the Senate would result in substantial time savings.

I cannot imagine there is a Senator who stands opposed to such time savings, particularly in light of our busy schedules and the large number of rollcall votes taken in the Senate. For example, in the last Congress 1,138 rollcall votes occurred in the Senate.

If an electronic voting system would have saved 10 minutes on each rollcall vote, the Senate would have saved 11,380 minutes, approximately 180 hours; and 180 hours is equal to 30 6-hour days per session consumed in the calling of the roll on rollcall votes alone.

The mechanical details of how such an electronic voting system would operate need to be worked out. It is my hope that we can produce a system, after consulting with the technological experts, that will enable the Senate to be more efficient and will allow each of us to serve both the Senate and our constituents more fully.

I am submitting a resolution today which will attempt to reach that objective. It will be referred to the Committee on Rules and Administration, and to the Subcommittee on Rules, of which I am chairman, and it will be my intention to conduct early hearings on the resolution, just as soon as we can clear away some of the other matters that are presently before the committee.

I send the resolution to the desk and ask that it be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the resolution will be printed in accordance with the Senator's request.

The resolution, which was referred to the Committee on Rules and Administration, is as follows:

S. RES. 151

Resolved, That (a) the Committee on Rules and Administration is authorized and directed to provide for the installation of electronic voting equipment in the Senate Chamber.

(b) The expenses incurred in carrying out the provisions of subsection (a) shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Sec. 2. Rule V of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"4. Notwithstanding the provisions of paragraph 2, unless otherwise ordered, the presence of a quorum shall be ascertained by electronic device, and the Secretary shall enter in the Journal and publish in the Congressional Record the names of those Senators recorded as present in the same manner as if the roll had been called under paragraph 2. Unless otherwise ordered, Senators shall have not less than fifteen minutes to have their presence recorded by electronic device."

Sec. 3. Rule XII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"4. Notwithstanding the provisions of paragraph 1, unless otherwise ordered, when the yeas and nays are ordered the names of Senators voting shall be recorded by electronic device, except when a vote is required to be determined by yeas and nays under the Constitution of the United States. The Secretary shall enter in the Journal and publish in the Congressional Record the names of those Senators recorded as voting in the affirmative, of those Senators recorded as voting in the negative, of those Senators not recorded as voting, in the same manner as if the names of Senators had been called under paragraph 1. Unless otherwise ordered, Senators shall have not less than fifteen minutes to have their vote recorded by electronic device."

Sec. 4. The amendments to the Standing Rules of the Senate made by sections 2 and 3 shall take effect on the date specified by the Committee on Rules and Administration in a report submitted to the Senate, after the committee determines that the electronic voting equipment installed pursuant to the provisions of the first section of this resolution is ready and suitable for use.

PROPOSED EXPANSION OF LORTON REFORMATORY

Mr. HARRY F. BYRD, JR. Mr. President, last week, the people of Fairfax County, Va., were shocked to learn that District of Columbia Mayor Washington had sent a proposal to the District of Columbia City Council to expend $55 million for massive renovation and expansion of the District of Columbia criminal correctional facility at Lorton, Va., in Fairfax County.

The people of Fairfax County were understandably shocked because their representatives on the board of supervisors have been negotiating the question of Lorton with District of Columbia officials for 2 years, and only this January were told that there was no viable Lorton improvement proposal pending.

Yet, the Fairfax County Board of Supervisors has not even received the courtesy of any communication from District of Columbia officials regarding the just announced $55 million Lorton plan.

Chairman Jean R. Packard, of the Fairfax County Board of Supervisors, upon reading the news story, said:

"It is unconscionable for Mayor Washington to propose spending an outrageous $55 million in tax monies to perpetuate such an institution within another jurisdiction."

I agree.

Why should not the District of Columbia house its convicted criminals in the District of Columbia? Why should they be housed in Virginia?

Obviously, the District of Columbia has problems with regard to the handling of its convicted criminals. But there is no reason to perpetrate and perpetuate those problems on the citizens of Fairfax County.

Fairfax County is on record favoring the ultimate phasing out of the District of Columbia correctional facility at Lorton and that no funds should be expended which would delay the final removal of this facility from Fairfax County.

I support this proposal of Fairfax County.

Springfield Supervisor Jack Herrity, who has long favored the removal of Lorton from Fairfax County, proposed legal action to enjoin the District of Columbia from spending the tax funds at the Lorton facility.

Fairfax County is initiating suit against the District of Columbia in this regard.

Fairfax County officials are convinced that the District of Columbia is either unwilling or unable to negotiate an acceptable solution to the Lorton problem—one that worsens daily as lax administration of the criminal facility results in escapes which endanger the lives and property of Virginia citizens.

Yet the District of Columbia, in an outrageous proposal, wants to spend $55 million in tax moneys—on a facility in Fairfax County that the county not only does not want but is seeking to remove.

It is unprecedented for one local jurisdiction to have its prison facility for hardened criminals within the borders of another State. It is unconscionable for such a situation to continue against the will of the offended State.

I have today written the chairman of the Senate's District of Columbia Committee, regarding this deplorable situation. I have requested that his committee give this matter its careful and immediate attention and that public hearings be conducted, if necessary, with ample opportunity for the people of Fairfax County, and their officials, to present their case for the removal of the District of Columbia Lorton facility from Fairfax County.

The Gazette, of Alexandria, Va., on May 7, and the Fairfax Journal on May 8, published articles which outlined the county's concern over the District of Columbia's $55 million Lorton proposal. I ask unanimous consent to have both articles printed in the RECORD at this point so that my colleagues may have a better opportunity to better understand Fairfax County's reasonable position in this matter, together with my letter to the Senator from Missouri (Mr. EAGLETON) as chairman of the Committee on the District of Columbia, dated May 12, 1975.

There being no objection, the articles and the letter were ordered to be printed in the RECORD, as follows:

[From the Fairfax Journal, May 8, 1975]

HERRITY TO REQUEST LORTON FUND CUTOFF

Springfield Supervisor John Herrity says he will ask the Board of Supervisors to request withdrawal of federal funding for the District's Lorton improvement program next week.

Congress granted $55 million in federal funds for the renovation several years ago. Since then, the District government appropriated $10 million of that sum for the city jail improvement.

Herrity said he wants the Board to seek support for withdrawal of the $45 million remaining from the Northern Virginia Congressional delegation.

Board Chairman Jean Packard said this week the expenditure of the entire $55 million on the District's prison, located in Fairfax, is "unconscionable" and "outrageous." Some $10 million of the total cost of the program will be paid out of Washington tax money.

In early 1975, the supervisors voted to sue Washington for removal of the prison in five years. The county attorney's office and a private attorney are in the process of drawing up the papers, which will include a petition for a preliminary injunction. The injunction would seek to force Washington to construct security measures, such as more guard towers and lights, as soon as possible.

After a December prisoner takeover at Lorton in which three prisoners escaped and kidnapped a Fairfax resident, concern for safety by residents and supervisors grew. The Board had been in the process of negotiating an agreement on security measures and fire and rescue services before the December incident.

"It is unconscionable for Mayor (Walter) Washington to propose spending an outrageous $55 million in tax monies to perpetuate such an institution within another jurisdiction," said Mrs. Packard.

"The bulk of this money should be spent to construct new and adequate facilities within the District to solve their long range problems rather than forcing them down the throats of Fairfax County residents who have no control over the operation."

Herrity also said he will ask the Board to halt the District's plans for renovation of Lorton by seeing if the county land use laws will prevent the program. The renovation includes plans for building new facilities. The actual prison population will be reduced from 2,100 to 1,900, according to a spokeswoman for Mayor Washington.

[From the Alexandria (Va.) Gazette
May 7, 1975]

PACKARD ASKS LEGISLATORS TO AID IN LORTON FIGHT

(By William E. Black)

Chairman Jean R. Packard of the Fairfax County Board of Supervisors today called on Northern Virginia's legislative delegation for help in stopping the expenditure of $55 million on the Lorton Reformatory.

"I asked them to use whatever influence they could to make sure these funds will be spent within the District and not in Fairfax County," said Mrs. Packard. "I'm sure the other members of the board will go along with whatever legal means is necessary to stop the District of Columbia government from increasing the problems at Lorton by spending more money."

Springfield Supervisor Jack Herrity said he agreed with Chairman Packard.

"We've got to take legal action. Probably we should ask that the District government be enjoined from spending these funds until our current lawsuit over the matter is settled," said Herrity.

Lorton is a prison facility that holds prisoners sentenced from District of Columbia courts. The prison has been a point of controversy for several years since it is operated outside the confines of its own jurisdiction.

Mayor Walter E. Washington and the District government have earmarked $55 million in the coming year's budget to modernize the facility and improve security.

"But we don't want that," said Mrs. Packard. "We want the facility moved out of Fairfax County as soon as possible and if the district government goes ahead and spends another $55 million on it, then we'll just have a more difficult time later on getting rid of it."

Mrs. Packard said Fairfax County officials are sick and tired of getting "nothing but lip service from District government officials over the Lorton situation.

"It's time they realize we want them to operate their jail system within their own borders," said Mrs. Packard. "The people of Fairfax County are just fed up with Lorton."

May 12, 1975.

Hon. Thomas F. Eagleton,
Chairman, District of Columbia Committee,
U.S. Senate.

My Dear Mr. Chairman: For two years now, officials of Fairfax County, Virginia, have attempted to negotiate with the District of Columbia Government, a reasonable solution to the problem of the location of the District of Columbia correctional facility within Fairfax County at Lorton.

The apparent futility of these negotiations was underscored last week, when District of Columbia Mayor Washington, without prior consultation with Fairfax County, proposed to expend $55 million in tax funds, to upgrade and expand the District of Columbia's Lorton prison.

I am informed that most of the $55 million will come from previously authorized but unspent federal tax funds.

This $55 million proposal for a massive renovation and expansion of the Lorton prison facility, is strenuously opposed by Fairfax County.

Additionally, Fairfax County, in January, asked the District of Columbia to examine:

(1) Whether or not land is available in the District of Columbia for either a complex similar to Lorton, or for several community-based facilities.

(2) Type of community-based facilities needed to replace Lorton.

(3) Timing for the phase-out of the Lorton complex.

(4) The economic feasibility of a phaseout.

To date, these points remain unanswered.

The existence of a local jurisdiction's prison facilities within the borders of another state and against that state's will, is unprecedented and unconscionable.

A resolution of this controversy must be achieved.

I request your committee to give this matter careful and immediate attention, with a view toward holding public hearings to afford the citizens of my state every opportunity to express their concerns and proposed solutions.

With best wishes, I am
Sincerely,

——— ———.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Abourezk) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

U.S. FACILITIES AT DIEGO GARCIA—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Abourezk), laid before the Senate the following message from the President of the United States regarding the need for U.S. facilities at Diego Garcia, which was referred to the Committee on Armed Services:

To the Congress of the United States:

In accordance with section 613(a)(1)(A) of the Military Construction Authorization Act, 1975 (Public Law 93–552), I have evaluated all the military and foreign policy implications regarding the need for United States facilities at Diego Garcia. On the basis of this evaluation and in accordance with section 613(a)(1)(B), I hereby certify that the construction of such facilities is essential to the national interest of the United States.

Gerald R. Ford.

The White House, *May 12, 1975.*

MESSAGE FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Abourezk) laid before the Senate the following letters, which were referred as indicated:

Proposed Appropriation Language Change To Increase Limitation on Travel for Staff of the Vice President—(S. Doc. 94–51)

A communication from the President of the United States transmitting a proposed appropriation language change for the fiscal year 1975 increasing by $10,000 the limitation on travel for staff of the Vice President (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Proposed Supplemental Appropriation for the General Services Administration—S. Doc. 94–52)

A communication from the President of the United States transmitting a proposed supplemental appropriation in the amount of $65 million for the fiscal year 1975 for the General Services Administration (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Report of the Secretary of Agriculture and the Secretary of Housing and Urban Development

A letter from the Secretary of Agriculture and the Secretary of Housing and Urban Development transmitting, pursuant to law, the annual report on financial and technical assistance provided by their departments in fiscal year 1974 for nonmetropolitan planning districts (with an accompanying report); to the Committee on Agriculture and Forestry.

Report of the Comptroller General

A letter from the Comptroller General of the United States stating that a final report on the program administered by the Food and Nutrition Service of the Department of Agriculture will be submitted to Congress on or about November 1, 1975; to the Committee on Agriculture and Forestry.

Approval of Loan by the Rural Electrification Administration

A letter from the Acting Administrator of the Rural Electrification Administration reporting, pursuant to law, on the approval of a commitment to guarantee a non-REA loan in the amount of $10 million to Associated Electric Cooperative, Inc., of Springfield, Missouri; to the Committee on Appropriations.

Soil Survey by the Department of the Interior

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a memorandum from the Bureau of Reclamation showing the basis of a certification of a soil survey and land classification of the lands in the Llamo Unit, Rio Arriba Division, San Juan-Chama Project (with accompany papers); to the Committee on Appropriations.

Report of the Export-Import Bank

A letter from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during March 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Department of State

A letter from the Assistant Secretary of State transmitting, pursuant to law, a report showing assistance related funds obligated for Cambodia, Laos, and Vietnam during the third quarter of fiscal year 1975 (with an accompanying report); to the Committee on Foreign Relations.

Report of the Comptroller General

A letter from the Comptroller General to the United States transmitting, pursuant to law, a report entitled "The United States Should Recover Full Costs of Reimbursable Satellite Launches" (with an accompanying report); to the Committee on Government Operations.

Proposed Research Projects by the Department of the Interior

Seven letters from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, proposed contract for research projects (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Plan for the Use and Distribution of Judgment Funds

A letter from the Deputy Under Secretary of the Interior transmitting, pursuant to law, a proposed plan for the use and distribution of judgment funds awarded to the Stillaguamish Tribe of Indians in docket No. 207 before the Indian Claims Commission (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Commissioner of the Court of Claims

A letter from the Chief Commissioner of the United States Court of Claims transmitting, pursuant to law, a report concerning the allowance of claims for attorneys' fees in certain proceedings (with an accompanying report); to the Committee on Interior and Insular Affairs.

Reports of the Immigration and Naturalization Service

Four letters from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, reports concerning visa petitions, orders suspending deportation together with a list of persons involved, and orders in which authority in behalf of certain aliens was exercised (with accompanying papers); to the Committee on the Judiciary.

Proposed Rulemaking by the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a Notice of Proposed Rulemaking—Certification with Respect to Open Meetings by Local Educational Agencies in Certain Programs (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Acting Secretary of the Department of Health, Education, and Welfare transmitting a draft of proposed legislation to extend appropriations authorizations for communicable disease and other control programs, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

A letter from the Acting Secretary of the Department of Health, Education, and Welfare transmitting a draft of proposed legislation to extend the National Health Service Corps and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Abourezk):

Resolutions of the Senate of the Commonwealth of Massachusetts in support for the demonstration and march on Washington; to the Committee on the Judiciary:

"Resolutions of Support for the April Twenty-Six, Nineteen Hundred and Seventy-Five Demonstration on Washington, D.C.

"Whereas, The Commonwealth of Massachusetts has the highest official unemployment rate of any state in the United States; and

"Whereas, Social services are being cut in response to the growing economic crisis; and

"Whereas, The Industrial Union Department of the AFL–CIO along with the National Coalition to Fight Inflation and Unemployment have called a Demonstration and March on Washington on April twenty-six, nineteen hundred and seventy-five to demand jobs; now, therefore, be it

"Resolved, That the Massachusetts Senate supports the April twenty-six March and Rally in Washington, D.C. for jobs; and be it further

"Resolved, That the Massachusetts Senate calls for an emergency session of the Congress of the United States to guarantee jobs or income for all: to extend unemployment benefits for the duration of joblessness to all including first job seekers; to develop immediate public works and service jobs, in socially needed areas, not in defense or military projects, for millions of unemployed and a crash summer jobs program for three million youth, all at union wages; to reinstate all cut backs; provide cost of living raises; to bar discrimination on basis of race, national origin, sex or age in all programs; and further to provide free food from federal stocks to those in need; stop evictions, repossessions and utility shutoffs; pass the Health Security Bill; slash the military budget; and tax the rich and the corporations; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from the Commonwealth."

Senate Resolution No. 22 of the Senate of the State of Colorado; to the Committee on Interior and Insular Affairs:

"Senate Resolution No. 22

"Whereas, Former Wyoming Governor Stan Hathaway has been nominated by President Ford to be his Secretary of the Interior, and the confirmation of this nomination is presently being debated by the United States Senate; and

"Whereas, The next Secretary of the Interior will be taking command of the nation's vast natural resources at a critical time when he will have to guide development of the nation's critically needed energy resources and also be responsible for conservation of federal lands, water, and wildlife; and

"Whereas, Many of the choices concerning energy development and natural resource conservation facing the next Secretary of the Interior will involve lands in the Western United States; and

"Whereas, Stan Hathaway is western bred and reared and understands the problems of Colorado and the west; and

"Whereas, Stan Hathaway has been a distinguished public servant as a lawyer, prosecutor, and two-term Governor of Wyoming; and

"Whereas, Stan Hathaway proved himself to be a most able administrator during his stay as Governor, as he entered office during a period of economic stagnation and left during a period of prosperity; and

"Whereas, An examination of Stan Hathaway's record find him to have approached the difficult balance between true environmental concerns and economic development with imagination, fairness, and integrity; now, therefore, be it

"Resolved by the Senate of the Fiftieth General Assembly of the State of Colorado: That the General Assembly of the State of Colorado adds its name to the growing bipartisan list in support of the confirmation by the United States Senate of Stan Hathaway as Secretary of the Interior. Be it

"Further Resolved, That copies of this resolution be sent to the members of the United States Senate and to the members of the Congress of the United States from the State of Colorado."

House Resolution No. 196 of the House of Representatives of the State of Hawaii; to the Committee on Finance:

"House Resolution 196 Requesting Investigation of Social Security Inequities and Revision of System

"Whereas, if a woman dies before retirement age, nearly all the money she paid into the Social Security system over the years may have been for naught and may result in the payment of one insubstantial lump sum payment to her widower; and

"Whereas, it is possible for a widower to qualify for benefits on what his deceased wife has put into the system only if he is able to prove that he has been dependent on her for at least one-half of his support; and

"Whereas, on the other hand, a widow at 65 years or under 65 years with at least one minor child automatically collects on her deceased husband's Social Security; and

"Whereas, the Social Security Act, in essence, discriminates against men since they will not derive the same benefits as a woman in the event her husband dies; and

"Whereas, there are 33 million working women in the United States who contribute 9 billion dollars a year into the Social Security system and yet the Act all but ignores the vast number of women today who help support their families and the system itself; and

"Whereas, most working women could purchase a life insurance policy with a face value amount in excess of $25,000 with the amount they pay annually into the system; and

"Whereas, within the public employment sector the alternate state or county retirement systems are certainly less discriminatory than the antiquated Social Security Act; and

"Whereas, there must be equal rights under the Social Security Act or there should be an option to choose another means of financing retirement; now, therefore, be it

"Resolved, by the House of Representatives of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that the Congress is urged to investigate the inequities within the Social Security Act and revise the Social Security system; and be it

"Further Resolved, that copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman of the United States Senate Committee on Finance, the Chairman of the United States House Committee on Ways and Means, and all members of the Hawaii congressional delegation."

Resolution No. 42 adopted by the General Assembly of North Carolina; to the Committee on Foreign Relations:

"House Joint Resolution 494

"A joint resolution memorializing the President of the United States to establish a task force to determine the status of American service personnel and civilians listed as missing in action as a result of military participation in Indo-China and memorializing the Congress of the United States to take such action as may be necessary to make an honorable determination of the fate of the MIA's

"Whereas, it is now some two years since the signing of the Paris Peace Agreement, and there are still 1300 MIA's (persons listed as Missing in Action) to be released or accounted for in Southeast Asia; and

"Whereas, the Paris Peace Agreement was guaranteed by the countries of Iran, Russia, the Peoples Democratic Republic of China, France, England, the Peoples Republic of Indonesia, the Peoples Republic of Hungary, and the Peoples Republic of Poland; and

"Whereas, an honorable determination of the fate of all United States servicemen and civilians missing in Southeast Asia is a continuing obligation of the Government of the United States; Now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring:

"Section 1. That the General Assembly of North Carolina respectfully request the President of the United States to establish and appoint immediately a Task Force to determine the status of American servicemen and civilians who are listed as missing in action as a result of our military participation in the Indo-China area.

"Sec. 2. That the General Assembly of North Carolina respectfully request that the appropriate committees of the Congress of the United States hold hearings and take such action as may be necessary to make an honorable determination of the fate of the American servicemen and civilians who are listed as missing in action in the Indo-China area.

"Sec. 3. That the Secretary of State of the State of North Carolina send copies of this resolution to President Gerald R. Ford, Secretary of State Henry A. Kissinger, the presiding officer of each branch of the Congress of the United States, to the members of Congress from North Carolina, and to the chief executive officer of each country serving as a guarantor of the Paris Peace Agreement.

"Sec. 4. This resolution shall be effective upon ratification.

"In the General Assembly read three times and ratified, this the 23rd day of April, 1975."

A petition for a redress of grievances from citizen of Gays Mills, Wisconsin; to the Committee on Government Operations.

A petition for a redress of grievances from a citizen of Ellicott City, Maryland; to the Committee on Government Operations.

REPORTS OF COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of March 8, 1975, the following reports of committees were submitted:

On May 9, 1975:

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, with amendments:

S. 1539. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes (Rept. No. 94–111).

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, without recommendation:

H.R. 4723. An act authorizing appropriations to the National Science Foundation for fiscal year 1976 (Rept. No. 94–112).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOSS, from the Committee on Commerce, without amendment:

S. 1509. A bill to prohibit pyramid sales transactions, and for other purposes (Rept. No. 94–114).

By Mr. McCLELLAN, from the Committee on the Judiciary, without amendment:

S. 719. A bill granting a renewal of patent numbered 92.187 relating to the badge of the Sons of the American Legion (Rept. No. 94–115).

S. 720. A bill granting a renewal of patent numbered 54,296 relating to the badge of the American Legion (Rept. No. 94–116).

S. 721. A bill granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary (Rept. No. 94–117).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S.J. Res. 59. A joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976 (Rept. No. 94–118).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

Mr. MOSS. Mr. President, as in executive session, I report favorably sundry nominations on the National Oceanic and Atmospheric Administration which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on April 7, 1975, at the end of the Senate proceedings.)

HOUSE BILL REFERRED

The bill (H.R. 6209) to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates was read twice by its title and referred to the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MANSFIELD:

S. 1699. A bill for the relief of Mrs. Hope Namgyal. Referred to the Committee on the Judiciary.

By Mr. STENNIS:

S. 1700. A bill for the relief of Katherine Whiteman Jackson. Referred to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S. 1701. A bill to authorize the modification of the beach erosion control project for Presque Isle Peninsula, Pa. Referred to the Committee on Public Works.

By Mr. STONE (for himself and Mr. THURMOND):

S. 1702. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services. Referred to the Committee on Armed Services.

By Mr. METCALF (for himself, Mr. JACKSON, Mr. MANSFIELD, Mr. ABOUREZK, and Mr. HASKELL):

S. 1703. A bill to suspend the Secretary of the Interior's authority to lease Federal coal lands. Referred to the Committee on Interior and Insular Affairs.

By Mr. RANDOLPH (for himself, Mr. GRAVEL, Mr. WILLIAMS, and Mr. HUMPHREY):

S. 1704. A bill to authorize a local public works capital development and investment program. Referred to the Committee on Public Works.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1705. A bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations. Referred to the Committee on Commerce.

By Mr. BROCK:

S. 1706. A bill to amend the Trade Act of 1974 in order to authorize the President to designate any of certain countries as eligible for the tariff preferences extended to developing countries under title V of such Act if the President determines that such designation is in the national economic interest. Referred to the Committee on Finance.

By Mr. HUGH SCOTT:

S. 1707. A bill to authorize the Secretary of the Army to preserve, restore, interpret and maintain historical property located on Federal lands under his control and jurisdiction. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 1708. A bill to provide for the promotion of health education and preventive health services, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BAKER (for himself, Mr. BROCK, Mr. TOWER, and Mr. BENTSEN):

S. 1709. A bill for the relief of Dr. Lawrence Chin Bong Chan. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 1710. A bill to repeal the requirement of section 3306 of title 5, United States Code, relating to apportionment of appointments in the civil service in the District of Columbia among the States. Referred to the Committee on Post Office and Civil Service.

By Mr. CRANSTON (for himself, Mr. HARTKE, Mr. RANDOLPH, Mr. HANSEN, Mr. THURMOND, Mr. STAFFORD, and Mr. WILLIAMS):

S. 1711. A bill to amend title 38, United States Code, to provide special pay and other improvements designed to enhance the recruitment and retention of physicians, dentists, nursing personnel, and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. HATFIELD:

S. 1712. A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. STEVENS:

S. 1713. A bill for the relief of Mr. Kaota Maki. Referred to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. WILLIAMS):

S. 1714. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease; and

S. 1715. A bill to amend the Public Health Service Act to establish a national program with respect to genetic diseases. Referred to the Committee on Labor and Public Welfare.

By Mr. PASTORE (for himself and Mr. BAKER):

S. 1716. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes.

By Mr. PASTORE (for himself and Mr. BAKER) (by request):

S. 1717. A bill to amend the Atomic Energy Act of 1954, as amended, to provide for approval of sites for production and utilization facilities, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. DOLE:

S. 1718. A bill to amend chapter 61 of title 18, United States Code, relating to lotteries. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. HOLLINGS, and Mr. PELL):

S.J. Res. 81. A joint resolution to regulate commerce by prohibiting the importation into the United States of any fish or fish products by any foreign enterprise which engages in commercial whaling activities, and for other purposes. Referred to the Committee on Commerce and the Committee on Finance, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCHWEIKER:

S. 1701. A bill to authorize the modification of the beach erosion control project for Presque Isle Peninsula, Erie, Pa. Referred to the Committee on Public Works.

Mr. SCHWEIKER. Mr. President, today I am introducing legislation to authorize construction of permanent offshore breakwaters to protect the Presque Isle Peninsula in Erie County, Pa.

The "Peninsula," as this area is locally refererd to, serves as a protective arm for Erie's developing seaport and industrial installations. Furthermore, this area serves as a recreational site, not only for the surrounding community, but also for tourists from Pittsburgh, Cleveland, Buffalo, Youngstown, and other nearby areas.

Mr. President, every time there is a storm in this section of Lake Erie part of the "Peninsula" virtually disappears. Within the past several weeks, the high winds which caused extensive damage in the Washington, D.C., area, caused equally extensive damage to Presque Isle. And unfortunately, this damage can become practically irreversible if permitted to continue.

In 1971, the Federal Government stopped its beach erosion control project at Presque Isle, and it was finally resumed only this year as the result of my amendment to the 1974 Water Resources Act, which authorized $3.5 million for the project over a 5-year period.

However, to date only temporary corrective measures have been proposed and funded. My bill today will provide $14,857,000 to construct permanent offshore breakwaters, which will go a long way toward eliminating the need for the frequent, costly sand nourishment programs which are required now in order to protect the beachfront from total destruction.

On April 1, 1975 the Chief of Engineers, Army Corps of Engineers, issued a proposed report recommending that approximately 5.5 miles of lake frontage be protected by five sections of offshore rubblemound breakwaters located at areas susceptible to critical erosion. This proposed plan also includes an annual redistribution of sand collected behind the breakwaters and replenishment of materials lost to offshore processes.

Although the total estimated cost of this needed project is $21,203,000, $6,346,000 will come from non-Federal sources and the Federal share will be only $14,857,000. Moreover, the Army Corps of Engineers has estimated the annual benefits at $3,459,000, and the cost/benefit ratio is 2.0. In addition, it is my understanding that even though the corps has recommended offshore breakwaters as the solution to the Presque Isle erosion problem, its engineers will continue to study alternative proposals to determine their desirability and cost effectiveness as this project develops.

Mr. President, I commend the corps for their efforts in this area and particularly the Buffalo district office which developed this plan.

I ask unanimous consent that the full text of my bill to authorize the construction of a permanent solution to the Presque Isle erosion problem be printed in the Record following my statement.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the modification of the beach erosion control project for Presque Isle Peninsula, Erie, Pennsylvania, recommended in the report of the Board of Engineers for Rivers and Harbors, Department of the Army, dated August 2, 1974, is authorized to be carried out in accordance with such recommendations.

Sec. 2. There is authorized to be appropriated not to exceed $14,857,000 to carry out the provisions of this Act.

By Mr. STONE (for himself and Mr. Thurmond):

S. 1702. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services. Referred to the Committee on Armed Services.

Mr. STONE. Mr. President, today I introduce for myself and the distinguished senior Senator from South Carolina (Mr. Thurmond) legislation which would equalize the retired pay of certain members and former members of uniformed services with the base pay rate in effect October 1, 1974.

I believe that the severe injustice that has been imposed upon retired members of the uniformed services should be ended immediately. The retirement system that was in effect until 1958 allowed retired benefits to keep pace with increases in active duty base pay by providing for automatic recomputation. Since the suspension of this system in 1958, there have been 12 increases in the active duty base pay. The resultant effect of eliminating the automatic recomputation of retirement pay has been to create large disparities in the amount of retired benefits available to military retirees with the same rank and number of years of service. Unfortunately, the oldest retirees, who are in the greatest need of retired benefits, are presently receiving benefits that are in many cases 50 percent less than their younger counterparts. I believe that a sense of equity demands that we provide equal benefits for equal service.

This bill would provide a one-time recomputation based upon the pay rates in effect October 1, 1974. This increase in retirement benefits would be effective immediately for all military retirees who are 65 years or older and for those who are at least 30 percent disabled. Other retirees would be eligible for the recomputation of their benefits upon reaching age 65.

During the past 3 years the Senate has overwhelmingly approved legislation introduced by my distinguished colleague, the senior Senator from Indiana (Mr. Hartke), that would have provided a one-time recomputation at age 60. However, the House of Representatives, citing the excessive cost of recomputation, has refused to consider this proposal. While I fully support recomputation at age 60, I believe that my bill, given the present economic situation and the reluctance of the House of Representatives to consider the more generous proposal approved by the Senate, provides an acceptable compromise.

My proposal attempts to effectively balance the cost of recomputation and the benefit to retirees by setting the effective age at 65. The first-year cost of this legislation would be $285 million—a reduction of about $188 million from the cost of recomputation at age 60. At the same time this proposal will provide considerable benefits to the disabled and older retirees who are in the greatest need of immediate aid. It is my hope that this bill will be viewed as an acceptable compromise by the present critics of recomputation and receive the immediate attention this problem deserves.

Mr. President, in closing I want to once again emphasize that I am submitting this proposal in an effort to compromise with those who are in favor of the principal and fairness of recomputation but are unable to support the enactment of recomputation age 60 because of its high cost. Should the House of Representatives indicate any willingness to support recomputation at age 60, I can assure you that I will strongly support this more generous provision.

By Mr. METCALF (for himself, Mr. Jackson, Mr. Mansfield, Mr. Abourezk, and Mr. Haskell):

S. 1703. A bill to suspend the Secretary of the Interior's authority to lease Federal coal lands. Referred to the Committee on Interior and Insular Affairs.

NO FEDERAL COAL LEASING UNTIL STRIP MINE LAW ENACTED

Mr. METCALF. Mr. President, I am introducing today a bill to suspend the Secretary of the Interior's authority to lease Federal coal lands until a Federal statute regulating surface coal mining on all lands in the United States has been enacted. Last week, the Congress sent to the President, H.R. 25, the Surface Mining Control and Reclamation Act of 1975. That bill made many of the changes requested by the President after he pocket-vetoed the surface mining legislation enacted by the 93d Congress.

Despite the fact that Congress has met the President more than halfway in enacting H.R. 25, the coal industry and particularly the oil companies who are beginning to take over the coal business—continue to urge the President to veto the bill. If H.R. 25 does not become law, I believe the Congress must prevent the further leasing of any Federal coal until a national surface coal mining bill satisfactory to the Congress has been enacted. It is these Federal coal deposits which the large energy companies are seeking to control and strip mine. The Constitution gives the Congress special responsibilities for the public lands. Thus, it is incumbent upon the Congress to protect these lands.

Chairman Jackson has agreed to put this bill on the committee agenda for markup on May 21. Thus, if H.R. 25 does not become law, the bill will be ready for Senate approval during the first week of June. I am sure that the House will give it prompt attention.

Mr. President, the Interior Committee has completed its hearings on S. 391, the Federal Coal Leasing Amendments Act of 1975. Markup will begin soon.

I intend to offer an amendment to S. 391, which would require all surface coal mining operations on Federal lands to conform with the requirements of title V of H.R. 25. Thus, even if a national bill is not enacted, we will assure that surface coal mining of Federal coal adheres to the standards approved by the overwhelming majority of the Congress.

By Mr. RANDOLPH (for himself, Mr. GRAVEL, Mr. WILLIAMS, and Mr. HUMPHREY):

S. 1704. A bill to authorize a local public works capital development and investment program. Referred to the Committee on Public Works.

Mr. RANDOLPH. Mr. President, I am gratified at the recognition of the value of public works construction programs as a vital tool in combating the economic recession that continues to take its toll in our country. Many of the proposals that have been advocated to stimulate economic recovery are based on the creation of jobs by developing needed public facilities.

In other years, when the United States was stricken with economic slowdowns, public works activities have proven valuable in placing people to work in useful endeavors. The facilities which were created during these times of stress stand today as monuments to the validity of this approach. Communities throughout America today use roads, public buildings, water and sewer systems, and other facilities that came into being as we sought to revitalize our national economy.

It is, therefore, understandable that the Congress is considering several approaches to utilizing public works programs during another period of economic stress. The measure I introduce today embodies one such approach. It is a modified version of H.R. 5247, the Local Public Works Capital Development and Investment Act of 1975, now being considered by the House of Representatives.

There has been considerable interest in H.R. 5247 since it was proposed in the House. My introduction of a companion bill in the Senate is done so that this body also may examine its provisions. It raises issues that must be thoroughly considered as we develop our response to a continuing unsatisfactory economic situation.

Such consideration will begin on May 21 and 22 when our Subcommittee on Economic Development, under the able chairmanship of Senator MONTOYA, will conduct hearings on antirecession proposals. The subcommittee also will have before it S. 1587 which I introduced with Senator MONTOYA on April 29. This bill would expand the programs of the Economic Development Administration, an established agency with functioning programs, to permit the acceleration of construction activities.

Both bills will be before the subcommittee at that time. This will enable members to focus on the problem and the alternatives for its solution. If we are to properly develop responsive legislation that will aid in restoring health to our ailing economy we must review all of the options. The legislation I introduce today expands this ability.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1705. A bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and ask unanimous consent that the letter of transmittal be printed in the RECORD with the text of the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1705

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended by striking the section and inserting in substitution the following:

"Sec. 212. Authorization for Appropriations.—

"There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out the provisions of this title."

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., April 24, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill "to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations."

This bill would authorize a flexible and permanent authorization for the Department's rail safety program. Not quite a year has elapsed since the Department submitted its last request to authorize additional appropriations to finance the administration of the Federal Railroad Safety Act of 1970 ("Act"). Just over three months have elapsed since enactment of the Transportation Safety Act of 1974 (P.L. 93-633) which, among other things, extended authorization for appropriations under Title II of the Act through FY 1975. The one year extension necessitates this request for further authorization for appropriations.

The responsibility for rail safety is a continuing task. Section 202 of the Rail Safety Improvement Act of 1974 (Title II of P.L. 93-633) provides:

"The Congress finds that more effective realization of the purposes of the Federal Railroad Safety Act of 1970 requires that Act to be amended to mandate comprehensive analysis and evaluation of the rail safety program, to increase the amount and percentage of available resources for inspection, investigation, and enforcement, and to increase the enforcement powers of the Secretary of Transportation."

Pursuant to this declaration of policy the Federal Railroad Administration (FRA) is continuing to expand its regulatory and enforcement efforts. The FRA has recently revised its Accident Reports regulations to improve its analysis of the level of rail safety. New safety rules have been proposed with respect to passenger train visibility. The FRA has established a Railroad Operating Rules Advisory Committee to study the impact of operating rules, signal systems and human factors on the relative level of rail safety. Further, the state participation program under section 206 of the Act has been substantially inplemented with respect to the initial standards promulgated under the Act.

The importance of the railroad industry as a transporter of freight and passengers requires permanent authorization for appropriations to meet the continuing responsibility for railroad safety. In contrast the lack of permanent authority for appropriations creates unnecessary administrative burdens in planning our rail safety program. Piecemeal extensions of authority for appropriations are not necessary to permit Congressional oversight in this area as this may be undertaken anytime.

The proposed legislation will not serve to adversely impact the environment nor will it have an inflationary impact on the economy.

The Office of Management and Budget advises that from the standpoint of the President's program there is no objection to the submission of this proposed bill to the Congress.

Sincerely,

WILLIAM T. COLEMAN, Jr.

By Mr. BROCK:

S. 1706. A bill to amend the Trade Act of 1974 in order to authorize the President to designate any of certain countries as eligible for the tariff preferences extended to developing countries under title V of such act if the President determines that such designation is in the national economic interest. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, today I am introducing a bill to amend the Trade Act of 1974 to allow certain friends of this country to become eligible for trade preferences as long as they do not participate in embargoes and other discriminatory acts against the United States

In the wake of the oil embargo of 1974, the Finance Committee inserted a provision to exclude members of the Organization of Petroleum Exporting Countries from certain trade preferences. Unfortunately, this provision placed restrictions on some countries that, although members of OPEC, did not participate in the oil embargo. This has caused a severe strain in relations with such friends of ours as Venezuela, Ecuador, Indonesia, and Nigeria. Although members of OPEC, these countries did not participate in the oil embargo. If they had, the effect of that embargo on this country would have been worse than it was, and I do not think our memories are so short as not to recall that tragic experience. Venezuela alone, accounts for approximately one-third of our imported oil.

The inclusion of Venezuela and Ecuador in the trade bill restriction has been particularly disturbing. This has been a major cause of deteriorating relations between the United States and Latin America. At a time when our foreign relations in Southeast Asia and the Middle East can best be described as "tenuous," it seems particularly disturbing that relations with old, close neighbors in this hemisphere should be strained.

Mr. President, to better understand the background on this whole problem, especially that with the Latin American countries, I ask unanimous consent that the following article in the March 2, 1975, edition of the Washingon Star be printed in the RECORD at this point. The author of this article is William D. Rogers, Assistant Secretary of State for Inter-American Affairs.

There being no objection, the article was ordered to be printed in the Record, as follows:

Trade Act Stirs Fuss

(By William D. Rogers)

Latin America and the United States share a mutual interest in liberalizing world trade. The Trade Act of 1974 now makes it possible for us to do something.

Positive elements of the Act for U.S.-Latin American Relations are: (1) the establishment of a generalized system of U.S. tariff preferences, and (2) the delegation of authority for the United States to bargain for a general lowering of the trade barriers around the world. These are major steps forward.

But the Latin Americans reacted to the act as it was finally passed by charging that it was "economic coercion." In particular, they objected to the minor provision of the act which apparently excludes countries that are members of the Organization of Petroleum Exporting Countries (OPEC) from participation in the U.S. preferences.

The exclusion had an out-sized impact in Latin American capitals, even before the full text of the act was available. The reaction culminated in the postponement of the meeting of the Latin American foreign ministers with Secretary Kissinger, which had been scheduled for March in Buenos Aires.

Why the Latin American reaction? And is the Trade Act on balance beneficial to Latin America? Why The Trade Act In The First Place?

In the early 1970's, the administration decided it would ask Congress for broad legislative authority to embark upon a new round of multilateral trade negotiations. The administration took this step in the face of growing strains on the international economic system, and the pressures on countries beset with economic difficulties to erect added barriers to the free flow of international trade.

The gains of past trade liberalization in lowering tariff barriers were being jeopardized by increasing resort to quota restrictions and other nontariff barriers. As a nation with a major interest in a global trading system, the United States might divert these worldwide protectionist forces by triggering a new multilateral negotiating process.

The administration presented its trade legislation to the U.S. Congress in early 1973. In September of that year, over 100 countries met in Tokyo and formally agreed to enter into the new round of trade negotiations which the proposed legislation contemplated. The Tokyo Declaration took special note of the trade interests of the developing countries, promising them additional benefits and making tropical products, which are of key importance to many developing countries, a special and priority item in the negotiations.

The two-year effort to pass the bill culminated in congressional approval of the Trade Act on the final working day of the last Congress, in December, 1974. Had the legislation not been approved, the administration would, as a minimum, have faced prolonged delay in obtaining legislation from a new Congress. The legislative process would have begun all over again. Delay, in turn, would have served the interests of those in this country who wanted protectionist legislation. And abroad, such a delay would have intensified pressures on other governments to adopt restrictive trade measures to meet the stresses of global inflation and recession.

So, faced with the choice between an imperfect Trade Act and no act at all, President Ford accepted the legislative mandate Congress had given him to put the weight of the United States into the balance of a freer international trading system.

Latin America will benefit both directly and indirectly from the Trade Act. Of particular direct importance to all developing countries and especially to Latin America was the inclusion in the act of authority to implement a system of generalized tariff preferences for developing countries.

The preference system will provide substantial benefits for Latin America. When implemented this fall, tariffs will be totally eliminated on a wide range of manufactured and semi-manufactured goods and selected agricultural and primary products when they are imported into the U.S. from designated Latin American or other developing nations.

Based on 1972 trade figures, more than $750 million of present U.S. imports from Latin America are expected to become eligible for duty-free treatment. Given the growth in U.S.-Latin American trade since 1972, the value of trade in these products is in all likelihood much higher today. The preferences can also provide a special benefit for the development and growth of exports from new industries in Latin America.

Although the direct benefits of preferences will be valuable, the multilateral trade negotiations, which are now getting underway in Geneva, will be even more important to the developing countries. Because of the principle of "most-favored-nation" in the negotiations, developing countries will share in the lowering of tariffs on individual products which will be negotiated. The tariff-cutting authority in the Trade Act is the largest, in percentage terms, that has ever been delegated to U.S. negotiators.

However, non-tariff barriers are also a formidable obstacle to many potential LDC exports. The reduction of such barriers is one of the principal objectives of the current trade negotiations.

In addition, the U.S. intends to seek some new rules on international trade practices. These rules could include a multilateral import safeguard system. This would prescribe actions that countries may take—and may not take—when they find their industries threatened by large-scale imports. Such a system could be important to developing countries, which need assurances that their newly developed manufactured exports will not be frozen out of developed country markets.

The U.S. also hopes to negotiate an international code on export subsidies and countervailing duties. These have been a source of friction between the U.S. and other countries, including those of Latin America.

On the other hand, the Latin American countries themselves realize that in order to be successful they will have to make contributions to the negotiations consistent with their own development objectives as agreed in the Tokyo Declaration.

The Geneva negotiations afford the developing countries a unique opportunity to review and rationalize their own systems of import controls, and trading practices.

In short, the trade negotiations in Geneva will help keep the world trading system open during a period of intense international strain, and prevent a recurrence of the widespread "beggar thy neighbor" policies which aggravated the 1930's.

A wide range of benefits can accrue to Latin American and other countries involved in the world trading system under the authorities contained in the act. There are, however, some aspects of this legislation which the Latin Americans took as discriminatory and coercive.

In particular, they objected to provisions which apparently exclude from participation in preferences countries that are members of the Organization of Petroleum Exporting Countries (OPEC).

They also opposed provisions barring nations who join other arrangements to withhold vital commodities from international trade, or raise commodity prices, in a way that causes serious disruption of the world economy.

Under present circumstances no commodity arrangements of foregin countries other than the OPEC system constitutes a basis for exclusion of its members from preferences. The OPEC exclusion, in sort, is the important one.

What is in that provision which triggered the reaction in Latin America?

The OPEC exclusion was added by the Senate during the final months of its consideration of the Trade Bill. The addition reflected congressional concern with the damage to the international economy from the 1973–74 embargo by several Arab oil exporting countries and the subsequent dramatic increases in the price of oil mandated by the members of OPEC.

The first and strongest Latin American critics of the Trade Act were Venezuela and Ecuador, the Latin American members of OPEC. Subsequently other Latin American countries joined in. In the end, the act was the subject of a solemn, four-day debate in the Permanent Council of the Organization of American States. All the Latin American nations present—even including several oil importers whose balance of payments has been severely affected by the increase in energy prices—voted for the OAS resolution condemning the act.

The criticism and the OAS resolution, reinforced by traditional Latin American solidarity when confronting the U.S., caused Argentina, the host for the next meeting of the U.S. and Latin American foreign ministers, and in consultation with the other countries including the U.S., to postpone the scheduled March meeting until such time as the difficulties relating to the Trade Act had been cured.

The administration, including President Ford and the Secretary of State, opposed the rigidities of the legislation—and particularly cited those portions of the legislation excluding oil exporting OPEC countries from preferences in the U.S. market.

Secretary Kissinger and I both testified against that provision in our appearances before congressional committees, before the bill was enacted. We warned Latin America would react negatively. And the administration is still pledged to work in a spirit of cooperation with the Congress to see if the difficulty can be resolved this session. Indeed, I note that proposed amendments to the Trade Act aimed at amelioratiing the problem have already been introduced by Senators Bentsen, Kennedy, and Brock and Rep. Harrington.

Furthermore, the immediate problem for Venezuela and Ecuador, in being excluded from U.S. preferences, should be viewed with perspective. Even without preferences, over 99 percent by value of Venezuelan and 91 percent of Ecuadorean exports to the U.S. are already duty-free; even if both countries were entitled to the preferences the rest of Latin America will have, only 1 percent of Venezuela's and 9 percent of Ecuador's shipments to this country would be advantaged.

But if on the surface the OPEC exclusion is not really terribly significant now in dollars and cents terms, in the background is the widespread fear in Latin America the protectionist tendencies in the U.S. may be growing. The U.S. market is of prime importance to Latin America, both as a source of imports and a market for exports. Trade with the U.S. accounts for 35 to 40 percent of all Latin American international trade. This has created among the Latin American governments a special sensitivity to U.S. trade policies and a special apprehension that the OPEC provision is merely a warning of worse to come.

The U.S. remains the largest and most easily accessible market in the world, with over 60 percent of our imports from Latin America entering duty-free, and with an average tariff level of 8 percent on the remainder. Latin America is our third most important trading area, behind Canada and the European Community, and approximately equal to Japan. A principal source of imported petroleum, tropical products, minerals, and an increasing source of manufactured goods, imports from Latin America totaled approximately $17 billion last year.

Mutual dependence—interdependence—gives the U.S. and Latin America a common-interest in the success of efforts to liberalize trade. The U.S. is the world's largest and most freely accessible market. We intend to continue. We will, in the process of the negotiations, make maximum use of our tariff negotiating authority to grant concessions on products of special interest to the developing countries. And we expect to continue our close consultation with the Latin Americans as the multilateral trade negotiations unfold, and to shape our own negotiating positions with Latin American trading interests very much in mind.

All this would have been impossible without the Trade Act. The initial reaction in Latin America was understandable—but the real significance of the act was badly obscured in the process. We expect that, as the possibilities for world trade liberalization at Geneva begin to emerge, we will see a more balanced appreciation of the act develop in this Hemisphere—and a growing interest in international cooperation to expand world trade as well.

Mr. BROCK. Mr. President, I would like to point out that similar legislation has been submitted in the House of Representatives by my colleague, WILLIAM J. GREEN of Pennsylvania. Mr. GREEN is chairman of the Trade Subcommittee of the Committee on Ways and Means. As cosponsors, he has the distinguished chairman of the Ways and Means Committee, Mr. ULLMAN, the ranking minority member of the Ways and Means Committee, Mr. SCHNEEBELI and the ranking minority member of the Trade Subcommittee, Mr. CONABLE. At this past weekend's meeting of Foreign Ministers of the Organization of American States, Secretary of State Henry Kissinger also endorsed this proposal.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1706

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last paragraph of section 502(b) of the Trade Act of 1974 is amended to read as follows:

"Paragraphs (2), (4), (5), and (6) shall not prevent the designation of any country as a beneficiary developing country under this section if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with his reasons therefor; except that the President may not make any such determination with respect to any country to which paragraph (2) applies if such country has participated, or is participating, in any action the effect of which is to withhold supplies of any vital commodity resources from international trade.".

By Mr. HUGH SCOTT:

S. 1707. A bill to authorize the Secretary of the Army to preserve, restore, interpret, and maintain historical property located on Federal lands under his control and jurisdiction. Referred to the Committee on Interior and Insular Affairs.

Mr. HUGH SCOTT. Mr. President, on this first day of National Historic Preservation Week I am pleased to introduce a bill to give the Secretary of the Army general authority to preserve and maintain significant historic structures and other objects of antiquity which are located at civil works projects developed and maintained by the Corps of Engineers.

Executive Order 11593 implements several important acts of Congress with respect to preservation of our Nation's historic resources. This order directs the agencies to initiate measures and procedures to insure the maintenance, through preservations, rehabilitation, or restoration of federally owned properties included in the National Register of Historic Places.

It is important to note that neither the order nor the preservation laws provide clear-cut authority for agencies such as the Corps of Engineers to expend funds to insure that these important resources are maintained and made available for the benefit and inspiration of the people.

In my Commonwealth of Pennsylvania survives the nationally registered Gruber Wagon Works which is located in an area of Berks County scheduled for inundation by the Corps of Engineers Blue Marsh Lake project. Since 1970 the corps has been seeking the financial means necessary to effect the rescue of the wagon works. Under the Reservoir Salvage Act of 1960, as amended, there is a limitation of 1 percent of the project cost—$430,000—for salvaging all historic resources in the Blue Marsh Lake area. The cost of relocating the Gruber Wagon Works and its contents, intact, to a nearby park where it would be maintained and operated by the Parks and Recreation Boards of Berks County, would be nearly $922,000 or $492,000 more than the amount allocated for salvaging all historic resources in the project area.

It seems somewhat incongruous that a major Federal agency has been made responsible for historic and cultural resources located on lands under its jurisdiction, but lacks the authority to expend funds to insure the preservation of America's historic vestiges.

I urge my colleagues to join me in correcting this "cart before the horse" situation.

Mr. President, National Historic Preservation Week, May 12–18, focuses on the meaning of and reasons for preserving our American heritage. What better time to appreciate the need to retain evidence of our past and to commit ourselves as custodians of its treasures?

I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon being entered into the National Register of Historic Places, any building, structure, site, or other object of historical significance located on federally owned lands at any water resources development project under the jurisdiction, control, and management of the Secretary of the Army may be preserved, restored, interpreted and maintained for the inspiration and benefit of the people by the Secretary with funds appropriated for the purpose of this Act.

SEC. 2. There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this Act.

By Mr. MATHIAS:

S. 1708. A bill to provide for the promotion of health education and preventive health services, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. MATHIAS. Mr. President, recently, the Senate Health Subcommittee has been holding hearings on two bills introduced by Senators KENNEDY and JAVITS which set forth mechanisms to develop a national strategy for health education, health promotion, and preventive medicine. Today, I introduce a bill of my own, the Health Education and Preventive Health Services Act. The purpose of my legislation is to promote the coordination of HEW's health education and preventive health services programs aimed at preventing disease, disability, premature death, and unnecessary health problems. This bill will establish an office of health education and preventive health services to be headed by a Deputy Assistant Secretary in HEW to serve as a primary focus within the Federal Government on matters pertaining to health education and preventive health services.

At the present time, the health education field is fragmented and divided, a situation we can ill-afford. HEW has told the Congress that more than $80 million is being spent on purposes related to health education by HEW agencies alone. The Congress, itself, has enacted over 30 different legislative authorities under which health education is mandated to HEW programs encompassing such divergent areas as over-the-counter drug education and alcoholism prevention. Presently, most of these programs go off on their own with their individual health education programs. Unfortunately, only two agencies thus far have agreed to pool their resources to deal with common educational problems: The Center for Disease Control in Atlanta and the National Cancer Institute which have joined in supporting community health programs to educate the public about cancer, and the CDC and the Office of Education which have agreed to work with the National Congress of Parents and Teachers on Comprehensive Health Education.

But our principal task should be the coordination of all the resources in existence in both HEW and other Federal agencies, and to focus and combine them to serve common health educational objectives. And, I think that such an effort forged at the Federal level and linked with private sources such as voluntary agencies, professional organizations, civic associations, and academic institutions can and will produce health education programs that will reach out and touch the people who need them.

Perhaps I can give an example of the kind of results we get from our fragmented system. Today, five different HEW agencies conduct five separate health education programs, all of which are directed at one high-risk segment of our population: low-income women. One agency goes after them with a smoking program. Since low birth weight of their children relates to poor nutrition, another comes at them with a nutrition program. Yet a third tries to sell them on family planning in competition with the fourth that preaches to them about the evils of venereal disease. On top of all this, in comes the fifth to warn them about high blood pressure. Under the bill I have introduced, the Office of Health Education and Preventive Health Services would be able to identify and develop health education programs aimed at high-risk population groups as an alternative to the proliferation of categorical health education programs which often strike only glancing blows at the target.

So, if the Congress can reach an agreement on a strategy to achieve effective programs of prevention and education to promote better health, not only will we be well on the way toward relieving human suffering, but we might also have a major impact on the reduction of expenditures for treatment and rehabilitation.

Mr. President, I ask unanimous consent that the text of the Health Education and Preventive Health Services Act be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1708

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Education and Preservation Health Services Act".

FINDINGS AND PURPOSES

SEC. 2. It is the purpose of this Act—

(1) to promote the coordination of health education and preventive health services programs and activities conducted by the Department of Health, Education, and Welfare aimed at preventing disease, disability, premature death, and undesirable and unnecessary health events;

(2) to improve administrative, operational supervision and the collaborative efforts of a wide range of separate Federal programs having purposes related to health education and preventive health services;

(3) to enable public and nonprofit private entities to plan and develop comprehensive programs in health education and preventive health;

(4) to evaluate and improve the effectiveness of Federal health education and preventive health programs; and

(5) to establish an Office of Health Education and Preventive Health Services in the Department of Health, Education and Welfare as a primary focus within the Federal Government on matters pertaining to health education and preventive health services, through which the Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the "Secretary") shall carry out the purposes of this Act.

OFFICE OF HEALTH EDUCATION AND PREVENTIVE HEALTH SERVICES

SEC. 3. (a) There is established within the Department of Health, Education, and Welfare an Office of Health Education and Preventive Health Services Programs to be directed by a Deputy Assistant Secretary for Health Education. The Deputy Assistant Secretary for Health Education shall be appointed by the Secretary and shall report directly to the Assistant Secretary for Health.

(b) The Secretary is authorized to provide the Office of Health Education and Preventive Health Programs with such full-time professional and clerical staff and with the services of such consultants as may be necessary for it to carry out its duties and functions.

FUNCTIONS OF THE DEPUTY ASSISTANT SECRETARY FOR HEALTH EDUCATION

SEC. 4. It shall be the function of the Office of Health Education and Preventive Health Services Programs—

(1) to coordinate and be responsible for the evaluation of Department of Health, Education, and Welfare programs and activities related to health education and preventive health programs and; to make periodic reports to the Secretary;

(2) to administer and be responsible for all health education and preventive health services programs carried on directly by the Department of Health, Education, and Welfare or supported by the Department through grants to, contracts with, entities and individuals;

(3) to provide a liaison with the activities carried on by other agencies and instrumentalities of the Federal Government relating to health education and preventive health services programs;

(4) to act as a clearinghouse for information pertaining to health education for use by all interested persons and public and private entities; and

(5) to develop and recommend priorities for health education activities, taking into account priority health problems high risk target populations, and alternative methods of communications including the media, school curricula, and programs at the community level.

PLANS AND REPORTS

SEC. E. (a) Not later than 6 months after the date of the enactment of this Act the Secretary shall make a report to the Congress setting forth a plan, to be carried out over a period of 3 years, for extension of health education programs and preventive health services to meet the special health needs of the various economic geographic and agricultural groups and populations and for carrying out the other purposes set forth in this Act and in other applicable Federal laws.

(b) Such a plan shall, at a minimum, indicate on a phased basis:

(1) the numbers of individuals to be served by health education and preventive health programs under the Public Health Service Act and other Federal laws for which the Secretary has responsibility, the types of information and educational materials to be developed under such laws and how they will be made available;

(2) an estimate of the costs and personnel requirements needed to meet these objectives;

(3) the steps to be taken to establish a systematic reporting system capable of yielding comprehensive data on which service figures and programs evaluation for the Department of Health, Education, and Welfare shall be based.

(c) On or before January 1, 1976 and on or before each January thereafter for a period of 3 years, the Secretary shall submit to the Congress a report which shall—

(1) compare results achieved during the preceding fiscal year with the objectives established for such year under the plan;

(2) indicate steps being taken to achieve the objective during the remaining fiscal years of the plan and any revisions necessary to meet these objectives;

(3) make recommendations with respect to any additional legislative or administrative action necessary or desirable in carrying out the plan.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. BEALL:

S. 1710. A bill to repeal the requirements of section 3306 of title 5, United States Code, relating to apportionment of appointments in the civil service in the District of Columbia among the States. Referred to the Committee on Post Office and Civil Service.

Mr. BEALL. Mr. President, I am today introducing legislation to eliminate the requirement of apportionment of appointments in the Federal service in the District of Columbia.

Just as the Congress has the responsibility to enact new laws to benefit its citizens, so, too, does it have the responsibility of repealing those statutes on the books which have completely outlived their usefulness. The provisions found in section 3306 of title 5 of the United States Code relating to the apportionment of Federal employees by States certainly fit that latter situation.

Both the Civil Service Commission and the General Accounting Office have expressed the need for repeal of these provisions, and thus I am hopeful that the Congress will act expeditiously on this legislation so that we do not continue a policy of discrimination against those citizens who happen to live in States which have exceeded their employment quotas.

The Civil Service Act of 1883 provided that appointments to the competitive Civil Service in the District of Columbia be apportioned on the basis of population among the States, territories, and possessions of the United States, and the District of Columbia. The law was further expanded by Executive Order 9830 dated February 14, 1947, which extended the requirement to headquarter jobs in the entire Washington metropolitan area.

The purpose of the law was to prevent the awarding of Federal jobs in the Washington, D.C., area to those office seekers who took up residence in the National Capital Area for the expressed purpose of gaining a political "plum." In those early, experimental days of the merit system, it was considered important to provide a positive device to keep the large block of competitive civil service jobs as accessible as possible to that part of the Nation's populous isolated from the Capitol by distance and poor transportation facilities.

Experience, however, has shown that apportionment has not worked out as was intended, and in fact has worked as a great disservice to highly qualified potential employees of the Federal Government who have the professional misfortune of living in areas which have exceeded their Federal employment quotas.

Certainly, the conditions that led to the adoption of the present law have changed dramatically. Now, fewer than one-seventh of the jobs in the competitive civil service are located in Washington, D.C. With growing decentralization, the nature of field jobs has also changed drastically. Much policy formulation and decisionmaking is currently being carried out in Federal offices across the country and high-paying, responsible positions are found in every State.

Another change that has taken place since 1883 is the fact that to an ever greater extent, headquarter jobs are being filled by employees already working in field offices. This is largely because of the greater mobility in our work force, a greater need for field experience at the headquarter level, and a growth in the number of responsible field jobs providing the desired experience.

Civil Service Commission records show 41 States and territories currently in arrears of their allotted apportionment and 15 States and territories, including the metropolitan area of the District of Columbia, in excess of their apportionment quotas. This imbalance has remained virtually unchanged for the last 25 years or more. Apportionment simply has not made a significant difference in the number of persons from States perennially in arrears who take employment in Washington, D.C. To a considerable extent, this is because the residents in States in arrears who want Federal jobs, find they can get them in their own States without having to uproot themselves and their families to move to Washington.

However, this does not mean that residents of States in arrears do not participate fully in Federal employment or that they would participate any less if there was no apportionment requirement at all. As a matter of fact, the percentage of total Federal employment in most States does tend to correspond to their percentage of the total U.S. population. For example, California, though it is in arrears for apportionment purposes, nevertheless has some 300,000 Federal jobs within the State. In contrast, about half the States in excess of their quotas actually have fewer Federal employees within their borders than the population would call for if all Federal jobs were equally distributed according to State population. Additionally, the effect of the apportionment requirement on the Federal highway process has been very minimal.

At the present time, there are about 340,000 Federal jobs in the Washington, D.C. area. Of that number, less than 50,000 are under the State-quota system. This is due to the fact that many Federal civilian positions and individuals by law are not subject to apportionment requirements and that the law allows the requirement to be waived for certain individuals and positions. Apportionment applies only to appointment in competitive positions in the headquarters offices of agencies in the Washington metropolitan area. Excluded are appointments to the accepted service—that is, all civil service positions not in the competitive service. Moreover, all veterans and other eligible for veterans preference are excepted from apportionment under 5 U.S.C. 3306. This exception is derived from the Veterans' Preference Act of 1944. The Civil Service Commission estimates that approximately 50 percent of all Federal appointees are veterans. Thus, by law, a sizable number of civilian positions and job applicants are not subject to apportionment.

Finally, the Civil Service Commission has also established exceptions, such as clerk, stenographers, typists, scientific and professional personnel because of shortages in those areas, and also has excepted all GS–13 and above because of the desire to consider all qualified applicants for jobs at these higher grade levels.

Another reason why comparable representation has not been achieved is the continuing reluctance of job applicants from distant States to move to the Washington area. In a 1973 GAO study, responding agencies indicated that there was a distinct unwillingness by applicants to relocate in Washington. One agency noted that 30 percent of its out-of-town applicants declined positions for this reason. Such factors as the high cost of living in the Washington area and the District's crime problem were given as reasons for such reluctance.

Perhaps one reason why Congress has failed over the years to remove this outmoded statute from our books is the fact that, percentagewise, so few positions are included in the State quota system. However, this fact is of no consolation to those citizens who are rejected for Federal employment because of this unwarranted situation. In fact, my interest in this whole situation began as a result of having one of my constituents rejected for Federal employment because of this law.

In responding to my letter on behalf of this constituent, the Civil Service Commission said:

> Experience in administering the apportionment requirement in Section 3306 has convinced us that it is an outmoded, ineffective, and cumbersome device that acts as a barrier to full equal employment opportunity and has no place in a modern, streamlined federal merit system. However, until such time as the law is repealed, we must continue to execute it, which means, discriminating against the citizens of Maryland and the citizens of all states that exceed their quotas of departmental jobs in the Washington, D.C., Metropolitan area.

The Civil Service Commission has repeatedly urged the repeal of this legislation. In a recent letter to me, the Commission states:

> The Commission feels that repeal of apportionment is amply justified because in concept and in operation it is contrary to the fundamental principles of the merit system. Under apportionment, candidates who are only marginally qualified but who are from states in arrears receive consideration for departmental positions before exceptionally well qualified candidates from states in excess of their apportionment quotas. This is offensive to the principles on which our competitive Civil Service system rests.

Repeal of the apportionment requirement has also been advocated by the General Accounting Office, the investigative arm of the Congress. In a report to the Congress, released on November 30, 1973, the Comptroller General said:

> We believe the apportionment requirement should be eliminated so that agencies and departments will no longer be required to comply with a requirement that has outlived its usefulness. Even to the small percentage of appointments to which apportionment was applied, comparable representation has not resulted. The nationwide competitive examinations and rotation policies of agencies, to a large extent, have probably served the original purpose of the apportionment requirement.

Mr. President, the current apportionment requirement is an outmoded, ineffective and cumbersome device that acts as a barrier to full equal employment opportunities. It is difficult to administer, and has absolutely no place in modern, streamlined Federal merit system. I urge the Congress to act swiftly and favorably on my legislation.

Mr. President, I ask unanimous consent that an article by Mike Causey in the May 8, 1975, Washington Post entitled, "Quotas Keep Thousands off Payroll," be included in the Record at the end of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Quotas Keep Thousands Off Payroll

(By Mike Causey)

Hundreds of Washington area residents, as well as Pennsylvanians and North Carolinians and persons from 12 other states are turned away from certain federal jobs here each year because an 1883 law says they come from the wrong place. The statute, which Congress has consistently refused to change, allots a specific number of the executive branch's civil service jobs here to residents of 56 states and territories on the basis of population. It is one of those laws that few people know exists, until they get a rejection slip from their government because of it.

Federal officials have asked that the quota system be abolished because it makes for unbelievable, and hypocritical, administrative practices. Since it exempts veterans, the quota system also discriminates against women, since few of them are veterans.

At the moment there are 339,857 federal jobs here (not counting clandestine operations of the CIA and National Security Agency). Of that number, about 290,000 are in the executive branch of government, and of that number, precisely 48,964 are under the state-quota system.

Those 48,964 jobs range from typists to administrators, and the quotas are unevenly distributed across the more than 100 agencies here. Most would-be federal employees don't know whether they are competing for a job inside or outside the state quota system, unless they get turned down for being from a state that is in excess of its quota.

States that already have more than their share of people in government quota jobs here are, in no particular order:

Minnesota, just over its limit of 904 quota spots; Massachusetts, Iowa, Kansas, North Dakota, North Carolina, Vermont, Pennsylvania, Maine, Nebraska, South Dakota, West Virginia, Maryland, Virginia and the District of Columbia. Many citizens of those states have been turned down for government jobs this year, if they are quota jobs, because too many friends got here ahead of them.

Best states to be from, in the quota competition, are California, which has only 654 persons under the regulation and a quota of 4,739; Michigan, 473 in a quota of 2,108, then Wisconsin, Georgia, Indiana, Florida, Texas and The Commonwealth of Puerto Rico. None of the six quota jobs assigned to American Samoa, the Virgin Islands' 15 or Guam's 20 slots are filled, and there are only 7 Alaskans where Congress has made room for 72.

The quota system does not mean that all those jobs are begging for residents of states that are in arrears. But under the mixed-up quota system, which Congress created when it set up the civil service system, the commitment is there. It would serve the Senate and House right if members were deluged with requests from out-of-work constituents, demanding immediate employment here.

By Mr. CRANSTON (for himself, Mr. Hartke, Mr. Randolph, Mr. Hansen, Mr. Thurmond, Mr. Stafford, and Mr. Williams):

S. 1711. A bill to amend title 38, United States Code, to provide special pay and other improvements designed to enhance the recruitment and retention of physicians, dentists, nursing personnel, and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes. Referred to the Committee on Veterans' Affairs.

S. 1711: VETERANS' ADMINISTRATION PHYSICIAN PAY COMPARABILITY ACT OF 1975

Mr. CRANSTON. Mr. President, I am pleased to introduce the proposed Veterans' Administration Physician Pay Comparability Act of 1975. Joining with me are the distinguished chairman of the Committee on Veterans' Affairs (Mr. HARTKE) and my friend from West Virginia (Mr. RANDOLPH), as well as the three ranking minority members of the committee (Mr. HANSEN, Mr. THURMOND, and Mr. STAFFORD), and the distinguished Senator from New Jersey (Mr. WILLIAMS).

PURPOSE OF THE BILL

This bill seeks to redress the major problems the Veterans' Administration faces in recruiting and retaining physicians, dentists, nurses, physicians' assistants, dental therapists, licensed vocational nurses, and nursing assistants.

As chairman of the Subcommittee on Health and Hospitals of the Veterans' Affairs Committee, I have been deeply concerned over the Veterans' Administration's difficulty in recruiting and retaining highly skilled health professionals for a career in the Department of Medicine and Surgery, and have taken a number of legislative steps to alleviate this difficulty over the past 6 years.

I have sought to make a health career in the VA more attractive by: First, strengthening and expanding the affiliations between VA hospitals and health training institutions; second, proposing and obtaining large increases in research and medical care appropriations, and third, authoring new laws—Public Law's 93–82 and 82–541—expanding the mission of the VA Department of Medicine and Surgery to emphasize training of health care personnel to meet national needs, providing for overtime and premium pay for VA registered nurses, and, probably most importantly, broadening the statutory authorities under which the VA provides medical care so that VA medicine is more comparable to modern medical practice in terms of the provision of ambulatory care, home health care, and treatment of the veteran's family where it is important to the treatment of the veteran.

PROVISIONS OF S. 2354 AS PASSED BY THE 92D CONGRESS

The legislation which was enacted as Public Law 93–82 had been introduced in the 92d Congress first as S. 2354. Mr. President, I would like to point out that S. 2354 as it was passed by the Senate unanimously on May 4, 1972, contained many of the provisions which are in the legislation—specifically in section 5—we are introducing today. At that time, S. 2354 proposed to revise the Department of Medicine and Surgery personnel authorities to enable the VA to compete more effectively for scarce health professionals. Among these revisions, S. 2354 would have authorized the VA to pay special salary differentials for posts that are difficult to fill, and to peg general salaries geographically to an index community hospital.

In addition, S. 2354, as passed by the Senate in the 92d Congress, would have placed physicians' assistants and dental therapists directly within the title 38 personnel system using the nurse schedule. S. 2354 also, in an effort to enhance the recruitment and retention of licensed vocational or practical nurses and nursing assistants in the VA, would have authorized that the same differential and premium pay rates being provided for VA title 38 nurses be made available to licensed vocational nurses and nursing assistants.

All these provisions, which are included in the bill we are introducing today, were dropped in discussions with the House in reaching an agreement between House-passed and Senate-passed legislation. The experience of the last few years has again made it clear that these provisions are badly needed in order to enable the VA to compete effectively for health care personnel, and convinces me to reintroduce these provisions as a part of this bill providing an incentive pay bonus designed to enhance the recruitment and retention of VA physicians.

I emphasize, Mr. President, that the serious problems for the Department of Medicine and Surgery occasioned by the present statutory provisions in so far as licensed vocational nurses, licensed practical nurses, nursing assistants and physicians' assistants are concerned—all of which we have sought to address in section 5 of the bill we are introducing—were highlighted by the VA Chief Medical Director, Dr. John D. Chase, as part of his testimony on VA physician pay comparability legislation before the Hospitals Subcommittee of the House Veterans' Affairs Committee on April 28, 1975.

One VA personnel provision which was in S. 2354 and retained in the agreement made with the House and then retained in the finally enacted Public Law 93–82—which I introduced as S. 59, the Veterans Health Care Expansion Act of 1973—authorized higher pay grades for all title 38 employees. The benefits of this legislation, however, are not available to those personnel in the higher schedules due to the $36,000 ceiling imposed on all Federal employee salaries, which Congress last year decided not to raise.

COMPARABILITY OF PAY PROVISIONS OR PHYSICIANS

This ceiling on Federal salaries, Mr. President, has had the most deleterious impact on physicians in the Veterans' Administration where 40 percent of the physicians are reimbursed at the top ceiling level. Some of these professionals have been at this top ceiling level for as many as 5 years. This freeze is particularly burdensome in times of rapidly escalating increases in the cost of living.

Mr. President, the proposed Veterans' Administration Physician Pay Comparability Act of 1975 represents an interim step in the process of creating a permanent solution to the problem of adequate Federal pay schedules for physicians. The bill specifically addresses the inequity which currently exists for physicians in the VA's Department of Medicine and Surgery—known as DM&S.

THE UNIFORMED SERVICES: DEFENSE DEPARTMENT AND PUBLIC HEALTH SERVICE

The inability of the Federal agencies to reimburse physicians at a level which would enable those agencies to attract quality physicians to a career in their institutions first became apparent 4 or 5 years ago. With the ending of the physician draft in the armed services, the uniformed services were faced with a critical shortage of physicians to serve the needs of their members, and little hope of recruiting these needed professionals for career service. To meet this urgent situation, the Department of Defense submitted legislation, first in 1972, to provide special pay to medical officers after 2 years of service and to authorize a variable incentive pay for physicians of up to $15,000 a year depending on the severity of the shortage in the particular physician's specialty.

The 93d Congress completed action on this legislation in April 1974, and on May 6, 1974, the President signed it into law. As enacted, Public Law 93–274 provided for monthly special pay for physicians and for dentists in both the Department of Defense and in the Public Health Service. In addition, physicians in the uniformed services of the Department of Defense and the Public Health Service became entitled to special incentive pay—commonly called a "bonus" or "V.I.P.", which stands for variable incentive pay—of up to $13,500 on a yearly basis upon execution of a written agreement to complete a specified number of years of continuous active duty.

Mr. President, with the enactment of this legislation, and regulations issued thereunder effective September 5, 1974, the physicians employed in the VA Department of Medicine and Surgery no longer had pay comparability with the physicians in the two other major Federal health-care-providing agencies. In addition, while the VA system of hospitals and clinics offers many attractions and inducements to the physician beyond those offered by the Department of Defense and the Public Health Service—in terms of professional challenges in patient care, medical research, and in teaching—comparable positions in teaching hospitals in the community offer significantly greater financial rewards than VA service, as do faculty appointments at medical schools.

SALARIES OF VA PHYSICIANS

A comparison of the incomes of VA physicians, uniformed services physicians, and non-Federal physicians, shows that the current $36,000 salary ceiling on VA professionals is substantially lower than the top salary in the other two categories; the highest paid uniformed services physicians earn $55,594; and 15.8 percent of non-Federal physicians net over $71,000 annually.

Data regarding average net income for physicians in the United States show that the average net income for non-Federal physicians is $49,415; for physicians in group practice; about $52,000; in strict full-time academic medicine, $37,600, including fringe benefits estimated at 17.5 percent; in academic geographic full-time medicine, $38,650, including fringe benefits estimated at 17.5 percent; in military medicine, $37,355; and in the VA, $31,000.

It should also be noted in connection with the $37,355 military physician's average net income that over 75 percent have less than 12 years of professional experience, based on Army statistics. For those with over 12 years experience, the average salary is $43,039. The average salary after 12 years experience in the VA is $36,000 or less; for physicians in the private sector, it is $46,538.

ALARMING TREND TOWARD VA RELIANCE ON PART-TIME AND FOREIGN MEDICAL GRADUATE PHYSICIANS

Mr. President, one of the major findings of the special survey report by the VA Chief Medical Director on the level of the quality of patient care at Veterans' Administration hospitals and clinics, undertaken at the request of the President in 1974, was the serious problem of recruitment and retention of qualified health professionals. That report by the VA's present Chief Medical Director, Dr. John D. Chase, stated:

> If improved remuneration is not forthcoming in the next few months, we are convinced that the VA's ability to recruit well-qualified physicians will be seriously impaired and there will be an acceleration of resignations and conversions to part-time employment for economic reasons.

This prediction has proven to be very accurate indeed, Mr. President. Current data show that while overall employment of physicians in the Veterans' Administration has increased by 35 percent over the past 6 years, those who are serving full time represent only a 7 percent increase, while those who are serving part time represent an increase of 174 percent. From July of 1972 through September of 1975, 732 additional physicians were recruited. Of these, 93 percent, or 680, agreed to serve only part time.

Mr. President, this rapid increase in the number of VA physicians who are serving part time presents a most damaging trend which must be reserved.

Moreover, the 183 full-time physician increment achieved between 1972 and 1974 tells the story of another serious threat to the quality of patient care in VA hospitals. On the surface, this increase of 183 physicians appears salutory. However, in actuality it represents a disturbing trend toward dependence on the foreign medical graduate. Within the last 2 years, the number of physicians employed by the Veterans' Administration who graduated from U.S. medical schools has decreased by 122, while the number of VA physicians who are graduates of foreign medical schools has increased by 305.

Mr. President, I ask unanimous consent that charts graphically setting forth the increase in the percentage of physicians serving part time and the breakdown of foreign medical graduates among the physicians serving full time in the larger VA hospitals be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

(Three graphs submitted are not printed in the RECORD.)

INSERT I, NO. 4

VA DEPARTMENT OF MEDICINE AND SURGERY—FMG IN TOTAL PHYSICIAN POPULATION

	Total physician by category	FMG	Percent FMG	Percent FMG in VA
All physicians	356, 534	68, 009	19. 1	31
Internal medicine	64, 257	12, 666	19. 7	23
Surgery	76, 672	12, 147	15. 8	25
Psychiatry	26, 843	6, 510	24. 3	33
Pathology	12, 290	4, 197	34. 1	47

Source: Data from AMA—Dec. 31, 1972.

INSERT I, NO. 5

VA DEPARTMENT OF MEDICINE AND SURGERY, FULL-TIME PHYSICIANS—FMG AS PERCENT OF FULL-TIME STAFF

[Includes only hospitals where FMG representation is 50 percent or more]

Facility	Total	1972 FMG	Percent	Total	1974 FMG	Percent
Fort Howard	14	7	50. 0	14	12	85. 7
Beckley	12	8	75. 0	11	9	81. 8
Downey (P)	28	15	53. 6	40	30	75. 0
Castle Point	18	13	72. 2	23	17	73. 9
Lyons (P)	33	25	75. 8	35	25	71. 4
Dayton	40	25	62. 5	40	26	65. 0
Fort Wayne	12	8	66. 7	14	9	64. 3
Chillicothe (P)	18	11	61. 1	19	12	63. 2
Bronx	72	41	56. 9	74	43	58. 1
Chicago (WS)	82	45	54. 9	71	41	57. 7
Huntington	18	6	33. 3	18	10	55. 6
Miami	43	19	44. 2	40	22	55. 0
Danville	30	14	46. 7	31	17	54. 8
Erie	11	4	36. 4	11	6	54. 5
Buffalo	49	23	46. 9	57	31	54. 4
Leavenworth	35	12	34. 3	35	19	54. 3
Marion, (IN)	13	6	46. 2	13	7	53. 8
Bedford (P)	23	13	56. 5	26	14	53. 8
Manchester	18	7	38. 9	19	10	52. 6
Cleveland	62	30	48. 4	73	37	50. 7
Albany	45	15	33. 3	46	23	50. 0
Hampton	40	18	45. 0	42	21	50. 0
Salem	45	12	26. 7	52	26	50. 0
Wilmington	27	10	37. 0	28	14	50. 0
Fort Lyon (P)	8	3	37. 5	10	5	50. 0
Total	796	390	------	842	486	------

Note: 1972, 796; 1974, 842 equals 46 increase FTE. 1972, 390; 1974, 486 equals 96 (FMG) increase FTE.

Mr. CRANSTON. Mr. President, the VA's ability to recruit physicians has been seriously impaired by its inability to offer competitive salaries. Although many physicians looking for an academic career do give serious consideration to employment in a VA hospital affiliated with a medical school, data compiled recently on the reasons physicians offered positions in VA hospitals are declining such offers reveal that in the majority of the cases, salary was indicated as the major reason for rejecting the offer. Almost 1,200 physicians who were offered full-time positions in VA hospitals in calender year 1974 in either the psychiatric service or the general medical and surgical service declined the offer. Approximately 58 percent of those who declined positions offered in the psychiatric service declined because the salary was too low, and approximately 67 percent of those who declined positions offered in the general medical and surgical service also declined because the salary was too low.

Mr. President, I ask unanimous consent that a chart indicating the reasons for rejection of VA 1974 employment offers by physicians be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

VA DEPARTMENT OF MEDICINE AND SURGERY—DECLINATION OF BONA FIDE OFFERS, JAN. 1, 1974–DEC. 31, 1974

	Reason for declination				Percent rejection because salary too low
	Total number	Salary too low	Other known reasons	Reasons unknown	
Hospital:					
Psychiatric	152	88	47	17	57. 9
G.M. & S.	1, 043	698	208	137	66. 9
Total	1, 195	786	255	154	65. 8
Domiciliary	0	0	0	0	0
Outpatient clinics	14	8	3	3	57. 1
Systemwide	1, 209	794	258	157	65. 7

Mr. CRANSTON. Mr. President, the actual dollar difference which prompted these refusals averaged out to $13,548 and is clearly indicated in a chart which, Mr. President, I ask unanimous consent be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

VA DEPARTMENT OF MEDICINE AND SURGERY—IMPACT OF SALARY ON RECRUITMENT AND RETENTION (JULY 1, 1974 TO MAR. 31, 1975)

	Total	Board-certified	Nonboard-certified	Average VA salary offer	Average minimum requirement	Average difference
Full-time physicians terminating VA employment	279	139	140	$31, 437	$44, 085	$12, 64
Full-time physicians converting to part-time	153	94	59	33, 370	47, 134	13, 76
Non-VA physicians rejecting bona-fide offers of VA full-time employment	422	276	146	31, 455	44, 243	12, 78
New appointments to part-time status who rejected full-time positions	294	171	123	29, 721	45, 102	15, 38

Note: The overall average difference between the VA offer and stated minimum requirement was $13,548.

Source: Special survey of VA hospitals, includes data from all but 3 hospitals.

Mr. CRANSTON. Mr. President, the chief medical director's special task force report on recruitment and retention of professionals made several recommendations with regard to alleviating the physician shortage in the VA Department of Medicine and Surgery. The first priority was given to enacting legislation which would provide incentive pay for physicians, give retirement credit for time spent in medical school, and authorize sabbaticals for physicians under certain circumstances.

Given the urgency of the physician retention problem at the moment, I believe legislation should be enacted immediately to provide a significant degree of pay comparability with other Federal agencies and with the community to forestall any mass exodus of physicians from the Veterans' Administration. The legislation I am introducing today does not contain the other two provisions which I am still considering. It does provide for special pay for physicians in the form of a yearly variable incentive bonus based directly on that provided the medical officers in the uniformed services under section 313 of title 37.

INCORPORATION OF EXISTING UNIFORMED SERVICES INCENTIVE PAY LEGISLATION

Mr. President, we have chosen to draft the bill so as to provide the greatest possible amount of comparability between the authority to be provided to the Administrator of Veterans' Affairs and the authority available to the Secretary of Defense and the Secretary of HEW under section 313 of title 37, United States Code.

It is our view that it is desirable to try to place the VA Department of Medicine and Surgery on a competitive level with the uniformed services insofar as recruitment and retention of physicians is concerned. We concluded that the best way to accomplish this would be to incorporate by reference the section 313 provisions and to direct the Administrator to exercise them in a manner not inconsistent with conditions of employment in the VA or with other provisions in the bill.

There are two other reasons, Mr. President, why we have chosen this incorporation-by-reference approach. First, we wanted to provide the VA with authority to enter into agreements for up to 3 years of service with VA physicians in return for which they would be eligible to receive the special pay for each such year.

This agreement is the predicate for the exercise of the section 313 authority, and, according to the April 30, 1975, health personnel task force report, entitled "Initial Report on Variable Incentive Pay for Medical Officers," by the Office of the Assistant Secretary of Defense—Health and Environment—submitted pursuant to Public Law 92-274, the military has thus far found the procedure of entering into such agreements to be a highly desirable recruitment-and-retention device.

The Defense Department report states that through March of this year, fiscal year 1975 medical officer volunteers are up 400 percent from a comparable period in fiscal year 1974—from 84 to 337; whereas losses were down by over 30 percent—2,278 out of 11,189, for a loss rate of 20 percent through February 1975, as compared to 3,415 out of 12,857 in fiscal year 1973 end-strength, for a loss rate of 27 percent.

Moreover, the DOD report shows that 54 percent of all military medical officers entering into variable-incentive pay agreements elected—and I stress the word "elected"—to do so for more than 1 year. Specifically, fully 33 percent chose to do so for the full 4 years.

Second, we chose the incorporation-by-reference method in order to insure that the VA's new authority to provide special pay to its physicians would endure as long as the section 313 authority was available to the uniformed services. We believe that the VA should have its authority automatically extended if and when the Congress decides to extend the section 313 authorities beyond their present June 30, 1976, termination date.

Finally, in this connection, Mr. President, I wish to stress that under our bill no physician would be required to enter into any agreement for more than 1 year in order to receive the special-pay bonus. There would be no coercion. There would be no undermining of the VA career system, as some seem to fear. If a physician wished to have more security than a straight 1-year bonus of up to $13,500 would provide—with no assurance of any such additional remuneration beyond 1 year—the physician would have the option under our bill of entering into an agreement for 2, 3, or 4 years of service within the Department of Medicine and Surgery.

The physician could, of course, still voluntarily terminate his employment or be terminated by the VA for grounds of misconduct, pursuant to the applicable statutory and regulatory procedures and standards. Mr. President, the section-by-section analysis of the legislation, which I will enter into the RECORD at the conclusion of my remarks, provides a detailed discussion of the provisions in our bill as they relate to section 313 of title 37, and I wish to refer my colleagues to that discussion for further information.

SPECIAL PAY PROVISIONS

Mr. President, the special incentive pay provided for in our bill would be authorized for any physician—full-time or part-time—employed in the VA Department of Medicine and Surgery.

However, the legislation specifies that the maximum amount of the special pay—$13,500—would be provided the Chief Medical Director, the Deputy Chief Medical Director, and the Associate Chief Medical Director—the top three officers in the Department of Medicine and Surgery.

Two types of special pay are established: base special pay and additional special pay.

Base special pay. The bill differentiates the level of base special pay allowable to full-time—other than the top three D.M. & S. officers—as against part-time physicians. In the case of full-time physicians, they would be entitled to base special pay at 45 percent of the $13,500 maximum amount, or $6,075.

In the case of part-time physicians, there are two different measures for the amount of their base special pay bonus. First, a part-time VA physician whose part-time service is required by the nature of the VA's medical needs in a particular area—rather than being determined for the convenience of the physician himself—is entitled to the full $6,075 bonus the same as a full-time VA physician.

In the case of a part-time VA physician whose part-time service is for the physician's convenience, base special pay is limited to an amount not to exceed 30 percent of the $13,500 maximum amount, or $4,050. The disparity of $2,025 in base special pay is intended to encourage physicians to accept a full-time VA DM&S appointment. Although the greatest amount of base special pay to which a regular part-time physician would thus be entitled would be the $4,050, this amount could be adjusted downward by the Veterans' Administration, in accordance with regulations, based on the number of hours worked or other factors. This situation should be distinguished from the case of additional special pay, where a pro rata reduction is required to be made, as opposed to being left discretionary with the VA as in the case of the base special pay for most part-time physicians.

It should also be noted, Mr. President, that the hospital director who is a physician would receive the $6,075 base special pay applicable to full-time physicians. I recognize, Mr. President, that there will be some dispute about the inclusion of a special pay bonus for physician hospital directors when that bonus will not be available to nonphysician hospital directors.

However, I believe that substantial inequities would be created if we were to exclude the physician hospital directors. There are 42 of them—although 6 hold dual positions as Chiefs of Staff and thus could readily convert to Chief of Staff positions solely, thereby qualifying for special pay if it were denied to physician hospital directors—and a number of them have come up through the system and been "promoted" from Service Chief or Chief of Staff.

I do not believe, Mr. President, that the nonphysician hospital directors, and we have some fine ones in California, would choose to deny physician hospital directors the benefit of this bonus just because it could not be extended, under the terms of section 313 of title 37, to nonphysicians. In this regard also, I think it is noteworthy that physician hospital directors are presently denied the benefit of having their salaries augmented by schools for carrying out faculty responsibilities—a decision, of course, for the medical school to make—a monetary benefit worth anywhere from $1,000 to $20,000 and averaging about $3,000 a year. For them to accept remuneration from the medical school would be a violation of Federal conflict-of-interest laws since the hospital director is responsible for contractual relations, in a number of respects, with affiliated medical schools.

Thus, I believe that to deny the physician hospital director this base special pay benefit would be to compound further an inequity.

Moreover, I am not aware that the VA has experienced particular difficulty recruiting lay hospital directors under the $36,000 ceiling.

Additional special pay: Over and above the amount of base special pay, there would be additional special pay, the amount of which would be determined by the VA after taking into account the scarcity of the medical specialty, the tenure, the education, and the responsibilities of the physician involved and the need for his services in the geographical area to which he is to be assigned. This additional special pay would be available to both part-time and full-time physicians, and in the case of the part-time physician would be prorated based on the proportion of full-time service provided.

Governmentwide health care personnel study: In addition, Mr. President, the bill provides that the Director of the Office of Management and Budget, after consulting with the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Chairman of the Civil Service Commission, and the heads of other appropriate Federal agencies, shall submit by March 1, 1976, a report proposing a permanent legislative solution to the problem of attracting and retaining highly qualified physicians and other health care personnel for service in the Veterans' Administration, in other non-uniformed Federal service, and in the uniformed services—the military and the Public Health Service. This report, along with a justification for the proposal, is to be submitted to the appropriate House and Senate committees. The administration has already begun this study, and the March 1, 1976, date, therefore, should be reasonable.

I believe that the other priority recommendations of the Special Task Force with regard to physician recruitment and retention—urging retirement credit for the years spent in training and sabbaticals for professionals who meet certain conditions—merit careful consideration.

However, with the current critical lack of pay comparability for VA physicians, I believe the lack of a variable incentive pay bonus is by far the largest factor impairing VA physician recruitment and retention. The other benefits suggested by the special task force should be thoroughly studied and weighed in terms of their utility and effectiveness as part of a more permanent legislative solution governing pay for health professionals in the Federal service. I would hope that the Office of Management and Budget would include consideration of these two issues in developing the report mandated by section 4(b) of the proposed Veterans' Administration Physician Pay Comparability Act of 1975.

Mr. President, the legislation would also direct that this permanent legislative solution not confine its scope only to physicians, but include all health care personnel as well.

RECRUITMENT AND RETENTION OF OTHER HEALTH PERSONNEL

Physicians' assistants and dental therapists: Any system providing the high quality and wide range of health care the Veterans' Administration provides must rely on a highly trained interdisciplinary staff. Each member of this health care team plays a critical role in the treatment of every veteran served. Although the recruitment of physicians is essential, another major shortage area in the Veterans' Administration system of hospitals and clinics is the highly trained paraprofessional such as the physicians' assistant and dental therapist, as well as the all-important licensed vocational or practical nurse and the nursing assistant. In many locations, the VA has had great difficulty in competing with the community for the skills of these personnel.

Mr. President, the basis for this inability to compete is the restrictiveness of civil service pay schedules. In the case of the physicians' assistant, for example, the civil service position classification permits an entry salary of about $10,000 with little potential for advancement. This compares with a beginning salary of $12,500 to $15,000 in the community.

It is incongruous that the Veterans' Administration which has led the Nation in the development and training of this innovative and extremely effective paraprofessional is unable to profit from its own efforts—efforts they were mandated to expand by several provisions of Public Law 93–82. Although the VA has participated in the training of about 1,800 physicians' assistants, it has never had more than 85 employed at any one time. I do not foresee any reclassification of these positions by the Civil Service Commission within the next few years. Indeed, the Civil Service Commission on April 10, 1975, refused to do just that.

In order to permit the Veterans' Administration to utilize these invaluable individuals—many of them veterans who received their inital training during their military service—the legislation we are introducing today places physicians assistants and dental therapists within the title 38 personnel system utilizing the salary schedule for nurses.

The flexibility of the title 38 system should provide the maximum opportunity to adjust the varying roles and responsibilities developed for these paraprofessionals to the appropriate grade and pay levels, using the nurse schedule.

The bill in addition, authorizes the premium and overtime pay currently authorized for title 38 nurses, to be paid to physicians assistants and dental therapists as well.

Licensed vocational nurses and nursing assistants: Mr. President, the vast majority of nursing personnel—those who are not registered nurses—are, like physicians' assistants, governed by Civil Service Commission classifications. Under those rules, both the licensed vocational or practical nurse and the nursing assistant are covered by the same classification schedule.

The licensed vocational nurse has received formal training, completing a course of study approved by the State and has passed a State-approved written examination making the l.v.n.; or l.p.n. eligible for State licensure. The VA requires practical nurses to be licensed if they are to be retained beyond a probationary period.

The use of the same entry grade and schedule for both categories of personnel has created a serious morale problem which the VA Department of Medicine and Surgery has solved only partially by attempting to utilize a higher entering grade for the l.v.n. or l.p.n. based upon comparability studies for specific communities. However, approval for such a higher entering grade must come from the Civil Service Commission and to date has been granted in only four geographical areas.

In the case of nursing assistants, Mr. President, the Veterans' Administration encourages them to undertake career training as licensed vocational nurses. However, the level of pay offered nursing assistants—entry level of GS–2—offers few inducements for the nursing assistant to remain in that classification during training, when salaries of wage board employees in VA hospitals are substantially greater. The nursing assistant is attracted to these wage board positions—such as a position in the laundry facility, the engineering division, or the housekeeping department—which pay a much higher salary than that allowed a GS–2.

I have long believed that there is a natural career ladder which can be identified and developed starting with the nursing assistant, through the licensed vocational or practical nurse to the registered nurse, and beyond.

Public Law 93–82 directed the Department of Medicine and Surgery to provide for maximum opportunities for lateral mobility and career advancement for all health care personnel, with particular emphasis on continuing education and arrangements for obtaining academic credit for such on-the-job training. The VA has followed through conscientiously on this mandate and has developed a strong training program for nursing assistants, as well as for physicians' assistants, as I mentioned earlier.

A beginning to a closer coordination of the career development programs in the nursing fields is achieved through the bill's provision making the overtime and premium pay provisions which are applicable to title 38 nurses, also applicable to licensed vocational nurses and nursing assistants, in lieu of the present title 5 provisions now applicable to them. This would constitute a change in overtime and premium pay under the general schedule for these personnel in five respects: First, the bill would make applicable the more liberal 4-hour rule for night shifts; second, it would provide for overtime pay during Sundays at 175 percent rather than 150 percent; third, it would provide for overtime pay on holidays at 200 percent rather than 150 percent; fourth, it would apply the 15 minute pre-overtime rule; and fifth, it would provide for on-call pay.

To counter the difficulties posed in recruiting licensed vocational nurses and nursing assistants, the Chief Medical Director's Special Survey Report recommended that authority be given the VA to establish, on a geographical basis, a higher minimum and wider range of salary rates for these nontitle 38 nursing personnel. This recommendation was given high priority among the recommendations of that survey and action was urged in the current—then the 93d—Congress.

The legislation we are introducing today, Mr. President, incorporates this recommendation, and also makes it applicable to dentists, title 38 nurses, physicians' assistants, and dental therapists. This is in line with the Special Survey Report recommendation that dentists, nurses, and nurse anesthetists should be removed from the restrictions of the salary ceilings imposed throughout the Federal Government.

The bill thus authorizes the Administrator of Veterans' Affairs, whenever he finds such action necessary to recruit or retain the services of such health care personnel, to increase the maximum rate of pay authorized under title 38 or title 5, on a geographical basis, both for a grade and within a grade in order to provide pay commensurate with competitive pay practices or to meet staffing requirements at geographically remote facilities.

With this authority, the Veterans' Administration will be in a position to compete more favorably for the services of health care personnel throughout the Nation.

Mr. President, as I indicated earlier, Dr. Chase in his April 28, 1975, testimony before the House Subcommittee described the physician recruitment and retention problem as well as these problems regarding other health care personnel. Mr. President, I ask unanimous consent that excerpts from his testimony be printed at this point in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts From Testimony of Dr. John D. Chase, VA Chief Medical Director, April 28, 1975: House Subcommittee on Hospitals, Committee on Veterans Affairs

First, I will describe for you the nature of our problem in the recruitment and retention of professional staff, with emphasis on physicians—the most critical aspect of this problem today. Second, I will discuss the problems we have with regard to licensed practical nurses and nursing assistants—a matter characterized in the Quality of Care report as a priority issue second only to that regarding recruitment and retention of physicians. Third, I will cover the Physicians' Assistants program in the VA, and fourth, the problems we are having in regard to pay differentials for certain categories of medical support personnel.

The preliminary report of the Quality of Care Survey stressed a finding that VA's Department of Medicine and Surgery was then in a non-competitive salary position for the recruitment and retention of physicians and observed that the situation was becoming progressively more severe. The final report went into this matter in greater detail and included the report, with recommendations, of a special Task Force on Recruitment and Retention.

The Task Force's summary remarks opened with this statement:

"The most critical problem confronting the Department of Medicine and Surgery is the recruitment and retention of an adequate staff of well qualified personnel essential to providing high quality health care. The most urgent of these needs focuses on the physician . . ."

The validity of this statement has intensified with the passing months.

Today, of all the problems in the area of patient care, the gravest threat to VA's ability to deliver the quality of care expected of us is our inability to offer competitive salaries to our physicians.

We have gathered an unarguable data base regarding the incomes of physicians in non-VA settings. This includes the incomes of physicians in other Federal medical systems. There are marked, even drastic disparities between what VA can pay its physicians and what comparably qualified physicians are earning elsewhere.

We also have gathered information on what these disparities have meant to our system, over the past year or two, in terms of rejections of offers of employment, of resignations from our system, and of movement within our system from full-time to part-time employment. And, while it is more difficult to measure, I can assure you that there is a serious and growing morale problem among our remaining physicians. This is reflected in our contacts with VA hospitals and clinic and in our correspondence.

I am not talking about shortage-category specialists alone but about physicians across the board. Of course, our traditional problem of attracting certain specialists has become even more acute. For examples: 44 of our Chiefs of Psychiatry positions are either vacant or filled on a part-time basis; 67 of our Chiefs of Laboratory positions are either vacant or filled by part-time pathologists or pathologists on a consultant or contract basis; 71 of our Chiefs of Radiology positions are either vacant or filled on a part-time or contract basis; and we are in need of a full-time Chief of Anesthesiology at approximately one-half of our hospitals.

As important as these figures are, I think our primary message is told better as follows: last year, of all bonafide offers of employment to physicians, we had a 66% rejection rate on the basis of salary; in the past two years, the percentage of Foreign Medical Graduates in our physician work force has moved from 26% to almost 32%, in the past five years, the number of individual physicians has increased by 34%, but our complement of part-time physicians has jumped by 174%, while the number of full-time physicians went up only 7%! One measure of quality of physician performance is his or her ability to gain academic rank in a medical school. In the past year, the number of VA physicians gaining this distinction has dropped from 51% to 40%.

We must reverse this trend of high-calibre physicians in all categories either leaving, or refusing employment in our health care facilities. It is a matter of extreme urgency that a solution be found that will make VA's salary structure for physicians competitive at least with the salaries payable to comparably qualified physicians in the other Federal health care systems, namely those in the Department of Defense and the U.S. Public Health Service.

I have had prepared a series of charts dealing with this issue and I would like to go over these with you in a moment.

First, though, I will cover the other matters referred to earlier. While the physicians' salary problem is the one of greatest immediacy, our other concerns regarding salary also bear on good patient care.

The licensed practical nurse is employed following a formal period of training provided by institutions, many of which are affiliated with the VA. Upon certification, the trainee is licensed as a practical nurse, but upon entry into our system, must be employed under the identical classification schedule as the nursing assistant. From an operational standpoint, the LPN is expected to assume greater responsibilities than the nursing assistant and on the basis of their training, to exercise higher levels of judgment within the team concept of patient care. The use of a single schedule for both categories has created a morale problem for the Department of Medicine and Surgery. The interim solution for the inequity has been the utilization of a higher entering grade for the LPN based upon comparability studies for specific communities.

This provision, however, is administered by the Civil Service Commission and to date, we have been successful in only four geographic areas. Also, this solution is marginally satisfactory at best, because the current classification series for these employees cannot be effectively utilized as a separate and discrete career ladder.

VA's repeated attempts to establish a separate series for the LPN—through Civil Service Commission review—have been unsuccessful. Concerning this, I would like to submit for the record copies of the latest exchange of correspondence on this subject between our Administrator and the Chairman of the Commission.

(Correspondence is inserted at the end of this testimony.)

Despite this recent turndown, I assure you that we will continue our efforts with the Commission to establish a separate classification schedule for LPNs and, in the interim, to petition the Commission for higher entry rates on the basis of geographic surveys.

The other problem we have in this regard, and one which was addressed by the special Task Force on Recruitment and Retention, concerns our nursing assistants primarily. This is due to the differing mechanisms of Wage Board employment and the Civil Service General Schedule employment. The latter applies in the case of nursing assistants and, in a number of localities, our nursing assistants are being attracted away from this career into other VA hospital employment such as the Wage Board positions in our housekeeping departments, food and laundry facilities, and engineering divisions. We are continuing to examine this problem with the objective of defining in greater detail the impact of administrative solutions, rather than a legislative remedy focused on a single employee group such as that proposed by the Task Force.

The physician-assistant program has been one of the most productive and usefully innovative developments in American health care delivery. The physician-assistant is a trained para-professional who has undergone two years of academic training, preparing himself to provide direct assistance to patients by the accumulation of data from the patient and to relate findings in the history and physical examination to the need for further study. Some physician-assistants may, under supervision, undertake certain technical procedures and may provide a critical role of professional assistance from the operating theater to the nursing home care unit. The VA has assisted in the educational program for this level of trainee at 29 locations and has expended $248,127 for this purpose in FY 1975.

The VA has conducted in-depth investigation on the effectiveness, cost efficiency and patient acceptability of the physician-assistant as a health care worker. In all regards, this program has proven to be extremely worthwhile as an additive measure by which health care can be provided. With our interest in the program, the VA provided leadership in establishing a mechanism for Federal employment. The problem which I surface to you today is that to date we have been unsuccessful in establishing a classification schedule at an appropriate level of reimbursement.

This has resulted in the fact that, while the VA has participated in the training of approximately 1800 PAs, we have been successful in recruiting and retaining very few. The most we have had in our system at any one time is the current figure of 85.

The basic entry salary we are permitted to offer is $10,520, or GS 7, step one. Meanwhile, PAs can enter employment in the private sector at salaries ranging from $12,500 to $15,000.

Concerning this problem, we will continue and intensify our efforts to establish for PAs in the Federal sector a classification schedule with higher entry levels. We are actively at work drawing together revised and more comprehensive statements of standards and qualifications for this purpose.

Lastly, I wish to point out that the provisions of Public Law 93-82, which authorized certain much needed pay differentials for our nurses—who are required to perform standby, night, weekend, and holiday duty—has given rise to complaints both within nursing service and from other categories of health care personnel. These new provisions for premium pay create inequities between categories, as well as administrative problems within nursing service, as the new provisions are applied. We will be working with the Congress to develop technical correction to resolve these difficulties. . . .

March 10, 1975.

Hon. Robert B. Hampton,
Chairman, Civil Service Commission,
Washington, D.C.

Dear Mr. Hampton: Since 1968 the VA has been convinced that licensed practical nurses should be in an occupational series separate from nursing assistants. On a number of occasions we have presented our case to the Civil Service Commission, but each time the Commission has determined that there were insufficient differences in the basic duties to warrant establishment of a separate series. We maintain that there are significant differences between the two occupations. The differences are reflected in the knowledge requirements, as evidenced by licensure, the higher performance expectations for the LPN, and the responsibilities assumed by the LPN.

Licensed practical nurses participate in the planning, implementation, and evaluation of nursing care in all settings where nursing takes place. They perform with greater depth and effectiveness in the use of judgment and application of health care teaching. They exercise skill in interpersonal relationships, in motivation, communication, and evaluation of the condition of the patients. They carry out their assignments with a great degree of independence, conferring with a professional nurse only occasionally for complex procedures regarding patients' conditions or unit management. In instances where there is a shortage of professional nurses, an LPN will be placed in charge of a unit provided professional nurse assistance is readily available.

We believe that the higher level of knowledge possessed by the LPM affects the manner in which duties are performed in much the same way that a professional education permits a medical technologist to differ from a medical technician in series and grade level. Although we do not intend to equate the LPN with the professional level, the current philosophy of medical care in the VA requires LPN's to perform at the first level of the nursing profession—a level significantly different from that of nursing assistants. The LPN effectively bridges the gap between the professional nurse and the non-professional nursing assistant, and is the only nonprofessional position in the VA, other than Dental Hygienist, that requires a license.

The separation of these occupational groups is not a phenomenon peculiar to the VA. In the private sector, the LPN is also recognized as the first level of nursing, and is compensated accordingly. The American Nursing Association and the National League of Nursing recognize the LPN as an integral part of nursing and support practical nursing service and practical nursing education.

In conjunction with our conviction that separate occupational series should be established, we believe that GS-4 should be the entrance level for LPN's. They require only a short period of orientation to hospital policies and procedures before they are expected to perform the full scope of patient care duties which are described in the Civil Service classification standard at the GS-4 level. Therefore, we consider it inequitable to require LPN graduates to be employed at the GS-3 level.

We are enclosing a proposed qualification standard which incorporates a suggested approach to developing an appropriate qualification standard for these positions. This draft provides for entry at the GS-4 level based upon successful completion of a State approved written examination for Licensed Practical/Vocational nurses and current licensure to practice as a licensed practical/vocational nurse in a State or territory of the United States or in the District of Columbia. In addition, one year of LPN/LVN experience is required at the GS-5 level and two years at the GS-6. We believe this draft provides an appropriate vehicle for determining qualifications of individuals who function at the LPN/LVN skill level as members of the health care team.

The need for changes in the employment policies of LPN's has been affirmed by the Department of Medicine and Surgery Task Force study conducted last summer at the direction of the President, and reported in House Committee Print No. 163, 93d Congress, 2nd Session. It was determined by the Task Force, in which I concurred, that the improvement of recruitment and retention of LPN's is vital to the fostering of quality patient care in our hospitals.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 10, 1975.

Hon. RICHARD L. ROUDEBUSH,
Administrator,
Veterans' Administration,
Washington, D.C.

DEAR MR. ROUDEBUSH: This is in response to your letter of March 10, 1975, concerning your proposal to place Licensed Practical Nurses in an occupational series separate from Nursing Assistants and to recognize grade GS-4 as the entrance level for the Licensed Practical Nurse with no additional experience.

We fully appreciate the importance of providing better care to veterans and the crucial role that successful recruitment and retention of qualified personnel play in meeting that objective. We conducted an occupational study of the Nursing Assistant Series, GS-621, fairly recently and during that study we analyzed the work of Licensed Practical Nurses (LPN's) as well as that of Nursing Assistants.

In the Federal service as a whole, we found no consistent and clear distinction between the work assigned to and performed by LPN's and that assigned to and performed by nursing assistants. The major exception is that in some medical facilities, LPN's are authorized to administer medications and nursing assistants are not. As a matter of policy this is true in VA hospitals. However, in other Federal medical facilities, nursing assistants and LPN's both administer medications.

With due allowance for variations in individual positions, our findings were that (a) duties assigned to and performed by Licensed Practical Nurses are also assigned to and performed by Nursing Assistants, and (b) the knowledges, skills and abilities required for successful performance of those duties can be gained through various kinds of experience and training.

Aware of the VA interest in a separate series for LPN's, we explored the problem in depth. Our judgment was that to establish a separate occupation reserved only for LPN's who have completed a specified period of training, passed a test and paid licensing fees, even though others without those credentials are qualified to perform the work, would violate the spirit of the merit system by blocking some employees from work they are fully qualified to perform and, in some cases, are now performing.

Your letter urges establishment of a GS-4 entrance level for LPN's. A grade GS-4 entrance level is not justified for these positions based on the length and level of the LPN training. One year of training is qualifying at grade GS-3 for various medical support and other aid and technician occupations. Two or more years of training or education are required to qualify at the GS-4 level for nurse, dental hygienist, medical radiology technician, and many other types of technical support positions. To single out LPN's for a different entry level pattern would obviously create inequities.

In our judgment, the issue of the entrance level for LPN's is primarily a pay problem. We suggest approaching it from that point of view. Section 5303 of Title 5, U.S. Code, was enacted for this purpose. Under this legislation, higher salaries are now authorized for LPN's in VA Hospitals in the New York, Chicago, Boston, and West Haven, Connecticut. We are now considering a request for special rates for LPN's for the VA Hospital in Allen Park, Michigan. We will continue to use this pay flexibility when warranted to help the VA recruit and retain qualified LPN's.

I want to assure you that we share your interest in the need for effective measures to meet the vital manpower requirements in the health care field. This interest and concern has been uppermost in our minds as we prepared this reply to your request.

Sincerely yours,

ROBERT E. HAMPTON,
Chairman.

COMPENSATORY TIME OFF FOR NURSES

Mr. CRANSTON. Mr. President, another VA personnel problem has arisen recently as a result of a provision added by Public Law 93-82. This provision in section 4107(e)(5) does not permit compensatory time off in lieu of pay for overtime work. This prohibition was added to the law at the request of representatives of nurses in order to preclude any situation where, in order to save money, a nurse was pressured to take compensatory time off rather than receive overtime pay.

However, the need for such a prohibition is no longer present. Instead, we find the following situation. In some cases, nurses will be called in on an emergency basis to work outside their normal working hours and are then required to go directly into their regular working day because of the prohibition on compensatory time off. If the nurse then decides not to continue working into the regular tour of duty, leave must be charged for any period of absence from duty. Many nurses would prefer receiving compensatory time off in lieu of the overtime or premium pay in such a situation.

In order to permit this option, the legislation we are introducing today permits a nurse, only where a purely voluntary request is made in writing, to receive compensatory time off in such cases.

COST ESTIMATE

Mr. President, it is estimated that the first full-year costs of this legislation total $69 million. Of this amount the first-year costs of the proposed special-pay-for-physicians provisions are estimated at $63 million, and the costs of the other provisions—placing physician's assistants and dental therapists in the title 38 schedule, and authorizing overtime and premium pay for licensed vocational or practical nurses, nursing assistants, physicians' assistants, and dental therapists, identical to that provided title 38 nurses—are estimated to total $6 million.

I would like to bring to the attention of my colleagues, Mr. President, the fact that in the VA's official legislative report to the House committee and in Dr. Chase's testimony, both submitted on April 28, 1975, the Administration stated:

> Its support of legislation to provide VA physicians a variable incentive bonus pay provision which provides comparable pay adjustment to that available to physicians in the uniformed services, . . . this legislative authority . . . [to] be effective July 1, 1975, and terminate on June 30, 1976, which is identical to the concluding date for Public Law 93-274.

The VA's initial informal estimate of the cost of this provision was $74 million. As a result of our providing for $2,000 less base special pay for most part-time VA physicians, the costs have been reduced to $63 million for this special pay program.

CONCLUSION

Mr. President, the Veterans' Administration medical care system has grown through the years, and has become a system capable of providing high quality medical care to our Nation's veterans.

Statutory limitations on its ability to provide a broad range of health services to eligible veterans have been largely removed in recent years primarily through enactment of Public Law 93–82, the Veterans Health Care Expansion Act of 1973, one of the first major pieces of legislation to be reported from the Veterans' Affairs Committee established in the 92d Congress. I believe it is essential that we build upon the foundation laid by that public law for a health system "second to none," by providing the VA with the authorities it badly requires in order to attract and keep on board the health care personnel needed to administer the program.

Mr. President, the Health and Hospitals Subcommittee will hold hearings on the Veterans Administration Physician Pay Comparability Act of 1975 and related legislation on May 22 and 23, 1975, at 9:30 a.m. Dr. Chase will lead off the testimony on the first morning. After we have had an opportunity to hear from the Administration, veterans organizations, health care personnel, and other individuals and organizations wishing to comment on this legislation, I would hope to bring the bill through committee and to the floor next month.

Mr. President, I ask unanimous consent that a section-by-section analysis of the proposed legislation followed by the full text of the bill be printed in the RECORD at this point.

There being no objection, the analysis and the bill were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF PROPOSED VETERANS' ADMINISTRATION PHYSICIAN PAY COMPARABILITY ACT OF 1975

Section 1. Provides that this Act may be cited as the "Veterans' Administration Physician Pay Comparability Act of 1975".

Section 2. Makes a series of amendments to present section 4107 of title 38, United States Code, (specifying grades and pay scales) designed to (1) place the salaries of the three top officials of the Department of Medicine and Surgery (DM&S) within title 38 rather than in the Executive Schedule in title 5, United States Code, as at present; and (2) provide for the payment to VA physicians of a variable incentive bonus which provides pay adjustment comparable to that available to physicians in the uniformed services (military and public health service), as provided for in section 313 of title 37, United States Code, as amended by Public Law 93–274, the Special Pay Structure Relating to Medical Officers of the Uniformed Services Act. The Administration indicated its support for such pay adjustment provisions on page 6 of its April 28, 1975, report on H.R. 1545 and related bills to the House Committee on Veterans' Affairs.

Clause (1). Amends subsection (a) by deleting, in light of the amendment made in clause (2) of this section and in section 3 of the bill, the language which denotes that the pay scale of the Chief Medical Director and Deputy Chief Director are not provided for in the "section 4103 schedule".

Clause (2). Amends subsection (a) by striking out the present reference to the salary of the Associate Deputy Chief Medical Director (specified to be at the annual rate provided in section 5316 of title 5 for positions in level V of the Executive Schedule) and substitutes for that reference designations of salary level for the Chief Medical Director ($49,700), Deputy Chief Medical Director ($48,500), and Associate Deputy Chief Medical Director ($47,300). The salaries of these three top officers of DM&S are currently set by the Executive Schedule as follows: $40,000 for the Chief Medical Director; $38,000 for the Deputy Chief Medical Director; and $36,000 for the Associate Deputy Chief Medical Director. All of the positions at executive level III are filled by Presidential appointment by and with advice and consent of the Senate; the same is true of virtually all the positions at executive levels IV and V as well. In contrast, the three top DM&S officers are non-partisan officials appointed for four-year statutory terms of service by the Administrator of Veterans' Affairs, not by the President.

The $49,700 pay level proposed for the Chief Medical Director in the bill derives from the executive level III salary proposed by the President on February 4, as part of a three-year adjustment plan for the Executive Schedule salaries (Appendix to the Budget for Fiscal year 1975, page 1030); the salaries of the Deputy Chief Medical Director and Associate Deputy Chief Medical Director are set at $1,200 and $2,400 lower, respectively, slightly higher than the executive III and IV levels proposed by the President at that time in order to bring the salary of the Associate Deputy Chief Medical Director to a higher level than that presently set forth for Assistant Chief Medical Directors ($46,336) as presently set forth in the "section 4103 schedule" in present section 4107(b).

It should be noted that all of the salaries in the "section 4103 schedule," to the extent that they exceed $36,000, are governed by the limitation in present subsection (d) applying the $36,000 ceiling set forth in section 5308 of title 5, United States Code. Since this same ceiling would thus, under the amendments in clause (2), apply to the salaries of the Chief Medical Director and reducing them by $4,000 to $2,000, respectively—which would be unfair to the incumbents of that office (particularly insofar as Civil Service retirement credit is concerned)—section 6(b)(1) of the bill would add a "grandfather" provision entitling the incumbents of the three top DM&S offices to the salaries they were receiving prior to these salaries being placed in the "section 4103 schedule."

Clause (3). Amends present subsection (c) to add a necessary reference to the special pay provided for in the amendment made by clause (4) of the bill.

Clause (4). Amends present subsection (d), which makes applicable to the "section 4103 schedule" the pay limitations set forth in section 5308 of title 5 (the $36,000 annual salary limitation), by providing for an exception to that ceiling with respect to special pay (under the new paragraph (2) added to the present section 4107 by this clause) for certain physicians employed in the Veterans Administration Department of Medicine and Surgery. A new paragraph (2) is added to present subsection (d) as follows:

New section 4107(d)(2): Provides that, notwithstanding the annual salary ceiling limitation, the Administrator is authorized and directed to utilize the special pay provisions in section 313 of title 37, United States Code, as added by section 1(4) of Public Law 93–274, in order to provide, in addition to any other pay or allowances to which such individual is entitled, special pay, in the nature of a variable incentive bonus, to any physician employed in DM&S. The Administrator is required to prescribe his own regulations governing the provision of such special pay, and, in prescribing such regulations, he is not bound by the regulations prescribed under that law by the Secretary of Defense or the Secretary of Health, Education, and Welfare (HEW). In effect, the provisions of section 313 of title 37 would be incorporated by reference into title 38, except "to the extent that the provisions of such section are clearly inapplicable to conditions of employment in the Veterans Administration or not consistent with the provisions of" the new paragraph (2).

The full text of Public Law 93–274, section 1(4) of which adds a new section 313 to title 37, United States Code, is as follows:

PUBLIC LAW 93–274

An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302 is amended to read as follows and the item in the chapter analysis is amended to correspond with the revised catchline:

"§ 302. Special pay: physicians

"An officer of the Army or Navy in the Medical Corps, an officer of the Air Force who is designated as a medical officer, or a medical officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in a category named in this section; or

"(2) $350 a month for each month of active duty if he has completed at least two years of active duty in a category named in this section.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

(2) The following new section is added after section 302a and a corresponding item is inserted in the chapter analvsis:

"§ 302b. Special pay: dentists

"An officer of the Army or Navy in the Dental Corps, an officer of the Air Force who is designated as a dental officer, or a dental officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in the Dental Corps or as a dental officer;

"(2) $150 a month for each month of active duty if he has completed at least two years of active duty in the Dental Corps or as a dental officer;

"(3) $250 a month for each month of active duty if he has completed at least six years of active duty in the Dental Corps or as a dental officer; or

"(4) $350 a month for each month of active duty if he has completed at least ten years of active duty in the Dental Corps or as a dental officer.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

(3) That portion of the first sentence of section 311(a) preceding clause (1) is amended to read as follows:

"(a) Under regulations to be prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical Corps above the pay grade of O–6, an officer of the Air Force who is designated as a medical officer and is above the pay grade of O–6, a medical officer of the Public Health Service above the pay grade of O–6, an officer of the Army or Navy in the Dental Corps, an officer of the Air Force who is designated as a dental officer, or a dental officer of the Public Health Service who—".

(4) By adding the following new section after section 312a and by inserting a corresponding item in the chapter **analysis:**

"§ 313. Special pay: medical officers who execute active duty agreements

"(a) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, and approved by the President, an officer of the Army or Navy in the Medical Corps, an officer of the Air Force who is designated as a medical officer, or a medical officer of the Public Health Service, who—

"(1) is below the pay grade of O–7;

"(2) is designated as being qualified in a critical specialty by the Secretary concerned;

"(3) is determined by a board composed of officers in the medical profession under criteria prescribed by the Secretary concerned to be qualified to enter into an active duty agreement for a specified number of years;

"(4) is not serving an initial active duty obligation of four years or less or is not serving the first four years of an initial active duty obligation of more than four years;

"(5) is not undergoing intern or initial residency training; and

"(6) executes a written active duty agreement under which he will receive incentive pay for completing a specified number of years of continuous active duty subsequent to executing such an agreement;

may, upon acceptance of the written agreement by the Secretary concerned, or his designee, and in addition to any other pay or allowances to which he is entitled, be paid an amount not to exceed $13,500 for each year of the active duty agreement. Upon acceptance of the agreement by the Secretary concerned, or his designee, and subject to subsections (b) and (c) of this section, the total amount payable becomes fixed and may be paid in annual, semiannual, or monthly installments, or in a lump sum after completion of the period of active duty specified in the agreement, as prescribed by the Secretary concerned.

"(b) Under regulations prescribed by the Secretary of Defense, the Secretary concerned, or his designee, may terminate, at any time, an officer's entitlement to the special pay authorized by this section. In that event, the officer is entitled to be paid only for the fractional part of the period of active duty that he served, and he may be required to refund any amount he received in excess of that entitlement.

"(c) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount receive that exceeds his entitlement under those regulations. If an officer has received less incentive pay than he is entitled to under those regulations at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

"(d) This section does not alter or modify any other service obligation of an officer. Completion of the agreed period of active duty, or other termination of an agreement, under this section does not entitle an officer to be separated from the service, if he has any other service obligation.

"(e) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall each submit a written report each year to the Committees on Armed Services of the Senate and House of Representatives regarding the operation of the special pay program authorized by this section. The report shall be on a fiscal year basis and shall contain—

"(1) a review of the program for the fiscal year in which the report is submitted; and

"(2) the plan for the program for the succeeding fiscal year. This report shall be submitted not later than April 30 of each year, beginning in 1975.".

SEC. 2. The amendments made by this Act become effective on the first day of the first calendar month following the date of enactment. Except for the provisions of section 313 of title 37, United States Code, as added by section 1(4) of this Act, which will expire on June 30, 1976, the authority for the special pay provided by this Act shall, unless otherwise extended by Congress, expire on June 30, 1977.

Approved May 6, 1974.

LEGISLATIVE HISTORY

House reports: No. 93–883 (Comm. on Armed Services) and No. 93–984 (Comm. of Conference).

Senate Report No. 93–656 (Comm. on Armed Services).

CONGRESSIONAL RECORD:

Vol. 119 (1973): Dec. 20, considered and passed Senate.

Vol. 120 (1974): Apr. 2, considered and passed House, amended. Apr. 23, House and Senate agreed to conference report.

The Department of Defense Directive (No. 1340.11) of September 12, 1974, implementing section 313 is as follows (note that the VA need not adopt the same regulations to exercise the section 313 authority for VA physicians):

DEPARTMENT OF DEFENSE DIRECTIVE

Subject: Variable incentive pay for medical officers.

References:

(a) Section 313 of title 37, U.C. Code

(b) Section 205 of title 37, U.S. Code

(c) DoD Directive 1340.8, "Continuation Pay for Medical and Dental Corps Officers," (under revision)

(d) DoD Directive 5154.13, "Procedures for the Approval of Regulations Pertaining to Military Pay and Allowances," May 1, 1958

(e) DoD Instruction 7110.1 "Guidance for Preparation of Budget Estimates, Operating Budgets, Financial Plans and Apportionment Requests, and Related Support Material," August 23, 1968

I. PURPOSE

This Directive establishes Department of Defense policies governing the payment of variable incentive pay to medical officers under reference (a).

II. DEFINITIONS

A. Medical Officers. An officer on active duty in one of the following categories:

An officer in the U.S. Army who is in the Medical Corps;

An officer in the U.S. Navy who is in the Medical Corps;

An officer in the U.S. Air Force who is designated as a medical officer.

B. Critical Specialty. Categories of medical officers in which the supply of qualified personnel is, or is projected to be, inadequate to meet military service requirements as designed by the Secretary of the appropriate Military Department and approved by the Secretary of Defense.

C. Initial Active Duty Obligation. The first obligation to serve on active duty for a specified period of time imposed on medical officers by a statute other than section 313 of title 37, U.S. Code (reference (a)), by contract or agreement, or by a regulation issued by the Secretary of Defense or the Secretary of a Military Department. Those officers who entered on active duty, other than under a special procurement program, on or after July 2, 1973, will not be considered as having an initial active duty obligation, and shall not incur such an obligation solely as the result of the commissioning process.

D. Long-Term Medical Training Obligation. An obligation incurred by an individual as a result of participating in military funded medical training of one school year or more. This medical training will include both that received in preparation for commissioning as a medical officer, as well as that received subsequent to commissioning as a medical officer.

E. Initial Residency. An initial residency shall be construed to be that period of time in residency training prior to formal completion of the officer's first residency.

III. POLICIES AND RESPONSIBILITIES

A. Variable incentive pay shall be used as a responsible management tool with respect to officers qualified in critical specialties by:

1. Paying a bonus to medical officers based on current shortages, and projected shortages.

2. Fostering utilization policies so that medical officers will be assigned in accordance with their critical skills, career patterns, and the contingencies and requirements of the individual Military Departments.

B. To be eligible for variable incentive pay, a medical officer must:

1. Be in pay grade O–3, O–4, O–5, or O–6; and

2. Not be serving as an intern or in initial residency program while on active duty; and

3. Have no disqualifying active duty obligation.

C. A disqualifying active duty obligation is an obligation to enter or remain on active duty incurred as a result of:

1. An initial active duty obligation of 4 years or less, or the first 4 years of an initial active duty obligation of more than 4 years.

2. An agreement entered into by an officer in a Reserve component to enter active duty after completion of a period of professional education and training (e.g., Berry Plan, Reserve Officers Training Corps Program, Senior Medical Student Program, Armed Forces Health Professions Scholarship Program).

3. Participation in an educational program in which the officer was on active duty during the period of the time he attended the professional school that qualified him as a medical officer. Disqualification for this training will not exceed the first 4 years of an initial active duty obligation.

4. An agreement entered into under the continuation pay program for medical officers. Officers receiving continuation pay who otherwise are eligible to receive variable incentive pay may repay the prorated unearned amount of continuation pay and thereby be eligible immediately to receive variable incentive pay.

D. Except for those programs in which participation in intern or residency training is specifically prohibited by statute or regulation from being creditable toward satisfying an initial active duty obligation, a period of time spent in intern or initial residency training while on active duty may be creditable in satisfying an initial active duty obligation.

E. Officers who are eligible for variable incentive pay will be placed in one of the following categories in accordance with subsection I., below:

1. An officer qualified in a designated critical specialty whose professional qualifications or demonstrated performance, in relation to his Military Department's need for such officers, indicates that a premium should be placed on his procurement or retention in the active service.

2. An officer qualified in a designated critical specialty whose professional qualifications or demonstrated performance indicates that no premium should be placed on his procurement or continued active service.

F. Officers qualified in a designated critical specialty who are placed in category 1., above, may be offered an active duty agreement of 1, 2, 3, or 4 years. as indicated in the table in H., below, except that an officer may not be offered an agreement for a number of years greater than that remaining to a mandatory retirement. Officers in II. D. with existing service obligations as a result of extended medical training funded by the military will receive reduced amounts as indicated for obligated officers in the table in H., below. An officer who is placed in category 2., above, may not be offered any active duty agreement under the variable incentive pay program.

G. If an officer who enters an active duty agreement subsequently enters intern or initial residency training, or enters a civilian education program in excess of 100 days other than subspecialty or medical fellowship training, he must voluntarily terminate his active duty agreement under this Directive prior to entry into such program. Recoupment in such instances will be on a pro rata basis.

H. Except officers with service obligations in F., above, entitlements shall be determined by the years of service computed in accordance with section 205, title 37, U.S. Code (reference (b)) and the length of the active duty agreement. The annual amount of variable incentive pay to which a medical officer is entitled under the provisions of this Directive is shown in the following table:

MEDICAL OFFICERS VARIABLE INCENTIVE PAY ENTITLEMENT

[In dollars per year]

Years of service computed under sec. 205, title 37, U.S. Code	Length of active duty agreement			
	1 yr	2 yr	3 yr	4 yr
4 through 13	$12,000	$12,500	$13,000	$13,500
14 through 19	11,500	12,000	12,500	13,000
20 through 25	11,000	11,300	11,600	12,000
26 or more	10,000	10,300	10,600	11,000
Obligated officers	9,000	9,000	9,000	9,000

I. The Secretaries of the Military Departments, or their designees, shall select the medical officers under their jurisdiction subject to limitations in E. and H., above, who will be entitled to variable incentive pay from officers qualified in a designated critical specialty who:

1. Are determined by a board of medical officers to be qualified to enter into active duty agreement for a specified number of years; and

2. Execute a written active duty agreement containing the terms of entitlement to variable incentive pay.

J. Upon acceptance of a written agreement by the Secretary of the appropriate Military Department, or his designee, and subject to K. and L., below, the total amount payable under the agreement becomes fixed and may be paid immediately upon signing the agreement in equal annual, semiannual, or monthly installments; or in a lump sum after completion of the period of the active duty specified in the agreement, at the option of the officer concerned.

K. The Secretary of the Military Department, or his designee, may terminate a medical officer's entitlement to variable incentive pay, at any time, upon a determination by a board composed of medical officers, that the officer's performance has deteriorated to a level at which no premium should be placed on his continued service. In the event of such termination of entitlement, the officer shall be entitled to be paid only for the proportionate part of the period of active duty that he served under the agreement, and he shall refund any amount he received in excess of that entitlement.

L. A medical officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount received that exceeds his entitlement, as prescribed below, except as provided in G., above. However, such termination of his agreement will not entitle him to be separated from the service, and any such separation shall be governed by other appropriate regulations and policies. If an officer has received less incentive pay than he is entitled to under this directive at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

PERCENT OF TOTAL AGREEMENT SUM TO WHICH AN OFFICER WHO VOLUNTARILY TERMINATES HIS AGREEMENT IS ENTITLED

Length of agreement	Number of years completed under agreement				
	Less than 1	1	2	3	4
4 yr	0	15	40	70	100
3 yr	0	22	60	100	
2 yr	0	35	100		
1 yr	0	100			

M. If a medical officer dies or is retired for disability while serving an active duty agreement, his entitlement shall be the proportionate part of the period of active duty that he served under the agreement. Any amount he received in excess of that entitlement shall be recouped by the Government unless the Secretary of Defense, or his designee, determines that recoupment of the excess would not be in the best interest of the Government.

N. A medical officer may be transferred from one critical skill to another and eligibility reconfirmed by the Selection Board with the approval of the Secretary of the Military Department concerned, or his designee.

O. The Secretaries of the Military Departments shall:

1. Include the costs of the program in budget estimates for military personnel appropriations under the provisions of DoD Instruction 7110.1 (reference (e)).

2. Submit proposed implementing instructions for review by the military Pay and Allowances Committee in accordance with DoD Instruction 7110.1 (reference (e)).

3. Submit statistical data and analyses as requested by the Assistant Secretary of Defense (Health and Environment) for preparation of the annual report to the Congress on this program. This information requirement is assigned RCS DD-H&E(A) 1353.

4. Recommend changes in the variable incentive pay program to the Secretary of Defense through the Assistant Secretary of Defense (Health and Environment).

P. The Assistant Secretary of Defense (Health and Environment) shall:

1. Monitor and evaluate Military Department programs to ensure effective use of program funds, making recommendations to the Military Departments and, when necessary, to the Secretary of Defense in respect to individual programs.

2. Prepare the annual reports pertaining to this program as required by the Congress.

3. Issue DoD instructions, as required, to carry out the purpose of this Directive.

IV. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective September 5, 1974. Six copies of implementing instructions shall be forwarded to the Assistant Secretary of Defense (Health and Environment) within 60 days.

Applicable section 313 provisions: Thus, the following provisions of section 313 *would* be applicable to the utilization of the authorities in that section by the Administrator—reading the references to the "Secretary" to refer to the "Administrator" and the references to an "officer" to refer to a "physician employed in the Department of Medicine and Surgery" under the provisions of the new paragraph (2): (1) most of the provisions of subsection (a) (namely, providing for determination of medical qualifications for appointment by a board composed of medical officers; precluding provision of special pay to physicians undergoing intern or initial residency training; requiring execution of a written agreement to serve a specified number of years of continuous service in return for receiving special pay during that period; setting a maximum of $13,500 for such special pay for each year of service under agreement; and providing for payment of the special pay in annual, semi-annual, or monthly installments, or in a lump sum); and (2) all of the provisions of subsections (b) and (c) (authorizing termination at any time of a physician's entitlement to the special pay pursuant to regulations, and, in such event, requiring the repayment of any special pay to which a terminated physician would be entitled for any period that he had not actually served; providing that a physician receiving special pay who voluntarily, or because of misconduct, failed to complete the total number of years specified in the written agreement would (A) be required to refund the amount received in excess of his entitlement, as prescribed in regulations, or (B) would be entitled to receive any additional special pay to which he was entitled but had not received at the time of such termination).

Non-applicability of section 313 provisions: The following provisions of section 313 would *not* be applicable to utilization of the section 313 authorities by the Administrator: (1) clause (1) of subsection (a) (requiring pay below the grade 0-7, a pay grade not applicable to the Veterans Administration; (2) clause (2) of subsection (a) (requiring service in a designated critical specialty, which is modified by the ensuing provisions of the new paragraph (2)); (3) clause (4) of subsection (a) (exempting those serving initial active duty obligation periods of up to four years, since there is no obligation for service in the Veterans Administration; and (4) subsection (e) (requiring an annual report, which would be rendered nugatory by the virtually identical annual report requirement set forth in section 4(a) of the bill).

Additional special pay provisions applicable to VA: The new paragraph (2) specifies certain additional requirements and conditions governing the exercise of the Administrator's authority to utilize the section 313 authorities. First, it requires him to use those authorities to pay the maximum amount of special pay ($13,500) to the three top officials of DM&S, bringing the annual salaries for these three under title 38 to $49,500 (except that the salaries of the incumbents of those positions on June 30, 1975, would, by virtue of the grandfather clause in section 6(b) of the bill, receive $53,500 in the case of the Chief Medical Director and $51,500 in the case of the Deputy Chief Medical Director).

Second, it establishes two types of special pay: (1) base special pay which is a minimum amount to which each VA physician is entitled either under law or under the VA's regulations; and (2) additional special pay which may be paid at the Administrator's discretion in light of certain specified factors.

Base special pay: Base special pay in the amount of 45 percent ($6,075) of the maximum special pay amount will be paid to (i) all full-time physicians employed in DM&S (bringing the average such salary to approximately $37,000 and the maximum such salary to approximately $42,000) and (ii) all those part-time physicians in the Department of Medicine and Surgery whose service on a less-than-full-time basis is due to the medical needs of DM&S rather than their own preference, that is, for the convenience of the government (for example, a neurosurgeon whose time can be productively utilized only on a half-time basis by the VA at a particular hospital). As to part-time physicians in DM&S whose part-time service is for their convenience (as described above), provision is made for base special pay of up to 30% ($4,050) of the maximum special pay amount, which amount could be adjusted downward by the VA, in accordance with its regulations, based on the number of hours worked or other factors. Thus, there would be an automatic differential of $2,025 between base special pay for full-time and part-time service.

It should be noted that under these provisions, physicians who serve as VA hospital directors (approximately 42 of 171) would be entitled to the base special pay bonus of $6,075.

Additional special pay: In addition to the amounts of base special pay, described above, the Administrator is given discretion to pay an amount of additional special pay to VA physicians based upon specified factors. The amount of such additional special pay could not exceed $7,425 in the case of a full-time physician or $9,450 (multiplied by the proportion of full-time service actually performed) in the case of a part-time physician. In determining the amount of any additional special pay to be provided, the Administrator is directed to consider the scarcity of the medical specialty, the tenure, the education, and the responsibilities of the physician involved and the need for services in the geographical area to which it is proposed to assign such physician. Finally, the additional special pay provided to a part-time physician is required to be prorated based on the proportion of full-time that he serves.

Under the provision, the Administrator's authority to exercise the section 313 authorities would expire on the date on which section 313 itself expires. Thus, the Administrator's authority to enter into an agreement with a VA physician would expire on June 30, 1976—the present expiration date of section 313 established by section 2 of Public Law 93-274. Any such agreement entered into by the Administrator prior to the June 30, 1976, or any such extended, expiration date, would continue to be valid for its duration.

New Section 4107(d)(3): Provides that any additional compensation (base special pay and additional special pay) paid pursuant to the new paragraph (2) added to present section 4107(d) by the bill, will not count for purposes of computing certain benefits under title 5, United States Code (lump-sum leave payments, severance pay, and other benefits relating to amounts of basic compensation). An identical provision is contained in paragraph (9) of present section 4107(e), with respect to the overtime and premium pay benefits applicable to VA nurses appointed under title 38. Enactment of this special pay provision would probably entail a first full-year cost of approximately $63 million.

Section 3. Amends title 5, United States Code, in order to make conforming changes required by section 2 (1) and (2) of the bill, by deleting from the list of those positions designated as Executive Schedule levels III and IV, respectively, the positions of Chief Medical Director and Deputy Chief Medical Director in the Department of Medicine and Surgery of the Veterans Administration.

Section 4. Subsection (a). Requires the Administrator of Veterans' Affairs to submit an annual report to the Senate and House Committees on Veterans' Affairs regarding the operation of the special pay program, authorized by new paragraph (2) added to present section 4107(d) by section 2(4) of the bill, setting forth a review of the implementation of the program to date and any plans for the program for the succeeding fiscal year. This report is to be submitted not later than April 30 each year. This reporting requirement is virtually identical to that of subsection (e) of section 313 of title 37, United States Code, with respect to the section 313 special pay program authorized by that section, as added by Public Law 93-274.

Subsection (b). Directs the Director of the Office of Management and Budget, after consultation with the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of HEW, the Chairman of the Civil Service Commission, and the heads of other appropriate Federal departments and agencies, to submit to the appropriate Congressional Committees, not later than March 1, 1976, a report proposing a permanent legislative solution to the problem of attracting and retaining the services of highly qualified physicians and other health care personnel in the Veterans Administration, in other non-uniformed Federal service, and in the uniformed services, along with the justification for such a proposal. This proposal, to the maximum extent feasible, is to provide for uniform pay, allowances, and benefits for all such physicians and personnel. The Administration has already begun such a study, presently scheduled to be completed by the end of 1975, and the Chief Medical Director has pledged to participate actively in this study. It is hoped that an acceptable proposal will be forthcoming to replace the existing section 313 of title 37 special pay program, which is presently scheduled to expire on June 30, 1976.

Section 5. Amends chapter 73 of title 38 for four purposes:

(1) to provide for the appointment under the title 38 DM&S personnel system of physicians' assistants and dental therapists utilizing the nurse pay schedule;

(2) to provide for the payment of overtime and premium pay presently payable to title 38 nurses to licensed practical nurses, licensed vocational nurses, and nursing assistants employed by the Veterans Administration under the General Schedule (as well as to physicians' and dental therapists).

(3) to provide for voluntarily requested compensatory time for VA nurses in lieu of overtime and premium pay; and

(4) to give the Administrator of Veterans' Affairs authority, presently residing in the Civil Service Commission and most narrowly exercised, to increase within grade the maximum pay rates authorized for DM&S dentists, nurses, physicians' assistants, dental therapists, and VA nursing personnel when necessary to meet competitive pay practices or staffing requirements.

All of these provisions, except for (3) above, were in S. 2354 as passed by the Senate in the 92d Congress.

Subsection (a). Amends clause (1) of present section 4104 (authorizing appointment of additional health professional personnel) to include physicians' assistants and dental therapists in that clause specifically.

Subsection (b). Amends present section 4105 (specifying qualifications of appointees) to include appropriate references to physicians' assistants and dental therapists in subsections (a) and (b) of that section. The Administrator is charged with setting the qualifications and experience for these new positions by the amendent made to present section 4104 by subsection (a) of this section of the bill.

Subsection (c). Adds at the end of present section 4106 (regarding periods of appointments and promotions) a new subsection (f) including by reference physicians' assistants and dental therapists under the provisions of that section.

Subsection (d). Clause (1). Amends paragraph (5) (presently prohibiting compensatory time off in lieu of overtime and premium pay for nurses) to permit such compensatory time off to be granted upon the voluntary written request of the nurse in question. This provision would entail a minor cost savings.

Clause (2). Adds at the end subsection (e) of present section 4107 (specifying overtime and premium pay for nurses) a new paragraph (10) to make the premium pay and overtime provisions in that subsection applicable to licensed vocational nurses, licensed practical nurses, and nursing assistants, in lieu of the present title 5, United States Code, provisions now applicable to them.

This would constitute a change in overtime and premium pay under the General Schedule for these personnel in the following respects: (1) make applicable the more liberal 4-hour rule for night shifts; (2) pay overtime during Sundays at 175% rather than 150%; (3) pay overtime for holidays at 200% rather than 150%; (4) apply the 15 minute pre-overtime rule; and (5) provide for on-call pay. Enactment of this provision would probably entail a first full-year cost of approximately $5.4 million.

Clause (3). Inserts at the end of present section 4107 two new subsections as follows:

New section 4107(f): Entitles physicians' assistants and dental therapists to compensation under the Nurse Schedule grade titles and related pay ranges and to additional pay on the same basis as provided for nurses in paragraphs (2) through (8) of subsection (e) of section 4107. Enactment of this provision would probably entail a first full-year cost of $.6 million (estimating a $2,000 higher entry salary and a quadrupling of the present number (85) of physicians' assistants presently employed by the VA).

New Section 4107(g): Directs the Administrator to raise the pay to the maximum permissible levels within grade for certain VA health care professionals and nursing personnel when needed to recruit a scarce speciality due to high-paying competition or the remoteness of the VA facility. There is similar Government-wide authority reposing in the Civil Service Commission. Enactment of this provision will probably not entail any significant additional expenditures.

Subsection (e). Amends present section 4108 (regarding the setting of hours and conditions of work for physicians, dentists, and nurses) to add physicians' assistants and dental therapists under the provisions of this section.

Section 6. Subsection (a). Provides that the provisions of the bill, except as specified in subsection (b) of section 6, shall become effective on July 1, 1975. Principally, this means that the special pay provisions in section 2(4) would become effective on July 1, 1975.

Subsection (b). Paragraph (1). Provides a "grandfather" clause for the salaries payable to the incumbents of the position of Chief Medical Director and Deputy Chief Director, respectively, so that their annual salaries will not be reduced to $36,000 by virtue of placing the designation of their salary levels in the "section 4103 schedule" in title 38. This "grandfather" clause is further explained under the discussion of section 2(4), above.

Paragraph (2). Provides that the amendments made by subsections (d) and (e) of section 5 of the bill (relating generally to pay and other matters with respect to physicians' assistants, dental therapists, licensed vocational and licensed practical nurses and nursing assistants) shall become effective beginning the first pay period following 30 days after the date of enactment of the bill.

S. 1711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Physician Pay Comparability Act of 1975".

SEC. 2. Section 4107 of title 38, United States Code, is amended by—

(1) striking out the comma and "other

than the Chief Medical Director and Deputy Chief Medical Director," after "title" in the first sentence of subsection (a);

(2) striking out in subsection (a) the following: "Associate Deputy Chief Medical Director, at the annual rate provided in section 5316 of title 5 for positions in level V of the Executive Schedule."

and inserting in lieu thereof the following:

"Chief Medical Director, $49,700.

"Deputy Chief Medical Director, $48,500.

"Associate Deputy Chief Medical Director, $47,300.";

(3) inserting "and special pay" after "salary rate" each place it appears in subsection (c); and

(4) striking out "The" at the beginning of subsection (d) and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection,"; and by adding at the end of such subsection a new paragraph as follows:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection or any other provision of law, in order to obtain and retain the services of highly qualified and scarce specialty physicians in the Department of Medicine and Surgery, the Administrator, pursuant to regulations which he shall prescribe (without regard to any regulations prescribed by the Secretary of Defense or the Secretary of Health, Education, and Welfare) is authorized and directed to exercise the authority contained in section 313 of title 37, except to the extent that the provisions of such section are clearly not applicable to conditions of employment in the Veterans' Administration or not consistent with the provisions of this paragraph, for the purpose of providing, in addition to any other pay or allowance to which such individual is entitled, special pay, in the nature of a variable incentive bonus, to any physician employed in the Department of Medicine and Surgery. The Administrator shall exercise the authority contained in such section so as to provide—

(A) the maximum amount of such special pay to the Chief Medical Director, Deputy Chief Medical Director, and Associate Deputy Chief Medical Director in the Department of Medicine and Surgery;

(B) base special pay of 45 per centum of such maximum amount to any (i) full-time physician, or (ii) part-time physician as to whom the Chief Medical Director determines, in accordance with such regulations, that the medical needs of such Department in such geographical area or medical specialty require only such less-than-full-time employment arrangement; or

(C) base special pay of not more than 30 per centum of such maximum amount to any part-time physician in the Department of Medicine and Surgery as to whom the Chief Medical Director has not made the determination described in clause (B) of this sentence.

The Administrator may, in accordance with such regulations, also exercise the authority contained in such section in order to provide, in addition to the base special pay provided for in clause (B) or (C) of the preceding sentence, additional special pay in consideration of the scarcity of the medical specialty, tenure, education, and responsibilities of the physician involved and the geographical area in question, but, in the case of a part-time physician, the amount of such additional special pay shall be adjusted in proportion to the proportion of full-time employment which the part-time employment of such physician constitutes. The authority provided to the Administrator in this paragraph shall expire on the date on which the authority in such section 313 expires.

"(3) Any additional compensation paid pursuant to paragraph (2) of this subsection shall not be considered as basic compensation for the purposes of subchapter VI and section 5595 of subchapter IX of chapter 55, chapter 81, 83, or 87 of title 5, or other benefits based on basic compensation.".

SEC. 3. Title 5, United States Code, is amended by—

(1) striking out in section 5314 the following:

"(38) Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration."; and

(2) striking out in section 5315 the following:

"(31) Deputy Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.".

SEC. 4. (a) The Administrator of Veterans' Affairs shall submit a report each year to the Committees on Veterans' Affairs of the Senate and House of Representatives regarding the operation of the special pay program authorized by section 4107(d)(2) of title 38, United States Code, as amended by section 2(4) of this Act. The report shall be on a fiscal year basis and shall contain—

(1) a review of the program to date for the fiscal year for which the report is submitted; and

(2) any plans for the program for the succeeding fiscal year.

This report shall be submitted not later than April 30 of each year.

(b) The Director of the Office of Management and Budget, after consultation with the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Chairman of the Civil Service Commission, and the heads of other appropriate Federal departments and agencies, shall submit to the appropriate committees of the Senate and House of Representatives not later than March 1, 1976, a report proposing a permanent legislative solution to the problem of attracting and retaining the services of highly qualified physicians and other health care personnel in the Veterans' Administration, other nonuniformed Federal service, and the uniformed services, along with a justification for such proposal. Such proposal shall, to the maximum extent feasible, provide for uniform pay, allowances, and benefits for all such physicians and personnel.

SEC. 5. Chapter 73 of title 38, United States Code, is amended as follows:

(a) Clause (1) of section 4104 is amended to read as follows:

"(1) Physicians, dentists, nurses, physicians' assistants, and dental therapists;".

(b) Section 4105 is amended by—

(1) inserting at the end of subsection (a) a new paragraph as follows:

"(8) Physicians' assistants and dental therapists shall have such medical or dental and technical qualifications and experience as the Administrator shall prescribe."; and

(2) striking out in subsection (b) "or nurse" and inserting in lieu thereof "nurse, physicians' assistant, or dental therapist".

(c) Section 4106 is amended by adding at the end thereof the following new subsection:

"(f) The provisions of this section shall apply to physicians assistants and dental therapists..

(d) Section 4107 is amended by—

(1) striking out the period at the end of the third sentence of paragraph (5) of subsection (e) and inserting in lieu thereof a comma and "except as voluntarily requested in writing by the nurse in question";

(2) adding at the end of subsection (e) the following new paragraph:

"(10) The provisions of this subsection shall apply, in lieu of the provisions of sections 5542, 5543, 5545 (a) and (b), and 5546 of title 5 with respect to any licensed practical nurse, licensed vocational nurse, or nursing assistant employed by the Department of Medicine and Surgery."; and

(3) inserting at the end thereof the following new subsections:

"(f) Under standards which the Administrator shall prescribe in regulations, physicians' assistants and dental therapists shall be compensated by use of Nurse Schedule grade titles and related pay ranges and shall be entitled to additional pay on the same basis as provided for nurses in paragraphs (2) through (8) of subsection (e) of this section.

"(g) When he finds such action to be necessary in order to obtain or retain the services of dentists, nurses, physicians' assistants, dental therapists, licensed practical or vocational nurses, or nursing assistants, to provide hospital care and medical services for veterans, the Administrator, notwithstanding any other provision of law, shall increase the maximum rates of pay authorized under this chapter or title 5, on a nationwide, local, or other geographical basis, for one or more grades or for one or more medical or dental fields within the grades, to provide pay commensurate with competitive pay practices or to meet staffing requirements at geographically remote facilities. Any such increase in the maximum rate for any grade may not exceed in corresponding amount, the amount provided for in the statutory range for that grade, nor exceed the rate established for Assistant Chief Medical Director under the 'section 4103 schedule' set forth in subsection (a) of this section.".

(e) Section 4108 is amended by—

(1) striking out in the language preceding clause (1) in subsection (a) "and nurses" and inserting in lieu thereof a comma and "nurses, physicians' assistants, and dental therapists"; and

(2) striking out "or nurse" in the same language in such subsection and in clause (6) (B) thereof and inserting in lieu thereof in each case "nurse, physicians' assistant, or dental therapist."

SEC. 6. (a) Except as provided in subsection (b), the amendments made by this Act shall become effective on July 1, 1975.

(b)(1) The amendments to the "section 4103 schedule" in section 4107 of title 38, United States Code, made by clauses (1), (2), and (3) of section 2 of this Act shall not serve to reduce the per annum salary rate payable thereunder to persons serving as Chief Medical Director, or Deputy Chief Medical Director on the day before the date of enactment of this Act.

(2) The amendments made by subsections (d) and (e) of section 5 of this Act shall become effective beginning the first pay period following thirty days after the date of enactment of this Act.

By Mr. HATFIELD:

S. 1712. A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. HATFIELD. Mr. President, today I am introducing a bill directing the Secretary of the Treasury to issue a gold commemorative coin in recognition of the two hundredth anniversary of the American Revolution. The concept of this bill is the same as in my bill passed by the Senate as an amendment during the 93d Congress, but deleted in a conference committee. Economic and monetary developments since that time make the gold commemorative coin even more desirable. If Congress acts promptly, there still is time to issue the coin during the Bicentennial year.

While gold has sometimes been associated with greed and violence in man's history, its durabiilty, malleability and attractiveness have given it a unique role among those material things which are sought after and valued. One of the first metals to be used for money, some 3,500 years ago, gold still exercises considerable influence on monetary matters. While my objective is not to restore gold to a central monetary function, we should understand that the desire for at least some gold in the system of money is legitimate and desirable. The interest in gold coins at the present time may be attributed in part to waning confidence in political systems. As George Bernard Shaw pointed out:

> You have to choose between trusting to the natural stability of gold and the honesty and intelligence of the members of the government. And, with due respect to these gentlemen, I advise you . . . to vote for gold.

Those who recall the discussions of my proposal in 1973 will remember that the Treasury Department opposed it, a position which was instrumental in the opposition which developed in the Senate Committee on Banking, Housing and Urban Affairs and which influenced the conferees in deleting my amendment from the Par Value Modification Act. At that time, the Treasury Department asserted that the issuing of a gold coin, even in limited amounts, would be contrary to the U.S. "long-standing policy against the minting of gold coins."

In reality, the monetary function of gold has always been limited and I do not advocate a change in this restricted role. While gold has been used in coins for thousands of years, not until the gold discoveries of the last half of the 19th century was there enough gold for it to be used extensively. Ninety percent of the gold supply has been processed since 1850. Prior to that time, the practice had developed of using paper currencies representing gold held on deposit. Great Britain officially tied its paper currency to gold in 1816 and the United States did so in 1900. During the 20th century, a complex international monetary system developed to meet the needs of an expanded commercial network. The trend has been shifting away from using gold as the key support for money systems. This trend climaxed in 1971, with the demise of the system of basing exchanges on the dollar, convertable to gold at $35 an ounce.

When the Treasury Department opposed the commemorative gold coin in 1971, there still was an implicit loyalty to the special place of gold as a guarantor of the value of a paper currency. We have now had 4 years with gold serving only as an unofficial monetary reserve and the fears of collapse have not come to pass. The past year has been a difficult one economically with both inflation and recession, but still there has been relative stability in the monetary system.

The present situation is this: Gold is now recognized to be of only peripheral importance in our monetary system, we have legalized the ownership of gold in the United States, and now we need not fear the minting of an occasional gold coin for commemorative purposes. When Congress directed the discontinuance of the minting of gold coins in 1934, substantial amounts of gold were circulating in the form of $5, $10, and $20 coins. My proposal is for a coin of a larger denomination, not to be a part of the commonly circulating coins. The precedent for such use of gold coins is seen in the "quarter eagle" gold coins issued in 1926 to commemorate the Sesquicentennial of American Independence. Some 200,000 of these coins were issued, with a face value of $2.50. Similar commemorative coins, but struck in silver, were the "peace dollar" of 1922 and Centennial dollars of 1876, copies of the Continental dollars of 100 years before.

One of the major recent changes in the policy of the Treasury Department toward gold was the decision to auction gold bars in January of this year, a few days after gold ownership became legal for Americans. Apparently this move was intended to head off the possible loss in balance of payments if large numbers of Americans bought gold from foreign sources. Also, there was a desire to sell gold in a controlled situation, calling attention to the presumed hazards of speculating in the metal. Actually, no gold rush occurred in January, at least toward the gold bars offered by the Government. Few could afford the 400-ounce minimum purchase and the attraction of gold ownership was not great enough to overcome the problems of owning gold bars: the storage and assay fees, insurance costs, and additional purchase costs which might reach 20 percent of the value. So, only 750,000 ounces were purchased on January 6, of the 2 million ounces offered.

A more accurate measure of the interest in gold ownership is provided by the steady development of demand for gold coins being issued by foreign governments, some of them minted privately in the United States. If the Treasury Department is concerned about our balance of payments, then the issuance of an American gold coin would be far more effective than the auctioning of bars. A full-page advertisement in the Wall Street Journal recently offered the new $100 gold coin minted by Barbados. Since this is the first such gold coin in the history of Barbados, it appears to be aimed primarily at the American market, including collectors and people who simply want to own gold in a convenient form. The Barbados coin was produced on the strength of the response to the "Balboa" gold coin of Panama. The Franklin Mint in Philadelphia, producers of both coins, sold 3,000 of the Balboas on the first day of issue. Add to these the gold coins being sold or planned for production by South Africa, Jamaica, the Bahamas, Austria, the United Kingdom, Hungary, and Mexico and you have a potential drain of American dollars in search of this sensible mode of owning gold. Most of the coins available from other countries sell for a figure higher than their face value because of the "numismatic value." This does not mean that only collectors purchase them, but that they are issued in limited quantities and the demand exceeds the supply.

Two years ago, when my gold coin bill was under consideration, Congress also was acting to authorize the inclusion of Bicentennial designations on our regular silver-layered coins. Proof sets of these were sold earlier this year and general circulation is scheduled for July. I certainly support this type of commemoration, but do not regard it as a substitute for the striking of a one-time, unique coin in memory of the Nation's founding.

Congress also has authorized the Bicentennial administration to issue commemorative medals in bronze, silver, and gold. Again, this is very fitting, but does not satisfy the demand being exploited by the foreign gold coins. A medal is sought after and valued by only a small group of collectors who understand their market potential. Coins, on the other hand, carry a face value and have a familiarity to all of us. While they also become subject to increases in value because of scarcity and demand, they are not the exclusive domain of specialists.

Mr. President, the bill I present today is intended to provide for the minting of a coin which would be of sufficient beauty and value to symbolize our pride in the first 200 years of development. Gold not only attaches value to the past but promises endurance into the future, for hopefully another 200 years.

Two years ago the Committee on Banking, Housing and Urban Affairs reported out a bill which would authorize, but not direct the minting of a gold coin. Since the Treasury Department was then opposed to the concept, I successfully worked for stronger language on the Senate floor. The committee felt the Secretary of the Treasury must consider a gold coin only if it was clear that this would not interfere with the domestic gold market and the international monetary system. As I have indicated, developments since that time make it clear that a gold coin would not have an adverse affect. Gold ownership has been legalized and the Treasury Department has already acted to release a limited quantity of gold reserve. Moreover, the minor role of gold in the world money markets has become stable.

The bill I offer today has been drawn up in very general terms, to avoid disagreements over details of purity, face value and the volume of coins to be issued. All of these elements were specified in my bill in the last Congress, but it was disappointing that some Senators debated these details while failing to acknowledge the soundness of the idea. From the input of experts to the committee and the total legislative history of the bill, the Secretary of the Treasury will have sufficient guidance in producing an acceptable coin. My previous bill designated a $25 coin, but the increase in the price of gold since then would make such a coin unacceptably small. The coin would now need to have a face value of $50 or even $100, to be of attractive size. The foreign coins are being sold in this range with ample demand resulting. Most of those who feel strongly about owning gold could afford to buy at least one such coin.

The number of coins issued could be established in the context of available gold reserves and expected demand. In my last bill, I specified 60 million $25 coins, which would have required 7.5 million ounces of gold, 2.5 percent of the reserves at that time. The number minted should not be so small as to restrict purchase to a favored few, but at the same time this should be a limited issuance. This is only fair to those who buy for numismatic value. It also assumes the distribution of only a fixed percentage of the reserves for the sake of those who feel these are still important in our monetary system.

The purity of the coin and other such details should also be left to the Treasury Department and Bureau of the Mint, drawing upon the intent established in the congressional deliberation. Collectors prefer a relatively pure coin of .900 fineness if possible. My last bill designated .670 fineness. I am more concerned about the adoption of the idea than any particular version of it. Once purity is determined, it is a technical decision on what type of alloy to employ. This should not be a matter of congressional mandate.

The bill specifies that the coin will be regarded as legal tender. This is necessary if it is to be a coin, rather than a commemorative medal. Of course, a $50 or $100 coin is not going to be carried around for routine purchases. It will be retained as a special possession, without the difficulties of owning gold bars or the special skill required for dealing in gold futures. While any item of considerable value can be counterfeited, coins are less subject to copying than bars. We have become accustomed to examining coins for the marks of genuineness, while a bar requires a professional assay at the time of each transaction.

Finally, I would like to point out that this is clearly a matter for a congressional decision. While some officials in the Bureau of the Mint have indicated support for a gold coin, it is not for them to make the decision. They have given assurances that a gold coin of beauty can be produced and that it can be completed by July, 1976 if authorized in the near future. Nor is it up to the Secretary of the Treasury and his staff to decide for or against a gold coin. There have been hints that the Department may not oppose a gold coin as it did in 1973, but their opposition or support should not be central in the decision by Congress.

All of us want the Bicentennial observances to be as meaningful and varied as possible. No one type of observance will appeal to everyone. For some, one of the most significant things they could do to remember the achieving of independence would be to obtain something of enduring value and beauty. We owe it to generations ahead to provide such a symbolic item in the form of a gold coin.

By Mr. JAVITS (for himself and Mr. WILLIAMS):

S. 1714. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease; and

S. 1715. A bill to amend the Public Health Service Act to establish a national program with respect to genetic diseases. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, I introduce today, with Senator WILLIAMS, the National Genetic Diseases Act and the National Tay-Sachs Disease Screening and Counseling Act. The two bills, when taken together with the sickle cell and Cooley's anemia bills introduced by Senator KENNEDY, will enable the Congress to act effectively with respect to the genetic disease field.

We can either continue the disease-of-the-month syndrome—a separate bill for each disease—or recognize the commonality of our mutual goals—genetic disease is a major unsolved health problem, 15 million Americans suffer from a genetic disorder—and act effectively.

That is what I seek to achieve (and I feel Senator WILLIAMS, too) by introducing two separate bills. The Tay-Sachs bill provides the opportunity to pass piecemeal legislation and proliferate as the need arises. The genetics bill establishes the need for overall support for the problem.

TAY-SACHS DISEASE

The Tay-Sachs measure—similar to the bill which I first introduced with Senator WILLIAMS in the 93d Congress—responds to a tragic, debilitating, deadly genetic disease. It is patterned upon the legislative approach taken in existing law respecting other genetic blood disorder programs—sickle cell anemia and Cooley's anemia. It authorizes $3 million for the one-time establishment of voluntary Tay-Sachs disease screening program and the development of appropriate public information for it. I ask unanimous consent that the text of the bill and my introductory remarks in support of the bill in the 93d Congress be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

GENETIC DISEASES

Mr. JAVITS. Mr. President, I believe we should seek to establish one total program directed toward genetic diseases in preference to having individual diseases singled out.

Should we next press for a separate bill for dysautonomia? This is a devastating disease of the nervous system, with symptoms reading like a Pandora's box of cruel punishments, and I know we would all be sympathetic to the problem.

While a number of genetic diseases are restricted primarily to members of certain ethnic groups—which can simplify the determination of the target population for screening procedures—we must not assume that screening and counseling are that simple. We have much to learn about the reaction of people being told they are carriers of a disease trait—heterozygotes—and then learning about their ensuing reproductive choices. Increased participation by various social and behavioral scientists is essential to such programs.

Even more critical is the concern that when a person is seen in such a single disease program that we neglect their other health problems which might have a genetic component.

What logic is there for having the person of Jewish origin considered solely for Tay-Sachs disease, or a black person solely for sickle cell anemia? Studies have shown that a significant proportion of patients with coronary heart disease have a genetic abnormality of lipoprotein metabolism; should they not be counseled with respect to such problems? Or if coronary patients have hypertension and diabetes as risk factors, which are strongly genetically determined, should they not be counseled with respect to such health problems?

The time has come to have a total national program directed toward all genetic diseases in preference to having an individual disease singled out for special attention. We should no longer proceed on a disease-by-disease basis. We should attack the larger scientific problem of thousands of diseases with a genetic component.

To launch a national commitment to find solutions to genetic diseases the bill provides:

First. The establishment of an identifiable administrative unit within the Department of Health, Education, and Welfare to focus and coordinate genetic research and the other fragmented activities respecting genetic diseases. I am confident the hearing testimony will determine where in HEW, within the National Institutes of Health, this should occur.

Second. $75 million over 3 years for (a) grants and contracts to establish and operate voluntary genetic testing and counseling programs and (b) develop public information programs relating to diagnosis, treatment, and counseling of genetic diseases.

Third. $300 million over 3 years for grants and contracts for research and research training to understand the diagnosis, treatment, and control of genetic diseases; special programs to train genetic counselors and other health professionals; develop programs to educate practicing physicians, health professionals, and the public about the nature of genetic processes, the inheritance patterns, and the means, methods, and facilities available to diagnose, control, counsel, and treat genetic diseases; and develop counseling and testing programs for the diagnosis, control and treatment of genetic diseases.

Fourth. The establishment of a National Advisory Commission to study ethical, legal and social aspects of genetic diseases in relation to scientific and technological advances in genetics and their implications for individuals and society.

The bill has the support of the National Genetics Foundation, and other interested groups, and I ask unanimous consent that the full text of the bill and the full text of communications from interested groups be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JAVITS. Mr. President, the diversified support for the approach taken by this bill is reflected by some of the quotes from their communications, to wit:

Nobel Laureate James D. Watson:

> All the proposed provisions in your proposed bill I can enthusiastically support.

National Society for the Prevention of Blindness:

> The National Genetic Diseases Act is wholeheartedly supported by the National Society for the Prevention of Blindness.

Institute of Cancer Research at Columbia University's College of Physicians and Surgeons:

> It will obviate the great disadvantages of funding for each genetic disease separately. . . . This approach is clearly superior to the fragmented attempts that have thus far dominated the efforts at funding this area of medical research.

Massachusetts Department of Public Health:

> My sincere appreciation . . . for very wisely proposing that federal funds be made available in many areas of genetic disease.

National Retinitis Pigmentosa Foundation:

> Thank you for taking the initiative to sponsor the National Genetic Diseases Act.

Cystic Fibrosis Foundation:

> We have studied the bill thoroughly, and are pleased at its scope and thoroughness.

Department of Pediatrics, New York University Medical Center:

> The bill that you have introduced shows proper foresight without cumbersome restrictions.

It is not my intention to indicate opposition to the sickle cell or Cooley's anemia bill. I am sympathetic to their goal. Indeed, the "National Tay-Sachs Disease Screening and Counseling Act" follows that same disease-by-disease approach.

Rather, the rationale taken in the total problem approach by the "National Genetic Diseases Act" is to be considered another option to which my colleagues may be persuaded.

Scientists estimate that every human being carries from 6 to 10 defective genes which could be expressed as serious or lethal illness in future children. They conservatively estimate that 15 million Americans suffer from a genetic disorder. One of every three admissions to a children's hospital is for a genetic problem; a recent study showed 40 percent of infant mortality due to genetic illness; 25 percent of all beds in institutions for the handicapped are for those confined with a hereditary defect. Approximately 2,000 genetic diseases have already been identified. Some, such as mongolism, cystic fibrosis, muscular dystrophy, Huntington's chorea, are well known but not recognized by the average individual as being hereditary. Many forms of blindness, deafness, retardation, crippling disorders are passed through the genes from generation to generation. Furthermore, genetic components are also strongly implicated in some of man's most common afflictions such as diabetes, high blood pressure, schizophrenia, heart disease, and some forms of cancer.

Today over 50 genetic disorders can be detected before birth. More than 60 metabolic diseases like PKU are amenable to treatment. We have carrier tests for 60 diseases which can identify the healthy individual who may be carrying a defective gene that could produce disease in future offspring.

There are striking advances in detection, prevention and treatment; but for the vast majority of genetic disorders there is no available therapy. In these cases the new discipline of genetic counseling can inform families of the pattern of transmission of a hereditary disease; of the risks of recurrence of the disease in the family; and what the burdens of this recurrence would mean in practical terms of their everyday living.

Genetics is the fastest growing specialty in medicine. With advances already made and new ones at the laboratory level rapidly developing, this discipline holds a realistic promise for prevention of disease. Yet, our system for the delivery of genetic care is inadequate to meet the needs of the public.

However, the delivery of care and prevention in genetics is not possible without research at the fundamental level. Because a genetic defect in a human being occurs at the moment the egg and sperm unite to form a new life, advances in our understanding at the cellular level can be rapidly translated for the benefit of the individual suffering from or carrying a genetic disease. There are no shortcuts in disease prevention. Investigations at the molecular level are essential before treatment and prevention can be found.

Unless the investment is made in genetic research, the taxpayers' dollars will continue to be poured into programs of medical and custodial care for patients with chronic illness of genetic origin.

I would like to call your attention to the cost of genetic disease in just one institution. At a residential center for the retarded serving the Greater New York area, the institution's director estimated that 28 percent of his 5,000 patients have retardation due to a genetic cause. These are the patients most likely to be profoundly retarded and requiring the greatest care. The cost of maintaining these patients with genetic retardation in just this one institution is over $8 million for 1 year. This center presents a microcosm of the patient population as a whole and can be multiplied by the 316 such institutions throughout the United States.

Furthermore, it should be noted that as efforts are being made to provide care for the mild and moderately retarded within the community rather than in a residential setting, it is the severely retarded, the genetically damaged, who will increasingly comprise the bulk of the institutionalized population.

Contrast the economics when preventive genetic medicine is involved. In New York City, approximately 10 infants with PKU are identified each year and placed on the dietary regimen which enables them to develop normal intelligence and become productive citizens. Without this program and the scientific advance it delivers, these 10 New Yorkers would almost certainly spend their lives in an institution for the retarded at a cost of $2½ million, a figure 20 times the cost of prevention. Furthermore, these 10 PKU's with treatment will probably pay out over $¾ million in taxes* to the Federal Government during their working years. Yet even such cogent economic arguments pale when we consider the lifetime of sorrow and burden that these families have been spared.

We are all aware of the problem of heart disease in this country, but how many realize that one of the most important risk factors for heart attacks—elevated levels of cholesterol and triglycerides in the blood—can be the result of a genetic abnormality, and furthermore that at least 5 percent of the adult population suffers from this genetic defect which leads to early heart attack. In terms of manpower and economic productivity, the predisposing effect of abnormal genes for premature heart disease becomes particularly striking when we consider young men under 45, in the prime of life; this genetic defect accounts for 44 percent of the heart attacks in this age group.

The loss in earnings over a lifetime from disability due to this genetic form of heart disease is estimated to be $92 million, and loss in earnings due to premature death is estimated to be approximately $2 billion.

I have endeavored to point up the scope of the problem as well as the enormous economic burden hereditary disease places upon families and on government. As concerned legislators trying to make the most prudent decisions for our citizens, we understand that it is not possible to measure the emotional trauma and tragic uncertainty facing families with hereditary disease. The stigma and guilt associated with these diseases further complicate efforts to survey genetic problems as our culture unfortunately measures the quality of life in terms of physical perfection and mental well-being.

Perhaps we need to pose the following question: Is society ready to invest in new genetic research leading to treatment and prevention of disease, or does it prefer to spend the taxpayers' dollars required to maintain millions of our citizens while they spend their lives in a state of chronic genetic illness?

I think you will agree that if we examine this question in both fiscal and human terms, there is every justification for investing the taxpayers' dollars in genetics, as proposed in the bill.

EXHIBIT 1

[93d Congress, first session]

Mr. JAVITS. Mr. President, the bill I introduce today, the National Tay-Sachs Disease Screening and Counseling Act, for myself, Senator WILLIAMS, and Senators KENNEDY, SCHWEIKER, ABOUREZK, BEALL, BIDEN, BROOKE, CRANSTON, DOMINICK, HATHAWAY, HART, HOLLINGS, HUGHES, HUMPHREY, MATHIAS, MONDALE, PERCY, RANDOLPH, RIBICOFF, STAFFORD, STEVENS, STEVENSON, TAFT, and TUNNEY seeks to protect the health and welfare of all citizens by establishing a national program for the diagnosis, control, and prevention of Tay-Sachs disease.

Tay-Sachs disease is a killer disease of children who are born seemingly healthy and normal. The children gradually are debilitated, showing early clinical signs of the illness at 9 months and losing more and more functions controlled by the central nervous system, such as sight, control of swallowing, et cetera. They have frequent convulsions and as consequence of their increasingly severe illness, require chronic hospitalization for average periods of 2 years before they die. All these events are caused by the lack of the enzyme whose function is to help metabolize brain fats. When the enzyme is missing, the intermediate unmetabolizable fats accumulate in the nerve cells and destroy them. At present, there are no known means to reverse this process in the afflicted children.

In 1969, a major breakthrough in medical history occurred. It was demonstrated that the absence of a newly discovered enzyme,

---

*Based on $1,762, average 1971 individual income tax, to be paid from age 21–65.

Hexosaminidase—called Hex-A for short—was the specific cause of Tay-Sachs disease. Previous studies had shown that the till-then unknown enzyme—controlled by a recessive gene—was lacking in 1 in 30 American citizens of Eastern European Jewish origin—who constitute 90 percent of the U.S. Jewish population—and 1 in 300 of the general American population.

The discovery of the missing enzyme made it possible to pinpoint specifically the identification of adults of child-bearing age as being "carriers". These individuals having the "carrier state" are themselves healthy, but if two happen to marry, one-quarter of their children run the risk of having Tay-Sachs disease.

Further developments have made it possible through relatively harmless procedures to identify a fetus intrauterinely in the very earliest weeks of pregnancy as having Tay-Sachs disease. In 1971, the Kingsbrook Jewish Medical Center corroborated the validity of such an intrauterine diagnosis and this validity has been massively substantiated since that time.

S. 2068. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease. Referred to the Committee on Labor and Public Welfare.

There are three reasons why Tay-Sachs disease is very conducive to mass screening programs:

First, it affects a definite population group;

Second, its carriers can be identified by a simple blood test which measures the presence or absence of a crucial enzyme; and

Third, an affected fetus can be detected in the uterus, through the process of amniocentesis, in which a small amount of the fluid around the unborn child is removed.

These mass screenings have already had success in preventing a number of births of children with Tay-Sachs disease and have led to widespread demand in communities across the Nation for such carrier detection programs to prevent Tay-Sachs disease and to insure that a couple who are both carriers can choose to have as many healthy children as they want despite their having the "carrier state." While there is still no cure, there now exists the practical and proved possibility of preventing 90 percent of cases of Tay-Sachs disease in the United States and thus, in effect, the control of the disease, the freeing of scarce chronic-disease hospital beds and services for other illnesses, and the avoidance of now unnecessary social and emotional trauma to families who would have had children with Tay-Sachs disease. In addition, the transfer of skills, knowledge, models, and technologies to about 30 other related disorders are fringe benefits of tremendous value.

The practical application of this research has led to model mass screening projects to identify the "carrier state" in the population at high risk for Tay-Sachs disease—American Jews of Eastern Europe descent—and followup intrauterine monitoring of early pregnancy where both parents have the "carrier state."

In terms of cost-benefit analysis alone, about 100 "bed-years" per year are now necessary for Tay-Sachs disease in the American Jewish population of about 6 million. The cost in health care per year for each bed is about $55,000. The total dollar cost per year now equals $5,500,000—100 times $55,000. A decade of costs amounts to $55 million. Through widespread effective mass screening of at-risk individuals of child-bearing age—18 to 42—and follow-up genetic counseling, most of these costs, unnecessary deaths, and familial suffering can be eliminated. It would be a most humane and beneficial service to a now threatened sector of the American population for the Federal Government to demonstrate an effective preventive public health effort.

The Federal Government has been funding Tay-Sachs research through a series of programs. One and a half million has been spent for grant and projects specifically aimed at Tay-Sachs. An additional $3 million has been invested in related research.

The major provisions of this bill are:

First, the Secretary is authorized to make grants and contracts to establish voluntary Tay-Sachs screening and counseling programs—primarily through other existing health programs—and to develop appropriate public information programs.

Second, $3 million is authorized for 1 year to stimulate the development of the program and to formulate the required educational materials.

It is important to note that this is a one-time Federal expenditure. The program thereafter will be self-sustaining, the costs defrayed by the minimal payments of those voluntarily taking the test.

Third, the bill sets out the specific requirements for grant eligibility, patterned upon other existing genetic blood disorder programs as established in law.

Fourth, participation in the Tay-Sachs disease screening and counseling programs is all on a voluntary basis.

Limited demonstration program experience has shown that to be effective, mass screening needs the greater awareness of the medical community, the education and mobilization of lay and religious Jewish organizations, and the help of the media. Legislation to prevent Tay-Sachs disease in the United States, has the support of the National Tay-Sachs and Allied Diseases Association—which has provided important leadership in this important struggle—and of all groups concerned with effective, preventive public health programs.

S. 1714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Tay-Sachs Disease Screening and Counseling Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares—

(1) that Tay-Sachs disease is a debilitating, inheritable disease that has affected thousands of citizens of the United States;

(2) that Tay-Sachs disease is a deadly and tragic burden which is likely to strike one-fourth of the children born to parents both of whom are Tay-Sachs disease carriers;

(3) that efforts with respect to Tay-Sachs disease must be directed toward the education, screening, and counseling of carriers of Tay-Sachs disease;

(4) that simple and inexpensive screening tests have been devised which identify those who have the disease or are Tay-Sachs disease carriers;

(5) that programs with respect to Tay-Sachs disease must be based entirely upon voluntary cooperation of the individuals involved;

(6) that the application of methods of screening and counseling with respect to Tay-Sachs disease deserves the highest priority; and

(7) that the establishment of Tay-Sachs disease education, screening, and counseling programs will be cost beneficial, in the amount of $55,000,000 within the next decade, to the American public.

(b) In order to preserve and protect the health and welfare of all citizens, it is the purpose of this Act to establish a national program for voluntary Tay-Sachs disease screening and counseling.

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 3. The Public Health Service Act (42 U.S.C. 201) is amended by adding after part B of title XI the following new part:

"PART C—TAY-SACHS DISEASE PROGRAMS

"TAY-SACHS DISEASE SCREENING AND COUNSELING PROGRAMS AND INFORMATION AND EDUCATION PROGRAMS

"SEC. 1121. (a) (1) The Secretary may make grants to public and nonprofit entities, and may enter into contracts with public and private entities, for projects for the establishment and operation of voluntary Tay-Sachs disease screening and counseling programs, primarily through other existing health programs.

"(2) The Secretary shall carry out a program to develop information and educational materials relating to Tay-Sachs disease and to disseminate such information and materials to persons providing health care and to the public generally. The Secretary may carry out such program through grants to public and nonprofit private entities or contracts with public and private entities and individuals.

"(b) (1) For the purpose of making payments pursuant to grants and contracts under subsection (a) (1) there are authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1976.

"(2) For the purpose of making payments pursuant to grants and contracts under subsection (a) (2) there are authorized to be appropriated $500,000 for the fiscal year ending June 30, 1976.

"VOLUNTARY PARTICIPATION

"SEC. 1122. The participation by any individual in any program or portion thereof under this part shall be wholly voluntary and shall not be a prerequisite to eligibility for receipt of any other service or assistance from, or to participation in, any other program.

"APPLICATIONS; ADMINISTRATION OF GRANT AND CONTRACT PROGRAMS

"SEC. 1123. (a) A grant under this part may be made upon application to the Secretary at such time, in such manner, containing and accompanied by such information, as the Secretary deems necessary. Each applicant shall—

"(1) provide that the programs and activities for which assistance under this part is sought will be administered by or under the supervision of the applicant;

"(2) provide for strict confidentiality of all test results, medical records, and other information regarding screening or counseling, except for (A) such information as the patient (or his guardian) consents to be released; or (B) statistical data compiled without reference to the identity of any such patient;

"(3) provide for appropriate community representation in the development and operation of any program funded by a grant under this part;

"(4) in the case of an application for a grant under section 1120(a) (1), provide assurances satisfactory to the Secretary that (A) the screening and counseling services to be provided under the program for which the application is made will be directed first to the blood relatives of known Tay-Sachs disease victims; and second to the high-risk population groups in which Tay-Sachs disease occurs with greatest frequency and especially to those persons in these groups who are entering their childbearing years; and (B) appropriate arrangements have been made to provide genetic counseling to persons found to be Tay-Sachs carriers;

"(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(6) provide for making such reports in such form and containing such information as the Secretary may reasonably require.

"(b) In making any grant or contract under this part, the Secretary shall (1) take into account the number of persons to be served by the program supported by such grant or contract and the extent to which rapid and effective use will be made of funds under the grant or contract; and (2) give priority to programs operating in areas which the Secretary determines have the greatest number of persons in need of the screening and counseling services provided under such programs.

"REPORTS

"SEC. 1124. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress as soon as practicable after the enactment of this part, but no later than one year after such enactment, a comprehensive report on the administration of this part.

"(b) The report required by this section shall contain such recommendations for additional legislation as the Secretary deems necessary.".

EXHIBIT 2

S. 1715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Genetic Diseases Act".

FINDING AND DECLARATION OF PURPOSE

SEC. 2. (a) Congress finds and declares that—

(1) genetic diseases tragically affect more than twelve million Americans;

(2) many are severely handicapping and debilitating and result in tragic physical, emotional, and financial burden on the individuals, their families, and society;

(3) existing testing and counseling services are inadequate and need increased participation by social and behavioral scientists;

(4) defining specific genetic factors in diseases that afflict millions of Americans but for which the genetic relationship requires better definition is a critical element in improved health care;

(5) reducing the burden of genetic diseases deserves a high priority in Federal health legislation and will be cost beneficial to the American public.

(b) In order to preserve and protect the health and welfare of all citizens, it is the purpose of this Act to establish a national program to provide for basic and applied research, research training, testing, counseling, information, and education programs with respect to genetic diseases, including, but not limited to sickle cell anemia, Cooley's anemia, Tay-Sachs disease, cystic fibrosis, dysautonomia, hemophilia, retinitis pigmentosa, Huntington's chorea, and muscular dystrophy.

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 3. The Public Health Service Act (42 U.S.C. 201) is amended by deleting "TITLE XI—GENETIC BLOOD DISORDERS" and inserting the following:

"TITLE XI—GENETIC DISEASES

"TESTING AND COUNSELING PROGRAMS AND INFORMATION AND EDUCATION PROGRAMS

"SEC. 1101. (a)(1) The Secretary through an identifiable administrative unit within the Department of Health, Education, and Welfare, may make grants to public and nonprofit private entities, and may enter into contracts with public and private entities, for projects for the establishment and operation of voluntary genetic testing and counseling programs, primarily through other existing health programs.

"(2) The Secretary shall carry out through an identifiable administrative unit within the Department of Health, Education, and Welfare, a program to develop information and educational materials relating to genetic diseases and to disseminate such information and materials to persons providing health care, to teachers and students, and to the public generally in order to most rapidly make available the latest advances in the diagnosis treatment, and counseling of genetic diseases. The Secretary may carry out such program through such an identifiable administrative unit, through grants to public and nonprofit entities or contracts with public and private entities and individuals.

"(b) For the purpose of makng payments pursuant to grants and contracts under this section, there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1976, $25,000,000 for the fiscal year ending June 30, 1977, and $30,000,000 for the fiscal year ending June 30, 1978.

"PROJECT GRANTS AND CONTRACTS

"SEC. 1102. (a) The Secretary may make grants to public and nonprofit private entities, and may enter into contracts with public and private entities and individuals, for projects for (1) basic research, including lower organisms, applied research, and research training leading to the understanding, diagnosis, treatment, and control of genetic diseases, (2) planning, establishing, demonstrating, or developing special programs related to training genetic counselors, social and behavioral scientists, and other health professionals, (3) the development of programs to educate practicing physicians, other health professionals, and the public regarding the nature of genetic processes, the inheritance patterns, and the means, methods, and facilities available to diagnose, control, counsel, and treat genetic diseases, and (4) the development of counseling and testing programs and other programs for the diagnosis, control, and treatment of genetic diseases.

"(b) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $80,000,000 for the fiscal year ending June 30, 1976, $100,000,000 for the fiscal year ending June 30, 1977, and $120,000,000 for the fiscal year ending June 30, 1978.

"VOLUNTARY PARTICIPATION

"SEC. 1103. The participation by any individual in any program or portion thereof under this part shall be wholly voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or assistance from, or to participation in, in any other program.

"APPLICATIONS; ADMINISTRATION OF GRANTS AND CONTRACT PROGRAMS

"SEC. 1104. (a) A grant under this part may be made upon application to the Secretary at such time, in such manner, containing and accompanied by such information, as the Secretary deems necessary. Each applicant shall:

"(1) provide that the programs and activities for which assistance under this part is sought will be administered by or under the supervision of the applicant;

"(2) provide for strict confidentiality of all test results, medical records, and other information regarding testing, diagnosis, counseling, or treatment of any person treated except for (A) such information as the patient (or his guardian) gives informed consent to be released; or (B) statistical data compiled without reference to the identity of any such patient;

"(3) provide for community representation where appropriate in the development and operation of voluntary genetic testing or counseling programs funded by a grant under this part;

"(4) in the case of an applicant for a grant for the delivery of services under section 1101(a)(1), provide assurances satisfactory to the Secretary that (A) the services for community-wide testing and counseling to be provided under the program for which the application is made will take into consideration widely prevalent diseases with a genetic component, high-risk population groups in which certain genetic diseases occur, and where appropriate will be directed especially but not exclusively to persons who are entering their child-producing years, and (B) appropriate arrangements have been made to provide counseling to persons found to have a genetic disease or to those who carry a gene or chromosome which may cause a deleterious effect in his offspring;

"(5) set forth fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting of Federal funds paid to the applicant under this part; and

"(6) provide for making such reports in such form and containing such information as the Secretary may reasonably require.

"(b) In making any grant or contract for communitywide services and counseling under this part, the Secretary shall (1) take into account the number of persons to be served by the program supported by such grant or contract and the extent to which rapid and effective use will be made of funds under the grant or contract; and (2) give priority to programs operating in areas which the Secretary determines have the greatest number of persons to benefit from and in need of the services provided under such programs.

"PUBLIC HEALTH SERVICE FACILITIES

"SEC. 1105. The Secretary shall establish a program within the Public Health Service to provide for voluntary genetic testing, diagnosis, counseling, and treatment. Such programs shall be made available through facilities of the Public Health Service to any person requesting testing, counseling, and treatment, and shall provide appropriate publicity of the availability and voluntary nature of such programs.

"REPORTS

"SEC. 1106. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on or before April 1 of each year a comprehensive report on the administration of this part.

"(b) The report required by this section shall contain such recomendations for additional legislation as the Secretary deems necessary.

"ESTABLISHMENT OF COMMISSION

"SEC. 1107. There is hereby established a National Advisory Commission on Ethical, Legal, and Social Aspects, of Genetic Diseases (hereinafter referred to as the 'Commission').

"MEMBERSHIP

"SEC. 1108. (a) The Commission shall be composed of fifteen members to be appointed by the President from the general public and from individuals from among the fields of genetics, medicine, law, theology, social science, philosophy, economics, humanities, health administration, government, and public affairs.

"(b) Any vacancy in the Commission shall not affect its powers.

"(c) The President shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Commission.

"(d) Eight members of the Commission shall constitute a quorum.

"DUTIES OF THE COMMISSION

"SEC. 1109. (a) The Commission shall undetake a comprehensive investigation and study of the ethical, social, and legal implications of genetics research, training, screening, testing, diagnosis, treatment, counseling, prevention, and education programs, which shall include, without being limited to—

"(1) analysis and evaluation of scientific and technological advances in genetics, current and projected;

"(2) analysis and evaluation of the implications of such advances for individuals, for family members, and for society;

"(3) analysis and evaluation through the use of seminars and public hearings and other appropriate means, of public understanding of and attitudes toward such implications;

"(4) analysis and evaluation of implications for public policy of such findings as are made with respect to scientific advances in genetics and public attitudes.

"(b) The Commission shall make maximum feasible use of related investigations and studies conducted by public and private agencies.

"(c) The Commission shall transmit to the President and to the Congress an annual report, containing detailed statements of the findings of the Commission, together with its recommendations, including such recommendations for action by public and private bodies and individuals as it deems advisable.

"POWERS OF THE COMMISSION

"SEC. 1110. (a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

"(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed, to the extent permitted by law, to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this Act.

"(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

"(1) appoint and fix the compensation of an executive director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title, and

"(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

"(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

"COMPENSATION OF MEMBERS

"SEC. 1111. Members of the Commission shall receive compensation at the rate of $100 per day for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.".

COLD SPRING HARBOR LABORATORY,
Cold Spring Harbor, N.Y., March 26, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator,
Washington, D.C.

DEAR SENATOR JAVITS: I am writing you in connection with the National Genetic Diseases Act, the consideration of which you are seeking the support of your colleagues in the Senate.

As each year passes, we more and more realize the genetic component of many of our most important afflictions. So it makes increasingly great sense to see that as a nation we step up our research to lower unnecessary human exposure to mutagenic agents, as well as provide the experimental data that may help those individuals afflicted with genetic disorders. So all the proposed provisions in your proposed bill I can enthusiastically support.

In addition, strong consideration should be given to the formal establishment of a National Genetics Institute within the existing National Institutes of Health. By this step dependable support for genetics research and counciling would automatically be considered each fiscal year. Now genetics per se does not have a real home within the NIH, and while the Institute of General Medical Science has attempted to provide firm support for genetics, its always too vulnerable position within the NIH framework makes them often unequal to our National needs.

Yours sincerely,
J. D. WATSON,
Director, Professor of Molecular Biology, Harvard University.

INSTITUTE OF CANCER RESEARCH,
New York, N.Y., Feb. 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: Dr. Arthur G. Steinberg, Chairman of the Medical Advisory Board of the National Genetics Foundation, Inc., was kind enough to send me a copy of the bill called the "National Genetic Diseases Act" that you and your colleagues intend to introduce into the Senate.

I have read this bill and am in enthusiastic accord with its intent to provide support for the advancement of human genetics and its application as a science to human disease. If passed, it will obviate the great disadvantages of funding for each genetic disease separately. Your bill covers the entire area of genetic disorders from research to the dissemination of information about genetic disease to professional and to the public. This approach is clearly superior to the fragmented attempts that have thus far dominated the efforts at funding this area of medical research.

You and your colleagues are to be commended for your foresight and wisdom.

Sincerely yours,
S. SPIEGELMAN,
Director, Institute of Cancer Research, Professor of Human Genetics and Development.

CYSTIC FIBROSIS FOUNDATION,
Atlanta, Ga., April 11, 1975.
Senator JACOB JAVITS,
Committee on Labor and Public Welfare,
U.S. Senate,
Washington, D.C.
Attn: Jay Cutler.

DEAR SENATOR JAVITS: Thank you for giving us the opportunity to review your proposed genetics bill, and for asking us to comment on it.

We have studied the bill thoroughly, and are pleased at its scope and thoroughness. Of course, there are many issues that are raised by this proposed legislation which will be worked out in the hearings and in the markup on the bill. We would be pleased to discuss with you or your staff, prior to hearings if you desire, some of the concerns that we have.

Also, it will be necessary for us to request the physicians and researchers who work with us to review this legislation and to get their views. In fact, we have already begun this process, but because this issue demands considerable thought, we do not feel that we can give you a definitive review of the legislation at this time.

Please be assured of our continuing desire to be as helpful as possible to you in this vital program. We shall remain alert to any requests for data, testimony and other relevant material which our organization and our medical-scientific experts can provide.

Yours sincerely,
ROBERT D. MCCREERY,
President.

THE NATIONAL HEMOPHILIA FOUNDATION,
New York, N.Y., April 30, 1975.
Senator JACOB K. JAVITS,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: We have learned that you recently have introduced an amendment to the Public Health Service Act entitled "The National Genetics Disease Act".

The National Hemophilia Foundation supports in principle the intent of this legislation, since hemophilia, commonly known as "The Bleeder's Disease" is not only a genetic disease, but also has one of the highest mutation rates known, with approximately one-third of the cases occurring in families with no known history of the disease. Besides being a chronic disease that will last a lifetime, treatment for hemophilia very often reaches financially catastrophic proportions.

Our Foundation would appreciate the opportunity to testify when hearings on this legislation are held to present our viewpoint.

Sincerely yours,
GEORGE J. THEOBALD, Jr.,
Executive Director.

MASSACHUSETTS DEPARTMENT OF PUBLIC HEALTH,
Jamaica Plain, Mass., March 6, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: Dr. Arthur Steinburg, Chairman of the Medical Advisory Board of the National Genetics Foundation, Inc., has been kind enough to send for my information a copy of a bill that you have submitted to the Senate that would establish a national program with respect to genetic diseases. I would like to take this opportunity to express to you my sincere appreciation for your interest in this vitally important area and for very wisely proposing that federal funds be made available in many areas of genetic disease so that not only can these diseases be detected on a much broader scale than is now possible but so that research and other studies can be accomplished that are very much needed today.

In many respects, Senator Javits, I believe this bill is a good one. However, there are two areas which I would like to point out to you as being quite troubling to me in relation to the wording in the bill. The first area relates to page 2, lines 16 through 19 in which specific genetic diseases are named: I and my colleagues fear that this may result in a funding pattern which will focus on the diseases named, perhaps to the exclusion of many other equally important genetic diseases, despite the fact that the wording in your bill implies that funding should not be limited to those diseases named. I would prefer that the broad field of genetic diseases be perhaps more generally defined and that the term "inborn errors of metabolism" be included in this definition. I do not quite see the need for naming specific diseases. My second criticism is perhaps a bit more pertinent to the existent situation in relation to screening and study of genetic disease. This criticism relates to the emphasis on page 3 and in particular on page 5 to "voluntary" programs. This presents a rather significant dilemma to many groups, many individuals, and many states now involved in genetic screening. I refer to screening for phenylketonuria (PKU) that is now rather widespread which is mandated by state law in most states and therefore, I assume, would be excluded from funding within your proposed bill. In fact, your own state of New York has the most inclusive mandated law of any state. You may be aware that in New York a recently passed law mandates genetic screening not only for phenylketonuria but for several other diseases including sickle cell anemia, maple syrup urine disease, homocystinuria, histidinemia, galactosemia and I believe Cooley's anemia. I would imagine that all such screening and study for these diseases in New York would be excluded from funding within your proposed bill. Would this not be true? I would suggest that your bill be changed to include funding for programs of genetic screening and study which are not only voluntary but which are mandated for good reason in many areas.

I very much look forward to your comments on my letter. If you so desire, I would be glad to enlarge my thoughts and ideas in regard to genetic disease screening and study, an area in which I and my colleagues have had a great deal of experience here in Massachusetts over the last several years.

Thank you very much.

Sincerely,
HARVEY L. LEVY, M.D.,
Massachusetts Metabolic Disorders Screening Program.

THE UNIVERSITY OF MICHIGAN
MEDICAL SCHOOL,
Ann Arbor, Mich., March 3, 1975.
Hon. JACOB K. JAVITS,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: As one who has in the past been quite critical of the trend towards Special Acts directed towards specific genetic disorders, I am now writing to endorse the approach incorporated into the "National Genetic Disease Act," which I understand you will be introducing in the Senate this month. It seems clear to many of us in the field that a much more organized approach to the problem of genetic disease is indicated than has obtained in the past, and this bill would certainly make that possible.

Sincerely yours,
JAMES V. NEEL, M.D.,
Lee R. Dice University Professor of Human Genetics.

FEBRUARY 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: Dr. Arthur G. Steinberg, Chairman of the Medical Advisory Board of the National Genetics Foundation, Inc., was kind enough to send me a copy of the bill called the "National Genetic Diseases Act" that you and your colleagues intend to introduce into the Senate.

I have read this bill and am in enthusiastic accord with its intent to provide support for the advancement of human genetics and its application as a science to human disease. If passed, it will obviate the great disadvantages of funding for each genetic disease separately. Your bill covers the entire area of genetic disorders from research to the dissemination of information about genetic disease to professional and to the public. This approach is clearly superior to the fragmented attempts that have thus far dominated the efforts at funding this area of medical research.

You and your colleagues are to be commended for your foresight and wisdom.

Sincerely yours,
S. SPIEGELMAN,
Director, Institute of Cancer Research, Professor of Human Genetics and Development.

STANFORD UNIVERSITY MEDICAL CENTER,
Stanford, Calif., February 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR: I have seen a draft of your bill to establish a national program for genetic disease. I strongly support this effort especially the provision for basic research including lower organisms. This research is absolutely vital not only for prevention and treatment of genetic diseases but for cancer and degenerative diseases as well. No investment could be more fruitful for the long term economic and spiritual well being of all the people.

Sincerely,
ARTHUR KORNBERG,
Professor of Biochemistry, Nobel Laureate in Medicine, 1959.

NEW YORK UNIVERSITY
MEDICAL CENTER,
New York, N.Y., March 6, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: I am writing to express my support for the bill to establish a national program with respect to genetic diseases. The bill that you have introduced shows proper foresight without cumbersome restrictions. If enacted, it should be of considerable assistance to the medical community to increase the fund of necessary information and to make available that knowledge that we already possess.

Sincerely,
JOSEPH DANCIS, M.D.,
Professor and Chairman.

NATIONAL RETINITIS
PIGMENTOSA FOUNDATION, INC.,
Baltimore, Md., April 15,1975.
Hon. JACOB K. JAVITS,
Russell Senate Building,
Washington, D.C.

DEAR SENATOR JAVITS: On behalf of the National Retinitis Pigmentosa Foundation, I wish to thank you for taking the initiative to sponsor the National Genetic Diseases Act. It was extremely encouraging to receive a copy of the draft of this bill because funding available for genetic research has always been minimal. Even the National Institutes of Health award very small grants in this field.

The National RP Foundation was organized three years ago to find the cause, treatment, and cure for retinitis pigmentosa and allied retinal degenerative diseases. Only fragmented research was done prior to the establishment of the Foundation, and since that time research has become coordinated and expanded. In addition to this achievement the first multi-disciplined laboratory for the study of retinal degenerations has been built, equipped, and staffed by a grant from the RP Foundation at the Massachusetts Eye and Ear Infirmary. Unfortunately, research into this genetic disease or any other genetic disease is very expensive. Even our funds are limited, which means that we cannot presently meet the financial requests to accomplish all the research needed to attack these diseases. It is for this reason I am enthusiastic about the potential which your bill offers.

It is estimated that over 100,000 Americans are afflicted with retinitis pigmentosa; and with one out of every eighty persons carrying this gene, the numbers will continue to increase if an answer is not found within the next five years. Retinal degenerative diseases is one of the many genetic disorders affecting persons in this country. Every American has something to gain through the enactment of this bill.

The draft of your bill on page 2, lists various genetic diseases. However, because of the present estimated number of persons afflicted and the high risks of being a carrier, I believe that retinal degenerative diseases should also be included.

The National RP Foundation has thirty-one affiliated chapters organized throughout the United States. These chapters and the thousands of RP sufferers associated with each are ready to provide letters of endorsement, testimonials, or anything else you believe is needed to help strengthen support for your bill.

Don't hestitate to call on us.

Sincerely,
BERNARD BERMAN,
President.

HAROLD B. VAN MAREN, M.D., INC.,
Albany, Calif., May 20, 1974.
Senator JACOB JAVITS,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: In my capacity as a member of the Policy Committee of the Genetic Counseling Program at the University of California, Berkeley, I had occasion last week to see a copy of your proposed bill on genetic diseases.

I was extremely pleased to read this bill, as legislation in the area of genetic diseases is critically needed. Please accept my heartfelt congratulations for having authored this bill.

I would very much appreciate receiving a copy of this bill, and I would be interested to know whether or not Congress will vote on it before the end of the current fiscal year.

Thank you for considering this request.

Yours sincerely,
THOMAS L. CLARK, M.S.W.

NATIONAL SOCIETY FOR THE
PREVENTION OF BLINDNESS,
New York, N.Y., March 13, 1975.
Hon. JACOB K. JAVITS,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: The proposed bill which you are sponsoring to establish a national program with respect to genetic diseases—the National Genetic Diseases Act—is wholeheartedly supported by the National Society for the Prevention of Blindness.

Defects of vision of congenital origin, primarily hereditary, are a prime concern of the National Society. Available statistics on blindness indicate that approximately 15% of all new cases each year are due to ocular conditions with a prenatal origin. Some 85% of these are hereditary; the remainder are due to unknown prenatal factors.

Studies which the Society has conducted periodically since the early 1930's of school age blind children have shown that substantial progress has been made in the reduction of blindness due to known causes—infectious diseases, injuries. The rate of occurrence of blindness due to prenatal influence, however, has remained consistently high over the years. In the most recent study, for the 1968–1969 school year, this cause was responsible for 50% of the cases; 83% were hereditary in origin. The rate of blindness from prenatal factors has averaged about 11.0 per 100,000 pupils enrolled but showed an increase to 16.3 in 1958–1969. A further increase to a rate of 19.6 per 100,000 was observed in the 1968–1969 study. Obviously very little progress is being made in preventing blindness from this cause—the most important in children.

In regard to the bill itself, we would like to see the following changes:

1) On page 2 [Sec. 2. (b)] the addition to the listing (lines 17–19) of "defects of vision of hereditary and congenital origin." This would include retinitis pigmentosa, other retinal degenerations, and other structural anomalies.

2) Provide for the establishment and maintenance of registries of persons with the various conditions which are of genetic origin in order to determine prevalence and incidence and to identify cases for study purposes.

3) Delete or define the term "widely prevalent" [page 6, line 12, Sec. 1104. (a)(4)]. Some conditions such as defects of vision probably would not be considered "widely prevalent" since they do not occur in large numbers, i.e. are not high incidence conditions, but the victim is sentenced to a lifetime of serious vision impairment, if not total blindness. Rather than "prevalence" it might be more appropriate to consider the

seriousness, or potential seriousness, of the resulting impairment or handicapping conditions.

The National Society for the Prevention of Blindness welcomes the added stimulus which the National Genetic Diseases Act would provide for public and professional education, research, detection and community services—the means by which the National Society strives to prevent blindness—and the focus it would give on the one area where little progress is being made.

We wish you success with this bill.

Sincerely,

VIRGINIA S. BOYCE,
Executive Director.

AMERICAN SOCIETY
OF HUMAN GENETICS,
April 23, 1975.

Re: Genetics Omnibus Bill to be known as the "National Genetic Diseases Act."

Hon. JACOB K. JAVITS,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: I am writing on behalf of the Board of Directors and the Social Issues Committee of the American Society of Human Genetics to endorse the general principles and aims of the above bill, particularly and so far as the passage of such legislation would assist in the development of a national program, to provide for research, training and education with respect to genetic disease generally, and would thus help to bring some order into these programs.

A number of members had reservations or questions relating to specific aspects of this legislation and will no doubt be in touch with you directly.

The following individual members concur with this endorsation:

Board of Directors of the American Society of Genetics:

Eloise R. Giblett, M.D., King County Central Blood Bank.

Barton Childs, M.D., Johns Hopkins University/Hospital.

Barbara Bowman, Ph.D., University of Texas.

Victor A. McKusick, M.D., Johns Hopkins University/Hospital.

Arno G. Motulsky, M.D., University of Washington.

Luigi Cavalli Sforza, M.D., Stanford University.

David E. Commings, M.D., City of Hope Medical Centre.

Charles J. Epstein, M.D., University of California Medical Centre.

Philip J. Fialkow, M.D., University of Washington.

Herbert A. Lubs, M.D., University of Colorado Medical Centre.

James R. Miller, Ph.D., University of British Columbia.

Leon E. Rosenberg, M.D., Yale University.

John L. Hamerton, D.Sc., University of Manitoba.

Social Issues Committee of the American Society of Genetics:

F. Clarke Fraser, M.D., McGill University.

James V. Neel, Ph.D., University of Michigan.

J. Philip Welch, Ph.D., Dalhousie University.

Ernest B. Hook, M.D., Albany Medical College.

William J. Mellman, M.D., University of Pennsylvania.

Margery W. Shaw, M.D., M. D. Anderson Hospital.

John M. Opitz, M.D., University of Wisconsin.

Yours sincerely,

JOHN L. HAMERTON, D.Sc.,
President.

NATIONAL ATAXIA FOUNDATION, INC.,
Minneapolis, Minn., March 6, 1975.

RUTH Y. BERINI,
Executive Director,
National Genetics Foundation,
New York, N.Y.

DEAR MS. BERINI: Dr. Dean Johnson has forwarded a letter from you dated February 28th along with his enthusiasm and support for the proposed piece of legislation to establish a national program for genetic diseases.

I have read the draft of the proposed piece of legislation and have found it a promising step in reaching a common goal.

These notes should therefore serve as formal support for the proposed "National Genetic Diseases Act" from the National Ataxia Foundation.

Of course, we stand ready to assist you further if we can.

Congratulations on your effort.

Sincerely,

DAVID R. KLASSEN,
Executive Director.

By Mr. MAGNUSON (for himself, Mr. HOLLINGS, and Mr. PELL):

Senate Joint Resolution 81. A joint resolution to regulate commerce by prohibiting the importation into the United States of any fish or fish products by any foreign enterprise which engages in commercial whaling activities, and for other purposes. Referred to the Committee on Commerce and the Committee on Finance, jointly, by unanimous consent.

Mr. MAGNUSON. Mr. President, I introduce for appropriate referral a joint resolution to regulate commerce by prohibiting importation into the United States of any fish or fish products of any foreign enterprise which engages in commerical whaling activities.

Mr. President, the actions of Congress in passing the Marine Mammal Protection Act, the Endangered Species Act, and resolutions requesting the Secretary of State to call for a 10-year international moratorium on the commercial killing of whales are all being flouted by the intransigence of the commercial whalers—primarily the Japanese and Soviet fleets.

As evidence of continuing whaling efforts, I point to an article which appeared in the April 21 issue of the San Diego Tribune reporting that one of the three major Japanese fishing and whaling companies is seeking to kill the California Gray whales in the sanctuary provided for them by the Mexican Government off Baja, Calif. Such a likelihood calls for a strong legislative response putting commercial whalers on notice that the Congress and the people of the United States will not tolerate the continued decimation of the great whales and that we will use every resource at our command to prevent destruction of the California Gray and other whale species.

The bill I introduce today would prohibit importation into the United States of any fish or fish products produced by a company which engages in commercial whaling. Large quantities of fish are exported annually to the United States by the three major Japanese companies which engage in both fishing and whaling. In 1973 fish products imported from Japan into our country amounted to $117,500,000. Whaling is being carried out by a joint venture of these major Japanese companies capitalized at $33 million. An embargo of the tuna, salmon, mackerel, sardines, clams, and crab exported by these companies can be expected to bring a prompt end to their whaling.

This resolution further provides that whaling equipment must be dismantled or converted to non-whaling purposes in order to end the embargo against the products of any company affected. In this way, continuation of whaling by sales of vessels and gear would be prevented.

Mr. President, we cannot rely on the International Whaling Commission to prevent whales from going down the road to extinction. At the June 1974 meeting of the International Whaling Commission—IWC—the U.S. proposal for a 10-year moratorium on all commercial whaling was virtually shelved. Instead, it was replaced by the so-called Australian amendment calling for a selective moratorium on each species which has fallen below the maximum sustainable yield level. This action accomplished nothing to conserve whale stocks for this past Antarctic whaling season, but merely set the stage for a "showdown" this year in the IWC. The sides will be drawn on the question of the definition of maximum sustainable yield, and, according to Sidney Holt, FAO fisheries biologist and one of the foremost experts on whale stocks, all of the major commercial species are below maximum sustainable yield. But maximum sustainable yield levels for all whale stocks are determined by the IWC's Scientific Committee which has been described as "an ad hoc group traditionally comprising scientists employed by or sympathetic to the whaling industry, and dependent mainly on predigested statistics made available by the Japanese industry."

Further, the whaling nations retain the treaty right to object to any decision taken by the IWC and go on killing whales.

While whales are unique, there is nothing unique about either the "objection privilege" in the IWC Convention, nor the attitude of the Japanese and Soviet delegations. Both are typical. The large Japanese whaling companies are, in fact, also among the nation's largest fishing companies. These are exactly the companies which are decimating fish stocks off the coast of Alaska and have motivated me to press for the establishment of a 200-mile fishery zone off our shores. The owners of these companies who sit in the delegation and dominate Japanese policy at the IWC, are among the same owners who sit in the International North Pacific Fisheries Convention delegation and dominate Japanese policy there. Some of these same men even appeared on the Japanese delegation to the Plenipotentiary Conference To Conclude a Convention on Trade in Certain Species in Wildlife to again obstruct the development of an adequate convention.

When dealing with such men, it is absolutely futile to merely "talk a good fight." If our delegations must go to London to the IWC meeting, or to Tokyo for INPFC or to ICNAF armed only with words, their missions are hopeless. We can only prevent the eclipse of domestic American fisheries, and the "commercial extinction" of the great whales, by developing deterrents which cannot be ignored. We must be able to demonstrate to the destructive interests in the one language they will heed—the language of dollars, pounds, yen, and rubles—that it will no longer be to their advantage, short term or otherwise, to destroy marine resources in which Americans have a vital interest.

The American public, if one can assess the national mood from the mounting volume of mail, from the intense response of citizens groups, and from the fact that a citizens' boycott against Japan and the Soviet Union is gaining support, are exasperated with the appeasement of foreign rapacity. Most Americans are—as I am—tired of our continued genuflection to outdated agreements and protocols, and of shopworn talk about "a spirit of cooperation" while the havoc continues. Most Americans realize, as do most of us in this Chamber, that this tragic destruction of vital resources is occurring in the absence of a really firm American response, and that we can stop it if we will. I submit that it is time to do so.

I ask unanimous consent that the article from the San Diego Tribune and one from the Christian Science Monitor, as well as the joint resolution be printed in the Record.

There being no objection, the articles and joint resolution were ordered to be printed in the Record, as follows:

[From the Christian Science Monitor, Feb. 27, 1975]

New Threat to Gray Whales

(By David Winder)

Redondo Beach, Calif.—The annual migration of spouting Pacific gray whales from the plankton-rich waters of Alaska to their mating grounds off the Baja California coast may soon be another footnote for the history books.

Unless, that is, Japanese and Russian whaling fleets are persuaded to halt their hunts in the northern Pacific this summer.

"The Japanese are now tooling up to go after them," says Bemi de Bus of the American Cetacean Society.

Mrs. de Bus was referring to the proposal to the International Whaling Commission by Japanese whaling fleets that "harvesting" of the gray whales be resumed.

Since both Japan and the Soviet Union have ignored whale-taking quotas set by the International Whaling Commission and United Nations call for a 10-year moratorium on whaling, conservationists expect the worst.

They fear that all the work done by a 1938 international moratorium on gray whale killing, rescuing the animal from near extinction, may be undone. The gray whale, down to 1,000 at one time, now numbers between 10,000 and 15,000.

To forestall this, U.S. Representative Alphonzo Bell (R) of California has introduced a bill in Congress that would empower the President to embargo all products from whaling nations. (A similar but unsuccessful move was made last year.)

Representative Bell also will introduce a second bill calling for an immediate embargo of all fishery products exported to the U.S. by the offending Japanese and Soviet whaling companies.

"HAVE TO GET TOUGH"

"We have to get tough. Otherwise we'll get nothing through and our whales will be extinct," said the Santa Monica-bay area congressman.

"People got upset about the shooting of coyotes, of wild horses, of mountain lions. If we bring out the seriousness of the situation I see no reason [why] Congress can't do something about it."

Conservation groups like the National Audubon Society, the National Wildlife Federation, and the Sierra Club, which have urged a boycott of Japanese and Soviet goods, are concerned that the gray whale may become a much an endangered species as the blue whale.

The blue whale, the largest creature ever known to live on earth, now survives in such few numbers that scientists think it may now be past the point of saving. The humpback, bowhead, and right whales all have been driven to virtual extinction while the numbers of remaining fin, sei, sperm, and minke whales are rapidly dropping.

IMPORT BANNED

The U.S. has banned all commercial whaling and the importation of any whale products, and placed all eight of the great whales on the endangered species.

The Soviets use whale meat to feed minks and sables on Siberian fur farms, and sperm whale oil serves as a lubricant for its intercontinental missiles.

The Japanese have argued that whale meat is vital to Japan, but Representative Bell's office insists that whale meat constitutes just 1 percent of the total protein in the Japanese diet.

[From the San Diego Tribune, Apr. 21, 1975]

Japan Firm Seeks Baja Whaling Rights

(By John Farina)

Japanese whaling interests are checking into the possibility of commercially harvesting gray whales off the Baja California coast.

However, the Mexican Fish Commission in San Diego said permission would probably not be granted by the Mexican government.

Gray whales have been under protection since 1946, and Mexico has given sanctuary status to Baja California's Scammon's Lagoon, where the whales give birth to their young after annual migrations from Alaska. The whales are a tourist attraction as they swim off the San Diego coast.

The proposal to harvest gray whales off the Mexican coast has been made by the Los Angeles office of Y.M. Pacific Co., a Japanese firm, representing the Taiyo Co., of Japan, that country's leading whaling firm.

Under the proposal, Japanese whaling ships and processing vessels would establish offshore stations to harvest whales on a regular basis.

Motosuki Yuri, of the Y.M. Pacific Co., said he is "aware that whaling is a very sensitive issue," and that "it will not be easy to get permission from the Mexican government."

Yuri has contacted a number of persons involved in Pacific fisheries for information, including Dr. Carl Hubbs, professor of biology emeritus at Cripps Institution of Oceanography.

"The Japanese are proposing to bring up the matter in June before the International Whaling Commission, to reestablish whaling for the gray whales in Baja California," said Hubbs.

Yuri said Mexican fishery cooperatives in Baja California want whales harvested again, "because the whales cause some interference with fishing operations."

The gray whales were last hunted off Baja California in the 1930s by Norwegian, Dutch and U.S. whaling firms, said Hubbs. Their population has been estimated at 15,000.

Hubbs, an authority on whales, has sent a letter to the Mexican government recommending against the Japanese proposal.

Amin Zarur Menez, chief of the Mexican Fisheries Commission in San Diego, also objects to the proposal. He is attending the Law of the Sea Conference in Geneva.

"Mr. Yuri contacted Mr. Zarur and was told that it is against Mexican law to harvest whales off Baja California, and that it is doubtful that the government would permit it," said Porfirio A. Romay, of the fish commission office. "The Mexican government wants to preserve the whales as a precious natural resource."

S. J. Res. 81

Whereas the whales which inhabit international waters are of great scientific and asthetic interest to mankind and are the common property of the world community;

Whereas many whale species have been exploited to the point of commercial extinction yet the whaling fleets of some nations continue to capture and steadily diminish fin, sei, sperm and minke whales converting their catch into petfood, fertilizer, soap, lipstick, shoe polish, mink food and lubricating oil for which cheap and plentiful substitutes exist;

Whereas the Congress in 1971 adopted resolutions requesting the Secretary of State to seek a ten-year moratorium on commercial whaling, and in June, 1972, fifty-three nations adopted a resolution at the U.N. Conference on the Human Environment urging such a moratorium;

Whereas the United States government has evidenced its concern over the declining whale population by placing all eight species of great whales on its endangered species list pursuant to the Endangered Species Conservation Act of 1969, by banning all commercial whaling by citizens of the United States, and by providing strong leadership in the International Whaling Commission for effective measures to protect whales;

Whereas the International Convention for the Regulation of Whaling, despite a majority vote by member-nations on measures to conserve whale populations based on the advice of its Scientific Committee, allows a nation whose citizens actually engage in whaling to disagree and not observe such measures;

Whereas the U.S. Marine Mammal Commission has found that Japan and the Soviet Union have subverted the goals and diminished the effectiveness of the International Whaling Commission programs, and the Secretary of Commerce has informed the President that these nations are violating an international fishery conservation program for which sanctions under the Fishermen's Protective Act of 1967 involving the embargo of fish and fish products from the offending nations may be invoked at his discretion;

Whereas the whaling fleets of Japan and the Soviet Union continue to deplete the populations of fin, sei, sperm and minke whales by their whaling activities in international waters and thereby together account for more than 80 percent of the approximately 38,000 whales killed each year;

Whereas the Japanese companies which operate whaling fleets, Taiyo Fishery Company, Nippon Suisan Kaisha, and Kyokuyo Company, also export to the United States large quantities of fishery products, including tuna, salmon, mackerel, sardines, clams and crab;

Whereas the Soviet Fisheries Agency, which operates the Soviet whaling fleet, also exports fishery products to the United States, including caviar; and

Whereas a more effective method of bringing an end to whaling practices throughout the world is needed to protect whales from extinction; Now therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of this Joint Resolution the term—

(1) "commercial whaling" means the catching, taking, harvesting, or attempted catching, taking, or harvesting of any species of whale for commercial purposes, and any

activity at sea in support of such actual or attempted catching, taking, or harvesting; the term does not include whaling primarily for subsistence purposes by members of any aboriginal community;

(2) "foreign enterprise" means (A) any citizen or national of any foreign nation, or any corporation, partnership, or other association organized under the laws of any foreign nation; (B) any agency, office, or other public or quasi-public entity of any foreign nation; and (C) any subsidiary owned, in whole or in part, or subject to the direct or indirect control of any such citizen or entity, regardless of where the subsidiary is located;

(3) "Secretary" means the Secretary of Commerce;

(4) "whale" means any species of whale including, but not limited to, blue, fin, sei, right, bowhead, humpback, gray, Bryde's, minke, or sperm.

Sec. 2. (a) Not later than 90 days after the date of enactment of this Joint Resolution and from time to time thereafter, the Secretary shall initiate and complete such investigations and other actions as may be necessary to identify any foreign enterprise engaged in commercial whaling. In carrying out any such investigation or other action, the Secretary may request the assistance of any other Federal agency, and such agency shall, to the maximum extent practicable, render such assistance to the Secretary. The Secretary shall reimburse any such agency for costs incurred in assisting such investigations or other actions.

(b) Upon finding that any foreign enterprise is engaged in commercial whaling, the Secretary shall immediately publish the name and location of such enterprise in the Federal Register. Such finding shall be a final determination that such enterprise is engaged in commercial whaling unless such enterprise, not later than 30 days after the date of such publication, files an objection to the finding of the Secretary. Upon receiving any objection, the Secretary shall treat such objection as a request by such foreign enterprise for a hearing. Such hearing shall be commenced not later than 30 days after the date on which the objection was received and shall be conducted in accordance with the provisions of section 554 of title 5, United States Code.

(c) After a final determination by the Secretary that any foreign enterprise is engaged in commercial whaling, it shall be unlawful for any fish or fish products produced, owned, or distributed by such enterprise to be imported into the United States. The Secretary of the Treasury shall take such action under the customs laws as may be necessary to prevent the importation of any such fish or fish products.

(d) If the Secretary subsequently determines that any such foreign enterprise determined to be engaged in commercial whaling has ceased to be so engaged, subsection (c) of this section shall no longer apply. It shall be the burden of such foreign enterprise to prove to the Secretary that it has ceased commercial whaling: *Provided*, That any sale or other transfer of any vessel or other equipment by such enterprise shall not be considered as evidence that such enterprise has ceased whaling if such vessel or other equipment is capable of being used or will be used in commercial whaling.

Sec. 3. The Secretary is authorized to issue, and may from time to time amend, regulations to carry out the purposes and provisions of this Joint Resolution.

Mr. MAGNUSON subsequently said: Mr. President, I ask unanimous consent that the joint resolution I introduced earlier be refered jointly to the Committees on Commerce and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 613

At the request of Mr. Hatfield, the Senator from Montana (Mr. Metcalf) and the Senator from Illinois (Mr. Percy) were added as cosponsors of S. 613, a bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers, and for other purposes.

S. 1197

At the request of Mr. Tunney, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 1197, the Plutonium Recovery Control Act of 1975.

S. 1268

At the request of Mr. Metcalf, the Senator from New Jersey (Mr. Case), the Senator from Minnesota (Mr. Mondale), and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of S. 1268, a bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review and establishment of additional units of the National Wildlife Refuge System.

S. 1293

At the request of Mr. Metcalf, the Senator from New Jersey (Mr. Case), the Senator from Minnesota (Mr. Mondale), and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range; the Charles Sheldon National Wildlife Range; and the Kofa National Wildlife Refuge as part of the National Wildlife Refuge System, and for other purposes.

S. 1372

At the request of Mr. Robert C. Byrd, the Senator from Alabama (Mr. Sparkman) was added as a cosponsor of S. 1372, to require the Secretary of Health, Education, and Welfare to adhere to present quarterly reporting of social security contributions.

S. 1406

At the reqeust of Mr. Montoya, the Senator from Arizona (Mr. Fannin) and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of S. 1406, a bill to amend title 38 of the United States Code to provide that veterans' pensions and compensation will not be reduced as a result of certain increases in monthly social security benefits.

S. 1475

At the request of Mr. Proxmire, the Senator from Maine (Mr. Hathaway) was added as a cosponsor of S. 1475, the Credit Union Financial Institutions Act Amendments of 1975.

S. 1593

At the reqeust of Mr. Cranston, the Senator from Idaho (Mr. Church), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of the bill (S. 1593) to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes.

S. 1618

At the request of Mr. Abourezk, the Senator from California (Mr. Cranston), the Senator from North Carolina (Mr. Morgan), the Senator from Kansas (Mr. Dole), and the Senator from Ohio (Mr. Taft) were added as cosponsors of S. 1618) a bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes.

S. 1623

At the request of Mr. Mansfield (for Mr. Nelson), the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 1623, a bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index.

S. 1628

At the request of Mr. Proxmire, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 1628, a bill to repeal the Military Selective Service Act.

SENATE JOINT RESOLUTION 49

At the request of Mr. Bayh, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of Senate Joint Resolution 49 to amend the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America."

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENTS NOS. 413 THROUGH 416

(Ordered to be printed and to lie on the table.)

Mr. McCLURE submitted four amendments intended to be proposed by him to the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

AMENDMENTS NOS. 417 AND 418

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 419 THROUGH 428

(Ordered to be printed and to lie on the table.)

Mr. BROCK submitted 10 amendments intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 430, 431, AND 432

(Ordered to be printed and to lie on the table.)

Mr. HRUSKA submitted three amendments intended to be proposed by him to the bill (S. 200), supra.

Mr. HRUSKA. Mr. President, I am introducing an amendment to S. 200, which would provide that any measure having the effect of restricting, limiting, regulating or conditioning the manufacture, sale, possession, or use of firearms, ammunition, or any components of ammunition, including black powder and gun powder, shall only be vested by specific and express legislation enacted by the Congress.

My amendment would go beyond that of the amendment offered by the Senator from Idaho in that it would require positive legislative action by the Congress before any measure, including the pending bill, can confer authority to regulate the sale or manufacture of firearms or firearm ammunition, or ammunition, or ammunition components. Absent affirmative action by the Congress, any regulatory action by any Federal agency in this area, notwithstanding existing law, would be exercised contrary to express statutory authority and the intent of the Congress.

The amendment is not a frivolous one, nor is it without substantial merit. The Consumer Product Safety Commission, established by the Congress in May, 1973, has recently become involved in the regulation of handgun ammunition. Its involvement is fraught with difficulty and controversy, and at the present time is subject to judicial interpretation and administrative review. Let me briefly summarize the status of this matter.

In June 1974 the Consumer Product Safety Commission received a petition from the Committee for Handgun Control, Inc., to ban the sale of handgun ammunition to the general public. The Commission decided on September 5, 1974, to deny the petition on the grounds that it did not have technical jurisdiction over handgun ammunition. In denying the petition of the Committee for Handgun Control, Inc., the Commission stated:

> Nevertheless, the Commission does not believe that Congress, in establishing the Commission and transferring to it the authority to administer the FHSA, intended to confer upon the Commission the authority to ban handgun bullets as requested by and for the reasons cited by the petitioner. This belief is based upon a careful review of the provisions of the Federal Hazardous Substances Act and its legislative history. The practical effect of the requested ban on handgun bullets, if successful, would be a virtual ban of handguns. There is clearly no authority under any act which the Commission administers to regulate handguns.

U.S. District Judge Flannery, overruled this decision and held, on December 19, 1974, that the Commission must consider the petition on its merits. (See *Committee for Handgun Control, Inc.* v. *Consumer Product Safety Commission, et al.*, civil action No. 74–1387 (D.O.C.)). In reaching his decision Judge Flannery allowed that:

> If the Commission remains convinced that Congress would object to the Consumer Product Safety Commission giving consideration to the merits of plaintiff's petition, the proper course is for the Commission to seek clarification from Congress. (supra)

In addition, the Office of General Counsel, Consumer Production Safety Commission, in responding to a request by the Commission for a memorandum on the question of handgun bullets as a "hazardous substance," recommended that the Commission decide that it has jurisdiction over handgun bullets. The Commission, however, meeting on September 6, 1974, rejected that recommendation and stated that in its view, Congress had not "intended" to confer upon the Commission the authority to ban handgun bullets as hazardous substances.

As I have indicated, however, Judge Flannery rejected the Commission's finding and looked to a "plain reading of the statute" test to decide against the Commission. He also ruled that the Commission reconsider the petition on its merits. To comply, the Commission, on February 14, 1975, published the petition in the Federal Register and solicited written comments from all interested persons and groups for a period of 60 days. In the period between February 14 and April 15, 1975, the Commission was inundated with letters and comments from respectable citizens who registered their opposition to the court's decision on handgun ammunition regulation. I know this is true because I have received hundreds of letters and postcards expressing opposition to the decision and also copies of letters sent to the Commission. I am sure that many of my colleagues in the Senate have received similar letters, both in number and in opposition to this ruling.

Mr. President, subsequent to Judge Flannery's December 19 ruling, Congressman John D. Dingell, of Michigan, Senator Ted Stevens, of Alaska, and the National Rifle Association, filed motions with the court seeking to intervene as parties to the action. The Consumer Product Safety Commission did not file papers concerning these motions.

Additional motions filed by the three parties included those which would have had the court vacate the order that the Commission undertake a consideration of the merits of the petition. The motions to intervene were denied on February 14, 1975, by Judge Flannery. The motions to vacate were not considered since the intervention was denied.

In addition, a number of bills have been introduced in the Congress to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition. These bills included S. 143, sponsored by the Senator from Idaho, Mr. McClure, and S. 1007, sponsored by the Senator from Kansas, Mr. Dole. Each of these measures prohibits the Consumer Product Safety Commission from issuing any regulations or orders restricting the sale or manufacture of firearms, firearm ammunition or ammunition.

Mr. President, I want to register strong opposition to the rulings of Judge Flannery that: first, the Consumer Product Safety Commission has jurisdiction and authority to ban handgun bullets: and second, that Congress has failed to express its clear intent not to confer this authority on the Consumer Product Safety Commission by enactment of the Consumer Product Safety Act—Public Law 92–573. It is only through a tortured interpretation of the statutory provisions and legislative history that Judge Flannery reaches these conclusions.

OBJECTION TO THE COURT'S RULING

With regard to the first finding of Judge Flannery that the Consumer Product Safety Commission has jurisdiction over handgun bullets, I must respectfully object to that conclusion. In his opinion, Judge Flannery pursues the following line of reasoning to reach his result. First, under the Federal Hazardous Substances Act—Public Law 86–613—specifically 15 U.S.C. 1261(f)(1)(A), a hazardous substance is defined as:

> (a)ny substance or mixture of substances which . . . (v) is flammable or combustible, or (vi) generates pressure through decomposition, heat, or other means, if such substance or mixture of substances may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion by children. (15 U.S.C. 1261(f)(1)(A)).

Utilizing section 1262 of the Hazardous Substances Act, the court then concludes that the administrator of the Act, formerly the Secretary of Health, Education, and Welfare but now the Consumer Product Safety Commission, has authority to determine which substances meet the definition of "hazardous substance" pursuant to the statute.

The court then proceeded to reason that the administrator of the act, on his own initiative, investigated the question of whether small-arms ammunition as a hazardous substance, and determined that it did. He then issued a regulation to the effect that a narrow labeling requirement was in order containing the usual name of the ammunition, a warning regarding the danger to children, and the name and place of business of the manufacturer. This regulation is still in effect. [See 16 C.F.R. 1500.83(a)(6).]

The court finally sums up its line of reasoning thusly:

> Hence, it is without dispute that small-arms ammunition does constitute a hazardous substance with the Act's definition and that the administrator of the Act has jurisdiction to regulate the hazardous substance.

In short, the court concluded that because the general definition of "hazardous substance" under the Federal Hazardous Substances Act appears to include handgun ammunition, and the administrator also decided it did, issued a regulation under the labeling requirement authority and then, in fact, the Consumer Production Safety Commission has jurisdiction.

Mr. President, it is my contention that the Consumer Product Safety Commission Act expressly exempts firearms and firearm ammunition from the jurisdiction of the Consumer Product Safety Commission. Section 3(a)(1)(E) of the Consumer Product Safety Act (P.L. 92–573) states:

> . . . any article which, if sold by the manufacturer, producer, or importer, would be subject to the tax imposed by section 4181 of the Internal Revenue Code of 1954 (determined without regard to any exemptions from such tax provided by section 4182 or 4221, or any other provision of such Code), or any component of any such article.

Furthermore, section 4181 of 26 U.S.C. provides as follows:

> § 4181. Imposition of tax.
>
> There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to the specified percent of the price for which so sold:
>
> Articles taxable at 10 percent—Pistols; and Revolvers.
>
> Articles taxable at 11 percent—Firearms (other than pistols and revolvers); Shells, and cartridges.
>
> (Aug. 16, 1954, ch. 736, 68A Stat. 490.)

Mr. President, it seems clear to me that the items contained in section 4181 of the Internal Revenue Code are, indeed, exempt from the jurisdiction of the Consumer Product Safety Commission. Unfortunately, Judge Flannery did not take occasion to address these statutory provisions in his written opinion. It is because of these conflicting and almost, far-reaching conclusions by the court that I have introduced my amendment.

LEGISLATIVE INTENT THUS BEEN EXPRESSED

In addition, Mr. President, I cannot agree with the judgment of Judge Flannery that the Congress has not expressed itself with regard to the applicability of the Consumer Product Safety Act to firearms or firearm ammunition.

Legislative intent is not then an item to be considered separate and apart from the language of the statute in determining the meaning of the statute in determining the meaning of the statute as to jurisdiction or anything else. Among the aids used to determine proper statutory construction of statutes are: statements at committee hearings, legislative debates—where the statements reflect a common agreement among the legislators; and legislative action on a proposed amendment.

Among the most telling of actions in the legislative history of the Consumer Product Safety Act surrounds an amendment offered in the House of Representatives by Mr. BINGHAM of New York. The purpose of his amendment was to restore to the bill the coverage of firearms and ammunition.

Mr. Moss of California, a principal sponsor of the bill, spoke in opposition to the amendment because "neither the Committee on Interstate and Foreign Commerce nor the special Commission on Consumer Product Safety made any kind of an inquiry into firearms." He also stated that:

> I do not believe we should here attempt to mislead the public. I am afraid that is what would happen if we were to suddenly have a firearms act without any kind of history as to what we intended. I believe it is an important enough subject to be dealt with as a separate subject. (Congressional Record, at H. 31406, September 20, 1972.)

Congressman WIGGINS also opposed the amendment, stressing that if it were passed:

> What we (would) have, no more or less, is a gun control bill by administrative rule rather than by act of Congress. (Supra, at H. 31406)

Congressman RANDALL concluded the debate just prior to the rejection of the Bingham amendment with this observation:

> We all know, of course, that the Consumer Product Safety Commission created by this bill will have the power and authority to lay down standards as to what products are safe and what products are hazardous. If the amendment of the gentleman from New York should pass, there would be nothing to keep the Commission from declaring that all guns of any and every type, and ammunition of all sorts, are dangerous and hazardous products and thereby achieve through indirection what the antigun lobby has never been able to enact directly—their avowed objective to outlaw all guns and ammunition. (Supra, at H. 31407.)

Mr. President, Congress may take on to itself regulatory authority over a particular area of Federal concern, and where Congress has occupied the field, there is no place for supplementary much less conflicting requirement. Congress expressed an intention to preempt decisionmaking with respect to a ban on ammunition as evidenced in the Gun Control Act of 1968. That legislation responded to widespread national concern that existing Federal control was inadequate, recognizing the use of firearms in violent crimes increased. The House Judiciary Committee was persuaded that "the proposed legislation imposes much needed restrictions on interstate firearms traffic and at the same time not interfere with legitimate recreational and self-protection uses of firearms by law-abiding citizens."

CONCLUSION

In summary, Mr. President, based on the questionable interpretation of the statutory provisions surrounding handguns and handgun ammunition jurisdiction by the Consumer Product Safety Commission, and the expression of legislative intent of the Congress in this area, I feel compelled to offer my amendment. I urge my colleagues to review the points I have outlined today and weigh them in their consideration of my amendment.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point of the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> On page 42, between lines 7 and 8, insert the following:
>
> "(c) Notwithstanding any other provision of law, authority and jurisdiction to restrict, limit, regulate or condition, or any measure having the effect of restricting, limiting, regulating or conditioning the manufacture, sale, possession, or use of firearms, ammunition, or any components of ammunition, including (without limitation) black powder and gun powder, shall be vested only upon and by legislation expressly and specifically providing for its applicability to such firearms, ammunition, or any component of ammunition, including (without limitation) black powder and gun powder."

Mr. HRUSKA. Mr. President, the amendments to S. 200, which I am proposing would insure the retention of the longstanding general rule that all litigation of the Federal Government be supervised and directed by the Department of Justice.

S. 200 in its present form would permit the Administrator of the Consumer Advocacy Agency to select and designate the attorneys by whom he would be represented in court.

This is a most serious departure from the manner which Government agencies presently handle their litigation. The procedure, which has been followed since the earliest days of this country, and which was codified over 100 years ago is that the conduct of litigation in which the United States, an agency, or officer thereof is a party or is interested, is reserved to officials of the Department of Justice under the direction of the Attorney General.

Mr. President, the pending legislation, S. 200, raises the important issue of who should have control of Government litigation. Should control be fragmented, as this bill seems to advocate, into highly contradictory and expense-competing factions? I think not, Mr. President. Such division of the control of litigation would lead to much duplication of effort, resulting in increased costs, and to much confusion as to Government policy.

Mr. President, historically only a very few Government agencies have been granted authority to appear in court. In this instance, I do not think it wise to grant further exception to the rule of a single Government litigating authority.

The public—consumers, taxpayers, and the citizens, all 215 million of them—are entitled to a government that will speak and contend for a united national policy, one which will be understandable and clear, one which will not place undue, unnecessary burdens or needless expenditure of taxpayers' funds, time, or general disposition.

The general public—including all citizens, consumers, taxpayers, and those in fact who are governed—has a right to be protected from the confusion, chaos, frustration, and uncertainty which would come about if there is abandoned the authority and direction now generally vested in the Department of Justice for Government litigation.

That is to say, the spreading out to numerous agencies and bureaus of Government the capability of engaging in innumerable court contests—any of which would have parts of Government contending against other parts of Government—at great expense in time, in court resources, and in expense.

Caught in the middle of most such trials would be the ones for whose benefit such governmental agencies are allegedly created and sustained; namely, those who are governed, all 215 million of them.

Mr. President, four basic major policy reasons for central litigation direction and supervision by the Department of Justice can be summed up as follows:

First. To present a uniform position on important legal issues to the court. Litigation through a proliferation of Government agencies would necessarily result in divergence, confusion, and a greater burden of litigation. We know that in the past client agencies have taken positions diametrically opposed to each other, and the real function and goal has been to resolve the conflicts so that the Government would speak with once voice in the courtroom.

Second. To select test cases which will present the Government's viewpoint in the best possible light. Without the Department of Justice to cull out cases which would be poor vehicles for judicial attention, it might take years to secure correct judicial rulings on key issues.

Third. To secure a greater objectivity in the filing and handling of cases. Agencies are affected litigants. They cannot always be trusted to view a case in proper perspective, having in mind national policy considerations.

Fourth. To achieve better rapport with the courts. The judges know and trust the Department lawyers who are in their courtrooms week in and week out and many have openly expressed their desire to have Government cases presented by Government attorneys. By having the trial work handled by regularly assigned Department of Justice lawyers, the court, if displeased or concerned, knows that he can express himself to the U.S. attorney whom he knows—not to a name in Washington, D.C.

In conclusion, I say that to make the executive power effective and to permit the Government to take an express uniform policy position, there should be centralized control of litigation policy within the executive branch. Such centralized control of Government litigation is important to avoid inconsistencies or incompatibilities in the position the Government takes for the Federal courts.

In addition, it is important—and this view is expressed in legislative history over the last 2 decades or more—that the positions to be taken by a single agency on questions of general concern to the Federal Government and all of its agencies reflect the overall interests of the entire Federal Government and the public and not just the interests of the particular agency as it see it.

It is for these reasons that I urge that the amendments which I have proposed be adopted.

Mr. President, I have submtited two amendments on this subject. I ask unanimous consent that the text of both be printed at this point in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

AMENDMENT

On page 15, line 2, insert the following: before the words "the Administrator" insert the following: "the Attorney General at the request of"

On page 15, line 6, strike the word "The" and insert in lieu thereof the following: "The Attorney General at the request of the"

On page 15, line 13, strike the word "initiating" and insert in lieu thereof the following: "requesting the Attorney General to initiate"

On page 15, line 20, strike the word "Administrator" and insert in lieu thereof the words, "Attorney General"

On page 15, line 24 strike the words "Administrator's right" and insert in lieu thereof the following: "the right of the Agency for Consumer Advocacy."

On page 16, line 3, strike the word "Administrator's" and insert in lieu thereof the words "Attorney General's"

On page 16, line 5 and 6, strike the word "Administrator" and insert in lieu thereof the words "Attorney General"

On page 16, line 9, strike the word "he" and insert in lieu thereof the words "the Administrator"

On page 16, line 13, strike the word "The" and insert in lieu thereof the following: "The Attorney General at the request of the"

On page 16, line 19, strike the word "Administrator" and insert in lieu thereof the words "Attorney General"

On page 17, strike lines 6, 7, and 8, inserting in lieu thereof the following:

"(e) The prosecution and defense of litigation arising under this act shall be conducted under the supervision and control of the Attorney General"

On page 41, line 12, following the word "may" insert the following: "request the Attorney General to"

On page 41, line 14, strike the word "he" and insert in lieu thereof the words "Attorney General"

On page 41, line 20, strike the word "Administrator" and insert in lieu thereof the words "Agency for Consumer Advocacy"

On page 41, lines 24, strike the word "Administrator" and insert in lieu thereof the words "Agency for Consumer Advocacy"

AMENDMENT

On page 42, line 15, add the following:

(c) Notwithstanding any other provisions of this or any other act, the prosecution and defense of litigation under this act shall be conducted under the supervision and control of the Attorney General.

AMENDMENT NO. 433

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, I submit today an amendment in the nature of a substittue to S. 200, the Consumer Protection Act of 1975. I ask unanimous consent that the full text of my amendment be printed in the Record immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, over the years I have supported the proposal embodied in S. 200. I believe the procedures and processes of the Federal Government would be much improved if effective consumer advocacy were a reality, not merely a promise.

I have supported the Consumer Protection Act and have respected the enormous amount of work that has gone into its development. I acknowledge the diligent efforts of Representatives, Senators, and staff who have made the Consumer Protection Act a household word. I commend the selfless dedication of the public-spirited individuals who have labored for public acceptance of the ACA concept.

I must confess, however, that two aspects of S. 200 have troubled me over the years:

First, the "superagency" envisioned in S. 200 could not develop internally the expertise required to represent effectively consumers in the incredibly complex proceedings of Federal agency action. The separate Agency for Consumer Advocacy has the advantage of independence but the liability of nonspecialization in discharging the assigned duties.

Second, the Administrator of ACA, under section 10 of S. 200, has more powers in collecting information concerning the private sector's activities than the agencies responsible, in the first instance, for effective regulation. S. 200 misplaces the wide-ranging authority to subpena and interrogate big business with respect to marketplace activities. If the "information gathering" capacity of the ACA under S. 200 is needed at all, it should be extended directly to those agency heads primarily responsible for the oversight and regulation of big business, not to their statutory conscience, or alter ego ACA.

Mr. President, those who authored the bulk of my substitute amendment, in all candor, are those same Senators who have labored for so long to establish an effective consumer voice within the Government. This substitute is only an adaptation of S. 200, using language with which all Senators are familiar. It merely addresses those two concerns which I have expressed in the following way.

It establishes "Offices of Consumer Counsel" within each of the 24 major Federal agencies and departments. Each office would be independent. Each consumer counsel would be subject to the Senate's advice and consent power. Each office would have those prerogatives of the Administrator under S. 200—with the major exception of the proposed "information gathering power" of the Administrator to which I have referred.

Under the substitute amendment, each consumer counsel would have the opportunity to become a specialist on the affairs of his department or agency. His proposed budget would be submitted directly to Congress—the upper limit on appropriations for each office of consumer counsel would be $500,000 per annum. Thus, the total maximum cost of my substitute would be $12 million per year, compared to the proposed $20 million for the ACA.

Mr. President, I believe the Senate should address itself to the two major issues which this substitute amendment raises: First, whether independent consumer counsels within the various agencies can more effectively represent consumer interests. And second, whether consumer advocates should have more power to elicit information about major private sector enterprises than the agency established for this purpose in the first instance.

At the appropriate time, I intend to ask my colleagues to address these two issues, and to decide between the single "independent" Agency for Consumer Advocacy, on the one hand; and 24 specialized "Offices of Consumer Counsel," with comparable independence and substantially similar statutory powers, on the other:

AMENDMENT NO. 433

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Consumer Protection Act of 1975".

STATEMENT OF FINDINGS AND PURPOSES

Sec. 2. (a) The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; that regulations have been adopted and policies have been promulgated by the Federal Government without first securing available information as to the potential costs and benefits of such regulations and policies; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy. As a result of this lack of effective representation before and within Federal agencies and courts, consumers suffer economic harm and other adverse consequences in the course of acquiring and using goods, services, and credit available in the marketplace.

(b) The Congress therefore declares that—

(1) Effective consumer advocacy before and within Federal agencies would help such agencies to exercise more fully and effectively their statutory responsibilities, in a manner consistent with the public interests and with effective and responsive government. It is the purpose of this Act to protect and promote the interests of the people of the United States, as consumers of goods and services that are made available

through commerce, by establishing independent Offices of Consumer Counsel within the executive branch and certain agencies of the Federal Government.

(2) It shall be the purpose of each Office of Consumer Counsel to represent the interests of consumers before and within the Federal agency of which it is a part and before the Federal courts in matters relating to such agency; to receive and transmit consumer complaints; to develop and disseminate information of interest to consumers; and to perform other functions to protect and promote the interests of consumers. In the exercise of its functions, powers, and duties, each such Office shall be independent of all other offices and officers of the agency of which it is a part.

(3) It is the purpose of this Act to promote the protection of consumers with respect to—

(A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

(B) preservation of consumer choice and a competitive market;

(C) prevention of unfair or deceptive trade practices;

(D) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

(E) provision of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit;

(F) protection of the legal rights and remedies of consumers; and

(G) provision of estimates of the costs and benefits of programs and activities established by regulations and laws of the Federal Government.

DEFINITIONS

SEC. 3. As used in this Act, unless the context otherwise requires—

(1) "agency action' 'includes the whole or any part of an agency "rule," "order," "license," "sanction," or "relief" (as defined in section 551 of title 5, United States Code), or the equivalent thereof, the denial thereof, or the failure to act;

(2) "agency activity" means any agency process, or phase thereof, conducted pursuant to any authority or responsibility under law;.;

(3) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing" (as defined in section 551 of title 5, United States Code);

(4) "commerce" means trade, traffic, commerce, or transportation, within the jurisdiction of the United States, (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffice, commerce, or transportation described in clause (A);

(5) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credits for personal, family, agricultural, or household purposes;

(6) "Consumer Counsel" means, with respect to a Federal agency, as defined in this section, the officer who is appointed pursuant to this Act to represent the interest of consumers in accordance with this Act;

(7) "Federal agency" or "agency" means the Departments of Agriculture, Defense, Commerce, Health, Education, and Welfare, Housing and Urban Development, Interior, Justice, Labor, Transportation, and Treasury, the Civil Aeronautics Board, the Consumer Product Safety Commission, the Energy Research and Development Administration, the Environmental Protection Agency, the Federal Communications Commission, the Federal Energy Administration, the Federal Maritime Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, the National Aeronautics and Space Administration, the National Transportation Safety Board, the Securities and Exchange Commission, and the Small Business Administration;

(8) "Federal court" means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the United States Customs Court, the United States Court of Customs and Patent Appeals, the United States Tax Court, and the United States Court of Claims;

(9) "interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(10) "participation" includes any form of submission;

(11) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(12) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

ESTABLISHMENT

SEC. 4. There is hereby established within each Federal agency an independent Office of Consumer Counsel. Each such Office shall be directed and administered by a Consumer Counsel. Each Consumer Counsel shall be appointed by the President, by and with the advice and consent of the Senate, for a term not to exceed four years and shall be compensated at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. Each Consumer Counsel shall be an individual who, by reason of training, experience, and attainments, is qualified to represent effectively and independently the interests of consumers. Upon the expiration of his term, each Consumer Counsel shall continue in office until he is reappointed or until his successor is appointed and qualifies. A Consumer Counsel may be removed by the President for neglect of duty or malfeasance in office.

POWERS AND DUTIES OF CONSUMER COUNCIL

SEC. 5. (a) Each Consumer Counsel shall be responsible for the exercise of the powers and the discharge of the duties of the Office, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, each Consumer Counsel may, in carrying out his functions under this Act and to the extent funds are appropriated—

(1) select, appoint, employ, and fix the compensation (subject to the civil service and classification laws) of such officers and employees as are necessary to carry out the provisions of this Act, and shall prescribe the authority and duties of such officers and employees;

(2) employ experts and consultants, in accordance with section 3109 of title 5, United States Code. Each Consumer Counsel may compensate individuals so employed for each day (including travel time) at rates not in excess of the maximum rate of pay for Grade GS–18, as provided in section 5332 of title 5, United States Code, and may, while such experts and consultants are so serving away from their homes or regular place of business, pay them travel expenses and per diem in lieu of subsistance at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) promulgate, in accordance with the applicable provisions of the Administrative Procedure Act, title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act, and to assure fairness to all persons affected by the actions of the Office, and to delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(4) utilize, with their consent, the services, personnel, and facilities of State, regional, local, and private agencies and instrumentalities;

(5) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679 (b) of the Revised Statutes (31 U.S.C. 665(b));

(6) conduct conferences and hearings and otherwise secure data and expression of opinion;

(7) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible;

(8) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with other Offices of Consumer Counsel and with State and local agencies carrying out programs and activities related to the interests of consumers;

(9) appoint such advisory committees as he deems necessary or appropriate to assist him with respect to his functions under this Act. Each Consumer Counsel may compensate the members of any such advisory committees (other than those who are regularly employed by the Federal Government) in the manner provided under paragraph (2) of this subsection. All meetings of such committees shall be open to the public, and interested persons shall be permitted to attend, appear before, or file statements with any such committee, subject to such reasonable rules or regulations as the Consumer Counsel involved may prescribe; and

(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Each Consumer Counsel shall prepare and submit a monthly report, on the activities of his Office of Consumer Counsel, to the head of the Federal agency of which such Office is a part, and he shall prepare and submit to the President and to the Congress simultaneously, not later than April 1 of each year beginning April 1, 1976, an annual report on such activities. Each such annual report shall include a description and analysis of—

(1) the activities of his Office, including its representation of the interests of consumers;

(2) the relevant Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the appropriation by Congress for the Office, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Office for each of the next three fiscal years; and

(4) the extent of participation by consumers in the activities of his Office, and the effectiveness of the representation of

consumers before the agency of which his Office is a part.

(d) Each office and officer of the agency of which an Office of Consumer Counsel is a part shall provide such Office with such information and data as the Consumer Counsel requests, except as provided in section 11 of this Act. The budget requests and budget estimates of each Office of Consumer Counsel shall be submitted by the agency of which it is a part directly to the Congress, and moneys appropriated for the use of such an Office shall not be used by the agency of which it is a part for any other purpose.

OFFICE FUNCTIONS

SEC. 6. Each Consumer Counsel shall—

(1) represent the interests of consumers within and before the agency of which his office is a part and before the courts, to the extent authorized by this Act;

(2) conduct and support research, and studies, to the extent authorized by section 10 of this Act;

(3) submit recommendations annually to the appropriate committees of the Congress and the head of the agency of which his Office is a part, on measures to improve the operation of such agency and of the Federal Government in general in the protection and promotion of the interests of consumers, including, but not limited to, any reorganization recommendations;

(4) receive, transmit to appropriate officials, and make publicly available consumer complaints, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided,* That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal officials or agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) keep the appropriate committees of Congress fully and currently informed of all the activities of his Office, when asked or on his own initiative;

(8) encourage the adoption and expansion of effective consumer education programs;

(9) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(10) encourage the development of informal dispute settlement procedures involving consumers;

(11) encourage meaningful participation by consumers in the activities of his Office;

(12) publish information and material obtained and developed in carrying out his responsibilities under this Act, including, but not limited to, a consumer register of matters that may be useful to consumers; and

(13) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

REPRESENTATION OF CONSUMERS

SEC. 7 (a) (1) Whenever a Consumer determines that the result of a relevant proceeding or activity of the agency of which his Office is a part may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers, as provided in paragraph (2) of this subsection. The Consumer Counsel shall refrain from intervening in any proceeding as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The Consumer Counsel shall comply with the relevant Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with laws and agency rules of procedure of general applicability governing the conduct thereof. The intervention or participation of a Consumer Counsel in any proceeding or activity in accordance with this subsection shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(2) Whenever a Consumer Counsel determines, with respect to the agency of which his Office is a part, that the result of any relevant Federal agency proceeding—

(A) which is subject to the provisions of section 533, 554, 556, or 557 of title 5, United States Code;

(B) which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice;

(C) which is conducted on the record after opportunity for an agency hearing; or

(D) which provides for public notice and opportunity for comment;

may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers in such proceeding.

(b) At such time as a Consumer Counsel determines to intervene or participate in a proceeding under subsection (a) (2) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a) (1) of this section and stating concisely the specific interest of consumers to be protected. Upon intervening or participating, he shall file a copy of such statement in the proceeding.

(c) To the extent that any person, if aggrieved, would by law have such right, a Consumer Counsel shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding that involves an action of the agency of which his office is a part:

(1) A Consumer Counsel may, as of right, and in the manner prescribed by law, initiate a civil action in a Federal court for the review of a relevant Federal agency action that the Consumer Counsel determines may substantially affect an interest of consumers. If the applicable Consumer Counsel did not intervene or otherwise participate in such Federal agency proceeding or activity out of which such agency action arose, the Consumer Counsel, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration. Such a petition shall be filed within 60 days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Consumer Counsel may initiate a judicial review proceeding immediately if the Federal agency does not finally act upon such a petition within 60 days after the filing thereof, or at such earlier time as may be necessary to preserve the Consumer Counsel's right to obtain effective judicial review of the Federal agency action. If the applicable Consumer Counsel did not intervene or otherwise participate in the relevant Federal agency proceeding or activity, the court shall determine whether the Consumer Counsel's initiation of a judicial proceeding pursuant to this subsection would impede the interests of justice. When the Consumer Counsel initiates a judicial proceeding arising out of a relevant agency proceeding or activity in which he did not intervene or otherwise participate, he shall file a statement setting forth the reasons for such failure, for the court's consideration in connection with its determination as to whether the initiation of such a proceeding would impede the interests of justice

(2) A Consumer Counsel may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil action in a Federal court if such civil action involves the review or enforcement of an action of the agency of whch his Office is a part, if he determines that such civil action may substantially affect an interest of consumers.

(3) The initiation, or other participation of, by a Consumer Counsel in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.

(d) Whenever a Consumer Counsel determines it to be in the interest of consumers, he may request the relevant Federal agency to initiate a judicial proceeding for review, or to take such other action, as may be authorized by law with respect to such agency. If such Federal agency fails to take the action requested, it shall promptly notify the Consumer Counsel of its reasons therefor, and such notification shall be a matter of public record.

(e) Appearances by an Office of Consumer Counsel under this Act shall be in its own name and shall be made by qualified representatives designated by the respective Consumer Counsel.

(f) In any Federal agency proceeding in which a Consumer Counsel is intervening or participating pursuant to subsection (a) (2) of this section, such Consumer Counsel is authorized to request such Federal agency to issue, and such agency shall issue, such orders as are authorized pursuant to its statutory powers for the copying of documents, papers, and records, for the summoning of witnesses and the production of books and papers, and for the submission of information in writing. Such orders shall only be issued by a Federal agency upon a statement or showing by the Consumer Counsel of general relevance and reasonable scope of the evidence sought, if such a statement or showing is required by the general rules of procedure of such agency.

(g) A Consumer Counsel is not authorized to intervene in proceedings or actions before State or local agencies and courts.

(i) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with its Consumer Counsel, shall issue any additional rules which may be necessary to provide for such Consumer Counsel's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantally affect the interests of consumers.

(j) Each Consumer Counsel is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. Each Consumer Counsel shall notify the principal sponsors of any such petition, within a reasonable time after receipt of any such petition, of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If a Consumer Counsel declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

CONSUMER COMPLAINTS

SEC. 8. (a) Whenever a Consumer Counsel receives from any person any complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous or outside the jurisdiction of the agency of which his Office is a part, promptly transmit such complaint or information to the Federal official which has the authority to enforce any relevant law or to take appropriate action. Each Federal agency shall keep its Consumer Counsel informed to the greatest practicable extent of any action which it is taking on complaints transmitted by him.

(b) Each Consumer Counsel shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods, services and credit of all complaints of any significance concerning them received or developed under this section, unless such Consumer Counsel determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) Each Consumer Counsel shall maintain a public document room for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), containing an up-to-date listing of all consumer complaints or any significance which he has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless a Consumer Counsel, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the Federal official to whom the complaint has been referred has had a reasonable time to notify the Consumer Counsel what action, if any, he intends to take with respect to the complaint; and

(3) no unsigned complaints shall be placed in the public document room.

CONSUMER INFORMATION AND SERVICES

SEC. 9. (a) In order to carry out the purposes of this Act each Consumer Counsel shall develop on his own initiative, and shall, subject to the other provisions of this Act, gather from other offices and officers of the agency of which his Office is a part and from any other source, and shall disseminate to the public (in such manner, at such times, and in such form as he determines to be most effective), information, statistics, and other data, including, but not limited to, any matter over which his agency has jurisdiction concerning—

(1) the functions and duties of his Office;

(2) consumer products and services;

(3) problems encountered by consumers generally or conditions, situations, developments, or practices which may adversely affect consumers; and

(4) notices of hearings, proposed and final rules and orders, and other pertinent activities of the agency of which his Office is a part that affect consumers.

(b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with their respective Consumer Counsels in making such information available to the public.

STUDIES

SEC. 10. Each Consumer Counsel is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, and surveys concerning the interests of consumers: *Provided*, That such activities are not duplicative of other efforts of the respective agencies.

ACCESS TO INFORMATION

SEC. 11. (a) Upon written request by its Consumer Counsel, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which such Consumer Counsel deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny its Consumer Counsel access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(3) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulations or supervision of financial institutions;

(4) information which would disclose the financial condition of individuals who are customers of financial institutions; and

(5) trade secrets and commercial or financial information described in section 552(b) (4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by such Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Consumer Counsel that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Consumer Counsel, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by the Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

(b) Before granting a Consumer Counsel access to trade secrets and commercial or financial information described in section 552(b) (4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall, notwithstanding section 18(b) of this Act, afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief. Where access to information is denied to its Consumer Counsel by a Federal agency pursuant to this subsection, the head of the agency and the Consumer Counsel shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

LIMITATIONS ON DISCLOSURE

SEC. 12. (a) Except as provided in this sec- Code, shall govern the release of information tion, section 552 of title 5, United States by a Consumer Counsel or any employee or agent of his office.

(b) No officer or employee of an Office of Consumer Counsel shall disclose to the public any information which was received solely from its Federal agency when such agency has notified the Consumer Counsel that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, such information may be disclosed in such form or manner.

(c) The following additional provisions shall govern the release of information by a Consumer Counsel pursuant to any authority conferred by this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 7 of this Act:

(1) A Consumer Counsel, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. A Consumer Counsel shall comply with any notice by his Federal agency pursuant to section 11(b) of this Act that such information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior, inferior, or preferable in quality over those not tested.

(3) Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

(4) Where the release of information may cause substantial injury to the reputation or good will of a person, the Consumer Counsel shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 11(a)(5) of this Act.

NOTICE

SEC. 13. Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by its Consumer Counsel, notify him of any proceeding or activity at such time as public notice is given.

SAVING PROVISION

SEC. 14. Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the appropriate Consumer Counsel as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

EXEMPTIONS

SEC. 15. (a) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force), the military weapons program of the Energy Research and Development Administration, and the broadcast license renewal proceedings of the Federal Communications Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. For purposes of this Act, existing appropriated funds should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $500,000 for each Office of Consumer Counsel for the fiscal year ending June 30, 1976, $125,000 for the fiscal year transition period from July 1, 1976 through September 30, 1976, and $500,000 for the fiscal year ending September 30, 1977.

EVALUATION BY THE COMPTROLLER GENERAL

SEC. 17. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act.

(b) Not less than 30 months nor more than 36 months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his study conducted pursuant to subsection (a) of this section, which shall contain, but not be limited to, the following:

(1) an evaluation of the effectiveness of consumer representation activities authorized by this Act;

(2) an evaluation of the effect of the activities of the Consumer Counsels on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives as set forth in section 2 of this Act.

(e) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by Consumer Counsels shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.

MISCELLANEOUS PROVISIONS

SEC. 18. (a) Nothing in this Act should be construed to limit the discretion of any Federal agency or court, within its authority, including a court's authority under rule 24 of the Federal Rules of Civil Procedure, to grant a Consumer Counsel additional participation in any proceeding or activity, to the extent that such additional participation may not be as of right, or to provide additional notice to the respective Consumer Counsel concerning any agency proceeding or activity.

(b) (1) No act or omission by any Consumer Counsel or any Federal agency relating to such Consumer Counsel's authority under sections 7 (a), (d), (f), (i), and (j), 8, 9, 12, and 13 of this Act shall affect the validity of an agency action or be subject to judicial review: *Provided*, That—

(A) a Consumer Counsel may obtain judicial review to enforce his authority under sections 7 (a), (d), (f), (i), and (j), 9 and 13 of this Act: *Provided further*, That he may obtain judicial review of his Federal agency determination under section 7(f) of this Act only after final action by such agency and only to the extent that such determination affected the validity of such action;

(B) a party to any agency proceeding or a participant in any agency activity in which its Consumer Counsel intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Consumer Counsel's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

(C) any person who is substantially and adversely affected by any action taken by a Consumer Counsel pursuant to section 7(f), 9(a), or 12 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

(2) For the purposes of this subsection, a determination by a Consumer Counsel that any proceeding or activity of the agency of which his office is a part may substantially affect an interest of consumers or that his intervention in any proceeding is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

PUBLIC PARTICIPATION

SEC. 19. (a) After reviewing its statutory authority and rules of procedure, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

(1) petition the agency for action;

(2) receive notice of agency proceedings;

(3) file official complaints (if appropriate) with the agency;

(4) obtain information from the agency; and

(5) participate in agency proceedings for the purpose of representing their interests.

Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

COST AND BENEFIT ASSESSMENT STATEMENTS

SEC. 20. (a) In furtherance of the purpose and policy of section 2(b) (3) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, and which are likely to have a substantial economic impact. Each such statement shall be short and concise, and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefits assessment statement.

(c) Each agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extension of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, may furnish to the applicable agency the information upon which he based such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be first published at the end of the year in which it was prepared in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding 12 months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code.

(f) The President, or his designee, shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) of this section and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Director of the Office of Management and Budget and the Comptroller General of the United States. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93-637 (88 Stat. 2193; 15 U.S.C. 57 (a), (b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within 60 days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect 90 legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a) of this section. The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed 30 days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 3 of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such nonquantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action;

(2) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes;

(3) the term "legislation" or "law" means a statute of the United States or any amendment thereto; and

(4) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress and to the Congressional Office of the Budget a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i); no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order or law imposing any economic. cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section.

EFFECTIVE DATE

SEC. 26. (a) This Act, other than section 20 of this Act, shall take effect 90 calendar days following the date on which this Act is enacted, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Notwithstanding subsection (a) of this section, any of the officers provided for in this Act may be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act.

SEPARABILITY

SEC. 22. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

Amend the title to read: "A bill to establish an independent Consumer Counsel within certain Federal agencies in order to protect and serve the interests of consumers, and for other purposes."

AMENDMENT NO. 434

(Ordered to be printed and to lie on the table.)

Mr. BROCK. Mr. President, the purpose of my amendment is to add to the exemptions already contained in S. 200, the drug regulatory functions performed by the Food and Drug Administration under existing law.

Mr. President, before a drug can be brought to market it must go through some of the most extensive testing and evaluation that can be imagined. Nowhere in the Federal Government do we have a process of consideration and evaluation which can be compared to the safety and efficacy requirements which have to be met by a drug intended for human consumption. Further, a drug is not an ordinary consumer product. In the case of prescription drugs, they must first be prescribed by a physician and supplied by a pharmacist before they ever reach the hands of a consumer.

There is already clear evidence that the number of new and lifesaving drugs being brought to market in the United States has been dropping off and that innovation is being stifled by the regulatory maze which must be negotiated by anyone wishing to introduce a new drug. Adding the additional complicating factors created by S. 200 will compound present difficulties in a way which I believe is not in the best interests of consumers or of the public health generally.

Mr. President, I hope my amendment will be accepted without further discussion in order to prevent Federal intervention in an area which will not serve the general welfare.

AMENDMENT NO. 435

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, it is my intention to call up, during the consideration of S. 200, an amendment to clarify the working relationship of any future Consumer Advocacy Agency with already established executive offices having similar responsibilities.

Specifically, this amendment would require that the ACA coordinate its activities with those of consumer divisions within other Federal departments and agencies. In that way, we could avoid some of the duplication of effort and waste of man-hours which is so prevalent in this massive bureaucracy of ours.

While the sponsors of the bill might contend that such a mutuality of purpose among governmental units with "consumer interest" labels is implicit throughout the legislation, I think those of us who have reservations about a new independent bureaucracy are entitled to that reassurance in actual language form. That is, this is not something we can take for granted.

There is good reason to be concerned, also, that without the "coordination" stipulation, competition—and even adversity—are likely to develop between the ACA and another element of the Federal organization having supposedly a common, if not identical objective: that of protecting consumers. Accordingly, we should act to incorporate into the law this provision to forestall such an undesirable intragovernmental conflict.

If we are truly seeking to represent consumers, we must do so in a way that will foster cooperation and unanimity throughout the rather spansive proconsumer community at the executive level. It is my hope that the adoption of this amendment will contribute to that pursuit.

Mr. President, I ask unanimous consent that the text of the coordination activities amendment which I will offer be printed in the RECORD for the benefit of my colleagues.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 435

On page 12, line 23, strike out the word "and".

On page 12, between lines 23 and 24, insert the following new paragraph:

"(15) coordinate its activities with the activities of other executive departments and agencies with respect to consumers; and".

On page 12, line 24, strike out "(15)" and insert in lieu thereof "(16)".

AMENDMENT NO. 436

(Ordered to be printed and to lie on the table.)

DELAY OF EFFECTIVE DATE

Mr. DOLE. Mr. President, today I am submitting an amendment to delay the effective date of S. 200 until January 1, 1976, and to provide for a more gradual funding of the new agency.

It is the belief of the junior Senator from Kansas that if this amendment were adopted, it would greatly improve the likelihood that this bill will be enacted. It seems to the Senator from Kansas that the position of a majority of the Members of the Senate and possibly of the House of Representatives and the position of the White House have become clear. We must now take a hard look at what happens to this legislation if it is passed by Congress, vetoed, and sent back to the Senate to make a determination of whether or not the veto will be sustained or overridden.

STRAINED BUDGET

On April 17, the President directed a letter to the chairman of the Senate Government Operations Committee concerning the consumer protection bill. In that letter the President expressed his concern about the additional costs of this legislation and the difficulty of adding this new expense at a time when we are trying to reduce the size and cost of Government.

I share the President's concern about the cost of Government, the dangers to the economy of the tremendous amount of Federal spending, and the incredible size of the Federal deficit are very real.

As a member of the Budget Committee, I am very conscious of the size of this deficit and the difficulties of even holding it where it is not to mention the possibility of trying to reduce it.

So the Senator from Kansas feels that Congress in its efforts to restore the economy and provide responsible Government should be greatly concerned about adding new costs to the Federal budget. While the moneys authorized for expenditure under this bill are relatively small, the addition of this and many other bills add up to a very great amount of money which I am greatly concerned the budget cannot stand at this point.

The amendment I am submitting would help hold down this addition of Federal spending. It would delay the substantial increases in Federal spending until fiscal year 1977 when, according to economic forecasts, the economy and the budget will be in much better condition to cover the additional costs of this bill.

EFFECTIVE BILL NOT REDUCED

While the initial funding for the first 9 months of this legislation would be essentially cut in half by this amendment, I understand that it would not have a greatly detrimental impact upon consumer representation. That is because as I have been advised, it requires about 1 year for an organization of this size to get staffed up, organized, and in operating condition. Since the $7 million provided for the first 9 months of this program would allow the Agency to hire personnel and begin preliminary operations, this would be accomplished just in time for the Agency to begin full operations with $15 million for the first full fiscal year of operation.

In addition, the amendment provides for $20,000,000 for fiscal year 1978 and $25,000,000 for fiscal year 1979.

Mr. President, I feel strongly that this amendment, if adopted, will greatly increase the likelihood that this legislation would be enacted into law.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 436

On page 39, line 7, strike out all of Section 19 and insert in lieu thereof the following:

"SEC. 19. There are authorized to be appropriated to carry out the provisions of this Act, except section 24, not to exceed $7,000,000 for the period between January 1, 1976, and September 30, 1976, not to exceed $15,000,000 for the fiscal year ending September 30, 1977, not to exceed $20,000,000 for the fiscal year ending September 30, 1978, and not to exceed $25,000,000 for the fiscal year ending September 30, 1979. Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning on October 1, 1979, shall be referred in the Senate to the Committee on Government Operations and to the Committee on Commerce."

On page 51, line 25, strike out "ninety calendar days following the date on which this Act is enacted," and insert in lieu thereof "on January 1, 1976,".

AMENDMENT NO. 437

(Ordered to be printed and to lie on the table.)

APPROPRIATION REPORT AMENDMENT

Mr. DOLE. Mr. President, the amendment I propose to S. 200 would require the Directors of the Congressional Budget Office and the Office of Management and Budget to report annually to Congress the estimated amount of funds to be allocated each year to any office representing consumers in any Government agency other than the Agency for Consumer Advocacy. The amendment further requires that these estimates will be included in any committee report accompanying any appropriations bill for the ACA.

This provision will enable the Congress to determine precisely how much money the Government is allocating to consumer protection each fiscal year. By monitoring total Government spending for consumer programs, Congress will be able to gage more accurately the efficiency of all such programs. Moreover, these annual reports will be of benefit to the congressional budget committees in analyzing expenditures in the various functional categories of Federal spending.

Mr. President, this amendment will demonstrate further the determination of the Congress to provide fiscally responsible programs to assist consumers throughout the Government.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 437

"BUDGET REPORTS

"SEC. 25. (a) The Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall each transmit annually to the Congress a report containing an estimate of the amount of funds expected to be allocated for each fiscal year to any Office representing consumer interests located within any department or agency other than the Agency for Consumer Advocacy.

"(b) Such estimate shall be included in any committee report accompanying any bill making appropriations for the agency for consumer advocacy.".

On page 51, line 24, strike out "25" and insert in lieu thereof "26".

On page 52, line 11, strike out "26" and insert in lieu thereof "27".

AMENDMENT NO. 438

(Ordered to be printed and to lie on the table.)

LABOR AMENDMENT

Mr. DOLE. Mr. President, the vote on the amendment of the Senator from Connecticut we have taken today shows a great deal of concern in the Senate that the so-called labor exemption in section 16 of S. 200 does, in fact, exempt Federal activities and proceedings in which a very substantial interest of consumers is affected, and in which the Agency for Consumer Advocacy should participate on behalf of consumers. At the same time, this vote shows that a majority of the Senate supports the intent of this exemption to exclude ACA intervention in private labor management negotiations.

It is the understanding of the Senator from Kansas that the labor exemption presently in S. 200 exempts all activities and proceedings of the National Labor Relations Board and the Federal Mediation and Conciliation Service. The Senator from Kansas has been advised by a great number of persons both in the private sector and in government that there are many areas under the NLRB and the FMCS that have a substantial consumer interest in which the ACA should participate.

It is the strong feeling of the Senator from Kansas that we should exempt private labor management negotiations just as we are exempting under S. 200 all other private negotiations in any other sector of the economy. At the same time, it is my feeling that we should not exempt Federal activities or proceedings where the Administrator of ACA could represent the interests of consumers in a meaningful and substantial manner.

I believe we can exempt private labor management negotiations while leaving open the possibility for ACA to participate in those Federal activities or proceedings relating to labor management problems that have an interest to consumers. To accomplish that, I am submitting this amendment today.

As the senior Senator from New York has stated, under the intervention rules of S. 200, the Agency for Consumer Advocacy could only participate in a Federal activity or proceeding where the Agency can show a specific interest of consumers to be protected. In many activities and proceedings of the NLRB and the FMCS, the Federal role is simply to facilitate the conduct of private negotiations. Since these activities are strictly limited to private negotiations and have no bearing on the actual terms of the negotiation which may or may not have an effect on consumers, the ACA would not be able to participate in these activities even without the existing labor exemption in S. 200.

However, as I mentioned earlier, there is substantial evidence that some activities and proceedings by NLRB and FMCS do affect the terms of labor disputes. One example that may be cited in this area is the area of NLRB proceedings to determine if a labor union activity is a secondary-product boycott which would be illegal. Since the outcome of such a proceeding would have a very direct impact upon consumers, it is my feeling that the ACA should not be restricted from participating in this proceeding if it can make the required showing.

The effect of secondary boycotts has been well documented. The Developing Labor Law by the American Bar Association is a recent publication that documents such an effect.

Another area of Federal activity relating to labor management negotiations that affects consumers is the Davis-Bacon Act proceedings of the NLRB to determine minimum wage rates on Government contracts. The effects of these proceedings have been documented by the University of Pennsylvania study of the Davis-Bacon Act which was published recently.

Mr. President, it is my feeling that the amendment I am proposing today meets the objectives of those Senators supporting the so-called labor exemption in S. 200. That objective, which many others of us support, is to exempt private negotiations. At the same time, the amendment I have proposed would allow the Agency for Consumer Advocacy to represent consumers in those areas where it can adequately show that a substantial consumer interest is affected by a Federal agency proceeding or activity.

Mr. President, I request unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 438

Beginning on page 36, line 22, strike through page 37, line 4 and insert in lieu thereof the following: "or to any private labor management negotiation or any Federal agency proceeding or activity with respect thereto that does not affect the terms of such negotiations.".

AMENDMENT OF THE FOOD STAMP ACT—S. 1662

AMENDMENT NO. 429

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.)

Mr. DOLE (for himself, Mr. McGovern, Mr. Hugh Scott, Mr. Clark, and Mr. Philip A. Hart) submitted an amendment intended to be proposed by them jointly to the bill (S. 1662) to amend the Food Stamp Act of 1964.

NOTICE OF HEARING

Mr. ALLEN. Mr. President, the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture and Forestry will hold a hearing Tuesday, May 20, on S. 1629, to extend the Federal Insecticide, Fungicide, and Rodenticide Act for 2 years. The hearing will be in room 324, Russell Office Building, beginning at 9 a.m. Oral presentations will be limited to 10 minutes with the privilege of filing longer statements. Anyone wishing to testify should contact the committee clerk as soon as possible.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings have been scheduled before the committee for the next 2 weeks:

May 13—Energy Research and Water Resources Subcommittee: 10 A.M., room 3110, business meeting. Markup on S. 598, ERDA authorization bill.

May 14—Full Committee: 10 A.M., room 3110, business meeting. Pending calendar business.

May 15—Environmental and Land Resources Subcommittee: 10 A.M., room 3110, hearing. S. 507, National Resources Lands Management Act, and S. 1292, a bill re national land resources management.

May 16—Full Committee: 10 A.M., room 3110, hearing. S. 131, S. 685, S. 1469, S. 1501, to amend the Alaska Native Land Claims Settlement Act.

May 19—Full Committee and Nat'l. Fuels and Energy Policy Study: 10 A.M., room 3110, hearing. Oversight hearing on FEA programs.

May 20—Environmental and Land Resources Subcommittee: 10 A.M., room 3110, hearing. S. 392, Great Bear Wilderness area in Montana; S. 226, to designate the Aldo Leopold Wilderness; S. 74, Sheep Mt. Wilderness area; S. 1391, Snow Mt. Wilderness area.

May 21—Full Committee: 10 A.M., room 3110, business meeting. Pending calendar business.

May 22—Energy Research and Water Resources Subcommittee: 10 A.M., room 3110, hearing. Oversight hearing on San Juan Chama Project.

NOTICE OF HEARINGS ON S. 1450

Mr. BAYH. Mr. President, I wish to announce that the Subcommittee to Investigate Juvenile Delinquency, Committee on the Judiciary, has scheduled a hearing on S. 1450, which amends the Controlled Substances Act relating to the personal and private possession of small amounts of marihuana.

Throughout the subcommittee's 4-year investigation of drug traffic and abuse I noted with concern the growing number of arrests for marihuana possession. Arrests have increased from 188,682 in 1970 to 420,700 in 1973. It may go as high as 500,000 for 1974. This is not nearly as dramatic as the 1,000 percent increase between 1965–1970 from 18,815 to 188,682, but it is rather astonishing that this 3-year increase of 232,018 is more than 12 times the total marihuana arrests just 10 years ago.

Additionally, the number of marihuana arrests as a percentage of all drug arrests has increased substantially. In 1970 these arrests amounted to 45.4 percent of total drug arrests. During the 1970–1973 period 1,127,389 of the total 2,063,900 drug arrests were for marihuana. And in 1973, the most recent year for which records are available, 67 percent of all drug arrests were for marihuana.

The majority of those arrested are otherwise law abiding young people in possession of small amounts of marihuana. In fact, a Presidential Commission found that the vast majority of users are essentially indistinguishable from their nonuser peers by any criteria other than its use.

During these last 4 years, I have likewise been especially concerned about the ever-escalating level of serious crime. The recently released FBI Report on the trends in crime for 1974 presents a frightening picture of the rising tide of criminal activity in America. Serious crime in the United States rose 17 percent last year, the highest annual increase since the FBI began collecting data 43 years ago. In fact, the increase for the final quarter of 1974 had reached 19 percent. The suburban increase for last year was 20 percent while crime in rural areas increased by 21 percent. In smaller communities—under 10,000—crime increased by 24 percent last year while robbery alone went up 30 percent.

The rising tide of serious crimes inevitably raises the question of whether we are properly allocating our crime fighting resources and aggressively pursuing the arrest and criminal prosecution of the 13 million American users of marihuana. It is estimated that the prosecution of these cases costs $600 million annually.

In 1969 and 1970 the subcommittee considered the adequacy of penalties for marihuana with the result that the new Controlled Substances Act provided that simple possession or distribution of a small amount of marihuana for no remuneration were both designated misdemeanors, not felonies, punishable by up to 1 year in jail and/or up to a $5,000 fine.

It was the view of many Members that the sanctions should be further reduced. Some suggested that the sanction be eliminated for such conduct.

In order to permit a thorough assessment of these issues the subcommittee recommended the creation of a Presidential Commission. The Congress agreed and provided for the establishment of the Commission on Marihuana and Drug Abuse in part F of the Controlled Substances Act.

This body known as the Shafer Commission, after its distinguished chairman, conducted an in-depth study of the issues and concluded that marihuana was not dangerous enough to the user or the general public for its private possession and use to remain a criminal offense.

In the last several years a growing list of organizations and individuals have endorsed the Shafer Commission recommendations, including the following:

American Bar Association.

Consumer Union, publishers of Consumer Reports.

National Conference of Commissioners on Uniform State Laws.

American Public Health Association.

National Advisory Commission on Criminal Justice Standards and Goals.

National Council of Churches.

The Governing Board of the American Medical Association.

National Education Association.

B'nai B'rith.

Canadian Commission of Inquiry into the Non-Medical use of Drugs (Le Dain Commission).

San Francisco Committee on Crime.

Mayor's Advisory Committee on Narcotics Addiction (Washington, D.C.)

John Finlator, retired Deputy Director, Bureau of Narcotics and Dangerous Drugs, U.S. Department of Justice.

William F. Buckley, Jr., syndicated

columnist, author, TV host, and editor of National Review.

James J. Kilpatrick, syndicated columnist, Washington Evening Star.

In the Senate several subcommittees have developed records regarding the impact of marihuana abuse. The Subcommittee on Alcoholism and Narcotics, of the Committee on Labor and Public Welfare has very effectively identified the qualities of marihuana as they impact on the public health and welfare. The Subcommittee on Internal Security, of the Committee on the Judiciary, has assessed the impact of marihuana use on United States security and as Robert DuPont, Director of the Special Action Office of Drug Abuse Prevention, recently said of its work,

> I think Senator EASTLAND is to be commended for his efforts to consolidate many of these new studies and to bring them to the attention of the American people.

The subject of our hearing, S. 1450, introduced by Senators JAVITS, BROOKE, CRANSTON and NELSON, reflects the general recommendation of the Shafer Presidential Commission. It adopts an approach similar to that undertaken by the State of Oregon which abolished criminal penalties for simple possession of marihuana and substituted a civil fine of up to $100 for possession and nonprofit transfers of up to 1 ounce of marihuana. Criminal penalties for sale of the drug for profit would remain intact. Thus, this approach maintains a policy of discouragement toward marihuana use while recognizing the current inappropriate use of law enforcement resources and the destructive impact of criminal records for such common conduct. This approach is often referred to as decriminalization.

Although more can be learned about the Oregon experience, one recent study found that after the first year there was no increase in the number of users and a majority of Oregonians approve the new law. In an interview this week with writer Thomas Love of the Washington Star, Oregon Attorney General, Lee Johnson, said that rather than decrease the respect for law among young people the new approach has probably increased it. He said,

> It has given them [young people] a feeling that government is more receptive to changes which have taken place. I think it's probably created more respect for government as a whole.

Similar measures are being considered by more than 20 State legislatures.

Are taxpayers, who are primarily and understandably interested in the protection of property and safety of person, most effectively served by the investment of $600 million in marihuana possession cases?

Is the public interest served by arresting annually 500,000, mostly young people, for simple possession of small amounts of marihuana and thereby assuring that they are inhibited for life—in their education and careers—by the unrelenting stigma of a criminal record?

Is the public getting the highest return on their tax dollars in the national effort to curb drug traffic and drug-related crime when two-thirds of all drug arrests are for predominantly simple marihuana possession?

I am inclined to think not.

In view of the failure to curb violent crime, I believe it is time to seriously reassess our priorities relative to the limited resources available to the Nation's severely overburdened criminal justice agencies.

I have invited the Attorney General and other legal experts, including Mr. Keith Stroup, director of the National Organization for the Reform of Marihuana Laws, to participate in the subcommittee's assessment of the measure's impact and whether it will accomplish its intended objectives.

The hearing is scheduled for Wednesday, May 14, 1975, at 10:00 a.m. in room 6202, Dirksen Office Building, Washington, D.C.

Anyone interested in the investigation who desires to submit information regarding this issue, or a statement for the record, should contact John M. Rector, staff director and chief counsel of the subcommittee, U.S. Senate, A504, Washington, D.C. 20510, phone number (202) 224–2951.

FIELD HEARINGS—FUTURE DIRECTIONS IN SOCIAL SECURITY

Mr. CHURCH. Mr. President, the Senate Special Committee on Aging will continue its hearings on "Future Directions in Social Security" this month in California and Iowa.

At the suggestion of Senator TUNNEY, the committee will consider the impact of cost-of-living increases upon older persons primarily dependent on social security for retirement income. On May 15, the committee will meet in San Francisco—site to be announced—at 2 p.m. On May 16, testimony will begin at 9:30 a.m., in Patriotic Hall, 1816 South Figueroa Street, Los Angeles.

Senator CLARK will conduct hearings on a similar theme in Des Moines, Iowa, on May 19, at a place and hour to be announced.

NOTICE OF HEARINGS: MAJOR SYSTEMS ACQUISITION; AIR COMBAT FIGHTER PROGRAMS

Mr. CHILES. Mr. President, I wish to announce that the Government Operations Subcommittee on Federal Spending Practices and Efficiency is about to begin a major set of hearings into the acquisition of major systems by executive agencies, both defense and civilian.

Major systems acqusition programs—everything from bombers, tanks and fighters to space, energy and subway systems—have become a central phenomenon in the way this Government goes about applying technology to meet public needs. Their significance to agency missions is unsurpassed by any other activity. Their dollar value is staggering.

In the Defense Department alone, nearly $150 billion worth of major system acquisition programs are underway. There is presently no way to tell how to tell how many civil systems are in progress, but their financial impact may be of even more concern. A recent survey by the General Accounting Office on a selected sample revealed cost overruns on civil systems at $57 billion.

REFORM PACKAGE

The focus of the hearings will be the reform proposals put forward by the Commission on Government Procurement, a copy of which can be obtained by contacting the subcommittee's office at 224–0211.

The set of 12 recommendations form a framework for controlling these major programs with Government-wide applicability.

The reforms call for giving Congress a clearer, more reasoned voice in controlling acquisition programs, for reinstituting effective competition; for collaring interagency rivalries over roles and missions; and, in their net result, eliminating the buy-ins, bail-outs and succession of cost overruns and performance underruns.

I ask unanimous consent that a descriptive summary of the reform proposals be printed at the end of my remarks along with an analysis from the Bureau of National Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE BRANCH POSITIONS

Mr. CHILES. The subcommittee has been driving for executive branch implementation of the reforms for over a year now. An interagency steering group delivered its position to the Office of Management and Budget with general policy endorsements from the Department of Defense, National Aeronautics and Space Administration, Atomic Energy Commission—now ERDA—the Department of Transportation, and the National Science Foundation.

The responsibility for a final administration position and implementation now rests with the Office of Federal Procurement Policy under OMB.

Their commitments will be forthcoming during next month's hearings. Should they be less than necessary, I believe legislation may be appropriate.

In his annual posture statement, Secretary Schlesinger took the following position:

> One of the most important areas of the Commission's report deals with the acquisition of major systems. There are twelve recommendations in this area dealing with such subjects as needs and goals for new acquisition programs, exploring alternate systems, maintaining competition, limiting premature system commitments, withholding production approval until reconfirmation of the need and successful testing, and delegating decision authority to the operating agency components except for key milestone decisions to be made by the agency head. We support all of the recommendations with minor modifications and we are now working with other interested agencies on the development of an executive branch position on them. These recommendations generally reflect existing Department of Defense policies and procedures; thus we do not foresee any significant difficulties in implementing them within the Department of Defense.

GENERAL ACCOUNTING OFFICE REVIEW

In its latest monitoring report on executive branch progress, GAO found the proposed positions generally weak on all 12 reform recommendations.

I ask unanimous consent that excerpts from the GAO report, "Executive Branch Action on Recommendations of the Commission on Government Procurement," B–160725, March 17, 1975, be printed in the Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

AIR COMBAT FIGHTER PROGRAMS

Hearings will begin Tuesday, May 20, with a case investigation into the Air Force and Navy air combat fighter programs. I believe these recent acquisition efforts will provide an illuminating case study in what is right and what is wrong with our system acquisition procedures and how our reform proposals would affect the way of doing business.

HEARING AND WITNESSES

The exact schedule of hearing dates and witnesses has not yet been finalized, but the following initial witnesses will appear May 20:

Dr. Malcolm R. Currie, Director, Defense Research and Engineering.

Lt. Gen. William S. Evans, Deputy Chief of Staff for Development, Department of the Air Force.

Vice Adm. D. W. Houser, Deputy Chief of Naval Operations for Air Warfare.

In addition, the subcommittee plans to receive testimony from:

David Packard, chairman of the board, Hewlett-Packard.

Clarence L. Johnson, senior advisor, Lockheed Aircraft Corp.

Dr. Richard Delauer, executive vice president, TRW Inc.

Oliver Boileau, president, Boeing Aerospace Co.

Thomas Jones, president and chairman of the board, Northrop Corp.

Elmer B. Staats, Comptroller General of the United States—GAO.

Robert Perry, senior research staff, the Rand Corp.

Associations: Aerospace Industries Association, Electronics Industries Association, National Security Industrial Association.

Anyone who wishes to submit testimony or receive further information should contact the subcommittee staff director, Mr. Les Fettig, at 224–0211.

FEDERAL CONTRACTS REPORT—SUMMARY NUMBER 565, JANUARY 27, 1975

Proposals To Improve Major Systems Acquisition Examined: An FCR Analysis surveys the current controversy over how to improve the Federal Government's acquisition process for major systems, precipitated by the complex recommendations in this area by the Commission on Government Procurement. Battle lines have been formed for, against, and around the Commission recommendations, with the situation made even more complicated by the Commission's action in rejecting the proposals of its own study group. Ranged in various postures are adherents of the official Commission recommendations and of the study group recommendations; the executive branch (meaning primarily the Pentagon); the General Accounting Office, which labels the executive branch's tentative position so far on the Commission recommendations "nonresponsive;" defense industry; and, watchfully waiting, the Congress. It is suggested that major sticking points include the addition of time and cost to the acquisition process if the Commission recommendations were implemented, with their emphasis on accountability for decision making; while attractive to Congress and the GAO, this represents a liability as far as the operating agencies are concerned.

THE ACQUISITION OF MAJOR SYSTEMS: WHICH PATH OUT OF THE WILDERNESS?

The formally advertised Government contract has distinct and unmistakable characteristics. It is usually fixed price in form, and its specifications are drawn with great particularity. The regulations governing the preparation and award of these contracts have been in effect for many years. They are faithfully followed without deviation by procurement officials in an effort to assure that full and free competition is obtained and the award is made to the most responsible and responsive bidder. In this context, the parties deal at arm's length, without any significant degree of interdependence.

In contrast—indeed, at the opposite end of the scale—is the negotiated contract for major systems acquisition. Unlike its formally advertised counterpart, the systems acquisition contract is usually of the cost-reimbursement type; it seeks to advance the state of the art; it involves vast sums of money in a massive engineering and technological effort. And, it poses great problems both in Government and in industry where the parties grope for ways to manage these efforts.

A hallmark of systems acquisition is that it has been the subject of controversy for over two decades. This is so because these contracts represent a staggering commitment of national resources; they are subject to searching Congressional scrutiny; and they are often beset with unforeseen demands for additional monies that are caustically described by the critics as cost overruns and by the proponents of the systems contract as cost growth.

The Commission on Government Procurement, in its Volume 2, Part C, "Acquisition of Major Systems," called for an integrated "systems approach" to solving major systems acquisition problems by:

Establishing a framework for conducting and controlling acquisition programs to highlight the key decisions for all involved organizations—Congress, agency heads, agency components, and the private sector;

Defining the role each organization is to play in order to exercise its proper level of responsibility and control over acquisition programs; and

Giving visibility to Congress and agency heads to exercise their responsibilities by providing them with the information needed to make key program decisions and commitments.

The Procurement Commission stated that its "integrated view" makes its recommendations applicable for acquisition programs of all agencies. The Commission took the bold position that its recommended actions would establish effective control over system acquisition programs—what they are supposed to do and how much the nation is willing to pay for them—before these things are decided, allegedly by default.

The Commission made twelve important recommendations. In summary form they are as follows:

Recommendation No. 1—"Needs and Goals for New Acquisition Programs": Start new programs with agency head statements of needs and goals that have been reconciled with overall agency capabilities and resources.

Recommendation No. 2—"Congressional Review of Needs and Goals": Begin Congressional budget proceedings with an annual review of agency missions, capabilities, deficiencies, and the need and goals for the programs as a basis for reviewing agency budgets.

Recommendation No. 3—"Exploring Alternative Systems". Support the general fields of knowledge that are related to an agency's assigned responsibilities by funding private and government sector sources to do basic and applied research, proof of concept work, and exploratory system development. Restrict subsystem development until a system candidate is identified to meet an operational need.

Recommendation No. 4—"Creating New Systems"; Create alternative systems by soliciting industry proposals with a statement of need, time, cost and capability goals, with each contractor free to propose technical approaches, subsystem, and main design features.

Recommendation No. 5—"Congressional Review of System Exploration": Finance the exploration of alternative systems by agency development budgets, agency mission areas.

Recommendation No. 6—"Meaningful Competition": Maintain competition by contractors exploring alternative systems by annual fixed level awards, agency advice to contractors to develop performance, and to assist tests to be performed and tradeoffs to be made. Balance industry efforts by Governmental monitoring of developmental efforts.

Recommendation No. 7—"Choosing a Preferred System": Limit premature commitments. Choose contractors based on relative technical progress, provide contractors with operational test conditions, mission performance criteria, and lifetime ownership cost factors and establish firm dates for operational use.

Recommendation No. 8—"Programs that Cannot be Based on Competitive Demonstration"; Obtain agency head approval using a strong centralized program office.

Recommendation No. 9—"System Implementation": Withhold agency approval and Congressional commitments until there has been a competitive demonstration that the system is operational, thus providing assurance against an evolved monopoly situation with only a single system and contractor to cope with an agency need.

Recommendation No. 10—"Contract Procedures": Use contracting as an important tool of system acquisition, not as a substitute for management of acquisition programs.

Recommendation No. 11—"Policy Unification": Unify policy-making and monitoring responsibilities for major system acquisitions with emphasis given to organization and decision making roles.

Recommendation No. 12—"Delegations of Authority": Delegate authority for all technical and program decisions to the operating agency components, except for the key agency head decisions relating to approvals for mission need and goals, alternative systems, preferred systems and full production release.

The results and implications expected by the Commission to be obtained from these recommendations are that there will be a different emphasis on the role of the participating agencies, and that Congress will become a more effective and informed check and balance in system acquisition. So, too, agency heads are given the opportunity to make early decisions on program needs and coordinate the responsibilities of agency components. Yet, within this framework, agency components are given full flexibility to explore alternative systems within agreed upon limits. And, significantly, contractors enter a competitive arena that gives awards to those innovative suppliers who create and demonstrate the best systems.

Even though well meaning criticism may be directed against the Commission's recommendations, the proposals should be recognized as a coherent analysis of all the major issues in systems acquisition; indeed, a concerted, if not a brilliant, effort to pull the threads together into a single pattern.

If the Commission's recommendations are found lacking, it is because they failed to state some of their premises and rationale. The Commission Report in this area should have explicitly stated that science and technology are progressive disciplines. But the world they explore is not necessarily a progressing system of endless resources and enduring stability. It is the utilization of finite resources in a complex world that must be addressed.

A brief review of existing system programs in an inflationary period shows that this is the backdrop for the Commission's proposals. In addition to the well known system acquisition programs in the Defense Department, there are HUD's Model Cities programs, DOT's rapid transit and AMTRAK projects, NASA's Skylab and Space Transportation system, the Postal Service's mail handling facilities, and prospective environmental monitoring systems for the Environmental Protection Agency.

Despite the fact that the Commission in this area has given greater stature and scope to system acquisition than prior studies, this Report and its twelve recommendations were conceived in conflict, and that tension continues to pervade the implementation of its system acquisition formulae.

Study group rejected

In the case of major system acquisitions, the Commission rejected its Study Group's report and accepted an internal staff study that defined an acquisition process based upon decisions openly arrived at by organizations and officials with well defined responsibilities.

The Study Group, unlike the Commission, emphasized the overriding presence of uncertainty in systems acquisitions. It stated that its recommendations "if accepted, would necessitate implementation by the Congress, the Executive Office of the President and individual Executive Branch departments and agencies." Moreover, it stated that "a prime purpose" of its effort, "is to propose the adoption of principles and policies that will induce significant change in the environment for, understanding of, and attitudes toward major systems acquisition."

Lastly, the Study Group emphasized "frugality" in the finest sense of the word, while the Commission, in a subtle, but distinct difference, implicitly moved toward the effective control of resources and their prudent expenditure.

John A. O'Hara, Director of Contract Policy and Planning for The Boeing Company, who served on the Commission's Study Group on major systems acquisition, has raised some important questions concerning the effect of the Commission's recommendations. He has observed that the Commission's insistence upon the adoption of all its recommendations as a package could leave as many problems as the previous "piecemeal approach" rejected by the Commission.

The "systems approach", in his view, would add organizations and procedures and stretch out decision time, with more organizations checking on other organizations and more opportunities over longer periods of time for government decisions to impact on development and acquisition. (470 FCR A–18)

His observation takes on added weight when the Commission's ideas are measured against DOD Directive 5000.1. Like 5000.1, the Commission endorses a sequential approach and emphasizes the need for proof through prototypes before major resources are committed. Both the Commission and 5000.1 reflect the hard lessons of the 60's, that is, moving into production before development has been completed.

While the acceptance of sequential development is a common ground, it may be that the Commission's emphasis on Congressional involvement, and the introduction of several major test and evaluation phases, underline the flaw brought out by O'Hara that, unless safeguards are provided, the Commission's views all surely add to the time and cost of systems acquisition.

In retrospect, it may also be said that the Commission might better have underscored the importance of prototyping and its relation to risk assumptions by industry and government. **C. L. (Kelly) Johnson**, the leader of Lockheed's famed "Skunk Works", in a speech before the Federal Bar Association—BNA Western Briefing Conference in October 1972, gave this perspective to the problem of time, risk and cost in systems acquisition:

"We have amply proven over many years these two points:

"(1) No one in the world can beat us in the matter of pure production when we know exactly what we are going to produce.

"(2) No one in the world can make a bigger, more expensive mess of things than when we go into production before we really know what to produce!

"The use of prototyping is designed to allow us to take greater technical risks in less time and at less cost than more normal approaches. If it doesn't do this, forget it!"

Also to be considered are thoughtful studies completed since the Commission ended its task, such as that of the Logistics Management Institute ("The Development of Requirements for Major Weapon Systems," see 554 FCR A–8), which suggests a whole different emphasis—on the development of proven subsystems first, before moving ahead to the development of whole new systems.

Proposals continue to cause tension

And Interagency Steering Group (ISG) has drafted a proposed executive branch position on the Commission's recommendations—a proposal that has elicited criticism from the General Accounting Office, from industry, and from some Government participants as well. On the industry side the Council of Defense and Space Industry Associations (CODSIA) commented:

"In broadest perspective, industry supports the two underlying concepts reflected in the Commission's report. The first is that there should be an integrated system approach to the acquisition of major systems. The second is that there are basic policies which can be commonly applied by each agency in its implementation of the acquisition process. **In examining the ISG proposed Executive Branch position however, we cannot support its position on these concepts.**

"As we understand it, ISG's overall position, as expressed in its cover letter, is to concur in the specific recommendations, subject to several modifications, but only for use as a 'general frame of reference' by each agency in developing its own approach. ISG advocates against the establishment of a basic policy by either the Executive Branch or Congress. Industry disagrees with the ISG position in this regard. We believe that a sound system approach can be formulated, that a basic policy foundation should be formalized, and that the establishment of such a policy should be paramount in the official Executive Branch position. On the other hand, we agree completely with the ISG position that rigid application of procedural detail is undesirable.

"As we got deeper into our analysis, we found it increasingly difficult to support the idea that all 12 recommendations must be adopted as an exclusive package. Indeed, some recommendations have already been or are in the process of implementation, and several others seem to lend themselves to improvements in their own right." (548 FCR A–1) (Emphasis added).

The GAO, for its part, considers the executive branch implementation of the Commission Report, as stated by the ISG, to be "nonresponsive" (534, FCR A–9). The GAO has criticized the ISG task force proposal for paying lip service to the Procurement Commission recommendations. GAO objects to the ISG's notion to leave implementation up to each agency, and it adopts the view of a General Services Administration study, that it is difficult to perceive how the agencies will implement the ISG's views.

In particular, its point of disagreement with the ISG is that the Commission's recommendations should be implemented as a package, whereas the ISG seems to think this is not a desirable course of action.

The punchline for the GAO position is this: "In view of the Interagency Steering Group's general position and the absence of any expressed intent to develop implementation for the twelve [Commission] recommendations, GAO believes the proposed executive branch position is on the whole nonresponsive."

The GAO criticism of the ISG position seems overly strong, given the importance of the subject. On the other hand, it must be that the GAO appreciates that from its vantage point, as the Congress' auditor, the Commission's recommendations with their emphasis on visibility of decision making, in sequence, by identifiable officials and organizations is, indeed, an asset when the audit function is to be performed.

The reluctance of the ISG, however, to implement the Commission's recommendations may have occurred for several reasons. First, as to systems acquisition, there is always more than one way to develop every type of product. Secondly, it may be desirable, at least within the Defense Department, to follow the decision making procedures set forth in DOD Dir. 5000.1 rather than supersede them with the Commission's recommendations that concentrate more decisions at the agency head level.

Going further, however, the Commission's recommendations mean, as a practical matter, clear accountability for decision making. The Commission has downgraded the significance of contractual problems. Its reforms are directed to agency procedures and, in turn, the agencies' relations with Congress. ISG implementation of system acquisition procedures may continue to move slowly, several others seem to lend themselves to until it is clear that the agencies, and the Congress, can join hands and walk through the door of "accountability" together.

CODSIA, in the letter of August 1974 cited above, expressed the belief that there are certain fundamental problems current in the acquisition process that have contributed to the "credibility gap" with Congress and the public which must be addressed in any new policy—areas which include the following:

"Source selection policy and practices leading to unrealistic R&D contracts (including technical leveling, cost auctions and premature fixed price arrangements).

"The need for better understanding by competing contractors of the government's requirements (including program objectives, design-to-cost objectives, priorities among system performance characteristics, and proposal evaluation criteria).

"RFP inadequacies (including excessive and overly rigid requirements, trade-off inflexibility, and inflexible 'model contracts').

"The relationship between IR&D and contracted B&P (and their proper roles in maintaining competition and technical leadership).

"The lack of cost realism in general, inadequate estimates and resultant consequences (including budgets, proposals and contracts).

"The tendency to minimize the existence and significance of technical uncertainties."

Ironically, these criticisms, since they are so often made, strike a responsive chord, and provide a viable underpinning for giving the most intensive consideration to what the Commission has said on the subject of weapon system acquisition. (The first public forum for such consideration may be the Senate Government Operations Committee's Subcommittee on Federal Procurement, under Senator Lawton Chiles (D-Fla), who was a member of the Commission.

Although it is not expressed in so many words by the Commission, it has, in making its recommendations, focused its attention on the problems of cost and credibility where mission needs and performance are concerned. Under its scheme this question is raised in the first instance: Do we have the resources for this project, when balanced against other national priorities. If we have an affirmative vote, then the Congress and the public know, under the Commission's plan, that there exist agency procedures for decision making, for competition and for accountability.

The Commission approach seeks to avoid program growth by default, or the expenditure of resources for unnecessary projects. Undoubtedly, so-called "real world" considerations are sometimes a bar to these objectives, but the Commission has given us a path to follow if we want to avoid the continuing dilemma of cost restraints for system acquisition programs and Congressional criticism coupled with public dissatisfaction based, in part, upon a lack of credibility for the program's need and its planned performance.

EXCERPTS FROM GAO REPORT B-160725, MARCH 17, 1975

Executive Branch positions and implementing actions on Commission recommendations as of January 1, 1975.

Part C—Acquisition of Major Systems:

OVERVIEW ON PART C RECOMMENDATIONS

Rather than looking at the systems acquisition process in disconnected pieces, the Commission took an integrated view of the total process using a "systems approach" to identify and recommend solutions to problems underlying systems acquisition. It linked 12 interrelated recommendations to a structural framework applicable to acquisition programs of all agencies. The recommendations were not designed to be applied selectively but rather to work together to control the whole.

Interagency group position

In April 1973 the executive branch assigned responsibility to an interagency group, led by DOD, for developing a policy position on the 12 Part C recommendations. Implementation was to be dealt with in a second phase after establishing an official position on the recommendations. In January 1974 the interagency group presented a report to the executive branch on these recommendations. It proposed that the executive branch generally concur in, and each agency adopt, the policy intent of these 12 recommendations, subject to reservations and modifications contained in discussions of the individual recommendations. The group said that the policy framework postulated by the recommendations represents a valuable reference against which all agencies, each in its own context, can continuously examine its system acquisition activity. The group concluded that those recommendations on improved executive/legislative branch relationships offer the greatest potential for improving the system acquisition process and strongly urged that individual agencies explore their implementation with counterparts in OMB and the Congress.

Official agency and industry comments

In March 1974, GSA transmitted the interagency group report to executive agencies for their official comment and subsequently to industry associations for comment. Official agency views basically endorsed or repeated positions of their interagency group members. Other agencies were doubtful that their programs would qualify as major system acquisitions. The Council of Defense and Space Industry Associations (CODSIA) said industry supports the two underlying concepts reflected in the Commission's report that:

1. There should be an integrated system approach to the acquisition of major systems.

2. There are basic policies which can be commonly applied by each agency in its implementation of the acquisition process.

It stressed the need for a total integrated systems acquisition policy for the Federal Government and felt that a formal policy should be paramount in the executive branch position. CODSIA's major reservation about the Commission recommendations was the "unknowns of implementation", including ambiguities and diversity of interpretation. Further, CODSIA referred to problem areas identified in past industry reports which it thought must be considered before CODSIA could concur in any new policy. These problem areas included (1) source selection policy and practices leading to technical leveling, cost auctions, and premature fixed-price arrangements, (2) inflexible requirements in requests for proposals, and (3) the need for better understanding of Government requirements, design-to-cost objectives, and priorities among system performance characteristics (note a).

GAO comments

In its July 1974 report, GAO commented that the greater portion of the interagency group's report prepared by the lead agency (DOD) represented, on the whole, an excellent treatment and interpretation of the Commission recommendations. The GAO report questioned some of the proposed modifications to the Commission recommendations, interpretations of a few, and various claims that the recommendations were already being implemented. Sections of the interagency group's report prepared by the participating civilian agencies (NASA, AEC, DOT, NSF) assumed either that the Commission recommendations applied solely to the DOD environment or that policies of the civilian agencies already incorporated the "spirit" of the recommendations. Civilian agency comments in the interagency report, such as those presented by AEC, did not appear to recognize that the basic steps for acquisition embodied in the recommendations have application to any combination of public and private sector contracting relationships. GAO reviewed its current findings with a key member of the interagency group. He commented that, although the interagency group was only required to develop a policy position, individual members of the group chose to comment on implementation. In his opinion, these comments were premature and in some instances inaccurate. He emphasized that, in the interest of getting on with the next step of developing implementation actions, the group's earlier comments on this subject should be disregarded.

GSA referral to OFPP

In January 1975 GSA referred these recommendations to OFPP for decision, along with its analysis of the agency, private sector, and GAO comments. The GSA referral to OFPP outlined two comphehensive alternative approaches to developing agency implementing actions.

1. The first approach would be for OFPP to request the concerned agencies to translate the interagency group's treatment of C series recommendations into implementation actions. Such actions would be cross-indexed to the appropriate C recommendations. The implementing actions would then be reviewed by an interagency group formed by OFPP and led by DOD to determine their responsiveness to the Commission recommendations and to determine whether additional implementation or Government-wide policy statements were necessary. On congressional budget matters, the implementing actions would include procedures to be recommended to the Congress and OMB. GSA pointed out that, since AEC is being assimilated by the Energy Research and Development Agency (ERDA), its earlier comments questioning whether the Commission recommendations were applicable to AEC are no longer valid.

2. The second approach suggested by GSA would involve two steps. In the first step, DOD would develop a model of operational implementation consisting of broad acquisition policies, organizational changes, other implementation impacts, and a diagram of the acquisition cycle. This model would be used by all concerned agencies in the second step to develop proposed implementation. As in the case of the first alternative, an interagency group would then be formed by OFPP and led by DOD to review and validate final actions necessary to implement the recommendations.

Senate inquiry

The Chairman of the Senate subcommittee on Federal procurement sent a letter to the Director of Defense Research and Engineering last summer noting the compatibility of recommendations C–1 through C–12 with DOD's recently issued R&D principles and inquiring about DOD's plans for implementation. The Director replied on July 31, 1974, that, as soon as an executive branch position was established on the recommendations, "effective implementation" would be the next step. In December 1974 hearing to confirm the OFPP Administrator, the Subcommittee inquired as to when this executive branch position would be established. The Administrator was reluctant to furnish a date at the hearings but agreed to furnish some milestones in January 1975. He told the subcommittee that he had had a number of exploratory meetings with agency and industry people, that the basic philosophy and rationale behind the recommendations were accepted by practically everyone, but that there was not yet a clear understanding of the implementation problems.

Conclusion

Because 2 years have elapsed since the Commission made its recommendations, and in view of the vast sums in each year's Federal budget for acquiring major national systems, GAO suggests that OFPP and the executive branch give priority attention to developing policies and implementation actions on these recommendations. As indicated in GAO's individual comments that follow, modifications of some substance have been proposed by the interagency group to elements of Commission recommendations C–3 through C–6. Areas warranting special management attention are discussed under recommendations C–3 and C–4 (proposed modifications) and under recommendations C–11 and C–12 (interpretation of implementation).

GAO COMMENTS ON RESPONSIVENESS OF EXECUTIVE BRANCH ACTIONS

LEGEND

[R] Position fully responsive

[I] Position not yet fully established

---

[a] Actually, the Commission accumulated substantial data on each of the problem areas on which CODSIA wants resolutions before agreeing to a new systems acquisition policy. The areas were discussed in the Commission report text of Part C, "Acquisition of Major Systems", and were considered in developing the Commission's final recommendations. For example, technical transfusion that leads to both technical leveling among competing contractors and cost auctions is discouraged by Commission recommendations C–4, C–5, and C–6, permitting each competing contractor to differentiate in his proposed technological solution and to be responsible for his own independent technical and business judgments. If a unique feature proposed by a losing contractor would enhance the winning contractor's technological solution, this feature would *not* be transfused by the agency; rather, the winning contractor would simply procure the feature directly from the losing contractor who designed it. The key decision would be system selection, not source selection, and this decision would be based on the agency's evaluation of the best combination of mission performance and long-term cost—not amounts proposed by contractors for initial development or production.

SPECIAL MANAGEMENT ATTENTION NEEDED

[PR] Position partially responsive
[NR] Position nonresponsive
[X] Position established, evaluation deferred
[IX] Position not yet established

RECOMMENDATION 1

[I] Interagency group proposed executive branch adoption of this recommendation for preceding new programs with statements of needs and goals that are independent of any system product and reconciled to agency capabilities, deficiencies, and long-term resources. It recognized that under current procedures most annual budget submissions to the Congress are oriented toward hardware rather than to mission problems. The group said adoption of the recommendation was subject to (1) each agency's agreeing with other OMB and congressional counterparts on definition and identification of "missions" and (2) recognition of the limitations in long-range mission projections of capabilities, deficiencies, and cost. The group said implementation of this recommendation "would force more direct and very early agency consideration and decision on the tentative allocations of resources against identified mission deficiencies (within agencies) as well as against other identified national needs and goals (by Congress)." It observed that, while existing procedures could be refined to adopt this recommendation, such action "must be *consistent and integrated* with actions resulting from the other eleven recommendations." (underlining supplied) The GSA staff analysis, accompanying the January 1975 referral of this recommendation to OFPP suggested that agencies proceed with the development of responsive implementation plans and that the agencies cite the types of procedures they would recommend for the Congress and OMB.

RECOMMENDATION 2

[I] Interagency group proposed executive branch adoption of this recommendation for annual congressional budget review of new program needs and goals within the context of agency missions, capabilities, and deficiencies. This would fundamentally change how the Congress now receives, reviews, and authorizes agency budgets. The group recognized that "current procedures * * * may have to be expanded or realigned * * *. Satisfactory implementation procedures, as required, should be worked out by each agency with its OMB and congressional counterparts." It said "this approach would provide to Congress a comprehensive review of agency needs and goals at a higher level of consideration than normally occurs during detailed budget hearings. The information needs of Congress for this purpose are recognized and should be supported. Continued improvements in the dialogue between the agencies and the Congress and a better understanding by the Congress of agency needs and goals in the acquisition of major systems is a highly desirable objective."

It should be noted that the Congress has taken an initial step in this direction with the enactment of Public Law 93–344, the new Congressional Budget and Impoundment Control Act. The act will require the President to begin presenting in the late 1970s a top-down budget organized by national needs, agency missions, and basic programs to accomplish these missions (Title VI, Sec. 601 (i)). The GSA staff analysis accompanying referral of the recommendation to OFPP in January 1975 suggested that, since there is a general consensus to accept the recommendation, the proposed agency implementation action should proceed as discussed under C–1, considering as well the role of Congress and OMB.

RECOMMENDATION 3

[IX] Interagency group proposed executive branch adoption of this recommendation for supporting mission-oriented, technology-based activities except for the restriction on subsystem development. It acknowledged that the prudent course was to pursue subsystem development with a system goal in mind but also to seek use of proven hardware and commonality so that a subsystem could be used in more than one system. Since a major thrust of the Commission's inter-related C series recommendations is to encourage competitive system concepts and preliminary designs that incorporate *existing* subsystems to the extent they enhance the supplier's competitive position, GAO questions whether there is a real difference between the interagency group and Commission positions. Carrying *new* subsystems too far into final development cuts off competition for alternative approaches and designs and can lead to acquisition before a need for that system has been established. Prespecified subsystems constrain the system designer's latitude and restrict competition. GAO believes the group's modification is therefore inappropriate. The GSA staff analysis, accompanying referral of this recommendation to OFPP in January 1975 suggests that agencies be asked to develop implementation so that differences between the interagency group and Commission intent can be assessed.

RECOMMENDATION 4

[IX] Interagency group agreed with the thrust of this recommendation to stimulate greater innovation and create a broad range of alternative system solutions from which to select those most deserving of further development. It concluded that the general approach recommended by the Commission should be pursued when a significant departure from existing hardware is desired and when true innovation should be stimulated. GAO questions whether the need for innovation can be predetermined particularly in view of the Commission's expressed concern about stretching old technology to exorbitant cost levels.

The group raised two potential problems of administration. It assumed "that the very process of stimulating innovation will stimulate concepts and development effort which will be progressing or maturing at perhaps widely differing rates. The practical problem then emerges of evaluating the several competing efforts at a given point in time and rendering equitable judgments and decisions as to which should be continued, accelerated, slowed down, etc." GAO believes this problem is not new. To the extent that agencies have previously created system alternatives, agencies have always been faced with the practical problem of making difficult choices between various concepts and technical approaches with differing degrees of development effort and completion dates—choices that were based primarily on paper analyses. This Commission recommendation simply puts more emphasis, first, on creating system alternatives and, second, on extending into an exploratory development and testing phase those alternatives deserving consideration. The aim of the Commission was to inject private enterprise competition into consideration of alternatives and to acquire better information in terms of hardware development and test results from which to choose a system design solution. It would seem therefore, that the Commission's recommendation would reduce the problem of dealing with different system solutions and improve system design choices.

[IX] The second problem of administration raised by the group was whether the agency component head could personally review and select system candidates to be sponsored with agency funding. To overcome this problem the Commission suggested using a team of experts from inside and outside the agency, with the agency component head approving only the candidates to be funded.

The interagency group modified one part of the recommendation which allows for industry participation from other than major companies and deleted the Commission criteria for determining eligibility of smaller firms. The purpose of this part of the recommendation is to allow small groups of talented engineers, whether from large or small companies, to create concepts and develop hardware. If a smaller company competes successfully, it could then form an association with a reputable manufacturer to produce the system or could grow on the basis of competitive merit and eventually do its own production. The traditional practice of requiring potential contractors that make proposals to possess production capabilities which may or may not be needed has limited competition and resulted in agencies sponsoring only large companies (who were once small firms). The Commission wanted to reduce the barriers for new entries and strengthen the competitive forces in industry. For these reasons, GAO believes that recommendation C–4 should not be modified as proposed. The GSA staff analysis accompanying referral of this recommendation to OFPP in January 1975 suggests that agency implementation be initiated and the proposed modification be resolved during that phase.

RECOMMENDATION 5

[I] Interagency group proposed executive branch adoption of this recommendation for budgeting and financing exploratory development of competing system candidates for a new mission before a commitment is made to a specific solution. It recognized that the recommendation is basically sound and that satisfactory implementation procedures must be worked out by each agency and its OMB and congressional committee counterparts. The group said that NASA's R&D budget is mission-oriented but that other agency budget requests are more oriented to program hardware requirements.

The group modified the Commission recommendation by substituting "agency component" for "agency" in two places. The GSA staff analysis observed that: "The rationale for * * * modifications * * * isn't explained * * *. While these modifications would not appear to affect the thrust of the intent of the recommendation, it has been observed that allowing agency components to propose their own development budgets, etc. could result in unjustified duplicative and overlapping development efforts (e.g. interservice rivalry). In order to fully appreciate and assess the differences in the ISG's [interagency group] and Commission's wording of the recommendation, we would suggest that agencies be requested to develop proposed implementation." GSA noted also that, in the case of C–2, implementation of this recommendation will be influenced by provisions of the new Congressional Budget and Impoundment Control Act requiring the President's annual budget to be organized by national needs, missions and basic programs to accomplish these missions.

RECOMMENDATION 6

[I] Interagency group proposed executive branch adoption of this recommendation to sustain competitive system design efforts into hardware development and test stages, on the basis that more meaningful competition would result in better systems being obtained more quickly and economically. The group concluded that the undesirable acquisition environment and results described in the Commission's report were largely due to two underlying problems: (1) premature system definitions and (2) the workings of the congressional authorization and appropriation process which contribute to premature system definition. The Group suggested two modifications. It prefers the terminology "funding design contractors at planned levels" because the Commission's terminology, "fixed level awards," is not in current use and thus not well understood, and it does not want to adopt the idea of a fixed dollar ceiling. The Commission report indicates that fixed dollar ceilings could and should be used because relatively short periods of incremental performance were envisioned at the beginning of new programs and because it is necessary to provide cost control during these early highly competitive efforts. The Group's other modifications removed the requirement that onsite agency operational inputs would be made to the competing contractors on an advisory basis and substituted "encouraging appropriate interaction between agency representatives with relevant operational experience and a contractor as necessary in developing performance and other requirements for each candidate system as tests and tradeoffs are made". In support of this modification, the interagency group presented an interesting discussion on the difficult line that agency representatives must walk between providing assistance to a contractor on one hand and conferring an unfair competitive advantage to him on the other hand. The GSA staff analysis accompanying referral of the recommendation to OFPP in January 1975, accepts the interagency group's rationale for these two modifications but points out that, as in other cases, development of actual implementation will demonstrate the extent of compliance with the intent of the Commission's recommendation.

RECOMMENDATION 7

[I] Interagency group proposed executive branch adoption of this recommendation for competitive demonstration of candidate systems on the basis that the recommendation is "desirable, and should be pursued by various agencies more consciously than is perhaps currently the case." The group concurred with the Commission finding "that the choice of a system and the writing of its requirements often occur too early in the R&D process before meaningful exploration of technical alternatives has taken place" (note a). It observed that changes made by agencies to use competitive system demonstrations will require improvements to the budget-funding process, which depends on congressional action. The GSA staff analysis accompanying referral of the recommendation to OFPP in January 1975 noted the general consensus on this recommendation and suggested that implementation be initiated.

The group clarified one part of this recommendation to show that lifetime ownership costs would be only one factor in choosing preferred systems. It expressed concern over agency ability to estimate future system operating and maintenance costs because of the unavailability of such data from current cost accounting systems. The Commission report indicates that it was not seeking either precise projections in this area or prior systems' cost accounting data but, rather comparative approximations based on *actual* field data collected from development and operational test phases of candidate systems.

RECOMMENDATION 8

[I] Interagency group proposed executive branch adoption of this alternative noncompetitive acquisition strategy, recognizing that competitive demonstration of system solutions is not always feasible and that multibillion dollar acquisition programs of great urgency are more effectively managed by a strong centralized program office. As GAO noted in its July 1974 report, the group did not discuss the Commission criteria which severely limits the use of this single-source acquisition strategy to rare exceptions: those programs of great urgency and massive physical and financial magnitude. GSA's staff analysis, accompanying referral of this recommendation to OFPP in January 1975 suggested that agencies, in developing their proposed implementation, include criteria for using the noncompetitive systems acquisition approach.

RECOMMENDATION 9

[I] Interagency group proposed executive branch adoption of this recommendation, noting that the strongest support for adoption comes from DOD. DOD pointed out that the basic part of the recommendation—to withhold agency and congressional approval of full production until a newly developed system has been operationally tested and the need reconfirmed—is satisfied by requirements specified in DOD Directives 5000.1 and 5000.3, the latter being approved almost simultaneously with publication of the Commission report, and by section 506 of Public Law 92–156. With respect to establishment of independent operational test and evaluation activities in each agency, DOD said that the Army and Navy have complied fully and that, as a result of a recent decision, the Air Force intends to follow suit. Further discussion was provided on current efforts to strengthen testing capabilities, including additional funding, better test plans, and improved targets, instrumentation, and data analysis.

Group members of two civilian agencies, however, argued against individual parts of the recommendation as not literally applying to their situations. For example, DOT said its components do not have a large enough operation to warrant each having a separate test and evaluation activity. GAO believes the Commission was emphasizing the need for an independent operational test of a newly developed system rather than necessarily directing how each agency should organize to accomplish this objective. GAO suggested in its July 1974 report that a more positive response by civilian agencies is possible if they focus on the basic intent and principles imbodied in the recommendation (note a). The GSA staff analysis provided to OFPP in January 1975 suggested that, in view of the general executive branch consensus to adopt the recommendation, the next step would be for agencies to develop and submit responsive implementation plans.

RECOMMENDATION 10

[I] Interagency group proposed executive branch adoption of this recommendation (it deleted three insignificant words). It recognized that the recommendation is designed to unburden the administrative and management processes associated with major system acquisitions and that, with such changes as competitive prototyping, new and simplified contract clauses could minimize contracting and administrative complexities for both Government and contractor officials. It said the degree of simplification would be governed by public accountability restrictions, but recognized that, if earlier steps in the acquisition process are well done, simpler final development and production contracts can be developed and extensive Government controls and detailed interaction with the contractors can be reduced. With respect to priced production options, the interagency group said the key is prudent use within an incremental acquisition approach that emphasizes competitive prototyping. The group alleged that "agencies are practicing, where appropriate, the policies advocated * * *." The GAO July 1974 report noted that this conclusion was not supported by citing implementing documents or examples of actual practice. The GSA staff analysis accompanying the referral of this recommendation to OFPP in January 1975 suggested that the next step would be for the agencies to develop responsive implementation documents and/or examples of actual practice.

RECOMMENDATION 11

[IX] Interagency group proposed executive branch adoption of this recommendation, pointing out that "several agencies have recognized the need for unified policymaking and monitoring responsibilities for major system acquisitions and have organized to assure that business and technical considerations are applied in an integrated fashion." The group said acquisition review councils within DOT (TSARC) and DOD (DSARC) "offer such a means." The group volunteered its opinion that the agencies have implemented the substance of the recommendation to the extent practical and advantageous to do so. It said additional management entities will not necessarily improve the management system. While agency top management review councils do meet a few times during the life of a program, GAO believes that the Commission recommendation calls for more day-to-day interaction and integration of technical and business management aspects of agency head and components system policy and monitoring functions. The Commission report seems clear that fewer management entities were envisioned, not more (see vol. 2, Part C, pp. 172–176). The Commission acknowledged the existence of the various acquisition review councils when making its recommendation. Its concern was that those review councils still leave in place the separation of system technical and business policy functions and decisionmaking which, in turn, perpetuate management layering, staff reviews, coordinating points, and paperwork down through an immense organizational structure. The interagency group report seems to interpret the recommendation in such a manner as to maintain the status quo. The GSA staff analysis accompanying referral of this recommendation to OFPP in January 1975 suggested that in "developing implementing actions the agencies should examine their existing structures with a view towards the Commission's intent of minimizing management layering and the possible unifying of technical and business policy and monitoring activities at agency and component headquarters levels."

RECOMMENDATION 12

[IX] Interagency group proposed executive branch adoption of this recommendation for agency head decisions on four key turning points in new acquisition programs—approving (1) mission need and acquisition goals, (2) alternative systems for competitive demonstration, (3) preferred system for final development, and (4) full production release. However, it added that "the several agencies [represented on the interagency group] have developed and implemented policies and procedures designed to accomplish the objectives of the Recommendation". The group recognized that the production decision is not applicable to some AEC and DOT components.

The Commission matched the key decisions in its recommended systems acquisition framework against the key decisions currently in use by some agencies and found similarities in the back-end of the process and substantial differences in the front-end of the process (see Part C, p. 142). For example, under the delegation authorized in DOD Directive 5000.1 (note b), new programs do not have to be exposed to the agency head until long after their need has been established and several years effort expended by the agency component toward one technological solution. The effect is to (1) limit agency head and congressional visibility on decisions that start new programs and explore alternatives and (2) restrict private enterprise competition to the design details and cost of one given agency solution. (See also note a under discussion of recommendation C–7.) The Commission went to great lengths to point out that

---

[a] A member of the interagency group advised GAO that if the group had dropped the words "in each agency component" from the recommendation, this could have forestalled civil agency objections.

[b] As recently amplified by Department of Defense Instruction 5000.2, dated January 21, 1975.

the earlier decision points, although involving only minor expenditures, are fundamental to agency head/congressional control, as well as to the rational evolution of major programs. As recommendation C–12 provides the key decisions for the overall systems acquisition framework, and as these decisions are embodied in other Part C recommendations already accepted by the interagency group, GAO believes that implementation of C–12 should receive the highest consideration. The GSA staff analysis accompanying referral of this recommendation to OFPP in January 1975 noted the absence of documentation supporting the group's claim of implementation. It suggested that agencies be asked to develop responsive implementing actions and/or examples of actual practice.

ADDITIONAL STATEMENTS

PARTNERSHIP IN THE PACIFIC AFTER VIETNAM

Mr. MANSFIELD. Mr. President, for the second time in 2 years, the Prime Minister of Australia, the Honorable E. G. Whitlam, Q.C., M.P., visited the United States, conferred with President Ford, and again addressed the National Press Club in this city. As always, what Prime Minister Whitlam had to say was worth listening to, worth reading, and worth thinking about.

The Prime Minister is noted for his candor and for his facing up to the realities of situations which confront his country and his area of the Pacific and Indian Oceans. It is always a pleasure to have a statesman of the character of Mr. Whitlam visit this country, explain his positions, and forthrightly answer questions which have an effect on both our countries' relations. He is big enough to admit errors, as in South Vietnam, but he is big enough also to place the past behind him, face up to the realities of the present, and plan for the future.

Mr. President, I ask unanimous consent that this speech by one of the outstanding statesmen of the Pacific be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

PARTNERSHIP IN THE PACIFIC AFTER VIETNAM

(Speech by the Prime Minister of Australia, the Honorable E. G. Whitlam, Q.C., M.P., to the National Press Club, Washington, May 8, 1975)

It is not quite two years ago since I last had the honour of addressing this National Press Club. In that time, as practitioners of our respective professions, we have all had to cope with tremendous events and tremendous changes occurring with unexampled speed. It was therefore with some little trepidation that I retrieved the remarks I last made to you to see how they stood the test of time. I find, however, that the very first point I made has been amply confirmed in a way few of us could have guessed in July 1973. I said then that I was honoured to address representatives of the world's greatest and most free press in the world's greatest and most free democracy, and that the strength of each was the strength of both. If this democracy had been less free the constitutional upheaval of 1974 would not have occurred. If this democracy had been less strong it could scarcely have survived so traumatic an encounter. So in accepting your invitation for a second time, I again pay tribute to the manifest and enduring strength of the democracy of the United States, of which the press is so fundamental a part.

In the wake of the remarkable events in Indo-China, all of us—leaders in my calling, commentators in yours—are in process of reassessing basic policies and relations. For the United States in particular, this is bound to be a difficult and perhaps a painful process. In that reappraisal the last thing the Government or people of the United States need are sermons and homilies from foreigners. Certainly, you don't need them from an Australian. It is true that I happen to lead a political party which strongly opposed the intervention in Indo-China; it is also true that I am the Prime Minister of a nation which for many years supported the intervention and encouraged the escalation of the war. Whatever recriminations we might have at home, it is no role for an Australian Prime Minister to lecture the United States.

It is, however, very necessary that we should prevent the creation of new myths about what went wrong. And to do that it is necessary to look at past mistakes—mistakes in which both countries shared. The great danger is that in an atmosphere of deep emotion and recrimination engendered by the suddenness of events in Indo-China, we should fasten upon explanations and self-justifications and over-simplifications which would ensure a return to, a repetition of, the great mistakes of the past. We have, in particular, to resist the same sort of myths which developed after the revolution in China. Those myths, those distortions of reality, perverted our relations with China for more than a generation. They led directly to the debacle in Indo-China.

We should have no truck with any new variation of the "stab in the back" theory—that the war in Vietnam was lost not in Saigon but here in Washington. The truth is that the United States did not "lose" Vietnam, anymore than she "lost" China. Vietnam was not America's to lose. What was defeated was not the United States and her allies but a policy of foreign intervention which was bound to fail. There was no time in the past thirty years when such a policy could have succeeded. The tragedy for us all, but above all for the people of Indo-China, is that a policy so manifestly doomed from the beginning should have been carried through for so long. It was never true that the honour and prestige of the United States and her allies were bound up with the survival of the Saigon regime, any more than it was ever true that the honour, or prestige, or security of the United States were bound up with the fate of Chiang Kai-Shek.

When I spoke to you last I spoke of the "second opportunity" we had gained because of the moves towards reconciliation with China and with the signing of the Paris Agreement in January 1973. I said: "For twenty years I have been appalled at the damage we of the West have done to ourselves and to other peoples by our western ideological pre-occupations, particularly in South East Asia. We are not going to be readily forgiven for throwing away the chance we had for a settlement in Indo-China in 1954 after Korea, after Geneva. We have now been given a second chance. It must not be thrown away." Unfortunately my hopes, the hopes of the world, were not fulfilled after January 1973. The gross breaches of the Paris Agreements by both sides—political breaches, military breaches—made it inevitable that the final settlement in Indo-China would be reached by the arbitrament of war.

Yet in the wider sense that second opportunity, that second chance of which I spoke, still remains. The question now is: What are to be our relations and our conduct towards Vietnam—whether there be one government of Vietnam or two? Are we to treat Vietnam after 1975 as we treated China after 1949? Through fear or frustration, because of our failure to impose the will of the West on Indo-China, are we to treat Vietnam as the new pariah, the new untouchable among nations? No one supposes that it is going to be a simple or easy task to establish meaningful relations with Vietnam, a Vietnam emerging from thirty years of civil war prolonged and deepened by foreign intervention. It is going to be one of the most difficult tasks for statesmanship, for the countries in our region and for the United States.

Two hundred years ago—on 22 March 1775—Edmund Burke said: "Magnanimity in politics is not seldom the truest wisdom." It was his great speech on conciliation with America. He was advising another mighty nation which was about to suffer humiliation at the hands of another small band of revolutionaries—not because that nation was wicked or weak but because it was committed to policies doomed to fail. Magnanimity in the face of failure is much more difficult than magnanimity in victory. The present prosperity of West Germany and Japan attests America's unparalleled magnanimity in victory. The other, more difficult, response lies ahead—in Indo-China.

This is very much a time for a realistic assessment of our strengths and opportunities—and for a good deal of confidence in those strengths and opportunities. There are those who feel that because American policy suffered a defeat in Vietnam, we should be pessimistic about American policy elsewhere, and ignore American achievements elsewhere. Dangerous and difficult as the Middle East problem undoubtedly is, taxing as it is for western statesmanship, it should not blind us to the wider stability and security achieved in the world during the past two decades. Who would deny that the world is a safer place today than it was in the aftermath of World War II? Who would deny—remembering Berlin, remembering Greece, remembering Korea, remembering Cuba—that the threats to peace today are less menacing than those posed by the critical flashpoints and monolithic confrontations of a decade or a generation ago? I hope we shall keep a sense of perspective and reality in these matters, keeping in mind the real progress we have made towards a safer world, and not allow ourselves to be panicked or dismayed by lesser problems than those we have surmounted before.

In the specific matter of Vietnam, I am not going to be panicked by an outcome achieved militarily in 1975 which might have come about politically in 1954. I am intent upon reaching a modus vivendi—as meaningful, constructive relationship—with Vietnam in 1975, as we would assuredly have had to do some time between 1954 and 1975, and as with such needless and damaging delay we have done with China. I asserted in Canberra that it was never material to the security of Australia who ruled in Saigon. I assert in Washington that it was never material to America's security who ruled in Saigon.

It is not, however, by focussing exclusively upon Vietnam or even upon Indo-China that we can get the true perspective of our real strengths and opportunities in the region—Australia's opportunities, or America's strengths. There can be no suggestion of wanting to shrug off the events in Indo-China. On the contrary there are great lessons to be learnt. Nonetheless, let's cooly assess both the present and the future.

If we look at the Pacific Basin area what do we find? The most developed and some of the strongest of the dozen or so most significant nations upon or around the four Pacific continents of Asia, Australia, North America and South America, are flourishing democracies. The United States' most important friends in this vast area, countries like Canada, Mexico, New Zealand, Australia and above all, Japan, have never been stronger—stronger in themselves, stronger in their basic friendship towards the United States. The Asian nations—Indonesia, the Philippines, Thailand, Malaysia, Singapore—are working closely and successfully together to promote their common interests in a natural and viable regional grouping. These countries happen to be those cast by the theorists in the role of the dominoes. Not one of them will give any thanks for being cast in such a role. Each of them will work in its own way to accommodate itself to the new political realities in South East Asia. Each recognises that it is primarily its own internal strength and resilience which will safeguard it against external threats. Each recognises that the prime guarantee of national integrity and security lies in developing the forms of government best suited to itself and ensuring that government is in tune with national needs and popular aspirations.

There is a further cause for confidence. On the Pacific side of the Asian region, Malaysia, Singapore, New Zealand, Australia, Fiji, Western Samoa and Tonga, and on the Indian Ocean side, India, Sri Lanka and Bangladesh, are all members of the Commonwealth of Nations. I have been meeting their leaders in Jamaica this week. In this remarkable association of nations not one Head of Government is Communist, yet not one head of Government was plunged into despair because of the events in Indo-China. In our communique issued on Tuesday the nations of the Commonwealth said this: "Heads of Government welcomed the end of the prolonged conflict in Indo-China, urged countries in a position to do so to contribute to international assistance for the urgent tasks of rehabilitation and reconstruction and looked forward to the new governments of the region playing their full part in the community of nations." No panic here, no desperation! Yet, as as I point out, many nations of the Commonwealth are the very nations who are supposed to be the likely victims of the falling dominoes. The truth is that all of us have great problems of one kind or another. Yet each of us is basically confident of surmounting those problems in our own way. Nor was there throughout our meeting in Jamaica any disposition to knock the United States, to recriminate against her or to suggest that the United States will not be a good ally or a trustworthy friend. Indeed, with the war in Vietnam over, many nations—and Australia is one—will have even greater confidence in America as an ally, for we know that American resolve, American capacity, American resources will no longer be weakened or dissipated in a fruitless cause.

President Ford wase entirely justified in remarking two weeks ago, that because the United States' policy had not succeeded everywhere it should not be assumed it had succeeded nowhere. The policy failed in Indo-China because it was foredoomed to failure; the policy succeeded in Japan and in Europe because it had the necessary ingredients of success—a realistic appreciation of America's own interests and the interests of the people of Japan and Western Europe. It failed in Indo-China because the policy there was based neither on America's true interests nor on anything that was possible or relevant as far as the interests or aspirations of the peoples of Indo-China were concerned. But the great aims of American policy can now continue undiminished and undeterred, free of the impediments and distractions and distortions of Indo-China.

The great thrust of that policy rests upon the détente with the Soviet Union and with associating China in a wider détente. Nothing that has happened in Indo-China would warrant the United States being deflected from that great goal. For the essential meaning of detente is simply the prevention of world war, or world nuclear war. It is precisely because this is the highest risk that mankind has ever faced—the destruction of civilisation itself—that this is the highest goal a nation could ever set for itself.

I view with concern and contempt efforts made by some in countries like Australia and the United States to downgrade or denigrate the efforts being made towards détente. No one asserts that the present partial detente really solves the great question of preserving world peace. But to go back now, to retreat from the agreements and undertakings already reached, however slight, however tentative, is to retreat toward ultimate disaster. I do not assert that detente as it now exists is complete. But I do assert that it must be made complete if any of us are to survive. We can begin by ensuring that regions of the world still largely untouched by great power rivalry continue to remain free of it. In that connection, Australia has lent her voice to the maintenance of a zone of peace in the Indian Ocean. All of us who support such proposals, all of us who support detente, know that the difficulties in the way of achieving detente are daunting indeed. But certainly, upon our success or failure turns the future of mankind. And it is because of this that the United States remains the true leader of the world and, as much as she used to be, "the last, best hope of the world". For it is to the United States that the West chiefly looks for meaningful leadership in that direction. If detente is to succeed, it will continue to require American initiatives, American courage, American leadership.

For many years to come, people like us, Americans, Australians, politicians, journalists, will be examining in arguments, in articles, in speeches, in books, what happened in Indo-China. This is as it should be; for so great a disaster, so great a mistake, so great suffering, cannot be easily dismissed or ever forgotten. We shall all have to live with it for the rest of our lives. Yet even so, we have spoke to the future. In the two years since I last spoke to you America has undergone a vast domestic, as well as a vast international, catharsis. With those profound traumas behind you, with their bitterness and misery being purged away, what better time to profit by experience and build on the true strengths of American democracy and American idealism? Here is an opportunity—not just for America but for all of us—to end our long preoccupation with military alignments in Asia, our ideological confrontations, our cold war hangups, and open a new chapter in Western co-operation. Let the deeper issues of poverty, overpopulation and maldistribution of the world's wealth assume their proper importance in our hearts and minds. These are the real problems of Asia. These are the real problems of the world. These, I trust, will be the real concerns of the United States. With your great tradition of moral leadership, your unexampled generosity, your vision, your energy, your sheer zest for accomplishment, you will find new inspiration in this task—a task in which Australia will be a ready and a willing partner.

BUREAUCRACY AND THE FREE ENTERPRISE SYSTEM

Mr. FANNIN. Mr. President, when one looks at the vast number of Federal agencies and regulations imposed on American business it is a wonder that our economy is functioning at all. Each time the Congress adds another layer of bureaucracy, and each time an established bureaucracy decides to expand its own powers, another step is taken to stifle the free enterprise system.

At this very time, when we should be deregulating industry in order to revitalize it, the Congress is debating establishment of yet another agency which would serve to hinder economic development and penalize American consumers in the name of consumer protection.

Overregulation is the cause of many of the troubles we have today in our economy. We should be discussing doing away with much of this regulation, not adding to it.

Mr. President, the Phoenix Gazette on May 2, 1975, carried an excellent editorial pointing out that President Ford's proposal to get Federal regulatory agencies off the back of our business would be a major step toward economic recovery. I ask unanimous consent to have this editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

STIFLING THE STIFLERS

Of all the efforts to lead the American economy to recovery, one of the most worthy being pursued by President Ford is his campaign to get the dead weight of the federal regulatory agencies off the nation's back.

Mr. Ford is calling commissioners of the 10 major independent agencies to a White House meeting soon to urge them to pay more attention to the inflationary impact of their regulatory decisions. He is also pressing Congress to eliminate regulatory functions that are costing the people more than they provide in benefits.

At the same time, Mr. Ford is reasserting his opposition to the proposed consumer advocacy agency pending in Congress, which he rightly points out will merely add yet another layer of bureaucracy to the already overburdened system.

In his speech to the U.S. Chamber of Commerce this week, Mr. Ford declared that the entire 90-year-old federal regulatory system "abounds in contradictions and excesses" that stifle productivity and adds "billions of unnecessary dollars to business and consumer costs every year." Yea, verily.

The malign effect of over-regulation is particularly evident in the rail, truck and air transportation fields. Moving at a pace that makes a turtle look like a roadrunner by comparison, the Interstate Commerce Commission, for example, permits changes in rate structures long after they are needed. To help overcome this ill effect, Mr. Ford is proposing to allow the railroads to raise or lower rates within specified limits without ICC approval. This is a small step in the right direction.

Another form of bureaucratic regulation being piled on the overburdened economy is the one designed to be of social benefit. This includes regulations on job safety, the environment and consumer protection. In many cases, the social gains are turning out to be not worth the economic costs.

Among the other economic relief measures being pushed by Mr. Ford is the one calling for legislation to end "fair trade" laws that permit states to allow manufacturers to dictate retail prices. Mr. Ford says these depression era laws cost consumers an estimated $2 billion a year.

Mr. Ford deserves commendation and support in his efforts to stifle the stiflers of the economy that the bureaucratic regulators have become.

CONGRESSIONAL BUDGET DETERMINATION

Mr. MUSKIE. Mr. President, last Friday the Senate and House Budget Committees concluded their conference on the first concurrent resolution on the budget and filed a conference report and statement of managers in each House. The Budget Act requires that this first concurrent resolution on the budget be adopted by May 15, which is Thursday of this week. Inasmuch as the House requested the conference and the Senate agreed to it, the Senate is required under normal procedures to act first on the conference report. We are advised that the schedule of the House of Representatives will be accommodated if we are able to dispose of this conference report in the Senate on Wednesday, May 14. Therefore, in consultation with the majority and minority leaders, we have requested that the Senate take up the matter of the conference report on House Concurrent Resolution 218, the first concurrent resolution on the budget, early Wednesday so that the House can complete action on the same day.

ENERGY SELF-SUFFICIENCY

Mr. GOLDWATER. Mr. President, last Saturday the Mutual Broadcasting System reinstituted the Reporters Roundup program by interviewing my colleague from Arizona, Senator Paul Fannin, regarding energy issues.

As ranking minority member on the Senate Interior Committee, my good friend from Arizona is extremely knowledgeable on this subject. Robert F. Hurleigh served as moderator of the program, and questions were asked by Lou Hiner, the capable correspondent for the Phoenix Gazette, and Edgar A. Poe, a Washington correspondent who represents the New Orleans Times-Picayune.

Mr. President, this discussion points up the failure of Congress to come to grips with the real issues in the energy crisis. We cannot solve our energy problems by strangling the energy industries as Congress seems intent on doing. I compliment the network for reviving this useful and stimulating public opinion and information program, and in order to bring this interesting discussion before a wide reading audience, I ask unanimous consent that the transcript of the broadcast be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Senator Fannin Is Questioned on "Energy Self-Sufficiency" and Related Matters on Reporters Roundup

(Mutual Broadcasting System)

Guest: Senator Paul J. Fannin (R.-Arizona).

Reporters: Lou Hiner, Phoenix Gazette; Edgar A. Poe, New Orleans Times-Picayune.

Moderator: Robert F. Hurleigh, Mutual Broadcasting System.

Our guest on Reporters Roundup is Senator Paul J. Fannin, Republican of Arizona. Senator Fannin was a three-term governor of his state and chairman of the Western Conference of Governors and three terms as a member of the Executive Committee of the National Governors' Conference. He has been a member of the Senate since 1964, and serves on the Finance Committee and Interior and Insular Affairs Committee.

Our reporters are Lou Hiner, Washington Correspondent for the *Phoenix Gazette* and Edgar A. Poe, Washington Correspondent for the New Orleans *Times-Picayune*. We'll begin questioning Sen. Fannin in just one minute.

Well, Edgar Poe, why don't you start with the first question.

Poe. Thank you. Senator, the United States is faced with a mighty challenge of achieving *energy self sufficiency*, or suffer the worst possible economic possibilities. What are the immediate priorities in an effort to obtain this lofty goal of self sufficiency?

Fannin. Our immediate priority is to develop what we have in abundance and that is to develop our coal reserves and to be sure that they are utilized to the greatest benefit possible. We can do that if we are determined to carry through. Now, of course, we do have the problem of imported fuels and it's costing us twenty-five billion dollars a year. This is a crisis to our economy, whereas people feel that they have fuel available when they go into the gasoline station—they are not worried about it. But, at the same time, we do have the—a serious problem as far as the economy is concerned.

Poe. Senator, to replace this foreign oil and you say our nation needs to use more coal. To do that will we have to have a lot—or some amendments to the Clean Air Act?

Fannin. Yes, it will require amendments. I do not feel they will be severe. They will not detrimentally affect the atmosphere at the living level. I think it can be done and still attain the goal that we have and satisfy the people that really understand what we are up against. I know that many feel that this would be detrimental to environment. I do not feel that way. I think it can be done very beneficially without harm to the environment.

Poe: Should more power plants be converted to coal now?

Fannin. It is absolutely essential. When we realize that 30% of all the natural gas that's being utilized today is being used for development of electricity, we can see what a chore there is ahead of us. These plants, in most instances, must be changed. I know that's a terrible task, but it can be done and must be done.

Poe. Let me ask one more in that area, Senator. Some of the coal industry people say if we double coal output—the country must recruit and train 125,000 more miners. Can private industry recruit and train this needed manpower, do you think?

Fannin. I feel they can. I do realize that the increase is going to be in the area of the West—where it will be strip-mining. A great deal of the increase will come from strip-mining. This requires fewer people, but at the same time it requires a tremendous amount of equipment and will be of benefit to our economy in many, many ways. I feel it must be done, we do have new devices for underground mining—this also requires manpower as far as manufacturing's concerned. But, that's all for the good, so I feel in the overall, we can look forward to some very beneficial results from the new exploration and development that we will have in mining.

Hurleigh. Lou Hiner.

Hiner. Senator, since November of 1973, the American people have been told that the energy crisis is for real and there's been a sense of urgency to act on this crisis. Yet, the Congress four years ago passed the National Fuels and Energy Study Act which was supposed to produce policy to help solve the energy problem. So far, we've got the study after four years, but we don't have the policy. Would you discuss why there's been such a delay?

Fannin. Unfortunately, there has been too much partisan politics involved. We have not gone forward with the programs that have been recommended by the Administration, the programs that have been recommended in the Congress. We have fought back and forth, unfortunately there was a consideration that we were going to be in such a position that we had to go to rationing. We fought that down. We had other problems that were before us that caused us serious trouble, but we have had too much partisanship—there's to much campaigning on the basis of the energy problem of our nation and I think it must stop.

Hiner. Along that line, the President's warned that—more or less, warned the members of Congress that it's—even though it's politically popular, they've introduced a lot of ineffective legislation, there's something like 500 bills on energy in this session alone and it's spread among 26 different committees in the House and the Senate. Can you kind of discuss this as one of the complications?

Fannin. Yes, it is one of the complications, because these bills are so misunderstood. When you tell someone that you are going to roll back their cost of fuel, it's very popular, but it's unrealistic, if they're going to have fuel available to them when it is needed. Consequently, I feel that if we could decontrol, we'd be in a very much better position. That is proven by what has happened on natural gas. Here we brought the natural gas under government regulations quite some years ago, and we have seen natural gas take the place of the utilization of coal and oil and now we have less coal being used for our energy program than we had a decade ago. At that time it was about 23%—of our energy was developed by coal—now it's down to 18%, and of course, we're running out of natural gas. It's a very valuable fuel and until it's decontrolled, we're going to have a hard time getting additional supplies because it costs money to bring in that natural gas and the company cannot afford, at present interstate prices, to drill and run the lines that are necessary for the pickup of that gas.

Hiner. Do you agree with Senate Democratic Leader Mansfield—set a timetable at the end of this month for the passage of the energy bill?

Fannin. When we're talking about an energy bill, I feel that we should have a good energy bill and I would hope that we could have it this month. We do not have a good energy bill before us at this time. We have some recommendations and the President has taken a step, I think, to decontrol—that he has recommended for some time and is now—take it at 4% a month—is a good measure. I think it will help immeasurably in meeting the problems that we have in that regard.

Hiner. The Democrats, Senator, say that they will fight this extension and so forth—of removing the controls.

Fannin. That's right and they have fought the removing of the controls, in fact, they've been trying to roll back the prices continuously.

Poe. Senator, 17% of our domestic production of oil is now coming from offshore. Most of this off of Louisiana. Along the Eastern seaboard, quite a few of the officials and many private industry people are opposing the development of off-shore oil. Do you think we must develop this oil in order to provide our energy?

Fannin. It's absolutely essential that we develop offshore oil. We do have, of course an undeterminable amount of offshore oil available, but there are records that prove that it's of considerable amount—sufficient enough to take care of many of the needs of different areas of our country. I am very much in favor of developing offshore oil. I know that the methods they have today have been proven. In the last five years, we've had four oil leaks that have amounted to over 250 gallons and that with the thousands of different programs they've had underway.

Hurleigh. Senator, would you say, along that same line, that there is a bit of politics also being played in the delay for the approval of offshore oil drilling?

FANNIN. Yes, there is—considerable politics. The environmentalists, of course, are very much involved. I am sure that if they would just be reasonable about it and would take into consideration the penalty they're paying, because after all, if we can get natural gas from offshore, it would be a great help to our environment. If we had more natural gas, it could displace some of the other fuels. Now, that's problematical that we could get that amount, but it certainly would be very helpful in that regard so, in many areas, we could use natural gas. The shortest supply of natural gas is on the East Coast where we think that there is considerable amount of gas available offshore.

HURLEIGH. And, is it not on the East Coast, particularly, say from Virginia Cape on north, that there is the largest need or the greatest need for this oil energy?

FANNIN. Yes, it so happens that the reserves seem to be in the area where there is the greatest need and of course that would save the shipments of oil and we have a greater amount of damage to the waters of the ocean by the vessels that carry oil than we do from the standpoint of the oil wells themselves.

HURLEIGH. How about pipelines?

FANNIN. And, of course, the pipelines—we find that the—that's one program that's been carried through that's very much misunderstood. We do have a problem as far as the environment is concerned along the coastal areas, but I do feel that that can be handled very well and that if they do have a way in which they can compensate the coastal cities, and this is under the program that has been recommended, I think that can be taken care of very easily.

HINER. Senator, there seems to be some confusion as to just how much we have in the way of gas and oil reserves under the surface of both the land and the sea. These estimates run from 15-years to 60-years supply. What's your general feeling as to how much is available?

FANNIN. Of course, we do have reserves that are far beyond what we thought just a few years ago, because we now have secondary and tertiary recovery. In many of those wells that were pumped out some time ago, we can recover twice as much as was recovered the first instance. And, this is something we must take into consideration. It is estimated that we have between 50 and 60 billion barrels that can be made available through the secondary and tertiary recovery and this, of course, is the oil that we're counting on.

HURLEIGH. Let me interrupt, Senator Fannin, and we'll continue the questions in just one minute.

POE. Senator Fannin, under present law various states share 37½% in all yields from minerals. That is oil and gas and coal and timber and other things from federal lands in those respective states. There is no law that would reimburse states that have offshore production and where those states provide many services, like schools, roads, hospitals and libraries and police protection for their offshore workers—thousands of offshore workers. Would you favor legislation that would reimburse—say, the coastal states or the various states—for some of the production that comes off their states—that comes off their shores—would you reimburse them for the services that they provide?

FANNIN. Well, I think there should be a formula that would be fair and equitable to take care of that need. And, I realize there is a need and that the need also exists in other than just the coastal states—but, certainly, I agree with you that there is a burden that is a responsibility of the companies that are producing that oil and those that are receiving the benefits. So, I do feel that something should be done.

HINER. Senator Fannin, your Democratic colleague from Arizona, Morris Udall, who's running for president, last week came up with his energy program. The chief feature of it was to divest the major oil companies of certain operations limiting each one to say producing the oil or retailing the oil—such things as that. Isn't this more or less going to lead to nationalization of the oil industry, or would you care to comment on the Udall plan?

FANNIN. It is my great fear that this could lead to nationalization of the oil industry and be very damaging, not only to the oil industry, but to the consumer in paying much higher prices. I do not feel that the Federal government can operate the industry on the same basis that it operates under the free market system. I believe in the free enterprise system and I'm sure this will work. It is working now, very advantageously. When we realize that most of the oil wells that have been drilled around this world have been drilled by American companies—about 80% of them. So, I feel that we can depend and must depend on our own oil industry. We cannot afford to leave our oil industry out of any of the features of our energy picture. They have the ability, they have the funds to go forward. I do feel that we need to have some control—as far as the controls are concerned—I think we need an excess profits tax. I think we need a plow-back system. I do feel that we must force the oil companies to either pay a high excess profits tax or put the money back in to exploration.

HINER. Do you think they're making too much money?

FANNIN. Well, of course, I know that there was a lot of misleading information—I do think, in some cases, that we should have had an excess profits tax in force and that we should have had a plow-back provision before. We tried to get those provisions into legislation, but we were unable to do so. Now, of course, we're suffering and I am still hopeful that we can do that.

POE. Senator, do you find that some sentiment in Congress to nationalize the oil and gas industries—do you find that some members favor that already?

FANNIN. Unfortunately, we do have some members that favor—that do favor nationalization. I don't think they understand the oil industry. They do not understand the tremendous investment involved, the great risk that is involved and I'm sure that a little experience with the Federal government trying to run these operations would bring disaster as a result.

HURLEIGH. Well, Senator, if there were nationalization of the oil companies, would that not mean that they would then be political entities, so to speak. Just like the Post Office Department has been in the past and does that not mean that when this happens, that when a blow or a dry hole or those other disappointments in the oil industry come to pass, that the individual who was in charge of it—the director, that person and the administration in power at that time—would have to take some of the blame, would they not?

FANNIN. Absolutely, and I'm sure that this would be a political issue. There'd be a lot of coverups and there would be a lot of misinformation given. We have seen that, of course, in the operation of some of our Federal facilities, such as the Post Office. And, I think that's a good example of how we cannot place an industry that the public is so dependent upon—the energy industry—into a Federal program.

HINER. I would like to broaden into another field just for a moment and that is, Senator, I note that you are interested in finding new sources of energy, such as geothermal and solar. Isn't this going to be a terribly costly and time-consuming project?

FANNIN. We have several programs going forward. For instance on geothermal, we have both a man-made geothermal program, the Pacer program, that's being investigated very thoroughly now, where they put off nuclear blasts in an underground cavern and generate their own steam. We also have other systems that I think have been very successful. Of course, we have the huge success at Geyserville in California where they are developing now about 450 megawatts which takes care of more than half the power that is used in the city of San Francisco and now, of course, we have new developments that I think are going to go forward very rapidly as far as solar energy is concerned. And this is in the field of the generation of electricity—not just utilized on the home—although I do think the home units can be utilized for supplemental heating and cooling and also for the water heating and be very successful.

HURLEIGH. I'm sorry, gentlemen, but our time is up. Our thanks to Senator Paul J. Fannin, Republican of Arizona, and to our reporters, Mr. Lou Hiner of the *Phoenix Gazette* and Mr. Edgar A. Poe of the New Orleans *Times-Picayune*. We'll tell you about next week's guest in just one minute.

THE TORCH AT THE END OF THE TUNNEL

Mr. CHURCH. Mr. President, this Nation of immigrants needs to be reminded of its heritage, the open door. How many of us would be here today if earlier generations of Americans had chosen to deny us access to these shores?

America, it is true, has paid a dreadful price for its misadventure in Indochina. Our final payment must take the form of accepting and providing for the Vietnamese refugees who fled with the last Americans to leave Saigon. The alternative would have been to have left them bobbing in the sea. The price of past error has been high. But we cannot, in good conscience, escape this final payment.

Wit and insight often go hand in hand. An example is the benevolent satirist, Art Buchwald, who, in a recent column published in the Washington Post, holds our feet to the fire under the melting pot, making us acknowledge our heritage. He shames us by showing that not even the Statue of Liberty, with her back turned away from the Pacific, harbors an iron heart.

Mr. President, I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 6, 1975]

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT . . .

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families."

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and great-grandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that."

"It's not the same thing," the statue said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, "Welcome. We're glad you came," most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate Bridge, perhaps the people will be ashamed of the way they've behaved."

The Statue of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, 'Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door.' "

PRIVACY LEGISLATION: A GOP HALLMARK

Mr. HUGH SCOTT. Mr. President, the current edition of "First Monday," the publication of the Republican National Committee, has an article detailing Republican initiatives in the privacy field which I think deserves the attention of my colleagues. I was pleased to note that its author, Marc Rosenberg, is a former intern of mine and a constituent from Cheltenham, Pa.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Privacy Legislation: A GOP Hallmark

(Note.—The author, Marc H. Rosenberg, is the legislative assistant to a Midwest Republican Congressman. Previously, he was a writer for the Legislative Digest and served as Director of the Washington Campus News Service.)

Republicans have quietly moved to the forefront of Congressional efforts to guarantee citizens' rights-to-privacy. In doing so, they are not seeking any special publicity, but are working behind the scenes to assert traditional Republican beliefs in the importance of the individual and the personal rights enumerated in the Constitution.

The GOP has taken more than its share of lumps as a result of Watergate and the more recent accusations of abuse in various domestic intelligence activities which are alleged to have actually taken place during the Johnson years.

The truth of the matter is that in recent years the impetus for most new laws to protect rights-to-privacy has come primarily from Republican Members of Congress. GOP Congressmen and Senators have actively spearheaded efforts to provide greater confidentiality of school records, to prevent abuse of IRS information and authority, and to place tighter controls on federal surveillance activities.

Last year, students and parents were cheered by passage of the Family and Educational Privacy Act, which is better known as the Buckley Amendment to the Elementary and Secondary Education Act. It was authored by Sen. James Buckley of New York.

This new law gives students over 18 and parents of minor students access to most files kept on students by their schools, but denies access to unauthorized third parties. The law was prompted by a number of documented horror stories wherein damaging, sometimes erroneous, information was leaked from school files while students and parents were denied access to those same files.

The Buckley amendment corrects this situation, restoring proper priorities for the confidentiality of school records. The law went into effect early this year, less than a year after it was first proposed.

The Educational Privacy Act was one of 12 specific proposals that were either initiated or endorsed in a report issued last August by the House Republican Task Force on Privacy. Other issues addressed in the report include: government surveillance; juvenile and criminal arrest records; computer data banks; and standard universal identification numbers.

"A LANDMARK"

The Task Force consisted of 13 Republican Congressmen, chaired by Barry Goldwater, Jr. Its recommendations were unanimously endorsed by the Republican Research Committee, on behalf of all Republicans in the House of Representatives. In a cover letter attached to the final Task Force report, the chairman of the Research Committee, Congressman Lou Frey Jr. of Florida, said, "The recommendations are a landmark in the area of individual rights. Nowhere (else) has the total question of privacy been so well or thoughtfully covered. . . . These recommendations and the follow-up legislative efforts will insure that the 1984 envisioned by George Orwell will remain only fiction."

During public hearings in March of this year, the House Judiciary Subcommittee on Civil Liberties praised the Task Force report as being the most comprehensive document of its kind. They commended Congressman Goldwater and his colleagues for their efforts.

Last year, Congressman Goldwater also distinguished himself in the privacy area by being the prime sponsor of the Goldwater-Koch Comprehensive Privacy Act. This new law guarantees citizens access to most files kept on them by the federal government and provides a mechanism for correcting or deleting inaccurate information. At the same time, the law prohibits improper dissemination of information found in these federal files.

In other areas, Sen. Lowell Weicker of Connecticut is leading efforts to guarantee the confidentiality of federal tax returns and to prevent any future abuse of the Internal Revenue Service's audit powers. The Senator says, "Clearly, only those legitimate authorities concerned with proper functions of tax administration or law enforcement should be allowed access to tax returns." Chances appear very good that the Weicker proposals will be approved by the 94th Congress.

New York Rep. Jack Kemp has proposed legislation to help safeguard the privacy of personal medical records. He explains, "The adequacy of safeguards to assure protection of the right of privacy as to individual medical records is a matter of growing concern. The proliferation of automated data systems, within both government and the private sectors, has focused particular attention on . . . these protections and, generally, has found them inadequate." Consequently, Congressman Kemp has introduced the proposed Medical Records Privacy Act.

MOST IMPORTANT

In this current session of Congress, probably the single most important piece of privacy legislation is the proposed Bill of Rights Procedures Act, which was developed by Maryland Sen. Charles Mathias and Rep. Charles Mosher of Ohio.

This legislation would require federal agents to obtain court orders before they could conduct any surveillance on any private citizens. It would greatly enhance the protections granted by the First, Fourth and Fourteenth Amendments and would plug up many loopholes in existing laws.

This past February, Mathias and Mosher testified before the House Subcommittee on Civil Liberties, which is holding extensive hearings on the Bill of Rights Procedures Act.

They warned that "American citizens today, in many instances, are becoming virtually paranoid about government surveillance." They noted that this can have a "chilling effect" on the public. This phenomenon is described as citizens being intimidated by the fear that improper surveillance is taking place, so that they can avoid participating in certain political activities or other lawful exercises of their Constitutional rights.

At the outset of the hearings, Subcommittee chairman, Democrat Robert Kastenmeier of Wisconsin, noted that 62 Congressmen had joined as cosponsors of the Bill of Rights Procedures Act. The cosponsors were evenly divided, 31 from each party, representing the whole spectrum of political philosophies and coming from every part of the country.

The House Judiciary Committee is continuing hearings on the Mathias-Mosher privacy bill and indications are that it will receive a favorable recommendation. There is a very good chance that the bill will be put before the House for a vote this summer.

The Senate Judiciary Committee has promised to consider the Bill of Rights Procedures Act in hearings to be held later this year. A rival bill has been introduced by Senators Kennedy and Nelson, but experts in the privacy field openly state that the Mathias-Mosher bill is clearly the superior piece of legislation. To date, the Bill of Rights Procedures Act has been endorsed by groups as diverse as the Republican Task Force on Privacy, the *Washington Star-News,* the *New York Times,* the *Akron Beacon Journal* and the National Newspaper Association.

Throughout the statements of these legislators there runs a common theme: Involvement in the privacy issue is not a new-found interest for Republicans. Rather, the commitment to the individual's rights-of-privacy is in the finest traditions of the Republican Party. These Congressmen and Senators all feel that the GOP has a history of commitment to championing the rights and freedoms of the private citizen. Their efforts today are merely the newest chapters in a long story.

NURSING HOME REFORM: 48 BILLS TOWARD A NATIONAL POLICY WITH RESPECT TO THE INFIRM ELDERLY

Mr. MOSS. Mr. President, I have served as chairman of the Subcommittee on Long-Term Care of the Senate Special Committee on Aging since 1963. Early hearings by our subcommittee lead to the enactment of Federal minimum standards for nursing homes participating in the medicare and medicaid programs. In 1969, we began our current series of hearings, "Trends in Long-Term Care" designed to gather facts and to test the implementation and enforcement of the so-called Moss amendments of 1967. Last November we issued the first of a 12-volume report on nursing home problems with subsequent reports or supporting papers following at monthly intervals. I would like to emphasize that these reports and the recommendations we made in them are based on 25 hearings since 1969 and more than 3,000 pages of testimony.

The recommendations in our reports fall into two categories: new legislation and suggestions urging the enforcement of existing legislation by the Department of Health, Education, and Welfare. Until very recently, the Department's record in terms of implementing congressional nursing home reforms and in terms of enforcing standards was characterized by neglect and indifference. Of late, I believe I sense a new attitude in HEW, but only time will tell if it results in genuine reform. I have some specific suggestions:

First. HEW must begin to enforce the laws and regulations which prohibit nursing home operators from dominating State boards which license nursing home administrators. Operators dominate the boards in 15 States at the present time.

Second. HEW must begin to enforce section 242 of Public Law 92–603 which sets out criminal penalties of $10,000 fine, a year in jail or both for fraud or misrepresentation of a material fact in conjunction with payment for services under medicare or medicaid.

Third. HEW should implement changes the Congress made in 1972 requiring operators to disclose indirect as well as direct ownership interests in nursing homes.

Fourth. HEW must alter existing regulations to allow older Americans to have access to the home health services they need. At the present time less than 1 percent of medicare's total $12 billion expenditures pay for home health care and 2.5 million elderly are going without the care they need.

As I noted, in addition to urging HEW to take action under existing law, I have introduced a 48-bill nursing home reform package. The first 12 bills were introduced on March 12, and cosponsored in the House of Representatives by Congressman Ed Koch. The remaining 36 bills were introduced on April 29 with Congressman Claude Pepper, chairman of the Subcommittee on Health Maintenance and Long-Term Care of the House Committee on Aging, acting as House sponsor along with Ed Koch who is the prime cosponsor. My bills fall essentially into seven categories as follows:

A. BILLS DESIGNED TO MAKE LONG-TERM CARE MORE READILY AVAILABLE TO ALL OLDER AMERICANS

S. 1552, to provide nursing home coverage under medicare without requiring prior hospitalization, by establishing a second level of care—intermediate care, by requiring standards for intermediate care facilities and by providing such services under medicare. Intermediate care services are presently authorized under medicaid but not under medicare.

S. 1553, to amend the Internal Revenue Code to allow a family to deduct as a "medical expense" payments made by such family for nursing home care received by a relative.

S. 1554, to provide for a modfication of the medicare reimbursement formula to allow small hospitals in rural areas with chronic low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available.

S. 1555, to allow the use of supplementary security income payments plus state supplementary payments to house residents in shelter care facilities which meet certain Federal minimum standards.

S. 1161, to authorize an experimental program to subsidize families to care for their elderly in their own homes.

S. 1162, to authorize payment for day care under medicare.

S. 1163, to expand home health services authorized under medicare and medicaid. This bill originated with Congressman Edward I. Koch of New York.

S. 1165, to authorize funding for "campuses for the elderly"—a nursing home, home for the aged, congregate living facility, hospital and senior citizens center located on one site.

B. BILLS TO CREATE NEW MINIMUM FEDERAL STANDARDS FOR NURSING HOMES PARTICIPATING IN MEDICARE AND/OR MEDICAID

S. 1556, to require physician visits to patients in skilled nursing facilities at least once every 30 days.

S. 1557, to require skilled nursing facilities under title 18 and 19 to have registered nurse coverage 24 hours per day, 7 days per week effective January 1, 1978.

S. 1558, to require that only licensed personnel—registered nurses or licensed practical nurses—are authorized to set up and distribute medications in skilled nursing homes.

S. 1559, requiring skilled nursing facilities to place responsibility for medical care in a medical director and/or a nurse practitioner trained in geriatrics.

S. 1560, to require HEW to promulgate minimum ratios for nursing personnel to patients and for supervisory nurses to total nurses and further requiring that there should be no less than 2.25 hours of nursing care per patient per day for skilled nursing care.

S. 1561, to require skilled nursing homes to provide medically related social services.

S. 1562, to require admission contracts between the nursing home and patients paid for by medicaid and to prohibit life care contracts.

S. 1563, to require the upgrading of fire safety standards for nursing home by requiring compliance with the 23d edition, 1973, of the Life Safety Code instead of the 21st edition, 1967, presently mandated by law.

S. 1564, to require the posting of a nursing home's license, medicare/medicaid certification, a description of the services provided by the facility, a list of the owners and staff of the facility, a patient's bill of rights and other pertinent information.

S. 1565, to require nursing home administrators of facilities participating in medicare and medicaid to treat epidemic diseases, accidents and significant changes in patient condition.

S. 1164, to require nursing home participating in Federal programs to file CPA audited cost and financial statements and to provide penalties for fraud or misrepresentation.

S. 1166, to require full and complete ownership disclosure of every nursing home interest with penalties for misrepresentation of a material fact.

C. BILLS TO IMPROVE NURSING HOME INSPECTION, ENFORCEMENT AND AUDITING PROCEDURES

S. 1566, to require State inspection of public and private skilled nursing and intermediate care facilities at least once every 90 days and to require State enforcement of the rights of patients in such facilities. This bill originates with Congressman Ed Beard.

S. 1567, to first, require that State plans to provide care for the aged, blind and disabled be approved by both the State's legislative and executive branch; second, require such plan to be posted and available to the public; third, require the Secretary of HEW annually to evaluate each State's compliance and administration of its plan, to publish State performance ratings and when necessary and after appropriate hearing, cut off funds to States not complying with their own plan; and fourth, authorize any title 19 recipient or a class of such recipients to bring a suit of specific performance against a State which substantially fails to comply with the provisions of its State plan.

S. 1568, to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers.

S. 1569, to require States to establish

ombudsman programs to investigate nursing home complaints and represent consumer interests.

S. 1570, to establish the Office of Inspector General in the Department of Health, Education, and Welfare to invesitgate medicare and medicaid fraud and to report to the Congress.

S. 1571, to make unlawful the offer or receipt of money or other consideration for the referral of clients, patients or customers under medicare and medicaid.

S. 1572, to require strict controls for the handling of patient's accounts and personal expense funds.

S. 1573, to make unlawful the solicitation or receipt of charges to a medicaid recipient over and above the rates established by the States and soliciting or receiving any gift, money, donation or other consideration as a precondition of admitting a patient to a long-term care facility.

S. 1574, to require minimum qualifications for surveyors inspecting nursing homes under medicare and medicaid.

S. 1575, to require that forms submitted for payment by providers participating in the medicare and medicaid programs carry warnings of the criminal penalties under the law for fraud, kickbacks or misrepresentation of a material fact.

S. 1576, to continue 100-percent Federal financing of the cost of State inspections provided that the States enact new enforcement tools as an alternative to license revocation including but not limited to citation systems and protective custodianship.

S. 1577, to provide 100-percent Federal funding of the audits of medicare and medicaid facilities conducted by State personnel.

S. 1578, to create a cadre of Federal inspectors to conduct spot checks of medicare and medicaid facilities to test the quality of state inspection procedures.

S. 1579, to authorize medicare/medicaid recipients individually, or as a class, to bring suit for specific performance against a long-term care facility for violation of its provider agreement.

D. BILLS INTENDED TO PROVIDE ACCOUNTABILITY AND FINANCIAL INCENTIVES IN FAVOR OF GOOD CARE IN NURSING HOME REIMBURSEMENT

S. 1580, to authorize the States to allow financial incentives for good care as a component of their cost-related reimbursement of nursing homes participating in the medicaid program.

S. 1581, first, to increase Federal responsibility for inspection and certification of nursing homes under medicare and medicaid; second, clarify conditions under which States can withhold Federal funds; third, require audited prospective cost-related reimbursement for nursing homes with cost pegged to what a prudent buyer would spend for such services; fourth, require ownership disclosure of any nursing home interest including real estate as well as any operating interests; fifth, require the disclosure of interest in nursing home supply companies and prohibit reimbursement to suppliers in whom the nursing home operator has a substantial interest; and, sixth, broadening the scope of medicare and medicaid nursing home benefits to provide assessment of patient's medical, psychological, and social needs. This bill originates with Congressman Ed Koch.

E. BILLS TO HELP NURSING HOME UPGRADE

S. 1582, to provide for the making of direct loans for the construction, and rehabilitation of nursing homes owned and operated by churches and other nonprofit agencies.

S. 1583, to authorize grants for the planning, development, construction and rehabilitation of nursing homes in black and minority communities.

S. 1584, to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards.

F. BILLS TO PROVIDE TRAINING IN GERIATRICS AND THE NEEDS OF NURSING HOME PATIENTS FOR PHYSICIANS, NURSES, AIDES, AND ORDERLIES

S. 1585, to authorize the Secretary of HEW to enter into contracts with, or make grants to, colleges and universities to provide graduate programs for nurses in geriatrics and gerontology.

S. 1156, to provide funds to schools of medicine to help establish departments of geriatrics.

S. 1157, to provide continuing education programs in geriatrics for physicians.

S. 1158, to train medical corpsmen, discharged from the armed services, in the field of geriatrics and in the needs of nursing home patients.

S. 1159, to provide for the training of physician's assistants trained in geriatrics to serve in nursing homes.

S. 1160, to provide for the training of nurse practitioners in geriatrics in order that they may provide primary care in nursing homes.

S. 1155, to provide funds to schools of nursing to provide in-service training programs for nursing home aides and orderlies.

G. MISCELLANEOUS

Senate Joint Resolution 75, to establish the sense of the Congress that the President call a White House Conference on Long-Term Care in 1976 and authorizing $500,000 for this purpose.

S. 1586, to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress.

Mr. President, I should like to clarify the obvious. The bills with lower numbers were introduced on March 12, the remainder on April 29. I would like to add further that S. 1155 and S. 1160 which provide funds for the training of nursing home personnel and for the training of nurse practitioners to serve in nursing homes, respectively, were added as amendments to S. 66, the Nurse Training Act, which passed the Senate on April 10, 1975. In addition to these bills, I have cosponsored six bills introduced by Senator Charles Percy aimed at nursing home reform and Senate Resolution 113 introduced by Senator Frank Church, chairman of the Committee on Aging. The Church proposal would establish the sense of the Senate that HEW establish a central clearinghouse and information center to help coordinate ongoing nursing home investigations. I believe all of these proposals are important. I urge prompt consideration by the committees having legislative jurisdiction. I hope that these measures can be promptly enacted to bring about some improvement in the quality of life for our Nation's infirm elderly.

REQUESTED CHANGE OF NAME OF AIRFIELD AT U.S. MARINE CORPS AIR STATION AT BEAUFORT, S.C.

Mr. THURMOND. Mr. President, on April 29, 1975, the General Assembly of the State of South Carolina adopted a concurrent resolution requesting that the airfield at the U.S. Marine Corps Air Station, Beaufort, S.C., be named in honor of the late Maj. Gen. Lewie Griffith Merrit, U.S. Marine Corps.

General Merritt, a native of South Carolina, passed away on March 24, 1974, after many years of dedicated and distinguished service to our country and to the State of South Carolina. Following his retirement from the U.S. Marine Corps in 1947, and a law practice for 2 years, General Merritt served as director of the South Carolina Legislative Council until his second retirement from public service in 1967.

General Merritt was one of our Nation's most outstanding military and civilian leaders. He was commissioned as a second lieutenant in the Marine Corps when he graduated from the Citadel in 1917. He served in World War I and in World War II. He pioneered marine aviation, and he was the first American shot down in World War II. When General Merritt retired from the Marine Corps, he commanded the largest Marine base in the United States at Cherry Point, N.C.

Mr. President, on behalf of the South Carolina General Assembly, it is a pleasure for my distinguished colleague from South Carolina, Senator Hollings, and me to endorse this request and to recommend strongly that the Department of the Navy and the U.S. Marine Corps name the airfield at the Marine Corps Air Station at Beaufort, S.C., the Lewie Griffith Merritt Airfield in honor of the late Maj. Gen. Lewie Griffith Merritt, U.S. Marine Corps, retired, a distinguished American and South Carolinian. On behalf of myself and the junior Senator from South Carolina, Mr. Hollings, I ask unanimous consent that the concurrent resolution adopted by the General Assembly of the State of South Carolina be printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

H. 2396

A concurrent resolution requesting that the airfield at the Marine Corps Air Station, Beaufort, South Carolina, be named in honor of Major General Lewie Griffith Merritt (USMC, retired)

Whereas, Major General Lewie Griffith Merritt (USMC–ret.), who ended a distinguished thirty-year career with the Marine Corps only to begin an able career of public service as Director of the Legislative Council of the South Carolina General Assembly, died March 24, 1974. He was a native of Ridge Spring in Saluda County, South Carolina, but resided in West Columbia in Lexington County since retiring from the Marine Corps in 1947. General Merritt was graduated from The Citadel in 1917 with a commission as Second Lieutenant in the Marine Corps and was promoted to captain during World War I before he was old enough to vote. He served in Santo Domingo and as an infantry officer in France during World War I. Following the war he was graduated from the Naval Aviation Training School at Pensacola, Florida; the Air Corps Tactical School, Langley Field, Virginia; and from the Command and General Staff School at Fort Leavenworth, Kansas. He also served aboard the U.S.S. New Mexico. He was later in command of Aircraft Two, Fleet Marine Force Naval Air Station, San Diego, California. General Merritt was a pioneer in marine aviation and was the first American shot down by enemy forces in the European Theater during World War II. He became a brigadier general in 1942 and later in the war he commanded the Fourth Marine Air Wing in the Central Pacific. After World War II, General Merritt took part in the President's Strategic Bombing Survey special study of United States assaults against Japanese defenses and was one of the first aviators to use dive bombing. He received the Bronze Star with combat V and the Legion of Merit for exceptionally outstanding performance of duty to country. From the end of World War II until his retirement from the Marine Corps in 1947 as a major general, General Merritt commanded the largest Marine Air Base in the United States at Cherry Point, North Carolina. In 1928 General Merritt earned a law degree from George Washington University so, upon retirement, he practiced law in West Columbia until he was appointed in 1949 as first director of the newly created South Carolina Legislative Council. He took on the added duties of Code Commissioner in 1954 when that constitutional office was combined with the Legislative Council and served in both capacities until his retirement in 1967; and

Whereas, during General Merritt's varied career he advised governors, military leaders and public officials at all levels and received tributes from the prominent personages in each of the public pursuits which touched his many vocations. For all of his seventy-six years he was a busy, devoted and dedicated man. However, he was first and foremost a military man trained and honed in the tradition of discipline and loyalty and he impressed these values upon all of his endeavors, embellishing them with his personality, courage and determination; and

Whereas, it seems only appropriate that the airfield at the Marine Corps Air Station, Beaufort, South Carolina, be named in honor of this illustrious South Carolinian, dedicated military man and public servant. Now, therefore, be it

Resolved by the House of Representatives, the Senate concurring: That the Commandant of the United States Marine Corps is hereby requested to name the airfield at the Marine Corps Air Station, Beaufort, South Carolina, the Lewie Griffith Merritt Airfield in honor of Major General Lewie Griffith Merritt (USMC-ret.). Be is further

Resolved That copies of this resolution be forwarded to the Commandant of the United States Marine Corps, each member of the South Carolina Congressional Delegation and the Chairman of the House and Senate Armed Services Committees.

KEEPING THE PEOPLE IN THE DARK

Mr. CHURCH. Mr. President, I am unfamiliar with the Pat Riley who recently wrote a letter to the editor of the Washington Post, but I am painfully familiar with that writer's complaint about the pattern of secrecy which has crippled the Nation's faith in its Government. That complaint is my own as well.

I am also familiar with the truth of the letter's assertion that:

> Secrecy seems to be the byword of American leaders. They now worry in public that other nations will not trust "us" to uphold commitments—they who did not trust the American people enough to reveal what commitments were made in our name.

Mr. President, this letter is an eloquent plea for America's leaders to show enough faith in the people to tell them the truth. We should all read it, and I ask unanimous consent that it be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Accepting the Consequences for Secret Policies

I'm no expert on Vietnam. I stopped reading everything about the war seven or eight years ago; then I stopped reading everything from beginning to end. Finally, headlines seemed enough.

It is true that something doesn't have to be new to be news; reporters had an obligation to those who wanted to know the latest horrible details.

But many of us sickened of the endless recital of the same stories from the same places: hills taken and abandoned and retaken, villages plundered and burned, reciprocated atrocities, the Thursday evening weekly body counts. We could no longer bear to hear of American-sired children rejected, of women turned to prostitution, of an army turned to drugs, graft, black markets, fragging, wasting.

We saw the war in pictures. But how many pictures does it take of weeping women and dismembered bodies, of fragile old people hobbling to keep up with a rag-tag band of refugees, of the blank stare of dead babies, of wounded soldiers clinging to the skids of helicopters?

We knew the war through our friends and relatives. For fun we saved our Christmas tree for the return of a Marine; the needles had all fallen off when we learned there was to be no homecoming. We watched as the friend of our earliest childhood was lowered into his grave; with great ceremony, his mother was presented a folded flag in his stead. We read alumni notes in our high school and college papers to see who of our classmates had fallen; remember how proud Howie was of the ROTC precision drill team? Clack, snap, bayonneted rifles tossed and twirled with frightening accuracy; his own couldn't save him from a mine.

No, I'm no expert. I probably should have read "The Best and The Brightest" or "Fire in the Lake" or the Pentagon Papers—but I didn't. I cannot trace the convoluted intricacies of this conflict.

With the exception of Thieu and Ky and Diem, I'd be hard pressed to name a Vietnamese leader. For that matter, how many of us can distinguish between the brothers Bundy and Rostow or know whether James Schlesinger is related to Arthur? Does Thailand border Vietnam? Where is Burma?

Our leaders told us "If you only knew, you would understand." But they wouldn't tell us what we didn't know. And when we finally learned, at least some of it through other means, we still didn't understand.

I remember walking out of a department store right before Christmas in 1967 and a man pressing upon me, for "just a small contribution," a button which said, "I'm Proud to be an American." I put out my hand as if to ward him off and turned quickly. The enormity of it all crashed in upon me. I wasn't proud.

And now, we are told it is all our fault. If only I, through my duly elected representatives, had authorized more money, more arms, more men, we could have "won"—the slow and tortuous disintegration of a demination could have been forestalled.

Blame, blame, who's got the blame? The North Vietnamese or the South? Americans? Chinese? Russians? French? Let's trace it back to Australopithicus—for what event or series of events stands alone, isolated from those that came before or after it?

I am tired, just plain tried of being held accountable for events over which I have no control, and moreover, don't want to control. I am no smarter, no stronger, nor more divinely guided than the ordinary citizens of any nation. To be represented as somehow superior demeans both me and them—and dooms both of us to failure; me because too much is asked, them because too little.

I am tired of a foreign policy, crafted in an era of aristocrats and kings, which rests on the methods of tyrants and dictators rather than on democratic principles. (If the leaders of other nations demand secrecy, let them fight secret wars among themselves. Leave the rest of us out of it.)

Too often, though, secrecy seems to be the by-word of American leaders. They now worry in public that other nations will not trust "us" to uphold commitments—they who did not trust the American people enough to reveal what commitments were made in our name.

After all, we are not experts; we wouldn't understand.

Mine is but one voice, perhaps representative of many, that cries out not just to be heard but to be told. Explain it to me. Use simple words. Give me facts uncluttered by euphemisms. Are our leaders so inarticulate that they distrust their persuasive powers? Or is their argument so weak that it cannot bear scrutiny?

I don't have to be an expert to make a judgment—when I am told. If we the people err, we are mature enough to accept the consequences. But we are under no obligation to defend our leaders from the consequences of misguided policies conceived and executed in secrecy.

Pat Riley.

Washington.

NATIONAL MEDICAL LABORATORY WEEK

Mr. JAVITS. Mr. President, I recently joined in introducing a joint resolution (S.J. Res. 50) to provide for the annual proclamation of National Medical Laboratory Week. This resolution was intended to recognize the daily service of thousands of men and women in the medical laboratories who seek to advance quality in our health care services.

I am pleased to announce that two additional national professional organizations representing the various scientific and technical disciplines involved in laboratory medicine—the American Association of Clinical Chemists and the Academy of Clinical Laboratory Physicians and Scientists—have endorsed this week of recognition.

Mr. President, the American Association of Clinical Chemists and the Academy of Clinical Laboratory Physicians and Scientists are composed of members involved in the professional practice of one or more of the subdivisions of laboratory medicine.

WHEN AIR MAIL HAD ITS DAY IN WYOMING

Mr. McGEE. Mr. President, watching television coverage of the first refugee flights out of South Vietnam and the gutsy heroic actions of those jet pilots who were able to get their crafts off the ground despite all adversity reminded me of the struggles the history of aviation tells us about. The first struggle, of course, was to get a flying machine into the air.

Ironically, a few days ago I spotted an article which appeared in the Empire news magazine of the Denver Post that tells the tale of the pioneers in mail service by air. These men were truly heroes as told by free-lance writer Vera Saban of Greybull, Wyo., in an article entitled, "When Air Mail Had Its Day in Wyoming." It should make interesting reading for Members of the Senate and all those who hold those early pioneers of aviation close to their hearts.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Empire Magazine, May 4, 1975]

WHEN AIR MAIL HAD ITS DAY IN WYOMING

(By Vera Saban)

"It's an interesting age in which we live," wrote a Rawlins, Wyo., newspaperman in May 1938 during National Air Mail Week. His enthusiasm stemmed from an airplane trip he had taken over southwestern Wyoming to demonstrate the efficiency and speed of mail by air. The newsman predicted a great future for flying.

By that time the airplane was well into adolescence. Planes had been utilized in a limited way in World War I, and Charles A. Lindbergh had made his historic flight over the Atlantic. But after that biplanes seemed destined for games, barnstorming acrobatics and five-dollar rides. Fairgoers throughout the country often saw two or three of the little planes, piloted by leather-booted aviators, figures of romance to girls and of daring to boys.

But aviation rapidly matured and went commercial.

When New York to San Francisco air mail was inaugurated in September 1920, Cheyenne and Rock Springs, Wyo., were two of the 14 stops on the transcontinental route. At first there was no night flying, but in February 1921 this was begun on an experimental basis. This beacons provided for the pilots were large bonfires, set every 50 miles between Chicago and Cheyenne.

In the summer of 1920 the Chamber of Commerce of Casper, Wyo., attempted to get air mail from that city to Cheyenne and Denver, connecting with the transcontinental service. But the town did not succeed; it was several years before Casper had the convenience of air mail.

In the 1920s and early '30s there was confusion and overlapping of jurisdiction in mail delivery by air. Even after the Air Mail Act of 1934 was enacted, defects still plagued legislation. In 1938 the Civil Aeronautics Act was passed, which, it was hoped, would solve the problems. Perhaps the new act inspired the proclamation of National Air Mail Week, which was May 15 to 21, 1938, the 20th anniversary of America's first air mail experiment. Such an observance would require cooperation of all postmasters and communities. In Wyoming, Postmaster W. G. Haas of Cheyenne was appointed state air mail chairman. He immediately gave the project proper publicity, with plans to reach more than 50 cities and towns.

Newspapers in Wyoming publicized the proposal, urging their readers to take advantage of this chance to demonstrate their interest in air mail.

It was hoped that every community in Wyoming would have air mail service at least one day during Air Mail Week. Since many towns had no airstrips, it would take more than enthusiasm to fulfill that hope.

James D. Morton of Douglas, a well-known businessman and aviation enthusiast, was interested. J. Kirk Baldwin, state treasurer and president of the Cheyenne Flying Service, and Fred Wahl of Mountain Airways Corporation of Rawlins, promised to cooperate. Soon, enough qualified pilots volunteered their services without pay.

To add interest to the project, each post office was permitted to use a special stamp, called a cachet, to imprint mail leaving that post office by air. Local artists designed these cachets, showing something of local or historical importance characteristic of the town.

An air mail stamp cost 6 cents. Before Air Mail Day, various postmasters received mail from all over the United States and some foreign countries containing letters to be marked with the local cachets.

The state was divided into 10 star air mail routes, with four runs dipping into Colorado, Idaho, Montana and South Dakota. Eleven pilots were recruited, each authorized to make a flight on an assigned route, with a suggested route schedule.

Air Mail Day in Wyoming was May 19, but adverse weather conditions and other hazards hampered most of the pilots. Fulfilling the creed of the postman wasn't easy.

One plane of Baldwin's Cheyenne Flying Service, assigned to cover the northeastern portion of the state, nosed over upon landing in Newcastle as the plane was too large for the small field. Pilot Earl Campbell escaped injury, but the plane was out of commission. After another plane, sent from Cheyenne to pick up Campbell's mail, was grounded by bad flying conditions at Hat Creek, the mail was sent to Cheyenne by truck.

Pilot Lawrence Flahart of the Cheyenne Flying Service completed his scheduled route, the southeastern portion of the state, as did F. N. Gill of the Star Valley-Jackson area to the west.

Niobrara County had mail picked up at every post office. The pilot, Everett Hogan, had to make two emergency landings because of hail and rain; yet, he completed his run, ending at Lusk. Eleven thousand pieces of mail—250 pounds—went through the Lusk post office but was sent to Cheyenne by truck since it had been scheduled for pickup by the Newcastle plane.

Heavy rain and snow squalls forced postponement of four flights: The Cody-to-Billings run with Bill Monday and Fred Tunnell as pilots; Big Horn Basin at Casper, Eddie Mileski as pilot; the Douglas area, James Morton as pilot, and Sundance to Spearfish, S.D. Improved flying conditions made these flights possible the next day.

Fred Wahl of Mountain Airways Corporation of Rawlins was considered top man of the project. He successfully negotiated his flight, covering the southwestern portion of the state, over rainsoaked plateaus and snow-covered mountains. He had two passengers (one was the Rawlins newsman). Details of his flight give us a picture of similar conditions met by other pilots.

Wahl flew a five-place Ryan, B 1 model with a J5 engine capable of cruising at 110 m.p.h. He left Rawlins at 9 a.m. in a blinding snow storm, keeping the Ryan low to avoid icing conditions. He followed the highway west to Wamsutter. There the skies cleared a bit and he gained altitude, heading for Pinedale to the northwest, his first scheduled stop. The terrain below showed the result of much rain. Knowing the landing at Pinedale would be on a meadow, Wahl and his two passengers conjectured as to the depth of the mud.

In two hours they sighted Pinedale, the mountainous country more than 7,000 feet in elevation. They located the temporary landing field by the presence of some people and a number of cars. They made a perfect three-point landing at Pinedale's temporary landing strip; about 75 local residents welcomed their arrival. After the mail pouch was delivered and the outgoing one accepted, Wahl discovered a flat tire on the tail wheel. Making the repair cost them an hour.

Twelve minutes after takeoff they sighted Daniel, where the very small landing area was marked by sagebrush fires. Most townsfolk were there to greet the mail plane.

Turning south, Wahl headed for Big Piney, an hour's flight from Daniel. Due there at 11:30, they were now late. They located the landing field some distance from town with no trouble. Only about 15 persons welcomed the plane. Others, disappointed because the plane was late, had gone home for lunch.

After a quick mail exchange, the plane headed southwest for Kemmerer, arriving at an improvised field in 45 minutes. About 75 people were on hand.

From Kemmerer they reached Evanston, in the extreme southwest corner of the state, in 25 minutes. Landing was difficult on a short, narrow hilltop runway with a stiff wind blowing, but the Ryan made it on the second try.

Here a crowd of 125 persons awaited their air mail. On a mail truck the postmaster had mounted an American flag and tacked up a poster announcing Air Mail Week.

Forty-six minutes later the Ryan reached Green River, 100 miles to the east, where 200 residents had gathered. Ten minutes after takeoff from Green River they approached Rock Springs. Here they had a smooth landing at Rock Springs' modern airport, which had two large hangars and equipment for servicing planes.

They reached Rawlins to the east in one hour to complete the circle, arriving at 5:15 p.m. (90 minutes late). Considering the hazards, it was a worthy achievement.

When Wahl left Rawlins that morning he had carried 28 pounds of air mail for delivery. He returned with 60 pounds. The Ryan covered approximately 550 miles.

Ted Hill of Mountain Airways flew a southern route. He left Rawlins at 12:15 p.m. in his Travelair, making his first scheduled landing at Baggs. Craig, Colo., was on his route, but he was forced to cancel that stop because the landing field was under water.

Learning that he had to land on a small-field at Encampent, Hill returned to Rawlins and exchanged the Travelair for a Kinner Bird, which was better able to take off and land on short strips. He flew the Bird to Saratoga, leaving mail, then to Encampment to discover that the landing strip was a bean field. But he succeeded in landing, picking up mail and leaving. Returning to Saratoga, he picked up the outgoing mail. Then he flew back to Rawlins, arriving on schedule at 3:45 p.m. with 11 pounds of mail.

All air mail collected at Rawlins was flown by Wahl that evening to Cheyenne, with stops at Medicine Bow and Laramie. At Cheyenne the mail was picked up by the 9 o'clock eastbound and westbound transcontinental planes.

Thus it was proved that air mail for Wyoming was a possibility, if not an immediate probability. And those who own letters stamped with May 19, 1938, cachets can feel pride and nostalgia.

The science and aeronautics has come a long way since that time, but most towns in Wyoming still don't have daily air mail—even though intrepid flyers showed that it could be done, even under adverse circumstances.

THE DEATH OF MAJ. GEN. THOMAS A. LANE

Mr. THURMOND. Mr. President, on Sunday, April 20, the Nation lost an able leader and an ardent patriot. Maj. Gen. Thomas A. Lane, who had distinguished himself in a remarkable variety of pursuits, died at the age of 68. I had the privilege to know General Lane personally, and even to be a close neighbor of his for a number of years. As a token of my abiding friendship and my high regard for his character and accomplishments, I rise now to pay him a few words of tribute.

An engineer by education and an Army officer by profession, General Lane was nevertheless known as a public official and a writer. From 1954 to 1957, he was a member of the Board of Commissioners that used to govern the District of Columbia. While serving on this board, he took a special interest in education and developed a program of reforms designed to make the District of Columbia educational system more efficient and economical. These reforms attracted a great deal of attention, but they proved to be too visionary for the times. Now, however, a number of his ideas are being revived, including his proposal of special classes for gifted students.

General Lane began his writing career in 1962 after his retirement from the Army. Always a hard worker, he became a prolific writer as well. In scarcely more than a dozen years he produced four books on government and politics and innumerable newspaper columns that appeared regularly in papers across the country. In all his writings, he emphasized America's responsibilities as the leader of the free world and spoke out for a strong national defense and vigorous opposition to Communist tyranny. His works were widely read and well-respected, and I for one often found enlightenment in his ideas and inspiration in his eloquence. His voice, sane and pragmatic yet filled with love of country, will be sorely missed in the political counsels of the Nation.

I have spoken of General Lane's prowess as a writer and a public official. However, we must not forget that for most of his adult life he was a soldier, and an exemplary one. His military career alone would have brought him eminence and distinction. He graduated from West Point, where he also, at a later date, served on the faculty. During World War II, he compiled a notable record under Gen. Douglas MacArthur in the Pacific. After his term as District of Columbia Commissioner, he held the command of Fort Leonard Wood in Missouri. Not surprisingly, when he retired from the Army in 1962, his military attainments were recognized and rewarded with the Distinguished Service Medal with oak leaf cluster.

Among other important posts that General Lane held are the presidency of Americans for Constitutional Action, a directorship of the U.S. Strategic Institute, and the editorship-in-chief of The Strategic Review. Clearly, his death is a tragic loss not only to his friends and family but to numerous organizations and individuals who depended on his advice and assistance. Nevertheless, Mr. President, we can all take comfort in the outstanding example of public service that he leaves behind. The memory of his ability, his industry, and his patriotism will live on, prompting all who came in contact with him to greater effort and achievement on behalf of our country. Thus, even after his death his beneficial influence will continue, and the Nation will not be completely deprived of the exceptional and various talents that have meant so much to it already.

Mr. President, General Lane wrote a number of thought-provoking columns about the dilemma of Vietnam, the last of which was written only 12 days before his death. In order that my colleagues may have the benefit of these incisive accounts, I ask unanimous consent that five of the columns be printed in the Record at the conclusion of my remarks. I also ask unanimous consent that six of the numerous newspaper articles and editorials which appeared around the country about his death be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Why the Joint Chiefs of Staff Should Resign

(By Thomas A. Lane)

In a monarchy, the duty of soldiers is easy. They obey the king. But in a government of laws, where the powers of officials are defined by their positions, the relationships are different. Men then owe obedience not to a man but to the law. That is why officials of the executive branch take an oath of office not to the President but to the Constitution.

Support of the Constitution of course requires respect for the presidential position and authority. But this is a limited obligation, not the sum of the official's obligation to the Constitution. All officials, from the President down, are cooperating according to law in fulfilling the purposes of the Constitution.

What is the relationship between the President and the Joint Chiefs of Staff? He is in law their Commander in Chief. As long as he acts within the powers of his office, they must accept his decisions wholeheartedly and carry out his orders with enthusiasm, regardless of their personal views. There can be no question about this obligation.

Assume, however, that the President has closeted himself with political advisers who persuade him to make military decisions which waste the lives of your fighting men. Obviously, senior military leaders have an obligation to take such matters to the President personally and not to accept these decisions from the Secretary of Defense.

If the President persists in his course, what can the military leaders do? These are matters of judgment and those who retain their official positions have no recourse but to accept and support the presidential decision.

Every American is first a citizen and only secondarily an official. He has obligations to the nation which define and circumscribe what he may do in his official position. The Nuremberg trials attempted to say this, but they did the job very badly because they polluted justice with vengeance.

Our Joint Chiefs of Staff have reached the pinnacle of professional military leadership. The country looks to them for expertise on war.

If, therefore, a president embarks on a course which one of these leaders sees as seriously damaging to our country, his responsibility as a citizen supersedes his obligation as an official of government. He must resign his office and inform the people.

No other course is possible. It would be dishonorable to oppose the President's decision except to his face or to sit passively in office giving apparent assent to the decline of the Republic.

This is the stage we have reached in Vietnam. Professional recommendations for the prosecution of the war have been brushed aside. Our men are fighting the enemy in frontal jungle warfare and are denied the normal recourse of attack upon the enemy line of communications. Our flyers were exposed to hazardous missions for meager achievement while being denied targets which would hurt the enemy.

These restraints exact an indefensible cost in blood. They are imposed not for substantial reasons but on pretexts which anyone versed in the art of war will readily recognize as superficial and misconceived.

The leader sensitive to his duty cannot allow any rationalization of civilian control to extenuate such wasteful slaughter of his men. He must resign his office and carry to the people in calm, dispassionate voice his judgment of the presidential error. Only the people can change the policy.

Perhaps he will fail. That consideration is immaterial. It is his duty to try.

Vietnam: Prelude to War

Washington.—The Vietnam War has been obscured by myths of government propaganda designed to conceal the true course of United States policy from the American people. To treat the history and strategy of the war in some continuity and length, I shall in three successive columns present an analysis of U.S. policy in Vietnam. This first column will treat the prelude to war.

It is a myth that the people of South Vietnam have been at war continuously since World War II. It is a myth that President Johnson is following a policy inaugurated by Presidents Truman and Eisenhower. It is a myth that the bitter and costly fighting in South Vietnam is the ordinary consequence of guerrilla warfare, jungle terrain and the strength of the Viet Cong. These are myths created to pacify the American people.

World War II toppled France as a world power and destroyed its prestige in Southeast Asia. The Vietnamese people expected France to give independence to Vietnam as the United States had given independence to the Philippines. Instead, France tried to restore its colonial authority.

Within the Viet Minh independence movement, Ho Chi Minh assassinated the noncommunist leadership and established firm communist control while preserving a facade of nationalism. The Emperor Bao Dai accepted the French restoration. Thus, Vietnamese patriots were torn between those who accepted communist leadership as the only means of achieving independence and those who rejected the communist leadership as a greater evil than French colonialism and therefore supported the Emperor.

Ngo Dinh Diem, Vietnam's greatest popular leader, rejected both alternatives. He would not support the French restoration in the absence of a programmed independence which the French refused to grant. He would not support the communist-led rebellion of the Viet Minh. He went to the United States in voluntary exile.

The Viet Minh war was resolved in 1954 with the division of the country and the cession of North Vietnam to Ho Chi Minh. French policy had preferred to lose North Vietnam to communism rather than grant independence in freedom to the whole country.

In the crisis of 1954, Ngo Dinh Diem was recalled to serve as Premier of Vietnam shortly before the Geneva settlement was reached. He rejected that settlement. He believed that if France had granted independence to Vietnam, even after the disaster at Dienbienphu, the people would have rallied to the free government and abandoned the Viet Minh.

In the next six years, Ngo Dinh Diem wrought a modern miracle of national leadership equalled in this century only by the achievement of Kemal Ataturk in creating modern Turkey after World War I. Diem took a country in chaos, with prospects as dismal as those of our America at Valley Forge. He eliminated private armies and vice monopolies which had been tolerated by the French. He expelled the French Mission and obtained an American Military Mission to train his Armed Forces. He resettled 800,000 refugees from North Vietnam. By popular vote, he deposed the Emperor, established a republic and became the first President of South Vietnam. He enacted far-reaching land reform programs, restored industry and agriculture to a prosperous state.

Under President Diem, South Vietnam enjoyed six years of peace. In 1960, the country was a model of successful resistance to communism by a state which had been on the verge of collapse. Then United States policy changed.

Under Presidents Truman and Eisenhower, U.S. foreign policy had been shaped by the Truman doctrine. This doctrine defined the basis for our policy and presence in Southeast Asia.

President Kennedy repudiated the Truman doctrine. He adopted what may be accurately described as the Rostow reversal. Rostow argued that the nuclear age required an end to the cold war and rapprochment with the Soviet Union. He and his associated intellectuals alleged that the Truman doctrine had projected U.S. power up to the perimeter of the Soviet world and that this American presence was the cause of Soviet hostility and belligerence.

The new Kennedy policy called for the withdrawal of U.S. power from the perimeter of the free world, the liquidation of points of conflict and the cultivation of friendly relations with the communist powers. Under the influence of this policy, President Kennedy fumbled at the Bay of Pigs, withdrew from Laos, accepted the communist seizure of East Berlin and allowed the Soviet intrusion of power into Cuba which created the missile crisis of 1962. The new policy provoked the escalating war in Vietnam.

VIETNAM: THE STRATEGY OF CONQUEST

(By Thomas A. Lane)

WASHINGTON.—(This is the second of three columns on U.S. policy in Vietnam.) When Vietnam was divided in 1954, it appeared that South Vietnam would soon be overcome by internal subversion. That probability was defeated by the masterful leadership of Ngo Dinh Diem. Ho Chi Minh would have to summon a greater effort to conquer South Vietnam.

The geography of Vietnam was unfavorable for direct attack. The thirty mile border between North and South was too short to provide an avenue for invasion. South Vietnam must be approached by moving into Laos and attacking the country across its long western border. Ho Chi Minh's first step was therefore to secure a line of communications through eastern Laos.

By 1957, Ho had consolidated his grip on North Vietnam. He began his campaign in Laos by moving the Pathet Lao against the Plaines des Jarres airfield. He required the airfield to support a build-up of North Vietnamese forces in Laos.

Ho's attack on the Plaines des Jarres was stopped by John Foster Dulles. The U.S. Secretary of State is reported to have called the Soviet Ambassador to his office and stated in effect: "Mr. Ambassador, will you please tell Premier Khrushchev that if he doesn't stop that aggression in Laos, I'll cause more trouble for him in eastern Europe than he can possibly handle. Thank you. Good day."

Then John Foster Dulles died, and there was no one else in the Eisenhower Administration who could cope with the communists. Ho Chi Minh resumed his attack and by the end of the Eisenhower incumbency was in full control of eastern Laos.

When President Kennedy agreed in 1961 to the neutralization of Laos, he gave Ho Chi Minh the secure corridor through eastern Laos required for the attack on South Vietnam. Moreover, he exposed Cambodia to the full impact of communist power. Prince Sihanouk was forced to allow communist use of Cambodia for the attack on South Vietnam. Thus, South Vietnam was opened up to communist attack over the whole length of its 800 mile western border. Ho was poised for war.

President Kennedy apparently did not foresee this consequence of U.S. withdrawal from Laos. He seemed to think that his decision affected only Laos and that South Vietnam would remain secure. He sent Vice President Johnson to Saigon to reassure President Diem.

As the communist attack on South Vietnam mounted in magnitude and intensity, President Kennedy supported the defense with increased military assistance. He enlarged the U.S. Mission from 650 in 1961 to 15,000 in 1963.

In 1962, President Diem proposed to attack the North Vietnamese forces and bases in eastern Laos in order to stop the attacks on South Vietnam. President Kennedy prohibited the action on the theory that it would expand the war. This profoundly erroneous decision was and remains the crucial mistake of United States policy in Vietnam. It is the central error of the Johnson policy today.

This decision, allowing sanctuary to the North Vietnamese forces in Laos and Cambodia, rendered the defense of South Vietnam impossible. Two million American soldiers cannot defend the 800 mile western border of South Vietnam from communist attack under this condition.

The air bombardment of North Vietnam is a retaliatory measure which does not alter the decisive effect of the ground sanctuary allowed the enemy in Laos and Cambodia. The denial to our ground forces of their capacity to destroy the enemy line of communications renders the defense of South Vietnam impossible. It is this prohibition and not the nature of guerrilla warfare which condemns our forces to fighting bitter, frontal warfare in the jungles of South Vietnam.

Our superior ground forces can prevent large enemy forces from holding positions in South Vietnam. They cannot, however, prevent enemy forces based in the sanctuary areas from attacking undefended or lightly defended villages and continuing the Viet Cong terror. It is therefore impossible to pacify South Vietnam.

While the United States continues to deny South Vietnam its right clearly defined in international law to attack the Viet Cong forces in Laos and Cambodia, the people of South Vietnam are exposed to unending terror. This U.S. policy assures Ho Chi Minh that he must in the end prevail. This policy accommodates and supports the communist strategy of conquest.

VIETNAM: THE PRICE OF PEACE

(By Thomas A. Lane)

WASHINGTON.—(This is the last of three columns on U.S. policy in Vietnam.) The Kennedy policy reversal of 1961 was neither new nor constructive. It was a relapse into the reconciliation fantasy of 1933, the alliance illusion of World War II and the spirit of Camp David. It demonstrated the remarkable persistence of error which had brought on disaster to the free world. It indicated that the American political society is incapable of facing up to the reality of struggle.

Of course President Kennedy sought peace. All Americans hoped for peace. But to lull your people into a false sense of security through endless disarmament talks and uninspected nuclear treaties while the aggressor relentlessly presses his campaign of terror and subversion against the free world is to give aid and comfort to the enemy. Such a policy whets the conqueror's appetite and confirms his confidence in ultimate victory.

In 1963, President Kennedy overthrew President Diem in order to estabish a government which would share power with the Viet Cong and enable the United States to withdraw. Within 90 days, his puppets were overthrown as South Vietnam rejected the Kennedy formula for surrender. President Johnson has sustained South Vietnam's resistance but he has not turned away from the Kennedy foreign policy.

This continuation of the Kennedy foreign policy through six years of mounting failure has weakened the United States both morally and physically while exalting the power and prestige of the communist rulers in the society of nations. No man can escape truth by fleeing from it.

Our leaders are incapable of initiating constructive measures to counter Soviet aggression while conciliation of the Soviet Union remains the dominant drive of U.S. foreign policy. The United States must turn from fantasies of peace to the reality of conflict before it can act prudently to restore peace.

Communist propaganda insinuates into our free society the fear that facing up to struggle will provoke war. Rational men know, however, that facing up to struggle is the only avenue to peace. Self-deception is the road to war.

Yet, the avoidance of conflict has become so controlling a rule of U.S. policy that gradual surrender is accepted doctrine. In Laos, the 1962 settlement provided for withdrawal of U.S. and North Vietnam forces. US. forces have been withdrawn but the North Vietnam forces remain. Simple honesty requires the United States to denounce this treaty and return its forces to Laos until North Vietnam complies with the treaty provisions. Otherwise, treaties made by the United States are mere camouflage for surrender. Today, the United States dishonors its obligations in Laos.

The Kennedy foreign policy rules out every prudent action, every consideration of honor and self-respect, which entails conflict with the communist world. And yet, we are not ready for naked defeat, so we suffer a brutal war under conditions which can lead only to gradual surrender.

For political reasons, the surrender must be gradual. In disarmament negotiations at Geneva, we have retreated from position after position, finally negotiating the uninspected nuclear treaties which the Soviet Union demanded. In Vietnam, we have moved steadily toward acceptance of the communist ultimatum. Ho Chi Minh is confident that President Johnson must finally accept, as Senator Robert Kennedy has already done, the admission of Viet Cong representation to the government of South Vietnam and the withdrawal of U.S. forces.

How soon will the American people be ready to administer this coup de grace to the people of South Vietnam? At that moment, President Johnson will administer it. His foreign policy cannot contemplate the alternative of defeating the communist military forces.

When the communists believe that the United States will respond forcefully to smash aggression, as they seem to be persuaded in West Berlin, they do not initiate the aggression at all. In Vietnam, we need only a change of foreign policy to end the war. A reorientation to communist reality such as President Truman made in 1947 is imperative today as it was then. When that change of foreign policy is made, U.S. power will be used to prevent war and peace will soon be restored to Vietnam.

Policy Review Urgent

By Thomas A. Lane

Since the collapse of the facade of U.S. policy in Southeast Asia, the termites have been coming out of the woodwork. They proclaim that no review of policy should be made at this time. The worst defeat in U.S. history should be accepted complacently. ABC TV even brought George Ball out of the misty past of the Kennedy administration to repeat the bad advice he gave to President Kennedy.

President Eisenhower, in forming a Southeast Asia Treaty Organization, and in providing military support for South Vietnam, Laos and Cambodia extended the Truman Doctrine of repelling communist aggression. Thus the United States was strongly positioned in support of its client states against any aggression to be waged by North Vietnam, the client state of Red China and the Soviet Union. While President Eisenhower maintained this posture, with some deviation, from 1954 to 1960, the U.S. client states were secure and there was no significant military conflict.

With the advent of the Kennedy administration new policies were adopted. Policymakers now argued that the road to peace lay in direct negotiation with the Soviet Union. They urged the settlement of outstanding differences with the Soviet Union by negotiation and the development of trade, and cooperation. As a meter of this thesis, Under Secretary of State George Ball urged the termination of the U.S. commitment in Southeast Asia. In response to his and other recommendations President Kennedy overthrew the government of President Diem and installed a new Junta headed by General Big Minh, who would attempt to negotiate a coalition government with the communists.

I refer to the facades of U.S. policy as the public position in support of South Vietnam and of repelling the aggression from the North while the real policy was to sacrifice Southeast Asia on the altar of trade with Red China and the Soviet Union. The facade was a story to deceive the American people while our merchant princes pressed our pursuit of profits.

Thus the entire war in Vietnam was a disaster waged by administrations which did not want to fight it; administrations which the communists could with assurance press on the battlefield, at the conference table and with propaganda to withdraw from the struggle. Had the United States adhered resolutely to the doctrine of repelling communist aggression and used its superior military power effectively, there would have been no war in Vietnam. The associated States of Laos and Cambodia would also have remained secure.

To say at this point, after this disastrous and costly experience, that a review of U.S. foreign policy is not in order is to flimflam the American people into acceptance of the worst of policy. Policy review is urgently needed to produce a drastic change in U.S. foreign policy.

The United States is today pursuing trade with our declared enemies without due regard for considerations of national security and U.S. survival. The drive for profits is dominating policy to the exclusion of a prudent address to the enemy. The people must demand new policy which places national security above all profit-making.

[From the (D.C.) Washington Star, April 22, 1975]

Gen. Thomas Lane Dies; Ex-D.C. Commissioner

Army Maj. Gen. Thomas A. Lane, 68, author, engineer and former D.C. engineer commissioner, died of cancer on Sunday at Walter Reed Hospital. He lived on Kellogg Drive in McLean.

A native of Roslindale, Mass., Lane graduated from the U.S. Military Academy at West Point and received a masters degree from Massachusetts Institue of Technology. He served with the Army Corps of Engineers in the U.S. and the Panama Canal Zone, taught civil engineering and military history at West Point and also taught graduate school at the Air University at Maxwell Air Force Base.

During World War II, Lane served under Gen. Douglas MacArthur in the Southwest Pacific. After the war, he attended the National War College. From 1954 to 1957 he was engineer commissioner on the board of commissioners that governed the District.

Lane was an outspoken and controversial figure during his term as commissioner and his views, particularly on education, repeatedly made headlines.

In response to demands for more teachers and schools to correct school deficiencies exposed by integration, Lane countered with a proposal for revamping the public school system. He claimed that District schools would be able to get along with larger classes and fewer teachers if the city's pupils were tested and regraded according to ability. He said this would entail large-scale demotion and advancement of pupils as well as strict adherence to high standard of achievement, with expulsion of unruly pupils.

The proposal drew some praise, but more criticism. Another Lane suggestion, to reinstitute separate high schools for boys and girls, met a similar fate, but he was the first here to propose hiring teacher aides who are now used throughout the system.

Lane Commanded Ft. Leonard Wood and served as president of the Mississippi River Commission before retiring in 1962 to begin a writing career.

He wrote a syndicated column that appeared in the St. Louis Globe-Democrat and other newspapers across the nation. His books include The Leadership of President Kennedy, The War for the World, America on Trial: The War for Vietnam and The Breakdown of the Old Politics. He also became known here as the author of frequent letters to the editors of newspapers on a variety of topics.

He was a former president of Americans for Constitutional Action, a director of the United States Strategic Institute and editor-in-chief of Strategic review, the institute's quarterly publication.

Lane received the Distinguished Service Medal with Oak Leaf Cluster for Army service. He was a member of the American Society of Civil Engineers and an honorary member of the Washington Society of Engineers.

He leaves his wife, Jean; a daughter, Mrs. Julie Rasmussen of Friendly, Md., a son, Capt. Thomas Lane of Fort Rucker, Ala.; two sisters, Julia Walsh and Mary Lane of Roslindale, Mass.; two brothers, Jeremiah Lane of Fairfax and Gen. John Lane of Falls Church, and four grandchildren. Another son, 2nd Lt. Michael S., drowned during an Army training exercise in Florida in 1960.

A funeral mass will be said at 10:30 a.m. tomorrow at St. John's Catholic Church, 6420 Linway Terr., McLean. Burial will be Thursday at West Point.

The family suggests that expressions of sympathy be in the form of contributions to the Catholic Relief Services for Vietnam Refuges.

[From the Washington Post, April 23, 1975]

Thomas A. Lane, Ex-D.C. Commissioner, Dies

Retired Army Maj. Gen. Thomas A. Lane, 68, engineer commissioner for the District of Columbia from 1954 to 1957, died of cancer Sunday at Walter Reed Hospital.

After his retirement from military service in 1962, he returned to the Washington area, where he had lived since, devoting most of his time to writing.

Unlike some Army officers who found assignment to the governing three-man D.C. Board of Commissioners a hardship duty and of little interest, Gen. Lane threw himself into the city's problems with gusto.

He brought with him a military reputation as a "no nonsense" officer who could and would cut through red tape.

He maintained that reputation during his tenure here. He was outspoken and didn't hesitate to step on a few toes. As a result, he was considered one of the most controversial commissioners the District had had in many years.

At the same time, his sincerity and ability were not questioned. He started as a friendly commissioner and never lost that touch.

Even before he took the job of engineer commissioner on Dec. 10, 1954, the then Col. Lane visited the District Building, shaking hands.

"I'm Col. Lane. We'll probably be talking to each other a lot," he said to secretaries, department heads and aides. He kept his word.

The Board of Commissioners consisted of two civilians, appointed by the President, and an officer appointed from the Army Corps of Engineers.

The primary responsibility of the latter was to direct the city's highway planning and public works program.

Col. Lane, who became a brigadier general while serving as a commissioner, found himself in a hotbed of controversy in both these areas.

There was a running fued with the old Capital Transit Co. and a prolonged transit strike in 1955. Pro and con argumentts were of long standing on whether to build another bridge across the Potomac River or to tunnel underneath it.

A planned 10-year public works program was having difficulty getting off the ground.

Gen. Lane emphatically favored the bridge. It was built and is now known as the Roosevelt Bridge.

He was a vigorous advocate of the District's right to build highways and other public works with minimum of participation by the federal government. This put him at frequent odds with federal planners.

At one point, Gen. Lane stepped out of his particular area to speak out on what he called an unmanageable problem of educational lags in the District schools.

He minced no words when he said that many pupils, ordinarily those who attended segregated Negro schools before the court-ordered desegregation in 1954, were lagging behind standards for their grades.

Gen Lane suggested a mass demotion of pupils and brought down the wrath of many community leaders upon his head. While his proposal was not carried through, a program was developed to correct many of the things he had spoken about.

Many of the things he advocated, including the bridge and improved school programs, came to pass.

The transit strike was ended shortly after he became commissioner. Some years later, the city's streetcars were phased out and public transportation was entirely by bus, which he favored.

The Southwest area was redeveloped. A 15-member citizen's review committee was established to push public works.

He considered District representation in Congress and home rule vital to the city's welfare.

When he left office in July, 1957, he called his term as commissioner an "interesting and constructive experience. I am indebted to the citizens of the District of Columbia and the suburbs for their hospitable and courteous consideration of me at all times."

Gen. Lane was born in Revere, Mass., and graduated from West Point in 1928, ranking third in a class of 261.

In 1929, he was assigned to an engineer battalion at Ft. Belvoir and went with the unit to Nicaragua, where it was on canal survey duty until 1931.

Returning to this country, he attended Massachusetts Institute of Technology, receiving a bachelor's degree in civil engineering.

He returned to Ft. Belvoir to attend the engineer school in 1932–33, and then was assigned to the Memphis district of the Corps of Engineers, where he participated in an economic survey of the drought-stricken areas of the Southwest.

After further duty at Ft. Belvoir in 1935, Gen. Lane returned to West Point as an instructor in engineering and military history.

He saw duty in the Panama Canal Zone, and in 1941–42 served with the 30th Engineer Topographic Battalion at Ft. Belvoir. He trained Army aviation engineer battalions on airfield construction then went to the Southwest Pacific with the headquarters engineer staff.

There he supervised construction operations in the field and was awarded the Distinguished Service Medal.

He entered Japan with the Occupation Forces in 1945, then came back to Washington to serve on a Joint Operations Review Board, convened to write amphibious doctrine for the military services.

From 1946 to 1948, Gen. Lane was chief of the logistics division of the Air Command and Staff School Air University at Maxwell Field, Ala.

He spent the next two years as district engineer of the Little Rock District, saw two more years as district engineer in Okinawa, working on a new construction program for that island, and came back to Washington to attend the National War College.

Prior to his appointment as District commissioner, he was assistant to the chief of engineers for policy planning in Washington and engineer of Army field forces at Ft. Monroe, Va.

Gen. Lane became commander of Ft. Leonard Wood, Missouri, one of the Army's basic training centers, after his assignment as commissioner here, and was promoted to major general.

His final assignment before retirement from the military on July 1, 1962, was that of president of the Mississippi River Commission. He received an Oak Leaf Cluster to his Distinguished Service Medal.

He became a syndicated columnist on public affairs and served as a military analyst. From 1965 through 1969, he was president of Americans for Constitutional Action.

He was director of the United States Strategic Institute and editor-in-chief of its quarterly publication, Strategic Review.

Gen. Lane had written a number of books, including "The Leadership of President Kennedy," "The War for the World," "America on Trial: The War for Vietnam" and "The Breakdown of the Old Politics."

He was a member of the American Society of Civil Engineers and an honorary member of the Washington Society of Engineers.

He is survived by his wife, Jean Lane, of the home, 6157 Kellogg Dr., McLean; a daughter, Julie Rasmussen, of Friendly, Md.; a son, Army Capt. Thomas Lane, of Ft. Rucker, Ala.; two brothers, Jeremiah Lane, of Fairfax, and retired Army Gen. John Lane, of Falls Church; two sisters, Julia Walsh and Mary Lane, of Roslindale, Mass., and four grandchildren.

The family suggests that expressions of sympathy be in the form of contribution to the Catholic Relief Services for Vietnam Refugees.

[From the Wanderer, St. Paul, Minn.,
May 1, 1975]

GENERAL LANE DIES

Retired Army Major General Thomas A. Lane, 68, whose syndicated columns have appeared in this newspaper for almost 14 years, died of cancer, Sunday, April 20th, at Walter Reed Hospital in Washington, D.C.

Gen. Lane was born in Revere, Mass., in 1906. His father, Thomas Andrew, and his mother, Julia Fitzpatrick, were both Irish immigrants from County Cork. Gen. Lane received his early education in the public schools of Revere and Boston, where his academic ability and leadership qualities already earned him distinction. In 1928, he graduated from the U.S. Military Academy at West Point, ranking third in a class of 261.

Commissioned as a second lieutenant in the Corps of Engineers, he was assigned in 1929 to a battalion at Fort Belvoir and went with the unit to Nicaragua, where he was on Canal survey duty until 1931.

Returning to this Country, he attended the Massachusetts Institute of Technology, receiving a Bachelor's Degree in Civil Engineering. He returned to Fort Belvoir to attend the engineer school in 1932 to 1933, and then was assigned to the Memphis District of the Corps of Engineers, where he participated in an economic survey of the drought-stricken areas of the Southwest.

After further duty at Fort Belvoir in 1935, General Lane returned to West Point as an instructor in engineering and military history.

He saw duty in the Panama Canal Zone, and from 1941 to 1942 served with the 30th Engineer Topographic Battalion at Fort Belvoir. He trained army aviation engineer battalions on airfield construction, then went to the Southest Pacific with the headquarters engineer staff of General Douglas MacArthur.

There he supervised construction operations in the field and was awarded the Distinguished Service Medal.

He entered Japan with MacArthur's occupation forces in 1945, then came back to Washington to serve on the Joint Operations Review Board, convened to write amphibious doctrine for the military services.

From 1946 to 1948, Gen. Lane was chief of the Logistics Division of the Air Command and Staff School Air University at Maxwell Field, Ala.

He spent the next two years as district engineer of the Little Rock District, saw two more years as district engineer in Okinawa, working on a new instruction program for that island and came back to Washington to attend the National War College, from which he graduated in 1953.

At the same time, Gen. Lane was assistant to the Chief of Engineers for policy-planning in Washington and engineer of army field services at Fort Monroe, Virginia.

In 1954, Gen. Lane was called to serve as engineer commissioner of the District of Columbia. In this office he shared with two fellow commissioners the administration of the government of the District of Columbia and served concurrently as a member of the Public Utilities Commission of the District of Columbia and of the National Capital Planning Commission. These duties gave him breadth of experience in practical government which few men attain.

Unlike some army officers, who found assignments to the three-man District of Columbia Board of Commissioners a hardship duty and of little interest, Gen. Lane threw himself into the city's problems with gusto, according to the *Washington Post*. He brought with him a military reputation as a "no nonsense" officer who could and would cut through red tape.

He maintained that reputation during his tenure in the District. He was outspoken and, according to *The Post*, didn't hesitate to step on a few toes. As a result he was considered one of the most controversial commissioners the District had had in many years.

The Board of Commissioners consisted of two civilians, appointed by the President, and an officer appointed from the Army Corps of Engineers. The primary responsibility of the latter was to direct the city's Highway Planning and Public Works program. Colonel Lane who became a brigadier general while serving as a commissioner, found himself in a hotbed of controversy. There was a running feud with the old Capital Transit Company and they prolonged the transit strike in 1955. Pro and con arguments were of long-standing on whether to build another bridge across the Potomac River or tunnel underneath it. A planned ten-year public program was having difficulty getting off the ground. Gen. Lane emphatically favored the bridge. It was built and is now known as the Roosevelt Bridge.

General was a vigorous advocate of the District's right to build highways and other public work with minimum participation by the Federal government. This put him at frequent odds with Federal planners.

At one point, Gen. Lane stepped out of his particular area to speak out on what he called an unmanageable problem of educational lags in the District's schools. He minced no words when he said that many pupils, primarily those who attended segregated Black school before the court ordered desegregation in 1954, were lagging behind standards for their grades. Gen. Lane suggested a mass demotion of pupils and brought down the wrath of many community leaders upon his head. While his proposal was not carried through, a program was developed to correct many of the things he had spoken about.

Gen. Lane considered District representation to Congress and home rule vital to the city's welfare. When he left office in July, 1967, he called his term as commissioner an "interesting and constructive experience. I am indebted to the citizens of the District of Columbia and the suburbs for their hospitable and courteous consideration of me at all time."

Gen. Lane's next assignment was as commander of Fort Leonard Wood, Mo., one of the U.S. Army's basic training centers. There he carried a responsibility for training American youth in their first military service and for administering a command of 30,000 military personnel. For this he was promoted to major general.

His final assignment before retirement from the military on July 1st, 1962, was that of president of the Mississippi River Commission, in charge of Federal flood control and navigation work from Missouri to the Gulf of Mexico. He received an Oak Leaf Cluster to his Distinguished Service Medal.

Gen. Lane was retired from active duty at his own request in 1962, a time when President Kennedy was in the midst of an ill-considered drive to "manage" (many observers said "muzzle") the military. Gen. Lane took advantage of his post-retirement freedom of expression in a way unique in modern U.S. history. The retired soldier began an influential second career as a syndicated columnist on public affairs with the *St. Louis Globe Democrat* and many other major newspapers. In 1963, Gen. Lane devoted 14 of his columns to the subject of Vietnam, on which he was one of the few American observers to appreciate the military intelligence and political probity of Ngo Dinh Diem. The value of his journalistic work in that year alone can be compared only to that of Marguerite Higgins.

From 1965 through 1969, he was president of Americans for Constitutional Action. He was director of the U.S. Strategic Institute and editor-in-chief of its quarterly publication, *Strategic Review*.

In addition to his weekly column, Gen. Lane found time to produce four books. The first of these was *The Leadership of President Kennedy* (Caxton Printers, Ltd., 1965), which remains invaluable both for its critique of Kennedy's pan-politicism and for its strategic military judgments regarding the Bay of Pigs, the Berlin Wall, the Congo, Laos, and South Vietnam. Especially noteworthy is the chapter titled "Managing the Military," which contains some of the finest statements on the problems of military subordination to civilian leadership, the role of the Joint Chiefs of Staff, and the structure of the defense department, to be found in recent writing.

Gen. Lane's second book was *War for the World,* a strategic overview of cold-war problems. Next came *America on Trial: The War for Vietnam* (Arlington House, 1971), which is especially distinguished for its acute appraisal of the crippling influence of British diplomacy on American strategy in Southeast Asia. His final book turns from foreign affairs to America's domestic crisis of social disillusionment: *The Breakdown of the Old Politics.*

Gen. Lane is survived by his wife, Jean Lane, of 6157 Kellogg Drive, McLean, Va.; a daughter, Julie Rasmussen, of Friendly, Md.; a son, Army Captain Thomas Lane of Fort Rucker, Ala.; two brothers, two sisters; and four grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to the Catholic Relief Services for Vietnam Refugees, 350 Fifth Ave., New York, N.Y. 10001.

[From the Wanderer, St. Paul, Minn., May 1, 1975]

THOMAS A. LANE—CHRISTIAN, PATRIOT, GENTLEMAN

We were privileged to know Tom Lane as a friend and advisor for more than a decade. His almost year-long battle with cancer was characteristic of the manner in which he lived his life. Few people were aware of the pain that ravaged him—for he continued, in his column and elsewhere, to articulate his concerns about developments in the Country and the Church both of which he loved and revered with the ardor of a Christian and a patriot. Even as death beckoned, Tom Lane wrote with urgency about the need for our government to review and redirect its disastrous foreign policy which has led most recently to the horrible tragedy in Southeast Asia (see last week's *Wanderer*, p. 4).

The inroads of Marxist and modernist thought within the Church troubled him deeply and he was ever prepared to turn his keen and analytical mind to these developments. Tom Lane was especially effective in demonstrating the intellectual deficiencies in the arguments advanced by certain churchmen in areas of secular life. Even in the sharpest exchanges, he always maintained a cool composure and his adversaries to a man recognized him as a Christian gentleman.

We at *The Wanderer* will miss Tom Lane, especially at this year's Forum and succeeding ones. His addresses at the Forum as well as his presiding at the annual Forum awards banquet were part of the Forum tradition.

In death as well as in life, Tom Lane remains an exemplary figure—Christian, patriot, gentleman. We salute him; and extend to his wife Jean and his son and daughter our deepest sympathy. We pray Almighty God may receive him into paradise with the words, "Well done, thou good and faithful servant."

[From the News Tribune, Jefferson City, Mo. April 27, 1975]

THOMAS A. LANE

Although the death of Retired Army Maj. Gen. Thomas A. Lane has ended a brilliant career as a military officer and political columnist, his courageous efforts to build a strong and moral America will not be forgotten.

Gen. Lane, who served as commanding general of Ft. Leonard Wood, retired from military service on July 1, 1962. He later became a nationally syndicated political columnist, and his efforts were published by the News Tribune on a regular basis until he died of cancer last Sunday at Walter Reed Hospital.

Gen. Lane, 68, had a long and distinguished career in the U.S. Army. He was graduated from West Point in 1928, ranking third in a class of 261.

During World War II he received the Distinguished Service Medal for his efforts in commanding military construction projects in the Southwest Pacific area. An engineer, Gen. Lane served as commanding general of Ft. Leonard Wood, Mo., during the early 1960s.

Early in his career, Gen. Lane was an engineering and military history instructor at West Point. After serving as Army district engineer at several places around the world, he came back to Washington to attend the National War College. He also was assigned to the governing three man Board of Commissioners for the District of Columbia.

From 1965 to 1969, Gen. Lane served as president of Americans for Constitutional Action. He was director of the United States Strategic Institute and editor-in-chief of its quarterly publication, Strategic Review.

Gen. Lane had written several books. They included "The War for the World," "The Leadership of President Kennedy," "America on Trial: The War for Vietnam," and "The Breakdown of the Old Politics."

Gen. Lane was an effective and courageous spokesman for the American dream of peace and freedom through strength and justice.

He blamed the liberals in both Democratic and Republican administrations for bad advice in dealing with communist aggression.

In his last column he wrote: "Had the United States adhered resolutely to the doctrine of repelling communist aggression and used its superior military power effectively, there would have been no war in Vietnam. The associated nations of Laos and Cambodia also would have remained secure."

The United States has lost a leader who believed in America's basic values of truth, justice and freedom. Gen. Lane wanted to conserve those values in order to build a better America.

[From the News, Lynchburg, Va., Apr. 26, 1975]

MAJ. GEN. THOMAS A. LANE (1907–75)

One of the strongest voices for the preservation of traditional American and *human* principles has been silenced by death. No more will the readers of this page, or any other, be enlightened and encouraged by Maj. Gen. Thomas A. Lane. General Lane died Sunday in Walter Reed Hospital in Washington of cancer. He was 68.

Although we have called attention to it in years past, we wonder if those who read General Lane realized what a distinguished military and civilian career he compiled. A native of Revere, Mass., he graduated from West Point in 1928, third in a class of 261. He earned a bachelor's degree in civil engineering from Massachusetts Institute of Technology, and served as an instructor in engineering and military history at West Point.

From 1954 to 1957 he served as engineer commissioner for the District of Columbia, one of the most efficient and outspoken ever to hold that post. He brought with him a reputation as a "no nonsense" officer who could and would cut through red tape, and he proved the reputation over and over again. He was one of the first to speak out on the unmanageable problems of educational lags in the Washington, D.C. schools, and many of the things he advocated, came to pass—although he often brought down the wrath of community leaders on his head. Time proved him right, as it did so often throughout his career.

He served brilliantly in many engineering posts overseas and was outstanding in training Army aviation engineering battalions on airfield construction in World War II. He was awarded the Distinguished Service Medal for his service in the South Pacific. He was a former chief of the logistics division of the Air Command and Staff School at the Air University at Maxwell Field, Ala.

Upon his retirement from the service, General Lane became a syndicated columnist, and from 1965 to 1969 was president of Americans for Constitutional Action. He also was director of the United States Strategic Institute and editor-in-chief of its quarterly publication, Strategic Review.

General Lane wrote a number of books including "The Leadership of President Kennedy," "The War for the World," "America on Trial: The War for Vietnam," and "The Breakdown of the Old Politics."

He will write no more, but his words will live beyond him, and time, as it so often proved in his lifetime, will show that he was right and his equivocating critics wrong. Perhaps "critics" is the wrong word, because few dared to take issue with his documented, logical and reasoned arguments in defense of America and human freedom. At this period in our history, we can ill afford to lose such a man.

LOWELL WEICKER ON FOREIGN POLICY

Mr. RIBICOFF. Mr. President, Senator LOWELL WEICKER appeared before the Associated Press members in Bridgeport, Conn., on May 8, 1975. He commented on two aspects of our foreign policy. The points he makes in his usual forthright way are worthy of consideration by our colleagues.

I ask unanimous consent that his comments be printed in the Record.

There being no objection, the comments were ordered to be printed in the Record, as follows:

COMMENTS OF SENATOR LOWELL WEICKER

For a few minutes this evening, I would like to comment on two aspects of our foreign policy image as recently cast by President Ford and Secretary Kissinger.

One is specific—the reassessment of our Mid-East policy as regards Israel.

The second, general—that foreign policy must of patriotic necessity be bipartisan.

An understanding of history places me in sharp disagreement with both these tenets. Since this is one of the few times you of the Connecticut A.P. and I get together for face-to-face dialogue, I shan't be long—far preferring a "Q & A" format.

First as to Israel.

World War II with its unparalleled media coverage gave the world a first-hand look at the horror, death, and anxiety that has pursued the Jewish people for two thousand years. No longer was terror a matter of conjecture or, perhaps to be believed, perhaps not, story telling.

It was staring from the eyes of corpses, living and dead, in Auschwitz, Buchenwald, and Treblinka, brought to us in the starkness of black-and-white photographs and newsreels.

Hitler had called it the Jewish problem but the world became as one on the problems of the Jews. It decided on Israel—not because of oil or a cold war—but because a home for the Jew enabled the world to face itself once again in the mirror of history.

Much has transpired in terms of events since 1948. Cold wars, oil embargoes, realignments of power. And lately the temporary disappointment of a Kissinger mission that came unglued just as success seemed imminent.

Unglued is not failure, however. Dr. Kissinger constructed the cradle of peace, if not the end product. That is to his credit, not embarrassment. What stands to no one's credit is a personally emotional reassessment of a national commitment, as valid today as when made. Israel was created by world conscience in incorruption—I'll not be part of her diplomatically expedient destruction. Therefore, I cannot in conscience or historical recollection support the Ford administration's reassessment of our relations with Israel.

Lastly, as to the matter of foreign policy debate stopping at the water's edge, if the money stops, if the personnel stop, if the commitments stop, only then should debates stop. Foreign policy must always be an issue for challenge in this country. And as with every other issue, it should be resolved by majorities, not minorities wrapped in the flag.

When the U.S. has gone wide of the mark, it's because we've abandoned collective judgments for the say so of one or two men. This has been especially so in foreign policy. We will always make mistakes. That's nothing to cry about. What is pitiful is silence. Inaction doesn't need codification in the name of bi-partisanship.

The turbulence of decision-making is far preferable to the sullen anger of being had. The leaders of America are her people. No one has done better.

SOUND NATIONAL ENERGY POLICIES

Mr. FANNIN. Mr. President, for more than 4 years, now, committees of the Senate and of the House of Representatives have been considering energy proposals. And, except for the long-delayed passage of the Trans-Alaska Pipeline Act of 1973, and the creation of the Energy Research and Development Administration last year, we are no closer to establishing sound, national energy policies than we were when the search began.

Like the grasshopper in Aesop's fable, we have been fidding away precious time, while the winter of crisis comes ever nearer. Unfortunately, however, unlike the grasshopper, we do not have a sympathetic and diligent ant we can rely on to put us up through the bleak energy winter ahead.

Why we have not been able to move more expeditiously in so critical a matter, I simply do not understand. But I do know this: The American people—our constituents—are getting very restless. They are tired of the continuing congressional delay, in the face of growing energy, economic, and environmental problems.

From the east coast to the Far West, from the public and the press, we hear demands for action, not delay. Let me cite just two examples of commentary which recently appeared in the Nation's press.

The San Diego Union, in a recent editorial, stated:

> In three years or so it [the trans-Alaska pipeline] will begin to deliver oil to the United States of America. It will be welcome, but it will not be enough. A year and a half ago, when the Arab oil embargo disrupted our oil supply, the United States of America imported 17 per cent of its oil. The total now has reached 40 per cent and is growing. An increasing amount of the oil comes from the politically unstable Middle East. . . . The need for a crash program to develop the full energy potential of the United States cannot wait another day.

And, from across the country, the Boston Herald-American editorialized:

> The disagreeable fact is that America is just as vulnerable to another oil embargo today as it was a year ago. This is what contributes to the nagging realization that except for the six long years of delay in the start of the Alaskan pipeline, resulting from political and environmental opposition at times bordering on the irrational, the United States would already be . . . closer to its goal of national independence from foreign sources of petroleum. The costly price we have already paid for that momentary aberration stands as a warning of the lengths we must be prepared to go in the future to avoid similar threats to our welfare and security as a nation. The Alaskan pipeline, in view of what has happened in the past two years, must be treasured now as the nation's lifeline.

It is interesting to note that these two commentaries appeared in areas being considered for new-frontier Outer Continental Shelf leasing schedules—southern California and the New England coast. These are two of the regions that would be most affected under an expanded OCS exploration and development program. It is encouraging to me that these two great newspapers clearly recognize the consequences of unnecessary delay in the development of our domestic energy resources. They are urging that we learn from the lesson of the trans-Alaska pipeline delay, and not repeat that lesson.

It would appear that these newspapers—as well as more and more Americans—have become aware of the direct relationship between economic recovery and available energy. I submit that it is time for us in the Congress to become equally aware, and to act accordingly.

According to reliable estimates, the dollar outflow from the United States in 1974—directly attributable to foreign oil imports—reached a staggering $25 billion. That sum was a major contributor to the overall balance-of-payments deficit of about $18 billion last year . . . a deficit which drained badly needed dollars from our already depressed economy. And I submit that our Nation—great though she may be—cannot long tolerate such a drain on our currency.

We must act now—while a little time remains—to launch an all-out effort to find and produce our Nation's vast energy resources. We must begin now to expand the search for new petroleum reserves on land and in our Outer Continental Shelf areas. Delay is neither necessary nor acceptable.

I am dismayed to find that there still are some in this body who seem unprepared to accept the realities of our energy needs. They would substitute delay for action, and prolong our dependence on imported oil—despite the consequences to our Nation, our workers and our taxpayers.

Indeed, there is accumulating evidence that the public we represent sees the issue more clearly than do we here in Washington. They are ahead of us in their recognition that the energy resources on our Outer Continental Shelf should be developed—now.

This assertion is made advisedly. I have seen the results of 12 separate opinion polls—conducted in various areas along the east coast—where it is generally thought that the public has been averse to offshore drilling. Every one of the polls shows a surprising majority in favor of prompt development of the OCS. The lowest percentage favoring OCS development in these surveys was 50 percent: the highest was 92 percent.

It is important to note these are not polls conducted by or in any way sponsored by the oil companies. They were conducted by State legislators—including some who themselves oppose offshore drilling—and by Members of Congress. Moreover, I have seen no recent surveys which indicate public opposition to OCS drilling—not one.

Mr. President, I ask unanimous consent to have printed in the Record certain documentation of these opinion surveys.

There being no objection, the material was ordered to be printed in the Record, as follows:

DOCUMENTATION OF SEVERAL SURVEYS ON OCS DRILLING

1. State—Connecticut:

Who sponsored the poll—U.S. Representative William L. Cotter, 1st District, Connecticut.

When was poll taken—Early 1974.

Number of respondents—Over 10,000.

"By margins of 64% to 69% respectively, respondents favored drilling for oil off the New England coast and construction of refineries on the Connecticut shore."

Source: "From Washington: Bill Cotter Reports," news letter from sponsor to constituents dated May 1974.

2. State—Connecticut:

Who sponsored the poll—Hon. Astrid T. Hanzalek, Connecticut State Legislature.

When was poll taken—1974.

Number of respondents—See below.

"Should Connecticut attempt to supply some of its own energy requirements by permitting offshore drilling for oil or gas?"

Yes: 938, No: 422.

3. State—Maine:

Who sponsored the poll—Maine National Bank on WGAN–TV.

When was poll taken—See below.

Number of respondents—See below.

(a) April 4, 1975—"Should offshore drilling for oil be allowed in Maine?" Yes: 517, No: 267.

(b) April 11, 1975—"Do you favor offshore exploration for oil along the New England coast?" Yes: 456, No: 101.

Source: "Maine Opinion Tabulation Response," news release by WGAN–TV, mid-April 1975.

4. *State—Maryland:*

Who sponsored the poll—U.S. Senator J. Glenn Beall, Maryland.

When was poll taken—Late January 1975.

Number of respondents—119,250.

"14.5 per cent oppose offshore oil exploration along the Atlantic coast, while an overwhelming 85.5 per cent favor such exploration. These statistics are even more dramatic in Maryland's lower shore counties of Somerset and Wicomico where 84 per cent favor offshore oil exploration while 16 per cent oppose such action in both counties. And in the Ocean City resort county of Worcester, 70 per cent favor the exploration while 30 per cent oppose. . . ."

Source: "News from Senator J. Glenn Beall, Jr., Maryland: Beall Tabulates Questionnaire Returns," news release from sponsor, March 6, 1975.

5. *State—Maryland:*

Who sponsored the poll—U.S. Representative Robert E. Bauman 1st District, Maryland.

When was poll taken—February 1974.

Number of respondents—12,135.

"Would you favor oil exploration in the Atlantic Ocean off the Delmarva coast if adequate safeguards against spills are imposed by law?" Yes: 79%, No: 14%, Undecided: 6%.

Source: "District-Wide Poll Results—First Congressional District, Maryland Rep. Robert E. Bauman," news release issued by sponsor, late April 1974.

6. *State—New York:*

Who sponsored the poll—U.S. Representative John W. Wydler 5th District, New York.

When was poll taken—Spring 1974.

Number of respondents—Unknown.

"Offshore oil drilling—Do you favor oil drilling off the Atlantic coast?" Yes: 57.01% No: 30.38% Undecided: 12.61%.

Source: Reprint of article in "Congressional Record" of remarks of Congressman Wydler on June 24, 1974.

7. *State—New York:*

Who sponsored the poll—New York State Senator Caesar Trunzo 3rd N.Y. State Senatorial District.

When was poll taken—Spring 1974.

Number of respondents—Unknown.

"Should we allow offshore drilling for oil off Long Island?"

Yes: 51.9%, No: 35.8%, Undecided: 12.3%.

Source: "Legislative Report from Senator Caesar Trunzo, Third Senatorial District" (N.Y.), Spring 1974.

8. *State—New York:*

Who sponsored the poll—New York State Senator John R. Dunne 6th N.Y. State Senatorial District.

When was poll taken—January 1974.

Number of respondents—Over 7,000.

"To help alleviate the energy crisis would you support offshore oil drilling in the Atlantic Ocean off Long Island?" Yes: 64%.

Source: "State Senator John R. Dunne, Legislative Report, 6th District—Nassau County," news release, June 1974.

9. *State—New York:*

Who sponsored the poll—New York State Senator Norman J. Levy 8th N.Y. State Senatorial District.

When was poll taken—Fall 1973.

Number of respondents—Over 10,000.

"Do you support offshore oil drilling in the Atlantic Ocean off Long Island?" Yes: 60%, No: 37%, No Reply: 3%.

Source: "Albany Report from Senator Norman J. Levy, 8th Senatorial District," February 1974.

10. *State—New York:*

Who sponsored the poll—New York State Assemblyman Arthur J. Kremer 20th District, Nassau County, N.Y.

When was poll taken—Summer 1974.

Number of respondents—Unknown.

"Do you favor the issuance of permits for offshore oil drilling in the Atlantic Ocean near Long Island?"

Yes: 50.2%, No: 49.8%.

Source: Letter from N.Y. State Assemblyman Kremer to constituents, dated October 1974.

11. *State—New York:*

Who sponsored the poll—New York State Assemblyman Perry B. Duryea 1st District, Suffolk County, N.Y.

When was poll taken—January 1975.

Number of respondents—More than 2,000.

"Of the more than 2,000 responses to the questionnaire, 61 per cent favored offshore drilling while 27 per cent were against the proposal and 12 per cent undecided."

Source: "Suffolk County's East End Residents Want Offshore Drilling," news release by sponsor dated February 4, 1975.

12. *State—South Carolina:*

Who sponsored the poll—U.S. Representative Floyd Spence 2nd District, South Carolina.

When was poll taken—Summer 1974.

Number of respondents—Unknown.

"Energy—Which of the following steps would you be willing to take to ease energy shortages: (e) Offshore drilling for oil." Yes: 92%, No: 8%.

Source: "Washington Report from Your Congressman Floyd Spence," news letter to constituents dated September 1974.

Mr. FANNIN. Mr. President, I again repeat: There is no need for further delay. The public we represent is looking to us to act—and to act positively.

American offshore petroleum technology is the finest in the world. The expertise of U.S. oil companies in exploring for, locating, and developing undersea petroleum resources is recognized on every continent. And it has been that technology and expertise—by private industry governed by marketplace economics—that has located the major crude oil and natural gas reserves of the free world. Is it not time we permitted American oilmen to do the same in our own offshore frontier areas? Is it not time we took positive action to help free this Nation from the bondage of energy dependence on foreign nations?

The price of continued delay is even now being measured in lost jobs, closed factories, lengthening welfare lines. There is not enough natural gas to go around; and other fuels are hard pressed to make up the difference. That natural gas shortage is the direct result of past and present governmental meddling in the marketplace—where the consumer should have the right to select the fuel he wants, and pay for it at a price that will encourage the discovery and production of replacement reserves. But for more than 20 long and fruitless years, the Government—not by an act of the Congress, but by judicial misinterpretation—has followed a deliberate and shortsighted policy of prohibiting a fair rate of return on interstate natural gas.

By the same token, however, the Congress—for an equal length of time—has failed to rectify the court-imposed inequities. And still we delay. And the unemployment lines continue to grow.

How can we expect this vicious cycle to end unless we—the duly elected legislators of this Nation—take action? How are we going to explain the economic blinders we have been wearing—blinders that shut out the cries of the unemployed, who desperately need and want jobs, jobs only sufficient energy supplies can create?

We must not submit to the political blackmail of delay in expanding our domestic energy supplies. We must have the courage and the will to move decisively forward in opening new areas of the Outer Continental Shelf to exploration and development by the people who have proved they can find and produce oil and gas if given the chance to do so. We must take the initiative and return the fuels marketplace to the consumer, where it rightfully belongs, by removing controls on the price of domestic natural gas and crude oil. And we must restore confidence in the people that their Government is capable of action, when action is so critically needed.

There is no longer any place in today's energy scenario for delay. Time is running out for the grasshopper. The energy winter is approaching, and only prompt action can avoid a crisis far worse than the shortages of winter 1973–74. And I call on the Congress to put down the fiddle and pick up the plow. The citizens, the workers, the taxpayers of this Nation deserve no less a response.

MILES COLLEGE, BIRMINGHAM, ALA., FUND DRIVE

Mr. ALLEN. Mr. President, in these days of tragedy, economic distress, and continuing threats to world peace, it is encouraging and enlightening to hear of events which show that Americans know how to work together in solving problems and in helping one another toward the better life.

Such an event is unfolding now in Birmingham, Ala.

In 1905, Miles College was founded in Birmingham to provide higher educational opportunities for black students in the metropolitan area. The college has, through the years, been supported by the people of Birmingham and of Alabama, and today Miles is an accredited member of the Southern Association of Colleges and Schools with an enrollment of 1,275 men and women and a 30-acre campus with 18 buildings.

Serving the Birmingham metropolitan area are five colleges, three junior colleges, two universities, a law school, and a number of business and trade schools. One of these is Birmingham-Southern College which consistently through the years has been listed as one of the finest liberal arts colleges in the United States. In recent years, Birmingham-Southern has grown beyond the facilities it has occupied, and it is now furthering plans to occupy a brand new campus, and its present 170-acre campus, including its fine buildings, is being offered to Miles College to assist that school's necessary expansion. Of the $14 million needed to make the purchase, Miles College must raise $9,500,000 from local and outside sources.

Mr. President, although a fund drive has just gotten under way, the business community of Birmingham has already raised $3.5 million toward this purchase, and has thrown its considerable efforts and influence into the drive for another $6 million. The driving forces behind this Birmingham effort include the heads of some of the most prestigious industries and businesses in the city, and I have confidence that these leaders will succeed because the word "failure" is not in their vocabulary.

In the Sunday, May 4, 1975, issue of the Birmingham News appeared a news story "By Businessmen: Miles College Fund Raised," reporting the Miles expansion efforts. And as part of the fund raising effort, a brochure entitled "More Miles for Your Money," has been printed detailing in brief the hopes and aspirations which are part of the continuing growth of Miles College.

Mr. President, I ask unanimous consent that the newspaper article and the brochure be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BY BUSINESSSMEN—MILES COLLEGE FUND RAISED

A group of Birmingham businessmen has raised $3.5 million for Miles College toward its purchase of the Birmingham-Southern College campus and also have pledged to help Dr. W. Clyde Williams, Miles president in the national drive to raise an additional $6 million.

This is the first time that a group of businessmen in a deep South community has agreed to support financially a predominately black institution in a multi-million dollar capital fund drive.

Included in the group are: John Woods, president, Alabama Bancorporation; Cecil Bauer, president, South Central Bell; John Jemison, president, Jemison Investment Co.; Clinton Milstead, vice president for community relations, U.S. Steel; Frank Samford Jr., chairman of the board, Liberty National Life Insurance Co.; Crawford Johnson, president, Coca Cola Bottling Co. of Birmingham; A. G. Gaston, president, A. G. Gaston Enterprises; and Vincent Townsend, vice president and assistant to the publisher, The Birmingham News.

Birmingham-Southern is located on a rolling 100-acre site in Birmingham's western section and comprises dozens of classroom and administration buildings, dormitories, fraternity and faculty homes. There are about 70 undeveloped acres on the campus.

President Williams praised the work of the Birmingham businessmen and the local black community, which raised and deposited $100,000 as "good faith money" during the early stages of the negotiation. This money will be merged into the campaign fund.

MORE MILES FOR YOUR MONEY

As Birmingham Southern College furthers its plans to occupy a new campus in the imminent future, an exciting prospect is open to the City of Birmingham, its citizens, its students, and a prominent institution of higher learning . . . Miles College.

The dream is the transfer of Miles College to the Birmingham Southern campus, giving Birmingham an additional city college and giving Miles a chance to grow, expand, develop and reach toward an ever higher potential.

Dividends would be manifold . . . the creation of jobs in the operation of the school itself, expenditures of the students on food, laundry, entertainment, transportation and other related factors inherent in a community of 1200 plus.

Current surveys indicate that the Miles community . . . students, faculty and staff . . . spends nearly $9.3 million for goods and services in the Birmingham area annually. This includes:

Food	$2, 142, 000
Medical expenses	1, 227, 780
Transportation	1, 014, 705
Utilities	546, 206

Credit purchases by members of the Miles community approximated $1,208,388 last year.

Education is "big business" itself, spending money for maintenance of buildings, campus security, utilities and capital improvements. Bringing Miles into Metropolitan Birmingham is good business.

A SPECIAL RATE OF INTEREST

Founded in 1905, Miles College has served as the principal four-year collegiate institution for black students in the greater metropolitan area.

It still maintains its original "open door" policy, granting admission to any student who holds a high school diploma or its equivalent.

Miles is committed to the education of students whose backgrounds are both academically and economically below standard "norms".

Enrollment has included culturally disadvantaged students from all over the country, though most students are from Birmingham and surrounding areas.

The present Miles campus is inadequate and overcrowded. Administration, faculty and students find themselves hampered in many progressive areas important to themselves and the community. Miles believes in "involvement." In addition to classroom instruction, cultural programs are in effect . . . a theatre group and a dance group. Miles has been instrumental in sponsoring voter registration drives and urging potential responsibility. Effort continues always to increase the number and range of opportunities in which students and community can communicate.

CURRENT DIVIDENDS

Miles has provided educational opportunities for many blacks to become outstanding citizens and leaders in their own right. The first black appointed to the Governor's cabinet is a Miles graduate. A Birmingham City Councilman, state representative and business leaders are alumni of Miles.

Since an institution's investment in the student goes far beyond his paid tuition, it is important that he continue to serve the community that nourished him. This is true of Miles students. Most remain at least within Alabama, reinvesting their knowledge and capabilities to the benefit of this city and state.

Miles has a proud record of achievement in preparing teachers, ministers, business and professional men and women. Nearly half the black teachers in the Birmingham area public schools are graduates of Miles.

Miles is an accredited member of the Southern Association of Colleges and Schools. A four-year liberal arts college, Miles presently enrolls 1,275 men and women. It occupies a 30 acre tract improved by eighteen buildings and currently valued at $3.6 million.

A distinguished history. Given superior facilities, the potential for Miles . . . and Birmingham along with it . . . seems endless.

A PROSPECTUS

Birmingham Southern College's campus will be offered for sale. Miles has an option on the property.

Acquisition of this property by Miles College is the most logical of all alternatives in long range planning. The property is valuable. Its location is central.

A student community not only needs but is ready to immediately occupy the campus.

Miles needs more room for more students in a location easily accessible to all Birmingham communities. Birmingham Southern's campus is ideal.

It offers 100 acres of developed institutional property plus 70 acres of undeveloped land.

The finest Theatre Arts building in this area would be put to immediate use.

Miles' present and projected programs could be handled adequately with room to spare for expanded enrollment and activity, including a Fine Arts department.

The administrators of Miles College have undertaken an in depth study on ways, means and feasibility of improving their present facilities on a 3-phase basis.

Studies show that a move to the Birmingham Southern campus would accomplish in three years what would otherwise require up to 15 years at an additional cost of 20 to 24 million dollars. The choice seems indisputable.

INVEST NOW

Miles can buy Birmingham Southern campus for $14,000,000 of which $3,000,000 constitutes a HUD loan to be assumed by Miles.

Of the remaining $11,000,000, financing is proposed as follows:

From local support if Miles raises $6,000,000 from outside sources	$3, 500, 000
Gifts from district black churches	500, 000
Proceeds from present holdings	1, 000, 000
Private and foundation sources	6, 000, 000

Miles is requesting challenge grants from major foundations, corporations and individuals in the amount of $6,000,000.

There is no better investment than education that expands opportunity, raises economic levels, lowers unemployment and changes standards of living. Everyone who invests in the future of Miles College is buying a great metropolitan education center. Because of its "open" policies, not only the black community but all other races may share in its benefits. Miles can become a truly interracial, broad spectrum city college.

An investment in Miles is a wise investment in the future of a growing Birmingham and an influential Alabama.

Support the Miles College Fund Drive.

SHOW THEM BY DOING

Mr. HUGH SCOTT. Mr. President, the American free enterprise system represents the backbone of our strength, both nationally and internationally. A recent editorial in the Philadelphia Inquirer emphasizes our need to maintain the tradition of free enterprise. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHOW THEM BY DOING

At a time when American foreign policy is on the threshold of agonizing re-evaluation as a result of the debacle in Southeast Asia, Daniel P. Moynihan has given a timely reminder about one of our country's greatest assets abroad as well as at home: the free enterprise system.

"Americans should not be ashamed of free markets and free enterprise," the former U.S. ambassador to India said in a panel discussion on foreign policy at the annual meeting of the American Jewish Committee in New York. He noted that the American people are "the party of liberty, and those who are on that side usually do better for equality."

Another panelist, editor Norman Podhoretz of Commentary magazine voiced a similar theme in defending the profit system against global critics. "The only way to attack poverty," he said, "is to promote productivity and growth."

In a world where poverty and hunger are the most tragic human problems—and Mr. Moynihan has seen much of both in India—it is well to recognize the enormous potential for good in America's economic arsenal.

With the motivation of reasonable profit, American agriculture can help feed hungry millions.

Under a competitive system of free enterprise, American industry can produce goods and services required to raise living standards in underdeveloped and impoverished nations.

Most important of all, the science and technology of American private enterprise, nourished by the profit system, can provide enduring and revolutionary improvements in the ability of less fortunate nations to combat root causes of disease and poverty and hunger—and to build a capacity of their own to sustain a healthier, reasonable prosperous and adequately fed population with agricultural and industrial know-how.

There is more to foreign policy than flexing military muscles or trying to export raw ideology. America's most potent diplomatic tool, and one that needs to be better appreciated and carefully nourished, may well be the ability of a strong free enterprise system to supply the needs and wants of peoples abroad seeking a better life.

ADDRESS OF UNITED NATIONS SECRETARY-GENERAL KURT WALDHEIM BEFORE THE CHICAGO COUNCIL ON FOREIGN RELATIONS

Mr. McGEE. Mr. President, on April 23, United Nations Secretary-General Kurt Waldheim delivered an important speech before the Chicago Council on Foreign Relations.

The importance of his remarks stems from the very eloquent, yet highly pragmatic, assessment of the United Nations and its role in the international community. As the Secretary-General points out in his remarks:

> I contend that the United Nations, with all its weaknesses and limitations, is still the world's best hope for peace.
>
> I contend that such weaknesses and limitations as exist will not be eliminated by spurning or bypassing the United Nations, but by working to make the United Nations better.
>
> I contend that the United Nations will never work properly if the nations regard it as an adjunct to their bilateral foreign policies rather than as the mechanism for building common peace.
>
> To do this, everyone is going to have to give up a little. What we get in return is a genuine basis for durable peace.

Mr. President, I concur with the Secretary-General's observations. I was particularly struck by these comments, particularly since I, myself, have been reassessing the U.S. role in the United Nations. While I believe the Secretary-General made some very poignant observations throughout his speech, I would like to focus my remarks on those I have just quoted.

In my estimation, one of the greatest failures in U.S. foreign policy has been the manner in which the United Nations has been viewed within the context of our policy deliberations. Not only this administration, but past administrations as well, have placed the U.N. far down the list of their foreign policy priorities. At present, the U.N. remains on the periphery of our foreign policy, an instrument to which we turn only when we find it convenient to do so.

Mr. President, in essence, the United Nations is reflective of our bilateral relationships around the world. We have chosen to ignore the legitimate concerns of the developing nations of Africa, Asia, and Latin America. The only forum available to these nations in which they can make their views known is the United Nations. Yet, even within this forum, we have turned a deaf ear to their concerns. Ofttimes, we find ourselves ill-prepared to deal with the political and economic problems with which we are faced within the U.N. for the very reason that we have chosen to ignore the realities which form the basis for these ofttimes legitimate grievances.

Yet, the executive branch is not the only culprit in the scenario. The Congress must also bear its share of the responsibility. Many of the so-called staunch supporters of the U.N. within the Senate have also contributed to a diminution of the effectiveness of our Nation in that international body. Scant attention is paid to the policy implications of what our actions as a legislative body portend. More and more we hear excuses as to why the U.N. has fallen into disfavor within the Congress. We have found less and less creative thinking in both the Congress and the executive branch in strengthening a positive U.S. role in the U.N. Traditional supporters of the United Nations have fallen victim to a small, but vocal, minority in this country. In effect, they have joined with the executive branch in placing the United Nations on the periphery of considerations when foreign policy issues come before the Congress.

From time to time we hear that the Congress is reasserting its role as a major force in the foreign policy decisionmaking processes of our Government. Yet, one wonders whether Congress is capable of assuming this role intelligently or responsibly.

Mr. President, I would urge my colleagues and the executive branch to put their rhetoric on the line. Eloquent speeches of support for the United Nations accomplish very little. What we do on a day-to-day basis within the context of our legislative duties and responsibilities will have a significant impact upon the effectiveness of the United Nations. This remains the only test of our commitment to the U.N. It is time we stop offering lame excuses as to why the Congress is incapable of making a positive contribution to our role in the United Nations, rather than the negative and highly destructive role we have assumed in recent months.

I ask unanimous consent that the Secretary General's speech be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

TEXT OF SPEECH BY SECRETARY-GENERAL KURT WALDHEIM TO CHICAGO COUNCIL ON FOREIGN RELATIONS

It was a great pleasure for me to receive and to be able to accept the invitation of the Chicago Council on Foreign Relations. The long history and outstanding record of this Council are well-known to us at the United Nations, and indeed to all who are actively involved in world affairs.

I need not elaborate before this body on the symbolic power of the name Stevenson among all who cherish the cause of peace in the world. I might say—in connexion with the generous introduction I have just received—that Adlai Stevenson once remarked that a speaker was entitled to enjoy a flattering introduction—just so long as he didn't inhale. I believe Ambassador Stevenson also observed that a speech doth not have to be eternal to be immortal. This wise advice is not heeded as often as many of us would wish.

You have reason to take pride in the fact that Senator Percy was a member of the United States delegation to the last General Assembly. Those of us who labour in the vineyards of the United Nations know him to be a strong advocate of the principles of world organizations in general and of the United Nations in particular. Senator Percy has demonstrated that friendship for the United Nations is best manifested not by uninformed praise but by highly knowledgeable and constructive criticism and evaluation. And what the United Nations needs even more than money—which we have little enough of—is constructive criticism rather than destructive criticism—which we have too much of. The United Nations will not be served or saved either by indiscriminate praise or indiscriminate criticism.

My compliments, in fact, to Mayor Daley and Governor Walker—and, indeed, to the people of Illinois—on the historic contribution this State has made to the cause of world organization over the years. There is a fiction that this area has been something akin to a stronghold of isolation. I must say I personally have seen little evidence of it—whether with respect to my reception here tonight, or to the calibre of the statesmen who have come from Illinois, or to the kind of support the citizens of Illinois have given to the quest for a peaceful world.

There is much talk these days of a new surge of isolationism. I am not sure that the correct word is "isolationism". What I have seen leads me to believe that what is happening—and I am thinking not just of a particular country but of almost every part of the world—what is happening is that there is a new mood of withdrawal. People are not turning away from ideas of world interdependence. What they are turning away from are outmoded and unworkable ways of trying to deal with the world.

If I sense correctly the trend now emerging, I would describe it as a renunciation of the idea that peace can be achieved through a balance-of-power or through superior stockpiles of weapons which, if used, would produce a world holocaust. These ideas belong to the past and cannot be used to build the future.

I repeat: People are *not* withdrawing from the idea of peace through world order. They are *not* giving up their hopes for a world of justice under law. They are *not* abandoning their dream that this frail planet of ours can be managed in the human interest, or that we can leave to the next generation a world in which human beings do not have to kill or be killed.

People are *not* giving up on these ideas—and, I might add—neither am I.

I had no difficulty in agreeing with President Ford when he said the other day at Notre Dame that we cannot live in a compartmentalized globe but that we must return to the concept of One World. He was referring, obviously, to the term used so effectively by Wendell Willkie. It was a little more than thirty years ago that Wendell Willkie wrote his book "One World". I can think of no more useful way of returning to fundamentals on our quest for peace than by rediscovering the power and validity of what he was trying to tell us.

I am not troubled by the simplicity of Willkie's message. Truth doesn't have to be complicated to be persuasive. What Wilkie was saying was that the world's nations have come to the end of the road in which they traditionally sought peace by being more powerful than their opponents. He was trying to tell us that the world has become too small for big wars; that any war, anywhere, in fact, is a danger to the entire community of human beings. He was trying to persuade us that new approaches were necessary based on the concept of world institutions that could deal with world problems.

He correctly anticipated that the principal problems of our time would all have a world dimension and that no nation would be able to solve them unilaterally. And it is clear to me that he would doubt that a bilateral approach alone would be adequate to the kind of problems confronting the human race today.

It is presumptuous, of course, for any person to say what someone who died thirty years ago would say about any present day situation—but Willkie's writings seem to me to be clear on the point that he felt world peace could be achieved and maintained only through a world order.

I don't say there is no place for bilateralism in the building of a peace world. If bilateralism means joint leadership in strengthening the principles of world organization; if it means joint action in creating a stage for the fullest possible interdependence among nations; if it means common efforts in behalf of a strengthened United Nations that can act effectively in the human interest—if it means any or all of these things, then that kind of bilateralism will earn the gratitude of every human being on earth.

I do not despair about the future of the United Nations or the prospects of world peace in general. The events of recent years and months have produced widespread apprehension, confusion, and uncertainty. Yet I believe the time is right for new beginnings.

It has been demonstrated—at great cost—that we have to create effective means for keeping the peace and for serving the cause of justice.

It has been demonstrated that the arms race will not create enlarged security for anyone caught up in it. It will create greater insecurity and a long slide into inflation and depression.

It has been demonstrated that the attempt to stay on top of the international game through a balance of power leads to a greater unsettled condition of the nations that are caught up in it.

Since the old notions and old approaches don't work, where do we look? Where do we turn? What do we do?

The moral ofthe story seems clear:

Why not try the United Nations?

I contend that the United Nations, with all its weaknesses and limitations, is still the world's best hope for peace.

I contend that such weaknesses and limitations as exist will not be eliminated by spurning or bypassing the United Nations but by working to make the United Nations better.

I contend that the United Nations will never work properly if the nations regard it as an adjunct to their unilateral foreign policies rather than as the mechanism for building common peace.

To do this, everyone is going to have to give up a little. What we will get in return is a genuine basis for a durable peace.

The United Nations is still an unfinished organism. No one knows this better than I do.

Some problems are structural.
Some problems are organizational.
Some problems are functional.
Some problems are philosophical.
But none of these problems are insoluble.

I can't think of any weaknesses or limitation involving the United Nations that can't be solved if enough nations regard the cause of a fully functional United Nations as the underlying and unifying objective of their foreign policies.

Basic changes are occurring with great rapidity. If we understand these changes and see the United Nations as a resolving mechanism, we need not feel overwhelmed or discouraged.

At the height of the Cold War it was believed that the world was in danger of becoming divided into two ideological and mutually hostile groups. Today there is the peril that it may become divided into two economically separate and mutually hostile groups—the rich and the poor. The gap between these groups is not narrowing. The poor are becoming poorer. They are also becoming more populous. Three billion people now live in the less developed regions of the world. 60 per cent of these people are under 25 years of age. Their life expectancy is 25 per cent lower than in the developed world.

The result is not just a massive imbalance of economic resources, but a massive imbalance in living standards and of opportunity.

It may be argued that it has been ever thus. But today there are new problems of scale and scope which give a blazing intensity to this old division between rich and poor. In 1925, the world's population was under two billion. Today, it is now almost four billion. If present trends continue, it will be eight billion by the year 2000.

How will the future citizens of our planet be fed, housed, and educated? How will they be employed? Unless we begin to manage our planet now in the common good, the generations just ahead will be born in poverty and spend their lives in poverty.

The economic division of the world into two camps, the affluent minority and the poor majority, has already been sharply reflected at the United Nations, and most significantly at the last General Assembly. This had results which surprised and in some cases dismayed the developed countries, not least among them the United States.

Irrespective of the merits of particular actions by the majority, the significance of what happened last year must not be ignored or misjudged. What happened showed that the poor nations are tired of being poor, are losing patience and demanding action.

The oil crisis and the following developments are certainly a warning in this regard.

If we see these warnings in the perspective of a world that has become a single geographic community, we must recognize that we can lose no time in undertaking collective global action. The nation-state remains the principal instrument for acting on changing world conditions, but the scale and nature of the problems themselves have made purely national approaches obsolete. We need global strategies and guidelines within which the national governments will operate.

What are our chances for achieving such strategies and guidelines?

I believe those chances are good in direct proportion to the willingness of people to act in their common interest.

I see nothing irreconcilable between the surge of nationalism and the new need for interdependent and even contractual ways of living inside a world community.

The ability of nations to preside over their own cultures and institutions will be strengthened, not weakened, by the acceptance of common objectives in their world relationships.

No country will be able to sustain the costs and pressures of unilateralism, of which the arms race is the most conspicuous manifestation.

Only as a workable form of common world security is created will it be possible for the finest experience of nationalism to take place.

Only through the interdependence of all nations can the independence of each nation be assured.

The United Nations offers a practical basis for such interdependence.

The United Nations, in the words of the Charter, is "a centre for harmonizing the actions of nations". But the gap between declarations of internationalism and its implementation has been widening. As Adlai Stevenson put it so characteristically, "making peace is not merely a matter of nations looking at each other, but of their looking together in the same direction".

One of the greatest fallacies in much of the thinking about the United Nations is to believe there can be a separation between "political" questions and "economic and social" questions.

The United Nations is a highly political organization. We in the Secretariat are mainly dependent upon the creation of the political will before we can act. I am frequently troubled by the realization that this fundamental point is so poorly understood.

Naturally, the Secretary-General does not sit idly by and passively wait for political will to be mysteriously created. It is his task to help shape that political will, to take advantage of changing situation, and to guide contending parties into effective negotiations. But the Secretary-General often finds that his main job is to find ways of coping with the existing limitations and weaknesses of the United Nations itself. Repeatedly serious issues that are brought before the Secretary-General are those that are not resolved by the General Assembly or the Security Council.

While I do not object to this part of my job you will certainly understand the enormous difficulties with which I am then faced.

When people ask—as they often do—what is "the United Nations" doing about a particular questions, they reflect the common misapprehension that there is a single entity called "the United Nations" which has supranational powers. There is also often a misunderstanding about the role and position of the Secretary-General himself. I am constantly urged to intervene in a very wide variety of matters as though the Secretary-General can disregard the limitations imposed upon him by the Charter and the political realities of a world of sovereign States. In such cases a great deal can often be done, and is done, through quiet diplomacy, which must remain confidential if it is to be effective. Nothing would destroy the usefulness of the Secretary-General's role more swiftly and effectively than his taking sides in highly complex political situations in disregard of the authority and policies of member-governments. This does not mean inactivity on his part. It means that he must act at the same time on the basis of the principles of the Charter and in full awareness of the political realities.

It is not always easy to reconcile these two essential conditions.

The creation of trust and confidence is a long business. Months, even years, of such efforts can be lost overnight by one action, however well-intentioned, which is seen as constituting interference without authority in the internal affairs of a nation.

We must not forget, however, that the United Nations has not been exactly inactive or irrelevant. The United Nations had had considerable success in developing techniques of peace-keeping during the past 25 years. It has proved that, in many situations, it can exercise an important moderating influence, not only in limiting or forestalling conflict, but also in providing a framework within which the settlement of basic and difficult problems between States can be pursued.

Obviously, the effective involvement of the United Nations in conflict situations requires the consent of the parties concerned and their willingness to co-operate with the world Organization. Despite the fundamental problems of the Middle East, I think it fair to say that the United Nations through the efforts of the Security Council, through its various peace-keeping efforts, and through various forms of mediation and good offices, has done a great deal to preserve peace in an area where the danger of a world conflict is ever present.

For reasons beyond the control of the Organization, the United Nations has not been effectively involved at any time in the problems of Indo-China. In fact, during the long period of conflict, the search for a political solution has taken place outside the framework of the United Nations. I should like to say a word, however, about the efforts we are now making in the very tragic situation prevailing in that part of the world.

The Secretary-General was invited to participate in the International Conference on Viet-Nam in Paris in February 1973. In my statement to that Conference I said that the United Nations stood ready to assume its responsibilities wherever and whenever it was called upon to offer useful and realistic assistance. I also said that, should the Governments of the area so desire, the United Nations and its family of organizations could play a significant role in receiving, co-ordinating, and channeling international relief and rehabilitation assistance to the Governments and people of the region. Such assistance would be provided without discrimination of any kind.

Ever since that time, the United Nations has been operating on the same basis—providing humanitarian assistance wherever and whenever requested. It has persevered in this task despite a military situation which obviously makes it much more difficult to help the victims of the war. In light of the most recent developments, I appealed on 31 March to all concerned to do everything possible to relieve the plight of innocent persons, including those who have been displaced. I requested the governing authorities on both sides to do their utmost to limit the suffering of innocent people. I also appealed to Governments and individuals everywhere for increased humanitarian assistance to help alleviate the misery of the millions of human beings who find themselves in tragic circumstances.

We have set up special machinery at the United Nations Headquarters to co-ordinate the already considerable response to this appeal and to maximize the effectiveness of the humanitarian effort. At the present time, two programmes of the United Nations system—the United Nations Children Fund and the Office of the High Commissioner for Refugees, which already had programmes of humanitarian assistance on both sides of the conflict in Indochina—are carrying the main burden of humanitarian assistance, and their operations are being intensified.

On 17 April, in a further appeal, I indicated that, in the immediate phase we should set a target of $100 million in order to meet essential requirements.

It seems to me that in the interests of providing the maximum assistance to all of those afflicted by the tragic situation in Indo-China, this approach is the one most likely to be effective. It goes without saying that I shall continue through whatever channels are available to me to make the facilities of the United Nations available to all of the parties to the conflict, if they wish to make use of them, for the purposes of putting an end to the conflict and alleviating the vast human suffering which it has caused. Communication and understanding are vital in such a situation. For this reason I am making the utmost effort to establish and maintain contact with all parties in this great human tragedy.

There are other things that can be done on a day-to-day basis to help the United Nations, even as it is, to do a better job in fulfilling its original purpose. First, there must be a heightened understanding of the urgent importance of using its machinery for negotiation and preventive diplomacy *before* conflict erupts. To use it as a court of last resort when all else has failed, or to use it merely as an international relief operation at the end of the day, is to discard the most important potentiality for peace and stability.

As has been said, great conflicts may arise from small events but never from small causes. While we grapple with immediate problems of peace and war, in Indo-China, in Cyprus, and in the Middle East, we must also look ahead. We must try to discern the serious potential causes of future unrest and discord, and think not simply in national terms but in global ones as well. While mankind is divided by economic inequities, it will be divided by political divisions, and there can be no real stability or real co-operation to work together to meet the awesome challenges which confront us all.

The United Nations, being a human institution, is fallible. There can be collective foolishness as well as collective wisdom. There have been, and will be in the future, disappointments, setbacks, and frustrations. But these must not make us despair, or lose heart and faith. In the thirtieth year of the life of this unique human experiment, we must never forget that we are looking at the world as it is. But we are also, in a very real sense, looking at ourselves. Are we to seize the opportunities which lie before us, taking full advantage of the lessons of the past, or are we to turn aside from the realities of the world—and from looking at ourselves as we really are?

I cannot give you the answer. The choice is stark and clear. I would like to remind you of what Adlai Stevenson, then Governor of Illinois, said: "This is not the time for superficial solutions and everlasting elocution, nor for frantic boast and foolish word . . . What counts now is not just what we are *against*, but what we are *for*. *Who* leads us is less important than *what* leads us—what convictions, what courage, what faith".

This Republic, now approaching its Bicentennial, survived great difficulties and dangers through the hard work and idealism of tens of millions of unknown Americans dedicated to the ideals of the Declaration of Independence. Similarly, the United Nations can succeed or fail not only through the work of Governments but through dedication to the ideals of the Charter of countless millions throughout the world. But we shall only succeed if we continue, despite all obstacles and frustrations, to believe that those goals are attainable, and to work towards them with all our conviction and understanding.

GOVERNMENT CAN DESTROY LIBERTY

Mr. FANNIN. Mr. President, it has long been evident that Government can protect people out of their freedom. In attempts to impose equality, government can destroy liberty. We are in great danger of doing this very thing in the United States.

Last April 11, the former Governor of Arizona, Jack Williams, gave an excellent speech at the Valley of the Sun Kiwanis Club in Phoenix. Governor Williams has just returned from a 16,000-mile voyage around South America where he visited a number of countries. Because of his deep interest in freedom and the political development of nations and peoples, Governor Williams took advantage of this journey to study the countries he visited and to analyze the history of this rich but turbulent continent.

Mr. President, Governor Williams makes some extremely interesting and, I believe, valid observations which pertain to the course we are following today, compared with the Inca civilization.

I ask unanimous consent that this enlightening speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY GOV. JACK WILLIAMS

For forms of government let fools contest, that form which governs best is best. What is the best form of government? What do we seek from our Governors? How about a society in which all who want to work did work; where no sickness went uncared for; where few crimes were committed; where no aged or infirm lacked the necessities of life; and where cooperation for the public welfare, rather than competition for profit, was the mainspring of its economy? These certainly are achievements any civilized nation of today can well envy.

Such a society existed from about 1100 to 1500 in South America and I'd like to tell you about it.

We will discuss cost, just as we should discuss the price we pay for our own government, as it seeks to accomplish almost exactly what our historical empire did.

Interwoven through this discussion will be such questions as whether freedom can destroy freedom? Whether an excess of government can destroy it? Or if you protect all men from their folly, might you not raise a nation of fools?

I shall also propose that equality and freedom are impossible to achieve, despite the fact we are striving for an egalitarian society; that the big lie is strengthened by our present form of free media. And, I shall suggest that the best form of government in all history has been the benevolent monarchy.

May I hastily add, I would not speak so boldly if I thought I were to be believed.

These speculations developed during a long leisurely freighter trip around South America, where as a result of a number of years of reading its history, I found some frightening parallels in what we face here today. This trip of some 16,000 nautical miles, enabled me to visit a number of countries, including the three remaining democracies. Revolution is the keystone to government in South America. They have always looked northward with envy at our constitutional republic; but, have never been able to achieve it.

We have had but one revolution—the war between the states. What we celebrate on the Fourth of July was not a revolution. We simply threw off the rule of King George and replaced it with our constitution.

We were 13 constitutional governments—each with rules, and law and mutual covenants between men.

Our test came during the Civil War; and now 100 years later we have started that testing again! I count from the 1960's—the greening of the second American Revolution.

In the beginning, we were a vigorous people who loved individual rights. We were yeomen, merchants, trappers, farmers, teachers, wagon masters, frontiersmen, who brought with them a number of fiercely conflicting evangelical sects.

South America was established earlier under grants from Spain and Portugal. There developed governments of big, wealthy land owners and lawyer-politicians. The army established itself as the balance wheel between the demagogue-politician who represented the have-nots against the powerful land owners. In effect, the military represented the constitution. Nor was it perfect, because in many instances the generals became tyrants, too!

Today, every nation in South America, except three, is ruled by a military junta.

It is not easy once you destroy a free government to ever restore it. Thomas Jefferson used to say, before the French Revolution, "The tree of liberty needs to be fertilized by the blood of tyrants and patriots," but, after the tragedy of the French Revolution, with the inability of the people to establish a constitution, and their recourse to the guillotine and final restoration of order through Napoleon, Jefferson kept quiet about recommending revolution every generation.

South American countries have tried time and again to establish constitutional governments and have failed. Nor could they be satisfied with monarchies. Although Brazil had a benevolent one with Dom Pedro for fifty years, but they finally exiled him.

South American countries destroyed their strongest leaders throughout history; later building monuments and statues to honor them. Bolivar, who won more victories than our George Washington, liberating a great part of South America from Spain was so shabbily treated that on his death bed, cried out: "The three greatest fools in history—Jesus Christ, Don Quixote and Bolivar."

Jose de San Martin, who liberated the south and fought epic battles over the Andes that rivaled, if not surpassed Hannibal's triumphs, was dispatched into exile in Europe. When he came home to die, and his ship anchored in the harbor, crowds so vilified him from the wharves that he never landed but returned sadly to Europe—there to die. Today, his statute and that of Bolivar are found everywhere!

In the countries ruled by military juntas, I was able to wander at will, conscious at first of young sixteen and seventeen year old uniformed soldiers standing around all public buildings and strategically placed at one block intervals in the downtown areas. They attracted my attention because they stood sometimes with carbines held waist high and finger on the trigger. Later, I didn't notice them, but took them for granted, unless they stopped us for a glance at our shore permit.

Much to the contrary in the three democracies, one was threatened by violence, bandits, muggers, guerrillas, and terrorists. As an example, let me name one of the democracies! Free elections brought Isabel Peron to power in Argentina. The authoritative National Geographic says of Argentina: "Politically inspired assassinations of labor leaders, army officers, police chiefs and university radicals occur at the rate of one a day—three to four hundred a year. Kidnappers focus on businessmen to finance terrorist campaigns. One is not safe on the streets of many of the cities of the three democracies—not unlike the same problem in our own capitol."

I am simply reporting what I saw firsthand or was told in other instances by businessmen or friends.

One former resident of Scottsdale told me to please report that Chile under its present govennment, which overthrew Allende, is doing well and that under Allende, it was not doing well. Try to get that message to the swimming Senator from Massachusetts, he added.

According to his report, Allende nationalized everything and even the bakeries had long lines because of scarcity. The women nearly drove him mad I was told by another pretty-well informed authority. These women would stand outside the presidential palace and beat on pots and pans. They almost drove him up the wall, but there was nothing he could do to stop them.

Later, after he committed suicide—although more and more the left wing media claim he was assassinated—the safe in his office was opened and in it was a list of high government officials to be assassinated on their national holiday, along with the names of the people assigned to kill them. The date was just seven days after his overthrow.

Today, the big lie can be spread around the world more quickly than at any other time in history. Radio and TV magnify what the news columns begin. We are told today that South Vietnam broke the Paris Peace Agreements. Do you believe that? But those who want to believe it, will and do. Hitler described the big lie. He almost made it work. Today, the enemies of our way of life, are making it work. Why is it that we are told again and again that our allies are bad and those who oppose them are good? Why can only those whom Russia and China support be right and everybody we support be wrong?

If freedom can destroy freedom, and an excess of government does the same thing by promulgating so many rules and regulations that no citizen feels safe against some law, what can be done?

Frankly, we've survived as a nation for almost 200 years. That's not very long. Those who read history know that centuries elapse as nations develop. Our Bi-centennial is already a source of controversy, and we well could be approaching our own eclipse through the fostering of controversy and terror—All in the name of freedom.

Historically, subjected to such events as occur today in our country (where freedom for terrorists leaves citizens concerned for their own safety), a government is changed. In fact, we have seen our government overthrown in a bloodless coup, and two non-elected officials put in office. We are watching a powerless President deal with an all-powerful Congress and press. In the future the Presidency could well survive only on favorable polls and an acquiescent Congress. But, you can't run a great power by committee or by public polls.

History shows finally a strong leader appears. If he is benevolent in his governing but strong and steadfast in his ideals, you have a government that is similar to the benevolent monarchy of history. If not, you have a tyrant who in time is deposed.

But you will have lost what you treasured most—your freedom and your republic. It is said that Benjamin Franklin at the conclusion of the Constitutional Convention was asked "What have you given us?" and replied: "A republic madam, if you can keep it."

We have kept it, but briefly, threatened by the war between the states, and today, by an excess of permissiveness that tolerates those who would destroy us. Yet, we face the inevitable dichotomy: If we believe in freedom, then must we not permit freedom? Freedom of speech, freedom of the press, freedom to assemble and protest, freedom to change our form of government, if enough wish such a change?

Well, let us examine that last freedom. How far do we go permitting an overthrow of government in the name of freedom? We all acquiesced last year when form and substance and procedure was violated in the overthrow of the hated Nixon regime. As I read South American history, I could not help but find parallels. Those coups and revolutions in South America were done with the best of intentions. Arrogant rulers who had prostituted the forms of government for their own power were removed. The "good guys" took over. Somewhere behind it all there may have been a Machiavellian design, but the people were assured that a power-mad tyrant was being removed and their interests protected.

I have proposed for your consideration the benevolent monarchy as the best form of government in history. I did not dream *this* up. It came from a book, Equality and Freedom, in which the author persuasively makes a point that you cannot have freedom and equality. If you have freedom, the gifted can better themselves—the unequal can win or fail. If all are forced to be equal, then none can fail.

In South America, I studied with great interest the fabled Inca Empire. It lasted only four hundred years, establishing their first permanent center in the Peruvian Valley of Cuzco. From here, they expanded in successive waves of conquest north, south, east and west, until their domains embraced a half million or so square miles and some five or six millions of inhabitants.

Why do I discuss the Inca? Well, every worker's job was assured for him and a worker assured for every job. The widows and orphans, the old and infirm, were taken care of and take care of well!

In every village there were two or three warehouses to provide for the lean years. Along the highways, located at intervals of ten to twelve miles, there were commissaries for traveling military groups. The products of all community labor were sent to these commissaries: food, wool, clothing, arms and footwear. The contents were built up over a long period of time and were sufficient to take care of the population of the district for several years.

Work was found for everyone in the Inca territory, even for the children, and as sloth was a crime against the state, it was punishable by law. There was a sense of absolute security. Magnificant highways were built across the Empire. On their highways, the Incas maintained a regular post service of human runners, four or five of whom were stationed in huts at intervals of a mile or so along the road. These messengers were especially trained for their jobs, and as the distance assigned to each man was short, messages and small parcels could be carried many miles in a single day. Fresh fish and choice tropical fruits were frequently brought from considerable distances over the mountains to Cuzco as special delicacies for the Incas' table.

The Inca historian, Garcilaso, pointed out that there were no criminals, vagabonds, nor idlers. Punishment was swift and vigorous, generally being the death penalty no matter how slight the crime, because it was said that they were not meting out punishment to fit the crime, but were calling the criminal to account for having broken the law and the Inca's personal commandments. Immediate and harsh punishment was like jerking up weeds before they could bear seed.

There were, of course, a few minor transgressions punishable not by death; but by flogging, exile or public humiliation. The Inca penal system sounds at first hearing unduly harsh, the resultant facts attested by many Spaniards who have no reason for misrepresentation clearly prove its efficacy.

Many common crimes, such as stealing, were practically unheard of among the Incas. Houses were left open day and night without the slightest fear of thieves. The white man's avarice and looting thoroughly disgusted these primitive Indians.

Interesting to learn today, under Inca rule, children as well as adults were promptly punished by the state for any breach of the law, and the father, who was held accountable, received a like punishment.

Incidentally, numerous observers circulated around keeping check upon the governors, in whose hands the law was placed, and the judges who passed the sentence. Any infraction in these quarters met with a doubly harsh sentence, for the Inca thought it was a greater crime for one held up as a superior and chosen to enforce the law to be guilty of breaking it than in the case of an ordinary citizen.

Now, what faults can we find? Here certainly was a law abiding society. Law and order were the keystone. Here there was no poor. Here there was no crime. Here everybody had a job. No unemployment. What's the catch? What did it cost for this Utopia, or Utopian-sounding paradise for the common man? Well, freedom was gone! Yet, I doubt if the Inca common man noticed it. You see, Inca religion and state were one. Think what that means. The ruler could not only say of himself, "I am the state," but could add as well, "I am a son of the god of my people and the supreme pontiff of his religion." Nowhere else in the world, except perhaps in pre-westernized Japan, where the son of heaven was both emperor and god, was such weeping authority delegated to a single individual.

Attractive as that society may sound for the common man, its idea of absolute power of the ruler is repugnant, and even more unattractive is its idea of communal agriculture and division of land, plus a doctrine of enforced cooperation.

The price of security for all was the sacrifice of human and individual rights as we have come to know them. It was sort of a caste system into which one was born and in which one died without power to alter one's station; it was a delegation of governing power from the many to the few; a changeless sequence of slowly passing days wherein mind, risk and initiative were sacrificed for the economic security and order of the whole.

Let me spend just a moment or two upon the regimentation that made all of this possible. This system began and ended with ceaseless vigilance and law. The entire population was divided into groups of ten—one squad leader and nine subordinates. Five of these groups of ten were under the direction of an even higher commander. A group of one hundred had another superior; five hundred still another; and the highest officer of all was placed over a thousand.

The squad leaders served as their groups' representative, they requested seed, wool for clothes, tools or materials, or any other necessity. Then they supervised the work.

Their third duty was to give reports on vital statistics so that proper adjustment and provisions be made available to all. The squad leader's final duty was to denounce any crime committed by a subordinate. If there was even so much as a single day's delay in doing this, the leader himself had to assume the burden of the crime in addition to bearing the guilt of his own neglect.

Interestingly enough, this system was superimposed upon their conquered provinces much as Rome did. Peace to the Incas was a relative quality. On the frontiers of their territory existed a state of perpetual war, or at least eternal vigilance, while within the heart of that great circuit life pursued a more or less tranquil course, undisturbed by the frontier conflicts which were adding constantly to the empire.

Of course, this conquest developed certain interesting ethics. The Inca was always careful to keep his enemies divided and attack them one at a time, so that victory was a foregone conclusion. Yet he never pushed advantage to an extremity, was always open to negotiations, suppressed depredations on the part of his soldiers with ruthless vigor, and took the attitude that the enemy must be spared insofar as possible saying "else it will be our loss, for everything that belongs to him now will soon be ours."

When the victory was won, the first thing the Incas did was to substitute their religion for that of the vanquished. Immediately after hostilities ceased, the fallen chief and his family were taken to Cuzco where they were treated with every courtesy and taught the language of the conquerors and indoctrinated into the Inca way of life. When the period of indoctrination was over the chief was permitted to return home, but his eldest son had to remain behind as a hostage.

The new citizens were given the same security and rights enjoyed by their conquerors. A proper disposition of land and wealth was made. If there was any inclination on the part of the inhabitants to be rebellious, the Inca did not hesitate to transfer whole districts of many thousands to other parts of the empire where they would be surrounded by loyal followers who would soon break or absorb their rebellious spirit. Through a combination of all these means—religion, language, granting of citizenship, moderation accompanied by a vigorous suppression of disloyalty—new additions to the territory were soon indistinguishable from the oldest provinces.

Well, what have I described? Is it the benevolent monarchy? And doesn't its price seem pretty high? However, I sincerely believe that thinking men and women are beginning to question the price we pay today for our government. At one time, our political parties promised about the same things. Only each proposed doing it better if elected. Prior to then, the body politic was divided by ideological differences which resulted in the Civil War. The republic won! Then, for a hundred years, we debated this and that. Free silver, manifest destiny, make the world safe for democracy, protect our friends, bear any burden—but gradually there has developed an ideological split. Ideological controversies, like religious strife, seldom find any compromise and end up in violence, terror and dissension. Under these circumstances, hatreds breed on hatreds. The extreme left and the extreme right begin terrorist activities, when political action is not quick enough.

The divisions are here today. What do these dissidents really want? As for me, I prefer freedom, but with responsibility. I prefer the republic that Ben Franklin described. I want less government. I would like a media that could be held accountable to the law as it was before the *Sullivan Times* case, when libel and slander suits were some limit to the excesses of total freedom.

I think the time is late. I believe that if we are to have ideological differences we must spell them out at the polls and settle them with the vote.

Yet, I fear that those who desire a complete change of government do not trust this system and believe violence, and terror, and revolution are the only way.

Freedom can destroy freedom, even as an excess of government can destroy it. The big lie is abroad in our world today. Either our republic is the best form of government for us or a benevolent dictator is our only hope.

The decisions of you and your wife and your peers and your willingness to make those decisions and to pay the price is the Rubicon our nation faces today. Will we cross it together or perish on this side?

CROP FORECASTING FROM SPACE

Mr. MOSS. Mr. President, one of the outstanding accomplishments of the National Aeronautics and Space Administration is developing the technology to survey the earth resources from space. The culmination of this effort is embodied in the satellites Landsat–1 and Landsat–2. A third Landsat, that will have an improved capability, is now in development.

One of the important experiments currently being carried out by the Landsat–1 and Landsat–2 and the weather satellites is the Large Crop Inventory Experiment—LACIE. The purpose of this experiment is to lay the groundwork for a worldwide information system that could make possible a more rational management of the world's food grains. The LACIE is initially confined to the wheat crop in the United States, but it is hoped that the results can be extended to other crops worldwide. Initial results of the experiment should be available by the end of this year and by 1978 it is hoped that the first operational forecasts can be made.

There is no doubt that a reliable worldwide forecasting system can have a major impact on the world's food supply, which is one of the principal problems facing mankind. A short but clear explanation of the Large Area Crop Inventory Experiment written by Dr. Allen L. Hammond was recently published in the AAAS magazine Science.

Mr. President, I ask unanimous consent that Dr. Hammond's interesting and lucid explanation of this important experiment be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CROP FORECASTING FROM SPACE: TOWARD A GLOBAL FOOD WATCH

(By Allen L. Hammond)

Every 9 days a satellite passes over a field of hard red winter wheat somewhere in Kansas, measuring the light reflected from the growing crop at four different wavelengths. The young plants are green, but later they flower and turn yellow, as each characteristic stage of growth is recorded by the scanning spectrometer aboard the spacecraft. The multispectral images, telemetered to ground stations, end up in Houston in a computer programmed to distinguish the wheat from other crops and to estimate the acreage planted to it. At the same time weather information from the target area, gathered from the national meteorological network, is used to predict the likelihood of higher or lower than normal yields from the crop. The information is combined to give an estimate of the amount of grain that will be harvested in the area later this summer.

Although still experimental and just getting under way, the operation is a prototype for what may become a global watch on the world's food supply. The hope is that it will make possible reliable estimates of production of major food crops in time to give warnings of damage from droughts, frosts, and other disasters and to prevent shortages from taking the world by surprise. At present only fragmentary data are available on upcoming world harvests, the United States being virtually the only country that publishes monthly forecasts of its production. A worldwide information system could thus make possible more rational management of food grains that are increasingly in short supply in much of the world.

The key question is how well such a system can be made to work, and that is the object of the current effort, known as the Large Area Crop Inventory Experiment (LACIE). It makes use of the Landsat satellites of the National Aeronautics and Space Administration (NASA) and of weather data collected by the National Oceanographic and Atmospheric Administration (NOAA). Crop estimates will be compared with those produced by the U.S. Department of Agriculture (USDA), which is also providing agricultural information to aid in constructing and applying the computer algorithms. The initial scope of the joint experiment is the wheat crop in the Great Plains of the United States; extension to other areas is to follow. Eventually, perhaps, other crops such as rice will be included.

Techniques for remote sensing of crops are not new. Numerous experiments have been done with Landsat I (formerly called the Earth Resources Technology Satellite), which was launched in 1972 (*Science*, 13 April 1973, pp. 171–173). Indeed, according to LACIE project manager R. B. MacDonald of the Johnson Space Center, in Houston, Texas, the feasibility of recognizing crops from multispectral data was established as early as 1966 with data taken from aircraft. Work at Purdue, the University of Michigan, and other laboratories resulted in knowledge of the spectral signatures of crops and method for analyzing spectral data which are the basis for the present experiment. What is novel about the LACIE project is the scale of the effort, which encompasses hundreds of thousands of square kilometers, and the attempt to automate the process so as to provide forecasts within weeks of collection of the data.

Both Landsat I and Landsat II cover the entire globe every 18 days, surveying a north-south strips of land 185 kilometers wide at each pass (Because of a dead tape recorder on Landsat I, it provides data only within range of ground stations.) The scanners on the spacecraft can detect fields as small as a few acres (1 acre = 0.004 square kilometer); actually each digital unit of a picture, or pixel, corresponds to about 1 acre, but several pixels are needed to derive usable information. When the data arrive at the Johnson Space Center, they are first processed to correct for differences in illumination caused by varying sun angles and changing atmospheric conditions, particularly haziness and moisture. The latter correction are difficult but important, since they often amount to larger changes in total radiance than the variations between one crop and another. No data at all are obtained from areas covered by clouds, which leads to gaps that complicate the analysis.

Several methods are used to extract crop information, since the project is experimental and the forecasters are still feeling their way. In one procedure, a photographic image is assembled from the data from sample parcels of land—about one in five of the 80-square-kilometer segments into which the data are grouped. Then an agricultural interpreter armed with a crop calendar for the region and a knowledge of farming practices identifies the fields in the photograph. These "training data" are then used to classify the remaining segments. Alternately, computer algorithms are used to cluster the data directly according to certain carefully developed criteria, and the fields are classified as wheat or other crops on that basis. The result, in either case, is a map of each segment and a table of the amount of land (actually the number of pixels) in each category.

As data from the next pass of the satellite come in and are processed, a correlation technique is used to compare the analysis with earlier ones, eventually building up firmer estimates. The repetitive technique also calls attention to changes in the wheat acreage, such as might be caused by farmers plowing under a portion of the crop that failed to germinate. The aggregation of estimates from each small segment gives a grand total by state or region.

A second part of the project involves forecasting how much grain will ultimately be produced from the acreage under cultivation. This is done with the aid of computerized models of the relationship between weather and crop yield. According to James McQuigg, director of NOAA's new Center for Climate and Environmental Assessment in Columbia, Missouri, such models are constructed by comparing many years of historical data on weather and yields and establishing a statistical linkage between them (a regression model). Different models are used for different parts of the wheat belt, and they allow for factors that would lead to higher yields, such as the introduction of new grain varieties or greater use of fertilizers. Weather data for the current year (beginning when the previous crop is harvested) is collected by crop district—there are about nine districts per state—and are used with the regression model to project the yields for the coming harvest.

The weather data include monthly averages of temperature, precipitation, and, in some instances, potential evapotranspiration, which serves as a measure of the stress to which the crop is being subjected. McQuigg finds that even relatively simple models are able to account for variations in yield due to weather fluctuations within a moderate range. Episodes of severe weather, such as frosts, high winds, or the heat storms that plagued parts of the Great Plains last year, are handled separately at present; experienced climatologists simply adjust the yield predictions for the affected regions on a case-by-case basis.

PRODUCTION ESTIMATES

Combining the acreage estimates and the yield forecasts for each local area and aggregating over the whole crop area gives a figure for wheat production in the coming year. The estimates can be revised monthly, at least when the system is more fully operational, as new acreage and weather information become available. The comparison of LACIE forecasts with those made by USDA on the basis of its detailed monthly surveys of selected field plots throughout the wheat growing region will serve as a means of checking and improving the accuracy of the computer algorithms.

MacDonald and other LACIE scientists are optimistic that the project will prove successful, but they are at pains to point out the preliminary nature of their present methods and the difficulties still to be overcome. A forecast at any given time, for example, must take account of the different stages of growth of wheat in different regions—harvesting of winter wheat begins in May in Texas, while the crop's second stage of growth is just getting under way in North Dakota. It is not yet certain that provision of data every 18 days (Landsat II is the only coverage now available in most areas outside the United States) will be sufficient, considering the data missed because of cloudiness. And the reliability of the computer algorithms is still to be proved. Nonetheless, MacDonald expects to have some initial results by the end of 1975 and believes that the technical feasibility of the system might be established—and the first operational forecasts made—as early as late 1978.

USDA officials are somewhat skeptical that the present satellite system will prove to be more accurate than existing methods of crop forecasting in the United States. But they are more sanguine about its prospects for overseas use, since the department's world crop estimates are based on reports by agricultural attachés and on other fragmentary, often late information. The international implications of LACIE and the operational system that may follow it are certain to be controversial. The Soviet Union and Sri Lanka, among others, have expressed concern that commercial traders could make use of information about their food production in ways that would be adverse to their national interest. Moreover, there is what a State Department official describes as "lots of concern and confusion" about the intelligence uses to which such a global system under U.S. control could be put.

There is no doubt that a reliable global forecasting system would have a major impact on grain and other food markets. (Presumably, all parties would eventually benefit from more accurate data.) The commercial and diplomatic impact would be eased, NASA officials hope, by gradually phasing satellite operations into the USDA system, with forecasts released through the present crop reporting system, which includes elaborate safeguards against premature release of information or prior access by special interests. The raw Landsat data (as distinct from analyses based on them) are available to anyone.

Earlier attempts to forecast crops with aerial data have faced verification problems because ground truth information on actual production is hard to get accurately for areas smaller than a whole state. Since LACIE encompasses many states and is to run for at least another 2 years, its forecasts can be carefully scrutinized for accuracy. If the experiment is successful, operational systems could come quickly. Landsat III, to be launched in 1978, will have a fifth multispectral channel, and NASA planners are already thinking about a new spacecraft and advanced scanners with more channels and greater resolution. The prospects are thus substantial that by the end of the decade the technological means to manage a global food watch, if not the wisdom, will be available.

ENERGY SELF-SUFFICIENCY

Mr. HANSEN. Mr. President, my esteemed friend and colleague, the senior Senator from Arizona (Mr. FANNIN) is one of the most knowledgeable men in the Senate on energy matters. He is also one of the most articulate and in a recent interview on the Mutual Broadcasting System's Reporters Roundup, he answered some hard questions about U.S. energy shortages.

As the ranking minority member of the Senate Interior Committee, PAUL FANNIN has been in the forefront of that Committee's continuing study of national fuels and energy policy.

Very little legislation that had anything to do with increasing U.S. energy supplies has come out of the Senate Interior Committee but I can assure you it was not because of PAUL FANNIN.

If more Senators understood the energy problem, its causes and possible solutions, as well as PAUL FANNIN, we would soon reverse our continued trend toward more and more dependence on insecure foreign sources of oil.

A recent Harris poll indicates that the public is much more aware of the realities of the energy problem and what should be done about it than some Members of Congress.

The poll showed that a 46 to 31 percent plurality of the public now favors deregulation of the prices of all oil and natural gas produced here and that a 71 to 16 percent majority opposes the Federal Government taking over the oil companies and regulating them like a Government corporation.

Mr. President, I hope more Senators will heed the Harris poll and Senator Paul Fannin's answers on energy self-sufficiency.

It is time the Senate and Congress caught up with public opinion and began correcting its past mistake of inertia and such counterproductive legislation as the depletion allowance and foreign tax provisions of the Tax Reduction Act and other bills now pending in both the Senate and House.

I ask unanimous consent that the transcript of Mutual Broadcasting System's Reporters Roundup with Senator Paul Fannin as its guest be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Reporters Roundup

Reporters: Lou Hiner, Phoenix Gazette; Edgar A. Poe, New Orleans Times-Picayune.

Moderator: Robert F. Hurleigh, Mutual Broadcasting System.

Our guest on Reporters Roundup is Senator Paul J. Fannin, Republican of Arizona. Senator Fannin was a three-term governor of his state and chairman of the Western Conference of Governors and three terms as a member of the Executive Committee of the National Governors' Conference. He has been a member of the Senate since 1964, and serves on the Finance Committee and Interior and Insular Affairs Committee.

Our reporters are Lou Hiner, Washington Correspondent for the Phoenix Gazette and Edgar A. Poe, Washington Correspondent for the New Orleans Times-Picayune. We'll begin questioning Sen. Fannin in just one minute.

* * * * *

Well, Edgar Poe, why don't you start with the first question.

Poe. Thank you. Senator, the United States is faced with a mighty challenge of achieving energy self sufficiency, or suffer the worst possible economic possibilities. What are the immediate priorities in an effort to obtain this lofty goal of self-sufficiency?

Fannin. Our immediate priority is to develop what we have in abundance and that is to develop our coal reserves and to be sure that they are utilized to the greatest benefit possible. We can do that if we are determined to carry through. Now, of course, we do have the problem of imported fuels and it's costing us twenty-five billion dollars a year. This is a crisis to our economy, whereas people feel that they have fuel available when they go into the gasoline station—they are not worried about it. But, at the same time, we do have the—a serious problem as far as the economy is concerned.

Poe. Senator, to replace this foreign oil and you say our nation needs to use more coal. To do that will we have to have a lot—or some amendments to the Clean Air Act?

Fannin. Yes, it will require amendments. I do feel they will be severe. They will not detrimentally effect the atmosphere at the living level. I think it can be done and still attain the goal that we have and satisfy the people that really understand what we are up against. I know that many feel that this would be detrimental to environment. I do not feel that way. I think it can be done very beneficially without harm to the environment.

Poe. Should more power plants be converted to coal now?

Fannin. It is absolutely essential. When we realize that 30% of all the natural gas that's being utilized today is being used for development of electricity, we can see what a chore there is ahead of us. These plants, in most instances, must be changed. I know that's a terrible task, but it can be done and must be done.

Poe. Let me ask one more in that area, Senator. Some of the coal industry people say if we double coal output—the country must recruit and train 125,000 more miners. Can private industry recruit and train this needed manpower, do you think?

Fannin. I feel they can. I do realize that the increase is going to be in the area of the West—where it will be strip-mining. A great deal of the increase will come from strip-mining. This requires fewer people, but at the same time it requires a tremendous amount of equipment and will be of benefit to our economy in many, many ways. I feel it must be done, we do have new devices for underground mining—this also requires manpower as far as manufacturing's concerned. But, that's all for the good, so I feel in the overall, we can look forward to some very beneficial results from the new exploration and development that we will have in mining.

Hurleigh. Lou Hiner.

Hiner. Senator, since November of 1973, the American people have been told that the energy crisis is for real and there's been a sense of urgency to act on this crisis. Yet, the Congress four years ago passed the National Fuels and Energy Study Act which was supposed to produce policy to help solve the energy problem. So far, we've got the study after four years, but we don't have the policy. Would you discuss why there's been such a delay?

Fannin. Unfortunately, there has been too much partisan politics involved. We have not gone forward with the programs that have been recommended by the Administration, the programs that have been recommended in the Congress. We have fought back and forth, unfortunately there was a consideration that we were going to be in such a position that we had to go to rationing. We fought that down. We had other problems that were before us that caused us serious trouble, but we have had too much partisanship—there's too much campaigning on the basis of the energy problem of our nation and I think it must stop.

Hiner. Along that line, the President's warned that—more or less, warned the members of Congress that it's—even though it's politically popular, they've introduced a lot of ineffective legislation, there's something like 500 bills on energy in this session alone and it's spread among 26 different committees in the House and the Senate. Can you kind of discuss this as one of the complications?

Fannin. Yes, it is one of the complications, because these bills are so misunderstood. When you tell someone that you are going to roll back their cost of fuel, it's very popular, but it's unrealistic, if they're going to have fuel available to them when it is needed. Consequently, I feel that if we could decontrol, we'd be in a very much better position. That is proven by what has happened on natural gas. Here we brought the natural gas under government regulations quite some years ago, and we have seen natural gas take the place of the utilization of coal and oil and now we have less coal being used for our energy program than we had a decade ago. At that time it was about 23%—of our energy was developed by coal—now it's down to 18%, and of course, we're running out of natural gas. It's a very valuable fuel and until it's decontrolled, we're going to have a hard time getting additional supplies because it costs money to bring in that natural gas and the company cannot afford, at present interstate prices, to drill and run the lines that are necessary for the pickup of that gas.

Hiner. Do you agree with Senate Democratic Leader Mansfield—set a timetable at the end of this month for the passage of the energy bill?

Fannin. When we're talking about an energy bill, I feel that we should have a good energy bill and I would hope that we could have it this month. We do not have a good energy bill before us at this time. We have some recommendations and the President has taken a step, I think, to decontrol—that he has recommended for some time and is now—take it at 4% a month—is a good measure. I think it will help immeasurably in meeting the problems that we have in that regard.

Hiner. The Democrats, Senator, say that they will fight this extension and so forth—of removing the controls.

Fannin. That's right and they have fought the removing of the controls, in fact, they've been trying to roll back the prices continuously.

Poe. Senator, 17% of our domestic production of oil is now coming from offshore. Most of this off of Louisiana. Along the Eastern seaboard, quite a few of the officials and many private industry people are opposing the development of offshore oil. Do you think we must develop this oil in order to provide our energy?

Fannin. It's absolutely essential that we develop offshore oil. We do have, of course an undeterminable amount of offshore oil available, but there are records that prove that it's of considerable amount—sufficient enough to take care of many of the needs of different areas of our country. I am very much in favor of developing offshore oil. I know that the methods they have today have been proven. In the last five years, we've had four oil leaks that have amounted to over 250 gallons and that with the thousands of different programs they've had underway.

Hurleigh. Senator, would you say, along that same line, that there is a bit of politics also being played in the delay for the approval of offshore oil drilling?

Fannin. Yes, there is—considerable politics. The environmentalists, of course, are very much involved. I am sure that it they would just be reasonable about it and would take into consideration the penalty they're paying, because afterall, if we can get natural gas from offshore, it would be a great help to our environment. If we had more natural gas, it could displace some of the other fuels. Now, that's problematical that we could get that amount, but it certainly would be very helpful in that regard so, in many areas, we could use natural gas. The shortest supply of natural gas is on the East Coast where we think that there is considerable amount of gas available offshore.

Hurleigh. And, is it not on the East Coast, particularly, say from Virginia Cape on north, that there is the largest need or the greatest need for this oil energy?

Fannin. Yes, it so happens that the reserves seem to be in the area where there is the greatest need and of course that would save the shipments of oil and we have a greater amount of damage to the waters of the ocean by the vessels that carry oil than we do from the standpoint of the oil wells themselves.

Hurleigh. How about pipelines?

Fannin. And, of course, the pipelines—we find that the—that's one program that's been carried through that's very much misunderstood. We do have a problem as far as the environment is concerned along the coastal areas, but I do feel that that can be handled very well and that if they do have a way in which they can compensate the coastal cities, and this is under the program that has been recommended, I think that can be taken care of very easily.

Hiner. Senator, there seems to be some confusion as to just how much we have in the way of gas and oil reserves under the surface of both the land and the sea. These estimates run from 15-years to 60-years supply. What's your general feeling as to how much is available?

Fannin. Of course, we do have reserves that are far beyond what we thought just a few years ago, because we now have secondary and tertiary recovery. In many of those wells that were pumped out some time ago, we can recover twice as much as was recovered the first instance. And, this is something we must take into consideration. It is estimated that we have between 50 and 60 billion barrels that can be made available through the secondary and tertiary recovery and this, of course, is the oil that we're counting on.

Hurleigh. Let me interrupt, Senator Fannin, and we'll continue the questions in just one minute.

* * * * *

Poe. Senator Fannin, under present law various states share 37½% in all yields from minerals. That is oil and gas and coal and timber and other things from federal lands in those respective states. There is no law that would reimburse states that have offshore production and where those states provide many services, like schools, roads, hospitals and libraries and police protection for their offshore workers—thousands of offshore workers. Would you favor legislation that would reimburse—say, the coastal states or the various states—for some of the production that comes off their states—that comes off their shores—would you reimburse them for the services that they provide?

Fannin. Well, I think there should be a formula that would be fair and equitable to take care of that need. And, I realize there is a need and that the need also exists in other than just the coastal states—but, certainly, I agree with you that there is a burden that is a responsibility of the companies that are producing oil and those that are receiving the benefits. So, I do feel that something should be done.

Hiner. Senator Fannin, your Democratic colleague from Arizona, Morris Udall, who's running for president, last week came up with his energy program. The chief feature of it was to divest the major oil companies of certain operations limiting each one to say producing the oil or retailing the oil—such things as that. Isn't this more or less going to lead to nationalization of the oil industry, or would you care to comment on the Udall plan?

Fannin. It is my great fear that this could lead to nationalization of the oil industry and be very damaging, not only to the oil industry, but to the consumer in paying much higher prices. I do not feel that the Federal government can operate the industry on the same basis that it operates under the free market system. I believe in the free enterprise system and I'm sure this will work. It is working now, very advantageously. When we realize that most of the oil wells that have been drilled around this world have been drilled by American companies—about 80% of them. So, I feel that we can depend and must depend on our own oil industry. We cannot afford to leave our oil industry out of any of the features of our energy picture. They have the ability, they have the funds to go forward. I do feel that we need to have some control—as far as the controls are concerned—I think we need an excess profits tax. I think we need a plow-back system. I do feel that we must force the oil companies to either pay a high excess profits tax or put the money back in to exploration.

Hiner. Do you think they're making too much money?

Fannin. Well, of course, I know that there was a lot of misleading information—I do think, in some cases, that we should have had an excess profits tax in force and that we should have had a plow-back provision before. We tried to get those provisions into legislation, but we were unable to do so. Now, of course, we're suffering and I am still hopeful that we can do that.

Poe. Senator, do you find that some sentiment in Congress to nationalize the oil and gas industries—do you find that some members favor that already?

Fannin. Unfortunately, we do have some members that favor—that do favor nationalization. I don't think they understand the oil industry. They do not understand the tremendous investment involved, the great risk that is involved and I'm sure that a little experience with the Federal government trying to run these operations would bring disaster as a result.

Hurleigh. Well, Senator, if there were nationalization of the oil companies, would that not mean that they would then be political entities, so to speak. Just like the Post Office Department has been in the past and does that not mean that when this happens, that when a blow or a dry hole or those other disappointments in the oil industry come to pass, that the individual who was in charge of it—the director, that person and the administration in power at that time—would have to take some of the blame, would they not?

Fannin. Absolutely, and I'm sure that this would be a political issue. There'd be a lot of coverups and there would be a lot of misinformation given. We have seen that, of course, in the operation of some of our Federal facilities, such as the Post Office. And, I think that's a good example of how we cannot place an industry that the public is so dependent upon—the energy industry—into a Federal program.

Hiner. I would like to broaden into another field just for a moment and that is, Senator, I note that you are interested in finding new sources of energy, such as geothermal and solar. Isn't this going to be a terribly costly and time-consuming project?

Fannin. We have several programs going forward. For instance on geothermal, we have both a man-made geothermal program, the Pacer program, that's being investigated very thoroughly now, where they put off nuclear blasts in an underground cavern and generate their own steam. We also have other systems that I think have been very successful. Of course, we have the huge success at Geyserville in California where they are developing now about 450 megowatts which takes care of more than half the power that is used in the city of San Francisco and now, of course, we have now developments that I think are going to go forward very rapidly as far as solar energy is concerned. And this is in the field of the generation of electricity—not just utilized on the home—although I do think the home units can be utilized for supplemental heating and cooling and also for the water heating and be very successful.

Hurleigh. I'm sorry, gentlemen, but our time is up. Our thanks to Senator Paul J. Fannin, Republican of Arizona, and to our reporters, Mr. Lou Hiner of the Phoenix Gazette and Mr. Edgar A. Poe of the New Orleans Times-Picayune. We'll tell you about next week's guest in just one minute.

* * * * *

Hurleigh. Our guest on Reporters' Roundup next week will be Senator Gale McGee, Democrat of Wyoming, member of the Appropriations and Foreign Relations Committees and a United States Delegate to the United Nations. We will question Senator McGee on United States Foreign Policy. This is Robert F. Hurleigh.

MARY McGRORY—THE PRIZE FOR PERSISTENT EXCELLENCE

Mr. CHURCH. Mr. President, it is rare that a reporter can win a one-shot Pulitzer Prize for one story without possessing the gift for writing many such stories. Prize-winning excellence, recognized for a single story, is hardly ever an exception to the writer's general abilities. Nonetheless, the surest sign of success for a writer whose gifts are persistent is the Pulitzer Prize for a body of work.

Mary McGrory won the Pulitzer Prize earlier this month. And hers was the highest accolade because it was not for a single article, but for the breadth of her work. Any competent writer may be able to rise to one occasion. But the truest test of consistent, on-going accomplishment is to pound sense out of the language with a typewriter day in and day out. That is what Mary McGrory has long been doing. And it was for her daily victory over a complex language, not for one breakthrough, that the Pulitzer Committee awarded her the biggest bouquet in her profession.

Her faithful readers are not surprised. They have long been awarding her their rapt attention to skillfully crafted columns which infuse cold events with human warmth.

Mr. President, Mary McGrory's home newspaper, the Washington Star, recently turned the tables on its most ardent advocate of looking for the humanity behind the headline and gave us the story of Mary McGrory on the day of her triumph. It is a charming insight into an intriguing writer, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, May 6, 1975]

A Reporter at Her Primitive Best

(By Duncan Spencer)

Into the newsroom of The Star, a place as romantic as a parking garage, as evocative as a hospital waiting room, marches Miss Mary McGrory, quick step.

Mary is usually in tatters after a day on Capitol Hill. Her brow is furrowed with thought, her jaw working on a wad of gum, her hands shaking for a sit-down cigarette—her hands have been bothering her hair. But the step is quick and athletic, her legs carry her along a familiar route to a familiar corner.

Her steps have taken her past sleepy building guards, into a metal box of an elevator that stinks of sour roto ink, along a tiled corridor as lonely and nameless as an empty mine shaft, to the lighted, noisy, newsroom, the place of her daily struggle.

Everyone here knows Mary hates to write. The floor of her tiny cubicle is covered with evidences of the difficulty of these attempts. One of the National desk editors gives her a small graham cracker, each day—something to look forward to in the hour of need. She will come out, agitated and tense, asking for a cigarette. Nothing ever seems to diminish the number of false starts or the quivering of the hands, or the effort.

By these rigorous means, she produces a prodigy of copy; it's not easy for her, and it takes days that are seldom shorter than 12 hours. They call her a columnist, but this is not quite it: She's a reporter. She has never been known not to leg a story. She doesn't write tips, scoops, rumors: She writes what she sees, what she hears, sometimes what people tell her, she writes what is on their faces, what their clothes or their pace show—knowing with the sureness of good nerves what clues are given by the surface.

She has been asked why, for heaven's sake, she doesn't do it like the famous columnists—with staffs to research and make telephone calls, or why she doesn't get into the political prognostication business or the inside sources business, or any of the other realms of theater in the Washington journalistic world. The question is easy for her to answer, "I can't do it any other way," she says. "I have to see, I have to hear. I'm primitive, I guess. I don't want anyone else doing my listening and watching for me."

Also she has been asked why she has never married. In the town where many respect her, some fear her, and a few hate her with hysterical venom, she is alone with her work, her intoxication with words and faces, some gardening behind her park-edge Northwest Washington apartment, and charity work with a Catholic orphanage. "I never married," she says, "because the right man never asked." That is the end of the subject.

Mary McG., as she has come to sign herself, is a reporter and a writer. She doesn't do television. She doesn't do speeches: Occasionally, she will give a lecture in the newsroom to her colleagues. It is on the subject of quiet. It is a request for quiet. She will stamp out of her cubicle with a false smile on her face. "Say, gentlemen," she will say in the soft Boston alto voice. "Would you mind? Would you just mind holding this meeting somewhere else?"

This is something of the state-of-the-art of McGrory in 1975. It is the year in which Mary McG. bought her first car. The learning to drive was traumatic. The little nerves between the hand and the eye only function well on a Royal; on the wheel their skill is gone. "I belong in another century," she would explain after a half-hour parking job.

But '74 was the McGrory year, the year that her anathema, Richard Nixon, met his comeuppance, that the war ended, that she had been right and right and right so many times that it seemed almost annoying—because Miss McGrory does not hide her elation in a victory, her tears in defeat.

Besides the fact that she hates to write and that it's hard for her—a fact that never shows for an instant on the surface of the graceful, spare prose, the one fair copy that didn't end in the wastebasket—everyone also knows that she came from Boston, where she learned about words listening to the poetry of Irish conversation.

She would have been another brainy Radcliffe girl before World War II, but she didn't get a scholarship, and her family couldn't afford it; she went to college at Emmanuel, a small all-women's school. She became a secretary and didn't even get close to the keyboard of a typewriter as an author until she was made secretary to the book review editor of the Boston Herald-Traveler, an ironic fact because the paper, like The Star, was an afternoon paper that suffered reverses. She fought to become a book reviewer, and can't remember the first piece she saw published.

In six years, she wrote nothing but reviews and the now-famous dog pieces, which were, as she says, stories about dogs. At last, because of the good offices of a friendly Herald editor, she got a reviewer's job, at the age of 29, at the Evening Star. It was 1947. She was, she remembers, "delirious."

No one then, and no one now, pays any attention to the writers of Sunday book reviews. The formation of her style, so careful, word-conscious, so much more like story writing, with a beginning, middle and end, than the usual top-heavy news writing, was noticed only by a few.

One McGrory story that likes to be told is how Scotty Reston offered her a job at the New York Times with the understanding that she cover the switch board in the morning. She declined.

One day in 1954, Newbold Noyes, the blue-blooded and boyish former editor of The Star, came into the book review section of the newspaper's editorial office. These were the last days in the "old building" at the corner of 11th Street downtown. With him, he carried two cold bottles of root beer, for he was bound on a mission of some import, and like a proper emissary, was carrying a gift: He wanted to persuade her to cover the Army-McCarthy hearings.

Mary jumped at the chance, but promptly flopped: she wrote a story like a newspaper reporter. Noyes told her it was no good. That she shouldn't do it that way. He gave her advice that would only work once: "Write it like a letter to your favorite aunt," he is said to have said, though who knows, over the years, how whatever he did actually say has been polished and sharpened?

The story matters because of what followed: Mary took off with the hearings, writing news stories combined with pointed descriptions of conversations, attitudes, faces, bodies, dramas that made pictures and were her style.

The rest is better known—a steadily increasing readership, a regular column, syndication in some 50 papers and even that unknown thing: an office at The Star. The office is a gray fiberboard box with a window with a bullet hole in it (not political foes, it's thought, but a youthful B–B gun), two telephones, and a changing assortment of posters, anchored by an ugly and incomprehensible Italian traffic poster that says enigmatically "facilitate passing . . . if you wish to arrive."

Yesterday there were flowers on the black plastic window ledge, carefully placed there by Elizabeth Cleland, Miss McGrory's assistant (and ironically, a book reviewer herself).

The author was seated by the window, in her study, as it were. She was not talking to sources or drinking champagne. She was preparing the next day's copy. Already, the imperfect starts were drifting to the floor like autumn leaves. She was smoking Marlboros, and people were interrupting with congratulations about the grand, at-long-last Pulitzer Prize that had come to her. At least, she was not falsely diffident.

"I saw an article in a journalism magazine once," she said. "It was called 'Who Wants the Pulitzer Prize?' The answer is that I do. The answer is, did Beverly Sills want to sing at the Met? C'mon, who are you kidding?"

There were more flowers from Star publisher Joe Allbritton (they were yellow roses—from Texas, Allbritton said). He called it the "brightest day this year" for the paper, and Mary, who has boasted she never made a speech, thanked all those who had helped her, all the way from Allbritton ("without whom we might all be meeting at the Chicken Hut") to entrance door guard Clarence Harris ("who takes me to my car every night and more than anyone is responsible for my continued existence.").

Then she drank champagne. She had not even entered the Pulitzer competition this year, she said. Instead, her entry was made by a trio of colleagues, Elizabeth Cleland, 1974 Pulitzer winner James Polk, and Star National Editor John Cassady. "It was the scrapbook that won," Miss McG. said.

STATEMENT OF SENATOR CHARLES McC. MATHIAS. JR. ON BEHALF OF THEODORE COOPER, NOMINEE FOR ASSISTANT SECRETARY FOR HEALTH

Mr. MATHIAS. Mr. President, I was gratified that the Senate acted swiftly last Thursday, May 8, 1975, to confirm the nomination of Dr. Theodore Cooper as Assistant Secretary for Health in the Department of Health, Education, and Welfare. I was pleased to support Dr. Cooper's nomination by the President, and I believe the Nation will be well served by his appointment.

Mr. President, I ask unanimous consent that a statement I submitted to the Committee on Labor and Public Welfare in behalf of Dr. Cooper's nomination be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CHARLES McC. MATHIAS, JR. OF MARYLAND

Mr. Chairman and members of this Committee, I deeply regret that a prior engagement will not allow me the privilege of introducing to you a most distinguished Maryland resident, Dr. Theodore Cooper, who has the honor of being nominated by the President of the United States to be the Assistant Secretary for Health in the Department of Health, Education, and Welfare.

Since February of this year, Dr. Cooper has served with great distinction as the Acting Assistant Secretary for Health. Ted Cooper's career of service to the Nation as a Commissioned Officer in the U.S. Public Health Service, however, spans a period of nearly twenty years, during which time he has gained national reputation and respect, including several high honors for his demonstrated excellence as a surgeon, educator, scientist, and health administrator. The Nation is well served by his nomination.

As America stands on the brink of entering her next 100 years, many long delayed decisions on issues affecting the health status of all Americans must be made. Chief among the several questions to be decided is whether our government should enact a program of comprehensive health care for all United States citizens. But, in this context, the Congress will have to decide several key interlocking issues which range from the need to eliminate existing financial barriers to health care for everyone to the creation of better programs to prevent illness and injuries, to a comprehensive strategy for insuring that our manpower and other health resources are utilized more efficiently and with the greatest effectiveness.

To address these issues properly, both the Congress and the Chief Executive must be able to draw upon the knowledge and experience of our Nation's Chief Health Officer to guide us in our deliberations. We will require the services of a leader in the health field who is not only a skilled professional, but also one who is humane, compassionate, sensitive and responsive to the needs of all segments of this society, regardless of how well those needs are articulated. Based upon my own association with Ted Cooper as well as the high regard with which he is held by his colleagues in the medical profession, Ted Cooper should be at the helm as we embark on this critical voyage.

Mr. Chairman, I hope that this Committee, as it considers Ted Cooper's nomination, will reach the same conclusions as I have. I look forward to the opportunity to vote in support of Dr. Cooper's nomination when it is reported to the Senate.

OBITUARY FOR SOUTH VIETNAM

Mr. CLARK. Mr. President, the last few days have brought an outpouring of assessments, reappraisals, reminisces, and reflections on the American experience in Vietnam. It is remarkable how clearly we now see what most Americans failed for years to understand. Over the years, few have expressed themselves or told us so much about Vietnam as Peter R. Kann, the Asia correspondent of the Wall Street Journal. In 1972 Mr. Kann won the Pulitzer Prize for his reporting from Vietnam.

In the May 2 issue of the Journal, there appeared a perceptive and sensitive article in which Mr. Kann shares with us a personal frame of reference within which he assesses the Vietnamese. I ask unanimous consent that Mr. Kann's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 2, 1975]

OBITUARY FOR SOUTH VIETNAM

By Peter R. Kann

HONG KONG.—South Vietnam, or rather the South Vietnam that I have known for seven years, has passed away.

There probably are a great many Americans who breathed a sigh of relief when they heard the end had come. There undoubtedly are some Americans who wished, for whatever reason, that South Vietnam had expired much sooner. But surely there also are some Americans who mourn the passing. I am one of them.

For me the collapse of South Vietnam was like the death of an old acquaintance. Such as I often criticized South Vietnam I don't think it deserved to die.

South Vietnam's faults and failings always were much more visible than its strengths and I, like most reporters, tended to focus at least my professional attention on what South Vietnam was doing wrong. Few societies, and certainly few small and frail ones, ever have been subjected to the degree of sustained critical attention that Vietnam was. I and a thousand other reporters dissected its every aspect, analyzed its every mistake, exposed its every flaw. This is not to say South Vietnam would have fared better or survived longer had the spotlights been turned off, but conceivably there might be a few more sympathizers at the funeral.

In the end, of course, the severest critics and profoundest pessimists proved to be right. South Vietnam may have survived longer than some pessimists expected, but it did collapse—suddenly, chaotically, completely. And, I think, tragically.

South Vietnam was, to my mind, no better but no worse than a great many other societies around the world. In at least some ways it was not so very different from our own. Obviously South Vietnam's social structure, government and army ultimately were too weak to resist the Vietnamese Communists. Less obvious is the thought that South Vietnam did manage to resist for a great many years and not always with a great deal of American help. Few nations or societies that I can think of would have struggled so long.

THE COMMUNIST "CRUSADE"

It is true that South Vietnam lacked a unifying and motivating cause that could compete with the Communist crusade. Anti-communism never was compelling or even comprehensive to most South Vietnamese. Capitalism, as represented by Honda motorbikes and other imported goodies, was not a cause that captured hearts and minds. Nationalism was a contested cause and if only because the American presence had been so great in South Vietnam the Communists seemed to be the *true* nationalists. So South Vietnam was a country without a cause. But now stop to consider: What cause would motivate you or me to fight for 25 years?

It is true that South Vietnam lacked the kind of creative, dynamic leadership that conceivably might have coaxed more spirit and sacrifice from a war-weary nation. President Nguyen van Thieu was no charismatic statesman. He was an introverted and suspicious military man who proved surprisingly adept at playing palace politics but who never truly learned to lead. But was Mr. Thieu really any less of a leader than scores of other retired generals who rule semi-developed nations around the world? I think not. He was, by his own rights, a Vietnamese patriot. And, before being too hard on failed South Vietnamese leaders, perhaps one ought to stop to list the names of truly popular and successful statesmen anywhere in the non-Communist world today. My own list could be written on a Bandaid.

It is true that South Vietnam's politicians and people never seemed able to unite, that the society seemed divisive and sounded discordant. Saigon's chaotic traffic frequently was cited as symbolizing the society's lack of order and discipline. But what non-Communist society these days can claim any great degree of political unity or social cohesion? Do we, by our values, venerate order and discipline as social goals or moral virtues? Are the best societies really those in which the trains all run on time and the people all march in step?

It is true that South Vietnam never was really democratic. Its democratic institutions, imported from America along with bombs and bulgar wheat, where more show than substance. And yet, if only because the South Vietnamese government never was very efficient, South Vietnam, unlike North Vietnam, never qualified as a totalitarian state. There were political prisoners and torture chambers and other elements of sometimes harsh authoritarianism. But there also were some limitations on the power of the president, there was fairly widespread—and not always whispered—criticism of government policies, there was a surprising diversity of individual opinion and behavior. Might South Vietnam have fared better had it been more authoritarian, more rigid and ruthless? I doubt it. But I also doubt that it would have fared better had the legislature exercised more power or had press controls been relaxed.

THE CORRUPTION ISSUE

It is true that South Vietnam was corrupt. The corruption was more widespread and more serious than simply a few fat generals salting away millions in Swiss bank accounts. The whole system was in some sense corrupt. At the lowest level it was a simple matter of government clerks supplementing meager incomes with petty bribes. At a higher level it all too often was a case of jobs being sold to men who could pay rather than given to men who could perform. At the highest levels there were some cases of outright venality. But not all, perhaps not even most, South Vietnamese officers or administrators were corrupt. It is not excusing Vietnamese corruption to point out that it exists to roughly the same degree in almost every Southeast Asian country. Nor is it excusing Asian corruption to note that few Western societies are so pure that they can cast many stones.

It is true that South Vietnamese society was inegalitarian and elitist. Its rich were too rich and its poor too poor and the disparities were all too visible. Money and position bought privileges like draft deferments and, at the end, escape. Yet the disparities in Vietnam actually were less glaring than those in a score of other American-allied states from the Philippines to Brazil. The South Vietnamese peasant, when the war was not being fought in his particular paddy, was a prosperous small farmer by Asian standards. I am not minimizing the misery of the millions who passed through refugee camps when I note that there also were some millions of small farmers who owned their own land and made a fair living from their crops. The South Vietnamese peasant, in short, was not a downtrodden serf waiting for liberation from some slave master.

It also should be said, or confessed if you will, that there were many likeable people among the elite who ruled Vietnam. Almost every reporter who spent any time in the country befriended some government official, army officer, businessman, politican—some member of that elite. These people frequently were all too remote from their own countrymen and countryside. Many were too wealthy or too Western-oriented to have much rapport with peasants or soldiers. They were not the best sort of people according to some biblical, or Buddhist, value scale. But some of them were my friends and I will miss them.

It is true that the South Vietnamese army (ARVN) in the end proved to be no match for the North Vietnamese army. The end was an inglorious six weeks of retreats, routs, chaos and collapse. Still, the ARVN was not an army of bumblers and cowards. It was an army that stood and fought with great courage and competence on a few occasions you may remember, like the siege of An Loc. It stood and fought well at a score of places whose names we have forgotten. And it stood and fought well in a thousand little engagements and in a thousand little mudwalled outposts whose names no American ever knew.

It was an army of soldiers who deserved better leadership than they got. It was an army that for years watched the Americans try to combat the Communists with every wonder of modern weaponry and which then, all too suddenly, was left to face the Communists with American-style tactics but without American-style resources. It was a Vietnamese army that perhaps never should have been Americanized and thus never would have required Vietnamization. It was an army that for years was ordered to defend every inch of Vietnamese territory and which tried, with greater or lesser success, to do just that. When suddenly it was told to abandon cities and provinces it effectively abandoned the war.

It was not an army of officers and men who tended to charge impregnable enemy positions, or who would have been willing to live for years in holes in the ground with B-52 bombers pounding the earth around them, or who would have made the long and terrible trek down the Ho Chi Minh Trail, or who went into battle motivated by the thought that their almost certain deaths would serve some noble goal. The North Vietnamese army is that kind of army, but how many others, including our own, are fashioned in that mold? The South Vietnamese army was an army of simple soldiers who, without a cause, fought on for more than two decades. Several hundred thousand of these soldiers died. More than half a million were wounded. And, in the final weeks of the war, when every American in Saigon knew the war was lost, some of these soldiers continued to fight at places like Xuan Loc and thereby bought a bit of time for the Americans and their chosen Vietnamese to escape with their lives. It was a much better army than it appeared to be at the end.

It is true that South Vietnam got a great deal of help from America and became too reliant upon us. Soviet and Chinese troops never fought in Vietnam as American troops did. For much of a decade South Vietnam was, for most practical purposes, an American colony. The U.S. army took over the war and for a time promised to win it. The U.S. taxpayer financed Vietnam. Washington set Saigon's policies and the U.S. Embassy in Saigon largely fashioned Vietnam's politics. South Vietnam was not always a docile puppet and at times it failed to dance to American tunes. But over the years South Vietnam came to assume, indeed was led to assume, that America was its patron and protector. It was not an unreasonable assumption. Nor then was it entirely unreasonable for Vietnamese to sometimes shrug off responsibility for their own failings, to blame the U.S. for their problems, and, toward the end, when America lost heart for the war and lost interest in Vietnam, to be bitter at American and Americans.

THE VICTORS

In the end the stronger side won. The Vietnamese Communists had more strength and more stamina. They had a cause, a combination of communism and nationalism, and they pursued that cause with almost messianic motivation. They persisted against all obstacles and at times against all odds and they finally succeeded.

But the stronger side is not necessarily the better side. "Better" becomes a question of values and much as I may respect Communist strength and stamina I cannot accept that the Spartan Communist society of North Vietnam is *better* than the very imperfect South Vietnamese society that I knew.

This is an obituary for that South Vietnam. It cannot be an obituary for the country of Vietnam or even the people of Vietnam. Countries don't die. South Vietnam will continue to exist for some months or perhaps a few years with a new government, new policies, a new social system. Then it presumably will merge with North Vietnam and this enlarged Vietnam will dominate Indochina and will become a major force in Asia as a whole. It will be a nation of 40 million hardy and hardened people. It will be rich in natural resources. It will have one of the finest, maybe the finest, army in the world.

Perhaps the energies of 40 million Vietnamese will be devoted to reconstruction and economic progress. Perhaps they will be devoted to further political and military expansion. In either case Vietnam will merit, and probably command, world attention in years ahead. Some South Vietnamese enthusiastically will embrace a new system and new society. Some will have trouble adjusting but eventually will find a place in the new order. Some will be unable to accept the new order, or will be unacceptable to it. They will be discarded in one manner or another, but their children will be brought up to be part of the new society.

The new Vietnam will be powerful and successful and those are the qualities that seem to count among nations, as among men. History books tend to deal with the same themes and history thus is unlikely to look kindly on the South Vietnam that failed to survive. But this is not history. It's just an obituary for the South Vietnam that I knew.

FOURTEEN MILLION AMERICANS

Mr. HANSEN. Mr. President, the oil industry has been under attack by Congress and a good part of the eastern news media for all of the years I have been a Member of the Senate.

I have never understood just why the industry has been singled out as the "black hat" of the business community. Nor why the attacks continue at a time when this country needs more than ever a vigorous and sustained effort to find and produce the oil and gas this Nation must have to provide the jobs to end the recession and encourage economic growth.

Mr. President, kicking the oil industry around may be good politics but I wonder if those who become so carried away with the kicking realize just who they are kicking.

Frank Ikard, president of the American Petroleum Institute, in the current issue of Petroleum Today, has answered the question of "Who Owns Big Oil?"

I respectfully suggest to my colleagues that we all should consider the fact that the oil companies are owned, directly and indirectly, by 14 million Americans and I commend Frank Ikard's article to other Senators and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOURTEEN MILLION AMERICANS

(By Frank N. Ikard)

Fourteen million people. The Congress of the United States. Fair treatment. These are the three elements in the answer to the question, "Who Owns Big Oil?"

There is a tendency around Washington to talk about oil companies as if they were something other than thinking, breathing, flesh and blood people.

The term, "big oil," is often spoken or written in a vituperative way that implies that these organizations are somehow soulless leviathans—faceless conglomerations of pipes and tanks that operate in an unreasoning, robot-like way.

Naturally, the reasoning concludes, a soulless leviathan can be subject to punitive action without hurting any real people. In fact, the implication is that the more the oil industry gets hurt, the better it is for everybody else.

A close examination of the facts shows that the opposite is true. When oil companies are singled out for legislative punishment, real people get hurt. A lot of real people.

One of the groups of real people who feel the punishment is the owners—those Americans who directly or indirectly have part of their savings invested in oil companies.

The American Petroleum Institute sponsored some research recently to find out something about these people—who they are, how many there are, and where they live. Most of them—the people who own the oil companies—are people like most of us.

As a practical matter, we could not study all of the oil companies—there are hundreds of them. Instead, we looked at the six largest. And with the technical advice of the research department of the New York Stock Exchange we accumulated the data for our estimates.

Here is what we found:

When you eliminate all duplications, there are 2.3 million Americans who own shares directly in the six largest United States oil companies. They live in every state of the Union.

Nearly six out of every ten shares of the six oil companies are owned by the 2.3 million direct shareowners.

There is an even greater number of *indirect* owners. An indirect owner would be, to give one illustration, the holder of shares in a mutual fund which in turn holds shares in one or more of the six oil companies. Once again, when all duplication was eliminated, we counted 11.8 million of these indirect owners.

The indirect owners own about one-third of the shares of the six oil companies.

CHARACTERISTICS OF SHAREOWNERS OF 6 LARGEST OIL COMPANIES

	Retired households	Employed households
Percentage of total households (percent)	46	53
1- or 2-person households (percent)	95	61
Marital status of shareowners (percent):		
Married	66	75
Widowed	24	6
Median age of shareowners (years)	70.6	52.2
Median years of education (years)	14.5	16.7
Median time common stock owned (years)	32.6	17.0
Estimated value of all common stock holdings of household members (median)	$25,000	$18.370
Median household income	$14.100	$19.600

Together the direct and the indirect owners total over 14 million people—about six and one-half percent of the entire population of the United States. Only two states, California and New York, have population greater than this group of Americans. Again, this is with all duplication eliminated.

Together these 14 million Americans own nine-tenths of the shares of these six companies.

Undoubtedly, millions of other Americans own stock in the hundreds of other oil companies, large and small.

Three other important types of owners emerged in our study. First, there are 91 colleges and universities that own shares in these six companies—more than eight million shares. Second, nearly 200 mutual insurance companies hold close to 16 million shares. Third, we estimate that about 1,000 of the 5,500 charitable and educational foundations of the United States are shareowners in these six companies.

We next took a close look at the direct shareowners. What kind of people are these 2.3 million citizens?

We found they are divided into two general categories—those who are retired and those who are employed or whose spouses are employed. More than half of all shareowners in the six companies are women.

Let's look at the retired group first. They make up about 46 percent of the total. The key facts about these retired shareowners are that they are quite mature—their average age is over 70 years—better educated than the average of the U.S. population, have moderate incomes, and have been saving for a long time in investing part of their savings in common stock.

The employed group—53 percent of the total—is, of course, a little younger, but definitely a mature group of people. Their average age is 52. To put that in perspective, the average age today of our general population in the United States is 28 years.

Educational level is high—a college degree plus some graduate work on the average. Most are white collar workers—professionals, managers, officials, and proprietors. Their family income is above average, but they are far from well-to-do. They, too, have been saving for quite a number of years and investing part of their savings in common stocks.

There are other data from our study, but these key facts make "big oil" much more personal when we look at things in terms of its owners, the typical shareholders.

The direct shareowners, both retired and still employed, show up in our study as people who did all the things that Americans of their generation were supposed to do. They studied in school, qualified for good jobs, worked hard, and saved their money.

We should not lose sight of what has been happening to these shareowners recently. The political process of the last year or so has already affected them. The last Congress, for example, considered well over 1,000 bills that related to energy and the oil industry. I don't know what the number will be in this Congress, but it will be large.

There has been a drumfire of allegations about oil companies for months. We have looked thoroughly into every allegation, and studied every supposed fact or event.

I don't want to suggest that every person who does a management job in the oil industry is perfect, or that under the stressful times since the Fall of 1973 there haven't been mistakes. But I can tell you that virtually all of the criticism that has emanated from Washington has been unjustified or simply wrong on the facts.

But wrong as it has been, the reckless criticism of oil companies has already eroded away part of the market value of the shares of the large oil companies.

Oil companies have been blamed for everything under the sun. Many of the accusations have included threats of some kind of legislative or administrative thrashing. Naturally this has affected investors who either have oil company shares and wonder whether to hold them, or who are considering the purchase of oil company shares.

This applies not only to the 2.3 million direct shareowners but all 14 million direct *and* indirect owners dealt with in our study. And it applies equally well to the millions of owners of the hundreds of other companies in the industry.

Legislating away the ability of a business organization to earn a fair return for its owners strips the owners of their property.

And if it can happen to oil companies, the same thing can happen to any other company in any other industry.

I don't believe that oil companies, or any business enterprise, should be immune from legislation. The economic sector of American life is subject to the will of the people. But I do believe that serious legislators and the Executive Branch of our government should question closely those who propose punitive action.

They should demand answers to the questions: What is really in the public interest? And, who will be hurt—unfairly—in the long run?

Just asking such questions will, I believe, dispose of many proposals. Others will die when the answers show them to be simply confiscation of the assets of millions of Americans.

One of the nation's primary goals is to make the country less dependent on foreign sources of oil. Such a goal involves the nation's economic health. It involves the nation's security. These are critical matters touching on our country's survival.

Reaching the goal will depend not simply on what plans the energy industries make, or what programs the government sets forth, but on the active cooperation of all groups and elements of our society. Reaching the goal will depend on all Americans, everywhere, pulling together in a single cause.

Our national mood today seems to be: "Let's get on with the energy job." And, in doing so, we must treat fairly with all concerned—taxpayers, customers, and shareowners alike.

MOST MIDDLE-INCOME FAMILIES PRICED OUT OF HOUSING MARKET

Mr. HUMPHREY. Mr. President, on Monday, April 28, the Joint Economic Committee released a study of the availability of new and existing housing for middle and lower income families. The study revealed the distressing fact that the high cost of housing has completely outstripped the ability of the average American family to purchase housing. It showed that the percentage of American families that can afford the median-priced new home had dropped 30 percent from 1973 to 1974. Similarly, the percentage of American families that can afford the median-priced existing home has declined by 33 percent in the same period. In effect, most middle-income families are being priced out of the housing markets.

The severity of this problem was pointed out in a recent editorial in the New York Times. The editorial, entitled "Shrunken Dream," refers to the Joint Economic Committee study and points out the disturbing fact that many families can no longer afford adequate housing and consequently "an appallingly large number of Americans are now housing-deprived." It suggests that national housing policy has not directly addressed this issue satisfactorily and that there is a great need for innovative and creative legislative reforms to make adequate housing available to a much larger number of American families. I commend the Times for its most insightful comments.

Mr. President, I ask unanimous consent that the New York Times editorial, "Shrunken Dream," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[Editorial From the New York Times]

SHRUNKEN DREAM

The cost of the American dream—that rose-covered cottage or split-level ranch in suburbia—is now up to $41,300 (new) or $35,600 (used) and is unavailable to anyone with an income of less than $23,300. Since the average family's income is half of that, the average family is just out of luck.

For the more affluent family, what used to be the $35,000 "luxury" model is a routine $60,000 to $70,000. With inflation and today's high construction costs and interest rates, five out of six American families cannot afford the American dream at all.

These depressing figures come from a recent Congressional Joint Economic Committee report. The shocking message behind the figures is that the high cost of housing has finally outstripped most people's ability to pay for it. Even the currently increased availability of mortgage money has done little to stimulate sales. And the new tax law that will give 5 per cent of the purchase price of a new house as a tax reduction to move current unsold stock is no permanent solution.

The answer from builders is apparently to be a reduced, stripped-down product; a shrunken dream that will cost as much as the previous standard model. A better answer—finding ways to increase the attractiveness and livability of smaller, less costly houses on smaller lots— is often made difficult or impossible by the rigidity of existing HUD regulations and local codes.

These restrictions do not apply to mobile homes, which account for almost 28 per cent of all new housing because they are the only realistically priced dwelling units. The construction industry, which could offer far greater amenities than mobile homes with far less environmental damage, cannot even begin to compete under present rules.

The inevitable conclusion is that an appallingly large number of Americans are now housing-deprived; and virtually nothing is being done about it. Nor is anyone facing the prospect of a considerable lowering of the American standard of living and environment.

The solution is not temporary tax gimmicks for overpriced houses, but innovative design and legislative reforms. Thus far, both industry and government have failed either to define or deal with the real dimensions of the problem.

SPEECH BY GEORGE S. ECCLES, CHAIRMAN OF THE BOARD OF INTERMOUNTAIN BANK HOLDING CO.

Mr. GARN. Mr. President, discussions about the economy continue to rage, with statistics and figures being thrown about with abandon, as economic indicators fluctuate uncertainly. In this dispute, we ought, I think, give serious consideration to the analysis and advice of the practical men, to those involved in the day-to-day economic life of the country. Economic theorists are fine, but their record is not the best right now. Perhaps they can tell us what happened, and shed some light on why it happened, but it would be a hardy soul indeed who would lean heavily on the predictions of professional theoretical economists right now, after their dismal record of the last few years.

Among practical men, Mr. President, I would like to recommend to my colleagues Mr. George S. Eccles, recently appointed chairman of the board of Intermountain Bank Holding Co., the parent company of First Security Bank Corp. of Salt Lake City, Utah. In a recent speech, Mr. Eccles pointed out a number of important things we will need to keep in mind as the economy begins to recover in the next few months. The first is that "it is important to remember that the economic announcements over the next few months—most of which will be bad—refer to the past, 3 to 6 months ago." This is a valuable insight, and one that this Congress, with its tendency to concentrate on yesterday's crisis, ought to keep in mind.

Another point is the probable practical effect of the energy legislation. Mr. Eccles is aware of the adverse impact of repeal of the oil depletion allowance on oil and gas exploration. This is a point that was made repeatedly here on the floor of the Senate, but which was largely ignored.

Mr. Eccles then examines the balance of the tax rebate legislation, and finds that it will not have the stimulative impact it should have, because of direction of the rebates. Here Mr. Eccles has put his finger on a most important point, the growth of public sector spending at the expense of the private spending. He says:

> Increasing the magnitude of government-transfer payments to the nonproductive elements of the economy does not provide a solid basis for an economic recovery.

In speaking of "nonproductive" elements here, Mr. Eccles is speaking in economic terms, and not moral ones. The fact is, as he says later on:

> The new legislation is generally a continuation of the governmental policies which have promoted consumption and federal spending at the expense of saving and investment.

This is the crucial point, Mr. President, because the fact is that our present troubles are the result of a sharp decline over the last few years of levels of savings and investment. The relatively low level of reinvestment of our domestic output is, as much as anything else, responsible for the inflation of recent years, as our output has failed to keep pace with the demands of our society for consumable goods. We used inflation in an attempt to encourage more production; unfortunately, inflation merely encourages the production of fluff, or more consumables, and not the solid investment in capital goods that is needed.

Government spending policies have been in the forefront in encouraging this consumption. As Daniel Bell has pointed out recently in an extremely important article in the Public Interest, virtually all Government spending is for consumption. When the Government spends in deficit, particularly when the deficits are of the magnitude we must now contemplate, there is no way that a bidding up of prices can be avoided.

Mr. Eccles' conclusions should be examined by every Senator in the Congress, and his words memorized:

> Every spending program contained in the 1975 budget has a substantial increase listed in the 1976 budget. We have clearly pushed government spending beyond the willingness and desirability of society to pay for the programs that are being provided and contemplated. These existing and strongly supported programs already exhaust the national product over the next many years.

Mr. President, I ask unanimous consent that Mr. Eccles' speech be printed in full in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

SPEECH BY GEORGE S. ECCLES

INTRODUCTION

(Following is the text of remarks by George S. Eccles, President and Chief Executive officer, First Security Corporation, Salt Lake City, Utah. The speech was delivered before three audiences, the Rotary Club of Ogden, Utah on April 16, 1975, the Boise Chapter, National Association of Accountants on April 17, 1975, and the Consumer Credit Conference, Utah Bankers Association, Salt Lake City, on April 23, 1975.)

(This printed text has been prepared at the request of a number of persons present when the speeches were made. No acknowledgement is necessary.—Public Relations Department, First Security Corporation.)

In a published speech presented on August 15, 1973—some 20 months ago—I made the following statement:

"It doesn't look as though Phase IV will be successful in holding prices down. The only thing that can correct the upward spiral is reduction in consumer buying power, and a decrease in the rate of expansion in the money supply.

"Taxes could do it—and so could a fiscal policy that reduced government spending resulting in a balanced federal budget and continued increase in the cost of money to a point where it would discourage credit expansion.

"The question is: can we slow down the boom to a more sustainable and less inflationary pace without at the same time pushing the economy into a recession?

"There is a risk that we cannot—because the business cycle history of the past generation suggests that it is difficult for the United States economy to make the transition from inflationary boom to noninflationary growth without an intervening recession. This proves that history repeats itself."

The question which I posed at that time, now has a definite answer. Once more, the transition from an inflationary boom to a condition of non-inflationary growth without an intervening recession has failed to materialize.

THE RECESSION

For nearly two centuries, from Thomas Malthus to Alan Greenspan, economics has been known as "The Dismal Science". Over the past year, with almost daily frequency, newspaper articles and television commentators have described the spiraling inflation, the energy crisis, and the recessionary cutbacks in employment, production and real business activity in such vivid terms that the economic outlook, to many people, appears dismal indeed. The constant parade of economic statistics continues to emphasize that the economy is still in the throes of a broadly-defused decline. The objective of this presentation is to assess the national economic outlook and attempt to suggest some future economic patterns which now appear most likely.

At the very outset, it is important to realize that the U.S. economy is still in a serious recession, the deepest and longest recession in the post-war period. Real Gross National Product, which measures the final value of all goods and services sold after the impact of inflation is removed, has now declined five consecutive quarters and is almost seven percent below the peak reached at the end of 1973. Over the past ten months, the rate of industrial production has slumped 12.3 percent and the rate of unemployment now stands at 8.7 percent. These are clearly recessionary numbers—make no mistake about that. Even so, it is possible to detect in the midst of all this darkness the first positive signs of the preconditions necessary for a reinvigorated economy later this year.

A GLIMPSE OF RECOVERY

The following specific trends indicating that the downward recessionary slide is slowing have appeared in the first quarter and further, more definite evidence is anticipated during this quarter.

(1) The index of leading economic indicators, a series developed to foreshadow future economic trends, rose in February for the first time in seven months. A one-month increase certainly does not form the basis for projecting a long-run trend, but on the other hand, all such trends must start one month at a time.

(2) Inventory liquidation has proceeded at a rapid pace during the first quarter. This is certainly a positive development as excessive stocks have been a major factor in prompting production cutbacks.

(3) New orders for durable goods advanced two percent in February ending a 27-percent plunge in orders from September through January.

(4) Double-digit inflation, which has been a major cause of consumer anxiety and apprehension, has—temporarily at least—been routed. Wholesale prices have declined during the last four consecutive months and inflation as measured by the consumer price index is less than half the peak annual rate of last year. Decelerated inflation will help to end the erosion of workers' real buying power that has occurred over the better part of the past two years. It also has an important psychological dividend in bolstering consumer confidence.

The combination of these and other trends as well as stimulative monetary and fiscal policies suggests that the recession will end and positive real growth will appear in the second half of the year.

Because the recession, which will undoubtedly extend through the second quarter, has been so long and so deep, the development of a V-shaped recovery rather than the U-shape is becoming a real possibility. By that I mean a much faster recovery when the bottom is reached. Production and employment have been curtailed so sharply that an abundance of idle capital and labor will provide the makings for an extra-large surge in real private spending, especially if the current inventory shakeout goes too far—as is most likely.

It must be stressed, however, that when the recovery begins, business conditions won't turn immediately easy. Many segments of the economy can be expected to decline throughout this year and probably into 1976. The feel of recession will probably become worse as we move toward recovery. In this context, the relationship between the economic forecasters and the businessmen is a little bit like the relationship between a surgeon and his patient. The surgeon is all smiles the morning after the big operation because he knows that the worst is over and that full recovery is only a matter of time. But the patient is apt to be feeling worse immediately after the operation than he did before. Economists will be relieved once the recovery is clearly under way because they will be reasonably sure that things are going to get better. But many workers and businessmen may find current conditions at their very worst, even as the economists begin smiling. It is important to remember that the economic announcements over the next few months—most of which will be bad—refer to the past, three to six months ago.

In analyzing the economic outlook and in specifically arriving at a projection of recovery in the second half of this year, particular attention must be paid to monetary and fiscal policies and foreign economic developments. These are the major discertionary elements which will affect future economic growth and to some degree determine movements in other specific sectors of the economy. I would briefly like to consider the current orientation of government economic policies and their expected impact on employment, consumer spending and inflation.

FISCAL POLICY

The major anti-recessionary initiative in fiscal policy was the passage of the $22.8 billion tax cut. The primary aspects of the legislation for individuals was a 10-percent rebate on 1974 taxes costing $8.1 billion. Most individuals will get at least $100 but nobody will get more than $200. It also includes reductions in 1975 taxes totaling $7.8 billion, including a $30-tax credit for every taxpayer and dependent, and an increase in the minimum standard deduction. This doesn't sound like much but when it is all added together it means $16 billion for individuals.

With regard to businesses, the tax bill increased the investment tax credit for two years to 10 percent from 7 percent for most businesses and 4 percent for utilities. The tax rate on the first $50,000 of corporate earnings was reduced costing the government an estimated $1.4 billion. Also included in the tax legislation was a repeal of the oil depletion allowance which allowed petroleum producers to deduct from taxable income 22 percent of their gross income from oil and gas properties up to half of their net income. Major companies would lose the write-off immediately while the depletion allowance would gradually be phased down for smaller companies. You can see how this could curtail oil and gas exploration.

Certainly the intent and basic philosophy behind the tax cut was to stimulate spending and improve confidence and expectations. This goal will undoubtedly be achieved—at least to some extent and is an important factor in the expected second-half recovery. The desire to stimulate a sagging economy, however, was combined with what might generally be termed a new welfare program, and because of the composition of the legislature, the overall stimulative impact will be much less than otherwise might have been the case. Increasing the magnitude of government-transfer payments to the nonproductive segment of the economy does not provide a solid basis for an economic recovery.

Probably the biggest tax break to business was the increase in the investment tax credit. The majority of this tax reduction, however, applies only to investment in new machinery. The stimulative impact of such a proposal is rather difficult to visualize as many industries currently have significant amounts of unused capacity. There was no incentive provided in the tax bill to encourage industry to activate the tremendous inventory of existing plant and equipment, now idle.

A much more effective and directly stimulative approach would have been a significant reduction in the corporate profit tax. The new legislation is generally a continuation of the governmental policies which have promoted consumption and federal spending at the expense of savings and investment.

In reality there has been a serious deterioration in corporate profits since the mid-1960's. Many people believe that most corporations are raking in money by the barrelful, and indeed, reported profits in the past year or two have been much higher than 10 years ago. But to a large extent, those high profits are an optical illusion created by the interplay of outmoded accounting practices and inflation represented by inventory profits and unrealistic depreciation charges. Depreciation of old plants won't supply the funds to replace them at today's costs. When those effects are removed, the figures show that aggregate after-tax profits have dropped by 50 percent since 1965. Since profits are an important source of investment funds and also enable companies to attract even more money, it is clear that American business too often lacks the funds to invest in new plants and equipment and thus to create new jobs.

Perhaps the most significant impact of the tax cut and the new spending programs now being proposed is the federal deficit estimated to reach $45 billion for the fiscal year ending June 30, 1975 and $80 billion for the fiscal year ending June of 1976. The total federal deficit would thus reach $125 billion for two years. It must be stressed that federal deficits, in and of themselves, do not inherently represent some evil and depraved practice. In fact, given the current economic conditions which prevail at this time, a deficit is proper policy, but should not be a continuous program.

In a recent congressional testimony, Herbert Stein, former Chairman of the Council of Economic Advisors, states, "Over the past 40 years, there were only three serious efforts to bring the federal budget into balance when the economy was significantly below full employment. One was President Hoover's effort in 1931–32, which was followed by disastrous economic and political developments. A second was President Roosevelt's in 1936–37, followed soon thereafter by one of the sharpest recessions in American history. The third was President Eisenhower's in 1959–60, followed by the recession of 1960 and the election of John F. Kennedy." Mr. Stein also added that he didn't think any government will ever again try to balance the budget when the economy is well below full employment.

In 1954, the national debt was $270.8 billion. That total represented nearly four times the revenue the federal government collected that year and almost 75 percent of the nation's total output of goods and services.

By July 1976, the national debt could reach $650 billion. At this level it will only be a little more than double the revenue the federal government will be collecting and only about 40 percent of the Gross National Product compared with 75 percent in 1954. In other words, the national debt has shrunk significantly over the past two decades as a percentage of the nation's total annual income.

The momentous growth in federal expenditures and federal deficits over the past decade has been truly startling. It took 186 years for the federal budget to reach $100 billion, a line it crossed in 1962, but then only nine more years to reach $200 billion and only four more years to break the $300 billion barrier. Revenues have not kept up with expenditures, so that when the books on fiscal year 1975 are closed, we will have had budget deficits in fourteen of the last fifteen years, and an accumulated deficit for the last five years of $150 billion.

A large part of the projected deficit for fiscal 1975 and 1976 is attributable to the fall-off in federal revenues associated with recessionary economic conditions and thus are essentially unavoidable. The military budget alone calls for nearly ⅓ of the total budget. From 1945 through 1972 the military expenditures exceeded $1.7 trillion. This is greater than combined plant and expenditures in the U.S. during the same years.

The costs associated with financing a large federal deficit, particularly in the nation's capital market do, however, create an area of concern. To finance deficits of this size will require the Treasury to sell a lot of new securities. If the securities are sold to private individuals and corporations, the net effect will not enlarge total spending but will simply substitute government spending for private spending. To bid funds away from the private sector of the economy would result in a higher interest rate structure. It is, however, very desirable in promoting national economic recovery to have interest rates fall too, and remain at a relatively low structure. We have now entered the domain of the Federal Reserve and monetary policy.

MONETARY POLICY

The most significant aspect of monetary policy is a recognition of the lags which exist between changes in the money supply and the resulting impact on the economy. It always takes several months. Monetary policy is now stimulative, but this stimulation effect will be felt primarily during the fourth quarter and will be a major factor in the economic recovery by the year end.

From the latter part of 1974, to March of this year, short-term interest rates had fallen sharply. Treasury bill rates declined from 9.85 percent to 5.25 percent. The interest rate on federal funds, which are overnight loans among banks, declined from more than 13 percent to 5 percent. The national prime rate has fallen from 12¼ to 7¼ percent while the commercial paper rate dropped from 12 to 6 percent. Conventional mortgage rates dropped from 10.75 to 8.75 and the interest rate on automobile inventories has been reduced nearly 4 percentage points. The major factors in this sharp decline was a significant easing in the demand for funds and the sharp drop in business activity. During the first two months of this year, the rate of increase in the money supply, which is a prime indicator of monetary policy, was very slow. Corporate debt was reduced drastically. Until government deficit spending boomed it wasn't possible to increase the money supply. Apparently the Federal Reserve desired to moderate the downward movement in interest rates in order to ward off any undue weakness of the dollar in international money markets. Falling U.S. interest rates make dollar-denominated investments less attractive when viewed on an international basis. When our rates are much lower than the international rates we see an outflowing of dollars to be converted into other currencies resulting in a pressure on the dollar with resulting depreciation in relation to other currencies.

From mid-March to mid-April, however, the downward movement in short-term interest rates stopped and in recent weeks an upward trend has developed. Treasury bills have increased ½ percentage point while rates on commercial paper and certificates of deposit have risen ¼ to ½ percent. Long-term bond rates after some improvement have also increased. This development reflects the huge amount of treasury as well as corporate financing now underway. Requirements are tremendous.

As is becoming readily apparent, there isn't enough private capital to meet these financing needs without driving up interest rates. To alleviate this situation, the Federal Reserve will be forced to buy large amounts of government securities, thus creating new reserves in the banking system and increasing the money supply. This is monetizing the debt. If the Federal Reserve finances only 20 percent of the projected deficit, the balance financed by private capital and the OPEC countries, the money supply would increase at a rate of 10–15 percent against a 2 percent increase we have had.

This pattern appeared in March as growth in the nation's money supply spurted at a rapid rate in conjunction with rising interest rates. There is little question that above-normal growth in the money supply—a rate of 8–10 percent—is desirable until the economic recovery is well under way. The concern is, however, that if the monetary growth rate is too rapid and too extensive, the groundwork for a new inflationary spiral by the end of 1976 will be created. That is exactly what happened in 1971–72 and brought on the terrific inflation of 1973–74.

Short-term interest rates which have not already bottomed will probably reach their lows within the next month or two. A rather stable pattern is expected during the second and third quarters, and by the end of the year short rates will probably be up at least 100 basis points from current levels.

Long-term bond rates are expected to vary between 8¾–9½ percent with the equilibrium level in the range of 9–9¼ percent for the high grade bonds. Mortgage rates have certainly leveled out and until the inflow of savings should not start upward again in the immediate future.

UNEMPLOYMENT

The national rate of unemployment continued to surge in March, reaching 8.7 percent of the labor force. Translated, this means that there are now nearly 8 million unemployed persons and 3 million of the jobless total have lost their jobs since September. This, however, is only part of the story. Excluded from the labor force and thus not counted in unemployment statistics are those discouraged workers who have ceased to search for employment. If the more than one million of these so-called "discouraged" workers were included in the unemployment totals, the March rate of unemployment would be 9.9 percent—distressingly close to a double-digit rate. March unemployment among the major industrial segments of our economy hit 11.4 percent in manufacturing, 18.1 percent in construction and 12 percent in agriculture.

Over a 17-month period from October 1973 to March 1975 the unemployment rate increased from 4.6 percent to 8.7 percent—an increase of more than 4 percentage points. The average unemployment rate in 1929 was 3.2 percent increasing to 8.7 percent in 1930. This, however, is where the parallelism of the two situations hopefully ends. By the end of 1933, the unemployment rate exceeded 25 percent; by the end of 1975, the rate of unemployment is expected to be below the peak reached this summer.

What is that peak rate going to be? Allowing for the traditional influx of young people 16–21 years old into the labor force in June, the unemployment rate will surely exceed 9 percent but is expected to remain below 10 percent. It is unpleasant but nevertheless important to realize that the unemployment rate retreats very slowly from peak recession levels even after the economy has begun to recover. There have been six economic recoveries since World War II, and in five the jobless rate climbed or persisted at the worst recession levels for at least several months after the pace of business activity generally turned around. It now appears likely that the unemployment rate will not fall below 8 percent until well into 1976. One reason unemployment rates remain high for a frustratingly long time is the tendency of employers, shaken by recession-pinched profits, to keep cutting costs long after business begins to improve. Another factor is the ease with which many concerns (with underutilized facilities) are able to step up production—at least for a while—by simply making fuller use of their facilities as well as some increase in productivity. Productivity growth has lagged in the United States, the annual growth in productivity during the 1960's and early 1970's averaged more than 10 percent in Japan, almost six percent in Germany and France, but only 3.3 percent in the United States at the end of 1974. Output per man hour in the United States private economy was 3.7 percent below a year earlier, while compensation per man hour was 9.8 percent higher. This is an important factor effecting increased costs of production. Productivity growth is the essential factor that determines how much of an increase in living standards the American people can achieve over a period of time.

CONSUMER SPENDING

Judging from the recovery pattern experienced in past post-war recessions, consumer spending for durables, and in particular for houses and automobiles, was a major factor in stimulating recovery. In this current recession, the rate of new housing starts has fallen more than 60 percent from early 1973 levels, while automobile production and sales declined nearly 25 percent last year and have continued at low levels during the first quarter of 1975.

While it is true that indexes measuring consumer confidence rose modestly in the first quarter from the depths recorded during the fourth quarter of 1974, the overall level of confidence remains very low.

A recent University of Michigan survey showed considerable improvement over December. In attempting to visualize the contribution of the housing and automobile industries in the business upturn anticipated for the second half of 1975 relative of past recoveries, there are, however, several differences.

First, because of inflation over the past two years, the price of the average home is now 25 percent above 1973 while the price of most new automobiles has increased $700–$800 over this two-year period.

Second, both of these important industries are either directly or indirectly related to the energy problem which introduces a further element of uncertainty not present in earlier recoveries, due to the 300 percent increase in fuel costs.

Third, the current housing inventory is estimated at 400,000 unsold single-family homes and 250,000 to 300,000 condominiums nationally, which represents a several month supply at current sales rates.

Because of these factors, the rapid inflow of deposits into mortgage-granting financial institutions and the past easing in mortgage interest rates will not immediately generate new housing volume. However, the annual rate is expected to reach 1.4 million, an increase of 40 percent from current levels. This means, however, that the annual average for the entire year will be at the lowest level since 1966. Automobile sales are expected to remain relatively low at least until the 1976 models are introduced. March and April figures are very unsatisfactory.

INFLATION

If one can point to a silver lining in the current recession, it has to be in the slowdown of inflation. To properly understand recent economic developments, it is essential to recognize that the rampant inflation of the past two years was, in fact, a major cause of the present recession. These are not two problems. They are two elements of the same problem. A rapid recovery and a sustained growth in real output over the next two years fundamentally requires that inflation continues to decelerate and remain under control. The fiscal and monetary policies being used to bring us out of the present dilemma will lay the groundwork for the another inflationary boom in 1977 if not handled properly. will lay the groundwork for another inflation was low and steady, averaging 1.2 percent a year. Then, for the next three years, as we stepped up our efforts in Vietnam and also sharply accelerated the drive toward a "Great Society," the rate of inflation doubled to 2.5 percent a year. Then it doubled again to over 5 percent a year from 1968 through 1970. Wage and price controls helped to keep it below 5 percent in the next two years, but as history amply demonstrates, controls never end inflation—they only postpone it. In 1973, prices shot up over 6 percent and last year they skyrocketed by over 12 percent.

Currently, inflation at the consumer level has slowed to about 7 percent, while the wholesale price index has declined consistently in recent months. By the end of the year, the monthly rate of inflation could be below 5 percent at annual rates. During the first part of 1976, price increases will also be relatively small, but by the end of 1976—depending upon monetary growth rates in the second half of 1975—inflation may again accelerate.

CONCLUSION

As we reflect upon the current uncertain economy and attempt to ascertain future patterns, the inescapable conclusion which emerges is that unwise and politically-motivated economic policy over the past decade must be singled out as a major cause of the problem. The federal budget reached $100 billion in 1962. By 1974, federal expenditures had mushroomed to $268 billion. Expected expenditures in 1976 will reach $370 billion—an increase of more than $100 billion in just two years. Every spending program contained in the 1975 budget has a substantial increase listed in the 1976 budget. We have clearly pushed government spending beyond the willingness and desirability of society to pay for the programs that are being provided and contemplated. These existing and strongly supported programs already exhaust the national product over the next many years.

If there is a single immutable law of economics it is that we cannot consume more than we produce. A continuation of past policies will make the federal deficits of $45 billion and $80 billion in fiscal year 1975 and 1976 the norm rather than mountain peaks in a desert.

There is little question now that economic recovery will begin the second half of this year and strengthen in 1976. The big question which does remain, however, is whether this recovery will only lay the groundwork for more inflation and a deeper recession next time around.

Perhaps we need to recognize today that the issue which confronts us is whether a free society can survive when its people are faced with the necessity of disciplining themselves.

We must remember the United States is the greatest industrial power in the world and it has given tens of millions of Americans the highest standard of living of any people in history. The average worker can earn the necessities of life in less time than it takes any other worker in the world.

We are coming within range of creating something new in this country, something new in all centuries of the history of man—a nation in which every citizen will have at least the minimum income to have a good standard of living.

Remember America is great because we have freedom and equality because individual men and woman have been given the incentive to create, to produce, and to save—because individual men and women have been rewarded for their labors with a generous share of the goods they helped produce. This certainly is not true in the communistic countries or those under military dictatorship.

We are a nation in which an economic system rests upon private enterprise and political liberty has given tens of millions of citizens the comforts, conveniences and cultural advantages that once were the privilege of the few . . . and yet whose people today seem unwilling to accept economic discipline.

I should like to close with a quote from President Gerald Ford. "Nations which cannot impose upon themselves a discipline management of fiscal and monetary affairs are doomed to economic disorder and widespread inflation."

We must be willing to learn from the mistakes of the past to insure continued progress in the future.

FINANCIAL STATEMENT/TAX RETURN SUMMARY FOR 1974 OF SENATOR AND MRS. CLARK

Mr. CLARK. Mr. President, on May 30 of last year, I placed a summary of my 1973 Federal and Iowa income tax returns and a summary of my family's net worth, as of January 1, 1974, in the CONGRESSIONAL RECORD. The need for complete openness in Government is as great now as it was then. And I ask unanimous consent to print in the RECORD similar tax and net worth information for 1974 along with a listing of speech and articles honoraria that I have received.

I ask unanimous consent to have printed in the RECORD a copy of a letter to the Secretary of the Senate asking that al of this information be kept on file and available to the public on request.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 12, 1975.

Hon. FRANCIS VALEO,
Secretary of the Senate,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed is a complete financial statement for myself and my wife. It deatils our family's assets and liabilities as of January 1, 1975, and it includes a summary—as well as a complete story—of our 1974 federal and Iowa income tax returns and a summary of my income from speeches and articles.

I intend to submit a similar report to your office each year that I am a member of the U.S. Senate. Please make it available to the public on request. Thank you.

Sincerely,

DICK CLARK,
U.S. Senate.

SENATOR AND MRS. DICK CLARK STATEMENT OF ESTIMATED FINANCIAL WORTH—JAN. 1, 1975

	Jan. 1, 1975	Jan. 1, 1974
Assets:		
Savings deposits and cash on hand	$850.00	$600.00
Senate retirement fund equity	6,800.00	3,401.00
Stocks and mutual fund shares:		
Exxon Corp. (5 shares at 67¼)	336.25	472.50
Champion spark plugs (14 shares at 9⅛)	136.50	231.00
Iowa Southern Utilities (12 shares at 19¾)	231.00	254.40
National Investors Mutual Fund (995.951 shares at 4.65)	4,491.67	10,033.00
Personal belongings (2 cars, furniture, clothing and other personal effects)	14,500.00	12,330.00
Residence (current assessed value)	95,000.00	92,430.00
Total	122,345.42	119,751.90
Liabilities:		
Mortgage on residence, National Permanent Savings and Loan Assn., Washington, D.C	71,140.00	71,900.00
Loan, 1st National Bank, Marion, Iowa	3,800.00	4,000.00
Total	74,940.00	75,900.00
Net worth	47,405.42	43,851.90

Note: Jan. 1, 1973 net worth was $44,126.39.

SENATOR AND MRS. DICK CLARK SUMMARY OF 1974 FEDERAL TAX RETURN—JOINT RETURN

Personal income:	
Senate salary	$42,500.00
Dividends	67.39
Interest	77.94
Speaking fees	6,480.00
Refund on 1973 Iowa taxes	176.96
Total	49,302.29
Less capital gains (loss)	524.49
Total	48,777.80
Dick Clark Senate committee expenditures required by the IRS to be listed under Senator's taxable income*	11,867.96
Total	60,645,76
Less Adjustments to income:	
Moving expenses carried over from 1973	1,484.00
Congressional travel allowance	2,646.00
Total	4,130 .00
Adjusted gross income	56,515.46
Less itemized personal deductions:	
Medical, dental expenses	150.00
Estimated State and local taxes	3,179.67
Home mortgage interest, loan	6,945.13
Total	10,274.80
Less deduction of Dick Clark Senate committee expenditures*	11,867.96
Less personal exemptions	3,000.00
Net taxable income	31,372.70
Total income tax	8,039.50
Self-employed social security tax (due on earnings from speaking fees)	511.92
Total Federal tax	8,551.42

*NOTE.—In accordance with IRS Ruling 71-449, which requires such funds to be shown on the return, even though none of the funds were put to personal use. The amount shown represents the total expenditures of the Committee for the year as shown in the Committee's Feb. 12, 1975, public report, less loans made by the committee, postage expenses, and payments made for social security for 1972 campaign staff. Committee expenditures are listed and deducted in the way on the Clerk's State tax return.

(NOTE.—The Clark's 1973 federal tax was $7,526.88, on a net taxable income of $28,397.14.)

SENATOR AND MRS. DICK CLARK SUMMARY OF 1974 IOWA TAX RETURN—JOINT RETURN

Personal income:	
Senate salary	$42,500.00
Dividends	67.39
Interest	77.94
Speaking fees	6,480.00
Total	49,125.33
Less capital gains (loss)	524.49
Total	48,600.84
Dick Clark Senate Committee expenditures required by the IRS to be listed under Senator's taxable income:	11,867.96
Total	60,468.80
Less adjustments to income:	
Moving expenses carried over from 1973	1,484.00
Congressional travel allowance	2,646.00
Total	4,130.00
Adjusted gross income	56,338.80
Federal income tax refund received in 1974	3,202.38
Total	59,541.18
Less Federal income tax withheld in 1974	10,792.24
Total	48,748.94
Less itemized personal deductions:	
Medical, dental expenses	150.00
Local taxes	1,779.67
Home mortgage interest, loan interest	6,945.13
Total	8,874.80
Less deduction of Dick Clark Senate Committee expenditures	11,867.96
Net taxable income	28,006.16
Tax	1,692.93
Less personal exemption credits	50.00
Total Iowa State tax	1,642.93

(NOTE.—The Clark's 1973 Iowa tax was $1,223.34, on a net taxable income of $21,797.68.)

SENATOR DICK CLARK—INCOME IN 1974 FROM SPEECHES, ARTICLES

Date, institution or group; place; event, and amount	
January 27, 1974—Bellevue College, Bellevue, Neb. (Speech)	$100
March 25, 1974—National League of Nursing, Washington, D.C. Convention (Speech)	200
April 12, 1974—Eagleton Institute of Politics, Rutgers University, New Brunswick, N.J. (Speech)	300
April 13, 1974—American Whig Clisophic Debate Society, Princeton University, Princeton, N.J. (Debate)	100
April 17, 1974—Union College, Schenectady, N.Y. (Speech)	530
April 19–20, 1974—Fund for New Priorities, series of addresses in San Francisco and Los Angeles, Calif	1,000
May 6, 1974—University of Maryland, College Park, Maryland (Speech)	200
June 4, 1974—American Meat Institute, Washington, D.C. Convention (Speech)	500
July 23, 1974—The New York Times (Article)	150
September 10, 1974—Brookings Institution, Washington, D.C. (Speech)	150
September 28, 1974—Steel Service Institute, Sea Island, Georgia Convention (Speech)	1,000
October 4, 1974—Kankakee, Illinois Democratic Party, Kankakee, Illinois Convention (Speech)	500
October 7, 1974—Georgetown University, Washington, D.C. (Speech)	700
November 18, 1974—George Washington University, Washington, D.C. (Speech)	250
November 18, 1974—Catholic University, Washington, D.C. (Speech)	500
December 12, 1974—Farmland Industries, Kansas City, Missouri Annual Meeting (Speech)	500
December 16, 1974—Eagleton Institute of Politics, Rutgers University, New Brunswick, N.J. (Speech)	300
Total	6,480

(NOTE.—Income in 1973 from speeches, articles was $3,500.)

U.S. SCIENTIFIC TEAM VISITS THE PEOPLE'S REPUBLIC OF CHINA

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an article by Liz Muhlfeld in the March 1975 issue of the Rockefeller Foundation.

The article, entitled "U.S. Team's Long Look at China's Agriculture," explains the visit of the scientific team in some detail which began on August 27, 1974.

The visit of the team was undoubtedly most successful with a great deal of interchange with Chinese scientists and extensive travel throughout the country. Dr. Richard Bernard, a world renowned soybean scientist, traveled widely throughout China to gather wild soybeans to bring back to the United States.

One of the important lessons—which I also was able to observe during my trip to China—was the great emphasis by the Chinese on utilizing waste. Dr. Norman Borlaug, for example, was unable to believe, when first told, that 200 million pigs are raised in China. These animals are fed on all varieties of leaves, stalks, husks, and other waste products. This is a lesson which our animal producers are also beginning to learn in the face of today's high feed costs.

I hope that one of the important results of this visit will be to open up further exchanges in the future. We should encourage more visits in both directions, and this should include personnel from a variety of disciplines.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. TEAM'S LONG LOOK AT CHINA'S AGRICULTURE

When Sterling Wortman, a vice president of the Rockefeller Foundation, led an agricultural team into the People's Republic of China on August 27, he provided each man with a carbon-paper pad. At night, team members wrote down their careful observations, kept a copy for themselves, and gave Dr. Wortman the other. An efficient way to keep notes, but Dr. Wortman—who is a very thorough man—went further. He arranged for the team to stay on in Hong Kong after the tour had ended—discussing their impressions, rewriting, revising, and editing their individual reports. They may be the first group of traveling experts in history whose report was written before they got on the plane to go home.

The full team report—written for the National Academy of Sciences, which sponsored the trip—should be available within a few weeks. Here is a preview.

The ten scientists who went into China are all widely known, highly regarded agricultural experts. (Dr. Wortman himself is a plant geneticist who has directed production programs in Mexico, the Philippines, and Hawaii.) "We had very little hard data on Chinese agriculture," Dr. Wortman said, "We brought along senior people, men who would be known by reputation to the Chinese, men with a practiced eye."

These scientists have probably seen as many crops in the field, all over the globe, as any ten men in the world—they all agree that crops in China looked good. "I'm going to worry less about whether the country can feed its people," said Wortman. "I didn't see a bad field of rice in all of China."

The group spent much of its time in the agricultural provinces of Kirin, Shensi, Kwangsi, and Kwangtung—out in the fields looking at crops and talking to farmers. They were given almost unlimited freedom by the Chinese. Dr. Richard Bernard, a noted authority on soybeans, roamed through the countryside gathering wild soybeans to take back to the United States. Wherever they visited, the Americans were able to talk at length with their opposite numbers in Chinese agriculture. "The authorities were most cooperative about letting us see everything we asked about," said Wortman. "Arthur Kelman, the plant pathologist in the group, remembered a Chinese scientist he had known 27 years ago at the University of Wisconsin. He inquired about him, the man was located, a car was sent to bring him to our hotel in Canton, and the two men spent four or five days together—often closeted in Arthur's room, talking very freely."

The team agreed that China has been tremendously successful in getting all the available technology into use at farm level. "Locally, there's no such thing as a good or bad farmer," says Sterling Wortman. "Various farming regions may differ, but within a given locality, productivity on all lands has been raised to the same standard of excellence.

"The communes are encouraged to be as self-sufficient as possible—even at the expense of greatest efficiency, if necessary. In one region in Shensi where the dry soil seemed ideal for growing sorghum, for instance, the land was planted to corn. To the degree that it's possible, the communes produce what the people want to eat; as their own food needs are taken care of, they also work to produce a market crop—fruit, or pork, or silk."

People still buy food at 1950's prices. In several cities, team members got up at five o'clock in the morning to visit vegetable markets ("rather orderly as vegetable markets go") in which vegetables were selling at two to five cents a pound. Chicken and pork were also cheap at fifty cents a pound.

"There has been an all-out effort to decentralize authority—an effort that is still going on. People are taught to regard any central bureaucracy as undesirable, a place where power can concentrate. I noticed that officials from the central government, who were traveling with us, were extremely deferential to people at the province and commune levels.

"China's whole system of agricultural education is being restructured—to do away with 'elitism' and 'urbanism'. National institutes that were located in cities have been physically dismantled and moved to the provinces. Scientists who might be tempted to stay in their laboratories, talking only to colleagues, are expected to spend one year out of every three years in residence on the communes, at brigade level—which means, for example, that at any one time, say, 150 of an institute's 450 scientists are working away from home, and with farmers. One top-level Chinese scientist said it was 'humiliating' to go back to the fields—but not for the reasons one might think. 'I did not mind manual labor,' he said. 'But it was humiliating that I couldn't answer the simple questions the farmers asked.' Mao is forcing every scientist to become a practitioner, an extensionist."

This kind of stress on getting the scientists into the fields has had an adverse effect, however, on research. "The research base is narrow, the labs are badly equipped. There's no work on the more sophisticated approaches to disease resistance or plant physiology." In the great push to increase production, research efforts have virtually ground to a halt; the Americans consider this to be China's most serious long-range agricultural problem.

"Most of the highly trained people are in their sixties—and too few young people, it seems, are being trained. They will only have enough research scientists if they hurry; the ranks are thinning. . . . "

There's also some urgency about collecting and storing genetic material. "The Chinese must get their plant germplasm into storage banks. They have replaced their traditional varieties with new varieties almost completely, but they will need genetic material from their older varieties for research purposes." One of the most important of the team's mandates was to exchange germplasm samples with the Chinese. The Americans also arranged for regular exchanges to take place in the future.

PRODUCTION VS. RESEARCH

The Chinese have developed their own high-yielding, dwarf rice varieties, which are in some respects like the "miracle rice" varieties developed at the International Rice Research Institute (varieties that mature too slowly for China), but which in fact preceded them. Again, the emphasis has been on production, on yield: "Much of the rice we saw would clearly yield six to seven tons per hectare; that's extraordinarily good by world standards."

The scientists did not see wheat in the field—it was the wrong time of year. Also, they did not get to the more remote, marginal agricultural areas. They did see corn; "there's room for improvement in corn." High protein, high-lysine types (see page 6) are unknown in China. And even if the Chinese did know about opaque–2, they probably couldn't develop such varieties; the research and development phase requires sophisticated laboratory techniques which have been excluded from Chinese capabilities at this stage.

Again, the problem of research capability. The team recommended that two national rice research institutes be developed in China—one in the North and one in the South—"of the scope and competence of IRRI."

The Americans have invited their Chinese counterparts to visit the international institutes—specifically, the rice research institute in the Philippines and the corn and wheat improvement center in Mexico.

"EVERYTHING HAS VALUE"

Chinese agriculture is very highly labor intensive: "You might say there's very little 'farming' in China," says Wortman. "Most everything there is gardened—as it is in Japan. The Chinese use incredible amounts of skillful hand labor."

This permits the use of some techniques that are not possible in the highly mechanized U.S.A. There's a Mao admonition to 'Plant close' which the communes take seriously. Centuries ago, the Chinese invented multiple cropping and relay planting—in which crops are planted between the rows before earlier crops are harvested; the team commonly saw two or more crops growing together in the same fields.

When wheat breeder Norman Borlaug first read that there were 200 million pigs in China, he refused to believe it: 'What would they eat?" The answer turned out to be: almost anything—cotton leaves, corn stalks, rice husks, vegetable waste, and the by-products of grain milling. "Swine production, based on high-cost feed in the United States, is based on no-cost feed in China," says Wortman.

By the time the tour ended, Borlaug was boldly estimating 260 million Chinese pigs—they are the country's living waste disposal units. It is an example of the principle, "Everything Has Value"—which is so important in contemporary China.

"The Chinese recycle everything," says Wortman. He was struck by an arrangement for carp and silk production that one commune had worked out. Ponds had been dug in a delta area, the earth being used to build up adjacent fields. Mulberry trees, on whose leaves silkworms feed, were grown on the raised areas so that branches hung over the fishponds. Silkworm droppings, falling into the ponds, helped feed the carp and periodically the rich bottom sludge of the fishponds was dug out and heaped around the mulberry trees for fertilizer.

BACKYARD FACTORIES

The Chinese have also devoted much attention to fertilizer production. In addition to using organic waste materials—nightsoil, manure, compost—they have about eight hundred "backyard fertilizer factories" (that is, small factories at the county level) which produce about a thousand tons of ammonium bicarbonate fertilizer a year—made from water and coal. About half of the nitrogenous fertilizer produced in 1973 was produced in these plants. "Fertilizer shortages have more to do with lack of factories than lack of oil," says Wortman. "Large-scale commercial factories are very complicated and expensive, and take about four years to build. But China is acquiring ten of them—each with a capacity of a thousand tons a day."

While fields did not look deficient in fertilizer, "they did not have the dark green color we associate with optimum quantities of nitrogen." In other words, fertilizer is adequate, but barely so.

THE SYSTEM AS A WHOLE

Has China really succeeded in feeding her 900 million people? "We saw no misery," says Wortman. "The Chinese have given up a great deal of personal freedom—but people who can remember the old times say that things are altogether different and better today. In fact, one of Mao's difficulties is to impress on the coming generation how bad things were before the revolution, and how relatively well off they are now.

"We went into a few private households. Undoubtedly they had been carefully chosen, and they may or may not have been typical. One farm family we visited lived in a two-story house that cost $2,500; there were eleven people—four generations—in the family, of whom ten were working and one was a child. The yearly income for the household was $2,100, of which $80 a month was advanced and later subtracted from the year-end, pro-rated income based on communal productivity. The house was frugally furnished, but several of the adults had wristwatches and bicycles; everyone has medical coverage. The child was in school; all children are in school. There is a hospital in every commune with medical clinics at the brigade level, and "barefoot doctors," often young women with three years of medical training, at the village level.

THE LONGER VIEW

An extraordinary achievement; can there be a free-world equivalent? "We've done a lot of thinking about that," says Wortman, "and we must come up with an answer. There's nothing new being done in China; all these methods are in use elsewhere, they're just not so intensively applied. You've got to take the system as a whole. And that kind of all-out effort raises the problem of coercion, obviously. . . ."

The important agricultural development to watch, Wortman feels, is the restructuring effort that is now taking place—the decentralization of agricultural institutes, the reorganization of research and education, the exposure of scientists to farmers and farmers to scientists.

"If population in China grows at a rate of 2 percent a year, it means 18 million more mouths to feed—every year. At the present consumption levels, that adds up to 5.4 million tons of additional grain, each year—just for China to hold its own. But China's plan—and incentive system—seems to be based not just on holding the standard of living steady but on improving it."

Thus the importance of reconstructing the agricultural system to include research, training, and long-term goals. "They *must* do so," Wortman declares. "Their ability to meet the people's needs depends on it."

GROUPS WITHIN GROUPS:
HOW COMMUNES ARE ORGANIZED

The basic agricultural unit in China is the production team—a group of twenty to thirty families whose land is owned, and worked, in common. (Individual families also own small garden plots which they cultivate for their own purposes. These gardens are quite small, and increases in family size are not accompanied by increases in the size of private plots—an incentive for limiting births.)

Over the year, expense money is advanced to households in the production teams, and at year's end, after subtracting expenses and taxes (of about 6 or 8 percent) the profit is divided up among all the individuals on the team, with adjustment for work points (which are based on the type of work performed, and the amount of time spent working). "This local profit-sharing," says Dr. Wortman, "must act as a strong family planning incentive. Increased profits obviously mean more money for the individual—but it is also very clear that the fewer people there are to divide the money among, the more money per person there will be. With the production team as the accounting unit, the advantages of limited numbers of people, and of increased production, are both very easily seen."

Production teams are gathered into groups of roughly ten to twenty to form brigades. And brigades are further grouped to form the commune—which usually numbers about 25,000 to 30,000 people, the equivalent of a medium-sized town. Says Wortman, "It is a system of organization that permits very rapid and uniform exploitation of technology."

THE U.S. TEAM

Richard L. Bernard, Research Geneticist, Agricultural Research Service, U.S. Department of Agriculture, and Regional Soybean Laboratory.

Norman E. Borlaug, Director, International Wheat Improvement Program CIMMYT.

Nyle C. Brady, Director International Rice Research Institute, Philippines.

Glenn W. Burton, Research Geneticist and Leader, Agricultural Research Service, U.S. Department of Agriculture, and University of Georgia.

John L. Creech, Vice Chairman, Director, U.S. National Arboretum.

Jack R. Harlan, Crop Evolutionary Laboratory, University of Illinois.

Arthur Kelman, Chairman, Department of Plant Pathology, University of Wisconsin.

Henry M. Munger, Departments of Plant Breeding and Vegetable Crops, New York State College of Agriculture and Life Sciences, Cornell University.

George F. Sprague, Distinguished Professor, Department of Agronomy, University of Illinois.

Sterling Wortman, Chairman, Vice President, The Rockefeller Foundation.

Alexander P. DeAngelis, Professional Associate, Committee on Scholarly Communication with the People's Republic of China, National Academy of Sciences.

Philip A. Kuhn, Professor of Chinese History, University of Chicago.

THREATS TO FRUIT AND VEGETABLE COOPERATIVES

Mr. GOLDWATER. Mr. President, the importance of agriculture to the overall national strength of the United States is obvious to any student of history. We have been blessed with enormous natural resources in the form of our climate and huge expanse of fertile land, both of which combine to offer us the potential for the most efficient and productive agricultural economy in the world.

If we do not squander it, if we do not impose uninformed and destructive governmental policies upon our farmers, we can reach the true limits of our agricultural efficiency and productivity.

Unfortunately, one of the most important features of today's agriculture that contributes to a stronger industry is coming under attack from certain segments of Government. This is the cooperative movement, a development exemplified by marketing organizations, such as the one which the citrus growers of Arizona and California have formed.

What the cooperative movement means is that farmers are better able to supply vast amounts of low-cost food and fiber. It means they are in a better position to bargain effectively with those to whom they sell. It means that both they and the consumers are better protected against the ramifications of disastrously low or exorbitantly high prices. And it means that small producers, as well as the large, can collectively deal with government agencies, such as the Food and Drug Administration, the now-expired Cost of Living Council, and the many other offices of Government whose regulations and proposed directives can disrupt and weaken American agriculture if based upon misinformed facts and a faulty understanding of agricultural economics.

Mr. President, it is exactly this subject which served as the basis of a recent speech by an eminent local attorney, Mr. Julian B. Heron, Jr., who has a long and extensive practice in the field of agricultural and public law. Mr. Heron addressed this topic before the Midwest Regional Conference of the Federal Bar Association of Agriculture and the Law on April 3.

His topic was changes that will be facing fruit and vegetable cooperatives in the future and his speech points up the fact that the only dim spot in an otherwise bright future is the recent persistent attack upon cooperatives by certain Government officials who are inexperienced in agriculture.

Mr. President, in view of the general importance of this subject at this time of need to create an even greater abundance of food in the world, I ask unanimous consent that Mr. Heron's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

CHANGES FACING FRUIT AND VEGETABLE COOPERATIVES

It is a pleasure to address this distinguished group of attorneys who share a common interest in the law applicable to agriculture. As the last speaker scheduled for the day an interesting challenge is presented. My remarks will have to be short since only a limited amount can be absorbed after sitting all afternoon and, more importantly, the open bar follows. Previous speakers have topics which dealt directly with marketing orders and antitrust law. The topic assigned for comment here deals with changes that will be facing fruit and vegetable cooperatives in the future. Fortunately, or unfortunately, depending upon one's point of view, this heading provides some latitude.

It is an understatement to mention that agriculture has had a great deal of attention in the last several years. Actually, agriculture, as such, has not had the attention, as much as food items produced by agriculture. This has been a matter of lengthy discussion. Individuals without training or experience in agriculture have become instant experts. This has led to tremendous uncertainty as will be described.

The future for fruit and vegetable cooperatives looks bright. The management of most cooperatives is alert and modern. The need to develop markets before developing production is understood. At this point, let us examine some very basic differences between fruits, on the one hand, and vegetables on the other. Generally, vegetables are an annual crop. That is, production starts in one year and terminates in the same year. The farmer must then decide whether or not to produce the crop the next year. Fruits, however, are quite different. Many fruits are produced from a tree. It generally takes anywhere from four to eight years from the time the tree is planted, to bring the tree into commercial production. To some extent this depends on the particular commodity and the location. While a farmer can terminate production by removing the tree in any one year, he has a start up period of from four to eight years. Advanced planning is an absolute necessity in the fruit industry.

Both fruits and vegetables are perishable. Generally, these commodities cannot be stored for any extended period of time. Additionally, they are similar in that the farmer receipts a higher return for the item when sold in fresh form. Growers of these commodities strive to market them fresh.

It is interesting to observe that perishable commodities are one distinct segment of agriculture. Producers of perishable commodities must make rapid decisions and move the crop. It will not wait. Quite a different situation confronts producers of storage commodities such as feed grains. Additionally, these two categories are different from livestock where the commodity can be stored, but continues to eat constantly. For this reason, perishables have generally been treated separately.

It is also interesting to note that cooperatives are much more prominent in the fruit industry than in the vegetable industry. Although there are some vegetable cooperatives, since there are more fruit cooperatives my remarks will focus on fruit cooperatives.

As stated previously, the future for fruit cooperatives looks bright from a marketing standpoint. Most varieties of fruit have good markets and are enjoying steadily increasing production. One of the most difficult areas, if not the most difficult area, facing fruit and vegetable cooperatives is the recent persistent efforts of government to concentrate the industry and reduce competition. Let me quickly point out, that this comment is not directed toward the Department of Agriculture which understands the necessity of the small farmer and the necessity to continue to expand production in order to increase supplies and maintain stable prices that provide a fair return to the farmer. At this point, it might be worthwhile to mention that agricultural economics differ substantially from industrial economics. Most individuals not trained in agricultural economics think in terms of what may be referred to as production line economics. Simply stated, generally in industry, the last unit produced is the cheapest. This is the economy of mass production.

In agriculture often the last unit produced is the most expensive. This is due to the fact that the production is on marginal land where soil conditions, climate, weather and other factors may not be favorable. Here it should be pointed out that many people inexperienced in agriculture believe that if a farmer producing under these type of conditions cannot survive, he should go out of business. Unfortunately, this policy will decrease supply and increase prices. Many governmental activities in the last few years have tried to achieve that result and have done so with varying degrees of success.

Having spoken generally for the past few moments, let us now turn our attention to specific examples. Let us begin by discussing the Cost of Living Council which has now been abolished. When the price freeze was adopted, regulations were also adopted by the Cost of Living Council that, while specifically exempting fresh fruits and vegetables at the farmer's level, as a practical matter imposed a price freeze on these items. At the same time, without any information, the Cost of Living Council attempted to abolish marketing orders. It did this with total disregard for existing statutory authority. The results were decreased production and decreased availability of certain fruit and vegetable items. This occurred in two ways. In certain instances farmers could not recoup the cost of harvesting their crops in the market place and therefore destroyed them. For example, one farmer was reliably reported to have plowed under 5,000 acres of cantaloupes.

A second example was caused by the Cost of Living Council's attempt to tinker with existing marketing orders. This resulted in pushing supplies onto the market place when there was no demand, causing prices received by farmers to fall dramatically with no change in the retail price. Later in the season when supplies normally would have been available except for the activities of the Cost of Living Council, prices received by farmers and paid by consumers were higher than at any time in history. This took place as a result of direct government action and created enormous uncertainty in the market place. Small farmers are totally unable to deal with this kind of activity.

A second illustration comes from the transportation field. The administration of the transportation system by the government has resulted in uneconomical and high cost transportation for perishable commodities. The efficient way to move perishables from the west to the east is in refrigerated rail cars. Currently, most perishable traffic originating in the west moves east on trucks. This not only results in higher food costs, but is also a very inefficient use of fuel. The small fruit or vegetable farmer cannot successfully single-handedly fight with large railroads at the Interstate Commerce Commission.

Another brief illustration. Not very long ago, the Food and Drug Administration issued regulations concerning labelling of fresh fruits and vegetables. These regulations were issued without any statutory authority. This was proven when the Food and Drug Administration withdrew the regulations in response to litigation. Again, a small farmer would be virtually powerless to deal with such a large agency by himself.

These illustrations are intended to document the fact that a small fruit and vegetable farmer cannot take on the United States government single-handedly. When he cannot, he may be forced out of business. The result is two-fold. In many cases the acreage he farmed goes out of production. In other cases, the production is taken over by large producers This is what was meant when it was indicated government policy is forcing a concentration in agriculture.

It is believed everyone will agree that the small farmer cannot bargain effectively against large chain stores. Someone may inquire as to why the term "small farmer" is being used. The simple reason is that the average acreage owned by members of fruit cooperatives is generally not greater than 100 acres. Of course, some members are larger, but many are smaller.

This is all leading up to the point of today's conference—Marketing orders and cooperatives. Some sections of the government with no agricultural experience or training have apparently decided to bring further uncertainty into the market place which may lead towards decreased production and greater concentration of production. Increasingly attacks are being made upon marketing orders. Without exception, these attacks have been made by the uninformed. Where marketing orders have been studied carefully, it has been found that production has generally increased substantially over a period of time. Marketing orders are a self-help tool available to farmers. They are an important part of modern agriculture and probably should be used by all agriculture as a replacement for direct subsidies. If production increases, then supplies increase. Prices respond and decrease.

Marketing orders involving supply regulation generally provide producers of perishable commodities the only effective method of bargaining with chain stores. These type of marketing orders are also beneficial to consumers because they tend to eliminate peaks and valleys in supply and prices. Additionally, greater production than could otherwise be sustained results. Most individuals attacking these kinds of orders are prepared to accept decreased production in exchange for the abolition of supply control. As is known, decreased production means higher prices. This should not be an acceptable result.

The same type of uncertainty has been created with regard to cooperatives themselves. Some government speeches have suggested that cooperatives should be limited to a certain size or should have only certain types of members or that the members of cooperatives should not be allowed to determine among themselves how they will organize and manage the cooperative. Individuals not involved with agriculture have decided that they know better than farmers how farmers should work together. If sufficient uncertainty can be created and if successful cooperatives can be successfully attacked so that small farmers are left to themselves, then many small farmers will lose their only effective means to compete. Only the large, so-called "efficient" farmer will be left. Supply will decrease and prices will increase. Both the farmer and the consumer will be unhappy. Presumably, the individuals in government that intentionally created this result will be pleased.

It is recognized that these comments may be considered general, but they respond directly to the question of what challenges lay ahead for fruit and vegetable cooperatives. If these cooperatives can get back to the business of feeding the people of the United States and the people in the export markets, instead of devoting uncalled for time and expense to issues raised by government which ultimately are paid for by the consumer, the future will be bright for these cooperatives.

EMERGENCY ANTI-RECESSION HELP TO STATES AND CITIES

Mr. HUMPHREY. Mr. President, on April 8, 1975, Senator MUSKIE, Senator BROCK, and I introduced the Intergovernmental Counter-Cyclical Assistance Act of 1975, a bill to provide emergency antirecession assistance to State and local governments. The bill is designed to make sure that the budget actions of State and local governments are coordinated with Federal Government efforts to restore growth and prosperity to our economy. It will insure that State and local governments are not forced to raise taxes and to cut services, just when the Federal Government is trying to stimulate the economy through tax cuts and expenditure increases.

Last week, the Senate Intergovernmental Relations Subcommittee, under Senator MUSKIE's leadership, began hearings on this important piece of legislation. Distinguished Governors, mayors, and county officials were all invited to testify, as well as eminent panels of economists and labor leaders. I was honored to be invited to testify as the lead-off witness for the hearings on Tuesday, May 6. My testimony focused on the importance of coordinating the fiscal policies of all levels of government and on the importance of this legislation to any comprehensive program to restore growth and prosperity to the American economy. These issues are sufficiently important that I would like to share my testimony with my colleagues.

Mr. President, I ask unanimous consent that the prepared text of my testimony before the Senate Intergovernmental Relations Subcommittee be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman and distinguished colleagues: It's a pleasure to appear here today to testify in support of the Intergovernmental Counter-Cyclical Assistance Act of 1975. This legislation is, in my opinion, an essential component of any comprehensive program designed to restore growth and prosperity to the nation's economy.

Back in April when we first introduced this legislation, the arguments for counter-cyclical assistance were strong indeed. Eight million Americans were out of work, gross national product in constant dollars had declined for 4 consecutive quarters and the recession was forcing State and local governments to cut services and lay-off employees in the scramble to keep their budgets in balance. Just 1 month later, the situation is even worse. 8.2 million Americans are unemployed, gross national product has declined for 5 consecutive quarters and many of the threatened service cuts and tax increases have become a reality. Today the arguments are compelling.

One need only take a quick look at the combined deficit of all State and local governments to get a clear picture of the devastating deterioration in their financial position. Back in 1972, a strong economy combined with the enactment of revenue sharing to produce a $4 billion surplus for State and local government. In 1973, this surplus disappeared as State and local governments operated essentially in balance. In 1974, the combined impact of inflation and recession produced a $7.5 billion deficit for all State and local governments. This year, the deepening recession will further exacerbate financial problems, with one forecast (DRI) suggesting that the deficit for 1975 will be $10.4 billion.

But these aggregate figures mask even more severe problems in many of our Nation's cities and States. Hiring freezes and lay-offs, service cutbacks, tax increases and construction delays are becoming more commonplace every day. Many of our Nation's largest cities have already been forced to undertake one or more of these actions. Los Angeles has eliminated almost 600 positions. Cleveland has been forced to layoff 1100. St. Louis has increased property taxes to maintain a balanced budget. Detroit has eliminated almost 5000 positions and severely curtailed essential services.

But these problems are not confined to the largest cities. Bloomington, Indiana has enacted a 7 percent increase in its property tax; York, Pennsylvania has laid off 10 of its full time workers; Vineland, N.J. has reduced its work force by 8 employees; and Wilmington, Delaware has reduced its firefighting force by 11 percent, while making cuts of up to 40 percent in other departments.

Nor have the states escaped the wrath of the current recession. Michigan has reduced expenditures by $95 million and eliminated over 600 positions. Florida has reduced its expenditures by $120 million, with over $70 million of the reduction coming in State aid to local governments. New Jersey has cut expenditures by $90 million and laid off over 300 employees. Tomorrow you will hear testimony about a survey of State and local governments undertaken by the Urban Affairs Subcommittee of the Joint Economic Committee. This survey, prepared under Congressman William S. Moorhead's able leadership, will provide a significant insight into budget adjustments that State and local governments are currently undertaking.

Some might argue that these problems are of no concern to the Federal Government, that a little belt-tightening is necessary and that State and local governments can always raise taxes or borrow the money so that they can weather the storm. This, however, is certainly not the case. The Federal Government has every reason to get involved.

First, it is unrealistic and in most cases illegal, for State and local governments to undertake separate fiscal policies through deficit spending. Forty-four State constitutions require State and local governments to operate with balanced budgets.

By nature, the only fiscal policy that State and local governments can undertake is fiscally perverse. However, even if these constitutional requirements did not exist, one could not realistically expect the thousands of state and local governments to coordinate their economic policies, thus formulating a consistent fiscal policy. Only the federal government has sufficient flexibility in economic policy to eliminate the fiscally perverse nature of state and local government budget actions and to make all government budget actions more consistent.

Second, state and local governments are a major sector of our economy, employing 12 million people and spending over $200 billion annually. No single sector of the economy can approach the level of employment found in the state and local government sector and no national economic policy can succeed in restoring economic prosperity without taking into account the needs of this sector. I would agree that a little belt-tightening by all governments is in order but strangulation of state and local governments is certainly not the answer.

Finally, state and local government budgetary actions must be made consistent with federal government efforts to reduce unemployment and restore economic growth. It is senseless economic policy to force state and local governments to increase taxes, thus depressing the economy, when the federal government is simultaneously cutting taxes in an attempt to stimulate the economy. Such a policy undermines the stimulative impact of federal income tax reductions and weakens the progressivity of the total tax system by substituting regressive or proportional state and local government taxes for progressive federal income taxes. We've simply got to recognize the fact that there are no such things as "federal taxpayers" and "state taxpayers," that we cannot be effective by giving with one hand and taking away with the other.

The legislation that we are discussing today, will provide the means for rationalizing the budgetary actions of all levels of government into one coherent fiscal policy. As James Tobin pointed out in testimony before the Joint Economic Committee, "It has been disastrous and counterproductive for all State and local governments to be scrambling around reducing expenditures and increasing taxes at this time in the recession." This legislation will provide enough assistance to prevent fiscally perverse State and local government budgetary actions, but not enough to prevent essential streamlining that all sectors of the economy undergo in a recession. In essence, it will prevent State and local governments from bearing a disproportionate share or the burden imposed upon the economy by recession.

As Chairman of the Joint Economic Committee, I have heard considerable testimony regarding the components of an effective program to reduce unemployment and restore economic growth while maintaining price stability. Witness after witness testified to the need for immediate tax and expenditure stimulus to restore the economy to prosperity. However, all of the witnesses agreed that antirecession programs should be designed to take effect immediately and to phaseout as the economy improves. This point of view was best expressed by Dr. Arthur Okun of the Brookings Institution who said "in general, I am pointing to two key tests of a valid antirecession proposal: Does it really stimulate production and jobs during the recession? Does it stop stimulating the economy during the recovery as prosperity is regained?" The legislation that we are discussing today effectively meets both of these criteria.

First, the intergovernmental countercyclical assistance act is clearly designed to phase-in as the recession deepens and to phaseout when the recession ends. Assistance is not made available unless the national unemployment rate exceeds 6 percent for one quarter. The important feature is that no permanent spending program is created and no inflationary expenditures will be made after the recession has ended.

Second, the program is targeted to assist those governments hardest hit by the recession with the greatest propensity to take fiscally perverse budget actions. The formula weights heavily the number of unemployed persons in a jurisdiction, concentrating assistance where the greatest recession induced revenue shortfalls and expenditure increases occur. In addition, no government will receive any assistance if its unemployment rate is below 6 percent. This insures that the program will phase-out on a government by government basis, as well as nationally.

Finally, this legislation insures that the stimulus be quickly injected into the economy and spent almost immediately. The bill requires that all assistance distributed under this legislation must be spent within one year of receipt. This will insure that no funds that were allocated during the recession will be spent after it has ended.

Clearly, counter-cyclical assistance to state and local governments is an effective anti-recession program because; 1) the size of the program varies with the severity of the recession, phasing out at 6 percent unemployment; 2) the assistance is targeted toward those jurisdictions hardest hit by the recession and; 3) expenditures are made quickly so the stimulative impact is immedate.

It is these overwhelming advantages which have caused the joint economic committee to frequently suggest counter-cyclical assistance to state and local governments as an essential component of its recovery program. It is these advantages which cause me to support this legislation today.

THE AWACS SYSTEM

Mr. GARN. Mr. President, a few days ago I was honored to have the opportunity to fly a demonstration aircraft for the AWACS system, the airborne warning and control system. I must say, Mr. President, that I was extremely impressed with this system.

It is fashionable, I know, to argue that we are living in a postbomber military situation now, and that we should not continue development of bombers ourselves, or defenses against bombers. According to this line of argument, missiles is the name of the game; bombers are obsolete, and since missiles are so hard to defend against, we should perhaps not even try, relying only on the MAD strategy, the mutual assured destruction.

Mr. President, I am not convinced by this line of reasoning. It is true that our bomber fleet is outmoded, and that we do not seem to be very impressed with a need to upgrade it. But I do not see a similar reluctance on the part of other nations, to mention only the Union of Soviet Socialist Republics by name. The U.S.S.R. has not discontinued its construction of aircraft, and in fact now has, according to the London International Institute for Strategic Studies 1974–75 report on military balance, a fleet of about 1,400 bombers each capable of reaching major cities within the contiguous 48 States. The United States has about 320 bombers of similar capability.

As a military pilot myself, Mr. President, I recognize the need for adequate radar facilities if bomber missions are going to be successfully carried out or defended against. The old baseball adage that you cannot hit what you cannot see is not precisely true, in that we now rely more on electronic seeing than we do physical vision, but it is true enough. In fact, we cannot hit targets that cannot be perceived by our radar capability, and Mr. President, the AWACS systems is an enormous improvement over present systems, either ground or airborne. It is a quantum jump in our ability to defend ourselves or to mount a credible counterthreat.

The AWACS system was originally designed against low level aircraft penetration, but as often happens with good research and development, it has turned out to have wider applications. For one thing, it can not only defect attacking aircraft, but through its computer capabilities can control defending aircraft, directing them to the right spot in the right strength to maximize defensive capabilities. The control that can be obtained by a single aircraft over an extremely wide area of airspace makes the AWACS very cost-efficient. It allows us to employ a comparatively small number of aircraft to do a job which would require a much larger number were the technology not so well employed.

In short, Mr. President, I support the AWACS system as an example of the finest in American defense technology. It is representative of the systems purchased by our defense dollars, and ought to be supported by each of us.We cannot assume that our enemies will cease to develop their capabilities, and that therefore no further progress is needed on our part. Readiness for the conflict is still the best deterrent to hostilities, and in my view, the AWACS system will go a long way toward improving our preparation.

CORRUPTION IN THE GRAIN TRADE

Mr. CLARK. Mr. President, the May 1, Des Moines Register reported the indictments of a number of federally licensed grain inspectors in New Orleans and Houston. These inspectors are accused of having received bribes from grain shipping firms for rubberstamp certification of their ships, despite the fact that these ships may not have conformed to Government standards of cleanliness. A similar charge with respect to the grading of grains is also under investigation.

These investigations may well have major foreign policy implications. As the article notes:

> Foreign purchasers and countries that get humanitarian food aid from the United States may have received substandard grain and grain that was contaminated by being transported in dirty or insect-infected ships.

The United States can ill-afford to have its export advantage in feedgrains undermined by these kinds of corrupt practices. Moreover, this kind of activity mocks the genuine U.S. commitment to food programs for developing countries.

The Senate Foreign Relations Subcommittee on multinational corporations, of which I am a member, is looking into the operations of multinational grain companies and their influence on the world grain trade. Its investigation will include the matters discussed in the Register article as well as the larger issues involved in relationship of Government food programs and policies to multinational grain companies. Mr. President, I ask unanimous consent that the Des Moines Register article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRAIN SHIPS, DIRT, BRIBES

(By James Risser)

NEW ORLEANS, LA.—Federal agents here and in other port cities have uncovered what appears to be widespread corruption in the grading and shipping of U.S. export grains.

Seven federally licensed grain inspectors in New Orleans and another five in Houston, Tex., already have been indicted on charges of accepting bribes in exchange for certifying that ships were clean and acceptable for loading with grain.

Five of the New Orleans inspectors have pleaded guilty and one was convicted after a jury trial. Additional indictments are considered likely, and the inquiry has spread to other Texas ports.

The federal probe now is entering a new phase, aimed at checking into the possible misgrading of grain and the involvement, if any, of shipping and grain company officials in the bribery schemes, The Register has learned.

The Register's own investigation indicates that the government's system of grading export grain and inspecting ships is full of conflicts of interest and the potential for a variety of abuses.

As a result, foreign purchasers and countries that get humanitarian food aid from the United States may have received substandard grain and grain that was contaminated by being transported in dirty or insect-infested ships.

PRIVATELY EMPLOYED

Although the indicted inspectors were licensed by the U.S. Agriculture Department they actually were employed by private inspection agencies such as the New Orleans Board of Trade and the Houston Merchants Exchange.

The agencies are controlled by business executives, including grain and shipping company officials who have a huge financial stake in seeing that grain exports are not unduly delayed at the inspection stage.

If an inspector finds a ship dirty and demands that it be cleaned before grain is put aboard, or if he places a low grade on a shipment of corn or wheat, the ruling can mean many thousands of dollars in lost profits for the grain and ship companies.

One federal official involved in the case described the entire grain and ship inspection system as "a rather incestous relationship" that was set up as "an accommodation to local interests" in the export trade.

FOR YEARS

The bribery schemes apparently had been going on undetected for a number of years on a rather modest scale, and came to light only as the gram export business began booming, and as the inspectors stated demanding payoffs of as high as $5,000 per ship.

Shippers apparently were willing to make the payments because the cost was considerably less than the thousands of dollars a day lost while a ship is tied up in port being cleaned.

The corruption was revealed to the FBI which is conducting the investigation at a number of gram exporting points with the help of the Agriculture Department's Office of investigation.

As a result of the still unfolding scandal, the Agriculture Department's agricultural marketing service, which licenses the inspectors, has suspended the licenses of those indicted and says steps have been taken to improve supervision over the remaining inspectors.

NEED FOR INTEGRITY

But several officials said in interviews that they question whether future abuses can be prevented unless the inspection system is overhauled completely. They stressed the need for maintaining the integrity of grain grading and ship inspection, if the U.S. is to continue to develop its agricultural export trade.

The indictments issued last August by a federal grand jury in New Orleans came out of an investigation directed by U.S. Atty. Gerald J. Gallinghouse and the chief of his criminal division, Assistant U.S. Atty. Cornelius R. Heusel.

Seven inspectors were indicted for accepting bribes, a ship cleaning firm and its president were accused of paying bribes and a federally licensed grain sampler was charged with perjury.

Most pleaded guilty and received light fines and were placed on probation after promising to co-operate with the prosecutors in pursuing the investigation. One case is still to be tried, and one inspector who was convicted by a jury has appealed.

With the exception of the one ship-cleaning firm, none of the ship company representatives accused of paying the bribes has been charged yet.

ONE TRIAL

Most of the limited information now available in public records about the investigation is contained in the transcript of the trial of William E. Fleetwood III, who was convicted in U.S. District Court in December on three counts of bribery. He has filed an appeal.

The witnesses described a pattern of bribery payments, which allegedly were authorized by high officials of ship companies who were anxious that their ships be certified as clean to receive grain.

The "going rate" at one time was $250 to $500 per ship the jury was told by Robert E. Wilder, an operations clerk for the shipping firm of Hansen & Tidemann, Inc.

PAYMENTS RISE

But the payments began to rise in 1973 and 1974 until, said Wilder, Inspector Fleetwood on Mar. 14, 1974, demanded $5,000 to issue a cleanliness certificate for the "M–V Achilles," an oil tanker that was to be used to ship grain.

Fleetwood turned down the ship after the New York owners, refused to meet his demands, but another inspector, Clarence P. Baker, Jr., approved it the next day after asking and receiving a $2,500 payment, the jury was told.

Baker confirmed the story at the trial, and described the Achilles as "very difficult to clean and to convert over to the grain storage" because it previously had carried oil.

Hansen & Tidemann agent Lloyd L. Scallan Jr., testified that he actually gave the money to Baker.

PART OF JOB

"I knew it wasn't right, but I was doing what my company instructed me to do as part of my job," Scallan testified.

At two points in the Fleetwood trial the jury was shown checks allegedly involved in the briberies. One for $5,000 was made out from Hansen & Tidemann to L. Caro, identified as a delivery boy from the firm. He cashed the check endorsing it on the back with his name and the words, "for M. V. Achilles" and gave the money to Scallan.

The other check, from Gulf Coast Shipping Corp. to Mike Hardee, a Gulf Coast agent was for $1,000 and had an attached voucher reading: "M-V Lotus Flower, F-1010, gratuities for grain surveyor."

TO FLEETWOOD

Hardee testified that he cashed the check and delivered it to Fleetwood's home on Jan. 30, 1973, two days after another inspector had rejected the Lotus Flower because of rust scaling and residue from earlier cargoes.

Fleetwood then okayed the ship. Hardee said:

Fleetwood was convicted on three of four counts, was fined $600 and was placed on five years probation.

The inspectors who have pleaded guilty are Baker, who received the payment on the Achilles, and inspectors Vincent Marcon, Raymond S. Schultz, William F. Fedrick and Barry Barrios.

* * * the New Orleans Board of Trade, were accused of taking bribes ranging from $150 to $3,500 each for issuing certificates of cleanliness to various ship owners.

In addition, the two were charged with having a continuing arrangement with Peterson Maritime Services, Inc., a ship-cleaning firm, under which the two inspectors received from the firm $100 a month each for more than four years.

The firm and its president, Dean Leslie Peterson, were indicted and pleaded guilty of bribery and improperly influencing inspection personnel. Peterson was fined $1,000 and put on two years probation, and has since died. The firm was fined $9,000.

ANOTHER TRIAL

Another inspector, James Timonet, is to be tried next month.

Also, Lawrence J. Berthelot, a federally licensed grain sampler, was charged with putting an incorrectly high grade on a load of corn in 1973. * * *.

In the investigation at Houston, being directed by U.S. Atty. Edward B. McDonough, Jr., five inspectors were indicted Mar. 25 on 18 counts of taking payments from Captain Victor G. Diaz of Maritime Overseas Corp. to certify a number of ships owned by that firm.

The defendants, accused of taking between $50 and $500 per ship between 1970 and 1974, are Arthur J. Taute, Bill Gene Marcy, Billy Ray Davenport, Jerry R. Parker, and Billy J. Westbrook.

All were employed by the Houston Merchant Exchange.

The five have pleaded innocent, and trials are scheduled for later this spring.

WON'T SAY

U.S. Attorney McDonough would not say whether he has evidence of involvement by high ranking ship or grain company executives, but said his investigation is continuing and includes the ports of Brownsville, Corpus Christi and Galveston.

Grain grading and ship inspections are conducted under the U.S. Grain Standards Act, which specifies that the initial inspections are to be done by federally licensed inspectors employed by inspection agencies designated by the Agriculture Department.

There are five such agencies in the New Orleans area, serving eight big grain exporting elevators along the Mississippi River.

The agencies are paid on the basis of tariff schedules they file with the agricultural marketing services grain division, which routinely approves the charges. A typical charge at present is around $100 per ship inspection, and about $1 per 1,000 bushels of grain inspected and graded.

More than a third of all grain exported from the U.S. is shipped out of the New Orleans-area elevators. Much of it is Midwest corn, which comes down the Mississippi to New Orleans by barge.

All of the major U.S. grain exporting companies have an elevator at New Orleans, including such giants as Continental, Cargill, Cook and Bunge.

The agricultural marketing service's grain division has "appeal inspectors" at each port who can be asked to over-rule an adverse decision by one of the agency inspectors.

SELDOM USED

As a practical matter, however, the Fleetwood jury was told, the appeal process is seldom used by grain owners or ship companies because the government appeal inspectors are known to be tougher than the agency inspectors.

Gilbert Vorhoff, president of the New Orleans Board of Trade, defended the board's inspection procedures and said a new map has been employed to supervise the inspectors, as a result of the cases. Two of the indicted men worked for the Board of Trade, while others in New Orleans worked for other inspection agencies.

Vorhoff acknowledged that the Board of Trade's main function is to promote trade and commerce, and that its members and directors include officials of grain and shipping companies. * * *

BANK OFFICIAL

Vorhoff is a vice president of Hibernia National Bank and specializes in international finance.

U.S. Attorney Gallinghouse said that since the indictments were issued both the Board of Trade and the Agriculture Department have taken steps to improve supervision of the inspectors and to make spot checks on their activities.

In Houston, the Houston Merchants Exchange conducts grain and ship inspections for four export elevators.

Roy T. James, secretary and general manager of the exchange, said the organization is owned by 23 stockholders from the major grain firms, shipping companies, banks and other businesses.

He said, he expects his inspectors to be exonerated and to be "back at work before too long."

Harlan L. Ryan, Agriculture Department supervisor for the grain division office in New Orleans, said his staff will be increased from 27 to about 50 in order to provide better control over the approximately 125 inspectors employed by the five inspection agencies in the area.

Agriculture Department supervision teams are doing more checks on ship hold inspections, and new guidelines are being issued to the inspection agencies, Ryan said.

THE FRANKFORD ARSENAL

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the Record a letter to the editor of the Philadelphia Inquirer from Edward Lewandowski, president, Local R 3–2, National Association of Government Employees, on the closing of the Frankford Arsenal. I think Mr. Lewandowski's comments are both timely and persuasive.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Arsenal Closing Is Shortsighted

To the Editor: In your April 26 editorial concerning the Army's plans to close the Frankford Arsenal, you commented that the current General Accounting Office audit should establish the true cost of this intended action.

A brief explanation of the GAO's operating procedures and the major issue involved in the Frankford Arsenal controversy will demonstrate that this may not necessarily be the case.

When the GAO studies the closing of a military facility, it makes no attempt to determine whether or not the functions of the facility can adequately and properly be performed at designated new locations.

Rather, they simply assess the cost of relocating or eliminating a given amount of personnel and equipment.

The Army once again is hell bent on eliminating the one irreplaceable asset of the Frankford Arsenal—its highly skilled and specialized work force.

Since the Army blithely assumed (and the GAO must, as a matter of policy, agree) that these people will either transfer or else be easily replaced, their contribution to operational savings will not be uncovered in the GAO analysis.

The procurement personnel at Frankford Arsenal not only oversee the purchase of millions of dollars worth of equipment annually, but also have the ability to judge whether or not the Army is paying a fair price for the equipment it receives.

When these people are lost, no one will be available to resist the efforts of defense contractors who perceive an opportunity to receive more than fair value for the material they supply to the government.

Our engineers and technicians possess the unique and critical skills and experience necessary to organize, supervise and expedite industrial production of military material in the event of a national emergency.

Without such people, whose skills were developed over decades of experience, the Army will have no choice but to increase its stockpiles of military equipment to insure the availability of such equipment to meet any emergency.

Since "quality" is an elusive characteristic, the contribution made by our specialized research scientists is even more difficult to assess.

The rapid rate of technological advancement dictates that these personnel must also be retained within the defense establishment.

While the Army has stated publicly that there will be no significant disruption of the activities now performed at Frankford, I submit that it is in reality, aware of the true impact and is acquiescing to corporate pressure to divert a larger segment of the defense pie to private industry.

In a depressed economy, industry looks to defense contracts as a means to eliminate excess capacity caused by a reduction in consumer demand.

The closing of Frankford will not only divert more development and production dollars to private industry, but will also lessen their accountability for the quality and cost of the equipment they will develop and/or produce.

Unfortunately for the Army, fortunately for the nation, as the economy recovers and expands, private industry historically pursues more profitable consumer production to the detriment of defense contracting.

It can be seen, therefore, that the Army's action with regard to Frankford Arsenal is a shortsighted sell-out to the immediate, but temporary, problems of industry; the maintenance of our national security and military commitments has taken a back seat to the vagaries of the business cycle.

Edward Lewandowski,
President, Local R 3–2, National Association of Government Employes.

ANNOUNCEMENT OF POSITION ON VOTE ON RESOLUTION WELCOMING THE VIETNAMESE REFUGEES

Mr. CHURCH. Mr. President, last Thursday, I was necessarily absent from the Senate due to a longstanding commitment out of the city. At that time, a sense of the Senate resolution was adopted welcoming Vietnamese refugees to the United States. Had I been present and voting at that time, Mr. President, I would have voted in favor of the resolution. I ask unanimous consent that the Permanent RECORD be changed to reflect my favorable position on that measure.

LET US WELCOME THE FUGITIVES

Mr. HANSEN. Mr. President, the distinguished editor of the Wyoming State Tribune, Mr. Jim Flinchum of Cheyenne, wrote an editorial entitled: "Let Us Welcome the Fugitives."

Mr. Flinchum, and a number of other newspapermen throughout the country, felt compelled to write similar articles. He wrote:

> The cries that are now going up in this country against the admission of the South Vietnamese refugees are somewhat astounding considering that they come from otherwise charitable people.

Mr. President, I believe the vast majority of the American people were astounded to see some of the statements a few made against providing sanctuary for the Vietnamese, who believe—and with considerable cause, looking back on recent history—that they are fleeing for their lives from the Communist conquerors. I believe some who spoke against the refugees did so from shock—the shock of seeing a people the United States had supported for a long time fall before the ruthless aggression and single-minded determination of the Communist invaders. These Americans felt some sense of shame in the fall of South Victnam and found the easiest way to put this burden out of mind was to not have the reminders, of what they considered a failure of this country, around as neighbors.

While all Americans are concerned about the economy, I do not for a moment believe that very many of those who made emotional outbursts against the refugees were equating possible slight economic hardship with the life or death of fellow human beings. And I am confident that after most of these Americans, after having some time to think matters through, will hold a calmer view more in keeping with the traditional humanitarian values that this country stands for in the eyes of the world, and that remain untarnished despite significant setbacks in Southeast Asia.

I would speculate that most of the Americans who spoke out against providing sanctuary for the refugees did so out of fear for their own economic future. Their words, to me, seemed to reflect the truth of the quotation attributed to the late President Franklin Roosevelt that there is naught to fear but fear itself. President Roosevelt was warning against hysteria, and this Nation is nowhere near giving way to hysteria.

But Americans are right to be concerned about their jobs and the feeding, clothing, and education of their families. Americans associate the Vietnam war with some of the economic problems of the Nation, because they know that the program backed by Congress of "guns and butter," as the late President Johnson termed it, brought about the rampant inflation that devalued the American dollar and their income. An expansion of Federal social welfare programs at a time when the war was expanding was more than even the great gross national product of the United States could sustain without some detrimental effects.

But even more than inflation, the recession that has cost jobs in this country and caused cutbacks in production and industrial expansion brought about the fear—the economic insecurity—that resulted in the antirefugee feeling some Americans made known. A principal cause of the business recession has been the sudden high cost of energy and the energy shortage. It is a stern warning that there are no longer any of the "ifs, and, or buts," that we have heard for the past decade—this Nation must take positive and aggressive steps to become energy self-reliant. And this must be accomplished in minimum time if we are to avoid the catastrophic damage to the national security that economic crash would mean.

Mr. Flinchum suggests that we "extend a welcome to the South Vietnamese and hope that they may soon adjust to their new homes." I urge that the Senate extend a warm welcome to the unfortunate people of South Vietnam—a resoundingly warm welcome that will show the world the early news reports about American opposition to the refugees were made newsworthy only because such opposition reflected the beat of a different drum—a curiosity.

Mr. President, I ask unanimous consent that the Tribune editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET US WELCOME THE FUGITIVES

President Ford's statement he ordered the evacuation of thousands of South Vietnamese simply to prevent their being murdered by the conquering communists—and that he is proud of his decision—is to his eternal credit.

The cries that are now going up in this country against the admission of the South Vietnamese refugees are somewhat astounding considering that they come from otherwise presumably charitable people.

For our part, it is to be regretted that more South Vietnamese could not be brought out. Have we forgotten that America is a haven for the world's oppressed, and historically has been so? Our earliest colonists, not just including the Mayflower Pilgrims who were fugitives from religious oppression in England where only the Crown's religion was tolerated, came here for largely that reason.

One objection that has been raised to the South Vietnamese is that there are among them prostitutes, bar girls, and other persons of questionable morals. But recall the earliest American settlers; Georgia was largely settled through the efforts of a pioneer colonizer, James Oglethorpe, with penal inmates. So was Australia; the English prisons were emptied to permit the colonization of that faraway Crown colony.

Are there any among us who can not say with certainty that among his forebears, especially those who emigrated to America, was not some individual who was fleeing the King's justice, who did not have a price on his head, or who had not been freed from a prison so that the English could get rid of his kind?

The colonization efforts of most European nations, especially England, was based on the proposition of getting rid of "undesirable" elements, felons of various kinds whom the authorities felt could be best dealt with if they were far, far away.

They were tough, hardy, often violent, durable people because they had to be; they came from the slums of London and from the poverty-stricken little crofts of Scotland; from impoverished Ireland and from all over, desperately poor people who frequently stole so they and their families would not go hungry. It is precisely for this reason they persevered under the conditions they had to cope with; otherwise they would have "gone under," as the pioneers put it.

The spirit of American charity to those oppressed in other lands has always prevailed from the earliest beginnings of the settlements by Europeans along the Atlantic Seaboard; many an American family of today is descended from some illegal shipjumper who went overboard from a British or French merchantman in harbor in Baltimore, New York, Charleston, or Savannah. In most cases these people had nothing to lose in venturing into a new, raw and dangerous land with many privations; but they were welcome and in the spirit of those days no one who was polite or wise ventured to inquire of such a stranger's past. He merely welcomed him.

It is in our national past, and a part of our national past, and a part of our conscience, that we afford freedom to the world's persecuted including most recently as four decades ago the Jews who were being victimized by Hitler's Germany; and even today, the Jews who are being harassed by the agents of the latter day czars, the Politburo in the Kremlin. Do we say "no" to any of these people? Should we? For shame!

Let us extend a welcome to the South Vietnamese and hope that they may soon adjust to their new homes; they cannot go back, nor can we sleep easily at night thinking that they should, for to order them to return would be to order their slaughter at the hands of the murder squads of the communists.

As our forefathers did in similar situations, we shall, as we must, make room for them with the hope that most of them soon shall become productive citizens. Not all of them may; nor will all of them possibly be law-abiding citizens.

But they shall not be the first, nor probably the last, who do not make contributions. But among them there may be some, and even one or two or a handful, who are geniuses in a way, Lincolns, George Washington Carvers, Carnegies, whose talents will vastly enrich our present as well as our future.

If we have only one or two of these, it all will have been worth it; for that after all is the spirit of America, and the thing that has enriched our land. The people who have come here for over 300 years, from many lands, and under many conditions, most of them bad.

CHILD ABUSE

Mr. MONDALE. Mr. President, on January 31, 1974, the Child Abuse Prevention and Treatment Act, which I introduced in the Senate, was signed into law. This legislation, which emanated from my Subcommittee on Children and Youth, was the result of more than a year of study and extensive testimony by experts in the field.

The public response to this legislation has been extremely gratifying. Thousands of dedicated, concerned individuals have expressed their commitment to combating the tragic problem of child

abuse to the subcommittee. Many of them view the new law as an essential vehicle for dealing with child abuse, and have requested information on its purpose and scope. For that reason, I ask unanimous consent that the following questions and answers, analysis and text of the law be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS ON CHILD ABUSE PREVENTION AND TREATMENT ACT

1. *Why was Federal legislation on child abuse and neglect necessary?*

During 1973, a wide variety of witnesses testified before the Subcommittee on Children and Youth on child abuse. They pointed out that an estimated 60,000 children are reported to have been abused each year in this country. Representtaives of the Department of Health, Education, and Welfare testified that, despite the size of the problem, not one person was assigned full-time in the Federal Government to work on child abuse. Witnesses also testified that limited funding of existing child welfare programs through the Social Security Act has resulted in a lack of focus on child abuse and neglect in these programs at the local and national level.

2. *What is the purpose of the Child Abuse Prevention and Treatment Act?*

The major thrust of the law is to provide funding for promising efforts to prevent, identify and treat child abuse and neglect. In its hearings in several cities, the Subcommittee found that many highly motivated, dedicated persons and agencies were willing to take action on child abuse and neglect, but lacked the funding to do so. Another major purpose of the law is to provide the technical assistance and other resources needed to increase and expand efforts to prevent, identify, and treat child abuse and neglect.

3. *How much money will be available for implementing the Act?*

The law authorizes $15 million for fiscal year 1974; $20 million for 1975; and $25 million each for 1976 and 1977. The amount of funds actually available will be determined through the appropriations process in Congress.

4. *How does the Act define child abuse and neglect?*

These terms are defined as physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of 18 by a person who is responsible for the child's welfare.

5. *Who is eligible to apply for funding under the Act?*

Programs may be supported through two different sections of the Act. One is the demonstration grant program. Under this section, a wide variety of individuals, institutions and state or local agencies—for example, hospitals, police or welfare departments, universities, parent organizations—may apply for funding.

In addition, some funds are specifically reserved for technical assistance to state governments.

6. *How does the demonstration grant program work?*

The Act requires that at least 50% of funds appropriated in any year be spent on the demonstration grant program. Under the program, HEW may award grants and contracts for the following purposes:

A. Training programs for professionals and paraprofessional personnel in fields relevant to dealing with child abuse and neglect.

B. Creation of regional centers to provide multidisciplinary services related to child abuse and neglect.

C. Provision of trained child abuse teams as consultants to rural and other areas which do not have resident experts.

D. Innovative programs and projects, including parent self-help programs.

7. *How does the state technical assistance program work?*

A minimum of 5% and maximum of 20% of the annual appropriation for this Act is reserved for grants to state governments. In order to qualify for these funds, a state must meet a series of requirements including having a child abuse reporting law, an investigation procedure, and procedures and resources for working with affected families.

8. *Who will administer the Act at the Federal level?*

The Act creates a new National Center on Child Abuse and Neglect in the Department of Health, Education, and Welfare. This Center, which has been located in the Office of Child Development, will administer the demonstration grant and state assistance programs. Inquiries concerning funding under the Act should be addressed to the Center.

9. *What else will the Center do?*

The Center will be responsible for publishing an annual summary of research on child abuse and neglect; conducting research; maintaining a clearinghouse on child abuse and neglect programs; conducting a study of the incidence of child abuse and neglect; and providing technical assistance.

10. *How does this Act affect other Federal laws with respect to child abuse and neglect?*

This Act requires that all programs related to child abuse and neglect and funded under Title IV–A or IV–B of the Social Security Act must:

A. Have in effect a child abuse reporting law

B. Have a procedure for investigation of reports of child abuse and neglect

C. Provide for immediate protection of a child, if necessary

D. Provide for confidentiality of records

E. Provide for cooperation among law enforcement, state agency and court officials

THE LIBRARY OF CONGRESS: CONGRESSIONAL RESEARCH SERVICE

Analysis of Public Law 93–247, Child Abuse Prevention and Treatment Act (S. 1191)

Sec. 2. National Center on Child Abuse and Neglect.—Provides for the establishment of the National Center on Child Abuse and Neglect by the Secretary of Health, Education, and Welfare and outlines the functions of this Center. These include the development of an information clearinghouse; publication of an annual summary of research on child abuse and neglect; compilation of an annual summary of research on child abuse and neglect; compilation and publication of training materials for personnel in the field of child abuse prevention, identification and treatment; technical assistance (directly or through grants or contracts) to public and non-profit private agencies involved in this field; research into the causes of child abuse and neglect and methods of preventing, identifying and treating it; and a full study of National incidence of child abuse and neglect.

Sec. 3. Definition of child abuse and neglect.—Defines the term "child abuse and neglect" to be the physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of eighteen by a person who is responsible for the child's welfare.

Sec. 4. Demonstration program and projects.—(a) Authorizes the Secretary to make grants to and contracts with public or nonprofit private agencies or organizations for demonstration projects designed to prevent, identify or treat child abuse and neglect. These grants or contracts may be for the following:

1. Development and establishment of training programs for professional and paraprofessional personnel in the fields of medicine, education, social work and other relevant fields, and training programs for children and persons responsible for the welfare of children in methods of protecting children from abuse and neglect.

2. Establishment and maintenance of centers, serving defined geographic areas, to provide services related to child abuse and neglect, including direct support and supervision of satellite centers and attention homes and advice and consultation to both individuals and agencies.

3. Furnishing services of teams of professional and paraprofessional personnel, on a counsulting basis, to small communities where services for child abuse and neglect are not available.

4. Innovative programs and projects which show promise of successfully preventing, identifying or treating cases of child abuse and neglect.

No less than 50 percent of the funds appropriated under this act for any fiscal year may be used for carrying out the provisions of this subsection.

(b) Provides for grants to the States for the development, strengthening and carrying out of child abuse and neglect prevention and treatment programs. In order to qualify for this assistance the State must meet the following requirements:

1. Must have in effect a State child abuse and neglect law which includes immunity from prosecution for persons reporting instances of child abuse and neglect, arising out of such reporting.

2. Must provide for the reporting of suspected instances of child abuse and neglect.

3. Upon reporting of known or suspected instances of child abuse or neglect, the State must initiate an investigation to determine the accuracy of such a report and if it is accurate, take immediate steps to protect the health and welfare of the abused or neglected child, as well as any other child under the same care who may be in danger of abuse or neglect.

4. Must demonstrate that there are in effect, throughout the State, administrative procedures, personnel trained in child abuse and neglect prevention and treatment, training procedures, institutional and other facilities and other multidisciplinary programs and services necessary to assure that the State will deal effectively with child abuse and neglect cases.

5. Must provide for confidentiality of all records in order to protect the rights of the child, his parents or guardians.

6. Must provide for the cooperation of law enforcement officials, courts of competent jurisdiction and appropriate State agencies.

7. Must provide a guardian ad litem (for the purpose of litigation) to represent the child in a case involving child abuse or neglect which results in a judicial determination.

8. Must provide that the total amount of State funds for programs or projects related to child abuse and neglect are not reduced below the level provided during fiscal year 1973 and that federal funds made available under this Act will be used to supplement and, where practical, increase the level of current State funds available for such programs or projects.

9. Must provide for the dissemination of information to the general public on the problem of child abuse. Programs or projects related to child abuse and neglect assisted under part A or B of Title IV of the Social Security Act must comply with the require. ments in Section 4(b) relating to reporting, investigation, immediately follow-up action to protect the child, confidentiality of all

records and co-operation of law enforcement officials.

Assistance under this section is not available for construction of facilities, but is available for the lease or rental of facilities when necessary and for repair or minor alterations or remodeling of existing structures.

Not less than 5 percent, and not more than 20 percent of the funds appropriated may be used for these grants made to the States.

Sec. 5. Authorizations.—This section provides authorization for appropriations of $15,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $25,000,000 for the fiscal year ending June 30, 1976 and for the succeeding fiscal year.

Sec. 6. Advisory Board—Requires the Secretary to appoint, within 60 days, an Advisory Board on Child Abuse and neglect. This Board is to be composed of representatives from Federal agencies with responsibility for programs related to child abuse including the Office of Child Development, the Office of Education, the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Social and Rehabilitation Service and the Health Service Administration.

The function of the Advisory Board will be to assist the Secretary in coordinating new programs relating to child abuse and neglect with those being administered by Federal agencies, and to assist the Secretary in the development of Federal standards for these programs and projects. Only one-half of one percent of the funds appropriated, or $1,000,000 (whichever is less) may be used for the preparation and submittal (within eighteen months of enacted date) to Congress and the President of a report on programs assisted under this act and all related programs assisted by Federal agencies with membership on the Advisory Board. The report is to include also a study on the relationship between drug addiction and child abuse and neglect.

Sec. 7. Regulations. Requires the Secretary to issue regulations and make arrangements to ensure effective coordination between programs and projects under this act and other child abuse and neglect programs assisted by Federal funds.

Public Law 93-247

An act to provide financial assistance for a demonstration program for the prevention, identification, and treatment of child abuse and neglect, to establish a National Center on Child Abuse and Neglect, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Abuse Prevention and Treatment Act".

THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT

Sec. 2. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to in this Act as the "Secretary") shall establish an office to be known as the National Center on Child Abuse and Neglect (hereinafter referred to in this Act as the "Center").

(b) The Secretary, through the Center, shall—

(1) compile, analyze, and publish a summary annually of recently conducted and currently conducted research on child abuse and neglect;

(2) develop and maintain an information clearinghouse on all programs, including private programs, showing promise of success, for the prevention, identification, and treatment of child abuse and neglect;

(3) compile and publish training materials for personnel who are engaged or intend to engage in the prevention, identification, and treatment of child abuse and neglect;

(4) provide technical assistance (directly or through grant or contract) to public and nonprofit private agencies and organizations to assist them in planning, improving, developing, and carrying out programs and activities relating to the prevention, identification, and treatment of child abuse and neglect;

(5) conduct research into the causes of child abuse and neglect, and into the prevention, identification, and treatment thereof; and

(6) make a complete and full study and investigation of the national incidence of child abuse and neglect, including a determination of the extent to which incidents of child abuse and neglect are increasing in number or severity.

DEFINITION

Sec. 3. For purposes of this Act the term "child abuse and neglect" means the physical or mental injury, sexual abuse, negligent treatment, or maltreatment of a child under the age of eighteen by a person who is responsible for the child's welfare under circumstances which indicate that the child's health or welfare is harmed or threatened thereby, as determined in accordance with regulations prescribed by the Secretary.

DEMONSTRATION PROGRAMS AND PROJECTS

Sec. 4. (a) The Secretary, through the Center, is authorized to make grants to, and enter into contracts with, public agencies or nonprofit private organizations (or combinations thereof) for demonstration programs and project designed to prevent, identify, and treat child abuse and neglect. Grants or contracts under this subsection may be—

(1) for the development and establishment of training programs for professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of the prevention, identification, and treatment of child abuse and neglect; and training programs for children, and for persons responsible for the welfare of children, in methods of protecting children from child abuse and neglect;

(2) for the establishment and maintenance of centers, serving defined geographic areas, staffed by multidisciplinary teams of personnel trained in the prevention, identification, and treatment of child abuse and neglect cases, to provide a broad range of services related to child abuse and neglect, including direct support and supervision of satellite centers and attention homes, as well as providing advice and consultation to individuals, agencies, and organizations which request such services;

(3) for furnishing services of teams of professional and paraprofessional personnel who are trained in the prevention, identification, and treatment of child abuse and neglect cases, on a consulting basis to small communities where such services are not available; and

(4) for such other innovative programs and projects, including programs and projects for parent self-help, and for prevention and treatment of drug-related child abuse and neglect, that show promise of successfully preventing or treating cases of child abuse and neglect as the Secretary may approve.

Not less than 50 per centum of the funds appropriated under this Act for any fiscal year shall be used only for carrying out the provisions of this subsection.

(b)(1) Of the sums appropriated under this Act for any fiscal year, not less than 5 per centum and not more than 20 per centum may be used by the Secretary for making grants to the States for the payment of reasonable and necessary expenses for the purpose of assisting the States in developing, strengthening, and carrying out child abuse and neglect prevention and treatment programs.

(2) In order for a State to qualify for assistance under this subsection, such State shall—

(A) have in effect a State child abuse and neglect law which shall include provisions for immunity for persons reporting instances of child abuse and neglect from prosecution, under any State or local law, arising out of such reporting;

(B) provide for the reporting of known and suspected instances of child abuse and neglect;

(C) provide that upon receipt of a report of known or suspected instances of child abuse or neglect, immediate steps shall be initiated promptly to substantiate the accuracy of the report, and, upon a finding of abuse or neglect, immediate steps shall be taken to protect the health and welfare of the abused or neglected child, as well as that of any other child under the same care who may be in danger of abuse or neglect;

(D) demonstrate that there are in effect throughout the State, in connection with the enforcement of child abuse and neglect laws and with the reporting of suspected instances of child abuse and neglect, such administrative procedures, such personnel trained in child abuse and neglect prevention and treatment, such training procedures, such institutional and other facilities (public and private), and such related multidisciplinary programs and services as may be necessary or appropriate to assure that the State will deal effectively with child abuse and neglect cases in the State;

(E) provide for methods to preserve the confidentiality of all records in order to protect the rights of the child, his parents or guardians;

(F) provide for the cooperation of law enforcement officials, courts of competent jurisdiction, and appropriate State agencies providing human services;

(G) provide that in every case involving an abused or neglected child which results in a judicial proceeding a guardian ad litem shall be appointed to represent the child in such proceedings;

(H) provide that the aggregate of support for programs or projects related to child abuse and neglect assisted by State funds shall not be reduced below the level provided during fiscal year 1973, and set forth policies and procedures designed to assure that Federal funds made available under this Act for any fiscal year will be so used as to supplement and, to the extent practicable, increase the level of State funds which would, in the absence of Federal funds, be available for such programs and projects;

(I) provide for dissemination of information to the general public with respect to the problem of child abuse and neglect and the facilities and prevention and treatment methods available to combat instances of child abuse and neglect; and

(J) to the extent feasible, insure that parental organizations combating child abuse and neglect receive preferential treatment.

(3) Programs or projects related to child abuse and neglect assisted under part A or B of title IV of the Social Security Act shall comply with the requirements set forth in clauses (B), (C), (E), and (F) of paragraph (2).

(c) Assistance provided pursuant to this section shall not be available for construction of facilities; however, the Secretary is authorized to supply such assistance for the lease or rental of facilities where adequate facilities are not otherwise available, and for repair or minor remodeling or alteration of existing facilities.

(d) The Secretary shall establish criteria designed to achieve equitable distribution of assistance under this section among the States, among geographic areas of the Nation, and among rural and urban areas. To the extent possible, citizens of each State shall receive assistance from at least one project under this section.

AUTHORIZATIONS

SEC. 5. There are hereby authorized to be appropriated for the purposes of this Act $15,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $25,000,000 for the fiscal year ending June 30, 1976, and for the succeeeding fiscal year.

ADVISORY BOARD ON CHILD ABUSE AND NEGLECT

SEC. 6. (a) The Secretary shall, within sixty days after the date of enactment of this Act, appoint an Advisory Board on Child Abuse and Neglect (hereinafter referred to as the "Advisory Board"), which shall be composed of representatives from Federal agencies with responsibility for programs and activities related to child abuse and neglect, including the Office of Child Development, the Office of Education, the National Institute of Education, the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Social and Rehabilitation Service, and the Health Services Administration. The Advisory Board shall assist the Secretary in coordinating programs and activities related to child abuse and neglect administered or assisted under this Act with such programs and activities administered or assisted by the Federal agencies whose representatives are members of the Advisory Board. The Advisory Board shall also assist the Secretary in the development of Federal standards for child abuse and neglect prevention and treatment programs and projects.

(b) The Advisory Board shall prepare and submit, within eighteen months after the date of enactment of this Act, to the President and to the Congress a report on the programs assisted under this Act and the programs, projects, and activities related to child abuse and neglect administered or assisted by the Federal agencies whose representatives are members of the Advisory Board. Such report shall include a study of the relationships between drug addiction and child abuse and neglect.

(c) Of the funds appropriated under section 5, one-half of 1 per centum, or $1,000,000, whichever is the lesser, may be used by the Secretary only for purposes of the report under subsection (b).

COORDINATION

SEC. 7. The Secretary shall promulgate regulations and make such arrangements as may be necessary or appropriate to ensure that there is effective coordination between programs related to child abuse and neglect under this Act and other such programs which are assisted by Federal funds.

Approved January 31, 1974.

LEGISLATIVE HISTORY

House Report No. 93–685 (Comm. on Education and Labor).

Senate Report No. 93–308 (Comm. on Labor and Public Welfare).

CONGRESSIONAL RECORD, Vol. 119 (1973):

July 14, considered and passed Senate.

Dec. 3, considered and passed House, amended.

Dec. 20, Senate agreed to House amendments with amendments.

Dec. 21, House concurred in Senate amendments.

REFORM IN VOTER REGISTRATION IN MINNESOTA

Mr. HUMPHREY. Mr. President, I would like to call to the attention of the Senate the testimony of two very effective spokesmen on the subject of voter registration by mail. The Honorable Joan Anderson Growe, secretary of state, from the State of Minnesota and Mr. Charles Le Febure, county auditor from Anoka County, Minn., appeared before the Post Office and Civil Service Committee on May 8, 1975, and testified on their experiences with post card registration in the State of Minnesota.

As a cosponsor of S. 1177 and one of the original cosponsors of the first voter registration proposals introduced in the 92d Congress, I am pleased to point out that the State of Minnesota is in the forefront in adopting election and voter registration reforms. In 1973, Minnesota adopted a statewide voter registration reform which provided for registration by mail. Many of the provisions in the Minnesota law have been incorporated into S. 1177, the National Voter Registration by postcard bill which is currently being reviewed by the Post Office and Civil Service Committee.

The committee called upon a broad range of experts and experienced persons to testify in order to gain the best advice available concerning this legislation. I was pleased that these two Minnesotans were able to come to Washington in order to make a contribution to our national efforts to establish a voter registration program.

I am sure that as my colleagues will see from Mrs. Growe's and Mr. Le Febvre's testimony, Minnesota has had a very positive experience with its new voter registration program. Likewise, the suggestions they have made and the questions they have raised in their testimony will be very helpful to those of us who will have to vote on this legislation in the near future.

Mr. President, I ask unanimous consent that the written testimony of Mrs. Joan Anderson Growe and Mr. Charles Le Febvre be printed in the RECORD.

There beng no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF JOAN ANDERSON GROWE, MINNESOTA SECRETARY OF STATE

Mr. Chairman, members of the committee: I am Joan Growe, Minnesota Secretary of State.

First, I would like to thank you for asking me to discuss the Minnesota Post Card Registration System. I am pleased to note that Minnesota's Senators Mondale and Humphrey are co-sponsors of this legislation.

Minnesota has long maintained a tradition of fair election laws and healthy voter participation. As a result of this active concern for the quality of the electoral process, the 1973 Minnesota Legislature enacted a statewide voter registration for the first time.

Prior to 1973, voters were required to preregister only in communities of 10,000 population or larger; voters in smaller communities were not required to register. This accounted for 52% of the qualified voters in the state. This disparate treatment in effect amounted to unequal treatment under the law. legislators ended this discrimination against voters in large communities by requiring that all voters be registered, and providing for election day registration.

Such a sweeping change in voting procedures was accompanied by similarly sweeping changes in registration procedures. Minnesota, by that same law, adopted registration by mail without notarization; provided for pre-registration before election day up to 20 days prior to election; and provided for registration at the polls on election day.

Many of the provisions already written into this voter registration law are incorporated in S. 1177 (measures proposed for Federal legislation). What has been the Minnesota experience—so far?

The first State elections held under this law were in the fall of 1974. In 1974, voter turnout across the entire Nation was down. However, Minnesota's pattern of good voter turnout continued: 49.85% of the qualified voters in Minnesota nationwide.

76.90% of the qualified voters in Minnesota are registered—which means that 2/3rds of the voters who are registered to vote, voted in this "off Presidential year". This percentage would increase dramatically during presidential election years. In 1972, 72% of the qualified voters in Minnesota voted—we anticipate that the percentage will near 80% in 1976.

We find that Minnesota election statistics show a strong indication that the more voters who are registered, the larger the turnout. It seems to follow that if we are aiming for greater participation among the Nation's voters, we should first expect to register more voters.

I welcome legislation that will ease the manner in which citizens may register and thereby increase their participation in the voting process. Federal elections cannot be fair until all citizens have the same opportunity to register and vote in all Federal elections.

Since the inception of our State's postcard registration system, Minnesota has become a model for other States to follow. Election administrations in California, New York, Michigan, Florida, and Iowa, to name a few, have indicated an interest in studying the Minnesota law as a possible guideline in their own States.

There have been no incidents of willful vote fraud as a result of the post card registration system. The local officials in Minnesota who administer the law have been informed about the provisions of the law by the Secretary of State's office.

The uniform postcard used in Minnesota is designed according to guidelines—established by the Secretary of State following public hearings. The postcard is distributed by the Secretary of State to the county auditors in all 87 counties.

Inspection of the proposed bill leads me to applaud the concept that States such as Minnesota may continue their progress toward further openness in registration and voting procedures. The bill provides for collection analysis, and distribution of information regarding elections as well as a similar gathering of specifics on postcard registration. This would be a very positive help to States seeking to keep currently informed about trends and facts in improving election procedures.

The financial assistance provided by the proposed bill will be welcomed by our State as a supplement to present budget allocations underwriting on-going registration procedures.

However, present wording in the bill needs clarification if State officials are to uniformly interpret the overall intent of the legislation.

The provision in the bill for "assistance to State officials concerning voter registration by mail and election problems generally" (403, (3), p. 4): Is this to include financial assistance to augment State funded elections budgets? Training made available to elections officials and their employees, both permanent and temporary? Would the assistance provided include a regional complement of field personnel available to State officials on call?

The matter of "election problems generally" may need definition to interpret whether these relate to other aspects of State elections officials duties such as certifying and canvassing election returns, designing reporting forms, and preparation of voter information pamphlets about candidates for office?

Similar questions about "assistance" may be raised in section 404, b, p. 5–6, which provides that "the administration may, upon request of any State official, furnish officers and employees and such other assistance as the administration and State official may agree upon to assist State officials in the registration of individuals applying to register in that State under the provisions of this chapter."

Does this mean that officers and employees will be furnished by the administration to work in the State's election department and to work in county and city elections departments? Might this assistance include use of a toll-free telephone line to provide central exchanges of information among the public at large and local and State elections officials?

All the above are "assistance" we can envision might be needed, particularly in the rural counties or rural parts of urban counties where extra personnel may be needed to help locate the actual voting precincts of registrants whose cards indicate a rural route address. We in Minnesota would welcome this kind of Federal assistance to augment our present system for registration by mail.

Inquiries received in our office from other States considering instituting a system like ours show a similar concern. To have some of these costs borne by the Federal budget would help assure uniformity in application of provisions of this chapter.

We suggest that instructions about preparation and distribution of registration forms be further clarified. For instance, the bill states that the administration is to provide for the return delivery of the completed form to the appropriate State official. Does this include Federal payment of return postage? Is the cost of mailing notification advising the applicant of the acceptance or rejection of his registration paid by the administration?

I applaud the provision for printing in other languages than English.

Provisions for ample extra copies of the registration forms in places of public access are good. It must be clarified whether two copies of the form are to be enclosed in the mailing envelope that goes to each postal address and residence. Wording of the registration form and the instructions should clearly state that the cards must be filled out by only one voter per card. Multiple registrations on one card might occur, especially if only one card is mailed to an address.

We have an additional question about the cards: Would these be separate from the cards we now print and distribute in Minnesota as part of our registration by mail system or would the administration assume the printing of all registration cards in Minnesota.

Section e on page 8 puts no limit on general availability of the cards; could this be interpreted to include printing all cards used for registration even those distributed in other than the two-year cycle indicated in the bill?

The reference to "agreements made under this section" might be conducive to such interpretation (see 406, (e), p. 8). I am confident that the committee will review these matters as they examine the intent of the bill, so that uniform application is possible as each of the several States makes its agreement with the administration.

We in Minnesota seek the compatibility of any Federal registration by mail with our own system. Under Minnesota's registration system, voters may register by mail up to twenty (20) days before an election. We would hope that the Federal registration card for Minnesota reflect this extended time beyond the minimum of thirty (30) days prescribed in this bill.

In Minnesota, voter registration is permanent if a voter votes at least once in every four (4) years and unless the voter moves or changes name by legal action. We need to be reassured that such State provisions are not to be superseded by this new Federal legislation. The card should clearly state that if one is already registered to vote, the cards need *not* be filled out and mailed to the registration office.

In summary, none of the problems cited above is easily addressed, but all may be discussed and solutions agreed upon to meet the goal of making uniform the opportunity to participate in Federal elections.

I commend to this committee the opportunity to enact legislation that would give all citizens the same basic opportunities to register and vote that citizens in Minnesota now enjoy.

Should this committee have any further questions, I would be happy to respond. Should you require any additional printed material or statistics concerning the postcard system in Minnesota, my office will be pleased to fulfill your request.

Testimony on S. 1177 by Charles Le Febvre, Anoka County Auditor, State of Minnesota

Mr. Chairman, members of the committee, I am Charles Le Febvre, auditor of Anoka County, Minnesota. Since 1971, I have served as the chief election official of Anoka County. I was involved in the design and adoption of Minnesota's voter registration laws, which allow registration by mail and election day registration. This law was adopted in our State in 1973. Since September of 1973, my office has been responsible for all voter registration procedures in Anoka County. Prior to 1973, the registration of voters was conducted by the local communities and a person had to go to their city clerk or to some other local office to register in person. This caused a number of problems, principally, office hours inconvenient to the majority of the people. Under our old law a registration booth either at a factory or a shopping center could only accept registrations from the people who were residents of the community in which the shopping center or plant was located. This extra effort to register voters was ineffective.

I would like to relate to you some of the practical applications of Minnesota's postcard registration law. I must admit that I had several reservations prior to the implementation of this law as to potential problems that could arise. We have now completed a full year of operation and the potential problems have failed to materialize or were easily solved.

We have established a system for distributing and processing registration forms by mail which has proved to be very effective. First priority of course, was the training of personnel in all phases of voter registration. A brief background of Anoka County.

Anoka County has a voting age population of 113,000 people. Our total population is 184,000. Of these, we currently have 63,600 voters registered or about 56% of the eligible voters.

The first task under the new law was to develop our system to accommodate the many different forms that came to us from the various communities. We compiled at that time a list of registered voters containing 62,000 registrants. We then put these onto our data processing system and did a mailing to all 62,000 households to update the registration file. Of these 62,000 we found that 12,000 of these forms were returned to us by the post office because the registrant no longer resided at his previous address or for one reason or another the mail could not be delivered as addressed. In addition to that, we received responses from many registrants indicating that there were some changes needed either in the spelling of their names or changing of title such as junior, etc. The number of changes, I might add, was small in terms of the total registration. Of the 12,000 cards that were returned to us, these were then flagged and notice was given to the election judges for the next election that these were not able to be delivered and as such should be challenged if the person attempted to vote.

In addition to the existing registration files, the new law provided for uniform registration throughout the State. This meant that seven communities in Anoka County that did not previously have voter registration were now under that registration law. We, then, worked with the municipal officials to develop a list of names to mail registration information. For those seven communities we mailed out a total of about 4,800 forms. We received immediate responses from 2,933 new registrants, which I believe demonstrates the very high degree of response and convinces me of the validity of this means of registering voters.

In all of this, I might add, the number of problems in any area has been very small. We have had virtually no problems with illegibility. We've only had about 25 cards that have come into our office from outside the county . . . The largest problem we had was the failure to sign both the original and duplicate registration card of which we had a couple of hundred. However, after doing a mailing to those names they immediately responded and corrected the problem. We have had absolutely zero cases of fraud.

As I mentioned earlier, there were a number of difficulties under the old law where a citizen had to register at the city hall in the community in which they resided. Under the new law, we were able to maintain a supply of forms at all city and town halls, at libraries, at high schools, at county offices such as license agencies and so on. Additionally, we were able to distribute cards to new residents, persons coming of age, and others as they had occasion to do business in these areas.

Additionally, State law allows political candidates and other groups such as League of Women Voters, to go out into the community on a door-to-door basis to register additional voters.

Through all of this, our office has experienced a minimum of difficulty in processing forms that have been distributed in those manners. Within our office the staff has not experienced any great problems in the processing areas. We code the cards for precinct, for school district and for municipality once we have determined the registration to be valid. Clerks are able to determine proper municipality and precinct from street address and zip code. Legibility of hand written forms has not been a problem or resulted in forms that cannot be processed.

One important provision of the new law is that each registrant be notified by non-forwardable mail of his registration and polling place. This type of notice verifies the person's residency at that address and is a strong deterrent to fraudulant registration. Any notices returned by the Postal Service as undeliverable results in a challenge to the voter's registration. These are investigated by staff to see if the challenge is valid.

One of our current projects is the development of a precinct-finder or street director which will aid in coding and processing forms. This will eliminate potential errors in that area. We have found that a simple, well-defined routine will prevent errors and will expedite the processing of forms. This enables extra personnel to be brought in during peak periods. I must be concerned about efficiency and clarity of administration. I feel that a national law as does the Minnesota law, would meet these tests.

One of my primary responsibilities is the role of insuring that the maximum number of voters are allowed to participate in our election system. Many different organizations, including my own in Anoka County, have considered voter registration problems very closely and very carefully. It becomes apparent that registration is a key factor in whether or not people are going to vote on election day. Anything that my office can do, anything that State government can do or the Federal Government can do to insure that the maximum number of potential voters are on the registration lists will go a long way toward insuring maximum participation. I am convinced that some form of mail registration is absolutely essential to insure that result. I support very strongly the bill that is before you.

I would, however, like to take about one minute of your time to point out a couple of areas that I think ought to be looked at in this legislation. Section 404, line 18, page 5, provides that all residents of such States apply not later than 30 days immediately prior to any Federal election. Minnesota law provides a 20 day cut-off for pre-registration. I would hope that would not be restricted by the passage of this legislation.

Section 406.B provides for the supplies of registration forms to the postal service and designates post office, postal sub-station etc. as distribution and supply points. I would hope that supplies of the materials would be made available to any and all governmental agencies, such as county auditors and the like for carrying out the effects of this legislation.

Finally, the point of contact with State government would be whomever is the chief election officer for that State, such as the Secretary of State in Minnesota. I would hope that either in regulation or in the law some provision would be made to insure that the officers of the appropriate jurisdiction such as the county auditors in my State, would be plugged into that whole process and be insured of having full knowledge in dealing with this act. Frankly, in Minnesota this does not concern me a great deal. We have a very fine Secretary of State who works closely with the county auditors and I am sure we would have no problem. However, this may not be the case in all States and I think some provision ought to be made to insure the role of the local election official.

I would like to conclude by restating my support for this legislation and the concepts contained in it. We know that postcard registration can work and we know from our experience in Minnesota that it can work very well.

Let me take this opportunity to thank you for allowing me to discuss with you the Minnesota post card registration system. Should this committee have any further questions, I would be happy to respond.

ECONOMIC CONDITIONS IN PUERTO RICO

Mr. BENTSEN. Mr. President, we are currently in the depths of our worst recession since World War II. More than 8 million Americans are now unemployed, and several million more have either dropped out of the labor market in frustration or are being forced to take part-time work in lieu of regular employment. Our most pressing concern must be in putting these Americans back to work.

Averages are, of course, misleading. The severity of the current downturn varies from State to State and locality to locality, and following the past year of double-digit inflation, its impact is felt more acutely by the most vulnerable groups in our society—the aged, the infirm, and the working poor.

The Congress has not been oblivious to the unevenness of the current recession, and I believe we have already attempted in a number of measures to bring special relief to those Americans most hurt by the current downturn.

I fear, however, that too few Americans are aware of the consequences of the current recession for the people of the Commonwealth of Puerto Rico. First associated with the United States 77 years ago, the island's destiny has been intimately tied to our own, particularly since it obtained commonwealth status in 1952.

During the subsequent two decades, Puerto Rico has enjoyed record growth. Industry has been attracted, employment has been generated, and living standards have been raised.

Today, however, many of those gains are threatened by an economic downturn that has already reached near crisis proportions.

In March, the official unemployment rate for Puerto Rico was listed as 16.4 percent. Most economists believe, however, that the real rate is probably double that since many thousands of Puerto Ricans have long since given up their search for a job.

Inflation is still raging at nearly twice the rate of that on the mainland. During the past year, the cost of living has soared an astonishing 25 percent.

This combination of unemployment or underemployment and a ravaging increase in the cost of living is making it more difficult for most Puerto Ricans to make ends meet. For many, getting by is more difficult now than before the much-heralded development effort of the late 1950's and early 1960's. "Operation Bootstrap."

More than 60 percent of the island's population lives below the Government's official poverty level of $3,870 for a rural family of four and $4,550 for an urban family of the same size. A third of Puerto Rico's families earn less than $2,000, and the island's per capita income of $1,834 is far below the national average of $4,918. The island still has a serious housing shortage, and more than half of Puerto Rico's population is on food stamps.

Those statistics by themselves are disturbing enough, but I suspect few Americans realize how the island's current economic problems can actually affect our national economy. Puerto Rico ranks second only to Canada as a purchaser of American goods on a per capita basis. The island has been importing $2.5 billion worth of goods annually from the United States. And, in terms of manufacturing in the Commonwealth for sale there and on the mainland, U.S. manufacturers have invested over $3 billion over the past two decades.

Certainly, no panacea exists for solving these serious economic problems. I am convinced that the most significant contribution we can provide is through restoring our own economy. As Mr. Hubert C. Barton, a former high-level administrator of the Puerto Rican Economic Development Administration, Fomento, has observed, "Things will not pick up until they pick up in the States . . ."

We have already begun the national effort needed to help put Americans back to work and to return this Nation to a healthy and balanced rate of economic growth. And both must receive our full efforts and determined resolve in the months ahead.

But I do believe the time has come for us to at least consider what additional steps might be taken to help the Puerto Rican people. Under the very able leadership of the Commonwealth's Governor, Rafael Hernández Colón, an ad hoc committee is currently preparing its own recommendations.

I am hopeful that those recommendations will soon be forwarded to the Congress for our consideration.

Without yet receiving those proposals, we can, I believe, consider actions now which might assist Gov. Hernández Colon in his efforts to improve the Commonwealth's relationship with the continental United States.

First, during the past several decades, Puerto Rico's economy has become linked to that of the mainland. As already indicated, the island is a major purchaser of goods produced in the United States, and its economic health remains keyed to its ability to sell its goods in the North American market.

The United States is about to enter a crucial series of trade negotiations in Geneva. Those discussions should shape trading relationships for at least the next 10 years. At the very minimum, I would hope that our special trade representative to those negotiations would fully assess how any proposed agreement might affect Puerto Rico's manufacturing, trade, and overall economy. Should the island's industries—and the jobs they provide—be threatened by less expensive imports on both the island and on the mainland, Puerto Rico's economy would be only further depressed. The Congress has enacted special economic impact assistance programs to help mainland communities adjust to new trading patterns, but such assistance might prove woefully inadequate in Puerto Rico where alternative employment opportunities are not readily available.

Second, Puerto Rico is totally dependent upon foreign sources for its energy needs. It is now importing all of its fuel from Venezuela. The island's need must be fully considered in contingency planning for any new energy embargo and in formulating a self-sufficiency program for the United States.

Earlier this year, I introduced an amendment to the Trade Reform Act of 1974 which would extend the generalized system of trade preferences to those OPEC nations which did not participate in the 1973–74 oil embargo. I believe that the current prohibition on extending those preferences penalizes those OPEC nations which withstood intense pressure and actually increased their production to help this Nation meet its energy needs during those long months.

Denying those crucially important trade preferences now is no way to show our appreciation. And given this Nation's continuing dependence on foreign energy sources, it is bad policy.

Puerto Rico would feel the brunt of a new embargo. I want to insure that our friendship with traditional suppliers, particularly Venezuela and Equador, is maintained and that neither the Commonwealth nor this Nation pay the potentially harsh consequences of the current prohibition on granting those trade preferences. I again call upon my colleagues to consider and approve this important amendment.

Finally, since the Interior Department's Division of Territories relinquished responsibility for Puerto Rico in the late 1940's, no central office in our Government has been charged with looking out for the island's needs. Decisionmaking affecting the Commonwealth has been fragmented, and the Commonwealth Government has had no single authority with which to establish and maintain liaison. I would, therefore, urge the President to consider the establishment of a special office of Puerto Rico affairs, either in the White House or in the Office of Management and Budget. Either could be most effective. In any case, we can no longer be satisfied with the current fragmented and unresponsive policymaking mechanism. Puerto Rico's problems are simply too serious to have possible corrective policies unimplemented because of bureaucratic snarls.

For our part, the Congress should consider charging the new Congressional Budget Office with responsibility for assessing how major legislative proposals might affect the Commonwealth, either by the island's inclusion or exclusion in the proposal. I am confident that in undertaking that responsibility, the Office would keep the Congress better apprised of the Commonwealth's needs and of what we might be doing for it or to it as we legislate for the rest of the Nation.

These are only several suggestions which might contribute to restoring the previous decade's momentum toward the attainment of a higher standard of living for all of Puerto Rico's people. They are not all-inclusive, nor do they in any way obviate the overriding importance of restoring health to our own economy.

I would hope, however, that they might provide a suitable basis for discussion, and together with other recommendations, spur new efforts to understand and assist local authorities in dealing with the serious problems of the Commonwealth of Puerto Rico.

WORLD FOOD OUTLOOK AND THE MIDWEST

Mr. ABOUREZK. Mr. President, two statements prepared for the Conference on World Food Outlook in St. Louis on April 28 show the importance of agriculture to the economy of 12 Midwest States and, in turn, the importance of agricultural production in these States to our agricultural exports and to our balance of payments.

The first statement, by Congressman JAMES W. SYMINGTON, raises questions that need to be answered if this region is to continue to export large quantities of agricultural commodities for dollars and help feed the hungry throughout the world.

The second statement, by Don Paarlberg, Director of Agricultural Economics, U.S. Department of Agriculture, describes the impact of Midwest agricultural production on our economy and in satisfying world food demand.

These 12 States—North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Minnesota, Wisconsin, Michigan, Illinois, Indiana, and Ohio—account for more than half of the total U.S. exports of wheat, feed grains, soybeans and soybean products, dairy products, and meat and meat products.

Agricultural commodities from these States brought $11.5 billion back to the United States.

I ask unanimous consent that these two informative statements be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY REPRESENTATIVE JAMES SYMINGTON

I appreciate the opportunity to speak to you today about the world food situation. This subject has only recently drawn the attention of a broad spectrum of Americans, many of whom are still reeling from food price increases in our own country. These high costs, as we know, are the result of many factors, chiefly increased world demand, demand attributable to rising standards of living in many countries as well as poor harvests and droughts in much of the Third World. The world has come to the U.S. breadbasket to fill its needs, and the American consumer is not used to competing with the world for our agricultural products.

While increased world demand has helped to drive prices up, so has the cost of farming itself caused them to rise. Farmers now have to pay much more for seed, for farm equipment, farm loans, fertilizer, gasoline and diesel fuel—all essential materials for agricultural production. So it is appropriate that we Midwesterners, residents of the breadbasket and, in a sense, stewards of the nation's agricultural bounty, meet to discuss the dimensions of the world food problem and to explore some of the options the U.S. has in dealing with it.

There are two aspects of the food situation which must be tackled separately but simultaneously. Both have important impacts on the U.S. economy. One is the short-term problem of how to feed the nearly one-third billion people around the world who are currently on the brink of starvation. The question for the longer term is how to bring world food production and consumption into balance.

It took all of human history to bring the world's population to one billion one hundred years ago. At the present rate of increase there will be 6½ billion people on this planet by the year 2000. The 700 million that were added in the 1960's equals the entire increase during the 19th century. A century from now, again given the current rate of increase, a billion persons will be added each year. It will take an estimated boost in agricultural production of 30 million tons per year in cereals alone to feed these additional people, 22 to parallel the near term population growth and 8 to meet the projected demand of rising affluence. This is without consideration of stocks for emergencies.

It is now apparent that the planet's 2% annual population increment poses very serious problems. Geometric population growth must be faced in concert with efforts to expand food production and increase yields in the developing countries. The question we must answer—and the debate on it has been swirling for over a year—is what should be the role of the United States in international efforts to feed the world's hungry masses.

The history of U.S. contributions to alleviate world hunger is a proud one. We sent boatloads of wheat to Ireland during the potato famine of the 1840's. Through the American Relief Commission we fed Belgium during World War I and Russia afterwards. $25 billion worth of American food has been given away by the U.S. over the last 20 years. I had the privilege of working in this effort as Deputy Director of the U.S. Food for Peace Program in the early 1960's. In those days we had very large surpluses of wheat, food grains, vegetable oil and powdered milk. It was normal, for example, to make up a shortfall of two or three million tons of wheat in India under Title I of Public Law 480, the authorizing legislation for such programs. The food was paid for not in dollars but in rupees, all of which had to be spent in India, and most of which were loaned back on very easy credit terms to the Indians. Similar agreements existed in Pakistan, Indonesia, Korea, the Philippines, and many other Asia, African and Latin American countries.

It was my view that this was the most effective form of foreign aid, because it ended up in the diets of malnourished and famished people, not in anonymous Swiss bank accounts. During that period I saw for myself what a bowl of American cereal and a tin cup of reconstituted milk could do for children enrolled in the school lunch programs set up throughout the world. We also supplemented with food the meager wages of marginal workers engaged in basic projects related to the agricultural productivity of those areas—irrigation, reforestation, and well-digging. Some of the best programs were carried out by voluntary agencies such as CARE, Catholic Relief Services, and the Lutheran and Church World Services. There was a combined sense of mission and cooperation in what seemed to be the right kind of work for a great and responsible nation.

That was 14 years ago. Now the days of food surplus, like the formerly bountiful supplies of energy and other natural resources, appear to be over. With their passing, food policies based upon unlimited abundance have come unstuck, and better management of the earth's dwindling common heritage is demanded. It is clear that the American farmer and related industries are at center stage. Their productivity and experience may well provide the difference between a sane and rational world and one plunged in the abyss of famine, recrimination and war. We know, of course, that the U.S. cannot feed the world by itself. Other nations must cooperate in providing the grain necessary to offset famines and disasters in the short-term. Yet, as the breadbasket of the world, the U.S. must begin to look at its agricultural resources as a factor in international relations and reassess its agricultural policies in that new light.

There are some who might say that recent events in Indochina, and U.S. reluctance to commit further military aid to that area, are symptomatic of growing isolationism in America. However, I believe that public support for a shift away from the use of military aid as the cornerstone of our foreign policy is a recognition of the fact that no matter how great, our military might alone cannot achieve a stable peace. Rather than turning inward, I believe America will depend much more heavily on constructive technologies to help build a just and lasting peace. Sound policies for agriculture and agribusiness must be a cornerstone in the foundation of our foreign policy.

Domestic agricultural policies must now be adjusted to encourage investment and expansion in this vital sector of the national and international economies. As you know, policies in recent years have reduced the Federal role in the agricultural sector. A return to the so-called "free market" was deemed essential to maximize production strategies. Some have hailed the removal of land set-asides, for example, as a boon to the farmer and the consumer. With hundreds of millions of hungry people at home and abroad, there should be no necessity to withhold land from production. But the farmers of America must be assured an opportunity for a return on their investment and for their labor and productive genius.

At the present time, too many small and large farmers alike find themselves adversely affected by increased production because most of them do not have the capital, the storage, the transportation facilities or the organization to hold and dispose of their grain and other agricultural products at the optimum time.

An indication of this can be found in recent farm income figures. Realized net farm income in 1974 fell 16% below 1973's record level of $33 billion, and most of that decline was concentrated in the last half of the year with some acceleration in recent months. Farmers now receive an average of 40.2 cents of every retail food dollar—down from 52 cents in August, 1973 and only one cent more than 10 years earlier. The share during that period ranged from a low of 37 cents in 1964 to a high of 41 cents in 1966 and 1969. Clearly, the stability of agricultural markets can be found wanting from the farmer's view.

An agricultural policy that would guarantee maximum production to the American consumer and our trading partners and constitute an important part of our foreign policy of necessity must assure the producer that increased production will increase rather than decrease his income. Federal agricultural policy simply must help offset the destabilizing influences in agricultural production and the agricultural industry in order to encourage maximum production.

Although the Agricultural and Consumer Protection Act of 1973, and recent amendments thereto, provided the mechanism for farm price and income stabilization for a period, drastic losses of the last year must be reversed. For this reason, I voted for the changes advocated by the new Agriculture bill passed by the House and for the Conference Report. It is my hope that the President will not veto this legislation.

Further with respect to policy revisions, answers must be found to the following questions:

Are governmental farm programs adequate to assure farmers sufficient incentives to produce, harvest, and dry maximum size crops?

Are governmental policies adequate to secure the needed expansion in fertilizer production to meet increased domestic and export needs?

Are the nation's storage and transportation systems adequate to meet the larger needs of farm production and exports?

In view of the changing world situation and the increased world demand for animal products, what, if any, changes in national policies should be adopted to stabilize supplies and prices of livestock feedstuffs?

In view of the enlarged and highly variable world demand, should the United States have a more comprehensive export allocation and food reserves policy?

To what extent should the United States cooperate with the United Nations Food and Agriculture Organization in building an international system of reserve stocks?

In view of the sharply higher prices for food commodities and the increased needs of drought-stricken countries lacking foreign exchange, are current U.S. programs for international food assistance adequate?

This Conference presents me, as a legislator, with a unique opportunity to learn what you, who are so closely associated with the operational side of agricultural policy, think should be done to deal with these difficult questions. My respect for the views of the agriculture and agribusiness communities stretches back over a decade and a half. It was always my impression that the most effective U.S. assistance programs were those in which the agribusiness community, acting through such regional groups as the Great Plains Wheat Market Association in concert with other private and voluntary agency efforts, brought the huge contribution of the American farmer in a rational way to the tables of the hungry world. It remains my conviction that the most successful programs to meet today's needs will be those which incorporate both the insight and active participation of the farmer, the agribusinessman, and American technology in the private sector. I believe I reflect the consensus of Congress that only in this spirit and cooperative fashion can we face the future with a confidence commensurate with our vast potential.

The World Food Outlook and Its Significance for the U.S. Midwest

Events since 1972 have clearly demonstrated the close connection between our agricultural economy and world food conditions—and the advantages and disadvantages of the relationship.

The 35-million-ton drop in world grain production in 1972 was an unprecedented supply disruption. That shortfall, rapid economic growth in some parts of the world, and monetary realignments combined to trigger a tremendous upsurge in foreign demand for our farm commodities. World grain production rose in 1973, but not enough to significantly rebuild stocks, and the foreign demand continued to accelerate. In 1974, weather once again caused a shortfall in world food output, setting off a fear of long-term world food shortages and famine for people in many developing countries.

These worldwide conditions have helped push the value of U.S. farm exports up from $8.1 billion in FY 1972 to $12.9 billion in FY 1973 and $21.3 billion in FY 1974. Farm export values for the current fiscal year will reach $22 billion, the highest in history.

Domestically, in the last two years, we have witnessed shortages of beef in the supermarkets, $6 wheat, soybeans that exceeded $12 on the Chicago futures, food price increases of 14½ percent from 1972 to 1973 and another 14½ percent from 1973 to 1974. Also, in 1973, we experienced a decrease in per capita food consumption for the first time in the United States since 1965. These were extraordinary events for the U.S. food and fiber system, happening along with an equally extraordinary combination of international circumstances involving changes in currency values, short gain crops and unprecedented purchases on the world grain market by the non-market oriented Soviet Union and the People's Republic of China.

Now, after two years of exceptional activity in our agricultural economy and in the world food economy, we are facing an adjustment period. Net farm income in the United States, after reaching an all-time high of $32.4 billion in 1973, fell about 15 percent in 1974, when inflation and high energy prices began to affect production costs. Livestock producers were especially vulnerable because their costs for feed were also up.

High production costs will continue this year. Moreover, farm commodity prices have been weakening over the past few months because of expectations of good 1975 crops. Between October and March the U.S. export price of wheat at Gulf ports dropped from $5.23 to $3.96 a bushel, corn from $3.85 to $3.13, and soybeans from $8.56 to $5.89.

When the termination of this adjustment period will fully materialize—this year, or next year, or the year after—will, of course, depend largely on weather conditions and on supply and demand developments, both here and abroad. Even taking account of the uncertainties concerning 1975 crop output, realized net farm income in 1975 is likely to be down from 1974.

U.S. FARM EXPORTS AND WORLD FOOD SUPPLIES

Agricultural exports will continue to be crucial not only to our farm economy and our national economy, but also to importing countries. World food demand will continue to increase, stimulated both by continued growth in income and world population growth at the rate of 70 million people a year. Our farm commodities will continue to meet real food needs in many places, particularly in developing countries, where over 80 percent of the population increase is occurring. The United States exported about 45 percent of the world's wheat traded in 1972 and in 1973. In feedgrains, 56 percent of the total imports came from the United States. We export a large percentage of the world's total rice imports—about 25 percent, more than any other exporter. This reflects both unusual production shortfalls and a growing dependence of many countries, particularly developing countries, on imports.

But this is not to suggest that our farm exports and our capacity to produce is the answer to long-run world food needs. If the world is to have adequate and stable supplies of food, it is essential that the developing countries in particular make substantial progress in their own food production and in cutting back population growth.

The conditions of the past two years have illustrated all too clearly the difficulties that arise when there are short supplies of agricultural products for export. When there are short export supplies, and yet a long-run pattern of dependency, there are bound to be upheavals in the food economy. This could be the case when there are unusual weather adversities—for when grain yields drop because of bad weather in one part of the world, there is no guarantee that there will be offsetting food yields in other regions.

The United States is committed to helping the developing countries find the proper combination of techniques and policies to substantially improve their food production and distribution systems. We are also committed to providing food aid shipments to meet emergency needs and to help people seriously threatened by malnutrition.

These commitments and our efforts to continue expanding our commercial agricultural export business can operate side by side. As economic growth around the world recovers, food expenditures are expected to increase, and consumers are likely to want more animal protein and more variety in their diets.

What does the future hold for American agriculture? What does it mean for the Midwest in particular which supplies over 50 percent of U.S. farm exports? The Department of Agriculture does not have all the answers to these questions, but we can provide some useful information that will help in evaluations.

HISTORICAL AND CURRENT PERSPECTIVES

It may be helpful to review what major changes have occurred in American agriculture in the last fifty years, and how the Midwest's role has developed.

Demand for U.S. agricultural products has undergone major changes since the 1920's. In the pre-war period of 1925–40, the value of cotton and tobacco accounted for 55 to 60 percent of our farm exports, while feed grains and soybeans made up less than 5 percent. By 1970–74, cotton and tobacco's share had fallen to about 11 percent and that of feed grains and soybeans had increased to 55 percent. During this time period, food grain exports (wheat flour, and rice) increased from about 10 to 21 percent of the total.

Exports of feed and feed grains rose from less than 5 percent of total exports in 1925–32 to 44 percent in 1973 and 1974, with over half of the increase occurring after 1955–59. These rapid changes in the commodity composition of U.S. agricultural exports correspond with rapid expansion in livestock production in Japan and Western Europe in the 1960's and hence growth in demand for feed grains. The large imports of grains in 1972 and 1973 by the USSR, China, and India did not significantly alter this picture.

MIDWEST PRODUCTION

These developments provide expectations about the future composition of our agricultural exports and for Midwest export prospects in particular. The growth commodities for U.S. export are feed grains and soybeans; while cotton, tobacco, tallow and hides and skins make up that group of commodities whose exports are growing slowly in absolute value but declining in relative importance. Foods for direct consumption—primarily wheat, rice, fruits and vegetables—have tended to increase in value but hold a rather steady share of our exports over the years.

Nearly one-third of the output of the Nation's farms was exported in fiscal year 1974. It took 96 million, roughly one-third, of the 322 million acres of cropland to produce the fiscal 1974 exports. The foreign market was an outlet for two-thirds of our wheat output (including wheat products); about one-half of our soybeans, rice, and cattle hides; more than two-fifths of our tallow; and more than one-fith of our country's corn production.

In our non-metropolitan areas, large numbers of farm workers are employed solely for production for the export market. The Midwest provides one-half of the total U.S. farm exports, exports that are strategic in maintaining employment in farming, in agribusiness, and in local service industries.

With farm exports from the Midwest averaging $12 billion in fiscal 1974, the effect on the economy—rural and non-rural—is sizable. The Midwest provided over $3.6 billion of feed grains, $2.7 billion of wheat, and $2.4 billion worth of soybeans for the Nation's export market in fiscal year 1974.

The Midwest's share of the Nation's exports of these three major commodities was roughly three-fourths for feed grains and soybeans, and nearly three-fifths for wheat and flour. Compared with four years ago, the Midwest's percentage share of the Nation's exports of feed grains and soybeans has increased. Growth in shares for the Midwest also occurred for flaxseed, soybean oil, and protein meal.

What do these export developments in the Midwest indicate for the future? They are encouraging if we can judge the future by the just mentioned expansion in the Midwest's export shares of major commodities such as corn and soybeans.

Both corn and soybeans are shipped into markets where competitive conditions largely determine their acceptance. Government export subsidies for these commodities no longer exist. The principle portion of these exports moves under commercial export conditions. If there were fewer trade barriers against them in such leading importing nations as the European Community, their purchases from the United States would likely expand. Fertilizer salesmen, machinery dealers, local elevators, the transportation sector, and farm workers would all feel new strength in demand for their products and services. Thus, trade negotiations enabling further export growth should be of particular benefit to the Midwest.

The productive Midwest is in a strategic position to capitalize on its natural and economic advantages. The Midwest's exports are oriented towards unprocessed raw products which can be produced with great efficiency.

That capacity is illustrated by the contribution made by individual states in the Midwest to the total export value of $21.3 billion in fiscal year 1974 shown below:

State	Amount (millions)	Percent of first year 1974 sale
North Dakota	$842. 2	3. 9
South Dakota	426. 8	2. 0
Nebraska	1, 030. 7	4. 8
Kansas	1, 569. 3	7. 3
Missouri	704. 5	3. 3
Iowa	1, 774. 3	8. 3
Minnesota	1, 161. 7	5. 4
Wisconsin	185. 1	. 8
Michigan	294. 8	1. 4
Illinois	1, 938. 8	9. 1
Indiana	967. 4	4. 5
Ohio	559. 8	2. 6
Total		53. 4

Nearly 60 percent of the value of all wheat exports in 1971–74 can be attributed to the Midwest. Over three-fourths of total feed grains, 72 percent of all soybeans and soybean oil, 71 percent of soybean meal, 22 percent of vegetables, 68½ percent of all dairy exports; 58 percent of meats and meat products came from the Midwest's share of the nation's total exports. By years, this was 48 percent for 1971, 49 percent for 1972, and 54 percent for 1973.

TRANSPORTATION

Efficiency of transportation in the United States builds efficiency into the competitive position of the United States' exports in world markets. The Midwest is fortunate to have an excellent waterway system to ship its produce out to Gulf ports so effectively. Barges haul a large share of the grain produced within 100 miles of the inland river system and exported from the Gulf. Barge rates, subject to supply-demand conditions, are usually under rail rates.

The Midwest's movements by rail of grain out of the major producing areas to world transportation hubs is done at comparatively low costs. For example, in 1974, a bushel of corn could be transported by rail from Sedalia, Missouri, to the world port of New Orleans for an annual average cost of 40 cents; from Lincoln, Nebraska, to Galveston, Texas, for 51 cents a bushel. Northern ports such as Chicago can easily be reached by rail at rates such as 21 cents per bushel of corn for transport from Decatur, Illinois, to Chicago. Wheat shipments to the Gulf moved by rail at 39 cents a bushel in 1974; soybeans at 44–62 cents a bushel from various areas of the Midwest.

Upon arriving at the port of New Orleans, these grains compete effectively in world markets through low transportation costs to world distribution centers such as Rotterdam and Tokyo. As of April 7, 1975, the American farmer can export wheat to Rotterdam from the Gulf for $7.25 per long ton in non-U.S. flag ships of 15–30,000 tons, while his South African counterpart would ship to the same location at about $12–$13 per long ton.

Argentina, which exported 14 percent of the value of the world's feed grains in 1973, shipped feed grains at a rate of $14–$16 per long ton to Rotterdam. From the Gulf to Japan, wheat moved at $17.75 per long ton; from Australia at $19.25 per long ton; from Argentina at $19.75 per long ton. Corn rates are generally a little higher. The Midwest farmer also has comparable advantages in transportation cost to markets in the USSR, Eastern Europe, and Asia.

These rates are current, representing a distinctive drop from last year, because tankers which usually move oil are now being used to move grains, setting up a favorable supply and demand condition for space aboard tankers. These rates are expected to be near the bottom now and may rise later on this year, but American farmers can expect to maintain a distinct advantage in cost of transporting their commodities to world markets.

We have faced some serious problems in the last few years in transportation. First, severe boxcar shortages occurred when grain exports increased 50 million tons in 1973. At this time of export expansion, the economy was also growing at a rapid pace and also added pressure to requirements for transport. Since then, the railroads have added 33,000 hopper cars to the railroad fleet. Forty-foot narrow-door boxcars have declined in number from 173,000 in 1973 to 148,000 as of December 26, 1974. This shift from the traditional 2,000-bushel, 40-foot narrow-door boxcars to covered hopper cars that presently haul an average 3,400 bushels has increased the carrying capacity of railroad cars. Covered hopper cars now account for 70 percent of the capacity of all cars. One problem arises for the Midwest transportation system. The greater capacity hopper cars are too heavy for many branch line rail tracks. To move more grain out of the producing areas more quickly, improved trackage will be needed.

PROJECTIONS TO 1985

The Economic Research Service has projections of the domestic and foreign demand requirements through 1985. Certain assumptions accompanying these ranges are based on three levels of national population growth, various levels of personal disposable income and the demand for farm exports. These projections reflect high demand and low demand situations. They describe not what will happen, but the wide range of possible adjustment paths that could bound the future of American agriculture.

Wheat production is expected to rise from a 1970–72 average of 1.5 billion bushels (the Midwest produced 60 percent of that) to a high of 2.2 billion and a low of 1.7 billion bushels. Exports of wheat could range from 759 million bushels to 1.2 billion bushels in 1985 with exports accounting for 45–53 percent of total production. Recently, ERS has developed even higher projected export possibilities of wheat. Total corn production could be between 5.9 billion bushels and 7.8 billion, up from a 1970–72 average production of 5.1 billion. Coarse grain exports could range from 41 million tons to 56 million tons. Soybeans produced in 1970–72 averaged 1.2 billion bushels and could go to 1.7–2.3 billion bushels by 1985. Soybean exports are projected to range from 950 to 1,125 million bushels by 1985. Even under conditions of low economic growth in the United States, low foreign demand, and small foreign population growth, the volume of exports and domestic use of these major commodities important to the Midwest would increase substantially.

The U.S. would require between 310 and 368 million harvested acres in 1985 to match the above low and high demand assumptions, respectively. This may be compared to the 297 million harvested acre average for 1970–72 and the 330 million used in 1974. To fulfill their projected share of U.S. production, the 12-state Midwest would require between 185 million and 213 million harvested acres in 1985. This compares to their 171 million in 1970-72 and 197 million in 1974.

The U.S. is currently utilizing more acreage now than would be needed under the 185 low demand requirement or even under ERS's baseline assumption. But could we meet the high demand requirement if needed? In other words, could the U.S. come up with 38 million and the Midwest 19 million more harvested acres than used in 1974?

The USDA Conservation Needs Inventory of 1967 shows about 264 million acres in the U.S. (81 in the Midwest) of land potentially suitable for regular cultivation that was not then in crops. Due to physical limitations, only about 100 million of these potential acres are considered physically well adapted to regular cultivation and considerable development (clearing trees, draining, leveling, etc.) would have to occur. Much of this is in small scattered plots making it difficult, and currently uneconomical, to incorporate into crop production. And conversion of much of this potential cropland would compete with the forage requirements of the livestock industry, and the lumber requirements of the timber industry. But the potential is there, and with the proper incentive, the U.S. could adequately provide the acreage to fill even the high demand requirements.

SUMMARY OF PROJECTIONS

The above projections indicate both a potential demand and an adequate farm productive capacity in the United States. Farming can remain a viable, growing and productive segment of the United States economy. The readily available supply of natural resources appears adequate and given reasonable increases in farm subsector productivity, only modest increases in the quantity of nonfarm produced energy input will be needed to meet projected shifts in the domestic and foreign demand. With purchased inputs becoming a larger share of total inputs, farmers may respond more quickly to rising cost with relatively lower output. Moreover, positive supply response generated by increases in productivity can have a depressing impact on net farm income when facing a demand that is fairly unresponsive to lower prices. Thus, there remains more uncertainty in the level, composition, and utilization of farm output than the above "numbers" might imply.

POLICY ISSUES

I indicated earlier that our agricultural economy is going to have to make some adjustments to the turbulent conditions of the past two years. We see the conditions focused primarily on two fronts. First, the quadrupled price of oil has jarred world economic systems so as to leave the outlook very uncertain. Second, adjustments to changes in the world economic system are being felt in declining farm income.

Immediately after OPEC raised the price of oil in the last quarter of 1973 the Department of Agriculture became very concerned that some of our major overseas markets for agricultural products would face strong balance of payments problems. As a consequence of a "dollar shortage," overseas demand for our farm commodities might level off or even decline. This was of particular concern since all acreage limitations on the production of major crops had just been lifted for the first time since the early 1950's.

Based on the best available data to us at USDA—regarding petroleum prices and imports and balance of payments projections—we concluded that four major markets were in a weak position. They were Japan, the United Kingdom, France, and Italy. We learned later that there is not much certainty about petroleum prices, but these four countries are nevertheless the ones most often mentioned as facing balance of payments problems due in large part to higher oil prices.

Despite the balance of payments problems of these and many developing countries, and sluggish economic activity around the world, the value of U.S. farm exports is expected to hit record-breaking $22 billion—up slightly from the previous fiscal year. But the volume of these exports may be down 10 percent.

In the face of these economic difficulties, why is our export value increasing this year? These gains are occurring despite a $1 billion decline to the centrally planned economies of the USSR and the PRC. U.S. agricultural exports to OPEC are expected to total $1.8 billion—up 70 percent over the fiscal 1974 level.

Most of the adjustment to higher oil prices took place through capital accounts of nations. The Less Developed Countries borrowed $922 million from the IMF's oil facility and a little over one and a half billion from its regular credit facility, more than $6.4 billion from the Eurocurrency market, and a considerable amount from direct and indirect loans and credits by OPEC nations. Thus they managed fairly well the first year.

U.S. farm exports to developed nations are expected to total $12 billion, about the same as in fiscal 1974. As with the developing nations, the adjustment to higher oil prices took place to a large extent through the capital accounts with $1.1 billion borrowed from the IMF's oil facility and $1.8 billion from its regular credit facility, more than $18.6 billion from the Eurocurrency market, and more than $12 billion from investment or credits from OPEC nations.

In total the oil importing world incurred a current account deficit with OPEC of about $60 billion. It required, however, considerable effort and cooperation among oil importing countries and between these countries and OPEC. Although this deficit had relatively small impact on our farm exports and world trade, the longer term impact may be more significant.

This being the case, attention is now turning increasingly toward the economic slowdown in most developed nations. Already the economic slump is depressing the value of commodities and raw materials entering world trade. As the slump continues, sales abroad at past prices will be more difficult to maintain.

Even to the non-OPEC developing countries, our exports are expected to rise 13 percent in fiscal 1975. This accounts for 32 percent of U.S. farm exports. Assuming the need and desire to import, where did the money come from? In the first place, some of the non-OPEC developing countries are more or less self-sufficient in oil. This includes Malaysia, Mexico, Bolivia, Egypt, Colombia, Tunisia, and several other smaller countries. In total these countries have a population of about 155 million people, or about three-fourths that of the United States.

Furthermore, only little of the increase will come from the P.L. 480 program or from other concessional credit sales programs administered by the U.S. Government. Sales under these programs were down 8 percent in fiscal 1974 to a level of $939 million—the lowest level in two decades, but may total about $1.4 billion in fiscal 1975. Part of the money, but by no means all, came from a drawdown in international reserves. Reserves of the non-OPEC developing countries equaled about $34.1 billion or about $3.8 billion more at the end of 1974 than at the beginning.

To some extent higher export earnings helped pay for oil imports and U.S. farm imports by these countries. Prices of their exports rose on the average about 35 percent in 1973, and they climbed further during the first half of 1974.

The export prices have dropped significantly since mid-1974, however, and further declines are expected as long as there is an economic slowdown in the developed world. Excluding oil exporting countries, exports of the developing countries increased about 42 percent to $95 billion in calendar year 1974. Their imports increased by 51 percent, to about $119 billion.

The volume of U.S. agricultural exports will probably increase by as much as 10 percent in fiscal 1976. This will somewhat offset a probable fall in prices from the fiscal 1975 levels. Value of our exports could be down as much as a fifth. What allocations the world will continue to make to satisfy their needs for energy and for food is uncertain.

The volume demand for U.S. agricultural exports will probably increase about 10 percent over fiscal year 1975. Some of the reasons for this increase are:

Livestock production will probably be maintained in Western Europe and Japan.

Livestock goals in the USSR are expected to remain; although at a possibly lower rate.

Lower prices should stimulate exports.

Recovery from economic stagnation in the major U.S. markets is expected in late 1975 or early 1976.

International monetary system, having adjusted to higher oil prices, should provide enough liquidity for growth in international commerce.

Grains stocks are at a very low level in most countries.

Some of the uncertainty of prices has greatly concerned U.S. legislators. During the past 60 days, prices of wheat, corn and soybeans have fallen precipitously. The Congress sought to increase the target price for wheat from $2.05 to $3.10 a bushel, to raise the target price for corn from $1.38 to $2.25 a bushel, and to raise the target price for cotton from 38 cents to 45 cents a pound. The Congress also sought to set the loan rate for soybeans at $3.94 a bushel. There is no support at present.

As this manuscript is being prepared, the ultimate disposition of this matter has not been resolved. One concern is that an increase in target prices would set up a situation which might greatly increase Government costs when crop production is large. Another concern is that rising loan rates seems, based on past experience, likely to move us back into a position of accumulating large Government stocks and increasing costs. There is concern that once such target prices or loan rates are raised, they tend to be viewed as long-term minimums, thus making it very difficult to reduce them if that seemed appropriate.

We feel that the direct effect on consumer prices in the next year would be minimal. However, the impact on budget outlays would contribute to overall inflationary pressures.

The prices paid to farmers are affected by stocks policy. We have seen the effects of a quick drawdown in stock levels. Between 1971–72 and 1973–74, end-of-year wheat stocks in the United States dropped from 23.5 to 6.8 million tons. Feed grain stocks fell by 26 million tons in the United States, and the livestock industry suffered serious financial losses.

The surplus grain stocks of the 1960's permitted relative stability in world grain prices and made possible large amounts of food aid. But they were a burden to taxpayers and they led to restrictions on grain production. These surpluses also contributed indirectly to the developing countries' growing dependence on grain imports by permitting postponement of needed agricultural development projects.

It is clear that we need better stock management that would provide both favorable farm prices and income, and reasonable consumer food costs without diminishing either export trade or harming foreign relations.

The United States has agreed that an international reserves program be worked out. It would include provisions covering the location of the stocks and rules governing their purchase and release.

Future market growth is crucial, and trade liberalization is crucial to market growth and to the income of farmers. On March 6, we stopped asking exporters to request prior approval for grain, soybeans, and soybean meal shipments. As soon as possible we will further relax our export monitoring. To provide a watch over U.S. supplies of grains and soybeans, however, the Department will continue to require that exporters report large sales daily and all sales weekly.

In the current round of Multilateral Trade Negotiations among GATT members, we will deal with factors that distort trade patterns and that tend to limit the volume of trade and associated economic activity.

We have seen U.S. agricultural exports grow steadily. The growth has come from increased foreign demand and increased U.S. production. It has been enhanced by the fact that importers can count on the United States to be a dependable supplier of quality products. But we have also had the technology, the financial resources, and the information necessary for tremendously successful market development programs. These efforts should continue.

I don't wish to convey the impression that the world food crisis is over, or that good crops this year will solve the problems of adequate world food supplies. High prices and limited supplies of food and fertilizer are likely to prevail for the next year or two. The developing countries that rely on imported grain will continue to be the most adversely affected. Poor world crop conditions in 1975 or 1976 could have serious consequences for those countries already experiencing severe food shortages.

In the longer term, more food can be produced per person. The world has the land resources and the technology, and we have seen how responsive food production is to favorable government policies and prices.

THE FORGOTTEN RURAL POOR

Mr. HUMPHREY. Mr. President, the problems of rural America are many and complex. Recently Mr. Richard J. Margolis, chairman of the Rural Housing Alliance and of Rural America, Inc., outlined the problems that affect so many of our rural citizens in a splendid article which appeared in the Minneapolis Tribune of May 5, 1975.

I ask unanimous consent that the article entitled "Rural Poor Are Ignored" by Richard J. Margolis be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune, May 5, 1975]

RURAL POOR ARE IGNORED

(By Richard J. Margolis)

GEORGETOWN, CONN.—Much of American history comes down to the people's erratic pursuit of equity in the face of obdurate privilege. During the 1930s, that pursuit was expressed largely in terms of class; in the 1960s in terms of race.

Now the time seems right to speak also of *place*, and of those Americans who by virtue of where they live are deprived of full participation in our political and economic system.

Sixty million Americans live in small towns and rural areas—outside what the Census Bureau calls Standard Metropolitan Statistical Areas. By and large, our national policy vis-a-vis these rural citizens has been one of ferocious neglect. Their voice has been drowned in the urban hubbub; their needs have been continually overlooked.

Indeed, the illusion is widespread that rural America no longer exists; that it is, in fact, a dead letter, and that sooner or later all but the minions of agribusiness will live in megalopolis. The illusion is self-fulfilling; it promotes policies that ultimately drive people off the land and into the cities. Because of these policies, many people suffer.

Item: Although less than one-third of the total population lives in nonmetropolitan areas, fully 60 percent of the nation's substandard housing (as defined by the census) can be found there. Yet all but a thin sliver of the total federal housing subsidy—less than 20 percent—goes to our cities and suburbs.

Item: The so-called "health-delivery system" in rural America is a disaster. Rural communities suffer from a perpetual shortage of doctors, dentists, nurses and other essential health specialists. Whole counties—138 of them—and whole towns—more than 5,000 of them—must somehow get along without the services of a single physician. Nevertheless, as with housing, federal funds are tilted in an urban direction. For example, only 7 percent of the Department of Health, Education and Welfare's clinic-assistance money goes to non-metropolitan areas.

Item: Public-transportation facilities are declining everywhere, but at a faster rate in small towns and rural sections. In the last 15 years, 146 bus companies have disappeared, most of them from towns of less than 25,000 population. Yet nearly all federal transportation assistance is directed toward the cities. In fact, only $500 million of the $11 billion authorized to administer the 1974 National Transportation Act is earmarked for rural areas.

Need one continue? The figures trace a similarly skewed picture in education, employment, welfare and most of the other categories that, taken together, go far to define the quality of life in America. Invariably, it seems, rural Americans finish last.

This is not a new story. In a sense, rural Americans have been in trouble ever since Alexander Hamilton's vision of a society powered by urban capital triumphed over Thomas Jefferson's dream of a society harnessed to agricultural yeomanry. From that point on, the city held sway.

By the end of the 19th century, although we were still predominantly a nation of farmers, the city's economic triumph was absolute. As the historian E. G. Nourse was later to note, "At the opening of the 20th century, American agriculture stood in just the same subservient position to American industrialism that the colonies had occupied toward England a century and a quarter before."

In 1908, President Theodore Roosevelt, sensing that something had gone sour in rural America, appointed a high-level Country Life Commission to recommend remedies. Eventually the commissioners issued a long and thoughtful report. "It is peculiarly necessary," they noted, "that government should give the farmer adequate consideration and protection. There are difficulties of the separate man, living quietly on his land, that government should understand."

Government did not understand. Congress, after due debate, refused to appropriate a single dime toward the report's dissemination. One concludes that the supply of bad news about rural America has always exceeded demand.

Six decades after Roosevelt's commission, Lyndon B. Johnson appointed a similar investigative body, this one known as the President's National Advisory Commission on Rural Poverty.

The result was a melancholy but moving report on "The People Left Behind"—the 14 million rural poor. But by the time it came out the president had lost interest; he was already hip deep in Vietnam. Once again, in their long pursuit of equity, rural Americans would have to wait.

Now a growing number of rural and small-town residents are saying they are not willing to wait. They are calling for a fair share of society's goods and services. Last month, for example, some 1,500 rural-America advocates met in Washington and wrote the broad outlines of an economic and political agenda for rural America. One hopes they will be heard and heeded.

COUNTERFORCE STRATEGY: IS IT STRANGELOVIAN?

Mr. GARY W. HART. Mr. President, Dr. Herbert Scoville, Jr., a former Deputy Director of the Central Intelligence Agency and a former Assistant Director of the Arms Control and Disarmament Agency, is well qualified to make judgments on where Defense Secretary Schlesinger's policy of seeking to make our strategic missile arsenal more "flexible" is leading us. He identifies the dangers in the Pentagon's current plans and concludes that, far from improving our national security, they tend to make nuclear war more possible.

I ask unanimous consent that Dr. Scoville's article explaining his views, which appeared in the Los Angeles Times on April 13, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Apr. 13, 1975]

COUNTERFORCE STRATEGY: IS IT STRANGELOVIAN?

(By Herbert Scoville, Jr.)

There is a definite Strangelovian cast to some of the thinking behind current U.S. strategic planning. There was Secretary of Defense James R. Schlesinger, for example, talking in Congress of a "limited" nuclear war (several thousand Soviet nuclear missiles fired at U.S. missile sites) and making such a "counterforce attack" seem more reasonable and probable by raising doubts that the United States would retaliate massively.

Would Washington really restrain itself after that sort of provocation? To make that seem more likely, Schlesinger minimizes the American casualties from such a "limited" attack. If the Russians took that kind of logic to be indicative of American intentions, they might be more inclined to believe they could stage such an attack with relative impunity.

Schlesinger's Senate testimony last September, released recently, was prompted by a letter from Sen. Clifford Case (R-N.J.) requesting information on the U.S. casualties that might result in the event of a counterforce strategic exchange. In his presentation of the defense budget for fiscal 1975, Schlesinger had proposed programs to provide greater flexibility of response in the event of nuclear attacks, and sought for the first time funds to develop more efficient counterforce weapons; this year, even in the aftermath of the much-touted Vladivostok arms limitation agreement, the proposed budget for 1976 calls for still larger sums. Schlesinger argues that without a wide range of responses, U.S. deterrence of a limited Soviet strike against American strategic forces might not be credible.

In his briefing, Schlesinger postulated three "limited" Soviet nuclear strike scenarios.

A so-called comprehensive attack against the U.S.-based strategic retaliatory forces (ICBM silos, bomber airfields, and missile submarine support bases.)

An attack only on American ICBM silos.

An attack only at U.S. intercontinental bomber bases.

Since the two assumed attacks on ICBM launchers alone involved 1,000 or 2,000 one-megaton weapons, the classification of these as "limited" strikes provides some insight as to the nature of Schlesinger's nuclear thinking. True, the casualties from such as attacks would be less than the 100 million who might be killed if the Russians carried out a full-scale attack against both civilian and military targets. But even his optimistic estimates of about 1 million fatalities from a silo attack is hardly the average individual's view of a nice safe nuclear war.

It is particularly disturbing to find Schlesinger trying to minimize the effects of such an attack on the U.S. population in order to make an annihilating U.S. retaliation seem less assured. He assumes, for example, that the public would make maximum use of existing Civil Defense facilities, an assumption that few practical urban politicians would think very reasonable today. And he postulates that the Russian weapons would not be detonated close to the ground, but instead at an altitude that would reduce the local fallout of radioactive material. Since this would increase the chance that the silos would not be destroyed, he is assuming that the Russians would raise the probability of failure in order to reduce U.S. casualties.

Finally, even a surface-burst attack of the scale postulated by Schlesinger (1,000 to 2,000 weapons of one megaton each) would still be only partially successful. If their missiles have the accuracy of one-third to one-fourth of a mile that he attributes to the Russians, each warhead would, even with perfect reliability, have only a 50 to 75% probability of putting a silo out of action. If the Russians were so irrational as to launch a nuclear strike of this sort, would they really be satisfied with such a low probability of success? Would they be willing to leave the United States with 250 to 500 ICBMs in addition to hundreds of submarine missiles, only a small fraction of which would be needed to wipe out the Soviet Union?

Few would quarrel with Schlesinger's thesis that the command and control of U.S. strategic nuclear weapons should be designed so that any retaliation need not necessarily involve thousands of nuclear weapons and millions of Soviet casualties. It is only surprising that apparently American military planners were so long in creating this option. If now for the first time, the secretary of defense has given the President the flexibility to respond at low, as well as at high levels, then Schlesinger's new policy has at least served one useful purpose. However, no new weapons were needed to achieve this capability, the United States has long had the means to destroy most military and civilian targets. What America has neither had nor sought up to now is a threat to the Soviet ICBM deterrent force.

The primary objection is to Schlesinger's desire to acquire improved counterforce capabilities—i.e., more efficient weapons for destroying ICBMs and thus for threatening a significant element of the Soviet strategic deterrent. He believes that there is a realistic possibility that the Russians, when they acquire in the mid-1980s a force of large missiles equipped with MIRVs (multiple warheads which can be aimed at separate targets), will actually launch an all-out attack against our American ICBMs on the chance that the United States might not retaliate and devastate the Soviet Union.

To deter such action or to insure that it did not provide the Russians with a net gain, he believes that the United States must be able to respond in kind. Why this will provide more credible and assured deterrence is not clear, since if the Russians were successful, America would have no surviving ICBMs with which to retaliate. All the billions Schlesinger had spend to improve the counterforce capability of U.S. Minutemen and the command and control to bunch them in a selective retaliation would have been wasted.

Furthermore, to satisfy the requirement for equivalence in counterforce capabilities, his new budget calls for the development of a new generation of ICBMs with larger payloads, higher accuracies, and greater destructive power. In anticipation of a possible Soviet counterforce capability in 1985, the United States must develop more efficient counterforce weapons today. But the Pentagon now concedes that if we go ahead with its proposed programs, we will maintain in the 1980s superiority, not just equivalence, in ability to destroy hard targets such as missile silos.

Moreover, an effective U.S. counterforce capability is the wrong answer to such a Russian threat. Larger, more accurate missiles are just as vulnerable as the present ones; in fact, more so, since, as Schlesinger admits, they could become more tempting targets for a preemptive Soviet attack because of the threat they pose to the Soviet ICBMs.

If there is any likelihood—which Schlesinger believes there is—that the Russians could conceive of such an attack, then his program is enhancing the probability. An improved U.S. counterforce capability would be of no use unless the United States was considering a first strike or was preparing to launch missiles on warning of a Soviet attack.

Thus, the Russians can only view such programs as at the worst provocative and at the least as increasing the risk of accidental war. The idea that we must match or surpass every potential Soviet capability, regardless of the consequences, is not only an impetus to a never-ending arms race but an invitation to nuclear disaster.

Senators Muskie and Symington were obviously skeptical of what conceivable objective the Soviet Union might have for launching a strike against America's ICBM force, and pressed Schlesinger for some situation which could justify a "limited" strike of thousands of megaton warheads against our Minuteman missiles.

Schlesinger postpulated the scenario that if the American government indicated that it was prepared to use nuclear weapons unless the Russians desisted from an invasion of Western Europe, they might try to wipe out as much of the U.S. retaliatory force as possible and to degrade American command and control. The logic that the Russians would seek to destroy U.S. command structure is odd, since only strong control could prevent escalation to Armageddon.

Moreover, even if the Soviet attack on ICBMs and bombers was 100% successful, the United States would be left with 5,000 submarine missile warheads with yields several times that of the Hiroshima bomb. Is there any Soviet objective so important that they would take even a small risk that America would unleash a tiny fraction of these on Soviet cities? Announcing in advance that instead, we would only retaliate in kind by attacking their missile silos, many of which might by this time be empty, will degrade, not improve, deterrence against any such aggression.

For Schlesinger, our senior defense planner, to believe that wars in which thousands of megaton nuclear warheads are fired can be fought and survived is scary; he has been associated too long with the thinktanks of the military-industrial complex and shielded from the realities of nuclear explosions. Reliance on avoiding nuclear disaster through Mutual Assured Destruction (MAD) is a more sane policy than acquiring weapons to to fight Schlesinger's efficient, safe counterforce nuclear war.

ARSER BROTHERS HONORED BY U.S. NAVY BAND CONCERT IN CHATFIELD, MINN.

Mr. MONDALE. Mr. President, for the first time in the history of our Nation, three brothers, William, Kenneth, and Samuel Arser, have contributed over 60 years of their lives to one military service band, the U.S. Navy Band in Washington, D.C. Even more unique is the fact that they all come from a town whose population today is only 1,885 people, and are all graduates of the same high school—Chatfield, in Chatfield, Minn. William and Kenneth Arser both are proficient in the French horn, and Samuel's expertise lies with the cornet. In addition, their father, Clarence, was also a talented musician—before and during World War I he was Army band director, and had also been the local high school and city band director in Chatfield for over 30 years.

On April 29 the three Arser brothers were honored during a U.S. Navy Band concert in Chatfield. This was the first time in the 122-year history of Chatfield that a service band had played there. Even more symbolic was the fact that one of the sponsoring organizations—the Chatfield Brass Band, Inc.—purchased their uniforms from the Defense Surplus Sales Office, and the uniforms they purchased were the old official uniforms of the U.S. Navy Band in Washington, D.C., and the Arser brothers' names were still sewn in the lining of the coats. It is truly significant that the Navy Band uniforms which had represented the United States throughout the world had ended up in Chatfield—the home of this uniquely musical and talented family.

PLUTONIUM RECYCLING

Mr. TUNNEY. Mr. President, last week the Nuclear Regulatory Commission announced that it was delaying for 3 years any decision to authorize the recycling of plutonium for fuel in light water reactors. The NRC, under pressure from the Council on Environmental Quality and the Environmental Protection Agency, has agreed that closer attention must be given to the safeguards problems inherent in a plutonium recycling program.

I applaud the NRC for taking this action. The Congress now has the perfect opportunity to examine the issues involved in plutonium recycling in detail. To this end, I have introduced legislation along with Senators CASE, MONDALE, PHILIP HART, HATHAWAY, HUMPHREY, and CRANSTON to authorize the Office of Technological Assessment to conduct an investigation into the problems associated with plutonium recycling. Pending the completion of OTA's assessment, the authority to authorize plutonium recycling would rest with Congress.

I ask unanimous consent that the text of S. 1197, the Plutonium Recovery Control Act of 1975, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1197

A bill to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress, and to provide for a comprehensive study of plutonium recycling

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Plutonium Recovery Control Act of 1975".

FINDINGS

Section 1. The Congress finds that—

(1) the Nuclear Regulatory Commission proposes to license the extraction of plutonium from spent reactor fuel and its subsequent use in mixed-oxide reactor fuels;

(2) plutonium is both a highly toxic substance and the possible raw material for nuclear explosive devices;

(3) the establishment of a commercial plutonium industry and the consequent production and transportation of large quantities of plutonium may increase the likelihood of diversion of plutonium from legitimate channels to use by criminal or terrorists organizations;

(4) the final decision on whether the economic benefits of plutonium recycling are great enough to counterbalance its social costs and risks should be made by the Congress.

Sec. 2. (a) Except as provided in subsection (b), the Nuclear Regulatory Commission, established by section 201 of the Energy Reorganization Act of 1974 (Public Law 93-438, 88 Stat. 1242), shall not license, permit, or otherwise authorize—

(1) the operation of any nuclear power reactor using recycled plutonium fuel; or

(2) the construction or operation of any facility which reprocesses or recovers plutonium from spent nuclear power reactor fuel or from production reactor products.

(b) The provisions of subsection (a)(2) of this section shall not apply with respect to—

(1) any construction activity undertaken in conformity with a construction permit issued pursuant to the Atomic Energy Act of 1954 (68 Stat. 919) before January 1, 1975; or

(2) any recovery of plutonium for military or research and development purposes.

(c) The prohibitions of subsection (a) of this section shall remain in effect until the Congress, after having adequate time to study the results of the investigations described in section 3, and hold the necessary hearings, and to consider the various alternatives available to the Nation, provides otherwise by law.

Sec. 3. (a) The Office of Technology Assessment shall conduct a comprehensive study of the recycling of plutonium for the purpose of determining the extent of the dangers to the public health and safety and to the environment resulting from such recycling. Such study shall include—

(1) investigation of the toxicity and carcinogenic characteristics of plutonium, and the potential for occupational and public exposure and environmental contamination by plutonium;

(2) investigation of the risks of the unauthorized diversion or theft of plutonium, the development of illicit markets for the sale of plutonium, and the fabrication and use of unauthorized nuclear devices made from plutonium;

(3) investigation of the full range of economic costs and institutional implications, including threats to civil liberties, of the safeguards measures needed to minimize the unauthorized diversion or use of plutonium;

(4) investigation of the need for plutonium as an energy fuel and of nonplutonium strategies for meeting national energy requirements;

(5) investigation of alternative means of handling and containing plutonium on the assumption that the use of recycled plutonium as nuclear power reactor fuel is not permitted in the foreseeable future: and

(6) consideration of the development of systems for the use of plutonium which will assure the protection of the public health and safety of the environment.

(b) In conducting the study required by subsection (a) of this section, the Office of Technology Assessment shall seek the assistance of a broad range of public and private groups with information or expertise relevant to the subjects of the study and shall assist and encourage the participation of the public in all phases of the study. The Office shall have the power to enter into contracts with individuals or corporations for the purposes of conducting the study, but shall not enter into contracts with any corporation or person which in the judgment of the Office might have a significant financial interest in the development or utilization of recycled plutonium fuel.

(c) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any Government agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study under this section. The Office is further empowered to compel the delivery of any information in the possession of the National Laboratories which the Office deems necessary for conducting the study.

Sec. 3. For purposes of this Act—

"(1) the term 'plutonium' means pure plutonium, plutonium oxide, or any other plutonium compound;

"(2) the term 'recycled plutonium' means any plutonium recovered or separated from spent nuclear reactor fuel of production reactor products;

"(3) the term 'recycled plutonium fuel' means any nuclear reactor fuel containing recycled plutonium, including fuel containing mixed oxides or uranium and recycled plutonium;

"(4) the term 'spent nuclear power reactor fuel' means any material which forms part of a used fuel assembly for a nuclear power reactor.".

JUSTICE FOR THE AMERICAN INDIAN

Mr. HUMPHREY. Mr. President, on Friday, May 9, Senator Abourezk's Subcommittee on Indian Affairs held hearings on S. 1327, a bill to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made part of the reservations of said Indians.

As I indicated in my statement submitted to the subcommittee, this legislation is long overdue.

Mr. President, I ask unanimous consent that the statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement For Hearings on S. 1327

As a cosponsor of S. 1327, I cannot stress too strongly the need for the Congress to complete the transfer of submarginal lands originally intended for our Indian tribes to those tribes. Legislation to complete the transfer is long overdue—40 years overdue.

I do not believe that I need to reiterate the history of ownership of these lands for this committee. But, I would remind the committee that when the federal government purchased these particular submarginal lands it did so with the full intent of holding the title to them in trust for the Indian tribes, so that the tribes would reap the full benefits of ownership.

Unfortunately, the lack of action to complete the transfer of these lands to the Indian tribes has prevented the tribes from reaping these benefits. The cloud that hangs over the deed to the lands has discouraged outside investment in the lands and cast a shadow of doubt over the utility of any land use planning by the tribes. What company, what bank, what individual would invest his time and money in an enterprise on land whose ownership was unclear and which was subject to a revocable use permit?

In my own state of Minnesota, the lack of a clear title to the submarginal lands which lie within the bounds of the White Earth Reservation has inhibited the economic and social development plans of the Chippewa Indian Tribe, prevented them from established a fully viable tribal ranch which could provide employment opportunities for a goodly number of their group, prevented the development of new and badly needed housing and undercut timberland conservation efforts. Passage of this bill would be of incalculable benefit to the 2800 Indians on the White Earth Reservation, enabling them to move ahead with viable economic and social planning. Furthermore, the provision of S. 1327 which would convey to the tribe the accrued income from the lands would partially help this tribe deal with the serious economic problems which currently face it. Finally, it would enhance our national timberland conservation efforts by giving one group the responsibility and hopefully the means to adequately care for our valuable timberland resources.

I urge this committee to report S. 1327 favorably. It is time for us to correct the inequities which our lack of action during the last forty years has created.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the legal concepts embodied in the Genocide Convention do not represent anything new to American law as some critics might have us believe. How could they, since the United States was such an influential power in the formulation of the treaty? True, the intent to bind the world community through international law is strikingly unique but, the outlawing of acts classified as genocide has always been a part of American law.

Let me quote from a memorandum released by the National Community Relations Advisory Council back in 1950.

> Because of the prominent role played by the members of the United States Delegation in the drafting of the Genocide Convention, it is couched in terms of familiar Anglo-American legal theory and embraces traditional American common law concepts.
>
> For example, the Convention preserves the principle of territorial jurisdiction over criminal acts, although an earlier draft would have made genocide punishable as is piracy, where the criminal is apprehended, "irrespective . . . of the place where the offense has been committed." Conspiracy, attempt and complicity, all punishable under article III, are common law crimes long accepted in American law. Furthermore, the Convention's definition of genocide embodies the American concept of a criminal act. To constitute genocide, the act in question must be coupled with a specific intent to destroy a national, ethnic, racial or religious group. It was the United States that insisted that specific intent must be proved, before any act could be considered genocide."

Its clear that this treaty is not based on any foreign, unacceptable legal policy but rather on one that is based very heavily on American law. There is no need to delay ratification further.

INTERNATIONAL ASPECTS OF MONETARY POLICY

Mr. MUSKIE. Mr. President, I ask unanimous consent that an article by William C. Cates which appeared in the Wall Street Journal on April 24, 1975, be printed in the RECORD.

While I do not necessarily agree with all the specific conclusions, the article does emphasize an important set of facts. The U.S. economy is complicated. Because it is so, fashioning economic policy must go well beyond the simplicities of the size of the deficit. Fiscal policy must be made in the light of monetary policy. Moreover, both fiscal and monetary policy must take into account the interdependence between the U. S. economy and the rest of the world. This interdependence has become more important in recent years as the industrial world abandoned fixed exchange rates and the oil exporting countries accumulated tens of billions of petrodollars. These broad issues will have to be considered as the Budget Committees and the Congress debate specific expenditure and revenue programs.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A GLOBAL VIEW OF "CROWDING OUT"

(By William C. Cates)

Too many economists, pundits and politicians hold their strong views on American economic problems as if these were national in scope and treatment, with but an apprehensive backward glance at the "balance of payments."

This parochial outlook has led us to mistakes of forecasting that have been embarrassing to say the least. Take the 1973 failure to anticipate the domestic inflation that would be caused by a devalued dollar. Or the failure to appreciate the impact on world—and therefore American—interest rates from massive British, French and other national borrowings in the Eurodollar market to finance oil imports.

If these forecasting fiascos were embarrassing, the narrow domestic calculations which now appear to underlie our policymaking for 1975 will lead us to nothing short of tragic disaster. For this year's big national issue is "crowding out," a slogan for the question: Will the burgeoning demands of the federal government to finance a $60 billion to $100 billion deficit preempt private industry's credit needs in the capital markets?

Those who say it will include The Wall Street Journal, in an editorial on March 13, and Treasury Secretary Simon, the only certified bond expert in the administration, who confidently predicts that long-term interest rates will not fall below 8½%. Others maintain either that the economy will recover and stimulate tax revenues to close the predicted deficit or, minus a recovery, that private savings will rise and private credit demands fall. Whatever the merits of this debate, it is strictly local and it fails to include what has been happening and is likely to happen around the globe.

Imagine for a moment that the finance ministers of the industrial nations, horrified at the inflation of 1973, had gathered together at the close of that year to do something about it. Imagine further that they decided to run a collective budget surplus of $70 billion by imposing an excise tax on all petroleum products. Imagine still further that they agreed upon an international collection agency to levy the tax and invest the proceeds at its own discretion in the bonds and bills of their various governments and in short-term bank deposits.

However much this may strain the imagination, it is what happened, minus the folderol of a finance minister's meeting. Of course, it was the OPEC oil producers who decided upon the "tax" and who have since served as a collection and investment agency. On a world scale their cartel ripoff has had the same fiscal effect as a collective budget surplus of the oil consuming nations in the same amount. According to the Keynesian textbook, it was bound to produce a worldwide depression, as it is doing.

NEAT, BUT . . .

Viewing our problems as usual in purely domestic terms, we tell ourselves that last calendar year we had a modest budget deficit and that this year we will have a massive one. Neat but incomplete. Actually, 1974 saw an immense global budget surplus, with the Arabs as a Super-Treasury Department, and any calculations regarding the impact of this year's U.S. government deficit must as well be made globally.

Current thinking on the money supply is, once again, purely in domestic terms. Solons Reuss and Proxmire are demanding that Fed Chairman Burns Keep M-1 marching to a congressional beat, reporting not only his results but his intentions. But this M-1 is a domestic figure, whereas the demand for credit that skewed up interest rates last year started abroad. Probably the supply of money that will make the difference this year will also come from overseas.

Fears in the financial community, hypoed by the breakfast interviews of Secretary Simon, are that government plus private borrowing will create such credit demands that the Federal Reserve Board will be obliged to increase the money supply at a wildly inflationary pace to ensure that all needs are met. By this logic one can envision the scene as 1975 comes to a close: Government borrowing is at unprecedented levels; business is picking up and needs credit. Worst of all, mortgage money is insufficient for voters to buy houses. M-1, domestically measured, has been climbing at too modest a rate, and the heat is on Chairman Burns to get it up. A scenario for inflationary disaster.

Of course, there is one remedy that an omniscient and beneficient Congress can provide for such woes: credit controls. With the government preempting most of the credit available, it is only right that the remainder should be reserved for suitably and worthy and vote-getting purposes such as housing and small business. Speculators, whoever they may be and whatever their speculations, must be denied access to the remnants of available credit!

Such ideas already have been broached, but, however worthy, they will flounder on one rock: You can borrow abroad. The speculator who has been denied access to his friendly local bank need only pick up the telephone to London to get his loan on about the same terms. The cost of imposing credit controls in the United States is the total disruption of international financial flows, and we would pay it at our peril.

The good old days, when we dictated the world's money supply, ended Aug. 15, 1971. Our thinking has yet to adjust. With floating rates we have become just one other nation, however important, and our economic future lies in tandem with the rest of the world. Specifically this means that instead of simply forecasting federal and local government plus domestic private financing, we must look at the potential credit demands of foreign official agencies and overseas corporations.

Many foreign governments no longer have access to the credit markets, and, with the deepening world depression, overseas corporate demand for credit should abate. On the supply side one must reckon not only with domestic savings but with capital accumulation abroad, including the still-massive Arab hoards of petrodollars. Any strictly domestic estimates of the demand for and supply of credit—even with an arbitrary assumption that so and so many billions of dollars will flow in from abroad—is bound to fall wide of the mark.

THE WORLD MONEY SUPPLY

Even more important, particularly when it comes to the make-or-break policies of the Federal Reserve Board, we must start thinking about the world money supply, for it is the world money supply that has been impelling and will henceforth impel or inhibit world inflation. The world money supply consists, for practical purposes, of the money supplies of the U.S., Britain, Japan, and those European countries whose currencies are generally acceptable for trade payments.

A vitally important part of this money pool is the Eurocurrency system, wherein offshore banks are creating unmonitored money. The only worthwhile survey of Eurocurrency creation is conducted annually by the Bank for International Settlements in Basel. If policymakers in the U.S. or in any other nation are to know what they are doing, they must, urgently, get weekly statistics on the cash and deposit liabilities of offshore Eurocurrency banks. When Chairman Burns reports to Congress on the money supply, his report should include not just M-1 or M-2, but Eurodollar growth.

This is not a plan for regulation of international capital markets. Those who have labored in the stony vineyards of the Capital Markets Committee of the OECD are aware that such regulation is next to impossible and probably undesirable. Getting information, on the other hand, is feasible and urgently necessary. For the reality is that the dollar supply includes Euro—and Hong Kong—dollars, which are just as green and just as rubbery and most of the time we don't know how many of these there are.

At some point this year the increase in government demand for credit will exceed the decrease in private demand. At least this is the thesis of "crowding out." Then the Federal Reserve Board, under congressional observation based on statistics of purely domestic money supply, will be pushed to print money to facilitate all comers. The U.S. money supply will soar. Foreign investors will shy away. The dollar will fall. And interest rates will rise to levels sufficient to compensate domestic lenders for impending inflation and foreign lenders for their currency risk—a la Brazil.

There is one alternative: An informed Congress could leave an informed Fed chairman alone. Calculations of M-1 (domestic) could already have been combined with a competent and current survey of the Eurodollar money supply. With the Fed unpanicked, increasing demand for credit in the United States would entice funds from abroad, causing the dollar to rise on the exchange markets and simultaneously filling the gap between savings and borrowing needs.

Which is it to be? The record of the past suggests inflationary chaos. Yet we need not always be lemmings. All that is required is a little better information, understanding and communication, plus a little willpower.

DR. HUBERT HEFFNER

Mr. CRANSTON. Mr. President, I ask unanimous consent to have printed in the RECORD a press release of the National Science Foundation on the death of Dr. Hubert Heffner of Stanford University. Dr. Heffner, a noted physicist, was a native of Lincolnton, N.C., but had lived in the Palo Alto area for 30 years. A member of the Stanford University faculty since 1954, he was at the time of his death head of the department of applied physics. His father—Hubert Heffner—had also been on the Stanford faculty—until 1954 as head of the drama department. Dr. Heffner is survived by his wife and three daughters, to whom we extend our deepest sympathy.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Dr. Hubert Heffner, NSB Member and Stanford Physicist, Dies

Dr. Hubert Heffner, Member of the National Science Board (NSB) and Chairman of the Department of Applied Physics, Stanford University, died April 1 after a long illness.

A noted physicist and expert on the subjects of electron beam focusing, noise theory, parametric amplifiers, and quantum electronics, Dr. Heffner served in the White House as Deputy Director of the Office of Science and Technology from 1969 to 1971. He was appointed to a six-year term on the National Science Board by President Nixon in 1972.

Dr. Heffner received his B.S., M.S., and Ph. D. degrees at Stanford University and served most of his professional career there. A member of the National Academy of Engineering, Dr. Heffner also served on the General Advisory Committee of the Atomic Energy Commission and was a consultant to the Department of State.

Dr. Norman Hackerman, Chairman of the NSB and President of Rice University, said, "It is with deep regret that the Board learned of the death of Dr. Heffner. We knew him as an especially able scientist, and a thoughtful and dedicated administrator particularly interested in and knowledgeable in the area of science policy. Equally important, he was recognized by his students and his colleagues as a skillful teacher. His wisdom will be greatly missed."

Dr. H. Guyford Stever, Director of the National Science Foundation and a Member of the Board, said, "Dr. Heffner made substantial contributions to the academic and scientific communities, industry, and international bodies through his scientific expertise and wise counsel. Significant among these were his efforts as a member of the Science Policy Working Group of the U.S.-U.S.S.R. Joint Commission on Scientific and Technical Cooperation. He will be missed by his colleagues and by the larger community he served so willingly and so well."

A NEW CLUB FOR FEDERAL AGENCIES

Mr. EAGLETON. Mr. President, unless Congress acts beforehand to modify the Flood Insurance Act of 1973, the Department of HUD on July 1 will begin to dry up all forms of construction credit—Federal and commercial alike—in flood-designated communities which have not adopted HUD land use standards. The authority to deny commercial credit is probably the most powerful sanction ever entrusted to a Federal agency and could become a precedent for the enforcement of other Federal standards in the future.

Today, the target is the flood-designated community. In the years ahead, who knows what other communities will face this sanction. For the record, I would note that under the existing Flood Insurance Act—Section 1371(a), Public Law 90–448 as amended—the Secretary of HUD is authorized to undertake studies to determine whether a comparable insurance program is advisable in communities threatened by earthquakes or any other natural disaster peril.

In the sanctions that accompany the flood insurance program, we have fashioned a federal club that can be used to enforce any land use objective which is subsequently authorized.

Mr. President, the Senate has voted a 6-month delay in the application of the flood insurance credit sanctions to give it the opportunity to review the program and to consider changes. A great deal is at stake in this legislation as is explained in an excellent editorial which appeared in the St. Louis Post-Dispatch of May 3, 1975. I ask unanimous consent that this article be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Flood Protection

The Senate wisely has voted to set back the deadline by six months for the community participation provisions of the Flood Insurance Protection Act, and if the House concurs an opportunity will be at hand to review some of the law's more serious defects. As it now stands, parts of the statute are not only inequitable but also illogical. Beyond this, the act, in our opinion, represents a dangerous perversion of the federal banking laws.

Under the community participation provisions, certain sanctions are to be applied to communities which fail to comply with federal land use standards in flood plain areas. Such communities, for example, would be ineligible for any federal assistance for construction in flood plain areas and, incomprehensibly, any federal disaster assistance, even if the damage were caused not by flood but by earthquake or tornado. Moreover, all federally insured or regulated forms of commercial credit for construction purposes would be prohibited in designated flood plain areas.

Senator Eagleton has suggested a number of modifications to the act, which, we think, would rid it of its obvious faults while also enabling more individuals to take advantage of flood insurance and removing some of the more discriminatory provisions against communities. The Eagleton plan would make insurance available to individuals who complied with federal standards even if their communities did not. It also would allow communities not in compliance to receive nonflood disaster aid and permit banks to extend credit in such areas. The latter would correct what seems to us an improper attempt to use the banking laws to coerce communities into joining what ought to be a voluntary federal program.

These changes are well worth considering, but a careful review of the act before its more undesirable provisions become law can only take place if Congress extends its deadline for compliance.

HEALTH COSTS—A ONE-WAY STREET

Mr. McINTYRE. Mr. President, last Thursday the Wall Street Journal carried a most interesting article by Mr. I. D. Robbins. In the article Mr. Robbins examines the spiraling rise in health care costs. In light of this rise, Mr. Robbins suggests a new public policy objective: "To provide higher quality health care at significantly lower cost."

To achieve this objective Mr. Robbins suggests a number of operating policies and controls. I was pleased to note that many of these suggestions have been or are now being considered by the Congress, such as controlling hospital capital construction, insisting on rigorous peer review, correcting the gross specialty maldistribution among M.D.'s, focusing on ambulatory as opposed to inpatient care, and so on.

Mr. Robbins warns that, unless strong action is taken, health care costs will once again soar when national health insurance is passed. Mr. Robbins states:

> No matter what national health program is finally adopted by Congress, medical costs are sure to go higher, if only because of the natural law that the cost of illness increases in proportion to the ability to collect for it.

I agree with this warning. That is why I have attempted in my own health insurance bill, the National Health Care Act of 1975, to make an effort to control costs in many ways—by linking physician reimbursement to the Consumer Price Index; by requiring prospective reimbursement for hospitals; by stressing outpatient ambulatory care; by requiring strong quality assurance and peer review programs; by requiring a Presidential report each year on our progress as a nation and a government toward achieving quality health care at a reasonable cost.

As we move toward consideration of this landmark legislation, I would hope, Mr. President, that we would keep in mind the words of Mr. Robbins. We must not allow the enactment of a national health insurance program to set off rocketing inflation in the health care costs to the individual or to the Government. As Mr. Robbins says, for those who want to improve care and to cut waste in the health industry it is not an easy fight, but the stakes are so big it is worth the fight.

Mr. President, I ask unanimous consent this fine article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Health Costs—A One-Way Street

(By I. D. Robbins)

A characteristic of most health and hospital programs in the United States is that there is no effective control of costs except by those who stand to gain by increasing costs: the physicians, dentists, hospitals and their staffs.

Today, 65% of all hospital costs are paid by so-called "third party payers," reflecting the increased financial dependence on Medicaid, Medicare, Blue Cross and various insurance carriers. The patient, who pays the bill indirectly, may think he is getting away cheap, but he is all wrong.

In the past 10 years, the federal bill for health services went up for $1.7 billion to $26.3 billion, of which $22.4 billion is for Medicaid and Medicare, with an equal amount paid by the states and localities. No matter what new bill, either by Sen. Kennedy or the administration, is passed by Congress, medical costs are sure to go higher, for health care seems to be controlled by that natural law that says the number of sick people will tend to increase to fill every bed that can be supplied. Or follow the other natural law that says the cost of illness increases in proportion to the ability to collect for it.

George Crile Jr., the eminent Cleveland surgeon, offers evidence of equally discouraging non-economic effects in an article in the current Harper's. "Blue Shield's payment plans (two to three times as much for a radical as for a simple [breast cancer] operation)," he says, "may have something to do with the fact that the United States, virtually the last Western nation still dominated by a fee for service system, is likewise the last to give up the radical procedure."

Recently, on behalf of the City Club of New York, I worked with Robert Foster, a former executive of the New York City Finance Administration and a former chief budget officer and analyst for Blue Shield, on an analysis of the city's public hospital system. The report, which indicated the first year savings of $60 million could be made in the annual budget of $1.2 billion, was well received. Still, it was criticized by executives of the City's Health and Hospitals Corporation for failing to note that voluntary hospitals (the typical American non-profit hospitals) have most of the faults of city-owned and operated hospitals.

The city administrators had a good point. The private hospitals, too, have protocols designed to maximize income. They, too, insist on a chest X-ray every time a patient enters the hospital, even though he may come in five times a year. They tend, too, to hospitalize patients just to fill empty beds, resist discharges before the weekend, bring patients in on Friday when there is no medical service available until Monday. They, too, know how to get the most milk out of the Blue Cross cow.

A PARTNERSHIP WITH THE DEVIL

As any businessman knows, cost-plus is a partnership with the devil. Yet Blue Cross, private insurers and the Federal Government operate on a reimbursement of costs basis. The various hospitals determine how they want to operate, what they want or need to spend, and present their bills. While there is some audit or control, conscience, notoriously stretchable, is the only real deterrent. And hospial administrators tend to be rewarded and regarded in proportion to their ability to increase revenue, not reduce costs.

From 1952 to 1972, wages in the health industry, responding to the push from unions and the pull of availability of funds, increased 128.4%. In the same period the staff-to-patient ratio rose from 2.3 to 3.1 and the number of beds increased by 13.6%, while daily bed use declined by 13.8%. If the use of beds declined, why did we add more? Was it because money was available to build them?

There is no way to avoid the conclusion that as long as income is obtained by hospitals on the present basis, waste serves the interest of those who furnish medical care. This applies whether the care is provided by a private hospital operated for profit, a voluntary hospital operated by an eleemosynary organization or a city or county-owned and operated hospital.

When the Medicaid daily reimbursement rate for in-patients is four times as high as for out-patients, what should we expect? Add opportunities for selling extra paid services and it is not hard to see why a patient is treated lying down rather than standing up and gets surgery instead of ice packs and penicillin for his appendicitis.

Probably no activity attracts more dedicated and qualified volunteers than the typical American community hospital. Thousands of men and women spend hours each week not only as members of boards of trustees wrestling with budgets and contending with the needs and claims of doctors, nurses, technicians and attendants, but also as fund raisers, gray ladies and candy stripers. There is no volunteer activity quite like it, a triumph of the human spirit.

Yet in the final analysis, the volunteers, at whatever level, are not in control. Both the administration and the cost of hospitals are determined by physicians and especially by surgeons. Somehow this condition must be changed and hospitals forced to operate with reasonable efficiency for the convenience of the community and in ways that will reduce the enormous drain on national resources and personal income now being devoted to health care—without a sacrifice of quality. Can it be done?

We must start with a new public policy objective: To provide higher quality health care at significantly lower cost.

To achieve this objective the government agencies and insurance carriers who pay the bills and the hospitals who get and spend the money will need to adopt certain operating policies and controls. There are many ideas in this field. Here are a few of them:

1. Carefully control capital expenditures for hospital construction and expansion. Most states have programs for deciding where new facilities are needed or should be permitted. But community and political pressures can be overpowering. Hospitals also are naturals for the philanthropically inclined, but once built, even with charity funds, they still have to be paid for every day, mostly out of the public purse.

Perhaps the way to start is to declare a moratorium on all hospital construction, then start over by deciding under what strict standards (population growth, shortage of beds, distance to the nearest hospital, availability of medical personnel) we should permit a hospital to be built. The deciders should probably not be politicians or local leaders or fellow hospital administrators given to log-rolling, but dispassionate outsiders such as medical school deans from another state with a commitment to independent evaluation.

2. Make a conscious effort to increase the ratio of out-patient to in-patient care. This probably can best be done by using separable out-patient centers, staffed with able personnel, where patient records are maintained. This would encourage the patronage of patients who have no local or family doctor and have increasingly been attracted to hospital clinics or emergency rooms, from which it is a short step into bed. Patients should instead identify with an out-patient facility. A good one will keep them out of hospitals. Productivity goals could be set for each hospital through a review and analysis mechanism. It is hard to believe that the 9 to 1 ratio of revenue from in-patients as compared with out-patients in New York City's public hospitals couldn't be changed readily and for the good of the patients. But present reimbursement schemes work against it.

BETTER CONTROLS NEEDED

3. Require better hospital operating rules and controls. Most such controls are well known and have been adopted, though they are not always conscientiously followed. They include "peer review of doctors' performance," outside professional evaluations of medical practice and experience data, required refresher courses and re-examinations. Also, mandatory second opinions before surgical procedures (which helps avoid unnecessary surgery) and outside review of protocals, work rules and procedures to eliminate unnecessary testing, for example.

One of the most obvious requirements which third party payers could enforce is the "seven day rule"—that the hospital's facilities be available throughout the week. Most hospitals are not properly staffed over the weekends. As a result several recent studies showed that patients admitted on Friday spend 1.6 days to 4 days longer in the hospital. A corollary is that those who enter on the busiest day, Monday, also have trouble getting treated promptly.

To encourage hospitals to fight restrictive practices imposed by their employes, state education laws could be changed to accredit hospitals to carry on and be responsible for certain activities which can now be performed only by licensed personnel. The objective should be to return management options to the managers, not consider them "professional prerogatives" of the hospital's employes.

4. Develop and try to enforce proper ratios for control. What is the ideal staff distribution? Are there too many surgeons? Why do we perform much more surgery here than in England or Sweden where the public's health and longevity are just as good? What is a reasonable ratio to population for tonsillectomies, appendectomies and hysterectomies? And if we cannot induce doctors and hospitals to prescribe generic drugs, we can at least reduce third-party reimbursement to the proper amount to cover only generic drugs.

5. Eliminate the use on a fee-for-service basis of certain practitioners, particularly surgeons, radiologists, anesthesiologists and pathologists who are hospital-based and, instead, hire distinguished specialists at high salaries. Many leading institutions heave already done this. If surgeons cut their work loads when they no longer get paid on a piecework basis, it is not necessarily bad. As Dr. Crile wrote, many an unnecessary operation may then not be performed.

IT WON'T BE EASY

6. Stop the construction and public subsidizing of new medical schools and change the present emphasis in training programs to fill whatever voids in professional coverage legitimately exist. We don't need more physicians and surgeons, only a better distribution of the ones we have. To the orthodox, increasing the number of surgeons would seem to cause an increase in competition and lower prices. Instead, we find that the number of operations increases to fill the working time of the surgeon. We have twice the ratio of surgeons to population as Britain, twice the ratio of operations.

If 65% of all costs are paid by the government or insurance carriers and the costs are out of control, then certainly the customers are entitled to have some bargaining power. But it will not be easy to reduce waste in any hospital.

When the City Club of New York recommended that the city close inadequate or inefficient hospitals (Gouverneu Hospital's costs are $460 per day per bed patient) or convert them into nursing homes or neighborhood clinics, the local communities and the employees compained bitterly. Even the most marginal institutions have their constituencies. Arguments that better medicine exists a few miles away are of no avail. The head of the city's municipal employes union countered, "Not one hospital should be closed. We'll find plenty of sick people to put in those beds."

For those who want to improve care and to cut waste in the health industry it is not an easy fight, but the stakes are so big it is worth the effort.

THE ANTINUCLEAR MOVEMENT

Mr. GRAVEL. Mr. President, 2 weeks ago I had the opportunity to testify at the opening of a series of nuclear power hearings being conducted by the House of Representatives Committee on Interior and Insular Affairs, Subcommittee on Energy and the Environment, chaired by Representative MORRIS UDALL.

At that time, I talked about the growing antinuclear sentiment in this country and the future of the antinuclear movement.

I ask unanimous consent, Mr. President, that my testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR MIKE GRAVEL BEFORE THE HOUSE ENERGY AND ENVIRONMENT SUBCOMMITTEE, APRIL 28, 1975

I want to thank you, Mr. Chairman, for the opportunity to testify. I would like to talk about the anti-nuclear movement. I hope to help the subcommittee understand the size and the seriousness of this movement, the reasons why many citizens oppose nuclear power, the cause of the extreme polarization over this subject, and the direction that I believe the anti-nuclear movement is taking.

I think its' important, first of all, to stress the fact that the anti-nuclear movement is very much a grass-roots movement. There are several large and well-known environmental groups which support a moratorium on nuclear construction: the Sierra Club, the Friends of the Earth, and the Wilderness Society, for example. But the strength of the anti-nuclear movement comes not so much from these well-known groups as from the hundreds of smaller community organizations whose members are especially dedicated . . . and, in my opinion, remarkably effective.

The Atomic Industrial Forum, which is the nuclear industry association, commented on this fact last November following Ralph Nader's anti-nuclear conference, "Critical Mass." There were more than 500 delegates at that conference, representing anti-nuclear groups from across the country. AIF, in reporting on the conference, said this: "The anti-nuclear movement is now a full-fledged political movement. . . More grass-roots work has clearly been completed than most industry observers had realized."

But the grass-roots nature of nuclear opposition is not really so surprising. The best way to stimulate anti-nuclear sentiment in a community is to plan a power reactor in the vicinity. Many people who might be indifferent to the idea of nuclear power will change their minds when they are confronted with the nuclear facility itself. This is why such a large number of independent local groups exists—and their community focus expains both their strength and the fact that, until recently, they have received relatively little national attention.

I have included at the end of these remarks a list of groups which have supported a moratorium on nuclear plant construction. There are about 150 groups named here, including farmers, doctors, women's clubs, students, religious groups, local governments, labor groups, peace groups. Public Interest Research Groups, as well as the small organizations that have been formed to oppose specific nuclear projects. It is a long list—yet it is very far from complete. And it is a list that is growing.

I myself became involved in the nuclear power debate as a result of the weapons testing conducted at Amchitka in my state. As I investigated the general subject of atomic power, I became aware of the dangers connected with the so-called "peaceful" atom. I introduced the first moratorium bill in the Senate in 1971 . . . and since then, I have seen the issue gradually pick up support and assume the importance it deserves.

Today, concern about nuclear energy exists nation-wide. More than 200,000 voters have signed petitions distributed by the Task Force Against Nuclear Pollution, asking that nuclear power be kept out of their lives. Ralph Nader has said the goal is a million signatures on the Clean Energy Petition. Some of those who support a moratorium are Governors Hugh Carey of New York, Nobel winners Linus Pauling, George Wald, James Watson and Harold Urey, and the writer Lewis Mumford.

In California, the Nuclear Safeguards Initiative will be on the ballot one year from now. Some 500,000 persons have signed this initiative, which calls for thorough safety testing and full nuclear liability insurance, as well as a final waste disposal program. If these problems cannot be resolved, the California initiative calls for a nuclear phase-out.

In Vermont, the state legislature has required its approval for all new nuclear plants.

And in 15 other states, initiatives or legislative bills are pending which would control nuclear power growth or impose stricter safety standards—New York, Massachusetts, Connecticut, Maine, Texas, Washington, Oregon, Nebraska, Iowa, Michigan, Wisconsin, Missouri, Minnesota, Kansas and Oklahoma.

In some states nuclear opponents have already scored election victories, and in others they have had impressive showings: in New Jersey last year, voters in Atlantic County rejected off-shore nuclear plants by a margin of two-to-one. In the town of Lloyd, New York, last June, residents voted by more than two-to-one against two proposed nuclear plants. In the first Senatorial District of Massachusetts, the vote last November was 47 percent against the construction of the Montague plants . . . and in that vote, 32 percent voted to dismantle two nuclear plants that were already operating. In two other votes in Sacramento, California, and Austin, Texas, the anti-nuclear vote was better than 40 percent.

What is the basic source of discontent, and why is the issue so polarized? It is impossible to state any single reason on behalf of hundreds of organizations. Many people see that government regulation has been inadequate. Many recognize the unfairness of the liability insurance situation. Others are skeptical of the industry's claims about costs. And still others are aware of the incredible danger of international nuclear power proliferation. The subcommittee will undoubtedly hear at length about each of these areas.

But no technical issue can fully explain the dedication of the anti-nuclear volunteers. For the leaders of the anti-nuclear movement, the issue is really a moral one: does one generation, in the name of its own comfort, have the right to jeopardize the habitability of the earth for future generations?

The most dedicated nuclear opponents see atomic energy as a fundamentally anti-human technology, one that requires of mankind a perfection which he simply does not possess. In nuclear energy, the kinds of mistakes that we know we make—including mistakes of irrationality and malice—can lead to the most disastrous consequences. Nuclear supporters have acknowledged the danger when they have referred to atomic energy as a "Faustian bargain." As Dr. John Gofman has put it: "It is not a question of making nuclear power generation safe for people. The insurmountable obstacle is that we cannot envision any way to make people safe for nuclear power generation, short of total robotization."

Furthermore, between the opponents and the proponents of nuclear power, there seems to be no meeting ground for discussion. Nuclear supporters want to confine the debate to a discussion of the safety of nuclear plants when they are operating *as they're supposed to*—including the proper operation of emergency equipment. But nuclear critics are concerned with the ghastly consequences that could follow an incident in which things *don't* operate as they're supposed to.

I'd like to quote one example of the way the nuclear industry is presenting the problem of radioactivity. The Kansas Gas and Electric Company said in its newsletter to customers last month: "A married man who sleeps eight hours a day in a double bed gets more radiation from his wife than he would be standing all day at the fence outside a nuclear plant." This kind of glib approach in no way treats the serious concerns of the anti-nuclear movement. It is faint reassurance to be told that a plant is safe as long as it's running safely.

In this regard, too, I would like to point out that the recent Rasmussen study of reactor safety is of limited value. Even if one accepts the report's methodology and its conclusions, it tells us only about reactor equipment. Neither the human reliability factor nor any of the nuclear fuel cycle outside the reactor are treated by the report. Again, it is faint reassurance.

Finally, I would like to comment on the future of the anti-nuclear movement. In the last year, this movement has taken on national prominence, and it is certainly not going to disappear. I believe that the nuclear power issue will be central in the 1976 campaign. There are several reasons why I think the movement will continue to gain strength.

First, the local nature of nuclear opposition is a great strength. Extensive industry lobbying goes on here in Washington, but the anti-nuclear sentiment that arises in the hustings will keep pressure on the Congress. The Clean Energy Petition, for example, generates letters and commitments as well as signatures.

Second, the exchange of anti-nuclear information is becoming more effective. Friends of the Earth now publishes an excellent clipsheet called Nuclear Blowdown. The Union of Concerned Scientists has initiated a newsletter, in addition to its compendious *Source Book* of nuclear information. And Ralph Nader's organization has begun publishing "Critical Mass," a very good monthly anti-nuclear newspaper. All of this means that we are going to be held more accountable for our nuclear voting records. And in addition, the exposure of the issue will grow outside the movement itself.

Third, the issues themselves, and the choices, are becoming well-defined. The demand that nuclear power be proved safe has found comprehensive form in the California initiative, and the demands of that measure are being repeated in many states. In addition, a five-year construction moratorium bill will be in both the House and the Senate this year. The bill calls for a thorough study by the Office of Technology Assessment. Representatives Hamilton Fish and Ned Pattison have introduced the House version, and there are 20 co-sponsors so far. I will introduce my "Reappraisal" bill in the Senate next month.

Fourth, I feel the potential following of the anti-nuclear movement is large. A poll by the National Analysts last year showed 46 per cent of the respondents to be "concerned" about nuclear power or opposed to it. When asked about having a nuclear plant site near their homes, 29 per cent said they would be strongly opposed, 33 per cent said they would approve, and 38 per cent said they would be "somewhat concerned." I think the strength of the anti-nuclear movement can only grow as more people learn, for example, that we have no final waste disposal program and that utilities are protected from full liability in operating their nuclear plants.

Fifth, I think we will see slower energy growth in this country in the future. Already, in 1974, we have seen the first decline in overall energy use—down 2.2 per cent—since 1952. Even electricity use declined slightly in 1974. Numerous studies have said we can maintain our lifestyle and economic well-being with less energy use per capita. Several European countries have a standard of living comparable to ours while using only about half our energy per capita. Conservation and high prices are going to slow down our energy growth, and if we take advantage of our energy alternatives, we will not need nuclear fission power. The Natural Resources Defense Council has estimated that geothermal, fusion, solar and bioconversion energy sources can provide 86 per cent of our energy needs by the year 2020.

Sixth, the costs of nuclear power will make it increasingly unattractive. Utilities plan to spend 300 billion dollars over the next ten years for new plants. The strain on our economy from borrowing on such a scale will be tremendous. The higher capital costs of nuclear power will act independently to slow down nuclear growth.

And finally, I believe the link between the peaceful and military uses of nuclear power will cause our citizens to turn against the splitting of the atom. We are just beginning to appreciate the great significance of this linkage. The spread of nuclear reactors around the world means the spread of plutonium, an unavoidable product of the fission process. Plutonium can be used to manufacture atomic bombs, whether it comes from a peaceful reactor or a weapons reactor. India's bomb material came from a "peaceful" reactor. The Non-Proliferation Treaty has no real effect when a country with a large reactor makes the political decision to manufacture weapons. Our nuclear standoff with the Soviet Union is already insanely dangerous. What will the prospects of man's survival be when there are nuclear stockpiles in the war-prone areas of the world? I believe—and I pray—that this weapons-energy linkage, when it becomes widely known, will cause a decisive turn against nuclear fission.

Mr. Chairman, I believe atomic energy, both in the form of weapons and as radioactive waste-producing reactors, poses an unprecedented threat to our health and civilization. Our commitment to nuclear energy has grown not out of natural market forces, but out of misdirected government policy. I think this policy has been largely the result of our feelings of guilt about the way we first used atomic energy in the bombings of Japan.

Whatever the reasons for our earlier decision, it was wrong. I believe that a growing number of citizens share this view, and I believe their good common sense on this issue will prevail.

GROUPS SUPPORTING A MORATORIUM ON NUCLEAR POWER PLANT CONSTRUCTION

Task Force Against Nuclear Pollution.
Friends of the Earth.
Sierra Club.
Wilderness Society.
Zero Population Growth.
Committee for Nuclear Responsibility.
Environmental Policy Center.
Environmental Action Foundation.
New York county legislatures: Ulster, Greene, Columbia, Niagara, Dutchess.
National Intervenors.
Ralph Nader's Congresswatch.
Dubuque Council of Churches, Iowa.
Kansas Farmers Union.
Women's International League for Peace and Freedom (U.S. section).
National Health Federation.
Peekskill, N.Y., Chapter, American Association of University Women.
Linwood, N.J., Women's Club.
Citizens Committee for Protection of the Environment, Ossining, N.Y.
Citizens Association for Safe Energy, Croton, N.Y.
Catawba, S.C., Central Labor Union (representing 13 state labor unions).
Church Women United of Tennessee.
Northern Michigan Medical Society.
Union of Concerned Scientists.
N.Y. State Conservation Council.
National Farmers Organization, Wood County, Wis., chapter.
New England Coalition on Nuclear Pollution, Inc.
Ecology Information Center, Sacramento, Calif.
Council of the UAW Community Action Program, Lima, Ohio.
Executive Board, Local 5503, Communications Workers of America, Milwaukee.
Chapter 727, American Assn. of Retired Persons, Tuckerton, N.J.
Atlantic County Citizens Council on the Environment, Atlantic City, N.J.
Stop Nuclear Power Inc., Margate, N.J.
Coalition for the Environment, Ft. Wayne, Ind.
Wappinger Conservation Association, Wappinger Falls, N.Y.
Executive Board, Local 525 Amalgamated Meat Cutters and Butcher Workmen, Asheville, N.C.
New Jersey Friends (Quaker) Council, Princeton, N.J.
Eau Claire Area Ecology Action, Eau Claire, Wis.
Sacramento Peace Center, Calif.
Washington Environmental Council, Seattle.
Protect the Peninsula's Future, Sequim, Wash.
Citizens Energy Council, Allendale, N.J.
Jefferson County Farm Bureau, Ft. Atkinson, Wis.
Citizens United for Responsible Energy, Iowa.
Harrisburg Meeting, Religious Society of Friends (Quakers).
Vanderbilt Energy Study Group, Nashville, Tenn.
HIPS—Housewives Involved in Pollution Solutions, Ill.
New York City Environmental Protection Agency.
League of Women Voters, Riverhead/Southold, N.Y.
Hudson River Sloop Restoration Inc., Poughkeepsie, N.Y.
N.Y. State Federation for Safe Energy, Highland, N.Y.
Concerned Citizens of Highland, N.Y.
Oregon State Democratic Party.
Wisconsin Sociological Association.
Vermont Natural Food and Farming Association.
Springfield, Mass., Council of Churches.
Women's Christian Temperance Union, Quarryville, Pa.
Columbia County Survival Committee, Germantown, N.Y.
N.Y. State Safe Energy Coalition.
Citizens Energy Council of West New York.
Biocides Recycling Group, Sierra Club, Denver, Colo.
People's Action for Clean Energy, Conn.
Anti-Plutonium League, Urbana, Ill.
Detroit Area Coalition for the Environment, Mich.
Mid-America Coalition for Energy Alternatives, Kansas City, Mo.
Delaware Valley Committee for Protection of the Environment, N.J.
Keys for Education for Environmental Protection, Summit, N.J.
Dutchess County Environmental Association, Poughkeepsie, N.Y.
Hudson Valley Citizens Watch on Nuclear Safety, New Platz, N.Y.
Carolinians for Safe Energy, N.C.
Citizens Action Group for Safe Energy, Okla.
Southeastern Confederation for Safe Energy, Asheville, N.C.
Concerned Citizens of Tennessee.
Ohio Valley Citizens Concerned About Nuclear Pollution, Cincinnati.
Piedmont Organic Movement, Greer, S.C.
Citizens for Safe Power, San Antonio, Tex.
Solar Energy Coalition of Texas.
Student Government, University of Texas.
Vermonters Against Splitting Atoms.
League Against Nuclear Dangers, Stevens Point, Wis.
Citizens for Tomorrow, Durand, Wis.
Ecology Alert, Bloomsburg, Pa.
Citizens Concerned about Sterling, Fairhaven, N.Y.
Florida Chapter, Stewardess Alumnae Association.
Iowa Public Interest Research Group.
Save Solanco Environment, Quarryville, Pa.
New Jersey Public Interest Research Group.
Massachusetts Public Interest Research Group, Boston.
Missouri Public Interest Research Group, St. Louis.
New York Public Interest Research Group, Buffalo.
Delaware Valley Conservation Association, Stillwater, N.J.
Coalition for Nuclear Power Plant Postponement, Wilmington, Del.
Sassafras Audubon Society, Bloomington, Ind.
Knob and Valley Audubon Society, Louisville, Ky.
Purdue Environmental Action, Lafayette, Ind.
Umpqua Citizens for Safe Power, Oakland, Ore.
People for Energy and Environmental Responsibility, Lacomb, Ore.
Center for Science in the Public Interest, Washington, D.C.
North Anna Environmental Coalition, Charlottesville, Va.
Citizens for Environmental Action, Iowa City, Iowa.
Dubuque Environmental Coordination Organization, Dubuque, Iowa.
Alternative Energy Coalition, Turners Falls, Mass.
Iowa Democratic Party.
Minnesota Environmental Control Citizens Association.
Energy Conservation Organization, Hilyard, Ore.
York Committee for a Safe Environment, York, Pa.
Safe Power for Maine, Stockton Springs.
Concerned Citizens of Rhode Island.
Southerners for Safe Power, Nashville, Tenn.
Coalition for a Safe Environment, Seattle.
Iowa Farmers Union, Des Moines.
Coalition for Safe Power, Portland, Ore.
Concerned Californians, San Pedro.
Eugene Future Power Committee, Eugene, Ore.
Environmental Action of Colorado.
Connecticut Citizen Action Group.
People Against the Atom, N.Y. City.
Citizens to Preserve the Hudson Valley, Catskill.
Citizens League for Education About Nuclear Energy, New Rochelle, N.Y.
4-H Earthkeepers, Croton, N.Y.
Central Pennsylvania Committee on Nuclear Power, State College.
Environmental Coalition on Nuclear Power, Jenkinstown, Pa.
Citizens for a Safe Environment, Harrisburg, Pa.
Natural Resources Council of Maine.

Kansas League Against Nuclear Dangers.
San Luis Obispo, Calif., Mothers for Peace.
People's Energy Project, Lawrence, Kan.
Rhode Islanders for Safe Power.
Citizens Association for Sound Energy, Dallas.
Coalition for Safe Electric Power, Cleveland.
Women for Peace, Chicago.
Illinois Citizens for a Nuclear Moratorium, Chicago.
Stop Nuclear Power Plants, New Orleans.
Citizens Against Nuclear Dangers, Berwick, Pa.
ENACT, Ball State University, Ind.
Americans for Safe Energy, Lafayette, Ind.
Prince Georges County Environmental Coalition, Beltsville, Md.
Environmental Task Force of Ulster County, N.Y.
Concerned Citizens for Nuclear Safety, N.Y.
Independent Phi Beta Kappa Environmental Study Group, New York City.
California Democratic Council.

ADDITION—COMMON CAUSE

On Saturday, April 26, after this statement had been prepared, an important addition was made to the groups supporting a construction moratorium. The Board of Common Cause voted in Washington to approve an energy resolution that includes this provision:

"Common Cause opposes the issuance of additional construction permits until a clear and convincing proof of the safety of nuclear power is presented."

WHAT DO WE EXPECT OF THE MILITARY?

Mr. MUSKIE. Mr. President, the Washington Post published recently excerpts fom an excellent speech given by Philip Geyelin, editor of its editorial page. His address, given before a symposium on Officer Responsibility at the Command and General Staff College at Fort Leavenworth, is a thoughtful and important analysis of what is expected of the military by our society. In order to share his thoughts with my colleagues, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT DO WE EXPECT OF THE MILITARY?

(By Philip L. Geyelin)

(The following is adapted from an address given at a "Symposium on Officer Responsibilities" at the Command and General Staff College, Fort Leavenworth:)

I have been asked to answer the question: world, in and out of government and however intimately or remotely involved in the political process, expect of you who have taken military service as your career?

The short answer is, quite a lot—and often, almost certainly, too much. For example, we expect you:

To defend us from foreign enemies and in fact from any threats to our national security as this may be defined, not by you, but by political leaders;

To maintain order during disturbances at home—without trampling upon civil liberties;

To be quite precise about your needs—even though the dangers you are charged with defending us against may change drastically from time to time;

To design experimental weapons and give us firm estimates of their cost and to deliver them to your units at no higher cost than you originally estimated;

To advise the President and other civilian leaders about the military implications of this or that foreign policy question, even though you do not participate as an equal partner in the making of that policy; and when an ill-conceived policy gets us into a war that cannot be won under the rules of engagement that have been imposed upon you, we expect you to win it anyway;

To be scrupulously truthful about your needs, however they may be altered by unpredictable events, and also to be scrupulously honest about your battle reports and never mind how much aid and comfort adverse reporting might give to an enemy.

If some of these expectations seem to you to have particular application to the long and tragic Vietnam struggle now ended, the fact is that there is no better example than Vietnam of a war in which too much was asked of the military by civilians who were unprepared to take the risk of doing nothing and equally unprepared for the risks that would have been involved in moving in a conclusive and decisive way.

An even larger lesson, however, is that the war, and the manner in which it was waged, asked too much, not only of the military, but of the process of government of which the military is an essential element and a vital arm. For what was asked of military and civilian leaders alike was that they lend themselves to a kind of continuing, calculated deception—a conspiracy in restraint of candor required by the very nature of this new concept of limited war. The name of the game was "graduated response" to enemy initiatives. The objective was to convey by incremental increases in the application of military force an impression of limitless American will power and staying power. This, it was believed, would persuade the North Vietnamese and their supporters that their cause was hopeless. And so, the theory went, they would soon stop doing what they were doing and leave their neighbors alone—in Secretary of State Dean Rusk's familiar litany.

What this means in practical terms, however, was that military progress reports were very nearly required to report progress. Civilian leaders, for their part, were encouraged to conceal military setbacks—or escalation—from their own people in order not to alarm the public or generate the sort of divisive debate that might undercut the impression of a united resolve that we were trying to project to the enemy.

Well, it didn't work—because it was by its nature unworkable. And the reason it was unworkable, in my view, was that we were all expecting too much of each other. Civilian leaders in the executive were asking too much of the military and also too much of the Congress and the public and the press.

They were asking Congress to suspend free debate and blindly vote for resolutions and for appropriations in support of a war that nobody was prepared to declare. They were asking the public to pay the taxes for it and to send their sons, without saying how long it would last or how big it would get or even admitting that it was getting big without anybody knowing it. And they were asking the press not to question their official accounts of their conduct of the war.

You in the military were asking us in the press to accept your body counts and your estimates of enemy forces and your warnings of enemy intentions on faith, even though, to be blunt about it, they were not always reliable.

And we in the press, of course, were asking you to tell us about your plans and future operations and force levels and deployments, because we were not formally at war, and there was no censorship—even though you knew that this information could help the enemy.

I don't want to labor the point or refight the war. But I think it is important for us to recognize that the question we are asking ourselves has no easy answer out of our recent experience. For our recent experience is almost a case history of our system gone wrong, of a sustained distortion and straining of healthy adversary relationships between us all—between the relevant branches of government, between civilian and military, between government and the people, and between government and the press. There is at least the glimmer of an answer, however, growing out of our recent experience, and it is that each of us is going to have to not only ask less of each other, but also try harder to understand each other.

Accordingly, what I would put high on my list of what civilians expect of professional officers in the armed services is simply that you understand the rights and prerogatives of the public and the press in our society.

Yours is a society which, by necessity, indeed almost by definition, depends on strict discipline, tight security and firm, not to say unquestioning, support for policies and directives issued by higher authority. But the larger American society operates under no such constraints. The right to question, to debate, to dissent, to demonstrate lawfully, is inherent. No government policy is sacrosanct. It is not disloyal or even necessarily destructive to disagree openly and as forcefully as possible with the word of the authorities. On the contrary, that is the way we conduct our government; that is the essence of a free society.

And when we think about the problem of preserving this free society, it is necessary for all of us to remember that there is more than one way to destroy it. It can be destroyed from without by hostile adversaries against which you are charged with defending us. But our fundamental freedoms—our national security, if you will—can also be threatened from within, when in the very name of national security we resort to "plumbers" and "enemies lists" and unconstitutional invasions of privacy in order to suppress public discussion and debate about a war in which the public has a vital stake. In this respect it is perhaps worth recalling the point that Arnold Toynbee makes in his study of civilization: of the 16 great civilizations that have been destroyed over the centuries, every one was destroyed from within—from the corruption of fundamental institutions and the slow erosion of fundamental values. The most that any outside power did was to administer the coup de grace.

I'm sure that you know that. But I also sense that sometimes you find our fundamental freedoms inconvenient, that you often feel that they work contrary to your purposes, and that there are times, and the Vietnam war is a notable example; when you believe it would be in the urgent interest of national security to suspend these processes and liberties.

The origins of your Vietnam dilemma, of course, did not lie with you. The origins began with your civilian superiors who were consistently unwilling to be honest with Congress and with the public about a policy that was ill-founded and failing.

Nevertheless, the fact remains that too much was expected of the American body politic, with all that term implies, by the military establishment during the course of the war. You expected the press and the Congress not to inquire too deeply into the course of a war that was taking a heavy toll in casualties and in material resources without showing any promise of coming to an end. You expected the public to retain its confidence in policies and strategies that depended for their success on a high measure of demonstrable dissembling and deception. And you measured the performance of both the press and the Congress in terms of a "patriotic" willingness to support whatever the government proposed even though it is inherent in our system to question whether what's good for the country at any given time is what a particular politician or cabinet head or President proclaims to be good.

We live, in fact, by a difficult and delicate system of checks and balances, which may in extreme crises oblige a newpaper reporter to report something that others will believe is harmful to the national interest, and may also require an Army officer or a government official to go against the official line. We have, I think, recently undergone two such extreme crises in our affairs: Vietnam and Watergate. To work our way back to that careful balance by which we manage our affairs may well require all of us to reexamine and redefine what it is we can reasonably expect of each other as military officers, private citizens, civilian leaders, politicians, and members of the press.

THE KNEE-JERK VETO

Mr. MONTOYA. Mr. President, on May 1 the President vetoed the emergency farm bill (H.R. 4296). In taking that action Mr. Ford underlined a policy of support for business interests and neglect for America's independent farmers.

This agriculture bill was aimed at controlling the wildly fluctuating prices which farmers are paid for food and fiber products. It would have provided a measure of economic stability to our most essential industry—farming. It would have been another step forward in our continuing struggle to recreate the bipartisan farm policy which was responsible for agricultural growth in this Nation for 40 years. It would have provided a form of income insurance for farmers who risk financial loss through investment in greater production with no assurance of price stability to make that investment sensible and wise.

Strangely, this action was taken by the President after he has repeatedly called for full production from America's farmers. He does not seem to understand the problem. There does not seem to be any way to make him understand.

It seems simple enough to me. Removing the mystique of the economist language which is being used today by the Department of Agriculture, and speaking quite plainly, this is the problem: We are experiencing a period of food and fiber shortage, worldwide. We have little or no reserves. We would like America's farmers, most of whom are small- and medium-sized businessmen, to produce more for us, so that we can export to the rest of the world as well as feed and clothe our own families. In order to do this the small- and medium-sized farm family must invest large sums of money in seed, equipment, land, and labor. Like all other businessmen, the farmer can only afford to take this kind of chance if he is given a good chance to make at least a small profit on his investment of both capital and labor.

With statistics today which show that during the last 3 years the income of farmers has declined from $32 to $20 billion, and with prices which shoot rapidly up and down as a result of international actions over which the farmer has no control, it should come as no surprise to anyone that farmers are not planning to increase production as requested.

The President, in his veto message, charged the Congress with writing an expensive bill which would have an inflationary impact on consumer prices. Economists working for the Committee on Agriculture and Forestry, however, estimated the cost of H.R. 4296 at between $200 and $400 million dollars. The Department of Agriculture claims a projected cost of more than $1 billion, but is unable to substantiate its figures.

During the same period in which the total farm income declined $12 billion, food prices in the United States increased $47 billion. Obviously, the farmer did not get that increased profit. But somebody did. It should be at least a subject of speculation at the Department of Agriculture and in the White House that the same "somebody" is going to continue to make unreasonable and unwarranted profits while farmers continue to lose money—unless we take some kind of congressional action to protect the farmer's investment and prevent the food price roller coaster which speculators have encouraged in this current economic period.

We are driving the small American farmer out of business. We are threatening the business life of the middle-sized American farmer. Soon all we will have left will be the giant conglomerate.

That is a questionable situation in any industry. It is a terrifying situation in the food and fiber business. All of us—even the President and his advisers—are dependent on the American farmer for our daily food. We are dependent on the farmer for our clothing, and much of our shelter. None of us can afford to allow this essential industry to disintegrate.

Now, Mr. President, I do not really believe the American farmer is going to disappear. He has weathered many a natural and many a political storm in the past, and I believe he will weather this one. But I want to point out one other rather obvious fact.

We are in the midst of a serious recession. We have had several years of declining balance of payments. We need the American farmer to produce food and fiber for export in order to bring our international economic picture into better shape. For that we must have the assured full production which the President has asked for—and we must be willing, as a nation, to invest something in that better trade effort.

We cannot ask the farmer to take all the risks alone.

If this country is going to ask the farmer to produce, we are going to have to be willing to share the risk—and provide some security in the form of target prices, price supports, and assured stability in the marketplace.

I think, Mr. President, that it was a tragic mistake to veto this bill. I am not convinced by the President's arguments in favor of a piecemeal approach to helping farmers in desperate need. I am quite sure that the full production the President wants will not be forthcoming as long as the administration takes this approach.

I think this was a knee-jerk response to a reasonable and practical piece of legislation—knee-jerk because this administration has begun to automatically oppose any legislation which involves spending our money to help the average American.

The Senate Agriculture Committee, under the leadership of my distinguished colleague, Senator TALMADGE, had the benefit of many days of hearings during which agricultural leaders from across the Nation were questioned about the problems facing farmers today. The bill which was finally recommended to the Senate, and amended H.R. 4296, was a good and balanced compromise. It offered protection to the farmer and protection to the consumer, too. It promised hope for a better future and it represented a sensible long-term approach to an economic problem we all know exists.

I fully supported that legislation, and I do so still. I am confident that most Members of this body share my feeling that it is prudent to take care of those who are working to provide our food and our shelter. I urge every Member to stand ready to override the President's veto when the opportunity comes.

OUR CAPITAL INVESTMENT NEEDS FOR THE FUTURE

Mr. BROCK. Mr. President, on Wednesday, William E. Simon, Secretary of the Treasury, testified before the Energy and Financial Markets Subcommittees of the Senate Finance Committee. As ranking minority member of the Financial Markets Subcommittee, I would like to draw attention to Mr. Simon's timely testimony. He focused his attention on "Our Capital Investment Needs for the Future."

In my mind this is one of the most vital areas of economic concern that our country faces. Mr. Simon's comments are well worth inserting in the CONGRESSIONAL RECORD. I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE WILLIAM E. SIMON

Mr. Chairman and Members of this Distinguished Committee: I welcome this opportunity to appear before you this morning on a subject of timely and urgent concern: our capital investment needs for the future.

For several months, many economic policy makers in Washington have been preoccupied with the problems of ending the recession, slowing the rate of inflation and steering the nation back to a course of stable, durable economic growth. Today there are many signs that the economic slide is gradually decelerating, and we can be increasingly confident that we will be on the road to recovery before the end of this year.

As we emerge from the recession, it is especially important that we now begin to focus greater public attention on the longer-range problems of our country. While the process of recovery will require careful and vigilant management, we must be equally concerned whether the period of the recovery and beyond will bring sustained economic progress or a sorrowful repetition of the boom and bust cycles of the past.

Certainly there is no subject more central to our hopes for the future than our ability and our willingness to meet the capital investment needs of coming years. Those needs are impressively large, and they will demand a full-scale effort. In my testimony this morning, I want to draw upon an abundance of documentary evidence showing that the United States has not been keeping pace in its capital investments and that we must devote more of our resources to this purpose if we are to achieve our most basic economic dreams for the future. To summarize, the record shows that:

During the 1960s, the United States had the worst record of capital investment among the major industrialized nations of the Free World.

Correspondingly, our records of productivity growth and overall economic growth during this period were also among the lowest of the major industrialized nations.

As other nations have channeled relatively more of their resources into capital investment and have acquired more modern plants and equipment, they have eroded our competitive edge in world markets.

Our record on capital investments reflects the heavy emphasis we are placing on personal consumption and government spending as opposed to savings and capital formation.

Our record also reflects a precipitous decline in corporate profits since the mid-1960s.

While the U.S. economy remains sufficiently large and dynamic to overcome our investment record of recent years, our future economic growth will be tied much more directly to the adequacy of our capital investments.

Estimates of future needs vary, but it is relatively clear that in coming years we will have to devote approximately three times as much money to capital investments as we have in the recent past.

It is an economic fact of life that increased productivity is the only way to increase our standard of living. For the sake of future economic growth—jobs, real income and reasonable price stability—the inescapable conclusion is that government policies must become more supportive of capital investment and that we must make a fundamental shift in our domestic policies away from continued growth in personal consumption and government spending and toward greater savings, capital formation and investment.

Some analysts have concluded that it will not be possible to meet our future capital investment needs. I disagree. I firmly believe that we are capable of achieving our basic investment goals, but I also believe that they represent one of the most formidable economic challenges of the decade ahead.

I. CAPITAL INVESTMENT EXPERIENCE

The beginning point for our consideration of capital investment—and one that should be of keen concern to everyone—is the pattern of economic growth during the decade of the 1960s. The average annual rate of real economic growth during that period for the twenty nations belonging to the Organization of Economic Cooperation and Development (OECD) ranged from a high of 11.1 percent for Japan, to a median of about 5 percent for Australia, the Netherlands and Norway, to a low of 2.8 percent for the United Kingdom. The United States during this time experienced an average growth rate of 24 percent a year—17th among the 20 nations (Table 1).

Of the many economic, political and social factors that influence economic growth rates, none is more important than the level of capital investment. Economists generally agree that the factors affecting growth include: (1) the accumulated base of capital goods; (2) the current pace of new capital investments; (3) the effective application of new technology; (4) the quality of the national labor force—its education, training, discipline and commitment; (5) the infrastructure of transportation, communication, financial and service facilities; (6) access to industrial raw materials; (7) managerial skills; and (8) the organization of the economic system. The mix of these basic economic variables—along with other specific factors not listed—varies from country to country and changes over time. It is also possible to substitute one, or a combination, of these productivity variables for specific inadequacies. Most analysts agree, however, that a strong rate of new capital investment is required to generate sustained growth. In fact, the effectiveness of all of the other factors that determine productivity are heavily dependent upon the quantity and quality of capital goods made available by new investment.

The United States retains a position of economic leadership because it has been blessed over a long period of time with a favorable mix of all of the important economic variables, along with political stability and improving social mobility. For many years our advantageous ratio of capital to labor has been acknowledged as the basis of the remarkable rise of the U.S. economy. Even now spending for plant and equipment continues to increase and these outlays still exceed the amounts invested elsewhere because of the large size to the U.S. economy (Table 2). In 1974, gross private domestic fixed investment totaled $195.6 billion, up from $194.0 billion in 1973 and $131.7 billion in 1970. Investments in business structures and producers' durable equipment totaled $149.6 billion in 1974, up from $136.8 billion in 1973 and $100.6 billion in 1970.

Nonetheless, even though plant and equipment expenditures will continue in the future as the economy grows, it is unrealistic to assume that the historical patterns of investment and productivity will be adequate to meet the priorities of the future. And I certainly am not suggesting that we can fulfill every claim presented by society. The disappointing record of Federal deficits in fourteen of the last fifteen years ending with FY 1975—or forty out of the last forty-eight years—and the unfortunate boom and bust pattern of economic performance over the past decade indicate that we have not been able to effectively identify and manage our national economic priorities. Some analysts have claimed that future economic growth will release unused resources to fulfill new claims against the national output. To the contrary, the intensity of claims for available resources will likely increase in the future.

The assertion that additional government spending programs can be added without disrupting the allocation of resources in the private sector has been refuted by the events of the past decade, particularly the increasing inflation pressures and shortages of materials and production capacity.

Comparative Rates of Investment

Recognizing the relatively low rate of U.S. economic growth in the 1960s, it is worthwhile to look now at the relative rate of capital investment in this country. Although the amounts of capital investment continue to increase in the United States and our capital-to-labor ratio is still relatively high, other nations during recent years have allocated a substantially larger share of their resources to new capital formation.

Furthermore, the gap between the U.S. level of investment, measured as a share of national output, and the commitments of other leading industrial nations has increased. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output during the time period 1960 through 1973 was 17.5 percent. The U.S. figure ranks *last* among a group of eleven major industrial nations; our investment rate was 7.2 percentage points below the average commitment of the entire group. When only nonresidential investment is considered the level of commitment is naturally lower for every nation but the relative position of the United States is not changed.

INVESTMENT AS PERCENT OF REAL NATIONAL OUTPUT 1960-73 [1]

	Total fixed [2]	Nonresidential fixed
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
U.S.	17.5	13.6
11 OECD countries	24.7	19.4

[1] OECD concepts of investment and national product. The OECD concept includes nondefense Government outlays for machinery and equipment in the private investment total which required special adjustment in the U.S. national accounts for comparability. National output is defined in this study as gross domestic product, rather than the more familiar measure of gross national product, to conform with OECD definitions

[2] Including residential.

Source: U.S. Department of the Treasury.

The reduced pace of capital investment in the U.S. economy has also been emphasized by Professor Paul W. McCracken, former Chairman of the Council of Economic Advisers and now Senior Consultant to the Department of the Treasury. Using historical figures, reported in constant dollars, for the amount of nonresidential capital formation per person added to the labor force, he estimates that commitments in the United States during the 1970s are 22 percent below the level reported in the 1956 to 1965 decade.

In terms of business capital investment per worker, the United States still maintains a considerably higher capital to labor ratio than in Europe and Japan. However, our advantage has declined as other nations have increased their capital investments per worker. The Department of Commerce estimates that since 1960 the existing base of plant and equipment assets has nearly doubled in France and Germany and more than tripled in Japan.[1] The cumulative total of such assets in the United States increased at most by about 50 percent during the same period.

Gross nonresidential fixed investment per person added to civilian labor force

[In 1958 dollars]

Period:	*Amount*
1956–60	$49,500
1961–65	55,300
1966–70	46,400
1971–75*	41,000

*Estimate based on incomplete data for 1974. Source: Statement of Paul W. McCracken before the Committee on Ways and Means, January 29, 1975. Basic data from the Departments of Commerce and Labor.

Factors influencing U.S. rate of capital investment

In evaluating the relatively slower rate of capital investment in the United States, several moderating factors should be considered.

First, the unusually large size of the U.S. economy and its relatively advanced stage of development, including the accumulated total of previous capital investments, creates a different investment environment. In 1974 the U.S. national output was $1.4 trillion, which is approximately equal to 90 percent of the combined total for the nine countries in the European Economic Community and Japan. Having already created such an impressive productive capacity it is to be expected that our rate of additional growth might be lower than the development rates of other nations who are striving to achieve our relatively advanced level of economic activity.

---

[1] *An Overview of Investment: The United States and Major Foreign Economies.* International Economic Policy and Research Report, U.S. Department of Commerce, Domestic and International Business Administration, October 1974, p. 9.

A *second* and even more important influence has been the historical priority placed on consumption within the U.S. economy. We are a consumption-oriented society and this pattern has been developing for several decades. The emphasis on consumption has undoubtedly caused much of the rapid development of the U.S. economy because it has created a strong demand for foods and services needed to sustain output, employment and investment. In 1974 personal consumption totaled $877.0 billion, or 63 percent of our gross national product; total government purchases of goods and services totaled $308.8 billion, or 22 percent; gross private domestic investment, which includes the change in inventories, was $208.9 billion, or 15 percent; and net exports of goods and services amounted to $2.0 billion or 0.1 percent of total national output. Personal and government consumption outlays have long dominated the GNP totals, and this pattern of economic activity is deeply ingrained in our society. As a result, despite our high per capita incomes, the accumulations of gross savings flows required for capital investment are lower in the United States than elsewhere. It is also important to note that the level of gross private savings in the United States has remained stable throughout the postwar era.

AVERAGE ANNUAL GROSS SAVINGS FLOWS AS A PERCENT OF GROSS NATIONAL PRODUCT

[In percent]

	1955–59	1960–64	1965–69	1970–74
Gross private saving	15.9	15.4	15.9	15.8
Personal saving	4.5	3.8	4.5	5.5
Undistributed corporate profits	3.4	2.8	3.1	2.8
Inventory valuation adjustment	−.3	0	−.3	−1.2
Capital consumption allowances	8.3	8.8	8.7	8.7
U.S. Government surplus	−.1	.2	−.2	−1.1
State and local government surplus	−.3	.1	0	.5

Source: Department of Commerce, Bureau of Economic Analysis.

These figures are subject to differing interpretations. Some analysts have claimed that it will not be possible to attract enough savings to meet future investment needs. This negative conclusion assumes that the capital needed to increase plant and equipment capacity will be preempted or diverted to meet the consumption preferences of the private and public sectors. I would hope that the severe output, inflation, unemployment and balance-of-payments distortions of the past decade would be a useful warning against such a result. It should be apparent from the experience of recent years that we must invest adequate funds in new plant and equipment—as well as in education and training—in order to increase our nation's productivity and thereby raise our standard of living. Failure to provide necessary productive capacity to meet the Nation's economic goals is certain to have undesirable effects upon our society over the long run.

Other analysts have used the same gross savings figures to claim that there will not be any particular strain in handling our future investment needs. They believe that as investors are provided with a sufficiently high return on their investments, they will increase savings to meet the higher demand for capital. This conclusion seems to be based on two questionable assumptions: (1) that the existing savings ratio of the past decade is adequate for both past and future investment needs; and, (2) that each sector in the economy can obtain its minimum investment needs within the total outlays financed.

I do not agree that past investment levels have been fully adequate. Experience has demonstrated that inflation and unemployment problems have been created in part by capacity shortages. Many of our current difficulties are the direct result of the energy and raw materials strains that developed in early 1974 and eventually contributed to our current recession and related unemployment. The continuous deterioration of our international trade balance during the 1960s, when the dollar was overvalued, was also at least partly the result of the loss of competitiveness for U.S. products and increased reliance on foreign sources of goods. As you will see in a moment, I think there is also clear evidence that in order to meet future needs, the Nation must increase its capital investment as a claim against national output.

Unfortunately, specific investment needs have not been adequately fulfilled in many sectors of the economy, even though general outlays have increased. We must also be concerned about the capacity of our capital markets to provide adequate financing. Economists often assume that the supply of investment funds will automatically match the demand for capital if interest rates and equity yields are attractive. Our financial markets are very efficient in collecting savings and allocating the funds. However, we should be more sensitive to the disruptive impact of high interest rates. Even though financial markets may be functioning well in allocating the available capital, specific sectors of the economy may not be able to obtain the investment funds needed, particularly at interest rates they can afford. The periodic problem of providing adequate mortgage financing at reasonable interest rates is one example of the limitations within the markets. The difficulty in obtaining equity financing is another.

Whether or not industry will be able to acquire the investment funds needed will be heavily influenced by future actions of the government. National policies cannot ignore financial realities by diverting capital into deficit financing and disrupting the goals of stable monetary policy without inhibiting the necessary process of capital formation. The costs of capital and its availability for private sector needs are heavily dependent on these public fiscal and monetary actions. While the financial markets are very resilent and responsive to changing credit and equity needs, they are not entirely immune to the disruptive impact of government policies.

A *third* important factor affecting the pattern of U.S. investment compared with other nations is the relatively large share of total capital outlays we commit to the services category, which includes housing, government and other services. According to a study published by the Organization for Economic Cooperation and Development (OECD), the United States allocated 70 percent of its total investment to the services category during the 1969 to 1971 time period. The U.S. figure is significantly higher than that reported by the other five major industrial nations included in the study (Table 3).

Accordingly, the U.S. share of investment committed to the manufacturing sector, 19.7 percent, was considerably lower than the figures reported by France (27.8 percent), West Germany (25.2 percent), Japan (26.8 percent), and the United Kingdom (23.8 percent). Our heavy investment in the services category tends, of course, to emphasize consumption and moderate the growth in productivity. This arrangement may satisfy immediate consumer preferences, but we must weigh those preferences against long-term concerns about domestic productivity and international competitiveness.

A *fourth* influence on the pattern of capital investment in the United States is the relatively large share of our investment that must be used for replacement and modernization of existing facilities. It is estimated that 62 percent of U.S. capital investment during the time period 1960 to 1971 was used for replacement needs, compared to the United Kingdom, 61 percent; Canada, 52 percent; France, 54 percent; West Germany, 53 percent; and Japan, 31 percent. The divergent pattern reflects the advanced status of economic development in some nations and the postwar experience of Europe and Japan in restoring their devastated industrial facilities following World War II. The Department of Commerce estimates that 60 to 70 percent of the U.S. stock of plant and equipment has been added since 1960, compared to approximately 75 percent of the capital goods of West Germany and France and 85 percent of Japan's industrial capacity. It should be emphasized that this heavy replacement requirement does provide a continuing opportunity to introduce new technology into the U.S. economic system. Since the annual value of U.S. capital investment is so large, it cannot be assumed that the entire U.S. industrial system is technologically obsolete, even though some specific sectors have suffered a sharp competitive deterioration. Nevertheless, the otherwise imposing outlays for replacement and modernization do not add to the total productive capacity of our economy.

A *fifth* and final factor influencing the national rate of capital investment is the patteren of government polices. Government can affect investment either directly through the incentives it provides or indirectly through various tax and regulatory policies and its own pattern of spending.

A review of the diversified economic incentives available in other nations indicates the very active investment role played by many foreign governments. Basic industries are frequently controlled by the government. Special financial and operating assistance is also frequently provided for preferred private companies to assist their development if it is considered to be in the national interest. The United States has avoided most of the capital allocation and special incentive programs used in other countries. I strongly favor this private sector approach and believe that it has been a positive factor in the development of our economy.

There are some Federal programs which provide direct financial support through the Economic Development Administration, the Small Business Administration and 169 different government credit programs, but the major influence of Federal Government on capital investment comes through the Federal budget. Government budget decisions now represent approximately one-third of the total GNP and this figure will rise even higher if spending trends of the past twenty years are continued. The government also influences private sector activities by providing capital grants, research funding and other incentives which stimulate investment. For example, the FY 1976 budget prepared by the President calls for outlays of $4.6 billion on general science, space and technology programs, $2.2 billion on energy activities and $9.4 billion for environmental and natural resources. Part of these outlays will involve capital investment needs.

The Government is also exercising increased influence over private investment decisions through the growing number of safety, health and environmental standards. Precise estimates are difficult, but it has been estimated that during 1972, 8 percent of the textile industry's capital investments and 12 percent of the steel industry's investments were related to health and safety standards mandated by the government. While such standards may be highly desirable, we should recognize that these investments do not increase the Nation's total productive capacity.

Many State and local governments also provide special incentive programs to attract capital investment into specific geographical areas. Such incentives include capital grants, advantageous credit arrangements, relocation, and manpower training grants, special site and building assistance, infrastructure investments, and preferred tax and utility arrangements. While such incentives have influenced the location of some facilities, the total amount of capital investment has probably not been increased.

The private sector continues to be the best means of increasing capital investment in the United States and our government has fortunately not attempted to control the pattern of such investments.

Negative results of inadequate capital investment

While the historical pattern of capital investment in the United States may satisfy our immediate goals, there are serious economic risks in having a slow rate of capital investment for an extended period of time. The emphasis on immediate consumption has occurred because American consumers have historically preferred to spend 91 percent of their disposable after-tax income. The government has basically supported this independence of choice although its tax and spending policies have unfortunately exercised an increasing influence on private decisions. But we must now question the future adequacy of past investment patterns if we are to adequately prepare for the economic future of our great nation.

Various studies have indicated the close relationship between capital investment and various measures of economic growth and productivity. A dynamic economy is needed to create jobs by applying new technology and expanding production capacity. A productive labor force is also necessary for producing goods and services to meet rising demands for an improved standard of living and as a means of holding down inflation. When productivity increases, the effects of rising wages are offset so that unit labor costs can be held down and prices are more stable. Inadequate capital investment also limits new job opportunities and creates unemployment. Specific examples of production capacity shortages became painfully apparent to the Cost of Living Council (COLC) as it administered the program of wage and price controls from August 1971 until June 1974. Recognizing the inflation pressures created by these numerous capacity constraints, the COLC followed a definite policy of requiring specific capital investment commitments from private industry as a basis for price decontrol decisions. The COLC also became very concerned about future inflation problems that could result from raw materials shortages and increasing capacity shortages in several basic industries as economic growth occurs. Unfortunately, productivity gains in the United States have been disappointing, particularly when compared with the experience of other leading nations.

PRODUCTIVITY GROWTH, 1960-73

[Average annual rate]

	Gross domestic product per employed person	Manufacturing output per man-hour
United States	2.1	3.3
Japan	9.2	10.5
West Germany	5.4	5.8
France	5.2	6.0
Canada	2.4	4.3
Italy	5.7	6.4
United Kingdom	2.8	4.0
11 OECD Nations	[1] 5.2	6.1

[1] Average for 6 OECD countries listed.

Source: Department of the Treasury

The rapid growth of the U.S. economy to its present size and the relatively low level of inflation until the late 1960's has been based on the creativity and productivity of the system. Americans have greatly benefitted from this growth, not only in personal economic gains but in terms of national security and international leadership. Continued prosperity, however, cannot be taken for granted; it must be earned. We must be willing to allocate more of our resources to the future and fewer to satisfying immediate demands. This is a difficult concept for some to accept because they prefer current consumption. With so many needs still unsatisfied in a land of relative plenty, this feeling is understandable. Our ability to fulfill these needs will only be restricted, however, if we now fail to prepare for the future. The simple truism that we cannot consume more than we produce should be obvious, but we sometimes ignore it in setting national priorities. And we can no longer afford to ignore the fact that as the real output of other nations has increased more rapidly than our own, our competitive advantage has gradually been eroded.

II. FUTURE CAPITAL INVESTMENT REQUIREMENTS

Economic projections are always difficult, but estimating future capital needs is particularly uncertain at this time because costs and priorities continue to change rapidly. It is obvious, however, that future capital requirements will be enormous—larger than anything we have ever faced before. Clearly we will need to increase the quantity and quality of housing; develop new energy resources; improve the quality of our environment; rehabilitate the existing transportation system and develop a better urban transportation system; continue the mechanization of agriculture; construct new office buildings, communications systems; medical facilities, schools and other facilities; and meet the massive needs for new plant and equipment. In all of these sectors we must not only replace and modernize existing facilities but also add new capacity, particularly in many of our most basic industries.

The Department of Commerce estimates that capital requirements for producers' durable equipment and nonresidential structures will total $3.4 trillion during the 1974 to 1985 period. If annual outlays for residential construction, which have averaged $50 billion during the past four years, are added to this figure, the total capital needs rise to well over $4 trillion. Details of their estimate include:

GROSS PRIVATE DOMESTIC NONRESIDENTIAL FIXED INVESTMENT

[Billions of current dollars]

	1974	1985	Cumulative 1974–85
Total producer's durable equipment	$100.0	$276.7	$2,188.8
Nonresidential structures	54.7	151.3	1,197.3
Total	154.7	428.0	3,386.0

A similar study performed by the General Electric Company confirms the massive size of future capital requirements. Assuming a real GNP growth rate of 4 percent and an inflation rate of 5 percent, General Electric expects gross private domestic investment, including residential housing, to total $4½ trillion over the 1974 to 1985 time period.

The General Electric and Commerce studies are consistent if housing outlays are added to the Department of Commerce totals. Both estimates are limited to private investment and exclude the large government expenditures required for roads, dams, government facilities, schools, pollution abatement outlays, and many other projects.

Assuming, then, that the cumulative investment needs between 1974 and 1985 will range from $4 to $4½ trillion, the point to remember is this: over the most recent period of the same length, 1962 through 1973, our total outlays for capital investment in the United States were $1½ trillion. Thus, our capital investment needs in coming years are approximately three times the level of the recent past. That is perhaps our best measure of our challenge ahead.

Both of the studies I have mentioned are necessarily based on many uncertain projections and arbitrary assumptions about a continuing close relationship between investment and economic growth. But even if some of these assumptions prove to be erroneous—as they will—and new investment requirements arise—as always happens—the actual results will not materially change the following conclusions:

1. Capital requirements for gross private domestic investment will be in excess of $4 trillion during the 1974 to 1985 time period.
2. The future rate of inflation will be a crucial factor in determining the amount of future investment because it will influence both the price of assets acquired and the economic incentives for future investment.
3. The achievement of national capital investment goals is possible if we are willing to increase the share of national resources committed.

Energy investment requirements

One area of capital investment that is particularly critical for the future is energy. To achieve greater self sufficiency in energy, enormous capital investments will be required. We basically have two alternatives. The first one is to meet our increased energy investment requirements by reducing outlays in other sectors. While energy priorities are indeed important, it would be most unfortunate to disrupt the entire economic system in this way. A second—and more desirable—approach is to include these new requirements within an enlarged total investment goal. Our purpose should not be to redistribute the economic pie, but to continue enlarging it so that everyone will have a bigger share.

Recognizing that the ultimate cost of energy investment needs will be influenced by many variables, it appears that capital requirements over the next decade will total about $1 trillion stated in current dollars to include the effects of inflation. Energy investments will comprise an important share of the total capital requirements discussed above but their financing is manageable if they are given a high priority as part of a comprehensive national energy program. The specific amounts to be spent in each category will depend upon the energy policies adopted and dynamic developments within the economy. Nevertheless, the range of possible needs is indicated in four separate studies prepared by the Federal Energy Administration, National Petroleum Council, National Academy of Engineering and Arthur D. Little, Inc. All four studies are stated in *constant 1973 dollars* to make them comparable. If necessary adjustments are made for potential inflation and the increased needs that have been identified since the studies were prepared the resulting capital needs expressed in current dollars, will approximate $1 trillion between now and 1985.

COMPARISON OF CAPITAL REQUIREMENTS ESTIMATES—TOTAL DOLLARS CUMULATIVE 1975-85

[Billions of 1973 dollars]

	NPC [1]	NAE [2]	ADL [3]	FEA accelerated supply
Oil and gas (including refining)	133	149	122	98.4
Coal	8	18	6	11.9
Synthetic fuels	10	19	6	.6
Nuclear	7	93	84	138.5
Electric powerplants (excluding nuclear)	137	53	43	60.3
Electric transmission	42	125	90	116.2
Transportation	43		43	[4] 25.5
Other [5]			8	2.2
Total	380	457	396	454.0

[1] U.S. Energy Outlook, a summary report of the National Petroleum Council, Washington, D.C., December 1972 (average of 4 supply cases).

[2] U.S. Energy Prospects, An Engineering Viewpoint, National Academy of Engineering, Washington, D.C., 1974

[3] Arthur D. Little estimates based upon an energy conservation scenario.

[4] Does not include investments required for tanker fleets, but does include $5,500,000,000 targeted for Trans-Alaska oil pipeline.

[5] Solar, geothermal, municipal waste treatment plants, and shale oil.

Source: Federal Energy Administration, Project Independence Report, November 1974, p. 282.

The overall impact of energy requirements is summarized in a special report issued by the Chase Manhattan Bank in March of 1975. The Energy Economics Division of the bank is noted for the quality of its special reports. Over twenty years ago that division predicted that an energy shortage would develop in the United States if certain policy adjustments were not made. One of the major concerns of these reports over the years has been the chronic underinvestment in energy resources which became apparent in the late 1950s. The conclusion of the most recent Chase Manhattan Bank report is particularly perceptive:

"Although the relationship between investment and supply of energy is an elementary principle that applies to any and all sources of primary energy, it is nevertheless one that is not well understood. In fact, the lack of understanding was responsible for the incredibly unenlightened regulation and many other political actions about the world that had the two-pronged effect of preventing the generation of sufficient capital funds and discouraging the investment of money that actually was available. And the current energy shortage is the consequence. Yet, even today, after so much damage has been done, there is still a widespread failure to recognize the relationship between investment and supply. Instead, two distinctly different attitudes generally prevail. Many apparently continue to believe they can somehow again have enough energy without paying all the associated costs. Others, obviously, are resigned to the prospect of a permanent shortage and see conservation as the only avenue of partial relief. Neither attitude is realistic, of course. The world still does not lack basic energy resources remaining to be developed. And it is conceivable that eventually there can again be enough to serve all its needs but only if the necessary investment is made first. If it is not, a permanent shortage will indeed be the certain outcome."

SOURCE.—The Chase Manhattan Bank, Energy Economics Division, "How Much Oil—How Much Investment," A Special Petroleum Report, March 1975.

The report goes on to emphasize—correctly, I believe—that a permanent shortage is intolerable because it would so constrict total economic growth that the growth in labor force—even at the more moderate pace expected in the 1980s—could not be absorbed. The resulting unemployment problems would cause severe economic problems in addition to threatening our political and social stability.

Future investments in energy resources will naturally be determined by total demand over time. Estimates have already changed dramatically as costs have risen and conservation efforts have increased. However, these developments are so recent that it is difficult to predict future demand until a national energy policy is agreed upon and the various energy incentives and disincentives are identified. The Chase Manhattan analysts had originally projected a continued growth in the world's demand for energy at an average annual rate of 5 percent which is the same pace as recorded from 1955 to 1970. Admitting the unusual degree of uncertainty, the bank has now lowered its projection to an annual rate of 4.2 percent with a strong warning that energy forecasts have historically erred on the conservative side. Oil consumption is expected to grow at a more rapid annual rate of 4.5 percent over the 1970 to 1985 period, resulting in a cumulative consumption of 375 billion barrels, nearly two and a half times more than in the 1955 to 1970 period. North America is expected to remain the world's largest consumer of total energy and oil, but the growth rate for this area may be lower because of a slower population growth and our potential for conservation savings.

Turning to the financial requirements for the petroleum industry, Chase Manhattan Bank estimates a world-wide need for $400 billion to find 600 billion barrels of oil between 1970 and 1985. This is more than two and a half times the actual investment for this purpose during the 1955 to 1970 period. An additional $370 billion will be needed between 1970 and 1985 for world-wide development of refineries and processing facilities, tankers, pipelines, environmental equipment and the necessary marketing facilities. The total of $770 billion is nearly three times the actual commitment in the preceding fifteen year period. Finally, another $400 billion will be required for other investments, payment of dividends, debt repayments and additions to working capital.

The total financial needs of the world's petroleum industry from 1970 to 1985 are estimated by the bank to be $1.2 trillion stated in constant 1970 dollars. Inflation will of course increase the dollar amounts required. If inflation averages 5 percent over the time period, the world petroleum industry financial needs would rise from $1.2 to $1.6 trillion. With 10 percent inflation, the figure would increase to $2.2 trillion.

With regard to financing these world-wide petroleum industry requirements, the bank estimates the following distribution of potential sources based on the $1.2 trillion constant dollar estimate: (1) Communist nations, $225 billion; (2) new capital market issues, $240 billion; (3) capital recovery allowances, $260 billion; and (4) profits, $460 billion. These figures must be adjusted upward according to whatever rate of inflation occurs.

This brief listing of sources obviously conceals many difficult financial challenges. The world's capital markets will already be absorbing large public and private financing demands. Government policies may reduce capital recovery allowances permitted for computing tax liabilities. And the assumption that oil industry profits will be large enough to cover such a large share of the total is questionable. Commenting on the public's reaction to oil industry profits in 1973 and 1974 after fifteen years of average performance, the bank report states:

"As emphasized earlier, there cannot possibly be enough energy of any kind without adequate investment. And investment cannot be adequate without sufficient profits. But profits are labeled excessive and restraints are proposed without apparent consideration of the need for profits as a source of investment funds. As indicated earlier, the industry will need at least $845 billion of profits between 1970 and 1985 if the world experiences a 10 percent rate of inflation. But in the first four years of the period the industry generated no more than $60 billion of profits, only 7 percent of the required amount. Even in the highly unlikely event of no further inflation, the $60 billion would represent but 13 percent of the industry's total needs for the fifteen year period."

III. GOVERNMENT POLICIES

While our economy is capable of financing its large private capital investment requirements, our success in meeting that goal is heavily dependent upon the shape of government policies. It is absolutely imperative that government policies become more supportive. A continuation of the severe fiscal and monetary distortions of the past decade would undoubtedly prevent the achievement of our basic goals. Inflation must be controlled, and the government must avoid disrupting the capital markets if the private sector is to obtain the financing required. In fact, public officials must balance the Federal budget over time and record occasional surpluses in order to free up capital resources to fulfill existing private investment claims. Instead of reducing private investment to release resources for government social programs, we should concentrate on balancing the budget over time so that the future flow of savings is not diverted away from private investment.

Unfortunately, the Federal Government has reported a deficit in fourteen out of the past fifteen years ending with FY 1975. During the single decade FY 1966 through FY 1974, the cumulative Federal deficits totaled $103 billion. Net borrowings for supporting over one hundred "off-budget" Federal programs totaled another $137 billion during that decade. As a result, the Federal Government withdrew one quarter of a trillion dollars out of the capital markets. But this record is only a prelude to our present situation when Treasury financing requirements will total about $75 billion in calendar year 1975 in order to finance the massive Federal deficits expected. While much of the current deficit results from the recession, which has caused tax revenue losses, increased unemployment compensation benefits and other outlays resulting from the "automatic stabilizers" used to fight recession, a review of the budget details indicates that traditional spending programs are also rising rapidly and new programs are proposed almost every day.

As indicated in Table 4, the spending figures included in the original budget submitted by the President last February called for outlays of $313.4 billion in Federal spending in FY 1975 and $349.4 billion in FY 1976. Recent projections by the Office of Management and Budget indicate that FY 1975 outlays will be $324.2 billion, an increase of 20.8 percent over FY 1974 outlays. It should be obvious that government spending—both for temporary stimulus and traditional programs—is increasing at a rate that is creating serious resource allocation problems far into the future and that these pressures will not conveniently disappear as we gradually emerge from the recession later this year.

Looking beyond the recession problems of 1975, we seem to face the dilemma of having an apparently irresistible force of growing government spending meeting the immovable object of future capital investment requirements. But we should no longer consider the growth of government spending and related deficits to be an irresistible force. To do so will inevitably lead to even more serious economic problems of unemployment, reduced real gains in our national standard-of-living and even more inflation resulting from inadequate physical capacity and reduced productivity. We must recognize the basic reality that when we apply too much pressure on our capacity to produce goods and services, the inevitable result is inflation and shortages. The underlying growth trends of the U.S. economy will continue to provide for further economic progress, but we cannot realistically expect to satisfy every new claim within our economy by simply shifting resources from the private to the public sector. Adding new government commitments is not feasible if the total productive capacity of the economy is exceeded.

This guideline has been frequently violated as total demand has increased too rapidly for the economic system to absorb. When this happens the economy begins a boom and bust sequence with severe inflation and unemployment distortions. Nor can we wish away the problem by claiming that there is plenty of slack in the 1975 recession and that we can ignore problems of overheating the economy until later years. The escalation of government spending levels summarized in Table 4 has already seriously eroded our future fiscal flexibility and the lagged impact of current spending decisions will directly affect the future. In short, if we are to achieve our crucial goal of adding at least $4 trillion of private capital investment by 1985, we must first establish more moderate and sustainable fiscal and monetary policies.

Tax policies

Federal tax policies affect capital investment decisions by determining the after-tax earnings available for investment and by establishing incentives or disincentives for future investment. An OECD study of tax policies indicates that total government tax collections in the United States during the years 1968, 1969, and 1970 were a smaller proportion of the gross national product than in most other industrial nations. The U.S. figure of 27.9 percent for those three years was above that of Switzerland (21.5) and Japan (19.4) percent) but below the levels reported for many European nations, ranging from Italy (30.1 percent) to Sweden (43.0 percent). Since the study was completed, the United States undertook major tax policy changes in 1971 and in March of 1975, but the comparative relationships have probably not changed very much. There is, however, a major difference in the distribution of the tax burden. As indicated in Table 5, only 18.1 percent of the U.S. tax revenues in 1971 were provided by taxes on the consumption of goods and services. Other industrial nations relied much more heavily on consumption taxes: France, 34.8 percent; West Germany, 28.1 percent; United Kingdom, 26.6 percent; Canada, 28.7 percent; and Japan 20.7 percent.

The definite tilt toward personal and corporate income taxes in the United States is consistent with our historical preference for immediate consumption. It is not my purpose to criticize this historical priority, but the future requirements for capital investment indicate that tax policies should be reviewed. Just such a review has been underway in the Department of the Treasury in preparing for the tax law changes completed last month and in anticipation of a joint review with the Congress in the coming months of possible tax reform initiatives. I do not want to make any specific recommendations this morning because we are still working on our analysis and recommendations. We will want to review the options with Congress before specific actions are suggested. I will merely refer to some of the policy areas that need to be reviewed:

1. Corporate income tax—These taxes directly influence the cash flow available for investment. The rate has vacillated slightly above or below the 50 percent level for many years. While a reduction in the rate of taxation would probably be the most straightforward approach to enhancing investment incentives, any change would represent a major shift in policy and would require extensive Congressional consideration. The Tax Reduction Act of 1975 did increase the corporate surtax exemption from $25,000 to $50,000 and decrease the "normal" tax from 22 to 20 percent on the first $25,000 of earnings. These changes, however, do not affect the tax impact on the great bulk of corporate earnings subject to the corporate surtax.

As part of this on-going review of tax policies we also need to consider the influence on investment of our two-tier system of corporate taxation in which income is taxed once at the corporate level and again at the shareholder level. This approach discriminates against corporate investors, generally, small equity investors particularly. An individual in the 20 percent tax bracket in effect pays 48 percent at the corporate level and then an additional 20 percent on what is left for the total tax burden of 58.4 percent, or nearly three times his individual rate. If the individual is in the 70 percent bracket, he pays 48 percent at the corporate level and then an additional 70 percent on what is left. His total tax burden is 84.4 percent. If the same business could be conducted in a noncorporate form, the investors would pay only 20 and 70 percent respectively.

Our tax system puts a great penalty on companies that must incorporate. Companies that do incorporate are those that have large capital needs that must be raised from any persons. We should keep in mind that our system of taxation bears more heavily on corporations than do the tax systems of almost every major industrial nation. In the last few years our major trading partners have largely eliminated the classical two-tiered system of corporate taxation. Through a variety of mechanisms they have adopted systems of "integrating" the personal and individual income taxes so that the double taxation element is radically lessened.

2. *Investment Tax Credit (ITC)*—Business firms have strongly supported the ITC as a major stimulus to additional capital investment. Empirical studies do indicate that the amount of investment in machinery and equipment has increased when the ITC has been put into effect and has declined when it is suspended. Some critics believe, however, that the ITC simply influenced the timing and types of investment rather than increasing the total amount. Whichever view is correct, there was strong support for the investment tax credit provision in the Tax Reduction Act of 1975 which increased the credit to 10 percent for two years and removed the lower percentage limitation for utilities. Unfortunately, the investment tax credit has had an uncertain status once it was initiated January 1, 1962 and businessmen are justifiably concerned about the stability of an incentive which has already been removed twice and then reinstated.

3. *Depreciation guidelines*—The amount of capital recovery charges permitted for tax purposes also influences the after-tax earnings available for private investment. In 1954 the Internal Revenue Tax Code was changed to permit depreciation charges to be made on an accelerated basis. The official guidelines were again liberalized in 1962, and in 1971 the Asset Depreciation Range (ADR)—along with the investment tax credit—was added to the regulations.

The ADR rules allow companies to select a time period for calculating depreciation within a range of 20 percent above or below the Treasury guideline which specifies useful life periods for various assets. Despite these adjustments, American business complain that they have a competitive disadvantage compared with some other nations. The figures summarized in Table 6 do indicate that American firms using both the ADR and the investment tax credit can recover 55 percent of the value of new investments during the first three years. By comparison, the allowances in other nations are as follows: Canada, 100 percent; France, 90.3 percent; Japan, 63.9 percent; United Kingdom, 100 percent; and West Germany, 49.6 percent. It should be added that the U.S. position becomes more comparable by the seventh year. Various business groups have proposed further liberalization, such as a wider ADR percentage, but further consideration should be part of the general tax reform analysis involving the Department of the Treasury and the Congress.

4. *Special Incentives*—The government is frequently asked to provide special incentives in the form of reduced or delayed taxes, accelerated depreciation schedules, capital grants or other benefits to enhance the rate of return on capital investments. While such incentives are usually requested on the basis that they will contribute to the achievement of some national priority, it is usually difficult to justify such special treatment. When special advantages are given to a specific industry or geographical region, others become relatively disadvantaged and it is very difficult for government authorities to determine which claims should be favored, particularly in a dynamic economy where priorities can change rapidly. While there may be a few specific situations where the government should intervene in the allocation of resources which is now handled efficiently by the private markets, my overwhelming preference is to avoid the economic distortions which are found to occur.

Corporate profitability

The final area of concern that I want to address here is the future outlook for corporate profitability. Such profits are, of course, *the* major incentive for additional investment and an important source of funds for financing outlays, along with various external sources. In a fundamental sense profits are the driving force of our system—the engine that pulls the economic train for the 85 percent of our work force still in the private sector—and they are just as much a "cost" of doing business as payments to workers, supplies of materials and services, taxes, etc.

Unfortunately, corporate profits are too often thought of as an unnecessary claim required by greedy businessmen rather than the basic incentive in our economic system. Public opinion surveys in the 1930s and in more recent years are consistent in indicating that the general public thinks that profits account for approximately 28 percent of the sales dollar. The fact is, however, that profits account for approximately 5 cents out of each dollar of sales. Actual earnings of business firms are thus far below what the general public—and some Members of Congress—perceive them to be. In fact, corporate profits will have to improve substantially in order to provide the necessary incentives and to make the necessary contribution to future investment outlays. My concern is that the negative attitudes about profits held by many Americans might become an unfortunate part of public policy. We must avoid legislation and regulation that is punitive of profits honestly earned. The result could only be that capital formation would be inhibited, and the real purchasing power of wage earners would rise more slowly. We must always be alert to the fact that profits translate into jobs, higher wages, and in increased standard of living for all of our people.

One important reason why there is so much misunderstanding about corporate profitability is that our accounting system has not yet been able to adapt to the disruptive effects of the double-digit rate of inflation we have suffered. Inflation hurts investment by increasing the prices of new assets and eroding the purchasing power of corporate earnings. Taxes must be paid on reported earnings even though these figures are exaggerated by inventory valuation profits and the inadequacy of capital recovery allowances, which are based on the historical costs of existing assets rather than the inflated outlays required for new assets. Inflation also disrupts investment by discouraging savings once the general public recognizes that the purchasing power of such commitments is eroded so quickly.

Fortunately, the Department of Commerce publishes figures which attempt to adjust for the distorting effects of inventory valuation, the effects of accelerated depreciation methods and the understatement of capital recovery allowances based on historical cost asset values. The results of these adjustments are summarized in Table 7. These figures clearly indicate that adjusted after-tax profits of nonfinancial corporations as a share of national income and of the value of corporate output are far lower than the public opinion polls would suggest.

Furthermore, from a peak in 1965 through 1973 the relative share of corporate after-tax profits has declined by one-half according to both measures. The same discouraging pattern results when these adjusted earnings figures are compared to the replacement value of capital assets to determine the rate of return on invested capital. From a peak rate of return of 10 percent. In 1965 this measure declined to 5.4 percent in 1970 before recovering to a level of 6.1 percent in 1973. The sluggish economy of 1974 and 1975 will further reduce this figure. It is not unfair to say that the United States has been and remains today in a profits depression. Since the incentive for new investments ultimately depends upon sustaining an attractive rate of return on capital, this trend is particularly disturbing.

It should be emphasized that all of these comparisons have been stated in current dollars which conceals the negative impact of inflation on the purchasing power of retained earnings. Professor John Lintner of Harvard University recently reported that the retained earnings of U.S. nonfinancial corporations were 77 percent lower in 1973 than in 1965 if the figures are converted into constant dollars in order to remove the effects of inflation and if adjustments are made to remove the effects of inventory valuation gains and the underreporting of depreciation changes based on historical costs. Without these adjustments, reported retained earnings in 1973 were 46 percent above the 1965 figure.[2]

Because business firms cannot use "phantom" earnings to acquire capital assets, the future pace of private investment will depend upon the growth of real profits. The government can influence the economic incentives needed to stimulate investment through its tax policies, regulatory and administrative practices and various spending programs, but the private investment decision ultimately depends upon the rate of return expected and the availability of adequate financing at a reasonable cost. Government officials and the general public must recognize the basic importance of corporate profitability and the disruptive effects of excessive government spending pressures—pressures which create deficit financing requirements that take precedence over private investment needs in the capital markets. This problem has not received adequate attention.

IV. SUMMARY

As we strive to end the most severe economic recession in our postwar experience, my deep and abiding concern about the future adequacy of capital investment will perhaps appear to be ill-timed to some analysts. There is extensive slack in our economy with an unemployment rate near 9 percent and reduced rates of plant capacity utilization in many specific industries. The economic slide, however, will not last much longer, and we will again be reporting real growth gains before the end of the year. As the pace of economic activity accelerates, we will likely rediscover shortages of labor and production capacity. In fact, some industries still have high plant capacity utilization ratios, and many types of skilled labor will be difficult to find even in the early stages of economic recovery. In 1971 it was widely believed that extensive slack existed but the economy was again operating at a very high rate of capacity by 1972 and shortages and explosive inflation soon occurred.

Our statistics on plant capacity have always been uncertain measures, and current economic conditions have motivated the Department of Commerce to give top priority to a comprehensive survey of production capacity as a basis for preparing more meaningful estimates of plant capacity utilization rates. It is ironic that such a fundamental factor in preparing national economic policies has been based on such uncertain economic statistics.

Dr. Pierre Rinfret, President of a well known economic consulting firm, Rinfret Boston Associates, Inc., has published an impressive study of the national production capacity which indicates that our current government statistics grossly underestimate the rate of capacity utilization in American industry and that there is virtually no reserve capacity. His study estimates that the capacity utilization rate for manufacturing industries was 86.6 percent in 1974 (Table 8) a figure well above the government's estimate for 1974, of 78.9 percent. It should also be emphasized that the concept of operating at 100 percent of physical capacity is misleading. Over the last fifteen years the government figures indicate that manufacturing capacity utilization has averaged only 83 percent despite some periods of intense output. The highest figure reported by the government during these fifteen years was 91.9 percent for 1966. Most companies need to preserve some reserve capacity to handle unexpected output requirements and to substitute for operating assets which need repairs or replacement. Therefore, the existing government figures do not accurately measure the realistic level of capacity utilization.

Looking beyond the current problems of recession and sustaining an economic recovery, the additional capital investment of at least $4 trillion from 1974 to 1985 represents a major challenge to the future growth of our economy. We must also give careful attention to the problems of specific industries in attracting needed investment for balanced growth. I am confident that these basic goals can be accomplished. But the desired results will require government policies which will moderate inflation and balance the Federal budget over time in order to avoid diverting needed capital away from investment and into the financing of chronic government deficits. A continuation of the fiscal and monetary distortions of the past decade will only frustrate our capital investment efforts and lead to still more serious economic problems in the future.

Thank you.

TABLE 1.—*Average annual rates of change in real growth for member nations of OECD, 1960–70*

(percent)

Japan	11.1
Greece	7.6
Portugal	6.3
Yugoslavia	6.7
France	5.8
Italy	5.6
Canada	5.2
Finland	5.2
Australia	5.1
Netherlands	5.1
Norway	5.0
Belgium	4.9
Denmark	4.9
West Germany	4.8
Austria	4.8
Iceland	4.3
Ireland	4.0
U.S	4.0
Luxembourg	3.3
United Kingdom	2.8

Source: Organization for Economic Development and Cooperation.

TABLE 2.—GROSS PRIVATE DOMESTIC FIXED INVESTMENT, 1950–1974

[In billions of dollars]

Year	Total	Nonresidential structures and producers' durable equipment	Residential structures
Part A.—Nominal dollars:			
1950	47.3	27.9	19.4
1951	49.0	31.8	17.2
1952	48.8	31.6	17.2
1953	52.1	34.2	18.0
1954	53.3	33.6	19.7
1955	61.4	38.1	23.3
1956	65.3	43.7	21.6
1957	66.5	46.4	20.2
1958	62.4	41.6	20.8
1959	70.5	45.1	25.5
1960	71.3	48.4	22.8
1961	69.7	47.0	22.6
1962	77.0	51.7	25.3

---

[2] Lintner, John, "Savings and Investment for Future Growth: 1975–6 and Beyond," presented at a colloquium on "Answers to Inflation and Recession: Economic Policies for a Modern Society," conducted by The Conference Board, Washington, D.C., April 8–9, 1975, p. 15.

Year	Total	Nonresidential structures and producers' durable equipment	Residential structures
1963	81.3	54.3	27.0
1964	88.2	61.1	27.1
1965	98.5	71.3	27.2
1966	106.6	81.6	25.0
1967	108.4	83.3	25.1
1968	118.9	88.8	30.1
1969	131.1	98.5	32.6
1970	131.7	100.6	31.2
1971	147.4	104.6	42.8
1972	170.8	116.8	54.0
1973	194.0	136.8	57.2
1974	195.6	149.6	46.0
Part B.—Constant 1958 dollars:			
1950	61.0	37.5	23.5
1951	59.0	39.6	19.5
1952	57.2	38.3	18.9
1953	60.2	40.7	19.6
1954	61.4	39.6	21.7
1955	69.0	43.9	25.1
1956	69.5	47.3	22.2
1957	67.6	47.4	20.2
1958	62.4	41.6	20.8
1959	68.8	44.1	24.7
1960	68.9	47.1	21.9
1961	67.0	45.5	21.6
1962	73.4	49.7	23.8
1963	76.7	51.9	24.8
1964	81.9	57.8	24.2
1965	90.1	66.3	23.8
1966	95.4	74.1	21.3
1967	93.5	73.2	20.4
1968	98.8	75.6	23.2
1969	103.8	80.1	23.7
1970	99.5	77.2	22.2
1971	105.8	76.7	29.1
1972	118.0	83.7	34.3
1973	127.3	94.4	32.9
1974	118.1	94.1	24.0

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE 3.—OUTPUT AND INVESTMENT BY SECTOR 1969–71 AVERAGES

[Current price percents]

	United States	France	Germany	United Kingdom	Canada	Japan
PARTITION A						
Sector percentage of total output:						
Agriculture	3.0	5.9	3.2	2.6	3.9	[1] 7.3
Mining	1.6	.8	2.2	1.4	3.4	.9
Manufacturing	30.3	45.3	50.4	33.5	26.6	43.0
Utilities	2.3	1.8	2.3	2.8	2.4	2.0
General services	62.8	46.2	41.9	59.7	63.7	46.8
(Dwellings)	(5.4)	(4.5)	(3.8)	(2.3)	(3.3)	(NA)
(Government)	(14.7)	(8.8)	(9.4)	(10.1)	(14.0)	(3.1)
(Other services)	(42.7)	(32.9)	(28.7)	(47.3)	(46.4)	(NA)
Total	100.0	100.0	100.0	100.0	100.0	100.0
Sector percentage of total investment:						
Agriculture	3.8	4.6	[2] 5.3	2.6	5.5	5.9
Mining	1.0	.7	1.3	1.5	7.5	.9
Manufacturing	19.7	27.8	25.2	23.8	16.6	26.8
Utilities	5.2	3.9	5.0	8.6	9.4	3.9
General services	70.3	63.0	63.2	63.5	61.0	62.5
(Dwellings)[3]	(19.9)	(26.3)	(22.2)	(15.1)	(21.5)	(17.9)
(Government)	(20.4)	(12.8)	(9.9)	(15.9)	(17.9)	(24.9)
(Other services)	(30.0)	(23.9)	(31.1)	(32.5)	(21.6)	(19.7)
Total	100.0	100.0	100.0	100.0	100.0	100.0
PARTITION B						
Sector ratios, Investment percentages divided by output percentages:						
Agriculture	1.3	.8	1.7	1.0	1.4	.8
Mining	.6	.9	.6	1.1	2.2	1.0
Manufacturing	.7	.6	.5	.7	.6	.6
Utilities	2.3	2.2	2.2	3.1	3.9	2.0
General services	1.1	1.4	1.5	1.1	1.0	1.3
(Dwellings)	(3.7)	(5.8)	(5.8)	(6.6)	(6.5)	(NA)
(Government)	(1.9)	(1.5)	(1.1)	(1.6)	(1.3)	(8.0)
(Other services)	(.7)	(.7)	(1.1)	(.7)	(.5)	(NA)

[1] Output averages of Japan are for 1969–70.

[2] Investment averages of Germany are for 1967–68.

[3] Investment in owner-occupied dwellings. For Canada, France and the United Kingdom the figure is from residential investment, which differs slightly from the former category.

Source: OECD, "National Accounts of OECD Countries." 1960–71.

TABLE 4.—FEDERAL BUDGETS, CHANGES IN THE UNIFIED BUDGET OUTLAYS BY FISCAL YEAR, 1961–76

[Dollars in billions]

Fiscal year over preceding year	Federal outlays	Dollar increase	Percentage increase	Surplus or deficit
1961	$97.8	$5.6	6.1	−3.4
1962	106.8	9.0	9.2	−7.1
1963	111.3	4.5	4.2	−4.8
1964	118.6	7.3	6.1	−5.9
1965	118.4	−.2	------------	−1.6
1966	134.7	16.3	13.8	−3.8
1967	158.3	23.6	17.5	−8.7
1968	178.8	20.5	13.0	−25.2
1969	$184.5	$5.7	3.2	+3.2
1970	196.6	12.1	6.6	−2.8
1971	211.4	14.8	7.5	−23.0
1972	231.9	20.5	9.7	−23.2
1973	246.5	14.6	6.3	−14.3
1974	268.4	21.9	8.8	−3.5
1975 (estimate)[1]	313.4	45.0	16.8	−34.7
1975 (estimate)[2]	324.2	55.8	20.8	−42.2

[1] Last official budget estimates published Feb. 3, 1975.

[2] May estimate of OMB as to expected fiscal year 1975 outlays and most recent, May, Department of Treasury fiscal year 1975 receipts.

Source: Economic Report of the President, February 1975, table C–64, p. 324, for years 1961 through 1974.

TABLE 5

Tax revenue by type	United States		France		Germany		United Kingdom		Canada		Japan	
	Value (dollars in millions)	Percent of total	Value (Francs in millions)	Percent of total	Value (Deutsche-marks in millions)	Percent of of total	Value (pounds in millions)	Percent of total	Value (Canada dollars in millions)	Percent of total	Value (yen in millions)	Percent of total
Comparison of general tax revenue sources, 1971:												
Corporate income and profit[1]	30,234	10.4	18,747	5.8	11,655	4.5	1,558	7.8	3,080	10.2	2,977	18.8
Household income and profit[1]	98,176	33.6	32,492	10.1	70,295	26.9	6,668	33.2	10,221	33.9	3,802	24.0
Consumption taxes[2]	52,698	18.1	112,139	34.8	73,425	28.1	5,340	26.6	8,660	28.7	3,289	20.7
Social security contributions	60,286	20.7	134,802	41.9	88,430	33.8	2,828	14.1	2,463	8.2	3,174	20.9
Other taxes	50,301	17.2	23,916	7.4	17,655	6.7	3,685	18.3	5,710	19.0	2,612	16.5
Total	291,695	100.0	322,096	100.0	261,460	100.0	20,079	100.0	30,134	100.0	15,854	100.0
Comparison excluding social security distributions:												
Corporate income and profit[1]		13.1		10.0		6.8		9.0		11.1		23.5
Household income and profit[1]		42.4		17.3		40.6		38.6		37.0		30.0
Consumption taxes[2]		22.8		59.9		42.4		31.0		31.3		25.9
Other taxes		21.7		12.8		10.2		21.4		20.6		20.6
Total	231,409	100.0	187,294	100.0	173,030	100.0	17,251	100.0	27,671	100.0	12,680	100.0

[1] Includes capital gains.

[2] Defined as taxes levied on transactions in goods and services on the basis of such intrinsic characteristics as value, weight, strength, etc. The source document provides further elaboration concerning tax category definitions.

Source: Revenue statistics of OECD member countries 1965–71, OECD.

TABLE 6.—COMPARATIVE COST RECOVERY ALLOWANCES FOR INDUSTRIAL MACHINERY AND EQUIPMENT

Country	Representative cost-recovery period (years)	1st taxable year	1st 3 taxable years	1st 7 taxable years
Canada	[1] 2	50.0	100.0	100.0
France	[2] 8	31.3	90.3	[3] 100.0
Japan	[4] 11	[5] 37.1	63.9	88.1
United Kingdom	1	100.0	100.0	100.0
Western Germany	[6] 9	[7] 16.7	49.6	[8] 88.8
United States:				
With investment credit but without ADR (accelerated depreciation range)	[9] 13	[10] 21.7	47.9	80.1
Without either investment credit or ADR	[9] 13	7.7	33.9	66.1
With both investment credit and ADR	[5, 11] 10½	[10] 23.5	54.7	88.5

[1] Beginning May 1972 machinery and equipment acquired for manufacturing or processing of goods in Canada could be written off over 2 years (50 percent per year).

[2] 250 percent declining balance method multiplied by a factor of 2 to give effect to multiple shift operations.

[3] Method changed to straight line in 4th taxable year. Straight line rate applied to original cost in such year.

[4] Modified double declining balance method; 18.9 percent per Japanese Government rate table multiplied by a factor of 1.28 to give effect to multiple shift operations.

[5] Includes special 1st year allowance of 25 percent; allowance reduces recoverable base cost in second and succeeding taxable years.

[6] The average cost recovery period for machinery and equipment in western Germany is 8 to 10 years to which additional allowances are permitted for multiple shift operations: 25 percent of allowance for 2-shift operations and 50 percent of allowance for 3-shift operations. Allowances may be further increased when plant is located in certain areas such as Berlin, areas bordering on iron curtain countries, and undeveloped areas.

Cost recovery allowances based on an average cost recovery period of 9 years. The double declining balance method is used. A 25 percent additional allowance for 2-shift operations is taken into account beginning with the 5th year when the method is changed to straight line. The corporate depreciation rate thus computed is slightly over the maximum 20 percent rate permitted on a declining balance method to reflect that:

(A) The straight line method produces more depreciation than does the double declining balance method for certain shortlived assets; and

(B) Items of machinery and equipment costing under U.S. $200 can be expensed.

No other incentives have been taken into account.

[7] Full year allowance in 1st taxable year for assets acquired in 1st half of such year; half year allowance for assets acquired in 2d half.

[8] Method changed to straight line in 5th taxable year.

[9] Double declining balance method.

[10] Includes 14 percent allowance equivalent to 7 percent investment credit at effective 50 percent income tax rate. Credit does not reduce recoverable base cost.

[11] 13-yr recovery period reduced by 20 percent and rounded to nearest ½ year.

Source: Statement of Arthur Anderson and Co., before the Committee on Ways and Means, U.S. House of Representatives, Apr. 16, 1973.

TABLE 7.—DOMESTIC PROFITS OF NONFINANCIAL CORPORATIONS, REPORTED AND ADJUSTED, 1950–73

[Billions of dollars]

Year	Nonfinancial domestic profits of nonfinancial corporations	Adjustments			Adjusted domestic profits of nonfinancial corporations	Tax liability	Adjusted aftertax profits of domestic nonfinancial corporations	National income	Adjusted aftertax profits of domestic corporations as percent of national income	Gross product originating in nonfinancial corporations	Adjusted aftertax profits of nonfinancial corporations as percent of gross product originating in nonfinancial corporations
		For inventory profits or losses	To standardize depreciation method [1]	To standardize depreciation on replacement cost basis [2]							
1950	38.5	−5.0	−0.4	−3.6	29.5	16.7	12.8	241.1	5.3	151.7	8.4
1951	39.1	−1.2	−.2	−4.4	33.4	21.0	12.3	278.0	4.4	174.3	7.1
1952	33.8	1.0	.0	−4.6	30.2	17.8	12.4	291.4	4.3	182.0	6.8
1953	34.9	−1.0	.6	−4.3	30.2	18.5	11.7	304.7	3.8	194.7	6.0
1954	32.1	−.3	1.5	−4.1	29.2	15.7	13.5	303.1	4.4	191.6	6.9
1955	42.0	−1.7	2.7	−4.2	39.0	19.8	19.2	331.0	5.7	216.3	8.8
1956	41.8	−2.7	2.9	−5.1	36.8	19.8	17.0	350.8	4.9	231.2	7.4
1957	39.8	−5.1	3.3	−5.7	35.8	18.9	16.9	366.1	4.6	241.9	7.0
1958	33.7	−.3	3.2	−5.6	39.0	16.3	14.6	367.8	4.0	236.0	6.3
1959	43.2	−.5	3.5	−5.5	40.7	20.8	19.9	400.0	5.0	263.7	7.6
1960	40.1	.2	3.4	−5.1	38.6	19.5	19.1	414.5	4.6	273.1	6.9
1961	40.3	−.1	3.1	−4.5	38.8	19.8	19.0	427.3	4.4	278.4	6.8
1962	44.7	.3	5.3	−4.1	46.2	20.9	25.3	457.7	5.5	302.8	8.4
1963	49.1	−.5	5.2	−3.7	50.1	22.9	27.2	481.9	5.6	320.0	8.5
1964	55.8	−.5	5.2	−3.5	57.[illegible]	24.3	32.7	518.1	6.3	346.0	9.4
1965	65.8	−1.7	5.7	−3.8	66.0	27.6	38.4	564.3	6.8	377.6	10.2
1966	71.2	−1.8	5.9	−4.2	71.2	30.1	41.1	620.6	6.6	413.0	9.9
1967	66.2	−1.1	6.0	−4.8	66.3	28.4	37.9	653.6	5.8	430.8	8.8
1968	72.4	−3.3	6.3	−5.4	70.0	34.0	36.0	711.1	5.0	469.9	7.6
1969	68.0	−5.1	7.4	−7.8	62.5	33.7	28.8	766.0	3.8	504.3	5.7
1970	55.7	−4.8	7.6	−9.1	49.5	27.6	21.9	800.5	2.7	519.1	4.2
1971	63.2	−4.9	8.2	−10.1	56.4	29.8	26.6	857.7	3.1	555.1	4.8
1972	76.3	−7.0	9.4	−11.4	67.3	33.4	33.9	946.5	3.6	614.3	5.5
1973	95.8	−17.6	10.2	−12.5	75.9	40.7	35.2	1,065.6	3.3	684.3	5.1

[1] The adjustment to standardize depreciation method is equal to the difference between tax depreciation and depreciation calculated assuming a straight-line depreciation formula and 85 percent of the Internal Revenue Service's 1942 edition of "Bulletin F" service lives.

[2] The adjustment to put depreciation on replacement cost basis is equal to the difference between depreciation as calculated on the assumptions stated in the preceding note and as calculated using the same assumptions but on a current rather than historical cost basis. Numbers in this and following table may not add because of rounding.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE 8.—CAPACITY UTILIZATION: MARCH 1975

Industry	Utilization rate	Is this level of operation higher, lower, or about the same as in 1974? (percent distribution)		
		Higher	Lower	Same
All industries [1]	84.5	13.2	45.0	41.7
Manufacturing	86.6	41.2	51.3	34.4
Nonmanufacturing [1]	78.6	10.5	28.1	61.4
Manufacturing	86.6	14.2	51.3	34.4
Durable goods	86.6	12.8	50.0	37.2
Primary metals	89.7	8.7	39.1	52.2
Iron and steel	90.5	11.8	23.5	64.7
Nonferrous metals	88.0	0	83.3	16.7
Electrical machinery	87.2	50.0	0	50.0
Nonelectrical machinery	94.5	15.0	40.0	45.0
Transportation equipment	75.3	23.5	58.8	17.6
Motor vehicles and parts	79.2	11.1	77.8	11.1
Aerospace	67.2	42.9	42.9	14.3
Stone, clay and glass	77.7	0	72.7	27.3
Other durable goods	85.7	0	72.7	27.3
Nondurable goods	86.7	16.2	52.9	30.9
Food and beverage	89.2	23.5	17.6	58.8
Textiles	72.5	0	100.0	0
Paper	87.9	0	80.0	20.0
Chemicals	82.3	33.3	50.0	16.7
Petroleum	89.7	22.2	22.2	15.6
Rubber	80.4	0	100.0	0
Other nondurable goods	82.1	14.3	57.1	28.6
Nonmanufacturing [1]	78.6	10.5	28.5	61.4
Mining	94.8	0	0	100.0
Railroad	87.1	0	75.0	25.0
Air transportation	81.0	0	66.7	33.3
Other transportation	89.4	0	50.0	50.0
Public utilities	76.6	12.5	22.5	65.0
Electric	74.3	12.5	18.8	68.8
Gas and other	86.0	12.5	37.5	50.0
Commercial and other	78.0	16.7	16.7	66.7

[1] Excludes communication.

Source: 1975 capital investment surveys; Rinfret Boston Associates, Inc. March 1975, perspective—5.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4700, which the clerk will state

The assistant legislative clerk read as follows:

A bill (H. R. 4700) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Aeronautical and Space Sciences with an amendment to strike out all after the enacting clause and insert:

That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration:

(a) For "Research and development," for the following programs:

(1) Space Shuttle, $1,206,000,000;

(2) Space flight operations, $203,100,000;

(3) Physics and astronomy, $162,800,000;

(4) Lunar and planetary exploration, $259,900,000;

(5) Launch vehicle procurement, $166,900,000;

(6) Space applications, $183,930,000;

(7) Aeronautical research and technology, $175,350,000;

(8) Space and nuclear research and technology, $74,900,000;

(9) Energy technology applications, $5,900,000;

(10) Tracking and data acquisition, $240,800,000;

(11) Technology utilization, $7,000,000;

(b) For "Construction of facilities" including land acquisition, as follows:

(1) Modification of 11- by 11-foot transonic wind tunnel, Ames Research Center, $2,695,000;

(2) Addition for composite model and metal finishing shops, Langley Research Center, $1,940,000;

(3) Space shuttle facilities at various locations as follows:

(A) Modifications to launch complex 39, John F. Kennedy Space Center, $13,110,000;

(B) Construction of Orbiter processing facility, John F. Kennedy Space Center, $8,160,000;

(C) Modifications for solid rocket booster processing facilities, John F. Kennedy Space Center, $5,240,000;

(D) Modifications for hypergolic checkout and refurbishment facilities, John F. Kennedy Space Center, $6,940,000;

(E) Modifications for launch equipment test facilities, John F. Kennedy Space Center, $1,960,000;

(F) Construction of Orbiter approach and landing test facilities, Flight Research Center, and Air Force Plant Number 42, Palmdale, California, $1,680,000;

(G) Construction of Shuttle/Carrier aircraft mating facilities, Flight Research Center, and Air Force Plant Number 42, Palmdale. California, $3,890,000;

(H) Modifications for crew training facilities, Lyndon B. Johnson Space Center, $830,000;

(I) Modification of the vibration and acoustic test facility, Lyndon B. Johnson Space Center, $2,410,000;

(J) Modifications for solid rocket booster component manufacturing and assembly facilities (location to be designated), $3,000,000;

(4) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $16,000,000;

(5) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $5,000,000;

(6) Facility planning and design not otherwise provided for, $9,275,000.

(c) For "Research and program management," $776,000,000, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations, of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $25,000 for each project, including collateral equipment, may be used for construction of **new facilities and additions to existing facilities, and not in excess of $500,000 for each project, including collateral equipment, may be used for rehabilitation or modification of facilities: Provided, That of the funds appropriated pursuant to subsection 1(a), not in** excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (5), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 per centum, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate on the circumstances of such action, may be varied upward 25 per centum,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (6) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next Authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. **The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.**

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Aeronautical and Space Sciences.

(2) no amounts appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 5. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. The National Aeronautics and Space Administration is authorized, when so provided in an appropriation Act, to enter into a contract for tracking and data relay satellite services. Such services shall be furnished to the National Aeronautics and Space Administration in accordance with applicable authorization and appropriation Acts. The Government shall incur no costs under such contract prior to the furnishing of such services except that the contract may provide for the payment for contingent liability of the Government which may accrue in the event the Government should decide for its convenience to terminate the contract before the end of the period of the contract. Facilities which may be required in the performance of the contract may be constructed on Government-owned lands if there is included in the contract a provision under which the Government may acquire title to the facilities, under terms and conditions agreed upon in the contract, upon termination of the contract. The Administrator shall in January of each year report to the Committee on Science and Technology and the Committee on Appropriations of the House of Representatives and the Committee on Aeronautical and Space Sciences and the Committee on Appropriations of the Senate the projected aggregate contingent liability of the Government under termination provisions of any contract authorized in this section through the next fiscal year. The authority of the National Aeronautics and Space Administration to enter into and to maintain the contract authorized hereunder shall remain in effect as long as provision therefore is included in Acts authorizing appropriations to the National Aeronautics and Space Administration for subsequent fiscal years.

SEC. 7. In addition to the amounts authorized to be appropriated under section 1 of this Act, there is hereby authorized to be appropriated to the National Aeronautics and Space Administration, to be available no earlier than July 1, 1976:

(a) For "Research and development," for the programs specified in the following paragraphs, $704,600,000, of which no more shall be available for any such program than the amount stipulated (for that program) in the applicable paragraph:

(1) Space Shuttle, $321,000,000;

(2) Space flight operations, $55,100,000;

(3) Physics and astronomy, $46,600,000;

(4) Lunar and planetary exploration, $73,300,000;

(5) Launch vehicle procurement, $40,400,000;

(6) Space applications, $54,700,000;

(7) Aeronautical research and technology, $46,800,000;

(8) Space and nuclear research and technology, $22,300,000;

(9) Energy technology applications, $1,500,000;

(10) Tracking and data acquisition, $66,400,000;

(11) Technology utilization, $2,000,000.

(b) For "Construction of facilities," including land acquisition, as follows:

(1) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $7,000,000;

(2) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $2,000,000;

(3) Facility planning and design not otherwise provided for, $2,500,000.

(c) For "Research and program management," $213,800,000, and such additional or supplemental amounts as may be necessary for increase in salary, pay, retirement, or other employee benefits authorized by law. All of the limitations and other provisions of this Act which are applicable to amounts appropriated pursuant to subsections (a), (b), and (c) of section 1 of this Act shall apply in the same manner to amounts appropriated pursuant to subsections (a), (b), and (c), respectively, of this section.

SEC. 8. The National Aeronautics and Space Act of 1958, as amended, is amended by adding at the end thereof the following new title:

"TITLE IV—UPPER ATMOSPHERIC RESEARCH

"PURPOSE AND POLICY

"SEC. 401. (a) The purpose of this title is to authorize and direct the Administration to develop and carry out a comprehensive program of research, technology, and monitoring of the phenomena of the upper atmosphere so as to provide for an understanding of and to maintain the chemical and physical integrity of the Earth's upper atmosphere.

"(b) The Congress declares that it is the policy of the United States to undertake an immediate and appropriate research, technology, and monitoring program that will provide for understanding the physics and chemistry of the Earth's upper atmosphere.

"DEFINITIONS

"SEC. 402. For the purpose of this title the term 'upper atmosphere' means that portion of the Earth's sensible atmosphere above the troposphere.

"PROGRAM AUTHORIZED

"SEC. 403. (a) In order to carry out the purposes of this title the Administration in cooperation with other Federal agencies, shall initiate and carry out a program of research, technology, monitoring, and other appropriate activities directed to understanding the physics and chemistry of the upper atmosphere.

"(b) In carrying out the provisions of this title the Administration shall—

"(1) arrange for participation by the scientific and engineering community, of both the Nation's industrial organizations and institutions of higher education, in planning and carrying out appropriate research, in developing necessary technology and in making necessary observations and measurements;

"(2) provide, by way of grant, contract, scholarships or other arrangements, to the maximum extent practicable and consistent with other laws, for the widest practicable and appropriate participation of the scientific and engineering community in the program authorized by this title; and

"(3) make all results of the program authorized by this title available to the appropriate regulatory agencies and provide for the widest practicable dissemination of such results.

"INTERNATIONAL COOPERATION

"SEC. 404. In carrying out the provisions of this title, the Administration, subject to the direction of the President and after consultation with the Secretary of State, shall make every effort to enlist the support and cooperation of appropriate scientists and engineers of other countries and international organizations.

"REPORT

"SEC. 405. The Administration shall submit to the President, annually, for transmittal to the Congress, a report on the activities being carried out pursuant to his title, together with a description of accomplishments achieved in the implementation of this title.".

SEC. 9. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1976".

The ACTING PRESIDENT pro tempore. The time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the majority and minority leaders or their designees, with time for debate on any amendment limited to 30 minutes, with 20 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. MANSFIELD. Mr. President, I yield the time on behalf of the majority to the Senator from Utah (Mr. Moss), and ask that he yield me 1 minute.

Mr. MOSS. I am happy to yield to the majority leader.

ORDER FOR RECOGNITION OF SENATOR WILLIAM L. SCOTT TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, after the joint leadership has been recognized under the standing order, the Senator from Virginia (Mr. WILLIAM L. SCOTT) be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1976

The Senate continued with the consideration of the bill (H.R. 4700) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

Mr. MOSS. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Aeronautical and Space Sciences be permitted on the floor during consideration and passage of H.R. 4700: Robert F. Allnutt, Charles F. Lombard, Craig Voorhees, James J. Gehrig, and Glen P. Wilson.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the ranking minority member of the Committee on Aeronautical and Space Sciences, the Senator from Arizona (Mr. GOLDWATER), will be in the Chamber during the consideration of this matter. Meanwhile, I am happy to yield to the Senator from Idaho (Mr. MCCLURE).

Mr. MCCLURE. Mr. President, I ask unanimous consent that the time designated for control by the minority leader be allotted to the Senator from Arizona (Mr. GOLDWATER).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the bill H.R. 4700 which the committee is recommending to the Senate provides funding authorization for the National Aeronautics and Space Administration for fiscal year 1976 in the amount of $3,544,710,000, and for the transition quarter to the new fiscal year in the amount of $929.9 million.

Before I review the highlights of this bill, I should like to note that 1975 will see the close of an era in NASA's history, with the final manned space flight mission using a conventional launch vehicle and the cessation of manned flight activity until the advent of the Space Shuttle at the end of this decade. Our manned space flight program has been one of great success, demonstrating the technological capability of the Nation and providing a focus for advancing the state-of-the-art in science and technology. This final flight of the Apollo series will be a joint venture in international manned space flight with the U.S.S.R.—an integral part of NASA's highly successful international program in which cooperative projects have been carried out with nearly 100 nations around the world.

As the program moves into the Shuttle era, we also see increasing evidence of actual, quantifiable benefits emanating from the space program. The Earth Resources Technology Satellite 1, launched in July 1972, has been an unqualified success, acclaimed by the Governors of 30 of our States, by industry, by scientists and by others who have a need for more and better data with which to exploit, manage and preserve our Earth resources. The committee notes with great satisfaction that the second Earth Resources Technology Satellite, Landsat 2, the launch of which was insisted upon by the Congress 2 years ago, was successfully launched in January of this year. The committee is also pleased that the executive branch is preparing a third ERTS satellite, authorized last year, for launch in 1977 to provide continuity of data flow. Continuity will allow this space technology to be fully exploited and the benefits realized in areas such as crop forecasting, snow cover prediction, water resources measurement and other activities which are vital to improved management of our resources.

The maturity and the emerging long range potential of the space program is further supported by the fact that during 1975, 14 of the 28 launches scheduled by the National Aeronautics and Space Administration will be reimbursed by industrial organizations, international organizations or other governments. It seems clear that when others are willing to pay hard dollars to put spacecraft in orbit, it is a vivid testimonial as to the worthiness of the space capability that we have built and that this budget will continue to support in the future.

The committee has increased the NASA request for fiscal year 1976 by $5.71 million to a total of $3,544,710,000, an amount about $300 million above the budget plan for fiscal year 1975. The bulk of the increase is attributable to the Space Shuttle program now entering a peak development year. All Shuttle system elements are under contract and development is proceeding as planned. Many components of the system have already been completed, testing has been initiated and the total system development is proceeding on schedule to meet the rollout milestone of the first orbiter vehicle during the transition period—the third quarter of 1976, a little more than a year from now.

The Shuttle program funding recommended for fiscal year 1976 is slightly over $1.2 billion. I want to stress that the Shuttle program is within its target cost estimate, it is on schedule and that the total NASA budget is within the total commitment of $3.4 billion accepted by the executive branch and the Congress in 1972 when this program was approved for development. In fact, the NASA program for $3.5 billion recommended in this bill equates to approximately $2.9 billion in 1972 dollars.

One of the significant features of H.R. 4700 is the addition of section 8 in the bill which would authorize and direct NASA to carry out a research, technology, and monitoring program on the upper atmosphere. The committee also recommends doubling the NASA activity in this area. This authorization is designed to expand the effort NASA has underway and to provide a focal point for the acquisition of fundamental knowledge, in complete coordination with other interested agencies and organizations, on the physical and chemical properties of the upper atmosphere, and on the danger of inadvertent modification of the ozone layer.

The immediate problem to be addressed by this research is commonly referred to as the ozone threat. I hasten to add that testimony before the committee clearly indicates that the threat today is a theoretical postulation only, but if the theories are correct, it could be very real. Therefore, it behooves us to use our capabilities promptly to acquire the knowledge so that we can approach this vital matter on a factual basis. Based upon NASA's research effort in space physics and planetary atmospheres, we believe NASA is singularly equipped to carry out this fact finding mission.

The bill does not authorize, and I reiterate, it is not the intent of the Committee, that NASA engage in the regulatory aspects of product use. It is only directed to acquiring the research data and conducting the monitoring function, thereafter making the results available to regulatory agencies, other research groups and any other interested party whose functions are that of environmental regulation, protection and control. I think this direction to NASA represents a dividend on our investment in space technology, a situation where NASA can bring to bear its capabilities, a situation where we need good data to understand a potential problem and to make intelligent informed decisions as to what action, if any, we should take.

I might add that it is clear that NASA, with its cooperative international program, is uniquely equipped to acquire the knowledge and establish the data base for international action if that should prove to be necessary or desirable. It should be clear that, without regard to near-term decisions on certain threats to the upper atmosphere, there will be a need for continuing study and monitoring for a number of years, until our knowledge is greatly enhanced.

This authorization bill will continue financial support for NASA's on-going program in aeronautical research and technology at a level some $9 million above the budget plan for the previous fiscal year. In recognition of the need for energy conservation NASA has initiated a major effort on fuel efficient engines and energy conservative aircraft technology. Targets have been set so as to provide a focal point for research activities which will allow us to have significantly more efficient aircraft in commercial service in the late 1980's, thereby requiring less of scarce petroleum resources for this transportation mode.

While the past year has seen the establishment and the organization of the Energy Research and Development Administration, the committee has encouraged and this bill will support a significant activity within NASA to identify those technologies and other contributions which NASA can make to our national energy problem either directly or in support of the primary mission assigned to ERDA. The committee received testimony from Dr. Seamans, the Administrator of ERDA, and at one time the able Deputy Administrator of NASA, and it is clear that a good, productive working relationship exists between these two agencies which will maximize the contribution which NASA can make by drawing on the many capabilities that NASA has developed in its aeronautics and space programs and applying these capabilities to the gigantic problem facing ERDA in energy research and development.

In closing I would like to summarize the NASA budget recommendation by saying that of the $3,544,710,000 for fiscal year 1976, $2,686,580,000 is for research and development, $82,130,000 is for the construction of facilities, and $776 million is for research and program management. The total amount is $41.163 million less than that approved by the House in passing H.R. 4700. The latter difference is essentially due to the House approval of the initiation of the construction of two aeronautical research facilities which your committee did not concur with as appropriate at this time. Aside from the foregoing and section 8 pertaining to upper atmospheric research, there are no significant differences between the House bill and your committee's recommendations.

Perhaps this budget recommendation is unique in that for the first time in the history of NASA there are no new starts proposed. The total cost requirements are equal to less than 1 percent of the Federal budget and as I have already stated, the overall program plan is over $600 million below the "constant level" budget approved by the Congress in 1972. Finally, the NASA in-house work force has undergone a reduction for the ninth consecutive year.

For the transition period, July 1, 1976, through September 30, 1976, the bill includes $929.9 million of which $704.6 million is for research and development,

$11.5 million is for construction of facilities, and $213.8 million is for research and program management. The recommendation of the committee is $29 million below the administration request and $7.45 million above the House-approved amount for the transition period. And $4 million of the increase above the House is accounted for by the funding added by the committee for the upper atmospheric research program that I have previously discussed. Finally, the work program to be supported by the transition period funding is, in essence, a continuation of those activities provided for by the fiscal year 1976 authorization.

Mr. President, I am firmly convinced that the program recommended by the committee is fiscally responsible, and appropriately constrained to the Federal budget level we face today, and yet supports the work necessary to build an increasingly strong base in science and technology and necessary to harvest the investments made in prior years to meet the pressing needs of today, a contribution which I believe is being increasingly demonstrated as time passes. I urge the support of my colleagues for this bill as presented to the Senate today.

Mr. President, I ask unanimous consent that a brief excerpt from the committees' report (S. Rept. 94–103) be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUMMARY

The budget estimates for the National Aeronautics and Space Administration are, for FY 1976, $3,539,000,000, for the transition quarter, $958,900,000, and for FY 1977, $3,625,000,000.

At the request of the Administration, S. 573 was introduced on February 5, 1975, to provide program authorization in these amounts and additional legislative authority requested for NASA.

In its actions on the authorization request, the Committee recommends increases totaling $15,900,000 and decreases totaling $39,190,000, for a net decrease of $23,290,000 below the budget estimates for FY 1976 and the transition quarter.

Most significant among the Committee actions are:

1. Removal from the bill of provisions authorizing a total of $3,625,000,000 for FY 1977. The FY 1977 authorization will be handled under normal procedures at a later date;

2. Addition of $11 million to the request amount for NASA research, development, and monitoring activities designed to further the understanding of the physics and chemistry of the upper atmosphere in general and the possible inadvertent modification of the stratosphere in particular;

3. Incorporation in the bill of a legislative direction to NASA to undertake a program of research, development, and monitoring of the upper atmosphere and to coordinate its activities with other appropriate agencies of the Federal Government, with industry and the academic community, and with other governments;

4. Specific reductions in the amounts requested for Space Flight Operations, Advanced Missions, Tracking and Data Acquisition, and a Lunar Curatorial Facility, and specific additions in numerous Space Applications projects including earth resources, communications and weather satellites;

5. Approval of the FY 1976 program estimates for Space Shuttle, Lunar and Planetary Exploration, Launch Vehicle Procurement, Aeronautical Research and Technology, Space and Nuclar Research and Technology, Energy Technology Applications, Technology Utilization, and Research and Program Management.

As reported by the Committee, the bill authorizes a NASA program for FY 1976 with these key features:

—no new starts, for the first time in the history of the agency

—total cost requirements equal to less than 1% of the Federal budget

—an overall program plan more than $600 million below the "constant level" budget approved by the Congress in 1972

—agency purchasing power less than one-third the level of the peak NASA expenditures in the mid-1960's

—reduction of the NASA in-house workforce for the ninth consecutive year

Despite these harsh fiscal restraints, the NASA program continues to produce invaluable benefits—both direct and indirect—to the people of the United States and all mankind. In the 1970's, we have moved from the era of the promise of space research to the era of actual and frequently quantifiable benefits.

The program approved by the Committee strikes a balance between continuing work on the most challenging long-term goals and productive efforts to reap the harvest of past investments, meeting the pressing needs of today.

Fiscal Year 1976.—The NASA budget request for FY 1976 was for a total of $3,539,000,000, of which $2,678,380,000 was for Research and Development, $84,620,000 was for Construction of Facilities, and $776,000,000 was for Research and Program Management. The House approved an authorization total of $3,585,873,000, of which $2,684,180,000 was for Research and Development, $125,693,000 was for Construction of Facilities, and $776,000,000 was for Research and Program Management.

The Committee is recommending an authorization of $3,544,710,000, an amount $5,710,000 above the NASA request and $41,163,000 below that in the House-approved bill. Of the total amount the Committee recommends $2,686,580,000 for Research and Development, which is $2,400,000 above the House-approved amount and $8,200,000 above the NASA request for this appropriations category. The Committee recommends $82,130,000 for the Construction of Facilities, which is $43,563,000 below the House amount and $2,490,000 below the NASA request. Finally, the Committee recommends $776,000,000 for Research and Program Management, which is identical with the amount approved by the House and that requested by NASA. The reasoning accompanying the actions of the Committee is contained in this report under the various programs and items herein.

Transition Period.—The NASA budget request for the transition period to the new fiscal year, July 1, 1976, through September 30, 1976, was for a total of $958,900,000, of which $730,600,000 was for Research and Development, $14,500,000 was for the Construction of Facilities, and $213,800,000 was for Research and Program Management. The House approved an authorization total of $922,450,000, of which $700,600,000 was for Research and Development, $8,050,000 was for the Construction of Facilities, and $213,800,000 was for Research and Program Management.

The Committee is recommending an authorization of $929,900,000, an amount $29,000,000 below the NASA request and $7,450,000 above the amount in the House-approved bill. Of the total amount the Committee recommends $704,600,000 for Research and Development, which is $4,000,000 above the House-approved amount and $26,000,000 below the NASA request. The Committee is recommending $11,500,000 for the Construction of Facilities, which is $3,450,000 above the House amount and $3 million below the NASA request. Finally, the Committee recommends $213,800,000 for Research and Program Management, an amount identical with that approved by the House and requested by NASA. The description of the programs and the activities, together with any Committee comments applicable to the transition period are integrated with those similar items in the FY 1976 presentation.

As noted, the major Committee action on the transition period request was a reduction of $26,000,000 in Research and Development with a lesser cut of $3,000,000 in the Construction of Facilities. In view of the short duration of the transition period and recognizing the need for flexibility during this phase-in period, the Committee, in assessing its reduction in Research and Development, cut the total only and permits NASA the flexibility to apply the reduction against the various programs providing the total of any one program as specified in Section 7 of the bill is not exceeded.

RESEARCH AND DEVELOPMENT

	Budget request	House action	Senate committee action
FISCAL YEAR 1976			
Research and development:			
Space shuttle	$1,206,000,000	$1,206,000,000	$1,206,000,000
Space flight operations	207,100,000	203,100,000	203,100,000
Advanced missions	1,500,000	3,000,000	0
Physics and astronomy	155,800,000	156,800,000	162,800,000
Lunar and planetary exploration	259,900,000	258,900,000	259,900,000
Launch vehicle procurement	166,900,000	166,900,000	166,900,000
Space applications	175,030,000	181,530,000	183,930,000
Aeronautical research and technology	175,350,000	175,350,000	175,350,000
Space and nuclear research and technology	74,900,000	76,900,000	74,900,000
Energy technology applications	5,900,000	5,900,000	5,900,000
Tracking and data acquisition	243,000,000	240,800,000	240,800,000
Technology utilization	7,000,000	9,000,000	7,000,000
Total	2,678,380,000	2,684,180,000	2,686,580,000

	Budget request	House action	Senate committee action
TRANSITION PERIOD			
Research and development:			
Space shuttle	$321,000,000		
Space flight operations	55,100,000		
Advanced missions	500,000		
Physics and astronomy	46,600,000		
Lunar and planetary exploration	73,300,000		
Launch vehicle procurement	40,400,000		
Space applications	54,700,000		
Aeronautical research and technology	46,800,000		
Space and nuclear research and technology	22,300,000		
Energy technology applications	1,500,000		
Tracking and data acquisition	66,400,000		
Technology utilization	2,000,000		
Total	730,600,000	[1] $700,600,000	[2] $704,600,000

---

[1] $30,000,000 reduction not allocated.

[2] $26,000,000 reduction not allocated.

Mr. GOLDWATER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, I would like to be associated with the remarks of the distinguished chairman of the Senate Aeronautical and Space Sciences Committee. H.R. 4700, as reported by the committee, is a good bill and will help to maintain our Nation's position in space and aviation.

The NASA budget represents one of the truly creative activities of the Federal Government, because it provides high technology for our industries and a better way of life for all Americans.

I submit we are moving into an era, where among nations, the competition for goods and services will be more intense than in the past. One of the keys to our survival in the marketplace will be excellence in high technology.

Our export markets are heavily dependent on the R. & D. base created by NASA-sponsored technology.

Mr. President, as we look at the space program in 1975, we find:

The Space Shuttle is within the costs, on schedule, and holding even greater promise for developing space for the benefit of science and industry;

The Earth resources technology program is gaining greater acceptance and wider use. The committee pushed for this program and Landsat 2 was successfully launched this year—I might remind my colleagues that the Landsat program was awarded the Collier trophy: this is the highest award given in aviation or astronautics.

More customers are using the launch vehicles and satellites developed by NASA as proved by the fact that 14 of the 28 launches scheduled this year will be paid for by industry, international organizations, and other governments;

NASA's aeronautical research is shifting emphasis to greater efficiency and fuel economy thereby adapting to the new reality of energy; and

General aviation, important to the well being of people living in remote areas, is receiving help in meeting Federal standards on engine noise, and pollution.

Mr. President, March 24, 1971 may go down as an unfortunate historical date in the history of American aviation, for it was on that date that the Senate turned down an American SST by a vote of 51 to 46.

I believe it was an unwise move then, because we surrendered the field of supersonic flight to our competition.

At the time, opponents of the SST cast doubt upon the economics of the aircraft and proclaimed that the ecology would be severely damaged. For example, charges were made that supersonic flight would lead to an outbreak of skin cancer.

Since then, fears have been voiced about the effect of Freon upon the stratosphere and bills introduced to prohibit its manufacture.

The issue: Is man releasing pollutants which can damage the ozone layer in the stratosphere and thereby reducing the Earth's protection from ultraviolet rays?

The answer: We do not know.

If permanent damage is occurring to the stratosphere, it now appears likely that aviation is contributing a very small proportion, perhaps even negligible.

While there have been some laboratory experiments showing that chlorine has a bad effect on ozone, little is known of what actually happens in the stratosphere. There is a lot we do not know about the stratosphere, and here are some items:

First. What are the size and dimensions of the ozone layer in the stratosphere?

Second. What are the mechanics and physics of the stratosphere?

Third. Is the ozone layer self-healing by some mechanism we do not as yet understand.

Fourth. If the ozone layer is not self-healing, is there some plausible man-made fix?

Mr. President, the science of the stratosphere is a new discipline. Anyone who states flatly that the ozone layer is being damaged is at best misinformed and at worst a demogogue.

With the foregoing in mind, the committee put a new section 8 in the NASA authorization bill requiring NASA to come up with answers on ozone and the stratosphere. Under section 8, NASA will have the tools to thoroughly examine the question in a rational and scientific way.

We want the answers.

If the Congress will support this approach, within 3 to 5 years we should know the facts. If the Congress fails to support this kind of approach, emotions may run high, and we run the risk of ruining industries that contribute billions to the economy and the welfare of the Nation.

Mr. President, the Europeans are proposing to have a limited number of SST flights across the Atlantic. If any attempt is made to prevent the Concorde or any other supersonic aircraft from landing at U.S. international airports, surely there will be retaliation.

Mr. President, my friends in the French and English airlines industry understand that if we prohibit the Concorde from landing at our airports in this country, we may fully expect them to deny rights to American aircraft to land in France or England.

This proposal by some of our colleagues, particularly in the other House, demonstrates a complete lack of knowledge of how this aircraft will be flown. It will be flown to within 150 to 200 miles of the shores of America at supersonic speeds, then it will have to be decelerated to subsonic flight. Its final approach and landing will be about the same speed as any of our commercial subsonic aircraft, namely, from 130 to 150 knots which, of course, is well, well below the supersonic speed.

I believe we have had over 5 million supersonic flights over the United States. It may be in excess of 5 million—and we have not had any catastrophic effects. We have not had any people breaking out with skin cancer or with loss of hair.

Mr. President, I would like to comment about the committee before ending. In my time in Congress I have served on many committees. I believe this committee and the Armed Services Committee are the most technical know-how committees, the most dedicated group of people, I have ever run into. It is a nonpolitical group working for the good of the country through NASA,

NASA is headed by Dr. Fletcher, one of the most dedicated and best-qualified men I know in Government. He not only holds a doctorate degree in science but he has been an industrialist and he has been an academic man. He brought to NASA a stability that was long needed. The budget has been put on an orderly basis.

To those people who say, "Well, we have reached the moon, why do anything else?" I will make the prophecy again, Mr. President, as I have before, that within 5 years from this time the United States will be benefiting by the $40 billion that it has spent on space each year. The falloff from that, such as increased power possibilities, the potential of getting more out of our generating plants today, better medicine, better surgery, better fuels, all will come out of the studies that we are doing in NASA.

I will end by saying, Mr. President, I believe NASA's budget is too low by about $400 million. However, H.R. 4700 is a well-balanced bill deserving of the support of the Senate.

I will say again the committee and the staff have done a fine job. I yield the floor.

Mr. MOSS. Mr. President, I yield myself 3 minutes.

I commend the Senator from Arizona, the ranking Republican Member on the Aeronautics and Space Sciences Committee. He is, indeed, as fully knowledgeable in this area as any Member of the Senate, and probably as knowledgeable as many who serve in the agency itself.

NASA has done a remarkable job in this program, and continues to perform in an exemplary manner. Indeed, the approval that has been granted to the budget request is indeed somewhat low. We have done this in recognition of the great pressures and restrictions that exist upon all budgetary matters in this Government at this time. We believe in the bill we have before the Senate today, we have pursued economy as far as we can, without seriously damaging the program. There is much more that could be done profitably, but it will have to be set aside under the constraints that we have.

I do appreciate the work of the Senator from Arizona and all my colleagues who serve on the committee.

Mr. President, I ask unanimous consent to have printed in the Record at this point an article entitled "Labor Reiterates Full Support for the Space Shuttle."

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Defense/Space Daily May 9, 1975]

LABOR REITERATES FULL SUPPORT FOR SPACE SHUTTLE

The AFL–CIO together with the United Auto Workers and International Association of Machinists have reiterated their full support of the Space Shuttle program.

The three labor organizations made their view known in letters to chairman Frank

Moss (D-Utah) of the Senate Aeronuatics and Space Committee. Excerpts of those letters follow:

AFL–CIO. ". . . In this year of great unemployment we are now, more than ever before, in continued support for the Space Shuttle. We are aware of the many benefits in communications, medicine and meteorology that this program will bring. Further, in 1975 it will give help to the economy that is urgently required. It will also give to America what it needs most, JOBS. At a time when the United States prestige world wide is on the downside we should be increasing our endeavors in the field in which we are the undoubted leaders. In view of all that the Space Shuttle means to the people of the United States, we most earnestly recommend that the (Space) committee continue its support."—Andrew J. Biemiller, director, Department of Legislation, AFL–CIO.

UAW. ". . . I am happy to restate UAW's support for (the Space Shuttle) project and I hope that adequate funding will be approved"—Jack Beidler, legislative director, UAW.

IAM. ". . . I am confident that the Space Shuttle Program is the kind of government spending that we must continue, and even expand, if we are to get this nation back on its feet today and for the longer term.

"For instance, there are 31,000 jobs in 47 states directly involved in the Shuttle program, and multiplier effects bring the total to about 100,000 jobs. Two years from now 50,000 meaningful, productive jobs will depend directly on the Shuttle. In fact 85 percent of NASA's overall budget is spent on manpower and only 15 percent for materials. Few, if any, industries can match that.

"Yet, what makes the Space Shuttle unique is that it stimulates growth and will be putting entirely new industries in place here on earth and in earth orbit. We can see the promising beginnings of these industries now in communications, weather forecasting, navigation, oceanography, and earth resources detection, management and protection. Their continued development and expansion is dependent on the future of the Shuttle—we cannot put space to work for us until we can get there reliably and relatively inexpensively.

"New industries, of course, breed new jobs. Moreover, the high technology advances that are coming from the Shuttle's development now, and which will flow from its future uses, are already filtering into the commercial sector. This spells "productivity," our most effective inflation fighter.

"Furthermore, these technological advancements will be incorporated into aerospace products sold throughout the world. In my opinion, our balance of payments deficit can be traced directly to faltering federal support of basic research and development. Aerospace is one of the very few areas where we have the edge in world trade. We must fight to keep it.

"Consequently, I support the Space Shuttle not only because it provides more jobs for the dollar in the aerospace industry and widespread secondary employment in related industries, but because it is an investment in technology that will stimulate the kind of productivity we need to combat inflation, to kindle economic growth, and to reverse our balance of payments difficulties.

"Obviously, the IAM would oppose any proposal to slow or stop the Shuttle. To sanction the slowing or dismantlement of the Space Shuttle program in the face of its unique economic attractions would bode ill for the future of this nation as a technological leader."—Floyd E. Smith, President, IAM.

Mr. GOLDWATER. Will the Senator yield for 1 minute?

Mr. MOSS. I yield.

Mr. GOLDWATER. Mr. President, I would like to pay my personal respects to the chairman of this committee. He comes from my neighboring State of Utah. He has done and outstanding job on this committee after coming to it, I might say, rather cold, not having had too much experience in the field. But in the time that he has been our chairman, he has worked harder than any other chairman I have served under and has really learned the rather intricate sciences involved in NASA. I compliment him and commend him on the work that he has done.

Mr. MOSS. I thank my colleague from Arizona.

The ACTING PRESIDENT pro tempore. Is all time yielded back from both sides?

Mr. MOSS. Mr. President, I yield 10 minutes to the Senator from Alabama.

Mr. ALLEN. Mr. President, I am pleased to support once again NASA authorizations as projected in H.R. 4700, which is now before the Senate.

The funding which we are being asked to authorize covers a host of important programs which relate space directly to earth needs, such as a comprehensive inventory of earth resources, weather predictions and communications—all of which are performed by our satellites.

The Space Shuttle is, perhaps, the largest item and I am proud of the great contributions being made to this program—and to all of our space programs—by civil service employees of Marshall Space Flight Center in Huntsville, Ala., and by their contractor counterparts.

Mr. President, the Space Shuttle will certainly provide necessary benefits to our national economy. Dollars spent on this program go directly into that economy. They go to payrolls, they develop industry, and they support construction. These jobs are at every working level but the greatest amount is apportioned among workers having annual incomes between $6,000 and $15,000. At that economic level, salaries are most often channeled directly into the Nation's economy.

Many areas of this country are sharing in development of the Space Shuttle. Although the four prime contractors are centered in California, Louisiana, and Utah, a large number of contracts and purchase orders have been awarded elsewhere throughout the United States. Altogether orders have been placed and work is already being performed in at least 33 States. This work employed over 25,000 people by the end of 1973 and almost 34,000 will be working as a result of the Space Shuttle by the end of this fiscal year on June 30. Another 10,000 are expected to be added during fiscal year 1976.

It is estimated that at the peak of its development, the shuttle will employ over 50,000 people. The shuttle will help develop and retain a national resource—the highly skilled technical force of space workers—as well as providing a significant stimulus to our national economy for the next 15 years.

The Space Shuttle is designed to carry out various missions in Earth orbit at a fraction of the cost of conventional launch vehicle systems. The shuttle will be able to send most unmanned applications spacecraft into orbit; for example, communication, weather, navigation, Earth resources observation satellites and military spacecraft.

Scientific spacecraft for the study of near and far space will also be launched by the shuttle. Man will be able to supervise the launch and placement of the satellites and will be able to service and repair them as needed. As a result, satellite and launch vehicle failures, which require the construction of a whole new satellite, will no longer occur.

The Space Shuttle will make space operations less complex and less costly. The 1973 Mission Model Analysis shows $14.1 billion net benefits will occur utilizing the Space Shuttle to place payloads into space, support payloads in space and return them to Earth rather than be confined to the use of expendable launch vehicles during the period from late calendar year 1980 through 1991. These cost benefits are attributed to the following: Major parts of the shuttle system will be reused rather than thrown away; lower launch costs will result; there will be increased launch vehicle reliability; payloads will have the capability of being supported in orbit, retrieved and reused; and the shuttle launch environment and large cargo carrying capabilities will permit lower cost payload designs.

The Space Shuttle will extend man's ability to do useful work in space while contributing to the economy of space operations. The shuttle will also encourage far greater participation in space flight. The shuttle will be built and pressurized so that passengers, such as scientists, engineers, and others will be able to go into orbit to supervise and check on their experiments. In addition, by lowering the cost of space operations, the Shuttle will encourage other nations to participate in space activities. The Space Shuttle will make launching of payloads into earth orbit a virtually routine event.

Mr. President, in its relatively short existence, our space effort has helped make earth a better place for man to live, to work and to play. Sound and stable financing for the National Aeronautics and Space Administration will be repaid many times over.

I thank the Senator from Utah for yielding to me.

Mr. MOSS. Mr. President, I thank the Senator from Alabama for his comments in this matter. He shows great knowledge of the program. Indeed, he has one of the great NASA installations in his State of Alabama, and it has performed magnificently.

Before I yield back the remainder of my time, Mr. President, I wish to pay my compliments to the staff of the Committee on Aeronautical and Space Sciences. They are professional, hardworking, and devoted. They have done an excellent job, and I commend them publicly and on the record.

Mr. President, I do not know of any amendments to be proposed to this bill. If the Chair would ascertain whether any are to be offered, I would then call for third reading.

Mr. CASE. Mr. President, I would like to say a few words in support of S. 573, the authorization bill for fiscal year 1976 for the National Aeronautics and Space Administration.

It is my understanding that the Committee on Aeronautical and Space Sciences has included an amendment to authorize an additional $7 million for fiscal year 1976 and $4 million more for the transition quarter specifically earmarked for research, development and monitoring of the physical and chemical properties of the upper atmosphere.

This additional funding relates directly to legislation I am sponsoring, with the support of a dozen of my colleagues from both sides of the aisle, to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

A section of my bill, S. 1336, provides for NASA to carry out research concerning the nature and likelihood of potential effects on public health and the environment of the discharge of chlorofluoromethane into the ambient air.

The additional funds in this NASA authorization give us hope that this research will get underway soon. Our action will also make clear our belief that NASA is the appropriate federal agency to undertake research in this area.

NASA BUDGET TOO LARGE

Mr. PROXMIRE. Mr. President, I note with concern that the NASA authorization bill before the Senate today is above the President's request for fiscal year 1976 although lower when the total includes the Transition budget. The $5.71 million increase over the fiscal year 1976 request is small in proportion to the total NASA budget but its economic impact is not without meaning.

The recession has focused our attention on the social and economic ills of the Nation. Unemployment is the highest since 1941. The unemployment rate in the construction trades is 19.3 percent. Housing is a disaster. We have millions of people who want new housing but cannot get the financing or afford the skyrocketing prices. Inflation is still a serious problem for housewives in the grocery market. Crime continues to feed on discontent and unemployment.

These are down to earth problems. And they demand down to earth solutions. That is why I remain extremely concerned that the $3.5 billion NASA budget channels spending into nonproductive, nonsocial, noncontributory aspects of our economy. The large space telescope may be an astronomers dream. But how does it measure in cost at over $300 million to the human requirement of a home or education or even daily food. What will it contribute to an economy starved for housing?

These are the economic choices to be made. Although this bill is below the President's request, the House bill is well above that figure. The result inevitably will be a conference report far above the request and if that is the case, I will think seriously about opposing the conference report even though I am chairman of the Appropriations Subcommittee handling the NASA budget.

It is time to hold the line on every spending request—to stay within the President's budget wherever possible. With spending by the Space Agency such a low economic priority, this is an ideal place to start economizing.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

Mr. MOSS. Mr. President, I yield back the remainder of my time.

Mr. GOLDWATER. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Nunn). All time has been yielded back.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 4700) was read the third time, and passed.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOSS. Mr. President, I move that the Senate insist upon its amendment and request a conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Moss, Mr. Stennis, Mr. Cannon, Mr. Goldwater, and Mr. Domenici conferees on the part of the Senate.

QUORUM CALL

Mr. MOSS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 200, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut (Mr. Weicker) is recognized.

Mr. WEICKER. Mr. President, we have before us today a bill entitled "Consumer Protection Act of 1975." The extraordinarily long legislative history and record of deliberations clearly demonstrate a need for its enactment during the current session of Congress.

At the heart of the proposed legislation is a sincere desire to provide representation for the collective interests of a consuming public—that is, everyone from the corporate purchasing agent to the laboring man or woman, to the man who does not have the wherewithal to stand up and be heard.

Some of us who have expressed our strong objections to exemptions from the provisions of this bill have been accused of either wittingly or unwittingly trying to sabotage this effort to establish an Agency for Consumer Advocacy.

I remind my distinguished colleagues that in the Committee on Government Operations' markup of S. 200, by a one-vote margin of 7 to 6, the committee voted to retain the labor exemption. Similarly, by a vote of 5 to 3, the committee voted to strike the exemption for broadcast license renewals.

The vote to report this measure for consideration by the full Senate was 11 in favor and 1 against. With only one vote against any opposition to reporting this consumer legislation, it is obvious that five of the six votes against exempting labor and four of the five votes against exempting broadcast license renewals come from Senators who voted in favor of the proposed legislation as it was reported by the committee.

Because I support and cosponsored the creation of a consumer advocate, I have been accused by the business community of being antibusiness. I suppose that I also will be accused of being antilabor, because of my position on exemptions. I prefer to be labeled proconsumer, as that includes everybody.

It is my purpose today to speak in defense of three principles which have long been a part of our heritage and system of justice—honesty, equity, and fairplay.

We are currently recovering from a traumatic period in our Nation's history. This was a period in which rules were bent and laws broken—a period in which a powerful few believed they were or could be exempted from accountability to the majority.

The Nation as a whole may want to forget these past few years. We as legislators have a greater responsibility. We cannot forget. We must enact honest, responsible legislation. Above all, we must legislate in such a way as to prevent the perversion or the appearance of perversion of our political and judicial systems by the powerful few whose motivations are inconsistent with the public interest.

If we have learned anything at all from our recent experience, we have learned that the American public will not tolerate a dual system of justice and dual standards of accountability.

We have an opportunity to restore faith in our political processes. This Congress will shortly be considering a raft of reform legislation which will require disclosure on the part of special interest groups and disclosure of the financial interests of public officials. Disclosure is not enough. Disclosure alone will only serve to expose those interests. What is required on the part of the Congress is action.

Beginning today, the Senate has the opportunity to act to curtail the practice of tailoring its legislative proposals to meet the needs of special interest groups.

Mr. President, I realize that at the end of last week we already tailored one exemption and I am frank to admit that the odds are against me to prevail today, and we will probably tailor a second exemption. It is my understanding that waiting in the wings are other groups that want to be exempt from this legislation. I would like to know how long it is going to take this body to get the message as to what it is that we have to do. Distinct and separate from the substance of the legislation itself is the image that is portrayed to the American people. The word "exemption" has a rather sorry, tragic ring to it, in light of the events of the past several years. But, apparently, we chose to disregard that fact and proceed to grant exemptions to the favored or powerful few.

Beginning with the Consumer Protection Act, we have the opportunity to eliminate exemptions which are seemingly inconsistent with the intent of the legislation as it applied to the public interest.

The legislation before us would give the consumer advocate a bad mandate to represent the substantial interest of consumers. To those who question the creation of this agency, I stress that it will be the responsibility of this advocate only to promote and represent the consumer interest. He will not be a regulator. He will not sit in judgment. He will speak for and represent the collective interests of a consuming public where those interests are of a substantial nature. It is because our regulatory process is not working that we need this advocate.

To insure the advocate's ability to carry out this mandate, we would authorize broad-based powers including those of intervention before other Federal agencies and courts. The committee felt that these powers were consistent with the overall intent to provide representation of consumer interests.

Likewise, the committee felt that the consumer advocate should be removed, to the greatest extent possible, from political influences. Therefore, it has been provided that the Administrator may be removed from office only for cause. In essence, we want him free to do his job and we want that job done well.

We do have inconsistencies, however, in a broad mandate and broad powers to be vested in a single Administrator whom we shall trust to vigorously pursue the objectives of this legislation. When it comes down to cases, it will be that single Administrator who will determine where those substantial interests of consumers lay and what interests he will represent.

Given this trust which we express in an unknown Administrator, why then must we exempt any special interest group?

Why do we foreclose his authority and freedom to decide where those substantial interests of consumers exists?

If it is an exemption that we are talking about, let us set the record straight right now. Let us put an end to this charade and tell the consuming public exactly what interest of theirs the Senate would sacrifice in order to provide a special interest exemption—and then, in the interest of equity, fair play, and the trust we would vest in this Administrator, let us vote to strike this language.

The proponents of this exemption argue that the types of labor proceedings outlined in section 16 would, as a practical matter, be excluded by the definition of "consumer interest" as provided by section 14(11), as well as by legal precedent.

I would agree that as a practical matter, the ACA would not become involved in the types of labor proceedings outlined in section 16.

If this indeed is the case, why do we have the special language in section 16?

If by definition, we effectively exclude labor, why do we exclude labor twice?

If we trust the Administrator to carry out the purposes of the legislation, can we not also trust that he will properly interpret the definitions provided in section 14?

If the strongest case to be made in favor of special language addressing a labor exemption is that the Administrator, by definition and legal precedent would not become involved, then I say we do not need this language.

This bill has been battered about the Halls of Congress for several years. It is time to lay all our cards on the table and be honest with the public.

If I am not mistaken, when this bill first was introduced in 1970, there were no exemptions. Then, when it was introduced in 1972, there were no exemptions. Two years is a long time to allow anything to hang around here before everybody gets their hooks into it. So when it came back up for action in 1974, there were exemptions. Now, in 1975—exemptions.

I think it is a sorry commentary on what, to me, is a very fine piece of legislation that, given the opportunity to start from scratch, right away, we tar the legislation with the label of "special interests."

Is this or is it not an exemption? I now refer to the labor language. If it is not an exemption, it is time to strike the language and stop trying to pull the wool over the eyes of the rank and file.

Consumer legislation has been consistently and effectively fought by the business community—and I use that term loosely because many outstanding firms have come forth and endorsed this legislation. But in the main, certainly, the business community has been in opposition. We now have a chance to pass this bill and because of nine lines which I believe are void of purpose, the proponents of these lines have given the opposition a focal point around which to rally. These empty lines have polarized the opposition to this worthwhile measure.

I say that the language about which we argue today is an exemption in appearance only. I ask that we examine the language in section 16 carefully in light of the definition of "consumer interest" in section 14 and truthfully determine whether it is an exemption in fact or appearance. If we determine that it is an exemption only in appearance, then I suggest that the appearance of an exemption does more harm to this legislation than an exemption in fact. The appearance of an exemption harms the credibility of the new agency and it certainly impairs the credibility of Congress.

The extremely effective lobbying campaign of business associations is focusing on a bogus exemption for organized labor. Delete this so-called exemption and business has little left on which to oppose the bill. In fact, business should realize the agency would be the best safety valve for public ire against the irresponsible merchant who in numbers is an infinitesimal part of the free enterprise system—but in image—tars the whole system.

I am asking the representatives of organized labor as well to be honest and recognize that this bill does more to promote the interests of their membership in their capacity as consumers than our current regulatory process. Without this special language there is little harm done to their standing as employees with collective rights to bargain for fair wages and working conditions, and rights to strike against unfair labor practices. The rights of workers have a long history of development through both law and precedent. The day of the consumers—the other hat the laborer wears—has just begun.

Again, Mr. President, I feel that my efforts will probably be doomed to failure, and that in as little as 2 legislative days we will have enacted the two exemptions. If we hold to that track record, that is one a day.

I would like to know what it is we are going to end up with as a final legislative product. I cannot understand the reason for the fear, both on the part of labor and of business. If the exemption is knocked out, I have even heard that labor was going to oppose the bill. Why the fear on the part of labor? Why the fear on the part of business?

To my way of thinking, this legislation is very necessary, as indeed it is a safety valve for the ire that has been expressed on the part of the American people against the business community. No longer can they say, "We have no one to fight the power structure." They will have someone. Why not channel their complaints through the legislative process, through our laws, rather than expressing them on the streets of the Nation?

I want a consumer agency, but I suppose I also want Congress to regain stature in the eyes of the American people.

If we have an exemption for the broadcast media and an exemption for labor, then what of other exemptions that come from the floor? There are others waiting in the wings. How long before, all of a sudden, the bill loses its effectiveness insofar as the consumer is concerned?

I have tried to think long and hard as to what I can do as one Senator to make sure that we do not continue to engage in these efforts which clearly reflect ill on ourselves. When will we wake up as a body and understand how we can instill credibility on the part of the American people as they view us? Is there anyone who can in any way defend this cycle of the exemption process in legislation that we have passed?

I understand the grandfather clause that sometimes comes into play in the course of legislation, but here we are starting afresh. No one has to be grandfathered in. Right from the opening gun, we have determined that there are those individuals in this country who probably are above the law by virtue of their power in the sense of numbers and in the sense of financial resources.

I am not going to put words in Mr. Nader's mouth, but certainly when he appeared before the committee he indicated his opposition to the two exemptions. He also sympathized with the political realities that the various Members of the Senate and the various members of the committee had to face. But I submit that the paramount political reality of today is that the American public is fed up with the granting of special treatment to certain elements of our society; and to do that in the consumer bill, to me, is the greatest irony of all.

So, Mr. President, I hope my amendment will pass, and that labor will be treated just as business is treated and as, indeed, everyone is treated. In any event, I shall push for the passage of this amendment. I shall oppose every other exemption that is proposed here on the floor of the Senate, and then I shall push as hard as I can for the passage of the bill itself. But, as I have stated previously, regardless of the substance of legislation, I implore my colleagues to think about what it is that we can do in our actions to induce the American people to feel once again that indeed we represent all the people, and not just a few.

Mr. TAFT. Mr. President, no one today will seriously contest the fact that both labor and management and their interrelationships constitute "big business." As I understand it, one of the prime reasons supporting labor's exemption from the ACA's coverage is the thought that big labor and big business can take care of themselves. In other words, each is powerful enough in its own right so that it can protect itself without a Government-sponsored advocate.

I am quite alarmed at this rationale because it is my understanding, and the understanding of several of my colleagues, that the basic purpose of the Consumer Protection Agency Act is to protect the interests of consumers and to promote consumer protection in the United States. To that end, I cannot see the wisdom of exempting labor from the ambit of the Consumer Protection Agency Act on the theory that it needs no advocate or that labor and management interrelationships and disputes are too far removed from the marketplace to have any impact on consumers. This approach avoids the realities of the marketplace and does not serve to promote the consumer's manifest interests. I oppose a far-reaching blanket exemption for labor which would remove it from the scrutiny of consumers through the watchful eye of their representative or advocate, the ACA Administrator.

The Labor-Management Relations Act in several pertinent parts provides for protections to persons, many of whom are consumers. Under the present bill, of course, the ACA is expressly excluded from becoming involved with a "labor dispute" within the meaning of section 2 of this act. The fundamental question that we must address is the following: Is the NLRB specifically precluded from taking into consideration the economic effects of the practices that it regulates and is it divorced from the interests of consumers?

I submit that the answer is "no," it is not. The National Labor Relations Board is specifically mandated to do just the opposite—to take into consideration those economic effects on consumers.

The NLRB's major function is to regulate unfair labor practices by employers and labor organizations.

The National Labor Relations Act, under which the NLRB functions, makes clear that the decisions of the agency were intended to have a substantial impact upon the interest of consumers. The congressional findings and policies set forth in the act are, in pertinent part, as follows:

> The denial by some employers of the right of employees to organize and the refusal by some employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (A) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (B) occurring in the current commerce; (C) *materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce;* or (D) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce. (Emphasis added.)
>
> * * * * *
>
> Experience has further demonstrated that certain practices by some labor organizations, their officers, and members have the intent or the necessary effect of *burdening or obstructing commerce by preventing the free flow of goods in such commerce through strikes and other forms of industrial unrest or through concerted activities which impair the interest of the public in the free flow of such commerce. The elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed.* (Emphasis added.)
>
> It is declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred—29 U.S.C. § 151.

I submit that the statute itself gives us guidance with regard to the issue of whether the act was viewed by Congress at the time of its passage as being remote from marketplace consumer interests. The passages I have just read clearly establish that the matters with which the Board is concerned are not private, they are matters in the public interest, which include the consumer interest.

Other passages in the statute readily support this conclusion. Specifically, the secondary boycott provisions of the act as set forth in section 8(b)(4) seek to prevent a labor organization from unlawfully enmeshing neutrals who might be other employers or other persons including employees and consumers from being involved in a labor dispute which is not their own or concerning which they have no interest. Indeed, section 8(b)(4) in the proviso recognizes and permits publicity, other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are being produced by an employer with whom the labor organization has a primary dispute.

Again, in section 8(b)(7)(c) the statute makes specific reference to the protection of consumer interests. The proviso of this section states:

> Provided further that nothing in this subparagraph (c) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members, or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of this employment, to pick up, deliver or transport any goods or not to perform any services.

I submit that the statute makes it abundantly clear that it was the intent of Congress to recognize the existence of public and consumer interests and that there is no logical justification for concluding that labor-management relations are too remote in time, space, and effect to warrant elimination from the coverage of an ACA.

Moreover, although the National Labor Relations Act is very clear on this point, I submit the relevant court cases are just as clear as the following indicate:

> The Board was created not to adjusticate private controversy but to advance the public interest in eliminating obstructions to interstate commerce. *NLRB* v. *Fant Mill Co.*, 1959, 79 S. Ct. 1179, 360 U.S. 301, 3 L. Ed. 2d 1243, on remand 272 F. 2d 773.
>
> Board was created not to adjudicate private controversies but to advance public interest. *NLRB* v. *United Packinghouse Workers of America*, AFL–CIO, C.A. 5, 1960, 275 F. 2d 816.
>
> The Board was created to avoid, through adjustment, serious labor disputes which might hurt employers, employees, and the public. *NLRB* v. *Barrett* Co., C.C.A. Ill. 1941, 120 F. 2d 583.

There is another aspect of the labor issue which warrants examination. According to my reading of the exemption, the ACA could not become involved in any matters concerning a "labor agreement" within the meaning of title II, section 201, of the Labor Management Relations Act, 29 U.S.C. 171. Of course, this title of the act refers to the conciliation of labor disputes in industries affecting commerce and national emergency disputes. As I view it, the role of the ACA is to protect and promote the "interests of consumers" by, among other ways, representing consumers within the formal and informal decision-making of Federal agencies (S. 200, sec. 6).

Consider the following definition of "interest of consumers" with an alleged illegal dock or truck strike in mind which may be within the purview of title II—one which is resulting in increased consumer goods prices, lack of available consumer goods, and that is being adjudicated by the NLRB:

> "Interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration.

There is no question in my mind that consumer interests are encompassed with title II of the National Labor Relations Act dealing with national emergencies. The act in that relevant part provides that when the President is of the opinion that a threatened or actual strike or a lockout, affecting an entire industry or a substantial part thereof engaged in commerce, will, if permitted to occur or continue, imperil the national health or safety, may appoint a board of inquiry to inquire into the issues involved in the dispute.

I do not believe anyone will dispute the fact that presuming we have a situation of the magnitude of a national emergency, the ACA Administrator ought to be a mandatory member of this Board. Consumers should have a voice in these circumstances by way of their advocate, the Administrator, so that the ramifications of any national emergency dispute may be fully explored with their viewpoint brought forth. This is an ideal opportunity for the Administrator to receive and transmit complaints and other data from consumers and to develop and disseminate information concerning their interests to fellow members of the Board. Ultimately, the Board may be better informed as to the impact of this dispute. They will make well-informed recommendations to the President as to whether a national emergency dispute exists so as to warrant injunctive relief.

And, of course, in the nonprofit hospital amendments to the Taft-Hartley Act which we enacted last year, the Congress statutorily mandated the Federal Mediation Service to mediate labor disputes in the health care industry. We did that primarily for one reason—to provide a collective-bargaining disputes-settling process which would, at the same time, protect patient interests, the consumers of hospital services.

We sought to build in sufficient safeguards in the collective bargaining of an agreement in the health care field so that the continuity of patient care could be achieved without a substantial likelihood of a strike or a lockout which might jeopardize that care. I submit there is no better place than an ACA could be better utilized than in these kinds of disputes. Presently, he is prevented from becoming involved because of this labor exemption.

I believe that I have made out a strong case that the labor exemption is unwarranted by virtue of the protection of the public interest contemplated by the passage of the National Labor Relations Act and its amendments. The next question we must ask is would the Agency for Consumer Advocacy want to intervene in NLRB proceedings?

The AFL–CIO is on the public record as saying it might so wish.

During the House hearings of the 92d Congress, Representative Don Fuqua asked the AFL–CIO for a legal opinion on whether there were cases in the NLRB in which the Agency for Consumer Advocacy—then called Consumer Protection Agency—might intervene. The response, in relevant part was—

> I think it is possible to imagine instances in which the Consumer Protection Agency might wish to intervene in a proceeding before the NLRB to take a position contrary to the interests of a union. In order for the agency to intervene, however, not only would the proceeding have to affect the interests of consumers but the agency would have to find that these consumer interests might not be adequately protected unless the agency intervened.—Memo from AFL–CIO Associate General Counsel Thomas E. Harris, "Hearings on H.R. 16 and related bills," 92nd Congress, 1st Session, page 258.
>
> (N.B. That referenced second finding requirement was eliminated from the bill; therefore the answer is now an unqualified "yes.")

In summary, I believe we all must ask the question of whether the NLRB issue is a red herring? To those who are neither in business nor organized labor it might seem so. If it is, delete the exemption. If it is not, review the exemption. If the theory is that organized labor will kill the bill without its exemption, then the issue, by definition, is no red herring—organized labor is afraid of something. If organized labor, a traditional advocate of consumer legislation, fears that the ACA will not be prudent, why should anyone trust the ACA?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator from Connecticut.

UNANIMOUS-CONSENT AGREEMENT—H.R. 4975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the final disposition of the amendment by the Senator from Connecticut (Mr. Weicker) today the unfinished business S. 200 be temporarily set aside, and that the Senate proceed at that time to consideration of H.R. 4975; that there be a time limitation on that measure of not to exceed 1 hour, to be equally divided between the Senator from Indiana (Mr. Hartke) and the Senator from Alabama (Mr. Allen); that there be a time limitation on any amendment thereto of 20 minutes, and a time limitation on any debatable motion, appeal, or point of order—in the event the Presiding Officer should submit the same to the Senate for discussion—of 10 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGREEMENT FOR BEGINNING OF TIME FOR DEBATE ON CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under the colture rule tomorrow begin running at the hour of 1 p.m. rather than at the hour of 2 p.m. as has been previously ordered.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for yielding.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor during consideration of S. 200: Vic Reinemer, Winslow Turner, and Frank Gorham.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, S. 200 includes a provision in section 16 which would exclude labor-management relations proceedings from the jurisdiction of the Agency for Consumer Advocacy. Amendment No. 342 would remove this exclusion from the act.

The conclusions currently in the bill—concerning national security, defense and intelligence functions, license renewal proceedings of the FCC and labor-management relations proceedings—are in the bill for good sound policy reasons.

It has been suggested that the labor-management relations exemption makes this special interest legislation. Does the national security exemption likewise make this special interest legislation?

I commend my colleague from Connecticut, who has been consistent throughout the discussion of this bill, and he would take away that exemption as well.

The labor-management relations exemption does not make this special interest legislation. A look at the board coalition of support for this bill which includes, elected officials, consumer groups, businesses, and thousands of community leaders throughout the Nation makes it clear that S. 200 does not represent the interests of any one group. Any such suggestion is unfounded.

What then is this exemption all about?

First, it is not, as many opponents would have you believe, a labor exemption. It exempts from the ACA's jurisdiction, proceedings before the NLRB and the National Mediations Board which involve labor-management negotiations and disputes. Labor is not exempted by the provision any more than management is exempted by the provision.

Second, the issues which are considered by the responsible agencies in the exempted proceedings are far removed from the marketplace transactions which must be involved in order to be within the jurisdiction of the ACA.

The issues considered relate to unfair labor practices, recognition of bargaining units and willingness to negotiate in good faith among others. Such issues would not come under the jurisdiction of the ACA which is defined by section 14(11) of the act.

Ralph Nader made this point in testimony before the Government Operations Committee earlier this year. Mr. Nader noted:

> The jurisdiction of the ACA is not such as to cover labor-management relations . . . the area of intervention by the Agency for Consumer Advocacy is in the governmental sector. Once you open up labor-management ralations, you go deeply into the private sector. That is going to require rather substantial budgets and a completely different mission than the legislative history and deliberation and preamble in this bill.

Third, in labor-management negotiations, the balance which is lacking in proceedings before other agencies is not lacking. Labor and management represent two well-financed well-organized sides. Last week, I received a strong letter of endorsement for S. 200 from Esther Peterson, president of the National Consumers League. Mrs. Peterson noted:

> The NLRB is a unique model—it is the only agency where the advocacy process already works. No issue comes before the NLRB without business and labor fully represented. The entire idea of ACA is to be certain that both sides—business and consumer—are similarly represented before other government agencies.

Finally, the 40-year history of labor law in the Congress and courts indicates a congressional intent to keep Government out of the substance of labor-management negotiations. Congress has attempted to regulate labor relations in an evenhanded manner. Labor laws and the regulations under them have placed Government in an essentially neutral, nonregulatory role between management and labor.

Just 5 years ago, Mr. Justice Black, speaking for the Supreme Court in *Porter Co.* v. *NLRB*, 397 U.S. 99, 107–108, had this to say about the NLRB's role:

> It is clear that the Board may not, either directly or indirectly, compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements . . . It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties.

The history of section 4 of the NLRA is further proof of this fact. From its creation until 1940, the NLRB had utilized the services of a Division of Economic Research to engage in general economic research and to obtain economic data and similar material for use in Board cases. In that year the Division was abolished. (See S. Min. Rep. No. 105, pt. 2, 80th Cong., 1st sess., p. 33). But in 1947 Senator Taft and Congressman Hartley were so intent on assuring that the Board would attend to the law, and not to potential economic consequences, that they added to section 4 the provision that—

> Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of * * * economic analysis.

There could be no clearer evidence that under our present national labor policy the ACA has no place in NLRB or NMB proceedings.

Mr. President, Congress should not now depart from this policy and allow ACA intervention in such nonregulatory cases.

Issues in which labor and management are not opposing each other—such as labor ownership of a business are not within the exemption, and would be subject to ACA's participation.

The explicit inclusion of this exemption in the bill simply reflects Congress' continuing desire to keep Government out of the substance of labor-management relations. This is not a special interest exemption.

I urge my colleagues to vote against this amendment.

Mr. WEICKER. Mr. President, I appreciate the very able presentation of the other side of the question by my distinguished colleague from Connecticut.

I suppose my best answer to his eloquence would be an editorial that appeared in the New York Times on March 14, 1975. I intend to read it. It is called Consumerism Limited. It is as follows:

> The long fight to establish an independent agency to defend the interests of consumers in proceedings before Federal regulatory bodies and courts has moved an important step closer to victory in the Senate. The 11-to-1 vote by which the consumer advocate bill was approved in committee this week measurably reduces the danger that it can be killed by filibuster, the fate that befell it on the Senate floor last year.
>
> Before final adoption, however, the Senate will do well to eliminate from the bill a special-interest exemption that is foreign to the whole concept of independence for the new bureau. Inserted under strong pressure from organized labor, this exemption would bar the consumer agency from gathering information or expressing its views in any proceeding involving labor disputes or agreements.
>
> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the proposed Agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.
>
> For labor to make this exemption the price of its support for a measure in which wage-earners and their families have a primary stake is short-sighted. For legislators to submit to such coercion would be politics at its most cynical.

So far as the New York Times is concerned, I think it says it all. I think it says it well, and certainly the Times could not be accused of representing a probusiness, conservative point of view on most matters.

I understand that the NLRB serves business and labor well. Indeed, it does provide the arena in which these two entities can vie.

There is only one thing missing. There is no provision for the viewpoint of the consumer. So I repeat my advocacy of the amendment as to the exemption.

As to the specifics, I think the consumer can be definitely affected when it comes to these decisions of the NLRB in the bargaining process.

But just as importantly—and the Times hits upon it in the last sentence, where they say:

> For legislators to submit to such coercion would be politics at its most cynical.

That issue is very much present with us today as, indeed, it was last week, and if we continue to go ahead and engage in that type of politics then indeed, we not only have the consumer to contend with but we have indeed the entire constituency which begins to wonder about the legislative process in the Nation's Capital.

How do you get a bill passed or how do you represent your interest against the particular piece of legislation? What is the dollar figure that is required before you can go ahead and have a hearing or before you can block legislation? How many people do you have to have along with you before you have the power either to introduce legislation or to block it?

I did not think that was the basis on which we operated. Rather I thought our purpose as leaders was to go into the merits, not to respond to pressures. If this exemption stays in we will have bowed for a second time in 2 legislative days to pressure.

I repeat my question: At what point does the bill lose its effectiveness, with the third exemption, with the fourth exemption, with the fifth exemption—at what point?

Everyone knows as well as I do that even if we only pass two exemptions in this session, there will be other in the sessions to follow.

This is separate and distinct from the other problems and criticisms that are leveled against this agency—which I would like to respond to. For example, I think a valid criticism of business is that it is a duplication in some respects of responsibilities that certain of the regulatory agencies already have on their shoulders.

I would agree with that, but I think that it will be possible for us to eliminate that duplication as we view these various agencies in the legislative sessions ahead—but it is a valid criticism.

If I appeared before a group of students in a class of logic and they asked me as a Senator to explain why broadcasters should be exempt, why labor should be exempt, I have absolutely no logic with which to respond to that question and I do not intend to respond to it with any false reasoning.

I understand that we are supposed to be adept at the art of compromise. This legislation has been too long in coming and it needs the broadest possible support. I compliment my distinguished colleague and friend from Connecticut for sticking with it, which he has, and it has not been easy. He has caught it from all sides. But it should be effective as regards all segments of our society. S. 200 should stand as a credit to the logic and integrity of the U.S. Senate.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I have here on the floor of the Senate and in committee, publicly and privately, commended the distinguished Senator from Connecticut (Mr. RIBICOFF), the chairman of the Committee on Government Operations, in considering S. 200, the floor manager of the bill here on the floor of the Senate, for his unfailing courtesy, for his gentlemanly conduct with respect to his management of the bill on the floor, and with respect to his handling of the bill in committee.

As I have stated knowing full well the Senator from Alabama opposes the bill he has given the Senator from Alabama every opportunity to question witnesses, to produce witnesses of his own, to offer amendments, and on one occasion agreed to a very significant amendment the Senator from Alabama proposed in the last Congress, which was to change the name of this proposed agency from Consumer Protection Agency to Agency for Consumer Advocacy.

The Senator from Alabama suggested that since the Agency was not to be a regulatory agency but an advocacy agency, that it would be well to change the name over to Agency for Consumer Advocacy. It is supposed to be the theory of the Agency that it would advocate the interest of consumers and not regulate consumer affairs. Of course, one fallacy in that is that the Agency, the administrative Agency, has the unchallenged right to decide what is for the best interest of the consumer.

It would seem that it authorizes the Administrator of the Agency to put consumer interest ahead of the public interest.

I might say in that connection the distinguished Senator from Connecticut (Mr. RIBICOFF) in answering the argument of the junior Senator from Connecticut (Mr. WEICKER), as to the amendment of the Senator from Connecticut (Mr. WEICKER) striking out the labor exemption, quoted from a Government official to the effect that business and labor could look after themselves, or words to that effect.

Well, of course, that misses the very point involved. Sure, big business and big labor can look after themselves, but what about the public interest? What about the consumer interest?

To say that there is no need for covering big labor and negotiations between big labor and big business, that there is no necessity of covering those operations, certainly overlooks the fact that the public interest needs to be protected. It is not just a debate or controversy between individuals, because the public is involved, as I will seek to point out in my later discussion.

Mr. President, I commend the junior Senator from Connecticut for his attitude with respect to this bill and his crusade to see that all activities involving the consumer shall be covered by the bill. In committee he offered an amendment which would have knocked out the exemption given to matters before the Federal Communications Commission regarding applications for renewal of TV and radio licenses. That amendment striking out this exemption was adopted in committee, but here on the floor the exemption was added back.

The effort to include big labor in committee failed. Now the distinguished Senator from Connecticut (Mr. WEICKER) is offering an amendment seeking to put labor negotiations, activities of big business and big labor as they relate one to the other, under the provision of the bill. That is the amendment to be voted on at 4 o'clock.

Mr. President, the Senator from Connecticut (Mr. WEICKER) favors this bill, but he wants to see it cover all areas of activity before the regulatory agencies involving the interests of consumers.

The Senator from Alabama, on the other hand, opposes the bill. Whether or not this amendment is adopted as to big labor, the Senator from Alabama is going to vote against the bill when it comes up for passage.

The Senator from Alabama does not want to see big labor covered by a bill. He does not want to see the FCC in the matter of renewal of radio and TV licenses covered by the bill. He does not want to see any of these activities covered by a new echelon of Federal bureaucracy. He feels that existing agencies, if they did their job, would make it unnecessary to have another new agency.

He is opposed to the whole concept of creating more Federal bureaucracy to look after Federal bureaucracy.

Mr. President, if this agency is created and it falls down on its job, what will be the solution. To set up another agency to police this agency, to police the other agency, and go on ad infinitum?

The Senator from Alabama believes that the proper solution is to reform the regulatory agencies, to cut through some of the redtape, some of the regulations, some of the delay, and in some instances to abolish some of these commissions and agencies. But do not set up another agency to try to see to it that the existing agencies do their job.

The Senator from Alabama commends the distinguished Senator from Connecticut (Mr. WEICKER) for his courage in this matter; for his insistence that all consumer affairs over which Federal agencies have jurisdiction be covered by this ACA bill. That is a high level of reasoning, it seems to the Senator from Alabama. Do not use these special interest exemptions for the purpose of gaining support for the bill. Let the bill stand or fall on its merits, Mr. President. Do not make political decisions as to who you are going to have covered and who will not be covered.

The distinguished Senator from Connecticut (Mr. WEICKER) spoke of Mr. Nader's testimony before the committee. I believe he is incorrect in one particular. I was examining Mr. Nader when he said that he opposed both of these exemptions of big labor and big business relationship exemption and the FCC renewal of TV and radio licenses.

As I recall his testimony, he said that he would find no objection to the exemption in behalf of labor. But he did object to the exemption of the FCC—the intervention by the ACA in matters before the FCC having to do with renewal of radio and TV licenses.

It was brought out that he was one of the prime movers of the bill and was in frequent contact with the sponsors of the bill, and I asked him why the exemption was given in the matter of radio and TV stations. He made a very frank answer, the effect of which was to say that it was a political decision; that the radio and TV stations throughout the Nation have great political influence; and that for that reason, it was determined that an exemption should be granted; and the sponsors of the bill did have an exemption for FCC radio and TV license renewal applications.

The committee knocked out that exemption, and it has been restored on the floor of the Senate by a vote of the Senate—a top-heavy vote, I might say. I think 21 Senators bucked any possible displeasure their action might cause among radio and TV stations and voted to disallow this exemption.

Mr. President, I ask unanimous consent that I might yield for not more than 10 minutes to the distinguished Senator from South Carolina (Mr. THURMOND); that upon the conclusion of his remarks, I be allowed to resume my remarks; and that such resumption not constitute a second speech but only a continuation of the first speech.

Mr. JAVITS. Mr. President, reserving the right to object, I had in mind speaking to the Senator privately, but it is not really essential. I just wondered if the Senator could give any of the rest of us any idea as to when we might debate the pending amendment.

Mr. ALLEN. What is the question?

Mr. JAVITS. Whether the Senator could give any of the rest of us—myself, particularly—any idea as to when we could debate the pending amendment, which is going to be voted on.

Mr. ALLEN. The matter has been before the Senate for some time. The Senator from Alabama knew of no one else who wanted to speak, and he has been speaking only 10 minutes. I have no desire to monopolize the floor. I will be glad to yield the floor in just a little while.

Mr. JAVITS. I have no objection.

Mr. RIBICOFF. Mr. President, my colleague has made a great contribution to this bill. Senator WEICKER has spoken, and I have responded.

My understanding is that Senator MCCLURE mentioned that a number of other Senators wanted to speak on this measure, and my feeling is that Senator ALLEN took the floor because some of the other Senators who wanted to speak were not here at that time. This should be following in due course.

Mr. JAVITS. I thank the Senator.

Mr. ALLEN. Mr. President, is my request granted?

The PRESIDING OFFICER The request is granted.

Mr. THURMOND. Mr. President, I am pleased to cosponsor the amendment offered by the junior Senator from Connecticut to the Consumer Protection Act of 1975. This amendment, if adopted, would remove the exemption given to organized labor—an exemption for which I see no justification whatsoever.

If the purpose of the bill, as its proponents claim, is to protect consumer interests from so-called misled interests in the form of other Federal agencies and business enterprises, why should the largest and best organized interest group in the country— organized labor—be excluded? What is it about the consumer interest that causes it to be insulated from the impact of special labor interests? Obviously nothing.

Any effort to exclude labor from the scrutiny of the ACA is purely and simply an exercise of the kind of self-interest which this legislation is supposedly designed to guard the consumer against. If any possible justification for such an exemption exists, other than Mr. Meany's consternation, it is yet to be expounded in this Chamber or elsewhere. I would welcome an explanation by any advocate of the labor position in support of such a blatantly narrow posture.

Mr. President, industry-wide bargaining is a good example of how labor-management relations directly affect the consumer. In any industry characterized by uniform bargaining, the consumer finally picks up the tab for excessive wage and benefit settlements. If all of the manufacturers, for example, are subject to the same wage rates, a major competitive factor is removed and the consumer has no choice.

Why should not the Agency for Consumer Advocacy be able to look into industry-wide bargaining situations and, for example, fully explore the antitrust implications, as well as more direct consumer involvement. I have introduced legislation designed to bring labor unions within the coverage of our antitrust statutes. How can the advocates of the ACA ignore the interests of consumers in this area?

What about exorbitant construction costs today? How much of these costs are directly attributable to inflationary wage negotiations? Can it be said that such costs are not of vital concern to consumers; or are the proponents of this bill only interested in costs not attributable to the special interests which they represent?

During the past decade we have witnessed numerous instances in which major strikes have occurred over the issue of "featherbedding." Featherbedding occurs when an employer is forced to pay for work which is not performed or which is unnecessary. The railroads are a good example. No one really disputes the fact that in most cases it is absolutely unnecessary to have a fireman in the cab. Consumers are the ones who have paid for the fireman's unnecessary role, which was perpetuated only by union pressure.

The newspaper industry is another example. Why have newspaper unions resisted the automation of newspaper printing? Such unions clearly have no concern for those employees who would be employed in the manufacturing of new automated printing equipment. They are concerned only about stopping progress to serve their immediate, narrow interest. After all, an elected union official may not get reelected if some of his local members are training for other jobs. Who pays for this type of unionism? Consumers do. The list is endless.

What about food stamps for strikers? Allowing strikers to receive food stamps is pure and simple Federal subsidization of the union side of a labor dispute. Prolonging strikes and encouraging larger settlements which later mean higher prices directly affects the consumer. Why should the ACA not have the authority to further the consumer interest in the case of food stamps for strikers? According to some proponents of this bill, the only reason for wanting to exclude this area from the purview of the Agency is because it would jeopardize the power of unions. Thus, the consumer interest is to be served in all cases, except those in which the consumer interest conflicts with union interests. In all such cases, the narrow union interest would prevail.

Clearly, no Member of this body who objectively appraises this bill can support exclusion of labor union activities.

I hope the Senate will adopt the amendment by the distinguished Senator from Connecticut and not allow labor unions to be excluded from the provisions of this bill.

I thank the able Senator from Alabama.

Mr. ALLEN. I was delighted to yield to the distinguished Senator from South Carolina.

Mr. President, I wish to make absolutely clear that I am for the Weicker amendment knocking out the labor exemption, so-called, not because I particularly want to see labor included. I do not want to see anyone included, because I believe the entire agency is absolutely unnecessary. It will just be another layer of Federal bureaucracy. That is not the answer. Reform of regulatory agencies is the answer. But if we are to have a bill, I think that all areas before Federal regulatory bodies having to do with interests of consumers should be covered. Once this amendment is acted on, whether it is pro or con will not change the judgment of the Senator from Alabama with respect to the overall legislation. He is not seeking to cover labor, except if all other areas are covered; then this area should be covered as well.

Mr. President, we all know that some of the top representatives of the national labor unions have said that if labor is included in this bill, labor will be against the bill; with labor out of it, labor is for the bill. So if it does not apply to labor, labor supports it. It is all right for the other fellow, but it is not all right for us; if you put us in it, we are going to be against it. If you do not put labor in it, we are going to be for it.

One of the top officials stated that he did not want the Federal Government to be poking its nose in their business. Well, I subscribe to that view 100 percent. That sounds more like a chamber of commerce representative than it does the representative of one of the great national unions. But I agree 100 percent with that statement, that we do not want the Federal Government to be poking its nose into our affairs. So I endorse that thought.

However, I do feel that if all areas of consumer interest before Federal regulatory agencies are covered, then all interests ought to be covered. The New York Times speaks of this labor exemption as being a cynical exemption on the part of the Senate—cynical. Why cynical? Because the exemption is granted in order to gain support for the bill or, to state it another way, to avoid the emergence of opposition to the bill.

Mr. President, I have no doubt that if this amendment is adopted, the Weicker amendment knocking out the labor exemption, this bill is dead, because we would see the alliance there of some strange allies. But the sponsors of the bill do not want that situation to arise. They have granted two special-interest exemptions in order to assure the passage of the bill.

Mr. President, we are today considering what I would call the Exemption Protection Act of 1975.

We have considered proposals similar to S. 200 in the past. These past proposals and their attendant debates make the Senator from Alabama impressed most by what is not found in this present proposal, S. 200.

Gone are most of the "safeguards" of yesteryear.

This bill has been before Congress, or similar bills. The consumer activists do not always approve of this legislation. All consumer activists have not always been for each piece of legislation, because, as was brought out at the committee hearings on the 1971 bill passed by the House, that failed of passage in the Senate in 1972, it was labeled by Mr. Ralph Nader as a fraud on consumers. So he and I were together on that bill in 1972, at least in our opposition. But I believe he stated that, as he saw it, he was opposed to it because it was too weak, and I was opposed to it because it was too strong.

Mr. President, I ask unanimous consent that, during further consideration of this measure, and during votes on amendments, Mr. William Wachtel of the staff of Senator LEAHY be granted the privilege of the floor.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

Mr. ALLEN. Mr. President, this legislation has been, shall I say, kicking around in the legislative halls for some 5 or 6 years, and it seems to the Senator from Alabama that if it were such great legislation, such a great idea, it would not have taken 5 or 6 years to be enacted.

I might say I have no doubt this bill is going to be passed by the Senate. I have no doubt that cloture will be invoked on tomorrow because 65 votes, I believe, were obtained for cloture during the last Congress, and it takes only 60 now to invoke cloture.

I feel cloture will be invoked. I am hopeful that we will have in excess of 30 votes cast against cloture.

The President has stated he opposes this bill. He has not stated it to me, but he has stated it in press releases and other messages. I assume if he is opposed to it that he will veto it. I hope he does.

I believe a veto would be sustained on this bill. Then, instead of having the 60 votes for cloture we would revert back to the two-thirds rule, where it would take two-thirds of those voting then to enact the bill.

The rules of the Senate were changed to cut it down where it just took 60 to invoke cloture. But if the President vetoes the bill it would go back to the old two-thirds rule because it takes two-thirds to override a veto.

Mr. President, as I stated, gone are most of the safeguards of yesteryear. Once upon a time we were assured that ACA, formerly CPA, was a moderate proposal, but it was moderated by built-in safeguards against the potential for abuse. These safeguards were included, we were assured, as a concession to those among us who were fearful that the ACA would abuse its considerable powers.

Yes, the safeguards are gone. To fill the gaps created by their departure we now have exemptions.

As I pointed out, we have two mighty special interest exemptions which are supposed to be operating in the public interest, but we are asked to have two tremendous loopholes, two tremendous areas where the consumer is not being protected as consumer activists might feel that we are in need of protection.

We are not acting in the public interest, as I see it, but we are acting in behalf of two mighty special interests, and I do not approve of that type of legislation.

I made the statement to some advocates of this measure that if these two special interest exemptions stricken out, I would support the bill. I would vote for the bill if these two exemptions were stricken out.

But special interest legislation has given these two areas, these two special interests, an exemption. To fill the gaps created by their departure we now have exemptions.

For example, big labor does not need any safeguards. It is totally exempted under this bill.

When business commits an unfair business practice, by limiting competition, perhaps, the Agency for Consumer Advocacy can appear in adjudicatory proceedings in the Federal Trade Commission to assure punishment of the business responsible.

But when labor commits an unfair labor practice, by also limiting competition, perhaps, the ACA is, under S. 200, estopped from participating in similar National Labor Relations Board adjudications—even where the practice is performed in collusion with a business organization.

As a rationale for exempting labor activities, the majority report on S. 200 tells us that Federal agencies cannot "sit in judgment on the substantive terms of collective-bargaining agreements," quoting the Supreme Court case of Porter Company against NLRB.

Thus, they cite the rule of the Supreme Court that Federal agencies cannot dictate a single term of a labor contract.

But this is not an argument for an exemption. This is an argument against exemption. If the National Labor Relations Board cannot impose contract terms, the ACA cannot force the NLRB to impose contract terms. What, then, is the fear of these apologists for this exemption who say that the ACA can have absolutely no input in labor disputes?

The ACA can run roughshod over the rights of participants in other agencies' proceedings, but, when it comes to labor disputes—disputes which affect the price consumers pay for good and services, disputes which affect the availability of goods and services to consumers who need them—we are told that the consumers' concern is too remote to permit the ACA to even express an opinion.

That is going to be a great ACA, is it not? They cannot even express an opinion in that area.

Why is that? The AFL–CIO legislative director has already told us why that is. It is because big labor does not want another Government agency, and I quoted this just a moment ago, "sticking its nose into our affairs," he says quite candidly.

The New York Times—and I do not always agree with the New York Times in its editorial position. I guess I have to say that on the controversial issues where they take a stand my position would be somewhat removed from the ordinary New York Times position; but sometimes I find them voicing opinions in the editorial columns with which I agree. The New York Times in recommending deletion of this exemption, and I add parenthetically support of the Weicker amendment, has said editorially that this "special interest exemption is foreign to the whole concept of independence for the ACA" and for the Senate to yield to union pressure on this "would be politics at its most cynical".

Mr. President, I make no charge that politics motivates this exemption as given, but I do not believe that the bill would pass with the exemption out. Call it legislative strategy, if you do not want to call it politics—I prefer not to call it politics—but legislative strategy seeking to pass the bill has dictated. This decision to leave big labor out from under the provisions of the bill.

The New York Times, not the Senator from Alabama, says this is politics at its most cynical. I would not make such an assertion as that, but that is the opinion of the New York Times, that insistence on this exemption is politics at its most cynical.

Why is the exemption so cynical? Well, the New York Times sums it up this way:

> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the propsed Agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.

That is pretty strong language.

I have examined the history of these ACA proposals over the last few years, as those who have read my views in the report on S. 200 must realize. I found that, from the inception of the ACA concept, it was recognized that Federal involvement in labor disputes and agreements had a major impact on the interests of consumers. And, it was specifically intended that the ACA should make a contribution by getting involved in those areas.

Big labor gave its unqualified endorsement to these early ACA proposals. They did, that is, until it was pointed out to the AFL–CIO associate general counsel in the 92d Congress that proceedings of the National Labor Relations Board, and the Federal Mediation and Conciliation Service were covered. That changed things, Mr. President.

Thus, in the 92d Congress, when our Government Operations Committee later reported out an ACA bill in 1972, the bill was silent on the labor issue. But, the report—and, Mr. President, I might call attention to the variations we sometimes see in the provisions of the bill itself and then what the report says the bill intends—on that bill gratuitously stated that NLRB proceedings are "beyond the jurisdiction" of the ACA, without the bill saying so.

How that conclusion was arrived at was a mystery.

Our distinguished former colleague, Senator Sam J. Ervin, however, noticed this attempted rearrangement of the legislative history, and proved that such proceedings were clearly covered by that bill.

Then, in the 93d Congress, with the exemption cat out of the bag, the Senate ACA bill was reported with a partial exemption for labor. The exemption prohibited the ACA from using its advocacy rights in labor disputes—but allowed the ACA to gather and disseminate information about such matters.

Now, in the 94th Congress, the labor advocates have grown bolder and more demanding. Or, in the view of the New York Times, they have grown more cynical. Now, there is a complete exemption for labor distputes in this ACA bill.

The ACA cannot advocate on labor issues.

The ACA cannot investigate labor issues.

The ACA cannot even disseminate information concerning labor issues.

Insofar as the ACA is concerned, labor issues do not exist. That is rather strange.

We are asked by the advocates of this special labor exemption to believe, despite numerous Supreme Court rulings that labor disputes are public interest matters greatly affecting consumers, that Federal adjudications of labor disputes are private matters—how in the world can we call them private matters when the public is so directly involved? That is what the Senator from Alabama cannot understand; that there is neither a—this is a contention and, by digressing, I would have to say that the contention is—a public interest nor a consumer interest involved in such disputes, and I say that is wrong. This will seem strange to the consumers of Puerto Rico or of Hawaii who remember being cut off from access to many of the necessaries of life by a dock strike. We come in here from time to time in Congress and legislate settlement of disputes between the railroads and the unions. Why? Because there is a public interest issue involved. But here the advocates of this bill feel there is not any public interest involved.

Indeed all consumers may wonder why the President invokes an 80-day cooling off period when a national railroad strike is threatened. Why, they may ask, does a President be permitted to involve himself in such private matters? Well, the truth of the business is that it is not a private matter. The public is directly and tremendously involved.

Those of us who question this exemption are asked to forget that the National Labor Relations Act, which establishes the National Relations Board and the Federal Mediation and Conciliation Service, expressly states that labor disputes and labor agreements can and do burden interstate commerce to the point of restraining availability of consumer goods and affecting their prices.

We are asked to forget what the New York Times has reminded us of—that the records of the NLRB abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition.

Pushing up prices, we are told by the advocates of this legislation, by the advocates of this special interest exemption, has "no appreciable relationship to any marketplace transaction." Well, that is certainly a peculiar position, it seems to the Senator from Alabama.

Limiting competition, we are told, has "no appreciable relationship to any marketplace transaction," we are told and they contend.

Cutting off access to the market, we are told—and I disagree—has "no appreciable relationship to any marketplace transaction."

Is it any wonder that, as the New York Times tells us, for the Senate to submit to coercion in this exemption would be politics at its most cynical?

Mr. President, I again commend the distinguished Senator from Connecticut (Mr. WEICKER) for his statemanlike position in offering this amendment, which he also offered in the committee and, I might say, the committee was tied 6 to 6 on the Weicker amendment, and the tie was broken by a very distinguished Member of the Senate so that the final vote on the amendment in committee was 7 to 6 against the Weicker amendment.

I hope the Weicker amendment will be adopted. I hope this special interest exemption will be removed, and I hope that we can then be in position to see if this bill, with this special interest exemption removed, is in the public interest. But the first step, Mr. President, is to agree to the Weicker amendment on which a vote will take place at 4 o'clock.

Mr. President, I wish to yield the floor. But, before doing so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, while we are now considering an amendment that has been offered by the Senator from Connecticut dealing with the exemption which was heretofore granted to organized labor under the provisions of this bill, and the exemption was then removed in the committee, the pending amendment would subject the labor negotiations and the terms and conditions of labor settlements to the provisions of this bill as all other aspects of American life that might affect consumers, a move which I support.

While I am certain that others may have in other portions of the debate had printed in the RECORD an editorial of the New York Times on Friday, March 14, I believe it might be well to refresh our memories by reading that editorial again.

That editorial is entitled "Consumerism, Limited":

> CONSUMERISM, LIMITED
>
> **The long fight to establish an independent agency to defend the interests of consumers in proceedings before Federal regulatory bodies and courts has moved an important step closer to victory in the Senate. The 11-to-1 vote by which the consumer advocate bill was approved in committee this week measurably reduces the danger that it can be killed by filibuster, the fate that befell it on the Senate floor last year.**
>
> **Before final adoption, however, the Senate will do well to eliminate from the bill a special-interest exemption that is foreign to the whole concept of independence for the new bureau. Inserted under strong pressure from organized labor, this exemption would bar the consumer agency from gathering information or expressing its views in any proceeding involving labor disputes or agreements.**
>
> **The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the proposed Agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.**
>
> **For labor to make this exemption the price of its support for a measure in which wage-earners and their families have a primary stake is short-sighted. For legislators to submit to such coercion would be politics at its most cynical.**

Mr. President, in spite of that exemption, if it should be voted and affirmed by the Senate and by the Congress, there are many in the labor movement in the United States who do not support this legislation. And whether or not such an exemption is granted cannot make the bill but less bad than it now is, a bill which I think most Americans by any objective survey indicate they oppose.

Mr. President, many of my constituents have written to me expressing their frustration and dismay as they contemplate yet another massive incursion of Government into their lives. I had intended to read their various complaints and objection into the RECORD. I would rather serve them by defeating the bill, as they ask, but I at least owe it to them to make their voices heard. I ask that their opinions be made a part of the RECORD of this debate.

Constituents do not think of themselves as consumers. They think of themselves as fathers, mothers, farmers, teachers, students, Americans, and children of God at least as much. Why, then, de we not establish Government agencies to protect them in these roles which are at least as important—if not far more significant—than their role as consumers? After all if you are a Christian, you are one 24 hours a day. If you are a teacher, you exist in that role anywhere from 4 to 10 hours a day. Why must we protect people in only their less significant roles? Perhaps we will. The precedent set by the creation of this independent superagency must give hope to those who want to insulate the American citizen from any vestige of responsibility.

If this bill becomes law the inevitable discrepencies between the "rights" of two different sets of consumers and the same consumer in two different situations will become more and more confusing. Most of us are aware of current strictures against inflammable nightware. On the fact of it, this sound fine. After all, no matter how unlikely it is, no one wants to burn up in bed. I have read that the next consideration of those who are so interested in making sure Americans get a good night's sleep is the shape of nightwear, as they call it. The most recent suggestion is that it should be form fitting. If such a regulation were actually to become law, it would require enforcement of a novel kind. We could not really be sure that Americans were using their form-fitting asbestos nighties. Would we not then have a whole class of sleepwear subversives, dedicated to buying bolts of flannel and constructing all manner of full, floating nightshirts in the privacy of their homes? It would doubtless occur to the solons managing our safety that we would need an inspection force of Wee Willie Winkies running about town at bedtime checking the fit of our pajamas.

In all seriousness, the bill worries me. I cannot understand why it is exactly that those people who have expressed the strongest reservations about the size of the bureaucracy, the enormity of the budget, and the inability of Americans to participate in the political world run by Washington, are supporting this bill. It will do all those things they most profess to abhor. If this bill passes I will once again have to apologize to my constituents for removing them further from the possibility of controlling their destiny. I would like to use this occasion to assure them that whoever else does not, I believe in their sanity, I believe in their probity, and I respect their independence.

The very concept of an autonomous Federal agency is foreign to our way of life, and on that alone, this bill should be voted down.

Mr. HELMS. Mr. President, I have submitted two amendments to S. 200 entitled the bill to establish an independent consumer agency to protect and serve the interests of consumers, which amendments have been submitted together as one series and they are related to one another and pertain to one central issue. The series of amendments has been designated amendments number 417 and 418.

Mr. President, I realize that, under the rules of the Senate, such a series of amendments offered collectively would not be in order if the question were raised except by unanimous consent.

In addition, after the invocation of cloture, they could not be separated, and they could not be offered individually because amendments not qualified would not then be in order.

Therefore, to insure the consideration of this series of amendments, I am presented with the option of either originally submitting these amendments separately, which I am prepared to do if necessary, or asking unanimous consent that they be considered en bloc when offered. Because of my desire to be considerate of Senators' time, and not in this way delay the consideration of this legislation, I ask unanimous consent that such series of amendments be considered en bloc when offered.

The PRESIDING OFFICER. Is there objection?

Mr. RIBICOFF. Mr. President, I object at this time.

Will the Senator suggest the absence of a quorum and indicate what those amendments are? I am not aware of what the amendments are.

Mr. HELMS. I will be glad to do that.

I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I renew my unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. HELMS. Mr. President, I am a consumer. We are all consumers. I recognize the fact that we live in an extremely technological society, much of which, we as laymen, do not understand. We are bombarded by advertising, which is occasionally misleading or even inaccurate. Some of it is political advertising which is misleading and inaccurate, as the conduct of public officeholders sometimes illustrates after they are elected.

We sometimes purchase products that are shoddy or unsafe. We are all familiar with patent medicines that do not work, worthless warranties that are hard to collect, extravagant repaid bills, unsafe automobiles, food that is not nutritious, dangerous toys—the list is seemingly endless.

The proponents of the Consumer Protection Act of 1975 now tell us that these problems will disappear if we establish what is now called the Agency for Consumer Advocacy. The Administrator of this new agency will serve as a sort of vigilante of our entire commercial system. He will resemble the muckraker of the past, although he will be expected to do more than simply expose corporate abuses. He will actively represent what he conceives to be the consumer interest in our Federal agencies and in our courts.

This is an attractive idea. Certainly, it has attracted widespread interest in the media; and some seem to think it finds response in the electorate. But I question, Mr. President, whether the Consumer Protection Act is not itself an example of deceptive packaging. Indeed, the act seems to lack the very qualities that we have come to expect from the products and services that are offered to us—economy, utility, safety, and efficiency. According to the proponents of this act, the American consumer, to quote Mr. Ralph Nader, is the prisoner of corporations that are "able to divert scarce resources to uses that have little human benefit or are positively harmful."

Like P. T. Barnum's suckers, born every minute, the consumers, so we are told, have been tricked, through the sophisticated use of applied psychology, into purchasing goods and services that are inferior or are not even needed. We are left with the assumption that the consumer is at the mercy of Madison Avenue and can no longer rely upon his own thinking for adequate information about the quality of his purchases. What is needed is the White Tornado, the Agency for Consumer Advocacy, to clean up American business and rescue the helpless consumer.

Mr. President, I challenge these assumptions, and I challenge those who insist that the American consumer is deliberately exploited and abused by American business. It is true that there are accidents, that product information is not always adequate, and that there is false advertising. But it is no less true, Mr. President, that the elimination of these evils will be expensive, and these costs must be weighed against the promised benefits. The value of greater information that the consumer will enjoy under this act must be balanced against the costs of collecting this information and disseminating it.

My skepticism also extends to the factual premises upon which this act has been supported. The distinguished Senator from Michigan (Mr. PHILIP A. HART) has offered an estimate of $200 billion of consumer mistreatment. This is an incredible sum of money, that seems to be substantially in excess of total profits for all business and almost four times that of aftertax corporate profits. I would be less than honest if I did not say that I do not understand the basis of these figures submitted by the distinguished Senator from Michigan and I do not understand the logic of Mr. Nader's argument that businessmen make money by willfully failing and refusing to satisfy consumers.

It seems to me that if consumers want more safety and higher quality, then the businessman will find it more in his interest to satify these desires rather than ignore them. The question arises, have we lost sight of the competition factor? If corporations are deliberately failing to provide consumers with the products and services that they want and need, then there are vast fortunes to be made by simply producing what the consumers actually desire. In other words, Mr. President, the Consumer Protection Act seems to be based on the questionable assumption that American businessmen are indifferent to profits. Of course, that is not so.

Moreover, the role of the Administrator of this new Agency is ambiguous. What is his function—to increase the consumer's ability to satisfy his own tastes or to impose tastes upon him? We can all agree that some consumers are misinformed about the value of a product. Be we must also be aware of the fact that some products are not as safe or splendid as they could be simply because the consumer does not wish to bear the additional costs. Similarly, many consumers, such as those who purchase bicycles, motorcycles, or convertible automobiles, are fully aware of the risks but are quite willing to bear those risks in order to satisfy countervailing pleasures. So when the Administrator of this new Agency labels a product as "unsafe," it is the Administrator and not the consumer who will often be making this judgment.

I also question the assumption, Mr. President, that the American consumer has an apparently insatiable craving for voluminous product information. As I noted earlier, it is the consumer who has to bear the cost of collecting and transmitting this information, not to mention the cost of time and effort in absorbing it. Many consumers already regard these costs as far outweighing any potential benefits. To be sure, consumers frequently ignore opportunities to learn more about their purchases even when the information is free. And when there is a consumer demand for information—as on appliances, motor vehicles, cameras, or what have you, a glance at such magazines as Consumer's Report indicates that it is available and can be purchased. Again, therefore, as in the case of safety, the Consumer Protection Act is seeking to impose something on the consumer that he may not want or has chosen not to purchase.

More than 50 years ago, the great economist at the University of Chicago, Prof. Frank Knight, put it well when he wrote:

> A large part of the critic's strictures on the existing system come down to protests against the individual wanting what he wants instead of what is good for him, of which the critic is to be the judge; and the critic does not feel himself called upon even to outline any standards other than his own preferences upon a basis of which judgment is to be passed.

When pressed on this matter, the modern consumer advocate turns to a favorite scapegoat, advertising, and insists that most consumer tastes have been created by deceptive advertising techniques. But I ask, Mr. President, what is more misleading than the advertising of Nader's Raiders? Consider, for example, how the typical Nader report is merchandised. On the cover we find the name Ralph Nader twice and in large print. On the back, in large red letters, the slogan is emblazoned:

"Nader's Raiders Strike Again!" Is Ralph Nader the author of these reports, as the cover would indicate, or merely the sponsor? During congressional hearings in 1969, a Mr. Fellmeth, who has written two Nader reports, was asked whether the phrase "Nader's Raiders" was a fair statement. Mr. Fellmeth answered:

> I don't think so. I think it is very inaccurate for several reasons. First of all, it is inaccurate because Mr. Nader's involvement is crucial, but is not as extensive as that name would imply. At least we are not investigating for him alone in a direct sense. Secondly, we are not raiders. That is a very inaccurate name, with an inaccurate connotation.

Mr. President, no less misleading are the arguments of other proponents of the Consumer Protection Act. Indeed, we have already decided that the name of the Consumer Protection Agency is somewhat misleading, and we have renamed it the Agency for Consumer Advocacy. How many advocates of this measure have freely acknowledged the fact that it is the consumer who is going to bear the cost of this Agency? Many proponents of this act, it would seem, prefer to let the consumer believe that he can get something for nothing. American consumers have been led to believe that increasing market testing, making products "safer," forcing companies to spend large sums of money litigating and clearing products with a Government bureaucracy and paying for the bureaucracy itself will cost nothing in out-of-pocket cash or increased taxes or lost benefits. Let us dispense, then, with this specious argument that the wants and needs of American consumers have been manipulated by clever advertising. Many consumer advocates of Government-imposed consumer protection have been no less deceptive in their efforts to sell the idea of consumer protection and the Consumer Protection Agency Act.

On one issue, however, few will disagree with the consumer advocates. Government regulation has failed. The inefficiency and "capture" of our regulatory agencies, as alleged in the Nader reports, is generally conceded. Certainly the consumer's plight is not caused by the lack of Government agencies. Representative BENJAMIN ROSENTHAL has pointed out that—

> There are approximately fifty Federal agencies and bureaus performing some two or three hundred functions affecting the consumer.

Not to mention the numerous State and local agencies performing similar consumer protection functions. Some of the Federal agencies directly concerned with consumer affairs include the National Safety Highway Bureau, the National Transportation and Safety Board, the Interstate Commerce Commission, the National Bureau of Standards, the National Commission on Consumer Finance, the Office of Consumer Services, the Federal Trade Commission, the Federal Communications Commission, the Federal Housing Administration, the Federal Power Commission—and all of these, Mr. President, and I am not through with the list yet—are being supported and financed by the taxpayers of the United States—consumers, if you please.

Then there are the Food and Drug Administration and the new Consumer Products Safety Commission. We also have the Securities and Exchange Commission and the President's Committee on Consumer Interests. All seem to agree, however, that Government regulations has failed. Why?

The first and obvious reason is indolence, pure and simple. Too many bureaucrats tend not to work a full day or to be as productive as they might. The Nader Report on the Federal Trade Commission reported the case of one well-paid official actually asleep on the job. A second reason is politics. All too frequently, appointments to high positions and agency decisions are based on partisan considerations rather than individual merit and the public interest. The third reason concerns the problem of agencies being captured by the very interests they are supposed to regulate. This is certainly understandable. In time, an agency will tend to know and sympathize with the organized interests that are seeking to influence its policies. How else can we explain the prolabor stance of the National Labor Relations Board, for example, which is a recurrent theme in American politics, all up and down the line?

So far as the Consumer Protection Act is concerned, the interest of a single consumer in any particular product is likely to be small, and organization with other consumers practically impossible. Producers, on the other hand, are inclined to be well organized, persistent, and more able to influence agency action. What is our basis for believing that the producers will not also capture the Agency for Consumer Advocacy?

The whole case for the creation of a new independent Agency for Consumer Advocacy "to represent the interests of the consumers" in proceedings before the Federal agencies rests on the proposition that existing agencies have failed to fulfill their responsibilities. This call for the creation of a new agency is an astounding admission of the failure of consumer protection regulation, already on the books, for which the American taxpayer is already being soaked. But surely the mind boggles at the argument that the failure of past regulation calls for creating another bureaucratic overlay.

We strive to escape the constant reach of Federal regulations that take away our freedoms and invade our private lives. Here is a bill to extend that control into the private offices and confidential files of business enterprises across the land. We are weighed down by an enormous bureaucracy. Here is a bill to establish another Government agency and further increase our burden. We stumble blindly through a maze of Government organizations that seemingly defy executive coordination and congressional control. Here is a bill to create an administrative nightmare. When we considered a similar bill in the Senate last year, responses received from 36 Federal agencies indicated that more than 1,300 specific types of administrative proceedings and activities would be subject to intervention, participation, or appeal under this act. As this law is presently drafted, there are at least 17 specific provisions in which nearly every department, regulatory board, commission, independent agency, council, and Government corporation will be subject to the will of the administrator. Moreover, this administrator will have the power to challenge the decisions of these governmental bodies and the power to appeal their rulings to the Federal courts.

For the first time in the history of this country, we face the bizarre prospect of agencies of the U.S. Government battling each other over conflicting claims of the public and consumer interest in our courts of law—courts, I would emphasize, that are already overburdened with litigation. Then too, this bill flies in the face of our well-established independent regulatory system and undermines the power of Congress. This is accomplished in the bill by transferring the modest congressional oversight responsibilities that we exercise over regulatory bodies to the Agency for Consumer Advocacy so called, which will be an agency of the executive branch.

I suppose, Mr. President, what disturbs me most about this bill is the lack of faith that it reflects in our free enterprise system. Indeed, an anticapitalist bias seems to permeate the whole structure of the act. It assumes that the consumer does not exercise consumer sovereignty, and therefore, stands helpless before industrial dictators. But how many faulty products have been removed from the shelves because American consumers stopped purchasing them?

What is more, this bill bows to the doctrines of government paternalism. It insists that the American consumer is too foolish to look after his own interests and, taking him by the hand like a small child, says: "Come, here is your Administrator, he will protect you, he will make your decisions for you.

Mr. President, I represent children, but I also represent thinking men and women, who are intelligent enough to decide for themselves through their purchasing power, what products and services they want. They do not need the Agency for Consumer Advocacy to do their thinking for them.

The proper place for the Consumer Protection Agency Act is the Socialist utopia, where the consumer is at the mercy of government bureaucrats and the managers of state-owned industries, who decide what the consumer needs. What the American consumer really needs, perhaps, Mr. President, is protection from more Government regulation.

Mr. President, the advocates of consumerism insist that the American consumer needs protection from the business community. They argue that the consumer is a victim of false claims, harmful goods, and deficient services, and they propose, as we have recited repeatedly on this floor for the last several days, that we establish what is now called an Agency for Consumer Advocacy to eradicate these evils and aid the consumer by that old ploy of spending millions of additional dollars from the taxpayers and setting up a new overlay of bureaucracy.

This is the wrong way to go, Mr. President, and I truly hope that the Senate will reject this bill; but if it is enacted by Congress I trust that the President of the United States will veto it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside and that the Senate proceed to the consideration of an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. MORGAN. I was going to say, Mr. President, that I think the amendment has been cleared by most of the parties who are interested, and there will be no controversy.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The legislative clerk read as follows:

On pages 17 and 18, delete subsections 6 (g) and (h) in their entirety and insert in lieu thereof the following new subsections 6 (g) and (h):

"(g) The Administrator is not authorized to intervene or participate in proceedings or activities of State or local agencies and courts.

"(h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, or providing information requested by any Federal, State, or local agencies and courts at any time and in any manner consistent with law or agency rules."

Mr. MORGAN. Mr. President, the distinguished Senator from Connecticut and the distinguished Senator from Montana have seen this amendment and, I think, will concur in it. It makes it clear that the consumer advocate created under this bill will have no right or authority to intervene in or to actually participate in State or local regulatory bodies or agencies.

It will be permitted, however, to furnish to Federal, State, or local agencies and courts any type of information it may have at its disposal and upon request.

I think this is an area that concerns a good many of us and, especially, the various attorneys general across the country who are working very actively and diligently to serve as consumer advocates before the State and local regulatory agencies.

As the bill was originally written I think it was intended to do exactly this. However, I am afraid that perhaps from some language it might have been interpreted to allow, interpreted in such a way as to allow, the consumer advocate created under this bill to actually participate in the State agencies or State hearings or local hearings upon request.

So far as I know, there is no opposition, and it certainly serves, I think, to clarify the question.

Mr. RIBICOFF. Mr. President, this amendment came about as a result of a colloquy among the Senator from North Carolina, the Senator from Alabama, Senator McClure, and myself. There is no question about what the intent of the committee has been all the time. This is a clarifying amendment which has been discussed with the staff of Senator Percy and the staff of Senator Javits, and also with Senator Metcalf. It carries out, in my opinion, the intention of the committee and also my intention throughout this bill. On behalf of the committee I am willing to accept this amendment.

Mr. ALLEN. Mr. President, to add to the legislative history, and I congratulate the distinguished Senator from North Carolina (Mr. Morgan) for introducing it, and the distinguished Senator from Connecticut (Mr. Ribicoff) for accepting it, this amendment is pursuant to a colloquy among Senators Ribicoff, Morgan, McClure, and Allen during debate on the bill. (See pp. S7744–S7745, Congressional Record, daily ed. of May 8, 1975.)

It would limit ACA activity at the State and local levels to an informational role, as the floor manager (Mr. Ribicoff) stated was the original intent.

To do this, subsection 6(g) had to be amended to make clear that ACA advocacy in State and local rulemaking proceedings and informal governmental activities was outside the scope of this bill.

To accomplish this clarification, first, the term "participate," which applies to rulemaking, was added to the term "intervene," which usually applies only to adjudications; and second, the word "activities," which usually refers to an ongoing matter, was substituted for the word "actions," which usually applies to a finished matter.

These new terms make subsection 6(g) consistent with the rest of the bill which also uses the same terms for the same purpose.

Further, subsection 6(h) was amended to make clear, that, although advocacy at the State and local levels was prohibited, communicating with, and providing information to, agencies and courts at those levels on request was not prohibited.

This clarification was accomplished by deleting the language in the present subsection 6(h) which would have allowed the ACA to provide any "assistance requested" at the local level. The subsection, without that language, makes it clear that the ACA's role in State and local concerns would be merely informational, as was intended by the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I wonder if I might have the attention of the Senator from North Carolina and the Senator from Alabama for a moment. Senator Javits calls to my attention that in the amendment, section 6(g) contains the word "courts." The word "State" should be inserted before "courts" to make it clear that we are talking about State courts and not Federal courts. I think that was our intention.

Mr. ALLEN. That is exactly correct.

Mr. RIBICOFF. Mr. President, I ask unanimous consent to have the word "State" preceding the word "courts" in subsection (g).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment, as modified, is as follows:

On pages 17 and 18, delete subsections 6 (g) and (h) in their entirety and insert in lieu thereof the following new subsections 6 (g) and (h):

"(g) The Administrator is not authorized to intervene or participate in proceedings or activities of State or local agencies and State courts.

"(h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, or providing information requested by any Federal, State, or local agencies and State courts at any time and in any manner consistent with law or agency rules."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina, as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, it is my intention to speak a few moments on the labor exemption in the Weicker amendment. Before doing so, since the Senator from Alabama is on the floor, I thought I would like to have the benefit of his comments on this labor exemption question insofar as the principle of the self-appointed consumer advocate, Mr. Nader, is concerned.

I understand in the Government Operations Committee he engaged in discussions with Mr. Nader on this particular subject. I wonder if he would care to elucidate on the results of that discussion.

Mr. ALLEN. I thank the distinguished Senator from Ohio (Mr. Taft) for making an inquiry about the proceedings before the Government Operations Committee. Of course, they are available in the hearings.

I might state that the two special-interest exemptions were discussed, the first being the exemption of proceedings before the FCC having to do with applications for renewal of television and radio licenses; and the other being the labor exemption.

Mr. Nader in that hearing, and testifying before the committee, stated that as to the matters pending, as to proceedings before the FCC having to do with renewal of media licenses, that he opposed that exemption, and that he felt, in effect, that that was a political decision, leaving that exemption there.

Now, as to the labor exemption he stated, in effect, that he could live with that, but he did not state that he was against the labor exemption. That will be noted from the hearings, if the Senator would look at them.

Mr. TAFT. Yes, I understand that, and the staff has pointed out to me particularly a reply—well, a colloquy between the Senator and Mr. Nader in which the Senator finally got down to the point. He stated as follows:

> Senator ALLEN. Yes; but do not the consumers have an interest in wage negotiations? That goes higher than the interest of big labor and big business?
>
> Mr. NADER. Well, the consumer——
>
> Senator ALLEN. Yes or no? My time is just about up.
>
> Mr. NADER. Well, yes, the consumers have an interest, and some of their interests may be in raising wages and some of them may be in holding them down.

Mr. ALLEN. Yes, that is correct.

Mr. TAFT. I think the Senator brought that our very well indeed.

Mr. ALLEN. I appreciate the Senator's calling that to my attention.

Mr. TAFT. I thank the Senator for his comment.

Mr. President, the most important and controversial consumer protection issue before the 94th Congress is once again whether to create a powerful Agency for Consumer Advocacy—ACA—to advocate the interests of consumers through the gathering and dissemination of information and by representing consumers before Federal agencies and the courts.

The current major bill, S. 200, is strongly supported by consumer groups and organized labor, and just as strongly opposed by a great majority of businesses and trade associations. This is the case despite the sponsors' assertions that there is a substantial increasing level of support from within the business community for S. 200.

The business community's openly expressed fear of this and similar advocacy agency bills has been criticized as peer pressure. Yet, a fairly recent development in the 6-year legislative battle surrounding the bill could give an objective observer cause for a complete reassessment of the businessman's reaction—organized labor demanded and received a complete exemption in the bill for labor-related issues and for Federal proceedings which involved the interests of labor as well as those of consumers.

This exemption basically and radically changed the original intent of the bill and raised significant questions concerning what organized labor is afraid of. Yet, for some unknown reason, this most important change in the bill has, for the most part, been unmentioned and uncriticized by those who have supported and closely followed the progress of the ACA concept through the years. Thus, it is imperative that we ask and answer these fundamental questions: If indeed labor-management relations are divorced and remote from the marketplace transactions as envisioned by the bill thereby excluding ACA involvement, why then has labor fought so diligently to secure a special exemption from coverage of this act? Why is a labor exemption necessary?

In the next few minutes, I hope to explore the little that is known about this well-preserved legislative mystery with the hope that those who feel that an ACA must be created will investigate the matter further and determine for themselves whether organized labor is justified in fearing this bill.

THE LABOR EXEMPTION

Section 16 of the ACA bill provides that—

> This act shall not apply to . . . a labor dispute . . . or to a labor agreement.

That means, of course, that none of the authority granted to the ACA in the bill could be applied in or to any court cases, NLRB proceedings, Federal mediation attempts, and so forth, which relate to labor disputes or agreements.

This is a sweeping legislative gag—stripping what some wish to be the Nation's most prestigious public advocate of even the rights to get labor-related information that would be available to anyone else under the Freedom of Information Act. To see how vast an exemption it is, one must be familiar with the major broad functions proposed for the ACA, none of which could be applied to labor-related matters if the exemption were to remain.

The following major ACA functions could not be applied in the interests of consumers in matters relating to labor disputes or agreements:

> 1. Representing the interests of consumers before Federal agencies and courts and appealing agency decisions to the courts (Sec. 6);
>
> 2. Conducting and supporting research and studies (Sec. 9);
>
> 3. Submitting recommendations to the President and Congress to improve the operations of the Government (Sec. 5(b)(3));
>
> 4. Obtaining information from persons and agencies (Sec. 10);
>
> 5. Publishing and otherwise distributing information that the ACA, in its discretion, considers of interest to consumers (Sec. 5(b)(4));
>
> 6. Receiving and making available consumer complaints (Sec. 7);
>
> 7. Conducting conferences, surveys, and investigations, including economic surveys (Sec. 5(b)(6));
>
> 8. Cooperating with State and local governments (Sec. 5(b)(7));
>
> 9. Encouraging private enterprise in the promotion and protection of consumer interests (Sec. 5(b)(7));
>
> 10. Publishing a consumer register of action by Congress, Federal agencies and the courts and any other information thought useful to consumers (Sec. 5(b)(9));
>
> 11. Encouraging the adoption and expansion of consumer education programs (Sec. 5(b)(10));
>
> 12. Encouraging the application and use of new technology, including patents and inventions, for the promotion and protection of consumer interests (Sec. 4(b)(11));
>
> 13. Encouraging the development of informal dispute settlement procedures involving consumers (Sec. 4(b)(12));
>
> 14. Promoting the consumer interest of farmers in obtaining a full supply of goods and services at a fair and equitable price (Sec. 5(b)(14)); and
>
> 15. Performing any other related activities as the ACA deems necessary to fulfill its duties and functions (Sec. 5(b)(15)).

Now, anyone familiar with the progress of this bill and the proposed functions of the ACA knows that its original intent was to grant to the ACA wide discretion. This was felt necessary because of the many varied interests of consumers which could not be anticipated in legislation.

The extreme breadth of power and discretion to use them proposed for the ACA has always been one of the areas of great concern to the bill's detractors and I must say I join in the concern on this point. For example, former Senator Sam Ervin's minority views on last year's ACA bill, which was numbered S. 707, in part stated:

> S. 707 grants powers to a potential appointee who would be responsible to no one, powers which no responsible official would use and which no irresponsible official should have (S. Rept. No. 883, pt. 2, p. 4)

However, the bill's supporters continually countered such arguments with statements to the effect that public policy, limited appropriations, and the watchful eye of Congress would assure that the ACA would be prudent in use of its descretion and not invade areas of tangential interest to consumers.

Yet, suddenly, during the last Congress, an entire sector of the economy demanded and was excluded from the ACA bill.

In my view the reason is quite simple, organized labor was not willing to believe that the ACA would be as prudent and reasonable as the bill's sponsors said it would; labor unions have the same fears as businessmen.

When asked why labor should be exempted, AFL-CIO Legislative Director Andrew Biemiller replied candidly:

> We don't want another government agency intervening in labor-management relations, sticking their noses in our affairs. (CONGRESSIONAL RECORD, July 16, 1974, p. S12668.)

That remark, the only one on the record from a labor official to date, is indistinguishable from many made by some businessmen.

The issue in a nutshell was stated by Senator Sam Ervin during the S. 707 debate when he said:

> To exempt organized labor from the purview of the ACA would be like "the play of Hamlet with the Character of the Prince of Denmark left out."

Consider this: If the ACA should, as its supporters maintain, intervene in a Federal Trade Commission proceeding where unlawful monopolization of business is charged, why should it be prohibited from getting anywhere near an NLRB proceeding where labor unions are charged with unlawful boycotting or monopolization of representation?

Clearly, it seems to me, the Weicker amendment must stay in the bill if the bill is really to have any meaning in a very important sector and to make it apply in other sectors of the economy and not apply to these sectors that are labor related, to me, would be the most gross discrimination, and picking out, really, just a particular area for the law to apply to in the public interest would seem to me to clearly demand to go further than this.

Mr. President, in the Wall Street Journal of March 14, 1975, there was an editorial entitled "How To Toughen Up the ACA" and I ask that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW TO TOUGHEN UP THE ACA

Some interesting issues are raised by the latest Senate wrangle over the proposed "Agency for Consumer Advocacy" and how much power it should have to "intervene" in the deliberations of other government agencies and departments.

The Senate Government Operations Committee has just voted to let the ACA involve itself in broadcast licensing disputes before the FCC. But it hasn't yet tackled a provision of the ACA bill that exempts proceedings before the National Labor Relations Board from ACA intervention.

Now, Ralph Nader hasn't invited us to comment on the ACA, which will be pretty much his personal agency, but we see no reason, in principle, why there should be any limits at all on its activities. After all, it will have the broadest "constituency" of any federal agency, roughly 212 million American consumers (we assume it will represent only American consumers and not foreign consumers of American goods).

With that kind of constituency, the ACA should have the broadest possible powers to protect the interests of, in effect, everyone. NLRB proceedings would only be a beginning, but a nice beginning. Certainly when labor unions and employers enter into agreements that restrict access to certain jobs and the productivity of workers on those jobs they are vitally affecting the prices consumers will eventually pay. So why shouldn't the ACA have the power to veto restrictive work rules?

And what about other forms of restriction of producer competition? Shouldn't the ACA have the power to abolish the CAB, the ICC, the FPC, the FEA, and other federal price-fixing operations?

And what about those other agencies of recent creation that have inflicted new and often unnecessary costs on the consumer by their powers to get standards? If the ACA could prevent the Environmental Protection Agency from making any new multi-billion-dollar errors on mandated pollution control equipment, we are all for it. Or if it could keep the new Occupational Health and Safety Administration from forcing employers to buy unnecessary safety equipment it could further cut costs to consumers. Why not just give ACA the power to veto any federal mandates to industry that cannot be proved to have benefits that exceed their costs and penalties?

Let us plunge on. How about giving ACA a mandate to reduce costs to consumers brought about merely by all the legal and accounting work generated by Congress? The cost savings here would be enormous. On this front it could abolish most of the activities of the FTC, particularly its useless and expensive new proposed line-of-business reporting requirement. By one estimate the government paperwork burden on industry rose 50% in the six years to mid-1974.

We would even urge that the new ACA get at the source of all the expensive activity that has made Washington such a prosperous growth town amid recession everywhere else. The ACA should be given the task of putting a red "reject" stamp on all bills brought before Congress that cannot be proved to have some benefit for consumers. That would eliminate most bills and the need for the hundreds of congressional aides who now spend their time dreaming up new laws.

Somehow we have a feeling that our view of what the ACA should do isn't going to make much headway with Congress. But if Congress doesn't want to accept our recommendations we would only ask that it apply some of the tests we have mentioned to its own concept of the ACA. It might ask whether Mr. Nader and the ACA can tell us anything we don't already know about what consumers are up against today. And having answered that, it might further ask, "who needs another federal agency when we have so many already that we can't get rid of?"

A good question, we think. So unless Congress plans to make the ACA really tough, why not just scrap the whole idea?

Mr. TAFT. Mr. President, I ask that some extracts from the New York Times "Reports on 1969 Dock Strike" relating to matters involving consumer interests and public interests, labor disputes and concerns, also be printed in the RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

NEW YORK TIMES REPORTS ON 1969 DOCK STRIKE

"UNITED STATES URGED TO ACT IN DOCK DISPUTE

"In their statement issued in Washington, Governor Rockefeller and Senators Jacob K. Javits and Charles E. Goodell said that the strike had reached the point 'where it now poses a critical danger to the health and safety of the entire nation.' "—NYT 22 Jan 69 at 93: 4 [last paragraph]

"DOCK UNION HERE IS PRESSED TO RETURN TO WORK

"On the floor of the Senate in Washington, Senator Jacob K. Javits said yesterday that Federal authorities could not permit the strike to continue and that the Congress might shortly take up the question of compulsory legislation.

"In his speech yesterday, Senator Javits said he had been in touch with the parties in the current dispute, and he expressed the hope that Congressional action could be avoided.

" 'But if it cannot, we shall do it,' he declared, 'because we cannot allow our foreign trade to be immobilized.' "—NYT 23 Jan 69 at 93:5

"DOCK STRIKE COST NEARLY $2 BILLION

"They have sent hundreds of complaints to Federal officials, and Senator Jacob K. Javits said yesterday that he planned to introduce legislation this week to make small businesses eligible for Federal disaster loans.

" 'Scores of these firms are already out of business or are going out of business,' he [Javits] said."—NYT 2 Feb 69, V, 23:6

"Sugar and pineapple are not the only Hawaiian products hurt by the dock strike. The Hawaii Manufacturers' Association said that 70 per cent of its members were suffering critical shortages of materials."—NYT 15 Aug 71, 66:5–6

"Honolulu, Aug 23 (AP)—Describing the 51-day-old West Coast dock strike as having placed a 'stranglehold' on Hawaii, Mayor Frank F. Hasi declared a state of emergency in the city and county of Honolulu today."—NYT 24 Aug 71, 29:5

"Hawaii, which depends almost entirely for its food and other essentials on waterborne freight from the West Coast, cannot endure the strike much longer without incurring deep economic scars.

"Mrs. Julia Kintaro, interviewed in the poorer and more rural Nankuli section, said she had encountered some shortages and was paying about $5 a week more for food. But, she said, she would 'trust in God to provide.' "—NYT 30 Aug 71, 58:1–2

"DOCK STRIKE LAW URGED BY HODGSON

"He said that the 100-day strike affected exports valued at $1.4 billion that were either lost or diverted at great expense. The current strike, he said, is causing a cargo loss of $23.5 million a day at ports in California, Oregon and Washington."—NYT 27 Jan 72, 74:1

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I have already made my position on Senate bill 200 clear. I think the bill is good. It is a needed agency, and I do not concur with all of those who contend that this is another regulatory agency on top of all of the other regulatory agencies.

I think this is an agency that can and will, if it is enacted, enable the many other regulatory agencies that are already in existence to do a much better job.

We expect some of the regulatory agencies, if not all of them that are already in existence, to be the policeman, the judge, and the prosecutor.

They have to regulate or oversee the actions of the industries that they regulate. They deal with them on a day-to-day basis and then all of a sudden they are called upon to sit in a quasi-judicial capacity to set rates or to determine the cost or quantity of service.

I do not believe that it is fair either to the consumer or to the industry regulated to have an agency or group of commissioners sitting in such a capacity and at the same time be called upon to act as a prosecuting attorney.

A consumer advocate can render a real service in this area. I know it can because we did in North Carolina for many, many years.

I grant that in the beginning days of the program in our State, the industries were skeptical, they voiced their opposition. But as time went on, they found that when they appeared before the commissioner of insurance who had to determine the rate that they could charge or the coverage that they could include in their policies, that he began the hearings without any bias or without any prejudice, and as the companies presented their evidence to support their contentions the attorney general presented the public's point of view.

Thus, the insurance commissioner could render a decision based upon all of the facts as they had been marshaled by both the consumer advocate, that is, the attorney general, and the agency.

I envision the same sort of activity on the part of the consumer advocate that would be created under this bill. It is not, I repeat again, another regulatory agency on top of all of the other agencies that we now have. I saw one figure of 39 agencies.

It is an agency that will enable those which are existing to do their job better, to do it more effectively, and also, at the same time, to leave the impression with the industries that are regulated that they have had a fair hearing.

There is an old saying that it is not only important that a defendant or a person in court receive a fair trial or a fair hearing, but it is important that he feel he has had one.

I do fear that the exemption of any segment or large group of the public from the provisions of this bill can seriously jeopardize the effectiveness of it in the future. I envision very few occasions when the consumer advocate would ever become involved in a management-labor dispute, simply because usually in such cases management is ably and well represented and labor is ably and well represented. Their points of views are such that they conflict, they have contrasting ideas, and the adversary system works effectively. Nevertheless, there may be times when the consumer advocate could and should intervene in such hearings.

But more important, I think it is offensive to the business community, that is so vigorously opposed to the enactment of this bill, for us to exempt the management-labor disputes, whether they are right or not in their opposition. I have said to a good many of them with whom I have talked I think they are wrong in their opposition to the bill.

I have talked with labor leaders in North Carolina. They do not share the concern of some of those who have expressed the desire to exempt labor and management from the provisions of this bill. They see no harm that would come from it.

I believe they would prefer that I voted to exempt labor from it simply because that is the position of labor on the national level. Nevertheless, the labor leaders in North Carolina who were of so much help to me through the 6 years that I served as a consumer advocate are willing to support this bill with labor included.

For that reason, I hope that the Members of the Senate will adopt the Weicker amendment. I feel that if we do, we can then pass this bill. Should the President decide to veto it, I do not believe we will have any trouble sustaining our position. Otherwise, I fear that the pressure that will be brought by those who, I believe, fail to understand and comprehend the real importance of it may use the exemption of labor as well as the communications industry, which we have already granted an exemtpion to, as an instrument or a tool to ultimately defeat the bill.

I urge the adoption of the Weicker amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that the amendment at the desk, my amendment No. 342, be modified to read, on line 1, "on page 36, beginning with the comma on line 22," instead of "line 20," as it appears in the amendment.

I request this change because of the reintroduction of the exemption for the communications industry. It has now changed the bill so that it is necessary to ask for this technical modification.

The PRESIDING OFFICER (Mr. FANNIN). Is there objection?

Without objection, it is approved.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, while the distinguished manager of the bill (Mr. RIBICOFF) is on the floor, I wish to ask him a perfectly obvious question. Here we have a cloture vote scheduled for tomorrow on the Consumer Protection Act. That is to shut off debate. It is transparently clear, from the fact that we have spent as much time as we have this afternoon just sitting here, with the urgent business of the Nation pressing in on us, that even though this bill, S. 200, is the pending business in the Senate, apparently no Senators desire to debate its merits any further. Yet we have to have a cloture vote in order to shut off debate so that the Senate, for the second time in the history of this legislation, can have an up-and-down vote on the bill. I ask my distinguished colleague from Connecticut, the chairman of the Committee on Government Operations, if this does not seem a strange situation to him.

Mr. RIBICOFF. May I comment to my distinguished friend from Illinois, who has given so much of himself and whose contribution to this legislation has been exceeded by none, what we have is a measure that has been before us some 6 years. There has not been an argument made for or against this bill that the entire body does not know. It indicates that there is no longer any need to educate Congress, or especially, this body. We sit here today with an important amendment offered by my colleague from Connecticut, which is controversial; yet there has been great difficulty in getting Members either to come to the floor to listen to the arguments, or to participate in the debate. This goes to prove that the time has really come to vote this legislation up or down.

Naturally, I should like to have the Senate overwhelmingly pass this legislation. But for the sake of the Senate itself, I hope that we would exercise a responsibility for our constituency and for the country, to show that the Senate does come to a conclusion.

People do not have to vote on the same side that I am for, but they should be voting, up and down, for their own constituents.

They should let the people of their State know whether they favor or are against this legislation. It is obvious when we see what has been going on on the floor that what we have is really a filibuster.

I do want to pay respects to our distinguished colleague from Alabama (Mr. ALLEN), who has been opposed to this legislation consistently, in that he has been continuously on the floor, that he has held down the floor, either on his feet or in his seat, being here to answer questions from his side of the aisle. So in no way can I fault the distinguished Senator from Alabama, because he has been here all the time.

But this would indicate to me that when the time has come tomorrow to vote on cloture, I hope that 60 Senators, at least, will vote to cut off further debate and that if cloture is voted we will go on to finish this bill in the Senate once and for all, send it over to the House of Representatives, let the House act, and then, of course, if the House acts the same way the Senate has acted, go to conference. Then it goes to the President's desk for either his signature or his veto. But the time really has come to act once and for all, and I hope that even Senators who oppose this measure and oppose it strongly will also vote for cloture, to give the Senate and this country an opportunity once and for all to know where the 100 Members of the Senate stand on this bill.

Mr. PERCY. I would like to also ask my distinguished colleague from Connecticut whether he does not find it incongruous that some Senators have indicated that this measure is antibusiness, or have implied it is an antiproducer, when increasingly, day by day, some of the largest companies in America are coming out and supporting the legislation.

Today ARCO, Atlantic Richfield, the 18th largest corporation in the United States—a company that we are depending upon to open up and develop our oil fields in Alaska, among others—is advocating strong support through its president, T. F. Bradshaw, a very distinguished American industrialist, and highly respected for his progressive stands by his colleagues in the business community. Also Mobil Oil, the Nation's third largest oil company and the fifth largest industrial enterprise in the United States recently came out in favor of the Consumer Protection Agency, when it was stated by Rawleigh Warner, the chairman of the board, in a letter to me, "We do support the measure in its present form."

Many of the difficulties in the earlier

proposal have been cured, so that Senators who believe they are to be voting on identically the same legislation that they voted on before should do as the Senator from Tennessee (Mr. BROCK) has: work to improve and strengthen the measure, and then find cause for supporting it, as Senator BROCK did, not only by inserting into it a very significant cost-benefit amendment, but by voting favorably in the Government Operations Committee and becoming, now, a cosponsor of the legislation.

Is it not strange that some segments of the business community would oppose this legislation when Business Week, one of the most distinguished professional journals in the field of business, has editorialized that this legislation would strengthen the free enterprise system and be supportive of those businesses that conduct their business based on equity to the consumer, good service, and good quality product at reasonable prices?

Is it not strange that we still have opposition from segments of the business community, and from some Members of the Senate who interpret this as antibusiness, when what we have is legislation that is fairly balanced, proconsumer and probusiness—when business is being asked only to meet the standards that every reasonable businesman would expect to set in his own business?

Mr. RIBICOFF. The Senator is absolutely correct.

I would just like to list a few of the major businesses in this country, which are really household words, that endorse this legislation. I go down the list here.

There is Bantam Books. There is Connecticut General Life Insurance Co. of Hartford, Conn. There is Cummins Engine Co. of Columbus, Ind. There is the Dreyfus Corp. of New York. There is the Executive Life Insurance Co. of New York. There is the Maxwell Corp. of America. There is Monogram Industries of Los Angeles. There is Montgomery Ward of Chicago. There is the Polaroid Corp., Cambridge, Mass. There is Stride-Rite Shoes. There is Zenith, Inc. There is a chain that operates throughout New England and very heavily in the State of Connecticut, the Stop-and-Shop Co., headquartered in Boston, Mass. There are many more businesses which have reviewed and studied this legislation. As I talk to many of the executives of these companies, they feel that this would be a boon to business.

There are enterprises that are legitimate, that give the consumer value for every dollar spent and themselves are being plagued by the fly-by-night operators, those who would cut corners, who would do some cheating and fraud, and they have to compete with organizations such as that. To me what we are trying to do is to assure the consumer that there is an ombudsman—that there is someone who is vitally interested in his problem—to assure, in these days of recession and inflation, that for every dollar we spend we are getting a dollar's worth of value. I am sure that once this legislation is passed and becomes law, the opposition from most of the business community would be eliminated.

I point out, too, that by amendments placed in this legislation, we have exempted small businesses—about 95 percent of all business in this country, from the compulsory interrogatory power of the ACA.

This is a sound piece of legislation that is constructive, that all segments of the population and the business community can live with.

Mr. PERCY. I wonder also if my distinguished colleague would not agree that many times the regulatory agencies in our Federal Government are oblivious to consumer interests. Industries that they are supposed to regulate have found ways to unduly influence these agencies, to get their men in the regulatory agencies, to find ways to develop sweetheart relationships with them, you might say. Is it not wise that we have an ombudsman speaking for the consumer who can make certain that the regulatory agency fulfills the function that was designed by Congress initially?

Mr. RIBICOFF. It is not even that. I assume that the regulatory agencies feel they are doing their job and try to do their job. However, they are overworked. They have complicated problems before them constantly. There is no one to represent and put forth a consumer point of view. The businesses that come before these agencies awaiting some regulatory measure are businesses of substance, and rightfully so. They have the right to have their lawyers, their accountants, their economists, their auditors, their technicians to make a record; and we find that businesses of that caliber are represented in a ratio of about 100 to 1 in comparison to the consumer before regulatory agencies.

So there is no one speaking for the consumer. All we say is we should have someone with a voice for the consumer, to present the consumer's point of view for the record. I believe it will be very helpful to the regulatory agencies and, speaking frankly, and they would speak frankly, almost every ex-commissioner has so spoken, and they would welcome the other side of the coin in every rulemaking regulatory proceeding coming before them.

Mr. PERCY. One other point I would like to raise with my colleague, which we have really not discussed at all, and which might be aptly pointed out at this time.

I have noticed this year that the steam has gone out of the opposition to this legislation. When we first introduced this legislation, I said at the time on the floor that I had never been subjected to more misleading, erroneous and downright deceitful lobbying from certain segments of the business community.

We had lined up before us one day in a Senate hearing the heads of seven or eight companies, every one of whom had taken a position of opposition to this legislation.

Yet how had they done it? They have done it through the trade executives, the paid lobbyists for their particular industry.

When I asked those business leaders questions about the legislation, they said yes, they were against it, but none of them could answer any of the questions put to them. They were not familiar with it. They would have to turn to their counsel, the paid lobbyist, who earns his salary, and justifies his existence, by being professionally against this legislation.

I think a lot of those Washington lobbyists are going to be unhappy to see this legislation enacted into law principally because it takes away some of their life's work, for they have been making a profession out of fighting this particular piece of legislation.

What businessman today would dare come down and openly say that there is no need for this, when every day in the newspapers we see that one company or another company in some industry has set up a slush fund of millions of dollars to pay bribes to public officials, in this country or in some foreign companies, so that they can influence judgments on matters of especial interest.

Now, again I emphasize this is a very, very small minority of business, but it is a very small minority we want to get after.

When we enacted truth-in-lending legislation we were not really after the big lenders, who constitute 95 percent of the loaning capacity of this country. We were essentially after the loan sharks who charged 20, 30, 40, 50 percent interest in hidden charges. And we found, in the end, that many great companies came out and advocated and supported truth-in-lending legislation. Similarly, today, a great many businesses have found that this measure will be in the interest in the business community, by helping to restore faith in the business community and the free enterprise system.

Last, year, when we debated the ACA legislation before the National Press Club, Senator BUCKLEY—I must say I give him credit even though I disagree with him wholeheartedly on this issue, had the fortitude to stand up and fight for his position. Similarly, Senator ALLEN has always done so. But when we went to the business community and asked for a representative of the business community to engage in a debate on this issue—I was to debate Senator BUCKLEY and Peter Jones, the general counsel and vice president of Marcor was to debate some other representative of the business community—who stood up and was counted on this issue? In 10 days, not a single businessman in the United States of America could be found who would stand up and be counted against the bill, until they came up with a paid lobbyist, a lawyer in Washington, who has made his living fighting this.

I note also that one of the most highly financed, previously highly respected, business organizations put out an inch-thick folder against this bill without putting its name of it. The organization tried to hide its identity. Why? Why is it, if they are against something, they are not willing to stand up and debate it? Why do they oppose it covertly?

The businessmen who are for the ACA bill stand up and are counted, while all too many of the businessmen who are against it do so secretly and have their paid association lobbyists come forward and be their mouth, their voice, to undercut the bill and lobby covertly against it behind the scenes.

Mr. RIBICOFF. I would respond this way: I have always found, through long political experience, that it takes about 5 years for an idea to become accepted. The idea of the Consumer Protection Agency, now know as the Agency for Consumer Advocacy, when it first came forward did meet with widespread opposition. But even the businesses that first opposed it, when they got to know what was in the bill, became either advocates themselves or the steam has gone out of the opposition. I think we have learned a lot.

I note the distinguished Senator from Arizona in the Chair. A few months ago I viewed with great interest on CBS some television portrayals of extensive land frauds in the State of Arizona in which people from all over the country were being mulcted of their life's savings to buy real estate which was worthless land in Arizona amounting to millions upon millions of dollars.

I am sure that a consumer advocate would not only protect the innocent victims all over the United States who thought they were going to Arizona to warm themselves in the Sun during their declining years, but I think it would have been a great help to the many legitimate real estate developers in the State of Arizona.

I have visited Arionza many times. It is a beautiful State. It is a State that has had considerable orderly development, and I am positive that the overwhelming number of developers in Arizona are men of character and ability, giving a fair value for the price they charge for their lands and buildings.

But there came into Arizona a group of racketeers who were using the blue-sky laws, false advertising, false salesmanship, to go all over the country to cheat many, many thousands upon thousands of innocent people.

Now, who is going to talk for these innocent people, whether they are in Michigan, Illinois, Connecticut, Massachusetts, New York, or Minnesota who thought they were getting a piece of sunshine in the State of Arizona? There is no one. Thousands and thousands of people were cheated.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. RIBICOFF. I will be pleased to yield to the distinguished Senator from Kansas.

Mr. DOLE. I might say to both the distinguished Senator from Illinois and the Senator from Connecticut that I have yet to make up my mind on this legislation. I have a great interest in this legislation, but in that particular case just cited, I think the Federal Trade Commission performed its function in protecting consumers very well, at least by apprising the consumers of their interest. That is one concern I have with this bill, and not just concerning the FTC. What happens in those instances where the Federal agency charged with protecting the consumer interest makes a genuine effort? Are we creating some super agency that would, in effect, have total right of intervention if they disagreed with the FTC or some other Federal agency? Would they have the right to appeal? Who finally determines the interests of the consumer? Is it the agency that is established for that purpose, or is it this new ACA? That has disturbed the Senator from Kansas because I am in sympathy with the concept, but I would hope that we are not creating a super agency in this process.

Mr. PERCY. I would like to respond to the distinguished Senator.

First, I would like to say for the record how extremely helpful and important the Senator from Kansas has been on this legislation in the past. He has brought forward a compromise resembling the House-passed measure, large parts of which are embodied in S. 200 now. He has been a very key force and, I believe, certainly his own reelection, in which he received the support of a great many consumer agencies because of his leadership role, is testimony of the fact that his activities are well known. We certainly trust that he will be a strong advocate for the bill this year.

Mr. DOLE. President, if I might interrupt here, I am not certain I was elected because of that. But, in any case, it was not that very much of a margin, so you do not want to give anybody too much credit.

I would like the Senator to address that question because, as I read the report this morning, it seems to indicate that we might be creating a monster here that we will not be able to control, and I hope that is not the intention either of the principal sponsors of this legislation. And, if we are creating a super-agency, then we ought to devise some amendment that would preserve the intent of the Senator from Illinois, the Senator from Connecticut, and, I think, that of well-intentioned consumer groups not to destroy, impede, or burden the processes of effective government.

Mr. PERCY. On the particular point that the Senator from Kansas has raised, I think that an Agency for Consumer Advocacy would be the perfect agency to have done what should have been done much earlier in stimulating FTC and HUD to take action.

The whole problem in that particular case was that these agencies sat on the problem too long. There was no one really pushing them into doing something about it as there would be if we had an agency riding herd on it, expressing the concerns of the consumer, and urging the agency to take action.

ACA is not a superagency. It is a voice, a voice for the consumer who cannot be heard many times, other than through this mechanism.

The same is true with section 235 of the housing law. When we found infractions all over the country, without any national pattern having been developed, we had grand juries springing up in various States, bringing to court and bringing to the attention of the courts the fraud that was going on in that particular housing program.

If we had had an agency for consumer protection in place, it could have gone right to HUD, pointed out evidence of the pattern of fraud across the country, and caused HUD to take remedial action.

Mr. DOLE. Will the Senator yield?

I might ask, has the Senator the——

Mr. PERCY. I would like to mention just one other case that is very pertinent.

Mr. DOLE. I think in that case, the FTC disposed of the problem adequately. In the condominium cases there has been some difference of opinion between a court on the one hand, FTC on the other, and the result is that no action has been taken.

But my point is that if we have the ACA, can they, in effect, direct or mandate some action by another independent agency?

I know they rise to parity, but do they really rise above the other agencies?

This is the question I am asking.

Mr. RIBICOFF. Will the Senator yield?

Mr. PERCY. Well, this agency cannot mandate anything. It does not have the force of regulation, but what it can be is a voice.

Certainly, as we have seen in the hearings, where the Senator from Illinois has been pointing out for several years the abuses, the first line of recourse is to go back to the industry itself.

I am happy to indicate that the hearing aid industry last week announced that they now are about to reform their own industry with their own internal regulations. But it took someone to point out the abuses in that industry before action was forthcoming.

In the earlier example, the housing industry should have moved in, the real estate board should have moved in, homebuilders should have moved in, to get industry to correct the abuses rather than waiting for Government.

But there should be someone to bring the right regulatory agency into effect early enough before the abuse.

Mr. DOLE. Will the Senator yield?

Mr. PERCY. I am happy to yield the floor.

Mr. RIBICOFF. May I respond further?

This agency could not mandate, could not order, could not issue a regulation. All they are is a voice to intervene in a proceeding to make its position known. Section 2(b)(2) of S. 200 states:

> The authority of the Agency to carry out this purpose shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

Mr. BROCK. Will the Senator yield briefly at that point?

But in the event the ruling by any agency should be adverse in the opinion of ACA or the Administrator, then the Administrator would have the right to appeal notwithstanding no desire to appeal on the part of the agency who made the finding.

Mr. RIBICOFF. May I say, the agency's power to appeal would be no greater than the power of any other individual to appeal under the law.

Mr. BROCK. But I am suggesting——

Mr. RIBICOFF. The difference comes in, unfortunately, because 212 million people are not organized, they do not have the funds, they do not have the expertise, and they cannot carry an appeal through.

The agency would have the same right as a Mr. Nader, or John Jones, or Richard Smith. Their rights are no greater than an individual before a regulatory body of any kind.

Mr. BROCK. Will the Senator yield further?

If a regulatory body made a decision based on the evidence and based on the facts, and maybe unanimous or a split decision, maybe in the view of the Administrator, the ACA, was not in the interest of the consumer, then it is my understanding that notwithstanding unanimous opinion by the FCC, or CAB, or FTC, the ACA could appeal.

Mr. JAVITS. So could anyone else.

Mr. RIBICOFF. May I respond again, the Agency for Consumer Advocacy right would be no greater than the right of any other individual. Any individual could take an appeal. The Agency takes the same appeal.

It is no greater nor less than that of a private individual.

Mr. BROCK. If the Senator will yield, someone not a party to the administrative action would not have any right to appeal, but as I understand it, if the administrator of the ACA made a determination that the FTC, or CAB, or some other agency, made a finding even though unanimous that was not in the interest of the consumer, in their view, then the administrator could appeal that decision and, in effect, overrule and be superior to the judgment of the agency?

Mr. RIBICOFF. If the agency were a party they could take the appeal like any other individual. If they were not a party to the proceeding, they would then have to move to reopen the proceedings and go back to the agency for permission.

Mr. BROCK. Right, if they were a party.

Mr. RIBICOFF. If they were a party, they could take the appeal. If not a party, they would have to petition the agency for reconsideration.

Mr. BROCK. The bill so structured, they would, in essence, be a party in almost every instance.

Mr. RIBICOFF. No, they would not necessarily be a party because we are setting up an agency involving $15 million with perhaps 200 employees, and they are not going to be able to get involved in every proceeding before every regulatory agency.

But perforce, they are going to have to take the basic big issues that confront the country, whether it is an increase in telephone rates, an increase in the price of oil, FEA, CAB, big matters.

I would be disappointed if they are going to get involved with every proceeding before a regulatory agency, because they are not going to be that big.

In my opinion, they are going to take the matters that really affect the marketplace transactions involving the health, or economic health, of the country as a whole.

Mr. BROCK. I will just be one moment because I know the Senator from New York has questions.

The Senator from Kansas hopes sometime today or tomorrow to outline at least a few areas where I believe some improvements can be made in this legislation.

I think the Senator from Connecticut knows the Senator from Kansas did vote to end debate last year.

I think, as indicated earlier, the concept is good, but it does appear to me there have been certain changes made in S. 200 that, in effect, weaken the substance we were talking about last year just before we gave up on getting cloture.

Mr. RIBICOFF. May say this, the Senator from Kansas was very helpful last year—his contributions were great. The Senator's staff and the staff of the committee met today to work out the possibility of agreement between the Senator from Kansas and ourselves on some of these amendments.

I know we will have an opportunity to vote on the amendment of the Senator from Kansas. My plea at this time is that, for heaven's sake, the Senate ought to vote.

I would hope we would achieve cloture. We voted it up or down. After 5 years and several cloture votes, the time has come for the Senate to say if they are against this bill. The people who are against the bill should stand up and be counted. The people who are for the bill should stand up and be counted. What bothers me is that so many Senators against it hide behind the filibuster in order not to have their vote against the bill counted. If they are against it, why be afraid to tell their constituents that they are against it and it is no good? But what we are faced with is a filibuster with no opportunity for the respective States to know where the Senators stand on the bill. That is the key issue before the country at the present time. How do we vote on cloture tomorrow? We vote to pass it or disapprove it. Then it goes to the White House, after it goes through the House of Representatives, to the President. If the President vetoes it, another opportunity will come before the Senate, to see whether we can or cannot override it with two-thirds of the Senate voting. That is the issue at the present time.

The plea that I would make to the Senator from Kansas, who has always been forthright, who told his constituents last year how he stood, is that he would join us to vote cloture tomorrow and have an opportunity for his amendments. If the amendments are adopted and if he thinks the bill is good, vote for it. If the Senator from Kansas believes that the bill is bad, I would respect him just as much if he voted against it.

Mr. DOLE. If the Senator will yield, it occurs to the Senator from Kansas that from a realistic point of view, the real issue might not be cloture, but might be on sustaining or overriding the veto.

Mr. RIBICOFF. I cannot read the President's mind. I have read his statements with a great deal of chagrin. That could well be the real issue. We need 60 votes tomorrow. Down the line we may need 67.

Mr. DOLE. There are just a few areas that I believe might make it more attractive from the standpoint of a better legislative effort which I hope to discuss some time tomorrow with the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that after the distinguished Senator from Texas presents his remarks, the Senator from New York be recognized for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, the Senator from Connecticut has quite rightly called upon Members of this body to express themselves on this bill, whether or not they are for or against it.

I should like to say that I am very solidly against it and intend to vote against it. I do not conceive of anything right now that can be done to it that would improve it, which would persuade me to vote for it. I am convinced the majority of the American people do not want it. They are tired of so much Government bureaucracy. We have over 34 agencies now engaged in the business of consumer protection. If they are not doing their job, let us get on with the business of exercising the proper oversight over these agencies and passing whatever legislation is necessary to improve their efficiency and their purpose in trying to serve the general constituency in this country.

To me, the bill is a gigantic fraud, a cruel hoax, if we do not adopt the amendment offered by the distinguished Senator from Connecticut (Mr. WEICKER). The fact of the matter is that union activities impact adversely against the consumer in many instances—union work rules, featherbedding, contracts that are entered into with business organizations that add to the cost of doing business which is passed on to the consumer.

Let us take the case of swinging carcasses versus boxed meat. Here is a beautiful one. If you live in Chicago, Kansas City, Omaha, St. Louis, Houston, St. Paul, Denver, Milwaukee, Madison, Joplin, or Springfield, you cannot buy boxed meat that has been processed and packaged at the packing house perhaps in Texas or in Oklahoma, or someplace else, because the unions require that you send in swinging carcasses or they will not handle the meat.

That cost is passed on to the housewife.

Why is it we are so reluctant to take on the unions if we are talking about genuine consumer protection? I will tell you why. It is because of the great, vast political power of the unions.

We have been called on, and rightfully so, by the Senator from Connecticut to say whether we are for or against the bill. I think we should be called on to say whether or not we are for or against the consumer interest as opposed to the special interest of organized labor. That is going to take a little guts on the part of a lot of people around here.

Let me explain what I am talking about. We all know the difference between boxed meat and a swinging carcass. That is a swinging carcass is a whole side of beef as opposed to beef that has already been processed and packaged. Obviously, in a truck they can ship more beef which has been boxed and packaged than swinging carcasses. In some areas, labor union agreements prohibit the use of boxed meat. I have just cited the names of the cities. Or they require such restrictions as to make it not feasible. Any possible savings which could be realized by the consumer in the use of packaged beef is prevented by the labor agreements.

Here is an example: Let us take a 30,000-pound load. The transportation is $2.81 per hundred pounds. For swinging beef it is $3 per hundred pounds. Based upon shipments from Dakota City, Nebr. to Chicago, a savings of $282 per hundred head is realized when boxed cattle is used rather than swinging carcass. Furthermore, hanging beef requires a rail trailer fitted with meat rails, meat hooks and reinforced siding and roofs. Often they have to be washed up before reloading.

The boxed beef requires a box trailer needing none of the above apparatus or extra cleaning. These rail trailers weigh 2,000 pounds more than box trailers and cost $1,800 more. Processors can ship 85 head, packaged without rough cuts as opposed to 55 swinging carcasses in one trailer. It is more product, of course, for less money if packaged beef is used. Furthermore, hanging beef is exposed and subjected to shrinkage of about 1 to 1.5 percent. This would be minimized by packaged beef and vacuum packs. Hanging beef also perishes faster, in 7 to 10 days, as compared to boxed meat of 30 to 40 days.

I might point out, too, that there is an enormous savings in energy if you can ship boxed meat instead of being required to ship swinging carcasses.

But the housewife has to pay because the unions have decreed, and the question is: Is the U.S. Senate going to have guts enough to stand up to organized labor in the consumer interest?

I do not believe I need to point out to some of you from big urban areas that in some instances these unions are tied in with the racketeers or the Mafia. Yet we are paralyzed in our efforts to act against them, because of the political power of organized labor.

Are we genuinely in favor of the consumer in this county? If we are, let us abandon our blind fear of organized labor and get on with it. Let us include them in this bill. Of course, the reason we do not is that the self-appointed consumer advocates in this country have insisted on a bill contrary to what I conceive to be the majority interest and wishes of the American people, to set up a consumer czar that, at his own arbitrary whim and discretion, will determine what the consumer interest is in this country.

We have proceeded on that path, that we cannot offend organized labor. Some of the proponents of this bill have confessed that if organized labor is included the bill might be defeated, because they will work against it. That lets a very nasty cat out of the bag, indeed. That means we are for the consumer interest so long as it does not offend big labor in this country. If it becomes offensive to them, then, of course, we have to back away from it, even though the housewife is paying extra money for her meat in several major cities of this country because of these corrupt union rules, because we cannot ship boxed beef into these cities.

That is just one example. There is a legion of such examples. I think the Senate would be showing itself to be extremely hypocritical, indeed, if we failed to adopt the amendment offered by the Senator from Connecticut, who very courageously has submitted the amendment, who comes from a State where organized labor is powerful. He has done so very courageously. If we fail to adopt the amendment and then pass this bill, we have admitted to the rankest kind of hypocrisy.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I have been very desirous of saying a word about this amendment of Senator WEICKER's. The reason is that I am the ranking member of the Committee on Labor and Public Welfare and am deeply concerned with labor matters. I felt that I knew something about what we were shooting at.

The impression is abroad, most unfortunately, that the reason for the labor exemption is just to let labor off the hook, so to speak. Mr. President, that is entirely wrong. The reason for the labor exemption, which is narrowly confined to proceedings before the National Labor Relations Board, is that there is no impact directly on consumers in any of the proceedings of that board. It simply deals with collective bargaining rights between management and labor.

As a matter of fact, the Supreme Court of the United States has made it very clear that the board is not to get into the economic result to the public or the worker; and we, ourselves, leaving nothing to chance, have provided in the Taft-Hartley Act, for example, that "Nothing in this act shall be construed to authorize the Board to appoint individuals for the purposes of . . . economic analysis."

In Congress, we have followed studiously a course of noninterference with free give-and-take collective bargaining, and we stick to it, and that is why we have this exemption.

As to the Council on Wage and Price Stability, for example, the Agency for Consumer Advocacy fits in; and nothing from which we exempt them in this law changes that situation. The consumer agency can go into those proceedings.

Similarly, in other proceedings which involve labor in terms of wages and prices, commercial operations, and so forth, the consumer agency can act. The only thing we keep the consumer agency out of is the collective bargaining function, which the NLRB does not determine but regulates in terms of the honesty, good faith, and procedures which it undertakes. That is exactly the same with the national mediation and conciliation services.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. RIBICOFF. In the Senator's experience, which is outstanding in this field, is it not true that there is a 40-year history of labor law in Congress and the courts which indicates a continuous congressional intent to keep government out of the substance of management-labor relations?

Mr. JAVITS. To keep Government regulation out of it.

Mr. RIBICOFF. That is right.

Mr. JAVITS. Therefore, the consumer interest can be directed in many ways to affect wages. I just pointed out the obvious one of the Council on Wages and Price Stability; but not in the determination of the issue of negotiations, in which the board's duty only is to keep it fair. For example, even if we let the consumer agency in, it could not affect any decision of the board that determined that wages go up or down. They do not pass on that.

Mr. RIBICOFF. I believe the Senator was in Congress in 1947.

Mr. JAVITS. I was.

Mr. RIBICOFF. The Senator may recall that Senator Taft and Representative Hartley, in 1947, were so intent on assuring that the board would attend to the law and not economic consequences that they added section 4, which provided as follows:

> Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of . . . economic analysis.

Mr. JAVITS. I just read that into the RECORD.

Mr. RIBICOFF. This was followed up in the Supreme Court decision in which Mr. Justice Black, 5 years ago, speaking for the Supreme Court, in Porter against NLRB, stated:

> It is clear that the Board may not, either directly or indirectly, compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements . . . It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties.

The Supreme Court, 5 years ago, so declared.

If Congress is unhappy with the NLRB and labor-management negotiations, they should change the Labor Relations Act and not try to bring the consumer advocate in to try to change 40 years of congressional and court intent.

Mr. JAVITS. The only thing upon which there is an effort to tie into wages and prices is the so-called secondary boycott. But the courts have decided that secondary boycott cases relate solely to the pressure put on an employer with respect to collective bargaining, whether or not the law does or does not allow such pressure. They have nothing to do with the ultimate economic effect of a secondary boycott. It is neither illegal nor legal on that ground. Therefore, the Consumer Protection Agency could do nothing to affect that particular criterion of decision.

For all those reasons, Mr. President, I believe the exemption is entirely appropriate and that it should be permitted to remain.

Mr. WEICKER. Mr. President, as we draw to the hour of voting, I wish to make a few brief comments in closing on behalf of this amendment. It is an opportunity for the U.S. Senate to exercise leadership and to speak out for all the people of this country.

I do not believe that labor leadership speaks out for the rank and file of labor on the issue of consumerism, just as, indeed, I do not believe that the chamber of commerce speaks for the rank and file of business on the issue of consumerism. It falls to us, then, as U.S. Senators, to make sure that 212 million voices are heard, to make sure that when we pass legislation, it will be legislation for all Americans and not just for some Americans.

The statement has been made that everything has gone well with management and labor under the NLRB. That would certainly seem to be the case. On the other hand, that standard or that evaluation is applied by management and by labor. Who is to say that everything has gone well, if indeed, there were another person applying the criterion? Obviously, everything is going to change if there is a consumer advocate. Every institution, every agency, every action is going to be subject to his scrutiny, which, in effect, is the consumers' point of view.

That is all that this legislation does. Even those who are opposed to my amendment have repeatedly said that this is not to give the administrator powers which, in and of themselves, would overrule the decisions of other agencies, boards, and individuals. Rather, it is to present a point of view. Insofar as the substance of this legislation is concerned, this does nothing in any way to diminish the effectiveness of the administrator of the agency. Rather, it would enhance his effectiveness and thus, also, enhance the consumers' point of view.

Mr. DOLE. Will the Senator yield?

Mr. WEIKER. I shall yield in 1 minute.

The point I wish to make, aside from the substance of the legislation, is that the overriding issue is whether or not the U.S. Senate will start to pass legislation without exemptions. I was horrified when I heard from the proponents of the bill a moment ago that 90 percent of business is exempted under this legislation. Do we not see, that is the issue—whether it is business or whether it is labor, no matter what aspect of our life—the American people are tired of exemptions, of special exemptions.

[Applause from visitors gallery.]

Mr. WEICKER. One rule for all, one law for all, the good and the bad. Therefore, if it is bad, we will all seek to change it or, if it is good, we will all accept its benefits. To restore credibility is the other great legislative issue before us here today. We cannot say, "We hereby legislate the fact that Congress will, once again, have credibility in the eyes of the American people." We cannot do that. What we can do when legislation comes before us, is to act upon it so that we gain credibility.

So, aside from the substance of the legislation, consumerism definitely does not deserve exemptions being applied to any phase of our life—labor, business—I do not care what we have. Just as important is the reflection upon us as to whether we are, by our deeds, going to reestablish the integrity and the logic and the independence of the U.S. Senate and, therefore, the entire governmental process of this Nation.

I yield to answer a question.

Mr. DOLE. I know the time is about up. As I understand the primary purpose of the ACA, it is to represent the interests of consumers before the Federal agencies and courts. As a practical matter, if we adopt the amendment of the junior Senator from Connecticut, could he give me two or three examples of what impact this would have on consumers?

Mr. WEICKER. Well, it would make certain that in the course of negotiations and labor-management relations, arrangements were not being made between these two parties to the detriment of the consumer.

The Senator from Texas gave one example relative to meatpacking. We could probably go down a list of suggestions where the final contract arrived at was mutually agreeable and it benefited this particular business entity and it benefited this particular union. But what about the American people? Who is to say how they are being benefited?

So that is all. Every act of Government, not just the NLRB, but every agency action needs scrutiny. We do not mean to interfere with the contractual arrangements, but the final result—how will this affect the consumer? I think we all should know.

I think we have had a tremendous concentration of power in both business and labor, which has left the American people standing on the sidelines. I would like that to come out.

The PRESIDING OFFICER. The hour of 4:15 having arrived, pursuant to previous order, the Senate will proceed to vote.

Mr. STONE. Mr. President, may I make a unanimous-consent request?

The PRESIDING OFFICER. The Senator will state it.

Mr. STONE. I ask unanimous consent that my staff member, Pam Weller, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF H.R. 4975—AMENDMENT OF THE RAIL PASSENGER SERVICE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the measure, H.R. 4975, which was originally scheduled to come up immediately after the vote on the Weicker amendment today, be deferred until immediately after the vote on the motion to invoke cloture tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON WEICKER AMENDMENT AT 4:15 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, at the request of Mr. WEICKER, I ask unanimous consent that the vote on the amendment by Mr. WEICKER occur today at the hour of 4:15 p.m. instead of 4 p.m. as originally scheduled.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PEARSON TOMORROW, DESIGNATION OF PERIOD FOR ROUTINE MORNING BUSINESS, AND FOR CONSIDERATION OF S. 200

Mr. ROBERT C. BYRD. Mr. President, there will be no further rollcall votes after the disposition of the Weicker amendment today. I ask unanimous consent that on tomorrow, after WILLIAM L. SCOTT has completed his statement, Mr. PEARSON be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, with statements therein limited to 5 minutes each, such period not to exceed beyond the hour of 1 p.m.; and that at 1 p.m., the Senate resume consideration of the unfinished business, S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

INFLATIONARY ACA

Mr. GARN. Mr. President, serious inflationary problems are surfacing from the proposed Agency for Consumer Advocacy bill. At a time of increasing unemployment, coupled with heightened strike tensions, the proposed ACA bill exempts the ACA Administrator from intervening into National Labor Relations Board negotiations.

This labor exemption is clearly illusory in that the ACA Administration will have the power to investigate such matters as business cost-efficiency records. He will likely find what everybody already knows—that the greatest proportion of production costs, and therefore consumer prices, are paid for labor wages. Labor contracts undoubtedly will need to be investigated by the Administrator to determine worker efficiency and for possible job "featherbedding," which increases costs. Surely, the ACA will conclude that such labor matters are "an interest of consumers."

In an excellent review of the full inflationary impact of the ACA bill, Mr. E. Douglas Kenna, president of the National Association of Manufacturers, poignantly delineated how organized labor and consumers have already been hurt by higher prices and lost jobs resulting from previously ill-conceived and hastily imposed "consumer interest" regulations.

Congress must consider the inflationary impact of the ACA and Mr. Kenna's editorial provides background and information that we need to reflect on during our deliberations on S. 200. I am thankful for the business community's efforts to reveal this bill's true consequences to labor. If the leaders of organized labor give it equal consideration, I imagine we may be hearing from some of them who have second thoughts about supporting such an incredible new agency.

I request unanimous consent to have Mr. Kenna's editorial from NAM Reports be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Does the ACA Exempt Labor?

(By E. Douglas Kenna)

We who are close to the political games that are played in Washington have perhaps become hardened—but not too hardened, I hope—to the "compromise" philosophy practiced by members of Congress to win votes for their favorite ideas from one or another large voting segment of the American public. Laws are offered, amended or dropped with the single idea of satisfying important groups, which may be farmers, veterans, women, the aged, organized labor or others, including businessmen.

Nearly every bill passed reflects such pressures, and frequently better laws result. But there is a vote-getting game called "Labor and Consumers" that does not come under the category of simple "compromise." It is a classic example of abuse of the honest give-and-take usually required of members of Congress. The New York Times, one of organized labor's best friends, calls it "shortsighted of labor" and "politics at its most cynical."

The game is being played with a proposed new government agency, the Agency for Consumer Advocacy, a new name for last year's Consumer Protection Agency that Congress decided not to approve. Many people like the idea of "consumer protection" and don't look to see whom it hurts. Organized labor, however, should look closely, for it is going to be hurt.

If passed, the law will put in the hands of a single agency—with a one-man administrator—the power to intervene in practically every economic problem of the country. That means the ACA administrator would have the legal power to put himself into official proceedings, get into files, demand written answers to questions, use subpoenas and even sue other federal officers who disagree with him.

Basically, the main idea is that government agencies are not tough enough in their regulations, and the ACA administrator would be a sort of "bullyboy" roaming through government, browbeating other agencies into taking actions, or issuing regulations on everything from strip mining to TV licensing. This would mean the power to interfere in the operations of every kind of business and industry down to wholesalers and retailers and service shops.

As written, the bill would exempt only one segment of society from the ACA's reach—organized labor. The bill expressly prohibits the ACA administrator from intervening in the affairs of the National Labor Relations Board and other labor-management proceedings.

This was the famous "compromise" reached between backers of the bill and officials of the labor movement about a year ago. It was the "price" paid by the backers for the support of labor unions that once said publicly they didn't want the consumer agency "sticking its nose into labor affairs." They were right, of course. Such an agency shouldn't be permitted to enter the critical relationships between labor and management in any situation. Such an agency should not exist in the first place.

But, I have a question for labor: "Is labor really exempt from provisions of S. 200—the Consumer Protection Act of 1975?" And the answer cannot be anything but "no."

The "labor compromise" in the Consumer Protection Act of 1975 is an illusion. This is because government interference costs money. Businesses spend money to cope with federal regulations—getting licenses, changing rates, building non-productive equipment, getting out reports, doing paperwork, fighting lawsuits—pouring untold million of dollars into the work demanded by the bureaucracy in Washington.

All this has never worried many people—until lately. Then suddenly it was discovered that government interference and regulation over the years has been a prime cause of inflation, and unemployment, too. The public, including labor leaders, began to see that the money companies spend to obey federal regulations can't be spent on payrolls, or getting new business to give work to more people. The job-killing results of "too much government" were found on every hand.

Several convincing examples have come from one industry alone—the automobile business. To "protect" consumers, the government ordered seatbelts installed in all cars. The automakers complied, and it cost each car-buyer a few dollars. Then the government ordered a seatbelt-ignition interlock, so cars could not start without fastening the belt. That cost car-buyers $400 million in one year, or the price of 80,000 new cars at $5000 each! In terms of jobs, that's a year's work for 40,000 men and women earning $10,000 each!

Catalytic exhaust converters and stronger auto bumpers were next on the government list. One put sulfuric acid into the air and the other added over 100 pounds of metal to each car. Converters cost buyers more dollars in terms of manufacturing costs and bumpers lower gas mileage, too. The sums cannot be easily calculated but, all in all, government regulations added about $1000 to the price of automobiles.

Everybody knows the rest of the story. The American car-consumer stopped buying cars. Tremendous layoffs ripped the industry. For weeks there was total shutdown. And outside the auto plants there were other "lost jobs." Workers who supplied the tires, glass, steel, upholstery, radios, clocks from thousands of supplier plants also lost their paychecks.

We can go on from there into hundreds of communities, where the ripple of unemployment was felt. Around each plant is a neighborhood of repair shops, coffee shops, drug stores, drycleaners and other little businesses which were hurt. Again the cost was counted in terms of someone's sales, someone's jobs, someone's savings.

If the "big picture" sounds exaggerated, consider what happened to the Marlin Toy Products, Inc., in the farm town of 3356 people in Horicon, Wis. Some two years ago, this little business employed 85 people, mostly women, making toy balls for children. Then the newly-created Consumer Product Safety Commission made a "mistake." It accidentally put the toys on a "banned" list. It was nine months—with no apology from the federal agency—before a new list was printed. By that time, however, the damage was done. Sales dropped from $1,700,000 to $750,000. All but 30 people were laid off and were making other products, not toys. The town watched, stunned.

The toy case was a bureaucratic "mistake"—but every day the same bureau issues orders and regulations that add to the cost of producing products by companies of all sizes. Always, the costs are translated in the pricetag the consumer pays in the store, or if not, in reduced funds that are available to meet the payrolls.

In Washington, Congress now appears on the verge of passing the bizarre Agency For Consumer Advocacy with hundreds of new federal employees exhorting other federal bureaus to greater efforts, and to developing new laws and regulations for the economy.

It will be passed by a majority of the senators and representatives who believe it has the blessing of organized labor leaders who, in turn, believe they are exempt from it. All should be told the job-killing truth.

If I were an executive of a manufacturing corporation, as I have been, and understood the facts as I know them today, I would do my employees a favor. I would go to local union officials—or to a national union president—with the information presented here. I would say, and I recommend that our NAM members say, something like this:

"Yes, you have succeeded in exempting labor matters from the immediate impact of a consumer agency. But you cannot exempt your union, or your members as individuals, from its ultimate impact on the wages you earn, or the prices you pay, or the unemployment you suffer.

"If you are concerned about the security of your job, and the jobs of your friends, then look behind this idea for a new consumer agency.

"As a union officer, you have the attention of Congress. You proved that by getting a meaningless exemption into the bill. Write to your senators, and your representatives, and tell them you and your union want no more job-killing bureaucracies.

"Tell them you do not favor a federal agency with the legal power to put your company in the same condition as either a giant auto company or a tiny toy factory.

"Tell them you do not favor a federal agency that will add $1 or $1000 more to the price you pay for kitchen gadgets, or workshoes or family cars.

"Tell them you do not favor a federal agency that will force you to have a lock or buzzer on your car or any other article you do not want, and make you pay for it.

"Let them know that you do not want another federal agency created for the specific purpose of increasing government regulations and harassing your company into spending money on paperwork and lawsuits that might go into your paycheck.

"Say that your union does not want to pay more taxes for a new consumer agency—on top of some 80 other consumer agencies—that will spend another $60 million in the next three years, and will expand manyfold in the years ahead.

"Finally, you may want to tell them you don't really believe your union will be 'exempt' very long. Experience tells us that the backers will decide in a year or two that 'labor costs' are so important to 'consumers' that labor should be included after all."

All this, I realize, appears as something of a challenge to members of our Association. It should not be. My belief is that both local and national union officers, and the rank-and-file who may not be organized, are men and women who understand practical economics better than politicians and bureaucrats in Washington. They are closer to the problem—they see the money being spent, and the cost of regulation.

They will understand, too, the difference between honest "compromise" and a "deal" to win their union vote on a promise that cannot be fulfilled. They also know you, as a businessman, better than they know Washington politicians or bureaucrats, and my guess is they will believe you first.

75 PERCENT OPPOSE ACA, SURVEY SHOWS

American consumers, by a 75 per cent majority, are opposed to the creation of a new, independent consumer agency within the federal government, according to a nationwide survey of public attitudes released by Opinion Research Corporation.

Public opposition to the proposed agency spreads throughout all geographic areas and major population groupings.

The survey found that 13 per cent of consumers would support efforts under way in Congress to enact legislation establishing the Agency for Consumer Advocacy, which proponents of the bill say will give the consumer a larger voice in helping shape government decisions. In addition more than half of 13 per cent who initially favored such an agency withdrew their support rather than have the government spend $60 million to set up and operate it for the first three years. The bill (S. 200), now under consideration in the Senate, provides $60 million to set up and operate the new agency over the first three years.

A total of 12 per cent of the public had no opinion on whether a new agency should be established.

Opinion Research Corporation of Princeton, N.J, conducted the survey, which was sponsored by the Business Roundtable. A total of 2038 people of voting age were interviewed in their homes between Jan. 10 and Feb. 3. All sections of the country and all population groups were represented.

The survey found that the public is generally satisfied with the consumer protection efforts of existing government agencies. Almost 80 per cent of consumers feel they are being treated fairly by the government.

Asked about present federal agencies in the consumer field, 63 per cent of those surveyed had heard of the Office of Consumer Affairs and more than half of these respondents felt it is doing an effective job.

A total of 50 per cent of the public said they have heard about the Consumer Product Safety Commission, established in 1973; and about three fourths rated this agency as effective. Some 75 per cent of the public had heard of the Environmental Protection Agency, with almost half giving it an effective rating.

Given a choice between creating a new consumer agency or taking the steps necessary to make existing consumer agencies more effective, the respondents strongly favored improving the present agencies by a margin of 75 per cent to 13 per cent.

A clear majority of the public feels it is generally being treated fairly by business, according to the opinion poll. The survey found that 27 per cent of consumers believe they are "almost always" dealt with fairly by business, while an additional 59 per cent feel they are "usually" treated fairly. Thirteen per cent of the public said they have been treated unfairly.

In cases in which consumers have been dissatisfied with some product or service, the survey showed that they believe the best places to go in order to get something done about it are the "person who sold it to them in the first place," the Better Business Bureau, and the company that made the product or furnished the service. Eight per cent of the total public look to the federal consumer agencies to correct unfair treatment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Arkansas (Mr. Bumpers), the Senator from Iowa (Mr. Culver), the Senator from Indiana (Mr. Hartke), the Senator from Louisiana (Mr. Johnson), the Senator from Louisiana (Mr. Long), and the Senator from South Dakota (Mr. McGovern) are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana (Mr. Johnston) and the Senator from Indiana (Mr. Bayh) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) and the Senator from Oregon (Mr. Packwood) are necessarily absent.

I further announce that the Senator from Nevada (Mr. Laxalt) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. Packwood) would vote "nay."

The result was announced—yeas 37, nays 51, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—37

Allen
Bartlett
Beall
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
McClellan
McClure
Morgan
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Stone
Taft
Thurmond
Tower
Weicker
Young

NAYS—51

Abourezk
Baker
Bentsen
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Talmadge
Tunney
Williams

NOT VOTING—11

Bayh
Bellmon
Biden
Bumpers
Culver
Hartke
Johnston
Laxalt
Long
McGovern
Packwood

So Mr. Weicker's amendment, as modified, was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment, as modified, was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator will suspend. May we have order, please. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

Mr. MATHIAS. Mr. President, in my judgment the Senate will be afforded the long denied opportunity to vote on final passage of a Consumer Protection Agency bill. I welcome this result.

Last week, I received a letter from Ms. Carol Foreman and Ms. Joan Claybrook who are associated with the Consumer Federation of America and Congress Watch respectively. I believe that some of the points they raise in support of S. 200 as well as a memorandum which they enclosed concerning the labor-management provision in the bill might serve to further enlighten the Senate on these subjects.

I, therefore, ask unanimous consent that the letter and attached memorandum be printed in the Record.

There being no objection, the letter and memorandum were ordered to be printed in the Record, as follows:

May 2, 1975.

Hon. Charles Mathias,
U.S. Senate,
Washington, D.C.

Dear Senator Mathias: We are writing on behalf of a coalition of more than 100 consumer, farm, senior citizen, religious, and community groups, labor unions and state officials to urge you to support the consumer protection agency bill, S. 200 when it comes to a vote on the Senate floor. We urge you to oppose any efforts to weaken the bill through crippling, amendments, to oppose a filibuster which would delay consideration of the bill, and in the event the President vetoes the bills, to vote to override the veto.

Constituents are likely to ask, "How did you stand?" on no more than a dozen issues. Consumer protection is one of those issues because it deals with health, safety, and the value of the peoples' spending power. The pending Agency for Consumer Advocacy (ACA) bill, S. 200, now being debated by the Senate, contains and symbolizes that issue. It also reflects a deep need, documented by hundreds of Congressional committee hearings and reports since 1966, for the Congress to respond effectively to the repeated outrages of marketplace abuses and the sluggish, often industry-indentured performance of federal agencies and departments.

There is scarcely a major business interest group which does not have an agency or department expressly designed to promote, subsidize or advocate its dollars of annual budget. Consumers are increasingly at the mercy of this joint government-business power interlock, and it is manifestly unfair to continue to deprive consumers of a small advocates' voice within the Executive branch. It is more than unfair; it is dangerous to our economic system to so imbalance the powers against the consumer whose confidence in industry and government must no longer be eroded.

Legislation to create a nonregulatory consumer advocate in the federal government has been discussed and debated by both Houses of Congress for six years. In 1970 the Senate passed Consumer Protection Agency (CPA) legislation, 74–4, but that legislation did not reach the House floor after a tie vote blocked it in the House Rules Committee. In 1972; after the House passed CPA legislation, the Senate version was never voted on when supporters failed by only three votes to achieve cloture. In 1974 the House passed

CPA by an overwhelming 3 to 1 margin, but it was stopped once again by a Senate filibuster when in an unusual fourth cloture vote, one Senator switched and supported the filibuster.

This is the fourth Senate debate on this bill. Yet, as opponents of S. 200 have made clear, they again will attempt to block passage of the consumer protection agency legislation. We believe that the issues have been thoroughly aired both in extensive hearings which document regulatory abuses and on the floor of the Senate. The bill has been voted out of the Government Operations Committee by an 11–1 vote margin. The time has come to bring the bill to a vote on the Senate floor.

ACA would give consumers a fighting chance in the regulatory process where hundreds of crucial decisions directly affecting our health, safety and economic well-being are made each year. Although Congress has passed important consumer protection laws in recent years, the consumer is often given short shrift in the day-to-day administration of these laws.

What ACA would provide for consumers—and what the Chamber of Commerce, the National Association of Manufacturers, the National Association of Food Chains, and several major corporations would deny us—is a chance to effectively monitor the regulatory agencies on a regular basis so that the consumers' case can be presented to these agencies at the appropriate time. The powerful business interests which oppose extending these capabilities to consumers have themselves long enjoyed them on a much more massive scale. The ACA bill, however, is not "anti-business" legislation. A number of major businesses including Mobil Oil Company, Montgomery Ward, Zenith and Stop and Shop have endorsed S. 200.

Consumers want corporations to obey consumer protection laws and for administrative agencies to strictly enforce them, without favoritism. No one can doubt that consumers want high quality goods at the lowest fair price, or that consumers want to avoid unnecessary hazards in the marketplace. No one can doubt that the politically corrupt milk fund and the decision to sell wheat to the Russians at a ridiculously low price were detrimental to consumers. Having no decision-making power, the ACA is uniquely able to advocate the multiple interests of consumers in those situations where the consumer is not already represented, leaving to the regulatory agency the task of striking a balance in the public interest among these and other views. The public interest can emerge only from an honest confrontation between differing interests presented with equal force. ACA's mission is to insure that these decisionmakers have all the consumer-related facts in front of them before this balance is struck.

In the wake of Watergate, a hallmark of which has been abuse of the regulatory process by the wealthy and influential, the time has never been more appropriate for creation of a consumer advocate. The ACA would breathe fresh air into the regulatory process, opening the closed door behind which are made many of the arbitrary, unsubstantiated decisions for which consumers have paid and paid and paid. The ACA will work to make relevant government decisions on the record, supported cogently by facts and law, instead of "political" consideration which are contrary to both.

This is a vote which the memberships of the organizations listed below will long remember. Six years of debate is long enough. We urge you to cast your vote for cloture.

If you have any questions which you would like answered about S. 200 in greater detail. contact Joan Claybrook (546–4996) or Carol T. Foreman (737–3732). There have been deliberate misrepresentations about the ACA and we stand ready to refute them as well as supply you with case studies and examples of the clear and present necessity for the ACA to be enacted.

Sincerely,

CAROL FOREMAN,
Consumer Federation of America.
JOHN CLAYBROOK,
Congress Watch.

P.S.—An attempt will be made on the Senate floor to repeal the labor-management provision of the bill. We support inclusion of this provision because it clarifies the existing provisions in the bill, as explained in the enclosed memorandum.

THE AGENCY FOR CONSUMER ADVOCACY AND LABOR-MANAGEMENT RELATIONS

One provision in the consumer agency bill, S. 200, which has attracted considerable attention and debate states that the ACA shall not, *inter alia*, intervene in labor-management disputes before the National Labor Relations Board (NLRB), and its sister agency, the National Mediation and Conciliation Service (NMCS). It is argued that a consumer advocate should be able to participate in federal agency activities involving labor as it will before those regulating business inasmuch as wages contribute significantly to the ultimate cost of consumer products. The purpose of this memorandum is to show that under the basic definition of "interests of consumers" in S. 200 and under the scope of the NLRB and NMCS authority, the consumer advocate would be powerless to affect the terms of labor contracts.

It is important initially to stress that the limitation under discussion is not an exemption of organized labor. To the contrary, unions that intervene directly in the product and service market are as much subject to S. 200 as any other person.

During the last forty years it has been acknowledged that labor-management bargaining could not work effectively unless the parties were left to negotiate without outside interference. The labor laws in this country have accordingly been extensively and carefully nurtured over the years to accommodate this reality. Thus, the NLRB and the NMCS—the only two agencies which brush the bargaining process—may not determine or dictate in any way, shape or form the parties' demands or the terms of their settlement.

The NLRB was created to protect employees' rights to select bargaining representatives without management interference and to bargain collectively. Beyond that, the NLRB does not have the authority to affect the actual outcome of the bargaining process. Indeed, the Supreme Court just five years ago expressly held that the Board may not intervene in that process or dictate any of the substantive terms (including the economic impact on consumers) of collective bargaining agreements. Justice Black, speaking for the Court in *Porter* v. *NLRB*, 397 U.S 99, 106, 107–108, had this to say about the Board's role:

"It is clear that the Board may not, either directly or indirectly compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements * * * and that Sec. 8(d) [in particular] was an attempt by Congress to prevent the Board from controlling the settling of the terms of collective bargaining agreements. * * * It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties."

Since Congress has determined that the Board is not to assess the "substantive terms of collective bargaining agreement", it would be mischievous to empower the ACA to intervene before the Board to argue issues which are outside the scope of the Board's jurisdiction.

Thus, while there can be no doubt that the activities of unions in representing the interests of their members—the working men and women of this nation—do from time to time "impede the flow of goods in interstate commerce" or temporarily "impair the operations of an instrumentality of commerce", as found by the Congress in section 1 of the National Labor Relations Act (29 U.S.C. 151), the purpose of the Congress there was not to confer responsibility or authority upon the NLRB to evaluate economic considerations of labor-management controversies as has been suggested by certain opponents of the ACA. In fact, any casual student of the legislative process readily recognizes that this language was inserted in the National Labor Relations Act as a means of bringing it within the scope of the interestate commerce clause of the United States Constitution. Moreover, even a summary examination of the history of that Act reveals that the Congress hoped to reduce the number and frequency of the many long, bitter and often violent strikes which characterized the times as a result of total employer recalcitrance to the very notion of collective bargaining. Indeed, this goal has been largely obtained by guaranteeing employees the right to organize, to strike, if need be, and to select representatives with whom employers must bargain collectively.

Another misconception advanced by some opponents of the ACA is that the NLRB is authorized, and does regularly consider, many other public interest objectives such as the safety and general welfare of the population at large when resolving various disputes arising under the National Labor Relations Act. Were this the case, then ACA intervention in NLRB proceedings might be appropriate to present such considerations. In fact, however, the Board is charged with responsibility under its Act for protecting employees' rights, including the right to strike, regardless of the consequences unless the strike is directed against a neutral or secondary employer.

In order to provide relief to the general public in emergencies when a strike might threaten the public health, safety or welfare, the Congress conferred authority upon the President to impose what are commonly called Taft-Hartley injunctions. 29 U.S.C. §§ 176 et seq. By exempting the NLRB from the ACA, the Congress would hardly be prohibiting that agency from calling upon the President to issue such an injunction. The important point is quite simply that the NLRB is not empowered to consider the effects of its actions upon the general consuming public.

Those who argue that the ACA should be entitled to participate in proceedings before the NLRB argue that cases arising under Section 8(b)(4) and (e) of the National Labor Relations Act can have a substantial impact on consumers. The provisions in question prohibit union activities, including strikes, which are directed at neutral, or secondary employers, as a tool for obtaining a favorable settlement of a dispute with a primary employer whose employees the union actually represents. An illustration of this type of proscribed activity, which has in fact been cited repeatedly by opponents of the labor-management provision, is where a union is seeking to preserve work for its members and is striking to prevent an employer from purchasing prefabricated materials from an entirely neutral company.

In *Woodwork Mfgrs. Ass'n.*, 1. NLRB, 386 U.S. 612 (1967), the Supreme Court was presented with the issue whether a strike by carpenters to protest their employer's decision to purchase prefabricated doors, instead of permitting them to cut the doors themselves, was a prohibited secondary union activity. In affirming an NLRB finding that in the circumstances of the case Sections 8(b)(4) and 8(e) had not been violated, the Court made it clear that these provisions were "limited to protecting employers in the position of neutrals between contending parties" and that the NLRB's task was not to weigh the economic effects, but rather to determine whether the strike was really directed toward the striking employees" own employer (*viz.*, a "primary strike" protected by Sections 7 and 13), or toward another "neutral" employer (*viz.*, a "secondary" strike prohibited by Section 8(b)(4) and (e)). See 386 U.S. at 625, 645–646.

As to the relevance of economic considerations in arriving at this determination, the Supreme Court stressed:

"The Woodwork Manufacturers Association and amici who support its position advances several reasons, grounded in economic and technological factors, why [work preservation strikes] should be invalid in all circumstances. Those arguments are addressed to the wrong branch of government. It may be that the time has come for a reevaluation of the basic content of collective bargaining as contemplated by the federal legislation. But that is for Congress. Congress has demonstrated its capacity to adjust the Nation's labor legislation to what, in its legislative judgment, constitutes the statutory pattern appropriate to the developing state of labor relations in the country. Major revisions of the basic statute were enacted in 1947 and 1959. To be sure, then, Congress might be of opinion that greater stress should be put on . . . eliminating more and more economic weapons from the . . . [Union's] grasp. . . . But Congress' policy has not yet moved to this point. . . . *Labor Board* v. *Insurance Agents' International Union*, 361 U.S. 477, 500." (386 U.S. at 644.)

In light of the foregoing, should there still be any lingering doubt about the Supreme Court's command to the NLRB to refrain from taking into consideration the economic and other peripheral consequences of its decisions which are to be based solely upon the legal criteria set forth in the National Labor Relations Act, then an analysis of Section 4 will surely remove that doubt. From the date of its creation in 1935 through 1940, the NLRB utilized the services of an internal organization known as the Division of Economic Research which prepared economic data for use by the Board when resolving cases arising under this Act. When the Congress learned of this fact in 1940, it specifically abolished the Division. (See S. Min. Rep. No. 105, pt. 2, 80th Cong., 1st Sess., p. 33). But in 1947 Senator Taft and Congressman Hartley were so intent on assuring that the Board would attend to the law, and not to potential economic consequences, that they added to Section 4 the proviso that "Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of * * * economic analysis." The point that under our present national labor policy the ACA has no place in NLRB or NMCS proceedings could not be more forcefully put.

Similarly, there is no role for the ACA to serve before the National Mediation and Conciliation Service which was created simply to offer mediation services to parties in labor disputes to help them resolve their disagreements peacefully. It has no regulatory functions. The NMCS cannot impose its services upon unwilling parties nor dictate the outcome of negotiations where their services have not been solicited.

Historically, the Congress has studiously followed a course of non-interference with free, give-and-take collective bargaining and has sought only to create and preserve the delicate balance between organized labor and business management. While some people may believe that the time has come to readjust this balance, the place to do so is not in the consumer agency bill. Any legislative tinkering with the collective bargaining process or the potential economic strength of the respective parties will require a thorough analysis of all labor laws and the amendment of many of their provisions. The relative state of labor peace we have achieved in this country by allowing two evenly matched, albeit economically powerful, parties to engage in unencumbered negotiations is not to be so cavalierly discarded.

Should a decision to readjust this delicate balance and to encourage consumer intervention be made, the Congress would have to give consumers the tools needed to effectively participate in labor-management negotiations, including a distinct group of expert personnel, subpoena power, and full rights of participation.

A consumer representative could not intelligently assess union demands, nor effectively advocate a position of restraint without first making an extensive inquiry into productivity, an important correlative factor in the consumer price function. The consumer representative would accordingly have to be able to secure from management extensive information dealing with such zealously guarded matters as profits on various lines of products, decisions relating to the type, cost and supply of raw materials, the design or composition of products, the design of assembly lines and allocation of the labor force, the availability of more advanced or efficient machinery, plant locations etc. As Mr. Lloyd T. Williams, Assistant General Counsel for Automotive Distribution, Ford Motor Company, said in the 1973 House hearings on the consumer agency bill, intervention by consumers in labor-management negotiations would be costly to the parties. It is apparent few legislators are now prepared to insert consumer interests into the midst of labor-management negotiations on a full partnership basis.

The case for the creation of the independent Agency for Consumer Advocacy proposed in S. 200 and for arming it with the painstakingly delineated powers stated in Sections 4, 5, and 6 has been so strongly made that some opponents of the bill, bereft of arguments on the merits, have resorted to fabrication of a superficially appealing issue. Their public posture against the labor-management relations provision is billed as advocacy of equal treatment of business and labor and opposition to an exemption for a powerful special interest group. The hypocrisy of these new converts to strengthening the ACA's powers with authority to intervene in labor-management activities is made evident by their simultaneous opposition to removal of Section 10(a)(4) which exempts over 90% of all businesses from the duty to provide information to the ACA. The so-called "labor exemption" smokescreen is another creation designed to confuse many well-intended members of Congress who as a matter of principle do not favor special exceptions in legislation.

Mr. STEVENS. Mr. President, it is with great reluctance that I have opposed enactment of S. 200 as presently drafted. For reasons which are peculiar to Alaska and which I shall enumerate hereafter, I find myself forced to conclude that creation of an Agency for Consumer Advocacy would be directly contradictory to the most fundamental interests of Alaska, and therefore must be resisted.

As my colleagues know, Alaska is a State blessed with a great bounty of natural resources—resources which in the years to come may make the 49th State a focal point in the achievements of our national goal of energy and mineral self-sufficiency.

Sensible development of these resources in an efficient, expeditious, and environmentally sound fashion has become one of the goals of Alaska's citizens. Indeed, the future economic viability of our State and the Nation is dependent upon our sensible, but aggressive, use of these resources.

We in Alaska are confident that the necessary technical and scientific skills to accomplish this monumental job are currently available. We are sure that North Slope oil can be tapped and safely transported over a trans-Alaska pipeline to the benefit of all citizens of this Nation and with only negligible environmental impact. In fact, we are now engaged in that great undertaking as we all know.

How we got this far is a difficult story to tell, but one that bears some repeating here for the lessons it can teach us as we consider this legislation.

Those of you whose privilege it has been to visit our State know that there are few if any areas of the globe which can match it for natural and untainted beauty. The heavy hand of industrial pollution and the ravages of urbanization have not yet touched Alaska, and Alaskans are proud of that fact.

We take a back seat to no American in our dedication to maintaining the purity of our landscape.

Yet we will not allow that concern to prohibit the economic development of our State in a way which will guarantee Alaska's citizens the same standard of living that other Americans now have.

What we propose to do, and what we are doing, is to balance these often conflicting interests so that the best of both may be achieved with minimal adverse impact on either. We believe that the trans-Alaska pipeline case is an ideal example of this "Alaskan solution" and we are proud that we have been able to provide national leadership in this area.

Because environmental protection has always been a cornerstone of Alaskan life we did not oppose enactment of the National Environmental Policy Act and the creation of the Environmental Protection Agency. Both the act and the Agency have provided us with a high standard of conduct by which we can assess our own environmental protection efforts. Make no mistake about it, they have not made our lives any easier, but they will make our lives and the lives of our children better in the long run.

This brings me to the reason why I feel compelled to register my strong objection to the legislation now before us. I believe, based on a considerable amount of study of the hearing records and background of S. 200 and its predecessor S. 707, that the enactment of this type of legislation will jeopardize the significant environmental and economic achievements which Alaskans have made over the years.

S. 200 proposes to create an agency which would be empowered to intervene and participate in every formal or informal action of the Federal Government where an interest of consumers is thought to exist. More than that, the Agency for Consumer Advocacy is given the extraordinary authority to employ interrogatories, use host agency subpena power and appeal Federal agency decisions to the courts.

Now, these powers would perhaps be tolerable were it not for the fact that the bill's proponents have refused to consumer advocate to a jurisdiction clearly related to consumer concerns. Rather they have said that virtually anything may be considered an interest of consumers and thereby have created an agency without bounds.

There can be little question that the framers of this legislation long ago wanted a consumer advocate who could become deeply involved in environmental issues.

I would urge you to pay particular attention to a comment made by Lee C. White, Chairman of the Energy Policy Task Force of the Consumer Federation of America. Mr. White, who was formerly the Chairman of the Federal Power Commission, said the following on March 27, 1973, during Senate committee hearings on this bill's predecessor, S. 707.

> I think it is possible for consumer groups and for environmental groups to be in total disagreement on whether it (the pipeline) ought to come down through Alaska or whether it ought to come down through Canada, or whether it should come down at all.
>
> It seems to me in those circumstances that it is possible that the consumer advocate can be very useful and very helpful to the Government in assigning different teams to be advocates within the same proceeding and through as much light and information and analysis and argumentation into the process as is possible.—Lee C. White, Chairman of the Energy Policy Task Force of the Consumer Federation of America, Hearings Transcript, p. 362.

The conclusion I necessarily draw from this testimony, and from the fact that the Environmental Protection Agency is clearly covered by S. 200 as an agency over which the ACA will have jurisdiction, is that we are being asked to create yet another layer of bureaucracy to complicate and compound the administration of Federal environmental legislation. This I am unwilling to do, and my reasons are several.

First, anyone who has dealt with the EPA knows there is little cause to fear that it is not doing the job Congress gave it. In fact, many of my colleagues frequently seem to think it is doing too good a job. Certainly in this complex and delicate public interest area over which it has jurisdiction, the EPA does not need badgering by another agency concerned only with the consumer interest.

I must confess that I do not regard S. 200 as a simple little bill which will cause a few ripples. I am mindful of a recent comment of Judge Henry J. Friendly, chief judge of the U.S. Court of Appeals for the Second Circuit, which is referred to in the minority views in S. 707. In commenting on the problems raised by certain "simple" provisions of the National Environmental Policy Act he states:

> One must wonder whether the framers of the seemingly simple formulation (in NEPA) that any Federal Agency which proposes any action that "would have a significant effect upon the quality of the human environment" must prepare an impact statement, could have remotely conceived the volume of litigation it would spawn. In practical effect it has come to mean a conceivable effect on the environment will become the subject of a suit, whether successful or not.

NEPA-generated litigation will not even hold a candle to the volume of litigation which an ACA can be expected to create. Remember, one of the ACA's main purposes is to litigate the decisions of other agencies.

The only result of all this for Alaskans is delay and disruption of Federal decisionmaking processes upon which so much of our State's future depends, and I, for one, am not willing to wager that future on an untried and unprecedented legislative experiment.

This is not an idle fear when one studies the above-mentioned testimony and reads the news releases and the compilation of voting records of some of the consumer associations. In the 1973 voting record compilation of the Consumer Federation of America, 13 votes were identified as key rollcall votes on consumer issues for the first session of the 93d Congress. Three of these votes concerned amendments to S. 1081, the bill to authorize construction of the Alaska pipeline. While at least two of these votes were concerned with issues of importance to consumers, I was seriously troubled by a third vote flagged as a key consumer vote. This concerned an amendment to delay authorization of the trans-Alaska pipeline pending further study of the Canadian alternative. The Consumer Federation states that:

> (a) yes vote is a right vote for consumers.

The vote for a further delay in construction of the pipeline, in my opinion, if anything, was an anticonsumer vote because of the delay which would have been caused in the delivery of new oil to the American consumer.

The vote on the Canadian route versus the Alaskan route, in my opinion, was not a consumer issue. I am afraid that unless the language in S. 200 is amended, the concepts of environmental protection and consumer protection will become blurred with the average American coming out the loser. With the debate regarding the routing of the gas pipeline now going on as well as the unique position Alaska now finds itself in relation to the sensible development of its natural resources, I must insist upon the following amendments before I can support S. 200.

My first amendment would limit the authority of the ACA in the following areas:

First, it is necessary to exempt the routing of the Alaskan pipeline. I must insist that the Agency for Consumer Advocacy be specifically excluded from this area. I am afraid that if this is not the case, the Federal Government would be intervening in pipeline routing decision in Alaska representing consumers located in the heavily populated areas in the Midwest and Eastern States.

Second, it is necessary to exempt the determination of the price of oil or natural gas at the wellhead from within the purview of the ACA. This is essential so that Alaska can be assured of a fair return for our natural resources with a minimum of obstructive litigation. This provision is critical to protect the State, Native Corporations, and private citizens. This area is already over regulated, in my opinion, and the last thing we need now is the involvement of one more Federal agency.

I would also exclude the ACA from intervening in any agency or judicial proceeding or activity with respect to any provision of the National Environmental Policy Act. Alaskans have already suffered the frustrations and delays caused by NEPA. Though I believe that NEPA and the protection of the environment are of critical importance to Americans, I simply do not believe that it is within the proper scope of jurisdiction for the ACA.

Already environmental laws are being vigorously enforced by the Environmental Protection Agency. The Counsel on Environmental Quality is charged with the responsibility of recommending ways of improving the environmental quality of this country as well as reviewing Environmental Impact Statements filed by other Federal agencies. I do not know if Alaskans, especially those who make their living in the timber industry, can take any more delays in environmental matters caused by an agency supposedly created to protect the interests of consumers.

Another critical area for Alaskans is in the field of state taxation of natural resource development. Alaska is a very young state which now has the opportunity to help provide a bright future for all of its citizens, many of whom have never been in the mainstream of economic life enjoyed by most Americans. To do this it will be necessary to develop a fair system of taxation to insure that those who exploit our natural resources pay their fair share. These revenues will be used to provide a better way of life for all Alaskans in such areas as educational opportunity and sound health care. However, any tax placed on these natural resources will increase the final price of the product paid by the ultimate consumer, most of whom will be in the "Lower 48." It is essential that the role of the ACA be restricted by prohibiting its intervention in any proceeding dealing with the imposition of any tax, royalty, or other fee by any state with respect to natural resource development, including oil and natural gas.

My second amendment would restrict the activities of the ACA to prevent it from becoming involved in lobbying activities on the local, State, or Federal level. I believe this amendment is necessary to keep the employees of the ACA directed toward the task their agency would be created for and not allow them to get involved in lobbying on such matters as resource problems which affect the State.

Mr. President, unless both my amendments are accepted I cannot support S. 200.

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now resume routine morning business, with statements limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE COMMITTEE ON FOREIGN RELATIONS TO FILE A REPORT ON S. 1661 UNTIL MIDNIGHT TONIGHT

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations may have until midnight tonight to file a report on S. 1661.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MAGNUSON. Mr. President, I am going to ask the Senator from——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator from Washington will suspend. May we have order, please?

Mr. MAGNUSON. Many Senators were under the impression that we might take up the railroad bill after the vote today. But I understand now that we will do that tomorrow after the vote on the motion to invoke cloture.

Mr. ROBERT C. BYRD. The Senator is correct. Immediately after the motion to invoke cloture tomorrow.

ORDER FOR THE RECOGNITION OF SENATOR STENNIS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. PEARSON's order for his recognition has been consummated on tomorrow, Mr. STENNIS be recognized for not to exceed 15 minutes prior to the period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Would it be in order to ask that all amendments that are at the desk at the time of the vote on the motion to invoke cloture be considered as having been read prior to the vote?

Mr. ROBERT C. BYRD. Yes, I believe that request was made last week; am I correct, may I ask the Chair?

The PRESIDING OFFICER. That has already been requested, and the Chair has so ordered.

Mr. ALLEN. I thank the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator from Alabama.

Mr. CURTIS. Mr. President, I rise to urge the Senate not to invoke cloture on S. 200. I believe that this would be a grave injustice. This has developed into class legislation. Here we are empowering an agency to intervene whenever the administrator decides it is in the interest of consumers to do it.

By the rejection of the Weicker amendment we have excluded organized labor, excluded decisions relating to them. What does that mean? That means if a Government action is about to be taken which, in turn, can raise the cost to the consumers, it cannot be touched. But it also means if the Department of Agriculture takes action to raise the income of rural America and thereby, admittedly, causes some foods to cost a little more, this agency can intervene.

It is totally an unjust thing, and I appeal to the fairness of our colleagues not to go ahead with this legislation. I am sure if this were to be debated until the country became informed as to what is going on that the bill would not pass. But if it is railroaded through by the sheer strength of numbers it might well be passed.

Mr. President, I have in my hand a letter addressed to me dated May 7, 1975, by the Deputy Secretary of the Treasury. I want to read a couple of paragraphs from that letter:

> THE DEPUTY SECRETARY
> OF THE TREASURY,
> *Washington, D.C., May 7,1975.*
>
> DEAR SENATOR CURTIS: This is to express our strong opposition to S. 200, a bill to establish an independent consumer agency.
>
> We are particularly concerned about the adverse impact which the appeal power of the proposed agency would have on the administration of tax laws through the Internal Revenue Service, customs laws through the Customs Service, and banking laws through the Comptroller of the Currency. It is vital that administrative decisions in individual income tax and customs cases be exempted from such intervention. Literally millions of decisions are made each year, most of which are closed without recourse to the courts. To subject these decisions to appeal at the instance of the Consumer Protection Agency would impose a tremendous burden on taxpayers, importers, and the Department. It is important that such decisions and regulations are not unnecessarily delayed and that they may be relied upon by the individuals or organizations involved.

The letter goes on:

> Another area of concern relates to the Administrator's statutory right of access to records of Federal agencies. The provisions of the bill are much too broad. For instance, in the case of income tax returns, Section 10 would not protect anything except the return itself and then only certain information contained thereon. It would not protect other returns and vitally important documents such as audit reports and other information collected by the Internal Revenue Service. The limited protection afforded by the bill would seem to be contrary to the Administration's taxpayer privacy proposal in the 93rd Congress.

Mr. President, when the roll is called on whether or not to terminate debate and thus steamroller a bill that will injure individuals, deprive them of the confidentiality of their tax documents, add to their burdens and the cost of Government, this is what will come about if we establish this agency.

I think that a prolonged debate, extended over some time, if it were successful in carrying to the country the actual contents of the bill, would result in the defeat of the bill.

I believe if the legislation is enacted without that process of public education, the time will come when the vast majority of American citizens will condemn the action of Congress.

I believe the act is oppressive; I think it is backward; I think it denies all the principles of liberal government that have ever been expounded by scholars of responsible government.

I hope that the vote to impose cloture will not prevail.

I yield the floor.

Mr. BROCK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes; I yield.

U.S. MERCHANT SHIP FIRED ON AND SEIZED BY CAMBODIAN NAVAL VESSEL

Mr. ALLEN. Mr. President, a recent news item on the ticker in the Senate lobby is to the effect that a U.S. merchant ship was fired on and seized by a Cambodian naval vessel today in the Gulf of Thailand. President Ford's chief spokesman said that the President was reported to consider it an act of piracy and demanded its release.

I think this act of piracy, which the President very properly calls this act, is an outrage which we cannot let go unchallenged.

I do not favor any precipitate action, but our national honor is at stake and as soon as we find out all of the circumstances we must take whatever means are necessary to recover the ship and its American crew. We must not allow our country to suffer the humiliation and national dishonor that we did in the case of the *Pueblo*.

If force is necessary, then force must be used. I commend the President for the firm policy that he indicates he is going to follow with respect to the recovery of this merchant vessel and its American crew.

Mr. President, I ask unanimous consent to have this news item printed in the RECORD.

There being no objection, the news item was ordered to be printed in the RECORD, as follows:

SHIP SEIZED

(By Frances Lewine)

WASHINGTON.—A U.S. merchant ship was fired on and seized by a Cambodian naval vessel today in the Gulf of Thailand, President Ford's chief spokesman said. The President was reported to consider it "an act of piracy" and demanded its release.

Failure to release the vessel and its crew, said White House Press Secretary Ron Nessen, "would have the most serious consequences."

Nessen said the ship, the Mayaguez, and its crew of 39 were seized about eight miles from a small rock island apparently claimed by both Cambodia and Vietnam.

"We have been informed that a Cambodian naval vessel has seized an American merchant ship on the high seas and forced it into the port of Kompong Som," Nessen said in a statement read to reporters.

"The President has met with the (National Security Council) NSC. He considers this seizure an act of piracy. He has instructed the State Department to demand the immediate release of the ship. Failure to do so would have the most serious consequences."

Spokesmen for the Sea-Land Corp., which owns the vessel, a 10,485-ton container ship whose home port is Wilmington, Del., said the company had no word about the boat or its crew.

Basing his report on several radio messages from the ship, which usually moves cargo out of Hong Kong to Southeast Asia ports, Nessen said it was "fired upon and boarded by Cambodian armed forces from a Cambodian naval vessel."

Seizure of the 504-foot vessel, built in 1944, occurred "early this morning, Washington time," Nessen said.

QUORUM CALL

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION ON WEDNESDAY OF HOUSE CONCURRENT RESOLUTION 218 — CONGRESSIONAL BUDGET DETERMINATION

Mr. ROBERT C. BYRD. Mr. President, I understand that this request has been cleared with the other side, particularly with Mr. Bellmon.

Mr. President, I ask unanimous consent that on Wednesday, after routine morning business has been concluded, the Senate take up the conference report on House Concurrent Resolution 218, the first concurrent resolution on the budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 12 noon. After the two leaders or their designees have been recognized under the standing order, there will be two special orders for the recognition of Senators. Mr. William L. Scott will speak for not to exceed 15 minutes. He will be followed by Mr. Pearson for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m. with statements limited therein to 5 minutes each. At the hour of 1 p.m. or at the conclusion of routine morning business, if such occurs prior to the hour of 1 p.m., the Senate will resume consideration of the pending business, S. 200.

The PRESIDING OFFICER. Will the Senator suspend? May we have order in the Senate, please.

Mr. ROBERT C. BYRD. I thank the Chair.

At the hour of 1 p.m., the 1 hour under rule XXII will begin running. The automatic quorum call will occur at the hour of 2 p.m., and upon the establishment of a quorum or at about 2:15 p.m. the automatic rollcall vote on the motion to invoke cloture on S. 200 will occur.

Immediately after the vote on the motion to invoke cloture, the Senate will then take up under a time agreement H.R. 4975, an act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

There is a time limitation of not to exceed 1 hour on that measure and, undoubtedly, there will be a rollcall vote on the passage of that bill.

Upon the disposition of that bill, the Senate will resume consideration of S. 200 and what then occurs will depend upon the outcome of the vote on the motion to invoke cloture. So several rollcall votes are anticipated tomorrow.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to, and at 4:49 p.m., the Senate recessed until tomorrow, Tuesday, May 13, 1975, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 12, 1975:

Department of State

Andrew L. Steigman, of Maryland, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Gabonese Republic.

Malcolm Toon, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

Department of Justice

Terry J. Knoepp, of California, to be U.S. attorney for the southern district of California for the term of 4 years vice Harry D. Steward, term expired.

California Debris Commission

Brig. Gen. Richard Martin Connell, [redacted] Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Maj. Gen. Frank Ambler Camm, reassigned.

Col. Frederick Gore Rockwell, Jr., Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the Act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Brig. Gen. James Clayburn Donovan, reassigned.

Col. Henry Augustus Flertzheim, Jr., Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Col. Charles R. Roberts, retired.

Equal Employment Opportunity Commission

Lowell W. Perry, of Michigan, to be a member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1978, vice John H. Powell, Jr., resigned.

In the Coast Guard

The following temporary officers of the U. S. Coast Guard for promotion to chief warrant officer, W2:

Norman K. McBride
Donald T. Graviss
Dennis R. Shoebotham
David V. Romme
Edgar E. Scott

The following temporary chief warrant officers, W2 of the U. S. Coast to be permanent chief warrant officers, W2:

Robert L. White
"J" "C" Yates
John D. Liddell
John R. Friedel
Anthony J. Plizka
Bruce R. Bolon
Ernest V. Watson
James G. Martin
James L. Brummett
William B. Murrill
Robert W. Stolpa
Lonnie M. Aaron
James R. Millar
William L. Hefflin
David A. Phillips
James R. Knaup
Frederick M. Hurst
Robert P. Simpson
James F. Irish
Donald E. Bush
Leslie Brown
John C. Medeiros, Jr.
Bert T. Rogers
Edgardo G. Amponin
John H. Aten
Everett M. Harbeson
Earl A. Ryder, Jr.
Wayne R. Thompson
James H. Moore, Jr.
Paul F. Connors
Rodney E. McHenry
John D. Gray
John Tietjen
Joseph I. Picotte
Dudley W. Coffey
Herbert W. Packman
Richard L. Woodward
Carmen D. Sette
Ralph L. Bradley
Ronald C. Jason
James E. Davenport
Lawrence B. King
Thomas J. Reed
Lawrence E. LaFlam
Wallace C. Kennedy, Jr
Donald E. Clarke
William H. Stapleton
Anthony D. Lloyd
Federico H. Aromin
Kenneth S. Womack
Jerry W. Lecato
James P. Bailey
Edwin W. Brown
Larry N. Monroe
Charles K. Rose
Edward W. Stewart
Kenneth J. A. Balka
Milton V. Lovett
Thomas I. Stewart
Melvin L. Bouboulis
John A. Oberlander
Norberto O. Encarnacion
Dennis D. Covill
Wayne L. Thompson
Paul W. Smith
Norris W. Collier
Danny K. Daniel
Phillip J. Bolstad
William P. Feddema
William J. Knowles
Lynn W. Welburn
Ralph E. Page
Wayne P. Phillips
Paul F. Unrue
William L. Dibble
John R. Walsh
John D. Flewelling
Richard A. Shannon
John W. Judge
Walter E. Barnes
Ronald R. Shaw
Benedict L. Romzek
Miles K. McIntyre
Sheridan L. Oswald
Edward F. Kasun
Frederick J. Ewing
Douglas R. Kesler
Robert G. Caldwell
Ralph T. Wurtz
Charles B. Cheney
Jon S. Von Kessel
Elroy J. Weisner
Paul E. Turmelle
Carlo E. Porazzi
Robert A. Richards
James A. Prank
David E. Peverly
Ronald S. Condron
Jerry E. Gieseke
Jerry L. Smith
Kerney C. Patrick, Jr.
Harold J. Cutten
Benjamin F. Davis
Alfred D. Ensley II
Daniel E. Moulson
Harold E. Matthews
Richard J. Highstreet
Donald F. Thurston
Melville G. Guttormsen
Samuel L. Harvill
Jay B. Myer
Thomas J. Moss
Larry E. Gray
Darrel R. Beerbohm
Allyn P. Gossage
Joseph C. Vetro
Robert D. Lemay
Charles E. Richey
Steven Jackson
Addison E. Wimberley
Paul E. Weaver
Donald A. Nelson
Ottis C. Leonard
Lowell E. Montgomery
Bruce D. Davis

The following reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the Regular Coast Guard in the grades indicated:

Lieutenant

David F. Patton, Jr.
James M. Harrison
Charles G. Boyer
William J. Chang
Harvey J. Langholtz

Lieutenant (junior grade)

John D. Lindgren
Michael W. Mastenbrook

The following-named officer to be a permanent commissioned officer in the Coast Guard in the grade of chief warrant officer, W3, having been found fit for duty while on the temporary disability list:

Wallace N. Zimmerman

IN THE ARMY

The following-named officer for appointment as permanent professor of mathematics, U.S. Military Academy, under the provisions of title 10, United States Code, sections 4331 and 4333:

Cameron, David H., [redacted].

The following-named persons for reappointment in the active list of the Regular Army of the United States, from temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be lieutenant colonel, Regular Army and colonel, Army of the United States

Davis, Walter R., [redacted].

To be major, Regular Army and lieutenant colonel, Army of the United States

Barrell, Edgar A., [redacted].

The following-named persons for appointment in the Regular Army, by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be captain

Brookshire, Robert R., [redacted].
Frushour, Stephen J., [redacted].
Hernandez, Charles P., [redacted].

To be first lieutenant

Alleo, William A., [redacted].
Arnold, Tony G., [redacted].
Leslie, Robert L., [redacted].
Mackey, Patrick J., [redacted].
Molter, Albert G., Jr., [redacted].
Mullin, Timothy J., [redacted].
Recasner, James, [redacted].
Thiele, Alan R., [redacted].
Young, Robert N., [redacted].

To be second lieutenant

Nelson, Richard F., [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States, Code, sections 3283 through 3294 and 3311:

To be major

Dolin, Garry F., [redacted].
Gilbert, Robert F., [redacted].

To be captain

Carbone, David O., [redacted].
Chaput, Christopher J., [redacted].
Cieply, Joseph A., [redacted].
Cook, Carolyn J., [redacted].
Cooke, Annetta J., [redacted].
Foody, William J., [redacted].
Hehn, Richard D., [redacted].
Kestner, Allan T., [redacted].
Lepage, Robert M., [redacted].
Maerki, Henry S., Jr., [redacted].
Mally, Earl B., Jr., [redacted].
Masteller, James D., [redacted].
McLaurin, John P., III, [redacted].
Monroe, Glenn E., [redacted].
Nash, Richard F., [redacted].
Newby, Claude D., [redacted].
Olson, Roger, [redacted].

To be first lieutenant

Alexander, Elizabeth M., [redacted].
Armstrong, John S., [redacted].
Beeman, Thomas A., [redacted].
Bridges, Hubert, [redacted].
Brink, Dorothy A., [redacted].
Caldwell, Terence J., [redacted].
Crowe, Dennis W., [redacted].
Darnley, James H., Jr. [redacted].
Deangelis, Richard, [redacted].
Dewald, Ernest J., [redacted].
Duncan, Katherine N., [redacted].
Engel, William F., [redacted].
English, Gregory B., [redacted].
Fletcher, Jeannette A., [redacted].
Fuller, Patricia S., [redacted].
Furukawa, Theodore P., [redacted].
Gore, Gerald E., [redacted].
Grassia, Philip G., [redacted].
Hart, Catherine H., [redacted].
Heresa, Sadonyia J., [redacted].
Johnson, Susan E., [redacted].
Kramer, Karen C., [redacted].
Kris, Christine S., [redacted].
La Grave, Larry M., [redacted].
Maguire, Michael D., [redacted].
McCaffery, Edward J., Jr., [redacted].
Mills, Sharon I., [redacted].
Newman, Robert A., [redacted].
Norman, Steven D., [redacted].
Parreco, Janet W., [redacted].
Pauley, John M., [redacted].
Quarantillo, Frederick J., [redacted].
Rickard, Roy S., [redacted].
Scruggs, Richard H., II, [redacted].
Seureau, Kathleen N., [redacted].
Shank, Joyce G., [redacted].
Smith, Barbara J., [redacted].
Squires, Malcom H., Jr., [redacted].
Thoresen, Robert J., [redacted].
Tijerina, Maria D, R., [redacted].
Varney, Kathryn E., [redacted].
Watkins, Shirley A., [redacted].
West, Richard A., [redacted].

To be second lieutenant

Desalva, Stephanie F., [redacted].
Droegemueller, Mary E., [redacted].
Elsesser, Susan, [redacted].
Golash, Nancy E., [redacted].
Gurney, Cynthia A., [redacted].
Johnston, Thomas E., [redacted].
Juern, Virginia, [redacted].
Kirby, Judith A., [redacted].
Ross, James W., Jr., [redacted].
Schwiesow, Joel D., [redacted].
Scrogham, Jefferson H., [redacted].
Sexton, Patricia A., [redacted].
Steenbock, Mark G., [redacted].
Suiter, Robert L., [redacted].
Thorpe, Linda J., [redacted].
Varner, Willie H., Jr., [redacted].
Wallace, Jay E., [redacted].
Wolstencroft, Margaret E., [redacted].
Young, Barbara J., [redacted].

The following-named scholarship student for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3283, 3284, 3286, 3287, 3288, and 3290:

Feeney, Thomas J., [redacted].

IN THE NAVY

The following-named Naval Reserve officers for temporary promotion to the grade of commander in the line, subject to qualification therefor as provided by law:

Abel, Rudolph, Jr.
Adams, James D.
Allard, Dean C., Jr.
Allen, Robert C., Jr.
Allison, Donald L.
Allison, Gene L.
Ambrose, Michael J.
Anderson, Ernest J., Jr.
Archibald, Robert E., Jr.
Ascherl, John L.
Atkinson, Ernest R.
Atkisson, Robert D., Jr.
Ayscue, Billy N.
Babis, Robert E.
Balunek, Adelbert A.
Barker, Brian H.
Baskin, Walter H.
Batchelor, Jon D.
Beatty, Robert P.
Bechtel, Richard N.
Becker, Robert E.
Beckman, John D.
Bell, Raleigh V.
Belt, William W.
Bergert, Frederick L.
Bernard, Francis X.
Bernardo, Albert L.
Bigger, Gene W., Jr.
Biggs, Willoughby H.
Bingham, William H.
Black, Bruce A.
Blados, Walter R.
Blair, John E.
Blankenship, Upton D.
Blasi, Donald T.
Block, Albert E., Jr.
Bogar, Norman J.
Bonnema, Norman G.
Bonwell, Charles C.
Booher, Timothy
Bottom, Dale C.
Bowser, Peter A.
Boynton, Russell F.
Bresnahan, Maurice J., Jr.
Brewer, Ernest C.
Brideson, John K.
Bromwell, Kent S.
Brown, James H.
Bruce, Walter E., Jr.
Bruemmer, Jerry L.
Buell, Byron W.
Bugg, William A.. Jr.
Bulger, Winfred H.
Burgess, John
Burk, Robert W.
Burke, Paul E., Jr.
Burke, Raymond C.
Burns, Kenneth F.
Buxton, Richard L.
Caldwell, William T.
Calhoon, Theodore H.
Campbell, Colin C.
Cannon, Harry D.
Caponi, Elso R.
Carr, Richard W.
Carter, James W.
Chamberlain, George A.
Champeon, Douglas L.
Chapman, Paul W.
Chappell, Clarence J., III
Chase, Jon G.
Chirico, Anthony J.
Christensen, Claude H.
Christian, John A.
Chrzanowski, John J.
Clark, John E.
Clements, Robert F.
Clifford. Timothv C.
Clouse, Charles E.
Cole, Bertram D., III
Cole, Jerry L.
Confer, Donald D.
Conrady, Raymond F.
Courneya, Thomas E.
Craddock, Thomas A.
Crawford, John C., III
Crawford, Wayne L.
Curtis, Philip N.
Curtis, William H.
Daberkow, Dayton W.
Dalessio, Robert M.
Daly, Bruce D.
Davenport, Frank G.
Dawson, Herbert C.
Day, John M.
Deas, William J., III
DeGraw, William R.
DeMeo, Edward A.
Dempsey, Brian
Dennis, Dwight L., Jr.
Dent, Joseph B., Jr.
Devalcourt, Carol C.
Devoy, James C.
Dickey, Glen L.
Dinge, Carl F.
Dixon, William H.
Dodge, Douglas D.
Doty, Kenneth G.
Downing, Robert E.
Drotleff, William C., Jr.
Dyke, David W.
Eakin, Mark V.
Eddy, Ronald E.
Eichler, William L.
Elsner, Norbert B.
Elve, Albertus H.
Embry, John H.
Emerson, Richard E.
Empey, Peter H.
Enright, Marc E.
Erickson, Grover G.
Esco, David D., Jr.
Estrin, Sherwin
Evans, Robert D.
Fairley, Carl R.
Fellman, Paul R.
Ferrera, John J.
Fields, Walter S., III
Fishburn, Thomas F.
Flynn, Martin R.
Foster, Theodore D.
Frazier, Ross A.
Freeborn, Guy H.
Galamaga, Donald P.
Gallagher, Terrence V.
Garrett, Thomas C.
Gashler, Daniel H.
Gauntlett, James F.
Gay, Daniel J., III
Geenen, William M.
Gerboth, Don M.
Gerosa, Vincent C.
Gibbs, David L.
Gilbertson, Gilbert O.
Gilliam, Coogie C., Jr.
Gillies, Donald C.
Gilmer, David S.
Godshall, Douglas R.
Goodwin, William A.
Goorjian, Paul M.
Gorden, John M.
Gorzelnik, Stanley V.
Graham, Andrew R.
Graham, Billy D.
Graske, Theodore W., Jr.
Grasso, Dominic J.
Grieco, Joseph P.
Grosheider, Arthur R.
Habermas, Thomas W.
Hagan, Kenneth J.
Haldeman, John S.
Haley, Ronald E.
Halferty, Richard L.
Hall, Daniel B., Jr.
Hall, Gerald A.
Hall, Kenneth T., Jr.
Hall, Lawrence J.
Hall, Wallace H.
Halloran, John F.
Hamilton, Frank P.
Hammond, Edward P., III
Hannah, Floyd L.
Harding, William C.
Harkness, Daniel H., Jr.
Harrison, Peter B.
Hart, Harold J., Jr.
Haseltine, Hugh W., Jr.
Hawks, Donald R.
Hayes, William A.
Heavy. James L.
Helip, Donald L.
Heller, Bruce L.
Heydon, Linus W., Jr.
Hicks, Ralph H.
Higman, Darrell E.
Hill, David G.
Hinkle, James L.

Hipp, Robert M.
Holmes, James F.
Hoogenboom, Robert L.
Hopfe, Manfred W.
Hopper, Hugh R.
Horan, John J.
Howe, Robert R.
Hughes, Arthur L.
Humphreys, Luther W., Jr.
Hungerford, William P.
Hunter, Everett N.
Hyde, Richard C.
Ireland, Richard J.
Irving, Willard A., III
James, Jon G.
Janes, David A.
Jensen, Richard A.
Johnson, Robert A.
Johnston, Francis X., III
Jokanovich, Peter
Jones, Charles R.
Kalin, Robert E.
Kamberos, Louis S.
Karg, James L.
Kartvedt, Maynard O.
Kehi, William W.
Kelch, Oakley A.
Kennedy, Dennis E.
Kennedy, James O.
Kermoian, Ralph
Kimm, Richard M.
King, Gary E.
Kinnett, Gary E.
Knobloch, William F.
Knoll, David W.
Koffler, Samuel
Kolasa, Walter Z., Jr.
Kortum, Robert W.
Krause, Robert E.
Kriebel, James M., Jr.
Krischker, Allen L., Jr.
Kuebler, Richard J.
Kuras, Anthony T.
Kvaska, Frank, Jr.
Kyle, Alan M.
LaBarge, William A.
LaFranchi, Vincent E
Lamar, Robert O., III
Landin, Thomas M.
Langford, John A., Jr
Langston, William D., Jr.
Lastovica, Norman J.
Leeds, Daniel B.
Leffler, Paul
Leschack, Leonard A.
Less, Frank, Jr.
Liipfert, Benjamin B., Jr.
Lind, Thomas O.
Lobue, Thomas J.
Lubich, Dwight E.
Luketz, Ronald G.
Lund, Peter B. F.
Lunden, Francis G.
Lyle, Charles K., Jr.
Lynch, John A., Jr.
Lynch, Robert K.
Lysne, Howard C.
Madden, John S.
Main, Donald J.
Malyevac, David S.
Mandel, Philip N.
Manning, John E.
Manuel, Ralph N.
Marsalis, Forrest S.
Martin, John D.
Mascali, John H.
McAnulty, John F.
McBride, Donald J.
McCabe, John J.
McCall, Edgar O.
McCann, William E., Jr.
McConville, John P.
McDermott, Daniel J.
McDonnell, James F.
McDonnell, Thomas P.
McElhenny, James P., Jr.
McEligot, Donald M.
McFarland, Daniel L.
McGill, John R.
McGirl, Patrick
McMaster, David S.
McPadden, Joseph G.
McPartlin, Raymond C
MeLendy, Herbert E.
Mericle, Richard B.
Merle, Pierre F., V.
Merrifield, Robert G.
Mertz, Robert M.
Michaels, Donald M.
Miller, Robert L.
Moncure, Edwin C., Jr.
Montgomery, Clarence P., Jr.
Morris, Robert A., III
Moynahan, Dennis M.
Mullen, Merritt D.
Murphy, George E.
Murphy, Richard W.
Murray, Alen C.
Nageotte, Richard R.
Nailor, Kerwin C.
Neibauer, Rodney D.
Neill, Jerry C.
Nelson, Dallas E. A.
Nelson, Marc H.
Norton, Charles J.
Novak, Vincent L.
Nutt, Andrew T.
Obley, Loren L.
Ocker, Jerold R.
O'Connell, Paul J., III
Ohl, Phillip D.
Oistad, Byron J.
Okunewick, James P.
Onken, Ronald W.
Ossing, Henry A.
Owens, James F.
Pace, William F.
Pacheco, Leonard J.
Pagnillo, Richard J.
Pain, George R.
Palmquist, Robert D.
Parks, Robert M.
Parrillo, Joseph L.
Payonk, Michael A., Jr.
Peters, David E.
Peterson, Charles H.
Peterson, Gerald L.
Poffenberger, Richard L.
Polsenski, James J.
Pooley, David W.
Pope, Richard J.
Posner, Ernest G.
Potter, Charles R.
Praetorius, Hugh M.
Pratt, Marvin J.
Prevost, Stephen M.
Quigley, Raymond F., Jr.
Rainey, William M.
Ray, Billie D.
Rees, Gale H.
Reilly, Gorman T.
Reu, Laverne F.
Reynolds, George W.
Richards, Grahme P., Jr.
Richards, John C.
Riday, Raymond C., Jr.
Robert, James R.
Roberts, William P.
Robinson, Don E.
Rockwell, Richard B.
Rosaschi, Peter P., Jr.
Rothwell, William F.
Routh, Alan C.
Royston, John P.
Royston, Leighton M.
Sailer, Joseph R.
Sakuda, Paul S.
Salata, Stanley A., Jr.
Salvo, Len V.
Sanborn, James H.
Saponaro, Joseph A., Jr.
Sargent, Stephen E.
Sauer, Dale E.
Scheck, Timothy R.
Schmidt, Raymond P.
Schneider, Thomas H.
Schug, Ronald J.
Schuldt, Theodore J. C., Jr.
Schwartzkopf, Gary P.
Seafeldt, Albert C.
Selman, Robert L.
Semon, Robert L.
Severson, Paul J.
Seymour, John C.
Shafer, Lee E.
Shawl, Stanley H.
Shea, Joseph G.
Shelton, Sylvester M.
Sherry, James F.
Shontz, Donald W.
Shyne, John W., Jr.
Simmons, George T.
Sinclair, Lonnie D.
Smith, James R.
Smith, John L.
Smith, Norman D.
Smoot, William T.
Stahel, Rudolf S.
Stanford, Bruce E.
Steffenson, Michael R.
Stephens, Clinton T., Jr.
Stevens, Victor B., Jr.,
Stevens, William R.
Stewart, Donald B.
Stickle, Robert J.
Stiehm, Bruce G.
Stokes, Francis G.
Stookey, Stanley F.
Stout, Peter C.
Strand, Allan E.
Stroessler, Hans M., Jr.
Sturch, Billy
Suda, George A.
Sullivan, Dennis J.
Summey, James W., III
Sumner, Irving E.
Sumner, Paul
Sutter, Joe R.
Swenson, Gerhard M.
Talley, James M., Jr.
Tamburino, Richard C.
Tapp, James T., Jr.
Taylor, Charles L.
Tennant, William K.
Tennent, Richard E., Jr.
Thomas, Arthur J.
Thorson, Terry R.
Tiernan, Paul J.
Tilton, Alan P.
Touhey, Robert J.
Tremblay, Victor J.
Treubert, John H.
Tucker, Samuel S.
Tuleya, Raymond R.
Tupper, Bruce C.
Twilde, Richard W.
Tychsen, Paul E., Jr.
Tyler, Thomas D.
Udovch, Joseph J.
Vandermyde, Paul A.
Vandermyde, Philip L.
VanSoest, Peter D.
Veccia, James E.
Vowles, Jeffrey D.
Waddell, Robert A.
Wainwright, Howard E.
Walker, George K.
Wallin, Carl R.
Walsh, Robert E.
Wardman, Richard W.
Wayland, Henry P., Jr.
Wechter, James K.
Weisgarber, Robert L.
Wenzler, Henry R., III
Whitt, Darnell M., II
Wiest, Philip J.
Wiles, James L.
Wilhelm, Laurin P.
Willey, Michel F.
Williams, James L.
Williams, John R.
Williams, Morton D.
Williston, John D., Jr.
Wilson, Newton A.
Wilson, Richard H.
Wilson, Wilbur G.
Winter, Jerrold C.
Wirth, William T.
Witamyer, John H., III
Wix, Donald M.
Wolfe, John G.
Woodrick, Clifford P.
Wu, Theodore W., Jr.
Wylie, Donald G.
Yates, Robert D.
Zanella, John H.
Zinn, Robert H.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 12, 1975:

DEPARTMENT OF JUSTICE

Rex E. Lee, of Utah, to be an Assistant Attorney General.

Jervis S. Finney, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years.

Daniel E. Wherry, of Nebraska, to be U.S. attorney for the district of Nebraska for the term of 4 years.

Emmett G. Wyche, of Louisiana, to be U.S. marshal for the western district of Louisiana for the term of 4 years.

Len E. Blaylock, of Arkansas, to be U.S. marshal for the eastern district of Arkansas for the term of 4 years.

John T. San Agustin, of Guam, to be U.S. marshal for the district of Guam for the term of 4 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida.

EXTENSIONS OF REMARKS

ALTOONA-JUNIATA SHOPS SET NATIONAL SAFETY RECORD

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. SHUSTER. Mr. Speaker, Altoona, Pa., Juniata shops of the Penn Central Transportation Co. has set a new national safety record for railroad and transportation workers. At 3 p.m. on Thursday, May 8, 1975, the shops reached its 1 millionth man-hour without a lost-time accident.

This new record is so outstanding that it staggers the imagination. In recent years, the American worker has taken a "bump rap" in some circles, for allegedly falling behind in productivity, quality craftmanship, and personal pride in their work. This could not be farther from the truth in Altoona, Pa. The enviable record of achievement set by the thousands of employees at the Juniata shops brings the fallacy of those contentions home clearly and impressively.

This milestone brings home another point as well. It goes far to solidifying the wisdom and credibility of the U.S. Railway Association, which earlier this year designated the Juniata shops as the key locomotive repair facility in the new Consolidated Railroad network. That selection could not look better now, and the care and professionalism with which the employees of the Juniata shops carry out their duties will be a prime moving force in getting our Nation's railroads back on the right track.

Many congratulations are in order, Mr. Speaker. Mr. Joseph S. Fadale, general manager of Penn Central's Altoona shops, deserves the accolades of all of us for making safety a primary factor in the operation of the shops, Mr. R. C. Ambelang, general superintendent of the Juniata shops, has earned our praise for instilling in the employees a fundamental concern for their safety and the safety of their coworkers. All the union leaders merit a strong vote of thanks for their constant encouragement to make safety a priority concern. And, of course, the record could not have been set without the dedication, pride, and genuine concern of each and every worker at the Juniata shops. It is precisely this sense of pride and honor that makes American workers the best in the world, and the workers in Altoona and central Pennsylvania the best in the Nation.

Mr. Speaker, it is with a great deal of personal pride and satisfaction that I bring this outstanding record to the attention of my colleagues. It is especially gratifying for me, since in my capacity as ranking minority member of the Committee on Public Works and Transportation's Surface Transportation Subcommittee, safety in transportation is a primary and fundamental concern. I am confident that the magnificent safety record at the Juniata shops will continue, and I call upon the workers all across our great Nation to look to this record with pride and follow the example of the truly outstanding and safety-minded workers of Altoona, Pa., Juniata shops.

EQUAL OPPORTUNITY JOB LAWS FOR DISABLED HAVE LITTLE EFFECT

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD, a significant article from the May 3, 1975 New York Times by Jane E. Brody entitled, "Equal Opportunity Job Laws for Disabled Have Little Effect."

The article follows:

EQUAL OPPORTUNITY JOB LAWS FOR DISABLED HAVE LITTLE EFFECT

(By Jane E. Brody)

The Federal Government and nearly half the states have passed laws granting equal job opportunities to millions of working-age Americans with physical, medical and mental disabilities. But in many cases the laws are not having the desired effect because of inadequate enforcement and difficulties in interpreting them.

In addition, in many states neither the workers covered, the voluntary agencies that represent them, nor potential employers are even aware these laws exist.

As a result, in some states fewer than a dozen complaints have been brought in the first year of a new law (in North Carolina, for example, no complaints were brought). In other cases, attempts to resolve complaints have raised more questions than they answered.

Twenty-two states, the District of Columbia and the Federal Government have outlawed job discrimination against handicapped workers, although in some states the legislation excludes certain categories of disability, such as mental illness. Four years ago, only five states had such laws.

Validated complaints that have been brought before responsible authorities in various states illustrate the wide-ranging role such laws can play. While the laws also cover promotions, nearly all cases thus far have involved hirings. They include the following:

A practical nurse was denied a job in a New York hospital because she had high blood pressure.

A woman who had been treated for breast cancer was refused a civil service job in Milwaukee.

A California man was denied a job as a bread truck driver because he stuttered.

A New Jersey computer operator was dismissed from his job at a refining company after his employers learned that he was an epileptic.

A young woman was suddenly told there was no job opening when her prospective employer, a Massachusetts shoe company, realized that her address was a "halfway house" for persons recovering from mental illnesses.

Except for the nurse, whose case has not yet gone through a hearing, the complaints in these cases eventually got satisfaction through the intervention of responsible state agencies.

NOT A HINDRANCE

In the case of the stuttering truck driver, for example, an officer with the California Fair Employment Practices Commission went around the driver's delivery route, talked to customers and reported back to the employer that stuttering would not be a hindrance in the work. The man then got the job.

In many of the cases that have been successfully handled, merely informing the employer that he may be acting in violation of the law has led to the hiring of the complainant.

But the lack of teeth in some state laws—including the failure to establish penalties or specify funds and an agency to enforce the law—prevents a satisfactory outcome for the employe, even when he wins a case.

Donald Hays, a 34-year-old married man who uses a wheelchair and has a hearing problem, had worked in a federally funded manpower program helping the handicapped find jobs. After three years, he was suddenly dismissed because his employer said he lacked the mobility to do the job.

The New Mexico Human Rights Commission ruled that his discharge was unlawful discrimination based in a physical handicap. He was awarded the maximum damages, $1,000 and the commission suggested that he be rehired or given a comparable job.

However, Mr. Hays still has no job because the commission has no way to enforce its ruling.

"Maybe some day I'll get my job back or one like it," Mr. Hays said. "But all I have now is words and you can't live on that."

In other states, vagueness about the wording, meaning or intent of the law has led to varying interpretations. A test case was brought in Natick, Mass., District Court involving a 30-year-old woman who had multiple sclerosis.

Although her disease was in remission at the time, a company refused to hire her and was charged by the state Division of Industrial Safety with violating the law.

However, the case was appealed and the judge upheld the company because he said that the woman had not been rehabilitated by training but rather by taking medication, and that this was not rehabilitation" as stated in the law.

In most states, including New York, what the law means by "physical handicap" is being broadly interpreted to include such conditions as diabetes, prior treatment for cancer, an overweight condition that has a medical cause, as well as conditions more commonly thought of as handicaps, such as blindness, deafness and missing or crippled limbs.

TO PERFORM DUTIES

The prospective employe is required only to be able to perform the duties of the job at the time he applies for it. The employer cannot refuse to hire him because of what may happen in the future, such as a recurrence or progression of his disease (although employment theoretically may be terminated if the person loses the capacity to do his job).

But since these facts have not been widely publicized in about half the states with such legislation, many victims of discrimination do not know they are protected by the law.

"Most persons with illnesses don't consider themselves to be handicapped," observed Mrs. Nike Bradley, executive director of the Chicago chapter of the American Diabetes Association. In the state of Washington, for example, of 98 complaints filed so far, none have involved diseases.

Even in Wisconsin, where a broadly interpreted law has been on the books since 1961, inquiries disclosed that many affected persons and the health agencies that represented them were unaware of the protection.

Executives of local chapters of the American Cancer Society, for example, said they did not know that cancer patients were covered. Among numerous complaints was one from a 27-year-old college graduate who was successfully treated for a testicular tumor five years ago and has been able to get only temporary jobs since.

CANCER SOCIETY STUDY

The American Cancer Society is currently conducting a nationwide study to assess the extent of job discrimination against cancer patients and determine how best to counter it. Many companies have policies of not hiring a person until five or 10 years after treatment for cancer.

As with job discrimination against women and minority groups, the handicapped often do not know why they are turned down and thus may not believe they have a legitimate complaint.

"The insidious part of job discrimination is that frequently the employers don't tell you you are being passed over because of a physical disability," said Luther B. Francis, president of the Diabetes Association in Pine Tree, Me.

Employers, too, have their problems with laws protecting handicapped workers. Traditionally, explained Emmett Snow, who helps to enforce the Federal regulations for the U.S. Department of Labor, companies have been reluctant to hire such persons because "they fear they won't get longterm service from the employe or that his illness may suddenly worsen or that the company's insurance rates would go up."

DIABETIC DISMISSED

In North Carolina, for example, a woman was dismissed from a job as a supermarket clerk because she had diabetes and the insurance company handling the store's group policy said it would raise the rates for all in the group if the woman was kept on.

According to an interpretation of the New York State law prepared for employers by National Health Services, Inc., an employe may not be rejected even though his condition may involve a future payroll risk or if he would draw excessively on fringe benefits or if coworkers or customers would prefer he not be employed. Nor can an employer exclude an applicant on the ground that the job may turn out to be injurious to the employe's health.

The laws in several states and that of the Federal Government—whose requirements apply to Federal agencies and to companies receiving Federal grants or contracts exceeding $2,500—state that employers must make architectural accommodations to the needs of workers or applicants with physical handicaps.

In addition to widened doorways and ramps for wheelchairs, these might include using light instead of sound signals for the deaf or bells for the blind. Under the Federal law, an employer might also have to rearrange work schedules to meet the needs of the handicapped or hire two handicapped persons part-time instead of one full-time when the handicapped persons need several days off for medical treatment.

"One of the most important aspects of the law," remarked Jack Sable, Commissioner of the New York State Division of Human Rights, "is that it gives hope to people where there was no hope before. Thousands of handicapped persons have said to us that the law shows people still care about them."

"Obviously, our interpretations of the law will be challenged," he said. "But I have directed my staff to fight vigorously, into the courts if necessary, to protect a handicapped person's right to work."

22 STATES HAVE LAWS ON JOBS FOR DISABLED

The same issue of the New York Times carries the following related statement:

In addition to the Federal Government and the District of Columbia, 22 states have passed laws granting equal job opportunities to the handicapped. They are the following:

Alaska, California, Connecticut, Florida, Illinois, Iowa, Kansas, Maine, Massachusetts, Minnesota, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhodc Island, Washington, Wisconsin and Vermont.

The Federal law covers Federal agencies and companies receiving Federal grants or contracts exceeding $2,500.

THE ROAD TO REDTAPE WAS PAVED WITH THE GOOD INTENTIONS OF CONGRESS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. GOODLING. Mr. Speaker, the Congress often enacts legislation which have titles exemplifying the best of intions, but in reality do not accomplish what they suggest they will.

The consumer advocacy bill certainly has an irresistible title. What Congressman finds it easy to vote against any bill with the word "consumer" in the title? In this day and age that is almost like voting against apple pie, motherhood, and the flag. It takes a lot more courage and digging into the meat of a bill to vote against one with such a catchy title than to vote for it.

The last thing that we need in Washington right now is another bureaucratic agency, even one with the great intention of protecting the consumer. This bill, scheduled for consideration in the Senate this week, would set up a new agency to intervene into the activities of every establishment of the executive branch of the Federal Government to make sure that their decisions are in the best interest of the consumer.

We already have 1,000 consumer-related programs in some 33 Government agencies and departments. Once again, we are seeing the Congress attempt to add another level onto the bureaucracy to solve a problem instead of attempting to increase the efficiency of the present programs. The bureaucracy has promulgated so many regulations that they are estimated to cost the average family about $2,000 a year, or approximately $130 billion a year for all Americans. In a time of uncertain inflation, this is not the time to add more regulations and the resulting cost increases to the cost of goods for the consumer.

Most Americans are opposed to the creation of another bureaucratic agency even under the guise of protecting the consumer's interest. A poll by Opinion Research Corporation recently completed show that of the 2,038 people questioned, 75 percent were opposed to the creation of the Agency for Consumer Advocacy. I hope that the Congress will listen to the American people on this matter just as I listen to constituents of mine on this subject. I would like to share with my colleagues a letter which I received from one taxpayer in my district on the subject of bureaucracy in general and his view of the Agency for Consumer Advocacy. He puts it this way:

Congressman WILLIAM F. GOODLING,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BILL: With the passage of time, I become increasingly convinced that the one truly great evil loose in our land today is bureaucracy.

As a businessman I feel that our competitive enterprise system with all its faults is never-the-less one of the pillars of our society. I believe it is no coincidence that when we celebrate our 200th year of greatness next year we shall also note that Adam Smith's "Wealth of Nations" was published in 1776.

Great as our free enterprise system is, it is not impregnable and as a matter of fact is now under an attack more withering than any I have ever observed during some forty years in the business area.

I recall the nice benign bureaucracy that existed on the eve of WWII. To its credit it rose to tremendous heights to do the job that had to be done. Unfortunately it never returned to its benign state where it belonged but instead moved inexorably into a state of raging malignancy where it is today.

Congressman, you cannot imagine the magnitude and variety and debilitating effects of the forces that press in on us these days. You gentlemen there in Congress make legislation—for example, Civil Rights, Occupational Safety and Health, Pension Reform to name a few—these are good laws and when they were passed they had the betterment of mankind in mind. They were a means to an end—a good end. They became ends in themselves, however, as soon as they were turned over to the administrative bureaucracy—unfortunately there never seems to be a check on how well the laws are working out. That retrospective look is never taken—or so it appears.

It seems to be in our nature to carry things to their logical extremes. Thus OSHA in a few more years, I suspect, will have woven a cocoon about industry in the name of safety. Ours will be in the safest industry in the world. And Germany shall be glad and Japan shall rejoice, as indeed they should, what with our share of business snatched from the market place.

All this is by way of saying, Congressman, that another bureaucratic millstone is about to be hung about our necks . . . The Agency for Consumer Advocacy. It is not hard to imagine a new ACA granite edifice being built and staffed in Washington and appendages added to the various federal districts throughout the nation. Thus what will have started as a sincere gesture to aid the consumer will become yet another shackle around the business/industry community with a new bureaucratic power group flexing its muscles, displaying its might, and making industry dance to its tune.

I shall be grateful, Congressman, if you will take these thoughts into consideration when voting on the upcoming Consumer Advocacy bill.

Cordially,

LUTHER W. MCCOY.

TREASURY DEPARTMENT ORDERS GSA TO ACCEPT ELECTRIC POWER RATE INCREASES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. EVINS of Tennessee. Mr. Speaker, it is incredible that the Treasury Department has recently proposed guidelines which would in effect force the General Services Administration to accept without question any electric power rate increases proposed by private utility companies as fuel adjustment clauses. The order also sharply restricts GSA's authority to protest any rate increase.

The American Public Power Association recently disclosed these proposed guidelines which followed an earlier disclosure that Assistant Secretary of the Treasury Gerald Parsky had written GSA Administrator Arthur E. Sampson expressing "the thought that GSA should minimize intervention" in electric rate increase proceedings which could raise the power bills of the Federal Government.

Mr. Speaker, I have obtained a copy of a memorandum which discusses these proposed guidelines. The memo dated March 21, 1975 was written to Mr. Don Craven, an assistant administrator of the Federal Energy Office by a Special Assistant to a Deputy Secretary of the Treasury, Alan M. Arsht.

The memorandum sets out "minimum acceptable criteria suggested for use by GSA in determining whether that agency should intervene on matters concerning rates of return in utility rate proceedings." But the memo directs GSA to "under no circumstances" protest fuel adjustment clauses.

Mr. Speaker, the Treasury Department has no authority to tell the General Services Administration how to conduct its business on behalf of the American taxpayer—especially at higher costs. Certainly it is no less than brazen for an unelected bureaucrat to take this responsibility to interfere in the jurisdiction of another Government agency charged with the responsibility of supervising the operation of virtually all Government buildings.

Because of the interest of my colleagues and the American people in this important subject, I place in the RECORD herewith a copy of the March 21 memo, along with two recent items from the American Public Power Association Newsletter, and an article from the Washington Star.

These materials follow:

MARCH 21, 1975.

Memorandum to Don Craven.

Subject: Intervention Guidelines for GSA in Utility Rate Proceedings.

The following are minimum acceptable criteria suggested for use by GSA in determining whether that agency should intervene on matters concerning rates of return in utility rate proceedings:

1. Fixed change coverage: 3.0 after tax; and 4.0 pre-tax.
2. Debt equity ratios: 48% debt; and 37 plus percentage common equity.

3. Percentage of internally generated funds as a percentage of annual construction budget: 45 percent.

4. Proportion of short-term debt: 6 percent upper limit of short-term debt as a percentage of total capitalization.

5. General guideline: Unless rates of return on equity are 15 percent or above and that utility is entitled to normalization of all tax deferred benefits (depreciation and investment tax credit), GSA intervention would very likely be counter-productive.

6. Intangible factors:

a. Intervention policy should be based on GSA's analysis of the overall stability of the economy with attention to inflation rates, impact of construction cutbacks on area of unemployment, money market conditions generally, etc.

b. There should be an evaluation of whether requests for rate increases for a particular utility system are out of line with national rate behavior and with cost of living increases generally.

c. Consideration should be given to any specific rate request as compared to rate requests by neighboring utilities to judge whether it is unreasonable.

d. In order to avoid any undue erosion of the effective rate of return on equity, GSA should under no circumstances intervene to block the adoption or continuation of an automatic fuel adjustment clause.

The first financial guidelines (1 through 5) are derived from an analysis of the S&P bond rating procedures and should protect any utility from GSA intervention in utility rate proceedings whose financial condition would place it below the mid-point between AA and AAA bond rating categories.

ALAN M. ARSHT.

TREASURY DEPARTMENT GUIDELINES WOULD RESTRICT GSA CHALLENGE OF POWER RATE HIKES

Guidelines proposed by the U.S. Treasury Department would severely restrict the General Services Administraton—the Federal agency authorized by law to protect the government and taxpayers from excessive utility rate increases—from contesting higher rates sought by many of the nation's power companies . . . Publication of the proposed guidelines followed recent disclosure that Assistant Secretary of the Treasury Gerald L. Parsky had attempted to persuade the GSA to "minimize intervention" in power rate cases in which the government is a major purchaser of power from electric companies (Newsletter 75–15, April 11, p. 8) . . . Mr. Parsky had made specific references to rate increases sought by the Potomac Electric Power Co. (Pepco) in metropolitan Washington, D.C., which he claimed were "urgently needed," although they would raise the Federal government's electricity bill by about $18-million annually . . . It was also disclosed that Treasury Secretary William E. Simon, who has spearheaded the Administration's campaign to increase Federal subsidies and obtain special Federal and state regulatory treatment for investor-owned utilities, also met earlier with Pepco board chairman Reid Thompson to discuss the company's rate increase proposals . . . Treasury's unprecedented guidelines would block GSA intervention in any rate case against a utility company having bonds that are rated AA-minus or lower . . . This would prevent GSA from contesting the current or future rate hike proposals of at least 103 power companies.

Assistant Secretary of the Treasury Gerald L. Parsky has urged the General Services Administration—the government agency authorized by law to protect Federal departments and agencies from excessive utility rate increases—not to contest higher rates sought by power companies.

Washington Star writer Stephen M. Aug disclosed that in a letter to GSA administrator Arthur F. Sampson, Mr. Parsky made specific references to rate increases proposed by the Potomac Edison Power Co. (Pepco) in the greater Washington, D.C. metropolitan area that would have raised the Federal government's electricity rates by about $18-million annually. Pepco is seeking rate increases of $48.8-million, or 25.5 percent in the District of Columbia; $47.6-million, or 20.9 percent, in Maryland; and $3-million, or 31.2 percent, in Virginia.

In the letter, Mr. Parsky cites what he describes as Pepco's serious financial problems and opines that "there is no reason to doubt that rate increases are urgently needed." The Treasury official also told Mr. Sampson that he would "enjoy the opportunity to discuss with you the thought that GSA should minimize intervention in other cases where low rates jeopardize our electric utilities' financial health."

Star reporter Aug also revealed that Secretary of the Treasury William E. Simon met earlier this year with Pepco chairman Reid Thompson to discuss the rate hikes; and quoted a Pepco spokesman as saying that the purpose of the meeting was "to seek intervention by the government in support of the company's position in the D.C. rate case so that it would be consistent with the proclaimed Administration policy of providing relief to the depressed utility industry to help expedite the rate case."

At the end of 1974, the GSA had intervened in about 70 utility rate increase proceedings affecting government agencies that could raise Federal power bills by as much as $90-million.

But the Parsky letter apparently has not had the desired effect at the GSA. The agency has mailed notices to utility regulatory commissions in the District, Maryland and Virginia informing them that it intends to oppose the increases in all three jurisdictions.

Treasury Secretary Simon has been spearheading the Ford Administration campaign to augment investor-owned electric utilities' income by providing additional tax subsidies and special regulatory treatment. Top-ranking Administration energy officials have been urging Federal and state regulators to liberalize and accelerate their procedures and policies to "bail out" the utilities.

GSA AID URGED ON RATES

(By Stephen M. Aug)

A high Treasury Department official has urged the General Services Administration to largely abandon its traditional role of protecting federal agencies against higher utility costs by staying out of electric company rate cases.

The official, Gerald L. Parsky, assistant Treasury secretary, made his views known in a letter to Arthur F. Sampson, administrator of GSA. The letter, dated Jan. 27, 1975, referred specifically to several electric rate increases proposed by Potomac Electric Power Co.

PEPCO Chairman W. Reid Thompson met privately on the afternoon of Jan. 9 with Parsky's boss, Treasury Secretary William E. Simon. A PEPCO spokesman said the purpose of the meeting "was to seek intervention by the government in support of the company's position in the D.C. rate case so that it would be consistent with the proclaimed administration policy of providing relief to the depressed utility industry and to help expedite the rate case.

He said Simon's reaction was that he didn't know if he could do anything.

PEPCO has three rate increase cases pending—$48.8 million in the District, or a 25.5 percent increase; $47.6 million or 20.9 percent in Maryland, and $3 million or 31.2 percent in Virginia. The increases would add about $18 million to the federal government's electric bill alone.

The Parsky letter, which has not yet been answered, points out that PEPCO has been in a financial squeeze which already has caused cancellation of a major nuclear program and other expansion projects.

It says "there is no reason to doubt that rate increases are urgently needed."

The letter, however, goes further than just PEPCO. "In addition, I would enjoy the opportunity to discuss with you the thought that GSA should minimize intervention in other cases where low rates jeopardize our electric utilities' financial health."

Apparently Parsky's letter has not had the desired effect yet at GSA. The agency has sent notices to the utility commissions in Maryland, the District and Virginia that it intends to oppose the increases in all three areas.

The letter points out the sometimes opposing view points within the government on the same issue. GSA is by law the agency entrusted to representing the federal government—as a consumer—before regulatory commissions. In fact, GSA as of the end of last December was involved in 69 utility rate cases in which between $70 and $90 million worth of higher utilities rates for the federal government are at stake.

Under the law the GSA administrator has sole authority to determine whether the government will take part in such cases. Frequently—especially before federal regulatory agencies—the government, as represented by GSA, is the largest single customer taking part in a rate matter. With its sizable resources, therefore, GSA is often a major force in keeping utility rates low.

Don Young, an assistant administrator at GSA, said that while Parsky's letter is not improper it is unusual. He said he could recall only one other such letter in the three years he has been at GSA urging the agency to stay out of utility rate cases—and that was last December from the then head of the Federal Energy Administration, John Sawhill.

"Historically, we have represented the guy that's going to be paying the bill," Young said, "but our character is to represent the government as a whole. What is being indicated to us now by the Department of Treasury is that the government as a whole may not be helped by intervention in particular cases."

Young said "our thinking right now is that we need an over-all federal policy."

The Parsky letter, a copy of which The Star has obtained, deals generally with the declining health of the utility industry in recent years. It points to high oil prices and inflation as intensifying the industry's financial problems. And it points out that rate increases "while considerable, have not been enough to meet the increased cost of fuel, construction and financing."

Although the tone of the letter is in line with administration energy policy—both Parsky and Simon have been in the forefront of developing that policy—it ignores a number of points raised by consumer groups. Those points include questions as to whether utilities have sought the cheapest sources of fuels rather than simply taking fuel at any price and passing the costs along to consumers, and whether utility construction programs are too large in the first place.

The Parsky letter goes on to say that one of the major problems has been the lag in rate adjustments. "The regulatory process was clearly not designed to function in a highly inflationary environment," it says.

The letter is very specific on the PEPCO increase, pointing out that the rate increases average 25.5 percent (actually that's the District's increase, with the average of all increases at 23.2 percent), and that this would allow for a return on investment to shareholders of nearly 16 percent. Without the higher rates, the return "would fall to a totally inadequate 8 percent from the current level of about 10 percent," it says.

POLITICAL REPRESSION IN THE PHILIPPINES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. STARK. Mr. Speaker, since President Ferdinand Marcos declared martial law in the Philippines during September 1972, what was once a democracy modeled on the American system has lost all right to bear that name. The government has imposed numerous restrictions on political activity, the press, and various institutions and organizations that previously flourished. Political activity on an individual or party level is prohibited; the press is subject to government censorship; and strikes, demonstrations, and rallies are banned.

More than 5,000 citizens have been imprisoned as political prisoners since martial law has been in effect. Many have been prominent opposition politicians and journalists, perhaps the most well-known being Eugenio Lopez, Jr. and Sergio Osmena III. The arrest and imprisonment of these two figures is well documented. Although 1,000 political prisoners were released this past December, these two men are still being held without formal charges or a trial date set.

Eugenio Lopez and Sergio Osmena are a symbol of the 3,500 Filipinos who have been imprisoned and denied all civil and human rights. But beyond this, they are a testimony to the repression of the Marcos dictatorship—a repression that reaches every citizen of that country.

More and more of my colleagues have been expressing their concern over this situation. I add my voice to theirs in hopes that President Marcos will end martial law, call open elections, and restore basic civil rights to the Philippines.

Mr. Speaker, as one last note, I would like to include in the Record an article from yesterday's Washington Post. It graphically describes the plight of yet another prominent political prisoner held by President Marcos—Senator Benigno Aquino, Jr.:

Filipino Opposition Leader Approaches "Meaningful Death"

(By Harvey Stockwin)

Manila, May 5.—Those who once knew him can barely recognize him. His legs can no longer bear the weight of his skeletal frame. He quickly loses breath, and his eyes have difficulty focusing.

Life is ebbing away from the man who was once one of the brightest leadership prospects in Southeast Asia, and who is now the leading political detainee of Philippine President Ferdinand Marcos' martial-law administration.

Former city mayor, provincial governor and national senator Benigno Aquino Jr., who has been in prison for 2½ years, persists in his protest fast, now in its second month.

Pale and weak, he was carried into a military tribunal here today to face government charges of illegal possession of firearms, murder and subversion. The charges mainly involve crimes alleged committed before martial law was imposed and for which the senator was not charged under the democracy.

Underneath the legal complexities, no compromise is in sight to prevent the latest espisode in the longstanding Marcos-Aquino political rivalry from reaching a tragic end.

Manila Archibishop Jaime Sin has administered Extreme Unction. Aquino asked to receive the rites, according to relatives, "while he was still conscious," and before Sin leaves Manila on a trip.

Before his detention by Marcos, as martial law was imposed in September 1972, Aquino weighed 191 pounds. Before his fast, he weighed 163. He is now down to 125. He has been taking only water, salt, and amino acid pills.

Last week, medical evidence was presented to the military tribunal indicating that Aquino's condition would go into irreversible decline within one or two weeks.

Government and other sources point out that doctors wait on Aquino three times a day. They hint that force-feeding will be ordered if Aquino lapses into unconsciousness.

However, independent medical sources say that a moment comes in any hunger strike when force-feeding can no longer save a patient and that the moment is unpredictable.

Aquino began his hunger strike April 4 as the government again moved to continue his long-delayed trial.

In August 1973, Aquino had dramatically refused to cooperate or participate when he was first brought before a military tribunal. His stand resulted in a long postponement. Technically, the trial has yet to begin.

In March the government, alleged that witnesses against Aquino might be assassinated, moved to hold hearings to gather the testimony of these witnesses for any future trial.

Aquino began his hunger strike as the military tribunal reversed itself, and insisted that he attend these hearings. Subsequently he broadened the aims of his fast, insisting that he would end it only if:

His and other cases were tried before civil rather than military courts.

Marcos gave all judges permanent tenure by relinquishing their resignations, which he has held since martial law was imposed.

There was greater freedom of the press.

Marcos lifted martial law.

Echoing sentiments expressed at his 1973 trial, Aquino threw the charges he faces back onto Marcos, insisted that Marcos was his accuser, prosecutor and ultimate judge, and maintained that "a time comes in a man't life when he must prefer a meaningful death to a meaningless life."

Aquino's fast has been dubbed "suicide" in the local press. The leading military prosecutor, Lt. Col. Jose Sison, last week maintained that "to die of a hunger strike in a land of plenty is not a heroic act . . . a hunger strike is not a civilized person's reaction to injustice."

The administration insists that his trial will be fair and that Aquino should take every opportunity to defend himself.

More than a hundred witnesses are to be heard in the hearings. The first, "Commander Melody," described as former Communist leader, today testified that there are links between the Philippine party and Aquino.

Aquino said nothing during this morning's hearing. Underlining the question whether his physical condition will last as long as the legal proceedings, he was not present in the afternoon. Hearings are scheduled every day this week.

Some critics of Aquino's stand feel that his timing was bad. The worldwide pre-occupation with Indochina cut the publicity usually essential for a hunger strike's success.

It is also widely felt that it is unrealistic for Aquino to demand the ending of martial law at a time when few Filipinos actively oppose it.

Archbishop Joseph L. Bernardine, president of the U.S. Catholic Conference, cabled Marcos that "It is my understanding that the U.S. government would be prepared to grant the senator asylum in the U.S. for him and the members of his immediate family" and urged this "compassionate" course.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. HARRIS. Mr. Speaker, on April 14, the Subcommittee on Employee Political Rights and Intergovernmental Programs held a hearing on H.R. 3000 in Annandale, Va., where many of my constituents testified. I would like to share with my colleagues the remarks of Lynn Dusinberre, a Federal employee:

Remarks by Lynn Dusinberre

By way of introduction, I am Lynn Dusinberre, a member of the American Federation of Government Employees. My employment is at the D.C. Department of Manpower and I reside in the District of Columbia. Also, as Chairperson of the Committee on Government Employment of the National Capital Area Civil Liberties Union, let me state that this reform of the Hatch Act is sought by many members of the ACLU, as well as by AFGE.

Thank you for affording me the opportunity to speak on the proposed Hatch Act reform law.

First, let me say that I am in favor of H.R. 3000. For too long government employees have been deprived of their right to participate in the political processes of this nation, and denied their right to freedom of expression. It's about time for the Congress of the United States to pass a bill that restores these rights to government employees, taken away in 1939 with the original passage of the Hatch Act.

The Hatch Act, as a result of its vague and piecemeal interpretation, has had the effect of making many Washington area employees feel that they can do nothing in a political campaign. One result of the Act has been to spread apathy among government employees, particularly about issues of local politics. An example of this in the extreme, which I just heard the other day, is that some government employees are afraid to write checks to donate funds to a major political party in the Washington area, thinking that it was in violation of the Hatch Act.

The restriction of Federal employees' political participation by certain parts of the Hatch Act is a sore point in this democracy, for by it government employees are *not* equal to other citizens in politics. The Act has a very broad impact since several States and localities have passed laws similar to it which cover State and municipal employees. Many, many citizens are denied their political rights because government employment has increased greatly at Federal, State and local levels since 1939. For many employees, their job is just the same as any other job in the private sector, so why should they be penalized for being a government employee?, they ask. All types of Federal employees *should* be able and *would* be able with the passage of H.R. 3000 to participate freely in the political processes of their communities. All citizens of the United States, regardless of their type of employment, should have the right to participate in the shaping of social policies through participation in major political party activity at the local and national levels. Participation in a major political party is one avenue which U.S. citizens have to influence the social policies of the nation and of localities.

In order to protect the proposed extension of political rights to Federal employees, as stated in H.R. 3000, safeguards must be applied against its abuse. The bill should be extended to include prohibitions against the use of the career civil service jobs to reward or punish a person for support of a candidate or any other political activity. I recommend adding a clause, such as, that no employment, promotions and/or assignments within the career civil service shall be made subject to an employee's outside political activity, to H.R. 3000 Section 3. In the light of recent abuses of the merit system, especially, a distinction should be drawn between prohibiting the *abuse* of the civil service and promoting the political *rights* of government employees.

Personally, I want to say that I have been affected by the current Hatch Act. I have been frustrated from campaigning actively for candidates in the past three presidential elections.

As you know, the exemption to the Hatch Act in the District of Columbia for our first elections last year was not too effective. The Mayor and a few government employees could run for offices last year. However, most of the D.C. voters, of whom an estimated *half* are Federal or District Government employees, could not campaign actively for the majority of local candidates. Many more than half of the Mayoral and City Council candidates in D.C. in 1974 were Democratic or Republican party members. Therefore, passage of H.R. 3000 would be beneficial to citizen participation of the District of Columbia.

In concluding, I want to thank Representative Clay and co-sponsoring Representatives Harris and Spellman for introducing H.R. 3000 into the House of Representatives. Many government employees, including myself, are looking forward to the day when we can freely campaign to promote candidates of our choice and run for office in local elections as well as in national ones. The H.R. 3000 should be passed by your Committee. An expansion of the proposed law to increase coverage on prohibitions of abuse is recommended.

I only hope that States and localities such as the one I live in pass laws to reform their similar acts to restore political rights to State and local employees, modeling them on H.R. 3000.

I would urge Subcommittee members to work for the passage of this bill. It is a guiding light, it restores First Amendment rights to Federal employees, and its passage would benefit Congress as well as the country.

ALASKAN FIFTH AND SIXTH GRADERS IN WASHINGTON, D.C.

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. YOUNG of Alaska. Mr. Speaker, for those who think the world is full of selfish people who are concerned only with themselves, I have living proof that there are exceptions. Thanks to the efforts of many kind and generous people, a group of 32 fifth and sixth graders from Fort Yukon, Alaska, were treated royally to 3 days of donated accommodations and tours in Washington.

It would be impossible to thank all those who spent so much time and expense to help these youngsters have a meaningful visit to the Capital, but there are a few whose generosity is noteworthy.

Ms. Connie Durnan at St. Columbus Church on Albermarle Street, spent many hours making arrangements for the group to stay at the church, helping with donations of meals and food, and making herself available for any problems that might arise. Many thoughtful members of St. Columbus donated time and money in preparation of a special spaghetti dinner for their final night in town.

Mr. Max Samakow, district governor of the Lions Club was kind enough to donate a luxury sightseeing bus for the group's complete use while they were in town. The bus, from American Sightseeing, was available from the time they arrived at the Greyhound bus terminal on Wednesday night until they departed on Sunday morning. This generous donation by the Lions Club and Mr. Samakow's kind cooperation in arranging all the details were main ingredients in a very successful and exciting visit for these youngsters.

These children from Fort Yukon School began a tour of the United States late in April, and traveled from Seattle to Washington by Greyhound. They were accompanied by two counselors from the school. Fort Yukon is a small village of approximately 700 people, located 6 miles inside the Arctic Circle, and for most of those on the tour, it was their first trip outside the village. It was a real pleasure having these youngsters visit Washington and I am glad I could help make their stay here more pleasant.

EXTENT OF GOVERNMENT PARTICIPATION IN SMALL BUSINESS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. MITCHELL of Maryland. Mr. Speaker, I am in the process of making an analysis of the extent of Government participation in the Small Business Administration 8(a) program.

To date I have been disturbed by what appears to be a lack of real commitment to the 8(a) program.

However, as I continue to research in this area, there are a few glimmers of hope. For example, the Department of the Interior reports the following:

> Prior to fiscal year 1975, the Department's Bureaus and Offices attempted to place procurement directly with the Small Business Administration without regards to the potential minority business entrepreneur. This approach resulted in few contracts to minority businesses under the SBA 8(a) Program.
>
> For fiscal year 1975, the Department analyzed its previous performance records and determined that radical changes were necessary to improve the situation. As a result, the Department proceeded to effect the following changes:
>
> (a) Require all procurement activities in our Bureaus and Offices to identify procurements susceptible for SBA 8(a) placement.
>
> (b) Meet with minority business associations and firms in areas of high activity (of the Department) to inform them of the opportunities available and the necessity for the businessman and woman to obtain SBA certification.
>
> (c) Match up the identified procurement with a firm and have the firm apply for the contract with the SBA.
>
> As a result, this Department has been able to materially improve the SBA 8(a) Program. For example, for FY '74, the Department had placed $1,114,000 under the SBA 8(a) Program. The goal for FY '75 was set at $2,001,000 and the actual placement of SBA 8(a) contracts through December 13, 1974 was $1,440,000 and as of March 1975, actual placement is now at $2,209,230.
>
> We are currently re-examining our remaining procurement actions and are in hopes of achieving substantially more."
>
> EDWARD SHELTON,
> *Director, Office For Equal Opportunity.*

REVIEW OF THE NUCLEAR BREEDER PROGRAM—HEARING OF MAY 7

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. McCORMACK. Mr. Speaker, on May 8, the Honorable Russell E. Train, Administrator of the Environmental Protection Agency, appeared before the breeder review committee and discussed the Agency's recently completed review of the Energy Research and Development Administration's proposed final environmental impact statement on the breeder reactor program. In the view of the subcommittee, there were a number of comments made in the press and in the April 23, 1975, letter from EPA to ERDA concerning the impact statement which needed clarification.

Mr. Train pointed out that, contrary to implications in a recent story in the New York Times, the EPA had not suggested any delay in the nuclear breeder program, nor in the Clinch River liquid metal breeder nuclear construction project. Mr. Train stated that using revised low energy demand projections from the Federal Energy Administration, the EPA had concluded that—

> A delay of four to twelve years might be accommodated without significantly reducing the uranium conservation value of the breeder.

However, he emphasized that EPA did not recommend any such delay, and observed that projected delays assumed by the Energy Research and Development Administration and the joint committee overlapped with his assumptions for what delays might be accommodated without harm in the breeder program.

Committee members brought out the point that there were a number of comments made in the EPA letter which would be used by some to suggest that there was disagreement within the executive branch concerning the need for and the priority associated with the development and ultimate commercialization of the liquid metal fast breeder reactor.

Mr. Train agreed to furnish a letter to the joint committee which would clarify a number of issues discussed at yesterday's hearing and indicate his strong support for proceeding with the

Clinch River breeder demonstration project.

Mr. John Hill, Deputy Administrator of the Federal Energy Administration, presented the prepared testimony submitted by the Honorable Frank G. Zarb, Administrator, since Mr. Zarb was not able to appear before the subcommittee due to a conflict in his schedule. It was pointed out that in view of the dwindling supplies of domestic oil and natural gas, that greater use of coal and nuclear energy to produce electricity should be expected. An electrical demand growth rate of about 6 percent per year—a rate much higher than that expected for total energy demand—should be expected. There was recognition that if conservation measures are adopted and effectively implemented, the electrical demand growth rate might be as low as 5 percent per year. FEA believes that it would be prudent to plan and provide electrical generating capability at a somewhat higher rate than would be anticipated. Mr. Hill went on to say that any projections 25 to 45 years into the future must be considered to be highly speculative. He stated that this country should not base an important energy decision on the breeder reactor on such projections for the following reasons:

First, the current picture of domestic resources already points in the direction of greater dependence on uranium and coal, and the long-term use of uranium depends inevitably on the breeder;

Second, the longer we wait to demonstrate the breeder the more it will cost;

Third, in the final analysis, the pace of industrial introduction of the breeder will be determined in the marketplace. But this will only occur if the breeder has been demonstrated; and

Fourth, there is an urgent need to proceed now with the LMFBR demonstration plant in order to determine at the earliest possible date whether this particular breeder approach will prove dependable on a commercial scale.

With respect to consideration of our total energy picture, FEA believes there is little question that we will have an increase in dependence on nuclear power and a need for development of a breeder reactor. The following information on this point was submitted:

> Nuclear power now provides 8% of our electrical needs and is projected to provide about 30% by 1985 based on the 200 plants now operating or on order. Such a major element of the Nation's generating capacity *must* have an assured source of fuel.
>
> There are at present about 700,000 tons of uranium in proven reserves. An additional 2,500,000 tons of uranium resources are projected to be available, but are not proven.
>
> The 200 reactors already in operation, or on order, will use over their lifetime at least 1,300,000 tons of uranium, almost twice the amount of *proven* reserves.
>
> While it is hoped that new uranium discoveries will be made to increase the base of proven reserves, the above facts clearly indicate that we need the breeder to preclude a uranium shortage.
>
> Without the breeder, electric utilities will not be able to assure themselves a source of fuel supply as a prerequisite to ordering new plants, and we could thus be faced with a rapid decline of the nuclear industry. The public will be denied the benefits of additional low cost and environmentally clean, nuclear generated electricity. Even with our most optimistic assumptions regarding both conservation and the increasing utilization of coal for electrical generation, we will not be able to meet the projected demand for electricity without nuclear power. The consequences of inadequate electric power could be grave indeed for our economy.

FARM BILL VETO

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. BEDELL. Mr. Speaker, tomorrow the House will vote on the motion to override the President's veto of the emergency farm bill. I urge my colleagues to support the override motion.

Misconception and misunderstanding have plagued this important piece of legislation almost from its inception. I sincerely regret this fact, for I firmly believe that it is in the national interest that this bill be enacted into law.

I was thus greatly disappointed by President Ford's decision to veto this measure, a decision which I feel represents a disastrous misreading of the nature and implications of the current agricultural situation.

On May 4, the Des Moines Register, the leading farm newspaper in the country, published an excellent editorial on just this question. I hope that my colleagues will give it serious consideration before they vote on the override motion.

The editorial follows:

FARM BILL VETO

> President Ford vetoed the farm price support bill, as he was expected to, following the advice of Agriculture Secretary Earl Butz. The bill does not provide for radical changes in agricultural price and income-support policy; it essentially is an upward revision in the levels of farm commodity loans and target prices of the 1973 farm act.
>
> Commodity loans would be raised closer to recent market levels in order to encourage the accumulation of larger grain reserves. The bins and elevators are dangerously low now. Secretary Butz said a few weeks ago that the President would veto the farm bill but that he, Butz, would raise commodity loan levels, as he can do on his own authority under the law.
>
> But in vetoing the bill, the President did not ratify the Butz pledge on higher loan values. Instead, Butz said he would keep his eye on the markets and raise the loan rates later if necessary.
>
> The bill also sets higher target prices, to $2.25 a bushel for corn as compared with the present target of $1.38. Butz has opposed this increase, because he thinks it would cost the government a lot of money. His current estimate places the cost at $1.8 billion and up to as much as $5 billion if the legislation were extended to 1976. These figures are disputable. What the government might have to pay out depends on how big the 1975 crops are, the trend of exports and other factors. If reserves are adequate after this year's harvest, the secretary could provide incentives under the law for farmers to reduce acreage next year. It would not be necessary to pay out subsidies on unlimited production
>
> Prices would have to sag considerably below present levels for the payment cost to rise as high as Butz puts it. Supposing it did, however, that would seem to be a useful, if small, item in the fiscal pump-priming program of the administration—in comparison with the $22 billion tax cut which Ford approved and the budget deficit which may reach $70 billion.
>
> Butz's main reason for opposing the bill is his rigid stand on principle against government price and supply management programs. He urges farmers to go "all out" in production, because food reserves are low, but he doesn't want to offer farmers an "artificial" incentive to do so. He seems unconcerned that a big crop would bring a collapse of prices, and at present support levels, farmers would have no protection.
>
> The Senate is likely to vote to override the veto. But the House vote will be close and may not nullify the veto. If the veto is sustained, Congress ought to try again to give farmers a reasonable shield against falling prices.
>
> Perhaps more important from the viewpoint of the public is the need for a government grain-stabilizing reserve plan. This is in the interest of consumers to avoid wide swings in prices of food and to provide assurance against shortage. It is also important to the nation as a backstop for U.S. foreign policy—for reliability in the commercial export of grain and soybeans and for ability to provide food aid in the world.
>
> The Ford veto of this sane and moderate farm support bill is another bad mistake in economic policy by this administration.

REFUGEES TELL OF FEAR AND DEATH IN CAMBODIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. ASHBROOK. Mr. Speaker, the Communist victory in Cambodia has not resulted in sweetness and light for the people of that poor country. While the free flow of information from Cambodia has been stopped by the Communists, reports are filtering out about executions.

According to one source, the forced evacuation of Phnom Penh by the Khmer Rouge even extended to the patients of hospitals. Patients were seen hobbling out of one hospital with some patients carrying the sicker ones.

An article from the Agence France-Pressee suggests that the forced evacuations of numerous cities and towns may be "genocide by natural selection." Only the strong will survive the march.

To investigate and study these and other reports of executions, abductions, and other denials of basic human rights in Southeast Asia by the Communist forces, I have introduced House Resolution 448 to create a select committee.

At this point I include in the RECORD the text of the article "Takeover Meant Joy, Then Fear in Phnom Penh" from the May 8, 1975, Washington Star.

TAKEOVER MEANT JOY, THEN FEAR IN PHNOM PENH

> (NOTE.—The writers of this dispatch stayed behind in the Cambodian capital when Americans were evacuated shortly before the city was taken over by the insur-

gents. The two Associated Press writers arrived in Thailand last Wednesday but withheld their story until the final convoy crossed into Thailand early today.)

(By Chaay Born Lay and Denis D. Gray)

BANGKOK.—Foreigners evacuated from Cambodia tell of executions in the streets, forced marches of people from the cities after the Khmer Rouge took over. But they also tell of the kindness of the victorious rebels which enabled the 600 evacuees to survive a two-week ordeal inside the chaotic country.

Their accounts have been withheld until now in the interest of the safety of other foreigners who did not come out of Cambodia in the first overland convoy that reached Thailand on May 3. The others reached Thailand early today.

The refugees said there were a few hours of relief, almost elation, as the Communist-led Khmer Rouge rebels swept into Phnom Penh on April 17 to the hurrahs and waving banners of the war-weary populace.

But this was followed abruptly by alarm in the city, the mass evacuation of all inhabitants and the entrapment of the foreigners inside the French Embassy with little food, foul water and uncertainty about their fate. And finally came the three-day truck odyssey through a war-ravaged landscape to Thailand and safety.

Douglas August Sapper III, a Vietnam veteran and vice president of a transport company who stayed behind after the U.S. evacuation of Phnom Penh to help people who had worked for him, said: "There were crowds of people on the rooftops and in the streets looking up to see the American helicopters do their air show in the sky.

"The Cambodians thought the U.S. Marines were coming to save Phnom Penh and acted as if they had just discovered a miracle cure for a terminal disease."

One old widow recalled that it was only a few hours after Phnom Penh fell that Khmer Rouge soldiers were firing warning shots into the air throughout the city.

"They gave us short notice to move out of Phnom Penh," she said. "Those who attempted to resist were executed on the spot.

"There was great panic among the stricken Cambodians who were running about not knowing where to go. The Khmer Rouge ordered all residents to leave in different directions. It took three days to get the city cleared."

Kand Sith, a father of six, said buildings found locked by the Khmer Rouge were riddled with bullets and resisters were "shot down like dogs." He and others said they heard of executions of leaders of the former government but did not witness them.

"The Khmer Rouge soldiers didn't talk much but used guns to point during the evacuation. There were some fires throughout the city during the first and second days of the occupation. It was horrible," said Kand Sith, a Cambodian-Vietnamese who holds a French passport.

A French doctor said the Khmer Rouge ordered all the city's hospitals evacuated even of the very sick and dying. Peering over the wall of the French Embassy compound at night, the doctor said, he saw patients being wheeled out of the nearby Calmette Hospital. Others hobbled out with canes and some carried their more disabled fellow patients.

"No one knew where to go when they were ordered to leave," Kand Sith said. "People were screaming. Some pleaded for help. Mothers ran around looking for their children and children search for their missing parents. At night, the city was in darkness, except for people with flashlights carrying their belongings and moving in every direction."

The evacuees said that when they finally left the compound, the city of more than 2 million was littered with cooking pots, mattresses, abandoned cars and motorcycles as well as expensive cameras and electrical appliances.

"The Khmer Rouge looted homes, and everything they didn't want was thrown away. Khmer Rouge soldiers in their early teens drove around on abandoned motor bikes and in cars, armed with rifles and grenade launchers," the old widow said.

"They said we had to leave the city because they needed houses in which to work. They warned us the Americans would also bomb the city, but this was a pretext."

One Cambodian woman with a French passport was forced to join the exodus out of Phnom Penh, carrying her 8-month-old daughter in her arms.

She said she managed to sneak away from the main body of evacuees about 20 miles north of the city and made her way back along trails, talking her way through guard posts.

The French-Cambodian mother said she walked northward, past decomposed bodies left in the bushes along Highway 5, the scene of savage fighting in the weeks before Phnom Penh's collapse.

"I told them I was a French citizen and was looking for my husband who was also French. Really I lied to them," she said. "My husband is pure Cambodian. He left home earlier when the Khmer Rouge took over. He never returned.

The Khmer Rouge allowed her to approach the French Embassy after she said her husband was within. The embassy gate remained shut.

"I shouted to the people inside for help. They told me to climb over the fence. I passed my baby over to them. I was so scared because I was not sure I could make it.

The woman reached the embassy three days after the fall of Phnom Penh and the compound was jammed with more than 1,000 asylum seekers—some 500 French passport holders, Western diplomats and newsmen, employes of various international agencies and several hundred Cambodians.

Cambodia, a former French colony, was home for a few thousand persons of mixed French-Cambodian and French-Vietnamese blood, most of whom carried French passports. Cambodians who had sought refuge inside the compound were forced to leave under Khmer Rouge pressure.

Sapper reported that none of the Westerners were hurt the day of the takeover.

Sidney Schanberg, a New York Times correspondent; Al Rockoff, an American freelance photographer; and Jon Swain, London Sunday Times correspondent, were captured by the Khmer Rouge in the streets, put in the back of an armored car and driven to the Mekong River. They thought it was all over. But Schanberg's Cambodian assistant intervened at the risk of his own life, and saved theirs.

The evacuation of the foreigners began on the morning of April 30, with a jeep leading a 25-truck army truck convoy over rough backwoods trails. On the first day the convoy covered only some 35 miles.

"The Khmer Rouge told us we couldn't take the highway from Phnom Penh (Highway 5) because many bridges were destroyed and the road conditions were poor," one evacuee said.

"On the way to the airport (four miles west of Phom Penh) we passed through the ghost town of Pochentong. There were abandoned cars along the road, many with their tires and windshields shot up and some were smashed up against trees. We could smell dead bodies.

"The airport was also deserted, except for some Khmer Rouge soldiers but the airport was still in operation because from the embassy we had seen helicopters and aircraft flying in and out of it."

SEQUOIA NATIONAL REFUGE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. MILLER of California. Mr. Speaker, today I have introduced a bill to make the Sequoia National Game Refuge part of Sequoia National Park. I am pleased to announce that 67 Members of Congress have joined me in this endeavor to preserve this valuable resource.

The names of those who are coauthors are:

MINERAL KING COSPONSORS

1. Taylor (N.C.)
2. P. Burton (Ca.)
3. Mink (Haw.)
4. Meeds (Wash.)
5. Carr (Mich.)
6. Bingham (N.Y.)
7. Seiberling (Ohio)
8. deLugo (Vir. Is.)
9. Weaver (Oreg.)
10. Won Pat (Guam)
11. Tsongas (Mass.)
12. Udall (Ariz.)
13. Roncalio (Wyo.)
14. Moakley (Mass.)
15. Vander Jagt (Mich.)
16. Vanik (Ohio)
17. Mitchell (Md.)
18. Coughlin (Pa.)
19. Brown (Ca.)
20. Rosenthal (N.Y.)
21. Harrington (Mass.)
22. Wilson, Bob (Mass.)
23. Helstoski (N.J.)
24. Ryan (Ca.)
25. Leggett (Ca.)
26. Stark (Ca.)
27. Hechler (W. Va.)
28. Riegle (Mich.)
29. Danielson (Ca.)
30. Roybal (Ca.)
31. Moss (Ca.)
32. Richmond (N.Y.)
33. Dellums (Ca.)
34. Ottinger (N.Y.)
35. Roe (N.J.)
36. Moffett (Conn.)
37. J. Burton (Ca.)
38. Harris (Va.)
39. Van Deerling (Ca.)
40. Badillo (N.Y.)
41. Conyers (Mich.)
42. Beard (R.I.)
43. Dingell (Mich.)
44. Rodino (N.J.)
45. Hannaford (Ca.)
46. Edwards (Ca.)
47. Studds (Mass.)
48. Downey (N.Y.)
49. Mineta (Ca.)
50. Abzug (N.Y.)
51. Anderson (Ca.)
52. Young (Ga.)
53. Bonker (Wash.)
54. Ford (Mich.)
55. Corman (Ca.)
56. Rees (Ca.)
57. Pattison (N.Y.)
58. Schroeder (Co.)
59. Burke (Ca.)
60. Solarz (N.Y.)
61. Waxman (Ca.)
62. Jacobs (Ind.)
63. Holtzman (N.Y.)
64. Blouin (Iowa)
65. Zeferetti (N.Y.)
66. Bell (Ca.)
67. Jennette (S.C.)

DENYING THE HERITAGE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. FLORIO. Mr. Speaker, although the American involvement in the Vietnam war has ended, the plight of the Vietnamese people, particularly the refugees, is still very much in the public eye. A plethora of comments and opinions have emanated from the American people, the press, and public officials, much of which has been acrimonious. May I suggest, before my colleagues deliberate on any legislation addressing the refugee question, that they consider the following editorial commentary from the May 7 edition of the New York Times:

President Ford is right to be angry at the querulous and uncharitable responses of too many Americans toward the plight of the Vietnamese refugees. His request for $507 million to assist the resettlement of approximately 150,000 Vietnamese over the next two years is a reasonable and honorable response to a tragic human situation. The United States can do nothing less.

Those citizens who are unemployed or who are financially pinched by inflation and high taxes have understandable fears that the nation is taking on yet another burden while their problems remain unsolved. But those fears are based on a misconception of the facts.

About 60 per cent of the refugees are children, while many others are elderly persons too old to enter the job market. Thus, only 30,000 of the Vietnamese refugees are heads of households and likely to seek work. Of these, many are doctors, lawyers and businessmen who can readily find places for themselves in American life and contribute needed skills.

What is harder than the fears of the unemployed to explain and justify is the antagonism of many members of Congress, including well-known liberals, and other leaders of opinion throughout the country. Several liberal members of the House of Representatives seem not to be aware that the war in Vietnam is over.

No nation is eager to welcome criminals, prostitutes, war profiteers, or practitioners of political torture. But it grossly distorts the whole nature of the refugee problem to focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number. There is no possible way to make a just determination about the political or moral character of individual refugees.

If some Vietnamese engaged in dirty work, they usually had American advisers or were financed by American money. In some respects it was a dirty war. But now that it has all ended badly, it would be the ultimate disgrace for Americans to turn their backs and adopt a holier-than-thou attitude toward those Vietnamese who aligned themselves with the American war effort in their country.

It is likewise blatantly contradictory to play upon fears that the Vietnamese may take away jobs or end up on welfare rolls and at the same time argue that many of them are too rich to deserve help.

Most of these refugees have lost all of their worldly possessions. Many are separated from loved ones. All have lost their country, a lasting sorrow that perhaps only other migrants and exiles can fully comprehend. They deserve to be cherished as fellow human beings and given a welcoming hand as new Americans.

George Meany, President of the A.F.L.-C.I.O., has pledged the labor movement's help—even in this time of economic adversity—to assist the Vietnamese refugees to find jobs. "The United States has an inescapable moral responsibility," Mr. Meany observed. "We are a nation of immigrants. Rejecting them would be denying our heritage and the history of this country as a haven for the oppressed."

No matter what one may have thought about the rights and wrongs of the Vietnam War, those words express the true American tradition.

AIMING THE PRESS AT MISMANAGENT

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. BOLLING. Mr. Speaker, Hobart Rowen's column which appeared in The Washington Post on Sunday, May 11, 1975, is a balanced and sound approach to a subject which is often ignored, sometimes covered up and occasionally exaggerated. Mr. Rowen's remarks follow:

AIMING THE PRESS AT MISMANAGEMENT

(By Hobart Rowen)

One of Ralph Nader's complaints about business news reporting (apart from the limited space publishers give it compared, say, to sports news) is that it concerns itself almost wholly with the big picture, rather than the impact of the economy on people.

Nader laid it on the line at a meeting here last week of the Society of American Business Writers. He says there's lots in the paper about corporate data, the gross national product and the rate of inflation—and little of what he calls "qualitative analysis" that tells what is really going on in the economy.

The GNP can go up, Nader pointed out, with an increase in accidental deaths on the highway, requiring more police, more ambulances, more medical care and so on.

That illustration is only slightly outrageous. Nader makes his point, which is that much of our GNP is waste. There is no worse offender than the automobile industry, which for years refused to produce the smaller cars that consumers wanted. Now, the domestic industry has been staggered by a new rise in imports to 21 per cent of the total.

Business mismanagement in this country is a big story, not well enough illuminated in the papers—and radio and TV seldom touch it. Banks, for example, have made loans of $16 billion or $17 billion of a questionable nature to real estate investment trusts. Some of those trusts may come tumbling down.

New York money market man Henry Kaufman of Salomon Bros. says that banks became speculators or "entrepreneurs" last year, looking for a fast buck, rather than careful, conservative custodians of the monies put in their trust. And the Federal Reserve "lost control of the banking system," he asserts.

But the papers are full, instead, of the comforting generalities from President Ford, Federal Reserve Chairman Arthur Burns, Treasury Secretary William Simon and economic adviser Alan Greenspan that the recession is over.

A "qualitative analysis," however, would lead one to ask what sector of the economy is going to pull the nation out of recession. Autos and housing typically lead the way, but no one expects that this time around.

Housing, particularly, will be affected by two problems that get insufficient attention: the energy pinch over the next several years, which makes you think twice about buying a house in the suburbs; and the skyrocketing cost of utilities, which in some areas is beginning to rival the cost of the monthly mortgage.

Just last week, the Senate Commerce Committee started the nation down the road to at least a partial deregulation of natural gas, and a certainty of even higher prices.

Nader, concerned about utility rates, is trying to start something called RUCAG—the Residential Utility Consumer Action Group—which would pool $1 and $2 monthly contributions tacked onto regular utility bills. That would enable consumers to hire their own lawyers and experts. RUCAG, of course, would require state legislative authority. The idea is being introduced in 15 state legislatures.

Yet, there is little written about this issue, Nader complains, and, until now, little that consumers could do about it. And when consumers organize, they are likely to be challenged, as they were by another SABW speaker, First National City Bank President Walter Wriston. Wriston equates any governmental intervention in private affairs for the public benefit as a degradation of personal liberty.

I was reminded, listening to Wriston, of the time in 1967, at a Business Council meeting, when Charles G. Mortimer, then chairman of General Foods, blasted "consumerism" as undermining confidence. He said that the Nader-generated "automotive safety flap" had cut sales and, if "social theorists" would just shut up, the free enterprise system would adequately protect the consumer.

Kicking and screaming, the auto industry has come a long way. But at least one New York banker has not.

Nader is basically right in arguing that the press can and should turn an investigate spotlight on American industry in general, the way it has on Detroit. He suggests, specifically, that more attention be paid to banking, insurance and the food industries. What he says or charges should not be taken as gospel. But the results of consumer pressures on Detroit show that he is not to be taken lightly, either.

THE ROLE OF THE PUBLIC EMPLOYMENT SERVICE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. FINDLEY. Mr. Speaker, recently I read an article written by Daniel Meltzer, executive vice president of the National Employment Association, which I believe deserves the thoughtful attention of all Americans in these critical days of economic strain and severe unemployment.

The article, soon to appear in "Placement Age," the regular publication of the National Employment Association, is entitled "The Role of the Public Employment Service."

It is because I know we all agree that every resource of our Nation must be devoted to finding jobs for the country's unemployed—as a first priority—that I commend this article to your attention:

THE ROLE OF THE PUBLIC EMPLOYMENT SERVICE

(By Dan Meltzer)

In a recent letter to William B. "Bert" Lewis, Director, United States Employment Service, I wrote, "The placement role of the public employment service should be limited to provision of services required to place the unemployed, disabled, and disadvantaged because the intent of the Wagner-Peyser Act was to provide placement services for those who could not obtain work by their own resources."

This type of statement is likely to be considered as self serving or biased when attributed to an employee of the association comprised of private employment agency members. Even when the statement represents a widely shared, broadly based view, it still must be considered as suspect. And, too, it might be considered an overstatement.

It is still suspect, however, when the Secretary-Treasurer of the Industrial Union Department, AFL–CIO, Mr. Jacob Clayman, in his paper The Need For Focus presented to the Joint Conference of the U.S. Department of Labor Manpower Administration and The Interstate Conference of Employment Security Agencies Inc. writes of the need for priorities in service to those people least able to compete successfully on their own.

In his words, "With limited resources, the employment service must exercise some selectivity as to how those resources are used. The critical debate of course is on how the selection should be made. In my mind, there is no question that it should be made on the basis of need.

Priority in service must always go to those who need help most. That means the disadvantaged; the people who are least able to compete successfully in the labor market on their own. Even Wagner-Peyser recognizes the need for priorities, at least, by implication. The act singles out for specific mention the groups who were most disadvantaged at the time the act was passed, namely veterans, the handicapped and rural workers—and requires that special treatment be given to these groups. In so doing, it seems to me that the framers of the legislation established a precedent both for the establishment of priorities, and by inference—that the priority should go to the disadvantaged. For the disadvantaged, the employment service is not only an open door, it is often the only door.

As a nation, we have not had much difficulty in deciding how public a public service should be in other areas of social policy. For example, we have not insisted that publicly supported health services must be available on an equal basis to all citizens. Certainly we should be able to make the same kind of selectivity in providing public employment services."

Statements such as that of Mr. Clayman are of the greatest importance and significance especially in a time of high unemployment and when the public employment service has given top priority to a high cost, image building program entitled "Employers Services and Job Development Communications Project" or the Multi Media Advertising as it has come to be known. The Multi Media Advertising Campaign was described by Mr. David Williams, deputy to Mr. Lewis, in Placement Age, April 1975 as "a continuing large scale effort to revitalize the public employment services and to increase their utilization by employers and applicants through an aggressive public media advertising effort and follow-up program of involvement."

The fact is that no advertising campaign yet conceived has had the capability unto itself to revitalize a service—employment or otherwise. The best that advertising can be expected to accomplish is to make a service appear revitalized, but it can go no further. The proof is in the performance, and it doesn't take a $3 million dollar advertising campaign to prove performance. Service to the employer and to the job seeker is the only necessary ingredient.

The campaign is misdirected in that it is not aimed at the jobless who most need the help of the Job Service—not, for example, when the New York State Employment Service places 4" ads for a $20,000–$30,000 per year Marketing Manager or for a $30,000 per year Patent Attorney. And the campaign does not appear to be aimed at the jobless when a TV spot commercial asks the viewer if he's looking for "a change of pace." If the target audience were the jobless, the viewer would not have to be asked whether he'd like to change his pace. Mr. Clayman's recommendation to give priority in service to those least able to compete successfully in the labor market on their own certainly merits consideration in depth by our policy/decision makers.

A new method for measuring the performance of the state employment services has been introduced by the Manpower Administration. The method, the Balanced Placement Formula, serves as the basis for budgetary allocations to the state services. Would it surprise you to learn that the formula is so structured as to reward the state employment service with more credits and therefore more money for placing a worker in a job paying over $3.50 per hour than for placing someone in the $2.50 to $3.50 range? And would it surprise you to learn that the state employment service is awarded the fewest number of points and the least remuneration for placing the under $2.50 per hour worker?

Wouldn't you question the priorities and the system itself when the state employment service receives a greater return for placing the skilled rather than the less skilled worker? Where does this leave the man who needs the help most? It leaves him on the lowest rung on the ladder when the ES decides how to best use its resources. It leaves him in last place in the battle for attention, consideration, and service.

When the Employment Service made the decision to seek to increase its penetration or its share of the job market, the unskilled worker became the immediate casualty. In a game where numbers are important, the unskilled worker is relegated to a low priority position. Numbers of placements represent the best reflection of the Employment Service's accomplishments. Since the unskilled require greater attention they represent a drain on the available resources and serve to reduce the overall placement capability.

The strategy for increasing placements suggested a course of action that would concentrate on the readily employable applicant. This would require expanded employer client participation; a program to attract the easily placed applicant; and direction to the state employment services through the Balanced Placement Formula offering rewards for placing the skilled.

The first approach toward increasing the numbers of job orders for the Employment Service was Executive Order 11598 requiring all employers doing business amounting to $2,500 a year with the Federal Government to list their job openings with the state employment services. Mandatory listings, as the measure was called, was designed to help returning Vietnam veterans find employment quickly.

The program to attract the easily placed applicant included the use of classified advertising dollars for ads announcing $20,000–$30,000 a year openings to be filled by applicants who, in all probability, were already employed.

Whereas the mandatory listing program offered great hope for getting the Vietnam veterans back into the mainstream in 1971—it had begun to lose its meaning by 1974.

The Employment Management Association, whose 600 members include the personnel directors of many of the largest corporations in the U.S. conducted a survey in 1974 seeking to determine the attitude of its members relative to the continued implementation of Executive Order 11598. In the survey the attitude of the EMA members was expressed overwhelmingly in the negative. "Not only do most members think that the Order should be rescinded because it is no longer practical, there is a strong feeling that the USES is not capable of administering such a system."

"Every member indicated that is organization complied with the law and several stated that the order was excellent in its intention and was commendable action in that it moved employers to take positive action in hiring Vietnam veterans. The prevailing attitude was one of extreme disappointment in the operation of the system."

The Vietnam Era Veterans Benefits Act of 1974 continues the mandatory listing requirements and increases the maximum salary covered to $25,000 from the previous limit of $18,000. When you consider the comment in the EMA survey that indicated, "Perhaps the most useful USES referral has been the totally unskilled veteran," you can appreciate the anxiety of the USES planners. Jobs on file, not filled by veterans, are obviously available to all persons using the Employment Service. The $25,000 figure, therefore, appears to be a simple device to increase the numbers of job listings at a wage level not likely to solve the problems of either the Vietnam veteran or those least able to help themselves.

Apparently the mandatory listing requirement did not produce the hoped for results. It was then suggested that the Employment Service find some way to improve its image in the business community.

The way decided upon was through a Multi Media Advertising Campaign. The Employment Service gained authorization to launch the 3 million dollar image building campaign designed to attract employers, easily placed applicants and ultimately gain a reputation for creditability and performance that would lead to job orders even for the fellow way down at the bottom on the skill level ladder.

That fellow at the bottom of the ladder, the one who really needs Employment Service help now, had better be prepared to wait for a long, long time before help arrives as the result of this campaign. Regardless of what system is implemented by the Employment Service, it will be hard pressed to provide the personalized service required to compete successfully in the professional, technical, managerial and administrative sectors of the job market.

And that brings us back to our original point which suggested that the placement role of the public employment service should be limited to provision of services required to place the unemployed, disabled and disadvantaged in conformance with the intent, if not the language, of the Wagner-Peyser Act.

Mr. Clayman concluded his paper by offering "some suggestions for the future." He suggested that national goals must be the principal business of the employment service, and their implementation must be their overriding concern: that if national goals are to be implemented there must be strong federal involvement in the direction and control of employment service operations: and that provision of employment services is a public responsibility—the cost of supporting the system should be borne by all of us—and not limited to one group—specifically the employers.

Of the steps he recommended that could be taken, he wrote, "First and foremost—it is time to revamp the Wagner-Peyser Act.

Even the Constitution has needed some changes over the course of our history. Some changes have been necessary even since 1933. Is Wagner-Peyser more sacrosanct than the Constitution? I think not. Wagner-Peyser is partially outdated—and as it presently stands, it presents a formidable barrier to the development of a responsive employment service. We must start with new legislation which clearly spells out the legitimate responsibilities of the employment service—which clearly delineates its role in meeting society's needs. We should not be worried with the problems of universality. The law should give the ES the focus it needs and should provide specifically that priority be given to those workers who are most in need of employment assistance; the poor, the unskilled, the under-educated, and those who suffer from discrimination in any form."

COMMON CAUSE AND NATIONAL CONSUMER CONGRESS URGE SUSTAINING FARM VETO

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. PEYSER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

NATIONAL CONSUMER CONGRESS,
Washington, D.C. May 9, 1975.

DEAR CONGRESSMAN: The National Consumer Congress strongly urges your support in sustaining the President's veto of the Emergency Farm Act. It has been estimated that this Act would cost consumers several billion dollars through higher retail prices and government purchases for farm commodities. The long range effect on farmer and consumer could be devastating.

The proposed change in the support price of milk to 80% of parity with quarterly adjustments is economically unsound. Commercial stocks of manufactured dairy products are up 21% over last year. Government purchases of dairy products to maintain the January rise in the support price are four times greater than they were last year. In short, the market is glutted and an artificial price increase will only make the situation worse by causing a further decrease in milk consumption. Since the last time Congress held hearings on dairy price supports, feed costs for dairy farmers have dropped by 30%. Thus, the original rationale for raising consumer dairy costs over one billion dollars is no longer valid.

The proposed increase in target prices for cotton should be deleted from the bills since the target price is substantially higher than the current market price. Thus, if enacted, cotton farmers would be encouraged to plant only for government consumption. There is currently enough cotton on hand—six million bales—to supply all domestic needs for 1975. Higher retail prices (estimated at $45 million) will perpetuate the 35% reduction in cotton consumption last year and endanger the competitive status of U.S. cotton in world markets.

The proposed target prices for wheat and corn at $3.10 and $2.25 respectively, are too high relative to the cost of production. If the 1976 escalator clause were placed into effect for the '75 crop, the target prices for wheat and corn would be $2.50 and $1.68 respectively. This is a reasonable compromise between the Congressional proposal and current prices.

Again, we strongly urge your support in sustaining the President's veto and we encourage you to plan farm programs that really will meet the needs of both farmers and consumers.

Most sincerely,
AILEEN GORMAN,
Executive Director.

COMMON CAUSE,
Washington, D.C., May 9, 1975.

Hon. PETER PEYSER,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE PEYSER: I am writing in behalf of Common Cause to inform you of our support of the President's veto of the Emergency Agriculture Act of 1975. On March 17, we wrote to each member of the House urging deletion of the sections of the bill increasing cotton and dairy target prices and loan levels. I have enclosed for your information a copy of our letter of March 17 which outlines our reasons for taking this position, principally our belief that it is highly wasteful of federal funds to increase cotton price supports at a time when this country has a cotton surplus and our deep concern about the total lack of hearings on the bill's dairy provisions. We stated that unless the cotton and dairy increases were removed from the bill, we would oppose the entire bill. Since increased cotton and dairy supports remain in the bill, we continue to oppose it.

There has been great controversy over estimates in regard to the cost of the bill to the government and the consumer. Widely differing estimates, especially relating to the bill's dairy provisions, have been presented by the USDA. This underscores the major point we made in our letter of March 17. The dairy provisions of the farm bill should not have been brought to the floor for a vote without the benefit of hearings to assess, among other things, the impact of the proposed price support increases on both farmers and consumers. Comprehensive public hearings can provide a forum for questioning cost estimates presented by the USDA and other experts. The committee can use hearings to make sure the estimates are reasonable and based on a proper reading of the legislation.

In March, supporters of legislation providing for increased dairy and cotton price supports argued that it was essential to rush the bill through Congress to ensure full plantings this year. This argument is no longer valid. There is no need for haste.

For all these reasons, Common Cause supports the President's veto.

Sincerely,
DAVID COHEN,
President.

COMMON CAUSE,
Washington, D.C., March 17, 1975.

DEAR REPRESENTATIVE: This week the House will consider H.R. 4296, farm legislation to provide a 1975 price support program. Common Cause believes that the cotton and dairy provisions of the bill are especially burdensome on and unfair to consumers. The cotton provision in particular is on its face highly wasteful of federal funds.

H.R. 4296 increases cotton target prices and loan levels. The legislation provides added incentives to produce cotton. Yet with 6 million bales of cotton in storage, the United States has more than a one year supply. The Agriculture Department estimates that the bill will cost the taxpayer $213 million for loans and $341 million for target payments in the next year.

There is a larger question than cost to the taxpayer. With too many Americans undernourished and world famine increasing, how can we justify subsidizing cotton surpluses? Cotton land can be used for various food crops. In our judgment the cotton subsidies should be deleted from the bill.

The dairy provisions raise other questions. No hearings were held on the dairy provisions this year, although over half the membership is new to the Agriculture Committee. The lack of hearings is not merely a question of form. H.R. 4296 increases the dairy price support to 85% of parity with quarterly adjustments. The estimated cost to the federal government will be $162 million more than the $250 million already projected under the present level of support.

Increased costs to the government and consumers must be weighted against the needs of dairy farmers. We do not oppose subsidies per se. But overlooked by the Committee is the bill's impact on consumers. Will milk, cheese and butter prices be increased? If so, by how much? The Agriculture Department estimates milk would increase 8c per gallon, cheese 10c a pound and butter 20c a pound. A critical review of these estimates is especially important in today's economic climate. The failure of the Committee to examine the dairy provisions provides no reliable barometer by which to cast votes. For example, if the Agriculture Department figures are correct, will the increased costs hurt low-income people? What will be the effect on food stamp distribution and costs? Will some dairy farmers' income drop further because of decreased consumption? We believe that the Committee must examine these questions with care, rather than asking House members to cast an uninformed vote.

Common Cause believes that a sound farm policy can be developed that benefits both consumers and farmers. Toward that end it is essential for a complete record to be developed that shows the impact these agricultural subsidies have on consumers and taxpayers.

Common Cause urges members of the House to delete the sections on cotton and dairy subsidies. If either effort fails, the bill should be defeated. This would provide the Committee with the opportunity to thoroughly examine these crucial issues.

Sincerely,
DAVID COHEN,
Acting President.

THE REFUGEES: CLEARLY OUR RESPONSIBILITY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. HUBBARD. Mr. Speaker, the following editorial appeared in the Courier-Journal, Louisville, Ky., on Thursday, May 8, 1975. The publisher of the daily newspaper is Barry Bingham, Jr. The editorial page editor is Robert T. Barnard.

The editorial follows:

THE REFUGEES: CLEARLY OUR RESPONSIBILITY

President Ford's appeal to put Vietnam behind us, repeated at his Tuesday news conference, had a significant omission. Americans are desperately eager to forget Vietnam and look to the future, but we cannot erase the past. Residual responsibilities toward Southeast Asia remain, particularly concerning those who have fled from Communist rule.

The President rightly deplored the views of those who would deny the traditional welcome given immigrants seeking a refuge in this country. He aslo tried to dispel fears that these South Vietnamese would be an intolerable burden on our depressed economy. But he missed an opportunity to stress that the obligation we still have to those who escaped is the most fitting way to bring our long and unhappy involvement in Vietnam to a more nearly honorable conclusion.

There already are signs of an emotional backlash against the refugees, a mood that undoubtedly will be reflected in the forthcoming congressional debate on funds to assist their resettlement. It is important, therefore, to begin at once to counter this unfortunate reaction at every level.

It is difficult to gauge the extent and intensity of the anti-refugee sentiment. Some members of Congress apparently have been hearing from constituents who oppose the refugees; hostility also has been expressed in letters to newspapers around the country. But there also have been demonstrations of support. Responsible leaders, from governors to the AFL-CIO executive committee, have supported efforts to absorb the refugees. And the State Department has been swamped with offers of help from thousands of Americans.

MINIMAL IMPACT

In the end it may come down to a question of how effective a political campaign can be waged on behalf of the refugees. West Virginia's Senator Byrd, for instance, feels that the administration's request for resettlement funds will be cut back because "there is no grassroots support for it."

Appeals can continue to be made to the ideals of a nation that was built upon immigration and that has prided itself on being a haven for those fleeing persecution. But in this period of great uncertainty, a time when many Americans feel that they and their country are threatened by powerful economic and political forces beyond their control, it also is important to reassure them that the refugee problem is not as enormous or threatening as it may seem.

During the recent congressional debates on Vietnam, little was said about the feared economic impact of the refugees. Partly this was because Congress was more concerned about whether to give President Ford authority to use U.S. troops in the evacuation of Americans and Vietnamese, and thus set a worrisome precedent. But it also was because there was no way of knowing at that time how many Vietnamese would escape. Hints were voiced that if large numbers did, some members of Congress would resist their resettlement here.

Although more refugees may still trickle out of South Vietnam or Cambodia, it is now possible to figure the dimensions of the task ahead. As President Ford observed Tuesday, only about 35,000—some 30 per cent of the total—are likely to seek jobs. And, as AFL-CIO President George Meany observed, 35,000 job-seekers would be "a drop in the bucket" in a labor force of 92 million, even if more than eight million are presently unemployed. About 60 per cent of the refugees are children, and people who so eagerly welcomed the Vietnamese orphans a few weeks ago can hardly deny a similar chance for a new life to these children, too.

More disturbing questions are being asked by those who wonder why we should welcome fleeing South Vietnamese when many young Americans who fled—rather than fight in a war they found repugnant—are still denied a return on their own terms. Others ask why the refugees should be treated so generously when many returning U.S. servicemen found both government and society less than sympathetic to their problems of readjustment. As a group, veterans of the Vietnam conflict are plagued by an unemployment rate higher than that of the whole workforce. Yet, while these are valid questions, there should be no need to make a choice. We can help them all—exiles, veterans and refugees—if we want to.

Still another cause for concern is whether some of the refugees are "undesirable" because of their association with the more unpleasant aspects of the Saigon regime—those who authorized the brutal "tiger cages," for instance, or officials who thrived on corruption. This objection must be faced head-on. It is quite likely that such people are among the refugees, because these were the kind of people with whom Americans worked and whom we supported, and who thus were most likely to be victims of Communist reprisals. The repressive nature of the regime was widely known and the continued U.S. presence in Vietnam implied, if not American approval, at least American acceptance of what was going on.

THE PAST AND THE PRESENT

This is an unpleasant fact to face, but it is because not enough Americans were prepared to face it for years that we are now reaping the consequences, including responsibility for these associates who now seek refuge with us. Accepting this responsibility, not only as a humanitarian gesture, nor simply in obedience to our own traditions, but as an appropriate way of finally winding up our direct involvement in Vietnam, is the first step toward putting Vietnam behind us.

As columnist David Broder wrote this week, the refugee controversy offers us a lesson for the future: "Don't bloody up countries whose vanquished you will not accept. No refugees, no bombing." We will not truly have learned the lessons of the past if we evade present responsibilities.

DEDICATION AND SUCCESS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. STARK. Mr. Speaker, Howard T. Davis, a journeyman pneumatics systems mechanic at the naval air rework facility in Alameda, Calif., has been selected as one of the 10 cowinners of the 1975 Outstanding Handicapped Federal Employees of the Year Award.

While participating in the invasion of Tarawa Island during World War II, Mr. Davis, private first class in the U.S. Marine Corps, lost his eyesight when wounded by an enemy machine gun bullet. Injury to the pituitary gland left Mr. Davis a victim of Atkinson's disease as well.

Upon discharge from a naval hospital in 1944, and declining assistance from the Veterans' Administration, Mr. Davis sought employment at the Naval Air Station in Alameda, where he has worked for the past 28 years. One of Davis' greatest achievements was his promotion to journeyman in a competitive examination. He and his wife spent many nights studying the various overhaul manuals and other technical data until all the information was memorized. Davis passed the examination with a perfect score.

Mr. Davis is currently assigned to overhauling and testing engine valves and regulators and frequently instructs trainees in repair and test procedures used on aircraft engine accessories. He has designed most of his own testing equipment, including braille gages for testing overhauled pumps and regulators.

Mr. Davis' great courage and determination has resulted in great success in his work, which has been highlighted by numerous commendations and work awards throughout his career. Besides these qualities his contagious personality and good humor make him a leader among his associates. His dedication and great achievements are an inspiration to us all. Mr. Speaker, I know my colleagues join me in paying tribute today to Harold Davis.

ADM. H. G. RICKOVER ACCEPTS GIDEON WELLES AWARD

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. JACOBS. Mr. Speaker, I have always believed that Adm. Hyman Rickover represents the very best in American thinking: thinking what he pleases and saying what he thinks. One is reminded of the words of Hoosier newscaster Elmer Davis:

> This country was not created by cowards and will not be maintained by them either.

Remarks by Admiral Rickover follows:

REMARKS BY ADMIRAL H. G. RICKOVER, U.S. NAVY

I am honored to receive the Gideon Welles Award. It is particularly gratifying because Welles is recognized today for having valued principle over political expediency during his life. I believe that, more than ever, we all need to follow his example in our own lives.

In studying Gideon Welles' tenure as Secretary of the Navy, one is struck by the amount of control he exercised over every facet of the Navy. Aided by Assistant Secretary of the Navy Gustavus Fox and a Navy Department consisting of 87 military and civilian employees—a miniscule number of today's standards—he ran a Navy of over 600 ships and the Marine Corps during the Civil War. He was the senior decision-maker to whom all plans were submitted; the final authority on matters great and small. Welles personally kept a careful watch over the work in progress in Navy yards as reported weekly by the various commandants. He personally approved the assignment of officers, and he made the final decisions concerning shipbuilding programs, major naval operations, and the general lines of naval policy. Moreover, he was a Cabinet member with ready access to the President.

Compare this with the position of the Secretary of the Navy as it has evolved over the years. In this regard, please recognize that I am commenting on the position, not on the performance of the many fine men who have held it, including Secretary Middendorf who is here with us today. The Secretary still nominally runs the Navy and the Marine Corps. But his real power is limited. Senior naval officers decide officer assignments and promotion, and the Secretary is consulted only for a few top positions. It is mainly naval officers who watch over the work in the shipyards and formulate plans for shipbuilding programs. The Joint Chiefs of Staff and the Secretary of Defense make, or assist the President in making, decisions on naval operations.

Where the Secretary of the Navy does approve shipbuilding matters or matters of naval policy, he can be effectively overruled by many Defense Department officials. As a sign of his loss of power, he is no longer a Cabinet member and does not have legal access to the President.

The loss of the Secretary's power coincides with the administrative growth of the Service. In Welles' day, the Navy's organization was simple; today it is massive and complex. There are vast layers of civilian and military bureaucrats, and hundreds of admirals, each with his own personal staff. The Navy has ten times as many active duty personnel today as in the Civil War; yet it has over 200 times the number of civilians in the Navy Department as compared to 1865.

It has essentially become a top-heavy land force with a small percentage of its officers at sea. In 1865, there were 19 commodores and six admirals in a Navy of 670 ships, or about one flag officer for every 27 ships. On January 1, 1975, there were 288 admirals for 500 ships, or more than one for every two ships. In the Civil War, nearly every admiral was at sea commanding a squadron. Today, there are more admirals in Washington than in all the rest of the Navy. In addition, only 31% of all officers have sea duty billets. The remainder, over two-thirds of all officer billets, are on shore.

In World War II, there was one flag officer for every 7200 men in the Navy. Today, there is one admiral for every 2000 men. Lest you think this is happening only in the Navy, a similar situation obtains in the other services. Both the Air Force and Army are even more top-heavy than the Navy, with one general for every 1600 men. Moreover, there are nearly twice as many colonels and lieutenant colonels in the Air Force today as the entire number of planes in that service. However, the Army and Air Force combined have only four generals in their Dental Corps; the Navy's Dental Corps alone has four admirals, although it serves only half as many men as the total Army and Air Force.

All of this should give us pause. What are we profiting from this top-heavy structure, with its high cost, and with the organization and management that plagues the Defense Department? It certainly does not guarantee personal attention. We even use machines today to assign many in the Navy, and the reports on fitness of our officers are now so prepared that a machine can read them. What we do have is overadministration that stifles initiative and saps productive energy in endless meetings and paperwork.

The Navy and the Defense Department would do well to cut out much of the layering, the staffs, and the overadministration. We should recapture the sense of purpose and economy shown by Gideon Welles more than a century ago.

VOTE EXPLANATION

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. EVANS of Indiana. Mr. Speaker, on roll No. 184. a motion to recommit the resolution authorizing the printing of copies of "Congressional Program of Economic Recovery and Energy Sufficiency," I am recorded as absent.

I would like the RECORD to show that had the bells rung in my office for that vote, I would have been present and voting "yea."

CHARLES D. CLARK OF McALLEN, TEX.: AUTOMOBILE DEALER, ART COLLECTOR

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. DE LA GARZA. Mr. Speaker, Charles D. Clark of McAllen, Tex., in my congressional district, known as "Chuck" to me and his many other friends in south Texas, is a successful automobile dealer who has combined his business career with the collection of art on an outstanding scale.

Looking at good art, Chuck Clark and his wife believe, "enriches the life of the beholder." They have lived up to this conviction by acquiring a notable array of the work of contemporary artists and sharing their discoveries with their friends.

An article published recently in the magazine, Cars and Trucks, tells in brief the story of the Clarks and their appreciation of fine art, and I am pleased to insert this story in the RECORD for the edification of my colleagues:

CHARLES D. CLARK: A DEALER IN MOTION

His first lesson in the relationship of space and time came when he was shot down over Germany in World War II. Since then, Charles Clark's appreciation of motion has brought him success in selling cars and satisfaction in collecting art.

Charles D. Clark is a Chevrolet dealer in McAllen, Texas. He is also a member of the Museum Advisory Panel of the Texas Commission on the Arts and Humanities, the Fine Arts Advisory Council at the University of Texas (Austin), the National Committee of the University Art Museum at the University of California (Berkeley), the Friends Council of the University of Michigan Museum of Art, and has served as a juror for the California Society of Printmakers National Print Exhibition in Richmond, Calif., and as a guest curator at both the University of Texas and the University of Maryland.

Although Clark's son, Kirk A. Clark, recently replaced him in Paragraph 3 of the Chevrolet Motor Div. Sales and Service Agreement, McAllen, Texas continues to be more than an occasional home on the range for Charles and his wife Dorothy. "I remain active in the day-to-day business and am a financial participant," Clark says. At the age of 57, he is not yet ready to retire from either of his careers, running a dealership and collecting art.

The Clarks call McAllen "fairly remote" but in the past 25 years they have cultivated an oasis, acquiring graphics and contemporary paintings that have prompted considerable recognition in art circles. Garo Antreasian, the American artist, technical consultant for the Tamarind Lithography Workshop in Los Angeles and Chief of the Graphics Dept. of the University of New Mexico's Art Dept., considers Charles Clark, ". . . the authority on what's happening in art in Germany these days."

The former Regional Vice President of the Texas Automobile Dealers Association is no stranger to Germany. During World War II, he was attached to the LeMay outfit, the 305th Bomb Group, stationed at Chelveston, England. Flying a B–17 in May of 1943, he was shot down over Kiel, Germany. But Charles Clark was accustomed to rough landings. On his first attempt to fly from Presque Isle, Me., to Gander, Newfoundland and on to Prestwick, Scotland, Clark experienced what he recalls as "a run of bad luck." The failure of two engines brought his B–17 down in a water ditch landing off Tangier Island, Nova Scotia.

It was not the less-than-perfect landing that made Clark's arrival in Germany one to remember, but the subsequent two-year stay at Stalag Luft 3 at Sagan and Stalag Luft 7 at Moosberg, near Munich. "Resentments are gone," he says, and when he returned to Europe in 1966, it was via a KLM jet rather than a B–17. Clark remarked, "I like it this way better."

In the past 10 years every vacation for the Clarks has been completely art oriented. Visits to the art centers of Europe are preceded by months of research and preparation. On one three-week trip to Amsterdam, Copenhagen, Paris and London, they carried with them a hefty list of over 300 galleries and museums they hoped to see.

Why spend a vacation shuffling down one long corridor after another when the *Folies Bergere* is down the street or London's most exclusive casino is around the corner? The Clarks explain: "Art is a history of its time. It records historical events, mores, costumes, and, perhaps most importantly, the atmosphere prevailing at the place and period of each artist's work. The events recorded help us to understand our own heritage. Furthermore, looking at good art inevitably . . . enriches the life of the beholder."

The statement is indicative of the Clarks' concern not only with art itself—its technical aspects—but also with its implications, revealing the character of the artist and his surroundings. Their collection is well distinguished by the number of personal dedication prints. "Once having discovered an artist's work," the Clarks will tell you, "we enjoy making contact directly with him. . . ."

A letter dated June 22, 1970, from Howard Hack, the American lithographer, advises Charles and Dorothy Clark, "This might be the last print for awhile, have to move the studio soon which means finding a new place or buying a building—have an old dance hall in mind but heavy mortgages, etc., went to court on an eviction going on here and got another 30 days—maybe till the end of August so things aren't too good. . . ." Even art artist must contend with mortgages, irate landlords and court judges only moderately sympathetic to the artistic process.

In the past, the Clark Collection has placed a heavy emphasis on the German artists, reflecting the intense activity currently going on in Germany. Aided by his knowledge of German and such authority in the field as author Dr. Juliane Roh and artist-editor Rolf-Gunter Dienst, the Clarks amassed an impressive representation of contemporary German graphics which they donated to the University of Texas. The "German Graphics of the '60s" collection is almost as well-traveled as the Clarks. It has been exhibited at the University of Maryland, and plans call for the tour to extend throughout the US in addition to Caracas, Venezuela, and other points in South America.

For the future, Charles and Dorothy Clark have designed a survey of the graphic work of some 35 Swiss artists to be displayed at the University of Texas at Austin in April. The study of the Swiss Concrete Art has consumed hundreds of hours of the Clark's time in the past two years. Such devotion is only equaled by Clark's commitment to the Charles Clark Chevrolet Co.

"I have found no conflict in my business life as an automobile dealer and the collecting and study of art," he says. "We are indeed grateful," Clark adds, "that we have been able to afford to gift art to some 20 museums and higher level educational institutions in the course of building our own collection."

The Clarks believe "having discovered the world of fine art, one can never again ignore it." To the appreciation of their discovery and their continued generosity, they responded: ". . . sharing our collection with friends in our own small corner of the world, we hope to further widen horizons, and ultimately add to the fine and individual culture which we enjoy here."

Charles and Dorothy Clark—latter day DeMedici's of Florence transported from 15th Century Italy to modern day McAllen as 20th Century patrons of contemporary art.

THE WHALE MASSACRE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. ANDERSON of California. Mr. Speaker, action is currently being taken on the high seas which could cause the extinction of one of the world's most unique marine mammals—the California gray whale.

Japan and the Soviet Union, despite rulings of the International Whaling Commission prohibiting commercial whaling, despite resolutions adopted by the United Nations, and, despite countless pleas from conservation groups throughout the world, continue to slaughter not only the gray whale, but the fin, sei, sperm, and minke whales as well.

One might understand Japan and the Soviet Union engaging in such acts if the whale were a primary source of food or protein. However, this is not the case. The byproducts of whales are used for pet food, lipstick, skin for shoes, umbrells, margarine, and various culinary delicacies. Substitutes can be found for all of these. Statistics show that, in fact, the intake of whale meat as a food or protein resource has dropped considerably in the past few years, particularly in Japan.

Nevertheless, the slaughter continues. It is obvious that, as far as the Japanese are concerned, whaling is conducted primarily for profit. For whale meat is a cheap form of animal protein. The Japanese argue that to replace whale meat with beef would cost their balance of payments about $5 billion per year.

It is ludicrous for the Japanese to give this reason as a justification for their participation in commercial whaling. It is absurd because to give an example of the most expensive form of animal protein when trying to find a substitute for one of the cheapest forms of protein. It would be more reasonable to compare prices with a similarly priced protein, such as mutton.

Furthermore, substitutes will also hit the Japanese in the back pocket. By killing whales, they are exploiting a free resource.

Mr. Speaker, unless strong action is taken soon, future generations will not have the opportunity to observe a resource with such an esthetic and scientific value as the gray whale. On the west coast of the United States, particularly in California, we are concerned due to the annual migration along the California coastline. It is truly a sight to behold.

Just as astronishing, only on the negative side, is our Government's reluctance to move aggressively toward Tokyo and Moscow in an effort to cease these senseless acts. Thus far, Secretary Kissinger has only expressed his "disappointment" to these other countries for engaging in these activities.

In the past several months, we have seen too many examples of the administration taking a position of inactivity toward crisis involving violence and destruction on the high seas. With tunaboat seizures in South America; ruthless acts of destruction of fishing gear, et cetera, in the North Atlantic; and now the murder of gray whales in the North Pacific; I believe it is about time for our Government to act once and for all.

Allowing these acts to continue reveals a serious character fault on the part of the administration—one of disinterest and disregard, not only for the conservation of these great whales, but also for international agreements and human sentiments.

We must act now. Our national character is at stake.

BETTER HEARING AND SPEECH MONTH

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, May is Better Hearing and Speech Month and I am taking this time to inform my colleagues of this fact. The goal of this month is to alert citizens to the prevalence of communication disorders, to the problems they cause, and to the sources for their treatment.

Few people realize that 22 million Americans—1 out of every 10 persons—suffer from hearing or speech disorders. Communicative disorders are more prevalent than cancer, heart disease, blindness, tuberculosis, venereal disease, multiple sclerosis, and kidney disease combined. Yet it is one of the least recognized disabilities. Millions of persons suffer from undiagnosed hearing or speech problems. Millions more know they have a problem but because of fear, embarrassment, misunderstanding, expense, or lack of information, do nothing to alleviate the problem.

Help is available and with proper treatment, most such afflicted persons can overcome their handicaps. I encourage community agencies and volunteer groups to tell the public about these disorders and how they can be helped. I salute those who have been involved in this field for their fine service to their communities in helping the communicatively handicapped to overcome their problems.

Public awareness and understanding of hearing and speech disorders are essential if these problems are to be overcome. That is what Better Hearing and Speech Month is all about.

RELIGIOUS REPRESSION IN ROMANIA

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. HARRINGTON. Mr. Speaker, the Christian Mission to the Communist world has recently made serious allegations about the persecution of Christians in Romania. I am inserting in the RECORD, for the benefit of my colleagues, a telegram I received from the mission discussing these allegations in detail.

If these charges are even partially true, they indicate a flagrant violation of the United Nations Universal Declaration of Human Rights. I urge every Member to express his or her outrage at this situation to the Department of State and the Romanian Government.

The text of the telegram follows:

Representative MICHAEL HARRINGTON,
U.S. House of Representatives,
Washington, D.C.

Dear sir: We protest the persecution of Christians which is expressly undertaken in Romania. For your information, here are some facts proving that Christians are persecuted in Communist Romania;

A Christian by the name of Vasile Rascol, 12 Dr. Marinescu Street, Bucharest, was arrested on May 25, 1974, on account of distributing bibles and Christian literature and sentenced to two years. His only crime: possessing bibles. This arrest would seem flagrantly to contradict the principle of religious liberty which had been proclaimed over the radio by President Ceausescu.

Lately many fines were given to believers who were found praying. The police can enter homes without warrants, even days after prayer meetings took place and fine the believers with enormous fines. Retired people who get a couple hundred lei, received fines of thousands of lei, even children are fined. The following have been fined 1000 lei: Brother Turturean, Village Patrauti, Region Suceavai; Brother Nica, Village Maierush Jud, Brasov; Brother Radu, Village Sin Petru, Jud, Brasov; Brother Linguraru Niculae of the Village Herculean, Jud. Covasna was fined 2000 lei. The Brethren in the Village Ruja, Region Sibiu paid already more than 30000 in fines for meetings. Similar situations happened in the Village of Vizuresti, Region Dambovita, in the Village Sanduleni, Region Bacau, in the Village Malul Alti, Region Galati, in the Village Namoloasa, Region Galati, in the Village Pechea, Region Galati, in the Village Saloaia, Region Bacau, in the Village Vernesti, Region Bacau and in the towns of Suceava and Bacau, bibles and song books are confiscated.

Brother Urs Moise of the Village Gura Hont, present address Batania St. 7, Timisoara, Romania, has been recently sentenced to ten years of prison.

According to our latest information, reformed adventists are also in prison in Romania. They are compelled to work on Sabbaths which they refuse. They are punished—thirty lashes. Chains are put on their feet which weigh sometimes 40 pounds. The chains have spikes which hurt. Thirty-two persons would be put in a cell with a maximum capacity of sixteen. Sixteen lie on the floor and sleep while the others are standing around so as not to disturb their peace. Every two hours they change. They are put under cold showers in winter. Because of these conditions, the reformed adventists Zecianu and Simescu died in prison. Brother Sirbu is sentenced to five years. He is very sick and badly beaten. Another Brother Buzdugan is sentenced to thirteen years of prison. His guilt is to have communicated with adventists abroad.

On the basis of religious freedom, as set forth in the declaration of human rights, we urgently request that Mr. Rascol along with all the others named be released from prison.

As a moral, human being, we ask you to use all your influence to bring about the Romanian Communist's Government's respect for human rights.

CHRISTIAN MISSION TO THE COMMUNIST WORLD.

PENALIZING THE ELDERLY

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. DODD. Mr. Speaker, an editorial recently appeared in the Norwich Bulletin, printed in my district, which I would like to call to the attention of my colleagues.

The editorial concerns the restrictions on the amount of outside income an elderly person can earn and still receive social security benefits. This is a truly serious problem, because it is nearly impossible to live in health and safety on social security benefits while prices are continuing to rise.

For this reason, I have cosponsored legislation, along with many other Members, that would increase the amount of outside income a social security recipient could earn without causing a cutback in the amount of social security benefits he or she can receive.

Mr. Speaker, at this time, I would like to include the text of this editorial in the RECORD:

PENALIZING THE ELDERLY

Legislation is being introduced again this year, as it has been for several years past, to remove the earnings limitation on payment of Social Security benefits. The justification for such a reform is as compelling this year as it has ever been, and perhaps even more so. The number of Social Security recipients who find their benefits are less than adequate for a decent standard of living grows larger as the cost of living increases, despite a built-in escalator clause in new Social Security legislation. If the escalator clause has an effect, it is to keep Social Security checks no more nor less adequate than they were before.

Thus, the law that keeps many able elderly persons from earning a supplementary income is as cruel a piece of legislation as it has ever been.

The penalty against the working elderly is invoked when they begin to earn an income greater than $210 in any one month, or more than $2,520 in the course of a year. At that point, the Social Security payment is reduced $1 for every $2 earned over the limit.

It has long been argued that such a limitation distorts the purpose of Social Security. The limitation, in effect, says that the purpose of Social Security is to keep elderly out of the labor market, rather than to provide them with a pension after age 65. That is reinforced by the fact that an elderly person may receive an unlimited amount of unearned income from investments and not be penalized. Thus, the wealthy may receive full Social Security benefits while the elderly working poor may not.

Even more ironic is the fact that the working elderly, in addition to being penalized by reduced Social Security checks, must continue paying the Social Security tax for benefits that they do not receive, and must pay an income tax on their earnings, although the Social Security benefits are not taxable. The cumulative effect of these provisions is that many of the elderly cannot afford to work, because their net income is reduced if they do.

It is certain that, in this year of high unemployment, we will hear arguments in favor of these disincentives to honest labor. There will be statements, made with sincerity, that the elderly must be kept from competing with youth for available jobs.

Without meaning to do so, proponents of the earnings limitation really will be saying that a single class of citizen must be kept in a state of hand-to-mouth existence so that another class may have unlimited earning opportunity. Youth must be served, even if the result is a disservice to those who have raised and nurtured the young.

Segregation of the elderly into a nonproductive way of life has created a social problem that will increase as the average age of our population increases. It is tragic. The talents and experience of the elderly are of immeasurable value to a productive society. This has been recognized, for example, in programs that put volunteer retired businessmen to work advising those with less experience and know how.

Yet our society seems almost aggressive in its insistence that age is the only permissible and justifiable form of discrimination. In a recent survey, pollster Louis Harris found that 37 per cent of the retirees he interviewed had been forced into retirement, although they were willing and eager to carry on productive lives.

The Social Security earnings limitation is another manisfestation of this callous attitude toward those who have reached an arbitrary age at which they must be put out to pasture.

Temporary fluctuations in the economy cannot be used to justify the continuation of an obvious injustice.

PERSONAL EXPLANATION

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. MOORE. Mr. Speaker, I was unable to be present on Monday and Tuesday, May 5 and 6, due to several longstanding committments in my district. Among the most pleasant of these duties was my presentation on behalf of the Farmers Home Administration of the Louisiana Farmer of the Year Award to Mr. Charles Frazier of St. Helena Parish.

Pairs were only available on the Noise Control Extension. I was paired against and am pleased that the measure failed under suspension of the rules.

The only other significant legislation considered by the House was the Emergency Livestock Credit Extension to assist in meeting the critical credit needs of our livestock producers. Had I been able to be present, I would have voted an enthusiastic Yea as I did when we successfully reported the bill from the full Agriculture Committee.

WHY HELP THE CUBAN COMMUNISTS?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. ASHBROOK. Mr. Speaker, the rush is on to "normalize" relations with Cuba. Secretary of State Kissinger has stated that a "general understanding" has been reached on how to end the diplomatic and economic isolation of Cuba. Senator MCGOVERN has been touring that land having his picture taken with the bearded butcher of Havana, Fidel Castro.

Both the Soviets and Cuban Communists have numerous reasons why they would like the end of the isolation Cuba has found itself in but I wonder how we would benefit.

It costs the Soviet Union from $1.5 million to $2 million per day in foreign aid to Cuba. This is only economic assistance.

In addition, the Soviet Union has provided the Cuban Armed Forces with some $2.5 to $3 billion in military equipment. Most was provided at no cost to Castro. Other Communist countries also grant credits and give economic assistance to Cuba.

We must realize that talk of ending the "diplomatic and economic isolation" of Cuba are code words for granting credits and probably giving foreign aid in the not too distant future. I do not see why we should even start down that path.

There is also the humanitarian side of the question. It is no secret that thousands of Cubans are imprisoned for their political beliefs. Thousands of others have been executed.

Prison terms of a definite length are given but then when the time is served some whose only "crime" is that they do not believe in communism are left to languish in prison. Numerous reports tell of beatings, torture, and denial of foods and medicines in Castro's Cuba.

The evidence shows that Cuba is today a country of barbarism, of force used against innocents, of denial of all human rights, but where is the indignation on the part of the American media? Where are the hard questions? Where is the concern for the people of Cuba?

The prevailing sentiment of those who determine our foreign policy or seek to determine our foreign policy—be they in the media, the universities, or the Government—seems to be one of "communism is all right for the Cubans, Chinese, Vietnamese, Cambodians, Russians, Hungarians, Laotians, et cetera and et cetera; it just is not suitable for us." The cause of free men is lacking champions. There are basic differences between free societies and Communist states. We cannot live as free men in a world of Communist countries. Our foreign policy needs a realinement—a realinement that extends the influence of free men and not one that is willing to "adjust" to supposed "Communist realities."

THE UNITED STATES REMAINS LEADER OF FREE WORLD DESPITE VIETNAM

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the war in Vietnam is over and this Nation faces new and different circumstances in conducting its foreign policy.

The Vietnam tragedy brought much agony to this country; more than 55,000 of our young men died in that foreign country and more than $150 billion was directly spent on the war. Certainly, this Nation honored its commitment to the people of South Vietnam, and we continue to assist tens of thousands of refugees from that country.

The distinguished journalist, William Randolph Hearst, recently wrote a very perceptive article on the subject of post-Vietnam prospects in this country in which he states quite accurately—

> The United States, for the safety of the world, must remain as strong as its proven enemies. That is the duty which automatically guarantees our own welfare and our position of leadership.

Mr. Speaker, because of the interest of my colleagues and the American people in this most important subject, I place herewith in the RECORD Mr. Hearst's column of May 4:

THE END—AND A BEGINNING

(By William Randolph Hearst, Jr.)

NEW YORK.—What constructive comment, if any, can be made about this week's ignominious end to a generation of United States effort to preserve a nonCommunist state in Vietnam?

That is the question reluctantly faced here today in the wake of our country's worst foreign policy disaster—a humiliating tragedy which has gravely damaged the position of the U.S. in world affairs.

The question must not be avoided—by any of us. Never again must the American public wind up watching one of our ambassadors having to flee the enemy in a hectic helicopter evacuation, clutching the nation's folded flag on his knees.

Our rout was as completed and demeaning as the unconditional surrender of the Saigon government. It was a climatic cut and run operation, a disgraceful retreat wholly out of character with American traditions.

Only by good luck and a certain judicious forebearance of the conquerors were we able to remove the last 5,000 or so of our citizens in the besieged capital.

It is hard to fully grasp the implications, just as it is difficult to realize that 30 years of warfare in Vietnam finally have ended. Yet the implications of our failure today are the chief international concern of our allies everywhere. While most of our citizens would like to forget the war and the role played in it by the U.S., our allies cannot.

They realize that a truly historic step in this nation's history has been taken—that for their own welfare and global stability they must reassess the reliability of our status as leader of the Free World.

The American people must do the same. It is in their hearts and minds, collectively, that the ultimate answers will be found.

The outlook right now is admittedly bleak, as detained here in a number of columns anticipating the final debacle in Saigon. There is no point in raking the bad news all over again, just as there is no point in raking over all the mistakes we made in Vietnam.

What is important is to draw some lessons from this terrible war, which cost so much of America's blood and bounty, disrupted its economy, divided and eventually demoralized its people.

The first lesson to be learned and never forgotten again, I think, is to appreciate just how dedicated and diabolically clever the big Communist powers are. They give unlimited money and supplies to forces fighting their cause, but avoid committing their own troops unless they are attacked.

This is a basic rule with them—to fight by proxy. Probably nothing could have delighted the Red superpowers more than the day when an idealistic but naive U.S. committed its armed forces to a debilitating struggle far from its shores and direct personal interests.

They correctly guessed that we would be drained not only of immense resources, but eventually of the will to continue. Unlike our own leaders, theirs anticipated that our public resolve would collapse once they signed the papers permitting the withdrawal of our troops.

And that's what happened—to our shame. The Communists went on to encourage massive violations of the 1973 Paris accords. We not only failed to insist on enforcement of the cease-fire provisions but our Congress—reflecting the public mood—tied the hands of the President and progressively began withdrawing aid from Saigon.

The key point to be recognized in this is that our democracy has a built-in psychological and political weakness. Its leaders must respond to public sentiment. Those of the Communist superpowers do not; furthermore their goals are very long-ranged and they have infinite patience.

Americans lack that kind of patience. When they make a decision they want it quickly implemented and disposed of. If it is a nasty matter like a war, it must be finished fast and in no uncertain terms. No matter how important the cause, impatient Americans lose interest in any dragged-out conflict.

This happened in our own Civil War, for example. Because it dragged on for so long many people in the North got fed up and started saying: "Oh, the hell with it. Let them go."

They thus forgot or willingly overlooked the all-important goal kept forever uppermost in his mind by Abraham Lincoln, namely the vital importance of keeping the Union together at any cost.

Another matter needing critical self-reappraisal is that Americans seem able to focus attention on only one part of the globe at a time. This is true even in our State Department.

The big Communist powers, by contrast, are like vaudeville jugglers. They have a whole variety of enterprises going on at the same time—all coordinated, disciplined and calculated to one purpose.

Still another flaw in the American character—and it could be fatal—is our tendency to favor maintenance of the international status quo. In that respect we are like a fire company, sitting in our station house until an alarm sounds and rouses us to action.

We do not really plan ahead, whereas the Communists are like arsonists. They always are the ones who act first; they are the ones always on the offensive.

As a result they have the tactical advantage of surprise and the strategic advantage of choosing the time and place. Detente, furthermore, by and large to them is just another device to help keep us quiet and sleepy.

If all this sounds pretty grim, it should. What we have suffered in Vietnam is about as grim as it can get. What we thereby face in our international relations also is far from encouraging, to make an understatement.

This great nation of ours, with its vast resources of human and natural strengths, still is the leader of the Free World. All we have to do is fully restore our credibility.

Withdrawal into the cocoon of isolationism is impossible, no matter how tempting. We live in a dangerous world whose stability is kept in relative balance only by matching forces of terror. Most Americans know this and are willing to make the sacrifices it entails—if they know the honest facts.

There must be no more glossing of truth by our elected officials—something that has occurred far too often both about Vietnam and other matters in the recent past.

The United States, for the safety of the world, must remain as strong as its proven enemies. That is the duty which automatically guarantees our own well-being and our position of leadership.

The United States, in addition, henceforth must make commitments only after the most serious consideration of possible consequences. Americans will back them if the commitments are valid, and honestly explained.

Above all, the American people must realize how tough our enemies are and resolve to match them with equal or superior force and determination.

Our country is engaged in a deadly sort of chess tournament with the Communists—winner take all.

In Vietnam we have lost a major match, but the tournament goes on.

We can still win if we become fully awake and aware of the stakes involved.

RESOLUTION COMMENDING THE FARMERS OF ALABAMA FOR THEIR VALUABLE SERVICES TO MANKIND

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. EDWARDS of Alabama. Mr. Speaker, the legislature of the State of Alabama has recently passed a resolution commending the farmers of Alabama for their great service to mankind. I too want to take this opportunity to pay tribute to all farmers as they go about their task of providing our most basic needs. I commend the Alabama Legislature for this greatly deserved recognition and I would like to have the following resolution inserted in the RECORD at this point:

RESOLUTION H.R. 107

COMMENDING THE FARMERS OF THIS STATE FOR THEIR VALUABLE SERVICES TO MANKIND

Whereas, the farmers of this state and nation have increased in productivity throughout the years to the point where each farmer is providing food and fiber for a large number of his fellow citizens; and

Whereas, these services of the farmer are often taken for granted by his fellow citizens and the farmers' plight and problems are not fully appreciated; and

Whereas, the Legislature is vitally concerned about the economic plight of the farmer especially in view of the fact that his costs for fertilizer, fuel, seed, equipment and supplies are going up to almost prohibitive prices; and

Whereas, the Legislature wishes to express concern of their situation and to encourage them in their efforts; now therefore

Be it resolved by the Legislature of Alabama, both Houses thereof concurring, That the Legislature does commend the farmers of America and Alabama for their valuable services to mankind and does encourage businesses and industry to extend all the help they can to the farmer in every way in order that they might continue to operate at their high degree of efficiency and to provide their fellowman with inexpensive food and fiber as they have always done in the past.

Be it further resolved, That copies of this resolution be sent to each House of the United States Congress and that they be encouraged to consider every means possible to assist the farmers of this nation to overcome their current difficulties. Copies of this resolution to be sent to every county extension Service Chairman.

HANFORD NUCLEAR POWER PLANT ACHIEVES GENERATION MILESTONE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. McCORMACK. Mr. Speaker, on May 4 the Hanford Generating Project-N Reactor complex generated its 30 billionth kilowatt-hour of electricity. This is more power than has been produced at any other single nuclear generating plant in the world.

Steam generated as a byproduct of plutonium production at the Energy Research and Development Administration's N Reactor and is used at Washington Public Power Supply System's adjacent Hanford Generating Project to turn two 430,000 kilowatt turbine-generators. The supply system will pay ERDA $22.5 million for the steam it receives during the present fiscal year, and will generate 4.5 billion kilowatt-hours of electricity using the steam.

The complex is located within ERDA's Hanford Reservation in eastern Washington State. The N Reactor is operated for ERDA by United Nuclear Industries, Inc. During 1975 the N Reactor has had a plant availability factor of 85.2 percent. This is the ratio of hours in operation to total hours in the time period.

The Supply System's Hanford Generating Project has been providing the Pacific Northwest with electricity from nuclear power since April 1966. To generate 30 billion kilowatt-hours of electrical energy, a fossil fuel powerplant would have had to burn nearly 11 million tons of coal or more than 50 million barrels of oil.

Mr. Speaker, I can appreciate the value of even this one dual purpose nuclear powerplant to this country's economic stability and energy independence. The 50 million barrels of oil that would be required to generate the electricity produced by this nuclear reactor would cost on today's international market more than $550 million. Today this Nation has 55 nuclear powerplants licensed to operate, providing about 9 percent of this Nation's electric energy production capacity. These plants, along with the other nuclear plants which are already under construction or on order, will save the equivalent of between 6 and 7 million barrels of oil a day, equal to all of this country's petroleum imports.

THE DOMINOES ARE IN FACT FALLING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. CRANE. Mr. Speaker, the President and others may declare repeatedly that we are "putting Vietnam behind us" and that our commitments to NATO, SEATO, and our allies throughout the world remain intact.

A country, however, can no more escape responsibility for its actions than can an individual. If the world perceives the United States as an unreliable ally, as one which does not fulfill its commitments, and as a Nation which is only a fair-weather friend, no amount of rhetorical reassurances will be persuasive.

For some time those who advocated the kind of withdrawal from Vietnam which has now come about argued that the "domino theory" was fallacious. The success of aggression in South Vietnam and Cambodia, they argued, did not mean that aggression would be vigorously pursued elsewhere in Asia—in Thailand, the Philippines, and Malaysia, for example.

Why they presented this analysis, and why many have accepted it, is difficult to understand. It flies in the face of rationality. If aggression is permitted to succeed in one place, the appetite of the aggressor is simply whetted. The idea that the "domino theory" was fallacious flew in the face of history and of logic. Yet, our policy was based upon such wishful thinking.

The fact is that the dominoes are already coming under serious Communist attack. In a recent column, Kenneth Crawford points out that—

> The domino theory, we have long been assured, is nonsense—merely a subterfuge for adventuring in Indochina. If that is so, what is happening in Thailand, the Philippines and Laos must be illusory. For those three countries already seem to be tumbling out of the free world orbit into the authoritarian socialist orbit.

Mr. Crawford declares that—

> There can be no doubt that American prestige is taking a beating around the world . . . Nobody can now foresee the ultimate consequences of America's humiliation. President Ford can admonish the country and the world to forget Vietnam and look to the future. . . . It will be futile. Public memory is short but it is not that short. Losing a war is never less than a traumatic experience.

The future of freedom and world stability is dim indeed as we observe the post-Vietnam world. The "domino theory" was never really a theory. It was only an observation of reality which many who preferred a different reality sought to erase. Mr. Crawford notes, in fact, that—

> It is becoming apparent that on the far left there are those who hope that the United States will be the ultimate domino.

I wish to share with my colleagues the important article, "The Dominoes Are in Fact Falling," by Kenneth Crawford, the distinguished former columnist for Newsweek, as it appeared in the Washington Post of April 30, 1975, and insert it into the RECORD at this time:

THE DOMINOES ARE IN FACT FALLING

(By Kenneth Crawford)

The domino theory, we have long been assured, is nonsense—merely a subterfuge for adventuring in Indochina. If that is so, what is happening in Thailand, the Philippines and Laos must be illusory. For those three countries already seem to be tumbling out of the free-world orbit into the authoritarian socialist orbit.

Unless President Marcos of the Philippines doesn't mean what he is saying, his country is leaning hard to the left out of the perceived necessity of getting on with China and its friends. In Laos, the Communist Pathet Lao controls three quarters of the country and is about to take over the other quarter. And the Thais, always sensitive to the political wind and given to bending with it, are preparing to adjust to the reality of gusts from Hanoi and Peking. Less overt stirrings are detectable in other Asian countries.

On the other side of the world, in Portugal, there is no direct evidence as yet that the debacle in Vietnam and Cambodia has had any effect. But if the United States is deprived of its base in the Azores and the Soviet navy moves into Portuguese ports, it will not be because the Portuguese have overlooked events in the Far East.

There can be no doubt that American prestige is taking a beating around the world—and at a time when interdependence of nations is more than ever a fact of life for all the earth's inhabitants.

It may not make much difference to us that our defeat is contributing to the entertainment of our French allies. Vietnam has proved to them that the Yanks for all their pretensions, are no more gallant than anybody else, notably the French, when it comes to the crunch. India, judging from the comments of some of its officials, also is pleased by America's discomfiture. We haven't done anything much for the Indians lately.

Up to now Soviet officials have been more restrained than the rest of the world in their talk or lack of it, about Vietnam. Russia has not celebrated its share in the victory, presumably out of deference for detente. But it has approached Israel with a proposition: if Israel will withdraw to its old frontiers its security will be guaranteed by the U.S.S.R. The implication is that America has proved itself unreliable and that Israel should look to a reliable nation for security.

We are hearing much these days from those who knew all along that we were playing a losing hand in Vietnam and Cambodia. They told us so. They did indeed. Some of the same people are less talkative about their certainty that the other dominoes would be unaffected. The dominoes are in fact falling and the end is not yet in sight. The clatter is no illusion.

Nobody can now foresee the ultimate consequences of America's humiliation. President Ford can admonish the country and the world to forget Vietnam and look to the future. Others can join him, as they already are. It will be futile. Public memory is short but it is not that short. Losing a war is never less than a traumatic experience. And we have no de Gaulle to restore national pride by glorious posturing. It wouldn't work here anyway.

For the moment the American public seems to feel nothing but relief at getting Vietnam off its back. More than 80 per cent, according to the pollsters, opposed even the use of marines to evacuate this country's close Vietnamese friends from Saigon. It is difficult to believe that such indifference will last. It won't if a wholesale purge of friends left behind takes place and if news of it leaks out. We are not that callous.

That there will be a spate of executions seems inevitable. When Hue fell in the offensive previous to the last one, some 3,000 bodies of local officials, teachers, intellectuals and others who had aided with Saigon were found in mass graves, bound and shot. It was estimated that a total of 5,000 or more had been dealt with in that way. An invader that does this in relatively neutral Hue is not likely to control himself when he reaches the enemy citadel of Saigon. With Western reporters out of the country, however, the outside world may never know Saigon's true fate.

This country's present complacency is encouraged by many in the media. We are told, though the returns are not yet in, that North Vietnam will now establish a regime of Titoist independence from its Communist benefactors. By playing off China against the Soviet Union it perhaps can achieve this status. But with China on its northern frontier, this is highly problematical.

We are asked to believe by a journalistic commentator doing a television stint that the Indochina misadventure proves the folly of war any time anywhere. War, he says never in the history of the world accomplished anything. Not even the war against Hitlerism? Well, maybe. But in that war a lot of unnecessary battles were fought. So they may have been. But it takes an arm-chair amateur 30 years later to muster the gall to redo that history.

Then there is the expert on Vietnam, credentials in good order, who writes in a national news magazine: "Our Vietnam was dying, a corrupt, feudal society; theirs, like it or not, was a new, modern society born of the colonial war with the French." So Communist dictatorship represents "modern society." It is reminiscent of the Lindberghian thesis that, like it or not, Naziism was "the wave of the future."

Not many Americans chose to ride that wave. Dictatorial communism has more appeal, especially as the answer for backward countries trying to modernize. Moreover, many Americans can tell themselves that they never approved of the war in Vietnam or, if they did, were tricked into it along with ex-Sen. William Fulbright. They accept no responsibility for the outcome. But the world sees only what the United States did and didn't do; it makes no distinction between approvers and disapprovers within this country.

A minority of Americans, growing in assertiveness and perhaps also in numbers, proudly professes sympathy with Hanoi and the Vietcong. One of its self-appointed spokesmen interrupts the Oscar awards to state his partisanship for the Vietcong to the applause of a Hollywood audience. Both he and his audience are, of course, free to embrace this kind of modern copperheadism. It is an attitude not unknown even in Congress.

It is becoming apparent that on the far left there are those who hope that the United States itself will be the ultimate domino.

MORE OPENNESS IN GOVERNMENT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. GOODLING. Mr. Speaker, I recently cosponsored legislation (H.R. 5931) that would provide for stringent regulation of lobbying organizations. Although lobbying has frequently attracted the attention of Congress throughout the last century, Congress has neglected to enact legislation that would effectively cope with the difficulties presented by some lobbyist activities. Reform is long overdue.

It is true that the vast majority of lobbyists and interest groups function in a purposeful and useful way. Their expertise in their select field is beneficial to Government officials, for they often provide information and data to both sides of complex issues.

Through contact with the Government, lobbyists strive to gain favorable action that can help their employer—or their membership, if they are an interest association—and in turn assist the Nation. Occasionally, abuses do occur and when brought to the attention of the public, often become scandals. When this occurs, many in the public believe that all lobbying takes place in this fashion—this is simply not true. However, the amount of money spent on attempting to influence governmental policymaking is tremendous and our present laws do not demand that all of the funds spent for this function be reported.

In our present Government, complex issues are often decided by bureaucrats and politicians who have little knowledge of the consequences of their well-intended but misaimed actions. Legislation could be rammed down the throats of ill-informed Congressmen, because those affected by the bill were not aware of its existence. Interest groups and lobbyists serve a useful purpose in insuring that those who are policymakers are equipped with the technical assistance that is necessary to accomplish their intended goal. However, we should know precisely the amount and purposes of the expenditures.

Without this information, the public is at a severe disadvantage. In order to evaluate the Government fairly and effectively, the citizens must acutely be aware of the different components which comprise the legislative process. It is imperative that the people know the influences at work in the operation of their Government—it is their right. With full disclosure of all lobbyist activities, the cynicism and lack of trust in the governmental process, which is a result of isolated instances of abuse in recent years, will be somewhat eradicated. Besides benefiting the legislators in their roles as decisionmakers, the public will also be better equipped with a method that will enable them to decide whether their officials respond to the needs of the public, or solely to private wishes and desires. But in order to accomplish this desirable and much-needed environment, improved and effective legislation is urgently needed, for the present law is awkward and ineffective.

The Regulation of Lobbying Act of 1946, the legislation now in effect, has loopholes which have prohibited it from accomplishing its avowed purpose. These inadequacies are, in part, inherent in the language of the act itself. There are no provisions specifically charging a governmental agency with enforcement of the act, nor prescribed course of action that can be taken if reports failed to be filed or are indeed falsely reported.

In addition, under the language of the law as interpreted by the Supreme Court, the definition of a lobbyist has been narrowly construed. Lobbyists whose targets are primarily the executive branch are exempt. The vague and ambiguous terms which plague the act also fail to clearly state who has the responsibility of filing the financial data. The public has long suffered, along with many of the legitimate functioning lobbyists, from the pretext that this law does regulate lobbying activities, and thus the time for rehabilitation cannot be further delayed.

The legislation which I have cosponsored will take great strides in correcting the existing ineffective act. First, and perhaps foremost, the definition of a lobbyist has been expanded. One will be considered a lobbyist if he receives $250 or more in any quarterly filing period for the purpose of lobbying. Further, this includes efforts at the executive and grass roots level, as well as at the legislative branch. In order to make the act viable, the Federal Election Commission has been specifically delegated as the administrator and enforcer of the act. Finally, top officials in the executive branch are required to "log" their contracts, a practice which is not unprecedented. These provisions constitute vast improvements over the present act, and will result in great public benefit.

It is paramount that everyone realize what the act will not do. In no way will the act prevent or hinder anyone from speaking out or from petitioning their Government. One's constitutionally guaranteed first amendment rights will not be abridged in any manner. The act will simply require those who chose to exercise this right continuously and in a professional method to identify themselves, their sponsoring organizations, and the purpose for their expenditures.

Many lobbyist organizations will be unaffected by this legislation, for they presently function in a legitimate and proper manner. It is unfortunate that the word "lobbyist" has an unfavorable connotation, for the abuses that do occasionally occur are far from being representative of the category as a whole. Our system of government demands active public participation, and interest groups provide many people with common interests their only link to Washington and the lawmakers. With H.R. 5931 as a basis, Congress will be better suited to produce sound legislation that is a result of input from all segments of the American population. I urge my colleagues to support this worthwhile legislation.

SEATTLE POST-INTELLIGENCER URGES LOBBYING REFORM

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. KASTENMEIER. Mr. Speaker, I wish to call to the attention of my colleagues the March 17, 1975 Seattle Post-Intelligencer editorial supporting the lobbying reform bill, H.R. 15, which is now cosponsored by more than 140 Members of the House:

Lobby Disclosure Bill Should Be Adopted

What the public sees and hears about an important piece of legislation is sometimes only part of the story. Frequently people do not know what kind of pressures have been put on lawmakers to adopt a law favoring one or another special interest group.

That is why Common Cause, a nationally respected citizens' action group, is waging a strong campaign to convince Congress to strengthen its flabby, loophole-ridden Lobbying Act, which has been the guideline for Congressional lobbying for 28 years.

As John W. Gardner, chairman of Common Cause, points out:

"Lobbying is not wrong itself. In fact, it can serve useful purposes. It is a constitutional right. But it is wrong to lobby secretly, wrong to deceive the public, wrong to use money in ways that corrupt the public process. And that is what is going on today."

Two similar lobby-reform bills now are before the House and Senate. Their key provisions include expanded lobby coverage to include the executive branch as well as Congress, strict reporting requirements, enforcement by an independent agency, and, in the House bill, a requirement for logging of outside contacts with executive branch agencies.

The House and Senate bills define lobbying as communication with a federal officer or employe for the purpose of influencing either legislative or executive branch action.

This applies to lobbyists as individuals and to organizations which employ lobbyists. Any individual or organization spending or receiving more than $250 in a calendar quarter for lobbying is subject to the bills' requirements. In the Senate bill, individuals who receive income for lobbying and make more than eight contacts per quarter with government officials also would be required to register and report their activities.

"Information on lobbying is supposed to be provided by the Federal Regulation of Lobbying Act of 1946, but the 1946 law is a sham and a hoax." Gardner asserts. "The biggest interest lobbies in the country laugh at it and ignore it."

Gardner insists the groups that would be required to register under the House and Senate Bills also should be required to keep records of their receipts and expenditures and file quarterly reports on their lobbying activities and finances.

Common Cause believes lobbyists also should be required to make public detailed information, including the name of each lobbyist, the lobbyist's employer and amount paid, an itemization of lobbying expenses, any services or gifts given to a federal officer or employe, the legislative or executive action the lobbyist attempts to influence, the names of persons the lobbyist contacted and a copy of any written communication between the lobbyist and the federal official.

To prove how serious it is about its campaign, Common Cause also has released a statement of its organization. Its membership includes 300,000 individuals. And, for example, during the first quarter of 1974 Common Cause spent $395,455 in its efforts to reform government.

Obviously, the organization means business on lobbying reform. And it is hoped that 318 U.S. Representatives and 48 U.S. Senators who have voiced support for such legislation also mean business.

REGULATE THE REGULATORS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. CRANE. Mr. Speaker, it is becoming increasingly clear to more and more Americans that the regulatory agencies which were originally established to serve the "public interest" have, more and more, been serving the interests of those very elements in the economy—both business and labor—at which they were initially aimed.

In a much-publicized speech Lewis A. Engman, the Chairman of the Federal Trade Commission, declared:

> Most regulated industries have become federal protectorates, living in a cozy world of cost-plus, safely protected from the ugly specters of competition, efficiency and innovation.

The latest annual report of the President's Council of Economic Advisers notes, for example, that the regulation by the Interstate Commerce Commission of the transportation industry allows exemptions from the antitrust laws, presents serious barriers to entry into the trucking business and promotes costly inefficiencies in railroad freight transportation, all of which are "inconsistent with an efficiently organized transport sector." One result of the present ICC regulations, according to the report:

> Windfall profits to more efficient truckers and higher prices to consumers.

In an editorial discussing the abuses of Government regulatory agencies, the Washington Star notes:

> The robber barons that fleeced another generation are gone but the ICC regulations that stifle competition and reward inefficiency are picking the public's pocket just as surely. . . . The White House estimates that unnecessary and ineffective government regulations are costing the average family $2,000 a year, which amounts to a total cost of about $130 billion a year for all Americans.

What Americans and the American economy really need is a healthy dose of freedom and free enterprise, and an end to the stifling Government regulations which have contributed to our current economic difficulties.

The Star notes:

> Every time a move is made to breathe some fresh air into the system, the special interests and their protectors who are on congressional committees and elsewhere in the government smother the attempt at reform.

It is high time that efforts to rollback the power of Government regulatory agencies finally succeed. I wish to share with my colleagues the editorial, "Regulate the Regulators," which appeared in the Washington Star of April 29, 1975, and insert it into the Record at this time:

Regulate the Regulators

Since the Interstate Commerce Commission was established nearly 90 years ago to clamp down on the robber barons of railroading, government regulatory agencies have proliferated across the spectrum of American activity and have produced so many contradictory and waste-inducing rules and regulations that the time has come to begin regulating the regulators.

The White House estimates that unnecessary and ineffective government regulations are costing the average family $2,000 a year, which amounts to a total cost of about $130 billion a year for all Americans. The figure may be open to challenge, for it is necessarily based on estimates. But even if it is only half that, or a fourth, the loss to American consumers is truly staggering.

The robber barons that fleeced another generation are gone but the ICC regulations that stifle competition and reward inefficiency are picking the public's pocket just as surely. Just this past Sunday, an article by Stephen Aug in this newspaper's financial section detailed the difficulties encountered before the ICC by a Midwestern railroad that offered an innovative plan to lower grain shipping costs between Chicago and New Orleans, a plan that finally succumbed to years of red tape and bureaucratic rulings. In the trucking industry, the mass of regulations that tell truckers what they can haul, where they can haul it and for how much has resulted in a very large percentage of trucks traveling the highways empty, an inefficiency that the consumer pays for ultimately.

The air-fare structure is another example of how the public gets taken by government regulation. It costs twice as much, for instance, to travel from Washington to Boston on an interstate flight controlled by the Civil Aeronautics Board as it does to fly between Los Angeles and San Francisco, a roughly comparable distance, on an intrastate carrier not under CAB regulation.

There are hundreds of similar examples and no doubt even more lie buried in the mounds of federal paper at regulatory agencies all over town. One federal regulator himself acknowledged the problem recently. Said Lewis Engman, chairman of the Federal Trade Commission: "Most regulated industries have become federal protectorates, living in a cozy world of cost-plus, safely protected from the ugly specters of competition, efficiency and innovation."

Every time a move is made to breathe some fresh air into the system, the special interests and their protectors who sit on congressional committees and elsewhere in the government smother the attempt at reform. Last fall, President Ford asked Congress to establish a "national commission on regulatory reform." It hasn't been done. Last year, the President proposed that Congress enact the Financial Institutions Act, which was aimed at encouraging more competition in the financial field. Among other things, it would have given savings institutions more leeway in deciding how much interest to pay on deposits and would have allowed savings and loan firms to provide checking accounts to customers. That hasn't been done either.

Ford announced the other day that he will convene a summit meeting of officials of 10 major regulatory agencies, to which congressional leaders will be invited, to discuss how to get rid of outmoded regulations, to get more competition back into business and industry, to reduce the inflationary costs of past regulations and to estimate the inflationary potential of regulations proposed in the future.

Ford also is backing a bill that would abolish "fair trade" laws that allow manufacturers to keep prices at artificially high levels. This legislation is long overdue.

In the same statement, Ford announced his opposition to creating a federal consumer protection agency. He saw no need for adding another costly layer of bureaucracy to the federal government in the name of consumerism. Neither do we. If the existing regulatory agencies can be made to do the job they were created to do—that is, protect the public—there won't be need for a new agency. As we have said in this space before, it would be like putting a watchdog out to watch the watchdogs.

REPEAL UTILIZATION REVIEW

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. MOORE. Mr. Speaker, on April 29, I introduced H.R. 6464, which would repeal completely the onerous utilization review requirements under medicaid and medicare. Although supporters of utilization review are probably right in thinking that such a program would reduce some payments on behalf of publicly assisted patients, they fail to remember that the overall costs are greater than whatever might be saved. Someone has to pay for all these committees, panels, and the like. Someone has to pay for the bureaucracy to watch over them. Someone has to pay for the time physicians and institutions are going to have to devote to a lot of required paperwork. That someone is the American taxpayer and consumer of health care services.

The patient pays the most, however. While the physician is filling out forms and appearing before utilization review panels, who is taking care of the sick and injured? Each one of us is different, and I do not think that cookbook medicine full of norms and standards will give the American people the quality health care they deserve.

I am grateful for the cosponsorship of the distinguished gentleman from Minnesota (Mr. HAGEDORN) in this important legislation, and I invite the rest of my colleagues to join us. I will shortly be circulating a "Dear Colleague" letter to that effect.

In the meantime, Mr. Speaker, I include at this point in the RECORD the text of the remarks I made earlier this week before the Louisiana Medical Association Political Action Committee relating to this and other aspects of the changing role of Federal health care:

THE CHANGING ROLE OF FEDERAL HEALTH CARE

Good afternoon, Ladies and Gentlemen. I consider it a great privilege to be here and I would like to thank the Louisiana Medical Association Political Action Committee for extending their gracious invitation to me.

I understand that as of January, 1974, there were over 360,000 medical doctors in this country. This means that there is presently one doctor for every 769 persons in the United States, and that ratio compares favorably with any free country in the world. Our proportion of hospital beds per population is praiseworthy and in the past five years, American medical scientists have dominated the tremendous breakthroughs in medical science, winning most of the Nobel prize awards.

I am sure there is no doubt in anyone's mind as to the tremendous steps forward American medical expertise has taken in improving the nation's health. This afternoon I would like to discuss with you the issues of health being considered in Congress this year, how proposed legislation in such areas as National Health Insurance and Professional Standard Review Organizations may affect your profession in the medical fields.

Health care is big business—and a growing concern—throughout these United States. Increasing numbers of people are receiving more and better health care. In fiscal year 1974, $485 was paid out for health services from private and public sources for every man, woman and child in this nation—a total of over $104 billion. Public spending increased twice as fast as private, due mainly to substantial increases in expenditures under the Medicare and Medicaid programs. Finally, hospital care continued to be the largest expenditure category, accounting for 39 percent of total health spending outlays.

Our country's commitment to better health for our population, and indeed for the world, is second to none. In FY73, the latest year for which figures are available, over $30 billion were spent for medical research and development, including disease prevention and cures, new technology and applications, training, and construction of new facilities. Of this total, fully one-third was spent by the private sector—$12 billion worth of proof that private institutions, scientists and medical professionals are working for the betterment of our society.

However, with the superior medical technology this country can offer coupled with the tremendous cost of health care, it is no wonder that, more and more, our fellow Americans are viewing quality health care as a necessity that should be available to all.

As a medical professional tries to remedy the illness he finds and to prescribe correct courses of action, so has the Federal government been attempting to find answers to the concerns of our people. But as a physician cannot force a patient to take a prescription and cannot perform surgery without consent, I feel our Federal steps in health care should be presented as a better option to our people, not as a force-fed all-encompassing plan that stifles free choice. And yet I feel steps should be taken to insure that health care is offered in the most effective and economical way.

Bearing this in mind, I would like to talk about recent legislation and various proposals that may affect you as health professionals.

1972's Social Security bill included highly significant legislation relating to health care, the establishment of Professional Standards Review Organizations (PSRO's) throughout the country to undertake a comprehensive and ongoing review of service under the Medicare and Medicaid programs. Since its passage, this law, though still in various stages of implementation, has sparked continuing, and almost unparalleled, controversy within the medical profession, and has forced all of us concerned with adequate medical care to reexamine the appropriate role of the Federal government.

As you all know, our Medicare and Medicaid programs have had a terrific impact on the care of the aged and the poor, and this impact has reverberated throughout the entire health care delivery system. The most significant change has been a monetary shift, with the Federal government contributing a greater percentage of the funds. As government programs have grown in scope and cost, Washington has been trying to find a way to control federal outlays and to curtail what some laymen have seen as the high incidence of medically inappropriate services rendered to Medicare and Medicaid patients.

What we are left with at this point are the Professional Standards Review Organizations, which have the responsibility for determining for purposes of reimbursement under these programs whether services are medically necessary and provided in accordance with professional standards. Additionally, PSRO's will have the authority to review concurrently the medical necessity of hospital admissions.

Although I am always looking for ways to reduce federal spending, I have serious reservations about PSRO's. I believe they will mean more control of medical practice and procedures by the Federal government, intruding upon the time-honored relationship between doctor and patient. By establishing "norms" or "cookbooks" for treatment, we are encouraging care based on averages, not on what the patient really may need. We should also be concerned that the right to privacy of these Americans be protected. Under terms of this legislation, the medical records—including psychiatric records—of all patients receiving medicare and medicaid shall be used to develop these "norms". How can patients be expected to continue trusting physicians with their innermost secrets if they know their files are subject to government review? PSRO mechanisms can well discourage innovation on the part of doctors, and some physicians may not even want to treat medicare and medicaid patients. Even the patients themselves feel the pressure of PSRO's as my mail shows ever increasing concern that the government will prevent their doctor from hospitalizing them.

For all these reasons I have cosponsored H.R. 5404 which would repeal the Professional Standards Review Organization requirements. I would like very much your opinions on PSRO's because they affect every one of you so directly.

Utilization Review is also receiving a great deal of attention lately. The Utilization Review requirements passed in P.L. 92–603 provided for a timely review of the medical necessity of institutional services rendered to programs beneficiaries, as well as a strengthening and closer coordination of UR requirements under both Medicaid and Medicare programs. In addition, a penalty was imposed under Medicaid for states which failed to have in operation an effective program of controls over utilization. The recently issued UR regulations are intended to support the PSRO program and be consistent with approaches employed for PSRO review. Accordingly, these regulations provide for concurrent review of hospital admissions, reviews of extended stays, and medical care evaluation studies compatible with that to be used in the PSRO program.

However, I have come to the conclusion that these utilization review procedures will have a counter-productive effect on the quality and even consumer cost of medical services. I don't think a physician can give his patient high quality care if he has someone looking over his shoulder every minute, second-guessing every decision. So much of your ability to ensure the expeditious recovery of a patient is grounded in the sum total of your life's work, rather than a specific symptom. Hunches, feelings, talking with a patient, just looking him in the eyes, may not be quantifiable and may not be able to be justifiable to a UR panel, but taken from the depths of your years of experience they can play a valid part in your medical decision-making.

Take extended stay review, for just one example. If, God forbid, I am in the hospital to have my appendix out, and you take a look at me at the end of some UR-mandated recovery period and say there is something bothering you about the way I look, I don't want to be kicked out of that hospital bed and onto the street just because some chart says this should take four days instead of five.

Not only will you be less able to follow your best judgment in providing care to your patients, but you are going to get bogged down in paperwork and personal appearances, thus reducing the time you have for your patients. Also, someone is going to have to pay for the whole utilization review system. The costs of setting up and running UR panels and the cost of the Federal bureaucracy needed to oversee their work will be many times the small savings which society may enjoy through this program. These costs will eventually have to be reflected in higher costs for health care, higher insurance premiums and higher taxes.

Medical professionals have set high moral standards for themselves, and by example for the rest of us, for thousands of years. To impugn the motives and the integrity of the entire medical community and to ask society to bear the terrible costs of a new bureaucratic structure just to ferret out a few cases of unnecessary services is insulting and ridiculous. Oh yes, I am sure that not every doctor got an A in appendectomies, and I am sure that there are a few rotten apples making a mint out of Medicare and Medicaid through fraud rather than hard work and long hours. I am just as sure that you hold similar opinions about some of my colleagues in the Congress, not to mention the Executive Branch. You know, maybe what we need is utilization review for the Federal government.

Seriously, I think UR is an unfair burden on you, on your patients and on the taxpayers of this country. That is why I am pleased to announce to you today that before leaving Washington last week, I authored and introduced H.R. 6464, a bill which would repeal completely the legislative authority in the Social Security Act for utilization review procedures. My bill would not stop investigation of specific private complaints on a case-by-case basis, nor would it stop investigation and prosecution for possible fraud discovered by HEW auditors when they see unusual patterns in the way specific providers utilize services under government health programs. As a taxpayer and a legislator, I want to be sure Federal funds are not wasted. What my bill will do is permit all you good doctors to exercise your best judgment without the bureaucracy breathing down your back.

To the best of my knowledge, H.R. 6464 is the only bill which has been introduced to get rid of UR completely. Tomorrow, therefore, I will circulate a letter among fellow-Congressmen, asking their co-sponsorship of this vital piece of legislation. If you agree with what I am trying to do, you may wish to let your colleagues in other states know about the bill in the hopes that their own Representatives will join me in this effort.

In the meantime, the effective date of the UR regulations, originally specified as February 1, 1975, has been delayed until July 1, 1975. Despite this all too short grace period, these regulations are in final form and there is no further opportunity for comment. The AMA, the AHA and the National Council of Health Care services were all pushing for a delay, and I am glad it came through.

Also, HEW has recognized the special problems of small rural hospitals by permitting the State of Oklahoma to develop an alternative plan of utilization review. I think this should be applied nation-wide. While my bills to repeal PSRO's and UR generally are pending—and I would be less than frank if I overestimated their chances in the liberal Congress we've got in Washington—I have co-sponsored H.R. 5349. This bill would delay both programs for small rural hospitals for a period of 18 months, during which time HEW would be directed to develop more realistic regulations for this type of facility. This is only a first step, but an important one for Louisiana.

One way to help reduce the cost of public health care would be to broaden the coverage for home health services under Medicare and Medicaid, and I have co-sponsored H.R. 6272, which would do just that. I think it is a shame that many indigent and elderly people are admitted to hospitals out of compassion because they cannot afford to pay for procedures which could be performed at home. The thousands or millions of dollars this would save the public would have to be reduced by the increased demand for home health care under these programs, of course. However, even if it is a wash-out, even if the taxpayer does not save one penny, this would at least free scarce hospital beds for those who truly need them and return the others to the bosom of their families, where their recovery will be all the more speedy and the psychological benefits untold.

Another problem of vital concern to both providers and consumers of health service is malpractice liability and insurance, and with good reasons. I am particularly familiar with this problem having been a trial lawyer for 8 years—often defending doctors and hospitals. The availability and cost of medical malpractice insurance has reached alarming proportions in many states because of dramatically increased claims and skyrocketing ward levels. The factors contributing to this situation include the increased technology and complexity of medicine, rising patient expectations, strained patient-provider relationships and high punitive jury awards entirely unrelated to actual damages suffered.

Here in Louisiana, our rates by insurance carriers have increased considerably. St. Paul Fire and Marine Insurance Co. has increased rates in 1975 by 75% to 100%. One year ago there was a 27% increase. Currently, St. Paul's class I rate is $460 compared to $260 last year. Hartford Fire raised its rates 40%. The current Hartford class I rate is $227. Before 1974, the biggest malpractice award in the State was $60,000. The average class V rate in Louisiana is about $3,000. Just recently, a $140,000 award was awarded in New Orleans. The State society sponsors a group policy with Hartford, and recently extended the contract to 1980, in return for the 40% rate increase. St. Paul is writing no new policies. New York Professional dropped out of the State in early 1974. Dr. Ashton Thomas, Secretary-Treasurer of the Louisiana State Medical Society, however, has said that physicians are still able to obtain coverage here if they are willing to pay the high premiums. Fortunately, despite these rate increases, you are still better off than many parts of the country where Class V coverage can range above $14,000 per year.

The hospitals have had some setbacks, however. Argonaut is ceasing its contract with the Louisiana Hospital Association, because of heavy losses. I am told there is a $14 million medical malpractice case pending—that would certainly scare some away.

To try and solve the malpractice coverage problem, the Louisiana Department of Insurance is meeting with agents, the hospital association and malpractice insurers to formulate a bill for April, 1975 State legislative session.

I feel this is the most expeditious way to approach the problem. Insurance has historically been under state, not Federal regulation. Not only *can* the states solve the problem, they *must* solve the problem—or run the risk of no medical care at all for their populations. At last count, 33 states are already active in this area and have either passed or are considering legislation to remedy the situation. Most of these bills involve some sort of risk-sharing by carriers who write general liability policies in the state. The American Insurance Association, representing most of the major medical malpractice insurance carriers, has proposed a model joint underwriting association plan for adoption by the several states. This would be a temporary set-up—if any legislation can ever be considered temporary—while the states consider long-term ways to improve the liability system as a whole.

This, I think, goes to the heart of the problem. Jury awards have gotten completely out of hand, victims of true malpractice are not getting their money soon enough, and the entire system encourages specious suits. Consumers of health care suffer, because they are the ones who eventually pay the cost of your high premiums and of marginally justifiable services ordered in a very understandable attempt to practice defensive medicine.

Several possible long-term solutions have been proposed. I'm not sure I like all of them, but they deserve full study by the individual states. Among these are limitations on the amount of recovery, changes in the contingent legal fee system, no-fault, and voluntary or mandatory arbitration, and advance payments to claimants without admission of liability.

What I am getting at is don't fall into the trap of asking the Federal government to get involved. And I warn you, it is a trap and all too tempting. Already, bills have been introduced to establish a system of Federal re-insurance and non-binding arbitration. Another bill would get into Federal no-fault insurance. There will be more to come, each one looking like the salvation you and your colleagues want. But beware. They come with Federal controls, Federal quality standards and Federal licensing. PSRO's are an integral part of most of these bills.

I think that the Federal government's role in malpractice liability problems should be limited to building a better information base from all over the country and assisting states, insurance companies and health professionals in studying and finding solutions to these problems. I urge you to work closely with the health institutions, the insurance carriers and your state officials and legislators to find remedies particularly applicable to Louisiana before the situation reaches the danger point, not after. I will be happy to assist in any way possible.

The last problem I would like to discuss is probably the most important—National Health insurance. If enacted, it will have a significant effect on the role of the Federal government in the health care of our nation, and probably the most significant impact to date.

Various proposals received wide consideration last Congress, and six bills have already been introduced this session. The diversity of the proposals which have been introduced reflect the vastly different approaches advocated by various individuals and groups. I believe we have a long way to go before reaching any consensus, but a workable system would have to answer these basic questions:

What is the appropriate role of the various sectors of the health system, the Federal government, the private providers, and the insurance industry?

What coverage should be provided and what distinctions should be made on the basis of income level or premium contributions?

What is the appropriate financing mechanism for this coverage?

What will be the nature of the benefit structure, amount, duration and scope of covered services?

How will we maximize an efficient and effective use of costly resources?

What role will existing Federal programs such as Medicare and Medicaid play in the new system?

What should be encouraged or required by Federal mandate to insure that the care paid for under the program adequately meets our patients' needs?

The bills thus far introduced all answer these questions differently, and though time does not permit me to cover all of them, I would like to give you some example of the diversity involved here.

The National Health Care Service Reorganization and Financing Act of 1975, H.R. 1, was introduced by Representative Ullman, the new Chairman of Ways and Means Committee. It has been endorsed by the American Hospital Association. This bill would establish a comprehensive program of health care benefits for all U.S. residents, phased in over a 5-year period, and would provide for the creation of Health Care Corporations (HCCs) to cover every geographic area of the country. HCCs would be community-based nonprofit organizations capable of providing comprehensive health services, and all Federal health programs would be consolidated within a new Department of Health. Medicare parts A and B of this program would be merged and catastrophic coverage added. Employers would be required to provide their employees with at least this new medicare level of benefits, and Federal general revenues would finance these benefits to low-income groups. After the first four years of the program, benefits would become even more comprehensive for both the Federal program for the aged and the poor as well as the privately financed employer-employee health plans.

The Health Care Insurance Act, H.R. 93, has been introduced by Congressman Bennett. This was last year's "Medicredit" bill from the AMA. It would amend the Social Security Act to provide for a system of tax credits against an individuals' or family's Federal income taxes, to offset, in whole or in part, the premium cost of qualified health insurance policies. The medicredit proposal would graduate the amount of tax credit for a family on the basis of the family's income tax liability, with the larger credits available to low-income families. Families with no tax liability would receive a payment voucher for the purchase of insurance, while persons age 65 and over would continue to be covered under the Medicare program.

I understand that a new Medicredit bill will be introduced later this session.

A third approach, a bit closer to my own thoughts, is presented by Congressman Roe's bill, the National Catastrophic Illness Protection Act of 1975. H.R. 1373 is designed to encourage the development by the private insurance industry of policies which provide individuals with extended coverage against the costs of catastrophic illness. Individuals would purchase on a voluntary basis private insurance policies that would pay for medical expenses after such expenses exceeded a specified amount, depending on family income and size. Each State would design its own health insurance plan in accordance with HEW regulations. HEW would determine the actuarial value of the catastrophic insurance policy in each State and establish premium rates which might be lower than the actuarial value, if such lower rates resulted in more widespread coverage. The Federal government would also reimburse against losses in instances where private insurance carriers paid out more in benefits than they received in premiums. All persons would be entitled to enroll on a voluntary basis, and Medicaid and other assistance programs would no longer pay for services covered by the catastrophic insurance plans.

I am considering the possibility of developing and introducing my own catastrophic insurance bill. I have four reasons for this:

1. About 80% of our population is already covered by basic health insurance.

2. None of the legislation proposed so far has been entirely to my liking.

3. Even though private catastrophic coverage is available to a limited extent, most persons do not have access to it.

4. Catastrophic illness is the one health expense most feared by the public, and protection against this risk will greatly reduce pressures for a more comprehensive socialistic type of national health insurance.

If I am going to do this, I am going to need your help. I welcome your suggestions and am particularly interested in your views on specific policy decisions I will have to make:

1. The deductible—it obviously should take into consideration family size, but then what? Should it be a fixed dollar amount, a fixed percentage of income, a sliding scale, or in some way related to generally available basic insurance coverage?

2. Should there be co-insurance above this deductible, and if so, how much? Should there be an overall limit on the deductible plus co-insurance?

3. Should the program be voluntary or mandatory, both with respect to individuals and employers?

4. Should employers be required to pay all or part of the premiums and if, so, how much?

5. What do we do about small businesses, the self-employed and the unemployed?

6. What government agency should oversee the program and pay the premiums for those who cannot afford coverage?

7. What should be the role of the states and who should set the premiums?

8. Should a profit be allowed to the carriers?

These are just a few of the decisions I have to come to grips with and it should give you some idea just how complex the issue really is. Although President Ford has said he would veto any health insurance legislation this year, the Congress is going right ahead with action in this area, and hearings will be held soon by the Ways and Means Committee. I am sure we will see more bills introduced, perhaps mine included, and more attention focused on health insurance this session.

In view of the economy, I think it is fundamental to consider every possible alternative to ensure the continuing health of our people. I truly believe that the next few years will prove to be an extraordinarily dynamic era in the formulation of Federal health alternatives. But these programs must be studied with the greatest care *before* they are implemented, not afterwards. I fully appreciate the magnitude and diversity of the choices we now have, but I believe this is for the best. Hopefully, the Congress and the people will choose the best way to see that the health needs of Americans are met in a carefully devised and compassionately envisioned program which permits the continued private practice of medicine as we have known it throughout the centuries.

CONGRESSMAN HEINZ INTRODUCES LEGISLATION TO BENEFIT STATE WILDLIFE CONSERVATION EFFORTS

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. HEINZ. Mr. Speaker, today I am introducing legislation to correct an oversight in our postal regulations that discriminates against State conservation publications.

My bill would permit about 45 State conservation magazines, published throughout the Nation, to enjoy the same special second-class rates already granted to nonprofit organizations and some Government agencies.

These are information magazines, with a total circulation of more than 2 million and, in almost every case, they contain no advertising and depend entirely on subscription fees or fees paid to a State conservation agency by users of the outdoors.

This measure would save these magazines a total of about $252,000 in annual mailing costs. In view of the Nation's multibillion dollar budget for environmental matters, I do not think this is too much to spend to change a discriminatory law and to support State conservation efforts.

If one of the primary purposes of the postal system is to encourage citizen education by disseminating general knowledge, as I believe it is, these magazines, and other State publications like them, should enjoy the same mailing privileges as other nonprofit magazines that travel through the mails under reduced rates. The savings that would accrue to State conservation agencies could be passed on to other conservation efforts.

Mr. Speaker, this legislation is important to our States and to our citizens. I urge my colleagues to join me in supporting this proposal.

MENACE TO SOCIETY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. CLAY. Mr. Speaker, it is a sad occasion when a Member of the U.S. House of Representatives must rise to inform this noble body that a special prosecutor of the crime strike force has prostituted his oath of office, brought shame to the Department of Justice, and cast serious doubt on the impartiality of our system of criminal justice. But that is precisely what Liam S. Coonan, a special prosecutor in the St. Louis Crime Strike Force did when he attempted to frame me on a trumped up narcotics charge. I use the harsh word, "Frame," Mr. Speaker, because there is no other word in the English language which is more descriptive of the vile, unconscionable act of this despicable employee of the so-called Department of Justice.

Mr. Speaker, I have been told by reliable sources that Liam S. Coonan, or Federal agents acting in his behalf, have approached at least seven convicted felons and offered reduction of their sentences if they would supply false information connecting me to narcotics. Such an individual is a menace to our society. Certainly he is too unscrupulous to be in the sensitive position he now occupies.

Mr. Speaker, I am offering the following article from the May 11 edition of the St. Louis Post Dispatch, as one example of Mr. Coonan's callous contempt for the constitutional rights of American citizens:

Believes U.S. Wronged Clay by Linking Him to Drug Case

(By Lawrence E. Taylor)

Washington, May 10.—The Department of Justice may have violated the constitutional rights of Representative William L. Clay last December when it publicly connected the St. Louis Democrat to a discussion of narcotics dealings, says The former chief counsel of the Senate Watergate Committee.

The counsel, Samuel Dash, is a professor of law at Georgetown University law school. He said in an interview this week that inclusion of Clay's name in a narcotics trial brief filed last year probably was "improper and an abuse of prosecutorial discretion."

Mentioning Clay in the brief by name amounted to accusing him of a crime without giving him recourse to due legal process, Dash said.

"It is a poor prosecutor who names an individual when the prosecutor does not have evidence of culpability," Dash said.

The brief was submitted by Liam Coonan, head of the federal Organized Crime Strike Force in St. Louis, in the drug trial of John Conley, Jr., a former state representative and political associate of Clay.

The brief said a paid Government informer, Robert (Red) Stewart, could testify that in the fall of 1972, "Conley was in the presence of Melvin Saunders, whom Stewart knew to be a heroin dealer, and a William Clay."

At that meeting, the sales of drugs was discussed in Clay's presence, the brief said.

Coonan, in speaking to the judge out of hearing of the jury, discussed the brief and said it referred to "William Clay . . . the Congressman, and there was a discussion concerning narcotics."

Trial lawyers have said that if Clay's presence at the meeting could be proven, he could be guilty of concealing a crime or of being an accessory to one.

Clay has not been charged with a crime, nor was he called as a witness at the trial of Conley, who was found guilty. Conley is appealing.

The brief said also that on July 20, 1973, Conley had talked with Stewart and another undercover federal agent and had said he "would introduce them to William Clay." Asked by one of the agents if Clay would be able to do him some good, Conley replied, "Yeah, he'll be able to help you out," the brief said.

After the brief was filed and made public, Justice Department officials said the William Clay mentioned was, in fact, the Representative.

Yet during Conley's trial, Coonan said in a conference with the judge, away from the jury, that it "might just be unnecessary" to bring Clay's name into the proceedings. Why Clay's name was included in the brief has never been explained by the Justice Department.

Dash said it was improper to implicate a person in a crime "without intending to prosecute that individual."

The public identification of Clay could be "an effort to expose him without having to prove it and without giving him a chance to confront his accusers," he said.

When the brief was filed, the federal Drug Enforcement Administration was winding up a narcotics investigation of Clay, apparently based on the statements of the agents cited in the brief.

In a letter in January to supervisors in Washington, the St. Louis office of the Drug Enforcement Agency said it could not prove the allegations against Clay. The investigation was, therefore, being closed, the agency said.

But about the same time, the St. Louis Strike Force began its own narcotics investigation of Clay. By that time, Clay's inclusion in the trial brief had been widely publicized.

Why the strike force reopened the case has never been disclosed.

Other lawyers consulted by the Post-Dispatch said it was highly unusual for the Justice Department to suggest publicly that a person was involved in a crime when the person has not been indicted or even called as a witness in a criminal proceeding.

A Justice Department spokesman said the department would not implicate anyone in a crime "except in the context of an indictment or an information," an accusatory document filed in court.

Clay has never been named publicly in any such proceedings.

The spokesman refused to discuss Clay's case or the brief.

Coonan also refused to comment about the matter, saying it would not be appropriate for him to do so.

NOBLE HUMANITARIAN ROLE IN VIETNAM

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1975

Mr. WYLIE. Mr. Speaker, feeling as I do, that we as a people and as a nation, have a basic fundamental moral obligation to offer humanitarian aid to the refugees from Vietnam, I was pleased to read the following letter to the editor: This letter, written by Dr. M. S. N. Murphy, appeared recently in the Columbus Dispatch, in the letters to the Editor column. With the House scheduled to consider the Indochina Migration and Refugee Assistance Act on Wednesday of this week, I thought the letter timely. Dr. Murphy has written profoundly, effectively and expresses what I believe to be the sentiments of most American when the issue is thought through in statesmanlike manner.

U.S. Role in Vietnam Viewed as Noble, Humanitarian Effort

To the Editor:

On April 29, with the announcement of unconditional surrender by Duong Van "Big" Minh, the newly installed president of South Vietnam, the Indochina war which had dragged on for over a generation came to an end. So, also, was the U.S. involvement in Indochina which had lasted for more than 30 years.

The same evening a major television network broadcast a 2½-hour special report on Indochina.

The Indochina War was traced from its beginning through the Ignominious defeat and surrender of the French colonialists at Dien Bien Phu, through the replacement of the French by the U.S., which had until then supported the French by defraying 80 percent of the cost of war, through the progressive escalation of war under presidents Dwight Eisenhower, John Kennedy and Lyndon Johnson, through the "Vietnamization" and deescalation under Richard Nixon, which brought about the Paris Peace accord and return of P.O.W.s. to the disheartening end.

The last few weeks saw the utter moral degradation and crisis of the spirit of the ARVIN, the South Vietnamese Army which abandoned large chunks of South Vietnam territory and billions of dollars of war equipment to the enemy; saw the resignation of a bitter President Thieu, and after further political maneuvers, the installation of "Big" Ninh, as the new president, who, it was hoped, would be acceptable to the Viet Cong and North Vietnam and hence be able to negotiate an "honorable" peace with the enemy.

Unfortunately, the Viet Cong did not want peace and reconciliation but a total unconditional surrender, which was the only thing the South Vietnamese could do under the existing circumstances.

One is benumbed at the atrocities of war—at Hue after the Tet offensive and of My Lai—and, one could hardly suppress a fear at the sight of the maimed bodies of the soldiers and the orphans.

The editors of the newspapers, the broadcasters and the historians will dissect, analyze and pontificate on the mistakes the U.S. committed especially in view of the cost of war—over 55,000 American dead, more than twice the number wounded and a few still missing in action; 150 billion dollars that were spent, the deep divisions and polarizations within the country and the loss of prestige abroad.

However, what impressed me most was the determination of the U.S. to fight with all its resources, to assure freedom to the people in a remote part of the world, a freedom which we so dearly cherish.

I do hope with all my heart that the rest of the world will remember the nobility of purpose, the generosity and the humanity the U.S. has shown, and not its failure in an unconventional war where friend could not be distinguished from foe, where an Asian nation weary with war did not want to fight its enemies and where the corrupt politicians and bureaucrats often fraternized with the enemy.

Even in the waning hours of the war, the U.S. helped to evacuate the orphans and the Vietnamese who stood with them during the difficult days of war.

As one watched the evacuation program, one could not but admire the planning, coordination and concern shown by the personnel at the three Army bases in California, Arkansas and Florida, in housing, feeding and clothing the mass of refugees that arrived by plane-loads within a short period of time.

I believe no other country in the world would have acted so magnanimously under such difficult conditions.

It is the character of the people of this nation to respond to tyranny, oppression and distress anywhere in the world, with their open hearts and open purses.

For this reason, the U.S. has been and will always be a beacon of hope to those who are weary, hopeless and helpless.

Therefore, let us not shed a tear of sorrow for what we have lost, but sing a song, for this nation has demonstrated to the whole world that the U.S., the richest and the most powerful nation in the world, is also the noblest and the most humanitarian nation in the world!

Peace on earth and goodwill to all men!

M. S. N. Murphy, M.D.

Columbus.

SENATE—*Tuesday, May 13, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God and Father of us all, grant us now a sense of Thy nearness and Thy power. Impart to each of Thy servants in this place a measure of that higher wisdom which is Thy gift to those who trust in Thee. In this forum of democracy, amid the din of debate and the clash of differing opinions, keep us united in prayer and in that higher purpose which ever seeks to know and to do Thy will. Lift our vision above the troubled world that is, to that better world which is yet to be, when all men and all nations shall be gathered in Thy perfect kingdom.

Through Him who is Lord and Master. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, May 12, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER THAT NO ROLLCALL VOTES OCCUR TOMORROW BEFORE 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes tomorrow before 12:30 p.m., in order that committees may meet without interruption.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I yield the time allotted to the minority leader to the distinguished Senator from Nebraska.

The PRESIDENT pro tempore. The Senator from Nebraska is recognized.

Mr. CURTIS. I thank the distinguished Senator from Michigan.

NATIONAL WELFARE REFORM ACT OF 1975—S. 1719

Mr. CURTIS. Mr. President, today I am being joined by 18 distinguished Members of the Senate in the introduction of a major welfare reform measure which is designed to correct many of the defects in the aid-to-families-with-dependent-children program, S. 1719.

This program, the Nation's largest cash assistance program, has grown alarmingly in recent years: It took 15 years, from 1940 to 1955, for the AFDC rolls to double. They doubled again from 1955 to 1965, and by 1970 the rolls had doubled once more. Now, in the cities of this Nation, we find that the ratio of children on welfare is one in five in Chicago and Detroit, one is four in New York and Newark, and one in three in St. Louis, Baltimore, Boston, and Washington.

Certainly, many of these are truly needy families, caught in a spiral of economic difficulty and dependency through no fault of their own.

Careful and detailed analysis of the AFDC program, however, reveals there are many defects in the Social Security Act itself which cause high-income people to be eligible for welfare, which have created loopholes enabling certain individuals to manipulate the system, and which permit opportunities for fraud and laxity at a time when the resources of this country for public assistance are so critically strained.

It is incumbent upon us to assess carefully the effect of every income exemption, every work-related expense deduction, and every eligibility criterion to make sure the Nation's resources are in fact going to the legitimately needy. The bill we are introducing today, entitled the National Welfare Reform Act, will:

Stop the practice of persons with high incomes remaining on the welfare rolls, by instituting a gross income limit and improving the method by which we compute earnings exemptions and work-related expense deductions;

Eliminate from eligibility persons who should not benefit from tax-supported assistance at all and curtail opportunities for fraud, by identifying and closing loopholes and tightening eligibility and identification requirements;

Carefully identify outside resources that are available to recipients and require their utilization in a cost/beneficial manner, so tax dollars do not replace resources that recipients in fact have available to them;

Affirm the concept of family responsibility and strengthen child support requirements; a parent who defaults on his family support responsibilities is at the heart of much of the welfare problem;

Strengthen work requirements and provide the States with needed latitude in designing effective programs to assist welfare recipients to return to self-sufficiency; and

Permit a more rational allocation of resources to persons who are legitimately in need.

The last point, Mr. President, is a critical one. It has been estimated that the provisions of this bill can save in excess of $1.5 billion, without harming recipients who are in legitimate need. Experience in a number of States with welfare reform has shown that through this careful, analytical approach, tax resources can be freed in massive amounts which can be redirected to areas of greatest need. This could be, at the discretion of the States, in any one of a number of areas: Direct increases in the grants to the truly needy, additional revenue to meet caseload growth resultant from unemployment, additional child care, or whatever social assistance programs the States have found to be most productive in alleviating dependency.

Mr. President, this Nation has called time and again for meaningful welfare reform. This bill represents a major effort to do what has long been needed at the Federal level: An identification of those many corrective steps that can be taken in the AFDC program without having an adverse effect on the legitimately needy, and that will, in fact, have a beneficial effect by making more resources available to meet their needs. This, in my judgment, is real welfare reform, and the bipartisan support for this measure reflects our conviction that this is the direction this Nation should follow in bringing our burgeoning welfare programs under control and in meeting the needs, at the same time, of those persons who, through no fault of their own, must rely on public assistance.

This proposal is the result of study and conferences on the part of a number of Senators. In this we have drawn heavily upon the experience of the State of California. I am happy to report that the following Senators have joined as cosponsors of this legislation: Mr. THURMOND, Mr. HARRY F. BYRD, JR., Mr. HELMS, Mr. HANSEN, Mr. TALMADGE, Mr. MCCLURE, Mr. HRUSKA, Mr. BUCKLEY, Mr. LAXALT, Mr. LONG, Mr. DOLE, Mr. FANNIN, Mr. GOLDWATER, Mr. WILLIAM L. SCOTT, Mr. BARTLETT, Mr. ROTH, Mr. TOWER, and Mr. BROCK.

Mr. President, all our welfare programs merit attention at this time. We should keep in mind that when we amend the law to prevent abuses and remove from the rolls individuals who should be removed, we can then increase the benefits for those in our midst who are truly needy as well as serve the best interests of the taxpayers.

Mr. THURMOND. Mr. President, since its beginning in 1936, the Nation's Aid to Families With Dependent Children has grown at a spiraling rate. Case loads have increased over 20 times. The ratio of children covered has grown from 1 in 50 to 1 in 8. The Aid to Families with Dependent Children portion of the Federal budget has risen 6,800 percent.

At every level of government, increasing fiscal distress has been experienced as this, and a number of other public assistance programs, has grown in a way that is an invitation to inherited dependency and involvement in a growing bureaucratic maze. Many States have embarked upon welfare reform efforts, some dramatically successful. But the experience of State, county, and city officials in the country has been that they can only do so much. There remains a substantive body of Federal social security law and HEW regulations which perpetuate the irrational allocation of public assistance funds and serves as a barrier to continued reform.

I am proud to be a cosponsor of the National Welfare Reform Act of 1975. Its proposals represent one of the most thorough and comprehensive revisions of the AFDC program yet suggested at the Federal level. These proposals have been derived from a careful evaluation of every loophole, every abuse, every resource that is present in the Nation's largest cash assistance program.

It is important to recognize that these recommendations are designed to curb areas of laxity, or irrationality. They will not have an adverse effect upon recipients who are legitimately in need. In fact, experience has shown that genuine welfare reform frees tax resources in massive amounts—resources which can be directed to areas of greatest need. This can be, at the discretion of the States, any one of a number of areas: direct increases in grants to the truly needy, additional revenue to meet any case load growth resulting from unemployment, additional child care, or whatever social assistance programs the States have found to be most beneficial in alleviating dependency and meeting the needs of persons who, through no fault of their own, must rely upon public assistance.

If enacted, the National Welfare Reform Act of 1975 will discontinue welfare payments to persons with high income. It will eliminate from eligibility persons who should not benefit from tax-supported assistance at all, and it will curtail opportunities for fraud. It will carefully identify outside resources that are available to potential recipients and require the utilization of these resources for the benefit of the family. In recognition of the fact that the parent who defaults on his family support responsibilities is at the heart of much of the welfare problem, it will affirm the concept of family responsibility and strengthen child support requirements. It will strengthen work requirements and provide the States with needed latitude in designing effective programs to assist welfare recipients in their return to independence. It will permit a more rational allocation of resources to persons who are genuinely in need. It will achieve administrative simplification and streamlining.

The National Welfare Reform Act of 1975 demonstrates welfare reform in its most essential sense: identifying areas where resources are being misused, closing loopholes, preventing fraudulent abuse, and applying a fiscal and management-oriented perspective that the American taxpayer has a right to demand from the operation of a program that now spends $7 billion of his money every year.

I urge speedy consideration and adoption of this most important legislation.

Mr. ROTH. Mr. President, I am pleased to join in cosponsoring the National Welfare Reform Act of 1975. This bill was introduced earlier in the House by a bipartisan group of 62 cosponsors, and represents, in my view, the first serious attempt we have had in a long time to make basic improvements in the aid to families with dependent children program.

This program was created back in 1935 for the purpose of providing cash assistance for children who had no other means of support. The idea behind it has always been to help those who were incapable of helping themselves.

In fact, the program has provided a great deal of assistance to those who are indeed needy. But it has also evolved into a program which provides assistance where assistance is not always needed.

The fact that there are abuses in the present system is generally acknowledged. The fact that worthy social goals such as family stability and encouragement of the work ethic are not always served by the present system is also generally acknowledged.

The solution offered by many to this is simply to abolish the existing program and create a new and bigger one. I believe the approach of this bill offers a more valid solution. This bill attempts to eliminate the abuses and inadequacies of the present system and to make it workable.

I believe that a reform effort of this kind is long overdue. The Congress has put an enormous amount of time and energy into examining the negative income tax approach to welfare reform. Very little time and even less effort have gone into considering viable alternatives.

It is my hope that this bill will provide the impetus needed to promote serious consideration of other approaches. The fact that it has been introduced by a number of members of the Ways and Means Committee and by the ranking Republican on the Finance Committee signifies, I hope, that it is a bill which should be taken seriously.

I would like to think that the introduction of this bill with its emphasis on improvements in and reform of the present system will prompt an examination of the AFDC program at all levels of government. There has been a certain amount of feeling that there is no point in trying to make the system more workable because the Social Security Administration or the Internal Revenue Service will soon be administering a new guaranteed income program anyway. The result has been a failure on the part of both administrators and legislators to make an effort whatsoever to effect needed improvements. There have been notable exceptions to this, such as in California and New York, but for the most part we have all—at the State and at the Federal levels—been content to put the problem aside.

We have, at the present time, a record number of families on AFDC. Nearly 3.4 million families received aid in January of this year and the number is climbing. Most of these families are poor and in need of assistance. But there are also those who are not. It is estimated that one out of three AFDC families in 1972 had total income that exceeded the poverty level. HEW studies show that nationwide 9 percent of AFDC recipients who are receiving assistance are not entitled to it.

The intent of the National Welfare Reform Act is to amend present law so that these kinds of situations cannot happen.

One of the major purposes of the bill is to eliminate the practice of allowing persons with high incomes to remain on welfare. Under present law this is often perfectly legal. Because of the way certain provisions in present law operate, persons with incomes in excess of $10,000 a year in some States can still be receiving welfare, along with automatic eligibility for food stamps and medicaid. Income cutoffs for working AFDC families are above that amount in Alaska, Connecticut, Michigan, New York, and Vermont. And in other States, if high work expenses are involved, this same situation can and does prevail.

Provisions in the bill which are aimed at limiting eligibilty for families with high incomes include: limiting gross income eligibility to 150 percent of the needs standard; deducting work-related expenses before the earnings exemptions are applied requiring eligibility to be redetermined without benefit of earnings exemptions for any individual who has earned income in four or more consecutive months and for any applicant or reapplicant; and providing for a standard work-related expense option.

Provisions aimed at eliminating from eligibility persons who should not be receiving assistance include requirement of use of standardized photoidentification cards and defining "child" as one below the age of 18.

In addition, the bill provides for 75 percent Federal matching for local law enforcement fraud control costs.

There are also provisions aimed at assuring that when recipients are the beneficiaries of large lump-sum payments, these payments will be used to help meet the recipients' needs.

There are provisions to encourage family responsibility, and to allow the States to require community work programs as a condition of eligibility.

In summary, Mr. President, this bill is aimed at what I and many others regard as genuine welfare reform—providing help to those who need it most. It is designed to remove some of those now on welfare from the welfare rolls—but only those who are not truly in need or those who are capable of helping themselves. For those remaining—those truly needy for whom the program was designed—it should then be possible to administer a genuinely humane and equitable program of assistance.

SOCIAL SECURITY COST CONTROL ACT OF 1975—S. 1720

Mr. CURTIS. Mr. President, I am also introducing three other bills which represent a contribution on the part of the Department of Health, Education, and Welfare for reform. One of these proposals is to improve and control the cost of the program of old age, survivors, and disability insurance, the program of grants to States for aid to families with dependent children, and the program of health insurance for the aged and disabled, S. 1720.

MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S SERVICES AND MEDICAID COST CONTROL AMENDMENTS OF 1975—S. 1721

Mr. CURTIS. Mr. President, another one of these bills which I am introducing is to improve and control the cost of the maternal and child health and crippled children's services program, and the program of grants to States for medical assistance programs, S. 1721.

SUPPLEMENTAL MEDICAL INSURANCE PREMIUMS—S. 1722

Mr. CURTIS. Mr. President, the third departmental bill is to make technical changes in the method of determining the supplemental medical insurance premium, S. 1722.

Mr. President, it is my hope that appropriate committee action can be taken in this area and that the Senate will have an opportunity to act in the near future.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. FORD). Under the previous order, the Senator from Virginia (Mr. WILLIAM L. SCOTT) is recognized for not to exceed 15 minutes.

SHARING GLOBAL RESPONSIBILITIES

Mr. WILLIAM L. SCOTT. Mr. President, last Thursday we had a vote on Senate Resolution 148, an expression by the Senate that the refugees from South Vietnam and Cambodia are warmly welcome. Apparently, I was the only Senator to vote "no" on a rollcall vote, which on the surface may appear callous and contrary to the traditional position of our country of welcoming less fortunate people to our shores; yet, a number of Senators have indicated they favor a limitation placed upon the number of refugees entering the country and the amount to be appropriated for their care. Concern has also been expressed regarding more than a million illegal immigrants who enter the United States each year in addition to the 400,000 or so annual legal immigrants.

The economy, with 8.9 percent unemployment nationally and a much higher rate in some occupations and among some age and ethnic groups, is one reason for concern. However, there should also be concern over our entire foreign policy. This foreign policy permitted us to drift into the Vietnam war, yet did not permit our military forces to win.

As we know, the number of our troops involved at a given time rose to more than one-half million, our casualties were in excess of 55,000, and our wounded exceeded 300,000. There is an indication that we spent in the neighborhood of $150 billion in Vietnam. All this in an effort to contain communism and to protect a small nation against aggression. Contrary to opinions recently expressed, I believe the misery suffered by the people of South Vietnam was not due to action taken by our Nation but was caused by aggression from the North, by the assistance rendered to North Vietnam by Red China and Russia.

Their present situation also resulted from the refusal of the Communists to abide by a peace agreement laboriously worked out after numerous conferences extending over a period of several years. North Vietnam agreed that it would not extend the positions it held on the effective date of the peace agreement and yet the Communists used the agreement as an opportunity to strengthen their forces, their weaponry and materials and to take further aggressive action. To the best of my knowledge, our country did abide by the peace agreement. We withdrew our troops and did not aid the South Vietnamese to any extent greater than replacing the equipment they had at the date of the so-called cessation of hostilities.

Reasonable people may well disagree as to whether we had a moral obligation to provide more funds or should have provided more than we actually did after our troops were removed. If there was an obligation, it was a moral one, not based on the peace agreement or any treaty approved by the Congress.

My major concern is that we fought almost alone in Vietnam, in a struggle that should have been as important to all nations of the free world as it was to us; that since the end of World War II, we have helped substantially every nation in the world in one way or another, including many of those within the Communist sphere of influence. The phrase "super power" has been coined and it has been said that only the United States can defend the world against communism. Of course, I do not advocate isolationism from other nations.

However, it does not seem reasonable to attempt to police the entire world or give economic aid with such a broad brush as we have in the last several decades. We are a strong, rich, powerful country but we do not have unlimited resources and I do not believe American people want to be continuously on the verge of war. There is a middle ground. We can work with other freedom loving nations of the world to contain communism. We can contribute our fair share to helping needy nations. We can work with the other nations of the world to solve refugee problems, to help other nations when calamity strikes, strive to maintain our nation as the strongest and most powerful in the world and recognize that having greater resources imposes a greater responsibility upon us in the world community than a less powerful nation.

But at the same time, we can expect all other nations within the free world to contribute to the extent that their circumstances will permit. I have heard that a number of countries are accepting a few hundred refugees but am unaware that any nation is agreeable to accepting numbers anywhere comparable, or on a ratio comparable, to those coming into the United States.

The story of "Gulliver's Travels" may illustrate the present need in international affairs. As Senators will recall, Gulliver was tied down and made helpless by the pygmies, or Lilliputians. The cooperative efforts of these little people, their working together in harmony, overcame an individual with strength far in excess of anyone of them. The United States, in conjunction with and cooperating with the other nations in the free world, is far stronger than the United States attempting to go it alone.

I believe, Mr. President, that the foreign policy of our country, to a large extent, has contributed to our present economic difficulties. Sharing our resources with almost every other nation of the world, even those well able to care for themselves, may have caused nations able to help others to assume that the United States would take care of the needs of the smaller nations, and may have discouraged other nations from assuming their reasonable share of responsibility. In my opinion, we need to establish a new understanding, a new relationship, a relationship which says we will help, if you will do what you can, we will do what we can, and collectively we will work toward a better world. In my opinion, Mr. President, this cooperative aspect applies to the present refugee problem. But more important it applies to the whole concept of the family of nations, to the maintenance of peace among the nations of the World.

There is no doubt in my mind, Mr. President, that we are going to do more than our fair share in this instance with regard to the refugee problem, admitting perhaps 150,000. But I would hope our experience in Southeast Asia will cause each of us, and especially the leadership in the executive branch, to rethink our position on foreign affairs and reverse the disastrous policy followed since World War II, under which all nations appear to have a key to the Treasury of the United States; to rethink the position that we alone can save the world through our military and economic assistance. It is time for the nations to realize that in a world community, each nation has a part to contribute and that no nation, not even the United States, can do it all. The alternative is economic ruin for our counrty, and who would profit most from this disaster than the common enemies within the Communist world.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Kansas (Mr. PEARSON) is recognized for not to exceed 15 minutes.

ARMS EMBARGO TO TURKEY SHOULD BE TERMINATED

Mr. PEARSON. Mr. President, I rise today to state my support for the bill offered by our distinguished minority and majority leaders, Senator HUGH SCOTT and Senator MANSFIELD, a measure which calls for a suspension of the current prohibition against military assistance to Turkey. I am pleased to join as cosponsor of this bill, S. 846, which was earlier cosponsored by Senators CASE, GRIFFIN, SPARKMAN, STENNIS, and TOWER.

Mr. President, in adopting the prohibition of the shipment of military supplies to Turkey the Congress manifested its opposition to Turkish invasion of Cyprus and also its concern over the administration's diplomatic handling of that crisis and the events leading up to it.

But I am now convinced that the Congress, having made its point, must review its earlier action. And in so doing, I believe that the majority of the Congress will determine that the time has now come to lift the arms embargo. A continuation of the embargo cannot undo the events which led up to the invasion of Cyprus but it can surely complicate and distort our relationships in that part of Europe. I am persuaded that the price of continuing the embargo will be very high indeed.

I think it likely that, given the political realities in Turkey, a continuation of the embargo will weaken, rather than strengthen, our hand in seeking a settlement of the Turkey-Greece-Cyprus disputes. Also given those same political realities, a continuation of the embargo will almost inevitably weaken our security ties to Turkey, restrict U.S. strategic presence in the Mediterranean, and contribute to a deterioration of the southeastern flank of NATO.

Mr. President, the Cyprus issue has been with us since the mid-1950's. It involves Great Britain, Turkey, and Greece as the so-called Guarantor Powers, and the issues are complex. Twenty percent of the people on that troubled island are Turks and give their allegiance to Turkey. Eighty percent are Greeks, but most of them seem to prefer independence. Treaties were signed in 1960 creating the Cyprus Republic and assigning rights to both Greek and Turkish communities. These treaties have never become operational. There has been bloodshed between the two communities since 1960, and today the hatred and distrust run very deep. Both sides are equally and unequivocally convinced of the justice of their cause. Last summer, following the coup on Cyprus, Turkey sent its troops to that island and continues to occupy a portion of it. The tragic events which have occurred in Cyprus have resulted in great suffering and the creation of hundreds of thousands of refugees.

Mr. President, we have long-standing and important security relationships with Turkey. Turkey has been a member of NATO since 1951. During the Korean conflict, Turkish soldiers fought bravely alongside Americans.

Over the years, our security relationship with Turkey has broadened and deepened to the point where we now have access to many installations ranging from an air base to intelligence facilities. We have access to Turkish airspace for our flights further east; and we have access to Turkish ports for ships of the 6th Fleet. American ships pass through the Turkish straits—the Dardanelles and the Bosporus—on their regular visits into the Black Sea.

Unfortunately, this security relationship is beginning to disintegrate under the pressure of the recent arms embargo that this body recently imposed on Turkey. The Turks find this hard to understand. They consider that they are being punished for protecting their interests and their people on this island which is only 40 miles from Turkey's southern coast. They do not understand why Turkey is the first NATO country to be placed under an arms embargo by the United States. And I assume that other NATO countries will find it difficult to reconcile our actions toward Turkey with our assertions of continued support of the alliance.

Nor can the arms embargo and the suspension of military assistance to Turkey help solve the Cyprus problem. The Turks, as we all are, are a proud and stubborn people. The overwhelming, almost unanimous opinion of the Turkish people is that its government was not only justified, but obligated to intervene in Cyprus as it did. Representatives of the State Department tell us that no present Turkish Government can back down in the face of the humiliating public pressure that this country is attempting to impose. They say, to do so would court vast internal opposition.

Moreover, Mr. President, the evidence is building up that the embargo has stiffened the Turkish position and made any possibility of a settlement on Cyprus much more remote. Indeed it may well be that it was the embargo which triggered the establishment of the Turkish Cypriot Republic.

Mr. President, because I am convinced that a continuation of the embargo will not contribute to solving the Cyprus problem and that it will lead inevitably to a weakening of United States-Turkish security ties and ultimately a further decline of NATO, I urge that the Senate act favorably on S. 846.

This bill respects congressional interests and prerogatives in this matter by requiring that the President submit to the Congress at the end of each succeeding 30-day period after an enactment a report on progress being made in achieving a regulated solution to the Cyprus conflict. In this way the Congress can continue to check the administration regarding its handling of that delicate situation.

Mr. President, I submit that the times demand that we look once again to Europe, where an identity of interest between the United States and the nations of that region has long existed, and make a concerted effort to halt the erosion of U.S. influence there. In this way it will be possible to combat the disruptive forces now challenging our allies along the northern rim of the Mediterranean. We can begin by restoring our ties with our ally Turkey.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Mississippi (Mr. STENNIS) is recognized for not to exceed 15 minutes.

ILLEGAL ALIENS IN AMERICA

Mr. STENNIS. Mr. President, my remarks at this time relate to illegal aliens in America. In these remarks I make no reference now to the so-called refugees from South Vietnam. That is another matter which stands on its own feet. My concern in my preparation of this speech really goes back for some weeks before the matter ever arose in South Vietnam.

Mr. President, it has been estimated by the Commissioner of the Immigration and Naturalization Service that there are at least 5 to 7 million illegal aliens residing in the United States today, and perhaps as many as 12 million. He also estimates that more than a million of those illegal aliens hold jobs Americans could and would have if the jobs were vacant.

Mr. President, I will wait until those at the desk have finished their business.

The PRESIDING OFFICER. The Senator from Mississippi is absolutely correct. The Senate will come to order.

The Senator may proceed.

Mr. STENNIS. More than half of these illegal aliens are Mexicans who slip across our border. The rest arrive here from all over the world some as students and some others as tourists. Many of these aliens lose themselves in our cities, find a job, save a tidy sum and return to their homeland.

Whatever thrift they have I commend them for it, Mr. President. Others will remain here permanently, although in an unlawful status.

Unfortunately, Mr. President, this problem is getting worse instead of better. It has been estimated by reliable people that some 2.5 million aliens will sneak into the United States this year and more than half will go undetected. In a recent 12-month period, the Immigration and Naturalization Service apprehended approximately 800,000 illegal aliens—almost 10 times the number just 10 years ago.

Mr. President, I view this as a very serious matter of growing import. Today, more than 8 million Americans are out of work. To help these unemployed Americans we provide, through taxes, unemployment compensation, public service and public works jobs, food stamps, and welfare benefits. The vast majority of these Americans want to work. Much of the money for these benefits could have been saved if there were not so many of these illegal aliens holding down jobs here.

There is no doubt that some of the jobs these illegal aliens hold are of the type that some Americans might not want. The majority, however, involve good-paying jobs. For example, in 1972, the Immigration and Naturalization Service found that in Los Angeles, 50 percent of the illegal aliens worked in manufacturing plants. In San Francisco, one illegal alien from Canada was found to earning $9 per hour teaching in a junior college.

These illegal aliens are causing a heavy strain on our economy.

I am sure that some are contributing to the economy. But the load as a whole is what makes the heavy strain on the economy. In addition to holding jobs Americans could have, many of these aliens avoid paying taxes while others receive welfare and medical benefits.

And, of course, they receive unemployment compensation benefits.

Not long ago the Immigration and Naturalization Service sampled 1,700 illegal aliens and uncovered $250,000 in taxes that had been avoided by these aliens. According to the Immigration and Naturalization Service, tax is avoided through claims for fictitious dependents which reduces or eliminates the tax withheld.

Also recently the Immigration and Naturalization Service received a bill from one county for medical services that had been rendered to illegal aliens in the past year in the amount of $7 million. These facts, Mr. President, are just almost unbelievable.

Let me make it clear, Mr. President, that I cast no aspersions against any particular individuals or groups, many of whom are highly respectable and useful. This country has always welcomed some immigrants and will continue to do so. We normally allow some 400,000 aliens into our country annually under our immigration laws. But, I am especially concerned about these illegal aliens because of the vast number, conditions of our economy, the soundness of our fiscal affairs and the needs of our people who have devoted their lives to strengthening our Nation, but are now unemployed and unable to find a job even though they are qualified.

Congress recently passed a tax bill to provide rebates to taxpayers in order to stimulate the economy. Yet, several billions of dollars are sent out of the country annually by these illegal aliens, thereby worsening our balance of payments.

We have passed several pieces of legislation in the past few months costing the Treasury billions of dollars in an attempt to ease the effects of the recession. There is no doubt that the amounts involved would have been much lower had we not had this illegal alien problem.

I think we need to take a long, hard look at this entire problem.

I think that first we must get the facts, and that is what I am doing here today, or at least making a start on getting the facts, because it is from the facts that some plan or some remedy can be evolved. I have in mind that we will go into this matter at least some, to every extent reasonably possible, in the Committee on Appropriations and I shall present this matter to the chairman of the Appropriations Committee (Mr. McClellan) and ask that this be gone into the extent possible under the committee's jurisdiction.

As a member of that committee I intend to review this matter when the Immigration and Naturalization Service comes before our committee. I do not charge any intentional neglect, of course not. I think these are facts that are not generally known. I think they are facts that are rather hard to deal with, but I also think they are facts that we must deal with, and that the people are expecting us to review the entire matter and find some kind of a remedy or some kind of an answer.

Certainly, some consideration must be given to amending our current immigration laws. I believe that consideration should be given to special hardship cases that have merit. But, we owe it to our people to stop this heavy influx of illegal aliens, stop as much of it as we can.

We could consider placing more of a burden on the employer. I do not favor any extreme penalty, but the employer could at least make inquiry of the potential employee so as to determine whether or not he is an alien without legal status, and if the employer knowingly hires an illegal alien he should be held accountable in some way.

If we fail to stop this influx of illegal aliens into our Nation, our economy will definitely continue to suffer seriously therefrom. We cannot afford to neglect this matter further.

I want to say that I know we, from time to time, pass special bills, and I have introduced a few of those bills myself, to take up the case of some desirable alien who is here illegally, and I would not try to stop some procedures in this field in cases where there is merit. But it is this wholesale, overflowing influx year after year of thousands and thousands and it even runs into millions of illegal aliens who are occupying jobs that would otherwise be open and could and would be filled by our own citizens.

It not only denies them the privilege of seeking a job, but, in turn, it runs up on the taxpayer.

These tremendous amounts from year to year are increasing. Certainly, we can do something to put our house in order, and I believe our committees working together with the membership, we will find a better way.

Mr. President, I yield back whatever time I may have remaining.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from New York (Mr. Javits) to attend the International Labor Conference, to be held in Geneva, Switzerland, June 4–25, 1975.

CALENDARS NOS. 73 AND 74 PLACED UNDER SUBJECTS ON THE TABLE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendars Nos. 73 and 74 (S. 1457 and H.R. 5398) relating to defrayed mortgage payments, be transferred from General Orders under rule VIII and placed under Subjects on the Table.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 107, H.R. 4723.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4723) authorizing appropriations for the National Science Foundation for fiscal year 1976.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all after the enacting clause of H.R. 4723 be stricken and that there be substituted therefor the text of S. 1539, as reported by the Committee on Labor and Public Welfare with an amendment in the nature of a substitute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, 25 years ago, on May 10, 1950, President Truman signed the National Science Foundation Act. Throughout its history the principal activities of the Foundation have been the support of basic research and education in the sciences. Under the guidance of the National Science Board and the direction of Alan T. Waterman, 1951–63; Leland J. Haworth, 1963–69; William D. McElroy, 1969–72; and H. Guyford Stever, since February 1972, the Foundation has steadily contributed to the building of our national strength in science and technology.

In 1968 the Congress amended the Foundation's enabling legislation to increase the responsibilities of the Foundation. The amendents were designed to strengthen the Foundation's management structure, to clearly identify social sciences among the fields of science eligible for funding support, and to provide for the submission by the National Science Board of an annual report to the President and Congress on the status and health of science. The most recent of this series of Board reports is entitled "Science and the Challenges Ahead."

An equally important provision of the 1968 legislation was the extension of the Foundation's authority to support "applied scientific research relevant to national problems involving the public interest." Under this authority the Foundation established an Applied Research Directorate, designated research applied to national needs—RANN. This program funds projects expected to facilitate the application of scientific knowledge to the real problems of our day to which science and technology can lend solutions.

I am pleased to note that RANN has made considerable strides in developing programs to support relevant and necessary applied research. It is still very early in its development and is still subject to institutional experimentation, but it holds great promise for the future.

Through RANN needed support can be given to projects which apply our vast and growing storehouse of scientific knowledge to the solution of real and immediate problems facing our Nation and our society. Through the RANN program the Foundation can provide a stimulus for innovative research efforts, in areas neglected by other Federal agencies.

One illustration of the Foundation's role was its initiation of programs to support research on solar and geothermal energy. Much of this work has now been transferred to the new Energy Research and Development Administration. Another illustration is its support of the urban technology system, which aims at assisting cities to bring technology to bear in dealing with problems of public safety, public works, and traffic engineering. This system, in which 27 cities are participating, is designed along the lines of the Extension Service of the U.S. Department of Agriculture. Just as county agents introduced new technology to the Nation's farms, so it is believed the network of technology agents, placed in selected municipal and county governments throughout the country, can help provide the knowledge and skills required to deal with complex problems facing our cities and towns.

Activities such as these demonstrate that the National Science Foundation at age 25 has made significant contributions to the support of science which give us great hope for the future. The support of research in science and technology is vital to this Nation as we meet current challenges and lay the groundwork for a better world in the future.

The National Science Foundation's Director, Dr. H. Guyford Stever, at a recent Symposium of the National Academy of Sciences commemorating the 25th anniversary of the Foundation, delivered a speech which gives us a sense of the magnitude of those challenges and what we will be required if we are to meet them. Mr. President, I ask unanimous consent that Dr. Stever's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

WHITHER NSF?—THE HIGHER DERIVATIVES

(Remarks of Dr. H. Guyford Stever, Director, National Science Foundation)

We are here to celebrate an anniversary—the 25th year of the National Science Foundation. As my colleague, Willy Fowler, has described it, this is a birthday party, and as such it is time both to reminisce on the past and look to the future. My assignment is to look ahead. With all due respect to the previous speakers, I think I have been saddled with the harder job. Nevertheless, I'll try to give you some idea—my own assessment—of where we may be headed. I do not expect that you will all agree with my prognosis. And perhaps in the course of these remarks I will be raising more questions than I will be answering. But if so, I can think of no better time to raise such questions and to bring into open discussion some of the hard issues that all of us in the scientific community, as well as those who are concerned with the future of science as a social force, will be facing in the years ahead.

My major thesis in approaching this discussion of possible futures is that in the structure and support of our scientific and technological enterprise, we of the science and engineering communities have witnessed a major change and now face a strong challenge in our relationship with society. It is obvious that the social environment in which science is performed has changed, is still changing, and will undergo greater change in the coming years. Such changes will be economic, social, and political. The extent to which scientists and engineers become actively and constructively involved in these evolutionary processes could determine not only the outcome of their professions and of science itself, but of nothing less than the fate of our current civilization. I would like to devote some of my comments to the reasons for these changes and some of the responses that may have to be made by science and scientists. From these you may draw several conclusions about the shape of our enterprise in the years ahead.

Perhaps we should begin with some thoughts on the economic aspects of science and technology since economics is a subject on many minds today. We as scientists know that a great many important scientific discoveries have been made, and important theories arrived at, through research that was relatively low in cost. We might call these "intellectual-intensive" projects if we resorted to economic jargon. Much good research today still falls in this category. But much does not. And the cost of conducting that other segment of the Nation's scientific and engineering business has reached capital-intensive proportions.

Furthermore, we are just seeing the tip of the iceberg. Here I am speaking of work in both the most basic science and the most advanced applied engineering. For example, in basic research a new accelerator is now a 250-million-dollar investment with a multimillion-dollar per year level of effort thereafter. In applied research and development we must recognize the multibillion-dollar costs involved in such projects as the construction and testing of the demonstration breeder reactor. Similar large investments lie ahead in other energy fields. We should not underestimate the economic outlays that will be required for the full-scale demonstration and application of coal gasification and liquefaction as well as the cost over the next few decades of making the transition to a solar and fusion age. These two will become multibillion-dollar projects for the government, and eventually involve trillion-dollar enterprises for the Nation as a whole. Today's programs in their incipient stages give us only an inkling of the enormous long-range costs in both public and private investments which will be required to bring all the aspects of that age to their fullest fruition.

Unrealized by many people is the fact that we face similarly large investments in advancing and making the fullest economic and humane use of the fine work being done today in the biological and chemical fields—particularly as they relate to the world's food problem and the revamping of industry to meet the requirements of global growth within the confines of the new environmental criteria being set. We are now a world of four billion people. Should we achieve the demographic feat of leveling off between seven and eight billion as we enter the next century, we will still have to come up with some miraculous accomplishments in agricultural yields, nutrition improvements, pest control, fertilizer and water developments, and land utilization even to maintain such a population at a subsistence level. However, even present evidence that a large part of this population will not settle for mere subsistence should warn us that unless we can mesh our industrial and environmental requirements at a much higher level than today, we face pressures that could lead to a period of social and political chaos unprecedented in human history.

To me, all this points to a tremendous growth of economic involvement for science and technology and a related growth of responsibility and accountability for scientists and engineers. We are going to be involved as never before in the economic success or failure of this country and the rest of the world, and we are going to be taking the praise and the blame for far more than we have ever bargained for. We now must get to the idea of such involvement—and not only economically, but ethically and socially, as I will dwell on in a moment.

Another reason for this direct and intense involvement, in addition to the economic costs and social expectations tied to scientific and technological advances rests in the shrinking time span between the understanding and widespread application and influence of a scientific phenomenon. It took roughly 2,000 years to capitalize fully on some of the discoveries of the ancient civilizations. It took a few centuries to realize many of the technical concepts that came out of the Renaissance. It took 50 years to reap the benefits of the Industrial Revolution. In the post World War II period, the time between a scientific discovery or major invention and its wide utilization shrank to perhaps ten to 15 years. Today the compression of time between a scientific advance, the proposal of an idea based on it, and its widespread application has reached a point where this process is operating within the attention span and the operating lifetime of most persons in positions of political and economic power. One of the most dramatic examples of this rapid interfacing of science and politics is the fact that only weeks after the announcement of the theory that man's release of fluorocarbons into the atmosphere may be dangerously affecting the ozone shield, there was already congressional activity on the matter. As Robert Heilbroner stated in *The Future As History*, "Advances in science and technology have rewritten the very terms and conditions of the human contract with no more warning than the morning's headlines." And if I may add a footnote to that observation, any retreats, such as from the use of DDT, that we make in pursuing science and technology will have a similar short warning.

In addition to this time span phenomenon, there has also been an increasingly close linkage between the physical and social effects of scientific advances. The combination of these effects has contributed to a certain politicing of science that will be a major characteristic of our activities for years to come.

I think all of us here today can see this in so many ways in the activities already taking place, and growing, in the arena of science administration and policymaking. And my reference to it as an arena may turn out to have more significance than most of us would like to recognize. I do not mean to imply that the science community is about to be locked in mortal combat with any segment of society. But it is obvious that the days when the scientific community, or certain segments of it, could stand aloof from the mainstream of social and political activity are over. Science may still be esteemed—and it is now, according to recent opinion polls. But we know that it is no longer sacred. We have been shown to make mistakes. We have publicly expressed uncertainties and doubts about the extent of our knowledge. We have even argued among ourselves in public. This is not necessarily bad, but it has shown us to be mortal, and as such we become as accountable—and vulnerable—as any segment of society.

If, as a result of all this, recent years have seen the beginnings of a change in the public and governmental attitude toward science and technology, the coming years will probably see the solidifying and institutionalizing of some very different relationships between science and society. And much of that will be reflected in national science policy and the relations between the science community and government on all levels and in all its trappings. There have been many who have recognized the seeds of this in the growing science-related activities in government and the science involvement of Congress—from the enactment of the National Environmental Policy Act (NEPA) to the current deliberations and debates on energy, resources, and the social sciences. But all this was, and is, just the beginning. As these deliberations and the debates grow, as all the subtle and not so subtle relationships between scientific advances and their effects on society become more apparent, we will most likely see an even greater involvement of the science community in the affairs of state and of the world.

Now I come to the crux of the matter. If in the context of what is happening today and its dynamics we are to ask Whither NSF?—or more broadly, to question how science itself will fare over the next 5, 10, or 25 years—the answer depends largely on the response of the science community. Certain patterns have been set that should affect the growth and direction of science over this period. We know for example what demands energy R&D will make on us during this time. Studies by the Academy and the Food and Agriculture Organization (FAO) have indicated many of the advances necessary to alleviate the world food situation. Similarly, we are getting a better picture of the challenges involved in meeting our material needs. And in recent years many criteria for a healthier environment have been set, and some measures instituted toward achieving them. But the country has yet to face fully many of the difficult questions involving the trade-offs between economic and environmental matters. Granted that scientific and engineering advances can eventually improve this situation with some technological fixes at added costs, much of the solution of this dilemma rests on the attainment of further knowledge and on the value judgments of society, a subject about which I'll have more to say in a moment.

Of all the problem areas that are setting the pattern for scientific research in the years ahead, perhaps the most difficult may be that which we on the National Science Board have categorized in our 1975 report under the heading of the "Challenges of Society." As we stated in the report: "The challenges in this category are almost limitless," and we cited a few—including international strife, discrimination, crime and delinquency, and the spectrum of interpersonal and intergroup conflicts. The report goes on to discuss some of the obstacles to understanding and meeting these challenges. Among the important conclusions that the Board reached concerning this matter were the following, and I quote them because I concur so strongly:

"The tasks which these problems pose for science are immense. Although they involve the whole of science, the tasks apply particularly to the least developed of the disciplines—the behavioral and social sciences. These disciplines need to be significantly strengthened, in both their basic and applied aspects, if the Nation is to respond more successfully to its social problems. Although knowledge alone does not guarantee success, its lack almost certainly reduces the chance and extent of progress."

I believe this is a very important message that the science community should help convey to the American public and its representatives in the government.

Related to the subject of man's understanding of man and his society is another issue that will have a profound bearing on the future of science, and that is the matter of ethics and human values. The influences and the pursuits of science and technology have been drawn into an even closer relationship with the ethical decisions and value judgments of the society in which they operate. Over the 25 years that NSF has grown, certain developments in science have made it clear that the science community cannot conduct its affairs as a pure search for truth apart from serious considerations of its human consequences. This was not quite so apparent back in 1950 when the then President of the American Association for the Advancement of Science stated publicly: "Science cannot stop while ethics catches up—and nobody should expect scientists to do all the thinking for the country." [1] There may be some who feel that statement still has some elements of truth in it, but the prevailing situation in science today is much closer to the one described in the current issue of *Fortune* magazine, which comments:

"The world of science is searching its soul for a code of ethics and a scale of human values to govern its new professional responsibilities."

I will not go into detail on this search. Much has been written recently, and many of you may have been personally involved in the deliberations and decisions related to the ethical aspects of biological and behavioral research. Ethical and human value issues are surfacing with increasing frequency and are related to growing consequences in a number of scientific and technological areas. The time has passed, perhaps long passed, when we can move into research and development—particularly development—of major new technologies without the fullest disclosure and public debate as to their possible social and human consequences. We may have to make a most substantial commitment of our best people to examining these issues. Dealing with this situation is already proving to be a painful process involving all the difficulties of fostering public understanding, of settling conflicts of interest, and of becoming enmeshed in adversary proceedings characteristic of our democratic society. But we in the science community have a choice of demonstrating leadership in this area or waiting until we are drawn in later, perhaps at times when issues have been clouded by misinformation and prejudicial thinking. I am not claiming that scientists should attempt to assume an elitist position in trying to influence people about their future. And "nobody should expect scientists to do all the thinking for the country." But I believe we will be expected—and we are obligated—to do much more than we have in the past. How successful we are at it will have much to do with the public support of science and the answer to Whither NSF?

One further word on the relation of ethics and human values to science. This is an area in which we need to have far better knowledge. We need better understanding of how values are established and the counter-influences between them and science and technology. At NSF we are supporting a program of research on this subject.

In the world today, where the application of scientific advances can have such a strong and pervasive impact, the belief is often advanced that we should first establish our values and goals and set these as the ends toward which we use our science and technology. But as much as science and technology should operate within a framework of human values, there exists the possibility that advances in human knowledge will alter those values. For example, it is possible that the environmental movement in this country has influenced the lives of a limited number of people to the extent that they have formed a type of "back-to-the-earth" movement in their lifestyle. On a global scale, there is also considerable interest in what has become known as "alternative" or "intermediate technologies," the use of small-scale, more labor-intensive and less capital-intensive technologies to support a satisfactory type of development and living in certain parts of the world.

No doubt the values that led to these choices were influenced somewhat by the state of our scientific knowledge and our technological capability, as well as previously held values. But what would have been the values of these people and how would they have been expressed had we by now fully developed systems of biological pest control, fertilization and irrigation that posed none of today's pollution, power, or water problems, a virtually limitless supply of clean, cheap energy via solar or fusion technologies, and any other technologies that would negate most of today's environmental problems

I am not arguing here for ethical relativism but only making the point that advancing human knowledge has a strong interplay with human expectations and values, one that should be explored more fully.

On the subject of advancing knowledge, much has already been made during this symposium of the concept of "Science the Endless Frontier." Let me conclude with a brief comment on our pursuit of that frontier. Never has it been clearer that the realm of science is something like an expanding universe growing even as our capacity and curiosity to explore and understand it grows. The intellectual challenge in understanding nature is as great or greater than it has ever been. But it is also important now for the science community to highlight the point—one that is being increasingly made today—that basic research supplies the knowledge capital that is the underpinning of our entire structure of applied science and technology. In addition, we should recognize that the administrative arrangements of science support in the years ahead—whether the NSF retains the central role in basic research support, whether more basic research is supported by the mission agencies, or whether there is eventually the creation of any other science support mechanism—are far less important to the health of science and the Nation than the calibre of people we have in science and at the helm of our science-related activities. We need the best people possible in science for the Nation to maintain the excellence of its research capability. It is only through this capability, and through its constant upgrading, that we are going to see ourselves through the complex web of problems that constitute today's and tomorrow's crises.

In the coming years, I believe that a good portion of our research capability will continue to be centered in the Nation's colleges and universities, provided they can solve their institutional problems. However, there may be much important work done in national laboratories and industrial research centers. Possibly we will see closer and more productive ties between the universities and these other research establishments. Ways should be, and I believe will be, found to stimulate a better flow of scientific and engineering knowledge and talent between these segments of the R&D community.

If in my comments today I have not answered the question of where the NSF will be during its second quarter century, I hope I have at least indicated some of the directions in which it may go. The Foundation was born to serve the Nation through advancing the progress of science. I believe it has done this during its youthful 25 years of existence. But that period has also been a learning period for the Foundation and for many of us who have grown and learned with it. Now it's time to move ahead to even more productive days. For, as Oliver Wendell Holmes said, "The greater thing in this world is not where we stand but in what direction we are going."

---

[1] Elvin Stackman, University of Minnesota, speaking as President of AAAS, January 9, 1950.

Mr. KENNEDY. Mr. President, the authorization for the National Science Foundation which the Senate has before it today provides $826.6 million for the Foundation's programs in fiscal year 1976.

It is based on extensive consideration by the Special Subcommittee on the National Science Foundation and the Labor and Public Welfare Committee of the resources needed by the National Science Foundation during the coming fiscal year to meet its mandate to strengthen science and science education. It reflects the recommendations which were received by the special subcommittee during 2 days of hearings, at which testimony was presented by the Foundation's leadership, by Members of Congress and by public witnesses concerned over various aspects of the Foundation's proposed programs for the coming fiscal year.

The 10-percent increase S. 1539 provides over the administration's budget request of $755.4 million is modest. It is considerably below the $899 million budget which the National Science Board originally submitted to the Office of Management and Budget. It is only 7 percent above the amount appropriated by the Congress last year.

Mr. President, the National Science Foundation performs a critically important and unique function. It has a mandate from the Congress to:

Strengthen U.S. scientific research in the mathematical, physical, medical, engineering, biological, social, and other sciences.

Focus U.S. science resources on selected current national problems.

Strengthen science education programs at all levels.

Stimulate international scientific cooperation between United States and foreign scientists.

Assist in providing the Nation with highly trained scientists and engineers through a program of fellowships for science and engineering.

Insure that science information is readily available to U.S. scientists and engineers.

Appraise the impact of research upon industrial development and the general welfare.

Gather and publish scientific and technical data pertinent to national science policy decisionmaking.

An expanding base of scientific knowledge is vital to the Nation's future and to efforts to find ways to deal with a wide range of domestic and international problems. The products of the research of U.S. scientists in all parts of the Nation not only provide for the progress of science, but provide the knowledge base needed to increase understanding of the principles that govern the physical, life and social sciences—understanding which is essential if we are to enhance the quality of life.

In preparing the authorization which is before the Senate today the Committee on Labor and Public Welfare considered three bills: S. 1539, which I introduced on April 25, and which called for an authorization of $854.6 million; S. 1478, the administration request introduced by Senator JAVITS on April 18; and H.R. 4723 as passed by the House authorizing $755.4 million. S. 1539, as amended and unanimously reported by the committee, incorporates what I feel are the best provisions of all three bills. It is a reflection of the committee's concern that during a period of fiscal restraint only very selective increases should be authorized. It is a reflection of the committee's concern that the amendment adopted by the House, to require prior congressional approval of every National Science Foundation grant, is not only unworkable, but contrary to the principles which have brought this Nation to its leadership position in scientific research. That amendment is not included in the bill before the Senate today and it is my hope that it will not be included when the Congress sends a final authorization to the President for signature.

Mr. President, I want to review briefly for my colleagues the action which the committee took, and to compare S. 1539 with the authorization submitted by the administration.

NATIONAL AND SPECIAL RESEARCH PROGRAMS

The committee has approved $113.5 million for this activity, $6.5 million above the administration request. This will permit the updating of the coastal research fleet, a matter of special concern because of the increased need for research in coastal waters and on the Continental Shelf. It will also provide funding for a new science for citizens program, which I shall describe in more detail later in this statement.

SCIENCE INFORMATION ACTIVITIES

S. 1539 includes $7 million for this activity, $2 million above the administration request. It also places a floor under this authorization. It reflects the concern which exists over the continuing problems caused by cutbacks in funding for the Office of Science Information Service and the severe dislocations which these reductions have caused in the orderly development of information handling systems.

RESEARCH APPLIED TO NATIONAL NEEDS

S. 1539 includes $81 million for this activity, an increase of $9.5 million over the administration request. Urgent problems are being addressed by this program, notably in the fields of energy, environment, and productivity. S. 1539 places a floor of $25 million under environmental programs, and includes a provision requiring that at least 10 percent of the funds available for research applied to national needs must be awarded to small businesses which have too often been overlooked as a resource in meeting the Nation's scientific and technical needs.

INTERGOVERNMENTAL SCIENCE AND RESEARCH UTILIZATION

S. 1539 includes $12 million for this activity, $9 million above the administration request. State and local governments have found the intergovernmental science program to be highly effective, yet for 4 years the program's budget was limited to only $1 million a year. S. 1539 provides $10 million for the intergovernmental science program and places a floor under this authorization.

INSTITUTIONAL IMPROVEMENT FOR SCIENCE

S. 1539 includes $15 million for this activity. The administration requested no funds for this program which has been in existence since 1961 and which has been used effectively by colleges and universities in recognizing, developing and supporting promising scientific research activities. Therefore, to insure the continuation of the program, S. 1539 places a floor under the $15 million authorization.

GRADUATE STUDENT SUPPORT

S. 1539 includes $17 million for this program, $2.2 million above the administration request. In planning for the decades ahead it is important and in the interest of the Nation to enable talented students to pursue careers in science and engineering. The authorization will assist in remedying a continuing decline in the availability of graduate fellowships which has diverted many competent and promising candidates from pursuing careers in science and technology—a national loss of significant proportions.

SCIENCE EDUCATION IMPROVEMENT

S. 1539 includes $70 million for this activity, $20 million above the administration request. The 11-percent reduction proposed in the budget request threatened the ability of the National Science Foundation to meet the need for continuing improvements in science education at a time when the science knowledge of the Nation's pre-college students is declining. It places a floor under the $21.9 million authorization for elementary and secondary school programs. S. 1539 also increases funding for the ethnic minorities and women in science program to $9.6 million and places a floor under that amount.

PLANNING AND POLICY STUDIES

S. 1539 includes $4.2 million for this activity, $1.5 million above the administration request. The increase is to be used for programs related to the ethical and human value implications of science and technology, and is a recognition of the need to identify at the earliest possible time the ethical and human value aspects of new developments in the physical and biological sciences and in technology. S. 1539 places a floor under the $1.5 million authorization.

SCIENCE FOR CITIZENS PROGRAM

S. 1539 authorizes a new program to facilitate the participation of the public, including experienced scientists and engineers, undergraduate and graduate students, and nonprofit citizen public interest groups in activities aimed at the resolution of public policy issues with significant scientific and technical aspects. It is expected that funds authorized for science education improvement and for national and special research will be used to initiate this new program.

ALAN T. WATERMAN AWARDS FOR RESEARCH

S. 1539 authorizes these awards to honor the first Director of the National Science Foundation, and to provide a small group of the most outstanding young scientists and engineers with recognition of their achievements. Each year, up to three awards—not to exceed $50,000 per year for up to 3 years—are authorized.

PUBLIC PARTICIPATION

S. 1539 requires the Director of the National Science Foundation to prepare and submit to the Congress a comprehensive plan to facilitate the participation of members of the public in the formulation, development and conduct of the Foundation's programs, policies, and priorities. The Foundation's activities have become of increasing interest to citizens not previously involved in or immediately affected by scientific research involved in or immediately affected by scientific research policies and priorities, and a commitment is required to involve representatives of the general public in these activities.

During the deliberations which led to the bill the Senate is considering today a number of other significant concerns were raised and are addressed in the committee report which accompanies this bill.

CURRICULUM DEVELOPMENT AND IMPLEMENTATION

The National Science Foundation is currently supporting over 50 curriculum projects, designed to improve the quality of science education. These curriculums are being used in schools throughout the Nation. They have been adopted by local school boards and committees and there is every evidence that they have been well received by science educators, parents, and students. In order to insure that each local entity decides freely whether to adopt a particular course of study for its students, the committee report accompanying S. 1539 cautions against any action by the National Science Foundation to influence the selection process used by local school officials. However, necessary dissemination of information, training of teachers, and other support activities designed to insure the effective utilization of new teaching techniques in those school districts which request assistance must continue. These activities must go forward to insure that the maximum benefits are realized by local schools which elect to offer these courses.

PEER REVIEW

The integrity of this process, is absolutely essential to the National Science Foundation's mission to further the Nation's advancement in science. It is vital in insuring that the Federal Government receives a full return on the money it invests in scientific research. It is vital to winning the support and the trust of the research community and the public.

The National Science Foundation must insure that the pool of proposal reviewers it calls on is broadly representative of the scientific community. The system must be an open one, which encourages the continuing entry of new and diverse reviewers.

It is our firmly held conviction that the peer review system is vital to the success of the National Science Foundation's responsibility to support research which is of the highest quality and which addresses priority national research needs.

REPRESENTATION OF MINORITIES AND WOMEN

Minorities and women are not adequately represented in management and policymaking positions in the National Science Foundation. The report accompanying S. 1539 urges the Foundation to begin an intensive search for qualified women, blacks, Chicanos, American Indians, and members of other minorities to fill executive level positions. Greater participation by minorities and women in management and policy position in the National Science Foundation will contribute significantly to the further inclusion and recognition of their talents in all aspects of science—to the substantial benefit of the Nation.

Mr. President, the provisions of S. 1539 will enable the National Science Foundation to give continued support to the effort to encourage an even more effective contribution by science and scientists to the national well-being. It was unanimously approved by the Special Subcommittee on the National Science Foundation. It was unanimously approved by the Labor and Public Welfare Committee. I urge its adoption by the Senate so that we can move promptly to conference with the House of Representatives and develop a final bill for the President's signature.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The bill (H.R. 4723) was passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 1539 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Now, Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendars Nos. 109, 110, 111, and 112.

The PRESIDING OFFICER. Without objection, it is so ordered.

RENEWAL OF PATENT RELATING TO BADGE OF THE SONS OF THE AMERICAN LEGION

The bill (S. 719) granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a certain design patent issued by the United States Patent Office of date of May 8, 1934, being patent numbered 92,187, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as the badget of the Sons of the American Legion.

RENEWAL OF PATENT RELATING TO BADGE OF THE AMERICAN LEGION

The bill (S. 720) granting a renewal of patent numbered 54,296 relating to the badge of the American Legion, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a certain design patent issued by the United States Patent Office of date of December 9, 1919, being patent numbered 54,296, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as the badge of the American Legion.

RENEWAL OF PATENT RELATING TO BADGE OF THE AMERICAN LEGION AUXILIARY

The bill (S. 721) granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a certain design patent issued by the United States Patent Office of date of June 1, 1920, being patent numbered 55,398, is hereby renewed and extended for a period of fourteen years from and after the date of approval of this Act, with all the rights and privileges pertaining to the same, being generally known as the badge of the American Legion Auxiliary.

INTERNATIONAL PETROLEUM EXHIBITION

The joint resolution (S.J. Res. 59) authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Represententives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to invite by proclamation, or in such other manner as he may deem proper, the States of the Union and foreign nations to participate in the International Petroleum Exposition, to be held at Tulsa, Oklahoma, from May 16, 1976, through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration which had been placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, at this time I would like to request that the distinguished assistant majority leader, if he would, give for the benefit of the Senate the schedule for the rest of this week and next.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

The vote on the motion to invoke cloture will occur today on the Consumer Protection Agency measure. What happens in respect of that measure during the remainder of the day will depend upon the outcome of that cloture vote.

Immediately after the vote to invoke cloture, the Senate will proceed to the consideration of the bill, H.R. 4975, a bill to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

There is a time limitation on that bill of not to exceed 1 hour. Undoubtedly, there will be at least one rollcall vote on that measure.

If cloture is invoked, the Senate will resume consideration of the Consumer Protection Agency bill to the exclusion of all other business until the action on that bill is completed. Presumably, that would be completed tomorrow or the next day—if cloture is invoked. If cloture is not invoked, the Senate will continue its debate on the consumer protection bill for the remainder of the day today.

On tomorrow, under the order previously entered, after the morning business has been completed, the Senate will proceed to vote on the conference report on the congressional budget resolution. That will require a rollcall vote, undoubtedly. The order that has been previously entered requires that there be no rollcall votes prior to 12:30 p.m. tomorrow so as to protect committees against interruptions during the morning.

After the action on the congressional budget resolution is completed tomorrow, the Senate will resume consideration of the Consumer Protection Agency bill.

Depending upon the outcome of the vote in the other body on the override of the Presidential veto of the farm bill, that measure, if it is overridden by the other body, will be coming along for early action in this body, presumably within the next day or so.

The supplemental appropriation bill has been reported from the Appropriations Committee today and should be ready for floor action in the Senate by Thursday or Friday of this week. There is a bill out of the Commerce Committee which would authorize the expenditure of, I believe, up to $600 million for the employment of unemployed people on the maintenance of the railroad beds. That authorization bill would presumably be taken up just prior to the supplemental appropriations bill.

Toward the end of the week, the Senate will probably take up S. 1661, a bill to enable the United States to render assistance to or in behalf of certain migrants and refugees.

Next week on Monday, if the Senate does not dispose of the supplemental appropriations bill this week, I would assume that the Senate would act on the supplemental appropriations bill. S. 846, dealing with prohibitions against military assistance to Turkey, will probably come up on Monday.

On Tuesday of next week, the Senate will take up the military authorization bill. The distinguished chairman of that committee (Mr. STENNIS) who is in the Chamber at this time, has indicated that it is his belief that action will be completed on that bill over a period of 3 or 4 days, so that would carry us into next Thursday or Friday.

Mr. STENNIS. If the Senator will yield at this point, I think the Senator from West Virginia has stated the case correctly. Of course, I always like to see anything debated and not discourage it in any way, but I appreciate the Senator and the leadership arranging to take up this bill promptly. It will be ready, and the bill having been written to such a large extent by the committee, after the most thorough hearings and consideration to mark it up, I believe with a good debate we will be able to finish that bill in a few days and certainly in the week in which we take it up. We shall work to that end and agree to time limitations.

A good point to mention, though, Mr. President, as manager of the bill, I am going to have to start off in the position of not agreeing to a time limitation on unwritten amendments.

I refer only to unwritten amendments. They require study, analysis, and staff work. For that reason, I hope that all amendments will be written amendments so that we can move the bill along. I thank the Senator very much.

Mr. ROBERT C. BYRD. I thank the Senator.

All indications, therefore, are that the Senate will complete action on the military authorization bill next week.

I am advised that the 10 days under the Constitution allowed the President for attaching his signature to the surface mining bill will expire a week from today, on the 20th. Depending upon whether or not the President vetoes that measure, the Senate may be faced with an attempt to override such a veto next week.

Conference reports, being privileged matters, may be called up at any time. Other measures that are reported and cleared for action this week and next week may also be called up with appropriate notice.

It looks as though we will have a pretty busy week this week and certainly a busy week next week, with rollcall votes occurring daily.

UNANIMOUS-CONSENT AGREEMENT—S. 200

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour of time under rule XXII today be equally divided between and controlled by Mr. ALLEN and Mr. RIBICOFF.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SITUATION IN INDOCHINA TODAY

Mr. MORGAN. Mr. President, I rise to comment very briefly on the situation in Indochina as we find it today. Now that we have withdrawn all of our military forces from Cambodia and from South Vietnam and have discontinued all of our aid to these two countries, I think it is well that we look to see what the situation is as it has developed since the time that we withdrew our support.

We were told by many well-meaning individuals, many of whom were Members of this august body, that if we would only withdraw our military aid and support from that area of the world, the killing would stop and the people there could live in peace and harmony.

Like the President, I am not interested in engaging in recriminations, but I do think it is well that we continue to look at history to see what has happened since that time so that we may learn from it for the future. To that end, I ask unanimous consent that an article appearing in the May 12, 1975, issued of Newsweek, entitled "Bloodbath in Cambodia" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"BLOOD BATH" IN CAMBODIA

The new Communist regime in Cambodia has begun a massive blood bath, according to radio intercepts of Khmer Rouge communications by U.S. intelligence. "Thousands have already been executed," a U.S. official told Newsweek at the weekend. The wholesale purge could ultimately lead to the slaughter of "tens of thousands of Cambodians loyal to the Lon Nol regime," the official said. The first victims of the blood bath were said to be officers of the Cambodian Army and some government officials. All officers down to the rank of second lieutenant were to be killed along with their wives, the intercepts were said to indicate.

Sources said that the United States intercepted official Khmer Rouge radio transmissions in which the orders for the killings were given, as well as field radio reports saying that the initial round of executions had been carried out. The sources said that the killings were not isolated cases but part of a full-fledged campaign. "I am not speculating," one official told Newsweek's Arnaud de Borchgrave. "I am not dealing in third-hand reports. I am telling you what is being said by the Cambodians themselves in their own communications."

The reports of the blood bath came as a group of 590 foreigners (including six journalists) was allowed to leave Cambodia and cross the border into Thailand. They left behind an additional 100 to 200 foreigners who remained restricted to the French Embassy in Phnom Penh. The journalists who were among the evacuees said they had agreed not to discuss their two-and-one-half-week ordeal "to ensure the safety of those still left in Phnom Penh." Cambodia has had no telephone or telegraph communications with other nations since the Khmer Rouge take-over, and U.S. intelligence officials suggested that the blood bath was one reason for the news blackout.

Mr. MORGAN. In addition. Mr. President, I ask unanimous consent that an editorial appearing in the Washington Star on May 11, 1975, entitled "Exodus in Cambodia," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Exodus in Cambodia

It is a monstrosity of epic proportions. It is hard for the mind to grasp what has happened in Cambodia, a nation supposedly peopled by a gentle and easy-going race. Starting immediately after the Communist takeover of Phnom Penh last month, every city, town and major village in the country was ordered evacuated of its civilian population. It is estimated that perhaps four million of Cambodia's seven million inhabitants have been turned out of their homes and forcibly dispersed into the countryside.

According to some reports, the people were told that they were to make their way to reception areas, supposedly set up by the Khmer Rouge forces in their jungle strongholds some 65 miles from Phnom Penh. There, it seems, the people are to revert to the lives of the peasantry in order to "purify" themselves of corrupting foreign bourgeois influences before they are allowed to return, if indeed they ever are. Yet no one knows whether the reception areas even exsist, much less whether they are equipped to care for those who succeed in reaching them.

How many can be expected to make it? Bear in mind that the people involved come from cities and towns, used to the relative comfort of urban living They include literally everyone—the old, the infants, the pregnant, sick, wounded and dying. These people have no food, and in this season no prospect of getting any, at least until the next rice crop is harvested in November. Even the rural population will be lucky to survive the influx of desperate and starving city-dwellers who now infest the countryside.

At a minimum estimate, the loss of life, in addition to those killed outright by the victorious Communists, will be appalling. Some of those who witnessed the start of the urban exodus called it "genocide," and assuming that genocide can be inflicted on one's own people, it is the right word. The Communists, it is clear, made every effort to see to it that the news would never get out. The fact that the world is even dimly aware of what is going on is the result of the courage of a handful of foreigners, including one American newsman, Sydney H. Shanberg of The New York Times, who stayed behind and miraculously escaped to describe it.

Why have the conquerers of Cambodia done this utterly inhuman thing? It is simple savagery or is there an ideological purpose behind their brutality? Granted that the Khmer Rouge have limited administrational facilities of their own and limited supplies of food and medicine. Granted also that other Communist regimes, on coming to power, have started out by eliminating a substantial percentage of their people. It is still a fact that, given the size of Cambodia's population, this murderous operation is being carried out on a scale for which there is perhaps no historical parallel.

Or maybe there is, back in the dim past. In various parts of the world, there are traces of proud cities and whole civilizations that have been abandoned suddenly by their inhabitants for reasons that modern archeologists cannot explain. One of the most famous of these is in Cambodia itself at Ankor Wat, which served for centuries as the capital city of the Khmer kings. Did something happen there similar to what has happened to Phnom Penh today—the forced evacuation of a conquered people to fend for themselves while the city was left to revert to the jungle?

At any rate, there are lessons to be learned from what has happened. Of the final days of the city's agony, Shanberg writes:

"Everyone—Cambodians and foreigners alike—thought this had to be Phnom Penh's most miserable hour after long days of fear and privation as the Communist forces drew nearer. They looked ahead with hopeful relief to the collapse of the city, for they felt that when the Communists came and the war finally ended, at least the suffering would be largely over. All of us were wrong.

"The view of the future of Cambodia as a possibly flexible place even under Communism, where changes would not be extreme and ordinary folk would be left alone—turned out to be a myth."

Let us pray that, at least, it does not also turn out to be a myth in the other parts of Indochina that threw in their lot with the United States in the long and terrible war. For the moment, things seem to be somewhat better in South Vietnam and Laos, but there is no guarantee that they will stay that way.

At any rate, we are told—and we agree—that recriminations are not in order. We argued as hard as possible for as long as possible against abandoning Cambodia and Vietnam to their fates. A majority of Congress—perhaps a majority of the American people—disagreed. The events must now prove the wisdom and the charity of that decision.

Mr. MORGAN. These two articles clearly point out, Mr. President, that all is not peace and tranquillity in Cambodia since the Americans left; that nearly 4 million out of the 7 million Cambodians have been forced to leave their homes and seek refuge in the countryside where little or no food is available. Many have been executed.

We find also from the news today, Mr. President, that even our Nation is not free of the tyranny of these people, when one of our merchant ships is seized on the high seas.

I believe, Mr. President, that we should study history, that we should take strong action to protect American lives and American ships traveling on the high seas, and let the world know once and for all that we cannot and will not be trampled upon by any nation, anywhere.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees are recognized tomorrow under the standing order, there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MONTIE MONTANA CELEBRATES GOLDEN ANNIVERSARY AS WESTERN STAR IN JULY

Mr. MANSFIELD. Mr. President, July 10 to 13 are being celebrated by the State of Montana to mark the 50th show biz anniversary of Western star and rope artist par excellence Montie Montana.

Gov. Thomas L. Judge has proclaimed the 4-day holiday as Montie Montana Days, and the celebration will be in due form. There will be a wild-horse stampede in the town of Wolf Point, in the northeastern part of my State, and an 85-mile wagon trek, with hundreds of participants riding from Scobey to Wolf Point.

Montie Montana is the name this wrangler acquired when the M.C. on one occasion could not remember his real name. He happens to be Owen Harland Mickel. He was raised in Wolf Point, Mont., the son of a minister. He has traveled all over the world. He was a close friend of Will Rogers.

In addition to being at Wolf Point this summer, he will serve as grand marshal of the Cheyenne Frontier Days, the Pendleton Roundup, and the Salt Lake City Rodeo.

Mr. President, I ask unanimous consent to have printed in the Record a statement relative to this celebration, covering the part played by Montie Montana.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Montie Montana Celebrates Golden Anniversary as Western Star in July

Four days, July 10–13, are being celebrated by the state to mark the 50th show biz anniversary of western star and rope artist par excellence Montie Montana. Gov. Thomas L. Judge has proclaimed the four-day holiday as Montie Montana Days and the celebration will be in due form. There'll be a wild horse stampede in the town of Wolf Point and an 85-mile wagon trek with hundreds of participants riding from Scobey to Wolf Point.

Montie Montana has worked every major rodeo in the United States, England, Canada, Australia and Mexico.

He is the only man to have ridden in 42 successive Rose Bowl Parades.

He has co-starred in movies from the days of Buck Jones, Tom Mix and Will Rogers to Hopalong Cassidy, Roy Rogers, Gene Autry, Joel McCrea and John Wayne.

He and his horse, Rex, share the distinction of being the only performers in their field to perform at the top of the Empire State Building in New York, which isn't exactly your average corral.

Montana's (the man, not the state) father was a minister in Wolf Point and took his son at an early age to see his first rodeo. That did it. He took to the saddle naturally and when still a youngster, stepped in to ride a bucking horse when the original rider couldn't make the date.

Later he got a job sweeping out the local theatre, starting in show business, as he says, from the bottom up. He augmented his income drawing crowds by doing rope tricks in front of the theatre.

His first paid performance was in Miles City, Montana in 1925. He's been a dominant figure on the rodeo-western-movie-Wild West show scene ever since.

Montana and his wife, Elly, tour 8 to 10 months a year. When not on tour, they spend their time at his 20-acre San Fernando Valley, California ranch. The ranch itself is somewhat of a miniature western museum. It houses two stagecoaches, one 100 years old and built especially for use in muddy conditions. This is the coach Montie will ride when he crosses Montana in the course of Montie Montana Days this coming July.

Also at the ranch are collectors' item saddles, several of which are over a century old; a rope Will Rogers used to use in his act, a gift from Will to Montie; 19th century riding tackle and gear; and a collection of silver studded saddles worth close to $75,000. Montie always uses one of those for his annual Rose Parade appearances.

Also resident at the ranch is Poncho Rex, Montie's first great horse star. Rex is now close to his 30th birthday and slightly enfeebled. But Montie has 15 other pintos of various ages and he and Elly work with them constantly getting them ready for show business.

They're all named Rex.

Montie Montana is a "nom de show business."

"My real name is Owen Harlan Mickel. During the Buck Jones show in 1929, the announcer couldn't remember my name—so he called me 'Montie from Montana.' "

And so, Montie from Montana, will re-live 50 golden years in July with some of his new and old friends from throughout North America.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting the annual report for the National Advisory Council on Adult Education for the fiscal year 1975, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I transmit herewith a report of Federal activities in Fiscal Year 1975 for the National Advisory Council on Adult Education as required by Section 311(d) of the Adult Education Act of 1966 (Public Law 89–750) as amended.

GERALD R. FORD.

THE WHITE HOUSE, *May 13, 1975.*

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 6573) to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109), transmitted pursuant to the Impoundment Control Act of 1974, in which it requests the concurrence of the Senate.

At 3:35 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House of Representatives, having proceeded to reconsider the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes, returned by the President of the United States with his objections to the House of Representatives in which it originated, failed to pass the bill, two-thirds of the House of Representatives not agreeing to pass the same.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Rescission of Office of Education Budget Authority

A letter from the Comptroller General of the United States, relating to a rescission of Office of Education Budget Authority that the President had not reported to the Congress as required by the Impoundment Control Act of 1974 (with accompanying papers); jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Labor and Public Welfare, pursuant to the order of January 30, 1975, and ordered to be printed as a Senate document.

Comments on Budget Authority and Outlay Reductions Contained in Rescissions and Deferrals Transmitted With the President's Ninth and Tenth Special Messages

A letter from the Comptroller General of the United States, relating to the ninth and tenth special messages transmitted by the President of the United States on April 18, 1975, pursuant to the Impoundment Control Act of 1974 (with accompanying papers); jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Public Welfare, the Committee on Commerce, the Committee on Armed Services, the Committee on Interior and Insular Affairs, the Committee on Public Works, the Committee on Agriculture and Forestry, and the Committee on Finance, and ordered to be printed as a Senate Document.

Report by the Director of the Office of Management and Budget

A letter from the Director of the Office of Management and Budget transmitting the cumulative report required by section 1014 (e) of the Congressional Budget and Impoundment Control Act of 1974 (with an accompanying report); pursuant to the order of January 30, 1975, jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Commerce, the Committee on Armed Services, the Committee on Labor and Public Welfare, the Committee on Banking, Housing and Urban Affairs, the Committee on Interior and Insular Affairs, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Finance, the Committee on Public Works, the Joint Committee on Atomic Energy, the Committee on Aeronautical and Space Sciences, and the Committee on the District of Columbia; and ordered to be printed as a Senate document.

Proposed Legislation To Extend the Federal Insecticide, Fungicide, and Rodenticide Act

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, Rodenticide Act, as amended, for 2 weeks (with accompanying papers); to the Committee on Agriculture and Forestry.

Evaluation Reports on Special Supplemental Food Program for Women, Infants, and Children

A letter from the Comptroller General of the United States, relating to preliminary evaluation reports on the special supplemental food program for women, infants, and children; to the Committee on Agriculture and Forestry.

Disposal Plans for On-State Demilitarization/Detoxification of Munitions and Agent GB

A letter from the Secretary of the Army, reporting pursuant to law, disposal plans for on-site demilitarization/detoxification of munitions and agent GB and the eventual elimination of the possible risk associated with the storage of this materiel in close proximity to as populated an area as Denver; to the Committee on Armed Services.

Proposed Construction Projects for the Air National Guard

A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on construction projects proposed to be undertaken for the Air National Guard within the uncommitted balance of available lump sum authorization; to the Committee on Armed Services.

PROPOSED LEGISLATION TO PERMIT THE RECALL TO ACTIVE DUTY OF REAR ADM. J. EDWARD SNYDER, JR.

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to permit the recall to active duty of Rear Adm. J. Edward Snyder, Jr., upon retirement in a command status as the Oceanographer of the Navy (with accompanying papers); to the Committee on Armed Services.

EXIM STATEMENT ON LA CARIDAD COPPER PROJECT

A letter from the President and Chairman, Export-Import Bank of the United States, reporting on Eximbank financing to assist Mexicana de Cobre S.A. in purchasing from the United States goods and services for La Caridad Copper project located near Nacozari, Sonora, Mexico; to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION TO EXTEND THE MARINE PROTECTION, RESEARCH AND SANCTUARIES ACT

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Marine Protection, Research and Sanctuaries Act for 2 years (with accompanying papers); to the Committee on Commerce.

SUPPLEMENTAL REPORT TO THE PRELIMINARY SYSTEM PLAN OF THE U.S. RAILWAY ASSOCIATION

A letter from the Chairman of the Board, U.S. Railway Association, transmitting, pursuant to law, a supplemental report to the Preliminary System Plan of the U.S. Railway Association on the Erie Lackawanna Railway (with an accompanying report); to the Committee on Commerce.

REPORT OF THE MARITIME ADMINISTRATION

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the activities of the Maritime Administration during fiscal year 1974 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, transmitting, pursuant to law, the annual report for the fiscal year July 1, 1973 to June 30, 1974 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION TO PROVIDE FOR ADEQUATE AUTHORITY FOR THE PROTECTION OF BUILDINGS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide adequate authority for the protection of buildings and property under the charge and control of the Department of the Treasury, to authorize the appointment of special police, and for other purposes (with accompanying papers); to the Committee on Finance.

PROPOSED CUSTOMS MODERNIZATION ACT OF 1975

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to modernize and simplify customs procedures, and for other purposes (with accompanying papers); to the Committee on Finance.

INTERNATIONAL AGREEMENTS ENTERED INTO BY THE UNITED STATES

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States 60 days after the execution thereof (with accompanying papers); to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on potential of value analysis for reducing waste treatment plant costs, Environmental Protection Agency (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on improvements needed in making and in reporting on technical evaluations of noncompetitive price proposals, Department of Defense (with an accompanying report); to the Committee on Government Operations.

PROPOSED LEGISLATION TO AMEND THE ATOMIC ENERGY ACT TO PROVIDE FOR APPROVAL OF SITES FOR PRODUCTION AND UTILIZATION FACILITIES

A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to provide for approval of sites for production and utilization facilities, and for other purposes (with accompanying papers); to the Joint Committee on Atomic Energy.

ORDERS FOR ALIENS FOUND ADMISSIBLE

A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting, pursuant to law, ordered in the cases of two aliens who have been found admissible to the United States (with accompanying papers); to the Committee on the Judiciary.

CRITERIA FOR FUNDING OF APPLICATIONS FOR FOREIGN LANGUAGE AND AREA STUDIES CENTERS

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, criteria for funding of applications for Foreign Language and Area Studies Centers (Title VI of the National Defense Education Act of 1958, as amended, 20 U.S.C. 511(a)) (with accompanying papers); to the Committee on Labor and Public Welfare.

REGULATION TO GUARANTEED STUDENT LOAN PROGRAM

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, regulation to 45 CFR Part 177, guaranteed student loan program (with accompanying papers); to the Committee on Labor and Public Welfare.

NOTICE OF FUNDING CRITERIA AND RESERVATION OF FUNDS—EMERGENCY SCHOOL AID ACT

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, notice of funding criteria and reservation of funds, Emergency School Aid Act (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION TO EXTEND THE SOLID WASTE DISPOSAL ACT

A letter from the Deputy Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Solid Waste Disposal Act, as amended, for 2 years (with accompanying papers); to the Committee on Public Works.

PROPOSED LEGISLATION TO EXTEND THE FEDERAL WATER POLLUTION CONTROL ACT

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Water Pollution Control Act for 2 years (with accompanying papers); to the Committee on Public Works.

PROPOSED LEGISLATION TO EXTEND CERTAIN PROVISIONS OF THE CLEAN AIR ACT

A letter from the Deputy Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Clean Air Act for 2 years (with accompanying papers); to the Committee on Public Works.

FEDERAL ELECTION COMMISSION'S BUDGET REQUEST

A letter from the Chairman, Federal Election Commission, transmitting, pursuant to law, the Federal Election Commission's budget request for fiscal year 1976 (with accompanying papers); to the Committee on Rules and Administration.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution from the State of Texas relating to the use of natural gas as a fuel for irrigation engines; to the Committee on Commerce:

"SENATE CONCURRENT RESOLUTION

"Whereas, Natural gas has been used as a fuel for irrigation engines in the Panhandle and South Plains of Texas for a number of years and is the most economical and readily available fuel in this area of the state; and

"Whereas, Natural gas is transported to more than 50,000 irrigation wells in the Panhandle and South Plains of Texas by an extensive network of underground pipelines, many of which have been laid by the irrigation farmers themselves at an average cost of approximately $1,000 per well; and

"Whereas, The irrigation belt of the Panhandle and South Plains of Texas produces an extraordinary amount of food and fiber products, most of which could not be produced without irrigation and the use of natural gas as a fuel to power the irrigation engines; and

"Whereas, Currently no other fuel is available in sufficient quantities to furnish power for irrigation engines, and it would not be economically feasible to modify existing equipment for the transportation, storage, and use of any alternative fuel made available at a later date; and

"Whereas, The Federal Power Commission on December 19, 1974, rendered Opinion 697–A in Docket RP72–6 changing the priority of natural gas for irrigation purposes from a No. 2 commercial priority to a No. 3 industrial priority, which for all practical purposes made natural gas unavailable for irrigation equipment; and

"Whereas, This potentially disastrous ruling was made by the Federal Power Commission without providing notice to the farmers of the Panhandle and South Plains area and without providing an opportunity for them to present evidence or testimony to the commission on this very important matter; and

"Whereas, The Plains Irrigation Gas Users Association, on behalf of affected member farmers, has filed a motion for leave to intervene in the aforementioned docket number and a motion to restore natural gas for irrigation purposes to a No. 2 commercial priority; both motions are still pending before the Federal Power Commission; now, therefore, be it

"Resolved, By the Senate of the State of Texas, the House of Representatives concurring, that the 64th Legislature hereby respectfully memorialize the Congress of the United States to instruct the Federal Power Commission to restore natural gas for irrigation purposes to a No. 2 commercial priority before there is extensive and lasting damage to the economy of the Panhandle and South Plains of Texas and serious disruption of the national economy; and, be it further

"Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the

House of Representatives of the United States Congress, and to all members of the Texas delegation of the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America; and, be it further

"Resolved, That official copies of this resolution also be prepared and forwarded to the Federal Power Commission as an expression of the views of the 64th Legislature of the State of Texas."

Concurrent resolution No. 2013 of the Legislature of the State of Kansas, memorializing the Congress of the United States to reject any bill authorizing the establishment of a Tallgrass Prairie National Park in the Flint Hills of Kansas; to the Committee on Interior and Insular Affairs:

"HOUSE CONCURRENT RESOLUTION No. 2013

"Whereas, the federal government now owns, controls or manages a vast amount of property in the state of Kansas, some of which acreage would be better suited for the establishment of a Prairie National Park; and

"Whereas, The establishment of a Prairie National Park in the Flint Hills of Kansas would result in the taking of substantial acreages of privately owned property of ranchers and cattlemen who depend upon the preservation and improvement of the grassland for their survival; and

"Whereas, The establishment of such Prairie National Park would result in the removal of a substantial amount of land from the tax rolls which would seriously interfere with the financing of necessary county, township and school district services; and

"Whereas, This is an era of nationwide food shortages and the loss of the vast grazing areas in the grasslands would seriously hamper the production of beef: Now, therefore,

"*Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein:* That the legislature of the state of Kansas respectfully petitions the Congress of the United States to leave intact the complex relaionship between man and his environment which has been so vital to the culture and preservation of the prairie grasslands by rejecting any bill authorizing the establishment of a Tallgrass Prairie National Park in the Flint Hills of Kansas.

"*Be it further resolved:* That the legislature of the state of Kansas respectfully urges the Congress of the United States, upon finding a need for the location of a Tallgrass Prairie National Park in the state of Kansas, to establish such park upon land in which the title is presently vested in the United States government, or to establish a Prairie National Parkway through the Flint Hills of Kansas, acquiring easements as necessary to provide scenic overlooks, picnic areas and rest stops along such Parkway.

"*Be it further resolved:* That the Secretary of State be directed to send enrolled copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives and to each member of the Kansas delegation in the Congress of the United States."

A joint resolution from the Legislature of the State of California, relative to veterans' cemeteries; to the Committee on Veterans Affairs:

SENATE JOINT RESOLUTION No. 13—RELATIVE TO VETERANS' CEMETERIES

"Whereas, Since the early days of our nation it has been the continuing policy of the United States to provide for the burial of its deceased war veterans in national cemeteries; and

"Whereas, The national cemeteries of the Presidio of San Francisco, Fort Rosecrans at San Diego, and the Golden Gate National Cemetery at San Bruno are completely filled and closed; and

"Whereas, The 93rd Congress did enact the "National Cemetery Act of 1973", establishing within the Veterans Administration a national cemetery system for the interment of deceased servicemen and veterans; and

"Whereas, The Veterans Administration has selected 640 acres in the White Wolf Valley of Kern County as one of the final sites being considered for the establishment and perpetuation of a national cemetery; and

"Whereas, the Kern County area is within the geographical center and embraces the population center of the state, is serviced by two major transcontinental railroads and two major national highways, and has a modern airport system, including an ultramodern terminal and 16 satellite airfields throughout the county; and

"Whereas, This area enjoys an equable climate throughout the year, which proves of great benefit to those families wishing to visit the resting places of loved ones at any season; and

"Whereas, Two of our nation's largest military installations (Naval Weapons Center and Edwards Air Force Base) are located within Kern County, and several other military installations are nearby; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to establish a national cemetery in Kern County in conformity with the program of continuance and expansion of national cemeteries; and be it further

"*Resolved,* That the Secretary of the Senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Veterans Administration, to the National Cemetery Commission, and to each Senator and Representative from California in the Congress of the United States."

A petition seeking a redress of grievances from a citizen of Lyons, Ill.

A petition seeking redress of grievances from two citizens of Humansville, Mo.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order entered on May 12, 1975, Mr. SPARKMAN, from the Committee on Foreign Relations, submitted a report on the bill (S. 1661) to enable the United States to render assistance to or in behalf of certain migrants and refugees, with an amendment, which was ordered to be printed (Rept. No. 94–119).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOSS, from the Committee on Commerce, with an amendment:

S. 323. A bill to regulate commerce and to protect petroleum product dealers from unfair practices, and for other purposes (Rept. No. 94–120).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. 95. A bill to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens outside the United States (Rept. No. 94–121).

S.J. Res. 41. A joint resolution to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 94–122).

S.J. Res. 42. A joint resolution to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 94–123).

S. Con. Res. 36. A concurrent resolution authorizing the printing of additional copies of Senate hearings on proposed constitutional amendments to limit abortions (Rept. No. 94–124).

S. Res. 125. A resolution authorizing the printing of the report entitled "Report to Congress on Control of Sulfur Oxide" (Rept. No. 94–125).

S. Res. 138. A resolution authorizing additional expenditures for the Committee on Appropriations for routine purposes (Rept. No. 94–126).

H. Con. Res. 44. A concurrent resolution providing for the printing of a revised edition of the House document "Our American Government. What Is It? How Does It Function?" (Rept. No. 94–127).

H. Con. Res. 117. A concurrent resolution providing for the printing as a House document of the hearings and panels of the Select Committee on Committees (Rept. No. 94–128).

H. Con. Res. 146. A concurrent resolution authorizing the printing of a revised edition of the booklet entitled "The History and Operation of the House Majority Whip Organization (94th Congress)" (Rept. No. 94–129).

S. Res. 141. A resolution providing supplemental expenditures by the Select Committee on Nutrition and Human Needs (Rept. No. 94–130).

S. Res. 153. An original resolution authorizing additional expenditures by the Committee on Rules and Administration for routine purposes (Rept. No. 94–132).

S. Res. 154. An original resolution to pay a gratuity to Thomas J. Donovan.

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Res. 140. A resolution relating to expenses of the Committee on Appropriations (Rept. No. 94–131).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 522. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian Health programs and encouraging maximum participation of Indians in such programs, and for other purposes (Rept. No. 94–133).

By Mr. HARTKE, from the Committee on Commerce and the Committee on Labor and Public Welfare, jointly, without amendment:

S. 1730. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities (Rept. No. 94–134).

HOUSE BILL REFERRED

The bill (H.R. 6573) to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109), transmitted pursuant to the Impoundment Control Act of 1974, in which it requests the concurrence of the Senate, was read twice by its title and referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Public Welfare, and the Committee on the District of Columbia, pursuant to the order of January 30, 1975.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CURTIS (for himself, Mr. Thurmond, Mr. Harry F. Byrd, Jr., Mr. Helms, Mr. Hansen, Mr. Talmadge, Mr. McClure, Mr. Hruska, Mr. Buckley, Mr. Laxalt, Mr. Long, Mr. Dole, Mr. Fannin, Mr. Goldwater, Mr. William L. Scott, Mr. Bartlett, Mr. Roth, Mr. Tower, and Mr. Brock):

S. 1719. A bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes. Referred to the Committee on Finance.

By Mr. CURTIS:

S. 1720. A bill to amend the Social Security Act to improve and control the cost of the program of old-age, survivors, and disability insurance, the program of grants to States for aid to families with dependent children, and the program of health insurance for the aged and disabled. Referred to the Committee on Finance.

S. 1721. A bill to amend the Social Security Act to improve and control the cost of the maternal and child health and crippled children's services program, and the program of grants to States for medical assistance programs. Referred to the Committee on Finance.

S. 1722. A bill to amend title XVIII of the Social Security Act to make technical changes in the method of determining the supplementary medical insurance premium. Referred to the Committee on Finance.

By Mr. HARRY F. BYRD, JR.:

S. 1723. A bill to amend the Internal Revenue Code of 1954 to revise the tax treatment of transfers of certain property to tax-exempt organizations. Referred to the Committee on Finance.

By Mr. HUMPHREY (for himself, Mr. Mondale, Mr. McGee, and Mr. Bellmon):

S. 1724. A bill to amend the Rural Development Act of 1972 (Public Law 92–419) and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. BELLMON (for himself and Mr. Bartlett):

S. 1725. A bill to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. ABOUREZK (for himself, Mr. Humphrey, Mr. Clark, Mr. Huddleston, Mr. Haskell, Mr. Symington, Mr. Burdick, Mr. Eastland, Mr. Mondale, Mr. Gary W. Hart, Mr. Leahy, Mr. McGovern, and Mr. Hartke):

S. 1726. A bill to amend the Federal Crop Insurance Act to establish an independent corporation to carry out the purposes of such Act, to provide for more extensive commodity coverage under such Act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. MOSS (for himself, Mr. Metcalf, Mr. Philip A. Hart, and Mr. Buckley):

S. 1727. A bill to amend the Fish and Wildlife Coordination Act, and for other purposes. Referred to the Committee on Commerce.

By Mr. MONDALE:

S. 1728. A bill for the relief of Jonathan Aoloc Majak. Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 1729. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widower fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit. Referred to the Committee on Finance.

By Mr. HARTKE (for himself, Mr. Javits, Mr. Magnuson, Mr. Williams, Mr. Randolph, Mr. McClellan, Mr. Hathaway, Mr. Bayh, Mr. Pastore, Mr. Philip A. Hart, Mr. Buckley, Mr. Kennedy, Mr. Culver, Mr. Ribicoff, Mr. Humphrey, Mr. Weicker, Mr. Pell, Mr. Cranston, Mr. Eagleton, Mr. Hollings, Mr. Gravel, Mr. Stafford, Mr. McGovern, Mr. Schweiker, Mr. Hugh Scott, Mr. Beall, Mr. Brooke, Mr. McIntyre, Mr. Moss, Mr. Biden, Mr. Leahy, and Mr. Tunney):

S. 1730. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities. Referred, by unanimous consent, to the Committees on Commerce and Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CURTIS (for himself, Mr. Thurmond, Mr. Harry F. Byrd, Jr., Mr. Helms, Mr. Hansen, Mr. Talmadge, Mr. McClure, Mr. Hruska, Mr. Buckley, Mr. Laxalt, Mr. Long, Mr. Dole, Mr. Brock, Mr. Fannin, Mr. Goldwater, Mr. William L. Scott, Mr. Bartlett, Mr. Roth, and Mr. Tower):

S. 1719. A bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes. Referred to the Committee on Finance.

By Mr. CURTIS:

S. 1720. A bill to amend the Social Security Act to improve and control the cost of the program of old-age, survivors, and disability insurance, the program of grants to States for aid to families with dependent children, and the program of health insurance for the aged and disabled. Referred to the Committee on Finance.

S. 1721. A bill to amend the Social Security Act to improve and control the cost of the maternal and child health and crippled children's services program, and the program of grants to States for medical assistance programs. Referred to the Committee on Finance.

S. 1722. A bill to amend title XVIII of the Social Security Act to make technical changes in the method of determining the supplementary medical insurance premium. Referred to the Committee on Finance.

(The remarks of Mr. Curtis on the introduction of the above bills are printed earlier in the Record.)

By Mr. HARRY F. BYRD, JR.:

S. 1723. A bill to amend the Internal Revenue Code of 1954 to revise the tax treatment of transfers of certain property to tax-exempt organizations. Referred to the Committee on Finance.

TRANSFER OF CERTAIN PROPERTY TO TAX-EXEMPT ORGANIZATIONS

Mr. HARRY F. BYRD, JR. Mr. President, I am introducing today a bill which will change the Tax Code to provide that tax-exempt organizations receive the same benefits tax-paying organizations receive when a subsidiary corporation is liquidated into a parent corporation.

The staff of the Finance Committee tells me, and the attorney for Colonial Williamsburg tells me, that so far as they can determine, the proposal will affect only Colonial Williamsburg.

It is my policy in handling any tax legislation of a specific nature, that the proposed beneficiary be clearly stated in the Record.

Under existing law there are certain situations where income that would otherwise be taxed as capital gain on the disposition of property is converted into ordinary income. This procedure is commonly referred to as "recapture." The provisions regarding this procedure are contained in sections 1245 and 1250 of the Internal Revenue Code of 1954, as amended.

Information I have obtained from the Finance Committee staff and the Treasury Department indicates that the present law did not contemplate this situation.

The proposed bill is the same as the language which the Ways and Means Committee approved last year in the Tax Reform Bill of 1974, a measure that was not acted upon by the House of Representatives before adjournment.

Further, I am informed that the Treasury Department has examined this legislation and has no objections to it. During the course of Ways and Means Committee deliberations, last year, Treasury Department officials testified to this effect and have provided me with a letter which I will insert in the Record at the conclusion of my remarks.

The proposed amendment would remedy the problem which now occurs under section 1245(b)(3). Generally, a controlled subsidiary corporation may be liquidated into its parent corporation on a tax-free basis under sections 332 and 336 of the code. Under those circumstances there is no recapture of depreciation on the part of the subsidiary corporation in connection with such a transaction.

However, section 1245(b)(3) contains an exception to this rule where there is a disposition to an organization exempt from income tax. In that event, contrary to what occurs where the disposition is to a taxable entity, and despite the continued use of the assets of the subsidiary by the tax-exempt recipient organization in a taxable unrelated business, depreciation is recaptured.

This amendment corrects this inequity by providing treatment to nontaxable entities similar to that available for taxable entities by postponing this recapture.

However, under this amendment the tax-exempt recipient organization must continue to use the assets of the liquidated subsidiary in an unrelated trade or business and agree to treat any change in the use of those assets as a disposition resulting in recapture of depreciation.

This amendment would thus conform the treatment of depreciation recapture for both taxable and tax-exempt organizations where assets are received through liquidation of a subsidiary and are used in a taxable trade or business.

The technical changes referred to in the following letter from the Treasury Department have been made.

I ask unanimous consent that the letter from the Department of the Treasury be inserted at this point in the Record and that it be followed by the text of the proposed legislation, and that the proposed legislation be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEPARTMENT OF THE TREASURY,
Washington, D.C., May 6, 1975.
Hon. HARRY F. BYRD, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: You have inquired as to the position of the Treasury Department with respect to an amendment to section 1245 of the Internal Revenue Code relating to depreciation recapture. Under present law such recapture is not required when a wholly owned subsidiary is liquidated into the parent corporation. However under present law that exception for liquidation of a subsidiary is not applicable, and thus recapture is required, if the transferee is a tax-exempt organization. This rule was enacted in 1962 to prevent tax avoidance through tax-free transfers of property to a tax-exempt organization.

In general, the type of amendment you have asked about would provide that recapture will not be required if the transferee is an exempt organization which will use the property in an unrelated trade or business the net income of which is subject to tax. Since the property will be used in an unrelated trade or business, the policy considerations underlying the 1962 amendment are not controlling. Further, the amendment would place the exempt transferee in essentially the same position as that of a transferee which is a business corporation. Last year in the Ways and Means Committee the Treasury Department concurred in a comparable amendment and we would continue to do so.

We did, however, recommend certain additional provisions of a technical nature to require recapture if, for any reason, the property ceases to be used by the transferee in an unrelated trade or business. We adhere to these recommendations.

Sincerely yours,
ERNEST S. CHRISTIAN, Jr.,
Deputy Assistant Secretary.

S. 1723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. —. TRANSFERS OF SECTION 1245 PROPERTY OR SECTION 1250 PROPERTY TO TAX-EXEMPT ORGANIZATION WHICH USES SUCH PROPERTY IN AN UNRELATED TRADE OR BUSINESS.

(a) AMENDMENTS OF SECTION 1245.—

(1) The second sentence of section 1245 (b)(3) (relating to gain from dispositions of certain depreciable property) is amended by striking out "This" and inserting in lieu thereof "Except as provided in paragraph (7), this".

(2) Section 1245(b) is amended by adding at the end thereof the following new paragraph:

"(7) TRANSFERS TO TAX-EXEMPT ORGANIZATION WHERE PROPERTY WILL BE USED IN UNRELATED BUSINESS.—

"(A) IN GENERAL.—The second sentence of paragraph (3) shall not apply to a disposition of section 1245 property to an organization described in section 511(a)(2) or 511 (b)(2) if, immediately after such disposition, such organization uses such property in an unrelated trade or business (as defined in section 513).

"(B) LATER CHANGE IN USE.—If any property with respect to the disposition of which gain is not recognized by reason of subparagraph (A) ceases to be used in an unrelated trade or business of the organization acquiring such property, such organization shall be treated for purposes of this section as having disposed of such property on the date of such cessation."

(b) AMENDMENTS TO SECTION 1250.—

(1) The second sentence of section 1250 (d)(3) (relating to gain from dispositions of certain depreciable realty) is amended by striking out "This" and inserting in lieu thereof "Except as provided in paragraph (9), this".

(2) Section 1250(d) is amended by adding at the end thereof the following new paragraph:

"(9) TRANSFERS TO TAX-EXEMPT ORGANIZATION WHERE PROPERTY WILL BE USED IN UNRELATED BUSINESS.—

"(A) IN GENERAL.—The second sentence of paragraph (3) shall not apply to a disposition of section 1250 property to an organization described in section 511(a)(2) or 511 (b)(2) if, immediately after such disposition, such organization uses such property in an unrelated trade or business (as defined in section 513).—

"(B) LATER CHANGE IN USE.—If any property with respect to the disposition of which gain is not recognized by reason of subparagraph (A) ceases to be used in an unrelated trade or business of the organization acquiring such property, such organization shall be treated for purposes of this section as having disposed of such property on the date of such cessation."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2) the amendments made by this section shall apply to dispositions after December 31, 1969, in taxable years ending after such date.

(2) ELECTION FOR PAST TRANSACTIONS.—In the case of any disposition occurring before the date of the enactment of this Act, the amendments made by this section shall apply only if the organization acquiring the property elects (in the manner provided by regulations prescribed by the Secretary of the Treasury or his delegate) within 1 year after the date of the enactment of this Act to have such amendments apply with respect to such property.

By Mr. HUMPHREY (for himself, Mr. MONDALE, Mr. MCGEE, and Mr. BELLMON):

S. 1724. A bill to amend the Rural Development Act of 1972 (Public Law 92-419) and for other purposes. Referred to the Committee on Agriculture and Forestry.

NATIONAL RURAL DEVELOPMENT BANK ESSENTIAL FOR REVIVAL OF RURAL AMERICA

Mr. HUMPHREY. Mr. President, rural America has nearly half of this Nation's poverty, 60 percent of its substandard housing, rates of unemployment and underemployment well above the national average, continuing substanial outmigration—particularly of the young—inadequate public facilities and services, especially in the health, education, and public utilities areas, and a severe flight of rural capital to the metropolitan areas. The economy of rural America today is far from healthy.

The impact of these problems is not limited to our rural areas alone. Every city in America has felt their consequences. Substantial rural to urban migration has, at least in part, been responsible for overcrowded housing, high rates of joblessness, unanticipated demands for health, education, and other public services, rising crime rates, swollen welfare rolls, and urban congestion in general.

This relationship between rural and urban problems has been recognized, in recent years, by Federal legislation aimed at bringing some sanity to national growth patterns.

With the enactment of title IX of the Agriculture Act of 1970, Congress and the President committed themselves to a national policy of "sound balance between rural and urban America." The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that "the highest priority must be given to the revitalization and development of rural areas."

A similar commitment to the balanced growth of rural and urban America was echoed in title VII of the Housing and Urban Development Act of 1970.

With the passage of the Rural Development Act of 1972, bold new programs were designed to help rural America prosper. It is a good, solid bill and one that I believe ought to be fully funded and implemented without delay.

Despite enactment of the Rural Development Act of 1972, rural America still lacks the basic investment and financial system which I and many others feel, is essential to stimulate development in the rural areas of our Nation. What I am referring to is the kind of credit and financial system which Senator TALMADGE, chairman of the Agriculture and Forestry Committee, and I proposed as part of the Rural Development Act. Regrettably, that proposal was deleted from the bill by a close vote during debate on the Senate floor.

The United States has capitalized development financing institutions in Asia, Africa, and Latin America. While I am not averse to providing such assistance to our foreign friends, I think it is time we did the same for our own people.

Such a financial institution, channeling additional capital into rural areas of the United States for nonfarm development purposes, is essential to the economic revival of rural America. It is clear from our experience of the last 2 years that adequate funding for rural America is not being provided under the Rural Development Act of 1972. History clearly shows that, because of the way the financial system works in this country, funds tend not to revolve within rural communities. Instead, they normally flow to the largest population and capital market centers. They flow into bond markets, stock markets, insurance companies, corporate bank accounts, and trust funds—all of which are uniquely metropolitan. The reverse flow of capital—urban to rural—is much more modest.

Small town banks are limited by small reserves from making large loans. The regulations under which they operate force them to lend money for short periods of time to those who represent virtually no risk whatsoever. Often small banks' reserves are invested in Government bonds instead of being loaned out, once again reducing the availability of capital for use in developing rural areas. This lack of investment power by rural entrepreneurs is a crucial deficiency in rural economic development efforts. Even though many local development efforts are led by bankers, they have very limited means at their disposal to accomplish their economic development objectives.

Often, small rural communities are prevented from doing those things which attract economic development because they do not need major amounts of capital at a level sufficient to attract investors. Few bond houses, for example, will handle issues of less than $500,000. As a result, nonrevenue producing services are completely neglected by rural communities, and even credit for self-liquidating, or partially self-liquidating activities such as water and sewer lines, is hard to come by.

In addition, small rural banks are severely limited in the amount of credit they can dedicate to any individual rural development project or borrower. Yet many individual projects, if we were really serious, are going to cost a lot of money. Even when the Federal Government guarantees 90 percent of a $7 million loan, the remaining $700,000 is more than most small banks can handle alone.

Of course, most small rural banks have developed good cooperative working relationship with other larger banks, usually in metropolitan areas. Such banks are helpful to local banks in meeting rural credit needs. But this line of credit is limited and the small bank also has problems of liquidity and flexibility to think about in drawing on this source of capital. Moreover, experience shows that, during periods of rapid national economic expansion, many of these large financial institutions themselves need somewhere to turn for assistance with their rural development credit and investment portfolios.

In 1971 President Nixon's task force on rural development recognized this need for additional financial resources in rural areas to stop and reverse the ongoing trend of outmigration. It stated in its final report:

> The Task Force recommends a new credit institution to provide rural areas with greater access to private capital.

The bill I am introducing today responds to this recommendation and it would go a long way toward meeting the additional capital needs of rural America. And it would meet them in an effective and timely manner.

In general, this bill would establish a National Rural Development Bank to serve as a basic source of financial assistance to institutions that have purchased, refinanced, discounted, or rediscounted nonfarm rural development loans made by local rural banks and other local financial institutions, or to these institutions themselves, when the need arises.

It would also set up a board for the bank composed of 11 Presidential appointees, 3 ex officio members, and 10 members elected by the bank stockholders to set bank policy and procedures.

In addition, it would authorize the appropriation of not more than $200 million annually for 10 years for the purchase of capital stock in the bank by the Secretary of the Treasury.

In its organization and operations, the proposed bank would:

First. Rely on the existing private rural banking and financial system and not create a major new bureaucracy to administer the bank's operations;

Second. Be owned and controlled by the independent rural investment institutions themselves;

Third. Create an additional independent source of capital for nonfarm rural development that can be utilized by rural financial institutions, and not be required to operate within the constraints of the Federal and State political structure;

Fourth. Work with correspondent banks or rural banks and with rural banks themselves to increase the liquidity and security of rural development loans;

Fifth. Join with local banks and other investors to make joint-venture equity investments in rural development projects on a limited basis; and

Sixth. Require the purchase of bank stock by borrowers who are rural development project sponsors and joint venture cosponsors.

The proposed National Rural Development Bank would establish one national bank.

It would authorize the national bank to deal directly with local private banks and other financial institutions.

As things now stand, control of nonfarm rural development credit rests in the executive branch of the Federal Government—nowhere else. The administration's action on the Rural Development Act provisions for guaranteed and insured loans for rural industrial development and community facilities forces reliance on the rural development insurance fund for virtually all nonfarm rural credit.

The decision by the Office of Management and Budget to set a ceiling on these guaranteed and insured loans and to make them subject to the present budgetary and appropriations process, coupled with the administration's reluctance to provide adequate personnel for the Farmers Home Administration, reinforces the need for an independent, nonfarm rural capital generating institution like the proposed National Rural Development Bank.

In conclusion, unless more credit is made available for projects which can pay at least part of their own way, small towns will never be able to use local tax dollars for those things which improve the quality of rural life; make communities attractive for commercial and industrial expansion; and are part of the American way of living which most nonrural residents take for granted.

Mr. President, I ask unanimous consent that a detailed section-by-section analysis of the proposed National Rural Development Bank bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

A Bill to amend the Rural Development Act of 1972 (Public Law 92–419) and for other purposes.

The bill amends the Rural Development Act of 1972 by adding a new Title VII to be cited as the "Rural Development Act Amendments of 1975."

SUBTITLE A

Subtitle A sets forth the findings of Congress, states the policy and purpose of Congress, and provides the definition of terms used in the bill.

Section 701—Title

Section 701 states the title, and findings, and purpose.

Subsection (a) states the title as the "Rural Development Act Amendments of 1975".

Findings

Subsection (b) sets forth the following findings:

1. Farming and forestry form the backbone of the rural economy; yet the community services and facilities and the income earning opportunities needed by farm and forestry people to increase their incomes and raise their quality of life are shared with all other residents living in rural areas and rural communities who must particpate in their financial support.

2. Adequately raise farm family and forestry income and increase the accessibility to farm and rural residents of high-quality community facilities and services, require all the resources in local rural communities to be used at maximum effectiveness and efficiency.

3. The conduct of industry, business, and commerce, as well as farming and forestry, contributes to the jobs and income earning opportunities needed to provide the tax base to establish and maintain adequate rural facilities and services; the same circumstances are essential to expanding the service loads and hence the ability of rural electrification and telephone systems to pay overhead costs for service for farmers and other rural residents and repay indebtedness on Government and Government insured and guaranteed loans.

4. Prosperous, productive, and attractive rural communities are essential to the well-being of farm and other rural families and of a free nation because a more general, better balanced geographic distribution of the Nation's population is essential to the prosperity, general welfare, and domestic tranquility of the urban as well as the rural communities of the United States.

5. To attain a more general, better balanced geographic distribution of the Nation's population requires a reversal of the long-term trend of migration from rural to urban areas.

6. To reverse the flow of population from rural to urban areas and achieve a more general, better balanced geographic distribution of the Nation's population requires a more general, better balanced geographic distribution of profitable private economic enterprises, income earning opportunities, and high-quality public community facilities, services, and public works.

7. Additional capital investment and financial resources in rural areas are essential to enable them to establish and operate the

private economic enterprises, public works, and community facilities and services necessary to achieve a more uniform geographic distribution of economic enterprises, jobs, and increased rural income.

8. Much of the needed investment must come from outside of rural areas and communities.

9. Much of the outside investment and credit needed by rural areas will be made available by the Nation's existing network of commercial and investment banks, the Farm Credit System, and other local rural financial institutions, and by other private enterprise and local and State governments buttressed and supplemented by the direct, insured, and guaranteed loans, technical assistance, and grants provided by the Consolidated Farm and Rural Development Act and other titles of the Rural Redevelopment Act of 1972.

10. However, because the size of investment or credit required by the sponsors of significant rural development projects often exceeds the regulated lending limits and investment standards of existing local rural financial institutions and individuals even when a part of the loan is insured or guaranteed under the Consolidated Farm and Rural Development Act, existing arrangements do not fully provide to local rural investors and financial institutions the liquidity, flexibility, and usable financial resources they require to be fully responsive to expanding rural development investment and credit needs.

11. Moreover, the individual potential investor, public or private, who wishes to construct and operate a significant rural development project does not have an independent access to investment funds and capital, if these are not currently available from existing credit and investment individuals and institutions.

Policy

Subsection (c) states that it is the policy of Congress to meet this need by establishing a local-lender-and-borrower-owned facility that will make equity investments along with sponsors of rural development projects and extend financial assistance to local lenders and those with whom loans extended by local lenders are refinanced, discounted, rediscounted, or to whom such loans are sold.

Purpose

Subsection (d) states it is the purpose of this Act to provide for a permanent rural development investment and financial institution that will organize and make available a stable, continuous, and dependable source of financial resources that will provide equity investments, extend loans, and provide discounting, rediscounting, refinancing and purchase of loans extended by local rural financial institutions to the residents of rural areas, rural corporations, agricultural producers' organizations and other cooperatives (except where able to obtain needed credit from the banks for cooperatives under the Farm Credit Act of 1971), rural industrial and business enterprises, quasi-public bodies in rural areas, rural counties and municipalities, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and other units of rural local general and Special purposes government that will establish, construct, and operate private and public facilities, works, and services in rural areas and will provide remunerative employment to increasing numbers of rural residents.

Section 702—definitions

Section 702 sets forth the following definitions:

"Rural area" is defined to mean all the territory of a State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam that (1) is not within the outer boundary of any standard metropolitan statistical area, as designated by the Office of Management and Budget plus (2) all territory within [any standard metropolitan statistical area that is, also, within counties, towns, plantations in Maine]) and townships having a population density of less than two hundred persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States.

"Rural development purpose" is defined to mean any project undertaken by any private industrial or business enterprise or by any multistate region, State, multijurisdictional district, or local government or instrumentality thereof, that contributes or will contribute to giving highest priority to attainment of the objectives of the revitalization and development of rural areas as provided in section 901(a) of the Agricultural Act of 1970 (Public Law 91–524), or the enhancement of any rural community or rural area as a place to live and make a living. Rural development purpose is defined to include activities that provide increased employment or income for or directly benefit rural residents and that—

1. establish or improve public works or community services, or facilities;

2. encourage private investment in, or promote the establishment and expansion of, industrial or commercial enterprises, including but not limited to, investor-owned and cooperative marketing and other service associations and enterprises;

3. provide manpower development and training;

4. improve the quality and accessibility of rural community facilities and services;

5. promote the conservation, development and proper utilization of natural resources;

6. establish and improve public educational facilities, including but not limited to community and junior colleges, vocational and technical schools and other institutions of higher education, and encourage the development of improved educational methods;

7. establish and improve land, water, and air transportation systems and services for goods and passengers;

8. assist in the solution of problems related to law enforcement activities;

9. establish decent, safe, sanitary, and comfortable housing;

10. establish and improve health care and preventative practice facilities and services, including but not limited to facilities for vocational rehabilitation and generally promote improved health and nutrition of residents of rural areas;

11. provide direct financial incentives to industry to create jobs in rural areas; and

12. establish and improve facilities and services that will enhance the quality of the environment and provide abatement and control of pollution.

"Rural development project" is defined to mean an organized proposal or activity with an identifiable legal sponsor that will or does contribute to the attainment of one or more rural development purposes.

"Local general government" is defined to mean the government of a municipality, county, town, or township as such terms are defined and used by the United States Bureau of the Census.

"Regional office" is defined to mean the office that serves the rural part of the geographical area located within a uniform region established by the President of the United States for coordination of Federal agencies.

"Board" is defined to mean the National Rural Development Bank Board.

"Bank" is defined to mean the National Rural Development Bank.

"Participant" is any local rural bank or other local rural financial institution designated as a Participating Rural Development Financial Institution under the Act.

A *"supporting financial institution"* is any person or financial institution within the United States that has purchased, discounted, rediscounted, or refinanced all or part of a rural development loan extended to an eligible sponsor by a Participant.

A *"rural development loan"* is a unit of credit or other financial assistance extended to an eligible sponsor to construct and operate a rural development project.

The *"Governor"* is the executive officer of the National Bank.

"Financial assistance" means (1) the purchase of legal obligations and the discount, rediscount, or refinancing of any note, draft, or other obligation and similar legal instruments evidencing and securing the repayment of a secured rural development loan advanced by a local rural financial institution for the establishment of operation of any rural development project irrespective of whether such loan is insured or guaranteed in whole or in part by an instrumentality of the Federal Government; (2) the providing of funds for joint-venture equity investment in rural development projects; and (3) the extending of loans to sponsors of rural development projects who are unable to obtain needed credit from other existing financial institutions.

"Joint-venture equity investment" means the investment of funds jointly with another private or public rural development project sponsor to establish and operate a rural development project.

"Eligible sponsor" is defined to mean—

1. Any of the following who propose to or are engaged in establishing or operating a rural development project, if they meet the requirements specified in paragraph (2):

Public and quasi-public bodies;

Cooperative associations as defined in the Agricultural Marketing Act (42 Stat. 388; 12 U.S.C. 1141j(a), if such associations are unable to borrow from the banks for cooperatives; other cooperatives;

Corporations;

Partnerships;

Individual proprietors;

Multijurisdictional substate general purposes planning and development districts established by the legislature or Governor of a State;

Owners or potential owners of rural homes;

Municipalities;

Resource conservation and development propect sponsors under title III of the Bankhead-Jones Farm Tenant Act;

Sponsoring associations carrying out projects under the Watershed Protection and Flood Prevention Act;

Corporate entities established by sponsors of concerted education and training service projects carried out jointly by the Department of Agriculture, the Department of Health, Education, and Welfare, and the Department of Labor;

Cooperative associations furnishing to farmers and rural residents services and facilities for harvesting, storing, processing (including preservation or preparation of edible products for market), transporting or marketing agricultural commodities or products, consumer purchasing services, or the processing or marketing of other products of farmers or rural residents, or other cooperatives or self-help enterprises;

Councils of government established under State law if rural areas are included within their jurisdiction;

Private associations;

Local development districts organized under the Appalachian Development Act;

Economic Development Districts organized under the Economic Development Act of 1965;

Technical vocational schools; and

Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups.

2. To be eligible the proposed or operating

project would have to be declared eligible based upon the following:

A review of the proposed project by the governing body of the multijurisdictional, areawide, general purposes planning and development district, if any, established by the legislature or Governor of the State concerned and a certification by such body that the proposed private or public facility, work or service is not inconsistent with the current areawide general purpose development plan, if any, for the multijurisdictional district;

A determination that the private or public facility, work, or service provided by the project will be located in and operate primarily in a rural area to increase the employment of or for the benefit of rural residents and that the proposed project promises to make a net increase in the number of jobs, quality of life, or median family income in the rural area served;

A determination that the proposed undertaking covered by the loan is not inconsistent with the Federal, State, or local laws or regulations relating to protecting the quality of the environment.

"Voting stockholders" include all Participants, all borrowers, and all Joint-venture-cosponsors who have purchased and own voting stock in the Bank.

A "joint-venture-cosponsor" is an eligible sponsor who joins with the Bank in making a joint-venture equity investment in a rural development project.

SUBTITLE B—NATIONAL RURAL DEVELOPMENT BANK BOARD

Section 801—Establishment

Section 801 establishes a National Rural Development Bank Board (hereinafter referred to as the "Board") composed of eleven appointed, three ex officio, and ten elected members. The appointed members are to be appointed by the President, by and with the advice and consent of the Senate, not more than six of whom shall be from the same political party nor more than one of whom shall be from any State. In making appointments to the Board the President must select persons who are especially qualified to serve on the Board because of their education, training, and experience, shall attempt to provide a fair representation on the Board of the different geographic regions of the United States and the several economic interests in rural development-farming, labor, business, banking, cooperatives, local government, and private economic enterprises both for profit and nonprofit. The representative of the Secretary of Agriculture on the Farm Credit Board, the Governor of the Farm Credit Administration, and the Governor of the Bank shall be ex officio members of the Board and shall not be eligible to vote. One elected member shall be chosen by voting stockholders of the rural area served by each regional office.

All members of the Federal Board must be citizens of the United States and not less than seventeen members, exclusive of ex officio members, must be legal residents of rural areas in which the Bank is authorized by this Act to extend financial assistance for rural development projects.

The Board shall elect a chairman and vice chairman from among its appointed and elected members. The Board shall elect a Secretary from among its members or from outside its membership. Such officers shall be elected for terms of one year and shall hold office until their successors have been elected.

No member of the Board, other than the ex officio members shall, while serving as a member of the Board, be an officer or employee of the United States or of any State or of the Rural Development Bank or of the Farm Credit System.

Appointed and elected members of the Board will serve for terms of six years, except that (1) a person appointed to fill an unexpired term will serve only for the remainder of the term for which his predecessor was appointed, and (2) with respect to the first members appointed and elected to such Board, four will be appointed and four elected for terms of six years, four will be appointed and four elected for terms of four years, and three will be appointed and two elected for terms of two years.

The bill provides that a vacancy on the Board will not affect the power of the Board to act. A vacancy will be filled in the same manner as originally filled, and members serve until their successors are appointed and qualified.

The Board is authorized to establish its own rules of procedure for conducting its business, except that a majority of all members of such Board shall constitute a quorum for the transaction of its business.

Each appointed and elected member of the Board shall receive $200 a day for not more than one hundred days of meetings each year and all members shall be reimbursed for travel and reasonable expenses incurred in attending meetings of such Board and in discharge of their official duties without regard to laws with respect to allowances which may be made on account of travel and subsistence expenses of officers and employed personnel of the United States. Nothing in the preceding sentence shall be construed to limit the number of days of meeting each year to one hundred days.

The Board shall hold at least six regularly scheduled meetings a year and such additional meetings at such times and places as it may determine. Special meetings shall be held at any time at the call of the chairman or by any three members of such Board.

Section 802—Powers of the Board

Section 802 empowers the Board to establish the general policy for the guidance of the Bank in carrying out this Act. It may require such reports as it deems necessary from the Bank. The Board must provide for the examination of the condition of and general supervision over the performance of the powers, functions, and duties vested in the Bank and in Participants, which, in the judgment of the Board, relate to matters of board and general supervisory, advisory, or policy nature. The Board is required to functiton as a unit without delegating any of its functions to individual members, but is allowed to appoint committees and subcommitees for studies and reports for consideration by such Board. It shall not operate in an administrative capacity.

Section 803—Reports

Section 803 provides for the Board making an annual report to the Congress on the condition of the Bank, including analytical program evaluation and cost effectiveness studies, and recommendations to improve the operation of the Bank in providing supplementary investment required to attain rural development purposes.

SUBTITLE C—NATIONAL RURAL DEVELOPMENT BANK

Section 901 establishes a National Rural Development Bank (herein called Bank) as a federally chartered instrumentality of the United States subject to policies of the Board. Its charter may be modified from time to time by the Board in any manner not inconsistent with the Act.

Section 902—Corporate powers

Section 902 provides for the corporate existence of the Bank and for its general corporate powers.—The Bank is given the following general powers:

Adopt and use a corporate seal;

Have succession until dissolved under the provisions of this Act or other Acts of Congress;

Make contracts;

Sue and be sued;

Acquire, hold, dispose, and otherwise exercise all the usual incidents of ownership of real and personal, tangible and intangible property necessary or convenient for its business;

Operate under the policy direction of the Board;

Prepare and disseminate information to the general public on use, organization, and functions of the Bank and to investors on merits of its securities;

Require appropriate bonds or other provision for protection of the assets of the Bank against losses occasioned by employees;

Prescribe rules and regulations necessary or appropriate for carrying out the provisions of this Act;

Prescribe its bylaws, subject to approval of the National Board;

Provide in the bylaws for

The classes of its stocks and the manner in which such stock shall be issued, transferred, and retired;

The election or appointment of its officers and executive employees;

Property acquired, held, or transferred;

The conduct of its general business; and

The exercise and enjoyment of the privileges granted to it by law.

Deposit its securities and its current funds with any member bank of the Federal Reserve System, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, upon such regulations as may be prescribed by the Secretary; may be employed as fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under provisions of this subsection shall be invested in loans or bonds or other obligations of the Bank;

Buy and sell obligations of, or insured or guaranteed by, the United States or of any agency thereof, or securities backed by the full faith and credit of such agency, and make such other investments as may be authorized by the Board;

Delegate to Participants and Joint-venture-cosponsors such functions vested in the Bank, as it may determine appropriate;

Exercise by its authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry out the business of the Bank;

Purchase, refinance, or discount rural development loans and participations in such loans made by local rural financial institutions from such institutions and from other financial institutions that have purchased, discounted, or refinanced such loans; and

Make joint-venture equity investment in rural development projects.

Section 903—Governor

Section 903 provides for the appointment of the Governor, his salary, and his expense allowance.

The Governor is appointed by the Board subject to confirmation by the Senate.

The compensation of the Governor is set by including the Federal Board allowance for necessary travel and subsistence expenses or per diem in lieu thereof.

Section 904—Duties

Section 904 provides that the Governor shall be responsible, subject to the supervision and control of the Board, for carrying out the functions of the Bank and the policies of such Board. He is required to carry out all orders and directives received by him from the Board.

Section 905—Powers of Governor

Section 905 authorizes the Governor to carry out the powers and duties now or hereafter vested in him by the Act and Acts supplementary thereto, to establish and to fix the powers and duties of such officer to serve within regional offices, divisions, and instrumentalities as he may deem necessary to insure the proper and efficient administration. The Governor is given authority to appoint and employ such personnel as may be necessary to carry out the functions of the Bank, including the appointment, with the approval of the Federal Board, of a Deputy Governor who shall receive compensation at the rate prescribed for positions in level V of the Executive Pay Schedules. The powers of the Governor may be exercised by him through such officers and employees of the Bank as he may designate. The Governor shall provide on a reimbursable basis such administrative management services, other than public information for the Federal Board as shall be mutually agreed upon by the two parties.

Section 906—Administrative

Section 906 allows the Bank within the limits of funds available therefor, to make necessary expenditures for personnel, services, and rent at the seat of Government and elsewhere; for contract stenographic reporting services; for purchase and exchange of law books, books of reference, periodicals, and newspapers; for expenses of attendance at meetings and conferences; for purchases, operation, and maintenance at the seat of Government and elsewhere of motor-propelled, passenger-carrying vehicles and other vehicles; for printing and binding; and for such other facilities and services, including temporary employment by contract or otherwise, as may from time to time be necessary for proper administration.

Section 907—Enumerated powers

Section 907 provides to the Bank in addition to the corporate powers enumerated above the following powers, functions, and responsibilities in connection with the provision of financial assistance to Participants, to Joint-venture-cosponsors, and to those who have purchased, discounted, or refinanced rural development loans extended by Participants.

—to make studies of rural lending and investment needs, the need for better geographic distribution of population and economic opportunity, appraisal and credit standards, and credit requirements of rural industrial and commercial enterprise; to standards, procedures, and appraisal forms; and to prescribe price and cost levels to be used in such standards, joint-venture investment, appraisals, and lending.

Section 908—Police and regulations

Section 908 requires Board to establish and promulgate policies and regulations, not inconsistent with provisions of this Act, to govern the policies, programs and procedures of the Bank.

The policies of the Bank, for so long as the Secretary of the Treasury holds stock in such Bank for the United States will be subject to prior approval by the Secretary of the Treasury.

Section 909—Financial examinations

Section 909 subjects the Bank, Participants, and Joint-venture-cosponsors to the supervision of the Farm Credit Administration with respect to all procedures relating to financial examinations, including audits. The section requires the Board to arrange with the Federal Farm Credit Board to utilize the services of the Farm Credit Administration examiners for investigative, accounting, and administrative auditing of the work of the Bank in an orderly, efficient, and effective manner. The Farm Credit Administration is authorized to provide such services on a mutually agreeable reimbursable basis.

Section 910—Examination and audit

Section 910 provides that except as otherwise provided the Bank, Participants, and Joint-venture-cosponsors, at such times as the Board may determine, shall be examined and audited by examiners of the Farm Credit Administration on a reimbursable basis but that in no event shall any such institution be examined and audited less frequently than once a year. If the Board determines it to be necessary or appropriate, the section provides that the required examinations and audits may be made by independent certified public accountants, certified by a regulatory authority of a State, in accordance with generally accepted auditing standards. Upon request of the Governor of the Bank, credit examiners shall also make examinations of any organization, other than a national bank, to which, or with which, the Bank contemplates extending financial assistance or delegating authority. Examiners of the Farm Credit Administration are made subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, the Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law. The section provides that a report of each audit of the Bank or other institution for any fiscal year shall be made by the Farm Credit Administration through the Board to the President of the United States and to the Congress not later than six months following the close of such fiscal year. The section requires the Bank to reimburse the Farm Credit Administration for the cost of performing the audits.

The Bank, Participants, and Joint-venture-cosponsors are made subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General shall determine.

Section 911—Comptroller of Currency

Section 911 authorizes and directs the Comptroller of the Currency, upon request of the Farm Credit Administration, to furnish for the exclusive and confidential use of the Board such reports, records, and other information as he may have available relating to the financial condition of national banks through, for, or with which the Bank has made or contemplates making discounts, loans, or delegations of power

Section 912—Consent to examination

Section 912 requires any organization, other than State banks, trust companies, and savings associations shall, as condition precedent to security discount privileges or delegated powers with the Bank for its exclusive and confidential use, to file with such bank its written consent to examination by Farm Credit Administration examiners. State banks, trust companies, and savings associations may be required in like manner to file a written consent that reports of their examination by constituted State authorities may be furnished by such authorities upon the request of the Farm Credit Administration.

Section 913—Executive departments and Federal Reserve information

Section 913 authorizes the executive departments, boards, commissions, and independent establishments of the Government of the United States, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve banks, under such conditions as they may prescribe, upon request of the Farm Credit Administration, to make available to the Board in confidence all reports, records, files, or other information relating to the conditions of any Participant or Joint-venture-cosponsor to which the Bank has or is contemplating extending financial assistance or for which it has or contemplates using as a custodian of securities or other credit instruments, or which is using as or contemplates using as a depository, or to which it contemplates delegating powers under this Act. The Federal Reserve banks in their capacity as depositories, agents, and other obligations issued by the banks of the Rural Development Credit System or book entries thereof are also authorized and directed, upon request of the Board, to make available for audit all appropriate books, accounts, financial records, files and other papers.

Section 914—Jurisdiction

Section 914 provides that the Bank, Participants, and Joint-venture-cosponsors shall, for the purposes of jurisdiction, be deemed to be a citizen of the State, commonwealth, or District of Columbia in which its principal office is located. No district court of the United States shall have jurisdiction of any action or suit by or against any private financial institution exercising delegated powers under the Act, upon the ground that it was incorporated under the Act or that the United States owns any stock thereof, nor shall any district court of the United States have jurisdiction, by removal or otherwise, of any suit by or against the United States or by or against any officer of the United States and except in cases by or against any receiver or conservator of any such institution appointed in accordance with the provisions of this Act.

Section 915—Stock and franchise tax

Section 915 allows the Bank to issue stock which may be purchased by the Secretary of the Treasury on behalf of the United States as an initial investment in the stock of the Bank to help it to inaugurate financial assistance operations. During the time the stock is outstanding, the pertinent provisions of the Government Corporation Control Act will be applicable to the Bank. Notwithstanding the requirements for annual audits and annual reports to the Congress contained in sections 202 and 203 of the Government Corporation Control Act the section provides that the operations of the Bank shall also be subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General shall determine.

Moreover, for any year or part thereof in which the Secretary of the Treasury holds any stock in the National Bank, the Bank, before declaring any dividends shall pay to the United States as a franchise tax a sum equal to the lower of (1) 25 per centum of its net earnings for the year, or (2) a rate of return on such investment calculated at a rate determined by the Secretary of the Treasury equal to the average annual rate of interest on all public issues of debt obligations of the United States issued during the fiscal year ending next before such tax is due, multiplied by the percentage that the number of days such stock is outstanding is of three hundred and sixty-five days. Such payments shall be deposited in the miscellaneous receipts of the Treasury.

Section 916—Government Purchases of Stock

Section 916 directs the Secretary of the Treasury to purchase stock of the Bank on behalf of the United States in the amount appropriated by Congress.

Section 917 authorizes the Governor

Section 917 authorizes the Governor subject to the provisions of the Act, and approval of the Board, to issue from time to time and to have outstanding voting and nonvoting capital stock of an aggregate par value of not to exceed the par value of stock purchased by the Secretary of the Treasury plus not to exceed two per centum of the amount of outstanding financial assistance and joint-venture equity investment.

Section 918—Classes of stock and redemption of stock

Section 918 provides that the capital stock of the Bank shall be divided into shares of per value of $5 each and may be of such classes as may be determined by the Board. The voting stock of the Bank shall be held only by such Participants as obtain financial assistance from such Banks and Joint-venture-cosponsors, which stock may not be transferred, pledged, or hypothecated except as authorized pursuant to the Act. Any Participant is allowed to elect to receive nonvoting stock in lieu of voting stock.

Nonvoting stock may be issued to the Secretary of the Treasury and may also be issued to Participants. When a Participant reduces its total outstanding indebtedness to the Bank, or when a Joint-venture-cosponsor has retired the Bank's investment, its voting stock may be converted at par value, or such greater value as the Bank may from time to time determine, into nonvoting stock, or may be redeemed in cash or as a credit to extinguish final indebtedness at such value as the Bank may from time to time determine. Nonvoting stock or other evidences of indebtedness of the Bank held by the Secretary of the Treasury may be retired at any time, subject to approval of the Board, and shall be retired each year to the extent of the availability of earnings in accordance with the provisions of this Act.

DETERMINATION OF EARNINGS

The earnings of the Bank shall be determined in accordance with approved accounting principles and practices, as established by the Board subject to examination under policies of the General Accounting Office.

Earnings shall be distributed as follows:

First, not less than 10 per centum of net earnings for the year shall be paid into the reserve fund of the Bank until said reserve fund shall equal 150 per centum of outstanding stock.

Second, not less than 10 per centum of net earnings for the year shall be paid into the capital surplus funds of the Bank.

Third, the franchise tax shall be paid as required by section 915 for any year in which any stock is held by the Secretary of the Treasury.

Fourth, not less than 10 percentum of net earnings shall be used for retirement of nonvoting stock and other evidences of indebtedness of the Bank held by the Secretary of the Treasury.

Fifth, dividends shall be paid on nonvoting stock held by investors other than the Secretary of the Treasury at a rate not exceeding the average cost to the Bank of funds obtained through issuance of bonds, debentures, and other evidences of indebtedness in its funding operations.

Sixth, dividends shall be paid on voting stock of the Bank as determined by Board.

Dividends shall not be payable on any stock held by the Secretary of the Treasury.

Section 919—Issuance of notes, bonds, debentures, and other obligations

Section 919 authorizes the Bank, subject to supervision of the Board, to issue its own notes, bonds, debentures, or other similar obligations, fully collateralized by the notes, mortgages, joint-venture equities and security instruments it holds in the performance of its functions in such sums, maturities, rate of interest, and terms and conditions of each issue as it may determine.

Section 920—Limitations on amount of obligations

Section 920 sets the maximum amount of long-term notes, bonds, debentures, or other obligations the Bank may issue at an amount which, when added to the amount of other bonds, debentures, long-term notes, or other similar obligations issued and outstanding, will not exceed twenty times the capital and surplus of the Bank, or such lesser amount as the Board shall establish by regulation.

The section also requires that the Bank have on hand at the time of issuance of any long-term notes, bonds, debentures, or other similar obligations, and at all times thereafter maintain, free from any lien or other pledge, notes, and other obligations representing rural development loans made, refinanced, rediscounted, or purchased under the authority of this Act, equities in joint-venture investments obligations of the United States or any agency thereof direct or fully guaranteed, other readily marketable securities approved by the Board, or cash, in an aggregate value equal to the total amount of long-term notes, bonds, debentures, or other similar obligations outstanding for which the Bank is primarily liable.

Section 921—Liability of the bank

Section 921 requires the Bank to be fully liable on all notes, bonds, debentures, or other obligations issued by it.

The section provides that the United States shall not be liable or assume any liability directly or indirectly on obligations issued by the Bank.

Section 922—Lawful investments

Section 922 provides that the bonds and other similar obligations issued under the authority of the Act shall be lawful investments for all fiduciary and trust funds and may be accepted as security for all public deposits. It also provides that any obligation issued by the Bank pursuant to the Act shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations guaranteed as to principal or interest by the United States.

Section 923—Federal Reserve System

Section 923 authorizes any member of the Federal Reserve System to buy and sell bonds, debentures, or other similar obligations issued under the authority of the Act, and authorizes any Federal Reserve Bank to buy and sell such obligations to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under section 14(b) of the Federal Reserve Act (12 U.S.C. 355).

Section 924—Fiscal agent

Section 924 authorizes the Bank to purchase its own obligations and to provide for the sale of obligations issued by it, through a fiscal agent or agents, by negotiation, offer, bid, or syndicate sale, and to deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

Section 925—Investments and guarantees

Section 925 authorizes the Bank to:

Buy and sell securities it has guaranteed or whose mortgages it has insured or in which it has invested;

Invest funds not needed in its financing operations in such property and obligations as it may determine;

Guarantee securities in which it has invested for the purpose of facilitating their sale; and

Guarantee and insure rural development loans made by other lenders.

Section 926—Liquidation

Section 926 prohibits the Bank from going into voluntary liquidation without the consent of the Board. With such consent it may liquidate only in accordance with regulations prescribed by the Board. Upon default of any obligation by the Bank, it may be declared insolvent and placed in the hands of a conservator or a receiver appointed by the Board and the proceedings thereon shall be in accordance with regulations of the Board regarding such insolvencies.

Section 927—Financial assistance provided

Section 927 authorizes and Bank to extend financial assistance to eligible sponsors, to Participants, and to such other financial institutions as have extended financial assistance to Participants in accordance with provisions of the Act.

Section 927—Joint-venture investments; limitations

Section 927 also authorizes the Bank to invest its funds in joint-venture equity investments in rural development projects.

The section also requires the Bank to develop criteria to assure that projects assisted by it are not inconsistent with the comprehensive planning, if any, for the development of the general purpose substate multi-jurisdictional planning and development districts in which such projects are proposed to be located.

Financial assistance extended under this section may not exceed the total capital cost of the project to be financed.

Section 927—Special handling of public bodies credit

Section 927 provides for special handling in any case in which the Bank undertakes to provide assistance to a State or local government under subsection (a) for the construction of a project for which any other department or agency of the Federal Government (under another law of the United States) will also provide funds.

The assistance provided by the Bank under this section may be in the full amount needed by the State or local government to finance such project (including the amount of the funds which will be provided by such other department or agency), but the funds to be provided by such other department or agency with respect to such project shall become payable (notwithstanding any contrary provision in the law under which they are payable) to the Bank in lieu of being paid directly to such government; and

The Bank may accept in return (A) an obligation or obligations of such State or local government covering only the difference between such full amount and the amount of the funds which are payable with respect to such project by such other department or agency, plus (B) a commitment from such other department or agency to pay the funds which are to be provided by it and are payable to the Bank as described in paragraph (1), in order to insure that such State or local government will not have to include within its debt limit that portion of the indebtedness incurred for the financing of such construction which is attributable to funds provided by such other department or agency.

Section 928—Interest rates

Section 928 requires that financial assistance provided by the Bank bear interest at a rate or rates, and on such terms and conditions, as may be determined by the Board from time to time. The section provides that rates and charges will be set to provide the types of financial assistance needed on a sound business basis at the lowest reasonable cost, taking into account the cost of money to the Bank, the necessary reserves, capital surpluses, and expenses of the Bank, and the orderly retirement of the capital subscriptions of the United States, with provision for the interest rate or rates to vary from time to time during the period of the assistance in accordance with the rate or rates currently being charged by the Bank.

Section 929—Security

Section 929 requires that the financial assistance extended by the Regional Bank shall be secured by all of the best available security owned or to be acquired by the beneficiary as may be required adequately to secure the obligation.

Section 930—Delegation of powers

Section 930 authorizes the Bank, by order, rule, or regulation to delegate to any Participant, Joint-venture-cosponsor, or supporting financial institution such of the duties, powers, and authority of the Bank with respect to such Participant or the officers and employees thereof, in the rural area wherein such Participant is located, as may be determined to be in the interest of effective administration. Any Participant, or other person to which any such duties, powers, or authority may be delegated, is authorized and empowered to accept, perform, and exercise such duties, powers, and authority as may be so delegated to it.

Section 931—Sharing of gains and losses

Section 931 authorizes the Bank to enter into agreements with Participants, Joint-venture-cosponsors, and eligible sponsors for sharing the gains and losses on financed assistance extended and on joint-venture equity investments.

Section 932—Lawful investments

Section 932, in defining the nature of obligations, designates all obligations issued by the Bank, as lawful investments, that may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or of any officer or employee thereof.

Section 933—Tax status

Section 933 defines the tax status. The Bank is made subject to Federal, State, and local taxes as follows:

(a) The real property and tangible personal property of such Bank shall be subject to Federal, State, and local taxation to the same extent, according to its value, as other similar property held by other persons is taxed.

(b) The income of the Bank and from any obligations purchased by such Bank from any Federal, State, or local governmental or quasi-governmental body and any obligation issued by such Bank shall be subject to Federal, State, and local taxation to the same extent as the income obligations of private corporations are taxed.

(c) The Bank shall be liable for the franchise tax as provided by section 915.

(d) Notwithstanding the foregoing provisions, the Bank shall not be subject to Federal, State, or local income taxes for any period in which capital stock in such Bank is held by the Secretary of the Treasury for the United States.

SUBTITLE D—PARTICIPATING RURAL DEVELOPMENT FINANCIAL INSTITUTIONS

Section 1001—Designation of participants

Section 1001 provides for the designation of any National or State bank, savings institution, credit union, or other financial institution making loans in rural areas for rural development purposes, upon application, be considered for designation as a Participating Rural Development Financial Institution, referred to in this Act as a "Participant."

Section 1002—Powers of participant

Section 1002 authorizes a Participant or a supporting financial institution, subject to provisions of this Act, to obtain financial assistance from the Bank and to issue obligations for purchase by the Bank and to perform such other duties as the Bank may delegate and the Participant agrees to undertake.

Section 1003—Capital stock purchase

Section 1003 establishes the following rules for acquiring capital stock of the Bank:

(a) The Participant may purchase voting capital stock in the Bank in an amount (at par value) equal to not less than 1 per centum and not more than 10 per centum of the amount of the financial assistance received from the Bank.

(b) Any of the institutions which qualify as Participants are authorized to purchase voting stock of the Bank.

(c) Any of the institutions that are eligible for designating as a Participant may purchase nonvoting stock in the Bank equal to at least 1 per centum and not more than 10 per centum of the financial assistance received.

Section 1004—Governance of participants; appeals

Section 1004 provides that with respect to all evidence of financial assistance and other obligations which a Participant shall present to the Bank, the policies, rules, regulations, and procedures followed shall be in accordance with the rules and regulations established by the Board. The designation of any institution as a Participant may be canceled by the Banks.

Any Participant whose designation has been canceled under this section may appeal the cancellation to the Board. The decision of the Board shall be final. The Board shall establish appropriate rules and regulations and review bodies to implement expeditious, orderly, and fair consideration of appeals filed by Participants objecting to canceled designations or other matters related to their relationship to the Bank.

Section 1005—Requirements

Section 1005 requires that the terms and conditions under which financial assistance may be made available to Participants, directly or through other financial institutions, be established by the Board. Such terms and conditions are allowed to vary depending on the rural development purpose for which such assistance is to be used and the customary practices of the supporting regional financial institutions serving rural areas within the jurisdiction of different regional offices.

Section 1006—Required purchases of stock

Section 1007 requires a Participant, as a condition of eligibility for financial assistance with respect to any rural development loan it has extended, to require the deposit by the borrower of 5 per centum of the amount of that part of the loan for which the financial assistance of the Bank is requested.

This amount shall be utilized by the Participant to purchase, on behalf of the borrower, voting capital stock of the Bank. The Participant is required to transmit such stock to the borrower.

SUBTITLE E—JOINT VENTURE EQUITY INVESTMENT IN RURAL DEVELOPMENT PROJECTS

Section 1101—Equity investments

Section 1101 authorizes the Bank, subject to regulations approved by the Board, to make investments in rural development projects proposed or established by eligible sponsors, directly, or through a Participant, in accordance with standards and criteria to govern the making of investments in joint-ventures with eligible sponsors established by the Board.

Section 1102—Division of profits

Section 1102 specifies that the Bank and the eligible sponsor with whom the Bank has entered into a joint equity investment in a rural development project shall share in the profits of the project in the same ratio as the amounts of their several investments.

Section 1130—Taxes

Section 1103 makes joint-venture rural development projects subject to all Federal, State, and local taxes.

Section 1104—Limitation

Section 1104 prohibits Bank investment in any project than can obtain necessary credit or investment for the full amount of the investment from any other source on reasonable terms.

Section 1105—Additional limitation

Section 1105 prohibits the investment made by the Bank in joint-venture projects from exceeding the amount that cannot be obtained elsewhere on reasonable terms.

Section 1106—Joint-venture agreement

Section 1106 requires that the joint-venture agreement between an eligible sponsor and the Bank provide:

That the eligible sponsor will, as soon as financially able, purchase the investment of the Bank, and that

The control over the joint-venture shall be apportioned between the Bank and the eligible sponsor in accordance with the relative amounts of investment of each in the project.

SUBTITLE F—GENERAL

Section 1201—Amendments of other laws

Section 1201 includes amendments to other laws as follows:

Subsection (a)

Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(95) Governor of the National Rural Development Bank."

Subsection (b)

Section 5316 of title 5, United States Code is amended by adding at the end thereof the following:

"(132) Deputy Governor of the Federal Rural Development Credit Agency."

Subsection (c)

Paragraph "seventh" of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof a new sentence as follows: "Notwithstanding any other provision in this paragraph, the association may purchase the stock, bonds or other obligations of the National Rural Development Bank created pursuant to the authority of the Rural Development Act Amendments of 1975."

Section 1202—Separability

Section 1202 is the usual separability clause.

Section 1203—Reservation

Section 1203 reserves the right to alter, amend, or repeal. The right to alter, amend, or repeal any provision or all of this title is expressly reserved.

Section 1204—Appropriation authorization

Section 1204 authorizes appropriation to the Secretary of the Treasury of not to exceed $200,000,000 annually for not to exceed ten years for the purchase of capital stock of the Bank.

By Mr. **BELLMON** (for himself and Mr. BARTLETT):

S. 1725. A bill to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. **BELLMON**. Mr. President, the bill I am introducing today would unite Platt National Park and the Arbuckle Recreation Area establishing the Chickasaw National Recreation Area. These complementing units would provide increased and comprehensive recreational resources to the thousands of tourists who annually visit south-central Oklahoma. In addition, it would stand as a memorial to members of the Chickasaw Indian Tribe, which was relocated on these lands after it was forced from its ancestral home in the Southeastern United States.

On July 1, 1902, certain lands in the vicinity of Sulphur, Okla., in the Chickasaw Nation were conveyed to the United States for the purpose of regulating and controlling use of its natural springs and creeks. In 1906 Congress named this tract of land near Sulphur "Platt National Park," in honor of Orville Hitchcock Platt, former Connecticut Senator and member of the Committee on Indian Affairs.

Legislation establishing the National Park Service in 1916, and successive congressional enactments and executive guidelines which defined and provided criteria for the establishment and management philosophy of the national parks only served to widen an already-existing gulf between the existing "park" and its no-longer-applicable "natural area" management category.

Thus, shackled by criteria it was never intended to meet, Platt remained miscast in the wrong category. The park's actual role, both historic and continuing is a mecca for local and regional day-use recreation in southcentral Oklahoma.

With the authorization for construction by the Bureau of Reclamation of the Arbuckle Reservoir Project in 1962, the National Park Service focused on the recreation potential of the reservoir. Following an investigation by Southwest Regional Office staff members in 1962, the Service assumed responsibility for administering certain lands and waters of the Arbuckle Reservoir for public recreation.

In September 1968 the National Park Service developed a master plan to combine Platt National Park and the Arbuckle Recreation Area. A public hearing was held at Platt in October 1970, at which the plan was reviewed in depth and comments were solicited from the audience. The master plan was then revised to relect concerns voiced at the hearing.

The establishment of the Chickasaw National Recreation Area would provide for outdoor recreation use and enjoyment of Arbuckle Reservoir and land adjacent thereto. This would provide for more efficient administration of the adjacent area. In addition it would constitute a fitting memorialization to the Chickasaw Indian Nation.

Mr. President, I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide for public outdoor recreation use and enjoyment of Arbuckle Reservoir and land adjacent thereto, and to provide for more efficient administration of other adjacent area containing scenic, scientific, natural, and historic values contributing to public enjoyment of the area and to designate the area in such manner as will constitute a fitting memorialization of the Chickasaw Indian Nation, there is hereby established the Chickasaw National Recreation Area (hereinafter referred to as the "recreation area") consisting of lands and interests in lands within the area as generally depicted on the drawing entitled "Boundary Map, Chickasaw National Recreation Area", numbered 107–20004B and dated March 1973, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior. The Secretary of the Interior (hereinafter referred to as the "Secretary") may from time to time revise the boundaries of the recreation area by publication of a map or other boundary description in the Federal Register, but the total acreage of the recreation area may not exceed fifteen thousand acres.

SEC. 2. (a) The Secretary may acquire land or interests in lands within the boundaries of the recreation area by donation, purchase with donated or appropriated funds, or exchange. When any tract of land is only partly within such boundaries, the Secretary may acquire all or any portion of the land outside of such boundaries in order to minimize the payment of severance costs. Land so acquired outside of the boundaries may be exchanged by the Secretary for non-Federal lands within the boundaries, and any land so acquired and not utilized for exchange shall be reported to the General Services Administration for disposal under the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended. Any Federal property located within the boundaries of the recreation area may be transferred without consideration to the administrative jurisdiction of the Secretary for the purposes of the recreation area. Lands within the boundaries of the recreation area owned by the State of Oklahoma, or any political subdivision thereof, may be acquired only by donation: *Provided*, That the Secretary may also acquire lands by exchange with the city of Sulphur, utilizing therefor only such lands as may be excluded from the recreation area which were formerly within the Platt National Park.

(b) With respect to improved residential property acquired for the purposes of this Act, which is beneficially owned by a natural person and which a Secretary of the Interior determines can be continued in that use for a limited period of time without undue interference with the administration, development, or public use of the recreation area, the owner thereof may on the date of its acquisition by the Secretary retain a right of use and occupancy of the property for noncommercial residential purposes for a term, as the owner may elect, ending either (1) at the death of the owner or his spouse, whichever occurs later, or (2) not more than twenty-five years from the date of acquisition. Any right so retained may, during its existence, be transferred or assigned. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner.

(c) As used in this Act, "improved residential property" means a single-family year-round dwelling, the construction of which began before July 1, 1972, and which serves as the owner's permanent place of abode at the time of its acquisition by the United States, together with not more than three acres of land on which the dwelling and the Secretary finds is reasonably necessary for the owner's continued use and occupancy of the dwelling: *Provided*, That the Secretary may exclude from improved residential property any waters and adjoining land that the Secretary deems it necessary for public access to such waters.

(d) The Secretary may terminate a right to use and occupancy retained pursuant to this section upon his determination that such use and occupancy is being exercised in a manner not consistent with the purposes of the Act, and upon tender to the holder of the right amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

SEC. 3. The Secretary shall permit hunting and fishing on lands and waters within the recreation area in accordance with applicable Federal and State laws: *Provided*, That he may designate zones where, and establish periods when, no hunting or fishing will be permitted for reasons of public safety, administration, fish or wildlife management, or public use and enjoyment. Except in emergencies, any regulations issued by the Secretary pursuant to this section shall be put into effect only after consultation with the appropriate State agency responsible for hunting and fishing activities.

SEC. 4. (a) Except as otherwise provided in this Act, the Secretary shall administer the recreation area in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), as amended and supplemented.

(b) Nothing contained in this Act shall affect or interfere with the authority of the Secretary by the Act of August 24, 1962 (76 Stat. 395), to operate the Arbuckle Dam and Reservoir in accordance with and for the purposes set forth in that Act.

SEC. 5. The Act of June 29, 1906 (34 Stat. 837), which directed that certain lands now included by this Act in the recreation area be designated as the Platt National Park, is hereby repealed, and such lands shall hereafter be considered and known as an integral part of the Chickasaw National Recreation Area: *Provided*, That within such area the Secretary may cause to be erected suitable markers or plaques to honor the memory of Orville Hitchcock Platt and to commemorate the original establishment of Platt National Park.

SEC. 6. Notwithstanding the provisions of section 7 of the Act of June 16, 1906 (34 Stat. 272), which retain exclusive jurisdiction in the United States, upon notification in writing to the Secretary by the appropriate State officials of the acceptance by the State of Oklahoma of concurrent legislative jurisdiction over the lands formerly within the Platt National Park, the Secretary shall publish a notice to that effect in the Federal Register and, upon such publication, concurrent legislative jurisdiction over such lands is hereby ceded to the State of Oklahoma.

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. ABOUREZK (for himself, Mr. CLARK, Mr. HUDDLESTON, Mr. HASKELL, Mr. SYMINGTON, Mr. BURDICK, Mr. EASTLAND, Mr. MONDALE, Mr. GARY W. HART, Mr. LEAHY, Mr. MCGOVERN, Mr. HARTKE, and Mr. HUMPHREY):

S. 1726. A bill to amend the Federal Crop Insurance Act to establish an independent corporation to carry out the purposes of such act, to provide for more extensive commodity coverage under such act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

FEDERAL COMMODITY INSURANCE ACT OF 1975

Mr. ABOUREZK. Mr. President, today I am introducing a bill to reform and update the Federal crop insurance program. Cosponsoring this measure with me are Senators CLARK, HUDDLESTON, HASKELL, SYMINGTON, BURDICK, EASTLAND, MONDALE, GARY W. HART, LEAHY, MCGOVERN, HARTKE, and HUMPHREY.

The Federal Crop Insurance Corporation came into existence with the Agricultural Adjustment Act of 1938. Since that time, the need for a Federal crop insurance program has never lessened. In fact, today in 1975 with the tremendous increases in the cost of producing our country's food, the need for a good Federal crop insurance program is more obvious than ever before.

Unfortunately, the Federal Crop Insurance Corporation has not kept up with the times, and we have a situation now where the coverages offered and the areas served do not reasonably meet the needs of our agricultural producers.

The Federal Commodity Insurance Act of 1975 would greatly improve the program for our agricultural producers and would also provide more realistic congressional oversight of the insurance corporation.

Livestock would be brought into the insurance program, with the start of experimental programs to find the best method.

Mr. President, I ask unanimous consent that a summary of the major reforms contained in the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY AND BACKGROUND INFORMATION ON THE FEDERAL COMMODITY INSURANCE ACT OF 1975

(1) The Federal Crop Insurance Corporation would be reorganized as the independent Federal Commodity Insurance Corporation. Currently, the Federal Crop Insurance Corporation is part of the United States Department of Agriculture.

(2) The FCIC Board of Directors and Manager, currently appointed by the Secretary of Agriculture, would be appointed by the President and would have to be confirmed by the Senate. This provision insures improved Congressional oversight of the Corporation.

(3) The Corporation would be required to make a comprehensive annual report on its activities to the Congress. Currently, only a financial audit is required.

(4) Orderly operation of the Corporation would be modernized by establishing a definitive term of office for the board of directors. Board members would be appointed to six year terms, with staggered expiration dates. Currently, Board members serve at the pleasure of the Secretary of Agriculture.

(5) Three of the Board members would have to be producers of commodities eligible for coverage by the program. Farmers and ranchers would thus be assured a voice in the operation of the insurance program for the first time. Presently, there is no requirement that any of the Board members be producers and only USDA employees and private citizens with insurance experience serve on the Board.

(6) Livestock producers would be eligible for coverage by the insurance program for the first time. The livestock insurance would be developed on an experimental basis to find the best way of offering protection to stockmen. Expansion of the livestock insurance would then be encouraged.

(7) Producers would be given the right to insure up to 80% of the yield of their crops and up to 85% of their livestock production. Currently, the Corporation determines the per cent of production insurable. While the present program can insure up to 75% of the crop yield, it is very rarely offered. Oftentimes, the producer can insure only 50% of his production. Many producers thus feel that the present program does not offer them adequate coverage or choices of coverages.

(8) The producer would be given the opportunity to insure his investment in production. The present insurance program limits coverage to what the Corporation assumes is the producer's investment in production.

(9) An annual review of the price levels established by the Corporation would be required. Although the present Corporation has the authority to adjust price levels, the authority has not been used effectively to reflect changing economic conditions. It is not uncommon for the protection offered to differ from market value by as much as 100%. Under this bill, the producer will be offered at least four price levels, and two of the price levels offered will be 110% and 100% of the anticipated market value of the commodity to be insured.

(10) A rational, orderly expansion of the insurance program is mandated in the bill. Expansion would be based on the demand for the insurance by producers. Consideration would be given both to bringing new countries into the program and to providing coverage for additional commodities.

(11) The annual appropriation for administrative and operating expenses would be increased to meet the needs of a good insurance operation. In the past, the program has been inhibited by a $12 million ceiling that has been in effect for more than 25 years. Obviously, the $12 million figure is long out of date and constitutes a serious handicap to the insurance program.

(12) The Corporation would be prohibited from using premium income to subsidize administrative costs. Using premium income to help cover such costs, as is currently the case, inhibits the development of a healthy reserve and thereby the expansion of the program. This new feature would put the program back in line with the original intent of the Congress.

(13) The Board would no longer be allowed to limit or refuse insurance in any county or on any farm solely on the basis of the insurance risk involved if the commodity to be insured is an important part of the total agricultural income of the county. This provision would not interfere with the expansion of the program which must, understandably, be related to the financial stability of the Corporation.

By Mr. MOSS (for himself, Mr. METCALF, Mr. PHILIP A. HART, and Mr. BUCKLEY):

S. 1727. A bill to amend the Fish and Wildlife Coordination Act, and for other purposes. Referred to the Committee on Commerce.

FISH AND WILDLIFE COORDINATION ACT AMENDMENTS OF 1975

Mr. MOSS. Mr. President, the bill I am introducing today responds to a general conviction that the conservation of fish, wildlife, and related environmental resources is not yet, in fact, considered on a par with other objectives of planning water resources development. This situation obtains in spite of the stated purpose of the Fish and Wildlife Coordination Act of 1958, that these resources "shall receive equal consideration and be coordinated with other features of water resource development programs."

The evidence of failure to achieve this objective is overwhelming. A report last year by the General Accounting Office concluded that "generally wildlife conservation had not been considered equally with other features." Last year's hearings conducted by Representative DINGELL's Subcommittee on Fisheries and Wildlife Conservation and the Environment further demonstrated this shortfall. It was documented in a series of reports by the Reuss Subcommittee on Conservation and Natural Resources in the House.

Prior to these recent developments there was a systematic effort on the part of State wildlife agencies, national conservation organizations, and the U.S. Fish and Wildlife Service to identify deficiences in policies, procedures, and legislation relating to the fish and wildlife aspects of national water resource development. The effort led to 169 recommendations bundled together in an "Action Report" dated September 1971. This report has become a charter of needed actions in this field.

One of the principal recommendations of the "Action Report" was to secure needed amendments of the Fish and Wildlife Coordination Act. The amendments I am proposing today are designed to tighten the provisions of this act while maintaining its basic permissive character. That is, the amendments would mandate consultation and participation in planning on the part of the Federal and State fish and wildlife agencies but would not require that the recommendations be accepted or adopted by the construction agencies.

Briefly, the amendments would: First, expand coverage of the act to programs not now covered; second, modernize and broaden the consultation requirements; third, institute certain changes in financing the planning and installation of fish and wildlife measures; and fourth make certain other innovations. I shall enlarge briefly on these points.

Coverage would be expanded to include the SCS small watershed program and TVA projects, which are not now covered. There is no longer a valid reason for their exclusion. It would also cover the licensing of nuclear powerplants. It is important that these be under the planning and consultation requirements of the act in view of their potential for environmental damage. The amendment would require that the National Marine Fisheries Service be consulted, as well as the State fish and wildlife agencies, and the U.S. Fish and Wildlife Service.

The amendments would define "consultation" so as to make the fish and wildlife agencies a more active partner in the planning process. The amendments would provide a systematic requirement of written findings by the fish and wildlife agencies and formal reports based on these findings by the departments concerned. They would specify and improve the level of public participation in planning.

In matters of finance the bill would insist that operation and maintenance costs be funded by the construction agency as well as the costs for enhancement features. It would provide specifically for the financing of studies required to carry out the purposes of the amendments.

The amendments would require an annual report from construction agencies detailing their rate of progress in installing fish and wildlife measures. It would permit any citizen to commence a civil action alleging failure to comply with the act. It would prohibit the use of dollar evaluations of losses in justifying loss prevention or mitigation features.

As legislators, we know that it is essential that our laws keep pace with and reflect the changing temper of the times. Americans have concluded that current planning for any or all purposes must give adequate attention to environmental values as well as to the need for economic development. This balance can best be accomplished in the context of multiagency and multidisciplinary planning. This was essentially the charge that was set out in the National Environmental Policy Act. That act, however, was primarily to require a full disclosure of the extent to which alternatives were considered and impacts were identified. The Coordination Act, on the other hand, sets out a planning concept and procedure. The two acts, therefore, are perfectly complementary and we need both in order to insure the best kind of planning.

By Mr. BAYH:

S. 1729. A bill to amend title II of Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, the Supreme Court of the United States recently made a landmark decision which will significantly affect the treatment of women under the social security system. The Supreme Court in handing down its decision in Weinberger against Wiesenfeld, stated that the Constitution of the United States "forbids the gender-based differentiations that result in the efforts of women workers required to pay social security taxes, producing less protection for their families than is produced by the efforts of men."

The Court held specifically that the gender-based distinction mandated under the present social security law, authorizing survivors' benefits for the widow of a deceased worker with children, but denying them to a widower in the same position, violated the right to equal protection secured by the due process clause of the fifth amendment. The Court observed that the distinction was based on an "archaic and overbroad" generalization that "male workers' earnings are vital to their families support, while female workers' earnings do not significantly contribute to their families support."

The Wiesenfeld decision was a direct signal to the Congress—a signal to examine all aspects of the social security system which might prove similarly discriminatory to women.

In response to this need for reevaluation, Mr. President, I am introducing today legislation aimed at redressing all existing patterns and practices of sex discrimination within the social security system. It attempts to assure the working woman who has been contributing her tax dollar on an equal basis with working men, that her family will receive the very same protection afforded to the working male and his family.

This legislation goes a step further than merely assuring equality of benefits for working women; it redefines the method of benefit calculation so that a woman who has worked all her life can see the impact of her earnings reflected in the amount of benefits collected by a two-earner family.

Historically, social security laws have been based upon the assumption of the male as the family breadwinner. Over the years, there have been occasional attempts to change various provisions of the social security system to more accurately reflect the growing participation of women in the work force; however, the basic structure of the system remains cast in the outmoded image of the male as the sole support of his family, and the woman as a nonworking dependent.

While it is true that homemaking may still be the main occupation of American women, it is no longer the only occupation or source of identity for most of them. Today there are alternatives opening to increasing numbers of the female population. This is reflected by statistics showing that over half of those women between the ages of 18 and 64 are active members of the work force. The Department of Labor has estimated that 9 out of every 10 women will work outside the home at some time in their life. Presently, 44 percent of all married women work; 42 percent of mothers with school-age children and 33 percent of mothers with pre-school-age children work outside the home.

These women work because they need money, and because their families need money. They do not work for "pin money" or for little luxuries. Women work because they want a better life for themselves and for their families; they work because they want their children to have food to eat; they work because they want to give their children a chance for higher education. For many families, it is the wife's earnings that keep the family off the welfare rolls and out of dire poverty.

I. EXISTING PATTERNS OF DISCRIMINATION

The present social security system does not reflect these statistics on women in the labor force. The current structure of the social security system continues to reflect the image of the male wage earner as the sole support of his family, thereby denying to millions of women workers the right to have their contribution to the social security system produce equal benefits for their families and dependents. Under the present system, working women contribute to social security taxes on a equitable basis with working men, but these women are unable to obtain the same coverage for their spouses and dependents as is guaranteed to the spouse and dependent of every male wage earner.

A. EXTENSION OF BENEFITS

This type of discrimination takes two forms. Either there is no benefit category for dependents of working women similar to the category afforded dependents of working men, or there is a requirement of economic dependency as a condition for eligibility to receive benefits which applies only to dependents of working wives, not to working men.

This means that under the present program, when a father dies leaving dependent children, the mother may qualify for "mother's insurance benefits," but when a mother dies leaving a father with dependent children, there are no "father's insurance benefits" to enable him to keep his family together. This instance, which was the case addressed by the Supreme Court in Weinberger against Wiesenfeld, provides a clear example that the social security system has taken no recognition of the 13.5 million working mothers with dependent children.

The other form of this type of discrimination is just as invidious. The application of an economic dependency requirement on the spouse of a female wage earner, but not on the spouse of a male wage earner clearly reflects the assumption that it is the rare woman whose economic contribution to the support of her family amounts to more than pin money. Therefore, under the present system when a husband dies, retires, or becomes disabled, his wife may draw on his social security regardless of her actual dependency on him; but when a wife dies, retires, or becomes disabled, her husband may draw benefits only if he can prove that he was dependent for at least half of his support on her. While the Supreme Court has not as yet ruled on this particular form of discrimination, it seems clear to me that such a dependency requirement may similarly violate fifth amendment guarantees to equal protection.

B. COMPUTATION OF BENEFITS

In addition to being discriminatory toward working women in the extension of benefits to their spouses and dependents, the social security system is also discriminatory in the way in which benefits are calculated.

More working women receive social security benefits as dependent wives, widows, and mothers than as workers. Under the present system, a working woman may qualify for benefits as an earner or a dependent, but not as both. Thus unless a wife's earnings entitle her to a benefit larger than half that of her husband's, the dependent wife's benefit—or for a widow, larger than her deceased husband's full benefit—a married woman who pays social security taxes all her life may receive retirement benefits no larger than if she had never worked a day in her life or contributed a dime in taxes. Even if her earnings do entitle her to a retirement benefit somewhat larger than she would have received as a dependent, for that extra amount, she will have paid a disproportionately higher tax.

The end result of calculating benefits in this manner is that a working couple may be paid less in total retirement benefits than any couple which had the same total earnings where only the husband worked. In testimony pointing out this discrepancy before the Joint Economic Committee, former Social Security Commissioner Robert Ball gave the following example:

> Where only the husband works and has average yearly earnings of $9,000 the benefit payable according to the table in present law would be $354.50 for the husband and $177.30 for the wife, a total of $531.80 a month; if the husband has had average earnings of $6,000 and the wife had had average earnings of $3,000—combined earnings of $9,000—his benefit would be $269.70 and hers would be $174.80, a total of $444,50; $87.30 less than the couple with the same total average earnings when only the husband worked. These results do not apply when the combined earnings of the couple are significantly above the maximum credited for benefit purposes, currently $10,800.

Mr. President, I agree with former Commissioner Ball in his assessment that there is no good reason in social insurance theory for this difference in treatment. Both couples in the Commissioner's example have paid the same in contributions, and both have had the same level of living, and, therefore, should get the same replacement of past earnings in retirement or disability benefits.

II. SUMMARY OF LEGISLATION—

The legislation that I am introducing today attempts to address all of these discriminatory characteristics of the social security system. It amends these portions of the social security laws which offer discriminatory benefits to dependents of male workers, but not to dependents of women workers; it eliminates dependency requirements for the extension of benefits; and it offers a new formula for the calculation of benefits based upon the combined earnings of a working couple.

All of the recommended changes found in my bill were endorsed by a special subcommittee of the Advisory Council of Social Security. The calculation formula based on combined earnings has already been considered by the Ways and Means Committee and the House of Representatives and approved as part of H.R. 1 in the 93d Congress. While this provision was dropped during the conference on H.R. 1, I hope that the Senate will take this opportunity to reassert this proposal for needed change.

I realize that there are those who would oppose any change in the social security system which is regarded as liberalizing the benefit structure in any way. Many of those who oppose such change do so based upon apprehension at the cost to a system which some see as in financial trouble already. To those critics, I would just say that the cost of extended equal protection to women workers and their families is a very small percentage of the costs of the social security system. For example, the estimated cost for the computation of benefits based on combined earnings is only 0.17 percent of the total payroll. That is a very small price to pay for equality.

Mr. President, in order that the provisions of my bill will be fully understood, I ask unanimous consent that the bill, along with a section-by-section analysis, be printed in the RECORD. In addition, I also ask unanimous consent that two articles supporting the need for this legislation be inserted in the RECORD following the section-by-section analysis.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1729

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ELIMINATION OF SPECIAL DEPENDENCY REQUIREMENTS FOR HUSBAND'S AND WIDOWER'S BENEFITS

SECTION 1. (a) (1) Section 202(c) (1) of the Social Security Act is amended—

(A) by adding "and" at the end of subparagraph (B);

(B) by striking out subparagraph (C); and

(C) by redesignating subparagraph (D) as subparagraph (C).

(2) Section 202(c) of such Act is further amended by striking out paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(b) (1) Section 202(f) (1) of such Act is amended—

(A) by adding "and" at the end of subparagraph (C);

(B) by striking out subparagraph (D); and

(C) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively.

(2) Section 202(f) of such Act is further amended by striking out paragraph (2), and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively.

(3) (A) Section 202(f) (1) (B) of such Act is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(B) The subparagraph of section 202(f) (1) of such Act redesignated as subparagraph (F) by paragraph (1) (C) of this subsection is amended by striking out "paragraph (7)" and "paragraph (6)" and inserting in lieu thereof "paragraph (6)" and "paragraph (5)", respectively.

(C) Subparagraph (A) of the paragraph of section 202(f) of such Act redesignated as paragraph (2) by paragraph (2) of this subsection is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (4)".

(D) The paragraph of section 202(f) of such Act redesignated as paragraph (4) by paragraph (2) of this subsection is amended by striking out "paragraph (4)" and "paragraph (3)" and inserting in lieu thereof "paragraph (3)" and "paragraph (2)", respectively.

(E) The paragraph of section 202(f) of such Act redesignated as paragraph (6) by paragraph (2) of this subsection is amended by striking out "paragraph (1) (G)" and "paragraph (6)" and inserting in lieu thereof "paragraph (1) (F)" and "paragraph (5)", respectively.

ELIGIBILITY OF CERTAIN DIVORCED HUSBANDS AND FORMER HUSBANDS FOR HUSBAND'S AND WIDOWER'S BENEFITS

SEC. 2 (a) (1) Section 202(c) (1) of the Social Security Act is amended by inserting "and every divorced husband (as defined in section 216(d))" immediately after "husband (as defined in section 216(f))", and by inserting "or such divorced husband" immediately after "if such husband", in the matter preceding subsection (A).

(2) Section 202(c) (1) of such Act (as amended by the first section of this Act) is further amended by striking out "and" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) in the case of a divorced husband, is not married, and".

(3) Section 202(c) (1) of such Act is further amended by striking out "shall be entitled" and inserting in lieu thereof "shall (subject to subsection (s)) be entitled".

(4) Section 202(c) (1) of such Act is further amended—

(A) by inserting immediately after "they are divorced" in the matter following the colon the following: "(in the case of a husband) and either he has not attained age 62 or he has attained such age but has not been married to such individual for a period of 20 years immediately before the date the divorce became effective"; and

(B) by adding at the end thereof the following new sentence: "In the case of a divorced husband, entitlement to such benefits shall also end with the month preceding the month in which he marries a person other than such individual.".

(5) Section 202(c) (2) of such Act (as redesignated by the first section of this Act) is amended by inserting after "his wife" the following: "(or, in the case of a divorced husband, his former wife)".

(6) Section 202(c) of such Act (as amended by the first section of this Act) is further amended by adding at the end thereof the following new paragraph:

"(3) In the case of any divorced husband who marries—

"(A) an individual entitled to benefits under subsection (e), (g), or (h) of this section, or

"(B) an individual who has attained the age of 18 and is entitled to benefits under subsection (d),

such divorced husband's entitlement to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) (but subject to subsection (s)), not be terminated by reason of such marriage.".

(b) (1) Section 202(f) (1) of such Act is amended by inserting "and every surviving divorced husband (as defined in section 216 (d))" immediately after "widower (as defined in section 216(g))", and by inserting "or such surviving divorced husband" immediately after "if such widower", in the matter preceding subparagraph (A).

(2) Section 202(f) (1) (A) of such Act is amended by striking out "has not remarried" and inserting in lieu thereof "is not married".

(3) Section 202(f) of such Act is further amended by inserting "or surviving divorced husband" immediately after "widower" each place it appears in paragraphs (2(B), (3), (5), and (6) (as redesignated by the first section of this Act).

(4) Section 202(f) (3) of such Act (as so redesignated) is amended by inserting "or surviving divorced husband's" immediately after "widower's".

(c) (1) Section 216(d) (1) of such Act is amended by adding at the end thereof the following new sentence: "The term 'divorced husband' means a man divorced from an individual, but only if he had been married to such individual for a period of 20 years immediately before the date the divorce became effective.".

(2) Section 216(d) (2) of such Act is amended by adding at the end thereof the following new sentence: "The term 'surviving divorced husband' means a man divorced from an individual who has died, but only if he had been married to such individual for a period of 20 years immediately before the date the divorce became effective.".

(3) The heading of section 216(d) of such Act is amended by inserting "and Husbands" immediately after "Wives".

ELIGIBILITY FOR HUSBAND'S BENEFITS BASED ON HAVING CHILD IN CARE

SEC. 3. (a) Section 202(c) (1) (B) of the Social Security Act is amended to read as follows:

"(B) has attained age 62 or (in the case of a husband) has in his care (individually or jointly with such individual) at the time of filing such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of such individual,".

(b) Section 202(c) (1) of such Act (as amended by section 2(a) of this Act) is further amended by inserting immediately after the first sentence the following new sentence: "In the case of a husband who has not attained ag 62, entitlement to such benefits shall also end with the month preceding the first month in which no child of the insured individual is entitled to a child's insurance benefit.".

BENEFITS FOR WIDOWED FATHERS WITH MINOR CHILDREN

SEC. 4. Section 202(g) of the Social Security Act is amended to read as follows:

"Mother's and Father's Insurance Benefits

"(g) (1) The widow, widower, and every surviving divorced mother or father (as defined in section 216(d)) of an individual who died a fully or currently insured individual, if such widow, widower, or surviving divorced mother or father—

"(A) is not married,

"(B) is not entitled to widow's or widower's insurance benefit, "(C) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such individual,

"(D) has filed application for mother's or father's insurance benefits, or was entitled to wife's or husband's insurance benefits on the basis of the wages and self-employment income of such individual for the month preceding the months in which such individual died, and

"(E) at the time of filing such application has in her or his care a child of such individual entitled to a child's insurance benefit,

shall (subject to subsection (s)) be entitled to a mother's or father's insurance benefit for each month, beginning with the first month in which she or he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to a child's insurance benefit, or such widow, widower, or surviving divorced mother or father becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual, becomes entitled to a widow's or widower's insurance benefit, remarries, or dies. Entitlement to such benefits shall also end, in the case of a surviving divorced mother or father, with the month immediately preceding the first month in which no son, daughter, or legally adopted child of such surviving divorced mother or father is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased individual.

"(2) Such mother's or father's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

"(3) In the case of a widow, widower, or surviving divorced mother or father who marries—

"(A) an individual entitled to benefits under this subsection or subsection (a), (e), (f), or (h), or under section 223(a), or

"(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d),

the entitlement of such widow, widower, or surviving divorced mother or father to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) but subject to subsection (s), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under section 223(a) or subsection (d) of this section, the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under section 223(a) or subsection (d) of this section unless (i) he or she ceases to be so entitled by reason of his or her death, or (ii) in the case of an individual who was entitled to benefits under section 223(a), he or she is entitled, for the month following such last month, to benefits under subsection (a) of this subsection.".

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 5. (a)(1) Section 202(b)(3)(A) of the Social Security Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(2) Section 202(b)(3) of such Act is further amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

(b)(1) Section 202 (e)(3)(A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(2) Section 202(e)(3) of such Act is further amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

(c) Section 202(f)(1)(C) of such Act is amended by inserting after the comma at the end thereof the following: "or was entitled, on the basis of such wages and self-employment income, to father's insurance benefits for the month preceding the month in which he attained age 65,".

(d) Section 202(k) of such Act is amended—

(1) by striking out "or (f)(5)" wherever it appears in paragraphs (2)(B) and (3)(B) and inserting in lieu thereof in each instance "or (f)(4)"; and

(2) by striking out "or (f)(3)" in paragraph (3)(A) and inserting in lieu thereof "or (f)(2)".

(e)(1) Section 202(p)(1) of such Act is amended by striking out "subparagraph (C) of subsection (c)(1),".

(2) Section 202(p)(1) of such Act is further amended by striking out "clause (i) or (ii) of subparagraph (D) of subsection (f)(1), or".

(f)(1)(A) Section 202 (q)(3)(E) of such Act is amended, in the matter preceding clause (i) thereof, by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(B) Section 202 (q)(3)(F) of such Act is amended, in the matter preceding clause (i) thereof, by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(C) Section 202(q)(3)(G) of such Act is amended by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(2)(A) Section 202(q)(5)(A) of such Act is amended—

(i) by inserting "or husband's" immediately after "wife's" each place it appears therein,

(ii) by inserting "or by him" immediately after "by her",

(iii) by inserting "or he" immediately after "she" each place it appears therein,

(iv) by inserting "or in his" immediately after "in her", and

(v) by striking out "her wife's insurance benefit" and inserting in lieu thereof "her wife's or his husband's insurance benefit".

(B) Section 202(q)(5)(B) of such Act is amended—

(i) by striking out "woman" and inserting in lieu thereof "individual", and

(ii) by striking out "she" and inserting in lieu thereof "such individual".

(C) Section 202(q)(5)(C) of such Act is amended—

(i) by striking out "woman" and inserting in lieu thereof "individual",

(ii) by inserting "or his" after "in her",

(iii) by inserting "or he" immediately after "she" each place it appears therein, and

(iv) by inserting "or husband's" immediately after "wife's".

(D) Section 202(q)(5)(D) of such Act is amended by inserting immediately before the period at the end thereof the following: "; and no widower's insurance benefit for a month in which he has in his care a child of his deceased wife (or deceased former wife) entitled to child's insurance benefits shall be reduced under this subsection below the amount to which he would have been entitled had he been entitled for such month to father's insurance benefits on the basis of his deceased wife's (or deceased former wife's) wages and self-employment income".

(3) Section 202(q)(6)(A)(i)(II) of such Act is amended by inserting "or husband's" immediately after "wife's".

(4) Section 202(q)(7)(B) of such Act is amended—

(A) by inserting "or husband's" immediately after "wife's",

(B) by inserting "or he" immediately after "she", and

(C) by inserting "or his" immediately after "or her".

(g) Section 202(s) of such Act is amended—

(1) by inserting "(c)(1)," after "(b)(1)," in paragraph (1);

(2) by striking out "Subsection (f)(4), and so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4), of this section as precedes the semicolon" in paragraph (2) and inserting in lieu thereof "Subsections (b)(3), (c)(4), (e)(3), and (f)(3), and so much of subsections (d)(5), (g)(3), and (h)(4) of this section as precedes the semicolon"; and

(3) by striking out "Subsections (c)(2)(B) and (f)(2)(B) of this section, so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4)" in paragraph (3) and inserting in lieu thereof "So much of subsections (d)(5), (g)(3), and (h)(4)".

(h) Section 203(c)(2) of such Act is amended—

(1) by striking out "wife" and inserting in lieu thereof "wife or husband";

(2) by striking out "wife's" each place it appears and inserting in lieu thereof "wife's or husband's";

(3) by striking out "her care" and inserting in lieu thereof "her or his care"; and

(4) by striking out "her husband" each place it appears and inserting in lieu thereof "her or his spouse".

(i)(1) Section 203(c)(3) of such Act is amended to read as follows:

"(3) in which such individual, if a widow or widower entitled to a mother's or father's insurance benefit, did not have in her or his care a child of the deceased husband or wife entitled to a child's insurance benefit; or".

(2) Section 203(c)(4) of such Act is amended to read as follows:

"(4) in which such individual, if a surviving divorced mother or father entitled to a mother's or father's insurance benefit did not have in her or his care a child of her or his deceased former spouse who (A) is her or his son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her or his deceased former spouse.".

(j) The last sentence of section 203(c) of such Act is amended by inserting "or surviving divorced husband" after "the widower".

(k) The second sentence of section 205(b) of such Act is amended by inserting "surviving divorced father," after "surviving divorced mother,", by inserting "divorced husband," after "husband,", and by inserting "surviving divorced husband," after "widower,".

(l)(1) Section 216(d)(3) of such Act is amended to read as follows:

"(3) The term 'surviving divorced mother or father' means an individual divorced from a person who has died, but only if (A) such individual is the mother or father of such person's son or daughter, (B) such individual legally adopted such person's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, (C) such person legally adopted such individual's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, or (D) such individual was married to such person at the time both of them legally adopted a child under the age of 18."

(2) The heading of section 216(d) of such Act (as amended by section 2(c)(3) of this Act) is amended by inserting "Surviving Divorced Mothers and Fathers;" immediately after "Husbands;".

(m)(1) The first sentence of section 222(b)(1) of such Act is amended by striking out "or surviving divorced wife" and inserting in lieu thereof ", surviving divorced wife, or surviving divorced husband".

(2) Section 222(b)(2) of such Act is amended by inserting "or father's" after "mother's" each place it appears.

(3) Section 222(b)(3) of such Act is amended by inserting "divorced husband," immediately after "husband,".

(n) Section 222(d)(1) of such Act is amended by inserting "and surviving divorced husbands" immediately after "for widowers".

(o) Section 223(d)(2) of such Act is amended by striking out "or widower" in subparagraphs (A) and (B) and inserting in lieu thereof "widower, or surviving divorced husband".

(p) The first sentence of section 225 of such Act is amended by inserting "or surviving divorced husband" immediately after "a widower".

COMPUTATION OF BENEFITS BASED ON COMBINED EARNINGS OF HUSBAND AND WIFE

SEC. 6. (a) Section 202(a) of the Social Security Act is amended to read as follows:

"(a)(1) Every individual who—

"(A) is a fully insured individual (as defined in section 214(a)),

"(B) has attained age 62, and

"(C) has filed application for old-age insurance benefits or was entitled to disability insurance benefits for the month preceding the month in which he attained age 65,

shall be entitled to an old-age insurance benefit for each month beginning with the first month in which such individual becomes so entitled to such insurance benefits and ending with the month preceding the month in which he dies.

"(2) Except as provided in subsection (q), such individual's old-age insurance benefit for any month shall be equal to his primary insurance amount for such months as determined under section 215(a), or as determined under paragraph (3) of this subsection if such paragraph is applicable and its application increases the total of the monthly insurance benefits to which such individual and his spouse are entitled for the month in which the provisions of paragraph (3) are met. If the primary insurance amount of an individual or his spouse for any month is determined under paragraph (3), the primary insurance amount of each of them for such month shall, notwithstanding the preceding sentence, be determined only under paragraph (3).

"(3) If an individual and his spouse—

"(A) each has at least 20 years of coverage (as determined under the last sentence of section 215(a), with years of coverage determined under clause (i) of such sentence being credited for 1950 and consecutive prior years, and without the application of the last sentence of section 215(b)(2)(C)), taking into account only years occurring during the period beginning with the calendar year in which they were married,

"(B) each attained age 62 after 1975,

"(C) each is entitled to benefits under this subsection (or section 223), and

"(D) each has filed an election to have his primary insurance amount determined under this paragraph,

then the primary insurance amount of such individual and the primary insurance amount of such spouse, for purposes of determining the old-age insurance benefit (prior to the application of subsection (w)) or disability insurance benefit of each of them for any month beginning with January 1976 or, if later, the month in which their elections under subparagraph (D) were filed, and ending with the month preceding the month in which either of them dies or they are divorced, shall be equal to 75 percent of the amount (specified in subparagraph (G)) derived by—

"(E) combining the annual wages and self-employment income of such individual and such spouse (including any wages and self-employment income taken into account in a recomputation made under section 215(f)) for each year in which either or both of them had any such wages or self-employment income, up to the maximum amount prescribed in section 215(e) for such year,

"(F) computing (under section 215(b) and (d)) an average monthly wage on the basis of the wages and self-employment income determined under subparagraph (E) (or, if any wages and self-employment income have been taken into account in a recomputation under section 215(f), recomputing as provided in section 215(a)(1) (A) and (C) as though the year with respect to which such recomputation is made is the last year of the period specified in section 215(b)(2)(C)), as though all of such wages and self-employment income had been earned or derived by such individual or his spouse, whichever is younger, and

"(G) determining (under section 215(a)) an amount equal to the primary insurance amount which would result from the average monthly wage determined under subparagraph (F).

For purposes of subparagraph (F), if an individual or his spouse is entitled to disability insurance benefits, such individual or spouse shall be deemed to have attained age 62 at the time provided in section 223(a)(2).

"(4) No benefits payable under subsections (b), (c), (d), (e), (f), (g), (h), or (i) shall be computed on the basis of a primary insurance amount determined under paragraph (3) of this subsection.

"(5) The term 'primary insurance amount' as used in the provisions of this title other than this subsection shall not include a primary insurance amount determined under paragraph (3) unless specifically so indicated."

(b)(1) Section 202(e)(1)(C)(i) of such Act is amended by striking out "such individual," and inserting in lieu thereof "such individual or to an old-age or disability insurance benefit determined under subsection (a)(3),".

(2) Section 202(c)(2) of such Act is amended—

(A) by striking out "and subparagraph (B) of this paragraph" in subparagraph (A) and inserting in lieu thereof "and subparagraphs (B) and (C) of this paragraph"; and

(B) by adding at the end thereof the following new subparagraph:

"(C) In any case where a widow was entitled for the month preceding the month in which the deceased individual died to an old-age insurance benefit or a disability insurance benefit based on a primary insurance amount determined under section 202(a)(3), such widow's insurance benefit for each month shall be determined only on the basis of the wages and self-employment income of her deceased spouse and, for purposes of subparagraph (B), the old-age or disability insurance benefit of the deceased spouse shall be deemed to be the amount it would have been if it had been determined under subsection (a)(1) or section 223, except that after the application of subparagraphs (A) and (B), and subsection 203(a), such widow's insurance benefit shall be not less than the amount of the old-age or disability insurance benefit to which she would be entitled for such month (based on a primary insurance amount determined under subsection (a)(3)) if such individual had not died, disregarding for this purpose the period beginning with the year after the year of such individual's death and any wages and self-employment income paid to or derived by either of them during such period. This subparagraph shall not apply, in the case of a widow who remarries, with respect to the month in which such remarriage occurs or any subsequent month."

(c) Section 202(f)(2) of such Act (as redesignated by section 1(b)(2) of this Act) is amended—

(A) by striking out "and subparagraph (B) of this paragraph" in subparagraph (A) and inserting in lieu thereof "and subparagraphs (B) and (C) of this paragraph"; and

(B) by adding at the end thereof the following new subparagraph:

"(C) In any case where a widower was entitled for the month preceding the month in which the deceased individual died to an old-age insurance benefit or a disability insurance benefit based on a primary insurance amount determined under section 202(a)(3), such widower's insurance benefit for each month shall be determined only on the basis of the wages and self-employment income of his deceased spouse and for purposes of subparagraph (B), the old-age or disability insurance benefit of the deceased spouse shall be deemed to be the amount it would have been if it had been determined under subsection (a)(1) or section 223, except that after the application of subparagraphs (A) and (B), and subsection 203(a), such widower's insurance benefit shall be not less than the amount of the old-age or disability insurance benefit to which he would be entitled for such month (based on a primary insurance amount determined under subsection (a)(3)) if such individual had not died, disregarding for this purpose the period beginning with the year after the year of such individual's death and any wages and self-employment income paid to or derived by either of them during such period. This subparagraph shall not apply, in the case of a widower who remarries, with respect to the month in which such remarriage occurs or any subsequent month."

(d) Section 203(a) of such Act is amended by striking out "or" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or", and by inserting after paragraph (5) the following new paragraph:

"(6) in applying this subsection in any case where the primary insurance amount of the insured individual was determined under section 202(a)(3) and his entitlement under such section has not terminated, the total of monthly benefits to which persons other than such individual may be entitled on the basis of such individual's wages and self-employment income shall be determined as though such individual's primary insurance amount had instead been determined under section 215(a) and without regard to section 202(a)(3)."

(e)(1) Section 215(a)(1) of such Act is amended by inserting after "this subsection" in the matter preceding subparagraph (A) the following: "and in section 202(a)(3)".

(2) Section 215(a)(2) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (A),

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; or," and

(C) by adding at the end thereof the following new subparagraph:

"(C) an amount equal to the primary insurance amount on which such disability insurance benefit is based if such primary insurance amount was determined under section 202(a)(3)."

(3) Section 215(f)(1) of such Act is amended by inserting "(or section 202(a)(3))" after "determined under this section."

(4) The second sentence of section 215(f)(2) of such Act is amended by inserting before the period at the end thereof the following: ", and, in the case of an individual whose primary insurance amount was determined under section 202(a)(3), as though such amount had instead been determined under subsection (a) of this section and without regard to section 202(a)(3)".

(5) Section 223(a)(2) of such Act is amended by inserting "(or under section 202(a)(3))" after "under section 215".

EFFECTIVE DATES

SEC. 7. The amendments made by sections 1 through 5 of this Act shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications filed in or after the month in which this Act is enacted. The amendments made by section 6 of this Act shall apply only with respect to monthly insurance benefits under such title II for months after December 1975.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Would eliminate the requirements that a man must have been receiving at least one-half of his support from his wife in order to be eligible for "husband's" social security benefits and for "widower's" social security benefits. (A husband or widower would be able to receive benefits under the same eligibility requirements as a wife or widow.)

SECTION 2

Would provide benefits for a divorced husband (on generally the same basis as now provided for a divorced wife).

SECTION 3

Would provide benefits for a husband having a child in his care entitled to a child's social security benefit based on the earnings of the mother. (This would provide benefits to men in this circumstance on generally the same basis as such benefits are now provided to women.)

SECTION 4

Would provide for "father's" benefits to be payable to a widower having a child in his care entitled to a child's social security benefit based on the earnings of the mother. (This would write into law a recent Supreme Court decision requiring "father's" benefits to be paid on the same basis as "mother's" benefits.)

SECTION 5

Would make the necessary conforming changes in present law.

SECTION 6

Would provide for the computation of a social security benefit based on combined earnings, of a married couple if (a) the combined computation resulted in higher total benefit payments for the two; (b) computation was made for both husband and wife; (c) each had 20 years of social security coverage beginning with the year of marriage; (d) each attains age 62 after 1975; (e) each is entitled to an old-age or disability benefit based on his or her own earnings; and (f) both elected to apply for benefits under the combined computation.

Under the combined computation method, benefits would be determined as follows: (a) The earnings of both husband and wife would be combined for each year up to the maximum wage base in effect for that year. (b) An average monthly wage, and primary insurance amount would be computed according to the formula and table in current law using the wages of both as if the total amount were earned by the younger spouse. (c) Each spouse would then receive a primary insurance amount (on which benefits are based) equal to 75% of the combined primary insurance amount as determined above.

Benefits based on this combined computation would end with the month preceding the month of death of either spouse, or divorce.

Other benefits based on the husband's or wife's earnings, i.e., wife's, husband's, child's, widow's, widower's, mother's, father's, parent's; and/or lump-sum death benefits would *not* be computed on the basis of a primary insurance amount determined under these combined computation provisions. The maximum amount of benefits for a family would also be determined without regard to the combined computation method, as if the benefit for the worker had been computed under provisions in current law.

An unremarried widow or widower, previously receiving a benefit under the combined computation provisions, would be entitled to a widow's or widower's benefit as provided in current law (and amended by the preceding sections of these amendments), except that such benefit would not be less than the amount she or he was receiving while the spouse was alive.

SECTION 7

Would make the amendments providing equal treatment for men (as contained in sections 1–5) effective for months after the month of enactment of these amendments, on the basis of applications filed in or after the month of enactment. The combined benefit computation amendments (section 6) would be effective beginning with regard to benefits payable for January 1976 and after.

[From the Clearinghouse Review, December 1974]

SEX DISCRIMINATION IN THE FAMILY BENEFITS SECTIONS OF THE SOCIAL SECURITY ACT

(By Donald Randolph) *

I. INTRODUCTION

Due to the fact that many older people rely on OASDI Social Security benefits,[1] not merely as an income supplement, but rather as their only means of support,[2] increased attention is being paid to the structure of the Social Security system, as indicated by the activity of both Congress and the commentators.[3] As a result, constitutionally questionable aspects of the Social Security structure and administration, heretofore ignored, are now ripe for challenge.[4]

One of the most blatant inequities in the system is the high incidence of discrimination based solely on sex, particularly with regard to treatment of the working woman. Recent developments in the courts indicate that such sex-based classifications need no longer be tolerated without questioning their constitutional and factual validity.

As the original Act was gradually revised, the discriminatory provisions were incorporated to provide benefits for the *family* of the worker. The worker remains the primary beneficiary, but the system provides for the payment of monthly benefits to certain dependents of the worker, or to his/her survivors in the event of death. Entitlement for these benefits stems from the work record of the worker/spouse, who must have remained in employment covered by OASDI for a substantial period of time.[5]

Congress has consistently used the "traditional" family structure (male breadwinner and female dependent) as the model for the development of family benefits. This fact is borne out by the ultimate effect of the provisions and by direct statements of legislative intent. Consequently, it is not surprising that many provisions directly discriminate against families which include a female in covered employment. Recent statistics clearly indicate that a substantial number of families are adversely affected by the outmoded provisions.[6]

The purpose of this article is to describe the discriminatory provisions within the family benefits area and to outline several approaches to a constitutional challenge of these provisions based on equal protection grounds. The list of provisions is not meant to be exhaustive; indeed, many of the same assumptions undoubtedly underlie other areas of the Act. Furthermore, it should not be inferred that the discrimination in the family benefits area will be completely remedied by revising the sections considered. The extent to which the traditional family structure permeates every section is such that nothing short of a total legislative revision will suffice, and it is hoped that exposure of the gross unfairness of sex bias in the Act will serve to prompt an eventual revision. At a minimum, the causes of action outlined below may provide relief for those families who both deserve and rely on Social Security benefits, yet are denied their fair entitlement due to non-traditional family structures.

II. DISCRIMINATION IN THE ACT

Sex discrimination in the family benefits sections of the Act can be divided into two general forms: (1) the additional element of economic dependency, required only of men, as a condition of eligibility for benefits based on the earnings of the spouse; and (2) the availability of benefits to certain categories of women but not to corresponding categories of men. Both of the above forms of discrimination cause identically-situated persons to be accorded different treatment solely on the basis of a characteristic over which they have no control, and which has no necessary relationship to their abilities, needs or functions. In every instance the discrimination is double-edged: a man cannot receive the same benefits which a similarly-situated women receives; conversely, no female wage-earner can obtain, via her Social Security contributions, the coverage for her spouse, regardless of his dependency, which is guaranteed to the spouse of every male wage-earner.

A. Economic dependency requirement

Although benefits are available to both wives [7] and widows [8] whose husbands are entitled to old age or disability insurance benefits, and the same benefits are available to similarly situated husbands [9] and widowers,[10] a man has the additional requirement of proving he was receiving at least one-half of his support from his wife at a certain specified time.[11] These sections discriminate against any family consisting of a working wife entitled to benefits and an ineligible husband. The total potential entitlement to family benefits is considerably less than an identically situated family in which traditional roles obtain.[12]

B. Categorical discrimination

In the sections discussed below, the discrimination stems from the availability of benefits to certain categories of women and not to corresponding categories of men. Note that every categorical exclusion of men is also a direct discrimination against a female wage-earner, who cannot obtain for her spouse similar benefits guaranteed to the spouse of every male wage-earner.

(1) Divorced Spouses

The Act contains provisions which protect the aged divorced wife of an old age or disability benefits beneficiary. These sections include benefits for divorced wives,[13] surviving divorced wives [14] and disabled surviving divorced wives.[15] No similar provisions exist for divorced husbands, whose present benefits and/or eligibility for future entitlements (based on the wife's contributions) both terminate as of the date of the divorce.[16]

These provisions reflect a deep concern for the plight of an aged woman who, through divorce, loses both her husband and her means of support.[17] Conversely, they reflect a total disregard for the plight of an aged divorced man, who might have relied on his wife's support prior to their divorce, and for the efforts of the woman wage-earner whose Social Security contributions are given no credit in this context.

(2) Mothers' Benefits

These benefits are available to certain categories of women who have in their care children of the worker/husband. These categories include wives,[18] surviving mothers [19] and surviving divorced mothers,[20] as long as the beneficiary is under age 62 and has in her care a child eligible for benefits.[21] The additional payments to the mother are primarily intended for the protection of the children. The mother receives the benefits not merely because she is female, but because it is assumed that she would prefer to remain at home to care for the children.[22]

Footnotes at end of article.

No similar provisions exist for husbands who have custody of a child under similar circumstances. The obvious inequity of this omission was successfully challenged by a widower/plaintiff in *Wiesenfeld v. Secretary of HEW.*[22] The district court declared that 42 U.S.C. § 402(g) was unconstitutional insofar as it discriminates against widowers on the basis of sex. The impact of this decision will be discussed below.

III. EQUAL PROTECTION ANALYSIS

A. General approach

It is well established that the fifth amendment guarantees to every person security from arbitrary treatment and equal protection under the law. The fifth amendment imposes the same obligation upon the federal government as the fourteenth amendment does upon the states.[24] Consistent with this mandate, the Supreme Court has used equal protection principles to scrutinize classifications based on sex.[25] Certainly other constitutional approaches are available depending upon the circumstances of the classification, including theories of due process and irrebuttable presumption.[26] However, in the recent cases dealing with classifications most closely resembling those under discussion, equal protection analyses have succeeded in overturning legislative classifications based solely on sex.[27]

B. Standards of review

In determining whether a statute violates equal protection, courts have applied standards of review ranging from lenient to stringent.[28] Two standards are generally contrasted: (1) the strict scrutiny test, met only by a demonstration of a "compelling state interest," applicable when the statute impinges upon a "fundamental right or interest" or invokes a "suspect" criterion; and (2) the reasonable relationship test.

Considerable dissatisfaction has been expressed with regard to the limited choice posed by this "two-tiered" formula. Some courts and commentators have interpreted recent decisions as creating an "intermediate test" for legislative discrimination based upon sex.[29] Nevertheless, the establishment of an "intermediate test" was rejected by the three-judge court in *Wiesenfeld,* and, by most recent indications, the Supreme Court still heavily relies upon the two-tiered standard of review.[30]

With respect to the applicable standard of review for the classifications under discussion, a two-fold approach can be adopted: (1) each of the statutes creates a suspect classification for which no compelling justification exists; (2) the distinctions between the sexes for purposes of determining eligibility for Social Security insurance benefits lack a reasonable relationship to permissible governmental objectives.

(1) Strict Review: Sex as a Suspect Criterion

(a) Precedent

On May 14, 1973, in *Frontiero* v. *Richardson,*[31] the Supreme Court declared unconstitutional certain federal statutes which provided, solely for administrative convenience, that spouses of male members of the Armed Services are dependents for the purposes of obtaining certain benefits, but that spouses of female members are not considered dependents unless they are dependent for more than one-half of their support.[32] Four members of the Court, in a plurality opinion written by Justice Brennan, declared that gender classifications are inherently suspect and are subject to strict judicial scrutiny under the due process clause of the fifth amendment:

"[S]ince sex, like race and national origin, is an immutable characteristic determined solely by the accident of birth, the imposition of special disabilities upon the members of a particular sex because of their sex would seem to violate 'the basic concept of our system that legal burdens should bear some relationship to individual responsibility. . . .'

"With these considerations in mind, we can only conclude that classifications based upon sex, like classifications based upon race, alienage, or national origin, are inherently suspect, and must therefore be subjected to strict judicial scrutiny." [33]

Justice Stewart, concurring, preferred to label the distinction "invidious" and cited *Reed v. Reed* [34] (declaring unconstitutional a statute that preferred men to women as estate administrators). The remaining Justices, save the lone dissenter, relied on *Reed* to find the statutes unconstitutional only insofar as they denied to Armed Services husbands benefits available to similarly situated Armed Services wives.

Due to *Frontiero's* lack of a clear majority and identifiable guidelines, the commentators have declined to interpret the case as providing lower courts with a mandate to treat sex classifications under strict scrutiny. Nevertheless, several decisions read *Frontiero* as instructing recognition of sex as a suspect criterion.[35]

Wiesenfeld v. Secretary of HEW, a class action challenging the denial of "mother's" benefits to a father with an eligible child in his care, agreed with the *Frontiero* majority. The plaintiff's wife had been a school teacher for seven years and contributed fully to Social Security until her death. The three-judge panel found that Section 202(g) of the Social Security Act,[36] which provides for the payment of mothers' insurance benefits (with no similar provision for fathers), heaps additional economic disadvantages on women wage-earners and therefore violates the fifth amendment protection. The *Wiesenfeld* court found that the statute in question satisfied the lenient rational basis test, but failed under the strict scrutiny test. The government has appealed to the Supreme Court,[37] and its decision could have major significance for all the sections presently under analysis.

On April 24, 1974, the Supreme Court decided *Kahn v. Shevin.*[38] Writing for the majority, Justice Douglas stated that a Florida statute granting a $500 property tax exemption to widows but not to widowers does not violate the equal protection clause. The two dissenting opinions basically stated that the statute should have been more narrowly drawn.

A narrow reading of the decision would limit its effect to cases involving state tax schemes. However, it is likely to be contended as having a much broader scope. Despite the majority's efforts to distinguish *Frontiero,* this case can be interpreted as a divergence from the trend towards sex as a "suspect criterion." Since *Kahn* does not specifically identify the equal protection standard of review applied, several interpretations are possible. First, Douglas has defected from the *Frontiero* plurality and no longer contends that sex is a suspect classification. Accordingly, the rational basis test was applied and satisfied.[39] Support for this interpretation is two-fold: the majority uses language typically used in conjunction with the rational basis test:

"[F]lorida's differing treatment of widows and widowers rest[s] upon some ground of difference having a fair and substantial relation to the object of the legislation." [40]

Also, the majority did not consider less intrusive alternative means of classification, even though they are readily available. Such consideration is usually automatic where the strict standard operates, and a compelling state interest is required.

Second, Douglas has not abandoned sex as a suspect classification, but feels that the state has established the required compelling interest under the strict standard of equal protection review. Here the supporting rationale is also two-fold. First, Douglas gives considerable weight to the "affirmation action" aspect of the Florida statute, and he underscores the absence of any similar justification in *Frontiero:*

"And in *Frontiero* the plurality opinion also noted that the statutes there were 'not in any sense designed to rectify the effects of past discrimination against women.' " [41]

Second. Douglas feels the state's interest in formulation of its own *tax* laws should be given considerable deference:

"[W]here taxation is concerned and no specific federal right, apart from equal protection, is imperiled, the states have large leeway in making classifications and drawing lines which in their judgment produce reasonable systems of taxation." [42]

Third. Douglas is continuing the development of an "intermediate test" for sex classifications. This interpretation is enhanced by the fact that the *Kahn* language quoted above is the identical quote which commentators claim is the basis of the "new" test.

At best. *Kahn's* message is garbled, and can only add to the confusion of lower courts and commentators. Clearer guidelines are needed before the applicable standard of review for gender classifications can be predicted with any certainty. Nevertheless, by alleging that both the strict and lenient standards have been violated, the court can select the most comfortable framework for review. Such an approach allows the focus to be on consideration of the challenged provisions themselves and lack of adequate justification for discrimination against women regardless of which standard is applied.

(b) Analysis

Despite the ambiguity reflected in the strict scrutiny cases discussed above, one trend has remained constant: the Supreme Court will apply a *stricter* standard where the effect of sex classification is to disadvantage women further. It therefore becomes crucial to identify separately the discriminatory effect of a challenged section on both men and women, emphasizing the overall unfairness to women wage-earners. Herein lies the key to a successful challenge.

(1) Discrimination against women

The amount of Social Security contributions deducted from the wage-earner's salary is in no way dependent upon the sex of the worker. Consequently, the female wage-earner contributes the same amount, but receives fewer benefits for her family than a male wage-earner. The plight of the female worker and her family was recognized in *Wiesenfeld:*

"During her employment as a teacher, maximum social security payments were deducted from her salary. Yet, upon her tragic death, her surviving spouse and child receive less social security benefits than those of a male teacher who earned the same salary and made the same social security payments." [43]

Although *Wiesenfeld* was directed at the provisions covering benefits for surviving mothers,[44] the same reasoning is clearly applicable to all "mother benefits" sections [45] which do not provide equal benefits for the male spouse who retains custody of the child of a deceased or disable female wage-earner. In every instance, the woman's family receives fewer benefits solely because of a failure to comply with traditional sex roles.

Similarly, the *Frontiero* Court noted that the existence of a half-support requirement for male spouses caused an unfair burden to be placed on women:

"[T]hese statutes seize upon a group—women—who have historically suffered discrimination in employment, and rely on the effects of this past discrimination in employment, and rely on the effects of this past discrimination as justification for heaping on additional economic disadvantages." [46]

The half-support requirement in Social Security for dependent husbands and

---

Footnotes at end of article.

widowers is functionally identical to the half-support requirement in *Frontiero*. Therefore, the reasoning employed to invalidate the requirement in *Frontiero* can be logically and consistently extended to the parallel requirements of the Social Security Act.

The disadvantage to the woman wage-earner is perhaps less evident in the area of categorical exclusion of divorced male spouses from receipt of benefits. For instance, it may be assured that the divorced husband is no longer a member of the worker's family, and therefore is not a proper recipient of family benefits. In addition, the working wife would appear to be less concerned about the livelihood of her divorced husband than of her surviving husband and child, as in *Wiesenfeld*. Nevertheless, the woman worker is denied benefits which would inure to her divorced spouse at the time of their divorce, thus denying her equal treatment solely on the basis of sex.[47] Certainly, if alimony paid by the women worker is to be a factor in the divorce settlement, the fact that no Social Security benefits are available to the divorced male spouse will place an increased economic burden on the woman.

In challenging a Social Security provision as discriminatory against women, it is important to distinguish between the categorical designation of benefits for women as spouses can certainly be presented as an attempt to rectify the effects of past discrimination against women. However, the concomitant result of the categorical classifications is discrimination against women as workers. Since primary eligibility for benefits stems from the contributions of the wage-earner, it would seem that Social Security protection of the woman worker against further economic disadvantage would significantly outweigh the value of benefits to women as spouses.

(2) Discrimination Against Men

While instances of discrimination against women dominate the growing body of case law, the constitutional mandate might be equally applicable to men, as conspicuously indicated by the Supreme Court's decision in *Stanley v. Illinois* [48] (unwed father may not be deprived of custody absent a hearing of the same quality accorded to wed parents and unwed mothers).

However, a challenge based on discrimination against men raises several difficult issues, especially where application of the strict scrutiny test is being sought. For instance, it may be that the *Stanley* decision was based on due process rather than equal protection grounds precisely because it involved discrimination against men, and men are not a "suspect class."

Also, it might be contended that affirmative legislative or executive action which favors a historically deprived class is constitutionally valid, even though it discriminates against other non-deprived classes.[49] Such a justification was held to be insufficient in *Wisenfeld* when matched against the stricter standards of the close judicial scrutiny tests the court recognized that the section in question, though possibly intended to rectify the effects of past and present discrimination against women as spouses, operated further to disadvantage women as wage earners.[50] The plaintiff's additional claim that the section directly discriminates against *men* on the basis of sex does not appear to have been a significant factor in the court's decision.[51]

In summary, courts appear reluctant to apply the strict scrutiny test and grant an equal protection remedy to men subject to discrimination by a law which favors women.[52] Thus, the approach which is most likely to obtain relief for men disadvantaged by sex discrimination in Social Security family benefits is, paradoxically, an emphasis on the disadvantage to the woman wage-earner.

(3) Lenient Standard: Reasonable Relationship to Legitimate Government Interests

Under the "traditional" equal protection standard, a legislative classification must be upheld unless it is "patently arbitrary" and bears no "rational relationship" to a legitimate governmental interest.[53] Certainly, if sex classifications are ultimately accepted as "inherently suspect," as argued above, there is no necessity to challenge their validity under the lesser, traditional standards. Unfortunately, there is speculation that a clearly definitive statement by the Supreme Court in this regard will not occur until after the Equal Rights Amendment has been ratified by the states.[54] Additionally, some courts subscribe to the principle stated in *Wiesenfeld*, that:

"[I]f a statute violates equal protection doctrine under a lesser standard, there is no need to examine that classification by close judicial scrutiny. *Aiello v. Hansen*, 359 F. Supp. 792, 796 (N.D. Cal. 1973); *see also Eisenstadt v. Baird*, 405 U.S. 430, 447 n. 7, 92 S. Ct. 1029, 31 L. Ed. 2d 349 (1972)." [55]

Also, as discussed earlier, emphasis on the lack of adequate justification for discrimination rather than on selection of a proper standard of review is the most straightforward and potentially successful approach. Accordingly, it may be fruitful to consider whether the sections under discussion meet the traditional test requiring a rational relationship to some valid public purpose.

In recent decisions involving sex classifications, the legislative purposes advanced as legitimate bases for a challenged act's validity fall into two general categories: (a) administrative convenience, and (b) rectification of the effects of past discrimination against women through affirmative legislative or executive action.

(a) Administrative convenience

The Supreme Court and lower federal courts have consistently rejected administrative convenience as a justification for discriminatory sex-based classifications.[56] In *Frontiero*, the government conceded that the challenged sex classification served no purpose other than mere "administrative convenience;" in response, eight justices agreed that "the Constitution recognizes higher values than speed and efficiency" and held that the government's reason was insufficient insofar as the national basis for the differential treatment was concerned. The message is clear: a classification which discriminates on the basis of sex *solely* for administrative convenience will not satisfy the rational basis test. It appears that this will be the result regardless of whether the discrimination is directed against women or men.

(b) Affirmative action

The concept of affirmative action for women as a compelling interest to satisfy the strict scrutiny test has already been discusssed. In the context of the lenient standard, the issue appears to have been resolved: a statute whose purpose is to rectify the effects of past discrimination against women will satisfy the rational basis test. This was the conclusion reached by the *Wiesenfeld* Court, which acknowledged that affirmative action for women was not arbitrary because:

"[I]t is very evident that women have been and continue to be unable to earn income equal to that of men even though Congress has clearly indicated that job discrimination on the basis of sex shall be unlawful." [58]

Moreover, regardless of which interpretation of *Kahn* is finally accepted, the majority did accept as a *rational* purpose the state's desire to reduce the "disparity between the economic capabilities of a man and a woman." [59]

Of course, the affirmative action rationale has only been ultimately accepted as valid in a case where the statute in question actually benefits women as a class.[60] If the classification operates to further *deprive* women, it should be contended that any positive effects are cancelled out. This is certainly the result in the context of Social Security benefits, where any advantages to women spouses are offset by a corresponding disadvantage to women wage-earners.

(c) The remedy

When a statutory provision denies equal protection by establishing an unconstitutional classification, a court may remedy the defect either by declaring the provision equally operative upon all persons similarly situated, or by declaring the provision inoperative as to all of them.[61] In deciding whether benefits should be extended or extinguished, the court must be responsive to the dominant legislative purpose.[62]

The 1939 amendments to the original Social Security Act first authorized payments to family members of the worker spouse. In keeping with the purpose of Social Security, "to provide a systematic program of protection against economic and social hazards," they were intended "to afford more adequate protection to the family as a unit." [63] The laudable purpose of "more adequate protection" should be extended to families regardless of their non-compliance with traditional family structures. If an equal protection challenge to the Act is successful, the only resolution which preserves the original purpose is to extend the benefits without regard to sex.

IV. CONCLUSION

Legislative revision would probably be a more efficient and realistic method of completely neutralizing the sex bias in the Social Security Act than challenging each provision on a case-by-case basis. Unfortunately, such an extensive revision does not appear imminent, and current economic conditions accentuate the need for immediate action to secure equal benefits for non-traditional families. Multiple litigation challenging these provisions could have the dual effect of prompting Supreme Court review and encouraging Congress to take action.

It is evident that a concise standard of decision has not been developed for challenging sex classifications on equal protection grounds. Therefore, in utilizing the present strict scrutiny and reasonable relationship tests, it becomes crucial to concentrate on the ultimate disadvantage to the woman wage-earner due to sex bias in the Social Security Act. The present trend indicates that such an approach will maximize the chances that a challenge of sex discrimination will be successful.

FOOTNOTES

* Legal Staff, National Senior Citizens Law Center, 1709 W. Eighth St., Los Angeles, Calif. 90017. (213) 483-3990.

[1] Federal Old-Age, Survivors, and Disability Insurance Benefits. 42 U.S.C. §§ 401-29 (1970) as amended (Supp. II, 1972).

[2] Ball, *Policy Issues in Social Security*. Soc. Sec. Bull. 5 (June 1966).

[3] Citizens' Advisory Council on the Status of Women. Report of the Task Force on Social Insurance and Taxes (1968) HEW, Report of the Women's Action Program 85-93 (1972); National Organization for Women, Now Goals (1973); The President's Commission on the Status of Women, Report of the Committee on Social Insurance and Taxes (1963); *Sex Classifications in the Social Security Benefit Structure*. 49 IND. LJ. 181 (Fall 1973) [hereinafter cited as *Sex Classifications*]; *Sex Discrimination in Income Security Programs*. 49 Notre Dame Law. 534 (Fall 1974).

[4] Miller, *Constitutional Issues in Social Security*. 8 Clearinghouse Rev. 79 (June 1974).

[5] "This substantial period of time is called a 'quarter of coverage.' A 'quarter of coverage' means a three month period in which the individual has received at least $50 in wages in covered employment or has received at

least $100 of self-employed income. 42 U.S.C. § 413(a) (1970). To be 'fully insured' under OASDI, a person must have at least one quarter of coverage per year from age 21 (or 1950, whichever is later) until the year in which he or she reaches age 62, or a total of 40 quarters of coverage. 42 U.S.C. § 414(a) (Supp. II, 1972)." *Sex Classifications, supra* n. 2. at 8.

[6] "Women age 20 and over made up 34% of the civilian labor force in 1972. 96 Monthly Lab. Rev., Sept. 1973, at 105, (Table 4). 78.5% of working women in 1967 were married, widowed, or divorced. Handbook, *supra* note 18, at 23 (Table 7). The number of working wives increased by 4.1 million between 1962 and 1969. 40% of the period's total labor force increase, 95 Monthly Lab Rev., Aug., 1972, at 11. In 1971, 59% of women workers were married and one-third of working women had both a husband and dependent children. 95 Monthly Lab. Rev., Apr., 1972, at 9. Of the 44 million husband-wife families in 1970, wives were the main income recipients in 32 million families, 7.4% of the total. In 1960, the percentage was 5.7. Census Bureau, Sources and Structure of Family Income 377 (1973) (Table 9)." *Sex Classifications supra* n. 2. at 19.

[7] 42 U.S.C. § 402(b).

[8] 42 U.S.C. § 402(e).

[9] 42 U.S.C. § 402(c).

[10] 42 U.S.C. § 402(f).

[11] 42 U.S.C. § 402(c) (1) (C); 42 U.S.C. § 402 (f) (1) (D); for further discussion, *see Sex Classifications, supra* n.2, at 186 and nn. 27–28. On March 13, 1974, Senator Tower (R-Texas) introduced S. 3167 which would eliminate the special dependency requirements for entitlement to husband's and widower's benefits. The bill was referred to the Committee on Finance.

[12] The non-traditional family consisting of woman wage-earner and ineligible spouse is precluded from receiving husband's benefits approximately equal to one-half of the primary insurance amount of the wife, [*see* 42 U.S.C. § 402(c) (3), *as amended* (Supp. II. 1972)] and widower's benefits equal to the primary insurance amount of his deceased wife [42 U.S.C. § 402(f) (3), *as amended* (Supp. 11, 1972)].

[13] 42 U.S.C. § 402(b) (1).

[14] 42 U.S.C. § 402(e) (1).

[15] 42 U.S.C. § 402(e) (1) (B) (ii).

[16] 42 U.S.C. § 402(c) (1) (D).

[17] The primary purpose for these provisions was to:

"'provide protection mainly for women who have spent their lives in marriages are dissolved when they are far along in years—especially housewives who have not been able to work and earn social security benefit protection of their own.' REPORT OF THE COMMITTEE ON WAYS AND MEANS ON H.R. 6675. H.R. REP. NO. 213, 89th Cong., 1st Sess. 94 (1965), quoted in 1971 ADVISORY COUNCIL ON SOCIAL SECURITY. Report 34 (1971)." *Sex Classifications, supra* n.2 at 187 and n.34.

[18] 42 U.S.C. § 402(b) (1) (B).

[19] 42 U.S.C. § 402(g) (g) (1).

[20] *Id.*

[21] 42 U.S.C. § 402 (b) (1) (B); 42 U.S.C. § 402 (g) (1) (E): *see* Eligibility for Children's Benefits. 42 U.S.C. § 402(d).

[22] Final report of the Advisory Council on Social Security 31 (1938); report of the Advisory Council on Social Security, S. Misc. Doc. No. 4, 76th Cong., 1st Sess. 18 (1939).

[23] 367 F. Supp. 981 (D. N.J. 1973).

[24] *See* U.S. Dept. of Agriculture v. Moreno, 413 U.S. 528 (1973); Shapiro v. Thompson, 394 U.S. 618, 641–42 (1969); Bolling v. Sharpe, 347 U.S. 497, 499 (1954); Miller v. Laird, 349 F. Supp. 1034 (D. D.C. 1972) (three-judge court); Hobson v. Hansen, 269 F. Supp. 401 (D. D.C. 1967), aff'd sub nom. Smuek v. Hobson, 408 F. 2d 175 (D.C. Cir. 1969).

[25] Reed v. Reed, 404 U.S. 71 (1971); Frontiero v. Richardson, 411 U.S. 677 (1973); Moritz v. Commissioner of Internal Revenue, 469 F. 2d 466, 470 (10th Cir. 1972), cert. denied, 412 U.S. 906 (1973); Ballard v. Laird, 360 F. Supp. 643 (S.D. Cal. 1973) three-judge court).

[26] *See* Stanley v. Illinois, 405 U.S. 645 (1972).

[27] Frontiero v. Richardson, 411 U.S. 677 (1973); Wiesenfield v. Secretary of HEW, 367 F. Supp. 981 (D. N.J. 1973); *but see* Kahn v. Shevin, 94 S. Ct. 1734 (1974).

[28] *See* Developments in the Law—Equal Protection, 82 Harv. L. Rev. 1065 (1969).

[29] Eslinger v. Thomas, 476 F. 2d 255, 231 (4th Cir. 1972); Wark v. Robbins, 458 F. 2d 1295, 1297 n. 4 (1st Cir. 1972) (dictum); *see generally,* Gunther, The Supreme Court 1971 Term—Foreword: In Search of Evolving Doctrine on a Changing Court, 86 Harv. L. Rev. 1 (1972); Getman, The Emerging Constitutional Principle of Sexual Equality. The Supreme Court Review 157 (1972).

[30] Frontiero v. Richardson, 411 U.S. 677 (1973); Wisenfeld v. Secretary of HEW, 367 F. Supp. 981 (D. N.J. 1973).

[31] 411 U.S. 677, 93 S. Ct. 1764 (1973).

[32] The effect of this decision has been the subject of much speculation and analysis. *See, e.g.,* Sex Discrimination and Equal Protection: An Analysis of Constitutional Approaches to Achieve Equal Rights for Women, 38 Albany L. Rev. 66 (1973); Toward Sexual Equality? An Analysis of Frontiero v. Richardson, 49 Iowa L. Rev. 377 (1973).

[33] 411 U.S. at 6.

[34] 404 U.S. 71 (1971).

[35] Ballard v. Laird, 360 F. Supp. 643 (S.D. Cal. 1973) (three-judge court); Andrews v. The Drew Municipal Separate School, — F. Supp. — (N.D. Miss. 1973); Wiesenfeld v. Secretary of H.E.W., 367 F. Supp. 981 (D. N.J. 1973).

[36] 42 U.S.C. § 402(g).

[37] *Appeal docketed,* No. 73–1892, U.S. Sup. Ct., June 18, 1974.

[38] 94 S. Ct. 1734 (1974).

[39] This interpretation was accepted by the court in Kohr v. Weinberger, 43 U.S.L.W. 2066 (E.D. Pa. July 26, 1974) (three-judge court). (Benefits computation formula in Social Security which favors women wage-earners over men does not unconstitutionally discriminate against men.)

[40] U.S. Ct. 1734 at 1737.

[41] *Id.* at 1737, n.8.

[42] *Id.*

[43] 367 F.Supp. at 991.

[44] 42 U.S.C. § 402(g) (1).

[45] 42 U.S.C. § 402(b), § 402(g).

[46] 411 U.S. at 698 n.22.

[47] Oliver v. Weinberger, No. C–74–1416 SC (N.D. Cal., filed July 8, 1974), is a class action challenging the constitutionality of 42 U.S.C. § 402(b), which authorizes payment of benefits to divorced wives of covered workers but not to divorced husbands of such workers. The plaintiff is the ex-husband of a fully insured woman who is presently receiving Old Age Insurance benefits. Plaintiff has never engaged in covered employment.

[48] 415 U.S.C. 645 (1972).

[49] Note that the justification for affirmative action programs arose in civil rights cases, where the programs were used to combat racial classifications without the limits of case-by-case adjudication. It may be that inherent differences exist between race and sex classifications such that similar justifications are not applicable. See Getman, *The Emerging Constitutional Principle of Sexual Equality*, 1972 Supreme Court Rev. 157, 165.

[50] 367 F.Supp. at 990.

[51] *Id.* at 991.

[52] Where the strict scrutiny test is applied, requiring a compelling government interest, courts have consistently required a showing that no alternatives exist which intrude to a lesser degree upon the strong individual at stake. The Wiesenfeld court had no reason to pursue the existence of alternatives, since they invalidated the affirmative action justification on other grounds. Therefore, it might be argued that, at a minimum, alternatives should be considered before discrimination against men is allowed.

[53] See Kohr v. Weinberger, 43 U.S.L.W. 2066 (E.D. Pa., July 26, 1974).

[54] See Jefferson v. Hackney, 406 U.S. 535 (1972); Richardson v. Belcher, 404 U.S. 78, 81 (1971); Dandridge v. Williams, 397 U.S. 471 (1970); McGowan v. Maryland, 366 U.S. 420 (1961); see generally, Developments in the Law—Equal Protection, 82 HARV L. REV. (1969).

[55] 367 F.Supp. at 989.

[56] Reed v. Reed, 404 U.S. 71 (1971); Frontiero v. Richardson, 411 U.S. 677 (1973). See also Diaz v. Weinberger, 361 F.Supp. 1, 11 (S.D. Fla. 1973); Ballard v. Laird, 360 F. Supp. 643 (S.D. Cal. 1973); Aiello v. Hansen, 359 F. Supp. 792, 798 (N.D. Cal. 1973); Chatman v. Barnes, 357 F.Supp. 9 (N.D. Okla. 1973). (All decided by three-judge courts.)

[57] 411 U.S. 677 (1973.)

[58] 367 F.Supp. at 990.

[59] 94 S.Ct. at 1736. See also Kohr v. Weinberger, 43 U.S.L.W. 2066 (E.D. Pa., July 26, 1974).

[60] Kahn v. Shevin, 94 S. Ct. 1734 (1974); Kohr v. Weinberger, 43 U.S.L.W. 2066 (E.D. Pa., July 26, 1974).

[61] Skinner v. Oklahoma ex rel. Williamson, 316 U.S. 535 (1942); Iowa-Des Moines Nat'l Bank v. Bennett, 284, U.S. 239, 247 (1931).

[62] Frontiero v. Richardson, 411 U.S. 677 (1973).

[63] H.R. REP. NO. 728, 76th Cong., 1st Sess. (1939).

[From the Indiana Law Journal, Fall 1973]

Sex Classifications in the Social Security Benefit Structure

The social security program, providing social insurance protection against old age, death and disability (OASDI),[1] has assumed increasing national importance in the last two decades, both in terms of revenue collected by payroll taxes and benefits paid.[2] The program's benefits are distributed according to family relationship. A worker receives benefits as the primary breadwinner, and wives, children, parents and a few husbands receive benefits as dependents. Since the benefit structure is rooted in traditional assumptions regarding family roles, the dependents' benefits are largely defined in terms of sex. Although some of Social Security's distinctions based on sex have been eliminated over the years, differentials remain in the dependent wife's, widow's, mother's, husband's, and widower's benefit provisions.[3]

With recent developments in the constitutional doctrines of equal protection and due process, the courts have indicated a greater willingness to carefully evaluate and strike down classifications based on sex. Social Security's sex-linked benefit structure may now be vulnerable to attack.

The future of Social Security may include not only reforms which will equalize existing benefit programs, but also reforms which will broaden the system's coverage.[4] Since its initial adoption, the social security system has been expanded as societal views on the purpose of the program and those whom it should protect have changed. With the current reexamination of women's roles and Social Security's impact on women, OASDI's primary protection of workers may eventually be extended to those, either men or women, now considered dependents who work at home without pay rather than in the labor force.

CURRENT OASDI BENEFIT PROVISIONS

The concept of the family embodied in the Social Security Act[5] has evolved over time, but the basic assumption that men are the

---

Footnotes at end of article.

breadwinners supporting dependent women has remained. This traditional notion of proper sex roles is exemplified by the fact that wives and widows are presumed to be dependent on male workers, whereas husbands and widowers must prove their dependence. The worker's benefit itself has been designed with the male breadwinner model in mind.

Benefits for workers

Under the original Act, the worker was the only beneficiary.[6] Today, the worker is the primary beneficiary, but dependents receive some benefits from the worker's Primary Insurance Amount (PIA).[7] To receive protection as a worker, a person must have worked for a substantial period of time in employment covered by OASDI.[8] The program applies only to those who work for pay since benefits are calculated on the basis of an average monthly wage.[9]

Female and male workers' benefits have been calculated differently because the Act has assumed that the family breadwinner is a man. This differential treatment began in 1956 when women became eligible for benefits at age 62.[10] The provision was designed to allow nonworking wives to receive benefits at an earlier age in order to ease the financial strain on a married couple when the husband retired at age 65.[11] Although aimed at dependent wives, all women were allowed to take advantage of the provision, thereby encouraging the earlier retirement of working women. The early retirement provision was extended to men in 1961,[12] but the benefit-computation point used in determining the PIA was not reduced from age 65 to age 62 for men as it had been for women.[13] Thus, for men any year of retirement between age 62 and age 65 was considered a year of low earnings in calculating the average monthly wage. This calculation resulted in lower benefits for men than for women with the same average earnings over their working years,[14] and gave men a considerable incentive not to take advantage of early retirement. The 1972 amendments to OASDI provided for elimination of this sex-based age differential over the next three years.[15]

By 1975 Social Security will give men the same incentive as women to retire at age 62, but it is likely that a larger proportion of women than men will continue to retire early, due to broader societal pressures. Women traditionally have been encouraged or even forced to retire at earlier ages than men although their greater life expectancy would suggest an opposite policy.[16] Although early retirement has been seen as an advantage for women, it reflects a view that women are secondary workers. The social security system has reinforced this tradition by making early retirement more attractive for women than for men. In addition, the early retirement provisions, with permanently reduced benefits, have resulted in a greater proportion of women beneficiaries receiving significantly lower benefits throughout their remaining years.[17]

The male breadwinner model reflected in the worker's benefit structure suffers from a two-fold limitation. On the one hand, a majority of women between the ages of 18 and 65 now work.[18] Working wives, many with dependent children, are a substantial proportion of the labor force, and an increasing number of married women are the primary breadwinners in their families.[19] On the other hand, because Social Security only covers work for pay,[20] the many women who continue to work at home or as volunteers in the community are denied primary coverage as workers. This results in a larger proportion of men than women receiving the higher worker's benefit.[21]

Benefits for dependent women and men

More women receive social security benefits as dependent wives, widows and mothers than as workers.[22] The retirement benefit for wives and the survivor's benefit for widows were added in 1939 with the presumption that wives are dependent upon their husbands.[23] If both a wife and her husband are retired, she automatically receives a benefit equal to one-half of her husband's PIA, unless she has worked in covered employment and her own worker's benefit is greater than her wife's benefit.[24] Roughly speaking, if a wife has average earnings over one-third of her husband's she will not then be considered "dependent" and she will receive a worker's benefit larger than her dependent's benefit would have been.[25] A widow, on the other hand, is treated as a dependent unless her own worker's benefit equals or exceeds her deceased husband's PIA.[26]

The benefits for husbands and widowers offer a stark contrast to the presumptive dependency benefits for wives and widows. The husband and widower benefits were added in 1950 to allow disabled or otherwise dependent men to receive benefits in the "rare" case where the primary breadwinner was the wife.[27] In order to qualify for benefits on a woman's wage record, a husband or widower must show that he received over one-half of his individual support from his wife.[28] Since OASDI assumes that one-half of family expenses are for the husband, the wife must have paid at least three-fourths of the total family expenses for her husband to receive a dependent's benefit. If eligible, a husband will receive one-half of his wife's PIA, and a widower will receive a benefit equal to his wife's PIA.[29]

Hostility toward liberalization of benefits for husbands and widowers continues to be based on the same traditional assumptions regarding family roles. The 1971 Advisory Council on Social Security assumed that all married men work unless disabled, and therefore, they could not be dependent on their wives.[30] The Council opposed elimination of the support requirement because of its feeling that men would receive double benefits financed by the public: benefits from public retirement plans for state or federal employees not covered by OASDI and benefits from OASDI derived from wives' wage records.[31] Interestingly, the Council was not concerned about women who presently receive double benefits.[32]

While husbands and widowers have at least a limited opportunity to draw benefits on their wives' wage records, divorced men, unlike divorced women, receive no protection under the Act.[33] The primary reason for the inclusion of divorced wives and "divorced widows" in the female benefit structure was to—

> "Provide protection mainly for women who have spent their lives in marriages that are dissolved when they are far along in years—especially housewives who have not been able to work and earn social security benefit protection of their own." [34]

Since the Advisory Council assumed that men do not stay home and keep house,[35] they considered the sex-based distinction valid, providing no opportunity for a divorced man to show he departed from the norm.

The social security system provides further benefits for women with children.[36] A mother's benefit was added in 1950, payable to a wife, widow or surviving divorced wife under age 65 (now age 62) as long as she had in her care a child eligible for benefits.[37] The purpose behind the mother's benefit was to enable a wife with children to remain at home and care for them after her husband died, retired, or became disabled.[38] No corresponding father's benefit exists.

The system assumes that the death or disablement of the husband-father will result in a loss of earnings for the family, but does not make the same assumption regarding the death or disablement of the working wife-mother.[39] Although the 1950 amendments were viewed as a repudiation of the assumption that women only work for "pin money," [40] the lack of a father's benefit perpetuates the secondary importance of the wife's contribution to the family income.

THE QUESTIONABLE CONSTITUTIONALITY OF SOCIAL SECURITY'S SEX CLASSIFICATIONS

The sex classifications which remain in the OASDI benefit structure are vulnerable to constitutional attack. With recent United States Supreme Court extensions of equal protection and due process doctrines in the area of sex discrimination, it is possible that the sex-based statutory scheme of OASDI will be declared void. Private employment benefit plans similar to OASDI have been found to violate title VII of the Civil Rights Act of 1964.[41] In addition, the Equal Rights Amendment to the United States Constitution,[42] if ratified, will necessitate abandonment of the sex-stereotyped benefit structure.

The effect of Reed and Frontiero on OASDI

Traditionally, in cases challenging legislative classifications based on sex under the equal protection and due process doctrines,[43] the Supreme Court used the more lenient "rational relationship" test,[44] rather than requiring a showing of "compelling state interest." [45] The Court allowed legislatures to draw sharp lines between the sexes,[46] and found a rational basis for sex classification in its belief that "[women are] still regarded as the center of home and family life." [47]

The first break in this traditional approach to sex classification came in *Reed v. Reed*.[48] In a unanimous decision, the Court struck down an Idaho statute giving preference to males over females in selecting administrators of decedents' estates. The Court held that the sex classification was arbitrary and based on criteria wholly unrelated to the objective of the statute.[49] The state's rationale that men as a rule are more conversant with business affairs than women [50] was implicitly rejected by the Court. It went on to say that even though the state's interests in achieving administrative efficiency and avoiding intrafamily controversy are not without some legitimacy, "the choice in this context may not lawfully be mandated solely on the basis of sex." [51] Although *Reed* did not declare sex a "suspect classification," it was viewed by many as the beginning of a more careful evaluation of sex classifications by the Court.[52]

A second shift in the Court's treatment of sex classification came with *Frontiero v. Richardson*,[53] challenging the sex classifications in the federal statutes defining dependents and dependents' benefits for uniformed service personnel.[54] Under these laws, in order for a woman in the military to claim her husband as a dependent for purposes of obtaining an increased housing allowance and medical and dental benefits, he must receive over one-half of his support from his wife.[55] On the other hand, a wife of a serviceman is presumed dependent, as is OASDI, and is automatically eligible for benefits.[56] The plaintiff in *Frontiero* requested dependents' benefits for her husband, a full-time student. His share of their total expenses was $354 per month, but because he received $205 per month in veterans' benefits, he did not meet the one-half support requirement.

A three-judge panel sustained the statutory scheme, finding that the distinction was not based *solely* on sex, as in *Reed*, but was based on sex *plus* the specific relationship of the dependent individual to the servicemember.[57] Looking for a "reasonable basis" upon which to uphold the statute, the court pointed to the administrative burden which Congress allegedly sought to avoid by establishing wives' presumptive dependency.[58] The court reasoned that a presumption to facilitate administration does not violate equal protection if it does not unduly burden or oppress the class upon which it operates.[59] The court found that the only burden on

---

Footnotes at end of article.

women in this case was that married women were not allowed to receive "windfall" payments which married men received by claiming wives not in fact dependent.[60] This burden was not considered sufficiently oppressive to void the statute.[61]

The Supreme Court reversed the district panel and held that the challenged statutes violated the due process clause insofar as they require a servicewoman to prove the dependency of her husband.[62] Justice Brennan joined by Justices Douglas, White and Marshall, found that classifications based on sex, like those based on race, alienage and national origin, are inherently suspect and must be subjected to close judicial scrutiny.[63] In abandoning the rational relationship test, previously applied to sex classifications, Justice Brennan cited *Reed*, characterizing it as a "departure from 'traditional' rational basis analysis." [64] He based his conclusion that sex is a suspect classification upon the pervasive, although often subtle, discrimination against women, and upon the fact that sex, like race, is an immutable characteristic determined by birth which frequently bears no relation to one's ability to perform or contribute to society.[65] He also cited *Reed* as precedent for rejecting the government's rationale of administrative convenience.[66]

Although eight Justices concurred in the *Frontiero* judgment,[67] only four were willing to declare sex a suspect classification.[68] Justice Powell, joined by Chief Justice Burger and Justice Blackmum, declined to characterize sex as a suspect classification "with all the far-reaching implications of such a holding." [69] Justice Powell preferred to decide the case on the authority of *Reed*, reserving for the future any expansion of its rationale.[70] In addition, because the Equal Rights Amendment had been submitted by Congress to the states for ratification, he thought that the adoption of the strict scrutiny test for sex classification would preempt "by judicial action a major political decision which is currently in process of resolution." [71] Justice Stewart joined neither Justice Brennan's nor Justice Powell's opinion, but simply concurred in the judgement on the basis of *Reed*.[72]

The judgment in *Frontiero* eliminated the requirement that service women prove the dependency of their husbands, resulting in the extension of the presumption of dependency to all spouses regardless of sex. The one-half support requirement struck down in *Frontiero* is identical to that found in the husband's and widower's social security benefits.[73] Thus, *Frontiero* should lead the Court to hold Social Security's male support requirements unconstitutional, and extend to men the presumption of dependency continued in the wife's and widow's benefits. Extension of the dependency presumption would mean that a husband or widower would automatically receive whichever benefit was greater, his own or a derivative benefit based upon his wife's wage record.[74]

In addition, *Frontiero* can be used as the basis for arguing that the lack of a father's benefit [75] constitutes discrimination as invidious as the presumptive dependency rules. Because Social Security makes no provision for a father's benefit, a mother's employment results in less financial protection for her family than a father's employment. If a working mother dies or becomes disabled, fathers are penalized by the lack of any benefit to replace either the mother's contribution to the family income or her provision of household or childcare services.[76]

OASDI as measured by the public policy of title VII

Although OASDI, as a federal retirement plan, is not covered by title VII of the Civil Rights Act of 1964, the commitment to sexual equality expressed in title VII [77] lends support to a court finding Social Security's sex classifications unconstitutional under *Frontiero*. Justice Brennan, in finding sex a suspect classification in *Frontiero*, referred to title VII and noted that—

"Congress itself has concluded that classifications based upon sex are inherently invidious, and this conclusion of a coequal branch of Government is not without significance." [78]

Title VII bans discrimination in "conditions of employment" which has been construed to include retirement and death benefit plans.[79] Although title VII is not applicable to OASDI, its sex-based benefit structure would be illegal if OASDI were an arrangement between private employers and employees.

The Equal Employment Opportunity Commission (EEOC) which enforces title VII, in its guidelines on sex discrimination, has declared that benefits conditioned on "head of household" or "principle wage earner" status will be found prima facie violations.[80] The Guidelines also prohibit employers from establishing benefits for wives and families of male employees where the same benefits are not available for the husbands and families of female employees.[81] In litigation involving a private retirement plan, the EEOC held that an employer's death benefit plan similar to OASDI violated title VII by providing for mandatory payments to the surviving wife of a deceased worker, while paying benefits to a deceased worker's husband only if he was physically or mentally incapable of self-support.[82] The employer argued that the death benefits did not discriminate on the basis of sex, but were based upon the fact that married women were generally supported by their husbands and had fewer obligations to support others.[83] In rejecting this defense, the EEOC held such presumptions based on the collective characteristics of a sexual group were without merit because title VII was intended to protect individuals from the penalizing effects of stereotypes based on sex.[84]

Title VII lends support to the argument that Social Security's sex classification may no longer be viewed as a permissible method of meeting the welfare and income security goals of OASDI. What is important to these goals is the economic role assumed by each spouse, not the spouse's sex. It would be highly anomalous for a court to decide that the sex classifications of OASDI meet either the rational relationship or the compelling state interest tests, when such classifications are not allowed in employment plans within the private sector.

Impact of the Equal Rights Amendment on OASDI

Finally, another legal tool that could be used to eliminate OASDI's sex classification would be the proposed Equal Rights Amendment (ERA) to the Constitution.[85] The simple theory of the ERA is that sex would no longer be a permissible basis for statutory classification.[86] The fact that members of one sex are more likely than members of the other sex to perform particular functions would not "authorize the Government to fix legal rights or obligations on the basis of membership in one sex." [87] Under this rationale, legislative classification is permissible in "situation[s] where a physical characteristic unique to one sex is involved" [88] or where personal privacy is essential.[89] Otherwise, the proposed amendment would require that legal distinctions be made on the basis of characteristics or functions common to both sexes.

Consequently, under the ERA, all spouses would be eligible for social security benefits on equal terms.[90] The male and female dependent spouse benefits could be reconciled in two ways: either by eliminating the presumption or by extending the presumption of dependency to husbands and widowers, as in *Frontiero*.[91] The dependency presumption could be eliminated by requiring women to prove that they receive one-half of their support from their husbands. This would be the least desirable alternative since forcing wives to prove receipt of support would increase the complexity of an already intricate system and would proliferate litigation.[92] Thus, the preferrable alternative under the ERA would be to extend Social Security's presumptive dependency to men so that husbands and widowers would be eligible on the same basis as wives and widows. Extension would result in the least change in the present system.[93]

If the social security benefit provisions are extended through application of the Equal Rights Amendment or the equal protection and due process clauses, enabling men to receive benefits on the same terms as women, these modifications would probably not create many additional beneficiaries or increase the size of payments. Men's rates of employment, average earnings and average PIA will remain higher than women's until employment discrimination against women ends. However, elimination of the current sex classifications would be significant in altering the present expectations implicit in the Act that all husbands are primary breadwinners and all wives are at best secondary earners. It would provide equal benefits for those couples who voluntarily choose to differ from the accepted norm, or who are forced to adopt nontraditional patterns for financial reasons. After modification, the statutory scheme would be sex-neutral on its face: the primary family earner would receive a workers' benefit, and the spouse, regardless of sex, would receive a derivative benefit if she or he had a PIA less than one-half of the primary earner's.

A STEP BEYOND ELIMINATION OF SEX CLASSIFICATIONS

Abolishing the sex classifications in OASDI will not alter the status of economic dependency which is a reality for many, if not most, women. A larger proportion of women will continue to receive a derivative spouse's benefit, based on their husbands' PIA, rather than their own worker's benefit. The perpetuation of women's dependent status through the social security system is regarded by many as a continued form of second-class treatment, ignoring women's productive contribution to society through their work as housewives and mothers.[94] Because many women do not work for money, they are unable to earn social security credits. Nevertheless, their work needs to be recognized as indispensible and as worthy of protection against the risks of death and disability. The social security system, by making benefits entirely dependent on substantial prior attachment to the work force, perpetuates society's disregard for those who do not work for pay. To encourage the treatment of women as equals and to provide minimum protection for homemakers against disability and death, the social security system should be revised to protect homemakers as primary workers.

Women's work patterns often vary from the patterns considered normal for most men. Although a majority of women work for wages at some point during their lives, many withdraw from the work force for varying lengths of time in order to bear and raise children.[95] Because computation of a person's PIA is based on a certain length of *continuous* work, interrupted work patterns and periods of part-time employment are major reasons many women do not receive their own social security benefits, even though they have accumulated social security credits.[96] Coverage of homemakers as workers would allow women to maintain a continuous work record throughout their productive years, and the multiple roles women play as workers and child rearers would no longer penalize them in terms of accumulated benefits.[97]

Footnotes at end of article.

One concrete legislative proposal has been developed to provide primary coverage of homemakers. House Bill 252, introduced on January 3, 1973,[98] would extend social security coverage to an individual who resides with, and maintains a household for, another employed or self-employed person. Monthly wages equal to the national average monthly wage for employment in service occupations would be deemed to have been paid to the individual for such "householder service."[99] If the householder was also employed part-time, she or he would be covered as a householder as long as the earned wages were insufficient to meet the minimum requirements for regular coverage.[100] General revenue funds would be used to finance this additional coverage.[101] The provisions make no distinctions on the basis of sex, so that men as well as women would be free to adopt dual roles if they chose to do so.

In the past, the major objections leveled against the coverage of homemaking services have been the practical difficulties of imputing a monetary value to unpaid work, and the related question of who should pay the payroll tax "contribution" to finance the additional benefits.[102] House Bill 252 avoids these two problems by using the national average wage for service workers to impute value and general revenue funds to finance benefits. Similar questions were answered in 1939 when the original provisions for dependent's benefits were passed, enlarging the welfare aspects of Social Security and departing from a strict insurance model.[103] Neither married men nor their wives were at that time asked to meet the additional costs of the wife's and widow's benefits; they were financed by all who paid the payroll tax.[104] The problem of imputed value was avoided by making the benefits dependent on the husband's earnings.[105] Today, however, recognizing the regressive nature of the payroll tax,[106] general revenue financing is preferable to higher payroll tax rates.

House Bill 252 does not provide for elimination of any of the present dependent's benefits, but would merely add an alternative benefit. If a wife is eligible to receive a derivative dependent's benefit higher than the household worker's benefit, she would be allowed to do so.[107] Thus, with House Bill 252, the Social Security Act would incorporate two views of homemakers by according them status as workers, in addition to recognizing their economic dependency.

CONCLUSION

Social security coverage of homemakers as workers would constitute a major expansion of the system, approaching universal protection for all persons over age 62 against the risks of retirement, death, and disability. With the elimination of sex classifications as a relevant basis upon which to condition benefits, the system would remain tied to the economic or productive functions of individuals. Because social security benefits are derived from an average monthly wage, however, women will continue to receive lower benefits than men, whether as workers or householders, as long as women are generally discriminated against in hiring, promotion and pay.

There is no way of eliminating this more subtle and indirect differential impact on women unless social security benefits are divorced from previous work experience. However, such a major revision in the concept of Social Security is highly unlikely. Short of such sweeping legislative reform of Social Security, the conversion of the present benefit structure into a sex-neutral statutory framework is necessary in order for Social Security to accommodate present changes in family roles and the increasing economic participation of women.

Martha S. West.

FOOTNOTES

[1] Federal Old-Age, Survivors, and Disability Insurance Benefits, 42 U.S.C. §§ 401–29 (1970). *as amended,* (Supp. II, 1972) [hereinafter referred to as OASDI or Social Security] This note will not include any discussion of the health insurance benefits of social security, known as Medicare.

[2] In 1971 social security payroll tax revenue reached 44 billion dollars, a growth from 4% of total federal revenue in 1949 to 23% in 1971. J. Brittain, The Payroll Tax for Social Security 1 (1972) [hereinafter cited as Brittain]. At the end of November, 1972, monthly cash benefits reached nearly 3.9 billion dollars. These benefits were paid to more than 28.3 million beneficiaries, health benefits included. 36 Soc. Sec. Bull., Mar., 1973, at 1.

[3] These differentials and social security's impact on women have become increasing concerns among those interested in improving women's social and economic status. *See* Citizens' Advisory Council on the Status of Women, Report of the Task Force on Social Insurance and Taxes (1968) [hereinafter cited as Citizens' Council]; HEW, Report of the Women's Action Program 85–93 (1972) [hereinafter cited as HEW Report]; National Organization for Women, NOW Goals (1973); The President's Commission on the Status of Women, Report of the Committee on Social Insurance and Taxes (1963) [hereinafter cited as President's Commission].

[4] *See* pp. 197–199 *infra.*

[5] 42 U.S.C. §§ 401–29 (1970), *as amended* (Supp. II, 1972 [hereinafter referred to as the Act]. "The Act" is used interchangeably with "OASDI" and "Social Security." *See* note 1 *supra.*

[6] Social Security Act of August 14, 1935, ch. 531, § 202, 49 Stat. 623.

[7] 42 U.S.C. § 415(a) (Supp. II, 1972).

[8] This substantial period of time is called "a quarter of coverage." A "quarter of coverage" means a three month period in which the individual has received at least $50 in wages in covered employment or has received at least $100 of self-employment income. 42 U.S.C. § 413(a) (1970). To be "fully insured" under OASDI, a person must have at least one quarter of coverage per year from age 21 (or 1950, whichever is later) until the year in which she or he dies or reaches 62, or a total of 40 quarters of coverage. 42 U.S.C. § 414(a) (Supp. II, 1972).

Social Security now cover 90% of workers in paid employment. Those not working in covered employment include federal civilian employees, certain employees of state and local government, and self-employed farmers who are voluntarily excluded from coverage. The remaining workers not receiving coverage are ineligble because of insufficient earnings, such as some domestic workers, farmworkers, self-employed farmers, nonfarm self-employed, and employees of nonprofit organizations. 36 Soc. Sec. Bull., Mar., 1973, at 75 (Table Q–2, figures for Sept., 1972).

[9] 42 U.S.C. § 415(b) (1970).

[10] Social Security Amendments of August 1, 1956, ch. 836, §§ 102(a), (c), 70 Stat. 809, *amending* 42 U.S.C. §§ 402, 416 (1952) (codified at 42 U.S.C. §§ 402(q), 416(a) (1970)). In 1965, widows became eligible for reduced benefits at age 60. Social Security Amendments of July 30, 1965, Pub. L. No. 89–97, § 307(a), 79 Stat. 373, *as amended* 42 U.S.C. § 402(c) (1970). Early retirement benefits are permanently reduced to take into account the longer period over which they will be paid. 42 U.S.C. § 402(q) (Supp. II, 1972).

[11] Wives were believed to be characteristically several years younger than their husbands. Bixby, *Women and Social Security in the United States,* 35 Soc. Sec. Bull., Sept., 1972, at 5 [hereinafter cited as Bixby].

[12] Social Security Amendments of June 30, 1961, Pub. L. No. 87–64, § 102(a), 75 Stat. 131, *amending* 42 U.S.C. § 402 (1958) (codified at 42 U.S.C. §§ 402(a), (c), (f) (1970)).

[13] 42 U.S.C. §§ 414(a)(1), 415(b)(3) (1970).

[14] In Gruenwald v. Gardner, 390 F.2d 591 (2d Cir. 1968), a male plaintiff challenged the constitutionality of the sex classification in these provisions. His primary insurance amount at age 62 of $100.60 was reduced by 20% to $80.50 because of early retirement. A woman, with a history of equal earnings and retiring at age 62, would have had a PIA of $115.60, reduced to $92.50 because of early retirement. In her case, the three years from age 62 to age 65 would be ignored in computing benefits. In the man's case, those three years are included as three years of low earnings in the computation of an average monthly wage, resulting in a lower PIA.

[15] Social Security Amendments of October 30, 1972, Pub. L. No. 92–603, §§ 104(a), (b), 86 Stat. 1340, *amending* 42 U.S.C. §§ 414, 415 (1970) (codified at 42 U.S.C. §§ 414(a), 415 (b)(3) (Supp. II, 1972)). The provisions giving the effective dates of the 1972 amendments to 42 U.S.C. §§ 414, 415 (Supp. II, 1972), specify that in 1973 men's benefits will be computed using age 64, in 1974 using age 63, and in 1975 the computation point for both men and women will be age 62. *Id.* § 414 (effective date of 1972 amendments).

[16] HEW Report, *supra* note 3, at 86.

[17] In June, 1972 61.2% of female retired workers were receiving reduced benefits, compared to 40% for male retired workers. The average monthly reduced benefit for women was $106. The average monthly reduced benefit for men was $131. For women the average worker's benefit without reduction was only $128 compared to $158 for men. 35 Soc. Sec. Bull., Dec. 1972, at 74 (Table Q–5).

[18] In May, 1973, 51.5% of women age 20–64 were in the labor force; 53.9% of those age 18 and 19 were in the labor force. 19 Employment & Earnings, June, 1973, at 24 (Table A–3). In 1950, only 37.2% of women age 18–64 were working. Dep't of Labor, Women's Bureau, Handbook on Women Workers 22 (1969) (Table 6) [hereinafter cited as Handbook].

[19] Women age 20 and over made 34% of the civilian labor force in 1972. 96 Monthly Lab. Rev., Sept., 1973, at 105 (Table 4). 78.5% of working women in 1967 were married, widowed, or divorced. Handbook, *supra* note 18, at 23 (Table 7). The number of working wives increased by 4.1 million between 1962 and 1969, 40% of the period's total labor force increase. 95 Monthly Lab. Rev., Aug., 1972, at 11. In 1971, 59% of women workers were married and one-third of working women had both a husband and dependent children. 95 Monthly Lab. Rev., Apr., 1972, at 9. Of the 44 million husband-wife families in 1970, wives were the main income recipients in 3.2 million families, 7.4% of the total. In 1960, the percentage was 5.7. Census Bureau, Sources and Structure of Family Income 377 (1973) (Table 9).

[20] *See* note 9 *supra* and text accompanying.

[21] In June 1972, 8,072,238 men were receiving monthly benefits. Of these men, 99.9% received benefits as retired workers. At the same time, 13,111,337 women were receiving monthly benefits, but only 47% of these women received benefits as retired workers. 35 Soc. Sec. Bull., Dec. 1972, at 74–78 (Tables Q–5 to –10).

Nonrecognition of women's work in the home or community will be explored in the final section of this note.

[22] Of the 13 million women receiving monthly benefits under OASDI in June, 1972, 6,990,000, or 53%, received benefits as dependent wives, mothers or widows. *Id.*

[23] Social Security Amendments of August 10, 1939, ch. 666, §§ 202(b) (d), (e), 53 Stat. 1364–65, *as amended* 42 §§ 402(b), (e), (g) (1970); Report of the Social Security Bd., H.R. Misc. Doc. No. 110, 76th Cong., 1st Sess. 6–7 (1939). The wife's benefit was regarded as one way of increasing benefits for workers in the early years of the system. In 1939 two-thirds of all men over 65 were married. These provisions were designed to account for the greater presumptive need of the married couple, although proponents of the amendment believed many wives would eventually

develop benefit rights based on their own earnings, thus eventually reducing the cost of the supplemental benefits to a relatively small amount. Hearings on H.R. 6635, the Social Security Amendments of 1939, before the House Comm. on Ways and Means, 76th Cong., 1st Sess. 59 (1939).

Divorced wives, and surviving divorced wives, or "divorced widows," if not remarried, were included in the wife's and widow's provisions beginning in 1965. They were not presumed dependent on their ex-spouses. Social Security Amendments of July 30, 1965, Pub. L. No. 89–97, § 308, 79 Stat. 375–78, *as amended* 42 U.S.C. §§ 402(b), (e), 416(d) (1970). In order to be eligible, a divorced wife or surviving divorced wife had to be receiving at least one-half of her support from the primary beneficiary, or receiving substantial contributions under a written agreement or a court order. In addition, her marriage to the insured must have lasted for at least twenty years. The support requirements were eliminated in 1972, so that only the twenty year duration of marriage requirement remains. Social Security Amendments of October 30, 1972, Pub. L. No. 92–603, § 114, *amending* 42 U.S.C. §§ 402, 416 (1970) (codified at 42 U.S.C. §§ 402(b), (e), 416(d) (Supp. II, 1972)).

[24] 42 U.S.C. §§402(b) (1) (E), (2) (1970).

[25] For example, if a working wife had an average monthly wage of $200, her PIA would equal $154.40. If her husband's average monthly wage were three times hers, or $600, her wife's benefit would equal $154.90, one-half of her husband's PIA of $309.80. If her average monthly wage were $250, her PIA would equal $174.80; her worker's benefit would be larger and she would no longer receive a dependent wife's benefit. *See* 42 U.S.C. § 415 (Supp. II, 1972) (Table for Determining Primary Insurance Amount and Maximum Family Benefits).

Rather than questioning the dependencey presumption, the *Report of the 1971 Advisory Council on Social Security* made the assumption more explicit and expansive:

"[T]he program provides benefits . . . for those of his relatives whom the worker normally supports or has a legal obligation to support . . . Benefits are provided for a wife or widow without a test of support because it is reasonable to presume that a wife or widow loses support, or a potential source of support, when the husband's earnings are cut off, except in situations where she, herself, has covered earnings and is eligible for a benefit on her own account that is larger than her wife's or widow's benefit."

1971 Advisory Council on Social Security, Report 34 (1971) [hereinafter cited as 1971 Advisory Report]. There is no recognition by the Advisory Council that husbands lose support, or potential sources of support, when their wives' earnings are cut off.

[26] A widow receives a dependent's benefit equal to 100% of her deceased husband's PIA. 42 U.S.C. § 402(e) (2) (A) (Supp. II, 1972). Before the 1972 amendments, a widow received only 75% of her husband's benefit. Social Security Amendments of August 10, 1939, ch. 666, § 202(d) (2), 53 Stat. 1365.

As the Social Security Administration prefers to explain the dependent wife and widow provisions, if a wife works and then retires, she receives her own benefit in any case. In addition, if her worker's benefit is low or non-existent, she receives a supplemental benefit up to the derivative benefit limits. Bixby, *supra* note 11, at 5.

Working women have expressed great dissatisfaction with the dependent wife's and widow's benefits. *See* Citizen's Council, *supra* note 3, at 67–78, 84–85; President's Commission, *supra* note 3, at 36–39. Under current provisions a married woman who has worked most of her life may get little or no more in benefits than she would have gotten had she never worked. Although she has paid social security taxes, she may receive no additional "return" over what she would have received had she remained a "dependent" wife.

The Social Security Administration is aware of these complaints, but points out that working women receive advantages for their contributions in the form of insurance protection against loss of earnings due to disability or death for themselves and their dependents. Bixby, *supra* note 11, at 9.

Rather than focusing on the differential treatment of working and nonworking wives, perhaps emphasis should be placed on the distinction between monetarily-employed workers, who supposedly have the ability to pay the payroll tax and those who work at home without financial compensation. In a very crude and indirect way, the social security system is compensating housewives through the wife's benefits for many years of unpaid labor.

[27] Social Security Amendments of August 28, 1950, ch. 809, § 101(a), 64 Stat. 483, 485 (codified at 42 U.S.C. §§ 402(c), (f) (1970)).

These additional benefits were viewed as establishing parity between the dependents of working men and women. However, the differential support requirements were virtually ignored. A program analyst for Social Security stated:

"The earlier legislation made no provision for benefits to a husband or widower on a woman's wage record. . . . The 1950 amendments have resolved this inequity. The new law retains the concept of deemed dependency of the wife on the husband, which fits the usual family situation, but it also permits the husband or widower to become a beneficiary on the basis of the wife's wage record if he has in fact been dependent on her."

Riches, Women Workers and Their Dependents Under the 1950 Amendments, 14 Soc. Sec. Bull., Aug., 1951, at 9, 11 [hereinafter cited as Riches].

[28] 42 U.S.C. §§ 402(c) (1) (C), (f) (1) (D) (1970). This test of dependency must be met prior to any calculation of PIA, and support encompasses all income received by the couple from whatever source. As explained in Clark v. Celebrezze, 230 F. Supp. 798 (D. Mass. 1964), *aff'd*, 344 F.2d 479 (1st Cir. 1965), *cert. denied*, 385 U.S. 817 (1966), one of the few cases litigating a husband's right to benefits, the Social Security Examiner added together the total family income available for mutual expenses of the husband and wife, took half as the husband's total support, and took half again to see if he met the requirement, which he did not. "Support" is defined in 20 C.F.R. § 404.350(c) (1972) as including food, shelter, clothing, ordinary medical expenses, and "other ordinary and customary items." *Id.*

[29] 42 U.S.C. § § 402(c) (3), (f) (3) (1970), *as amended* (Supp. II, 1972).

[30] 1971 Advisory Report, *supra* note 25, at 34–35.

[31] *Id.*

[32] The Advisory Council stated that dual entitlement for women was not a problem because the number of wives who work in noncovered employment and who get dependents' benefits even though they are not really dependent is a relatively small proportion of wives receiving dependent benefits. The Council offered no support for this statement. *Id.* at 35.

[33] Divorced husbands and surviving divorced husbands, not remarried, are not included in the husband's and widower's benefits as contrasted with divorced women. *See* note 23 *supra*.

[34] Report of the Committee on Ways and Means on H.R. 6675, H.R. Rep. No. 213, 89th Cong., 1st Sess. 94 (1965), *quoted in* 1971 Advisory Report, *supra* note 25, at 36.

[35] 1971 Advisory Report, *supra* note 25, at 36.

[36] Provision for wives with children whose husbands retire or become disabled is made through the wife's benefit. 42 U.S.C. § 402 (b) (1) (B) (1970). Provision for wives with children whose husbands die is made through the mother's benefit. *Id.* § 402(g) (1).

[37] Social Security Amendments of August 28, 1950, ch. 809, § 101(a), 64 Stat. 483, 485–86, *amending* 42 U.S.C. § 402 (1946) (codified at 42 U.S.C. §§ 402(b), (g) (1970)). A benefit for a worker's widow with an eligible child in her care was first added in 1939 under the provision "Widow's Current Insurance Benefits." Social Security Amendments of August 10, 1939, ch. 666, § 202(e), 53 Stat. 1365. The 1950 amendments changed the benefit title to "Mother's Benefit," extended protection to surviving divorced mothers and, under the wife's benefit, to mothers whose husbands retired or became disabled.

If the husband-father retires or is disabled, the mother's benefit is 50% of his PIA, 42 U.S.C. § 402(b) (1) (B), (2) (1970); if the husband-father dies the mother receives 75% of his PIA, *id.* § 402(g) (2).

Children may draw benefits on their parent's wage record. 42 U.S.C. § 402(d) (1970). When the dependent child's benefit was established in 1939 a child was deemed dependent on the father as long as the father was living with or contributing to the support of the child. A child was deemed dependent on the mother *only* if she was the sole support of the child and the father was no longer living with the child. Social Security Amendments of August 10, 1939, ch. 666, § 202(c), 53 Stat. 1364. After the 1950 amendments, if the mother was currently insured when she died or reached 65, her children were automatically entitled to benefits, assuming they were under the age limitations. If the mother was fully, but not currently insured, the child could receive benefits only if the mother provided at least one-half of the child's support, or the child was neither living with nor receiving any support from the father. Social Security Amendments of August 28, 1950, ch. 809, § 101(a), 64 Stat. 484. These limitations on the benefits available to the children of working women are eliminated in 1967. Social Security Amendments of 1967, Pub. L. No. 90–248, § 151, 81 Stat. 860 (1968), *amending* 42 U.S.C. § 402(d) (1964) (codified at 42 U.S.C. § 402(d) (1970)).

[38] Report of the Advisory Council on Social Security, S. Misc. Doc. No. 4, 76th Cong., 1st Sess. 18 (1939).

[39] Because the 1971 Advisory Council conceived of the mother's benefit as giving a choice to women not to work but to stay home, they saw no reason to extend the benefit to fathers:

"A man generally continues to work to support himself and his children after the death or disability of his wife. . . . Even though many more married women work today than in the past, so that they are both workers and homemakers, very few men adopt such a dual role; the customary and predominant role of the father is not that of a homemaker but rather that of the family breadwinner. . . . The Council therefore does not recommend that benefits be provided for a young father who has children in his care." 1971 Advisory Report, *supra* note 25, at 35.

A housewife is completely left out of OASDI's primary coverage, and no provision exists to help replace her services if she dies or becomes disabled. However, because women who work outside the home are otherwise covered by the Act, the lack of a benefit for fathers to replace a working wife's contribution to the family income seems indefensible.

[40] Riches, *supra* note 27, at 11.

[41] *See* note 79 *infra* & text accompanying. Title VII is codified at 42 U.S.C. § 2000e (1970), *as amended* (Supp. II, 1972).

[42] H.J. Res. 208, 92d Cong., 2d Sess. (1972); S.J. Res. 8, 92d Cong., 1st Sess. (1971).

[43] The equal protection clause of the fourteenth amendment is not directly applicable to federal legislation such as OASDI, but the

concepts surrounding it have been incorporated by the Supreme Court into the due process clause of the fifth amendment when reviewing federal action. Bolling v. Sharpe, 347 U.S. 497 (1954).

[44] *E.g.*, Richardson v. Belcher, 404 U.S. 78, 84 (1971); Dandridge v. Williams, 397 U.S. 471, 485, 487 (1970); Flemming v. Nestor, 363 U.S. 603, 611 (1960).

[45] Korematsu v. United States, 323 U.S. 214, 216 (1944) (race); Shapiro v. Thompson, 394 U.S. 618, 638 (1969) (affects fundamental interest in interstate movement).

[46] Goesaert v. Cleary, 335 U.S. 464, 466 (1948).

[47] Hoyt v. Florida, 368 U.S. 57, 62 (1961). In the only reported case to date attacking a sex classification in OASDI as a violation of equal protection and due process, the Second Circuit Court of Appeals followed the traditional rational relationship approach and declared that "special recognition and favored treatment can constitutionally be afforded women." Gruenwald v. Gardner, 390 F.2d 591, 592, *cert. denied*, 393 U.S. 982 (1968). In *Gruenwald*, the male plaintiff contended that the age differentials based on sex, in 42 U.S.C. § 415(b)(3) (1970), used in computing average monthly wages were unconstitutional. For the details of these provisions, see notes 12–15 *supra*. The provisions were upheld as constitutional because the court felt the sex classification was not patently arbitrary or utterly lacking in rational justification, and did not involve invidious discrimination. Because women as a class earn less than men, and their economic opportunities in higher age groups are less, the court found a reasonable relationship between the classification and the objective of the provision. This objective, according to the court, was to reduce the disparity between the economic and physical capabilities of men and women. 390 F.2d at 592.

[48] 404 U.S. 71 (1971).

[49] *Id.* at 74, 76.

[50] Brief for Respondent at 12, Reed v. Reed, 404 U.S. 71 (1971).

[51] 404 U.S. at 77.

[52] Justice Douglas in his concurring opinion in Alexander v. Louisiana, 405 U.S. 625 (1971), challenging the exemption of women from state juries, declared:

"The absolute exemption provided by Louisiana . . . betrays a view of a woman's role which cannot withstand scrutiny under modern standards. . . . Classifications based on sex are no longer insulated from judicial scrutiny by a legislative judgment that "woman's place is in the home," or that woman is by her "nature" ill-suited for a particular task."

Id. at 639–41. He then cited *Reed*. Similarly, Judge Duniway, dissenting in Struck v. Secretary of Defense, 460 F.2d 1372 (9th Cir. 1971), challenging the Army's regulation discharging officers who become pregnant, argued that Struck should have been given a rehearing in light of *Reed*, and stated: "It is not yet clear whether classification based upon sex is 'suspect,'. . . . I think, however, that eventually the Supreme Court will so hold." *Id.* at 1378. In Moritz v. Commissioner of Internal Revenue, 469 F.2d 466 (10th Cir. 1972), the Court of Appeals concluded that § 214 of the Internal Revenue Code, 26 U.S.C. § 214 (1970), allowing only women and married men to deduct expenses for the care of dependents, was unconstitutional. Under the scrutiny required by *Reed*, the classification, based solely on sex, was held to constitute an invidious discrimination against never-married men. 469 F.2d at 470. *Compare* Getman, *The Emerging Constitutional Principle of Sexual Equality*, 1972 Sup. Ct. Rev., 157 (1973) [hereinafter cited at Getman] and Sedler, *The Legal Dimensions of Women's Liberation: An Overview*, 47 Ind. L.J. 419 (1972) [hereinafter cited as Sedler] *with* Ginsberg, *Comment on Reed v. Reed*, 1 Women's Rights L. Rep., Spring, 1972, at 7 (calling the *Reed* opinion a "small, guarded step" forward).

[53] 411 U.S. 677 (1973).

[54] 37 U.S.C. § 401 (1970); 10 *id.* § 1072.

[55] 37 *id.* § 401; 10 *id.* § 1072(2)(C).

[56] 37 *id.* § 401; 10 *id.* § 1072(2)(A).

[57] Frontiero v. Laird, 341 F. Supp. 201, 206, 209 (M.D. Ala. 1972). The court noted that women in the armed services can claim unmarried, legitimate, minor children for purposes of medical and dental benefits without a showing of dependency in fact. *Id.* at 205–06. Judge Johnson dissented, finding the statutory classification based solely on sex, He would declare the statutes unconstitutional on the basis of *Reed*, regarding the rationale of administrative convenience as an insufficient rational basis to support the classification *Id.* at 209, 210.

[58] *Id.* at 207.

[59] *Id.*

[60] *Id.* at 207–08.

[61] *Id.* at 208.

[62] Frontiero v. Richardson, 411 U.S. 677, 691 (1973).

[63] *Id.* at 688.

[64] *Id.* at 684.

[65] *Id.* at 686.

[66] *Id.* at 690.

[67] Justice Rehnquist dissented for the reasons given by the district court *Id.* at 691.

[68] Two lower federal courts and two state courts, however, have previously reached the conclusion that sex is a suspect classification. *See* Sail'er Inn, Inc. v. Kirby, 5 Cal. 3d 1, 485 P.2d 529, 95 Cal. Rptr. 329 (1971); State v. Costello, 59 N.J. 334, 282 A.2d 748 (1971); *cf.* United States *ex rel.* Robinson v. York, 281 F. Supp. 8 (D. Conn. 1968), which examined a sex distinction in a criminal statute under the "strict scrutiny" standard, and found the sex classification to constitute invidious discrimination. In Thorn's v. Richardson, 4 BNA Fair Employment Practices Cas. 299 (W.D. Wash. 1971), women plaintiffs attacked the referral system of the federally administered Work Incentive Program (WIN), which under federal regulations gives preference to unemployed male welfare recipients over unemployed female recipients. The court held that the sex classifications were suspect, encroached upon the plaintiff's fundamental rights, and were with without rational basis as is required by the fifth and fourteenth amendments. *Id.* at 302.

[69] 411 U.S. 677, 692 (1973).

[70] *Id.*

[71] *Id.*

[72] *Id.* at 691.

[73] *Compare* 42 U.S.C. §§ 402(c)(1)(C), (f)(1)(D) (1970) *with* 37 *id.* § 401 *and* 10 *id.* § 1072(2)(C). The Social Security Act also includes a one-half support requirement in the dependent benefit for a workers' parents, but the parents' provision makes no distinction on the basis of sex; it applies equally to male and female workers, and to male and female parents. 42 U.S.C. § 402(h)(1)(B) (1970).

[74] Even the 1971 Advisory Council on Social Security recognized that the value of social insurance protection for dependents was lower for working women than for working men, due to the support requirement that husbands and widowers must meet to receive benefits on a woman's wage record. The Advisory Council pointed out, however, that this lower value of dependents' protection was offset by the greater value of the working woman's retirement benefit resulting from women's greater longevity. 1971 Advisory Report, *supra* note 25, at 63.

As the Court noted in *Frontiero*, the statutes requiring proof of support by husbands are not in any sense designed to rectify the effects of past discrimination against women. 411 U.S. at 689 n. 22. *Frontiero* can be distinguished from Gruenwald v. Gardner, 390 F.2d 591, *cert. denied*, 393 U.S. 982 (1968). *Gruenwald* upheld a sex classification in OASDI because the provision in question worked to the advantage of women in reducing the existing monetary disparity between male and female worker's benefits. *Id.* at 592. Although not designed with affirmative action in mind, the age differentials previously found in the computation provisions may have been able to pass a strict judicial scrutiny test as a means of promoting equality for women. *See* Getman, *supra* note 52, at 165–66; Sedler, *supra* note 52, at 454.

[75] *See* notes 36–40 *supra* & text accompanying.

[76] Wiesenfeld v. Secretary of Health, Education and Welfare, Civil No. 268–73 (D.N.J., filed Feb., 1973) is a class action challenging the denial of a "mother's" benefit to a father who has in his care an infant child. The plaintiff's wife had been a school teacher for seven years. She contributed fully to social security and earned substantially more than her husband until her death in childbirth. The plaintiff husband qualified for benefits under 42 U.S.C. § 402(g) (1970) in all respects except his sex.

[77] Title VII of the Civil Rights Act of 1964 states in pertinent part:

"It shall be an unlawful employment practice for an employer . . . to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's . . . sex." 42 U.S.C. § 2000–2(a)(1) (1970).

[78] 411 U.S. 677, 687–88 (1973).

[79] Bartmess v. Drewrys U.S.A., Inc., 444 F. 2d 1186 (7th Cir.), *cert, denied*, 404 U.S. 939 (1971); Rosen v. Pub. Serv. Elec. & Gas Co., 328 F. Supp. 454 (N.J. 1970), *aff'd* 477 F.2d 90 (3d Cir. 1973).

[80] 29 C.F.R. § 1604.9(c) (1973).

[81] *Id.* § 1604.9(d).

[82] CCH 1973 EEOC Dec. ¶ 6050, at 4083 (1969).

[83] *Id.* at 4084.

[84] *Id.* Another plan which paid death benefits only to surviving spouses of male employees, excluding female employees, was also found to violate title VII. CCH 1973 EEOC Dec. ¶ 6114, at 4206 (1970). A group health insurance plan, which required that an employee be a "head of household" to be eligible for benefits, was also rejected by the EEOC. CCH 1973 EEOC Dec. ¶ 6009, at 4026 (1969). In that case married males were assumed to be "heads," while married women as a group were assigned to an ineligible status. Again, the EEOC stated that such benefits could not be based on general assumptions regarding females as a group, including the employer's assumption that any working female was dependent upon her husband for support, regardless of the extent to which she contributes to the actual support and maintenance of her family. *Id.*

[85] The Equal Rights Amendment reads as follows:

"Sec. 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"Sec. 2. The Congress shall have the power to enforce, by appropriate legislation, the provision of this article.

"Sec. 3. This amendment shall take effect two years after the date of ratification."

H.R.J. Res. 208, 92d Cong., 2d Sess. (1972); S.J. Res. 8, 92d Cong., 1st Sess. (1971). As of April 1973, 30 states had ratified the amendment; 38 states are required for adoption. The states have until March, 1979 to ratify the proposed twenty-seventh amendment. 1 Women's Rights L. Rep., Spring, 1973, at 104.

[86] Senate Comm. on the Judiciary, Equal Rights for Men and Women, S. Rep. No. 92–689, 92d Cong., 2d Sess. 11 (1972) [hereinafter cited as Senate Report]; Brown, Emerson, Falk & Freedman, *The Equal Rights Amendment: A Constitutional Basis for Equal Rights for Women*, 80 Yale L.J. 871, 889 (1971) [hereinafter cited as *Equal Rights*].

[87] Senate Report, *supra* note 86, at 11–12.

[88] *Equal Rights, supra* note 86, at 890.

[89] Senate Report, *supra* note 86, at 12.

[90] Congresswoman Martha Griffiths, in her testimony in hearings on the ERA, used the social security provisions based on the sex of the spouse as examples of the impact the

ERA would have on federal as well as state laws. *Hearings in Equal Rights for Men and Women Before Subcom. No. 4 of the House Comm. on the Judiciary,* 92d Cong., 1st Sess. 38 (1971). In the debate on the floor of the Senate prior to passage of the ERA, Senator Fong introduced a letter from HEW Secretary Richardson listing instances of the Social Security Act's differential treatment based on sex which would be affected by the ERA. 118 Cong. Rec. 4404 (daily ed. Mar. 21, 1972).

[91] Frontiero v. Richardson, 411 U.S. 677, 691, (1973). Under title VII of the Civil Rights Act of 1964, U.S.C. § 2000e (1970), *as amended* (Supp. II, 1972), employers would also have the alternative of extending a benefit to both sexes on the same terms, or of eliminating it. In addition, the Equal Rights Amendment would require that the present benefit for a mother of an eligible child be extended to fathers, and that divorced men be eligible for benefits on the same basis as divorced wives and widows.

[92] Such litigation has continually occurred under the previously existing one-half support requirement for divorced wives. Social Security Amendments of July 30, 1965, Pub. L. No. 89–97, § 308, 79 Stat. 375–77. Including a one-half support requirement for wives might also deny coverage to women who work outside the home, but are not covered by social security or any other federal retirement plan, such as some domestic workers. In 1972, 500,000 domestic workers were not covered by OASDI. 36 Soc. Sec. Bull., Mar. 1973, at 75 (Table Q–2).

[93] Currently, many more women than men are drawing benefits as dependents and would be affected by the addition of a support requirement for women. As of June, 1972, 6,990,000 women were drawing benefits as wives and widows. 35 Soc. Sec. Bull., Dec., 1972, at 76–78 (Tables Q–7 to –10). Only 11,695 husbands and widowers were currently drawing benefits as dependents, and although it is difficult to estimate how many additional men would be able to qualify under the present wife's benefit rules, it is not likely to be a substantial number. If Congress is concerned about dual entitlement to benefits, *see* notes 30–32 *supra* & text accompanying, it could easily add a provision reducing a spouse's benefit by the amount received under another federal retirement system, or by giving a spouse the option of electing one of the two available benefits.

[94] *See* HEW Report, *supra* note 3, at 91–92; Walker, *Sex Discrimination in Government Benefit Programs,* 23 Hastings L.J. 277 (1971) [hereinafter cited as Walker]. Walker refers to the homemaker "Black-out Period," pointing out that a housewife is not eligible for any kind of federal cash assistance between the time her last child leaves home and the time she reaches age 62. Walker, *supra,* at 278. Social Security offers no protection to a housewife against her own death or disability, and provides no replacement benefit to meet her family's increased costs of house and child care.

[95] Handbook, *supra* note 18, at 7–8.

[96] Bixby, *supra* note 11, at 9.

[97] An individual work record would also reduce the risk attendant upon divorce, as benefits would not be based on marital status; a wife would no longer lose all accumulated social security protection if her marriage had not lasted twenty years. *See* 42 U.S.C. §§ 402(b)(1)(H), 416(d)(1)–(2) (1970).

[98] 93d Cong., 1st Sess. (1973). The bill was introduced by Representatives Abzug, Badillo, Conyers, Harrington, Podell, and Tiernan, and was referred to the Committee on Ways and Means. As of September, 1973, it was still languishing in the committee. Women's Equity Action League, Washington Report No. 14 (1973).

[99] H.R. 252, 93d Cong., 1st Sess. § 232(c) (1973).

[100] *Id.* § 232(b)(4). For minimum requirements of coverage as a worker see note 8 *supra.*

[101] H.R. 252, 93d Cong., 1st Sess. § 3 (1973).

[102] *See* President's Commission, *supra* note 3, at 37; Bixby, *supra* note 11, at 10.

[103] Report of the Social Security Bd., H.R. Misc. Doc. No. 110, 76th Cong., 1st Sess. 5 (1939).

[104] *Id.* at 5–7, 11–12.

[105] Social Security Amendments of August 10, 1939, ch. 666, § 202(b), 53 Stat. 1364 (codified at 42 U.S.C. § 402(b)(2) (1970)).

[106] *See generally* Brittain, *supra* note 2.

[107] Although not provided for in H.R. 252, 93d Cong., 1st Sess. (1973), the householder service benefit should also set the minimum benefit level, so as not to penalize those who are forced to work for wages below the average service worker's wage. The householder service benefit would form a floor below which benefits would not be allowed to fall. The national average monthly wage in service occupations was approximately $447 as of March 1973. 19 Employment & Earnings, June, 1973, at 86 (Table C–2). The average hourly pay for service occupations was listed at $3.30 and average weekly pay was $111.87.

H.R. 252 would not be the only possible way to extend primary coverage to homemakers. An alternative method of coverage could be worked out by splitting combined family earnings, attributing a portion to each spouse as her or his own earnings, and in that way establishing individual wage records that would survive the marriage. If "payroll" contributions from homemakers were regarded as necessary, they could be made through the federal income tax reporting system. *See* J. Pechman, H. Aaron & M. Taussig, Social Security—Perspectives for Reform 188–91 (1968).

By Mr. HARTKE (for himself, Mr. Javits, Mr. Magnuson, Mr. Williams, Mr. Randolph, Mr. McClellan, Mr. Hathaway, Mr. Bayh, Mr. Pastore, Mr. Philip A. Hart, Mr. Buckley, Mr. Kennedy, Mr. Culver, Mr. Ribicoff, Mr. Humphrey, Mr. Weicker, Mr. Pell, Mr. Cranston, Mr. Eagleton, Mr. Hollings, Mr. Gravel, Mr. Stafford, Mr. McGovern, Mr. Schweicker, Mr. Hugh Scott, Mr. Beall, Mr. Brooke, Mr. McIntyre, Mr. Moss, Mr. Biden, Mr. Leahy, and Mr. Tunney):

S. 1730. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

Mr. HARTKE. Mr. President, I ask unanimous consent that the bill I have introduced today for myself and other Senators to improve efficiency of transportation and to reduce unemployment be referred jointly to the Committee on Commerce and the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 182

At his own request, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 182, a bill to authorize the appointment of Alexander P. Butterfield to the retired list of the regular Air Force, and for other purposes.

S. 364

At the request of Mr. McClure, the Senator from New Mexico (Mr. Domenici) and the Senator from Alaska (Mr. Gravel) were added as cosponsors of S. 364, a bill to permit the transfer of earned but unused purchaser road credits between timber sales on the same National Forest.

S. 371

At the request of Mr. Williams, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 371, a bill to provide for the striking of medals commemorating the contributions by individuals of various ethnic backgrounds who contributed to the founding of the United States of America.

S. 595

At the request of Mr. Bartlett, the Senator from Florida (Mr. Chiles) was added as a cosponsor of S. 595, a bill to amend the Meat Import Act of 1964.

S. 846

At the request of Mr. Hugh Scott, the Senator from Kansas (Mr. Pearson) was added as a cosponsor of S. 846, and at his own request, the Senator from Kansas (Mr. Pearson) was added as a cosponsor of S. 846, a bill to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes.

S. 872

At the request of Mr. Hatfield, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 872, a bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates.

S. 940

At the request of Mr. Pell, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 940, the Career Guidance and Counseling Act of 1975.

S. 1286

At the request of Mr. Beall, the Senators from Tennessee (Mr. Baker and Mr. Brock), the Senator from New York (Mr. Javits), the Senator from South Dakota (Mr. McGovern), and the Senator from North Dakota (Mr. Young) were added as cosponsors of S. 1286, a bill to amend title II of the Social Security Act to increase to $5,100 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings.

S. 1531

At the request of Mr. Bellmon, the Senator from Oklahoma (Mr. Bartlett) was added as a cosponsor of S. 1531, a bill to designate the Mountain Park Reservoir, Okla., as the Tom Steed Reservoir.

S. 1545

At the request of Mr. Bumpers, the Senator from Arkansas (Mr. McClellan), and the Senators from Tennessee (Mr. Baker and Mr. Brock) were added as cosponsors of S. 1545, a bill to amend the Agricultural Adjustment Act of 1938 with respect to peanuts.

S. 1597

At the request of Mr. Hartke, the Senator from Maryland (Mr. Mathias), the Senator from Virginia (Mr. William L.

Scott), the Senator from California (Mr. Tunney), and the Senator from Iowa (Mr. Clark) were added as cosponsors of S. 1597, a bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes.

S. 1619

At the request of Mr. Kennedy, the Senator from Delaware (Mr. Biden) and the Senator from Missouri (Mr. Eagleton) were added as cosponsors of S. 1619, a bill to extend and revise programs for sickle-cell anemia.

S. 1625

At the request of Mr. Packwood, the Senator from Nebraska (Mr. Hruska) was added as a cosponsor of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

S. 1638

At the request of Mr. Eagleton, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 1638, a bill to authorize the Secretary of Health, Education, and Welfare to postpone the effective date of certain requirements imposed on States by Public Law 93-647 with respect to child support programs in the case of States which require additional time in which to implement the policies, programs, and activities so required.

S. 1664

At the request of Mr. Kennedy, the Senator from Colorado (Mr. Haskell), the Senator from Washington (Mr. Jackson), the Senator from New York (Mr. Javits), the Senator from Vermont (Mr. Stafford), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of S. 1664, a bill to amend the Lead-Based Paint Poisoning Prevention Act.

SENATE RESOLUTION 152—SUBMISSION OF A RESOLUTION RELATING TO PRESENT FEDERAL SPENDING PROGRAMS

(Referred to the Committee on Government Operations.)

Mr. DOLE (for himself, Mr. Stevens, Mr. McIntyre, and Mr. Roth) submitted the following resolution:

S. Res. 152

Resolved, That each standing committee of the Senate (other than the Committee on Appropriations and the Committee on the Budget) shall make a special study for the purpose of—

(1) evaluating the effectiveness of existing Federal programs within its jurisdiction in meeting present priority needs and problems in relation to the costs incurred under such programs, and determining whether there are more effective methods to meet existing priority needs and problems from the standpoint of the costs which would be incurred thereunder.

(2) reviewing the effectiveness of administrative implementation of such programs, and determining whether there are more effective procedures for achieving the objectives of such programs,

(3) identifying duplications in Federal, State, and local programs, and

(4) determining whether particular programs should be eliminated, or the funding therefor should be reduced, in view of the effectiveness of each such program in meeting present priority needs and problems.

Sec. 2. Each committee shall report the results of the study made by it under this resolution, together with its recommendations, to the Senate not later than December 31, 1975.

Mr. DOLE. Mr. President, we have just completed consideration of the first concurrent budget resolution. That does not mean that our task is finished or that we can all give a sigh of relief for a job well done.

I voted against the concurrent resolution because I felt we should have demonstrated to the American people that we were spending their money only for meritorious, prudent programs. We could have accomplished this by trimming expenditures slightly less than 1 percent. This would have added incentive and discipline to seek out and eliminate the "fat" which undoubtedly exists in most Government programs. That is past history, Mr. President, but the future will also confront us soon.

We must begin immediately to plan for fiscal year 1977. Faced with a large deficit this year, we need to drastically reduce the amount of the budget deficit in 1977. If not, we will be faced with net budget deficits for fiscal years 1975 through 1977 approaching $175 billion. Not only would such a result assure renewed double-digit inflation, it would almost certainly lead to further crowding-out in the capital markets and, most unfortunately, continued high unemployment.

A very important step in this budget process is the continuing oversight of all current Government programs and laws on the books. Today, the Congress is seen by many to be too timid in exercising its oversight perogatives.

I realize that recent reforms in the budget process have lent strength and added incentive to this oversight responsibility. The Congress has been committed to strengthen its role since passage of the Legislative Reorganization Act of 1946. However, our problem is to translate this intent into action.

The resolution I am proposing today on behalf of myself and the Senator from Delaware (Mr. Roth), Alaska (Mr. Stevens), and New Hampshire (Mr. McIntyre) will give added incentive to this oversight responsibility in the Senate. It requires each standing committee—other than Appropriations and Budget—to make a special effort to review and evaluate existing programs within its jurisdiction.

Further, the resolution directs the committees to review the effectiveness of these programs to determine whether or not there are more effective procedures for achieving the objectives of such programs

The committees would also identify duplications in programs and determine if any programs should be eliminated or have their funding reduced. All this effort to be done with a view toward assessing the success of each program in meeting present priority needs and problems.

To add teeth to my resolution, there is also a requirement for each committee to report to the Senate the results of their study together with any recommendations. This report must be filed no later than December 31, 1975. This will arm the Senate with a great deal more information for consideration of the next fiscal year budget.

I do recognize that section 136(b) of the Legislative Reorganization Act does require each standing committee to submit a report on its activities. This requirement, however, is effective only in odd numbered years. Thus, we would not even have the benefit of whatever information could be developed for next year's budget discussions and action.

There is also a requirement that each standing committee review and study, on a continuing basis, the application, administration and execution of those laws, or parts of laws, which are within the jurisdiction of that committee. The committees may do this themselves or have a private contractor or even a Government agency do it for them.

As far as I can tell though, this requirement is not related to the reporting requirement. A report on committee activities bears no resemblance to a report containing recommendations based on oversight.

Mr. President, I believe we can keep a lid on current program spending—even when providing for modest increases or new initiatives—by providing for a thorough re-evaluation of on-going programs. Unless and until the committees undertake this close scrutiny, the ability of the Budget Committee to make sound and effective priority recommendations will be limited.

Each spending program we endorse must meet and respond to a priority need. No program should be exempt from close examination. Only with such a review and revision of priorities will we see a properly functioning budget process. And it must function properly if we are to avoid further drain on our economy through high deficits—deficits of such magnitude as has been approved this year.

Mr. President, the resolution I offer is a sincere attempt to strength the congressional budget process. Passage of this resolution will instill even more responsibility and pride in the actions we take on budget matters now and in the future. The Senate should and must take a leadership role in adding to the fine progress of the congressional budget process. We should never allow ourselves to feel that the task has been completed.

SENATE RESOLUTION 153—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. Res. 153

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $20,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

SENATE RESOLUTION 154—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO THOMAS J. DONOVAN

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. Res. 154

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Thomas J. Donovan, widower of Maura R. Donovan, an employee of the Senate at the time of her death, a sum equal to seven and one-half months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENTS NOS. 439, 440, AND 441

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted three amendments intended to be proposed by him to the bill (S. 200), to establish an independent consumer agency to protect and serve the interest of consumers and for other purposes.

AMENDMENTS NOS. 442, 443, AND 444

(Ordered to be printed and to lie on the table.)

Mr. WILLIAM L. SCOTT submitted three amendments intended to be proposed by him to the bill (S. 200), supra.

AMENDMENT NO. 445

(Ordered to be printed and to lie on the table.)

Mr. BROCK submitted an amendment intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 446 AND 447

(Crdered to be printed and to lie on the table.)

Mr. JOHNSTON. Mr. President, today I would like to offer two amendments to the Consumer Protection Act of 1975. Both of these amendments are straightforward and seek to strengthen the pending legislation.

First, I would propose a modification to the small business exemption from the interogatory powers of the Administrator of the Agency for Consumer Advocacy as outlined in section 10. The Committee on Government Operations has already recognized the substantial burden that these interogatories could pose for small businesses; their recognition of this problem is clear from the present small business exemption in the bill. However, I do not believe that this exemption goes far enough. As now written, section 10(a)(4) would require that a business meet three independent tests in order to qualify for this exemption. I would propose in the alternative, that if a business meets any one test that it should be exempted. Moreover, I would propose that the third criteria related to business earnings be deleted and that in its place the Senate put an employee guideline. Specifically, I would urge that any business with less than the equivalent of 300 full-time employees be considered a small business for the purpose of this bill. I believe that the size of a business is best measured by the number of employees, and we should, at least in part, define the exemption in this bill in those terms.

Second, I propose that the powers of the Administrator to seek judicial review of agency decisions be limited. Particularly, I would recommend that judicial review in sections 6(c)(1) and 6(d) be limited to those cases where the Administrator determines that the health or safety of consumers is substantially and directly affected. The legislation now pending before the Senate is far-reaching in all its aspects. This legislation has the capacity to substantially change the administrative and regulatory procedures of our couutry. Whether the changes will be positive or negative remains to be seen. Because of the uncertainty surrounding these changes, I would recommend that we move one step at a time. We could experiment with these broad-based powers of the Administrator in a somewhat limited sphere. Health and safety is certainly the most important area where consumer interests are involved. If we find that the intervention and judicial review processes as described in the act are constructive in these two areas, then the Senate could extend these powers.

It is my belief that these two amendments would strengthen the legislation now pending before the Senate.

AMENDMENTS NOS. 448 THROUGH 451

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI. Mr. President, today I submit four amendments to S. 200, the bill to create an Agency for Consumer Advocacy.

I would first like to commend the distinguished junior Senator from Tennessee, Mr. Brock, for his foresight and understanding of the inflationary impact of many Federal rules and regulations. The addition of a mandatory cost-benefit analysis will prove critical in any move to fight inflation and increase competition.

Section 24 as it now reads would require each Federal agency, who is authorized to promulgate rules and regulations, to prepare a cost-benefit assessment statement consisting of: First, foreseeable estimated costs of implementation of such rules, second, estimated benefits that are foreseeable as a result of such implementation; and third, the apparent relationship between cost and benefits. This required statement to be submitted in the Federal Register would include the assumptions used in determining the cost of compliance including the manufacturer's cost and consumer costs reflected in the price of any product affected by the proposed rule.

I am not questioning the desirability of this concept but am instead concerned as to the validity of such a proposal if the same agency which proposes the regulation is the sole source of a cost-benefit assessment. I cannot think of many circumstances where an agency will issue a regulation and then turn around and report objectively on its desirability from a cost-benefit standpoint.

My amendment would require that prior to an agency submitting a cost-benefit assessment statement in the Federal Register, the assumptions used, including increased manufacture and consumer cost, would be forwarded to the Comptroller General. The Comptroller General would then review these assumptions and if he determines that based upon the proposed regulations these facts are inaccurate, incomplete or unjustified, he must report to the committees of the Senate and House of Representatives having jurisdiction over such agency as to his findings.

I have introduced this amendment because I feel it is imperative that Congress has an independent and objective source to monitor these assumptions and corresponding cost-benefit statements.

My second amendment involves the small business exemption that was originally introduced by myself last session and subsequently improved upon by the distinguished Senator from Georgia, Mr. Nunn. Presently under S. 200 the Administrator, while directed to report annually on the activities of the agency to Congress, is also required to report separately on the effectiveness of the small business exemption.

I am concerned because this separate report language appears to indicate only a temporary exemption by requiring only the small business exemption to have such a report. I am unaware of any similarly required reports for the FCC, NLRB, or FBI exemptions.

My admendment would simply strike this separate report language but would in no way preclude the ACA Administrator from including this exemption in his report submitted annually.

The third amendment involves section 11 which discusses the policies to be used by the ACA Administrator in releasing information concerning consumer products and services tested by the ACA. The present language under S. 200 requires that only when the Administrator determines that the release of this information is likely to cause substantial injury to the reputation of good will of the person, will he (Administrator) inform the party that such information is to be released.

It would appear to me that to allow the Administrator the power to withhold notice for all releases of information except when substantial injury might result is setting a dangerous precedent.

My amendment would simply replace the word "substantial" with the word "reasonable," which would afford the person proper notification of any future release of ACA acquired information that might reasonably injure their reputation or good will.

The fourth amendment regards those sections which allow an aggrieved party 10 days to seek injunctive relief to enjoin the release of trade secrets or ACA acquired information.

My amendment would substitute 20 days for the time period allowed to seek injunctive relief. I have introduced this amendment because if the present time allotted to seek injunctive relief is allowed to stand we will find that because of the limited time frame most businesses will automatically seek injunctive relief because the 10 days is not ample time to determine the effect of such a release.

Mr. President, I plan to call these four amendments up during the consideration of S. 200 and urge my colleagues to join with me in support of these measures, and I ask unanimous consent that the text of the amendments be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 448

On page 45, at the end of line 13, add the following new sentence: "Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix there to which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule."

On page 50, after the word "section." on line 12, add the following new sentence: "The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement."

AMENDMENT No. 449

On page 30, line 17, strike out the word "substantial" and insert in lieu thereof the word "reasonable".

AMENDMENT No. 450

On page 27, line 20, strike out "ten" and insert in lieu thereof "twenty".

On page 30, line 20, strike out "ten" and insert in lieu thereof "twenty".

AMENDMENT No. 451

On page 25, beginning with the word "The" on line 2, strike out through line 7.

AMENDMENT NO. 452

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 453 AND 454

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN. Mr. President, I am submitting today two amendments to S. 200, the bill that would establish an Agency for Consumer Advocacy. My amendments are very simple ones, and seek only to clarify and strengthen the bills intention in regards to agriculture producers. Section 16 paragraph (b) of the bill states that the Administrator of ACA could intervene in USDA proceedings only after considering the consumer's interest in an adequate supply of food as well as the interests of farmers in maintaining an adequate level of income and production.

This section of the bill is vitally important with today's fragile agricutural markets and the uncertainty that is facing American food producers. However, I am concerned that the section has little meaning because of its vague wording. The authors of the bill were very wise in recognizing that our long-range food supply, as well as the economic stability of our farmers must be a key factor in ACA intervention into USDA policy. However, I am very concerned that the league of section 16(b) is inadequate in portraying this recognition. The paragraph relies heavily on the word "consider," which by its legal definition carries really very little force behind it.

Black's Legal Dictionary defines "consider" as to "fix the mind on," to "view," "to give careful examination," "to examine," "to inspect," "to deliberate about and ponder over," "to entertain" or "to give heed to." Thus, the Administrator of ACA, could give only minimal thought to our long-range food supply and the economic stability of farmers, and still legally fulfill the requirements of the section.

I doubt if this was the intention of the authors, and I would hope that they will accept my amendments to add meaning to the section. My amendments would mandate that the consideration required by section 16(b) be done in writing and supplied to both Agricultural Committees of the Congress.

Mr. President, these amendments are very necessary because agriculture is a specialized area of our economy, and trained expertise is needed to recognize the impact that the most innocent appearing change can have. Planting decisions lock producers into a situation for a minimum of 1 year, and in many cases, multiple crop years. A minimum of 3 years is required by the livestock industry to recover from market destroying decisions like President Nixon's beef price ceiling. A week's delay in a USDA decision on the marketing of many fruits and vegetables can cause producers to lose a complete harvest. Careless statements by Agency administrators can cause the commodity markets to plummet and spell economic disaster to large sectors of the farming economy. Vital export markets can slam shut because of delays or bureaucratic disputes.

Mr. President, these are critical situations and deserve more than a brief thought from the Administrator of the ACA. The loophole in section 16(b) must be closed, and requiring written consideration by ACA can close that loophole. In addition, providing the Agricultural Committees with the written consideration will enable them to use their special expertise and allow the Congress to insure that critical long-range mistakes are not made.

Mr. President, it is vital that this simple precaution is taken. Currently the agriculture sector of our economy is in a state of discouragement and uncertainty. Farm debt climbed to its highest point last year to an estimated $94.9 billion, an incredible 80-percent increase since 1969. Farm costs are up well above the general inflation rate, and farm markets have declined to the point that commodity organizations are seriously urging voluntary reductions in plantings.

This has made farming a very speculative exercise, and we will be doing all consumers a great disservice if we add greater uncertainties to this country's food and fiber production effort.

Mr. President, my amendments seek to avoid this situation by clarifying the meaning of section 16(b).

I would hope the committee could accept my amendments and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 453

On page 37, line 11, after the word "production" add the following sentence—"A report of such consideration shall be provided to the House and Senate Committees on Agriculture prior to any intervention."—

AMENDMENT No. 454

On page 36, line 20, after the word "Administration", add the following—"to proceedings and activities related to the production and first sale of raw agricultural products,"—

AMENDMENT NO. 455

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself and Mr. JAVITS) submitted an amendment intended to be proposed by them jointly to the bill (S. 200), supra.

AMENDMENT NO. 459

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted an amendment intended to be proposed by him to the bill (S. 200), supra.

AMENDMENTS NOS. 457 THROUGH 460

(Ordered to be printed and to lie on the table.)

Mr. BROCK (for himself and Mr. NUNN) submitted four amendments intended to be proposed by them jointly to the bill (S. 200), supra.

AMENDMENT NO. 461

(Ordered to be printed and to lie on the table.)

Mr. BROCK submitted an amendment intended to be proposed by him to the bill (S. 200), supra.

AMENDMENT NO. 462

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself and Mr. FANNIN) submitted an amendment intended to be proposed by them jointly to the bill (S. 200), supra.

AMENDMENTS NOS. 463 AND 464

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted two amendments intended to be proposed by him to the bill (S. 200), supra.

AMENDMENT NO. 465

(Ordered to be printed and to lie on the table.)

Mr. TAFT (for himself and Mr. DOLE) submitted an amendment intended to be proposed by them jointly to the bill (S. 200), supra.

OLDER AMERICANS ACT AMENDMENTS OF 1975—S. 1426

AMENDMENTS NOS. 466 THROUGH 474

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

THE OLDER AMERICANS ACT AND THE RURAL ELDERLY

Mr. CLARK. Mr. President, today I am introducing legislation on behalf of myself and Senators CHURCH, STAFFORD, MCINTYRE, ABOUREZK, MCGOVERN, HUMPHREY, BURDICK, MUSKIE, DOMENICI, FONG, HOLLINGS, LEAHY, HATHAWAY, and HARTKE, to amend S. 1426, the Older Americans Act Amendments of 1975.

Right now, Congress is considering legislation to extend and revise the Older Americans Act. The House of Representatives has approved enabling legislation for this purpose, and the Senate Labor and Public Welfare's Subcommittee on Aging has been working on similar authorizing legislation for some time now. The amendments that we are introducing today revise the Senate version of the older Americans amendments—S. 1426—to make that bill more sensitive to the needs and problems of the rural elderly.

Originally approved in 1965, the Older Americans Act provides for an Administration on Aging within the Department of Health, Education, and Welfare to serve as the focal point for Federal programs relating to aging. That Federal agency, in turn, works with State agencies and local area agencies on aging that work with older people at the local level to provide services like nutrition, transportation, health care, information and referral, and legal counseling.

Over the past few years, there has been some evidence that the agencies under the Older Americans Act have not adequately served the needs of rural elderly people, and because of that, I chaired a hearing of the Senate Special Committee on Aging on April 28 that investigated the effectiveness of the Older Americans Act in rural areas. Witnesses from all parts of the country gave examples of how the act has failed to serve over 5 million older people who reside in rural America because of fiscal restraints and other barriers to governmental services in rural areas.

We learned at the hearing that rural elderly often are neglected in the planning of services delivery, and that means that as a group, they realize few benefits from the Older Americans Act.

Certainly, the problems associated with living in a rural setting go far beyond the Older Americans Act and the rural elderly. The trend is the same across the board: this Nation's resources and technology have largely ignored the problems of rural Americans.

The recent conference on rural America emphasized some of the problems: 60 percent of the Nation's substandard housing can be found in rural America, yet only 20 percent of the total Federal housing subsidies go to rural areas.

Rural communities suffer from a perpetual shortage of doctors, dentists, nurses, and other essential health care personnel. One hundred thirty-eight rural counties and more than 5,000 towns must go without a single physician, but only 7 percent of the Department of Health, Education, and Welfare's clinic-assistance money goes to nonmetropolitan areas.

Public transportation in rural areas suffers as well—most Federal assistance is channeled into urban areas, leaving rural areas with no help at all.

The time has come to change this trend—to give more emphasis in Federal legislation to rural areas and rural people. The older Americans amendments is a good place to begin.

At the Committee on Aging's hearing on rural areas, many witnesses gave accounts of innovative methods their States already have developed to combat geographical obstacles. For example, Dr. Woodrow Morris of the University of Iowa College of Medicine described a program that the medical school has undertaken to find solutions to delivering health care to residents of rural areas. With the cooperation of local doctors and practitioners, the college is developing model health care programs by recruiting doctors and paraprofessionals to work in satellite clinics.

Another innovative health care delivery system was described to the Committee by Gov. David Pryor of Arkansas. It involves a mobile unit which travels to areas which have no resident doctor and provides free medical care to those residents. This service provides many rural people—especially older rural people—the only professional health care they get all year.

Mary Ellen Lloyd of Virginia explained in her testimony a program she directs that delivers hot meals to homebound elderly. The meals are prepared by volunteers at one site, and then additional volunteers deliver the meals to older persons in their own homes. The true success of this program, according to Mrs. Lloyd, is that it not only provides the older person with a well-balanced meal, but it also brings a very welcome visitor to their homes who often help with small chores around the home, make arrangements for the delivery of other services, and frequently, they are the only contact these older people have with the outside world.

Mr. President, the amendments that have been introduced today will help give rural areas and rural elderly the attention they need, and they will help insure that more of the programs under the Older Americans Act are developed for the rural elderly. As the Older Americans Act now is written, emphasis is placed on low-income and minority elderly. My amendments would give special attention to elderly people who reside in rural areas as well. Many older citizens are neglected because of their residence, and we can help change that by incorporating these amendments in the Senate bill.

The proposed amendments also will mandate that special attention be given to the rural elderly as State and area agencies on aging develop and implement their overall service plans. And, the amendments would require the Administration on Aging to develop guidelines that will guarantee an equitable distribution of assistance between urban and rural areas. These services are included under title VIII of S. 1426, and they will help insure that health care, home renovation and repairs, transportation, legal counseling, and special manpower programs are developed in rural areas.

Mr. President, together these amendments will be very helpful to rural elderly persons; the need for them has been well documented, and I urge the early adoption of these amendments to S. 1426, the Older Americans Amendments of 1975.

At this point, I ask unanimous consent that the text of these amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 466

On page 40, between lines 4 and 5, insert the following new subsection:

(c) Section 705(a) (4) of the Act (42 U.S.C. 3045d(a) (4)) is amended by inserting before the word "minority" the following: "rural elderly,".

AMENDMENT No. 467

On page 38, after line 24, insert the following new section:

ACQUISITION, ALTERATION, OR RENOVATION OF MULTI-PURPOSE SENIOR CENTERS

SEC. 112. Section 502 of the Act (42 U.S.C. 3041a) is amended by adding at the end thereof the following new subsection:

"(c) The Commissioner shall establish criteria designed to achieve an equitable distribution of assistance under this part between urban and rural areas."

On page 39, line 2, strike out "Sec. 112" and insert in lieu thereof "Sec. 113".

On page 39, line 11, strike out "Sec. 113" and insert in lieu thereof "Sec. 114".

On page 40, line 7, strike out "Sec. 114" and insert in lieu thereof "Sec. 115".

On page 42, line 14, strike out "Sec. 115" and insert in lieu thereof "Sec. 116".

On page 44, line 8, strike out "Sec. 116" and insert in lieu thereof "Sec. 117".

AMENDMENT No. 468

On page 35, between lines 16 and 17, insert the following:

(1) In the matter in the parentheses of paragraph (1) thereof, insert after the word "area" the following: "and the number of older persons who reside in rural and nonmetropolitan areas".

On page 35, line 17, strike out "(1)" and insert in lieu thereof "(2)".

On page 35, line 19, strike out "(2)" and insert in lieu thereof "(3)".

On page 35, line 22, strike out "(3)" and insert in lieu thereof "(4)".

AMENDMENT No. 469

On page 25, line 2, before the word "minority" insert the following: "rural elderly,".

AMENDMENT No. 470

On page 5, line 19, strike out the word "and".

On page 5, line 24, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 5, between lines 24 and 25, insert the following:

"(7) to establish criteria designed to achieve an equitable distribution of assistance under this title between urban and rural areas.

AMENDMENT No. 471

On page 14, line 4, insert "(1)" after "(a)".

On page 14, between lines 13 and 14, insert the following new paragraph:

"(2) The Commissioner shall establish criteria designed to achieve an equitable distribution of assistance between urban and rural areas.

AMENDMENT NO. 472

On page 11, line 17, after the word "transportation" insert a comma and the following: "with special attention to rural and non-metropolitan areas,".

AMENDMENT NO. 473

On page 11, line 1, strike out the word "and".

On page 11, line 4, before the period insert a semicolon and the following: "and (4) provide additional transportation, by bus or otherwise, to enable elderly who reside in rural and non-metropolitan areas to have access to low cost transportation".

AMENDMENT NO. 474

On page 9, line 19, insert "(a)" after "Sec. 832.".

On page 10, between lines 6 and 7, insert the following new subsection:

"(b) The State agency shall establish criteria designed to achieve an equitable distribution of assistance within the State between urban and rural areas.

Mr. CHURCH. Mr. President, I am pleased to join Senator Clark in sponsoring these amendments to my bill, S. 1426, the Older Americans Amendments of 1975. Senator Clark shares with me a keen interest in providing better services for our rural elderly. As the newest member of the Special Committee on Aging he has already distinguished himself as an energetic and enthusiastic worker for older Americans.

Mr. President, rural America has long been neglected, as the vast problems of the cities have demanded an increasing share of the Nation's attention, and resources. These amendments attempt to give focus to the needs of nearly 5 million rural elderly. The Older Americans Act and the amendments of 1975 provide a comprehensive service program for the elderly. With a congressional instruction that special emphasis be given to the rural elderly, such programs as transportation, health care, information and referral, and homemaker and chore services, could be improved in rural areas. Many of these services are virtually nonexistent in many rural areas. At the recent Conference on Rural America overwhelming statistics were given on the lack of adequate services in rural counties in which nearly half a million people reside do not have a resident doctor; 146 bus companies have gone out of business in cities with small populations; approximately 60 percent of the country's substandard housing is located in rural areas, and yet less than one-fourth of the available housing funds are directed to rural America.

I am optimistic that with the acceptance of these amendments and adequate funding for the Older Americans Act, programs in rural areas can be established and expanded. If we are to come to grips with the needs of our rural citizens, it is our responsibility to assure that the special needs of our rural elderly are met.

Mr. MUSKIE. Mr. President, I am delighted to join in cosponsoring these amendments to S. 1426, the Older Americans Act Amendments of 1975. These amendments address the serious, chronic problems of the elderly living in rural areas by requiring a more equitable distribution of assistance under the Older Americans Act between urban and rural areas.

I am particularly sensitive to problems faced by our rural elderly because of the nature of my home State of Maine.

Currently, Maine has the fourth largest percentage of elderly population in the Nation, and projections indicate that by 1980 we may well lead the country in the proportion of our population classified as elderly.

At the same time, Maine is a rural State, with no town or city larger than 65,000 population and often with large distances between centers of population which provide services such as medical and dental care and a choice of markets or shops.

This means that many of our elderly live in areas cut off from social contacts, without easy access to health care, with no transportation other than the automobile, and out of touch with the senior citizens centers, nutrition programs, and agencies to which our more urban elderly can go to for help.

Often they are trying to maintain their own home, and their greatest concern is improving the quality of their lives by their own actions—to continue an independent existence. The difference between success and failure for them could simply be access to transportation, the occasional company of a volunteer worker, or the knowledge of Federal programs available to help them repair their homes.

The amendments being introduced today could well provide that relatively small added service which would allow these elderly to keep their homes and remain in their communities.

I am certain that there is no shortage of imaginative ideas and approaches at the local level to help the rural elderly.

In western Maine, one experimental project is Project Independence, which serves a three-county area. The executive director, Harold Collins, wrote that:

> We have . . . become a model for other States, areas, or cities to follow.

Project Independence hopes to expand services to more rural areas next year if the necessary funds are made available.

Mr. President, the amendments introduced today require no new funds. They merely would end an unintentional discrimination against our rural elderly in the allocation of Federal resources set aside to improve the lives of our older citizens.

AMENDMENT NO. 476

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

AMENDMENT TO RESEARCH ON AGING ACT

Mr. CHURCH. Mr. President, the Research on Aging Act which was signed into law on May 31, 1974, established a new National Institute on Aging within the National Institutes of Health. It also called for the development of a comprehensive research plan "to coordinate and promote research into biological, medical, psychological, social, educational, and economic aspect of aging." This plan is to be developed by the Secretary of Health, Education, and Welfare in coordination with the Institute and the Institute's National Advisory Council on Aging. Under the present law the plan is to be submitted to the President and the Congress by May 31, 1975.

I offer this amendment today to extend this due date for 1 year to May 31, 1976. This extension is necessary since the new Institute does not yet have a permanent Director and only a three-member staff. The Advisory Council was recently confirmed. It met for the first time on April 23 and discussed the research plan. The Advisory Council has agreed to submit a document in outline form by May 31, 1975, showing the basis for the more comprehensive research plan they will develop within the next year. I believe the complexity and importance of this plan warrants an extension of time because it will provide the foundation for what I believe will be a most valuable Institute on Aging.

Mr. President, I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT NO. 476

On page 39, line 15, insert "of the Act" after "(B)".

On page 51, between lines 5 and 6, insert the following new section:

AMENDMENT TO RESEARCH ON AGING ACT OF 1974

Sec. 206. Section 464 of the Public Health Service Act (42 U.S.C. 289k-5) is amended by striking out "one year" and inserting in lieu thereof "two years".

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975—S. 1661

AMENDMENT NO. 475

Mr. TUNNEY. Mr. President, today I am introducing along with Senator Dole, an amendment to S. 1661—the Indochina Migration and Refugee Assistance Act of 1975—to provide an additional $100 million in authorizations for programs to aid in the rehabilitation and employment of Vietnam-era veterans.

I want to emphasize that this amendment is in no way designed to detract from the major purpose of this legislation—that is, the provision of relief and resettlement assistance to Vietnamese and Cambodian citizens who have been forced to flee from their native lands. Quite to the contrary, I have spoken out frequently in support of such aid and have, along with Senator Cranston, submitted S. 1663, a bill very similiar in purpose to the authorization bill now being considered. In addition, I have cosponsored Senate Resolution 148 welcoming the refugees and have cosigned a letter along with almost 20 of my colleagues to the chairman of the Senate Appropriations Committee, Senator McClellan, and to Senator Sparkman, urging their support for this assistance. While there is no question that the refugees will add to the burdens on an already strained economy, I believe that we in the United States have a moral responsibility to aid these people.

Humanity compelled that we not leave them to the vengeance of the Communist conquerors, yet now the Government must develop detailed plans for assisting them to relocate and become productive citizens in this country.

Many are the wives and children of Americans; some are employees of American firms, and these individuals should be assimilated easily into our society.

Others will need the helping hand of church services, community, business, and labor organizations, and I have been assured that they will find homes throughout the United States in rough proportion to the population of each State, thereby minimizing the adverse economic impact on hard-pressed areas like California.

I have also been assured that the admission process will not be indiscriminate. Immigration officials have told me that they are making every effort to weed out undesirable elements. Security checks are being performed on almost all of the refugees to determine their backgrounds.

All this takes money, and the funds left over from our commitments to Vietnam and Cambodia are rapidly disappearing. If the resettlement and relief effort is to go forward successfully, it is imperative that the Congress pass this authorization measure.

But akin to our responsibility to Vietnamese who have supported us over the years is our responsibility to the American men who fought and died in that tragic war—our Vietnam-era veterans. The war is over, but their struggle goes on. It is the struggle to readjust to changes in a way of life, to recover from physical disabilities in a nation that has too often ignored the plight of its handicapped, to find jobs in the midst of the highest unemployment rates in 30 years.

Mr. President, I have frequently visited the veterans' hospitals in my State of California. As I walked through the corridors of those hospitals, I was impressed by two things. The first was the strength and perseverance of those men in wheelchairs, lying flat on their backs, or in day-long therapy sessions. The second was my own feeling of despair, despair bred of a belief that we are not doing enough.

And it is not only disabled veterans who suffer. While they are the most obvious manifestation of the shortcomings of our system as it strives to care for those who have borne the burden of our involvement in Vietnam, one needs only to look at the record of broken homes, inherited drug problems, and unemployment statistics to see the effects of that war on other veterans. Today, according to the Bureau of Labor Statistics, the jobless rate of Vietnam veterans is substantially higher than that of the Nation as a whole.

I think the debate over the refugees assistance bill provides us with a unique opportunity not only to aid Vietnamese and Cambodian refugees, but also to keep faith with the millions of American men and women who served during the 10 years of involvement in Indochina.

My amendment to S. 1661 would do essentially two things. First, it would provide an authorization of $100 million for employment for Vietnam-era veterans. Second, it would earmark approximately 25 percent of these funds for disabled veterans.

The money would be provided to State and local agencies assisting veterans in their job search through the CETA—Comprehensive Employment Training Act of 1973—program of the Department of Labor. It would be allocated on a proportional basis both throughout the United States and within the States themselves. If successful, it could provide over 12,000 additional jobs to unemployed Vietnam veterans.

This amendment would add a new title to CETA, title VII, to be known as the Vietnam Veterans' Employment Act. This title would provide authorizations for fiscal years 1975 and 1976 totaling $100 million. At the end of that time, Congress can review the operation of the provision and decide whether the concept merits extension.

For the moment, I am concerned with helping all those scarred by the Vietnam war, Americans as well as Southeast Asians. The CETA concept offers a realistic and efficient method of delivering money to cities and counties for distribution to veterans in the form of public service jobs. And there can be no question that the opportunity exists for efficient use of those funds and for meaningful jobs for thousands of veterans.

This amendment would make use of the experience of proven "prime sponsors" under the CETA program to hire Vietnam veterans for public service jobs. Those same sponsors have been delivering manpower services and hiring for public service employment under CETA for the past 2 years. Under my amendment, this experience can be put to good use.

CETA also offers the kind of flexibility which is needed in a program like this one. The CETA programs under titles I, II, and VI allow "prime sponsors" to provide a wide range of services under the umbrella of manpower programs and public service employment. Those titles should complement this one, and, with title VII, enable localities to design whatever programs may be needed. I would construe rehabilitation, training, and placement services to be legitimate under this title and the existing titles of CETA, and I would hope that local officials and agencies would combine services to create a comprehensive manpower program for veterans and nonveterans alike.

The best thing about this program would be the fact that it would offer real jobs at a time when the need for public employees has never been greater. The success of the CETA program at the local level can be traced in part to the desperate need for Federal funding of jobs at the city and county level. Rising inflation and a dwindling tax base have stripped many local governments of their ability to provide the basic services which their constituents expect of them.

Their ability to educate their children, maintain their roads, build new buildings, and perform the myriad tasks expected of local governments has been severely eroded. Cities and counties throughout the country are calling for help because of reduced purchasing power and revenues. This program will give us the chance to answer that call for help, and at the same time, place veterans in rewarding and challenging jobs which might ordinarily be filled by longtime employees. Cities have used CETA funds for an infinite variety of purposes in the past—teachers' aides, policemen, firemen, park rangers, recreation supervisors, and the like. I would expect no less imagination in the use of these funds.

I would like also to say one word about the allocation of these funds. Ninety percent is distributed under a mandatory formula: 10 percent of the distribution is left to the Secretary's discretion. I would have liked to have based the mandatory formula on local figures showing unemployment among Vietnam-era veterans. That would have put the largest amount of money in the hands of those communities with the greatest need.

However, according to the information I have from the Department of Labor's Bureau of Labor Statistics, and from the State of California's Employment Development Department, very few States keep statewide statistics showing unemployment among veterans, to say nothing of local statistics. Therefore, the mandatory formula is based not on local unemployment statistics for veterans but on a three-part calculation.

The calculation involves: First, the per capita amount of aid to Vietnam veterans, which equals the total funding of the program divided by the total number of unemployed Vietnam veterans in the country at the time of allocation; second, the number of Vietnam veterans residing in any State at the time of allocation; and third, the percentage of population which lives in one applicant's jurisdiction compared to the total population for all applicants in that State. The product of those three figures equals the applicant's share of funding.

This program may not be a perfect one. It is probably too little to really repay those who have given so much for this country. However, it is a step in the right direction. Presently, we simply have not adequate Federal employment program for Vietnam veterans. This amendment will help to fill that shameful vacuum.

Some will say that we should not single out veterans for preferential treatment since unemployment is a problem of national proportions. I agree that we cannot afford to forget the millions of other Americans who are out of work. For them, I believe we must go much further in extending unemployment benefits, providing new job-creating programs of public works, and massive new funding for other public service employment programs funded under CETA.

But I disagree with those who would say that we owe no special debt to our veterans. We can no more afford to turn our backs on those millions of Americans who believed in our country than we can ignore the thousands of Asians who did the same. It seems to me to be fitting that, as we redeem our commitment to those who served at our side in South Vietnam and Cambodia, we honor the unspoken promise made to young

Americans who served us—that they would be honored and treated with dignity rather than used, tossed aside, and forgotten.

Mr. President, we act today to try to close with some degree of dignity the sordid, tarnished history of our involvement in Southeast Asia. The only uplifting part of that sad saga for America was written by the young Americans who served with honor and courage in a thankless role. We cannot hope to write a finish to that saga until we take strong positive action to remember those whom we have too often forgotten. Those on the unemployment lines today can testify to our forgetfulness. Those working and producing tomorrow as a result of this legislation can testify to our reawakened memory. We owe this action to ourselves, and we owe it to our veterans. I hope that the Senate will see the need and the appropriateness of such action, and join Senator DOLE and myself in supporting this amendment.

Mr. President, I ask unanimous consent that the text of this amendment be printed in its entirety at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 475

At page 5, following Section 4, insert the following new section:

"ALLOCATION OF FUNDS'"

SEC. 5. The Comprehensive Employment and Training Act of 1973 is amended by redesignating Title VII, and all references thereto, as Title VIII by redesignating sections 701 through 715 and all references thereto, as Sections 801 through 815, respectively, and by inserting after Title VI the following new Title:

"TITLE VII—VIETNAM VETERANS' EMPLOYMENT ACT"

"AUTHORIZATION OF APPROPRIATIONS"

"SEC. 701. There are authorized to be appropriated $100,000,000 for obligation in fiscal years 1975 and 1976 for carrying out the purposes of this program."

"SEC. 702. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this Title in order to make financial assistance available for the purpose of providing transitional employment for unemployed and underemployed Vietnam-era veterans in jobs providing needed public services, and training and manpower services related to such employment which are not otherwise available, and enabling such persons to move into employment not supported under this Act."

"(b) Not less than 90 per centum of the funds appropriated pursuant to this Title which are used by an eligible applicant for public service employment programs for Vietnam-era veterans pursuant to this Title shall be expended for wages and employment benefits to such persons."

"(c) The provisions of Section 204(d) and Sections 205 through 211 shall apply to financial assistance under this title."

"(d) For purposes of this section, the term 'eligible applicants' means prime sponsors qualified under Title I of this Act and Indian tribes on Federal or State reservations."

"(e) For purposes of this Title, 'Vietnam-era veteran' shall mean any 'eligible veteran' within the meaning of Section 2 of the Veterans' Readjustment Benefits Act of 1966, as amended, (38 U.S.C. 1652) who served on active duty in the Armed Forces during the period commencing on August 5, 1964 and ending on May 7, 1975."

"ALLOCATION OF FUNDS"

"SEC. 703. (a)(1) Not less than 90 per centum of the amounts appropriated under section 701 shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection."

"(2) The amount allotted to any eligible applicant under this section shall be determined by multiplying the State veterans population by the per capita amount per veteran and multiplying the product thereof by the local entitlement factor."

"(3) For purposes of this subsection, the term 'State veterans' population' shall mean the number of Vietnam-era veterans residing within the State where the eligible applicant is located at the time of such allocation as certified by the Administrator of the Veterans' Affairs. Such certification shall be based upon the most current figures available at the time of certification to the Administrator."

"(4) For purposes of this subsection, the term 'per capita amount per veteran' shall mean the total amount to be allocated under this subsection divided by the number of Vietnam-era veterans unemployed at the time of allocation, as determined by the Secretary."

"(5) For purposes of this subsection, the term "local entitlement factor" shall mean the number of persons who reside within the jurisdiction of each applicant divided by the total number of persons who reside within the jurisdiction of all eligible applicants within the state within which such applicant is located."

"(b) The remainder of the amount appropriated under section 701 shall be available to the Secretary for financial assistance under Section 702 as the Secretary deems appropriate to carry out the purposes of this title, taking into account changes in rates of unemployment among Vietnam-era veterans."

"(c) For purposes of allocations under this section, the term 'jurisdiction' includes the jurisdiction of each unit of general local government as described in section 102(a)(2) whether or not such unit has entered into a combination of units of general local government for purposes of section 102(a)(3) or section 102(a)(4)."

"SPECIAL PROVISIONS TO REQUIRE THE HIRING OF HANDICAPPED VIETNAM-ERA VETERANS AND TO EXPAND JOB OPPORTUNITIES."

"SEC. 704. (a) An application for financial assistance under this title shall include provisions setting forth assurances that the eligible applicant will use at least 25 per centum of the funds allocated under this title to hire disabled Vietnam-era veterans. For purposes of this subsection, 'disabled Vietnam-era veteran' shall mean any Vietnam-era veteran who sustained a service-connected disability within the meaning of Sections 101(16), as amended, and 601(1), as amended, of Title 38 of the United States Code, as a result of service in the Armed Forces during the period commencing on August 5, 1964 and ending on May 7, 1975."

"(b) Funds allocated under section 703 to eligible applicants may be used for

(1) public service employment programs without regard to the provisions of sections 205(c)(4), 205(c)(6), 205(c)(16), 205(c)(19), and 208(a)(7);

(2) providing employment for Vietnam-era veterans who have been unemployed for at least 15 days without regard to the provision of section 205(a) relating to 30 days of unemployment, if the applicant certifies that the hiring of an individual will not violate the provisions of section 205(c)(8):"

(3) payment of wages (at rates not less than those prevailing on similar construction projects in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 *U.S.C.* 276a–276a5), for unemployed and underemployed Vietnam-era veterans as employees of public employers in jobs on community capital improvement projects which would not otherwise be carried out, including the rehabilitation, alteration, or improvement of public buildings, roads and other public transportation facilities, health and education facilities, and other facilities for the improvement of the communty in which the project is or will be located, and including construction, rehabilitation, alteration or improvement of water and waste disposal facilities in communities having population of 10,000 individuals or less which are outside the boundaries of a Standard Metropolitan Statistical Area (as defined by the Bureau of the Census)."

"EXPENDITURE OF FUNDS"

"SEC. 705. Funds obligated for the purposes of providing public service employment for Vietnam-era veterans under this title may be utilized by prime sponsors for projects and activities planned to extend over a twelve-month period from commencement of any such project or activity."

"REALLOCATION OF FUNDS AND DENIAL OF ELIGIBILITY"

"SEC. 760. (a) The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated by the Secretary only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed reallocation, during which period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsors of any decision to reallocate funds and shall publish any such decision in the Federal Register. Any such funds shall be reallocated to other areas within the same State."

(b) The Secretary is authorized to deny any eligible applicant further eligibility for funding under this title upon a determination that the applicant has—

(1) used funds appropriated under Section 701 and allocated under Section 702 to hire persons other than Vietnam-era veterans; or

(2) failed to comply with the requirements of Section 702(a) respecting use of funds to hire disabled Vietnam-era veterans.

The Secretary shall deny eligibility under this subsection only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed denial of eligibility, during which such period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsor of any decision to deny future eligibility and shall publish any such decision in the Federal Register."

"MISCELLANEOUS PROVISIONS"

"SEC. 707. (a) The Secretary or his delegate—

(1) not later than the 30th days after the date of enactment of this title, shall publish proposed regulations relating to this title;

(2) during the 30-day period beginning on the 31st day after such enactment, shall afford an opportunity of public hearings and comments on such proposed regulations; and

(3) not later than the 90th day after such date of enactment, shall prescribe and publish final regulations relating to this title."

"(b) The Secretary, in consultation and cooperation with the Director of the Veterans' Employment Service, and the Administrator of Veterans' Affairs, shall report to the appropriate committees of the Congress not later than 90 days after the initial allocation of funds appropriated under this title on—

(1) the steps taken to carry out the provisions of this title;

(2) the number of able-bodied and disabled Vietnam-era veterans placed in public service employment positions under this title; and

(3) the desirability of continuation of this title or use of any other program as a means for employing unemployed or under-employed Vietnam-era veterans."

"(c) Nothing contained in this title shall be construed as affecting or repeating the requirements contained in Section 205(c) (5) of the Comprehensive Employment and Training Act of 1975, relating to employment of veterans in other public service employment programs."

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, May 20, 1975, at 9 a.m., in room 2228, Dirksen Senate Office Building on the following nomination:

Earl J. Silbert, of the District of Columbia, to be U.S. attorney for the District of Columbia for the term of 4 years, vice Harold H. Titus, resigned.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full committee.

ADDITIONAL STATEMENTS

CRIME IN THE NATION'S CAPITAL

Mr. THURMOND. Mr. President, I was saddened and ashamed to learn of the violence that occurred Saturday on the grounds of the Washington Monument. However, I was not surprised. Lawlessness has become so unrestrained and so impudent in this city that the tragic outcome of the Human Kindness Day celebration was easily predictable. Where laws and police have failed in controlling the criminal element, vague expressions of brotherly love are not likely to succeed.

I do not wish to discredit the organizers of the festival. If their plans were unrealistic, their motives were exemplary. Nor do I wish to criticize the conduct of the vast majority of people in attendance. What I do want to do is to remind this body, and the Nation, of the professional troublemakers who roam the streets of this city, and of the constant danger to which people in Washington continue to be subjected. The irony of so many violent incidents on Human Kindness Day is great, but far greater is the irony of rampant lawlessness in the city which makes, executes, and interprets the law for the rest of the country.

Of course, we did not need the events of Saturday to point out this sad situation. There are reams of statistics that show Washington to be one of the most unsafe cities in the Nation, and getting worse. Those who distrust statistics can always talk with any of the hundreds of thousands of citizens who live behind locked doors and fear to go out at night. Nevertheless, there still remain people who want to ignore or minimize the problem. Many of them are leaders, and their lack of concern for the safety of law-abiding citizens have made it impossible to devise practical solutions. I hope these people read the newspapers carefully yesterday and this morning. They will have a hard time ignoring 300 robberies and assaults in one afternoon in one small area of town. It will not be easy to minimize the nonchalant blinding of a random passerby.

Mr. President, we must be honest with ourselves. Our National Capital is a national disgrace. I refuse to believe that concerted effort cannot reduce the incidence of crime and make this city liveable once again. It is not one day too soon to begin to make this effort. At this time, we have to consider not only permanent inhabitants of the city and the customary influx of visitors, but the great swarm of people who will be pouring into the District for the Bicentennial. There will be more such events as Human Kindness Day in the coming months—we can count on that. Thousands of people will be gathering together to celebrate the founding of our Nation. If we do not wish the tragedy of Saturday to be repeated, we must find a more efficient way to protect these people, and find it soon.

EXPORT-IMPORT BANK TO FINANCE COPPER MINE IN MEXICO

Mr. PROXMIRE. Mr. President, I would like to bring to the attention of my colleagues a letter I have just received from the Chairman of the Export-Import Bank, William J. Casey, giving me advance notification of a pending loan to Mexico, pursuant to section 2(b) (3) of the Export-Import Bank Act of 1945.

The Bank proposes to provide financing to Mexicana de Cobre S.A., which is 44 percent government-owned, for the purchase of U.S. goods and services for construction of an open pit copper mine, mill, smelter, refinery, and necessary related infrastructure.

The total transaction amounts to $80 million. Eximbank initially authorized a direct loan of $24 million for this project on January 6, 1975. Due to difficulties encountered by Mexicana de Cobre S.A. in raising additional financing, the Bank now proposes to provide a direct loan of $36 million, or 45 percent of the transaction total, plus $24 million, or 30 percent, in loan guarantees to private financial institutions. The direct loan portion will bear interest at the rate of 8 percent, and it will be repaid over a 5-year period starting in August 1979.

Under the requirements of the act, the Export-Import Bank must wait for at least 25 days of continuous session of Congress before giving final approval to this loan.

Mr. President, I ask unanimous consent that Chairman Casey's letter and the attached statement be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Export-Import Bank
of the United States,
Washington , D.C., May 12, 1975.

Hon. William Proxmire,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, Dirksen Office Building, Washington, D.C.

Dear Mr. Chairman: In accordance with section 2(b) (3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

William J. Casey.

Export-Import Bank of the
United States,
Washington, D.C., May 12, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Pursuant to Section 2(b) (3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction:

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to provide financing to assist Mexicana de Cobre S.A. in purchasing from the United States goods and services for La Caridad Copper Project located near Nacozari, Sonora, Mexico.

The Project consists of the construction of an open pit copper mine, mill, smelter, refinery, and the necesary infrastructure required for the annual production of 145,000 metric tons of wire bar beginning in 1978. The total United States export value for the Project is $80,000,000.

On January 6, 1975, Eximbank authorized a direct credit in the amount of $24,000,000. The remaining $56,000,000 was to be raised from private sources without Eximbank's guarantee. After several months of effort, Mexicana de Cobre S.A. found that the large amount of financing and the repayment terms required for the Project made it impossible to raise more than $20,000,000 in the private market, and that an increase in the direct credit from $24,000,000 to $36,000,000, and an Eximbank guarantee of $24,000,000 would be needed to complete the financial package. Eximbank recognized at the outset that some increases in its financial assistance might be necessary and has concluded that the merits of the Project justify the increase in its exposure. Accordingly, Eximbank is now prepared to increase its direct credit from $24,000,000 to $36,000,000 and to guarantee loans by private lenders in the amount of $24,000,000 to assist Mexicana de Cobre S.A. in purchasing U.S. goods and services needed for the Project.

2. Identity of the parties

Mexicana de Cobre S.A. is owned 56% by private, mostly Mexican investors and 44% by entities of the Mexican government.

3. Nature and use of goods and services

Mining, milling, smelting, and refining equipment consisting of trucks, drills, diesel-electric generators, shovels, cranes, motor graders, tractors, scrapers, loaders, apron feeders, crushers, ball mills, classifier cyclones, flotation cells, samplers, thickeners, drum filters, rotary dryer, roaster, matte plug machine, converters, anode casting machine, electrolytic heaters, fork lift trucks, anode spacers machines, cathode washing machines, cathode starter sheet facilities, cathode casting machine, boilers, and power generation equipment.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension of a $24,000,000 guarantee by Eximbank, in addition to the increase in the previously authorized credit, from $24,000,000 to $36,000,000 will result in the export of $80,000,000 worth of U.S. goods and services. This will have not only a substantial immediate, but also a longer term favorable impact on the U.S. balance of payments, and provide employment for substantial numbers of U.S. workers at a time when business activity in the United States is still weak. Additional benefits from the transaction include sizeable follow-on export earnings from the sale of spare parts and replacement equipment.

In view of the magnitude of the transaction, the extent of the private financing available on a term to make the Project economically feasible, and the worldwide availability on mining equipment, Eximbank's loan and guarantee appear to be necessary to effectuate this sale for U.S. manufacturers.

No adverse impact upon the U.S. economy will be caused by the export of these goods and services. Due to current slowdowns and cancellations of previously planned orders by U.S. users, as well as foreign buyers, U.S. manufacturers particularly welcome the opportunity to export such goods and services at this time. Ample supplies will remain available for use in the United States.

Accordingly, Eximbank's participation in this major export implements its Congressional mandate to aid in financing and to facilitate U.S. exports.

2. The financing plan

The total cost of U.S. goods and services to be purchased by Mexicana de Cobre S.A. is $80,000,000 for which Mexicana de Cobre S.A. will make a 10% cash down payment. The balance of the U.S. costs will be financed as follows:

	Amount	Percentage of U.S. costs
Cash payment	$8,000,000	10
Eximbank direct credit	36,000,000	45
Eximbank guarantee of private financing	24,000,000	30
Private financing	12,000,000	15
Total	80,000,000	100

(a) Eximbank charges

The Eximbank credit will bear interest at the rate of 8% per annum payable semiannually. A commitment fee of ½ of 1% per annum will also be charged on the undisbursed portion of the Eximbank credit. The Eximbank guarantee fee will be 1% per annum. A commitment fee of ⅛ of 1% will also be charged on the undisbursed portion of the Eximbank guarantee.

(b) Repayment terms

The total financing package will be paid by Mexicana de Cobre S.A. in twelve semiannual installments beginning August 10, 1978. Eximbank loan and guarantee funds will be repaid out of the last ten installments.

A six-year repayment term is offered for this Project in order to enable Mexicana de Cobre S.A. to generate sufficient revenues to service the indebtedness to Eximbank and the private financial institutions.

Sincerely,

William J. Casey.

CONNECTICUT KNIGHTS OF COLUMBUS WELCOME VIETNAMESE REFUGEES

Mr. WEICKER. Mr. President, last Saturday night, I had the privilege of addressing the 82d Annual Connecticut State Banquet of the Knights of Columbus in Hartford. I was particularly proud that the Knights of Columbus took the initiative at this annual gathering to pass a resolution welcoming the arrival of Vietnamese refugees into the United States. This action by a distinguished association of Americans gives lustre to Connecticut. I thank the Knights of Columbus for giving me the opportunity to speak before them and for expressing a spirit that is truly American.

Mr. President, I ask unanimous consent that the full text of my speech before the Knights of Columbus on Saturday, May 10, be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by Senator Lowell Weicker, Jr.

Members, families and friends of Connecticut's Knights of Columbus, Happy 82d Convention.

Where else but in the United States could you have a Governor of Italian origins, a Lieutenant Governor of Irish background, two Senators one of German and one of Jewish heritage, a mayor with beginnings in Greece and Congressmen who have the blood of France and Lebanon in their veins.

"Qui transtulit sustinet" he who transplanted still sustains. Ladies and gentlemen we've not just sustained in Connecticut and America—we've thrived and prospered beyond the wildest dreams of 200 years ago. I thank God for blessing me with being in American and living in the greatest nation in the world. And the reason why it's great is that it is human and free.

I am not of the Catholic faith but one of the most moving moments in my life came at the Rosary service held for my brother in law, Bill Godfrey, who along with his wife Nini and two of their children, Ellen and Billy, were killed in a plane crash in Aspen, Colorado. There wasn't a person in that funeral home who could make sense out of such devastation.

Then the young priest conducting the service said something I'll never forget. I'm paraphrasing: God's greatest gift to us all is freedom. Yes he has the power to pull the strings. But that's not his choice. Real freedom encompases right and wrong, good and evil, success and failure, perfection and mistake. If then there is rage against God it can't be because of a particular human act, it has to be because he gave us freedom.

Bill and Nini, Billy and Ellen, lived that freedom for so many years in so many wonderful ways (this is me, not the priest now) I don't think they would have traded it for a no crash guarantee.

I relate this because of the parallel with our country. We chose to be a free society. Indeed every day we come closer to being the democracy others dream about.

We could have been less free, less democratic. We could have opted for a totalitarian form of Government right or left and had the burdens of choice and governing lifted from everyone's shoulders. Instead we settled on freedom. Therefore we chose the right and wrong, success and failure, perfection and mistake, good and evil. As long as we're alive and free all that and more is going to happen in America every day.

So let me lay it on you straight. Neither you or I need feel humiliated, ashamed, disgraced about what our country has done in southeast Asia or anywhere else in the world.

Those who served in the military have done so with honor. Those who chose jail rather than serve paid an honest price for civil disobedience. Those who disagreed early on with our involvement did so as patriots who loved their country.

Yes we were overzealous in our advocacy of American democracy. Yes we allowed idealism to obscure reality. Yes we permitted tradition rather than present judgment to determine our generosity. And yes we took a long time believing the best before conceding the worst. Well that's not shameful, that was America.

Right and wrong are not going away with the end of the Vietnam conflict. They await you and me as a part of tomorrow. So we have a choice. To concentrate on tomorrow's alternatives or like Lot's wife to look back and suffer the same consequences.

My father wrote me a letter on this subject the other day. He, like I, never believed we should be involved in a land war in Asia but his closing sentences make me proud to be his son.

"To think of all the whining mouths drooling about our shame is too disgusting for comment. Let us hope that we will always remain humble but let us never lose confidence in our character and in our strength."

Dad is over seventy and yet tomorrow is what is on his mind; and so it should be on ours.

Not with fear of mistakes but with the knowledge that if we're worth our salt and if we're doing, for certain we'll stumble every now and then. What marks the pro is that he gets up—shakes it off and pushes on.

I've said in the past that in America the state of our spirit is what determines the state of the Union. This is never more true than in tough times. It's easy to be generous and democratic with people we know in good times. But what of strangers in hard times?

I can't say it better than James Russell Lowell:

"Then it is the brave man choses—while the coward stands aside.

"Till the multitude make virtue of the faith they had denied."

The faith of this country when it comes to refugees is written line by line three million times in the telephone books of Connecticut. What is it about 1975 and South Vietnam that calls for a denial of that faith?

I suggest that we search our hearts for the decency and compassion characteristic of Americans in every time of crisis.

For that reason, I make this request of you Knights of Columbus, and of all Connecticut. Conscious of our responsibility, as well as their need—we welcome one hundred and fifty thousand new Americans to a land that remains full of promise.

In 1850, did someone say, "I think the Irish are better off in Ireland"? Very likely, someone did. They were wrong.

In 1870, did someone say, "the Germans are better off in Germany"? Probably some one did. And they were wrong.

In 1880, did someone say, "We are better off if the Chinese stay in China"? You bet they did. And they were wrong.

In 1890, Swedes. 1900—Italians. 1910—Armenians, Poles, Slavs, Russian Jews. And later, more Poles, more Italians, Greeks, German Jews, Hungarians.

Contrast "not welcome" with:

"Here at our sea-washed, sunset gates shall stand a mighty woman with a torch, whose flame is the imprisoned lightening, and her name, mother of exiles. . . ."

I've heard some bitter, nasty words floated around this country, when it comes to the Vietnamese refugees. If we give validity to those feelings, who knows where next they'll light? On some Americans? There are no barriers to meanness.

De Tocqueville.

"America is good. And when America ceases to be good America will cease to be great."

Emma Lazarus:

"From her beacon hand

Glows world-wide welcome: her mild eyes command

The air-bridged harbor that twin cities frame.

"Keep ancient lands your storied pomp!" cries she

With silent lips . . . .

The Vietnamese are a small drop in the bucket, but it is a very important bucket, and they are a very big drop in the way we view ourselves. If we turn our back on this small number, how long will it be before we turn our backs on each other? How long before the elderly are dispensable? And then the poor. And then the minorities. And then middle America and so on.

Better off where they came from? Absolutely not. I say, better off that they came! Better for us they're here.

Let us reaffirm the same words of welcome that met us, our parents and grandparents:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tossed, to me:
I lift my lamp beside the golden door."

That inscription sits at the foot of the Statue of Liberty. Written by Emma Lazarus, it reminds of another Lazarus, who through an act of charity found life again.

FEA HEARINGS ON ALLOCATION OF CANADIAN IMPORTS

Mr. HUMPHREY. Mr. President, yesterday the Federal Energy Administration held hearings on the allocation of Canadian oil. I am pleased to report that the FEA panelists before whom I testified assured me that future allocations of Canadian crude oil will not be based on the current FEA Oil Import Regulation. I am hopeful that this means that need—not historic trends—will determine future allocations.

Mr. President, I ask unanimous consent that my statement before the FEA on allocation of Canadian crude oil be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Hubert H. Humphrey, Hearings on Allocation of Canadian Imports

The Canadian government decision to phase out oil exports to the United States by 1984 has created major short and long range problems for the economies of Minnesota and other Northern Tier states which are dependent on Canadian crude. Government decisions on allocation of Canadian crude during the withdrawal period will impact substantially on these states' capability to cope with the problems. Adequate allocation of Canadian imports will be vital to ensuring the short-term economic viability of the Northern Tier refineries and of the states in which these refineries are located. Inadequate allocations would literally strangle the state of Minnesota and impede its ability to make a successful adjustment to the cessation of Canadian imports in 1982.

An FEA decision to allocate Canadian crude on the basis of the recently published Oil Import Regulations, 213.28, would spell economic disaster for Minnesota. Both the concept—allocation according to imports in a specific time period—and the time frame (May 1, 1974 to April 30, 1975) would hurt Minnesota.

There are three refineries in Minnesota, and one just over the state border in Wisconsin which serves Minnesota. These refineries were built to utilize Canadian crude oil, and the only major crude oil pipeline which connects them to a source of crude oil connects them to Canadian crude. Approximately 85–90 percent of the crude oil feed stock used by these refineries is Canadian. These 4 refineries, which have a total capacity of 220,000 barrels per day, supply Minnesota with about 50 percent of all refined petroleum products and 100 percent of the residual oil used daily.

Theoretically, of course, the refined product currently proposed in Minnesota could be made up from other sources; practically, however, since the product pipeline from the south central states to Minnesota is already operating at full capacity, the only way Minnesota could acquire the oil to heat its homes and gas to run its cars in the short run would be by transporting it in by truck or barge. This is a highly expensive and highly inefficient alternative. Since residual oil cannot be transported over long distances, it would be even more difficult for Minnesota to meet its residual oil needs in the short run. Over the long-run, alternative crude oil pipelines connecting the refineries to crude oil sources in the Texas-Louisiana-Oklahoma area or Alaska could be built to supply Minnesota, if no agreement to continue crude deliveries beyond 1982 can be reached with the Canadians.

Minnesota is already feeling the impact of Canadian energy decisions. Canadian crude oil costs Minnesota refineries $12.50 to $13 a barrel. It is the most expensive crude oil used in America, costing its users $1 to $1.50 per barrel more than the Persian Gulf oil and about $2–3 more per barrel than the old domestic oil used elsewhere, even after entitlements are included. Its high cost has already forced Minnesota refineries to cut back their operations to 55–70 percent of capacity in order to cut losses to a manageable level. Even with the cutback, the refineries are experiencing difficulties.

If allocations followed the FEA regulation on imports, Minnesota refineries would be starting out with one strike already against them—the base period upon which their allocations would be calculated would be a period in which they already were operating far below capacity. The refineries, in effect, would be penalized by FEA for having, on their own, attempted to make some adjustment to the artificially high price of their only major source of crude. The cutbacks in their operation which would be required in the next few years as a result of basing allocation on the May–April period probably might force some, if not all, of the refineries to cease operations.

I repeat—even if Minnesota were able to make up from imports some of the short-term shortfall which would result in future years from using the May–April period as the base period, the economic consequences would be disastrous. If crude oil supplies were to decline by 20 percent in Minnesota, and all refineries were able to continue operations—which might be extremely difficult for those now operating at 55-60 percent of capacity—about 300 workers would be laid off by the refining industry. At this level, there would be minimum employment effects on other industries if refined products were available from other states. But the volume of economic activity (value of production) would be expected to fall 0.2 percent and gross state product would fall 0.3 percent due to both lower local refinery production and higher imports of refined products.

It is patently obvious that the ramifications of even a 20 percent decline in crude oil supplies would be serious. But, the ramifications could be even worse for Minnesota. If all Minnesota refineries were forced to close because the FEA allocations were so low as to make their operation uneconomic, and if Minnesota were by some miracle able to make up 100 percent of its refined product needs from imports, 4600 workers from refineries and related industries would be added to Minnesota's unemployment rolls, $46.3 million would be lost in wages and salaries, and $38.0 million would be lost in taxes. If, in this case, Minnesota were only able to make up 50 percent of its refined petroleum needs from imports, which is more realistic, unemployment alone would soar to an estimated 56,000 as a result of the primary and secondary effects of the refinery shutdowns and loss of supplies.

I seriously doubt that the FEA intends to create an economic depression in Minnesota. But that would be the result of proceeding on the basis of the Oil Import Regulation, 213.28.

A far more equitable approach to allocating the dwindling supplies of Canadian crude, and one which would prevent economic disaster in Minnesota and other Northern Tier states, would be to base allocations on access to alternative secure sources of crude. Under such a plan, Minnesota refineries and other refineries which have little or no access to alternative sources of crude oil, would receive priority in allocation of Canadian crude. Other refineries, such as those in Gary and Whiting, Indiana, which have access to alternative sources, would be asked to look to those sources for a greater portion of their needs. At the point when only Canadian dependent refineries were receiving Canadian crude, then these refineries would be curtailed in a proportional manner.

Such an allocation program could be implemented on extremely short notice. Canada is cognizant of the problems faced by the Northern Tier refiners; Canadian energy officials have made it clear that they will distribute their exports according to regulations promulgated by the FEA.

It is impossible for me to overstate the need for allocating Canadian crude on the basis of need rather than historic imports. Such an allocation priority would serve both national and regional interests.

It would fully utilize the capital and existing capacity of the Northern Tier region, would soften the impact of Canada's decision to cut back imports, and would buy time while alternative means and sources of supply were located.

Adequate supplies of finished product—gasoline, diesel, kerosene, residual oil—would then be available to meet the growing demands, especially agricultural demands, of the region at least for the interim.

In making judgments on allocation, it is essential that the FEA recognize the interaction between oil and other energy supplies. If the FEA were to take account of the interaction of natural gas supplies and Canadian oil in the Northern Tier region in allocating Canadian crude, Minnesota's case would be even stronger.

Minnesota receives 95 percent of her natural gas from Northern Natural Gas Company of Omaha, Nebraska. We have been advised to plan for a decline in our natural gas supply of five percent per year during the next five years. Natural gas is being phased out from use first in electric generation and next in large "interruptible" commercial and industrial customers.

In most cases, the anticipated "back up" fuel for these customers is oil. These customers of natural gas companies, many of them large food processing plants, planning for short periods of interruption by installing equipment to burn oil, oil produced by our regional refineries from Canadian crude.

In order to insure that Minnesota industry, including food processing plants and other manufacturers in the Upper Midwest, can make the transition from natural gas to coal, which is the long term FEA objective, they must be able to survive the critical years of 1977–1979. Even if all of the Canadian supply that the state uses now is still available to us in 1979, Minnesota faces a billion gallon shortage of oil because of natural gas curtailments.

Conversion to coal takes time. Minnesota is proceeding as quickly as it can. However, the removal of natural gas from Minnesota industries as required under FPC orders, if coupled with the reductions in oil availability that could result from implementation of the cited FEA rule, will leave our region with such an energy shortage that we may not have the capacity to move into the coal economy of the future.

In addition to priority allocation of Canadian crude, there are several steps which should be taken now to try to avert the consequences of an oil and gas squeeze on Minnesota. First and foremost among these are serious negotiations with the Canadians to explore the possibilities for continuing the supply of crude to the Northern Tier region beyond 1982. All forms of cooperation, including supply swaps and Alaska-Canada-Continental U.S. crude oil and gas pipelines, should be explored. Additionally, FEA and State should explore the possibilities of increasing the supply of natural gas at current prices from Canada, so that Minnesota's energy problems will not be exacerbated. The price of Canadian gas is currently sufficiently high to encourage exploration. Finally, we will need to take steps to increase domestic supplies of natural gas.

Now is the time for swift FEA action—on fair and equitable allocations of Canadian crude, and on securing Canadian agreement to cooperative efforts on energy supply questions. I urge you to act.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. PACKWOOD. Mr. President, I regret that I could not be in attendance yesterday afternoon when the Senate voted on Senator WEICKER's amendment No. 342 to the Consumer Protection Act of 1975, S. 200. I wish to make it known that, had I been present, I would have voted against this amendment offered by my distinguished colleague from Connecticut.

Senator WEICKER's amendment would strike from section 16 of S. 200, the exemptions for certain labor disputes. In effect, this would place management-labor negotiations within the purview of the Agency for Consumer Advocacy.

I submit that it would not be proper for the Agency to become involved in these negotiations. The Agency is designed primarily to invoke consumer interests into the regulatory process of our Federal Government and its authors did not intend the Agency to have a role in either the prices charged by management for products or the wages negotiated by labor for their services.

Should we at a future time decide that the collective-bargaining process in this country be adjusted, then I suggest we direct specific legislation toward the deficiencies that require attention. The Agency for Consumer Advocacy presents us neither with the time nor the place for such adjustments.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, nobody could or would raise objection to the purpose of the United Nations Convention which outlaws genocide. The primary objections which have been raised in the years since the convention was first submitted to the Senate have dealt with constitutional and other legal points.

But, over the years these objections have slowly subsided as it becomes clear that the convention does not challenge or violate the Constitution or any Federal laws. As Supreme Court Justice William Rehnquist, then Assistant Attorney General, said:

> Twenty years ago Solicitor General Perlman provided a detailed and scholarly statement to a subcommittee of the Foreign Relations Committee on the Constitutional and other legal questions surrounding the Genocide Convention. In 1950 some of the questions concerning Federal jurisdiction and the treaty power were considered somewhat novel. However, developments in the intervening years—the extensive use of the treaty power and the growth of Federal criminal jurisdiction—have, it seems, illuminated both these areas to the point where I believe I can safely say that the questions before the Committee and the Senate are more matters of legal power.

To me it seems that the only matter of policy left is whether we want to oppose genocide as strongly as the United Nations Convention does. I can see only the most beneficial results in lending our support. I believe that we have only to gain and I call again for immediate action.

SENATOR BUCKLEY'S ADDRESS BEFORE THE LEGISLATIVE CONFERENCE OF THE NATIONAL CONGRESS OF PARENTS AND TEACHERS

Mr. BUCKLEY. Mr. President, not long ago I addressed the legislative conference of the National Congress of Parents and Teachers—PTA—on the reasons and beliefs that prompted me to introduce the Family Educational Rights and Privacy Act of 1974. Because I have had many inquiries from the public and from congressional offices on this subject, I ask unanimous consent that the text of my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR JAMES L. BUCKLEY BEFORE THE LEGISLATIVE CONFERENCE OF THE NATIONAL CONGRESS OF PARENTS AND TEACHERS, MARCH 12, 1975

I very much appreciate the opportunity to address this meeting of the National Parent-Teachers Association. Few organizations in the country are more important than yours. I say this as father of six children who shares your belief that education is too important to be left to the educators; that the family has and must continue to play a vital, dominate role in education, both for the good of the children and for the good of society as a whole.

In that PTA's 75 year history, it has been a vital link between parents and teachers, and it has served the nation's children well.

I understand you would like me to discuss briefly the reasons and beliefs that prompted me to introduce the Family Education Rights and Privacy Act, better known as the Buckley Amendment, and I am happy to do so. When I introduced the bill in the form of an amendment to the bill extending the Elementary and Secondary Education Act, I obviously thought it was an important measure—but I didn't expect it to generate such strong support and interest—or so many brickbats.

The immediate reason for the legislation was, of course, the growing evidence of the abuse of student records across the nation. Thousands of letters detailing these abuses have been sent by irate parents and students to such organizations as the Russell Sage Foundation, the National Committee for Citizens in Education, and the American Civil Liberties Union. The Russell Sage Foundation undertook a survey of record-keeping practices of representative school districts in the nation in the late 1960's. Partly as a result of this survey, the Foundation convened a conference of prominent educators, lawyers, and social scientists to consider the ethical and legal aspects of school record-keeping, and to develop guidelines for the collection, maintenance, and dissemination of these records. Among the abuses which the conference report pointed to were the following:

"Pupils and parents typically have little or, at best, incomplete knowledge of what information about them is contained in school records and what use is made of this information by the school.

"Parental and pupil access to school records typically is limited by schools to the pupil's attendance and achievement record (including standardized achievement-test scores).

"The Secrecy with which school records usually are maintained makes difficult any systematic assessments of the accuracy of information contained therein. Formal procedures permitting parental or pupil challenges of allegedly erroneous information do not exist. An unverified allegation of misconduct may therefore . . . become part of a pupil's permanent record.

"Procedures governing the periodic destruction of out-dated or no longer useful information do not exist in most systems.

"Within many school systems, few provisions are made to protect school records from examination by unauthorized school personnel.

"Information about both pupils and their parents is often collected by schools without the informed consent of either children or their parents. Where consent is obtained for the collection of information for one purpose, the same information is often used subsequently for other purposes.

"Access to pupil records by non-school personnel and representatives of outside agencies is, for the most part, handled on an ad hoc basis. Formal policies governing access by law-enforcement officials, the courts, potential employers, colleges, researchers and others do not exist in most school system."

"Sensitive and intimate information collected in the course of teacher-pupil of counselor-pupil contacts is not protected from subpoena by formal authority in most states."

The recommendations of the Conference in large part formed the basis of my amendment.

It was found that, while FBI agents and juvenile court and health department officials had access to the entire records—including sensitive psychological reports—in more than half the school systems surveyed and the local police in a third of them, parents were allowed access in less than 10 percent of the school systems. When a halt was called to the routine release of student information in New York City several years ago, no fewer than 28 separate and distinct categories of outsiders called the board of education to complain that their usual sources of information about students had been cut off.

One of the more serious abuses has been the insertion of potentially prejudicial anecdotal comments and factual inacuracies into children's school records. When parents and students are not allowed to inspect school records and make corrections, such material can have devastatingly negative effects on the academic future and job prospects of an innocent, unaware student. A simple inaccuracy or a comment by a spiteful, neurotic teacher can potentially ruin a student's future.

Access to their children's school records is particularly important when schools pin often questionable labels such as "mentally retarded" or "potential delinquent" on children and propose to isolate them in special classes. I know that the PTA has a particular interest in this problem.

A not untypical case was reported in New York, where the parents of a junior high student were told their daughter would not be able to attend graduation ceremonies because she was a "bad citizen." What did she do that was bad, the parents asked. Well, the principal said, the school had a whole file on her "poor citizenship," but the parents would be allowed to examine that file. In this Catch-22 case, one of the few to get a hearing, the State Commissioner of Education, Ewald B. Nyquist, stated flatly that the school's argument that it was acting in the best interest of the student in refusing to reveal the information to the parents—had no merit. The Commissioner concluded: "It is readily apparent that no one had a greater right to such information than the parents."

More fundamentally, my initiation of this legislation rests on my belief that the protection of individual privacy is essential to the continued existence of a free society. There has been clear evidence of frequent, even systematic violations of the privacy of students and parents by the schools through the unauthorized collection of sensitive personal information and the unauthorized, inappropriate release of personal data to various individuals and organizations. In addition, the growth of the use of computer data banks on students and individuals in general has threatened to tear away most of the few remaining veils guarding personal privacy, and to place enormous, dangerous power in the hands of the government, as well as private organizations. It was, therefore, most appropriate that the Congress saw fit to enact the Family Educational Rights and Privacy Act, as well as the landmark Federal Privacy Act of 1974, which establishes similar rights and protections of privacy to individuals on whom the federal government keeps files.

Another essential reason for my introduction of this bill is my belief in fair information practices. An individual should be able to know, review, and challenge all information—with certain limited exceptions—that an institution keeps on him, particularly when the institution may use such information when making important decisions regarding the individual's future, or may transmit such personal information to parties outside the institution. This is particularly true when the individual is a minor. Parents most certainly need access to such information and records in order to protect the interests of their children. It is this that my legislation, as adopted, now makes possible.

A Commission established at the Department of Health, Education and Welfare to review automated Personal Data Systems has drawn up a "code of Fair Information Practices" which rests on five basic principles:

There must be no personal data record-keeping systems whose very existence is secret:

There must be a way for an individual to find out what information about him is in a record and how it is used;

There must be a way for an individual to prevent information about him that was obtained for one purpose from being used or made available for other purposes without his consent;

There must be a way for an individual to correct or amend a record of identifiable information about him;

Any organization creating, maintaining, using, or disseminating records of identifiable personal data must assure the reliability of the data for their intended use and must take precautions to prevent misuse of the data.

It is in the context of the principles of Fair Information Practices that the appropriateness of the application of the law to higher education and college students becomes readily apparent.

I had hoped my legislation would accomplish even more. As you perhaps know, not all of my original amendment was passed. A key section of it was defeated in the Senate by two votes—only one if you discount the Senator who mistakenly voted against it because of confusion on the floor at the time. That section would have required parental consent before a child undergoes certain forms of testing or treatment, such as psychiatric, or divulges sensitive personal or family information, or partakes in certain behavior or value-changing courses or activities.

In addition, it required that parents be informed of the intended participation of their child in out-of-the ordinary research or experimentation projects. In some instances children are required to participate in experimental education programs, in medical research, or in programs or activities designed to affect their personal behavior, values, or social development—without their parents' adequate knowledge or consent. The Children's Defense Fund, headquartered here in Washington, has documented many disturbing cases of such abuses across the country.

Many schools do not ask parents' permission to give personality or psychiatric tests to their children, or to obtain data from the children on their parents and family life. Some of these tests include questions dealing with the most personal feelings and habits of children and their families. Some of this data, in personally identifiable form, is given to other government agencies or to private organizations. Some of it ends up on Federal computers in the caverns of the Department of Health, Education, and Welfare. A year ago this March a Federal office demanded information on pupil and family ethnic attitudes from over 100,000 New York City's elementary school pupils. Fortunately, the city board of education adamantly refused, even in the face of a reported threat to cut off all Federal education funds—over $200 million a year—to the city.

Attempts are made, of course, to excuse the collection and dissemination of such "data," which is in most cases not accessible for review by parents or students, on the basis that this is not done "in the best interest of the student." In my own State, the Parent-Teachers Associaion has rejected such assertions, and has taken a strong stand against these abuses, and has called for their correction. The attitudes of secrecy and the denial of the right of parents to find out what is being done to, asked of, and taught their children in school, reflect a shocking degree of arrogance on the part of many in the educational establishment.

The requirements of parental consent would inform parents about controversial programs, and would offer them and their children the best protection I can think of against possible educational abuses.

I plan to re-introduce the defeated section of the amendment as a separate bill. I hope that the National Congress of Parents and Teachers will, in its wisdom, be able to offer its support for the passage of this legislation.

This brings me to the most fundamental reason for having introduced the Family Educational Rights and Privacy Act: and that is, my firm belief in the basic rights and responsibilities—and the importance—of parents for the welfare and the development of their children. Parents are the first and most important teachers of their children. As Dr. Earl Schaefer, the University of North Carolina's highly respected child development and education specialist, has remarked:

"The amount of parental involvement in the child's education may explain up to four times as much of the variance in the child's intelligence and achievement test scores at age eleven as the quality of the schools . . . in a national sample of 5,000 children in England, (it was) found that parent interest and involvement with the child's education were far more important than the quality of schools, even after statistically controlling for family socio-economic status."

Yet, some educators seem to feel that they know much more about the welfare and best interests of the child than do the parents; and therefore, once a child comes under their sway, they think they have the right to do what they themselves think is best for the child, without regard for the values and beliefs and opinions of the parents. Some educators seem to have forgotten that parents have the primary natural, legal and moral responsibility for the upbringing of their children, and only entrust them to the schools for basic educational purposes. This entrusting to the schools is not an abdication of parental rights and responsibilities, but rather a sharing of them by the parents.

Such elitist attitudes reflect the widening efforts of some, both in and out of Government, to diminish the rights and responsibilities of parents for the upbringing of their children, and to transfer them to the State—to separate figuratively, and in some cases, literally, the child from his parents, and to turn him over to the care of the State, as represented by schools, pre-school centers, and other arms of its administration.

There has been an increasing chorus of complaints from parents in the last few days about just such attitudes and actions on the part of some educators. The sense of a loss of control over one's life and destiny, which many social commentators say is growing amongst our citizens, seems to be increasingly felt by parents with respect to the upbringing of their own children.

I believe that the recent disturbances over textbooks used in West Virginia reflect this feeling and are in fact symptomatic of a far more pervasive disenchantment with and alienation from the schools on the part of the public than is realized. In large part this has resulted from the tendency of the educational community to deny parents information and decision-making responsibilities regarding their children's education. As Jerry Abbott, a school principal in North Dakota, has written:

"We are not, and never have been, committed to the development of a partnership in education with parents. The school has too often viewed parental involvement as an intrusion. Parents send their children to school feeling that the professionals know best, and in that kind of relationship many real possibilities of growth are lost."

I introduced the Family Educational Rights and Privacy Act not only to correct certain abuses in the schools but also to re-assert and re-establish the basic rights, responsibilities and involvement of parents in their children's upbringing and education.

As regards implementation of the law, I am confident that the vast majority of schools will seek to comply with it in good faith. Of course, there will be some difficulty and uncertainty at first, but in time appropriate procedures should be worked out, although it may take a while for some individuals to adjust their attitudes towards increased openness with parents. HEW issued a set of proposed regulations for the law in record time, and within the next few months the final regulations will be issued, leavened by the recommendations offered during the extended public comment period.

There will be instances where certain schools and administrators will attempt to circumvent the law. In such cases it is particularly important that local organizations such as the PTA take a leadership role in monitoring compliance with the law, in recording cases of violations, and in bringing such evidence to the attention of the appropriate local, state or federal authorities.

Equally important as the other expected effects of the new law is the real possibility that the obligation to provide parents with more information about their children's education will begin to close the gap of hostility and mistrust that too often exists between parents and teachers. The increased openness and communication with parents on the part of the schools which should follow from the laws should enhance parental involvement and interest in their children's education, and in the long run should lead to better educated youngsters, and more harmonious school-community relations.

Here again the role of the local PTAs is vitally important. The challenge and the opportuniy that face local PTAs is to take the lead in overcoming hostilities and mistrust where they exist and in closing the too frequent gaps between the community and the school. This can be done by encouraging greater interaction, understanding, and cooperation between the home and the school, and by making parents partners in education through promoting greater parental involvement in the educational process, in the school and in the home.

Surely this is what thoughtful parents and educators all seek. It is one of the major objectives of the PTA, namely, "To bring into closer relation the home and the school, that parents and teachers may cooperate intelligently in the education of children and youth."

In closing let me take this opportunity to express my admiration for the strong stand in favor of privacy which the National PTA has taken, and my deep appreciation for your enthusiastic and invaluable support of the Family Educational Rights and Privacy Act during its birth and through the critical period of its history last fall. Your encouragement helped give us the strength to persist in our efforts to protect the rights and privacy of America's families. I look forward to associating and working with you again on this and other projects in the future.

SENATOR KENNEDY'S ADDRESS ON LAW DAY AT THE BOSTON COLLEGE SCHOOL OF LAW

Mr. HUMPHREY. Mr. President, on May 1, the distinguished Senator from Massachusetts (Mr. KENNEDY) addressed the law day ceremonies at the Boston College School of Law.

In his excellent address, Senator KENNEDY called upon the American people not to forget our Nation's continuing humanitarian responsibility for the human suffering which the Indochina war brought to millions of people. As chairman of the Subcommittee on Refugees, Senator KENNEDY brings a special understanding and sensitivity to the human tragedy of Indochina. Throughout the long years of conflict and suffering, his voice was a constant reminder that each new day of fighting and violence brought another day of death and devastation to millions of innocent war victims.

His important recommendations for our future relations with the peoples of Indochina—now that the war is behind us—should serve as a focus of national policy and debate. I commend Senator KENNEDY's remarks to the attention of all Senators, and I ask unanimous consent that the text of his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY

I am honored to be here this evening to take part in the 18th Annual Law Day Ceremonies sponsored by the Boston College Law School Alumni Association, and I wish to thank Father J. Donald Monan, President of the Law School, for inviting me to be with you and to deliver these remarks.

Graduates of the Boston College Law School have distinguished themselves in the service of the law throughout our Commonwealth, and they are also performing outstanding services in many other parts of America.

It is fitting tonight that you have gathered here on Law Day to commemorate the work of two outstanding servants of the law. Judge Jeremiah Sullivan deserves our praise for his knowledge of the law, his understanding of the people, and his warmth as a human being. We congratulate him upon his receipt of the Thomas More Award. And George McGrath, the alumnus of the year, has demonstrated his exceptional legal skill and talent during his tenure with the United States District Court and his prior service to the state's correctional system.

Throughout its history, Boston College Law School has ably prepared many outstanding persons for the responsibilities of leadership in the law. Today this law school stands among the nation's finest as a foundation of legal learning and a source of new ideas and insights for the rule of law and the development of our society.

As we meet here tonight, our own attention and the attention of the world has been on Vietnam. The tragedy of thirty years of war and bloodshed is over. Saigon has fallen. The American Embassy is empty and silent.

We feel relief that, at the end, America did not have to leave Vietnam with guns blazing. We feel relief that the evacuation of the last Americans and the final end of American involvement took place without vast loss of life. But we in this Commonwealth also feel a sense of special loss in those final difficult hours, because a son of Massachusetts, a young man from Woburn in the prime of life, was one of the last American casualties of the war.

We are also left with a deep sense of sadness about the long duration of the war. There is the memory of 55,000 Americans dead, of hundreds of thousands of wounded, of the many prisoners of war and missing in action. There is the memory of 2.5 million veterans who have come home—many scarred for life; all seeking the simple needs of a good job and hope for a decent life.

And there is the memory of the names scorched into the conscience of America by the decade of our massive national involvement in the war—who of us of our generation shall ever forget the deep feelings and the passions aroused by names like Tonkin Gulf and Saigon, DaNang and Khe Sanh and Cam Ranh Bay, Hanoi and Haiphong, Hue and My Lai, Hamburger Hill and Kent State?

And there is also the strong sense that had the American role in Indochina ended long ago, years of suffering of the Vietnamese people might have been avoided. Cambodia might never have felt the full violence of the war. It is time to admit that one of the greatest tragedies of the war was our failure to recognize that the American military role could not alter events to our design, without unacceptable destruction of the people of Indochina. There was never a light at the end of the tunnel. There was only a long tunnel, made longer by our presence.

Peace has now come, not by our power, not by our design, not by our hand. But it has come.

Although the curtain has fallen on the clashing armies, the human tragedy of the war goes on. And it brings a continuing responsibility for the United States. The suffering continues in both Cambodia and South Vietnam. Millions of people still are homeless; thousands are wounded or maimed; and countless others wait anxiously to see whether bloody reprisals will be exacted.

Nor is the human suffering limited to what is occurring in Indochina itself. There are now tens of thousands of Vietnamese who have joined the world's growing population of refugees.

We must give our own help, and we must seek the help of the international community, to share in providing new homes and new lives for these refugees. As a compassionate people—deeply mindful of the moral foundations of our nation and our own heritage of immigrants and refugees from tyranny in other lands—we must not fail to meet the needs of the Indochinese people.

We must do what we can to meet our clear responsibility to help salvage the battered lives of those who remain behind. We cannot ignore the millions of homeless people in Cambodia and South Vietnam. We cannot ignore the needs of orphans, of the wounded and the maimed, and of the countless other war victims in Indochina who cry out for protection and help.

The United Nations, the International Red Cross, and the voluntary agencies stand ready to help. And the humanitarian appeal of Secretary General Kurt Waldheim deserves our country's support. The time is overdue for us to meet our humanitarian obligations to the people of Indochina, and for the President to declare our country's support of international efforts to rehabilitate their lives.

At the same time, we must turn our attention to the aftermath of the war here at home. For a decade, the Indochina War preoccupied our government and cut deeply into American life and politics. It was borne with pain and suffering by millions of our people, at an economic cost of more than $150 billion Rarely in our history has our nation been so divided on an issue or have so many other vital issues been neglected and ignored.

But as we seek to put the war behind us, we must also try to understand its lessons for our own nation and for our future role in the world.

Each of us will bring his own judgment to the meaning of the war. Years will pass before all the facts are known and the verdict of history is finally achieved. But already, in my view, there are some lessons that appear:

First, I would hope we can agree now, with the benefit of hindsight, that America's involvement in the war was a mistake, a lengthy, costly, deadly, tragic mistake that blighted our own nation for more years than any other conflict since our Civil War.

To historians in the future, it may well surpass understanding that a strong and democratic and rational nation like America could so hopelessly mire itself for so long in a foreign adventure that meant so little to our own vital interests.

In the weeks and months to come, there may be a tendency by some, encouraged by the passions of the end of our involvement, to seek scapegoats for the war, to point a finger and try to place the blame for failure. I believe that President Ford genuinely desires to avoid that nightmare of recrimination. The damage to America from the China debate of the 1950's should be a powerful warning against a bitter and divisive debate over Vietnam for the rest of the 1970's. When President Nixon made his dramatic opening to China in 1971, it was clear that the policy of hostility between America and China had been a twenty year mistake. In a similar way. President Ford can bring this country together now, by making clear that America must not, and will not, repeat that mistake of self-recrimination. Let there be no fresh self-inflicted wounds about the war.

Above all, let us admit the mistake we made and let us admit it openly and candidly and honestly. It is not weakness and cowardice, but strength and courage, to admit when we are wrong, and to work to right that wrong. Throughout our history, we have gained stature and maturity by our ability to look unflinchingly at ourselves. We have felt pride in our great achievements. And we have also changed course wisely when our policies have fallen short.

This is such a time. Let us go from the lessons of the Vietnam past to a new era of hope and confidence in ourselves, in the strength of our democratic process, and in the wisdom of our policy for the future. This is the first and most important lesson of the war. To learn it now and learn it well will be the true test of our greatness as we face the years ahead at home and overseas.

Second, in the aftermath of the war, I hope that we have acquired a deeper understanding of the aspirations of ordinary peoples in other corners of the world.

In Vietnam, we never understood the character of the war. We denied it was a civil war. We denied the roots that ran deep in the colonial past of Indochina. Long after we abandoned the notion, in great power relations, of Communism as a monolithic world juggernaut relentlessly advancing at our expense, we clung to the theory in Vietnam. And it distorted our perception of the deeply national forces at work in Indochina. Too many of our leaders still cling to that notion even now, seeing fresh dangers to our interests, without analysis of the true circumstances of other nations and peoples.

How different might have been the history of the past thirty years in Indochina, if America had understood the tide of events and change in North and South Vietnam and tried to work with them, instead of involving ourselves in that distant civil war. It is not without irony that Vietnam's long war is now ending, just as we begin the celebration of the two hundredth anniversary of our own revolution. It is not without irony that as we return to our own heritage, we are being challenged to accept new concepts of nationalism and independence in other parts of the world.

Vietnam is the most painful lesson we have ever learned about the aspirations of other peoples, and about events which are neither in our interests nor our ability to control. But it is not the only lesson in this vein. Too often, various administrations have ignored the underlying currents of world events. In the search for short-term stability, we have too easily sided with oppressive governments and unpopular dictatorships.

Is it any wonder that people who have liberated themselves from dictatorship in Greece and Portugal do not look to us as champions of their freedom newly won? Is it any wonder that our own people rebel when the CIA acts to help plunge Chile into a new tyranny?

As citizens of the world's oldest republic, whose sons "fired the shot heard round the world," we cannot be deaf to the voices of other people straining to be heard, of people struggling to share in freedom. And once we learn this lesson, America will again be a symbol of hope and freedom for people in other lands.

Third, looking to the future of America's relations in Asia, it is not too early to try to begin working with new governments in Indochina.

It is impossible to predict the future course of developments there. For the foreseeable future, it may well be that any overtures by the United States would be received with suspicion or rejected out of hand.

But in addition to our role in working with other nations to prevent further war and bloodshed and to deal with the enormous humanitarian and refugee problems, other occasions for constructive cooperation and assistance may be found. Let us miss no opportunity. The era of confrontation on the battlefield is over. Let us ignore no occasion to end the confrontation in other areas.

Fourth, the futility of America's military involvement in the war should give us and other nations a fresh incentive to seek political, not military, solutions to troubling problems in other parts of the world. For a decade, we pursued the phantom of military victory in Vietnam. Even after the Paris peace accords were signed in 1973, there was no evidence that any serious effort was made by either side to enforce the terms of the Agreement—terms that could have led to a genuine political settlement. Instead, both sides moved toward the final military confrontation. We gambled—and South Vietnam lost all.

To the end, a policy keyed to military force was a bankrupt policy for South Vietnam. History may judge us harshly for many aspects of the war, but perhaps most harsh of all, it will judge the encouragement we gave the South to stake everything on military power, long after it was clear that America had finally and irrevocably left the war. Let us resolve, therefore, that never again shall we make war the first resort of America's foreign policy.

Fifth, the war has also taught us that we must never again fail to take a clear hard look at our true interests in the outside world, protecting those that are vital, and avoiding preoccupation with those that are not vital. We must not lose our perspective about the world and our place in it, we must not make mistakes that call into question our ability and our will to act in our own interests and those of nations and peoples truly vital to us.

I believe the will of the American people to honor our basic commitments is strong today and will remain strong in the future. These commitments will be honored, and they will be honored because they have and deserve the support of the American people.

And so, with this fresh demonstration that war is the failure of foreign policy, let us renew our efforts for peace in the Middle East and in other troubled areas of the world. Let us renew our efforts to promote détente and strategic arms control. Let us renew our commitment to all the vital interests that will shape the course of America's future in the world.

Sixth, in spite of the tragedy in Vietnam, there is room for pride in the role of Congress in ending the war, and in the renewed vitality of the institutions of our democracy. The evolution of Congress from the nadir of the Gulf of Tonkin Resolution in 1964 to the success of the end-the-war Amendment and the War Powers Act of 1973 is one of the few bright chapters in the Vietnam war. The excessive shift of national power toward the Presidency was clearly checked. A more effective balance was restored between the powers of the Legislative and Executive branches of our government.

For the first time in our history, Presidents took us into war and Congress took us out. I view this emerging role of Congress as a healthy, hopeful and welcome development for our modern democracy and for American policy at home and overseas. We must use it wisely and constructively in the future—and we must use it, not in confrontation with the Executive, but in common effort to reach our common goals.

Seventh, the futility of the violence in Indochina must encourage us to deal more effectively with the violence that scars our nation and corrupts our own society. For too long, the attitudes of leadership that supported our policy of violence in Vietnam have prevented us from dealing effectively with violence and its causes here at home.

We know that some societies can be so closed, so unresponsive to the people, that change can never come except by the threat of force or by citizens taking to the streets.

But that is not America in 1975. We are the most open and most democratic society in the world. The great strength of our nation has been our ability to resolve the most profound differences among our people in accord with the Constitution and the rule of law. No amount of frustration with existing policy or impatience with the slow speed of change can justify the violent interference with another's rights or the attempt of any citizen to set himself above the law.

As the National Commission on Violence told us in 1970:

"All history teaches us that as a conscious method of seeking social reform, violence is a very dangerous method to employ."

Violence feeds on itself. It breeds reaction and repression. Invoked for the best of causes, it becomes the vehicle for countermeasures for the worst of causes. It defeats the very goals for which it was invoked.

Too often, it is said, people see America as dehumanized and incapable of change. They think they have to shake America until the teeth rattle, kick it until the parts start moving.

But our founding fathers and our greatest leaders had a different view. They saw America as a nation stretched tense by our historic deep divisions and antagonisms. They recognized that the fabric of our society can easily be torn, our liberties lost, if the constant struggle between change and the status quo became too passionate, and unleashed the evils of violence and destruction.

And so the founding fathers devised a Constitution and a system of government that has guided our nation well. For two hundred incredibly successful years, we have channeled the energies of our people in constructive ways that have brought unparalleled achievements for our society at home and for our leadership in the cause of freedom throughout the world.

But as the Violence Commission also found, and as many historians have said, there is a darker side to the American tradition, a violent aspect that often lurks close to the surface of our national character and that is never easily controlled.

Perhaps it could not be otherwise, for a nation spawned in Revolution. Perhaps it could not be otherwise, with our great immigrant and frontier tradition. Perhaps it could not be otherwise, with a society so full of so many class and racial and social aspirations and antagonisms.

But two factors are new in recent years—the pervasive national influence of the deadly daily violence in Vietnam, and the equally pervasive influence of the massive official lawlessness of Watergate.

How long will we ignore the faces of violence in our society? How long will we ignore the need for gun control, or the violence on our streets and in our cities and in our schools and even in our homes? How long will we ignore the violence on our television and movie screens, and even in our sports? How long will we ignore the violence on our highways? How long will we ignore the subtle violence of racism and drugs and poverty and hunger and inferior education and prisons and corruption in government and the countless other conditions of society that breed hopelessness and despair in so many of our citizens?

I say, we have ignored these things too long already. The time has come to act.

Bob Dylan's great protest song of the 1960's asked these questions eloquently:

"How many times must the cannonballs fly, before they're forever banned?

"How many times must a man look up, before he can see the sky?

"How many ears must one man have, before he can hear people cry?

"How many deaths will it take 'til he knows, that too many people have died?

"How many years can some people exist, before they're allowed to be free?

"How many times can a man turn his head, pretending he just doesn't see?"

Now, as Vietnam and Watergate recede, we have our best opportunity in many years to answer these questions. We can now begin to deal effectively with all the issues facing us. We can now begin to develop responsible new policies to control the mounting violence in our society here at home.

However much we may explain the nation's tendency toward violence as a legacy of our history, we cannot condone the spirit of confrontation that has become the hallmark of too many groups in our society. No amount of passionate concern or commitment to a cause, whether on busing or any other issue can justify wanton acts of violence or disruption or interference with others' basic rights.

As lawyers, as teachers of law, as public servants dedicated to our laws and constitution, it is we who must be in the vanguard of strenuous new efforts to enhance the rule of law, and deal with the causes of violence at every level in our society—federal, state and local.

To say that violence is the nature of America is unacceptable. A nation that tamed this wild continent a century ago can also tame the forces that threaten to divide us from within.

And so, today, as we rededicate ourselves to the rule of law, let us pledge a greater effort to achieve reconciliation among ourselves.

In the life of the law, we do not pray for easy lives. We pray to be stronger men and women. There is no secret formula waiting to be discovered and guide us to the future or to make the law prevail. The ancient virtues that built this country and made it great before, are the self-same virtues that will keep it great today—courage and hope, work and duty, faith and sacrifice, truth and justice, the worth of the common citizen.

Without these virtues, the rule of law is helpless. The Constitution becomes just another parchment under glass. But with these virtues we can rekindle the true patriotic spirit of America. The flame of liberty and opportunity can burn as brightly as before. The Constitution can come alive again. The people can find leaders able to bring out the real greatness in our nation's character, and America will prosper.

Long ago, in ancient Athens, the land where the idea of democracy was born, Pericles, the great statesman and military commander of the ancient world, paid tribute to the citizens of Athens who had fallen in the first year of the terrible war with Sparta. In the immortal words of the funeral oration honoring those fallen heroes, Pericles said:

> The secret of happiness is liberty,
> And the secret of liberty is courage.

Across the centuries, across two thousand years, those words are as true for America today as they were for ancient Greece. That is the real message of the rule of law in 1975, and that is the mesage I leave with you on Law Day here in Boston.

MEANY SANCTIONS UNION COERCION

Mr. THURMOND. Mr. President, an article by John Chamberlain in the May 6, 1975, edition of the Augusta Chronicle points out that leaders in the American labor movement are supporting freedom for labor unionists in foreign countries yet they are unwilling to allow freedom within the American labor movement.

The reference is to the fact that to obtain a job in many parts of this country you must first join the union. Fortunately, right-to-work laws in some States have enabled the working individual in those areas to have a choice between union membership or not joining the union.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Meany Sanctions Union Coercion

(By John Chamberlain)

George Meany, boss of the AFL–CIO, is, in many ways, a great leader. But he has a compartmentalized mind. When he looks beyond the shores of the United States he can detect the slightest whiff of imperialism or nascent totalitarianism. He has never tired of protesting the coming chop-chop of South Vietnamese free labor union heads once the Communists have fastened their talons on Saigon. He would make a fine secretary of State for a revitalized and confident America.

But when it comes to permitting little people inside the U.S. a choice between joining or refraining from joining a union, George Meany is as imperialist as they come. My good friend Reed Larson, who does not, repeat not, hate labor unions but considers it a man's own business if he chooses to do his own wage bargaining, heads a small organization called the National Right to Work Legal Defense Foundation. If a man gets in trouble with his union because he objects to the way the AFL–CIO "educational" arm, COPE, is spending some of his dues to pay for manning telephones in a political campaign the National Right to Work Legal Defense lawyers might take his case. Reed Larson insists that he is a civil libertarian in such matters and nothing else. To pompous critics who accuse him of being a "neo-Fascist," he says "nuts." He is just a prairie voluntarist from Kansas.

Larson's organization gets two-thirds of its money from "little" people, many of whom happen to be workers. The rest comes from companies in legally permitted ways. The Foundation has made some headway in defending people who have complained about union strong-arm tactics in Right-to-Work states. Nobody has ever offered the slightest bit of evidence that Larson has received a penny in violation of labor laws. Unless someone can come up with a search and seizure order with some substance to back it, you would suppose that Larson's organization would have the protection of the Constitution against fishing expeditions through its files.

So what happens? Ten big unions hire a supposed civil libertarian lawyer, Joseph Rauh, to demand disclosure by the National Right to Work Legal Defense Foundation of its list of contributors. And a Federal judge, acceding to the demand, has ordered Mr. Larson to give Mr. Rauh 190 names of employers who have supported the Foundation as individuals exercising First Amendment rights.

What this would do to wreck the National Right to Work Legal Defense Foundation is as obvious as the faces carved on Mount Rushmore. It would give the 10 big unions 190 potential harassment victims. Little guys who have made contributions to Mr. Larson on the assurance that they would be protected against contumely or worse could be intimated for ever after.

Mr. Rauh has said that if his 10 big unions ever get their hands on a list of Mr. Larson's contributors, the names would be sorted out by geographical areas and transmitted to local unions for "investigation." There happen to be hundreds of small businessmen and thousands of union members on the Foundation's contributors' books. If their names were known, they might have their tires slashed or their front porches spattered by paint (yes, Virginia, such things have happened in this free United States). The amount of money Mr. Larson might raise henceforward for his legal cause would diminish to a trickle.

Why is George Meany, who is so concerned with the rights of individuals in South Vietnam or in the Captive Nations of Eastern Europe, so fearful about letting people have options about union membership in America? Doesn't he trust his own powers of persuasion? When David Dubinsky, who organized the ladies garment workers early in the century, encountered an occasional philosophical anarchist in a New York dressmaker's shop, he did not insist that the man sign with the union. Why doesn't George Meany have the same forebearance? And why doesn't the great "Freedom Fighter" Joe Rauh have some shame about lining up on the side of compulsion and possible personal abuse?

CONCORDE SST IS THROWBACK TO EARLIER AGE OF AIR TRANSPORTATION

Mr. PROXMIRE. Mr. President. I recently received a letter from the Wilderness Society in support of S. 1121, which would prohibit any special consideration, relating to aircraft noise, for supersonic aircraft.

I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Wilderness Society,
Washington, D.C., May 6, 1975.

Hon. William Proxmire,
U.S. Senate,
Washington, D.C.

Dear Senator Proxmire: Thank you for your letter of April 25, requesting The Wilderness Society's comments on S. 1121, your bill to prohibit any exemption of civil supersonic aircraft from noise standards applicable to subsonic aircraft.

The Wilderness Society strongly favors the objectives of S. 1121. The noise resulting from jet aircraft at our airports is one of the most persistent environmental health problems of aviation. However, there has been significant reduction in this noise as aircraft builders have designed quieter engines. Many of the early jetliners are being retrofitted with quiet engines, at great expense to the airlines, in order to reduce their noise impact on our citizens. The new generation of aircraft, including the Boeing 747, Lockheed L–1011, and McDonnell-Douglas DC–10, has attained a major reduction in aircraft noise, both by using quieter engines and by carrying more passengers per aircraft, which means fewer takeoffs and landings to carry the same number of passengers.

The Concorde SST is a throwback to an earlier, noisier, age of air transportation, with louder engines and more frequent airport operations for the same number of passengers.

In its proposal to allow the noisy Concorde SST to land at U.S. airports, the FAA has put the interests of the aircraft builders first, and the interests of the American people last. The FAA is asking our citizens to bail out the builders of the Concorde by providing it with a market and by ignoring its tremendous waste of fuel, its airport noise, upper-atmosphere impact, and sonic boom. FAA is asking citizens to accept an aircraft which is almost identical to the proposed American SST which our nation turned down four years ago.

The Wilderness Society is heartily in favor of requiring the Concorde or any other new aircraft to meet the noise standards that apply to other aircraft. We certainly commend your continuing leadership on SST matters, and appreciate this opportunity to state our views.

Sincerely,

George Alderson,
Director of Federal Affairs,

"In Wilderness is the Preservation of the World."—Thoreau.

Mr. PROXMIRE. Mr. President, there is no denying that the Concorde supersonic transport is noisier than the noisiest of our existing subsonic jet fleet. With the retrofitting of the early subsonic planes, the Concorde will be noisier relative to other aircraft in use.

If this were 1965, when production of the Concorde was initiated, the noise of the supersonic plane might be acceptable. But it is now 1975, and the Concorde's noise level is wholly inconsistent with that of other jetliners landing at airports in the United States.

As the Wilderness Society so aptly puts it, the Concorde SST is a throwback to an earlier, noisier age of air transportation.

PROFIT-SHARING IN IRAN

Mr. PERCY. Mr. President, it was impossible in my recent report to the Foreign Relations Committee on my trip to the Middle East to develop adequately every topic of conversation I had during that trip. I concentrated in my report on the issues of war and peace in the Middle East, U.S. relations with the gulf countries and certain aspects of oil pricing.

During the course of my conversation with His Imperial Majesty, the Shahanshah of Iran, I did discuss a subject of intense interest in Iran as well as the United States; namely, profit-sharing and share ownership for workers. Recently, the U.S. Congress adopted in the 1975 tax bill a means by which workers can extend their own ownership of company shares.

His Imperial Majesty indicated to me that in Iran profit-sharing share ownership programs are being extended to even farmers so that those tilling the soil can also benefit through ownership in Iran's expanding and diversified industrial base.

I asked his Excellency, the Ambassador of Iran, Ardeshir Zahedi, for an updated report on profit-sharing in Iran and I ask unanimous consent that the material supplied me by the Ambassador be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Sale of Government Shares and Profit-Sharing

The "Revolution from the throne," which His Imperial Majesty the Shahanshah Aryamehr proclaimed in his historic declaration of January, 1963, is now a reality. Workers who once scratched a bare subsistence living from the soil now share the still-burgeoning prosperity with national and international investors in this ancient kingdom which has achieved a degree of social justice unprecedented in its 2,500-year history.

SALE OF GOVERNMENT FACTORY SHARES

The third point of the White Revolution was to sell shares in government-owned factories to the public as an added security for payments under land reform. Apart from this, the move has had many important socioeconomic implications.

As a first step, it was necessary to define those government-owned factories that could be turned into public corporations and have their shares sold to the public. Some industries owned by the government, according to the general policy of the country, had to remain the property of the state. These include oil, the railways, power generation, armaments, steel, the mint, etc.

In addition to these, there are a number of other industries which are capital intensive, and hence beyond the reach of the private investor in Iran; or mother industries that control the national economy. All these had to remain in Government hands. But other industries related to heavy industries, or light and consumer industries are left to private enterprise and private investment is encouraged in them.

Studies resulted in the listing of 56 government factories to be sold. These were sugar, textile and cement mills, building stone plants, cotton gins, silk processing plant, chemical and foodstuffs factories. The factories were turned into joint stock companies and shares were issued for them.

The shares enabled former landowners to invest the proceeds of the sale of their property in operating industry.

A single Factories Company of Iran was formed, in which the government-owned sugar mills held 43% of the stocks, textile mills held 38%, cotton gins and silk plants 9%, building materials factories 7%, and foodstuffs factories 3%.

Assessment of the property values of these factories began in April 1963 and was completed in January 1964. One thousand rial shares were then floated, and a 6% annual dividend was guaranteed.

The issued shares were placed on sale through the Agricultural Bank. The face value of the stocks were kept low to enable wider ownership among the people. The Company at the same time obtained Plan Organization assistance in modernizing its plants and equipment.

By January 1971, all the shares had been sold in nine companies; the majority of the shares had been sold in three companies, and arrangements made for the sale of the shares in a further 20 companies.

A decision is to be taken with respect to the remaining government-owned factories for their modernization. To expedite this matter, an Industrial Reconstruction and Development Organization (IDRO) has been set up which deals with the setting up and development of new or established industrial enterprises of the public sector. One of the major tasks of IDRO is to overcome an important problem—management. Another task is to locate similar groups of industries in particular regions of the country most suited to them. This will facilitate regional development.

IDRO has also been given the task of managing factories which, by their very nature, depend on several government agencies for their operations and management. In such cases, IDRO removes their shortcomings and trains their management and staff. Similar training facilities are also offered to the private sector. IDRO operates as a commercial corporation.

WORKERS' PROFIT-SHARING

The White Revolution liberated the farmers and by giving them land and water created enthusiasm and incentive in them for their work. It achieved the same result with the workers by giving them a share in the net profit of the factories in which they worked. Without emancipation of villages; without greater attention to workers' welfare, the Iranian industrial revolution would have faced many problems. The White Revolution brought many benefits to workers, of which the most important was the profit-sharing scheme. A brief account of its achievements would include:

Under the profit-sharing law, employers were required to sign collective agreements with their workers by June 1963, giving them suitable monetary rewards based on increased yield, saving in costs, or reduction in wastage. The reward was to be in the form of a share in the net profits of the factory, or any other method or mixture of both. A copy of the collective agreement was to be sent to the Ministry of Labor.

Under the provisions of the law, if the employer did not wish to abide by the Ministry's recommendation concerning the collective agreement, he was required to give the workers a share in the net profits. The level of this share was to be determined by a special commission and confirmed by the Ministry. The law said that this could be as much as 20% of the net profits.

In June 1963, the law was amended in the light of experience gained during the preceding months. Since then, much has been done to apply the provisions of the law to eligible factories and many regulations have been passed to clarify its points and to facilitate its enforcement. These have removed some of the problems that existed before. Both workers and employers have been given a proper idea of the principles of the scheme.

The Ministry of Labor and Social Affairs is at work to ascertain and to ensure that the factories give a proper share of their real net profits to their workers. It is believed that gradually the workers' share will amount to a sum equal to two or three months wages each year. The law is being further amended to include a larger number of factories and to increase the workers' share. A plan is being developed whereby all workshops with more than ten workers will become subject to the law; and that during the Fifth Plan at least half a million Iranian workers will benefit from the profit-sharing system.

In 1972, on instructions from the Shahanshah, large industrial companies went "public" and began to offer shares to the general public, with priority option to their own workers and staff. Many large companies began offering 33% to 49% of their entire stock issue to workers, staff and the general public.

The purpose of this move was manifold, including:

1. greater public, especially labor, participation in industry;

2. offer of greater incentive to workers, as shareholders, for more efficient work in industry;

3. increase in production through greater and wider-based financing;

4. improved living conditions for workers arising from higher income;

5. creating better opportunities for further industrial expansion; and

6. improved labor-management relationship.

Easy terms are being offered workers for the purchase of shares in their companies. The workers and staff wishing to buy shares will be given an advance equal to one month's wages or salary to be repaid out of the future earnings of the shares which they are buying. Another month's wages or salary will be given them as an interest-free loan repayable in five years. Workers who thus spend up to two months' wages or salary on stocks, will be given a 25% discount on the face value of the shares. But stocks purchased at such discount may not be re-sold to other buyers within five years. The purpose of this provision is to encourage workers to hold on to their shares.

Workers meanwhile will continue getting a share in the net profits of their factories as before. Their share will be determined by the net profit figures shown on the company balance sheet.

THE RISKY WORLD OF AMERICAN AGRICULTURE

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of this body a very informative article by Dan Morgan in the May 11 Washington Post entitled, "Costs, Risks, Debts: The Farm Plagues."

This article points out the vast changes that have taken place in agriculture during the past few years. We now have, as of January 1975, a total farm debt which has reached $95 billion. Some farmers have had to file bankruptcy proceedings in the last year while others have had their savings of an entire lifetime wiped out, because of bad weather.

While commodity prices have been high, our farmers have often not actually received these prices. Farm property values have escalated sharply with the increased commodity prices, but this means that new farmers find it almost impossible to get started.

This article tells an interesting and important story on how our agricultural sector has become a high credit, high risk, and extremely volatile economic undertaking.

This raises very fundamental questions which the administration is apparently unwilling to face or discuss. It is extremely difficult for smaller farmers to muster the capital to stay in business under these conditions. The banks are often caught in the economic crunch of trying to keep farmers in production when their debt has gone above what could be considered, under normal circumstances, reasonable levels.

The article points out, however, that even the more affluent farmers are facing severe problems. The roller coaster prices and the ever escalating production costs have made farming today an extremely risky business.

The article rightly concludes that although the farmers are well aware of the fact that they are being asked to face these severe risks alone, no clear consensus has evolved in terms of a better alternative.

I am quoted as saying "no other part of the American economy is asked to take such risks; no other section of the economy is locked into a production cycle that can be adversely affected by so many factors, from unpredictable weather to suddenly soaring fixed costs."

It is clear to me that we do need to evolve and develop a program which avoids large surpluses but at the same time does not invite the wild fluctuations of the past 2 years which have certainly not benefited our farmers.

Unfortunately, the administration's veto of the emergency farm bill indicates that it has learned very little about the problems plaguing our agricultural scene today and what reasonable steps could be taken to reduce some of the risks involved. Clearly, the Congress will have to again seize the initiative as it has had to do in so many other areas of our Nation's economy.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTS, RISKS, DEBTS: THE FARM PLAGUES

(By Dan Morgan)

Paul and John Kruse would almost certainly object to being lumped together with the nation's money managers.

They are farmers and, like farmers everywhere, they take pride in the earthy hardships of their calling. In the early Nebraska spring, the frozen barnyard of their farm had turned to foot-deep mud, negotiable only by tractor.

In the warm workshop the brothers reminisce about winter tasks: checking a sow with litter at 2 a.m., or fighting their way into the cold mornings when the barnyard water tanks were frozen and the tractor's failing engine made a bump-bump-bump noise starting.

For all that romance, finance rather than the farmyard has become the main preoccupation for the Kruse brothers as for other American farmers.

The Kruse brothers probably handle as much money in a year as many middle-income city dwellers earn and spend in a whole lifetime.

Their indebtedness averages $700,000 to $800,000 most of the time—about the level of a medium-sized business. That is what it takes to operate their cattle feeding and corn raising farm, which normally holds 1,500 to 2,000 cattle.

Today most of the feed-lots are full of mud but no cattle. The Kruses have scaled down their operation in response to sagging cattle prices. They are tightening their belts and have taken out a mortgage on their farmland, for the first time in years, to pay the bills.

In some respects their operation typifies the economic crunch in American agriculture. The high costs, the bills, the enormous requirements for credit and capital and, above all, the risks are forcing farmers all over America to become money managers on a grand scale.

Four or five times a year, they make decisions that can mean savings or losses 10 times what is at stake when an executive who lives in the city buys a home.

Decisions.

At dusk one cold early April evening, down in the Missouri River bottomland north of Kansas City, Joe Naylor gazed out at the field he had just plowed.

What to plant?

His decision could mean the difference between profit and loss this year.

Corn might give good yields from the rich gummy soil, he figured. But corn would need lots of chemical fertilizers, very costly this year. Soybeans on the other hand, wouldn't require nitrogen. And they'd stood up well in last year's drought when corn was hard hit. Naylor leaned toward soybeans. He'd skimp on fertilizer, hold spray and seed to $20 an acre and "do it myself."

Naylor has been right more than he has been wrong since he started farming in 1966. But in today's farm economy not even good sense is enough.

Factors beyond farmers' control can often affect the outcome. Monetary fluctuations can affect imports and exports, and events such as the failure of the Peruvian anchovy catch can boost soybean prices, since fish meal and soybean meal are both used for animal feed.

In 1973, he recalls, "Mr. Nixon devalued the dollar and the Peruvians didn't catch enough fish and all at once soybeans were $3.84, highest I'd ever seen 'em."

Naylor sold his soybeans at $5 a bushel. They went to $8. That $3 difference would have meant another $15,000 for Naylor on a 5,000 bushel crop.

The requirements for capital and credit in agriculture have reached staggering proportions.

Consider the following:

In the depths of the Depression, the average loan for annual farm operating costs was around $4,000; today it is over $100,000.

Farm debt reached $95 billion in January.

Buying farm property is beyond the means of many would-be farmers now, especially young ones. Studies suggest that it requires an average of more than $100,000 to buy an adequate spread in most farm states, and over $400,000 in California and Arizona.

Some feel the ballooning of credit needs, land values and risk in general raises fundamental questions.

"We know that, regardless how difficult conditions may seem, an average man with average health and a good setup can work his way out of a $4,000, $11,000, $45,000 or even an $81,000 debt," a Colorado banker said.

"But when we bring this indebtedness up to $150,000 and he fails one year's operation and his loan then goes to almost a quarter of a million dollars, we simply don't work our way out by hopng conditions will improve."

The trend poses "deep and troublesome questions about the future of America's traditional land tenure system," said Don Paarlberg, director of economics at the U.S. Agriculture Department.

He estimated that $390,000 worth of capital investment in land, machinery and other assets is needed to provide a family farmer with income comparable to that of nonfarm wage-earners.

"We may be at a stage when it is no longer possible for most farmers to supply by themselves all the factors of production," said Paarlberg. "It may be that more and more of the land will have to be supplied by one person and the working capital by another."

To some, this vision of the future smacks of an advanced corporate feudalism. Reformers argue that the drive for farm expansion, more modern equipment and chemical and technological solutions to farm problems has been nurtured by agribusiness to sell more machinery and fertilizer. Farmers, they maintain, should break the credit cycle by turning back to more traditional methods.

Whether or not that is still possible, developments of recent years have plainly intensified the struggle for economic survival. Land values have been pushed up more than 30 percent, excluding younger buyers and inviting outside investors.

A boom-bust cycle of farm pricing has set in, exposing all but the strongest to financial strains.

"It would have been impossible for me to go into farming nowadays," said an older Kansas farmer. With a few exceptions, a rich parent provides the surest access to the credit needed to start farming.

These concerns are uppermost in the conversations of Midwestern farmers interviewed during an eight-day trip through Kansas, Missouri, Iowa and Nebraska—America's food belt.

Yet the love of farming, a desire to farm, a determination to persevere add up to a tradition that still runs deep in the American countryside. It was expressed this way by a Nebraska farmer, Loren Schlitz, age 37:

"If I didn't love it, I wouldn't be here. I dunno. I think it's something you see what you did from day to day so much better than any other job. Just like in spring—you look across a field and see exactly how much you got done in a day. You're sittin' in a factory turning out the same old thing, and when you get done that night, you actually don't see how much you got done, as much as on a farm."

Garden City, in southwest Kansas, is the home of some of America's largest, wealthiest family farmers and ranchers. Truman Capote's saga of crime and punishment, "In Cold Blood," had its gory beginnings on the prairie near here. Two youths killed the family of Herbert Clutter in the futile hope of finding piles of cash stashed in his farmhouse.

Tragic as the event was, local farmers still smile at the misguided notion that inspired it.

Some of the wheat and cattle farms in the area are worth a small fortune. But very little of the wealth is in cash. The riches take the form of land, cattle, crops and equipment. It is an affluence that often rests upon a shaky pyramid of debt and mortgages.

The adage that farmers live poor so they may die rich—die with valuable land that they can bequeath to their offspring to start the cycle anew—applies even in this booming country. For Garden City is a striking example of American agriculture's staggering requirements for ever-expanding amounts of capital and credit.

It is true that farmers around Garden City probably live better than most. Some have been to Europe or to ski resorts in Colorado. And there are farmers like Cecil O'Brate, who has moved his family into a sprawling new home in town and set up a one-room office in Garden City. O'Brate is branching out, diversifying, making the transition from farmer to businessman. He bought a welding company "on a shoestring" and also operates a farm implement company.

O'Brate's office is adjacent to that of his business adviser, Danny Trayer, who recently established a private consulting firm to meet the growing needs of farmers for analyses of their business efficiency, estate planning and income tax assistance.

Trayer's service augments that of the local agricultural extension service's quarterly computer readouts to farmers, detailing their cash flow, expenses, income, crop value and capital commitments.

It is also true that Garden City bustles with business activity. The town's half-dozen modern motels put out their "no vacancy" signs by 5 p.m. during the planting season because of the influx of salesmen pushing seeds, fertilizer, machinery and pesticides.

A visitor is lucky to find a room available at the neglected old downtown hotel, the Warren, which charges $7.21 a night.

Evenings, well-to-do people gather in a crowded supper club next to the Wheatland Motel. Finance seems to dominate. There are half a dozen banks or loan companies, including the Production Credit Association, the agricultural credit union which is a member of the federal farm credit system. It is housed in an opulent, ultramodern glass edifice that some farmers call ostentatious.

Loan officer Frank Kinney said southwest Kansas farmers are sharpening their managerial skills out of sheer necessity. Kinney who occasionally uses a technocratic turn of phrase that seems oddly alien in prairie country, said agriculture today "isn't a whole lot different from a diverse manufacturing process with different lines of products."

Garden City's prosperity is real. Yet is also somehow misleading. There is a whiff of Las Vegas in the air. At the airport, a local man in Stetson and boots saunters among arriving passengers, telling all who will listen that the slump in cattle prices has wiped out 10 years of his profits.

Many cattlemen have suffered such losses, bankers confirm, though few have gone bankrupt. "They are bent but not yet broken," a Kansas City banker said briskly. At the start of 1973, cattle in the United States was worth $43 billion; a year later the value was down to $21 billion.

The cattle market has behaved erratically rising or falling by more than $10 a hundred pounds three times since 1973.

At the grass roots, the impact has been shattering.

Over at the Fidelity State Bank, Hoy B. Etling, a shrewd agricultural loan officer with the hands of a farmer, recalls the debacle. In the spring of 1973, the banks were routinely issuing notes to farmers and feedlot operators to cover the full purchase price of cattle. A few months later the bankers saw the value of those same cattle halved. To cover themselves, they demanded more collateral from farmers, including land. The Fidelity Bank hasn't been strained, said Etling, but some others have been.

Farmers and bankers alike in this part of the country are disturbed by the increasing demands for credit and capital. The financial statement of a single successful local farmer indicates the dimensions.

In 1947, Harry Lightner raised corn, wheat and milo, a grain sorghum, on 1.397 acres south of town. The value of the assets he manages is well over $1 million. The computer printout for his operation indicates capital assets of $1,401,983, including land worth $775,000, buildings, equipment, grain in storage, cattle, buildings and 640 acres of leased farmland.

That year he grossed $247,926, placing his operation in the top 2 per cent of American farms—those that sell more than $100,000 worth of products annually.

But the bottom line of all this was a net farm income of only $15,800.

Farmer-businessman O'Brate is disturbed about the implications.

"If somebody doesn't get aware of it, this country's going to run out of food, because our costs are so high now, we're either going to have to get paid for it or we'll go broke . . . that's all there is to it," he said.

The Kleysteuber Farm, 20 miles south of Garden City, is the envy of many a local farmer who believes that expansion is the key to his economic problems.

It covers some 4,000 acres (including leased land) of the flat prairie. A motorist driving toward the farm from Garden City goes first through rolling, sandy hills and then arrives in the Kansas of folklore. Tumbleweed blows across the highway. Miles are measured in the dirt assess roads that lead off the highway with exact recurrence. Dennis Kleysteuber is a blond, chunky man who is almost the prototype of the young professional farmer. He takes a two-week skiing vacation in Colorado, pays himself a $15,000 salary from the proceeds of the Kleysteuber family farm corporation and reads a pile of periodicals and newspapers, including the Wall Street Journal and a Chase Manhattan Bank economic survey.

To work on his books, Kleysteuber can retire to a paneled, air-conditioned farm office.

A business graduate from Kansas State, Kleysteuber talks articulately about economics. Several years ago, the farm was incorporated, with his father, brother-in-law and himself receiving stock. A small, but growing number of farmers in the United States incorporate their operations to facilitate dividing the assets of their estates among their heirs.

The Kleysteuber farm, for all its modern attributes and size, seems to be suffering from the same problems of debt and costs which dog lesser operations.

"We're living right now on depreciation, or did last year," he said, referring to tax write-offs on equipment which allow farmers to reduce some of their obligations to the Federal government.

Loans on the farm are approaching a million dollars, and last year the farm lost $52,000, after paying all expenses totaling $802,000. The losses came in the feedlot and cow-raising operations. "We've lost a tremendous amount of money. It's been almost a disaster and we're still at the mercy of the prices," he says.

The Kleysteubers reduced their losses somewhat by feeding their own corn to their cattle. But that reduced the amount they could sell at the record high prices of 1974.

Cows which the corporation purchased two years ago for $80 to $90 a hundred pounds were sold in 1974 for $30 to $40 a hundred pounds—after the Kleysteubers had added 400 pounds to their weight by feeding them expensive grain. To raise money to pay off short-term debts, the corporation has mortgaged farmland.

Dennis Kleysteuber is more fortunate than many young Americans who aspire to a farming career. As the son of a prosperous, land-owning farmer with a sizable equity, his opportunities are considerable. For other young people without an established farming parent or some equity of their own, the road is far rougher, if it is not blocked altogether.

The cases of Ray and Helen Davison, both 31, both caught in a web of debt, legal tangles and tax worries, is typical of the plight of underfinanced young people.

The Davisons are now living in a farmhouse belonging to friends about four miles out of Bedford, Iowa. Ray Davison is short, introverted, sharp-featured. His wife is bright, saucy and very well informed on political and economic matters. In the company of their two children, who play around the farmhouse kitchen, the word "bankruptcy" is never said out loud. But, in fact, the Davisons filed for bankruptcy last month.

Seven years ago, Davison gave up his job at a local service station to fulfill his dream. He was able to lease some acreage from an out-of-town doctor and start farming.

The Davisons slowly built up assets of $50,000 to $60,000, mostly in equipment, and some $7,000 in savings.

However, last year Davison was hit by a double blow: the economic slump which halved the value of the several hundred head of cattle he was fattening, and a drought-caused failure of his corn crop.

After selling his cattle and what he had of a crop, there was not enough money to pay debts. And his lender, the Production Credit Association in the county seat of Clarinda, refused to extend his loans.

Today, Ray Davison is broke. He has more than $50,000 in debts; and he has put his equipment up for sale. Last fall, in addition, the doctor whose farm he was leasing sold the property and the new landlord did not allow the Davisons to stay.

Davison, his attorney has told him, owes $6,000 in 1974 income taxes as well. That is because he had to sell all his cattle and crops but had few offsetting expenses since local lenders cut off the credit he needed to pay bills.

When the man from the Farmers Home Administration bank asked him last fall, "How did you get yourself in such a mess?" Davison responded:

"Seven years of working my butt off."

Davison's main problem is credit worthiness. Older farmers with land or other assets built up have weathered the storm in western Iowa for the most part. They are tightening belts, going into savings or refinancing their land.

Yet the Production Credit Association was not willing to carry Davison along.

"About $100,000 to $150,000 is what we would have had to have to continue our type of operation," Helen Davison said recently. "The PCA loan came up for renewal in November. We went over umpteen times to try to get it renewed. They wouldn't tell us, 'Yes, we're closing you out,' or 'Yes, you have to quit farming.' They should have told us one or the other. They kept shoving at us, 'You don't have enough net worth.' We went through our whole savings this winter, then they told us no."

The Davisons said they have also been turned down by Farmers Home Administration office in Clarinda for a livestock disaster loan under the $2 billion Federal loan guarantee program approved by Congress last year. "They said we were too much of a disaster," said Mrs. Davison.

Now Ray Davison is doing chores for a neighbor.

"He's determined we're going back in farming next year," Mrs. Davison said. "We like farming. I hate it when my husband works around the clock in the planting season. . . . When he comes home at 4 a.m. from plowing because it looks like rain the next day. But the rewards you get! My famous last words were I wouldn't marry a farmer. But you know you always eat your famous last words."

Chuck Ehm is one of those small town Midwestern bankers who seems to know more about the pulse of his community than anybody else in town. He is deeply worried about young farmers like the Davisons, caught up as they are in agriculture's escalating financial stakes.

If the stakes force out young farmers, the family farming way of life that has assured the economic and social health of Midwestern communities will pass, he reasons.

Ehm is vice president of the Iowa State Savings Bank, a down-to-earth, old-fashioned sort of institution, in Creston. Men clad in overalls and high rubber boots mill around waiting to consult with one of the tieless bank officials who work right out in the front room. There are linoleum floors, standup radiators and a bulletin board covered with hand-scrawled advertisements for "precision sharpening of scissors or shears" or "all kinds of roofing and guttering."

Ehm strides down the street, past the ancient Iowana Hotel, with its clubroom for railroad men, past the still more ancient, boarded-up railroad station. Half a dozen times, people stop to say hello before he reaches the local buffet restaurant.

Ehm is elated. That very morning he set a young farmer up in business. The customer for an $18,000 loan was a young man who had arranged to lease some farmland. He needed the money to buy livestock, fertilizer, corn and beans. But he had few assets to put up for collateral. He also lacked a wealthy, land owning father to guarantee the loan. Chuck Ehm by some fast talking persuaded the wealthy older farmer who was leasing the land to cosign the bank note. A young farmer had a start.

If a sociologist were researching the reason for the health of rural communities in Iowa, he or she might conclude that one reason was local bankers like Chuck Ehm.

Ehm has his roots in local soil. He knows the farms, knows the character of the people farming them and probably knows how often they oil their machinery.

Ehm's father came to Iowa from Germany years ago. His youngest brother still lives on the farm purchased by the father and Ehm himself owns a farm.

Why did he come back to Creston after graduating from Iowa State University?

"It has something to do with rural America," he said. "And service to people."

The rural communities around Creston are fairly typical of those left in the wake of the great rural migrations to the cities in the 1950s and 1960s. The trend has reversed in the last couple of years, spurred by the agricultural boom that began in 1972 and by the economic troubles of the cities.

But for many little farm communities, it is already too late. In places with names like Gravity, Sharpsburg, Diagonal and Shannon City, the scene is Main Street in the nostalgic film "The Last Picture Show"—only five years later. Garbage dumps, empty wooden houses, burned down hulks along main street, perhaps a hardware store or grocery, occasionally a post office or bank that is open for check-cashing (but no deposits) a few hours a week.

The loss of young people has been a fatal tragedy for these towns. During the 1960s, the proportion of farm people over 55 rose by a third while the share under 14 declined by half.

Those towns that have survived often have been helped by chance, or the determination of a few local citizens with nerves steady enough to resist being panicked by deteriorating surroundings.

The tiny town of Clearfield (pop. 500) has been aided by both. The county keep the local high school open, while closing others in neighboring towns. There is a hard surface road to other main highways. And Dale Juergens, the local banker and Lions Club booster, has fought for the town's survival.

The Lions Club raised money for a community center and restaurant and sold subscriptions for the local paper when businesses started to close.

Clearfield now has two gas stations, a nursing home, mortuary, seed dealer, two grain elevators, hog-buying station, grocery, two churches and a movie theater.

How does Juergens explain Clearfield's renaissance?

"A lot of it is attitude and confidence," he said. "In some of those other communities it must be that people gave up. But most of all what kept us going was a few good years of farming. Our whole prosperity depends on agriculture."

All across the Midwestern farm belt, growers are preparing to plant "from fencepost to fencepost" in response to the Ford administration's request for all-out production.

It is a situation that makes many farmers very uncertain about their economic prospects. In several states, such as Iowa, farmers are trying to organize voluntary planting cutbacks. They fear that the massive corn crop that would be harvested in good weather would force prices down.

Critics of the administration's farm policies say the government expects the farmers themselves to take all the risks—to plant as much possible, but with little protection should massive harvests collapse prices. President Ford's veto of emergency farm legislation to increase price supports and income guarantees to farmers proved that, they maintain.

As farm state Sen. Hubert H. Humphery (D–Minn.) says, no other part of the American economy is asked to take such risks; no other section of the economy is locked into a a production cycle that can be adversely affected by so many factors, from unpredictable weather to suddenly soaring fixed costs.

In fairness, the critics say, a way must be found for consumers and taxpayers to share some of the risk. It is not fair, they insist, that those at the bottom of the food production chain should accept the most risk.

Yet many farmers themselves seem divided on the kind of government protections they desire.

An Iowa farmer, for example, said, "Get the government out of agriculture." But in the same breath he denounced Agriculture Secretary Earl L. Butz, who favors just that.

Some farmers clearly would like to return to the programs of the 1960s, when the government "managed" agriculture, supported the price of products, accumulated big reserves and told farmers how much land to plant.

But others blame the government for stockpiles of that era for stabilizing prices at a level satisfactory to consumers, not farmers. They seem unenthusiastic about a return to government planting controls. Yet some in Washington feel that farmers ultimately will have to accept that in return for more stable prices.

Farmers' opinions, naturally enough, vary according to their specific economic headaches. Fruit and vegetable farmers in Michigan chafe at government regulations, from quality standards to minimum wages for migrant laborers.

But tobacco farmers in North Carolina depend on the government's planting allotments to protect them from free market competition, and dairy farmers want higher government price supports and limits on imports.

Others are as angry as consumers at profiteering middlemen in the food processing chain. They insist that they are suffering as badly as consumers in other respects, too. Net farm income dropped from $32 billion to $27 billion between 1973 and 1974 and is expected to dip still lower this year.

More than anything, farmers say they want one thing: a fair return on their escalating investments.

THE INJUSTICE OF REVERSE DISCRIMINATION

Mr. TOWER. Mr. President, I would like to address an issue which seriously concerns millions of Americans—the injustice of reverse discrimination by virtue of affirmative action programs.

Little more than a year ago, on April 23, 1974, the Supreme Court handed down its decision in the celebrated case of Defunis versus Odegaard. The Defunis case specifically addressed the issue of reverse discrimination in educational opportunities and received much comment and public notice. My colleagues are well aware of the legal arguments presented in this case and, consequently, I shall not elaborate on them further at this time. The Supreme Court ruled the case moot, and Marco Defunis now has his law degree. But the highly sensitive issue raised by Defunis versus Odegaard is still very much with us and, if anything, is much more urgently in need of resolution that it was a year ago.

I have long been an outspoken critic of affirmative action programs, and it has been and still is my firm conviction that this unconstitutional aberration in our society was addressed precisely in the Civil Rights Act of 1964, title VII, sections 703 (a) and (j). Section 703(a) states:

> (a) It shall be an unlawful employment practice for an employer—
>
> (1) to fail or refuse to hire or discharge any individual, or otherwise to discriminate against any individual . . . because of such individual's race, color, religion, sex, or national origin; or
>
> (2) to limit, segregate, or classify his employees in anyway which would deprive or

> tend to deprive any individual of employment opportunities or otherwise adversely effect his status as an employee because of such individual's race, color, religion, sex or national origin.

Further, Section 703(j) states that—

> (j) Nothing contained in this title shall be interpreted to require any employer . . . to grant preferential treatment to any group because of the race, color, religion, sex or national origin of such individual or group on account of an *imbalance* which may exist with respect to the total number or percentage of persons of any race, color, religion, sex, or national origin employed by any employer . . . (emphasis added.)

Specifically to prevent any misunderstanding of the language of this section, Senators CLARK and CASE, in their floor management of the 1964 Civil Rights Act in the Senate, provided interpretive memoranda to the point:

> There is no requirement in Title VII that any employer maintain a racial balance in his work force. On the contrary, any deliberate attempt to maintain a racial balance whatever such a balance may be, *would involve a violation of Title VII* because maintaining such a balance would require an employer to hire or refuse to hire on the basis of race. (Emphasis added.)

It appears to me that this language is quite definitive, and I have waited expectantly for the courts to affirm my conviction through decisional law. Unfortunately, however, they have not chosen to do so and appear content to dodge the issue by following the counsel of Justice Frankfurter, who declared that—

> The Court will never decide an issue on constitutional grounds when it may be decided in any other way.

This, of course, was the case in last year's Supreme Court decision in Defunis versus Odegaard.

Part of the problem the courts face may be the widely held misconception that Executive Order 11246, issued by President Johnson in 1965 authorizing affirmative action, has some legal basis in the 1964 Civil Rights Act. As my colleagues know, this is simply not the case. In fact, there is no apparent basis for Executive Order 11246, which leaves the courts to grapple with the very difficult question of "the existence or nonexistence of a constitutional residuum of Presidential rulemaking power."

Thus, as a result, millions of Americans are still saddled with the Executive fiat of reverse discrimination and are faced with the unconscionable choice of accepting the affirmative action guidelines of the Federal bureaucracy against their principles, or losing Federal financial assistance in their universities and Federal contracts in their businesses.

The whole matter of affirmative action has been articulately addressed by Dr. Howard Sherain, assistant professor of political science, California State University at Long Beach, in an article entitled "The Questionable Legality of Affirmative Action."

After extensive examination of the entire question, Dr. Sherain has concluded that—

> (1) Affirmative Action is, in fact, not yet required by law; (2) as American constitutional law stands today, there are grave doubts that Affirmative Action in hiring could be required by law; and, (3) even if these legal doubts could be resolved, it is not certain—and now is the time to deal with the question—that we wish to require Affirmative Action by law.

Sherain further states, and I feel it important to reiterate this to my colleagues, that—

> When we deal with Affirmative Action through contract compliance, we deal in an area of legal illusions, procedural smokescreens, and administrative camouflage. In this area one can never be sure that what "is," is what *they* say it "is."
>
> The distinction between "goals" and "quotas" exemplifies this duality. The Affirmative Action clause requires the contractor to seek to hire "x" percentage of minority group members (and/or women). This, the administrator tells the contractor, is a "goal"—it is not a "quota." The difference between "goals," the rallying cry of the proponents of Affirmative Action, and "quotas," the rallying cry of the opponents of Affirmative Action, is that the aim of the former, we are assured, is "inclusion" and the aim of the latter is "exclusion." But even agreeing that the aim of these "goals-or-quotas-as-you-prefer" may be to get some people "in," it is difficult to see how their effect is not to keep some people out.

Dr. Sherain goes on to say:

> It has been suggested that Affirmative Action through contract compliance may be virtually immune to court challenge. Such an argument would run along these lines: A case is not *justiciable* unless the plaintiff has *standing* to bring the case: either he is not receiving the benefits of the law, or he has sustained some injury because of that law. Therefore, a contractor who has accepted a government contract could not challenge Affirmative Action; but similarly, neither could a contractor who has not accepted a government contract. Those who don't like Affirmative Action need not subscribe to it, by simply refusing the government contracts. They sustain no *justiciable* injury. Those who have accepted a government contract have subscribed to Affirmative Action voluntarily—and again, therefore, there is no *justiciable* injury. Affirmative Action through contract compliance is *non-justiciable*.
>
> Such an argument demands a gigantic "blinking of reality." The federal government is not, after all, just another "contractee"—the federal government is easily the most extensive "contractee" in the nation. Being ineligible to receive a government contract, with the threat of continual "black-listing" in the future, may mean more than the mere loss of just another contract"—it may well mean bankruptcy. This argument of non-justiciability rests on the illusion of voluntariness. As they have done in other areas, one would hope that here too courts would have the sophistication to see through this "voluntariness" and thus subject the concept of compelled Affirmative Action to judicial scrutiny.

Finally, Dr. Sherain discusses the illusion of procedural fairness and illustrates with a hypothetical scenario:

> The Administrator tells the contractor: "We are not asking you to do the impossible. If there are not enough blacks in your area qualified for that particular job, of course you have not violated the contract by not meeting the 'goal' which we have set for you. We are not unreasonable; all we expect is a 'good faith effort' on your part to reach the 'goal'—and we provide you with the opportunity of a *hearing*, so that you can demonstrate to us that you have made that 'good faith effort'."

We are reminded at this point to notice where the burden of proof is placed if a contractor has not met his "goal." The contractor "is presumed to have discriminated: and that initial presumption is overcome only when the contractor proves the contrary to the agency's satisfaction." We may interpret this situation as broadly as we like, but Sandler and Steinbach—American Council of Education Special Report, "HEW contract compliance—major concerns of institutions," April 20, 1972—point out that—

> Both administrators and HEW regional officers have interpreted this shift in the burden of 'going forward' as being equivalent to a *change in the Anglo-American system of jurisprudence by making an individual guilty until proven innocent*. (Emphasis added.)

Those who defend this imbalance, as well as the Executive orders which transfer the burden of proof from the plaintiff to the accused, declare that it is the only way of assuring "reasonable representation" of minority groups in our labor forces and educational institutions. They claim that administrative practices which benefit the minority to the detriment of the majority are justified, because their purpose is a benign one—to overcome the effects of past discrimination. In essence, they assert that since past discrimination was race conscious, the remedies must also be conscious of race.

I reject these rationalizations for blatant reverse discrimination and find it difficult to believe that any Member of this Congress who endorses the "equal protection" clause of the 14th amendment to the Constitution could do otherwise.

My colleagues are well aware that the goals-timetables-quotas methods of enforcing nondiscrimination have met with vociferous criticisms from a broad array of interests, including labor unions, the business community, and academicians.

Particularly outspoken in the academic community is an organization created to deal with this issue—the committee on academic nondiscrimination and integrity—CANI. This organization directs most of its criticisms at the Department of Labor's revised order No. 4, an outgrowth of Executive Order 11246 which provides that each college or university which is a beneficiary of Federal contracts adopt a plan designed to achieve specific numercial goals for the employment of women and members of specifically listed minority groups by specific dates. Failure to develop such a plan agreeable to the Office for Civil Rights of the Department of Health, Education, and Welfare results in withholding of Federal funding for the higher education programs of that institution. This organization is led by such notable scholars as Sidney Hook of New York University, Paul Seabury of the University of California, and Eugene Rostow of Yale Law School.

Miroslav M. Todorovich, City University of New York physics professor and coordinator of CANI, has done extensive research within the academic community on the extent and effect of reverse discrimination. Here again, Mr. President, we are dealing with the same illusions discussed earlier. Professor Todorovich purports, in a memorandum entitled the "Affirmative Action Program for the Nixon Administration," that many university administrators, faced with the stipulation of the various ordinances—the investigative methodology of the various central and regional offices of the Office for Civil Rights—OCR—of HEW, the harshness and abruptness of possible financial penalties, and the general dislocated state of the Nation's campuses in the wake of student disorders," responded in much the same way that Columbia's President William J. McGill explained:

> Our instincts in such circumstances were to promise almost anything in order to get the Government off Columbia's back.

Once more we have an illusion of voluntary compliance in stark contrast with the practical reality of the situation.

Mr. President, as we all know, the cost of education today has become so prohibitive that many, if not most, of our Nation's private colleges and universities are in severe financial condition. Institutions which for years have been the backbone of academic excellence in America are closing their doors. Should all colleges and universities which receive Federal financial assistance refuse to accept these funds in the future on the basis of a refusal to submit to "voluntary" affirmative action guidelines, the majority of our Nation's young people would be unable to afford a college education, and the majority of these federally assisted universities would be forced to fold. Higher education in 1975 is in a life and death struggle with the economics of inflation, and Federal financial assistance cannot be tossed aside at will.

Today, in the United States, our colleges and universities are quite literally being forced to accept affirmative action by Federal bureaucrats with social schemes and little concept of the nature of the academic environment. No consideration is given to the question of credentials or tenure. The professorships today hinge on color or sex. As a former university professor, I feel that the threat which this poses to academic excellence is imponderable.

This brings me to one final point. If there is no legal or constitutional basis for affirmative action, one begins to wonder how the executive branch of this Government made the great leap from nondiscrimination to reverse discrimination. Legal scholars studying the question have suggested that the explanation can be summed up in a word: Frustration. The administrators within the executive branch learned that "simple prohibition of discrimination" was not enough to bring immediate equality in educational or employment opportunities. Consequently, it seems, they began to look for other answers which were faster than mere nondiscrimination. Affirmative action—the "fruit of their frustration"—seemed to fit the bill. I would like to point out, however, that while this frustration may make affirmative action understandable, it does not thereby make it legal, nor constitutional.

I hope that my colleagues will give careful thought to the matter of reverse discrimination/affirmative action. It is time that these issues were exposed—these questions asked—so that we may move toward a greater understanding of the real considerations in college and university admissions, faculty hiring, and private employment.

VANCE HARTKE ON FOREIGN POLICY

Mr. RIBICOFF. Mr. President, Senator VANCE HARTKE has made a significant speech about America's position in the world in view of recent developments. In particular, his observations about our policy in the Middle East are worthy of our attention. Senator HARTKE has taken a perceptive look at our role in the world, and he puts into perspective the moral and historical relationship between the United States and Israel. His speech contains an important analysis of this situation, and I commend it to all of our colleagues.

I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR VANCE HARTKE BEFORE THE INDIANA JEWISH COMMUNITY RELATIONS COUNCIL

My remarks tonight were going to focus exclusively on the Middle East. But recent events in Indochina make it imperative that any discussion of foreign policy be placed in the broadest possible context. Development of the magnitude we have just witnessed inevitably bear in significant ways on all aspects of America's foreign relations. There has been no lack of speculation—some of it quite irresponsible—on the potential effects of Vietnam. To avoid a discussion of these implications can serve no useful purpose.

The resignation of President Thieu, followed by the surrender of the Saigon regime, was the symbolic consummation of an internal struggle conceived in the aftermath of World War Two. American participation in that conflict evolved gradually, almost imperceptibly. There were few, if any, landmark decisions; even the much-touted Gulf of Tonkin resolution hardly seemed, at the time, to be much of a departure.

As a result of this slow, incremental process, America awoke one day to discover that the Vietnamese civil-revolutionary war was an American war—a war financed by American money and fought with American soldiers. Most Americans, including many of those who helped shape the decisions, were stunned by the realization; few could offer a sound reason why it had happened.

The Vietnam war was a war without purpose; it was a war without conviction; and, it was a war without consent.

When historians set themselves in earnest to the task of analyzing the genesis of Vietnam policy, they will find that it issued from no articulated set of national goals, nor did it serve the interests of national security. The high-sounding platitudes which clothed this brutal misadventure were invented after the fact to justify a long series of mistakes.

By the time the administration realized the enormity of the commitment, it was too late to reverse course. Imprisoned by is own ill-conceived plans, the administration lacked the courage to admit that thousands of American lives had been misspent. More than ever, our officials in the State and Defense Departments felt the need to justify what they had wrought: their solution was to redouble the effort to achieve an impossible military victory. A sense of profound desperation permeated our military and foreign policy establishments. The carnage continued.

At home, the pressures mounted. American youth, upon whom the burden fell, was radicalized. Congress was finally rebelling, "Vietnamization" was invented to shift the war back to the Vietnamese. When it failed, as every clear mind knew it would, all pretense was dropped. The Paris accords compounded agony with hypocricy. Mr. Nixon proclaimed a "peace with honor." America gained neither peace nor honor.

I thank God the ghastly charade is over. But the memory of those years of self-delusion, of self-deception, and of self-destruction will not be easily erased. The memory will linger in the grief of every family that lost a son; it will linger in the despair of the tens of thousands of war-scarred veterans; it is etched in the face of every Vietnamese orphan.

I am confident, however, that America, like the great bird, Phoenix, will emerge stronger, wiser, and more mature from this national tragedy. The American people have been shocked, but not traumatized. They will *not* react by withdrawing from responsibility, but they will be more cautious and deliberate. They will *not* reject our political system, but their demands on their political leaders will be more onerous and exacting. The tone of American politics will change.

The American people—at least, most of the American people—now clearly see the bankruptcy of the Vietnam war; they feel its debilitating moral effects. But the legacy of Vietnam will *not* be a new isolationism.

We feel embittered about Vietnam. We should. Some will call for a return to "Fortress America," but the 1970's are not the 1930's. Global interdependence is a reality that cannot be shunted aside. America is a world power of necessity, not by design. A people who has walked on the Moon will not turn its back on the rest of mankind.

Vietnam was unique; an aberration. It was another nation's civil war. It was an American war by presidential decree, not democratic debate. We can, and we will, distinguish between Vietnam and the idea of international commitments.

Because I was among the very earliest critics of this war, I have been called an isolationist. If that meant keeping us out of another Vietnam, I would gladly accept the label. But because it means an undifferentiated, across-the-board rejection of foreign ties and commitments, I unequivocally declare that I am not an isolationist—of the new school or the old.

American foreign policy stands at a crossroads. The experience of Vietnam will force us to scrutinize ourselves. This will lead, I hope, to a clear articulation of the principles to guide us in the future. It is a re-evaluation that I welcome; you should welcome it as well.

The result will be a "new internationalism" that will usher in an era of openness in foreign policy. Vietnam epitomized the obnoxious doctrine that effective foreign policy and democratic processes are incompatible. The people, and the people's elected representatives, need to be managed and manipulated by elites, it is argued, because foreign policy is too technical, too complex. In practice, this means lying to the public and circumventing the Congress.

Without the continuous vigilance of Congress, it is too easy for the career civil servants in the State Department, the Central Intelligency Agency, or the Pentagon, to lose sight of the ends and goals of American policy—if, in fact, they ever see the goal. Because their operations are shrouded in secrecy and their administrators are not politically accountable, much national policy is formulated and executed in a moral and political vacuum. The allegation, whether true or not, that governmental agencies like the C.I.A. plot assassinations and consort with organized crime is frightening. It is the stuff of cheap fiction and must not be allowed to become a part of the fabric of American policy.

The "New Internationalism" should extend, as President Woodrow Wilson sought to do following World War One, democracy into the exclusive club of foreign policy. Wilson decried the secret treaties that led an unsuspecting world down the path of general war. Henceforth, he said, only "open covenants openly arrived at" should bind a nation. For a few moments, the war-weary world listened; too soon, it settled back to its old habits.

If we, the people of the United States, are determined to be a true democracy; if we are to continue to espouse the inherent dignity and stature of all men; we must resolve to adhere to those principles in all arenas of public life and public policy.

The "New Internationalism" must mean, above all else, that the American people, directly and through their popularly elected representatives, participate in the formulation of foreign policy. Congress must reassert its role and its prerogative. The President and his mamouth bureaucracy can no longer be allowed a monopoly in both the conduct and formulation of policy.

The "New Internationalism" must mean a careful and systematic consideration of all this Nation's overseas commitments in an open forum. Together with the President, we must develop an understanding of America's role in the world, and we must establish its goals. We must further determine how our relationship to other nations advances or hinders these purposes.

The "New Internationalism" must mean that all future commitments will reflect a sufficiently broad support to avoid the fragmentation of our political community precipitated by Vietnam.

Fear of a new wave of American isolationism comes on the heels of the much publicized "reassessment" of American-Israeli ties. The reassessment itself was precipitated by the failure of Secretary of State Kissinger's most recent Middle East shuttle. The Secretary had hoped to lay the groundwork for an overall peace settlement by reconstituting Israeli-Egyptian relations. Seen against the backdrop of the rapidly deteriorating Indochina situation, the Ford administration was anxious—perhaps, overanxious—to score a diplomatic victory.

Substantially, the "reassessment" will not result in any change of American policy toward Israel. It is primarily a bargaining lever by which the administration hopes to force greater Israeli flexibility. It is true that because of Israel's meticulous adherence to the concept of proportional representation in the Knesset, the maneuverability of the Prime Minister is severely circumscribed by a very limited majority. The "reassessment" is also being used to strengthen the Secretary's credibility as a third party mediator in Arab eyes.

I am convinced, however, that Dr. Kissinger, in his haste to earn himself and the administration another Nobel peace prize, has mistaken Israeli prudence and common sense for intransigence. In the diplomatic ballet that the Secretary choreographed, Israel offered much, Egypt very little.

The precondition for any successful or even valid negotiation is the conviction on both sides that there is a mutual interest that can be achieved by bargaining. But there are other reasons for entering into a negotiation besides the ostensible one. If the Egyptians agreed to negotiate for propaganda purposes, they were quite successful.

Both Egypt and Israel have something the other wants. Israel possesses strategically and economically valuable real estate gained in war at Egypt's expense; Egypt, for its part, has the power to make fundamental political concessions, namely, an end to the state of belligerency, that Israel wants. Kissinger's goal was to effectuate an exchange. Israel made very considerable territorial offers of the oil fields and some of the Sinai passes; Egypt would only agree to the most ambiguous and unsatisfactory language. Compromise proved impossible.

The areas held by Israel are intrinsically important to her security and they are important as bargaining counters. Israel argued that to give these up without a basic change in the formal state of Israeli-Egyptian relations—from a state of belligerency to something else approaching a recognition of Israel's status—was nonsensical. Egypt, for its part, virtually demanded a return of all the territories as a pre-condition for discussing the problem.

Had Egypt agreed to the political demands of Israel, President Sadat would have committed himself—and, perhaps, most of the Arab bloc—to resolve their disputes within an entirely new political diplomatic framework; a framework that recognized the right of the Jewish state to exist. When that point is finally reached, Arab-Israeli relations will have reached a new plateau. It will be a Middle East turning point.

American attitudes toward the Middle East betray a significant strain of "rationalism." Rationalism is the belief that human conflicts are problems which can be solved. It holds conflict to be an unnatural state of affairs and assumes that all men share a communality of interests. Occasionally, this may become obscured, but patience and diligence will overcome these monetary perversions. This is not a uniquely American philosophy, although it fits well with our highly vaunted pragmatism. The earliest rationalist philosopher was Plato, and his intellectual descendants include such luminaries as Rousseau, Marx, Thoreau, and Skinner.

It is ironic that the men most responsible for the invention of our political institutions—men like Madison and Monroe—held just the opposite. Human struggle and conflict were intrinsic to the human condition. To survive, a political system had to evolve mechanisms to contain and moderate these proclivities; our constitution is such a device. It is a blueprint for structured and balanced conflict. It parcels out overlapping responsibility to three different branches to disperse power. It creates an intricate network of checks and balances to pit power against power so that no individual or group can gain ascendency.

Our founders were neither obdurate pessimists or hardened cynics. They were political realists who accepted the proposition that while men have been created equal, they were not created entirely rational.

History teaches that most conflicts are not so much resolved as superseded by new ones. The goal of peace and harmony in the Middle East may not be realistic for the near future. The conflict there runs deep, encompassing all the conventional forms, but adding fundamental cultural, ethnic, and religious differences. It is not for lack of understanding or communication that Arabs and Israelis fight.

America should take its cue from our own founding fathers in its approach to the Middle East. Yes, we should continue by any and every means available to move toward the millennium. But the immediate objective should be the establishment of a framework of checks and balances, so that conflict will be kept moderate and within reasonable bounds. A loving Middle East would be desirable, but a stable Middle East is imperative.

It is in this context that I am somewhat disturbed by recent events. Reluctantly, I have come to the conclusion that the last round of negotiations was an attempt by President Sadat to undermine—or, at least, moderate—American support for Israel. By portraying himself as a reasonable man dedicated to peace on the one hand, and social progress in Egypt on the other, he sought to shift the onus of the present situation onto Israel. His message to the American people was—"after all, it is Israel that holds Egyptian territory, not vice versa." The answer—which received far less publicity—is that the territory was lost following an unsuccessful military invasion of Israel by Egypt. Its return, therefore, requires some guarantee against future invasions.

President Sadat's maneuver was more effective with the American State Department than with the American people. Egypt was not successful in undermining or weakening American support of Israel. That sense of solidarity is as strong now as it ever was. It is true in the Nation as a whole, and it is true in the United States Congress. Mr. Ford and Dr. Kissinger have made a serious tactical mistake in their so-called reassessment. Its real effect will be to encourage the Egyptians to pursue a similar strategy in the future to the detriment of real negotiations.

America was deeply involved in the creation of Israel. Exactly eleven minutes after Israel was proclaimed a State, the United States recognized the provisional government. Throughout 1948 and 1949, President Truman reiterated his support of Israel and resisted all attempts to diminish its territory. In October of 1948, Truman enunciated the principles that have remained the cornerstone of our policy in the intervening twenty-seven years. "The subject of Israel," he said, "must not be resolved as a matter of politics. . . . it is my desire to build in Palestine a strong, prosperous, free and independent democratic state. It must be large enough, free enough, and strong enough to make its people self-supporting and secure."

In an age when human values as embodied in the Judeo-Christian tradition, are under constant attack, Israel stands as a beacon of hope. Its mere existence is testimony to the indomitability of the human will. Its democracy in the face of adversity and hostility is proof that human freedom can survive and prosper. Its economic achievements proclaim to the world what industriousness and commitment can accomplish.

American support of Israel is undeniably influenced by a deep sentimental attachment. But the two countries are bound together by mutual self-interest which buttresses the sentiment and cements the relationships.

Ideologically, America is bound to the ideal of democracy. We believe it to be the best soil for human growth, spiritual and material. We would like to see all nations espouse it. Unfortunately, most new nations—and too many of the old—have determined that modernity and freedom are incompatible. We want to protect and expand freedom, and Israel is very much part of the free world. The example of Israel reaffirms our faith in America.

The physical location of Israel is the key to understanding its international significance. For the better part of two centuries, the great powers of the world have contested and jockeyed for position in the middle east. On one side is the eastern Mediterranean; on the other, the Indian Ocean. It is the connective tissue between east and west, and it is between the powers of the east and the powers of the west that much of the international competition and rivalry has occurred. The immensely important strategic location of the Middle East has been vastly increased by the nine-hundred-billion barrels of oil that lie beneath its surface.

The western world is experiencing in a very tangible way the importance of the Middle East in the quadrupling of the price of oil. During the Yom Kippur war, the oil rich Arab nations practiced political blackmail by withholding oil from the west. Since then, they have settled for economic blackmail. But there is no doubt in my mind that the present cartel price of oil has little to do with the Middle East conflict. It is the expression of Arab nationalism; and it reflects their desire to enjoy to the fullest extent possible nature's bountiful generosity.

Detente between the United States and the Soviet Union is not without practical significance. But detente must not be mistaken for an end to the political rivalry between the two superpowers. It should not be taken to mean that the Soviet Union has acquiesced in the existing status quo. It is simply part of an attempt to lower the decible level of the conflict, and to better manage the inherent explosiveness of the rivalry. It does not follow, therefore, that because we officially have detente that the ambitions of the Soviets have disappeared and that vigilance by the United States is unnecessary.

Russia's immediate objective in the Middle East is to diminish American influence, make the nations of the region client states, and thereby gain control over the flow of oil. This would gain for them considerable leverage over the economics of Western Europe, and would decrease, if not eliminate, American naval presence in the Mediterranean. Their position in the Indian Ocean would be considerably strengthened while insuring access to Africa. It is unlikely that the Soviets have specific territorial ambitions. What they want is political hegemony which could be accomplished by supporting revolutionary regimes reliant upon Soviet arms and assistance.

Israel is the single most important barrier to the fulfillment of Soviet ambitions. Israel is a bulwark of the west; it is the key to America's counter-strategy. For this reason, the Soviet Union has been so generous in supplying Israel's enemies; and it is for this reason that the bond between Israel and the United States is secure.

American policy in the middle east is not merely a carbon copy of the Soviet strategy in reverse. We do not want political hegemony. Our objective is that the countries of that area be truly independent; that their conflicts be moderated and, if possible, eliminated; and that the middle east cease to be a pawn in a global chess game. We hope that the Soviet Union will abandon its political objectives and join with us in creating a framework that will decrease the potential for future wars.

Middle Eastern diplomacy is complex, even Byzantine. Not every Arab State is equally susceptible to the Soviet Lure. Countries like Saudi Arabia and Egypt are acutely aware of the danger of too close ties with Russia. American policy and American interests in the Middle East must be sensitive to these shadings. It would be disastrous—for Israel as well as us—to drive the more moderate Arab States further into the Russian camp. At the same time, we need to take great care to protect Israel. Should Israel be defeated, the Middle East would become an open and angry struggle for power between Russia and America.

The Soviet Union must also proceed cautiously. The American commitment to Israel makes the situation potentialy very explosive. The Kremlin's leaders walk a middle ground between aiding the Arabs and transforming them into clients without provoking too great a response from the United States.

In the Middle East, peace and stability are not the same thing. Peace is the absence of overt conflict, stability is the maintenance of the existing States with roughly the same relative capabilities. The only viable method to insure against a collapse of the Middle East is to insure that Israel has the means to defend herself. American policy must provide for a continuation of the military balance of power. Whatever it takes in military and economic assistance to accomplish, it must be done. A strong and independent Israel is the best guarantee we have of an indepenednt Middle East!

Our Israeli friends ask no more than this. We cannot afford to do less. The crucial difference between Israel and Vietnam is that Israel believe in itself. Israel has no wish to become an American client. Israel values her independence as much as we value ours. Israel demands our respect, and insists that we treat one another as two equally sovereign States.

American support of Israel has been substantial. But its extent has been greatly exaggerated by those who wish to change that policy of support. Compared to other nations and regions, American assistance to Israel has been modest. Most of our help has been in the form of loans, not grants.

Between 1946 and November, 1973, our total economic and military assistance was slightly over four billion dollars. Less than one-half billion dollars was in grants. The three-and-one-half billion dollars in loans that are being assiduously repaid. Prior to the Yom Kippur war, every bit of military equipment was purchased, not given free. In December, 1973, Israel requested, and the Congress appropriated, one-and-one-half billion dollars in emergency military assistance grants, and seven-hundred million dollars in loans.

These figures need some perspective. During the pre-1973 period, the United States appropriated seven-hundred-ninety-two million dollars in military assistance to the Arab States, almost equally divided between grants and loans. During the same period, we extended a total of three-point-nine billion dollars in economic assistance, of which two-point-four billion dollars was in grants. Our assistance to the Arab States, prior to late 1973, was seven-hundred million dollars greater than our assistance to Israel. The grant versus loan comparison is more startling. Almost fifty-nine percent of our assistance to the Arab States was in grants, compared to only twelve-point-five percent for Israel.

To capture for you the Israeli attitude toward its defense, let me quote you the eloquent words of Abba Eban who spoke in Washington a few weeks ago:

"Israel seeks respect for its solitude of responsibility. We are not alone in arms—we are greatly helped. We are not alone in economic strength. We are greatly reinforced. We are not alone politically, we are greatly aided by American understanding. But there is one domain in which Israel is alone. When the last account is made, when there is sacrifice of life and blood, it is the sacrifice of Israeli life and Israeli blood alone. We would not have it otherwise."

This is the irreducible difference between Israel and Vietnam. This is why American disenchantment with the corrupt regime of President Thieu will not pollute the American commitment to Israel. Israel stands as a united people, determined to insure its place in history. The United States will help.

DRAB OUTLOOK

Mr. THURMOND. Mr. President, an editorial entitled, "Drab Outlook" appeared in the May 6, 1975 issue of the Augusta Chronicle newspaper in Augusta, Ga.

The editorial of the Chronicle took note of an Association of the U.S. Army statement which warned about U.S. withdrawals around the world.

In its usual succinct manner the Chronicle concluded that the best insurance for the survival of our country and the free world "may be found in the stabilizing ballast of a strong national defense."

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DRAB OUTLOOK

The Association of the United States Army as that military-oriented organization periodically does, set about the other day to examine the global outlook so far as America in concerned.

Its conclusion was that "Pollyanna would be hard-pressed to glean much solace from what we confront in the world today. The dangers to our whole free way of life have never been more real."

That awful outlook, one might suspect, should serve to awaken every American to the only course left open to us—a shoring up of our ramparts for any and all eventualities. Yet, the Nation—or at least its lawmakers in the halls of Congress—faces its present dangers with an inadequate security posture that continues to diminish year after year. U.S. troop strength overseas, said AUSA's survey, for more than 30 years one barometer of the Nation's posture in world affairs, was down to approximately 500,000 at the beginning of this year, and is still declining.

What should trouble most Americans—but somehow doesn't—is that far too many persons in high office tend to take for granted the outward improvement in our relations with the Soviet Union and Red China and what they regard as the lowering of global tensions. Some Americans assume that continued progress is automatic, that to be firm would rock the peace boat.

But there is no peace, and there is no lowering of tensions. To the contrary. Tension in Southeast Asia continues white hot. It is still highly heated in the Mideast. We have detente with the Soviet Union, but the Communists, who respect only strength, continue to strengthen their forces, as the United States reduces its.

The shocking realities of the situation were forcefully brought home to Americans over the weekend when retired Admiral Elmo Zumwalt, former chief of naval operations, bluntly acknowledged that in the event of a war right now with the Soviet Union, America would lose!

This frightening potential is an albatross every American has to wear around his neck. It is the gift of a Congress, which, as Zumwalt said, "has been so penurious in its budget we do not have the capability to stand up to the Soviet Union today."

The addition to the U.S. Fleet of the world's largest aircraft carrier, the U.S.S. Nimitz, cannot help but give strength to the country's total force, but the need for a strong national defense stretches ahead as far as we can see. Without it, we have nothing. The Nation cannot mortgage its future to the perceived good intentions of others.

The problem is not alone this country's. Every Western nation faces daily the threat of Communist muscle-flexing. Just recently, the magazine Business Week commented on what it termed the phenomena of the total lack of leadership in every country at the level of head of state. Its observation:

"There are no strong governments anywhere. The Western World seems to be floating without power or rudder on a sea filled with destructive events."

Somehow, Congress is going to have to be convinced that what the United States vitally needs, now that it faces a weakening of ties with some of its allies and even the complete loss of some in NATO, is the insurance against attack that may be found in the stabilizing ballast of a strong national defense.

DIALOG ON BILINGUAL EDUCATION

Mr. CRANSTON. Mr. President, some weeks ago I had the privilege of participating in a radio forum on bilingual education as a part of the series "Options on Education."

"Options on Education" is co-produced by the Institute for Educational Leadership of the George Washington University and by National Public Radio. It airs on nearly all NPR's 176 member stations in this country, and is broadcast by Voice of America abroad. In 1974, "Options on Education" received awards from the Council for the Advancement and Support of Education, winning first prize for radio coverage of higher education, and from the Education Writers Association, which awarded "Options" its first prize in the broadcast category.

I was especially pleased, Mr. President, that this segment on bilingual education involved such a diverse range of persons with strong backgrounds in the field. I believe the transcript would be of interest to Senators, and so I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SE HABLA ESPAÑOL AQUI—SPANISH IS SPOKEN HERE

[A Transcript of "Options on Education", January 31, 1975]

A. Announcer Mike Waters

JM. Moderator John Merrow

JG. Jose Angel Gutierrez, County Judge, Crystal City, Texas

AG. Angel Gonzales, U.S. Office of Education, former Superintendent of Schools, Crystal City, Texas

JS. Father Jose Samosa, Director, federally-supported Bilingual programs, District of Columbia Public schools

AC. U.S. Senator Alan Cranston (D., Calif.)

PH. Peter Holmes, Director, Office for Civil Rights, Department of Health, Education and Welfare

Also. Children in the third grade, the Oyster Elementary School, Washington, D.C.

A. From National Public Radio in Washington, I'm Mike Waters with "Options on Education."

JG. Why can the Americans, say it's great for Americans to speak English because this is a country for Americans, and then deny that same equal opportunity for Mexicans to speak in Mexican and Spanish. The only difference is that we have a little Mexico in the United States, like we have a little Cuba in the United States, like we have a little Greece, and a little China, and a little Hawaii, and a little Philippines, and a little Holland, and a little Germany, and a little Italy.

A. There are only four other countries in North and South America with more Spanish-speaking citizens than the United States. What happens in public schools to children for whom English is a second language, if they speak it at all? What does the law require? Is the USA a melting pot? We'll be looking for answers to these questions on this edition of Options on Education. We're calling this program "Se Habla Espanol Aqui"—Spanish is spoken here. We'll hear from a United States Senator, a top Civil Rights official, three Chicano educators, and saving the best for last, some third-graders in a bilingual school.

Let's begin with a brief look at the law. Title VII of the Elementary and Secondary Education Act is the Bilingual Education Act, which became law in 1968. It provides money for demonstration projects in bilingual education. Right now there are about 350 of these projects around the country at a cost of $70 million. Forty-two different languages are involved, but Spanish is the dominant one. Title VII was recently amended, as you'll hear later. From all reports, Crystal City, Texas has one of the best bilingual demonstration projects in the country. Until several years ago, Spanish was not allowed to be used anywhere in Crystal City schools—despite the fact that about 86% of the students were Chicanos.

Jose Angel Gutierrez and Angel Gonzalez were very much involved in Crystal City's bilingual revolution. Mr. Gutierrez from the beginning, and Mr. Gonzalez as the district's first Chicano school superintendent. Mr. Gutierrez was one of the founders of La Raza Unida, the Chicano political party in the southwest. Mr. Gonzalez now works in the Bilingual Education Division of the U.S. Office of Education. They talked with our reporter, John Merrow of the Institute for Educational Leadership.

JG. Essentially the problem was a lack of involvement and influence on the decision-making into the politics of education.

JM. How big is the community and how many are Chicanos?

JG. The community is about 10,000 population, 85% were Chicanos. It's more now. In a county which has three school districts, or had at that time—independent school districts—the board members, comprised of 7 members, reflected the corporate and ranching interests, with 2 Mexican-Americans on the School Board out of seven. Neither one of the Mexican-Americans was a man on his own because he was working for one of these either corporate or ranching interests. Del Monte Corporation, the world's largest food processor, has a plant located there. So it is a company town. And the problem has been in the past that there was very little input. No one could make any decisions affecting the education.

JM. You mean no Chicanos could make decisions?

JG. Well, I'm trying to stay away from that because this is a problem all over America to begin with—that the people don't have much of a chance of influencing boards of education over the technical selection, over the curriculum, over the teaching techniques; and we have this glorified notion that the people coming out of colleges somehow are better equipped intellectually and in other ways to cope with the problems of education, so parents give up the right, and they are led to believe that that's the way it should be by principals, and superintendents and everyone else in the business of education. So, adding onto that problem we have the problem of us being culturally different. The minority population, in the case the Anglcs as we call them, felt we were culturally deficient—so that they tended to view us in very racist and ethnocentric points of view. That we should be Americans therefore speak American, meaning English, that we should accept a totally English curriculum, that we had to work twice as hard to prove our Americanism, we should be excluded therefore from little Mickey Mouse things which are important to the students.

JM. Like what?

JG. Cheerleader selections. There was only one token slot for a Mexican girl, the twirlers,, and the football captains, the football sweetheart, and all this kind of stuff.

JM. How were those things selected—how was the homecoming queen selected?

JG. Well, that's a wrong choice unfortunately that you picked, because that was *created*, and that's what caused the walkout. In the past, they had a football sweetheart, which was popularly elected until about 1961–60, when the majority population of the high school changed from Anglo to Mexican-American. When the Mexicans began electing their own Mexican football sweetheart, the rules were changed to have the faculty choose that woman. Then as that got out of hand because there was faculty coming in that was Chicano, they moved to outside judges. They had the same formula with the football team, which was almost all white. They didn't play by ability, they played by whose son was the biggest rancher and needed to get his football letter so he could frame it and keep it for his latter years to show his kids or whatever reasons. So, these kinds of things started occurring, and in 1969 when the community in the spring got tired of this kind of situation, the students began discussions with the principals, the superintendent and Board of Education about not accepting this discrimination.

The response of the Board and the administrators was "separate but equal." They invented two sweethearts, one Mexican and one white. Well, this was acceptable to the students for the springtime because we had learned by now that you don't begin any kind of organizational activity toward the end of the school year. So, the school administrators decided to allow the creation of another titular thing called a homecoming queen. And in typical racist fashion with a contemporary theme, they made some rules which were the same thing as the "grandfather clause" back in Civil War times—the black slaves were allowed the franchise to vote provided their grandparents had been able to vote. Here in Crystal City they said any Mexican girl is eligible to run for homecoming queen provided her parents both graduated from this school.

JM. Is that the same thing? Tell me about graduation rates.

JG. Well, I explained at the beginning of the interview that it wasn't until 1960–61 that we were finally in majority numbers at the high school. We had, up to the time Mr. Gonzalez arrived, about a 91% drop-out rate among Mexican-Americans. He can comment more on the statistics and problems that he found when he took over our school district as superintendent. But with the invention of those rules, the community was infuriated because there was only about 6 Mexican-American girls who were eligible out of about 300 or 350. And that began the issue. Of course, that was much broadened in a very few weeks into an issue of bilingual education, refusal to permit any further testing, wanting to disallow corporal punishment, insisting that Spanish be used as a language of instruction.

JM. Now wouldn't that have been illegal? Was this about 1969?

JG. 1969, correct.

JM. Wouldn't that have been illegal to teach in a second language—to teach in Spanish.

JG. Illegal in Texas—correct. It was illegal unless you requested permission from the state and obtained it. We never did then, and even if it were made illegal again today, we wouldn't ask for the change or permission because we believe that the First Amendment says you have freedom of speech—it doesn't say in English only.

JM. But haven't teachers in Crystal City been arrested?

JG. One. And it was never taken to court. I think the authorities saw that they were in error, and rather than face a court suit that would eliminate that particular policy and legislation, they simply chose not to litigate, to leave the laws as they are so that other people less courageous and bold would accept the refusal.

JM. Now, so in 1969 you have a walk-out, you have a great deal of protest about an issue other than the student homecoming queen. What did it lead to? Who was superintendent then, and how did Mr. Gonzalez get to become superintendent of Crystal City?

JG. We had a superintendent by the name of John Billings, who has been superintendent for a couple of years, and he proved totally inept in handling the situation because we were well-organized and very adamant about what we wanted and were not going to concede a single point. We proceeded then on December 9th to withdraw 100 students from the school, and proceeded to withdraw 100 students everyday thereafter for 17 days until we reached 1700, which practically closed the school. The Christmas holidays got into the middle of the thing, and we had people from all over the state come in and help us set up emergency schools, liberation schools as we called them. And we got considerable publicity. Some students came up to Washington to confer with Congressmen and Senators and the Office of Education about the atrocious education we were getting, because our kids were fighting *for* an *education*, as opposed to other kinds of protests we had in the '60s or against something else. We were protesting for education.

So we were successful January 2nd or 3rd, around there, to iron out the contract between the protestors and the Board of Education. But we realized that piece of paper was not even worth the paper and ink that it was written on. We learned that from Indian history with white people. So we proceeded then to organize ourselves into political parties, even though school board elections and municipal elections are non-partisan in Texas. That also is a myth, as we well know. We knew that the corporate and ranching interests controlled all government, county school and city, partisan or non-partisan, party label or no party label. They were all in it together against us. So we organized, registered voters, got ourselves together, formed a political party and launched a campaign and won.

JM. What was the political party called?

JG. La Raza Unida.

JM. Is that the origin of La Raza Unida?

JG. Yes, that's the birthplace as well. We organized it on January 17th, 1970—two weeks after the walk-out contract was signed and terminated. So then we were successful—not only in Crystal City but in the whole area. We ran 17 candidates and won 15 in city council and school board elections in that area which was a three-county area.

JM. How did it change the composition of the school board in Crystal City? It was 5 to 2.

JG. We elected three. It was 5 to 2 and one of those two remained on the Board. He had been at the center. The votes had always been 6–1, 6–1, 6–1. So when we joined and elected three members (I was elected to the Board at that time) that other individual made the fourth vote, so that then we had a majority 4–3. And by that time the school board had removed the incompetent superintendent, Billings, and hired an even greater incompetent by the name John Briggs—who proceeded to spy on the new Board and to place obstacles in our path every time we wanted to make some changes. So at one time we had three superintendents. Because we had Billings still on the payroll, Briggs as the new Superintendent-elect and then we turned around and hired Mr. Gonzalez as the new superintendent. And we went to court for several years after that. But Mr. Gonzalez cleaned out the place—came in and took the keys from Mr. Briggs, and proceeded to take a hold of the situation and after that it's a success story, and he can add to that.

JM. What did you find when you got to Crystal City, Mr. Gonzalez?

AG. Well, of course, there were more than 3 superintendents, there were 5 because Mr. Tate was still there on the payroll, and Mr. Ray, another ex-superintendent was also on the payroll, so there were really 5 there when I arrived. And there were only three people in the central office, a superintendent, a business manager and a tax assessor/collector.

JM. Tell me what you found in terms of the education for the kids. What kind of schooling?

AG. Well, there was no real curriculum. There was no real education—not even for the dominant group, the English-speaking group. The science department, of course, was run down; there was no visible evidence of any kind of curriculum in mathematics; the schools were run down. I would say 70% of the children were in buildings that should have been condemned many years before. Crystal City had been the site of the concentration camps that were set up for the Japanese during 1941 when they were pulled off the coast, and we had children in those frame buildings.

JM. Sounds like you're saying that the education for everyone—Chicano and Anglo alike—was poor.

AG. I feel that it was, and in looking around and talking to some of the teachers there—Anglos that came to apply for jobs and people that I talked to and asked how they felt in comparison to other students, they felt very inferior also. So I think that overall not even the Anglos were receiving any type of an education that was well-rounded, that would equip them to go on to a university.

JM. Well, have things turned around in Crystal City—what's it like now?

AG. Well, it's quite different. Of course, students can see Chicanos in administrative positions and leadership positions. The education now is in a language that they can learn. There's more emphasis on learning than there is on language. We accept the whole community, the Board, its policy that Spanish and English are on an equal basis and both official languages of the district.

JM. What does that mean in actual terms of what I'd find in a classroom if Spanish and English are on an equal basis. What would a bilingual classroom look like?

AG. That means that Spanish is not inferior to English, that a student isn't embarrassed or he's not ashamed to speak in the language he brings from home, or that his parents speak. He's not told to speak only English; he's not paddled, he's not kept after school because he speaks in Spanish.

JM. And those things used to happen?

AG. Teachers are at ease in instructing in Spanish even though they still lack the skills, but we have a training program for the teachers and the aides; and I keep saying "we," because I still feel a big part of what was started there. Of course, we still have a long way to go but I still say "we" because I feel that I'm still part of it and want to see it succeed.

JM. So if I walked into a second grade classroom in Crystal City would I find one teacher who is able to work in both English and Spanish or would there be two teachers?

AG. You'd find a bilingual teacher and an aide both equally competent in English and Spanish. The aide would probably be one in the second grade that's working on an undergraduate degree program with one COP Program.

JM. Which is the Career Opportunities Program?

AG. That's right, and the teacher would be working in an Urban/Rural Program with Chicago State University inservice training program, earning hours toward a Master's to develop these techniques and the vocabulary, and you'd probably see a science lesson being taught in Spanish where they learn what the roots, the stem, the flower are in the language the child understands.

JM. That's interesting, you say a science class would be taught in Spanish. What's the reason for that—is that an essential part of bilingual education?

AG. Why, yes. I have seen in my travel since I've been with the Office of Education throughout the country programs that are called "bilingual education" where they teach 30 minutes and they go right back and revert to the English, and they say "okay, you're going to learn math, science and social studies in English," when kids don't understand the language. So that in contrast to that, we are saying let's teach them concepts, let's teach them history, let's teach them science, and the transfer of that knowledge into their language will come very easily once they learn the language. At the same time we're spending much time in developing the oral language skills with these children.

JM. Now by sixth grade is the whole history lesson in Spanish, or do you move into English? What's the ultimate goal of a bilingual education in Crystal City or somewhere else?

AG. Well I would say eventually when we have the trained teachers it's for that teacher to be able to teach in either language and the students understand.

JM. How about for the kids?

AG. The same way. They will develop a proficiency in Spanish and English. So in other words, they feel comfortable in asking a question on American history—because a lot of people feel that American history taught in Spanish is Mexican history, well it isn't it's still American history except that you learn it in Spanish. And I was fortunate enough to see in Milwaukee, in one of the high schools there, a young teacher teaching American history in Spanish, and it was beautiful because everybody understood and they knew what was going on. They had a lot of students there who had just come from Puerto Rico, so this is what we have been doing and are attempting to increase in academic areas. Even the law is changing now, saying that bilingual education is not for 30 minutes and is to be taught in all academic areas. And this would be true of your son in the D.C. bilingual program if he received instruction in his native language for 30 minutes and the rest of it was in Spanish. He'd have a hard time learning science and math and social studies in a language that he doesn't understand. So therefore if you have to provide for the English-speaking student in that manner, let's provide for the Spanish-speaking children in the same way. And we weren't doing that. They weren't doing it in Crystal City; they were testing children in the language that they didn't understand, so they failed their tests the first day they came to school.

JG. On top of that not only were they failures, they were classified as mentally retarded. Because in those kind of intelligence quotient tests, there is a cut-off, and if you don't score above a certain level then there's something wrong seriously with *your* mental capacities, and that's called mental retardation. And you can go to any school district in the southwest and look at the records that are still available—I would even predict that both Gonzalez and I are classified on our first-grade levels of mental retardees because we didn't understand the words in English for bubble, and soap and galoshes, and necklaces and ornaments and there kinds of words that come up on an exam.

JM. Let's trace that through now. Suppose in first grade a kid is way above normal but is classified as retarded because he doesn't do well on the tests. What happens?

JG. Well, for one, he's scarred for life because that is going to be part of his permanent record. You begin confirming now a self-fulfilling prophecy. The card says the kid is a slow learner. You say something to him in English, he bends his head down, he doesn't know what happening, you think he cowardly, lazy, scared and afraid, and he is a slow learner and he's dumb, he must be dumb. Therefore you give him a poor assignment because you know you don't expect him to do anything. He knows he's not expected to do anything, so he begins conforming. By the sixth grade he says "hell, this is a bad place—I'm dropping out. I'd rather go out in the fields like my daddy because that's the only thing we know how to do." And you get that whole vicious cycle. Those are some of the consequences of what was happening until the Mexican-American Legal Defense and Educational Fund, the branch office out in California, filed suit against the State Board of Education in California, and that ended that practice at least in the courts. But, as we know, Brown versus the Board of Education hasn't ended the Boston riots and problems we have today on segregation and desegregation. So that was the case. It's still being done. There are school districts in Texas that *still* do not allow the use of Spanish in the rest rooms, in the playground, much less in classroom; and the kids still get expelled for three days or beaten for speaking Spanish and have to write a thousand times "I will not speak Spanish," and that sort of thing.

JM. The bilingual education is what's called a *demonstration* project. What does that mean?

AG. Well it means that the Federal government will not provide monies for a total program, but to me what they're saying is we're still experimenting, and we in Crystal City got beyond the experimental stage from the very beginning. In which we said that bilingual education was available for everybody. We were not going to compare five classes against five classes—they were all going to be in bilingual education. The parents wanted it, the students needed it—and it was not up to us administrators to say that only a few would receive this type of instruction. Now the Federal role has been a demonstration type of program rather than a service, like Title I.

JM. They're demonstrating to whom?

AG. Well, they're demonstrating . . . I really don't know to whom they're demonstrating, because it's discretionary monies, this is what they have to do.

JM. So now Crystal City is an experimental in some sense, and you just said and Mr. Gutierrez just said that all across Texas there are places that don't have bilingual education. It is possible that the Federal government or anybody could afford the bill? It must be incredibly expensive.

JG: Not really. This has been a fallacy in that we've been led to believe—at school district level, by we I mean all the districts in Texas and there's 1800 of those. We've been led to believe that you can't implement bilingual education unless you get a Federal subsidy.

JM: Isn't that true?

JG: No, of course not. Of course not. If you hire the right people that speak Spanish, you're still going to pay them the same salary. They're still certified by the same state, they have the same credentials from the same universities that 10,000 people have graduated from. The only thing that you need that you might have to spend some money on would be text books—textbooks that would reflect that kind of language. That would be the only expense. If you haven't got the money to purchase books of that particular kind, make them yourself—write them.

JM. Where are you going to get all the teachers—are they available?

JG. Well this is another big issue that on the one hand the Federal government and people in education who want to make innovative change are arguing that we need bilingual education, on the other hand people are denying access to Spanish-speaking graduates to enter college to be able to get a degree. So we *have* to have the COP program and the Urban/Rural programs, and the Teacher Corps and all these alternative programs because higher education institutions are not meeting that kind of demand. They're still refusing to credential minority students in any great numbers. Now another answer too is we don't believe that you particularly need to have a credential from a university to be able to be effective in the classroom. Certainly for certain curriculum—mathematics, physics, chemistry—you must have some knowledge of the subject, but at the early childhood stage, say 4 years to 8 or 9 years, the most important things that take place there are the motor skills, cognitive development, and that sort of thing. That is being done by the mother already at home prior to those kids reaching 4 years of age. So any community person with a little bit of training and a little bit of guidance and particularly with the strong assets of patience and love, love for the kids, can be tremendously effective in the classroom.

JM: So you're saying that one way to find truly bilingual teachers is to say let's not just look in the universities, let's take people who are bilingual to begin with and then wonder whether they have the right kinds of skills?

JG. Let's look at the parents of the kids who claim to be bilingual. They've been dealing fairly well with them for some time.

JM. But you are saying also that to have a truly bilingual education in American schools it wouldn't be all that expensive.

JG. A lot of superintendents in a lot of school districts are hiding behind the fact that they do not get Title VII funds so they're not going to have a Title VII program, or bilingual program. It's still the responsibility of that district to provide and to meet the needs of these children that they receive in school. And for textbooks it's the state responsibility to provide textbooks. They've always accepted this to provide it for their English-speaking community, so that they are in some cases starting to adopt books (which are not acceptable as far as the ones I have seen) but they are starting to adopt textbooks for bilingual education classrooms. The states are not providing the kind of money that is needed. In Texas, for example, they appropriated $2 million which is not near enough to meet the needs of that particular state. But it is saying to me that they are taking some steps in the right direction for a change—but at a very slow pace.

JM. What would be necessary to speed it up—the same kind of revolution that happened in Crystal City?

AG. Definitely!

JG. That certainly works wonders very quickly. No, but basically, it's a change in attitude across the country. I wouldn't call it racism because that involves a conscious attempt to discriminate against someone or to pre-judge someone. I think it's more fundamental than that and it's less emotional. It's more ethnocentrism. Just as you were raising the question of monies and how difficult this would be to implement, sitting in this interview, it just doesn't occur to people that we actually are two people—that we can function, communicate and articulate as well in English as well as we can in Espanol . . . (Spanish) . . . It's easy to switch. We are a people that have a tremendous contribution to make in two areas, but for some reason if we're teachers in a school district, we aren't utilized with that second function in Spanish. We'll say your name is Gonzalez but now it's going to be Angel and you're not going to deal in Spanish because these are American students and they've got to learn English. Well, you've just lost out on half of that person's capability and production . . . actually the other side of his ability. You're denying that particular contribution that could be made. If the American system would simply recognize that there are culturally different peoples all across our society who can contribute, we'd be all the more richer. But we have insisted on this "melting pot" idea, but it is not a melting pot at all because what comes out is one straight, white, Anglo-Saxon Protestant mold. Anything that deviates from that is "wrong," it's "un-American," and it's "foreign," and "we don't want it."

JM. And it's discarded?

JG. Sure, sure. People think it's a symbol of culture, you know, it was when President John Kennedy with his Harvard accent used to talk about "viga" and all these things. But when a little Chicanito child comes along and says "this shair is too hard, miss" they think that's a sign of ignorance—well, this is a different kind of accent. People applauded Lady Bird Johnson when she walked into the Astrodome and said "my, look at all them purty lights." That was just beautiful, a southern accent. But yet *we* get criticized.

JM. So how can that change? Bilingual education can only slowly and gradually change that, I assume.

JG. Well, it creates a change in the child's mind from inferiority feelings and complexes to one not of superiority but of understanding in dealing with himself or herself. And if you know your identity, you know your heritage, you're proud of your culture, and therefore less susceptible to any kind of prejudice or discrimination, because then you can appreciate the ignorance of those who are levying those kinds of charges or accusations or actions against you. You don't have to feel inferior. Then from that particular posture you can move about in a more free and open way, choosing the alternatives as you wish and equipping yourself with the skills necessary to combat that prejudice.

JM. But it still doesn't change the system.

JG. Well, it's beginning to change it gradually because I won't sit behind some tongue-lashing and just remain quiet. I'll give you an example to show how bilingual education has helped. For a long time it's been the American notion that if a person is honest and bold and brave, he looks you straight in the eye. That way you can tell if he's honest and not telling a lie. But that's counter to our culture. Anybody who looks you in the eye is defiant, and insulting you. Our culture says that you must be reverent and that you must bow your head in deference to authority, or to someone in position, or to someone you respect. So here comes a teacher with all her Anglo values and talks to a child, child bows his head—aha, must be sneaky, he must be lying, he must be a coward, he must be a thief, and on and on with prejudice and stereotypes. Now through bilingual education this kind of exchange of information over values, over word structure, over sentence construction, over ideas, over culture has gained some respect. People are not changed, they're still racists, but now that teacher won't dare to think that child is cowardly, or sneaky, or backward or whatever. Now she knows, "well, this is the way they act." She may think that's weird and funny, which is her problem. But at least she doesn't add all these other things to that child's behavior. We've also introduced to the American system of education the fact that you can do a lot through our language. For example, we made people understand that a good part of their vocabulary in English came from us. If it weren't for us you couldn't make western movies. You'd be a mute: to be able to talk about "broncos" in the corral and the heifers you go out and "lasso" with the "lariat," and you "barbecue." All these words are in Spanish and borrowed into English. It would be quite humorous to see a mute Wyatt Earp or Gunsmoke from time to time. You can also explain that English actually is very deficient, because if you take the Spanish vocabulary that the child brings to school which is—for exmple, in any classroom there'll be some kid moving his jaws up and down with something that he's doing with his mouth or tongue, and he's got something in there made by Wrigleys, and it comes in little white and yellow and brown wrappers. If you ask an English-speaking child what he's doing, he says "I'm chewing gum." But you ask a Mexican kid, I don't care how old he is, "what are you doing?" and he'll say "estoy masticando." Now you show me a three or four or five-year old Anglo boy who can say I'm *masticating* gum. That's a $1.50 word. That you're not learning until you get to biology in the sophomore year. Or the Mexican child has heard in his home when a grandmother complains, "buele el cerebro" (I have a headache). These are fantastic words on which you can build a vocabulary. But since Spanish is no good, that child has to wait until he gets to biology to hear the same word he already knew in the first grade and was introduced to it as a foreign language in the 7th grade, and then in high school when he takes Spanish I and Spanish II. It's absurd. A lot of people scoff when we say that our language can actually serve as a vehicle to introduce the entire history of the Americas.

JM. How?

JG. For example, we are rubbing a little alfombra type of thing on this table; a little rug. The word for rug is alfombra. In their house you have lamparvas, this cord is called alambra; our shirts, some of our shirts are made out of algodon, cotton. All those words are Arabic words, and the Arabs at the time who invaded Spain were black, and they were there for 400 years. And they all start with "al" which is Allah, you know, form the beginnings of the word for praise to their god. We say adios, 'to God"—the same thing, the same custom of at least two or three centuries ago. That's one aspect of our culture. the Moors conquered the Spaniards. The Spaniards came over and conquered the Indians, the Indians then mixed with us and we became the new grace—the Americanos and Mestizos. You eat huajolotes, turkeys. Turkey wasn't brought over by the Pilgrims, brother; turkey was found in Mexico and it was a "huajolote" and it was taken then to Spain and introduced in Europe and they found the same bird in the country called Turkey now, and that's why it's called turkey by us, and brought back over and introduced to the Americans as a gift. We eat cacahuates, peanuts. We look at the sinzontles, birds. All those words are novel because they come from the Aztec language still with us today, used constantly in Spanish. Plus all the words we gave the English-speaking people so they could communicate better in western movies. Our vocabulary and language are so rich that you could explain practically everything. So when a little child learns this, and we're teaching this at 4-age and 5-age levels, they know. Somebody comes in and says "that's not in the encyclopedia." Well, I'm sorry—your encyclopedia is deficient. Thomas Edison's middle name was Alva. He was also part Mexican. And little kids know these different things. There's another side to the story of the Alamo. There's other people not as bad as Santa Anna. There's been other Mexicans who made contributions. The kids are armed and equipped with these kinds of things. So that if he finds someone who is backward and ignorant and prejudiced and racist, no problems, the child is not going to be damaged because he knows or she knows and he can either deal with that person or just ignore them and go on to better things in life. Those changes are being brought about by bilingual education, and we're shaking the very fundamental premises of American society. Why can the Americans say that it is great for Americans to speak English because this is a country for Americans, and then deny that same equal opportunity for Mexicans to speak in Mexican and Spanish. The only difference is that we have a little Mexico in the United States, like we have a little Cuba in the United States, like we have a little Greece, a little China, a little Hawaii, a little Philippines, a little Holland, a little Germany, a little Italy.

JM. Do you think that English, with all those languages, will always remain the standard language of this country, Mr. Gonzalez?

AG. I feel right now from what figures we have, and not only from the Department of Immigration and Naturalization, but the number of Spanish-speaking people that we have in this ocuntry, it's felt that by 1990 over 50% of this country will speak Spanish, or will be Spanish-speaking people. But right now the United States is the fifth largest country in the Americas with Spanish-speaking populations—Los Angeles is the third largest city—Spanish—in the Americas. So we have more Spanish-speaking people here than we think.

JM. What's happened in Crystal City? What have the Anglos done in the face of this revolution? Have they moved out?

JG. Some have, yes. The first reaction was, of course, a tremendous fear that we were going to be as ugly as they had been. They feared revenge—that we were going to take it out on everybody—and that never materialized. Then, they—the typical reaction that took place in the black south and the deep south—set up their alternative school—their private white school. Then they began a process of trying to recruit and co-opt more of the middle-class Mexicans. Because that school even though the quality of education was terrible for all students, there was an elite of students who got the best teachers, the best materials, the best classroom, and the best attention. And that was about 15% of the population, student population, who happened to be the sons and daughters of the upper and richer classes—economic classes—in our society. Many Mexican-Americans who were middle-class believed those same things. So the Anglos began joining forces with these more Americanized Mexicans and they set up their private school. Some left the community out of hate and anger and prejudice, racism, because they couldn't accept the fact that a Mexican superintendent was going to supervise an Anglo principal and tell him or her what to do. Then they weren't gong to allow their children to read the Mexican books, or even allow Mexican books into the classrooms. They didn't even want to allow the word Chicanos. For example, the governor of Texas comes from Uvalbe which is a community 44 miles north of Crystal City. There's a junior college that we pay taxes to in that area. That junior college has officially banned the word Chicano simply out of reaction. It's the most insane thing in the world. This is the type of reaction.

JM. So there's been a good deal of conflict in Crystal City, and people haven't accepted it very easily.

JG. Well, the losers haven't.

JM. Then it is a case of winners and losers?

JG. That's what it is, a case of winners and losers, because it's a big ballgame, with lots of stakes.

JM. It's obviously not a question of education, it's a political question, right?

JG. Well, education is political. The schools are built and designed for the transfer of values from one generation to another. What's happened here is that we've just changed the generation, so that instead of it being an Anglo generation transferring to the next generation Anglo values, it's now a Chicano generation transferring to their kids which are 91% of the school now, Chicano values. It's as American as apple pie, only in a different language.

JM. Let's see if we can get some kind of sense of what the future of bilingual education in this country might look like. You've been in Washington, Mr. Gonzalez, now for less than a year. What are you finding out about languages other than Spanish, for example in the bilingual program?

AG. Well we're funding 42 different languages. We fund about 383 projects, and 42 languages. Out of those 42, there are 23 Indian languages. We go from Greek, to Yiddish, to Japanese, to Chinese, to Mandarin, to you name it. Many of them that I didn't even know, Tagalog, that I didn't even know existed in the United States, but there are many, many languages that we are dealing with, but we're still not dealing with all of them. As I said earlier, we're only a demonstration/discretionary program. We're dealing with and probably taking care of 2% of those in need in this country, and it isn't enough.

JM. "And taking care of the 98% you're saying is not going to be done by the federal government, but it could be done at the local level without too much additional expense.

AG. Yes, this is what I'm saying, and I'm not saying that the government is not going to take care of it. I think the government is changing its thrust, and even though Bilingual Title VII is getting an increase in funding, the Congress is starting to earmark its portions for changing. They have changed their thrust, and to me what they're saying is that "we will train the people for those programs, but the program is the responsibility of the local education agency and the state in which those children live." And I would venture to say that some Anglos are waking up to the fact that bilingual education is to *their* advantage—that the English-speaking child is going to pick up Spanish quicker than the Spanish-speaking child is going to pick up English, because Spanish is a very phonetic language. A, E, I, O, U have five sounds and say their name regardless of where you put them in a word in Spanish. And in English a, e, i, o, u, have 43 different sounds depending on where you put it; there are so many rules taht you have to learn and so if the English-speaking child has any kind of ear at all for sound he'll learn Spanish in no time and be reading it quite quickly—or he should be if he's receiving the right kind of instruction.

AG. This is what they're arguing—that the Office for Civil Rights will probably receive some suits because of the way the law is written. It is a problem that we have at present, but because they're demonstration-type programs, I'm sure that the Anglos are not going to keep their children out, that there will be some there on a voluntary basis.

JG. I think that is the open door for this thing, to allow these kinds of charges and suits that are going to be filed to fail, because it's worse of an evil to make this thing mandatory. If it's voluntary, then anyone can get in. It just so happen that the ones who are volunteering are the kids who know they have a problem in trying to cope with English. But as long as we leave the door open for voluntary enrollment in these programs, I think then we'll be all right. I wouldn't tend to view this as segregation because our goal is *bilingualism* as opposed to bilingual education. We're not saying in our district that the child must be taught bilingually only to the second grade and then switch to English, to the fifth grade or to the sixth grade, or to stay only 45 minutes in the morning and two hours in the afternoon. We're saying a child in our school district—and I'm talking about Crystal City only—comes into our school district at age four and he's going to leave at grade 12, we've got 14 years to make that child completely, totally competent, efficient in English and Spanish. There's no hurry, take your time.

In the long run, it's going to have to be bilingualism across this country, not necessarily meaning Spanish-English, English and what-not. That'll be the realization maybe for the next bicentennial for the tricentennial, to celebrate the kind of American pluralism.

A. Jose Angel Gutierrez and Angel Gonzalez, two Chicano educators talking with John Merrow. In 1974, the U.S. Supreme Court, in a case known as *Lau vs. Nichols* rules that Title VI of the Civil Rights Act required schools to make a special effort to teach English to non-English speaking students. *Lau vs. Nichols* involved Chinese students in San Francisco, but the Court's decision makes it the law of the land. Justice William O. Douglas wrote: "There is no equality of treatment merely by providing students with the same facilities, textbooks, teachers and curriculum," if the students don't understand English. The Supreme Court decision calls for "special treatment," but the Court did not say what that special treatment ought to be. And recently the Office for Civil Rights in the Department of Health, Education and Welfare wrote 333 school districts in 26 states about possible violations of Title VI of the Civil Rights Act of 1964. That Act prohibits discrimination on the basis of race, color, or national origin. John Merrow of the Institute for Educational Leadership asked Peter Holmes, Director of the Office for Civil Rights if school districts were violating the law right now.

PH. Well, we, in some cases, where we have done investigations, yes, we have found that the law is being broken, and we have required school districts to develop plans to correct those deficiencies.

JM. But you're not saying that they're necessarily breaking the law, but you suspect they are.

PH. We are saying that we have not shown that discrimination exists. We do say that the general statistical information we have in hand right now raises a question.

JM. What if a school district comes back and says: "Yes, you're right. We have non-English speaking kids who, in fact, are not getting the treatment that they ought to, but we simply cannot afford it." What's the stance of OCR then?

PH. Well, the stance of the Department as a general matter is that there are a limited amount of monies available through the Office of Education to assist a limited number of school districts in setting up programs, a Title VII program which is a demonstration type of grant, as I understand it. One thing that *must* be understood and underscored: this is a *legal* obligation of the state and local school districts. It is not what is regarded as a Federal obligation. This is a legal obligation and they, the states and localities, will *have* to find the means of providing the equal educational opportuntiy to these children. The government will assist to the extent it can. I think that there is a desire on the part of many of them to attempt to, but I think that they may need a little nudging through a Federal enforcement effort to insure that the programs are put into existence.

JM. You mean you think they'd be willing to do it; they just need the push from OCR?

PH. That's your summary of it, and I think it's a pretty good summary. But no one should *assume* that the full cost of this can be borne by the Federal Government, because it's impossible.

A. U.S. Senator Alan Cranston is a California Democrat, one of three Senators publicly identified as the strongest supporters of bilingual education. The others, also Democrats, are Joseph Montoya of New Mexico and Edward Kennedy of Massachusetts. Senator Cranston explained his own involvement is bilingual education and then summarized some recent changes in the law.

AC. I just think it's terribly important in terms of fairness to kids who have some other language that they may know better than English to start out with most of all Spanish, but also some other languages and in terms of having education to do what education is suppose to do, to use bilingual education as a tool. I think without that tool many children will unfairly just drop by the wayside. My vision of bilingual education is a program to help kids achieve who are not now achieving and who in many cases, all too many cases, are dropping out. Bilingual education *really* seems to offer some promise. I think it's this that led John D. Rockefeller III to say publicly the other day, and this is a quote: "I was brought up on the wonders of the melting pot, and it's only recently that I have come to fully realize how wrong I was. Now I realize the value of diverse elements and how they have enriched our society. It's not a matter of tolerating them, but of welcoming them and appreciating them." And that "appreciating" is probably perhaps the key word in all that he said. For my own part, I don't have any illusions about bilingual education being the total answer to helping kids achieve in school. Of course, it isn't the total answer. But, so far, we have reason to believe that it's better than anything else we have tried for those who depend first of all, on some language other than English and who may only be able to communicate when they first go to school in that language, whether it be Spanish or something else. If you can't operate in English, if you're a citizen of this country and live your life here, you're eternally handicapped and you may in school even be labelled 'retarded' and put in with retarded children just because you aren't able to handle the only language they teach in if that's English and you don't know English.

JM. The recent changes in the Bilingual Education Act, could you explain just what those changes will mean? Have they in some way changed the Federal program from a demonstration to a training program?

AC. First, we call under the new Act for more emphasis on teacher training. We just plain don't have enough qualified bilingual personnel to even meet the needs of 400 or so projects that will be funded in this school year. Second, we call for a national assessment of bilingual education needs. We simply have to know what kinds of services aren't being provided. Third, we call for a stronger National Advisory Council on Bilingual Education. Finally, we provide in the new law for research and development activities to be carried out by the National Institute of Education in the field of bilingual education, and we provide a $45 million increase in the final years of the program. These amounts, however, are subject to further examination by Congress in the appropriations process and by the new budget committee, there's no certainty as to what amounts will be spent. We hope we can hold to at least the present level of Federal spending for bilingual education. That's $80 million nationally, and that covers about 400 projects across the country. That's the minimum figure I would hope to see in the next fiscal year, and I hope we can go beyond that.

A. That was U.S. Senator Alan Cranston of California, one of bilingual education's strongest supporters. And, finally, "Options on Education" visited a bilingual school, the James F. Oyster Elementary School in Washington, D.C. The Oyster School is slightly more than 50 percent Spanish. About 25 percent of the 306 students are Anglos, that is, from English-speaking homes. Twelve percent of the kids are black; the remaining 10 percent from 14 other countries, including Pakistan, Yugoslavia, Turkey, Rumania, Burma, and Afghanistan. It's a salad bowl, not a melting pot, and every classroom has two teachers, one Spanish dominant and one English dominant. Let's listen to part of a third grade lesson with Senorita Menendez.

(What follows is instruction and recitation in Spanish. It's almost impossible to transcribe, but it captures the flavor of bilingualism—you'll just have to take our word for it, or ask your public radio station to rebroadcast the program: Ed)

A. Our reporter, John Merrow, has visited Oyster School before. His wife is Co-Chairperson of the School-Community Council, and one of their children is in first grade there. John talked with Father Jose Samosa, who directs the $129,000 Federal bilingual program in the District of Columbia. Oyster School is part of that demonstration program.

JM. Is Bilingual education very expensive?

Jose. Yes, it is. It is expensive, but it is the best one. Suppose that all of our children are going to speak two languages; they will have to learn a second language in junior high school, high school or college. If they start in kindergarten or first grade, they will be completely bilingual when they finish sixth grade.

JM. Why do you believe bilingual education is important?

Jose. For many different reasons. I'll say first it helps our children, Spanish-speaking in this case or other foreign children that have the opportunity of receiving bilingual education; it helps them to cope with their own needs, it helps them to continue learning while they are learning English, otherwise they will get behind, behind and behind, and maybe later they will be drop outs because they cannot be at same level as other English-speaking children. Besides that, bilingual education tries to keep the language and the *values* of the culture. So, those children can identify with themselves and they won't face any cultural problem which could really hurt them and place them 'out in the cold' when they are 16 years old. Washington is a city where we have children who speak more than 72 different languages, according to the report that I received yesterday.

A. That was Father Jose Samosa, Director of the Federally-sponsored program in the District of Columbia. Later, John Merrow got a Spanish lesson and a lesson in versatility from two Oyster third graders, Rafael and Georgina.

JM. Hablan Ustedes Espanol?

STUDENTS. Yes.

JM. Hablan Ustedes Ingles?

STUDENTS. Yes.

JM. You speak both languages?

Students. Yes.

JM. But you are Spanish?

Students. Yes.

JM. How many years have you studied English?

Georgina. Six.

Rafael. I didn't study English.

JM. You have not studied English?

Rafael. No.

JM. Where did you learn to speak English?

Rafael. Nobody showed me. I was born here and when I was little, I talk a lot of English, and my mother tried to show me Spanish and I do like this (puts his hands over his ears).

JM. But you speak Spanish now also?

Rafael. Yes.

JM. Do you speak both languages in your class?

Georgina. Yes.

JM. Tell us what you do in class, but tell us in Spanish. (Spanish from student)

JM. Tell us what you just said.

Rafael. We work so hard. We've got to grow and be very intelligent.

JM. And you've been studying both languages for six years. What language do your parents speak at home?

Rafael. Spanish.

JM. Are you teaching them English?

Rafael. Yeah, because they don't know how to speak English.

JM. How about your parents?

Georgina. They speak Spanish and English a little bit, but I'm showing them.

Rafael. My brother, he knows a lot of English.

JM. How old is your brother?

Rafael: He's only four years old.

JM. What about the kids who come to this school and don't know any Spanish? Are they learning Spanish?

Rafael. Yeah, they're learning Spanish.

JM. Do you help teach them?

Rafael. Yes, sometimes.

JM. Do you find that they can speak in Spanish sometimes?

Rafael. Yeah, or sometimes you tell them in Spanish and they answer something back.

JM. In Spanish or in English?

Rafael. In English.

JM. That must be neat, to go from one language to the other like that.

Rafael. Yeah. Sometimes some kids don't understand. When we speak Spanish they can't say it. Sometimes it's too hard for them.

JM. But, of course, this is just third grade, so they'll learn as time goes on. Right?

Students: Yeah.

(Music—This Land is Your Land, This Land is My Land)

A. This program was produced by Midge Hart and John Merrow with funds provided by the Institute for Educational Leadership of The George Washington University and the Corporation for Public Broadcasting. This is National Public Radio.

To the Reader. We hope you enjoyed this transcript. We appreciate your interest, and we hope you will tell your public radio station that you are listening.

Remember—They need Love Too.

NATIONAL HISTORIC PRESERVATION WEEK—PART I

Mr. BEALL. Mr. President, yesterday I participated in the opening ceremonies for Maryland's observance of National Historic Preservation Week. During this ceremony four Marylanders received the Calvert Prize. The Calvert Prize is awarded by the Board of Trustees of the Maryland Historical Trust in recognition of outstanding achievement in the field of historic preservation, and 1975 marked the inauguration of this award which will subsequently be granted each year during National Historic Preservation Week.

Mr. President, needless to say the Calvert Award is named after the Calvert family which founded Maryland. George Calvert, the first Lord Baltimore, planned to establish a colony named "Terra Mariae." He died before actually receiving the charter from King Charles I. The charter was granted to his son, Cecil, the second Lord Baltimore on June 20, 1632. The Colony of Maryland was actually founded on March 25, 1634. In all, six Lords Baltimore served as Proprietors of Maryland prior to the Revolutionary War.

The four recipients include:

Honorable William S. James, who is the Treasurer of Maryland and the former president of the Maryland State Senate. During his distinguished career in the State legislature, Senator James sponsored and actively supported historic preservation legislation.

Mrs. J. M. P. Wright, is the president of Historic Annapolis Incorporated, which has been a driving force in promoting the cause of historic preservation in the scenic-colonial capital of Maryland. Among her accomplishments is the restoration of the William Paca mansion and garden—William Paca was one of the signers of the Declaration of Independence.

Mr. Orlando Ridout IV, served as the first State Preservation Officer, a post which was established pursuant to the National Historic Preservation Act of 1966. Mr. Ridout also served as the executive director of the Maryland Historical Trust for many years.

Dr. Frederick Gutheim is the adjunct professor of American History and Civilization at George Washington University. Dr. Gutheim was honored for his work in the preservation education and environmental planning.

I am delighted that the State of Maryland has so enthusiastically embraced the spirit and the substance of historic preservation and I am pleased to have been a part of this celebration. Mr. President, I ask unanimous consent that the text of my remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MARYLAND HISTORIC PRESERVATION WEEK

Distinguished guests, ladies and gentlemen, I am happy to have this opportunity to participate in Maryland's opening ceremonies for National Historic Preservation Week. The Congress designated the week of May 12, 1975 as "National Historic Preservation Week" and urged "Federal, State, and local government agencies, as well as citizens and private organizations, especially the preservation organizations, historical societies, and related groups, to observe that week with educational efforts, ceremonies, and other appropriate activities which—are designed to call public attention to the urgent need to have our historic landmarks preserved for the enjoyment and edification of the citizens of this Nation, present and future."

As one whose ancestors first arrived in this State in the 1650's, I have long had a deep and abiding interest in our Nation's history and efforts to protect, preserve, and restore those sites which have great historical significance. Great strides have been made here in Annapolis and I was particularly pleased to participate last year in the official opening of the William Paca Gardens which marked the kick off for Historic Preservation Week 1974.

During the ensuing year our Nation has been through one of the most difficult and trying periods of our history. Indeed, America has gone through a very traumatic political experience in the last 12 months marked by an unprecedented political scandal culminating in the resignation of a President of the United States, and the succession to the presidency of a man who was selected by the unique procedures established by the 25th Amendment. During the past year our economy and the economies of most of the free world nations have passed through a difficult period of inflation and recession. More recently, we have witnessed the failure of American policy in South East Asia.

It is during difficult times such as this that we, as Americans, should pause for a moment to reflect on the lessons of our history. We look back, not to escape the harsh realities of today but to draw strength from the solid and enduring foundations upon which our Republic is based. Almost two hundred years ago our Nation was born in the crucible of a war of colonial secession, the outcome of which was in doubt for several years. We withstood a foreign invasion during the War of 1812, the tragedy of a prolonged and bloody Civil War, World War I, the Great Depression, the rigors of World War II, and the oppressive burdens of world leadership which we have been called upon to bear since 1945. We successfully overcame each of these ordeals and we should never lose sight of the fact that Americans are a resilient people, capable of responding to a crisis with discipline, a spirit of self-sacrifice, a sense of unity, and a determination to surmount whatever obstacles are placed in our way.

Let us not enter Historic Preservation Week 1975 in a spirit of pessimism and defeat, but with a feeling of optimism knowing that, if we keep faith with our heritage we will be inspired to make the sacrifices and develop the will that will enable our people to fulfill the role history has thrust upon us.

I would like to take a moment to challenge my fellow Marylanders to tackle two widely diverse causes which will demonstrate to all the world the continued vitality and vigor of the American dream. During the next few weeks a significant number of homeless Vietnamese refugees will be flown to the United States and some will be resettled in Maryland. I would hope that all of our citizens will remember that we are truly a Nation of immigrants and our 210 million people comprise a varied mixture of ethnic, cultural, social or political backgrounds. People have been drawn to the United States from all corners of the world in the hope of achieving the goals that were so clearly enunciated by our forefathers in the Declaration of Independence and in our Nation's Constitution.

The United States is blessed with a multiplicity of cultural inputs that makes us a vital, vigorous, and growing Nation and I am confident that the soon to be Vietnamese-Americans can and will be absorbed into the mainstream of American life in a manner consistent with our history. I am equally certain that these new Americans will make a valuable contribution to our Nation's future just as earlier groups of immigrants have done.

Secondly, I hope that all Americans will make a commitment now, during Historic Preservation Week, to become actively involved in the Bicentennial Celebration. What we need now is a firm commitment from each and every American to become involved in the spirit of the bicentennial in his or her community. I am convinced that the leadership needed to promote historic preservation and insure the sucess of the Bicentennial Celebration will come from local communities all across this Nation. The American Revolution was not led to victory by the Continental Congress but rather it was carried to victory by the dedicated support it received from the tens of thousands of men and women living in hundreds of towns and communities all across America. The Bicentennial Celebration will succeed or fail because of the initiative and leadership of state and local organizations. Local groups can plan and execute the celebration of events unique to their areas; identify, preserve, and restore historically and architecturally significant sites and structures; and keep alive the memory of the local men and women who contributed to the building of America.

Finally, I certainly want to congratulate the first recipients of the Calvert Award for their fine work in providing all Marylanders with an opportunity to appreciate and enjoy so much of our State's proud history.

Ours is a proud heritage that must be preserved so that future generations can understand and appreciate the sacrifices our forefathers made so that all Americans can experience freedom and opportunities not enjoyed by most of the people of the world.

IMPACT OF AGRICULTURE ON FOREIGN TRADE

Mr. ABOUREZK. Mr. President, recently I placed two items in the RECORD on the "World Food Outlook and the Midwest." These statements showed the importance of agriculture to the economy of 12 Midwest States and, in turn, the importance of agricultural production in these States to our agricultural exports and to our balance of payments.

Today I would like to add three more items to a discussion of the importance of agricultural trade. The first is a statement by Mr. Robert G. Lewis, National Secretary of the Farmers Union, in which he discusses the impact of imports into this country and suggests a fair program of dealing with them. The second item, also a statement by Mr. Lewis, was appended to his other remarks and more fully develops his views of the importance of developing an expanded role for exporting American agricultural production. The final item is a report of the working party on the International Grains Arrangement.

I fully agree with Mr. Lewis' view that "Food power is our greatest gift for the world, and our strongest claim to national power and influence in the world." I ask unanimous consent that these informative statements be printed in the RECORD and I strongly commend them to my colleagues.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF ROBERT G. LEWIS

IMPACT ON AGRICULTURE OF FUTURE INTERNATIONAL TRADE AGREEMENTS

The forthcoming multilateral trade negotiations are of extraordinary importance to the agriculture of the United States.

Contrary to the usual view, the most significant potential *advantage* to U.S. agriculture that could be realized from the trade negotiations lies in the expansion of imports.

The present huge export market for U.S. agricultural commodities that has developed in the decades since World War II is based almost entirely and exclusively upon the overall expansion of world trade that has occurred during that period under the leadership of the United States. Very little, if any, of the increase in volume and value of U.S. agricultural exports since World War I can be attributed to "liberalization" of the specific terms of trade in agricultural commodities. Indeed, the shoe has been precisely on the other foot. What "liberalization", in terms of agricultural trade has occurred, has been the result of the need in importing countries for increased supplies of U.S. farm commodities to satisfy the swiftly-growing demand generated in their economies as the result of the expansion of their own export opportunities for manufactured goods.

Rising prosperity boosts farm exports

Canada is our largest agricultural export market. Our exports there are generally noncompetitive with Canadian farm products. Their increasing volume has been the result of economic growth in that country, largely stimulated by enlarged export markets in the United States for Canadian manufactured goods, as well as raw materials.

Our greatly expanded agricultural markets in Japan and Europe since World War II are also in response to greatly expanded demand for food in those countries, stimulated and sustained by the growing market in the U.S. for their manufactured products. Such is the case also in the newer and rapidly-growing agricultural export markets such as Korea, Taiwan, Hong Kong, Singapore, and Israel.

The latest, although somewhat different illustration of this pattern of development is what has occurred in the "oil belt" extending from Morocco on the Atlantic Coast of Northern Africa to Iran beyond the Caspian Sea in Central Asia. U.S. exports of agricultural commodities to this area in 1974 increased by three times over the year before. Our 1974 exports of farm commodities to this area were 13 times as large last year as the preceding five year average. Again, it was increasing effective demand for food, based on enhanced prices received for petroleum and phosphate rock, which accounts for this increase in our agricultural exports. Changes in these importing countries' restrictions on trade in farm commodities have had only negligible, if any, influence upon the great increase in our farm exports that has occurred.

"Barriers" have not hampered exports

It is difficult to find any significant volume of U.S. agricultural commodity exports anywhere that has resulted directly from "liberalizing" the importing countries' trade restrictions relating to their imports of agricultural commodities. Such "liberalization" as has occurred has almost always reflected a growth in internal demand for food which domestic producers were unable to supply.

Because food is usually the most immediate want to be satisfied when increased income becomes available, particularly to people whose income levels have been low, any expansion of U.S. imports of labor-intensive products is likely to generate a disproportionate increase in demand for farm commodities and food products from the United States. This is important to the entire U.S. economy, not alone to the immediate beneficiaries in the food and agriculture industries. Our food and agricultural industries are among the best-adapted of American industries to compete in the world market and to respond to increasing export opportunities. Therefore, it is of great advantage to the United States economic position in the world that food and agricultural commodities are in the forefront of the new demands that are created by increased purchases of goods from other countries and the resulting advance in economic prosperity that arises therefrom.

I will not attempt to deal with the specific changes that might be sought in negotiating the terms of trade in those types of goods for which food and agricultural commodities are particularly desired in exchange. But it is important to emphasize the advantage to U.S. agriculture, and to the national interest of the United States, of promoting the expansion of an import-export trade flow. This is particularly important in the case of labor-intensive goods, sales of which generate especially large demands for agricultural commodities. These are the types of imports for which we are best able to pay, because the sellers will accept for them the largest proportion of our abundant agricultural commodities in exchange. This advantage should be weighed carefully against whatever problems are discerned for those domestic industries that would encounter increased competition from imports of this kind.

Agricultural trade raises special problems

In negotiations relating to the specific terms of trade in farm commodities, the special characteristics of agricultural must be taken into account. They are:

1. *The uncertainty and variability of production of agricultural commodities.* This results from dependence of farm yields upon climatic and other natural variables.

2. *The atomistic structure of most elements of the farming industry.* There are several hundred thousand to more than a million independent enterprises competing for sale of most farm commodities produced in the United States. Moreover, producers of many commodities are potential competitors with producers of other commodities. Agriculture is the largest productive industry in the United States in which a large measure of price competition prevails. In many of our major industries, there is virtually no true price competition at all.

3. *The lack of mobility of farming resources.* Farm land and most other farm capital, farm management, and farm labor, have relatively few and in many cases no other uses that are readily available. When times are hard and prices approach or even decline below the cost of production, most farmers have a little choice but to go on producing in order to minimize their capital losses and to secure even sub-standard returns on their labor and management.

Government farm programs meet need

Governments have recognized the special characteristics of agriculture by adopting government programs to enhance and stabilize both prices of supplies. In the United States, this was begun on a concerted scale during the period of recovery from the depression of the 1930's. During the same period, certain other special problems relating to old age security, utility pricing, labor unionization, banking, and security markets were also recognized and resolved, at least in part, by governmental intervention outside the market system.

Here in the United States, the development of programs to enhance and stabilize farm prices and supplies is being characterized in some circles as "forty years of wandering through the wilderness". It is pertinent to wonder whether the Moses who now aspires to take us into the Promised Land of "market oriented" agricultural policies in fact seeks to deliver us back at the beginning. Will we find there that there is no more Social Security, no Wagner Labor Relations Act, no Federal Deposit Insurance Corporation, no Securities and Exchange Commission, and none of the other social and economic equipment that has been devised during this forty year period to give not only the United States, but the entire world, the longest stretch of prosperity in modern times?

Aim against farm support systems

Leading spokesmen of the Executive Branch have stressed their interest in negotiating away some of the main provisions of our own and other countries' farm price and supply programs. For the purposes of trade negotiations, these measures are termed "non-tariff barriers". For example, there has been a great deal of public discussion given to the possible "trade off" of existing quantitative limitations (import quotas) on dairy products in exchange for comparable steps to dismantle essential features of the price support programs in other countries for grains and soybeans. If such a course should be followed, it could lead to severe disruption of domestic farming industries, and violent price and supply instability both within the United States and in the world.

For a number of important agricultural commodities, U.S. import quotas already have been removed recently. If, as seems likely in view of the unpredictability and variability of the weather, world "surplus" conditions should again return, U.S. farmers would be severely damaged by unrestricted imports.

Many U.S. farmers unprotected

The major commodities for which no import quota protection now exists include wheat and wheat flour, feed grains, rice and meat. Producers of these commodities now face world competition with domestic price support provision at levels so low as to be virtually meaningless, and with no protection of the U.S. market from potentially huge world surpluses.

Under existing law, import quotas might again be established in accordance with the provisions of Section 22 of the Agricultural Adjustment Act of 1933. However, such action is entirely dependent upon discretionary action by the Executive Branch. Under an Administration committed to "market oriented" agricultural policies, the effectiveness of this nominal protection is extremely speculative.

For other important agricultural commodities, import quotas are still in effect. However, the confidence of agricultural producers in the effectiveness and reliability of these measures has been shaken severely by experiences during the past few years.

Huge dairy imports authorized

For dairy products, recent "temporary" increases in the annual quotas have increased the volume of imports by as much as 147 times the established annual import quota. The Nixon-Ford Administration has increased import quotas for dairy products by amounts substantially exceeding all the import quotas granted by all preceding Administrations.

The manner in which the "temporary" increases in dairy product import quotas were authorized during the past several years has established precedents which have seriously damaged public confidence in the integrity of the established procedures under Section 22. Indeed, confidence in the functions and influence of this Commission itself has been seriously impaired.

Quotas established under Section 22 are also in effect at the present time for cotton and peanuts. Both of these commodities face potentially large volumes of low-priced competition from foreign sources if world surpluses should again rise, as seems likely.

Special approach to trade needed

The special characteristics of the agricultural economy call for a different approach than "trade liberalization" to satisfy the needs and to protect the interests of both consumers and producers, and to promote constructive progress in the world economy.

Unstable prices and insecure supplies of agricultural commodities are an economic hazard both to consumers and producers. Moreover, such instability promotes waste and inefficient use of resources and serious economic dislocation and disruption of the world economy. It is in the interest of the world community, as of the various national communities, to promote a reasonable degree of stability in prices and supplies of agricultural commodities, at prices sufficient to assure producers of remunerative returns so as to insure long-term adequacy of supply. Because of the relative importance of international trade in the agricultural economy of almost every country, national programs by themselves are not fully adequate to protect the public interest. Concerned cooperation among the several national governments is required in order to harmonize national goals and interests relating to trade in the major agricultural commodities.

Cooperation between countries needed

Fortunately, considerable experience has been achieved in international cooperation for this purpose. Several international commodity agreements have been in operation, with varying success, during the past quarter century. This experience furnishes a sound and useful base for renewed efforts at international cooperation through international commodity agreements for major agricultural commodities.

The Working Group on Grains of the International Federation of Agricultural Producers, in which the Farmers Union has been a leading participant, has developed a proposal for an international grains agreement which is designed to overcome the weaknesses of previous agreements relating to wheat and other grains. A copy of the report of the Working Party, describing the principal provisions of such an agreement, is attached. The requirements for international cooperation in respect to trade in other agricultural commodities differ from commodity to commodity, but this proposal for grains is a useful starting point and illustrates the possibilities of this approach.

Propose new U.S. import control plan

Whether or not international commodity agreements are negotiated and put into effect for one commodity or another, we favor a new and improved program for regulating imports of agricultural commodities into the United States. We propose that the quantitative restrictions established under terms of Section 22 be replaced with a new variable duty system, under which imports of major agricultural commodities and producers thereof would be subject to a rate of duty to be determined periodically, equal to the amount by which 110 percent of the parity price for the commodity exceeds the current world market price.

This system would preclude most imports of agricultural commodities into the U.S. market, as demonstrated by domestic price levels. On the other hand, when there is a shortage in the U.S. market, as signaled by an increase in market prices above the parity price, imported supplies would be enabled to enter the U.S. market with little or no impediment.

This new system would operate more smoothly and flexibly than the present cumbersome Section 22 procedure. It would assure farmers of protection from imports when domestic supplies are ample, as demonstrated by domestic market prices at less than parity. It would similarly protect consumers, if shortages should arise by admitting imports to the extent exportable supplies are available in the world market.

The goals to be sought by the United States negotiators in the forthcoming multilateral trade negotiations should be governed by the larger goals of the United States, including our goals for agriculture's service to the national interest and to extend our power and influence in the world. This was the subject of a statement presented by the Farmers Union at the Conference of Western Governors in Billings, Montana, earlier this month. A copy is attached hereto, and incorporated as a part of this statement.

STATEMENT OF ROBERT G. LEWIS

THE FUTURE OF AGRICULTURE IN THE WESTERN UNITED STATES

What is the future of agriculture in the Western United States?

The answer to this question, which was posed for a panel at the conference yesterday afternoon, is not yet known. In large part the answer will be whatever we choose to make it be. There are few aspects of our future over which we, as American citizens, have as much freedom of choice as we do over the scope and significance of our agriculture. In a world in which American power is in sharp decline, as other countries gain both in relative strength and in readiness to challenge American influence and power, our food power remains pre-eminent.

It is a cliche to say that our American food power is "God-given." But if it should come to pass that our food power is taken away from us, most likely it will be due to our own mistakes. What God has given us, in our great expanse of fertile soil, our favorable climate, abundant water, and farming ability, does not seem likely to be withdrawn. Yet mistaken public policies might undermine and check-mate our American food power just as this time when it's potential value to our national interest is becoming most critical.

The Western States represented in this Conference provide a large measure of our country's total food power. Because of the exceptional importance of agriculture in most of these states' economies, national food policy is vitally important to them. It is appropriate, therefore, that the Western States should assume a large responsibility for national leadership in shaping our national food policy. That is what is signified by the scheduling and design of this Conference of Governors.

We are here to talk about what we should choose to do with our food power. First, we need to know the real measure of what we are talking about. Next, we need to take the measure of the world situation within which our future must be made. Then we can decide intelligently what we will choose to do to make the best of our opportunities.

U.S. is "No. 1" in food power

The United States is a big producer of farm commodities, and the biggest producer of some. But what is more important is the fact that the U.S. leads all countries, and in some cases all other countries taken together, in the quantity of farm products which exceed the needs of its own people each year and are available for export to other countries.

I will confine my statistics to cereal grains and oilseeds, for the sake of simplicity and brevity. This will tell the story with considerable accuracy because these are the most critical to international trade of all the farm commodities, and they do represent the source of about three-fourths of the world's total human food supply, either as consumed directly by humans, or as the raw materials from which most meat and milk and poultry and eggs are made.

The table below shows for 1973, the latest year for which complete figures are available, the total world production of these commodities, the production of the United States, the total world trade in each, and the U.S. share in world trade.

Commodity	Production[1]			Trade[1]		
	World	United States	United States as percent of world	World	United States exports	United States as percent of world
Wheat	367.4	46.6	13.0	[2] 62.2	31.0	50
Rice	309.8	4.2	1.4	[2] 7.4	1.8	24
Feed grains	602.5	186.7	31.0	[2] 67.7	43.9	65
Soybeans	57.0	42.7	75.0	17.5	14.8	86
Oil content of all oilseeds	44.9	7.0	16.0	13.9	3.6	25
Protein meal content of all oilseeds[3]	66.2	11.5	17.0	31.0	17.2	55

[1] Millions of metric tons.
[2] Excluding intra-EC-9.
[3] Equivalent of soybean meal (44 percent protein).

Source: Foreign agriculture circular: "Grains," Sept. 24, 1974, U.S. Department of Agriculture.

Most of the food produced in the world is consumed right in the countries where it is produced. But as the table shows, the U.S.A. is indeed "Number One" as *supplier of food to other countries*.

Our pre-eminence in the world as the greatest food exporter gives us a great strategic advantage. We must assume that the human population's needs for food will continue to grow. It seems certain, unless there is widespread war or famine or unprecedented pestilence, that the human population will double before population growth can be stabilized by the year 2000 or later.

Some of the additional food that will be needed can be gained by improving yields on land now being cropped. But this will not suffice both to feed the additional population, and to raise the quality of diet for hundreds of millions above levels that are now too low to maintain health and the ability to work efficiently. More land must be harvested during the years ahead in order to provide ample food for the world's increasing population.

Can U.S. stay "No. 1"?

Whatever country possesses the ability to increase its agricultural production, so as to be able to export food to satisfy the hunger of other countries, will surely enjoy a continuously-advancing strategic advantage in the world's economy and politics. Can the U.S.A. remain the "No. 1" food exporter?

The U.S. has much more unused cropland than any other industrialized country. Our harvested area in the early 1970's had shrunk to the smallest acreage in this Century, to only 280 million acres, from the peak of 360 million acres in the 1930's.

The 80 million acres of land withdrawn from crop production, plus two or three times as much more, could readily be planted and harvested. It would yield somewhat less than the cropland now being harvested, and it would be more costly to farm.

Beyond this expanded total of 520 million acres still another 200 million acres or so of pasture land and woods could be cropped, but at still greater cost and risk.

Huge potential new acreage outside U.S.

The world's total potentially arable land is about 7,880 million acres, of which only about two-fifths is now being cultivated. Most of the world's now uncultivated cropland other than that in the U.S. is in Africa and South America. It seems reasonable to say that most of the additional food exports that will be needed in the future will have to be produced, therefore, in the U.S., Africa, or South America.

Prices of farm commodities in world trade will need to be higher than they were before 1972 in order to make it economically feasible to increase the harvested area in the U.S., and they will also need to be more stable and more secure. Otherwise farmers cannot afford to risk the investments in additional machines, land clearing, soil improvements, and so on that are required to make the additional land productive.

But even greater investments, and greater risks, will be required to make additional lands in Africa and South America produce farm crops for the export market. Much of this potential new cropland is located in thinly-populated districts. Bringing this land into production will require not only that the trees and brush be cleared and the land "broken to the plow". It will also be necessary for qualified farmers to be recruited and trained, roads and bridges built, fences and barns constructed, machinery and repair services procured, and even for new seed and animal varieties to be bred, and new disease and pest control capability developed. New research stations will need to be constructed, and new scientific workers trained to staff them. Farming in these new lands is at a stage 100 years or more behind the modern scientific farming of the United States, and it will take enormous expenditures and up to a generation of time at the very least for them to catch up.

This, I think, fairly measures the present scope and future potential of our "food power" in the United States. We are "No. 1" today, and we are ahead of all potential competitiors in the race to remain "No. 1" for at least the remainder of this Century.

Will U.S. choose to stay ahead?

Our present world lead in food power does not insure that we will realize our potential and stay out in front. The United States will need to make a conscious political choice to sustain our lead in food power, or we risk losing it. And there is a powerful political movement now being raised, from two divergent but inadvertently allied sources, against our making the positive policy choices that will be needed to sustain our world lead in food power.

While this movement seems to be of one mind on many things, it is fair to recognize that it is of two hearts. One faction is misguided humanitarianism; it might more descriptively be called "wrong-headed goodheartedness". The other is short-sighter opportunism, it is not so much vicious as self-centered rather than patriotic, and small-minded rather than visionary. It is backward and inward-looking, rather than progressive.

"The United States cannot feed the world" is the present-day rallying cry of both factions in this movement against sustaining America's lead in food power in the world arena. That slogan is a truism that imparts a false meaning. It is no less true that "the Arabs cannot oil the world". Arabia's petroleum is only a fraction of the world's total energy resources, but its critical significance to world politics and economics is obvious.

The critical significance of our present and potential exportable margin of food supply is even more overwhelming, if we but knew it. The knowledge is blocked in some by their lack of faith that we would employ such grave power wisely. It is blocked in others by their short-sighted avarice, or by simple inability to reach for the national grandeur and responsibility that knowing possession and employment of such great power would impart.

The misguided humanitarians are easy marks for the opportunists with whom they are unconsciously allied. If indeed "the United States cannot feed the world," then the reflexive response is that the hungry must feed themselves. So it has been that the humanitarian agencies sat by without protest while the Nixon Administration forced America's farm production plant down to its smallest scale in this Century with depression-era farm prices, while spending all-time record amounts to pay farmers for withdrawing cropland from production and at the same time cutting the volume of food aid shipments to the smallest in 21 years. The world food shortage of today was made in Washington, and misguided humanitarians gave consent by their silence to the deed.

The two-hearted movement against sustaining America's lead in food power is united in favoring subsidies and technical assistance by the U.S., international agencies, and other countries, and the promotion of investments to expand food production in other countries. Help to the hungry countries to increase their food production has a useful place in a comprehensive food policy—but as a one-shot *substitute* for the comprehensive policy that is needed, it is false to the intentions of the humanitarians, it betrays the national interests of the United States, and it serves only the short-run purposes of the opportunists.

A "cart-before-the-horse" solution

The simple-minded good-hearted reflex response to hunger is *to strive to increase the supply of food*. But this puts the cart before the horse. I do not know of anyone on earth who has money to spend for food who is hungry. The immediate cause of hunger, wherever on earth it occurs, is the lack of money in the hands of hungry men and women with which to buy the food they need for themselves and their children. The only realistic cure for hunger is jobs, earnings, and purchasing power. Most of the time during the past quarter-century, there have been huge unmarketable surpluses of food in the world, yet the number of hungry has steadily increased. We have been looking at the problem upside-down, creating the illusion that the problem is *supply*, when it's really the *demand* end of the familiar equation that requires our attention and reform.

This is illustrated by our own experience here in the United States. In 1961, our reserve stocks of farm commodities were the largest ever possessed by any country in the history of the world. Yet at that very time, we probably had more malnourished American citizens than ever before in our history! How silly it would have been for us to have tried to attack this hunger by striving to increase food production!

Our experience also teaches that food relief cannot be counted on to satisfy more than a tiny fraction of the malnutrition in the world. The United States is the world's richest country, with one of the strongest, most competent, and most humane governments on earth. But it took even such a government as ours until 1961 to begin making a concerted attack on hunger among our own citizens by means of direct action to provide food aid. Even today, the first place the Ford Administration looked when it sought to reduce government spending was to cut back funds for the Food Stamp program.

The message to the humane should be clear: It is not realistic to suppose that the governments of the poor countries, with much less capability to govern, and much less commitment to social justice, would or even could use "surplus" food effectively to feed hungry people by means of direct subsidization of food for the poor.

Stress on "supply" is self-defeating

The futility of simple-minded concentration upon increasing food supplies as the way to feed the hungry is compounded by two other perverse realities:

First, most of the land suitable to be put into new or expanded food production is located in thinly-populated areas, or is held in large blocks, or both. The oil exporting countries are being pressured from all sides to invest their surplus funds in agricultural development. Many multinational firms are looking for such investment opportunities, often with substantial subsidy by importing country governments such as Japan. Large landowners have the best opportunity to secure capital for expansion of production. In all cases, the odds favor the creation of big-scale farming enterprises, which prefer mechanization to labor-intensive methods. This is the kind of farming enterprises that the U.S. AID program has done most to promote and encourage during the past 10 years. Big-scale farming minimizes the creation of new jobs for unskilled laborers, and may indeed displace millions of them altogether, as happened in the Southern United States when cotton farming was mechanized in the 1950's and 1960's. The result of "increasing the supply of food" by this approach often may be to *increase the numbers* and *worsen the hunger* of the poor.

Second, most of the farmers in the world *already* "know how" to farm better and more productively than they can afford.

The World Bank and others have come lately to recognize the pitfalls of large-scale displacement of labor out of farming by capital and technology, and are trying to shift their help to small farmers. They recognize that increased food production on family farms will at least provide better diets for the farmers and their families. But even the small machines, hand tools, and modern seeds, fertilizers, and chemicals that are needed to increase small farm productivity—*all have to be bought and paid for with money!*

All the petrodollars in Arabia, all the investments the World Bank could make, even if they didn't have to be paid back, would barely scratch the surface of outfitting the billion or so of small farmers in the world who themselves need better diets. As every farmer knows, it is not possible to farm very long unless there are paying customers to buy the produce so that the farmers can pay their costs of production. "Subsistence farmers" farm at a "subsistence" level because they and their children are their only customers—they pay themselves "in kind" for their own labor, and their hungry countrymen stay hungry because they cannot pay enough for food to enable the subsistence farmers to pay for any of the other "inputs" like new tools and chemicals and seeds that they would need in order to increase their output.

The single-minded concentration upon *increasing food supply* is even worse than putting the cart before the horse. It's like sticking the caboose out in front of the train, and then hitching on all the boxcars and coaches and Pullmans—and leaving out the engine altogether!

If a train is going to get any place, it is necessary to start out from the very first with *an adequate engine*. The engine that's essential for getting the hungry fed is purchasing power for food—money for the poor, to translate their *need for food* into *effective demand*. There are ways that this can be done, as I will describe later. The horse can be hitched where he belongs, out in front of the cart. An engine of phenomenal power is waiting to be hitched in front of the train to carry mankind to the destination that all the good-hearted as well as the selfish opportunists too could applaud—enough to eat for everyone! But first I will examine a little further the preposterous contraption that now comprises our jerry-built food policy, and where it's likely to take us if we stay on board.

"Surpluses" are true goal

It will take us straight back to price-depressing farm surpluses, that's where. Although a small fraction of the world's poor people might get some food relief out of agricultural surpluses, the real result will be self-defeating of its own intended purpose. Food surpluses and depressed farm prices will slow down the expansion of food production, and in the end may again force actual curtailment of farming operations, as happened during the past two decades of chronic surpluses, chronically depressed farm prices, and chronically-worsening malnutrition among hundreds of millions of human beings. To continue the world pattern of spreading poverty and want in the midst of chronic food surpluses and agricultural depression would court a global disaster.

Agricultural surpluses and depressed farm prices are the real goal that is being deliberately sought by some, despite the long-term dangers, as they maneuver to promote food policy measures that hitch the cart in front of the horse. Cheap raw materials suit the short-run interest of processors and traders. Cheap food is a convenient short-run escape hatch for governments having difficulty in keeping their constitutents' cost-of-living within bounds. When farm prices are put down and kept down, cheap food off-sets chronic increases in the wage rates, salaries, profits, fees, and commissions received by other sectors. During most of the past 25 years, declining farm prices have masked steady increases in other components of the cost-of-living index in the United States. Today, after a few brief months during which farm prices rose toward parity, their renewed sharp declines are again the main downward force that is tempering double-digit inflation.

Why pick on farmers?

The aim for "cheap food" in the domestic economy so as to allow faster escalation of other elements in the cost of living is the hidden economic motive behind the urge to foster competition against U.S. farmers and encourage world agricultural surpluses.

The people around the world who are hungry are also often sick. Yet no one suggests that the U.S. should subsidize and promote new drug companies to make the poor countries self-sufficient in medicines, much less help them compete in export markets.

To get right back to food, the poor countries' farmers need fertilizer to increase their food production. Yet official U.S. policy frowns on moves those countries make to nationalize multi-national fertilizer manufacturing facilities. And the fertilizer industry, backed by the U.S. Chamber of Commerce, forthrightly demands that no U.S. subsidies or encouragement be given to establishing competing fertilizer manufacture in the developing countries. Fertilizer should be produced and sold on a strict basis of comparative advantage, with no preference to home-made products over imports, they insist.

U.S. agricultural lead undermined

The curious combine of misguided humanitarians and short-sighted-to-cynical opportunists has already traveled far down the road toward undermining the pre-eminent food power of the United States.

Nine years ago, the "Food for Peace Act of 1966"—which President Johnson sought to re-label as the "War on Hunger"—reversed the program's direction from developing markets for U.S. farm commodities and made its foremost objective the promotion of national self-sufficiency in food production in the poor countries.

William Gaud, then Administrator of the Agency for International Development, boasted in the hey-day of the "Green Revolution" in the late 1960's that a number of developing countries, notably Pakistan, would soon become "self-sufficient" and enter the world market as grain exporters—ignoring the reality that tens of millions of Pakistanis were still and would continue to be severely malnourished. Today over half of what was then Pakistan is the world's worst area of hunger.

The Food and Agriculture Organization of the United Nations offered a "World Indicative Plan" for agriculture which called on the United States and other advanced countries to cut-back on their grain production to make room in the world market for exports from developing countries.

The World Food Conference in Rome last November, with the blessings of the Ford Administration's delegates, made promotion of increased food production in the developing countries its top goal. Ambassador Edwin Martin, who was in charge of promoting the Administration's line for the Rome conference in a "preparatory" meeting with non-governmental organizations, had bluntly shut off consideration of measures that could be taken to increase employment and buying power so that the hungry could buy more food from American farmers. At the World Food Conference itself, the U.S. issued a goading challenge to the oil exporting countries to invest their new-found wealth to develop new farming enterprises to compete with American farmers.

And just a month ago, on March 1, 1975, Secretary of State Kissinger pledged U.S. financial help to promote increased farm production in Latin America—*for export!*—Said Kissinger:

"Most Latin American countries are net food importers. We believe that with a concerted effort . . . Latin America can become a major food exporter."

Endangers U.S. farmers

So long as the supply cart remains hitched in front of the demand horse, traveling down this road is full of peril for American farmers, and for the national interests of the United States as well.

The Arabs are not likely to invest much of their oil profits in farming under the terms of a "boom and bust" agricultural commodity market. They will find ways to contract for guaranteed markets, at guaranteed profitable prices, to guarantee returns on their investments. It is the American and Canadian and Australian farmers who will be left with the "surplus" and economic ruination when the world market again becomes over-supplied.

Nor are the Japanese, who are already investing hundreds of millions of dollars a year in new farming enterprises in Brazil and other countries, at all likely to be planning to take their chances in the "boom and bust" world farm economy idealized by Secretary of Agriculture Earl Butz. The new overseas farms of the Japanese will be protected, as are those in their own islands, while they encroach upon the Japansse home market that has become so vitally important to American farmers.

The farm policy blunders of the Nixon-Ford Administrations have gravely damaged the prospects of American farmers in the world market. The preferential treatment of the Russians at the expense of our regular customers in the 1972 wheat sale; the export embargo on soybeans and some 40 other commodities in 1973; the politicized and capricious export controls on wheat, corn, and other commodities in 1974, have drastically undermined confidence in the United States as food supplier among customers who we cannot afford to alienate nor to lose.

Threat to U.S. economic position

When I say "we", I do not mean only that American farmers cannot afford to lose our agricultural export markets. I mean all of us—all the people of the United States. Agriculture is our country's strong suit in the world economy, and it is a world economy that is swiftly turning to our disadvantage.

Political colonialism came to an end after World War II. Now the economic consequences of the end of colonialism are beginning to materialize. The most dramatic illustration is the action that has been taken by 13 oil exporting countries, which only a few years ago were generally regarded as weak, poor, ignorant, and incompetent. The industrialized countries have been pumping out and importing their oil at prices that were cheap even after allowing for huge profits to the international oil companies. But the oil exporting countries have put an end to that, I think forever. They have nationalized their oil reserves, and they've raised their prices. As the Shah of Iran has said, the oil will be all gone in 25 to 50 years, and while it lasts, he is determined to get as big a stake in the world economy as he possibly can for his country. Much as it hurts us, and hurts even more the other industrialized countries, I don't think we could fairly expect much else, nor blame the leaders of those countries for what they are doing.

Oil is only the first and most dramatic. Exporters of other scarce raw materials are already, or soon will be, doing much the same. In the years ahead, we can be sure that we will encounter hard bargaining by suppliers of all kinds of raw materials that we can't do without.

The hard bargaining is not likely to stop with raw materials. What the developing countries have in the greatest abundance of all is *cheap labor*. There are literally hundreds of millions of people in Asia and South America and Africa who are unemployed. We in the United States managed to keep unemployment down to 3 or 4 percent throughout most of the 1950's and 1960's. Now we are justly distressed with unemployment up to around 8 percent. But in many of these poor countries, actual *unemployment* is around 20 to 30 percent, as bad as the worst we experienced in the depression of the 1930's. And more than half of the people who do "work" have jobs that aren't worthy of the name, and they earn only a few cents a day.

Second World "economic shock" coming

The enormous need for employment in the developing countries, and the enormous political pressure upon all of their governments to create jobs and to find markets for the products of their labor, set the stage for a second worldwide economic shock which I believe will be far more profound than the quadrupling of prices by the oil exporting countries. We have been put on notice by some of the leaders of these countries themselves.

"Why should we sell oil and iron ore and bauxite to you," they say, "so that you can smelt steel and aluminum and make plastics in your mills, and then make automobiles and refrigerators and washing machines to sell back to us at high prices?

"We think it would be better for us to invest our oil profits to build our own refineries and smelters and factories in countries that have a lot of unemployed workers, and then you can buy our energy from us in the form of manufactured products!"

I think this paraphrased quotation from Sheik Yamani, Minister of Petroleum of Saudi Arabia, is a thumbnail sketch of the future world economy.

Saudi Arabia has the world's largest reserve of petroleum. Twelve others in the "union" of Oil Exporting Countries have most of the rest of the exportable supply. Other underdeveloped countries possess most of the world's reserves of bauxite. Others have vast supplies of iron ore, and of other minerals that we cannot do without. Still others have hundreds of millions of poor workers who need jobs or better jobs. All of these countries, despite their differences and conflicts, are learning to work effectively together, first on political issues in the United Nations, and increasingly of late on economic problems. I do not doubt that they will soon begin to rearrange the world's economic furniture so that it will be completely unrecognizable to anyone who remains stuck in the outdated present.

World power shift reducing hunger

As I see it, this is a realistic view of the world situation within which we Americans will have to make our future. What shall we do about it?

First, a word for the humanitarians:

The monumental changes that are being made in the world's economic and political structure are moving swiftly toward the very result that good-hearted people most profess to want—*enough to eat for everyone.*

Increased oil revenues alone are already creating jobs and increasing buying power for food. The countries stretching from Morocco on the Atlantic to Iran beyond the Caspian Sea tripled their purchases of U.S. farm commodities in 1974 over 1973—to 13 times as much as the average of the five years before. This represents more headway against hunger than was ever accomplished through food aid at its peak.

And the process is barely beginning; only a fraction of the exporters' oil profits are as yet being invested. As the development of new industries, the construction of new roads and railways, factories, houses, sewer and water systems, and all the rest gets underway, and as still more jobs are opened up when the construction is finished, tens of millions who have been poor and hungry will become breadwinners. The other foreseeable measures to increase the earning-power of the poor countries from their resources and their labor will add to this beginning, creating a veritable explosion of purchasing power for food within the decades ahead of us.

Yet there is much work for the humanitarians to do. The present rules of the world economy are rigged against the hungry—and against the farmers, whose best potential customers are the world's poor and unemployed. The highest trade barriers on earth are those raised by the United States and other industrialized countries against the kinds of goods that poor and hungry workers could make and sell to earn their bread. These trade barriers condemn tens of millions to malnutrition. There is where the truly effective attack on hunger should be aimed! And equally as important, at providing for help to those of our own industries and workers that will be squeezed in the economic earthquakes that are sure to come in the years ahead.

There will be continuing needs for emergency food aid, and for special assistance to vulnerable individuals in the developing countries before their own welfare and social security systems can be established. The best way to get that done is through a farm policy for the United States that is designed for an expanding role for American agriculture in the new world economy.

As for help to developing countries to expan their own agricultural production, that will largely take care of itself once the engine of rising demand is cranked up and running down the track. Prospering and expanding urban sectors in those countries will make it possible for them to follow the Japanese pattern in their agricultural development. In Japan, relatively high domestic food prices, supported a labor-intensive family-farming system which retained labor on the farms until the non-farm industries were ready to absorb it at life-sustaining wages. This provided a constructive home environment as a base for good nutrition, health care, and schooling of the new generation. Without two things from America—markets for their manufactured goods, and imported food—the double-barreled success of the Japanese both in their rural and urban economies would have been impossible. Now the poor countries are uniting to demand the same conditions from the rich countries as a group.

New U.S. food policy needed

In such a future world as this lies a giant opportunity for the United States that dwarfs the little goals of the short-run opportunists.

Why should we cripple our farmers with chronically-depressed prices and incomes, relieved only intermittently once in a decade or so when this mean course leads to unnecessary worldwide shortage?

Why should we shrink our agricultural production plant to its smallest dimensions in the Century, while reversing the use of our exuberant abundance for developing expanded markets?

Why should we default from our pre-eminent food power in the world, while promoting the creation of preferred competitors in the export markets upon which our whole economy and national financial balance depends?

Why should we block the legitimate aspirations of the developing countries for access to our markets for the products of their poor and hungry workers?

Surely breaking and keeping farm prices below the cost of production so as to get a transient improvement in the cost-of-living index, to cover-up mismanagement of other sectors in the economy, is not worth such a price.

Should stand up for U.S. interests

It is time for Americans to acknowldege the pre-eminence of our food power in the world, proudly and confidently, and to begin to use it boldly and creatively to advance the interests of our country.

As other countries concert and muster their bargaining power to demand higher prices for what they sell that we must have, so must we marshall our bargaining power to demand fully remunerative prices for the food which they must have and we can sell.

We must restore and redeem the responsible leadership of the United States for international cooperation and fair play in ordering the economy of the world. It was abandonment of that leadership by the Nixon Administration, by violating and wrecking the International Grains Agreement in 1969, which started the trend toward one-sided economic buccaneering that culminated in the oil exporters' cartel. We must once again employ our economic power along with our moral influence to persuade the countries of the world to cooperate together through international commodity agreements. These should give fair representation to the interests and needs of both exporting countries and importing countries.

W should revitalize and encourage our agriculture by providing effective and reliable support programs that will assure prices at full parity.

We should expand the Food for Peace program boldly and imaginatively so as to insure full use of all that our farmers can produce at full parity prices.

We should insure that all of our own who are hungry are fed, and then share generously with other prosperous countries in providing food aid in emergencies and for women, children, and the handicapped who cannot work.

To the full extent that our food supplies may temporarily exceed our needs for domestic and export markets and realistic reserves, we should use concessional sales of food under long-term food aid and trade expansion agreements with developing countries, with the direct objective of fostering enduring patterns of two-way trade.

Wherever in the world there is a present or prospective market for our food, we should go after it, with energy and imagination. In the future now beginning, we are sure to need it before long.

Why should we coerce India, for example, to strive to be self-sufficient in food production, when we did the opposite in Japan, to our everlasting gain?

From zero in 1945, our agricultural exports to Japan have climbed to the multi-billion-dollar level—a supreme example of the practical benefits of the "Food for Peace" program that have accompanied its humanitarian goals. We began with donations to the needy; we advanced through concessional sales on easy terms, and in the process we "taught" the Japanese consumers to like and to buy American-styled foods and farm products. At the same time, for military and political as well as economic reasons, we fostered two-way trade, laying the basis for what has become one of our most important international relationships.

No, the United States "cannot feed the world". But we can, and we must, go after the biggest piece of the business that we can get.

Our country is both great and good. We

deserve a leading role in the world. Despite our shortcomings and mistakes and imperfections, we have much to contribute to the creation of a world society in which our own and all other men's children can live in peace, dignity, and decency.

Food power is our greatest gift for the world, and our strongest claim to national power and influence in the world.

We must not sell our farmers short in our own economy. We must not sell our agriculture down the river in the new world economy now taking form.

International Federation of
Agricultural Producers,
Washington, D.C., December 15, 1972.

Report of the Working Party on the International Grains Arrangement 1974

(Note.—the following report is presented by the Working Party as a whole. However, it does not necessarily reflect the opinions of any particular member of the Working Party, nor are the organizations represented committed by the whole or any particular part of the proposals or remarks set out below.

The Working Party had before it three proposals as working documents submitted as personal contributions respectively by R. G. Lewis (NFU–U.S.), by G. H. Morsink (Netherlands–CEBECO), and by A. Winegarten (NFU–U.K.), A. Herlitzka (COPA), and P. Malvé (France). It wishes to express its gratitude for those three contributions which basically all propose agreement on feedgrains as well as wheat, that prices be maintained within a stipulated price range, and that agreement on reserve stocks would need to play a role in maintaining prices within the range.)

INTRODUCTION

Terms of reference

1. At the 18th General Conference in May 1971 in Paris the following decision was taken:

"IFAP should establish its own expert group to analyze thoroughly the problems and explore the policy and methods necessary to make the [International Grains] Agreement an uninterrupted success.

"IFAP should maintain its view on the desirability of seeking to bring coarse grains within the International Grains Agreement and the technical problems associated with this should come within the remit of the expert group referred to above."

2. Various problems arose which led to the postponement of such a meeting so that the first opportunity for reviewing the situation was offered when the Group on Grains met before the Nineteenth General Conference in Ottawa in October 1972. The Group felt that, while pursuing the objective of reinforcing the 1971 Wheat Agreement with price provisions, producers should already begin examining the requirements for an agreement in 1974, and the Conference therefore recommended that.

"An IFAP working party should be convened shortly to expand and formulate precisely the Group's recommendations and present a report to the Spring 1973 session of the Executive Committee."

3. The recommendations of the Group on Grains, which therefore constitute the terms of reference of the Working Party, are essentially as follows:

Coverage of both wheat and feedgrains;

Minimum and maximum prices at levels fair to grains; producers relying largely on exports for their returns and to consumers;

Co-ordination of domestic farm programs to improve management of world grain supplies;

Maintenance of adequate grain reserves;

Reduction of barriers against international trade in grains while respecting the right of farmers in all countries to an adequate income; and

Food aid.

"A future Agreement on grains must include provision for rational and fair stockholding policies shared amongst the chief exporting countries, but also to some extent amongst importing countries. Each country would be held responsible for maintaining stocks within agreed limits. As a corollary to this, the onus of adjusting national production to keep within the agreed stock limits would rest with individual countries as a commitment under the Agreement. Stocks would include feedgrains and be proportional to each country's share of world exports; the cost of stock-holding would be borne by the country concerned. The supply management effects of such a stock-holding agreement should ensure regular supplies of grains to importers at reasonable prices and avoid the building up of unwieldy surpluses."

4. It was also the opinion of the Conference that in negotiating an International Grains Arrangement, account should be taken not only of the current market situation at the time of negotiations but of a longer term view of the need to ensure adequate supplies at stable and remunerative prices.

General comments

5. The non-adherence to the price provisions of the 1967 International Grains Arrangement and the failure to negotiate meaningful price provisions in the present International Wheat Agreement reflect fundamentally an end to the willingness and ability of Canada and the United States separately or jointly to withhold supplies from the market and to modify the competitive aggressiveness of their marketing policies sufficiently to ensure compliance with (or in the case of the present Agreement to undertake compliance with) minimum price provisions. The relative stability of prices and on the whole successful compliance with the price provisions of previous International Wheat Agreements in times of abundant supplies resulted from the North American exporters being able and considering it to their advantage, to act as residual suppliers to world markets. In the process they built up formidable carry-over stocks which only massive aid programs, substantial restraints on production, and the eventual emergence of exceptional demand conditions corrected. It is the conclusion of the Working Party that the conditions are past under which minimum-maximum price provisions—unsupported by corollary undertakings within the agreement which could affect underlying production, marketing and reserve policies—are likely to be successful, and that, moreover, the framework of agreement must be broadened to embrace feedgrains as well as wheat.

6. Producers are profoundly convinced, as evidenced by the findings of successive IFAP Conferences and most recently in October 1972, that the interests of producers of both exporting and importing countries lies in achieving stable and orderly conditions of pricing and marketing of grains in international trade. Since the interests of all of them are so directly affected, it is of utmost importance that both a grains agreement be negotiated and that producers themselves play a major role in that negotiation. To ensure that they assume this role, and that moreover they demonstrate to governments the seriousness of their intentions, it is desirable that producers provide leadership in bringing forward concrete and detailed recommendations to governments in time to serve as a basis for negotiation of a 1974 arrangement.

7. The Working Party recognizes that the proposals in this report fall short of achieving a detailed elaboration of the terms of a proposed agreement. Such an undertaking has been beyond the possibilities of the time and resources available to it. It suggests that consideration be given to whether it might be worth the effort for IFAP and its interested member organizations to commit the admittedly considerable time and expense that would be required to further elaborate these proposals following comment by member organizations and consideration by the Executive Committee.

8. Any international commodity arrangement should incorporate benefits and obligations on importers and exporters of the commodity or commodities concerned in, as near as possible, a balanced package. One of the essential guarantees of success is that the benefits derived from the arrangement by member countries are such that under no foreseeable circumstance can it be worth their while withdrawing from the arrangement or in any other manner sacrificing those benefits. Any proposals put forward by grains producers should take these elements fully into account.

PROPOSED GUIDELINES FOR AN INTERNATIONAL GRAINS AGREEMENT 1974

Term of the arrangement

9. The Arrangement itself should not be for a fixed term of years but instead should constitute a framework of continuous policy which firmly and unequivocally establishes the intent of Governments to pursue a commitment to orderly marketing of grains by international agreement. The nature and direction of the undertakings arrived at under such an arrangement are of sufficiently basic and long-run significance that the arrangement as such should not face countries with the prospect of its termination after only a short period of years. At the same time, it is very clear that within the terms of the arrangement itself, detailed provisions must be periodically reviewed and renegotiated in the light of experience and changing conditions. Provision for this should be contained in the arrangement, as well as provision for notice of withdrawal and for accession.

International grains council

10. All countries[1] participating in the arrangement would be represented in the Council. Exporting member countries and importing member countries would comprise co-equal groups within the Council, recognizing that in the context, especially, of an overall grains arrangement, some countries would have representation in both groups. Each group would have equal voting power. The votes of each group would be divided as agreed among the countries associating with each of the respective groups. Decisions by vote would be decided by majorities of both the importing and exporting groups, although clearly a largely consentiant basis of operation and negotiation is desirable and indeed necessary.

Coverage

11(a). The proposed arrangement would embrace wheat and the principal cereal grains used for feed.

11(b). It must be recognized that protein-rich and especially starch-rich sources represent an alternative to grains as feed-stuffs. The best course of action would therefore be to include such products within the terms of the arrangement, incorporating them into its system of price stabilization, export and import obligations and reserve requirements. The considerable difficulty of implementing such a decision must be recognized, and since strict application of the provisions would probably be impossible it is not proposed that this be attempted at this time. It is, however, proposed that a review committee would keep under review the development of prices and trade flows of such non-grain feeds. Should disruption of the grains market be feared, consultations would be held to decide whether corrective measures are necessary. The Working Party noted that consideration should be given to the special position of such feeds as export commodities of developing countries.

---

[1] For the purposes of the arrangement the European Economic Community would be considered as a single entity, member of the arrangement.

Pricing and price review

12. The following proposals for pricing provisions, price ranges, and reference grains must be assessed in relation to a clear understanding of the fundamental nature and assumptions of the whole proposal. A key assumption is that if member countries to an agreement attempt to sell more grain into the market than can be absorbed, then agreement to adhere to minimum pricing requirements is unworkable. This is the lesson experience has taught. The arrangement is therefore designed to provide a mechanism for preventing this situation occurring, by agreement to withhold grain from the market or add to supplies from reserves on an orderly basis, if need be, sufficiently for the demand/supply balance to permit maintenance of prices within the range.

13. To administer such a plan reference price guidelines are needed for both wheat and feedgrains. At the maximum this would put definite ceilings on wheat for food use and grains for feed, around which other grains than the reference grains would be priced at differentials on which agreement should be reached in the Council; such differentials would, under those conditions, likely be narrow.

14. With respect to the minimum, it would be the object to so manage supply that competitive forces rather than explicit definitions in the arrangement would determine the precise differentials in the market without undue price-depressing effects on any grain. The minimum price for the reference grains would serve as a guideline for action on the supply management side.

15. The operation of the arrangement therefore involves careful and continuing management by the Council and its committees and expert groups, both as the prices approach the maximum (since an increase in export quotas or the utilization of the world reserve would be brought into the picture), and as they approach the minimum (since assessment of the need for action on the side of reducing market allocations to exporters would be urgently signalled).

16. There would therefore need to be a coordinated functioning of review committees and technical groups that would maintain a continuing review of trading prices of grains, and emerging demand and supply and requirements conditions. It would signal the danger or existence of the conditions of the arrangement being breached and provide effective mechanisms for decisionmaking on the committee's own authority, or for efficient reference to the Council on matters such as decisions on adjustment of quota allocations.

17. With regard to reference wheats it is proposed that there be a tri-wheat system for basing price references in the arrangement. A high protein-type and grade of Canadian Wheat and a closely competitive type, grade, and quality of wheat from each of the United States and Australia would be chosen, each of which is regularly traded in world markets. The maximum and minimum wheat prices in the arrangement would refer to these wheats. The three wheats should have as close as possible to identical values in the world market.

18. With respect to a reference feedgrain—which will be needed both at the minimum and maximum—it is proposed that a single reference grain, namely maize, should be utilized.

19. The level and range of prices which would be desirable in the arrangement is a matter that can only be determined by negotiation, since the producer and the consumer interests are involved and consequently this would be an important factor in the balancing of benefits and obligations. It needs only be reaffirmed that it is a primary object of the arrangement to provide stable prices at levels that will give fair returns to producers who rely largely on exports for their returns. The price level to be aimed at should be higher than that established in the 1967 International Grains Arrangement in order to take account of the increases in production costs and to compensate exporters for the cost of maintaining World Grain Reserves.

World grain reserves

20. A World Grain Reserve would be established. It would be composed of wheat and other grains in a proportion to be agreed upon. The World Grain Reserve would be held as an obligation by exporters in approximate proportion to their agreed export quota, adjusted by agreement as necessary. Exporters would bear the full cost of maintaining such a reserve. It would be managed by the Council and decisions with respect to it would therefore be taken on a majority basis between exporters and importers. Such a reserve would constitute an individual and collective undertaking by exporters to their clients that all their entitlements would be able to be met, in particular in times of heavily increased import requirements. When the share of the Reserve held by any exporting country was drawn down below its allocated level, that country would have the obligation to replenish its share, by adjusting its production in the following season, or by transferring grain from its national stock. Replenishment of the Reserve would be a binding priority commitment on exporting member countries. World Grain Reserves could be held at the discretion of the exporting country in a manner and place which would ensure that the grain would be reasonably available for delivery when and where required.

21. Note should be taken of policy on withdrawals from the Reserve. In a general way, reserve requirements would be basically, with necessary adjustments, related to exporter shares of trade. By the same token withdrawals from the Reserve would in principle be related to reserve requirements. However, it is clear that in practice there will be many considerations which the Council will need to take into account in administering reserve policy. Transitionally, there may well be a period when reserve stocks have not yet had an opportunity to build up to normal levels, and special rules would be required. Policy on these matters will have to be carefully thought out, and the kind of problems that may arise anticipated as far as possible.

22. As noted above, the fundamental purpose of the World Reserve in relation to the agreement would be to provide security to importers that they would receive their entitlements at not more than the maximum of the range. The amounts involved would be considerable but it would require careful study to define them with precision. It might well be considered desirable to develop a World Reserve with more substantial stocks than might be sufficient to ensure fulfillment of obligations to participating importers. Should plans thus be made to be ready for larger unforeseen needs wherever they might emerge, the question of the responsibility for financing the holding of such additional quantities would have to be carefully reviewed and negotiated; it could not necessarily be considered that World Reserve at such higher levels, though necessary in global terms, would remain the exclusive responsibility of exporting countries.

23. When the obligations to importers have been fully met the Council may, if it feels it prudent to do so, release further reserves for sale by members holding them to meet other needs. The maximum price restriction need not apply to such sales.

National grain stocks

24. Exporting and importing country members would normally hold national stocks of grains of some level. For exporting countries such stocks would include grain produced over and above the country's export quota, requirements for the replenishment of its reserve, and food aid donations. For importing countries, stocks would be constituted (or added to) whenever national production plus import obligations under the arrangement exceeded national consumption requirements. All countries could draw on such stocks to provide food aid. The time might come when, after a number of years of good crops, national stocks in importing and exporting countries would become a considerable burden to carry. Given the trading entitlements and obligations under the arrangement, and various other safeguards, countries carrying such national stocks would have the choice of reducing national output or stepping up their food aid shipments during the period covered by the arrangement. It is understood that at the end of the period quotas might be subject to negotiation. This system should allow a maximum of independence to each member country in managing its own stock and in operating its domestic farm policy, including the price support and supply management programs best adapted to national conditions. It should also avoid any risk of dumping burdensome stocks onto the world market.

Global grain sales

25. The estimated quantity of commercial grain exports to be made by exporter member countries to both member and nonmember importers would be determined as the basis for the grain sales quotas of each member country, defined on an annual basis. This would be an all-grain quota, stated in tons rather than feed values, so that there would be no breakdown of country export quotas, or the global quota, by different types of grain. If non-grain starch-rich feedstuffs were to be included in the arrangement, feed-value equivalences would, however, have to be utilized.

26. The global quota would be subject to review and revision as necessary, at any time, and indeed the variations in time of harvest and patterns of marketing make a rigid "annual quota" basis of allocation impractical. This is an administrative problem that would have to be worked out.

Exporting country obligations and entitlements

27. Each exporting country member would be assigned a grain sales quota defined as a percentage share of the global sales quota. These shares would be determined in the arrangement of the basis of criteria determined by negotiation. When the global sales quota was increased or reduced, the percentage shares would normally apply so that the increase or decrease would be on a pro rata basis.

28. Each exporting country member would be obligated to supply grain at not more than the maximum price to the extent of import entitlements of importers from that country, and in the form of wheat to the extent claimed by the importers up to the proportion of wheat in each importing country's entitlement. Each exporting country would be obliged to maintain its prescribed share of the World Grain Reserve, subject to disposition by the Council. All exporting countries in concert would be obligated to satisfy the import entitlements of all importing countries to whatever extent their entitlements could not be satisfied by the exporting countries from which the entitlements were due. All exporting countries

would be obligated to sell no grain at below the minimum price.

29. If any member exporting country should suffer a shortfall in domestic production it could meet its export obligations and its share of the market by utilizing national stocks or, failing that, request permission to meet its obligations or meet its market share out of the World Reserve. The Council could authorize such a withdrawal from the World Reserve, or assign to other member exporters additional quotas to make up any shortfall on a pro rata or other agreed basis.

30. By refusal to release World Reserves to an exporter the Council could make clear its view that the exporter was able to meet its obligations from its national stocks.

31. There would also need to be a mechanism for quota adjustment from year to year or periodically as required, the major criterion being a shortfall in the record of performance of member countries in meeting their quota allocation and reserve obligations. However, provisions regarding allowance for exceptional crop failure, for example, would have to be developed.

Importing country obligations and entitlements

32. Each importing country would agree to purchase from exporting member countries not less than a percentage of its total requirements for arrangement grains. This percentage would be a negotiated amount related to a range of relevant criteria of which the historical record would be one. Based on the percentage so determined each importer's import obligation would be determined each year, and like the global sales quota would be subject to adjustment as necessary at any time. This amount would constitute the obligation of the importer to purchase grain from exporting member countries, for which the importing country would be obligated to pay not less than minimum prices. The import obligation would be defined in terms of tons of any grain.

33. Each importing member country would be entitled to supplies at no more than the maximum price, from each exporter, based on the importing country's purchases during a preceding base period from that exporting country. The importer would be entitled to demand his entitlement in the form of wheat up to the quantity of wheat in the importer's actual purchases which form the basis of its import entitlement. All importing countries would be entitled to purchase grain from the other exporting member countries acting in concert, at no more than the maximum price, to the extent that the exporting countries from which its import entitlements were due were unable to meet their commitments.

Exports by importing country members

34. As already noted some countries may be both importing and exporting members of the Council. There will be a number of countries which customarily import some kinds of grain and export others. Such countries would assume both export and reserve obligations as regards their exports, and import obligations and entitlements as regards their imports.

Commercial sales of grain

35. Exporting country members would compete for sales to fulfill the import obligations of importing country members, and would compete likewise for sales of grain to non-member countries. Exporting countries would be obligated to comply with the maximum price guarantee in sales to importing country members up to the amount of each importing country's import entitlement from that exporter, and to offer no grain for sales at less than the minimum price to any country.

Food aid

36. Exporting and importing country members would agree in concert to supply up to an agreed global amount of grains as food aid, as a commitment to eligible importing country members. The obligation toward fulfilling this entitlement would be allocated among the developed country members by agreement. Food aid commitments would be fulfilled irrespective of market conditions. As frequently reaffirmed by IFAP, food aid is a constructive form of aid which deserves to be pursued for its own sake and not essentially as a means of disposing of accumulated surpluses as and when they happen to be available.

Less developed country members

37. Each less developed country acceding to the arrangement as an importing country member would be assigned a commercial import quota, together with a food aid import entitlement. The ratio of the commercial import quota to the food aid import entitlement would be established for each less developed importing country member in accordance with its relative ability to pay, somewhat as "usual marketing requirements" are defined and monitored by FAO's Consultative Sub-Committee on Surplus Disposal. These countries would purchase grain to fulfill their commercial import quota and food aid import entitlement from member countries on a competitive basis. These transactions would be subject to review by the Council and subject to terms conforming to guidelines established in the arrangement.[2] Under this procedure, each less developed importing country member could receive its total grain supply purchased under terms of the arrangement at a "blended cost" commensurate with its relative ability to pay.

38. Additional food aid from member countries would be encouraged on both bilateral and multilateral terms, and all such transactions would be reported regularly to and reviewed by the Council. The preceding proposals are not intended to cover exhaustively either the need or the possibility of food aid and food aid programs in grains, either within or outside the arrangement.

39. The import obligations and export sales quotas of less developed member countries would be made subject to special consideration by the Council of the needs of these countries to develop their resources efficiently in order to satisfy their requirements for adequate nutrition of their population and general economic development.

DRIVE TO THROW THAILAND TO COMMUNISTS BEGUN

Mr. THURMOND. Mr. President, the May 1, 1975, issue of the Aiken Standard newspaper in Aiken, S.C. contained an article entitled, "Drive To Throw Thailand to Communists Begun."

This article, by Ralph de Toledano, takes note of a campaign already underway to convince the American public that Thailand is not worth our aid in their efforts to remain a free country.

These initial efforts to discredit Thailand are unworthy of the American free press and I hope our Nation will assist Thailand from becoming the next domino to fall in Southeast Asia.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DRIVE TO THROW THAILAND TO COMMUNISTS BEGUN

(By Ralph de Toledano)

In biblical times, the handwriting was on the wall. Nowadays it is on page one of our daily papers. What it has begun to tell us is that the media campaign to throw Thailand to the Communist wolves has begun. All the signs are there.

With the Communist predators moving down into the South Vietnam our Congress has abandoned, with Cambodia at the edge of the abyss, and with the Laos "coalition" going the way of all such coalitions, we are being told by those who sneered at the "domino theory" that Thailand is the next in line to fall.

And American public opinion is being prepared to accept this new defeat by stories of "corruption" in the Thai government, the weaknesses of the Thai army, and the venality of the Thai middle class. Bangkok's neon lights—a manifestation of the sloth, obviously—and its "thousands" of prostitutes—a figure sucked from a reporter's thumb—are cited to demonstrate the moral weakness of the country as compared to the Spartan qualities of the "CT" forces, the Communist terrorists. So, too, is a Thai birthrate of 3.3 percent.

Of course there is corruption in Thailand. (There is greater corruption in the countries of the Arab world, but no one makes an issue of it. And New York City is thick with prostitutes.)

But that is not why Thailand will be the next domino to fall. Of course there are CTs—8,500 CTs in a country of 41 million people—but that is not why Thailand is scheduled to go the way of the rest of Indochina.

If Thailand goes, it will be because a victorious Hanoi pours arms and men into the Thai hills. It will be because these forces will engage in the most difficult kind of warfare to cope with, employing hit-and-run guerilla tactics against the Thai army and ruthless terrorism against the people. With inexhaustible supplies from the Communist base in Vietnam going to the CTs and a worldwide propaganda apparatus to destroy the Thai will to resist, the country has little chance to contain the Communist attack.

That will is already being sapped by voices in Bangkok which agitate for the communization of the country as the only answer to the Communists. The same voices clamor for a weakening of the armed forces in order to prevent the military from taking over the reins of government.

But the most significant factor in the loss of any will to resist the Communists is the realization in Thailand that the country has no friends. The CTs will get arms and men from Hanoi, but as the terrorists grow in power, the left-wing cabal in our Congress will see to it that Thailand gets no military aid and precious little economic aid. Congress has decreed that no moral corruption can be tolerated except American moral corruption—and let the devil take the hindmost.

Given these circumstances, there is no doubt that Thailand will fall to the Communists. It is not a question of corruption or the growing birthrate or the prostitutes in Bangkok. It is simply a question of logistics. Thailand cannot fight back an aggressive enemy without arms and encouragement from the United States. And it is tragically clear that this will not be forthcoming.

Congress will not be budged from its suicidal course without strong prodding from our fourth branch of government, the media. But the media is not likely to take up arms in this cause. Those who dominate the TV networks are, in fact, in accord with those who wittingly or unwittingly work for the day when these United States will be isolated in a hostile world.

---

[2] FAO's Principles of Surplus Disposal should be a basic reference for such purposes.

FISCAL YEAR 1976 APPROPRIATIONS FOR AGRICULTURE, RURAL DEVELOPMENT AND FOOD PROGRAMS

Mr. HUMPHREY. Mr. President, earlier this week I submitted my views and recommendations to the Subcommittee on Agriculture, Environmental and Consumer Protection of the Senate Committee on Appropriations, regarding fiscal year 1976 funding for a number of essential agricultural, rural development and federally financed child nutrition and family food programs.

As I indicated in my testimony, many disparities and dislocations have developed in our Nation's economy and within our Nation's food and fiber sector during the past 3 years. And as the Congress considers its Federal expenditure patterns for fiscal year 1976, it must, in my judgment, take these disparities and changes into account.

As national unemployment continues upward, accompanied by continuing inflationary pressures, the Federal Government must, in my judgment, be prepared to assist those most adversely affected by these developments, by helping them to satisfy their most basic human needs, such as food, housing and other essential social services.

Rural America continues to get the short end of the Federal expenditure stick. One-half of our Nation's poor still resides there. Two-thirds of our Nation's substandard housing can still be found there. The most inadequate community social services, such as health care, education, fire protection, public utilities, and communication systems, are still found there. And yet the people who reside in these regions operate our Nation's most basic and essential industries, which are agriculture, mining, and forestry.

The efficiency and productivity of these people deserve more than just the left-over crumbs of Federal expenditures each year. Therefore, Mr. President, I hope the Appropriations Committee and the Congress will support my request for increased funds in fiscal year 1976, to meet the growing needs of rural Americans and our Nation's poor.

Mr. President, I ask unanimous consent that the full text of the testimony I have submitted to the Appropriations Committee regarding fiscal year 1976 funding of these essential USDA programs be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY SENATOR HUBERT H. HUMPHREY

Mr. HUMPHREY. Mr. Chairman, I want to thank you for this opportunity for me to once again share my views and recommendations to you and other Members of this Subcommittee relating to Fiscal Year 1976 appropriations for the U. S. Department of Agriculture to meet the agricultural, food assistance, and rural development programs which it administers.

As a Member of the Senate Agriculture Committee, the Senate Foreign Relations Committee, and as Chairman of the Joint Economic Committee of the Congress, I am more than just "aware" of the dramatic changes that are currently unfolding both here in the United States and throughout the world.

Our Nation's economy remains out of control, with few if any genuine signs on the horizon that it has "bottomed-out" or is headed for recovery.

American agriculture finds itself being buffeted today by both the winds of "shortage" and the prospect of "surpluses." Administration food and agricultural policies of the past three years have made "instability" and "uncertainty" the hallmarks of today's marketplace. During this period, we have seen a depletion of our nation's food reserves. And while we have experienced a welcomed increase in the general level of farm prices, income and exports of farm commodities during this period, we have also witnessed major liquidations of our livestock and poultry numbers, and sharp rises in consumer outlays for food and in government expenditures for federal feeding assistance.

In the past three years, $47.8 billion have been added to American consumer grocery bills for U. S. farm products and $5.2 billion in added government outlays for food stamp, school lunch and other federal food assistance programs. And I have no idea as to how much has been added in government outlays during this period for Department of Defense food purchases, or for P. L. 480 outlays due to increased commodity prices.

And as I indicated earlier, while these farm price rises and increases in farm exports have contributed substantially to farm income and our international trade balances these past three years, the "bust" side of this "boom and bust" cycle is already underway.

Realized net farm income for 1975 is now projected by Secretary Butz to drop by $7 billion from what it was in 1974 and $12 billion from what it was in 1973, or 30 percent in just two years.

And while much of this expected drop in farm income is based upon expected declines in new crop grain and soybean prices, it also reflects expected declines in the volume of marketings of hogs, broilers, eggs, turkeys and fat cattle during the balance of this year and in 1976, which was created by excessively high feed prices during 1973 and 1974.

Pork supplies available for market this year will be the lowest they have been since 1935. Poultry supplies in 1975 are down about 10 percent from last year; turkey meat supplies down 15 to 20 percent from a year ago; and fat cattle placements down 41 percent from a year ago.

U.S. corn stocks on April 1, 1975, were down 23 percent from last year, and 34 percent from two years, or the lowest they have been on that date since 1955. Sorghum stocks are now down 45 percent from last year. Soybean stocks are down 11 percent and oats down 25 percent from a year ago. Barley stocks are down 38 percent from last year and 48 percent from two years ago. Wheat stocks on April 1, 1975, were down 17 percent from last year and 31 percent from two years ago, or the lowest they have been since 1952. And finally, flaxseed stocks are now down about 32 percent from last year or the lowest they have been since the beginning of quarterly flaxseed estimates in 1948.

Mr. Chairman, my review of these conditions is for a purpose, because such "boom or bust" swings in our nation's food and agriculture industry continues to create major economic problems for all concerned—grain and livestock producers, American consumers and taxpayers and for our nation's entire economy, including rural America. And as we have recently seen, President Ford has shown little or no interest in stabilizing the basic forces of the marketplace that have contributed so much to this "boom or bust" cycle. His veto of the Emergency Farm Act of 1975, H.R. 4296, is a clear signal to the American farmer and to the general public that this Administration intends to keep us on the roller-coaster of "uncertainty" and "economic instability."

And Mr. Chairman, as we examine the need for Federal expenditures in Fiscal Year 1976, we must be prepared to correct many of the disparities created by a national economy still suffering from both inflation and recession, increased unemployment, and the regressive impact upon our society of continued increases in the prices of basic consumer goods and services, such as food, utility rates, and housing.

FOOD AND NUTRITION PROGRAMS

Mr. Chairman, the President's FY 1976 budget calls for major changes in our nation's federal food assistance programs. As you know, the President has proposed a so-called "block-grant" program as a substitute for existing school lunch and child nutrition programs, a proposal which the House of Representatives already has rejected. Although our Senate Committee on Agriculture and Forestry has yet to complete its action on this and related Senate measures introduced to extend and expand these programs beyond June 30, 1975, I fully expect that both our Senate Agriculture Committee and the Senate will follow the lead of the House of Representatives and reject the President's proposal. As has already been reflected in our Senate Agriculture Committee's FY 1976 budget submission to the Senate Budget Committee, existing school lunch and child nutrition programs will likely be extended and expanded by the Senate and the Congress within the next 30 to 45 days.

In addition to the recommendations that I and Senators McGovern, Hart and Case submitted to you on May 2, 1975, I would like to make the following additional comments and recommendations.

The Department of Agriculture's budget recommendations for FY '76 also eliminate funding for the day care and summer feeding programs. It is critical that these programs be continued. The Senate Agriculture Committee has recommended to the Budget Committee that $140 million be provided for these programs in FY '76. This is a minimum need for these programs. It would allow only a 10 percent increase in funding for the day care program, which has been funded at a $64 million level this year. A somewhat larger increase would be allowed for summer feeding, but this would be the first increase in funding for the program since FY '72.

Since then, summer feeding has been budgeted at $50.6 to $52.7 million each year, and now needs an increase in funding due to rising food costs and to the need for program expansion (only 17 percent of the low income students receiving free and reduced price lunches during the school year are now reached by the summer program during the months that school is not in session.)

I am hopeful that the Committee will provide $52.7 million of this $140 million total (in addition to $6 million of remaining FY 1975 summer feeding funds) in the second supplemental appropriations bill for FY '75. This quick action is needed to insure that this summer's program, now in its planning stages, functions on schedule.

In the areas of equipment assistance for schools and state administrative expenses for running child nutrition programs, the Administration's budget shows no increase. This, too, is unacceptable.

There are still nearly 18,000 schools in this country with no school lunch programs. Thirteen percent of America's school children attend schools that continue to offer no food service. In FY 1975, the Department of Agriculture estimates that only 1,961 "no-program schools" will have been equipped with USDA non-food assistance funds. This rate of expansion to no-program schools is too slow.

What we are faced with is a choice between spending the money now and assuring our children adequate nutrition or stretching these expenditures out over a longer number of years, spending more in future years when inflationary pressures increase the cost of equipment, and making some children go without school lunches in the meantime.

In addition, many schools now in the program have obsolete equipment that must be replaced. In March, 1974, USDA reported to the Congress that a Congressionally mandated study found schools in need of $177 million in equipment assistance.

In spite of this need, the Administration's budget shows only $28 million for this program in FY 1976. This is the same amount as is being spent in FY 1975, and $100,000 less than was spent in FY 1974.

You may recall that last year at this time I requested that the full $40 million authorized for this program be appropriated for FY 1975. The Appropriations Committee reduced this figure to $34 million. I was prepared to offer an amendment on the Senate floor raising this amount to $40 million, but refrained from doing so upon receiving your assurance that Senate conferees would hold tough for the $34 million level. Unfortunately, however, we came out of conference with only $28 million, a standstill appropriation.

Due to inflationary pressures, above $34 million will be needed in FY 1976 to be equivalent to the $28.1 million in FY 1975 dollars. If we are to reach more no-program schools, we need a full $40 million appropriation this year. And, Mr. Chairman, this year, I intend to insist and press for the full $40 million being appropriated for this purpose.

Finally, we also need an increase in state administrative expenses in running the various child nutrition programs. The Administration's budget shows a 33 percent increase for federal administrative costs, but no increase at all for state costs—not even an increase to cover the costs of inflation. The states need an increase to at least $8.5 million (from the present $6.7 million level) to cover inflation and the steadily growing costs of administering programs that are expanding during a time of economic recession.

Finally, Mr. Chairman, I would like to direct your attention to the special supplemental food program for women, infants, and children (WIC). Authority for this program expires on June 30, but I am confident that the Congress will extend this program. To ensure adequate funding for this program, it is most important for the Congress to continue to finance this program from Section 32 funds. The Senate Agriculture Committee will examine the Section 32 issue in coming weeks.

In any event, I will communicate with you on WIC funding needs as soon as the Senate clarifies its position on the Section 32 issue. It is imperative that adequate funds be available for this program on June 30. A continuing resolution would have a devastating effect on the majority of WIC clinics, since most are still expanding toward their USDA authorized ceiling. A continuing resolution could force these clinics to freeze their caseloads at levels below those specified in their grants and could disrupt orderly program growth toward their authorized capacity.

LOAN FUNDS FOR RURAL ELECTRIC SYSTEMS

Twice in recent weeks I have had occasion to look into the capital requirements of rural electric systems and the extent to which the new rural electrification program is meeting those needs.

One occasion for checking was that of the Senate Agriculture and Forestry Committee's consideration of a report to the Senate Budget Committee.

In adopting this report, the Committee on Agriculture and Forestry called for an increase in insured loans from the current fiscal year's authorization of $700 million to a fiscal 1976 authorization of $735 million. We also recommended that a minimum of $2 billion in REA loan guarantees for generation and transmission cooperatives should be mandated by Congress.

Our report includes the following statements with which I agree:

"For the rural electric and telephone loan programs, we take note of the fact that the Administration's budget request for fiscal 1976 is for sharply reduced lending authorities for the insured loan programs. Such a recommendation is contrary to the real world of increased capital need.

"We do not seek an increase in loan ceilings for fiscal 1975 despite the fact that the backlog of electric loan applications as of December 31, 1974, totaled slightly over $1 billion . . ."

Since completing this report, we have learned through the REA Administrator's testimony before this subcommittee that the backlog of applications on June 30 will be approximately $1.5 billion and is expected to be $2.7 billion at the end of fiscal 1976.

In this situation, why the Administration should seek to reduce the insured loan program from this year's level of $700 million to a new level of $618 million is beyond comprehension. Had these figures been available to me at the time the Agriculture Committee's report was under consideration, I would most certainly have sought to raise the amount we recommended above $735 million. In the light of current trends, I would say that our figure may be at least $100 million too low. We should have recommended at least $800 million and probably $900 million.

What we are talking about, as you well know, is not a budget outlay but simply an authorized use of a revolving fund, which is replenished by borrowers' repayments of principal, with interest, and by sale of insured loans to private investors.

The second recent occasion for my looking into rural electrification loans involved an announcement by REA on March 11 that it proposed to change its loan policy so as to avoid making any insured loans to generation and transmission (or GT) cooperatives.

My examination of this proposal caused me to state on the floor that the proposal is in clear conflict with the legislation which was passed on May 11, 1973, and acquiesced in by the Administration. The clear intent of the legislation was that 5 percent insured loans would be available to all applicants whether for distribution, generation, or transmission requirements.

The rationale for the proposed change in policy has not been stated clearly, but presumably it is related to the Administration's objective of reducing the insured loans program from this year's level of $700 million to $618 million.

I was highly pleased to note that the distinguished Minority Leader of the Senate participated in the colloquy on this matter, adding his voice to the many other expressions of dismay.

I have also been informed that the distinguished chairman of this subcommittee stated firmly to the REA Administrator, when he appeared before you, that this proposal would not be permitted to go forward, and I commend the Senator for his determination and forthrightness. It is clear that the proposed policy must not be tolerated.

To me it is equally clear that the Congress must nip in the bud any effort to raise interest rates and reduce the availability of capital for the rural electric systems. These systems and the service they provide undergird the economy in vast areas of this country. Cripple them or hold them down, and you cripple rural America and hold back the development of economic opportunity for people throughout the nation.

I know that this committee takes a positive approach and will not be satisfied merely to reject regression. I have come before you to assure you again that you have my support in all of your forward-looking decisions and to say in particular that, in my opinion, you will have the support of a large majority of the Senate if you approve full funding for the capital requirements of the nation's rural electric systems.

On the question of Leveraged Lease Financing, the Congress is well aware that such financing has been and continues to be used with Government guarantees. We could easily have denied its use by so stating in the Rural Electrification Act if that were our intention. There is, however, not the slightest suggestion in the Act or in its legislative history indicating any intent to deny rural electric cooperatives access to any lawful financing avenues. In fact, the basic purpose of the 1973 amendments to the Act which authorize loan guarantees was to broaden the financial possibilities available to cooperatives.

Nonetheless, the Administration, through the Office of Management and Budget, has seen fit to advise REA that underwriting such leasing arrangements with guaranteed loan funds "is contrary to sound credit, tax, and budget policies"—*only* it seems, where rural electric co-ops are concerned. For OMB currently allows such financing arrangements for the Maritime Administration and Amtrak. Thus, it seems, OMB is rewriting the REA Act by establishing policy based on its judgment rather than on what Congress has legislated. This in effect is to administratively substitute their own views for those of Congress. I find this unconscionable, and a complete overextension of authority. I suggest that OMB desist in their senseless objections to Leveraged Lease Financing and let these utility systems get on about the business of resolving our serious energy supply problems.

RURAL HOUSING PROGRAMS

The FmHA has been a vital part of the total effort to improve conditions in rural America. It has grown from its early years providing for the family farm to the present time where it has over thirty programs to meet the varied needs of rural and small town America. Each of the programs which the FmHA has the responsibility to administer were legislated because of a demonstrated need—a need not being met by any other sector of society.

In the main, I think the professionals of the agency have performed well and deserve the plaudits of all. Even with all of its problems today, I hate to think of what rural America would be like without the aids provided through the FmHA.

I think the budget request of the Administration for the FmHA must be viewed in terms of how well it enables that agency to respond to the needs of rural America, especially in this period of economic crisis. Any measure which one may care to make clearly shows that the budget shortchanges rural America and the FmHA.

Before dealing with the specific funding levels for the FmHA programs, I want to make some observations about the staffing problems of the agency. Because of the broad area to be covered and the lack of available local institutions, the FmHA operates its programs out of 1700 county offices in addition to the district, state and national offices. As indicated previously, the agency operates over 30 programs involving farms, housing, rural development, community development, etc. The county supervisors and their assistants must provide counseling service and credit supervision, perform construction inspections, process applications and service loans in the programs mentioned above. In addition, the wide geographic service area for many FmHA offices requires substantial travel time.

There has been a steady growth in the number of housing loans made by the agency. This peaked in FY 1973 when 120,000 loans were made. Over 50% of the agency's program funds were used for housing. One would have thought that with an expanding housing program, a backlog of applications which varies between 70,000 and 90,000 yearly, and the addition of the Rural Development Act to the agency's list of program responsibilities, additional staff would be requested from Congress. However, the perverse response of the Nixon Administration was to institute a moratorium on most subsidized housing programs and to mandate a 3.6% staff cut throughout the USDA. This 3.6% average cut translated to a cut of 10.3% at FmHA, while Secretary Butz increased his staff by 25%.

During FY 1974, housing production dropped from its high of 120,000 to 106,000 units, as $375,000,000 appropriated for housing went unused. As many as 20,000 jobs and 500 million dollars were lost to rural areas because of FmHA staff shortages. These are the tragic results of the Administration's past records. We cannot afford this kind of "savings" in the future.

The problems I described above were called to the attention of Congress and the Administration by a number of Congressional Oversight Committees which voiced serious concern about the effectiveness of the FmHA and the total federal investment. Each of these reports made a number of recommendations to improve the agency's operation and all suggested hiring enough staff to carry out mandated responsibilities. In addition, there are the new responsibilities legislated under the Housing and Community Development Act of 1974, many of which are yet to be implemented, such as the expansion of the service area to nonmetropolitan communities of up to 20,000.

Congress over the years has been increasing the level of program activity of the FmHA to meet the obvious need in rural areas. We have also legislated new programs to be implemented. I believe we must provide the agency with adequate staff to perform this work in an effective and efficient manner.

The following shows the number of FmHA employees over the past several fiscal years.

Fiscal year 1972—7,125.
Fiscal year 1973—7,754.
Fiscal year 1974—6,726.
Fiscal year 1975—6,828 (estimate).

In FY 76, the Administration would provide only 6910 employees, which is a decrease of over 540 since FY 73. In the face of the overwhelming evidence for the need for a dramatic staff increase, this request by the Administration is clearly irresponsible. I suggest that we not cooperate in that irresponsibility. Regardless of the budget request, I urge that the full time staff of the agency be increased by 750 to 1000 full time professionals and subprofessionals. If we are serious about helping rural America become viable again, then we must provide the tools to do the job.

It would be difficult for anyone to tell that there is an economic recession by using the Administration's FY 1976 budget as a guide. Apparently nobody informed the budget makers that the unemployment rate in the rural construction industry was close to 12% in early January. Today, with the national unemployment figures approaching the disastrous level of 9%, there seems to be little inclination to use the FmHA budget as a means of getting us out of the economic doldrums. With millions of substandard housing units still present in rural America, there is certainly plenty of work to be done.

It is in this context that the Administration's budget for the FmHA is just short of incredible. At a time when the levels of the budget should be increased to meet the housing and economic needs of the nation generally, and the rural areas specifically, we find less, not more being proposed. For the first time in a generation, we are witnessing a reverse in the out migration patterns in rural areas. Every aid possible should be brought to bear to provide housing resources for people leaving the cities, instead of proposing a reduced program level.

Page 172 of the appendix to the budget states that "these programs are being targeted so as to provide greater emphasis on assisting those rural residents who are most in need of improved housing.".

However, with a perverse logic which seems to permeate the Administration's rural housing policy, the Administration at the same time proposes the elimination of two programs which serve those "most in need." I refer to the farm labor housing program (Section 514/516) and the Mutual and Self-Help Program (Section 523). Let me deal separately with these programs.

Farm labor housing—Sections 514 and 516

Farmworkers live in some of the most deplorable housing conditions in this country. A 1973 FmHA study indicated an immediate need for some 130,000 units of new and rehabilitated housing for farmworkers.

Farmworkers are among the hardest working people in our country. They work in an industry which is highly seasonal and unstable, and earnings, therefore, are very limited. Because of their low incomes, the private market cannot provide them with decent housing. Even the traditional subsidy programs do not reach those who toil in our fields.

In FY 1975, we provided 5 million dollars for grants (516) and 10 million dollars in loans (514) for the modest farmworker housing program. This program has never been very large, producing some 13,948 units since its inception in 1962. Certainly, we are only making a small dent in the great need for decent farmworker housing.

Yet the Administration proposes elimination of even last year's meager $15 million, indicating that "the government's proper role can be served by other programs." The Administration has never indicated what the other programs are. In fact, there are no other programs which can serve farmworker needs.

This is the second successive year the Administration has tried to end the farm labor housing program. Last year the Congress wisely rejected this action and continued the program. The same critical need which existed in FY 1975 is still present. I think it essential to continue and expand the program.

Accordingly, I urge that the 516 grant program be continued at a level of $25,000,000 and the 514 loan program be continued at a $25,000,000 level. While these suggested appropriations would be more than those made in previous years, they would produce less than 3,000 units of housing, which is still a modest program when measured against the tremendous need.

Section 523—Mutual and self-help technical assistance

This program provides grants to organizations which offer technical assistance to families engaged in the construction of their own homes through the self help method. Families obtain savings through their own labor, as they build up "sweat equity." People who might not have been able to enjoy the benefits of homeownership are thus able to lower the costs enough to make homeownership possible. In 1974, the average self-help house was $3,000 lower in cost than a comparable contractor-built house. Certainly this program is in the best tradition of America. It is interesting to note that this program was one of the few continued during the moratorium on subsidized housing programs.

This year, as last, the Administration is trying to end the program by saying that "the grant plus the subsidy of the associated loans have resulted in high unit costs to the Government, without corresponding benefits to those aided." Once again, the strange logic of the Administration comes through. The mutual and self-help program has assisted otherwise ineligible families to achieve homeownership. This is an obvious benefit which is ignored by the Administration. In addition, many families learn skills and the discipline associated with the self-help effort, which stand them in good stead for the future.

The mutual and self-help housing program has been a modest program, receiving $5,000,000 in FY 1975. I feel that the program is a valuable addition to the tools for rural America and deserves to be continued. I suggest an appropriation of $10,000,000.

Section 502—Homeownership

The largest housing program operated by the FmHA is the Section 502 single family homeownership program, both subsidized and unsubsidized. In FY 73, the agency made 109,183 Section 502 loans of which 51,425 were with interest credit. In FY 1974, the total of Section 502 loans plummeted to 86,543, of which only 37,238 were with interest credit for low income people. There appears to be a recovery in FY 75 from the drastic production decline suffered in FY 1974. Although I believe that the budget estimates for FY 1975 502 production may be unrealistically high, the agency is to be congratulated for getting the housing program back into gear.

Considering the improved production record of the FmHA, I would have thought that the Administration would project a higher estimate for FY 1976; this was not the case. We face a national unemployment rate of close to 9%, an unemployment rate of nearly 12% in the rural construction industry, high costs which have eliminated most low and moderate income Americans from homeownership possibilities, and a continuing high level of substandard housing. Despite these serious problems, FmHA is recommending a cut in the 502 program of 14 per cent. In addition, it is clear that a cut in the program flies in the face of the new responsibilities authorized in the Housing and Community Development Act of 1974. That is, without an increased appropriation, FmHA will be unable to expand its service area to communities of 20,000 outside of SMSA's, to finance mobile homes and condominiums and to cut down on the backlog of about 70,000 applications.

Rather than cutting back on the Section 502 program, I believe all the facts suggest that this is precisely the time when we should be increasing it. I, therefore, suggest that the program level for the Section 502 program be increased to 2.5 billion dollars. In addition to making possible a slightly expanded program, the increased funding level will allow for the inflation factor which has caused a drastic rise in the average FmHA loan.

Section 515—Rural rental

The FmHA rural rental program has been a modest program, producing 12,590 units in FY 1974. Of that number, over ⅓ serve the needs of the rural elderly. The Section 515 program has steadily increased in size each year, and despite the Administration's budget estimates for a declining program, it will continue to grow. In fact, the agency recently shifted an additional 150 million dollars to the 515 program from the 502 funds; I understand from the field that even the $150 million is not sufficient to cover the applications which are now in the FmHA state offices.

The growth in the Section 515 program can be attributed to a number of factors among which are: inflation which makes single family ownership more difficult; a high percentage of elderly in rural areas; and availability of program funds during a tight money, high interest rate period. These conditions still persist, and I see the need for a continued expansion of this fine rental program.

Several new factors should insure a continued, even greater increase. First is the projected use of 515 as a financing mechanism for HUD Section 8 subsidized units. Since HUD is mandated to place 25% of its Section 8 units in rural areas, FmHA 515 will have a major financing role. If Section 8 proves viable, as the Administration claims, the demand for 515 should be significantly stimulated.

If FmHA uses the authorized rent supplements, as I strongly suggest that it do, the demand for 515 should be further increased. And finally, if the service area is enlarged, there will obviously be a greater market for the use of the 515 program.

Under the circumstances cited above, it is difficult for me to understand how the Administration can suggest a cutback in the program. I suggest a production level of 20,000 units for the 515 program, which at a cost of $17,000 per unit, would mean a budget of $355 million.

Rental assistance—Supplements

While rent supplements are not a separate program, I believe the issues involved are so important that I wish to discuss them separately.

The rent supplement program was enacted as part of the Housing and Community Development Act of 1974. Congress recognized that the basic rental programs of the FmHA, Section 515 and Sections 514/516 (farm labor housing), could not serve housing for low-income elderly and families without additional subsidies. Congress had recognized this for the HUD programs, used mainly in urban areas, by enacting a rent supplement program in 1965. Equity for rural areas was finally achieved by last year's action.

When Congress enacted the rural rental program, it mandated that these programs be used for low and moderate income families. However, because of rising construction, utility and operating costs, it is almost impossible for these programs to serve low-income elderly and families. I have attached statistics which illustrate this fact all too clearly. (Appendix "A")

There is a demonstrated need for the rent supplement program. Over 1½ million rural people over 60 years of age live in substandard housing. This is shocking and unacceptable. FmHA's own study establishes a need for 130,000 units of new and rehabilitated units for farmworkers. The census shows that over 4 million units of occupied substandard housing exists in rural areas. Most of these units are occupied by low-income people who could use the rent supplement program. The notion that a rent supplement program may not be needed, as the Administration has recently stated, is ridiculous.

The Administration claims that a rent supplement program would require substantial personnel and administrative staff. I believe that this does not have to be the case. Rent supplements are not a new program, but rather a deeper subsidy. The main additional task required would be income verification for 515 tenants. Since recertification of income is already regularly performed in such projects, this main activity associated with rent supplement tenants would not create much additional work.

The Administration also questions the effectiveness of a rent supplement program, indicating that the HUD experience with rent supplements has produced a large program with serious deficiencies. I have not been able to find the "serious deficiencies" in the HUD rent supplement program. I do know that some 88,000 families have been provided decent housing, and that housing programs not previously able to serve low-income people were provided that flexibility.

The effectiveness of a housing program can be measured in a number of ways and certainly one of these measurements is how well the Congressional mandate to serve low-income elderly and families is being met. In the case of the FmHA rental programs, even with 50 year loans at 1% interest it has been difficult, if not impossible, to serve those most in need. In an attachment to this testimony, I offer data which shows the rent levels in 8 Section 515 projects in many areas. In order for the program to be effective, it must have the additional subsidies which a rental assistance program can provide.

The Administration suggests that the Section 8 program will be the answer. Section 8 is a new and largely untested program. Knowledgeable people have real concerns that this program can be effective. It is interesting that the Administration can be so positive that only Section 8 can work while the rental assistance program cannot. This precognition displayed by the Administration is amazing. The Section 8 program may work. I am willing to see that it is given a chance, but I see no reason to wait for the Section 8 program before implementing the rent supplement program.

I think the rental assistance program enacted under Section 514 of the Housing and Community Development Act of 1974 offers important advantages.

(1) It has a ready vehicle for implementation—the 515 program. It will not be necessary to devise a new structure.

(2) There are built-in legislative controls—a limit of 20% of the units in a project except for elderly and farmworkers. This conforms to the income mix provisions enacted in the 74 Housing and Community Development Act for all subsidized programs.

(3) Easy processing—the rental assistance program involves only one agency, FmHA, and not two as would be the case with Section 8. It is difficult enough getting a HUD application processed by itself.

(4) Servicing by local FmHA county offices. This has helped to keep the rural rental program free of scandal.

(5) I believe that the rental assistance program, because of lower overhead, and less paper shuffling, can be a less costly program than Section 8.

In a statement I made on the floor of the Senate on March 7, 1975, I indicated estimated costs for the rural rental assistance program to be approximately $500 per unit per year. This was based on a sampling of rental costs of FmHA units in five states. While this sampling did represent a reasonable sectional distribution of FmHA activity, I have had prepared a study of rental costs in nine states which had a combined loan and program dollar activity of more than 50% of the national total. This study shows a higher estimated per unit cost than previously mentioned. That figure is now $736 per year/per unit below the 1% mortgage level now in effect.

This is still a reasonable subsidy to consider. We have done as much for middle income families in bills recently passed. Using the FmHA Fiscal Year 1975 projections of about 17,000 units of 515 rural rental housing being produced, we estimate a need for about $6,000,000 in rent supplement funds being required. Almost 6,000 units would be for the elderly and these would be totally supplemented. Twenty percent of the remaining 11,000 units would be supplemented. Finally, some $640,000 is recommended to supplement what I hope to be a continuing farm labor housing program.

This would be a very modest investment in the future of rural America. I urge that the committee act favorably on the rental assistance program and end the years of patent descrimination against rural America.

Mr. Chairman, I am submitting an Appendix "B" to my statement today which includes your letter to me of April 21, 1974, along with Assistant Secretary William Erwin's letter to you of April 17, 1975, and my critique of Secretary Erwin's response to you relating to the cost of implementing the rent supplement authority authorized by Section 514 of the Housing and Community Development Act of 1974.

RURAL DEVELOPMENT

In addition to those items that I already have addressed in this testimony relating to rural housing, I would like to urge you and your Subcommittee to also consider providing increased funds in FY 1976 for the following other rural development programs and purposes:

[In millions of dollars]

	Recommended increase/over President's fiscal year 1976 budget request	Total recommended for fiscal year 1976
Business and industrial loans	400	700
Community facility loans	300	500
Water and waste disposal loans	125	525

I further wish to urge that the total loan levels established for these programs be limited to "insured loans" only, with no limit being established—either by OMB or by the Appropriations Committees of the Congress—on any "guaranteed" loans that might be made for these purposes under the Rural Development Act of 1972.

I also wish to recommend that increases in FY 1976 appropriations be made for the following:

[In millions of dollars]

	Increase recommended	Total recommended
Rural development grants	$40.0	$50.0
Farmers home salaries and expenses	15.5	158.4
Rural community fire protection	3.5	7.0
Rural development research and extension	17.0	20.0
Rural development planning grants	10.0	10.0
Rural water and waste disposal planning grants	30.0	30.0
Rural water and waste disposal construction grants	150.0	300.0

Mr. Chairman, my request for increases in these rural development programs amounts to over $1 billion. However, when considered against the highly inflationary—and now recessionary—period we have just passed through as a nation, I do not believe the amounts that I am requesting for these programs to be excessive. Almost one-third of our nation's population resides outside the metro regions or in rural areas of our country. And these citizens continue to suffer from deteriorating social services, job opportunities, economic conditions and general quality of life. The Congress, in my judgment, must continue to provide the leadership in correcting such social and economic disparities by increasing—and not decreasing—its commitment to the goals stated in Title IX of the Agricultural Act of 1970 "to a sound balance between rural and urban America."

PROMOTION OF U.S. FARM EXPORTS

On March 25, 1975, I and all other members of our Foreign Agricultural Policy Subcommittee submitted a request to Senator Herman E. Talmadge, Chairman of our Senate Committee on Agriculture and Forestry calling for an increase in FY 1976 funds for promotion of U.S. farm exports. That request called for an additional $3 million to be provided for this purpose during FY 1976. A copy of our letter to Senator Talmadge and a copy of a letter from Senator Muskie, Chairman of the Senate Budget Committee regarding this request, are attached.

I also wish to call attention to my letter of April 21, 1975 to you regarding the importance of establishing a U.S. Agricultural Attache position in the People's Republic of China. I believe it is of the utmost importance that our government move forward with the establishment of this post at the earliest possible date. In addition to your providing the funds to accomplish this objective in Fiscal Year 1976, I hope you and other members of your Committee will add some strongly supportive language in your Committee report to implement this request.

BIOLOGICAL NITROGEN FIXATION AND SOIL TRACE-MINERAL RESEARCH

Mr. Chairman, last year at about this time, Senator McGovern submitted a request to your Subcommittee for increased appropriations for the Agricultural Research Service to expand its current research efforts relating to biological nitrogen fixation. While your Subcommittee did include the $1.5 million in funds requested by Senator McGovern for this purpose in the Agricultural Appropriations bill for Fiscal Year 1975, this item was dropped in conference with the House of Representatives.

On behalf of both myself and Senator McGovern, I would like to urge that your Subcommittee again include the $1.5 million in funds requested earlier for this purpose. However, in addition to these funds being employed by ARS for biological nitrogen fixation research, I suggest that a portion of these funds also be utilized to expand research activities regarding the general depletion of many essential trace-minerals and micro-nutrients in our nation's farm soils, and materials and methods that might be employed to restore the general level of these minerals where they have been seriously depleted.

Overall yield level trends of our major field crops such as wheat, feed grains and cotton appear to be leveling off—despite increasing amounts of nitrogen, phosphate and potash fertilizers being applied each year. There is some evidence to suggest that this phenomena may be explained by the gradual depletion of many trace-minerals in our soils which are important in the fixation and utilization of these major nutrient materials.

The research questions suggested here relate to the general condition of our most basic and most valuable resource, namely, our nation's food and fiber soils. Therefore, I hope you and your Committee will not only include these research funds in the agricultural appropriations bill for FY 1976, but add your strong personal endorsement to the need for these research funds.

I am attaching for your further reference and for inclusion in your hearing record copies of three letters submitted to you last year regarding the matter of biological nitrogen fixation research.

Mr. Chairman, this concludes my testimony. I wish to again thank you and the other members of your Subcommittee for this opportunity to present my views regarding the funding of these essential national programs during Fiscal Year 1976.

TELEVISION AND VIOLENCE

Mr. HARTKE. Mr. President, on May 5, an article by your distinguished colleague in the House, Torbert H. Macdonald, entitled "Television and Violence," appeared in the Washington Post. His views as expressed in this article offer much food for thought and I wish to bring them to the attention of my colleagues in the Senate.

Mr. President, I ask unanimous consent that Representative Macdonald's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, May 5, 1975]

Television and Violence

(By Torbert H. Macdonald)

In a recent editorial on the subject of television violence, The Washington Post said "one sign that television has grown up is the industry's willingness to respond to widespread concern about the impact of blunt and brutal programs on juveniles." The Post went on to praise the "family viewing time" concept under which, beginning next fall, only programming that is appropriate for viewing by "general family audiences" can be shown between 7 and 9 p.m.

Both The Post and the television industry have misjudged the dimensions of the problem of televised violence and its impact on our children and youth. The "family viewing time" concept in its present context is a masterful piece of public relations by the networks but a terribly inadequate response to the problem.

Television's potential impact is shown by a few facts. Recent census data show that 96 per cent of American homes have at least one television set. The average set is on more than six hours each day. Among children, it has been reported that frequent viewing usually starts at age 3 and continues at higher than average levels until about age 12. About 25 per cent of all children watch television in excess of five hours a day during the week.

In 1972, the Surgeon General's Scientific Advisory Committee on Television and Social Behavior completed an impressive study which, despite its delicately-worded conclusions, determined that a causal relation existed between televised violence and "anti-social behavior." The television industry's unwillingness to accept this relationship and to admit to its responsibility to the public to deal with the problem positively is apparent in the programming now offered.

The most recent Violence Profile compiled by George Gerbner at the University of Pennsylvania's Annenberg School of Communications reveals that nearly three-quarters of the programs aired in the 1973–74 season contained violence. One estimate showed that by age 14 a child has been exposed to more than 11,000 murders on television.

The answer is not to eliminate all violence from television—there is violence that confronts us in our daily lives and in our daily newspapers. But that is the real world and not the fantasy world of television. One survey showed that only a small percentage of New York City policemen ever draw their guns in the course of a year, yet the regular viewer of "Kojak" gets the impression that the gun is simply an extension of every policeman's hand.

I spoke recently with Joseph Wambaugh, the novelist and former Los Angeles policeman who serves as a consultant to the NBC series, "Police Story." Mr. Wambaugh told me that, despite his efforts to develop a nonviolent, authentic police program, he is "under relentless pressure from the producer and from the network to insert gratuitous violence."

The television industry has its own rationale for violence—"we are in the entertainment business, and we are simply giving the people what they want to see." However, this line of reasoning overlooks the broader responsibility of television to provide high-quality programming that has prosocial value. A recent study under the direction of Dr. Eli Rubinstein, who had served as vice chairman of the Surgeon General's Advisory Committee, indicated that a prosocial example shown on television contributes to a child's "willingness to engage in helping behavior." In other words, television has a great capacity for exerting a positive social influence on children—a capacity that it demonstrates just often enough to make its failures that much more disappointing.

Television can offer quality programming that does more than pander to the public by exploiting the shock value of violence. It can treat violent themes in a manner that does not produce a negative impact, and its responsibility along these lines should not be limited to the hours between 7 and 9 p.m.

The "family viewing time" concept as worked out by the industry is not as commendable as The Post editorial indicated. It raises a number of serious questions. What effect will it have in Rocky Mountain and Central time zones where it ends at 7 or 8 o'clock instead of 9? What about the fact that it will not have any binding effect on independent stations (non-network affiliates) until 1977? Will the viewer advisories about program content actually entice more viewers to watch "mature" programs once the family viewing period is over? Will these viewer advisories be televised during the family viewing period? How committed will the networks be to this concept if the ratings for "family programs" begin to decline? How is "family viewing" defined?

Admittedly, many of these concerns relate to the good faith of the television industry in carrying out this concept. As I have said before, I feel that relying on the industry's good faith is like "writing a letter to Santa Claus."

More importantly, the "voluntary" establishment of a family viewing period may be used by the networks to excuse excessive violence during the rest of the programing day. A glance at the new pilots and at tentative network schedules for the coming season indicates that there may be more "action" (violence) in the period following family viewing time.

All of these problems—both real and potential—point up the inherent weakness in dealing with television violence by establishing artificial categories for programing.

Dealing effectively with television violence, as with program content generally, raises sensitive First Amendment questions. Some critics of the networks have suggested that they be licensed just as individual stations are now. But this type of solution is a last resort that is unpalatable to many of us in Congress who do not relish the role of puritanical policemen.

There are some constructive proposals that deserve attention. They will help to focus concern on the problem and keep positive pressure on the television industry. I offer some suggestions which can be developed further in the course of hearings by the subcommittee:

(1) The establishment of a private Council on Television and Social Behavior with government grants and foundation support to undertake applied research, monitor programing, collect data and issue periodic reports. This council would serve as a bridge between the government, the networks, the universities and the public. It would not be frustrated by institutional problems such as have plagued the National Institute of Mental Health in its efforts to develop a violence index.

(2) The creation of a Citizen's Television Information Center, as a counterpart to the industry's Television Information Office. This center could encourage grass roots involvement at the local station level and provide a continuing source of information much as Action for Children's Television (ACT) has been doing.

(3) An incentive program under the direction of the National Endowment for the Arts with grants to local stations or to program workshops for the development and production of quality programs.

(4) Increased consumer pressure on the advertisers who support violent programing. The president of Mircle White detergent company has withdrawn $2 million in television advertising from violent shows as a result of his personal concern. For those advertisers without a social conscience, consumer pressure can be effective.

Concern about the effect of television violence is growing, not subsiding. Yet, the television industry continues to make progress at a snail's pace in responding to that concern. In view of the great capability for achievement in this industry, it still has a long way to go and a lot of growing up to do.

"BUT NOT ENOUGH"—REV. GOLLEDGE'S ADDRESS AT THE OLD NORTH CHURCH BICENTENNIAL

Mr. **KENNEDY**. Mr. President, at the ceremony at the Old North Church in Boston last month commemorating the 200th anniversary of the ride of Paul Revere that launched the American Revolution, the Reverend Robert Golledge, the vicar of the church, delivered a brief but eloquent address on the meaning of our Bicentennial.

In his address, he said that a third lantern would be lighted in the church tower that night, as a new signal for America as it begins its third century. Speaking of the two lanterns used to signal Paul Revere from the church, the Reverend Golledge emphasized the progress America has made over the past two centuries in many areas. But he also emphasized our unfinished business. As he said:

> The two lanterns which once shone from this steeple led us to two centuries of some progress in reason, in liberty, and in faith, but not enough; to some fulfillment in mind, body, and in spirit, but not enough; to some gains in thinking, acting, and trusting in freedom, but not enough.

Those words very well express the sentiments of many of us in Congress and throughout the Nation as we begin these Bicentennial years. We have accomplished much, but much more remains to be done. That is the challenge of our Bicentennial and our real challenge for the future.

Mr. President, I ask unanimous consent that the Reverend Golledge's address, entitled "A New Signal—The Third Lantern," may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A NEW SIGNAL—THE THIRD LANTERN

(By Reverend Robert W. Golledge, vicar, April 18, 1975)

Tonight we commemorate the two hundredth anniversary of the lantern signal that sent Paul Revere on his ride through Middlesex to the birth of our Republic. The battles that followed occurred not only on farms, in forest, and at sea, but also in the turmoil of men's minds as they struggled to create a new nation from a raw, new idea.

This Lantern Service will signal not just to the people of America, but to all the peoples of the world, the Bicentennial of an event that changed the course of man's development. It's understandable that we at the Old North Church are deeply conscious of our unique responsibility as well as our unique opportunity.

This church stood for religious freedom for over fifty years before 1775, in a barely tolerant environment. The very first sermon preached in the church used as its text a line from Isaiah, "Mine house shall be called an house of prayer for all people." Blacks, Indians, unknown Chinese, and Portuguese sailors, who died in port, were buried in its crypt, together with patriots and loyalists. Such a church policy in the mid-1770's was remarkable.

So we of the Old North Church have truly lived with political freedom, racial freedom, and religious freedom, with freedom of expression and association.

Yet, as we have proceeded with our plans to play a part in the celebration of our two centuries of nationhood, we have found the tone of much Bicentennial planning confused and uncertain. We have felt a deep sense of concern and some substantial unease, for our country, and the American people are disturbed, divided, and empty of clear commitment and confidence in our society, our sources, and our purposes.

We need so urgently now a new dedication and a new expression of our freedom, a new welling up of our pride and spirit. We need now, in 1975, a new signal. And perhaps it can come once again from this steeple, in this church, at this 1975 Lantern Service.

The two lanterns which once shone from this steeple led us to two centuries of some progress in reason, in liberty, and in faith, but not enough; to some fulfillment in mind, in body, and in spirit, but not enough; to some gains in thinking, acting, and trusting in freedom, but not enough.

Now, after these two centuries, who will say that the American Promise has come true? The American Promise has not come true. But we believe in it, and we will not be discouraged. That is why we will send out a new signal from the Old North Church. Tonight we will light a Third Lantern, a new signal that will call us to a new spirit in our Third Century, a new signal that we hope will be repeated in the homes, and the farms, and the factories, and the schools and government buildings across America.

The steeple of the Old North Church will shine with a Third Lantern tonight, a new signal that will call all of us to renewed effort and renewed hope in our Third Century.

It will say:

"We will yet make the American Promise a reality.

"We will yet make it the Truth every day, everywhere, for everybody.

"We will go forward and we will stumble, but we will try again, and again, and again."

HOUSING TAX CREDIT

Mr. **HARTKE**. Mr. President, earlier this year, Congress passed the Tax Reduction Act of 1975. One of the provisions of this act is the housing tax credit designed to stimulate the depressed home construction industry and put people back to work. The housing tax credit was first introduced in the Senate in my bill, S. 453, on January 28. We added the housing credit to the Tax Reduction Act in the Finance Committee and it was later amended in the House-Senate conference committee.

Reports now confirm the housing tax credit is successful. May 12's Wall Street Journal reported builders have sold 23 percent of their houses and condominiums in just the first 30 days after the tax credit was adopted. The builders also expect to sell 65 percent of their inventory within the next 60 to 90 days. Additionally, the Washington Post, on May 10, in an article by Michael Sumichrast, chief economist of the National Association of Home Builders, reports that more than half of the builders surveyed indicate they will start construction on new units as a result of the housing tax credit. This is, of course, the purpose of the credit: to stimulate sales and new construction and put people back to work.

Some of the criticism which has been directed at the credit since its passage makes me wish my original concept would have been adopted rather than the conference committee compromise. My bill gave tax credits to all purchasers of new homes, condominiums, or mobile homes during 1975 and 1976. There was no requirement that the homes be built by a certain date or that they be sold at the lowest price ever offered.

However, the credit is working, and I am pleased to have been its originator.

Mr. President, I ask unanimous consent that the article from the Wall Street Journal of May 12, 1975, and the article from the Washington Post of May 10, 1975, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Wall Street Journal, May 12, 1975

HOME BUILDERS SAY TAX CREDIT FOR BUYERS HAS STIMULATED SALES

(By Ronald G. Shafer and Mark Starr)

Uncle Sam appears to have offered new-home buyers an incentive they can't refuse. And so that nation's home builders are starting to unload an inventory that had mounted to about 650,000 unsold homes.

The recently enacted tax credit of up to $2,000 on a new-home purchase has buyers suddenly snapping up houses they spurned for months, builders say. Some 350 builders surveyed by the National Association of Home Builders sold a surprising 23% of the houses and condominimums in their combined backlogs just in the first 30 days after the tax incentive went into effect March 30. What's more, these builders expect to sell 65% of their original inventory within the next 60 days to 90 days. Most trace the sales turnaround to the tax credit.

Talks with other builders around the country confirm that, despite much confusion about the tax credit, it generally is drawing buyers.

"They aren't standing in line, but in certain condominimum subdivisions (in California) we're doubling our sales," says Louis Berkowitz, senior vice president of Kaufman & Broad Inc., one of the nation's largest home builders. He estimated the company has moved 25% of its nationwide inventory of houses and condominimum since the tax break took effect.

National Homes Corp. reports a similar positive response to the tax credit from its 1,400 sales outlets nationwide. "There's no question that, overall, it's been a strong stimulant," says David Price, executive vice president.

IMPACT IS SIGNIFICANT

The strong initial impact of the tax credit is significant because, housing analysts say, builders must whittle down the supply of unsold homes before the ailing industry can get back on its feet. Builders won't start much new construction and rehire laid-off workers until they sell houses they've already built. The estimated stock of 400,000 unsold single-family homes toted up just before the tax credit became effective represented a one-year supply based on the depressed sales rates of early this year. There also were an estimated 250,000 unsold condominium units.

The glut of unsold homes spurred Congress to tack the home-purchase credit onto the $22.8 billion tax-cut bill passed in late March. The law allows buyers to deduct from their 1975 taxes 5%—up to $2,000—of the purchase price of a new home built or under construction before March 16. To be considered new, a home must never have been sold. The credit, which will cost the government about $600 million, was criticized by many people, including President Ford when he signed the tax-cut bill into law March 30. Critics contend the credit is unnecessary and too costly.

Many home builders themselves have complaints—"it's a stupid law," says a Glen Falls, N.Y., builder. Those who prudently avoided building up big inventories are especially dubious about the tax incentive. But despite criticisms, the credit "sure seems to sell houses," says Michael Sumichrast, the builders association's chief economist.

As a result, builders may be able to slim down their bloated backlogs sooner than most analysts expected. But nobody knows by how much because nobody knows how much of the inventory is covered by the tax credit. The confusion arises partly from the fact that in order to qualify, a home must be sold at the lowest price at which it ever was offered for sale. Like many builders, Kaufman & Broad early this year temporarily cut prices on some houses; since then it has raised them "and we got locked in" when the tax credit came along, Mr. Berkowitz says. To make these houses eligible for the credit, the company would have to retreat to its cut-rate prices. Rather than do that, some company officials decided to forgo offering the credit on houses under their supervision.

OTHER PROBLEMS REMAIN

Even with reduced inventories, however, many builders say they aren't in any hurry to put up more houses because of their concern over the strength of the economy and fear of a new rise in mortgage rates. And, ironically, the tax rebate may deter some construction because homes started after March 16 don't benefit from the credit. "I'm hesitant to start anything new when I'm going to be in competition with other builders with tax-credit properties," says Norman Silets, sales manager of Practical Home Builders in Oak Park, Mich.

Nevertheless, "fiscal stimulus, including the tax credit," and a likely economic upturn "are almost certain to stimulate demand for new housing and eventually fuel a recovery in construction," albeit a "tentative and fragile" one, predicts Maurice Mann, president of the San Francisco Federal Home Loan Bank. Economists generally expect housing starts to rise slowly in this year's second half from a seasonally adjusted annual rate of 980,000 unit in March—the second-lowest monthly pace in 30 years—to an annual rate between 1.4 million and 1.7 million by the fourth quarter.

Housing sales already were beginning to pick up even before the tax credit. Mortgage rates, though they've started back up recently, are well below last year's heights, and mortgage money is plentiful. But builders say the tax credit is what's spurring sales now.

"Most of the buyers are asking, 'Is this covered by the tax credit?' " says Chester Moskol, executive vice president of Miller Builders in Chicago. The company has sold about 25% of its hefty inventory of 500 condominium units since the tax credit became law. "The credit definitely is going to move the merchandise," Mr. Moskol says confidently.

Some home buyers agree that it was the tax saving that convinced them. Wayne Keeney, a retired Detroit police detective, recently bought a condominium in Novi, Mich., much farther out from the city than the suburb where he had been living. "I don't think I would have bought that one without the tax credit," he says. "But I figured what the heck, I'm putting down 5% and I'm going to get it back. It's a gift, a great thing," Mr. Keeney adds.

Besides, he sees it as a kind of taxpayer's revenge on the Internal Revenue Service. "I figure the IRS is helping me pay for that home," says the ex-policeman. "They've been getting it from me for a long enough time."

Builders and buyers aren't the only ones who benefit from the tax credit; so will bankers who foreclosed on unsold houses of bankrupt builders. "The worst of the turkeys have gone to the banks," notes one housing economist. "Lenders have high hopes the tax credit will help them get rid" of foreclosed homes, he says.

Some housing executives contend the credit may help more in some areas of the country than others. "This is commonly known in the industry as a West Coast-Florida bill" because inventories are highest in those areas, say an official of the Greater Chicago Home Builders Association. Reports from the high-inventory areas are mixed. But Kaufman & Broad says it has already moved 40% of its unsold houses in California, where its sales have been biggest.

Even within a limited area, the blessings bestowed by the tax credit may vary widely. During the past month RGM Builders in Boca Raton, Fla., has sold 15 of the 25 single-family houses it had in stock, compared with a pace of one sale a week previously. "I don't think—I know" the tax credit was the reason, says J. A. Moles, RGM's sales manager. But a builder in nearby Palm Beach complains that "the buyer is quite apathetic to the credit."

The secret of sales success may lie in how the credit is promoted. The home builders association in Charlotte, N.C., ran full-page ads in local newspapers explaining the credit and urging consumers to call the local IRS office with any questions. Says a spokesman for Ervin Industries, a large Charlotte builder: "The first five days after the ad came out we had 70 calls wanting to know if we had homes that qualified." The company has since sold 89 of 203 homes it had in stock.

Many builders complain that one drawback is confusion over which houses qualify. "I haven't even advertised the credit because, frankly, I'm still not clear on eligibility," says Norman Long, a Troy, Mich., builder. "The people don't understand the whole thing, and neither do the builders," he maintains.

The law has other complexities. The credit applies only to new homes that are principal places of residence and are purchased between March 12 and Dec. 31 of this year. The credit is based on the "adjusted" purchase price of the home after deducting any profits from sale of a previous home. Thus, the IRS says, if you paid $20,000 for your old house and sell it for $30,000 to buy a new house for $40,000, the "adjusted" price of the new house would be $30,000 ($40,000 less the $10,000 profit) and your 5% tax credit would be $1,500, not $2,000.

The tax incentive may hold basic disadvantages as well. Some housing analysts argue the credit could harm a housing recovery later this year by stealing sales that would have been made in the future without the tax incentive. "Housing sales also could be adversely affected after December when the credit expires and the cost of any units still unsold at that time, in effect, will go up" as much as $2,000, warned Morgan Guaranty Trust Co. of New York in a recent report.

Morgan Guaranty also complains about the propriety of having "tax-payers foot the bill" for such housing-aid "gimmickry." But the tax credit seems to have only whetted many builders' appetites for more federal aid, such as pending legislation to provide government-subsidized mortgages for up to 400,000 new homes at an interest rate of 6%, far below the prevailing 8½% to 9%. A Bath, Pa., builder responded in the builders' survey on the tax credit—"Thank God. Get the 6% through."

[From the Washington Post, May 10, 1975]

PRODUCTION PICKUP SLOW; INTEREST RATES BLAMED

(By Michael Sumichrast)

The 5% tax credit on new home purchases is stimulating sales of inventory houses and also creating some confusion. But there is yet no indication of a spurt of new housing starts.

Hanging heavy in the market atmosphere are expectations, realistic or not, that interest rates are going to increase this fall and that another money crunch may be in the offing.

A preliminary appraisal of some of the results of the new home tax credit comes from a special survey of a representative group of builders across the nation.

However, nagging confusion persists over what is considered eligible inventory. Nationally, about 650,000 units are considered to be in inventory. How much of these qualify under two still-to-be-clarified regulations—start of construction and lowest price ever offered—remains to be determined.

Meanwhile, conventional mortgage lending in March, at a $3 billion seasonally adjusted annual rate, remained unchanged from February. In spite of record savings, lending institutions are making few construction loans.

All this suggests a bad housing year, with only snail-like recovery in prospect. This year is likely to end up with about 40,000 fewer housing starts than in 1974, which in turn was 705,200 units below 1973, which was 321,000 units under 1972.

The first quarter rate, currently below 1 million units, should move up slowly throughout the year. But this pick-up will not be enough to match last year's starts. Housing's shallow recovery will provide only mediocre support to the economy.

That special tax credit survey showed that detached units are selling best, with 30% of this category gone; 18% of the eligible townhouses were sold; and condos were trailing at 9% in the first three weeks.

Over-all, respondents expect to sell two-thirds of their eligible inventory within four months after the law's enactment. They expect to sell 80% of their singles, 69% of their townhouses and 33% of their condominiums.

A crucial concern about this program is whether it will create new starts. The survey by the National Association of Home Builders revealed that builders generally are not sure of the tax credit impact. Slightly more than one half said that they will start new units as a result of this new legislation. But in the flood of comments written in the questionnaires, many respondents volunteered complaints about the tax program. The majority said additional clarification is needed. Some, with little or no inventory, felt they were being put to a competitive disadvantage.

However, most of the comments centered around mortgage rates. Builders are still worried about high interest rates. They would like to have more 7¾% money. A typical comment: "Even with the tax credit, high interest rates are preventing sales."

The local situation is much the same as it is nationally. Loanable funds are available at savings and loan associations. The up-to-$2,000 tax credit is selling more single family units and townhouses than condos. Yet few builders are starting anything on speculation in spite of better sales.

Over the last five years, Fairfax County has issued permits for 54,632 housing units. Even last year, that county had nearly 5,000 permits, while Montgomery permits were down to 1,632 from 7,627 in 1973.

The contract mortgage interest rate in Washington continued to decline, reaching 8.86% in March (latest official data available). The peak was reached in February when the rate was at 9.08%. Washington's contract mortgage rate was just about in the middle among 18 cities, with Miami as high as 9.31% and St. Louis as low as 8.11%.

Prices of new and existing homes sold continued to increase in Washington as well as in most other cities. Washington's first quarter 1975 average sales price increased 7.2% above the fourth quarter 1974—or 28.8% at an annual rate!

The highest first quarter increase was in San Francisco, where the sales price for new homes sold jumped 16.2%, and from a year ago, 20.7%. Washington's price for new homes sold was up from $44,600 in first quarter 1974 to $53,500 in first quarter 1975, or an increase of 20 per cent.

The first quarter average sales price for existing homes sold in Washington increased 8.3% from the same period last year, but from fourth quarter 1974 it increased at an annual rate of 14.8%. Atlanta had a dramatic increase in the prices of existing homes sold: 23.1% in first quarter 1975 and 35.3% from a year ago.

The Washington average sales price of new homes sold was the third highest in the nation ($53,500), after San Francisco ($55,300), and New York ($54,300). Washington had the second highest sales price for existing homes ($53,700), after Atlanta ($54,400).

RURAL AMERICA CONFERENCE

Mr. CLARK. Mr. President, almost a month ago over 1,200 people from all across the country gathered in Washington, D.C., for the first National Conference on Rural America. That conference dealt with the problems of the 60 million Americans who live outside urban areas—in small towns and communities—and it brought to the public's attention the inequities that have developed out of years of neglect and indifference to rural America.

The conference emphasized some of the rural problems and the Federal responses to them. For example, 60 percent of the Nation's substandard housing can be found in rural America, yet only 20 percent of the total Federal housing subsidies go to rural areas.

Rural communities suffer from a perpetual shortage of doctors, dentists, nurses, and other essential health care personnel; 138 counties and more than 5,000 towns must go without a single physician, but only 7 percent of the Department of Health, Education, and Welfare's clinic assistance money goes to nonmetropolitan areas.

Public transportation in rural areas suffers as well—most Federal assistance is channelled into urban areas, leaving rural areas with no help at all.

Mr. President, these statistics present a compelling case for us, as a people and as a Nation, to pay more attention to rural America. Richard Margolis—chairman of the Rural Housing Alliance and of Rural America, Inc.—summed it up best in the April 26 New York Times, when he said:

> Much of American history comes down to the people's erratic pursuit of equity in the face of obdurate privilege. During the nineteen-thirties that pursuit was expressed largely in terms of class; in the nineteen sixties, in terms of race. Now the time seems right to speak also of place, and of those Americans who by virtue of where they live are deprived of full participation in our political and economic system.

I ask unanimous consent that the entire article be printed in the Record, and that other articles concerning the Conference on Rural America be printed.

There being no objection, the articles was ordered to be printed in the Record, as follows:

[From the New York Times, Apr. 26, 1975]

NIX PIX OF STIX AS HIX

(By Richrd J. Margolis)

Georgetown, Conn.—Much of American history comes down to the people's erratic pursuit of equity in the face of obdurate privilege. During the nineteen-thirties that pursuit was expressed largely in terms of class; in the nineteen-sixties, in terms of race. Now the time seems right to speak also of *place*, and of those Americans who by virtue of where they live are deprived of full participation in our political and economic system.

Sixty million Americans live in small towns and rural areas—outside what the Census Bureau calls Standard Metropolitan Statistical Areas. By and large, our national policy vis-a-vis these rural citizens has been one of ferocious neglect. Their voice has been drowned in the urban hubbub; their needs have been continually overlooked.

Indeed, the illusion is widespread that rural America no longer exists, that it is in fact a dead letter, and that sooner or later all but the minions of agribusiness will live in megalopolis. The illusion is self-fulfilling; it promotes policies that ultimately drive people off the land and into the cities. Because of these policies, many people suffer.

Item: Although less than one-third of the total population lives in non-metropolitan areas, fully 60 per cent of the nation's substandard housing (as defined by the census) can be found there. Yet all but a thin sliver of the total Federal housing subsidy—less than 20 per cent—goes to our cities and suburbs.

Item: The so-called "health delivery system" in rural America is a disaster. Rural communities suffer from a perpetual shortage of doctors, dentists, nurses and other essential health specialists. Whole counties—138 of them—and whole towns—more than 5,000 of them—must somehow get along without the services of a single physician. Nevertheless, as with housing, Federal funds are tilted in an urban direction. For example, only 7 per cent of the Department of Health, Education and Welfare's clinic-assistance money goes to non-metropolitan areas.

Item: Public-transportation facilities are declining everywhere, but at a faster rate in small towns and rural sections. In the last fifteen years, 146 bus companies have disappeared, most of them from towns of less than 25,000 population. Yet nearly all Federal transportation assistance is directed toward the cities. In fact, only $500-million of the $11 billion authorized to administer the 1974 National Transportation Act is earmarked for rural areas.

Need one continue? The figures trace a similarly skewed picture in education, employment, welfare and most of the other categories that, taken together, go far to define the quality of life in America. Invariably, it seems, rural Americans finish last.

This is not a new story. In a sense, rural Americans have been in trouble ever since Alexander Hamilton's vision of a society powered by urban capital triumphed over Thomas Jefferson's dream of a society harnessed to agricultural yeomanry. From that point on the city held sway.

By the end of the nineteenth century, although we were still predominantly a nation of farmers, the city's economic triumph was absolute. As the historian E. G. Nourse was later to note, "At the opening of the twentieth century American agriculture stood in just the same subservient position to American industrialism that the colonies had occupied toward England a century and a quarter before."

The new colonialism brought on fresh miseries. Land values plummeted; farmers abandoned their bucolic but profitless holdings and headed for industrial jobs in the city.

In 1908 President Theodore Roosevelt, sensing that something had gone sour in rural America, appointed a high-level Country Life Commission to recommend remedies. Eventually the commissioners issued a long and thoughtful report. "It is peculiarly necessary," they noted, "that government should give the farmer adequate consideration and protection. There are difficulties of the separate man, living quietly on his land, that government should understand."

Government did not understand. The Congress, after due debate, refused to appropriate a single dime toward the report's dissemination. One concludes that the supply of bad news about rural America has always exceeded demand.

Six decades after Roosevelt's commission, Lyndon B. Johnson appointed a similar investigative body, this one known as the President's National Advisory Commission on Rural Poverty. The result was a melancholy but moving report on "The People Left Behind"—the 14 million rural poor. But by the time it came out the President had lost interest; he was already hip deep in Vietnam. Once again, in their long pursuit of equity, rural Americans would have to wait.

Now a growing number of rural and small-town residents are saying they are not willing to wait. They are calling for a fair share of society's goods and services. Last week, for example, some 1,500 rural-America advocates met in Washington and wrote the broad outlines of an economic and political agenda for rural America. One hopes they will be heard and heeded.

[From the American Banker, Apr. 17, 1975]

Boon to Rural Medical Care Seen in Insurance, Manpower Bills

(By Harold K. Street)

Washington.—High costs and poor availability of medical care are major problems in rural areas and could be solved by bills he is sponsoring in Congress, Sen. Edward M. Kennedy, D., Mass., said here this week.

Medical care is one of the main concerns of rural bankers, many of whom have been active in campaigns for recruiting physicians, building hospitals, and similar prospects in their towns.

A 1972 American Bankers Association survey identified medical care as a principal concern of bankers in institutions with assets of $50 million or less, and it has been a topic of ABA conferences. Both the ABA and the Independent Bankers Association of America have discussed, but neither group has taken a position on, health-care bills in Congress.

Rural people have less money to spend for medical care and are less likely to have health insurance than urban dwellers, and there are fewer physicians and medical facilities per capita in rural than in urban areas, Mr. Kennedy declared.

The Massachusetts senator and other speakers at the first national conference on rural America here called for enactment of bills that would provide for complete national health insurance and Federal funds for training physicians and other health professionals.

The insurance bill, according to Mr. Kennedy, would mean that "rural Americans would not need to spend their often meager incomes on hospital and physician services. Their limited resources could be used for better housing and better diets; for education for their sons and daughters."

The manpower bill, he said, "directly addresses the need for thousands of physicians in rural areas by tying the expenditure of Federal funds to support medical education to a commitment by new physicians to provide service in underserved—rural and inner-city—areas."

Mr. Kennedy heads the health subcommittee of the Senate Labor and Public Welfare Committee. The subcommittee and committee approved the manpower bill last year. The Senate defeated the bill; it will be considered again by the labor committee this spring, Mr. Kennedy said. The insurance bill is before the Senate Finance Committee, which has not acted on it.

Medical care is one of a wide variety of rural problems being considered by the Conference on Rural America, which began Monday and winds up today. The conference was convened by the Rural Housing Alliance and Rural America, Inc., Washington-based public interest groups, and is cosponsored by 57 farm, rural, consumer, labor, church, and other groups.

Sen. Dick Clark, D., Iowa, chairman of the rural development subcommittee of the Senate Agriculture and Forestry committee and one of the speakers at the rural America conference who endorsed Mr. Kennedy's bills, said his subcommittee plans to hold a "number of field hearings around the country" on rural health.

Mr. Clark also said his subcommittee will assess the impact on rural areas of health bills now in Congress. According to the Iowa senator, "the health planning legislation and the Health Maintenance Organizations Act—two of the most important legislative achievements in health during the last Congress—have created a number of difficulties for rural areas because they do not reflect rural resources and rural needs."

Mr. Kennedy said "the high cost of health care strikes rural residents especially hard," because "many rural residents face the risk of health care without any health insurance at all," and "the income of rural residents is significantly less than that of other United States citizens. The median income of rural families is only 73% of the median for urban families."

Of the 25 million Americans who "have no health insurance at all," according to Mr. Kennedy, "most of them live in rural America. While more than 81% of urban residents have health insurance protection, only 74% of rural nonfarm and 61% of farm residents have any health insurance at all."

As a result of cost and lack of insurance, Mr. Kennedy contended, "millions of rural residents put off visits to the doctor—endure endless suffering—because the bill would be too high."

Also, the senator said, "in rural areas there is a great shortage of physicians and the deficit is growing.

"Throughout the nation there is one physician for every 665 people. In rural areas, however, there are more than twice that many people for every physician."

Of the nation's 500 multicounty areas designated by states for economic planning and development, 200 meet what Mr. Kennedy called a minimum standard of one physician per 1,000 people. The other 300, he said, are "almost without exception rural. More than 19,600 physicians would need to be precisely placed in specific areas to bring all of the areas to the one per 1,000 ratio."

[From the Birmingham (Ala.) News, Apr. 20, 1975]

Rural Doctor Shortage

Washington.—One of the messages to come out of a recent National Conference on Rural America concerned health-care problems among farmers and small-town people who simply do not have enough doctors to serve their needs.

The problem is not new. Dozens of small towns have seen hospitals fold and doctors retire or die and not be replaced. Studies by the Agriculture Department and other federal agencies repeatedly have called attention to the rural health-care plight.

But the speakers and papers at last week's conference, attended by more than 1,200 persons, helped focus new attention on some of the reasons for the decline in rural health services.

Sen. Dick Clark, D-Iowa, told the conference that rural areas "suffer from an acute shortage" of medical manpower and that the problem is related to over-all deficiencies in those areas, ranging from poverty to poor transportation.

"The poor and the elderly often do not have the ability to purchase health services even when they are available," Clark said, "The lack of public transportation in rural areas means that many people can't get to the doctor or hospital when they must. Emergency care services simply are not as accessible in rural areas as they are in our cities."

Clark, chairman of a Senate rural development subcommittee, said Congress should approve health manpower legislation offered by Sen. Edward M. Kennedy, D-Mass., which ties federal support for medical services in rural areas.

But a working paper issued by conference officials said hurdles are so large that none of the currently proposed plans "will make a dent in the pervasive health problems of rural areas until there is a national commitment," to create programs specifically for rural people and allocate more federal money for carrying them out.

The conference paper also said that present efforts to entice doctors into rural areas have not worked.

"When they draw upon urban recruits, they run the danger of appearing patronizing to rural residents and punishing to dislocated urbanites," the paper said.

George Vranish, international vice president for pensioner affairs of the United Mine Workers union, said that many physicians today "lack a commitment in caring for people and their health needs" regardless of race, sex, economic status or religious belief.

"And there is a definite lack of compassion and dignity in their patient relationships," Vranish said. "Medical schools must share much of the responsibility for the development of these attitudes."

Prof. Rashi Fein of the Harvard Medical School said rural areas average one physician for every 2,400 persons, compared with one for every 500 in the cities.

Fein said that "by no stretch of the imagination can these disparities be explained away" and that more information is needed before action can be expected.

"The big stories and the big numbers come out of the big cities," Fein said. "As a consequence, there is present some belief, some image that people in rural areas are hearty yeomen who live with clean air and in the happy and healthful conditions of the farm, availing themselves of the opportunities to go fishing in the summer, hiking in the fall and perhaps skiing in the winter."

Such false images, he said, present a risk that "legislation to solve the problem of the bulk of the population that does live in urban areas may fail to help the minority—but a very substantial minority—of other Americans."

[From the Nashville Tennessean, Apr. 17, 1975]

Rural Medical Care Called Problem

(By Pat Welch)

Washington.—"Rural" is not synonymous with "farm," but it does mean, most of the time, "poor," a Nashville participant in the first National Conference on Rural America said yesterday.

Dr. Leslie Falk, chairman of the department of family and community health at Meharry Medical College, said at a conference session on rural health, one of a number of topics tackled yesterday by some 1,200 persons meeting here, had reached "a high degree of consensus" on several themes, including:

"There is an acute health personnel shortage, not just doctors and dentists, but all the allied health professions, too."

Rural residents "are not given adequate health information." Falk said it is possible to "build on a folklore, or folk medicine, system," giving rural people information about health, including nutrition and the need for immunizations.

Falk spent 18 years working as area medical administrator for the United Mine Workers union in Pittsburgh before going to Meharry to teach. He was a close associate of slain UMW leader Joseph Yablonski, and left the UMW partly because of the tactics of the forces of Tony Boyle, UMW president who was convicted of having Yablonski murdered.

One of yesterday's speakers, George Vranish, UMW vice president for pensioners' affairs, said the UMW had developed a model system for the delivery of health care for miners and their families with an emphasis on prevention of illness.

Vranish, a miner himself for 25 years who now receives black lung benefits, said the problems of Appalachia—isolated and poor—will be duplicated as western coal mining moves into full production, unless adequate attention is given to water, sanitation, education and health care.

"The root cause is inadequate taxation of mining operators and owners," Vranish said. He said Kentucky law gives owners and operators "a license to steal."

The representative of retired and disabled miners also pinpointed another problem with rural health care when he told his audience that a miners' clinic in Pennsylvania had attempted to hire a pathologist, a fourth-year resident who "demanded" $77,000 a year, plus fringe benefits.

"We are all aware of the high cost of medical school, but, ladies and gentlemen, this is ridiculous," he said.

Falk said in an interview that the average MD now makes the highest salary of any profession, $47,000 a year. That, he said, is "because they can get it."

He said "the problem is not at the medical school level," but the medical school does attempt to "introduce values" in the curriculum.

"We don't try to preach to them," he said. "We try to make them face up to their own values. Because it's the highest paid profession, it is bound to attract money makers. The problem is to either keep them out or change their values."

Another panelist, Dr. Milton I. Roemer of the school of public health at the University of California at Los Angeles, said the ratio of doctors in urban areas, compared with rural areas, ranges from 5-to-1 to 3-to-1, mainly because doctors don't like to live in rural areas.

Roemer said the greatest need, however, is for auxiliary personnel.

"It's very wasteful," he said. "I think it's ridiculous to have a doctor deliver babies. In England, where midwives in hospitals deliver babies, the maternal and child health rates are higher than ours."

Both Roemer and Falk predicted some form of national health insurance will be enacted within two or three years.

Falk said national health insurance is sure to be an issue in the 1976 presidential campaign, if it is not enacted before.

Roemer said the plan is likely to be a compromise which would keep a role for the insurance industry—both because of its political clout and as a practical matter. The insurers would contribute expertise in the bill-paying process, as they do in Medicare, he said, in addition to acting as a buffer between the government and the consumer.

"Anything that goes wrong, they'll blame on the government," he said.

Sen. Edward Kennedy, D-Mass., who addressed the conference in the morning, has the best health care bill, Roemer said, although the final version probably will be a weaker compromise.

The conference was organized by the Rural Housing Alliance, which has now incorporated an entity called "Rural America, Inc."

The purpose of the conference, which continues through today, is to develop a concerted policy for revitalizing rural living, including the allocation of a fair share of government dollars to the 54 million Americans who do not live in or near urban areas. Other sessions dealt with agriculture and other job programs.

[From the Towanda (Pa.) Review, Apr. 22, 1975]

National Convention on Rural America Draws 1,200 Persons

(By James A. McHale)

The first National Conference on Rural America held last week in Washington, D.C., drew some 1,200 participants from all parts of the nation.

A host of speakers and panelists including Senators James Abourezk, George McGovern, Edward Kennedy and Dick Clark elaborated the theme that rural America has lagged behind in housing, health care, education, jobs and just about every economic indicator.

People attending these speeches and discussions were small farmers, homesteaders, residents of tiny communities in the deep South or Appalachia, community organizers and so forth.

"We know these statistics," a one-armed man said during a panel session on high retail food prices. "We live with them every day. We know what we pay at the supermarket and we know what kind of living the small farmer down the road is making."

This man reflected the impatience of many people at the conference. Their mood was one of more action and less words. Others were hopeful that an airing of the problems was a necessary first step for action.

Still others felt it was their responsibility on the local level to organize their communities to take advantage of available federal funds, whatever the amounts. As one delegate said, "If you aren't getting any money, look to your own house, brother. Don't tell me what I can't do. We're doing it in the South."

My feeling is the problems of rural America have to be clearly defined. There is value to expounding on the statistics of inequity. That is the first stimulus to action.

Clay Cochran, executive director of the Rural Housing Alliance, the group that sponsored the conference, has said that alliance officials will comb through all the records and reports of the four-day conference. The distilled information will then become the agenda for Rural America, Inc., the new, nonprofit corporation formed to act as a Washington resource for local rural groups.

Let's face it, one of the best ways a group has of getting a fair slice of the American pie is through favorable legislation. Powerful corporations have strong lobbyists camped in Washington guarding their interests. Rural people must form lobby groups for themselves.

Besides lobbying for legislation, rural people must be effective in seeing that favorable legislation is implemented.

For example, I am sure few of us realize that in the more than two years since Congress passed, and President Nixon signed, the Rural Development Act, less than 10 per cent of it has been implemented. This act was to get water and sewer systems built in rural areas, facilities which would improve the economy of rural communities by attracting new industries and businesses.

I should say at this point that most of the delegates did not seem to be pushing for an influx of industry into their areas. The jobs might be nice to have, but this consideration might be outweighed by potential damage to the land.

Coal mining, for example, is becoming more profitable as the energy crisis continues. Yet there is fear of spreading the conditions deplored for so long in the rural coal fields of Appalachia.

As a United Mine Workers official said at the conference, "Already trailer towns are developing in many remote sections of Wyoming, North Dakota, Utah and Montana. These towns lack water, sanitation, quality education, and many forms of sound health care."

What it gets down to is planning. Rural America is diverse, it needs varying.

If we expand coal mining, then water and sewer development should get priority in those areas.

We certainly need to preserve our good farmland. So in this case, sensible planning would tell us not to spread a shopping center over a productive wheat field.

"We seem to have an historical aversion to planning," said one speaker. He went on to say that the old, profit-oriented ways of managing the economy are increasingly inadequate. This may have been one of the most crucial messages of the conference.

[From the Milwaukee Journal, Apr. 15, 1975]

Trend to Cities May Be Dwindling

(By David M. Skoloda)

Washington, D.C.—The idea that an industrial society like the United States will become increasingly more urbanized is questionable on the basis of recent population trends, Calvin L. Beale, a US Agriculture Department demographer, said here Monday.

Beale, who spoke at the National Conference on Rural America, said the Upper Great Lakes area was one of the nonmetropolitan areas that, since 1970, had led the reversal of the longtime trend of population migration into cities.

Northern Wisconsin and Michigan's Upper Peninsula are included in the area. Nonmetropolitan counties are those with less than 50,000 population.

The Upper Great Lakes area registered a population increase of 8% during the 1970–'73 period, Beale said.

"The remarkable recent reversal of long term population trends is demonstrated by growth in nonmetro counties of 4.2% between April, 1970, and July, 1973, compared with 2.9% in metropolitan counties," Beale said.

"This is the first period in this century in which nonmetro areas have realized more rapid growth than metro areas," he said. The population information was drawn from the annual Census Bureau county by county estimates.

Beale said counties adjacent to metropolitan areas showed a population growth rate of 4.7% and represented about five-eighths of the total net nonmetro growth.

"A more significant point is that nonadjacent counties have also increased more rapidly than metro counties, 3.7% vs. 2.9%," Beale said.

US counties well removed from metropolitan influence, such as those in northern Wisconsin, have gone from an average loss of 227,000 persons annually in the 1960s to an annual gain of 130,000 persons, Beale said.

Clay L. Cochran, executive director of the Rural Housing Alliance, said the idea that all of the nation's people would eventually move to big cities—an idea he called metropollyanna—"was a deadly enemy to those who attempt to do anything much for rural America."

Sen. George McGovern (D-S.D.) said at the conference that the Ford administration neglected hungry citizens at home and rejected the needs of many who were starving abroad.

He also said more than half of US Food for Peace program money had "been misallocated for political purposes in places such as Vietnam, Cambodia, Laos, Malta and Jordan."

"Doing indirectly with food what it is forbidden to do directly with guns is a cynical twisting of the intent of Food for Peace," McGovern said.

McGovern said any new national nutrition policy should aim at bringing food from the field "to the domestic markets of the poor through the use of food stamps, child nutrition programs and the food programs for the elderly."

"The hungry of America can be fed as the farmers of America achieve and maintain a decent income," McGovern said as he called for steps to end the "concentration of economic power in the farm and food industries."

[From the Jamestown (N.Y.) Post-Journal, Apr. 22, 1975]

RURAL AMERICA PARLEY TRIES TO ENLIGHTEN "METROPOLLYANNA"

(By Lyon Evans Jr.)

MAYVILLE.—"Metropollyana." A word you won't find in the dictionary but, according to Chautauqua County Executive Joseph Gerace, it was a word everyone was talking about at last week's National Conference on Rural America in Washington, D.C.

"Metropollyana," the executive explained, is the belief that sooner or later everyone will move to the cities and suburbs; that this is a good thing; and that the rural areas should be left to take care of themselves—that the metropolitan areas are where the "action" is and should be.

Against this assumption, widely held in today's urban and machine-oriented age, the delegates to the rural American conference argued that the small towns and farms of this country are important to its spiritual and material health, Mr. Gerace said.

The vision of America as a land of yeoman farmers and small shopkeepers is as old as Thomas Jefferson, but as the executive explained it, the delegates to the convention discussed ways to, in effect, salvage rather than sustain the vision.

"The main theme of the convention," he said, "was that the rural areas are being shortchanged and ignored by Washington—in agriculture and health care for example."

Policy decisions of the U.S. Department of Agriculture, for example, reportedly are driving the small farmers off the land, building up the corporate agricultural interests, and forcing higher food prices, Mr. Gerace said.

"The government's policy," he continued, "is to reduce the number of farmers as rapidly as new technology and cheap imported labor can bring it about. There also is evidence that the government has been an open partner in the creation of tasteless and colorless foods that lend themselves to mass processing."

For example, USDA and corporate researchers reportedly are developing a strawberry that can be more easily picked and processed by machine—but the variety also is harder, less flavorful and less nutritious than hand-picked strawberries, the executive said.

The super-industrialized outfits which mass produce hard tomatoes also have taken over the market and closed out the small tomato farmer whose product is far superior, Mr. Gerace said.

Against the idea that industrialized agriculture means lower food costs to the consumer, Mr. Gerace said speakers at the convention demonstrated that in fact costs are higher because the consumer must pay for supporting the corporate structure in marketing, transportation and advertising.

In health care, Mr. Gerace said, highly technical, non-health related federal regulations are forcing many small, rural nursing homes to close. The patients often have to move far away or to more expensive hospitals. Building new nursing homes only adds to the inflationary spiral, Mr. Gerace said.

Also, "in our Medicare and Medicaid setup in America, there is so much administration and red tape that the senior citizen is getting less coverage than originally intended."

And despite the additional benefits under the health plans and the development of advanced medical techniques, "the life expectancy of Americans has not increased over the past 15 years," Mr. Gerace reported.

An example of how technology may not improve health care was cited by Sen. Edward Kennedy in an address before the convention, the executive said. According to Sen. Kennedy four Boston hospitals have developed heart transplant capabilities that compete with each other—and all four are subsidized by the federal government.

At the same time, medical schools reportedly favor candidates from urban areas while the private enterprise system of medical care has resulted in a serious physician shortage in rural area, speakers at the convention reportedly said.

"Some felt the distribution of doctors ought to be a matter of public policy since the federal government subsidizes medical education," Mr. Gerace observed.

In other areas, such as transportation and welfare, the federal government continues to develop policies that reflect "metropollyanna" and discriminate against rural America, he added.

"But while most of the commentary was negative, there also was hope," he said. "The hope is that if people back home become knowledgeable and involved, the situation can be turned around."

Mr. Gerace said besides the specific issues raised, an important lesson he learned from the convention (he attended two of the four days) was the need to bring people together to discuss common problems. He noted that the session drew over 1,000 people from 30 states, many from community development groups, agricultural organizations and government.

The executive said the convention has given him the idea to call a county-wide conference of leaders in the churches, education, service organizations, labor, business, industry and government. He has not yet developed a timetable for such a meeting, however.

Billed as the "first annual" *National Conference on Rural America,* the session, held in Washington's Sheraton Park Hotel, was sponsored by Rural America Inc., a non-profit group, and funded by several private foundations and trusts and by more than 50 co-sponsors.

Besides health care, agriculture, transportation and welfare, other issues in workshops and panel discussions were rural poverty, jobs, justice, rural resources, public education, energy, and housing and rural development.

[From the Richmond Times-Dispatch, Apr. 20, 1975]

"METROPOLLYANNA" CALLED MAJOR PROBLEM

(By Bill Connelly)

WASHINGTON.—Clay Cochran, the portly, bearded director of the Rural Housing Alliance, coined a word to describe what he sees as one of rural America's fundamental problems: "metropollyanna."

"Metropollyanna," Cochran said, "is the nearly universal belief, usually tacit, that sooner or later all of the people will move to the big city and live happily ever after."

Last week, about 2,000 rural activitists gathered here at the Sheraton Park Hotel for the first National Conference on Rural America to organize a new lobbying group dedicated to stamping out metropollyanna in the federal government.

Cochran, one of the conveners, told the conferees that metropollyanna is "the most subversive idea in the country for rural people" because it leads to government policies and private business decisions that discriminate against rural areas and small towns.

Rural America, the delegates were told, has 57 per cent of the nation's substandard housing but gets less than 25 per cent of federal housing aid.

It has 31 per cent of the nation's unemployed (perhaps more in the current recession), but gets only 17 per cent of federal expenditures for employment and job training.

It has 44 per cent of the people classified as poor, but gets only 27 per cent of the federal funds provided for low-income families.

In almost every category of federal spending, the figures are similar. "The nature of the federal budget determines the direction in which the country goes," said Sen. James Abourezk, D-S.D., one of the speakers."And it has determined not only to move people to the cities but to keep them there."

Recent census estimates show that from 1970 to 1973, rural America began gaining population and drawing migrants from the cities for the first time in half a century. Gallup polls and surveys by the Commission on Population Growth indicate that 60 per cent of Americans, including city and suburban residents, would prefer rural or small town living.

But Abourezk and others at the conference contended that this trend toward a better national population balance may be limited by the drawbacks of rural life. People simply won't choose to leave the cities, they said, until rural areas have better schools, housing, health care, cultural amenities and job opportunities.

"If they want higher wages and decent social services, they have to take the urban crush, the smog: the ugliness, and the depersonalization of life that is characteristic of city living," Abourezk said. "It appears that people have made the narrow choices offered them, but they aren't too happy with [the choices]."

Despite some improvements, rural areas still find it hard to compete. For example, Dr. Rashi Fein of Harvard University medical school said the shortage of health care in rural areas seems destined to get worse. In 1963, 98 rural counties had no resident doctors. This year, there are 138 such counties.

Dr. Fein said young doctors, "being human," are rarely willing to move to places where they feel educational and social opportunities will be limited, where they will make less money and work harder than in the cities.

Medical education may influence doctors' choices somewhat, Dr. Fein said, by encouraging specialization over general practice, by locating medical training mostly in urban areas, by drawing students primarily from upper and middle-income groups. But the fundamental problems for rural areas, he said, are created by forces that medicine and government cannot control.

The four-day conference here was called by about 50 organizations to launch Rural America, Inc., the new lobbying and research group, and to prepare an agenda for its efforts.

Many previous attempts to establish an effective rural lobby in Washington have failed, and some delegates were skeptical about this one's chances. Farmers have long had strong lobbies, but only 20 per cent of today's rural people live on farms. Modern rural America, being diverse and largely poor, has not been able to organize behind a program or anoint leaders. In contrast, urban America has highly visible leaders such as mayors and governors and usually has strong media support.

It was not a farmers' convention here, though many farmers were present. The sessions were dominated by the new breed of rural activists—development specialists, community organizers, social service administrators, antipoverty workers, teachers, small business men, Indians, blacks, unionists, environmentalists.

There was a populist flavor about the conference, but the delegates came for more than rhetoric. As farmers and professionals who deal with government, they came to talk about the nuts and bolts of federal programs. And although they wanted more money, their main emphasis was on bureaucratic ineptitude of government—not only in Washington, but in state capitals.

In Washington, for example, they complained about the failure of Agriculture Secretary Earl L. Butz under the Nixon and Ford administrations to carry out the billion-dollar Rural Development Act of 1972. The administration, after three years, is still sitting on most of the money approved by Congress.

Rural people are still turned away, they said, by the Department of Transportation and the Department of Housing and Urban Development, both of which maintain that rural areas are not their responsibility.

Another recurrent complaint was that Butz and the Agriculture Department increasingly favor large agribusiness companies at the expense of small farmers.

The speakers and delegates did more than complain, however. They exchanged ideas for improving their communities. And they were urged to be innovative. Rep. Charles G. Rose, III, D-N.C., chairman of the House Rural Caucus, urged small farmers to experiment with new farming methods as they seek to cope with rising costs and competition.

"The family farmer has a mandate to change if he is to survive," Rose said. "But this mandate is also his golden opportunity. Agribusiness has a lot of money tied up in machinery and fertilizer contracts and processing plants and transportation schemes. We can't count on them to be the first to adopt or encourage alternative farming methods."

Rose said small farmers could try to develop smaller, less expensive equipment, solar or wind-powered energy sources, organic fertilizers and collective marketing techniques.

Dr. Ira Kaye, a retired federal transportation expert, suggested that rural communities study Switzerland's postal passenger service as a possible model for developing rural public transportation. A system might be developed combining postal deliveries, school transportation and local government trips with a public transit operation.

[From the Chicago Tribune, Apr. 18, 1975]

U.S. FARMS CALLED PAWNS OF INDUSTRY

(By Richard Orr)

WASHINGTON.—Rural America, home of 60 million persons, has been particularly hard-hit by sweeping industrial transformation that has victimized the nation by wasting energy, polluting the environment, and now threatens the economy, a leading environmentalist charged here Thursday.

The transformation has produced a new kind of "domestic imperialism" in which giant industrial corporations "have made a colony out of rural America," according to Dr. Barry Commoner, director of the Center for the Biology of Natural Systems, Washington University, St. Louis. He addressed a concluding session of the National Conference on Rural America.

The conference, attended by 1,500 persons from 47 states, was sponsored by the Rural Housing Alliance, a nonprofit research and education organization, and its new affiliated watchdog reform group, Rural America, Inc.

Commoner said the energy crisis, like the environmental crisis before it, is not an isolated, passing trouble, but a deep-seated fault in the nation's system of production and in the economic system that has governed it.

In agriculture, industry, and transportation, said Commoner, those productive processes that use energy least efficiently and punish the environment most are growing most rapidly, driving their energy-efficient competitors off the market.

American industry, said Commoner, has molded the nation's farms into a convenient market for its most profitable products, such as fertilizers and pesticides that threaten the natural fertility of the soil.

"The 1973 oil crisis generated huge profits for the oil companies, raising the price of fuel drastically and with it the prices of fuel-intensive products, such as fertilizers and other agricultural chemicals," Commoner said.

"But where the fertilizer manufacturer had to pay about 43 per cent more for the energy needed to manufacture nitrogen fertilizer [ammonia] between 1970 and 1974, the price that he charged the farmers increased by 141 per cent."

[From the Miami Herald, Apr. 17, 1975]

STRIP-MINING MEASURE WILL CREATE RURAL JOBS, UDALL TELLS CONFERENCE

WASHINGTON.—Rep. Morris K. Udall, (D., Ariz.) said Wednesday that legislation he sponsored to regulate strip mining and promote land-use planning would assist rural areas.

"The strip-mining bill is going to create jobs in rural America, including some of the most depressed parts of the country, jobs in mining, jobs in reclaiming, and jobs on the healthy reclaimed lands once the draglines have moved on." Udall said. "It will stop practices which have turned a thousand acres a day into ugly, useless, often dangerous scar tissue."

The House and Senate have passed strip-mining bills, which are now in conference.

Udall said in a speech prepared for delivery to the National Conference on Rural America that the land use bill would help arrest a trend turning farmland into urban sprawl.

The land use bill is in Udall's House subcommittee on energy and the environment.

"As prime agricultural lands are converted into subdivisions, drive-in theaters and shopping centers, marginal lands in remote areas are pressed into food production," Udall said.

"They require an investment of $1,000 per acre to fertilize and irrigate before they come to production, and they present transportation problems that increase costs to the farmer and ultimately to the consumer," he said.

"It now takes 6.5 calories of fossil fuels to bring a single calorie of food to the table including fertilizing, running farm equipment, shipping, processing and cooking," he said. "Relying on low-quality land far from our urban centers can only increase this energy cost."

Udall said a land-use planning bill can bring "reason and good judgment to the development of prime agricultural lands."

"This is not a 'no-growth' bill, but a tool to be provided to the states and local governments to stem the loss of prime lands and the continued waste of energy and land resources," Udall said.

Udall has been a leader in the fight for a land-use bill. A measure he introduced in the last Congress failed by seven votes.

ACCESS TO COURTS AND THE TRANS-ALASKA PIPELINE CASE

Mr. KENNEDY. Mr. President, yesterday the Supreme Court handed down a decision which has significant implications to those of us who have long been concerned with the full enforcement of those rights of citizens or groups which we recognize or establish by law. Until Alyeska against Wilderness Society, the trans-Alaska pipeline case, citizen groups such as the Wilderness Society, the Sierra Club, the NAACP, La Raza Unida, and many others who sought to enforce rights which Congress gave to them could petition courts for attorneys' fees incurred in enforcing these rights. This decision ends the possibility of their obtaining attorneys' fees except where specifically authorized by Congress.

The judicial award of attorneys' fees, often labeled fee-shifting, has been hailed by those seeking to increase citizen participation in administrative and judicial decisions affecting a wide range of people. Groups and individuals, acting as private attorneys general, frequently seek to insure that governmental and corporate officials comply with laws we pass. They undertake this effort not from a selfish, profit-seeking motivation but from a civic-minded commitment to the purposes underlying the statutory enactments. Because of the prohibitively high cost of litigation, however, many citizen groups have been unable to obtain counsel to insure that their rights are not trampled upon.

In its original lawsuit, the Wilderness Society sought to block the construction of the Alaska pipeline because of Alyeska's failure to comply with various Federal statutes. Ultimately Congress acted to allow the pipeline construction, subject to certain legislated restrictions, and the Wilderness Society sought an award of attorneys' fees it incurred during the litigation.

The court of appeals held that the Wilderness Society acted to vindicate "important statutory rights of all citizens" and had insured "that the governmental system functioned properly." The court awarded attorneys fees despite the absence of any specific statutory authorization, and despite the general rule in this country that the prevailing party in litigation cannot recover attorneys fees.

In yesterday's opinion by Justice White, joined by four other Justices, the Supreme Court recognized that—

> The encouragement of private action to implement public policy has been viewed as desirable in a variety of circumstances.

The Court also cited a wealth of authority supporting the appeals court's conclusion, including over 30 Federal statutes which permit fee awards and many scholarly articles supporting fee shifting. Nonetheless, the Court said that it was for Congress and not the courts to determine under which circumstances citizens groups and others who seek to enforce congressional policy will be awarded fees. The Court observed:

> The circumstances under which attorneys' fees are to be awarded and the range of discretion of the courts in making those awards are matters for Congress to determine.

The Supreme Court thus reversed the lower court's decision and denied recovery of attorneys fees to the plaintiffs.

Last Congress we enacted amendments

to the Freedom of Information Act, over the President's veto, which contained a provision for attorneys fee awards. In passing those amendments we recognized the importance of encouraging private parties to vindicate their rights and an important national policy by providing for attorneys fees to plaintiffs who substantially prevail in litigation. Particularly in litigation with the Federal Government, the resources available to the litigants may be quite disparite, and rights which exist in theory will be too expensive to enforce in fact.

In addition to the Freedom of Information Act Amendments, Congress has provided for award of attorneys' fees in many other statutory schemes, including the Civil Rights Act of 1964, titles II and VII, the Fair Housing Act of 1968, the Education Amendments of 1972, the Clean Air Act, the Water Pollution Prevention and Control Act, the Noise Pollution Act, and many others.

Many courts, picking up on Congress' own theme and using their equitable powers to further congressional objectives, have found authority to award fees even in the absence of specific congressional directives. This was particularly so in cases asserting rights closely resembling rights given in statutes which do provide explicitly for fees.

For example, an employment discrimination case can be brought pursuant to title VII of the Civil Rights Act of 1964, which does provide for attorneys' fees, or it can be brought pursuant to earlier civil rights acts, 42 U.S.C. 1981 or 1983, which do not provide for attorneys" fees. As a result of yesterday's decision, attorneys' fees are available under title VII but not under the nearly parallel earlier Civil Rights Act.

The time has come for Congress to address squarely the issue of insuring that the rights which we establish through our enactments are enforced. As a result of the Supreme Court's decision, the law of attorneys' fees is riddled with inconsistencies. Lawyers for citizens groups will be trying to fit their cases into artificially narrow constructs in order to come within the specific provisions of some statutes or the narrow equitable doctrines which the Court accepted, rather than focusing on the more general intent of Congress.

I believe that yesterday's Supreme Court decision has significantly undercut the ability of our citizens to participate meaningfully in forcing the rule of law in America. The entire "private attorney general" concept arose in large part because of the inability or unwillingness of governmental agencies to step in whenever a violation of law occurred. At the same time, soaring legal fees worked to prevent both the poor and the middle class American from actively participating in the legal process. Award of attorneys' fees, like contingent fees in damage actions and neighborhood legal service programs, opened the courthouse doors to many whose interests would otherwise go unprotected and whose rights would otherwise go unenforced.

Much work in this area has already been done by my colleague Senator TUNNEY, who as chairman of the Senate Judiciary Committee on Representation of Citizen Interests documented the need for increased legal representation, and as the Supreme Court noted, explored fee-shifting in both the statutory and nonstatutory areas. The Court's decision makes clear that Congress still has much work to do on this subject.

In the coming weeks I intend to introduce legislation, on which I have been working for some time, to meet the challenge which the Court has provided us of formulating a consistent approach to the attorneys' fees question—at least as it affects cases involving the Federal administrative agencies, such as the Department of the Interior in this case. We must give to the agencies and the Federal courts which review their decisions the authority to reimburse or award fees to citizen groups who seek to enforce congressional policy, or the rights which we enact will exist only in theory.

I ask unanimous consent that the text of the Supreme Court decision be printed in full in the RECORD.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United State, No. 73–1977]

ALYESKA PIPELINE SERVICE COMPANY, PETITIONER, VERSUS THE WILDERNESS SOCIETY ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

[May 12, 1975]

MR. JUSTICE WHITE delivered the opinion of the Court.

This litigation was initiated by respondents Wilderness Society, Environmental Defense Fund, Inc., and Friends of the Earth in an attempt to prevent the issuance of permits by the Secretary of the Interior which were required for the construction of the trans-Alaska oil pipeline. The Court of Appeals awarded attorneys' fees to respondents against petitioner Alyeska Pipeline Service Co. based upon the Court's equitable powers and the theory that respondents were entitled to fees because they were performing the services of a "private attorney general." Certiorari was granted, 419 U.S. 823 (1974), to determine whether this award of attorneys' fees was appropriate. We reverse.

I

A major oil field was discovered in the North Slope of Alaska in 1968.[1] In June 1969, the oil companies constituting the consortium owning Alyeska [2] submitted an application to the Department of the Interior for rights-of-way for a pipeline that would transport oil from the North Slope across land in Alaska owned by the United States,[3] a major part of the transport system which would carry the oil to its ultimate markets in the lower 48 States. A special interdepartmental task force studied the proposal and reported to the President. Federal Task Force on Alaska Oil Development: A Preliminary Report to the President, App. 78–89. An amended application was submitted in December 1969, which requested a 54-foot right-of-way, along with applications for "special land use permits" asking for additional space alongside the right-of-way and for the construction of a road along one segment of the pipeline.[4]

Respondents brought this suit in March 1970, and sought declaratory and injunctive relief against the Secretary of the Interior on the grounds that he intended to issue the right-of-way and special land use permits in violation of the Mineral Leasing Act of 1920, 30 U.S.C. § 185 (1970),[5] and without compliance with the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. § 4321 *et seq.*[6] On the basis of both the Mineral Leasing Act and NEPA, the District Court granted a preliminary injunction against issuance of the right-of-way and permits. 325 F. Supp. 422 (DC 1970).

Subsequently the State of Alaska and petitioner Alyeska were allowed to intervene.[7] On March 20, 1972, the Interior Department released a six-volume Environmental Impact Statement and a three-volume Economic and Security Analysis.[8] After a period of time set aside for public comment, the Secretary announced that the requested permits would be granted to Alyeska. App. 105–138. Both the Mineral Leasing Act and NEPA issues were at that point fully briefed and argued before the District Court. That court then decided to dissolve the preliminary injunction, to deny the permanent injunction, and to dismiss the complaint.[9]

Upon appeal, the Court of Appeals for the District of Columbia Circuit reversed, basing its decision solely on the Mineral Leasing Act. 156 U.S. App. D.C. 121, 479 F. 2d 842 (1973) (en banc). Finding that the NEPA issues were very complex and important, that deciding them was not necessary at that time since pipeline construction would be enjoined as a result of the violation of the Mineral Leasing Act, that they involved issues of fact still in dispute, and that it was desirable to expedite its decision as much as possible, the Court of Appeals declined to decide the merits of respondents' NEPA contentions which had been rejected by the District Court.[10] Certiorari was denied here. 411 U.S. 917 (1973).

Congress then enacted legislation, Pub. L. 93–153, 87 Stat. 576, 93d Cong., 1st Sess. (November 16, 1973), which amended the Mineral Leasing Act to allow the granting of the permits sought by Alyeska [11] and declared that no further action under NEPA was necessary before construction of the pipeline could proceed.[12]

With the merits of the litigation effectively terminated by this legislation, the Court of Appeals turned to the questions involved in respondents' request for an award of attorneys' fees.[13] 161 U.S. App. D.C. 446, 495, F. 2d 1026 (1974) (en banc). Since there was no applicable statutory authorization for such an award, the court proceeded to consider whether the requested fee award fell within any of the exceptions to the general "American rule" that the prevailing party may not recover attorneys' fees as costs or otherwise. The exception for an award against a party who had acted in bad faith was inapposite, since the position taken by the federal and state parties and Alyeska "was manifestly reasonable and assumed in good faith . . ." 161 U.S. App. D.C., at 449; 495 F. 2d, at 1029. Application of the "common benefit" exception which spreads the cost of litigation to those persons benefiting from it would "stretch it totally outside its basic rationale. . . ." *Ibid.*[14] The Court of Appeals nevertheless held that respondents had acted to vindicate "important statutory rights of all citizens. . . ," 161 U.S. App. D.C., at 452; 495 F. 2d, at 1032, had ensured that the governmental system functioned properly, and were entitled to attorneys' fees lest the great cost of litigation of this kind, particularly against well-financed defendants such as Alyeska, deter private parties desiring to see the laws protecting the environment properly enforced. 28 U.S.C. § 2412 [15] was thought to bar taxing any at-

---

Footnotes at end of article.

torneys' fees against the United States, and it was also deemed inappropriate to burden the State of Alaska with any part of the award.[16]

But Alyeska, the Court of Appeals held, could fairly be required to pay one-half of the full award to which respondents were entitled for having performed the functions of a private attorney general. Observing that "[t]he fee should represent the reasonable value of the services rendered, taking into account all the surrounding circumstances, including, but not limited to, the time and labor required on the case, the benefit to the public, the skill demanded by the novelty or complexity of the issues, and the incentive factor," 161 U.S. App. D.C., at 456; 495 F. 2d, at 1036, the Court of Appeals remanded the case to the District Court for assessment of the dollar amount of the award.[17]

II

In the United States, the prevailing litigant is ordinarily not entitled to collect a reasonable attorneys' fee from the loser. We are asked to fashion a far-reaching exception to this "America rule"; but having considered its origin and development, we are convinced that it would be inappropriate for the Judiciary, without legislative guidance, to reallocate the burdens of litigation in the manner and to the extent urged by respondents and approved by the Court of Appeals.

At common law, costs were not allowed; but for centuries in England there has been statutory authorization to award costs, including attorneys' fees. Although the matter is in the discretion of the court, counsel fees are regularly allowed to the prevailing party.[18]

During the first years of the federal court system, Congress provided through legislation that the federal courts were to follow the practice with respect to awarding attorneys' fees of the courts of the States in which the federal courts were located,[19] with the exception of district courts under admiralty and maritime jurisdiction which were to follow a specific fee schedule.[20] Those statutes, by 1800, had either expired or been repealed.

In 1796, this Court appears to have ruled that the Judiciary would not itself create a general rule, independent of any statute, allowing awards of attorneys' fees in federal courts. In *Arcambel* v. *Wiseman*, 3 Dall. 306, the inclusion of attorneys' fees as damages [21] was overturned on the ground that "[t]he general practice of the *United States* is in oposition [*sic*] to it; and even if that practice were not strictly correct in principle, it is entitled to the respect of the court, till it is changed, or modified, by statute." This Court has consistently adhered to that early holding. See *Day* v. *Woodworth*, 13 How. 363 (1852); *Oelrichs* v. *Spain*, 82 U.S. (15 Wall.) 211 (1872); *Flanders* v. *Tweed*, 82 U.S. (15 Wall.) 450 (1872); *Stewart* v. *Sonneborn*, 98 U.S. 187 (1878); *Fleischmann Distilling Corp.* v. *Maier Brewing Co.*, 386 U.S. 714, 717–718 (1967); *F. D. Rich Co. Inc.* v. *Industrial Lumber Co., Inc.*, 417 U.S. 116, 126–131 (1974).

The practice after 1799 and until 1853 continued as before, that is, with the federal courts referring to the State rules governing awards of counsel fees, although the express legislative authorization for that practice had expired.[22] By legislation in 1842, Congress did give this Court authority to prescribe the items and amounts of costs which could be taxed in federal courts, but the Court took no action under this statutory mandate.[23] See Law, The Jurisdiction and Powers of the United States Courts 271 n. 1 (1852).

In 1853, Congress undertook to standardize the costs allowable in federal litigation. In support of the proposed legislation, it was asserted that there was great diversity in practice among the courts and that losing litigants were being unfairly saddled with exorbitant fees for the victor's attorney.[24] The result was a far-reaching act specifying in detail the nature and amount of the taxable items of cost in the federal courts. One of its purposes was to limit allowances for attorney's fees that were to be charged to the losing parties. Although the Act disclaimed any intention to limit the amount of fees that an attorney and his client might agree upon between themselves, counsel fees collectible from the losing party were expressly limited to the amounts stated in the act:

"That in lieu of the compensation now allowed by law to attorneys, solicitors, and proctors in the United States courts to United States district attorneys, clerks of the district and circuit courts, marshals, witnesses, jurors, commissioners, and printers, in the several States, the following and no other compensation shall be taxed and allowed. But this act shall not be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their clients, other than the Government, such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties." 10 Stat. 161 (1853).

The Act then proceeds to list specific sums for the services of attorneys, solicitors and proctors.[25]

The intention of the Act to control the attorneys' recoverable by the prevailing party from the loser was repeatedly enforced by this Court. In *The Baltimore*, 8 Wall. 377 (1869), a $500 allowance for counsel was set aside, the Court reviewing the history of costs in the United States courts and concluding that:

"Fees and costs, allowed to the officers therein named, are now regulated by the act of the 26th of February, 1853, which provides, in its 1st section, that in lieu of the compensation now allowed by law to attorneys, solicitors, proctors, district attorneys, clerks, marshals, witnesses, jurors, commissioners, and printers, the following and no other compensation shall be allowed.

"Attorneys, solicitors, and proctors may charge their clients reasonably for their services, in addition to the taxable costs, but nothing can be taxed as cost against the opposite party, as an incident to the judgment, for their services, except the costs and fees therein described and enumerated. They may tax a docket fee of twenty dollars on a final hearing in admiralty, if the appellant recovers fifty dollars, but if he recovers less than fifty dollars, the docket fee of the proctor shall be about ten dollars." *Id.*, at 392 footnotes omitted).

In *Flanders* v. *Tweed*, *supra*, 82 U.S. (15 Wall.) 450 (1872), a counsel's fee of $6,000 was included by the jury in the damages award. The Court held the Act forbade such allowances:

"Fees and costs allowed to officers therein named are now regulated by the act of Congress passed for that purpose, which provides in its first section, that, in lieu of the compensation previously allowed by law to attorneys, solicitors, proctors, district attorneys, clerks, marshals, witnesses, jurors, commissioners, and printers, the following and no other compensation shall be allowed. Attorneys, solicitors and proctors may charge their clients reasonably for their services, in addition to the taxable costs, but nothing can be taxed or recovered as cost against the opposite party, as an incident to the judgment, for their services, except the costs and fees therein described and enumerated. They may tax a docket fee of twenty dollars in a trial before a jury, but they are restricted to a charge of ten dollars in cases at law, where judgment is rendered without a jury." *Id.*, at 452–453 (footnote omitted).

See also *In re Paschal*, 77 U.S. (10 Wall.) 483, 493–494 (1870).

Although, as will be seen, Congress has made specific provision for attorneys' fees under certain federal statutes, it has not changed the general statutory rule that allowances for counsel fees are limited to the sums specified by the cost statute. The 1853 Act was carried forward in the Revised Statutes of 1874 [26] and by the Judicial Code of 1911.[27] Its substance, without any apparent intent to change the controlling rules, was also included in the revised code of 1948 as §§ 1920 [28] and 1923(a).[29] Under § 1920, a court may tax as costs the various items specified, including the "docket fees" under § 1923(a). That section provides that "[a]ttorney's and proctor's docket fees in courts of the United States may be taxed as costs as follows, . . ." Against this background, this Court understandably declared in 1967 that with the exception of the small amounts allowed by § 1923, the rule "has long been that attorney's fees are not ordinarily recoverable. . . ." *Fleischmann Distilling Corp.*, *supra*, 386 U.S., at 717. Other recent cases have also reaffirmed the general rule that absent statute or enforceable contract, litigants pay their own attorney's' fees. See *F. D. Rich Co.*, *supra*, 417 U.S. at 128–131; *Hall* v. *Cole*, 412 U.S. 1, 4 (1973).

To be sure, the fee statutes have been construed to allow, in limited circumstances, a reasonable attorneys' fee to the prevailing party in excess of the small sums permitted by § 1923. In *Trustees* v. *Greenough*, 105 U.S. 527 (1881), the 1853 Act was read as not interfering with the historic power of equity to permit the trustee of a fund or property, or a party preserving or recovering a fund for the benefit of others in addition to himself, to recover his costs, including his attorneys' fees, from the fund or property itself or directly from the other parties enjoying the benefit.[30]

That rule has been consistently followed. *Central Railroad & Banking Co.* v. *Pettus*, 113 U.S. 116(1885); *Harrison* v. *Perea*, 168 U.S. 311, 325–326 (1897); *United States* v. *Equitable Trust Co.*, 283 U.S. 738 (1931); *Sprague* v. *Ticonic National Bank*, 307 U.S. 161 (1939); *Mills* v. *Electric Auto-Lite Co.*, 396 U.S. 375 (1970); *Hall* v. *Cole*, 412 U.S. 1 (1973); cf. *Hobbs* v. *McLean*, 117 U.S. 567, 581–582 (1886). See generally Dawson, Lawyers and Involuntary Clients: Attorney Fees From Funds, 87 Harv. L. Rev. 1597 (1947). Also a court may assess attorneys' fees for the "willful disobedience of a court order . . . as part of the fine to be levied on the defendant. *Toledo Scale Co.* v. *Computing Sale Co.*, 261 U.S. 399, 426–428 (1923)." *Fleischmann* v. *Maier Brewing Co.*, *supra*, 386 U.S., at 718; or when the losing party has "acted in bad faith, vexatiously, wantonly, or for oppressive reasons. . . ." *F. D. Rich Co.*, *supra*, 417 U.S.., at 129 (citing *Vaughn* v. *Atkinson*, 369 U.S. 527 (1962)); cf. *Universal Oil Products Co.* v. *Root Refining Co.*, 328 U.S. 575, 580 (1946). These exceptions are unquestionably assertions of inherent power in the courts to allow attorneys' fees in particular situations, unless forbidden by Congress, but none of the exceptions is involved here.[31] The Court of Appeals expressly disclaimed reliance on any of them. See p. 5, *supra*.

Congress has not repudiated the judicially fashioned exceptions to the general rule against allowing substantial attorney fees; but neither has it retracted, repealed or modified the limitations on taxable fees contained in the 1853 statute and its successors.[32] Nor has it extended any roving authority to the Judiciary to allow counsel fees as costs or otherwise whenever the courts might deem them warranted. What Congress has done, however, while fully recognizing and accepting the general rule, is itself to make specific and explicit provisions for the allowance of attorney's fees under selected statutes granting or protecting various federal

---

Footnotes at end of article.

rights.[33] These statutory allowances are now available in a variety of circumstances, but they also differ considerably among themselves. Under the antitrust laws, for instance, allowance of attorneys' fees to a plaintiff awarded treble damages is mandatory.[34] In patent litigation, in contrast, "[t]he court in *exceptional* cases *may* award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285 (emphasis added). Under Title II of the Civil Rights Act of 1964, 42 U.S.C. § 2000a–3(b),[35] the prevailing party is entitled to an attorney's fee, at the discretion of the court, but we have held that Congress intended that the award should be made to the successful plaintiff absent exceptional circumstances. *Newman* v. *Piggie Park Enterprises, Inc.*, 390 U.S. 400, 402 (1968). See also *Northcross* v. *Board of Education of the Memphis City Schools*, 412 U.S. 427 (1973). Under this scheme of things, it is apparent that the circumstances under which attorneys' fees are to be awarded and the range of discretion of the courts in making those awards are matters for Congress to determine.[36]

It is true that under some, if not most, of the statutes providing for the allowance of reasonable fees, Congress has opted to rely heavily on private enforcement to implement public policy and to allow counsel fees so as to encourage private litigation. Fee-shifting in connection with treble damage awards under the antitrust laws is a prime example; cf. *Hawaii v. Standard Oil Co.*, 405 U.S. 251, 265–266 (1972); and we have noted that Title II of the Civil Rights Act of 1964 was intended "not simply to penalize litigants who deliberately advance arguments they know to be untenable but, more broadly, to encourage individuals injured by racial discrimination to seek judicial relief under Title II." *Newman, supra*, 390 U.S. at 402 (footnote omitted). But congressional utilization of the private attorney general concept can in no sense be construed as a grant of authority to the Judiciary to jettison the traditional rule against nonstatutory allowances to the prevailing party and to award attorneys' fees whenever the courts deem the public policy furthered by a particular statute important enough to warrant the award.

Congress itself presumably has the power and judgment to pick and choose among its statutes and to allow attorneys' fees under some but not others. But it would be difficult, indeed, for the courts without legislative guidance to consider some statutes important and others unimportant and to allow attorneys' fees only in connection with the former. If the statutory limitation of right-of-way widths involved in this case is a matter of the gravest importance, it would appear that a wide-range of statutes would arguably satisfy the criterion of public importance and justify an award of attorneys' fees to the private litigant. And, if any statutory policy is deemed so important that its enforcement must be encouraged by awards of attorneys' fees, how could a court deny attorneys' fees to private litigants in § 1983 actions seeking to vindicate constitutional rights? Moreover, should courts, if they were to embark on the course urged by respondents, opt for awards to the prevailing party, whether plaintiff or defendant, or only to the prevailing plaintiff?[37] Should awards be discretionary or mandatory?[38] Would there be a presumption operating for or against them in the ordinary case? See *Newman, supra*.[39]

As exemplified by this case itself, it is also evident that the rational application of the private attorney general rule would immediately collide with the express provision of 28 U.S.C. § 2412.[40] Except as otherwise provided by statute, that section permits costs to be taxed against the United States, "but not including the fees and expenses of attorneys," in any civil action brought by or against the United States or any agency or official of the United States acting in an official capacity. If, as respondents argue, one of the main functions of a private attorney general is to call public officials to account and to insist that they enforce the law, it would follow in such cases that attorneys' fees should be awarded against the Government or the officials themselves. Indeed, that very claim was asserted in this case.[41] But § 2412 on its face, and in light of its legislative history, general bars such awards,[42] which, if allowable at all, must be expressly provided for by statue, as, for example, under Title II of the Civil Rights Act of 1964, 42 U.S.C. § 2000aX3(b).[43]

We need labor the matter no further. It appears to us that the rule suggested here and adopted by the Court of Appeals would make major inroads on a policy matter that Congress has reserved for itself. Since the approach taken by Congress to this issue has been to carve out specific exceptions to a general rule that federal courts cannot award attorneys' fees beyond the limits of 28 U.S.C. § 1923, those courts are not free to fashion drastic new rules with respect to the allowance of attorneys' fees to the prevailing party in federal litigation or to pick and choose among plaintiffs and the statutes under which they sue and to award fees in some cases but not in others, depending upon the courts' assessment of the importance of the public policies involved in particular cases. Nor should the federal courts purport to adopt on their own initiative a rule awarding attorneys' fee based on the private attorney general approach when such judicial rule will operate only against private parties and not against the Government.[44]

We do not purport to assess the merits or demerits of the "American rule" with respect to the allowance of attorneys' fees. It has been criticized in recent years,[45] and courts have been urged to find exceptions to it.[46] It is also apparent from our national experience that the encouragement of private action to implement public policy has been viewed as desirable in a variety of circumstances. But the rule followed in our courts with respect to attorneys' fees has survived. It is deeply rooted in our history and in congressional policy; and it is not for us to invade the legislature's province by redistributing litigation costs in the manner suggested by respondents and followed by the Court of Appeals.[47]

The decision below must therefore be reversed.

So ordered.

Mr. Justice Douglas and Mr. Justice Powell took no part in the consideration or decision of this case.

FOOTNOTES

[1] For a discussion and chronology of the events surrounding this litigation, see Dominick & Brody, The Alaska Pipeline: *Wilderness Society* v. *Morton* and the Trans-Alaska Pipeline Authorization Act, 23 Am. U. L. Rev. 337 (1973).

[2] In 1968, Atlantic Richfield Co., Humble Oil & Refining Co., and British Petroleum Corp. formed the Trans-Alaska Pipeline System, and it was this entity which submitted the applications for the permits. Federal Task Force on Alaskan Oil Development: A Preliminary Report to the President, App., at 80; Dominick & Brody, *supra*, at 337–338, n. 3. In 1970, the Trans-Alaska Pipeline System was replaced by petitioner Alyeska. Alyeska's stock is owned by ARCO Pipeline Co., Inc., Sohio Pipeline Co., Humble Pipeline Co., Mobil Pipeline Co., Phillips Petroleum Co., Amerada Hess Corp., and Union Oil Co. of California. See *id.*, at 338 n. 3; App. 105.

[3] The application requested a primary right-of-way of 54 feet, an additional parallel, adjacent right-of-way for construction purposes of 46 feet, another right-of-way of 100 feet for a construction road between Prudhoe Bay on the North Slope to the town of Livengood, a distance slightly less than half the length of the proposed pipeline. See *Wilderness Society* v. *Morton*, 156 U.S. App. D. C. 121, 128, 479 F. 2d 842, 849 (1973).

[4] The amended application asked for a single 54-foot right-of-way, a special land use permit for an additional 11 feet on one side and 35 feet on the other side of the right-of-way, and another special land use permit for a space 200 feet in width between Prudhoe Bay and Livengood. 156 U.S. App. D. C., at 128–129; 479 F. 2d, at 849–850; App. 89–98.

[5] Section 28 provided in pertinent part:

"Rights-of-way through the public lands, including the forest reserves of the United States, may be granted by the Secretary of the Interior for pipeline purposes for the transportation of oil or natural gas to any applicant possessing the [prescribed] qualifications . . . to the extent of the ground occupied by the said pipe line and twenty-five feet on each side of the same under such regulations and conditions as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipe lines shall be constructed, operated, and maintained as common carriers and shall accept, convey, transport, or purchase without discrimination, oil or natural gas produced from Government lands in the vicinity of the pipe line in such proportionate amounts as the Secretary of the Interior may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable: . . . *Provided further*, That no right-of-way shall hereafter be granted over said lands for the transportation of oil or natural gas except under and subject to the provisions, limitations, and conditions of this section. Failure to comply with the provisions of this section or the regulations and conditions prescribed by the Secretary of the Interior shall be ground for forfeiture of the grant by the United States district court for the district in which the property, or some part thereof, is located in an appropriate proceeding."

[6] The Court of Appeals described the heart of respondents' NEPA contention to be that the Secretary did not adequately consider the alternative of a trans-Canada pipeline. 156 U.S. App. D.C., at 166–168; 479 F. 2d, at 887–889.

[7] The interventions occurred in September 1971, approximately 17 months after the District Court had granted the preliminary injunction preventing issuance of the right-of-way and permits by the Secretary.

[8] The Department of the Interior had released a draft impact statement in January 1971.

[9] The decision is not reported. See 156 U.S. App. D.C., at 130; 479 F. 2d, at 851.

[10] At the same time, the Court of Appeals upheld the grant of certain rights-of-way to the State of Alaska. 156 U.S. App. D.C., at 158–163; 479 F. 2d, at 879–884. It also considered a challenge to a special land use permit issued by the Forest Supervisor to Alyeska's predecessor, but did not find the issue ripe for adjudication. 156 U.S. App. D.C., at 163–166; 479 F. 2d, at 884–887.

[11] Pub. L. 93–153, Tit. I, § 101, 87 Stat. 576.

[12] Trans-Alaska Pipeline Authorization Act, Pub. L. 93–153, Tit. II, 87 Stat. 584.

[13] Respondents' bill of costs includes a total of 4,455 hours of attorneys' time spent on the litigation. App. 209–219.

[14] "[T]his litigation may well have provided substantial benefits to particular individuals and, indeed, to every citizen's interest in the proper functioning of our system of government. But imposing attorney's fees on Alyeska will not operate to spread the costs of litigation proportionately

among these beneficiaries. . . ." 161 U.S. App. D.C., at 449; 495 F. 2d, at 1029.

[15] See n. 40, *infra*.

[16] "In the circumstances of this case it would be inappropriate to tax fees against appelle State of Alaska. The State voluntarily participated in this suit, in effect to present to the court a different version of the public interest implications of the trans-Alaska pipeline. Taxing attorneys' fees against Alaska would in our view undermine rather than further the goal of ensuring adequate spokesmen for public interests." 161 U.S. App. D. C., at 456 n. 8; 495 F. 2d, at 1036 n. 8.

[17] The Court of Appeals also directed that "[t]he fee award need not be limited . . . to the amount actually paid or owed by [respondents]. It may well be that counsel serve organizations like [respondents] for compensation below that obtainable in the market because they believe the organizations further a public interest. Litigation of this sort should not have to rely on the charity of counsel any more than it should rely on the charity of parties volunteering to serve as private attorneys general. The attorneys who worked on this case should be reimbursed the reasonable value of their services, despite the absence of any obligation on the part of [respondents] to pay attorneys' fees." 161 U.S. App. D.C., at 457; 495 F. 2d, at 1037.

[18] "As early as 1278, the courts of England were authorized to award counsel fees to successful plaintiffs in litigation. Similarly, since 1607 English courts have been empowered to award counsel fees to defendants in all actions where such awards might be made to plaintiffs. Rules governing administration of these and related provisions have developed over the years. It is now customary in England, after litigation of substantive claims has terminated, to conduct separate hearings before special 'taxing Masters' in order to determine the appropriateness and the size of an award of counsel fees. To prevent the ancillary proceedings from becoming unduly protracted and burdensome, fees which may be included in an award are usually prescribed, even including the amounts that may be recovered for letters drafted on behalf of a client." *Fleischmann Distilling Corp.* v. *Maier Brewing Co.*, 386 U.S. 714, 717 (1967) (footnotes omitted). See generally Goodhart, Costs, 38 Yale L. J. 849 (1929); McCormick, Handbook on the Law of Damages, 234–236 (1935).

[19] The Federal Judiciary Act of September 24, 1789, 1 Stat. 73, c. 20, touched upon costs in §§ 9, 11, 12, 20, 21, 22, and 23, but as to counsel fees provided specifically only that the United States Attorney in each district "shall receive as a compensation for his services such fees as shall be taxed therefor in the respective courts before which the suits or prosecutions shall be." *Id.*, at 92–93, § 35. Five days later, however, Congress enacted legislation regulating federal court processes which provided:

"That until further provision shall be made, and except where by this act or other statutes of the United States is otherwise provided . . . rates of fees, except fees to judges, in the circuit and district courts, in suits at common law, shall be the same in each state respectively as are now used or allowed in the supreme courts of the same. And . . . [in causes of equity and of admiralty and maritime jurisdiction] the rates of fees [shall be] the same as are or were last allowed by the states respectively in the court exercising supreme jurisdiction in such causes." *Id.*, at 93–94, c. 21, § 2.

That legislation was to be in effect only until the end of the next congressional session, *id.*, at 94, § 3, but it was extended twice. See *id.*, at 123, c. 13 (May 26, 1970); *id.*, at 191, c. 8 (February 18, 1791). It was repealed, however, by legislation enacted on May 8, 1792. *Id.*, at 278, c. 36, § 8.

Prior to the time of that repeal, other legislation had been passed providing for additional compensation fcr United States Attorneys to cover traveling expenses. *Id.*, at 216–217, c. 22, § 1 (March 3, 1791). That legislation was also repealed by the Act of May 8, 1792, *supra*. The latter enactment substituted a new provision for the compensation of United States Attorneys; they would be entitled to "such fees in each state respectively as are allowed in the supreme courts of the same . . ." plus certain travelling expenses. *Id.*, at 277, c. 36, § 3. That provision was repealed on February 28, 1799. *It.*, at 626, c. 19, § 9. That same statute provided new, specific rates of compensation for United States district attorneys. See *id.*, at 625–626, § 4. See also *id.*, 5.

On March 1, 1793, Congress enacted a general provision governing the awarding of costs to prevailing parties in federal courts:

"That there be allowed and taxed in the supreme, circuit and district courts of the United States, in favour of the parties obtaining judgments therein, such compensation for their travel and attendance, and for attornies and counsellors' fees, except in the district courts in cases of admiralty and maritime jurisdiction, as are allowed in the supreme or superior courts of the respective states." *Id.*, at 333, c. 20, § 4.

This provision was to be in force for one year and then to the end of the next session of Congress, *id.*, § 5, but it was continued in effect in 1795, *id.*, at 419, c. 28 (February 25, 1795), and again in 1796, *id.*, at 451–452 *c.* 11 (March 31, 1796), for a period of two years and then until the end of the next session of Congress; at that point, it expired.

After 1799 and until 1853, no other congressional legislation dealt with the awarding of attorneys' fees in federal courts except for the Act of 1842, n. 23, *infra*, which gave this Court authority to prescribe taxable attorneys' fees, and for legislation dealing with the compensation for United States district attorneys. See 5 Stat. 427–428, c. 35 (1841), and *id.*, at 483–484, c. 29 (1842). See the summary of the legislation dealing with costs throughout this period in Law, The Jurisdiction and Powers of the United States Courts 255–282 (1852).

[20] By the legislation of September 29, 1789, the federal courts were to follow the state practice with respect to rates of fees under admiralty and maritime jurisdiction. See n. 19, *supra*. The Act of March 1, 1793, 1 Stat. 332, c. 20, § 1, established set fees for attorneys in the district courts in admiralty and maritime proceedings. As with § 4 of that Act, n. 19, *supra*, this provision had expired by the end of the century. See *The Baltimore*, 8 Wall. 377, 390–392 (1869).

[21] The circuit court had allowed $1,600 in counsel fees under its estimate of damages and $28.89 as costs. Record in *Arcambel*, at 56.

[22] See 2 Street, Federal Equity Practice § 1986 (1909), at 1188–1189; Law, *supra*, at 279; Costs in Civil Cases, 30 Fed. Cases 1058 (Circ. Court SDNY 1852) (No. 18,284).

[23] "That, for the purposes of further diminishing the costs and expenses in suits and proceedings in the said courts, the Supreme Court shall have full power and authority, from time to time, to make and prescribe regulations to the said district and circuit courts, as to the taxation and payment of costs in all suits and proceedings therein; and to make and prescribe a table of the various items of costs which shall be taxable and allowed in all suits, to the parties, their attorneys, solicitors, and proctors, to the clerk of the court, to the marshall of the district, and his deputies, and other officers serving process, to witnesses, and to all other persons whose services are usually taxable in bills of costs. And the items so stated in the said table, and none others, shall be taxable or allowed in bills of costs; and they shall be fixed as low as they reasonably can be, with a due regard to the nature of the duties and services which shall be performed by the various officers and persons aforesaid, and shall in no case exceed the costs and expenses now authorized, where the same are provided for by existing laws." 5 Stat. 518, c. 188, § 7 (August 23, 1842).

The brief legislative history of this section indicates that, as its own language states, its purpose was to reduce fee-bills in federal courts. 11 Cong. Globe, 27th Cong., 2d Sess., 723 (July 6, 1842) (remarks of Sen. Berrien). One of its opponents, Sen. Buchanan, said the following:

"If Congress conforms the fee-bills of the courts over which it has control, to the fee-bills of the State courts, that is all that can be expected of it . . . . But the great and main objection was, its transfer of the legislative power of Congress to the Supreme Court." *Ibid.*

[24] See the remarks of Sen. Bradbury, 27 Cong. Globe App., 32d Cong., 2d Sess., 207 (February 12, 1853):

"There is now no uniform rule either for compensating the ministerial officers of the courts, or for the regulation of the costs in actions between private suitors. One system prevails in one district, and a totally different one in another; and in some cases it would be difficult to ascertain that any attention had been paid to any law whatever designed to regulate such proceedings. . . . It will hence be seen that the compensation of the officers, and the costs taxed in civil suits, is made to depend in a great degree on that allowed in the State courts. There are no two States where the allowance is the same.

"When this system was adopted, it had the semblance of equality, which does not now exist. There were then but sixteen States, in all of which the laws prescribed certain taxable costs to attorneys for the prosecution and defense of suits. In several of the States which have since been added to the Union, no such cost is allowed; and in others the amount is inconsiderable. As the State fee bills are made so far the rule of compensation in the Federal courts, the Senate will perceive that totally different systems of taxation prevail in the different districts. . . . It is not only the officers of the courts, but the suitors also, that are affected by the present unequal, extravagant, and often oppressive system.

"The abuses that have grown up in the taxation of attorneys' fees which the losing party has been compelled to pay in civil suits, have been a matter of serious complaint. The papers before the committee show that in some cases those costs have been swelled to an amount exceedingly oppressive to suitors, and altogether disproportionate to the magnitude and importance of the causes in which they are taxed, or the labor bestowed . . .

"It is to correct the evils and remedy the defects of the present system, that the bill has been prepared and passed by the House of Representatives. It attempts to simplify the taxation of fees, by prescribing a limited number of definite items to be allowed. . . ." See also H. R. Rep. No. 50, 32d Cong., 1st Sess. (1852), 2 Street, *supra*, § 1987, at 1189.

[25] "*Fees of Attorneys, Solicitors, and Proctors.* In a trial before a jury, in civil and criminal causes, or before referees, or on a final hearing in equity or admiralty, a docket fee of twenty dollars: *Provided*, That in cases in admiralty and maritime jurisdiction, where the libellant shall recover less than fifty dollars, the docket fee of his proctor shall be but ten dollars.

"In cases at law, where judgment is rendered without a jury, ten dollars, and five dollars where a cause is discontinued.

"For scire facias and other proceedings on recognizances, five dollars.

"For each deposition taken and admitted

as evidence in the cause, two dollars and fifty cents.

"A compensation of five dollars shall be allowed for the services rendered in cases removed from a district to a circuit court by writ of error or appeal. . . ." 10 Stat. 161–162.

[26] "The following and no other compensation shall be taxed and allowed to attorneys, solicitors, and proctors in the courts of the United States, to district attorneys, clerks of the circuit and district courts, marshals, commissioners, witnesses, jurors, and printers in the several States and Territories, except in cases otherwise expressly provided by law. But nothing herein shall be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their clients, other than the Government, such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties." Rev. Stat. § 823. For the schedule of fees, see § 824. The schedule remained the same as the one in the 1853 Act, n. 25, *supra*.

[27] Rev. Stat. §§ 823 and 824 were not repealed by the Judicial Code of 1911 and hence were to "remain in force with the same effect and to the same extent as if this Act had not been passed." 36 Stat. 1168–1169, § 297. When the Judicial Code was included under Title 28 of the United States Code in 1926, these sections appeared as §§ 571 and 572 with but minor changes in wording, including the deletion from the latter section of the compensation for services rendered in a case which went to the circuit court on appeal or writ of error.

[28] "A judge or clerk of any court of the United States may tax as costs the following:

* * * * *

"(5) Docket fees under section 1923 of this title.

* * * * *

[29] "(a) Attorney's and proctor's docket fees in courts of the United States may be taxed as costs as follows:

"$20 on trial or final hearing in civil, criminal or admiralty cases, except that in cases of admiralty and maritime jurisdiction where the libellant recovers less than $50 the proctor's docket fee shall be $10;

"$20 in admiralty appeals involving not over $1,000;

"$50 in admiralty appeals involving not over $5,000;

"$100 in admiralty appeals involving more than $5,000;

"$5 on discontinuance of a civil action;

"$5 on motion for judgment and other proceedings on recognizances;

"2.50 for each deposition admitted in evidence."

The 1948 Code does not contain the language used in the 1853 Act and carried on for nearly 100 years that the fees prescribed by the statute "and no other compensation shall be taxed and allowed," but nothing in the 1948 Code indicates a congressional intention to depart from that rule. The Reviser's Note to the new § 1923 states only that the "[s]ection consolidates sections 571, 572, and 578 of title 28 U. S. C., 1940 ed." H. R. Rep. No. 308, 80th Cong., 1st Sess., Appendix, at A163 (1947). Section 571 was the provision limiting awards to the fees prescribed by § 572. See n. 27, *supra*. Our conclusion that the 1948 Code did not change the longstanding rule limiting awards of attorneys' fees to the statutorily provided amounts is consistent with our established view that "the function of the Revisers of the 1948 Code was generally limited to that of consolidation and codification. Consequently, a well-established principle governing the interpretation of provisions altered in the 1948 revision is that 'no change is to be presumed unless clearly expressed.'" *Tidewater Oil Co.* v. *United States*, 409 U.S. 151, 162 (1972) (footnote omitted). As Mr. Justice Marshall noted for the Court in *Tidewater, supra*, at 162 n. 29, the Senate Report covering the new Code observed that "great care has been exercised to make no changes in the existing law which would not meet with substantially unanimous approval." S. Rep. No. 1559, 80th Cong., 2d Sess., 2 (1948).

The Reviser's Note to § 1920 explains the shift from the mandatory "shall be taxed" to the discretionary "may be taxed" as made "in view of Rule 54(d) of the Federal Rules of Civil Procedure, providing for allowance of costs to the prevailing party as of course 'unless the court otherwise directs.'" H. R. No. 308, *supra*, at A162.

[30] Mr. Justice Bradley, writing for the Court in *Greenough*, said the following of the 1853 Act:

"The fee-bill is intended to regulate only those fees and costs which are strictly chargeable as between party and party, and not to regulate the fees of counsel and other expenses and charges as between solicitor and client, nor the power of a court of equity, in cases of administration of funds under its control, to make such allowance to the parties out of the fund as justice and equity may require. The fee-bill itself expressly provides that it shall not be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their clients (other than the government) such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties. Act of Feb. 26, 1853, c. 80, 10 Stat. 161; Rev. Stat., sect. 823. And the act contains nothing which can be fairly construed to deprive the Court of Chancery of its long-established control over the costs and charges of the litigation, to be exercised as equity and justice may require, including proper allowances to those who have instituted proceedings for the benefit of a general fund." 105 U.S., at 535–536.

Sprague v. *Ticonic National Bank*, 307 U.S. 161, 165 n. 2 (1939), might be read as suggesting that the Court in *Greenough* said that a federal court could tax against the losing party "solicitor and client" costs in excess of the amounts prescribed by the 1853 Act. But any such suggestion is without support either in the opinion in *Greenough*, which was limited to a common-fund rationale, or in the express terms of the statute. Those costs were simply left unregulated by the federal statute; it did not permit taxing the "client-solicitor" costs againt the client's adversary. See *The Baltimore, supra; Flanders* v. *Tweed, supra*; 1 Foster, Federal Practice §§ 328–330 (1901); Conkling, The Organization, Jurisdiction and Practice of the Courts of the United States, 456–457 (1870); Boyce, A Manual of the Practice in the Circuit Courts 72 (1869). Cf. *United States* v. *One Package of Ready-Made Clothing*, 27 Fed. Cases 310, 312 (SDNY 1853) (No. 15,950). Mr. Justice Marshall's reliance upon *Sprague* for the proposition that "client-solicitor" costs could be taxed against the client's opponent, see *post*, at 7–8, is thus misplaced and conflicts with any fair reading of *Greenough, supra*, and the 1853 Act.

[31] A very different situation is presented when a federal court sits in a diversity case. "[I]n an ordinary diversity case where the state law does not run counter to a valid federal staute or rule of court, and usually it will not, state law denying the right to attorney's fees or giving a right thereto, which reflects a substantial policy of the state, should be followed." 6 J. Moore, Federal Practice ¶ 54.77 [2] (1974 ed.), at 1712–1713 (footnotes omitted). See also 2 Speiser, Attorneys' Fees §§ 14:3, 14:4 (1973); Annotation, Prevailing Party's Right to Recover Counsel Fees in Federal Courts, 8 L. Ed. 2d 894, 900–901. Prior to the decision in *Erie R. Co.* v. *Tompkins*, 304 U.S. 64 (1933), this Court held that a state statute requiring an award of attorneys' fees should be applied in a case removed from the state courts to the federal courts: "[I]t is clear that it is the policy of the state to allow plaintiffs to recover an attorney's fee in certain cases, and it has made that policy effective by making the allowance of the fee mandatory on its courts in those cases. It would be at least anomalous if this policy could be thwarted and the right so plainly given destroyed by removal of the cause to the federal courts." *People of Sioux County* v. *National Surety Co.*, 276 U.S. 238, 243 (1928). The limitations on the awards of attorneys' fees by federal courts deriving from the 1853 Act were found not to bar the award. *Id.*, at 243–244. We see nothing after *Erie* requiring a departure from this result. See *Hanna* v. *Plumer*, 380 U.S. 460 467–468 (1965). The same would clearly hold for a judicially created rule, although the question of the proper rule to govern in awarding attorneys' fees in federal diversity cases in the absence of State statutory authorization loses much of its practical significance in light of the fact that most States follow the restrictive American rule. See 1 Speiser, *supra*, §§ 12:3, 12:4.

[32] See nn. 26–29, *supra*.

[33] See Amendments to Freedom of Information Act, Pub. L. 93–502, 88 Stat. 1561, § (b) (2) (Nov. 21, 1974) (amending 5 U.S.C. § 552(a)); Packers and Stockyards Act 7 U.S.C. § 210(f); Perishable Agricultural Commodities Act 7 U.S.C. § 499g(b); Bankruptcy Act, 11 U.S.C. §§ 104(a) (1), 641, 642, 643, 644; Clayton Act, 15 U.S.C. § 15; Unfair Competition Act, 15 U.S.C. § 72; Securities Act of 1933, 15 U.S.C. § 77wkw(e); Trust Indenture Act, 15 U.S.C. § 77www(a); Securities Exchange Act of 1934, 15 U.S.C. §§ 78l(e), 78r(a); Truth-in-Lending Act, 15 U.S.C. § 1640(a); Copyright Act, 17 U.S.C. § 116; Organized Crime Control Act of 1970, 18 U.S.C. § 1964(c); Education Amendments of 1972, 20 U.S.C. § 1617; Norris-La-Guardia Act, 29 U.S.C. § 107(e); Fair Labor Standards Act, 29 U.S.C. § 216(b); Longshoremen's and Harbor Workers' Compensation Act, 33 U.S.C. § 928; Water Pollution Prevention and Control Act, 33 U.S.C. § 1365(d); Ocean Dumping Act, 33 U.S.C. § 1365(d); 35 U.S.C. § 285 (patent infringement); Servicemen's Readjustment Act, 38 U.S.C. § 1822 (b); Clean Air Amendments of 1970, 42 U.S.C. § 1857h–2(d); Civil Rights Act of 1964, Tit. II, 42 U.S.C. § 2000a–3(b); Tit. VII, 42 U.S.C. § 2000e–5(k); Fair Housing Act of 1968, 42 U.S.C. § 3612(c); Noise Control Act of 1972, 42 U.S.C. § 4911(d); Railway Labor Act, 45 U.S.C. § 153(p); The Merchant Marine Act of 1936, 46 U.S.C. § 1227; Communications Act of 1934, 47 U.S.C. § 206; Interstate Commerce Act, 49 U.S.C. §§ 8, 16(2), 908(b); Housing and Rent Act, 50 U.S.C. App. § 1895 (a), (b); Defense Production Act, 50 U.S.C. § 2109(c); Rule 37 (a), (c), F. R. Civ. Proc. See generally 1 Speiser, *supra*, §§ 12:61–12:71; Annotation, *supra*, 8 L. Ed. 2d, at 922–942.

[34] "Any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor . . . and *shall recover* threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee." 15 U.S.C. § 15 (emphasis added).

Other statutes which are mandatory in terms of awarding attorneys' fees include the Fair Labor Standards Act, 29 U.S.C. § 216 (b); the Truth-in-Lending Act, 15 U.S.C. § 1640(a); and the Merchant Marine Act of 1936, 46 U.S.C. § 1227.

[35] "In any action commenced pursuant to this subchapter, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs, and the United States

shall be liable for costs the same as a private person."

Other statutory examples of discretion in awarding attorneys' fees are the Securities Act of 1933, 15 U.S.C. § 77k(e); the Trust Indenture Act, 15 U.S.C. § 77www(a); the Securities Exchange Act of 1934, 15 U.S.C. §§ 77i(e) 78r(a); the Civil Rights Act of 1964, Tit. VII, 42 U.S.C.§ 2000e–5(k); the Clean Air Amendments of 1970, 42 U.S.C. § 1857h–2(d); the Noise Control Act of 1972, 42 U.S.C. § 4911(d).

[36] Quite apart from the specific authorizations of fee-shifting in particular statutes, Congress has recently confronted the question of the general availability of legal services to persons economically unable to retain a private attorney. See the Legal Services Corporation Act of 1974, Pub. L. 93–355, 42 U.S.C. § 2996 *et seq.*, 88 Stat. 378 (July 25, 1974). Section 1006(f), 42 U.S.C. § 2996e(f), addresses one type of fee-shifting:

"If an action is commenced by the Corporation or by a recipient and a final order is entered in favor of the defendant and against the Corporation or a recipient's plaintiff, the court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipient's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability. Any such costs and fees shall be directly paid by the Corporation."

On the other hand, remarks made during the debates on this legislation indicate that there was no intent to restrict the plaintiff's recovery of attorneys' fees in actions commenced by the Corporation or its recipient where under the circumstances other plaintiffs would be awarded such fees. 8 Cong. Rec., 93d Cong., 2d Sess., H3956 (May 16, 1974) (Rep. Meeds); H3963 (May 16, 1974) (Rep. Steiger); 13 Cong. Rec., 93d Cong., 2d Sess., S12934 (July 18, 1974) (Sen. Cranston); S12950 (July 18, 1974) (Sen. Mondale); S12953 (July 18, 1974) (Sen. Kennedy). Thus, if other plaintiffs might recover on the private attorney general theory, so might the Corporation. Congress itself, of course, has provided for counsel fees under various statutes on a private attorney general basis; and we find nothing in these remarks indicating any congressional approval of judicially created private attorney general fee awards.

[37] Congress in its specific statutory authorizations of fee-shifting has in some instances provided that either party could be given such an award depending upon the outcome of the litigation and the court's discretion, see, *e.g.*, 35 U.S.C. § 285 (patent infringement); Civil Rights Act of 1964, 42 U.S.C. §§ 2000a–3 (b), 2000e–5 (k), while in others it has specified that only one of the litigants can be awarded fees. See, *e.g.*, the antitrust laws, 15 U.S.C. § 15; Fair Labor Standards Act, 29 U.S.C. § 216(b).

[38] Congress has specifically provided in the statutes allowing awards of fees whether such awards are mandatory under particular conditions or whether the court's discretion governs. See nn. 34 and 35, *supra*.

[39] Mr. Justice Marshall, *post*, after concluding that the federal courts have equitable power which can be used to create and implement a private attorney general rule, attempts to solve the problems of manageability which such a rule would necessarily raise. To do so, however, he emasculates the theory. Instead of a straightforward award of attorneys' fee to the winning plaintiff who undertakes to enforce statutes embodying important public policies, as the Court of Appeals proposed, Mr. Justice Marshall would tax attorneys' fees in favor of the private attorney general only when the award could be said to impose the burden on those who benefit from the enforcement of the law. The theory that he would adopt is not the private attorney general rule, but rather an expanded version of the common-fund approach to the awarding of attorneys' fees. When Congress has provided for allowance of attorneys' fees for the private attorney general, it has imposed no such common-fund conditions upon the award. The dissenting opinion not only errs in finding authority in the courts to award attorneys' fees, without legislative guidance, to those plaintiffs the courts are willing to recognize as private attorneys general, but also disserves that basis for fee-shifting by imposing a limiting condition characteristic of other justifications.

That condition ill suits litigation in which the purported benefits accrue to the general public. In this Court's common fund and common benefit decisions, the class of beneficiaries was small in number and easily identifiable. The benefits could be traced with some accuracy, and there was reason for confidence that the costs could indeed be shifted with some exactitude to those benefitting. In this case, however, sophisticated economic analysis would be required to gauge the extent to which the general public, the supposed beneficiary, as distinguished from selected elements of it, would bear the costs. The Court of Appeals, very familiar with the litigation and the parties after dealing with the merits of the suit, concluded that "imposing attorneys' fees on Alyeska will not operate to spread the costs of litigation proportionately among these beneficiaries. . . ." 161 U.S. App. D.C., at 449; 495 F. 2d, at 1029. Mr. Justice Marshall would apparently hold that factual assessment clearly wrong. See *post*, at 16–17.

If one accepts, as Mr. Justice Marshall appears to do, the limitations of 28 U.S.C. § 2412, which in the absence of authority under other statutes forbids an award of attorneys' fees against the United States or any agency or official of the United States, see nn. 40 and 42, *infra*, it becomes extremely difficult to predict when his version of the private attorney general basis for allowing fees would produce an award against a private party in litigation involving the enforcement of a federal statute such as that involved in this case—all in contrast to the typical result under those federal statutes which themselves provide for private actions and for an award of attorneys' fees to the successful private plaintiff as, for example, under the antitrust laws. There remains the private plaintiff whose suit to enforce federal or state law is pressed against defendants who include the State or one or more of its agencies or officers as, for instance, the typical suit under 42 U.S.C. § 1983. Even here Eleventh Amendment hurdles must be overcome, see n. 44, *infra;* and if they are not, there may be few remaining defendants who would satisfy the dissenting opinion's description of the litigant who may be saddled with his opponent's attorneys' fees.

We add that in the three-part test suggested by Mr. Justice Marshall, *post*, at 13–14, for administering a judicially created private attorney general rule, the only criterion which purports to enable a court to determine which statutes should be enforced by application of the rule is the first: "the important right being protected is one actually or necessarily shared by the general public or some class thereof. . . ." Absent some judicially manageable standard for gauging "importance," that criterion would apply to all substantive congressional legislation providing for rights and duties generally applicable, that is, to virtually all congressional output. That result would solve the problem of courts selectively applying the rule in accordance with their own particular substantive-law preferences and priorities, but its breadth requires more justification than Mr. Justice Marshall provides by citing this Court's common fund and common benefit cases.

Mr. Justice Marshall's application of his suggested rule to this case, however, demonstrates the problems raised by courts generally assaying the public benefits which particular litigation has produced. The conclusion of the dissenting opinion is that "[t]here is hardly room for doubt . . ." that respondents' litigation has protected an "important right . . . actually or necessarily shared by the general public or some class thereof. . . ." *Post*, at 14. Whether that conclusion is correct or not, it would appear at the very least that, as in any instance of conflicting public policy views, there is room for doubt on each side. The opinions below are evidence of that fact. See 495 F. 2d, at 1032–1036 (majority opinion); 1039–1041 (dissenting opinion of MacKinnon, J.); 1042–1044 (dissenting opinion of Wilkey, J.). It is that unavoidable doubt which calls for specific authority from Congress before courts apply a private attorney general rule in awarding attorneys' fees.

[40] "Except as otherwise specifically provided by statute, a judgment for costs, as enumerated in section 1920 of this title but not including the fees and expenses of attorneys may be awarded to the prevailing party in any civil action brought by or against the United States or any agency or official of the United States acting in his official capacity, in any court having jurisdiction of such action. A judgment for costs when taxed against the Government shall, in an amount established by statute or court rule or order, be limited to reimbursing in whole or in part the prevailing party for the costs incurred by him in the litigation. Payment of a judgment for costs shall be as provided in section 2414 and section 2517 of this title for the payment of judgments against the United States."

[41] See p. 6, *supra*.

[42] The Act of March 3, 1887, which provided for the bringing of suits against the United States, covered the awarding of costs against the Government in the following section:

"If the Government of the United States shall put in issue the right of the plaintiff to recover the court may, in its discretion, allow costs to the prevailing party from the time of joining such issue. Such costs, however, shall include only what is actually incurred for witnesses, and for summoning the same, and fees paid to the clerk of the court." 24 Stat. 508, § 15.

The same section was included in the Judicial Code of 1911. 36 Stat. 1138, § 152. In 1946, the Federal Tort Claims Act provided that "[c]osts shall be allowed in all courts to the successful claimant to the same extent as if the United States were a private litigant, except that such costs shall not include attorneys' fees." 60 Stat. 844, § 410 (a). The 1948 Code provided in 28 U. S. C. § 2412 (a) that "[t]he United States shall be liable for fees and costs only when such liability is expressly provided for by Act of Congress." 62 Stat. 973. The Reviser observed that § 2412 (a) "is new. It follows the well-known common-law rule that a sovereign is not liable for costs unless specific provision for such liability is made by law." Noting that many statutes exempt the United States from liability for fees and costs, the Reviser concluded that "[a] uniform rule, embodied in this section, will make such specific exceptions unnecessary." H.R. Rep. No. 308, 80th Cong., 1st Sess., Appendix, at A189 (1947). In 1966, § 2412 was amended to its present form. 80 Stat. 308. The Senate Report on the proposed bill stated that "[t]he costs referred to in the section do not include fees and expenses of attorneys." S. Rep. No. 1329, 89th Cong., 2d Sess., 3 (1966). See also H. R. Rep. No. 1535, 89th Cong., 2d Sess., 2, 3 (1966). The Attorney General, in transmitting the proposal for legislation which led to the amendment, said that "[t]he bill makes it clear that the fees and expenses of attorneys . . . may not be taxed against the United States." *Id.*, at 4. See *Pyramid Lake Paiute Tribe of Indians v. Morton*, — U. S. App. D. C. —, 499 F. 2d 1095 (1974), cert. denied, — U. S. — (1975).

Without departing from this pattern, the Federal Tort Claims Act of 1946 in addition limited the fees which courts could allow and which attorneys could charge their clients and provided that the fees were "to be paid out of but not in addition to the amount of judgment, award, or settlement recovered, to the attorneys representing the claimant." 60 Stat. 846, § 422. See also *id.*, at 844, § 410 (a) *supra*. Section 422 was maintained in the 1948 Code as 28 U. S. C. § 2678, and the percentage limitations were raised in 1966. 80 Stat. 307.

[43] See n. 35, *supra*. See also Amendments to Freedom of Information Act. Pub. L. 93-502, 88 Stat. 1561, § (b)(2) (Nov. 21, 1974) (amending 5 U. S. C. § 552(a)).

[44] Although an award against the United States is foreclosed by 28 U. S. C. § 2412 in the absence of other statutory authorization, an award against a state government would raise a question with respect to its permissibility under the Eleventh Amendment, a question on which the lower courts are divided. Compare *Souza* v. *Travisono*,—F. 2d—(CA1 1975); *Class* v. *Norton*, 505 F. 2d 123 (CA2 1974); *Jordan* v. *Fusari*, 496 F. 2d 646 (CA2 1974); *Gates* v. *Collier*, 489 F. 2d 298 (CA5 1973), petition for rehearing en banc granted, 500 F. 2d 1382 (CA5 1974); *Brandenburger* v. *Thompson*, 494 F. 2d 885 (CA9 1974); *Sims* v. *Amos*, 340 F. Supp. 691 (MD Ala.), aff'd summarily, 409 U.S. 942 (1972); with *Jordan* v. *Gilligan*, 500 F. 24 701 (CA6 1974); *Taylor* v. *Perini*, 503 F. 2d 899 (CA6 1974); *Named Individual Members* v. *Texas Highway Dept.*, 496 F. 2d 1017 (CA5 1974); *Skehan* v. *Board of Trustees of Bloomsberg State College*, 501 F. 2d 31 (CA3 1974). In this case, the Court of Appeals did not rely upon the Eleventh Amendment in declining to award fees against Alaska, see n. 16, *supra*, and therefore we have no occasion to address this question.

[45] See, *e. g.*, McLaughlin, The Recovery of Attorneys' Fees: A New Method of Financing Legal Services, 40 Ford L. Rev. 761 (1972); Ehrenzweig, Reimbursement of Counsel Fees and the Great Society, 54 Cal. L. Rev. 792 (1966); Stoebuck, Counsel Fees Included in Costs: A Logical Development, 38 U. Colo. L. Rev. 202 (1966); Kuenzel, The Attorney's Fee: Why Not a Cost of Litigation?, 49 Iowa L. Rev. 75 (1963); McCormick, Counsel Fees and Other Expenses of Litigation as an Element of Damages, 15 Minn. L. Rev. 619 (1931); Comment, Court Awarded Attorney's Fees and Equal Access to the Courts, 122 U. Pa. L. Rev. 636, 648-655 (1974); Note, Attorney's Fees: Where Shall the Ultimate Burden Lie?, 20 Vand. L. Rev. 1216 (1967). See also 1 Speiser, *supra*, § 12.8; Posner, An Economic Approach to Legal Procedure and Judicial Administration, 2 J. Legal Studies 399, 437-438 (1973).

[46] In recent years, some lower federal courts, erroneously, we think, have employed the private attorney general approach to award attorneys' fees. See, *e.g.*, *Souza* v. *Travisono*,— F. 2d—(CA1 1975); *Hoitt* v. *Vietk*, 495 F. 2d 219 (CA1 1974); *Knight* v. *Auciello*, 453 F. 2d 852 (CA1 1972); *Cornist* v. *Richland Parish School Board*, 495 F. 2d 189 (CA5 1974); *Fairley* v. *Patterson*, 493 F. 2d 598 (CA5 1974); *Cooper* v. *Allen*, 467 F. 2d 836 (CA5 1972); *Lee* v. *Southern Home Sites Corp.*, 444 F. 2d 143 (CA5 1971); *Taylor* v. *Perini*, 503 F. 2d 899 (CA6 1974); *Morales* v. *Haines*, 486 F. 2d 880 (CA7 1973); *Donahue* v. *Staunton*, 471 F. 2d 475 (CA7 1972), cert. denied, 410 U. S. 955 (1973); *Fowler* v. *Schwarzwalder*, 498 F. 2d 143 (CA8 1974); *Brandenburger* v. *Thompson*, 494 F. 2d 885 (CA9 1974); *La Raza Unida* v. *Volpe*, 57 F. R. D. 94 (ND Cal. 1972). The Court of Appeals for the Fourth Circuit has refused to adopt the private attorney general rule. *Bradley* v. *School Board of the City of Richmond*, 472 F. 2d 318, 327-331 (1972), vacated on other grounds, 416 U.S. 696 (1974). Cf. *Bridgeport Guardians, Inc.* v. *Members of Bridgeport Civil Service Commission*, 497 F. 2d 1113 (CA2 1974).

This Court's summary affirmance of the decision in *Sims* v. *Amos*, 340 F. Supp. 691 (MD Ala.), aff'd, 409 U.S. 942 (1972), cannot be taken as an acceptance of a judicially created private attorney general rule. The District Court in *Sims* indicated that there was an alternative ground available—the bad faith of the defendants—upon which to base the award of fees. 340 F. Supp., at 694. See also *Edelman* v. *Jordan*, 415 U. S. 651, 670-671 (1974).

[47] The Senate Subcommittee on Representation of Citizen Interests has recently conducted hearings on the general question of court awards of attorney's fees to prevailing parties in litigation and attempted "to ascertain whether 'fee-shifting' affords representation to otherwise unrepresented interests, whether some restriction or encouragement to the development is needed, and what place, if any, there is for legislation in this area." Hearings before the Subcom. on Representation of Citizen Interests of the Sen. Comm. on the Judiciary, 93d Cong., 1st Sess., First Session on the Effect of Legal Fees on the Adequacy of Representation, Part III, at 788 (October 4, 1973) (Sen. Tunney). As Mr. Justice Marshall said for the Court in *F. D. Rich Co.*, *supra*, with respect to fee-shifting under the Miller Act, 40 U.S.C. § 270a *et seq.*, "Congress is aware of the issue." 417 U.S., at 131 (footnote omitted). As in that case, "arguments for a further departure from the American Rule . . . are properly addressed to Congress." *Ibid.*

[Supreme Court of the United States,
No. 73-1977]

Alyeska Pipeline Service Company, Petitioner, versus The Wilderness Society et al.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

[May 12, 1975]

Mr. Justice Marshall, dissenting.

In reversing the award of attorneys' fees to the respondent environmentalist groups, the Court today disavows the well-established power of federal equity courts to award attorneys' fees when the interests of justice so require. While under the traditional American rule the courts ordinarily refrain from allowing attorneys' fees, we have recognized several judicial exceptions to that rule for classes of cases in which equity seemed to favor fee-shifting. See *Sprague* v. *Ticonic National Bank*, 307 U. S. 161 (1939); *Mills* v. *Electric Auto-Lite Co.*, 396 U. S. 375, 391-392 (1970); *Hall* v. *Cole*, 412 U. S. 1, 5, 9 (1973). By imposing an absolute bar on the use of the "private attorney general" rationale as a basis for awarding attorneys' fees, the Court today takes an extremely narrow view of the independent power of the courts in this area—a view that flies squarely in the face of our prior cases.

The Court relies primarily on the docketing fees and court costs statute, 28 U. S. C. § 1923, in concluding that the American rule is grounded in statute and that the courts may not award counsel fees unless they determine that Congress so intended. The various exceptions to the rule against fee-shifting that this Court has created in the past are explained as constructions of the fee statute, *Ante*, at 17. In addition, the Court notes that Congress has provided for attorneys' fees in a number of statutes, but made no such provision in others. It concludes from this selective treatment that where award of attorneys' fees is not expressly authorized, the courts should deny them as a matter of course. Finally, the Court suggests that the policy questions bearing on whether to grant attorneys' fees in a particular case are not ones that the judiciary is well equipped to handle, and that fee-shifting under the private attorney general rationale would quickly degenerate into an arbitrary and lawless process. Because the Court concludes that granting attorneys' fees to private attorneys general is beyond the equitable power of the federal courts, it does not reach the question whether an award would be proper against Alyeska in this case under the private attorney general rationale.

On my view of the case, both questions must be answered. I see no basis in precedent or policy for holding that the courts cannot award attorneys' fees where the interests of justice require recovery, simply because the claim does not fit comfortably within one of the previously sanctioned judicial exceptions to the American rule. The Court has not in the past regarded the award of attorneys' fees as a matter reserved for the legislature, and it has certainly not read the docketing fees statute as a general bar to judicial fee-shifting. The Court's concern with the difficulty of applying meaningful standards in awarding attorneys' fees to successful "public benefit" litigants is a legitimate one, but in my view it overstates the novelty of the "private attorney general" theory.

The guidelines developed in closely analogous statutory and nonstatutory attorneys' fee cases could readily be applied in cases such as the one at bar. I therefore disagree with the Court's flat rejection of the private attorney general rationale for fee-shifting. Moreover, in my view the equities in this case support an award of attorneys' fees against Alyeska. Accordingly, I must respectfully dissent.

I

a

Contrary to the suggestion in the Court's opinion, our cases unequivocally establish that granting or withholding attorneys' fees is not strictly a matter of statutory construction, but has an independent basis in the equitable powers of the courts. In *Sprague* v. *Ticonic National Bank*, *supra*, the lower courts had denied a request for attorneys' fees from the proceeds of certain bond sales, which, because of petitioners' success in the litigation, would accrue to the benefit of a number of other similarly situated persons. This Court reversed, holding that the allowance of attorneys' fees and costs beyond those included in the ordinary taxable costs recognized by statute was within the traditional equity jurisdiction of the federal courts. The Court regarded the equitable foundation of the power to allow fees to be beyond serious question:

> "Allowance of such costs in appropriate situations is part of the historic equity jurisdiction of the federal courts. . . . Plainly the foundation for the historic practice of granting reimbursement for the costs of litigation other than the conventional [statutory] taxable costs is part of the original authority of the chancellor to do equity in a particular situation." 307 U.S., at 164-167.[1]

In more recent cases, we have reiterated the same theme: while as a general rule attorneys' fees are not to be awarded to the successful litigant, the courts as well as the legislature may create exceptions to that rule. See *Mills* v. *Electric Auto-Lite Co.*, 396

Footnotes at end of article.

U.S., at 391–392; *Hall* v. *Cole*, 412 U.S., at 5. Under the judge-made exceptions, attorneys' fees have been assessed, without statutory authorization, for willful violation of a court order, *Toledo Scale Co.* v. *Computing Scale Co.*, 261 U.S. 399, 426–428 (1923); for bad faith or oppressive litigation practices, *Vaughn* v. *Atkinson*, 369 U.S. 527, 530–531 (1962); and where the successful litigants have created a common fund for recovery or extended a substantial benefit to a class, *Central Railroad & Banking Co.* v. *Pettus*, 113 U.S. 116 (1885); *Mills* v. *Electric Auto-Lite Co., supra.*[2] While the Court today acknowledges the continued vitality of these exceptions, it turns its back on the theory underlying them, and on the generous construction given to the "common benefit" exception in our recent cases.

In *Mills*, we found the absence of statutory authorization no barrier to extending the common benefit theory to include nonmonetary benefits as a basis for awarding fees in a stockholders' derivative suit. Discovering nothing in the applicable provisions of the Securities Exchange Act of 1934 to indicate that Congress intended "to circumscribe the courts' power to grant appropriate remedies," 396 U.S., at 391, we concluded that the District Court was free to determine whether special circumstances would justify an award of attorneys' fees and litigation costs in excess of the statutory allotment. Because the petitioners' lawsuit presumably accrued to the benefit of the corporation and the other shareholders, and because permitting the others to benefit from the petitioners' efforts without contributing to the costs of the litigation would result in a form of unjust enrichment, the Court held that the petitioners should be given an attorneys' fee award assessed against the respondent corporation.

We acknowledged in *Mills* that the "common fund" exception to the American rule had undergone considerable expansion since its earliest applications in cases in which the court simply ordered contribution to the litigation costs from a common fund produced for the benefit of a number of nonparty beneficiaries. The doctrine could apply, the Court wrote, where there was no fund at all, 396 U. S., at 392, but simply a benefit of some sort conferred on the class from which contribution is sought. *Id.*, at 393–394. As long as the court has jurisdiction over an entity through which the contribution can be effected, it is the fairer course to relieve the plaintiff of exclusive responsibility for the burden. Finally, we noted that even where it is impossible to assign monetary value to the benefit conferred, "the stress placed by Congress on the importance of fair and informed corporate suffrage leads to the conclusion that, in vindicating the statutory policy, petitioners have rendered a substantial service to the corporation and its shareholders." *Id.*, at 396. The benefit that we discerned in *Mills* went beyond simple monetary relief: it included the benefit to the shareholders of having available to them "an important means of enforcement of the proxy statute." *Ibid.*

Only two years ago, in a member's suit against his union under the "free speech" provisions of the Labor-Management Reporting and Disclosure Act, we held that it was within the equitable power of the federal courts to grant attorneys' fees against the union, since the plaintiff had conferred a substantial benefit on all the members of the union by vindicating their free speech interests. *Hall* v. *Cole, supra*. Because a court-ordered award of attorneys' fees in a suit under the free speech provision of the LMRDA promoted Congress' intention to afford meaningful protection for the rights of employees and the public generally, and because without provision of attorneys' fees an aggrieved union member would be unlikely to be able to finance the necessary litigation, 412 U. S., at 13, the Court held that the allowance of counsel fees was "consistent with both the [LMRDA] and the historic equity power of the federal courts to grant such relief in the interests of justice." *Ibid.*

In my view, these cases simply cannot be squared with the majority's suggestion that the availability of attorneys' fees is entirely a matter of statutory authority. The cases plainly establish an independent basis for equity courts to grant attorneys' fees under several rather generous rubrics. The Court acknowledges as much when it says that we have independent authority to award fees in cases of bad faith or as a means of taxing costs to special beneficiaries. But I am at a loss to understand how it can also say that this independent judicial power succumbs to Procrustean statutory restrictions—indeed, to statutory silence—as soon as the far from bright line between "common benefit" and "public benefit" is crossed. I can only conclude that the Court is willing to tolerate the "equitable" exceptions to its analysis not because they can be squared with it but because they are by now too well established to be casually dispensed with.

b

The tension between today's opinion and the less rigid treatment of attorneys' fees in the past is reflected particularly in the Court's analysis of the docketing fees statute, 28 U.S.C. § 1923, as a general statutory embodiment of the American rule. While the Court has held in the past that Congress can restrict the availability of attorneys' fees under a particular statute either expressly or by implication,[3] see *Fleischmann Distilling Corp.* v. *Maier Brewing Co.*, 386 U.S. 714 (1967), it has refused to construe § 1923 as a plenary restraint on attorneys' fee awards.

Starting with the early "common fund" cases, the Court has consistently read the "fee bill" statute of 1853 narrowly when that Act has been interposed as a restriction on the Court's equitable powers to award attorneys' fees. In *Trustees* v. *Greenough*, 105 U.S. 527 (1881), the Court held that the statute imposed no bar to an award of attorneys' fees from the fund collected as a result of the plaintiff's efforts, since the fee bill statute addressed "only those fees and costs which are strictly chargeable as between party and party, and [did not] regulate the fees of counsel and other expenses and charges as between solicitor and client. . . . And the Act contains nothing which can be fairly construed to deprive the Court of Chancery of its long-established control over the costs and charges of the litigation to be exercised as equity and justice may require. . . ." *Id.*, at 535–536.

In *Sprague, supra*, the Court again applied this distinction in recognizing "the power of federal courts in equity suits to allow counsel fees and other expenses entailed by the litigation not included in the ordinary taxable costs recognized by statute." 307 U.S., at 164. The Court there identified the costs "between party and party" as the sole target of the 1853 Act and its successors. The award of attorneys' fees beyond the limited ordinary taxable cost, the Court termed costs "as between solicitor and client"; it held that these expenses, which could be assessed to the extent that fairness to the other party would permit, were not subject to the restrictions of the fee statute. *Id.*, at 166 and n. 2. Whether this award was collected out of a fund in the court or through an assessment against the losing party in the litigation was not deemed controlling. *Id.*, at 166–167; *Mills, supra*, at 392–394.

More recently, the Court gave its formal sanction to the line of lower court cases holding that the fee statute imposed no restriction on the equity court's power to include attorneys' fees in the plaintiff's award when the defendant has unjustifiably put the plaintiff to the expense of litigation in order to obtain a benefit to which the latter was plainly entitled. *Vaughn* v. *Atkinson*, 369 U.S. 527 (1962). Distinguishing *The Baltimore*, 8 Wall. 377 (1872), a case upon which the Court today heavily relies, the Court in *Vaughn* noted that the question was not one of "costs" in the statutory sense, since the attorneys' fee award was legitimately included as a part of the primary relief to which the plaintiff was entitled, rather than an ancillary adjustment of litigation expenses.[4]

Finally, in *Fleischman Distilling Corp.* v. *Maier Brewing Co.*, 386 U.S. 714 (1967), the Court undertook a comprehensive review of the assessment of attorneys' fees in federal court actions. While noting that nonstatutory exceptions to the American rule had been sanctioned "when overriding considerations of justice seemed to compel such a result," 386 U.S., at 718, the Court held that the meticulous provision of remedies available under the Lanham Act and the history of unsuccessful attempts to include an attorneys' fee provision in the Act precluded the Court's implying a right to attorneys' fees in trademark actions. The Court did not, however, purport to find a statutory basis for the American rule, and in fact it treated § 1923 as a "general exception" to the American rule, not its statutory embodiment. *Id.*, at 718 n. 11.

My brother White concedes that the language of the 1853 statute indicating that the awards provided therein were exclusive of any other compensation is no longer a part of the fee statute. But we are told that the fee statute should be read as if that language were still in the Act, since there is no indication in the legislative history of the 1948 revision of the Judicial Code that the revisors intended to alter the meaning of § 1923. Yet even if that language were still in the Act, I should think that the construction of the Act in the cases creating judicial exceptions to the American rule would suffice to dispose of the Court's argument. Since that language is no longer a part of the fee statute, it seems even less reasonable to read the fee statute as an uncompromising bar to equitable fee awards.

Nor can any support fairly be drawn from Congress' failure to provide expressly for attorneys' fees in either the National Environmental Policy Act or the Mineral Leasing Act, while it has provided for fee awards under other statutes. Confronted with the more forceful argument that other sections of the *same* statute included express provisions for recovery of attorneys' fees, we twice held that specific remedy provisions in some sections should not be interpreted as evidencing congressional intent to deny the courts the power to award counsel fees in actions brought under other sections of that act that do not mention attorneys' fees. *Hall* v. *Cole, supra*, 412 U.S., at 11; *Mills* v. *Electric Auto-Lite Co., supra*, 396 U.S., at 390–391. Indeed, the *Mills* Court interpreted congressional silence not as a prohibition, but as authorization for the Court to decide the attorneys' fees issue in the exercise of its coordinate, equitable power. 396 U.S., at 391.

In rejecting the argument from congressional silence in *Mills* and *Hall*, the Court relied on the established rule that implied restrictions on the power to do equity are disfavored. *Hecht* v. *Bowles*, 321 U.S. 321, 329 (1944).[5] The same principle applies, *a fortiori*, to this case, where the implication must be drawn from the presence of attorneys' fees provisions in other, unrelated pieces of legislation.[6]

In sum, the Court's primary contention—that Congress enjoys hegemony over fee-shifting because of the docketing fee statute and the occasional express provisions for at-

---

Footnotes at end of article.

torneys' fees—will not withstand even the most casual reading of the precedents. The Court's recognition of the several judge-made exceptions to the American rule demonstrates the inadequacy of its analysis. Whatever the Court's view of the wisdom of fee-shifting in "public benefit" cases in general, I think that it is a serious misstep for it to abdicate equitable authority in this area in the name of statutory construction.

II

The statutory analysis aside, the Court points to the difficulties in formulating a "private attorney general" exception that will not swallow the American rule. I do not find the problem as vexing as the majority does. In fact, the guidelines to the proper application of the private attorney general rationale have been suggested in several of our recent cases, both under statutory attorneys' fee provisions and under the common benefit exception.

In *Newman* v. *Piggie Park Enterprises, Inc.*, 390 U.S. 400 (1968), we held that successful plaintiffs who sue under the discretionary fee award provision of Title II of the Civil Rights Act of 1964 are entitled to the recovery of fees "unless special circumstances render such an award unjust." *Id.*, at 402. The Court reasoned that if Congress had intended to authorize fees only on the basis of bad faith, no new legislation would have been required in view of the long history of the bad-faith exception. *Id.*, at 402 n. 4. The Court's decision in *Newman* stands on the necessity of fee-shifting to permit meaningful private enforcement of protected rights with a significant public impact. The Court noted that Title II did not provide for a monetary award, but only equitable relief. Absent a fee-shifting provision, litigants would be required to suffer financial loss in order to vindicate a policy "that Congress considered of the highest priority." *Id.*, at 402. Accordingly, the Court read the attorneys' fee provision in Title II generously, since if "successful plaintiffs were routinely forced to bear their own attorneys' fees, few aggrieved parties would be in a position to advance the public interest by invoking the injunctive powers of the federal courts." *Ibid.*

Analyzing the attorneys' fee provision in § 718 of the Education Amendments Act of 1972, the Court in *Bradley* v. *School Board of the City of Richmond*, 416 U.S. 696, 718 (1974), made a similar point. There the School Board, a publicly funded governmental entity, had been engaged in litigation with parents of school-children in the district. The Court observed that the two parties had vastly disparate resources for litigation, and that the plaintiffs had "rendered substantial service both to the Board itself, by bringing it into compliance with its constitutional mandate, and to the community at large by securing for it the benefits assumed to flow from a nondiscriminatory system." *Id.*, at 718.

Although the analysis in *Newman* was directed at construing the statutory fees provision and the analysis in *Bradley* went to the question of whether the fees provision should be applied to services rendered before its enactment, the arguments in those cases for reading the attorneys' fee provisions broadly is quite applicable to nonstatutory cases as well.

Indeed, we have already recognized several of the same factors in the recent common benefit cases. In *Mills*, we emphasized the benefit to the class of shareholders of having a meaningful remedy for corporate misconduct through private enforcement of the proxy regulations. Since the beneficiaries could fairly be taxed for this benefit, we held that the fee award should be made available. Similarly, in *Hall*, we pointed to the imbalance between the litigating power of the union and one of its members: in order to ensure that the right in question could be enforced, we held that attorneys' fees should be provided in appropriate cases. Additionally, we noted that the enforcement of the rights in question would accrue to the special benefit of the other union members, which justified assessing the attorneys' fees against the treasury of the defendant union.

From these cases and others, it is possible to discern with some confidence the factors that should guide an equity court in determining whether an award of attorneys' fees is appropriate.[7] The reasonable cost of the plaintiff's representation should be placed upon the defendant if (1) the important right being protected is one actually or necessarily shared by the general public or some class thereof; (2) the plaintiff's pecuniary interest in the outcome, if any, would not normally justify incurring the cost of counsel; and (3) shifting that cost to the defendant would effectively place it on a class that benefits from the litigation.

There is hardly room for doubt that the first of these criteria is met in the present case. Significant public benefits are derived from citizen litigation to vindicate expressions of congressional or constitutional policy. See *Newman* v. *Piggie Park Enterprises, supra*. As a result of this litigation, respondents forced Congress to revise the Mineral Leasing Act of 1920 rather than permit its continued evasion. See Pub. L. 93–153, 93d Cong., 1st Sess. (Nov. 16, 1973). The 1973 amendments impose more stringent safety and liability standards, and they require Alyeska to pay fair market value for the right of way and to bear the costs of applying for the permit and monitoring the right of way.

Although the NEPA issues were not actually decided, the lawsuit served as a catalyst to ensure a thorough analysis of the pipeline's environmental impact. Requiring the Interior Department to comply with NEPA and draft an impact statement satisfied the public's statutory right to have information about the environmental consequences of the project, 42 U.S.C. § 4332(C) (1970), and also forced delay in the construction until safeguards could be included as conditions to the new right-of-way grants.[8]

Petitioner contends that these "beneficial results . . . might have occurred" without this litigation. Petitioner's Brief 11, 36–42. But the record demonstrates that Alyeska was unwilling to observe and the Government unwilling to enforce congressional land use policy. Private action was necessary to assure compliance with the Mineral Leasing Act; the new environmental, technological, and land use safeguards written into the 1973 amendments to the Act are directly traceable to the respondents' success in this litigation. In like manner, continued action was needed to prod the Interior Department into filing an impact statement; prior to the litigation, the Department and Alyeska were prepared to proceed with the construction of the pipeline on a piecemeal basis without considering the overall risks to the environment and to the physical integrity of the pipeline.

The second criterion is equally well satisfied in this case. Respondents' willingness to undertake this litigation was largely altruistic. While they did, of course, stand to benefit from the additional protections they sought for the area potentially affected by the pipeline, see *Sierra Club* v. *Morton*, 405 U.S. 727 (1972), the direct benefit to these citizen organizations is truly dwarfed by the demands of litigation of this proportion. Extensive factual discovery, expert scientific analysis, and legal research on a broad range of environmental, technological, and land use issues were required. See Affidavit of Counsel (Re Bill of Costs), App. 213–219. The disparity between respondents' direct stake in the outcome and the resources required to pursue the case is exceeded only by the disparity between their resources and those of their opponents—the Federal Government and a consortium of giant oil companies.

Respondents' claim also fulfills the third criterion for Alyeska is the proper party to bear and spread the cost of this litigation undertaken in the interest of the general public. The Department of the Interior, of course, bears legal responsibility for adopting a position later determined to be unlawful. And, since the class of beneficiaries from the outcome of this litigation is probably coextensive with the class of United States citizens, the Government should in fairness bear the costs of respondents' representation. But, the Court of Appeals concluded that it could not impose attorneys' fees on the United States, because in its view the statute providing for assessment of costs against the Government, 28 U.S.C. § 2412, permits the award of ordinary court costs, "but [does] not includ[e] the fees and expenses of attorneys." Since the respondents did not cross-petition on that point, we have no occasion to rule on the correctness of the court's construction of that statute.[9]

Before the Department and the courts, Alyeska advocated adoption of the position taken by Interior, playing a major role in all aspects of the case.[10] This litigation conferred direct and concrete economic benefits on Alyeska and its principals in affording protection of the physical integrity of the pipeline. If a court could be reasonably confident that the ultimate incidence of costs imposed upon an applicant for a public permit would indeed be on the general public, it would be equitable to shift those costs to the applicant.[11] In this connection, Alyeska, as a consortium of oil companies that do business in 49 States and account for some 20% of the national oil market, would indeed be able to redistribute the additional cost to the general public. In my view the ability to pass the cost forward to the consuming public warrants an award here. The decision to bypass Congress and avoid analysis of the environmental consequences of the pipeline was made in the first instance by Alyeska's principals and not the Secretary of the Interior. The award does not punish the consortium for these actions but recognizes that it is an effective substitute for the public beneficiaries who successfully challenged these actions. Since the Court of Appeals held Alyeska accountable for a fair share of the fees to ease the burden on the public-minded citizen litigators, I would affirm the judgment below.

FOOTNOTES

[1] See also *Kansas City Southern R. Co.* v. *Guardian Trust Co.*, 281 U.S. 1, 9 (1930); *Universal Oil Products Co.* v. *Root Refining Co.*, 328 U.S. 575, 580 (1946).

[2] On several recent occasions we have recognized that these exceptions are well established in our equity jurisprudence. See *F. D. Rich Co.* v. *Industrial Lumber Co.*, 417 U.S. 116, 129–130 (1974); *Hall* v. *Cole*, 412 U.S. 1, 5 (1973); *Fleischman Distilling Corp.* v. *Maier Brewing Co.*, 386 U.S. 714, 718–719 (1967); See also *Newman* v. *Piggie Park Enterprises, Inc.*, 390 U.S. 400, 402 n. 2 (1968); 6 J. Moore, Federal Practice ¶ 54.77[2], p. 1709 (2d ed. 1974).

[3] In *F. D. Rich Co.* v *Industrial Lumber Co.*, 417 U.S. 116 (1974), we held that attorneys' fees should not be granted as a matter of course under the provision of the Miller Act that granted claimants the right to "sums justly due." 40 U.S.C. § 270b(a). To overturn the American rule as a matter of statutory construction would be improper, we held, with no better evidence of congressional intent to provide for attorneys' fees, and in the context of everyday commercial litigation such as that under the Miller Act, *Id.*, at 130.

[4] Although *Vaughn* was an admiralty case and therefore subject to the possible narrow reading as a case evincing a special concern for plaintiff seamen as wards of the ad-

miralty court, we have not given the case such a narrow construction. See *Hall* v. *Cole*, *supra*, 412 U.S., at 5; *F. D. Rich Co.* v. *Industrial Lumber Co.*, *supra*, 417 U.S., at 129 n. 17. Indeed, the *Vaughn* Court itself relied on *Rolax* v. *Atlantic Coast Line R. Co.*, 186 F. 2d 473 (CA4 1951), a nonadmiralty case in which the plaintiff was awarded attorneys' fees as an equitable matter because of the obduracy of the defendant in opposing his civil rights claim.

[5] The words of the *Hecht* Court apply well to the case at hand: "The essence of equity jurisdiction has been the power of the Chancellor to do equity and to mould each decree to the necessities of the particular case. Flexibility rather than rigidity has distinguished it. The qualities of mercy and practicality have made equity the instrument for nice adjustment and reconciliation between the public interest and private needs as well as between competing private claims. We do not believe that such a major departure from that long tradition as is here proposed should be lightly implied." 321 U.S., at 329–330.

[6] The Court makes the further point that 28 U.S.C. § 2412 generally precludes a grant of attorneys' fees against the Federal Government and its officers. Even if this is true, I fail to see how it supports the view that the private attorney general rationale should be jettisoned altogether. There are many situations in which other entities, both private and public, are sued in public interest cases. If attorneys' fees can properly be imposed on those parties, I see no reason why the statutory immunity of the Federal Government should have any bearing on the matter.

[7] These teachings have not been lost on the lower courts in which the elements of the private attorney general rationale have been more fully explored. See, *e.g.*, *Souza* v. *Travisono*, —F. 2d— (CA1 1975); *Hoitt* v. *Vietk*, 495 F. 2d 219 (CA1 1974); *Knight* v. *Auciello*, 453 F. 2d 852 (CA1 1972); *Cornist* v. *Richland Parish School Board*, 495 F. 2d 189 (CA5 1974); *Farley* v. *Patterson*, 493 F. 2d 598 (CA5 1974); *Cooper* v. *Allen*, 467 F. 2d 836 (CA5 1972); *Lee* v. *Southern Home Sites Corp.*, 444 F. 2d 143 (CA5 1971); *Taylor* v. *Perini*, 503 F. 2d 899 (CA6 1974); *Morales* v. *Hines*, 486 F. 2d 880 (CA7 1973); *Donahue* v. *Staunton*, 471 F. 2d 475 (CA7 1972), cert. denied, 410 U.S. 955 (1973); *Fowler* v. *Schwarzwalder*, 498 F. 2d 143 (CA8 1974); *Brandenburger* v. *Thompson*, 494 F. 2d 885 (CA9 1974); *La Raza Unida* v. *Volpe*, 57 F. R. D. 94 (ND Cal. 1972). *Wyatt* v. *Stickney*, 344 F. Supp. 387 (MD Ala. 1972); *NAACP* v. *Allen*, 344 F. Supp. 703 (MD Ala. 1972).

[8] See S. Rep. No. 93–207, 93d Cong., 1st Sess., 18 (1973); H.R. Rep. No. 93–414, 93d Cong., 1st Sess., 14 (1973); Hearings on S. 970, S. 993, and S. 1565 before the Senate Comm. on Interior and Insular Affairs, 93d Cong., 1st Sess., pt. 4, at 56, 127 (1973).

[9] The statute, construed in light of the rule against implied restrictions on equity jurisdiction, may not foreclose attorneys' fee awards against the United States in all cases. Section 2412 states that the ordinary recoverable costs shall not include attorneys' fees; it may be read not to bar fee awards, over and above ordinary taxable costs, when equity demands. In any event, there are plainly circumstances under which § 2412 would not bar attorney fee awards against the United States, see, *e.g.*, *National Resources Council* v. *Morton*, 484 F. 2d 1331 (CA1 1973).

[10] In requiring Alyeska to pay only half of the fee, the Court of Appeals correctly recognized that, absent the statutory bar, the Government would have been in an equal position to shift the costs to the public beneficiaries.

[11] See Dawson, Lawyers and Involuntary Clients in Public Interest Litigation, 88 Harv. L. Rev. 849, 902–905 (1975).

[Supreme Court of the United States, No. 73–1977]

ALYESKA PIPELINE SERVICE COMPANY, PETITIONER, versus THE WILDERNESS SOCIETY ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

[May 12, 1975]

Mr. JUSTICE BRENNAN, dissenting.

I agree with MR. JUSTICE MARSHALL that federal equity courts have the power to award attorneys' fees on a private attorney general rationale. Moreover, for the reasons stated by Judge Wright in the Court of Appeals, I would hold that this case was a proper one for the exercise of that power. As Judge Wright concluded:

"Acting as private attorneys general, not only have [respondents] ensured the proper functioning of our system of government, but they have advanced and protected in a very concrete manner substantial public interests. An award of fees would not have unjustly discouraged [petitioner] Alyeska from defending its case in court. And denying fees might well have deterred [respondents] from undertaking the heavy burden of this litigation." 495 F. 2d, at 1036.

PRIVATE FOUNDATIONS

Mr. HARTKE. Mr. President, private foundations are a unique institution in America. Although they account for only 1 out of every 10 charitable dollars spent, their impact has always exceeded the size of their assets.

Foundations have been at their best when their money has supported innovative, experimental, and imaginative programs. In a time when Government is deeply involved in almost every aspect of our lives, foundations offer a useful alternative to total dependence on Government for probing new ideas, treading into politically sensitive waters, examining the basic institutions and principles of our society, and experimenting with innovative approaches.

Because of the severe impact which the current recession has had on many private foundations, I began efforts late last year to ease the unreasonable financial burden caused by one part of our tax code—the so-called minimum payout provision.

Mr. President, those efforts which I made, as chairman of the Senate Subcommittee on Foundations, have been successful. I ask unanimous consent that a press release explaining the Treasury Department's minimum payout policy together with an explanatory letter from Assistant Secretary of the Treasury Frederic W. Hickman, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HARTKE ANNOUNCES STABILIZED PAYOUT RATE FOR FOUNDATIONS

WASHINGTON, D.C., APRIL 18, 1975.—Crippled by losses in the stock market and increased operating costs, the nation's 29,000 private foundations received some good news today from Senator Vance Hartke (D-Ind.), Chairman of the Senate Subcommittee on Foundations. Hartke announced that he has been informed by the Treasury Department that foundations will not be required to make major increases in the amount of money they are required to give away in 1975. Increases in the so-called payout rate, which is mandated by law, had threatened to put many of the most active foundations in serious economic trouble.

In making this announcement, the Senior Senator from Indiana noted the vital role which foundations play in supporting social programs. "American foundations have been at the forefront of social change throughout the past century," Hartke stated. "They have helped to promote better health care, better housing, better education, better nutrition, and human justice. At a time when governments at all levels are being required to cut back on their social programs, the American people need the financial resources of foundations more than ever."

Hartke had requested the Treasury Department to hold the 1975 payout rate to 1974 levels. During the course of the subcommittee's investigation, there was substantial evidence that a significantly higher payout rate for 1975 would actually have the unintended result of forcing some foundations to go out of business in the near future.

The payout rate is the minimum amount of money which a foundation is required to give away for charitable purposes each year. According to Hartke, that rate will remain at the 1974 level of 6 percent of the value of investment assets.

Hartke also announced that he would continue to press for modifications in the payout procedure. "After several months of study," he noted, "I am convinced that change is needed either in the way that the Treasury Department determines the payout rate, or in the statute that created the payout rate.

"I am pleased by the cooperation my subcommittee has had from the Treasury Department. Together we understand the complexities of this problem and the difficulties in arriving at a solution. I believe that we can find that solution by continuing our dialogue on the staff level over the next several weeks."

DEPARTMENT OF THE TREASURY,
Washington, D.C., April 16, 1975.

Hon. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR VANCE: Your letter of February 27 to Secretary Simon requested that the Treasury Department exercise its statutory authority to refrain from declaring a new private foundation minimum payout rate for 1975. As you know, this question has been under discussion for some weeks between members of my staff, your staff, and the staff of the Joint Committee on Internal Revenue Taxation.

The private foundation minimum payout provisions provide that the minimum payout for any taxable year beginning after 1970 shall be determined and published by the Treasury Department on the basis of the relationship of money rates and investment yields for the calendar year immediately preceding the beginning of the taxable year to money rates and investment yields for the calendar year 1969. While the Committee reports on this legislation indicate that the statute authorizes the Treasury Department to redetermine the private foundation minimum payout requirement "from time to time," we have generally regarded this provision as mandating an annual review of the minimum payout requirement. Nevertheless, the regulations implementing this provision provide that if a new minimum payout requirement is not published for a taxable year by May 1 of that year, the requirement published for the preceding taxable year shall remain in effect. Due to the expiration of the transition period, the minimum payout requirement for both new and

old private foundations will be 6 percent for 1975 if a new percentage is not determined and published by May 1.

As I indicated to you last November 22, the Treasury Department has considered over the years a number of different methods for making the annual review of the private foundation minimum payout requirement, including methods involving the use of various composite indices. For the last 2 years, we have used a single index, the change in yield on 5-year Treasury securities. This index has seemed to us to be the best measure of substantial and enduring movements in investment yields and market interest rates, as distinguished from merely transitory changes in market conditions; and we believe the procedure we have used has been generally in accord with the purpose of Congress in providing for a variable payout requirement.

Nevertheless, as was brought out in testimony before your subcommittee, the use of a single index reflecting only interest rates has been criticized on the ground that it does not fully implement the statutory mandate that we consider both market rates and investment yields. On the other hand, the various procedures that have so far been suggested for reflecting yields on equity securities appear deficient either in looking only to dividend yields (and thus failing to reflect capital appreciation) or in leading to sharp annual fluctuations in the payout requirement (where the computation procedure reflects annual changes in such price indicators as the Standard and Poor's 500 stocks). However, alternative computational procedures are still being examined by our staffs with a view to overcoming these difficulties, if at all possible, or to developing proposals for modification of the existing statutory provisions.

In view of these considerations, we have concluded that for this year's annual review of the private foundation minimum payout requirement it would be appropriate to carry out a broad scale examination of a number of different indices of market rates and investment, rather than limiting our examination to the yield on 5-year Treasury securities. In light of this review, and taking into account that the performance last year of market rates and investment yields was quite unusual and erratic, we have concluded that a determination and declaration of a new payout rate is not required.

The joint examination of this issue that our staffs have carried out in the last few months has been most helpful in delineating some of the problems in the present statutory payout formula and in various alternative procedures that have been suggested for determining annual changes in the payout requirement. I am hopeful that this examination will continue and be brought to a successful conclusion, either through a consensus on procedures to be applied under current law or through whatever legislative action may be necessary. We believe that Congress intended for the annual payout determination to be largely a mathematical calculus, with relatively little scope for administrative discretion. An early resolution of the questions that have been raised regarding the annual payout determination is essential if that intention is to be fully implemented.

Sincerely yours,

FREDERIC W. HICKMAN,
Assistant Secretary.

A RETIREMENT CEREMONY FOR JUDGE QUINN

Mr. PELL. Mr. President, I had prepared some remarks to give at a ceremony at the Court of Military Appeals on Friday, April 25th to honor Judge Robert E. Quinn, who is retiring from the Court of Military Appeals.

My continued responsibilities on the Rules and Administration Committee, which is deliberating on the contested New Hampshire Senate election, prevented me from honoring Judge Quinn in person.

Therefore, I ask unanimous consent to have these remarks, along with an editorial from the Providence Journal, an article from the Woonsocket Call of April 24 and two Providence Journal articles by John B. Lake—all of which describe Judge Quinn's career in a laudatory manner—printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS FOR THE RETIREMENT CEREMONY FOR JUDGE QUINN

It is exceedingly difficult to capsule the career of Judge Robert E. Quinn of the U.S. Court of Military Appeals in a few words. In fact, it is impossible. Therefore, I will let Judge Quinn's own words speak for themselves. I vividly recall having the honor to present to Judge Quinn in May of 1971 the Rhode Island State Society's Annual Roger Williams Award for outstanding service to the State and the Nation. On that occasion, a lifetime friend of Judge Quinn's, Judge Michael DeCiantis, recalled the words of Judge Quinn who once said, and I quote, "Unless you are willing to let the fierce light of public opinion beat down upon your actions, then those actions should not be taken.

"Every measure should be tested in the light of this question. The test should not be: Is it good for me or some particular group or organization or individual. The test should be: Is it good for the State. . . ."

Judge Quinn has spent a lifetime living up to that statement. No words that I may utter could add greater dimension to an illustrious lifetime—spanning many generations of distinguished Public Service. I speak for every Rhode Islander when I say that Rhode Island and the Nation owe an eternal debt of gratitude to Robert Emmett Quinn, a man of great vision and attainments.

[From the Providence (R.I.) Journal, Apr. 28, 1975]

A FITTING HONOR FOR JUDGE QUINN

It is characteristic of Judge Robert E. Quinn of the United States Court of Military Appeals that even as he retires formally from his post, he should make himself available as senior judge for continued assignments. His dedication to public service has been the hallmark of a long and honorable career.

Judge Quinn's roots in Rhode Island are deep. He began his public life in West Warwick, a town he served with affection, until he moved to the larger stage of the state. Governor in the years before World War II, he served here as judge on the Superior Court. For more than 20 years, he served as chief judge of the appeals court.

At 80 and recovering from a stroke, he has been cited by President Gerald Ford in eloquent and accurate language for his "examples of courage, integrity, and unswerving devotion to duty." In his honor, a plaque has been dedicated in the Washington courtroom of the military appeals court.

It is rare, indeed, for a man or woman to get the opportunities for public service accorded to Judge Quinn. It is rarer that one given such opportunities should have assumed them as modestly and used them as effectively as has Robert E. Quinn—who proposes to do whatever he can for the appeals court as soon as he can get back to his desk.

[From the Providence (R.I.) Journal, Apr. 24, 1975]

MILITARY JUSTICE REFLECTS JUDGE QUINN'S STRENGTH

(By John B. Lake)

WEST WARWICK.—Judge Robert E. Quinn, who was praised by President Gerald Ford this week for nearly seven decades of public service, will retire tomorrow as first chief judge of the U.S. Court of Military Appeals. He began his public career as this Pawtuxet Valley mill town's state senator.

"He went farther up the ladder, but he was never too big to stop and say 'Hello, how are you, and how is the wife and family,' when he met you on the street in Arctic," said one old-time resident.

That, plus a sharp mind and willingness to fight for what he thought was just and right, propelled Judge Quinn from the Senate, to the offices of lieutenant governor, and governor of the state in 1936–38, and to the Superior Court. In 1951 he became the chief judge of the Military Appeals Court.

For the second time, he has requested retirement from that court, and this time will make it effective April 25. President Lyndon Johnson had disregarded the jurist's first request several years ago when the judge, then in his 70s, thought it was time to step aside.

President Ford apparently realized that no one knows more about the Code of Military Justice than Judge Quinn. He first put it into operation after its adoption by Congress. He will continue as a senior judge and, when he recovers from a stroke suffered in January, by reviewing cases and writing opinions.

If the judge's wife, Mary, felt a bit proud when she read the President appreciates her husband's contribution to military justice, it's understandable.

She would like to go to a ceremony planned in the court's Washington quarters tomorrow at 10 a.m., but will be going, as she does daily, to visit her husband, recuperating at the Kent Heights Nursing Home, Warwick. Other family members will attend, however.

As President Ford noted in his letter to Judge Quinn, his interests have also been humanitarian. He has headed the John E. Fogarty Foundation for the Retarded and has served as an active trustee of Kent County Memorial Hospital until his recent illness.

Judge Quinn had the advantage of knowing military forces from both sides, having served as a Navy captain in World War II in the Pacific. He was in the Judge Advocate's department.

But, when the late President Harry Truman named him the chief judge of the Court of Military Appeals in 1961, he rejected an offer to house the court in the Pentagon. He insisted it was not a military court, but a civilian court to give justice to members of the armed forces, and a courtroom was found elsewhere in Washington.

Some military leaders feared a breakdown of discipline when final disposition of military cases was given to the civilian court. But Judge Quinn said he realized that military discipline was important. He convinced the military men that discipline and true justice were not conflicting concepts.

It was that record that this week prompted President Ford to write him, in accepting his resignation, that his record of distinguished public service places him with the country's "leaders of stature, men dedicated to the principles of freedom and justice."

[From the Evening Bulletin, Apr. 23, 1975]

Quinn Is Retiring From Military Court

(By John B. Lake)

West Warwick.—Judge Robert E. Quinn of the United States Rhode Island, Court of Military Appeals, a former Rhode Island governor and one-time Superior Court judge is retiring after a career spanning several decades.

Judge Quinn, 80, will be honored in absentia in the court in Washington Friday by the dedication of a plaque recognizing his long service. Taking part in the ceremony will be Senators John O. Pastore and Claiborne Pell, and Judge Homer Ferguson, now a senior judge on the military appeals court, who served with Judge Quinn.

Mrs. Mary Quinn, the judge's wife, said today that he is now in the Kent Nursing Home, Warwick, recovering from a stroke. He had previously been in Rhode Island Hospital.

Mrs. Quinn said her husband had been trying to resign for some time. "He resigned three years ago, but they threw it in the waste basket," she said.

President Ford, in accepting his resignation, sent a letter expressing "profound gratitude for your lifelong contributions to our nation."

"Since the earliest days of our republic, America has been blessed with leaders of stature, men dedicated to the principles of freedom and justice. Your record of distinguished public service, extending over nearly seven decades assures your place among them," the letter says.

"As a member of the Rhode Island State Senate, governor of Rhode Island, naval officer, and the chief judge of the United States Court of Military Appeals, your personal examples of courage, integrity, and unswerving devotion to duty have long served as an inspiration to those who would share the responsibilities of state and national leadership" the letter continues.

"Under your guidance as chief judge for more than 20 years, the Court of Military Appeals established a standard of excellence which has not only earned the respect of our men and women in uniform, but also is a continuing tribute to the country's concern for military justice. I welcome this opportunity to express my personal appreciation and admiration of all your fellow citizens.

"Now, as you begin the sabbatical you so richly deserve, I am pleased to know that you plan to serve as a senior judge and will be available for continued assignment. You may be assured that you take with you my very best wishes."

Representing the Quinn family at Friday's ceremony in Washington will be a daughter of the judge, Mrs. Norma Richards, and her husband Daniel; a son of the judge Cameron P. "Ronnie" Quinn and his wife, Martha.

Mrs. Quinn explained that, since her husband will continue as a senior judge, it means that when he gets well enough to do so he will read cases and give his opinion.

[From the Woonsocket (R.I.) Call,
Apr. 24, 1975]

Ford Lauds Retiring Judge Quinn

Judge Robert E. Quinn of West Warwick, praised this week by President Gerald R. Ford for several decades of public service, will retire tomorrow as the only chief judge of the U.S. Court of Military Appeals.

Judge Quinn, 80, who was governor of Rhode Island from 1937 to 1939 and later a Superior Court judge, is recovering from a stroke and is in a Warwick nursing home.

Judge Quinn also heads the Robert E. Quinn Foundation, which made possible the purchase of land off Providence and Fabien Streets in this city for construction of the Adult Rehabilitation Center for the mentally retarded. That building is expected to be ready for occupancy by early summer.

President Ford, in accepting the judge's resignation, sent a letter expressing his gratitude for his "lifelong contributions to our nation."

The President wrote that Judge Quinn's record of distinguished public service places him with the country's "leaders of stature, men dedicated to the principles of freedom and justice."

Judge Quinn began his public career as a state senator from West Warwick. One old-time resident of that Pawtuxet Valley mill town said of Judge Quinn:

"He went farther up the ladder, but he was never too big to stop and say 'Hello, how are you, and how is the wife and family,' when he met you on the street in Arctic."

Judge Quinn served as lieutenant governor before becoming governor and later was appointed to Superior Court. In 1951, he became chief judge of the Court of Military Appeals.

President Lyndon B. Johnson ignored Judge Quinn's first request for retirement several years ago when the judge thought he should step down because he was in his 70s.

President Ford indicated he felt Judge Quinn knows more about the Military Justice Code than anyone else and will continue to review cases and write opinions in cases he heard before suffering a stroke in January.

Judge Quinn will be honored in absentia in Washington tomorrow. His wife, Mary, said she would like to attend the court ceremony at 10 a.m., but will be going, as she does daily, to visit her husband in Kent Heights Nursing Home. Warwick. Other members and friends of the family will attend, however.

Judge Quinn has headed the John E. Fogarty Foundation for the Retarded and served as an active trustee of Kent County Memorial Hospital until his recent illness.

He served as a captain in the Navy in World War II in the Pacific. He was in the judge advocate's department.

President Harry S. Truman named him chief judge of the Court of Military Appeals in 1951. Judge Quinn rejected an offer to house the court in the Pentagon, insisting it was not a military court, but a civilian court to give justice to members of the armed services, and a courtroom was found elsewhere in Washington.

He convinced military men that discipline and true justice were not conflicting concepts and put the court system together after its adoption by Congress.

DÉTENTE AND DOLLAR DIPLOMACY

Mr. STEVENSON. Mr. President, Soviet trade and credits have become enmeshed in the debate over détente, human rights, and the role of Congress in foreign policy. Issues have become confused and distinctions blurred. The debate now is seen as one between supporters and opponents of détente.

But détente is not the issue. Whether viewed as an evolving process which creates conditions for agreement on substantive issues—or as an end in itself—détente has no opponents.

The methods by which détente is pursued are issues. The extent to which the high expectations of Mr. Nixon and Secretary Kissinger are realistic is an issue, a large one in my mind. But détente is not an issue. Trade is not an issue.

The issue is whether and to what extent unlimited U.S. capital and free access to U.S. markets should be dangled before foreign countries in an attempt to influence their policies. The issue is largely to what extent the United States should subsidize the development of the Soviet Union in order to obtain short-run economic benefits and seek to influence Soviet policy.

The next step toward détente should be a realistic perception of these issues and the interests and motives of both sides. For 3 years the Soviet Union and the United States have been the victims of illusion; now their expectations are disappointed. If the Soviet Union expected to become a major recipient of foreign aid from the United States after acquiring our wheat reserves and $1 billion in subsidized credits, it was mistaken. And if the United States ever expected the Soviet Union to forego its interests in Indochina, the Middle East, or anywhere else for a détente premised upon cash, then it was foolishly mistaken.

Perhaps now the process called détente can be renewed upon a foundation of reality, instead of the illusion fostered by Presidential posturings in Moscow and the Delphic utterances of an itinerant Secretary of State. If so, something will have been gained from recent events which have been labeled, too loosely, setbacks for détente and trade with the Soviet Union.

Now let me suggest some considerations which ought to be part of any effort to bottom expanded economic relationships and détente on firmer foundations.

Trade and expanded economic relations with the Soviet Union should be pursued. They offer the possibility of mutual economic benefits and a climate more favorable to the resolution of underlying political questions.

But what kind of trade and on what terms? The conventional wisdom has it that expanded economic relations of any kind with the Soviet Union will improve all relations between the two countries and give each a larger stake in avoiding hostilities. This conventional wisdom has no historical foundation and is overly simplistic—though not without some validity. Since the Soviet Union has a centrally planned economy, trade and investment opportunities depend entirely on acquiescence by central planning authorities. They are inevitably controlled by political, as well as economic, considerations. Opportunities which might exist in an open economic system are barred unless they conform to overall Soviet economic and political designs.

To date, most U.S. exports to the Soviet Union have been concentrated in the heavy machinery, transport, and agricultural sectors. From 1970 to 1974 those sectors accounted for well over 80 percent of the shipments. Export-Import Bank assistance has been targeted almost exclusively for industrial development, chemical and fertilizer production, and oil and gas exploration. In most of the major ventures involving Western investment, the Soviet Union has insisted on commodity payback arrangements to guarantee a future export market. Soviet strategy is to welcome trade and investment which assists their own industrial development and future export potential. With certain limited exceptions, our access to the Soviet consumer market is excluded.

This attitude points up one of the limitations of East-West economic relations and makes it essential that the United States take a hard look at the implications for its own economic well-being, particularly where U.S. Government assistance is involved. At present, there is little in the way of Soviet goods which the United States wants. Over the last 5 years, Soviet sales to the United States were only a third of U.S. sales to the Soviet Union. The Soviet Union is counting on Western capital and technology to develop export capability to pay for goods from the West and is concentrating on the energy and raw materials sectors where the export potential is greatest. In a very real sense then, assistance to the Soviet Union will be repaid with resources which that assistance helped develop.

Already, long-term worldwide demand for energy and raw materials insures continued improvement in the Soviet Union's already strong balance-of-payments position. U.S.-assisted industrial output in the Soviet Union could in time provide strong competition for Western goods. And allocation of U.S. resources for energy and raw materials development in the Soviet Union to the neglect of our own could increase already dangerous U.S. dependence on foreign sources for essential raw materials, including energy.

The issue is whether U.S. trade with the Soviet Union should be subsidized through unlimited export credits without periodic congressional scrutiny. Government export credits are subsidies for the export sector and foreign buyers. As such, they confer benefits on the Soviet Union as well as all other recipients. Through the Export-Import Bank, financial resources are transferred at below-market rates to the export sector of the economy. The result is a reduced supply, and thereby increased cost, of capital for other sectors of the economy. With Exim subsidized credit, foreign buyers pay less and, therefore, trade fewer amounts of their goods for a given amount of U.S. goods. The economy is thus that much poorer, despite the fact that the aggregate level of exports may have increased.

Awareness of the economic consequences of government export credits helped frame the Exim debate in the last Congress, not only as it applied to East-West financing but to Exim activities in other parts of the world as well. No longer was Export-Import Bank assistance regarded as costless. Last year over $5 billion of private capital was committed to the export sector through Eximbank lending at an estimated interest subsidy cost of over $400 million.

Measures were taken by the Congress to insure consistency between Exim activity and U.S. policy. Major Exim projects throughout the world were made subject to prior notification to the Congress. The Export-Import Bank was directed to scutinize financing for parent-subsidiary transactions more closely. It was directed to examine more carefully the availability of private sources of credit in lieu of government credit. And it was directed to weigh the domestic economic consequences before making its credit available.

In the case of the Soviet Union, congressional attitudes about government credits were influenced by the knowledge that most Exim credits in the Soviet Union were long term and for large projects capable of producing goods in competition with U.S. industry and labor. They were influenced, not by any desire to discriminate, but by the Soviet Union's overall economic strength. The Soviet Union has enormous resources of oil, gold, and other raw materials. It is the world's largest oil producer. Its gross national product is second only to our own. It is almost completely insulated from the economic distress of the rest of the world. And OPEC oil price increases, which the Soviet Union first encouraged and then took advantage of, have conferred substantial additional benefits.

The Soviet Union's balance of trade moved from a $1.7 billion deficit in 1973 to a $1 billion surplus in 1974. The Soviet Union is in a position to pay cash for its imports, and in dealings with West Germany has demonstrated a willingness to do so. In this context, serious questions arise about the need for indiscriminate subsidized credit.

It should be emphasized that the issue is not all credit, but subsidized credit. Export credits are a normal and necessary part of international trade. But when credits are subsidized, the use of public funds is involved and the responsibility to insure that those funds are spent wisely cannot be avoided.

Some argue that without unlimited subsidized credit, United States-Soviet trade would dry up. But the evidence is to the contrary. For one thing, private credit from U.S. banks is becoming increasingly available. For another, preliminary figures for early 1975 indicate that trade between the two countries is likely to be at an alltime high during 1975 despite the complete lack of Exim credits. For the longer term, the billions of dollars in joint ventures currently under negotiation suggest that trade and investment are expanding, not contracting.

Of course, the Soviet Union would prefer government-subsidized credit. With worldwide inflation and growing resource scarcity, the value of Soviet gold, oil, and raw materials holdings increases. Rather than trade gold and oil now, the Soviets would prefer to hold them while their value increases, meanwhile repaying foreign loans with currencies depreciated by inflation.

From a public policy point of view, it is essential to ask what purpose is served the United States by Government credits. What is the cost to the United States? And what has been and can be achieved by credits the Soviets do not need?

The administration sees credits as a device for achieving its political objectives. From 1972 to 1974 U.S. credits became a cornerstone of the Nixon overtures to Moscow. In a year and a half, the Soviet Union received almost half a billion dollars in 6-percent Exim loans. By the end of fiscal 1974, the Soviet Union had become Exim's second largest customer. In the same period, the Soviet Union also received more than $500 million in other U.S. credits to buy American grain on preferential terms. The billion dollars in subsidized U.S. credits for the Soviet Union over a 2-year period.

At present, it remains to be seen what, if any, benefits have accured to the United States or whether the Nixon method of pursuing détente will endure. To all appearances it has been a highly profitable venture for the Soviet Union so far and a highly expensive one for the United States. We have given up our wheat, our credits, also our strategic superiority, with nothing as yet gained in Indochina or elsewhere.

Large questions arise about the effectiveness of dollar diplomacy. In my judgment political objectives will not be achieved in the Soviet Union by the grant or denial of credits. Soviet repudiation of the 1972 Trade Agreement illustrates the issue. Rather than brook a perceived interference in its internal affairs, the Soviet Union chose to deny itself the benefit of U.S. credits and most-favored-nation trade status.

Nations do not permit their perceptions of self-interest and their policies to be changed by cash. Credits are withheld, and Soviet emigration policy is not liberalized. Credits and other concessions have been granted, and evidently it was naive for Secretary Kissinger to think that in the name of a détente pursued by such means, the Soviet role in Indochina or elsewhere would be altered.

The $300 million ceiling on Exim credit which finally emerged last year was prompted by an awareness of these limitations, but also by an appreciation of the connection between economic and political issues. It reflected a desire for continued Exim credits subject to periodic reassessment, given the uncertainties of United States-Soviet relations and the questionable pursuit of détente with credits.

The ceiling does not impose a $75 million per year limit on such credits. It does not place an absolute ceiling on future credits. And it does not require the Congress to approve each credit in excess of $300 million. All it provides is that if the President wants to extend more than $300 million in addition to the almost half-billion dollars already granted, he must find it in the national interest to do so and seek and receive congressional approval for a higher ceiling.

He could do so tomorrow, next week or next year. Presumably the congressional response will depend on some evidence of progress toward a détente that is more than a one-way street for aid to the Soviet Union.

When the President requests an increase in the ceiling, an opportunity will be provided for reassessing the economic implications, as well as the progress in overall political relations.

At this juncture the question of credits to the Soviet Union is mooted by the emigration provisions of the Trade Act—the enactment of the Jackson amendment and the so-called Kissinger compromise. No credits are available until the President certifies that he has received assurances of progress on the emigration question. At the present time, he cannot deliver such a certificate because Foreign Minister Gromyko has disclosed that the Congress was misled; there never was a Kissinger compromise—except perhaps in the vaguest of forms.

The efforts afoot to eliminate the credit ceiling miss the point. $300 million of credits would be immediately available, except for the hurdles of the Trade Act. Elimination of the ceiling would do nothing to change Soviet policies on emigration and, therefore, the credit ban of the Trade Act will continue in effect.

It is unrealistic to expect any significant movement on this issue in the immediate future. On both sides positions have been taken which reflect deeply held views from which neither side can be expected to retreat under pressure from the other. The spectacle of U.S. officials and prominent American businessmen obsequiously, or hungrily, joining Soviet officials on American soil to deplore or misrepresent American policy only hardens the resistance in the Congress.

The emigration provision of the Trade Act reflects high ideals. Not many are willing to subordinate them under pressure or for cash sales in the Soviet Union. The $300 million ceiling reflects a sober concern for the economic and political consequences and the price of dollar diplomacy.

Having said all that, let me add that movement is possible. The United States and the Soviet Union have differences on many subjects. The most explosive is the Middle East. Progress in a multilateral context toward a guaranteed settlement in the Middle East might lay the foundation for reconsideration of the MFN and credit links to emigration.

A Middle East settlement could open opportunities for settlement in Israel, help achieve the goals of free emigration, and pave the way for reimplementation of the broken trade agreement. Evidence of Soviet cooperation on some matter of significant mutual interest would not go unappreciated in the Congress. But at present, there is no such evidence.

Now that the dust has begun to settle on last year's legislative efforts, it is important to consider some of the lessons. In my judgment, there are several:

U.S. economic policy in the Soviet Union must receive continued scrutiny to insure consistency with U.S. interests.

We cannot ignore long-term economic and political interests for the sake of short-term economic gains. When allocated to industrial and energy development, instead of routine sales of finished U.S. goods, credits take on the character of foreign aid. It is misleading to contend that all that is at stake is a boost for U.S. exports. These exports accelerate the development of the Soviet Union as a force to contend with in the markets of the world. Societ emphasis on the development of truck factories, energy and other basic resources, while excluding Western access to consumer markets, must be seen as part of a continuing strategy aimed at enhancing future Soviet economic power. That power could be used to the detriment of our commercial, as well as political, interests.

It is argued that if the United States does not make credits available others will. That argument is only partially true. To the extent it is true, it behooves the United States to convince its European allies and Japan of the folly of export credit competition. The Chairman of the Eximbank Mr. Casey, is working to this end, and I applaud his efforts. The recent extension of billions of dollars of below-market credit by Britain and France reflect beggar-they-neighbor attitude which in the long-run does no one any good. For the United States, the Europeans and the Japanese to outdo each other in supplying low-cost credit to the Soviet Union reflects a disturbing disarray among the industralized democracies all too reminiscent of the early thirties. While Western democracies struggle to repair tottering economies, totalitarian regimes profit at our expense. While the Western alliance comes apart, the Eastern alliance is glued together by force and Soviet oil.

Another lesson for U.S. policy is an awareness of the possibilities and limitations of economic policy for the achievement of political ends. Political relations between the U.S. and the Soviet Union are in a stage of transition. Economic policy has a role to play in that transition, but it must be used discreetly. Multi-billion dollar government credits in the U.S.S.R., all, of course, subject to repayment could increase Soviet leverage. The U.S. has no obligation to supply unlimited economic assistance to another nation, let alone a nation with a growing payment surplus and GNP second only to our own. The value of credits to the Soviet Union is marginal. At no time did it cite Exim credit restrictions as the cause of its repudiation of the 1972 trade agreement. Moreover, throughout the 6-month period when the credit ceiling was pending in the Congress, Administration spokesmen made it clear that the limitation was one they could live with. The Secretary of State himself, although given ample opportunity, raised no strenuous objection.

This brings me to my final point: greater candor from the executive branch. Secretary Kissinger's failure last year to disclose the existence of Mr. Gromyko's letter denying the existence of the Kissinger compromise deprived Congress of an opportunity to learn that the United States and the Soviet Union were on a collision course with passage of the trade bill. Subsequent attempts to shift blame for the collapse of the trade agreement to the Exim legislation, and the characterizations of the initial $300 million as "peanuts" were disingenuous and self-serving. Cooperation between the branches would be enhanced by candor.

I have not taken the time to discuss trade with Eastern Europe. The considerations there vary, country by country, but in the main I anticipate little congressional opposition to MFN and selective grants of Exim credits. I know of no disposition to prevent either credits or MFN for Rumania, as the President has recently proposed. On the contrary, the political and economic considerations argue, it seems to me, for discreet efforts by the United States to normalize commercial relations with the nations of Eastern Europe—and we are doing so. The President is not severely impeded by the Trade Act, as the anticipated congressional response to his proposed trade agreement with Rumania indicates.

We all look forward to a new era of expanded trade as well as progress on the political issues, including SALT, the Middle East, and force levels in Europe. The political matters are moving independently of trade—and even on trade, the momentum continues. Little has changed, except that the United States is stripped of illusions and deprived of expensive methods that were not working satisfactorily anyway. Both sides have a chance now to resume the normalization of commercial relations sought by many of us long before President Nixon and Secretary Kissinger made it fashionable, but without resort to wheat deals, personalized or secret diplomacy, and the illusory expectations which they create.

INDIANA GENERAL ASSEMBLY RESOLUTION

Mr. HARTKE. Mr. President, I ask unanimous consent that the resolution of the Indiana House of Representatives regarding the designation of the American Marigold as the U.S. floral emblem be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION

Whereas, the year 1976 will be designated the bicentennial year marking the 200th anniversary of the formation of the United States of America; and

Whereas, the United States is the only major country in the world without a floral emblem; and

Whereas, each of the fifty states of the United States in addition to its state flag has a floral emblem which it cherishes as its own; and

Whereas, the people of the United States have adopted the American flag and the American eagle to represent the virtues of this country; and

Whereas, peoples of the world have adopted emblems for their country, representative of their national virtues; and

Whereas, the American marigold represents the character of the United States more appropriately as a floral emblem than any other flower in that the marigold is an American native; grown in abundance in gardens of every state; grown easily and quickly from seed; acknowledged as a symbol of religious faith; representing beauty and rugged humility of character and like the American eagle and the American flag an exclusively American emblem; and

Whereas, the Farm Bureau of LaPorte County has designated as its bicentennial project the encouragement of Congress to adopt the marigold as the bicentennial emblem of the Union; and

Whereas, the Indiana General Assembly

also endorses the adoption of the marigold as the nation's floral emblem; therefore

Be it *resolved* by the Indiana House of Representatives that we encourage the Congress of the United States to designate the American marigold as the national floral emblem of the United States for its bicentennial year and thereafter as our American floral emblem and to encourage the President of the United States to declare such fact by proclamation and that such Resolution be forwarded to each member of the United States House of Representatives and each member of the United States Senate from Indiana showing our endorsement of this cause.

THE PASSING OF JOZSEPH CARDINAL MINDSZENTY

Mr. WILLIAMS. Mr. President, Edmund Burke once wrote that "the cause of freedom is the cause of God." This idea found its utmost expression in the life of Jozseph Cardinal Mindszenty, who passed away at age 83, in Vienna, last Tuesday. No other man in our age has symbolized more the spirit of freedom inherent in all men and women. It is indeed tragic that his love of freedom, and his untiring struggle against oppression caused this great man to spend over one-third of his life in prison or in exile.

Cardinal Mindszenty was a leader in his native Hungary's resistance to the Nazis and to the Communists, and he suffered for it. When the Communists took over Hungary in 1948, Cardinal Mindszenty was sentenced to life imprisonment for his opposition to their rule. He was freed during the Hungarian Revolution in 1956, and took refuge in the American Embassy in Budapest, where he remained for 15 years—a living symbol to his people and to the world that oppression only strengthens the will to be free. Throughout his years at the Embassy, Cardinal Mindszenty steadfastly maintained that it was his duty to remain among his people, as their spiritual leader, and as a patriot during their time of greatest need.

In 1971, at the urging of Pope Paul VI, the Cardinal left the Embassy to begin his exile in the West. He traveled throughout the world and the United States, and I was honored when he chose to visit my home State of New Jersey on several occasions. The thousands of people who came to see him or to hear him celebrate mass were tribute to his international standing as a leader and as a servant of God and humanity. His last visit to New Jersey was almost 1 year ago in Perth Amboy, where he was greeted by what the News Tribune of Woodbridge, N.J., called "an outpouring of sentiment" from thousands of residents of that area.

It is with profound sadness that we note the passing of this great individual, but it is with deep reverence that we remember the contributions he made during his life. In Shakespeare's "Hamlet," Horatio says upon the death of Hamlet:

> His life was gentle and the elements so mixed in him that nature might stand on its feet and say to all the world—"This was a man."

Jozseph Cardinal Mindszenty was such a man.

THE VETO OF THE FARM BILL

Mr. STENNIS. Mr. President, I greatly regret that the House failed to override the veto of the farm bill. I disagreed with the reasoning set forth in the President's veto message, and I would have strongly urged that the Senate vote to override the veto, had we been afforded the opportunity to do so.

Congress made a genuine effort to go more than half way in working out the differences with the administration on this bill. I regret to say that the response received from the administration was not one of reason and compromise. It seemed to me that from the very beginning the administration position was adamant, and based entirely on the single premise that there should not be a farm bill this year—that we should just let the farmers' current crisis run its course. It is pretty hard to work out a compromise when you cannot get the opposition to sit down at the conference table with a genuine intent to negotiate.

The reasons given for the administration's adamant resistance to any farm bill amendments this year were to me simply not persuasive. The distinguished Secretary of Agriculture said in substance that the farmers are doing all right, and to leave the programs alone and let the free market system work things out.

The fact is, the farmers are not doing all right. They are in deep trouble this year, with constantly rising costs for what they must buy, decreasing prices for their crops, and eroded credit after a bad year.

In the State of Mississippi there is general agreement within the financial community that farmers are having to borrow more money to produce their crops than ever before. In some areas the loans are as much as 35 percent higher than last year. The average increase around the State is 15 to 20 percent. Farmers are having to use their equities in their land and equipment to get sufficient credit. They have watched the prices of farm commodities drop for the fifth straight month. Prices are 15 percent lower than they were a year ago, and costs are 10 percent higher. All of this does not sound like the farmers are doing all right, as the Secretary asserts.

As for his expressed belief in allowing the free market to work things out, I find the argument attractive but not persuasive. When you get right down to it, I think it is unrealistic to expect agriculture to operate as a totally free market system in the midst of an American economy that is controlled and regulated at every hand.

The fuel and fertilizer the farmer uses are not "free market," nor are the transportation systems by which he ships his products. The sellers of these goods and services are constrained in their prices, but at a level designed to provide them a fair profit. That they sometimes get more than a fair profit is attested by the fact that there are cases now being settled in which there were vast windfall profits in some of the propane and diesel fuel farmers bought last year.

The purpose of the farm bill is to lend stability to the prices for farm commodities. It does so by providing a safety net under the prices, in the form of target prices and loan rates. This is for the good of both the consumers and the producers. It is insurance against a disaster market that would bankrupt the farmers, put them in a position of enforced underproduction, and in turn lead to sky-high commodity prices.

Stability is the key to this situation, and it can be provided by this farm bill. It is a proper function of Government to insure this stability. It simply would not be prudent of the Government to take no action at all, as the administration proposes, and watch the farm business go down the skids toward bankruptcy. There are a lot of American families doing without things these days, including farmers. There are a lot of things families can do without if they have to. But food is not one of them. This agriculture problem is simply too crucial to take a do-nothing attitude. It is not prudent and the arguments for doing so are not convincing.

There has been a lot of discussion about the possible costs of this bill over recent weeks. I think it has been pretty well established that some of the initial statements of costs that came out of the administration were distorted in one way or another, and they have been revised downward but not widely publicized. I expect they were just a symptom of the total rejection of the administration of the idea of revising target prices this year. I will not belabor the figures any further.

I will only say that it is regrettable that there were scare figures used about the probable costs to consumers, and the possible costs to the Treasury. I believe that a subject of this importance to the Nation and its people deserved a more rational discussion in the public forum.

There has been much talk also about farmers switching crops and producing for the Government instead of the market. This should be looked at realistically. A cotton farmer has specialized equipment—picking machines, cotton wagons, and so on. His picker probably cost him $30,000. He is practically and financially constrained in reaching a decision to switch crops. So is a soybean farmer who owns a combine. This is not to say that there will not be any crop switching. There will be. There is every year, and there always has been. It is a part of the farming business, and it is a legitimate and necessary option for every farmer.

Mr. President, I believe the Senate tried to be cooperative about this bill. We gave up much of what we voted for here on this floor. We did so in an effort to meet the administration at least half way.

Now we have seen the veto sustained by vote in the House. There is not time for another try for an emergency type farm bill, for the crop year is now upon us, and farmers are going to have to make their decisions based upon the existing price supports.

I believe we will see the consequences of this lack of action. It will manifest itself first in falling farm production at a time when the world grain reserves are at a new low, and after that it will manifest itself in higher prices for farm commodities, as well as lost market, especially those abroad.

For example, suppose you are a wheat farmer. The Department of Agriculture has just estimated that granted continued favorable weather the wheat production this year will set a new record of 2.1 billion bushels. This is based on an expected harvest of winter wheat of record size, and that harvest is about to begin. Wheat prices have been falling. The very large harvest will no doubt drive them down more, perhaps drastically.

As the wheat harvest proceeds, the farmers have to make their decisions on the next crop, the winter wheat to be sown this fall. Under the existing circumstances a prudent farmer is not going to try to increase his production. He is going to cut it back, and we will see the consequences in the next crop.

I should add that in the bill that the President vetoed the loan price on wheat was $2.50. It is hard to believe, but that is what wheat was selling for in 1947—$2.50 a bushel in 1947.

The decision has been made, unfortunately, that nothing is to be done about the present crisis in the farming business—that we should just stand by and let events run their course.

To me that is imprudent. I think that when the consequences become clearer, the ultimate outcome will be a new, broader and stronger farm bill, and one that will become law. It is a misfortune for the American farmer and the American people that it can only be effective for the next crop year, not this one.

ROMANIAN NATIONAL DAY

Mr. WILLIAMS. Mr. President, government without the consent of the governed is the essence of tyranny. In the country of Romania today, the people must endure a Communist regime which has imposed its will without their consent. The deliberate denial of civil liberties and the forced intrusion of the state into the people's private lives are the means by which the Romanian Government continues its unwanted rule. Yet despite the harshness of their government, Romanians cling fiercely to their dream of freedom, and on each May 10, they celebrate the time when they were as free in fact as they now are in spirit.

Three great events in the founding of a free and independent Romania occurred on May 10. On May 10, 1866, Charles, Prince of Hohenzollern-Signaringen, was proclaimed Prince of Romania. This proclamation, which took place over the objections of Austria and Russia, was the beginning of the Romanian dynasty. It also culminated Romanian efforts to end the strife and rivalry among native candidates for the throne by choosing a sovereign from a nonneighboring, Western ruling family.

During the Russo-Turkish War, the Romanians rejected their domination by the Turks, and on May 10, 1877, they declared their independence. They fought as Russia's ally and made their declaration a reality. On May 10, 1881, Charles I was crowned King of Romania, thus beginning an era of prosperity and freedom which was to last for over 60 years.

Romania's dictatorship today has tried to destroy the people's adherence to their national day, by changing national celebrations from May 10 to May 9, the day that the Soviets completed their takeover of Romania. But the actions of the Romanians' rulers have only strengthened their determination to hold on to their heritage and to secure their freedom. So it is fitting that at this time we extend our support to the Romanian people and express our sincere hope that once again soon they may live under a government of their own choosing, and be the masters of their own lives.

INTERNATIONAL WOMEN'S YEAR

Mr. PERCY. Mr. President, as my colleagues all know, 1975 is International Women's Year—IWY. As an indication of congressional interest in and support for IWY, Members of the House and Senate are sponsoring a Congressional Symposium on International Women's Year to take place tomorrow. Thirty of my fellow Senators have joined Senator HUMPHREY and me and 84 Members of the House have joined Congresswoman ELIZABETH HOLTZMAN and MILLICENT FENWICK in sponsoring this event. Every Member of Congress, congressional and administration staff, members of nongovernmental organizations and interested individuals are invited to attend. Some very special and talented people will be participating, and we hope that many of you will come by for at least one of the four panel discussions.

I ask that the agenda for tomorrow's symposium as well as the list of congressional cosponsors be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"EQUALITY, DEVELOPMENT, PEACE"

CONGRESSIONAL SYMPOSIUM ON
INTERNATIONAL WOMEN'S YEAR,
Wednesday, May 14, 1975.

SUMMARY AGENDA

Morning Sessions: Room 2154, Rayburn House Office Building

9:00—Coffee and Registration

9:30—Opening Session

Introductory statements

Senator Hubert H. Humphrey.

Senator Charles H. Percy.

Representative Elizabeth Holtzman.

Helvi Sipila, U.N. Secretary General, International Women's Year.

10:15—Panel I: The Political Woman

An examination of the forces inhibiting women's full participation in the political process.

11:15—Panel II: The Social Contract

An examination of existing federal laws and executive orders affecting women in the areas of health, education, social services, and employment opportunity.

12:30–2:00—Luncheon Break

Afternoon Sessions: Room 1318, Dirksen Senate Office Building

2:00—Panel III: Women and Foreign Policy

An examination of the role of women in foreign policy decision-making and of their unique contributions toward the attainment of world peace.

3:15—Panel IV: IWY World Plan of Action and Congressional Recommendations to the United States Delegation

An examination of the draft U.N. World Plan of Action and its relevance to women in the United States.

4:15—Summary Session

Recommendations to the 94th Congress concerning Federal legislation and the U.S. role at the U.N. International Women's Year Conference.

5:30—Congressional Reception: Room 1202, Dirksen Office Building

Welcoming Remarks: Representative Millicent Fenwick.

Wednesday, May 14, 1975

AGENDA

Morning Sessions: Room 2154, Rayburn House Office Building

9:00—Coffee and Registration

9:30—Opening Session

Introductory Remarks: Patricia Acheson, Symposium Chairwoman; historian and author; Member, President's Commission on Violence in America;

The Honorable Hubert H. Humphrey, Senator from Minnesota;

The Honorable Charles H. Percy, Senator from Illinois;

The Honorable Elizabeth Holtzman, Congresswoman, New York;

The Honorable Helvi Sipila, Secretary General, United Nations International Women's Year Conference.

10:15—Panel I: The Political Woman

Women, in increasing numbers and with increasing influence, are participating in the political world. To do so, women must contend with social, economic, and psychological constraints. An examination and understanding of these forces is essential before an equal partnership between men and women in the political world can be achieved.

Moderator: Jane McMichael, Executive Director, National Women's Political Caucus.

Rapporteurs: Carol Casey, Analyst, Government and General Research Division, Congressional Research Service; Pat Goldman, Director, Wednesday Group, U.S. House of Representatives.

Panelists:

Emily Card, Financial Consultant, Immaculate Heart College—Candidate for Congress, 31st District, California, 1973–74;

Liz Carpenter, Vice President, Hill and Knowles, Inc.—former Press Secretary to Mrs. Lyndon Baines Johnson;

Betsy Griffiths, Treasurer and Acting Finance Chairman, National Women's Political Caucus;

Jeane J. Kirkpatrick, Professor of Political Science, Georgetown University; author, *Political Woman;*

Barbara Boggs Sigmund, Councilwoman, Princeton, New Jersey;

C. Delores Tucker, Secretary of State, Commonwealth of Pennsylvania.

11:15—Panel II: The Social Contract

Many people feel that existing federal laws and executive orders are not sufficient to overcome traditional sex discrimination. Panelists will address the interrelated subjects of health, education, and social service legislation and employment opportunities for women.

Moderator: Julia Vadala Taft, Deputy As- partment of Health, Education, and Welfare. sistant Secretary for Human Resources, De-

Rapporteurs:

Nancy Aaronson, Fellow, Academy for Contemporary Problems—Coordinator of Ohio Task Force for ERA Implementation;

Morrigene Holcomb, Analyst, U.S. Government and General Research Division, Congressional Research Service.

Panelists:

Catherine East, Deputy Director, International Women's Year Secretariat, Department of State;

Arvonne Fraser, Legislative Chair, Women's Equity Action League—former Adviser, U.S. Delegation to U.N. Commission on the Status of Women;

Joan Goodin, Assistant Director, International Affairs, Brotherhood of Railway, Airline and Steamship Clerks, Freight-Handlers, Express and Station Employees, AFL-CIO;

Esther Peterson, Vice President of Consumer Programs, Giant Food, Inc.—former Director Women's Bureau and Assistant Secretary, Department of Labor;

Judith Assmus Riggs, Legislative Representative, Washington Research Project Action Council (Children's Defense Fund);

Bernice Sandler, Project Director, Project on the Status of Women Association of American Colleges;

Marie D. Wilson, Executive Secretary, Equal Employment Opportunity Commission—former Legislative Assistant to Senate Majority Leader Lyndon Baines Johnson.

12:30-2:00—Luncheon Break

Afternoon Sessions: Room 1318 Dirksen Senate Office Building

2:00—Panel III: Women and Foreign Policy

As women participate more fully in domestic aspects of society, it is inevitable that they will become an integral part of the international community. Panelist will focus on the role of women in foreign policy decision-making and their unique contributions toward the attainment of world peace.

Moderator: Irene Tinker, Director, Office of Internationl Science, American Academy for the Advancement of Science.

Rapporteurs:

Franziska P. Hosken, Publisher and Editor, Women's International Network—international consultant and author, housing and urban development.

Sarah Jackson, international economist, Joint Economic Committee

Panelists:

June Chewning, Nuclear Education and Manpower Specialist, Energy Research and Development Administration—co-founder, Federally Employed Women, Inc.;

Nancy D. Greene, Member, Democratic Advisory Council Task Force on Foreign Affairs, DNC—National organizer, "Women in Foreign Policy" Seminar, NWPC;

Amoretta Hoeber, defense systems planning consultant, General Research Corporation—former Assistant to Secretary of the Navy;

Betty Getz Lall, Director, NY State School of Industrial and Labor Relations, Cornell University—former Staff Director, Special Senate Foreign Relations Subcommittee on Nuclear Disarmament;

Nira Hardon Long, Director, Equal Opportunity and Coordinator for Women in Development, Agency for International Development;

Carl Marcy, Legislative Consultant, Council for a Livable World—former Staff Director, Senate Foreign Relations Committee;

Elsbeth Rostow, Dean, Department of General and Comparative Government, University of Texas;

Barbara Watson, attorney; former Administrator, Bureau of Security and Consular Affairs, Department of State.

3:15—Panel IV: IWY World Plan of Action and Congressional Recommendations to the United States delegation

The draft World Plan of Action presents guidelines for national actions to ensure the total integration of women into societal development. Panelists will examine the relevance of this plan to women in the United States.

Moderator: Dr. Ruth Bacon, Director, U.S. Center on International Women's Year.

Rapporteur: Morag Simchak, Women's Activities Adviser, Office of Labor Affairs, Agency for International Development.

Panelists:

The Honorable Bella Abzug, Congresswoman from New York—Member, National Commission on Observance of International Women's Year;

The Honorable Margaret Heckler, Congresswoman, from Massachusetts—Member, National Commission on Observance of International Women's Year;

Patricia Hutar, U.S. Delegate to the United Nations Commission on the Status of Women;

Mildred Marcy, Director, International Women's Year Secretariat, Department of State—Deputy Director, Office of Equal Employment Opportunity, USIA;

The Honorable Russell W. Peterson, Chairman, Council on Environmental Quality—Member, U.S. Delegation to the United Nations World Population Conference, 1974.

4:15—SUMMARY SESSION—Patricia Acheson, Symposium Chairman

Rapporteurs from each panel will summarize panel discussions and recommendations. Recommendations to the 94th Congress concerning Federal legislation affecting women in the United States and the U.S. role at the International Women's Year Conference will be developed.

Final comments and acknowledgements: Anne L. Howard, Symposium Staff Program Director.

Symposium sponsors and Capitol Hill Women's Political Caucus; The Fund for New Priorities in America, Inc.; Department of Population, Board of Church and Society of the United Methodist Church; Nancy Greene; The National Association of Equal Opportunity Employers; United Mine Workers of America; will host a wine and cheese reception for Symposium participants and guests from 5:30 to 7:30 p.m., Room 1202 Dirksen Senate Office Building. Representative Millicent Fenwick, of New Jersey, will be guest speaker.

Name tags and Symposium stickers courtesy of the Republican National Committee.

COSPONSORS OF THE CONGRESSIONAL SYMPOSIUM ON INTERNATIONAL WOMEN'S YEAR

UNITED STATES SENATE

Hubert Humphrey (D-Minn.).
James Abourezk (D-S. Dak.).
J. Glenn Beall (R-Md.).
Henry Bellmon (R-Okla.).
Bill Brock (R-Tenn.).
Edward Brooke (R-Mass.).
Dale Bumpers (D-Ark.).
Clifford Case (R-N.J.).
Dick Clark (D-Iowa).
Philip Hart (D-Mich.).
Vance Hartke (D-Ind.).
Floyd Haskell (D-Colo.).
Mark Hatfield (R-Ore.).
Lloyd Bentsen (D-Tex.).
John Culver (D-Iowa).
Henry Jackson (D-Wash.).
Charles Percy (R-Ill.).
Daniel Inouye (D-Hawaii).
Jacob Javits (R-N.Y.).
Patrick Leahy (D-Vt.).
George McGovern (D-S. Dak.).
Warren Magnuson (D-Wash.).
Walter Mondale (D-Minn.).
Joseph Montoya (D-N. Mex.).
Frank Moss (D-Utah).
Bob Packwood (R-Oreg.).
Hugh Scott (R-Pa.).
Richard Stone (D-Fla.).
Robert Taft (R-Ohio).
Edmund Muskie (D-Maine).
William Proxmire (D-Wis.).
Harrison Williams (D-N.J.).

UNITED STATES HOUSE OF REPRESENTATIVES

Elizabeth Holtzman (D-N.Y.).
Bella Abzug (D-N.Y.).
Bill Alexander (D-Ark.).
Les AuCoin (D-Oreg.).
Herman Badillo (D-N.Y.).
Alvin Baldus (D-Wis.).
Berkley Bedell (D-Iowa).
Alphonzo Bell (R-Calif.).
Jonathan Bingham (D-N.Y.).
Edward Boland (D-Mass.).
George Brown, Jr. (D-Calif.).
Yvonne Brathwaite Burke (D-Calif.).
Phillip Burton (D-Calif.).
Charles Carney (D-Ohio).
John Conyers, Jr. (D-Mich.).
James Corman (D-Calif.).
William Cotter (D-Conn.).
Ronald Dellums (D-Calif.).
Thomas Downey (D-N.Y.).
Robert Drinan (D-Mass.).
Bob Eckhardt (D-Tex.).
Don Edwards (D-Calif.).
Joseph Fisher (D-Va.).
Donald Fraser (D-Minn.).
Bill Frenzel (R-Minn.).
Gilbert Gude (R-Md.).
Michael Harrington (D-Mass.).
Herbert Harris II (D-Va.).
Kenneth Holland (D-S.C.).
Marjorie Holt (R-Md.).
Frank Horton (R-N.Y.).
William Hughes (D-N.J.).
James Jeffords (R-Vt.).
Barbara Jordan (D-Tex.).
Edward Koch (D-N.Y.).
John LaFalce (D-N.Y.).
Jerry Litton (D-Mo.).
James Blanchard (D-Mich.).
Lindy Boggs (D-La.).
Don Bonker (D-Wash.).
Tim Lee Carter (R-Ky.).
Edwin Forsyth (R-N.J.).
Millicent Fenwick (R-N.J.).
Margaret Heckler (R-Mass.).
Clarence Long (D-Md.).
Manuel Lujan, Jr. (R-N. Mex.).
Abner Mikva (D-Ill.).
George Miller (D-Calif.).
Norman Mineta (D-Calif.).
Patsy Mink (D-Hawaii).
Joe Moakley (D-Mass.).
William Moorhead (D-Pa.).
Ronald Mottl (D-Ohio).
Edward Patten (D-N.J.).
Jerry Patterson (D-Calif.).
Claude Pepper (D-Fla.).
Peter Peyser (R-N.Y.).
Larry Pressler (R-S. Dak.).
Richardson Preyer (D-N.C.).
Joel Pritchard (R-Wash.).
Frederick Richmond (D-N.Y.).
Robert Roe (D-N.J.).
Paul Sarbanes (D-Md.).
James Scheuer (D-N.Y.).
John Seiberling (D-Ohio).
Paul Simon (D-Ill.).
Gladys Spellman (D-Md.).
Fortney Stark (D-Calif.).
Alan Steelman (R-Tex.).
Louis Stokes (D-Ohio).
Leonor Sullivan (D-Mo.).
James Symington (D-Mo.).
Paul Tsongas (D-Mass.).
Charles Vanik (D-Ohio).
Henry Waxman (D-Calif.).
James Weaver (D-Oreg.).
Charles Whalen, Jr. (R-Ohio).

G. William Whitehurst (R-Va.).
Charles Wilson (D-Calif.).
Timothy Wirth (D-Colo.).
Ralph Metcalfe (D-Ill.).
John Moss (D-Calif.).
Shirley Pettis (R-Calif.).
Charles Rose (D-N.C.).
Patricia Schroeder (D-Colo.).
Steven J. Solarz (D-N.Y.).

AMERICAN PRESSURE HELPS SOVIET JEWS

Mr. WILLIAMS. Mr. President, many members of this chamber have, I know, joined in efforts to assist citizens of the Soviet Union—particularly Soviet Jews—who have been persecuted because of their desire to exercise the fundamental human right of emigrating to another country. I am sure that many have wondered as I have, how effective our efforts and those of other Americans have been in persuading Soviet officials to display leniency.

The answer, I believe, is that we have had a significant effect indeed. I have been told by people who have finally been permitted to emigrate that they never would have been allowed to do so had it not been for pressure from abroad—particularly from the United States. Most recently, the same message was brought by Dr. Victor Polsky, a Moscow physicist, who was arrested on dubious charges while awaiting permission to emigrate. I and others wrote to Soviet officials on Dr. Polsky's behalf, and last December he and his family were permitted to emigrate to Israel.

Recently, Dr. Polsky paid a visit to friends in New Jersey and urged Americans "please do not get tired of helping." He credited what he called "the big noise" for the eventual success of his efforts to emigrate.

Mr. President, so that my colleagues may share in the message brought by Dr. Polsky, I ask unanimous consent that an article about him published in the Jewish News of Essex County, N.J., be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Jewish News, May 1, 1975]

THE POLSKYS VISIT THIS COMMUNITY

(By Edith K. Schapiro)

Last year Victor Polsky was a name in the newspapers. Stories with a Moscow dateline reported the charges against him and the fact that explained the Russian authorities' eagerness to get him jailed: He was a Jew who had applied for an exit visa.

Last week, Dr. Victor Polsky and his wife were in South Orange. They stood among "friends" in a conference room at Seton Hall University where he had come to speak with other scientists and educators like himself.

Uppermost in everyone's thoughts, however, was the shining fact that, after a four-year struggle, climaxed by legal prosecution on trumped-up charges, he and his family had been allowed to leave.

The joy of release still radiates in their faces as the Polskys speak of their move to Israel last December, accompanied by their only child, a 17-year-old girl, and Mrs. Polsky's parents, sister and niece.

Their happiness and the still-lingering aura of disbelief was shared by all in the room, but most particularly by Jacqueline Levine, president of the Metropolitan New Jersey Conference on Soviet Jewry, who recalled so vividly the "action alert" mobilized early last fall on behalf of a "name"—Victor Polsky.

With his fundamental grasp of the English language—fluent but with limited vocabulary—Polsky described the action of members of our local conference and others throughout the country as "the big noise." And it is to this "noise" that he attributes the fact that he was granted the exit visa.

POWERFUL INFLUENCE

There is a double irony in the situation as Polsky tells his story. Americans who believe "you can't fight city hall" really do have a powerful influence on the most autocratic of political regimes, the authorities of the USSR, was the gist of his message.

And the Russian Government, had it not for the last 25 years been putting progressively harsher restrictions on the educational and employment opportunities of those of its citizens whose "national origin" it insisted was Jewish, could have assimilated millions of these people.

In essence, they did not think of themselves as Jews, Polsky indicated.

The story of his life, as Polsky recounts it, shows that his awareness of being Jewish was foisted upon him—"I felt it on my own skin"—when he was refused employment as an engineer physicist even though he had high recommendations from his university.

FIRED SUMMARILY

Born in 1930 to parents "who were government officials, not religious, not Zionists," and who gave him no formal education in Judaism, Polsky took great interest in his work. He was finally accepted for doctorate studies—an acceptance that in more recent years has been absolutely denied Jewish applicants to first class colleges, he said.

After working 11 years in "the Research Institute in Moscow, I was dismissed without delay," Polsky said, when he applied for permission to emigrate to Israel.

Anti-Semitism was something that had not touched him in his youth, he said, but conditions for Jews have worsened with the years. As he is quoted as saying in an interview in the Israeli newspaper, *Maariv*, "The Soviet State told me I am not one of her sons."

"IT IS POSSIBLE"

In answering a question posed by a Seton Hall professor, Polsky estimated that a half million Jews would like to emigrate from the USSR. "It is possible," he stressed, to help them realize this dream.

"It is getting to be an old story," he commented, "but please do not get tired of helping."

He is greatly appreciative of the assistance of such groups as the Community Relations Committee of the Jewish Community Federation of Metropolitan New Jersey, which arranged the Seton Hall conference through the cooperation of Dr. David Sternberg, chairman of the physics department.

Polsky, whose specialty in egineering is photo-electric devices, was warmly greeted and drawn into discussion by several Jewish and non Jewish professors. Meeting with him were Dr. Lawrence Shacklett, Dr. Harry Ashworth, Dr. Gerald Intemann, Dr. Frank Katz, Dr. Elliot Krause, Dr. Ronald Infante, Dr. Paul Ander, Dr. Edward Shapiro and Charles Weiss.

LEADERS EMERGE

They were patient as Dr. Polsky delayed his talk in an effort to telephone Moscow. He had made a promise to call at a certain time and his friends, whose own phone had been forcefully removed by the authorities, had arranged to be in another apartment to receive the call. He was, however, unable to make the contact.

Polsky was considered one of the leaders of the Jewish activists in Moscow, and he was questioned last week as to what effect his departure has had on the movement.

"There is no problem of leadership," he said, "as others will always come forward." Polsky indicated that wherever he is, touring in this country through the auspices of the National Conference on Soviet Jewry, in other countries, or in Israel, he will never forget the plight of the Jews of Russia who wish to emigrate.

His parting words: "Please, don't you forget."

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now resume consideration of S. 200, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. There will now be 1 hour of debate, pursuant to rule XXII.

Who yields time?

Mr. RIBICOFF. Mr. President, I yield myself such time as I may require.

I support the pending motion to invoke cloture on S. 200. Consumer Protection Agency legislation has been subject to more cloture votes than any bill in history—seven in the past 3 years. During that time, the issues in this bill have been debated on the floor of the Senate for a total of over 20 days.

Members of this body have had every opportunity to speak their minds. There is absolutely no good reason to delay any longer a vote on the merits of S. 200. Let us end debate over this legislation once and for all. If a majority of the Senate have not been convinced that this is necessary, worthwhile legislation, then let the bill fail. But if a majority of the Senate support this bill, then let us make it possible for the will of the majority to prevail.

Legislation similar to this has been the subject of weeks of hearings in both Houses of Congress over the past 5 years. Thousands of pages of testimony and documentation attest to the careful study given to this measure.

The House overwhelmingly passed consumer agency legislation in both the 91st and 93d Congresses. The Senate overwhelmingly passed a similar bill in the 92d Congress. In March of this year, the Senate Government Operations Committee voted 11 to 1 to report this bill to the Senate floor.

This is the first cloture vote since rule XXII was changed earlier this year. It is fitting that the most filibustered bill in history should be a test of the new rule.

Mr. President, I believe that the American people have a right to know how their elected representatives stand on this important measure.

For 3 full days, S. 200 has been debated on the floor this year. To be sure, no Senator has been denied an opportunity to be heard.

It is remarkable that we are actually voting to limit a debate which began in earnest in the 92d Congress. In September 1972, three motions to invoke cloture failed. In the 93d Congress, four motions to invoke cloture failed—the fourth by one vote. On each and every vote a substantial majority of those voting supported cloture. Barely one-third of this body have prevented this legislation from being considered on its merits for nearly 3 years.

It is my hope that the Senate will vote to give the American consumer a voice in Government which can be heard. The time for talk has passed. The time for action has arrived. Let us put this bill to the test.

I urge my colleagues to support the pending motion to invoke cloture.

Mr. President, I reserve the remainder of my time.

(At this point, Mr. LEAHY assumed the chair.)

Mr. ALLEN. Mr. President, I yield myself such time as I may use.

In about an hour, the Senate will vote on whether or not to bring to a close debate on S. 200.

The distinguished Senator from Connecticut, the floor manager of the bill and the chairman of the Committee on Government Operations, stated that this is the first effort to invoke cloture on a bill since the change of the Senate rules. Possibly he said it was the first effort to invoke cloture on a consumer protection bill. If it were the latter statement, that would be correct. Actually, cloture was sought to be invoked on the tax refund and tax reduction bill, and it failed by one vote, because there were 59 affirmative votes, as the Senator from Alabama recalls, and cloture was not invoked.

A bill which its supporters say is such a great bill in the interest of the consumer would have been passed by Congess long since, because everyone is a consumer. Every person wants his rights as a consumer protected, whether they be protected by himself, in the exercise of his discretion, or, as some might feel, by another Government agency. So if consumer protection legislation were so beneficial, if it were so in the interest of consumers, one would think that since it has been stated that this type of legislation has been before Congress for some 6 years, it would have been passed long since.

I recall that in the last Congress, when the trade bill was before the Senate for consideration, after it had passed the House of Representatives, a cloture petition was filed without a single hour of debate, and cloture was invoked by a vote, I believe, of 79 to 19. So when the Senate gets ready to move with respect to legislation, it will move.

Great store has been set by the number of times cloture has been sought to be invoked with respect to so-called consumer protection legislation. That does not speak well of the bill, as the Senator from Alabama sees it. That speaks ill of the bill. If the Senate does not reach the conclusion, after seven cloture tries in the last two Congresses, that this is a good bill, something must be wrong with it. So let us check a little as we discuss this issue, to see wherein it does fail.

In the first place, Mr. President, in order to obtain passage of this bill, the proponents of the proposed legislation have left two tremendous loopholes in the bill favoring special interest groups. If the consumers of the country need protection before the governmental agencies in matters involving consumer interest, then they should have protection in all areas of consumer interest in proceedings before Federal regulatory agencies. But two very powerful economic and political groups have been left out from coverage by this bill, and the Senate has upheld the allowing of these two exemptions.

One is in the matter of the exemption in matters before the FCC, having to do with applications by TV and radio stations for renewal of their licenses. Unquestionably, a consumer interest is involved here. But in order not to antagonize these great molders of public opinion, the media, TV, and radio stations throughout the country, numbering some 7,500, as has been asserted on the floor, they have been left out from coverage by the act. As Mr. Nader, who is the No. 1 consumer activist in the country, stated before the Committee on Government Operations, this was a political decision on the part of the sponsors of this legislation, because of the great influence that these great influencers of public opinion have on the molding of public opinion. That, in effect, was his testimony. He stated that he opposed this exemption. He stated further that when an amendment was offered to knock out this exemption, he would endorse that amendment. I have listened very carefully and have checked the newspapers for news of his endorsement of this effort to knock out this FCC exemption, but I have not been able to find where he has kept that commitment.

The other great and powerful economic and political force that has been exempt under the provisions of this bill is big labor. There is a very good reason for that: Because the representatives of big labor have stated that if they are covered by the bill, they are going to be against it. If they are not covered by the bill, they are going to be for it.

Mr. President, I do not want to see the FCC proceedings or big labor or anybody else covered by this bill, because I am opposed to the bill, because I do not believe it is necessary. I believe it will just set up another layer or echelon of Federal bureaucracy. I do not believe it is a proper approach. I believe that if the Federal regulatory agencies are not doing their job, the agencies should be abolished or the membership changed.

I might say that I introduced a bill which would have provided for reform of Federal regulatory agencies. I believe that is a proper approach—cut out some of the redtape, some of the regulations, some of the delay. Get these agencies on the job. Make them carry out the function for which they were created. Do not set up another vast Federal bureaucracy to police the work of the Federal regulatory agencies, because if this agency is created and it falls down on the job, what is going to be the solution then? Are we going to set up still another Federal agency to oversee the work of this agency, Well, if we follow the precedent being set now, that is what we will do.

We have not gone to the root of the problem. The problem lies in the performance of the Federal regulatory agencies. We should reform these agencies, not just set up some super big brother agency that decides for everybody what is best for the consumer without the consumer having any input at all into the decision, without the administrator's decision being appealable. This one person decides what is best for every consumer in the country. We would be setting up an agency that would be right under the Presidency in power and in scope.

That is the reason it has been so hard for this legislation to get off the ground. Proponents complain about it having been delayed for 6 years. Well, I hope it is delayed for another 6 years, and another 60 years, because we have too much Federal bureaucracy now.

A representative of the great national labor organizations said about this legislature:

> We do not want the Federal Government poking its nose into our business.

I agree with that thought. I do not want to see the Federal Government poking its nose into our everyday lives, either. I do not want to see that happen. But it is not because I want to exempt big labor or to exempt the FCC and the TV and the radio stations. It is because I do not believe this agency is needed for any one.

Mr. President, it is said that this type of legislation has been before Congress for some 6 years. Well, every time it comes up in committee and on the floor, amendments are offered. Many are accepted. I remember 1 year, dozens of amendments were accepted. So there must have been something wrong with the legislation at its outset if it would be susceptible to so many amendments.

Mr. President, all of the consumer activists have not been unanimous in support of every piece of consumer legislation that has come through the House and the Senate. I recall that the bill that passed the House in 1971 and failed of passage in the Senate in 1972 was described by Mr. Nader as being a fraud on the consumer. So the Senator from Alabama did what he could to defeat that bill back in 1972, and it was defeated. It seems that the Senator from Alabama and Mr. Nader were of one mind with respect to this legislation, that it ought not to be passed. I believe that he stated that he felt the bill was too weak and I felt it was too strong. Nevertheless, we both, apparently, were opposed to it.

Yes, the distinguished Senator from

Connecticut has said that in the last Congress, this cloture motion received 65 votes, I believe. At any rate, it failed by 1 vote. Now the rules have been relaxed to make it easier to pass this sort of legislation. The rules have been changed so that, instead of taking two-thirds of the vote of the Senators present, it takes only 60 affirmative votes. Since they got 65 last time, I would not have much doubt about the outcome of the vote today. If they got 65 last time, surely they will get 60 today.

But we never can tell. Let us examine this vote on yesterday. One would have thought that this amendment knocking out the labor exemption would have been bowled over by a tremendous vote on account of the admitted great political power of the labor organizations. But if that vote had been a cloture vote, it would have fallen 9 votes short of cloture, because they only got 51 votes against the amendment knocking out the exemption. So, Mr. President, you never can tell. This bill may have been kicking around in Congress a little too long. We have been getting along pretty well without it. Consumers consume. They are going to continue to consume whether we have this agency or not. Maybe, since we got along without it for 6 years, there is not such a great need for it after all. Let us see.

Let us assume cloture is invoked. I am predicting that it will be invoked. The President has made some very interesting statements with regard to this legislation. I quote from a letter he wrote Mr. JACK BROOKS on April 16, less than a month ago:

> I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of $60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

Does anybody ever thing of improving the underlying structure? Well, not the advocates of this legislation. They want to set up something entirely different that operates a kind of guerrilla-warfare type of operation against these agencies rather than getting to the root cause of the delay, of the overregulation. That is what we need to have—less regulation. We do not need more big brotherism in our Government.

Continuing with the President's statement:

> It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I could not have stated my thoughts on this any better or more succinctly than the President has.

I am going to follow up my convictions in this matter. I intend to vote against invoking cloture. I intend to vote against this bill.

If the bill does pass, and I would say certainly the chances are that it will, it is going to be checked squarely to the President as to whether he really believes what he said about this bill. If he does believe it, he will veto it. If he does not believe it, he will sign it.

I do not know what he is going to do. I believe he is a man of his convictions. I believe he will veto the bill. I have not asked him, and I do not intend to. I do not know that I could contact him to ask him if I wanted to.

But it is going to be put in his lap very shortly, it would seem.

So, Mr. President, that is the reason it is so important that we have a strong vote against this cloture motion.

There were 37 votes yesterday against the special interest exemptions, and that was for the amendment knocking out the special interest exemptions. This is a special interest bill, pure and simple. The advocates of the legislation are supposed to be people who are opposed to special interests. Yet there is no escaping the conclusion that this is a special interest bill, because it grants exemptions to two great segments of our economy and of the political life of this country.

So it is a special interest bill.

I have made a statement, and I will make it again, that if this bill included everybody, if they would knock out the labor exemption and knock out the FCC exemption, I would reluctantly support the bill, not that I favor the theory, but as hitting everybody alike. But I do not anticipate that those special interest exemptions will be knocked out.

Mr. President, there were 37 votes yesterday against the special interest exemptions. It would take only 34 votes to sustain a veto. I would say that if we could get 34 votes or close to 30, for that matter, against cloture, it would certainly encourage the President to back up his opposition to the theory of this bill and to the bill itself in the statements that he made in opposition to the bill.

Mr. President, I hope that we will have a creditable vote against the cloture motion. I do not anticipate cloture will be defeated. If they had 65 votes during the last Congress, I would anticipate they could easily get 60 or more this time. But let us see. Let us try to get in the neighborhood of 30 to 34 to 37 votes against the cloture motion. I would hope that the President then, when the bill does pass both Houses of Congress, will veto the bill. Then, Mr. President, we would be back, you might say, where we were under the rules before the rules were changed, because 60 votes would not necessarily override a veto.

Sixty votes would override a veto only if there were 90 Senators or fewer voting. So we would be back here, in effect, under rule XXII, the difference being that instead of the two-thirds required to invoke cloture under the old rule XXII it would take two-thirds vote to override the President.

I hope if we do not stop the cloture motion by holding the proponents of the legislation to fewer than 60 votes we will have such a large proportion against cloture that it will encourage the President to veto the bill.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, the time is none too soon to put an end to further delay in connection with the Senate's consideration of legislation to establish an Agency for Consumer Advocacy, S. 200. Yesterday afternoon's session was testimony enough that the opponents of this measure do not care to debate it but instead simply want to extend Senate deliberation on the bill indefinitely.

It is sheer nonsense to contend that more debate on this legislation is necessary. The last time the Senate was permitted to vote on a similar bill on the merits was during the 91st Congress in 1970. The vote at that time was 74 to 4 in favor of approval. Admittedly, numerous changes in the language of the bill have taken place since that time, almost all in the direction of creating a more balanced measure which would be acceptable to responsible businessmen and consumers alike. I sincerely believe that we have attained that goal, and that it is time now to stop deceiving ourselves and the American public about the need for engaging in a talkathon and to vote the measure up or down.

There is too much important work before this Chamber in connection with the very serious economic and energy problems which the Nation now faces. To further prolong discussion on this bill—particularly when opponents are not addressing themselves to the substance of the bill itself and refuse to permit time agreements on amendments which go to that substance—constitutes in my mind a grievous abuse of the rules and procedures of this respected deliberative body.

Is more debate really necessary at this time to remind us of the obvious: That American consumers are pitifully underrepresented, and usually not represented at all, in the day-to-day decisions of Government agencies that vitally affect their important health, safety, and economic interests?

While lobbyists for business interests converge on issues of particular importance to them, who has been expressing and reflecting the opinions of consumers in the deliberations of Presidential counselors, Cabinet heads, regulators, and agency officials with respect to the administration's comprehensive economic and energy proposals?

Is there anyone, with sufficient authority and resources, who has been brought into the inner-councils of agency deliberations to remind the decisionmakers just how bitterly the impact of side-by-side inflation and recession has cut into the earnings, savings, and purchasing power of American consumers from every walk of life and from every region of this great Nation?

Has there been anyone around to argue the devastating impact of unemployment at current levels approaching 9 percent, of the crippling housing moratorium of last year, of sky-high grocery prices, and of too high interest rates that put home and auto loans clearly out of reach for so many?

Who is speaking out over at the transportation regulatory agencies—the ICC, CAB, and FMC—in deliberations which, as a matter of course, tend to raise costs to the consumer as those agencies routinely approve rate increase applications and disapprove new entrants into the field who might otherwise promote competition rather than stifle it?

Who is speaking out over at the National Highway Traffic Safety Administration concerning proposals that dangerously weaken the auto bumper standard? And who is involved at the Federal Trade Commission and the Food and Drug Administration, chiding those agencies over their failure—by sitting on proposals for over a year now—to institute means of eliminating abuses and frauds in the hearing aid industry which affect several million hearing-impaired persons throughout this country?

And, at the local level, who has the resources and the time to stand up and fight the public utilities and prevent them from passing along inflationary charges and surcharges for gas, home heating oil, and electricity to their users that cannot be fully justified?

The simple answer, and the sad answer, is that it is not the average consumer—who is being hit from all sides—who is getting his views across. If the views of consumers are heard at all when important decisions are being debated, the voice of the consumer barely rises above the level of a whisper.

Because of lack of resources, lack of time, and lack of organizational means, individual consumers are prevented from getting their thoughts and attitudes across by the web of redtape and bureaucratic snarls associated with agency decisionmaking which affects their daily lives. The only way the regulatory process will ever function better is to assure that the views and concerns of individual consumers are taken into account at each and every stage of those deliberations.

However important the other aspects of regulatory reform are—of merging or consolidating agencies, of doing away with overlapping functions, and of revamping the structure and orientation of Government regulations—there is no substitute, I repeat, no substitute whatever for assuring consistent, informed and responsible consumer input into agency decisions. The vehicle for doing that is the Agency for Consumer Advocacy as set forth in S. 200. As I indicated to President Ford in a recent letter to him, it would be a tragic mistake to defer any longer consideration of creating the one agency of Government which will be closest to and speaking on behalf of consumers of this country—the one agency of Government which can make a difference by speaking out forcefully for consumers and relating how directly and intimately the decisions of Government agents are tied to the earnings, savings, and purchasing power, to the weekly budgets and bank accounts of each and every American consumer.

According Mr. President, I urge that we act now to cut off any further prolonging of this issue and go immediately to the substance of particular amendments, vote them up or down, and then consider the bill for a final vote on its merits.

Mr. President, I am very happy to indicate to Members of the Senate—and particularly to my distinguished colleague, the Senator from Connecticut and the chairman of the Committee on Government Operations, Senator RIBICOFF—that I have received this morning a letter from Atlantic Richfield Co., whose chairman of the board is the highly respected Robert Anderson, and whose president, T. F. Bradshaw, is likewise recognized as a leader in the American business community. They are two of the most outstanding corporate executives in this country.

Atlantic Richfield, with headquarters in Los Angeles, is the 18th largest corporation in the United States, as designated in the May 1975 Fortune 500 listing. This is a dramatic increase, up from 26th place, the year before.

In terms of total assets, Arco ranks as 15th largest in America, with assets of $6.2 billion. Last year, the company had sales of $6.7 billion, net income of $475 million.

In a letter to me dated May 9, Mr. Bradshaw, president of Atlantic Richfield Co., had this to say by way of expressing endorsement for the legislation currently before us:

MAY 9, 1975.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR PERCY: This is to respond to your request as to the position of Atlantic Richfield Company on the pending legislation (S. 200) to create an Agency for Consumer Advocacy. We have reviewed the proposal in some detail and this letter is to express the support of this Company for the bill.

Atlantic Richfield Company has a continuing interest in issues of public concern affecting consumers. Perhaps the most recent and prominent evidence of our activities is our Public Transportation Program including the current successful advertising campaign to increase public awareness and concern through promoting Ideas on Public Transportation. We have previously endorsed diversification of highway trust funds to mass transit, local ballot initiatives for public transportation and prototype commuter bus programs. There are many other Company efforts in other fields that illustrate our concern.

In respect to S. 200, we feel the bill has definitely been improved from prior versions by the refinements you and others have engendered. No legislation is perfect, of course. We are still concerned that an exemption in the bill excludes some Federal actions which potentially affect the health, safety, and economic welfare of consumers. One important example is the labor area, including wage disputes, which immediately impact consumer prices and the availability of goods.

However, on balance, we support the bill because we agree with the concept of providing effective consumer representation and focus within the Federal Administrative Branch. Because of this view, we think it important that the present opportunity for passage of an Agency for Consumer Advocacy be seized. We hope that the Congress will enact Senate Bill 200.

Sincerely,

T. F. BRADSHAW.

Once again, I wish to assure my colleagues that we have provided in S. 200 an adequate means for assuring that this will be a balanced agency—taking into account the need to have healthy, strong, producers, as well as the need to have better informed and better served consumers.

The GAO will be required to make an audit before the end of 3 years, to produce, in effect, a balanced sheet for the performance of the agency indicating what its costs have been, what liabilities have been incurred along the way, and what has been done in specific terms for the benefit of the American consumer.

I think that providing for this exercise of agency oversight in advance is a remarkable achievement in itself and a recognition that the Administrator, who will be subject to confirmation by the Senate after being nominated by the President, will have total accountability to the Congress of the United States for the actions of this particular agency.

There is no one I know of that supports this agency who wants to harass business, or to have business unduly burdened in any respect. But what we are attempting to do is to indicate clearly and loudly, that this is a consumer economy that can best be served by persons who provide products of high quality, at reasonable cost.

Mr. President, we have had a number of editorials of newspapers throughout the country endorsing the concept of a Federal Agency for Consumer Advocacy.

I am very pleased to refer to an editorial that appeared yesterday in the Chicago Sun-Times entitled, "Consumer Protection," urging passage of this bill.

Mr. President, I ask unanimous consent that this editorial, together with certain other editorials and editorial comment endorsing the bill, be printed in the RECORD.

There being no objection ,the editorials were ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, May 12, 1975]

Consumer Protection

On Tuesday, the U.S. Senate will engage in what is becoming an annual struggle to pass major consumer protection legislation. Scheduled for a vote is a measure to create an independent agency to guard consumer interests before other regulatory agencies and courts.

Last year, the legislation was victimized by a filibuster. The bill is back again because the need for it is just as pressing. Regulatory bodies, such as the Interstate Commerce Commission and the Food and Drug Administration, have not done an adequate job of protecting the consumer, nor has private business sufficiently disciplined itself.

The consumer should have an official champion to intervene in decisions and actions that affect the cost, safety and effectiveness of services and products. The proposed independent agency would perform that vital function at modest cost ($10 million allocated for the first year of operation). Considering such a price tag, President Ford is less than convincing in saying the proposal costs too much and should be rejected.

The idea of a consumer agency has gathered increasing support in the corporate world as well as among consumer advocates like Ralph Nader. Weighing in behind the measure are such firms as Montgomery Ward, Jewel Food and Mobil Oil. Senate sponsors, such as Sen. Charles H. Percy (R-Ill.), think they can beat a filibuster this year.

We urge passage of the consumer protection bill and then trust President Ford has the sense to sign it.

[From the New York Times, Mar. 12, 1975]

Voice for Consumers

For those who believe Ralph Nader "invented" consumer advocacy, it may come as something of a shock to learn that the National Consumers League, an organization with an effective and often militant record as champion of consumer interests, is now celebrating its 75th anniversary.

The anniversary is doubly significant in this International Women's Year because the league is in large measure the legacy of Florence Kelley, an indomitable crusader, who pioneered in the fight for social and economic justice in the years before the New Deal. With the aid of Louis D. Brandeis and Felix Frankfurter as counsel, the league played a leading role in a long list of reforms ranging from minimum-wage legislation to Federal pure food and drug laws.

Today the league is pressing for Congressional approval of a strong agency for consumer advocacy. Filibustering Senators talked the bill to death last year, but no amount of debate on Capitol Hill will be able much longer to forestall this move in behalf of American consumers.

[From the Washington Post, Mar. 11, 1975]

A Voice for Consumers

Whoever believes you can't stop an idea whose time has come must know nothing about the parliamentary tactics of a few members of Congress. Legislation creating the Agency for Consumer Advocacy is an idea whose time is not only long overdue but one that has been manipulated and defeated by a minority in the Senate and House in the last three sessions. Last year, the bill—which would give the consumer a voice in the government and in the courts—was passed in the House 293 to 94 but was defeated four times by senators who sustained a filibuster through four cloture motions. The motions failed to carry by ten, seven and four votes, and the last time by one vote. In the previous session, the bill lost on three cloture votes, after passing the House overwhelmingly. In the session before that, the Senate gave its approval 74 to 4 but the House Rules Committee blocked the bill.

The need for the legislation, however, has not gone away. The Senate Government Operations Committee is currently conducting hearings, and compelling arguments for the bill are being made. As the committee's chairman, Sen. Abraham Ribicoff (D-Conn.) notes, the agency is especially needed now when "continuing high prices" make it important that "the consumer receives true value and high value for every dollar that is spent." The agency would have not regulatory powers but would serve only as an advocate for consumers who have been victimized by marketplace irresponsibility. Sen. Charles Percy (R-Ill.), a former businessman who has rallied behind the bill, believes that "the votes for enacting such an agency stand ready to be counted."

Because the merits of the bill have been well debated in the past five years, and a majority of both houses have favored the agency, what is wanted now is decisive action to get the bill moving. The estimated cost of the agency is relatively modest: $15 million the first year, $20 million the next. Several groups oppose the agency—the Chamber of Commerce and the National Association of Manufacturers, among others—but it is a mistake to characterize the debate as one that pits businessmen against consumer. Actually, many prominent members of the corporate world have actively supported the bill—such firms as Montgomery Ward, Zenith, Motorola, Kimberly-Clark, Polaroid among them. Last year, the Harvard Business Review reported a survey in which businessmen "strongly agree that consumerism can no longer be ignored or denied. It is 'here to stay' say 84 per cent of our responding executives, and only 8 per cent think of it as 'a passing fad.'"

With five years of support behind it, the Agency for Consumer Advocacy is not a passing fad either. It is time for the sponsors of the bill to move it through Congress and give to consumers the voice they have long been denied.

[From the Norman (Okla.) Transcript,
Apr. 27, 1975]

Our Point of View—A Consumer Agency

The battleground on which the latest version of the proposal to establish an independent federal agency to represent consumers' interests before other agencies and the courts will probably be on upholding the veto.

At the moment, there is good reason to believe that the bill—S/200—will end up on the President's desk. However, a similar bill was filibustered to death in the Senate last year.

This year, with a more liberal membership and a new cloture rule that makes it easier to cut off debate, the outlook is brighter for passage.

Membership and organizational changes have enhanced the consumer agency's prospects in the House also. The veto battleground thesis appeared viable in the middle of the month when President Ford announced his opposition to the consumer agency in a letter to the relevant House and Senate committee chairmen. He objected to another "federal bureaucracy in Washington with its attendant costs . . . and hundreds of additional federal employees." (S. 200 would authorize $60 million for the agency in fiscal years 1976–78). Instead, Mr. Ford promised to direct all existing agencies to review their procedures to be sure consumer interests were being adequately represented.

Some thought last year Mr. Ford's so-called public neutrality on the consumer agency bill aided in killing it off, while White House lobbyists supported the filibuster which eventually did it in. The accusation is, of course, that business interests have easy access to the President while consumer-oriented interests do not.

Supporters of the consumer agency are waging a battle for the public against powerful special interests groups. One item in the opponents' arsenal is a public opinion poll conducted by Opinion Research Corporation of Princeton, N.J., which found that only 10 per cent of those questioned favored "setting up an additional consumer protection agency over all the others," while 75 per cent preferred making "the agencies we now have more effective." The poll was commissioned by the Business Roundtable, a lobby group of executives from large corporations. Criticism has been directed at the poll with charges that the questions were distorted to produce a negative response and to exploit public ignorance about the proposed agency.

In fact, there is some suspicion that some commissioned polls may well violate laws against deceptive trade practices.

Consumers seem to have more friends this year is Congress than in previous years when this kind of legislation advances through the maze. First efforts were proposed in 1969 and as with so much legislation of this type the idea must be planted, nurtured through a series of adversities while support gathered. This could be the year for fruition.

[From the Sacramento Bee, Mar. 31, 1975]

Consumer Advocate

After five years of near-misses it looks as it Congress will create an independent consumer agency this session.

While it is too early to proclaim a sunrise, the 11 to 1 margin by which the Senate Government Operations Committee voted to send the Agency for Consumer Advocacy bill to the floor strongly suggests the clouds have parted and there are better days ahead for the measure.

Last year a bill which would have created a federal Consumer Protection Agency was passed in the House 293 to 94 but was defeated four times by senators who sustained a filbuster through four cloture motions.

It is heartening to see the bill is back this year. What would have been the Consumer Protection Agency will be the Agency for Consumer Advocacy. But its function will remain the same—to give the consumer a voice before government regulatory bodies and in the courts. The name change does not mean the bill has been gutted.

The estimated cost of the agency is reasonable: $15 million the first year, $20 million the next.

The consumer needs a federal clearinghouse for complaints against marketplace irresponsibility and the buying public should be represented by a government advocate in hearings before federal agencies.

The measure has been thoroughly debated during the past five years, and since a majority of both houses of Congress has favored setting up some sort of an agency what is needed now is decisive, straightforward action to get the bill moving.

[From the Washington Star, Apr. 23, 1975]

Ford and Consumerism

(By Ernest B. Furgurson)

The Consumer is all of us, which means a lot of votes.

Thus Mr. Ford's letter to three key lawmakers began in positive tones. "In the interest of protecting the American consumer," it said, "I am directing . . . I am asking . . . I urge . . . I renew my request . . . I will soon request . . . I also intend to ask . . . I am determined . . ."

But then he got to his punch line: He is flatly opposed to creation of a federal consumer protection agency, which appears likely to clear Congress this time after repeatedly failing by narrow margins in earlier sessions.

The President's "however" style is straight in line with his predecessor's record on consumer agency legislation—endorse it in principle, obstruct it in practice.

Ford voted for a modest House bill in 1971 before it succumbed to filibuster in the Senate. But now, it is obvious that the only way it can be killed again is by bluff, and sure enough that is what Mr. Ford is doing.

The Senate has changed its rules to make it possible for 60 votes, rather than two-thirds of those present, to cut off a filibuster. At least two of those who voted against cloture last year have been replaced with supporters of the bill. That probably means a filibuster cannot kill it this time.

However, the same two-thirds still is needed to override a veto—and the President is implying without stating that he will veto the measure once it passes. And he might, but the threat remains bluff, because the bill's backers believe they have enough support this year to push it through even past the veto.

Parliamentary prospects aside, it may seem odd that any President contemplating running for re-election would stand against a bill serving The Consumer. On precedent, the measure will have overwhelming backing in both committees and on the House floor. In opposing it, the President is bucking the acknowledged swell of consumerism across the country.

Mr. Ford explains his opposition on traditional conservative grounds of not adding to the federal bureaucracy and holding down the budget. But in fact the proposed payroll of the agency is peanuts, relatively speaking.

Its advocate maintain the agency actually would function against inflation, by challenging the price-rigging in which some regulatory commissions indulge.

Under the circumstances, it is not disrespectful to speculate about the role of Mr. Ford's old golfing and socializing buddies here in his switch against the consumer agency.

It happens that Ford Motor Co., the National Association of Manufacturers and the Chamber of Commerce are among the leaders in the general business opposition to the agency. And it happens, too, that the President's closest after-hours companions for years have included Rodney Markley, William Whyte and Bryce Harlow, who are the high-paid Washington representatives of Ford Motor, U.S. Steel and Procter & Gamble, respectively, plus a list of other oil, manufacturing and business lobbyists.

None of that is incriminating, of course, but it would be less notable if the President also had occasional hot cocoa with Ralph Nader, for example, of hobnobbed with other consumer advocates like Carol Foreman and Esther Peterson. That, however, doesn't happen.

[From the New York Post]

Ford Versus a Consumer Agency

Judging from their enthusiastic applause yesterday, members of the U.S. Chamber of Commerce are sold on President Ford's view about the federal role in protecting consumers. Much of the public will be less inclined to buy it.

As he told the Chamber's convention, the President believes official Washington's "rules and regulations" are forcing the costs and consumer prices—unjustifiably, in many cases—and he vigorously objects to creation of a federal consumer protection agency because it would "add another layer of bureaucracy." Instead, he plans to convene a meeting of government regulatory agencies to "foster greater competition" and to "consider the inflationary effects of all proposed new regulations."

The President described the projected meeting as unprecedented. He may well be correct. Presidents have, over the years, sought to regulate the independent regulators by careful attention to appointments, but so obvious an attempt to intimidate them as a group—in the name of reason and prudent economizing—appears something of a novelty.

There is no reason to believe more competition is the Administration's prime goal. But if it were, it could scarcely be promoted by loosening up on federal regulation ostensibly to control "inflationary effects."

The White House proposal to lobby the commissions is one of the most plausible reasons why Congress should expedite plans for an independent federal consumer agency now, and be prepared to override a veto as well. The President is not merely complacent on the issue of consumers' rights; he is now demonstrating ill-disguised hostility.

A consumer agency to guard the interests of unorganized citizens has long been urgently needed to counter the pressures of special-interest blocks. The Departments of Commerce, Agriculture and Labor clearly reflect influential constituencies. Growing numbers of legislators recognize a consumer body as an idea whose time has come.

[From the Chicago Sun-Times, Mar. 17, 1975]

Protecting the Consumer

Legislation to establish an independent agency for the protection of consumer interests before federal regulatory bodies has reached the U.S. Senate again. However, its 11-to-1 approval last week by the Government Operations Committee promises a kinder bill this year than last, when a similar bill was killed by filibuster despite substantial support.

Sen. Charles H. Percy (R–Ill.), one of the bill's supporters, feels the change in the Senate filibuster rules, making it easier to shut off debate, has enhanced considerably the measure's chances of passage.

The legislation would create the Agency for Consumer Advocacy to Intervene before regulatory bodies, such as the Interstate Commerce Commission and the Food and Drug Administration. It would deal with such matters as price, safety and other issues affecting consumers. The measure is strongly opposed by the U.S. Chamber of Commerce but has the backing of consumer organizations.

As it stands, the bill contains a provision that would require any federal agency to issue a "consumer cost-impact statement," when writing new regulations. The statement would consist of an analysis of cost and benefits, with an explanation of how the benefits are justified in terms of cost to the consumer.

A controversial section retained in the bill exempts labor-management cases before the National Labor Relations Board from the new agency's scrutiny. A similar exemption for broadcast license renewals pending before the Federal Communications Commission was deleted.

Although the measure has great merit, it is welcomed by special attention to some groups and not others. But we hope that the Senate will pass the bill. Consumers long have needed representation in the halls of bureaucracy.

[From the Kansas City Star-Times, Apr. 10, 1975]

A Special Agency for Consumers

A vote on an important piece of consumer legislation is expected to be taken in a few days in the U.S. Senate. The bill, designated S. 200, would establish a new agency to protect the interests of the buying public before federal agencies and courts. It would also keep the public informed on consumer affairs.

The effort to create a special advocacy unit in the federal government spans five years and extended controversy. Much has been said and written about the proposal.

Even so, the underlying purpose is relatively simple. The measure would make it possible for the interests of consumers to be represented before regulatory agencies—agencies that make decisions daily which affect all Americans.

Perhaps it would also be appropriate to list some of the things that the consumer agency could not do. It could not regulate industry or business. It could not levy fines or penalties. It could not make or enforce rules. It would not have authority to license.

In addition to protecting consumers in regulatory procedures the proposed agency could seek judicial review of decisions made by governmental units that regulate industry. The new agency would also act as a clearinghouse for consumer complaints.

A consumer agency bill was passed by the House last year. A few months later an effort to break a filibuster against a similar Senate bill failed by only one vote. Sixty-five senators voted to end the filibuster, an indication of support for a consumer agency in that body.

Sentiment appears to be strong. But powerful interests are opposed to this legislation. The upcoming vote will be a test of consumer and special interests.

Mr. PERCY. As we begin the deliberative process on the bill itself, which I hope will begin sometime shortly after 2:30 today, or after passage of the railway bill, I trust that our colleagues will have the time to go through this material. I will leave it to the others on the other side of the issue to insert what appropriate editorial comment they so desire. Clearly, this is a controversial issue, but I think our debate has been healthy, has been good.

I wish to pay particular tribute to Senator Allen. We all know how strongly he feels about this issue, but he is a man of conviction, he is a man of conscience, and he is an utterly fair man.

Those of us privileged to serve with him in the Government Operations Committee have been pleased to work with him. We have been pleased by the way he enabled us to move forward with great dispatch in the committee.

I trust that his position will be defeated today, but I do wish to express appreciation to him for the quality of the debate and for the way he has maintained his position here on the floor. I wish to express personally to him my own deep respect for the way he thinks through a problem, comes up with an answer, fights for his position, and is always gracious and thoughtful about the way he does it.

Mr. ALLEN. Mr. President, how much time remains for the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 4 minutes remaining.

Mr. ALLEN. I yield myself such time as I may use within that 4-minute limit.

First, I commend the distinguished Senator from Illinois (Mr. Percy) for his kind and gracious remarks and to congratulate him for the dedication and tenacity that he has displayed with respect to this legislation, his deep convictions that this is in the best interests of the consumers of this Nation, and the very fine and courteous treatment that he has always accorded the Senator from Alabama.

In the past, I have spoken of the admiration I have for the Senator from Connecticut, the floor manager of the bill and the chairman of the committee, for his courtesy and his unfailing graciousness in the various deliberations of the committee and in the procedure here on the floor.

One argument made by the distinguished Senator from Illinois is that under existing conditions the consumer does not have the opportunity to make any input into the proceedings before the regulatory agencies of the Federal Government.

Well, that being true, what opportunity would the consumer have for making input into the decisions of the Administrator of this Agency?

There is no indication at all that they would have any opportunity to advise the Administrator of their views. That is one of the fallacies of this proposed legislation, that this all-powerful Administrator would have a right to decide what is best for consumers. All consumers not being just one great monolithic body, but having different interests and different areas of concern.

I recall one of the arguments made in the past by the distinguished Senator from Illinois as to an activity of this Agency and it would be to appear before the Federal Tariff Commission and argue, for example, for lower tariffs on shoes so that we could have more shoes come in at lower prices for the benefit of consumers, forgetting the consumers that work in shoe factories in Connecticut and other New England States, and this administrator would decide what is best for the consumers.

I submit that no person should have that right to make this unchallengeable decision.

I am delighted that the Senator from Illinois has read into the RECORD a letter from Atlantic-Richfield. I was expecting him to dust off a letter from Marcor that he has been using for many years, or certainly many months, saying that they are for this bill, but efforts we have made, if I am not mistaken, to get representatives from Marcor before the committee have been unavailing.

He mentioned about this great company being 15th or 18th in size in the country, but what about the other companies that are both larger and smaller than this company?

I am not interested in the attitude of the companies with respect to this legislation. What is best for the public interest, the public interest is paramount in this area and not just interest that the Administrator sees in a particular controversy.

Mr. President, I hope that we will have a large vote against this cloture motion. As the Senator from Illinois said, they are going to win the issue, and I rather imagine that they will. But I am hopeful that we will get somewhat over 30 votes. There were 37 votes against the special interest exemption yesterday. I am hopeful that we will have so many votes that it will encourage the President to veto this legislation when it reaches him. I reserve the remainder of my time.

Mr. GARN. Mr. President, in the midst of this debate over the establishment of an Agency for Consumer Advocacy, I came across a most illuminating article in the Friday edition of the Wall Street Journal.

The article discussed the hard times besetting Consumers' Union, the product testing organization which has provided buying advice to so many of us over the years.

Interestingly enough, the hard times are of the Union's own making. Under the enlightened guidance of Ralph Nader, and other activists on the Board of Directors of the Union, CU has turned away from what it does best, and is hard at work litigating and advertising its own brand of consumerism. Now a number of former subscribers to Consumer Reports, the Union's monthly publication, long ago noticed that more and more attention was being given to lobbying for various kinds of governmental regulation and litigating against various predacious businessmen, and less and less to telling us which were the best buys and which were check rated. In the annual poll the Union runs we would complain, but to no avail, and in desperation, we canceled our subscriptions.

And now, lo and behold, the union is broke. It is broke because it no longer serves the purpose for which it was established; it no longer conducts product analysis. Instead it warns us about aspirin and drug abuse, lobbies for product regulation we do not want, and generally wastes our subscription money in ways entirely foreign to our wants and needs.

This fact is well known to the officials at CU. As one of them is quoted as saying,

> Our readers are the people who could best survive without us. The problem is how to help people who don't read the magazine.

Now the relevance of this article, Mr. President, is to warn against this kind of consumer advocacy. We can consider subscription dollars as votes, in a very real sense. As long as Consumers' Union did what it was elected to do, that is, test products and report on them, it continused to be reelected. But as soon as it left that field, and struck out for itself, in directions unknown, it lost the election. CU has been voted out of office, and the only way it can get back in is to go back to its mission. The point is that there is no real mandate for the Agency for Consumer Advocacy; it has no constituency. The officers of the ACA will not be elected officials, and there is no reason to think that their product is wanted by the people any more than the new product of CU is wanted. In fact, there is good reason for thinking otherwise: Polls on the subject indicate that three-fourths of those polled are opposed to the creation of another superbureaucracy.

The demise of Consumer's Union is sad, Mr. President. It was good organization, performing a very useful service to the people. The best thing about it was that its judgments did not have the force of law or the weight of a government action. If we did not agree with CU's appraisal of the product, so what? We could go out and buy it anyway.

But Ralph Nader is not satisfied with that, Mr. President. He wants his judgments to carry the weight of an agency of the Federal Government, if not the absolute force of law. For my part, Mr. President, I think that that would be a dangerous situation. Mr. Nader has been wrong often enough—and I use his name simply as the best known example of this kind of activist—that we should know better than to give him power over our lives. There is no reason to create an Agency for Consumer Advocacy which will institutionalize the kind of advocacy which has been rejected by the people at every turn, with the troubles of Consumers' Union providing the most recent example.

I ask unanimous consent that the Wall Street Journal article referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 9, 1975]

CONSUMERS UNION IS IN CONSUMER TROUBLE; BUDGET IS UNBALANCED—UNION SAYS COSTLY ACTIVISM IMPERILS PRODUCT TESTING; LAYOFFS APPEAR IMMINENT

(By Roger Ricklefs)

MOUNT VERNON, N.Y.—At the redbrick, suburban Consumers Union headquarters here, things look as businesslike as ever. Rows of washing machines churn on, scouring clothes soiled with scientifically measured amounts of filth. A computer monitors the temperature inside freezers filled with chopped spinach. A mechanical device pounds endlessly on a hapless mattress. A machine designed to simulate an ill-tempered airport porter monotonously drops suitcases.

But CU people are in a tizzy. The fate that should never befall a wise consumer finally has overtaken Consumers Union: After years of growth and prosperity, CU is now spending more than it earns. Without a last-minute solution, the venerable publisher of Consumer Reports will lay off 25 employes today. It laid off 30 in January for its first signficant cutback ever.

In some ways, life at CU now is topsyturvy. Its *union* accuses *management* of squandering money on social activism. But the union offers to take a pay cut. Management isn't sure it can accept. Meanwhile, subscriptions sag, costs soar and tempers get frayed. At the rate things are going, the year 1975 is shaping up as anything but a "Best Buy" for Consumers Union.

STUCK WITH A LEMON

Like the affluent consumers who read its magazine, CU thrived in the 1960s. Prosperous readers wanted to know which slide projector or station wagon held up best in CU's rugged tests. Circulation of Consumer Reports—CU's main source of income—soared to 2.2 million in 1973 from 850,000 eight years earlier.

Then paper costs rose 50% in a single year. Other costs also soared. The magazine, which doesn't accept advertising, had to raise its subscription price last July to $11 a year from $8. Partly because of the boost, circulation has fallen below 2 million, CU says. Less free-spending consumers, too, think they don't need as much buying advice as before, says Rhoda H. Karpatkin, CU's executive director.

On top of all this, a new computerized subscription-processing system that came "highly recommended" turned out to be "worse than average" in changeover problems. Some say it looks as if CU got stuck with a lemon. A CU spokesman says it is hard to know where the fault lies, but officials concede that problems in installing the new system cost the nonprofit organization more money than expected and disgruntled many subscribers.

Although revenue in the fiscal year ending May 31 will climb to a record $18 million, CU probably will have a deficit of $1.4 million this year after a $1.2 million deficit last fiscal year, Mrs. Karpatkin says. These are the first significant deficits since World War II, CU says. At present, it says, reserves are nearly exhausted.

LITIGATION VS. TOASTER TESTING

CU's most controversial expense is for consumer activism. With varying intensity, there has long been a struggle within CU between "activists" and "toaster testers." CU's bread and butter, of course, comes from writing reports on toasters, cars, electric blankets and baby carriages that readers may want to buy. A toaster-testing faction thinks that consumer activism will divert money from CU's main job and endanger the organization's objectivity and credibility.

Lately, activists on the board of directors—Ralph Nader, for one—have gained strength. They argue that an effective consumer organization must do more than give advice on garden hoses to readers whose median income, according to CU, exceeds $16,000 a year. "Our readers are the people who could probably best survive without us," says an official. "The problem is how to help people who don't read the magazine."

Thus, three years ago, CU expanded and transformed its tiny, quiet Washington office. Its three lawyers and their assistants now have 13 consumer cases in litigation. CU says the lawyers have already won important cases involving bank interest rates and the price of natural gas, among other things. Earlier this year, CU opened a West Coast regional office in San Francisco with an initial staff of one lawyer and two staff members. This office will also take part in consumer litigation.

Last year, CU also started a broadcast film division employing 10 people to make 90-second consumer feature films sold to television stations. A typical film advises viewers to buy cheap aspirin instead of expensive brands like Bayer, which are identified by name in the film. Another points out that dry-roasted peanuts have almost as many calories as the oily kind. Some films also go to schools.

So far, more than 50 stations have bought the twice-weekly films. "With television, we are reaching 32 million homes," Mrs. Karpatkin says. She staunchily defends all the new activities. "We would be an incomplete consumer organization if we didn't provide a consumer voice," she says.

But CU says the Washington and West Coast offices cost $189,000 a year at current rates. The television operation also loses money. The local unit of the Newspaper Guild, which represents CU employes, is therefore pressing the organization to cut back on new activities before it lays off anybody else—specifically, Guild members. "It's silly to keep nonproductive, nonincome-producing activities while you cut budgets and people in the departments that bring in the money," says Ralph Petrucelli, a CU assistant engineer who is chairman of the Guild's Consumers Union unit.

Unionists like Mr. Petrucelli think the new activist units are great when times are good. But unionists now feel that they are being asked to give up union jobs to support social activism. Last January, when CU laid off about 30 workers, many of them temporary, the Guild didn't protest loudly. Today, it's different.

"I am on pins and needles," says William South, a laboratory technician who is scheduled to go today. "I'm not fooling myself; lab technicians with my background are a dime a dozen these days," he says. "Consumers Union is a nice place to work. I believe I'm doing something useful, and it's very rare when you believe in what you're doing," he says. To save money for an emergency, Mr. South has been cutting back on his unusual hobby—collecting comic books from the 1950s.

To save the 25 jobs, the Guild unit has offered to give up $175,000 a year in benefits and take a 2.85% pay cut. Guild officials figure the package would cost the average employe about $1,000 a year. The more than 300 employes mostly seem to consider their jobs well worth having, even at reduced pay. A typist here now earns at least $211 a week after three years. Writers earn $282 a week to start and a minimum of $430 a week after five years, more than at some other major newspapers and magazines.

In return for taking a cut, the Guild wants a guarantee that CU won't lay off any workers for a year. But Mrs. Karpatkin says: "I just can't surrender any of the flexibility I need to balance our budget. If circumstances require us to cut back further, that's what we'll have to do to remain responsible. I'm determined to be in the black next fiscal year."

So as time runs out, and Mr. South stops buying his Captain Marvel comics, talks are at an impasse. Meanwhile, the buildings are filled with outboard motors waiting to be tested, rows of battered cribs that barely survived being tested, and large hammers pounding relentlessly on mattresses, just as they have done for years.

Mr. MOSS. Mr. President, what is it that the American people have been telling us over the past months and days?

That they no longer are prepared to tolerate government run for and by special interests.

That they have had it with regulatory agencies that would not regulate and law enforcement agencies that would not enforce the law against corporate criminals.

That they deeply resent government decisionmaking bought and paid for by campaign contributions.

That they are tired of paying taxes to support huge government bureaucracies that pay no attention to the deeply felt needs of the individual citizens and consumers.

In short they expect more from government, but they do not get it.

This is what S. 200 is all about. We are proposing that the consumer join the ranks of commerce and labor with his own modest but strong advocate in the decisionmaking processes of government.

When the Federal Power Commission hears the pleas of the big oil companies, with their platoons of lawyers, that natural gas or electric energy rates must be doubled or tripled "in the public interest," the American people want someone to argue that maybe it is not entirely in the public interest to charge consumers billions of extra dollars to fatten industry profits to the highest levels in history.

When the Federal Trade Commission hears arguments of national advertisers that "hard sell" advertising is good for children because it teaches them to be skeptical, should not the FTC also hear the views of the consumer advocate who may have different insights into the impact of massive doses of advertising upon our children?

When textile manufacturers urge delay after delay in the setting of flammability standards for children's clothing before the Consumer Product Safety Commission, we want the Commission to hear a voice for consumers reminding them of the bitter and painful toll of scarred children that every day of delay inflicts upon our people.

Every day, deep in the bowels of the Federal Government, some civil servant is making a decision that may affect the health or safety or the pocketbooks of millions of Americans. The business interests affected by that decision know who he is, know where he is, know how to talk to him. They have the resources, technical and legal, to place before him the most persuasive case in their interest that can be made. Can you or I, as individual consumers, protect ourselves the same way?

There have been and will continue to be miles and miles of rhetoric denouncing the bill we have before us as consumers' trojan horse, and worse. Yet, when all the rhetoric is boiled down, what is feared is that this modestly funded agency—with a fraction of the budget of the Commerce Department—will succeed in convincing the sleeping giants of Federal regulatory agencies to do the job which Congress in the dim past created them to do. Now, is not that awful?

It is somewhat disconcerting that we once again are forced to debate this legislation. We have done this all too many times. As I recall, in 1970 both the Committee on Commerce and the Committee on Government Operations considered a Consumer Protection Agency bill which the Senate subsequently passed by a vote of 74 to 4. Unfortunately, at that time, the House Rules Committee did not grant a rule enabling the legislation to reach the House floor, and so we were forced, in the 92d Congress, to begin once again the arduous and complicated procedure of developing a Consumer Protection Agency proposal.

As we can recall, in the 92d Congress, by a 344 to 44 vote, a Consumer Protection Agency bill was passed by the House of Representatives. And over here in the Senate, almost 2 years ago, we debated and debated, only to be stymied by the one-third minority who were opposed to this legislation.

During the 93d Congress, the Committee on Commerce and Government Operations have worked diligently for long hours to develop a Consumer Protection Agency proposal which contains the best features of all possible consumer advocacy proposals. The committee held 6 days of hearings during the spring of 1973, and held 5 days of executive sessions this spring. Surely, every argument for and against the bills has been discussed time and time again.

I like to think of the Agency for Consumer Advocacy legislation as an "inflation fighter." We need an inflation fighter in this time of skyrocketing prices. While dollar income is higher, real income has declined substantially over the past 12 months. Until something is done about rampant inflation, the American consumer will continue on a treadmill, each dollar that is earned will not make up for the purchasing power that has already been lost through inflation.

The ACA will help to channel the regulatory efforts of our Federal agencies in combating inflation. It can help the public better understand the opportunities for saving dollars, and it can help eliminate those rules and regualtions which may have served well 10, 20, or even 30 years ago.

By helping to combat fraud, the ACA can save millions of consumer dollars which are being taken from the marketplace and wasted on illegal, unethical;

and unsuccessful investments and purchases.

Education is one of the most worthwhile investments of our tax dollar. The Agency for Consumer Advocacy has a mandate to stimulate and provide for education and informational programs which can help the consumer better understand the marketplace and make better use of his hard-earned dollars. This is another important attribute of the Consumer Protection Agency.

On a daily basis, regulatory agencies are making decisions for which there is little or no consumer representation within the process. These decisions affect the consumer's pocketbook substantially.

For instance, in February 1973, with the price of beef at record high levels, the Department of Agriculture advised turkey farmers to reduce production in the latter half of 1973. Who spoke for the consumer in that decision?

In 1973, when the price index of 31 foodstuffs jumped 21 points in 4 months, the Cost of Living Council began to consider what action to take to limit food price increases. During these deliberations, who spoke for the consumer?

Last, the Department of Transportation has failed for 7 years to issue standards to improve the safety of schoolbuses. While the Department finally did issue a proposed safety standard relating to schoolbus design, during the 7 years, who spoke for the consumer?

An Agency for Consumer Advocacy armed with substantial independence, would redress the balance between industry and consumers. I urge my colleagues to vote for cloture and vote for S. 200.

Mr. DOLE. Will the Senator from Connecticut yield to me?

Mr. RIBICOFF. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 23, line 2, Add the following new sentences: The Comptroller General shall, prior to issuance of any request for information pursuant to this section by the Administrator, promptly review such request to assure that it does not impose an undue burden upon persons receiving such request. In the event the Comptroller General determines that the Administrator's request for information shall impose an undue burden upon the person receiving such request, the Comptroller General and the Administrator shall make every reasonable effort to modify such request so as to alleviate such burden prior to issuance of said request.

Mr. DOLE. Mr. President, I believe the amendment is self-explanatory. What the Senator from Kansas seeks to do is to remove from the administrator the right to directly request interrogatories. This would be an additional safeguard. The request would go to the GAO, and the GAO, in turn, would make a determination whether or not the request should be granted. In the event that this cannot be accomplished, the Comptroller General, in consultation with the administrator of ACA, would attempt to reach some agreement.

This is an area that has caused some concern among businessmen and others who are concerned about an undue burden because of interrogatories. It does amend, as indicated, section 10, following line 2 on page 23.

This amendment has been discussed with the distinguished Senator from Illinois and the distinguished Senator from Connecticut. I do not believe there are any objections to the amendment.

Mr. RIBICOFF. Mr. President, I discussed this amendment with the Senator from Illinois, and I am ready to accept this amendment in behalf of the committee.

Mr. PERCY. The minority also, Mr. President, accepts the amendment.

Mr. DOLE. I yield back the remainder of my time, Mr. President.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Where not enough time remains for the yeas and nays before the time for a quorum on the cloture, is there any difference to be made when the yeas and nays are called?

The PRESIDING OFFICER. If the yea and nay vote is in the process, the cloture quorum will come at the conclusion.

Mr. RIBICOFF. I wonder if I could ask unanimous consent to have the yeas and nays on the Dole amendment come after the cloture vote.

Mr. ALLEN. I object. I would like to have the vote at this time.

Mr. JAVITS. A further parliamentary inquiry, Mr. President. Can the time be yielded back before the yeas and nays, if the time is not going to be used?

The PRESIDING OFFICER. If the time is not yielded back, at 2 o'clock, under the order, the quorum call will be forward.

Mr. JAVITS. Mr. President, I ask for a little time. Can the Senator give it to me?

Mr. RIBICOFF. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. RIBICOFF. I yield 5 minutes to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I just wanted Senator DOLE to know that I intend to vote for his amendment. I have no doubt that the amendment will carry. But I do not think that the last few minutes of a debate in the important matter of the whole bill, which hinges on whether there is cloture, should be taken up with a rollcall on something which would probably carry overwhelmingly. I hope Senator DOLE understands that.

Mr. DOLE. Yes.

Mr. JAVITS. Mr. President, this debate has now boiled down to something very, very different than what it started to be. It started originally to be a challenge to the whole basic sense of whether we should or should not have an Agency for Consumer Advocacy. It seems to me now, as I think I have a fair judgment of what takes place here—may I have a little order, Mr. President?

The PRESIDING OFFICER. There will be order in the Senate. The Senator will suspend until there is order in the Chamber.

The Senator will proceed.

Mr. JAVITS. It seems to me that what is happening now is that we are down to the nitty-gritty of particular exemptions, for example, on the matter of those who are concerned about the labor aspects of this matter, where an amendment to strike out the labor exemption was defeated on the ground that that was strictly limited to labor disputes, that it did not involve all other economic matters affecting labor. I am prepared to say in my judgment the new agency can intervene in respect of proceedings under the Davis-Bacon Act, which relates the prevailing rate of wages. Walsh-Healy is another example. In other words, all we have an exemption for is collective barbaining where there is no direct economic effect upon the price or the wage which a consumer can reach.

So, Mr. President, one thing I would like to leave with the Senate in the short time remaining is often when we vote cloture we assume, "Well, that is it. The bill is going to pass and that is the end of it." I do not think the Senate needs to have any lack of confidence in this particular situation; that it can work its will on this bill, even within the confines of cloture, and it will. It will. There will be other changes in this bill. We all know that. The only question is shall it be filibustered to death again?

It seems to me that by now the Senate is of one mind on the fundamental idea that this kind of an agency is needed. I appeal to those who have questions or concerns about some one aspect of the bill or another that in this particular case it is not just going to be moved along and we are not going to just roll over amendments. That is not the temper of the Senate. The temper of the Senate may be, and I hope it is, let us get on with this business and get it done and at long last not let this whole bill go down the drain because we cannot get a reasonable time for debate. But we, the Senate, ought to have complete confidence in our ability to work our will on given parts of the bill or given amendments. This does not mean any streamrollering operation at all. It is not that kind of a bill and it is not that kind of a situation in the Senate.

Mr. DOLE. Will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. DOLE. I think the Senator's statement with reference to the Walsh-Healey and Davis-Bacon Act, at least to the Senator from Kansas, is very meaningful. There is the rumor around and statements being made that total labor exemption applies to everything. I remember a colloquy with the Senator from New York last year, and in essence the distinguished Senator made the same statement. This should clear the air. It is not a blanket exemption. We have private negotiations. But it does apply in the cases he mentioned and perhaps others.

Mr. JAVITS. Perhaps others definitely. The definition is strictly limited to labor disputes and the kind of thing the NLRB and Federal mediation do. They are not directly economically affecting the size of the wage or the nature of the price which will result from that wage. Indirectly they may be, but that is not the thrust of the agency into which the exemption will not permit intervention.

The PRESIDING OFFICER. All time of the Senator from Connecticut has expired. The Senator from Alabama has 1 minute.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may withdraw the request for the yeas and nays.

The PRESIDING OFFICER. Without objection——

Mr. BROCK. Mr. President, I did not hear the request of the Senator from Alabama.

The PRESIDING OFFICER The request of the Senator from Alabama was to ask unanimous consent to withdraw his request for the yeas and nays on the amendment of the Senator from Kansas.

Without objection, it is so ordered.

The order for the yeas and nays is vacated.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

Mr. BROCK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROCK. Should not the vote now occur on the Dole amendment?

The PRESIDING OFFICER. The time for debate having expired, the clerk has to report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. 200, the Consumer Protection Act of 1975.

Abraham Ribicoff, Jacob K. Javits, Quentin N. Burdick, Walter D. Huddleston, Charles H. Percy, Lowell P. Weicker, Jr., Warren G. Magnuson, Gale W. McGee, Thomas P. Eagleton.

Mike Mansfield, Edward M. Kennedy, Edmund S. Muskie, Alan Cranston, Thomas J. McIntyre, Henry M. Jackson, James Abourezk, Wendell H. Ford, Harrison A. Williams, Jr., Robert C. Byrd.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 25 Leg.]

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Georgia (Mr. TALMADGE), is absent on official business.

The PRESIDING OFFICER (Mr. THURMOND). A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on S. 200, a bill to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes, shall be brought to a close? The yeas and nays are mandatory under the rule.

The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate so that everyone concerned may hear the responses?

The PRESIDING OFFICER. The Senate will be in order.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

The yeas and nays resulted—yeas 71, nays 27, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—71

Abourezk
Baker
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NAYS—27

Allen
Bartlett
Bellmon
Buckley
Byrd, Harry F., Jr.
Cannon
Curtis
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Thurmond
Tower
Young

NOT VOTING—1

Talmadge

The PRESIDING OFFICER. On this vote, the yeas are 71, the nays are 27. Three-fifths of those duly chosen and sworn having voted in the affirmative, the motion is agreed to.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT

The PRESIDING OFFICER (Mr. THURMOND). Under the previous order, following the vote on the motion to invoke cloture on S. 200, the Senate will now proceed to the consideration of H.R. 4975, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

Mr. PASTORE. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats and clear the aisles.

The time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from Indiana (Mr. HARTKE) and the Senator from Alabama (Mr. ALLEN), with 20 minutes on any amendment and 10 minutes on any debatable motion, appeal, or point of order.

The Senator from Indiana is recognized.

Mr. HARTKE. Mr. President, this will not be a long debate. I hope the Senators present will understand that we anticipate there will be a vote very shortly.

I ask for the yeas and nays at this time; or have they already been ordered?

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, very simply what this is is a bill H.R. 4975, reported favorably by the House of Representatives. The Senate Committee on Commerce has agreed to report this bill in order to avoid a conference and take up the decisions concerning rail passenger service and recommendations later this year.

Mr. President, the Senate Commerce Committee has favorably reported H.R. 4975. This legislation was passed by the House of Representatives on April 24, and is urgently needed to continue rail passenger service throughout the United States. Because this legislation contains a supplemental authorization for 1975 and authorizations for fiscal year 1976, the transition quarter, and fiscal year 1977. It needs to be enacted as soon as possible in order to permit Amtrak to make payments to the railroads with which it contracts for service as soon as possible. Amtrak has already missed one railroad payment, which was due on the 15th of April, and the next one is due on the 15th of May. In order to permit these essential payments to be made and avoid a cessation of rail passenger service and possibly even the bankruptcy of two rail carriers, the Senate Commerce Committee decided to report the House-passed legislation so that it can be passed and sent directly to the President, thus avoiding the necessity of a House-Senate conference.

The Committee has carefully reviewed the provisions of this legislation, and finds them entirely acceptable. While the bill does not fulfill the committee's legislative goals in the area of rail passenger service this year, it is an entirely acceptable piece of legislation and, therefore, the committee decided that passage of this bill now—thus permitting essential railroad payments to be made—is entirely harmonious with the Senate package of rail passenger legislation, which is now being developed and will be sent to the floor of the Senate within the coming months. In other words, the committee intends to pass H.R. 4975 without amendment and to proceed with Senate legislation on rail passenger service later this year.

Mr. President, there is a great need for rail passenger legislation beyond what is contained in H.R. 4975. For instance, legislation will be necessary to implement the Northeast Corridor project, which was required by the Regional Rail Reorganization Act. The Senate will also be Passenger Service Act at that time, and I hope to announce hearings on these matters within the next several weeks. These hearings will be designed to consider all legislation introduced in the Senate on rail passenger service so that the committee can markup a comprehensive bill and report it to the floor.

Mr. President, I would like to briefly address some of the salient features of H.R. 4975. In passing this legislation, the House of Representatives adopted the Administration's request for authorizations for the National Railroad Passenger Corporation. The bill authorizes a total of $1,118,000,000 in approprations to the National Railroad Passenger Corporation through October 1, 1977. These funds are comprised of the following categories.

First, a supplemental authorization for fiscal year 1975 in the amount of $63 million is provided for. The sum of $350 million is authorized for fiscal year 1976 operating expenses, $105 million is authorized for the transition quarter operating expenses, and $355 million is authorized for fiscal year 1977 operating expenses. The sum of $110 million is authorized for capital expenditures in fiscal year 1976, $25 million for the transition period, and $110 million for fiscal year 1977. Furthermore, the legislation specifically earmarks a maximum sum that can be spent on section 403(b) services: for fiscal year 1976 not more than $25 million can be spent for these purposes, for the transition quarter not more than $7 million, and fiscal year 1977 not more than $30 million.

Mr. President, these authorizations reflect a basic reality: The financing of rail passenger service should not occur through loan guarantees. Given the fact that the national network of rail passenger service will probably not become profitable anywhere in the foreseeable future, it is actually cheaper for the Government to finance these activities on a direct authorization and appropriation basis than it is to pay interest to a lender through a system of guaranteed loans. This legislation would change the existing financing mechanisms for Amtrak away from guaranteed loans toward using authorizations and appropriations. Certain modifications are made in the guaranteed loan provisions of the Rail Passenger Service Act which will facilitate leveraged leasing of equipment. These reforms are designed to assure that more of the Government's expenditures for rail passenger service go directly to improvements in service and for interest payments to various financial institutions.

In addition to providing for the Corporation's first multiyear authorization, the bill also promotes sound corporate planning by giving greater flexibility over route structure in order to maximize revenues and minimize losses. The Corporation is exempted from existing train discontinuance procedures under section 13(a) of the Interstate Commerce Act, and in lieu thereof, will be adding and discontinuing trains according to criteria developed by Amtrak's Board of Directors within 120 days of the enactment of this legislation.

After initial review and comment on these standards, both the Secretary and the Commission are to submit to the Corporation their comments on the initial proposal. Thirty days later, the Board of Directors is to promulgate final criteria and submit them to the Congress. These criteria and procedures will take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of their submission, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve these final proposals. These changes will give the Corporation additional management flexibility to enable it to continue to provide intercity rail passenger service within the financial limits established in the authorizations contained in the legislation.

Mr. President, I am sure most of my colleagues are aware that Amtrak's operating deficits have grown substantially since service was first initiated on May 1, 1971. For fiscal 1971–72 combined, Amtrak had an operating deficit of $153 million. In fiscal year 1973, another $142 million was required, and in fiscal year 1974, the requirement for Federal operating subsidy was $198 million. It is estimated that this figure will ultimately reach $318 million and that it is estimated to grow to $350 million in fiscal year 1976.

Of course, the loss per passenger mile has actually decreased; these cost increases have occurred because of a combination of inflation and the vastly increased numbers of people riding passenger trains in the United States. Both the administration and the House has recognized that Amtrak service is important both to national goals and to the many communities it serves, but also there is a limit to the amount of resources we as a nation can properly devote to providing rail passenger service. As most of my colleagues realize, the United States has not expended any significant portion of the funds it invests in transportation on rail service to date. This bill is one step in the right direction at the same time, the bill before us provides a process which, if carried out successfully, will empower Amtrak to add or discontinue services in order to keep the financial requirements for rail passenger service within reasonably predictable limits and will insure that the American taxpayers get the greatest value for their rail passenger service dollars.

These amounts authorized in this bill represent a welcome breakthrough in dealing with the administration. On the one hand, they represent a reasonable prediction of the resources that will be necessary to carry out a substantial program of rail passenger service, and at the same time the mechanisms in the bill provides Amtrak with a method to modify its system of routes and services to be responsive to the market for rail passenger transportation.

While this bill provides some index of the dimension of expenditures that will be necessary to continue to operate and improve our nationwide rail passenger network, I would like to caution my colleagues that there is no assurance that additional authorizations will not be necessary. First, we are all aware of the unprecedented inflation that has such devastating effects throughout our economy. These inflationary increases are especially severe for the railroads, including Amtrak. Second, I think it is fair to say that Amtrak in the past has been subject to certain political pressures in connection with various routes and should the proposed route flexibility in this bill be sufficiently curtailed for one reason or another, this could limit the ability of the Corporation to curtail costs.

Finally, it is entirely possible that additional responsibilities will be assigned to Amtrak by the Congress in the coming months. For one thing, implementation of the Northeast Corridor project may well be a situation in which Amtrak is to play a substantial role. Furthermore, under existing law, Amtrak is required to initiate one new "experimental" route per year; these new routes are another factor that could lead to increased expenditures. In other words, I believe this bill provides a reasonable ball park for expenditures over the coming years, but I would like to caution my colleagues that this is by no means guaranteed.

Mr. President, this legislation also makes a number of other worthwhile changes in the Rail Passenger Service Act. First, the limitation on compensation for corporate officers is modified to permit the Corporation to pay its President and Chief Executive officer a salary in excess of the level 9 of the executive schedule provided that the sum is not higher than the general level of compensation paid officers of railroads in positions of comparable responsibilities or $85,000 whichever is the lesser. The Senate has previously passed legislation similar to this on several occasions. Important changes are made in section 305 of the Rail Passenger Service Act concerning customs inspection provisions on international intercity rail passenger trains. I believe Senator MAGNUSON wishes to address himself to this change, since it will require onboard inspections while trains are moving in order to facilitate both customs inspection procedures and rail passenger service. A change is made in the date Amtrak files its annual report in order to conform with the new Government fiscal year, and a financial investment advisory panel, originally established in the 1970 act but never utilized, is abolished. Finally, the Department of Transportation Act is modified by eliminating the July 1, 1976 deadline requirement for the Secretary to make grants under the historic terminal conversion program in order to provide more flexibility in this increasing important program. The committee will probably be holding oversight and legislative hearings on this program later this year.

Mr. President, I urge my colleagues to strongly support this legislation as a sound step toward a more balanced transportation system and an increasingly improved rail passenger network in the United States. I believe that it is important we move forward with this bill as soon as possible and pass it without amendment so that it can be sent directly to the President to permit the necessary railroad payments to be made, which are already well overdue. As I previously mentioned, the committee will be holding hearings so that the Senate will be able to consider any amendments to the Rail Passenger Service Act later this year. In order to facilitate the necessary railroad payments, I would urge my colleagues to vote in favor of this legislation today.

Mr. MAGNUSON. Mr. President, there is one feature of this House passed legislation on which I would like to comment. H.R. 4975 modifies section 305 of the Rail Passenger Service Act to require that the Secretary of the Treasury and the Attorney General cooperate to have effective enforcement of our customs laws while providing onboard customs inspections while trains operated in international intercity rail passenger service are moving. This is a procedure that has been followed on many passenger trains in the past and is followed on an everyday basis in most countries of the world. It will permit the two Federal policies of effective customs inspection and maximum utilization of rail passenger service to be in consonance with one another. The Bureau of Customs apparently felt they needed this authority in order to conduct onboard inspection while trains are moving, and this bill clearly directs them to do that. This will provide for a substantial improvement in the operating times of these trains and will be convenient for passengers, while still providing for effective customs enforcement.

Mr. President, I have reviewed the provisions of this legislation along with my colleagues, and urge that the Senate pass it without modification so it can be sent directly to the President. As Senator HARTKE, the chairman of the Surface Transportation Subcommittee, stated, the Senate Commerce Committee will be considering other amendments to the Rail Passenger Service Act later this year and will hold hearings on all proposed amendments. I urge my colleagues to support the enactment of H.R. 4975.

Mr. WEICKER. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise in support of Senate approval of H.R. 4975, the Amtrak Improvement Act of 1975, legislation to make further appropriation authorizations for the National Railroad Passenger Corporation—Amtrak—and to make further amendments to the Rail Passenger Service Act of 1970.

Reflecting the general economic downturn and increasing costs, Amtrak's operating deficit has been higher than expected for the current fiscal year. On account of lack of funds. Amtrak has deferred payments due April 15 to railroads for train operations and will be unable to make payments due May 15, thereby threatening severe financial hardship for several marginal rail carriers.

In order to prevent any possible curtailment or cessation of rail passenger service, the administration has requested an urgent supplemental authorization of $63 million to continue Amtrak operations through June 30, 1975.

On April 24, the House passed H.R. 4975, which provides the urgent supplemental and further authorizes an additional $1.055 billion in appropriation authorizations for Amtrak through fiscal year 1977. The total $1.118 authorization contained in H.R. 4975 includes: The $63 million supplemental through June 30, 1975; for fiscal year 1976, $350 million for operating expenses and $110 million for capital expenditures; for the fiscal year transition period from July 1, 1976 through September 30, 1976, $105 million for operating expenses and $25 million for capital expenditures; and for fiscal year 1977, $355 million for operating expenses and $110 million for capital expenditures.

In addition to the authorization for appropriations, H.R. 4975 provides for an exemption to the $60,000 salary limitation for the president of Amtrak allowing the Amtrak Board of Directors to raise compensation to $85,000 a year. The Senate has voted on three previous occasions to remove this salary limitation, and the administration supports this exception in order to attract and keep such top-flight management as Mr. Paul Reistraup, Amtrak's new and promising president.

The legislation also directs Amtrak's Board of Directors to submit to Congress for its approval criteria and procedures under which Amtrak would be authorized to add or discontinue routes or services. Presently, Amtrak may only discontinue a particular service in accordance with section 13a of the Interstate Commerce Act; this amendment affords additional management flexibility to Amtrak.

Mr. President, the Federal Government has made an initial commitment to intercity rail passenger service. To be perfectly honest with my colleagues, I should make it clear that Amtrak will not be profitable in the foreseeable future, and continued Federal financial assistance is necessary if Amtrak is to survive as a viable transportation alternative.

H.R. 4975, as passed by the House, would authorize Federal funds for expected Amtrak deficits through fiscal year 1977. It is imperative that Amtrak begin longer-range planning to upgrade its equipment and overall rail passenger service to reverse the years of neglect under disinterested private management.

Mr. President, I urge my colleagues to approve H.R. 4975, the comprehensive authorization bill, in order that the appropriation process may be expedited, and Amtrak sustained as a competitive, fuel-efficient transportation mode for the future.

Mr. HARTKE. I yield to the Senator from Idaho (Mr. CHURCH).

Mr. CHURCH. Mr. President, I would like to comment on certain provisions of the Amtrak Improvement Act of 1975 and at the same time express my thanks to Senator MAGNUSON and HARTKE for their support for extending the Amtrak system into unserved and underserved areas.

Last year, during the consideration of the Amtrak extension legislation the Senate passed an amendment which I offered which would have required service to all 48 contiguous States under the basic Amtrak system. Although a similar provision was not contained in the House of Representatives' version, the conferees did agree to require the Secretary of Transportation to give preference to routes servicing currently unserved States in the designation of the annual experimental routes. The conferees further directed the Secretary of Transportation to designate a southern Idaho route as an experimental route during the calendar year 1975. This decision was applauded by the residents of southern Idaho who have been without rail passenger service now for 5½ years.

Under the legislation now before the Senate, a change would be made under the experimental section to place the authority for route designation with the Amtrak Board of Directors rather than with the Secretary of Transportation. Congressman HASTINGS, who first offered this provision as an amendment on the floor of the House of Representatives, specifically states that this change would in no way affect the congressional mandate of 1974 regarding service to unserved areas. In his words:

> Finally, it is consistent with last year's amendment to section 402(c) which requires that experimental routes be designated first to provide to States which have no large population centers served by Amtrak under the basic system; that amendment removed much of the element of political pressure from the choice and thus we need not fear that we will be subjecting the Corporation to a large political burden by the proposed change.

With this assurance, and with the assurances of the Senate Commerce Committee Chairman Senator MAGNUSON, and the Transportation Subcommittee Chairman Senator HARTKE, I support the proposed change in the law governing the designation of the experimental routes.

The administration has been stalling regarding the implementation of the experimental routes in hopes that their own proposal to terminate the experimental section would prevail. It is evident now that it will not.

Given the reluctance of the Department of Transportation to fulfill their duties under this section of law, I feel Idaho, and other omitted States, may be better served by the removal of these powers from the Secretary. I am hopeful that the Amtrak Board will demonstrate a greater willingness in carrying out this provision of the law, as mandated by Congress.

It is clearly not a question of whether these areas must be served; the law spells out clearly that they must. It is a matter of administrative dispatch, and I would hope that a change in the administering body will result in the expedition of service to Idaho, and other unserved States.

Mr. President, I am deeply disappointed in the manner in which the administration has been dragging its feet on this important issue; I only hope the performance of the Amtrak Board of Directors will prove more favorable to Idaho, and I urge my colleagues to accept this change.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. HARTKE. Yes, I yield.

Mr. ALLEN. Mr. President, I recall when the Senator from Indiana was before the Senate just recently with respect to the bailout bills for Penn Central. Now he is the floor manager for a bill intending to bailout Amtrak.

I notice there is some little difference here between the House bill which the committee has sent to the floor, I believe, intact, and the companion Senate bill which is S. 852.

Mr. HARTKE. Yes.

Mr. ALLEN. I notice S. 852 uses about 11 lines of the bill to put in a salary increase or lead the way for a salary increase for the various officers of Amtrak, putting them on a comparable basis to railroad executives in private fields. I believe the House committee report says that is up around almost $140,000 a year.

I notice the Senate bill would have no ceiling except what is comparable in the industry; the House bill raises the compensation or paves the way for raising compensation from $60,000 a year for the president up to $85,000 a year.

Mr. HARTKE. Let me explain this. We are taking the House-passed bill, not the Senate bill——

Mr. ALLEN. I understand that.

Mr. HARTKE. Under consideration. The House-passed bill provides for a statutory limitation of the president of the corporation when his salary is increased from $60,000 to $85,000 a year.

Mr. ALLEN. Yes. I was just wondering if the distinguished Senator felt that the results of Amtrak—and I might say I enjoyed seeing the distinguished Senator on the Mike Wallace show the other night or Mike Wallace on the Vance Hartke show. [Laughter.] At any rate, neither the Senator from Indiana nor Mr. Wallace had anything complimentary to say about Amtrak, and I am just wondering what is the basis for paving the way here for a raise from $60,000 to $85,000 a year.

Mr. HARTKE. The Senate has twice passed a measure similar to the one passed in the House. Let me explain though there has been a change in management. Let me say to the distinguished Senator from Alabama that we are looking forward to some distinct changes in the whole operation of Amtrak.

I might tell the Senator in my judgment the change in management is a good one, without casting too much reflection on the past management.

This was recommended, remarkably, by the Office of Management and Budget, which is rather unique with them to ever recommend any kind of increase. It has also been recommended by the Department of Transportation.

The cost savings, in our judgment, will be accruing to the Amtrak operation not alone in cost reduction itself comparable to the mileage but also in improved services.

I have been talking to these people, and I will be glad to either take the Senator on a train ride at his expense on Amtrak, and let him inspect the change or otherwise.

Mr. ALLEN. I still have not had an answer to my question as to whether the Senator thinks the results of the Amtrak operation justify a salary of $85,000 a year for the Amtrak president.

Mr. HARTKE. Yes, I do.

Mr. ALLEN. I see. All right.

How much has the American taxpayer already sunk into Amtrak in outright grants and loans up to date?

Mr. HARTKE. A total of about $600 million.

Mr. ALLEN. $600 million?

Mr. HARTKE. Yes.

Mr. ALLEN. When is it anticipated that Amtrak will get on a break-even basis?

Mr. HARTKE. I will tell the Senator in all frankness, I have tried to be as honest with the Senate as I know, that I do not know, and I do not think anyone else knows. It is not going to be on a break-even basis in the immediately foreseeable future.

I point out this is not unique in the United States. The passenger service, for example, for Germany had a deficit last year of $2.4 billion in operating subsidies; and the Japanese line is the same. There is no passenger service line in the world which at this moment is operating on a profitmaking basis. The situation is such that the railroad roadbeds, frankly, are in such bad shape in the Midwest and Northeast that it makes it impossible for Amtrak itself to really improve their service in the characteristic form which we would like to see them do.

On the other hand, I point out we spent about $28 billion last year total on highways, and they did not break even either. Bus service on the highways, if they had to pay for the rights-of-way and the expenditure there—there is no movement of people in the United States basically which is on a profitmaking basis.

Mr. ALLEN. I believe the distinguished Senator said in connection with the Penn Central bailout that it was going to cost about $5 billion to rehabilitate the New England railroads; is that correct?

Mr. HARTKE. I think that is an outside figure. Well, I think that might be a fair estimate.

I want to tell the Senator it is not based on any real hard figures.

Mr. ALLEN. That is going to come out of the taxpayers, is it not?

Mr. HARTKE. A lot of people are trying to tell you and tell the country it is going to cost a lot less, like $1.5 billion or $2 billion. I think that is too low; $5 billion may be too high.

The fact remains something has to be done to fix up those roabeds. That has to be done.

We are proceeding—and I have a meeting in the Vice Presidential Ceremonial Office with the Secretary of Transportation immediately following this to see if we can come up with something which will not cost the taxpayers too much money but, at the same time, something which will provide some type of organized way out of this chaos in which the railroad transportation system is at the present time.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. HARTKE. I yield to the Senator from Connecticut.

Mr. WEICKER. I would like to respond, if I may, to the Senator from Alabama, knowing of his concern, his consistent concern, in these matters, which concern I share, that I have written to the General Accounting Office. I have requested that they, No. 1, do an inventory of all the moneys that have been put out by Congress and by the American people to the railroads; and also to get an evaluation as to whether or not these moneys were being properly spent.

So I want to assure my colleague that whereas the distinguished Senator from Indiana and I have dedicated ourselves to trying to make some sense out of a deteriorating rail situation, we are not doing so in the way of just throwing out a lot of money and not having any accountability.

I expect that accountability, and I do not blame the Senator from Alabama for raising these questions because, indeed, the track record has been very miserable up to this point. But please understand that it is not a matter of bailing out anything. It is trying to construct a rail system that will not have to come to Congress in the future.

Mr. PASTORE and Mr. SPARKMAN addressed the Chair.

Mr. HARTKE. I am glad to yield to the Senator from Alabama.

Mr. SPARKMAN. I have been rather appalled at the large outlays, and I have spoken to the Senator before.

I was very much impressed by an article I read in the Washington newspapers the other day with reference to the Southern Railroad.

Mr. HARTKE. Yes, I have read it. The Southern is one of the Nation's best railroads.

Mr. SPARKMAN. It has good equipment, a good roadbed, and it is making money.

Mr. HARTKE. Right.

Mr. SPARKMAN. By the way, I would like to ask unanimous consent to have that article printed in the RECORD because I think it is a very good picture and a very good demonstration of what can be done in a railroad that is properly run.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 4, 1975]

SOUTHERN'S SYSTEM, OR HOW TO RUN A RAILROAD

(By William H. Jones)

Railroading a growth industry?

To a public being told daily about deteriorating tracks, imminent collapse of bankrupt lines and the ballooning federal subsidies need to prevent nationalization, a description used by Wall Street for its favorite economic sectors hardly seems realistic.

To one Washington businessman, however, the description is the only one that makes sense.

W. Graham Claytor Jr. is the man—a lawyer by training, resident of Georgetown, fan of railroading and chief executive of Southern Railway System, one of the most profitable railroads in the country and one of the largest corporations with headquarters in the nation's capital.

In a year when the U.S. rail network was revealed to be falling apart—literally, on some routes—Claytor's firm was picked by Dun's Review as among the five best-managed corporations anywhere in the country (the others were Merck, Kerr-McGee, R. J. Reynolds Industries and American Telephone & Telegraph).

And the honors continue to pile up: This week, Claytor, 63, will be honored as marketing executive of the year, by the American Marketing Association.

These recent assessments of Claytor and Southern tend to back up what others—Wall Street investment analysts, railroaders, government officials, shippers—have been saying for years.

By concentrating on the business of providing freight service to a booming economic region since World War II, Southern Railway's leaders have shown that they know how to run a railroad. Through aggressive marketing, in turn, there is evidence that the region itself has grown more rapidly because of Southern's record of innovation and large expenditures on its own plant—to generate sales and profits.

At a recent transportation conference here, economist Aaron J. Gellmen said, "It is entirely possible that diversion of resources outside railroading (such as happened with the Penn Central) . . . has made less capital available to pursue technological innovation possibilities in railroading than would have otherwise been the case.

"Indeed, consider the fact that the Southern Railway, which appears to have a policy of not diversifying outside railroading, has the record as the premiere practitioner of innovation in the railroad field," he said in calling for a reduction in U.S. economic regulation as an aid towards improving innovaton.

There is no question that one key to Southern's success is a devotion to full-time railroading. Claytor and his associates have absolutely no interest in acquiring restaurants, container manufacturers or any other line of business that doesn't directly promote more shipping by rail.

And Claytor, who came to the executive suite by way of representing the railroad as a lawyer before the Interstate Commerce Commission in a historic attempt to introduce an innovative freight car, works full time on the Southern.

His company's 11,000-mile rail network may be among the nation's most modern but, as a result, Claytor's 40-foot backyard line for larger-than-normal model engines and cars has deteriorated to a point that makes the Penn Central look good. When Claytor opened his house on a recent weekend Georgetown house tour, he had trouble finding enough solid track on which to put some rolling stock.

Claytor is ferociously proud of his firm's success and absolutely confident of its future, assuming some reduction in federal controls through the ICC. Whereas Southern has fared well in the past despite too much government regulation, Claytor said in an interview last week that future growth will be made possible with expected passage by Congress of regulatory reforms and financial aid to the generally depressed industry.

Given a return to normal economic trends—which means a more rapid growth in the country—Claytor sees his company at least doubling business over the next decade (in 1974, Southern profits were a record $88 million on record revenues of $909 million).

"The South definitely has not peaked out," he said. "The recession happened to hit industries here in particular . . . but growth potential is enormous."

He said the three basic elements in continued growth for the South are land, people and water. The West has vast amounts of land, he continued, but no water for the deserts. The Southeast has all it needs, including an "attractive climate."

It is significant to note that, while Southern's freight car loadings have declined by some 20 per cent in the early months of 1975 from last year, there has been no letup in the number of inquiries to Southern's headquarters about possible plant sites along the railroad's routes.

After the year 2000, the rate of growth for the South as a region and Southern as a railroad may tend to slow a bit—as new technology causes the Western deserts to bloom and fashions the next generation's growth area, Claytor said.

Throughout, he expects three factors that have made his railroad a success to continue:

Maintenance of the "most modern railroad plant in the country" through outlays of more money for its size than any other railroad.

In the last seven years, Southern has spent about $1 billion to upgrade facilities and buy new equipment. This year, the Washington company had planned to spend some $150 million but outlays have been cut substantially because of the recession. In effect, with reduced traffic volume, some projects can be delayed.

Direction of the company by a diversified management team that centers on Claytor and four executive vice presidents: George S. Paul, administration; James H. McGlothlin, law and finance, who is retiring next month; Robert S. Hamilton, marketing; and L. Stanley Crane, operations.

These men comprise a management committee that meets at least once a week in Claytor's office, on the top floor of the Southern Railway Building at 15th and K streets NW. Some 15 vice presidents report regularly to the four men under Claytor and, four times a year, all of these officers meet to review the firm's performance. In addition, there are bigger meetings twice a year that include lower management officials from all over the Southern system—which stretches to East St. Louis, Memphis, New Orleans, Cincinnati and Florida.

Operation in a region where economic growth is a uncertainty. While the possibility exists that Southern will seek to extend some of its routes outside the Southeast region, Claytor said there are "no plans to grow" except for possible acquisition of Penn Central lines on the Delmarva Peninsula (part of the region) and some key Midwest lines of the Pennsy.

Claytor expressed disagreement with Secretary of Transportation William T. Coleman Jr.'s goal of consolidating the five dozen major U. S. railroads into three or four transcontinental lines and two or three North-South lines.

"I don't believe we're about to have three or four railroads," Claytor said. At the same time, he said there will be some consolidations, provided ICC delays on mergers are reduced. "It's quite obvious that smaller railroads just can't operate with the efficiency of large ones," he asserted, but there is also a limit to bigness.

"Experience indicates that in every kind of operation, you can increase size beyond what can be supported" by one management, he said.

One nationwide rail system, similar in concept to the Bell System, would be a "management and economic disaster of enormous proportions," Claytor said in dismissing one idea of how to solve the rail crisis.

The principal problem, and one that will get worse until government acts to bring about changes, is a "growing competitive disadvantage between railroads and the two other principal surface transportation modes," inland water barges and trucks, Claytor argued.

"The only solution is to have a national transportation policy directed toward correcting the imbalance of right-of-way costs . . . Otherwise, in spite of railroads' advantage as inherently the most efficient economically, for total money spent and fuel and the environment, all these will be overcome if government trucks makes it cheaper to go by truck," he asserted.

"It's remarkable," said Claytor, that railroads have been able to "stay alive the last 40 years," pouring 20 per cent of their total revenues into rights-of-way while the government subsidized full waterway costs for barge companies and built an interstate highway system that aided truckers.

At the same time, he conceded, a "serious political problem" is presented by the need to bring about changes. "It's essential . . . it takes leadership on the part of the administration and Congress."

Claytor opposed flatly the idea of government ownership of tracks and rights-of-way, as a way to solve the current crisis. Trying to separate operating companies from ownership and maintenance of tracks would result in "a complete shambles, one way to wreck the industry," he argued.

A solution to the financial crisis must involve imposing a "greater burden" on transportation firms now getting a "free ride" (truckers, barge firms), according to Claytor. "There's no way to fix it without doing that."

Imposition of that greater burden, he added, could be accomplished either by taking away the existing subsidies for trucks and barges or by adding a subsidy for the railroads. Some sort of right-of-way "trust fund" would be feasible, Claytor said, so long as the method of attracting revenues for the fund doesn't amount to a new tax on rail freight shipments.

Mr. SPARKMAN. One more thing I want to mention. There is a stretch of road from Jacksonville, Fla., to New Orleans without a single passenger train on it. That is along that very populous and prosperous gulf coast. I cannot understand why that service is lacking, why we do not have any service along that area.

Mr. HARTKE. Is that on the Southern line or is that Amtrak line?

Mr. SPARKMAN. It is not Southern.

Mr. HARTKE. I am not familiar with that detail, but if the Senator will make application to Amtrak, I am certain they are interested in extending the service.

But I do point out to both Senators from Alabama that even that little, if we put on a passenger service, the chances of that being a financially profitable operation are very slim, as far as passenger service is concerned.

I also point out that the Southern is a concrete example of good management.

I also point out, that out of the 65 railroads operating, basically, 49 are still in the black today.

We are not in a situation in which all railroads are going broke, but the situation is more critical in the geographical area which—I was going to say east of the Mississippi—is really in the Midwestern section up through Pennsylvania, into the Northeast. The difficulty there is twofold.

One of them is that these were never systems. They are an accumulation of a bunch of railroads which were put together and called a system.

In that corridor, however, there are some railroads which are operating very profitably, the C. & O., B. & O., Norfolk & Western.

But we have some other railroads in the Midwest, in the Chicago area, which are faced with some of the same complicating problems Penn Central had. Rock Island is only one example.

One of the reasons we are so anxious to move forward is that one payment from Amtrak to the operating railroads has already been passed. Another is due, and unless we get this money to them by the 15th of May, we may force at least two more railroads which are operating trains for Amtrak today into a very close financial situation.

Mr. SPARKMAN. I am pleased to hear the Senator say we have 49 railroads operating in the black, and I am encouraged by what he says.

Mr. HARTKE. Let me give a warning to the Senator. The American Association of Railroads just reported, I think yesterday, that the first quarter of this year was the worst quarter in the history of the railroad business, not alone for those in bankruptcy, but even some of the ones in good financial condition, had a very bad first quarter.

Mr. SPARKMAN. Well, I thank the Senator.

I have voted for every recommendation the Senator made and I am going to vote for this.

Mr. HARTKE. I appreciate that.

Mr. SPARKMAN. I know the Senator studies these problems and bring out the best he can.

Mr. PASTORE. Will the Senator yield?

Mr. HARTKE. I yield.

Mr. PASTORE. First of all, I congratulate my colleague for the excellent job he has done on this bill and for his great interest in trying to bring about some semblance of sanity when it comes to our passenger service and our freight railroad service in this country.

There is no question at all about it, as the Senator from Connecticut has pointed out and as the Senator from Indiana is willing to admit, there has been poor management throughout.

As a matter of fact, we used to have what was known as the New York-New Haven Railroad, and little by little it was bled dry. Then, of course, we had the merger between the Pennsylvania and the New York Central. All of us advocated at that time that the merger take place in the hopes we would restore a fine railroad service up in our part of the country in New England.

I quite agree, it might shock some people to hear that we are trying to raise the ceiling of the President from $60,000 to $85,000, but heretofore, we have always gotten a warmed-over executive to run the railroads. Just a warmed-over executive who had either retired from another job, or was fired from another job, and he was asked to run this railroad. As a result of it, they did a poor job.

Now, I will say, it is worth the difference. It is worth the difference, the taxpayers of this country have already spent about $600 million. I say, very frankly, we need someone who has the competence, we need someone who has the leadership, we need someone who can restore the confidence of the people. I say it is worthwhile raising his salary if we can accomplish that.

I am very happy to vote for this bill because I think this is the last clear chance we have. Should the bill fail, I say very frankly, either take the plane or walk.

Mr. HARTKE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I must confess that I have not had the opportunity to read the House report on the bill—I gather we are moving on the House bill.

Mr. HARTKE. The Senator is correct.

Mr. HUMPHREY. On the procedures here today.

There is some language here on which I wish to receive some clarification.

For example, on page 4, line 6, in subsection (c), within 120 days after the date of enactment of this subsection, the board of directors of the corporation shall study, develop, and submit to the Secretary, to the commissioin and to the Congress, an initial proposal setting forth criteria and procedures under which the corporation would be authorized to add or discontinue routes and services, et cetera.

What has bothered me about the railroad industry is that it likes to quit railroading.

The thing I hear about most in my State is to discontinue service, discontinue passenger service, discontinue freight service.

We pass here a rural development act to loan money to rural communities, to industries in rural areas, and we end up finding out that they do not qualify for airport money, their railroad systems are discontinued, and, quite frankly, the highway system in rural parts in America is not all it should be because we have had delays and delays in the use of highway funds.

I wish to ask the Senator, Are we voting for something here which is going to speed up the discontinuance of railroad service and lines, or are we voting for something here that will give us some protection, those of us who come from rural areas like Indiana and Minnesota, for our people out there that are producers of food and fibers?

Mr. HARTKE. What we are voting for here is, hopefully, the expansion of service.

We are talking about passenger service under Amtrak which is an organization dedicated to expanding and improving railroad passenger service.

Mr. HUMPHREY. Only passenger service?

Mr. HARTKE. This has nothing whatsoever to do with freight service.

I will say, if one has a chance to go to the management, one will find what they are really asking about is upgrading the present service, not discontinuing service. They want to expand passenger service.

This is not a case where they want to get rid of it.

I want to caution the Senator from Minnesota about expecting people improving freight service to be very happy about that, because, basically, passenger service gets in the way of freight service, and if a freight man had his way he would not have any kind of duplicate service on any route.

That is not the attitude of Amtrak and I am looking forward to substantial improvement in Amtrak service.

I think I can say this with a great deal of confidence that between Washington, D.C., and New York City, with the expenditure of about $25 million on the right-of-way in the next 2 years we will cut this time by ½ hour between Washington and New York.

I think that this, from what Mr. Reistraup tells me, if we get the money now, use it now to repair those rights-of-way now—it is haphazard, in other words, not just one stretch—we will cut ½ hour in time between Washington and New York, roughly being 3½ hours to 2½ hours.

Mr. HUMPHREY. And a smoother trip?

Mr. HARTKE. And a smoother trip. That is basically the result, improving the tracks.

But to bring us to that half-hour which we are anticipating to bring it down to 2 hours, we cannot get by with that little money. Then we will have to have some major money to go ahead and get that job done.

That is what we are talking about. Something easier done when we do a quick improvement in some areas can be accomplished with a slight expenditure of money, but to really do it, we have this problem, as Senator WEICKER said, really, of bad tracks through the Midwest and Northeast.

Mr. HUMPHREY. Yes. I noticed the senior Senator from West Virginia standing here waiting to be recognized. As I recollect, the Senator offered an amendment on the recent public service employment bill to have a substantial amount of money made available for the repair and renovation of rights of way. Is that correct?

Mr. RANDOLPH. The legislation, to which the able Senator makes reference, is a joint effort by the knowledgeable Senator who is now handling this measure, and the very diligent Senator (Mr. JAVITS) from New York.

We have had three bills for the rebuilding of the railbeds of the rail systems of this country. We believe that 30,000 to 40,000 workers can be gainfully employed in doing this job. We then also help the employment picture for those who have been furloughed.

I shall take just a moment to indicate that for the Boston and Maine Railroad, Mr. Dustin, the president, has testified that he had to furlough several hundred maintenance-of-way workers.

I do not want to inject any note of partisanship whatsoever, but the administration continues to talk about an overall plan to rebuild the roadbeds of the rail systems of this country. Not only are we concerned with the safety of passengers who move on routes where faster trains are operating, but we also have the problem of moving the coal trains that bring energy to where it is needed.

I ask the able Senator this question: It is a fact, is it not, that legislation which is a joint effort has been reported from the Commerce Committee?

Mr. HARTKE. That bill will be on the floor, hopefully, for passage this afternoon, if I can finish up this bill quickly enough to release the staff to write the report.

Mr. RANDOLPH. That legislation also was approved in the Committee on Labor and Public Welfare.

It is very important, of course, if we are to operate train systems, that we have a trackage which will be safe for passengers and for the expeditious movement of freight.

Mr. HARTKE. I wish to say to the Senator from West Virginia, who has been doing such an outstanding bit of work in this field, there is $700 million in that program for public works employment for railroads alone. That measure, as indicated, has been approved by the Public Works Committee and now by the Commerce Committee. It has been ordered reported to the floor, and hopefully will be here this afternoon for passage this afternoon. That is, depending upon other individuals who may want to express some concern about it. But I am saying it will be ready for passage this afternoon.

In addition to that, I want to point out that the money for this authorization has already been approved in the supplemental appropriations bill. The Senator from Arkansas (Mr. MCCLELLAN) assured me that it was put in this morning, subject to authorization. The net result is that H.R. 4481, which will be coming to the floor very shortly, will make it possible for us to send that bill to the President.

We have no assurance it is going to be signed.

Mr. HUMPHREY. I express the hope that whatever endeavor we undertake to improve the basic structure of our railroad system, particularly the rights-of-way, the tracks, will be improved. We have to just implore the administration and the President to do so. Our transportation system today weakens our whole structure of national security and our structure of commerce.

The Senator from West Virginia makes note of the fact that in the movement of coal, for example, our rail system is inadequate to do the job. In the movement of grain in the Middle West, in the breadbasket of America, the railroad system has proven itself to have a very difficult time to be able to fulfill its requirements. Therefore, I am interested in legislation that will strengthen the basic structure.

The management of a railroad is another matter. That is something that Congress has a more difficult time with. But the time has come for the United States to recognize that our basic physical structure of the railroad system has a national interest. There is a national interest in it. I personally believe that the time may very well come when the entire right-of-way may have to come under some form of Federal control or overall Federal assistance. But whatever we do, the timeliness of it is important.

As the Senator from West Virginia has just said, with 8 million, 9 million, or 10 million people unemployed in this country, with hundreds of thousands of them in areas where the track system of this Nation needs to be modernized and improved, it is just plain stupid not to be doing something about it. It could not be justified on the basis of humane, economic, or moral grounds.

How can we stand around here and keep putting out welfare checks, putting out food stamps and putting out unemployment compensation when we ought to permit people to earn a good living on something that is really needed?

We need good trackage in this country. Instead of arguing about whether the railroads will do it or we will do it, we ought to get busy and get it done. We ought to do it.

I compliment the Senator from West Virginia, the Commerce Committee and the Public Works Comittee for getting this before us. The urgency has to be demonstrated. There is not a citizen or a person in these galleries who does not know that the railroad system of this Nation is 50 years out of date, with the exception here and there of a particular line which has been well managed and well provided for. I am happy to say that one of those, the Burlington-Northern in my part of the country, has done a good job. There are some others. The Southern Railroad system that goes to Florida has done a good job. But some of them are absolutely in economic chaos. It is not right for us to permit this and at the same time to talk about building more battleships and having a modern military establishment.

If anybody really wanted to cause us trouble and if they ever attacked, we would not know how to get to where we were going to meet them. We have today a transportation system that is not properly integrated.

Take a look at this city of Washington, D.C. Take a look at where the railroad station is, where the bus station is and where the airport is. The only thing good about it is that it gives work to the taxicab drivers. We have not put together a central system of transportation.

I know we are taking some time here, but there needs to be some time taken. I am taking this moment to talk about this bill simply because it gives us a predicate on which to vent our opinions.

I am going to vote for H.R. 4975. Frankly, I commend Amtrak. They have improved service. They brought service to areas that had been denied service. Only recently they brought service in my State from the Twin Cities up to Duluth and Superior, which is very important for us. Basically, they have done a good job. But concerning the fact that they have lost some money, well, join the crowd.

A lot of big companies have lost money. The only way we are going to quit losing money is to get this country out of a recession. The only way we will get it out of a recession is to go to work and quite blowing bubbles. What we need to do in this country is get people back to work. If we have to pay them $50 a day to work on that railroad it is better than giving them $10 a day unemployment compensation.

I think what the country wants is a determined effort on the part of this Government to get back to some fundamental principles. We are not asking for a free ride on the train and we ought not to give people a free ride. They ought to get work, w-o-r-k, jobs, j-o-b-s. That is what they need to get. If they get it, we will get the country back on its feet. If we go piddling around here, we will have more of the same. Companies will lose money. The workers will lose jobs. The Government will lose revenue. Congressmen will be wringing their hands over the horrendous deficit of the Federal Government. There is one way that we get a deficit. That is to lose the job. If we have the country in recession, we will have a deficit. If we get the country back to work, we will pay our bills. We do not have to go to Harvard, West Virginia, Purdue, the University of Minnesota or Yale to learn that. We can learn it one way. The way we pay our bills is to go to work, to get some money, and then discipline ourselves within the resources we have. But as long as we have millions of people without work, the country is going to be in trouble. A budget deficit will increase. Companies will lose their profits. Workers will lose their incomes. Cities will lose their revenues. We sit here and say, "Well, now, can we afford to pay somebody to run a railroad?"

I agree with Senator PASTORE. If I thought they could get somebody around here to really get this railroad working, he would be worth a million dollars a year. I do not know what he would do with it. We would tax most of it away from him, anyway.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. HUMPHREY. How about my time?

The PRESIDING OFFICER. The Senator has no time.

Mr. ALLEN. Mr. President, I will yield some time to the distinguished Senator from West Virginia, if he requires it. Will 3 minutes suffice?

Mr. RANDOLPH. That will be agreeable.

Mr. President, I commend the Senator from Minnesota for his rhetoric, but I commend him more for the realism of his remarks.

This is, of course, a bigger subject than simply what we are doing here at the moment. When the Senator addresses the need for the rail systems to preserve, on the basis of merit, those lines which go into the rural sections of practically every State in the Union, he is speaking factually.

We have a problem now in the South Brench Valley of West Virginia, where it seems that the Chessie system will remove its service for 51 miles, running from Green Spring on the main line of the B. & O. through the valley southward to Petersburg.

We are attempting to show that we have been developing the counties of Hardy and Grant. We are building new industries—in fact, two of them. We have constructed an industrial park, and plants are moving in. But they are asking the very pertinent question: "What about the rail system in this valley? We understand that it is to be removed."

So this is a problem not only in that valley but also all over the United States.

Since the Senator from Minnesota has stated his philosophy I join him in saying that we can work our way out of the problems now facing America. We will spend money, of course, but if we will make the expenditure on work programs, we will come out of it. I do not believe we will ever meet the problems of the great cities by piling more people on more people. We have a great countryside here, and we want it to exist parallel with the metropolitan areas. There is a need to give attention now, more than ever, to a balanced transportation system which will benefit the people of America.

As my good friend from Minnesota knows, a truly balanced system must provide the means of movement for those people who live in rural areas and small towns. The needs of millions of citizens who are so situated have been relatively neglected as we concentrated on improving transportation in the large cities and across the Nation. This was necessary work, but we must now turn our attention to rural America so that it, too, can enjoy the benefits of good transportation.

Two years ago the Congress approved the rural highway transportation demonstration program to help us determine the magnitude of the problem and the ways in which it might be solved. With support from the administration, that program was expanded last year. Its findings, I am confident, will help us develop a fresh approach to rural transportation.

The legislation we consider today and that which we will have before us in the near future concerning the railroads are important and urgently needed steps toward strengthening all forms of transportation.

Later this year the Committee on Public Works will develop a new highway authorization bill. In that effort we will give major consideration to the highway needs of rural areas. Motor vehicles are the major—sometimes only—means of movement in rural areas. Throughout the country we have billions of dollars worth of unmet rural highway needs—primary and secondary roads that need urgent improvements to enable them to meet the needs of today. These needs require and will receive priority attention.

Mr. TAFT. Mr. President, will the Senator from Alabama yield me 3 minutes?

Mr. ALLEN. I yield.

Mr. TAFT. I thank the Senator.

I direct this question to the distinguished chairman of the subcommittee.

In section 12, dealing with liquidation, is certain language. I am particularly anxious to know whether that language has an effect on the situation of the already approved but not yet running line from Boston to Chicago, with particular reference to 12 miles of track in New York that have been torn up, although the right-of-way is still in the hands of the bankrupted Penn Central. I would like to know whether, in the Senator's opinion, there would be a requirement that Amtrak would acquire that 12 miles of right-of-way so that we could build the line as soon as possible.

Mr. HARTKE. It requires the Department of Transportation to buy it, from Rensselaer to Post Road, which is a necessary part of the route from Chicago to Boston. The Senator can be assured that it is a provision of the bill which does cover that specific difficulty. If the Penn Central sells it, it has to be sold to the Department of Transportation. They are directed to buy it.

Mr. TAFT. I thank the Senator for his comments.

I note that section 8, dealing with discontinuance of service, contains language, on page 6, setting up criteria for adding or discontinuing routes of service on new lines, as I understand it. I understand that the Boston-Chicago line, having been approved already, would not fall within the provisions of that section.

Mr. HARTKE. This section is prospective and does not apply to the experimental route which has been approved.

Mr. TAFT. I thank the Senator.

Mr. ALLEN. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, strike all after line 4, over to and including line 5 on page 2.

Mr. ALLEN. Mr. President, how much time is allotted on this amendment?

The PRESIDING OFFICER. Ten minutes to each side.

Mr. ALLEN. Mr. President, this amendment would eliminate the machinery by which the president of this corporation could and doubtless would receive a raise in compensation from $60,000 to $85,000 a year. In other words, it would leave the president at $60,000 a year, which seems adequate to the Senator from Alabama.

Also, based on the television show in which the Senator from Indiana appeared the other night, the president is new in his job. I would think that we would want the president to be able to come in and report great improvement during his presidency, before giving him a $25,000 a year raise in compensation. He knew what the job paid. He is being paid $60,000 a year, which would seem adequate.

While I am not advised that this is the situation, I would imagine that the compensation of high-ranking officials in the corporation is based somewhat on and is limited by the compensation paid to the president. That is the way it is in Government, as we know: When the department head receives a raise, that makes the other employees eligible for a raise, but still below the salary of the department head.

I believe more is involved here than this. I would think that at this time, when we are seeking to fight recession and inflation, we would avoid this $25,000 a year raise until we would see some performance.

I would rather see the president of this corporation receive a million-dollar-a-year bonus, based on a showing that he got this corporation in the black, rather than come before Congress every year for additional moneys in the hundreds of millions of dollars. I feel that until we can see a record of improvement, this compensation will be adequate.

The effect of this amendment would be to prevent the raise in the compensation of the head of Amtrak from $60,000 to $85,000, leaving it at $60,000; and it would leave the other officers of the company, in the higher echelon of the bureaucracy, limited by that $60,000.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, three times the Senate has agreed to an amendment similar to the one in this bill raising the salary.

Second, the House, for the first time, has recognized the need for this increase in salary and has come forward with this bill at this time.

Third, I point out, with all due deference to the past management, that the present president of Amtrak has just come aboard. He has said, in substance, "Don't expect miracles from me"; but I will say that he has performed rather substantive changes in some cases.

With regard to the television comments I made, at that time he had just come aboard.

I have the greatest confidence in Mr. Reistraup. I believe there is no possibility of getting this man into this job at a $60,000 salary.

I know it is very hard to talk about increasing a man's salary, in a tax-supported operation, beyond even the Cabinent range and above that of Senators and Representatives. But I honestly say to the Senate that I hope this amendment will be rejected; because, if Amtrak has any chance whatever of being successful, I think the present president of the corporation gives us the best opportunity we have.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HARTKE. Yes; I yield to the Senator from Ohio.

Mr. TAFT. I wish to second the remarks of the distinguished chairman of the subcommittee, since he has had considerable contact with Mr. Reistraup since he has come in. We know his background and are extremely impressed with the approach he has taken to the job and the changes he has gotten underway.

I think, also, we ought to take into account, in making our decision on this question, the fact that this is and should be a career job, that it should be as close to private corporations as we can possibly make it. If we are going to get people to come into the job who are going to be competent and able to handle the responsibilities here in question, I think we are going to have to compete with private industry in this case. It is not a public service position, like Cabinet officers, who come in and know they are going to be there only for a while under a particular administration. Rather, it is a long-term career that is involved here.

Mr. HARTKE. The Senator from Ohio states the situation correctly. Paul Reistraup demonstrates, I might say, the type of thing that Amtrak needs. He has been riding the rails in the middle of the night, checking up on employees, doing things that have never been done before, making sure the work is being done.

If the Senator recalls, I complained about the dirtiness of the windows. I think if the Senator looks at the Amtrak trains now, he will find they are clean.

Mr. ALLEN. I yield to the distinguished Senator from Maine on the amendment.

Mr. HATHAWAY. I thank the distinguished Senator from Alabama for yielding to me.

I have a couple of questions for the Senator from Indiana.

Earlier this year, when this bill passed the House, Representative HASTINGS proposed an amendment which was adopted by the House and which is now a part of the bill before us concerning section 403(c), which would place the Amtrak Board of Directors, rather than the Secretary of Transportation, in the role of designating annual experimental routes. At the time he proposed the amendment, Representative HASTINGS said:

> Finally, it is consistent with last year's amendment to section 403(c) which requires that experimental routes be designated first to provide to States which have no large population centers served by Amtrak under the basic system; that amendment removed much of the element of political pressure from the choice and thus we need not fear that we will be subjecting the Corporation to a large political burden by this proposed change.

I ask the Senator from Indiana if he agrees with that statement as to the effect of last year's amendments and that this amendment will not change the requirement placed in the law by last year's changes in 3403(c)?

Mr. HARTKE. The proposition is that what we are doing in the bill, what the House has done in the bill is provide that the authority to change the designated experimental routes is taken from the Department of Transportation and placed in the hands of the Amtrak Board. It is my judgment that this is a better place to do it, because these people are basically concerned with expanding service. I would concur in the statement of Congressman HASTINGS and do not feel that this amendment affects the substance of the requirement placed in 403(c) last year. This does not change the law in regard to priority being given to those communities, metropolitan areas, which presently have no service. I think the Senator from Maine is primarily interested in Portland, Maine.

Mr. HATHAWAY. Yes.

Mr. HARTKE. I can understand that. I am very hopeful that in the very near future, Amtrak will extend its service in that area.

Mr. HATHAWAY. I thank the Senator.

Mr. ALLEN. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HARTKE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN) and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The result was announced—yeas 34, nays 61, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—34

Abourezk
Allen
Bartlett
Bayh
Bellmon
Biden
Brock
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Eastland
Garn
Hansen
Helms
Hruska
Laxalt
Mansfield
McClellan
McClure
Morgan
Muskie
Nunn
Percy
Randolph
Roth
Scott,
  William L.
Sparkman
Stennis
Stone
Thurmond
Tower

NAYS—61

Baker
Beall
Brooke
Buckley
Bumpers
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fannin
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams
Young

NOT VOTING—4

Bentsen
Goldwater
Montoya
Talmadge

So Mr. ALLEN's amendment was rejected.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. Mr. President, on the previous unprinted amendment I inadvertently voted "aye", intending to vote "nay." Though this did not alter the outcome of this vote, I merely wish to record for the RECORD this error.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from New Jersey (Mr. WILLIAMS) to attend the International Labor Conference, to be held in Geneva, Switzerland, June 4–25, 1975.

ORDER OF BUSINESS

Mr. ALLEN. Mr. President, I yield 2 minutes to the distinguished Senator from South Dakota (Mr. MCGOVERN).

EMERGENCY LIVESTOCK CREDIT ACT AMENDMENTS

Mr. McGOVERN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1236.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, as follows:

> Strike out all after the enacting clause, and insert:
>
> That the Emergency Livestock Credit Act of 1974 is amended as follows:
>
> (a) Subsection (a) of section 2 of said Act is amended by striking the period at the end of said subsection and inserting after the word "turkeys" the following: "including dairy cattle raised and maintained for the primary purpose of marketing dairy products".
>
> (b) Subsection (b) of section 2 of said Act is amended by striking everything fol-

lowing the word "*Provided*" and inserting in lieu thereof "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans.".

(c) Subsection (c) of section 2 of said Act is amended by striking everything after the word "Secretary" and inserting "to guarantee more than 90 per centum of the principal and interest on said loan.".

(d) Subsection (f) of section 2 of said Act is amended to read: "Loans guaranteed under this Act may be payable over a period of time as determined by the Secretary, but not to exceed seven years.".

(e) Subsection (a)(3) of section 3 of said Act is amended by deleting everything after the words "*Provided*, That" and inserting in lieu thereof "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed $250,000;".

(f) Section 8 of said Act is amended to read as follows: "The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate on December 31, 1976.".

(g) Section 4 of said Act is amended to read as follows: "Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided*, That the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.".

(h) Section 5 of said Act is amended by deleting the figure "$2,000,000,000" and inserting in lieu thereof "$1,000,000,000" and by adding the following language: Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act. The Secretary in his discretion is authorized to use the funds from the Agriculture Credit Insurance Fund to purchase, on such terms and conditions as he may deem appropriate, the guaranteed portion of any loan made pursuant to amendments to this Act and to pay such expenses and fees incident to such purchases.".

(i) Said Act is amended by adding at the end thereof the following new section 11:

"Sec. 11. The Secretary shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate, on or within one year of the date of the enactment of this section, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall be required, but not limited, to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef."

Sec. 2. Section 316 of the Consolidated Farm and Rural Development Act is amended by striking the period at the end of the first sentence and inserting after the words "additional years" the following: "except that, at the request of the borrower and subject to the approval of the Secretary such loans may be consolidated once, without reference to whether they may have been renewed, and scheduled for payment over a period not to exceed ten years. If loans are consolidated the maturity period shall be computed from the date of the consolidation, and the amount of unpaid principal of the prior loans so consolidated shall not create a new charge against any loan levels as authorized by the Congress.".

Amend the title so as to read: "An Act to amend the Emergency Livestock Credit Act of 1974 and section 316 of the Consolidated Farm and Rural Development Act."

Mr. McGOVERN. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House, and that the chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Thurmond) appointed Mr. Talmadge, Mr. Eastland, Mr. McGovern, Mr. Allen, Mr. Humphrey, Mr. Dole, Mr. Curtis, and Mr. Bellmon conferees on the part of the Senate.

Mr. McGOVERN. Mr. President, I thank the Senator from Alabama for yielding.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT

The Senate continued with the consideration of the bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

Mr. ALLEN. Mr. President, may we have order in the Senate, please?

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I yield myself such time as I may require. I shall be brief because I know the Senate wants to go ahead and approve this bill.

I do want to call attention to several features of the bill. In the first place, the reported bill authorizes $1,118,000,000 of that appropriation to the National Railroad Passenger Corporation through October 1, 1977, in addition to the hundreds of millions already appropriated, authorized and spent.

I also call attention of the Senate to the fact that the bill freezes in for a period of 15 to 20 months any lines that the system has that may not be feasible, and it prevents the discontinuation of those lines, preventing the Corporation from ever hoping to get on a pay-as-you-go basis. That is indicated in section 404 of the bill.

The committee, in reporting the companion bill, S. 852, sent out merely a memorandum report, and the bill, which is exactly as it passed the House, does contain some illuminating minority views. I would like to read from these views of Mr. Samuel J. Devine, Mr. James T. Broyhill, and Mr. James M. Collins.

May I say the figures here are at variance with the estimate given by the distinguished Senator from Indiana as to the cost to the taxpayers up to now of Amtrak. I can only justify his estimate by feeling that that had reference to actual appropriations as distinguished from loans which, of course, will never be repaid, and will have to be considered expenditures.

The report I read from is as follows:

MINORITY VIEWS

AMTRAK (nee RAILPAX) was created by the 91st Congress amid great hopes of revitalizing the nation's rail passenger service with the expenditure of $40 million in grants and an additional $100 million in loans to make such service palatable to the American public.

Starting off, as most Federal programs do, fairly modestly, but escalating very rapidly.

It seemed like a high price to those who voted for it at the time and as an unrealizable dream and source of unheard of deficits by those who opposed it.

One Congress after AMTRAK's organization, it was necessary to put up $187 million more in loans, nearly five times the amount that was supposed to get it off and running. And the corporation also needed an additional $100 million in guaranteed loans. In the eyes of many, these loans were really additional, deferred grants and that is exactly what the Department of Transportation is now acknowledging and asking Congress to recognize.

The 93rd Congress enacted two bills containing large further infusions of cash and loans to keep AMTRAK going. The first one contained $107.3 million in grants and another $300 million in added loans. The second bill gave up $200 million in grants, another whopping $400 million in loans. Now in HR 4975, we are asked to accept the fact that even this large deficit was an underestimation, despite greater ridership and revenues. Unless AMTRAK receives an additional $63 million in cold cash very soon, it will be forced to cease service. 1974 was a boom business year, but not for AMTRAK. Now it is expected that it will take over one billion additional dollars to keep AMTRAK going until October 1, 1977, assuming that a major miscalculation of some sort has not been made and that inflation stays within the bounds assumed by the planners.

There are some good features about H.R. 4975 in that it recognizes some of the basic fallacies and shortcomings of the original organization and the way it has thus far been handled. The bill makes a halting step toward allowing AMTRAK to run as a business and not a stepchild of the Department of Transportation. But, having said that, it is all to little, if not, hopefully, too late. It is a quarter loaf when the whole loaf is long overdue.

The bill does provide for the eventual authority for AMTRAK to determine which routes will be maintained and which discontinued. It provides, however, for a tortuous process of criteria which must be proposed by AMTRAK, pass muster with DOT and then be subject to a resolution of disapproval by Congress. What we need and need now is a straightforward declaration of criteria by Congress itself which will allow AMTRAK to take control of the passenger network and run it, operating trains where they make economic sense and discontinue those trains which will cost the taxpayers more than they can be worth to the public as a whole.

As long as AMTRAK consists of "political" routes and has no incentive to hold down losses, they will continue to rise in the astronomical proportional we are now confronted with. Consider for a moment that the bill provides for operating grants of $350 million for FY '76 as compared with the original $40 million we provided. If automobile prices had risen by the same percentage over the same period, a compact car would now be selling for about $30,000. We cannot justify this now or for the future.

Congress must stop writing political laws for AMTRAK. AMTRAK should be operated on a business basis, and policy determined by its Board of Directors.

Our country cannot continue to operate a railroad system that is established as a hopeless loser.

Samuel L. Devine.
James T. Broyhill.
James M. Collins.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. I yield back my time.

Mr. HARTKE. I yield back my time.

The PRESIDING OFFICER. Both sides have yielded back their time.

The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN) is necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

The result was announced—yeas 75, nays 22, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—75

Abourezk
Baker
Bayh
Beall
Bellmon
Biden
Brooke
Buckley
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Glenn
Gravel
Griffin
Hansen
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Tower
Tunney
Weicker
Williams
Young

NAYS—22

Allen
Bartlett
Brock
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Eastland
Fannin
Garn
Goldwater
Hart, Gary W.
Helms
Hruska
Mansfield
McClure
Nunn
Proxmire
Scott,
  William L.
Stennis
Stone
Thurmond

NOT VOTING—2

Bentsen
Talmadge

So the bill (H.R. 4975) was passed.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the bill as passed be printed in the RECORD.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

The bill (H.R. 4975) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this **Act may be cited as the "Amtrak Improvement Act of 1975".**

SEC. 2. Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)), relating to officers of the Corporation, is amended by inserting immediately before the period at the end of the third sentence thereof the following: "; except that this limitation upon compensation shall not apply in the case of the president of the Corporation if the board determines with respect to such officer that a higher level of compensation is necessary and is not higher than $85,000 or the general level of compensation paid officers of railroads in positions of comparable responsibility, whichever is lesser".

SEC. 3. Section 305 of such Act (45 U.S.C. 545), relating to general powers of the Corporation, is amended by striking out subsection (f), as added by section 4 of the Amtrak Improvement Act of 1974 (88 Stat. 1527), and inserting in lieu thereof the following:

"(h) The Secretary of the Treasury and the Attorney General shall (consistent with the effective enforcement of the immigration and customs laws) establish and maintain, in cooperation with the Corporation, en route customs inspection and immigration procedures aboard trains operated in international intercity rail passenger service, which procedures will be convenient for passengers and will result in the most rapid possible transit in international intercity rail passenger service.".

SEC. 4. (a) The first sentence of section 308(b) of such Act (45 U.S.C. 548(b)), relating to reports, is amended by striking out "the preceding year" and inserting in lieu thereof "the preceding fiscal year".

(b) Section 308(c) of such Act (45 U.S.C. 548(c)), relating to reports, is amended by adding at the end thereof the following new sentence: "Beginning in 1976, the Secretary's report on the Corporation shall be made part of the Department of Transportation annual report to the Congress."

SEC. 5. Section 403(c) of such Act (45 U.S.C. 563(c)), relating to experimental routes, is amended—

(1) by striking out "the Secretary" in the first sentence and in the third sentence and inserting in lieu thereof in each such sentence "the Board of Directors"; and

(2) by inserting immediately after "the Secretary" in the second sentence ", in consultation with the Board of Directors,".

SEC. 6. Section 403 (b) of such Act (45 U.S.C. 563(b)) is amended by adding at the end thereof the following new sentence: "The Corporation, at the request of States, may conduct studies during the fiscal year ending June 30, 1976, to determine benefits of seasonal routes to recreational areas."

SEC. 7. Section 404(b) of such Act (45 U.S.C. 564(b)), relating to discontinuance of service, is amended—

(1) by striking out "July 1, 1975" in paragraph (1) and paragraph (3) and inserting in lieu thereof in each such paragraph "October 1, 1976"; and

(2) by striking out "July 1, 1975" in the second sentence of paragraph (2) and inserting in lieu thereof "March 1, 1977".

SEC. 8. Section 404 of such Act (45 U.S.C. 564), relating to discontinuance of service, is amended by adding at the end thereof the following new subsection:

"(c)(1) Within 120 days after the date of enactment of this subsection, the board of directors of the Corporation shall study, develop, and submit to the Secretary, to the Commission, and to the Congress an initial proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services. Such criteria and procedures shall include, but need not be limited to—

"(A) methods for evaluating the economic and environmental impact of any addition or discontinuance of intercity rail passenger service including an evaluation of the economic impact to the Corporation and to the Nation of the addition of new service points along existing or new intercity routes within the Northeast Corridor;

"(B) methods for evaluating the effects of any such addition or discontinuance on connecting parts of the national system of intercity rail passenger service;

"(C) methods for estimating, with respect to any such addition or discontinuance, the population to be affected, the demand for intercity rail passenger service, the revenue per passenger mile, and the effect on capital costs and revenue of the Corporation;

"(D) methods for evaluating the availability of alternative modes of transportation;

"(E) methods for giving public notice of, and obtaining public comments on, any such addition or discontinuance; and

"(F) methods for establishing a priority ranking system for routes and trains to meet the needs of the public convenience and necessity for a balanced transportation system, taking into consideration the criteria and procedures referred to in subparagraphs (A) through (E) of this paragraph, together with such other criteria as the board of directors deems appropriate.

"(2) Within 150 days after the date of enactment of this subsection, the Secretary and the Commission shall submit to the Congress and to the board of directors of the Corporation their comments on the initial proposal setting forth criteria and procedures developed by the board of directors of the Corporation, together with such recommendations as they may deem appropriate.

"(3) Within 30 days after receipt of comments submitted by the Secretary and the Commission under paragraph (2) of this subsection, the board of directors of the Corporation shall consider such comments and shall submit to the Congress a final proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services within the national system of intercity rail passenger service. The criteria and procedures set forth in such final proposal shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of its submission, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve such final proposal. If no resolution is adopted as provided in the preceding sentence, the Corporation may add or discontinue routes and services in accordance with the criteria and procedures set forth in the final proposal, notwithstanding the provisions of section 13a of the Interstate Commerce Act or of section 404(b)(3) of this Act, relating to discontinuance of service within the basic system. Service beyond the basic system referred to in section 404(b)(3) of this Act shall not be discontinued under this subsection until March 1, 1977. For purposes of this paragraph, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded from the computation of the 60-day period."

SEC. 9. Such Act is amended by striking out title V, relating to the financial investment advisory panel (45 U.S.C. 581–583).

SEC. 10. Section 601(a) of such Act (45 U.S.C. 601 (a)), relating to authorization of appropriations, is amended—

(1) by striking out "in subsequent fiscal

years a total of $543,300,000" in the first sentence and inserting in lieu thereof "in subsequent fiscal years through June 30, 1975, a total of $597,300,000"; and

(2) by inserting immediately after the first sentence the following: "There are authorized to be appropriated to the Secretary for the benefit of the Corporation (1) for the payment of operating expenses for the basic system, and for operating and capital expenses of intercity rail passenger service provided pursuant to section 403(b) of this Act, $350,000,000 for fiscal year 1976, $105,000,000 for the transition period of July 1, 1976, through September 30, 1976 (hereafter in this section referred to as the 'transition period') and $355,000,000 for fiscal year 1977; and (2) for the payment of capital expenditures of the basic system, $110,000,000 for fiscal year 1976; $25,000,000 for the transition period; and $110,000,000 for fiscal year 1977. Of the amounts authorized by clause (1) of the preceding sentence, not more than $25,000,000 for fiscal year 1976, $7,000,000 for the transition period, and $30,000,000 for fiscal year 1977 shall be available for payment of operating and capital expenses of intercity rail passenger service provided pursuant to section 403(b) of this Act.".

SEC. 11. Section 602 of such Act (45 U.S.C. 602), relating to guarantee of loans, is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The Secretary is authorized, on such terms and conditions as he may prescribe, and with the approval of the Secretary of the Treasury, to guarantee any lender or lessor against loss of principal and interest or other contractual commitments, including rentals, on securities, obligations, leases, or loans (including refinancing thereof) issued to finance the upgrading of roadbeds, and the purchase or lease by the Corporation or an agency of new rolling stock, rehabilitation of existing rolling stock, reservation systems, switch and signal systems, and other capital equipment and facilities necessary for the improvement of rail passenger service. The maturity date or term of such securities, obligations, leases, or loans, including all extensions and renewals thereof, shall not be later than 20 years from their date of issuance.";

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Any guarantee made by the Secretary under this section shall not be terminated, canceled or otherwise revoked; shall be conclusive evidence that such guarantee complies fully with the provisions of this Act and of the approval and legality of the principal amount, interest rate, lease rate, and all other terms of the securities, obligations, leases, or loans and of the guarantee, and shall be valid and incontestable in the hands of a holder of a guaranteed security, obligation, lease, or loan, except for fraud or material misrepresentation on the part of such holder.";

(3) by striking out "obligations, or loans" in subsection (d) and inserting in lieu thereof "obligations, leases, or loans";

(4) by striking out "obligation, or loan" each place it appears in subsection (g) and inserting in lieu thereof in each such place "obligation, lease, or loan"; and

(5) by striking out "a loan" in subsection (i) and inserting in lieu thereof "a lease or loan".

SEC. 12. Section 701(c)(1) of such Act (45 U.S.C. 621(c)(1)), relating to liquidation of the assets of any railroad recipient of a loan or loan guarantee, is amended by adding at the end thereof the following new sentence: "In the case of a railroad in reorganization (as defined in section 102(12) of the Regional Rail Reorganization Act of 1973) which has an agreement with the Corporation to provide intercity rail passenger service on the date of enactment of this sentence, the sale by such railroad of any right-of-way or track over which the Corporation is required to provide intercity rail passenger service on such date of enactment (as an experimental route designated by the Secretary before such date of enactment) shall be deemed to be a liquidation of the assets of such railroad under the first sentence of this paragraph, and the Secretary shall acquire such right, title, and interest in such right-of-way or track, and restore it to such condition, as may be necessary to permit the Corporation to provide intercity rail passenger service over the designated route.".

SEC. 13. Section 4(i)(2) of the Department of Transportation Act, as added by the Amtrak Improvement Act of 1974 (94 U.S.C. 1653(i)(2)), is amended by striking out the last two sentences and inserting in lieu thereof the following: "Any grant made by the Secretary under this paragraph shall not exceed 60 per centum of the total cost of conversion of a railroad passenger terminal into an intermodal transportation terminal.".

Mr. HARTKE. Mr. President, I move that consideration of S. 852 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Kansas.

Mr. MANSFIELD. Mr. President, I yield myself 1 minute, if I may have the attention of the Senate.

The PRESIDING OFFICER. The Senate will be in order.

The Senator may proceed.

UNANIMOUS-CONSENT AGREEMENT—S. 846

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when Calendar No. 69, S. 846, Suspension of Prohibitions Against Military Assistance to Turkey, is laid before the Senate and made the pending business, there be a limitation of 4 hours on the bill, 1 hour on amendments thereto, and one-half hour on amendments, motions, appeals, and so forth, and that this be done in the usual order.

Mr. GOLDWATER. Mr. President, reserving the right to object—and I will not object—I want to ask the majority leader a question relative to the military authorization bill. Am I right in assuming that it will be brought up next Tuesday?

Mr. MANSFIELD. The leadership has so stated on two occasions. However, since the last announcement was made earlier today, it has been brought to my attention that it will not be possible to finish it in a 3-day period because some Members want to discuss foreign policy in relation to our defense posture.

I told them that we had made a commitment; that if they wanted to go to the chairman of the committee, the distinguished Senator from Mississippi (Mr. STENNIS), and he was willing to change it, that would be all right; but unless that happened, we would hold to this schedule.

Mr. GOLDWATER. The bill will be brought up next Tuesday?

Mr. MANSFIELD. Unless it is changed along the lines I have just mentioned. That is our intention, and there will be no change, unless the other Senators talk with the Senator from Mississippi, the chairman of the committee, and have received his assent to do so.

Mr. GOLDWATER. I thank the majority leader.

Mr. MANSFIELD. Their idea seemed to be that we could not finish it next week and that they were going to see the Senator from Mississippi, to see if it could be laid before the Senate and made the pending business on the Monday after we return. But as of now, barring unforeseen changes, it will be next week.

Mr. GOLDWATER. I hope we can adhere to the schedule for next week, because I have been asked by the President to represent him at the Paris air show again, and I would have to be here, and I would hate to disappoint my President.

Mr. MANSFIELD. I suggest that the Senator keep in touch with the Senator from Mississippi.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Kansas.

Mr. TAFT addressed the Chair.

Mr. DOLE. Mr. President, does the Senator from Kansas have the floor?

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. DOLE. Mr. President, I yield to the Senator from Ohio for a unanimous-consent request.

Mr. TAFT. Mr. President, I ask unanimous consent that Mr. Randolph Stayin, of my staff, have the privilege of the floor during the debate on S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that the name of the Senator from Kansas (Mr. DOLE) be added as a cosponsor of amendments I have offered to S. 200, labeled A, B, and C, which are at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Would it be in order to ask for the yeas and nays on amendment No. 404 at this time?

The PRESIDING OFFICER. It would be in order for the Senator to ask unanimous consent.

Mr. TAFT. Mr. President, I ask unanimous consent that I may request the yeas and nays on amendment No. 404 at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I yield back the remainder of my time on the amendment.

Mr. RIBICOFF. As I understand, the Senator's amendment has not been adopted as yet. It must be voted on.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. RIBICOFF. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

AMENDMENT NO. 436

Mr. DOLE. Mr. President, I call up amendment No. 436.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. Dole) proposes Amendment No. 436.

The amendment is as follows:

On page 39, line 7, strike out all of section 19 and insert in lieu thereof the following:

"Sec. 19. There are authorized to be appropriated to carry out the provisions of this Act, except section 24, not to exceed $7,000,000 for the period between January 1, 1976, and September 30, 1976, not to exceed $15,000,000 for the fiscal year ending September 30, 1977, not to exceed $20,000,000 for the fiscal year ending September 30, 1978, and not to exceed $25,000,000 for the fiscal year ending September 30, 1979. Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning October 1, 1979, shall be referred in the Senate to the Committee on Government Operations and to the Committee on Commerce.".

On page 51, line 25, strike out "ninety calendar days following the date on which this Act is enacted," and insert in lieu thereof "on January 1, 1976,".

DELAY OF EFFECTIVE DATE

Mr. DOLE. Mr. President, this amendment would delay the effective date of S. 200 until January 1, 1976, and would provide for a more gradual funding of the new agency.

It is the belief of the junior Senator from Kansas that if this amendment were adopted, it would greatly improve the support for this bill. It seems to the Senator from Kansas that the position of a majority of the Members of the Senate and possibly of the House of Representatives and the position of the White House have become clear. And it appears that we must now take a hard look at what happens to this legislation—if it should be passed by Congress, vetoed, and sent back to the Senate—to make a determination of whether or not the veto will be sustained or overridden.

STRAINED BUDGET

On April 17, the President directed a letter to the chairman of the Senate Government Operations Committee concerning the consumer protection bill. In that letter the President expressed his concern about the additional costs of this legislation and the difficulty of adding this new expense at a time when we are trying to reduce the size and cost of Government.

I share the President's concern about the cost of Government. The dangers to the economy of the tremendous amount of Federal spending and the incredible size of the Federal Deficit are very real.

As a member of the Budget Committee, I am very conscious of the size of this deficit and the difficulties of even holding it where it is, not to mention the possibility of trying to reduce it.

So the Senator from Kansas feels that Congress in its efforts to restore the economy and provide responsible Government should be greatly concerned about adding new costs to the Federal budget. The moneys authorized for expenditure under this bill are relatively small. But the cumulative effect of this and the spending proposed under many other bills would add up to a very great amount of money and I am not at all sure the budget could stand any significant addition at this point.

The amendment I am submitting would help hold down the fiscal 1976 Federal spending total. It would delay the substantial increases in Federal spending until fiscal year 1977 when, according to economic forecasts, the economy and the budget will be in much better condition to cover the additional costs of this bill.

EFFECTS OF BILL NOT REDUCED

While the initial funding for the first 9 months of this legislation would be essentially cut in half by this amendment, I understand that it would not have a greatly detrimental impact upon consumer representation. That is because, as I have been advised, it requires about 1 year for an organization of this size to get staffed up, organized, and in operating condition. Since the $7 million provided for the first 9 months of this program would allow the agency to hire personnel and begin preliminary operations, this would be accomplished just in time for the agency to begin full operations with an authorization for funding of $15 million for the first full fiscal year of operation.

In addition, this amendment provides a level of funding for fiscal year 1978 and fiscal year 1979 at $20 million and $25 million respectively.

Mr. President, again I strongly feel that this amendment, if adopted, would decrease the opposition to this legislation because of its additional cost to the Federal budget.

I have discussed this matter with the ranking minority member of the committee and the distinguished chairman of the committee. The amendment would delay the effective date until January 1, 1976; and it would reduce the amount of authorization in the first year, because of the delay of the effective date, some $8 million. That, in essence, is what the amendment would do. The effect of the bill would not be reduced. It would hold down the fiscal 1976 Federal spending total. It would delay the substantial increases in Federal spending until fiscal year 1977.

Based on those two points, based on my discussions with the ranking minority member and the distinguished chairman of the committee, I urge the adoption of the amendment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The question is on agreeing to the amendment.

Mr. JAVITS. Mr. President, the Senator from Connecticut has been otherwise engaged, and before we vote, I should like to know a little more about this matter. I yield myself 3 minutes.

I say to the Senator that this amendment relates to the effective date of the measure under consideration and a reduction in the amount of the authorized appropriation, cutting it in half, in round figures.

Mr. RIBICOFF. I say to the distinguished Senator that I took up this matter with Senator Percy before he left, and Senator Percy and I had cleared it with Senator Dole. As we view the situation, it is doubtful, under any circumstances, that this act would go into effect before the time indicated by the Senator from Kansas. I am willing to accept the amendment and so is Senator Percy.

Mr. JAVITS. I did not rise to oppose it, but I did think we had better find out.

Mr. RIBICOFF. I was aware of the amendment, because we had discussed it during the time the distinguished Senator from New York was otherwise engaged with committee business.

Mr. BROCK. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

Mr. BROCK. This amendment reduces the funding level. It would go to the general agency. I have an amendment to increase the level of funding just for the special purpose of the implementation of section 24. Would the passage of the Senator's amendment preclude funding of those activities which relate to the cost-benefit analysis section?

Mr. DOLE. I say to the Senator from Tennessee that I am not certain. But I do not see any reason that it would.

It is in a separate section altogether. I am advised that it does not affect the efforts of the Senator from Tennessee.

Mr. BROCK. I want to be absolutely clear about that, because it will be impossible to implement the particular section, which I think will be acceptable to the chairman of the committee, without so funding.

Mr. RIBICOFF. It is my understanding that it is the intention of the Senator from Tennessee to supplement with enough funds the additional function of this agency.

Mr. BROCK. That is correct.

Mr. RIBICOFF. My understanding is that in no way will the proposal of the Senator from Tennessee be infringed upon by the limitation of the Senator from Kansas.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. One additional question

arises. I did not read the amendment until now.

It is entirely satisfactory to me, with this exception: I agree as to deferring the operative date to January 1. I do not think anything is materially harmed thereby. I agree with the fact that in the startup period, we may not need $15 million.

I am, however, not satisfied. In the period preceding the January 1 date, if we are going to prep up for an agency under a law which takes effect on January 1, we really have to have some startup funds. I was wondering whether the Senator—if the act is to take effect on January 1, we cannot begin from a standing start. Therefore, while we defer the effective date until January 1, it seems to me we should have, say, $2 million or $2.5 million for startup requirements before the act takes effect. Otherwise, we are just flatfooted on the day the act takes effect.

Will the Senator respond to that for me?

Mr. DOLE. On page 52 of the bill, there is a provision which provides that any of the officers provided for in this act may, notwithstanding subsection (a), which is the effective date, be appointed in the manner provided for in this act at any time after the date of enactment of this act, and that they are going to be compensated from the date they first take office, at the rates provided in the act.

Mr. JAVITS. When will they be compensated, after January 1, 1976? If we provide no money—I agree with him. But if we are going to make some authorization, we have to make some provision that they be compensated.

I suggest that a provision be made for, say, $2.5 million from the date of enactment of the act until December 31, 1975, for startup costs.

Mr. DOLE. I agree with the distinguished Senator from New York. We could increase the figure, say, to $8.5 million, which would provide $1.5 million.

Mr. JAVITS. And authorize the beginning as of the date of enactment.

Mr. DOLE. That is right.

Mr. JAVITS. That is fine. That would suit me.

Mr. President, I ask unanimous consent that we have a quorum call without charge to anybody so that we can make the necessary correction.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I believe we are ready now with a revision.

The PRESIDING OFFICER. The rule requires unanimous consent to modify.

Mr. JAVITS. I ask unanimous consent that the Senator from Kansas may modify his amendment in accordance with the colloquy we just had.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I send a modified amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will read the modification.

The legislative clerk read as follows:

On line 5, page 1, after "exceed," insert "$8,500,000." After the word "period" strike out "between January 1, 1976, and" and insert in lieu thereof "from the date of enactment to".

Mr. DOLE. Mr. President, the modification would provide $8.5 million for the period from date of enactment to September 30, 1976. I am in accord with the modification. I ask the distinguished chairman of the committee if the modification is satisfactory.

Mr. RIBICOFF. Yes. I accept the amendment as modified by the Senator from New York.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas as modified.

The amendment as modified was agreed to.

AMENDMENT NO. 447

Mr. JOHNSTON. Mr. President, I have an amendment at the desk. I ask that it be taken up. This is an unprinted amendment relative to small business.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, beginning with line 9, strike out through "loss" in line 19, and insert in lieu thereof:

For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $7,500,000; or does not have net worth in excess of $2,500,000; or at the time of proposed discovery by the Administrator does not have more than the equivalent of 300 full-time employees.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Senators Chiles, Brock, and Nunn be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. I ask unanimous consent that the number "300" in the last line of the amendment be changed to "150."

The PRESIDING OFFICER. Is there objection?

The Chair hears none.

The amendment is so modified.

Mr. JOHNSTON. Mr. President, this is a small business amendment. In the present form of the bill, it requires that in order to be excluded from the provisions of the interrogatory power under this bill, a person must meet three tests: one is a net profit test; one is a gross asset test of $7.5 million; and the third is a net worth test of $2.5 million. If the person meets any of those tests, he is included within the bill.

What this amendment does, Mr. President, is take two of those tests—the gross assets test at $7,500,000; the net asset test of $2,500,000—and add to that an employee test of 150 employees, and provide that if it is at or below any of those 3 tests, he is excluded from the operation of this amendment. In my judgment, Mr. President, the bill in its present form would run the risk of putting a great burden upon rather small businesses by allowing them to meet any of those tests to be included. As I say, this requires and permits that if a person meets any of those tests or below, that person is excluded from the bill. I think it will greatly improve the operation of the bill to exempt the small businesses of this country from what, at times, can be a very burdensome and very expensive duty of answering the interrogatories and doing the research and devoting the employees' time and expense to answering these interrogatories.

I trust the distinguished Senator from Connecticut will accept the amendment.

Mr. RIBICOFF. Mr. President, I have discussed this amendment with the Senators from Louisiana, Tennessee, and Georgia, and also with the Senator from New York (Mr. Javits), and the amendment is satisfactory. I am prepared to accept it.

Mr. HATHAWAY. Mr. President, before the amendment is accepted, I have an amendment at the desk, No. 385, which knocks out this entire exemption. Although I am very sympathetic with small business, I think that there is a wealth of information that we can obtain from small businesses, and it does not seem like a good idea to exempt them entirely from the act.

I realize the amendment of the Senator from Alabama makes it easier for someone to gain that exemption, but I would be opposed to easing it at all. I do not think I am going to be successful in knocking out the exemption altogether, however, even though I have language in my amendment that states that the Administrator shall take steps to assure that information required by the agency is obtained with as little burden as possible upon small business enterprises.

But I think we have to realize that many of these small business enterprises are owned by millionaires, and even though we have a great deal of sympathy for the struggling businessman who is barely able to make a living, we do have a lot of small business owned by very wealthy people who could furnish this information without any difficulty at all. I think rather than accept this amendment or even my amendment that will come up later, we should work together to come up with some kind of language in the bill which would allow the Administrator, in special cases, to provide funds, if necessary, to obtain this information. I hate to see this information lost to the general public.

Mr. BROCK. Mr. President, if the Senator will yield, I would like to point out to him that this applies only to the disclosure of data or other information under this subsection from small businesses. It is not a pervasive section.

I think we might find that the data that we would get from these very small businesses is totally irrelevant to needs of the Consumer Protection Agency itself, and that there is no way in which the data acquired in these very small firms would be necessary to the implementation of the act or the proper functioning of the agency itself.

The problem we have had, as the Senator knows, in the Select Committee on Small Business, is that our small businesses in this country are absolutely besieged with report after report, regulation after regulation, and they simply do not have a battery of corporate attorneys and all of the bookkeepers and accountants to comply with everything that is being done up to now.

I think what the Senator from Louisiana is trying to do is to say, "Let us put the rifle shot where it belongs, on that portion of the committee which does have a sizable substantial effect upon the consumer and for which we have certain responsibilities in terms of interstate commerce."

I think here we very clearly are trying to limit the action so that the agency itself can have maximum effect where the need is greater.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Who has the floor?

The PRESIDING OFFICER. The Senator from Maine has the floor.

Who yields time?

Mr. HATHAWAY. I yield.

Mr. DOMENICI. Mr. President, I rise in support of the amendment.

I would like to recall for the Senator from Maine the history of this exemption. When this bill came to the floor last year there was no exemption at all from the written interrogatory provision for the small businessman in America.

I think the Senator from Tennessee is absolutely right; this is exempting them not from the entire bill but only from the very onerous provision of having to go to a lawyer when someone wants to send them a set of interrogatories to be answered. They are frightened enough and filled up today with regulations that even substantial businessmen who are small are saying that they are going to have to hire a house lawyer just to know what their legal rights are and what they are not.

They have a right to go to court if they do not want to answer interrogatories. We thought that an agency in its infancy, with the kind of funding it had, which was small, ought to get on with the business of looking into the independent agencies of the Federal Government; at least that was my reason originally for supporting it.

I think we are going to find that if we exempt from this bill that portion which says to the small businessmen of America that they are not going to have written interrogatories sent to them to be answered under oath we are going to find that substantial numbers of Senators will stop supporting this bill because they are concerned that we are going to so diffuse the function of this agency. Its one primary responsibility, as many of us see it, is to take charge in terms of the big independent agencies, which we have refused for year after year to engage ourselves in oversight hearings on; and we are going to diffuse its few million dollars across millions of small businessmen.

So it appears to me that before we talk about striking it we ought to talk about expanding it, as suggested by the Senator from Louisiana.

Last year when we put it in we received the committee's support. It was very limited at that time, as the Senator remembers. Not so many would have qualified. We had 25 employees. There was an "and" provision in it. They had to have the income, the net worth.

The committee reported out a bill because of the efforts of the junior Senator from Georgia (Mr. NUNN) that has broadened to some extent. Certainly it has eliminated the 25 employees as part of a "or" test.

I certainly think the Senator from Louisiana, who is now suggesting that we let any of these three exempt them, will create for us a far better atmosphere for the small businessman, who is not today in need of any further regulations or encumbrances or house counsel, just to eke out a living in the American free enterprise system.

Mr. BROCK. Mr. President, I yield myself 3 minutes on the bill, and I do so order to ask the original sponsor of the amendment, of which I am a cosponsor, a question with regard to the language. Maybe either he or the chairman of the committee might want to respond to this inquiry.

On line 9 of the bill, on page 24, it says:

> For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement.

I want to be very sure whether or not we are including the very small hamburger franchise, for example, or the dime and quarter coin-operated laundries, or people like that, who by no means qualify as anything other than the smallest of businesses, unless they are very productive.

Are they covered because they happen to have a franchise from some other giant outfit?

I am not sure of the language here.

Mr. RIBICOFF. Mr. President, I can tell the Senator what I think it is. I do not know if the Senator from Louisiana will agree.

If we had a person or a company that was giving out franchises, and its assets exceeded $7.5 million overall, its net worth $2.5 million overall, and it had more than 150 employees, it would include that.

Mr. BROCK. That is right.

Mr. RIBICOFF. But it would not include the franchise holder who by himself had five or six employees and his assets and net worth were less than the amount.

That is how I interpret what the Senator from Louisiana is trying to achieve.

Mr. BROCK. Mr. President, I am talking now about the basic language of the bill itself. The Senator from Louisiana does not change this particular language. It was my understanding that the committee intent was to exclude the franchisee.

Mr. RIBICOFF. The franchisee.

Mr. BROCK. The franchisee, that is right.

Mr. RIBICOFF. Not the franchisor.

Mr. BROCK. Not the franchisor who met the earnings or asset test, which would be fully covered.

If that is clear, I want to establish it by the legislative history here today that if the franchisee, that little person who borrowed money to get the franchise—obviously I think we intend to exclude him.

Mr. RIBICOFF. That is my intention and I believe the intention of the committee, because the way the American franchise business operates, these are really small businessmen who have a franchise.

Mr. BROCK. Yes. Absolutely.

Mr. RIBICOFF. The person who grants a franchise generally is a large corporate enterprise, and that person tacks all his franchisees together. The individual who has a franchise is excluded, but not the franchisor.

Mr. BROCK. That is right.

I think that is great because franchises have become enormously valuable in providing individual businessmen to have access to the entrepreneurial system of this country, and I think it very essential that we safeguard that opportunity and in no way diminish their opportunities in the free enterprise system.

Let me say in the final analysis that I have a small business amendment of my own. I used a slightly different figure, but I am grateful to the leadership of the Senator from Louisiana and his cosponsors, and I hope it will pass overwhelmingly.

Mr. RIBICOFF. I am sure it is the contention of the Senator from Louisiana that if you have a franchisor who has a thousand franchises, and each franchise is worth $5,000, then the company is not excluded by this provision. Such a franchisor is different from the individual franchisee who is only with $5,000.

Mr. JOHNSTON. Let me say I did not change this language in any way. But, as I understand it, you accumulate franchisees, with all of their employees and all of their assets, for the purpose of including the franchisor within the ambit of the act.

Mr. RIBICOFF. That is correct.

Mr. JOHNSTON. The Senator did not include other franchisees or the franchisor for the purpose of including the franchisee within the act assuming, of course, that the franchisee and the franchisor are separate legal entities.

Mr. RIBICOFF. In other words, the interrogatories can be addressed to the franchisor who, when you accumulate all the franchisees he controls, exceeds the three basic tests, but the franchisee stands by himself, and the interrogatories would not go to the franchisee.

Mr. JOHNSTON. In other words, you can have interrogatories to Colonel Sanders but not to the neighborhood fried chicken place.

Mr. RIBICOFF. That is very well put.

Mr. JOHNSTON. I thank the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Louisiana.

The amendment, as modified, was agreed to.

Several Senators addressed the Chair.

AMENDMENT NO. 446

Mr. JOHNSTON. Mr. President, I have an amendment at the desk which I ask to be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, beginning with line 6, strike out through "consumers" in line 10, and insert in lieu thereof the following:

The Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any Federal agency action reviewable under law that substantially and directly affects the health or safety of consumers.

On page 17, line 5, insert the following:

Notwithstanding any other provision of this Act, a determination of an agency not to take the action requested shall not be subject to judicial review unless the requested action substantially and directly affects the health or safety of consumers.

Mr. JOHNSTON. Mr. President, I yield myself 10 minutes.

Before I begin to discuss this amendment, I would like to ask a few questions during that period of time of the distinguished floor manager so that we will know precisely what we are talking about when we are talking about this.

First of all, with respect to the power of the Administrator to initiate a proceeding, the Administrator may go before any Federal agency, may he not, and request that they either initiate a proceeding or initiate a rulemaking procedure or take other action when there is no proceeding pending at that time?

Mr. RIBICOFF. No. All he can do is petition an agency to conduct an investigation or a hearing as with any private party. But just the fact that he petitions someone does not mean that the agency has to comply. He cannot himself initiate any proceeding or cause an agency itself to start a proceeding if the agency does not want to do it.

Mr. JOHNSTON. What I mean is he may petition for that action, he may petition for rulemaking or an action——

Mr. RIBICOFF. Yes; he may.

Mr. JOHNSTON. And the agency does not have to grant him that power.

Mr. RIBICOFF. That is correct.

Mr. JOHNSTON. But the failure of the agency to undertake that activity or undertake that rulemaking procedure is an appealable action.

Mr. RIBICOFF. That is correct, but that would be the case with any private individual.

Mr. JOHNSTON. Well, a private individual does not have a right to request a proceeding before a Federal agency.

Mr. RIBICOFF. No, but he can appeal from a denial.

Mr. JOHNSTON. Only if he is a party.

Mr. RIBICOFF. Any individual of the 212 million people can petition an agency to start an action or to have a hearing or to take a particular action involving the jurisdiction of that agency. If it is denied, that person can take an appeal to the courts, and the consumer advocate is exactly in the same position as any private person.

Mr. JOHNSTON. For example, I, as a private person, could not go before the CAB and request them to enact a particular rule, and then if they failed to enact that rule I could not appeal from that decision.

Mr. RIBICOFF. Yes, you could. Any private individual, whether it is a U.S. Senator or any individual, can go before the CAB and request them to proceed. If they fail to do so he can take an appeal. Very few people do so because the individual does not have the money to undertake it.

Keep in mind that an agency has enormous discretion. If it fails to act within its authorized discretion, you could win on an appeal to the courts, but the chances are you would be turned down because it is difficult to prove an abuse of discretion by the Agency.

The ACA would have no greater power than would Senator BENNETT JOHNSTON, in taking an appeal. In other words, the ACA does not have any powers or rights beyond that which any individual would have.

Mr. JOHNSTON. They have the right to seek judicial review of any Federal agency action. They may initiate that even though they may not have participated in the hearing itself?

Mr. RIBICOFF. They would then have to petition for rehearing.

Mr. JOHNSTON. Well, they would have to petition for a review of that action, the Agency's action, which, if denied within the 60 days, would give them the right to appeal.

Mr. RIBICOFF. That is correct.

Mr. JOHNSTON. My question is in that appeal or review which, I assume, would be in the Federal district court, is that correct——

Mr. RIBICOFF. That is correct.

Mr. JOHNSTON. Would they have the ordinary rights of a litigant at the district court, including the power to seek an injunction and all the panoply of powers that an individual litigant would have?

Mr. RIBICOFF. They would have the same rights as any party who was aggrieved. Under the rules and under the law their rights are not enlarged. The Agency for Consumer Advocacy would have no greater powers than BENNETT JOHNSTON of Louisiana, on any aggrieved consumer.

Mr. JOHNSTON. I mean they have the right to go in for all consumers under this very broad power.

Mr. RIBICOFF. That is right. But what we have done is we have said in this act that the consumer generally is voiceless and defenseless, and we have now created an agency that can act for consumers. But that is all the power he has. He is an ombudsman. He comes in there as an intervenor acting for consumers, but we have not enlarged any rights. He cannot give any orders or regulate or anything else, but he is an agency with certain powers, and we have given him the money to act and to have experts in his behalf which the consumer does not have.

Mr. JOHNSTON. I want to make this very clear. Under the bill the Administrator has no power. The definition of consumer interests is no broader than that interest which an individual would be able to assert either on review in the district court or before the agency itself; is that correct?

Mr. RIBICOFF. Let me read exactly where his powers lie. If the Senator from Louisiana will turn to page 15, line 1:

(c) To the extent that any person, if aggrieved, would by law have such right, the Administrator shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding involving a Federal agency action—

(1) The Administrator may, as of right, and in the manner prescribed by law, initiate any civil proceeding in a Federal court which involves the review of a Federal agency action that the Administrator determines may substantially affect an interest of consumers. If the Administrator—

Mr. JOHNSTON. Precisely. In other words, the Administrator makes the determination of what substantially affects the interests of the consumer, does he not?

Mr. RIBICOFF. But that is subject to review.

Mr. JOHNSTON. The Administrator's determination of what an interest of the consumer is, is subject to review, and where is that?

Mr. RIBICOFF. That is right. When the whole thing is reviewed in court.

Mr. JOHNSTON. Where is that subject to review?

Mr. RIBICOFF. On page 42, section 21(b), beginning on page 41, line 19:

(B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole;

(2) For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect an interest of consumers or that his intervention in any proceeding is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

Mr. JOHNSTON. Correct, and one can appeal only final agency actions, can one not, is that not really the exclusion of the right to appeal and the right to contest the decision of the Administrator?

Mr. RIBICOFF. I am trying to find the section.

Mr. JOHNSTON. While the Senator is looking, I would suggest to him that that is not appealable and not reviewable and that the Administrator's view of what it a consumer interest is unbridled and a total grant of power.

The language itself is very broad and can include anything and the Administrator's decision is a final one, or should I say that it is final in the sense it is not reviewable, and it is not reviewable because it is not considered final by the language just read.

While the staff is checking on that answer, I would like to ask a couple of other questions, if I may.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. JOHNSTON. I yield myself an additional 10 minutes.

Suppose under the new Surface Mining Act, and I hope the President signs it, a mining company requests a surface mining permit, which is granted by the Agency created under that act, is that Agency covered, by the way, under this act, or would it be——

Mr. RIBICOFF. Does the Senator mean the new Agency in the Surface Mining Act?

Mr. JOHNSTON. Right.

Mr. RIBICOFF. What is that Agency called?

Mr. JOHNSTON. I do not know the formal name of it, but it is the one which would——

Mr. RIBICOFF. I would assume so, if the Agency had the right to issue regulations and make orders under the Surface Mining Act.

Mr. JOHNSTON. Right.

Well, let us take another example.

Mr. RIBICOFF. That would be covered.

Mr. JOHNSTON. Right.

Suppose that an interstate pipeline company applied for permission to build a pipeline, which was granted by the FTC, would there not be the power to initiate review of that action in Federal court?

Mr. RIBICOFF. If it were appealable by a party to the action or any individual, then the ACA would have that power, too.

Mr. JOHNSTON. I would submit to the Senator, under the language just read, that if the Administrator determines that that substantially affects the interests of the consumers, he has the right to initiate that review.

Mr. RIBICOFF. I think it is again limited by page 15, subsection (c), "to the extent that any person, if aggrieved"——

Mr. JOHNSTON. If aggrieved.

Mr. RIBICOFF. "Would by law have such right, the Administrator shall have the right."

Mr. JOHNSTON. What does it mean when it says, "to the extent that any person, if aggrieved"?

Mr. RIBICOFF. If any person could appeal the action, so can the ACA.

Mr. JOHNSTON. Does it not assume that grievance there, say in effect that the administrator has the right to initiate this action to the full extent that anyone is aggrieved, would have that right?

Mr. RIBICOFF. That is right.

Mr. JOHNSTON. The test for determining grievance is not the same as that individual; rather, the test for determining a standing to sue in court is an artificial definition which is nonreviewable. That definition being the interest of consumers and that determination of the administrator being not reviewable by the court.

Mr. RIBICOFF. If it could be shown by the defendant that the agency action under review would not substantially affect an interest of consumers, then the ACA has no right to take an appeal.

Mr. JOHNSTON. I would submit the language does not say that. It says, "if aggrieved."

Mr. RIBICOFF. If aggrieved.

If a person who was aggrieved could not appeal, the ACA could not appeal, either.

Mr. JOHNSTON. Suppose the administrator determines that——

Mr. RIBICOFF. If it is not appealable, the ACA cannot make it appealable. Just because it is an ACA, it does not have any rights greater than that of an individual.

Mr. JOHNSTON. Right.

I think it is a very important question and I do not believe that the Senator is giving the answer called for by the language of the bill, so I want to make it very clear.

Mr. RIBICOFF. Well, that is my understanding and the staff's understanding of what the bill does.

I mean, we are not enlarging the rights of the ACA over that of any other persons aggrieved. We are putting the ACA in the same position as an individual who is aggrieved.

Mr. JOHNSTON. An individual would not have the right to appeal simply by showing that an interest of consumers, as he interpreted it, was substantially affected.

Mr. RIBICOFF. No, an individual who is a consumer must also show that he is aggrieved in order to have the right to appeal an action.

Mr. JOHNSTON. That is correct.

Mr. RIBICOFF. And the ACA could come in if the agency action under review involved a marketplace transaction affecting the economic interests of the consumer or his health or safety. To that extent, the ACA might be more restricted than an individual. He would have to——

Mr. JOHNSTON. Let me make this one question very clear. I think we are getting to the point now.

If the administrator determines that an interest of consumers is substantially affected, if he makes that determination, then he need not meet any other test by which an individual would have the right to appeal?

Mr. RIBICOFF. But the action would have to be otherwise appealable, by an individual.

Mr. JOHNSTON. The action would have to be otherwise appealable.

Mr. RIBICOFF. By a person.

Mr. JOHNSTON. If the individual was aggrieved.

Mr. RIBICOFF. If the individual was aggrieved.

Mr. JOHNSTON. If.

Mr. RIBICOFF. So the ACA could only come in if an individual who was aggrieved could appeal, but in addition he would have to show that the agency action may substantially affect an interest of consumers, in other words affect an economic health or safety concern of consumers.

Mr. JOHNSTON. That is right.

Mr. RIBICOFF. And that would, maybe to some extent, be more restrictive than that of a private person, but the ACA's rights would not be greater than an individual's rights.

Mr. JOHNSTON. I would also——

Mr. RIBICOFF. I hope the colloquy gives the Senator form Louisiana what he seeks to clarify, the rights of the ACA.

Mr. JOHNSTON. I think we have precisely finally arrived at the point, that the Administrator makes his own determination of what a consumer's interest is, and then he has a right to submit that for review at the district court level.

Mr. RIBICOFF. And the district court might say that the ACA is wrong, that it does not have the right to seek review.

Mr. JOHNSTON. That it does not have the right——

Mr. RIBICOFF. That the agency action is not reviewable or that it does not affect the consumer's interest.

Mr. JOHNSTON. I submit to the Senator that the language quoted to me a moment ago makes it a nonreviewable question. Is that not correct?

Mr. RIBICOFF. Now you are referring to a separate question, review of the right of the ACA to intervene at the agency level. On page 41, line 19, it states:

> (B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole;

Mr. JOHNSTON. I submit to the Senator that that does not take away from the language quoted earlier which says that the Administrator's determination of what is a consumer's interest is not a final action, ergo it is not appealable.

Mr. RIBICOFF. If a person could show that he was prejudiced by the action of the Administrator at the agency level, he could file an appeal himself.

Mr. JOHNSTON. Taken on the record as a whole, not on the Administrator's determination of what a consumer's interest is.

Mr. RIBICOFF. But that would be part of the entire record, that would be before the court. The judge is going to have to make that determination on the record.

Mr. JOHNSTON. I submit to the Senator that is not the right to review what is an interest of consumers. It is a right to look at the whole record as a whole and to say, "It has prejudiced me and I otherwise have the right to appeal." Actually, he would pretty well have that right to appeal anyway.

I have one final question. When he goes into court, does he have all the powers of the litigants, for example, to seek a temporary restraining order or to seek an injuction?

Mr. RIBICOFF. Yes, he does. He has the same rights that the individual has.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON. Mr. President, I yield myself an additional 10 minutes.

Mr. President, I apologize if this colloquy has been at times a bit confusing, but the purpose is first to clear up and to make known what are some very, very far-reaching provisions of this law.

First of all, Mr. President, the Administrator has the absolute, unbridled, unreviewable, nonappealable right to determine what is the interest of a consumer. In turn, the phrase "interest of consumer" is broad enough to take in even environmental interests at times. Perhaps we can say the Administrator ought to have that right.

Next, the Administrator may intervene in any proceeding or activity. He may intervene by written or oral submissions in any Federal agency proceeding or activity, whether or not it is actually a Federal agency action. That is enough to include just about any private conversation held with any agency.

Next, it may initiate as a right a judicial review of the Federal agency action. That is an appeal in court with all of the full panoply of rights a private litigant would have. It has the right to intervene in an appeal, and it has the right to petition for an initiation of agency proceedings or activities. A denial of that would be appealable.

Mr. President, what my amendment does is two simple things, and I hope I have not totally confused such Senators as are in the Chamber now.

First of all, let me tell you what it does not do. It does not interfere with the administrator's unbridled right to determine what a consumer's interest is. He can preserve that right. It cannot be reviewed except under the very general provision which the distinguished Senator from Connecticut referred to, the record as a whole language.

It does not interfere with the administrator's right to intervene by written or oral submissions in any Federal agency, proceeding or activity. It does not interfere with the administrator's right to initiate interrogatories. It does not interfere with the administrator's right to intervene in an appeal.

What it does do is to take away the power to delay, the power to inflict tremendous costs upon industry in this country, because it takes away the right to judicial review of a Federal agency action unless the health or safety of consumers is involved. By the same token, where the administrator seeks to initiate a proceeding or initiate an activity in an agency and the agency refuses, it would take away the right to review that denial except where the health or safety of consumers is involved.

What is the reason for this, Mr. President? Because the judicial process in this country, unfortunately, is the most time-consuming and the most expensive of all processes that we have going. If you give this administrator the right, without any restriction, to appeal either an action already taken or to appeal the failure to take an action, then the delay that is possible and the expense that is possible to American business under this bill is just impossible to calculate.

I am willing to give him that power, where the health or safety of consumers is involved; where you have a DC–10 door that may be coming open; where you have some drug that may go on the market that may be inimical to the health of American consumers, or in some other instance where these primary rights of health or safety are involved.

But, Mr. President, we have seen too much of decades of litigation with our Federal agencies. The ICC took over 10 years to rule on a merger of some railroads. I have forgotten the name of the case. It still was not ruled on, and the other day the railroad went broke.

It took a decade to set an area price by the FPC following the Phillips decision on natural gas in my part of the country.

Sometimes it literally takes decades and million of dollars to get this relief.

I would hate to see some needed Federal activity that has hearings and that has a long proceeding, whatever the agency is, have that proceeding finally approved and have this agency come in and seek an injunction against its enforcement, be able to get it, and hold it up for years in the courts. That is what we are talking about.

Mr. President, I am not trying to kill this bill. I want to make that perfectly clear. I am prepared, with this amendment, to support this bill and support it strongly, simply because I think consumers do need a voice. They do need an advocate.

I am not taking away that voice. I am not taking away that ability to advocate the interest of consumers.

All I want to do by this amendment is to take away years of litigation and millions of dollars of expense. There may be a lot more businesses in this country that will go broke as this railroad did—somebody will tell me the name of it in a minute—when they petitioned the ICC for a merger and a decade later they had not acted and the railroad went broke.

Mr. McCLURE. Will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. McCLURE. I believe the Senator is speaking of the Rock Island case.

Mr. JOHNSTON. I am. I thank the Senator. I believe it took 10 years in the making.

I hope the distniguished Senator from Connecticut will regard this in the spirit in which it is offered—a desire to give this agency the power to represent consumers, the power to be their advocate, the power to gather this information, the power to make the voice of the consumer heard, but not the power to strangle American business through legal delays and judicial delays and injunctions and temporary restraining orders and appeals and motions and all the rest of those exquisite remedies that lawyers are able to put together.

Understand, I am a lawyer and I like my brothers to have plenty to do; but I think we have presented them plenty to do in other statutes enacted in recent months and years, without giving them the right to appeal and to delay American business.

Mr. RIBICOFF. Mr. President, the distinguished Senator from Louisiana is very persuasive; but should his amendment be adopted, this agency would be absolutely meaningless. While he would allow appeal for health and safety matters, he would eliminate completely the economic factors that are involved with regulatory agencies, such as the question of domestic air fares, the question of oil and gas prices under FEA regulation, the telephone rates by the FCC. These are some of the most important factors that affect the consmer, especially in time of inflation and recession.

It has been our intention from the beginning that when we talk about marketplace transactions, we are talking about the economic interests and the health and safety interests of the consumer.

I could not possibly accept the amendment offered by the distinguished Senator from Louisiana, because once we eliminate the economic factors involved, we really gut the entire bill.

Mr. JOHNSTON. Mr. President, will the Senator yield so that I may ask for the yeas and nays?

Mr. RIBICOFF. I yield.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays:

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The Senator has stated the case admirably, except for one thing, which to me is superior to almost any other he has mentioned, and that is consumer frauds.

This amendment would omit the ability of this agency to deal with most consumer frauds, except where they involved health and safety. The whole misrepresentation field would be out, even if a tort were being committed. It seems to me that if anything would show that this amendment simply would drown this bill, that would be it.

I was attorney general of New York and had the privilege of starting our consumers program in New York. The big thing for the day-by-day consumer is the TV repairman, the automobile repairman, the fellow who fixes your icebox, and so on, ad infinitum.

Mr. RIBICOFF. I see the distinguished Senator from Arizona in the Chamber. About a month ago, I saw a CBS program on land fraud in the State of Arizona. Arizona is a beautiful State that has been fortunate enough to attract people from all over the country. I am sure that in Arizona are many legitimate real estate developers. Yet, these programs indicated that over a period of years a group in Arizona were selling land to people in Minnesota, Wisconsin, and Michigan, to attract them to Arizona, but they were selling them worthless land. This also has taken place in Florida.

Mr. GOLDWATER. Mr. President, I yield myself such time as I may require. What the Senator says is true; what the Senator says is absolutely true. We were not able to handle it with State law in Arizona, because it comes under interstate commerce.

I was shocked when prominent television stations in New York and Washington and elsewhere in the East would run advertisements on Arizona land, showing water where there was no water, trees and grass where there were no trees or grass. The State of Arizona has been trying for many, many years to stop this, but we have not been able to do so. While the proposed bill might give some recourse, I do not think it will stop it. We are only going to stop these things if newspapers, magazines, and television and radio stations will look into what they are advertising.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. JOHNSTON. Is the Senator aware that within the last 2 or 3 years, in response to that kind of fraud, we enacted the Interstate Land Sales Act, which covers this very thing and applies to consumer fraud in interstate land sales?

Mr. GOLDWATER. Yes, that is true. But we are not getting at the root of it. The root of the problem is people in the advertising business who think more of a dollar than they do of honesty, and the woods are full of them.

Mr. RIBICOFF. The Senator from New York mentioned his experience as attorney general. Neither the State of Arizona nor the State of Florida could act. But this was in interstate commerce, and we could have the agency for consumer advocacy, which could call attention to this and petition the Federal Trade Commission or the agency that has just been mentioned by the Senator from Louisiana to intervene. So we have a consumer interest. But if we adopted the amendment suggested by the distinguished Senator from Louisiana, the ACA could seek judicial review of matters involving health and safety but not economic interests.

I am certain that the Senator from Arizona, who opposes this bill, would be more than pleased, for the sake of his State's reputation and that of legitimate real estate developers, to have someone concerned clamp down on the real estate operators who are out to mulch innocent people all over the United States and who bring discredit on the State of Arizona.

Mr. GOLDWATER. I think we have a law now that will do it. But I point out that until we can handle those people who will take any kind of advertising, the situation will not be corrected.

I happened to have been in this business—not the advertising business, but I was a big purchaser of advertising during my business career. I know how some of these advertising firms work. I know that they are unscrupulous. They never look under the sheet to see what is there.

I was dumfounded to see the kind of people they could get in Washington, for example, to recommend that people buy land in Arizona. I would get calls from these people, who would ask, "Is it good land?"

I would say, "Do you have $50,000?"

They would ask, "What for?"

I would tell them, "You have to drill for water. And do you have another $10,000 to provide diesel source of power?"

They were not told these things. Any scrupulous advertising firm never would have allowed these things to be put out to the people.

I hope the consumer's bill touches upon that, because it is not the crooked dealer who bothers us in these things. It is the advertising source that will take anything so long as a dollar is connected with it.

Mr. RIBICOFF. What the Senator is concerned about is exactly what we are concerned about. Any person could make a complaint to the Agency for Consumer Advocacy. The Senator from Arizona could pick up the telephone or write a letter to this agency and complain about this misleading advertising that is mulcting people all over the United States. The consumer advocate could go to the Federal Trade Commission and point out this misleading, fraudulent advertising and ask the Federal Trade Commission to move against these radio and television stations and the advertising agencies involved in this fraud.

That is why I am opposed to the distinguished Senator's amendment, because he would remove the ability of the Agency for Consumer Advocacy to move against economic fraud, but would only permit it to move against health and safety matters.

This is what concerns us, because what we have is a great deal of fraud by illegitimate operators who bring discredit upon legitimate business. I am sure that legitimate real estate developers in Arizona have suffered because of the actions of those sharks who have come into Arizona to cheat people all over the United States.

Mr. GOLDWATER. Fortunately, we have such a demand for Arizona land that we were not bothered too much.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. JOHNSTON. I want to make this clear, because the Senator's statement—unintentionally, I am sure—totally misrepresented what my amendment would do.

My amendment would not take away the right to petition the Federal Trade Commission to go in and stop that fraud. My amendment would not take away the right of the consumer agency to go to the Federal Trade Commission and ask them to adopt a rule about advertising. My amendment would not take away the right to participate in any proceeding.

All my amendment would do would be to take away the right—after you have gone to the FTC, presented your case, collected your information, and had your day in court with the FTC—to appeal and go further into court.

Mr. RIBICOFF. What bothers me is this: Let us say the Federal Trade Commission pushed it under the rug or threw it into the waste basket.

I would want to give the Agency for Consumer Advocacy power to take an appeal to the courts to call attention to the fact that they were aggrieved, because an individual would be aggrieved. I am sure, as I follow these television programs, that thousands upon thousands of people all over the United States are aggrieved, as they were in Florida. In the newspapers, this surfaces every year, finding these widespread land frauds. I am sure when the Senator from New York was attorney general, he must have received many complaints about people in New York being cheated by being sold land that was under water in the State of Florida. There was not much these people could do about it, nor could the attorney general of New York do anything about it. But if one had an advocate coming into the Federal Trade Commission, the attorney general of New York could file his complaint and then have the consumer's advocate move through the Federal Trade Commission. If the Federal Trade Commission refused to act, then he could file an appeal. Is that correct?

Mr. JAVITS. That is entirely correct.

Mr. STONE. Will the Senator yield?

Mr. RIBICOFF. No reflection on the Senator from Florida, but we all know that these sunshine States, whether they are Florida or Arizona or California——

Mr. STONE. Why did the Senator say "but"?

Mr. RIBICOFF. There are unscrupulous operators who take advantage of people all over the United States.

Mr. STONE. Will the Senator yield for a question?

Mr. RIBICOFF. I am pleased to yield.

Mr. STONE. Is it not a necessary right to be able to appeal from a Federal Trade Commission ruling, as, for example, took place in the recent determination by the Federal Trade Commission to proceed no further in investigating condominium abuses, on what the Senator from Florida considers spurious reasoning, that the HUD was conducting a recommendation investigation, to recommend back to Congress legislation? Here the FTC was investigating abuses and decided to proceed no further. If there had been a consumer advocate and the consumer advocate felt that there were, indeed, consumer abuses, the consumer advocate could have taken it further, could it not?

Mr. RIBICOFF. That is right. To take the individual condominium owner—and there have been many, many abuses in Florida. A man and his wife, 65 years of age, buy a condominium. There is misrepresentation. All their money is sunk in that condominium. They have nothing left. The Federal Trade Commission was supposed to proceed and did not. Since this is so widespread throughout the United States, it is becoming one of the great frauds in this country. The ACA could move and take an appeal from the action of the Federal Trade Commission. But under the amendment offered by the distinguished Senator from Louisiana, since it does not involve health or safety, but economic interest, the ACA could not take that appeal. This is where the amendment of the distinguished Senator, I think, falls down.

I am sure the Senator does not intend to protect fraudulent real estate operators for taking advantage. I am sure there are people in Louisiana who get cheated as well as people in Connecticut and New York.

Mr. STONE. Is it not the case that the principal consumer interest is an economic interest even more frequently than it is a health or safety interest? As a consumer, the basic relationship of consumer to producer is an economic interest. By obviating the ability to operate in the economic area, do we not effectively render the consumer advocate an advocate of very little indeed?

Mr. RIBICOFF. I should say he would be able to play a major role in health and safety matters, but without question, most of the activities of the consumer advocate would be in the economic field.

Mr. STONE. If the consumer advocate cannot investigate an economic cheating situation, what good, really, is the consumer advocate?

Mr. JOHNSTON. May I answer that?

Mr. RIBICOFF. Certainly.

Mr. JOHNSTON. I have been trying to get across, unsuccessfully, the fact that this does not take away the right to investigate. A person can appear before the agency, he can request and petition the agency to undertake the investigation, he can intervene in an appeal, he can do all those things, and present the interest of consumers. All this amendment does is say that one cannot seek review in Federal court from the failure to undertake the investigation or the rule-making procedure or from the action of the FTC or whatever the agency is. That is all.

Mr. STONE. What the Senator from Louisiana has failed to clarify in the mind of the Senator from Florida is the second part of the amendment of the Senator from Louisiana where he provides:

> On page 17, line 5, insert the following: Notwithstanding any other provision of this act, a determination of an agency not to take the action requested shall not be subject to judicial review unless the requested action substantially and directly affects the health or safety of consumers.

That ties it right back down to health and safety at the very end. One of these concluding provisions, which says that notwithstanding anything else, the only thing one can take up is health and safety, would seem to prevent the raising or the advocating of the economic issue, as separate from the health and safety issue.

Mr. JOHNSTON. Let me make it clear what it does. The ACA, under the original bill, has the right to request the initiation of an agency proceeding or activity—for example, a rulemaking activity or a ratemaking activity, or whatever.

Mr. STONE. An investigation.

Mr. JOHNSTON. My amendment does not affect or disturb the right of the Administrator to petition for that hearing, to petition for that rulemaking activity. They can, first of all, send the interrogatories, gather all the information, make their petition before the agency. All my amendment does is say that if, after having made their case before the agency, the agency decides not to initiate that action, then they may not go before a Federal court——

Mr. STONE. Except for health and safety reasons.

Mr. JOHNSTON. Unless for health and safety reasons; the Senator is correct.

Mr. STONE. The Senator from Louisiana knows that the Senator from Florida would rather join the Senator from Louisiana on any amendment or bill than not. The Senator from Florida respects highly the creativity and the motives of the Senator from Louisiana.

Mr. JOHNSTON. I thank the Senator.

Mr. STONE. But the Senator from Florida has an immediate example of the Federal Trade Commission commencing an investigation which they insisted had to be secret in the sense of their hearings, and, following secret consideration, dropped the investigation of a business in the consumer field with regard to condominiums that had nothing to do with health or safety, but did have plenty to do with economic abuses. With this amendment, we would be stopped.

Mr. JOHNSTON. Let me say that other provisions of the bill take care of that situation, first, by doing away with the right to have secret negotiations—and I ask the Senator from Connecticut if this is not correct—because the agency is able to be informed of all of these secret meetings. In fact, in the most informal proceedings of all, any investigation, any informal proceeding, the administrator has the right to be informed of that and make it public, and then to present the case of the consumer before that agency. That is where the effective power of this agency lies.

Mr. STONE. May the Senator from Florida inquire, why only health and safety in this review process? Why not economic interest as well?

Mr. JOHNSTON. Because history has shown that litigation is the most time-consuming and the most expensive of all kinds of activity involving these Federal agencies. It takes, sometimes, decades and millions of dollars. It is not the big corporations that pay the bill; ultimately, it is the consumer who pays the bill. And he pays the bill of delay.

Mr. STONE. We agree.

Mr. JOHNSTON. I am sure there are some situations where the Senator can say that there might be an abuse, so the agency ought to have the right to go to court. I say that the result is that the interests of consumers are actually going to be hurt by giving them the right to go to court on every economic matter that comes along.

The powers of this agency are vast.

Mr. STONE. Will the Senator from Louisiana yield for 1 minute?

Mr. JOHNSTON. Certainly.

Mr. STONE. The Senator from Florida introduced some amendments into the committee proceedings to approach that very question, to try to make it the threshold burden of the consumer advocate to establish exactly what consumer interest he is representing. I still think that that is a better approach than cutting off the right of appeal. The Senator from Florida is still interested in strengthening this. We have this in report language. The Senator from Florida is still interested in making it the burden of the consumer advocate, before he starts what can turn into a dilatory process, clearly to identify what interest he is seeking to protect and what the impact is likely to be; to have that burden, which then, indeed, could be reviewed as to whether he correctly found that interest. In any appeals proceeding he will be subject to be in appellate review himself.

While we obtained some helpful language in the report, the Senator from Florida is still concerned about that phase of it, but the Senator from Florida thinks that to cut off the review does not really attack the problem and can cripple one of the major purposes of having an advocate.

What good does it do to have an advocate at the administrative level where the agency that the consumer advocate appears in front of is not only the prosecutor of an interest but also the determinator of the facts and of the result. That is what happens in an administrative agency. If we do not have review by the courts we are really in the hands of the Philistines. It is so necessary to be able to take an administrative agency higher in some cases.

So, I am still not persuaded that only health and safety should be reviewed, but I am persuaded that clarifying the interest, thought to be protected, is working on it even on the floor here.

Mr. JOHNSTON. I will, of course, admit there are times when review of an economic matter might be appropriate. Of course, there are times for that. But, as I say, the rule is going to be that it is going to be productive of delay.

We can give example after example after example of these long court delays from the Alaskan pipeline to the railroad case, to the ratemaking case in south Louisiana, to others that really worked against the interest of the consumer.

Mr. President, it is a complicated amendment. I realize it is difficult to grasp the significance of it.

The Senator from New York said a moment ago that this would prevent the agency from dealing with, I believe the words were used, the interests of consumers. It is not correct. The agency can deal with, can operate in the economic area, to use the phrase of the Senator from Connecticut, can be involved with, can present the interests, and can be the advocate for consumer interests.

All I ask, Mr. President, is that we do not go overboard.

We have seen this Nation go overboard in some areas, in the area of environment, for example.

A new example of extremism in the environmental field came up in the city of Baton Rouge, La., the other day, when the power company withdrew water from the Mississippi River to boil in the boilers. Then in the process of cleaning it they wanted to put the same water and the same mud right back in the river from which they drew it out. The EPA said: "No, you cannot do that. It is polluting the river." They were putting back exactly the same water.

Then there is the example of the seat belt situation where it has gotten so strong that you cannot even turn on your car until you buckle in not only your groceries but also your dog.

Mr. President, I am just trying to save this bill from going to that kind of extreme situation to protect the interest of consumers, but to not tie this thing up in court from now until sometime in the 1980's, all to the ultimate disinterest of the consumer.

I think I have said enough, Mr. President. I am ready to vote.

The PRESIDING OFFICER. Who yields time?

Are the Senators ready to yield back the remainder of their time?

Mr. JOHNSTON. Mr. President, I am

just advised that a number of Senators have gone home, and I am not anxious to bring the amendment to a vote if there are a number of absentees. I have no objection to the vote occurring tomorrow.

Mr. RIBICOFF. Mr. President, the majority whip is here, and I would like to clear it with him. I am ready for the vote. Mr. President, I yield to the distinguished assistant majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the amendment of the Senator from Louisiana (Mr. JOHNSTON) occur tomorrow at 12:30 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. Mr. President, I have no objection, but do I understand that the bill is now open to further amendment?

Mr. ROBERT C. BYRD. Does the Senator wish to call up another amendment? If the Senator from Connecticut would have no objection to temporarily laying the Johnston amendment aside for that purpose, it could be done by unanimous consent.

Mr. RIBICOFF. I have no objection to laying the amendment aside.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSTON. Mr. President, will the Senator yield for just a moment?

Mr. DOMENICI. I am pleased to yield to the Senator from Louisiana.

Mr. JOHNSTON. If the assistant majority leader is willing, I would like to request 10 minutes, 5 minutes on each side, immediately prior to the vote at 12:30 tomorrow.

Mr. ROBERT C. BYRD. Very well. Mr. President, we have before the Senate tomorrow the conference report on the congressional budget resolution. I ask unanimous consent that at no later than 12:30 p.m. tomorrow, there be 20 minutes for debate on the Johnston amendment, to be equally divided between the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Louisiana (Mr. JOHNSTON), and that in any event the vote on the Johnston amendment occur at 12:30 p.m.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. In view of the fact that we are in a cloture situation, should not the Senator provide that even though Mr. RIBICOFF and Mr. JOHNSTON will have 10 minutes, the time will be charged to individual Senators against their hour?

The PRESIDING OFFICER. That would be the case anyway.

Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

The Senator from New Mexico may proceed.

AMENDMENT NO. 451

Mr. DOMENICI. Mr. President, I have four amendments at the desk. I call up amendment No. 451.

The PRESIDING OFFICER. The amendment will be stated.

Mr. DOMENICI. For the information of the manager of the bill, this is the amendment that refers to page 25 of the bill, and has to do with that portion of the small business exemption that last year we wrote in specific language on, requiring a specific report in 18 months.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), proposes an amendment numbered 451.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI's amendment (No. 451) is as follows:

On page 25, beginning with the word "The" on line 2, strike out through line 7.

Mr. GRIFFIN. Mr. President, will the Senator from New Mexico yield briefly for a question?

Mr. DOMENICI. I am delighted.

Mr. GRIFFIN. Could the Senator give us any guidance as to whether or not rollcall votes are to be expected on any of his amendments?

Mr. DOMENICI. I do not ask for rollcall votes on any of the three I intend to call up now, and on the debate, I do not intend to take more than 10 minutes on all three.

Mr. President, last year when I proposed a small business exemption to the bill that we are debating today, it was thought that perhaps we ought to have the consumer advocate report 18 months after the exemption was in full effect, as a separate and distinct report with reference to how well this exemption was working or not working.

Now it seems that we have come to the conclusion that there are a number of exemptions under this bill, and we have required that there be no specific report on them. Further, we have in a completely separate part of the bill a requirement for an annual report to be made to Congress.

All my amendment does is srtike all of that language from the bill on page 25 that requires a specific report 18 months after the bill goes into effect to analyze the small business exemption. It is my intention, and I have discussed this with the distinguished floor manager, that the report that is made each year would include a discussion of and an analysis of the small business exemption, just as they will report on all other matters at that time. I see no reason to further burden the Small Business Administration by requiring the further analysis after 18 months, because after 12 months we are going to take another look at it anyway, and by including the exemption in there with all of the rest of the provisions of the bill, we can eliminate any of them any time we want; and if after 1 year we should conclude that that portion of the bill is not working, we would need no separate 18-month report on it.

Mr. RIBICOFF. Mr. President, I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 451) of the Senator from New Mexico (Mr. DOMENICI).

The amendment was agreed to.

AMENDMENT NO. 448

Mr. DOMENICI. Mr. President, I have a second amendment that the clerk has numbered amendment 448.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that we dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, at the end of line 13, add the following new sentence: "Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule."

On page 50, after the word "section." on line 12, add the following new sentence: "The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement."

Mr. DOMENICI. For the floor manager, since these are not necessarily numbered as I gave them to him, this is the amendment that further expands upon Senator BROCK's provision that we had in the bill, where we will do a cost type and benefit type of analysis on rules and regulations that the Federal Government puts into effect.

It specifically provides that on page 45, at the end of line 13, we will add a new sentence on a paragraph:

> Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix thereto which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufactures' costs and consumer costs reflected in the price of any product affected by such rule.

Now, the way the bill was reported, we certainly intend that Senator BROCK's excellent idea that we establish some real consumer protection by analyzing the costs to the consumer if new rules and regulations be carried out. But, basically, without my provision we will leave that up to each agency that is adopting rules, regulations or implementing laws passed by Congress.

It appears to me that since we are charging them with a very difficult, new, and novel burden that we ought to at least have an outside agency kind of check on the facts, assumptions and assessments so that we will not place the entire burden upon the agency that is doing the enforcing to make the assessment.

It seems to me that we have within the Government, through the Comptroller General, an entity that can do that and make an objective report with reference to the analysis of whether or not certain assumptions made by these independent agencies are accurate or not. It adds a further third-party kind of doublecheck on that very excellent provision that Senator Brock initiated in committee and which was reported.

The remainder of my amendment merely adds the Comptroller General to those portions of the bill where it will be consistent with my statement as I have just made it.

Mr. RIBICOFF. Mr. President, this amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

AMENDMENT NO. 450

Mr. DOMENICI. Mr. President, I call up an unprinted amendment No. 450.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 27, line 20, strike out "ten" and insert in lieu theerof "twenty".

On page 30, line 20, strike out "ten" and insert in lieu thereof "twenty".

Mr. RIBICOFF. May I say, before the Senator starts, this amendment is not acceptable, so he might want to defer this until tomorrow.

Mr. DOMENICI. I might ask the Senator, the committee reported this portion of the bill with a 10-day provision, that the party aggrieved would have 10 days, to seek injunctive relief to different parts of the bill.

It does appear to me that, because we are talking about some very significant rights that might be affected, potential litigants require a substantial amount of time to consider whether or not they really would like to seek injunctive relief.

I think if we would strike a compromise of, perhaps, 15 days as an acceptable amount, we are protecting the public interest at one end, and we are probably going to cause less litigation rather than more if we give the aggrieved party time to do a better analysis of what the real impact of the ruling is going to be.

I think 10 days are going to cause a rather impetuous seeking of injunctive relief. Fifteen days would give them more time to consider it, and we probably would get less litigation and still protect the general public by not having an unduly long period of time.

So I ask the manager of the bill if he would be willing to compromise this and accept 15 days instead of the 10 for the time to seek injunctive relief.

Mr. RIBICOFF. May I say the Senator is doing very well. I would not want to compromise it and make it 15 days because you have matters of such importance involved that I do think that 10 days are enough for a large business to come up with the answers. We have the exemptions on small business to protect them, and I think a business that goes beyond the definition of the restrictions of Senator Johnston's amendment should be able to have the backup to handle a situation such as this.

Mr. JAVITS. Mr. President, if the Senator will yield, I thoroughly agree with him. I have had a lot of business experience and have been a lawyer for a lot of business corporations.

Mr. DOMENICI. I cannot hear the Senator.

Mr. JAVITS. I have had business experience with small and large corporations as a lawyer in these matters, and I think 10 days are quite applicable.

Mr. DOMENICI. Let me say to the Senator from New York and the Senator from Connecticut, it appears to me that my desire to increase the time limit is calculated to have less litigation rather than more. I do not want the Senators to think that by giving them 15 or 20 days, as I originally suggested, that I was hoping they would have time to analyze and go to court.

I thought, to the contrary, and it has been my experience, that in matters of serious consequence, especially under a new law, that you take this in to lawyers, and there is the right to seek injunctive relief, and that 10 days hardly give one time to make the contact, make arrangements, get with the administrator, and talk about the effect. I think the legal advice is going to be, "You have got the right to go to court. Go ahead and file a lawsuit."

I think maybe 5 additional days might cause the tempers to cool and a little bit of analysis and compromising, and it was made in that spirit, certainly not in the spirit of causing more litigation but rather a longer cooling off and analysis time for less.

Mr. RIBICOFF. Would the Senator be satisfied to have it 10 days from receipt of a notice, because it is now a little unclear. The amendment would make it clear what was meant.

Mr. JAVITS. If the Senator will yield we would have to say something about what that would mean because actual receipt can be a highly contested problem. So the amendment should be drafted properly. There is lots of boilerplate to that; I agree with the manager of the bill that we had better draft it properly.

Mr. RIBICOFF. Would the Senator from New Mexico be satisfied if overnight his staff and our staff redrafted the language so as to give the person a full 10 days?

Mr. DOMENICI. I think that would be an adequate compromise. As I look at the 10 days provided for in the statute proposed, it appears to me it would turn out really to be 6.

Mr. RIBICOFF. They are entitled to have 10 days.

Mr. DOMENICI. I withdraw my amendment and we will actually try to work out one of 10 days of true notice.

Mr. JAVITS. That is fine.

CONCENTRATION CAMP SURVIVORS AT WHITE HOUSE MEETING WITH PRESIDENT FORD

Mr. JAVITS. Mr. President, today I had the opportunity to participate in a very touching ceremony in that I escorted a delegation of 10 survivors of the Warsaw Ghetto uprising and concentration camps, the result of the Nazi holocaust, to the White House to meet the President to commemorate the 30th anniversary of the liberation of the concentration camps from Nazi control, 30 years ago this month.

Mr. President, the tales of suffering, heroism, destruction, death, and genocide which surround this event are perhaps the most awful, as well as awesome, in recorded history.

Mr. President, the delegation, headed by Benjamin Meed, Chairman of the United Commemoration Committee of the Warsaw Ghetto Resistance Organization, presented the President with the most eloquent memorandum for history from the survivors of the holocaust, which is titled "Forgetfulness Leads to Exile, While Remembrance is the Secret of Redemption," quoting an ancient Hebrew sage.

Mr. President, I ask unanimous consent that a memorandum similar to that handed to the President be printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

MEMORANDUM FOR HISTORY FROM THE SURVIVORS OF THE HOLOCAUST

(Presented to the Congress and the People of the United States)

Thirty years ago, civilization was close to extinction because of the sinister forces of Nazism. The entire world stood by silently as millions of innocent men, women and children were brutally murdered only because they were Jews.

We, the survivors of the Holocaust, the living witnesses of those dark days, cannot forget the deaths of our loved ones. Even more importantly, we continue to live with the unanswered question: How was this allowed to happen?

This year, as we mark the thirtieth anniversary of our liberation, we would like to express our gratitude to the United States and the Allied forces for challenging and combating the Nazi darkness before its seeds of destruction could spread throughout the entire world.

Therefore, we would like to salute the courageous American soldiers, and their Allies, those who fought and those who died in the struggle for freedom. It was they who uncovered the unspeakable horrors of the Nazi death camps and crematoria; and it was they who paid with their lives so that we might be able to assemble here today.

Now, thirty years later, remembering our past, we the survivors of the Warsaw Ghetto and Nazi concentration camps wish to express our thanks to the people and government of the United States for having given us a new home, to live in dignity and to enjoy the blessings of democracy.

As this great American nation approaches its 200th anniversary, we, the survivors of the Holocaust, sense that history can repeat itself if the people do not remain ever vigilant, in the defense of freedom and human dignity wherever it stands endangered.

We therefore reaffirm our commitment to this nation's founding principles of "Life, liberty, and the pursuit of happiness" and ask all humanity to follow these principles so that the tragedies we have witnessed might never happen again.

Mr. JAVITS. Mr. President, the April 1943 uprising was a month long revolt against the Nazis in the Jewish ghetto of Warsaw. More than 40,000 Jews were taken to concentration camps and the city of Warsaw was virtually leveled as a result.

Benjamin Meed, chairman of the

United Commemoration Committee of the Warsaw Ghetto Resistance Organization, presented the memorandum to the President and the Congress. Other members of the delegation included: Ann Celnik, Joseph Tekulsky, Al Kooper, Hirsh Altusky, Jack Eisner, Robert Born, Sonia Weissman, Sam Ryzak, and Mary Felberbaum.

These heroic people are now thoroughgoing, patriotic Americans.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10 a.m. following a recess.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes with Senators permitted to speak not in excess of 5 minutes during that period.

At the conclusion of routine morning business the Senate will proceed to take up the conference report on the first concurrent resolution on the budget, House Concurrent Resolution 218.

A vote will occur at the hour of 12:30 p.m. on the amendment by Mr. JOHNSTON to the consumer protection bill, S. 200. Presumably there will be a rollcall vote on the adoption of the conference report on the first concurrent resolution on the budget, but there is no way to know at this time just when that vote will occur.

On the disposition of that conference report, the Senate will continue its action on S. 200 and rollcall votes are anticipated on amendments thereto and on final passage thereof. Hopefully, final passage will occur tomorrow, but if not, the Senate will resume consideration of S. 200 on Thursday.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 a.m. tomorrow.

The motion was agreed to, and at 5:44 p.m., the Senate recessed until tomorrow, Wednesday, May 14. 1975. at 10 a.m.

NOMINATIONS

Executive nominations, received by the Senate May 13, 1975:

COUNCIL OF ECONOMIC ADVISERS

Paul Webster MacAvoy, of Massachusetts, to be a member of the Council of Economic Advisers, vice William John Fellner, resigned.

DEPARTMENT OF STATE

Galen L. Stone, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of secion 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James R. Allen, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Sidney Bryan Berry, [redacted] Army of the United States (colonel, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13, 1975:

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Philip J. Taetz, to be captain, and ending Douglas L. Terry, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on April 7, 1975.

HOUSE OF REPRESENTATIVES—*Tuesday, May 13, 1975*

The House met at 12 o'clock noon.

Rabbi David Shapiro, Temple Sinai, Hollywood, Fla., offered the following prayer:

Master of the Universe, in these soul-stirring times we need Thy guidance and Thy blessing. Serious is the challenge that freedom-loving America faces. We seek peace, but we must safeguard life and liberty from the possible onslaught by godless, ruthless, and unprincipled aggressors. May we manifest, by our own righteous conduct, the righteousness of the American way of thinking and living.

Bless Thou the Members of this great legislative body—the House of Representatives—as well as the Senate and the President of the United States of America.

May this land, under Thy providence, be an influence for good throughout the world. Wilt Thou, O Father, cause us all to realize that if we build in wood it will some day rot. If we build in marble it will crumble before the onslaught of time. Even if we build in steel it is destined to flow as water before the melting process of the universe. But if we build in human character, moral integrity, loving kindness, social justice, and the dignity of man created in God's image; if we build in goodness, truth, honor, and respect for the law in our lives and the lives of future generations, then we build for eternity. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4700. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4700) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes," requests conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MOSS, Mr. STENNIS, Mr. CANNON, Mr. GOLDWATER, and Mr. DOMENICI to be the conferees on the part of the Senate.

PERMISSION FOR SUBCOMMITTEE ON INDIAN AFFAIRS OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT DURING 5-MINUTE RULE

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs be permitted to sit today while the House considers any legislation for amendment under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANOTHER COMMUNIST PLOY

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, the seizure of an American ship by a Cambodian gunboat is a typical Communist ploy. The new Communist Government of Cambodia wants to have a turn at twisting the tail of the United States; to show that we do not have the courage to stand by our commitments of our people.

Well, do we?

We could go get our ship and require an immediate apology with indemnification or sink the gunboat that seized the ship. The Communists understand that language. But, will we? We should if we expect to save face anywhere.

Lest we forget, there are effective ways to deal with irresponsible actions. It is time we remembered.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

Mr. CEDERBERG reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERSONAL EXPLANATION

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD at this point a statement regarding three recorded votes I missed on May 12, 1975, and an indication of how I would have voted had I been present.

I refer first, to rollcall No. 196, on H.R. 6573, the fourth budget rescission bill for fiscal year 1975. The bill was passed by 379 to 1. I was paired for this bill, and had I been present, would have voted in favor of it.

I refer second, to rollcall No. 197, on House Resolution 444, providing for consideration of H.R. 3902, the maritime authorization bill. The resolution was agreed to by a vote of 379 to 2. I was paired for this resolution, and had I been present, would have voted in favor of it.

I refer third, to rollcall No. 198, on H.R. 3902, the maritime authorization bill. The bill was passed by a vote of 328 to 59. I was paired for this bill, and had I been present, would have voted in favor of it.

NEW INTEREST IN ASSASSINATION OF FORMER PRESIDENT KENNEDY

(Mr. DOWNING of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNING of Virginia. Mr. Speaker, as you know, there has been a revitalization of interest in the circumstances surrounding the assassination of President Kennedy. One of the most striking pieces of evidence is the so-called Zapruder film, which shows the assassination in its entirety. We have a copy of this film. If the Members are interested in seeing it, it will be shown at 1:45 today in the Space committee room of the Rayburn Building.

Those Members who have an interest in it, I kindly invite them to attend the showing of this film, which should take no longer than 15 or 20 minutes.

BRAZIL, IND., WILL SPONSOR TWO VIETNAMESE REFUGEES

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, the mayor of Brazil, Ind., has wired his support of U.S. policy accepting the Vietnamese refugees and issued a challenge to other communities to do the same. The text of his telegram follows:

> Brazil, Ind., population less than 10,000 will support two adult Vietnamese refugees. We challenge every city to follow with one refugee for every 5,000 population, thus saving our country millions. We're ready.
>
> Mayor NORVAL PICKETT, Jr.,
>
> BRAZIL.

Amidst all the controversy over the refugees, I want my colleagues and the Nation to know of this community in my district which in the name of humanity has opened its doors to help the people of Vietnam.

STRIP MINING LEGISLATION

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, if the strip mining legislation that passed the House and Senate eventually becomes the law of the land, I think we ought to keep several hard, cold facts in mind.

Mr. Frank Zarb, our Federal Energy Administrator, stated in his speech to the American Mining Congress May 5 that H.R. 25 would reduce expected coal production by as much as 162 million tons, or 22 percent of the total national production in its first year.

Each ton of coal is equivalent in energy value to roughly 4.3 barrels of oil. So, if production losses are 162 million tons, this would be the equivalent to roughly 676.6 million barrels of oil. If that oil were obtained from foreign sources now costing $11 per barrel, it would amount to $7.4 billion per year in increased dollar outflow from the United States.

If the losses were only 50 million tons of coal per year, this is an energy equivalent of 215 million barrels of oil at a cost of $2.3 billion per year.

Since my home State of Illinois is a key producer of coal, the economic impact on jobs and income is obvious, but citizens throughout the country should be just as concerned as we are.

PERMISSION FOR HOUSE TO CONSIDER CONFERENCE REPORT ON H.R. 4481 ON MAY 14, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House tomorrow, May 14, 1975, to consider the conference report on the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 6860 BY MIDNIGHT THURSDAY, MAY 15, 1975

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the report of the Committee on Ways and Means on the bill H.R. 6860, a bill to provide a comprehensive national energy conservation and conversion program, may be filed by midnight Thursday, May 15, 1975, along with any minority, dissenting or supplemental views.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

REPORT OF FEDERAL ACTIVITIES IN FISCAL YEAR 1975 FOR NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION (H. DOC. NO. 94–143)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith a report of Federal activities in Fiscal Year 1975 for the National Advisory Council on Adult Education as required by Section 311(d) of the Adult Education Act of 1966 (Public Law 89–750) as amended.

GERALD R. FORD.

THE WHITE HOUSE, *May 13, 1975.*

VETO OF THE EMERGENCY AGRICULTURAL ACT OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President on the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

The question is: Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Washington (Mr. FOLEY) for 1 hour.

Mr. FOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. POAGE).

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 199]

Andrews, N.C.
Bingham
Breaux
Brown, Mich.
Conyers
Derwinski
Diggs
Duncan, Oreg.
Evans, Ind.
Ford, Mich.
Harris
Hébert
Hinshaw
Jarman
Kemp
Lloyd, Calif.
Mollohan
Patman
Pike
Rees
Riegle
Rostenkowski
Runnels
Scheuer
Stark
Teague
Waxman

The SPEAKER. On this rollcall 406 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WE SHOULD PROTECT AMERICAN FISHERY RESOURCES

(Mr. DON H. CLAUSEN asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, it is time for the U.S. Congress to move ahead to protect American fishery resources.

The International Law of the Sea Conference adjourned last weekend without acting on the issues before it. We can wait no longer to take action extending our fishery jurisdiction to 200 miles.

Our coastal waters have been subjected to extraordinary pressures from overly intensive fishing by foreign fishermen whose callous and continuous disregard for resource conservation has been demonstrated time after time after time.

The fishermen of my area are pleading urgently for relief and are asking that the Congress move the 200-mile limit legislation with immediate dispatch.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON LEGISLATIVE BRANCH APPROPRIATION BILL, 1976

Mr. CASEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the legislative branch appropriation bill for fiscal year 1976.

Mr. MICHEL reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

VETO OF THE EMERGENCY AGRICULTURAL ACT OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The Chair recognizes the gentleman from Texas.

Mr. POAGE. Mr. Speaker, I am always reluctant to pass legislation over the veto of the President. Normally, the Chief Executive is in a position to have information that is not available to the public and I think that we must, therefore, give a great degree of consideration to his veto messages; but, no President is omnipotent and it is the constitutional responsibility of the Congress to review and judge these Executive decisions. I have reviewed the veto message in regard to H.R. 4296, the Emergency Agricultural Act of 1975, and have decided I must seek to override what appears to me to be a poorly considered Presidential action.

Almost 3 years ago the Congress passed legislation which established the basic principles of farm legislation which conformed with the suggestions of the executive department. It is true that there has been a change in the personnel of the Presidency; but, the announced philosophy of the present administration is the same as it was at that time. President Nixon, President Ford, Secretary Butz, and both Houses of the Congress have expressed themselves as favoring the target price and the support loan principle. The target price would presumably be high enough to encourage necessary production of all the food and fiber we need. The support loan would presumably be high enough to prevent the Government from having to make excessive payments to farmers.

This legislation was passed just before the spectacular upsurge in all costs. Of course, farm families eat just as do city families. All living costs for farm people have increased just exactly as they have for city people, but what is too often overlooked, is the fact that farmers are adversely affected by another set of skyrocketing costs—the costs of production. These are costs which are never realized by city wage or salary workers until they ultimately show up in the cost of living. But, for the farmer, whose wage or income is the difference between production costs and his sales price, they are very immediate and very disastrous. Gasoline is the single largest item of cost in agriculture production. The cost of gasoline is about 75 percent higher today than it was at the time the present target prices and loan levels were established. Fertilizers are probably now double what they were at that time. What were possibly quite reasonable production prices and loan levels 3 years ago are clearly inadequate today.

I think it is self-evident that farmers cannot be expected to produce on the basis of the old target and support figures. The administration recognized this and prior to the veto, it was widely stated that if and when the farm bill was vetoed, the President would announce increased support loans.

Unfortunately, when the veto came, these increases were not forthcoming; but, the message itself recognized the equity of such an increase. The President's message states:

> Prospects for farmers, it is true, are not as bright this year as in the recent past. Farm production costs have been pushed upward by the same inflationary pressures that affect other industries. Demand for certain farm products has simultaneously slackened because of the recession.

The President then suggested that we have increased the 1975 cotton support loan by 9 cents a pound. Frankly, this increase is the result of the basic legislation and is but a reflection of the statutory formula—not Presidential action, but in no event is it high enough to encourage the planting—and fertilizing—of an adequate acreage in cotton.

The President then states, and I want you to listen to this carefully because these are the President's exact words:

> If unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans, and other feed grains. But it is our expectation that market prices for grains will remain well above loan rates and target prices in the coming year.

In other words, the President says that if prices go down, there should be an increase in support loans and he says that he will direct the Secretary of Agriculture to implement such increases—under the authority of present law. Now that is exactly what the bill now before us does. It simply guarantees that these prices will be increased if the market breaks. The President says he does not expect it to break. I hope it will not break and, if it does not, this bill will not cost one penny for wheat, soybeans, or feed grains.

The one clear and inescapable difference between what the President promises and what the bill promises is that the guarantees in the bill will get money at the bank while the President's promises will be rejected as collateral by most lending institutions. Farmers have to borrow money to meet production and harvesting costs. If we are going to give them the protection that both the President and the Congress say they need, we should give them that protection in a way that they can use it.

I do not challenge the President's good faith, but under the law every national bank must challenge it. Therefore, if we are going to do what the President says should be done; that is, to raise these loan levels if farm prices decline further, we should do it in a way that will be most helpful to the farmer. And, in so doing, we will probably prevent a collapse of prices and save the Government a good deal of money. Farm prices are not likely to decline nearly so far if the trade knows that there is an effective loan available to producers. It is, therefore, clearly in the interest of the taxpayer to stop these disastrous declines before they begin, rather than after they have occurred; and, remember, this bill will cost absolutely nothing if farm prices remain above the targets.

I am, therefore, afraid, Mr. Speaker, that it all boils down to this—the President is saying that it is wrong for the Congress to promise the farmers that if their prices break they will have the protection of this bill; but, it is perfectly all right for the Chief Executive to promise that if the same price breaks occur that he will extend exactly the same kind of assistance, but probably at a much higher cost to the taxpayers.

Mr. Speaker, this is not a one-man government. The Congress should properly be included in making commitments. The Congress has promised no more than the President has promised; but the promise of the Congress, written into law will get credit at the bank and will probably prevent the very kind of break in farm prices for which the President says he will invoke the same supports. Why, then, should there be any reluctance on our part in passing this bill; the objections of the President notwithstanding.

Mr. FOLEY. Mr. Speaker, I yield 25 minutes to the distinguished gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I yield 3 minutes to the

distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, today is an important day in the 94th Congress. We will soon vote, for the first time, on whether to sustain or to override a Presidential veto.

The vote on the veto of the farm bill (H.R. 4296) is important, because it transcends the issue of farm prices. This vote is a test on how Congress will measure up to our spiraling deficit. Citizen groups and editorials across the country echo the hope that, finally, Congress will show some sense of responsibility toward controlling our Federal deficit. Failure to sustain this veto will show that Congress has, indeed, abdicated its responsibility and ignored the national interest.

In addition, H.R. 4296 will probably raise food costs to American consumers and put the Federal Government back into the role of controlling farm prices and planting. In fact, it will probably put the Federal Government back into the commodity business. I believe that no Member of this House really wants that to happen. We have been in it. We got out of it. We should stay out of it.

Now, American farmers are the most productive in the world. In fact, I would say the farmers are the most productive members of our economic society. Just when we have moved out from under Federal farm controls into a free market, I believe it would be wrong to enact H.R. 4296, which in my opinion would be a step backward. This bill will move us back toward the era of soil banks, farm surpluses and soaring agriculture budgets. This overreaction to a veto of H.R. 4296 should not prevail.

Mr. Speaker, I urge my colleagues to vote to sustain the President's veto of H.R. 4296 for the good of the economy, for the good of the people and for the good of the American farmer.

Mr. Speaker, I yield back the balance of my time.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, it seems to me we have a couple of very basic issues in front of us today on the floor in either sustaining the President's veto or in the overriding of the veto.

I would like to address some of my remarks to those of us who supported the budget reform report of the gentleman from Washington (Mr. ADAMS) on the budget deficit of $70 billion. We arrived at a figure that said $70 billion was the deficit figure that we would be working on in this coming Congress. I voted for that.

I have spoken to the counsel on the committee of the gentleman from Washington (Mr. ADAMS). He tells me that within the $70 billion deficit that we voted on, there is not 1 cent for the expense of this farm legislation. In other words, if we vote to override the President's veto, we are immediately breaking the resolution that we made just 1 week ago to work within the $70 billion deficit figure.

Now, my colleagues, I think this farm bill is totally unnecessary. It is going to have the impact, regardless of what anyone says, of maintaining high food prices. The statistics released showing 9 percent increase in food costs. There is every indication of further increases and we are going to be supporting those increases with this legislation.

I think that we are faced with a situation today, and to quote from my colleague, the gentleman from Texas (Mr. WRIGHT) last week, who said we must work within the resolution of the $70 billion.

This was supported by the gentleman from California (Mr. BURTON) and by the Speaker himself, who said we must work within that $70 billion deficit figure.

How can we work within it if today we are going to break it, if we vote to override?

Surely there is every reason to stay with the present agricultural bill.

I would like to quote one thing from the New York Times today, and this is a direct quote by a farmer in Iowa. He said:

> President Ford's veto of the new farm bill which would have raised support prices on grains and milk has not disturbed many farmers in this area.

This happens to be in Iowa. The gentleman goes on to say:

> The market looks like it'll stay up above the target support prices Congress proposed even with a big crop, . . . I think most farmers here are just as happy to have the Government stay out of it for at least another year.

I think this is true. I think we are doing damage to poor farmers. Potentially, what we are doing is providing the corporate farmer, we are providing the cotton people particularly, with a windfall if the cotton market declines, and we are doing absolutely nothing to help the public.

Mr. Speaker, I hope the House will sustain the President's veto.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, in 1973 farmers were told that they could depend upon the administration when it promoted the concept of target prices for agricultural production. So, the farmers were told that they could make production plans for all market considerations and have some assurances that they might recover their costs of production if those market considerations were in error.

Since the enactment of the 1973 farm bill, production costs have tripled and even quadrupled in many quarters of the farm sector. Now, farmers come to Washington to ask for equity, an adjustment for the cost of inflation. But, the administration has turned a deaf ear to the American farmer.

Today the handwriting is on the wall in full view, so that every American farmer can see who his friends really are.

Mr. Speaker, I urge the Members to support the motion to override the veto.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Speaker, I thank the gentleman for yielding to me. I rise in support of the President's veto, and I would urge my colleagues to vote to sustain the veto.

Mr. Speaker, today I will support President Ford's veto of the Emergency Agricultural Act of 1975. Five reasons underlie my vote to sustain the veto of this measure, which I opposed both on initial passage and in conference form.

First, the cost to the taxpayer in the next year for the subsidies in this legislation may reach $500 million. Further, as the President pointed out in his veto message, the measure is expected to increase the Federal deficit for fiscal year 1976 by $1.8 billion. Its enactment will have a worse impact on the budgetary deficit for fiscal year 1977, since the high support levels set this year will serve as the basis for next year's payments.

Second, the bill will result in increased prices at the grocery counter. The Department of Agriculture reported on May 8 that retail food prices had increased by 9 percent over those last year. In addition, it predicted that even under the most favorable crop conditions, food costs for the remainder of this year will rise 6 to 8 percent above last year's prices. The emergency farm bill will fuel still higher increases in food prices by setting higher floors for wheat and feed grain prices and upping the support prices for dairy products.

Third, the bill reverses the trend away from Federal control of planting and prices which was signaled in the Agriculture Act of 1973. The 1973 act began to take the Government out of the four-decades-old policy of manipulating the market with artificial price and production controls. The emergency farm bill halts the movement toward a freer market by setting high support prices which encourage farmers to accept Government payments in lieu of growing crops.

Fourth, the price increases fostered by this legislation will seriously threaten the competitive position of U.S. agricultural exports. According to the Wall Street Journal, U.S. exports of farm products will rise to a predicted $22 billion level this year, up from approximately $8 billion in 1972. One of the reasons for this impressive export increase lies in the fact that the agricultural sector, since 1973 has had an incentive to adapt to changing world market patterns by substituting crops that are in global demand for those once grown principally for Federal storage bins. The high subsidies under the Emergency Agricultural Act of 1975 could reverse this trend by upsetting, through Government intervention, the free market proclivities of farmers.

Fifth, H.R. 4296 discourages the production of food crops, particularly soybeans, in favor of non-food crops, such as cotton. The Department of Agriculture has forecast a surplus of 6 million bales of cotton by August. The emergency farm bill raises the target price for cotton from 38 cents to 45 cents a pound, thereby encouraging farmers to produce an unneeded, non-food crop. Moreover, the cotton-soybean tradeoff also encompasses my fourth point, since the cotton subsidy induces farmers to plant that crop at the expense of soybeans, which are in short world supply.

It is my view that this bill represents a step backward toward previously discredited policies. As the President stated, approval of the measure will undermine the market-oriented farm policy adopted by the administration. It also will unnecessarily increase the deficit, while spawning further price increases for the consumer. The President's wise veto of the Emergency Agricultural Act of 1975 deserves the support of the Congress.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Nebraska (Mr. THONE).

Mr. THONE. Mr. Speaker, I rise to urge passage of H.R. 4296, the veto of the President to the contrary notwithstanding. All-out farm production is a national goal and that is, as I see it, as it should be. However, a "bust" in the price a farmer gets for all-out production is very, very possible. In the meanwhile, the farmer's production costs are rising steadily. The escalation of farm production costs in recent months and years is almost unbelievable.

In addition, agriculture has been whipsawed again and again by ill-advised export embargoes. We saw it on soybeans and then again on the grain monitoring program last year. The corrective language in the veto message in this regard is woefully inadequate, in my opinion. Here is what is said on page 2 of that May 1 message:

> I recognize that agricultural exports have been restrained twice in the past two years. We have now eliminated all restrictions on exports and we are determined to do everything possible to avoid imposing them again.

The key language being—

> We are determined . . .

Frankly, a much stronger commitment that the government will not interfere with foreign and domestic markets is essential.

The support levels in the 1973 farm bill have not interfered with "a market oriented agriculture" that admittedly is desirable and so strongly touted by the administration.

This legislation only absorbs the cost escalation that has incurred by agriculture production since 1973. So what is all the agonizing about?

Also, as the distinguished Member from North Dakota (Mr. ANDREWS) has said on several occasions, the loan aspects in the current law are just totally unrealistic. And this is most important. And as the distinguished gentleman from Texas (Mr. POAGE) pointed out here on the floor earlier, the administration says that if we get into real, real problems, why, they are then going to increase the loan rates. So why not now, I say.

Frankly, I was promised by the White House, that when the veto message came down there was going to be a concurrent raise in the loan rate, and we did not get it for some strange reason.

So I urge my colleagues that H.R. 4296 is much needed legislation and in the national interest. The veto should be overridden.

Mr. FOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, I notice the minority leader came down here, and also the gentleman from New York, trying to indicate this bill is against the interest of the consumers. I think that is not the appropriate thing to do in this legislation.

We all know there was a big increase in the production costs, and we are trying to do something for farm producers that will increase employment in farm machinery plants and other agribusiness plants.

As far as consumers are concerned, I happen to have here the wrapper for a 5-pound bag of flour which I purchased in 1963. It had a cost of 45 cents. A 5-pound bag of flour from the same company purchased 2 weeks ago is 85 cents. Eighty-five cents compared to 45 cents.

Back in 1963, I also purchased a loaf of bread, and the price on the loaf of bread was 23 cents. The same loaf of bread is now 48 cents. Here are the wrappers to prove it.

What about the loan price? In 1963 the loan rate on a bushel of wheat was higher than it is today. It was $2, and today it is $1.75.

Let no more claim that the loan rate determines the price of a loaf of bread. It just does not do it. Let us keep our eye on the real issue around here. What we are trying to do is to provide some farmers with the minimum support that is necessary so they can have the assurance to go out and produce the food we need in this country. If we can do that, they will have the confidence to go to the bank and borrow the money to buy the farm machinery, to buy chemicals and buy inputs and those things that make employment in the cities. That is what we need today.

Mr. Speaker, I urge the override of the veto.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I intend to vote to sustain the President's veto of H.R. 4296, the emergency farm bill.

I understand that agricultural producers are nervous—understandably so—that they will not have sufficient protection under current legislation. This concern is heightened by urgings from the Federal Government to increase substantially our annual food production. If America is expected, or will try, to "feed the world," farm producers must make significant long-term capital investments and generally accept far greater risks. The American farmer has not requested a handout, but he does want insurance against a wipeout in a challenging economic period.

These are legitimate concerns, but I believe that Congress response, H.R. 4296, is best described as overkill. It does not seem to offer much practical protection to Minnesota food producers, possibly excepting milk producers. Rather, it seems to stand as a symbol of old policies proved counterproductive in the agricultural marketplace.

One of the few notable advances in our domestic economy in the past few years has been the improved condition of agriculture. Our surpluses are gone. Our subsidy programs are waning. The marketplace, particularly the international marketplace, has been good to agriculture. H.R. 4296, would seem to be a congressional statement in favor of a retrogression back toward subsidies and surpluses.

But, the worst aspects of H.R. 4296 are its costs implications at a time of unthinkable deficits and still-rampant inflation. This unbudgeted Federal expense simply does not fit today's priorities. The need is not an emergency, and therefore we should not plunge ourselves further into debt. If farm income drops severely, Congress can react.

Agriculture generally has been experiencing a decline in its much-deserved prosperity. Consumers' food costs have skyrocketed but farmers are consumers, too. I do not want to engage in playing off one section of our economy against the other, nor do I believe others should do so. Nevertheless, the general condition of the economy would seem to call for no new Federal expenditures now, and no new Federal programs to increase food costs.

Finally, H.R. 4296, seems to have its greatest affect on cotton and producers of cotton. It is my opinion that cotton has had pretty good treatment over the years—probably better than most commodities. More preferences, especially those in this bill which seem to encourage more surpluses, do not seem to be necessary expenditures for our debt-ridden Government at this time.

For these reasons, I will vote to sustain the veto of H.R. 4296. Law and order in Federal spending has to start somewhere. I hope it starts here and now.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I rise in support of the President's veto to the emergency farm price support bill, H.R. 4296. Congress has supported the price of this crop and that crop since the days of the New Deal. To administer the various price support programs and planting restrictions over the years, a huge bureaucracy has developed in the Department of Agriculture. This system was adjusted and modified time and time again without ever achieving its stated goals of stable prices, assured supply, and production in line with demand. When this entire effort is objectively reviewed, it has basically failed to achieve its purported purpose. The total cost of this ineffective exercise has constituted a serious burden on the taxpayer.

In an effort to extricate ourselves from this mess, the Congress allegedly made a fundamental change in U.S. farm policy with the Agriculture and Consumer Protection Act of 1973. There was a shift from traditional price supports to target prices for commodities that would provide a floor. I had my doubts about the target price approach when it was adopted. I cannot see that there has been much change.

A crop subsidy by any other name is still a crop subsidy. With H.R. 5296 a majority of the Congress is advocating a relentless press forward with a new round of increased farm subsidies that will be inflationary, inefficient, and counterproductive. We somehow have failed to learn anything from our past experience with Government mismanagement of the agricultural marketplace.

I will be the first to admit that left to a supply and demand function, the prices a farmer receives for his corps may fluctuate from time to time. If this is the reality of his market, fine. Congressional efforts to dampen the farm business cycle obviously have not worked while at the same time costing the taxpayer dearly. If this is the case, we should not continue to keep pouring money into the ineffective Federal regulation of agriculture. Surely, with all of its shortcomings, the agricultural marketplace will do a better and more efficient job of regulating agricultural prices and production than our well-intentioned but bungling legislative efforts. Is there any valid reason to believe that somehow, someway, this time it will be different? I think not.

Like everyone else, the farmer is suffering from high prices and a recession that has been caused by double-digit inflation. If we are serious about remedying this problem, we might consider balancing the budget and stabilizing the purchasing power of the dollar. If we could somehow summon up the will as an elected body to pursue a policy of fiscal responsibility and sound money, most of the economic problems facing farmers would resolve themselves.

I must vote to sustain the veto.

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Speaker, I really appreciate this opportunity to comment a little bit on the emergency farm bill.

The absence of a commitment to provide farmers with free and unrestricted access to markets at home and abroad for their farm products, leaves me no alternative but to support this effort to override the President's veto.

Last fall, wheat farmers in my district were urged by their Government to plant fence row to fence row. Despite record production costs, they did the job. Next month the State of Kansas, more especially my district, will harvest enough wheat to satisfy over half the needs of our entire Nation for the coming year. That is why we have to have the Government to stay out of exports, and we do not have that assurance.

Right after this record crop was planted, a form of export control was imposed. When the current crop was planted, wheat in my district was selling at $4.65 a bushel. Now the price of wheat at the country elevator in Kansas is $2.80, seriously below the cost of production.

I stood in this well, back several years ago, late in the evening, and asked the people, because of the problems of the American farmer at that time, and wheat growers, if they did not eat the rolls in the restaurant, please mess them up.

I hope the situation is such that we can override this veto so we can eat those rolls, and we will not try to get rid of that product except to sell it on the foreign market and consume it as good food.

Frankly, I am more than tired of hearing about this bill taking us down the road again to a Government-controlled farm program. With Government interference in the export program and congressional meddling with the Trade Reform Act, the road to a market oriented agriculture has been filled with government road blocks.

The need for this legislation would not be so serious if the government had not twice interferred with the export market. This is a 1-year bill. This will give the administration ample time to provide proof that this Government does support a supply-demand, market-oriented agriculture without Government interference.

The same is true for the dairy farmer. According to the latest USDA announcement, the dairy farmer is now being asked to abandon an 80-percent support level for a "semiannual review." I say actions speak louder than words. In the absence of a commitment to adjust support rates, this announcement is simply an extension of the status quo.

Let me also say to my urban colleagues that this is truly a jobs bill with anti-recession features. Every $1 of farm income generates $3.50 of economic expenditures. In an average year, farmers spend $5.2 billion for new tractors, vehicles, machinery, and equipment. Last year, farm steel purchases accounted for over 40,000 jobs in the industry.

Let me stress that as reported by the Council of Economic Advisers, farm income is down from $13,040 in the first quarter of 1974 to $7,100 in the first quarter of 1975. Jobs and our Nation's economic recovery are truly at stake.

With prices presently below the cost of production for many farmers, future production is clearly jeopardized. This threatens farm product exports which contribute $11.8 billion to an otherwise disastrous balance of payments deficit and created over 500,000 non-farm jobs in 1974.

I realize a very important consideration regarding this bill is that of government costs. A conscious effort was made by the House Agriculture Committee and the House-Senate conference committee to minimize the costs and still provide realistic support levels to provide the farmer a reasonable return to stay in business.

There have been several contradictory cost projections from opponents of this bill. I stand by the committee projections of net outlays in the neighborhood of $230 million. The total outlays for this program may reach $1.8 billion as some claim, but these outlays will be repaid by the end of the program year with the exception of the $230 million. To me, this is consistent with our desire to prompt an economic recovery now with funds which will be repaid later, after recovery begins.

This bill is by no means without fault. I can appreciate the position of those who are opposed to this bill. However, without absolute assurance that the Government will not interfere with foreign and domestic markets for farm products, we have no alternative but to provide realistic target prices so that farmers can stay in business. When you take into consideration the record increases in farm production costs, the levels in this bill are on a par with the levels in the 1973 farm bill. The support levels in that law have not interferred with a market oriented agriculture.

Mr. Speaker, the farmers in my district do not want special treatment; only to be treated with fairness. Judging from the treatment the farmer has received from this Congress and this administration causing export opportunities to disappear and prices to fall below production costs, this bill is both fair and equitable. I hope you will join me in voting to override the veto on this most important commitment to the farmer and to our capability to produce food and fiber.

Mr. FOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. MATHIS).

Mr. MATHIS. Mr. Speaker, I would like to associate myself very strongly with the remarks of the gentleman from Iowa (Mr. SMITH), who very eloquently has laid out the case here today.

We are not talking about the tremendous cost to the Federal Treasury, despite what some of the opponents or proponents of this legislation have said. I have never heard so many figures bandied about in such an irresponsible way since I have been a Member of this House. The whole issue involved in this legislation is whether or not we are going to offer American farmers a degree of stability as they go about the production of food products for this Nation. It is that simple.

There is not going to be a tremendous impact on the Federal Treasury, despite what some of our experts from Massachusetts, New York, Illinois, and other places say. We are talking about insurance for American farmers. The number of American farmers is declining year after year. We are down now to about 3.9 percent of our total population involved in the production of food and fiber for this Nation.

Mr. Speaker, let us assure these farmers that they do have the support of our Government as they attempt to feed this country and half the world.

Mr. Speaker, I urge a vote to override this veto.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I rise to urge that we vote to override the veto.

I do so with some reluctance, but in a firm belief that it is necessary to do so. I ask myself, Why is there all the controversy over this bill? Certainly the need has been demonstrated. Thousands of farmers went out of business last year. Thousands more are going to go out of business this year. Certainly it cannot be the matter of cost.

Mr. Speaker, I know that a reference has been made to the Committee on the Budget, but I would like to read from their report:

> The conference committee stated it was not included "because the conferees assume that outlays in fiscal year 1976 will be minimal if that bill or a similar bill becomes law."

The cost of this bill is minimal.

What, then, is the question? The question at issue is, who is going to set basic agricultural policy, the President or Congress. If we do not vote to override the veto, we will have lost control of policy in a very important area. I want to refer especially to the dairy industry.

The Department of Agriculture has consistently ignored the law. Read the letter of the Secretary today in the Congressional Record. It ignores the aspects of the law which require the cost of production and adequate income to be considered. It gives us no assurances of price adjustments. It merely says that he will review the situation on a semiannual basis. Under the law he is supposed to review constantly.

Let us look at what he has done under existing law. He set a price level of $7.24 last December which represented a support price at 80 percent of parity. The closest we have gotten to that price is this month, when it is $7.09. The dairy support price is only at 76 percent of of parity now. He has not supported the price sufficiently to get it to 80 percent.

Another factor: If we do not pass this bill, the existing law establishing 80 percent of parity went out on March 31, and thus we will revert to the minimum of 75 percent. We will give the Secretary additional leeway in that area. This is leaving our dairy farmers defenseless to the policy of the Secretary of Agriculture, which is a totally free market without regard to previous destructive import policy. Further, contrary to reports, the Secretary did not reestablish parity on April 1 as had been the custom.

Mr. Speaker, it seems only reasonable to me that if we are spending billions of dollars for jobs, if we are spending millions for food programs, it makes good sense to spend some $300 million here to support the prices for the farmers. To do so will insure adequate supplies of farm products.

Mr. PRESSLER. Mr. Speaker, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from South Dakota.

Mr. PRESSLER. Mr. Speaker, the gentleman in the well has made a very effective statement about the effect of this bill on consumers. I wonder whether he would elaborate upon that.

Mr. JEFFORDS. Certainly. As it was pointed out in my extensive remarks, during conference report debate, the costs to the consumer, according to USDA figures, are very minimal. The impact will be less than one-quarter of a cent for a quart of milk, about 1 cent for a pound of butter, and about 1 cent for a pound of cheese, a very minimal cost to insure adequate supply.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. Mitchell).

Mr. MITCHELL of Maryland. Mr. Speaker and Members of the House, I was one of those who did not vote for this legislation. I had concerns at that time which caused me not to support the bill. However, after a great deal of careful consideration I think it is imperative that this body move today to override the Presidential veto.

I respectfully suggest, Mr. Speaker, and my colleagues that I understand that there are all kinds of competing interests and competing factions within this House. I want my colleagues to understand that there are times when some of us may take a position that is not necessarily popular either in our districts, or in terms of our own political posture. This is one of those times for me.

I think that while this Nation is divided as it is now divided, while it is frightened in terms of economic insecurity, that all of us in this House must rise to those levels where we can look at all of the needs of all of the people of this country. The farmers have needs, we must address them. We have urban needs, we must address them.

I for one am going to vote to override the veto, and I am urging those who have understanding and have friendship for me to vote with me.

Mr. Speaker, I think that we must look out for those people who are hurting, who are not necessarily within the boundaries of our districts. I think that there can be a reciprocal kind of feeling and action when those who have rural interests are made aware of, the devastating unemployment situation in our urban centers, the devastating lack of housing in our urban centers, and the need for better delivery of health care in our urban centers. These are the things that I am interested in, and that is the reason I am urging a vote to override the Presidential veto. I urge as many of my colleagues as possible to support me in overriding this veto.

Mr. FOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. Neal).

Mr. NEAL. Mr. Speaker, I wish to add my voice to those of my colleagues who advocate overriding the President's veto of H.R. 4296, the Emergency Agricultural Act of 1976.

Of all the Americans who have suffered from the bureaucratic mismanagement of the past 6 years, none have been harder hit than the Nation's farmers. Once again we find within the administration a farm policy which is herding the farmer toward bankruptcy, while its bureaucratic soothsayers are telling him that he "has never had it so good."

Let us not deceive ourselves. The American farmer knows who his real friends are. He is aware, at this hour, that the best friend he has in Washington is the Congress of the United States. Today, he is asking us to stand beside him and override the President's veto.

For the great good of the Nation, it is important that we do so. The Nation and the world face serious shortages of food and fiber. If those shortages are permitted to develop further, much of humanity will suffer or starve, and those who can afford it will pay dearly for their sustenance.

And so, in the greater sense, we find that H.R. 4296 is both a farm bill and a consumer bill. I think, actually, that it is even more favorable to the consumer than to the farmer, because it assures a production level which prevents shortages, the arch enemy of the consumer.

One does not have to be a farmer to know that we cannot continually take from the land without plowing something back into it. Similarly, we cannot expect farmers to keep producing crops without a profit, because the consumer in the end would pay dearly for that folly.

The Emergency Agricultural Act of 1976 does not guarantee the farmer a profit. It merely provides an assurance against catastrophe. It benefits the consumer in that if we encourage full production, we may see a leveling off of prices. If farmers produce a huge surplus at a loss, we almost certainly will see many farmers going out of business and turning their operations over to corporate structures which can accumulate the power to fix prices and manipulate markets.

One of these days, the Nation may awaken to the fact that it needs the farmer as much as he needs us now. Hungry people will become aware that not all vegetables are grown by jovial green giants; that milk is not manufactured by machinery, nor cotton fiber spun by butterflies. Today, however, it is the farmer who needs a friend. I am proud to stand up for him and to urge this body to override the President's veto of H.R. 4296.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. Bergland).

Mr. BERGLAND. Mr. Speaker, the gentleman from New York (Mr. Peyser) quoted from certain sources within the Budget Committee, and I would like to call the gentleman's attention to page 5 of the conference committee report from which I read in part:

> The conference agreed to the House estimates. By this action the conference does not either include or exclude outlays for the farm bill recently vetoed, because the conferees assume that outlays in fiscal 1976 will be minimal if that bill or a similar bill becomes law.

Mr. Speaker, I suggest that those persons serving on the Budget Committee clearly understood the implications of this proposition.

The gentleman from New York (Mr. Peyser) has suggested that if this bill does become law it will somehow have an inflationary effect on our economy. Because it will result in higher food costs. At the same time the gentleman suggests that if this bill becomes law that it would place a heavy drain on our Federal budget. Frankly, Mr. Speaker, his logic eludes me. If I may, I should like to ask the gentleman from New York to explain this to me so that this Member can better understand his arithmetic on these matters.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BERGLAND. I yield to the gentleman from New York.

Mr. PEYSER. I appreciate the gentleman's yielding for a moment.

In my reference to the Budget Committee on the deficit report—and I think the record will show that I stated that they had allotted no moneys for this legislation, which is correct and I do not think the gentleman is refuting that—there obviously are differences of opinion, of course, whether it is $224 million, which I saw listed in one of the Democratic Study Group reports, or up to $500 million at the Department of

Agriculture. They still are not moneys that are in that deficit. The question that I wanted to have answered was, when this bill was passed by the House and brought to the floor, it was said we had to act immediately in order to help farmers in their planting. My real question to the gentleman is, in May of this year is this bill going to help farmers in planting this year?

Mr. BERGLAND. I will say to my friend it definitely will, farmers can apply fertilizers to crops as late as mid-June. As a matter of fact, the extent to which fertilizers are applied to crops will govern yields so essential to the general welfare of the United States. Farmers out in the Midwest are watching this action today to decide whether or not to increase the fertilization of these crops.

Will the gentleman answer my question: In what way could this bill possibly be inflationary? How could it possibly cost the consumer more money? The price protection in this bill is at levels less than the current market price.

Mr. PEYSER. If the gentleman will yield further, the reason in every instance where we have had increased target prices and increased long levels is all this does is to bolster the need of present market price commodity regulation, move it up, and all we have to do is look back at the record as we have moved target prices up in the past.

The SPEAKER. The time of the gentleman has expired.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. Traxler).

Mr. TRAXLER. Mr. Speaker, I rise once again to voice my support for this Emergency Agricultural Act and to urge my colleagues to vote to override the President's veto.

The American farmer has been faced with a cost-price squeeze unlike anything we have seen in many years. Costs of feed, fertilizer, and equipment have increased at a rate that is unparalleled. At the same time, prices received by farmers for their products have declined. More and more of my constituents have told me that they simply cannot afford to stay in business. This bill would provide a measure of relief to American agriculture, hopefully providing the stabilizing forces we need to assure a continued supply of food at reasonable prices.

This was a most unfortunate veto. American Agriculture needs at this most crucial time the assurance that the bottom would not drop out of the market. This bill would provide those minimum assurances, giving the farmers of our Nation the ability to go out and confidently plant their crops, raise their herds, and provide this Nation with the food it needs. Although many of us may find parts of this bill to quarrel with, overall it is a good bill, which reaffirms the commitment of the Congress to a strong and healthy agricultural sector of our economy. I only wish the President and his Secretary of Agriculture shared this commitment.

We have taken action and I believe we should stand by it. Mr. Butz has not offered us any viable alternatives. We cannot hope to return to a healthy American economy unless this vital sector of the economy is also healthy. If there is any lesson we should have learned from the Great Depression, it is that one.

I urge my colleagues to reaffirm the action taken by this House in originally passing this bill. It was a good bill then, and it is a good bill now.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. Harkin).

Mr. HARKIN. Mr. Speaker, I rise in support of the vote to override the President's veto. There are three issues we face:

First, is our agricultural and food policy going to be determined by one person—Secretary of Agriculture Butz—or by the appropriate committees of the House and Senate, and ultimately by the Congress?

Down the road, we will be developing a comprehensive agriculture and food policy for this country.

Do you want Butz to develop this policy, or the Congress? If you support Butz' veto, then he will be the one to hold the sword over all our actions here in the Congress. He will set policy, not Congress. That is not the way our country should be run. We were elected to set policy.

Yes, this is Butz' veto. I know that President Ford signed it, but he stated that he relied almost solely on the advice of Mr. Butz. Second, do we tell our farmers, who are the best producers in the world, that they are subject to the whims and fancies of one person—Butz—or do we show them that they still have a voice in Congress?

Only 5 percent of our population is directly engaged in producing the food and fiber for domestic and export demand. Yet—and this is vitally important to my friends from the urban areas—agriculture is the single largest consumer—yes, I said consumer of manufactured goods in the United States. Our farmers do not have the votes to carry this bill by themselves. We need the support and assistance of our urban friends. I commend the gentleman from Maryland (Mr. Mitchell) for his remarks, and join him in calling on our urban friends to look above the horizon, and see the interrelationship between a healthy agriculture and a healthy urban economy.

Third, we must ask how the Government will be involved in agriculture. The question is not if the Government will be involved, because Government is involved in agriculture, and has been since the founding of our country. Those, like Butz, who like to decide themselves by thinking the Government is now "out" of agriculture, should explain the recent embargo on grains and soybeans, the price freeze on red beef, EPA standards, and the recent establishment of the Commodity Futures Trading Commission. No, Government is involved in agriculture; it is for us to determine how, not the Secretary of Agriculture.

I believe the Government should support the family farm, should promote free and open trade, should insure adequate supplies of food and fiber in case of bad crop years, and should support the existence and development of our rural way of life.

If you believe as I do, then I ask you to vote to override this veto.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. Richmond).

Mr. RICHMOND. Mr. Speaker, I rise in support of the vote to override this veto. The Congress must stand up to the President. We cannot sit back and allow the disastrous farm policy of this administration to continue.

The President's farm policy, unchanged from the Nixon administration by Secretary Butz is starving consumers and ruining small farmers. This policy has cost consumers $40 billion. It has driven small farmers off their land, while letting large, agribusiness corporations take over. This means monopolistic food production systems, and high consumer prices.

This legislation helps consumers and it helps small farmers. It helps consumers by stabilizing prices and stimulating farmers to produce. Ample supplies mean reasonable consumer prices. It helps small family farmers by giving them a minimum wage, and encouraging them to produce, knowing they will not be put out of business by growing a large crop.

Finally, this legislation paves the way for establishing a reserve program of our basic food crops—a reserve that we need to protect ourselves from more wheat deals and soaring prices, and to help feed the world's hungry.

There is another reason why urban Members particularly should support this legislation. This vote will be a signal to Mr. Ford. The President has told Congress he will veto every spending bill that crosses his desk. Overriding this veto will make him realize that policy will not work. I believe we will find the President much more cooperative with this Congress if we show him now that we are willing to stand up for ourselves and for our constituents—both consumers and farmers. Already there is talk around this Chamber that if this veto is not overridden, there will be serious effects on vital urban legislation. The White House has been actively campaigning among urban Democrats in an attempt to prevent this override. We cannot let this attitude on the part of the White House prevail. The issue here is one of who shall make our laws—a Congress freely elected by the people, or a President who has not faced one single voter.

The freshmen were successful in making changes in the House this past winter because they stood together. We as the whole House must do the same. We cannot let the President dictate to us; we must not let him or his advisers control how much consumers pay, or how much farmers plant. We have paid enough for this policy.

The Department of Agriculture has consistently mislead Congress about the cost of this bill. Interest-bearing loans do not cost the taxpayer; neglecting consumers and farmers by not overriding this bill will cost more than the bill could ever conceivably cost. The Consumer Federation points out that "USDA figures were a scare tactic designed to create hysteria among consumers."

This bill is strongly supported by the Consumer Federation of America, and by the AFL–CIO. This bill is a reasonable product by reasonable people. It is necessary, beneficial, and represents a first step away from the administration's disastrous farm policy, and a step toward some independent thinking by this Congress, and toward a sound food policy for this country. We must show that Congress is united in its willingness to pass responsible legislation to deal with this country's problems. I urge you all to vote to override this veto.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I will vote to override the veto of the farm bill. Congress has debated long and hard regarding the pros and cons of this measure and many good reasons have been given as to why it merits passage. I could say I support the farm bill to protect the American farmer, to protect the American farmer's ability to produce to the hilt. I could say I support the farm bill because it is high time the public shares in the gamble of food production and it is high time the farmer is guaranteed some sort of profit for his endeavors.

But these are not the real issues regarding the farm bill. These are not the reasons I support this legislation. The American farmer is not so materialistic as to expect the Government—and the rest of America—to guarantee him profits. The farmer will make his own profit, if Government does not intervene.

The American farmers, those people who are starting spring planting right now, are not in farming to receive big profits. Oh no, big profits are not as important to farmers as the feel of black Iowa soil in their hands, the sense of accomplishment when acres and acres of corn begin to tassel, the smell of earth after a hard summer rain. Perhaps my distinguished colleagues in the House of Representatives might understand what is important to farmers if I could take them home to my small farm near New Hartford, Iowa and sit them up on my tractor so they could survey the land. If I could walk them through a corn field so they could pull back the green husks and see the yellow kernels forming, maybe—just maybe—Congress could then understand that appreciation is what is important to the farmer. Appreciation. This is the issue, this is why support of the farm bill is imperative. It is time for Washington policymakers to make up their minds whether or not they appreciate the 4 percent of this country's population that feeds not only the other 96 percent of the United States, but a large portion of the rest of the people on this Earth as well.

Once outside of Washington my colleagues would realize the farmers in the countryside want to know that people in Government like you and I really care about their efforts—care about the gamble they take every spring—care about the empty storage bins after a drought—care by supporting the farm bill.

We can no longer argue whether or not Government has a place in agriculture. As long as we advocate grain monitoring, as long as our Secretary of State negotiates with foreign governments regarding the sale of beef imported into this country, and as long as we have a Secretary of Agriculture who makes a statement that the food policy of this country is one of full production, then we have Government intervening in agriculture. I say as long as this situation exists, then Government must show its concern for agriculture. This is the reason I support the farm bill, and will vote to override the President's veto.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER of Massachusetts. Mr. Speaker, I rise in support of the President's veto of the emergency farm price support bill.

We are here today to find out if King Cotton still rules on Capitol Hill. So far this year, it has.

This bill provides a salvation for those cotton producers who have grown an unneeded crop and have little hope of selling it on the private market. Half of last year's crop is still unsold, and there is a worldwide glut of cotton.

The effect of this bill would be to stimulate even more cotton production, and fix a higher price at which the Federal Government will be obliged to buy the excess crop through the commodity loan program. The commodity loan does not have to be paid back, because the farmer has the option of turning his cotton crop over to the Government as payment. The Federal Government then owns the cotton and must then store it and try to sell it. The additional storage costs are borne by the taxpayer as well.

It makes no sense to enact a stimulus for the production of a crop that we know beforehand will be surplus. We would be repeating the mistakes of the past, when too much production led to oversupply, which led to production limits and then shortage.

The employment consequences of the cotton provision have also been ignored. If we raise the support price above the world market price, we destroy the competitive position of our cotton shippers. Several noted agricultural economists content that the unemployment which would result in the cotton production and processing sector would be significant. Yet no where in the debate on this bill has this danger been properly considered.

What does the cotton farmer gain from this policy in the long run? Where is the benefit for our economy? These are the questions we should be asking ourselves before we pass legislation such as this.

Mr. Speaker, it is this headlong rush which has troubled me most. We are committing the Federal Government to spend $500 million in direct payments to farmers and another $1.3 billion in Commodity Credit Corporation loans and inventory costs in the next fiscal year without any idea what the long-term effect on agriculture will be.

The sad truth is that we do not have a farm policy, outside of what each special interest group can win in terms of price supports. We are compounding past mistakes and allowing farmers to be buffeted by boom and bust cycles, and we are forcing consumers to pay even higher retail food prices. Never once do we try to devise a comprehensive agriculture policy that balances the needs of farmers and consumers.

I feel it is time for the Agriculture Committee to take a broader look at these issues. I would like to see the committee look into the increasing farm-retail price spread, the question of monopolies in food processing and distribution, and the question of how the farmer can get a decent price for his crop without the consumer being gouged by prices that have no relation to what the farmer earns.

We cannot legislate a farm policy that is in the national interest without consideration of these questions.

Instead, we have before us a bill that serves the needs of a few special vested interests, provides no relief to consumers, and ignores the really critical question of what type of farm program this Nation needs to keep farmers producing and to provide food at affordable prices.

The President has vetoed this bill. We should sustain his veto and start over.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. JONES)

Mr. JONES of North Carolina. Mr. Speaker, I shall be very brief. What we want to do is bring back into perspective what we are voting on today. This is a 1-year bill. It is not a long-term farm bill at all. It expires at the end of this calendar year. Therefore, I ask the Members please as they vote to override today to take that into consideration. This is a 1-year bill and certainly we will be coming back later on with a permanent form of legislation which we can consider then.

Mr. FOLEY. I yield such time as he may consume to the distinguished gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, when the President vetoed this farm bill which would have increased slightly the loan rate on certain agricultural commodities, given some assurance to the banks and lending institutions in making production loans and enabled farm producers to have some stability, it made me realize that the President nor the Secretary had learned anything from the debacle of the mid-1950's.

Then Secretary Benson and Mr. Butz, then Assistant Secretary, held U.S. farm commodities off world markets, though the law called for their sale. By refusing to sell they built up $8 or $10 billion worth of American production, paid over a million dollars a day storage and thereby strangled the farm program, all as shown by volume 9 of last year's hearings on the appropriation bill for the Department of Agriculture, where I brought forward verbatim, the hearings of 1955 and 1956. These hearings are being brought forward again this year.

These commodities were counted, used to cut U.S. allowable acreage and 53,000 farm families were put in the road without employment by the Department's own investigation.

These commodities were not surplus to world markets. We had authority to sell in world markets, but Mr. Benson and Mr. Butz refused to use such authority. These commodities were withheld from our customers and our friends and the law providing for some degree of stability was repealed.

Mr. Speaker, today farming is a business. With less than 5 percent of our people engaged in agriculture, farm labor has been replaced by high-priced equipment and materials to the point that American agricultural producers constitute the chief market for industry and labor.

Mr. Speaker, farm equipment has gone up to where one picker increased in price $6,000 in 1 year. Fertilizer is up about 400 percent, fuel as much as 100 percent. For the President to say that an increase in assured income to the farmers of a little over $200 million to offset such increased costs, when he recommends many times that for everything under the sun, in the hundreds of billions of dollars, I can only conclude they will never learn.

Today, according to Secretary Butz's own figures, it takes an average of about $188,000 for a person to start farming. The farmer either makes money or he quits or is forced to quit.

If he does not produce, he cannot buy. If he cannot buy, industry cannot sell and labor cannot work.

Mr. Speaker, if the Members of Congress want to help President Ford, they will vote to override his veto, and prevent him from being tagged "against agriculture," the very base of our economy.

Remember every depression has been set off by a break in farm income. We are on the verge and this veto, if allowed to stand, could be the straw that broke the camel's back, for unemployment is already raging.

As I told the Arkansas Bankers Association, today in order to farm it takes almost enough money to start a bank, and enough nerve to rob one.

I urge you to vote to override the President's veto and help save him from himself.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I rise in strong support of the emergency farm bill and urge all my colleagues to vote to override this Presidential veto. I am taking the well because I feel very strongly about this bill. This is a bill in favor of the consumer and in favor of the farmer. We have had enough with high prices.

For the past 2 years under the free-marketing system of Secretary Butz, food prices have jumped $40 billion with speculators reaping in huge profits.

The purpose of this farm bill is to establish prices and loans at levels to lend stability to the market which will result in more stable farm prices. Without such stabilizing influences as these realistic target prices and loan levels established in the bill, farmers will face severe uncertainty, especially with higher production costs.

This bill establishes a floor for the farmer just as minimum wage establishes a floor for the consumer. If the farmer has a floor, he is going to plant. And if he plants, agriculture production will increase, thus discouraging speculators from purchasing farm products and waiting for demand to outrun supply.

How many of you here in this Chamber who voted against the Sugar Act last year are still wondering why and how sugar prices have skyrocketed? Why we are now so dependent upon foreign sources of supply? Do you want the same thing to happen with soybeans, wheat, and corn? Well, it will happen if you allow this veto to stand, because then the corporate food speculators will control the food market just as the corporate sugar speculators now control the sugar market.

This bill protects both farmer and consumer. For consumers, it helps to stabilize food prices and will prevent the wild fluctuations in food prices that have plagued consumers for the past 2 years. Over the entire period of this bill, cost increases for milk would be 1 cent per gallon, 1½ cents per pound of butter, and just over 1 cent per pound of cheese. These figures are real costs which reflect the increases in the cost of living and not the effect of the farm bill. With the farm bill we can keep these costs minimal and create a more stable farm price than presently exists. It is for these reasons that the Consumer Federation supports this bill as consistent with the interests of the consumer.

For the farmer, this bill will provide a minimum wage and an incentive for full production. And this important incentive will assure ample supplies and stable prices for food products for all of us, consumer and farmer alike.

I urge all of you to take a responsible stand and vote to override. I hope that Members on our side of the aisle will have the courage to override the President of the United States on this veto.

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we know this veto was based on information from the Department of Agriculture and the Department of Agriculture has been administering two price programs for so long that they now come up with two sets of information; one set of information they provide the White House when they want reasons to veto a farm bill and the other set of information they give our committee on agricultural appropriations, when they know that we know something about the subject.

There is no increase in cost in this bill. Actually, let us take a look at the facts. These new target prices are half what wheat and feed grains have been selling for last year. This is not going to be inflationary. It will give our consumers an adequate supply of food and it gives us production for export potential that we really need, the $22 billion in export earnings that paid for the increased cost of fuel that we had to buy from overseas.

Actually, this action on the part of the President, this action on the part of his staffers, was not based on facts, but on misinformation. To be brutally frank about it, it is this type of action that keeps Republicans in the minority in this country. It is a groping, nonfactual way to approach legislation.

This bill is needed by the farmers and it is needed by the consumers and it is good for the Nation.

We ought to mention and mention time and time again that the farmer is not looking for a dole.

He is looking for an adequate return for his efforts, the efforts that give this Nation so much. This bill does not unfairly increase either target prices or loan prices. It merely updates the bill that the last Congress passed and which a previous Republican President signed to reflect the increases of fuel costs, fertilizer costs, and machinery costs which have taken place in the last year and a half.

This bill provides assistance to the consumer and to the farmer, and I urge my colleagues on both sides of the aisle to vote to not only override the veto and to send a message to the unwise and misjudging people in the White House that this veto should not have come about.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, I shall vote to override the President's veto.

Mr. Speaker, I rise in support of H.R. 4296 and it is my hope that the Presidents' veto of this bill will be overriden. This bill is needed to make sure that the United States maintains the kind of full farm production that it so badly needed in this hungry world. Likewise, the farmer, who is asked to bear the burden of all-out production, must have the assurance that he will receive a fair price for his outputs. Therefore it is only proper that farmers receive the support is provided in this legislation. If this bill does not become law, farmers can be expected to become more cautions in their plantings and conceivably restrain badly needed crop out. Production costs have risen dramatically in the last year, while basic support prices have remained at the mininum levels allowed by law; namely, $1.37 per bushel for wheat and $1.10 per bushel for corn, and target prices have remained at $2.05 and $1.38, respectively. The levels set forth in this bill are not extravagant. In fact, some of our farm organizations are opposed to this bill on the grounds that the levels in H.R. 4296 are inadequate.

Personally, I feel this bill represents a good compromise, and I urge my colleagues to override the President's veto of this legislation.

I include the following:

BUTZ' PHILOSOPHY AS FARM FODDER

President Ford has swallowed hook, line, and sinker the farm philosophy of Earl L. Butz and that is too bad.

It is too bad because the farm bill the President has vetoed was the best way to go to make sure that the United States maintains the kind of full farm production essential in a hungry world.

Faced with fluctuating prices, farmers are growing more cautious in their plantings in some of the major crops, such as corn. The best way to reassure them would be to raise support levels, as Congress had proposed.

Now it may be true, as Ford said, that this would have cost the budget more than a billion dollars next year. We think it unlikely. But if that were the case, it would be proof of the wisdom of what Congress did, for it would mean that prices tumbled below the support levels, triggering aid to the farms just when the farms would have needed it.

We hear a good deal from the secretary of agriculture about the success of his free-market approach. But that is only part of the story. The market is free only because extraordinary world conditions have escalated prices way above the supports of the 1973 farm legislation now in force. Supports are still on the books. True, acreage allotments on grains have been abandoned, but provision for them is still there. It is an oversimplification to suggest that the United States can play its full role in world food supply without government incentives.

Butz does not want to see the United States buying up stockpiles of surplus grains such as those that existed before the massive Soviet purchases of 1972. He wants only private stockpiles. But we think his plan is inadequate to meet emergencies.

No one will argue with him when he says that the answer to the world food shortage lies in improved farming and distribution in each nation. But that does not solve the special problems of drought, food and other disasters when only great surpluses from North America can meet the need.

It may not be possible to override the veto. If not, no time should be lost in trying for a compromise that will provide at least part of the reassurance to farmers before their next planting.

Mr. WAMPLER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, I urge my colleagues to vote to override this veto. Some concern has been expressed about inflation. The truth is, if we do not pass this bill and the prices drop, we are going to have farmers not buying products and have people losing jobs, and we will be making the recession worse.

When we look at the responsibilities placed upon the Secretary of Agriculture, if we have this program in operation, he will set his policies to hold down the cost to the Government, which means he will help hold market prices up above the target price. If we let the President increase the loans in order to protect the farmers' prices, we are going back to the discredited farm programs we operated under for a long period of time, building up surpluses acting as a depressing cloud over the market. Farmers not able to make an adequate living will depress the economy and even greater unemployment will occur.

Mr. Speaker, I urge my colleagues to vote to override the veto so that we might save the administration from itself.

Mr. FOLEY. Mr. Speaker, I yield an additional 5 minutes to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I urge my colleagues to vote against the motion to override and thereby sustain the veto of the President of this bill. I do so, I will say to my good friend, the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL)—I do so because I have looked at the facts.

Fact No. 1 is that less than 2 weeks ago this body, responding to a long felt need and with much heraldry, adopted a budget resolution which provided exactly the amount of outlay for farmer-related expenditures that the administration had requested. Not 1 cent—not 1 cent is for any provisions in the emergency farm bill.

Another fact is that by the best authorities, the cost of this bill in nonrecoverable expenditures, direct cost, will be at least $210 million and at the outside, $500 million. Who are we going to believe, because several speakers a moment ago had indicated that this bill would be no cost whatever to the taxpayers? Where can we turn for good authority?

I would like to turn to the chairman of the House Committee on Agriculture, a man I respect greatly, and cite a report that he placed in the CONGRESSIONAL RECORD on April 22 on page 11252. This was in connection with the conference report on this very same bill, and the data Mr. FOLEY placed in the RECORD at that time put the net cost—not the outlay of recoverable loan type cost—but the net cost of this bill at $210 million. I do not know where we could go to a source which would be more satisfactory to the Democratic Members of this Chamber. For myself, I am content with the estimate made by the U.S. Department of Agriculture which says that the net cost is $500 million.

But if the Members want to reject the administration's estimate, then accept the estimate of the gentleman from Washington, the chairman of the House Committee on Agriculture, putting the net cost at $210 million. If the Members do that, then this has to be regarded and accepted as a budget-buster bill. I say it is vitally important, because this is the very first test of the will of this Chamber to live by the decision it made less than 2 weeks ago. If we override the veto, surely this will be a signal to the American people that our concern over budget control was not very deep at all.

Mr. Speaker, a vote to sustain the veto of the so-called emergency farm bill is vital to the interests of the American people for several reasons:

First and foremost, it will reassure citizens that the Congress at long last means what it says about controlling the Federal budget.

The vote will be the first and, therefore, perhaps most crucial test of the will of the House to stick by the provisions of the budget resolution approved just 10 days ago. The resolution rejected funding of the farm bill and set at $70 billion the maximum Federal deficit for fiscal 1976. Frankly, the $70 billion figure struck me as far too high, even considering the state of the economy, and I voted no. The majority, however, approved the resolution. This will double the budget outlay for farmer-related purposes.

If the House should repudiate the budget resolution in this very first crucial test, the American people may conclude that the new much-heralded budget procedures—explained to the public as a long-needed change to business-like management of the Federal budget—is actually a nothing—empty rhetoric.

Second, the bill will cause a substantial outlay of money that cannot be recovered. The USDA estimate is $500 million. Other estimates are understandably lower. No one denies that the direct nonrecoverable outlay will run into the millions of dollars.

Third, the bill will have a bad effect on market prospects for the American farmer. The cotton section will promote uneconomic production, make foreign sales more difficult.

The mandatory provision of nonrecourse loans for soybeans as well as cotton will give foreign countries a financial umbrella under which they can finance broadly increased production of soybeans in competition with U.S. producers.

Fourth, the bill will unquestionably cause unemployment in milling and merchandising industries related to cotton and soybeans. It will cause U.S. textile firms into a more adverse position with foreign textile firms.

Mr. WAMPLER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise to urge my colleagues to sustain the President's veto of H.R. 4296, the emergency farm price support bill.

This is a matter of fiscal responsibility, economic reasoning, and commonsense.

We are all aware of the budget deficit problem. It is serious, and this bill would make it worse.

As President Ford has declared, this is the time to stop all "nonessential spending." This bill would add 1 billion, 800 million dollars in "nonessential spending" to the Federal budget.

With the present fiscal squeeze, this Congress will have to cut back spending on many good programs. With spending on good programs being curtailed, it should be obvious that spending on bad programs must be cut off entirely.

This is a bad bill. It would destroy our market-oriented farm economy, while reviving the discredited farm policies of the past that meant subsidies, waste, and strict Federal controls.

This bill would hurt the sale of our food exports and undermine our balance of payments. With higher price support levels, the price of our wheat, feed grains, soybeans, and cotton will be higher. Consequently, the United States will lose many sales to competing food exporter nations.

Speaking from a New England point of view, there is an aspect of this bill that is especially disturbing. This emergency farm bill would not help a single New England dairyman, but it will put hundreds of them out of business. Feed grain prices under this bill will rise again and remain artificially high, and this will tighten the economic squeeze on our dairy farmers. With the 80 percent price support level, they cannot raise the price of their milk; even if they could, sales of their product would drop. To help the dairy farmers of New England and the Nation, the Congress should be bringing the cost of their inputs down, not pushing them up.

This bill is full of the wrong incentives. For instance, while the United States has an enormous cotton surplus, this bill provides incentives for farmers to grow another glut of cotton. Furthermore, in tying the price support level of soybeans to corn, this bill creates an incentive to grow more corn at the expense of soybeans, though the market for soybeans is much stronger.

There are many other reasons why this farm bill is bad. It would institutionalize higher food prices, and it would require that Congress pass another farm bailout bill next year. All of this would have an inflationary ripple effect throughout the economy. It would also set the precedent of creating a new loan program—for soybeans—that no farmer requested, no witness testified for, and no hearings were held on. Such hastily written and ill-considered legislation should not be etched into legal stone by this Congress.

If economic facts and commonsense rule today, then I am confident that my colleagues will vote to sustain the President's veto of this bill. I urge them to do so.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 200]

Archer
Burton, John
Chappell
Conyers
Diggs
Drinan
Evans, Ind.
Ford, Mich.
Gaydos
Hinshaw
Jarman
Koch
Mollohan
Rostenkowski
Ryan
Sarbanes
Scheuer
Staggers
Steiger, Ariz.
Stephens
Teague

The SPEAKER. On this rollcall 412 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

VETO OF THE EMERGENCY AGRICULTURAL ACT OF 1975—VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The Chair now recognizes the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Speaker, I certainly share the concern the President has expressed over the inflationary effects of nonessential Federal spending. I cannot agree, however, that farmers should be called upon once again to bear the full brunt of our national need for fiscal responsibility while we increase record Federal deficit spending in nearly every other area.

Even as the Federal Government calls upon farmers to increase production, we are shown grain price projections which are far below those required for a reasonable return to farmers for their labor and investment. In other words, farmers are expected to once again become second-class citizens as far as their standard of living is concerned.

There is no one who appreciates the efficiencies of the free market system more than I, but a free market situation does not prevail in our agricultural economy except with respect to the risks our farmers are forced to accept. Even these risks are greatly compounded by ill-advised governmental actions intended to provide cheap food for consumers—they are far greater than the normal "free market" risks.

Until American agriculture can compete in the marketplace on an equitable basis with business and industry, it must have the protection for its prices this bill provides, particulary when operating costs continue to escalate. The farmer, unlike business and industry, cannot add on to the prices he receives the increased costs he must pay for his fuel, fertilizer, equipment, and other operating expenses. He must accept what the market offers—thus, the overwhelming need for this legislation.

And with respect to prices consumers pay, they are beginning to realize that it is not the farmer who is responsible for high food prices. They are coming to understand that their own interest will be served if farmers are permitted the incentive they must have to be able to produce to meet the ever-growing national and world demand.

This bill is a reasonable atempt to give farmers some small assurance that they will not be bankrupted by their own productivity. It will not insure riches to any producer. It is unfortunate but true, though, that as long as everything continues to go up but only farm prices come down, legislation of this type will be required—not only for the sake of the standard of living of farm families, but for the protection of the long-term best interests of all consumers also.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota (Mr. PRESSLER).

Mr. PRESSLER. Mr. Speaker, I rise to say that I strongly support overriding the President's veto on the farm bill. I grew up on a family farm. That farm is still my home. I was there last weekend and I talked with my parents—who still operate our farm—and some of our neighbors. Mr. Speaker, I can assure you that both consumers and farmers will benefit from the override of this veto. Family farms such as those which populate eastern South Dakota will be a thing of the past without some help. Numerous studies by independent groups have demonstrated that family-sized farms are the most efficient units of agricultural production—thus consumers will ultimately suffer from a destruction of family-sized farms. Mr. Speaker, I plead with this House to recognize the long-run interests of farmers and consumers by overriding this veto today.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished minority whip, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I come to the well today as a Member representing a farm district. As a matter of fact I am one of only 41 or 42 Members of this House whose districts are still considered to be rural in nature. I have had exactly two letters from farmers urging me to override the President's veto of this farm bill.

Regardless of your feelings about Secretary Earl Butz, he has given real leadership in turning us around from the discredited program of the past. We now have a reasonably free market in agriculture and that is what we have been striving for.

Just a few years ago these control programs under which we were operating then were costing $3.5 billion not to increase production but in payments to farmers to decrease production, and we were paying over $1 million a day in storage costs. In the agricultural appropriation bills we brought before this House in years past, we have had vast sums amounting to billions of dollars to restore the capital impairment of the Commodity Credit Corporation. Some of this restoration was 7 years in arrears, all with carrying charges costing the taxpayers dearly and charged against the farmers.

In the past 3 years the $4 billion we were spending for payments to farmers not to grow and for storage costs are now going for food stamps for the poor. That is a good argument it seems to me to sustain the veto for the Members from urban districts.

The fact that this $4 billion that initially was going for payments to farmers not to grow and for storage costs and which is now going for food stamps is the big significant transformation that has taken place and big city members should take special note of this.

But it is good more importantly for the thinking farmers who will remember how our warehouses under the old program were bulging with surpluses, and whenever the Commodity Credit Corporation felt disposed to do so it could dump the surpluses on the market and the poor farmer was then helpless. And make no mistake about it, that was taking place in those days.

And if the CCC did not reduce its stocks by selling in the open market, we also heard from Members of Congress who were crying all over about the exorbitant prices being paid for increased storage costs. Those of us from the farm districts, with only 42 or 43 votes were helpless in making an argument to the contrary. It seems to me the farmers of those days were taking a bum rap for something not of their own doing but something which was imposed on them by the Congress—a rigidly controlled price support program.

Today, we are doing all right. We have broadly expanded our markets abroad to dispose of our surpluses for dollars. As a matter of fact its the bright spot in our balance of payments—something in the range of $24 billion of sales abroad this past year.

The distinguished majority leader made a remark earlier that the farmers are getting less than 4 cents for a loaf of bread which is costing the consumers 40 cents, but years ago when a loaf of bread was costing consumers 20 cents the farmer was getting less than 2 cents of the loaf. That kind of argument today does not hold water because inflation is the real enemy here particularly as it involves all those intermediate steps between the producer and the consumer.

I urge the Members to support the President's veto of this bad bill. Let us do the right thing for the farmers, for the producers of our agricultural commodities, for the consumers and for the entire country.

Mr. WAMPLER. Mr. Speaker, I yield the remaining time to the distinguished gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I hope very much that the difficulty in preserving order in the Chamber this afternoon is not an indication that Members have come here with their minds already made up, unwilling to listen to some of the logic that I think ought to prevail with respect to the very important and, indeed, fateful decision that we will make today.

I, too, like the gentleman that preceded me in the well, represent a very substantial farm constituency from the urban areas. I, too, as some of those that spoke earlier am deeply concerned about the welfare of the American farmer. I was concerned enough to talk to the Secretary of Agriculture this morning, and confessed my concern. He assured me, he assured me that this administration will not permit a substantial deterioration in farm commodity prices to take place without using its existing authority under existing law to raise loan rates.

I had the opportunity at 11:30 this morning to talk to the President. I asked him the same question. He said:

> You have my permission to tell the House of Representatives that I appreciate the great contribution that the American farmer has made, the great record of productivity that he has achieved and I will certainly see to it that those loan rates are increased before those prices have deteriorated to any considerable extent.

I want to comment on what the majority leader said a moment ago when the gentleman blamed the Secretary for adding $40 billion in costs to the American consumer in the last several years. I want to remind the distinguished majority leader that the Secretary of Agriculture has no power to do anything other than administer policies under laws that have been enacted by this Congress. What the distinguished majority leader did not tell us was how the passage of this legislation is going to aid the consumers of America.

Now, we have had a great argument here over that question and yet not one single voice has been raised to challenge the veracity of the statement that was made by a member of the committee from New York, that historically every increase in support prices has translated itself into higher prices in the marketplace and from thence higher prices in the supermarket.

Maybe most of us saw the national magazine article that appeared this week, "End of Drop in Food Prices." A survey in eight major cities conducted showed that a decline in food prices underway since late last year appears to be coming to an end.

And then the article further commented, "Coming, higher grocery bills."

We had higher wholesale prices in this country last year at a rate of 18 percent. The index went up 1½ percentage points in 1 month alone. There may have been some excuse for voting for a bill like this in April when on the 1st of April we could say that there had been five consecutive months of decline in farm prices. They were down 10 percent. That trend has clearly been reversed. The prices are up. We saw it in the wholesale price index last month. We are beginning to see that translated now into higher costs to the consumer.

I repeat what the gentleman from Massachusetts has said:

> You from urban areas, how are you going to go home to your constituencies and justify passing a law raising support prices for a commodity that is already in surplus?

What kind of economic sense does that make? Finally, we have had arguments about whether or not this is going to add to outlays in fiscal year 1976. I have before me the statement from the RECORD of April 22, 1975, which indicates clearly that net outlays of this bill over present law will amount to $1,153,000,000.

Sure, we can say that some of those costs are going to be recoverable over 18 to 20 months. The fact remains that we are talking about outlays in a year when we cannot afford that kind of extra expenditure.

Mr. FOLEY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois (Mrs. COLLINS).

Mrs. COLLINS of Illinois. Mr. Speaker, for the first time since coming to Congress, I find that I plan to vote to sustain the veto of the President of H.R. 4296.

When this legislation was originally before the House on March 20, I voted for its passage. Since that time and April 22 when the conference report was considered, I became aware of some of the adverse effects of the bill on the American people. That is why I voted against the conference report and shall explain at this time why I think the veto should be sustained.

First, it is called an "emergency" measure but in truth there is no emergency. Most wheat producers have had 3 consecutive years of excellent profits. Yet they now demand a 50-percent increase in the target price. This is far more than can be justified by inflation in the loan rates—cost of production—which USDA now estimates at about $2.50 a bushel. If 1975 predictions that there will be a 2-billion-bushel wheat crop are correct, a target price of $3.10 per bushel for wheat could swell the already huge Federal deficit by another $2.7 billion.

Second, this bill fails to recognize the legitimate interest of consumers: it is solely a producers bill. Accordingly, it is biased and unfair to the vast majority of Americans because its major purpose is to keep commodity prices near present high levels throughout the new crop year, regardless of market supply and/or demand. But suppose there is a drought such as we had last year, or large foreign purchases which deplete our stocks. H.R. 4226 gives consumers no protection against ureasonably high prices for wheat. Congress should not approve such one-sided legislation which discriminates against consumers.

Third, if the bill is enacted, the Office of Management and Budget would be in a position to exert great pressure to limit the Federal budget deficit by holding the market price near the target price, rather than allowing it to fall to the loan level. This artificially high floor would put a protective umbrella over less efficient foreign producers, and thus reduce our exports and expand our balance-of-payments deficit.

Fourth, the 1973 Farm Act authorizes the Secretary to raise the loan level for wheat. The President has said he will direct the Secretary to do so if there is unforeseen price deterioration. Such action would protect farm income against unreasonably low prices in the event of large crops, but would not mandate greater Federal deficits as the proposed bill does. This course, taken when needed, is preferable to establishing unnecessarily high target prices now.

And fifth, it is my very strong belief that high support levels will artificially determine price and product levels which will increase the price of dairy products and wheat. The impact of this bill, if enacted, will probably start being felt by the fall of this year at precisely the time when families who have benefited from the extra income earned by their youngsters under the NYC program will find that income eliminated because of the youths' return to school, and at a time when the income tax rebate which had a maximum of only $200 will have already been spent. This coupled with rising costs of dairy products and wheat will play havoc on the budgets of low-income families whose major outlay is for food. There are many such families in my congressional district, one community of which has an unemployment level exceeding 45 percent.

The U.S. Department of Agriculture has informed us that enactment of this bill could mean an 8-cent-per-gallon increase in the cost of a gallon of milk, 10-cent-per-pound increase in the cost of cheese and 20-cent-per-pound increase in the cost of butter.

According to a recent newspaper report—Washington Star, Saturday, April 19, 1975—"one national consumer group estimated that overall the bill could cost American consumers $1 billion. Add to that, Agriculture Secretary Earl E. Butz's estimates that the legislation will increase Federal costs nearly $500 million more and it becomes evident that this is not only a bill detrimental to low-income families but to those who are on fixed income because this bill is inflationary.

Mr. Speaker, H.R. 4216 does little more than set farmers and consumers at odds with each other. It does nothing to develop a national farm program which would bring about stable prices and satisfy both producers and low-income consumers.

I urge my colleagues to sustain this veto.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. JENRETTE).

Mr. JENRETTE. Mr. Speaker, the

override of President Ford's veto of the emergency farm bill is absolutely essential to assure the American farmer that even if the administration does not care about the farmer, the Congress does. We are asking no more than the placement of a floor under prices for the reassurance of the most basic and elemental part of our economy, the farmer.

Agriculture Secretary Earl Butz has been touring the country stating that the farm bill would cost the taxpayer $1.8 billion. I deplore such scare tactics—tactics that amount to little more than a high-powered propaganda technique. This figure is based on the assumption that the bottom will fall out of the farm market across a wide spectrum of products and leave the Government with the responsibility for making up the price difference. The likelihood of this happening is remote in the extreme.

We know that. But the urban consumer does not know this. Butz already has stated publicly that he would like to remain as Secretary of Agriculture in the next administration—an administration he hopes will be headed by President Ford. So we are treated to the spectacle of the President and the Secretary of Agriculture in collusion to court the urban consumer vote at the expense of the farmer. Never in history have we had a Secretary of Agriculture so out of tune with the American farmer—so callous in his disregard for that very segment of the economic community for whom he is supposed to be the guardian and spokesman. This administration has turned its back on the farmer. It is therefore incumbent upon us to fill this vacuum. Urban and consumer-oriented members will be shortsighted if they assume that a vote against the override is a vote for the consumer.

All of the farmers with whom I have talked look longingly to the future—a future in which there will be no Earl Butz, an albatross around the neck of those who produce the food and fiber for this Nation. We certainly could be no worse off no matter who the next Agriculture Secretary may be.

Not since Ezra T. Benson under Eisenhower have farmers in this country become so disillusioned with a Secretary of Agriculture. As a matter of fact, Benson was popular compared to Butz. You cannot fool the American farmer, and I suggest that Butz is the first Agriculture Secretary without a constituency anywhere among farmers. Name a farm product and somehow he has managed to alienate that segment of the farm economy responsible for its production.

Not all urban area Members are unaware of the importance of the farm bill to their respective constituencies. I was pleased to see that 16 of my colleagues from urban areas recently sent out a message to other Members in which they stated:

> As urban area Congressmen we are well aware of the high risks posed to the American consumer by large, erratic fluctuations in food costs. We have witnessed the inflationary impact and market disruptions brought on by uncertain foreign demand, unpredictable changes in crop conditions and depleted food reserve stocks. . . . The failure to rebuild domestic food reserves jeopardizes the consumer's welfare because of the real risk that a sudden scarcity will send food prices skyrocketing again as happened after the Soviet grain sale. . . . If support levels are too low, we will run the risk of a 'boom and bust' cycle in agriculture which would be enormously disruptive for farmers, consumers, and food processors, not to mention those markets abroad which have come to depend increasingly on U.S. foreign exports.

Mr. Speaker, it is refreshing to a Congressman from a largely rural constituency such as my own to read that there are at least some urban area Members who realize that we all have a stake in the economic well being of the farmer.

Mr. FOLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, it occurred to me that the gentleman who spoke previously in the well doth protest too much. I stand here, not as a chairman of a party caucus; I stand here as an urban Member of the House of Representatives, and I stand here, I hope, with credentials which have unswervingly supported the best interests of the American consumer. This override, I might note, is supported by the Consumer Federation of America.

The statement has been made, with justification, that only a small percentage of the American people are involved in the production of food or fiber. That is correct, but there is another dimension to that statement. This very small percentage of the American people have produced more for the American people and more for the starving people abroad than the farmers of any industrial nation of the world.

Why is that the case? It is the case because we have designed farm programs which permit the American farmer, as this bill will do, to produce and produce and produce without running the risk of producing themselves into bankruptcy.

Mr. Speaker, I say nuts to Butz, let us override.

Mr. MIKVA. Mr. Speaker, I rise today to speak in support of the President's veto of H.R. 4296, the Emergency Farm Act, and against the attempt to override that veto.

Mr. Speaker, I voted against this bill when it was first considered on the House floor. I voted against it when it emerged from the joint House-Senate conference committee. I intend to vote against the bill again today. Unlike good cheese or fine wine, this bill has definitely not improved over time.

As President Ford stated in his veto message on this bill:

> Although the aim of this bill is laudable, its results would be costly not only to consumers and taxpayers but to American farmers in the long run. . . . Approval of this bill, therefore, would *not* be in the public interest.

Mr. Speaker, I cannot support a bill which has as its primary objective an increase in Government price supports for wheat, corn, cotton, soybeans, and milk. Since 1972, food prices have gone up at a rate of more than 15 percent a year. This is well above the general cost-of-living increase of about 10 percent a year for the same period. Food has been a major cause of this inflationary pressure.

Further, this bill will add to inflationary pressures by unnecessarily increasing the size of the Federal Government deficit. H.R. 4296 is an example of increased nonessential spending. In fiscal year 1976 alone, it could add an estimated $1.8 billion to the Federal deficit. If used as a building block for future legislation, it could result in a dramatic increase in farm subsidies in the coming years.

I sympathize with many farmers who find themselves in a difficult economic situation. Too often farmers are at the mercy of conditions, such as bad weather, sudden changes in market conditions and the overbearing economic clout of agribusiness, which are completely beyond their control. Still, I have little convincing evidence during the lengthy debates on this bill that increased price supports would significantly help the farmer. Rather, I am convinced that higher support levels would push us all to a higher level of inflation.

Mr. Speaker, what we need in this country is a critical reevaluation of our entire farm policy. We need programs which depart from the tired policies of the past, programs such as an effective grain reserve system. A grain reserve would protect us from the effects of a Russian wheat deal and lessen the chances of "feast or famine" cycles.

We can no longer set rural interests against urban interests or farmers against consumers. We are, in this country, all in this struggle together. Unless our agricultural policies become more rational, more even-handed and more effective, food prices will continue to rise and the farmer will continue to receive a smaller share of the food dollar.

Mr. Speaker, the so-called emergency farm bill which we are considering today makes none of the urgently needed reforms of our agricultural policies. It merely repeats the mistakes of the past. As the President stated in his veto message:

> In the long haul, this bill would lead to constraints on production and result in loss of jobs in food-related industries. It would induce farmers to grow more cotton—already in surplus—and less soybeans needed for food. The bill would jeopardize the competitive position of our cotton in world markets.

Mr. Speaker, we ought to support the President's veto of this bill.

Mr. BEDELL. Mr. Speaker, today we are faced with a very critical choice. It is critical not only for the farmers of America, but for the entire Nation as well.

H.R. 4296 was drafted to meet a very real and pressing problem of our Nation's agricultural producers. However, to view it as a special interest measure would be a misrepresentation of fact. The bill's implications extend far beyond the agricultural sector of the economy. The outcome of today's vote will affect all Americans.

As a member of the House Agriculture Committee, I was actively involved in the development of this bill, and I am absolutely convinced that it is a necessary and responsible piece of legislation. In my view, the Congress has done an excellent job in reconciling the interests of the American farm community with the greater national interest. It is imperative that H.R. 4296 be enacted into law for the good of the Nation.

H.R. 4296 is a 1-year emergency measure which is designed to lend greater stability to an increasingly fluid and unstable agricultural market. The current uncertainty that prevails in the agricultural sector of our economy holds serious implications for all Americans and must be addressed.

American agricultural producers are currently caught in a vicious cost-price squeeze. Skyrocketing production costs, largely attributable to factors beyond the farmer's control, and declining wholesale prices have left the American farmer in an untenable position. With the Ford administration urging all-out production, many producers are uncertain about their economic prospects. A substantial crop, harvested in good weather, would force prices down even further, with potentially fatal results for many American farmers.

In effect, the Government is asking the farmer to bear all the risks—to plant as much as possible, but with little protection should massive harvests deflate prices. H.R. 4296 attempts to relieve this dilemma by revising existing target prices and loan levels upward to make them more responsive to current market conditions. If enacted, this bill would assure that, should the bottom fall out of the market because of a possible large surplus, the farmer would have some guarantee that his losses will not be as catastrophic as under present law. In turn, it would impart a much needed degree of stability to the agricultural market which would benefit all Americans.

It is also important to consider the impact of this legislation on the American taxpayer and the American consumer. President Ford argues that the cost of the enactment of this bill would be disastrous for the taxpayer and the consumer. I submit that just the opposite is the case. In my view, both his logic and his economics are fundamentally flawed.

President Ford claims that the bill will cost taxpayers $1.8 billion. However, he neglects to point out that $1.3 billion of this total would be in loans which would be paid back to the Government with interest. Also, the estimates of costs in all categories are based on highly pessimistic assumptions of market conditions in America and the world during the next year. It is just such unstable market conditions that this bill is designed to prevent.

In considering this piece of legislation, it is absolutely essential to understand the relationship between agricultural production, food costs, and our general economic prosperity. Make no mistake about it. The food expenditures and prosperity of every American are highly dependent upon the survival and the productivity of the family farmer. Food shortages, and the higher retail prices they imply, benefit no one. Enactment of this bill would do much to assure the American consumer of adequate supplies of food at reasonable prices.

The message is clear. The small farmers of America need this legislation. And so do consumers as well.

In his evaluation of H.R. 4296, President Ford does not address the question of economic and social cost of the defeat of this bill to the American people—to farmers who will go bankrupt and be forced off their land, and to consumers who will be faced with higher prices at the grocery store. This is a significant, and portentous, omission.

President Ford contends that approval of H.R. 4296 would not be in the public interest. I do not agree. And furthermore, I question whether he really understands the nature and scope of the current agricultural situation.

It is ironic that the administration is calling for expanded food production and greater exports of agricultural commodities on the one hand, yet is not willing to provide even a minimum of protection for farmers against a possible collapse in prices on the other.

I ask President Ford, and his Secretary of Agriculture, Earl Butz, what will you offer to those farmers who will lose their livelihoods if this bill is defeated? It appears that you will offer them vague promises and empty rhetoric, but no substantive help. This is simply not good enough. The small family farmer, long the backbone of the American economy, deserves a better fate than that.

I do not intend to overdramatize the predicament of the American farmer, or to suggest that enactment of H.R. 4296 will be a panacea for the perplexing paradox of rising costs and falling prices. It will not.

What the bill will do, however, is provide a 1-year holding action against the possibility of further dislocations in the agricultural sector. It will provide a modicum of protection for producers, and it will help stabilize food prices. It will also provide Congress with the time necessary to take an in-depth look at our production and consumption policies so that we can construct a national farm policy that will effectively and responsibly deal with the highly volatile agricultural market.

President Ford cites H.R. 4296 as an example of nonessential spending. Nothing could be further from the truth. Enactment of this bill is crucial. It is a sound investment in the future of our country. I urge you to vote to override the Presidential veto of the emergency farm bill.

Mr. FISHER. Mr. Speaker, I vote to support H.R. 4296, the Emergency Agricultural Act of 1975, and to override the President's veto with some misgivings. But on the whole I believe it will have a salutary effect on the American economy, American farmers, and in the longer run, American consumers.

My first misgiving concerns the levels of both target prices and loan rates for wheat, feed grains, and cotton. This legislation would set them higher than needed to achieve the purposes of the act, in my judgment. Earlier I voted for an amendment which would have lowered these levels, but it was defeated.

My second misgiving arises from the addition to Federal expenditures and the resulting budget deficit that is implied by this measure. Increased outlays this year could run as high as $1.8 billion. However, these are mostly loans and would be repaid in subsequent years. Also there is merit in the larger outlays this year while the severe economic recession is still with us.

The act is for 1 year only. I hope it achieves its purpose and will not be continued beyond the 1 year. Had the proposal stipulated a longer period, I would not have supported it.

There are two principal advantages of the measure: First, our almost totally depleted reserves of these three basic crops will be restored somewhat; and second, farm prices, incomes, and employment will be stabilized to a degree. Farmers will be in a better position to commit resources to expanded production schedules with greater assurance against widely fluctuating prices. The reestablishment of stocks will also tend to stabilize prices as well as protect consumers against possible shortages. Reasonable agricultural reserves will correct the dangerous situation that has prevailed since the unwise grain deal with the Soviet Union made several years ago.

The most satisfactory way of combating the inflation in food prices from which all have been suffering is to raise production. This act will make a contribution to increasing production of three basic crops, and hence to checking inflation. This will ultimately help consumers everywhere in the country.

Mr. BROWN of California. Mr. Speaker, I rise today in support of the override of the President's veto of H.R. 4296.

The farmers of this country have been requested by the Government to cooperate in achieving all-out production. Production rates of this level will provide enough surplus to help us contribute emergency food supplies to those countries suffering most from high rates of malnutrition and starvation. But a surplus of this level could mean economic disaster to the farmer unless a reasonable price floor is guaranteed by Congress. The Emergency Farm Act seeks to establish price floors in certain vital areas that will relieve farmers of the worry of disaster, which in turn will encourage them to plant full crops and produce more milk and milk products.

These price floors will also provide a balancing effect on price fluctuations which will help in stabilizing the market. This is advantageous for farmers and consumers alike since extreme price fluctuations cause inflation in many areas and lead to food shortages.

Secretary Butz and the administration have supported a policy of laissez-faire toward our farmers, but I do not believe this is the time to sit back and let the market take its course. Too many people in this world need food and we cannot afford to suffer through a period of food shortages, high food prices, and resulting inflation. We must have a farm policy that will encourage food production, not discourage it. I ask my colleagues to join me today in support of this override.

Mr. MONTGOMERY. Mr. Speaker, I rise in support of overriding the veto on the Emergency Agricultural Act of 1975.

My opinion is this legislation will help the consumer, not hurt him. If you have a shortage of food and fiber the price is going up. If you have a surplus the price will go down and help the little man. We have got to encourage Americans to stay in farming, not to get out of this profession.

Over the years food has been a good buy for the consumer and surely the farm programs have helped keep prices down. Farm programs have also been adjusted over the years to help the small farmer more than the large farmer.

Most of the money spent in this bill will be loan money and will be paid back. It could be money well spent to move the economy, help the farmer, and help the consumer.

Mr. MEZVINSKY. Mr. Speaker, I strongly urge this body to override President Ford's veto of the emergency farm bill. The specific merits and provisions have been adequately explored. Thus, I will not burden our debate with any further discussion of its technical aspects.

I would, however, like to direct some thought toward our need for a national agricultural policy and the place of this particular piece of legislation within that context. I believe it is high time for us to move beyond rhetoric and establish a national policy providing for the maintenance of the family farm and abundant agricultural production. Administrations and Congresses have argued for decades that we want to maintain the family farm. Moreover, we all seem to recognize the vital importance of food production for domestic needs and foreign trade.

If we really believe in those two goals we must provide a measure of market stability. The farmer has limited control over the costs of production, the costs of equipment, or the prices he can charge for his crops. And those costs have skyrocketed in the last 2 years. Now the farmer is being asked for all-out production. If he actually succeeds in doing what the administration is asking of him, a severe decline in the prices he receives is almost inevitable. If he does not succeed—or if he decides that the probable market price does not justify the use of expensive fertilizers or even the planting of certain crops—we run the very real danger of having inadequate supplies of food. And, I would add, we will probably see even higher retail prices for food.

Without the target-price provisions of this bill, we are endangering our national farm goals which we espouse. If we really want full farm production, protection for the family farm, and reasonable food prices, we need this farm bill now.

Mr. ASHBROOK. Mr. Speaker, I support the veto of H.R. 4296, the Emergency Agricultural Act of 1975. Enactment of this legislation would mean higher food prices for consumers, additional Federal spending and increased production of unneeded cotton.

It is estimated that H.R. 4296 could cost consumers as much as $500 million in extra food bills. Substantial increases would occur in the price of milk, cheese, and butter. Families are having a hard enough time paying their grocery bills without further price increases.

H.R. 4296 would also mean increased Federal spending. The administration has estimated that in fiscal year 1976 this legislation could add $1.8 billion to the Federal deficit. We must hold down Government expenditures if we are to get our economic house in order.

The main beneficiaries of H.R. 4296 would be the cotton growers. These growers would receive substantially increased Federal subsidies as a result of this legislation.

The target price for cotton would be raised from 38 to 45 cents a pound and the loan level from 34 to 38 cents a pound. The nonrecourse loan for cotton growers who cannot sell their crop would be extended an additional 8 months. All this means additional costs to the taxpayer.

I simply cannot understand why the Government should further subsidize and stimulate cotton production when our Nation already has a tremendous cotton surplus. By August of this year the United States will have approximately 6 million bales of excess cotton in storage. This is enough to satisfy our needs for a year. We cannot hope to export the surplus since world supplies of cotton are already at record levels.

What would we do with the additional cotton that would be produced because of this bill? Why should we commit the Government to purchase a crop which we already know will be surplus to our needs?

I am convinced that it would be far better to have needed food crops grown on the land rather than unneeded cotton. I am convinced that it is in the public interest to sustain the veto on H.R. 4296.

Mr. KASTENMEIER. Mr. Speaker, Congress will best represent the interest of both farmers and consumers if the President's veto of this bill is overridden. President Ford is wrong in claiming that passage of this bill will be costly to consumers, taxpayers, and farmers.

The emergency farm price support bill does not guarantee any farmer a profit. Indeed, the target prices for corn and wheat are at a level far lower than current market prices. Milk parity price support levels are not increased by the bill. Rather, quarterly adjustment of the 80 percent level would be required. This feature does not guarantee dairymen a profit, it only guarantees that price support levels will be kept more current with increases in costs of production. There has already been substantial compromise between advocates of higher levels of protection and those who prefer lower support levels. This is, in fact, a modest bill that only attempts to give the American farmer the assurance he needs to plant a full crop.

Consumers are well aware of what impact even relatively small shortages in food supplies can have on retail food prices. When farmers face unstable markets and must cope with uncertain price fluctuations in factors of production, that uncertainty is reflected in the level of crop production undertaken by farmers. A cost-price squeeze on the farm is reflected by less output and resulting higher retail food prices.

Grain reserves and feed prices have an impact on retail milk prices, reflected in part by the milk-feed price ratio. This ratio is an important indicator of profitability in the dairy industry. To make a profit, a dairy farmer should be able to buy 170 pounds of feed with 100 pounds of milk. A break-even point is roughly 150 pounds of feed for 100 pounds of milk, a ratio of 1.50. Yet even though the President in his veto statement noted that the 5-month trend of declining prices received by farmers has been reversed, the feed-price ratio continued to decline. One year ago, the milk-feed price ratio stood at 1.56, last month it stood at 1.38 and this month it declined to 1.36.

Contrary to what the President contends, this bill would protect the interest of consumers by providing farmers with an incentive for full production which will insure ample food supplies and stable prices for food products. The absence of the stability this bill would provide could well result in less acreage being planted, resulting in higher food prices for grains, feeds, and dairy products.

Mr. Speaker, I urge my colleagues to support the interests of consumers, taxpayers, and farmers by voting to override the veto of the emergency agriculture bill.

Mr. VANIK. Mr. Speaker, I rise today to speak against the adoption of H.R. 4296, the Emergency Agricultural Act of 1975. I strongly opposed initial passage of this legislation, because I believe this bill would create an additional burden on the American consumer.

For 20 years I supported farm subsidy programs at an aggregate cost of $100 billion. These programs provided America with adequate supplies of food at reasonable prices and provided the farmer with guaranteed markets and reasonable income guarantees.

This successful partnership between urban and agricultural interests was substantially destroyed by the free market antics of Secretary Butz.

When devaluation made American food and fiber production bargain-priced, the American farmer rejoiced in the move toward the elimination of Government involvement and the move toward free markets in the disposition of agricultural products. Agriculture reveled in exports and completely ignored that basic, stable, and most important domestic market. The farmer enjoyed export sales—which reduced domestic supplies and escalated prices paid by the American consumer. The first major thrust of inflation occurred in food prices. Urban household budgets were demoralized. Secretary Butz and the farm community predicted American consumers would have to permanently adjust to higher food prices.

Free markets proved to be great for the farmer as prices went up. On the way down, they became disastrous to the agricultural sector.

In this bill, the effort is made to provide a taxpayer supported floor for farm prices. If the taxpayer is going to assume the cost of providing a floor on farm prices—he is also entitled to a ceiling to protect against shortages and high prices which may result through shortfalls in production or which may develop through problems of nature, export sales, or market manipulation.

When agriculture is prepared to provide a two-way program, I will support such efforts and vote for an appropriate farm bill, which insures adequate production, price stability, adequate farm increases, and price protection to the consumer.

Mr. BURLISON of Missouri. Mr. Speaker, staggering cost increases for fuel, fertilizer, and other inputs make the present law totally obsolete. Our bill provides modest increases for target and loan rates for cotton, corn, and wheat and added loan rates for soybeans which have been totally eliminated by this administration.

The President's position is perplexing. He is calling for billions of dollars for railroads, airlines, and other big businesses.

Billions to fund the Federal, State, and local bureaucracies.

Billions to support the military-industrial complex.

Billions to settle and support Vietnam refugees.

I could go on and on.

Our farm bill would cost less than $300 million.

The President's action follows two recent instances in which he has placed export embargoes on soybeans and grain. He is displaying a bias against farmers. The end result of his actions will be less production and less income for farmers and higher prices to consumers.

Mr. Speaker, the veto should be overridden.

Mr. BRECKINRIDGE. Mr. Speaker, I am voting to override the President's veto of the emergency farm price support bill, H.R. 4296, because I am convinced the bill is in the best interest of all Americans, both producers and consumers. If consumers are to have an assured supply of food at stable and reasonable prices, producers of food must be assured of a reasonable return. The kind of boom and bust price gyrations we have had since 1972 do not serve the best interests of either food producer or consumer.

The district which I represent is both rural and metropolitan. People in the cities of my district depend upon the farmers for their food and sales of farm machinery, equipment, and supplies, while our farmers depend on the cities for their customers.

The Emergency Farm Act of 1975 will help protect the farmer against the kind of price declines which can be expected if we have especially good weather this year. By encouraging increased production, it will help protect consumers against sky-high food prices if the weather is bad and yields are low.

> Federal programs to protect adequate farm income are as essential to the Nation's economic policy as minimum wages.
>
> The critical issue is not whether consumers should support farm income policies, but whether such policies are adequately designed and implemented to insure that consumer interests are properly considered and weighed with the interest and need of family farmers.

The bill before us today is entirely consistent with this perceptive statement by the Consumer Federation.

The interdependence of the farmer and the consumer has been highlighted by the food supply and price situation of the past 3 years. The importance to our country and to the world of rural America is being increasingly recognized and appreciated. That 95 Members of this body, representing 37 States, from both sides of the aisle are members of the Congressional Rural Caucus is evidence of this recognition and appreciation. Without a farm program there will be ultimately the crisis for the consumer that no one wants, which is a failure to have an adequate food supply.

I find it interesting to note the story appearing in the Washington Post on Wednesday, March 19, 1975:

> CHASE MANHATTAN WITHDRAWS ESTIMATES OF GRAIN COST RISE
>
> (By Dan Morgan)
>
> A Chase Manhattan Bank research organization yesterday withdrew computer-based estimates suggesting that emergency farm legislation in the House could substantially increase grain prices and result in a $4 billion total cost to consumers.
>
> Raymond Daniel, director of agricultural economics for Chase Econometrics, said, "We may be on weaker ground than we had expected."
>
> He said it appeared that the computer estimates had "overweighted" the potential speculative pressures in commodity markets resulting from the new bill's higher price supports and income guarantees to farmers. He said new, tentative computer projections indicate the bill could boost dairy and cotton prices, but not grains.
>
> The estimates were distributed last week to clients of the Chase research service and summarized in press releases.
>
> The findings were challenged this week by supporters of the bill, which is due to go before the House today.
>
> In his report to the full House, Rep. Thomas S. Foley (D-Wash.), chairman of the House Agriculture Committee, said there was no indication the measure would have "any inflationary effect whatsoever" on wheat, feed grains and soybeans.
>
> He said it could have "minor inflationary impact" on consumer prices and costs of cotton and dairy products. But he added that the committee was convinced that those drawbacks were more than offset by beneficial effects on the nation's economy.
>
> The bill has caused some division in the ranks of both farmers and consumers.
>
> The National Consumers Congress is strongly opposed to the bill because of its potential inflationary impact.
>
> However, the Consumers Federation of America endorsed the measure provided support measures for cotton and dairy products were scaled down.
>
> While Southern cotton growers back the higher price supports, many California cotton growers are opposed to them. They say that the higher supports could worsen the country's cotton glut and force the government to limit the acreage eligible for planting.
>
> One organization, the National Farmers Union, maintains that the support levels are still too low across the board to cover higher farm costs.
>
> The original Chase computations were denounced yesterday in a statement by Rep. Fred Richmond (D-N.Y.).
>
> "I think that the inconsistency of these figures throws the whole method of predicting the impact of this legislation by computer into doubt," he said.
>
> Daniel said the Chase estimates sparked numerous calls from House backers of the bill, as well as from traders in commodity futures, all questioning the predictions.
>
> The Agriculture Department, while opposing the bill, has taken the position that the measure will not have an escalating effect on grain prices because they probably will stay well above support levels.
>
> Daniel said Chase was withdrawing its original estimates for 1975 fall wheat and corn prices pending further computer analysis. He said new predictions will be issued in the near future.

And, in the Des Moines Sunday Register, March 9, 1975, it was noted that:

> The price of corn would increase approximately 46 percent with a U.S. acreage reduction of 9% and exports and domestic use were to remain unchanged, an Iowa State University computer study showed.

The point being that without increased price supports many farmers would reduce their planting.

Moreover, the Christian Science Monitor stated in an editorial on April 17, 1975, that—

> If President Ford wants farmers to produce up to their maximum as he urges, to help moderate food prices at home and help feed the hungry abroad, he should sign the farm-price bill. Passage would reduce the risk of the kind of price whiplash that has hurt farmers and consumers in recent years.

Finally, Mr. Speaker, the inability to recognize the importance of this legislation and the necessity of its passage can result only in furthering the frustrations of both the farmer and the consumer and the imposition of additional financial burdens on each group.

Mr. ROYBAL. Mr. Speaker, I rise in opposition to the motion to override the veto to H.R. 4296.

There has been much confusion surrounding the effect and need of this bill. Some people have claimed that passage could mean an 8-cent-per-gallon increase in the cost of milk, a 10-cent-per-pound increase in the cost of cheese, and a 20-cent-per-pound increase in the cost of butter. Others have contended that the increase would be on the order of a penny or two per gallon of milk, per pound of cheese, and per pound of butter. Some have said that we need to pass this legislation in order to protect the farmer from the devastating supply and demand cycle. Still others, including some representatives of rural farming areas, contend that the farmers' problems have been caused by too much governmental intervention in the farming industry. They believe that in the long run, farmers will be better off if the Government does not intrude upon their affairs.

In spite of the contradictions surrounding the bill, there are some facts that are clear. First, the bill will raise the prices that consumers pay at the grocery store. In the past year, food prices have risen between 10 and 12 percent. The Department of Agriculture is predicting a further rise in food prices this year of between 6 and 9 percent. This price rise hits hardest at people on fixed incomes and low-income individuals. The bulk of these people's incomes is expended for food and shelter. Knowing as we do the hardships that these people have suffered in the past year, I do not believe that we should enact a bill which we know will lead to a further increase in food prices.

Secondly, the impact of the passage of this act on the country could contribute to a revival of inflationary pressures in the economy. This act could cost the Government $1.8 billion during the next fiscal year. We have already passed a budget resolution which projects nearly a $70-billion deficit, and the resolution did not include any money for this act. Passage of the bill will raise the Federal deficit to levels that threaten our economic well-being.

Third, the target prices that have been set by the bill do not bear a reasonable relationship to those which now exist. We are asked to approve a raising of the target price for wheat from $2.05 to $3.10 per bushel, for cotton, from 38 cents to 45 cents per pound, and for feed grains, from $1.38 to $2.25 per bushel. These increases range from 18 percent for cotton to over 61 percent for feed grains. The bill also provides for huge increases in the loan rates for these commodities, and sets milk price supports at 80 percent of parity with quarterly adjustments. I fear that these artificially high support levels will soon determine the price levels at which these commodities are sold. This will further intensify the inflationary spiral.

Finally, when we passed H.R. 4296, its supporters indicated that it was an emergency farm bill. Prices paid to the farmer had dropped for 5 consecutive months. Since that time, prices have begun to rise again. It would appear that the cycle of farm prices has mirrored the recession that the rest of the country has been experiencing for some time. Hopefully, the upward turn of farm prices will turn out to be an indication that we are beginning to move away from that recession. If such is the case, then the underlying rationale for the bill has been removed and the farmer can look forward to more prosperous times in the future.

Mr. FOLEY. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, this is a bill that has been written in the House of Representatives. It was written by a bipartisan majority of the Committee on Agriculture. It was supported by a bipartisan majority in this House and in the other body, and sustained in the conference report by a bipartisan majority. This is not a partisan bill. It is the work of the best judgment of the Members of this Congress, and if I may be excused in saying so, the best informed and most concerned Members who know agriculture from both sides of the aisle have supported this bill enthusiastically.

It will not raise the prices to consumers. It will provide protection for full production and it will, in my judgment, be a step forward to assuring this country and all the world that depends upon our productive capacity that there will not be shortages of vital food or fiber we need to provide the life support for our millions of citizens and for the hundreds of millions around the world who depend upon us.

I urge my colleagues in the House to join me in voting to override the President's veto of H.R. 4296, the Emergency Agricultural Act of 1975. The President's veto message tells us why we need the additional safeguards provided by H.R. 4296. As he stated, farm production costs have been pushed upward. Demand for certain farm products has simultaneously slackened because of the recession. Prices paid by farmers are currently 11 percent above year-ago levels. In contrast, the index of prices received by farmers is now far below levels of a year ago. The Secretary of Agriculture and the land grant universities agree that the current production costs for wheat, feed grains and cotton are higher than the current target prices. These target prices and loan levels were established in 1973 before inflation saddled our farmers with these marked increases in costs.

Let me summarize briefly the provisions of H.R. 4296. The bill would revise upward target and loan rates so that they would be within the range of the cost of producing the commodities covered by the bill according to data supplied by land-grant universities around the country.

Target prices under H.R. 4296 are for cotton, 45 cents a pound, wheat, $3.10 a bushel, and corn, $2.25 a bushel. Target prices are used as a basis for making deficiency and disaster payments to producers.

Loan rates under H.R. 4296 are for cotton, 38 cents a pound, wheat, $2.50 a bushel, and corn, $1.87 a bushel. The bill also provides a mandatory loan program for soybeans with support at $3.94 a bushel—last year USDA abandoned the loan program for this important commodity.

Support for milk is established at 80 percent of parity with quarterly adjustments to reflect changes in production costs. The 80-percent level is the level at which milk was supported last year but the requirement for quarterly adjustments provides farmers important protection from the erosion that can occur in the support level from inflationary increases in production costs.

The purpose of the target prices and loan levels is to lend stability to the markets for farm products. If our farmers are going to produce the food and fiber needed at home and abroad, if we are going to rebuild our reserves to avoid the short supply situation that has plagued the country in the recent past, then our farmers need the price assurances and income protection provided by this farm bill. The bill is more than just a stabilization of farm income, it places the Nation's food and fiber supply in a more secure and stable position. Without it, there is a clear and present danger farmers would cut back production for fear of glutting the market and causing a precipitous drop in farm prices. The bill gives farmers the kind of assurance needed to push for the largest possible production.

The President claims that H.R. 4296 could add an estimated $1.8 billion to the Federal deficit. This is predicated on the assumption that commodities put under loan represent a dead loss to the Government. This is hardly the case. Government loan stocks represent another form of bank account. If the bill achieves its objective of keeping prices at stable levels, there may be little if any commodities taken in under the loan program. Farmers who may need immediate cash may pledge their crops to the Government but during the season would redeem the commodity and repay the loan with interest. If prices should fall, then the Government would acquire title to these inventories but with proper management could dispose of these stocks as it has in the recent past at a profit or with little if any cost to the Government. The only net costs to the Government of the program would be from the deficiency and disaster payments. Net outlays under the bill could amount to approximately $230 million if there were to be no recovery in prices received by farmers, particularly cotton farmers. The low price of cotton today is the result of the economic recession we are now experiencing. This price will also recover and payments may not be necessary. Already, there is a tendency to this effect.

The bill would have minimal effects on consumer prices. According to USDA estimates, the consumer price of milk would increase only about 1 cent a gallon, and cheese, 1 cent a pound. The price of wheat in a loaf of bread is but a fraction of the cost of the loaf—less than 5 cents per pound loaf. More importantly, if this bill were enacted, farmers would react in a positive fashion and provide consumers abundant supplies at fair and reasonable prices.

I strongly urge my colleagues to join with me in overriding the President's veto.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 245, nays 182, not voting 6, as follows:

[Roll No. 201]

YEAS—245

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bergland
Bevill
Biester
Bingham
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Cochran
Corman
Cornell
D'Amours
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Grassley
Green
Hagedorn
Hall
Hamilton
Hanley
Hannaford
Harkin
Hawkins
Hayes, Ind.
Hays, Ohio
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman

Litton
Lloyd, Tenn.
Long, La.
Lott
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
Mahon
Mann
Mathis
Matsunaga
Meeds
Melcher
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Passman
Patman
Patterson, Calif.
Pattison, N.Y.
Perkins
Pickle
Poage
Pressler
Preyer
Price
Quie
Randall
Rangel
Reuss
Richmond
Riegle
Risenhoover
Roberts
Roncalio
Rose
Roush
Runnels
Ryan
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
Staggers
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stuckey
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Vander Veen
Vigorito
Waggonner
Wampler
Waxman
Weaver
White
Whitten
Wilson, Charles, Tex.
Winn
Wirth
Wright
Young, Ga.
Young, Tex.
Zablocki

NAYS—182

Abzug
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Bell
Bennett
Biaggi
Blanchard
Boland
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Butler
Byron
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Delaney
Derwinski
Devine
Dickinson
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fascell
Fenwick
Findley
Fish
Forsythe
Frenzel
Frey
Gilman
Goldwater
Goodling
Gradison
Gude
Guyer
Haley
Hammerschmidt
Hansen
Harrington
Harris
Harsha
Hastings
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holt
Holtzman
Horton
Hutchinson
Hyde
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Kelly
Kemp
Ketchum
Kindness
Koch
Lagomarsino
Landrum
Lent
Levitas
Lloyd, Calif.
Long, Md.
Lujan
McClory
McCloskey
McDonald
McKinney
Macdonald
Madden
Madigan
Maguire
Martin
Mazzoli
Metcalfe
Michel
Mikva
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Moorhead, Calif.
Mosher
Mottl
Murphy, N.Y.
Myers, Pa.
O'Brien
O'Hara
Patten
Pepper
Pettis
Peyser
Pike
Pritchard
Quillen
Railsback
Rees
Regula
Rhodes
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rosenthal
Rousselot
Roybal
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Shuster
Spellman
Stanton, J. William
Steelman
Steiger, Ariz.
Stratton
Studds
Symms
Talcott
Van Deerlin
Vander Jagt
Vanik
Walsh
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOT VOTING—6

Adams
Evans, Ind.
Ford, Mich.
Hinshaw
Mollohan
Rostenkowski

So, two-thirds not having voted in favor thereof, the veto of the President was sustained, and the bill was rejected.

The Clerk announced the following pairs:

Mr. Evans of Indiana with Mr. Adams.
Mr. Ford of Michigan with Mr. Hinshaw.
Mr. Rostenkowski with Mr. Mollohan.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the veto message just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING GENERAL DEBATE AND DURING THE 5-MINUTE RULE TOMORROW

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct may sit during general debate and during the 5-minute rule on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR TOURIST TRAVEL PROMOTION

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 445 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 445

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 445 provides for consideration of H.R. 5357, which, as reported by our Committee on Interstate and Foreign Commerce, would authorize appropriations to the Secretary of Commerce to promote tourist travel within the United States, and also to promote international travel by foreign residents to the United States. The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and ranking minority members of the Committee on Interstate and Foreign Commerce.

After general debate, the bill would be read for amendment under the 5-minute rule. At the conclusion of the consideration of H.R. 5357 for amendment, the committee will rise and report the bill to the House with such amendments as may have been adopted, and the previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, tourism is recognized as big business in the United States. In 46 States, tourism ranks among the top three industries, and in three of these States, including my own State of Hawaii, it is the leading industry. Tourism as an industry generates annual revenues in the total amount of $61 billion, and provides over 4 million jobs to Americans. In view of the current depressed state of our economy, it is particularly noteworthy that tourism increases Federal, State, or local tax receipts.

Despite this seemingly rosy picture, the tourism industry is actually operating considerably below capacity level. For example, it has been reported that U.S. hotels and motels are presently operating at only 30 percent of capacity. Furthermore, from an estimated 85 million persons throughout the world who have the means to travel to the United States, we have, over a period of years, managed to induce only a relatively small number to visit this country.

The U.S. Travel Service, which as established in the Department of Commerce by Congress in 1961 and given broader responsibilities in 1970, reports that the U.S. net balance-of-payment deficit from international tourism in 1974 was slightly under $3 billion, an improvement over the $3.1 billion deficit recorded in 1973. This momentum toward a more favorable net balance of payments can, and should, be maintained. Experience has shown that it is an undertaking that can be successful only through the continued partnership of the Federal Government and private industry in promoting the United States as an international travel destination.

Mr. Speaker, for a number of reasons, tourist travel within the United States has not fared as well as tourist travel to the United States. According to a recent Department of Labor study, 125,000 to 200,000 tourist industry jobs were lost in 1974 as the direct result of fuel shortages. Because of the direct correlation between energy conservation measures presently under consideration by Congress and the domestic tourist industry, the Committee on Interstate and Foreign Commerce has requested a report from the Department of Commerce on the effects of national fuel conservation efforts on tourist travel in the United States in connection with the Bicentennial. The committee also reports that there was substantial testimony at its subcommittee hearings which indicated that, with proper planning, domestic tourism can be developed in a manner that would be consistent with energy conservation programs.

Mr. Speaker, in order to meet the need to promote travel within the United States and to encourage foreign residents to visit the United States. H.R. 5357 would authorize $2.5 million for each of fiscal years 1976, 1977, and 1978 for domestic travel promotion, and $25 million for fiscal year 1977, $30 million for fiscal year 1978, and $30 million for fiscal year 1979 for international travel promotion.

The bill would authorize $625,000 for domestic travel promotion and $5 million for international travel promotion for the transition period to the new fiscal year beginning October 1, 1976.

Substantial as these authorization sums appear to be, the United States is still spending far less for tourist promotion than many other countries. In 1973, the $9.1 million that the United States spent for the promotion of tourism seemed modest compared to the amounts spent by such countries as:

Ireland, $24.7 million;
Canada, $21.6 million;
Israel, $18.3 million;
Turkey, $14 million; and
Greece, $12.7 million.

Viewed still another way, every dollar spent for tourism promotion is an excellent investment. In 1974, the U.S. Travel Service estimated that the dollar return on the Federal Government's investment in tourism promotion programs was 9 to 1. In 1975 that return investment ratio is expected to reach 10 to 1.

Mr. Speaker, in 1958, when the legislature of the then Territory of Hawaii first appropriated funds for the promotion of Hawaii's tourist industry, there was a phenomenal increase of 42 percent in the span of 1 short year in the number of tourists to Hawaii. As the appropriation was steadily increased in subsequent years, there was a corresponding increase in the number of visitors to the Aloha State—and this increase, measured in terms of the total number of visitors for the year before seldom fell below 15 percent.

I urge the adoption of House Resolution 445 in order that H.R. 5357 may be considered.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I will be happy to yield to the gentleman.

Mr. PEYSER. I want to compliment the gentleman on his statement. I very much believe that this is the time that we should be enlarging our programs, both domestically and internationally, to promote travel within this country.

I think there is a need to educate people outside the United States so that they understand that they can travel freely and can travel throughout this great land of ours. I think with the economic problems that we have today, it is particularly important that the money be spent in this way; so I want to rise in support of the gentleman and I urge adoption of this legislation.

Mr. MATSUNAGA. Mr. Speaker, much as I have disagreed with the gentleman on other matters, I wholly agree with the gentleman on this matter and thank the gentleman for his generous comments.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I am happy to yield to the gentleman.

Mr. SYMMS. Mr. Speaker, I appreciate the gentleman yielding.

We are going to have the Government promoting tourism; is that it?

Mr. MATSUNAGA. That is correct.

Mr. SYMMS. De we not have American Express and United Airlines and others in Hawaii promoting this?

Mr. MATSUNAGA. The gentleman evidently was not listening to me when I was making my beautiful speech. I do not see how the gentleman could sit there and listen to what I had to say and not be convinced of what a great investment for all America this bill is going to mean. The gentleman is not opposed to the rule?

Mr. SYMMS. No; I am not opposing the rule. I just want to be sure I was listening correctly to the gentleman. Evidently I was.

Mr. MATSUNAGA. I thank the distinguished gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been ably explained by the gentleman from Hawaii (Mr. Matsunaga) this rule provides 1 hour of general debate. The bill is to be open to all germane amendments. There are no waivers of points of order. Therefore, Mr. Speaker, I have no objection to the rule.

However, with regard to the bill made in order by this rule, I do have some reservations. This bill provides a total of $7,500,000 over 3 years to encourage domestic travel. The bill provides $85,000,000 over 3 years to encourage foreign residents to visit the United States. In addition, the bill provides extra funds for the transitional period between the fiscal year ending June 30, 1976, and the fiscal year beginning October 1, 1976.

Mr. Speaker, the committee report contains a letter from the Department of Commerce stating that the administration is opposed to the initiation of a domestic tourism program because there is not a need for a new Federal program in this area. In addition, the amounts of funding in this bill for international travel are in excess of the administration request, as stated in the Department of Commerce letter.

Therefore, Mr. Speaker, while supporting the rule, I suggest that we look closely at the justification for this expenditure when we consider the bill.

Mr. Speaker, I have no further requests for time.

Mr. MATSUNAGA. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

The SPEAKER pro tempore. (Mr. O'Neill). The question is on the motion offered by the gentleman from Pennsylvania (Mr. Rooney).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5357, with Mr. Mikva in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. Rooney) will be recognized for 30 minutes and the gentleman from Kansas (Mr. Skubitz) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. Rooney).

Mr. ROONEY. Mr. Chairman, I rise in support of H.R. 5357, a bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

This bill provides continued funding for the international travel program administered by the U.S. Travel Service in the Department of Commerce; $25 million for fiscal year 1977 is authorized, the same figure as for fiscal year 1976; $30 million is authorized for each of fiscal years 1978 and 1979.

This funding is particularly important now, because the U.S. Travel Service is proving that its efforts to bring foreign residents to the United States are decreasing the net balance-of-payments deficit in the goods and services sector—$200 million is the estimated incremental foreign exchange earnings for 1975. The United States spends far less to promote travel than many other nations. And the Federal money invested is bringing a 10-to-1 return on investment ratio for fiscal year 1975.

Within the United States, tourism is a $61 billion industry and supports approximately 4 million jobs. Tourism is among the top three industries in 46 States. Therefore, this bill also authorizes the appropriation of $2.5 million for each of fiscal years 1976–78 for the promotion of travel within the United States. This is a very important provision, because the Bicentennial celebration has already begun and these funds should be used by the Department of Commerce to promote travel to Bicentennial events. The travel industry is currently operating below capacity, as witnesses at our hearings pointed out. Curtailment or inadequate support of travel promotion programs could have a drastic effect on employment in this service-oriented industry and an adverse effect on the domestic economy.

This bill was originally introduced by myself, as chairman of the subcommittee, and several other Members. After hearings, a clean bill was reported unanimously by the subcommittee and other members joined in sponsoring it. The full committee reported the bill with no amendments by voice vote on April 17, 1975. The Assistant Secretary for Tourism, C. Langhorne Washburn, who administers the travel program in the Department of Commerce, supported the bill at our hearings.

The bipartisan support for this bill by our committee stems from the firm belief that a viable tourism industry is very important to the U.S. economy.

However, the administration has so far refused to support the domestic travel program and holds the international travel program to an unrealistically low level of funding. To put the U.S. Travel Services programs in proper perspective, note that the resources allocated to these programs amount to six-tenths of 1 percent of the total 1975 budget for the Department of Commerce.

Moreover, the Assistant Secretary for Economic Affairs in the Department of Commerce wrote in February 1975 that travel expenditures multiply into higher levels of employment and increased Federal, State, and local receipts. These expenditures will help to stimulate our sluggish economy and help the tourism industries which have been particularly hard hit by the current combination of recession and inflation. Examples are the hotel-motel, airline, and other transportation and recreation industries.

The gentleman on the other side of the aisle asked the question earlier as to why private industry does not finance this. Many private industries, chambers of commerce, States, spend billions of dollars promoting the travel industry for their States. In the Commonwealth of Pennsylvania alone, we have contributed $1.1 billion to Federal, State, and local taxes alone through the tourist industry last year.

Incidentally, the Commonwealth of Pennsylvania is known for the steel industry. United States Steel and Bethlehem Steel produce most of the steel produced in the United States. Yet tourism is the second largest industry in the Commonwealth of Pennsylvania.

Mr. Chairman, I reserve the balance of my time.

Mr. SKUBITZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before the House today is simple in its terms. It merely extends authorizations for two programs concerning tourism which are already in being. The amounts involved are $25 million and $30 million for fiscal year 1977 and fiscal year 1978. In addition, there is a $5 million authorization to carry the program through the transition period to the new fiscal year which begins on October 1, 1976. This money funds the program for promoting travel to the United States.

The other authorizations involved are to fund a small program for promotion of travel within the United States. The authorizations include $2.5 million for fiscal year 1976, $625,000 for the transition period, and $2.5 million for each of fiscal years 1977 and 1978.

The amounts we have authorized in the past—and the amounts appropriated and spent—are very small compared with the effort and the funds used for the promotion of tourism by most other countries. Every effort is made by the major countries to keep the tourist business within their borders. The Government in most cases is more than a promoter—it is a business partner or the entire owner of the facilities used to carry and house tourists. Against this almost solid front, our U.S. Travel Service must struggle to convince foreign nationals to come to the United States. The effort is not without success although a much greater effort could undoubtedly produce far more.

Because Americans are inveterate travelers, we have always had a balance-of-payments problem in tourism. No doubt this will continue. However, we did lure over 14 million visitors here in 1974 and earned over $4.5 billion for the United States as a result.

Tourism is big business and—in several of our States—the biggest business. These States particularly—but most others as well—spend as much or more than the Federal Government on travel promotion. It is only right that the Federal Government should extend the effort overseas.

As for the domestic travel program—it has been around since 1940—but little was done with it until very recently. It had rested in the Interior Department until 1973, and was confined to publicizing the national parks. Much more can be done. Although the administration does not take entirely kindly to this phase of the program, it can be and should be a useful tool in the promotion and handling of the great Bicentennial surge of travel which is expected. Tourism and energy conservation are not necessarily incompatible and the committee has asked for a report from the Department of Commerce by August on this very subject.

This is a modest program in every respect, and I recommend it to the Members of the House for their approval.

Mr. ROONEY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, we are today considering a bill, H.R. 5357, to authorize appropriations for the promotion of travel to the United States by foreign residents and for promotion of travel in this Nation. The estimates are that about 4 million American jobs are dependent upon the tourist industry. In the State of Colorado, tourism is the third largest industry. There is no denying that this industry is important to the Nation, although I must say that I question the validity of the Federal Government's role in foreign advertising and promotion—as this measure proposes—when the industry does such a good job of promoting itself.

We are here to authorize the spending of $20 million this year and $25 million in fiscal year 1976 for international travel promotion. We are fast approaching our Nation's 200th birthday and I am certain that many citizens of foreign lands are already gearing up to come over and celebrate the many Bicentennial events with us. I am in this relation rather disturbed that while we are asking foreigners to visit us and here considering the allocation of large sums of money to make the requests, the Immigration and Naturalization Service has decided that these good people cannot be allowed to stay too long with us. The Service has by a regulation published in the Federal Register of January 16, 1975, effectively limited foreign "visitors for pleasure" to 6-month stays.

Mr. Chairman, there are not a great number of visitors who desire or can afford to stay in this Nation for longer than 6 months, but I am disturbed that those who wish to savor this country are now losing their welcome after 6 months. Many Americans spend their whole lives discovering America and absorbing its cultures. We would all be disturbed if 6 months—or a year under "special circumstances"—were all the regulations allowed us for this pursuit.

I am today introducing legislation which will allow a greater stay for those guests in our Nation denoted as "B–1 Visitors for pleasure." While I am well aware that there is concern in this Nation for illegal alien workers and more recently for the refugees from Southeast Asia I believe we should also lend a little concern to those aliens who want to visit us legally. The visitor for pleasure is not allowed to take a job. Indeed, as we must note in debating this bill today, this person is the one who spends the money which keeps our tourist industry going and Americans in jobs. I urge my colleagues to give careful consideration to my bill. To pull the rug out from under our foreign visitors after 6 months is not a nice thing to do to a welcome mat.

Mr. SKUBITZ. Mr. Chairman, I have no further requests for time.

Mr. ROONEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Chairman, I rise in support of H.R. 5357, which I feel can be a key factor in the economic recovery of this country. There is a primitive and ill-considered school of thought that has tended to write off tourism as an unnecessary luxury.

There is the obvious psychological lift that tourism brings to this country—but there is a far more compelling consideration to commend the legislation. Tourism is one of the principal business activities in this country. Government should accept the reality of the importance of this business to the economic well-being of the Nation as a whole.

Tourism is the second leading retail industry in this country, contributing some $61 billion a year to our economy and providing some 4 million jobs.

It is among the top three industries in 46 States, and the leading industry in Nevada, Florida, and Hawaii.

Most of the States in our country have recognized tourism as a vital part of a healthy State economy, and a brief examination of their tourism budget and receipts in 1973 is the demonstrable evidence of this fact:

[In thousands of dollars]

	Budget	*Receipts*
Alabama	$733	$601,000
Florida	873	5,000,000
Minnesota	309	886,000
Kansas	120	527,000
Texas	595	2,200,000

The tourism phenomenon in the country is a vast and generally unexplored force which is closely tied to the stability of our economy.

Tourism expenditures enhance a wide sector of the U.S. economy, and for the most part, involves small businesses in every State—commercial lodging, food service, travel arrangement, service stations, and other establishments.

Dollar for dollar, tourism promotion is one of the most impressive dollars returned for dollars invested that this country can make. The testimony in our subcommittee established that the rate of return for every dollar we invest is $9 or $10—a tourism investment makes good dollars and sense.

But the funding of tourism promotion in this country has not been adequate. The Federal Government has failed miserably to recognize the impact of tourism, and to support its expansion and promotion. While Canada has placed 16 tourist promotion agencies in the USA, we have one in Canada. I find this especially frustrating because this country abounds in spectacular scenery, fascinating events, interesting places, and friendly people. We have a proud heritage and history that offers excitement and interest to the American and international traveler alike. With our Bicentennial around the corner, I think it is important for us to make the most of an opportunity to familiarize as many people as possible with the outstanding qualities which comprise the United States. Understanding our unique past will provide strength for the future.

During the hearings on the bill, I was dismayed with the administration's lackadaisical attitude toward tourism. It is high time the administration wake up to the needs and impact of the tourism industry.

Compared to other countries, the United States is almost shameful in its tourism expenditures. While we were spending $9.1 million in 1973, Ireland spent $24.7 million, Canada $21.6 million, Israel $18.3 million, Turkey $14 million, Greece $12.7 million, France $11 million, Belgium $10.9 million, and I could go on and on.

H.R. 5357 takes a significant first step in the direction of recognizing the critical need for total Government commitment to this vital American industry, tourism.

Mr. ROONEY. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of our committee, the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I rise in support of H.R. 5357, a bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

This bill authorizes appropriations for the continuation of the travel promotion programs in the Department of Commerce. They began in 1961 with the passage of the International Travel Act. The Department of Commerce has emphasized the promotion of low-cost tours bringing foreign residents to the United States. Their success in bringing persons from abroad to visit our country has helped to reduce our balance of payments deficit from $3.1 billion to $2.9 billion. The authorization amounts are $25 million for fiscal year 1977 and $30 million each for fiscal years 1978 and 1979.

The promotion of travel within the United States would be resumed by the other section of this bill. The Department of Commerce is ready to begin the promotion of travel to Bicentennial events across the Nation. With 4 million jobs dependent on a strong tourism industry we need to start this program. The funding is $2.5 million for fiscal years 1976–78.

Mr. JENRETTE. Mr. Chairman, the importance of this legislation to my District cannot be overestimated. Tourism is the second largest source of income in South Carolina and many of those tourist dollars end up in the Grand Strand area. Although the winter-time population of Myrtle Beach is slightly over 24,000, the summertime population swells to 250,000 per day—or about the size of Charleston and its suburbs.

My district and much of South Carolina is without enough heavy industry to make up for a decline in the tourist dollar without causing a severe economic hardship.

For example, taxable retail sales in Myrtle Beach in 1973 amounted to just under $82 million. Retail sales have had a growth rate of 211 percent in Myrtle Beach since 1968. Taxable property in Myrtle Beach has increased 272 percent in the last 5 years. Most of this can be traced directly or indirectly to tourism.

The State Planning and Grants Division, along with Lyle, Bisset Carlyle and Wolfe, a respected Columbia planning and consulting firm, show that the estimated daily tourist expenditures in the Grand Strand area are as follows: 50,000 tourists on a given day would reflect a daily expenditure of $749,000; 100,000 tourists would reflect daily expenditures of $1,498,000; 150,000 tourists on a given day would reflect daily expenditures of $2,247,000.

The above estimates are based on a conservative expenditure per day of $14.98 per person. So you can easily see that tourism is a vital part of the economic life of South Carolina and my district in particular.

Many of the tourists take one look at the beautiful white beaches, the dunes, the sunshine, good fishing, and golf and decide to retire in the area. They are not disappointed. South Carolina and the Grand Strand have a most favorable tax structure.

Real estate taxes in the Grand Strand area are assessed at approximately 5 percent of the actual property value, and the county levy is only 96 mills. To put it in more readily understandable terms, total city and county real estate taxes on a $20,000 home amount to about $184 annually. The homestead exemption allows homeowners 65 or older to exempt the first $10,000 value of their homes and land from county and special assessment taxes. The city of Myrtle Beach allows an exemption of $250 on the value of a home owned by a person 65 or older. There is no State real estate tax in South Carolina, so this is a very good tax break for people who might be foolish enough to consider retiring to some dreadful place farther South. I might add that Myrtle Beach is no village of house trailers. The city is characterized by a high quality home, with 95 percent of the homes in the area classified as standard quality or better.

So tourism is the lifeblood of the area and accounts for 70 percent of the new money in the economy. Tourist traveling to or through the Grand Strand left $400 million there in 1972, for example. There are 16,000 motel rooms in the Grand Strand area, of which 40 percent have been added in the last 5 years. Hardly a day passes without the beginning of another construction project more ambitious than the last. Some 24 million overnight accommodations were used throughout 1972.

Mr. FLORIO. Mr. Chairman, we have before us a bill which is most important to the economic well-being of the country and to many States in particular, including my State, New Jersey, where the tourist industry is one of the largest sources of revenue. Oftimes, unfortunately, tourism is viewed as frivolity; pleasant but unnecessary. Nothing could be further from the truth. It is a very vital industry! Foreign visitors contribute heavily toward our goal of a balance of payments; domestic tourism encourages economic activity; and, according to the National Tourism Resources Review Commission, 5.6 percent of total private employment is attributable to the tourist industry.

Transportation accounts for approximately one-half of all tourist expenditures. The energy development of the past year will encourage travel by more efficient public transportation; thus, increased revenues for the transit systems and less wasteful energy consumption compared to private automobiles.

We are encouraging participation by all Americans in the upcoming Bicentennial celebration. This bill would assuredly help to achieve that purpose. Therefore, Mr. Chairman, I wish to express my strongest endorsement of this legislation and urge my colleagues to support this important authorization.

Mr. PEPPER. Mr. Chairman, I rise to commend this measure as much in the national interest. Dollars spent in bringing tourists from abroad to this country yield the best return of any investment I know that our Government could make.

Many years in the past the tourist deficit, that is to say what Americans traveling abroad spent in contrast to what people from abroad spent in the United States, has been the amount of the national deficit. Surely more tourists into this country can enormously reduce our unfavorable trade balance. Our U.S. Travel Service has done an excellent job in attracting tourists from various parts of the world. The more money we give them, of course, the better job they can do. But the money we give the Travel Service is like the seed we plant in the field. The harvest is much in excess of the seed planted. I am glad that the U.S. Travel Service has begun to develop a campaign to attract tourist to the United States from Latin America—a fruitful source of tourism for us. We know in Miami, to which many Latin American tourists come, how much they like to come to the United States and also the generous expenditures they usually make when they are here. I would like to emphasize my hope as we pass this bill, as I have done in a recent letter to the U.S. Travel Service, that the Travel Service will in the future appeal to Latin America for tourists more than we have in the past. We know we have a wonderful country to see and enjoy. Let us help the U.S. Travel Service to tell others about it and to help make conditions favorable to their coming here to visit.

Not only will the tourist to our country spend money here, but when they go back home after seeing our great country and our people, they will be more understanding friends.

Mr. SANTINI. Mr. Chairman, I rise in support of H.R. 5357, which I feel can be a key factor in the economic recovery of this country. There is a primitive and ill-considered school of thought that has tended to write off tourism as an unnecessary luxury.

There is the obvious psychological lift that tourism brings to this country—but there is a far more compelling consideration to commend the legislation. Tourism is one of the principal business activities in this country. Government should accept the reality of the importance of this business to the economical well-being of the Nation as a whole.

Tourism is the second leading retail industry in this country, contributing some $61 billion a year to our economy and providing some 4 million jobs.

It is among the top three industries in 46 States, and the leading industry in Nevada, Florida, and Hawaii.

Most of the States in our country have long recognized tourism as a vital part of a healthy State economy, and a brief examination of their tourism budget and receipts in 1973 is the demonstrable evidence of this fact:

TOURISM BUDGET AND RECEIPTS

Oklahoma	826, 496	$494, 000, 000
Alabama	733, 000	601, 000, 000
Florida	873, 000	5, 000, 000, 000
Minnesota	309, 000	886, 000, 000
Kansas	120, 000	527, 000, 000
Texas	595, 000	2, 200, 000, 000

The tourism phenomenon in the country is a vast and generally unexplored force which is closely tied to the stability of our economy.

Tourism expenditures enhance a wide sector of the U.S. economy, and for the most part, involves small businesses in every State—commercial lodging, food service, travel arrangement, service stations, and other establishments.

Dollar for dollar, tourism promotion is one of the most impressive dollars returned for dollars invested that this country can make. The testimony in our subcommittee established that the rate of return for every dollar we invest is $9 or $10—a tourism investment makes good dollars and sense.

But the funding of tourism promotion in this country has not been adequate. The Federal Government has failed miserably to recognize the impact of tourism, and to support its expansion and promotion. While Canada has placed 16 tourist promotion agencies in the United States, we have one in Canada. I find this especially frustrating because this country abounds in spectacular scenery, fascinating events, interesting places, and friendly people. We have a proud heritage and history that offers excitement and interest to the American and international traveler alike. With our Bicentennial around the corner, I think it is important for us to make the most of an opportunity to familiarize as many people as possible with the outstanding qualities which comprise the United States. Understanding our unique past will provide strength for the future.

During the hearings on the bill, I was dismayed with the administration's lackadaisical attitude toward tourism. It is high time the administration wake up to the needs and impact of the tourism industry.

Compared to other countries, the United States is almost shameful in its tourism expenditures. While we were spending $9.1 million in 1973, Ireland spent $24.7 million, Canada $21.6 million, Israel $18.3 million, Turkey $14 million, Greece $12.7 million, France $11 milion, Belgium $10.9 million, and I could go on and on.

H.R. 5357 takes a significant first step in the direction of recognizing the critical need for total Government commitment to this vital American industry, tourism.

Mr. ROONEY. Mr. Chairman, I have no further requests for time.

Mr. SKUBITZ. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to amend the International Travel Act of 1961 to authorize appropriations for fiscal years 1974, 1975, and 1976, and for other purposes", approved December 19, 1973 (87 Stat. 765), is amended by inserting at the end thereof the following new subsection:

"(c) There are authorized to be appropriated to the Secretary of Commerce not to exceed $2,500,000 for the fiscal year ending June 30, 1976; $625,000 for the transition period from the fiscal year ending June 30, 1976, to the fiscal year beginning October 1, 1976; $2,500,000 for the fiscal year ending September 30, 1977; and $2,500,000 for the fiscal year ending September 30, 1978, for the purpose of carrying out the functions, powers, and duties transferred pursuant to this section.".

SEC. 2. Section 6 of the International Travel Act of 1961 (22 U.S.C. 2126) is amended in the first sentence thereof by striking out "and" immediately before "(3)" and by striking out the period and inserting in lieu thereof "; (4) $5,000,000 for the transition period from the fiscal year ending June 30, 1976, to the fiscal year beginning October 1, 1976; (5) $25,000,000 for the fiscal year ending September 30, 1977; and (6) $30,000,000 for the fiscal years ending September 30, 1978, and September 30, 1979.".

Mr. ROONEY (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first I would like to ask the gentleman from Pennsylvania (Mr. ROONEY) how much is the total authorization in this legislation?

Mr. ROONEY. The total authorization in this legislation is $98,125,000.

Mr. SYMMS. And most of this money will be realized by the commercial interests through their 4 million people, if I read the report correctly, that work in the tourist industry in the United States?

Mr. ROONEY. This will keep 4 million people at work.

As I stated in my original statement, the return on our investment is ten to one. Tourism is a very, very important and viable industry in this country, amounting to some $61 billion a year. We are merely trying to stimulate this by authorizing this money.

Mr. SYMMS. I appreciate what the gentleman from Pennsylvania and the members of this committee are trying to do, and I know it would be superfluous to oppose this legislation. I can only say that it would appear to me that maybe this responsibility is one that could better be handled by these companies and private citizens and not through burdening the Federal Government with this responsibility in view of all of the other problems we have.

Mr. ROONEY. As I stated earlier, each State in our Nation is spending millions and millions of dollars on tourism. Pennsylvania alone spends some $5 million. We have a heavy tourism industry in the Pocono Mountains, in the greater Pittsburgh area, and the greater Philadelphia area. All of the chambers of commerce are raising money to bring tourists to Philadelphia, to Pittsburgh, and to the Pocono Mountains. That is precisely what we are trying to do at the Federal level.

Mr. SYMMS. I appreciate what the gentleman is saying but I think the point is that the back of the taxpayer is gradually being broken down by more and more Government expenditures. As far as the fellow who is out here running a farm or working in a factory, it is very difficult for him to realize, when they are taking 15, 20, 30, or 40 percent of his paycheck, just where this is going.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I thank the gentleman for yielding.

I would not know why the gentleman would object. It benefits every businessman. Sun Valley benefits from this tourism.

Mr. SYMMS. They are promoting it on their own and are world famous.

Mr. SKUBITZ. If the gentleman will yield further, they are the beneficiary of this. They are not promoting it all over the world, and that is what this is for.

Mr. SYMMS. The gentleman makes my point. It is fine for them to have us spend taxpayers' money.

Mr. SKUBITZ. If the gentleman will yield further, they are spending the money, and the butcher, the baker, and the candlestick maker all benefit from tourism. I do not know how one divides this up except through a tax program of this nature.

Mr. SYMMS. The point is, it is not evil for these people who are down here lobbying for it like American Express, and the AAA Automobile Association. I see the ones listed here—air travel groups, and so forth, who are for this. It seems strange that there is no opposition to this legislation to allow them to get away with it.

Mr. SKUBITZ. If the gentleman will yield further, there should not be any opposition to a bill like this.

Mr. SYMMS. Are they or are they not putting their hands in the Federal till for $98 million?

Mr. SKUBITZ. If the gentleman will yield, if they are getting any business from it, yes. So is everybody else, including filling stations and drugstores. Every tourist who comes into the United States from abroad is spending on the average of $400. I do not know where he spends it.

Mr. SYMMS. I have no objection to that.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to my very good colleague and Representative of one of the principal tourist havens of the United States.

Mr. SANTINI. I thank the gentleman for yielding.

The gentleman from Idaho makes an observation that I think is part of the problem that we have in getting an intelligent, businesslike approach to tourism in this country. It is not an expenditure; it is literally an investment. As the unrefuted and unrebutted testimony before our subcommittee established, there is a $9 return for every $1 invested in the tourist industry. It has been approached in a harum-scarum, helter-skelter, kind of fashion, depending upon what individual States or jurisdictions wanted to do in the past. The United States is 17th in the world governments' percentage of expenditures on tourism. We are one of the last to face up to the business reality.

Mr. SYMMS. I might say to the gentleman one of the reasons for that is that most of the people in the world who have enough money to travel live in the United States, so this is a good, lucrative market for people to come in and advertise their wares.

Mr. SANTINI. If the gentleman will yield further, we offset last year by over $4 billion our balance of payments with foreign countries. The reason there is no opposition to this bill is because most people who have taken an enlightened evaluation of this particular expenditure have truly considered that it is a wise investment.

Mr. SYMMS. I appreciate the gentleman's point of view.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SYMMS was allowed to proceed for 1 additional minute.)

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

I point out to the gentleman that one of the practical benefits of any foreign tourists coming to the United States is, with rare exception, they are impressed by our country, and they go back with a better feeling about the United States and its people. But I was wondering if the gentleman could tell me if he has any statistics available in Idaho as to how many foreign tourists were present when Evel Knievel made his jump across the river a year ago?

Mr. SYMMS. I might say to the gentleman there were quite a few, and there were many people who live and pay taxes in Idaho who were not so happy that he was there.

I see the gentleman's point, and I think it is a good idea to export the ideas of capitalism where we can, but I think these $98 million should be spent by private companies and not by the taxpayers of this country.

I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to direct several questions to either the gentleman from Kansas or the chairman of the subcommittee, the gentleman from Pennsylvania. I do not fully understand what I perceive to be an $8.1 million authorization for a domestic travel program. Is that directed primarily toward foreign visitors traveling in our country, or for Americans traveling in our country?

Mr. ROONEY. It is my understanding it encourages both domestic and foreign visitors traveling in the United States. It would be directed toward both generally and not necessarily to bringing foreign visitors in but encouraging Americans to travel.

Mr. ASHBROOK. I wonder if the committee considered—and I do not say this facetiously—whether this runs counter to our Government's program of domestic travel. Our citizens have been asked to form car pools and not to take joy rides, but at the same time we seem to be promoting such trips. Did the committee consider this vis-a-vis the energy shortage and whether or not this travel should be encouraged at this time?

Mr. ROONEY. I will say, as chairman of the Subcommittee on Transportation and Commerce, I will encourage people to take the train. I am trying to encourage passenger train travel in this country. We are going to be faced with an energy crisis, yes, but we just cannot close down the tourist industry. As I said, it is the third largest industry in the country and the second largest in Pennsylvania. I think if we are going to have any kind of restrictions all Americans have to suffer equally.

Mr. ASHBROOK. I guess the only other question I have is whether in setting up this extension and expansion we are going to create the bureaucratic jobs in which they actually end up encouraging travel or whether they will be just another agency of the Government that will be costing money.

I heard the gentleman talking about promoting the Poconos. I have been there. I think I have learned about the area from the literature put out by the companies, the businessmen themselves and the State of Pennsylvania. I looked at the material put out by the States and by the Harbor Springs people in Michigan and by some of those in the Pennsylvania and New York areas. I wonder to what degree we are going to promote that over and above what is already being done by the States and the businessmen in those areas? Is the gentleman quite convinced the Government can do a better job than those business people have been doing or what is the basis for the domestic travel program?

Mr. SKUBITZ. Mr. Chairman, if the gentleman will yield, I think it is twofold. One is a case of preparing literature regarding possible spots for tourism and places to visit. In many cases such matter will cause a person to visit an area nearer to their homes rather than always going to one of the national parks.

I happen to be on the Interior Committee which is looking into this phase of it, which is trying to encourage people to acquaint themselves with the United States, with areas closer to their homes. We did ask the Department of Commerce to prepare us a study showing us the effect the energy shortage is having not only on travel but also on business losses in various industries and we have asked for their opinion and studies on what this bill might need to include as a plus or minus feature in this respect.

Mr. ASHBROOK. I understand that and I guess reluctantly and with some reservation I would support this proposal. Yet I cannot help but think it is an area where we may not need as extensive a program domestically.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I would hope the distinguished gentleman from Ohio would yield and would support this because implicit in it, as I read it, and admittedly I am not on the committee or subcommittee, this would encourage travel by at least two former colleagues of ours, whom we know very well. They are the former distinguished Representative from Iowa Mr. Gross and the former distinguished Representative and House physician Dr. Hall of Missouri, who I understand for the first time in the later years of their lives—and I say that advisedly because the younger of the two is something like 76 years old—are about to embark on an international trip.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(On request of Mr. THOMPSON, and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. THOMPSON. We should encourage international travel, the gentleman from Ohio and I know about that; but if the gentleman will yield further, in what I suspect might be a vain pursuit of two lovely French ladies whom he met in 1917 or thereabouts——

Mr. ASHBROOK. Yes. I was trying to point that out.

Mr. THOMPSON. We ought to encourage things like that.

Mr. ASHBROOK. The former distinguished Member from Iowa only took one trip abroad and that was forced by the U.S. Government in the First World War.

Mr. THOMPSON. If the gentleman will yield, the records indicate otherwise.

Mr. ASHBROOK. The second was a freebie that the Members of this body paid for. Maybe the gentleman from New Jersey makes the point that we ought to do it voluntarily, rather than having the Government pay for it.

Mr. THOMPSON. I would like to point out that the gentleman from Missouri, Dr. Hall, somehow accumulated enough money that he is actually paying his way. Is that not incredible?

Mr. ASHBROOK. I think the gentleman from New Jersey might like to read some of the brochures prepared by the Government. I hope after this hearing we can provide the gentleman with some.

Mr. THOMPSON. Fine, and I hope they are supported by the Supreme Court.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I must express a concern that many Americans would feel, upon having a good look at the bill that is before us. That concern arises out of the fact that this is another subsidy, another substitution of the taxpayers' dollar for the dollars that would ordinarily be spent elsewhere in our economy. In this case, because of the economic conditions, I suspect that the travel and tourism industry of the States and localities that would normaly be advertising more have cut back their advertising budgets. It has happened in all kinds of advertising budgets all over the country. Now, we are asking to devote the taxpayers' dollars to fill in that gap. I suspect most Americans would find this a repugnant concept, especially with the tax burden resting somewhere close to 40 percent of the national income. The taxpayers do not want the Congress to decide to use their tax dollars in such ways as this.

Mr. Chairman, I would strongly urge defeat of the bill.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCFALL) having assumed the chair, Mr. MIKVA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel, pursuant to House Resolution 445, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 287, nays 132, not voting 14, as follows:

[Roll No. 202]

YEAS—287

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Biaggi
Blanchard
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carney
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Conte
Corman
Cotter
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Esch
Evans, Colo.
Fascell
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Goodling
Green
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hefner
Heinz
Helstoski
Hicks
Hillis
Holland
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Madden
Madigan
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Randall
Rangel
Rees
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Walsh
Wampler
Waxman
Whalen
White
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yatron
Young, Alaska
Young, Ga.
Zablocki
Zeferetti

NAYS—132

Ambro
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bennett
Bevill
Biester
Blouin
Bowen
Breaux
Brown, Mich.
Burleson, Tex.
Burlison, Mo.
Butler
Carr
Cederberg
Clancy
Clawson, Del
Cleveland
Collins, Tex.
Conable
Conlan
Cornell
Coughlin
Crane
D'Amours
Daniel, Robert W., Jr.
de la Garza
Devine
Dickinson
Downing, Va.
Drinan
du Pont
Early
Edgar
Emery
Erlenborn
Eshleman
Fenwick
Findley
Fish
Flowers
Forsythe
Frenzel
Frey
Gilman
Goldwater
Gradison
Grassley
Gude
Hagedorn
Hansen
Harsha
Hechler, W. Va.
Heckler, Mass.
Henderson
Hightower
Holt
Holtzman
Hutchinson
Ichord
Jarman
Johnson, Colo.
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Kindness
Lagomarsino
Landrum
Lent
Lloyd, Tenn.
Lott
McDonald
Macdonald
Mahon
Martin
Mathis
Michel
Milford
Miller, Ohio
Mitchell, Md.
Montgomery
Moorhead, Calif.
Mosher
Mottl
Myers, Ind.
Myers, Pa.
Nichols
Obey
O'Brien
Passman
Pattison, N.Y.
Pettis
Pritchard
Quillen
Railsback
Regula
Risenhoover
Robinson
Roush
Rousselot
Sarasin
Schroeder
Sebelius
Seiberling
Shuster
Smith, Nebr.
Snyder
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Taylor, Mo.
Thone
Treen
Vanik
Waggonner
Weaver
Whitehurst
Whitten
Winn
Wydler
Wylie
Yates
Young, Fla.

NOT VOTING—14

Bingham
Buchanan
Conyers
Evans, Ind.
Evins, Tenn.
Ford, Mich.
Hébert
Hinshaw
McKay
Mollohan
Moss
Rostenkowski
Stark
Young, Tex,

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Bingham.

Mr. Evans of Indiana with Mr. Moss.

Mr. Ford of Michigan with Mr. Young of Texas.

Mr. Mollohan with Mr. McKay.

Mr. Conyers with Mr. Stark.

Mr. Rostenkowski with Mr. Evins of Tennessee.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SANTINI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Nevada?

There was no objection.

REFUGEES—GETTING HELP, BUT WHO PAYS?

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, on Saturday, May 10, 1975, I toured the Southeast Asian refugee area within the Marine Corps base at Camp Pendleton, Calif. Marine Corps Gen. Paul Graham and AID Senior Coordinator William Wild are in charge of the refugee operations at the base. They are doing an excellent job and are to be commended. There are 18,200 refugees currently at the base. They are divided into camps of between 1,000 and 3,000 persons each. With 4 days advance warning and only 20 days total operating time, General Graham and Mr. Wild have arranged for housing, clothing, food, medicine, transportation, bedding, and clerical processing for everyone. As emotionally difficult as the experience has been for the refugees and as logistically impossible as our aiding efforts first appeared, the whole operation is proceding in a clean, orderly, and—under the circumstances—pleasant manner.

The really thorny aspect of the refugee question is who pays and how? In these times of unemployment and rampant inflation, Americans have a right to be fearful about job displacement and further inflationary drains on tax revenues. While America as a nation of immigrants and refugees has a clear responsibility and mission to help these people, it is incumbent on the Federal Government to ease them into our society with the least social and economic disruption. The Government cannot allow large numbers of refugees to be dumped into areas of high unemployment or marginal economic stability.

Further, no State or locality should have to pay for the handling of these refugees. This is a Federal matter. But, how the Government pays is terribly important. Two bills secheduled for consideration tomorrow, the Indochina Migration and Refugee Assistance Act and the refugee assistance appropriations, propose to give new funding to pay for the refugee assistance. Where are those funds coming from? What is the revenue source? Unfortunately, the answer is that these bills will add some $604 millions to our current $50 billion in deficits. Why hit the taxpayer with another deficit financing burden? Such legislation is hidden taxation, for someone must pay the debt financing this new deficit will cause and someone will have to bear the further inflation such a deficit will bring about.

My fellow colleagues, I suggest we pay for the current refugee assistance effort by taking the necessary funds from current foreign aid programs. Why continue to pay our enemies and ungrateful "friends" to slap us in the face when we have a clear, immediate, and meritorious need in these Southeast Asian refugees? To take the funds from foreign aid funds would not add one additional penny to our current deficit levels and it would put the money where it might do some good.

FAVORABLE ACTION BY COMMITTEE ON WAYS AND MEANS ON H.R. 6860

(Mr. ULLMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ULLMAN. Mr. Speaker, I take this occasion to invite the attention of the Members of the House and particularly my Democratic colleagues on this side of the aisle to the action of the Committee on Ways and Means yesterday in ordering favorably reported H.R. 6860, a bill to provide a comprehensive energy conservation and conversion program. We expect to file the report on this bill by midnight, Thursday, May 15, and hope to go to the Rules Committee in time for a rule so that the bill can be scheduled for floor action prior to the Memorial Day recess.

The Committee on Ways and Means agreed to seek what is basically an open rule but with the following conditions: The rule should provide that no amendments creating new titles to the bill be in order; that amendments be germane to the title to which offered; and that no amendment—except amendments by the Committee on Ways and Means—be in order unless it has been printed in the CONGRESSIONAL RECORD not later than next Monday's RECORD, the RECORD for May 19, 1975, which will be available in print next Tuesday morning, May 20, 1975.

I have requested the chairman of the Democratic caucus to schedule a caucus on this bill sometime this week. In view of that, I doubt that formal notice is required under the Democratic Caucus rules for serving notice in the CONGRESSIONAL RECORD, particularly in view of the nature of the rule we are requesting, but out of an abundance of caution, I am advising the membership about these matters today in order to be in full compliance with all rules in the event they do apply.

Mr. Speaker, I include in the RECORD at this point a summary of the bill which the committee yesterday ordered favorably reported:

SUMMARY OF H.R. 6860

TITLE I—IMPORT TREATMENT OF OIL

A. Imposition of quotas

Quotas would be imposed on petroleum and petroleum products imported into the United States according to the following schedule:

Maximum average daily number of barrels (in millions)

Calendar year:	
1975	6.0
1976	6.0
1977	6.5
1978	6.0
1979	5.5
1980 and thereafter	5.5

The President would be granted the authority to increase or decrease the quota schedule by as much as one million barrels a day for each year 1975–77, by 1½ million barrels a day in 1978 and 1979 and by 2 million barrels a day in 1980 and thereafter based upon variations in domestic consumption caused by economic factors or the weather, or by delays in obtaining domestic production or in achieving conservation goals, or by reason of other similar factors. Imports of distillate heating oil and residual oil would not be restricted below the level of 2 million barrels a day in the years 1975, 1976 and 1977. Of this amount, not more than 400,000 barrels a day could represent imports of distillate heating oil.

The President would be required to establish quotas lower than the levels shown in the schedule to the extent necessary to ensure that savings in consumption of oil will be fully reflected in equivalent reductions in oil imports. The President would also be required to divide the quotas among petroleum and petroleum products where such division is necessary to avoid substantial adverse impact on the economic and health needs of geographical areas and industries. In addition, the quotas would not apply to (1) oil imports for any strategic oil reserve which may be provided by law and (2) petrochemical feed stocks.

The President would be required to review the quota restrictions at least quarterly and would be required to proclaim the aggregate quantities of petroleum and petroleum products that may be imported into the United States during such calendar quarter. The Secretary of the Treasury would act under the custom laws to ensure that the quantities of oil imported into the United States do not exceed the quantities specified in the quota.

B. Import licensing system

The President would be required to establish an import licensing system before December 31, 1975, to distribute entitlements to petroleum and petroleum products that are imported into the United States. The entitlements would be distributed on the basis of public auctions in which bidding is by sealed bids. In general, such entitlements would be fully marketable.

Separate entitlements would be established for small refiners and independent marketers. Such separate entitlements would be distributed on the basis of public auctions in which bidding is by sealed bids. In general, such entitlements would not be marketable.

However, they may be sold to the Deputy Administrator for Petroleum Import Licensing and Purchasing.

The Administrator of the Federal Energy Administration would establish procedures for the administration of the import licensing system through the promulgation of regulations. The regulations would include provisions with respect to the frequency of auctions, bidding in small lots, maximum limits on the number of units acquired by related persons, a time limit in which entitlement rights may be exercised, rejecting bids where there is evidence of collusion or where such bids are substantially below the market price established for resale of entitlements, dealing with identical high bids and barring acquisition or use of entitlements by persons convicted of felonies relating to oil imports, oil allocations or price controls on oil. The regulations would also ensure that the small refiners are bona fide refiners and

that the independent marketers are bona fide marketers.

The President would be authorized to require **persons who import oil into the United States to report the country of origin from which the oil or product originated.**

C. Rates of duty on oil

Effective 60 days after the date of enactment the present system of duties and license fees with respect to imported oil would be replaced by ad valorem duties. The rate of duty with respect to petroleum would be 2 percent of the price and the duty on petroleum products would be 5 percent of the price. The President would be granted the authority to adjust the rates of duty upward to 10 percent of the price or $1 a barrel (if higher) and to adjust the rates of duty downward to not less than 2 percent of the price. However, for the 2-year period beginning on the date of enactment, the President could not increase the 5 percent duty on distillate fuel oil or residual fuel oil which is imported for use as a fuel (other than for the propulsion of motor vehicles). Any adjustment by the President to increase (but not an adjustment to decrease) a rate of duty would not take effect until 60 days after he transmits to Congress the proposed adjustment in the rate of duty and the reasons for the adjustment.

Section 232(b) of the Trade Expansion Act of 1962 would be amended to remove the President's authority to adjust imports of petroleum and petroleum products, except during any period in which Congress declares war, United States forces are introduced into hostilities pursuant to statutory authorization, a national emergency is created by an attack upon the United States or United **States armed forces are introduced into hostilities under circumstances which require a report by the President to the Congress under the War Powers Resolution. Adjustment under this exception would not apply after the 60th day after the closing date of hostilities.**

Effective 60 days after the date of enactment, no adjustment action taken under Section 232(b) of the Trade Expansion Act of 1962 before the date of enactment of this Act would have any force or effect with respect to petroleum or any petroleum products.

In addition, the power to eliminate import duties through trade agreements with foreign nations and to allow duty-free imports from developing countries, which had been granted to the President by the Trade Act of 1974 would be removed with respect to imports of petroleum and petroleum products.

D. Annual reports

On or before March 15, 1976 and on or before March 15 of each year thereafter, the President would be required to transmit a report to Congress on the operation of the Act. The report would include information with respect to the economies in the domestic consumption of oil which have occurred, the increase in the production of oil which has taken place, the factors taken into account in modifying the quotas and any other information which may be appropriate in assessing the operation of the Act's provisions.

E. Office of Petroleum Import Licensing

The Office of Petroleum Import Licensing would be established within the Federal Energy Administration. The Office would be headed by a Deputy Administrator who would administer the import licensing system.

TITLE II.—GASOLINE CONSERVATION PROGRAM

A. Gasoline conservation tax

The excise tax on gasoline would be increased by 3 cents a gallon effective January 1, 1976. This tax would be imposed in addition to the present gasoline tax of 4 cents a gallon (under present law, the 4 cent tax is to be reduced to 1½ cents on October 1, 1977). The 3 cent increase in the excise tax on gasoline would be deposited in the Energy Conservation and Conversion Trust Fund which is established in Title IV of the bill.

In addition to the 3 cent a gallon increase, the excise tax on gasoline would be increased according to the following table in the event that the Administrator of the Federal Energy Administration determines that the domestic consumption of gasoline in 1976 or any subsequent year exceeds the domestic consumption of gasoline in 1973:

Percentage increase over 1973 consumption		Cents—	
		Increase in tax above first 3 cents	Total tax increase above present law
More than—	But not more than—		
0	1	5	8
1	2	10	13
2	3	15	18
3		20	23

The Administrator's determination would have to be made and published in the Federal Register by January 31 of 1977 and each subsequent year in which the gasoline tax was less than 23 cents a gallon above the present 4 cents tax. The increase above the 3 cents would be effective on April 15 of the year in which such a determination is made.

B. Special motor fuels conservation taxes

In addition to any tax imposed under present law, a special motor fuels tax of 3 cents a gallon would be imposed upon benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, and any other liquid (other than diesel fuel, kerosene, gas oil, or fuel oil) sold to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in the motor vehicle or motorboat. Similarly, a tax of 3 cents a gallon would be imposed in addition to any tax under present law on any liquid sold to an owner, lessee or other operator of an aircraft for use as a fuel in such aircraft in noncommercial aviation. The special motor fuels conservation taxes would be effective on January 1, 1976 (the same date as the gasoline tax increase). The special motor fuels conservation taxes would be increased for later years in the same manner and to the same extent if any increase is made in the excise tax on gasoline above 3 cents.

Exemptions from the special motor fuels conservation taxes would be provided for any liquid sold for use or used on a farm for farming purposes or as supplies for vessels or certain aircraft or by an organization such as a church, hospital, school or museum which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

C. Exemptions and credits

Exemptions from the initial 3 cent increase in the gasoline tax and from any portion of the potential additional increase of up to 20 cents a gallon would be provided in the case of use by the purchaser for further manufacture, for sale to a State or local government for the exclusive use of a State or local government, for use by the purchaser as supplies for vessels or aircraft, for use on a farm for farming purposes, for the exclusive use by a non-profit educational organization and for use by an organization which is tax-exempt under section 501(c)(3) of the Internal Revenue Code. Also, local transit operators would be exempted from half of these tax increases.

Certain credits and exemptions would apply in the event that any portion of the additional 20 cent increase in the gasoline tax is imposed. These credits and exemptions that are described below would not apply to the initial 3 cent increase in the gasoline tax.

1. A refundable credit is provided against an individual's income tax liability equal to the gasoline tax (in excess of 3 cents a gallon) multiplied by 40 gallons per month (480 per year). The credit would be available to any individual who, at the close of the taxable year, resides in the United States and has attained the age of 16. This credit would be reflected currently in withholding.

The refundable credit would not be taken into account as income or resources for purposes of determining eligibility of the taxpayer or any other individual for benefits or assistance or for purposes of determining the amount of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

2. A credit is allowed against income tax liability for gasoline and special motor fuels used in a trade or business. The credit would equal one-half the gasoline tax (in excess of 3 cents a gallon) times the number of gallons of gasoline used by the taxpayer in a trade or business. The taxpayer would be able to deduct the other half of gasoline taxes paid as a trade or business deduction (as under present law).

3. A credit is allowed against income tax liability for certain work-related travel. The credit would equal one-half of the gasoline tax (in excess of 3 cents a gallon) times the number of gallons of gasoline (in excess of 25 per month) used by the taxpayer in work-related travel. In general, "work-related" travel would be defined as commutation by an individual from his principal residence to a post of duty in an industry that does not ordinarily provide continuous employment at one post of duty throughout the year, such as certain construction and migrant labor activity.

4. Taxicab operators would be exempted from 75 percent of any increase in the gasoline and special motor fuels taxes in excess of 3 cents a gallon, if the taxicab company operates in a jurisdiction that permits shared rides.

TITLE III—OTHER ENERGY CONSERVATION PROGRAMS

A. Automobile fuel efficiency tax

An excise tax would be imposed on an automobile manufacturer or importer to extent that his fleet of automobiles for the model year 1978, 1979, or 1980 does not meet a specific fuel efficiency standard. In the case of a domestic manufacturer whose fleet consists of a mix of domestically-produced and imported automobiles, the standard would be applied separately for domestic production and for imports. For purposes of the schedule, where a manufacturer produces some parts abroad which are subsequently imported, if at least 75 percent of the manufacturer's cost of the complete automobile is attributable to value added in the United States or Canada, then the automobile would be treated as domestic; otherwise, it would be treated as foreign. The fuel efficiency standards would be established as follows:

Model year	*Fuel mileage standard*
	[Miles per gallon]
1978	18
1979	19
1980	20

If a manufacturer's fleet average meets or exceeds the standard, no tax would be imposed on that manufacturer's fleet. If the fleet average fails to meet the standard, the excise tax would be imposed at the end of the year with respect to each automobile in that manufacturer's fleet which does not meet the standard. The excise tax would be imposed on an ad valorem basis according to the following schedule:

Miles per gallon	Model year (percent)		
	1978	1979	1980
20 or more	0	0	0
At least 19 but less than 20	0	0	2
At least 18 but less than 19	0	2	3
At least 17 but less than 18	2	3	4
At least 16 but less than 17	3	4	5
At least 15 but less than 16	4	5	6
Less than 15	5	6	7

The fuel efficiency standards are to be modified to reflect reduction in fuel mileage attributable to changes in automobile emission requirements. In addition, the standards would be reviewed in 1978.

B. Repeal of excise tax on intercity buses

The present 10-percent manufacturers' excise tax on buses would be repealed in the case of intercity buses. (Urban transportation buses are exempt under present law.) This provision would apply with respect to buses sold on or after the date of enactment of the Act.

C. Repeal of excise tax on radial tires

The excise tax on radial tires and the excise tax on tread rubber used to retread or recap radial tires would be repealed with respect to sales of radial tires and tread rubber after March 17, 1975.

D. Rerefined lubricating oil

The present 6-cents-a-gallon excise tax on lubricating oil would not apply with respect to new oil sold for use in mixing with used oil to produce a rerefined oil mixture in which 25 percent or more of the mixture consists of used lubricating oil that has been cleaned, renovated, or refined. If more than 55 percent of the final mixture is new oil, only the 55 percent would be exempt. This provision would apply with respect to sales after March 17, 1975.

E. Insulation of principal residence

A credit against income tax would be provided to an individual for expenses incurred with respect to the insulation of that person's principal residence (if the residence was in existence on March 17, 1975). The term "principal residence" would include a rented dwelling unit. The credit would equal 30 percent on the first $500 of insulation expenditures (a maximum credit of $150). The credit would be available with respect to insulation expenditures made after March 17, 1975, and before January 1, 1978. Qualified insulation would include regular insulation, storm (or thermal) windows and doors, or similar items designed specifically and primarily to reduce heat loss or gain of a building.

F. Residential solar energy equipment

A credit against income tax liability would be provided to an individual for expenses incurred with respect to the installation of solar energy equipment in that person's principal residence. The credit would be available in the case of an existing or newly constructed principal residence. In order to qualify, the original use of the equipment must commence with the taxpayer, and the equipment must use solar energy to heat or cool the building or to provide hot water for use within the residence. The equipment would be required to meet definitive performance criteria prescribed by the Secretary of Housing and Urban Development.

The credit would equal 40 percent of the first $1000 of expenditures, plus 20 percent of the second $1000 of expenditures (for a maximum credit of $600). The credit would be available with respect to expenditures made after March 17, 1975, and before January 1, 1981.

TITLE IV.—ENERGY CONSERVATION AND CONVERSION TRUST FUND

The Energy Conservation and Conversion Trust Fund would be created and would be funded by the net revenues obtained from the new gasoline tax, the new special motor fuels tax, the new automobile fuel efficiency tax, the new excise tax on the business use of petroleum and petroleum products, any duty imposed by the President under Title I of the bill on the importation of oil, and (to the extent provided by any future law) any amounts received by the United States from oil and gas properties in which the United States has an interest.

The revenues transferred to the trust fund would be limited and the fund would terminate in 1985. Not more than $5 billion could be placed in the trust fund in any one year, except that in the fiscal year ending September 30, 1984, not more than $2½ billion could be placed in the trust fund and no revenues would be placed in the fund after that date. In no event could the balance in the trust fund prior to the 1985 fiscal year be more than $10 billion in excess of outstanding obligations. In fiscal year 1985, the balance in the fund could not exceed $5 billion. Amounts which would be transferred to the trust fund except for these limitations would remain in the general fund of the Treasury.

A 5-member review board for the trust fund would be appointed by the President subject to confirmation by the Senate. The review board members would serve 5-year staggered terms. To prevent conflicts-of-interest, no individual could serve as a member of the review board if during the 5 years before appointment that person had an investment in excess of $2,500 or income in excess of $10,000 from certain energy, utility, or transportation industries.

The funds in the trust fund would be available for the following four purposes, subject to the regular authorization and appropriation process: (1) basic and applied research programs related to new energy technologies, (2) development and demonstration of new energy technologies, (3) programs relating to the development of energy resources from properties in which the United States has an interest, and (4) research projects or capital expenditures for demonstration projects relating to local and regional transportation systems.

TITLE V.—ENCOURAGING BUSINESS CONVERSION FOR GREATER ENERGY SAVING

A. Excise tax on business use of oil and natural gas

Excise taxes would be imposed on the business use of oil and natural gas as a fuel in a trade or business. Exemptions would be provided for the use of oil or natural gas as a fuel (1) in a vehicle, vessel or aircraft (2) in an apartment, hotel, motel, or other residential facility (3) for the extraction of a mineral to extent such extraction constitutes mining (4) on a farm for farming purposes (5) by electric utilities (through December 31, 1981) and (6) by organizations (churches, hospitals, schools, museums, etc.) which are tax-exempt under Section 501(c)(3) of the Internal Revenue Code (but not for unrelated businesses of those exempt organizations.)

The excise tax on the business use of natural gas would be:

[In cents]

Calendar year:	*Tax per 1,000 cubic feet*
1977	4
1978	8
1979	12
1980 or thereafter	18

The excise tax on the business use of crude oil and other petroleum products would be:

[In cents]

Calendar year:	*Tax per barrel*
1977	17
1978	33
1979	50
1980	67
1981	83
1982 or thereafter	$1

B. Five-year amortization

1. Amortization of Energy-Related Property: Five-year amortization (rather than regular depreciation) would be provided for certain equipment that would conserve oil and gas, including equipment that would use waste as fuel, solid waste recycling equipment, shale oil conversion equipment, coal processing equipment and coal pipelines. In general, the 5-year amortization provisions would apply after March 17, 1975 and before January 1, 1981.

2. Amortization of Railroad Equipment: Five-year amortization would be available for certain railroad equipment including property used as an integral part of (1) a communications, signal or traffic control system (2) a rolling stock classification yard (3) a facility for loading and unloading trailers and containers on and from railroad flat cars or (4) an improvement or betterment in track account. The 5-year amortization provisions would apply to railroad equipment placed in service after December 31, 1974, and before January 1, 1980.

3. Extension of Period for Amortization of Railroad Rolling Stock: The 5-year amortization provision that applies under present law with respect to railroad rolling stock, such locomotives and freight cars, would be extended until January 1, 1980. In addition, the provision would be expanded to include railroad ferry vessels and certain coal cars.

C. Investment credit modifications

The investment credit of present law would be extended to insulation installed after March 17, 1975, and before January 1, 1978 in a structure which was in existence on March 17, 1975, and which was used on such date in a trade or business. The investment credit would also be extended to solar energy equipment installed after March 17, 1975, and before January 1, 1981.

The investment credit would no longer be available in the case of an air conditioning or heating unit which is placed in service after the date of enactment of the Act. In addition, the investment credit would not be available in the case of any electrical generating property fueled by petroleum or petroleum products, including natural gas, which is placed in service after April 17, 1975. This latter provision would not apply in the case of certain binding contracts in effect on April 17, 1975.

D. Recycling tax credit

The investment credit would be expanded to include the purchase by a recycler of recyclable postconsumer or industrial solid waste materials. The credit would be based on the purchase price reduced to the extent that the purchase price exceeds 200 percent of the average price for the commodity during the base period of 1971 through 1973, adjusted to reflect any increase in the Consumer Price Index as prepared by the Department of Labor.

The term "post consumer solid waste materials" would mean glass, paper, textiles, nonferrous metals other than precious metals and other than copper base scrap, or ferrous metals which have been used by an ultimate consumer and which have no significant value or utility except as waste material.

The recycling tax credit would be applied as an additional 15 percent of the aggregate qualified investment in machinery or equipment for recycling after December 31, 1975.

The recycling tax credit would accrue with

respect to amounts paid or incurred for recyclable materials after December 31, 1975, and before January 1, 1981, and applied to qualified investment placed in service after December 31, 1975, and before January 1, 1984.

INTRODUCTION OF PAYMENT IN LIEU OF TAXES ACT

(Mr. EVANS of Colorado asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. EVANS of Colorado. Mr. Speaker, I am introducing today, with Representative JAMES L. OBERSTAR and cosponsors, legislation providing payments in lieu of taxes to counties with public lands within their boundaries which are administered for natural resources purposes.

Nationwide, nearly 700 counties have special problems due in large part to Federal tax-exempt land within their borders. Counties receive payments from the Federal Government now, but existing laws show no rational pattern and contain many illogical restrictions. There are many examples, but I will cite just a few. In the case of minerals, 37½ percent of the revenue from leased minerals is returned to the counties, except on acquired lands where it is 25 percent. For 1872 act minerals, nothing is returned. In some cases payments are made directly to the counties, but in others they are made to the State, and Federal law may or may not mandate that they be passed on to the counties. Some of the payments can only be used for certain purposes by the counties, such as roads and schools.

My bill will provide a sensible starting point for providing an equitable and practical system of payments in lieu of taxes from natural resource lands by allowing each county a choice between: First, retaining the present system of receiving a percentage of the revenues derived from these Federal lands; or second, accepting a Federal payment equivalent to the taxes which would be imposed if these public lands were not exempt from such taxes. If a county chooses the latter system of payment, a land value appraisal will be made to determine the new basis for Federal in-lieu payment. The cost of this appraisal will be subtracted from the first Federal payment.

The Public Land Law Review Commission reported to the Congress and President in June 1970. The Commission recommended that generally the Federal lands should be retained "so that they may be used and enjoyed by all Americans." Further, the Commission stated:

> If the national interest dictates that lands should be retained in Federal ownership, it is the obligation of the United States to make certain that the burden of that policy is spread among all the people of the United States and is not borne only by those states and governments in whose areas the lands are located. Therefore, the Federal Government should make payments to compensate state and local governments for the tax immunity of Federal lands.

This legislation follows from the recommendations of the Public Land Law Review Commission, and I am hopeful the issue will be taken up and acted on this Congress.

FORD'S FARM VETO

(Mr. WYLIE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, on May 5, 1975, there appeared in the Columbus Citizen-Journal an editorial headlined "Ford's Farm Veto." On May 7, 1975, an editorial entitled "Farms Need Nonpolicy" appeared in the Columbus Dispatch. Each of these editorials give in a different way salient reasons why I voted to sustain the President's veto of the farm bill. Now that the House has sustained the veto, maybe Congress will find reason to move in the direction of reduced spending and the free market system at one and the same time.

FORD'S FARM VETO

By vetoing the farm bill the other day, President Ford simply did what any responsible president would have done to hold down federal spending.

The bill would have raised the so-called "target prices" on farm products. These "targets" obligate the Government to pay farmers a cash subsidy when market prices fall below a certain level.

Ford hardly could have gone along with pumping millions—perhaps billions—of dollars into higher farm subsidies while lecturing Congress on the perils of extravagance.

Congress should sustain the President's veto and turn its attention to more constructive legislation.

Aside from its budgetary impact, there's another reason why signing a bill to jack up farm price supports would have been a serious mistake.

It would reverse the trend toward farmer independence and plunge the Government even more deeply into the crop subsidy business.

Ford is right when he points out that higher price supports would encourage farmers to plant crops—like cotton—that may already be in surplus; thereby driving the market price even lower.

Depending on the market, Ford may be willing in future months to use an existing federal loan program so farmers can keep their crops in storage until the price is right.

But that may not be necessary if farm prices remain as strong as they have been in recent weeks.

For some time now, Ford has been saying he wants to hold next year's federal deficit to $60 billion instead of the $70 billion figure being seriously considered in Congress.

His veto of the farm bill is one indication that the President's promise to be tight-fisted and hard-nosed may be more than just idle talk.

FARMS NEED NONPOLICY

Rather than indulging in polemics over President Ford's veto of the Emergency Farm Bill, Congress would better serve America's farmers by settling for an agriculture nonpolicy.

For far too many years there has been an element in the nation's capital which insists Congress is duty-bound to raise all kinds of protective barriers to shield the farmer from the rigors of the marketplace.

If the farmer needs any protection at all it is against congressmen who insist that an expensive food management bureaucracy is needed.

C. William Swank, executive vice president of the Ohio Farm Bureau Federation, was correct when he said the vetoed measure would have provided management all right—disastrous management which would have lowered prices farmers can expect to get in the free and open marketplace.

Things have not been exactly rosy for the farmer in recent months. Even so, projections of net farm profit for 1975 rate the year the third best on record.

What bothers the farmer more than market place shifts is his cost of doing business.

If Congress really wants to help the farmer, it can help bring down the rate of inflation and revitalize the economy in general.

An acceptably low rate of inflation and normal economic activity with unemployed consumers back on the job would make things hum down on the farm and make predicting operating costs a little easier.

However, if Congress insists on managing the marketplace and also adding fuel to inflationary fires by spending more billions of tax dollars to prop up farm prices; the farmer is destined to be hurt and hurt more than any other tradesman.

Farming always has been a chancy business, especially since production depends on weather. Expectable prices also are a problem. However, the grain futures market gives a reasonably accurate projection. Current bidding is not as negative as help-the-poor-farmer congressmen would indicate.

Despite the veto of the emergency farm bill, the President retains power to grant farmers loans on grain. But even that should be used sparingly.

The free market system continues to be the farmer's best bet and he has no need to hedge that bet with a return to worn-out props provided by Congress.

PRISON REFORM

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, prison reform is a subject often talked about but not adequately dealt with. Many times it is the legislation that has to be changed and on other occasions problems arise from the insensitivity of those in charge of prisons. Not long ago I was apprised by reading a New York Times story that an Attica guard had brought false witness against a prisoner, alleging that he had participated in an assault upon a murdered guard and ultimately confessed that his testimony was false. What was particularly disturbing to me was the fact that that same guard 3½ years later was still employed as a guard, although in another State institution. He had not been punished in any form. Furthermore, the incident concerning this guard had not been reported by the very officials investigating Attica on behalf of the State to the Commissioner of Corrections so as to permit him to take disciplinary action.

I wrote to Benjamin Ward, the new Commissioner of Correctional Services in New York State, urging that he remove that guard from the prison system as expeditiously as possible. The correspondence which I had with the Department of Correctional Service is appended, and I am particularly pleased by the latest response of May 7th which indicates that at least the new Commissioner and his staff are sensitive and are moving on this matter.

Mr. Speaker, Dostoevski said:

> The degree of civilization in a society can be judged by entering its prisons.

The sad truth is that if that test were applied today our society would be judged no better than that existing under the czar at the time of Dostoevski's comment. The correspondence follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 20, 1975.
HON. BENJAMIN WARD,
Commissioner, Department of Correctional Services, State Campus, Albany, N.Y.

DEAR COMMISSIONER: I read with horror in today's New York Times the report on the Attica trial which made public the fact that a prison guard, Alton Tolbert, for two years had falsely stated that he had seen an inmate at the prison strike Correction Officer William E. Quinn. Apparently in yesterday's hearing there was a complete admission by Mr. Tolbert that his earlier statements to this effect were totally false.

What distresses me is that when Mr. Tolbert originally admitted the falsity of his accusation, he was not disciplined, and in fact, he continues to serve as a prison guard, currently at the Elmira Correctional Facility. It is inconceivable to me that anyone who would bear false witness, particularly in a matter of this kind, against an inmate subject to his supervision, could continue as a guard in the New York State Prison System. I ask that there be an immediate hearing in this matter to determine Mr. Tolbert's fitness for this service. In my judgment, he should be removed as expeditiously as possible from the prison system.

The entire Attica episode with the brutality and the deaths which ensued as a result of the callousness of the State of New York and its officials, including its then Governor, is one that will live on in the annals of prison horror stories and man's inhumanity to man. Having not been involved, you are free to do that which is right and now. I urge you to do so. I would appreciate receiving any comments that you may have on this matter.

Sincerely,
EDWARD I. KOCH.

STATE OF NEW YORK,
DEPARTMENT OF CORRECTIONAL SERVICES,
Albany, N.Y., March 28, 1975.
HON. EDWARD I. KOCH,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN KOCH: This is in response to your recent letter concerning Correction Officer Alton Tolbert.

This Department was instructed by the Governor's Office shortly after the Attica tragedy that all investigations of that incident would be conducted by the Organized Crime Task Force. We discussed Mr. Tolbert's case with the Task Force officials as soon as we learned of his testimony, which was through the New York Times news article, the same source as your own. We had no knowledge of this incident prior to the news article.

The Task Force officials have informed us that Mr. Tolbert's behavior does not constitute perjury although they are investigating the case further. Our contract with the Correction Officers' Union requires that disciplinary action be taken within one year after the incident, unless a crime has been committed. We are continuing to investigate this situation and you may be assured that Mr. Tolbert's behavior is not condoned in any way by any Member of this Department.

Sincerely,
EDWARD R. PATRICK,
Special Assistant to the Commissioner.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 2, 1975.
MR. EDWARD R. PATRICK,
Special Assistant to the Commissioner, New York Department of Correctional Services, Albany, N.Y.

DEAR MR. PATRICK: I have your letter responding to my inquiry regarding Officer Alton Tolbert. I would find it more than shocking—indeed an absolute outrage and perversion of justice if Officer Tolbert could continue on in the corrections system after bringing false witness against a prisoner. No matter what your contractual arrangements are with the Correction Officers Union, if he did what the article alleges he did, then fire him, and let them sue you and let the courts determine whether or not he has any rights in such a situation.

I do want to be kept informed of all actions taken by your Department in this matter.

Sincerely,
EDWARD I. KOCH.

STATE OF NEW YORK,
DEPARTMENT OF CORRECTIONAL SERVICES,
Albany, N.Y., May 7, 1975.
Hon. EDWARD I. KOCH,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: I am replying to your recent letters addressed to Mr. Edward R. Patrick, formerly of this Department, regarding Correction Officer Alton Tolbert, whose false statements to law enforcement officials regarding an inmate were reported in the New York Times on March 20, 1975.

The Department has investigated this matter, and will in the near future serve upon Mr. Tolbert a notice of discipline specifying his misconduct and advising that the penalty for such misconduct is dismissal from service to be effective fourteen days from receipt of the notice of discipline. In accordance with Article 8 of the Security Services Agreement between the American Federation of State, County, and Municipal Employees and the State of New York, Mr. Tolbert may appeal this action by filing within the fourteen day period a disciplinary grievance.

I have forwarded your excerpts from the Penal Code to our Director of Labor Relations for his information and possible utilization in this disciplinary proceeding.

Your concern and assistance is appreciated.

Sincerely,
AUSTIN M. CLARKE,
Acting Executive Assistant to the Commissioner.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 13, 1975.
AUSTIN M. CLARKE,
Acting Executive Assistant to the Commissioner, Department of Correctional Services, Albany, N.Y.

DEAR MR. CLARKE: I very much appreciate your response of May 7th and would appreciate your keeping me informed as to the ultimate disposition of this matter.

All the best.

Sincerely,
EDWARD I. KOCH.

THE LATE HONORABLE KENNETH B. KEATING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York (Mr. HORTON) is recognized for 60 minutes.

Mr. Speaker, I asked for this special order today in order to give my colleagues an opportunity to comment on the life of a man who, I think, served this country greatly, and who passed away just recently, Kenneth B. Keating, who was my predecessor in the Congress.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I will be very happy to yield to my colleague from the 35th Congressional District and the district adjoining mine, the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I should like to say, Mr. Speaker, that I share the general sense of loss that the residents of western New York feel at the departure of our valued friend, Ken Keating. Although he graced the congressional district represented by the gentleman from New York (Mr. HORTON) as its Representative back during the 1950's, he was born in my own district and spent many of his formative years there.

He was known throughout western New York and had probably as wide a circle of acquaintances as any western New Yorker. He certainly qualifies as its most distinguished citizen.

Ken Keating had a remarkable record of service to this country in every branch of the Government. He served not only as a Congressman and Senator with great distinction, but also as a court of appeals judge in the State of New York, and later as a very successful Ambassador in two sensitive parts of the world.

He was a friendly man who could not walk through downtown Rochester without being greeted by a wide range of people from all walks of life. He was eminently accessible and affectionately viewed by all those who knew him. They obviously had great confidence in him and in his judgment. I think all of us have had many human experiences with Ken Keating, reflecting his lively spirit, the very fine quality of his character, and the outreach of his personality.

I know that his family is entitled to great pride in the public service that he was permitted to give to this country and from their association with one of the outstanding personalities of our time. I certainly extend my sympathy to the Keating family and I extend my regrets to a nation that was still using his talents on a very high level and to very great national advantage.

I thank my friend, the gentleman from Rochester, who was so close to Ken Keating, for having recognized me and permitted me to note my feelings about our good friend this early in the special tribute.

Mr. HORTON. I thank my colleague from New York (Mr. CONABLE) for his comments. I think he and I probably better than anyone know of the tremendous love that the people in Upstate New York have for Ken Keating. I do appreciate his remarks on this occasion and am thankful to him for what he has had to say here about our departed friend.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I am very happy to yield to the gentleman from Massachusetts, the distinguished majority leader of the House.

Mr. O'NEILL. I thank the gentleman for yielding.

I am delighted to know that he has taken this special order today for Ken Keating. Of course, I served with Ken many years ago. He was one of the most able and talented debaters on the floor of this Congress. But I had also the very great pleasure of serving on the Committee on Contested Elections with him. I found him to be one of the most honorable and delightful people that I have ever met. When we served together on the committee, we had many contested elections. Our decisions were not based on party loyalty; they were based on a fair look at the merits. With respect to every case before us, Ken acted honorably in the true spirit of justice.

Recently I traveled, as did the gentleman from Illinois (Mr. PRICE), to Egypt and to Israel. We had expected to meet with Ambassador Keating over there. But because all the ambassadors in that section of the world had been called back by President Ford, we could not meet with him. We did have the great opportunity of meeting with his wife Mary, who is a delightful individual. They had been married only a brief time. There had been a glorious wedding; and in the year and a half, or two years that they were married, they enjoyed and complimented each other.

Ken's record in the House and the Senate reveal him always to have been a devoted American who stood for the best interests of America. He continued this approach as ambassador. He was a great human being and a wonderful person. My wife Millie joins me in sending our solace and regrets to Mary, his charming wife and to his entire family.

Mr. HORTON. I thank the distinguished majority leader.

Mr. McEWEN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from New York (Mr. MCEWEN).

Mr. McEWEN. Mr. Speaker, I thank my friend, the gentleman from New York, for yielding.

I too had the privilege of being with out majority leader on the recent trip to the Middle East. Regrettably we did not see Ambassador Keating because he had been called back, together with other Ambassadors from that area, for talks in Washington, but we did meet with Mrs. Keating. In the absence of her Ambassador husband she was a wonderful hostess in welcoming our group.

Of course all the Members are aware of the outstanding public record of Ken Keating, a former Member of this House and of the other body, a jurist in the highest court in our State of New York, and a man who served in the Armed Forces in both World War I and World War II.

I had the privilege, Mr. Speaker, of seeing Ken Keating in many situations. There was a recent editorial in one of the papers in my district which prompts me to recall an event that occurred during a campaign when Ken was running for the U.S. Senate, when he and I had occasion to be visiting at the Mohawk Indian Reservation in northern New York. It recalls to me how Ken Keating met with people and how people reacted to him. He was a person's person. He liked people and people liked him. I remember how a number of people commented that day that a photographer should have been present to catch the scene with Senator Ken Keating. He was honored, as I was, to be inducted into the Mohawk Tribe and they had quite a ceremony in connection with that. After it was over there was a tired little boy, not over 3 years old, who in this whole throng of people had become separated from his mother. Contrary to the notion that an American Indian never does cry, I can report that at least a 3-year-old boy can shed tears when he finds himself separated from his mother. I shall always remember Senator Keating as he was hunched down and talking to this little boy and trying to find out through his sobs the name of the boy so they could get on the public address system and locate the child's mother. I can remember the Senator perservering and finally getting out of this little boy his name so they could find his mother.

It recalls to me how he met people and how they responded to him and it gives a measure of this man and what a wonderfully warm human being he was. So to his widow Mary and the members of his family I extend our deepest sympathy on their great loss and the loss to this country of a very able man.

Mr. HORTON. Mr. Speaker, I yield to the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I had the privilege of serving in the House of Representatives with Ken Keating for a number of years. I remember when he was first elected to the other body and there, he served his country as he had done in the House, with distinction in a capacity of leadership.

Our majority leader, the gentleman from Massachusetts (Mr. O'NEILL) mentioned the fact that on a recent visit to Israel our group was unable to meet with Ambassador Keating because he was back here with the other Mid-East Ambassadors in a special meeting being held at the State Department. A month before that on another trip to the Middle East, while on a visit to Israel, I did have the opportunity to visit with Ambassador Keating. We had two pleasant days together, busy days; on each of which he was very helpful to our Committee on Armed Services, as we met with the leaders of the Israeli Parliament and other officials of the Israeli Government.

We know the affection with which he was held by the leaders of Israel, and I am sure by the people of Israel.

Ken Keating was a great legislator. He later proved himself to be one of our finest diplomats. I am sure that wherever he went on a mission representing his Government, he served our people well and with great distinction and honor.

Mrs. Keating, whom I met for the first time on my visit to Israel, is from St. Louis, Mo., practically a neighbor of mine. To her I want to extend my deepest and most sincere sympathy in her great loss.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I am happy to yield to my colleague, the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I thank my colleague for yielding.

I want to join in paying my tribute to Ken Keating.

As the gentleman in the well knows, I grew up in the city of Rochester. I can remember Ken Keating from my youngest days as one of the outstanding lawyers in town, somebody that I knew by reputation, if not personally. Then later on, as I came to this body, I had the opportunity to know him personally. At the time I was elected, he had just been elected to the Senate and moved over there from the House. It was my opportunity to get to know him better then.

Some people have commented recently about the way in which the New York delegation of this House is cooperating more effectively than we have in the past. Perhaps they do not realize that the first step in the direction of that bipartisan cooperation was instituted by Ken Keating during his first term as a Member of the Senate. He and Governor Rockefeller wisely prevailed on Congressman Celler in organizing what is known as the New York State Steering Committee.

I also had the pleasure of serving in those years on the Board of Trustees of the University of Rochester with Ken Keating. He had been appointed to that body shortly after I had been elected to it. We shared the opportunity of working together in trying to provide some help for our mutual alma mater.

But I want to comment particularly on Ken Keating's outstanding service as Ambassador to Israel during some very trying and dangerous years. I had the privilege of heading up, I think, one of the first official delegations that went to Israel from the Armed Services Committee. We went there right after the October war in 1973, before the disengagement agreement had been worked out. Ambassador Keating filled us in on the details. He worked out a schedule of meetings for us with top Israeli leaders.

It was very clear to us, as the gentleman from Illinois (Mr. PRICE) has just said and as the majority leader has also said, that Ambassador Keating was in very close touch with the Israeli Government and was highly respected by them.

He also proved to be a very gracious host and provided our committee with a great deal of useful information on a complex and rapidly changing military and political situation.

We went back again to Israel in February of this year under the chairmanship of the gentleman from Illinois (Mr. PRICE), the chairman of our full committee. Again Ambassador Keating received our subcommittee and proved again to be an extremely able host, as well as still obviously a very close student of the situation not only in Israel but throughout the Middle East.

Let me mention one other thing that impressed all of us on that trip and that was the fact that, although he had been widowed earlier by this second visit he had remarried, and the charm and graciousness of the new Mrs. Keating, who had taken over the embassy residence there and had enlivened it not only with her interior decorating ability, but also with her very warm personality, was something that struck all of us. It was a delight for all of us to see the joy and the happiness that these newlyweds radiated there in the American Embassy in Tel Aviv.

While I know that his sudden and untimely death certainly came as a very heavy blow to Mrs. Keating, I am sure that that 1 year—barely a year—that they were permitted to spend together was something that was extremely meaningful to both of them.

So Ken Keating's passing is a loss to us in New York State. It is also a great loss to this country that Ken Keating should have been taken from us. But those of us who have been privileged to know him and to work with him will treasure his memory for many, many years to come.

Mr. Speaker, I join in paying my tribute to his distinguished public service, and to express my deepest sympathy to Mrs. Keating and to the other members of his family.

Mr. HORTON. Mr. Speaker, I want to thank the gentleman from New York (Mr. STRATTON) for his very kind remarks.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to my colleague from the State of New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding to me, and I compliment the gentleman for arranging this special order in memorial to Kenneth Keating.

Mr. Speaker, the death of Kenneth B. Keating is a tragic loss not only for those of us who knew and worked with Ken as a Representative, a Senator, a judge, and as an Ambassador of the United States, but for all the people of our Nation. Men of Ken Keating's stature are rare indeed in this modern world.

Few men have had as varied and full a career as Ken Keating: he competently served his Nation in a great many capacities, always with wisdom, dignity, foresight and patriotism.

New York State was honored and fortunate to have had Ken Keating as one of its legislators in the U.S. House of Representatives for so many years. In 1958 Ken was persuaded, although reluctantly, to run for the U.S. Senate on a statewide Republican ticket headed by Nelson Rockefeller for Governor. Although the political experts wrote their campaign off as hopeless, both Rockefeller and Keating won upset victories, enabling Ken to serve his State and Nation in the U.S. Senate for the next 6 years.

After leaving the Senate, Ken sat on the court of appeals, New York State's highest court, and therefore was appointed U.S. Ambassador to India and, still later on, Ambassador to Israel during a trying, difficult and historic period. Ken's basic qualities of persistence, patience, wisdom, and evenhandedness stood him in good stead as America's representative in the world's most troubled region.

Mr. Speaker, Ken Keating was a man of rare talents . . . a great American. We, of the New York delegation, and the entire House mourn his passing. Our Nation has suffered a loss. His life typified all of the qualities we are most proud of in America—if we had to select one man to represent all Americans everywhere, we would proudly select a Kenneth Keating.

Mr. HORTON. I thank the gentleman from New York for his comments.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, it was with deep regret and a sense of personal loss that I learned of the untimely demise of our friend, Kenneth Keating. I first came to know him in 1953 when I was elected to the 83d Congress. During that time, our Nation was faced with great problems, just as it is today. I remember, as a freshman Member of that Congress, that Ken Keating demonstrated those qualities that the gentleman alluded to here today.

He was a friendly man, a kind man. He was a friend of many good causes. I remember so well the able way in which he represented his constituents here, his knowledge of the rules of the House, his ability as an effective legislator. He served well here in the Congress. He served his country well as an Ambassador. He served his State well as a member of the judiciary.

I think, Mr. Speaker, that those of us who were privileged to know Kenneth Keating are certainly better men for having known him, and certainly the House of Representatives is a stronger institution as a result of his service and contribution here.

Mr. Speaker, I recall having seen Kenneth Keating just a few weeks ago, when he was present here in the House Chamber, when President Ford addressed the joint session. He was the same Kenneth Keating that I had known some 20 years earlier, in that he was friendly and kind. And I may say, Mr. Speaker, in all of the time I knew him, I never heard him speak an ill word about any of his colleagues in the House or others.

So I extend to his wife and to his family my deepest sympathy. I recall the words of the wise man who once said that we never forget a person unless our hearts forget their greatness. So, Mr. Speaker, if that be true, I am convinced that the memory of Kenneth Keating will live for many years to come.

Mr. HORTON. I certainly thank the gentleman for his very wonderful remarks.

Mr. Speaker, on May 5 America lost one of those who cherished her most. Kenneth B. Keating would have celebrated his 75th birthday this coming Sunday, May 18. Except for the years 1923 to 1941, during which he practiced law in Rochester, N.Y., Ambassador Keating's entire life was devoted to preparing for and carrying out service to the people and Nation he loved.

It is not uncommon for a Member of this House to rise and pay tribute to a departed friend who has served his country. Hardly a week goes by without someone in the Congress paying proper tribute to a soldier, statesman, judge, or legislator who has passed from the scene.

What is uncommon is for one man to achieve greatness in all of these fields of public service. Ken Keating was such a man. Ken was a man who loved people and whom people loved. He was a man who exemplified the qualities of character that most of us strive for. He was compassionate above all. He was highly educated, cultured and articulate. He was both firm and gentle in his dealings with people. He exercised uncommon courage both on the field of battle, and in the field of statesmanship. His understanding of the importance of the individual, and his capacity to give of himself was boundless. He could always be found where the action was, and could be counted on for contributing compassion and civility along with incisiveness to the resolution of conflicts and problems.

A thumbnail sketch of Ken Keating's life will serve to illustrate his appetite for service, and his capacity for leadership.

Ken Keating was born in Lima, N.Y., in Livingston County in 1900. He graduated from Genesee Wesleyan Seminary in Lima in 1915 and then from the University of Rochester in 1919—taking time to serve as a sergeant in the U.S. Army during World War I. He earned his LLB from Harvard Law School in 1923 and returned to Rochester to begin the practice of law. He quickly became one of the most respected legal practitioners in the city. When World War II broke out, he served as a colonel in the Army, spending 3 years in overseas service and earning the Legion of Merit—with oak-leaf cluster, the American, Asiatic, and European Theater ribbons, three battle stars, and the Order of the British Empire. He was promoted to brigadier general in the Reserves in 1948.

After the war, he resumed law practice in Rochester and in 1946, ran for election to the U.S. Congress. Ken Keating was elected to the 80th and the five subsequent Congresses until 1958, when he ran successfully for the U.S. Senate. His service in the House was marked by a deep commitment to the rights of individuals. During his last term in the House, he served as ranking Republican on the House Judiciary Committee, where he was an outspoken advocate of civil rights legislation.

His Senate career was a continuation of the outstanding service and representation of his constituency for which he had become known in the House. He became nationally prominent during the summer and fall of 1962, when he was the first to warn the public of the Soviet military buildup then taking place in Cuba.

When he was defeated for reelection to the Senate in 1964 by the late Robert F. Kennedy, Ken Keating did not retire from public life or from public service. Instead, the following year, at the age of 65, he ran and was elected to the post of associate justice of New York's highest appellate court, the Court of Appeals. He served with distinction on the court until his resignation in April 1969 to become Ambassador to India, at the age of 69.

With 29 years of almost continuous military and public service behind him, Ken Keating embarked on a new career in the diplomatic corps. As fate would have it, he served both in India and in Israel during the most difficult periods of American relations with these crucial countries. In both assignments, Ken Keating demonstrated, once again, that he had the courage of his convictions, and the ability to contribute, through his compassion, his firmness and his gentle humor, to the resolution of serious political, economic, and social problems and conflicts.

One mark of a man is the reputation he leaves behind him. I had the privilege of visiting our embassy in India only a few months after Ambassador Keating had departed that post. Without exception, the Indian Government officials, Indian citizens and members of our own embassy staff, whom I met with had very fond memories of Ken Keating and the tone of his service as Ambassador. As busy as he was, he always took the time to attend to the little things that round out the character of a man. I was struck by the fact that a plaque had been placed near the duck pond on the U.S. Embassy grounds in New Delhi to mark the spot where Ken Keating paused during his morning walk to feed the ducks.

It was my privilege to know Ken Keating as a friend and colleague in government for the last 27 years of his life.

Many of the principles I have applied in my service as a Congressman were those I learned by observing the way in which Ken Keating served the people of Monroe and Wayne Counties during his 12 years in the House. It has been my hope to attain and sustain the high level of service and representation that Ken Keating provided in the Congress since the day I was elected to serve the same district which he had served so well.

It is indeed fitting that Ken Keating was laid to rest on a hillside in Arlington National Cemetery which overlooks the landmarks and monuments of the Nation's Capital to which and in which he contributed so much during over 35 years of service to America.

To his wife, Mary, his daughter and the other members of the family my wife and I extend our deepest sympathy. We have lost a friend and our country, has lost a great public servant.

Mr. RHODES. Mr. Speaker, I join my House colleagues today in paying our respects to a great public servant, Kenneth Keating of New York. He was a hardworking Member of the House of Representatives for 12 years, and then served a term in the U.S. Senate.

I was privileged to serve with Ken Keating during much of his House tenure. He was an outstanding Member of this body, and served our Nation and his home area with distinction. He gave us excellent representation as Ambassador to India, and later to Israel.

Ken Keating and I attended the 150th anniversary ceremonies in Mexico together, and during those events I came to know that he had a cool head and great personal courage. His representation of the United States created respect for our Government, and for Ken Keating as an individual.

Our country has lost a talented man, who I was honored to have as a friend and colleague in the House. He represented us in diplomatic posts with dignity and honor, and was truly a public servant in the highest sense of the term. He had a distinguished career, in the military, in the law, in politics, and in international affairs.

I know that my fellow Members all feel a sense of loss in his passing. He was a fine individual, a dedicated officeholder, and an exceptional representative of our Nation abroad.

Mr. ANDERSON of California. Mr. Speaker, I join my colleagues today in commemorating one of the great public servants of recent times, Ambassador Kenneth B. Keating.

Few men have ever served their country in so many ways as Ken Keating did. He served here in Congress for 12 years, beginning in 1949, before his election as a Senator in 1958. Prior to that, he had served in the Armed Forces during both World Wars.

During his career in both Houses of Congress, Ambassador Keating was known as a strong champion of civil rights and of congressional reform. His distinguished career as an elected representative culminated in 1962 when he revealed the buildup of Soviet missiles in Cuba, precipitating what eventually became the Cuban missile crisis.

Although defeated for reelection in 1964 by the late Senator Robert F. Kennedy, Ambassador Keating's public career was far from concluded. He became an associate justice on the New York Court of Appeals, until in 1969, when he became the U.S. Ambassador to India.

Ambassador Keating served in India for 3 years, at a time when United States-India relations were steadily worsening. Even then, his own relations with the Indian Government remained cordial, and he disagreed strongly with the Nixon administration's decision to favor Pakistan in the conflict in Bangladesh.

In 1973, Ambassador Keating was chosen as the American representative to Israel, a post he retained until his death. He was a popular figure in Israel, and played an important role in the quest for peace in the Middle East.

Ambassador Keating's service to his country as a Congressman, judge, soldier, and diplomat was marked by brilliance, honesty, and decency. He set high standards in every field he entered, and earned the respect of persons of both parties. An even greater indication of his quality is that the nations where he served as a diplomat also held him in high esteem, even when they disagreed with the policies he was compelled to represent.

My wife, Lee, joins me in sending our condolences to his wife, Mary, and his daughter, Judith K. Howe.

Mr. CASEY. Mr. Speaker, today I join my colleagues in this brief remembrance of a truly great servant of America, Kenneth B. Keating.

Ambassador Keating served his State and our Nation with distinction for more than a quarter of a century. As a Member of the House of Representatives, the Senate, as associate justice of the New York Court of Appeals and as Ambassador to both India and Israel, he made lasting contributions to every branch of our Government.

He will be remembered as a wise man, a just man and a compassionate man, but above all, a man who was willing to sacrifice personal gain for the benefit of mankind, not only in our country, but throughout the world.

Ambassador Keating's death brings not only personal grief, but a loss to the ranks of world statesmen. Today we remember his work with gratitude, and extend our sincere condolences to his wife and family.

Mr. RANGEL. Mr. Speaker, I rise today for the purpose of eulogizing a former colleague and a friend, Ambassador Kenneth B. Keating. His career in public service spans a period of over 30 years and it includes distinguished service in all branches of the Government.

As a Member of this body for 12 years, Ambassador Keating served on the prized Judiciary Committee. On that panel he championed the causes of the minorities, both those already in this Nation and those seeking entry. In 1958, Ambassador Keating was elected to our sister body, where he continued his concern and activity in these very worthy issues.

After being unsuccessful in his attempt to gain reelection to the Senate in 1964, the Ambassador served as an associate justice of the New York Court of Appeals. Just before this appointment was to expire, Ken was given the first of his two very difficult international assignments. From 1969 until 1972, he served as our Ambassador to India. Coming at a time when tensions were at a fever pitch between India and Pakistan, this appointment represented our belief in the rationality and sobriety of Ken Keating to prevent the situation from reaching further levels of intensification.

After that appointment, Senator Keating then was selected as our Ambassador to Israel, an equally troubled part of the world. Whatever stability that has existed in the Middle East over the last 2 years can most definitely be attributed in large part to the relentless efforts of this truly brilliant public servant.

In our Nation presently, there are those who claim we are suffering from a lack of leadership. Much can be said for this skepticism on the part of our citizens. At a time when this cynicism is on the rise, Ken Keating was quietly going about doing the thing he knew best, serving the people. It is ironic that his presence, which is needed now more than ever, will be most tragically missed. I am sure my colleagues will join me in extending our sympathy to his surviving relatives.

Mr. LENT. Mr. Speaker, I want to join with my colleagues in paying tribute to an old friend, political colleague and one of the great public servants of this or any other time, the late Kenneth B. Keating.

For more than a generation, Kenneth Keating served with great distinction in all branches of government. For six terms he was a Member of this body, and for 6 years he was a Member of the U.S. Senate. He served as an associate justice of New York's highest appellate court. His last several years in public service were spent in two of the most sensitive and important ambassadorial posts—India and Israel. In all instances he exhibited exemplary leadership, personal warmth, and a keen understanding of humanity.

Individuals with the qualities of Kenneth Keating are, unfortunately, all too rare. My own State of New York can be proud to claim Kenneth Keating as its own, and all of us are better for his service to his State and his Nation.

Mr. WYDLER. Mr. Speaker, when one is involved in a political life so many people are met but only a small percentage leave a lasting impression. Such a person was Kenneth Keating. When I was first elected to Congress in 1962, he was the U.S. Senator from New York. His graciousness and friendliness to me were a great help to a new Congressman. Over the years, I met him from time to time and always found it a pleasure, for he had a true love of life and people. His service to his country and to the State of New York is a part of history. I pray that God will bless him and give him the peace and joy he worked so hard to give to others here on Earth.

Mr. CEDERBERG. Mr. Speaker, it is with the most profound sadness that I pay my respects to Ambassador Kenneth Keating, a man I greatly respected and admired.

A dedicated public servant, Ambassador Keating has given this country far more than it could ever expect from this individual. In all respects he represented the epitome of the astute ambassador, the American gentleman, and international diplomat. He had achieved man's greatest goal and triumph—the respect of his fellow colleagues.

Widely acknowledged as a versatile protagonist in foreign affairs, he was unparalleled in his ability to understand human nature. This formidable attribute made him invaluable in some of the most difficult posts within the foreign service. Ambassador Keating was the right man for so many important tasks at the crucial times when America needed him.

His notable career in the diplomatic service almost overshadows his equally distinguished years of service as an associate justice of the New York Court of Appeals, a Congressman for 8 years, and finally an U.S. Senator. To have known him in any one of these periods was to realize that he was destined for great things. He served in all of these capacities with pride and honor. With his unerring judgment guiding him, he always remained a man of high principles and standards. His conduct in private and public affairs has always been above approach and should serve as an example for those who would seek to duplicate his achievements.

In his lifetime he had worked for goals which were characteristic of his magnanimous personality—a lasting peace in the Middle East and domestic tranquillity for the many millions in India. These were noble goals to which he dedicated all of his energy, drawing on the limits of his mental and physical endurance.

America will miss this totally committed public servant. We can truly honor him by retaining his lofty ideas and striving for their altruistic realization. I join my colleagues in offering my condolences to Ambassador Keating's surviving relatives and friends. His achievements will long be remembered in the history of this great country.

Mr. RODINO. Mr. Speaker, on the 5th day of May our Nation was deprived of a conscientious public servant with the passing of Kenneth Keating. Few men have served their country as long and in as many different capacities as my former colleague Ken Keating. He was an attorney with a national reputation for excellence; he was a liberal Republican voice in both the House of Representatives, where he served for 12 years, and the U.S. Senate, where he served one term championing the causes of the this service would have been enough, people of New York. For lesser men, but not Ken Keating. After being defeated in his second Senate race he went on to become an associate justice of the New York Court of Appeals. Was then appointed U.S. Ambassador to India, and ended his distinguished career as U.S. Ambassador to Israel, where he served until his death.

I served with Ken Keating on the House Judiciary Committee, and I knew him to be a committed and dedicated individual with a deep understanding of, and compassion for, all people. Our Nation will miss Ken Keating, for we have all lost a friend.

Mr. BROWN of Ohio. Mr. Speaker, it was with great sadness that I learned of the passing of a great American, Kenneth B. Keating.

He was a man who served his country with tireless dedication in a number of important roles: In this Chamber, in the other body, as a jurist, and as a diplomat. To all of these tasks he brought energy, justice, and compassion.

But it was in a more informal setting that I grew to know and respect this great citizen, through our common membership in Chowder and Marching. I found that he always placed the welfare of his country and his fellow man ahead of his own.

He and my late father, Clarence J. Brown, Sr., served together in this House with great mutual admiration. This Nation will sorely miss Kenneth B. Keating.

Mr. WOLFF. Mr. Speaker, the passing of a man who had such a long and productive life as that of our friend and colleague, Ken Keating, is of course an occasion of sorrow, but even more, it is an occasion of gratitude that such a man lived among us, and left his mark upon us, and upon the world.

As Ambassador to Israel and India, as a judge in my home State of New York, as our colleague in this House, and as a distinguished Member of the other deliberative body across the way, Kenneth Keating's life shows us that a kind and decent man, a humble man, can truly make himself felt.

Ambassador Keating served in two world wars, and knew perhaps better than the rest of us that man's only hope is in the active battle for international understanding. He knew that we must fight for peace as surely as we fight in war, and that peace must be the ultimate goal for us all.

Ken Keating died before he could finish his latest assignment in his lifelong dedication to his Nation, that of binding the United States and our people indelibly to our brothers and sisters in Israel. But he left a legacy of understanding and love which, if we are faithful to our trust, will surely light the way to generations of peace in the Middle East.

We here in this House, and all of us, as citizens of the world, can dedicate ourselves to no greater monument to Ken Keating than to pledge to continue his work, and to see it successfully through—not only in the Middle East but in the world.

Mr. Speaker, I thank you for the opportunity to add my few thoughts to the many fine words spoken here today, and join in expressing the profound sorrow of this House to Mrs. Keating and to the Ambassador's family on this occasion.

Mr. KOCH. Mr. Speaker, the death of Ambassador Kenneth B. Keating is a very real loss to the Nation which he served so well. Such a wide range of able public service—as Congressman Senator, judge of our New York State Court of Appeals, and Ambassador—reflects the energies and proven abilities of Ambassador Keating.

After serving in the House for 12 years, Kenneth Keating was persuaded to run an underdog campaign for the Senate, which he won in 1958. There he distinguished himself as a spokesman in international affairs, most notably during the Cuban missile crisis. He also earned great acclaim as a leader in the battle for civil rights.

After able service sitting on New York's highest court, Kenneth Keating entered foreign service. His service as Ambassador to India proved a test of his energies as the years after 1969 saw a growing tension between the United States and India; through it all, however, he was considered a friend by the Indian people and Government. At a time of testing in the Middle East, we all felt a great reassurance when Kenneth Keating was appointed Ambassador to Israel. He proved to be a great friend of Israel, especially during the 1973 Yom Kippur War. At the time of his death Ambassador Keating had returned to the United States to confer on U.S. policy in the Middle East. His wise and eloquent voice will be missed.

Ambassador Keating career represented the very finest in high-minded public service. His absence will be felt not only by those of us who knew and worked with him in New York, but by the Nation which he so ably served.

Mr. SIKES. Mr. Speaker, I wish to join my colleagues in paying tribute to the late Kenneth B. Keating, Ambassador to Israel, former U.S. Ambassador to India and former U.S. Senator and Representative from the State of New York.

It was my privilege to serve with Mr. Keating in the House for 12 years. He was a distinguished and able legislator, and my friend. During his last 2 years of his tenure on this side of the Capitol, he was ranking Republican member of the House Judiciary Committee—a very important position. Prior to his election to the House, he had developed a lucrative legal practice in Rochester where he won widespread reputation as an adroit trial lawyer. This experience contributed to the effectiveness of his work on the Judiciary Committee.

In 1958, he was persuaded to run for the Senate on a ticket headed by Nelson A. Rockefeller, who was seeking New York's governorship. Both won upset victories. Ambassador Keating's service in

Congress ended in 1964 when he was defeated for reelection to his Senate seat by the late Robert F. Kennedy. After his defeat and before his appointment to the diplomatic post in India, Ambassador Keating served as an associate justice of the New York Court of Appeals.

Keating served our Nation and its people tirelessly. He was a brilliant man who held honorary degrees from 12 colleges and universities. He was a veteran of both world wars and he saw duty in the China-Burma-India theater. During his years in Congress, Keating championed congressional reform, immigration, civil rights, draft law revisions, crime, and narcotics legislation and health care for the aged under social security. He became especially well known for his criticism of the Kennedy administration's handling of the 1962 Cuban arms buildup and subsequent missile crisis.

I want to extend deepest sympathy to his wife and daughter, and along with many others, assure them he will long remain in our thoughts and prayers. He was a loyal and great American and a dedicated public servant.

GENERAL LEAVE

Mr. HORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

SEIZURE OF SEA-LAND VESSEL "MAYAGUEZ"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the seizure of the Sea-Land vessel *Mayaguez* yesterday by a Cambodian gunboat was an intolerable act and America has to get this merchant marine vessel back even if we have to go in there and get it. I agree with President Ford that this was an unwarranted act of piracy. I do not believe the United States can stand around like a helpless giant and allow this to happen. We looked bad enough in Vietnam and perhaps this causes the Cambodians to put us to the test now.

We must first give the Cambodians the opportunity to return the ship, but if they fail to do so promptly, then we must respond with speed and decisive action.

My deep concerns were compounded when I learned that one of my constituents was among the crew of this containership. I know many of you in this Chamber are in this same position and that you join me in expressing hope for a safe and swift resolution of this most unfortunate situation.

AN ACT OF PIRACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, yesterday, it appears that the United States witnessed an act of blatant piracy. If the reports are accurate that the U.S. merchant ship that was fired upon and seized by a Cambodian gunboat was unarmed and some 60 miles off the Cambodian coast—certainly in international waters—then it is an act of piracy.

This is an outrageous situation, where a revolutionary government feels free to send its gunboats out on the high seas and seize vessels belonging to the United States. The entire world is waiting to see what our reaction will be. If we submit to this piracy, our already compromised defense posture will reach its lowest ebb since the War of 1812.

We must think of the safety of the crewmen of this vessel, who are innocent bystanders, simply American workers doing their jobs as expected. The Communist government of Cambodia is presently considered unstable, as the mass executions of officers and wives of the former government's army and the mass, forced evacuation of over 2 million people from Phnom Penh has shown. If we are to show any human compassion for the American sailors on the ship we must act immediately to save them from the uncertainty of possible torture or even murder; acts that have already been committed by that government. We must show these American sailors that we will not have a reenactment of the *Pueblo* affair, where a fourth-rate military power was able to seize and torture American citizens without any punitive action.

The President should begin negotiating with Moscow or Peking, or both, to communicate to whoever is in control of the Cambodian Government that they should release the unarmed American merchant vessel and the 40-man crew within 24 hours or expect substantive reprisals.

If the Cambodians do not respond, the United States should be prepared for a direct "rifle shot" punitive attack that would demonstrate to the Cambodians that it would not be worth the cost to hold this U.S. vessel.

Such a punitive attack should include any of a variety of military actions including taking the vessel and crewmen by force. The President has total authority right now in his capacity as U.S. Commander in Chief to protect American lives and property and has the obligation to act immediately to free the 40 man crew and the U.S. merchant ship seized by a Cambodian gunboat in the international waters of the Gulf of Siam yesterday.

The best action that could be taken to stop these acts of illegal and reprehensible piracy by the Cambodian Communists is for the United States to seize the vessel where it sits, which is presently 30 miles off the coast of what was the Khmer Republic, and sink both of the gunboats that are presently guarding the anchored and, hopefully, still unharmed vessel. If they fire on us, we should rescue the survivors of the gunboats and hold them until all American civilians and journalists who were in Cambodia at the time of the Communist seizure of the country are adequately accounted for by the new Communist government.

Just minutes ago news came over the wire that a U.S. Navy P-3 reconnaissance plane received small-arms fire from Cambodians aboard the pirated U.S. merchant ship. Reports are that the plane was hit apparently by rifle fire while flying low under the clouds to observe the merchant ship. If this is correct, the United States has little recourse than to initiate prompt retaliation.

This action demonstrates again the need for a strong national defense. If the will of the United States was not in question today, this type of action would never happen. It is our apparent lack of resolve that gives these countries the nerve to seize our citizens and steal our property.

A failure to act to protect American lives and American ships would put in jeopardy every unarmed cargo vessel floating under an American flag.

COMMON CAUSE, SUNSHINE, AND KING CAUCUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 5 minutes.

Mr. FRENZEL. Mr. Speaker, 2 weeks ago, the Republican Conference voted to open up its meetings to the public. The Democrat Caucus, which is supposed to have a similar motion pending, has yet to be heard from. Apparently King Caucus cannot stand sunshine.

I have included below a letter from the new president of Common Cause praising the Republican action and indicating his interest in opening up King Caucus as well.

The letter follows:

COMMON CAUSE,
Washington, D.C., May 8, 1975.

Hon. BILL FRENZEL,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE FRENZEL: Congratulations on the historic action taken by the Republican Conference in opening its meetings to the public and the press. This precedent-setting move will help make government more accountable to the people at all levels of the political process.

Your strong leadership in opening the Conference will have far-reaching impact. We are pressing the Democratic Caucus to adopt a similar open meetings rule at its next regular meeting.

Sincerely,

DAVID COHEN,
President.

ERRONEOUS PAYMENTS IN AFDC PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 15 minutes.

Mr. DUNCAN of Tennessee. Mr. Speaker, the Social and Rehabilitation Service of the Department of Health, Education, and Welfare, which administers the Nation's aid to families with dependent children—AFDC—program, recently released some shocking statistics concerning erroneous payments that are made across the country in this $8 billion program.

SRS has found in a nationwide analysis that $1 billion, or over 10 percent, of the total program was erroneously spent, either through overpayments or payments to persons who were completely ineligible.

As the principal cosponsor of the National Welfare Reform Act of 1975, which I introduced in the House on March 18 with 61 bipartisan cosponsors as H.R. 5133–35, I believe these statistics underscore how essential it is that we cure the defects in this massive program and make certain that the funds are going to the legitimately needy.

The provisions of the welfare reform measure introduced in March will insure that high income persons are ineligible, that fraud controls and identification methods are strengthened, that resources are properly utilized, and that effective work requirements are built into the law. Only if we proceed in a careful, methodical way in correcting the deficiencies in our AFDC program can we be certain that funds are not being misspent and that necessary funds are in fact available to the people who need it most.

With your permission, Mr. Speaker, I include in the Record the following:

Wide Error in Welfare Aid Found

(By Judy Luce Mann)

Local and state officials who run the nation's largest welfare program were responsible for an estimated $500 million in erroneous payments to recipients last year, according to a federal study released today.

Another $500 million was erroneously spent because welfare recipients either intentionally or inadvertently gave welfare officials incorrect information about factors that determined whether they were eligible for relief and how much they were entitled to receive.

Official errors cost taxpayers roughly $23 million in erroneous payments in Virginia, Maryland and the District, while errors by recipients resulted in about $25 million being paid out erroneously.

These findings are deduced from a nationwide analysis by the Health, Education and Welfare Department of errors in the Aid to Families with Dependent Children program (AFDC), the nation's largest welfare program.

A top federal welfare official said the study is significant because it focuses responsibility for erroneous payments on the persons who administer the welfare program rather than the program's beneficiaries.

About $8 billion a year is given to 3 million families—or 11 million people—under this program. Federal officials estimate that $1 billion of this is erroneously spent, either through overpayments or payments to people who are not at all eligible for relief. The federal government pays for half of the program and the states pay for the other half.

The HEW analysis determined that nationally about half of the erroneous payments are the fault of state and local officials running the programs and about half of the errors can be blamed on the recipients.

James S. Dwight Jr., the administrator of the Social Rehabilitation Service in HEW and the federal official who has been in charge of pushing massive state and federal efforts to reduce welfare abuses, expressed concern that such a high percentage of errors was the fault of public employees working in the programs.

"Despite a popular notion to the contrary, willful misrepresentation by recipients is not the major cause of welfare errors," Dwight said. "But inadvertent errors by either welfare agencies or recipients are no less serious in their impact. Our quality control system aims at correction of either willful or inadvertent errors."

The survey conducted on a sample of 44,035 cases between January and June, 1974, found that 15,337 families—or about 35 per cent—were either ineligible for welfare, were overpaid or were underpaid. This compares with a 41 per cent error rate in a sample surveyed between April and September, 1973 when efforts to reduce errors were begun.

The amount of money that a family receives through this welfare program depends on such factors as the number of children and any income the family might have. The survey found that three out of four recipient errors involved their failure to report changes in their financial condition, such as a reduction in the number of children in the family or the parent returning to work and not notifying the agency.

These are among the biggest causes of recipient errors in the District, according to Jacqueline Johnson, acting head of the payments assistance administration. She also said this is an area where she believes errors are being reduced. "There seems to be a wider understanding in the community that to report earnings is not necessarily to lose all assistance, which is what people were afraid of in the past."

The survey found that nationally more than one-fifth of the families had some earned income and received a supplementary AFDC check that brought their total income up to at least the amount that a family supported completely by AFCD would receive.

The survey found that about 20 per cent of the million cases that had erroneous payments involved families with some earned income. A spokesman for HEW said, however, that the errors were not necessarily caused by people intentionally cheating.

The survey discovered that the primary cause of agency error involved what officials call "failure to take indicated action." An HEW spokesman said an example of this was an agency having a child's birth certificate, enabling it to keep track of when the child turns 18 and is no longer eligible, and yet not making use of this information.

The survey found that states that had adopted a "flat grant" system—a standard type of payment based on family size—generally had far fewer payment errors than states that computed each family's budgetary needs individually and then determined how much money the family would get each month.

This "flat grant" system has been in existence for several years in the District. It went into effect last July in Virginia and is scheduled to go into effect this July 1 in Maryland.

Steve Lewis, a spokesman for the Virginia welfare department, said preliminary results of the most recent survey of errors shows that overpayments have been reduced from 18 per cent to 5.8 per cent since the "flat grant" system went into effect. Previously, numerous errors were being made in figuring out the size of the grants, he said.

The survey found that Virginia officials were responsible for two thirds of the errors and clients were responsible for the other third. The survey found that 12 per cent of about $119 million paid out in that state's family welfare program was paid either to ineligible persons or was overpaid.

Maryland officials were responsible for a third of that state's $23 million in erroneous payments and recipients were responsible for the rest. District officials were found to be at fault for one-third and the recipients for two-thirds of an estimated $6 million in erroneous payments.

Lewis pointed out that Virginia is one of only 10 states that met federal goals for reducing errors in the second half of 1974. Virginia had errors in only 30 per cent of its cases, including underpayments, down from 46 per cent in the 1973 survey period. The national target was an error rate of 32.9 per cent. The District remained at a 42 per cent error rate and Maryland had errors in 53 per cent of its cases.

After July 1, HEW will begin withholding matching funds from states that have not reduced errors to a combined total of 13 per cent—with no more than 3 per cent being cases of ineligibility and no more than 5 per cent being cases of overpayment.

WHEN WILL THE U.S. GOVERNMENT LEARN THE LESSONS OF DÉTENTE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Bauman) is recognized for 15 minutes.

Mr. BAUMAN. Mr. Speaker, reports last weekend concerning the State Department's policy plans in Latin America indicate that the United States has yet to learn its lesson about the viability of détente with communism.

Saturday, Secretary of State Kissinger announced publicly a policy which should not surprise anybody who can read the signs—that the U.S. Government is about to reach an understanding with Castro's Cuba. This will probably involve a two-step phaseout of the present U.S. trade embargo on Cuba.

In addition, press stories indicate that the U.S. Government and Panama have come to a tentative agreement about the Panama Canal. Again the administration is being coy about the details, but most sources agree that the new treaty will involve phasing out the U.S. assertion of ownership or sovereignty over the Panama Canal Zone.

These two developments indicate that this new era in foreign affairs will consist of improving relations with dictators who are devoted to America's destruction, and abrogating our own legitimate rights whenever we hear a protest from some leftist group mouthing a few pseudo-progressive phrases.

We have been pursuing détente relentlessly with the Soviet Union and Communist China for several years now. I have yet to see any benefits for the United States emerge from this policy. While we were declaring our friendship, the Soviet Union and Red China continued to finance the destruction of South Vietnam by North Vietnam. While we offered a favorable wheat deal in return for good offices, we got a slight reduction in anti-American rhetoric from the Kremlin, accompanied by a continuing financing of anti-American activities around the world.

What our leaders seem to have forgotten is that the Communists have not renounced their Communist faith. They still feel that they are riding the wave of history which will sweep the decadent capitalist system in front of it and usher in a new Communist world order. Study the Soviet theoreticians, and you will find that even those advocates of détente in the Soviet Union, view it as a strategy leading to world domination, not as a renunciation of those key beliefs of the Marxist orthodoxy.

Can anybody point to any changes in

Fidel Castro's policies which would warrant a turnabout on the part of the United States? Has he renounced any of the things he has said about "Yanqui Imperialism?"

Has he announced that henceforth he has no intention of subverting other governments in the Western Hemisphere, or nudging them along toward communism? Has he indicated that in the future he intends to treat the Cuban people as people, rather than as slaves and cattle, to be used to serve the goals of his Marxist vision of a "peoples' democracy"? The answer is "no."

At least Castro is frank about his objections. He is clinging to his dogmas of Marxism with bitter determination, and he makes no bones about it. Aside from being willing to drop a few "progressive-sounding" phrases to make the American liberals palpitate, he is engaging in very little deceit. He is, and he remains, a Communist. He does not shrink from the implications. The only way anybody could be deceived about Castro's communism is by a very deep-seated desire to be deceived, or to overlook what is obvious to all.

If the United States moves to improve relations with the government which now rules Cuba, we will be sending a message to the Cuban people. It is the same message we sent to those who live in slavery behind the Iron Curtain when we began pandering to the Communist governments who have enslaved millions. The message is loud and clear: The U.S. Government officially does not care whether you live in slavery or freedom. In the dim past our Government might have subscribed to some faint rhetoric about human dignity and liberty, but that is all in the past. There is little hope for support in the West for those who desire a measure of freedom from an oppressive government. As a matter of fact, we will go out of our way to put our "seal of approval" on the government which has oppressed you.

The situation with regards to the Panama Canal is different, but the guiding principle is similar—apparently the United States supports accommodation without any concern for principle, no matter what the situation.

The entire round of treaty negotiations with the present leftist government of Panama have been conducted by ignoring one central fact. The Panama Canal Zone is U.S. territory, bought and paid for. We have paid more for the Panama Canal Zone than for all our other territorial acquisitions put together, and that includes most of the territorial United States. In fact, Panama became a country for the primary purpose of selling the Canal Zone to the United States.

A great deal of the foreign trade of the United States is dependent on the maintenance of the Panama Canal in a condition of availability to our shipping vessels. Many other countries have come to depend on the United States to keep the Panama Canal open for shipping. To turn over this important passage to a country which has a history of instability and revolution strikes me as totally irresponsible.

The State Department has been reminded repeatedly that any treaty regarding the Panama Canal Zone will have to be treated quite differently than other treaties. It cannot simply be presented to the other body for approval.

Any agreement involving U.S. territory must be approved by both Houses of Congress, which means that the House of Representatives must have a say concerning the Panama Canal Zone. The State Department has proceeded as if this were simply a routine treaty. I trust that the House will assert its constitutional rights and duties regarding any proposal to change the status of the Panama Canal Zone.

Giving up the Panama Canal will send another message to the world. The message will read something like this: If the United States has something you want, just demand it, threaten, and act like a spoiled child. If you are nasty and persistent enough, you will get it. Do not worry about offending the Yankees. They love abuse. About the only way you can get the cold shoulder from the United States is to be an ally.

Apparently Cambodia got the message. The world will be watching our response to the blatant act of piracy committed on the merchant marine vessel *Mayaguez*. Will it be another *Pueblo* incident, casting further doubts on the will of the United States to protect its citizens around the world? Or will we assert ourselves for once, and serve notice on the world that the United States will not tolerate piracy on the high seas?

Mr. Speaker, there is no reason for the United States to go around the world picking fights. But there are plenty of reasons for us to carefully and judiciously assert our rights and express our ideals. One of the most important reasons for a policy of strength is that signs of weakness in the international world are often an invitation to aggression. Another is that without expression and translation into action, our American ideals of human dignity and liberty, of freedom from arbitrary government oppression, will atrophy. If we do not express these ideas and act on them, we are in danger of forgetting how important they are, not only to us but to the world. If we make a habit of casting our lot with the most brutal dictators in the world, we may start to forget what it was we disliked about dictators in the first place. That loss of moral, ethical, and political perception could be the saddest loss of all. It will be followed inevitably by our own loss of national and personal freedom.

LET US STOP EPISODES SUCH AS THE "MAYAGUEZ"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Florida. Mr. Speaker, as an American and as a veteran of World War II it is hard for me to stomach the treatment our Government is taking from pipsqueak governments, particularly the most recent affront to our national dignity and honor perpetrated by Cambodia's new Communist rulers seizing the merchant ship *Mayaguez*.

We cannot strengthen the weak by weakening the strong, and why we should sit and talk about this piracy and do nothing else is beyond me. It is about time we as Americans put back our shoulders and throw out our chests and act like we are proud of what we are and what we stand for in the world.

I am not one of those who believes better red than dead, nor am I one to interfere with the internal workings of other governments, but I do think our Government should act like the world giant it is. We will not win world approval by playing the diplomatic game and sending envoys to recover our ship, neither will we win world approval by sending our military to recover the ship by force. But if we stand up and demand what is rightfully ours, and take it forcefully if it is not returned, then at least we can have some respect for ourselves as a nation.

This is not another Gulf of Tonkin situation. It is far more like the *Pueblo* affair. We whimpered and crawled away from confrontation there, and since then we seem to be apologizing and flagellating ourselves about our judgment in our dealings with foreign nations, we have lost face in the world. We have made mistakes, but let us not let the errors of yesterday warp our perspective of our prospects for tomorrow. If we do not get that ship back in short order, the Communists will have won one more psychological victory. We cannot have character and courage as a nation without initiative and assertion. This time we are so clearly in the right that it baffles me why we hang back and do not act.

PANAMA CANAL GIVEAWAY CHALLENGED IN THE CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in connection with the annual General Assembly of the Organization of American States now in session in Washington, news stories in both the New York Times and the Washington Post on May 11, 1975, reported that U.S. Secretary of State Henry A. Kissinger read a joint United States-Panama statement on current negotiations for a new Panama Canal Treaty.

As such negotiations for the surrender of U.S. control over either the Canal Zone or the canal were not authorized by the Congress, I have issued a press release setting forth some essential facts in a situation of the gravest potential consequence for hemispheric security and interoceanic commerce.

The people of our country are far ahead of their Government in understanding the challenge. Since February 7, 1974, when the notorious Kissinger-Tack "agreement on principles" to govern the treaty negotiations was signed at Panama in a deluge of propaganda, I have received in the form of letters and petitions from all the 50 States the views of more than 7,000 individuals in strong opposition. Only 11 have supported the State Department's projected giveaway.

It has become increasingly clear over

the years that the present "mess" regarding the status of the Panama Canal is primarily because of the ineptness of our State Department officials who have not protected the just right of the United States. They are obviously trying to shift the burden of responsibility to the Congress, which, I believe, is not going to bail them out of their difficulties.

The indicated press release follows:

Canal Zone-Panama Canal Giveaway Challenged in the Congress

The Washington Post of May 11, 1975, reported that U.S. Secretary of State Henry A. Kissinger had read a joint United States—Panama statement before the Latin American foreign ministers now attending the annual General Assembly of the Organization of American States. The statement said that negotiations for a new Panama Canal Treaty are "almost completed" and that the canal question was one of the "most emotional issues" in U.S.—Latin American relations.

The newsstory asserted that Foreign Minister Juan A. Tack of Panama is aware of the "strong opposition in the U.S. Congress," that Ambassador Ellsworth Bunker later this month will go to Panama to "iron out the last outstanding problems before the treaty can be signed" and that failure to ratify it could cause a "very serious situation." In the light of many other such statements this is an open threat of violence.

As a close student of Panama Canal policy over many years, I long ago concluded that the ineptitude of State Department officials is primarily responsible for the current mess on the Isthmus. They can rest assured that the Congress is not going to rescue them from their predicament.

In refutation of the position taken by Secretary Kissinger, the following historical facts are set forth:

(a) The United States under the 1903 Treaty secured the grant in perpetuity of full sovereign control over the Canal Zone and title to all privately owned land and property in it, estimated on June 30, 1974 to have cost $166,362,173—our most costly territorial possession. (Sec. Army letter of 23 December 1974.)

(b) The total net investment of the U.S. taxpayers in the Canal enterprise, including defense, 1904–1974, was $6,880,370,000.

(c) Colombia, the sovereign of the Isthmus prior to November 3, 1903, has recognized the title to the Panama Canal as vested "entirely and absolutely" in the United States. (Thomson-Urrutia Treaty of 1914–22.)

(d) The validity of the U.S. Title has been confirmed by the U.S. Supreme Court. (*Wilson* v. *Shaw*, 204 U.S. 24 at 33–35.)

(e) The United States has met its treaty obligations in its management of the Canal for the benefit of all nations, including those of Latin America

(f) Panama has been the greatest single beneficiary of the Canal, which has given it the highest per capita income of all Central America.

(g) The U.S. Constitution vests the power to dispose of territory and other property of the United States in the Congress. (House and Senate.)

(h) The President of the United States in a recent statement said that he would not support any new Panama Canal treaty that "would not protect our vital interests." (Miami Herald, April 29, 1975, p. 7–C.)

(i) The Kissinger-Tack "agreement on principles" governing the present negotiations was not authorized by the Congress and hence invalid.

As evidence of the opposition of the North American people to any surrender of the U.S. Canal Zone or Canal, 37 Senators and more than 120 Representatives have introduced identical resolutions opposing any dilution of U.S. sovereignty. The very idea that elimination of such sovereignty would remove friction is a "calamitous misjudgment" of the realistic situation involved and does not deceive the Congress and rapidly growing number of U.S. citizens.

As shown by recent prolonged closures of the Suez Canal, the Panama Canal cannot operate efficiently and securely except under the sovereign control of a great power. Instead of weakening our position on the Isthmus, United States defenses there should be strengthened.

Certainly, the present set of U.S. leaders has no right to prejudice rights of future generations on a matter so vital as the control of the Panama Canal. There is only one flag that should fly in the Canal Zone and that is the U.S. flag.

U.S. POLICY IN AFRICA

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. **DIGGS**. Mr. Speaker, throughout the last few years of deteriorating U.S. policy in Africa—and especially with regard to the liberation of Southern Africa—I have warned that change is coming in Southern Africa with our help, or without it. I have stressed that the future of U.S. public and private interests in Southern Africa was being jeopardized by our shortsighted posture, and that a dramatic escalation of violence over there is inevitable without conscientious action on the part of the United States and other world powers to encourage an end to apartheid and minority dominion through peaceful means.

The coup in Portugal which overthrew the Caeteno regime on April 25, 1974, came about in large part as a result of the success of wars of liberation waged in Portugal's African colonies. International recognition of the independence of Guinea-Bissau, and the impending independence of Mozambique and Angola have had a profound impact in Africa. These events make it imperative that the United States seriously reexamine its policy and behavior with respect to Southern Africa—as others are already doing. On April 7–11, the Organization of African Unity held a special session at Dar-es-Salaam, Tanzania, for this purpose. The opening remarks of the President of Tanzania before the delegates to that meeting make clear that my concerns about the present status and apparent future direction of U.S. foreign policy in Africa are not without foundation. Continued inattention on our part could have unfortunate consequences for ourselves and for our friends.

It would indeed be a serious error on our parts if we ignore all the early warnings. We must not allow ourselves to be deluded by the recent public relations initiatives of the South African Government to convince the world that it is seriously moving toward meaningful change, and that there is détente and dialog between itself and other African governments. There is a depth of feeling, which we should not underestimate, behind President Nyerere's declaration:

> I believe that whether we are dealing with Portugal or South Africa, the principle is the same: if they are ready to talk about decolonisation, we talk; if they are not ready to talk, we fight until they are ready.

Mr. Speaker, the Dar-es-Salaam declaration, which has already been entered into the Record, gives ample indication that Africa is united on this point. The alternative to peaceful change is war in Southern Africa. I would urge my colleagues to give close attention to President Nyerere's speech, which I hereby submit for inclusion in the Record. I would further urge that we waste no time in bringing our full support to bear toward policies that may enable a peaceful transition in Southern Africa, least we find ourselves again allied with the forces seeking to repress the indominatable spirit of people seeking to be free.

The speech follows:

Text of the Speech Delivered at the Opening Session of the OAU Council of the Ministers Special Session Being Held in DAR-ES-SALAAM by Julius K. Nyerere, President of Tanzania

Your Excellencies, Friends, it gives me great pleasure to welcome you to this OAU Conference of Foreign Ministers, and to DAR-ES-SALAAM. I do so on behalf of all the people of the United Republic of Tanzania as well as on my own behalf. We hope that your stay in our country will be comfortable and pleasant so that your heavy responsibilities to Africa can be discharged without unnecessary strain or personal distress.

I do not intend to make a long speech today. Instead, a paper has been made available to Ministers which sets out the Tanzanian position on the subject to which this meeting will be addressing itself. We hope that Ministers will find this paper helpful in their important task.

But the paper we have circulated gives only a Tanzanian view of the matters under discussion. And the important thing is not the view of any one country. The important thing is the united view of Africa as a whole. For the objective of this meeting, like others we have held in the past, is to promote the cause of African liberation and African unity. These are the two major objectives of the Organisation of African Unity and they are really two aspects of the same thing. Neither is possible without the other.

The connection between unity and the freedom struggle has always been recognised by the OAU and experience has confirmed that knowledge. For, the degree of our advance toward the ultimate liberation of our continent, the increasing international awareness of the Southern African problem and the increasing world condemnation of colonialism and racialism is not the result of any one event nor of any one Nation or Group's activity.

It is Africa's steady and united hammering at conference after conference, visit after visit, and newspaper article after article, which has led to a recognition that world peace and human dignity require justice in Southern Africa. This campaign has not been waged only by Africa or by Africans; but the unity and common purpose of Africa have been and still are essential for progress.

There has never been any problem about united verbal condemnation of colonialism and apartheid. But gradually, with some faltering and setbacks, Africa has also secured a large degree of unity in action. There have been many other factors involved in the continued isolation of the Smith Regime over nine and a half years. But not least among these factors has been the clear knowledge that recognition of this regime or open Government support for it by any country would arouse the whole of Africa to angry retaliation.

The United Nations decisions on the status of Namibia and the appointment of a full-time United Nations commissioner for Namibia have been achieved after years of official and unofficial United African diplomatic activity.

The U.N. Embargo on the sale of arms to South Africa is not yet honoured by all nations—France in particular still seems to be able to sell arms to South Africa and retain the active friendship of many member states of the OAU. But other powerful nations have observed the embargo simply because of strongly-expressed African-Led Opposition to its violation.

And in the last year we have, again through Unity, succeeded in getting South African membership of the General Assembly suspended on the grounds that the delegation cannot be representative of the people of South Africa while racialism is the official doctrine of the State. Of at least equal importance has been the growing African commitment to support the liberation committee of the OAU. This committee is no longer regarded with suspicion by African States. It is an accepted part of the Organisation of African Unity which discharges responsibilities on behalf of Africa as a whole.

I do not wish in any way to claim for the OAU credit which really belongs to Frelimo and P.A.I.G.C., but I think it is fair to say that Africa's United support for their armed struggles both through the Liberation Committee and bilaterally, did contribute something to the success which is the basic cause of this meeting.

For it is the success of the armed struggles in the Portuguese Colonies which requires Africa to re-examine its strategy in Southern Africa. There has been no change of heart on the part of Africa's enemies. There was a change of government in Portugal so that the Portuguese people's desire for peace in Africa was able to be made effective.

But, the leaders and supporters of apartheid in South Africa and the leaders and supporters of the minority Regime in Rhodesia have not changed their desires, their attitudes, their policies or their beliefs in white supremacy. They still wish to maintain racial domination by whites in Rhodesia, Namibia and South Africa.

Yet the change which has taken place is a very important one, until now as the liberation struggle has advanced Southwards. Our priorities have always been concerned with familiar problems of decolonization and we spoke always of Africa in United opposition to all the colonial and racist States of Southern Africa; but in practice our political and diplomatic offensives against South Africa and Rhodesia have been conducted in the knowledge that these two states were to a degree protected by the existence of the continuing armed struggle in the Portuguese colonies. For, we were quite correctly giving priority to the Nationalist Movements of the Portuguese Colonies and the "Nationalist" in the Portuguese Colonies were dealing with a Metropolitan European power just as each of the other freedom movements of Africa had done.

Now that Angola and Mozambique are on the verge of independence, the problems facing Africa are different. In the first place, the geography of the freedom struggle has changed. It is quite true that both Angola and Mozambique will have many internal problems to overcome, possibly including the problem of attempted subversion by reactionary forces. But their very existence changes the political and military situation for Rhodesia and even for South Africa.

These two minority-ruled states will therefore inevitably want to re-think, and to take action designed to meet the changed circumstances created by the failure of Caetano's Portugal. This by itself would require Africa also to reassess its strategy.

There is a second factor, too. Africa will in future be dealing with a pattern of administration different from that with which we are familiar. Until now, each nationalist movement has had to contend with a particular colonial power securely based in Europe to whose government the maintenance of its colonial authority was just one item in the totality of its economic and security considerations. This was true even for the Portuguese Colonies.

The difference between their situation and that of independent Africa was only that Portugal had not accepted the principle of African independence, whereas Britain, France, and even Belgium had done so. But in Rhodesia, Namibia and South Africa there is no effective power external to Africa which is central to the problem.

Rhodesia is a British Colony. But the Smith Regime does not recognize the sovereignty of Britain; and, what is more important, the United Kingdom. Government has always claimed that it is powerless to enforce its authority in Rhodesia. Thus, Britain has responsibilities and rights in International Law and her Political support can still be valuable as the situation develops.

But more directly important to the present phase of the struggle in Rhodesia is the fact of Rhodesia's economic and military dependence upon South Africa. South Africa has not given legal recognition to the Smith Regime, but without its military and economic support, the Smith Regime would quickly collapse.

In Namibia also we have difference between the *de jure* and *de facto* administering authority. Legally, Namibia is a United Nations trusteeship territory directly administered by the United Nations. But in practice, South Africa controls Namibia and excludes the legal authority.

Then there is South Africa itself. Here, we are not dealing with a colonial situation at all. Our aim there is to help the mass of the people of South Africa to free themselves from the vicious oppression of apartheids and to demonstrate that racialism is outlawed by the whole world. The enemy of the South African liberation forces and of Africa is thus the doctrine of racialism which is being imposed and enforced by white South Africans.

Whether, therefore, we are talking about Rhodesia, Namibia, or South Africa itself, the effective authority is South Africa. This fact must be taken into serious account when Africa considers its future strategy.

For example, in the past the Nationalist movement of a particular colony frequently honored the local colonial authorities when it was engaged in political campaigning—whether this was replacing or supplementing an armed struggle. Instead it dealt directly with the metropolitan power, its Government or its Parliament.

In Southern Africa, there is no such external authority in Namibia; the effective external power is held by South Africa, and in Rhodesia too. The only external influence which could have any real effect is held in South Africa. In fact, South Africa has troops in Rhodesia helping to maintain minority rule. Thus Africa's confrontation in Southern Africa now is basically with South Africa. That is, South Africa as a Colonial power in Namibia and to all intents and purposes in Rhodesia, and as a racist Regime in South Africa itself.

Africa's commitment to the total liberation of the continent from Colonialism and racialism has been repeatedly re-affirmed. Its meaning was spelled out in the Lusaka Manifesto which was adopted by O.A.U. in 1969.

We then stated our determination to support the freedom struggle in all the colonial territories of Africa and in South Africa, and to give this support until independence on the basis of majority rule had been attained everywhere.

Further, we said clearly that Africa would conduct the struggle for freedom by peaceful means wherever and whenever that is possible, but if peaceful means are excluded by the actions of the oppressor, then an armed struggle by the people of that territory would have the full and active support of all the free states of our continent.

The Lusaka Manifesto was a statement of principles. It was not an outline of strategy. It said, if independence can be won peacefully then people should not die unnecessarily; and further if independence cannot be achieved peacefully the people concerned must use violence rather than accept permanent domination.

When those to whom the Lusaka Manifesto was primarily addressed proceeded to ignore it, we issued the Mogadishu Declaration and intensified the armed struggle. What we are now calling the changed circumstances in Southern Africa are in fact the results of that intensified armed struggle in the Portuguese Colonies.

Your conference will therefore have been a success even if it achieves one thing only:

It will have succeeded if it leaves South Africa in no doubt at all that we are still ready to use peaceful means to achieve independence in Rhodesia and Namibia; but that if this is made impossible, we shall resume and intensify that armed struggle. It is important that both our Friends and our enemies should know that we mean what we say.

But we are not going to make ourselves credible if we waste too much time at this conference talking about South Africa.

This conference is not about so-called dialogue or detente with South Africa. This conference is about the liberation of Southern Africa. Its purpose is to make quite sure that we are clear in our own minds about how we should proceed now, after the successes of the freedom fighters.

I believe that whether we are dealing with Portugal or South Africa, the principle is the same: if they are ready to talk about decolonisation, we talk; if they are not ready to talk, we fight until they are ready. My considered advice to this conference therefore is that it should not allow itself to degenerate into a conference on a dialogue or detente. Let us simply reiterate our determination to liberate Southern Africa, and repeat that we are ready to back up talks between Vorster and Smith and the liberation movements concerned.

Having done that, most of the time of this conference should be spent on discussing how to help the African National Council and SWAPO to strengthen their armed forces. Neither the advocates of constitutional talks nor those of the armed struggle can make themselves credible without the existence of an armed force.

And it is vitally important that we should be credible, for constitutional talks can fail and an armed struggle requires armed force. In any case, both the ANC and SWAPO will need those armed forces whether independence is achieved peacefully or violently.

As I said at the beginning Tanzania's views on how we should proceed now have been explained at great length in the paper which we have circulated. Let me therefore conclude by repeating my good wishes and those of all the Tanzanian people for the success of this meeting.

There is no doubt that every minister here has left urgent tasks at home in order that this meeting should be able to work out an African strategy for the next phase of African liberation. Therefore I am quite confident that your discussions here will be serious and that they will be conducted frankly but in an amiable spirit as befits the discussions of colleagues engaged in a joint endeavour.

And I know also that Ministers will constantly remain aware of the paramount importance of safeguarding the Unity of Africa as we press ahead to the final victory of African Liberation.

THE UNITED STATES ARMS JORDAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LEHMAN) is recognized for 5 minutes.

Mr. LEHMAN. Mr. Speaker, the administration has announced it is furnishing Jordan with a modern $100 million Hawk air defense system.

Many believe that the single most important factor behind Hussein's refusal to participate more actively in the Yom Kippur war was his nation's lack of an adequate antiaircraft system to protect his tanks and ground forces from Israeli air attack. The U.S. announcement will surely mean the end of this problem for Hussein.

The administration's decision is not only destabilizing to peace, but was an unnecessary political blow to our good friends in Israel. The administration had promised that it would not make any agreements about arms supplies to any country in the Middle East during the current reassessment of U.S. policy in that region.

The United States had given this assurance to Israel when it suddenly interrupted previously arranged agreements to sell Israel the Lance missile and the F–15 fighter plane.

These two new weapons are needed by Israel to counter the major shipments by the Soviet Union to Syria and Egypt of the Scud surface-to-surface missile and the new Mig–23 and Mig–25 jet fighters.

The current situation, therefore, appears unbelievably to be that the United States is agreeing to supply Jordan with new weapons while withholding the supply of new weapons to Israel.

One of the most important lessons of the Vietnam war is the need for U.S. foreign policy to result from a partnership between the administration and the Congress. When the administration embarks on a foreign policy which seriously diverges from the wishes of Congress, as it did in Indochina, the entire Nation suffers.

This administration must not forget, as did previous administrations, that our Nation is a democracy and that our foreign policy must flow from the wishes of all the people, not just a select few at the top.

The U.S. Congress, reflecting closely the wishes of the electorate in every State and every congressional district, has repeatedly expressed its overwhelming support for Israel in her struggle to survive against a seemingly endless series of Arab wars and terrorist attacks.

The Congress knows that Israel is not Vietnam. The Congress knows that Israel has never and will never ask for American troops. The entire world knows that the Israelis, unlike the South Vietnamese army, have the incredible will to fight against overwhelming odds for the sole purpose of preserving their independence on the small strip of land they reclaimed from the desert.

The Congress knows that the Israelis only ask for weapons from the United States to counter the rapid flow of arms from the Soviet Union to the Arabs.

The administration must reconsider and reverse its decision to furnish modern antiaircraft weapons to Jordan.

Furthermore, it is time for the Secretary of State to end this charade of a reassessment and join with the Congress and the American people in support of the free, democratic, and peace-loving people of Israel.

TOWARD AN EFFECTIVE CORRECTIONS PROGRAM IN THE NATION'S CAPITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, yesterday, I introduced House Resolution 457, a sense of the Congress resolution opposing a proposal of the mayor of the District of Columbia to spend $55 million for renovation and construction at the District's Lorton Reformatory in my district.

The purpose of my resolution is to urge the District of Columbia to gradually phase out the Lorton facility and replace it with a modern community-based correctional system in the District.

Lorton Reformatory, built in 1912, is antiquated. It has been plagued with numerous problems in recent years. I have met with the director of the facility, Mr. Delbert Jackson, and many other officials of the District of Columbia in the last few years in an effort to determine the cause of security problems and the practicality of a major capital improvement program. I am convinced, as my resolution states, that modern corrections require the abandonment of Lorton and that major structural improvements of the Lorton facility is the wrong route to go. An effective corrections program should be community based; should provide a comprehensive program involving corrections, rehabilitation, education, and work release programs; and should utilize the involvement of families of inmates.

My resolution would allow expenditure of funds for essential security and basic maintenance and repairs. It urges the District of Columbia government to develop a plan to phase out the Lorton facility within 5 years and calls on Congress to appropriate the necessary funds to carry out such a plan.

The mayor of the District of Columbia has recommended to the City Council that the $55 million, already appropriated by Congress, be reprogramed for constructing new facilities and renovating existing facilities at Lorton. This request must be acted on by the Congress. I urge my colleagues to join me in this beginning of a modern, effective approach to corrections in our Nation's Capital.

SHIPROCK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 5 minutes.

Mr. MEZVINSKY. Mr. Speaker, on Thursday of last week, I submitted several news articles and letters dealing with the firing of two nurses at Shiprock, N. Mex. At that time, I raised what I believe to be serious questions about the Indian Health Service and due process at HEW.

The response by HEW is inadequate and simply ducks the issue. HEW cannot resolve this problem by evasion and diversion, and it had better start coming to grips with this matter.

I now submit two additional letters and today's article in the Des Moines Register by Clark Mollenhoff:

[From the Des Moines Register,
May 13, 1975]

DROP CHARGES ON TWO NURSES WHO ASSAILED INDIAN CARE

(By Clark Mollenhoff)

WASHINGTON, D.C.—The Indian Health Service has notified two nurses from the Shiprock, N.M. hospital that all charges against them will be dropped and their personnel record expunged of all reference to the efforts to fire them.

But the letters from H. V. Chadwick, deputy director of the service and Dr. Marlene Haffner, the area director, include no further details on the charges Dr. Haffner had filed against them.

Nurses Valerie Koster of Davenport, Iowa and Sandra Kramer of Annapolis, Maryland, said they were pleased to have the notice that the charges would be dropped and that they would be reinstated.

PRIMARY CONCERN

But the two nurses expressed disagreement with Dr. Haffner's decision that Ms. Kramer be transferred to the Phoenix medical center in Phoenix, Ariz., and that Ms. Koster be transferred to a post in Lawton, Oklahoma.

"Our primary concern has always been to improve patient care and conditions at the Shiprock Indian Health Service Hospital," nurse Koster said. "We feel that by transferring us, the Indian Health Service will be denying us an opportunity to assist in correcting problems and deficiencies in the hospital."

Nurse Kramer declared that in the aftermath of permitting the charges to remain against them since January, a transfer "is a type of adverse action and I do not believe we should accept it."

"A HALF ANSWER"

"Cleansing our files of the false and malicious charges is only a half answer," Ms. Kramer said. "The record shows that false and malicious charges were made against me and were utilized in an attempt to cause my termination."

"As a matter of fact, Dr. Haffner's original letter of termination and the fragmentary accusations which we later discovered through the use of the Freedom of Information Act would have served to smear and blacken my name so that it would have been virtually impossible for me to have continued in my chosen career as a nurse," Ms. Kramer said.

"While we appreciate the offer of a transfer to other hospitals, we feel that a move such as suggested would simply avoid the original problems that still exist at Shiprock hospital," Ms. Kramer said.

"The difficulty in obtaining the specific charges, and the names of our accusers, is firmly established by the fact that even after using the Freedom of Information Act we still have not been apprised of the names of our accusers and the details of charges to meet basic due process of law standards," Ms. Kramer said.

MEZVINSKY VIEW

Representative Edward Mezvinsky (Dem., Ia.) said that "the response from HEW ducks the problem."

"We have witnessed a long list of threats, harassments, and attempts to cover-up the situation of Shiprock," Mezvinsky said. "As Valerie and Sandra have said there is much more at stake than two jobs. The health of Indian patients and the integrity of the entire HEW health service program must now be our paramount concern."

He added that Dr. Haffner's offer to drop the charges "does not end the case as far as I am concerned."

The two nurses were assigned to Shiprock Hospital last September, were appalled by the "inadequate care" the Navajo Indians were receiving and complained to their superiors.

When they received no satisfactory response they wrote several congressmen and senators. Filing of the charges followed.

MAY 9, 1975.

Miss SANDRA J. KRAMER,
Annapolis, Md.

DEAR MISS KRAMER: I have carefully considered the matter of your employment with the Indian Health Service at the Shiprock Hospital. I have reviewed nursing personnel needs throughout the Navajo Area and the Service Unit organizations established to meet our medical care responsibilities. I have also consulted with Dr. Emery Johnson, Director, Indian Health Service.

I have concluded that your employment should be continued. Further based on consultation with and a review by Dr. Johnson, it is the judgment of the Indian Health Service that your services can best be utilized and contribute most effectively through assignment at the Phoenix Medical Center, Phoenix, Arizona. Therefore, I am authorized by Dr. Johnson to advise you that your reassignment is proposed to the position of Clinical Nurse, GS-610-7, Phoenix Medical Center, Phoenix, Arizona. However, we wish to obtain your views before making a decision in this matter. It is, therefore, requested that you contact me in writing, and present your views not later than 15 calendar days from the date you receive this letter. Additionally, you should feel free to contact Mr. H. L. Horner, Area Personnel Officer, regarding any questions about federal personnel procedures or requirements. No decision will be made until two weeks from the date of this letter have elapsed. Descriptive information about the Phoenix Medical Center is attached.

In closing, it is incumbent upon me to call to your attention the fact that you are currently serving on an Absent Without Leave (AWOL) status. You did not report to the detail assignment described in my letter of February 7, nor have you advised the Navajo Area of your intention to return to duty. This is not a satisfactory situation and must not continue. As I know you can appreciate, it is most important to utilize all position resources available to us and to make plans on the basis of presence or approved absence of employees.

I look forward to hearing from you in the very near future.

Sincerely yours,
MARLENE E. HAFFNER, M.D.,
Area Director, Navajo Area Indian Health Service.

MAY 8, 1975.

Ms. SANDRA J. KRAMER,
Annapolis, Md.

DEAR MS. KRAMER: Reference is made to your letter dated April 24 concerning your request for documentation of statements given by individuals at Shiprock.

We understand you have made a formal appeal, in accordance with procedures as outlined in Mr. Russell Roberts' letter to you dated April 21, to the Office of the Assistant Secretary for Health, DHEW, for this information. We have been informed that the matter is being reviewed and you will hear directly from the Assistant Secretary concerning your appeal.

In your letter of April 24 you also request your personnel record that is on file with the Indian Health Service. We assume you are requesting your official personnel folder. A copy of this folder as received from the Navajo Area is enclosed for your information; however, since your termination during probation did not actually occur, it is our intent to expunge the folder of all references to "termination." Material in the folder will be filed in accordance with Appendix A, Chapter 293 of the Federal Personnel Manual which indicates that all items of a temporary nature wil be filed on the left side of the folder. In the event of a transfer of an employee those materials of a temporary nature are removed from the file and destroyed. The memorandum dated January 7, 1975 from Dr. Husen, SUD, Shiprock which appears on the left side of the folder was inadvertently placed in this file; but since it was received in IHS Headquarters we felt that the total folder, as received, should be provided to you.

We have concurrence from the Navajo Area Personnel Office that all materials pertaining to your termination are being removed from the official personnel folder.

We appreciate the comments in your letter of April 9 to Dr. Emery Johnson and we are constantly striving to achieve the highest possible patient care, within the resources available, at all Indian Health Service facilities.

Sincerely yours,
H. V. CHADWICK,
Deputy Director, IHS.

FEDERAL COMMODITY INSURANCE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I am today introducing the Federal Commodity Insurance Act of 1975. This bill will reform the Federal crop insurance program and make it more responsive to the needs of farmers and ranchers. It will establish an independent Federal Commodity Insurance Corporation to administer the Federal commodity insurance program and it will provide for more extensive commodity coverage.

In my view, the basic Federal crop insurance concept is sound. However, the current program simply does not offer adequate protection to the producer. Its internal organization is archaic and highly politicized, and its coverage is overly restrictive. The legislation I am introducing today would make several important revisions in the structure and scope of the Federal crop insurance program.

One problem which must be remedied is the highly political nature of the current program. Under the present program, the Federal Crop Insurance Corporation is part of the U.S. Department of Agriculture, and the Corporation's Board of Directors and Manager are appointed by the Secretary of Agriculture. As a result, these positions have become a political football. Each time a new administration enters office, a new TCIC Board of Directors and a new Manager are appointed. The political impact of such changes runs to the very core of the Corporation, affecting policy and disrupting the continuity of the program.

The bill I am introducing today addresses these problems by establishing an independent Federal Commodity Insurance Corporation, outside of the Department of Agriculture, and by making several changes in the selection procedure and composition of those in charge of administering the program. In addition to creating an independent agency, the bill would require that the Federal Commodity Insurance Corporation's Board of Directors and Manager be appointed by the President and confirmed by the Senate. It would also increase the number of Board members from 5 to 9, and limit each individual's term of service to 6 years, with staggered expiration dates. The Manager would serve a 4-year term and would be eligible for reappointment at the end of such term.

Finally, the bill would require that at least three of the Board members be producers of agricultural commodities eligible for coverage by the program. Farmers and ranchers would thus be assured of a voice in the operation of the program for the first time.

Another serious flaw in the current Federal crop insurance program is its limitations on commodity coverage. The program simply does not offer producers adequate coverage or choices of coverages. Current law limits coverage to 75 percent of the average crop yield. However, since the Corporation determines the percent of average yield insurable, it often happens that in practice producers are only allowed to insure amounts substantially less than 75 percent of their yield. The Federal Commodity Insurance Act would alleviate this problem by giving producers the right to insure up to 80 percent of the average yield of their crops.

Also, under existing law, the Board is not required to adjust price levels per bushel in order to meet changing economic and market conditions. Thus, price selections can fall far short of the current market values of the crop. In the case of corn, for example, the three options available to the Iowa farmer in 1975 are $1, $1.20 and $1.40 per bushel. The price of corn today is $2.76 per bushel, $1.36 above the highest option currently available. The Federal Commodity Insurance Act would require an annual review of the price levels established by the Corporation and would stipulate that the producer be offered at least four price levels. In addition, two of the price levels offered must be 100 to 110 percent of the anticipated market value of the commodity to be insured.

The Federal Commodity Insurance Act would also extend the umbrella of FCIC protection to cover livestock as well as crops, thus giving livestock producers an opportunity to insure investment in production for the first time. Under the bill, livestock insurance would be developed in an orderly manner and its expansion would be encouraged.

It is time to provide all agricultural producers with a forward financed insurance program rather than making them rely exclusively on the backward financed disaster relief programs now in effect. It is much easier to take a few dollars out of profits to protect against a possible disaster than to pay interest on top of interest to try to dig out from under the debris of a devastating disaster.

The Federal Commodity Insurance Act would also implement a series of reforms designed to promote the orderly and rational expansion of the entire insurance program. Consideration would be given both to bringing new counties into the program and to providing coverage for additional commodities.

I believe that the reforms proposed by the Federal Commodity Insurance Act are long overdue and, if implemented, will make the Federal commodity insurance program much more responsive to the needs of farmers and ranchers. One of the basic goals of the Federal crop insurance program is to promote the national welfare by improving the economic stability of American agriculture. The insurance can cover losses caused by storms, drought, insect infestation, disease and other hazards beyond the producer's control. But Federal insurance is not much good if producers cannot afford it or if the coverage offered is not adequate. This legislation constitutes an effort to revitalize the program and make it work like it was intended to work.

We are at a critical stage in the long history of Federal crop insurance. Faced with unprecedented increases in production costs, the agricultural producer needs a meaningful insurance program, not a hollow one. The current Federal crop insurance program is outmoded. It simply does not adequately serve its intended function.

The bill I have introduced today looks forward toward a dynamic future for the American producer, not backward to his rustic past. It offers promise for a new age in American agriculture.

I hope that the Congress will take bold, innovative action to make the Federal commodity insurance program responsive to the realities of current agricultural conditions. I believe that the Federal Commodity Insurance Act of 1975 will do just that.

A summary of the bill's major provisions follows:

SUMMARY AND BACKGROUND INFORMATION ON THE FEDERAL COMMODITY INSURANCE ACT OF 1975

(1) The Federal Crop Insurance Corporation would be reorganized as the independent Federal Commodity Insurance Corporation. Currently, the Federal Crop Insurance Corporation is part of the United States Department of Agriculture.

(2) The FCIC Board of Directors and Manager, currently appointed by the Secretary of Agriculture, would be appointed by the President and would have to be confirmed by the Senate. This provision insures improved Congressional oversight of the Corporation.

(3) The Corporation would be required to make a comprehensive annual report on its activities to the Congress. Currently, only a financial audit is required.

(4) Orderly operation of the Corporation would be modernized by establishing a definitive term of office for the board of directors. Board members would be appointed to six year terms, with staggered expiration dates. Currently, Board members serve at the pleasure of the Secretary of Agriculture.

(5) Three of the Board members would have to be producers of commodities eligible for coverage by the program. Farmers and ranchers would thus be assured a voice in the operation of the insurance program for the first time. Presently, there is no requirement that any of the Board members be producers and only USDA employees and private citizens with insurance experience serve on the Board.

(6) Livestock producers would be eligible for coverage by the insurance program for the first time. The livestock insurance would be developed on an experimental basis to find the best way of offering protection to stockmen. Expansion of the livestock insurance would then be encouraged.

(7) Producers would be given the right to insure up to 80% of the average yield of their crops and up to 85% of the value of their livestock. Currently, the Corporation determines the per cent of average production insurable. While the present program can insure up to 75% of the average crop yield, it is very rarely offered. Oftentimes, the producer can insure only 50% of his production. Many producers thus feel that the present program does not offer them adequate coverage or choices of coverages.

(8) The producer would be given the opportunity to insure his investment in production. The present insurance program limits coverage to what the Corporation assumes is the producer's investment in production.

(9) An annual review of the price levels established by the Corporation would be required. Although the present Corporation has the authority to adjust price levels, the authority has not been used effectively to reflect changing economic conditions. It is not uncommon for the protection offered to differ from market value by as much as 100%. Under this bill, the producer will be offered at least four price levels, and two of the price levels offered will be 110% and 100% of the anticipated market value of the commodity to be insured.

(10) A rational, orderly expansion of the insurance program is mandated in the bill. Expansion would be based on the demand for the insurance by producers. Consideration would be given both to bringing new counties into the program and to providing coverage for additional commodities.

(11) The annual appropriation for administrative and operating expenses would be increased to meet the needs of a good insurance operation. In the past, the program has been inhibited by a $12 million ceiling that has been in effect for more than 25 years. Obviously, the $12 million figure is long out of date and constitutes a serious handicap to the insurance program.

(12) The Corporation would be prohibited from using premium income to subsidize administrative costs. Using premium income to help cover such costs, as is currently the case, inhibits the development of a healthy reserve and thereby the expansion of the program. This new feature would put the program back in line with the original intent of the Congress.

(13) The Board would no longer be allowed to limit or refuse insurance in any county or on any farm solely on the basis of the insurance risk involved if the commodity to be insured is an important part of the total agricultural income of the county. This provision would not interfere with the expansion of the program which must, understandably, be related to the financial stability of the Corporation.

FUNDS FOR EDUCATIONALLY DEPRIVED CHILDREN FROM LOW-INCOME FAMILIES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from Colorado (Mrs. SCHROEDER) is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I am today introducing a bill to amend title I of the Elementary and Secondary Education Act of 1965 to insure that the allocation of funds under this title shall be made available to meet the educational needs of educationally deprived children from low-income families, whether or not these children attend school in areas designated as "project areas" eligible for title I funds.

As the statute now stands, an eligible project area may include one or more school attendance areas in which, on either a numerical or percentage basis, there is a high concentration of children from low-income families. On a percentage basis, such an area is one in which the percentage of children from low-income families is at least as high as the percentage of such children residing in the whole of the school district. On a numerical basis, such an area is one in which the estimated number of children from low-income families residing in that attendance area is at least as large as the average number of such children residing in each of the several school attendance areas in the school district.

Although this method of determining eligibility may seem adequate, it has proven unsatisfactory in providing assistance to children who are bused from a project area school to a nonproject area school due to court-ordered or voluntary desegregation. If a child is bused from a school eligible for title I funds to a school which is not eligible, the child will only receive title I services and benefits for the remainder of that year.

As a result, children who are often desperately in need of these services are being deprived of them with no stronger arguments than the sheer administrative burden of having to track every child involved in the busing program makes it impractical. My bill would enable these funds to "follow-the-child," with stipulations that the funds would be used only for programs to supplement the regular educational curriculum of children diagnosed to need special assistance to insure a satisfactory educational experience.

Denver is now experiencing a situation where a growing number of children in need of title I services are being denied them when they are bused into a school attendance area that is ineligible for title I funds, and I am sure that other Members are experiencing similar situations in their districts. I cannot stress enough that education is one area that should not be subjected to corner cutting and halfway measures, nor be compromised for the sake of bureaucratic convenience. The future of America rests with our young people; it is vitally important that we strive to provide the best education possible for each and every one of our Nation's children.

REFUGEE ASSISTANCE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, tomorrow we will consider the Migration and Refugee Assistance Act and the refugee assistance appropriation. The purpose of these measures is to heal the wounds of war as best we can, and to aid political refugees. I believe that we must take this opportunity to assist our own political refugees who were earlier victims of this war, at the same time that we address the problems of the Cambodian and Vietnamese refugees.

Thousands of young Americans who refused to participate in the disastrous war in Indochina are still in exile in Canada, Sweden, and other countries. In addition to the Cambodians and Vietnamese who fled their countries, these Americans constitute another category of persons in need of assistance.

Therefore, I will offer amendments to the Migration and Refugee Assistance Act and the refugee assistance appropriation to point out the fact that we should address the issue of our own citizens who became refugees as a result of the war, as well as those from Indochina. The amendments are intended to indicate that American political refugees must also receive our attention at the same time that we consider the plight of these other refugees.

The amendment will expand the category of persons who are eligible for assistance to include Americans who were forced to leave the United States because of fear of persecution on account of their political opinion regarding the war, and who have returned to the United States. A text of the amendments follows:

H.R. 6755

By Ms. ABZUG:

On page 1, line 10, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 1, strike out "Cambodia or Vietnam," and insert in lieu thereof "Cambodia, Vietnam or the United States".

On page 2, line 13, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 16, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam or the United States."

H.R. 6894

By Ms. ABZUG:

Page 1, line 5: After "Cambodia", insert ", the United States".

Page 2, line 6; After "Cambodia", insert ", the United States".

Page 2, line 14: After "Cambodia", insert ", the United States".

Page ----, after line ------: Insert the following additional section:

"SEC. 202. As used in this act, the term "refugees" shall have the same meaning as in the Indochina Migration and Refugee Assistance Act of 1975."

STATEMENT OF CHAIRMAN BROCK ADAMS ON CONFERENCE ON THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. ADAMS) is recognized for 15 minutes.

Mr. ADAMS. Mr. Speaker, I am taking this time to insert in the RECORD the following tables comparing the President's budget totals with the House and Senate budget resolutions and the final conference action on the first concurrent resolution on the budget.

COMPARISON OF BUDGET TOTALS, MAY 13, 1975

[In billions of dollars]

	1974 actual	1975 President's budget estimate	1976 President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32	Final conference
Revenues	264.9	278.8	297.520	298.181	297.8	298.180
Budget authority	313.9	395.1	385.848	395.938	388.6	395.800
Outlays	268.4	313.4	349.371	368.213	365.0	367.000
Deficit	3.5	34.7	51.851	70.032	67.2	68.820
Public debt	486.2	538.5	596.427	619.900	617.6	617.600

HOUSE COMMITTEE ON THE BUDGET—BUDGET AUTHORITY, MAY 13, 1975

[In millions of dollars]

						Conference compared to—		
	Function	President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32	Final conference action	President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32
050	National defense	107,700	100,456	101,000	100,700	−7,000	244	−300
150	International affairs	12,627	4,677	6,000	4,900	−7,727	223	−1,100
250	General science, space, and technology	4,686	4,708	4,700	4,700	14	−8	0
300	Natural resources, environment, and energy	12,226	14,105	13,400	13,800	1,574	−305	400
350	Agriculture	4,273	4,273	4,300	4,300	27	27	0
400	Commerce and transportation	6,602	10,976	9,500	11,300	4,698	324	1,800
450	Community and regional development	5,164	10,814	6,000	11,000	5,836	186	5,000
500	Education, manpower, and social services	13,686	19,010	20,700	19,000	5,314	−10	−1,700
550	Health	31,022	33,112	32,600	33,100	2,078	−12	500
600	Income security	135,339	141,327	138,500	140,900	5,561	−427	2,400
700	Veterans benefits and services	16,163	17,998	17,600	18,000	1,837	2	400
750	Law enforcement and justice	3,169	3,291	3,300	3,300	131	9	0
800	General government	3,335	3,300	3,300	3,300	−35	0	0
850	Revenue sharing and general purpose fiscal assistance	7,305	7,305	7,300	7,300	−5	−5	0
900	Interest	34,419	35,000	35,300	35,000	581	0	−300
	Allowances	8,325	1,735	1,300	1,400	−6,925	−335	100
950	Undistributed offsetting receipts	−20,193	−16,193	−16,200	−16,200	3,993	−7	0
	Total	385,848	395,894	388,600	395,800	9,952	−94	7,200

HOUSE COMMITTEE ON THE BUDGET—OUTLAYS, MAY 13, 1975

[In millions of dollars]

						Conference compared to—		
	Function	President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32	Final conference action	President's budget as submitted	H. Con. Res. 218	S. Con. Res. 32
050	National defense	94,027	90,195	91,200	90,700	−3,327	505	−500
150	International affairs	6,294	4,950	4,900	4,900	−1,394	−50	0
250	General science, space, and technology	4,581	4.599	4,600	4,600	19	1	0
300	Natural resources, environment, and energy	10,028	11,546	11,700	11,600	1,572	54	−100
350	Agriculture	1,816	1,816	2,000	1,800	−16	−16	−200
400	Commerce and transportation	13,723	18,460	16,600	17,500	3,777	−960	900
450	Community and regional development	5,920	8,998	6,600	8,650	2,730	−348	2,050
500	Education, manpower, and social services	14,623	20,426	19,400	19,850	5,227	−576	450
550	Health	28,050	30,702	31,000	30,700	2,650	−2	−300
600	Income security	118,724	124,859	126,100	125,300	6,576	441	−800
700	Veterans benefits and services	15,592	17,469	16,900	17,500	1,908	31	600
750	Law enforcement and justice	3,288	3,363	3,400	3,400	112	37	0
800	General government	3,180	3,350	3,200	3,300	120	−50	100
850	Revenue sharing and general purpose fiscal assistance	7,249	7,249	7,200	7,200	−49	−49	0
900	Interest	34,419	35,000	35,300	35,000	581	0	−300
	Allowances	8,050	1,460	1,100	1,200	−6,850	−260	100
950	Undistributed offsetting receipts	−20,193	−16,193	−16,200	−16,200	3,993	−7	0
	Total	349,371	368,249	365,000	367,000	17,629	−1,249	2,000

OLDER AMERICANS MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman for Indiana (Mr. Brademas) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I rise today to remind my colleagues that each year the month of May is set aside by proclamation of President Ford, to honor older Americans.

As chairman of the Subcommittee on Select Education, which has jurisdiction over the Older Americans Act and related legislation, I am particularly pleased to have the opportunity to pay tribute to our senior citizens. They have given much to our Nation and have much still to contribute.

But I must also note, Mr. Speaker, that the past contributions and accomplishments of the older Americans have not always been valued in our society.

Too often, Mr. Speaker, many of us have fallen into the trap of associating advancing age with negative and distorted images which reflect a stereotyping of older people. And it is obvious, Mr. Speaker, that even with the significant advances made in recent years on behalf of older Americans, we clearly have a long way to go before their economic and social equity is insured.

PLIGHT OF ELDERLY

Mr. Speaker, the present plight of many of the Nation's elderly can only be described as tragic. Consider that:

At least 16 percent of the 21 million Americans aged 65 and over are living in poverty;

Another 5 million cannot afford the Bureau of Labor Statistics "Intermediate Family Budget", which itself is an inadequate $5,200 annually for two people;

Medicare covers only 42 percent of the hospitalization costs of Americans aged 65 and over;

In 1973, over 19,000 retiring employees lost retirement benefits which had been guaranteed them because their pension funds were inadequately funded;

Property taxes have increased dramatically in the last 4 years, ravaging the budgets of elderly homeowners living on fixed incomes;

Over 1.6 million elderly live in housing that lacks plumbing facilities; and

Physical, psychological and economic barriers prevent the access of millions of senior citizens to public transportation services which for many is the only possible mode of travel.

Mr. Speaker, these are facts that we cannot ignore, and I would hope that this month would serve to remind us of the significant work we have ahead of us.

CONGRESSIONAL ACTION

However, Mr. Speaker, I also feel that during the month in which we are honoring our senior citizens we should also reflect briefly on some of the recent accomplishments of Congress which address some of the problems affecting older Americans.

Indeed, Mr. Speaker, during the last two Congresses we have developed considerable legislative momentum concerning social service programs for the elderly.

First, Mr. Speaker, let me remind my colleagues that in the last 5 years, Congress has approved social security benefit increases totaling 68.5 percent with the latest increase, signed into law in December of 1973, raising social security checks by 11 percent in 1974. Furthermore, 2 years ago we wrote into the Social Security Act provisions automatically to increase social security benefits as the cost of living increased.

Second, I think that the passage of H.R. 1 during the 92d Congress is without a doubt one of our greatest accomplishments on behalf of senior citizens.

This bill, Mr. Speaker, established the supplemental security income program. With the creation of the SSI program, millions of needy elderly, blind, and disabled Americans became eligible in January of 1974 for increased payments under the national uniform floor provisions of this act.

Third, during the 93d Congress, under the outstanding leadership of the gentleman from Pennsylvania (Mr. Dent) we made some significant improvements in the area of pension funds. Indeed, I think that it is not too much to say that this legislation will mean as much to the retired Americans as the passage of legislation to provide workmen's compensation and social security.

In addition to the three areas I have just mentioned, Mr. Speaker, during the last several years we have taken several initial but significant steps toward meeting other vital needs of older Americans in such areas as health, housing, and employment. But I hasten to add, Mr. Speaker, that these efforts in no way reach all of the older Americans who need assistance in these areas.

Mr. Speaker, I would also like to take this opportunity to recognize the fine efforts of the Members of the 94th Congress.

Although the 94th Congress has been in session only a few short months, we have already taken significant steps toward providing older Americans with the services and benefits they deserve.

Mr. Speaker, I here refer to the recent passage by the House of H.R. 3922, the Older Americans Amendments of 1975, which received the overwhelming support of Members on both sides of the aisle.

As my colleagues will recall, Mr. Speaker, the Older Americans Act provides States and localities with funds to support and develop a comprehensive service system for the elderly, and since its inception in 1965 this legislation has done much to stimulate coordination of local services and provide badly needed nutrition and employment programs.

It goes without saying, Mr. Speaker, that many of us worked long and hard on the extension of the basic components of the Older Americans Act. I am particularly proud of some of the new provisions which we were able to add this year.

Let me briefly describe the new provisions I consider to be the most significant.

First we added a new title VIII to the Older Americans Act which will encourage new support for services designed to help older citizens avoid institutionalization and as a consequence live more meaningful, independent lives.

More specifically, Mr. Speaker, the new title VIII would allow States to develop homemaker and other home services, counseling and legal assistance services, programs of residential repair and renovation, and transportation services. In addition, this new title provides for the creation of programs to subsidize mortgage interest and insurance payments on residential facilities which have been converted to meet the specific needs of the older adults.

Another important provision of the recently passed Older Americans Amendments is the new Age Discrimination Act. Mr. Speaker, this provision is potentially the most important and far-reaching legislation we have passed to aid older Americans in recent years. When enacted, this act would prohibit discrimination on the basis of age in any program or activity receiving Federal financial assistance. Clearly, Mr. Speaker, this portion of H.R. 3922 enunciates a much needed national policy that discrimination against the elderly based on their age will not be tolerated, and the Age Discrimination Act provides a reasonable mechanism for enforcement of this policy.

Mr. Speaker, I believe the House can be proud of our work on H.R. 3922, the Older Americans Amendments of 1975, and I hope that our colleagues in the Senate will move quickly to support this effort on behalf of our senior citizens.

CONCLUSION

In conclusion, Mr. Speaker, I hope that during this month in which we are honoring older Americans, my colleagues will join in reaffirming our commitment to America's elderly. We have already made a fine start with the passage of H.R. 3922, but, it is only the beginning. We have much still to do before the rich promise of American life is realized for all of our Nation's older citizens. Let us take this opportunity to redouble our efforts on their behalf as we also congratulate them for their invaluable contributions to our Nation.

PRESIDENTIAL PROCLAMATION OF OLDER AMERICANS MONTH, 1975

Mr. Speaker, at this point in the Record, I insert the text of President Ford's proclamation of Older Americans Month, 1975:

[Proclamation 4371]

Older Americans Month, 1975

(By the President of the United States of America)

A PROCLAMATION

There is increasing awareness throughout America of the growing national resource represented by our older citizens. Their collective knowledge, experience, and energy can contribute significantly to raising the quality of life for all Americans.

As we approach our national Bicentennial, it is important to take special notice of older Americans. They have made and are making significant contributions to our Nation. It is fitting that we not lose sight of the continuing contributions this generation can make nor of our commitment as a society to meet their needs.

The first White House Conference on Aging in 1961 produced a Senior Citizens Charter of Rights and Obligations. The second

White House Conference on Aging, held in 1971, broadened that recognition and deepened our commitment to providing opportunities to our older citizens for maintenance of income and health and for self-realization and continuing usefulness. It is appropriate to update the Charter in the light of growing knowledge and recognition of the needs and abilities of our older citizens. People of all ages should join in the development of a Declaration of Rights and Obligations of Older Persons so that it can be proclaimed as part of our Bicentennial celebration.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the month of May 1975 as Older Americans Month. I urge everyone to participate in the efforts to achieve the goal of proclaiming a new Declaration of Rights and Obligations for Older Persons, which can become a rallying point for our Nation during the Bicentennial year of 1976 and a guide to action during the years ahead.

In witness whereof, I have hereunto set my hand this first day of May, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD.

[FR Doc. 75-11797 Filed 5-1-75; 12:45 pm]

JOINT COMMITTEE ON DEFENSE PRODUCTION TO INVESTIGATE MISUSE OF PRIORITY SYSTEM UNDER DEFENSE PRODUCTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 5 minutes.

Mr. PATMAN. Mr. Speaker, I wish to announce that the Joint Committee on Defense Production, which I chair, will be holding oversight hearings on the 22d and 23d of May on the defense priorities system and the special priorities assistance programs. Both of these programs have been established under authority contained in the Defense Production Act of 1950, as amended. These hearings will be the first in a series designed to review programs established under the act, which our committee oversees.

It has recently come to my attention that the administration and orientation of these programs may not be entirely in accord with the intent of the legislation which authorizes them. Furthermore, programs such as these, which grant preferential treatment to certain, specified types of Government contracts, must always be closely monitored to prevent any abuse of the preferences or priorities.

We are particularly concerned that there may be cases of abuse or misuse under the present ground rules for the priorities system. For example, we will be looking into the possibility of overbuying on defense-rated orders, into extensions of defense ratings by suppliers to non-Government-approved contracts, into items purchased through rated orders being shipped to agencies other than the Department of Defense or other "ratable" agencies, and into the setting of unrealistic delivery dates on defense-rated orders.

It is our understanding that the Department of Defense places priority ratings on virtually all of its purchase contracts, except those relating to food, petroleum, and Corps of Engineers civil projects. We believe there is a real question as to whether the framers of the Defense Production Act intended that it should be used to obtain priority procurement of office furniture, sheet music, smoker's articles, television sets, and items of this nature.

Likewise, we have determined that munitions and weapons purchased by the Department of Defense for resale to foreign governments are procured on a priority basis. While the act does permit priority purchases for military assistance programs, we think it is legitimate to ask at this time whether the simple cash or credit arms transactions which comprise the foreign military sales program are truly of a "military assistance" nature or whether they are merely business deals.

There are other uses of the defense priorities system which disturb us. A few years ago it was used to acquire 100 tons of copper and 4,000 tons of steel for construction of a Voice of America transmitting and receiving station in Kavalla, Greece. I think it is very questionable whether this kind of project is directly related to the national defense. And the act is very specific on this point of direct relationship.

There are persistent rumors, moreover, the chlorine and ammonia fertilizer purchased by the military on a priority basis found its way into officers club swimming pools and onto military golf courses at a time when municipal water treatment plants and our farmers were having difficulty in obtaining these same chemicals.

It is instances of this latter kind—where the priority system appears to intrude on the operation of the economy without any adequate justification—that may prove to be of greatest concern. We are aware, for example, of competition between the military and the civilian sector for such products as oilfield tubular goods and steelplate for tanker construction. In our present energy-pinched condition, it is worth asking whether certain energy-related programs may not be of greater importance than certain military programs and, therefore, more deserving of priority treatment.

It cannot be doubted, too, that when some two-thirds of our current military procurement budget of $40 billion qualifies for priority treatment, there is going to be an adverse impact on the economy in terms of delays, disruptions, and inflationary pressure in the civilian sector. Some of this impact may be justifiable, but I think the blanket and unquestioning application of military priorities to nonessential items such as furniture and sheet music has to be rigorously examined.

Our hearings, therefore, will examine the defense priorities system and the special priorities assistance program from three points of view: First, administration and operation; second, application and interpretation of the Defense Production Act; and third, the impact of the priorities system on the economy.

The hearings scheduled by the joint committee will be open. The hearing on May 22 will be held in the AEC hearing room, S407, U.S. Capitol and will begin at 2:30 p.m. The May 23 hearing will begin at 10 a.m., in room 5302, Dirksen Senate Office Building.

The witnesses scheduled to testify are: Gen. Leslie W. Bray, Jr., Director of Preparedness, GSA; Honorable Donald Johnson, Deputy Assistant Secretary of Commerce for Domestic and International Business; Mr. Richard W. Gutmann, Director, Procurement and System Acquisition Division, GAO; and Honorable Jacques Gansler, Deputy Assistant Secretary of Defense for Materiel Acquisition.

CATHY AND GEORGE: BENEFACTORS TO US ALL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, on June 7, 1975, Cathy and George Hensel, two outstanding citizens of southern California and of the 30th Congressional District, will be honored at a testimonial dinner by the City of Hope, a leading medical and cancer research center. I am happy to join in thanking Mr. and Mrs. Hensel for their unselfish service to our community. It is only fitting that the Hensels will receive the Spirit of Life Award, the City of Hope's highest honor, because these two people, in addition to their active work on behalf of the City, have done so much for the betterment of mankind. I wish to call their civic activities to the attention of my colleagues as examples of good citizenship.

Cathy and George Hensel of Montebello, Calif., have been active participants in both business and community service associations in my district for many years. Mrs. Hensel is vice president of California Safety Center, Inc., secretary of the Country Club Investment Corp., member of the board of directors of the Pan American Bank, on the board of directors of the Montebello Chamber of Commerce, vice chairman of the board of managers of the East Los Angeles YMCA, past president of the Montebello Toastmistress Club, and was a candidate for the Montebello City Council in the 1974 election. She is currently president of the East Los Angeles Rotary Anns.

George Hensel is president of California Safety Center, Inc., vice president of the Country Club Investment Corp., and president of the Driving School Association of America. Besides his active participation in various driving school and safety associations, Mr. Hensel has been involved extensively in the civic affairs of his community. He is presently a planning commissioner and is past chairman of the Montebello Planning Commission. As past president of the Monterey Park Toastmasters Club and the East Los Angeles Rotary Club, as well as the current governor's representative for Rotary District 535, George Hensel has continually worked for the good of the community.

It should be noted that all the proceeds from this dinner will be used to establish the Cathy and George Hensel Research Fellowship at the City of Hope.

The City of Hope, through its medical

care and research in the major catastrophic diseases of cancer and leukemia; heart, blood, and respiratory afflictions; diabetes and other metabolic disorders; lupus, Huntington's disease; genetics and the neurosciences, has brought real hope to Americans everywhere. But the City of Hope would not be possible if there were not people like Cathy and George Hansel. Their countless hours of work for that great institution should be a model for us all.

NATION'S BUSINESS PAYS DESERVED TRIBUTE TO THE HONORABLE JOE L. EVINS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Fulton), is recognized for 5 minutes.

Mr. FULTON. Mr. Speaker, among the many needed and positive reforms which have occurred in this body recently one of the most important and significant is that of making the Committee on Small Business a standing committee.

The need for this was obvious and the action long overdue. In addition, the action by the House was a deserved tribute to the committee's very distinguished and able chairman, my colleague from Tennessee.

The new role which the Committee on Small Business is playing as well as that which it has played under the leadership of Chairman Evins is the subject of an article in the May 1975 edition of Nation's Business.

I place that article in the Record and commend it to the attention of my colleagues:

[From Nation's Business, May 1975]

WATCHDOG WITH A BIGGER BITE

The owner of a gasoline station was told by his supplier, a major oil company, that the property's appearance had fallen below the company's standards and that the firm would no longer sell him gasoline. The news was a crusher, since the owner could find no other source.

Operators of small trailer parks near two U.S. Navy installations had a similar hairy experience. They saw their business threatened by government plans to build duplicate facilities on the military bases.

Red tape was strangling other entrepreneurs. They sought Small Business Administration loans to finance the cost of complying with orders from the Occupational Safety and Health Administration. They ran into long delays.

A small baker supplying an Air Force base under a fixed-price contract also had a bone to pick with Washington. Soaring costs of sugar and other ingredients threatened him with bankruptcy.

As so many do, each businessman turned to his U.S. Representative about his problem, and the Congressman contacted a familiar source for help in such matters—the House Small Business Committee.

Committee personnel arranged a compromise for the gasoline-station owner: The oil company would continue to supply him but his signs and pumps would no longer associate his station with the company.

The Navy agreed to drop plans for building the competing trailer parks.

The Small Business Administration and the Occupational Safety and Health Administration developed ways to cut the red tape on loans for safety improvements.

The Air Force terminated the fixed-price bakery contract and negotiated a new one on a current-price basis.

Those cases, a tiny sampling of many dealt with by the Committee, demonstrate why now, more than ever, it considers itself the small entrepreneur's ombudsman in the nation's capital.

Its work has taken on added singificance because of the problems thrust onto business by inflation, recession, energy supply worries and the thicket of new federal regulations.

PROMOTED

In Congress, the House has generally taken the lead in the small business area, which covers the vast majority of companies. This was demonstrated by the upgrading of its Small Business Committee this year to the rank of "standing" committee, one with authority to send legislation to the floor in its own right.

During its 34 previous years of existence, Small Business had been a "select" committee, limited to investigating and reporting. (The Senate Small Business Committee remains "select.")

Now, the House panel has full legislative authority over the Small Business Administration, the operating agency for small business programs that originate in Congress. At the same time, it remains concerned about the full range of matters of concern to small enterprises, including the increasingly important issue of where to obtain capital. When it comes to legislation in those areas, the Committee continues to work through other standing committees with specific responsibility for such matters as taxes, government regulation and labor law.

Chairman of the Committee is Rep. Joe L. Evins (D.-Tenn.), who has represented his central Tennessee district in Congress for 28 years. A lawyer, he was on the Federal Trade Commission staff from 1935 to 1941, left for World War II service in the Army, then ran for the House on his return.

He has been on the Committee since 1949, and has headed it since 1966.

Congress has no more fervent supporter of small business than Joe Evins, who declares: "We have nearly nine million small businesses in this nation and they represent 95 per cent of all businesses and 50 per cent of the entire national payroll. They are a very important segment of our economy."

BATTLE WITH BIG BUSINESS?

He's quick to assert that "we're not opposed to big business. We are for small business." But sometimes it appears the Committee does see battle lines shaping up.

For example, a recent Committee report declared: "Chain stores, joint ventures, the exodus to suburbia, urban renewal dislocations, discount houses, big business shopping centers, automation, electronic computers and the general trend toward giantism remind us that the competitive status of the small business segment of our economy must be constantly observed in order to maintain a truly competitive free enterprise system."

Chairman Evins keeps a wary eye on the Commerce Department and the Office of Management and Budget, viewing them as overly solicitous of big business.

OMB, claims Mr. Evins, is "the big-business-oriented arm of the Executive branch." He suggests that agency is one reason why the Committee has run into Administration opposition over the years in pressing for increases in the direct, as opposed to guaranteed, loan program of the Small Business Administration.

As for Commerce, what is now SBA was once the small business section of that Department—which "relegated it to a minor position," Rep. Evins charges.

Later, he says, "the Commerce Department tried to recapture SBA. President Johnson sent John Connor, his Secretary of Commerce, to see me to ask if I would contact some key members around the Hill about putting SBA back into the Department."

But SBA's status as an independent agency was secure: "I opposed it," says the chairman. "The Congress opposed it. We said we wanted a one-stop, independent agency."

SBA today has 4,500 employees and a budget in excess of $112 million. In addition to its Washington headquarters, the agency has 99 regional and other field offices.

To Chairman Evins, calling attention to the availability of SBA programs and fielding problems of businessmen who ask for assistance are important extras to the Committee's main job of legislation.

HOW TO GET HELP

He advises businessmen to seek help either through their local SBA office, their Senators and Representatives or directly through his Committee. But he suggests that anyone turning to Congress should first get in touch with his own Senators or Representatives, who screen such requests for routing to the Committee or elsewhere.

Generally, a small business is one that is independently owned and operated, that is not dominant in its field and that meets size standards set by SBA.

A manufacturer is considered a small business if its payroll for the four calendar quarters preceding a loan application did not average over 250 employees. But firms with up to 1,500 employees might qualify as small businesses, depending on their ranking in a particular industry.

For other businesses, the yardstick is sales. In wholesaling, the maximum sales level ranges from $5 million to $15 million, depending on the type of business; in retailing or service, it's $1 million to $5 million.

As part of its change from select to standing status, the House Committee was enlarged—from 19 to 37 members—and its subcommittee structure was revised.

The additions include Mrs. Millicent Fenwick (R.-N.J.), the Committee's first woman member, and Rep. Berkley Bedell (D.-Iowa), who, with the help of an SBA loan, built a fishing-tackle business into a $3-million-a-year enterprise. In 1964, he received the first annual Small Businessman of the Year award from then-President Johnson.

AN INDEX TO CONCERN

A list of the subcommittees, with their chairmen, serves as an index to the areas of Committee concern:

Energy and Environment—Rep. John Dingell (D.-Mich.).

Small Business Administration and Small Business Investment Company Legislation—Rep. Neal Smith (D.-Iowa).

Government Procurement and International Trade—Rep. James C. Corman (D.-Calif.).

SBA Oversight and Minority Enterprise—Rep. Joseph P. Addabbo (D.-N.Y.).

Activities of Regulatory Agencies—Rep. William L. Hungate (D.-Mo.).

Commodities and Services—Rep. Charles J. Carney (D.-Ohio).

Rep. Silvio O. Conte (R.-Mass.), who has been in the House 16 years, is senior minority member of the Committee, which generally has been free of political squabbling. Chairman Evins describes its activities as essentially "nonpartisan."

Says Rep. Evins: "Congress has declared on a number of occasions that it shall be national policy to aid, counsel, promote and protect, insofar as possible, the interests of American small business. The Committee's concern is to carry out this mandate. . . .

"The Small Business Committee serves our colleagues in the House, our constituents, the small business sector of the economy, and our country."

GREY IS BEAUTIFUL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. Randall) is recognized for 15 minutes.

Mr. RANDALL. Mr. Speaker as chairman of the Select Committee on Aging and as chairman of the Subcommittee on Retirement Income which concerns itself with age discrimination in employment, I take this time to commend the work of an organization known as the Grey Panthers.

It is interesting to note that nearly everyone quite naturally refers to this group as an organization. In a recent discussion with some of the membership one evening over at the showing of a film at the Kennedy Center, sponsored by this group, I discovered that they preferred not to be known as an organization but rather as a "network."

Now I am not sure of the reason for the preference to be known as a network rather than an association or a club, or a council, but I am convinced that the choice of a name does not lessen either their enthusiasm or thier effectiveness.

One of the paramount objectives of this network is to fight age discrimination and the method they propose to use is to have "awareness of age" sessions in nursing homes, hospitals, and just about any place where there are older people.

It is interesting to note that this network of Grey Panthers plan to use political power to support thier objectives, such as nutrition programs, housing legislation, and tax reforms for the benefit of the elderly. They do not conceal the fact that they plan active lobbying, encouraging letters to Congressmen written from a nursing home bed.

Although the Grey Panthers have adapted the name and some of the techniques of militant groups of blacks and women, they have additional dimensions beyond the work of either of these groups.

The philosophy which they have advocated, in my judgment makes sense when they point out that if you are put out of a job at age 55, because you are "old," you are going to feel old, and worse than that, this discrimination will make you feel useless, ugly, and worn out.

My hand is raised in salute to this network of Grey Panthers. I hope their numbers increase and that their program to combat age discrimination in employment is successful.

Mr. Speaker, I now read into the Record an article that appeared in the Washington Post on Wednesday, May 4, 1975, by Judith Martin, entitled "Grey Is Beautiful":

[From the Washington Post, May 7, 1975]

Gray Is Beautiful

(By Judith Martin)

The concept that gray is beautiful—and that so are wrinkles and retirement—does not come easily, even to Gray Panthers. So the local branch of the national organization to fight age discrimination is planning "awareness of aging" sessions in area nursing homes, hospitals and among other groups of old people.

The idea is, of course, that of consciousness-raising groups as in the women's liberation movement. Bee Wolfe, 61, a social worker who has worked in feminism and is now on the health committee of the Gray Panthers, describes it as going from "ending our isolation" to "getting to like our own bodies" to "using our power as citizens" to "realizing that what's wrong is not in us, but in the society."

All of this gets translated into the special problems of the aged. Ending isolation, she said, may begin with something as simple as discovering that "you're not the only one who finds it hard to get a bus." Using political power to support Gray Panther objectives—clinics, nutrition programs, housing legislation, tax reform and expanded benefits to meet the needs of the elderly—may be anything from active lobbying to a letter written to a congressman from a nursing-home bed.

Being considered a sex object is not one of the difficulties. But being considered a sexless one is. One topic which is expected to be discussed is what to do when your children chide you for having a sex life—many old couples don't marry because it reduces their financial benefits. And children sometimes "try to make you feel ridiculous."

But although the Gray Panthers have adapted their names and techniques from militant groups of blacks and women, they have an added dimension to the difficulties with lack of self-appreciation and confidence commonly experienced among those who have been put down by the society.

No one was born old. An old person is as likely as a young one to have prejudice against the aged.

Among the Gray Panthers themselves, you hear such comments as "you look so young," "most of my friends are much younger than I am," and "I've never felt old."

The remarks imply an acceptance of youth-oriented culture and the hope of the individual to "pass" as something he or she is not.

"Our feeling about age is that you are what you always have been," said Mrs. Wolfe's husband, George Wolfe, 70, who is on the Gray Panther's steering committee.

"But youth has commonly been associated with curiosity, creativity, growth and involvement, and sometimes when we used the word 'young', that's what we mean."

Mary V. Phillips, 79, who is chairman of the mayor's advisory committee on aging of the senior citizens clearing house committee, said, "I don't know what you mean by 'growing older.' I have arthritis so bad I'm almost crawling—but I was 16 when I had the first attack."

A retired beautician, she was quick to say that she disapproved of dying gray hair not only "because it's artificial, but if it fails, you see red and green streaks." And one blamed industry for turning out only youthful clothes, so that it is impossible to find such things as knit slips and heavy nightwear.

But, she added "when the government puts you out of a job at the age of 55 because you're 'old', you're going to feel old," in the sense which society uses the term—useless, ugly and wornout.

"Bodies break down—we don't deny that," said Lillian Morrison, 67, of the Panthers' steering committees. "But I don't find that distasteful. Everybody's going to be young, middle-aged, and old, and some people are going to be late bloomers."

She saw some hope in "the American people learning to live on a simple level, cultivating inner resources. If ideas and conversation become more important, she feels, old people will be more valued for their experience.

Wolfe also sees a change from the revival of crafts and communal living. "As the idea of progress loses its charm, people are more interested in the old skills, such as making musical instruments, which old people may know. It's not a big trend, but it's in the right direction. Old people have been welcomed in many communes, because they know farming."

"If you're going to have a good old age, you have to be trained for it from childhood," said Mrs. Phillips.

SURVEY SHOWS ILLINOIS 18TH DISTRICT WOULD FOREGO TAX CUT FOR BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Michel) is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, over 80 percent of the people in my congressional district would forego a tax cut if it meant a balanced budget, according to a survey which I have just taken.

I think that is a remarkable testimony to just how aware the people are of the tremendous burden of Federal budget deficits. Frankly, I was surprised at the lopsided results on the question, but it seems to me that it is a clear indication that the people understand the need for fiscal restraint in government, and are willing to support strong measures to combat deficit financing.

The Congress should take heed of this sentiment, I think, and not presume that there is general support for massive spending proposals.

My constituents also voiced strong feelings on a series of energy related questions. Almost 90 percent said they were concerned that we are dependent on foreign sources for 40 percent of our oil needs.

Moreover, they strongly favor the relaxation of environmental regulations as a solution to the problem; 74.5 percent favor the lessening of automobile emission standards, and 79 percent said the restrictions on the burning of coal should be relaxed.

They clearly do not favor gasoline rationing, with over 80 percent being opposed to the suggested 10-gallon-a-week rationing proposal. In spite of that feeling, however, most of those responding would not agree that "getting all the gas you want is more important than the price you pay."

They also do not feel that a 10-cent-a-gallon tax would be effective in reducing gasoline consumption; 64.1 percent said they would not drive less if such a tax were passed, as has been suggested by leading Democrats here in the Congress.

Nonetheless, there is not a general consensus that the President has a viable energy program either.

My survey asked three other important domestic policy questions. My constituents clearly do not feel that public employees should have the right to strike, with 68.5 percent feeling that they should not. They do feel however, that food stamps ought to be limited to families whose total annual income is $5,000 or less. The margin on that question was an overwhelming 76 percent.

They strongly support President Ford's proposal for a 5-percent ceiling on automatic cost of living increases in Government and military retirement pay and social security benefits.

Mr. Speaker, I wish to thank the thousands of people who took the time to return the questionnaire. They have performed a public service by assuring that their views will be considered in this Congress, and so that all Members might have the benefit of seeing the complete results of this poll, I include the following table in the Record:

RESULTS OF 18TH CONGRESSIONAL DISTRICT (ILLINOIS) SURVEY CONDUCTED BY CONGRESSMAN BOB MICHEL

	Percent—		
	Yes	No	Undecided
1. Does it concern you that we are dependent on foreign sources for 40 percent of our oil needs?	89.5	7.3	3.2
2. Do you feel the President has a viable energy conservation program?	29.0	61.4	9.6
3. Would you drive less if gasoline taxes were increased 10 cents a gallon?	32.5	64.1	3.4
4. Is getting all the gas you want more important than the price you pay?	44.5	50.8	4.6
5. Do you favor gas rationing with a 10 gallon per week basic allotment?	15.3	81.2	3.5
6. Do you favor relaxing auto emission standards to ease the energy crisis?	74.5	21.3	4.1
7. Should we relax the restrictions on the burning of coal to help conserve oil and gas?	79.0	17.2	3.7
8. Should we decontrol the price of natural gas to get a more abundant supply?	45.0	47.7	7.3
9. Would you forego a tax cut if it resulted in a balanced budget?	80.8	15.0	4.3
10. Do you think that employees of local, State and Federal Government should have the right to strike?	27.7	68.5	3.9
11. Should food stamps be limited to famiilies whose total annual income is 5,000 or less?	76.0	19.7	4.3
12. Do you agree that there should be a 5 percent ceiling this year on automatic cost of living increases in government and military retirement pay and social security benefits?	69.1	26.7	4.2

A BILL TO REDUCE UTILITY RATES BY PREVENTING UTILITY ADVERTISING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, I am introducing today a measure that I believe is long overdue in an era of critical energy shortages and rapidly rising rates for gas and electricity consumers. My bill would amend the Internal Revenue Code of 1954 to prohibit utility company deductions from income for advertising and promotion. It is inconsistent to provide a tax deduction for advertising promoting energy consumption in this time of energy crisis.

Although there are no precise estimates on the total amount of money spent by private electric and gas utilities on advertising and promotion each year, my figures show that in 1972 alone—the most recent year that Federal Power Commission comprehensive statistics are available—over $222 million was spent on only two reportable categories in the FPC accounting system (see CONGRESSIONAL RECORD, July 23, 1974, H6975). Hidden expenditures and advertising and promotion expenses that are reported in other FPC accounts could very well increase that amount to well over a half a billion dollars per year—with that level showing every indication of increasing by leaps and bounds.

What most consumers do not recognize is that almost every penny spent by private gas and electric utility companies on ads and promotion is passed directly through to the consumer in his bills. Those two-page ads extolling the virtues of "all electric" homes, the pages and pages of one Government regulation or another, and those fancy colored ads that tell us, over and over, how hard a utility is working to make our lives sweet, warm and wonderful, are all paid by the everyday consumer in his gas and electricity rates.

This situation—payment by the ultimate utility consumer for advertising that is aimed directly at him, is allowed in most States. Only a few States require that advertising and promotion expenses be treated as nonoperating expenses, thus preventing them from being used in computing the rate base that will determine consumer charges. Nonoperating expenses must instead be borne by the shareholders of the utility.

There is every indication that forcing the utility itself, through its shareholders, to pay its own bills for advertising and promotion, results in a marked decline in the level of those expenditures. My bill would force utilities to pay their advertising bills out of profits instead of tax deductions or utility bills.

Reduced utility company advertising is a growing national trend. Four States, Oklahoma, New Hampshire, New York, and Vermont, have already adopted general laws restricting utility advertising; eight more have investigations underway to consider the subject. Since 1969, courts and public utility commissions in 25 States have ruled on the propriety of utility advertising expenses, with 19 States declaring that at least a portion of utility advertising expenses are not allowable.

Voluntary compliance with public utility commission orders restricting utility advertising expenditures indicates that utility companies realize the irrationality of their advertising, but will only succumb to reason and end it when confronted with Government decisions.

Foremost among these reasons is the fact that our country is in the midst of a severe energy crunch. We cannot go on devouring our energy resources at the present rate and expect them to last.

But despite the obvious need for national conservation, gas and electric utilities have gone on advertising and promoting the use of energy as if there were no problem. Despite experiences of blackouts and brownouts in almost every section of the country, utilities have continued, and even increased the huge amounts of money they spend to encourage energy consumption.

Why do utilities maintain this position? How can they afford such profligate spending in the face of huge energy shortages? Simple, they let their consumers pay advertising bills by passing the cost along in utility bills. Since utilities can advertise at no expense to their shareholders, they have no incentive to do otherwise.

Another important consideration in determining the propriety of utility advertising is the marketplace status of the private utility. It is competing in the free market for a limited amount of customers? Is advertising and promotion of its services and products essential to solicit even a bare minimum of customers and income? Absolutely not.

Private gas and electric utilities enjoy a status that few businesses have—they operate as a sole-source monopoly supplier that is guaranteed a reasonable profit by law. It is not clear that any advertising of a sole-source monopoly product is necessary, let alone the extensive campaigns and spending levels that utilities now engage in.

Gas and electricity consumers are in the midst of unparalleled rate increases—some cities have seen their rate doubled in a matter of several years. While there is usually a reasonable justification for at least a part of these increases, it makes absolutely no sense whatsoever to force consumers to pay more in order for utilities to advertise more. This legislation would be one step toward easing the fuel bills of the American public.

CONGRESSMAN MADDEN'S ADDRESS TO THE AMERICAN FEDERATION OF TEACHERS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, last Saturday, May 10, 1975, our colleague, Mr. MADDEN of Indiana, addressed a workshop of the American Federation of Teachers in Gary Ind. Chairman MADDEN has long been a supporter of increased benefits for teachers and I am submitting his statement to the AFT in order that we may have the benefit of his knowledge and views:

REMARKS OF CONGRESSMAN RAY J. MADDEN

I wish to commend the members of this organization for their outstanding interest in devoting their careers to improving, expanding, and making it possible for millions of American youths to secure the most valuable asset a free nation can offer, and that is primary education, basic education and educational advancement for people in all walks of life . . . including our senior citizens.

As I look back and review some of the difficulties and hardships our schools, colleges, and universities have had in securing proper funds to aid in paying qualified instructors and teachers and to expand educational facilities, it astounds me that in this land of ours, we have achieved such remarkable accomplishments in education, during the last 25 years.

I would like to mention at this time one of the many steps forward and that was the Elementary and Secondary Education Act of 1974.

On August 21, 1974, the President signed a major bill extending the Elementary and Secondary Education Act, and making major revisions in the programs it authorizes.

Let me recall some of the provisions of the Elementary and Secondary Education Act of 1974 as passed by Congress and approved by President Ford.

1. An extension of the Title I program for three more years with updating of the formula used for distributing its funds.
2. Extension of the Education of the Handicapped Act.
3. A study by the National Institute of Education of compensatory education.
4. A guarantee of priority in the compensatory education program for handicapped children in state-supported or operated institutions.
5. Extension of the Adult Education Act.
6. Extension of the Impact Aid Programs for one more year.
7. The creation of a new Community Education Program; and
8. An extension of the Bilingual Education Act.

COLLEGES AND UNIVERSITIES

The bill was amended in the House to include a formula which incidentally will increase Indiana's share of the Title I funds from $18 million in Fiscal Year 1974 to $24 million in Fiscal Year 1975.

We also extended all existing programs of aid to colleges and universities under the Higher Education Acts of 1963 and 1965, including construction loans and grants, aid to developing institutions, and programs for library support.

In addition, the law authorized, at the level of $275 million over three years, start-up and expansion grants for community colleges.

Beyond the establishment of the new program of Basic Opportunity Grants, I believe the most significant new feature of the 1972 law was a new program of Direct General Institutional Aid.

Under this provision, ninety percent of the funds an institution would receive depended on the amount of Federal student assistance flowing to that campus while ten percent of the money would be based on the number of graduate students enrolled there.

This provision was designed to give some relief to our financially hard-pressed colleges and universities, while at the same time taking into consideration the fulfillment of a national priority—insuring equal educational opportunity for all students, regardless of their economic background.

Let me briefly remind you of the principal highlights of the Education Amendments of 1972, a measure signed into law during the last Congress, and one which has been described as the most significant legislation to help higher education since President Lincoln signed the Land Grant College Act over a century ago.

The law extended all existing programs of student assistance, including College Work-Study, National Direct Student Loans, Supplemental Educational Opportunity Grants, and the Guaranteed Student Loan Program for three more years.

We created a new program of Basic Educational Opportunity Grants under which each student would be entitled to $1,400 per year, less his expected family contribution.

We also created a new National Student Loan Marketing Association to buy, sell and warehouse Guaranteed Student Loans in order to stimulate students from families with incomes under $15,000 per year. These students are now automatically eligible to receive interest subsidy benefits on loans not to exceed $2,000 per year.

Students whose families have incomes above $15,000 per year are also able to receive subsidized loans provided they can demonstrate a specific need for the money.

Hopefully, the amendments recently approved by the Congress will help restore the Guaranteed Student Loan Program to an even keel, and once again do what it is supposed to do—help facilitate bank loans to students who need the money to go to school!

ARTS AND HUMANITIES

The Arts and Humanities extension substantially increases the authorization for the National Foundation for the Arts and Humanities—$597 million through June, 1976, compared with $80 million in 1973.

ENVIRONMENTAL EDUCATION

The Environmental Education extension authorizes $30 million through June, 1977, for programs to develop teaching materials for environmental studies, to train teachers, and to support ecology courses in schools, and community conferences on the environment for business, labor and government leaders.

ALCOHOL AND DRUG ABUSE EDUCATION

This extension authorizes $90 million during the next three years to continue support of drug and alcohol abuse. The law gives priority to school-based drug and alcohol abuse education programs and provides assistance for states and communities.

VETERANS

Millions of veterans and dependents have benefited from a series of new laws improving compensation, pension, health care and other benefits.

A Vietnam G.I. Education bill has been passed in differing versions by both Houses. The bill as approved by the House would provide a 22.7 percent increase in education benefits and an 18-percent increase for rehabilitation and job programs. The conference report agreed to in the Senate would provide a 22.7 percent increase for all education and training, a $1,000 veterans loan program, and an extension of months of benefits from thirty-six to forty-five.

VETERAN COMPENSATION

Compensation increases are now being paid to 2.2 million disabled veterans and 392,000 survivors. The increases range from fifteen to eighteen percent, depending upon the disability. Dependent survivors get seventeen percent more.

These are just some of the activities affecting American education which have been going on in this Congress, some finished and some unfinished.

SENIOR CITIZENS

And there are, in addition, other battles to be fought, such as teaching our senior citizens productive and recreational skills like pottery, sewing, gardening, landscaping, minor plumbing, and so forth. These skills provide additional income, as well as a source of recreation and a brighter outlook to continue living as outstanding Americans.

SPECIAL FOOD SERVICE PROGRAM

I voted for the 1975 Summer Special Food Service Program for children which was mandated by P.L. 94–20 providing for food away from home. Special assistance is available in the summer program when all or nearly all participating children need free meals and the need cannot be met by the sponsor. A well nourished individual can function better than one with hunger pains.

The teachers' organizations throughout the nation have aided Congress in enacting constructive legislation due to their concentrated work, resolutions and endorsements bringing our schools, colleges and universities to their present high standard, especially in preparing millions of our American youth for the future.

DANGERS OF AN UPTURN

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, in today's Wall Street Journal there is a most interesting and, I think, excellent article by the Honorable Walter Heller, regents' professor of economics at the University of Minnesota and former Chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson. Dr. Heller has had many other honors. The article by Dr. Heller entitled, "The Dangers Of An Upturn" is a challenging article to the Congress and to the executive branch of the Government. It points out the shortcomings of the course to which we are now committed. It emphasizes the advantages which would derive from a bolder course to lift this country out of the recession. Dr. Heller emphasizes also the terrific deficit in productivity as well as employment in this country from the high rate of unemployment that we have and from one-third of America's industrial capacity which is not in use. It would be well if those who speak only about the dollar deficit in the budget understood the far greater seriousness of this kind of deficit.

I commend, Mr. Speaker, this thoughtful article to my colleagues and to my fellow countrymen. It would be well if we gave careful consideration to what Mr. Heller has to offer. Follows the article to which I refer:

THE DANGERS OF AN UPTURN

(By Walter W. Heller)

That much heralded business upturn, not far off, will be the economic non-event of 1975. For while *business* will turn up, unemployment will hang high and unused capacity will be huge. The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward *direction* of activity, will ignore the abysmal *level* of the economy and press their Holy War against inflation with recovery-aborting fervor.

Right now, we are in the darkness that comes just before the dawn. Unemployment is still rising, to a peak between 9% and 10%. Much consumer demand is being met from inventories instead of new production. Prospects for autos and housing range from feeble to anemic. Plant and equipment outlays are still being marked down.

But as the 1975 tax cuts pour into the economy, as inventories are drawn down and production steps up to meet the consumer demand, and as the pace of government spending (especially on defense) picks up, the economy should begin a rebound. Starting by July or August, it should carry real GNP upward at a 6–7% pace in the second half of the year.

Still and all, the dawn will break cold and grey for the unemployed. The jobless rate will hover near 9% throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

Before tossing our hats in the air at the first signs of an upswing, we should reflect a moment on the path of the stimulants that will bring it about:

Tax Cuts. After pumping money into the economy this quarter at a $50 billion annual rate, the injections will drop to a $15 billion rate in succeeding quarters. (In contrast, the 1964 tax cut, in today's terms, would have produced a sustained $26 billion rate of injection.)

Budget Stimulus. Even assuming expenditures in the neighborhood of $365 billion in fiscal 1976 and continuation of about $12 billion of the tax cuts next year, the budget will swing significantly toward restriction (by some $10 billion to $15 billion in full-employment terms between the first half of 1975 and the first half of 1976) at a time when recovery is still in its early stages.

Money Supply. After the temporary current spurt in money supply growth, the Federal Reserve will be tempted to go back to its "standard" 6% growth target. If it does, this alone could condemn us to a paltry 4–5% rate of increase in real GNP in 1976.

Inventories. The big spur to production implicit in the drop in inventory liquidation rates from a peak of perhaps $20 billion to the neighborhood of zero by the end of the year is hardly likely to be sustained via inventory accumulation in 1976.

THE WHIPLASH OF RHETORIC

Yet under the whiplash of the Ford-Simon-Burns rhetoric, even the *prospect* of an upturn is being used to mobilize the nation's continuing fears of inflation in a campaign against more expansionary budgetary and monetary policy. The upturn itself will give aid and comfort to that campaign. The forces then arrayed against vigorous policies for expansion would indeed be formidable:

The Federal Reserve, still smarting from charges of election-year overexpansion in 1972, will let its deep-seated anti-inflationary bias be its guide.

The White House, following its inherent economic conservation, seems ready to settle for a mild expansion and slow absorption of the unemployed.

Congress, intimidated by scare-talk about deficits and inflation and determined to demonstrate its fiscal responsibility under the new budget procedures, is likely to be imprudently "prudent." That is, in guarding against the distant threat of renewed inflation, it seems unwilling to deal boldly with today's deep recession.

This dangerously timid and restrictive mood—which, if it persists, could lead us from the 1974–75 recession, after a brief spurt, into a 1976 stagnation—seems to be rooted in neglect of some factors and misperception of others.

First, in its blind preoccupation with inflation, it seems to forget that (a) the ferocious inflation of 1973–74 is rapidly ebbing, (b) there is no reason to expect the forces that generated over one-half of that inflationary upsurge—two years of disastrous crop failures, a quintupling of oil prices and dollar devaluation—to recur during the expansion of the mid-1970s, and (c) a miserly monetary policy and restrictive fiscal policy would blunt both the upswing and productivity that can help us subdue inflation in the short run and the expansion of savings and capital spending that can forestall shortages in the longer run.

Second, in assessing the economy's capacity to absorb stimulus, we seem to forget that (a) this recession is twice as deep as any previous postwar recession, (b) while real GNP has dropped 8% in the past 18 months, potential GNP has also been rising (by 6%, if we use trend growth), thereby idling about $200 billion of our annual productive capacity, and (c) American industry is now operating at only two-thirds of capacity. It remains a chilling reality that three consecutive years of 7% real growth would still leave unemployment at more than 6% and that present policies provide no assurance that even 7% growth will be maintained in 1976.

Third, even the redoubtable John Dunlop, in expressing the fear that bottlenecks in primary processing industries will abort recovery, seems to forget (a) that operating rates in primary processing industries are running below 70%, and (b) that many of the 1973–74 shortages reflected a frenzied flight into commodities—partly protective, partly speculative—as much as, perhaps more than a genuine scarcity of materials for productive use, and (c) that many of these materials are only now being disgorged in 1975's massive inventory liquidation. True, that inventory liquidation makes the huge idle capacity today somewhat deceptive. But inventory gorging and hoarding also blew the bottleneck problem in 1973–74 out of all proportion.

Fourth, two major misapprehensions about the budget continue to plague the country and inhibit the Congress. One myth is that the huge federal budget is somehow the result of government profligacy. The facts are that (a) nearly $60 billion of the projected 1976 deficit is due simply to the ravages of recession (about $45 billion of reduced revenues and $15 billion of increased unemployment costs) and (b) the $4 billion overestimate of offshore oil lease revenues and a $6 billion or so underestimate of domestic expenditures bring Mr. Ford's deficit to some $70 billion—small wonder that Republican Senator Bellmon angrily accuses the White House of "phony" budget numbers.

A companion myth is that civilian spending is the main source of upthrust in the federal budget today. But it is defense purchases, already running several billion dollars above projections, that are programmed (according to the Special Analyses section of Mr. Ford's budget) to rise some $25 billion, at annual rates, in the next five quarters. Leaving aside the energy program and the rise in unemployment benefits, the Ford budget for fiscal 1976 projects an 11% increase in defense expenditures, 9% for income security, 6% for health and zero for education, manpower and social services.

THE COSTS OF STAGNATION

Fifth, those who shrink from vigorous expansionary policies are also forgetting the huge costs of continued stagnation, not only in the human terms of intolerably high unemployment and intolerable losses of output, but in terms, already mentioned, of the productivity advances and capital formation foregone in a stagnating economy.

Is this an argument for pulling out all the stops? No, but it is an argument for stopping all the pulls—the downward pulls of niggardly monetary policy, a fading tax cut and parsimonious budget policy.

The Fed should lose no time in assuring the country that it will accommodate expansion, even if this means going beyond the newly declared 5% to 7½% monetary growth range, as it surely does.

The Congress should move promptly to make crystal clear, preferably by early reenactment, that the $12 billion to $13 billion of tax cuts beyond the rebate, Social Security payments and housing credit will continue in 1976.

Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as long as national unemployment exceeds a triggering level, e.g., expanded unemployment compensation and public service jobs and a new program of counter-cyclical assistance to hard-hit state and local governments, all of which would gradually self-destruct as the economy regains its health.

A year from now will be plenty of time for another look at expansionary policies. Even if we follow a resolute program of expansion, one that would boost real GNP at an 8% annual rate, we would still find the U.S. economy in mid-1976 with 7½%–8% unemployment, with output running some $125 billion below its potential, and with shortages and bottlenecks still no threat. That will give us plenty of time to review the bidding and determine whether, when and how restraint should be applied. To do it at the first sign of an economic upturn would be an abject confession of economic bankruptcy.

The danger of an upturn, then, is that the Burns-Simon axis will mistake the warm and gentle zephyrs of the rebound for the gathering winds of a new inflation—to be leaned against in the best (or worst) Fed tradition and to be used as a club against bold congressional action. The consequence? The rebound may never become a recovery. If the White House and the Fed, hypnotized by the fear of inflation, quickly turn from expansion to restriction, they will snatch defeat from the jaws of victory.

WHAT PRICE PEACE?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the U.S. News & World Report in their issue of April 24, 1975, printed a thought provoking, hard hitting editorial from the pen of Howard Flieger. I strongly recommend careful reading by the Members of Congress and I submit it for reprinting by the CONGRESSIONAL RECORD:

WHAT PRICE PEACE?

(By Howard Flieger)

Will American governments never wake up to the tragic futility of negotiating "peace with honor" with Communists?

Their violation of the Vietnam armistice is so massive its cynicism is overwhelming. Lost in the debacle is one point that is symbolic of the calculating way the Communists will exploit anything they sense as an advantage handed them in good will.

Consider the case of the 1,300 Americans still listed as missing in action in Indo-China. What has become of Hanoi's solemn agreement to help account for them?

Nothing. Instead, it is possible that many of them and their families are being used as pawns to try to wring further humiliating concessions out of the United States.

It might not be a bad idea for all of us to refresh our memories on the deal with the Communists that terminated America's direct combat role in the Vietnam War.

An "Agreement on Ending the War and Restoring Peace in Vietnam" was signed in Paris on Jan. 31, 1973, providing an immediate cease-fire. Imbedded in Article 8 of that agreement is this stipulation:

"The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action."

At a White House news conference, Henry Kissinger, then President Nixon's adviser on national security affairs, said "the accounting of the missing in action is unconditional and will take place within the same time frame as the American withdrawal."

But, once the deal was signed, the Communists didn't even bother to pay lip service to their pledged word. They did exchange war prisoners. They returned the bodies of 23 Americans who had died in captivity. But they did nothing about the missing in action then. They have done nothing about them since.

It must be said that, so far as anything is visible on the record, the U.S. Government has done little to try to force the Communists to keep their word.

Despite Mr. Kissinger's statement, no actual deadline was set for getting the information from Hanoi. Families of those missing who have appealed in person to the Communists have gotten nowhere. Hanoi has refused to permit searches in North Vietnam or any areas under its control for graves, crash sites or physical evidence of what might have become of the missing Americans.

Maybe most of them perished. Perhaps some are still captive. It is always possible that a few have been subverted and gone over to the Communist cause.

The tragedy is that nobody in the U.S. knows. And nobody is finding out.

Last September, President Ford declared "the record shows that there has been almost no compliance with these humanitarian provisions" of the Paris agreement.

Are the Communists playing a cruel game—using the issue to try to coerce further concessions? There are hints of that.

North Vietnam's Foreign Minister, in a letter to Sen. Edward Kennedy early last year, said Hanoi still was gathering information on Americans missing in action and hoped, eventually, to ease the anguish of their families. Hanoi clearly implied that the Communists know more than they've told about the missing 1,300, at least some of them.

The fate of those listed as missing in action was left to the good will of the Communists. Their fate is unknown. There is a lesson in this for Americans.

PART III: IN OPPOSITION TO REVERSE DISCRIMINATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on Sunday, May 4, I attended a breakfast held by the Metropolitan New York Coordinating Council on Jewish Poverty. There were a number of speeches made at the breakfast discussing the needs of the Jewish poor. I am appending at this time the statement of Bernard Warach, executive director of the Jewish Association for Services for the Aged:

THE JEWISH POOR OF NEW YORK AND WHAT NEEDS TO BE DONE TO HELP THEM

(Statement by Bernard Warach)

What a difficult time this is to consider the Jewish poor and the aged here in New York! Our government officials are confronted by a crisis in American life greater than the depression of the thirties. There is a loss of confidence in government, and indeed, all institutions. The tragedy of Vietnam, uncontrolled inflation, severe unemployment, violence and crime in the neighborhoods, and the thousand competing claims of highly organized groups make the conduct of government almost impossible.

Despite the distemper of the time, we retain our confidence in our elected representatives. Our government has responded to the needs of the Jewish poor and elderly—although so much more needs to be done to improve the lot of all of the least privileged American citizens. We are now a united Jewish community in New York—the broadest coalition of Jewish people, organizations and institutions ever organized on behalf of poor and aged Jews. We are confident too, that we shall by single-minded effort secure adequate government funding of income maintenance programs, and health, welfare, housing, employment and education programs for the Jewish poor and elderly. We shall join in concert with other ethnic groups, other organizations to assist all poor and aged people.

During the past six years, during the Lindsay administration, and now under Mayor Abraham Beame, a great deal has been done for the poor and aged of our City. But more than ever attention must now be paid the Jewish poor and elderly. The crisis of our time falls more severely upon them, and their anguish grows greater each day.

FACTS ABOUT THE JEWISH POOR AND AGED

What are the facts and circumstances about the Jewish poor and aged? About two and a half years ago, on November 22, 1972, the New School for Social Research completed a study of the Jewish poor for Federation of Jewish Philantropies of New York. Dr. Blanche Bernstein served as Study Director. The United States Census of 1970, and data at the Human Resources Administration, Community Council, Council of Jewish Federations and Welfare Funds and neighborhood studies were sources of information.

Of the total Jewish population of New York of 1.8 million people, 10.6 percent, or 191,000 were at or below the poverty level. This was defined as an income of $2,300 for a one-person family to $6,700 for a family of six or more. An additional 81,000 people, or 4.5 percent of the Jewish population of New York City were between poverty and near poverty levels. Near poverty levels were family incomes which were 25 percent above the poverty level scale. A total of 272,000 people or 15.1 percent of the population were poor or near poor.

The tables defininng poverty and near poverty level incomes were as follows:

EXTENT OF JEWISH POVERTY AT POVERTY AND NEAR POVERTY LEVELS, 1970

Size of family	Poverty level [1]	Near poverty level [2]
1	$2, 300	$2, 875
2	3, 000	3, 800
3	3, 700	4, 600
4	4, 800	6, 000
5	5, 400	6, 800
6 or more	6, 700	8, 400

[1] 191,000 persons, 10.6 percent of the Jewish population.
[2] 81,000 persons, 4.5 percent of the Jewish population.

Since the census of 1970 however, the cost of living in New York has soared 25% or more. Income maintenance grants such as Social Security, Supplemental Security Income grants, Aid to Dependent Children and Home Relief for the disabled aged and blind, have fallen far behind the cost of living. How can an elderly person manage on a grant level of $206 a month under Supplemental Security Income?

THE JEWISH POOR AND AGED

Who are the Jewish poor of New York today? We know them well. Each day their pleas for help come to us. Through the Community Service Offices of the Jewish Association for Services for the Aged, the Jewish Family Services, Jewish Community Services of Long Island, Federation Employment and Guidance Service, the Jewish Child Care Association, and Jewish Board of Guardians, Altro Health and Rehabilitation Services, the YM-YWHA's, the Federation Neighborhood Service Centers, members of Federation of Jewish Philanthropies, the constituent Jewish Community Councils affiliated with the New York Coordinating Council on Jewish Poverty, the Senior Centers of Agudath Israel of America, and in synagogues, we hear their pleas. They are people in distress, not just statistics. More than half are the elderly, eighty thousand.

Tens of thousands still live in the designated poverty areas of the inner city—On the West Side and Washington Heights, and the Lower East Side of Manhattan. In the Bronx, they live in West Bronx, the Lower Concourse, Concourse, Tremont, and a last remnant in South Bronx, Hunts Point and Morrisania. In Brooklyn they live in Coney Island, Williamsburg, Crown Heights and East New York. A last small remnant remains in Bedford-Stuyvesant and Brownsville. In Queens, the Jewish poor, mostly elderly, live in the Rockaways. The most important fact about the Jewish elderly is that they live in every neighborhood of the City—in Riverdale, Mosholu, Pelham and Co-op City in the Bronx, in Flushing, Forest Hills, and Rego Park in Queens,, and in Flatbush and Brighton Beach in Brooklyn. Thousands of the poor and impaired elderly live outside the designated "poverty areas."

The Jewish elderly left behind in changed neighborhoods live in terrible circumstances, and with great courage. The kosher butcher, the baker, druggist, doctor and dentist are all gone. Hardly an elderly Jewish soul in these neighborhoods has not suffered brutal muggings. The number of murders of the Jewish elderly in the last two years has made this a quiet Pogrom. The elderly poor have an income of $206 per month—S.S.I.—to pay for all necessities. About one-third of all the elderly including the poor are over 75. Over age 75, the incidence of physical and mental impairment amongst the aged increases. At the lowest income level of survival with Medicaid, the chronically sick and impaired can get a Visiting Nurse or Homemaker or Housekeeper or Home Health Attendant. But if they have an income a few dollars above $206, securing help in the home becomes very difficult. It is therefore, no wonder that so many frightened, ill, and mentally frail Jewish elderly are driven into the nursing homes, adult residences, and S.R.O.'s.

Much attention has been paid to the nursing home problem recently. In JASA's experience; there is no doubt that the very sick, feeble and mentally impaired elderly can only survive in an institution. The best homes have been our non-profit Jewish homes—under Federation of Jewish Philanthropies auspices and as independent voluntary agencies. The better care given in these non-profit homes does cost more—but what is life worth? The Moreland Commission investigation will undoubtedly end in passage of State laws, which will better regulate the institutions, and result in stronger supervision by the government to ensure quality care. Supervision of the nursing homes should be brought back to the City—close to home, and concerned citizens.

I hope legislators and our Executive branch of government will insure adequate funding of alternative care in the community for the physically and mentally impaired.

If the Home Health Care Act of 1975 introduced into the Congress by Representative Edward I. Koch and Senator Frank Moss can be passed and funded, this would be an enormous step in the right direction.

The elderly poor, and indeed all senior citizens, confront such overwhelming problems that when disaster occurs, even the middle-income elderly with some lifetime savings need help, and does become pauperized in the process.

The problems of the elderly have become all too familiar. They include:

Personal insecurity—fear of crime.
Physical and social isolation.
Low income.
Poor housing.
Unavailable medical care.
Mental health problems.
Legal problems.
Lack of community services.
Lack of leisure time activities.
Lack of employment.
Lack of transportation.

With funding by the City of New York and the federal government during the last six years, Jewish social agencies supported by Federation of Jewish Philanthropies, such as JASA, Federation Employment and Guidance Service, the YM-YWHA's, independent Jewish communal institutions such as Agudath Israel, and orthodox, conservative and reform congregations, and Jewish Community Councils affiliated with the Metropolitan Coordinating Council on Jewish Poverty have created a significant network of Senior Citizen Centers and Luncheon Clubs, and Community Service Offices in Jewish neighborhoods throughout the City.

These Centers and Service Offices provide outreach, information and referral, casework, protective service, leisure time and educational programs and a hot lunch. About 15 to 20 percent of the Jewish elderly are served annually through these services—funded by th government, Federation of Jewish Philanthropies, and the "in kind" contributions of synagogues and volunteers. The government funds for these programs come from the Department of Social Services and the New York City Office for the Aging, under Title VI of the Social Security Act, soon to be Title XX, Title III and VII of the Older Americans Act, a little State recreation money, and City tax levy funds. And yet much more service must be rendered. The problems of the Jewish elderly are so great—they have reached the magnitude of a terrible epidemic. The elderly, alas, are a quiet people, and so many are helpless. And yet their fate measures the quality of life in our city and our humanity.

POOR RELIGIOUS JEWS

What of the other poor Jews—the thousands of children, their parents, the disabled, the blind, the broken families, the mentally impaired? More than 80,000 of them. Our estimates are more uncertain for these people. We have no hard count of the number of Jewish women and children receiving public assistance. We do know that tens of thousands of religious Jews cannot secure the ordinary necessities of life for lack of money. They are low paid factory workers and heads of families of four, five or six children. Kosher food is very expensive. Tuition at Yeshivoth is high. In Crown Heights, Williamsburg, East Flatbush, Boro Park, and Brighton Beach, these families are in trouble. Moreover, the recession has affected their jobs.

POOR JEWISH FATHERLESS FAMILIES, THE DISABLED AND MENTALLY IMPAIRED

The last group of the Jewish poor which requires our concern are forgotten—and their very existence repressed in our minds. They are our mentally disturbed, disabled and our misfits. Yes, they include our fatherless families. The wreckage of the hippie years, and the era of divorces. They are often rejected by their families who are ashamed of them. They are unrelated to any community. The Jewish Family Service, the Jewish Community Services of Long Island, the Federation Employment and Guidance Service, Altro Health and Rehabilitation Services, and the mental health services of our Jewish hospitals do see these forgotten people day after day.

This has been a brief overview. The bare statistics and generalities hardly tell the story of troubled poor, and infirm people.

A PROGRAM FOR ACTION

What must be done to help the Jewish poor and aged by our government? What should our Jewish community organizations and agencies in the City do as our own voluntary effort?

Our elected legislators and the Mayor. Governor and President must be persuaded to support federal, state and municipal legislation and appropriations which will provide adequate income maintenance programs and services, housing and care for all poor and aged Americans. This program would include:

First, basic levels of income maintenance for all poor and aged people must be established at a fair and adequate level. All income maintenance programs should be legally tied to the cost of living. Appropriate federal and state legislation is needed for Social Security programs, Supplemental Security Income, and Public Assistance, the food stamp plan, unemployment insurance, disability insurance and veterans benefits, funded by adequate appropriations.

Second, revision of the Medicare and Medicaid legislation to provide full payment of adequate benefits for preventive health care in the community, acute care in hospitals, nursing home care for the convalescent, long term care for the chronically ill and aged.

Third, adequate home health care services should be legislated federally for all sick and chronically impaired people as an alternative to institutional care.

Fourth, a federal program of full employment must be established. Government funded jobs should be made available through Jewish community organizations, as well as through poverty corporations. Summer jobs for poor Jewish youth are needed, and should be channeled through Jewish sponsored agencies.

Fifth, social services in the community for the poor and the aged, outreach, casework, protective care, legal aid, for individuals and their families should be adequately funded, and provide geographic coverage in all neighborhoods in which significant Jewish poor and aged reside, through purchase of service arrangements with Jewish voluntary agencies.

Sixth, community mental health services are needed for the frail, mentally and emotionally disturbed of all ages. These preventive and therapeutic services are needed by people of all income levels. Mental illness if an economic disaster for midde-income families as well. The existing services of Jewish social agencies can and should be expanded.

Seventh, appropriations for federal housing legislation to provide rent subsidies for the elderly should be increased. The administration of these programs must be made more efficient and effective. Jewish voluntary agencies should be encouraged to develop housing for the elderly on a far greater scale than previously contemplated. By the end of 1975 there will be approximately 2,300 apartments sponsored by Jewish agencies affiliated with Federation of Jewish Philanthropies, the Jewish Home and Hospital, Daughters of Jacob, and JASA, and United Help. Another 5,000 apartments are needed in the next five years. The isolated Jewish aged should be resettled in retirement homes which are secure and happy places to be. The support and encouragement of legislators for such housing for the elderly projects is needed in their home districts. Too often the fears and anxieties of neighborhoods about any government funded housing project impedes the development of housing for the elderly programs, and indeed other health and aged care institutions

Eighth, far greater public support is needed for leisure time and educational programs, and senior centers for the aged. Appropriations under Title VI of the Social Security Act, and Title VII of the Older Americans Act should be increased.

Ninth, national and local Jewish organizations, social agencies and Jewish community councils are urged to redouble their interest and concern in legislation, and social action programs for the Jewish poor and aged. Jewish community councils, lodges, chapters, synagogues, social agencies should organize strong public affairs committees. The concerns for the Jewish poor and elderly must be translated into effective communication with legislators, and government officials in the Executive branch. A continued dialogue with local elected officials should be established.

Tenth, a city-wide volunteer effort amongst Jewish adults, youth and well elderly should be mounted to reach out to the elderly poor and the disabled in every neighborhood, in every synagogue.

We have made some progress. The partnership of government and Jewish social agencies and councils has indeed resulted in a broad network of community service offices and senior centers which do serve thousands of people. Twenty-three hundred units of housing have been built. We do have an income maintenance program. But much much more needs to be done. Despite the prophets of doom, America's resources are vast, and if we will it—and social justice prevails, help must come for the Jewish poor and the aged. Indeed it must come to all poor and elderly Americans. The Jewish community in all its divisions, must stand together, and in coalitions with other concerned Americans to ensure assistance to the poor and elderly.

We are confident the elected representatives of the citizens of New York will respond to these concerns of the Jewish community. There can be a time when we shall eliminate poverty in America for all people and bring comfort and sustenance to the aged.

HOME HEALTH CARE—PART XIV

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 85 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the Record several times a week by experts and lay persons commenting on the legislation.

This is the 14th in the series:

[From the New York Times, May 13, 1975]

Silent Winter

(By Fred M. Hechinger)

Before long, commissions, juries and courts will close their books on the nursing home scandals. Fraud and thievery will have been exposed and perhaps punished. The Moreland Act Commission's proposal, though short of basic remedies, could offer minimal assurance that at least for a while it will not be quite so easy as before to grow rich on outrages committed against the aged. The public conscience will, with relief, move away from those places where old people are stored until they die.

It is not an act of cynicism to predict that these necessary efforts to uncover and punish past wrong-doing will fall short of fundamental change. Nothing has changed in the fifteen years since former City Investigations Commissioner Louis I. Kaplan exposed comparable horrors. The only change was the lure of super-profits with the advent of Medicaid.

The reasons why the aging have become such easy prey to exploitation lie deeper than the greed of a few operators, the corruption of institutions and the protective shield provided by venal or cowardly politicians.

Nursing Home Horrors could not have continued so long if even a moderate number of people had cared about what happened to the old. The fact is that the fate of old people is of little interest to the majority and an inconvenience to a large proportion of the families of the aged.

The label nursing "home" may be a reminder that the collective conscience is still functioning. But resort to euphemisms is also an instant give-away that something is being hidden. Those who dreamed up the term "senior citizens" were engaged in a cover-up of the problems of old age.

The high cost of space in modern urban apartments and the modern American family's mobility offer rational excuses for an ever-increasing reliance on others to assume responsibility for the aged. The pragmatic sociology of post-industrial urban America makes a virtue of segregating the generations. Children, teen-agers, young adults, the "mature" (read: middle-aged) and "senior citizens"—are lured into, or confined to, their own worlds, their own literature, and their own potential for commercial exploitation.

For purposes of governmental classification, aging is now said to begin at 45—undoubtedly because at that point the cost of pensions and fringe benefits becomes a deterrent to new employers. Modern medicine has prolonged life, while modern economics have shortened life's usefulness. Nursing homes place the obsolete aged out of sight and out of mind. It is no accident that the new American efficiency pays so much attention to "clearing out deadwood."

Population statistics make it a certainty that matters will get worse. In the 1950's and 1960's, in the wake of the World War II baby boom, the nation was inundated by youth. Inevitably, the "excess" number of the young will show up a generation later as an "excess" of the old. Will the successor to the Youth Cult be known as the Old Age Curse?

The obvious conclusion is that the potential for windfall profits from nursing homes will increase rather than diminish. Thus an honest assessment of the problem cannot avoid the basic question: Is it possible to operate homes for aged on a for-profit basis without exploitation?

To ask the question is not to launch a general assault on the profit motive in free enterprise. It is merely to suggest that the profit system works properly only when the consumer can respond effectively to the seller, particularly to register dissatisfaction. The very old (like the very young) are usually incapable of exercising that role. They become not clients but prisoners of the system. Theirs is life's cold and silent winter.

Under such circumstances, the potential to exploit and profiteer, and in the process maltreat and humiliate the captive consumer, calls for an intensity of supervision and inspection which, to be effective, might well be more costly than letting the public agency actually run the enterprise. The recent ruling by the Appellate Division of the State Supreme Court that refusal by nursing home officials to admit safety inspectors does not warrant suspension of the homes' licenses does little to bolster hopes for a toughened inspection system.

What, then, are some possible answers to an intolerable situation? A partial solution may be found in such legislation as proposed by Representative Edward I. Koch of New York and Senator Frank Moss of Utah, to provide the elderly with help for housekeeping in their own homes.

To such efforts to reverse the trend of institutionalizing the case of the aged might be added tax or other incentives to encourage and fiscally aid families who can make room for the old in their homes.

Since substantial numbers will still have to rely on nursing homes, the voluntary agencies should be urged and aided to shoulder a greater share of the responsibility. Ready availability of good care via the voluntary and public sector is the best way to undercut opportunities for profiteering.

As long as youth unemployment continues at a high rate, a system of national service might help nonprofit nursing homes cope with the difficult problem of adequate staffing.

Ultimately, however, regardless of any specific reforms, the shame of the old-age homes will be permanently eliminated only when the American people start being ashamed of the way they think of, and treat, old age.

(NOTE.—Fred M. Hechinger is a member of the Editorial Board of The Times.)

AMERICA MUST WELCOME REFUGEES

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD the text of my weekly congressional commentary as aired on station WNDU-TV, South Bend, Ind., on May 12, 1975.

The subject of my commentary was the Indochina refugee legislation on which the House is scheduled to vote this week:

CONGRESSIONAL COMMENTARY

(By Congressman JOHN BRADEMAS)

For nearly three centuries now, America has been a refuge for people from around the world who have come here in search of freedom.

As these peoples of different cultures settled in America, they made solid and enduring contributions to the building of a great nation.

In the last thirty years alone, the United States has welcomed over a million refugees from lands devastated by war or oppressed by dictatorship.

These immigrants came in the tens of thousands from Hungary and Poland and by the hundreds of thousands from Cuba.

We have prided ourselves that America has meant for these people a new opportunity for freedom.

Now, at the end of a decade of tragedy in Vietnam, America, formed by successive generations of people from other lands, is again being asked to extend the hand of friendship, this time to refugees from Cambodia and South Vietnam.

The number of persons from Southeast Asia will be, as President Ford has pointed out, relatively small—120,000, with only some 35,000 heads of household, who might seek jobs. The rest are women and children.

If America is to be true to its heritage of hope and liberty for the oppressed . . . if we are to be faithful to the teaching of our Hebrew-Christian religious traditions, we must welcome these fellow human beings even as America one welcomed the fathers and mothers of many of us.

My own father came to America from Greece over a half century ago and he came, by the way, at a time when the rate of unemployment nationwide was even higher than it is today.

And many other citizens of our area have similar origins—Poland, Hungary, Germany, Italy, Ireland, Belgium.

We in northern Indiana are a community of immigrants even as America is a nation of immigrants. So I have been deeply gratified by the efforts of Americans across the country to aid the refugees from Asia.

I am confident that America will be true to itself.

OLDER AMERICANS AMENDMENTS OF 1975—MAJOR STEP TOWARD ELIMINATING DISCRIMINATION AGAINST AGED

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, it is clear that discrimination against older persons is widespread in the United States.

However, Mr. Speaker, recently the House of Representatives took a major step toward eliminating "ageism" in our society by passing H.R. 3922, the Older Americans Amendments of 1975, by the overwhelming margin of 377 to 19.

As my colleagues will recall, Mr. Speaker, included among the provisions of this measure is the Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.

Indeed, Mr. Speaker, examples of the need for such legislation are all around us. Recently, an article in the Washington Post, which summarized the results of a Harris poll on attitudes toward the elderly, noted that 87 percent of the people surveyed who do hiring and firing admitted that employers discriminate against the aged.

The article goes on, Mr. Speaker, to describe that the attitudes of many younger people about the aged are distorted and stereotyped.

I think, however, that the most shocking discovery made by the survey is that older people also believe that the stereotype of the elderly is accurate for older people as a group.

Clearly, Mr. Speaker, these attitudes must be changed, and I am hopeful that the age discrimination provisions of the Older Americans Amendments of 1975 will be helpful in altering these false images which are held by many Americans.

Mr. Speaker, I would like to submit for the RECORD the Washington Post article to which I have just referred:

[From the Washington Post, Apr. 16, 1975]

ATTITUDES ON AGING—AUTOMATIC RISE IN AGED AID IS FAVORED

(By Stuart Auerbach)

An overwhelming majority of Americans favor automatic increases in Social Security payments tied to the cost of living and oppose forcing workers to retire when they reach a certain age, pollster Louis Harris reported yesterday.

In the largest survey ever made of attitudes toward the elderly among the aged and the American public in general, Harris found that 81 per cent believe the government should use tax funds to help support the elderly.

He also found that the aged would like to keep working as long as they can and generally feel they are better off than the public imagines.

Harris conducted his $324,000 study for the National Council on Aging, which said it wants to destroy "stereotypes and cliches about growing old."

"This study is by far the most extensive ever conducted to determine the public's attitude toward aging and their perception of what it's like to be old in this country—and to document older Americans' views and attitudes about themselves," said Albert J. Abrams, president of the National Council on Aging.

Harris surveyed 4,254 persons for the study—1,457 between 18 and 60 years old and 2,797 over 65. The responses of the aged were weighted so they would not be overly represented in general questions, but the large number was needed to give an in-depth look at their attitudes, Harris said.

His national political surveys generally involve about 1,600 people.

The Harris finding that 97 per cent—as close to unanimous as you can get, he said—of all Americans believe that Social Security payments should include automatic cost-of-living increases runs counter to the opinion of some economists that the nation faces a taxpayer revolt because of rising Social Security taxes.

Moreover, it shows a lack of public support for President Ford's plan to hold increases in Social Security payment to 5.5 per cent—less than half of the 12 per cent jump in the cost of living last year.

"There is no indication that the public supports an arbitrary limitation on this increase," the council said.

The survey also showed that more than one-third of the nation's 21 million elderly were forced to retire and would have liked to continue working. Of the people surveyed who do hiring and firing for business, 87 per cent admitted that employers discriminate against the aged and 37 per cent said they disagree with mandatory retirement because of age.

The survey found that younger people have a different view of the elderly than the elderly do of themselves.

For example, 60 per cent of the people under 65 think the elderly are lonely, but only 12 per cent of the elderly think they are.

The same pattern holds true for illness. Fifty-one per cent of the people under 65 think the elderly are in poor health; 21 per cent of the aged agree.

While 68 per cent of the elderly think they are bright and alert individuals, only 29 per cent of the people under 65 agree.

"In the eyes of the public," the council said, "people over 65 spend a great deal of their time in sedentary, private and isolated activities. Actually the older public is far more active than imagined . . .

"Pastime activities of both young and old are very similar. Comparable numbers of the young and old, for example, spend a lot of time sleeping, reading, sitting and thinking, participating in fraternal or community organizations or going for walks.

"The only areas where the two groups part are (that) older people spend more time watching television than the young, while the younger group spends more time in child care, at a job or engaged in sports."

The public view of the elderly, said Harris, "is born of a great deal of guilt, and by taking pity the non-elderly portion of the population absolves itself for what it feels is a kind of mistreatment of older people."

In fact, Harris said, the survey shows that older Americans "are pretty alert . . . They feel full of life."

But, Harris said, while elderly individuals think of themselves as alert and active, they believe that they are exceptions and the rest of the people over 65 are different.

For Harris, this finding was "a great sadness."

"The aged have bought the stereotype of themselves as a group," he said. "They have heard the libel so often they have begun to believe it."

Among blacks interviewed in the survey, Harris found that movements to raise black consciousness and pride appear to have succeeded among the young while having little impact on older men and women.

COMMITTEE ORDERS REPORTING OF THE LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1975 (H.R. 5247)

(Mr. ROE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROE. Mr. Speaker, I am pleased to report to the House that the Public Works and Transportation Committee has ordered reported favorably H.R. 5247, the Local Public Facilities Capital Development and Investment Act of 1975.

Since I last addressed the House on this matter, there has been another sharp rise in unemployment—to 8.9 percent seasonally adjusted. True unemployment has risen even higher, perhaps to near 12 percent of the labor force. In short, the state of the economy has gotten worse, the economic recovery promised by the administration remains merely a promise, and more than 10 million Americans and their families continue to suffer the ravages of unemployment.

Clearly, it is urgent that the Nation take steps rapidly to combat this terribly serious unemployment situation. The members of the Public Works and Transportation Committee, both Republicans and Democrats, are united on this local public facilities construction measure, on which we expect to file a report today. Members of our committee from both sides of the aisle have listened to many hours of testimony on this measure, testimony which has been virtually unanimous in support of rapid adoption by the Congress of a local facilities construction program. We have listened to the testimony presented, and we have refined our proposed measure in light of the good advice given to us by a great many witnesses. For example, we have included in our revised bill a provision to assure that the Secretary of Commerce will provide grant money only for those projects which promise rapid start-up—onsite construction jobs in place within 90 days after funds are received by the local community.

We have also looked carefully into the matter of the capital needs of business to fund expansion. We have, of course, no desire to prevent private industry from obtaining funds needed to finance expansion of jobs. What we found, however, was that, because of the severe recession we are now experiencing, private borrowers will not this year be utilizing anywhere near the amount of capital which they did last year or which they would utilize under ordinary circumstances. In fact, we learned that even with a substantially increased Federal deficit, in line with that voted by the House last week, total capital requirements in the U.S. economy this year will still be far below the level of debt actually placed last year. Our hearing record contains many examples of statements by those directly concerned with corporate financing—for instance, the Morgan Guaranty Bank, the Chase Bank and many business economists—to the effect that there need be no fear about "crowding out" private business from the capital markets through deficit Government financing. I would ask that several of these statements be included in the RECORD following my statement today.

Mr. Speaker, with unemployment soaring and only a slow and halting recovery promised, with more than 10 million American workers and their families now unemployed and little prospect for a rapid upturn in the private economy, the Federal Government clearly must move quickly to counter the recession and put Americans back to work. H.R. 5247 will help accomplish this purpose.

Several days before this bill comes to the House floor, I will insert in the RECORD a detailed explanation of H.R. 5247, its many provisions and safeguards and the great positive impact it will have upon America's faltering economy. Meanwhile, I invite Members to study this public facilities construction legislation, which has united the Republican and Democratic members of the Public Works and Transportation Committee in an effort to counter this terrible recession. I invite Members to address their questions about the bill personally to me and to members of the committee, and to stop by the committee office and look at the hearing record to learn more about the measure and how it will work to offset unemployment in their districts and across the Nation. I am sure that Members will have questions about the legislation and how it will work, questions which we will be more than happy to answer over the coming days before the legislation reaches the floor.

I wish to thank you, Mr. Speaker, for this opportunity to address the House on this important counterrecessionary legislation, and I wish to thank the members of the Economic Development Subcommittee and full Public Works and Transportation Committee for their many long hours of work in preparing this measure designed to restore prosperity to our Nation. Through the efforts of the members of these committees, both Republicans and Democrats, the House will soon be presented with an opportunity to begin to turn this economic decline around. It is an opportunity we in this House must not pass by. At this point I include the following material:

[From the First National City Bank Monthly Economic Letter, April 1975]

CREDIT DEMAND

Crowding out or filling in?

The recovery prognosis has been challenged by those who worry about the impact of heavy Treasury borrowing. The fear is that the huge deficits in prospect for the fiscal years 1975 and 1976 will require the Treasury to sop up so much of the available credit that private borrowers will be shut off. If the Federal Reserve were to try to prevent this crowding out, the argument goes, they might create new money at such a fast clip that reasonable expectations of a new round of double-digit inflation would be quickly revived. In either case, the result could be a sharp rise in interest rates and a brake on recovery.

The logic behind the argument has serious flaws. Large as the federal budget deficit looms, it is primarily the result of the drop in tax payments and a rise in transfer payments. Estimates by government economists suggest that over $50 billion of the deficit in 1975 can be accounted for by the recession. During recessions, demands on the credit markets by households and private business diminish, and diminish the more sharply the deeper the recession. In other words, the counterpart of unusually heavy Treasury demands is a large decline in private borrowing by households and businesses.

These shifts in the apportioning of credit will be accompanied by an increase in the total credit supply. Federal Reserve policy is likely to be accommodative, as it typically has been in the past during recessions—and often in other periods when the Treasury has found it necessary to borrow large amounts. Personal saving also is likely to jump in 1975, partly due to the tax cut. The total amount of funds supplied (and raised) in the credit markets will rise, unlike the experience of 1974.

By the opening months of 1975, it was evident that the volume of nonfederal borrowing was running at less than a $100 billion annual rate, seasonally adjusted, compared with a $180 billion pace in the first half of 1974, and that this steep drop in demand for credit could become even deeper in the next few months. Later in the year, consumer borrowing should revive in response to stronger demand for durable goods and home purchases stimulated by ample supplies of mortgage credit.

Historical relationships suggest that total net nonfederal borrowing in 1975 is likely to run in the range of $90–120 billion. But the total credit supplied to ultimate borrowers—that is, consumers, nonfinancial businesses, governments and foreigners—is almost sure to top last year's estimated $172 billion, and it could rebound well above the $200 billion level. So the implication is that the total supply of credit will be sufficiently large to accommodate the total demand, including $70–90 billion of Treasury securities, without undue strain.

The judgment concerning the current year, however, does not necessarily hold for the longer run. As the economy recovers from this recession, private credit demands can be expected to escalate. As the economy nears full employment, the monetary authorities will face a painful dilemma unless the federal deficit and related Treasury borrowing diminish sufficiently. For they may find that they must either allow Treasury borrowing to crowd out private borrowers to an extent that stifles private capital formation or permit the money supply to grow at an inflationary rate.

[From the Morgan Guaranty Survey, February 1975]

Can the Government Finance Those Big Deficits?

The economy's downward slide is continuing with no early end in sight. January's slump in industrial production was the steepest in 37 years. Unemployment, already the highest since 1941, is headed higher. And consumers, despite the enticement of rebates in auto and other lines, are hardly battering down the doors to get at the merchandise.

With alacrity, the White House and Congress now are moving to stem what clearly is the nation's worst post-war recession. The House Ways and Means Committee's tax-relief measure is indeed larger than the President had requested, and no one would be greatly surprised if the Senate sweetened it still more.

At the same time, Congress gives every sign of turning down most—if not all—of the President's program to tax oil and gas consumers $30 billion. Additionally, Congress apparently is going to ignore White House requests for a curb on certain spending programs. President Ford has advocated either rescinding or deferring $17 billion in spending that would otherwise take place in fiscal 1976. Most of such savings are not possible without Congressional approval. Some of the cuts, particularly those made possible by a 5% limit on Social Security increases for a year, probably will fail to generate Congressional support. The White House plan to increase the cost of food stamps was rejected by Congress. On the other hand, the 17% increase in budget authority requested for the Department of Defense for fiscal 1976 probably will be pared, the 10% increase in outlays for national defense forecast by the budget may thus be on the high side.

Despite the Administration's resolve to limit fiscal 1976 spending and its advocacy of a slowdown in the growth of government outlays thereafter, the budget figures presented to Congress earlier this month indicate that the Administration is far from averse to a significant near-term increase in spending. That disposition is clearly evident in official estimates of expenditures (on a national income accounts basis) for the first half of 1975—up 17% at an annual rate over the last half of 1974. And it was underscored by President Ford's post-budget announcement that the federal government is now prepared to free up some $2 billion in highway construction funds from the impoundment list.

With so many fiscal matters in flux, it is obvious that the Administration's budget estimates for the current fiscal year and for the year beginning July 1—estimates that in any year are subject to a wide margin of error—are especially vulnerable. Whatever the size of the tax-and-spending program Congress and the President settle on, however, huge deficits are a certainty. Borrowing needs of the government clearly can be expected to exceed post-World-War-II records for an eighteen-month period.

Such huge prospective deficits have raised a chorus of alarms from observers both in and out of government that the money and capital markets cannot handle such huge flows without serious disruption. According to this line of thinking, interest rates will rise, and private borrowers, especially those with lesser credit ratings, will be crowded off the credit queue. On a larger scale, it is said, the borrowing requirements of the federal government and the resulting higher interest rates will detour money from thrift institutions, prevent a rebound in housing, and abort a recovery.

While it is understandable that concern should exist in the face of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated. Indeed, an examination of the potential sources and uses of funds in 1975 indicates that government financing—under certain seemingly reasonable assumptions—can be accommodated without major disruption of money and capital markets. This is particularly so because many traditional borrowers seem likely to be cutting back on their borrowing in response to a slumping economy.

Nonfinancial corporations, for example, are expected to cut back sharply on their bank borrowing from $27.5 billion in 1974 to less than $15 billion this year. This reflects a reduced need by businesses to finance inventories and an effort to restructure balance sheets and improve liquidity positions by extending the maturity of their liabilities. Thus, they will be tapping the long-term bond markets more heavily and paying down bank loans. This process is already under way: in the first five weeks of the year, business loans at large commercial banks have dropped more than $5 billion while the corporate bond calendar has been huge. The reduced demand for bank loans will encourage commercial bank purchases of government securities, while the bond calendar will be placed with typical buyers of corporate bonds (such as life insurance companies, pension funds, and state and local retirement funds) who traditionally show little or no interest in Treasury issues.

Consumers, cutting back on purchases of big-ticket durable goods and autos, will be borrowing much less than the $9.6 billion by which consumer credit increased in 1974 (which was itself far below the record $22.9-billion increase in 1973). This is a typical recession response. People are concerned about the state of their personal finances and want to get monthly payments down in fear of rising unemployment and lower personal income.

Meanwhile, renewed strength in savings flows, expected to continue for the rest of the year, should cut the borrowing of federal credit agencies to about $12 billion, more than 40% below 1974's volume. Finally, the use of funds by the mortgage market and state and local governments probably will be no larger than it was in 1974.

DOUBLE-BARRELED STIMULUS

Such a pattern of credit demands would free a sizable portion of commercial bank credit for investment in Treasury debt as the Federal Reserve continues in 1975 to push monetary ease. As with fiscal policy, expansionary monetary policy with lower interest rates is a traditional, and appropriate, anti-recession reaction: in the past when economic activity turned down, fiscal and monetary policy both turned stimulative. Thus, enlarged federal budget deficits have generally been associated with falling—not rising—interest rates.

Federal Reserve Chairman Arthur F. Burns has indicated that monetary policy in 1975 would provide for moderate growth in the money supply to accommodate the Treasury's borrowing requirements without soaring interest rates. Acquisition by the Federal Reserve of something like $9 billion of Treasury securities in 1975 for its open-market account would be consistent with moderate monetary expansion. If this analysis is correct, the private capital markets would have to absorb about $41 billion of Treasury borrowing.

This would be a record peacetime amount but would not be unmanageable if slackened private credit demands materialize as is widely expected. Against that backdrop, commercial banks might take $30 billion of federal debt, which would be consistent with moderate bank credit expansion of about 10%. Corporations and nonbank financial institutions are also expected to step up their investment in government securities in their efforts to rebuild liquidity. Foreign investors, largely central banks and monetary authorities, are assumed to acquire, on balance, a modest volume of Treasury debt although that figure is almost impossible to project. As can be seen from the box on page 2, such foreign buying has ranged from as high as $26 billion in 1971 to practically zero in 1973. With rates of return sharply reduced, individual and miscellaneous investors are expected to be net sellers of government securities.

Even if the Treasury's money needs turn out to be $10 billion or so larger than the $50 billion assumed in this analysis, the impact on credit markets would not be significantly different. How things will ultimately work out is obviously uncertain. But it seems reasonable at this early juncture that the interplay of steep declines in economic activity and easing monetary policy affords latitude for an orderly matching of the supply and demand for credit during 1975. As this process unfolds, the near hysterical whoops in some quarters of an impending financial crunch should subside.

WHERE THE MONEY MIGHT COME EROM

[In billions of dollars]

	1971	1972	1973	1974	1975 [1]
Commercial banks	3.1	2.4	−8.8	−2.7	30
Federal Reserve banks	8.1	−.3	8.6	2.0	9
Nonbank financial institutions	−1.7	2.3	−1.1	3.0	6
Nonfinancial corporations	2.1	−3.2	−3.0	1.2	4
Government	−2.4	3.7	2.6	2.3	1
Foreign investors	26.3	8.4	.3	3.9	7
Individual and other	−9.4	.7	9.2	3.4	−7
Net change in U.S. Government securities	26.0	13.9	7.7	13.1	50

[1] Projected.

Note: Data are for calendar years.

Source: The Morgan Guaranty Survey.

[From the Wall Street Journal, Mar. 7, 1975]

Deficit: Where Is Thy Sting?

(By Walter W. Haller)

As the Senate tackles tax cuts to fight recession and the Congress considers budget relief to succor the victims of inflation and unemployment, the legislators are being bombarded with dire warnings that the resulting deficits will crowd out private borrowing, push up interest rates and rekindle inflation. Lest they be unduly inhibited or even intimidated by this barrage of scare-talk about unmanageable and inflationary deficits, let them bear in mind four central facts.

First, the very forces of rampant recession that make tax and budgetary stimulus so imperative are the forces that open up a yawning financial gap for the deficit to fill. The deeper the plunge of the economy, the greater the shrinkage of private outlets for savings in the form of corporate borrowing, mortgages and consumer installment debts. In an economy running $175 billion below its potential, the deficit will help fill the void, not elbow out private borrowing.

Second, for clear thinking, the Congress and the country should divide budget deficits into two parts:

—Type A, the passive deficits generated by the negative effects of recession and slack on the budget.

—Type B, the active deficits generated by positive fiscal actions—tax cuts and budget boosts—to combat recession and take up economic slack.

The President's budget is referring to Type A deficits when it says, "If the economy were to be as fully employed in 1976 as it was in 1974, we would have $40 billion in additional tax receipts, assuming no change in tax rates, and $12.7 billion less in aid to the unemployed." This $53 billion is the mirror image of the deficit in output and jobs.

The quickest way to shrink and eventually end such Type A deficits is to incur Type B deficits via swift and bold tax cuts and budget hikes that will get the economy expanding again. Indeed, while such fiscal stimulus will temporarily enlarge the deficit—to perhaps $70 billion in fiscal 1976—it will also pay such large dividends in rapidly rising revenues that it will produce a smaller aggregate deficit for the '70s than would a more timid program.

Third, Congress can and should look at the Federal Reserve to accommodate the large deficit just as it has in past economic slumps. The White House clearly does so, as this passage from the President's Economic Report makes clear:

"One way of preventing significant displacement of private investment in a substantially underemployed economy would be to increase the rate of money supply growth to reduce federal financing pressures. Under such conditions, an increase in monetary growth need not be inflationary in the short run, especially if there is a large unsatisfied demand for liquidity."

In other words, in an economy that has fallen so far from the grace of full employment, the Fed can safely generate the bank reserves and expanding money supply required to ward off rising interest rates and crowding out of private borrowers. And having provided liquidity for today's dehydrated economy, it will have plenty of time to sop up any excess funds before the economy again nears the inflationary danger zone of full employment.

A REMOTE THREAT

Fourth, just as the swift slide into deep recession makes the return to high-pressure prosperity a distant prospect, so the rapidly dwindling price pressures make a resurgence of inflation a remote threat. In the face of a $175 billion shortfall of aggregate demand, falling commodity prices and the massive unemployment that is defusing a feared wage explosion, the hot blasts of inflation are turning into a warm breeze. Early in the year, under the prodding of my colleague George Perry of Brookings, I ventured the far-out forecast that inflation would ebb to a 5% rate before the end of 1975. But now our position at the end of the limb has been preempted by the economists of the First National City Bank who assert that "it is not unrealistic to expect inflation to fall back into the 3% to 4% range by the second half of this year."

Since the burden of proof that the fiscal problem is manageable has strongly been shifted by the creators of the problem to their critics, let me elaborate on each of the foregoing points.

On the first, namely that the recession is drying up credit demands in the private sector and thus freeing funds to finance the Treasury deficit, one quickly finds supporting evidence in both the global and sectoral flow-of-funds figures. For example, the most recent Salomon Brothers' analysis shows total net demand for credit shrinking from $185 billion in 1973 to $163 billion in 1975, even with a jump of $31 billion in federal (including agency) borrowing. Total business and household credit demands are estimated to shrink from $150 billion in 1973 to $95 billion in 1975. Bearing in mind that a fully functioning economy in 1975 could have produced a $200 billion supply of credit, one may conclude that a federal deficit considerably larger than $50 billion could be accommodated without unbearable strains in 1975.

The Morgan Guaranty Survey for February, after carefully matching shrunken private credit demand and expanded Treasury needs (even if these run to $60 billion in calendar 1975) concludes that "the interplay of steep declines in economic activity and easing monetary policy affords latitude for an orderly matching of the supply and demand for credit during 1975. As this process unfolds, the near-hysterical whoops in some quarters of an impending financial crunch should subside." Amen!

Turning, second, to the salubrious effect of economic expansion on the federal deficit, one should bear in mind the following numbers:

—Under present tax rates and transfer programs, the federal revenues at full employment would run about $20 billion to $25 billion ahead of expenditures in 1975.

—For every $10 billion narrowing of the $175 billion GNP gap, federal revenues rise by about $3 billion and transfer payments shrink by about $1 billion—a handsome return on the investment in expansionary fiscal policy.

—The $12 billion tax cut in 1964 (which translates into a $25 billion tax cut today) more that paid for itself by 1965, and, indeed, had produced enough economic expansion to generate a surplus in the federal budget by mid-1965 prior to the Vietnam escalation.

On the third point relating not just to the Federal Reserve's unquestioned ability but to its willingness to accommodate a vigorous attack on recession, one can truly say that the Fed has hardly begun to fight. True, the plummeting demand for credit has pulled short-term rates down dramatically. But its efforts to inject funds into the economy and help stem the tide of recession have been too feeble to register on the M–1 seismograph in recent months. The most optimistic reading of this failure is to assume that the Fed will practice "percentage averaging" and allow itself at least a spell of the 8% to 10% growth rate in money supply that ought to be standard procedure in an economy cursed by the deepest and longest recession since the Great Depression and blessed by waning inflation.

Just a word to those who feel that all our policy instruments are titled in an inflationary direction: Rest assured that the Federal Reserve, with its chronic allergy to inflation reinforced by searing memories of its untimely expansiveness in 1968 and 1972, will be a trigger-happy guardian at the gates of inflationary hell as economic recovery takes hold. One is reminded of Justice Holmes' dictum that "the power to tax is the power to destroy" and Justice Brandeis' rejoinder, "Yes, but not while this court sits." As the Federal Reserve gingerly shifts from the brake to the accelerator, apprehensive of the inflationary legacy it might leave, it would do well to bear in mind that "the power to expand the money supply may be the power to destroy price stability—but not (necessarily) while the Federal Reserve Board sits."

AN HISTORICAL NOTE

On the fourth point, the evidence that the inflationary tide is going out is mounting month by month. As an historical note, one should mention that the Ford energy program would have reversed that tide by tacking three percentage points onto the inflation rate. But the Congress will not let that happen.

In a rather curious switch, White House spokesmen are more pessimistic on inflation forecasts than most private forecasters. Yet with sensitive commodity prices off nearly 30% in the past three months, with food prices destined to drop if crops are normal, with woefully weak labor markets holding average earnings increases below double-digit levels, and with the Consumer Price Index already easing from a record rise (at annual rates) of 14% last summer to about 7% in January, it is hard to see what will keep inflation from dropping to 5% or below in the second half of 1975.

As an added starter, let me bring in a fifth point in the form of a question: Wherein lies monetary prudence and fiscal responsibility? Was it prudent and responsible (a) to press monetary tightness and fiscal toughness to the point of plunging the economy into a near-depression, and (b) brush aside those of us who sounded recessionary alarms with soothing reassurances that the economic slide was a mere "energy spasm" or "phantom recession," or "sideways waffling".

The same disciples of "prudence" and "responsibility" who overstayed tightness and overdid toughness are now counseling caution and urging the Congress to think small on tax and budget policy lest it plunge us into financial perdition and inflationary ruin. But the country would pay a heavy price in prolonged stagnation and stubborn deficits if Congress made the mistake of identifying prudence with timidity and fiscal discipline with niggardly tax cuts and budget parsimony.

In short, the Congress can prudently proceed with a strong program to reverse the recession and revive the economy. No fears of unmanageable deficits or imminent inflation need stay its hand. This is not to say that financing the deficit will be simple nor that it will be accomplished without a pinch here and a bind there. But sources ranging from impeccable to unimpeachable seem to agree that, with a responsive Federal Reserve, the huge deficit can be managed at low interest rates with little displacement of private investment and without rekindling inflation.

Summary of Private 'Economists' Statements

The Joint Economic Committee received very helpful testimony on the question of financing the deficit during their recent Annual Hearings. While Secretary Simon predicted a squeezing out of private credit demands, private experts voiced complete confidence in the banking system's ability to finance a deficit of substantial magnitude.

Here are a few excerpts from the statements made by leading academicians and financial spokesmen at hearings on the President's Budget proposals:

Arthur Okun, Senior Fellow, Brookings Institute: "Huge deficits in Fiscal Years 1975 and 1976 have become inevitable, and they are the only route back to prosperity and to appropriate anti-inflationary budget balancing in the years ahead. . . . I am confident that our debt managers can finance this huge deficit without encountering serious problems. Indeed, I wish we had no economic problems more serious than that of financing the deficit."

Robert Nathan, Robert Nathan Associates:

"I see no really mechanistic or procedural problem in financing the deficit next year."

Philip M. Klutznick, Committee for Economic Development: "Everyone agrees on that generally, as a matter of fact."

Michael Evans, President, Chase Econometric Associates: "A number of commentators have raised questions about what might be the effect (of the Federal deficit) on money and Capital markets . . . I am not particularly bothered by these deficits because of the great dropoff in credit demands by the private sector."

David M. Rowe: Wharton Econometric Forecasting Associates: "I would also comment that I do not see a significant problem in terms of financing these larger deficits partly because of monetary accommodation on the part of the Federal Reserve, but in addition because of the decline in private borrowing demands, in particular the declines in the need for inventory borrowing."

Charles L. Schultze, Brookings Institute: "The characteristic of a recession economy is a fall in the demand for loanable funds by private business. We are witnessing that now . . . Increasing the stock of money by a sufficient amount to ease interest rates somewhat further, and at the same time to accommodate a large Federal deficit would not be inflationary in an economy with (over) eight percent unemployment and very substantial excess capacity."

Walter W. Heller, University of Minnesota: "Sources ranging from impeccable to unimpeachable seem to agree that, with a responsive Federal Reserve, the huge deficit can be managed at low interest rates, with little displacement of private investment, and without rekindling inflation."

Gardener Ackley, University of Michigan: "Those who predict that Federal deficits will place intolerable pressures on our money and capital markets seem to be expecting—and assenting to—a descretionary policy designed to deepen the recession and delay recovery. I cannot believe that this is what the Federal Reserve intends to do or will do. . . . So I wish that the President and members of his Administration would stop their doomsaying. If they need to be 'shocked' or 'horrified' about anything, let it be about the impacts of unemployment on the poor, the minorities, and the young people just entering the labor force."

JOBS AND CRIME—PART II

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, today's New York Times contains the second in a series of articles by noted columnist Tom Wicker on the relation between unemployment and the rising rate of crime in the United States.

While no one discounts the fact that crime has many varied roots, the role of rising unemployment in the national crime epidemic should be thoughtfully explored. Mr. Wicker has made a very salient point in his observation that when unemployment and poverty exist side by side with affluence, frustration, and hostility eventually become translated into criminal acts. The economic situation confronting us today provides a uniquely American version of the revolution of rising expectations—when formerly oppressed socioeconomic classes are frustrated in their quest for social and economic mobility which they have been led to believe is theirs by right of citizenship. The Great American Dream is still that—just a dream—to millions of Americans who cannot get a job or who are underemployed in low-paying positions. The problem is particularly acute for black teenagers, whose unemployment rate now runs in excess of 40 percent and may be as high as 60 percent. What recourse do we leave to these youngsters who may desperately want a job, but whose lack of education, training, and skills deny any opportunity for job placement?

Mr. Speaker, I share Mr. Wicker's viewpoint that there is a very valid correlation between unemployment and crime, and I commend his excellent article to the attention of my colleagues.

The article by Mr. Wicker follows:

[From the New York Times, May 13, 1975]

Jobs and Crime

(By Tom Wicker)

Twice in recent weeks the notion has been put forward in this space that there is an important link between rising unemployment and rising crime rates. Prof. Lester Grinspoon and James B. Bakalar, research assistant, both of the Harvard Medical School, have provided a thoughtful response that concedes such a link but states that "the relationship is more complex and ambiguous" than suggested here.

"Amelioration of economic conditions and reduction of unemployment by themselves are an inefficient method of fighting street crime," they write. "We need approaches to the crime problem that are directed immediately and specifically at the acts we want to prevent as well as approaches that affect background conditions that have an indirect and sometimes uncertain relationship to the problem."

No doubt we do, but what approaches? More police? Tougher sentencing? Less plea bargaining? More people in prison? The United States has more police, harsher penalties and more people in prison than most societies, and still has the highest crime rates—rates that rose sharply in the last year and the last few months. As for less plea bargaining, if it did not altogether break the capacity of the courts to deal with crime, it would result in slower disposition of cases and probably in fewer convictions. That would detract from, not add to, the "certainty of punishment" that most experts, including Messrs. Grinspoon and Bakalar, consider the first necessity for the "deterrence" of crime.

They themselves point to several conditions other than unemployment and poverty as probable causes of rising crime rates—"weakened respect for law, breakdown of traditional roles, and the artificial wants and needs created by an affluent society . . . a decrease in law enforcement effectiveness." And they believe that "other, less directly coercive forms of control, like family, school, church, and neighborhood standards, have also become less effective." Few would want to dispute these points.

But how would "approaches . . . directed immediately and specifically" at criminal acts deal with these background causes of crime? It was not argued here that unemployment and poverty were the only such causes, even of the astronomical rise in crime rates, much less that eliminating them would eliminate crime. If unemployment is taken as only one cause of crime, among the others listed in the Grinspoon-Bakalar paper, it still follows that action against all these causes is needed as well as remedial action against crime itself.

One point not sufficiently developed in earlier articles is that it is not just unemployment and poverty, but so much unemployment and poverty existing side by side with so much affluence, that may be at the heart of swiftly rising crime rates. If widespread affluence is highly visible to the numerous poor and jobless, particularly in the cities, and if those poor and jobless, as argued here, are less and less able to rise by unskilled labor that is no longer in demand in an economy that requires technological or professional skills, it seems reasonable to suppose that the hopeless and embittered underclass that results would turn more frequently to property and violent crimes against the affluent, as well as among themselves.

The Messrs. Grinspoon and Bakalar point out that "the number of major felonies per capita . . . has risen steadily since the 1930's through upturns and downturns in the business cycle and in a period of generally growing affluence." But throughout that period, which coincides with the great migration of blacks into the cities, the black unemployment rate ran steadily at twice that of whites, sometimes more than twice; black teen-age unemployment was always much higher, and street crime is a young man's game.

The Vera Institute of Justice has a project that seems to support the idea of an important unemployment-crime link from the other direction. In two and a half years, it has provided "supported work"—that is, subsidized jobs with special supervision and assistance—to 2,730 former prison inmates. Ex-inmates ordinarily find it hard to get jobs, and many return swiftly to crime.

But in the Vera Institute's Wildcat Service Corporation, 40 per cent of the 2,730 have been graduated to non-supported work—regular jobs in the economy. Another 17 per cent are still at Wildcat and 18 per cent had to leave for reasons such as sickness, or moving to another city. Only 25 per cent have been fired or dropped out, presumably to return to the streets. This is considerably better than the recidivism rate among ex-inmates generally.

Even so, all that can be said with any certainty is that as unemployment rises, crime does too. In New York City, unemployment is now running at 11.5 per cent, and in the first three months of this year robberies here rose 25.4 per cent over the same period in 1974, larcenies 24.8 per cent, burglaries 21.7 per cent, and all serious crime 19.8 per cent.

IMPLICATIONS OF CONFERENCE REPORT ON H.R. 25 SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975

(Mr. DUNCAN of Tennessee asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DUNCAN of Tennessee. Mr. Speaker, the May 8, 1975, edition of the Knoxville Journal contained a front-page article concerning the implications of the conference report on H.R. 25, the Surface Mining Control and Reclamation Act of 1975, which passed the House and Senate last week.

The people quoted in this article are familiar with the reclamation costs under existing State regulations, and are in a good position to estimate the total costs of the proposed new Federal regulations in Tennessee. Since the costs of this legislation, like all legislation, will be paid by the consumers and taxpayers, I thing they are entitled to know what the price will be, especially in terms of lost production and higher utility rates.

Therefore, I am inserting the text of the article in the Record for the benefit of the Members:

[From the Knoxville (Tenn.) Journal, May 8, 1975]

Area Mining Officials Claim Regulations May Cripple, Halt Tennessee Strip Mining

(By Juanita Glenn)

Even as the House of Representatives was passing stringent strip mine legislation Wednesday, area mining officials and others associated with the industry were sounding a warning that the new federal regulations will severely cripple, and may bring to a halt, stripmining in Tennessee.

Pointing out that the cost of mining supplies and equipment has more than doubled within the past two years, Ralph Ross, president of Dean Coal Co., said that "somebody is going to have to pay for all this."

"We are just like any other business enterprise," Ross added. "When our costs exceed our income, we just don't exist."

Ross, like Wendell Long, president of Long Pit Mining Co., said that, while the reclamation costs will be passed on to consumers of coal and electricity, the strict regulations written into the federal law would make it necessary for mining operators to invest in expensive, and non-productive, equipment.

Warren Smith of Stowers Machinery Co., which supplies area mining operators with the heavy machinery they need for their stripping operations, agreed with Ross and Long, but said that the scarcity of the necessary machinery may be as big a problem as its price.

"Each operator will need haul-back trucks, front end loaders and D–9 bulldozers," Smith explained, "and these would be in addition to the equipment presently being used in stripping the coal. You can't have a man and a machine stripping coal and doing reclamation work at the same time."

"Our dealership received three of the D–9 'dozers to sell this year. If an operator ordered one today, we couldn't possibly promise delivery before fall, and I'm afraid even that would be more wishful thinking than a real promise.

"We are talking about some $850,000 worth of equipment for each operator," Smith continued, "and if all of them ordered the machinery at once, in order to comply with the federal law, there would be no way that we could supply them."

Smith said that each haul-back truck would cost about $200,000, front end loaders are currently priced at $250,000 and the bulldozers used in coal stripping and reclamation carry a $195,000 price tag. Each of the huge tires for the front end loaders cost $2,800, he added.

An even more somber note was struck by Fred Wyatt, executive director of FACT (Facts About Coal in Tennessee), who said that not only will many smaller operators be forced to close their mines because of lack of equipment, but that even the larger operators may find it economically impossible to stay in business.

"Tennessee's larger coal seams have all been mined out," he explained. "Kentucky and Ohio still have seams 12 feet or more thick, but the average seam being mined in Tennessee is 30 inches.

"Naturally, it will cost more to mine these thinner seams, and there is a very real danger that the new regulations could put us out of the market costwise."

Wendell Long, whose Long Pit mining operations are among the largest in the state, is in perhaps the best position of any East Tennessee operator to discuss the federal legislation dispassionately.

Long Pit is located on a 56,000-acre tract of land in Campbell County that Koppers, Inc., a Pittsburgh chemicals firm, purchased in 1965 for $2,200,000, and the mineral rights are owned by the Tennessee Valley Authority.

Because his contract with TVA calls for the authority to absorb any increase in reclamation expenses, Long knows that his increased costs will be paid for by the users of electrical power.

In addition, because he has been involved in a pilot reclamation project which approximates the requirements of the new federal legislation, he already has much of the equipment he will need.

From his own experience, Long said reclamation on the 75-acre experimental tract cost $13,500 per acre, or an average of $3 per ton more than conventional reclamation methods.

TVA reclamation specialists Herbie Johnson and Roger Bolinger corroborated his statement, presenting preliminary cost figures on the pilot project, compared with an adjacent 75 acres mined in accordance with Tennessee's stripmining regulations.

The TVA report shows that the cost per ton on the experimental tract averaged $12.03 and the cost on the adjoining tract averaged $8.82 per ton. The most disturbing provision of the new federal law, as far as the operators are concerned, is the requirement that each stripmined slope be returned to its original contour.

Both Ross and Long see this provision as unnecessary and impractical.

Drawing on his own experience, Ross, a former dentist, told of stripping operations he has completed since he moved to East Tennessee from Pennslyvania in 1967.

In Campbell County, he said, he mined a tract that the owner had offered to sell for $10 an acre. When the coal stripping was completed, he continued, his workers leveled the mountaintop, terracing the slope to provide proper drainage, and planted grass.

"That owner now has a grassy pastureland, and he tells me he is going to raise cattle there," Ross said. "If we had returned the slope to its original contour, he would have wound up with what he had when he started, unusable land."

In Scott County, he said, he built a road up a mountainside and offered to level off the top of the slope for a county park. His offer was rejected, he explained, because Scott County officials said they didn't have money to maintain the road.

Wyatt is disturbed, on two counts, because the federal law would require strippers to destroy the roads they build into the mountains.

"This could put an end to deep mining as well as stripping," Wyatt explained, "because, with the roads destroyed, the deep miners would have no way to get back to the coal."

This provision also would destroy the owner's access to his property, according to Wyatt, who said that, under the new federal provisions, an owner would have little option about reclamation, even if he preferred level land to steep slopes.

"The rights of the landowner are being ignored," commented Wyatt, who termed the new legislation "about as close to nationalization of the coal industry as we can come."

The FACT director also said that the mere act of applying for a stripmining permit would require the professional services of an attorney, a registered engineer, a hydrologist, a geologist and a chemist. At present, he said, only a registered engineer is needed.

Citing an estimate by Federal Energy Administrator Frank Zarb that the new regulations will reduce coal production, nationwide, by at least 40 million tons of coal a year and will eliminate a minimum of 10,000 jobs, Wyatt summed up the federal legislation as 'environmentally sound but economically chaotic."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Randall, for 15 minutes, today.

Mr. Randall, for 1 hour, tomorrow.

Mr. Michel, to address the House for 5 minutes and to revise and extend his remarks.

(The following Members (at the request of Mr. Pressler) and to revise and extend their remarks and include extraneous matter:)

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Crane, for 5 minutes, today.

Mr. Frenzel, for 5 minutes, today.

Mr. Duncan of Tennessee, for 15 minutes, today.

Mr. Bauman, for 15 minutes, today.

Mr. Wydler, for 5 minutes, today.

Mr. Burke of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. Neal) to revise and extend their remarks and include extraneous material:)

Mr. Flood, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Lehman, for 5 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Mezvinsky, for 5 minutes, today.

Mr. Edgar, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Casey, for 5 minutes, today.

Mrs. Schroeder, for 5 minutes, today.

Ms. Abzug, for 5 minutes, today.

Mr. Adams, for 15 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Patman, for 5 minutes, today.

Mr. Danielson, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Passman.

Mr. Roe and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $240.

(The following Members (at the request of Mr. Pressler) and to include extraneous matter:)

Mr. Hillis.

Mr. Pritchard in three instances.

Mr. Steelman in two instances.

Mr. Robinson.

Mr. Kemp in two instances.

Mr. Dickinson.

Mr. Young of Alaska.

Mr. Crane.

Mr. Martin.

Mr. Hammerschmidt.

Mr. Ashbrook.

Mr. Kasten.

Mr. McDade in two instances.

Mr. Shuster.

Mr. Collins of Texas in three instances.

Mr. Symms.

Mr. Derwinski in two instances.

Mr. Gilman in two instances.

Mr. Young of Florida.

(The following Members (at the request of Mr. Neal) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. SARBANES in five instances.

Mr. MCDONALD of Georgia in 10 instances.

Mr. RODINO.

Mr. HALL in two instances.

Mr. YOUNG of Georgia.

Mr. THOMPSON.

Mr. MILLER of California.

Mr. DENT.

Mr. BEARD of Rhode Island.

Mr. DOWNEY of New York.

Mr. HAWKINS in two instances.

Mr. WAXMAN.

Mr. FUQUA in five instances.

Mr. SIMON in two instances.

Mr. BINGHAM.

Mr. VANIK in two instances.

Mr. FLORIO.

Mr. HÉBERT.

Mr. BRECKINRIDGE.

Mr. BROWN of California in three instances.

Mr. HARRIS.

Mr. RANGEL.

Mr. WHITE.

Mr. JACOBS in two instances.

Mr. WOLFF.

Mr. DOMINICK V. DANIELS.

Mr. CLAY in 10 instances.

Mr. ZEFERETTI.

Mr. MADDEN.

Ms. ABZUG.

Mr. RIEGLE.

Mr. TAYLOR of North Carolina.

Mrs. SCHROEDER.

Mr. DERRICK.

Mr. ROSENTHAL.

ADJOURNMENT

Mr. NEAL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 3 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 14, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1004. A letter from the President of the United States, transmitting proposed budget amendments for the Department of Transportation for fiscal year 1976 and for the transition period July 1 through September 30, 1976 (H. Doc. 94-144); to the Committee on Appropriations and ordered to be printed.

1005. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority for fiscal year 1975 as of May 1, 1975, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 94-145); to the Committee on Appropriations and ordered to be printed.

1006. A letter from the Chairman, Federal Election Commission, transmitting the Commission's budget request for fiscal year 1976, pursuant to section 311(d)(1) of Public Law 92-225, as amended; to the Committee on Appropriations.

1007. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting, a statement describing a proposed transaction with Mexicana de Cobre S.A. which exceeds $60 million, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended [12 U.S.C. 635(b)(3)]; to the Committee on Banking, Currency and Housing.

1008. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the President's Advisory Council on Management Improvement entitled "Women in Government," pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94-146); to the Committee on Government Operations and ordered to be printed.

1009. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Laurence H. Silberman and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

1010. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Andrew L. Steigman and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

1011. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Malcolm Toon and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

1012. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend sections 203 and 204 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

1013. A letter from the Chairman, Federal Power Commission, transmitting the annual report of the Commission for fiscal year 1974; to the Committee on Interstate and Foreign Commerce.

RECEIVED FROM THE COMPTROLLER GENERAL

1014. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescissions and deferrals of budget authority and the supplementary reports revising previously reported deferrals contained in the messages from the President dated April 18, 1975 (House Document Nos. 94-108 and 94-109), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 94-147); to the Committee on Appropriations and ordered to be printed.

1015. A letter from the Comptroller General of the United States, transmitting a report that the reduction in the time required for the Office of Education to commit funds for Emergency School Aid has caused him to conclude that the rescission of those funds anticipated in his letter of March 28 (House Document No. 94-95) will not occur, pursuant to section 1014(c) of Public Law 93-344 (H. Doc. No. 94-148); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. Supplemental report to H.R. 5727. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes. (Rept. No. 94-184, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 6894. A bill making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes. (Rept. No. 94-204). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on International Relations. Oversight report on assistance to Indochina evacuation. (Rept. No. 94-205). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 461. Resolution providing for the consideration of H.R. 6755. A bill to enable the United States to render assistance to, or in behalf of, certain migrants and refugees. (Rept. No. 94-206). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 462 Resolution waiving certain points of order against H.R. 6894. A bill making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes. (Rept. No. 94-207). Referred to the House Calendar.

Mr. CASEY: Committee on Appropriations. H.R. 6950. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes. (Rept. No. 94-208). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAHON:

H.R. 6894. A bill making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. ARCHER:

H.R. 6895. A bill to amend the Food Stamp Act of 1964 for the purpose of transferring the food stamp program to the Department of Health, Education, and Welfare, for the purpose of excluding certain households from eligibility for food stamps if a member of such household is on strike, and for the purpose of excluding certain individuals from eligibility for food stamps if such individual receives at least one-half of his income from a member of another household which is ineligible for food stamps: to the Committee on Agriculture.

By Mr. ARCHER (for himself and Mr. KELLY):

H.R. 6896. A bill to repeal the Davis-Bacon Act; to the Committee on Education and Labor.

By Mr. BALDUS (for himself, Mr. ASPIN, Mr. MELCHER, Mr. MITCHELL of New York, Mr. MURTHA, Mr. RISENHOOVER, Mr. J. WILLIAM STANTON, Mr. TRAXLER, Mr. YATRON, Mr. KASTENMEIER, Mr. CORNELL, Mr. PATTISON of New York, Mr. NOLAN, Mr. PRESSLER, Mr. HANLEY, Mr. CARR, Mr. WALSH, Mr. MATHIS, Mr. CHARLES WILSON of Texas):

H.R. 6897. A bill to amend the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Ways and Means.

By Mr. BELL (for himself, Mr. BINGHAM, Mr. PHILLIP BURTON, Mr. CARR, Mr. DELLUMS, Mr. GUDE, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. JEFFORDS, Mr. KETCHUM, Mr. METCALFE, Mr. MILLER of California, Mr. NIX, Mr. SEIBERLING, and Mr. SISK):

H.R. 6898. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. BENITEZ:

H.R. 6899. A bill to amend section 129 of title 23, United States Code to permit the operation of certain ferryboats between the islands comprising the Commonwealth of Puerto Rico; to the Committee on Public Works and Transportation.

By Mr. CORMAN (for himself Mr. Burleson of Texas, Mr. Burke of Massachusetts, Mr. Fisher, Mr. Frenzel, Mr. Jacobs, Mr. Ketchum, Mrs. Keys, Mr. Pickle, and Mr. Steiger of Wisconsin):

H.R. 6900. A bill to provide an additional 13 weeks of benefits under the Emergency Unemployment Compensation Program and the Special Unemployment Assistance Program, to extend the Special Unemployment Assistance Program for 1 year, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 6901. A bill to amend XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; to the Committee on Ways and Means.

By Mrs. CHISHOLM:

H.R. 6902. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Ford of Tennessee, Mr. Hawkins, and Mr. Nolan):

H.R. 6903. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists services under the supplementary medical insurance benefits program established by part B of such title; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Hawkins, Mr. Jeffords, and Mr. Mineta):

H.R. 6904. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. DENT (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6905. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. DINGELL (for himself, Mr. Leggett, Mr. Reuss, Mr. Roncalio, Mr. Wirth, Mrs. Spellman, Mr. Regula, Mr. D'Amours, Mr. Jeffords, and Mr. Conte):

H.R. 6906. A bill to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ESHLEMAN:

H.R. 6907. A bill to direct the Secretary of Commerce to require reports from foreign investors in the United States and their agents, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Colorado (for himself, Mr. Oberstar, Mr. Don H. Clausen, Mr. Bergland, Mr. Rodino, Mr. McCormack, Mr. Alexander, Mr. McKay, Mr. Hamilton, Mr. Cleveland, Mr. Charles Wilson of Texas, Mr. Perkins, Mr. Ichord, Mr. Udall, Mr. Fuqua, Mr. Foley, Mr. Johnson of Colorado, Mr. Howe, Mr. Miller of California, and Mr. Andrews of North Dakota):

H.R. 6908. A bill to provide for payments to compensate county governments for the tax immunity of Federal lands within their boundaries; to the Committee on Government Operations.

By Mr. FASCELL (for himself and Mrs. Burke of California):

H.R. 6909. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

By Mrs. FENWICK (for herself, Mr. J. William Stanton, Mr. Lagomarsino, Mr. Roe, Mr. Frenzel, Mr. Coughlin, Mr. Forsythe, Mrs. Meyner, and Mrs. Heckler of Massachusetts):

H.R. 6910. A bill to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. GONZALEZ:

H.R. 6911. A bill to amend title 5, United States Code, to provide for grade retention benefits for certain Federal employees whose positions are reduced in grade, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HANLEY:

H.R. 6912. A bill to provide for improved labor-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. Harrington (for himself Mr. Koch, Mr. Riegle, Mr. Solarz, Mr. Thompson, Mr. Vigorito, and Mr. Zeferetti):

H.R. 6913. A bill to provide for accelerated research and development in the care and treatment of autistic children, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. John L. Burton, Mrs. Collins of Illinois, Mr. Corman, Mr. Davis, Mr. Downey of New York, Mr. Drinan, Mr. Eilberg, Mr. Gilman, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Mazzoli, Mr. Metcalfe, Mrs. Meyner, Mr. Mitchell of Maryland, Mr. Nix, Mr. Ottinger, Mr. Roe, Mr. Rooney, Mr. Rosenthal, Mr. Roybal, Mr. Simon, and Mr. Stark):

H.R. 6914. A bill to provide for accelerated research and development in the care and treatment of autistic children, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS:

H.R. 6915. A bill to amend the Federal Trade Commission Act to provide that exclusive territorial arrangements used in the distribution or sale of a trademarked soft drink product or a trademarked private label food product shall not be deemed unlawful per se; to the Committee on Interstate and Foreign Commerce.

By Mr. KETCHUM:

H.R. 6916. A bill to exempt range sheep industry mobile housing from regulations affecting permanent housing for agricultural workers; to the Committee on Education and Labor.

By Mr. KINDNESS (for himself, Mr. Byron, Mr. McDonald of Georgia, Mr. Lott, Mr. Duncan of Tennessee, and Mr. Waggonner):

H.R. 6917. A bill to provide for a 3-year moratorium on the requirement of an environmental impact statement for Federal-aid highway projects; jointly to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

Mr. McKINNEY (for himself, Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Carr, Mr. Collins of Texas, Mr. Hicks, Mr. Ketchum, Mr. Mann, Mr. Milford, Mr. Pattison of New York, Mr. Sarasin, and Mr. Stokes):

H.R. 6918. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs; to the Committee on Public Works and Transportation.

By Mr. MICHEL (for himself, Mr. Collins of Texas, Mr. Goodling, Mr. Hyde, Mr. Ketchum, Mr. Madigan, Mr. McDonald of Georgia, Mr. O'Brien, Mr. Treen, Mr. Waggonner, and Mr. Whitehurst):

H.R. 6919. A bill to amend the Clean Air Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 6920. A bill to establish a National Bank for Cooperative Housing to aid in financing the purchase and construction of low- and middle-income cooperative housing; to the Committee on Banking, Currency and Housing.

By Mr. MURPHY of New York (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6921. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mrs. SCHROEDER:

H.R. 6922. A bill to amend title I of the Elementary and Secondary Education Act of 1965 to provide that payments under such title shall be available to meet the educational needs of educationally deprived children from low-income families whether or not such children attend schools in areas having a high concentration of such children, and for other purposes; to the Committee on Education and Labor.

H.R. 6923. A bill to permit holders of visas for pleasure to obtain two extensions of temporary stay for periods of not more than 6 months, and to authorize the collection of an application fee to defray the cost of processing such application; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 6924. A bill to amend title II of the Social Security Act to establish more effective procedures for the conduct of hearings, and the appointment of hearing examiners, with respect to claims under such title of title XVIII of such act; to the Committee on Ways and Means.

By Mr. TRAXLER:

H.R. 6925. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 6926. A bill to amend the Internal Revenue Code of 1954 to deny electric and gas public utilities a deduction for amounts paid or incurred by such utilities to advertise or promote the sale or use of electricity or gas; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 6927. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNG of Florida (for himself and Mr. Kelly):

H.R. 6928. A bill to provide for national cemeteries in the central west coast area of the State of Florida; to the Committee on Veterans' Affairs.

By Mr. AMBRO:

H.R. 6929. A bill to amend title II of the Social Security Act to increase to $750 in all cases the amount of the lump-sum death payment thereunder; to the Committee on Ways and Means.

H.R. 6930. A bill to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record where that method of computation produces a higher combined benefit; to the Committee on Ways and Means.

H.R. 6931. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 6932. A bill to amend the Federal Crop Insurance Act to establish an independent corporation to carry out the purposes of such act, to provide for more extensive commodity coverage under such act, and for other purposes; to the Committee on Agriculture.

By Mr. BIAGGI (for himself, Mr. Carr, Mr. Benitez, Mr. Conyers, Mr. de Lugo, Mr. Zeferetti, Mr. Nix, Mr. Eilberg, Mr. Helstoski, Mr. Whitehurst, Mr. Ketchum, Mr. Conte, Mr. Duncan of Tennessee, Mr. Lott, Mr. Ford of Michigan, Mr. Roe, Mr. Sarbanes, Mrs. Chisholm, Mr. Ford of Tennessee, Mr. Symington, Mr. Treen, Mr. Devine, Mr. St Germain, Mr. Harrington, and Mr. Stark):

H.R. 6933. A bil lto amend title IV of the Higher Education Act of 1965 to provide for a National Student Financial Assistance Data Bank; to the Committee on Education and Labor.

By Mr. BURKE of Massachusetts (for himself, Ms. Abzug, Mr. Badillo, Mr. Bingham, Mr. Brown of California, Ms. Chisholm, Ms. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Dellums, Mr. Diggs, Mr. Edwards of California, Mr. Goldwater, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Henderson, Mr. Hinshaw, Mr. Jeffords, Mr. Koch, Mr. Lehman, Mr. McKinney, Mr. Moffett, and Mr. Mollohan):

H.R. 6934. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. COCHRAN:

H.R. 6935. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Work and Transportation.

By Mr. DRINAN (for himself, Mr. Bingham, Mr. Brademas, Mr. Corman, Mr. Eckhardt, Mr. Edwards of California, Mr. Ford of Michigan, Mr. Fraser, Mr. Hawkins, Mr. McFall, Mr. McKinney, Mr. Matsunaga, Mr. Moss, Mr. Rooney, Mr. Roybal, Mr. Seiberling, and Mr. Vander Veen):

H.R. 6936. A bill to direct the Administrator of Energy Research and Development to establish a system of research and development of energy-conserving industrial technologies with due regard for the need to operate such a system in a manner which will stimulate depressed sectors of the American economy; to the Committee on Science and Technology.

By Mr. FAUNTROY (for himself, Mr. Mitchell of Maryland, Ms. Burke of California, Ms. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Harrington, Mr. Metcalfe, Mrs. Meyner, Mr. Murphy of New York, Mr. Rangel, Mr. Rees, Mr. Seiberling, Mr. Solarz, and Mr. Stark):

H.R. 6937. A bill to provide for the participation of the United States in the African Development Fund; to the Committee on Banking, Currency and Housing.

By Mr. FLYNT:

H.R. 6938. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. GUDE (for himself, Mr. Florio, Mr. Dellums, Mr. Howard, Mr. Mitchell of Maryland, Mr. Burgener, Mr. Long of Maryland, Mr. Edwards of California, Mr. Scheuer, Mr. Beard of Rhode Island, Mr. Quie, Mr. Rangel, Mr. Traxler, Mr. Robinson, Mr. Winn, Mr. Talcott, Mrs. Holt, Mr. Wolff, Mr. Myers of Pennsylvania, Mr. Andrews of North Dakota, Mr. Ford of Tennessee, Mr. Solarz, Mr. Kelly, Mr. Ichord, and Mr. Sarbanes):

H.R. 6939. A bill to amend title 39, United States Code, to require the Postal Service to consult with agencies of State and local governments with respect to the construction of certain Postal Service facilities, to establish hearing procedures with respect to proposals for such construction, and for other purposes; to the Committee on Post Office and Civil Service.

By Ms. HOLTZMAN (for herself, Mr. Bingham, Mr. Baucus, Mrs. Heckler of Massachusetts, and Mr. Murphy of New York):

H.R. 6940. A bill to amend title XVI of the Social Security Act to answer that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, to provide a housing supplement to certain recipients of such benefits, to prevent reductions in such benefits because of social security benefit increases, to allow recipients of such benefits in cash-out States to elect to receive food stamps, to provide for emergency assistance to recipients, and for other purposes; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 6941. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers bill of rights; to the Committee on the Judiciary.

By Mr. LEGGETT (by request):

H.R. 6942. A bill to regulate lobbying and related activities; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

H.R. 6943. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. MOLLOHAN (for himself, Mr. Baucus, Mr. Esch, Mr. Murphy of New York, Mr. Rooney, and Mr. Sarasin):

H.R. 6944. A bill to repeal sections 102 and 202 of the Flood Disaster Protection Act of 1973 which make flood insurance coverage and community participation in the national flood insurance program prerequisites for approval of any financial assistance in a flood hazard area, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. WHITE:

H.R. 6945. A bill to increase the contribution by the Federal Government to the costs of employees group life insurance; to the Committee on Post Office and Civil Service.

By Mr. WHITE (for himself, Mr. Lehman, Mr. Hinshaw, Mr. Bafalis, Mr. Erlenborn, Mr. Fuqua, Mr. Green, Mr. Udall, and Mr. McKay):

H.R. 6946. A bill to amend title 13, United States Code, to provide for a mid-decade sample survey of population, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CASEY:

H.R. 6950. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Mr. BLOUIN:

H.J. Res. 451. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. HARRINGTON (for himself, Mr. Beard of Rhode Island, Mr. Blanchard, Mrs. Burke of California, Mr. John L. Burton, Mrs. Collins of Illinois, Mr. Corman, Mr. Davis, Mr. Downey of New York, Mr. Eilberg, Mr. Gilman, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Metcalfe, Mrs. Meyner, Mr. Mitchell of Maryland, Mr. Nix, Mr. Ottinger, Mr. Roe, Mr. Rooney, Mr. Rosenthal, Mr. Roybal, Mr. Simon, Mr. Stark, and Mr. Thompson):

H.J. Res. 452. Joint resolution to authorize the President to proclaim the last week in June of each year as National Autistic Children's Week; to the Committee on Post Office and Civil Service.

Mr. HARRINGTON (for himself, Mr. Koch, Mr. Riegle, Mr. Solarz, Mr. Vigorito, and Mr. Zeferetti):

H.J. Res. 453. Joint resolution to authorize the President to proclaim the last week in June of each year as National Autistic Children's Week; to the Committee on Post Office and Civil Service.

Mr. MURPHY of New York (for himself, Mr. Barrett, Mr. Beard of Rhode Island, Mr. Bell, Mr. Bingham, Mr. Blanchard, Mr. Davis, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Fish, Mr. Gilman, Mr. Hannaford, Ms. Holtzman, Mr. Hughes, Mr. Kemp, Mr. Koch, Mr. Krebs, Mr. Long of Louisiana, Mr. Ottinger, Mr. Pepper, Mr. Rosenthal, Mr. Scheuer, and Mr. Sisk):

H.J. Res. 454. Joint resolution to express the sense of Congress that the Secretary of Defense, in administering Public Law 94–11 which appropriates foreign assistance for fiscal year 1975, include in the $300 million foreign military credit sales appropriated to assist the State of Israel, F–15 fighter planes, electronic counter measures, and other sophisticated weapons necessary to insure the continued viability of Israel; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Solarz, Mr. Vigorito, Mr. Waxman, Mr. Won Pat, and Mr. Yates):

H.J. Res. 455. Joint resolution to express the sense of Congress that the Secretary of Defense, in administering Public Law 94–11 which appropriates foreign assistance for fiscal year 1975, include in the $300 million foreign military credit sales appropriated to assist the State of Israel, F–15 fighter planes, electronic counter measures, and other sophisticated weapons necessary to insure the continued viability of Israel; to the Committee on International Relations.

By Mr. STAGGERS (for himself, Mr. Devine, and Mr. Rogers):

H.J. Res. 456. Joint resolution to enable the United States to organize and hold an international conference in the United States in fiscal year 1976 and authorize an appropriation therefor; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO (for himself and Mr. HAYS of Ohio):

H. Con. Res. 276. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. HOWARD:

H. Res. 458. Resolution establishing a select committee to study the problem of U.S. missing in action in Southeast Asia; to the Committee on Rules.

By Mr. KOCH (for himself, Mr. PEYSER, Mr. ANDERSON of Illinois, Mr. BELL, Mr. BROOMFIELD, Mr. BUCHANAN, Mr. DERWINSKI, Mr. EDGAR, Mr. ESHLEMAN, Mrs. FENWICK, Mr. FORSYTHE, Mr. FRENZEL, Mr. GILMAN, Mr. GRADISON, and Mr. GUDE):

H. Res. 459. Resolution expressing the sense of the House of Representatives that the President should be supported in his efforts in furnishing humanitarian and resettlement assistance to refugees from South Vietnam and Cambodia and that all funds should be provided expeditiously; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. PEYSER, Mr. MCCLOSKEY, Mr. MCCOLLISTER, Mr. MCKINNEY, Mr. MARTIN, Mr. PATTISON of New York, Mr. REES, Ms. SCHROEDER, Mr. SEIBERLING, Mr. SIMON, Mr. TREEN, Mr. WAXMAN, Mr. WHITEHURST, and Mr. BOB WILSON):

H. Res. 460. Resolution expressing the sense of the House of Representatives that the President should be supported in his efforts in furnishing humanitarian and resettlement assistance to refugees from South Vietnam and Cambodia and that all funds should be provided expeditiously; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

134. By the SPEAKER: A memorial of the Legislature of the State of Oregon, relative to permitting children under 12 years of age to be employed in agriculture during the summer months; to the Committee on Education and Labor.

135. Also, memorial of the Legislature of the State of Nevada, relative to prohibiting any state other than the State of residence from requiring withholding of income taxes; to the Committee on Interstate and Foreign Commerce.

136. Also, memorial of the Legislature of the State of Oregon, relative to establishing reduced rail rates for the transportation of recyclable materials; to the Committee on Interstate and Foreign Commerce.

137. Also, memorial of the Legislature of the State of Oregon, relative to clearing the name of Dr. Samuel Alexander Mudd; to the Committee on the Judiciary.

138. Also, memorial of the Legislature of the State of Oregon, relative to a 20-mile fishing zone along the shores of the United States; to the Committee on Merchant Marine and Fisheries.

139. Also, memorial of the Legislature of the State of Nevada, relative to providing loans for small businesses; to the Committee on Small Business.

140. Also, memorial of the Legislature of the State of Nevada, relative to prohibiting certain searches of financial papers; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ:

H.R. 6947. A bill for the relief of Antonio Merlo; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 6948. A bill for the relief of Robert H. Carleton; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 6949. A bill to make the film Wilma Rudolph Olympic Champion, which was produced by the U.S. Information Agency, available for certain limited use within the United States in conjunction with promotion of the 1976 Olympic Games; to the Committee on International Relations.

By Mr. FLOOD:

H. Con. Res. 277. Concurrent resolution expressing the sense of the Congress that Mother Teresa of Calcutta deserves the 1975 Nobel Peace Prize for her service to humanity; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6755

By Ms. ABZUG:

On page 1, line 10, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 1, strike out "Cambodia or Vietnam," and insert in lieu thereof "Cambodia, Vietnam or the United States".

On page 2, line 13, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 16, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam or the United States."

By Ms. HOLTZMAN:

Page 1, line 8, insert immediately after "necessary" the following: ", but not to exceed $507,000,000.".

By Mr. HUGHES:

Page 1, line 5, insert "(1)" after "(a)".

Page 2, immediately after line 2, insert the following new paragraph:

"(2) In addition to the purposes set forth in paragraph (1), funds authorized under this Act shall be available for the transportation and related expenses of those aliens (A) who have fled from Cambodia or Vietnam, and (B) who, on or before September 30, 1977, make a formal request, to a designated agent of the President, for assistance to return to Cambodia or Vietnam. The President shall take such steps as may be necessary to determine whether the governments of Cambodia and Vietnam will accept and repatriate such aliens, and to provide designated agents for the receipt of such requests."

Page 2, line 7, insert "or of subsection (a) (2) of this section" immediately before the period at the end thereof.

By Mr. RIEGLE:

Page 2, line 2, immediately before the period insert "; except that no funds made available under this Act may be used to furnish to any such alien any assistance which is not available to an individual facing equivalent personal economic hardship who is not a refugee from Cambodia or Vietnam and who is an American citizen".

By Mr. WHITE:

On page 2, beginning with line 3, change the designation of subsection (b) to (c) and insert the following as subsection (b):

"(b) None of such sums shall be used for the entry of any refugee into the United States prior to the determination of the admissability of such refugee as a permanent resident under existing law, but such sums as may be required shall be used to establish receiving and processing camps for such refugees in the territories and Trust Territories of the United States. Such sums may be used for the relocation of persons who desire to return to their native land or for relocation of those persons who are determined to be inadmissable to the United States. Such sums may further be used to establish for permanent residence in the Trust Territories any such refugees desiring to remain in the Trust Territories under the necessary arrangements and agreements with the United Nations and the Legislature of Micronesia."

H.R. 6874

By Ms. ABZUG:

Page 1, line 5: After "Cambodia", insert ", the United States".

Page 2, line 6: After "Cambodia", insert ", the United States".

Page 2, line 14: After "Cambodia", insert ", the United States".

Page 2, line __: Insert the following additional section:

"SEC. 202. As used in this act, the term "refugees" shall have the same meaning as in the Indochina Migration and Refugee Assistance Act of 1975."

EXTENSIONS OF REMARKS

BICENTENNIAL CEREMONIES IN HOBOKEN, N.J.

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, I was recently privileged to attend a Bicentennial program in the city of Hoboken, N.J., during which the distinguished superintendent of schools of Hoboken, Mr. Thomas F. McFeely, gave a well-received speech.

As Mr. McFeely pointed out in his address of April 18, the Nation's Bicentennial festivities are important reminders of how far we have come as a nation in the short period of 200 years.

I am very proud of the imaginative and highly patriotic Bicentennial program that is being developed by the talented people of Hoboken, and I would like to share Mr. McFeely's thoughtful remarks with my colleagues. Mr. McFeely's speech follows:

BICENTENNIAL KICK-OFF CEREMONIES IN HOBOKEN, N.J.

Greetings: Today, April 18, 1975, is the two hundredth anniversary of the midnight ride of Paul Revere and other patriots. This anniversary of the famous call to arms, "The British are coming," is significant because it recalls the terror which spread through the Middlesex countryside at the thought of relatively untrained men facing the might of the British army. Yet, on April 19, 1775, the Minute Men stood on the village green and faced the British troops. A shot was fired—no one is certain as to which side fired it—and this shot was heard around the world. Its vibrations shook the very foundations of the world's political philosophies. It was also destined to change the world for it signaled the beginning of the Revolutionary War, which would culminate in the establishment of a new nation, the United States of America.

Therefore, our commemoration of this event today is a fitting tribute to those brave men of yesteryear and is the proper moment to begin Hoboken's Bicentennial ceremonies. Just as the events leading up to the signing of the Declaration of Independence and the birth of a nation took slightly over a year from that suspicious moment on the village green in Lexington so too our Bicentennial activities evolve during the next year and climax in the final celebration on July 4, 1976, when we in Hoboken will be united with all our fellow Americans in celebrating the birth of our Nation.

However, as we stand here today, we cannot forget the significance of our Nation's birth and the ideals upon which it was founded. As we consider these ideals, we should pause for a moment to thank our Creator for having inspired our forefathers to put down in writing what men had sought for centuries—freedom, justice, and equality. For, in the Declaration of Independence not only did the colonists sever ties with the mother country, England, but also affirmed the belief that "all men are created equal and that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

We, the benefactors of these precious rights, must once again reaffirm our belief in what our forefathers considered to be essential. We can do this by becoming active participants in Hoboken's reliving of the significant events that will recreate our Nation's birth.

KEEP AN OPEN DOOR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERWINSKI. Mr. Speaker, the Chicago Sun-Times, in their lead editorial of May 5, very properly analyzes the question of the open door policy for trade and investments which the United States, as a major economic power, must continually review. I believe this editorial objectively addresses the situation, and I concur with its conclusion that the currently proposed legislation, which would cut foreign investments in the United States, is not based on a realistic long-term national interest.

The editorial follows:

KEEP AN OPEN DOOR

Traditionally, the United States has stuck to an open door policy toward foreigners who wish to invest in this nation. Lately, some Americans waving the flag of economic nationalism threaten to harass those who would bolster U.S. business by directly investing in it.

At the center of their drive is a bill, introduced by Sen. Harrison Williams (D-N.J.) and amended by Sen. Jacob Javits (R-N.Y.), that is aimed at discouraging foreign investment. The over-all fear is that "they"—the foreigners—will buy "us" out, plus concern that Arab investors would use their leverage against Jews in hiring or pro-Israel nations in commerce.

The Harrison-Javits bill's chief provisions ask for more detailed disclosure of just who owns what corporate stock, a requirement that any foreign investor seeking to acquire 5 per cent or more of an American company give 30 days notice to the Securities and Exchange Commission, and authority for the President to bar such investments in any company with more than $1 million in assets.

What partly inspired this attempt to put a chain lock on the open door policy were such developments as a foreign bid to take over Lockheed Aircraft Corp. and the Iranian offer to buy heavily into Pan American World Airways. These actions were accompanied by word that Arab money was creeping into control of U.S. banks and real estate.

In truth, new foreign investing in U.S. industry fell 40 per cent during the first quarter of this year as compared with the same period in 1973. A recent New York Stock Exchange study forecasts a shortage of $650 billion in investment capital needed over the next decade beyond what the United States can expect to raise on its own.

That huge sum approximates what the World Bank thinks the oil sheiks have piled up. Sensibly, this country could get big bundles of those petrodollars converted into U.S. dollars as job-producing, GNP-elevating, economy-enhancing investment.

What makes even President Ford argue against the proposed bill is that sufficient controls already exist. For example, foreigners are not permitted to own more than 25 per cent of any business engaged in domestic air transport, coastal or fresh water shipping, or broadcasting. Natural resources lie under a variety of controls. The Justice Department's antitrust division keeps an eye peeled for abuse of controlling interests in corporations.

Americans presently have six times as much invested abroad as foreigners have invested in the United States. Shutting the door on foreigners would expose U.S. investment to reprisals. Perhaps the best evidence against the proposed bill lies in the historical fact that America could never have built its vital railroads in the 1800s without vast help from British bankers. Sometimes a history lesson teaches economics better than arithmetic.

CAMBODIANS SEIZE U.S. MERCHANT SHIP

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ANDERSON of California. Mr. Speaker, yesterday morning the Khmer Rouge government of Cambodia seized a U.S. merchant ship, the *Mayaguez*, and is now holding it captive.

The *Mayaguez*, which was carrying a cargo of civilian and military supplies, was in international waters in an established shipping lane when it was seized. This aggression can only be labeled as an act of piracy.

What is the reason for this action? Of course, since the new Cambodian regime has not established diplomatic relations with any nation, we can only guess. However, it is interesting to note that the new government has claimed jurisdiction over territorial waters 90 nautical miles offshore—about 100 statute miles.

Hopefully, the Khmer Rouge will release the ship and her crew unharmed. Diplomacy is the obvious way to achieve this, and hopefully the State Department will be successful in their attempts to free the 39 American crewmen aboard the vessel. This unfortunate incident does point out a major problem; how can the United States protect its shipping on the high seas?

We have already seen the failure of our Government to do so in the case of American tuna boats, that are routinely seized by Ecuador and released only after the payment of exorbitant fines. The Cambodian incident is another violation of the laws of the high seas.

If the U.S. Merchant Marine and fishing fleet is to be guaranteed safety on the high seas, we must make it clear that such actions will no longer be tolerated. It is preposterous to allow American seamen to become the unwilling pawns of international conflict.

It is disturbing in this case that warning signs were available in advance of this incident. For instance, it is reported that the Pentagon received a report on Cambodia's extended territorial claims in offshore waters. A Panamanian vessel had already been seized, then released. Yet there was no attempt by our Government to warn U.S. vessels away from these waters, or to inform shipping interests of the dangers involved.

At this point, I would like to insert three newspaper articles on this subject, two on the details of the seizure from the Los Angeles Times, and one on the intelligence reports which were ignored, from today's issue of the Washington Star.

I would also like to extend my sympathy for the families of the crewmen who were captured. I sincerely hope they are released immediately, and unharmed, by the Cambodian Government.

The article follows:

CAMBODIA SEIZES U.S. FREIGHTER, CREW OF 39

(By Don Irwin and Oswald L. Johnston)

WASHINGTON.—An unarmed U.S. freighter was fired on and seized early Monday in the Gulf of Thailand by a Cambodian gunboat that then took the vessel and her crew of 39 into port.

President Ford denounced the seizure as "an act of piracy" and ordered the State Department to demand that Cambodia's new revolutionary government immediately release the freighter, the S.S. Mayaguez, or face "the most serious consequences."

The captain of the seized vessel was identified by the owners as Charles T. Miller of Fountain Valley, Calif. They said that many of the crew members were from California, including Second Mate Jared C. Myregard of Van Nuys and Third Mate Burton Coombes of Richmond.

The White House announced the incident at 1:50 p.m. EDT—about 10 hours after first word was received here—without revealing details of the approach to be used to recover the vessel.

Before the announcement, Mr. Ford discussed the incident for 45 minutes with the National Security Council and later went over the few known facts with key members of Congress.

Congress reacted with concern to the seizure of the first U.S. vessel taken over by a foreign power since North Korean warships captured the spy ship USS Pueblo in January, 1968. Some members urged use of force to recover the Mayaguez, but others agreed with Sen. Jacob K. Javits (R-N.Y.) that Americans "should keep our shirts on and see if they return the ship."

White House Press Secretary Ron Nessen denied that the Mayaguez was linked in any way with espionage. A State Department source said the ship carried a general cargo, about half of it consisting of "military vans"—containers carrying military materiel, but not arms or munitions.

An informed source said there would be no need for the United States to have a Pueblo-type intelligence ship in waters off

Cambodia since American installations in Thailand can pick up any information available to such spy vessels.

Nessen said the ship, owned by Sea-Land Service Inc. of Edison, N.J., was believed to have been steaming from Hong Kong to a port in Thailand. Other officials said it was bound for Sattahip, a naval port adjoining the U.S. air base at Utapao, Thailand, when it was seized and apparently escorted into the Cambodian port of Kompong Som.

Fragmentary radio messages from the ship said the encounter took place in the Gulf of Thailand about 60 miles off Kompong Som. The position was, however, eight miles from Poulo Wai, a small rocky island claimed by both Cambodia and Vietnam. Sources said the victorious Khmer Rouge forces that now control Cambodia have maintained a garrison on the island for several weeks.

Nessen said a Panamanian ship was stopped by Cambodia in the same area May 7 or 8 and apparently was allowed to leave. He said the Panamanian vessel was reported to have been enroute to Bangkok, Thailand.

Nessen said radio reports from the Mayaguez, a 10,485-ton vessel built in 1944, "indicated that the ship was fired upon and boarded by Cambodians." He said the only description he had on the boarding vessel was that it was a "gunboat."

Radio signals from the ship were heard by a number of commercial receiving stations, Nessen said. He said they included a Mayday message signifying distress.

The White House statement announcing the seizure said:

"We have been informed that a Cambodian naval vessel had seized an American merchant ship on the high seas and forced it to the port of Kompong Som. The President has met with the NSC. He considers this seizure an act of piracy. He has instructed the State Department to demand the immediate release of the ship. Failure to do so would have the most serious consequences."

Pentagon sources speculated that the 31-year-old freighter was taken over by a U.S.-built boat, a light, speedy patrol vessel, several of which were provided to the deposed Cambodian regime. The boats normally are armed with a single heavy caliber machine gun.

A spokesman for the Sea-Land firm said the Mayaguez was carrying "a variety of goods" in a capacity cargo of 274 containers. Although Hong Kong has been its home port, he said, its movements have been controlled from a Sea-Land office in Oakland.

At the White House, Nessen said first word of the seizure was received in Washington early Monday morning—one source said about 3 a.m. EDT.

President Ford was first notified, Nessen said, at his daily intelligence briefing, which normally takes place about 7 a.m. There was an interval before the National Security Council meeting was called, he said, because "we needed to pull the facts together."

Asked if the White House viewed the incident as "a major crisis," Nessen replied, "I don't want to characterize it." He declined to discuss in any way the diplomatic approach being used to recover the vessel and would not discuss what countries may have been approached. He said, however, that there had been no communication with Cambodia's new nationalistic Communist government.

State Department officials said steps were under way to obtain release of the vessel, but they gave no details. Other sources said there were only two likely avenues to the Khmer Rouge regime: North Vietnam and the People's Republic of China, both Communist governments. Neither is known to be represented in Cambodia at present.

Speculation was that overtures would be made through the Chinese. They maintained no embassy in Phnom Penh during the years of the now-defunct Lon Nol regime, but dealt with the Khmer Rouge through Cambodia's former ruler, Prince Norodom Sihanouk, who was in exile in Peking.

There were possible legal complications in the apparent fact that the Mayaguez was seized eight miles away from an island claimed by Cambodia. In 1969 under Sihanouk, the Cambodian government claimed jurisdiction over waters 12 miles off its territory. Under that premise, the Mayaguez was seized in Cambodian water.

On the other hand, the generally accepted "right of innocent passage" is construed to give a non-combatant vessel freedom to traverse offshore waters unless an overt state of war exists.

The circumstances appear to differ substantially both for the Tonkin Gulf incident of 1964, which involved the destroyer USS Turner Joy in waters claimed by North Vietnam, and the Pueblo incident of 1968, which involved a U.S. Navy vessel loaded with electronic gear indicating a spy mission.

The White House declined to discuss in any way the "most serious consequences" which Mr. Ford said Cambodia faces if it refuses to return the Mayaguez and its crew.

The most obvious possibility was a resort to force, a course on which the President would be restricted by the War Powers Act of 1973, which permits the President to order U.S. forces into overseas action for no more than 60 days before seeking the approval of Congress.

There are three U.S. aircraft carriers and about 30 other American vessels on station off the Philippines, and some members of Congress appeared ready to see Mr. Ford use them. But more were cautious.

"We ought to go after it," Sen. John Sparkman (D-Ala.), chairman of the Senate Foreign Relations Committee said of the seized vessel. Two committee members, Javits and Sen. Hugh Scott (R-Pa.), the minority leader, were more restrained. While the seizure was "a terrible thing," Scott said, it would be unwise for Congress to "start playing foreign policy with a situation involving an act of piracy."

"I believe a little patience is desired rather than cause an attack on the new Cambodian government," Javits said.

Sen. Robert Taft Jr. (R-Ohio) urged that the United States "try all kinds of sanctions" before resorting to force.

"But that doesn't mean ruling out retaking it," he said. "We can't allow that kind of thing to happen on the high seas."

Sen. Hubert H. Humphrey (D-Minn.) urged the government to "stop, look and listen" before it resorts to force.

The strongest call for military action came from Sen. James L. Buckley (Cons-R-N.Y.) who said the President should order immediate punitive air and naval attacks on appropriate targets in Cambodia to "underscore the fact that we will no longer tolerate acts of international banditry."

In private conversations, sources on the Senate Foreign Relations Committee voiced doubt that there would be any early resort to force. One source suggested that the incident may represent no more than an effort by the Khmer Rouge to assert the new government's sovereignty over rocky little Poulo Wai.

But Mr. Ford's warning of "most serious consequences" in the latest incident was considerably stronger than language used by former President Lyndon B. Johnson in his first comment on the Pueblo's capture Jan. 23, 1968.

Unlike the present incident, the Pueblo's seizure was not disclosed in Washington, but by the North Korean captors. Mr. Johnson did not comment on the affair until Jan. 26, when he referred to it in a televised statement in which he said the United States would bring the matter before the U.N. Security Council.

Whereas Cambodia kept total silence Monday about the capture of the Mayaguez, the seizure of the Pueblo was first announced in a North Korean broadcast asserting that an "armed spy ship of the U.S. imperialist aggressor" was seized inside North Korea's 12-mile limit.

That same day, former Secretary of State Dean Rusk called the seizure "a matter of the utmost gravity" and said Washington was negotiating with North Korea "through the channels that are available to us."

Channels for dealing with the North Koreans were more readily available than they appeared to be in Monday's effort to make contact with Cambodia's regime, for extended negotiations on settlement of the Korean war were still under way.

The matter was put before the mixed armistice commission meeting at Panmunjom.

Even so, it took 11 months of negotiations before North Korea freed former Navy Comdr. Lloyd M. Bucher and the Pueblo's crew of 83.

COMPANY LISTS CREWMEN ABOARD SEIZED VESSEL

MENLO PARK, N.J.—Sea-Land Co., owner of the Mayaguez, seized by Cambodia Monday, released this list of crewmen:

Charles T. Miller, Fountain Valley, Calif., captain; James P. Newman, Reno, Nev., chief mate; Jared C. Myregard, Van Nuys, Calif., second mate; Burton Coombes, Richmond, Calif., third mate; David C. English, Seattle, Wash., third mate;

Munasser Omer, Delano, Calif.; Francis Pastrano, Kenner, La.; Darryl V. Kastl, San Francisco; Kassem Saleh, San Francisco; Geraldo Lopez, Metairia, La.; Anastacio Sereno, San Francisco; Clifford Harrington, Santa Cruz, Calif.; Vernon Greenlin, Santa Rosa, Calif.; Juan P. Sanchez, San Francisco; Wilbert N. Rock, Bogota, N.J.; James C. Mullis, Wilmer, Ala.; Salvator T. Puntillo, Kenosha, Wis.; Earl C. Gilbert, Pascagoula, Miss.; William G. MacDonald, Houston; Gerald Bailiss, Yokohama, Japan;

Thomas V. LaBuz, Temple City, Calif.; John Doyle, Toledo, Ohio; Herbert C. McDonald, San Francisco; Polo Russi Vazquez, Punta Santiago, Puerto Rico; A. Minichiello, San Francisco; Wilfred Reyes, Daly City, Calif.; Alfred J. Rappenecker, Palo Alto, Calif.; Raymond Friedler, Rochester, N.Y.; Americo Faria, Walnut Creek, Calif.; Robert Phillips, Manila, the Philippines; Awat B. Sulamen, Philadelphia; Frank T. Conway, Hattiesburg, Miss., Robert E. Zimmerman, Seattle; Carlos J. Cuerrero, Honduras; Stephen Zarley, Rizal, the Philippines; Ervin Anderson, New Orleans; Gullermo C. Reyes, Daly City; Angel L. Rios, Levittown, Puerto Rico, and William P. Bellinger, Washington, D.C.

INTELLIGENCE BLUNDER? DANGER SIGNS IGNORED

(By Henry S. Bradsher)

The capture of an American ship by the tough new Communist regime in Cambodia may have resulted from a major blunder of U.S. intelligence, which failed to head off the new international crisis.

The U.S. government had received a number of danger signs before the merchantman Mayaguez was boarded by armed Cambodians yesterday and taken with its 39 American seamen to the port of Sihanoukville.

But, in answer to questions, officials could not find any indication that the danger signs had registered sufficiently to cause precautionary steps to be taken so as to avoid the capture of an American ship.

This suggested that the situation is comparable to the capture of the Pueblo by North Korea in 1968 after Pyongyang had warned against the American spy ship's operations off its coast but the warnings were ignored. In the case of the Mayaguez, however, the White House said that the vessel is not a spy ship.

The danger signs known here before the Mayaguez's capture include the following:

Since Cambodia's major seaport Kompong Som—now renamed Sihanoukville by the new government—was taken over by the Khmer Rouge, at least one American-supplied gunboat had been put into operation by the Communists.

A Cambodian gunboat had stopped a Panamanian ship last Thursday in the same area approximately 60 miles off shore where the Mayaguez was captured. It was later released and the Khmer Rouge were apparently searching for other maritime prizes.

At least three ships in which Cambodian refugees fled after Phnom Penh fell are now at the U.S. naval base at Subic Bay in the Philippines, giving the new regime a motive to take a U.S. prize for barter purposes.

Cambodia claims Wai Island, the rock about eight miles from the point of capture, and therefore claims the waters around it which U.S. shipping had regularly been using. The island is also claimed by Vietnam.

According to one report received at the Pentagon some days ago, the new Cambodian regime has also claimed territorial waters up to 90 nautical miles (about 100 statute miles) from shore, which would include not only Wai Island but also a sizable stretch of the shipping lane around Vietnam and Cambodia to Thailand from the East.

Perhaps most important in adding all these up, the new Cambodian regime has openly shown bitter hostility to the United States.

It has also been so deliberately isolated from the outside world that the only country the United States could contact yesterday which might get a message through about the ship was China. The Chinese liaison office here was approached but U.S. officials were not very optimistic that this channel would produce results.

Some of the danger signs, officials disclosed yesterday after the capture, were buried in secret intelligence reports. Others were registered in collections of material on the changing situation in Cambodia.

But the most critical fact of all, the stopping of the Panamanian ship, failed to cause a sufficient assessment of possible dangers to shipping in the Gulf of Thailand from which might have been drawn the conclusion that U.S. vessels would be in danger.

After the capture, officials saw that it would have been possible to warn American ships to sail around the claimed territorial waters where the gunboat was known to have been operating.

The United States might also have sent a warship protectively close to the area until the situation was clarified.

These were the same steps which had been possible when the North Korean warnings about the Pueblo's operations were given. But in neither case was the danger taken seriously enough to cause any reaction.

Only after the Pueblo and Mayaguez captures did officials begin to search for motives which would have led to such an action.

Since Phnom Penh fell to the Khmer Rouge on April 17, five days after the American helicopter evacuation, officials here have been watching the Cambodian situation from several sources.

Both normal domestic radio broadcasts and internal military radio traffic have been monitored. Reports from refugees coming out of Cambodia have been noted. Statements by Cambodian spokesmen abroad have been studied.

All have indicated continuing hostility toward the United States, which armed, financed and wholly sustained the now-defeated Lon Nol government. Recent broadcasts have expressed particular anger at the destruction of Cambodia's roads, bridges, railroads and other infrastructure during the war, with the blame being put—not always accurately—on the United States.

Officials here saw a possibility that the Mayaguez was seized in retaliation for this damage. It might also have been taken for barter purposes.

The three ships at Subic Bay sailed from Kompong Som with 625 refugees as the war ended. They went first to a Malaysian port and then to the Philippines. Some reports said that a fourth warship had also escaped and was at Subic Bay.

Records show that the United States had provided six gunboats to the old Lon Nol government.

Some American officials were not convinced that the seizure was a deliberate act of policy by the Khmer Rouge, whose government remains shadowy and ill-defined. One official said the action, which President Ford denounced as "piracy," might have been a local initiative rather than an order from Phnom Penh. Or it "might have been just a general warning" to foreign ships to stay away from Cambodia.

This interpretation gained possible support from information conveyed by Ford to some congressional leaders that the Cambodian boarding party did not speak English. The gunboat might not have set out to capture an American ship.

But some officials thought the fact that the Panamanian ship had been released earlier argued the opposite. They added that the Cambodians presumably could identify an American flag and knew at whom they were shooting.

The White House spokesman, Ronald Nessen, announced that the ship was about 60 miles from the Cambodian coast and 8 miles from Wai Island.

A spokesman for the ship's owners, Sea-Land Corporation, said later it was 85 miles offshore. That would have put it much farther than 8 miles from the island but still within the reported 90-nautical-mile claim.

The United States does not recognize such extensive claims for shipping rights, but it has not prevented Peru from seizing American fishing boats even farther from its shores.

Among the mixed reactions on Capitol Hill, ranging from caution and a wait-and-see attitude to demands for U.S. government action, was a call by Sen. James L. Buckley, R-N.Y., for an "immediately clinical air strike."

Buckley suggested that U.S. planes might bomb such targets as ports and bridges. But the new Communist rulers in Phnom Penh have been complaining that they do not have many of those left unbombed after the war, so the choice of targets now would be poor.

By emptying the cities of population since its victory and emphasizing rural self-reliance, the new regime has made itself virtually invulnerable to any military or economic pressure which the United States might now try to bring in hopes of winning the release of the 39 seamen.

The White House had warned yesterday that failure by Cambodia to release the ship immediately "would have the most serious consequences." A U.S. aircraft carrier and supporting warships were sent to the Gulf of Thailand.

The United States also still has warplanes at air bases in Thailand which were used to bomb Cambodia before a Congressionally imposed halt on such raids on Aug. 15, 1973.

PERSONAL EXPLANATION

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERRICK. Mr. Speaker, on April 28, 1975, I was present when the call was made for a final vote on H.R. 4222, The National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975. Apparently, the computer failed to record my vote in favor of the act. The computer does show that I inserted my card, however, it did not register a vote. I wish for the Record to note my intention of supporting the bill, the fact that I was present, and that I did in fact vote for H.R. 4222 on final passage. Thank you.

TESTIMONY ON FULL EMPLOYMENT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAWKINS. Mr. Speaker, on these pages on May 6, one of my colleagues reprinted an article from the Communist Party newspaper, Daily World, concerning testimony before the Subcommittee on Equal Opportunities in Detroit, Mich., March 24, 1975, on H.R. 50, the Equal Opportunity and Full Employment Act.

The implication that H.R. 50 relies on Communist support for acceptance, or that it is in some way an intentional or unintentional instrument for Communist Party tactics, is sufficiently serious and erroneous to merit my setting the record straight at this time.

The testimony to which my colleague referred was that of Douglas Likkel, representing the ad hoc committee for a Detroit Youth United for Jobs and one of three members of a panel devoting testimony to the impact of the economic situation on Detroit youth. Other members of the panel included representatives of the NAACP and the Detroit Youth Council, an organization affiliated with the city government. Mr. Likkel was one of 15 witnesses testifying in Detroit including two Congressmen, the mayor of Detroit, and the chairman of the board of a major Detroit company.

To date, the subcommittee has conducted eight hearings on H.R. 50 and heard from 77 witnesses. While some of these witnesses may differ as to the best means for achieving the goals of this legislation, they are almost unanimously in favor of the national commitment to full employment which is central to this bill. Eighty-five Members of the House have joined Congressman Henry Reuss and me in cosponsoring this legislation. Senator Hubert Humphrey and five other Senators have introduced the measure in the Senate.

As chairman of the Subcommittee on Equal Opportunities, I have sought to have the widest possible range of views represented in these hearings from economists, city and State officials, labor unions, individual workers who are bearing the brunt of the recession and other interested organizations and individuals.

Over 8 million individuals, by official count, were out of work last month, a vast testimonial to the failure of our national economic policies which cuts across lines of race, religion, or political persuasion. The discrediting attempts implicit in the earlier Extension of Remarks are pitifully shortsighted and fail to meet in any constructive manner the very real needs of 8 million unemployed workers.

For the benefit of my colleagues, I am inserting a list of witnesses who have appeared before the Subcommittee on Equal Opportunities in the hearings on H.R. 50:

HEARINGS ON THE EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT, H.R. 50

Washington, D.C., October 8, 1974:

The Honorable Hubert H. Humphrey, U.S. Senator from Minnesota.

The Honorable Henry S. Reuss, U.S. Representative from the 5th Congressional District of Wisconsin.

Bertram M. Gross, Professor of Urban Affairs, Department of Urban Affairs, Hunter College, New York.

Washington, D.C., February 25, 1975:

Leon H. Keyserling, National Committee of the Conference on Economic Progress.

Alan Gartner, Secretary, National Conference on Public Service Employment, and Professor of Education, Queens College, New York.

Stanley Moses, Assistant Professor, Department of Urban Affairs, Hunter College, City University of New York.

Washington, D.C., March 18, 1975:

Lynne Darcy, Coordinator, National Task Force on Compliance, National Organization for Women, Princeton, New Jersey.

Mary Jo Binder, Coordinator, National Task Force on Women and Poverty, National Organization for Women, Washington, D.C.

Michael Markowitz, Director of Labor/Management Relations, National Association of Manufacturers, Washington, D.C.

Detroit, Michigan, March 24, 1975:

The Honorable Coleman Young, Mayor, City of Detroit, Detroit, Michigan.

The Honorable Charles C. Diggs, Jr., U.S. Representative, 13th District, Mich.

The Honorable John Conyers, Jr., U.S. Representative, 1st District, Michigan.

Richard Donahue, Director, Bureau of Manpower, Department of Labor, Lansing.

Irving Bluestone, Vice President, United Auto Workers, Detroit, Michigan.

Gilbert F. Richards, Chairman of the Board, Budd Company.

Honorable Maryann Mahaffey, National Association of Social Workers (Councilwoman, City of Detroit).

Lonnie Peek, Concerned Citizens' Council, Inc., Detroit, Michigan.

James Brewer, Greater Detroit OIC.

Michael Ruckes, Unemployed Workers' Council.

Julie Chenault, NAACP Youth Council.

Douglas Likkel, Ad Hoc Committee for Detroit Youth United for Jobs.

Gail Russell, Detroit Youth Council.

Zachary Schiller, Secretary, People for Economic Justice.

Joseph Tuma, Director of Manpower Studies for the Institute of Industrial Labor Relations at Wayne State University.

Los Angeles, California, March 26, 1975:

Lucy Fried, Coordinator, Coalition for Economic Survival.

Consuelo Andrade, Retired Auto Worker.

Betsy Newburn, Welfare Mother.

Rev. Al Dortch, Chairman, Citizens' Committee for Community Action.

Jerry Whipple, United Auto Workers.

Mary McDaniels, United Electrical Workers of American Radio and Machine.

Jack Bernal, Local 44 Uniroyal Rubber Workers.

Marvin Smith, Local 808, United Auto Workers.

Cliff Fried, UCLA Chapter of AFSCME.

James Lorenz, Director, State Department of Employment Development.

Michael Tabriner, Special Counsel, California Employment Development Department.

Dr. Arthur Pearl, Commission for Economic Development Task Force on Economic Planning.

Charles Mason, C.E.T.A. Project Director.

Atlanta, Georgia, April 4, 1975:

Mrs. Coretta Scott King, President, The Martin Luther King, Jr., Center for Social Change, Atlanta, Georgia.

Davey Gibson, Commissioner, Department of Community and Human Development, Atlanta, Georgia.

Howard Weeks, Georgia Department of Labor, Atlanta, Georgia.

Bernard Porche, Executive Director, Southern Conference of Black Mayors, Atlanta, Georgia.

Hon. Arthur Langford, Jr., President, United Youth-Adult Conference, (City Councilman) Atlanta, Georgia.

Samuel E. Hudgins, Treasurer, Atlanta Chamber of Commerce, Atlanta, Georgia.

Lyndon Wade, Exectuive Director, Atlanta Urban League, Atlanta, Georgia.

Dorothy Bolden, President, National Domestic Workers Union, Atlanta, Georgia.

Donald Webster, NAACP.

Charles Bannerman, Director, Delta Foundation, Greenville, Mississippi.

Solina Burch, Communications Workers of America, District No. 3.

David Scott, State Representative, 37th District, Atlanta, Georgia.

Charles Conroy, Intensive Employment Project, Atlanta, Georgia.

Hon. Zell Miller, Lt. Governor, State of Georgia.

William Allison, Executive Administrator of the Economic Opportunity, Atlanta, Georgia.

Philadelphia, Pennsylvania, April 11, 1975:

Rev. Charles Walker, Operation PUSH, Philadelphia, Pa.

Brian Williams, Committee for Full Employment.

Joe Ferrara, Area Director, United Auto Workers.

Jim Royal, Unemployed Worker.

Father Kakalec, Council of City-wide Community Organizations.

Edward Finnigan, Pennsylvania State Employment Service Buerau.

Herbert Sanabria, Council of Spanish-speaking Organizations.

Richard Askew, President, International Longshoremen's Association, Local 1291.

Reggie Ector, Welfare Rights Organization.

Frank Bradley, President, Action Alliance of Senior Citizens.

Felicia Coward, Chairperson, Young Workers' Liberation League.

Bernie Dinkin, Education Director, Amalgamated Clothing Workers of America.

Ducky Birts, Independent Businessmen's Association.

Sharon Wallis, Women's Political Caucus of Philadelphia.

Theodore Eisenberg, Deputy Director for Compliance, Philadelphia Commission on Human Relations

Al Jones, Unemployed Worker.

Thomas Ritter, OIC of Philadelphia.

Andrew Freeman, Executive Director, Urban League of Philadelphia.

Isadore Krancel, American Jewish Committee.

Sante Fe. New Mexico, May 2, 1975:

Pete Jimenez, President, New Mexico American G.I. Forum.

Vicente Ximenez, New Mexico American G.I. Forum.

Santiago Anaya, President, Alianza Federal de Mercedes, Albuquerque, New Mexico.

Isabel Garcia, President, La Escuela, Albuquerque, New Mexico.

Jim Martinez, President, New Mexico League of United Latin-American Citizens, Albuquerque, New Mexico.

Carl Smith, President, New Mexico AFL-CIO, Albuquerque, New Mexico.

JOHN L. PETERSEN TO HEAD FIRE PREVENTION ADMINISTRATION

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HALL. Mr. Speaker, I am most pleased that President Ford has selected a constituent of mine, Mr. John L. Petersen, of Aurora, as his choice to be the Administrator of the National Fire Prevention and Control Administration within the Department of Commerce.

Mr. Petersen has been involved in fire prevention work since 1961 when he joined the Sugar Grove Fire Department. Since that time he has become a leading expert in the field. In 1972, the Governor of Illinois appointed Mr. Petersen to the Illinois Fire Protection Personnel Standards and Education Commission. Mr. Petersen has been a lecturer and instructor at the University of Illinois Fire College and the Illinois fire chief's advanced training seminars.

As soon as the other body acts on his confirmation, Mr. Petersen will become an outstanding Administrator of this most important new agency.

Mr. Speaker, I would like to include a report on Mr. Petersen's nomination from the April 12, 1975, Aurora Beacon News at this point in the RECORD:

FORD WILL NOMINATE AURORA MAN FOR POST

WASHINGTON.—President Ford announced Friday he will nominate John L. Petersen of Aurora, Ill. to be administrator of the new National Fire Prevention and Control Administration.

Petersen, 39, will head the agency created by Congress last October to conduct a comprehensive fire prevention and control program throughout the nation.

It will have a budget of $45.5 million in the 1975–76 fiscal year.

Confirmation of the appointment must be made by the U.S. Senate, which is expected within two to three weeks.

Petersen is a partner in the law firm of Matthews, Jordan, Dean, Eichmeier and Petersen of Aurora. He has been involved in fire prevention work since 1961 when he joined the Sugar Grove Fire Department.

In January of 1972, he was appointed by Illinois Gov. Richard Ogilvie as a member of the Illinois Fire Protection Personnel Standards and Education Commission.

Gov. Dan Walker reappointed him to the commission in 1974. He has been chairman since January of 1972.

Petersen was born March 24, 1936 in Aurora. He received a bachelor's degree from the University of Illinois in 1958 and his LLB degree from DePaul University in 1961.

He has been a lecturer and instructor at the University of Illinois Fire College and the Illinois Fire Chief's Advanced Training seminars.

Petersen is married to the former Shirley Techen. They have five children.

His new government agency here is in the Department of Commerce.

He is the son of John S. Petersen, judge of the 16th Judicial District, and Mrs. Petersen, both of Sugar Grove.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Ms. Elsie Cosbey is the director of the Retired Senior Volunteers program—RSVP—of Suffolk. Her testimony is a strong endorsement of this program created under the Older Americans Act and administered by the ACTION agency. Her recitation of the benefits of this program should convince us all of the need to continue these programs that give a measure of dignity and worth to the lives of many retired persons. I include her testimony in the RECORD:

SENIOR CITIZENS AND THE ECONOMY

Our next speaker will be Elsie Cosbey, the Program Director of the Retired Senior Volunteer Program.

Ms. COSBEY. The Retired Senior Volunteer Program of Suffolk is sponsored by Suffolk Community Council and funded by the Community United Way and ACTION. RSVP is in its third year of a five-year project. The original proposal was approved to provide meaningful volunteer assignments for 1,500 persons over sixty. A survey indicating this need was made by Suffolk Community Council in 1969. Since then, Suffolk County and its institutions have grown. We know that there are many more assignments that could be filled in 1975.

Currently, there are 517 RSVP volunteers serving in fifty-two agencies in Suffolk. Most RSVP volunteers serve three to five hours weekly giving their time, talents and experience. RSVP arranges for out-of-pocket expenses, transportation and meals if appropriate.

In October, 1974, there were 621 RSVP volunteers. 175 RSVP volunteers lived in Congressional District Two serving in eighteen different agencies or organizations. Since then, many more volunteers have asked for placement. More agencies have requested RSVP volunteers.

During the first two years of the RSVP grant, ACTION was most encouraging in its financial support. RSVP in Suffolk was scheduled to grow from 621 to 800 volunteers by October, 1975. Our current budget now reduces RSVP to 500, 121 less than during the previous year. The required community support of thirty per cent is exceeded. The value of RSVP is well recognized in Suffolk. The contribution to the well-being of residents of Suffolk can be seen in a summary of RSVP activities during April, 1974. 416 RSVP volunteers worked 4,784 hours, face-to-face with 5,650 elderly persons, 2,264 adults, and 1,023 children. They have been making a tremendous difference in the lives of many who are handicapped or disadvantaged. Other RSVP volunteers provided indirect services which permit small voluntary organizations to function more effectively. The numbers served were too great to enumerate.

Not only did RSVP volunteers help others, they helped themselves. Most RSVP volunteers declare that they receive more than they give. This involvement in the community adds to his assurance. He can and does receive information referral as well as social contact through this association. In short, RSVP is not a problem of the aging but, rather, a solution to many of these problems. Because of this aspect of RSVP service to the elderly, RSVP would benefit by stronger linkage to other programs for the aging through the Administration on Aging of the Department of Health, Education and Welfare. The primary emphasis in RSVP is in serving the elderly by developing a satisfying role in community service. RSVP is a most efficient means of utilizing the resources of our most experienced members of society to expand the resources of our community. The cost is little. The results are great.

May I urge you, Congressman Downey, to work toward greater support for the Retired Senior Volunteer Program so that your district can avail itself of the valuable experience of its seniors.

The CHAIRMAN. Would you just tell the people in your own words where they can go for the RSVP Program?

Ms. COSBEY. Retired Senior Volunteer Program Office is at 2364 Middle Country Road in Centereach. Our telephone number is 981-7666.

Volunteers work three to five hours in a variety of agencies. In Maryhaven School for Educable Retarded, in the Suffolk Infirmary, Kings Park Hospital, in Burrwood Home for the Blind, in the Pilgrim State Hospital, in the schools and libraries, in our office, in many nursing homes, in each of the communities, in Northport Veterans Hospital.

We try to match your talent, the talents of the senior, to the needs of the community in placing him in his voluntary assignment. I have a copy of the study and a listing of Congressional District Two members in here.

The CHAIRMAN. Thank you.

Let me tell you that, again, the news is bleak with respect to the agencies that handle not only the RSVP Program but a score of programs like the Peace Corps and VISTA. For fiscal 1976 the President has requested about $1,800,000 below the 1975 level.

In terms of program monies for the RSVP Program, I believe it is either at or below what you got this year.

Ms. COSBEY. Just about the same.

The CHAIRMAN. How do your senior citizens get to the Centereach Center?

Ms. COSBEY. They don't get to the Centereach Center. We work out of there. We go to them, and we do try to arrange transportation for them. This is the main portion of our budget, and, of course, inflation has hit us very severely. And now we find we can't transport as many people for the same amount of money.

The CHAIRMAN. What do you think the same budget level authorization will have on your program? Will you be able to expand it?

Ms. COSBEY. No. By attrition we are limiting it now to 500. For the same amount of money, we were operating last year for 621.

The CHAIRMAN. So if it stays the same, you can actually do less because your costs are greater?

Ms. COSBEY. The seniors are requesting reimbursement.

The CHAIRMAN. Thank you, Ms. Cosbey.

You can rest assured that the Congress is not in agreement with the five and a half per cent increase in Social Security. Nor am I. I think it should be more. At the very least, I think we need to provide cost-of-living increases in these programs so the benefits can at least come to you in the same level as last year.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HARRIS. Mr. Speaker, at the April 14 hearings in Annandale, Va., on H.R. 3000, a bill which will revise the Hatch Act, Mr. Theodore W. Taylor, former Deputy Commissioner of the Bureau of Indian Affairs, gave a thoughtful presentation. I would like to share it with my colleagues:

REMARKS OF THEODORE W. TAYLOR

On the basis of 38 years of government service involving staff work in the personnel field, being an employee under civil service and political appointee supervisor, and as a supervisor of others, I believe my experience may be relevant to the proposed amendments to the Hatch Act. Also for several years I have been teaching public administration part-time at George Washington University, the School of Continuing Education of the University of Virginia, and Southeastern University.

The federal administrative agencies that carry out the programs authorized and funded by Congress have been called a fourth branch of government. They have over 2,000,000 employees. They affect our lives in many ways—regulating interstate commerce and food and drugs, supporting services for housing and education, regulating our monetary system, administering tax laws and benefit programs, as well as protecting our national security. The efficiency and responsiveness of this vast array of government commissions, departments, agencies and bureaus are critical to this nation's welfare.

The Hatch Act was the result of abuse of the power residing in heads of agencies over their employees. The abuse was coercing such employees to act in a partisan political manner. The penalty for not yielding to the wishes of a partisan superior might be harassment, lack of promotion, or being fired. Without restrictions on political activities, there was greater temptation, too, to hire on a partisan basis rather than on merit. Even with the Civil Service Act of 1883 and the Hatch Act these temptations and pressures exist. What does an employee do if he receives an invitation from his department head to go to a partisan fund raising dinner at $100 a plate?

Use of federal employees for partisan purposes reduces the efficiency and responsiveness of agency operations. Further, it warps impartiality and fairness in carrying out the programs established by the Congress. There is the temptation to favor your friends and neglect your enemies (John Dean put this philosophy in a little stronger language). Should political partisanship become a larger factor in public administration, the credibility of such government services would be damaged with the people being served, and rightly so.

However, there are those that disagree with the above view. I remember hearing Patrick Moynihan state at an ASPA luncheon that the civil service merit system was too rigid and resulted in the inability of political appointees of the President to achieve responsiveness in carrying out their programs. I think this is a mistaken view. He had not served as a civil servant. Most people that I have worked with in the federal government are anxious to carry out the intent of the law and in the manner desired by their superiors. Frequently, political superiors assume their policies will become known by osmosis, or they are completely at sea in the complicated and demanding positions in which they find themselves. Thus directions and guides to subordinates may never materialize or may be half baked and result in greater problems.

A basic defect in the Nixon administration was the deep distrust of civil service employees by Nixon and many of his appointees. Instead of leading and working with the program people in the agencies they tried to ignore them or go around them. They reorganized to eliminate top civil service positions to put partisans in their place. Constant reorganizations occurred and political appointees were rotated at a dizzying pace. The people in the bureaus received little direction, could not obtain answers to major policy issues, and were kept in constant turmoil. If such employees had not had statutory guidelines and major policies and approaches worked out through experience, considerably greater disorientation would have taken place. If such employees had not been dedicated to the public service and the programs with which they were charged, the federal government would have come to a near standstill. As it was, the lack of leadership and constant reorganization resulted in lost motion, lost efficiency, and considerable demoralization.

The main point is that without a nonpartisan, program dedicated corps of civil service employees such goings on would have resulted in governmental chaos. If some of the provisions of the bill under consideration had been in effect I suspect there would have been additional disorganization and diversion from legislative objectives.

The proposed amendments to the Hatch Act have laudable objectives—to enable government employees to be full fledged citizens with rights to participate in partisan political activities. I like this objective. I have chafed under civil service restrictions because I could not be an officer in a local partisan party organization. My frustrations were relieved somewhat by being able to campaign for independents for local government offices in Arlington and I have done this. The proposed amendments are thus very appealing.

My problem is primarily with two of the proposed changes: (1) serving as an officer of or conducting a partisan political meeting or rally, and (2) candidacy for any public office. If my bureau chief or the secretary of the department engaged in these activities, and I as an employee was not prohibited by law from engaging in such activities, I believe the temptation would be very great to persuade able employees to participate in key campaign activities. The employee would have little defense if he resisted. His job future is important to him. He is dependent upon it for bread and butter. It is difficult to pin down subtle pressures. It is hard to prosecute flagrant abuses because they are difficult to prove. Pressure would not have to be in the form of direct orders. I have talked with staff members of the CSC and I have been in personnel work myself. Discrimination by a superior against any employee is almost impossible to document and prove—unless he is dumb enough to put it on the record through a prejudicial statement or clearly documented prejudicial act.

Can the above problems be controlled through surveillance and effective prosecution and penalties? I do not know. It seems to me that the difficulties of substantiating a case of partisan political pressure may prevent effective sanctions.

So the issue the committee has to decide is whether the additional political freedoms which the amendment would provide can be safeguarded from abuse. My visceral reaction is that this would be difficult. But if you are satisfied that such abuse can be prevented, I would be very happy to see such political freedoms installed. I do not believe that you should conclude that abuse can be prevented by simply specifying penalties and assigning responsibility for enforcement. I believe you need assurance from professionals in personnel who have worked on discrimination cases and from attorneys and others in the CSC and the Department of Justice. They have had experience under the present statutes and would have to wrestle with the enforcement problems of the proposed amendments.

As previous testimony has demonstrated, employees and their unions are not all of one mind on this matter. And the ASPA which met in annual convention earlier this month passed a resolution which I understand will be referred to your committee and with which I find myself in general agreement.

The importance of the administrative departments and bureaus to our welfare is obvious. We need to promote their effectiveness and responsiveness to the American people.

JOSEF CARDINAL MINDZENTY

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. MADDEN. Mr. Speaker, the world suffered a great loss with the death of Josef Cardinal Mindzenty, who passed away on May 6, 1975 at the age of 83. He stood for principles that all of us admired and served his principles by spending almost one-third of his life in prison or exile. He was a leading opponent of communism and all the evils of the Communist way of life. He was a man who helped all of us to respect freedom. Following is an article by Rod MacLeish on the greatness of Josef Cardinal Mindzenty:

CARDINAL MINDZENTY

(By Rod MacLeish)

The valor of one era often ends up as the obdurate foolishness of another. As long as there was Rhinish mysticism, Siegfried was a hero. He now appears to be a bellowing ninny. Who, in the age of deodorants and self-pity, would want to spend a weekend with Beowulf? The definition of heroism depends largely upon the people in charge of time and events. Josef Cardinal Mindzenty, who has just left us at the age of 83, was a classic example of what can happen to people who get caught in the meshing gears of history. A stalwart of the Cold War when its lines and values were starkly drawn, he became, in the next round of events, a nuisance to authority.

The Hungarian Cardinal exemplified the hero as hold-out. In his long and difficult career he stood up to an assortment of thugs from the Nazis to the several species of Communists who revolved in and out of Hungarian authority at the behest of the Soviet Union. The issues that landed Cardinal Mindzenty in prison and in torture chambers were constant: he defended his church against secular power which hated it, he protested the persecution of Catholics, Jews and people of no particular belief or offense. And everybody cheered because he was the hero of a particular time, place and need.

Then, after 15 years' refuge in the American embassy in Budapest, the world shifted out from under him. Moscow decided to coexist peacefully, the West agreed to think about detente and balances of payments instead of Armageddon. Pope Paul VI recognized that the time for symbolic stalwarts was over and ordered Mindzenty to leave the embassy and come West; President Nixon advised the Cardinal to bow to his fate. He came West. In February, 1974, the Vatican announced that he was no longer prelate of Hungary.

One doesn't remark upon all of this to castigate either what he was or what the world became. But the hero as hold-out has no place in an era whose rueful acceptance has robbed us of things to hold out against. That sighing realization was what Cardinal Mindzenty was left with.

That and the sound of one hand clapping.

NO COMPROMISE ON PRINCIPLES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. KASTEN. Mr. Speaker, the rights of the Baltic States must not be compromised during these final stages of negotiations at the Conference on Security and Cooperation in Europe. Contrary to Soviet designs, the United States will never recognize the illegal, forced annexation of these independent nations. We stand firmly behind the right of these once-sovereign nations to national self-determination, a principle we Americans cherish. To express my personal concern and commitment, I, in fact, have cosponsored a bill, House Concurrent Resolution 255, which denies recognition of the status quo.

The passage of time has not in any way legitimized the incorporation of Estonia, Latvia, and Lithuania by the Soviet Union in 1940. The intervening years have not dimmed the hopes of these proud and courageous peoples. Their efforts are not in vain. The aspirations of freedom must be kept alive. We Americans support the just claims of the Baltic peoples for the return of their nationhood.

Relations among states should be based upon principles to assure equality and respect. The rights of small states to national existence must be protected against the onslaught of aggression, no matter the pretext. The set of principles put forth at the Conference embodies those ideals which we Americans strive for and revere. We can hope that the Soviets will respect these goals and liberate the Baltic States.

"Self-determination of peoples" must not be a vacuous phrase. To agree in principle and contradict in practice is sheer hypocrisy and a breach of international understanding. The entire basis of this Conference then becomes questionable—form rather than substance. Again, we call upon the Soviet Union to reverse its policies of oppression toward Estonia, Latvia, and Lithuania. Let them regain their rightful places as sovereign nations in the world community. To do otherwise would render the agreement on principles meaningless and void.

The free world has not forgotten and will never forget the plight of the subjugated Baltic peoples. We will continue to actively seek the return of sovereign status to Estonia, Latvia, and Lithuania. The United States will never sanction this deprivation of national sovereignty. There will be no compromise on principles at the European Security Conference. The goal of self-determination for the Estonians, Latvians, and Lithuanians will not be sacrificed. The continuing Soviet occupation of the Baltic States must come to an end.

NATIONAL NURSING HOME WEEK

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ROBINSON. Mr. Speaker, I should like to take this opportunity to join President Ford in saluting the American Health Care Association and its members for their efforts to provide quality care for the Nation's infirm elderly and chronically ill citizens. The association, I am informed, represents approximately 8,000 health care facilities with a total of about 600,000 patient beds.

Along with Governor Mills Godwin of Virginia, I should like to recognize, in particular, the work of the Virginia Nursing Home Association, an affiliate of the national organization I have mentioned, in striving to upgrade the quality of extended care facilities and the proficiency of their personnel.

President Ford, Governor Godwin, and many other public officials across the Nation have taken public note of National Nursing Home Week, which now is in progress and will end Sunday, May 18. A chief feature of the observance is the open invitation of the participating nursing homes and similar establishments to the public to visit this week, inspect the facilities and meet the residents and staff.

As the President noted in his statement,

> Such civic involvement is a useful way of bringing the community into the lives of nursing home residents and thus making their days more interesting and enjoyable.

Leaders of the extended health care industry acknowledge that there remains a need for improvement in many homes, and that the higher standards being brought into effect by regulation must be monitored, in the interest of the residents and of the majority of progressive homes which meet, and often exceed, these standards.

At the same time, it seems appropriate to comment and encourage the dedicated health professionals, supportive staff personnel, and volunteers who are combining to provide comfortable lives for so many citizens obliged by infirmity or illness to spend extended periods in "homes away from home".

I have been pleased to read, as I am sure have relatives and friends of the residents, feature articles in several newspapers of Virginia's 7th Congressional District in recent months which have detailed the characteristics of outstanding nursing homes in their communities.

Let us take advantage of the invitation to visit a nursing home this week.

FOR AN ADEQUATE DEFENSE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HILLIS. Mr. Speaker, I would like to take this opportunity to draw the attention of my colleagues to the editorial entitled, "For an Adequate Defense," which appeared in the May 12 edition of the Wall Street Journal. The author of this article, Eugene V. Rostow, is a great American and noted authority in international affairs. Mr. Rostow's comments are extremely timely and deserve the careful consideration of the Congress.

The article follows:

FOR AN ADEQUATE DEFENSE

(By Eugene V. Rostow)

The best diplomatic signal the United States could give the world now would be a sharp increase in our defense program. It will take more than brave words and summit meetings to restore the stability of the world political system. That condition obtains only when our friends and our adversaries are equally convinced that American treaties and other commitments, which are the only cement of the system, radiate genuine deterrent power. At the moment, it is a little difficult to be convincing on that point.

There is a paradox in the state of our opinion about foreign policy. Despite the flurry of bad news in recent months, our basic security position is strong—stronger than has been the case since 1949. The rising pressures of Soviet expansion, and the logic of the nuclear weapon, have forced China, Western Europe, Japan, and many other countries under threat to realize that their security interests and our own are "indivisible," as the French say, and will remain indivisible for the indefinite future. The world is becoming smaller, more interdependent, more dangerous, and more bipolar. We shall remain altogether capable of protecting our interests in that world, if we understand our position as it is, and do what is required to sustain it.

But we do not feel stronger. Quite the contrary. We are uncertain about our course, and are allowing our advantages to erode. Above all, we are bitterly divided, when we should be confronting our problems together with all the optimism, energy and good sense which have always characterized American policy at its best.

How can it be that our position is quite good, objectively, while our subjective perception of it is so melancholy and defeatist?

The explanation for the paradox is that the prevailing American view of world politics, still reeling under the shock of Korea and Vietnam, and attracted as always by nostalgia for the mythical Golden Age of American isolation, has been deeply confused by the misleading Nixon-Kissinger vocabulary for talking about foreign policy. Mr. Nixon did not end the "Cold War," achieve "detente," and substitute "negotiation for confrontation." A condition of "detente" with the Soviet Union has been an unremitting goal of our foreign policy since President Roosevelt's time. It has not been reached. There has been improvement in our relations with the Soviet Union, save in the realms of public relations and wishful thinking. Soviet policy is exactly what it has been since 1944 or 1945, except that its pressures are greater and more diverse than ever, and more difficult to deal with, because they are backed by more force.

THE SOVIET EXPANSION

The Soviet Union continues to pursue policies of expansion which threaten our vital interests in many ways: our interests in access to raw materials; in strategic, naval, and space communication; and in the balance of power itself, through Soviet or Soviet proxy threats to nations whose political independence is vital to our own security, and nations to whose future we are committed for even deeper reasons of history, kinship, and honor. They press steadily to envelop NATO and Japan, and seek to gain power in many other regions of the world.

Soviet policies of expansion are based on a military array which is growing at the rate of 5% a year, in real terms. The Soviet armament effort has no parallel in modern history. Meanwhile, our own expenditure for defense is declining in real terms, and in many categories amounts to unilateral disarmament. It has fallen to the lowest point since the period just before the Korean war.

It follows, at a minimum, that we should build up our military capabilities in order to avert a catastrophic military imbalance. But the defense budget proposed by the Ford administration would keep our defense posture constant, if the rate of inflation turns out to be no more than 10% and all the other cost estimates on which the budget rests prove to be accurate. A static defense program is not enough, in view of the increasing pressures of Soviet policy, and the Soviet defense build-up. That build-up must be countered, if the basic security of the nation is to be assured, particularly by increases for the Navy, for our ready forces, and for research and development. The estimated costs of the increased capabilities recommended in the recent Task Force Statement issued by the Coalition for a Democratic Majority, would be of the order of $10 billion.

The goal of our nuclear policy is to prevent the use or the credible threat to use nuclear weapons in world politics. The heart of the matter is the concept of "second-strike capability," which must at all times be beyond the shadow of a doubt. Second-strike capability cannot be measured by counting the number of ground-based, air-based, and submarine-based launchers on each side, or the number of missiles which can be MIRVed. The key issue is and will remain whether the Soviets can have any reasonable expectation of being able to destroy so large a number of our weapons by a first strike as to create doubt about our second-strike capacity, or our willingness to respond to a nuclear attack as necessary. That question is addressed to the total number of warheads on each side, and the respective capabilities of all Soviet and American launchers.

This is the basic flaw in the Ford-Brezhnev "agreement to make an agreement" announced in Vladivostok. That understanding was addressed to the number of launchers and the number of missiles that could be MIRVed on each side. It tells us nothing about the number of warheads each missile might carry, and the number, yield, capacity, accuracy and range of the warheads themselves, however launched. The Soviet missiles that can be equipped with MIRVs have three to six times the payload of the corresponding American missiles. The result could be an ominous Soviet advantage in *strategic warheads*, and therefore uncertainty about the American second-strike.

The Vladivostok guidelines would build a dam across half the river. It is this gap which persuaded the C.D.M.'s Task Force to support continued research and development expenditure for the B–1 bomber, intended to replace the aging B–52. SALT I did not deal with missiles delivered by bombers at all. And the Vladivostok communique speaks only of missiles delivered by "strategic" bombers. The Soviets are making an impressive "medium" bomber, capable of delivering missiles on many American and American-protected targets. We should therefore proceed with the B-1, pending an agreement that equitably and verifiably limits bombers and all other missile launchers.

The Soviets are building towards superiority in strategic forces, spending annually about twice as much on them as we do, while we have unilaterally frozen the level of our strategic forces.

The Secretary of State has asked, "What in the name of God is superiority? What do you do with it? How do you use it?" The Soviets can answer this question. They are squeezing their economy and their people for the sake of a military goal they believe has meaning today. It offers them the credible possibility of being able to make or to threaten selected strategic attacks against our military dispositions and our allies, while keeping enough warheads in reserve to discourage a reply on our side against either military or civilian targets. Who can deny that such a capability, if achieved, would give them, at a minimum, an immense advantage in the diplomacy of blackmail they have practiced for more than 30 years?

The Task Force Statement therefore urges research and development expenditures on several aspects of our strategic weapons program. These proposals go beyond those of the administration, although they are modest when compared with the Soviet budget. Such action is indispensable if we are to insure that no American President should ever have to choose between yielding vital American interests or destroying the Soviet—and the American—people.

THE IMMEDIATE CHALLENGE

Critical as the problem of nuclear balance is, our greatest immediate challenge is to maintain an adequate U.S. military potential in the non-nuclear field. Thus far nuclear stalemate has given the Soviets the opportunity to inspire conventional wars and proxy wars—an opportunity which has become nearly a license with the decline since Korea of the will of the Western allies to insist on the enforcement of the United Nations Charter. The policy of deterrence must apply at the conventional as well as the nuclear level.

Comparing Soviet and American conventional military potential is a somber exercise. Soviet general purpose forces are increasing steadily in strength and mobility, backed by formidable sea power and air-lift capacity. The Soviet Union has 50%, and perhaps 100% more men under arms than the United States, 3.4 million (or about 4 million) for the Soviets to 2.2 million for the United States, depending on whether one lists border guards and internal security units among the Soviet forces, and how one deals with the high ratio of support to combat troops in all American formations.

The Soviet Union has four times as many tanks as the United States, and at least five times our tank production rate. They are ahead of us three to one in artillery tubes, two to one in heavy mortars and 40% in tactical aircraft, which they are producing at double our own rate. Their air defenses are far greater both in home deployment and in mobile or transportable systems.

The Soviet Union's new blue water Navy is expanding at an astonishing pace. They have almost as many surface ships as we do, and over three times as many submarines, other than ballistic missile submarines. Here again, their building programs are far, far greater than our own.

On net, the Task Force Statement concludes, "our conventional military resources are in many important respects inferior" to those of the Soviet Union. And our programs for revitalizing and restoring those resources are so modest "that we are falling further and further behind."

The statement does not recommend a crash program, seeking to catch up to the Soviets in every category, overnight. It does recommend an increase in expenditures, particularly for the Navy, for ready forces, and for certain critical weapons and weapons systems, designed "to maintain a prudent deterrent against aggression."

A MOOD OF SOMNAMBULISM

The most important problem of our foreign policy is that we and our allies seem to be in a mood of somnambulism similar to that which paralyzed France, Britain, and the United States during the thirties. If we and our allies had been able to wake up then, the Second World War, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today.

The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to face the issues, and undertake that debate.

Thus far, at least, resolve has been the missing factor in the politics of national defense. It is the key factor.

EAST STROUDSBURG HIGH SCHOOL BAND

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDADE. Mr. Speaker, as our Bicentennial celebration gets underway, today is Pennsylvania Day, a day in which we recognize the unique contribution the Keystone State has made to our Nation's greatness. This morning, in ceremonies at the Capitol, participants in Pennsylvania Day were treated to a musical program by one of the finest high school bands in the entire Nation, the East Stroudsburg, Pa., High School Concert Band.

This splendid group of 90 young people under the direction of Mr. John Casagrande got our celebration off to a marvelous start. Because they have been honored by being selected to appear here, I think it is appropriate that the Congress take note of their presence and their many achievements.

The East Stroudsburg High School Concert Band has performed across the Nation winning recognition everywhere for their musical excellence. Twice having appeared on national television, they were selected State band champions for the last 10 consecutive years. I might note that eight of those awards were received under the leadership of Mr. Casagrande. The Pennsylvania Musical Educational Association rates them Division One—Superior, the highest accolade any high school band can receive in our State.

They were selected to play for Pennsylvania Day by the Pennsylvania Federation of Music Clubs who recognized that they represent some of the finest young musical talent in our country. I am tremendously proud to represent these young people and their leaders here in Congress. I know the Members of this body will want to join me in saluting their achievements, welcoming them to Washington, and thanking them for participating in Pennsylvania Day here in Washington.

THE GREEK PEOPLE WILL ALWAYS BE FREE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ZEFERETTI. Mr. Speaker, no nation has a prouder heritage of liberty and freedom than Greece. No people has a history of greater devotion to individual dignity than do the Greek people. Yet throughout their history, they have been plagued by dictatorships in a variety of forms.

In one era after another, tyranny has been visited upon these people by either an outside invader or a domestic dictatorship. As a result, the history of Greece has many pages darkened by the blood of free people who struggled against all odds to shed the rule of their oppressors.

For many years, Turkey and Greece have confronted one another, divided by ancient rivalries. While the Greeks have sought to fulfill their national goals, Turkey has often sought to thwart those goals by military means. In this century, some bloody chapters have been written, not the least of which was the expulsion and murder of the Greek communities of western Turkey at the end of World War I. Now another chapter has been written at the expense of Greece and the Greek people by the Turkish invasion of Cyprus.

It was recently, that the people of Greece once again exhibited their feelings and devotion to a free life by breaking free from domination of a junta which had deprived them of the freedoms we take for granted. And, again, the vitality of the Greek tradition exhibited itself to world view, as vibrant and as meaningful to all mankind as it was in the days of Pericles, Sophocles, Aristotle, and Plato.

Today, there are some differences between the new government of Greece and the United States. These differences will, in time, be healed and bridged over and will be replaced by the traditional mutual respect and admiration characterizing our relations in the past. Meanwhile, it is imperative that Americans understand the reasoning motivating the people of Greece and bear with them in their time of trial.

It is important that we realize how great a contribution their ideals and their immigrants have made to our own country, our laws and our way of life. They have enriched the United States far beyond my ability to describe, and their concern for the well-being of both countries forms a basis for an ongoing understanding between us.

SOCIAL SECURITY BENEFITS NOT IN DANGER—AN ANALYSIS BY PETER MILIUS

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HALL. Mr. Speaker, the security of social security has been brought into question by a number of recent reports. We have all seen the sensational headlines that the social security system is going broke.

Last week the trustees of the social security trust fund—the Secretaries of Treasury, Labor, and Health, Education, and Welfare—told us that total benefit payments are now expected to start outrunning total tax collections this year. This is, of course, not good news. However, as Peter Milius of the Washington Post, quite properly pointed out in a recent article, it is not the cataclysmic news it may have seemed to be.

Mr. Milius has written of the strengths and weaknesses of social security and the alternatives being considered to maintain the program. I want to share the insights provided by Mr. Milius' analysis:

SOCIAL SECURITY BENEFITS NOT IN DANGER

(By Peter Milius)

The Social Security system is not about to go broke. Congress will not let it.

Your elderly relatives are not going to lose their benefits.

You are not going to lose yours, either; when you retire, they will be there waiting for you.

For more than a year now, from both in and out of government, there has come a succession of increasingly bleak reports as to Social Security's future financial soundness. The bleakest report yet on the giant social insurance system came last week.

The Social Security trustees—the secretaries of the Treasury, Labor and Health, Education, and Welfare—told Congress that total benefit payments are now expected to start outrunning total tax collections this year, rather than some year in the far-off future, as they had earlier reported.

If nothing is done in the interim, the trustees said, the vast Social Security trust funds—$46 billion at the start of this year—will be steadily drawn down, and by the early 1980s be exhausted.

The trustees' report was not good news, but neither was it the cataclysmic news it may have seemed. The system is not going to run out of money.

The way the law is written, Social Security benefits and taxes both now go up automatically each year, to keep up with inflation.

The trustees' report means that taxes will now have to go up faster than had been thought before, and benefits somewhat slower. But benefits will still go up, and will still be paid.

The mistake many people make about Social Security is in thinking of it in the same way as a private pension plan, or even an individual savings account: you pay in your money (and your employer also pays in, in your name), the government holds and invests it for you, then pays it back to you and your surviving dependents at your retirement or death, or if you become disabled.

If that were how it worked, each individual's money would simply be waiting in the trust funds for him or her to claim it; it would be frightening news to learn that the money was somehow disappearing, and the trust funds running dry.

In fact, however, the government has never wanted nor dared to take that much money out of the spending stream each year and squirrel it away. Rather than a pension plan or savings bank, the Social Security system has always been run much more like a kind of clearinghouse.

Economists call it a transfer system, a system under which the government simply transfers a certain amount of income each year from one part of the population to another. The money comes in from current workers and their employers, promptly goes back out again to retired and disabled workers, or survivors of workers who died before retirement.

You pay now to support your parents; your children will pay later to support you. The trust funds are almost incidental.

The system is formally known as old-age, survivors and disability insurance. It was set up in the Depression, at the same time and in the same spirit as federal unemployment insurance: to replace part of the income lost when through no fault of his own, a family breadwinner lost or was somehow forced to give up his job.

In the 40 years since, the Social Security system has become one of the dominant institutions in the U.S. economy.

One dollar out of every 20 that the American people now receive in income comes to them through Social Security.

More than 30 million persons are now drawing benefits each month—one-seventh of the population.

Total benefit payments next fiscal year are estimated at more than $70 billion—almost a fifth of the federal budget.

Two basic problems are facing this system now, one of them long-range, the other short.

The long-range problem has to do with the baby boom that occurred in the years just after World War II, and that was followed by the present decline in the birth rate, the so-called birth dearth.

The baby-boom generation was big; the present generation is small. The baby-boom generation will start to retire about the time the present generation starts to work. In relative terms, there will be fewer active workers supporting more retired ones. There are now about three people working and paying Social Security taxes for every one collecting benefits. By the year 2010 or shortly thereafter, that ratio will be 2 to 1.

The shorter-range problem revolves around the law that Congress passed in 1972 to increase future benefits by the same per cent future prices rise.

Congress was actually restraining itself when it passed the law. When it had raised benefits before, it had always raised them more than prices (though not without reason; in 1959 benefits were so low that a third of the elderly people in the country were living in what the government officially defined as poverty). By 1973, that fraction had been reduced to one-sixth.

The problem in 1972 was simply that Congress, when it passed the law, underestimated the likely future inflation rate and thus the likely future benefit costs.

In addition, Congress miswrote the law in such a way as to increase the likely basic benefits of workers who will retire in the future much more than it had intended.

The law, besides simply raising the benefits of people once they are on the rolls, would also eventually raise what are known as replacement ratios, which Congress never meant to do.

Social Security benefits only replace a part of a worker's wages when he retires; the ratios tell you how large a part. Raising the ratios even a little raises the system's costs a lot.

With a few unimportant exceptions, the law now provides that only Social Security taxes may be used to pay Social Security costs.

The Social Security tax is now 9.9 per cent of taxable wages, 4.95 per cent on both employer and employee. (The total amount you and your employer both pay each week is 5.85 per cent, but part of that is for Medicare for the elderly, not Social Security.)

This tax rate has gone up rapidly in recent years. So has the tax base, the part of an individual's earnings to which the tax is applied each year. That tax base is $14,100 this year. Under the 1972 law, it will rise automatically each future year by the same per cent as average wages in the economy. It will be $15,300 next year, more thereafter.

This increase each year in the tax base, however, will not be enough to meet all the system's coming costs.

Unless Congress takes some other action, the trustees thus said last week that the tax rate will have to rise to 10.93 per cent for employer and employee combined by 1985, 12 per cent by the year 2000 and 22.44 per cent by 2050.

A 22.44 per cent tax rate is plainly insupportable. The Social Security tax is already under attack as too high, as well as for being regressive, in that it takes a far higher percentage of a poor worker's total income than it does of one who is highly paid.

The trustees proposed, as a first step, that Congress rewrite the law it passed in 1972 so that, instead of rising, the system's replacement ratios will stay where they are.

The ratios now are about 60 percent for a low-paid worker—the benefits he first gets when he retires are about 60 percent of the wages he last got when he was working—40 percent for people making about the median wage, and 30 percent or below for the higher paid. The benefit structure is progressive, which to some extent offsets the regressiveness of the tax.

If Congress does rewrite the law this way, as it probably will, the system's long-range costs will be much lower than now projected. Instead of a hypothetical tax rate of 22.44 percent by the year 2050, it would need 16.32 percent.

That still means, however, that somewhere in the future either taxes will have to be speeded up or benefits slowed down.

It also leaves unresolved the system's more immediate problem, the fact that inflation is higher than anyone thought it would be in 1972, that benefits and costs are thus rising faster than was then foreseen, and that the system will start eating into its trust funds this year.

To deal with this, the trustees, speaking for the administration, proposed that the Social Security tax on employers and employees combined be increased the equivalent of 1.2 or 1.3 percentage points sometime in the next few years. (No one wants to raise the tax until the recession is over.)

They left for later the next question, which is whether to achieve the increase by raising the tax rate or the tax base.

Such groups as organized labor would rather raise the base; doing that makes the tax less regressive.

What labor would really like to do, however, is stop financing the Social Security system solely out of the Social Security tax, and start shoring up the system instead with general revenues.

Opponents say such a step would destroy the system, in that there would no longer be a fixed relationship between what a person puts in and what he or she eventually gets out. That is also the view of the administration.

In various indirect ways, however, Congress already has begun moving toward the use of general revenues to supplement Social Security.

One such indirect step was taken in 1972, when Congress federalized and began to beef up the nation's so-called adult welfare programs—old-age assistance and aid to the blind and disabled.

These welfare programs are paid for out of general funds. If a worker retires or becomes disabled and his or her Social Security benefits are below the welfare level, these welfare programs will make up the difference.

The Social Security system thus no longer has to worry so much about those receiving minimal benefits; the welfare programs take some pressure off.

Congress also took some pressure off, indirectly, when it passed this year's tax cut to low-paid wage-earners with children. Though no one said so, it was understood that the cut in income taxes was intended to offset the Social Security taxes such people pay.

Instead of putting income tax money directly into Social Security and cutting Social Security taxes, Congress did it the other way around.

General revenues are one possible solution to Social Security's problems. And if not that, Congress will find another. Those 30 million people receiving benefits—a lot of them vote.

CULTURAL ASSETS OF CONTRA COSTA COUNTY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. MILLER of California. Mr. Speaker, I would like to call the attention of my colleagues to a most unusual and desirable addition to the cultural assets of Contra Costa County—most of which lies in my own Seventh District of California.

The city of Concord, with assistance from the Mount Diablo Unified School District, has recently completed construction of the $4.5 million Concord Pavilion. Nestled in the gently sloping foothills in eastern Concord and Contra Costa County, this pavilion is most artistically designed to blend the structure and its audience into the tranquil countryside, with the majestic Mount Diablo as a backdrop.

The pavilion will bring all the performing arts to the people of Concord, Contra Costa County, and northern California. Its design flexibility makes the pavilion adaptable for symphonies, ballet, chamber music, opera, drama, musical theater as well as circuses, ice shows, spectator athletic events, religious gatherings, political rallies, arts and trade shows, conferences, fairs and conventions. The pavilion fulfills a long-time need in the area for a large auditorium facility.

The 8,000 seat pavilion will be the family entertainment center of Contra Costa County and also a facility for the 50 schools of the Mount Diablo Unified School District to utilize the musical, educational and theatrical programs year-round.

World famous performers and productions will give life to the pavilion stage and its unique sound system. It will be one of the world's most versatile multi-use facilities and the only one of its kind west of the Mississippi River.

The opening performance on Friday, May 16 at the Concord Pavilion will be a benefit show featuring Henry Mancini and his orchestra and jazz vocalist Sara Vaughn. In July and August, the Concord Summer Festival, featuring an outstanding jazz program, will move to the pavilion after six highly successful years at Concord Boulevard Park. Later this summer the San Francisco Symphony will play a series of concerts.

I know the Members of this House will want to join me in congratulating the city of Concord, the Mount Diablo Unified School District, and Contra Costa County on the opening of the Concord Pavilion.

REDUCED AIRFARES FOR SENIOR CITIZENS

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PRITCHARD. Mr. Speaker, just a few weeks ago, the Civil Aeronautics Board turned down a proposal for discount airfares for senior citizens. Trans-World Airlines proposed knocking one-third off the regular coach fares for senior citizens who agreed to fly on a "standby" basis. In other words, senior citizens could board a flight with a reduced fare if all the seats had not been taken by passengers paying higher fares entitling them to reservations.

TWA's proposal would have been good for all concerned. Senior citizens could avail themselves of lower airfares. And TWA would have, in their own words, furthered their efforts toward "stimulating increased leisure travel" at a time when the industry has been suffering record losses. In rejecting the proposal, the CAB said, in effect, that senior citizens must ante up the full fare and the airlines must continue to fly planes with empty seats.

It is particularly ironic that the CAB expressly rejected the bid of TWA to offer discounts to senior citizens. Just last month, the CAB restored the youth fare to Europe.

In the 93d Congress, I introduced legislation authorizing the airlines to offer reduced standby airfares to the elderly. Had my measure passed, TWA could have instituted their discount proposal. Today, in light of the CAB's decision, I am reintroducing my proposal. For the benefit of my colleagues, I insert the text of my bill in the RECORD at this point:

A bill to amend the Federal Aviation Act of 1958 to authorize reduced-rate transportation for elderly people on a space-available basis

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the last sentence of section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373 (b)) is amended by inserting "and elderly people" immediately after "ministers of religion".

(b) Such section 403(b) is amended by adding at the end thereof the following new sentence: "As used in the preceding sentence, the term 'elderly people' means individuals aged sixty-two and older.".

CAPITALISM VERSUS STATISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, an attack often made against capitalism is—oddly enough in the light of Marxist dogma—that it creates too much wealth. Many English aristocrats in the 18th and 19th centuries hated to see the "common" man with newfound wealth made possible by capitalism—inherited wealth was noble, created wealth was somehow vulgar.

The same sort of attack is levelled today by John Kenneth Galbraith in "The Affluent Society": capitalism leads to affluence and the expenditure of money on the "wrong" sorts of things.

It follows that the government—the state—should take this wealth from the people and spend it on more appropriate things. Why? Well, to benefit the people, of course. But how can it benefit them? If to make them richer, this cannot be done by taking their wealth.

Not only is this an old argument, but its logical absurdity has long ago been exposed. One excellent example is provided in "Macaulay: Defender of Capitalism," an article by Bruce Bartlett which appeared in the May 1975 issue of The Freeman.

The article follows:

MACAULAY: DEFENDER OF CAPITALISM

(By Bruce Bartlett)

Thomas Babington Macaulay was born in 1800. In 1825 he began his writing career and soon became one of England's most popularr essayists. In 1848 the first volume of his magisterial *History of England* appeared and became an instant success, rivaling only the works of Byron and Sir Walter Scott in popularity. Owing to its brilliant style and encyclopedic collection of facts, it established Macaulay's reputation for all time. In 1857 he was raised to the peerage, died in 1859, and was buried in Westminster Abbey.

Like Lord Acton, Lord Macaulay is an outstanding representative of the Whig tradition and true liberalism in the nineteenth century. In his works he constantly stressed the history of liberty as fundamental to human progress. Consequently, he was also a strong supporter of capitalism and laissez-faire, both in his writing and in numerous speeches before Parliament. His most vigorous effort was in a review of Robert Southey's *Colloquies on Society* for the *Edinburgh Review* in January, 1830.

Southey was Poet Laureate of England at the time. In 1829, however, he had temporarily abandoned his poetry to take up social commentary. Ostensibly, his book was only a collection of conversations between himself and the ghost of Sir Thomas More; but this was only a literary device to allow him to present his own opinions about society in general. Macaulay easily saw through this and took Southey firmly to task for this departure from his poetry:

"It would be scarcely possible for a man of Mr. Southey's talents and acquirements to write two volumes so large as those before us, which should be wholly destitute of information and amusement. Yet we do not remember to have read with so little satisfaction any equal quantity of matter, written by any man of real abilities. We have, for some time past, observed with great regret the strange infatuation which leads the Poet Laureate to abandon those departments of literature in which he might excel, and to lecture the public on sciences of which he still has the very alphabet to learn. He has now, we think, done his worst."

From this opening barrage, Macaulay went on in similar style to review all of Southey's pronouncements. Today they would be considered left-wing, but in his time Southey was considered the voice of ultra-Toryism. His brand of Tory conservatism taught that all in the past was good, and therefore, he was contemptuous of any change. In a time of rapid social change brought on by the Industrial Revolution, Southey wanted government to control undesirable trends. He was particularly incensed by the growing prosperity of the new capitalist class.

His distaste for the capitalist was a logical consequence of his conservatism. He hated seeing "common" men with wealth which had heretofore been reserved only for the aristocracy. Southey also hated the source of this new wealth, rooted as it was, not in large land holdings, but in factories. To Southey, this new manufacturing system was "a system more tyrannical than that of the feudal ages, a system of actual servitude, a system which destroys the bodies and degrades the minds of those who are engaged in it."

WORSE OFF WITHOUT FACTORIES

Macaulay's reasoning, rooted much more thoroughly in reality, was that without the factory system there would be mass starvation. "When we compare our own condition with that of our ancestors," he said, "we think it clear that the advantages arising from the progress of civilisation have far more than counter-balanced the disadvantages arising from the progress of population. While our numbers have increased tenfold, our weatlh has increased a hundredfold." Macaulay went on to remark that it was the very increase in wealth which had brought on the complaints of industrialization. Where wealth is great, he said, suffering is more obvious and thus, more loudly bewailed.

With the wealth of industrialization spreading rapidly to all classes of society, Southey was also concerned that government was not getting its share. Thus his favorite theme is that a people may be too rich, but a government cannot be. "A state," he says, "cannot have more wealth at its command than may be employed for general good, a liberal expenditure in national works being one of the surest means of promoting national prosperity; and the benefit being still more obvious, of an expenditure directed to the purposes of national improvement. But a people may be too rich."

Needless to say, Macaulay has a field day with such absurd logic, in spite of which it has survived to the present day in John Kenneth Galbraith's *The Affluent Society*. "What does he mean by national prosperity?" Macaulay asks. "Does he mean the wealth of the state? If so, his reasoning runs thus: The more wealth a state has the better; for the more wealth a state has the more wealth it will have. This is surely something like that fallacy, which is ungallantly termed a lady's reason. If by national prosperity he means the wealth of the people, of how gross a contradiction is Mr. Southey guilty. A people, he tells us, may be too rich; a government cannot; for a government can employ its riches in making the people richer. The wealth of the people is to be taken from them because they have too much, and laid out in works, which will yield them more."

"We are really at a loss," he concludes, "to determine whether Mr. Southey's reason for recommending large taxation is that it will make the people rich, or that it will make them poor. But we are sure that, if his object is to make them rich, he takes the wrong course."

NO FAITH IN PUBLIC WORKS

It is clear from this that Macaulay has no belief in the virtues of public works; particularly when government competes with private business. In this respect, he follows closely the reasoning of the classical economists that no one will invest in a free market without the expectation of profit. When government invests tax money, however, there will be no such expectations. Thus, with private investment there is a direct correlation between the motives of the investor and the utility of the work. The government does not invest to fill an economic need, but only a political one. To Macaulay, this results in ostentatious architecture, great roads in small towns, and canals built in some remote province. "The fame of public works," therefore, "is a much less certain test of their utility than the amount of toll collected at them."

Government spending could also be certain to attract a multitude of vultures to prey on the public treasury: "In a corrupt age, there will be direct embezzlement. In the purest age, there will be abundance of robbing . . . In a bad age, the fate of the public is to be robbed outright. In a good age, it is merely to have the dearest and the worst of everything." The aim should be to confine government building to legitimate government needs. "Buildings for state purposes the state must erect," Macaulay said. "And there we think that, in general, the state ought to stop. We firmly believe that five hundred thousand pounds subscribed by individuals for railroads or canals would produce more advantage to the public than five millions voted by Parliament for the same purpose."

THE KING KNOWS BEST

Macaulay finally boiled Southey's system down to one fundamental principle: "That no man can do anything so well for himself as his rulers, be they who they may, can do it for him, and that a government approaches nearer and nearer to perfection, in proportion as it interferes more and more with the habits and notions of individuals." To Macaulay, such a view was incredibly naive and showed no understanding at all of history, economics, or human nature: "The division of labour would be no blessing, if those by whom a thing is done were to pay no attention to the opinion of those for whom it is done. The shoemaker, in the *Relapse*, tells Lord Foppington that his lordship is mistaken in supposing that his shoe pinches. 'It does not pinch; it cannot pinch; I know my business; and I never made a better shoe.' This is the way in which Mr. Southey would have a government treat a people who usurp the privilege of thinking."

The result of letting the government run everything could only lead to oppression. As Macaulay saw it: "Government, as government, can bring nothing but the influence of hopes and fears to support its doctrines. It carries on controversy, not with reasons, but with threats and bribes. If it employs reason, it does so, not in virtue of any powers which belong to it as a government. Thus, instead of a contest between argument and argument, we have a contest between argument and force. Instead of a contest in which truth, from the natural constitution of the human mind, has a decided advantage over falsehood, we have a contest in which truth can be victorious only by accident."

The answer was laissez-faire, "It is not by the intermeddling of Mr. Southey's idol, the omniscient and omnipotent State," Macaulay concludes, "but by the prudence and energy of the people, that England has hitherto been carried forward in civilisation; and it is to the same prudence and the same energy that we now took with comfort and good hope. Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property, by diminishing the price of law, and observing strict economy in every department of the state. Let the Government do this: the People will assuredly do the rest."

NEW YORK—THE STATE OF THE CITY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ROSENTHAL. Mr. Speaker, New York City faces a fiscal crisis perhaps unprecedented in its history. In the next 2 months, this great metropolis must find a way of closing a $641 million gap in its 1975–76 budget and raising $1.5 billion in short-term funds to meet a cash flow crunch.

The dilemmas faced by New York are symptomatic of those being encountered by cities in every corner and region of the United States. High unemployment and business reversals have meant shrinking tax revenues. At the same time, the costs of providing basic services have soared.

Obviously, immediate problems require immediate solutions. In the midst of a storm, the first priority is keeping the ship afloat. Accordingly, I urge the Federal Reserve bank to make available to the hardest pressed cities, including New York, whatever funds are necessary to weather this disaster. I will also introduce shortly a countercyclical assistance act which will provide $4 billion in Federal moneys for distribution to areas coping with problems of massive unemployment.

But it also is appropriate and essential that our country contemplate the long-range futures of its cities. We must examine the fundamental problems of urban areas—housing, crime, welfare, physical decay, labor unrest, et cetera—and develop strategies for long-term reconstruction and regeneration. For all of their problems, this Nation's cities have a rich and exciting potential.

As an inspiring example of the thinking so necessary for revitalization of our urban areas, I commend to the attention of my colleagues a series of editorials on the problems of New York City presently appearing in the New York Times. The series, "The State of the City," seeks to define the city's problems and "point to options for a less haphazard course toward the future." The theme of the editorials was stated at the outset: Although "there is compelling cause for concern over the city's present extraordinary dilemma," editors of the Times "are convinced both of the city's inherent strengths and of its crucial place in the Nation's affairs."

The first three installments follow:

THE STATE OF THE CITY

"It is a miracle that New York works at all. The whole thing is implausible. . . . The subterranean system of telephone cables, power lines, steam pipes, gas mains, and sewer pipes is reason enough to abandon the island. . . . By rights New York should have destroyed itself long ago, from panic or fire or rioting or failure of some vital supply line. . . ."

E. B. White, "Here Is New York," 1955.

Millions have viewed this implausible metropolis—the Empire City or the 51st State—with similar awe, admiration and concern. Its services are often erratic. Its littered streets are cratered with potholes; its traffic a chronic tangle; its access routes twice daily clogged to desperation. A handful of disgruntled bridge tenders can cut the city's lifeline; a fire at a vulnerable point can silence hundreds of thousands of telephones. Not long ago a study found an alarming proportion of its inhabitants to be on the brink of mental exhaustion and disorientation.

It is perhaps because New York has always been at once implausible and indomitable that its problems are often regarded as either too monumental or not serious enough to be met head-on with rational proposals for change. But at a time when urban America is in deep trouble—its vitality undermined by recession, unemployment and inflation—the future of the nation's first city can no longer be left to the chance of muddling through.

We believe that there is compelling cause for concern over the city's present extraordinary dilemma, but we also are convinced both of the city's inherent strengths and of its crucial place in the nation's affairs. In the days ahead, we will in these columns analyze the State of the City, try to define its problems and point to options for a less haphazard course toward the future.

THE CAPITAL OF AMERICA

Such an appraisal must begin with the recognition that New York is not an ordinary metropolis. America's only truly cosmopolitan city is the capital of culture and the arts. It is the center of communications and commerce. Its very streets have become symbolic—Broadway (and off-Broadway, too) for the world of theater; Wall Street as the focal point of banking and finance; Seventh Avenue for the creation and manufacture of American fashions; Madison Avenue as the synonym for commercial and subliminal tastemaking; Park Avenue and Fifth Avenue for elegance.

New York is the city of Carnegie Hall, the Metropolitan Opera and Lincoln Center, the great museums and the little galleries, Olmsted's grand design of Central Park. It is a city of architectural triumph (as well as disaster). It is host to the United Nations. Even though it lacks the automatic authority other capitals derive from being seats of national government, New York is nevertheless America's London or Paris. In its many guises, New York retains still the indefinable qualities that led Walt Whitman to call it "the most effective medicine my soul has yet partaken."

Twenty years ago, John Steinbeck, after observing that this city's politics "are used to frighten children," had to concede that "all of everything is concentrated here, population, theater, art, writing, publishing, importing, business, murder, mugging, luxury, poverty." And so it is today.

It would be misleading to suggest that bigness alone distinguishes New York from America's other cities. The sheer mass of everything changes not only the dimension but the fundamental nature of its problems. For example, of all Americans who daily use public transportation to ride to work, 40 per cent are carried by the buses and subways within New York's five boroughs. New York's safety requires a police and firefighting force roughly equal to two army divisions. The university systems of only seven states enroll more students than the giant City University of New York. More than one million children attend its 900 schools.

Yet as much as it is a metropolis, New York is a conglomerate of provincial neighborhoods, each fiercely protective of its own rights and character. These enclaves contribute signally to making the city livable; but they are also staging areas of friction and conflict. In periods of unrest, as populations shift and the newly arrived trespass on their predecessors' established turf, latent hostilities may easily erupt into ethnic, religious or racial strife.

Such periodic unrest is irrevocably part of the life of a city that has always been the nation's gateway for immigrants from abroad and the magnet to migrants from domestic regions of poverty. Wave after human wave has swept into New York—the refugees from persecution and famine and the despondent victims of a shrinking agrarian frontier and of racial injustice in the South.

CITY OF HOPE

Time and again, the city has reeled under such pounding as it struggled to absorb the new populations. Time and again, the old order and set patterns seemed threatened. Such is the case today as the city's ethnic composition undergoes dramatic change—as the children of non-white minorities in fact have become the majority of the schools' enrollment, as middle-class families move out of the city into the surrounding suburbs.

The city's problems are rendered all the more complex by being locked into a highly confined geographic area. Extreme poverty and great wealth coexist in close proximity. New York is the home of some of the nation's most prestigious private schools; yet 600,000 children are on welfare and 30,000 are under municipal foster care. Luxury and deprivation are often separated only by the width of a city street. New York is the site of the most sophisticated medical research universities; yet its municipal hospitals struggle daily to deliver emergencies in the teeming ghettos.

Responding to political corruption in its wards, New York was a pioneer in the establishment of metropolitan government, administered by a professional civil service under the strict rules of an exemplary merit system. But over the years, the system has ossified. To a large extent, the criterion of merit has evaporated, to be replaced by mere seniority and other union-mandated rigidities. Intended to stifle corruption, the system now often stifles its own capacity to innovate and periodically spawns its own corruption.

Responding to its humane instincts, New York earned an early reputation as a liberal city that takes care of its own, thus constantly attracting more of those in need of care and compassion. It is an admirable but costly tradition, reflected in a staggering current expense budget of $11.6 billion and in a total debt burden of nearly $14 billion. At $6.5 billion for salaries, benefits and pensions, the bill for labor devours roughtly half of the cost of municipal government. With 400,000 person on the city payroll, municipal services have begun to dwarf the private sector's total work force.

THE NATIONAL BELLWETHER

The popular view that "New York is not America" is, like many cliches, largely wrong. In many ways, New York is America. What happens in this city is often a preview of the forces that subsequently shape life in cities across the United States. From rising crime rates to declining reading scores, from inflated ranks of public employes to shrinking private employment, New York is the bellwether of urban problems.

The fashions and fads, the decline of confidence in municipal government, the contrast between tax-rich suburbs and the shrinking tax base of the inner cities, the incidence of civic corruption—all invariably become nationwide phenomena soon after the spotlight focuses on them in New York. Within weeks after the first disclosure of the city's nursing home scandals, it became abundantly clear that New York had only pointed an accusing finger at a nationwide disgrace.

Because this city is central to the nation's future, its present depression of treasury and spirit must be diagnosed and corrected. There is room for neither paranoia nor smugness. It would be suicidal to persist in the familiar insularity of mind that routinely rejects solutions simply because they are at odds with established custom or vested interests.

The margin for error and waste has narrowed. High cost and low productivity are eating away at the city's resources and economic strength. As the public debt mounts, the capacity of the tax dollar to deal with current problems shrinks. Paying ever more heavily for unmet bills of the past reduces the options of responding to present needs and of planning for the future.

New York's once proud reputation as a union town is tarnished by labor's sometimes self-destructive inflexibility. The union label, too selfishly construed, becomes a deterrent to commercial development and a cause for friction between the organized work force and some of the ethnic minorities who view the unions as allies of the conservative establishment.

Once a force for progress, the city's metropolitan government is weighed down by a top-heavy bureaucracy. Codes and restrictions, originally designed to improve the quality and integrity of urban management, now stunt growth and invite chicanery and payoffs. New ideas are either shot down outright or, failing that, soaked up by the sponge-like status quo.

The city stands in danger of losing the proper balance between a capacity to renew its stock of private and public housing, its means of transportation and access, its commercial and industrial development on the one side, and the protection of its environment within the framework of orderly growth on the other. It has ravaged what is potentially one of the world's best waterfronts. It has let its parkland deteriorate, abandoning some of it outright to vandalism and crime.

CITY OF THE FUTURE

These errors are not irreversible. But to reverse them calls for a new readiness to raise fundamental questions and subsequently to respond with an open mind, even when the answers are uncomfortable and solutions unorthodox.

One of the basic issues is the way the city's creaking political and governmental machinery and its relationship with an equally unsatisfactory state government can be attuned to modern realities. How, it must be asked, can public and private forces and interests be made to mesh in order to respond to metropolitan as well as local needs? How can New York be taught to plan for its future without creating such billion-dollar misunderstandings as excavations and tunnels to nowhere? How, above all else, will the city prove that the urban civilization from which there is no turning back can be made humane and economically viable?

The city's foremost dilemma may well be its own isolation from the surrounding tri-state suburbia. Although the vast and still growing commuter radius derives from the city much of its economic and cultural strength, New York gets little in return, either in money or in civic support. Many of the options in tackling the city's problems are inseparably linked to the search for ways and means of breaking this metropolitan isolation. Solutions depend increasingly on new strategies toward dismantling the government, fiscal and psychological wall between the constricted urban center and the wide suburban rim. If self-interest threatens to block such a turn to regionalism, the ultimate impact of an enfeebled city on its surroundings will be to accelerate the decline of the entire area.

In ensuing days, we will offer on this page a more detailed examination of some of the major problems affecting the city, in an effort to find constructive ways of working out a more promising future for this maddening—and inspiring—metropolis.

STATE OF THE CITY: FISCAL SHOCK

New Yorkers, have been subjected during the past half year to a series of fiscal shocks that must convince even the most cynical citizen that this time the crisis is real. Within weeks, the city faces the grim possibility that it will not be able to raise the cash needed to meet its immediate obligations. In answer to recent appeals to Washington, Secretary of the Treasury Simon said flatly that "the solution to the city's financial problems does not lie at the Federal level."

The first storm signals appeared early last fall when Mayor Beame reported that his 1974–75 budget already was running $420 million in the red. Despite a progression of economy measures, the deficit has not been eliminated. It remains at $120 million or more—probably substantially more—as the fiscal year rapidly draws to a close.

Concurrently, the city began experiencing difficulty in marketing a rapidly growing volume of short-term notes. In December, city officials were forced to accept what they called an "outrageous" 9.479 per cent interest rate for a $500-million loan. By April, with city bonds selling at two-thirds of face value and with the city's "A" credit rating suspended by Standard & Poor's, New York faced the humiliating prospect of not being able to market a note issue for $450 million already scaled down from an initial $550 million. Only a last minute advance of $400 million from the state enabled City Hall to meet its debt and payroll obligations for the month.

The worst is yet to come. Between now and the end of June, it is estimated that the city will have to borrow at least $1.5 billion in a saturated market that is apprehensive about the city's fiscal position. There is growing fear that in the next six weeks, possibly as early as next week, the city will face a cash crunch comparable to that of the 1930's when bankers and the state forced the most stringent economies on the city to avert municipal bankruptcy.

The immediate cause for eroding confidence in the Beame administration is its persistent failure to wipe out the deficit in the current budget. This failure has been heightened by a disturbing lag in executing even those economy measures that have already been proclaimed, plus the prospect of a much larger deficit in the new fiscal year beginning July 1. After months of pruning and manipulating, the Mayor is still projecting a $641.5-million deficit in his $12.8-billion 1975–76 budget—and that is *after* allowing for a 10 per cent increase in realty taxes and a reduction in the city's payroll which the Mayor claims will amount to 10 per cent by the end of the fiscal year.

Is it any wonder that the Citizens Budget Commission says the city is facing "the worst fiscal crisis in its history"? How did the city get into this mess?

ROOTS OF THE CRISIS

Part of the problem can be fairly ascribed to the current national recession-cum-inflation which has raised the costs of government while curbing revenues.

However, the roots of the urban crisis go far deeper than any transient national economic maladjustment. New York, like other urban centers, has been affected by long-term trends that have eroded the tax base while increasing pressure for public spending. These corrosive and costly trends include:

The flight to the suburbs of more affluent citizens, and of industries, and a concurrent influx of unskilled poor whose needs send social-service costs soaring.

The progressive obsolescence and decay of the center city—of housing, highways, transit and water and sewer facilities.

The unionization of public employes, with consequent sharp increases in wages and fringe benefits.

Increasing congestion and pollution and a growing recognition of their harmful impact.

These problems are compounded for New York because of its size and density and because it has been a pioneer in developing public services, particularly in the area of human welfare. This city has spent more per capita on public services than most other cities and has been almost unique in providing some services, such as its city university and hospital systems.

The result has been a relentless rise in city expenditures—at a rate of 10 to 15 per cent annually for the past ten years—in the face of a much slower increase in the city's tax base. Three out of every four jobs added here during the 1960's were in the public sector. For over fifteen years, a profligate city has spent more than it has been taking in, papering over the difference with massive borrowing and fiscal legerdemain.

This is a game that cannot be played any longer. In the last ten years, the expense budget has more than tripled. Funded debt has doubled. Short-term obligations outstanding have soared from $747 million only five years ago to an estimated $6 billion next June 30. Total debt now exceeds $13 billion. Debt *service* is expected to surpass $2 billion next year.

WHAT TO DO ABOUT IT?

The immediate task is to bring the new budget into balance and to begin whittling down the debt. Despite the string of economies Mayor Beame has already announced and the anguish his proposals have produced in the municipal unions, the size of the deficits in current and future budgets and the credit squeeze underscore the need for more drastic steps.

State and Federal aid combined account for about 45 per cent of the municipal budget. New York still has a valid case for more help in specific areas, and Mr. Beame will undoubtedly press this point, when he meets with President Ford tomorrow. Welfare is properly a Federal responsibility; courts, corrections and hospitals logically should be taken over by the state. Meanwhile New York City has a gigantic problem.

Some additional increase in local taxes—beyond the Mayor's proposed 10 per cent rise in the realty levy—undoubtedly will be needed. But New York City and state taxes are already the highest in the nation. There are severe limits to the amount that can be added to the current tax burden without further undermining the city's economic base. Commuters still pay far less than their fair share of the costs of maintaining the city, and the commuter tax should be raised; but the revenue yield would not begin to solve the budget problem.

The only realistic course is to cut spending to levels that the city can afford—and that means reducing personnel and services far more drastically than the Mayor has so far suggested, and clamping a lid on civil service wages and fringe benefits. The essential first step would be to put a freeze on all new hiring and to suspend negotiated pay increases—amounting to some $600 million in the new fiscal year—as the Citizens Budget Commission has recommended. The only—but less desirable—alternative is wholesale firings.

For the long haul, the budget crisis and the inevitability of a reduced work force—either by attrition or dismissals—make it essential that the city reform its budget-making procedures and improve personnel and management practices. This city has been ill-served by a political structure that has let mayors manipulate the budgetary process, almost without challenge, and by the gross inefficiencies of the bureaucracy. Citizens will have a chance to vote for long overdue reforms when the State Charter Revision Commission submits its recommendations in a referendum next fall.

With sound management and effective political oversight, this still dynamic and wealthy city can afford to provide adequate, even superior municipal services. It cannot afford to be profligate any longer.

STATE OF THE CITY: INDUSTRY AND LABOR

New York City's diversified economy, long viewed as the strongest possessed by any metropolis in the world, is sick for reasons that will not disappear when the rest of the country climbs out of the recession. Cures for the city's deep-rooted economic ills depend on public and private decisions that can flow only from restoration in the forthcoming municipal budget of a sound fiscal foundation for revival of industry and employment.

The city has lost 420,000 jobs, all of them in the private sector, in a little over five years. But that dismal figure merely begins to tell the long-term story of industrial stagnation in this capital of finance, communications, fashion and international trade.

New York's current employment total of 3.37 million is slightly below the total a full quarter century ago. During that same period the number of jobs elsewhere in the United States has expanded by 80 per cent. In short, this city has been a leftout in the phenomenal job growth the nation has experienced since World War II.

There is no occasion for despair in this record, provided adequate recognition is given to the enormous assets New York still has. Despite the downtrend of recent years, it provides more jobs than Boston, Detroit, Baltimore and Philadelphia combined. In an interdependent world economy, increasingly dominated by multinational banks and conglomerates, no city here or abroad compares with New York in potentiality for headquarters expansion.

An almost limitless range of expertise is available here in every knowledge skill from law to computer technology. Taxes, electricity costs and many other business expenses remain forbiddingly high, but heavy overbuilding of ultramodern office space in recent years has made commercial rents a bargain.

New York's success in reversing the outmovement of large companies—some to the suburbs and some to distant cities—is likely to depend primarily on its success in improving the quality of urban life. There would not be enough floors in now empty skyscrapers to house all the establishments eager to move in if fear were banished from city streets, the schools were better and decent housing could be found at supportable rents.

The sad reality is that progress in all three directions will be harder to achieve because of the paramount immediate necessity for putting the city's fiscal house straight. That means not only slowing the ruinous rise in local taxation but also ending the city's current role as an inflator of private labor costs by pushing civil service pay and benefit scales far above those in industry.

ROOM FOR GROWTH

Once the city has made a decisive turn toward responsible budget control and high productivity in its own work force, there is warrant for considerable optimism about renewed growth in the white-collar and professional sectors of the metropolitan economy.

To give the Wall Street area vitality as a round-the-clock community, the major financial institutions and law firms in lower

Manhattan are willing to accept a special real-estate tax—on top of the 10 per cent boost in the citywide realty level due July 1—to underwrite such amenities as pedestrian malls and park areas, along with intensified planning for mass transit and housing. That proposal is an encouraging counter to the renewed threat of the stock exchanges to move to New Jersey in protest against higher securities taxes, even though the special reality levy does raise some serious policy and legal questions of its own.

The real employment problem for this city lies in the blue-collar field, especially in the fast-disappearing realm of factory jobs. The present total of 570,000 manufacturing jobs is only a little over half the number two decades ago. Where factories once provided nearly a third of all New York's employment opportunities, they now account for only a sixth. The sharpest loss has been in the needle trades, with 200,000 jobs gone in that area alone.

By the harsh yardsticks of economic determinisim, it might be argued that the wisest course would be to let the erosion in manufacturing proceed unchecked and concentrate the city's resources on fostering expansion in commercial activities, research, health services, communications, finance and New York's other provinces of special strength.

In human terms that is an unacceptable option, except as a matter of planning for the closing years of the century and beyond. It is true that center cities—and this one most of all—are not appropriate places for factory industry. It is also true that New York has become a center for light manufacturing, with wage scales only marginally above the poverty level.

NEED FOR JOBS

The reality is that this metropolis has experienced a profound population exchange in the postwar period, with two million whites moving out and two million blacks and Puerto Ricans moving in. The result at this stage of the newcomers' absorption is a huge pile-up of unskilled and undereducated workers in need of jobs.

Until open enrollment and other educational programs better equip this segment of the population, tax incentives and even subsidies are required to expand factory and service employment. Alfred Eisenpreis, the city's Economic Development Administrator, has been encouraging industrial parks and seeking law changes to spur plant investment. Beyond this, however, there is need for amending the State Constitution to permit even more direct, public involvement in job generation.

Obviously, not every kind of industry can flourish here, no matter how much developmental aid it receives in the form of public subsidies or tax relief. But economies of scale do offer advantages in the giant metropolitan market, and there are incipient signs of some easing in union-enforced featherbedding and other restraints on efficiency.

Notable in that respect was the turnaround of the International Longshoremen's Association several years ago toward full cooperation in cargo containerization, a development that began the renaissance of the port. Since then breakthroughs in other industries have greatly increased their competitive viability and the security of union members' jobs.

The crucial test of attitudinal change will come in the next few weeks when the unions representing municipal employes reach the moment of decision on sacrifices required to keep the city itself both solvent and livable. They cannot be expected to respond affirmatively, however, unless the city has first eliminated every political hanger-on from high-paid exempt jobs and has revised its own managerial practices to insure that every dollar of municipal payroll produces a dollar's worth of efficient public service. It has not done so yet.

THE LOBBYING ON LAND USE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. FLORIO. Mr. Speaker, land use policy and planning has been a major issue for quite some time in this and previous Congresses. Every imaginable comment has been directed to land use policy ranging from one end of the spectrum to the other. I have heard various proposals described as disastrous and dictatorial; necessary and desirable; and every other adjective in between. As the committee begins its deliberations on Mr. UDALL's bill, H.R. 3510, I would like to bring to the attention of my colleagues the following editorial article from the Washington Post of May 8, 1975:

THE LOBBYING ON LAND USE

The pressures are building up as the House Interior Committee approaches consideration of H.R. 3510, the land use planing bill reported by a subcommittee chaired by Rep. Morris K. Udall (R-Ariz.). Committee members are being importuned in various ways by representatives of state and local governments, environmental groups, farmers, realtors, energy companies, construction firms and countless other interests. The lobbying is doubly intense because key votes in the committee are expected to be close, and leading opponents such as Rep. Sam Steiger (R-Ariz.) and the U.S. Chamber of Commerce are fighting hard to keep the legislation from reaching the House floor.

The controversy is understandable since land use policies affect everyone. What is regrettable is that some of the busiest lobbyists are distorting the issues involved and fostering confusion and alarm. The Chamber of Commerce has told its members, for instance, that H.R. 3510 "amounts to a national zoning ordinance" which would snatch power away from local government and destroy private property rights. The bill does nothing of the kind. Some earlier proposals did contain more-or-less coercive elements, but such features are not included in H.R. 3510. The bill would simply provide aid to states that choose to develop comprehensive programs for making land-use decisions involving key public facilities, large-scale developments, projects with regional impact and areas of critical state concern.

Moreover, H.R. 3510 would not dictate any particular planning approach: Each state would be free to determine how much responsibility should rest with local government and what functions regional or state agencies should perform.

Actually, two kinds of distortions are involved in the charge that H.R. 3510 would inject the federal government into local domains. In addition to misrepresenting the bill, that argument also ignores the fact that federal policies already have a major impact on land use. The federal-aid highway and sewer construction programs are obvious examples. Federal environmental laws, especially the clean air and clean water acts, have given the Environmental Protection Agency vast potential power to influence land use by setting pollution limits, restricting growth and vetoing proposed facilities. Widespread concern about case-by-case intervention by EPA has already led a number of states and localities to improve their own planning processes to minimize the need for federal dictation on environmental grounds. Thus it is not too much to say, as the National Association of Realtors and other groups have pointed out, that legislation such as H.R. 3510 would actually restore power to state and local governments by helping them to solve major land-use problems themselves.

Apart from these misrepresentations, what seems to trouble some groups most about land-use legislation is the possibility that new kinds of planning processes might unduly limit growth. This worry should not be dismissed as merely some selfish concern of land developers or logging companies or others. For the general concept of America as a land of perpetual expansion still has enormous force and popular appeal. The fact is, however, that the nation's land is not infinite and after generations of rapid, haphazard growth, the limits of the continent have become apparent. There is no room to satisfy all the competing claims on fertile farmland, fragile natural areas, water resources or placid communities. That is why communities and states should improve their abilities to evaluate their resources and to make hard choices in an orderly way. Helping them to do so is the purpose of H.R. 3510—and it is too important a purpose to be obscured by distortions and false alarms.

IN OPPOSITION FOR FURTHER AID TO SOUTHEAST ASIA

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HANNAFORD. Mr. Speaker, the opposition of many of us in the Congress to recent administration requests for further aid to Southeast Asia should not be construed as a lessening of our commitments to our allies elsewhere in the world. The fruitless American support for the autocratic governments of Vietnam and Cambodia and their subsequent collapse only serve to highlight the critical need to strengthen U.S. ties with our reliable democratic allies.

One such ally in which U.S. strategic interests and shared democratic values converge is Israel. The only democracy in the Middle East, Israel has been a constant friend and supporter of our country. Israel has never asked Americans to fight its wars, requesting only the means which which to defend itself.

America's interests are best served by a strong Israel, for an Israel secure in its ability to defend itself provides stability to the Middle East. The Arab countries can be expected to choose the option of peaceful negotiations only if they perceive their adversary as too strong to be overwhelmed militarily.

The administration is currently undergoing a reassessment of U.S. policy in the Middle East. It is vital to American national interests, as well as to the security of Israel, that this reassessment not result in any lessening of our support for, or commitment to, the security of the Jewish state.

It is particularly unfortunate that in undertaking the reassessment the administration has implied that Israel was the intransigent party in the recent aborted second-stage negotiations with Egypt. In actuality, Israel was very forthcoming in its proposals for an agreement. Israel was prepared to risk relinquishing both the strategic Sinai passes vital to its defenses against Egyptian attack and the Abu Rodesis oil fields supplying half the country's energy needs. In return, it requested concrete evidence of Egypt's willingness to work toward normal relations: A pledge of nonbelligerence, open communications and trade, an end to economic and political boycott. These Egypt refused to give, insisting upon a purely military agreement which Israel correctly believed could invite more Arab aggression. Israel could not and cannot be expected to make such major concessions reducing her defensive capability until Egypt is willing to abandon the option of war and take concrete measures toward a peaceful settlement.

I call upon the administration to reaffirm its support for Israel and to reflect in its foreign aid request for fiscal year 1976 the level of economic and military assistance for Israel necessary both for her continued security and the maintenance of the balance of power in the Middle East.

A PHOTOGRAPHER'S LOOK AT CARDINAL MINDSZENTY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. JACOBS. Mr. Speaker, in loving tribute to the late Cardinal Mindszenty I insert the following remarks by John M. Szostak:

A PHOTOGRAPHER'S LOOK AT CARDINAL MINDSZENTY

(By John M. Szostak)

The news of the death of Josef Cardinal Mindszenty, strong willed former Primate of Hungry who became the symbol of freedom, has come as a shock to all, especially to those who have known the Cardinal and worked with him in his years of exile. Almost a year ago to the day Washington was fortunate to have Cardinal Mindszenty as an honored guest of the city, the Congress and the Archdiocese.

For me his passing was a personal loss because during this two day visit, I was privileged to be his personal photographer who covered his Washintgon visit from beginning to end. The feeling and observation that I gathered during those two days was as though I was covering a Saint. Right I was because Cardinal Mindszenty is a Saint of our times.

During those close photographic moments especially in private one could capture through the lens of the camera the suffering he has gone through, his love for God, his love for Holy Mother the Church, his love for mankind and his special affection for children. At one private moment as he was praying having his eyes fixed on the crucifix one could see tears come down his cheek, I was moved to do the same. In leaving to give him privacy, the Cardinal said, "Please stay my son" this I will never forget, his humility and kindness. I had the same feeling as the author of the book titled "Journal of a Soul" the private moments with Pope John XXIII.

Finally to personify his greatness one can best put it in these words:

The Church and the world will mourn for they have lost a great example of our faith and patron of freedom.

The Church and the world will remember him as the man of the hour who has stood for the Church in its darkest hours.

The Church and the world will write tribute and finally remember him as a Saint of our time.

WILL THE UNITED STATES WEAKEN ISRAEL?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BINGHAM. Mr. Speaker, yesterday's Washington Post contained a chilling account of the current status of Israel's pending request for U.S. military assistance. The article details the appalling conclusion that the United States now "wants to weaken Israel's defense posture to make it more amenable to U.S. diplomatic pressure."

As I pointed out last week, the Ford administration's refusal to act on Israel's requests for assistance while approving the sale of Hawk missiles to Jordan lends credence to this view. It is incredible that the U.S. Government would consider tilting the military balance in the Middle East against Israel in order to influence her approach to a peace settlement, yet this seems to be precisely what the Ford administration's policy has become. It is a policy which I will not support and which I am sure the Congress will reject.

I commend the Post article to the attention of my colleagues, and include it at this point in my remarks:

[From the Washington Post, May 12, 1975]

ISRAEL FEARS ARMS DELAY COULD TILT BALANCE

(By John M. Goshko)

JERUSALEM, May 11.—Israeli government and military circles are increasingly concerned that the Ford administration's continuing refusal to act on Israel's pending arms requests could tilt the Middle East military balance heavily in favor of the Arabs.

Officials here are divided about the real meaning of Washington's suspension of arms talks with Israel pending the completion of a reassessment of the U.S. Middle East policy. But especially within the Israeli Defense Ministry, some appear convinced that the United States wants to weaken Israel's defense posture to make it more amenable to U.S. diplomatic pressure.

Until now, this theory has been a minority view. It has been gaining momentum however, since it became known during King Hussein's visit to Washington last week that the United States had agreed to supply Jordan with Hawk anti-aircraft missiles. In the Israeli view, that amounts to U.S. collaboration in creating a double-edged new threat to Israel's security.

The Israelis feel that the Hawk missiles will give Hussein the hitherto-missing arms element he needs to rejoin Egypt and Syria as a full-fledged member of the Arab "confrontation states" on Israel's borders. As if to confirm this, Hussein said Jordan would take active part in any new Arab-Israeli war.

More ominously, Israel sees the deal with Jordan as a breach of an understanding that Washington would not make any agreements about arms supplies to any Middle Eastern state during the reassessment. Israeli officials say they are not satisfied with U.S. explanations that the missiles had previously been promised to Jordan. The affair has touched off fresh uneasiness here about what Washington will decide on the Israeli requests.

Israel is seeking $2.5 billion in U.S. assistance for the coming fiscal year, including a $1.8 billion request for military aid—largely to cover several squadrons of F–15 fighter aircraft and sophisticated Lance surface-to-surface missiles.

Discussions on the delivery of these items were broken off by the Ford administration in March, following the collapse of Secretary of State Henry A. Kissinger's effort to mediate between Israel and Egypt. Making no secret of its belief that Israel was primarily responsible for the talks' failure, the administration began a reassessment and made it clear that it would take no action on the arms requests until this had been completed.

In the meantime, U.S. officials have leaked hints that they regard the requests as exceeding what Israel requires to maintain the present arms balance. They have suggested that the request might be cut by half.

Before the squabble with Washington, the Israelis had been warned by friends in the United States that Congress would be unable to fill their full request. As a result, the Israelis are known to have privately scaled down their expectations of what they can realistically hope to get from the United States to between $1 million and $1.5 billion.

Some high-ranking sources here, particularly civilians, say privately that Israel could live with this cutback although it would require considerable belt-tightening. Military circles regard the idea of sizeable cuts in the arms request with deep foreboding.

Sources subscribing to this pessimistic viewpoint say they consider Washington's assessment of the Arab-Israeli arms balance as incorrect. This assessment is that Israel can defend itself if the amounts of major weapons possessed jointly by Egypt, Syria and Jordan are no more than three time those of Israel. The theory is that the superior quality of the Israeli weapons and the acknowledged fighting superiority of the Israeli forces would compensate.

Israelis say this means that in war they would sustain substantially higher casualties than they would if their arsenal were closer in size to the Arabs'. In addition, they add, their own estimates of the Arab buildup indicate that the Arabs now have a superiority in tanks of 3.5 to 1 and in artillery of 4 to 1.

Most important, the Israelis contend that the quality of the weapons the Soviet Union is supplying to the Arabs, principally Syria, has improved and in many areas is superior to equivalent Israeli weaponry. Two items causing Israeli defense planners considerable concern are the Scud surface-to-surface missile and the new Mig–25 fighter.

Israel contends that the Soviets have provided Syria, Iraq and Egypt with substantial quantities of the Scud, which can fire 1,400 pounds of explosives 185 miles. While Israeli experts doubt that the Scud actually gives the Arabs the capability of penetrating the Israeli heartland to destroy its cities and military stockpiles, they say it is a formidable weapon that they currently cannot match.

Israelis contend that the Syrians already have some Mig–23s and that there is a likelihood that Egypt will also get some. In addition, they add, the Soviet Mig–23 fighter, which Egypt, Syria and Iraq already possess in substantial numbers, can fly faster and higher than Israel's most advanced Phantoms.

This is why Israel is so anxious to obtain the Lance missile and the F–15 fighter as deterrents to the Scud and the Mig–23 and Mig–25. If Washington delays deliveries of these items to Israel and then limits the quantities, the sources say, the arms balance would shift precipitously against Israel in the next two to four years.

Adding to this concern is the belief in military circles here that the supply of Hawk missiles to Jordan will give Israel a serious new problem to worry about. After taking a brutal beating in the 1967 Arab-Israeli war, Hussein stayed out of the October 1973 war.

But he has been rebuilding his forces, and now Israelis regard them as a serious threat. Israeli military sources say that the one thing Hussein lacked—and, in the view of many, the factor that kept him out of the 1973 war—was an adequate anti-aircraft system to defend his tanks and ground forces from Israeli air attack.

Now, the Israelis charge, the United States has unexpectedly agreed to fill this gap in Jordanian strength. By mounting Hawk missiles on the heights on the eastern side of the Jordan River and firing them vertically, Israelis contend, Jordan could play havoc with Israeli aircraft operating from fields on the West Bank.

Israeli officials scornfully dismiss U.S. explanations that the Hawks are purely a defensive weapon. They also reject Washington's explanations that the negotiations has been virtually completed before the reassessment began. To the U.S. contention that Jordan could have obtained the missiles from Saudi Arabia in any case, the Israelis reply that when Washington sold the Hawk system to the Saudis, it publicly stated that transfer of the missiles to Egypt, Syria or Jordan was banned by the agreement.

Many sources here say that they still don't know what Washington's intentions were and hope that their protests will draw a fuller explanation. Others are interpreting the episode as proof that the Ford administration is using the weapons issue as a club to pressure Israeli into being more receptive to Kissinger's initiatives.

Some officials say privately that their American counterparts have dropped broad hints in recent weeks that Washington now feels that it made a mistake by replenishing Israel's depleted arms stocks so fully after the 1973 war. The suggestion is that by rebuilding Israel's strength, the United States lost a lot of its leverage.

This leads to the suspicion that Washington's aim now is to regain this leverage by allowing some erosion of Israel's military capabilities. No one believes that the United States would let this go so far as to completely undermine Israel's security.

CONCERN EXPRESSED FROM VIETNAMESE PEOPLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SIMON. Mr. Speaker, Saturday evening I spoke at the annual banquet of the Chester, Ill., Chamber of Commerce and one of those present was Donald E. Welge, president and general manager of the Gilster—Mary Lee Corp.

Mr. Welge mentioned to me that his brother had been killed in action in South Vietnam.

He expressed concern for the people of South Vietnam with his life, he told me, and then added that he would like to volunteer to help a family from South Vietnam resettle.

"It seems like the least I could do," he said modestly.

I mention this to you, Mr. Speaker, and my colleagues because his fine example of humanitarian action is the kind of action which I believe we will see more and more coming from the American people. The initial reaction mail which has been discouraging—which has failed to recognize that we are a Nation of immigrants—I believe will gradually be replaced by the responsible reactions of people like Mr. Welge.

I am proud of this citizen of my district as I believe all the people of this Nation should be proud of him.

AN ALLY LOOKS AT AMERICA

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HÉBERT. Mr. Speaker, Prof. Radomir V. Luza of Tulane University's Department of History has brought to my attention an article by Georg Leber, German Federal Minister of Defense.

I have the privilege and the pleasure of knowing Mr. Leber, and last year while visiting Germany with other members of the House Armed Services Committee, I spent exceedingly interesting moments with him. We exchanged our ideas freely and frankly, and I think both the Germans and Americans are better for it.

This article should be of great interest to every American at this time since it brings into sharp focus the thinking of the foreigner who is an ally. It should be read by every Member of the House and every American. It follows:

INDOCHINA—A CRISIS OF CONFIDENCE?

(Following is an article by German Federal Minister of Defense, Georg Leber, written for and published in the "Frankfurter Allgemeine Zeitung" daily on April 5, 1975 unofficial translation).

Almost every day the world hears news from the Far East and is shocked in the face of the many forms of suffering—from hunger to death itself—that millions of people feel breathing down their necks, that drives millions into flight or desperation. It is understandable that there are many calls for aid under the circumstances, that there is much discussion on how to help. But there are other questions, too, that are looking for answers, and much is confused and mixed up.

Is what is happening there, before our own eyes, and which justly upsets the free world—if, apparently, nobody else—something that was not to be expected, or is it rather the inevitable consequence of other demands and of a world-wide campaign of many years duration?

Somebody who referred to such possible consequences earlier when things had not yet gone so far, when it was not yet this late, was dismissed as a "cold warrior." For years there was hardly a day, hardly a gathering where it was not obligatory to criticize the Americans for their involvement in Vietnam. They were criminals because they tried to keep the flood of communism away from South Vietnam and they were there because they knew that the South Vietnamese alone were not able to do that. Well, where have those people suddenly gone who earlier criticized and chastized the Americans from their high moral plane? We have reached a point where some people—often the same ones who earlier yelled "Ami go home"—are beginning to ask:

Whether one could still have confidence in the Americans;

Whether one could still rely on them;

Whether their word still counted; and

Whether all this is not rather frightening when one thinks about ourselves and about Europe.

There is only one thing to do, soberly and unflinchingly to realize that what is happening in East Asia now is the inevitable outcome that many demanded, even if they did not see and did not want what is now coming, and will further progress to its bitter end, merciless and inescapable. There will be quiet there, but the kind of quiet that makes one shudder if one has the courage to look beyond the inferno of the war.

What is worst, after the disaster that is taking place, is the naivete with which many now are asking for a vote of confidence in the Americans, with which they are implicitly or explicitly challenging them to prevent or to mitigate something that had to happen sooner or later, after the U.S., under the pressure of worldwide sentiments and the pressure of the mood at home, left Vietnam to its own resources. And it is very bad indeed that we hear nobody in the present situation who would confront the communists with the same moral arguments and convictions with which the Americans were confronted when they were still in Vietnam. Apparently it is quite natural and even correct that the Vietcong and the communists of North Vietnam should produce suffering and submission of millions in the south of the country through the force of arms and through war.

The question whether one can trust the communists when they speak of peace as they spoke of peace in the Paris agreements, this question does not even arise. Instead, one prefers to ask whether one can trust the Americans. And so one's conscience is in balance and one can once again respect oneself. The only issue that remains is whether one might do something more by sending surgical dressings and medicines or food for the children in order fully to see oneself as a civilized person.

If these events are not to break more china than they already have, we must at least learn a few lessons for the future. In my view the most important of these are as follows:

(1) Real life conditions are unfortunately not determined by idealists or by people who orient their actions towards the laws of morals and ethics—unless it may be their own particular brand of morals and ethics. For those, the course of world events is to be determined by the mouth of the guns and arms wherever and whenever they are able to accomplish this.

(2) What is called co-existence between communism and a democratic way of life exists for the purpose of the expansive ideology of communism only as long as a plurality of life-styles and concepts—i.e., especially the existence of the other ideology—is insurmountable. If the destruction of the Western way of life is possible below the level of using weapons, this will be attempted without military force throughout the world, in the future, too. If it is possible—and considered opportune—to do so without engendering a risk to oneself, there is and there will be no hesitation to prepare the ground for the spreading of the ideology with fire and the sword. This is what we are seeing today in Vietnam and Cambodia. Soon, presumably, we will see it somewhere else in the world, when Vietnam and Cambodia have come to an end.

(3) This conflict will continue, and the West will survive it only if the nations are aware of the danger and the threat under which they are living, and if they are prepared to do what is necessary in order to remain capable of defending themselves

against it. That means being aware of the value of freedom and our way of life which we must be careful not to undermine or to deny. That means the awareness on the part of the citizens that the way we live and what we have created is worth being preserved and cared for, despite all the faults that our country has and will always have.

It also means being ready to make sacrifices in order to preserve our freedom and our independence. Even America is not able to save a nation from losing its freedom if the people are not ready to make an appropriate contribution.

That includes unceasing efforts to strengthen the community of the free Western nations. At this time, mutual trust will be perhaps even more important than in many phases that are now behind us. If we did not succeed, if mistrust should spread, one could already calculate the length of the timespan which Western Europe would have left, freely and independently to form its destiny in accordance with its own will.

A NEW ERA OF INFLUENCE ON FOREIGN POLICY

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, Congress is entering a new era of influence on foreign policy. Recent events, such as our experience in Indochina and other areas throughout the world, require Congress to exercise more forcefully American policy toward others.

History shows that the President has been the architect of diplomatic attitudes and approaches. Today, our people, their needs and their hopes, demand Congress to innovate, set, and oversee decisions surrounding our relations with our neighbors. Unfortunately, America's word in the past has been that of the executive branch. Times are changing. Circumstances compel times to change. Every day people write to me wanting to know the impact of foreign policy decisions on their life at home. Our people are crying out for attention from their own Government they chose. It is our obligation to respond to their pleas for help.

I had no say in the massive evacuation of 150,000 refugees from Vietnam. The Congress was not asked about the evacuation. It was an Executive decision not approved by Congress. Now when newspaper stories throughout the country say that the refugees are not being received with open arms, the Executive is reported to be "damn mad" about the attitude of the American people toward our fellow human beings from Indochina.

I think the Congress ought to be "damn mad" about the fact that a major decision was made to bring in a massive number of people without consulting the Congress and without ever asking the attitude of the American people toward the concept. America's compassion must now be exercised to its fullest toward these refugees who were victimized by an executive decision which failed to recognize the personal problems, attitudes, and feelings of those our Government is supposed to represent. The executive branch of Government violated the very basic principle upon which a democracy is founded—of the people, by the people, and for the people. It decided on its own to arouse the expectations of 150,000 human beings. Congress was not asked its opinion, the American people were not asked whether they would graciously accept those in need in light of our own economic and social problems, and those in need in our country were not considered.

Until the Congress has the right to stop such hasty executive decisions, our foreign policy will continue to be a mishmash of embarrassing situations. These fumbles cannot be explained away to a disappointed world or a shocked President who thought America had some idealism. The President works for the people even though he was not elected by them.

While the President can say he is "damn mad" about refugee reaction in the Nation, the Congress can rightfully say that it is "damn mad" that a separate and coequal branch of the Government was not considered in such a sensitive decision.

I accept the responsibility the President has thrust upon us and pray that the American people will exercise charity toward those who have been misplaced by tragedy of war.

I will vote against any aid for the Government of Vietnam. I will not vote for a blank check next Wednesday as proposed by Congressman RODINO. I want to know how much money will be asked for and where it will be spent. You do not buy in the blind.

SALUTE TO THE ROMANIAN PEOPLE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. RODINO. Mr. Speaker, on Saturday, May 10, the Romanian people throughout the world held their annual celebration honoring the founding of the nation of Romania. This holiday observance is a special tribute to the strength of the Romanian people whose nation is now under the Communist rule of the Soviet Union.

We, as Americans, should let this occasion serve as a reminder of the constant vigilance we must maintain to protect our own precious independence and freedom. We should also use this important day to gain insight from the Romanian people, who despite years under foreign domination have never lost their individual identity and sense of purpose.

Mr. Speaker, I salute the Romanian people on their national anniversary. May their dedication to their homeland remain undaunted. May their dreams of freedom be fulfilled.

THIRTIETH ANNIVERSARY OF LIBERATION OF NAZI DEATH CAMPS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. GILMAN. Mr. Speaker, today at the White House, along with the senior Senator from New York, I had the privilege to join in a ceremonial observation by President Ford, of the 30th anniversary of the liberation, by Allied troops, of the prisoners in the Nazi concentration camps. A delegation of 10 persons, survivors of the holocaust, presented the President with a "Memorandum for History," a resolution marking the anniversary of the opening of the Nazi death camps and vowing that such atrocities will never again be permitted to happen on Earth.

Mr. Speaker, it is fitting for us, in the legislative body of the world's greatest democracy, to set aside time to remember and memorialize the 6 million victims of the holocaust. It was our soldiers—our young men, and those of our allies—who courageously fought and stamped out the Nazi menace in Europe, opening the gates of the concentration camps so that the world could see for the first time the horrible, inhuman acts that had gone on within them. It is too easy to forget, Mr. Speaker.

It is too easy to say, that was 30 years ago. It is too easy to say, that was the work of the Nazis, they are gone now and it can never happen again. But Mr. Speaker, there were altogether too many people in the world in the 1930's who, even as the horror was unfolding, looked the other way, shrugged, and said it could not happen then, either. But it did happen, and without our continued vigilance in the protection and defense of our principles of human freedom and dignity, it can happen again.

The "Memorandum for History" presented to the President this morning effectively expresses these views. Mr. Speaker, in asking that the text of this "memorandum" be reprinted in full in this portion of the RECORD, I also ask that my colleagues bear in mind and long remember its tragic message.

The memorandum follows:

MEMORANDUM FOR HISTORY

Thirty years ago, civilization was close to extinction because of the sinister forces of Nazism. The entire world stood by silently as millions of innocent men, women and children were brutally murdered only because they were Jews.

We, the survivors of the Holocaust, the living witnesses of those dark days, cannot forget the deaths of our loved ones. Even more importantly, we continue to live with the unanswered question: How was this allowed to happen?

This year, as we mark the thirtieth anniversary of our liberation, we would like to express our gratitude to the United States and the Allied forces for challenging and combating the Nazi darkness before its seeds of destruction could spread throughout the entire world.

Therefore, we would like to salute the courageous American soldiers, and their Allies, those who fought and those who died in the struggle for freedom. It was they who uncovered the unspeakable horrors of the Nazi death camps and crematoria; and it was they who paid with their lives so that we might be able to assemble here today.

In the name of the thousands gathered at Temple Emanu-El in New York, we wish to express our thanks to the people and government of the United States for having given us a new home to live in, dignity and to enjoy the blessings of democracy.

As this great American nation approaches its 200th anniversary, we, the survivors of the Holocaust, sense that history can repeat itself if the people do not remain ever vigilant in the defense of freedom and human dignity, wherever it stands endangered.

We therefore reaffirm our commitment to this nation's founding principles of "Life, liberty, and the pursuit of happiness" and ask all humanity to follow these principles so that the tragedies we have witnessed might never happen again.

IS IT ENERGY GLUTTONY AS USUAL?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BROWN of California. Mr. Speaker, now that the Ways and Means Committee has completed action on its part of the national energy policy, and the Interstate and Foreign Commerce Committee is nearing completion of its part of the national energy policy, I think it is appropriate to ask if these bills will do the job of breaking the United States out of its 20-year energy consumption pattern. I have long felt that the most important goal of the Congress is to institute equitable curbs on energy growth. This can be done by a variety of means, some which will work better than others. People and industries will be inconvenienced; we have no choice on that. But the Congress can see that the inconvenience is planned, and the inequities are minimized. It is by these standards that I intend to evaluate the bills that the two committees will bring to the floor.

Mr. Speaker, the Los Angeles Times carried a very thoughtful background story on this issue in its May 11 edition. Because we all have to consider energy legislation in the very near future, I would like to insert this article for the RECORD and urge that my colleagues read it for their own information.

The article follows:

IT'S STILL "GLUTTONY AS USUAL" ON AMERICA'S ENERGY FRONT

(By Richard T. Cooper and Paul E. Steiger)

WASHINGTON.—In its continuing struggle to devise a national energy policy, the United States has begun to resemble a fat man who plucks up his will power and resolves that henceforth he will order his hot fudge sundaes without whipped cream.

It is true, as our anxious hero tells himself, that one more dessert won't kill him nor probably a dozen more. And a crash diet or a plunge into cutthroat tennis might well strain a long-neglected heart.

In the same way, abrupt reductions in U.S. oil consumption might stagger an already faltering economy, with cruel human costs. And a bit more imported oil, even at present prices, will not bankrupt the world's richest nation.

Yet gluttony-as-usual must eventually bring a day of reckoning. For the nation, it could come as an embargo that would cripple an economy grown ever more dependent on imported petroleum, as a subtle loss of independence in world affairs, or simply as a slow bleeding away of U.S. prosperity for the sake of higher and higher fuel bills.

What is wanted, then, is a moderate beginning, coupled with an irreversible commitment to a progressively tougher regimen.

Unfortunately, the opportunity to put such a program in place now, before 1976 election fever closes the door on any such complex and controversial policy-making, appears to be slipping away.

Both in the Ford Administration and in the Democratic-controlled Congress, there are leaders who have worked bravely and patiently for a program that would gradually curb the nation's unbridled appetite for energy in general and ruinously expensive foreign oil in particular.

These advocates of strong action may still prevail, especially if President Ford's attempt to decontrol domestic oil prices unilaterally should somehow survive the vociferous opposition of congressional Democrats.

Increasingly, however, fear of voter reaction to painful measures, joint lobbying by business and labor, concern for the economy, and disputes over methods, have dampened the enthusiasm of many Democrats and Republicans for tough measures, no matter how gradually applied.

Outwardly still committed to biting a bullet, the Administration has begun to give the impression that it will settle for something more digestible.

As a result, the most that now seems likely to emerge is a program that requires almost no energy conservation now and aims at what appears to be relatively modest gains by 1980 or 1985. The Ways and Means Committee is expected to approve such a package on Monday, but only by a narrow margin, and efforts to weaken the bill further on the House floor are certain. The pattern of compromises seems well established.

Sharply improved auto efficiency, for example, is universally regarded as a fruitful, even indispensible element in any strong energy conservation policy. Yet the mandatory mileage standards tentatively agreed upon last week by the House Ways and Means Committee and the House Commerce subcommittee on energy are only fractionally tougher than the levels Detroit had already agreed to aim for voluntarily.

Efforts to write tougher standards were repeatedly defeated in both committees. Knowledgeable observers are not sure Congress as a whole will approve even the committees' modest proposal.

The Administration, which has opposed mandatory auto efficiency standards, cites its willingness to accept the committees' formula as evidence of a cooperative spirit, but the standards would save only 340,000 barrels of petroleum a day when they reach maximum effectiveness in 1985, according to Ways and Means Committee estimates.

The United States now uses about 6.6 million barrels of gasoline a day. Total oil consumption runs 16.7 million barrels a day, 6.1 million of it imports. The Administration has called for cutting back 1 million barrels a day this year, 2 million in 1977, and "invulnerability" to embargoes by 1985—which is generally taken to mean imports of only about 25% of total U.S. consumption.

The story has been similar on proposals for increasing taxes on gasoline as a means of raising prices and thus discouraging consumption.

Early proposals envisioned phasing in taxes of 30 cents a gallon or more, and many economists insisted far larger increases would be necessary to achieve substantial results. The Ways and Means Committee, faced with opposition from the White House, congressional Republicans, and some Democrats, settled for a tax that could reach 23 cents by 1980.

Savings of not quite 1 million barrels a day by 1985 are predicted.

Import quotas, recommended by some as a major instrument for reducing consumption, could have some conservation effect under the Ways and Means Committee plan, except that the President is given discretionary power to loosen the tourniquet.

Even government subsidies for home insulation and other fuel-saving improvements, generally considered the "apple pie and motherhood" plank in energy programs, were almost voted down in the Ways and Means Committee by a coalition of some Republicans and maverick liberals who contended that people should not get government help in doing something they would do anyway for financial reasons.

It would be grossly unfair to place all this back sliding on political cowardice. Even the energy specialists do not agree on just what should be done, or on the exact nature of the need.

For political leaders, such as Ways and Means Committee chairman Al Ullman (D-Ore.), Commerce energy subcommittee chairman John D. Dingell (D-Mich.), and Federal Energy Administration chief Frank Zarb, a number of factors make the energy issue especially hard to handle:

The "energy crisis" was originally presented to the public as a matter of shortages during the 1973–74 Arab oil embargo. Now that world markets are awash with oil and the United States is bedeviled with stagflation, it is politically unappetizing to tell voters they should inflict shortages, higher prices, or stiff new taxes on themselves.

A weakened White House cannot command the allegiance of congressional Republicans, and thus has few bargaining chips when negotiating with Democratic leaders.

Democrats, while apparently enjoying enormous majorities, are in fact as divided as ever; splits between conservatives and liberals, Easterners and Southerns, freshmen and veterans all have cropped up.

The Congress as a whole is in the midst of a structural upheaval that has weakened the power of the old committee system.

Tantalizing suggestions that the international oil cartel is about to break up or could be shattered by one or another tactical device undermine those who argue for stringent policies.

Visions of technological salvation through such things as solar energy or hydrogen fusion raise hopes that the country might muddle through without taking drastic action.

Some economists argue that, far from weakening the economy or trading away future prospertly, a continued flow of oil dollars to the largely undeveloped producer countries will ultimately create millions of new customers for U.S. products and thus enlarge the pie for everyone.

When all of these factors are taken into account, one may argue that Dingell, Ullman, Zarb, and other have done a remarkable job in coming as close as they have, as quickly as they have, to creating a comprehensive national energy policy.

Two centuries of American history suggest that a vast and disparate nation is not easily galvanized. It was, after all, more than two and a half years from the Boston Tea Party to the Declaration of Independence, and five years more before George Washington's army gathered enough support to throttle the British at Yorktown.

It seems clear. however, that in the less dramatic struggle for a healthier national energy policy, the country and its leaders could benefit from demanding a little more from each other than they are doing now. Those urging a more stringent policy make these points:

Politicians who trembled at phasing in a 23-cents-a-gallon gasoline tax might consider that, if the tax were raised to 30 cents a gallon, a family driving a car that gets 10 miles per gallon could do the same amount of driving for the same money simply by switching to a car that gets 15.5 mpg.

Controls on domestic oil prices could be ended sooner rather than later, without resort to the tortuous formulas some are suggesting. Present controls discourage investment in costly techniques for squeezing marginal production out of declining fields. And it makes little sense to pay higher prices to foreign producers than to domestic ones, when the cartel suppliers are beyond the reach of U.S. taxes and U.S. producers are not.

Stiff excise taxes could be assessed on the purchase of fuel-inefficient automobiles. The standard could get progressively stiffer, and be more ambitious than that favored by the Ways and Means Committee. By 1980, anyone buying a new car getting less than 20 miles to the gallon might pay an extra $400 or $500 for the privilege. Purchasers of the real gas devourers might pay even more.

The money could be used to finance rebates to buyers of the most energy-efficient vehicles—whether foreign or domestic made.

U.S. automakers and their unions complain that such a tax and rebate system might lose them sales and jobs to imports. That argument would be plausible if the tax and rebate system were to be imposed immediately. But a phased-in system would give the automakers ample time to change their designs and marketing strategies.

Finally, the government could do more to encourage development of alternative sources of energy and of ways for industry and households to use energy more efficiently.

Administration officials argue that they already have budgeted heavy increases in outlays for energy research and development, and to load more funds into this area would simply be wasteful.

They are being short-sighted. Any major mobilization effort produces waste. A bigger effort would produce more waste, but its chances of a big payoff would be greater.

The government could be spending money to finance a broader array of energy research projects. It might also devise ways of sharing the risk with private industry in developing new energy systems.

The effects of all such proposals overlap and interlock; the precise mix is less important than the rigor of the total.

It is true that no progress on energy problems will come without pain. Yet the nation is surely not so far gone on self-indulgence that it sees whipped cream as the ultimate sacrifice.

GOOD SENSE FROM CONSTITUENT

HON. ROY A. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. TAYLOR of North Carolina. Mr. Speaker, a letter which I received from Mr. James T. Fain, retired newspaper editor of Hendersonville, N.C., contained so much good sense and says so much in so few words that I desire to recommend it to my colleagues.

Mr. Fain's letter reads as follows:

I feel like Winston Churchill: "We have sustained a total and unmitigated defeat. And do not suppose that this is the end. This is only the beginning of the reckoning unless we rise again and take our stand for freedom as in the olden time."

In the face of all that has taken place I learn that:

Our Army struggles to keep a strength of 16 divisions and 785,000 men and women. Hanoi had that many ringing Saigon. We have cut our strength by half since 1968 while Russia has added 20 divisions.

In the next fiscal year the Navy will drop below 500 ships—a strength lower than 2 years before Pearl Harbor.

Our Air Force is at its lowest ebb since the end of World War II and Congress seems uninterested in the B-1.

The Marines are at three divisions.

Portugal is Communist and there go our bases. Greece pouts and eliminates the 6th Fleet from the eastern Mediterranean.

For God's sake, let us not hamstring our defense at such a time as this.

THE POCONO BOYS CHOIR

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDADE. Mr. Speaker, this evening the Pocono Boys Choir will perform in concert at the Kennedy Center as part of Pennsylvania Day festivities and our Bicentennial Celebration. Along with two other choral groups, they will present a Bicentennial Parade of Music Concert in the Concert Hall.

Mr. Speaker, the Pocono Boys Choir provides a musical happening when they entertain. Under the direction of Mr. Bernard Schade, they have traveled to 15 States, and several foreign countries, including a performance at the Harrogate Festival in England. Wherever they sing, they have been acclaimed as musical ambassadors of good will.

Tonight the Pocono Boys Choir will present a repertoire of works by American composers, including "Paul Revere" commissioned especially for them, along with other works by American composers that reflect, in song, life in colonial times.

The Pocono Boys Choir consists of 40 young men in grades 5 through 9. The choir draws membership from 45 different schools throughout northeastern Pennsylvania. During its 6-year existence the Pocono Boys Choir has performed with several symphonies including the Rochester, the Corning, and the Altoona Symphony Orchestras.

These young men are a great reflection on the musical talents on which we pride ourselves in northeastern Pennsylvania. For those fortunate enough to hear the Pocono Boys Choir later today I can guarantee a moving musical experience. It is my pleasure to welcome the Pocono Boys Choir of northeastern Pennsylvania to our Nation's Capital and to thank them for making Pennsylvania Day a success.

HERE IS TO COORS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SYMMS. Mr. Speaker, I commend the following article to the RECORD by R. M. Bleiberg.

It is my hope that other members of the business community will follow the Coors family example in support of commonsense and the profit and loss, free enterprise system.

This type action could bring on a new day for America and set aside the tired old cliches of dark-age socialism.

The article follows:

HERE'S TO COORS!—IT HAS GIVEN THE COUNTRY MORE THAN A BEST-SELLING BEER

(By Robert M. Bleiberg)

Way back in our salad days as a staff writer, we did an unforgettable feature story called "Adlai the Investor." In a gesture quite without precedent in 1952, the late Democratic standard-bearer had just made public his federal income tax returns for the years 1942–51, as well as his portfolio of stocks and bonds. Searching analysis disclosed that Mr. Stevenson was no barefoot boy in Wall Street. On the contrary: "Whatever his views on the national budget, the candidate of the Democratic Party is a man of prudence and discernment when it comes to handling his own money."

Over the years, by the same token, we have tried to keep our own editorial opinions and financial judgments equally weighty but separate. Thus, with an eye toward the reader's edification, rather than his pocketbook, we once paid tribute to the enlightened capitalism practiced by United Fruit Co. (which, as part of United Brands, lately has fallen on evil days for practicing capitalism of a different kind). Another commentary had some friendly things to say about a pioneering, albeit ill-starred, venture in "fishy-backing" (roll-off, roll-on containerships), and we once hailed the achievements of the first publicly owned firm of importers, which afterward went out of business. Despite our unstinting approval of Ross Perot and all his works—Electronic Data Systems, until lately at any rate, was a stock in which it was easier to lose money than to make it.

After this carefully worded disclaimer, it should be safe to salute Adolf Coors Co., which has just disclosed plans to offer to the public 4,100,000 shares of Class B Common Stock (Non-Voting). In so doing, to repeat, we are taking no stand whatever on the merits of either the company's beer or its shares. On the latter count, indeed, we might point out that at the suggested price of $26–$30 apiece, Coors Co. common (on the basis of running 12 months' earnings) would command a multiple of more than 20, second only to leader of the six-pack (Budweiser), Anheuser-Busch. Moreover, as the preliminary prospectus points out, the company faces the prospect of higher excise taxes, as well as the threat of legislation aimed at curbing or banning the use of nonreturnable containers and limiting the sale (except on draught) of non-pasteurized fermented malt beverages, for which Coors is famous. Dividends—three cents per share semiannually looks like the policy—are peanuts.

What fascinates us—and, evidently, others—about Coors goes far beyond the investment realm. For in recent weeks the company—and the family that owns it lock, stock and barrel—have come under painstaking scrutiny and subtle attack by two other publications, The Columbia Journalism Review and The Washington Post. In its issue for March-April, the former printed an article, "Coors Brews the News," by a one-time CBS newsman. In a preface to the piece on Television News Inc. (TVN), a Coors' subsidiary, the Review summed up as follows: " 'We tell both sides,' said the president of a TV news service backed by conservative Joseph Coors. CJR agreed, after taking a hard look. But our gaze also fell upon a pattern of ideological pressure by management and the dismissal of journalists who disagreed. Its history alone makes the service worth watching Carefully." As to The Washington Post, it ran a series of feature stories all last week on the Coors' non-brewing activities: "Coors Beer—and Politics—Move East;" "Coors Bucks Network 'Bias' " "Coors-Backed Unit Seeks Defeat of Hill 'Radicals'."

Under SEC rules and regulations, a prospective issuer of securities can make no comments which might be construed as touting the stock for an indeterminate period prior to a public offering (depending on when he begins to prepare the registration statement) and 60 days afterward. Coors—as its liberal critics are well aware—willy-nilly must stand mute. Yet in its behalf there is much to be said. For one thing, unlike many very rich clans, its scions after nearly a century are still running the family business, a practice which seems to give them a refreshing grip on reality. Moreover, via personal campaign contributions and their corporate television news service, the Coorses unabashedly are seeking to defend the principles—free-enterprise and freedom—which helped make them wealthy and this country great.

Six of the 10 "radicals" cited by The Washington Post as Coors' legislative targets voted against a Congressional resolution seeking to condemn Hanoi for violating the Paris Peace Accords, a position which would seem to forfeit the quotation marks. In turn, television network "bias" was blatantly underscored at last month's Academy Awards, when the Oscar-winning producers of a documentary film—one of whom wrote and produced "The Selling of the Pentagon" for CBS—read a message of greeting from the North Vietnamese. As more and more Americans uneasily are coming to perceive, the U.S. and what it stands for are under relentless collectivist assault, both at home and abroad. Those who are resolved to fight back rate our salute.

Nor can a national business and financial weekly ignore the corporate achievement which Coors has come to symbolize, too. Since 1970, sales have increased from $315 million to $602 million (in the 12 months ended March 23, 1975), while earnings have surged from $31.7 million, or 77 cents per share, to $45 million ($1.26). Over the past decade, Coors' share of the total market has leaped from 3.55% to 8.51%, while its industry-wide ranking has gone from 12 to 4. In the 10 Southwestern states which it fully serves, its share-of-market ranges from an impressive 40.4% in California to a staggering 69.5% (Oklahoma). Coors beer boasts what can only be called a fanatical following. In the East, where Coors is hard to come by, a case goes for $12.50, roughly three times what it commands in Colorado.

Beer and skittles are all well and good, but they don't satisfy the Coorses. On the contrary, unlike far too many of their big business colleagues, who are willing to "live with" endless encroachment, the two brothers—William and Joseph—who head both family and company, over the years have chosen to resist. Thus, they fought up to the U.S. Supreme Court—and lost—a decree by the Federal Trade Commission which, according to the Prospectus, will have no "significant effect on operations or on the distribution of Coors." As a regent of the University of Colorado, Joseph Coors was instrumental in having the so-called Students for a Democratic Society, left-wing totalitarians, banned from campus. Family trusts have financed several committees and at least one foundation of conservative cast, activities which, thanks to the proceeds of the current stock offering, presumably are destined to expand.

Far and away the most ambitious effort along these lines was the launching in May 1973 of Television News, Inc., which "supplies line-fed video news service to television stations throughout the country." Designed to offer a "straight-down-the-middle" alternative to the occasionally slanted fare originating from the networks. TVN in two short years has left its mark on the video scene. True, owing largely to heavy transmission costs, it is still in the red: after-tax losses for 1975 will exceed $3 million. Yet there is a brighter side. TVN to date has signed up 76 subscribers (45 in the U.S.), progress toward the 100-odd it needs to break even. Opinions as to the quality of output vary ("They've worked their way up," so the Columbia Journalism Review quoted one news director, "to a C or C-plus"; however, The Washington Post quotes a number of other stations which are satisfied with the material and use a good deal of it. * * * The Gallagher Report once forecast TVN's demise within months. Lately it has revised its estimate. "Survival of non-network-controlled news service," said Gallagher last November, "is important to industry."

In our view, it's important to the country. Although The Washington Post, through its use of quotation marks, tends to scoff at the notion, network "bias" has been thoroughly documented. Four years ago, Barron's, citing chapter and verse over nearly a decade, accused CBS of slanted journalism, the thrust of which "has tended to be violently against what most of the country would regard as its basic interests, institutions and values." In "The News Twisters," Edith Efron, who writes for TV Guide, subsequently analyzed prime-time news broadcasts of all three major networks for the seven weeks ended November 4, 1968. Here are her conclusions: "The networks actively slanted their opinion coverage against U.S. policy on the Vietnam war. The networks actively slanted their opinion coverage in favor of black militants and against the white middle-class majority. The networks largely evaded the issue of violent radicals."

Since then, to be sure, there has been spotty improvement. CBS has tightened procedures governing its once-slipshod documentaries, while Peter Davis, who aired the controversial "Selling of the Pentagon," has left its employ to pursue work which openly evokes "greetings of friendship" from the Communist camp. Yet the U.S. (on its video screens, as elsewhere) needs a choice, not an echo. For providing one, we have Coors to thank.

MARXISM—LENINISM—MAOISM—ARTHUR KINOY THOUGHT: THE NIC, PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on Sunday, May 4, 1975, some 300 radicals staged a "victory celebration" in Lafayette Park across the street from the White House to mark the Communist conquest of South Vietnam.

The organizers of the rally were primarily from a group known as the National Interim Committee for a Mass Party of the People—NICMPP or NIC—who were holding organizational meetings at Antioch Law School over the weekend. Principal speakers included NIC leaders Arthur Kinoy of the National Lawyers Guild; Peg Averill, a former Kent State activist; and David Dellinger; as well as Indochina Resource Center leader Fred Branfman who has acted as a dedicated propagandist for the North Vietnamese communists and the Khmer Rouge for some 5 years.

The National Interim Committee for a Mass Party of the People for nearly 2 years has been developing the structure to form a new Marxist-Leninist revolutionary party which while openly accepting the eventual "necessity" of "armed struggle" in America, also hopes to organize large numbers of less committed leftists.

The NIC was developed during the summer and fall of 1973 by Arthur Kinoy, then serving yet another term as vice-president of the National Lawyers Guild—NLG—an identified Communist front organization which has recruited large numbers of new left lawyers and law students since 1969.

Arthur Kinoy, chronologically a member of the old left—he is 54 years old—is equally, if not more comfortable with new left activists, among whom are his daughter, Joanne, once associated with leading members of the SDS Weatherman faction, and his second wife, Barbara Webster Kinoy, a former staffer with the Peoples' Coalition for Peace and Justice—PCPJ—and the People's Peace Treaty campaign in support of the North Vietnamese.

Kinoy's academic credentials are impressive. He graduated magna cum laude with an A.B. from Harvard in 1941. In 1947, he received a law degree from Columbia University where he served as executive editor of the Law Review.

While a student at Harvard, Kinoy was a member of the National Executive Committee of the American Student Union—ASU—an organization cited as a Communist front by five different investigating bodies. In 1945, he was a registered member of the American Labor Party—ALP—a Communist political front. Later he was a representative of the International Workers Order, another much cited Communist front.

A professor of constitutional law at Rutgers University Law School in Newark, N.J., Kinoy is also a member of the law firm of Kunstler, Kunstler & Hyman in New York City. He was a founding member of the Center for Constitutional Rights whose staffers also are members of the NLG. Kinoy is a member of the National Council of the National Emergency Civil Liberties Committee—NECLC—a cited Communist front, and received its Tom Paine Award in 1966. In 1959, Kinoy was a member of the law firm of Sacher, Donner, Perlin & Friedman. Both Harry Sacher and Frank Donner have been identified as Communist Party, U.S.A. members.

While Arthur Kinoy was never identified as a CPUSA member, he was closely associated during the 1950's with the members of the Benjamin Davis faction of CPUSA in New York City. Kinoy has represented many CPUSA clients, including Morton Sobell, convicted for his part in the Rosenberg atomic spy ring, and he was a staff counsel for the United Electrical, Radio and Machine Workers of America, expelled from the CIO for its Communist leadership and character.

During the 1960's and 1970's Kinoy used his considerable legal skills to assist a wide variety of Communist and radical new left groups including the American Committee for the Protection of the Foreign Born, the W.E.B. Du Bois Club of America—predecessor of the Young Workers Liberation League—Vietnam Veterans Against the War, Students for a Democratic Society, the Southern Conference Educational Fund, the Student Nonviolent Coordinating Committee, National Committee to Abolish the House Un-American Activities Committee, the Black Panther Party, and the White Panther Party.

Because of his leadership role in the formation of the emerging new Marxist-Leninist party, as a united coalition of many existing Marxist and Maoist groups, an understanding of Kinoy's political stance is important.

In a 1970 article published in the Guild Practitioner, "The Role of the Radical Lawyer and Teacher of Law," Kinoy quoted from the Proceedings of the Seventh Congress of the Communist International, Moscow, 1935, and wrote:

> "I commend these proceedings to the careful study of all radicals, communist and non-communist, Marxist and non-Marxist alike * * * for the insight it may give on occasion to the problems of the present * * *."

The Seventh Congress of the Comintern was devoted to the development of new tactics by the Communist movement: the order was for united fronts, popular fronts and cooperation with "working and oppressed peoples" to "resist the efforts of the most reactionary wing of capital to institute open terrorist dictatorship."

This meeting of the Comintern, so important to Kinoy, was held under the chairmanship of Georgi Dimitrov, who said that by allying themselves with progressives and liberals, the Communists could "Penetrate the very heart of the enemy's camp." Dimitrov continued,

> We must utilize anti-Fascist (liberal) mass organizations as the Trojan horse. Whoever does not understand such tactics or finds them degrading is a babbler and no revolutionary.

Arthur Kinoy may be verbose, but his record shows he is too dangerous to be considered a mere babbler.

Although propounding his ideas for a "mass party of the people" at least since the December 1971, meeting of PCPJ and Mayday Tribe activists at the somewhat inappropriately named Tranquility Farm in Allamuchy, N.J., Kinoy's ideas first gained wide currency among the Marxist new left as a massive monograph distributed by the National Interim Political Committee of People Working for a Mass Party of the People, as NIC was first called.

NIC was formed at a by-invitation-only "national" meeting in September 1973 in New York. First operating from the home of one of it members, Vivian Stromberg, at 5410 Netherland Ave., Bronx, N.Y. 10471, 212—549-8125, NIC soon moved to its present headquarters at 156 Fifth Avenue, Room 812, New York, N.Y. 10010, 212—243-0591.

Kinoy's original monograph, "A Party of the People," sold for $1 by NIC, sets out in considerable detail a "bold new strategy" for "the taking of control of every economic, social, and political institution now controlled by the ruling class, and the vesting of that control in the people who live and work in these institutions." More traditional Marxists term this the dictatorship of the proletariat.

Reduced by about one-third in size, Kinoy's monograph was published in Liberation magazine's December 1973, issue which editorialized,

> We * * * sense that the time has come for those who suffer from this system * * * to demand its dissolution or overthrow and to seek actively to implement this eminently reasonable goal * * *.

While the Liberation version of the Kinoy paper provides only one example of a catalyst leading to an "alliance of all the oppressed classes,"—the student/worker riots in Paris in 1969—the original NIC document is more detailed as to its ideological inclination.

> * * * the theory [that] shaped the strategy of as diverse movements as the Soviet, the Chinese, the Vietnamese and the Cuban struggles, must remain central in the thinking of all who would attempt to chart out a strategy to take power in this last and powerful stronghold of world capitalism."

Also missing from the Liberation magazine condensation is the discussion on violence. Paralleling the traditional Leninist view that only the party can decide when acts of revolutionary violence are appropriate, and the present line of the CPUSA and Socialist Workers Party that current conditions in this country are not ripe for armed actions, Kinoy asserted that violence does not "correspond to the political reality of today." However, he noted:

> . . . even such diverse spokesmen for non-violent resistance as Thoreau and Gandhi acknowledged the usefulness, even the necessity, of acts of violent resistance at certain moments. Nor can a movement which draws inspiration and courage from contemporary struggles of the Vietnamese, Cuban and Chinese peoples and the past experiences of the American, Russian and Chinese Revolutions afford to dismiss or discount *for all times and places* methods of violent and armed struggle. [Emphasis in the original].

The members of the original NIC political committee included:

Arthur Kinoy, National Lawyers Guild.

Stanley Aronowitz, Liberation magazine, a former writer for the Guardian and labor organizer.

Joe Carnegie, New York Transport Rank & File and leader of Fight Back in Brooklyn.

Owen Brooks, Delta Ministry of Mississippi.

Gina Cestero, Puerto Rican Socialist Party, a self-characterized Marxist-Leninist vanguard party supported by the Cuban Communists.

David Dellinger, Liberation magazine and a leader of the People's Coalition for Peace and Justice and its predecessors.

Barbara Deming, Liberation magazine.

Frank Joyce, a former activist with PCPJ, the People's Peace Treaty organization, and People Against Racism.

Staughton Lynd, a founder of the New American Movement and formerly associated with the Institute for Policy Studies.

Jay Schulman, active with the Wounded Knee Legal Defense/Offense Committee, the Peace and Freedom Party and Jewish Currents magazine.

Lillian Shirley, formerly active with the Harrisburg Defense Committe and Resist.

Vivian Stromberg, Teachers Action Caucus, New York City.

Mr. Speaker, while I have outlined the origins and basic position of the National Interim Committee for a Mass Party of the People indicating its revolutionary intent, new and serious developments with this group require still more discussion.

In light of the NIC's renewed involvement with revolutionary calls for "armed struggle," I will continue my report to my colleagues.

POLES IN THE SOVIET UNION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERWINSKI. Mr. Speaker, in view of recent foreign policy decisions which include a reappraisal of policy in major geographical areas as well as the legitimate doubts that many Members have regarding the future of détente with the Soviet Union, I direct the attention of the Members to an article in the April 25, the New World, a publication of the Chicago Catholic Archdiocese, which discusses the continued distain by the Soviet authorities toward the human rights of the inhabitants within the U.S.S.R. I insert the article at this time:

POLES IN THE SOVIET UNION

It is so easy to forget. That sometimes seems to be the fate of those who are in a very real sense held captive by the Soviet Union. The August, 1974, issue of East Europe recalls that there are two million forgotten Poles in the Soviet Union. It says: "There is some knowledge about the Poles in Lithuania, primarily in the Wilno region; in Byelorussia; in the Ukraine, especially in the former Polish areas, such as Lwow, Tarnopol and Stanislawow, and in Moscow and Leningrad."

The article points out that in Moscow St. Louis parish has about 3,000 parishioners, with more than 70% of them Polish. This is a "show" church, because among those attending church services there are Catholic members of the diplomatic corps—and heads of state visiting Moscow often attend services at St. Louis Church. "Basically," says East Europe, "the parish has no financial problems. Economically, the Poles in Moscow fare fairly well. Their standard of living, although substantially below the one in U.S.A., seems to be fairly good. In fact, almost twice as good as of their counterparts in Poland."

But in other parts of the Soviet Union, it is a different story. In Byelorussia, "all signs of Polishness were eliminated." In the Ukraine, "there are three Polish schools and three Polish churches in Lwow but only one elderly priest, attached to the Cathedral."

In Lithuania, however, East Europe estimates there are about 200,000 Poles; there are Polish schools, a Polish daily in Wilno and about 10 regional papers, a large number of books in Polish but most of them represent communist literature.

One great need of Poles attending Polish churches in the Soviet Union is prayer books. East Europe points out that the Soviet authorities do not permit publishing Polish prayer books, nor even importing them from Poland. When a tourist from Poland tried to bring in Polish prayer books, customs officials confiscated them at the border. As a result of this ban, there is a considerable number of handwritten copies of the old books among the faithful.

In the vast area of the Soviet Union, from the Urals to Vladivostok, says East Europe, there is only one Polish priest to care for the spiritual needs of more than a million Poles. Thousand of Poles are in Soviet prison camps in Siberia.

East Europe says that many Poles in the Soviet Union, faced with discrimination because they are Polish, do not state their true nationality and list themselves as Russians.

There is still little information about the vast majority of the Poles living in Russia, but there is no question but that their condition is very difficult, and their spiritual needs are both ignored and hindered by the authorities.

UNITED NATIONS AND ITS AFFILIATED INTERNATIONAL ORGANIZATIONS MUST GET BACK TO ORIGINAL PURPOSES

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. WOLFF. Mr. Speaker, it is no secret that many thoughtful men and women across this Nation, and, indeed, across the world, are becoming increasingly dissatisfied with the lack of performance of the United Nations in recent years. That international organization, which still serves as a repository of hope for eventual world unity, has been slipping into increasingly partisan, narrowminded and, ultimately, self-defeating postures in many phases and levels of its operations.

The latest and certainly one of the most inexcusable lapses came only last weekend, when the executive board of UNESCO voted to exclude a member of the U.N. from two educational conferences in the Mediterranean area.

Such a blatantly political ploy by a pro-Arab majority of the UNESCO board would be intolerable in itself. But, in view of the absolute betrayal of the law and spirit of what UNESCO is charged with carrying out in the name of all humankind, Mr. Speaker, the vote by the UNESCO board demands the strongest action and condemnation by all nations, their governments, and their peoples.

If UNESCO is to be turned into a political playpen to rank with the General Assembly, then surely the hope of the United Nations will be severely dimmed, if not closed off permanently. This is neither the place nor the occasion to discuss possible remedies for the loss of responsibility which the General Assembly is apparently embracing without reservation. But I would hope that the General Assembly will take note of the outrage presently being expressed by responsible men and women, including Nobel laureates across the world, at the recent performance of UNESCO.

I would note a full-page advertisement in the New York Times of April 30, 1975—well before the latest outrage by the UNESCO board referred to above—calling on UNESCO to stop violating its own charter, and pleading with the organization to return to its original nonpolitical objectives of furthering the intellectual and moral progress of mankind.

UNESCO board members, and delegates to the U.N. should take note of increasing reluctance on the part of Members of Congress to continue the pattern of massive U.S. funding of an organization which some fear no longer desires to act responsibly in world affairs. It is no accident that Congress has limited U.S. financial participation to no more than 25 percent of the total of many U.N. activities, including UNESCO.

I should note, Mr. Speaker, that since its inception, the U.N. has seen nearly 42 percent of its budget funded by the taxpayers of the United States. This condition is now a condition of the past, thanks largely to the increasing irresponsibility of the other members of the U.N.

Monday, in a subcommittee session to finish the markup on the State Department authorization bill, the membership agreed to my amendment striking out a "bill" for so-called arrearage in the U.S. contribution to UNESCO for the past year—some $2.7 million. We are not saying the United States should never pay the money, Mr. Speaker, but we are putting all concerned clearly on notice that Congress will no longer shoulder the major burden for the U.N. until the world community accepts its own financial responsibilities.

The conditions of the amendment adopted Monday are such that the United States is willing to pay the $2.7 million in question—but only upon payment of U.N. arrearage by all other nations. Until that time, the United States will stick to the limitation. We are not saying that the United States will cease to support the U.N. according to its ability to pay, Mr. Speaker, but we are saying that we will no longer pay for a pig in a poke, which is what the General Assembly and UNESCO are increasingly becoming in terms of their legal responsibilities to further world peace and understanding.

We are hopeful that Monday's session will be received as an alert to UNESCO that Congress must see some changes for the better—not "what the United States wants," or "the Arabs want" or any other specific interest group—but a genuine move toward a return to honest furtherance of world peace and understanding and the original mandate of the U.N. and its international affiliated organizations.

If such changes are not forthcoming, Mr. Speaker, the board members of UNESCO must be prepared to accept an end to all U.S. participation. Let the board members of UNESCO from this day forth consider themselves to be "on notice." The world community is watching, and hoping.

TESTIMONY ON S. 1284

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. RIEGLE. Mr. Speaker, on May 8, the eminent professor of economics of Michigan State University, Walter Adams, appeared before the Senate Subcommittee on Antitrust and Monopoly to discuss reform of the antitrust laws. I would like to share with my colleagues Dr. Adams' keen analysis of antitrust procedures and the reforms needed to make them more effective:

TESTIMONY ON S. 1284—HART-SCOTT BILL

(By Dr. Walter Adams)

It is a pleasure and a privilege to appear before this Committee in support of S. 1284, co-sponsored by the senior Senator from Michigan, the Chairman of this Subcommittee, and by the senior Senator from Pennsylvania, the Minority Leader of the Senate. Enactment of this bill would contribute significantly to effective enforcement of the antitrust laws, and to the promotion of effective competition in the American economy.

In discussing the several provisions of the bill, I propose to comment first on what might be called the "penalty" provisions, and second on what might be called the "information" provisions of the bill.

TITLE VI—NOLO CONTENDERE

Under present law, defendants in criminal antitrust cases may, with the court's permission, plead nolo contendere. It is an implied confession guilt—a polite guilty plea—which does not immunize the defendant from criminal penalties but shields him from a host of other legal unpleasantries. In effect, the defendant tells the court: "Your Honor, I do not plead innocent. Nor do I plead guilty. I simply refrain from contesting the charges in the criminal indictment. Now, without trial or adjudication of the facts, please proceed to punish me—either by fine or by imprisonment—as if I were in fact guilty."

In following this curious procedure, the defendant gains certain palpable benefits without incurring undue risks. First, he knows that antitrust sentences seldom fit the crime. They are more often than not symbolic slaps on the wrist.

Fines are almost never commensurate with the profits derived from the violation, and hence are not effective deterrents to rational calculators of the costs and benefits. Prison sentences are rarely imposed, typically suspended, and in any event are usually less than 6 months in duration. Under the antitrust laws, therefore, criminal penalties hardly constitute appropriate punishments; nor do they serve as effective deterrents. Second, the defendant knows that a nolo contendere plea cannot be used as prima facie evidence by a private plaintiff in subsequent triple damage actions. Though it is an implied confession of guilt upon which criminal penalties can be assessed, the nolo contedere plea is deemed to be equivalent of a consent decree and, in the eyes of the law, treated in the same manner for evidentiary purposes. By entering such a plea, therefore, the defendant effectively precludes the filing of numerous triple damage actions, because these can realistically be attempted only where the plaintiff is able to rely on a final judgment in prior government action as prima facie evidence. In short, the nolo plea becomes a protective device which enables the antitrust violator to short-circuit the imminent threat of triple damage remedies for the victims of his misfeasance.

Title VI of S. 1284 would deny to antitrust violators the privilege of using nolo contendere as a subterfuge for a guilty plea. In doing so, it would contribute significantly to effective antitrust enforcement—for a number of reasons.

First, by closing the nolo contendere loophole, the bill raises the cost of committing antitrust violations. As Attorney General Brownell put it in his famous Memo No. 42,

"One of the factors which has tended to breed contempt for federal law enforcement in recent times has been the practice of permitting as a matter of course in many criminal indictments the plea of nolo contendere. While it may serve a legitimate purpose in a few extraordinary situations and where civil litigation is also pending, I can see no justification for it as an everyday practice, particularly where it is used to avoid certain indirect consequences of pleading guilty, such as loss of license or sentencing as a multiple offender.

"Uncontrolled use of the plea has led to shockingly low sentences and insignificant fines which are no deterrent to crime. As a practical matter it accomplishes little that is useful even where the Government has civil litigation pending. Moreover, a person permitted to plead nolo contendere admits guilt for the purpose of imposing punishment for his acts and yet, for all other purposes, and as far as the public is concerned, persists in his denial of wrongdoing. It is no wonder that the public regards consent to such a plea by the Government as an admission that it has only a technical case at most and that the whole proceeding was just a fiasco."

Second, the bill would remove the discriminatory and preferential treatment currently accorded to antitrust violators, and counteract the all-too-fashionable tendency of regarding antitrust infractions as a relatively harmless species of "victimless," "white collar" crime—a mere malum prohibitum rather than a malum in se. The bill recognizes, as Title I makes clear, that antitrust crimes are not inconsequential. They may be passionless in execution. They may be carried out by non-violent means. They may be impersonal in character and indifferent in the choice of victims. Their impact may be quite remote from the scene of the crime. But none of these considerations make criminal offenses under the antitrust laws any less baneful, venal, or anti-social. Indeed, as E. A. Ross argued long ago, in his landmark work Sin and Society.

"Today the villain most in need of curbing is the respectable, exemplary, trusted personage who, strategically placed at the focus of a spider-web of fiduciary relations, is able from his office-chair to pick a thousand pockets, poison a thousand sick, pollute a thousand minds, or imperil a thousand lives. It is the great-scale, high-voltage sinner that needs the shackle. To strike harder at the petty pickpocket than at the [white collar criminal] . . . is to 'strain at a gnat and swallow a camel.'"

Title VI takes a step in the right direction by making nolo contendere equivalent to a guilty plea for evidentiary use in private triple damage actions.

Third, the bill would enable the victims of criminal antitrust violations to seek realistic remedies for the wrongs inflicted on them. As things now stand, the private plaintiff in an antitrust proceeding must shoulder a formidable burden of proof. He must demonstrate that an antitrust violation has been committed; he must show that he was injured in his business or property as a direct result of such violation; and he must prove the exact amount of the damages by him sustained. Experience shows that the first step—proof that a violation has occurred—is almost always a costly, time-consuming, and complicated matter. Moreover, since the typical triple damage plaintiff is a David confronting a Goliath, he generally lacks the resources and competence for the full investigation and analysis on which to base proof of violation. More often than not, therefore, he is dependent on the federal government to have established a violation of the antitrust in a prior proceeding which he can then use as prima facie evidence to carry forward his own claim for damages. (Note, for example, the number of successful triple damage actions based on the convictions obtained by the government in the great electrical conspiracy. Note also that the financial impact of these private suits on the conspiring corporations was greater—by a factor of approximately 100—than the paltry fines collected by the government.) By making nolo contendre equivalent to a guilty plea, S. 1284 would simply give the victim of criminal antitrust violations a badily needed weapon for his self-defense.

TITLE III—FEDERAL TRADE COMMISSION AMENDMENTS

This section of S. 1284 would amend the Federal Trade Commission Act to provide for increased penalties for disobeying FTC special orders or subpoenas. In 1914, when establishing the Federal Trade Commission, Congress set the penalty for such infractions at $100 a day. It has not been changed since then. This title would set the penalty at not more than $5,000 nor less than $1,000 per day.

This should not be a controversial question. Clearly, the cost of sinning ought to go up at least as much as the cost of living. (The wholesale price index has increased approximately fivefold between 1914 and 1974.) More important, we must take account of the spectacular increase in the size and earnings of major corporations since the enactment of the old Clayton Act. Consider, for example, that the Standard Oil Trust in 1911, the year of its dissolution, disbursed dividends of $40,000,000, whereas one of its successor companies, the Exxon Corporation, in 1974, distributed dividends of $1,119,000,000—an amount roughly 30 times greater. Or consider the impact on Exxon of a $100 per day penalty, if the corporation were to violate an FTC order or subpoena; on an annual basis, it would amount to $36,500—or one-thousandth of one percent of Exxon's profits in 1974.

However inadequate a daily fine of $100 may have been to deter disobedience to FTC orders in 1914, it has with the passage of time become a ludicrous irony. Enactment of Title III would be a simple recognition of that fact.

TITLE IV—PARENS PATRIAE

This section of S. 1284 would permit State attorneys general to file antitrust actions and to collect triple damages on behalf of the citizens of their states. In other words, it would authorize the chief law enforcement officer of a State to file a "class action" suit on behalf of the victims of antitrust crimes located within his jurisdiction. Its enactment would increase further the deterrent to the perpetration of one form of "white collar" crime and offer the victims of such crime an efficacious mechanism for obtaining restitution.

Much of the rationale offered in support of Title VI above is equally applicable to Title IV, with the additional consideration that States command both more substantial resources and greater expertise than the typical private litigant to bring successful triple damage actions.

TITLE V—PREMERGER NOTIFICATION

This section of S. 1284 would provide for prior notification to the Federal Trade Commission and the Department of Justice, and a waiting period before a proposed merger can be consummated. A 30-day waiting period would apply to all corporate mergers, and a 60-day waiting period to giant mergers—i.e. those with combined assets of $100 million and more. Further, the section provides that if an antitrust action challenging the legality of the merger is brought during the specified waiting period, the Government is authorized to block consummation of the merger until its legality has been determined by the courts.

The proposed changes are crucial to effective enforcement of the antimerger provisions of the Celler-Kefauver Act. First, the bill would insure that all prospective mergers, and especially giant mergers, would promptly be brought to the attention of the enforcement agencies.

Second, by requiring the submission of certain basic information at the time that notice is given of a proposed merger, and by providing for the submission of additional relevant information upon request by the Federal Trade Commission or the Department of Justice, the bill would insure that the enforcement agencies have the necessary data on the basis of which they can analyze the probable impact of the proposed merger on competition.

Third, the bill would authorize the enforcement agencies to block a merger prior to its consummation and to require that the assets of the merging companies be kept separate until final adjudication of the merger's legality in the courts. This is a provision of capital importance, because it would avoid the practical difficulties of a postmerger unscrambling of already commingled assets, or of convincing the courts to undertake this onerous task. The House Judiciary Committee, in its Report No. 486, 85th Congress, 1st session, underscored this point:

"The bill will, therefore, help avoid the practical problems of unscrambling corporate mergers entered into in violation of section 7. Because of problems involved in an unscrambling process, the courts have been understandably reluctant to order divorcement, divestiture, or dissolution to remedy violations of the antitrust laws. Indeed, in the more than 60 years of Sherman Act history, courts have entered decrees requiring divorcement, divestiture or dissolution in only 24 cases, taking the position that judicial restraint should prevent the imposition of divestiture where other effective remedies, less harsh, are available. It is precisely because of difficulties in restoring the previous status and the attendant reluctance of courts to undo what has been done, that makes necessary the present provisions for evaluating prospective mergers and acquisitions before they have become accomplished facts—before they have developed to the point where it becomes necessary to debate whether a surgical remedy may be too drastic."

The Federal Trade Commission Hearing Examiner, in ruling on the merger between Farm Journal and Country Gentleman, illustrated the difficulty—indeed, the virtual impossibility in some cases—of providing divestiture relief after the merging companies had already commingled their assets and combined their operations (In the Matter of Farm Journal, Docket 6388):

"It would be difficult, indeed, to find an acquisition which would point up the procedural inadequacy and ineffectiveness of section 7 of the Clayton Act as amended, when its objectives are considered, than that presented here. It is not just a case of too little and too late, from a trial standpoint. A preacquisition waiting and examination period, made mandatory by statute, coupled with the power to seek injunctive relief from the courts, would have kept the eggs in the basket until it had been determined whether it was to the public's interest to scramble them, instead of, as here, trying to unscramble them. If the record now before this examiner had been presented for precontract approval, this proceeding would probably have been unnecessary. General equity power likewise would accomplish much.

"Divestiture is only half the objective of the statute, as the examiner construes it, and its legislative history and purpose. It does take away, and prevent the further use of competitive tools and weapons illegally acquired, but the aim, it would seem, is broader than that—namely, to restore to the relevant markets those competitive weapons to an active and vigorous use in the hands of the seller, or into those of a new entrant, so that competition may continue with its former vigor. This, as respondent contends, is impossible. Country Gentleman is dead, and the 'assets' which it turned over to respondent are now without value to any newcomer or, indeed, to any farm publication now in the field. When his corn is taken from him and the horse dies, it is the height of vanity to strew the bare corncobs on his grave. All that can be accomplished, then, is simple divestiture of the 2 trade names and the 2 lists, although, in the examiner's opinion, this at most may only disturb, but will not diffuse the coalescence which has taken place."

The same point was also made by Professor Kenneth Elzinga in his landmark article, "The Antimerger Law: Pyrrhic Victories?," a copy of which is attached herewith as an appendix to my statement and which I respectfully submit for inclusion in the record. After carefully reviewing the relief granted in a sample of cases adjudicated under the Celler-Kefauver Act between 1950 and 1964, Elzinga observes—not without a note of sadness—that the relief obtained in the vast majority of merger cases has been far from effective. He concludes

"First, that the time span between the acquisition and the divestiture order can, in a dynamic market setting, prevent or make very difficult the unscrambling of two firms. Second, the so-called partial divestiture has not distinguished itself for efficacy. Third, a loose handling of the divestiture of post-acquisition improvements could afford an economic incentive to firms to expand in violation of Section 7, planning on divesting the acquired assets several years hence. The answer to these problems involves cutting down or eliminating this time span. It . . . requires a closer adherence to the principle that relief is a failure if sufficient assets are not excommunicated to reestablish an independent firm of sufficient size to survive. Normally, this would seem to require full divestiture including any post-acquisition improvements."

Clearly, enactment of Title V of S. 1284 would go a long way toward alleviating these problems. It would give the enforcement agencies the necessary authority to interdict effectively those mergers which tend to substantially lessen competition or tend to create a monopoly. The importance of this objective, I know, need not be underscored before this distinguished Committee.

TITLE II—ANTITRUST CIVIL PROCESS ACT AMENDMENTS

This section of S. 1284 would authorize the Department of Justice to issue civil antitrust process to individuals as well as to corporations and third parties. Its major importance consists of the fact that the Department could obtain the necessary information to evaluate potential antitrust violations (especially mergers) before rather than after they have occurred. This is not explicitly authorized under present law—a deficiency which should be corrected.

CONCLUSION

In conclusion, I respectfully submit that the competitive system is not bellum omnium contra omnes. It is not an ecological equilibrium, a state of nature, in which the law of the jungle reigns supreme. Rather, it is a legal, ethical, institutional arrangement—an economic community under covenant—an arena where powerful forces collide, but in accordance with strictly prescribed and socially beneficient rules. In this arena, an individual may seek private gain; his motive may be to benefit neither his neighbor nor his community, but if the rules of the game are properly drawn, the individual seeking his and only his gain should be able to achieve this goal only by serving others as well. In this sense, the market is an organizing principle for coordinating individual activity—a planning mechanism which is autonomous, impartial, and external to human control, manipulation, and perversion. It is a mechanism for harnessing the individual to social ends, while depriving him of power so great that, if abused, it would result in harm to his fellows.

In The Control of Trusts, published shortly before enactment of the Clayton Act, John Bates Clark emphasized the importance of the rules by which the competitive game is played:

"In our worship of the survival of the fit under free natural selection we are sometimes in danger of forgetting that the conditions of the struggle fix the kind of fitness that shall come out of it; that survival in the prize ring means fitness for pugilism; not for bricklaying nor philanthropy; that survival in predatory competition is likely to mean something else than fitness for good and efficient production; and that only from a strife with the right kind of rules can the right kind of fitness emerge. Competition . . . is a game played under rules fixed by the state to the end that, so far as possible, the prize of victory shall be earned, not by trickery or mere self-seeking adroitness, but by value rendered. It is not the mere play of unrestrained self-interest; it is a method of harnessing the wild beast of self-interest to serve the common good—a thing of ideals and not of sordidness. It is not a natural state, but like any other form of liberty, it is a social achievement, and eternal vigilance is the price of it."

In short, competition can be effective only if the game is played by the right set of rules. Also, if the rules are to have any meaning, the umpire must be given the powers necessary for their effective enforcement. And that, in essence, is what S. 1284 proposes to do.

HONORS COUNTY AGENT JOHN ANDREWS

HON. OTTO E. PASSMAN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PASSMAN. Mr. Speaker, I would like to join many high officials of our Federal Government, including Acting Administrator, USDA Extension Service, George E. Hull, and Hon. John A. Cox, Director of the Louisiana Cooperative Extension Service, in honoring one of our dedicated public servants, County Agent John Andrews.

John Andrews has been singled out for the Superior Service Award from the U.S. Department of Agriculture, one of the highest awards an employee of the system can receive. He was notified of his selection for the award via a letter from Mr. Cox.

Andrews will receive the award on May 28 at 10:30 a.m. at the Sylvan Theater on the Washington Monument Grounds in Washington, D.C. He will later be a guest at a reception hosted by Epsilon Sigma Phi for the award winners.

Andrews has worked in the Cooperative Extension Service for a number of years and has also been active in community affairs. He was leader of a group which spearheaded the establishment of a Farmers Market in Morehouse Parish and was the first black to be honored for his service by the Bastrop-Morehouse (Louisiana) Chamber of Commerce.

Mr. Andrews was nominated to receive either the Distinguished Service Award or the Superior Service Award and the USDA Honor Committee selected him to receive the Superior Service Award, one of the highest honors offered by the Department for employees.

METHODS TO IMPROVE HEALTH CARE IN THE UNITED STATES

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. THOMPSON. Mr. Speaker, improved health care for all Americans is a subject which continues to command the attention of Congress. One of the more controversial issues being debated by those interested in the quality of health care in the Federal Government's regulatory policy for the pharmaceutical industry. Quite recently Mr. Richard M. Furlaud, chairman and chief executive official of the Squibb Corp., presented 10 proposals in a speech before the annual shareholders meeting which he feels would contribute to improved health care in the United States. While I do not necessarily adhere to all of Mr. Furlaud's proposals, I do think that his considerable experience and knowledge of the pharmaceutical industry merits careful consideration of his proposals. I am pleased to present excerpts from the text of Mr. Furlaud's speech:

TEN PROPOSITIONS TO CONTRIBUTE CONSTRUCTIVELY TO IMPROVED HEALTH CARE IN THE UNITED STATES

(Excerpts from remarks of Richard M. Furlaud, chairman and chief executive officer Squibb Corp. at its annual shareholders meeting, Princeton, N.J., May 6, 1975

In his erudite and elegant book "The Lives of a Cell," Doctor Lewis Thomas makes the point that in medicine there are three quite different levels of technology. First of all, there is a large body of what might be termed "non-technology," which does not purport to treat the underlying mechanism of disease and cannot affect its course. This is all that is available today to patients afflicted with at least 20 major diseases, such as intractable cancer, severe rheumatoid arthritis, multiple sclerosis, stroke and the like.

The next level up is what Doctor Thomas calls "Half-way technology." This represents what is done after the fact in efforts to compensate for the ravages of diseases whose course one is unable to do very much about. The outstanding examples or half-way technology in recent years are spectacular organ transplants and the extremely complex and costly technology that is used for the management of coronary heart disease, kidney disease, cancer and the like.

And finally, the third type of technology is the genuinely decisive technology of modern medicine, which has upgraded the quality of human life around the world. This is exemplified by immunization against diphtheria and the childhood virus diseases, by the use of antibiotics for bacterial infections and by the capacity to deal with syphilis and tuberculosis. The point that Doctor Thomas makes about this kind of technology is that it comes as a result of a genuine understanding of disease mechanisms and when it does become available, it is relatively inexpensive, relatively simple and relatively easy to deliver.

Now pharmaceutical research and development—the investment of 1 percent of the health industry dollar—joins scientists in industry to those in other research centers in an endeavor to move the treatment of disease entities from the expensive levels of non-technology and half-way technologies to the inexpensive and, one must emphasize, infinitely more humane level of high technology through the use of medicines that really work. In the entire realm of social programs, this is probably the most cost-effective expenditure that society can make.

VII. REGULATORY PROBLEMS

Given this overwhelming need, it would be nice to be able to report that the regulatory climate in the United States is receptive to its fulfillment. But it is clear, unfortunately, that *in toto* the American way of drug development lags that of much of the world. Just three examples to prove the point: We were the 41st nation to give official sanction to the use of lithium in the treatment of depression, the 65th to permit cromolyn for the prevention of asthmatic attacks, and we do not yet approve the use of any beta blocker for the treatment of hypertension.

What is going wrong? The problem cannot be fairly traced to bureaucratic incompetence in the Food and Drug Administration. The agency has its problems, but it has many outstanding people on its staff, could hardly have more dedicated or knowledgeable leadership than it has at the moment, and has made much progress in the last several years.

Nor is the problem that the investor-owned pharmaceutical industry is driven by a lust for profit to work in the wrong areas of medical science. In fact, most of the industry's commitment to research is targeted to precisely those diseases which in this country account for the highest incidence of morbidity and mortality.

Clearly those who blame bureaucrats or businessmen for slowing down drug development have in common the fact that they are massaging their prejudices and barking up the wrong tree.

Rather, the deficiencies in our regulatory mechanism appear to result from the evolving nature of medical science and the manner in which it relates to vital but often conflicting social objectives and the pressure groups which espouse them.

As you know, the basic U.S. regulatory law, enacted in 1962, provides, in substance, that all new drugs shall be safe and effective as determined by qualified experts on the basis of adequate and well-controlled clinical studies. While this sounds reasonable enough, it is right here that the trouble starts. The law says that a new drug must be "safe and effective." But medical science increasingly shows that there is no such thing as a safe and effective drug. There are only drugs that are relatively safe and relatively effective when used in certain ways in certain patients for certain indications.

The law's requirements concerning adequate and well-controlled clinical trials clearly reflected Congress's concern that this finding of safety and efficacy should be founded on a sound scientific basis rather than on mere unstructured clinical experience. But, in carrying out this mandate, and in attempting to achieve the objective of approving a drug to be safe and effective, the regulators have often been subjected to a variety of political pressures from people very much outside the scientific community at large. Such pressures have led the regulators, on occasion, to impose requirements for clinical trials, some formal, some simply as a matter of informal policy, that most medical scientists would agree are unnecessary, inordinately time-consuming and wasteful of human and financial resources.

For example, the guidelines now require, in the usual case, three or more separate "adequate and well-controlled" clinical studies for each indication, however minor, for which a new drug will be used, even though effectiveness in such indications can readily be adduced with virtual certainty from effectiveness in other indications. Extensive human metabolic studies are now routinely required, but in many situations such data are of mere academic interest and are not indicative of safety and efficacy. There have even been reports from other companies of FDA requirements for data obtained by invasive techniques such as arterial puncture or cardiac catherterization which can be obtained by other vaild measures.

Similar presssures have affected requirements for pre-clinical studies. Society is quite properly concerned with the safety of human subjects who participate in this work, and the law, therefore, requires considerable testing in animals before a compound is introduced into man. This is obviously essential. Indeed, no one would dispute the fact that in any conflict between the interests of science and human values, the latter must prevail. However, pre-clinical requirements in this country are becoming so onerous that they have caused certain needed research virtually to cease. A case in point is the area of oral contraceptives, where pre-clinical requirements now effectively preclude attempts to develop better drugs. Now it is true, of course, that if we have no new contraceptives, they will put no one at risk. But what about the risks being assumed by the millions of women who are currently taking existing oral contraceptive agents, all of which have potentially serious side effects, the extent of which is only gradually emerging?

The next point is that this requirement of the 1962 law applies only to so-called "new drugs." In practice, this has meant those medicines that were not "generally recognized to be safe and effective" at the time of the 1962 amendments. There is no comparable regulatory structure that protects the public in the case of drugs approved prior to 1962, although many of them were later reviewed for efficacy by independent scientists under FDA contracts. Yet, if you have been following the subject closely, you will have noted that the so-called adverse drug reactions which have received so much recent publicity as a result of Congressional hearings relate, in large part, to the side effects of very well-established drugs that have been used widely for many years.

Thus, we now have a two-tier regulatory system, an absurdity that is viable only because so few people understand it. For example, it can take 10 years and $10 million to bring a new minor tranquilizer through the regulatory system which then imposes the most exacting controls concerning good manufacturing practices and the like. Yet, in some cases involving old drugs, you and I could quite legally buy bulk chemicals from a supplier, formulate a product in our basement—one, let's say, for the treatment of cardiac arrhythmias—do no testing to establish dissolution rates, let alone clinical work to establish the bioavaliability of our product, merely register with the FDA as a "manufacturer," and sell to a pharmacy without first submitting to an FDA inspection, and without telling the pharmacy that we have never had such an inspection.

I might add that many people are now arguing that a pharmacist should be allowed to substitute our hypothetical basement product (which he has no way of knowing is made in a basement) for the one prescribed by the physician without so much as telling the patient. The fact that this proposition (which is called repeal of the anti-substitution laws) is being sold quite successfully to a number of state legislatures in the interests of consumer protection—it was only narrowly defeated right here in New Jersey a couple of weeks ago—is an irony that might have delighted H. L. Mencken but would be no laughing matter to the patient involved if he understood what was going on.

Another weird result of the law is that it often holds the developer of a drug, i.e., the holder of the new drug application, to a much higher standard of regulatory compliance than those who introduce duplicate or "me too" compounds, many of whom, in practice, do so without even notifying the Food and Drug Administration. Thus, for example, the holder of the new drug application must receive FDA approval before the brings out a new formulation of the product, while the imitator often brings out such formulations without any prior approval at all.

VIII. TOWARDS A BETTER LEGISLATIVE AND REGULATORY STRUCTURE

I think I have said enough to demonstrate that a very substantial revision of our legal and regularly system relating to drug development and distribution is now in order. This is not the time to propose changes in detail, but I would like to suggest some ten propositions which seem to be of relevance.

First of all, it should be recognized that all drugs, new or old, involve a balance of risks versus benefits. The judgments concerning this balance in specific instances are a matter for medical science and should be decided in the interests of the patient population by the very best medical scientists available—not by the courts, not by Congressmen, and not by consumer or commercial advocates. The Congress must recognize that its function is to create and oversee a legal and regulatory structure which ensures that scientific decisions are made by the most qualified scientists. It must also recognize that when it tries itself to make scientific decisions, it botches the job.

Second, it must be understood that even the best medical judgments are correct only at a given time and are subject to constant review as the state of the art advances. In view of the evolutionary nature of these judgments, we should replace the existing hearing procedures, which are primarily legal in nature, with flexible scientific review mechanisms in which all parties concerned, including the sponsor of the drug, would be permitted to adduce scientific data as they are developed.

Third, while the Food and Drug Administration, as the responsible Government agency, must continue to have the final say on these questions of medical judgment involving drugs, it should give great weight to scientific evidence and opinion from the medical community, including both academic medicine and practicing physicians. The best medical opinion, rather than mechanistic regulatory requirements, should become the determining factor in the decision-making process.

Fourth, the position of the Food and Drug Administration in the Federal hierarchy should be reexamined. It might be better for it to become part of a new Department of Health, headed by an officer of Cabinet rank, which would also include the National Institutes of Health; and to be separated out from the Education and Welfare responsibilities of the existing Department of HEW. Compensation levels available to FDA scientists should be increased so that the agency can retain and attract the best caliber of people. At the same time, it should be given greater latitude to remove individuals who are performing unsatisfactorily.

Fifth, the two-tier system which divides so-called old drugs and so-called new drugs should be abandoned. No one would suggest that clinical studies be undertaken to prove the safety and efficacy of old drugs. But they should be subject to the same requirements of plant inspection, quality control and bioavailability data that are properly required of new drugs.

Sixth, the mission of the Food and Drug Administration must be redefined so that it has the clearly stated responsibility not only to protect the public against relatively unsafe and ineffective new drugs but also the responsibility to protect the public against relatively unsafe and ineffective old drugs by encouraging the development of better ones. In other words, legislative policy should instruct the agency not just to assess the risk inherent in approving a new drug but also to balance this risk against the risk of not approving it.

Seventh, legislative and regulatory policies should encourage the earliest introduction of an investigational compound into man which is consistent with the safety of the clinical subject. Marketing of a new drug should be permitted as soon as the FDA determines that its benefits appear to outweigh its risks for the categories of patients involved. On the other hand, the law should also require the marketer of a new drug to follow it much more closely once it has been introduced and to conduct much more stringent monitoring—including, in special cases, so-called phase IV studies—to measure its safety and effectiveness when it becomes generally available. Indeed, this is the stage when a new drug may present its greatest hazard. If removal from the market or special restrictions on use become desirable, the FDA should have the power to act decisively by going through the flexible scientific review mechanisms mentioned earlier rather than the cumbersome judicial procedures which are now required.

Eighth, the patent laws in this country relating to drugs should be revised so that the life of the patent starts at the time marketing of the new product is approved by the FDA rather than at the time the chemical compound is patented, since, under the existing law, most of the life of the patent can have been used up before the drug is brought to market.

Ninth, it should be recognized by the Congress that the investor-owned pharmaceutical companies represent a great national and international resource. They are not perfect and make their share of mistakes. But they are, in effect, self-financing organizations which have been extraordinarily successful in developing, manufacturing and distributing needed medicines around the world and have shown the capacity to maintain high levels of employment and a noninflationary price structure in turbulent economic times.

In carrying out these functions, they reinvest an exceptionally large proportion of what they report as "profits" but what are, in fact, their savings after paying operating costs. Indeed, they tend to pay a dividend yield of only 2 percent to 3 percent—Squibb is about average in this regard—a fact which has not escaped the attention of their shareholders. It should not now escape the attention of the public and the Congress that these companies are highly efficient and effective agents for the betterment of the human condition.

And tenth, it should also be recognized by the Congress that the drug distribution system in this country, including retail and hospital pharmacies and pharmaceutical wholesalers, is likewise a public resource which must be nurtured. Changing times have placed unusual strains on pharmacy, a profession which, in recent years, has not been accorded the stature it deserves. In particular, the pressures of a highly competitive marketplace have resulted in some pricing practices by manufacturers that are inequitable to pharmacy. The issue of differential pricing cannot be solved by an individual manufacturer acting alone, because its competitive position would be destroyed by such action. Nor can it be solved by an agreement among manufacturers, which would incur the wrath of the Justice Department.

It can, however, be addressed by the Congress through the passage of appropriate legislation, which should now be sought jointly by both pharmacy and industry, and which, in my opinion, could resolve the problem in a manner consistent with the legitimate interests of the parties involved and of the public. Squibb, which has been a traditional friend of pharmacy, is trying to help in this endeavor.

Now I am not suggesting that all these things can be accomplished in this Congress, or even, perhaps, in the next one. Much basic thinking must be done before a consensus can be reached, legislation enacted and implementing regulations proposed. But the work should start now and in earnest. We are dealing with a highly complex matrix of difficult scientific issues and emotional social and commercial questions. But they have answers. I know that the pharmaceutical industry, through its trade association, as well as individual companies such as Squibb, are giving much thought to these subjects and stand ready to participate in the design of constructive solutions. I can think of no other areas where determined intellectual effort promptly, earnestly and consistently applied by knowledgeable people acting in their own enlightened self-interest and for the public good could yield greater dividends to society as a whole.

NATIONAL HOSPITAL WEEK: MAY 11–17

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. FUQUA. Mr. Speaker, this week, May 11–17, is National Hospital Week, an event sponsored annually by the American Hospital Association to bring to the attention of all communities the services of the Nation's more than 7,000 hospitals and their 3 million plus employees. I have introduced House Joint Resolution 401 providing for designation of National Hospital Week, an especially notable time because it includes May 12, the birthday of Florence Nightinggale who was a pioneer in nursing and hospital services.

This year the American Hospital Association has chosen the theme "A Constant Concern for a Healthy Community" for National Hospital Week. But the event marks far more than a theme or a commemoration. It is, in fact, a time to further acquaint the public with the hospital issues that seem to be most pressing—to be specific. For example, an increase in needed ambulatory care, continued containment of costs, assurance of high quality care, and improved programs in patient education. Considering the growing concern of Members of the Congress for a national health program, such an educational effort takes on new significance in our national life.

Being acquainted with the vital work of hospitals in my own State of Florida, I feel that it is particularly important to call to public attention the need for citizens to be constructive in resolving community health problems, to look ahead and to help shape the inevitable changes that will make our system of medical services even better. By constructive, I mean active citizen involvement in solutions rather than the mere development of critical judgment, say of rising costs—unfortunately evident throughout our economy—or the difficulties in attaining universal access to hospital services.

Hospital service, in other words, is a community responsibility, and it improves directly in proportion to a community's concern for the role hospitals play in solving ever-present community health problems. Hospital service comes closest to its human goals when the hospital is seen as part of the continuum of community life and not as a detached organization to which we turn only in time of need.

The inescapable truth is that there are always emergencies in the community. At any given time some families and/or individuals are confronted with the pain, the problems, and the expense of illness or accident. There are no leaves of absence, no holidays from these human events, and there is no time of day or night when the community can, in effect, abandon its concern for hospital and medical service. Another way of stating this fact is that every community needs access to round-the-clock medical care of the highest quality. The national goal is that there be no exceptions.

Attaining that goal is difficult, but it is not impossible. A barrier at this time, especially, is that hospital services are expensive, in spite of national efforts here in the Congress and through such organizations as the American Hospital Association, State and allied hospital associations, and community hospitals to hold the line on costs. It is impossible, also, to avoid incurring new costs in a field where technological advances often come faster than they can be put to use in behalf of everyone. Nevertheless, we all want our community hospitals to have the latest equipment and techniques at hand—at reasonable cost and available to all persons regardless of ability to pay.

One week's attention seems altogether too short a time in which to focus on so vital an issue as comprehensive care. However, National Hospital Week affords communities throughout the country an opportunity to express appreciation for their hospitals and the services they provide. It focuses sharply on a growing national effort—development of ways in which all citizens, including health professionals and members of the Congress, may work toward improvement of our health care system.

CANAL ZONE BELONGS TO THE UNITED STATES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. YOUNG of Florida. Mr. Speaker, on the first day of the 94th Congress, I introduced House Resolution 61, a "sense of the Congress" resolution pertaining to U.S. rights over the Panama Canal. House Resolution 61 resolves that the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal and the Panama Canal Zone, and should in no way cede, dilute, or transfer any of these sovereign rights which are so indispensably necessary for the protection and security of the United States and the entire Western Hemisphere.

Most Americans are aware of the great strategic importance of the canal to our national defense, and of our historic investment of money, time, and energy into the Canal Zone. History is indisputably on our side with regard to sovereignty over the Panama Canal, despite the latter-day claims of radical Panamanian leaders. For my colleagues who are not aware of the details of our historical right to the Panama Canal, I am happy to include in the RECORD the text of a speech on this subject by Col. L. Sam Moore, U.S. Marine Corps, retired; this fine speech was graciously provided me by retired Navy Cmdr. Clarence Scott Taylor, of St. Petersburg, Fla., and I commend it to my colleagues:

TEXT OF SPEECH MADE BY COL L. SAM MOORE

Two very vital issues are presently before us both affecting the jugular vein of the Americas; first, the threat to continued undiluted United States sovereignty and control of the Panama Canal Zone and the Panama Canal; and second, the completion of the Canal's suspended modernization. Before these subjects can be properly understood and evaluated it is essential to know certain elemental facts in Canal history.

First, in 1901 in a treaty with Great Britain, the United States made the long-term commitment to construct and operate an isthmian canal under the rules governing the operation of the Suez Canal.

Second, in 1902, Congress authorized the President to acquire, by treaty, the "perpetual control" of a Canal Zone, as well as the purchase of all property in it for the "perpetual" operation of the Canal.

Third, in 1903, after the secession of Panama from Colombia, the United States purchased from Panama a grant "in perpetuity" of sovereign rights, power and authority over the indispensable protective frame of the Canal known as the Canal Zone for $10,000,000. This sum, though small on the basis of 1974 values, is greater than that paid for either Florida or Alaska. In the same treaty, our country assumed the annual obligation of the Panama Railroad for $250,000, previously paid by that company to Colombia. This annuity justifiably adjusted in the 1936 treaty and gratuitously increased in the 1955 treaty, is not a "rental" for use of the Canal Zone as so often stated in the press, but only the augmented annuity of the Panama railroad, the entire stock of which was bought by the United States for the unrestricted use of that rail line for constructing the canal and its later maintenance and operation.

Fourth, after acquiring the Zone, the United States obtained title to all privately owned land and property in it from individual owners, making the Zone our most expensive territorial acquisition, estimated in 1973 to have cost $161,938,571, which is more than the cost of all of our other acquisitions combined.

Fifth, the United States between 1904 and 1914 constructed the canal in a spot that was the pesthole of the world and a land of endemic revolution, transforming the Zone and surrounding areas into models of tropical health and sanitation that won world acclaim and has served as a force for political stability.

Sixth, the United States under the 1914 Treaty with Columbia, ratified in 1922, paid that country $25,000,000 and gave valuable transit rights in the use of both the railroad and the canal to it. In return Columbia, the sovereign of the isthmus prior to November 3, 1903, recognized the title to both the canal and railroad as vested "entirely and absolutely" in the United States.

Seventh, the total investment of the taxpayers of our country in the canal enterprise, including its defense, from 1904 through 30 June 1971 was $5,695,745,000.

Eighth, Article IV, Section 3, Clause 2, of the U.S. Constitution vests the power to dispose of territory and other property of the United States solely in the Congress, which includes the House of Representatives as well as the Senate.

From all of the above the evidence is conclusive that the United States is not a squatter resting on the banks of the Panama Canal but its lawful owner. In addition the validity of the United States title to it has been recognized by the Supreme Court, WILSON vs. SHAW in 1907, and no amount of demagoguery or sophistry can alter the essential facts.

As we foreseen in the early part of the 20th Century, by the able leaders who developed our historic isthmian canal policies, the Canal Zone and Panama Canal, in a realistic sense, form part of the coast line of the United States, and today it transits some 15,000 vessels annually. Thus its continued efficient operation and protection are just as vital to inter-oceanic commerce and hemispheric security as are the safe navigation and defense of the Cheapeake Bay or the Mississippi River.

Perceptive students of U.S. foreign policy in recent years have increasingly recognized that the U.S. Department of State has been infiltrated by elements hostile to continued United States sovereign control over the U.S. owned Canal Zone. Its record has been one of misrepresentation and fasification, its purpose has been not the protection of the United States interest at Panama, but the waging of campaigns of deceit against the people of our country, as so often illustrated by that agencies repeated efforts to dismember the Canal Zone by piecemeal errosions.

For example, in the case of the Panama Railroad the State Department planned to liquidate that important rail link and actually succeeded in giving away its freight yards and passenger stations in Panama City and Colon. The Congress stepped into the situation and after thorough study of the road's operations, saved the mainline. Now you have a railroad without its designed terminals, can you imagine anything more stupid?

It was therefore no surprise to a growing number of well informed members of the Congress, when on February 14, 1974, U.S. Secretary of State Henry A. Kissinger and Panamanian Foreign Minister Juan A. Tack, without advance authorization by the Congress, signed an eight point agreement on principles "to govern the negotiation of a new canal treaty". Stripped of its ambiguities, contradictions and fallacies, this piece of diplomatic trickery is a blueprint for the abject surrender of the United States treaty-based sovereign rights, power and authority over our most strategic waterway that is certain to open up a Pandora's Box of difficulties. Related to these will be the treaty rights of Great Britain and Columbia as well as the interests of all maritime nations that use the Canal and have to pay tolls. Some of these countries are already delving into the situation and will undoubtedly take steps to protect their interests.

As to the appeal so often made to North American idealism and generosity in the form of "returning" the Canal Zone to Panama, what are the facts!! That country prior to November 3, 1903, was a part of Columbia, from which it seceded. It did this only after years of frustrated waiting for Columbia to arrange for the construction of the canal at the Panama site. When Panamanian leaders saw their long hoped for project endangered by the authorized construction of a canal in Nicaragua, Panama revolted and declared its independence from Columbia to obtain this vital waterway.

When construction by the United States was started in 1904 the jubilation of the Panamanian people was practically unanimous. As foreseen, extensive employment of Panamanians and other economic advantages quickly brought prosperity to Panama not equalled elsewhere in Central America. Panama's jurisdiction over what was to become the Canal Zone territory was brief, officially ceasing on ratification of the 1903 Treaty which was February 26, 1904. This means that Panama had jurisdiction over the Zone for only three months and twenty-three days, a very weak basis on which to justify giving Panama the zone territory.

The President of the United States, in a mistaken gesture of friendship and on the recommendation of the State Department, on September 14, 1960, after the adjournment of Congress and in disregard of a resolution adopted by House of Representatives by a vote of 382 to 12 in opposition to the display of the Panama flag in the Zone, directed that it be flown in one place in the Canal Zone as visual evidence of Panama's "titular sovereignty" over that territory. Instead of improving relations this action served to extend the breach in the dikes of our juridical structure on the isthmus caused by the 1936 and 1955 treaties, with the predicted result that Panama would interpret such a display as an admission by the United States of full Panamanian sovereignity.

Actually, no such phrase can be found in the treaty by which the United States acquired the Canal Zone. Neither the Secretary of State nor any other government functuary had the authority then or any time to imply any curtailment whatever of the total sovereignty as defined in the treaty.

Most certainly, the Congress will never appropriate huge funds for a canal project in an area the United States does not control and that during the last seventy years has had fifty-nine Presidents. The recent attitude of the State Department as regards the sovereignty issue can have no reasonable interpretation as an honest effort to ease tensions. Instead its officials know that Dictator TORRIJOS of Panama has publicly proclaimed his esteem for the Castro regime in Cuba, expressed his admiration for the Soviets, and has openly threatened violence against the Canal Zone and recently given asylum to the international terrorists who seized hostages in the Caribbean area. This is the strong man of the pro-red de-facto government of Panamanians to which the self proclaimed liberals in the State Department seek to deliver our Panama Canal.

As for the major modernization of the existing canal, this project was authorized in 1939 under existing treaty provisions, started in 1940 but suspended in 1942 because of more urgent war needs after the expenditure of some $76,000,000, mostly for huge lock excavations at Miraflores and Gatun that are useable. Under this sum are added $95,000,000 spent on widening Gaillard Cut that was completed in 1970, the amounts already applied towards the major modernization of the canal totaled more than $171,000,000.

During World War II there was developed in the Panama Canal organization, as a result of war experience, what is known as the Terminal Lake-Third Locks plan which won the approval of F.D. Roosevelt as a past war project.

Most significantly this plan does not require a new treaty with Panama which fact is a paramount consideration. Legislation is now pending in both the Senate and the House for this project, which has aroused strong support among important shipping interests, engineers, ecologists, navigators, and other experts, including Panama Canal pilots, who know more about the marine operations of the Canal than any other professional group in the world.

Moreover, the Terminal Lake-Third Lock solution has the great advantage or preserving the fresh water barrier of Gatun Lake between the oceans, thus preventing the infestation of the Atlantic Ocean with the poisonous Pacific sea snake and the voracious crown of thorns star fish. When the long overdue work on the major modification proposal is resumed its economic and other advantages to the isthmus and inter-oceanic commerce will be so obvious that current agitations in Panama over sovereignty should vanish like a tropical fog in the morning sun.

Historically, the Caribbean has long been a focal area of conflict because its location is strategic. Today, Soviet power has Cuba, Soviet submarines cruise regularly in nearby waters, and the main Soviet objective is directed to wresting control of the Panama Canal from the United States, making that vital waterway a pawn in international power politics. Thus, the real issue involved in the Panama Canal Zone sovereignty question is not the United States control vs. Panamanian; but continued undiluted U.S. sovereignty over the Zone vs. USSR control; and these are the issues that should be debated in the Congress and in the mass media.

The elements of the news media that most loudly advocates surrender of the Canal Zone to Panama are precisely those that urged United States support to Communist Mao Tse-Tung of China with the claim that he was only a mild agrarian reformer, and later urged installation of Fidel Castro in Cuba while ridiculing evidence that Castro was a Red revolutionary.

Thus to get on with our great responsibility and obligation to enlarge the Panama Canal and improve its operations we must be uncompromisingly emphatic in declaring that our answer to any proposed abrogation or curtailment of complete United States sovereignty over the Canal Zone is a resounding NO!! and we say it again NO!!

NATIONAL RADIO MONTH

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, the month of May affords us an appropriate opportunity to highlight the enormous and integral role played by radio in our everyday lives, for May is traditionally National Radio Month.

In the rapid pace of life, we unfortunately take many things for granted and too often tend to forget the influence on and enrichment of our lives by many of our surroundings. The radio is as powerful and forceful an influence as any other form of communication. I am, therefore, privileged to focus attention on National Radio Month and on the outstanding men and women throughout the Nation whose efforts not only insure the dissemination of news and information, but who are concerned and involved citizens as well.

The local radio stations managers play a major role in the community. They operate small business and, as anyone who is an independent businessperson can tell you, they have their share of problems. The demands made upon them are extensive and they are continually called upon to meet the requirements of Government regulation. The station managers are alert to any potential threat to our freedom of speech and expression and they insure that those rights are safeguarded. This is not always an easy task.

Often, the managers wear many hats: News director, program director, sales manager, and announcer. But, moreover, they make invaluable contributions to public service and to the community. They must recognize the deep interrelation of countless major issues and events of the day and must understand their current and potential impact upon our lives. I believe they approach these responsibilities with objectivity and concern.

Every community has its share of emergencies or crises. Certainly, when tragedy or disaster befalls a community, the local radio personnel can point with enormous pride, as can the entire broadcasting industry, to their record of public service. They are right there—involved, concerned, and contribute to achieving order, assuaging the concerns and fears of the people.

In the Third District of Arkansas, we can boast of a group of outstanding radio stations. They enrich the quality of life for Arkansans, providing not only entertainment, but a meaningful link to the entire world and the entire spectrum of broadcasting—civil, cultural, national, and international. Radio enables us to view the world more realistically and objectively. Like a bridge, it enables us to expand our horizons. It can free us from ignorance and helps us better understand the world we live in.

Mr. Speaker, I know that our colleagues join me in commending the thousands of men and women across the Nation who are involved in and associated with the medium of radio. Their contributions are important and noteworthy enough to warrant an entire month of national observance—National Radio Month.

PLIGHT OF GOLDSTEIN BROTHERS IN U.S.S.R.

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. WAXMAN. Mr. Speaker, for the past few years a number of citizens in my district have been deeply involved in the struggle of two Soviet citizens, Gregory and Isai Goldstein to obtain permission to emigrate to Israel. Focus on the plight of the Goldsteins resulted from personal contact with them by Mrs. Silvia Thaler of Los Angeles. In addition to maintaining continuing contact with the Goldsteins, Mrs. Thaler enlisted the assistance of the late Rabbi Dr. Max Nussbaum. Dr. Nussbaum, in turn, encouraged his congregation at Temple Israel of Hollywood to join with other interested groups in a concerted effort to help the Goldstein brothers in their fight for freedom. That fight has reached a critical stage.

Both of the Goldstein brothers are physicists who specialize in automation. They have long since despaired of observing their ethnic and religious convictions in the Soviet Union. They, therefore, applied for permission to emigrate to Israel in December of 1971. Since that time they have been subjected to all manner of harassment, intimidation, and persecution.

Gregory and Isai Goldstein of Tbilisi in the Republic of Georgia, U.S.S.R., are classic victims of the Soviet system. On one occasion, their homes were searched in predawn hours for "slanderous materials." Among the items confiscated were a Hebrew language textbook, Israeli phonograph records, several copies of the U.N. Declaration of Human Rights, and three sacred scrolls—Mezuzos. After much harassment and repeated arrests, legal proceedings against the Goldsteins were dropped. It is their belief that they were spared prison or labor camp sentences only by the scope and intensity of interest in their case in Western countries.

The burdens and responsibilities of the Goldsteins increased greatly when, in December 1973, Isai's wife, Elizabeta Bicova, gave birth to their first child whom they named Abraham. In addition to caring for themselves, the Goldstein brothers must now concern themselves with supporting a young mother and infant. Of course, the desire to emigrate is greater than ever because of Isai and Elizabeta's hope of rearing their son in an environment where a fully Jewish life is possible. The most immediate difficulty, however, is that of providing for the minimum needs of the family, as they are not able to work.

For several years now, both Goldstein brothers have been denied the right to work. Though both have applied for emigration, both are "refuseniks" whose requests are invariably rejected. In perfect Orwellian logic, the Soviet authorities—who have denied employment to the Goldsteins—are now asking why the Goldsteins are not engaged in productive work.

As a result of their involuntary unemployment, as well as their statements of protest, possession of incriminating reading material and similar forbidden exercises of religion and expression, the Goldsteins now face charges for the grave crimes of "slandering Soviet reality" and "antistate activities."

Under the Article Code of the Soviet Union, Gregory and Isai Goldstein, upon conviction of the charges threatened against them, would be subject to imprisonment and hard labor for a term up to 7 years long, and following imprisonment, a 5-year period of exile in a designated area outside the regions in which they have lived and worked.

Fortunately, in recent years, the workings of Soviet totalitarianism have not been altogether inexorable. As a result of the desire for technological and diplomatic advantages which might result from "détente," the Soviets have on numerous occasions responded to pressure from important sources in the West. Certainly they have been responsive, in some measure, to the concerns of the Members of Congress.

Mrs. Jack Thaler has been in direct and indirect communication with the Goldstein families since October 1973. On two occasions she visited with them in Tbilisi. Though their cases have certainly taken a turn for the worse, Mrs. Thaler believes the situation is by no means hopeless.

Perhaps of most immediate benefit would be letters from colleagues in Congress and concerned citizens urging the Soviet authorities to grant an emergency visa to the California lawyer who has volunteered to serve as legal counsel to the Goldsteins. Alan J. Gould, Esq., of Moraga, Calif., has received written authorization from the Goldstein brothers. They are anxious to receive his help.

Second, letters and telegrams directly to Chairman Leonid Brezhnev, the Kremlin, Moscow, U.S.S.R., will inform top Soviet leadership of the depth and extent of concern for the Goldsteins in the United States.

Finally, Mrs. Thaler and others in direct contact with the Goldstein family indicate that their spirits and resolution over these difficult years have been enormously strengthened by sympathetic communications from abroad. Though there have been times when they have been denied delivery of mail from abroad, generally speaking, mail from concerned people from around the world has been received. Cables and letters of support should be addressed to: Gregory Goldstein, Octiabraskaya Street, 2nd Micro-Region Building No. 2, Apt. 63, Tbilisi 8, Georgian S.S.R., U.S.S.R.; and Isai Goldstein, Octiabraskaya Street, 2d Micro-Region, Building No. 2, Apt. 124, Tbilisi 8, Georgian S.S.R., U.S.S.R.

Mr. Speaker, I should like to conclude by emphasizing that the struggle of the Goldstein brothers ought not be construed narrowly as a struggle of Soviet citizens who wish to emigrate to Israel or Jews who wish to practice their religion or perpetuate the culture of their ancestors and coreligionists. True, these are the specific issues at stake in the Goldstein case. However, the larger issues strike at the core of the value system of American democracy. The Goldsteins and those who support them are struggling for the fundamental principle of freedom of movement—both within countries and across national boundaries as well. They struggle, too, for the equally basic freedoms of thought, religion, artistic expression, and intellectual exploration. Surely, those who struggle for such ends have a right to expect the support of the American Government and the American people.

FAST ACTION ON CONRAIL NEEDED

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SHUSTER. Mr. Speaker, the preliminary system plan developed by the U.S. Railway Association to revitalize the Northeast railroads is far from perfect. In fact, there are no pleasant alternatives to solving the railroad problem. This much is clear—if we do not move quickly to adopt some sensible plan, the problem will become even more severe than it is today. The USRA plan, with all its imperfections, is the most carefully thought out, viable alternative before us. Rather, it is the least undesirable approach. Today's Wall Street Journal carried a thoughtful article which I commend to my colleagues:

[From the Wall Street Journal, May 13, 1975]

FAST ACTION ON CONRAIL PLAN FOR NORTHEAST IS URGED BY PENN CENTRAL TRUSTEE, BANKER

WASHINGTON.—As the Penn Central picture becomes bleaker, pressure is growing to go through with the proposed creation of a government-backed railroad in the Northeast.

A Penn Central trustee and a New York banker testified before a House subcommittee in favor of moving rapidly toward setting up Consolidated Rail Corp., or Conrail, as the new Northeastern setup would be called.

Conrail would be fashioned out of Penn Central Transportation Co., the Penn Central Co. rail unit that is in Bankruptcy Act reorganization proceedings, and six other troubled Northeastern lines, under a plan proposed by the U.S. Railway Association, a government corporation created by a 1973 law.

The Ford administration has been having second thoughts about the plan.

Robert W. Blanchette, a trustee of the Penn Central road, told the House Transportation and Commerce subcommittee that Conrail must be formed as soon as possible to give "management stability" to the Northeast roads while the Penn Central's finances are in such bad shape.

John W. Ingraham, a vice president of First National City Bank of New York, said Conrail will give the government a better handle on controlling the Northeast roads' financial decline. He predicted that the seven lines will show a combined operating loss of $455 million this year, against a total loss of $238 million last year.

The testimony came as Ford administration policy-makers consider abandoning the USRA-proposed Conrail plan and instead choosing "controlled liquidation" of the Penn Central and other Northeast lines. Their operations would be sold to solvent lines, heading off long-term government involvement in Northeast rail affairs.

Mr. Blanchette said that although the Penn Central had twice sought unsuccessfully to liquidate its operations through sale to interested buyers, trying again only would delay the necessary Conrail takeover. He complained of losing management people because of the Penn Central's uncertain outlook, and urged the government to get on with the Conrail plan.

Mr. Blanchette said he doesn't expect the Penn Central to need any more short-term government financing beyond that already authorized by Congress, barring natural disasters or a further worsening of the economy.

For his part, Mr. Ingraham said the Conrail take-over should come even sooner than the 1976 first quarter, as currently envisioned by USRA. He said financial "turnaround" problems would be made even greater and "substantially more expensive" by waiting until 1976.

He said the projected 1975 losses of $455 million by the seven Northeast lines would include about $392 million by the Penn Central, against $198 million in 1974. He noted that the seven roads had an operating loss of $155 million in 1975's first quarter, compared with the year-earlier $82 million.

The six lines in reorganization that are part of the USRA-Conrail restructuring plan, along with the Penn Central, are the Reading, the Central of New Jersey, the Lehigh Valley, the Lehigh & Hudson River, the Ann Arbor Railroad and the Erie Lackawanna.

WHY THE SOUTH VIETNAMESE FEEL THEY HAVE BEEN BETRAYED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. CRANE. Mr. Speaker, many South Vietnamese feel that they have been betrayed by the United States and many other American allies in Asia—Thailand, the Philippines, Malaysia, Singapore—agree that our role in Southeast Asia has been a less than honorable one.

Is the feeling that the United States betrayed an ally a justifiable one? The evidence, unfortunately, leads to the almost inescapable conclusion, that it is.

The Paris Peace Agreement, which was negotiated in secret and kept from our South Vietnamese ally almost until the moment when they were virtually compelled to sign it, permitted the Communists to keep all of their troops in the South while we removed all of our own forces. While this agreement was hailed as "peace with honor," and Secretary Kissinger received a Nobel Peace Prize for his efforts, it was clear that implicit in that agreement was a surrender of South Vietnam.

Discussing the American role in the Paris peace negotiations, P. J. Honey, the well-known authority on Vietnamese affairs at London University, noted that—

> Dr. Kissinger's conduct of the whole negotiation appears quite extraordinary, for he made concessions to the Communists side without reciprocation, deliberately kept his South Vietnamese allies in ignorance of what he had conceded—though this was known to the enemy side—and finally forced an unwilling President Thieu to sign the agreement against his better judgment by a harsh ultimatum.

Professor Honey declares that—

> Watergate and the refusal of the new Congress to grant funds resulted in South Vietnam's failure to receive what had been promised to her, and recent events have fully justified all President Thieu's fears. It is therefore scarcely surprising that Thieu, in his resignation speech, should have blamed America for the outcome, for he firmly believes that both he and his country were betrayed.

I wish to share with my colleagues the thoughtful analysis, "Why the South Vietnamese Feel They Have Been Betrayed," by P. J. Honey, as it appeared in the London Daily Telegraph, and insert it into the RECORD at this time:

[From the London Daily Telegraph, Apr. 30, 1975]

WHY THE SOUTH VIETNAMESE FEEL THEY HAVE BEEN BETRAYED

(By P. J. Honey)

Although Richard Nixon had publicly promised to end the war in Vietnam during his first term as President, by the spring of 1972, election year, the problem remained as intractable as ever.

True, Dr. Kissinger had begun secret talks in Paris with Le Duc Tho, but American concessions in May and October, 1971, had elicited no response from the Communists and the negotiations remained deadlocked.

Indeed, the North Vietnamese blitzkrieg invasion of the South, which began on March 30, 1972, showed that the Communists were more interested in a military than a political solution and President Nixon's planned visit to Russia was threatened with disruption.

To prevent that happening Dr. Kissinger went to Moscow where, on April 20, he told Mr. Brezhnev that America would accept a standstill ceasefire in South Vietnam.

This major concession would permit the North Vietnamese to control territory within South Vietnam as of right and to maintain their armed forces there, something South Vietnam had contested since 1954.

Delighted, Brezhnev told the Hanoi leaders that, as far as America was concerned, the war was virtually won.

BOMBING RESUMED

America felt obliged to take retaliatory action against the North and, on May 8, resumed bombing and dropped mines in North Vietnamese ports. To the relief of Washington, the Soviet reaction proved mild and Nixon's visit to Moscow took place as arranged at the end of May.

During the four lengthy discussions on Vietnam which took place in the course of that visit the American side told its Russian hosts that it was not irreversibly committed to rejection of the tripartite body proposed by North Vietnam.

This had been steadfastly resisted until then by both South Vietnam and the United States on the excellent grounds that the Communists would undoubtedly seek to turn it into a coalition government of South Vietnam. Since the Communists could not possibly win more than 10 per cent of the votes in any South Vietnamese election, this body represented their only hope of achieving power by political means.

While in Peking in mid-June, Dr. Kissinger complained to Chou En-lai that the North Vietnamese were being "greedy," and wanted everything at once. They should negotiate first for the departure of the Americans and, once that had taken place, matters could take their own course in Vietnam, he argued.

PROMISE TO THIEU

Dr. Kissinger flew directly from the Paris talks to Saigon on July 19, which prompted speculation that agreement was near and Thieu's approval of the terms was being sought. In fact, he promised the Vietnamese leader that, once the election was over, President Nixon would bring the full weight of America's military might to bear on the nothern Communists.

Making no mention of what he had already conceded to the Communist side, Dr. Kissinger surprisingly urged Thieu to prepare for attacks against North Vietnam. Not until the middle of August, when the Paris talks were once more in session, was Gen. Haig sent to Saigon to tell President Thieu of the concessions for the first time and to seek his acceptance of them.

Dumfounded, Thieu refused to have anything to do with them.

Reluctant to be thwarted in his quest for a settlement, Dr. Kissinger next instructed America's Ambassador Bunker, a distinguished diplomat who was respected and trusted by Thieu, to persuade the Vietnamese President to accept the tripartite body.

On learning that this had proved impossible, Kissinger sought and received President Nixon's authority unilaterally to commit America to accept that body. At his September meetings with Tho, the American negotiator agreed to include the tripartite body in the terms of the draft agreement, and on Sept. 26, Gen. Haig again went to Saigon in search of Thieu's acceptance. Once again he was unsuccessful.

Hopes of success rose markedly on October 9, when Tho produced a North Vietnamese working draft of the ceasefire agreement. Kissinger promptly put forward an American draft, and on Oct. 11 returned triumphantly to Washington bearing a 58-page ceasefire agreement. This was judged generally acceptable but needed some minor amendments which Kissinger believed he could quickly effect in Paris.

He therefore planned to fly to Paris and negotiate these amendments, then proceed to Saigon where, between Oct. 19 and 23, he would obtain President Thieu's assent, and finally fly to Hanoi on Oct. 24 for an initialling ceremony with Le Duc Tho.

The initialled agreement would be formally signed in Paris by all four parties on Oct. 31, a date to which the Communists attached much importance.

In the event, difficulties in Paris prevented the amendments being made, and President Thieu was adamant in refusing to accept the incomplete terms offered. He was shown only the English text, given a mere 72 hours to study it, and asked to trust Dr. Kissinger to negotiate suitable final amendments in Hanoi.

Kissinger's plan stalled, therefore, in Saigon and he abandoned the Hanoi trip to return home. The North Vietnamese, suspecting the whole negotiation had been no more than a Nixon electoral trick, believed they had been duped.

On Oct. 25 they broadcast the principal points of the draft agreement, thereby indicating the secret negotiation was over. The following day Dr. Kissinger made his now famous "peace is at hand" statement in a desperate attempt to persuade the North Vietnamese they were mistaken.

Secret meetings resumed in Paris late in November, but North Vietnamese behaviour suggested that they were no longer interested in negotiations. On Dec. 11 Tho handed Dr. Kissinger a quite unacceptable protocol before departing for Hanoi.

Talks finally broke down on Dec. 15 and, three days later, the concentrated bombing of Hanoi and Haiphong with "smart" bombs began. Within a few days of such destruction life in North Vietnam ground to a standstill and her leaders agreed to resume negotiations in Paris.

While these raids were taking place Gen. Haig travelled once more to Saigon, where he informed Thieu that very minor concessions by North Vietnam would now satisfy America. South Vietnam would sign the resulting ceasefire agreement, he said, or the United States would end her military and economic assistance.

ECONOMIC SUPPORT

If she did sign, however, then America would supply her with arms and ammunition on a one-for-one basis, would provide her with all necessary economic support and, if North Vietnamese invaded the South in breach of the agreement, would react vigorously in defence of South Vietnam.

Dr. Kissinger's conduct of the whole negotiation appears quite extraordinary, for he made concessions to the Communists side without reciprocation deliberately kept his South Vietnamese allies in ignorance of what he had conceded—though this was known to the enemy side—and finally forced an unwilling President Thieu to sign the agreements against his better "judgment by a harsh ultimatum.

Watergate and the refusal of the new Congress to grant funds resulted in South Vietnam's failure to receive what had been promised to her, and recent events have fully justified all President Thieu's fears.

It is therefore scarcely surprising that Thieu, in his resignation speech, should have blamed America for the outcome, for he firmly believes that both he and his country were betrayed.

PANAMA CANAL ZONE

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DICKINSON. Mr. Speaker, I recently received a letter to all Members of Congress from an American couple who live and work in the Panama Canal Zone. In case any of my colleagues failed to receive or see a copy of the letter, I am having it reprinted here.

The letter points up one of the fallacies in the arguments of those who would like to turn the Panama Canal over to the left-wing elements currently in command of the Panamanian Government, specifically that the people of Panama want the United States out of the Canal Zone. I commend the letter to you and hope it will be given due consideration.

The letter follows:

BALBOA, CANAL ZONE,
March 26, 1975.

Hon. SENATORS and REPRESENTATIVES,
U.S. Capitol,
Washington, D.C.

DEAR SIRS: My wife and I feel it our patriotic duty to our beloved nation to write this letter to you in hopes that the information here-in will urge and help you in saving our Panama Canal that is so vital to World-trade. We are close to retirement, and motivated solely by our concern for the security of the United States. I am a Lockmaster among those at the Pacific Locks who supervise the transiting of 50 ships a day. We now have over 40 regulars that are more than 940 feet long and 106 foot beam. We work steadily, 24 hours per day, in moving this world traffic. Whether the world sleeps or wakes, we move ships, ships, and more ships. And Sirs, we maintain and repair all machinery necessary for this operation. We do it quickly and with the expertise peculiar to Americans. On my experience here, I qualify this letter. I was hired by the United States Government from Campton, California, and shipped with my family and household goods to the Canal Zone on December 2, 1951.

In our time here, we have made many friends and associates among the Panamanian people in various parts and stations in life. We know from our associations with them that they did not want the present military dictator to take over their country, nor do they want him to take over the Canal Zone.

In their last free election there was an overwhelming vote cast for their president, who eleven days after being sworn into office was thrown out by the military—the very ones he had pledged would no longer rule the country from behind the scenes! President Arnulfo Arias, was a very strong anticommunist. This was the third time he had been elected by an overwhelming popular vote and the third time he was thrown out by the military. If it were left to a free election in Panama, with freedom of speech, freedom of press, and free news media, he would be elected again. Only a few days after the military take-over of the Panamanian Government; we, the United States, extended our credit to the new military government and poured in money sufficient to keep them in office. These very troops were taught and trained in the Canal Zone on how to put down riots and wage wars. They acted against their own people; and in this case, the people's will.

Doesn't it seem contradictory that we have just concluded a military operation in Korea and Viet Nam to prevent a communist takeover of countries that had free elections, and then support a military dictatorship; one that is proving to be more communist month by month in the same manner as Castro?

The only election since the military came into power in Panama was under the complete discretion and control of the military. Only those selected by the military appeared on the ballot and there were no write-ins. Yet everyone was forced to vote. Doesn't this seem a lot like communist Russia, rather than a free country?

Panama's President and the treaty negotiators are appointed and approved of by the dictator, hence the Panamanian government is not one by the will of the people. There is no freedom of speech, press, radio, nor television; all of which we consider necessary to the protection of individual freedom.

How can the dictator and his appointees claim to represent the people, when none of them are directly elected by the people? Obviously they do not. The people of Panama are ruled by a military junta that knows no bounds in silencing any show of opposition. We, the United States Government, would certainly skate on thin ice when negotiating a treaty with these imposters.

Torrijos has shown his true color by taking over the Telephone, the Power and Light, the Gas Company, the Abattoir, the satellite-communications, and one of the largest privately owned enterprises in Panama, "The Chiriqui Land Company."

We, the people of the United States, are natural enemies of all governments that take away the individual's right to freedom of speech; a free press, radio, and television. With these media muzzled and only giving out that which is approved by the dictator, how can our State Department know what the people of Panama really want?

Mr. John Bracken, Chief of the Political Section of the United States Embassy in Panama, speaking to the United States Civic Counsels in the Canal Zone in an executive session, said in defense of what seems to be giving sovereignty of the Canal Zone to Panama, "United States interest in the Canal could best be served by modernizing the United States presence in the area," and he further states that, "United States presence is dependent on the consent of the Panamanian people and the level of that consent has been steadily declining in recent years."

One might ask, how is it that the United States retains their military base at Guantanamo Bay, Cuba, if consent is the necessary key as says Mr. Bracken. Quoted from the Panama Canal Zone's news media, "The Panama Spillway" December 29, 1974, printed by the United States Government at taxpayers' expense.

One might wonder whose side our negotiators are really on when they try to brainwash the American people, and our Congress, by such statements leading to giving away our sovereignty over the Canal Zone.

This is further brought out by others in the State Department; a case in point: William D. Rogers, a United States Assistant Secretary of State of Inter-American Affairs, is quoted in the "Star and Herald," a Panama censored newspaper printed in English, Friday, February 28, 1975, testifying before a House of Representatives sub-committee: "There is no real alternative to negotiation and ratification of a new treaty. A breakdown in negotiations or a rejection of a negotiated treaty by the Senate, could lead to a confrontation with Panama and a real possibility that the Canal could be closed in the process."

We feel that this is the sort of political blackmail that an enemy nation would employ; not the servants of our own United States Government. Is this "Modernizing" our interests or is it a step backward into the dark ages? What threat does this place upon the Americans here who serve you?

For people without a voice, how can we hear or know whether or not the Panamanian people want us here, or that the "level of their consent" has been declining? The only truth to this statement is that the communist minority in Panama has been quick to spring upon this questionable information that is being put out by our State Department, and are trying to make it true; although in fact, it is false.

This is another case in which we are supplying our antagonist communist with the ammunition to use against us!

If our State Department is truly working for the best interests of the United States, yet insists on a Panama Canal give-away policy, there is little need for a communist take-over in Panama; for we have already given them what they want: control of this most important waterway.

Sirs: we realize that we live in troubled times and there are many demands put upon you, many requests by special and private interest groups in regard to all the domestic ills, energy-shortages, and foreign affairs. We also realize that it is difficult to correct an error after it has been made. Then, let us not be duped into making an error by threats of blackmail, or brainwashing; even if it comes from our own State Department. Let us not give away the Panama Canal to a country whose government does not exemplify the basic standards upon which we have fought wars to maintain. The propaganda being put out by the State Department to intimidate the Senate into approving a give-away treaty with Panama, and on their terms, is like playing poker and flashing your hand before you place your bets.

Now let us use our best judgement here for the United States and the world in general by not giving sovereignty of the Canal Zone to a military dictatorship. It may in turn be taken over by a stronger force—the same way this dictatorship took this government from the people. Next time it could be an out and out communist coup. There have already been two known attempts to take-over the dictatorship presently in power. Both from within his own army.

If the present dictator doesn't follow through with his plan of complete nationalization of industry and labor, a new take-over could happen, even while our State Department acquiesces to the sovereignty of the Canal Zone being transferred to Panama. Who might rule then? Whose Canal, sirs?

The Suez Canal is a glaring example of what may happen here if the Canal Zone were under the control of a country dominated by a capricious government. Perhaps, like Israel, the United States would not be able to transit.

Sincerely yours,

———— ————.

THE LOSS OF A PATRIOT AND FRIEND

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ASHBROOK. Mr. Speaker, the loss of Thomas Lane is a loss for our country and for friends of freedom everywhere. My good friend General Lane was one to take his responsibilities and those of this Nation seriously.

He did not try to be popular but he did point out the truths that our country was founded on and the threats that those truths faced. Our Nation will miss his wise counsel. I know that I will.

At this point I include in the RECORD a tribute from Human Events of May 10, by Lee Edwards. The full text follows:

GEN. THOMAS A. LANE, 1906–75

(By Lee Edwards)

When Human Events columnist Thomas A. Lane died two weeks ago it came as a shock to most people. Some knew he had been in the hospital. Fewer knew he had cancer. For despite his illness, he continued his forthright column, his editing of the splendid journal *Strategic Review*, and even the writing of special articles until the very end.

Tom Lane was a soldier, a retired major general in the U.S. Army Engineers, who served his country across the world from the Panama Canal to the South Pacific during World War II under Gen. Douglas MacArthur.

He was a teacher who taught civil engineering and military history at West Point from which he graduated. He also taught at the Air University at Maxwell Air Force Base. He had a knack for putting things into historical perspective for his classes and his friends.

He was a devout Roman Catholic whose faith was central to his life. The funeral home was full the night they said the Rosary for him, and so was St. John's Church the next morning.

He was tall, erect, white-haired, and his speech still carried some of its original Boston accent. He was a man of convictions in an age of vacillations. As a soldier and an historian, he understood war as few of us do.

In an article for Human Events published two weeks before his death, he wrote about the war in Vietnam:

"The chief deterrent to war is the prospect that the aggressor will be defeated. Relieve the aggressor of that prospect and you encourage his aggression.

"This was the policy of the United States in Vietnam which cost the country $120 billion, 360,000 casualties and 50,000 dead."

In column, article and book, Gen. Lane argued that the war in Vietnam would only stop when one side or the other won.

And South Vietnam, he said flatly, could not win as long as the U.S. prevented it from carrying the war to North Vietnam.

The consequences of our failure to help an ally were clear to him. In a review of Sir Robert Thompson's *Peace Is Not At Hand* in the spring issue of *Strategic Review*, Tom Lane wrote:

"There can be no hope of peace for a great power which would betray a small ally. Members of Congress should learn from this book that it is for the United States that the bells toll in Vietnam."

While he was deeply concerned about Vietnam, he was more concerned about general

U.S. foreign policy, which seemed to him to be based not so much on detente as on profits. He was repelled by those who used the facade of detente to pursue profits with the Soviet Union and Communist China.

In the April 24 issue of *The Wanderer,* published four days after his death, he concluded his column:

"The U.S. is today pursuing trade with our declared enemies without due regard for considerations of national security and U.S. survival.

"The drive for profits is dominating policy to the exclusion of a prudent address to the enemy. The people must demand new policy which places national security above all profit-making."

AFL-CIO head George Meany made the same point last fall in an appearance before the Senate Foreign Relations Committee, referring to "the myth that trade is the road to peace."

As a soldier who had known war, Tom Lane did not shrink from "thinking the unthinkable," and talking about it as well. After all, as he pointed out in 1968 in his book, The War for the World:

"War is very thinkable to conquerors. In fact, thinking about war is one of their chief preoccupations."

He urged the U.S. and the free world, first, to acknowledge that we are at war and, second, to carry the war to the enemy.

Not through the use of nuclear weapons, but for example by encouraging anti-Communist undergrounds in the Soviet Union and Communist China. He stressed that these undergrounds should be of, by and for the people of those countries—not American-dominated. Why not, he suggested, a government-in-exile for the Soviet Union? And why not, he would probably add today, Alexander Solzhenitzyn as its chief spokesman?

In his last book, The Breakdown of the Old Politics, published late last year, Tom Lane said flatly: "The United States has been the victim of party politics." He called for a new political order, responsive to the people and not to special interests and a centralizing government.

He wrote: "It may well be that escape from the political paralysis imposed by the two-party system is the most urgent need of our society."

When he retired from the Army 13 years ago, Thomas A. Lane did not fade away, but undertook a new career in writing and editing which has left us a rich and lasting legacy which he would want us, not to admit, but to use to bring about a freer America and world.

NOTICE OF HEARINGS ON EQUAL EMPLOYMENT OPPORTUNITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAWKINS. Mr. Speaker, I wish to announce that the Subcommittee on Equal Opportunities of the Committee on Education and Labor will conduct comprehensive hearings, beginning in early June, on Federal enforcement of equal employment opportunity laws. The subcommittee plans to commence these hearings with testimony from the Secretary of Labor, John T. Dunlop, followed by hearings on the Civil Service Commission and the Equal Employment Opportunity Commission. Dates for these hearings will be announced as soon as they are confirmed.

The subcommittee's hearings will examine the enforcement of title VII of the Civil Rights Act of 1964, as amended, as well as Executive Orders 11246 and 11375.

Title VII of the Civil Rights Act prohibits discrimination on the basis of race, color, religion, sex or national origin in all employment practices, and covers private employers, employment agencies, unions, educational institutions, and State and local governments, and the competitive Federal civil service. Executive Order 11246, signed in 1965, prohibits discrimination in employment by Government contractors and subcontractors on the basis of race, color, religion or national origin. The order was amended in 1967 by Executive Order 11375 to include sex.

There has been a Federal policy against employment discrimination for better than a decade. Yet meaningful gains, both in terms of total numbers and in terms of representation at professional and policy-making levels in public and private employment, have been disappointingly modest.

The present recession has practically wiped out the gains of the past few years as minorities and women have borne a disproportionate burden of unemployment. At the same time, there is substantial evidence of widespread violation of laws and regulations at all levels of both private and public employment.

The Subcommittee on Equal Opportunities has had a continuing interest in the enforcement of our equal employment laws. Last fall, the subcommittee conducted hearings on the problem of the backlog of charges before the Equal Employment Opportunity Commission. In March, the subcommittee went to Los Angeles to look at contract compliance operations of the Defense Supply Agency in southern California. The Department of Labor had been scheduled to testify at these California hearings, but at the Department's request, this appearance was delayed to allow the new Secretary of Labor, John T. Dunlop, an opportunity to review Department policy.

Our activities to date have convinced us that we need to review the entire scope of Federal activity in this area. How effective have the executive orders and title VII been in eliminating employment discrimination? What kind of a job have the agencies charged with enforcement of these laws been doing? How much trained labor force is our Nation losing because of lack of enforcement of these laws?

President Ford has stated very clearly his position on equal employment opportunity. In a recent directive to Federal agencies, he stated:

> Our Nation's strength is based upon the concept of equal opportunity for all our citizens. Decisions motivated by factors not related to the requirements of a job have no place in the employment system of any employer.

He further stated that nondiscrimination and the prohibition of discriminatory practices is not enough.

> What is needed are strong affirmative actions to assure that all persons have an opportunity to compete on a fair and equal basis for employment and advancement.

I applaud the President's strong and forthright statement. But I am concerned that all too often these policies are not being implemented by the agencies with enforcement responsibility. The questions we must ask are, one, does the individual who has suffered discrimination or who may so suffer in the future, receive protection and relief from the Federal equal employment opportunity laws; two, are affirmative action policies and programs being implemented to bring about full utilization of women and minorities? Unfortunately, at present this is simply not the case.

THE PACIFIC NORTHWEST NATIONAL SCENIC TRAIL

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PRITCHARD. Mr. Speaker, in recent months, Congress has been deeply involved in many critical issues—tax cuts, public service jobs, oil taxes, aid to Southeast Asia. While these subjects get the headlines—and demand most of our time and attention—Congress is also addressing a number of other issues which are important to the quality of life of our citizens. Among these are recreation—and conservation.

The Pacific Northwest is endowed with some of the most spectacular wilderness and hiking territory in the country. It is the perfect retreat for countless Americans seeking quiet escape from their hectic lives.

Many people would like to see a greater part of this magnificent area made more accessible to outdoors enthusiasts. This year I introduced a bill to establish a new national scenic trail called the Pacific Northwest Scenic Trail, extending from Olympic National Park in Washington to Glacier National Park, Mont. At this time I am pleased to resubmit this bill with several of my colleagues from Washington, Idaho, and Montana joining as cosponsors.

The number of backpackers has grown rapidly in the past decade. It is apparent that backpacking is no short-lived fad but a resurgence of both the traditional American love for the outdoors and of "lighting out for the frontier." It is one of the least expensive and most satisfying forms of recreation. Unfortunately, backpacking's new popularity has often led to overcrowding of campsites and trials. This is why action must be taken now to ease the strain on our overburdened National Trails System.

Several years ago, the National Trails System Act made two well-known north-south routes into the first national scenic trails—the Pacific Crest Trail and the Appalachian Trail.

The proposed Pacific Northwest Scenic Trail would follow an east-west route, stretching more than 1,000 miles from the Continental Divide to the Pacific

Ocean. This footpath links a tantalizing variety of mountains, rivers, lowlands, rain forests, alpine areas, and beaches.

Northwest history is waiting to be discovered by the hiker. The Indian past survives in mountains and villages throughout the region. The pioneer period, especially, confronts and fascinates backpackers—in the form of log cabins in old clearings and in the memories of oldtimers. Whidbey Island can even boast an authentic blockhouse. All across the Northwest there are interesting traces of early travelers and explorers—as well as forgotten trappers, homesteaders, riverboaters, miners, and foresters.

Since most of the proposed trail route crosses Federal lands, the eventual cost of the path to the Government would be minimal. And hopefully, Northwest outdoorsmen will contribute to planning the trail and then maintaining it like the thousands of volunteers who keep the Appalachian Trail in shape for their own use.

I am hopeful that hearings will be scheduled on this legislation during the current session of Congress and that a new national scenic trail in the Pacific Northwest may become a reality.

SAN PEDRO AND PENNINSULA HOSPITAL CELEBRATES ITS 50TH ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ANDERSON of California. Mr. Speaker, on June 14, 1975, the San Pedro and Peninsula Hospital will be celebrating its 50th anniversary of service to the San Pedro-Harbor area. Since June 14, 1925, this hospital's employees and physicians have been highly dedicated to the improvement of hospital service as well as local community life. As May 11 marks the beginning of National Hospital Week. I feel that at this time it would be most appropriate to express my gratitude in recognition of this hospital's past performance, as well as my confidence that its future performance will be just as noteworthy.

From its humble beginning 50 years ago, the San Pedro and Peninsula Hospital has certainly developed remarkably. Originally known as the San Pedro General Hospital, it opened with only 16 beds, none of which were private. In 1937 and 1943, new wings were added to increase the number of beds to 107.

In 1948 the hospital became a nonprofit organization with the formation of the San Pedro Community Hospital Association. In the spirit of community service the newly formed board members served without compensation, a tradition that has continued until today.

In 1951 the hospital received full accreditation from the Joint Commission on Accreditation of Hospitals. Just 10 years later, a $2.8 million, 5-story, 140-bed structure was dedicated for hospital service.

In 1970 the hospital changed its name to the San Pedro and Peninsula Hospital to reflect the expanded area of service to the community.

And most recently, in 1971 to 1973, a new wing of 103 beds was added. In addition, all older buildings were demolished and a complete remodeling and rebuilding program was initiated, financed by both a community fund drive as well as loans from a private company.

The result: Parking facilities for 378 autos free of charge and 243 beds, half of which are single rooms. This in itself is indeed a remarkable accomplishment from such humble beginnings only 50 years ago.

Today's hospital is nonprofit, nongovernmental, nontax supported, with a single purpose: To serve the 203,600 people in the San Pedro and peninsula area. In fact, of the 207 hospitals in Los Angeles County, only 21 have more beds.

There are 20 departments, and 538 employees, both professional and nonprofessional.

The hospital's remarkable past performance can best be illustrated by an event of January 1975:

A very alert nurse noted, with the help of a fetal heart monitor, that the about-to-be-born Alisa Dixon had an irregular heart beat. She alerted an obstetrician, who in turn alerted an MD, who performed an emergency cesarean on Mrs. Dixon. Within 2 days a pacemaker was implanted in the newborn's chest to regulate the heartbeat.

The birth of the famous "Pacemaker Baby" in San Pedro and Peninsula Hospital made headlines locally and thereby served to give the hospital some of the recognition it so justly deserves.

The hospital staff is now meeting with community leaders to discuss future hospital plans. Just as their concern for a healthy community has determined their actions in the past, I am sure these discussions are being conducted with the same concern for the future.

San Pedro and the peninsula area can certainly be proud of their hospital and the way in which it has strived to become what it is today: A remarkable example of unselfish, efficient community service.

COMMUNIST BARBARISM: THE KHMER ROUGE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, I commend to the attention of my colleagues the following essay by William Safire which appeared in the New York Times, on Monday, May 12, 1975.

All Americans should take to heart Mr. Safire's observation that:

> The difference between "freedom" and "slavery" is not a relic of cold-war rhetoric. Communists in every region are serious about remaking the world.

He correctly points out that the Communists realize that the Marxian "elimination of classes requires that tens of thousands, perhaps many more, die by the wayside," and that the "mental set of the ideology sees the individual soul as a building block and not a citadel."

I especially call to your attention Mr. Safire's concluding paragraph in which he points out that the Communists understand one fact about our abandonment of Southeast Asia which a growing number of Americans do not:

> If we are unwilling to help people fight for their freedom, if we pretend that the victories of Communism are local options of little concern to us, then the order to "get out of town" may be repeated. And someday it could cause quite a traffic jam in the Lincoln Tunnel.

Or on Peachtree Street, the Fourteenth Street Bridge, the Golden Gate, and so forth.

The full essay follows:

GET OUT OF TOWN

(By William Safire)

WASHINGTON.—What if every man, woman and child who lived on Manhattan Island were told: "Get out of town. Today, on pain of death. No excuses. Start walking and don't stop until you get to farmland upstate or in Pennsylvania. When you get there, if you do, you're on your own."

Manhattan mothers would give their babies to strangers who had some chance of escape or survival; Manhattan doctors, at gunpoint, would put down scalpels in mid-operation and begin the long march to nowhere, occupants of nursing homes would push wheelchairs in the direction of the Lincoln Tunnel; proud and law-abiding Manhattanites would learn to steal and beg to get the towers of the city far behind them.

That is roughly what is happening to the three million people of Phnom Penh, capital of the newly Communist Cambodia. In all human history nothing has taken place quite like the emptying of Phnom Penh.

Sennacherib destroyed Babylon, the Romans sacked Carthage, and Hitler's bombers leveled Guernica, but in every case the attacker was destroying a particular city, not the idea of a city itself.

The new rulers of Cambodia are doing something original. They have taken the "classless society" of Marx and put it together with the "natural selection" of Darwin. Cities breed civilization, they are saying; civilization differentiates between people, creating classes; therefore, we will drive the populace out of the corrupting cities, back to the purifying land, where only the fittest will survive.

This is social engineering on a scale that would make a Stalin blush; creating a society of equals by making everybody a refugee.

Since you can't make an omelette without breaking some eggs, the Cambodian leaders wish to conduct their experiment in private, which is why foreign newsmen have been deported. In the United States, that leaves us to a fruitless debate about how many thousand executions make a bloodbath.

Many commentators have long been saying that the Cambodians are a gentle people who would return to peaceful ways if only we were not there; and they have been deriding predictions of mass executions as merely scare tactics to justify our propping-up of corrupt dictatorships. These voices will now be saying that the reports we hear of killings are probably exaggerated: What kind of bloodbath is it, after all, that goes on unrecorded by videotape?

Contrariwise, a great many other Americans, myself included, will be tempted to ask: What happened to all that moral outrage about "stopping the killing"? And how come the Jane Fondas and Ramsey Clarks are not focusing our attention on the shortcomings of those who brought this bloody kind of peace to Indochina.

Such justification of past positions may be satisfying—we all like to insist we were right all along—but there is a reality to the emptying of Phnom Penh that should cause us to agree on a fundamental: that the difference between "freedom" and "slavery" is not a relic of cold-war rhetoric. Communists in every region are serious about remaking the world, and we must stop pretending that the death sentence pronounced even temporarily on city life in Cambodia is some form of "agrarian reform."

To the Khmer Rouge, the elimination of classes requires that tens of thousands, perhaps many more, die by the wayside; there is no Cambodian abberation, but the path always taken by new Communist parties as they take power. As they become sophisticated, later generations act more subtly, in civilized trappings from great cities, but the mental set of the ideology sees the individual soul as a building block and not a citadel.

People try to fight Communism, or to run away from it, because they do not want to be absolutely controlled by the most modern tyrants. They fight or run not because democracy has won their "hearts and minds," but because they sense that only Communism is capable of driving a population of two million out of their homes and into the countryside so as to indoctrinate those hearts and minds.

How do some of us receive the people running from death? A trendy cartoonist here portrayed a shocked statue of liberty looking at a parade of slant-eyed pimps, prostitutes and politicians, which fairly well sums up the view of those—like Senator McGovern—who came to hate our Southeast Asian allies.

Most Americans will recoil from this prairie-populist cruelty, as the decapitation of a capital city sinks in. A city is civilization; civilization is adversity and creativity, which needs personal freedom; Communism is by its nature anti-city, anti-civilization, anti-freedom.

The Khmer Rouge understand this; too many Americans do not. If we are unwilling to help people fight for their freedom, if we pretend that the victories of Communism are local options of little concern to us, then the order to "get out of town" may be repeated. And someday it could cause quite a traffic jam in the Lincoln Tunnel.

WAGE AND HOUR LAW VIOLATIONS INCREASE

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DENT. Mr. Speaker, in recent months there has been an alarming increase in the number of violations of the Fair Labor Standards Act, particularly by employers paying less than the statutory minimum wage and overtime rates. The workers being victimized are those who can least afford it—minimum wage earners who primarily are unorganized and unrepresented. Because of our grave unemployment situation, these workers hesitate to challenge their employers for fear of losing their jobs.

Rudolph Oswald, research director of the Service Employees International Union, blames our current recession for the rampant wage-cheating incidences, and calls for stricter enforcement of the law by the Department of Labor. I am attaching, for the information of my colleagues, Mr. Oswald's analysis of the problem at a recent Labor News Conference interview.

It is my intention to convene my Subcommittee on Labor Standards in the near future to hold hearings on this matter.

The information follows:

[From the AFL–CIO News Release, May 7, 1975]

LABOR NEWS CONFERENCE

Violations of the federal Wage and Hour Law have mushroomed to a $100 million a year pace as the recession has deepened, union economist Rudolph Oswald declared today in a network radio interview.

Most often, he stressed, the victims are the nation's lowest-paid workers—those who are hurt most when "unscrupulous employers . . . cut corners" on the minimum wage and overtime rates spelled out by law. He said that the "sharp jump" of violations in the past year "up more than 17 percent over a year ago," is largely due to a growing number of employers trying to hedge against the recession and business slump by shortchanging their employees on wages due.

The way to end this "robbery from workers," which has persisted since the Fair Labor Standards Act became law in 1938, is full enforcement of the law and more than just slap-on-the-wrist fines and orders to simply pay the wages that should have been paid all along, Oswald said. Oswald, who is director of research for Service Employees International Union, AFL–CIO, was questioned by reporters on Labor News Conference, broadcast Tuesday at 9:05 p.m. (EDT), over the Mutual Broadcasting System.

The union economist said that while wage-cheating crops up in all types and sizes of industries and establishments, it is most common in unorganized job situations, where the workers have no union to represent them. He said that many non-union workers are afraid of being fired if they complain about not being paid the full wage due them, so they don't even report the shortages to the Labor Department. But, he emphasized, the law provides that the names of complaintants be held in confidence, and workers who have been shortchanged should not hesitate to report those violations.

Oswald also scored the attempt by some agricultural interests to loosen the child labor law so that children under the age of 12 can be hired as farm workers. He warned that such relaxation could revive the "exploitation" of young children this country abolished generations ago. And, he added, the idea makes little sense when "there is so much unemployment that older workers can't even find jobs."

Oswald was questioned by Dale McFeatters of the Scripps-Howard Newspapers and Duane Emme of Press Associates, Incorporated.

INTERVIEW

Subject: Wage-Cheats and Recession

Guest: Jesse Calhoon, research director for the Service Employees International Union, AFL–CIO.

Reporters: Dale McFeatters of the Scripps-Howard Newspapers; Duane Emme of Press Associates, Incorporated.

Moderator: Frank Harden.

MUTUAL ANNOUNCER. The following time is presented as a public service by this station and the Mutual Broadcasting System.

HARDEN. Welcome to another edition of Labor News Conference, a public affairs program brought to you by the AFL–CIO. Labor News Conference brings together leading AFL–CIO representatives and ranking members of the press. Today's guest is Rudolph Oswald, research director for the Service Employees International Union, AFL–CIO.

Federal law has set a floor under wages and a ceiling on hours for forty years. Yet year after year, some of the nation's lowest-paid workers are cheated out of millions of dollars due them, but not paid by their employers. A recent Labor Department report shows a significant increase of those violations during the last several months, as the grip of recession tightened. Here to question Mr. Oswald about Wage and Hour Law violations and what can and should be done to end them, are Dale McFeatters, labor correspondent for the Scripps-Howard Newspapers, and Duane Emme, assistant editor of Press Associates, Incorporated. Your moderator, Frank Harden.

And now, Mr. McFeatters, I believe you have the first question?

MCFEATTERS. Mr. Oswald, what is the extent of these minimum wage violations, and, why the sharp jump?

OSWALD. Mr. McFeatters, currently, minimum wage violations are at a rate of more than $100 million a year—up more than 17 percent over a year ago.

One reason for the increase is the current economic recession. Employers are just trying to cut corners by not paying workers the minimum wage that is due them—the current $2.10 an hour, or the time-and-one-half over 40 hours a week.

MCFEATTERS. Specifically what kind of violations are we seeing—are they overtime, wage or age and sex discriminations?

OSWALD. We are finding violations in all of those areas.

The large number of minimum wage violations has occurred partially as a result of the rising level of the minimum wage. It went up last January for most workers, to $2.10; for some workers in some retail and service industries it's $2.00; and the overtime rate, including the time-and-one-half over 40 hours, will change again on May 1, when some two million workers who currently have overtime—particularly in some of the food service operations, bowling alleys—after 48 hours, will have to be paid overtime after 46 hours in a week—in some cases, 44 hours.

The equal pay violations that you talked about, Mr. McFeatters, deal with the requirement that men and women be paid the same. There has been a big jump in these in the past year—almost 50 percent—in terms of the increase of violations that were discovered. As the Labor Department has been given more responsibility for finding some of these violations, in addition to the minimum wage and overtime, on equal pay violations and other things have been added—but they have not been given additional resources for investigation and enforcement.

EMME. Mr. Oswald, the same Labor Department figures indicated that a rather low percentage of the total amounts that have not paid—the total wages workers were illegally underpaid—are collected. I believe the last report says only about 50 percent. Why is that percentage so small?

OSWALD. Mr. Emme, the Labor Department and some of the individuals involved have not really pressed for their rights under the Act to collect the money that is due them.

The Act was amended in 1974 to provide that the Secretary of Labor could take cases in behalf of underpaid workers to collect not only the amount due that worker, but an equal amount in damages. That way, there would actually be a penalty on the employer for failing to pay the minimum wage.

But, many workers are afraid to prosecute—on their own, particularly. During a recession, such as we have now, they are just thankful that they have a job.

The purpose of the Fair Labor Standards Act is to protect wages and hours during a recession—so that workers are not exploited—and that's really the whole story of the Fair Labor Standards Act—to prevent exploitation, particularly during a recession—when the pressures on workers are especially hard.

Emme. A question along that same line, Mr. Oswald—do workers get interest on this back pay that is due them? In these times of high inflation, if you go back far enough, the worker isn't geting the same amount of money—the full amount due. He is getting far less than he should be getting, isn't that right?

Oswald. That is correct, Mr. Emme.

The worker, though, is entitled to interest on that money, as well as any underpayments during the last two years—and an amount of money equal to that underpayment. It is important that these sums be collected. Otherwise, not only the worker and his family suffer, but also, other employers who, during the same period, have been paying their workers the correct wage. Those employers are being undercut by the unscrupulous employer who so exploits people that he won't even pay the minimum wage, or will work people extra hours without paying them the overtime the law requires.

At a time like this, we are particularly anxious that people not work more than 40 hours a week, so that additional workers will be hired. Look at some of the situations in manufacturing. For example, in March, the average overtime in manufacturing was 2.2 hours per worker.

Now, if that were divided among all workers, that would mean additional hiring—close to a million more workers—just taking into account the overtime hours.

McFeatters. As a practical matter, Mr. Oswald, how does a worker who has been shortchanged out of his overtime or his rights under the Minimum Wage Law—how does such a worker get redress? I can't imagine a worker paid $2.10 an hour going out and hiring a lawer at $25 an hour to win whatever his overtime is.

Oswald. Well, Mr. McFeatters, he doesn't have to hire a lawyer—Congress wrote into the Act a requirement that the Secretary of Labor is to prosecute in behalf of such workers.

The Secretary of Labor, first of all, should try to collect through enforcement activities. Some 1,000 Wage and Hour inspectors are assigned. Sad to say, that number hasn't increased substantially over the last decade, despite the large increase of both of the total population, the working population—and the number of covered firms.

But, if the enforcement officer isn't able to collect, the Secretary of Labor is to go to court. The law says "may" go to court. The worker should insist that the Secretary take the case to court—and, in his behalf, collect the wages due and an equal amount in penalty payments.

McFeatters. Are there any particular groups of industries or kinds of employers where the frequency of minimum wage violations is exceptionally high?

Oswald. One finds violations in all types of industries—large and small.

But, looking through the list of prosecutions that are taking place, one often finds the largest numbers in some of retail industries, some of the service industries. For example, in some of the recent reports, what we traditionally think of as low-wage industries show up frequently—the garment industry, laundries and the dry cleaning industry—also, some of the residential apartments, cleaning contractors, some advertising material producers, some guard services—that type of operation.

But, violations run across the board. You find some high-wage construction industries with violations of overtime, some dime stores, and other types of industries.

McFeatters. Mr. Oswald, are any particular types of workers being exploited under the Minimum Wage Law? I'm thinking of young workers or teenagers just entering the labor force—or illiterate workers?

Oswald. Yes, Mr. McFeatters, we have large problems with certain people being exploited.

I think of some of the child labor violations, which continue to occur, with children six to 10 years of age employed in some establishments. As a matter of fact, Congress is currently being asked to pass a bill to allow children under the age of 12 to work in agriculture. Well, certainly, in a period like this, there is so much unemployment that older workers can't even find jobs. Yet there's pressure put on Congress, by some of the strawberry growers, some of the potato growers in Maine, and Idaho, and in the state of Washington. And, some fairly liberal Congressmen have become concerned—have introduced legislation to allow children under the age 12 to be hired on farms—to change the law that is intended to do away with child exploitation.

Others who are exploited are people who are refugees. I think this is a major problem in a period when we are concerned with the Vietnam War refugees. Also, many illegal aliens are employed today at rates below the minimum wage. It's unlawful for them to be here, and they are afraid to complain about being paid less than the legal minimum, or about being worked long hours without overtime pay.

All of these types of violations tend to undercut competing employers who do pay the legal minimum.

The law puts a floor under wages and a maximum on hours, and attempts to make sure that one person doesn't take the work of two people, but that additional work is provided—additional jobs.

Emme. Mr. Oswald, you have mentioned the types of workers who are being taken advantage of by unscrupulous employers. Now, do you have figures or anything to indicate that organized workers are better protected from violations than unorganized workers?

Oswald. Yes, Mr. Emme, in most cases, organized workers have a union contract that goes substantially beyond the requirements of the Fair Labor Standards Act, in terms of both the daily overtime requirement, as well as weekly.

Union contracts have provisions for quickly handling violations. The worker can bring any violation to his steward, who would then file a grievance and have it quickly adjudicated under the union contract, through the grievance and arbitration procedure. This gives quick and easy action to make sure that organized workers have protection.

But the unorganized worker doesn't have a union steward to process his grievance; he is afraid; he doesn't have representation against the employer.

The unorganized worker does have a right to ask for a Labor Department investigation; his name is held confidential if he does make such complaint. Even so, there is often great fear on the part of the unorganized worker about lodging a complaint, even though there are these protections in the procedures that are followed.

Emme. All right, going beyond that—accepting that unionization—belonging to a union—gives a worker greater protection against being underpaid and being exploited by employers, what other solutions are there are there to his problems. Would you like to see larger fines, putting some of these employers in jail? Are any of them going to jail?

Oswald. None of them are going to jail, Mr. Emme.

But, whether somebody robs a household—steals money by robbing a home when no one is present—or whether an employer robs the worker's paychecks, it is robbery. And that is what is taking place today—robbery from workers—by employers who are in a position to steal out of the paycheck.

It's the same as if somebody broke into that worker's home and took money out of the bureau drawer or someplace else. But, we are letting many of these employers go with very small penalties—just making them pay back the money—without even civil fines.

There can be civil fines, and there can be, in addition, to jail terms.

But, we have not imposed these types of penalties on employers. They would be a real deterrent to this type of violation.

Emme. Should the existing penalties be strengthened then?

Oswald. I think that not only should the present penalties be strengthened, but we should view this sort of crime in the same way we view robbery from a household.

In some sense, the courts have viewed it as a sort of white collar crime, if we can call it that—stealing out of the paycheck—they have viewed white collar crimes not as horrendous as breaking into a house and stealing out of a bureau drawer.

Yet, in a sense, it may be even worse, because these victims are afraid to fight—to complain—out of fear of losing their job.

McFeatters. Mr. Oswald, do you think that the Labor Department has been dilatory in enforcing the Minimum Wage Law?

Oswald. Mr. McFeatters, they have not had an increase of the number of investigators, but they have had additional laws which they must enforce, and additional workers are covered under the Fair Labor Standards Act.

They've spent part of their resources doing work on equal pay violations, on garnishment laws and age discrimination law. All of these have been given to the Wage and Hour Division for enforcement. This type of approach detracts from the enforcement of the minimum wage and overtime requirements, and the child labor provisions, which were part of the basic Fair Labor Standards Act. That Act really needs to be enforced today.

McFeatters. Now, here we see what seems to be a clear-cut problem. There's a sharp increase of minimum wage violations. To remedy this, we have only an under-manned section of the Labor Department. Is Congress doing anything about this or considering anything about it?

Oswald. The AFL-CIO has surged the Appropriations Committee to increase the number of investigators for the Wage and Hour Division.

Congress should be putting some of the unemployed to work enforcing the laws that are on the books.

We have so many people unemployed, yet, we have these large numbers of violations.

We really need to make sure that people abide by the law. One of the other things that I'd like to point out is that we're asking them to enforce a law that is already well out of date.

Because of the recent inflation, the present minimum wage clearly needs to be increased, from the $2.30 that becomes operative in January of 1976, to $3 an hour, considering the poverty line that exists and the inflation that has taken place since Congress last considered this Act.

And the overtime requirements should be changed—the penalty—currently time-and-one-half—should be raised to double-time. Then it would mean that employers would hire additional people during this recession, rather than just work people additional hours and pay them time-and-one-half.

The aim of the overtime requirement is to encourage employers to hire additional people and not pay the penalty—to put people to work by posing a sufficient deterrent, so that the employer will hire additional people.

Emme. Are you hopeful of getting changes in the Minimum Wage Law in this Congress?

Oswald. We've urged Congress to raise the minimum wage to $3 an hour, Mr. Emme, and to provide double-time for overtime.

We also want Congress to look into the question of shortening the 40-hour workweek to a 35-hour standard. That is long overdue.

Harden. Thank you, gentlemen. Today's Labor News Conference guest was Rudolph Oswald, research director for the Service Employees International Union, AFL–CIO. Representing the press were Duane Emme of Press Associates, Incorporated, and Dale McFeatters of the Scripps-Howard Newspapers. This is Frank Harden, inviting you to listen again next week. Labor News Conference is a public affairs production of the AFL–CIO, produced in cooperation with the Mutual Broadcasting System.

Mutual Announcer. The preceding program time was presented as a public service by this station and the Mutual Broadcasting System. The opinions expressed are solely those of the participants.

SENATE—*Wednesday, May 14, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, in the quiet of this moment, once more we would make our souls a sanctuary for Thy spirit. In the midst of pressing duties and complex issues, be to us the unseen source of wisdom, of beauty, goodness, and truth. Light up every hour of this day by Thy presence. And when we are hesitant and unsure, may we take counsel of Thy presence. Open our minds to Thy spirit until we hear Thee say, "This is the way; walk ye in it." With purity of heart and singleness of purpose may we first love and serve Thee, and then may we become instruments for the coming of Thy kingdom among men.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, May 13, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TALMADGE

Mr. MANSFIELD. Mr. President, due to a lapse on the part of the leadership, I ask unanimous consent that after the joint leaders have been recognized—and this is not to be considered a precedent—the distinguished Senator from Georgia (Mr. Talmadge) be recognized for not to exceed 15 minutes. The reason is that he made the request yesterday, but I forgot to ask for it.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PYRAMID SALES ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 108.

The PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1509) to prohibit pyramid sales transactions, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act my be cited as the "Pyramid Sales Act".

Sec. 2. As used in this Act, the term—

(1) "compensation" includes payments based on sales, when such sales are made to persons who are also participants in a pyramid sales scheme or who are purchasing the right to become such participants, but the term does not include payments based on sales at retail to ultimate consumers;

(2) "goods" includes any personal property (tangible or intangible), real property, or any combination thereof;

(3) "other property" includes a franchise, license, distributorship, or any similar right, privilege, or interest;

(4) "pyramid sales scheme" means a plan or operation (whether or not it involves the sale or distribution of goods, services, or other property) which includes a provision, means, or method for increasing the participation in such plan or operation and with respect to which a participant pays a valuable consideration for the right, privilege, license, chance, or opportunity (A) to receive compensation for introducing any other person into participation in such plan or operation (and where each such other person is eligible to receive the same or similar right, privilege, license, chance, or opportunity as such participant); or (B) to receive compensation when a person introduced by the participant introduces any other person into participation in such plan or operation (and where each such other person is eligible to receive the same or similar right, privilege, license, chance, or opportunity as such participant). The fact that the number of persons who may participate may be limited, or that conditions may be imposed with respect to eligibility shall not be construed to change the identity of any plan or operation that is a pyramid sales scheme. Nothing contained herein shall be construed to restrict personnel recruitment activities undertaken by persons, corporations, partnerships, or other business entities, so long as such recruitment activities do not entail the payment of valuable consideration for the right, privilege, chance, or opportunity to receive compensation as described herein;

(5) "sale or distribution" includes the acts of selling, leasing, renting, or consigning; and

(6) "valuable consideration" includes monetary payments to participate in a pyramid sales scheme but does not include payments made for sales demonstration equipment and materials furnished on a not-for-profit basis for use in making sales and not for resale, or payments which do not exceed $100 when paid on an annual basis, or time or effort spent in pursuit of sales or recruiting activities.

Sec. 3. Chapter 63 of title 18, United States Code, is amended by inserting therein, and amending the syllabus accordingly, the following new section:

"§ 1344. Pyramid sales scheme

"Whoever, in connection with the sale or distribution of goods, services, or other property by the use of any means or instrumentality of transportation or communication in interstate or foreign commerce or by use of the mails, knowingly sells or offers or attempts to sell a participation or the right to participate in a pyramid sales scheme (as defined in the Pyramid Sales Act) shall be fined not more than $10,000 or imprisoned for not more than one year, or both.".

Sec. 4. (a) Any contract which provides for participation or the right to participate in a pyramid sales scheme and any other contract made in furtherance of a pyramid sales scheme is void. Any person, corporation, corporate officer, or corporate agent who knowingly induces or causes to induce another person to participate in a pyramid sales scheme shall be jointly and severally liable to such other person in an amount equal to three times the amount of consideration paid together with the costs of any legal action required and a reasonable attorney's fee, as determined by the court involved. The district courts of the United States shall have jurisdiction of any action brought under this section without regard to citizenship of the parties or diversity of citizenship. An action under this section may be brought within three years from the last date on which such consideration was paid.

(b) If two or more persons induce another person to participate in a pyramid sales scheme and thereby incur a liability under this section, the amount which such other person may recover from any or all such persons is limited to the amount referred to in subsection (a) of this section.

Sec. 5. The Attorney General of the United States, or the chief law enforcement officer or the attorney general of any State in which a prohibited act or practice occurred, may upon a finding that any person is engaged or is about to engage in any act or practice which constitutes a pyramid sales scheme, bring an action in the appropriate district court of the United States to enjoin such act or practice. Such courts shall have jurisdiction over such actions and shall provide appropriate relief. Such court may grant a temporary restraining order, or a preliminary or permanent injunction without bond.

Sec. 6. This Act does not annul, alter, or affect the scope or applicability of the laws of any State relating to pyramid sales schemes except to the extent that such laws permit acts or practices which are unlawful under this Act.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the remaining measures on the calendar, beginning with Calendar No. 116, up to and including Calendar No. 127.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REAPPOINTMENT OF THOMAS J. WATSON, JR., AS CITIZEN REGENT OF THE BOARD OF REGENTS, SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 41) to provide for the reappointment of Thomas J. Watson, Junior, as citizen regent of the Board of Regents of the Smithsonian Institution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Thomas J. Watson, Junior, of Connecticut, on June 17, 1975, be filled by the reappointment of the present incumbent for the statutory term of six years.

REAPPOINTMENT OF DR. JOHN NICHOLAS BROWN AS CITIZEN REGENT OF THE BOARD OF REGENTS, SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 42) to provide for the reappointment of Dr. John Nicholas Brown as Citizen Regent of the Board of Regents of the Smithsonian Institution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor John Nicholas Brown, of Rhode Island, on June 13, 1975, be filled by the reappointment of the present incumbent for the statutory term of six years.

PRINTING OF ADDITIONAL COPIES OF SENATE HEARINGS ON CONSTITUTIONAL AMENDMENTS TO LIMIT ABORTIONS

The concurrent resolution (S. Con. Res. 36) authorizing the printing of additional copies of Senate hearings on proposed constitutional amendments to limit abortions was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary not to exceed two thousand additional copies of each part of its hearings during the second session of the Ninety-third Congress and the first session of the Ninety-fourth Congress on proposed constitutional amendments to limit abortion.

PRINTING OF REPORT ENTITLED "REPORT TO CONGRESS ON CONTROL OF SULFUR OXIDES"

The resolution (S. Res. 125) authorizing the printing of the report entitled "Report to Congress on Control of Sulfur Oxides" was considered and agreed to, as follows:

Resolved, That the report from the Administrator of the Environmental Protection Agency to the Congress of the United States (in compliance with section 119(k) of Public Law 93-319, Energy Supply and Environmental Coordination Act of 1974), entitled, "Report to Congress on Control of Sulfur Oxides", be printed, with illustrations, as a Senate document.

SEC. 2. There shall be printed one thousand additional copies of such report for the use of the Committee on Public Works.

ADDITIONAL EXPENDITURES FOR THE COMMITTEE ON APPROPRIATIONS

The resolution (S. Res. 138) authorizing additional expenditures for the Committee on Appropriations for routine purposes was considered and agreed to, as follows:

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $200,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

EXPENSES OF THE COMMITTEE ON APPROPRIATIONS

The Senate proceeded to consider the resolution (S. Res. 140) relating to expenses of the Committee on Appropriations, which had been reported from the Committee on Rules and Administration with an amendment on page 1, at the end of line 11, to strike out the following:

Such contracts shall not be subject to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provision of law requiring advertising.

And insert in lieu thereof the following:

Such contracts may be made in the same manner and subject to the same conditions with respect to advertising as required of other standing committees of the Senate under section 202(i)(2) of the Legislative Reorganization Act of 1946, as amended.

So as to make the resolution read:

Resolved, That within the limit of funds appropriated for expenses of inquiries and investigations for the Committee on Appropriations, the committee may expend such sums as it deems appropriate and necessary for the procurement of the services of individual consultants or organizations. Such services in the case of individuals or organizations may be procured by contract as independent contractors, or in the case of individuals by employment at daily rates of compensation not in excess of the per diem equivalent of the highest gross rate of compensation which may be paid to a regular employee of the committee. Such contracts may be made in the same manner and subject to the same conditions with respect to advertising as required of other standing committees of the Senate under section 202 (i)(2) of the Legislative Reorganization Act of 1946, as amended.

The amendment was agreed to.

The resolution, as amended, was agreed to.

RESOLUTION PASSED OVER

The resolution (S. Res. 141) providing supplemental expenditures by the Select Committee on Nutrition and Human Needs was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDENT pro tempore. The bill will be passed over.

THOMAS J. DONOVAN

The resolution (S. Res. 154) to pay a gratuity to Thomas J. Donovan was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Thomas J. Donovan, widower of Maura R. Donovan, an employee of the Senate at the time of her death, a sum equal to seven and one-half months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 153) authorizing additional expenditures by the Committee on Rules and Administration for routine purposes, was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $20,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

PRINTING OF REVISED EDITION OF "OUR AMERICAN GOVERNMENT. WHAT IS IT? HOW DOES IT FUNCTION?"

The concurrent resolution (H. Con. Res. 44) providing for the printing of a revised edition of the House document "Our American Government. What Is It? How Does It Function?" was considered and agreed to.

PRINTING OF HEARINGS AND PANELS OF THE SELECT COMMITTEE ON COMMITTEES

The concurrent resolution (H. Con. Res. 117) providing for the printing as a House document of the hearings and panels of the Select Committee on Committees, was considered and agreed to.

PRINTING OF REVISED EDITION OF "THE HISTORY AND OPERATION OF THE HOUSE MAJORITY WHIP ORGANIZATION—94TH CONGRESS"

The concurrent resolution (H. Con. Res. 146) authorizing the printing of a revised edition of the booklet entitled

"The History and Operation of the House Majority Whip Organization—94th Congress" was considered and agreed to.

THE U.S. ENERGY SITUATION

Mr. MANSFIELD. Mr. President, on Monday, the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), and I called attention to a recent article in U.S. News & World Report entitled "Worse Than Before the Arab Embargo" and an article from the March 28 issue of the Washington Post entitled "Soviets Use Rocket Engine To Produce Cheap Electricity." Our purpose was to call attention again to the potential of magnetohydrodynamics—MHD—in solving a part of the energy problem facing the Nation.

It is not my intention to restate the arguments for accelerating research in this important field, as these have been made time and time again over the past several years. The intent of Congress concerning this promising source of power generation has been clearly outlined under existing law. It is clearly the responsibility of ERDA to conduct an aggressive program which will attempt to make MHD electric power generation available to the people of our Nation in the mid-1980's.

Today, I had an opportunity to read an article in The Nation, May 17, 1975, by Mary Clay Berry, entitled, "A Really Good Generator." Ms. Berry outlines the history of MHD in America, as well as the Soviet Union, and clearly illustrates that this program has suffered for a lack of interest on the part of the administration, particularly the Office of Coal Research, and insufficient past funding requests. She points out that Congress has consistently raised the amount of money devoted to MHD research above the budget requests submitted.

For fiscal year 1976, the Office of Coal Research is seeking less than $14 million for MHD research, even though solar energy development is increased from $38.4 million in fiscal year 1975 to a request for $70.3 million in fiscal year 1976.

This is the difference between the use of the Sun and the use of coal. We know that we have coal, and we know that we must do research and development in that area for a number of purposes outlined in the statement made on Monday last.

The article points out that the budget for fiscal year 1976 calls for more than $391 million for fossil fuel R. & D., gasification, liquefaction, and oil shale processing primarily, with little for MHD. And, finally, $1 billion is requested for nuclear research and development. Ms. Berry continues:

> Right now, this potential source of abundant, relatively clean energy lies just beyond our grasp; in all likelihood it will remain there unless the Federal government shows more interest in it than it has in the past.

Mr. President, I hope that the science advisers to Dr. Seamans, Administrator of ERDA, will take note of this excellent article and provide the Administrator with whatever advice is necessary to get the MHD program moving.

I ask unanimous consent that the article by Ms. Berry be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIFTY PERCENT MORE EFFICIENT—A REALLY GOOD GENERATOR

(By Mary Clay Berry)

WASHINGTON—At a time when energy is on everyone's mind, relatively little thought and money are being devoted in the United States to a promising electrical generating process with a tongue twister of a name—magnetohydrodynamics, mercifully MHD for short. It promises to be a comparatively pollution-free source of electrical energy that is dramatically more efficient than either the conventional steam turbine generator or the nuclear reactor, provided the technology can ever be advanced beyond what one MHD advocate, Dr. John B. Dicks of the University of Tennessee Space Institute, has called "the baling wire stage." In the past, a general lack of interest in so-called exotic sources of energy meant that little federal money was appropriated for basic research, except in defense-related projects. Today, when even such potential energy sources as windmills are getting attention, MHD proponents claim that bureaucratic indifference is still stifling their research.

In the Soviet Union it is a different story. In March, Russian scientists announced that, using an MHD generator, they had produced enough electricity to supply 100,000 Moscow households for half an hour. It was a development "that should make some heads turn back home," according to Dr. William Jackson, acting director of the MHD program in the Energy Research and Development Agency (ERDA), who was then visiting the USSR.

MHD is relatively simple in principle; it has been described as "a rocket firing into a magnet." Extremely hot (around 5,000 degrees C.), partially ionized gases flow through a duct lined with electrodes and surrounded by coils that produce a magnetic field. The passage of the expanding gas through this magnetic field generates an electric current, just as does the rotating metal armature in a conventional generator. One of the beauties of an MHD generator is its simplicity—just a duct or chamber and no moving parts.

MHD is not new; even Michael Faraday understood the theory. During the first half of the 1960s, considerable research was done on the process in this country, principally because of its relationship to rocket technology. Foremost in this work was the AVCO Everett Research Laboratory in Everett, Mass., whose Mark V generator, now dismantled, produced 32 megawatts of electricity in erratic bursts in 1965. (The Soviets' 25-megawatt generator, heralded in a December 1971 issue of *Pravda* as "the power station of the future," is a direct descendant of the Mark V.) But despite the United States' early prominence in MHD research, the Federal Energy Administration's 1974 report on Project Independence nowhere mentions it. And the federal government proposes to spend only about $13 million on MHD research in fiscal 1976, a drop in the bucket compared to what will be spent on nuclear research and development.

Various hot gases, their conductivity improved by the addition of "seed" material, can be used in an MHD generator. The Russian generator, called U-25, is fueled by natural gas. However, other fossil fuels can be burned at high temperatures to produce gas and, since the greatest energy reserves of the United States are coal, that is another reason why MHD should be attractive.

And the MHD generator would use coal far more efficiently than do existing steam generators. Today's best power plants turn about 40 percent of the fuel's energy into electricity. Nuclear reactors have an even poorer rating, less than 33 percent. But experts believe that a successful MHD generator could turn as much as 60 percent of coal's energy into electricity.

The trick is to build a reliable MHD generator; the few in existence do not have very good performance records. The U-25, the only one actually in use, is the direct outgrowth of an informal scientific exchange between this country and the Soviet Union. In 1964, AVCO had a contract to do classified MHD research for the Defense Department. That same year, scientists organizing a Pugwash conference asked Soviet scientist V. A. Krillin to participate. Krillin indicated that he would come provided he could see the MHD work going on in this country. Accordingly, the AVCO-DOD project was declassified and Krillin and other Russian scientists took a look at it. The U-25's parent, AVCO's Mark V generator, was able to produce 32 megawatts of electricity, but only for a few seconds at a time. But scientists have great hopes for its successor, the Mark VI, and for a direct coal-fired generator at the University of Tennessee Space Institute in Tullahoma.

While there are no moving parts to wear out in an MHD generator, the duct through which the hot gas flows is subjected to extreme heat, highly corrosive chemicals and erosion by the rapidly moving gas. No substance yet discovered will stand the punishment for more than a very brief time. And the tremendous heat is essential because it turns the gas into what physicists call plasma, a highly conductive state of matter in which the electrons have been stripped from many of the atoms. Scientists do not feel that the technical difficulty is insurmountable. They have experimented with a variety of coatings for the duct walls, and some think that coal slag, the residue of coal combustion, may be the best protective covering, thus providing a cheap solution to the problem, while also making use of a waste product. At the University of Tennessee, researchers are feeding pulverized coal ash into their generator, thus continuously replenishing the protective coating of the generating chamber.

There appear to be a number of environmental advantages to MHD, although it does involve the extraction of coal. Like a conventional generator, an MHD generator that burns coal will emit both sulfur oxides and nitrogen oxides, as well as particulate matter. However, proponents believe that these emissions may be easier to control in an MHD generator than in a conventional one. Work done by the U.S. Bureau of Mines indicates that sulfur oxide emissions will combine with the seed material in the gas to form compounds that can be removed as the seed material is recycled. As a result, Stuart Way, a consultant at the Westinghouse Research Laboratories, told a Senate Appropriations subcommittee that the stack gases of an MHD generator will have twenty times less sulfur oxide content than the allowable Environmental Protection Agency standard. Also, because of the greater temperatures at which an MHD generator must operate, there is reason to believe that the nitrogen oxide concentration can be reduced to an acceptable level. Way indicated that these emissions could be reduced to one-ninth of the EPA standard. Particulate emissions, he said, could be about one-sixth of EPA standards.

Unlike coal gasification (a process for changing coal into a clean synthetic gas which can be substituted for or combined with natural gas), or the production of oil from shale, MHD does not require enormous quantities of water, a scarce commodity on the western plains where this country's largest coal supplies are located. And, unlike nuclear reactors, an MHD generator presents no problems of thermal pollution, even though it operates at incredibly high temperatures. That is so because the higher the operating temperature, the more efficient the reaction and the less heat ejected into the atmosphere. And there are no dangerous wastes.

In short, the generation of electricity by MHD seems to be simple, efficient and relatively nonpolluting. The problem is that the technology is far from perfected and only limited work is being done to improve it.

To understand why more federal money has not been committed to MHD research, one must first study the pattern of federal energy research and development spending over the past decade. Until this year, there was no central place in the federal government where energy research priorities were determined. Instead, each agency doing energy research (principally the old Atomic Energy Commission and the Department of the Interior, although many other agencies had small energy-related projects) requested money independently. It was up to Congress and the Bureau of the Budget, which midway through this period became the Office of Management and Budget, to establish priorities and, with energy, this was done in a singularly haphazard fashion. There was, as Rep. Mike McCormack (D., Wash.), chairman of the House Subcommittee on Energy Research, Development and Demonstration, remarked recently, "almost no energy policy at all."

Most of the energy R&D money went to the AEC, the cumbersome, disorganized Department of the Interior being no match for the streamlined, well-organized AEC when it came to getting funds. Nor did it have a powerful friend on Capitol Hill such as the Joint Committee on Atomic Energy. The liquidation of the AEC last year and the establishment of two new energy agencies, one of them devoted to research and development, have changed this situation, but in the 1960s the AEC-JCAE-industry triumvirate set its own priorities, and first among them was the Liquid Metal-Cooled Fast Breeder Reactor (LMFBR). It was a case of putting all our energy R&D eggs in one basket—and without ever having made a formal decision to do so. The United States had decided that the most fertile field for energy research and development was the breeder solely because the AEC had sufficient political muscle to get the necessary appropriations.

Even within the Interior Department, where most of the rest of the nation's significant energy research was then going on, MHD was the ugly stepchild. Before 1970, the only government-funded MHD research had been done by the military. In fiscal 1970, MHD research within the Interior Department by both the Office of Coal Research (OCR) and the Bureau of Mines received $400,000. The following year, that figure rose to $600,000. By the time of President Nixon's 1971 energy message, the fiscal 1972 budget request for MHD research was $1 million. Nine small contracts had been let through the Office of Coal Research and some limited work was being done by the Bureau of Mines.

MHD did get a mention in the energy message, but most of the Interior Department money for energy research was going to the OCR for coal gasification. The fiscal 1972 budget request for coal gasification work, made before the energy message, was $10.8 million (as compared with $50 million for the breeder). It doubled after the message (as did the request for the breeder).

The Interior Department's energy priorities then were largely determined by the interests of its principal "client," the petroleum and coal industries which, due to a series of corporate mergers in the late 1960s, had become the energy industry. The coal people were primarily interested in coal gasification but, in those distant days of cheap petroleum, this interest was more academic than real.

One of the moving forces behind the 1971 energy message was David Freeman, then head of a small energy staff within the now-defunct Office of Science and Technology. In 1969, the energy staff had commissioned a study which concluded that MHD could effect a savings of $11 billion in fuel costs over a fifteen-year period by comparison with conventional methods of power generation. The panel then recommended spending $4 million a year for three years on MHD research, at the end of which time the committee felt the federal government would be in a position to decide whether further MHD work was worthwhile. (This was, in the eyes of Dr. Arthur R. Kantrowitz, then chairman of the AVCO Everett Research Laboratory, "a 'colossal *non sequitur*.") The report got Freeman interested in MHD and that led to its inclusion on the "shopping list" of energy research projects that constituted most of the first energy message. However, the message boosted spending for both the breeder and coal gasification but did nothing for MHD.

Then came the Arab boycott and the government was forced to alter its traditional helter-skelter way of looking at energy problems. Eventually, federal agencies were reshuffled, the AEC was disbanded, and two new agencies, the Federal Energy Administration and ERDA, emerged. Many developing technologies, such as solar energy, got a shot in the arm from the energy crisis.

Not so MHD. At the time of the first energy message, the OCR was asking for an unprecedented $1 million for MHD research. The following year, OCR asked for and got $3.5 million for MHD. But in 1973 the budget request for fiscal 1974 dropped to $3 million. Congress raised that by nearly $4.5 million, indicating its determination that the federal government should put more money into MHD research and earmarking $2 million specifically for the direct coal-fired generator at the University of Tennessee. But in 1974 the budget for fiscal 1975 included only $500,000 more than the previous year for MHD. Congress again raised this—to about $13 million. This year, ERDA, which has absorbed the old Office of Coal Research, is seeking $13.9 million for MHD research, an increase over past budget requests to be sure, but scarcely more than Congress authorized for the previous fiscal year. In an attempt to focus more attention on MHD, Sens. Mike Mansfield and Lee Metcalf, both from Montana where there is a great deal of coal, recently introduced legislation establishing a Division of MHD Electric Power Generation within ERDA.

By contrast, R&D spending in other energy technologies is booming. Funding for solar energy development almost doubled this year, from $38.4 million in fiscal 1975 to a request for $70.3 million for fiscal 1976. This appropriation includes money for studies such as wind energy conversion (windmills), bioconversion (changing urban and agricultural wastes into clean fuels), and ocean thermal conversion (converting heat absorbed by surface water into energy).

The budget for fiscal 1976 calls for more than $391 million for fossil fuel R&D (gasification, liquefaction and oil shale processing primarily—not MHD). And this is small compared with the $1 billion requested for nuclear R&D. In fact, more than half the total energy research and development budget is still devoted to nuclear work, both fusion and the development of fission reactors. Only geothermal steam R&D will be getting less money in fiscal 1976 than it got the previous year, if the Administration's budget is adopted by the Congress, but this technology seems to be well on its way now. By the end of the year, one geothermal field in northern California will supply all of San Francisco's power.

In 1973, a panel of scientists and MHD enthusiasts, including Kantrowitz and Dicks, pleaded with Congressional appropriations committees to embark upon a ten-year development program involving about half a billion dollars. The object was to have a 500-megawatt MHD-steam demonstration generating plant in operation by 1985. Congress more than doubled the funding for fiscal 1974 to $7.5 million, which did not fall too far short of the scientists' schedule. They were seeking gradually rising appropriations for MHD research, starting off with $8 million. The OCR bestirred itself enough to institute a "National MHD Power Generation Development Program." But the following year, much of the $7.5 million was unspent and OCR had failed to consult the most prominent MHD proponents as part of its evaluation program.

As a result of language attached to last year's Energy Research and Development Appropriations bill at the insistence of Senators Mansfield and Metcalf, ERDA is committed to the construction of a demonstration MHD generator some time in the 1980s. The first step will be an engineering test facility in Montana, which ERDA hopes will be operational by 1979 or 1980. Next will come a pilot plant (the Soviet U–25 facility is a pilot plant) after which, provided all signs are favorable, a demonstration plant, probably a 500-megawatt generator, will be constructed to test the commercial merit of the process.

At present, the federal government has a number of research contracts—with the University of Tennessee to study the problems of a direct coal-fired system; with AVCO for work with both the Mark VI generator and an alternate MHD design that is quite different in concept; with the Arnold Engineering Development Center at the Arnold Air Force Base in Tennessee to study energy extraction from gas; with Westinghouse for work on materials that will be used in building a generator as well as some downstream equipment, and with various institutes and universities in Montana for preliminary work on the test facility that will be located there.

The United States is also involved in a continuing exchange of information with the Soviet Union, the result of a 1972 agreement to cooperate on scientific research. "This field is one of the cooperative programs between the two countries in science and technology where we stand to gain at least as much as, and probably more than, we give," remarked Dr. Jackson recently in Moscow. The United States is testing a generator in the U-25 plant, according to ERDA officials, and American scientists are also interested in the super conducting magnet at another nearby Russian facility.

But the Montana Senators are determined that the federal government shall spend more on MHD than is now planned. The goal of their new MHD Research, Development and Demonstration bill is the same as ERDA's, the operation of a commercial scale demonstration MHD plant by the mid-1980s, but the bill would authorize the expenditure of $450 million over the next five years, considerably more than ERDA is planning to put into the MHD program.

At this point, the future of MHD is unclear. One problem is that MHD has no evident constituency beyond the few scientists who are working on it. Since MHD involves the extraction of coal, either by strip or deep mining, it has not had the kind of support from conservationists that self-contained solar heating units enjoy. On the other hand, the coal industry can sell more coal for conventional power generators or for gasification, which also has the support of the natural gas industry, than for MHD power generators. Perhaps the stimulus of the U-25's recent performance will give a boost to the current MHD program. Right now, this potential source of abundant, relatively clean energy lies just beyond our grasp; in all likelihood it will remain there unless the federal government shows more interest in it than it has in the past.

THE SEIZURE OF THE "MAYAGUEZ"

Mr. HUGH SCOTT. Mr. President, while the country awaits developments with regard to the seizure of the *Mayaguez* by the present Cambodian Government, the President, having consulted with the National Security Council and others, is proceeding to take the steps he believes necessary for the protection of American citizens. While this movement is in process, I think it is necessary for all of us to exercise some coolness and restraint and not jump to conclusions.

I talked with a number of Senators yesterday; and it is my view, after those conversations with individual Senators, that it would seem to be the sense of the Senate to be supportive of the President in such action as he reasonably and carefully believes to be necessary to secure the return to their families of these 39 American seamen.

Having been a merchant seamen twice in my life, I know that they tend to feel pretty much like forgotten citizens. Many of them are without permanent residence. They are in a chancy profession, subject to numerous hazards, and it is not surprising that they do tend to think that, even in ordinary times, nobody cares very much about them or gives them much thought. They are out of sight and they are out of mind.

So, I think for their sakes, for their families' sakes, for the sake of the protection of the essential sovereignty of the United States, certain steps will have to be taken. I sincerely hope that, when they are taken, the Senate will react as individuals generally seem to be privately reacting; that is, to support what proves to be essential for the recovery of these American citizens.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I am glad to yield.

Mr. MANSFIELD. Mr. President, I applaud the President for showing the restraint that he has up to this time; for endeavoring, through diplomatic channels and otherwise, to bring about the release of the *Mayaguez* and to insure the safety of the crew of the vessel. It is my understanding that even since the *Mayaguez* was boarded at sea 60 miles from the coast of Cambodia, off an island claimed by both Cambodia and Vietnam, another vessel has been boarded, retained under Cambodian control for 2 hours, and then released. Furthermore, at least one vessel, under Panamanian registry, was boarded prior to the capture, if we can use that term, of the *Mayaguez*, and released within a 36-hour period. There are reports that even prior to that, another vessel had been boarded and likewise released.

I think we should keep in mind that this is a matter of the gravest importance, because it seems to have developed a source of friction with Thailand in the landing of 800 marines on that country's soil. I hope that we shall move with caution, but with determination; that we shall keep in mind the welfare of the crew members of the *Mayaguez* and do nothing which will place them in a situation which might cost some or all of their lives.

I hope that it will be possible, rather than to bring about another increasing difficulty in the area of the Gulf of Siam, that we shall be able to work out the situation which has arisen between this country and that land, which I mentioned earlier in my remarks.

The President is fully aware of the situation. He has not acted hastily up until this time, and I hope that he will continue to act with care and caution, keeping in mind that perhaps the lives of 39 Americans, the crew of this vessel, may be at stake if an untoward happening occurs.

Mr. HUGH SCOTT. I thank the distinguished majority leader. I am simply pointing out that there are some options between negotiation and abandonment and that, somewhere in the middle of those options, lies the course that the President will have to take and when he takes it, it will be taken after the most mature consideration. That is when I think the support of the American people will be needed.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from Georgia is recognized for not to exceed 15 minutes.

Mr. TALMADGE. I thank the distinguished Presiding Officer of the Senate, the President pro tempore.

THE RISK OF A BANKRUPT AGRICULTURE, AND SOME STEPS TO INSURE THAT IT DOES NOT HAPPEN

Mr. TALMADGE. Mr. President, the efforts of Congress to enact meaningful farm legislation for the 1975 crop year have failed.

The President, on May 1, vetoed H.R. 4296, a 1-year bill which would have provided modest price and income protection for the production of our basic food and fiber needs.

Yesterday, his veto was sustained in the House of Representatives.

American agriculture—indeed, America's economy—now faces a risk as potentially threatening as that which struck in the late 1920's and 1930's.

During that period, farmers had a "market-oriented" agriculture. There was little in the nature of price support, or production control. Agricultural legislation of that day was focused primarily on education, extension, and technical service to farmers.

The conditions were ripe for boom and bust. And as night follows day, boom turned to bust. Farmers celebrated Christmas in 1932 with 32-cent wheat, 5-cent cotton, and other disaster-level prices.

But 1932 also brought America a "New Deal," and corrective economic legislation was rushed through Congress with lightning speed. One such law was the Agricultural Adjustment Act of 1933 which, like many other hasty responses of that time, was declared unconstitutional 4 years later.

But despite that setback, Congress did not sit down and do nothing.

The Committee on Agriculture and Forestry, of which I am honored to be chairman today, responded by appointing a special subcommittee to investigate the agricultural crisis. The subcommittee held hearings in twenty states.

The product of the committee's efforts was the Agricultural Adjustment Act of 1938, which provides the basic statutory authority for many of the farm programs which operate today.

Mr. President, I propose today that this Congress, just as our predecessors nearly 40 years ago, refuse to sit on its hands, but instead, do whatever is necessary to prevent the farm collapse that the President's veto makes so possible.

I wish to speak for a moment about the abject irresponsibility of the veto, and then for a moment about what the Committee on Agriculture and Forestry proposes to do in its aftermath.

Almost from the inception of the legislative process of H.R. 4296, the Administration's response has been a fiasco.

Its response demonstrated a blatant lack of concern about the American farmer, the American consumer, and the entire economic chain which makes them interdependent.

The spokesmen for this administration—taking their cue from the Secretary of Agriculture—have waged an orchestrated campaign to confuse the issue and to mislead the American public.

From the start, they used irresponsible scare tactics. They sought to pin an $18 billion price tag on this legislation at one point—an estimate which was overstated by at least a factor of 10.

After extensive press coverage—and a virtual flood of negative editorials in metropolitan newspapers based on these wildly exaggerated cost estimates—the Department of Agriculture backed down to more truthful plateaus. But there was none of the press coverage, none of the fanfare that accompanied the original price tag.

These same techniques and bloated estimates were used in regard to the potential cost to the consumer. But the Secretary never discussed the potential cost to the consumer of the uncertainty and scarcity which could result from doing nothing—certainly, an impact immensely greater than the modest impact of this bill.

The administration's response demonstrated the blatant lack of concern about the American farmer, the American consumer, and the entire economic chain which makes them interdependent.

Among President Ford's most admirable traits are his candor and his honesty. But he is a victim of faulty advisers, and as a result his personal credibility is suffering.

The President's veto message illustrates this.

Clearly, the person who drafted that message for the President lacks even an elementary understanding of agriculture and American farm policy.

It says the farm bill is nonessential. It strains every bit of logic to suggest that, somehow, protection of our system of production of basic food and fiber is in any way nonessential.

Such a statement can be nothing other than the muddled thinking of know-nothing political hacks who have lost touch with the people of this Nation.

The President's veto message said H.R. 4296 did not qualify for exception to his arbitrary budget ceiling because it was not humanitarian.

Does not anyone in this administration understand that the greatest human need in this world today is food? Is it humanitarian if we endanger the basic system which produces food?

The President's veto message contends that adoption of this bill would have been a step backward from the "successful market-oriented policy adopted by the current administration."

These writers have short memories.

It was not the administration that developed the Agriculture and Consumer Protection Act of 1973—it was the Congress of the United States, in the face of continued opposition from the administration.

The so-called "success" of this "market-oriented policy" of the past 2 years has nothing to do with this administration—it has been due in part to adverse weather around the world, in part to rising standards of living and growth in population, and in part to other factors—not a single one of which the Secretary of Agriculture can claim credit for.

I submit, Mr. President, that there are farmers and consumers who would argue strongly that this "market-oriented policy" has not been successful at all.

Certainly, many grain and soybean farmers did enjoy a temporary prosperity during the wild fluctuations of the past 3 years.

But simultaneously, a large number of livestock and dairy producers have been driven to the wall by high feed costs and falling prices for meat and milk.

So what may be a short-term "success" for one farmer may also be utter disaster to another.

Mr. President, I do not wish to place undue blame on the administration for the events which created the dislocations in agriculture during these past 3 years, for clearly many of them were beyond control. But I cannot stand here and let them get by with a hollow claim of credit for them, either.

The veto of H.R. 4296 was not unexpected. But for several weeks, Members of the Congress and some farmers were taking small hope from the assurance by the Secretary of Agriculture that, if the veto did come, it would be accompanied by modest increases in loan rates for wheat and feed grains.

The veto did come, but the loan rates stayed at their depression levels.

Even the minuscule increases which the Secretary had discussed would be no more than a half-measure, but they would have at least demonstrated that this administration had some small concern, some minimum appreciation of the economic uncertainty facing our food and fiber system and the need of our people for a stable supply of food and fiber.

But no such assurances were forthcoming. Instead, we had some rather weak hints that, if prices deteriorated significantly, some action in that direction would be taken.

But if experiences of the past few years are any teacher, we can expect relief only when the lines at bankruptcy court are very long.

I do find one statement in the veto message worthy of praise. The President said:

> American farmers have responded magnificently during the past several years to produce food and fiber for this Nation and the world.

They certainly have. And, as a reward for their magnificent efforts, the Administration's response is mean and parsimonious.

Such an attitude is, at the very least, distressing. The Congress made every possible effort to meet the Administration's objections and still deal effectively with the needs of farmers and ranchers. Our attempts at compromise and reason failed.

The Secretary of Agriculture has been inflexible to the needs of agriculture. Other White House advisors dismiss the current agricultural situation as unimportant.

Neither attitude is acceptable to the Senator from Georgia.

Mr. President, I am concerned about the adversary trend in government. It is not only inefficient to have the Congress and the Executive constantly at odds, but it is dangerous.

Good faith and cooperation must undergird our dealings if we are to have a responsive Government. I propose to go the last mile to show good faith, to build a spirit of cooperation which will allow both the Congress and the Executive to meet their responsibilities more effectively.

It is in that spirit—one of cooperation, not one of confrontation, that I outline here today how the Committee on Agriculture and Forestry proposes to respond to the situation which the President's veto created.

The potential of economic disaster in rural America is very real, as are the threats of scarcity and inflationary pressures which follow therefrom.

If we are to prevent such a potential from becoming reality, we must have up-to-date knowledge about a fast-changing situation.

Therefore, I wish to announce today that the Committee on Agriculture and Forestry will inaugurate immediately an "early warning" system which will permit us to stay on top of developments affecting our food and fiber system.

We intend to monitor the general events affecting agriculture, and to require periodic assessments by the Secretary of Agriculture.

We will conduct regular quarterly oversight hearings, and ask the Secretary to report to us on the general economic conditions in the United States and in the world as they affect U.S. agriculture.

We will require him to provide detailed assessments of the supply and demand situation for each of the major crops and for the livestock sector. As part of this analysis we will request updates on food prices, the costs of processing and marketing, and the farmer's share of the consumer's food dollar.

We will require reports on the financial condition of agriculture, to include farm income, farm debt, delinquency and foreclosure rates, loan defaults, and the incidence of bankruptcy in agriculture.

Mr. President, I am very fearful of the possible consequences of further economic deterioration in agriculture. I hope that my worst fears are not realized. But we dare not hide our heads from the facts in the vain hope that our fears will vanish.

We hope, through these quarterly hearings, to have clear and factual evidence of the agricultural situation presented by the spokesman for this Administration who must bear the greatest share of the responsibility for any consequences as a result of this veto. He is the Secretary of Agriculture.

We will put Secretary Butz in the witness chair to tell us what develops over the next several weeks and months, to take the blame or the credit, whichever is appropriate.

It is our intention to call the Secretary for the first of these quarterly reports on July 11 of this year.

The Committee on Agriculture and Forestry will do everything in its power to prevent economic disaster on the American farm. If it should appear necessary to follow the example of our predecessors of 40 years ago, we too will venture into the countryside, to take testimony firsthand from the farmers, ranchers, rural bankers and businessmen, and others who will be the first victims of any economic collapse in our food and fiber chain.

We are looking down the barrel of a loaded gun. We do not propose to twiddle our thumbs while the trigger is pulled. We intend to stay alert, and to act as need dictates.

Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold that request?

Mr. TALMADGE. Mr. President, I withhold the suggestion for a quorum call and yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I agree with the remarks made by the distinguished Senator from Georgia, the chairman of the Committee on Agriculture and Forestry, relative to the Presidential veto of the emergency farm bill, a bill which would have been in effect for just 1 year only, a bill which is badly needed not only by the wheat ranchers out in my part of the country, but by the cotton producers and other segments of the agriculture economy.

I think it was a most unwise decision on the part of the President, and I believe that the reason for it, in part, lies with the advice given by Secretary of Agriculture Butz.

The distinguished Senator is aware of the fact that last year, last calendar year 1974, the farm income declined by 10 percent and the costs to the farmers increased by 25 percent, meaning a 35-percent net loss in revenue.

The Senator is aware of the fact also that over the past 3 calendar years the cost of food to the consumer has risen by $47 billion, and the income of the farmers, I believe, has fallen from $32 billion down to $20 billion. If there is a segment of our economy on which we are truly dependent and on which our farm trade is dependent to a large extent, it is the farm economy, and I do not know what is going to happen to the cotton producer, the wheat rancher, the feed producer, if he cannot get the kind of assistance to which, I think, he is entitled, and which can only be forthcoming from the Federal Government.

So this is a situation which, I think, calls not for the wringing of hands because we have done our best and, in conference, the Senate committee went a long way toward meeting the demands of the administration in trying to fashion a bill which would not be vetoed. But that effort failed.

I only hope the administration is aware of what the catastrophic consequences may well be because of this hasty, ill-advised action at this time.

I thank the Senator for making the remarks he did today.

Mr. TALMADGE. I thank the distinguished majority leader for his contributions and also for his never-failing support to assure a reasonable price to the farmers and ranchers of this country. He made a magnificent contribution. I appreciate his comments, and I associate myself completely with what he said.

I now yield to a distinguished member of our committee, the Senator from Oklahoma, who has made a magnificent contribution to the field of agriculture, and who is a valued member of our committee.

Mr. BELLMON. Mr. President, I thank our distinguished chairman for yielding.

I commend Chairman TALMADGE for the plan he has announced here this morning to monitor economic conditions as they develop in agriculture.

As someone who is very close to agriculture, I know the farm economy is in a serious slump; that it is getting more serious day by day. Prices of grain are down sharply; prices of livestock have been down for months to the point where production of livestock has been generally unprofitable.

Unless these conditions improve, then this Nation's food needs may not be met if we continue in this country to take food for granted.

But, as the chairman knows, we cannot have a strong agriculture and we cannot have abundant food supplies unless the producers receive enough for their products to meet the costs of production and in that way be able to stay in business.

I feel President Ford was badly misinformed when he vetoed the farm bill, in the first place. The statement he made at the time he vetoed the bill and the statement he issued yesterday after the House acted, I feel, show his complete misinformation about this bill. Personally I blame the Secretary of Agriculture for having misled the President and for refusing to acknowledge the facts about the true conditions in agriculture as to what they are.

I would like to say I predict that Secretary Butz is going to have a long, hot summer as conditions in agriculture develop. If we have a big corn crop, which is predicted, and a big wheat crop, which is predicted, we are going to see very sharp breaks in those grain prices, and there will be a great outcry on the part of producers who will not be able to pay their bills, and the economic ills of agriculture will get worse and worse.

I believe I can see a growing outcry in rural America for new leadership in the USDA, and I believe the chairman's plan to monitor these developments is going to make it possible for the Senate and Congress to help provide leadership which the administration seems reluctant to provide.

Again I would like to commend the chairman for his plan and to say I look forward to working with him in an effort to keep ahead of developments so we will not allow American agriculture to suffer a disaster.

Mr. TALMADGE. I thank my distinguished friend from Oklahoma for his comments. He himself is a dirt farmer and knows whereof he speaks.

I yield now to my distinguished colleague, the Senator from South Dakota, who is also a member of the committee and who has labored in the vineyard of agriculture with yeoman and distinguished service.

Mr. McGOVERN. Mr. President, I simply want to associate myself with everything the Senator from Georgia (Mr. TALMADGE), the chairman of our committee, has said this morning, and with what Senator BELLMON and Senator MANSFIELD, the majority leader, and others, have said, because I think the Senate conducted itself according to the very highest standards in our efforts to bring out a bill that would be acceptable.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. McGOVERN. Yes.

Mr. TALMADGE. The Senator knows in conference committee we went for the last mile in an effort to avoid a veto.

Mr. McGOVERN. Absolutely, and the Senator from Georgia, of course, very prudently counseled in that direction.

The Senator knows that many of us on the Senate committee wanted an even stronger bill, but we had all kinds of indications that if we strengthened this bill any further than the House version it would draw a veto, and I think the Senator from Georgia was right in coming to the view that the only chance we had of getting legislation that might be approved by the President was to accept the House version.

We did that. We swallowed our pride. We yielded points that we thought were important to agriculture, and still what we have drawn is a Presidential veto.

This is all the harder to understand not only because of the plight of agriculture, to which Senator MANSFIELD referred, but also because agriculture is the best single foreign exchange earner we have.

Mr. TALMADGE. $20 billion last year.

Mr. McGOVERN. We would be in a desperate plight as a country if it were not for the favorable trade balance we built up in agriculture.

The Secretary is going to argue that by destroying the price levels for American farmers we can sell even more abroad. But what he does not take into account is that this spells certain bankruptcy for the farmers who produce the cotton, who produce the wheat, who produce the feedgrains and the other things that our foreign trade depends upon and, in the long run, what this veto spells, if it is not reversed either by executive action or some other course here in Congress, is the bankrupting of tens of thousands of our own farmers, the loss of production and, therefore, a consequent decline in our ability to trade with other countries.

I think this veto is catastrophic. I think it was one of the most ill-advised economic actions the President has taken. But I do commend the chairman of our committee, Senate TALMADGE, for the statesmanlike way in which he has conducted these proceedings at every step of the way.

If anyone has ever tried in every possible way to secure a compromise that was fair with all parties concerned, the Senator from Georgia has attempted that, and I am very proud to serve in the Senate with him and to serve as a member of his committee.

Mr. TALMADGE. I am, indeed, grateful to my distinguished friend from South Dakota for his remarks and I salute him again for his valiant service to agriculture.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 122 (S. Res. 141), which was passed over during the earlier call of the calendar.

The PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read, as follows:

> A resolution (S. Res. 141) providing supplemental expenditures by the Select Committee on Nutrition and Human Needs.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objections, the resolution was considered and agreed to, as follows:

> *Resolved*, That section 3 of S. Res. 50, Ninety-third Congress, agreed to February 22, 1973, as amended, is further amended by striking out "$275,000" and inserting in lieu thereof "$276,100".

CONGRESSIONAL INVASION OF TAXPAYER'S PRIVACY

Mr. WEICKER. Mr. President, I would like to call the attention of my colleagues to another foray into the sanctuary of the IRS and, more particularly, individual tax returns, except this time the foray is to be conducted not by the executive branch of Government or the President but, rather, the legislative branch of Government.

An item in the Federal Register of May 7, 1975, came to my attention yesterday, which is an Executive order from the President, in effect giving to the Senate Committee on Government Operations the authority to gain access to individual tax returns.

Mr. President, I have tried to make a point of the importance of preserving the privacy of individual tax returns. Most of my comments have been directed to the executive branch. But make no mistake, I do not have two standards. If I say that those individual taxpayer returns are not the business of the President or anybody in the White House, neither are they the business of anybody here in the Congress. Privacy is privacy.

I have written to Senator RIBICOFF expressing my strong opposition to Executive Order 11859.

It is my understanding, and I can be corrected by the individuals involved if I am wrong, that this request emanated from the Permanent Investigation Subcommittee of the Committee on Government Operations.

I want to make it clear, as indeed I have in the legislation I have introduced along with Congressman JERRY LITTON, of Missouri, that this is not the business of the Committee on Government Operations, or a subcommittee, or any Senator. This is a direct invasion of individual privacy and whatever harsh words I have uttered with respect to the White House, I shall be glad to repeat to my colleagues in the Senate, or in the House, or any aspect of the legislative branch of Government.

We are going to have one standard. One standard of privacy.

I find it especially appalling that after the factfinding of Watergate, we have not passed one single piece of legislation correcting any of the abuses. In effect, now we are going off in our own direction repeating exactly what it is that occurred, at least in one respect, over those years.

As I say, I think it stands to our discredit that we have not legislatively acted on the factfinding of the select committee. As bad as that is, this is worse.

I cannot imagine why it is that any Senator or the Committee on Government Operations, or any staff member, needs to have access to individual tax returns.

Before we go into another political year, let us get the ground rules straight. Anyone that starts this kind of "nosing around"; Democrat, Republican, Senator or President—blow the whistle.

I might add, I think we ought to do it collectively by adopting the legislation Congressman LITTON and I have proposed. Of course, we have had hearings before Senator HASKELL in the Committee on Finance which would set forth very strict guidelines as to who it is who has access. Under our proposal, only the Joint Committee on Internal Revenue Taxation will have the right to obtain from the IRS individual tax returns. They are the only ones to have access.

But we restrict other congressional committees from gaining access to confidential tax returns. We do not want congressional committees anymore than the executive agencies and the White House tramping through the IRS.

We are desperately in need of reform. At least, let us set the example by what we, ourselves, do.

Mr. President, I ask unanimous consent that the Executive order be printed in the RECORD along with my letter to Senator RIBICOFF as chairman of the Committee on Government Operations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE ORDER 11859

INSPECTION OF INCOME, ESTATE, AND GIFT TAX RETURNS BY THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS

By virtue of the authority vested in me by Section 6103(a) of the Internal Revenue Code of 1954 (26 U.S.C. 6103(a)), it is hereby ordered that any income, estate, or gift tax return for the years 1955 to 1975, inclusive, shall, subject to the conditions imposed herein, during the Ninety-fourth Congress, be open to inspection by the Senate Committee on Government Operations or any duly authorized subcommittee thereof, in connection with its studies of the operation of Government activities at all levels with a view determining the economy and efficiency of the Government.

Such inspection shall be in accordance and upon compliance with the rules and regulations prescribed by the Secretary of the Treasury in Treasury Decision 6132, relating to the inspection of returns by committees of the Congress, approved by the President on May 3, 1955.

The Commissioner of Internal Revenue shall ensure compliance with the applicable provisions of the Privacy Act of 1974 (5 U.S.C. 552a) by seeing that no such inspection is permitted unless (1) the Committee or subcommittee has furnished a written statement specifying the purpose of the inspection; and (2) such statement establishes that the inspection relates to a matter within the jurisdiction of the Committee or subcommittee, or the Commissioner has received the written consent of the taxpayer to the inspection.

GERALD R. FORD.

THE WHITE HOUSE, *May 7, 1975.*

[FR Doc. 75-12406 Filed 5-7-75; 2:29 pm]

MAY 13, 1975.

Hon. ABRAHAM RIBICOFF,
Chairman, Senate Committee on Government Operations, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to express my strong opposition to the Executive Order 11859 authorizing, under certain restrictions, the Senate Government Operations Committee or duly authorized subcommittee, to obtain any income, estate, or gift tax return for the years 1955 to 1975.

I believe such a broad discretionary grant of authority to a Congressional committee is contrary to ongoing legislative efforts to protect the confidentiality of tax returns.

With kindest regards.

Sincerely,

LOWELL WEICKER, Jr.,
U.S. Senate.

Mr. WEICKER. In a humorous way the issue we are talking about was commented on in Mr. Oliphant's cartoon in the Washington Star, by showing an IRS man walking to the door and saying to the lady:

> Congratulations, you have qualified for a rebate, but, first, a few questions about your political affiliations, sex life, and drinking habits.

We are right back at position No. 1.

Let us not engage in this practice ourselves, and let us pass this legislation to make sure that the members of the executive branch and the agencies do not have that power to come in and, in effect, take advantage of facts supplied by the taxpayer for the purpose of collecting taxes, and nothing else.

I notice in the Executive order it is stated:

> With a view to determining the economy of the Government.

That is not why I submitted my tax return. It was for the purpose of collecting taxes and nothing else.

Let us keep it that way and, in any event, I would hope that the Committee on Government Operations would renounce its request for this particular information, at least by way of setting an example.

HUGH SCOTT DISTORTS THE RECORD ON VIETNAM REFUGEES

Mr. McGOVERN. Mr. President, a week ago Tuesday, May 6, the day after I left on a trip to Cuba authorized by the Senate Foreign Relations Committee, the minority leader (Mr. HUGH SCOTT) took the Senate floor to attack legislation I had introduced relative to the South Vietnamese refugees. His statement was a flagrant distortion of my proposal.

I said very clearly on the Senate floor on Monday, May 5, the day before the Senator's attack, that on both humanitarian and practical grounds, many of the Vietnamese refugees would be better off returning voluntarily to their own country. But knowing that some political demagog or careless journalist might take my words out of context, I emphasized that I was not suggesting that any Vietnamese be sent home unless they so requested.

Nevertheless, Mr. SCOTT came to the Senate floor the next day, and in a mighty display of indignation said that I had proposed that the refugees be "sent" home. He then added:

> Any governmental attempt to send them back would be a people-killing measure.

Mr. President, assuming that he can understand plain English, the Senator knows that I never proposed that one single Vietnamese refugee be sent home who does not so request it. He must also know that the distinguished majority leader of the Senate (Mr. MANSFIELD) has in effect endorsed my proposal by suggesting that funds be authorized to pay the transportation of refugees who wish to return to Vietnam. That is exactly what I have proposed. Why, then, does Senator SCOTT single me out for attack?

Perhaps it is because he has been one of the loudest and most persistent cheerleaders for the Vietnam policy that sent 56,000 young Americans to their deaths, as well as millions of Vietnamese. As such, he is doubtless eager to strike out at someone who has tried to stop the killing in Vietnam during all those years when he himself was supporting it. He is the man who has backed the "people-killing measures," and he has done it for so many years that he would not be able to rest if his conscience were as strong as his oratory.

He is the man who went on nationwide television during the closing weeks of the Watergate nightmare to tell the American people that if they knew what he knew, they would know Nixon was innocent, or as he put it on January 20, 1974, "the President would be exculpated entirely."

He is one of the Nixon hatchet men who at crucial periods of the 1972 Presidential campaign flagrantly distorted and twisted my positions on sensitive public issues.

This is a matter I have never discussed with the Senator from Pennsylvania, but I have sent him a copy of the remarks I am delivering this morning.

This kind of cheap demagoguery is the stuff of which the Watergate deception and the Vietnam illusion were made. I regret that Mr. Hugh Scott seems to have learned nothing from these tragedies. But I do not intend to let this longtime advocate of the killing in Vietnam—this bitter-end apologist for Richard Nixon's disgraceful conduct, distort my position with regard to the Vietnamese refugees.

The truth is now coming out, Mr. President. More and more of the Vietnamese refugees are voluntarily expressing their desire to return to Vietnam—just as I had predicted. Yesterday's New York Times tells of six ships loaded with refugees returning voluntarily from Singapore to South Vietnam. Earlier about 45 South Vietnamese pilots requested permission to return to Saigon after reporting that they had been forced to fly high-ranking officers out of the country. The Times of yesterday also carried a report from Mr. L. Dean Brown, director of the U.S. Interagency Task Force on Refugees, that 48 refugees on Guam had expressed a desire to return to Vietnam claiming that they had been forced into planes during the evacuation. And the Boston Globe reported yesterday that a Vietnamese doctor with some 18,000 refugees at Camp Pendleton has said:

> If a plane were to leave for Saigon today, half of this camp would be empty.

I understand, Mr. President, that scores of voluntary agency workers are reporting back the same findings.

And yesterday's Washington Star reports that two Senate staff aides of the Senate Judiciary Subcommittee on Refugees, Dale DeHaan and Jerry Tinker, have discovered in visiting the refugee centers that "substantial numbers" of Vietnamese are having "second thoughts" about leaving their homeland.

Today's Washington Post carries a story by Lawrence Meyer relative to the findings of the Refugee Subcommittee chaired by Senator Kennedy. The article quotes Senator Kennedy as saying that:

> Many of the refugees fled in panic from conflict and violence . . . and many give the impression of not fully understanding where they are or why they got there.

The article continues:

> Kennedy and representatives of private voluntary agencies helping refugees resettle predicted that thousands would choose to return to South Vietnam.

Mr. President, as I said to the Senate on May 5, a week ago Monday, we will see growing evidence that thousands of Vietnamese came to this country in hysteria to avoid what they believed would be a final bloody battle for Saigon—a battle that never materialized. Others left in terror after hearing predictions of a massive bloodbath at the hands of the new government—a bloodbath as yet not in sight. Many of them are now having second thoughts and desire to be reunited with their country and their families.

So let us have an end to Senator Scott's nonsense about the legislation I have introduced—legislation which simply authorizes our Government to pay the transportation back to Vietnam for any refugee who voluntarily requests such assistance in returning to his country. This is not a "people-killing measure" as the Senator from Pennsylvania would have us believe. It is a commonsense, humanitarian proposal designed to assist those refugees who wish to return to their country—assistance offered in the same humanitarian spirit as the aid we are prepared to give those Vietnamese who may decide to stay with us.

I intend, when the refugee relief bill comes up for consideration, to offer my bill as an amendment, authorizing that part of those funds be available to the refugees who wish to return to their homes.

An incredibly distorted interpretation of that proposal appeared in the Philadelphia Inquirer of yesterday, written by a man by the name of John D. Lofton, Jr. I am reasonably certain that this is the same man who edited the Republican organ Monday, which was a little attack sheet that the Senator from Maine and all other Democrats in this Chamber have been stung by over the years, but apparently now he is doing a column for the Philadelphia Inquirer.

Believing that the editor of that paper will correct this unfortunate story in his paper, I am sending him a copy of these Senate floor remarks.

Mr. President, I ask unanimous consent that the news articles I have referred to, the Philadelphia editorial by the Republican writer I mentioned, along with a copy of my proposal of a week ago Monday, a copy of the implementing legislation and a copy of Senator Scott's attack on me of May 6, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, May 13, 1975]

SIX SHIPS WITH REFUGEES RETURNING TO VIETNAM

Singapore, May 12.—Six South Vietnamese ships carrying refugees have left Singapore to return home, the Singapore Government said today.

Its statement said that the ships, which had been anchored in the harbor here, had slipped away undetected for Saigon and that another refugee ship also planned to return to South Vietnam.

This was one of the first reports about refugees who had left South Vietnam in the evacuation and now wanted to return. Earlier, about 45 South Vietnamese pilots were handed over to authorities in Guam for return to Saigon. They said they had been forced to fly higher-ranking officers out of the country.

The Singapore statement did not disclose how many refugees were on the ships returning to Saigon.

[From the Boston Globe, May 13, 1975]

SOME REFUGEES SUICIDAL, DOCTOR SAYS

Camp Pendleton, Calif.—Some refugees in the capacity crowd at this giant Marine base are desperately homesick and worried to the point of suicide about an uncertain future, a Vietnamese doctor reported yesterday.

"If a plane were to leave for Saigon today, half of this camp would be empty," Dr. Hoang Van Duc, a physician for the Camp 4 tent city of 18,000 refugees.

The waiting period—as long as two weeks—before the refugees can be cleared to settle down in other areas is stressful, Duc said.

"There is much despair here," he reported. "They are anxious about everything. They have no future at all. They are anxious about their status, anxious about jobs. They are anxious about losing their identities."

The refugee's resentment about their former Saigon leaders, combined with worry over fragmented families and the uncertain future, may lead some to suicide, Duc said.

"We must devise some form of psychotherapy," he said. "They must accept reality."

Most of the refugees in Camp 4 were fairly well off in Vietnam and some came here with small hoards of diamonds and gold, Duc noted.

But they may not cash in their gold at a mobile bank that visits each tent city. A sign on the vehicle reads "We do not buy gold."

Security and health checks on refugees have slowed the process of releasing them.

One US official said some "undesirables," such as prostitutes and black marketeers, have turned up. He said politicians charged with or suspected of corruption also have been identified in the processing.

[From the New York Times, May 13, 1975]

SENATE UNIT ASKS $405-MILLION AID FOR THE REFUGEES

(By Richard L. Madden)

Washington, May 12.—The Senate Foreign Relations Committee, moving with unusual speed, approved today legislation to aid Indochina refugees after limiting the program's cost to $450-million.

The action came after L. Dean Brown, Director of the Interagency Task Force on Refugees, told the committee that the refugee camps on Guam, and in the United States had become "blocked" because of time-consuming security checks of the incoming refugees and because voluntary agencies did not have the funds to resettle the refugees who had already been screened.

Meanwhile more than 16,000 South Vietnamese refugees streamed off four merchant vessels in Apra Harbor, Guam.

FOURTH CAMP WEIGHED

The $405-million limit, which was the same figure approved last Thursday by a House appropriations subcommittee, was less than the $507 million requested by President Ford, but Government officials administering the program for South Vietnamese and Cambodian refugees have said that they could work with the reduced amount.

The Senate committee action, which came on a 13–to–0 vote after only one three-hour hearing this morning, indicated that both houses would approve similar refugee legislation, perhaps by the end of this week.

A spokesman for the Department of Defense said the Pentagon was considered setting up a fourth refugee camp at another military installation in the United States because the three centers at Camp Pendleton, Calif., Fort Chaffee, Ark., and Eglin Air Force Base, Fla., were becoming overcrowded.

Senator John J. Sparkman, Democrat of Alabama who is chairman of the Senate Foreign Relations Committee, said his panel's measure would be ready for action by the full Senate tomorrow.

The House is planning to act Wednesday on two refugee bills—one authorizing the resettlement program but without limiting the cost that was adopted last Thursday by the House Judiciary Committee, and the second bill actually appropriating the $405-million to fund the refugee program.

The Senate bill approved today also merely authorizes the program to airlift, maintain and resettle refugees.

But the Senate committee, unlike the House Judiciary Committee, decided to write in a cost limitation. The Senate will still have to approve a separate appropriations bill to provide the funds.

Administration officials are hoping that the final bills passed by both houses will not have major differences, which would require a time-consuming Senate-House conference.

One difference in the measures is that the Senate committee bill would authorize the refugee program through Sept. 30, 1977, while the pending House appropriations measure would provide funds for the next 14 months.

Another difference was a provision added by the Senate committee specifying that any unexpended funds previously appropriated for military aid to South Vietnam would be used for the refugee program, thus possibly reducing the amount of new money that would have to be provided to fulfill the $405-million outlay.

Administration officials have said that it might be 30 to 60 days before they can give a final answer on how much unexpended funds might be available.

"That's a hell of a way to run a railroad," remarked the Senate majority leader, Mike Mansfield of Montana, who is also a member of the Foreign Relations Committee.

The Administration has been operating the refugee program on $98-million borrowed from other foreign aid programs. Mr. Brown warned the Senate committee today that the available money was "virtually exhausted."

115,000 "IN THE PIPELINE"

He said about 115,000 refugees were now "in the pipeline" but added that he had heard this morning that the Government in Singapore had begun to "put out to sea" 7,000 more refugees who had been on a ship there.

Asked why other Asian nations had not offered to take in some of the refugees, Mr. Brown said that North Vietnam had put "pressure" on them not to accept the refugees and to return any to Vietnam.

Appearing later this afternoon before a House Appropriations subcommittee, Mr. Brown said he hoped that 20,000 or so of the refugees would eventually be settled in third countries.

Mr. Brown said that 48 refugees on Guam had expressed a desire to return to Vietnam. He said most of these had been pushed on planes during the evacuation and that they had been turned over to the United Nations High Commissioner for Refugees to be returned.

Leonard P. Chapman, a retired marine general who is Commissioner of the Immigration and Naturalization Service, told the Senate committee that his service was complying strictly with requirements in the immigration laws that security checks be made on the refugees so that criminals and other undesirables would not be admitted.

Of the first 55,000 refugees checked, he said, none were found to be of the type that should be excluded.

By approving the program running through 1977, the Senate committee rejected an appeal by Senator James Abourezk, Democrat of South Dakota, that the program be authorized for only three months with the Administration to be required to justify to Congress a continuance after the program has been in operation 60 days.

"What we ought not to do is to commit ourselves unnecessarily to a plan which is based on emotionalism and hastily prepared plans," he said.

CAMP PENDLETON FULL

CAMP PENDLETON, CALIF., May 12.—The refugee pipeline from Southeast Asia was closed today as far as this giant Marine base was concerned and will remain shut down until several hundred South Vietnamese and Cambodians are sent on to their new homes.

"We're completely full, more than full," a base spokesman said. "Our original capacity was 18,108, and we're way above that now. The pipeline is closed."

By this morning, 25,890 refugees had arrived here and 7,244 had been processed and sent on to their eventual destinations.

[From the Washington Star, May 13, 1975]

VIET REFUGEES BEGINNING TO HAVE "SECOND THOUGHTS"

(By Martha Angle)

Two Senate staff aides who have just completed a tour of Vietnamese refugee camps in the Pacific and this country found a "substantial number" of refugees are having "second thoughts" about leaving their homeland.

Dale De Haan and Jerry Tinker, staff aides to the Senate Judiciary subcommittee on refugees headed by Sen. Edward M. Kennedy, D-Mass., said the Ford administration appears to have given little attention to the "serious policy questions" involved in dealing with homesick refugees.

Instead, the administration has been devoting most of its attention to planning for the resettlement of refugees in the United States and persuading Congress to provide the funds needed for this purpose.

The Senate Foreign Relations Committee yesterday voted 13–0 to authorize expenditure of $405 million for refugee relief and resettlement. The House Appropriations Committee was expected to approve the funding proposal today.

De Haan and Tinker returned to Washington two days ago after spending almost a week at refugee camps on Guam, Subic Bay in the Philippines and Camp Pendleton in California. They are preparing a formal report for the refugee subcommittee, which is monitoring the resettlement program.

In testimony yesterday before the Foreign Relations Committee, Ford's refugee relief coordinator, Ambassador L. Dean Brown, said only 48 Vietnamese have asked to return to their own country thus far. All were crew members on planes commandeered by Vietnamese pilots fleeing Saigon in the last hectic hours before the Communist takeover.

De Haan said last night these men appear to be "only the tip of the iceberg." During their tour of refugee camps, De Haan said, he and Tinker talked with "dozens" of confused refugees who expressed "qualms" about their flight.

"Some didn't even know where they were," the staff aide said. "Many were fishermen, shopkeepers, peasants who were on boats and were just sort of scooped up in the evacuation. Others were young soldiers separated from their families."

A Vietnamese doctor at the Camp Pendleton relocation center also reported widespread despair and homesickness among refugees there, according to United Press International.

"If a plane were to leave for Saigon today, half this camp would be empty," said Dr. Hoang Van Duc, 50, who is practicing medicine in one of the tent city encampments at Pendleton.

Kennedy's subcommittee, which scheduled a public hearing this morning on the refugee program, was expected to question Brown about what steps the United States is taking to permit repatriation of those Vietnamese who decide to return home.

De Haan said he could make no estimate of how many Vietnamese might prefer to return home rather than resettle here or in other countries. "We don't know whether it's hundreds or thousands," he said.

But the "option" question, he said, appears to be receiving little attention from U.S. officials.

Brown said yesterday that relocation centers at Camp Pendleton, Ft. Chaffee in Arkansas and Eglin Air Force Base in Florida are full and that dispersal of refugees to new homes around the country has been delayed by a lack of funding.

So far, Brown testified, there are about 115,000 refugees "in the pipeline" although the Justice Department has authorized entry into the country of up to 150,000 if need be.

Ford had asked Congress to authorize $507 million in refugee aid, but State Department lobbyists indicated the administration can live with the $405 million approved by the Senate Foreign Relations Committee.

The House Judiciary Committee last week voted to authorize whatever sums might prove necessary for the relief program, but an Appropriations subcommittee then set a $405 million limit on actual funding.

The full House Appropriations Committee was expected to act on the funding proposal today, as was a subcommittee of the Senate Appropriations Committee.

In authorizing expenditure of $405 million, the Senate Foreign Relations Committee wrote into its bill a requirement that the administration deduct from that total any military aid money for South Vietnam which can be recovered from the pipeline and diverted to the resettlement program.

[From the Washington Post, May 14, 1975]

SEN. KENNEDY CITES MISTAKES IN EVACUATION OF VIETNAMESE

(By Lawrence Meyer)

The United States failed to evacuate thousands of Vietnamese it had intended to bring out, while thousands of Vietnamese who should not have been evacuated either were airlifted out or picked up after they fled themselves, Sen. Edward M. Kennedy (D-Mass.) said yesterday.

Continuing hearings he has held over the last several weeks, Kennedy summarized the findings of two staff members of his Senate Judiciary Subcommittee on Refugees and Escapees. The two aides spent a week touring refugee camps in the western Pacific and the United States.

The last-minute rush from Saigon left behind thousands of Vietnamese who had been designated for evacuation, according to the aides. Kennedy said the administration's evacuation plan was "ill-conceived, poorly implemented and undertaken with little command control in the field."

At the same time that the United States was unable to bring out these Vietnamese, officially designated as "high-risk" because of their U.S. associations, thousands of other Vietnamese were evacuated or fled although they would have been better off staying, according to Kennedy.

These refugees—including low-ranking soldiers, shopkeepers, an entire fishing village, and Saigon bar girls—compose the bulk of the 60,000 now crowding into western Pacific staging areas on Guam and Wake Island, according to Dale DeHaan, counsel to the refugee subcommittee.

"When over half of the refugees fall outside the categories targeted for evacuation and parole into the United States," Kennedy said, "troubling questions inevitably arise over the wisdom and efficacy of the evacuation program. And these questions were known from the first days of the airlift from Saigon."

To maintain and help resettle 115,000 or more refugees, the House Appropriations Committee approved by voice vote yesterday a 14-month, $405 million bill—$102 million less than the administration requested.

The House Judiciary Committee last week approved an open-ended authorization of refugee funds with a cutoff date of Sept. 30, 1977. The House is expected to take up both bills today.

Chairman Daniel K. Inouye (D-Hawaii) said his Senate Appropriations Subcommittee on Foreign Operations won't report a refugee money bill before next Wednesday.

The Senate Foreign Relations Committee Monday authorized $405 million to aid the refugees.

Following an afternoon of hearings, during which Inouye asked members of the Inter-Agency Task Force on Vietnam several questions about the disposition of funds previously appropriated by Congress for Vietnam, Inouye said he would wait until next Tuesday for the answers before taking up the administration's request.

Inouye indicated that Senate Majority Leader Mike Mansfield who had raised similar questions on Monday, supported the delay.

Worried about "a heavy negative vote" on the Senate floor, and wanting the measure to pass "as smoothly as possible," Inouye said he wanted to be able to answer questions and avert a big "no" vote, "which might give the wrong impression."

Inouye asked Erich von Marbod, principal deputy assistant secretary of defense, how much of the $70 million appropriated for Vietnam military aid for this fiscal year could be recovered.

Von Marbod, stressing that it still is too early to say with any certainty, said he felt comfortable with an estimate of $17 million but that the figure could be as high as $40 million to $80 million.

Inouye asked von Marbod to return next Tuesday with a firmer estimate, and said he had asked the General Accounting Office to make its own estimate of Defense Department construction costs for the refugee camps on Guam and Wake Island and at Camp Pendleton, Calif., Ft. Chaffee, Ark., and Eglin Air Force Base, Fla.

Although the first waves of refugees were highly skilled, well-educated and relatively prosperous, those now in the western Pacific "are different in a number of important respects from most of those who have already landed in the United States," Kennedy said.

"Few speak English, and fewer still comprehend the implication of their plight as refugees. In fact, many of the refugees fled in panic from conflict and violence—as Vietnamese have fled for years—and many give the impression of not fully understanding where they are or why they got there."

Kennedy and representatives of private voluntary agencies helping refugees resettle predicted that thousands would choose to return to South Vietnam.

[From the Philadelphia Inquirer, May 13, 1975]

McGOVERN'S WORDS HAVE A HOLLOW RING

(By John D. Lofton, Jr.)

WASHINGTON.—Without a doubt, he is it. No contest. The man, if indeed he is a man, towers head and shoulders above all challengers. George McGovern is the most immoral hypocrite on the American political scene today.

Anyone who feels this is an overly harsh indictment has only to consider the South Dakota Democrats' remarks about the Vietnam refugees and contrast them with the unctuous moralisms this son of a Methodist minister was preaching in his presidential campaign three years ago.

Over and over in 1972, McGovern's heart repeatedly bled as a result of a matter he said had literally become an obsession for him, something that had "weighed on my conscience for nine years": The thousands of Asians burning, bleeding and dying in Indochina, many of them innocent children, many old people but none with any direct responsibility for the conflict that took their lives.

In a Truman Day Award Dinner in St. Louis, in October of 1972, McGovern observed that our nation was born in a noble vision of human existence, noting:

"The faith of our fathers was cherished by millions who followed after them. From a hundred different lands and every continent, immigrants came to America, not because they believed the streets were paved with gold, and not merely for jobs and opportunity, but because here they hoped to find a new birth of freedom for themselves and their children, a new liberation of spirit."

Declaring that almost every country in the world is a country because its people share a common culture, McGovern pointed out that America, however, was different.

"America is a land of diversity discovered by an Italian commissioned by the queen of Spain. Our independence was won by men named Kosciusko, Von Steuben, and Lafayette, as well as Jefferson, Adams and Paine.

"Chinese Americans built the transcontinental railroad from the West, and at Promontory Point in Utah they met Irish-Americans who were building it from the East. Our culture has been diversified and enriched by the American Indians, the black Americans, and the Spanish-surnamed Americans. Every language that is heard in the world today has been heard within our borders. Every religious creed finds its expression here."

This same month, at Wheaton College in Wheaton, Ill., McGovern spoke passionately of how his religious convictions shaped his view of America's destiny. He declared:

"Some Christians believe that we are condemned to live with man's inhumanity to man—with poverty, war and injustice—and that we cannot end these evils because they are inevitable. But I have not found that view in the Bible.

"Changed men can change society, and the words of Scripture clearly assign to us the ministry and the mission of change.

"While we know that the Kingdom of God will not come from a political party's platform, we also know if someone is hungry we should give him food; if he is thirsty, we should give him drink; if he is a stranger, we should take him in; if he is naked, we should clothe him; if he is sick, we should care for him; and if he is in prison we should visit him."

Then McGovern quoted the Lord: "For inasmuch as you have done it unto the least of these my brethren, you have done it to me."

So, now, with President Ford's courageous decision to rescue some 50,000 Vietnamese from communism—60 percent of whom are children—Sen. McGovern has been presented with the golden opportunity to practice what he has preached.

As a member of the U.S. Senate, he is in a position to vote money to give food to those who are hungry; drink to those who are thirsty; and shelter to those strangers who need to be taken in.

His reaction? Forget them.

These thousands of new Americans, so desperately in need of bread, he hands a stone. The operation that rescued them, he calls the "final blunder" of the war.

In his opinion, but he does not say how, it would be "in the best interest" of those who fled communism to now return to communism.

In 1942, George McGovern won the South Dakota Peace Oratory Contest with a speech titled, "My Brother's Keeper." If he has an ounce of moral decency left in him, which I seriously doubt, he should now return this award. But if he doesn't, the people who gave it to him should demand that he give it back.

VIETNAM REFUGEE ASSISTANCE ACT

(Remarks by Senator GEORGE McGOVERN, U.S. Senate, May 5, 1975)

Mr. McGOVERN. Mr. President, I introduce for appropriate reference a bill to assist refugees of Vietnam.

The final blunder of Vietnam may be that the Administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land.

America will not turn away those few who might be endangered by a return to their homeland. But I have never thought that more than a handful of government leaders were in any real danger of reprisals. The great majority of Vietnamese refugees do not fall into that category. Most of them left in panic out of fear of a bloody final battle for Saigon that did not materialize. Nor is it likely that the new government will engage in the bloodbath our policymakers have talked about so much. The Saigon government has already given orders that the people are not to be molested or their personal belongings seized. That is more respect for the people than Thieu's army ever demonstrated.

It is also apparent from news accounts that the procedure for selecting evacuees on the basis of the risk of recrimination broke down entirely. Thousands of people were taken out at random and thousands of others simply headed out to sea on their own to be picked up by American ships.

I suggest that our program for dealing with these refugees should include as the highest priority steps to facilitate their early return to Vietnam.

We should express to the new government in South Vietnam our interest in implementing such a policy. We should make transportation available and we should stand ready to assist in every possible way in reuniting these people with their families and their country on a voluntary basis.

My bill would permit the use of either commercial carriers or American ships and planes to return any refugees who wish to go back to Vietnam now that the panic is subsiding. I fully believe that it will be in the best interest of the Vietnam refugees to return to their own country.

S. 1626

A bill to assist refugees from Vietnam who wish to return to their native country

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Refugee Assistance Act of 1975".

SEC. 2. It is the sense of Congress that Vietnamese refugees who would not be physically endangered by a return to Vietnam should be offered an opportunity to return to that country.

SEC. 3. (a) The President shall inquire of the Government of South Vietnam, either directly or through intermediaries, concerning permission to reenter Vietnam for refugees who were evacuated. Such inquiries shall include an offer on behalf of the United States to provide transportation and to assist with other arrangements.

(b) At the earliest practicable date the President shall direct that a survey be taken among refugees from Vietnam to determine which of them would choose to return. For

those choosing to return, the President is authorized to provide transportation through the use of commercial carriers or, if the Government of South Vietnam agrees, of military transport.

Sec. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[From the Congressional Record, May 6, 1975]

Vietnamese Refugees

Mr. Hugh Scott. Mr. President, every now and then an idea comes along that is so appalling as to shock the conscience, so devoid of reality as to cause one to wonder in some awe as to its origins.

A statement was made yesterday of that kind in a proposal that 90 percent of the Vietnamese refugees be sent home. I had not thought the day would come when we would make that kind of statement. I regret that it was made. It shows a complete absence of understanding of the situation.

The statement says:

"The administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land."

Nearly 700,000 Vietnamese left North Vietnam at one point walking to escape oppression. Those Vietnamese who poured into American planes and aboard American ships, who went into ships of other nations and of their own, who escaped and were received in this country, were not the product of an administration's choice, this administration's choice, to evacuate them as a substitute for accommodation. They left because they were afraid of their lives. They left because they did not want to be killed. Any governmental attempt to send them back would be a people-killing measure and an official sanction by this Government of murder in the first degree.

Now, this is not the way the statement is phrased. It is phrased that they go back if they want to.

To characterize that as other than silly would be kind. In the first place, Ambassador Brown has stated and informed me this morning again that any South Vietnamese who wish to return may do so. They are being asked at the resettlement locations if they wish to return. Their answer is noted in writing.

So far 45 of the 125,000—45 people—have asked to be returned. They were the 45 who were swept into the planes by Thailand soldiery, and whose families are still in Vietnam. Those 45 will be returned.

The people who make these suggestions are also the people who listened to Madame Binh, as other Senators will recall, asserting that nothing will happen to these people.

Well, 2,000 buried in mass graves in Hue will give the lie to that; thousands and thousands of others killed will give the lie to that; the 55,000 executed by Ho Chi Minh in a 4-year period from 1954 onward will give the lie to that; the 80 Cambodian officers above the rank of lieutenant, and their wives, who were recently killed in Cambodia, will give the lie to that.

We read of a horse who won the Derby recently named Foolish Pleasure. I do not know what foolish pleasure can be had from these foolish suggestions, but I hope that Congress and the American people will reject out of hand this kind of foolish approach. There is no pleasure to be had in it, foolish or otherwise.

There is no need for legislation providing for the use of American ships and planes to return any refugees. One plane will take the 45 back. Others can go if they wish.

There are only 35,000 heads of families in this group, and that is the resettlement problem; 125,000 can be taken care of if placement is found for these 35,000 heads of families.

Sixty percent of these refugees are children. When have the American people ever turned their backs on helpless children? What American can look into the face of these children and say, "I will send you back at the risk of death and destruction of your entire future"?

What American can deny the right of a child to live in this country and the right of children to be taken care of? What American could deny the actions of the voluntary agencies that have committed themselves to these programs?

No, Mr. President, this kind of talk shocks the conscience; it is foolish. It ought to be reconsidered.

To make such a statement, in my opinion, is a misfortune, I am sorry it was made. I do not think it will have any more impact than that of marshmallow on a feather bed, and its chance of passage is about the same as that of a celluloid dog chasing an asbestos cat through hell.

Mr. McGOVERN. Mr. President, I yield the floor.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Maj. Gen. Martin G. Colladay to be lieutenant general, which was referred to the Committee on Armed Services:

REPORT OF THE NATIONAL COUNCIL ON EDUCATIONAL RESEARCH—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting the annual report of the National Council on Educational Research, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I am pleased to send you the first Annual Report of the National Council on Educational Research as required by Public Law 92–318, Title III (Section 405(c)(3)(f) of the General Education Provisions Act, as amended).

The Council is the policy-making body of the National Institute of Education which was created by the Congress to provide national leadership in the conduct of educational research and development.

I remain committed to a strong Federal role in research and development in education and to support the National Institute of Education and the National Council on Educational Research as the primary vehicles responsible for the Federal role. The Institute is now well advanced in its program directed toward specific and pressing educational problems.

The National Council on Educational Research is providing guidance to the Institute during the development of this program.

I know that the Congress will join with the Administration in supporting and strengthening the National Institute of Education and in encouraging the National Council on Educational Research to continue providing the vigorous policy direction and advice which will assist the Institute to meet its goals.

Gerald R. Ford.

The White House, *May 14, 1975.*

MESSAGES FROM THE HOUSE

At 10:30 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

At 1:15 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the enrolled bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

At 3:29 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 4700) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Teague, Mr. Fuqua, Mr. Downing of Virginia, Mr. Symington, Mr. Flowers, Mr. Milford, Mr. Roe, Mr. Mosher, Mr. Winn, and Mr. Wydler were appointed managers of the conference on the part of the House.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

A petition seeking a redress of grievances from a citizen of Lyons, Ill.; to the Committee on Government Operations.

A petition seeking a redress of grievances from a citizen of Bowie, Md.; to the Committee on Government Operations.

Mr. MATHIAS. Mr. President, I recently received three resolutions adopted by the Maryland State Senate regarding the earnings of persons receiving social security benefits, Foster Parents Day, and medicare, medicaid, and food stamps.

I ask unanimous consent that these resolutions be laid before the Senate and appropriately referred.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Senate Resolution No. 74, adopted by the Senate of the State of Maryland; to the Committee on Finance:

"SENATE RESOLUTION NO. 74

"A Senate Resolution concerning earnings of Persons Receiving Social Security Benefits for the purpose of requesting appropriate action by the Congress of the United States to make it lawful for all persons over 65 years of age to earn unlimited income

"Whereas, Many senior citizens desire to be productive and useful; and

"Whereas, Many find that their income is not adequate during times of inflationary living costs; and

"Whereas, Many individuals could and would work at full-time or part-time positions; now, therefore, be it

"Resolved by the Senate of Maryland, That the United States Congress is requested to lower the age for persons to earn unlimited income, from 72 to 65 years of age; and be it further

"Resolved, That a copy of this Resolution be sent to the Maryland Congressional Delegation: The following Senators are Charles McC. Mathias, Jr., J. Glenn Beall, Jr., Senate Office Building, Washington, D.C. 20510; The following Representatives are Robert E. Bauman, Clarence D. Long, Paul S. Sarbanes, Marjorie S. Holt, Gladys N. Spellman, Goodloe E. Byron, Parren J. Mitchell, Gilbert Guide, House Office Building, Washington, D.C. 20515."

Senate Resolution No. 63, adopted by the Senate of the State of Maryland; to the Committee on the Judiciary:

"SENATE RESOLUTION NO. 63

"A Senate resolution concerning Foster Parents Day for the purpose of requesting the Governor to declare the second Sunday in April Foster Parents Day in recognition of the devoted men and women of the State of Maryland who give their time, money and hearts to disadvantaged children throughout the State

"Whereas, There is a need to emphasize the role of the devoted men and women of the State of Maryland who give their time, money and hearts to disadvantaged children throughout the State; and

"Whereas, These children, as well as the entire State, should have an opportunity to demonstrate special gratitude for these men and women; and

"Whereas, We honor our natural mothers and fathers on special Sundays, but there is no day set aside for the specific appreciation of Foster Parents; now, therefore, be it

"Resolved by the Senate of Maryland, That the Governor of Maryland is requested to designate the second Sunday in April as 'Foster Parents Day'; and be it further

"Resolved, That it is requested that "Foster Parents Day" be on the second Sunday of April in each calendar year hereafter; and be it further

"Resolved, That copies of this Resolution be sent to each member of the Maryland Congressional Delegation with the suggestion that action be taken in Congress to designate the second Sunday in April 'National Foster Parents Day.'"

Senate Resolution No. 14 adopted by the Senate of the State of Maryland; to the Committee on Finance:

"SENATE RESOLUTION NO. 14

"A Senate resolution concerning Medicare, Medicaid and Food Stamps for the purpose of opposing the federal proposal to increase the cost of Medicare, Medicaid and food stamps.

"Whereas, The Republican Administration in Washington has proposed to weaken the Medicare and Medicaid programs; and

"Whereas, This proposal would shift additional costs onto the shoulders of America's elderly; and

"Whereas, It is unfair to hang the millstone of inflation around the necks of the elderly poor; and

"Whereas, In addition to increased Medicare and Medicaid costs there is a further proposal to increase, as of March 1st, the cost of food stamps for elderly poor; and

"Whereas, Under the food stamp proposal a single elderly person with a total monthly income of $185, the cost of food stamps would increase from $36.00 per month to $55.50; and

"Whereas, It is a recognized fact that an elderly person living on a set monthly income has the greatest difficulty surviving because of continuing inflation; now, therefore, be it

"Resolved by the Senate of Maryland, That the United States Senators and House Members of the Maryland delegation are requested to oppose vigorously these unfair additional financial burdens on the elderly poor of our State and Nation; and be it further

"Resolved, That copies of this Resolution be sent to the following members of Congress: Senators Charles McC. Mathias, Jr., and J. Glenn Beall, Jr., Senate Office Building, Washington, D.C. 20510; and Representatives Robert E. Bauman, Goodloe E. Byron, Gilbert Gude, Marjorie S. Holt, Clarence D. Long, Parren J. Mitchell, Paul Sarbanes, and Gladys Spellman, House Office Building, Washington, D.C. 20510."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUDDLESTON, from the Committee on Agriculture and Forestry, with amendments:

S. Res. 122. A resolution expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country (Rept. No. 94–135).

By Mr. HARTKE, from the Committee on Commerce, without amendment:

S. 1462. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes (Rept. No. 94–136).

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 5899. An Act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 94–137).

HOUSE BILL REFERRED

The bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel, was read twice by its title, and referred to the Committee on Commerce.

S. 1632—ORDER FOR STAR PRINT

Mr. MOSS. Mr. President, I ask unanimous consent that there be ordered a star print of the bill (S. 1632) to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles, which I introduced for myself and Senator HUMPHREY on May 5. Through an inadvertence, the last page of the bill was left out.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 1731. A bill for the relief of Mamerto C. Comia. Referred to the Committee on the Judiciary.

S. 1732. A bill for the relief of James Torgboy Saye. Referred to the Committee on the Judiciary.

By Mr. TALMADGE (by request):

S. 1733. A bill to amend the Farm Credit Act of 1971 to enlarge the access of production credit associations to Federal district courts. Referred to the Committee on Agriculture and Forestry.

By Mr. PROXMIRE:

S. 1734. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer variable interest rates mortgages unless authorized by law. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PEARSON:

S. 1735. A bill to require the Budget and the reports of the Congressional Budget Committees to contain information and data on the impact of Federal borrowing. Referred to the Committee on Government Operations.

By Mr. McINTYRE:

S. 1736. A bill to incorporate the National Ski Patrol System, Incorporated. Referred to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. KENNEDY):

S. 1737. A bill to amend the Public Health Service Act to encourage the establishment of uniform standards for licensing and regulation of clinical laboratories, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BUCKLEY:

S. 1738. A bill to authorize the Secretary of the Navy to transfer ownership of two naval vessels no longer needed by the Navy to the city of New York, N.Y. Referred to the Committee on Armed Services.

S. 1739. A bill to authorize the Secretary of the Interior to establish a National Law Enforcement Heroes Memorial within the District of Columbia, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1740. A bill to reestablish and extend the program whereby payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments. Referred to the Committee on Government Operations.

By Mr. McGOVERN:

S. 1741. A bill for the relief of Photios N. and Panagiota Tsiakalos. Referred to the Committee on the Judiciary.

By Mr. BROOKE (for himself and Mr. METCALF):

S. 1742. A bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain practices which encourage additional use of electricity and natural gas. Referred to the Committee on Commerce.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1743. A bill to provide improved safety and health standards for railroad employees, and for other purposes. Referred to the Committee on Labor and Public Welfare and the Committee on Commerce, jointly, by unanimous consent.

By Mr. MOSS (for himself, Mr. PHILIP A. HART, Mr. MAGNUSON, and Mr. MANSFIELD):

S. 1744. A bill to regulate commerce by discouraging the needless depletion of natural resources through programs and incentives for recycling and conservation, and for other purposes. Referred to the Committee on Commerce.

By Mr. McGOVERN (for himself and Mr. MATHIAS):

S. 1745. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in Defense contracts and facilities which are undertaken to realign Defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups. Referred, by unanimous consent, jointly, to the Committee on Armed Services, the Committee on Banking, Housing and Urban Affairs, the Committee on Government Operations, the Committee on Finance, and the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE (by request):

S. 1733. A bill to amend the Farm Credit Act of 1971 to enlarge the access of production credit associations to Federal district courts. Referred to the Committee on Agriculture and Forestry.

Mr. TALMADGE. Mr. President, at the request of the Farm Credit Administration, I am today introducing a bill to amend the Farm Credit Act of 1971. The bill would eliminate any restrictions on production credit associations to sue and be sued in Federal district courts.

I ask unanimous consent that the letter from the Governor of the Farm Credit Administration explaining the need for that legislation be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FARM CREDIT ADMINISTRATION,
Washington, D.C., May 9, 1975.
Chairman, Senate Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN TALMADGE: The Federal Farm Credit Board, this Agency's top policy-making body, has endorsed the proposal that would enlarge the access of production credit associations to Federal district courts. This proposal in bill form is enclosed. It would delete from current law those provisions which now preclude the Federal district courts from entertaining actions by or against production credit associations on the same footing as for other petitioners.

There are 432 production credit associations throughout the United States which make loans to farmers, ranchers, and producers and harvesters of aquatic products. The Farm Credit Act of 1933, under which the production credit associations were established, restricted their access to the Federal district courts. The argument against access was based on the remoteness of the Federal courts to farmers. Consequently, it was thought to be more satisfactory to have the resolution of PCA matters in State courts. The Farm Credit Act of 1971, under which PCAs now operate, similarly restricts PCA access to the Federal district courts except in limited circumstances.

This proposal would simply amend the Farm Credit Act of 1971 to eliminate any restrictions on production credit associations to sue and be sued in Federal district courts. Then, all Farm Credit institutions—Federal land banks, Federal land bank associations, Federal intermediate credit banks, banks for cooperatives, and production credit associations—will have the same access to the Federal district court system.

NEED

The Farm Credit Act of 1971 contains, among several new authorities, one which allows production credit associations to make loans to producers and harvesters of aquatic products. In making such loans, production credit associations frequently find it prudent and desirable to take liens on fishing boats. These liens are called "preferred ship mortgages." The Maritime laws of the United States, however, place exclusive jurisdiction of the foreclosure of preferred ship mortgages in the Federal district courts.

One of the factors on which all PCA loan decisions are made involves collateral. The collateral needs are usually dictated by the strengths and weaknesses of other credit factors. The collateral taken must reasonably protect the lender, provide the necessary control of equity and repayment, and leave the borrower in a position to constructively manage his business. Under present circumstances, the difficulty in enforcing a lien of a preferred ship mortgage, if that becomes necessary, is an impediment to financing fishermen.

EFFECT ON PRODUCTION CREDIT ASSOCIATIONS

The amendment of the Farm Credit Act to permit production credit associations access to the Federal district courts will provide a mechanism by which the associations themselves can enforce a lien on ships if the need arises.

The adoption of the proposal will also give PCAs the same access to the Federal district courts as is enjoyed by private citizens, corporations, and other legal entities.

EFFECT ON BORROWERS

The ability of a production credit association to take an enforceable lien on a fishing vessel, just as it now can on a farmer's property, equipment, or livestock, will make credit service more readily available to producers and harvesters of aquatic products.

EFFECT ON OTHERS

The proposal, if enacted into law, will permit persons and other entities to pursue their claims against production credit associations in Federal district courts, if jurisdictional elements are present, the same as if the defendant were not the PCA.

Access to Federal district courts would result in little, if any, additional costs to PCAs. Improved transportation and communications permit ready access to Federal district courts by everyone and, therefore, the proposal should not result in significant increased costs to litigating parties.

The proposal has the endorsement of Federal intermediate credit banks and production credit associations involved in loans to producers and harvesters of aquatic products. No known opposition to the proposal exists and none is expected.

The Farm Credit Administration is authorized by the Farm Credit Act of 1971 to recommend legislative changes in the Act directly to Congress. Therefore, it has not been necessary to submit this proposal to the Office of Management and Budget for clearance.

Sincerely,

W. M. HARDING,
Governor.

By Mr. PROXMIRE:

S. 1734. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer variable interest rates mortgages unless authorized by law. Referred to the Committee on Banking, Housing and Urban Affairs.

VARIABLE RATE MORTGAGES

Mr. PROXMIRE. Mr. President, I introduce for appropriate referral a bill to prohibit the Federal Home Loan Bank Board to permit Federal savings and loan associations to offer variable rate mortgages unless specifically authorized by the Congress. The need for this legislation has been prompted by proposed regulations published by the Bank Board last February which would permit Federal savings and loan associations to offer variable rate mortgages. The Board has indicated it plans to go ahead with these regulations unless it receives a strong signal of disapproval from Congress.

Last Thursday the House of Representatives by a vote of 291 to 104 approved a bill similar to the one I am introducing today. Since the House of Representatives has expressed itself so decisively on this issue. I would think the Bank Board would rescind its proposed regulations on variable rate mortgages. Nonetheless, I believe the issue also deserves consideration by the Senate Committee on Banking, Housing and Urban Affairs and the full Senate. For that reason, I am introducing a companion bill to prohibit the Board's regulations from taking effect unless and until authorized by the Congress.

Mr. President, following the publication of the Board's regulations on variable rate mortgages, the Senate Committee on Banking, Housing and Urban Affairs held 4 days of hearings on the Board's regulations—April 14 through April 17. These hearings revealed that there is considerable opposition to the concept of variable rate mortgages on the part of consumer organizations, labor unions, and academic experts. The arguments against the variable rate mortgage concept raised by these witnesses include the following:

First, variable rate mortgages transfer the cost of an anticipated increase in interest rates from the lender to the borrower. Such an arrangement might be justified if both parties had an equal knowledge of financial markets and an equal ability to adjust to inflationary developments. However, this is not the case in the home mortgage business. The average person buys a home only once or twice in his lifetime and is in no position to judge whether he is being charged a fair rate, given the additional risk he would assume on a variable rate mortgage. Moreover, the average family would have greater difficulty in adjusting to higher mortgage payments compared to a large financial institution which has a range of options for increasing its income during a period of rising interest rates.

Second, variable rate mortgages will tend to restrict homeownership opportunities to upwardly mobile borrowers who would be in a better position to afford an increase in monthly payments. Those families whose incomes are relatively fixed would find it difficult to obtain a mortgage loan under the variable rate mortgage proposal. These tend to be working class, middle-income families, many of whom have already been priced out of the housing market.

Third, the variable rate mortgage proposal could exacerbate the upward shift in interest rates during a period of tight money. This would come about if thrift institutions bid more aggressively for funds with the knowledge that they could pass the higher cost of money on to their existing mortgage holders. This increased ability of thrift institutions to bid for funds would drive up interest rates in all financial markets. However, because homebuyers are unable to compete for credit with large corporations or the Federal government, the housing sector of the economy would still wind up with about the same share of the existing credit resources. In the final analysis, variable rate mortgages are simply a device for redistributing income from the debtor class to the creditor class.

Even if these inherent difficulties in the variable rate mortgage concept could be overcome, the hearings by the Senate Banking Committee also indicated that the consumer safeguards included in the Bank Board's proposed regulations contained a number of serious deficencies. For example, the lender was given the option of selecting the index to be used in determining changes in the interest rate; lenders were not required to offer buyers a clear and meaningful option between a fixed rate mortgage and variable rate mortgage; escalation of the interest rate was permitted during the first 3 years of the mortgage contract, in direct violation of the law in the State of Wisconsin and perhaps other States; and the lender was permitted under certain circumstances to increase the interest rate on the loan by as much as 2½ percentage points at one time. If exercised, this would result in an increase in monthly payments on a typical loan by as much as $55.

In response to some of the criticisms raised against variable rate mortgages during the hearings held by the Senate and House banking committees, the Bank Board has recently indicated its intention to revise and strengthen the consumer safeguards contained in the proposed regulations. I commend the Bank Board for moving in a direction to protect the borrower against some of the hazards involved in the use of variable rate mortgages. However, I believe the question of variable rate mortgages is so important that any decision on the use of these mortgages and appropriate safeguards should be left to the Congress and not to the Home loan Bank Board. In that connection, I might point out that one of the industry witnesses testifying in favor of the Board's regulations on variable rate mortgages freely acknowledged that the limited safeguards contained in the Board's proposal were really "political" and were put in in order to convince the Congress and other critics that variable rate mortgages were in the public interest. Given this perspective on the part of the savings and loan industry, it is safe to predict that if the Board's regulations go into effect, the Board will be under substantial pressure within a year or two to weaken the consumer safeguards contained in the Board's original regulation.

If the Congress does ultimately conclude that variable rate mortgages serve a useful purpose—I might add that I have severe doubts that they do—then I feel strongly that the terms and conditions of variable rate mortgages, together with the consumer safeguards, should have a statutory base rather than a regulatory base. I have no reason to believe that the present members of the Home Loan Bank Board are not doing an effective job in regulating the savings and loan industry. Notwithstanding this record, I do not believe the Board should be delegated the sweeping power to determine all of the terms and conditions of a mortgage loan contract or to protect borrowers from unfair contractual provisions. These responsibilities belong to the Congress and should not be delegated to a regulatory body whose perspective and view is inevitably associated with the industry it regulates.

For these reasons, Mr. President, I support legislation to prohibit the Board's regulations on variable rate mortgages from taking effect. This prohibition, if enacted into law, will give Congress further opportunity to study and investigate all of the advantages and disadvantages of variable rate mortgages. It is conceivable that an appropriate statute can be devised with adequate consumer protections built in. I would not want to make a final judgment that the variable rate proposal should never under any circumstances be implemented. Nonetheless, enough concern has been raised about the Bank Board's proposed regulations that I believe the best course of action for the Congress to take is to prohibit any action by the Board pending further study by the Congress.

By Mr. PEARSON:

S. 1735. A bill to require the Budget and the reports of the Congressional Budget Committees to contain information and data on the impact of Federal borrowing. Referred to the Committee no Government Operations.

THE FEDERAL BORROWING IMPACT ACT OF 1975

Mr. PEARSON. Mr. President, I am today introducing legislation which would require both the administration and Congress to provdie estimates regarding the potential impact of budget deficits on financial markets. Such an analysis of the budget impact is long overdue and would constitute an invaluable tool to economic policymakers to aid them in determining how much pressure budget deficits put on the marketplace. While special analysis E of the 1976 budget addresses the impact that the Federal Government has on financial markets, it does so only in retrospect, citing past trends, without making relevant projections about the future. My proposal would eliminate this deficiency and would result in authoritative predictions which could be instrumental in resolving the current debate over the impact of the budget on financial markets.

Mr. President, the United States is presently in the grip of the most sustained and serious economic slump since the Great Depression. To combat this deteriorating situation, the administration, heeding the advice of most leading economists, submitted an ambitious budget proposal to Congress designed to provide an economic stimulus to the economy. It is now projected that the Federal Government may spend some $332 billion in fiscal year 1975 and more than $356 billion in fiscal year 1976. Federal expenditures will far outpace receipts; and it is expected that the Federal Government could wind up with a $40 to $50 billion deficit for the current fiscal year, and perhaps as high as a $70 billion deficit in fiscal year 1976.

In a normal recessionary period, the impact of government borrowing on private markets is not so keenly felt because credit demand by private borrowers is reduced. However, in the first months of 1975, corporate borrowing has climbed to record levels, fueled by optimistic economic projections, a falling inflation rate, and declining interest rates. The impact of government borrowing becomes a prominent factor in corporate attempts to seek financing for such endeavors as plant construction, production of consumer goods, and housing.

The Government will be in direct competition for available capital with private borrowers, creating what Henry Kaufman, economist and general partner of Salomon Bros., have called a "vicious struggle for funds between private borrowers and the Government." This competition between the Government and the private sector for the investment dollar will inevitably be decided in the Government's favor. Investors turn to Government securities because of their guaranteed income and negligible risk factor. Less credit-worthy borrowers are, therefore, "crowded out" of the investment and credit markets. If they are unable to receive adequate financing, continued economic recovery could be stifled. Additionally, Government demand for private capital could lead to higher interest rates, less credit availability, and a new round of inflation.

The crowding out argument, it should be noted, does not take into account the positive impact of the Federal deficits. The funds borrowed by the Government often go into programs designed to stimulate the economy, such as unemployment compensation, public works projects, defense spending, and housing construction. These funds are also used to assist smaller corporate concerns who have been crowded out of the capital markets because of their low credit ratings.

But to the extent that Government borrowing could impact adversely on major private borrowers which are normally considered excellent investment opportunities, crowding out becomes a significant and possibly crippling obstacle on the road to economic recovery. Many small- and medium-sized firms, already threatened by the recession, could be crowded out.

Up to now, little attention has been focused on the crowding out argument. Previously both Government experts and their counterparts in the private sector felt that normal market demand could absorb the impact of increased Federal borrowing. But with rising deficits and increasing demand for credit in the private sector, many experts are beginning to take a closer look at this aspect of Federal fiscal policy. Some observers believe considerable crowding out is already taking place.

During his January 23, 1975, statement before the House Ways and Means Committee, Secretary of the Treasury William Simon stated that—

> The deficits anticipated by the President's program will cause some strains in the market.

Simon added:

> In the event that the Congress is unwilling to accept the strong discipline the President is trying to impose upon Federal spending, the higher deficits that will result will certainly threaten the private capital markets with intolerable burden. We could quickly clog up those markets and create genuine havoc in the nation's financial system.

At the time Simon testified, the deficit was anticipated to be in the range of $25 billion, but since that time the projected deficit has increased almost threefold according to best estimates.

It is important that both the Government and the private sector begin to focus more attention on this problem. What is needed is an institutional approach, through the creation of a permanent mechanism which will require that Congress and the excecutive branch address on a continuing basis the impact of Federal deficits on the economy.

Approval of the Budget and Impoundment Control Act of 1974 constituted a major step in this direction by forcing attention on the need to determine Federal spending programs on a more orderly basis. However, no specific mention of the impact of Federal borrowing and credit programs on the economy is made in this act. The bill I have proposed meets this need by requiring the President, with the submission of his proposed budget, to report on the following:

First. The impact of Federal borrowing on overall private capital markets, as well as specified markets; that is, short-term, long-term, et cetera;

Second. The amount of credit which will be provided by direct and indirect Federal lending; that is, loan guarantees, and its relationship to credit available throughout the economy;

Third. The amount of borrowing to be undertaken by Government which is not included in the budget and the extent to which such credit will generate credit throughout the economy; and

Fourth. The flow of Federal credit to particular sectors of the economy such as housing, agriculture, small business, education, transportation, or energy research.

In addition to the responsibility of the executive branch in this regard, the bill would place the same requirements on the House and Senate Budget Committees. Their projections would be submitted in the reports which accompany budget resolutions containing proposed spending ceilings for the subsequent fiscal year. It is probable that if differences between executive and legislative spending priorities existed, the calculations of Federal debt and credit would also differ. This, nevertheless, would have a positive effect insofar as Members of Congress and the public would have a better understanding of the impact of each alternative on the overall economy.

In short, Government expenditures, regulations, and tax policies have a direct impact on capital formation, and will either reinforce or frustrate the ability of the private sector to raise the money it needs to sustain and generate economic activity. A high rate of capital formation is necessary in any industrial economy to underwrite expanding productivity and the growth of real per capita income. Low rates of capital growth, by contrast, result in a static or declining standard of living and sluggish economic growth.

In this connection, the New York Stock Exchange has estimated that between now and 1985, there will be an estimated $650 billion shortfall in the amount of capital needed by private enterprise and the amount actually raised. Such a shortfall could severely retard the future performance of the economy and have far-reaching social ramifications in this country. The difficulties associated with capital formation in the years ahead cannot be exaggerated; it is for this reason that we must have a clear understanding of what the projected impact of the financing of the Federal deficit will be.

Mr. President, for the first time, Congress has set a ceiling on the amount it intends to appropriate in the upcoming year. With the passage of House Concurrent Resolution 218, the Congress has taken a significant step in rationalizing its budget machinery. The bill I am introducing today would carry this process one step further. In a society which has allowed more and more government intervention in the private marketplace, it is essential that more emphasis be placed on determining how this intervention affects the economy.

Mr. President, I ask unanimous consent that the text of the Federal Borrowing Impact Act of 1975 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Federal Borrowing Impact Act of 1975".

SEC. 2. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by adding at the end thereof, the following new subsection:

"(j) The Budget transmitted, pursuant to subsection (a) of this section, for each fiscal year, beginning with the fiscal year commencing October 1, 1977, shall contain a description, analysis, and evaluation of—

"(1) the impact of Federal borrowing on the pool of funds, which will be available for borrowing by all interested persons and governments;

"(2) the impact of Federal borrowing on particular markets, including but not limited to, short-term money markets, long-term capital markets, bond markets, equity markets, and commercial bank loans;

"(3) the amount of credit which will be provided by direct Federal lending under loan programs and indirect Federal lending under loan and obligation guarantee programs, and insurance programs, and the relationship between such credit and all credit;

"(4) the amount of borrowing by, and on behalf of departments, agencies, instrumentalities, corporations, and establishments of the Federal Government which amounts are not included in the Budget, and the extent to which the programs of these departments and establishments will provide or generate credit for other sectors of the economy; and

"(5) the flow of all Federal credit, regardless of form, to particular sectors of the economy, including but not limited to housing, small business, education, agriculture, transportation, and energy research."

SEC. 3. Section 301 of the Congressional Budget Act of 1974 (31 U.S.C. 1322) is amended by adding at the end thereof the following new subsection:

"(e) IMPACT OF BORROWING.—The report required by subsection (d) shall also include an analysis and explanation of—

"(1) the impact of Federal borrowing on the pool of funds, which will be available for borrowing by all interested persons and governments;

"(2) the impact of Federal borrowing on particular markets, including but not limited to, short-term money markets, long-term capital markets, bond markets, equity markets, and commercial bank loans;

"(3) the amount of credit which will be provided by direct Federal lending under loan programs and indirect Federal lending under loan and obligation guarantee programs, and insurance programs, and the relationship between such credit and all credit;

"(4) the amount of borrowing by, and on behalf of, departments, agencies, instrumentalities, corporations, and establishments of the Federal Government which amounts are not included in the Budget, and the extent to which of the programs of these departments and establishments will provide or generate credit for other sectors of the economy; and

"(5) the flow of all Federal credit, regardless of form, to particular sectors of the economy, including but not limited to housing, small business, education, agriculture, transportation, and energy research."

By Mr. JAVITS (for himself and Mr. KENNEDY):

S. 1737. A bill to amend the Public Health Service Act to encourage the establishment of uniform standards for licensing and regulation of clinical laboratories, and for other purposes. Referred to the Committee on Labor and Public Welfare.

CLINICAL LABORATORIES IMPROVEMENT ACT OF 1975

Mr. JAVITS. Mr. President, laboratory testing is occupying an increasingly important place in both diagnostic and preventive medicine. In 1972, the most recent year for which statistics are available, an estimated 3 billion laboratory procedures were performed at an annual cost of $8 billion for laboratory services.

Unfortunately, there is mounting evidence indicating that the quality of laboratory testing is inadequate. I ask unanimous consent that a series of six articles in the Newark Star-Ledger about poor lab conditions, and a Washington Post Potomac magazine article about laboratory testing which offered cause for concern be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, I authored the Clinical Laboratories Improvement Act of 1967, with then Senator MURPHY of California. Today I am introducing with Senator KENNEDY the Clinical Laboratories Improvement Act of 1975 (S. 1737). Our bill would extend the act's coverage to approximately 11,700 independent and hospital laboratories which now operate free of Federal regulation, because too few States have enacted meaningful laboratory legislation. In addition many thousands of physicians perform laboratory services in their offices for their patients. As a result of this vacuum, all these laboratories perform testing services without having to fulfill quality assurance prerequisites, which causes the disturbing findings I have inserted in the RECORD.

In 1967, Senator Murphy and I reintroduced the Clinical Laboratories Improvement Act which was enacted into law, Public Law 90-174. I stated in my individual views of Senate report 974:

> Today adequate medical care is impossible without adequate and efficient laboratories providing information for the diagnosis and treatment of disease and the assessment of the patient's medical condition. Repeated investigations and studies show that an important proportion of clinical laboratories are substandard and have uncovered instance after instance of incorrect diagnosis which have resulted in unnecessary hospitalization, unneeded operations, inappropriate treatment, injury, or even death.

This statement remains as true today as it was in 1967.

Studies indicate that unsatisfactory performance is demonstrated by 10 to 40 percent of laboratories in bacteriological testing; by 30 to 50 percent in various simple clinical chemistry tests; by 12 to 18 percent in blood grouping and typing; by 20 to 30 percent in hemoglobin measurements; and by 20 to 30 percent in measurement of serum electrolytes. This information indicates that erroneous results are obtained in more than 25 percent of all tests analyzed by these studies. These results have been derived from performance evaluation programs where the laboratories know they are being tested, and thus may represent the best which the laboratories can do, according to the Center for Disease Control. Furthermore, one study indicated that in microbiology, 7.6 percent of the interstate laboratory determinations were incorrect, while 16.5 percent of the determinations by other large laboratories were incorrect.

Yet only the interstate laboratories are now regulated by the Clinical Laboratories Improvement Act—CLIA.

An article in the January 1973 Changing Times magazine has pointed out what this could mean in human terms. One study showed that a screening procedure for a type of female cancer either overlooked suspicious cells or wrongly reported malignancy about 30 percent of the time. In another instance, a private laboratory failed to recognize in a pregnant woman an Rh blood factor that could react with the blood of the unborn child and result in delayed therapy which would cause neurological impairment or death. I ask unanimous consent that the Changing Times article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JAVITS. Mr. President, the Department of Health, Education, and Welfare is involved directly in many aspects of standard setting through its licensure of interstate laboratories, its authorization of reimbursement for medicare and medicaid benefits and its support of manpower accreditation studies. In addition HEW's Food and Drug Administration has wide powers for regulations and enforcement of standards for clinical materials, and also regulates blood banks.

Yet, there is not one coordinating body in HEW to deal with this large problem.

There are also State programs and voluntary associations involved in laboratory regulation. A 1971 survey showed that 66 percent of all laboratories received some form of approval, but few of the programs involved are comparable to that set up under CLIA. For example, only 14 States presently have laboratory licensing programs. Hospital laboratory regulation is generally left to the Joint Commission on the Accreditation of Hospitals, which examines hospitals generally, but pays little specific attention to their laboratories in particular.

Perhaps the most serious problem is that of overlapping programs. The Department of Health, Education, and Welfare is certainly aware of this problem. To quote from an HEW internal memorandum:

> Today, DHEW has two separately administered, but overlapping, programs for enforcing standards in clinical laboratories. Under Medicare, approximately 3,000 independent and 7,000 hospital based laboratories are certified annually for program participation. Under the Clinical Laboratories Improvement Act of 1967 (CLIA), CDC certifies annually 259 hospital based and 601 independent laboratories which engage in interstate commerce. Virtually all the laboratories licensed by CDC also participate in the Medicare program . . . SSA and CDC administer their survey/certification programs in different ways . . . Not only are standards enforced by different organizations under the Medicare and CDC programs, but also the standards themselves are not identical . . .

Mr. President, I pledged in my previously cited individual views:

> To continue * * * strong interest in clinical laboratory safety * * * review * * * to ascertain * * * the necessity, if any, for further corrective measures.

Certainly, corrective measures are clearly indicated.

To achieve that goal the major provisions of the bill provide:

First. Licensure and establishment of quality standards for all laboratories. Those in hospitals and the laboratory services physicians provide in their offices are included. However, in recognition of the administrative inspection difficulties that may insure—by including the thousands and thousands of individual physician office laboratories—the Secretary may exempt the physican office lab—to such extent and upon such conditions necessary to insure the public health. Although the bill assures that where medicare reimbursement is dealing with such laboratories, the medicare regulations will continue to apply.

Second. Delegation of licensure authority to the States, providing the Secretary of Health, Education, and Welfare determines the State standards meet or exceed the Federal standards. In essence the standards are those elements that eminent laboratory authorities agree result in quality laboratory performance—employment of qualified personnel, maintenance of internal quality control, participation in a proficiency testing program and maintenance of proper laboratory management procedures.

States are encouraged to establish regulatory programs that are equivalent to the program formulated by HEW through cooperative funding—75 percent of cost grants—and the provision of technical advice.

Third. Centralized Federal laboratory activity within a single HEW agency, the Office of Clinical Laboratories. This would consolidate the present fragmentary and duplicative approach to laboratory regulation which results in an unfair burden on clinical laboratory operation. Until now, as previously indicated in the HEW memorandum, three different Federal agencies have had jurisdiction over laboratories.

The office's location—whether in BQA—Bureau of Quality Assurance—or CDC—Center for Disease Control—within HEW is not defined in the bill. However, I believe the hearing record will provide the evidence required for that decision.

An interesting memorandum which the Undersecretary of Health, Education, and Welfare sent to then Senator Bennett in 1973—describing the Bureau of Quality Assurance—provides an interesting insight into how this might be achieved.

The memorandum states:

> I would want to emphasize that the Bureau of Quality Assurance has a number of additional responsibilities other than the PSRO effort, including standard-setting activities as they relate to chronic disease, such as the kidney disease program. As you are well aware, there long has been a need to bring together the Department's efforts in standard-setting, utilization review, and medical care review now being carried out in SSA, SRS, and H. The creation of the Bureau of Quality Assurance will allow this important amalgamation to occur.

Certainly, CDC should be closely involved for it has taken a leadership role and has substantial technical expertise for validation of State programs.

Fourth. An Advisory Council is established, composed of appropriate interested entities and the public. This insures that the States and the Federal Government work together in formulating laboratory programs and policy.

Fifth. The definition of laboratory is broadened to include facilities for collection, processing, and transmission of specimens. This gets at the problem of the need for standards in blood collection activities.

Sixth. The standard-setting function of HEW includes a review of all appropriate personnel directly engaged in the lab testing, not limited as in existing law to merely the supervisory personnel. Model certification procedures are also authorized to be established for technical laboratory personnel.

Seventh. The Secretary is prohibited from making any grants, under other legislative authorities, to any entity or facility which has a laboratory that does not meet the standards established hereunder. And he is authorized to enjoin any laboratory from an activity that would constitute a "significant" hazard to public health, rather than "imminent," as required in existing law.

Mr. President, this measure would provide the American people with protection from the shocking and tragic practices of inaccurate and unreliable lab tests by unregulated clinical laboratories. At the same time it would encourage cooperation and coordination between and among State programs and the states and the Federal Government. Thus, unnecessarily expensive, duplicate and repetitive laboratory enforcement by several States and the Federal Government would not occur. Waste and overlap are discouraged by encouraging States to implement laboratory programs based upon the Federal model.

We are dealing with the health and lives of millions of Americans. I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Clinical Laboratories Improvement Act of 1975".

DECLARATION OF FINDINGS

Sec. 2. The Congress finds that—

(1) clinical laboratory testing is a vital element of health care throughout the Nation;

(2) health care in this Nation will only be effective and of high quality if procedures utilized for testing by clinical laboratories assure accurate and reliable results;

(3) it is essential in the public interest that the health and welfare of consumers of health care be protected by requiring that all clinical laboratories comply with uniform standards of performance which assure such accuracy and reliability;

(4) testing in clinical laboratories which is inaccurate and unreliable impairs the effective regulation of those laboratories which operate interstate is injurious to the public health and welfare, destroys markets for testing in laboratories which is accurate and reliable and results in losses to those who operate clinical laboratories and to health care providers and impairs the provision of safe and high quality health care to consumers;

(5) testing in laboratories which do not comply with standards to assure accuracy and reliability can be performed at less expense and thus are able to compete unfairly with the laboratories which do comply with such standards to the detriment of consumers of health care and public generally;

(6) requiring compliance with standards to assure accuracy and liability by laboratories which operate interstate without provision for requiring such compliance by other laboratories would discriminate against and depress interstate commerce and adversely burden, obstruct, and affect such interstate commerce; and

(7) all clinical laboratory testing is either in interstate commerce or substantially affects such commerce and regulation by the Secretary in cooperation with the States as contemplated by this Act are appropriate to prevent and eliminate burdens upon interstate commerce, and to effectively regulate health and welfare of consumers of health care.

Sec. 3. Section 353 of the Public Health Service Act (42 U.S.C. 263a) is amended to read as follows:

"LICENSING OF LABORATORIES

"Sec. 353. (a) Definitions.—As used in this section—

"(1) the term 'laboratory' or 'clinical laboratory' means a facility for the biological, microbiological, serological, chemical, immuno-hematological, hematological, biophysical, cytological, pathological, or other examination of materials derived from the human body, for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, man, or a facility for the collection, processing, and transmission of such materials for such purposes.

"(2) the term 'interstate commerce' means trade, traffic, commerce, transportation, transmission, or communication between any State or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia, and any place outside thereof, or within the District of Columbia.

"(b) Prohibited Acts.—

"(1) No person may solicit or accept, directly or indirectly, any specimen for laboratory examination or other laboratory procedures or otherwise operate a clinical laboratory in any State unless there is in effect a license (applicable to such procedures or operations) for such laboratory issued—

"(A) in the case of any laboratory soliciting or accepting any such specimen in interstate commerce, by the Secretary; or

"(B) in the case of any laboratory located within a State which has been designated by the Secretary pursuant to subsection (o) hereof, by an appropriate officer of that State; or

"(C) in the case of any laboratory located in a State which has not been designated by the Secretary pursuant to subsection (o), by the Secretary until such date as the Secretary so designates such State.

"(2) If the Secretary, upon the recommendation of the Advisory Council, determines that a State program contains and enforces requirements relating to laboratory licensing and performance standards which are more stringent than the standards set forth in regulations issued by the Secretary under this section, a laboratory licensed under (1) (A) of this subsection (b) shall meet those additional requirements of such State program which the Secretary determines the State has appropriately imposed.

"(c) (1) Licenses Issued by the Secretary.—The Secretary is authorized to issue licenses under this section applicable to all laboratory procedures or only to specified laboratory procedures or categories of laboratory procedures.

"(2) A license issued by the Secretary under this section shall be valid for a period of one year, or such shorter period as the Secretary may establish for any clinical laboratory or any class or classes thereof, and may be renewed in such manner as the Secretary may prescribe.

"(3) The Secretary may require payment of reasonable fees for the issuance and renewal of licenses, but the amount of such fee shall not exceed ——— dollars per annum.

"(d) Application Requirement.—A license shall not be issued by the Secretary in the case of any clinical laboratory unless—

"(1) the application therefor contains or is accompanied by such information as the Secretary finds necessary, and

"(2) the Secretary determines that such laboratory will be operated in accordance with the standards delineated in subsection (e) and such other standards as the Secretary (after consultation with the Advisory Council established under subsection (j)) promulgates to carry out the purposes of this section.

"(e) Standards—

"(1) Standards shall be designed to assure consistent performance by the laboratories of accurate laboratory procedures and services, and shall include, among others, standards to assure—

"(A) maintenance of an internal quality control program adequate and appropriate for accuracy of the laboratory procedures and services;

"(B) maintenance of records, equipment, and facilities necessary for proper and effective operation of the laboratory;

"(C) qualifications of the director of the laboratory, and other supervisory and technical personnel, and any other personnel to the extent deemed necessary for adequate and effective operation of the laboratory with respect to the accuracy and reliability of testing performance (which qualifications shall include criteria relating to (i) the extent to which training and experience may be substituted for formal education, and (ii) evidence of continued competency); and

"(D) participation in a proficiency testing program and on-site inspection program acceptable to the Secretary.

"(2) Such other standards shall be designed to assure consistent performance by facilities limited in function to the collection, processing and transmission of materials derived from the human body, as referred to in subsection (a).

"(f) Revocation, Suspension, or Limitation.—A laboratory license issued by the Secretary may be revoked, suspended, or limited if the Secretary finds, after reasonable notice and opportunity for hearing to the owner or operator of the laboratory, that such owner or operator or any employee of the laboratory—

"(1) has been guilty of misrepresentation in obtaining a license;

"(2) has engaged or attempted to engage or represented himself as entitled to perform any laboratory procedure or category of procedures not authorized by the license;

"(3) has failed to comply with the standards with respect to laboratories and laboratory personnel prescribed by the Secretary pursuant to this section;

"(4) has failed to comply with reasonable requests of the Secretary for any information or materials, or work on materials, the Secretary deems necessary to determine the laboratory's continued eligibility for its license hereunder or continued compliance with the Secretary's standards hereunder;

"(5) has refused a request from the Secretary or any Federal officer or employee duly designated by the Secretary for permission to inspect the laboratory and its operations and pertinent records at any reasonable time; or

"(6) has violated or aided and abetted any violation of any provision of this section or of any rule or regulation promulgated hereunder.

"(g) SIGNIFICANT HAZARD TO PUBLIC HEALTH.—Whenever the Secretary has reason to believe that continuation of any activity by a laboratory licensed under this section would constitute a significant hazard to the public health, he may bring suit in the district court for the district in which such laboratory is situated to enjoin continuation of such activity and upon proper showing, a temporary injunction or restraining order against continuation of such activity pending issuance of a final order under this section shall be granted without bond by such court.

"(h) JUDICIAL REVIEW.—(1) Any party aggrieved by any final action taken under subsection (f) of this section may at any time within 60 days after the date of such action file a petition with the United States Court of Appeals for the circuit wherein such person resides or has his principal place of business, for judicial review of such action. A copy of the petition shall forthwith be transmitted by the Clerk of the Court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the Court the record on which the action of the Secretary is based, as provided in section 2112 of title 28 of the United States Code.

"(2) If the petitioner applies to the Court for leave to adduce additional evidence, and shows to the satisfaction of the Court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the Court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary and to be adduced upon the hearing in such manner and upon such terms and conditions as the Court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, and his recommendations, if any, for the modification or setting aside of his original action, with the return of such additional evidence.

"(3) Upon the filing of a petition referred to in paragraph (1) of this subsection, the Court shall have jurisdiction to affirm the action, or to set it aside, in whole or in part, temporarily or permanently. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

"(4) The judgment of the Court affirming or setting aside, in whole or in part, any such action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

"(i) OFFICE OF CLINICAL LABORATORIES.—The Secretary shall establish within the Department of Health, Education, and Welfare an Office of Clinical Laboratories, the purposes of which shall be—

"(1) to centralize the regulatory functions authorized under this section and the laboratory certification and regulation functions presently administered under titles XVIII and XIX of the Social Security Act and under the Federal Food, Drug, and Cosmetic Act, and the Public Health Service Act, and

"(2) to assume responsibility for the laboratory component of other health programs administered and enforced by the Secretary.

The Office of Clinical Laboratories, after consultation with the Advisory Council established under subsection (j) shall establish, within 13 months after the date of enactment of this Act, a uniform set of testing, quality control, personnel, proficiency testing, and other necessary guidelines for clinical laboratories that will assure quality performance and otherwise serve the purposes of this section as well as the purposes of other programs within the Department of Health, Education, and Welfare. The Office of Clinical Laboratories shall report annually to the Congress through the Secretary concerning its activities under this section together with such findings and recommendations as it deems necessary.

"(j) (1) ADVISORY COUNCIL.—There is established in the Department of Health, Education, and Welfare an Advisory Council on Clinical Laboratories (hereinafter referred to as the 'Council'). The Council shall advise, consult with, and make recommendations to the Office of Clinical Laboratories with respect to—

"(A) the development of uniform guidelines relating to laboratory licensing and personnel and performance standards required by this title;

"(B) the implementation and administration of this title;

"(C) the implementation of standards concerning the internal operations of laboratories, including, but not exclusively, recommended methods for carrying out specified laboratory procedures, standards on laboratory kits, and standards with regard to chemical reagents; and

"(D) coordination between the different Federal and State laboratory regulatory programs, including the avoidance of duplicate enforcement. The Council may take appropriate action, if it so chooses for the purposes of revealing problems or developing its recommendations.

"(2) The Council shall be composed of individuals who, as a result of their training, experience, or attainments, are well qualified to assist in carrying out the functions of the Council. The membership shall include representatives of nationally recognized laboratory accrediting bodies, Directors of State laboratory licensing programs, and members of the public.

"(k) GRANT RESTRICTIONS.—No grant or reimbursement which the Secretary is authorized to make, or contract which he is authorized to award, whether to or for any health care facility, including but not limited to health maintenance organizations, hospitals, skilled nursing or intermediate care facilities, or in connection with the procurement and reimbursement for clinical laboratory services shall be entered into unless the laboratory meets the standards established hereunder by the Secretary.

"(l) (1) MODEL CERTIFICATION FOR TECHNICAL LABORATORY PERSONNEL.—The Secretary, in cooperation with apporpriate organizations, associations, and institutions, is authorized to develop a working model or a system of national (non-Federal) certification for technical laboratory personnel. Such certification system shall assure—

"(A) uniform certification standards at a level consistent with quality laboratory performance;

"(B) increased geographic and career mobility;

"(C) continued evaluation of the certification system; and

"(D) consistency with certification procedures developed in the Department of Health, Education, and Welfare.

"(2) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.

"(m) EXEMPTIONS.—The Secretary may by regulation exempt from the provisions of this section, to such extent and upon such conditions as he may prescribe to insure the public health, any clinical laboratory owned and operated by a licensed physician or osteopath, or group of such practitioners, who perform laboratory tests or procedures, personally or through their employees, solely as an adjunct to the treatment of their own patients. Any such regulation, promulgated under the preceding sentence, shall conform to regulations dealing with such laboratories promulgated under the Social Security Act.

"(n) COORDINATION OF FUNCTIONS.—In carrying out his functions under this section, the Secretary is authorized pursuant to agreement, to utilize the services or facilities of any Federal or State or local public or private non profit agency, organization or institution. The administration of regulatory functions authorized under this section shall be under the direction of and coordinated by the Office of Clinical Laboratories. The Secretary may pay for such services in advance or by way of reimbursement, and in such installments, as he may determine.

"(o) DELEGATION TO STATES.—(1) The Secretary, pursuant to subsection (b)(1)(B), may delegate his authority to issue licenses under this subsection to an appropriate health authority of each State—

"(A) which he determines has enacted a law and has adopted regulations applicable to clinical laboratories which laws and regulations meet or exceed the standards established under this section; and

"(B) which is enforcing the provisions of such laws and regulations with respect to all clinical laboratories within its jurisdiction in a manner which does not discriminate against any type or class of such laboratories.

"(2) The Secretary shall review and approve or disapprove the laws and regulations applicable to clinical laboratories of any State submitted to him and notify the Governor of such State of the results of his review within 180 days of such submission.

"(3) The Secretary shall approve the laws and regulations applicable to clinical laboratories of any State if he determines that such laws and regulations provide for licensing on the basis of standards and other regulatory requirements that impose standards of performance equal to or higher than that imposed by the requirements adopted by the Secretary pursuant to this section and if such State submits an administrative and enforcement plan which shall—

"(A) provide for the administration and enforcement within the State of such laws and regulations in a manner satisfactory to the Secretary;

"(B) designate a single agency in the State as the sole agency, for the administration and enforcement of such laws and regulations;

"(C) contain satisfactory evidence that the State agency designated in accordance with subparagraph (B) will have authority to administer and enforce such laws and regulations in an effective manner;

"(D) contain satisfactory assurances that in the case of any State which has an approved licensure program which exceeds the national standards, as determined by the Secretary under this section, such State shall provide that a laboratory shall be qualified for licensure in such State upon compliance with the additional requirements imposed by the licensure program of such State;

"(E) contain satisfactory assurances that the State coordinates inspections with other State laboratory programs and with the Federal laboratory program authorized by this section so as to avoid unnecessary duplication of enforcement expenditures.

"(F) contain satisfactory assurances that the State enters into reciprocal arrangements with other States and with the Federal government to minimize differences between laboratory programs and enforcement.

"(G) not contain any requirement for licensure to the effect that the individual applying for licensure reside in such State for a designated period of time prior to the issuance of such license;

"(H) contain satisfactory assurances that each State shall apply any requirements of a personnel licensure or certification program equally to all individuals who apply to be licensed or certified as laboratory personnel in such State, and that each State licesure or certification program shall have only one set of licensure requirements for each class of laboratory personnel;

"(I) provide that the State agency of each State notify the Secretary of any denial of licensure to any laboratory personnel;

"(J) contain any other information which the Secretary may find necessary for purposes of evaluating the adequacy of the State's laws and regulations and of its enforcement of such laws and regulations.

"(4) Whenever the Secretary determines, after reasonable notice and opportunity for hearing to the Governor of any State, that such State no longer meets the requirements of this subsection he shall terminate the authority delegated to such State. Such termination shall not preclude subsequent redeleation to any State which subsequently meets the requirements of this subsection.

"(5) (A) With respect to each State to which authority to issue licenses has been delegated under this subsection, the Secretary shall from time to time but not less often than annually conduct a review including onsite inspection of a random sample of laboratories to determine whether such State continues to meet the requirements of this subsection. In connection with such review, the State under review shall provide the Secretary with such information as he deems necessary to conduct the review.

"(B) The results of any review conducted under this paragraph shall be reported to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate.

"(p) Assistance to States For the Development and Administration of a Regulatory Program.—(1) The Secretary is authorized to provide technical assistance to any State agency designated in an administration and enforcement plan submitted pursuant to subsection (o) in developing and administering a program for the effective regulation of clinical laboratories, which assistance shall include—

"(A) assistance in planning and developing an adequate program for the regulation of clinical laboratories, including, proficiency testing;

"(B) assistance in the administration of such a program, and

"(C) assistance in training laboratory personnel (including the provision of instructional material and equipment).

"(2) (A) The Secretary is authorized to make grants to States to assist them in meeting the costs of existing programs and the development and administration of new programs for the regulation of clinical laboratories.

"(B) No grant may be made under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be submitted in such form and contain such information as the Secretary may reasonably require.

"(C) The amount of any grant made under this subsection shall be determined by the Secretary, but no such grant to any State may exceed 75 percent of such State's cost of administering and enforcing its program of regulation of clinical laboratories.

"(3) No technical or financial assistance under this subsection shall be provided to any State which has not developed an approved administrative plan pursuant to subsection (o).

"(4) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.

"(q) INSPECTION AUTHORITY.—(1) For purposes of enforcement of this section, officers, employees or agents designated by the Secretary upon presenting appropriate credentials to the owner, operator, or agent in charge are authorized—

"(A) to enter, at reasonable times, any clinical laboratory in any State; and

"(B) to inspect, at reasonable times and in a reasonable manner, such clinical laboratory and all pertinent equipment, materials, containers, records, files, papers, processes, controls, facilities, and all other things therein bearing on whether such clinical laboratory is being operated in compliance with this section and the regulations issued hereunder or otherwise bearing upon violation of this section.

"(2) No inspection authorized under this subsection shall extend to—

"(A) financial data,

"(B) sales data,

"(C) pricing data, and

"(D) personnel data (other than data as to qualifications of personnel performing functions subject to this section).

"(3) Upon completion of any such inspection and prior to leaving the premises, the officer, employee or agent making the inspection shall give to the owner, operator or agent in charge a report which summarizes any conditions or practices observed by him which, in his judgment, indicate a violation of this section. He shall also prepare a written report of his findings and send it to such owner, operator or agent within a reasonable time.

"(4) No officer, employee or agent designated by the Secretary to enter a laboratory and conduct and inspection pursuant to this subsection shall be required to obtain a search warrant from any judicial officer prior to entering any laboratory and conducting any inspection which is within the scope of this subsection.

"(r) VIOLATIONS AND PENALTIES.—Any person who willfully violates any provision of this section or any rule or regulation promulgated thereunder shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to imprisonment for not more than 1 year, or a fine of not more than $1,000, or both.

EXHIBIT 1

FAULTY ANALYSES CAN CAUSE DEATH; HOW ACCURATE ARE MEDICAL LAB TESTS?

(By Randy Young and Joan Whitlow)

The rapidly-growing science of clinical laboratory medicine is at times practiced in New Jersey by inept, inexperienced and unscrupulous operators who deliver with startling frequency faulty analyses that have resulted in numerous cases of improper medical treatment as well as patients' deaths.

The state's network of 325 registered laboratories—193 independent commercial labs, the remainder located within hospitals—is exposed to a patchwork collection of controls and regulations that provides no single government agency with the power to insure that lab facilities and their personnel are providing the public with quality medical service.

In many cases, there is a complete absence of controls.

Other than laboratory directors, for example, personnel from supervisors on down are unlicensed and unregulated by the state. And while commercial labs participating in the federal Medicare program must submit to state inspections and performance testing, there is no mandatory surveillance effort for all laboratories.

According to Dr. Martin Goldfield, assistant state health commissioner for laboratories and epidemiology, there are between 30 and 40 facilities qualifying as clinical laboratories that have never opened their doors to government inspectors.

When inspection teams do make their rounds, they sometimes find the conditions appalling.

Dirty and broken laboratory equipment soaking in filthy, soapy water; use of reagents outdated since the early 1960; premises strewn with unlabelled vials and specimens, making proper identification next to impossible; inability on the part of lab workers to make the most elementary clinical determinations . . . these are some of the recurring abuses cited in health department inspection reports on several commercial laboratories reviewed by The Star-Ledger.

"Coin-tossing would very likely produce safer bacteriology reports," declared one recent write-up on a north Jersey lab whose director subsequently had his license suspended by the state.

As part of its study, The Star-Ledger ran its own independent test of 20 randomly-selected hospital and commercial labs in a six-county area (Essex, Bergen, Union, Middlesex, Monmouth and Ocean). Each lab was asked to perform a battery of four common and basic determinations (sodium, potassium, uric acid and blood urea nitrogen) on identical samples provided to The Star-Ledger by the State Department of Health.

In no instance did the laboratory know it was being tested.

Of the 17 labs from which results were received and subsequently analyzed by the state, nine recorded results within acceptable range for all four tests. Five laboratories had unacceptable or marginal results for one of the analyses, while the remaining three labs reported in each case multiple errors.

The deviation from the true value permitted by the state before a determination would be labelled "unacceptable" varied between five percent for the sodium and 15 per cent for the uric acid and blood urea nitrogen tests. These are the same acceptability standards applied by the state in its own proficiency testing program and are described by officials as most generous.

All told, the 17 laboratories registered unacceptable or marginal results 22 percent of the time.

Interestingly, the one laboratory which reported gross errors on all four tests was the most expensive commercial facility, charging $35 compared to $24 as the average for the entire group.

Overall, the combined price for the same four tests ranged from $10.50 charged by a north Jersey commercial lab to $45 billed by a north Jersey hospital.

Even more graphically, the health department's own proficiency testing program shows all categories of labs—hospitals, doctor-directed independent and non-doctor-directed independent—doing pitifully bad when asked to analyze performance samples sent to them periodically by the state.

While direct comparisons between categories are hard to make since different numbers of labs in each group participated, the results show:

When asked to test for drugs of abuse, hospitals reported—satisfactory results only 52 per cent of the time, non-doctor-directed labs recorded satisfactory results 65 per cent of the time, and doctor-directed labs reported satisfactory results 71 per cent of the time.

The tests, which began last December, have included 13 hospitals, and 14 independent labs. All laboratories routinely doing such testing were asked to participate, although state officials suspect some labs have continued to stay under cover.

In the field of clinical chemistry, only 52 per cent of 225 hospital and independent labs tested over the period 1964 to 1973 registered acceptable performance (meaning their results were within the acceptable range 75 per cent of the time or better).

In the field of bacteriology, only 47 per cent of 115 participating hospital labs recorded acceptable results during the testing period 1968 through 1973. In the case of 44 participating doctor-directed labs, only 26 per cent achieved acceptable results, while 33 per cent of the non-doctor-directed labs were found acceptable.

What makes these figures even more dismaying to experts in the field is the fact laboratories will often assign their most competent personnel to handle the proficiency samples since they know they are being tested. Some laboratories are even suspected of sending the testing samples to outside, better equipped laboratories for analysis and yet still passing off the findings as their own.

The tests themselves are based on common and simple determinations. Even so, there has been no significant improvement in laboratory quality over the years as evidenced by the findings of the proficiency testing program.

"A very significant percentage of lab work anywhere will lead to misleading results," stated Goldfield, "It is not a question of the good guys and the bad guys, but rather the fact that laboratories have grown tremendously in New Jersey without adequate growth of training, educational and regulatory mechanisms."

To be sure, many Jersey laboratories, particularly the larger ones which come under the strict arm of the federal government, if they handle interstate trade, maintain responsible operations with competent personnel.

But at its worst, Goldfield emphasized, shoddy laboratory work anywhere can "result in a direct threat to life and can lead to grossly distorted medical care."

The following cases were described by state health officials.

A north Jersey hospital lab diagnosed a disease that killed six newborn infants as caused by a bacteria known as pseudomembramous enterocolitis. The symptoms in the six fatal cases, however, differed from those normally associated with the bacteria.

An investigation by the Department of Health revealed that a disease totally unrecognized by the hospital lab was sweeping the facility. Some babies born at the hospital were taken home, became ill, and then taken to other hospitals where the disease also spread.

The reason the original hospital lab failed to identify the real disease was because its media had become contaminated with the pseudomonas organisms and thus all specimens brought into the lab were showing up with the bacteria. Consequently, newborns were given an improper form of treatment that had no effect on their actual disease.

Before the outbreak was finally brought under control with the proper treatment, 20 babies had lost their lives.

Health department officials said contamination of the lab's media could be traced directly to ineptness on the part of personnel.

Another lab ran a urine test for drug abuse on a young man and reported to the local police that he had been using barbiturates. Word spread and the man was soon tagged as a drug addict. His father, however, remained adamant that his son was not using drugs, and to prove it sent a sample of his own urine to the same lab.

The lab reported back that the father too was using drugs. In both cases, the reports were subsequently proven false.

In addition, some labs that have been labeled wretchedly bad by the health department have continued to receive Medicare recertification by the federal Social Security Administration which administers the health insurance program. In some instances, these labs have received Medicare's top rating.

"I don't see how some of these laboratories get licensed and then get recertified (for Medicare)", remarked Boniface Damiero, chief of Medicaid's bureau of medical care surveillance, who has seen firsthand some of Jersey's labs. "I just don't see how they could pass inspection and stay in business."

For their part, clinical laboratories in Jersey range from a small number of large, highly-sophisticated operations performing complex tests for private physicians, hospitals and other labs, to cramped one-or-two man enterprises working out of basements and even garages of private homes.

Personnel range from pathologists and clinical chemists with years of laboratory experience to technicians or lab assistants just breaking into the field. Several individuals without high school degrees or chemistry backgrounds are still functioning as laboratory directors thanks to a "grandfather clause" written into the 1953 lab director's licensing act permitting the heads of labs at the time to retain their status regardless of their educational histories.

If the standards applied to hospital and independent laboratories are minimal, they are non-existent for the literally thousands of small lab workshops situated inside the private offices of physicians to serve their individual patients. It is here that experts in the laboratory field claim some of the most dubious clinical medicine is practiced.

"You can imagine what kind of results you're getting when the person performing the work is usually a nurse or office assistant totally untrained in lab medicine," commented one observer.

For the most part, physicians confine themselves to simple analyses such as urines and blood sugars, referring the rest to outside facilities.

The best regulated lab facilities in Jersey are the handful engaging in interstate trade. These facilities must meet the rigid standards of the federal government's Center for Disease Control (CDC) headquartered in Atlanta, Georgia. The standards include unannounced on-site inspections (which sometimes last two days), a comprehensive proficiency testing program, maintenance of safety codes and licensing of personnel.

Under a new federal ruling slated to take effect in several weeks, all commercial labs nationwide accepting Medicare business will be required to meet the CDC standards. Some authorities are doubtful of its impact, however, since labs that know they cannot meet the standards may simply drop out of the Medicare program, as some have already done. Since Medicare trade is crucial to the survival of many labs, some of the smaller commercial enterprises may ultimately fold completely.

Hospital labs will remain unaffected by the new federal ruling. Medicare currently accepts certification by the Joint Commission on Hospital Accreditation in lieu of its own certification process. Some hospitals participate voluntarily in performance testing and inspection programs run by the state and national and local professional societies such as the College of American Pathologists and the New Jersey Society of Pathologists.

There is presently no mandatory state inspection or performance testing program for hospital laboratories in Jersey.

Indeed many authorities in the clinical laboratory field maintain it is the maze of voluntary programs and the decided lack of mandatory ones that has wrought such havoc with effective laboratory enforcement.

"Voluntary programs always fail because the most highly trained individuals, those most committed to quality, tend to most actively participate in all voluntary programs," noted one authority. "It's the poor performers who stay away."

What is needed, according to reformists, is a mandatory effort embracing licensure of laboratory personnel, unannounced inspections of lab facilities, and required participation in a comprehensive program of performance testing. To be effective, it is felt this venture should apply to hospital and independent labs without exception, and that it should be administered by a single government agency with adequate resources to do the job.

The State Department of Health has drafted legislation which would attempt to upgrade clinical laboratories through a strict facility licensure and monitoring program. Among other things, the bill would grant the department power to summarily suspend the license of a laboratory which it feels "poses an imminent threat to the public health, safety or welfare . . ."

Officials say the program would prevent laboratories from performing tests which they have neither the competence nor resources to do. Where a lab has demonstrated a weakness in a particular area, the health department's program would require attendance by lab workers at regular workshop sessions held by the state.

Many of the lab practitioners themselves strongly endorse a revamped system of regulating their facilities, providing it applies uniformly to all hospital and commercial labs.

Most strongly in favor of a tough enforcement code seems to be the heads of the larger interstate labs who must already meet the guidelines of the Center for Disease Control. The smaller labs are the ones that stand to be most seriously affected by any rigid enforcement program.

Some lab chiefs would carry the state's plan even further by applying it to laborato * * * vidual physicians—regardless of their size.

"In order to have a thorough program, you must include those places where the public needs protection the most—inside the doctors' offices," insisted Bernard Kaplan, president of Diagnostic Sciences, which maintains a chain of ten labs in Jersey.

Other states have acted within the past few years to strengthen their laboratory codes. New York, California and Maryland are rated as especially strong. New York's law provides for licensing of lab personnel at a variety of levels.

Pennsylvania enacted in June a clinical laboratory improvement act which provides for licensing of directors, supervisors and technologists. It also holds that failure of a laboratory to satisfactorily perform on a proficiency test can result in revocation of its approval to offer to the public tests in the same area.

The State Board of Medical Examiners, which registers labs and licenses their directors on the basis of charges brought by inspectors from the State Department of Health. Moreover, the state's Medicaid program (which deals only with Medicare certified labs) recently severed all ties with five other labs after uncovering several irregularities, including the practice of sending Medicaid work to out-of-state labs after certifying they would do the work on their own premises.

Among the laboratories dropped was a Paterson facility which last year recorded the largest volume of Medicaid business of any lab in the state.

The slipshod nature of Jersey's laboratory laws gives rise to several irregularities of their own.

It is possible, for example, for a laboratory to lose its Medicare-Medicaid certification in one or more specialty fields due to atrocious performance, yet still continue to legally serve the general public in those same fields. And since Medicare-Medicaid certified labs are required to undergo state inspections and proficiency testing, some labs have shielded themselves from any government supervision by voluntarily dropping out of the Medicare-Medicaid programs.

In like manner, it is possible for a laboratory to lose its state certification to perform prenatal and premarital syphilis testing—again due to poor workmanship—and still be legally entitled to perform diagnostic syphilis testing for anyone who is not involved in a prenatal or premarital exam.

It is also possible for a laboratory director to have his license suspended or revoked by the State Board of Medical Examiners and yet still continue to perform as a laboratory supervisor inside the same lab facility doing basically the same work as before. All he need do is hire a new director whose presence may be required for as little as two hours per day.

The Department of Health brought charges against a North Jersey lab director late last year, excoriating him as a menace to the public's health based on findings of several inspection tours of his lab. A summary report by the department carried the stern warning that the director "should never again be allowed to hold a director's license."

Based on this data, the Board of Medical Examiners lifted the director's license in December of last year. But at the same time it ruled that the director could continue to be employed by the same facility provided it was operated by a "responsible" licensed director. The Board further ruled that it could fully reinstate the license of the director after six months if it was satisfied with his performance.

Board Hampered by Limited Enforcement Powers—State Study Uncovers Dirty, Obsolete Medical Labs

(By Randy Young and Joan Whitlow)

Some New Jersey laboratories operate under the most squalid and primitive of conditions and pose a clear-cut threat to the public's health.

That is the picture that emerges from a review of laboratory inspection reports on file with the State Board of Medical Examiners and the State Department of Health in Trenton.

"This lab is tiny, cluttered, unbelievably disorganized and absolutely filthy," stated the inspector's report on Clinipath Laboratory in Westfield, whose director voluntarily surrendered his license in January after the state board had initiated suspension proceedings against him. This action was taken on the basis of findings of examiners from the health department's division of laboratories and epidemiology.

While limited enforcement powers have resulted in the suspension of five licenses of laboratory directors by the board, there are approximately 15 more who would be put out of business if the state had unbridled authority to act against shoddy laboratories, according to Dr. Martin Goldfield, assistant health commissioner for laboratories and epidemiology.

In most cases, said Goldfield, these laboratories are small commercial facilities employing but a handful of workers.

At the same time, he feels that well over half of the state's 325 independent and hospital labs are in need of improvements.

Yet, even the suspension of a director's license is no guarantee he will no longer ply his trade. Since laboratory personnel other than directors are unregulated by the state, several individuals, after losing their director's credentials, have continued performing in the same or other laboratories under fresh titles and under the supervision of new directors.

Moreover, suspended directors are usually free to take the laboratory director's examination given by the Board of Medical Examiners as an important step in regaining their licenses.

The former director of a Bergen County laboratory had his license lifted by the board in December of last year on the basis of charges brought by the State Department of Health. Inspection reports, based on several visits in 1973 by more than one examiner, were devastatingly bad.

"Lab is unbelievably tiny, cluttered and dirty, and fumes from concentrated acids are overpowering," stated a summary report prepared in November of last year. "Blood samples are drawn in the lab, but there are absolutely no facilities to do this hygenically or comfortably."

As for the lab's director, state inspectors charged him with "accepting fees without giving any receipts or making any record of the transaction." They also found that he was incapable of making some of the most basic clinical determinations.

On the basis of the director's participation in the state's proficiency testing program, the inspectors concluded that his record of chemistry analyses "suggests patients have a 50–50 chance of receiving a reasonably accurate analytical result." the monitoring team noted his hematology testing record was somewhat better: "Only one patient in three need fear that an erroneous report will be sent to his doctor.

"Patients with infections are probably the most victimized because the lab's bacteriology proficiency record indicates they are likely either to be treated for organisms they do not harbor or remain untreated for pathogens that are, in fact, in their systems.

"Thus, not only will patients be endangered, but their families and anyone they come even indirectly in contact with may be similarly threatened."

The report stressed that the Bergen lab was no small operation and probably performed $1,000 worth of tests per day. In addition, its director did not confine himself to routine testing, but undertook "many of the most difficult assays that are usually only attempted in a few of the largest, best equipped labs in the state," according to the report.

In conclusion, the Health Department urged that the laboratory be closed down completely, and that "most important of all," its director "should never again be allowed to hold a director's license."

Based on this evidence, the Board of Medical Examiners instituted proceedings against the lab chief late last year, culminating in suspension of his license. The Board ruled, however, that he could continue to be employed by the same laboratory provided the facilities was operated under the "responsible" supervision of another licensed director whose control could consist of not less than two hours of personal guidance daily.

The Board further ruled that it could fully reinstate the license of the suspended director after June 1, 1974, if it was satisfied the lab "may be operated with safety to the public and the clients it serves."

Meanwhile, a fully licensed lab director notified the state in April that he was assuming the directorship of the Bergen facility and that the suspended director would be his supervisor. "I will personally supervise the lab at least two hours a day to insure complete compliance with all the laboratory regulations," wrote the new director.

Prior to this, the Board had levied a $500 fine against the suspended director on charges he continued performing as a lab head and signed lab reports while his license was under suspension.

In June, the newly turned supervisor wrote to the Board requesting restoration of his director's license. While it was denied at a formal meeting of the board soon afterwards, he was informed by the Board that he could apply for an application to take the lab director's examination to be given in December as a prelude to restoring his license.

Another suspended director who continued his lab chores is the former head of a Newark-based commercial facility.

Among the conditions described in an inspection report based on four tours of the now-defunct lab in 1973 were "unbelievable filth," dirty pipettes (instruments used to measure fluids) stored on a piece of dirty gauze, use of reagents outdated since the early 1960s, lack of quality control procedures "even in their most primitive form," and incorrect performance of throat cultures.

To correct all the glaring abuses cited in the report, claimed inspectors, "would, in effect, amount to setting up a laboratory from scratch."

The director's license was suspended by the Board last November on the basis of health department charges, although he was still permitted to work under any "responsible" director approved by the Board and would be eligible for reinstatement of his license once the Board was satisfied with his performance.

In March, the Board approved a request by the one-time director to work as a technician under a new lab chief in a Union County commercial laboratory. In May, its director petitioned the Board to restore his technician's license. The Board subsequently ruled to restore the license contingent on his successfully passing the bioanalytical director's examination.

In another case, the Board voted overwhelmingly in August to revoke the director's credentials of the head of a Morris County laboratory. Stated an inspector's report on his facility:

"This lab must be one of the worst in the state. It is so unbelievably bad it begs description; the lab is filthy and so tiny and cluttered that (the director) had to spend ten minutes clearing enough space to make analysis of my specimen physically possible."

The lab was reportedly left unlocked and untended with "syringes and needles visible and there for the taking." During the course of one visit, an inspector observed the director use his finger to cover the test tube while inverting it to mix reagents with a sample.

His proficiency testing record showed only 45 acceptable analytical results out of a total of 81 for which he was tested. The director claimed, according to the report, that he referred many bacteriological and chemistry analyses to another lab whose director was a friend of his. Further checking uncovered the fact this referral lab was itself responsible for a 40 per cent unacceptable rate on its analyses of proficiency samples and had been marked 'unsatisfactory' for Medicare participation in 1971 and again in 1973.

"Unlike the directors of many of Jersey's worst clinical laboratories," claimed the health department report, the director of the Morris County facility did not appear to be losing business. "On the contrary, he claims he is moving shortly to new premises in which he intends to do 'as many different clinical chemistry procedures as possible'."

Following the revocation of the director's license, his attorney wrote to the state inquiring if his client could obtain registration as a lab technician. The state apprised the attorney that there was nothing to stop him from serving in that capacity since there is no certification of lab personnel in Jersey, except for directors.

A further case saw the Board accept in January the voluntary surrender of the director's credentials of the head of an Ocean County commercial laboratory. It ordered him not to reapply for a director's certificate for at least six months.

Inspectors found the director operating

out of a laboratory in a garage without a sink and without proper electrical wiring. Examiners found no test tubes on the premises. And since there was no way to dry glassware, the director spent almost ten minutes in front of one inspector trying to dry his wet cuvette with Q-tips.

The inspection team charged that the director's laboratory records, "such as they were," couldn't be deciphered—even by the director himself. "We spent, without any success, almost an hour together trying to relate apparent optical density readings to patients' names," recalled the inspector.

Moreover, the state found records of throat cultures processed in the laboratory, although the director, in refusing proficiency testing of respiratory specimens, claimed he never attempted such cultures. Also found in the process of being completed were slips requesting Medicare reimbursement, although the lab was not certified to perform Medicare work.

The report found the "most frightening aspect" of this case the fact the lab's director "is a young man and therefore presumably has no intention of retiring but, on the contrary, might be expected to try to expand his operation."

As part of its study. The Star-Ledger also reviewed confidential Health Department files on several labs cited for severe deficiencies but against which no administrative action has been taken.

One South Jersey facility was performing so poorly on syphilis serology proficiency tests that its director was asked to attend training sessions at the state health department's laboratory in Trenton. At these workshops, according to the file, the director "was unable to follow what was being taught. In short, we feel that (the director), far from being qualified to direct a clinical laboratory, is incapable of functioning as a bench technician (the lowest level of lab worker)."

Inspection of a north Jersey private laboratory produced findings of "pipettes so discolored and/or etched that it is impossible to tell whether they are dirty or clean, and many have broken tips, laboratory glassware is routinely washed in a dishwasher and usually receives no final distilled water rinse before being used."

Inspectors also found improperly sterilized equipment, and told of an "unbelievably sloppy technique" employed by the director on chemistry analyses.

DEATHS REPORTED FROM OVERSIGHTS: SLIPSHOD LABS RISK LIVES WITH FAULTY TESTS

(By Randy Young and Joan Whitlow)

Careless clinical laboratory work performed in some Jersey facilities has been directly responsible for countless cases of improper medical treatment—at times resulting in needless deaths.

Because of the lax regulatory system governing labs in the state, no one knows for sure how many facilities are performing in a manner dangerous to the public's health or how many cases of faculty diagnoses have ended in tragedy.

Officials from the state health department's division of laboratories and epidemiology recounted, however, several cases which vividly illustrate the severity of the problem.

One case involved a private laboratory which did a blood study for a pregnant woman and failed to recognize that she had an Rh blood factor which could react with the blood of her child and cause the baby's death.

Fortunately, the hospital where the baby was delivered ran another blood test, recognized the problem in time, and took the necessary steps to prepare for the birth of an Rh infant. The child's life was saved.

The next set of parents were not as lucky. The same private lab performed a blood study on another pregnant woman and again missed the Rh factor. This time, the mistake was not picked up by the hospital lab, and no preparations were made for the birth of an Rh baby.

The infant died shortly after birth.

State officials say there have been cases of faulty Rh analyses from a variety of other labs.

Another unrelated case centers on an infant rushed to a hospital in convulsions. The hospital lab ran a blood test and reported the baby had a very high blood sugar level. As a result, the infant was given a dose of insulin in efforts to restore it to normal.

But instead of improving, the child went into severe convulsions and had to be taken to an out-of-state specialty hospital where it was found the baby's blood suger level was down to zero. As a result of this total depletion, the child's brain was permanently destroyed.

The baby died soon afterwards.

An investigation by the state revealed that the child had originally suffered nothing more than mild convulsions associated with fever, not an uncommon occurrence in young children. It was the dose of insulin that directly led to the child's death, according to investigators.

In another case, a south Jersey hospital ran lab tests on several people who became extremely ill following a church supper, and failed in each case to recognize the true source of their illness—typhoid. Several other persons, stricken during the same outbreak, were admitted to another hospital which referred the specimens to the health department's laboratory in Trenton.

The specimens were finally correctly identified and the patients given proper treatment. Twenty-four cases of typoid were finally identified.

At the same time, there are instances where labs have managed to find disease causing organisms present in specimens when independent testing showed there really were none.

A central Jersey lab, for example, was reporting a high number of instances of patients infected with a fairly rare intestinal parasite. The lab insisted there was an outbreak of this parasitic disease, and as a result a number of patients were treated with medications which were very potent and potentially toxic.

Finally, there was an outbreak of an illness at a nearby college, and the first specimens for testing were sent to this same lab. Again, the lab reported finding the intestinal parasite.

The state finally intervened and took some of the specimens to its own lab for analysis. It showed no evidence of the parasite the lab claimed to have found. Instead, the private lab had completely missed the presence of a common bacteria (Salmonella) that had been spread through improper handling of food.

Meanwhile, scores of people had received the improper form of treatment.

While the performance of hospital laboratories is often regarded as superior to that of commercial establishments, a mistake made at a hospital facility is often more dramatic and more tragic since it is dealing with very sick people whose lives may depend on the results of a correct laboratory determination.

Even hospitals with good performance during the day, can drop to dangerously substandard levels during the nights and on weekends when the regular staff is not on duty.

Such was the case when an outbreak of St. Louis encephalitis occurred in South Jersey. Hospitals in the area were doing hundreds of spinal fluid exams over one particular weekend. The results, however, were so grossly inaccurate that the state health department asked doctors not to take any further samples until the regular lab crews returned to duty.

The Department of Health itself feels that many cases of erroneously reported results are caused by ineptness on the part of laboratory personnel, rather than any dishonesty.

The state says it has uncovered, though, several probable instances in which labs have been "sink testing" certain specimens, which means discarding them (usually pouring them down the sink) without really performing the analyses called for. Fictitious results are then reported.

Health department officials also have grave doubts about the quality of lab medicine practiced in the offices of private physicians, where a nurse, receptionist or clerk totally unschooled in laboratory techniques may attempt to perform procedures.

WIDE GAP FOUND IN PRICES FOR THE SAME LAB TESTS

(By Randy Young and Joan Whitlow)

New Jersey's clinical laboratory system lacks any standardization of pricing, with cost variations of 400 per cent and more not uncommon on identical tests run in different facilities.

What's more, the usual practice in Jersey is for doctors to ask the laboratories to bill them directly for services rendered for their patients. The doctor will then increase the charges—sometimes significantly—and in turn bill the patient.

A recent battery of identical laboratory tests run by The Star-Ledger at 17 different facilities—nine hospital outpatient and eight commercial—showed prices ranging from $10.50 at a large north Jersey commercial lab to $45 at one urban area hospital. The tests included sodium, potassium, uric acid and blood urea nitrogen analysis.

Costs within the hospital group varied from $17 to $45. Within the commercial category, the range was $10.50 up to $35, the latter charged by one central Jersey lab located in the basement of a private home.

The average cost for the hospital group was slightly higher than for the commercial: $26.70 for the hospital labs, and $24.18 for the commercials.

Another survey showed the price of a 12-test chemistry profile ranging from $8.50 at a large north Jersey lab to $35 at a north Jersey hospital. The price of a throat culture varied from $4 at a large commercial lab to $15 at a smaller one.

MANY DOCTORS ARE UNAWARE OF "TRUTH-IN-BILLING"

One sizeable Jersey lab bills the patient directly $15 for a panel of tests consisting of a 25-test chemistry profile, a complete blood cell count, protein-bound iodine test, and a serologic test for syphilis. Many smaller labs are known to charge between three and six times that amount.

The differences in costs can often be traced to automation. The larger, more mechanized labs are able to perform analysis much cheaper than the smaller facilities which must work manually. Hospital labs are often more expensive than private facilities since the laboratory there is expected to help underwrite the costs of other hospital departments which are not nearly as profitable.

Some of the smaller labs will send out certain tests to other, better equipped laboratories. The bill is then typically hiked when it gets back to the original lab, and upped still more by the doctor before it is remitted to the patient.

The head of one private laboratory says he bills a physician $1.65 for a blood sugar analysis. The same lab would bill the patient directly $2.50 for the blood sugar. But almost no physician in Jersey, he added, will charge a patient less than $5 for a blood sugar, whether it is performed inside his office or at an outside lab.

New Jersey has attempted to prevent doctors from overcharging their patients for work performed in clinical laboratories by requiring, under the terms of a nine-month-old law, a complete disclosure of laboratory costs. But according to knowledgable sources in the field, the law has had negligible impact.

Formally entitled the "truth-in-billing" act, the statute requires physicians to inform their patients, or third-party payers such as Medicare and Blue Shield, how much they, the physicians, were charged by the laboratory for performing specific work. It also obliges doctors to disclose the name and address of the laboratory.

While the law itself does not prohibit laboratory mark-ups by doctors, the theory behind it is that doctors will be reticent about excessive charging if their patients know precisely how much the lab work was worth.

But information from authorities in the field indicates that no more than a small percentage of doctors is fully in compliance.

"Very few doctors in Jersey are adhering to the law," commented the president of a large private laboratory, "and those who are take the simplistic view of telling the labs, 'I won't bill the patient, you do it.' "

Stated the director of another north Jersey lab: "I haven't heard of one doctor who's following it. The public doesn't even know about it. If it did, people would start demanding receipts."

One prominent Mercer County physician told The Star-Ledger the only time he notifies his patients of the actual lab costs is when that information is requested by the patient. The doctor said he tacks on a nominal $1 fee to the real lab costs to cover his own professional services.

The medical profession itself feels that vast numbers of doctors are totally unaware of the truth-in-billing edict, but that those who do know about it are in substantial compliance.

"I think there's a legitimate question if one-half of the doctors know it exists," contended Vincent A. Maressa, executive director of the New Jersey Medical Society. "But I feel those who know about it are following it."

Maressa claims the burden should be on state government to fully inform the medical profession of the law's existence. "You can't expect doctors to sit down and read the New Jersey statutes," he said.

The Society has traditionally regarded laboratory markups—meaning those charges beyond a reasonable remuneration to the doctor for drawing the specimen and interpreting the lab results—an unethical practice. While according to most authoritative accounts the number of doctors who exploit the public through profiteering on lab bills is not large, it is still not uncommon for a doctor to take a $5 lab fee and hike it to $10 $15 or even $20.

Assemblyman Carl Orechio (R-Essex), sponsor of the truth-in-billing act, said he had evidence of doctors charging $60 for $12 lab bills. "To some degree, it's still going on," he added.

One byproduct of the truth-in-billing law, according to Dr. Edwin Albano, chairman of the State Board of Medical Examiners, has been for doctors in increasing numbers to perform lab work inside their own offices. Since the services of an outside lab are not employed, truth-in-billing does not apply, and doctors are free to bill the patient directly whatever they wish.

Albano emphasized that the public is largely unaware of the law's provisions.

Beyond this, many claim it is impossible to effectively enforce truth-in-billing since it would require monitoring the offices of 11,000 physicians throughout the state.

"Who's going to enforce it?" asked Maressa. "The law creates a criminal act, yet the State Board of Medical Examiners doesn't have criminal law jurisdiction. You could leave it up to the county prosecutors, but I don't think even they know it exists. And even if they did, they have a lot more pressing concerns."

Orechio expressed uncertainty over the law's impact to date, but claimed, "it cannot hurt. The mere fact the patient has recourse to legal action is psychologically helpful."

One lab director said it would be helpful if doctors were required to post large signs inside their offices informing patients that they are required by law to disclose the name and address of the laboratory used and the charges involved.

An official for New Jersey Blue Shield, the medical-surgical plan which covers limited laboratory expenses for some three million members under Rider J, said the plan sent out a newsletter earlier this year to 12,000 people in the medical field spelling out the new truth-in-billing law. It was further covered at seminars held in hospitals throughout the state.

Through a review of doctors' claims forms submitted to the plan for laboratory expenses, Blue Shield found that most doctors were billing properly, according to John Gould, vice president of finance for the medical-surgical plan. He said this meant that doctors "for the most part" were billing the plan the same charges they were billed by the laboratories.

He noted, however, that Blue Shield has requested that all participating laboratories (about 80 per cent of the nearly 200 commercial labs in the state) bill the plan directly, resulting in limited contact between Blue Shield and doctors in the area of lab charges.

Some critics find an inherent flaw in the fact truth-in-billing does not impose an absolute ban on lab mark-ups by doctors, but seeks to achieve that end through the roundabout method of disclosure. A more sensible device, say reformists, would be institution of direct patient billing by the laboratories, eliminating the doctor altogether as middleman.

While it is conceded laboratory costs would undoubtedly rise under such a scheme, since the labs would be given an extra administrative responsibility, proponents of direct patient billing claim the rise would be far less than the cost of a laboratory test paid directly by the patient to the physician.

Orechio has introduced legislation providing for direct patient billing by labs and appears to favor it over truth-in-billing. But the bill has languished in committee, and Orechio holds little hope for its release.

Meanwhile, New York has been using direct patient billing since May of 1970. According to Albano, the Jersey Board of Medical Examiners took the New York program under "serious review," but concluded it would not be "feasible or practical" in this state.

Albano claimed such a method would pose a "hardship" on the labs and would result in escalating laboratory costs to the public. Labs, he said, would likely be saddled with delinquent bills from the public (a problem they rarely have with physicians), pushing lab rates even higher.

William J. Jones, Jersey's Medicaid director, said laboratories are presently hiking the bills they submit for Medicaid reimbursement about 50 per cent above what they charge physicians for the identical tests. Jones objected to the practice, claiming "laboratories should charge patients the same as they charge the doctors. If a test is worth $5, the patient certainly shouldn't be billed $10."

Medicaid has adopted Blue Shield's "500 policy" rate schedule for reimbursement purposes and will pay no more than the ceilings set by Blue Shield for specific procedures.

LICENSING LABS: STATE HOPES BILL WILL BRING UNIFORMITY, SAFETY

(By Randy Young and Joan Whitlow)

New Jersey's clinical laboratories would be subjected for the first time to a tough program of licensing based on their ability to perform efficiently under the terms of a proposal drafted by the State Department of Health.

The plan—entitled the New Jersey Laboratory Improvement Act—would apply uniformly to the state's 325 hospital and independent labs and would replace the patchwork collection of rules and regulations that have done little over the years to improve the quality of Jersey laboratories.

Past efforts at laboratory reform have made virtually no headway in the Jersey Legislature despite the importance attached to them by the past two administrations in Trenton. Meanwhile, other states like New York, Pennsylvania, Maryland and Connecticut have taken giant strides in the field by adopting strict surveillance programs.

New Jersey Health Commissioner Dr. Joanne Finley regards the proposed improvement act as essential to insure the safety of the public and generally upgrade the standards of the lab industry.

Dr. Edwin Albano, chairman of the State Board of Medical Examiners, has also endorsed the proposal and would carry it one step further by applying it to lab facilities located inside the office of private physicians. "They should be compelled to participate to see if they're putting out quality work," said Albano. "It would be for the patient's benefit."

As conceived by the Department of Health, the laboratory improvement act would accomplish the following:

Establish a laboratory evaluation program based on proficiency testing (sending labs test samples for analyses) as well as unannounced on-site inspections for the purpose of evaluating the supervision, records, procedures and general operation of the lab "to determine their effect upon the health and safety of the people of this state."

Prevent labs from performing analyses in those areas where they are incompetent. In addition, the act grants the health commissioner the power to summarily suspend without a hearing the license of a lab which he or she feels "poses an imminent threat to the public health, safety or welfare," and may order immediate corrective action as a requisite to restoration of the license.

Machinery would exist for a licensee who contests the summary suspension to be granted a hearing within 48 hours, although the lab would still remain closed during that interval.

Develop appropriate consultation and training activities for the purpose of improving those laboratories which fail to meet acceptable standards.

Require the licensing of all hospital and independent labs as well as any lab facility serving four or more private doctors. Each facility would require a license, even if separate ones have a common owner.

Assistant State Health Commissioner Dr. Martin Goldfield, one of the prime architects of the improvement proposal, claims that up to 15 laboratories in the state—most of them small commercial facilities—would be put out of business if a stringent lab enforcement law was enacted.

But he explained, "The purpose of the act is not to put labs out of business. Rather its goal is to require the upgrading of the quality of laboratory tests and to stop labs from offering to perform tests which they have neither the competence nor resources to perform."

Goldfield feels that the threat of lab closure and fines for violators will serve as important levers in compelling laboratories to undergo proper education and training to improve their performance.

The Department of Health presently sponsors laboratory workshops and seminars as a means of providing lab personnel with information on updated techniques, quality control procedures and a host of related matters. But according to Goldfield, these sessions are attended most consistently by those people from the best performing labs.

"The worse the performance of the lab, the less interested the lab is in improving its performance," he asserted.

While Goldfield insisted that ineptness is the greatest contributing factor to poor lab work, some facilities engage in far more reprehensible activities. For example, Goldfield said the state has uncovered several probable instances in which labs have been "sink testing," which means discarding the specimens (pouring them down the sink) without really testing them, and then fabricating results.

In addition, Goldfield said he had knowledge of some labs sending out the proficiency testing samples mailed them by the state to other labs for analysis. One South Jersey lab, he said, is directed by a doctor who in the past has put his secretary's name on the testing vials and had them analyzed at a local hospital.

"Apparently he doesn't trust his own lab to perform unknowns (proficiency samples), although he trusts it to perform on patients," the assistant commissioner observed.

Goldfield's answer to this practice is a system whereby some proficiency testing would be carried out through samples hand-delivered to the labs by state inspectors.

Goldfield further feels the lab improvement plan would strike at the current practice whereby some medical technologists employed at a hospital or commercial lab will "moonlight" at night by reading Pap smear slides for doctors. These are the tests used to diagnose cervical cancer and each slide should ideally receive a certain amount of time for scrutiny by the examiner. If they reveal irregularities, the proper procedure is for someone with more expertise to review them.

But Goldfield said that some moonlighting technologists are operating assembly-line style, performing the work for several doctors and in such volume that it is not humanly possible for them to devote the proper amount of time to each slide. And because they are moonlighting, there is no supervisory personnel on hand to provide the additional expertise that might be required.

The provision in the lab improvement act granting the state jurisdiction over any operation serving four or more doctors would at once take many of these moonlighters under the regulatory arm of the Department of Health, according to Goldfield.

While laboratories themselves would be subject to licensure under the health department plan, no mention is made of accrediting personnel. Other states like New York and Pennsylvania have enacted lab improvement laws providing for the licensing of different grades of lab workers, including directors, supervisors and technologists.

Goldfield, however, frowned upon such a program, claiming it is costly and cumbersome to administer. It requires setting up separate exams and standards for each level of lab worker, and then a program to keep track of them as they move from job to job to insure that people with currently valid licenses are working in the labs, he said.

Goldfield also pointed to the fact that personnel licensure laws inevitably contain a "grandfather clause" allowing anyone currently in the field, regardles of qualifications, to become automatically licensed. This weakens the law immensely, he said, because it allows the very incompetents the law seeks to restrain to remain in the field until they retire or die.

Jersey's 1953 law providing for the licensure of laboratory directors contained a grandfather clause, the result being that some individuals without high school degrees and without formal chemistry backgrounds are still serving as lab chiefs.

Goldfield also stressed that to date there is no standardization of educational programs for lab personnel—some are good, others are deplorable. And until that standardization is achieved, Goldfield feels personnel licensure should not be attempted.

"I'm not opposed to licensing of personnel in the long run," he noted. "But there should be a few years of licensing of facilities first and let's see what mechanics will be developed for the graded education of personnel from lab assistant to Ph.D. in clinical lab work before personnel licensing is instituted."

Goldfield also claimed his agency should continue to regard as confidential data gathered from its on-site inspections and proficiency testing program. That information is generally unavailable to the public, although one Jersey lab is known to have published the results of its proficiency tests and made them available to doctors.

If labs knew their results would be for public consumption, said Goldfield, the testing program would become a form of competition, not evaluation. Labs would attempt to use the data to gain a competitive advantage over others, he said.

"There would be a greater incentive than ever to attempt to cheat on performance testing, by whatever means, fair or foul, in order to pass the policeman," he commented.

Final Analysis: Lab Directors Split on Best Routes to Reform

(By Randy Young and Joan Whitlow)

The critical need for a uniform and vastly improved program of clinical laboratory surveillance to replace the existing labyrinth of rules and regulations is openly voiced by many of the lab practitioners themselves.

The specifics of such a program, however, produces a wide variety of opinions.

The New Jersey section of the American Association of Clinical Chemists (AACC) favors the licensing of laboratories as well as their directors, supervisors and technologists. New York and Pennsylvania have already adopted licensure programs for these different grades of personnel.

Such an effort, according to Jersey AACC chairman James A. Foreman, would "insure that people in clinical labs are competent" while checking "those people with a marginal knowledge who put out poor work causing treatment for a disease that a person really doesn't have. We want to keep the charlatans out."

Dr. Leonard Dunikoski, legislative chairman for the clinical chemists' group, called for a comprehensive monitoring program embracing mandatory inspection of labs, proficiency testing and accreditation of personnel.

"These are all essential for good quality laboratories," he observed. "But you must have all three components. One or two of them won't go far enough."

Both Foreman and Dunikoski stressed the need for more public information on laboratory quality. The State Department of Health's inspection reports on laboratories and the results of its proficiency testing program are not normally opened to the public.

"Physicians should be aware of the kind of results labs put out," contended Foreman. "There should be some way of pressuring labs to come up to a certain set of standards or meet a level of performance—and those which do not should be closed down."

Dunikoski, director of clinical chemistry at Perth Amboy Hospital, said he favored the publication of performance data on laboratories—a concept strongly opposed by the Department of Health.

Foreman said he thought the public, aware of the massive automation that has overtaken the laboratory industry in the past few years, has come to believe that automation means protection against shoddy work. But he emphasized that the quality of work produced by mechanization is directly linked to the quality of the people who control the machines.

"People are too prone to accept the answers as they come out of the machines, and this can result in numbers of automated mistakes," he remarked.

A number of lab officials strongly favor a surveillance one now administered by the federal government's Center for Disease Control (CDC) to all labs nationwide that engage in interstate trade. That program consists of unannounced on-site inspections, on-going proficiency testing, required safety standards and licensing of personnel.

Dr. Paul A. Brown, president of the American Clinical Laboratory Association, maintains the state should set up an "impartial" monitoring program patterned on CDC's, and run the program itself. By "impartial," Brown insists that no state inspector should survey labs located in his home geographic area, nor should any inspector be permitted to review the same lab more than once.

Brown, chairman of MetPath in Hackensack, the state's largest commercial laboratory, took sharp exception to the fact the results of the state's proficiency testing program are not made public.

"The results are frightening, and because of this, everyone hides them," he said. Brown claimed that MetPath is the only laboratory in the nation to publish in booklet form its testing results and make them available to doctors.

At the same time, Brown claimed the state's proficiency exams are inadequate in terms of type, frequency and depth. "If New Jersey labs had to undergo New York's rigid testing program, more than half would fail," he maintained.

The New Jersey Department of Health has drafted a proposed laboratory improvement act calling for mandatory inspections of labs, proficiency testing and licensure of laboratories, although not personnel. The program would apply to all labs in the state, hospitals as well as commercial.

Bernard Kaplan, president of Diagnostic Sciences, which runs a chain of ten labs in Jersey, said the state's plan "could be of good value," but expressed fear that it might simply add another layer of bureaucracy by requiring interstate labs to be inspected by still another authority in addition to Medicare and the CDC.

The money for such a program, he added, might better be spent by the state for seminars and training programs for laboratory personnel.

"What we lack in Jersey is an ongoing educational program at the state colleges for laboratory personnel," he said. Kaplan claimed the Department of Health" could be of positive value" in providing instructional programs for the independent labs, but complained, "We don't get that kind of cooperation from them."

Kaplan, a lab director for 27 years, also feels the state health department would be handed a dangerous amount of power if its lab improvement act—enabling the health commissioner to summarily suspend without a hearing the license of a lab he or she feels poses a danger to the public's health—is ever enacted. (The proposal does insure a licensee a hearing within 48 hours, although the lab could be ordered closed in the meantime.)

Asserted Kaplan: "Even if you are closed down for one day, the adverse publicity would be so great you couldn't survive it. We agree anyone not performing correctly should get the hell out of the business. But a person's rights should be adequately protected against any arbitrary act of some bureaucrat."

A recent interview by The Star-Ledger with the directors of four independent labs—all of them members of the New Jersey Association of Bioanalysts—produced no clear-cut consensus on what form of lab regulation is needed in Jersey, other than that it should include hospital and private physicians' labs. The members did, however, express deep suspicions about the proposed laboratory improvement act.

Kenneth C. Sutphen, director of Nutley Medical Laboratory, claimed the proposal could concentrate all regulatory powers in the hands of the assistant health commissioner of laboratories. "This is absolutely horrible," he declared. "It should be in the hands of the pathologists, the doctors and other laboratory people."

The bioanalysts pointed out they were instrumental in helping enact the 1953 laboratory director's licensing act, and contended this phase of the industry has been strongly regulated since then. In addition, they stressed that some 40 independent laboratories in Jersey (out of a total of 193) participate voluntarily in the American Association of Bioanalyst's national proficiency testing program.

Another voluntary program aimed at upgrading the quality of work in laboratories has been conducted over the past several years by Dr. Martin J. Salwen, lab director at Monmouth Medical Center.

The program, sponsored by the New Jersey Society of Pathologists, provides for a daily program of quality control in which labs check the performance of their reagents and equipment by running independent tests with special samples sent to them by the program. The results are compiled by Salwen, who groups the labs according to equipment and methodology, and reports back to the labs, enabling them to compare their quality control performance with that of comparable labs participating in the program.

One of the results of the effort, said Salwen, has been that labs which started out as poor performers have shown with time definite improvement. In addition, some labs in comparing their performance with that of other participants (identified only by numbers so that confidentiality is maintained) have realized they were incompetent to perform certain laboratory procedures, and consequently stopped doing these tests, referring them out instead to other labs.

Salwen's program, which can cost a large lab $2,000 or more annually to join, includes some 50 participants—almost all of them hospital facilities.

But the fact that only 50 out of the 325 independent and hospital facilities eligible to participate have actually done so, points up the severe shortcomings of voluntary programs that New Jersey has relied so heavily on in the past to insure quality lab performance.

How Good Are Our Medical Labs?

(By Aileen Jacobson)

During the past year, a 2½-year-old child was hospitalized for observation in a local suburban hospital after eating what turned out to be some harmless tablets. As a precaution her pediatrician requested 24 hours of routine lab testing. The child remained healthy and active and returned home two days later.

But a routine hematology test, the last one run and analyzed after the patient's discharge from the hospital, showed acute infection, perhaps hepatitis. Shocked, frightened, the parents hurried the child back for more testing and blood samples.

Results of these new tests showed no infection. It seemed the hospital lab had made a mistake. The result indicated so much infection that either the sample was drastically contaminated before analysis or two children's test results were mixed up.

If there had been a mix-up, the mother asked the pediatrician, had a hepatitis-stricken child been sent home because of "normal" test results? "That's a good point," the doctor said, "I'll check it."

When the head of the Communicable Disease Center (CDC) testified at a 1967 congressional hearing that one in four laboratory tests in the United States was "erroneous," he set off a bombshell in the industry. The public shock waves have long since stopped. But not the laboratories' problems. Many American Laboratories today are not much better, on the basis of government studies, than when the fuse of doubt was first sparked.

Checking into a hospital with a case of gastroenteritis brought on by a bad crabmeat salad sandwich, you may be confident of a quick cure. After all, you've seen enough of the good Dr. Welby to trust in hospital care. But you may find yourself being tested by one of a shocking number of government-licensed laboratories—84.6 per cent to be exact—that couldn't identify the guilty, and rather common, microorganism in a proficiency testing sample in 1973. What you might be treated for instead, and with what effect, not even a Marcus Welby would care to speculate.

Only a handful of American laboratories are regulated even today. The CDC licenses only Washington, D.C., labs and those with interstate operations, a mere one-tenth of the nation's estimated 15,000 clinical laboratories. No national agency and few states test the labs in doctors' offices, which bring the total number of medical laboratories up to 200,000. And no government studies ever release the names of laboratories that perform poorly or well.

"Opening a clinical laboratory in Virginia is easier than opening a saloon," says an employee of one of that state's large "independent" (non-hospital-connected) laboratories—which undergoes tests because it performs interstate work and takes Medicare-Medicaid payments.

Maryland recently passed a law, as yet unenforced, that would regulate, to some extent, the laboratories in doctor's offices. Often great money-makers, these labs perform an estimated one quarter of this nation's annual 3 billion laboratory tests. Yet a Maryland study showed that secretaries and office assistants sometimes performed the tests.

And only 16 per cent of these laboratories had an internal quality control program, which the CDC considers essential to assuring reliability.

A few decades ago, American laboratories were often the dumping ground for doctors who couldn't make it in more respected fields of medicine. Today they are the fiefdoms of many $200,000-a-year pathologists, and are part of that circle of mystery and mystification that much of American medicine seems to thrive on. Nationwide scrutiny of the inner processes of these chrome and glass emporiums that transform blood or urine samples into multi-decimaled numbers on a chart started only five years ago.

But in those five years, the volume of laboratory testing has climbed steadily at a rate of 15 per cent per year. Overworked doctors, increasingly substitute additional lab tests for the time they once spent talking with a patient about symptoms and general health.

This growing dependence on lab tests for health care is not something you think about until your own body and future are at stake. It happened once, ironically, to a local pathologist.

Dr. Frances Norris, a Washington area free lance pathologist, has long been an outspoken critic of the hospital laboratory: "Much of clinical testing is incorrect—but it's never discovered . . . A lab technician, irate at a cheated salary, can do slipshod work. This makes it impossible for a pathologist to arrive at a precise diagnosis, because the slide is shoddily prepared. But the pathologist is an employee of the chief pathologist, and if he complains his job is jeopardized."

She is lobbying now for disclosure laws that would allow patients to see their diagnoses and their pathology reports. (One such law has been introduced in the Maryland state legislature.) For now, she won't name names, out of a fear of being sued: "These are very well-monied people," she says.

One lab error, though, affected her personally and helped to stoke her indignation. It was the kind of mistake that would go undetected had she not been a doctor herself and become suspicious.

Dr. Norris had a case of post-partem thrombophlebitis, in which anti-coagulant therapy keeps the blood from clotting more. Periodic blood-clotting and prothrombin tests have to be taken to see how thin the blood is.

She was using a doctor-owned, larger commercial laboratory, but she started to distrust the results. She went to a friend, an internist at a larger hospital. He agreed that additional work was needed . . . "and, sure enough, the prothrombin was far different. I was lucky, being a physician. I could have suffered severe bleeding. This is especially bad for old people, or if I had gotten a severe cut or internal injury."

Name the lab? "To tell you the truth, I'm chicken."

Doctors, and their patients, tend to put great trust in the sleek new machines that have replaced many of the manual pipette-and-test-tube procedures in many labs.

Laboratory work is not as much a "science" yet as some would like to think, though. "Mistakes are always being made," says medical technologist Alice Aldrich, formerly at two local hospitals and now working at Georgetown's Free Cinic. "They're a fact of life in laboratories."

Ms. Aldrich, whose experience is not atypical, remembers that when she first started working at an area hospital, she read the wrong results from blood charts several times—and found out only when the ward personnel called to question her about the suspiciously high results that would indicate that a patient's kidney had shut down.

Human error factors should not, it seems at first glance, affect machine-run tests. But while the CDC sprinkles its reports with expressions like "Unfortunately . . ." and "Even more startling . . ."—phrases to give pause to even the most slavish idolators of American medicine—the new technology itself is being called to the examining table.

At George Washington University Hospital, where the laboratory relies on the manufacturers for training of its personnel and maintenance of the machines, medical technologist Valda Lindbergs, supervisor of the hematology department, has a book full of dozens of pink slips that represent each time a repairman has had to come—and each time the lab had to revert to less precise, much slower manual methods for a day or two.

At Mt. Sinai Hospital in New York, a special department now tests medical equipment before it is used in the laboratory or elsewhere in the hospital. The department's director estimates that 30 to 40 per cent of incoming equipment has defects.

The Food and Drug Administration has just started a program to monitor the quality of these machines—and of the chemical reagents, used to help determine a sample result, which the CDC has often faulted for some poor laboratory performances. Likewise, diagnostic "kits," often used in small laboratories, are sometimes recalled by the FDA—but only *after* they have reached the market. No licensing is required.

Many laboratories cannot afford the large machines, which cost tens of thousands of dollars each, and many tests, especially in the field of microbiology which involves the growing and identification of cultures, do not adapt themselves well to mechanization. In these manual tests more than in machine-run procedures the accuracy of the results depends on the carefulness and delicate skill of the medical technologist who himself is caught up in the squeeze of a technological society that expects concentrated rote work for long hours for the low pay of a nonprofessional.

The problems that the CDC uncovers sometimes touch on the bizarre. In one 1972 incident, for instance, 52 per cent of reporting laboratories failed to identify a crucial characteristic of "the world's most common type of anemia." The CDC advised: "one should investigate the possible color blindness in technical personnel . . ."

Opinions differ on how good a laboratory should be. At NIH, one doctor doesn't blink an eyelid at what he calls a "normal" inaccuracy rate of 10 per cent. A 1969 onetime proficiency testing sampling in Virginia that found that 12.6 per cent of the microbiology tests were incorrect did not move state legislators sufficiently to pass a regulation bill. Yet an HEW study called even a 7.6 per cent misidentification rate in microbiology "not satisfactory."

By any of these standards, though, the CDC figures demonstrate an unsatisfactory level of laboratory performance. The accompanying graphs illustrate the progress that CDC-regulated laboratories have made on proficiency testing samples in three areas (the law included D.C. labs in the CDC program). But even that progress is not exactly heartening.

Stated roughly, about half the labs tested in 1970 could not make a grade of 75 (which sometimes is not the actual passing grade). By 1973, only a quarter to a third couldn't get three out of four identifications right—hardly enough to help you face with stout heart a lab's evaluation.

Sources outside the CDC are even more pessimistic about American laboratories today: A National Bureau of Standards study published in 1973 concluded, from its own proficiency testing sampling, that only 28 per cent of laboratories in clinical chemistry could reproduce a correct assay consistently within acceptable limits. It further concluded that the causes of such error were probably systematic—such as miscalibration of equipment.

Of course, many laboratories do fine, fast and accurate work, and many lab technicians, pathologists and Ph. D.s working in labs are competent and dedicated. Some laboratories, though, do not meet the scientific standards essential to a laboratory: accuracy, precision, and systematic reproducibility.

Trying to place blame for shoddy laboratory work when it occurs is like trying to throw a dart at an ever-turning wheel-of-fortune: Doctors blame pathologists and technicians for poor or slow identification. Pathologists blame doctors for sending in poorly marked slides or unnecessary tests or for not interpreting the results properly. Lab directors blame "lazy" or incompetent technologists. Technologists blame poor pay, bad working conditions and inadequate supervision.

What the errors can result in are such episodes as these, garnered from Washington area sources:

An 11-year-old boy suffering an added week of agonizing pain from a hip-joint infection because the laboratory of the hospital he lay in was using an antiquated technique that couldn't determine the right antibiotic to relieve his pain.

A Vietnam veteran dying of black fever when he finally was transferred from another hospital to Walter Reed. There, his malady was correctly identified as malaria—but too late.

A man wasting away with an unidentified but advanced, potentially fatal, contagious case of tuberculosis at a small community hospital, until a sample was sent to the National Institutes of Health laboratories. They found the sample "loaded with TB."

Shoddy work, careless management, poorly trained personnel don't matter much in some fields. But the clinical laboratory is different.

"We can kill people here real easy," said Albert Riggs, vice-president of Litton Bionetic, an independent laboratory, as he looked back toward the rows of labeled test tubes, the sparkling machines, the young man perched over a microscope with a pencil poised over a printed form. "No trouble at all."

The quality of laboratories—or, rather, the frequent lack thereof—first came under public scrutiny in 1967 with Dr. David J. Sencer's one-out-of-four-erroneous testimony.

Dr. Sencer, then and now head of CDC, told the congressional subcommittee of the death of twin babies whose mother's blood had been wrongly analyzed as RH positive. And of a woman who had a breast removed because a test erroneously showed she had cancer. He cited a California study that showed that 34.5 per cent of 328 newborn babies who had died of blood cell disease died because of "avoidable laboratory factors." In another case, 33 patients had been diagnosed and treated for malaria—and turned out not to have it, when specimens were submitted to the CDC for verification.

Another witness at the hearings told of 250 Pap smear specimens that had been thrown out at one laboratory—though "reports" were still sent to the physicians.

Sen. Philip A. Hart (D-Mich.), chairman of that subcommittee, dramatized the lack of trained laboratory personnel by sending off for a medical technician's license through the mail for $15, for one Straybourne Betts. Straybourne Betts was a dog.

According to Dr. Sencer, people with mail order degrees—or no degree at all—can be, and still are, hired in some unregulated laboratories.

Today some people still insist that Dr. Sencer's statistics were based only on American Indian health centers and therefore not valid. Dr. Sencer denies this and says that the figure was, indeed, reflective of the entire country

The year 1967 seemed to be ripe for government intervention in both the cost and quality of medical practice. The Medicare Act had been passed in 1966, and once the government started paying for medical services it became a little more interested in what it was getting. Laboratory testing, a $3.5 billion-a-year industry, is often used as a money-maker by hospitals. It has since been found to contain huge financial discrepancies: as much as a 400 per cent difference in one locality between charges by a hospital laboratory and an independent laboratory for exactly the same test.

Quality became the more immediate concern, though. Medicare has a laboratory inspection program, separate from the CDC program. But it was left up to the CDC to fulfill the quality requirements of the Clinical Laboratory Improvement Act that was passed in 1967 as a result of Dr. Sencer's fuse-blower.

What happened after passage of the Act is that familiar process by which a sharp-toothed thrust often gets ground down by Congressional caution and government bureaucracy. A few of the flaws in the reformers' fabric:

Exclusion: Doctors' office laboratories, and laboratories that do only intrastate work—the vast majority of labs—were ignored by the legislation.

More Exclusion: The CDC decided to exempt labs that performed less than 100 interstate tests in a year. Now they think that those small labs may be the worst and are changing the requirements to "less than 10".

Grading: At first it was more lenient than the CDC now deems necessary. The CDC was afraid, in part, that if it set standards too high, too many labs would fail . . . and then what?

Discipline: If the CDC does take disciplinary action against a laboratory, as it did 14 times in 1973, it cannot force the lab to cease functioning intrastate. Nor can it take such action until the lab has failed to meet criteria over an entire year, though this regulation may change.

Excuses: "The incubator broke down" or "the specialist in that field is sick this week" have been accepted with only a reprimand. Until now, too, a laboratory could legally send out its test samples to another laboratory without losing its own license.

The CDC proficiency test samples are neither exotic nor more difficult than a lab's everyday workload. In fact, the results on test samples probably reflect the very best work a lab can do. Yet errors are abundant:

In April, 1972, a quarter of laboratories' identified gonorrhea when it wasn't there—which could have resulted in a lot of unnecessary penicillin shots, not to mention some mighty tall explaining.

In that same period, 35 per cent of the labs did not discover influenza.

In a 1973 test, grades were not recorded because almost a quarter of the participating laboratories couldn't stain the blood sample properly. They would have found that the "patient" might have had leukemia. Of those that could at least stain the slide, over half could not recognize certain types of important cells in the sample.

In another 1973 test (this one in parasitology), three-quarters of the labs identified a specimen stained by the CDC—but only a third identified the same sample sent unstained. The CDC called this event an "interesting fact." They proceeded to explain, in their booklet, how to stain a slide.

The only recent evaluation of laboratories by a group other than the CDC and the College of American Pathologists, the two major regulatory agencies, is a 1973 study prepared for HEW by the Technical Analysis Division of the National Bureau of Standards.

Dr. James D. MacLowry, chief of the microbiology division of NIH, was one of the consultants in administering the test, and he was shaken by the results. Although advocating tougher test samples at first, he soon understood his colleagues' worries.

In one sample, a common stool organism that can indicate anything from a urinary tract infection to an infection of the lining of the heart, was misidentified as everything from a normal culture to meningitis to gonorrhea.

"How a laboratory would make that mistake, I don't know," Dr. MacLowry said of the "normal" identification, "but the fertility of man's imagination was displayed in this test. It can mean life and death."

Of the gonorrhea misidentification, he said: "It's like calling an elephant a 747."

The equipment could be dirty—some places may try to use a throw-away cup twice—or the environment could be wrong—a change in temperature or someone painting down the hall or the quality of the water could make a difference. Or they could have chosen an antiquated technique, the wrong choice of methodology, or the wrong choice of a reagent. Or the technologist may not be paying attention, may be making the dilution wrong."

Medical technologist Susie Weaver is explaining the things that could go wrong with a test, the factors that could lead to low performance on proficiency testing—and on everyday samples. She is in charge of quality control for Litton Bionetics, an independent laboratory that performs 2,500-3,000 tests every night for doctors in the Washington area. She worked her way up from the routine of slide-staining, pipetting, and microscope-hunching. cell-counting by volunteering for duty with the room-filling, computer-looking SMA 12/60 ("Twelve chemistries per patient, 60 patients per minute"), which she learned to "take apart and put together again." She has replaced literally miles of the delicate glass tubing that the patient samples flow through, bubbles pushing them along, reagents changing their colors for the dozen different tests. She increased the efficiency of the $85,000 machine by getting to know it intimately—and now she runs a tight ship in the whole factory-like assembly-line laboratory.

"It depends a lot on the technician's attitude. If the tech has an 'I don't care' attitude, then he or she can make a mistake. We've had a couple of those here, but they don't stay long," she said. She doesn't know what becomes of them, but presumably they find work elsewhere. She thinks that some of the training in the Washington area is not adequate—based on her own experience in taking courses—and always supervises a new "tech" just out of school very closely.

"You've got to have a conscience in this business. You've got to have a conscience," says Susie Weaver.

The projected cures for laboratory maladies are as diverse and wide-ranging as some of the proficiency testing results:

Disclosure laws, such as those advocated by Dr. Frances Norris and others would be one way for the consumer—the patient—to judge the quality of his own diagnoses—or get a second opinion from another doctor. This causes a giant problem for the medical field. Under the doctor's present code of ethics, he isn't supposed to criticize another doctor in a patient's presence.

Disclosure by the regulatory agencies of the results of their tests, inspections and surveys of particular laboratories by names is another method, advocated by, of course, some medical writers and by Dr. Sidney Wolfe of Ralph Nader's medical action group. Medicare inspection records starting in February, 1973, are now open to the public, due to the pressure of one reporter. The CDC has resisted such pressure, though it has not been taken to court on the matter.)

Both these methods will face opposition from pathologists, as voiced by Dr. Lawrence Skendzel of the College of American Pathologists: "We've got to improve, but we've got to do it in a quiet way, so that we don't lose the patient's confidence. There's a lot of good testing, a lot of people who have devoted their lives to doing good testing."

Tougher state standards, or any standards at all in states, would be another possible solution.

Tougher CDC standards: Criticism of present CDC procedures comes from both without and within the CDC. Dr. Louis LaMotte, chief of the Proficiency Testing and Licensure Division of the CDC, advocates many of the possible changes, like stricter grading and tighter discipline on excuses, though his suggestions grind slowly through the CDC bureaucratic mill.

He isn't as militant about closing down labs, though, as some outsiders are: "I look upon our having to go to court with a laboratory as evidence of our failure, not our success. That means I haven't successfully conveyed to the laboratory the problem or the dimension of the problem."

The CDC has not, in any final measure, failed. But if the proposed changes and tightening of regulations do not take place, or are not far-reaching enough and well-enforced enough, then the accuracy and level of quality of the laboratory test will remain a large, looming question for every doctor who must increasingly rely upon it to diagnose and treat his patient. And the laboratory will continue to be, for the patient, too, one of those mysteries of American medicine that he can't—and shouldn't—totally trust.

EXHIBIT 2

WHAT YOU BETTER KNOW ABOUT MEDICAL LAB TESTS

Many diagnostic procedures that help to prevent or cure disease begin with a laboratory test. The doctor takes a blood or urine sample, sends it to a laboratory and in a couple of days the results are in. You accept the verdict—and your bill—unquestioningly.

When done accurately, laboratory tests save lives. They can spot certain diseases in time to do something about them. However, tests that are ordered without good cause or that have to be done over because they were done wrong can only run up your bill. And tests that are done improperly can yield false clues or overlook disease.

Some examples: One government study recently showed that a screening procedure for a type of female cancer either overlooked suspicious cells or wrongly reported malignancy about 30% of the time. In another instance, a private laboratory failed to recognize in a pregnant woman an Rh blood factor that could react with the blood of the unborn child and result in its death. Luckily, the oversight was detected with a second test.

This year laboratories will perform more than three billion tests, ranging from single chemical procedures done by hand to batteries of 20 or more that zip out of automated equipment in minutes. The bill will probably total over five billion dollars. If the present trend continues, by 1980 medical laboratories could be a 15-billion-dollar industry.

Thus it is reasonable to ask how much faith we can place in this business dealing daily with life and death matters and whether the billions we spend really pay off in terms of reduced illness and death.

THE SEARCH FOR ACCURACY

There are 15,000 or so clinical laboratories in the U.S. About half of these are in hospitals. Several hundred more are run by states, counties and cities. That leaves about 6,500 independent labs, some of which are run by laymen. In addition to the 15,000 there are uncounted thousands of small labs run by private physicians out of their offices.

The laws and standards covering these labs overlap, sometimes conflict and occasionally are nonexistent. The result is a patchwork system of regulation that requires over-all excellence of some labs while covering others only on certain procedures and leaving some to set their own version of quality.

Only about 750 labs doing interstate business are licensed by the federal government, under the Clinical Laboratories Improvement Act of 1967. Another 170 (40 in New York State) conform to federal standards but are not formally licensed. The law does not cover most hospital labs doing business in a single state and those in doctors' offices.

The federal licenses are granted by the Center for Disease Control. CDC evaluates labs in several ways, including on-site inspection and scrutiny of employe qualifications. Also, as part of its performance evaluation, CDC has a "proficiency testing" procedure in which licensed labs periodically try to identify specimens provided by CDC and are graded on the basis of right and wrong identification of the specimens.

One recent study by the National Bureau of Standards found that federally licensed labs were incorrectly identifying common bacteria that cause such diseases as strep throat, pneumonia and food poisoning 7.6% of the time, a rate judged "unsatisfactory." For unlicensed labs the rate of error averaged over 20%, with medicare-approved hospital labs and those in physicians' offices the "least precise."

The NBS study is controversial, as CDC's Dr. Louis C. LaMotte Jr. is quick to point out. "In contrast to what the bureau found," he says, "CDC has unequivocable evidence of statistically significant improvement among licensed labs that have participated in the entire program for two years or more. Within a year quality-control deficiencies were reduced by over 50% and performance with proficiency testing samples was improved as well."

CDC itself rates 12% to 15% of licensed and unlicensed labs that participate in CDC programs as below acceptable proficiency in measuring glucose, or sugar, in the blood—a test for diabetes. Nor are all CDC-surveyed labs doing well enough in measuring serum cholesterol or identifying subgroups of blood, which is a crucial deficiency because mismatching in a transfusion could be fatal.

As of now, the results of CDC proficiency testing are not published and made available to doctors so they would know how labs rate. The main deterrent to shoddy work is the threat that a license might be revoked or suspended. So far 24 labs have had their interstate license revoked, suspended or limited, but an erring lab is free to continue operations within the state unless the state concerned has strict standards and enforces them.

There are about 3,000 independent labs that qualify for federal payments under medicare and medicaid through approval by state health departments.

Only a few months ago regulations were extended to apply to labs in the offices of individual doctors or group practitioners who treat medicare and medicaid patients and who have more than 100 specimens a year in a single category referred to them. There is no such regulation of labs that are operated by doctors who confine their testing to their own patients.

The professional associations concerned with testing reply on voluntary compliance with their own standards. The largest program is run by the College of American Pathologists, which has about 9,000 labs signed up in its proficiency testing program. Of these 1,100 submit to on-site inspection by CAP officials. CAP says that although the majority of labs do not qualify for accreditation at first, virtually all make it finally with the help of the pathologists' improvement program. Another group, the American Association of Bioanalysts, has about 1,000 physician-run labs enrolled in proficiency testing.

The majority of all tests performed, however, are done in hospital labs, which are exempt from federal licensing unless the hospital does interstate business. They are also exempt from medicare rules if they choose, instead, to participate in a voluntary program operated by the Joint Commission on Accreditation of Hospitals.

It must be said that many labs, whether in hospitals or privately operated, get better than passing grades most of the time. The best ones, Dr. LaMotte of CDC suggests, seem to be those that invest a significant percentage of their operating budgets in quality-control programs that give daily and even hourly assurance that the tests on everyday patient specimens are right, not just the samples tested for proficiency.

TOO MANY TESTS?

Tests are used for diagnosis, monitoring treatment, and disease detection and prevention. Even if accuracy is 100%, though, are all those tests necessary?

Today a technician can slip a test tube containing a sample of your blood or urine into an automatic analyzer, flip a switch and in just a few minutes have the status of 20 or so chemical components. Such multiphasic testing is required at admission by many hospitals. Scores of private doctors and clinics make multiple tests a routine part of physical exams. Automated tests are more accurate and less expensive than those done by hand, but do they pay off in terms of costs and reduced incidence of disease?

At Strong Memorial Hospital, a leading teaching institution associated with the University of Rochester Medical School in New York, the average patient during a 14-day stay in 1970 received 69 tests at a cost of $469, about a quarter of his hospital bill. In that year the hospital did 95% more tests than it had five years before. The records of 855 discharged patients suggest that lab use was excessive. The professor of medicine who initiated the study, Dr. Paul Griner, concluded that some doctors tend to follow general routines, which they apply indiscriminately to each patient. This came to light when the results of white blood cell differential counts that doctors had ordered were held back for 37 patients chosen at random. Not one house medical officer in charge ever called the lab to ask about the unreported results.

After a nine-month program to instruct doctors on the cost and proper use of tests, Dr. Griner reports, the number of tests leveled off instead of continuing to increase at a high rate.

Another research team analyzed the worth of multiphasic tests that are given regularly in the hope of spotting and treating disease early, before symptoms appear. The study spanned seven years and covered about 8,000 persons, divided almost equally into two groups. In the first group only about 20% chose to take the annual checkups including multiphasic chemical and clinical tests available through the Kaiser-Permanente Medical Care Program in California. In the second group about 60% took these checkups yearly. During the study the second group did not have a significantly lower death date. But when the reasons for individual deaths were examined, it was found that in the group in which 60% took the checkups signfiicantly fewer died from "potentially postponable causes"—mostly because of differences in the number of deaths from colon and rectal cancer, breast cancer in women, and heart and blood vessel diseases related to high blood pressure. The apparent prevention benefits of testing showed up most strongly among men and women who joined up between the ages of 45 and 54.

GAUGING THE COST

Though certain laboratory tests have to be done exactingly by hand, the bulk of routine tests for hospital admissions and physical exams can be done by automated equipment at remarkably low cost. A battery of 12 chemical tests, for example, can be done on an analyzer for about $9 or $10. Add a reasonable professional fee for collecting and handling the sample and the total charge might be $20.

It doesn't always work out this way, though. There have been cases in which bills have gone as high as $60 because the hospital or doctor, after receiving the lab bill, has tacked several dollars or more onto each test before passing the buck to the patient.

To discourage this practice, New York State passed a law requiring labs to bill patients directly. This led some big labs to raise their prices substantially because of the increased cost of mailing and collecting bills. The American Medical Association says it is "preferable" that a lab do the billing directly except where it would mean increased cost to the patient; then the doctor should separate his professional services from the lab charges.

Some hospitals have been accused of ordering unnecessary lab tests or overcharging in order to offset red ink in other departments. It is true that hospital lab charges are generally higher than in independent commercial labs, but the hospitals say that's because they provide complete diagnostic and consulting services, not just chemical analyses. As for "laboratory overutilization," the AMA has asked hospitals to take the initiative in informing doctors of the actual costs of tests they order and the effect on the patient's bill, but there is no substantial evidence that much of this is going on.

Now, as national health insurance moves nearer to reality, the debate over the cost and utility of medical lab services may well take a new turn. If millions of tax dollars are to be spent on medical testing as part of federally financed preventive care, there should be many more voices demanding an accounting of what the citizenry gets for its money. At the very least, there should be a campaign to straighten out the hodgepodge of rules and standards that control—or, all too often, leave uncontrolled—these vital health services.

COSTS VARY FROM LAB TO LAB

What you pay for medical tests can vary as much as 300%. This sampling of price ranges of commonly performed tests is from nine commercial labs operating mainly in a mid-Atlantic state. Five of the labs were large corporate operations, while the remainder were small private laboratories. The costs in the table are the prices charged to the patient when billed directly by the lab, not through his physician.

Many jurisdictions forbid advertising lab prices or posting them. If you live in such a place, neither you nor your doctor will be able to compare prices easily. However, some corporate labs and consumer groups are campaigning for increased competition among non-hospital labs through fuller price disclosure.

	Low	*High*
Glucose	$2.75	$6.00
Cholesterol	3.00	8.00
BUN (urea nitrogen)	2.75	6.00
PBI (protein-bound iodine)	4.00	15.00
Blood count	3.75	9.00
Throat Culture (for Beta strep)	4.00	15.00
12-test chemistry profile	8.50	15.00
Uric acid	2.75	6.00
Urinalysis	2.00	5.05

WHAT THE COMMON LAB TESTS TELL

When you're ill, the doctor may need a laboratory analysis to clinch a diagnosis. About 30 common tests provide the clues to most illnesses. Rare or hard-to-diagnose ailments may require whole batteries of tests from the more than 100 generally available to doctors.

Lab tests are also used in regular physical checkups and in medical clinic prevention programs designed to monitor your general health or to spot any abnormality early.

The tests at the right are among those commonly given in a regular checkup. Your own doctor may want more or fewer, depending on your age, health and his view of the value of testing. One test not on the list is the Pap test, a biological test to detect cervical cancer in women. Most physicians recommend it.

	POSSIBLE SIGNIFICANCE OF ABNORMAL READINGS	
TYPES OF TEST	TOO LOW	TOO HIGH
Blood chemistry:		
sugar (glucose)	Overproduction of insulin; faulty absorption of carbohydrates; liver disease.	Diabetes; other disorders of secretion glands.
Cholesterol	Faulty intestinal absorption of fats; other intestinal diseases; hyperthyroidism.	Persistently high values for cholesterol and certain other lipids indicate overconsumption of saturated fats, hereditary disorder of fat metabolism and may foretell heart and artery disease.
Urea nitrogen (BUN)	Liver disease.	Defective kidney function.
Transaminase (SGOT)	No recognized significance.	High level of this enyzme indicates liver disease, coronary thrombosis, cell damage generally.
Uric acid	No recognized significance.	Gout; defective kidney function; possible indicator of kidney stones.
Bilirubin (van den Bergh test)	No recognized significance.	Jaundice due to liver disease or to abnormal blood destruction or to obstruction of bile ducts.
Calcium	Underfunction of parathyroid gland; defective absorption of calcium due to Vitamin D deficiency.	Persistently high levels signify overproduction by parathyroid gland, leading to possible digestive disturbances, demineralization of bones.
Protein, total	Chronic diseases of liver, kidneys, stomach or intestines.	Sarcoid; indication of already critically ill person.
Phosphatase alkaline	Unlikely to occur.	Indicator of liver or bone injury or fracture.
Lactic dehydrogenase (LDH)	No recognized significance.	Liver, muscle and heart disorders; leukemia.

Urinalysis:		
Protein		Kidney disease (some healthy people have a small amount at times).
Sugar (glucose)		Diabetes; renal glycosuria—a normal condition for some healthy people.
Bilirubin		Any amount means red blood cells are being destroyed or bile ducts are blocked.
Blood (microscopic test)		Disease or infection of kidneys or bladder.
Hematology:		
Hemoglobin	Anemia from excessive bleeding, faulty blood formation or undue blood destruction in the body shows up as low values for hemoglobin, hematocrit and red blood cells.	Values a bit above normal often occur in persons living at high altitudes, but higher abnormal values of hemoglobin, red blood cells and hematocrit may show up in chronic oxygen deficiency, secondary to lung diseases.
Hematocrit (% of red cells in blood column)		
Red blood cell count		
White blood cell count	Faulty blood cell production sometimes resulting from x-rays or drugs and certain forms of anemia.	The "white count" is important in testing for pneumonia, appendicitis and other fever-causing illnesses and leukemia; a differential count is done to determine proportion of each kind of cell and helps pinpoint nature and type of infection.

Mr. KENNEDY. Mr. President, I am pleased to cosponsor an amendment to the Clinical Laboratories Improvement Act of 1975 introduced today by my good friend and colleague Senator JAVITS, the ranking minority member of my committee, who in 1967 authored the original Clinical Improvement Act.

The clinical laboratory industry now costs the American people almost $9 billion a year. Without high quality laboratory services America's health care system is in jeopardy. Until now we have looked to State government, individual laboratories, and practitioners to assure the quality and reliability of their effort. However, I am convinced that this patchwork program does not adequately serve either the doctor or his patient. The time has come for the public and private sectors to develop a system which will meet public need. That is what my bill is all about.

During the past 5 years, Congress has repeatedly committed itself to developing mechanisms to insure quality health care and to stabilize health care costs. My bill helps to achieve both goals with respect to the provision of laboratory testing services.

Reports of clinical laboratory ineptitude appear frequently in our Nation's media. We have learned of a distressing litany. Many laboratories, for example, have never been inspected, dirty and broken laboratory equipment is being used by inexperienced technicians, reagents are unlabeled and outdated, and patient specimens are being tested with used and unwashed pipettes.

A recent study prepared by the National Bureau of Standards has found that although high volume laboratories may be more proficient than smaller laboratories—such as those found in doctor's offices and medicare certified laboratories—the level of quality was still undesirable. For example, 7.6 percent of the interstate laboratory determinations, 16.5 percent of laboratory tests prepared by other large laboratories, and 26 percent of the sample lab work done in medicare reimbursed labs were incorrect. Almost 1 out of 5 microbiological determinations, then, are inadequate. This is poor medical care and it is expensive medical care. It should no longer be tolerated.

This bill, then, now commands our attention because the American health care consumer often finds it impossible to evaluate and judge the quality of laboratory testing which he receives. He has no influence on his physician's choice of laboratory; nor has he any indication of relative costs. Tests which cost $10 in one lab cost $45 in another. True that lower charges may be attributed to automation, but even among the larger, automated labs there is incredible price variations. Why is this the case?

It is not only the price variation that concerns us; we are also troubled by the fact that physicians themselves recognize the low quality of laboratory results. They respond to this situation by reordering tests or by dividing specimens into two samples and sending them to different laboratories for concurrent analysis. The problem of cost is further exacerbated because subclinical illnesses remain undetected and, on the other hand, because false positives result in unnecessary medical treatment.

The bill I am submitting will correct many of these excesses. By establishing an Office of Clinical Laboratories in HEW, the bill addresses the issue of jurisdictional disputes within the Federal bureaucracy. It further broadens the jurisdictional perimeter to licensure and establishment of quality standards for all laboratories and not just those in interstate commerce. The bill permits the States to set their own standards once they meet or exceed those standards established by the Secretary. Moreover, the States will receive technical assistance and grants—up to 75 percent of costs—for the development and regulation of State regulatory programs. And, there is a model certification procedure established for technical laboratory personnel.

My committee will hold hearings on the bill on July 9 and 10. Those interested in presenting testimony to the subcommittee should contact Mr. Arthur Viseltear at 224-7675.

By Mr. BROOKE (for himself and Mr. METCALF):

S. 1742. A bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain practices which encourage additional use of electricity and natural gas. Referred to the Committee on Commerce.

Mr. BROOKE. Mr. President, today I am introducing legislation, together with Senator METCALF, to amend the Federal Energy Act of 1974 in order to provide for the prohibition of certain private utility practices which encourage additional use of electricity and natural gas.

Part of the reason our utility costs have risen so dramatically in the past 2 years is that we are suffering from the consequences of rate structures which were designed to promote the use of our precious energy resources. In the fifties and sixties era of cheap power and abundant, price-controlled natural gas, it made economic sense for the utilities to push the use of their products; the expansion of demand meant decreasing marginal costs for them. As a result, our electric utility industry is now staggering under the financial weight of its construction plans which are a necessary response to the demand pressures the industry itself helped create. Capital costs for these building programs, which are charged to customers, are skyrocketing. Now the gas industry claims it can not satisfy the customer demand it helped create at the level of today's controlled prices.

Much of the energy now consumed is not being used in such a way as to promote conservation or optimize the use of capital facilities or fuel resources. In the case of electric power, the problem of costly waste is especially acute. Excessive peak-load demand has created a situation in which, on the average, only 49 percent of electric generating facilities are being utilized.

Although the root cause of this systematic energy waste lies in the structure of our rates, which encourages greater consumption, certain utility practices can be singled out as significant contributors to the problem. All consumers are familiar with the advertising of power and was companies which encourages one to switch to either power or natural gas for heating and cooking. All of us have seen utility companies advertising together with appliance manufacturers to promote the use of gas- or electric-powered machinery in homes and offices.

While many utilities did desist from their promotional advertising when the oil crisis of the early 1970's caught them short of plant and fuel, their past practices were so effective that we will long deal with the consequences. Moreover, now that there is a temporary abundance of fuel supplies and now that new electricity generating plants are beginning to come on line, there is no guarantee but the goodwill of the industry that past practices will not be resumed.

Mr. President, the legislation I propose today would set a standard for all the rate structures under which electricity and gas utilities operate. It would prohibit these firms from charging, as part of the expenses allowed in the rate base which are used in computing customer charges, the expenses they might incur in promotional advertising campaigns. This would in fact be a limited prohibition. Firms are allowed to advertise, as they wish, but only those advertisements which promote ways to conserve our precious energy resources would, under this standard, be charged against the consumer. The stockholders would bear the burden of any advertising campaign which was not consonant with the goals our new national energy policies set of optimizing the use of our fuels and power.

Mr. President, I have sponsored other legislation which provides for a comprehensive standard for electric utility rate structures, with comparable provisions regarding electric utility advertising. While such reforms are being debated, I believe we can provide safeguards by modifying the powers of the FEA to include the establishment of standards for rate structures discouraging promotional advertising. Furthermore, this legislation covers natural gas suppliers as well. It is important to prevent demand for natural gas from being artificially inflated in order to influence the debate over deregulation. In an era in which fuel prices will almost certainly change, this is an important protection for customers of gas utilities as well as of electric power.

Mr. President, I hope the Congress will give prompt and favorable consideration to this measure.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1743. A bill to provide improved safety and health standards for railroad employees, and for other purposes. Referred to the Committee on Labor and Public Welfare and the Committee on Commerce, jointly, by unanimous consent.

FEDERAL RAILROAD EMPLOYEES SAFETY AND HEALTH ACT

Mr. WILLIAMS. Mr. President, in 1970, safe working conditions for most employees in this country became a genuine possibility with the passage of the Occupational Safety and Health Act. That act gave the responsibility for insuring a safe and healthy work environment to the Department of Labor with the technical and scientific assistance of the Department of Health, Education, and Welfare.

But two important occupations, mining and railroad work, remain outside the protection of the Occupational Safety and Health Act and the Department of Labor. Time has proven that in both instances the better course would have been to accord these employees the same protection as nearly all others now receive.

We recently took the first step to correct this inequity in the mining industry with the introduction of the Federal Mine Safety and Health Amendments of 1975.

It is time now to bring the railroad industry under that same protective umbrella.

I, therefore, introduce for myself and Senator JAVITS a bill which would transfer nearly all railroad safety and health activities of the Federal Government from the Department of Transportation to the Department of Labor and the Occupational Safety and Health Review Commission. The Department of Transportation would retain only certain advisory and research functions so that we would receive the benefit of its expertise in this industry.

Responsibility for establishing and enforcing job and passenger safety and health standards would be invested in the Department of Labor. An expanded Occupational Safety and Health Review Commission would adjudicate, as it does now under OSHA, those Labor Department citations and proposed penalties which are contested by the affected party.

The Nation's railroads, particularly in the Northeast corridor, are deteriorating rapidly. Trackbed, terminals, stations, maintenance shops, and rolling stock all are suffering from an accumulated number of derailments and other accidents. Since 1967, when the first transfer of railroad safety functions to the Department of Transportation occurred, the number of railroad accidents has increased nearly 50 percent. During the calendar year 1974, there were more than 10,400 railroad accidents.

The condition of rail facilities is reflected in the railroad employee casualty figures. In 1974, 140 employees were killed and more than 15,000 employees were injured on the job. If any of the various proposals to embark on a comprehensive rail maintenance program by hiring substantial numbers of unemployed railroad and other employees become law, the need for improved safety and health rules on the job will be even greater.

Stronger railroad safety and health regulations are imperative to combat the obviously increased risk that railroad employees face on their jobs.

A stronger program could force the railroads to undertake urgently needed repairs and maintenance that they have deferred for years. Improved equipment and facilities would immeasurably enhance the safety and well-being not only of railroad workers, but of rail passengers and the general public as well.

The Department of Transportation has focused its efforts on protecting rail passengers and the public, but these efforts have been inadequate and have not reached through to provide enough protection for rail workers.

By placing greater emphasis on the safety and health of rail workers, they would be better protected, and these additional safeguards would provide better protection for rail passengers and the general public as well.

Since 1970, the Department has had comprehensive authority to regulate rail safety, but it has adopted no safety rules affecting maintenance shops, offices or stations.

Where it has adopted rules, it has not adequately stepped up its response either in terms of number of inspectors employed or number of inspections conducted. From 1970 through 1973, the number of inspectors remained nearly static. Only in 1974 did the Transportation Department hire any significant number of additional inspectors, and the total is still inadequate to meet the clear demand.

Although the Department hired additional inspectors last year, there was a sharp decline in the number of inspections of passenger cars, freight cars, and locomotives. The number of locomotives inspected declined from 73,000 in 1973 to 35,000 in 1974 and the number of freight and passenger cars inspected dropped from 400,000 to 275,000.

In the face of the rapid deterioration in roadbed maintenance and rolling stock and the predictably sharp rise in accidents, this response is intolerable. The Department of Transportation has had time to act. The need for an intensive effort in the area of rail safety demands a change.

Under this bill, the Secretary of Labor would exercise essentially the same responsibilities for standards promulgation and enforcement with respect to rail safety as he does in other industries. He would have the additional authority, now possessed by the Secretary of Transportation, to issue a cease-and-desist order where there is an emergency hazardous situation involving railway employees.

The Occupational Safety and Health Review Commission would hear contested citations and proposed penalties in rail safety situations in the same fashion as it currently does under OSHA. However, to accommodate the special needs and problems in the rail industry, this bill provides that two additional members, one from the industry and one representing railroad employees, would be appointed to the OSHRC, which now has three members. A panel of three, which includes the two rail industry experts could be designated to hear railroad cases.

As a further safeguard to insure the proper level of rail expertise, all Federal Railroad Administration staff currently performing functions which would be tansferred to Labor and OSHRC would also be transferred to these agencies. The bill also establishes under the Secretary of Labor, a Federal Railroad Safety and Health Administration to be headed by an Administrator appointed by the President and with the advice and consent of the Senate.

The Federal Railroad Administration, now existing within the Department of Transportation, would be abolished. Those functions remaining in the Department of Transportation, principally research, investigation and development, would be carried out within a division of the Transportation Department.

Mr. President, I ask unanimous consent that the bill S. 1743, to transfer authority over railroad safety and health from the Department of Transportation to the Department of Labor, be jointly referred to the Committee on Labor and Public Welfare and Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. MOSS (for himself, Mr. PHILIP A. HART, Mr. MAGNUSON, and Mr. MANSFIELD):

S. 1744. A bill to regulate commerce by discouraging the needless depletion of natural resources through programs and incentives for recycling and conservation, and for other purposes. Referred to the Committee on Commerce.

Mr. MOSS. Mr. President, today I am introducing a bill entitled the "Resource Recycling and Conservation Act," to increase our opportunities for resource and materials savings through a variety of regulatory incentives for recycling. The bill is similar to a comprehensive resource conservation bill (S. 3954) which was reported by the Senate Commerce Committee in the 93d Congress after receiving testimony from 62 witnesses during 11 days of hearings.

That bill was rereferred to the Senate Public Works Committee, which is currently considering a staff working paper on solid waste. The Public Works working paper incorporates some of the suggestions from last year's Commerce Committee bill; consequently, the bill I introduce today is not intended to be a comprehensive answer to the Nation's solid waste or recycling needs but rather represents a continuation of our efforts in areas in which the Commerce Committee has jurisdiction and expertise. It is my hope that the bill I introduce today will be reported from the Commerce Committee in time to be considered on the floor in conjunction with any amendments the Public Works Committee may recommend to the Solid Waste Disposal Act.

The bill would provide a means for remedying certain policies of the Federal Government with respect to freight rates, procurement, labeling and the tax treatment of recycled oil—all of which appear to have discriminated against recycled materials and products in the past. Additionally, the bill includes a phasein approach to study and develop energy and materials savings opportunities through national product standards.

Solid waste management can no longer be just a local issue. It is a national, State, and local problem which demands a Federal response. Millions of tons of municipal solid waste are mounting daily in our dwindling landfills. The U.S. consumption of materials and resources is far above that of the rest of the world—we use nearly one-third of the world's energy supplies, 40 percent of the world's aluminum, 35 percent of the world's lead, and approximately one-third of the world's copper, tin, zinc, and nickel. Exacerbating the materials problems we face as a nation is the fact that we are dependent on imports for over half of the supply of six selected critical resources: bauxite, chromium, rubber, tin, nickel, and zinc.

Because of our high consumption rates and need for reliable supplies, it is essential that we use our resources and materials efficiently and reduce waste throughout all levels of the materials cycle. This bill is part of a national recycling program. The bill addresses the following: The discriminatory impact and reasonableness of freight rates for recycled materials; labeling policies of the FTC which discriminate against recycled oil; Government procurement policies for recycled materials; the establishment of a National Commission on Environmental Costs to study the feasibility of utilizing charges to internalize the costs of depleting natural resources; and a phase-in regulatory program for product standards after a study on the opportunities for reducing waste and using critical materials more efficiently. The reports and research endorsing the need for these recycling and conservation programs are too numerous to mention.

Additionally, support at the local level is growing rapidly for not only a national solid waste program but also for equitable freight rates and national standards for source reduction. For example, the National League of Cities and the United States Conference of Mayors, and the National Association of Counties have strongly endorsed the need for national product standards as well as the need to direct regulatory agencies to restructure freight rates to reflect a commitment to conservation.

Specifically, section 4 of this bill would expedite the identification and elimination of transportation rates regulated by the Interstate Commerce Commission—ICC—and the Federal Maritime Commission—FMC—which discriminate against the movement of recovered materials. Currently, it appears that possible discrimination in the rate structure is not subject to challenge because of regulatory decisions that recovered materials are not competitive with virgin materials. Under the proposed bill, both the ICC and the FMC would be required to change ratemaking procedures to insure fair treatment of recovered materials where discrimination cannot be justified on the basis of transportation factors.

The bill requires government agencies to set a good example with respect to resource recovery and conservation. Federal agencies and State and local agencies receiving Federal assistance would be required to purchase recycled materials, if they are available at a reasonable cost.

Under section 7 of the bill, the Environmental Protection Agency, in consultation with the National Bureau of Standards, would be required to study, analyze and report on the technical feasibility of reducing waste and conserving the use of energy and materials in short supply through product standards. Any standard for a product would have to meet a balancing test on its technical feasibility and economic ramifications prior to promulgation.

Additionally, a proposed standard would be subject to a final rejection by a simple majority vote of either House of Congress. A National Commission on Environmental Costs would also be established under this bill to gather information on the feasibility of utilizing charges to internalize the costs of environmental degradation and the depletion of natural resources. Internalizing costs in this manner is a potential alternative to standard setting, but needs further exploration and evaluation in terms of cost feasibility and effectiveness.

Mr. President, I ask unanimous consent that the entire bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1744

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into sections according to the following table of contents, may be cited as the "Resource Recycling and Conservation Act".

TABLE OF CONTENTS

Sec. 2. Declaration of policy.
Sec. 3. Definitions.
Sec. 4. Investigation of discriminatory freight rates for the transportation of recycled materials.
Sec. 5. Reclaimed materials preference.
Sec. 6. Recovery facilities preference.
Sec. 7. Waste reduction.
Sec. 8. Technology transfer.
Sec. 9. National Commission on Environmental Costs.
Sec. 10. Recycled oil.
Sec. 11. Records and examinations.
Sec. 12. Prohibited act.
Sec. 13. Remedies.
Sec. 14. General provisions.
Sec. 15. Packaging and labeling.
Sec. 16. Federal Power Commission review.
Sec. 17. National security waiver.
Sec. 18. Disclaimer.
Sec. 19. Employee protection.
Sec. 20. Authorization for appropriations.

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds that the United States has recently experienced severe economic difficulties, including inflation, unemployment, and shortages of food, energy, and other products and materials. Such difficulties and shortages illustrated that Nation no longer possesses an overabundance of natural resources necessary for commerce, economic well-being, and the national security. In the future, greater emphasis must be placed on promoting the conservation of virgin natural resources, promoting resource recovery and recycling, and reducing waste through the efficient use of energy and resources in short supply.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act to—

(1) promote, through economic incentives and minimum standards, the use of materials and products that are not in short supply or that can be used again through recovery, reuse, and recycling, and subject to subsection (c) of this section, to discourage the unnecessary use and depletion of scarce virgin natural resource materials;

(2) prohibit transportation rates which discriminate against recycled materials in favor of virgin materials;

(3) change, with respect to the Federal Government, (A) its procurement practices to encourage the use of reclaimed materials and to minimize the unnecessary purchase of virgin materials and (B) its disposal practices to maximize the use of facilities for the recovery of energy and other resources from waste;

(4) require the development of national product standards to reduce the use of energy and critical materials in short supply;

(5) enable consumers to contribute to resource conversation by establishing a national commission to formulate a practical and convenient national disposal costs system which would internalize waste disposal costs and thus permit consumers to make rational value comparisons among competing products on the basis of total costs, including disposal costs.

(c) DISCLAIMER.—It is not the purpose of this Act directly to discourage the exploration, development, or extraction of virgin natural resources which is undertaken in accordance with valid environmental protection laws, regulations, and objectives.

DEFINITIONS

SEC. 3. As used in this Act, unless otherwise defined in this Act—

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "commerce" means trade, traffic, transportation, or exchange (A) between a place in a State and any place outside such State; or (B) which affects trade, traffic, transportation, or exchange described in subparagraph (A);

(3) "disposal cost" means the economic cost (measured in dollars per standard unit of measure) of collecting, transporting to a treatment facility, storing, and processing solid, liquid, and semisolid waste in the waste disposal systems in the United States;

(4) "durability" refers to product lifetime or the length of time a durable good is useful for its intended purpose; it includes the concepts of product design and repairability.

(5) "Federal agency" means any department, agency, or other instrumentality within the executive branch of the Federal Government; any independent agency or establishment of the Federal Government including any Government corporation; and the Government Printing Office;

(6) "procurement item" means any device, good, substance, material, product, or other item which is the subject of any purchase, barter, or other exchange made to procure such item;

(7) "procuring agency" means any Federal agency or any State agency or agency of a political subdivision of a State which is using Federal funds; or any person contracting with any such agency with respect to work performed under such contract;

(8) "product" means any article, device, item, material, or other substance or any part thereof which is manufactured or produced for distribution or sale in commerce to any person for any personal household or business use other than use as material in the manufacture or production of, or as a component part of, another such substance; and any container or packaging material which is used in the distribution or sale in commerce of any such substance;

(9) "reclaimed material" means any material which has been collected or recovered from waste for a commercial or industrial use following end usage as a product;

(10) "recycled material" means any material which has been collected or recovered from waste for a commercial or industrial use whether or not such collection or recovery follows end usage as a product;

(11) "recyclable" and "recyclability" refers to the capability and likelihood of being recovered from waste for a commercial or industrial use;

(12) "reusable" or "reusability" refers to the capability of being and likely to be reintroduced into commerce for purposes of distribution, sale, or use without any substantial treatment, alteration, or change other than sanitary cleansing. The term may include, but is not limited to, any new product, material, or item meeting such requirements;

(13) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa;

(14) "virgin natural resource material" or "virgin material" means a raw material, including, but not limited to, previously unused copper, aluminum, lead, zinc, iron, or other metal or metal ore; or any undeveloped resource that is, or with new technology will become, a source of raw materials; or any new or virgin textile material which has useful physical or chemical properties which exist, unused, in nature;

(15) "waste" means any discarded, disposed, unused, or otherwise unusable solid, liquid, or semisolid material or materials. The term shall not include any source material, special nuclear material, or byproduct material subject to regulation or control under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.);

(16) "waste management" means the systematic control of the generation, collection, storage, transport, treatment, utilization, processing, recycling, recovery, or final disposal of waste.

INVESTIGATION OF DISCRIMINATORY FREIGHT RATES FOR THE TRANSPORTATION OF RECYCLED MATERIALS

SEC. 4. (a) INVESTIGATION.—The Commission shall within 12 months after the date of enactment of this Act and as appropriate, thereafter—

(1) conduct an investigation, based upon the identification and examination of such rates as are significant to such investigation, of the rate structure for the transportation of recycled materials by transportation carriers subject to its respective jurisdiction and shall, after a hearing has been afforded, determine whether such transportation rate structure is in whole or in part unjustly discriminatory, or, in the case of interstate commerce, unreasonable;

(2) in all cases where the rate structure applicable to the transportation of recycled materials is found to be unreasonable or unjustly discriminatory, issue orders requiring the removal from such rate structure of such unjust discrimination or, in the case of interstate commerce, unreasonableness; and

(3) file annual reports with the President and the Congress on or before the tenth day of December of each of the 3 years following enactment of this Act and such other reports as shall be appropriate to reflect all actions commenced or completed under this section to eliminate unreasonable and unjustly discriminatory rates for the transportation of recycled materials.

(b) COMPLAINTS.—Any interested person may file a complaint with the Commission alleging that rates, charges, or tariffs or proposed rate increases for the transportation of any recycled material subject to its regulatory jurisdiction are unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable. Upon the filing of any such complaint, the Commission shall forward a copy thereof to any carrier whose rates or proposed rate increases are challenged. Such carriers shall be given a reasonable opportunity to answer such allegations in writing. The Commission shall thereupon investigate and after a public hearing make a determination. If such rates, charges, tariffs, or proposed rate increases are found to be unjustly discriminatory or in the case of movements in interstate commerce, unreasonable, the Commission shall issue appropriate orders requiring the removal, where applicable, of such unjust discrimination or unreasonableness.

(c) ADMINISTRATOR.—The Administrator shall take such steps as are necessary to insure that the directive contained in subsection (a) of this section will be carried out as expeditiously as possible. The Administrator shall have the right to intervene as a party in any proceeding commenced by or before the Commission under this section.

(d) PROCEEDINGS.—In any proceeding under this section—

(1) Upon a showing by any interested person of competition between a recycled material and a virgin natural resource material as provided in subsection (g) of this section and of a difference in transportation rates, charges, or tariffs charged by a carrier or a difference in the rate structures for such competing materials for substantially similar transportation, the burden shall then be upon the carrier whose rates, tariffs, charges, rules, or regulations are under investigation to show that the same are not unjustly discriminatory.

(2) The Commission shall make specific findings based upon the record. With respect to all determinations made by it in accordance with this section, any relevant facts or conclusions, including matters to be officially noticed, shall be introduced into the record, subject to cross examination, in accordance with the rules of evidence governing proceedings under the Interstate Commerce Act as amended (49 U.S.C. 1, et seq.) or the Shipping Act of 1916 as amended (46 U.S.C. 801, et seq.).

(3) The Commission shall give full preference to the hearing and decision in any proceeding under this section and shall conclude such proceedings as speedily as possible.

(4) This section shall be read in para materia, as appropriate, with the Interstate Commerce Act, as amended (49 U.S.C. 1, et seq.) or the Shipping Act of 1916, as amended (46 U.S.C. 801, et seq.).

(e) REVIEW.—Orders issued by the Commission pursuant to this section shall be subject to judicial review or enforcement in the same manner as orders issued by the Commission under the Interstate Commerce Act, as amended (49 U.S.C. 1, et seq.), or the Shipping Act of 1916, as amended (49 U.S.C. 801, et seq.).

(f) REGULATIONS.—The Commission is authorized to prescribe such regulations as are necessary to carry out the provisions and purposes of this section.

(g) PRESUMPTION.—For the purposes of this section, a recycled material shown to be practicably usable and intended to be used in a particular manufacturing, industrial, or energy production process, which use would reduce the use of a virgin natural resource material which could otherwise be used, shall be presumed to be competitive with such virgin natural resource material unless such showing is rebutted by a preponderance of the evidence.

(h) DEFINITIONS.—As used in this section, the "Commission" means to the extent of applicable jurisdiction, the Interstate Commerce Commission or the Federal Maritime Commission, or both.

(i) RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—The Secretary of Transportation, in cooperation with the Interstate Commerce Commission and the Federal Maritime Commission shall establish a research, development, and demonstration program which shall develop and improve transport terminal operations, transport service characteristics, transport equipment, and collection and processing methods for the purpose of facilitating the competitive and efficient transportation of recycled materials.

RECLAIMED MATERIALS PREFERENCE

SEC. 5. (a) GENERAL.—A procuring agency shall comply with the requirements set forth in this section and any regulations issued under this section, with respect to any purchase or acquisition of any property having a fair market value of $5,000 or more and with respect to any purchase or acquisition on a recurring or continuing basis of the same or a functionally equivalent material, product, or item where the fair mraket value of the quantity thereof purchased or acquired in the course of the preceding fiscal year was $5,000 or more.

(b) REQUIREMENTS.—(1) With respect to procurement items purchased through advertisements for bids, no procurement shall be made of any such item unless it is, by comparison with competing items offered for sale by suppliers, composed of the greatest percentage of reclaimed materials and is, to the greatest extent, recyclable or reusable following the use for which it is designed or used, whenever a significant difference exists between such item and competing items with respect to such characteristics.

(2) The requirements of paragraph (1) of this section shall not apply to any procurement by a procuring agency if the procurement item which meets such requirements and regulations (A) is not reasonably available within a reasonable period of time; (B) does not meet reasonable performance standards set by such agency; or (C) is only available at a price which substantially exceeds the current market price for competing items.

(3) Each procuring agency shall make its own determinations and findings with respect to the characteristics of procurement items and competing items and the question of compliance with the requirements of this section. The Secretary of Commerce, through the National Bureau of Standards, and the Administrator shall assist any procuring agency in making any such determinations or findings upon request in writing from such agency. In case of any dispute between a procuring agency and a prospective supplier with respect to any such determination or findings, such supplier may obtain review of such determination or findings in an appropriate district court of the United States.

(4) To the extent that a prospective supplier fails to disclose any information with respect to the percentage of reclaimed materials in a procurement item or the recyclability or reusability of such item, such failure, for purposes of this section, shall be treated as an admission that such item contains no such materials and is neither recyclable nor reusable.

(c) GUIDELINES.—The Administrator, after consultation with the Administrator of General Services and the Public Printer, shall prepare, and from time to time revise, guidelines for the use of procuring agencies in the implementation of the requirements of this section. Such guidelines shall set forth recommended practices with respect to the procurement of reclaimed, recyclable, and reusable materials and items containing such materials and shall provide information as to the availability, sources of supply, and potential uses of such materials and items.

(d) OTHER STANDARDS.—In addition to the foregoing, each procuring agency shall be subject to all applicable standards promulgated under section 7 of this Act with respect to all procurement items purchased or acquired by it.

RECOVERY FACILITIES PREFERENCE

SEC. 6. A procuring agency shall, to the maximum extent practicable, manage or arrange for the management of waste generated by it in a waste-management facility which maximum energy and resource recovery.

WASTE REDUCTION

SEC. 7. (a) PRODUCT REPORT.—The Administrator, in consultation with the National Bureau of Standards, appropriate Federal, State, and municipal agencies and other interested persons, within 1 year after the date of enactment of this Act, shall publish (and from time to time thereafter revise) a report (1) identifying products (or classes of products), the manufacturing, distribution, or disposal practices of which may—use an unreasonable amount of energy or virgin materials identified by the President to be (A) critical for the national welfare, and (B) in actual or potential short supply; and (2) giving information on existing technology and practices for reducing the amount of energy or virgin materials used in the manufacturing, distribution, or disposal of such products, including available data on technology and costs, alternative methods of manufacturing, distribution, or disposal, and to the extent possible any recommendations for disposal cost charges or charges to internalize costs made by the National Commission on Environmental Costs established under section 9 of this Act. Such identification and information shall be announced in the Federal Register and copies shall be made available to the general public.

(b) PROPOSED PRODUCT REGULATIONS.—Within 180 days after publication of the report required under subsection (a) of this section, the Administrator, after consultation with the National Bureau of Standards, other appropriate Federal agencies, and representatives of affected industries, shall publish in accordance with section 553 of title 5 of the United States Code proposed regulations establishing standards for the control of any such identified product. Such regulations may include, but need not be limited to, standards which through the administration of fees, product mix standards, or other means found suitable by the Administrator, encourage the durability, recyclability, or reusability of any such product.

(c) LIMITATION.—No regulation shall be promulgated under this section which requires a change in a manufacturing, distribution, or disposal practice for any product unless the Administrator finds such regulation is—

(A) technically feasible, and

(B) economically reasonable over the lifecycle of the product after a finding by the Administrator that the environmental, economic, and social benefits likely to be derived from the application of such regulation exceed the environmental, economic, and social costs likely to result therefrom.

No regulation shall be promulgated under this section unless the Administrator finds that regulations issued under the Clean Air Act, as amended (42 U.S.C. 1857) or the Federal Water Pollution Control Act, as amended (33 U.S.C. 466) cannot accomplish the purposes of such standards as effectively.

(d) FINAL REGULATIONS.—The Administrator shall publish a notice for a public hearing on such proposed regulation to be held within 60 days of publication of such proposed regulations. No later than 180 days after publication of the proposed regulations, such regulations shall be deemed final unless the Administrator finds, on the record, that a modification of such proposed regulations is justified based upon a preponderance of evidence adduced at such hearing or unless either House of Congress opposes such proposed regulations by a majority vote. If after any such public hearing, the Administrator finds that a modification of any such proposed regulation is justified, revised regulations shall be promulgated immediately subject to rejection by a majority vote of either House of Congress. All such regulations promulgated under this section shall be reviewed and, if appropriate, revised at least every three years.

(e) NATIONAL BUREAU OF STANDARDS.—

(1) GENERAL.—The Secretary of Commerce through the National Bureau of Standards, shall develop the resources, facilities, and expertise necessary to assist and advise the Administrator in the exercise of such Administrator's responsibilities under this section, at the request and direction of such Administrator. The Administrator shall utilize such resources, facilities and expertise to assist in the development of product reports and product regulations pursuant to this section.

(2) CONFORMING AMENDMENT.—Section 1 of the Act of July 22, 1950 (15 U.S.C. 272), is amended by inserting after subsection (f) a new subsection as follows:

"(g) The development of product reports and product regulations pursuant to section 7 of the 'Resource Recycling and Conservation Act.' ".

(f) SEIZURE.—(1) The Administrator, or upon such Administrator's request the Attorney General, may initiate an action in an appropriate district court of the United States against any product which is manufactured, distributed, sold, or disposed in violation of a regulation promulgated under this section or a finding made under subsection (g) of this section for seizure and condemnation of such product.

(2) In any such action, such product may be proceeded against by process of libel for its seizure and condemnation within any judicial district in which it is found. Proceedings and cases shall conform as nearly as possible to proceedings in rem in admiralty.

(3) Upon the entry of an order of seizure and condemnation under this subsection, the products against which such order is entered shall be disposed of by destruction or sale under the supervision of an officer of the court, or it shall be released to its owner, or a designated responsible person who intervened in the proceeding as a claimant, to be destroyed or brought into compliance with applicable requirements under the supervision of a duly authorized agent of the Administrator. Any such sale shall be conducted in accordance with the provisions of this section and the laws of the jurisdiction in which the sale is conducted. The proceeds of such sale, minus expenses of sale and costs, shall be paid to the United States for deposit in the Treasury as "miscellaneous receipts". No such product shall be released until the owner or designated responsible person has paid to the court all costs incurred and has executed a good and sufficient bond payable to the United States conditioned upon a commitment that (A) the product will be destroyed or brought into compliance with applicable requirements pursuant to the terms of such order and the provisions of this paragraph; (B) the product will not be sold or disposed of contrary to the provisions of the order, this Act and regulations thereunder, and the laws of the involved State; and (C) payment will be made promptly to the Administrator of reasonable and appropriate supervision fees, according to a schedule of such fees to be established by the Administrator. As used in this paragraph, "costs" means, where applicable, court costs and fees, moving and storage expenses, testing and examination costs, and any other expenses incurred in seizing and safeguarding such property.

(g) EXPORTS.—A product intended solely for export is exempt from regulations and standards issued under this section, except that no product may be exported if the Administrator finds that such product will, upon final disposal following export and use, directly or indirectly result in an unreasonable reduction of domestic energy or virgin materials identified by the President to be critical for the national welfare and in actual or potential short supply.

(h) STATE AUTHORITY.—(1) If the Administrator has promulgated a regulation under this section or made a finding under subsection (g) of this section with respect to a product, no State or local government may impose requirements which are different therefrom.

(2) The Administrator may by regulation, upon the petition of any State or local government or at such Administrator's own initiative, exempt State and local governments from the prohibitions of paragraph (1) of this subsection with respect to any State or local requirement which is more stringent than the corresponding Federal requirement, if such exemption will not,

through difficulties in marketing, distribution, or other factors, result in placing an unreasonable burden upon commerce.

TECHNOLOGY TRANSFER

Sec. 8. The Administrator shall establish and maintain a central reference library for actual performance and cost effectiveness records and other data and information with respect to the various methods of energy and resource recovery from waste and the various systems and technologies for collection, transport, storage, treatment, and final disposal of waste, and other aspects of waste management. Such information shall be made available to State and local governments and other persons. The Administrator shall also implement a program for the rapid dissemination of information relating to all such aspects of waste management, including the results of any research, developments, demonstrations, investigations, experiments surveys, studies, or other information which may be necessary or useful to State and local officials and such other person.

NATIONAL COMMISSION ON ENVIRONMENTAL COSTS

Sec. 9. (a) Establishment.—There shall be established, 120 days after the date of enactment of this Act, a National Commission on Environmental Cost (hereinafter referred to as the "Commission").

(b) Structure.—(1) The Commission shall consist of 12 members, as follows:

(A) three who shall be appointed by the majority leader of the Senate from Members of the Senate, of whom not more than two shall be members of the same political party;

(B) three who shall be appointed by the Speaker of the House of Representatives from Members of the House of Representatives, of whom not more than two shall be members of the same political party;

(C) three who shall be appointed by the President from the personnel of Federal agencies: *Provided*, That the primary employment activity of each such person at the time of appointment is the protection of environmental quality; and

(D) three who shall be appointed by the President from lists of qualified individuals not employed by the Federal Government on the basis of their special training, experience, or qualifications, of whom not more than two shall be members of the same political party.

(2) The members of the Commission shall be appointed for a term of 3 years, except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which such individual's predecessor was appointed shall be appointed for the remainder of such term and in the same manner in which such predecessor was appointed.

(3) The members of the Commission shall elect one of their numbers to serve as Chairman thereof.

(4) Four members of the Commission shall constitute a quorum at any meeting for the transaction of any function of the Association: Provided, That notice in writing of the date, time, and location of such meeting was given or sent by certified mail to each of the members of the Commission 30 days prior to the date thereof.

(c) Duties.—It shall be the duty of the Commission to—

(1) conduct a comprehensive study, including field testing and controlled experimentation to the extent practicable, of the feasibility and effectiveness of establishing a system of national product disposal cost charges. The study shall include an evaluation of the accuracy with which actual disposal cost, by product or class of products, can be measured;

(2) study and make recommendations as to the best way to administer such a system of national disposal costs charges, including the level and agency or agencies of Government which should have major responsibility therefor and the extent to which refunds or credits should be authorized or mandated of sums paid or amount otherwise due for such disposal charges, including, but not limited to, refunds or credits based on the amount, if any, of recovered material included in a product or with respect to products which when unwanted or discarded are normally submitted to and accepted by a resource recovery facility or with respect to consumers whose waste is submitted to and accepted by a resource recovery facility;

(3) study and make estimates and projections of anticipated revenue during the first 5 years of operation, taking into account any recommended refunds or credits, with respect to each such system studied and tested together with the anticipated costs of administering and enforcing each such system;

(4) study and make recommendations as to the distribution and use of such revenues;

(5) conduct a comprehensive study of the extent to which the costs of environmental degradation can be quantified and the feasibility of establishing a system of charges to internalize the costs and mitigate the adverse effects of such environmental degradation. The Commission shall examine the extent to which the costs of such environmental degradation would be internalized through the application of alternative means of control; and

(6) study all feasible means of disclosing the extent of environmental degradation to consumers, by those responsible for such degradation. The means studied shall include, but not be limited to, disclosures in advertising and labeling of products. The Commission shall examine all reasonable means of effectively informing consumers of the sources of environmental degradation including, but not limited to, environmental costs associated with such products and alternative products which are likely to cause less environmental degradation.

(d) Reports.—The Commission shall submit progress reports simultaneously to the Congress and the President at such times as the Commission deems appropriate. An interim report shall be submitted not later than 2 years after the date of enactment of this Act. The final report of the Commission shall be submitted simultaneously to the Congress and the President within 3 years after the date of enactment of this Act. Such final report and, where feasible, such progress reports and interim report shall include any changes in the law recommended by the Commission to implement the findings and conclusions of its studies. The Commission shall cease to exist 60 days after the date of submission of its final report.

(e) Powers.—(1) The Commission or any member thereof may, for the purpose of carrying out the provisions of this section, hold such hearings; sit and act at such times and places, administer such oaths, and require by subpoena or other order the attendance and testimony of such witnesses and the production of such evidence as the Commission or member deems advisable. Subpoenas may be issued under the signature of the Chairman or any duly designated member of the Commission, and may be served by any person designated for such purpose by the Chairman. Witnesses summoned shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. Such attendance of witnesses and production may be required from any place in the United States to any place designated for such hearing.

(2) In case of refusal to obey a subpoena or other order issued under paragraph (1) of this subsection, by any person who resides, is found, or transacts business within any judicial district of the United States, the district court of the United States for any such district shall have jurisdiction and shall upon the request of the Chairman of the Commission issue to such person an order to appear and produce evidence. Any failure to obey such an order shall be punishable by such court as a contempt of court.

(3) The Administrator of General Services shall furnish the Commission with such offices, equipment, supplies, and services as such Administrator is authorized to furnish to any other agency or instrumentality of the United States.

(4) Each Federal agency is authorized and directed to furnish to the Commission, upon written request by the Chairman thereof, on a reimbursable basis or otherwise, such assistance as the Commission deems necessary to carry out its duties.

(5) The Commission may enter into such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its duties, with any person.

(f) Compensation and Personnel.—(1) A member of the Commission shall receive compensation only if not otherwise employed in any capacity by the Federal Government. Such a member shall receive $300 per diem when engaged in the actual performance of duties vested in the Commission. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(2) Subject to such rules and regulations as the Commission may adopt, the Chairman of the Commission shall have the power to (A) appoint, fix the compensation, and assign the duties of an Executive Director and such additional staff personnel as are deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, except that no individual shall be paid at rates in excess of the maximum rate for GS–18 of the General Schedule as set forth under section 5332 of such title; and (B) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $150 a day for persons performing such services. In making appointments and procuring services, the Chairman of the Commission shall hire sufficient full- and part-time employees who are competent environmentalists, lawyers, economists, scientists, and engineers.

RECYCLED OIL

Sec. 10. (a) Labeling.—(1) The Director of the National Bureau of Standards shall issue regulations with respect to recycled oil, in accordance with paragraph (2) (A) of this subsection. As of the effective date of such regulations, any decision or regulation of the Federal Trade Commission, or of any State or local government, requiring that recycled oil which is sold for a purpose designated in such regulations of the Director of the National Bureau of Standards be labeled as "previously used" or "reprocessed" oil shall cease to have effect and shall be repealed by operation of law.

(2) As used in this subsection—

(A) "recycled oil" means used oil which has been re-refined or otherwise processed to remove the physical and chemical impurities acquired through use and which is equivalent or better in quality and performance to new oil of reasonable quality for designated purposes, as determined by regulations issued by the Director of the National Bureau of Standards;

(B) "new oil" means oil which has been refined from oil which has never previously been used by a consumer; and

(C) "used oil" means oil which has through use been contaminated by physical or chemical impurities which have not been removed by subsequent refining, treatment, or other processing.

(b) EXCISE TAXES.—(1) Section 4221(a) of the Internal Revenue Code of 1954 (relating to certain tax free sales) is amended by striking the second "or" in clause (4), striking the period following clause (5) and inserting in lieu thereof ", or", and by adding the following new clause:

"(6) for use as lubricating oil blended or mixed by any person with used or waste lubricating oil which has been cleaned, renovated, or refined if the resultant mixture is used otherwise than in a highway motor vehicle."

(2) The amendment made by this subsection shall be effective with respect to lubricating oil sold after the last day of the month in which this Act is enacted.

RECORDS AND EXAMINATIONS

SEC. 11. (a) PRODUCT.—Each manufacturer or producer of any product which is governed by any standard under a regulation issued under this Act shall—

(1) establish and maintain such records, make such reports, provide such information, and make such tests as the Administrator may reasonably require to determine compliance with such standard or standards and the requirements of this Act;

(2) permit a duly designated officer or employee, upon request, to have access to the records, reports, information, and test results required pursuant to paragraph (1) of this subsection for the purpose of examination and copying; and

(3) make products coming off the assembly line or otherwise in the hands of the manufacturer available for inspection and testing by the Administrator to the extent required by applicable regulations of the Administrator: *Provided*, That the Administrator shall require no more inspection and testing than is reasonably necessary to discharge such Administrator's responsibilities under this Act.

(b) WASTE.—(1) Any person who stores, treats, transports, disposes of, or otherwise handles waste, upon request, shall admit any duly designated officer or employee of the Environmental Protection Agency, an involved regional authority, or a State or local agency having jurisdiction to any site or facility subject to such officer's or employee's control and shall furnish or permit such officer or employee access, at all reasonable times, to all records relating to such waste for purpose of examination and copying.

(2) Any such duly designated officer or employee is authorized to (A) enter at reasonable times any establishment, or other place maintained by any person, in which waste is stored, treated, transported, or disposed of; and (B) inspect and obtain samples from any person of any such waste and samples of any containers or labeling for such waste. Each such inspection shall be commenced and completed with reasonable promptness. If such officer or employee obtains any samples, such officer or employee shall give the owner, operator, or agent in charge of the premises from which they are obtained a receipt describing each such sample. If an analysis is made of such sample or samples, a copy of the results shall be furnished promptly to such owner, operator, or agent.

PROHIBITED ACTS

SEC. 12. It is unlawful for any person subject to the jurisdiction of the United States to—

(a) introduce or deliver for introduction in commerce any product which does not conform to an applicable standard set forth in a regulation duly issued by the Administrator under any provision of this Act; or

(b) fail to furnish records or fail to permit access, for examination and copying, to records, information, samples, and test results required pursuant to this Act.

REMEDIES

SEC. 13. (a) CIVIL PENALTIES.—(1) Any person who is found by the Administrator after notice and an opportunity for an adjudicative hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 12 of this Act, shall be liable to the United States for a civil penalty of not more than $5,000 for each day of violation. The amount of such civil penalty shall be assessed by the Administrator, or such Administrator's delegate, by written notice. In determining the amount of such penalty, the Administrator shall take into account the nature, circumstances, extent, and gravity of the prohibited act or acts committed and, with respect to the person found to have committed such act or acts, the degree of culpability, any history of prior offenses, ability to pay, and effect on ability to continue to do business, and such other matters as justice may require.

(2) Any person against whom a violation is found and a civil penalty assessed under paragraph (1) of this subsection may obtain review in the appropriate court of appeals of the United States by filing a notice of appeal in such court 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Administrator. The Administrator shall promptly certify and file in such court the record upon which such penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Administrator shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

(3) If any person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the Administrator, the Administrator shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(b) CRIMINAL PENALTIES.—Any person who knowingly commits an act prohibited by section 12 of this Act shall, upon conviction, be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

(c) SPECIFIC RELIEF.—The Administrator, or at such Administrator's request the Attorney General, may bring an action in an appropriate district court of the United States for equitable relief to redress a violation by any person of an Act prohibited by section 10 or 12 of this Act. In any action requesting equitable relief, under any Act administered by the Administrator, or instituted at the request of such Administator, where a risk to public health is alleged and established, the failure by the party requesting such relief to prove that demonstrable harm to health now exists or will result, shall not, in and of itself, constitute a permissible basis to deny such relief. When such risk is established, the court shall consider the probability that demonstrable harm exists or will result and the human health consequences from such harm. The preceding two sentences shall govern all proceedings in actions brought after the date of enactment of this Act and all further proceedings in actions then pending, except to the extent that in the opinion of the court their application in a particular action then pending would not be feasible or would work injustice.

(d) CITIZENS CIVIL ACTION.—(1) Except as provided in paragraph (2) of this subsection, any person, including the Administrator and at such Administrator's request, the Attorney General may commence a civil action for injunctive relief on such person's own behalf or on behalf of the United States, as the case may be, whenever such action constitutes a case of controversy against (A) any person, including a government entity (to the extent permitted by the eleventh amendment to the Constitution), alleged to be in violation of any regulation or order issued in accordance with this Act; or (B) the Administrator, where there is alleged a failure by such Administrator to perform any act or duty required of such Administrator under this Act. The district courts of the United States shall have jurisdiction over actions brought under this subsection without regard to the amount in controversy or the citizenship of the parties. An action under subparagraph (A) may be brought in the district court for any judicial district in which venue is proper under section 1391 of title 28, United States Code. An action under subparagraph (B) may be brought only in the district court for the District of Columbia.

(2) No civil action may be commenced—

(A) under paragraph (1)(A) of this subsection prior to 60 days after notice of the alleged violation is given to the Administrator and to any alleged violator by the person commencing the action;

(B) under paragraph (1)(A) of this subsection if the Administrator or the Attorney General has commenced and is diligently prosecuting an action in a court of the United States to require abatement of the alleged violation;

(C) under paragraph (1)(B) of this subsection prior to 60 days after notice of intent to commence such action has been given to the Administrator, in such manner as the Administrator may prescribe by regulation.

(3) In any action under this subsection, the Administrator or the Attorney General, if not a party, may intervene as a matter of right. In any case in which an action is barred under paragraph (2)(B) of this subsection, any person may intervene as a matter of right in the pending action commenced by the Administrator or the Attorney General.

(4) The court, in issuing any final order in any action under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever it determines that such an award is appropriate.

(5) Nothing in this subsection shall be construed to restrict any right which any person or class of persons may have under any statute or at common law to seek enforcement of any applicable regulation or order or any other relief.

(6) When any civil actions brought under this subsection involve the same defendant and the same issues or alleged violations but are pending in different courts, such pending proceedings may be ordered consolidated for trial in accordance with this paragraph. Upon application of such defendant to one such court, such court shall, unless good cause is shown, order all such actions under this subsection involving the same defendants and the same issues or alleged violations to be consolidated for trials in (A) the court agreed upon by stipulation among all the parties; or (B) the court selected by the defendant or the court in a judicial district convenient to such defendant's principal place of business. Such order of consolidation shall not apply so as to require the removal of any case the date for trial of which has been fixed. The court granting such order shall give prompt notification thereof to the other courts having jurisdiction of any case covered by such order, and upon request by any such court may reconsider and amend, modify, or withdraw such order.

GENERAL PROVISIONS

SEC. 14. (a) REGULATIONS.—In addition to any specific grant of authority in this Act, the Administrator is authorized to prescribe such regulations as are necessary and appropriate to carry out such Administrator's function under this Act.

(b) JUDICIAL REVIEW OF REGULATION.—(1) Any judicial review of any final regulation issued under this Act shall be conducted in accordance with the provisions of sections 701 through 706 of title 5, United States Code, except that with respect to relief pending review, no stay may be granted of any agency action unless the reviewing court determines that the party seeking such stay is likely to prevail on the merits in the review proceeding and that such party is likely to suffer irreparable harm pending the determination of such proceeding unless such stay is granted.

(2) Any party to a judicial review proceeding under this subsection may request permission from the court to present additional evidence. If such party establishes, to the satisfaction of the court, that such evidence was not available when the Administrator issued the final regulation or regulations under review and is material, or that the failure of the Administrator to include such evidence in the agency proceeding was arbitrary or capricious, the court may, upon such terms and conditions as it deems proper, order such evidence (and any material tending to controvert it) to be taken before the Administrator and presented to the court in the review proceeding. Upon the basis of such additional evidence, the Administrator may modify the findings as to the facts or make new findings. The Administrator shall present any such additional evidence taken to the court, together with any such modifications in the findings and any recommendation for the modification or setting aside of his or her original order.

(c) INTEGRATION WITH OTHER ACTS.—The Administrator shall integrate all provisions of this Act for purposes of administration and enforcement and shall avoid duplication, to the maximum extent practicable, with the appropriate provisions of the Clean Air Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticide Control Act (7 U.S.C. 135), and such other Acts of Congress as grant regulatory authority to the Administrator. Such integration shall be effected only to the extent that it can be done in a manner consistent with the goals and policies expressed in this Act.

(d) AVAILABILITY OF INFORMATION.—The Administrator shall make available to the public, upon request and at cost of reproduction and mailing, any and all information obtained or developed under this Act except to the extent that such information constitutes a trade secret, except that such information may be disclosed by the Administrator—

(1) to other Federal Government departments, agencies, and officials with reasonable need for such information for official use, upon request;

(2) to committees of Congress having jurisdiction over the subject matter to which the information relates;

(3) in any judicial proceeding relating to the provisions of this section under a court order formulated to preserve the confidentiality of such information without impairing the proceeding; and

(4) if relevant in any proceeding under this section, except that disclosure shall preserve the confidentiality to the extent possible without impairing the proceeding.

PACKAGING AND LABELING

SEC. 15. Section 12 of the Fair Packaging and Labeling Act of 1966 (15 U.S.C. 1461) is amended by replacing the period at the end thereof with a colon and adding the following: "*Provided*, That notwithstanding any provision of this Act or any law of any State or political subdivision thereof, any recyclable or recycled solid waste material, which is not a consumer commodity, and which historically has been labeled and sold on the basis of gross weight with a stated maximum percentage of such weight for tare or packaging, may continue to be labeled and sold in that manner and without any other weight designation."

FEDERAL POWER COMMISSION REVIEW

SEC. 16. The Federal Power Commission is authorized and directed to review, and modify where necessary, its existing policies, rules, and regulations as they affect the operation of public utilities and natural gas companies to bring such policies, rules, and regulations into conformance with the purpose of this Act. The Federal Power Commission is further directed to adopt policies, rules, and regulations which provide incentives for public utilities and natural gas companies to (a) participate in pilot plant projects and demonstrations of systems for recovering energy from waste; (b) convert existing facilities and construct new facilities to provide for recovery of energy from waste; and (c) purchase fuel which is produced in an energy recovery facility.

NATIONAL SECURITY WAIVER

SEC. 17. The Administrator may waive compliance with the provisions of this Act, in whole or in part, upon receiving information from the Secretary of Defense that such waiver is in the interest of national security. Upon the issuance of such a waiver, the Administrator shall publish in the Federal Register a notice that the waiver was granted for good cause shown by the Secretary of Defense in the interest of national security, unless the Administrator has been requested by the Secretary of Defense to omit such publication because such publication would be contrary to the interests of national security.

DISCLAIMER

SEC. 18. Nothing in this Act shall authorize the Administrator to directly regulate the exploration, development, or extraction of any virgin natural resource or the initial sale thereof.

EMPLOYEE PROTECTION

SEC. 19. (a) GENERAL.—No employer may discharge any employee or otherwise discriminate against any employee with respect to his compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—

(1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act;

(2) testified or is about to testify in any such proceeding; or

(3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

(b) REMEDY.—(1) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within 30 days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary of Labor (hereinafter in this subsection referred to as the "Secretary") alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(2)(A) Upon receipt of a complaint filed under paragraph (1), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this paragraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for agency hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If in response to a complaint filed under paragraph (1) the Secretary determines that a violation of subsection (a) of this section has occurred, the Secretary shall order (i) the person who committed such violation to take affirmative action to abate the violation, (ii) such person to reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment, (iii) compensatory damages, and (iv) where appropriate, exemplary damages. If such an order is issued, the Secretary, at the request of the complainant, shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complainant upon which the order was issued.

(c) REVIEW.—(1) Any person adversely affected or aggrieved by an order issued under subsection (b) may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(2) An order of the Secretary, with respect to which review could have been obtained under pargaraph (1), shall not be subject to judicial review in any criminal or other civil proceeding.

(d) ENFORCEMENT.—(1) Whenever a person has failed to comply with an order issued under subsection (b)(2), the Secretary shall file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages. Civil actions filed under this subsection shall be heard and decided expeditiously.

(2) Any nondiscretionary duty imposed by this section is enforceable in mandamus proceedings brought under section 1361 of title 28, the United Sttaes Code.

(e) EXCLUSION.—Subsection (a) of this section shall not apply with respect to any employee who, acting without direction from his employer (or the employer's agent), deliberately causes a violation of any requirement of this Act.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 20. (a) GENERAL.—Except with respect to the specific authorizations for appropriations contained in subsection (b) of this section, there are authorized to be appropriated for carrying out the provisions of this Act such sums as are necessary not to exceed $500,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, $500,000 for the transitional fiscal quarter ending September 30, 1976, and $2,000,000 for the fiscal year ending September 30, 1977.

(b) NATIONAL COMMISSION ON ENVIRONMENTAL COSTS.—There are hereby authorized to be appropriated for the purpose of financing the activities of the National Commission on Environmental Costs under section 9 of this Act such sums as are necessary not to exceed $2,000,000, to remain available until expended.

By Mr. McGOVERN (for himself and Mr. MATHIAS):

S. 1745. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in Defense contracts and facilities which are undertaken to realine Defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups. Referred, by unanimous consent, jointly, to the Committee on Armed Services, the Committee on Banking, Housing and Urban Affairs, the Committee on Government Operations, the Committee on Finance, and the Committee on Labor and Public Welfare.

DEFENSE ECONOMIC ADJUSTMENT ACT

Mr. McGOVERN. Mr. President, I introduce for myself and Senator MATHIAS a bill entitled the Defense Economic Adjustment Act.

This same bill is being introduced today in the House by Representatives BINGHAM of New York and WHALEN of Ohio with a number of cosponsors. So this represents a bipartisan, bicameral initiative to help speed our transition to a peacetime economy.

Economic conversion has been an issue of deep concern to me from the time I first came to the Senate in 1963. For that long I have been searching for workable ways to help transfer excess military resources to peacetime pursuits. Other sponsors of this measure have also pursued this question for many years.

Though no significant action has been taken, the issue has been considered in some depth in years past. In 1963 the Arms Control and Disarmament Agency undertook a series of detailed studies on the economic impact of reductions in arms spending. In 1965, in response to legislation I had proposed and Senate hearings, President Johnson appointed a commission to examine ways of dealing with the dislocations suffered by workers, companies, and communities when arms spending is cut back.

The report of that commission was eclipsed by our escalation in Vietnam, and then buried by the mammoth arms budgets which were used to underwrite that tragic venture. Although we still argued that the machinery should be in place, few Americans saw any need for conversion planning during that period.

Now, at long last, we can be grateful that the war is over and the issue is timely again.

We have been and we will continue to suffer dislocations as a result of shifts in military spending. Indeed, even at current spending rates, the Pentagon projects a loss of 63,000 jobs in DOD and among contractors by June of next year. And while we cannot project the final figure, it is virtually certain that Congress will make significant cuts in the fiscal 1976 arms budget. The Armed Services Committees of both the House and the Senate have already reduced some of the more outlandish procurement programs, and their bills await further challenge on the floor. The success we presumably seek in arms control negotiations and other forums should permit further reductions.

The thesis of this legislation is that the Government which has created a dependency on high military budgets has an obligation to help plan and carry out a smooth transition to work on civilian needs. The bill would give contractors and subcontractors an incentive to prepare for the transition, with the goal of avoiding any abrupt loss of jobs. If they fail, the funds set aside would be available to pay extended unemployment benefits to displaced workers.

But beyond that, this legislation should help us focus on the unemployment prison we create for the American economy by excessive spending on arms.

Especially now, with unemployment at disastrously high levels, we are told that we cannot reduce the military budget—indeed, that we must increase it by some 18 percent, counting AEC arms spending—in part because any cut would add still more to the jobless rolls.

But the truth is that regardless of what we do with the savings, reductions in arms spending will mean more jobs, not less, for the American people. Stated another way, the economic drag of arms spending, far from helping to sustain the economy, has been a major contributing factor in our economic collapse.

In February, the President of the United Auto Workers, Leonard Woodcock, told the Senate Budget Committee that—

> One billion dollars of military expenditures creates an average 20,000 to 30,000 fewer jobs than alternative forms of expenditures. Thus a program to divert $15 to $20 billion from military spending to certain programs in energy transportation, housing, etc., could create 300,000 to 600,000 jobs.

The Public Interest Research Group in Lansing, Mich., has put together a very careful analysis of the employment effects of various kinds of spending. It concludes that for an $80 billion rate of spending on the military, we lose a net of 840,000 jobs nationwide.

One specific example is of special interest to me, because I plan to introduce in a few days a comprehensive national transportation bill. The condition of our railroads, in particular, is a national disgrace. According to the report of the Michigan group, each $1 billion spent on the military creates about 55,000 jobs. We have calculated that investing that same amount in rebuilding decrepit railbeds would create some 70,000 jobs. And it would be work on something we need desperately in this country, instead of on more military overkill which can serve no useful purpose at all.

So this is one way to put the American people back to work: Combine prudent cuts in arms outlays with new investments in the civilian priorities which have already been neglected for too long.

The legislation we propose today would help avoid dislocations in between. It is not a complete answer. Indeed, the best conversion bill of all would be a 5-year projection of all national spending, showing that we will hold the line on arms outlays and specifying what civilian areas will be increased. Certainly the industries involved would be wise enough to follow guidance of that kind.

But until we are willing to plan to that extent, legislation along the lines we propose today will be an absolute need. It is a means to avoid the inevitable disruptions for workers and communities. Beyond that, it is a means to help rebuild a crippled national economy, and to put thousands more Americans back on the job.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a brief summary of the provisions of the bill we have introduced today.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAIN PROVISIONS OF ECONOMIC ADJUSTMENT BILL

1. PURPOSE

To provide economic adjustment assistance to workers, communities, and contractors which may be substantially and seriously affected by reductions in defense expenditures.

2. DEFINITIONS

Defines terms used in bill. Defines "substantially and seriously affected" for communities and contractors, so that bill will cover those who would be hardest hit by reductions in defense expenditures and would have the most difficulty in adjusting.

3. TITLE I, ESTABLISHMENT OF COUNCIL

SEC. 101: Establishes a Defense Economic Adjustment Council with cabinet-level membership. Secretary of Commerce is Chairman. (Note: This council currently exists within the Office of the President, but by executive rather than legislative direction.) Section provides staff for Council.

SEC. 102: Defines duties of Council as follows: developing and coordinating policies and programs, collecting and disseminating information, encouraging State studies and action, providing seed money for planning immediately to communities which have been substantially and seriously affected by reductions, defining in coordination with the Congress priority sectors and projects in the civilian economy and channeling economic adjustment plans into these areas, reviewing adjustment plans, and reporting to the public.

4. TITLE II, COMMUNITY ECONOMIC ADJUSTMENT

SEC. 201: Provides for economic adjustment planning assistance to communities which would be substantially and seriously affected by base or industry closures or reductions. Establishes a mechanism for identifying communities and earmarks a portion of existing funds for economic development for providing these communities with seed money for planning economic adjustment.

SEC. 204: Requires each defense agency facility to file a detailed listing of all equipment, including its condition, the cost of conversion to civilian uses, and the most likely civilian uses. Requires 180 days advance notification to community of any facility closure or substantial reduction. Provides immediate adjustment assistance to communities. Provides for sale of all excess facilities to community at a public benefit discount—currently this discount only applies to property which is to be developed as a park or airport. Guarantees retraining and employment benefits to affected government workers.

5. TITLE III, INDUSTRIAL ECONOMIC CONVERSION

SEC. 301: Requires defense contractors to develop conversion plans, the costs of which can be included in the defense contract.

SEC. 302: Provides technical and managerial assistance to contractors in planning for and conducting economic conversion. Assistance is to be provided by federal agencies.

SEC. 303: Amend Defense Authorization Act of 1970 to expand kinds of independent research and development which can be funded in a defense contract to include projects which the Council believes have a potential relationship to an urgent national requirement in a designated non-defense sector. Council and Congress permitted to designate non-defense R&D which can be funded. (Note: Provision will expand government support for IR&D.)

SEC. 304: Provides immediate assistance to contractor whose contracts cancelled within one year of passage of act and who have not received other contracts to take their place. (Such contractors cannot benefit from Section 301–303 because these sections are tied to contracts let after the act becomes law.) Designates project areas and funding and other assistance for such contractors.

6. TITLE IV, ECONOMIC ADJUSTMENT FUND

Establishes a fund, paid for out of contractor's payments from contract, to be used for worker benefits. Contractor to place ½% of funds he receives under the contract in fund, to receive back with interest all funds not expended for worker benefits under certain conditions. Authorizes federal expenditures for Fund if necessary. Also establishes Non-Profit Fund from U.S. Treasury funds to cover workers in nonprofit organizations which have defense contracts.

7. TITLE V, ECONOMIC ADJUSTMENT FOR WORKERS

Provides adjustment assistance in cases in which 5% or more of local work force is affected by reduction in the volume of defense work at a contractor's facility. Assistance includes guarantee of compensation which, when added to other benefits, equals 80% of prior weekly wages, vested pension credit, hospital and life insurance, retraining, and/or moving expenses. Assistance available for up to 2 years, or until worker placed in new job, whichever occurs first. Assistance paid for by Funds of Title VI.

Mr. MATHIAS. I join today my distinguished colleague from South Dakota (Mr. McGovern) and with my colleagues, Jonathan Bingham and Charles Whalen, from the House of Representatives, in introducing the Defense Economic Adjustment Act. Concern for the dilemmas faced by communities left jobless and economically straitjacketed by cuts in defense spending and the closing of military bases has brought Senator McGovern, myself and many others to introduce similar legislation in the past. Anticipation of the effects of America's changing defense requirements following Vietnam caused us to look for a mechanism to assure at least immediate partial economic adjustment to these changes.

This act would establish the Defense Economic Adjustment Council in the Executive Office of the President which would provide assistance to workers in the form of wage compensation, retraining and continued health benefits throughout the adjustment period. It would provide defense contractors and communities affected by base closings and/or reduction in force because of defense cuts immediate assistance in the form of seed moneys to plan conversion to civilian production.

Defense owned or contracted facilities would be required to file with the Council up-to-date reports of inventory of equipment, its present condition, replacement cost and all possible civilian uses of such facilities. In addition, the closing or serious reduction in force of any base or installation would require advance notice to the community of at least 180 days so that an effective short-term plan for economic recovery is possible.

Private defense contractors would be required to plan as part of the contract the conversion of their defense-related activities and to file these plans periodically with the Council throughout the life of the contract. The cost of such a plan would be part of the contract. A fund would also be set aside, consisting of half of 1 percent of total contract amount, to aid workers in their economic adjustment period should they be laid off, downgraded, or in need of retraining. In the case of actual conversion, businesses would be eligible for low cost, long-term loans to help bring about this conversion.

Many defense contractors, like many counties and States, suffer eventually from a lack of diversity. Contractors too long accustomed to an ever flowing tap are sometimes lulled into a false economic security which naturally affects the community in which it exists. It is the purpose of this bill to help these contractors plan sensibly for their own economic survival as well as the community's. Moreover, it makes sense to me to ask those with the management and technical skills already harnessed to devise these conversion plans. Far too often communities themselves must spend precious time on the preliminary steps of making inquiries about inventories, skills of workers and conditions of plants or bases. Through this bill, such facts will be readily available to the community—and the decision of what and how much to do will be the immediate tasks ahead.

My own State of Maryland is certainly dependent on the economies of bases and installations and private defense contractors. In the year ending June 30, 1974, civilian and military pay for workers in defense owned or contracted facilities totalled almost $1 billion. Montgomery and Prince George's County's share of that payroll alone was $416,072,000. Baltimore's was $56,000,000 and Anne Arundel's almost $200 million. These payrolls and workers support local businesses, educational institutions, improved water and sewer facilities, recreation facilities and the housing industry. So it is certainly crucial to us to encourage as much activity as we can in the area of conversion.

As you know, we have a fine example in Frederick County of the conversion philosophy. Frederick County was able to preserve a $20 million payroll and, at the same time, utilize the biological warfare facilities for the purpose of cancer research. And I hope that when we find a cure for cancer, we can find another use for Fort Detrick. There is in the works now a detailed plan for the use of Fort Holabird in Baltimore. We need more plans even if the possibility of closures is not imminent in some places.

The main thrusts of the bill, as I see them, are fourfold: First, the lessening of fear and confusion in affected communities through immediate availability of information and moneys to plan conversions for plants and workers; second, the establishment of a responsible conversion principle in the private defense sector as well as defense installations, and third, more relevant, the conservation of physical plant and equipment, human resources and the healthy economic communities bound together by valuable networks of jobs, friendships, educational and business ties.

And most importantly, this bill will hasten a return to a "peace time" mentality which will provide this country with a strong basic commitment to the goals of better housing, expanded mass transit systems, and the establishment of a progressive planning program based on a hope for something better—not on the debilitating preoccupation by the entire citizenry on war and security. There is an urgent need to return to more human, rational efforts toward domestic economic health.

Mr. RIBICOFF subsequently said: Mr. President, on behalf of the distinguished Senator from South Dakota (Mr. McGovern), I ask unanimous consent that the bill entitled "The Defense Economic Adjustment Act" introduced earlier today be referred jointly to the Committees on Armed Services, Banking, Housing and Urban Affairs, Government Operations, Finance, and Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 11

At the request of Mr. Brock, the Senator from Oklahoma (Mr. Bartlett) was added as a cosponsor of S. 11, a bill to amend the State and Local Fiscal Assistance Act of 1972 to make Federal revenue sharing a permanent program to provide for periodic increases in the dollar amounts of revenue returned to the States under that act to offset the effects of inflation, and to eliminate certain restrictions on the purposes for which local governments may use funds obtained under this act.

S. 153

At the request of Mr. Hansen, the Senator from Maryland (Mr. Beall) was added as a cosponsor of the bill (S. 153) to amend part B of title XI of the Social Security Act, Professional Standards Review, to provide for the review of dental services by dentists.

S. 394

At the request of Mr. Bentsen, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of the bill (S. 394) to amend the Trade Act of 1974 to clarify the application of the Generalized System of Preferences to certain countries.

S. 560

At his own request, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 560, to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without deductions from benefits.

S. 595

At the request of Mr. BARTLETT, the Senator from Florida (Mr. STONE) was added as a cosponsor of the bill (S. 595) to amend the Meat Import Act of 1964.

S. 772

At the request of Mr. TALMADGE, the Senator from Arkansas (Mr. MCCLELLAN) was added as a cosponsor of S. 772, a bill to enable cattle producers to establish, finance, and carry out a program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

S. 811

At the request of Mr. TUNNEY, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 811, a bill to amend the Horse Protection Act of 1970 to better effectuate its purposes.

S. 1447

At the request of Mr. STEVENSON, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 1447, the Federal Handgun Control Act of 1975.

S. RES. 60—WITHDRAWAL

Mr. METCALF. Mr. President, I am erroneously listed as a cosponsor of Senate Resolution 60, a resolution authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

I ask unanimous consent that my name be removed from the list of cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. RES. 104

At the request of Mr. BROCK, the Senator from New York (Mr. JAVITS) and the Senator from Kansas (Mr. DOLE) were added as cosponsors of the resolution (S. Res. 104) providing limited legislative authority to the Select Committee on Small Business.

S. RES. 126

At the request of Mr. BROCK, the Senator from Maryland (Mr. BEALL) and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. Res. 126, a resolution endorsing the continued presence of the United Nations peacekeeping forces in the Middle East.

SENATE RESOLUTION 155—SUBMISSION OF A RESOLUTION RELATING TO WHITE CORN STATISTICAL INFORMATION

(Referred to the Committee on Agriculture and Forestry.)

Mr. HUDDLESTON submitted the following resolution:

S. RES. 155

Whereas white corn is grown for human consumption and not for animal feed; and

Whereas the production of white corn has been steadily increasing in the United States in recent years to help meet the world food crisis; and

Whereas the annual white corn production forecasts by the Department of Agriculture have provided valuable assistance to producers, handlers, and processors of that commodity; and

Whereas statistical information on white corn published by the Department of Agriculture has helped provide substantial stability to the marketplace: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Department of Agriculture should continue to publish the annual white corn production estimates and other statistical information relating to the production of that commodity.

Mr. HUDDLESTON. Mr. President, since 1971 the Statistical Reporting Service of the U.S. Department of Agriculture has estimated white corn acreage and production for the leading 10 producing States. The Statistical Reporting Service intends to eliminate surveying white corn beginning with the current growing season.

The elimination of this report leaves the white corn interests without reliable information on which to base their production and marketing. The white corn estimates increase the stability of the marketplace and help growers, handlers, and processors alike.

Mr. President, white corn is a food, not a feed. This crop is grown in 18 States and is an important economic enterprise to these States. The lack of adequate data will deprive the industry of information needed for intelligent production and marketing decisions.

In light of the importance of white corn estimates I submit this resolution in a sincere attempt to have the Statistical Reporting Service continue to publish annual white corn production estimates and other statistical information relating to the production of this commodity.

SENATE CONCURRENT RESOLUTION 38—SUBMISSION OF A CONCURRENT RESOLUTION TO REQUEST THE CHIEF JUSTICE OF THE UNITED STATES TO APPEAR BEFORE A JOINT SESSION OF THE CONGRESS

(Referred to the Committee on the Judiciary.)

Mr. BAYH (for himself and Mr. KENNEDY) submitted the following concurrent resolution:

S. CON. RES. 38

Whereas, the Congress is aware of the increasing concern over the needs of the judiciary; and

Whereas, the Congress is aware of the increasing workload at all levels in the court systems of the Nation; and

Whereas, the increasing problems of the judiciary demonstrate the need for greater public concern and for more adequate planning and coordination by the legislative, executive, and judicial branches of the Federal Government; and

Whereas, the Congress can meet its obligation to the judiciary more effectively including the development of appropriate legislation, by hearing the report of the Chief Justice of the United States as the head of the judicial branch of the Federal Government; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled:

That the Congress respectfully requests the Chief Justice of the United States to appear before a joint session of the Congress at an appropriate early opportunity to report on the state of the judiciary.

Mr. BAYH. Mr. President, on February 23, 1975, the Chief Justice of the United States delivered his annual report on the state of the Judiciary in an address to the Mid-Winter Meeting of the American Bar Association. His remarks criticized the legislative branch for action taken during the last session of Congress and for inaction on a number of proposals of the U.S. Judicial Conference. The Chief Justice also called attention to the serious dimensions of caseload problems of the Federal courts, the difficulties encountered in keeping the best legal minds on the Federal bench, and the increasing use of the Federal courts as a "bush league" facility to train would-be private practitioners. Several weeks earlier the Chief Justice had issued a year-end review of the American court system and asked for congressional action on a number of proposals to relieve the burden of the severely overloaded Federal court docket.

If, in fact, there may be a judicial "crisis" because of congressional action, as the Chief Justice warned, I believe the legislative branch, under our tripartite system of government, has the responsibility to avoid such consequences. For nearly 200 years, Congress has consistently acted to assist the Federal Judiciary in their extraordinary effort to protect the rights and the fabric of American society as a whole. We must strive to continue to improve the judicial machinery of the United States, but cannot do so unless we have the best possible information and hear the best evidence regarding what needs to be done.

For this reason, I submit today, along with the senior Senator from Massachusetts, Mr. KENNEDY, a resolution to respectfully request the Chief Justice of the United States to appear before a joint session of Congress to report on the state of the Federal Judiciary.

Such a state of the Judiciary message would enable Congress to hear first hand the needs of the Judicial Branch. Such an address would materially contribute to public awareness of the problem of our Federal judiciary and provide the appropriate forum for the Chief Justice to focus national attention on our Nation's judicial system.

I do not believe this resolution poses any violation of the separation of powers doctrine. Article III of the Constitution grants Congress the power "to ordain and establish" inferior courts of special and limited jurisdiction. As a coordinate branch of government, we are called upon through the appropriations process to fund annually all Federal courts. More particularly, the Senate has the duty to advise and consent to the appointment of all Federal judges. Congress has always had the responsibility to see justice dispensed at more than just a minimal or mediocre standard. Traditionally, our system of government has demanded excellence of those entrusted with the responsibility to bring impartial and swift justice throughout the Federal judiciary. We must vigilantly strive to continue to maintain the historic function of our courts.

Nor am I concerned that an address to Congress would swirl the Chief Justice into the whirlwind of public debate regarding the function of the judicial apparatus. A "state of the judiciary" message would initiate a constructive dialog between two coequal branches of government. Criticism would no longer be voiced sterilely outside the Halls of Congress. Recommendations could be made for improvement and priorities established for future action.

There is a reason for the public and legal profession to express alarm over the annual report of the Chief Justice. The courts have encountered an unprecedented rise in their caseload during the past 10 years which has clogged the Federal docket.

The Federal district courts have experienced a combined civil and criminal case increase of 45 percent since 1964. During that same period the actual number of criminal trials rose by more than 60 percent. Last year alone the total number of cases filed was 143,284; the courts disposed of 139,159 of those cases. Four years ago these same 400 district courts disposed of 120,000 cases.

The courts of appeals have experienced similar increases in their docket. In 1964, for example, 33 percent of all district court decisions were placed on appeal. Last year over 75 percent of all such decisions found their way into the courts of appeal. Since 1968 the authorized level of appeals courts judgeships has remained constant resulting in an 80-percent increase in cases per judgeship.

By comparison, the Justice Department has taken affirmative steps to meet the new demands of the increased caseload during this same period. From 1964 to 1974, the 94 U.S. attorneys offices increased their prosecutor strength from nearly 700 to 1,200 staff attorneys, a rise of almost 70 percent.

The Supreme Court has not escaped the impact of the increased caseloads of the lower courts. For the October term 1973, the more than 5,000 cases on appeal was higher than at any time in the entire history of the Court. The Chief Justice has pointed out that the Supreme Court today is handling four to five times the cases as did courts including such men as Taft, Holmes, Brandeis, and Hughes.

Adding to the difficulty of the Federal courts is our Nation's staggering rate of inflation. Salaries of Federal judges have been fixed for the last 6 years and we have already seen that during the past 13 months this circumstance has caused more Federal judges to return to private practice than in the previous 34 years. The simple fact is that the family obligations of many of these men have forced their resignation because they cannot afford Government service.

We, in Congress, have imposed a similar freeze on ourselves and the upper level salaries of the executive branch. The time has come to review the decision that requires America's most responsible civil servants to meet 1975's cost of living on salaries fixed by statute in 1969. The diminution in purchasing power during the intervening years has worked an unfair hardship unparalleled in the private sector. It would indeed be sad if history were to record that our system of justice failed because we could not pay the best minds of the legal profession to be our judges, or our Government decayed because it could not attract our brightest citizens to move America ahead.

An address by the Chief Justice would certainly give the Congress and the public a realistic look at the problems posed by the increased caseloads in the Federal courts and the need to examine judicial pay scales. His message, however, could range over as broad a field as the courts encompass. There has been much discussion about the Speedy Trial Act, the need for limitations on diversity jurisdiction, the abolition of three-judge courts, the responsibilities of U.S. magistrates and the professional standard of the attorneys who practice before the Federal courts. All these subjects would be appropriate for comment and direction by the Chief Justice. But he would not be limited to them: there are many other serious and wide-ranging problems too voluminous to mention.

The present system of presenting such matters to Congress is arduous and time consuming. Suggestions for changes in the judicial system follow an arduous path from the U.S. Judicial Conference through the congressional leadership to the appropriate House and Senate committees and finally to the floor of both Houses. Throughout all of these proceedings the chief judicial officer of the United States has no forum to make his voice heard. He can resort to the appropriate body of the legal profession, but should have access to Congress if he is to seek direct redress.

A forceful public presentation to the Congress by the Chief Justice would draw attention not only to the pressing needs of the immediate future, but provide projections for the years ahead. Such an address would be a proper approach from the head of one coordinate branch of Government to the branch responsible for both legislation and appropriation. It would provide an opportunity to demonstrate the extraordinary vigor and strength of our Federal courts, of the absolute necessity for an independent judiciary, and of the all important role of the judicial branch in protecting society and individual rights.

Mr. KENNEDY. Mr. President, I am pleased to join with Senator BIRCH BAYH today in submitting a concurrent resolution requesting the Chief Justice of the United States to address a joint session of the Congress on the state of the judiciary. I am hopeful that Congress will act on the resolution at the earliest opportunity.

As Members of the Congress are well aware, these are critical times for our judicial system, especially in this period of the rising incidence of crime and the soaring workload of the courts. In the Federal system, the problem affects the courts at all levels—the congested district courts, the Courts of Appeals, and the Supreme Court. But the problem is larger than the Federal courts. It affects not only State and local courts, but also our entire system of law enforcement and criminal justice, including police, prosecutors and defense counsel, grand juries, the corrections system, and the access of ordinary citizens to needed legal services.

In the Crime Control and Safe Streets Act of 1968, Congress announced its commitment to upgrade the quality of law enforcement and criminal justice in the Nation. But after 7 years and over $3 billion in grants by the Law Enforcement Assistance Administration of the Department of Justice, the feeling is pervasive that the program is failing and that massive funds have been wasted. Crime is going up, and the system seems powerless to stop it.

Too often, by default, justice is denied and basic rights are lost, as the legal system creaks under growing burdens it is not equipped to face. The very strength and independence of the judiciary is threatened.

To some extent, we in Congress are to blame for our lack of oversight and outright neglect. In the case of the Federal courts, members of the House and Senate are well aware of the widespread view that the freeze on judicial salaries for the past 6 years is driving able Federal judges off the bench and back into private legal practice, and is a powerful deterrent to able lawyers who would make fine judges. They ask, with reason, why their salaries, like those of the top positions in the executive branch, must be hostages to Congress' shameful inability to deal with its own salary structure.

We are also aware of the widespread complaint that, although Congress has been quick to impose new burdens on the Federal courts in recent years, by enactment of measures such as the Speedy Trial Act, we have been much less responsive to the need for additional tools and resources to carry out the job.

Congress is beginning to be aware of these and other problems. But we do not yet understand them adequately or see them in adequate perspective.

Now, however, the air has cleared after our long and distressing preoccupation with Vietnam and Watergate. Congress is beginning to awaken to the many other urgent priorities we have failed so long to face.

In this period of new awareness and new initiatives, I believe that one of our top priorities must be to deal with the emerging crisis of the judiciary.

We cannot accept a situation in which the judicial branch is the poor third cousin in our system of government. A fundamental respect for the judiciary as a co-equal branch of the Federal Government requires that Congress give its needs the attention they deserve.

The relatively minuscule proportion of the Federal budget that goes to the judiciary—less than one-tenth of 1 percent—belies the basic importance of the judiciary to our free society. As Justice Oliver Wendell Holmes stated of the Supreme Court half a century ago:

We are very quiet here, but it is the quiet of a storm center.

We cannot allow the problems of the judiciary to go unnoticed as they continue to grow and fester. Inertia is not a proper response by either Congress or the executive branch when its sister judicial branch is threatened.

The best way to begin our effort to restore the proper role of our courts is by making a comprehensive attempt to understand the problems they face. And there is no person better qualified by his position to launch the debate and establish an appropriate perspective than the Chief Justice of the United States. It is for this reason that Senator BAYH and I are submitting the present concurrent resolution, inviting the Chief Justice to address the Congress on the state of the judiciary.

The idea for such an address is neither partisan nor new. To my knowledge, it was originally proposed in 1953 by William P. Rogers, who later served with distinction as Attorney General under President Eisenhower. In 1970, the suggestion was urged by E. Barrett Prettyman, Jr., a distinguished private attorney in Washington. At that time, the proposal was first introduced in Congress by Senator BAYH and myself. But Congress failed to act. Now, in light of the growing need, we feel it is worthwhile—even essential—to renew the proposal, and we hope that Congress will adopt it.

An address by the Chief Justice to Congress on the state of the Judiciary would be a fitting complement to the President's state of the Union address to Congress. Just as the President surveys the broad problems facing the Nation on domestic and foreign policy and proposes new approaches to meet them, so the Chief Justice would survey the problems of the Judiciary and offer his guidance to Congress on their possible solution.

Too often in recent years, Congress has sought legislative solutions to judicial problems without adequate understanding of the complexity of the judicial branch or the intricate relationships between its various parts. Too often, sensible and workable solutions to the problems of the courts have been proposed and then neglected, because of the failure of the commissions that proposed them to survive and pursue the recommendations, or because of the lack of perseverance in seeking their effective implementation.

The time is overdue for Congress to become better informed of the problems and aspirations of the judiciary. We know the general areas where many of the problems are found, but we are only dimly aware of their nature and extent. One thing is clear, however. The problems are serious and getting worse, and we must find better ways to handle them.

By bringing the prestige of the high office of the Chief Justice to the task, I believe that Congress can make a better start toward finding satisfactory answers to the difficult problems of judicial administration and court reform. The problems of the courts could be brought into better focus and clarity in a formal presentation by the Chief Justice to Congress on the State of the Judiciary. He can turn the spotlight of public opinion on the problems.

By contrast, essentially the only effective avenue for redress that exists today for attacking these problems is through the arduous route of recommendations by the Judicial Conference and the Administrative Office of the U.S. Courts. Often, however, in pursuing this avenue, urgent and imaginative proposals are delayed for long periods under the complex machinery by which the proposals must be approved.

We should have no fear that an address by the Chief Justice to Congress will breach the separation of powers between the legislative and judicial branches of our Government. Article III of the Constitution confers on Congress the power to "ordain and establish" the lower Federal courts. Each year, the appropriations committees of the Senate and House consider and recommend legislation to fund all the Federal courts. Frequently, Federal judges—and even Justices of the Supreme Court—testify before congressional committees on appropriations bills or on substantive legislative proposals.

Nor would the appearance of the Chief Justice before a joint session of Congress set a novel precedent. In general, such an appearance is reserved for the President's annual State of the Union Address to Congress. But there are many other examples of such sessions. The forum of a joint session of Congress is also made available for other major addresses by the President. And on many other occasions as well, especially in recent years, as the attached table indicates, other distinguished Americans and foreign visitors have made similar appearances. I believe that an appearance by the Chief Justice would be an appropriate addition to this tradition and would be in the highest interest of the Nation.

Every year, Congress makes its own determination of the priorities and problems of the judicial process, often without as much effective guidance as we should have. I believe that we will be aided by the thoughtful and constructive suggestions of the Chief Justice in a formal address to Congress. I am hopeful, therefore, that Congress will approve the resolution that Senator BAYH and I are submitting.

Mr. President, I ask unanimous consent that a listing of persons other than Presidents of the United States who have addressed joint sessions of Congress in the past be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PERSONS OTHER THAN PRESIDENTS OF THE UNITED STATES WHO HAVE ADDRESSED JOINT SESSIONS OR MEETINGS OF CONGRESS (1789–1975)

Dec. 10, 1824—Marquis de Lafayette of France.

Jan. 5, 1852—Governor Louis Kossuth of Hungary.

Feb. 12, 1866—George Bancroft, historian.

Dec. 18, 1874—King David Kalakaua of Hawaii.

Sept. 18, 1919—Gen. John J. Pershing.

May 20, 1934—Andre de Laboulaye, Ambassador, French Republic.

Dec. 26, 1941—Hon. Winston S. Churchill, Prime Minister of Great Britain.

May 19, 1943—Hon. Winston S. Churchill, Prime Minister of Great Britain.

Feb. 18, 1943—Hon. Cordell Hull, Secretary of State.

May 21, 1945—Gen. George C. Marshall, Chief of Staff.

June 18, 1945—Gen. Dwight D. Eisenhower, Supreme Commander, AEF.

Oct. 5, 1945—Adm. Chester W. Nimitz, Comdr. in Chief, Pacific Fleet.

Nov. 13, 1945—Hon. Clement Atlee, Prime Minister of Great Britain.

July 1, 1946—Hon. John Gilbert Winant, former U.S. Ambassador to Great Britain.

May 1, 1947—Hon. Miguel Aleman, President of Mexico.

April 19, 1948—Hon. Guillermo Belt, Ambassador, Cuba.

May 19, 1949—Hon. Eurico Gaspar Dutra, President of Brazil.

May 31, 1950—Hon. Dean Acheson, Secretary of State.

Feb. 1, 1951—Gen. Dwight D. Eisenhower.

April 2, 1951—Hon. Vincent Auriol, President of France.

April 19, 1951—Gen. Douglas MacArthur.

June 21, 1951—Hon. Galo Plaza, President of Ecuador.

Sept. 24, 1951—Hon. Alcide de Gasperi, Prime Minister of Italy.

Jan. 17, 1952—Hon. Winston S. Churchill, Prime Minister of Great Britain.

April 3, 1952—Queen Juliana of The Netherlands.

May 22, 1952—Gen. Matthew B. Ridgeway.

Jan. 29, 1954—Hon. Celal Bayar, President of Turkey.

May 4, 1954—Hon. Vincent Massey, Governor General of Canada.

May 28, 1954—Hon. Haile Selassie I, Emperor of Ethiopia.

July 28, 1954—Hon. Syngman Rhee, President of Korea.

Feb. 29, 1956—Hon. Giovanni Gronchi, President of Italy.

May 17, 1956—Dr. Sukarno, President of Indonesia.

May 9, 1957—Hon. Ngo Dinh Diem, President of South Vietnam.

June 5, 1958—Hon. Theodore Heuss, President of West Germany.

June 18, 1958—Hon. Charles F. Garcia, President of the Philippines.

Jan. 21, 1959—Hon. Arturo Frondizi, President of Argentina.

Feb. 12, 1959—Mr. Fredric March.

Feb. 12, 1959—Mr. Carl Sandburg.

March 11, 1959—Hon. Jose Maria Lemus, President of El Salvador.

March 18, 1959—Hon. Sean T. O'Kelly, President of the Republic of Ireland.

May 12, 1959—King Baudouin of Belgium.

April 6, 1960—Hon. Alberto Lleras-Camargo, President of Colombia.

April 25, 1960—Hon. Charles de Gaulle, President of France.

April 28, 1960—King Mahendra Bir Bikram, Shah Deva of Nepal.

June 29, 1960—King Bhumibol Adulyadej of Thailand.

May 4, 1961—Hon. Habib Bourguiba, President of Tunisia.

July 12, 1961—Hon. Mohammad Ayub Kahn, President of Pakistan.

Sept. 21, 1961—Hon. Manuel Prado, President of Peru.

Feb. 26, 1962— Lt. Col. John Glenn, U.S. Marines.

April 4, 1962—Hon. Joaoo Gulart, President of Brazil.

April 12, 1962—Hon. Mohammad Reza Pahlavi Ariyamehr, Shahanshah of Iran.

May 21, 1963—Maj. Gordon L. Cooper, Jr.

Jan. 15, 1964—Hon. Antonio Segni, President of Italy.

May 28, 1964—Eamon de Valera, President of the Republic of Ireland.

Sept. 14, 1965—Lt. Col. Gordon L. Cooper, Jr., and Comdr. Charles Conrad, Jr.

Sept. 15, 1966—Hon. Ferdinand E. Marcos, President of the Philippines.

April 28, 1967—Gen. William C. Westmoreland.

Oct. 27, 1967—Hon. Gustavo Diaz Ordaz, President of Mexico.

Jan. 9, 1969—Col. Frank Borman, Capt. James A. Lowell, and Lt. Col. William Anders.

Feb. 25, 1970—Hon. George Pompidou, President of France.

June 3, 1970—Hon. Rafael Caldera, President of Venezuela.

June 15, 1972—Hon. Luis Echeverria Alvarez, President of Mexico.

AMENDMENTS SUBMITTED FOR PRINTING

ASSISTANCE TO CERTAIN MIGRANTS AND REFUGEES—S. 1661

AMENDMENT NO. 477

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON submitted an amendment intended to be proposed by him to the bill (S. 1661) to enable the United States to render assistance to or in behalf of certain migrants and refugees.

Mr. HUDDLESTON. Mr. President, the amendment I am offering is a simple one. It is not designed to alter the purpose of the bill or to restrict flexibility. It is designed only to help us bring order and direction to the existing refugee situation.

I realize that it is far from easy to evacuate more than 115,000 persons, to register them, provide for their temporary housing, feeding and health, conduct the necessary checks, resettle them in our Nation, and provide them with the assistance which would reasonably enable them to make a new life for themselves.

At the same time, it is imperative—both for the good of the refugees and for the good of our own citizens—that our resettlement efforts be undertaken in a comprehensive and orderly fashion.

The amendment would, therefore, require a report to the Congress within 30 days after passage of the legislation. The report would include information regarding the numbers and various categories of refugees, their current status, their employment situation and the demands which they could be expected to make on State and local governments. Furthermore, the amendment requires that the report contain a plan formulated pursuant to specified guidelines for the resettlement of those yet to be settled.

Various committees of the House and Senate have been conducting hearings in the past days on the refugee problem. As a result of these hearings, several points are obvious: Additional funds are needed at once; the existing refugee centers are overcrowded; resettlement is not going as rapidly as we would wish; there is still substantial confusion and uncertainty over final resettlement arrangements.

In such a situation, it is clear that we must act promptly. In doing so, however, we must also act wisely.

I believe that few Members of this body or in this country are satisfied that we have thought through the resettlement process and derived a responsible plan. I submit that the time to do that is now—now before we make major mistakes with the lives of more than 100,000 persons and arouse new problems with which our own States, localities and citizens will have to cope.

This is what this amendment seeks to do—it seeks to require that we focus on the numbers, the various situations involved and that we develop a systematic means of dealing with them.

I believe that a consensus is developing in this Nation—a consensus that acknowledges the responsibility we have to many of these refugees who were forced from their homeland because they associated themselves with us, the responsibility we have accepted so many times in the past of offering those from abroad an alternative way of life, the responsibility of a humane and caring people.

At the same time, I think we have to acknowledge that the assimiliation of those from abroad into our Nation has not always been easy, the move beyond the melting pot has not always been accomplished without strain—both for those who arrived and those in the communities into which they went.

For the refugees from Vietnam and Cambodia, there are special problems which we should admit. These include concerns about new arrivals at a time when our economic and unemployment problems are great. And subconsciously, there is undoubtedly the problem that these persons remind us of the major foreign misadventure of the decade—a misadventure which divided our Nation and its people as never before in this century.

Nevertheless, we may hope that, despite our problems at home and the difficult task of resolving them, the better rather than the darker side of our nature will persevere on the refugee issue, and that we may provide assistance in line with the bright side of our Nation's tradition and ideals.

That course need not, however, mean simply the provision of funds in the fond hope that with the money all will work out well.

Indeed, it can and should mean much, much more. It should mean that we have identified the problems which we face, evaluated them and developed a meaningful, comprehensive and workable plan to overcome them.

If we proceed in that way, we can, I hope, eliminate some of the misunderstandings and the misinformation which seem to abound over the current situation. With more information, we should know where we are and where we have to go. With a plan, we should know what steps to take and what not to. This should enable our own people to understand what we are doing, and it should, hopefully, help us avoid some of the many, many difficulties which can arise from a haphazard resettlement of thousands of people.

NOTICE OF CHANGE IN PLACE AND TIME FOR HEARINGS BEFORE THE JOINT COMMITTEE ON DEFENSE PRODUCTION

Mr. PROXMIRE. Mr. President, as I have previously announced to Senators and other interested parties, the Joint Committee on Defense Production will be holding hearings on May 22 and May 23 on the defense priorities system.

Because of a conflict with other hearings, it has become necessary to change the place and time for the hearing scheduled on May 22. This hearing will now take place at 2:30 p.m. in room S-407 in the Capitol. That is the hearing room of the Joint Committee on Atomic Energy.

The hearings will continue on Friday, May 23, in room 5302 of the Dirksen Senate Office Building, beginning at 10 a.m.

NOTICE OF ROOM CHANGE IN REORGANIZATION OF THE FIFTH AND NINTH CIRCUITS

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that the hearing for the consideration of S. 729, to reorganize the fifth and ninth circuits, scheduled for May 20, 1975, in room 2228, Dirksen Senate Office Building, has been moved to room 457, Russell Senate Office Building, beginning at 10 a.m.

NOTICE OF HEARING

Mr. McCLURE. Mr. President, on May 19, the Public Works Committee will hold one day of hearings on S. 364, a bill which would change certain provisions in timber sale contracts administered by the U.S. Forest Service. The bill would permit a timber purchaser to transfer earned but unused road construction credits to stumpage charges on another sale within the same national forest.

The subcommittee will examine the problems encountered by timber purchasers under the current system, and the impact any change would have on Federal revenues, counties receiving a portion of stumpage fees, and the timber purchasers.

The hearings will begin at 10 a.m. on May 19 in room 1114 of the Dirksen Senate Office Building.

Witnesses scheduled to testify include representatives from the U.S. Forest Service, the forest products industry, and the National Association of Counties. The House has scheduled hearings on a companion bill for later the same week.

ADDITIONAL STATEMENTS

NEWS DISTORTIONS BY NATIONAL MEDIA

Mr. ALLEN. Mr. President, the Nation's broadcast networks, the wire services, large metropolitan newspapers, and some of the Nation's news periodicals frequently are accused of possessing built-in bias in their reporting and editing. Generally such statements have been shunted aside by the editors and publishers because they apparently consider themselves experts in almost all fields and, thus, above reproach from the "non-expert" complainants.

Mr. N. J. Finlay of Brewton, Ala., has brought to my attention a "Letter to the Editor" in the Mobile Press, one of the two fine daily newspapers published in Alabama's second largest city. This letter was written by Mr. W. H. "Pete" Kelley, an experienced newsman who until recently served as managing editor of the Florence, Ala., Times Tri Cities Daily, one of Alabama's excellent daily newspapers.

Mr. Kelley was in the Nation's Capital 2 weeks ago when Alabama's Gov. George Wallace testified before a House committee in support of appropriations for the Tennessee-Tombigbee Waterway. Mr. Kelley, by virtue of his journalistic background, is a trained observer, and his letter relates differences between what he observed during that day and the fiction which was reported by some of the national press.

Mr. President, I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Media Mistreats GCW

As a former newspaper editor, I often wondered whether Gov. George Wallace was exaggerating stories of how the national news media twisted facts to make him look badly.

Recently, I had an opportunity to observe first hand.

Governor Wallace understated the case.

Wallace went to Washington to testify before the House Appropriations Public Works Subcommittee for the Tennessee-Tombigbee Waterway. He made an excellent presentation, and members of the subcommitte, to a man, said they were impressed.

At a luncheon given in his honor, and attended by approximately 300, Wallace was beseiged by congressmen, residents of other states and other well-wishers who wanted to shake his hand and have their picture made with the Alabama governor. For over an hour, he sat patiently while the audience clamored to see him and granted numerous interviews with every newsman who asked.

I stood nearby and was able to see and hear almost everything that transpired. Wallace did not have time to eat the first bite during the luncheon.

That afternoon, ABC news reported Wallace's appearance as "lacklustre." The brief report also said Wallace was "not healthy enough to win" and "probably not healthy enough to run" for president.

Surely, ABC's Sam Donaldson did not see the same Wallace I saw or attend the same luncheon I did. Yet, I saw him conducting the interview with Wallace.

The Washington Star was even more disgusting. The paper's Mary McCrory reported on Wallace's requested appearance before the Freshman Caucus, Almost every word was critical and negative. She ended her story by saying the mostly-liberal freshmen congressmen could "only hope Wallace is as sick as he looks."

The Alabama governor was cast in a completely unfavorable light and hardly an accurate word was reported. Even what the governor said was twisted to make it appear he was saying something entirely different.

Perhaps I went to the wrong school, because I was taught that newspapermen were to report facts, quote context and present both sides of an issue. The treatment of Governor Wallace appalled and embarrassed me.

Two days earlier, the same newspaper called President Ford a "dummy" and did it in a news story, not an editorial page column.

The newspaper I worked for had a quotation from Winston Churchill under its masthead that read: "Where men have the habit of liberty, the press will continue to be the Fourth Estate, the vigilant guardian of the rights of the ordinary citizen."

Perhaps that is why I only worked for a small daily in Alabama.

Isn't it strange that Governor Wallace now represents the ordinary citizen much better than the nation's big city newspapers and television networks.

W. H. "Pete" Kelley.

STUART SYMINGTON

Mr. EAGLETON. Mr. President, it was with great sadness that the people of Missouri and indeed, the people of the Nation, learned that my distinguished colleague, Senator Symington, would not run for relection in 1976. After 23 years of service in the Senate, he has decided to step down.

I have been fortunate to enjoy a close personal relationship with Senator Symington. When I first came to the Senate in 1968, Senator Symington acquainted me with the complexities of the legislative process and was kind enough to share his masterful knowledge of the workings of the Senate. His advice was then, and continues to be, among the soundest I have ever received.

Although like his close friend Harry Truman, Senator Symington would reject the honor of being called "statesman," his record as a public servant is most worthy of that high praise. Stuart Symington's statesmanship is best demonstrated by his contribution to the foreign and defense policies of our Nation.

As we all know, Senator Symington has been closely associated with national defense matters for most of his career. He served as the first Secretary of the Air Force under President Truman and has been a member of both the Foreign Relations and Armed Services Committees. Certainly, he is one of the most concerned and knowledgeable Americans in this most vital area.

Senator Symington's unique committee assignments have afforded him the opportunity to take an overall view of all aspects of our national well-being. He has used this knowledge to raise penetrating questions about whether we can risk jeopardizing our Nation's economic strength and the confidence of our people in the relentless quest for perceived military strength. And he has caused many in government to realize that national security encompasses many dimensions which go far beyond simple military superiority.

Over the years, he has challenged the Pentagon on policy questions as well as weapons decisions. And because of his reputation and his integrity, the Senate and the Pentagon listen attentively to his recommendations.

When Senator Symington retires the people of the United States will lose a great statesman. The State of Missouri will lose a forceful and eloquent spokesman. And, while I will hopefully retain his friendship and advice, I will lose a senior colleague whose partnership I have valued.

I know I speak for all the people of Missouri in thanking Senator Symington for his distinguished service to our State and in wishing him every success in the future. Senator Symington's seat in the Senate will, of course, be filled. But a special place in American history is surely reserved only for him.

Mr. President, I ask unanimous consent that a number of editorials from Missouri newspapers paying tribute to Senator Symington be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the St. Louis Globe-Democrat, Apr. 23, 1975]

Symington: Through the Years

One of the most phenomenal vote-getters in Missouri history bowed out of the political wars Tuesday.

Sen. Stuart Symington, an Easterner who adopted Missouri and then captured it politically, said he will not be a candidate for election to a fifth term.

From the time in 1952 when he overcame the endorsement of President Harry S. Truman of his opponent to win the Democratic senatorial nomination, Symington was elected four times to represent Missouri in the Senate.

His last race, against Republican Attorney General John C. Danforth in 1970, was his closest. But he still beat his opponent by 36,000 votes.

During his time in the Senate, he had been a contender for the Democratic nomination for president in 1960 and was twice a contender for his party's vice presidential nomination.

Symington is probably best known as the watchdog of America's armed forces for nearly 30 years of public service, not only in the Senate but before that as Secretary of the Air Force.

Known as "Mr. Air Force," or "the Big Bomber Man" of the 1950s and "the Missile Man" of the 1960s, Symington has been viewed as one of the chief architects of the country's postwar defense systems.

As a senator, he preached with prophetic fervor against complacency and unrealistic optimism in the arms race with Russia and other powers.

And his voice became even stronger in 1973 when he was acting chairman of the powerful Armed Services Committee after the chairman, Sen. John Stennis, Mississippi Democrat, was wounded by robbers outside his suburban Washington home.

But although his major interest was defense and military matters, Symington's career in the Senate was attentive to bread and butter issues in his home state.

He had in recent years, for example, been a strong opponent of plans for a proposed airport on the East Side for the metropolitan St. Louis area.

He had thumped continuously for approval of a long-range master plan for Lambert St. Louis International Airport and against the Columbia-Waterloo, Ill., project.

Earlier in his career, he worked successfully to obtain federal funds for such projects as the Jefferson National Expansion memorial on the St. Louis waterfront.

He also had helped keep the Army Aviation Systems Command (AVSCOM) in St. Louis.

It was Symington who reportedly persuaded the Air Force to consider the Phantom jet made for the Navy by McDonnell Douglas in St. Louis when the Air Force was looking for a new combat aircraft.

The retiring senior senator from Missouri was reared in Maryland and educated at Yale and in 1924, married Evelyn Wadsworth, daughter of U.S. Sen. James W. Wadsworth of New York in a glittering ceremony attended by the late President Calvin Coolidge.

But before he entered public life, he worked in various industries, some owned by relatives. He started as a moulder and rose to become a business executive.

By the time he was 36, his talents as an organizer and executive allowed him to go into brief semi-retirement and a short time later he came to St. Louis.

An assignment in 1945 from President Truman as chairman of the surplus property disposal program after World War II was the first of a half-dozen high government posts he was to occupy during the next 6½ years.

An assistant secretary of war for air in 1946, he sounded his first warning that the country must have such a smashing retaliatory punch that it would be a deterrent to any potential aggressor.

In 1947, when the Air Force had won its fight for equality as a separate service, Symington became the first secretary of the Air Force under the reorganized Defense Department.

He was subsequently to serve as chairman of the National Security and Resources Board, the nation's mobilization body, and as head of the Reconstruction Finance Corp. before resigning to return to his home on Ladue road in Creve Coeur.

But the lure of political life led him to accept the urging of St. Louis area friends to file for the Democratic nomination for U.S. Senate in 1952.

He administered a sound 2-to-1 drubbing to his major opponent, then state attorney General J. E. (Buck) Taylor, who had the endorsement of Truman.

He defeated the Republican incumbent, Sen. James P. Kem, by 150,000 votes in the same election in which President Dwight D. Eisenhower carried Missouri by 30,000 votes.

Early in his Senate career, Symington clashed with Sen. Joseph R. McCarthy, who convulsed the government with repeated allegations in the early 1950s that American government was riddled with Communist influence.

Symington once told McCarthy in an angry exchange that he had "better go see a psychiatrist."

The launching by Russian in 1957 of the Sputnik satellite led the Missouri senator to warn that Russia had badly outdistanced the United States in missile technology.

Congress eventually ordered a speedup in the nation's missile program in a period which launched a major revolution in even American educational methods.

But his popularity in Missouri was principally supported by his fights for local issues such as federal dams and projects like the Jefferson National Expansion Memorial.

A 12-month personal effort by Symington finally persuaded the late Sen. Theodore Green (Dem.), Rhode Island, then head of the Senate Rules committee, to clear the way for the Jefferson memorial project.

Congress ultimately approved expenditure of $17.25 million for the project and ground was broken in June, 1959.

After his relatively narrow victory over Danforth in 1970, Symington's wife died on Dec. 24, 1972, but despite his grief he nevertheless plunged again into national and state affairs.

He had announced months ago that he would run for another term in the Senate, but others in the state Democratic party had their doubts about whether he really would make the race.

Even as late as the Jackson Day Democratic powwos in Springfield earlier this month, Symington was telling political associates "there's been no change" in his plans.

But his announcement Tuesday changed all that and opened the way for a major Democratic battle for the Democratic nomination to the U.S. Senate.

[From the St. Louis Post-Dispatch, Apr. 23, 1975]

SYMINGTON A SHAPER OF POLICY

(By Lawrence E. Taylor)

WASHINGTON.—Stuart Symington's absence from the United States Senate in 1977 will mean that the nation has lost a principal advocate for a major overhaul of its foreign and military policies.

Just what effect Symington's decision not to seek a fifth Senate term will have on this critical debate is uncertain, because his influence has seldom been exercised in public.

Instead, he has chosen in 30 years of governmental service to work within the system, even when he strongly disagreed with it.

His voice has often been heard calling for an end to the U.S. military involvement in Indochina, for a reduction of American military expenditures and commitments abroad and for a system to reduce the proliferation of nuclear weapons.

Yet he has almost always spoken as a man who preferred persuasion within the councils of government to the drumbeat of leadership without.

In a way, this was illustrated by Symington's decision to leave the Senate after 24 years. Typically, the Senator kept his own counsel until the last minute. His son and potential successor, Representative James W. Symington (Dem.), Ladue, was not even told until just before his father made the announcement at a St. Louis press conference.

Yet the political future of his son almost certainly figured in Symington's decision. James needs time to mount a Senate campaign, and his father's early withdrawal gives it to him.

The Senator had been hearing from his close advisers and friends that he might have difficulty being re-elected.

Represenative Jerry Litton (Dem.), Chillicothe, Mo., has been gearing up for a possible nomination challenge for months—some say years. State Attorney General John C. Danforth, the Republican who almost unseated Symington in 1970, is waiting in the starting blocks for another chance.

Most everyone knew that the Senator was reassessing his earlier announced decision to run again in 1976, but not a word leaked out in advance to indicate he had changed his mind.

Although these political factors probably were in Symington's thoughts, there were others he must have weighed against stepping down.

As a senior member of the Senate Committees on Armed Services and Foreign Relations, and the Joint Congressional Committee on Atomic Energy, he has been in a unique position of influence.

He has chosen to wield it largely by digging out the hidden information about Government actions and by asking the tough questions that led ultimately to policy changes. Seldom has he emerged publicly as a leader of the fight to make these changes.

Symington, an advocate of superior American military air power in the 1940s and 1950s, came to question its use in Vietnam and, finally, to turn against the war entirely in 1967.

Symington has the reputation of being a tough man in a fight. Past adversaries have described him as a "slasher" when cornered or angered.

William Stuart Symington, 73 years old, was a self-made millionaire by the time he was 40, part of it earned as president of the Emerson Electric Co., in St. Louis.

In 1945, he was nominated by President Harry S Truman, and confirmed by the Senate, to be chairman of the Surplus Property Board. In the next seven years, he served as assistant secretary of war for air, the first Secretary of the Air Force, chairman of the National Security Resources Board and the "cleanup" administrator of the Reconstruction Finance Corporation.

In 1952, after leaving Government service briefly, he ran for the Senate and defeated incumbent Republican Senator James P. Kem. In three more elections he usually led the Democratic ticket in the state, rolling up heavy margins in all but his last campaign.

With him in all those ventures was his wife, the former Evelyn Wadsworth, a talented singer and actress who gave up her career to bear her husband two sons and serve as his closest and most loyal supporter.

Her death in December 1972 left Symington grief-stricken and, as he said yesterday contributed to his decision to retire from public life.

His change in position and the reasons for it won him respect in the Senate, even from those who disagreed with him.

As the war continued, Symington spoke out in opposition frequently, but he avoided antiwar demonstrations and marches, preferring to confine his efforts within the system.

Because of his committee positions, he was instrumental in disclosing the secret war in Laos operated by the Central Intelligence Agency. He played a major role in exposing and ending the secret bombing of Cambodia conducted by the Nixon Administration from 1969 to 1971.

As chairman of the Senate subcommittee on arms control, international organizations and security agreements, he turned up facts that showed many U.S. military bases around the world were useless, wasteful and even contrary to the nation's interests.

But having accumulated a mountain of material on the subject—and having concluded that half of the U.S. foreign bases could be closed—Symington left it to others to lead the public fight on the issue.

His instinctive caution and his seeming unwillingness to grasp the legislative process have earned him some criticism over the years. One long-time associate said, "If you measure influence by a man's willingness to go out and fight and bleed and die for what he believes in, I don't think you can say Symington has it."

But the same associate was quick to add that Symington's influence worked in other ways, difficult to measure.

For all his reluctance to get too far in front on some issues, Symington has occasionally been unable to restrain himself. In 1973, after closed hearings on the CIA's role in the Watergate cover-up, Symington emerged to tell reporters that President Richard M. Nixon "must have known" his assistants were attempting to misuse the agency.

The comment brought angry denuniciation from the White House, but in the end Symington was proved correct.

[From the Kansas City Star, Apr. 27, 1975]

NATIONAL SECURITY NEEDS GUIDE SYMINGTON IN SENATE

(By Joseph A. Lastelic)

WASHINGTON.—Sen. Stuart Symington has built his reputation in the U.S. Senate by attending to the problems of his constituents in Missouri and by narrowing his focus on national matters to what he considers the most important issues.

So no change of style is expected as the senator moves toward the completion of more than three decades in government. He announced Tuesday he would not seek re-election when he completes 24 years in the Senate early in 1977.

At 73 Symington remains a tall, handsome, urban and hard-working senator. His theme remains consistent: National security means not only the military strength to destroy an aggressor, but a healthy economy and citizens with faith in their government.

"The greatest service I could do is to see that true national security is preserved," Symington said at lunch one day as he talked of his concept of service, about government spending and the huge deficit and the need to re-establish priorities.

"I want to give the military whatever is needed to defend this country," he said. "I'm no pacifist: I'm not for unilateral disarmament."

He talked of the need to recognize the quality of America's arsenal and not just concentrate on quantity. The amount spent should not be the criteria to judge military preparedness, he said. He went on to discuss the economy, to tell of an executive of one of the nation's biggest industrial corporations who told him he feared for the future of his company.

"I'm no alarmist, but I went through the Depression." Symington said. "If you had a $100 bill you were a rich man. In the 30s it made no difference how well or how cheaply you made a product, nobody bought it."

Symington said the administration continues to go to Congress with requests for millions of dollars in foreign economic and military aid and for increases in the defense budget, and that it finds many allies among his colleagues in the Senate. He wants a cutback in government programs. The gold outflow, weakened dollar, the deficit, inflation scares him, he says. There is a lack of coordination and priorities are all mixed up in his view.

"They asked for $1.5 billion for Vietnam last year," he complained," and we couldn't get $75,000 for a dam down around Joplin."

Years ago when everyone else seemed bored with the problem, Symington hammered at the effects of the loss of gold—the balance of payments—an issue still with us. He investigated the stockpiles owned by the federal government, the agricultural program of storing grain at great cost to the taxpayer, the security agreements and commitments by the United States throughout the world. Each investigation was designed to inform the American citizen what his government was doing and to apply pressure for corrective actions.

Now his concern is the spread of nuclear weapons throughout the world. He continues to point up the dangers and to call for safeguards.

His work and concerns have angered a variety of persons throughout the years. In 1963 he began calling for major reductions in military forces in Europe. The Pentagon was baffled and peeved that the first secretary of the Air Force would take such a stand. Even now he remains embroiled in military spending controversies because of his criticisms of the B1 bomber, the Trident submarine and a new aircraft carrier.

Symington gave up on foreign aid in 1965 because he said he had seen too much waste. He supported U.S. efforts in Vietnam, but began to change as he returned to the battle scene. He concluded the United States either had to get into the conflict with all of its might and bring it to a conclusion or get out.

In January, 1966, he had this to say:

"If South Vietnam is not the right place to defend the Free World against totalitarian aggression, we should retire from that country on the best terms possible. This probably would result in a Communist takeover of additional countries and would damage seriously the world position and status of the United States. That would be the price, but it would not be catastrophic.

"If South Vietnam is the right place to defend the Free World against totalitarian aggression, then that fact should be recognized in more practical fashion. We cannot continue indefinitely the plans and programs incident to the current holding operation.

"The time is approaching when we must decide while the decision is still ours to make whether we will move forward or move out. Whichever course we choose, we must take it with courage, with skill and with realism."

The worst years of the war followed.

In August, 1973, Symington said the situation in Cambodia was "beyond repair" and that the United States should withdraw Americans from Phnom Penh and avoid running the risk of new involvement in pursuit of a lost cause.

The problems of the Middle East, of Greece and Turkey over Cyprus, of the North Atlantic Treaty Organization, and the threats from the Soviet Union are caused by the United States being overcommitted militarily and economically in Symington's view.

The senator falls back on his experience, calls on his wide range of friends for answers to whatever is bothering him.

As a businessman who built up his company, Emerson Electric in St. Louis, and became wealthy he came to know the business community. At the Pentagon he became acquainted with industrialists, admirals and generals; when he ran for the presidency he became friends with politicians across the land. His responsibilities on the Armed Services Committee and the Foreign Relations Committee have brought him into contact with the world's leaders. Through Bob Hope, a golfing partner, he was able to meet many in the world of entertainment; through his interest in professional baseball and football he got to know the owners, coaches and players.

Watching Symington at work in his office is something to behold. Ask him a question and if he does not have the answer, up goes the telephone receiver and within minutes the senator will be talking with some important person. He can find out things. He might ask a favor. His friends have been good to him and he does not forget them.

All has not been roses. Symington wanted to be President, but didn't make it. It was widely thought John F. Kennedy would have him as his running mate, but Lyndon B. Johnson got the nod.

Symington wanted to be chairman of the military preparedness subcommittee, but Sen. John Stennis held on to the last. Symington had a chance to be space committee chairman, but realizing he would have to give up other assignments, he turned down that opportunity to stay on the armed services and foreign relations committee. He is the only senator serving on both of those prestigious committees.

So the issues that will be coming before his committees will be the ones on which he will spend most of his time. However, he intends to keep his eye on Missouri, its rural areas and the cities. Job opportunities are a constant concern and he supports projects that develop the state's resources. He takes a liberal position on housing, health care, aid to the elderly, education and civil rights. He knows there is plenty of work and he intends to do his share. Free from having to campaign again he could slow down, but Stuart Symington intends to run, not walk to the finish line.

[From the Springfield Leader-Press, Apr. 23, 1975]

STU IS SALUTED BY OZARKS ADMIRERS

U. S. Sen. Stuart Symington, who has told his Missouri constituents he won't seek a fifth term (see Page One), is fondly regarded by many Ozarks backers and campaign workers.

For instance . . .

"A person capable of being President" is the assessment of the state's senior senator by Springfield attorney Flavius Freeman, former Greene County Democratic chairman. "I think Stuart Symington is one of the really fine men that we have had in government," Freeman added.

Freeman, who was county chairman from 1958 to 1960, described the 73-year-old senator as "a person of strong moral fiber. In government, if you have that kind of person you really don't have to worry . . . you are going to have good government."

Denton Smith, a longtime Democrat, who has known the senator for 22 years, said, "I just thought he was one of the truly great Americans with no exception. He was not for the right or the left. He was for the people."

"All who know of his great contributions," said Sam Hamra, Symington's Southwest Missouri campaign manager in 1970, "will be touched by his choice of ending his senatorial career. All Americans should hope and pray that (he) will continue serving our country in some governmental capacity after his distinguished senatorial career comes to an end."

Tom Sipe, who has known the senator for eight years, expressed concern that Symington may drop out of public view.

"I hope he will be available to this administration and future administrations. He has the type of statesmanship you don't find too often in Washington."

Future officeholders would do well to pattern themselves after Symington, Sipe noted.

"We heard from those during the Watergate hearings who told the young people to stay out of politics. The young people should take a look at Stuart Symington and pursue a career in public office."

Green County's current Democratic chairman, Melvin Payne, declared, "We have lost one of the most outstanding senators the state of Missouri has ever had."

He wonders what the senator's withdrawal from the race will mean in next year's elections.

"I'm just looking for a real race for that seat, probably in the primary as far as the Democratic Party is concerned."

[From the Columbia Missourian, Apr. 4, 1975]

SYMINGTON SERVED STATE WELL

U.S. Sen. Stuart Symington, Missouri's strong Democratic voice in Congress for more than 20 years, will leave the political arena at the end of his term expiring in 1976.

Sen. Symington, 73, decided not to run for re-election but to remain active in the nuclear field, in which he has been involved for more than 30 years. His decision was based on the death of his wife, his health and his belief that the state Democratic party needs a strong leader.

Always an advocate for realizing the problems on the home front first and a strong supporter of U.S. withdrawal from Southeast Asia, Mr. Symington became a powerful figure on military matters. He was active in both the Senate Armed Services and Foreign Relations committees throughout the 1960s and remains involved with military endeavors since his beginning in the Senate in 1952.

Closer to home, Sen. Symington became a favorite of the laborers and farmers in Missouri seeking legislation to promote industry and production in the state. One of the biggest vote-getters in state history, Mr. Symington's popularity with Missourians carried him through four six-year terms in the Senate.

The senator has represented Missouri well and his country and his voice will be missed in Washington. He is a man of candor, conscience and honesty, qualities that are too rare among today's politicians.

Mr. Symington's service to the country, in general, and to Missouri, in particular, will not be forgotten. We wish him well in his future endeavors.

[From the Stanberry Headlight, May 1, 1975]

SENATOR SYMINGTON STEPS DOWN

Even though there are those smart ones who knew all along that Senator Stuart Symington was not going to make the race again next year, his announcement on Tuesday night of last week was considered in some circles as a "bomb shell."

We never quite had that feeling, for we did believe Missouri's senior senator would try once more for the office. We are sorry that he has seen fit to step down.

Stuart Symington has made a place for himself in the history of the nation and of Missouri. He served in many top-level posts before he became Missouri's Senator, then he went on to hold the office and if he lives until the last of next year, he will have served 24 years in the United States Senate.

They have been years well spent in serving his country. We always viewed Senator Symington as doing what he thought best for his state and his nation. We never believed that he was trying to capitalize on anything he did to gain popular favor as some politicians do.

His judgment was rare. He was honest in the nth degree and he will be missed in the United States Senate. We watched with interest his change in the Vietnam war. At one time he was all for that conflict but as time went on Senator Symington had a change of heart and he became highly critical of the entire plan.

As long as Senator Symington served in the United States Senate; in fact, as long as he held office of any kind, we never ever heard the least bit of suspicion about anything he did. There are few politicians in Washington who can say that.

The news that he would not seek the office again apparently did not come as too great a surprise to many persons. But to us it was a surprise. We were extremely interested in the press conference Senator Symington had in St. Louis, because his right-hand man, Stanely Fike, had called back to Stanberry to let us know of the conference. There was no indication of what the Senator would say, but the fact that he was holding a press conference seemed to be ample proof that he was announcing his retirement.

Stuart Symington made Missouri a great Senator. He is highly intelligent; he knows what it is all about; and he will be missed in the halls of Congress.

Our own personal wish is that this distinguished man will find peace and comfort as he retires from the post he has held so well. Stuart Symington deserves a long, long rest. He has earned it.

[From the Nevada Daily Mail, Apr. 25, 1975]

DISTINGUISHED CAREER

Few Missourians have remained so long and so successfully on the public scene as U.S. Sen. Stuart Symington, who announced this week that he will not seek a fifth six-year term in 1976.

For 30 years, he has held significant posts in the federal government—Surplus Property Board, the first Secretary of the Air Force, chairman of the National Resources Board, administrator of the Reconstruction Finance Corporation and, for the last 24 years, U.S. senator—and distinguished himself in all of them.

In addition, he looked like what he was: A statesman, leader, gentleman and patrician. His tall, erect body, handsome face with keen, penetrating eyes, all topped with a mane of thick silvery hair set him apart from the pot-bellies, sloping shoulders and puffy faces that generally populated the U.S. Senate. Hollywood at its best couldn't have found an actor who could represent a U.S. Senator.

The inner Symington was all and more than the exterior Symington advertised. Patrician that he is, he has never failed to be sensitive to the pulse of his constituency. In this, he has been ably assisted by an exceptionally talented and loyal staff, chief among them his No. 1 aide Stan Fike. Although many members of Congress go through the motion of listening to the folks at home, Symington has always done it seriously and thoroughly. When one contacted him, one knew that the request would go to the top and be acted on—or, if not, why. We will miss that intimate sort of relationship when he leaves the Senate.

But we're glad, in a way, that Sen. Symington has decided to step down. We'd hate to see him have to go through another probably hard-fought primary campaign and possibly an equally difficult general election. At his age, 74 in June, he deserves to rest on his laurels.

Further, campaigning itself was never easy for Sen. Symington. Indeed, it was the hardest sort of work. We recall his first run for the U.S. Senate in 1952 when he came to Nevada seeking support and votes. He went through The Daily Mail office, met every member of the staff, told them who he was and asked them to vote for him.

Then he "circled the square" doing the same thing: Shaking hands with everyone he met, exchanging names and asking for votes. At the end, he was limp with exhaustion. "You know," he said, "this is one of the hardest things I've ever done in my life."

As the years and terms went by, the handshaking and asking for votes came more naturally to Sen. Symington, but it was still something of an ordeal. Even recognizing the important levelling effect of such campaigning, we daresay he often wondered if there weren't a more dignified way for a man to be elected to public office.

Missouri can well be proud of Sen. Symington. In an era when scandal of some sort attached itself to almost every other prominent man in the federal government, Stuart Symington is unblemished. Would that there were—and may there be—more like him.

The announcement of his retirement this week has already unleashed a wild scramble for his Senate seat. In fact the scramble actually had begun—covertly and not so covertly—in anticipation of his retirement.

Warren Hearnes has announced his candidacy for the Democratic nomination despite whatever soot may have fallen on him as a result of a grand jury investigation of his administration as governor of Missouri. Two lesser known Democrats also have filed formally.

The senator's son, U.S. Rep. James W. Symington, is known to be interested but probably wonders about the depth of his Missouri roots and the willingness of the state's voters to confer a father's mantle on a son.

U.S. Rep. Jerry Litton has long been conducting publicity forays outside his northwest Missouri bailiwick and is suspected of having his eye on the Democratic nomination for Senator Symington's seat. Some Republicans are hoping that Attorney General John Danforth will seek their nomination.

May the best man win. And may the winner serve Missouri as well as Stuart Symington.

[From the St. Joseph News-Press, Apr. 24, 1975]

A GREAT SENATOR STEPS ASIDE

Since its admission into the Union 155 years ago, the state of Missouri has furnished this nation numerous great United States senators.

The list includes such men who have served as Thomas Hart Benton, David Barton, David Rice Atchison, George Graham Vest, Carl Schurz, William Joel Stone, James A. Reed, Harry S. Truman and Forrest C. Donnell.

And to that list in the hallowed echoes of time now must be added the name of Stuart Symington.

In a manner as gracious as has typified his entire career of public service, Senator Symington on Tuesday announced with finality he would not be a candidate for reelection in 1976, reversing his previous decision.

For nearly 23 years now, Senator Symington has represented Missouri as a bulkwark in the United States Senate. His record is one to acclaim, one of thoroughness of public service, of devoted service to the people of his state and the entire nation. His unselfish contributions have been great and all in this land have profited by the wide-ranging scope of his duty.

On the Foreign Relations and Armed Services committees of the Senate, the voice of Senator Symington has carried dynamic power and far-reaching effect. But never while attending those high rank duties did the senator forgot the people back home, the little people. He was their friend and he constantly proved it.

It was another Missourian, former President Harry S. Truman, who first realized the potential of Stuart Symington for national good. President Truman called him from the presidency of Emerson Electric Manufacturing Co. at St. Louis to come into government. And Stuart Symington responded magnificently.

Under President Truman he served as chairman of the Surplus Property Board, as Assistant Secretary of War for Air, chairman of the National Security Resources Board, administrator of the Reconstruction Finance Corporation, and then became the nation's first Secretary of the Air Force.

Now Senator Symington nears his 74th birthday. He looks to the nation of the future. He does not live in the past. He realizes that if re-elected he would be past the three-quarters century mark if he should win a fifth consecutive term.

And so, in keeping with the spirit that has characterized his entire public career, he has stepped aside. He will not run for reelection next year.

Missouri, the entire nation, owes this grand American a great debt.

[From the Springfield Daily News, Apr. 23, 1975]

SENATOR IS "TRULY GREAT"

(By Tom D. Ellis)

Sen. Stuart Symington's announcement Tuesday that he will not seek re-election has brought sorrow to the hearts of close friends in Springfield and renewed respect for his accomplishments in office.

Denton Smith, a longtime Democrat who has known Missouri's senior U.S. Senator for 22 years, said he has supported Symington staunchly to the point where "to me its almost an emotional thing."

"I just thought he was one of the truly great Americans with no exception," said Smith. "He was not for the right or the left. He was for the people."

Smith said Symington's announcement is a "blow" to him but that he realizes the senator is an outstanding example for anyone seeking public office.

"I think the country has lost a great servant of the people. He is one of the greatest men our nation has developed and I hope that we can find a replacement that can bring as much honor and distinction to our state as men like Harry Truman and Stuart Symington."

Tom Sipe, who has known Symington for about eight years and organized his appearance at a Democratic chili supper here in October, expressed concern that the senator may drop out of public view. But he said he doubts that will happen.

"I hope he wil be available to this administration and future administrations," Sipe said. "He has the type of statesmanship you don't find too often in Washington."

Sipe also said Symington will serve as a good pattern for future officeholders:

"We heard from those during the Watergate hearings who told the young people to stay out of politics. The young people should take a look at Stuart Symington and pursue a career in public office."

Melvin Payne, chairman of the Greene County Democratic Party, also praised Symington.

"We have lost one of the most outstanding senators the state of Missouri has ever had," he said. "I'm surprised and then I'm not surprised."

Symington's southwest Missouri campaign manager in 1970, Sam Hamra, said he was saddened by the senator's announcement Tuesday even though he had "advance knowledge of his decision."

"All who know of his great contributions during many years of service to our country will be touched by his choice of ending his senatorial career," Hamra said. "All Americans should hope and pray that Sen. Symington will continue serving our country in some governmental capacity after his distinguished senatorial career comes to an end."

Payne wondered what Symington's withdrawal from a senatorial race will mean in next year's elections.

"I'm just looking for a real race for that seat, probably in the primary as far as the Democratic Party is concerned."

Former Missouri Gov. Warren Hearnes has filed for the seat and political observers have wondered if Symington's son, Missouri Congressman Jim Symington, D-2nd District, and another U.S. Representative, Jerry Litton, D–6th District, will run.

Smith and Litton have hesitated to seek the seat while Symington was still in office. He said it will remain to be seen who files next.

Sipe said Litton would have run whether or not Symington sought re-election. He said Litton was laying the groundwork for his campaign before Symington's announcement.

[From the Chronicle-Herald, Apr. 24, 1975]

It Seems to B.

Personally, I am very sorry to see Senator Stuart Symington quit the United States Senate. He is a good Senator, a good Missourian, a patriotic citizen and an authority on world armaments and military affairs.

I have known the Senator for more than 30 years. When IU held the place that he is quitting, he proved to be a friend in need when he furnish me his private airplane to fly to Kansas City to keep an engagement after Senate duties demanded I stay in Washington "past train time."

And he was ever on the giving end of our friendship. He came to me and sat by my side when I was before the Senate commerce Committee when they questioned me about my appointment as Assistant Secretary. He was ever ready to lend a hand in the Senate on anything I needed there and again he did me honor when he left a busy Washington schedule and came to Macon to appear at my recognition dinner. I appreciate him for this personally but I appreciate the service he has given his state and his nation much, much more.

When Governor Phil Donnelly died, I flew with the Senator to Lebanon to pay my homage and respect to our departed friend. I was a guest in the Symington home on the way out.

In everything where I have had cause to observe Senator Symington, he has been a pleasant, dignified gentleman, a man with high ideals and deep sincerity, just the sort of man Missouri needs to fill the important task he is relinquishing. I know his decision is a "tough" one but I felicitate him on it, even though it is a deep debit to our state and national politician leadership.

[From the KMOX Radio, Apr. 25, 1975]

We don't know who will be elected President of the United States in 1976. But we are sure that the next President, whether Republican or Democrat, will turn to a distinguished Missourian for special assignments on behalf of our nation.

That Missourian is Senator Stuart Symington, who announced this week that he will not be a candidate for a fifth term in the Senate next year. Typically, Stuart Symington placed the nation and state before himself.

He has achieved one of the most distinguished public service careers in American history. For 30 years, Stuart Symington has served American Presidents, the people of Missouri and the nation in appointive and elective posts. He was Assistant Secretary of War under President Truman and the nation's first Secretary of the Air Force. One of the world's top experts on defense, he was Chairman of the Senate Foreign Relations and Armed Services Committees.

The senator is a military expert and is the architect of our nation's post-war defense. Yet he spoke out against continuing military involvement in Southeast Asia and was a vigorous critic of wasteful spending by the military.

Although he is concerned with global strategy, Senator Symington has never forgotten the bread-and-butter issues back home. He was the prime mover in the Jefferson National Expansion Memorial on the riverfront and an outspoken backer of expanding Lambert Field and, of course, a tireless worker for the welfare of Missouri industry.

Although Stuart Symington will soon leave the Senate, we are confident that the next President will seek his counsel as other Presidents have for 30 years. America still needs him.

[From the Columbia Missourian, Apr. 24, 1975]

Symington Served State Well

U.S. Sen. Stuart Symington, Missouri's strong Democratic voice in Congress for more than 20 years, will leave the political arena at the end of his term expiring in 1976.

Sen. Symington, 73, decided not to run for re-election but to remain active in the nuclear field, in which he has been involved for more than 30 years. His decision was based on the death of his wife, his health and his belief that the state Democratic party needs a strong leader.

Always an advocate for realizing the problems on the home front first and a strong supporter of U.S. withdrawal from Southeast Asia, Mr. Symington became a powerful figure on military matters. He was active in both the Senate Armed Services and Foreign Relations committees throughout the 1960s and remains involved with military endeavors since his beginning in the Senate in 1952.

Closer to home, Sen. Symington became a favorite of the laborers and farmers in Missouri seeking legislation to promote industry and production in the state. One of the biggest vote-getters in state history, Mr. Symington's popularity with Missourians carried him through four six-year terms in the Senate.

The senator has represented Missouri well and his country and his voice will be missed in Washington. He is a man of candor, conscience and honesty, qualities that are too rare among today's politicians.

Mr. Symington's service to the country, in general, and to Missouri, in particular, will future endeavors.
not be forgotten. We wish him well in his

[From the Aurora Advertiser, Apr. 24, 1975]

A Well Merited "Well Done"

An outstanding United States Senator from Missouri, Stuart Symington, has decided to end his congressional career when his term expires in 1976.

We think he merits deep gratitude from the citizens of Missouri and the nation for his long, devoted and sincere service which we regard as second to none of the U.S. senators from this state in the past four decades—not even excluding that rendered by Harry S. Truman when he was in the senate. History may well, we think, rank him alongside Senator Thomas Hart Benton (1820–50) at the top level of Missouri's great senators.

We here in Aurora and the area south of it have a special reason to remember Senator Symington with affection and gratitude. For it was Senator Symington, wielding his then great influence with the armed forces, who led the Corps of Engineers to reverse their decision and build the Central Crossing bridge over Table Rock lake now such a valuable feature of local and economic geography.

Most Aurorans will recall, too, that terribly hot day when Senator Symington stood in the blazing sun on the city hall lawn serving as Grand Marshal of Aurora's Centennial parade, his clothes drenched through with perspiration.

Senator Symington was, and is, a democrat. He was, and is, something of a liberal. We often disagreed on the issues, but never on his integrity and his purposes. Not once over his long tenure as senator has Aurora sought his help in such matters as the sewer plant grant, the nursing home grant, the hospital project, and received less than his best efforts. Individuals who asked for his assistance in matters before federal government agencies got his assistance, and, if what was asked was possible and proper, usually ended up with it.

We think the democrat party to which he was so loyal missed a bet in 1960 when it was bemused by the Kennedy charisma and beguiled by the expensive press-agentry used to promote the race of the Massachusetts senator and did not nominate Stuart Symington for president.

We know, for we conducted the poll ourselves and checked every ballot, that the Missourian was the overwhelming choice of democrat party chairmen in most of the states of the Union in the spring of 1960. When all the glamour of the potential "Camelot" had blanketed the land, however, the sober considerations of March, April and May had been forgotten, and JKF was nominated.

We think Stuart Symington would have been a great president and left more behind him than the memory of euphoria over beautiful people in the White House. Certainly we think that if he had been the choice there either would have been no Vietnam, or Vietnam would have long since been resolved with a defeated communist north and a strong and viable democratic south, and far fewer American and Vietnamese dead.

So, as he steps down from national leadership, for Senator Symington was more than a senator from Missouri, we think the people of Missouri, in particular, owe him the obligation of expressing a merited "Well done."

[From the St. Louis Sentinel, May 1, 1975]

A Giant Retires

News of the decision of Senator Stuart Symington not to seek reelection in 1976 removes from the political area a giant of a legislator. At 73, the senior senator from Missouri has given his health and the recent loss of his wife as overriding factors in his decision. As a member of the Foreign Relations Committee, Senator Symington served not only his state, but his country well. He had also been Secretary of the Air Force and in that capacity familiarized himself with the entire Defense establishment.

We here in Missouri will remember Stuart Symington's public career as being one of integrity, courage and forthrightness. His position on the issues of human rights for all Americans was consistent and unwavering. We endorsed Senator Symington when he ran against the present Attorney-General John Danforth in the last election. And while Mr. Danforth was an outstanding candidate, we pointed out that for the voters of Missouri to turn their backs on Stuart Symington after a quarter of a century in public service would be an indefensible act. The voters agreed, although the Attorney-General ran a superb race. As the Senator moves off the public scene, it will also mean, apparently, the retirement of his faithful administrative assistant, Stanley Fike, who was almost his alter ego. Stan Fike, a former Missouri newspaperman, has been an effective member of the senators' team, although he shunned the public eye. At the close of this term, Capital Hill will miss this team. Missouri will miss them most.

[From the Daily Dunklin Democrat, Apr. 25, 1975]

A SENSE OF LOSS

We can only express disappointment and sorrow in the announcement this week that Missouri will lose its senior U.S. Senator and the nation will lose one of its most distinguished statesmen at the end of next year. Stuart Symington is retiring from the U.S. Senate and active politics, a move which this newspaper expected but which nevertheless saddened us when it came. Although we believed the announcement would be forthcoming, when it came this week we found ourselves totally unprepared for its impact.

Losing Stuart Symington from the U.S. Senate will be, for this state, a monumental loss that will not be overcome for many years. Perhaps no Missourian save the late Harry S. Truman, ever established himself so firmly as a leader in the U.S. Senate as has Stuart Symington. His membership on both the Senate Foreign Relations Committee and the Senate Armed Services Committee—a dual assignment that is unique in the Congress—established his presence and his influence on the major decisions of the nation for more than two decades.

It is difficult not reminisce, at least briefly, about Symington and his place in Missouri. In 1952 he came to Missouri as something akin to a suspicious guest by a majority of the state's citizens; his earlier citizenship in Missouri had been brought about by his presidency of Emerson Electric, but then he had left St. Louis for Washington where he started in a series of top federal jobs that eventually led to his serving as the nation's first Secretary of the Air Force. In 1952 he was returning to Missouri, after a somewhat temporary citizenship, to seek the Democratic nomination for the Senate. As a way of explaining something of his personality, it should be noted that Symington, during that sultry primary campaign, overcame not only his better-known Democratic opponent but overcame much of the apathy that originally greeted his candidacy. From then on, the relationship between Stu Symington and the state of Missourn was solid bedrock.

The Symington transformation from politician to statesman occurred in a remarkably short period of time, considering the vagaries of making such a change. Arriving in Washington as one of the nation's foremost cold-war warriors, he seemed at first to be trying for the title of the Senator from McDonnell Aircraft. He was an exponent of a strong military, particularly a strong Air Force. Free from the myopia that has rendered many a congressman immune to change, Symington began to recognize that the nation's military strength was not the only one that needed preserving during the turmoil of the 1960s and the 1970s. He eventually began worrying about fiscal responsibility, balance of payments and overcommitments around the world. He joined efforts to correct all of these problems, while making significant contributions to minimize nuclear proliferation and military overkill.

It was the politician in every ambitious public servant that made Stu Symington seek the presidental nomination in 1960; failing that, it was his concern for his state and his nation that brought about his transformation from politician to statesman in the years that followed.

Interestingly, despite his great concern and interest in matters affecting the nation, Symington has never lost sight of his responsibilities to his home state. His staff, headed by his administrative assistant, Stanley Fike, is one of the best if not the best in Washington; constituents' problems are handled efficiently—and, as we might add, with amazing effectiveness. The Symington office has always concerned itself with problems, whether they were collective ones concerning the Middle East or individual ones concerning the Bootheel. Most senatorial offices don't even make an effort to deal with both kinds of problems; the Symington office not only deals with both but handles each extremely well.

It would almost be blasphemy to speculate at this point on who will succeed him in the Senate. The truth is, his elected successor will find campaigning the easier part of the bargain. Replacing Symington in the circles of the Senate will be an impossibility for years to come.

Symington has reached the semi-retirement years, although many of his colleagues choose to stay much longer. This was a factor in his decision. Still another was the tragic loss in 1972 of his beloved wife, Eve, a fact which still saddens those who admired and loved her. Both undoubtedly were overriding factors in his decision to retire at the end of his term in 1976. Understanding the decision, however, is different for us than learning to accept it and live with it.

Missouri and Missourians will miss Stuart Symington far more than either realizes at the moment. The man's personality, his influence and his statesmanship are intangible, but nevertheless real and present in both the state and the nation. No man is indispensable—but Stu Symington will be irreplaceable for many years to come.

[From the Hannibal Courier-Post, Apr. 24, 1975]

HE WILL BE MISSED

His shoes will be hard to fill.

For 23 years Stuart Symington has served Missouri in the U.S. Senate with dignity and distinction, and his is a record seldom equaled in that sometimes errant assemblage.

He was not native of our state, having been born in Maryland, but Sen. Symington in his long career of public service has always had the interests of Missourians at heart.

He has been a gentleman in every sense of the word, and his knowledge of domestic and international affairs has made his voice a potent force to be reckoned with.

Whatever he did, he did it with dignity. When he first came to national prominence in the early 1950s, Sen. Symington was a supporter of a strong military posture, and his support of air power in those days gave him the title of "Mr. Air Force."

But over the years, particulary after the Vietnam War began to polarize the nation, Symington became disillusioned with our use of military power, and since 1967 he has been an outspoken critic of the Pentagon.

But his criticism of the military establishment has been done in a responsible manner. Unlike other national figures, Symington has avoided participation in anti-war demonstrations, nor has he reduced himself to loud and obnoxious denunciations of the Defense Department in order to gain followers in the anti-war movement.

On the contrary, Symington has preferred to work within the governmental process, voicing his views quietly and firmly, not necessarily for public consumption, but in order to impress upon those in power the need for a different kind of military policy.

Being an elder statesman, his voice has a greater ring of authority and believability to it, far different from some of his younger compatriots in the Congress.

Hannibal residents, it seems, might find Symington's decision to step down a little surprising. After all, the senator, when he was here a couple of months ago for Democrat Days, indicated very strongly that he would seek a fifth term.

But apparently when he attended a similar function in Springfield, Mo., two weeks ago, the speculation of whether he would run again or not had grown to a fever pitch, and Symington evidently felt the effort was, this time at least, a little less than wise.

Symington's departure, of course, will result in a wild scramble in Missouri for his seat. It's very difficult to say who will come out on top, but Symington's son, U.S. Rep. James Symington, D–Ladue, appears to be the front runner at the moment.

Also said to be interested in the job is U.S. Rep. Jerry Litton, D–Chillicothe, and, as Missourians well know, former Gov. Warren Hearnes is actively compaigning, a bid that almost seems futile now in light of recent allegations concerning his conduct as governor.

And it is possible another name might be added to the list, that being Rep. William Hungate of Troy. Mr. Hungate has not as yet made known his intentions, and any such decision will have to be made in light of his successful career in the House and his key spot on the House Judiciary Committee.

Whoever gets the Democratic nomination will in all likelihood oppose Republican John Danforth, the present attorney general and Symington's opponent in his last election. Danforth was narrowly defeated in that election, and if he runs again, he will be a tough candidate to beat.

At any rate, Missourians can be proud of the long and successful record of Sen. Symington, and of the notoriety he has brought to out state. We would hope his successor will continue that tradition.

For the last two decades, Mr. Symington has been "the" Senator from Missouri. He will be missed, not only by Missourians, but by the nation as well.

[From the Daily Statesman-Messenger, Apr. 24, 1975]

SEN. STUART SYMINGTON

He came from out of the field of big business, and didn't enter politics until he had compiled an outstanding record as an industrialist.

But Missourians will miss Senator Stuart Symington, who this week announced that he would not seek another term.

He has been one of the most valuable and most successful political leaders in Missouri's history. He has compiled a record of statesmanship and service that few have equaled—none have excelled.

He is one of the few men in history from any state to serve at the same time on both the Armed Services and Foreign Relations committees, making him one of the most international and world political problems. recognized, not only in America but throughout the free world, for his keen insight into international and world political problems.

When he steps down at the end of his current term he will be missed by all Missourians.

Immediately, the scramble for the Senate post begins, long before Sen. Symington's term ends.

There will likely be a hard fight among Democrats for the nomination. But the Democratic winner is likely to face Attorney General John Danforth in the general election. And for the Democratic nominee—that won't be an easy task.

But, regardless of the outcome, Missourians have enjoyed 24 years of outstanding service from Sen. Stuart Symington—a record of service to state and nation that can be a source of pride for all Missourians.

[From the Springfield Leader-Press, Apr. 24, 1975]

APPLAUSE FOR "STU"

Missouri will lose an outstanding senator and a rightly respected voice in the nation's capital as a result of Stuart Symington's announcement that he will not seek re-election in 1976.

We hope, however, that the nation will not lose a capable public servant because of the senator's decision. He has served in a number of administrative capacities, in and out of government, before and there is no reason, to our way of thinking, why he couldn't do so again. It would be a sorry thing to lose the talents of a man so knowledgeable in the fields of foreign affairs and military matters.

Sen. Symington is 73 years old and he has almost 23 years of service as a senator behind him. But he is still active and mentally alert. His decision to retire, as he said, came because "during previous campaigns my wife was my political partner. When I lost her, frankly, it cooled down my ambitions." Mrs. Symington, the former Evelyn Wadsworth, died in 1972.

There are some who were surprised at the senator's announcement, especially at this comparatively early date, but his explanation for that was that, when he attended the Jackson Day gathering here this year, he noticed that a number of Missouri Democrats appeared anxious to know his plans.

Sen. Symington first was elected to the Senate in 1952, when he defeated Republican Incumbent James P. Kem, of Kansas City, by a majority of 150,351 votes. Before that, however, he had served seven years as president of the Emerson Electric Manufacturing Company in St. Louis and in six high executive positions to which he had been appointed by President Harry Truman, and for which he was confirmed by the Senate without a dissenting vote.

These included Secretary of the Air Force (he was the first to hold that job), chairman of the Surplus Property Board and of the national Security Resources Board, as well as administrator of the Reconstruction Finance Corporation.

The senator's announcement of his retirement opens the way for what may well be a good-sized field of Democratic aspirants to succeed him, including his son, Rep. James Symington of Missouri's 2nd District.

If the younger Symington decides to seek his father's seat, it would be quite natural for the retiring senator to support him. He could in fact, hardly be expected to do otherwise. But when he was asked who he would support as his successor, he said "I make it a point to stay out of primaries."

That, for a good party man like the senator, is a good policy, though it may be difficult for him to follow in this case. Several Democrats have expressed interest in making the primary race if the senator is not in it. Former Gov. Warren Hearnes already has announced. Rep. Jerry Litton, fast-rising young House member from Chillicothe, has let it be known that he is interested and, of course, so has the senator's son. Formal announcements also have been made by Joseph Teasdale, former Jackson County prosecutor and an unsuccessful aspirant for governor in 1972, and Michael J. Kennedy, also of Kansas City.

On the Republican side, Attorney General John Danforth, as things look now, is the probable candidate. Danforth gave Sen. Symington his closest race in 1970, when the senator won by only 37,000 votes.

During his early years in the Senate, Symington was regarded as a "superhawk" on military matters. Lately, however, he had become more moderate in his views—so much so that some of his colleagues put him in the "dove" category.

The Missouri senator was a truly powerful man in the upper house of Congress. He was a member of both the Foreign Relations Committee and the Armed Services Committee—the only senator serving on both potent panels. As such, he made it a point to gain a thorough knowledge of the fields in which they dealt.

[From the Drexel Star, May 1, 1975]

The announcement by Sen. Symington last week that he was not going to seek reelection kinda left a funny feeling. We worked on the Senator's first campaign back in 1952 and our association has been close all these years. He has been a good Senator and never at any time did he turn down any request we made of him.

[From the Kansas City Times, Apr. 24, 1975]

SYMINGTON'S YEARS IN THE SENATE

Stuart Symington's decision not to be a candidate for the United States Senate in 1976 comes as no surprise to those who knew how devastated he was by the death of his wife in 1972. Even after that sorrow, the senator continued in distinguished service to Missouri and the nation. But now he has decided that the four terms that began after his election in 1952 are enough.

Symington's public service career covers a momentous period of American history, and he was one of the actors on a variety of stages. He came into the Truman administration in June, 1945, with the Surplus Property Board. He was assistant secretary of war for air which led to his appointment as the first secretary of the Air Force when the armed services were unified. Later he was chairman of the National Security Resources Board and administrator of the Reconstruction Finance Corporation.

As senator he served on the prestigious Armed Services and Foreign Relations committees and came to national prominence when he challenged Sen. Joseph McCarthy in the Army-McCarthy hearings in 1954. In the midst of one hot exchange Symington suggested that the Wisconsin senator would benefit from seeing a psychiatrist.

Through the 1950s Symington often was mentioned as presidential material. His principal run at the White House came at the 1960 Democratic National Convention won by John F. Kennedy.

As a senator, Symington is an acknowledged authority in defense matters, particularly as they relate to air power, the principal strategic deterrent and weapon in a nuclear age of H-bombs, long-range aircraft and missiles.

In recent years he has been a vocal critic of American foreign policy and what he considered overextension abroad in both Asia and Europe. Balances of payment and trade have been of particular concern to him; he has worried about the stability of the dollar and the vulnerability of nuclear installations overseas.

With all his involvement in world and national affairs, Symington has kept fences mended at home. Kansas Citians probably will remember him best as the man who put the pressure on organized baseball and assured Kansas City of a major league franchise for 1969 after Charlie Finley got permission to depart for Oakland in 1967. The result was the Royals. There can be no question that Symington's blunt references to anti-trust legislation turned the trick.

It has often been said that Stuart Symington looks like the actor central casting would choose to play the part of a dignified, modern, U.S. senator—tall, handsome, silver-haired and gracious. He has played that part naturally, for he is a true gentleman, a man of honor and integrity and inborn courtesy. Now over the next year and one-half the scramble will be on in Missouri to take his place. Someone will occupy the Symington seat in the Senate. It may be a while before his stature is matched.

[From the St. Louis Globe-Democrat, Apr. 24, 1975]

SENATOR SYMINGTON'S STATURE

Stuart Symington had sufficient stature before being elected United States Senator to be remembered by Missourians with respect and appreciation. Those who know him personally would add affection to the list of emotions he aroused in people.

Stu Symington is a tremendously impressive man of vast ability. A sound businessman and troubleshooter for industry and government before the days of American involvement in World War II, Symington could have capped a career by returning to private life and fortunes after serving as the nation's first Secretary of the Air Force. Instead he turned to politics with the urging of this newspaper, and was elected to the Senate in 1952.

The Globe-Democrat is proud to have supported Symington from the start of his distinguished career until the end. While differing sharply with him on occasion, and while not concealing disappointment with his reverses of position in critical areas, most notably in his assessment of national defense needs, this newspaper scores the Symington years as a definite plus for the people of Missouri.

Sen. Symington, a native Easterner, took to Missouri and Missourians took to him with easy comfort. A man of aristocratic bearing, he found himself welcomed whereever he went. The vote margins he rolled up in winning four terms to the Senate rank him as one of the state's most popular political figures in history.

Symington's appeal to a broad section of voters was immeasurably enhanced by the respect he enjoyed with international and national leaders in government, in the military, in business, finance and labor.

The advantages he enjoyed because of his seniority have added to his ability to serve Missourians well and effectively. Stu Symington is a man who put his heart into everything. He was an achiever who had a head start on others from the day he entered the Senate as a freshman.

Symington's wisdom in international affairs is evidenced by his early sightings on the troubles in the Middle East. Compared to lesser lights he appears omniscient.

Long concerned over the tremendous financial burdens the nation was assuming in overseas obligations, Symington retreated from being one of the strongest advocates of military strength because he said the nation simply could not afford the costs.

While it can be argued that he is mistaken in his latter-day appraisal, there can be no quarrel with his efforts to halt the proliferation of nuclear weapons throughout the world.

Symington has worked conscientiously for effective arms control. Now as an elder statesman, he is entitled to his view that he has "grown tired of old men in government passing laws forcing young men to die in battle in causes not essential to the United States." Symington earnestly believes he is contributing to efforts to stop the killing. History may prove him wrong, but his integrity is not open to debate.

It takes a man of considerable stature to retire to make way for a younger man. While it appears that Sen. Symington hopes to pass his Senate seat on to his son, he is a realist who knows that the people of Missouri will make that decision.

In his last hurrah, Stuart Symington rates a resounding vote of approval from the people of Missouri for a job well done.

[From the Clinton Daily Democrat, May 2, 1975]

A Needed Man

Missouri and the United States are fortunate that Senator Stuart Symington (D-Mo.) still has 18 months to serve before he retires from the office he has filled with excellence since 1952.

Symington's experience is unmatched in the Senate of the United States.

—He became manager during the great depression of a struggling industry, Emerson Electric at St. Louis, and made it a success.

—He took his expertise to Washington, D.C., at the request of fellow Missourian, President Harry S. Truman, and served in many tough assignments, climaxing his Executive Branch career as the first man appointed to head the then new Department of the Air Force.

—He took this valuable experience from private business and the federal Executive Branch to the Senate when Missourians elected him to that office in 1952.

Government leaders listened to Senator Symington from his first days in that exclusive body, since he already was a man of towering stature on the national scene.

That stature has increased yearly since then—and with good reason which is baldly apparent today.

—He was one of the first leaders to warn the nation that it faced grave economic danger because of its unfavorable trade balance. Simply, that meant more dollars were going overseas than were coming back to the U.S.

—While his record, both as a man and government leader, proved beyond doubt his commitment to a militarily strong United States, he was one of the first to investigate and warn of the danger of certain secret commitments made to foreign governments, and to question maintaining certain foreign military bases which were no longer needed. His basic argument was to the point: The excess military bases detracted from this country's military strength and the money and manpower should be channeled to make muscle instead of fat; that the secret commitments overextended what this country could reasonably accomplish—plus the danger of plunging us into an unwanted conflict which could cost lives and treasure.

—He warned early in the U.S. Vietnam involvement that this country should either throw a Sunday punch at North Vietnam or immediately seek a political solution to the conflict.

Citizens of this area know of his help to individuals, to farmers and his vision as to how the Harry S. Truman Dam & Reservoir could enrich the Golden Valley. Evidence that he was correct is already showing in recent population figures which report that the seven Truman Dam counties have had a population growth of seven percent since 1970. That growth reversed steady population loss since 1890. And the basic tourist industry the project will create when completed is still ahead.

People of Missouri understand why the loss of his wife, Evelyn, strongly influenced Symington's decision not to run for the Senate for a fifth term. Their's was a love and closeness which is realized all too seldom in real life.

Even so, we submit that on the record, personal and public, we hate to see Senator Stuart Symington bow out of public life. Men of his experience, foresight, stature and character are too few. And if this nation ever needed such men it needs them now and for the foreseeable future.

If it is possible to draft him for another term we so move.

If not, we join a host of Missourians in thanking him for his years of tremendous service to this area, the state, nation and world.

And we wish him the best of everything he so richly merits during his retirement years.

[From the Rolla Daily News, Apr. 27, 1975]

Senator Stuart Symington announces the end of his distinguished career covering 24 years in the U.S. Senate. This leads me to thumb through a thick folder of correspondence with "Stu" Symington, including many letters answered by his long-time administrative standby, Stan Fike. I always addressed Symington as "Senator," never "Stu." Stan always referred to him as "The Boss." I supported Symington throughout his career, most enthusiastically during his earlier years when he was a "Hawk" on defense matters. He wanted the war in Vietnam won early with all-out effort. When he became "dovish" my enthusiasm waned but never my over-all appraisal of his dedication to this nation. Stu has earned a rest but his great knowledge of security and defense should still be utilized to help keep this country strong.

[From the Daily News-Democrat, Apr. 24, 1975]

Symington Steps Down

It is with regret we note the decision of Senator Stuart Symington to not seek re-election next year. While the decision was not totally unexpected it is still somewhat of a shock, if for no other reason than Senator Symington and Missouri have been synonymous for so many years.

As do all public servants, Senator Symington has his admirers and his detractors. In our opinion his stewardship on balance was a major plus for our state and our nation.

Never flamboyant or a headline hunter Symington was a man who preferred a businesslike, systems approach to government. He was more concerned with results than with style.

When we think of Senator Symington the phrase that most often comes to mind is that he is a reasoning man.

We mean in this in the best sense.

Cool, objective reasoning always seemed to be the senator's basis for decision and action.

His stepping down will be a loss for Missouri and the country. That we can replace him with as able and dedicated a man remains to be seen.

We can hope.

[From the Columbia Daily Tribune, Apr. 25, 1975]

Symington Will Retire: Big Footprints To Fill

The biggest political news in these parts is the announcement by Sen. Stuart Symington that he will not seek re-election in 1976.

The senior Missouri senator said he does not have as much enthusiasm for the job since the death of his wife in 1972, and he noted that other Missouri Democrats were wondering what he might do. Symington is 73 and would be 80 before finishing another term if elected.

Symington will leave big footprints for his successor. Through the years he had developed a specialty in foreign affairs with emphasis on things military and economic. He had become perhaps the most credible senator on the arms race. He served on both the Armed Services and Foreign Affairs committees. His long experience in military affairs, first as a hawk and then as one who saw earlier than most of his colleagues the impossible position the United States was getting into with its military commitments around the world, made him a unique spokesman for curtailing activities in Vietnam and de-escalating the arms race. When the Pentagon or the Joint Chiefs of Staff came up against Symington they had a match.

So a great vacuum will be left, and who will try to fill it? Possible candidates include Republican Attorney General John Danforth, Symington's son Jim who is serving in the U.S. House of Representatives and former Gov. Warren Hearnes, among others. Of them all, Danforth is the front runner at the moment having already run a close race with Symington in 1970 which helped his political stature even in defeat.

The Democrats are in not such a solid position. Joseph Teasdale, the former Jackson County prosecutor who lost out in the 1972 gubernatorial primary, and Jerry Litton, the popular congressman, are interested Democrats along with Hearnes and the younger Symington. But there is no clear cut favorite like Danforth is for the Republicans.

In any event, Symington did the right thing in announcing as early as he could. As long as he was a possible candidate the other Democrats had to stand aloof. Now they can mix it up with more hope of developing a strong aspirant or two by election time.

But for now the primary event is Symington's retirement. He will be missed in the United States government.

[From the Sunday News & Leader, Apr. 27, 1975]

Memories: The Time Stu Blew His Stack

(By Dale Freeman)

No attempt at objectivity today.

We write, with admitted bias, of one of our heroes, the senior senator from Missouri.

His beloved Evie no longer at his side, William Stuart Symington, Jr., announced with sadness last week that he will not be a candidate for re-election in 1976 to the U.S. Senate seat he will have held for two dozen years.

Stuart Symington will be leaving in the same way he arrived, the same way he conducted his private, public and professional life over the years. With style. With class. The French have a better word for it: elan.

Editorialists and columnists, friends and (some) foes have been singing his praise for the past few days, and rightly so—recalling with applause his outstanding contributions to Missouri and to the nation over a 30-year period.

In sort of a premature requiem to a heavyweight, they remember him as a self-made millionaire who gained business fame as a doctor of ailing industries; of his leadership to administering a half-dozen troubled federal agencies under President Truman; as the first Secretary of the Air Force; as one of the architects of our modern defense program; as Missouri's most popular vote-getter; as a one-time super-hawk who became convinced that the United States could not police the world; as a leading Senate authority on military and foreign affairs; as the fellow who told the late Sen. Joe McCarthy (who called him "Sanctimonious Stu") that he should see a psychiatrist; as a fierce competitor; as a man with a keen, near-photographic mind who always does his homework. And on and on . . .

What stands out most in our mind concerning Stuart Symington's illustrious career? It was the time he got hoppin' mad, hot as a hornet, over something that most Americans—and probably a good many of his constituents—would consider a picayunish thing. And after almost two decades, he still heats up when he thinks about it.

This Ozarker was there in person for most of it, but to refresh our memory, we went back to Paul Wellman's book about Symington the other night to let one of Symington's closest friends and confidants, Charlie Brown, tell the whole story (as related to Wellman).

It all revolves around what is now known as the Central Crossing, that $1.4 million bridge that spans Table Rock Lake between Viola and Shell Knob in Barry County.

"We had a bridge problem in southwest Missouri when I was running my first time in Congress (in 1956)," Wellman quotes Brown. "The Table Rock dam had been built to impound the waters of the White River, and the backwaters of the reservoir were inundating a steel bridge across that stream. The bridge had been built by the people of two small communities, Viola and Shell Knob, which were on opposite sides of the river, and they had bonded themselves to erect it so that they could all attend the same church and send their children to the same school.

"To those people in the little twin villages, the loss of 'their bridge' meant that the Viola church members would have to drop out of the church, because they couldn't drive 35 to 40 miles around to another bridge every Sunday, and they would lose their community center, the little school house.

"Some of them came to me," Brown recalls. "Well, I frankly didn't expect to get elected—no Democrat had in that district since the Year One, almost. So I asked the people to talk to Senator Symington who was touring Missouri at the time. They sent a delegation to wait on him at Cassville and tell him about losing 'their bridge.'

"Symington listened attentively and said, 'I'll look into it.' He asked for a report from the Corps of Engineers about the Shell Knob bridge.

"The Corps of Engineers passed the buck to the Missouri State Highway Commission. The highway commission said that all the bridge relocations in the Table Rock area had been approved, the contracts signed, and the matter was closed.

"That was when Symington got mad. He said, 'It ISN'T closed! You're inundating a bridge that these people paid for themselves! You're not paying them for it. You're not replacing it. You're pushing them around, because they're so few in number, and you're not going to get away with it.'

"By this time it was January 1957, and Congress had convened. I had been elected to Congress, and Symington and I went to the Corps of Engineers, then we went to the chairman of the Appropriations Committee, then back to the Corps, then to the governor of Missouri, and back to the Missouri State Highway Commission.

As we recall, the battle went on for months, from one agency to another.

"You would have thought that the Shell Knob bridge was America's answer to the Sputnik. Symington was so determined that the bureaucrats weren't going to mistreat those people like that," Brown recalled.

"Well," he concluded, "we got the bridge replaced. The people of the Viola Shell Knob community in Missouri still have their church and their joint community activities in the schoolhouse (in 1960, when Wellman's book was written), have their direct mail service and a shorter distance to market their milk."

For awhile, some of us used to call it the Stu-Charlie bridge. It somehow seemed more appropriate than Central Crossing.

We don't know how the folks around Viola and Shell Knob feel about Stuart Symington these days, but this Ozarker will sorely miss his presence in the Upper House.

And we don't even want a bridge. If we ever did, we know where we'd go first.

Peace.

STUDENT LOANS: SUCCESSES AND REMEDIES

Mr. JAVITS. Mr. President, the guaranteed student loan program has been the subject of attention because of its mounting costs in interest payments and defaults by students and because of administrative problems. A number of journalists have closely followed these developments, and have raised public awareness of these real and mounting problems. Last fall, the Washington Post ran a very informative and balanced series of articles by Mr. Eric Wentworth, a leading reporter covering education. This series, entitled "The Knowledge Hustlers," was based on sound journalistic research, cited a number of real abuses, and fairly portrayed the current efforts to solve the problems. This was a good example of the press informing the public of a major problem which affects millions of current and potential students who need a Federal loan program to help them pay for their own education. Yet, the same newspaper had, on April 27, devoted a full page to an article on student loans which said virtually nothing about the positive accomplishments of the program and efforts currently underway to address the important problems facing the guaranteed student loan program. Hence the record needs to be made complete which I do herewith.

Since enactment in 1965, the program has assisted more than 4½ million students to borrow from private, nongovernment sources approximately $8 billion to pay the costs of postsecondary education. The vast majority of these students could never have obtained financial credit without the Government guarantee on the loan. The program is also an example of Federal-State cooperation, as States like New York operate their own programs with the assistance of reinsurance and interest subsidy by the Federal Government.

Both HEW and the Congress have been addressing the growing problems of defaults and alleged frauds in the program. I have cosponsored, with Senators Beall, Schweiker, and Stafford, a bill, S. 1229, prepared by HEW to remedy some of these problems. The Education Subcommittee of the Labor and Public Welfare Committee is now carefully reviewing this program, as the authorization expires in slightly more than a year. U.S. Commissioner of Education Terrel H. Bell, the official responsible for the program, has testified before the Education Subcommittee and has been striving to overcome these problems. He has given them highest priority, and should be given the opportunity to resolve these difficulties without being subjected to only half the story being in the press. Dr. Bell has written to the Washington Post to present in detail the more balanced factors of program accomplishments and administrative remedies already underway. He was also candid in presenting the problems of the loan program. The Post has published this letter on May 10, showing their willingness to show both views. I think Commissioner Bell is correct to point out that there are two sides of the story on student loans. I ask unanimous consent that the full text of Commissioner Bell's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C., *April 30, 1975.*

Mr. Ken Boyd,
In care of Letters to the Editor, Washington Post, Washington, D.C.

To the Editor: I am concerned about the publication recently of a number of articles that concentrate on certain negative aspects of the Office of Education's Guaranteed Student Loan Program (GSL) which is, I believe, a good and essentially sound program of student assistance. Because they are lacking in balance, articles such as "Uncle Sam's Squeeze on Students" (Washington Post, April 27) do serious injustice to the program and, by implication, to students.

Certainly I am willing to concede imperfections in the program but I think the record must be set straight by pointing out how well it has been serving millions of students throughout the Nation.

The very size of GSL is indicative of the good the program has done—relieving much of the financial pressure educational costs put on students and their parents. In less than 10 years, more than 4½ million students have received 7.7 million individual loans totaling more than $8 billion. The Office of Education has paid the interest for most students at a cost to date of over a billion dollars. Also, to stimulate loan capital, we have put almost $236 million into special allowance payments for lenders.

The issue of education consumer protection often is addressed in isolation by our critics, reflecting their lack of understanding of the program's complexity. It encompasses more than 8,700 schools and colleges and more than 19,000 lending institutions. Most of the schools and lenders are doing an excellent job. However, there are some who abuse the privileges of participation, and specifically the right of students to consumer protection. The April 27 Post article totally ignores the strong actions taken over the past years to protect consumers.

In the past two years we have removed 341 educational institutions from our eligibility list, for a variety of reasons. On April 17 new regulations went into effect that will greatly expand our ability to deal with cases of malpractice by giving us the authority to limit, suspend, or terminate school and lender participation in the program. Among other things, these rules require refunds to students who drop out without completing their course work. We also require private institutions to provide information about job opportunities given to graduates.

Within the past year we have withdrawn recognition status from two accrediting agencies. We have sharply limited the recognition status of three others until deficiencies have been corrected. Another accrediting body has become markedly more effective because of our insistence that its consumer protection procedures be overhauled.

In February I published a notice that spells out our policy on the payment of claims. It made quite clear that no student will be asked to pay back a loan for which no education was received. In March we published proposed rules on claims payments.

All of this has been done to protect the student and we are puzzled at the complete failure of the Post to report these aspects of the program.

Since I assumed the post of U.S. Commissioner of Education 10 months ago we have made a great deal of progress in strengthening overall management of the Guaranteed Student Loan Program. We have enlarged the staff, particularly in the Regional Offices, so that we have better and more localized control. I have recommended legislation to eliminate lending by proprietary schools. Our experience has shown that a disproportionate number of loan problems originate with this type of lender-school.

Indeed, the Office of Education has been active in student consumer protection for some time. We were the key agency in the FICE (Federal Interagency Committee on Education) subcommittee on education consumer protection; we provided funding for two national conferences on this subject; we developed a formal system to act on student complaints, and we developed new criteria for recognizing national accrediting agencies and State approval agencies that feature education consumer protection measures.

The great majority of the 4½ million students who have had the benefits of the Guaranteed Student Loan Program have used the program to move upward in our economic system. The program has been instrumental in making taxpayers out of hundreds of thousands of potential welfare clients. The private sector primarily provides the loan capital, so it is not a total drain on the taxpayer.

I want to admit that the Office of Education has made mistakes in managing this huge program. It is difficult to keep it entirely protected from sharp operators who try to "rip off" the students and the Government. Then, too, there are weaknesses in the authorizing legislation. We are now in the process of working with the Congress to improve the program and to provide more protection against fraud and abuse.

The Post has, in my view, failed to explain to the public the many benefits that students have derived from the loan program. It is a vital part of our student financial aid program and deserves plaudits as well as some reasoned, constructive criticism.

Sincerely,

T. H. Bell,
U.S. Commissioner of Education.

THE FUTURE COURSE OF ECONOMIC POLICY

Mr. TOWER. Mr. President, the debate over the future course of economic policy in this country has intensified over the past several months. On the one hand, there are those who would push for a rather expansive package of policy initiatives in the hope that the economy can be put back on its feet in the very near future. On the other hand, there are those who argue that we must move cautiously in stimulating economic activity so that we will not prematurely rekindle the fires of inflation.

Few observers have been as articulate as Arthur F. Burns, Chairman of the Federal Reserve Board, in outlining the dangers of expecting too much too soon from economic policy. In a speech presented before the 12th annual meeting of the Society of American Business Writers on May 6 of this year, Chairman Burns outlined the steps by which we have arrived at our present economic difficulties. In his speech, Chairman Burns notes that the "creeping inflation" doctrine of the 1950's and 1960's was a dangerous one, and that our present economic difficulties are traceable to the chronic bias of the Federal budget toward deficits. In his opinion, we can no longer afford to ignore the crippling effect which inflation has had on the Nation's economic well-being.

I ask unanimous consent that Chairman Burns' speech be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

The Current Recession in Perspective

(By Arthur F. Burns)

I am glad to meet with this distinguished group of business and financial journalists in a leisurely setting. As a policymaker, I feel I have much in common with the members of your profession. Both you and I must be alert to every twist and nuance of the changing economic scene. Both you and I must keep busy searching the business skies for some clues to the economic future. I find this aspect of my work exciting and intriguing, as I am sure you do. But it does involve a certain risk for both of us.

Sharing—as we do—the problem of continually meeting deadlines, we are in danger of becoming so preoccupied with the very short run that we fail to see economic events in perspective. For that very reason, I have wanted to take advantage of your invitation, so that we might ponder together the historical developments which have brought our economy to its present condition. This is a large and highly important subject. I cannot hope to do full justice to it on the present occasion. Nevertheless, I shall make a start this evening.

As you are well aware, these past few years have been trying times for the American people. Not only have we lived through the agony of Vietnam and Watergate, but some of us have even begun to wonder whether our dream of full employment, a stable price level, and a rising standard of living for all our people is beyond fulfillment.

Early last year, economic expansion began to falter in our country, as it did in other countries around the world. At the same time, the pace of the inflation that had been building for more than a decade accelerated sharply further. As the year advanced, it became increasingly clear that our economy was moving into a recession.

During the past two quarters, the real gross national product has declined by 5 per cent, and the level of industrial production is now 12 or 13 per cent below last September. The unemployment rate has risen swiftly. The decline in business activity since last fall has been the steepest of the post-war period, and yet the advance of the price level—while considerably slower than last year—is continuing at a disconcerting pace.

No business-cycle movement can be comprehended solely in terms of the events that occur within that cycle or the one preceding it. The economic currents of today are heavily influenced by longer-range developments—such as changes in economic and financial institutions, the course of public policy, and the attitudes and work habits of people. By examining the historical background of recent economic troubles, we should be able to arrive at a better understanding of where we now are. Although these interruptions were watched with concern and some anxiety by practicing economists and other interested citizens, they will be passed over lightly by economic historians concerned with large events.

The reason is not hard to see. Putting aside monthly and quarterly data, and looking only at annual figures, we find that total employment rose every year from 1961 through 1973. So also did disposable personal income and personal consumption expenditures—both viewed on a per capita basis, and in real terms. This sustained upward trend of the economy came to an end in 1974.

The successive phases of the long upswing from 1961 to 1974 provide a useful perspective on our current problems. Some years ago, in my work at the National Bureau of Economic Research, I observed a pattern in past long upswings—an initial stage that may be called the "industrial phase" followed by what is best described as the "speculative phase." The imbalances that develop in this latter phase lead inevitably to the final downturn. The events of the past 15 years conform rather closely to this pattern.

The current recession is best viewed, and I believe it will be so regarded by historians, as the culminating phase of a long economic cycle.

There have been numerous long cycles in the past—that is, units of experience combining two or more ordinary business cycles. One such long cycle ran its course from 1908 to 1921, another from 1921 to 1933. And if we go back to the nineteenth century, we encounter long cycles from 1879 to 1894 and from 1894 to 1908. These long cycles differ in innumerable ways from one another. But they also have some features in common—in particular, each culminates in an economic decline of more than average intensity.

The beginning of the long cycle that now appears to be approaching its natural end may be dated as early as 1958, but it is perhaps best to date its start in 1961. The upward movement of economic activity which began in that year was checked briefly in 1967 and interrupted more significantly in 1970.

The period from 1961 through 1964 may be regarded as the industrial phase of the long upswing. Productivity grew rapidly—increasing in the private nonfarm sector at an annual rate of 3.6 per cent between the final quarters of 1960 and 1964, or well above the average rate of the preceding decade. Unit labor costs were then remarkably stable, and so too was the general price level. Real wages and profits rose strongly. During this period sustained economic expansion, unemployment fell from 7 per cent of the labor force to 5 per cent, while the rate of use of industrial capacity rose substantially.

The second—or speculative—phase of the long upswing began around 1965 and continued through much of 1974. This ten-year period was marked by a succession of major interrelated, and partly overlapping speculative waves that in varying degrees gripped other leading industrial countries as well as the United States.

The first speculative movement involved corporate mergers and acquisitions. In the euphoria of what some commentators have called the "go-go" years, rapid growth of earnings per share of common stock became the overriding goal of many business managers. Other yardsticks of corporate performance—such as the rate of return on new investments—were neglected, and so were the serious risks of increased leverage of common stock.

The aggregate volume of large corporate acquisitions, which for some years had been running at about $2 billion per year, jumped to $3 billion in 1965, to $8 billion in 1967, to $12½ billion in 1968, and then tapered off. This was the great era of conglomerates, when a variety of unrelated businesses were brought together under a single corporate management. Entrepreneurs who displayed special skill in such maneuvers were hailed as financial geniuses—until their newly built empires began to crumble. Being preoccupied with corporate acquisitions and their conglomerate image, many businessmen lost sight of the traditional business objective of seeking larger profits through better technology, aggressive marketing, and improved management. The productivity of their businesses suffered, and so too did the nation's productivity.

The spectacular merger movement of the late 1960's was reinforced, and to a degree made possible, by the speculative movement that developed in the market for common stocks. The volume of trading on the New York Stock Exchange doubled between 1966 and 1971, and for a time trading volume on the American Exchange rose even faster. The prices of many stocks shot up with little regard to actual or potential earnings. During the two years 1967 and 1968, the average price of a share of common stock listed on the New York Exchange rose 40 per cent, while earnings per share of the listed companies rose less than 2 per cent. On the American Exchange, the average price per share rose during the same years more than 140 per cent on an earnings base that again was virtually unchanged.

Much of this speculative ardor came from a section of the mutual fund industry. For the new breed of "performance funds," long-term investment in the shares of established companies with proven earnings became an outmoded concept. In their quest for quick capital gains, these institutions displayed a penchant for risky investments and aggressive trading. In 1965, a typical mutual fund turned over about one-fifth of its common stock portfolio; by 1969, that fraction had risen to nearly one-half. As Wall Street then had it, the "smart money" went into issues of technologically-oriented firms or into corporate conglomerates—no matter how well or poorly they met the test of profitability.

Speculation in equities was cooled for a time by the stock market decline of 1969–70, but then it resumed again and took on new forms. Money managers began to channel a preponderant part of their funds into the stocks of large and well-known firms—apparently with the thought that earnings of those companies were impervious to the vicissitudes of economic life. A huge disparity was thereby created between the price-earnings ratios of the "flavored fifty" and those of other corporations. Share prices of these "favored" companies were, of course, especially hard hit in the subsequent shakeout of the stock market.

Speculation in common stocks was not confined to the United States. From the late 1960's until about 1973, nearly every major stock exchange in the world experienced a large run-up in share prices, only to be followed by a drastic decline. Indeed, speculation reached a more feverish pace in some countries than in the United States. On the Tokyo stock exchange, for example, both share prices and the trading volume actually doubled in the twelve months between January 1972 and January 1973, and then suffered a sharp reversal.

The third speculative wave that nourished the long upswing of our national economy occurred in the real estate market. Homebuilding fluctuated around a horizontal trend during the 1960's. The vacancy rate in rental housing was at a high level from 1960 to 1965, then fell steadily until the end of the decade, and thus helped pave the way for a new housing boom. Between January of 1970 and January of 1973, the volume of new housing starts doubled. Since then, homebuilding has plunged, and in some sections of the Nation it has virtually come to a halt. Failures of construction firms and unemployment among construction workers have reached depression levels. These unhappy developments stem in large measure from the excesses of the housing boom that got under way in 1970.

Inflationary expectations clearly played a substantial role in bolstering the demand for houses. But the boom was fostered also by an array of governmental policies designed to stimulate activity in the housing sector. These governmental measures, however well-intentioned, gave little heed to basic supply conditions in the industry or to the underlying demand for housing.

In response to easy credit and Federal subsidies, merchant builders moved ahead energetically, put up one-family homes well ahead of demand, and thus permitted the inventory of unsold homes to double between 1970 and 1973. Speculative activity was even more intense in the multi-family sector—that is, in apartments built for renting, and particularly in condominiums and cooperatives, which accounted for a fourth of the completions of multi-family structures by the first half of 1974.

The boom in housing was financed by a huge expansion of mortgage credit and construction loans. Real estate investment trusts played an exceptionally large role in supplying high-risk construction loans for condominiums, recreational developments, and other speculative activities. The growth of real estate trusts was extraordinary by any yardstick. Their assets, amounting to less than $700 million in 1968, soared to upwards of $20 billion by 1973. Unsound practices accompanied this rapid growth and, as a result, many real estate trusts now face difficult financial problems.

The speculative boom in real estate was not confined to residential structures. It extended to speculation in land, to widespread building of shopping centers, and to construction of office buildings. By 1972, the vacancy rate in office buildings reached 13 per cent, but this type of construction still kept climbing.

The real estate boom in the United States during the early 1970's had its parallel in other countries. Speculation in land and properties became rampant in the United Kingdom. In 1972 alone, new house prices rose 47 per cent on the average. The amount of credit absorbed in real estate ventures rose so rapidly that the Bank of England felt forced to place special controls on bank lending for such purposes. And in Germany, the boom in residential construction during 1971–73 left an inventory of about a quarter million unsold units—more than a third of a peak year's output—that now overhang the market.

It is in the nature of speculative movements to spread from one country or market to another. Just as the speculative wave in real estate was beginning to taper off in 1973, a new wave of speculation got under way—this time in inventories. That was the fourth and final speculative episode of the long economic upswing from 1961 to 1974. It involved massive stocking up of raw materials, machinery, parts, and other supplies in the United States and in other industrial countries.

The inventory speculation of 1973 and 1974 was the outgrowth of a boom in business activity that had raised its head by 1972 in virtually every industrial country of the world. The synchronism of economic expansion in these countries was partly coincidental, but the expansion that stemmed from ordinary business-cycle developments was reinforced by the adoption of stimulative economic policies almost everywhere. As a result, production increased rapidly around the world, and led to a burgeoning demand for raw materials, machine tools, component parts, and capital equipment—goods for which our country is a major source of supply. The pressure of rising world demand was reinforced in our markets by the devaluation of the dollar, which greatly improved our competitive position in international trade.

By the beginning of 1973, as business firms attempted to meet intense demands from both domestic and foreign customers, serious bottlenecks and shortages had begun to develop in numerous industries—especially those producing steel, non-ferrous metals, paper, chemicals, and other raw materials. In this environment of scarcities, the rise in prices of industrial commodities quickened both here and abroad. The dramatic advance of food prices in 1973, and later in energy prices, greatly compounded the worldwide inflationary problem. In our country, these price pressures were suppressed for a time by price and wage controls, but the general price level exploded when controls were phased out in late 1973 and early 1974.

One of the unfortunate consequences of inflation is that it masks underlying economic realities. As early as the spring of 1973, a perceptible weakening could be detected in the trend of consumer buying in this country. The business community, however, paid little attention to this ominous development. The escalating pace of inflation fostered expectations of still higher prices and persistent shortages in the years ahead, so that intensive stockpiling of commodities continued. Inventories increased out of all proportion to actual or prospective sales. In fact, the ratio of inventories to sales, expressed in physical terms, had risen by the summer of 1974 to the highest figure for any business-cycle expansion since 1957—another year when a severe recession got under way.

In summary, the period from 1965 to 1974 was marked by a succession of interrelated, partly overlapping, speculative waves—first, in buying up of existing businesses; then, in the stock market; next, in markets for real estate; and finally, in markets for industrial materials and other commodities.

A prolonged speculative boom of this kind can seldom be traced to a single causal factor. In this instance, however, a dominant source of the problem appears to have been the lack of discipline in governmental finances.

The industrial phase of the long upswing drew to a close in late 1964 or early 1965. By then, the level of real output was very close to the limits imposed by our nation's physical capacity to produce. By then, the level of wholesale prices was already moving out of its groove of stability. Nevertheless, our Government did nothing to moderate the pace of expansion of aggregate monetary demand. On the contrary, it actually embarked on a much more expansive fiscal policy. The tax reductions of 1964 were followed in 1965 by fresh tax reductions and by a huge wave of spending both for new social programs and for the war in Vietnam. These misadventures of fiscal policy doomed the economy to serious trouble, but we were slow to recognize this. Indeed, substantial tax reductions occurred again in 1969 and 1971, and they too were followed by massive increases of expenditures.

Deficits therefore mounted, and they persisted year in and year out. Over the last ten complete fiscal years—that is, from 1965 through 1974—the Federal debt held by the public, including obligations of Federal credit agencies, rose by more than 50 per cent. The large and persistent deficits added little to our nation's capacity to produce, but they added substantially to aggregate monetary demand for goods and services. They were thus directly responsible for much of the accelerating inflation of the past decade.

Monetary and credit policies were not without some fault. As every student of economics knows, inflation cannot continue indefinitely without an accommodating increase in supplies of money and credit. It is very difficult, however, for a central bank to maintain good control of money and credit when heavy governmental borrowing drives up interest rates, and when the public is unwilling to face squarely the long-run dangers inherent in excessively stimulative economic policies.

To make matters worse, laxity in our national economic policies spilled over into private markets. The "new economics," of which less is now heard than before, held out the possibility, if not the actual promise, of perpetual prosperity. Many businessmen and financiers came to view the business cycle as dead, and to expect the Federal Government to bail out almost any enterprise that ran into financial trouble. All too frequently, therefore, the canons of financial prudence that had been developed through hard experience were set aside.

Many of our business corporations courted trouble by permitting sharp reductions in their equity cushions or their liquidity. In the manufacturing sector, the ratio of debt to equity—which had been stable in the previous decade—began rising in 1964 and nearly doubled by the end of 1974. Moreover, a large part of the indebtedness piled up by business firms was in the form of short-term obligations, and these in turn grew much more rapidly than holdings of current assets.

Similar trends developed in some segments of commercial banking. Large money-market banks came to rely more heavily on volatile short-term funds to finance their business customers, and at times they increased their loan commitments to businesses beyond prudent limits. A few bank managers, too, began to concern themselves excessively with maximizing short-run profits, so that the prices quoted for their common stock would move higher. Capital ratios of many banks deteriorated; questionable loans were extended at home and abroad; insufficient attention was given here and there to the risks of dealing in foreign exchange markets; and too much bank credit went into the financing of speculative real estate ventures.

A variety of loose practices also crept into State and local government finance. Faced with rapidly expanding demands for services and limited sources of revenue, some governmental units resorted to extensive short-term borrowing and employed dubious accounting devices to conceal their budget deficits. Statutory debt limits were circumvented through the creation of special public authorities to finance the construction of housing, schools, and health facilities. Some of these authorities issued so-called "moral obligation" bonds, which investors in many instances regarded as the equivalent of "full faith and credit" obligations. The novel financial devices seemed innocuous at the time, but they have recently become a source of serious concern to investors in municipal securities.

A nation cannot realistically expect prosperous economic conditions to continue very long when the Federal Government fails to heed the warning signs of accelerating inflation, when many of its business leaders spend their finest hours arranging financial maneuvers, and when aggressive trade unions push up wage rates far beyond productivity gains. After 1965, the strength of the American economy was gradually sapped by these ominous trends. Productivity in the private nonfarm sector, which had grown at an annual rate of 3.6 per cent from 1961 through 1964, slowed to a 2.2 per cent rate of advance from 1964 to 1969, then to 1.5 per cent from 1969 to 1974. Expansion in the physical volume of national output likewise declined during successive quinquennia. The rate of inflation, meanwhile, kept accelerating.

With the pace of inflation quickening, seeds of the current recession were thus soon across the economy. Rising prices eroded the purchasing power of workers' incomes and savings. Corporate profits diminished a fact that businessmen were slow to recognize because of faulty accounting techniques. New dwellings were built on a scale that greatly exceeded the underlying demand. Inventories of commodities piled up, often at a fantastic pace, as businessmen reacted to gathering fears of shortages. Credit demands, both public and private, soared and interest rates rose to unprecedented heights.

These basic maladjustments are now being worked out of the economic system by recession—a process that entails enormous human and financial costs. Our country has gone a considerable distance in developing policies to alleviate economic hardships, and these policies have been strengthened recently. Nevertheless, the recession has wrought great damage to the lives and fortunes of many of our people.

This recession has cut deeply into economic activities. It must not, however, be viewed as being merely a pathological phenomenon. Since we permitted inflation to get out of control, the recession is now performing a painful—but also an unavoidable—function.

First, it is correcting the imbalances that developed between the production and sales of many items, also between orders and inventories, between capital investment and consumer spending, and between the trend of costs and prices.

Second, business managers are responding to the recession by moving energetically to improve efficiency—by concentrating production in more modern and efficient installations, by eliminating wasteful expenditures, by stimulating employees to work more diligently, and by working harder themselves.

Third, the recession is improving the condition of financial markets. Interest rates have moved to lower levels as a result of declining credit demands and of the Federal Reserve's efforts to bolster the growth of money and credit. Commercial banks have taken advantage of the reduced demand for loans to repay their borrowings from Federal Reserve Banks, to reduce reliance on volatile sources of funds, and to rebuild liquid assets. The rapidly rising inflow of deposits to thrift institutions has likewise permitted a reduction of indebtedness and addition to their liquid assets.

Fourth, the recession is wringing inflation out of the economic system. Wholesale prices of late have moved down, and the rise of consumer prices has also slowed. Although general price stability is not yet in sight, a welcome element of price competition has at long last been restored to our markets.

These and related business developments are paving the way for recovery in economic activity. No one can foresee with confidence when the recovery will begin. The history of our country indicates clearly, however, that the culminating downward phase of a long cycle need not be of protracted duration.

Signs are multiplying, in fact, that an upturn in economic activity may not be far away. For example, employment rose in April after six successive months of decline. The length of the workweek also stabilized last month. The rate of layoffs in manufacturing is now turning down, and some firms have been recalling workers who formerly lost their jobs. Sales of goods at retail—apart from autos—have risen further. Business and consumer confidence has been improving. And prospects for an early upturn in economic activity have been strengthened by passage of the Tax Reduction Act of 1975.

Our nation stands at present at a crossroads in its history. With the long and costly cycle in business activity apparently approaching its end, the critical task now is to build a solid foundation for our nation's economic future. We will accomplish that only if we understand and benefit from the lessons of recent experience.

Since World War II, a consensus has been building in this country that the primary task of economic policy is to maintain full employment and promote maximum economic growth. We have pursued these goals by being ever ready to stimulate the economy through increased Federal spending, lower taxes, or monetary ease. Neglect of inflation, and of longer-run economic and financial problems, has thus crept insidiously into public policy making. Our Government has become accustomed to respond with alacrity to any hint of weakness in economic activity, but to react sluggishly, and sometimes not at all, to signs of excess demand and developing inflationary pressures.

The thinking of many of our prominent economists has encouraged this bias in our economic policies. During the 1950's and 1960's, they frequently argued that "creeping inflation" was a small price to pay for full employment. Some even suggested that a little inflation was a good thing—that it energized the economic system and thus promoted rapid economic growth.

This is a dangerous doctrine. While inflation may begin slowly in an economy operating at high pressure, it inevitably gathers momentum. A state of euphoria then tends to develop, economic decision-making becomes distorted, managerial and financial practices deteriorate, speculation becomes rampant, industrial and financial imbalances pile up, and the strength of the national economy is slowly but surely sapped. That is the harsh truth that the history of business cycles teaches.

To emphasize this truth, I should now like to offer this distinguished group of journalists a bit of professional advice. Since few of you are reluctant to pass along hints as to how I should do my job, I have decided to suggest to you what the really big economic news story of 1975 is likely to be.

The story has to do with the drama now unfolding on Capitol Hill in the implementation of the Budget Control Act adopted last year. If I am right in thinking that our present economic difficulties are largely traceable to the chronic bias of the Federal budget toward deficits, there can be no doubt about the importance of what is now being attempted. No major democracy that I know of has had a more deficient legislative budget process than the United States—with revenue decisions separated from spending decisions and the latter handled in piecemeal fashion. Budgets in this country have just happened. They certainly have not been planned.

We are now attempting to change that by adopting integrated Congressional decisions on revenues and expenditures. My advice to you journalists is to follow this new effort closely. It has a significance for our nation that may carry far into the future. But nothing can be taken for granted here. We have tried budgetary reform once before under the Legislative Reorganization Act of 1946, and it failed. It failed partly because of the challenge to cherished Committee prerogatives, partly also because Congress as a whole balked at accepting so much self-discipline. I would urge you to study the history of that earlier effort and to watch the present undertaking for tell-tale signs of similar faltering.

The potential gain for our nation from budget reform is enormous even in this first year of "dry run." If, in fact, the work of the new budget committee produces in the Congress a deeper understanding of the impossibility of safely undertaking all the ventures being urged by individual legislators, a constructive beginning toward a healthier economic environment will have been made. On the other hand, if the new budget procedures are scuttled, or if they are used with little regard to curbing the bias toward large-sized Federal deficits, there ultimately may be little anyone can do to prevent galloping inflation and social upheaval.

I am inclined to be optimistic about the outcome. More and more of our people are becoming concerned about the longer-range consequences of Federal financial policies. Perspective on our nation's economic problems is gradually being gained by our citizens and their Congressional representatives. A healthy impatience with inflation is growing. You journalists are becoming more actively involved in the educational process. I therefore remain hopeful that we shall practice greater foresight in dealing with our nation's economic problems than we have in the recent past, and that we will thus build a better future for ourselves and our children in the process.

DEAN WILTON C. SCOTT HONORED BY GOLDEN CROWN AWARD

Mr. TALMADGE. Mr. President, Wilton C. Scott, dean for extended services at Savannah State College, has been honored by the Golden Crown Award of the Columbia Scholastic Press Association.

This award, 1 of 50 throughout the Nation, is given to those who have contributed, directly or indirectly, over the years to the advancement of scholastic journalism and to the success of its various programs. It is well-deserved recognition of the outstanding work being done by Dean Scott at Savannah State College.

I ask unanimous consent that his citation from the Columbia Scholastic Press Association be printed in the RECORD.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

GOLDEN CROWN AWARD

The Columbia Scholastic Press Association on the occasion of its Fifty Years of Service to the School Press of the United States and Overseas has reviewed the roster of those currently participating, directly or indirectly, in its continuing programs and has selected Wilton C. Scott as one of the Fifty whose devotion to the hopes and aspirations of the journalistically inclined Youth of America is of such signal moment, noble generosity and unparalleled achievement that they have inscribed a new and brilliant page in the educational history of the Nation we serve and revere.

In testimony thereof, this Association presents its Certificate symbolic of a Golden Crown as evidence of its gratitude for services rendered, its high esteem and affectionate regard.

FINANCIAL STATEMENT OF SENATOR DOMENICI

Mr. DOMENICI. Mr. President, the way to restore trust in public officials is for public officials to practice complete openness in their dealings. For this reason, I am again this year making public information from my 1975 Federal income tax return and an accounting of my financial net worth and business holdings.

I do this as my personal way of contributing to a restoration of confidence in government.

Mr. President, I ask unanimous consent that these documents now be printed in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

FINANCIAL NET WORTH DISCLOSURE STATEMENT

(By U.S. Senator PETE V. DOMENICI)

FEDERAL INCOME TAX INFORMATION FOR 1974

Income, $53,843.86 (salary of $43,207.16; interest of $34.13; sale of land at Montgomery and Eubank in Albuquerque, N.M., $4,843.75; income from D & V Company, a family partnership, $1,422.24; New Mexico 1973 income tax refund, $378.66; honoraria of $1,150; Senate Campaign Committee Account, $1,207.92; and Domenici Senate Associates, $1,600—an organization of small contributors established under Standing Rules of the Senate Rule No. 42, filed under Senate Procedures, 12–31–74, to help defray additional Senate expenses, including printing, mailing and photographic expenses).

Contributions of $600 from the New Mexico State Republican Party, used entirely for rent for Domenici's Las Cruces office prior to completion of the new Federal Building in that city.

Gross adjusted income of $51,668.80, after $2,175.06 adjustment for excess of expenses over reimbursements for office and travel expenses associated with official Senate duty.

Itemized deductions of $20,028.56, including New Mexico income taxes and property taxes of $3,417.31 and interest paid of $7,914.30.

Standard dependent deductions of $7,500 for Domenici, his wife Nancy, and their eight children.

PERSONAL NET WORTH STATEMENT

Gross assets: Cash on hand, $1,700; cash value of life insurance, $6,400; securities, $22,621 (Bank of America, $621; Edith Land Co., $22,000); household goods, $8,000; 1971 Oldsmobile, $2,800; real estate and family trust holdings, $290,869.00 (home in Rockville, Md., $100,000; 1/10 interest in Kent Investment Co., real estate in Rio Puerco, N.M., $35,000; ⅛th interest in Cushing, et al., real estate holdings in Albuquerque, N.M., $15,000; D&V Partnership, $24,423; ¼th interest in Huber, Domenici, et al., $70,000; mausoleum crypt, $1,490; Domenici, et al., holdings at Navajo Lake, San Juan County, N.M., $7,500; interest in the trust of the will of C. Domenici, my late father, $37,456.

Liabilities: Real estate mortgage on my Rockville, Md., home (through the District of Columbia National Bank) of $64,495; and debt to Albuquerque National Bank, $28,500.

Net worth: $239,394.78.

The only four transactions Domenici has conducted since his election to the Senate have been the sale of his home in Albuquerque, the sale of four lots in that city, sale of a parcel of land in that city, and the purchase of his new home in Rockville, Md. He has dissociated himself completely from his previous law practice and all other business ventures requiring his participation.

THE SHELTERED LIFE

Mr. BIDEN. Mr. President, with the passage of the Congressional Budget Act of 1974 the Federal budget took on a new dimension called "tax expenditures." These are nothing but subsidies to corporations or individuals provided through the taxing system. These subsidies are provided by simply not collecting taxes that might otherwise be payable. Although they represent benefits of about $80 to $90 billion, they have never received systematic scrutiny in the past. Certainly if these were direct cash payments by the Federal Government they would be looked at much more carefully.

Hopefully we are coming to the end of the time when tax expenditures will be passed by with barely a glance. By law they are now required to be considered as a part of the budget. The Budget Committees of the Senate and House of Representatives are directed to study them. In fact, tax expenditures were the subject of discussion at several meetings of the Senate Budget Committee that I attended. A number of the members of that committee, including myself, are clearly concerned that tax expenditures receive the attention they deserve.

One of the witnesses who testified before the Senate Budget Committee was Prof. Stanley S. Surrey of the Harvard Law School. Formerly an Assistant Secretary for Tax Policy at the Treasury Department, Professor Surrey's testimony was most helpful and illuminating.

Professor Surrey has written an article entitled, "The Sheltered Life" which was published in the New York Times magazine on April 13, 1975. It is a most interesting discussion of tax expenditures and how they work—or do not work. Such an article should prove most useful in our consideration of the subject over the next year. Therefore, I ask unanimous consent that the content of this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SHELTERED LIFE

(By Stanley S. Surrey)

To most people, the Federal income tax is a complex system designed to extract large sums from their pocketbooks—about $150 billion, or more than half the Government's total income. Few realize, however, that while collecting these taxes from individuals and corporations, the Government is simultaneously paying between $80 and $90 billion to some of them. It does this by simply not collecting any or all the taxes it might on certain types of activities—those that, because of their claimed value to society, are permitted special tax benefits. If the Government were first to collect this $80- to $90-billion in the regular income-tax sweep and then to disburse it again for these benefited activities, we would refer to the process as a subsidy. Indeed, this often overlooked form of Government spending through the tax system amounts to nearly twice the total of all other Federal subsidies. And it can be argued that it is more wasteful and less fair than almost every other subsidy.

The existence and size of this assistance aspect of the income tax has been little understood by the public or even the Congress. Moreover, both have been scarcely aware of its basic inequity: Since the special tax benefits a person may claim generally increase as his income rises, the poor gain little from them, while the wealthy may utilize them as a major way to supplement their incomes at Government expense.

Incredible as it may seem, this huge item of Government subsidy—which is called "tax expenditures"—has only recently been accounted for publicly. Until 1968, when the Treasury published the first tax-expenditure budget, few in Congress or in the various agencies whose activities were being aided by the tax expenditures knew what was really being spent through the tax system. And it was not until this year that the item of tax expenditures was included in the Federal budget. The disclosure was required by the Congress in a little-noticed provision of the Budget Reform Act of 1974.

The tax-expenditure table included in the budget, revealing as it is for the amounts and activities involved, does not disclose the large waste and gross unfairnesses of the tax-expenditure system. Nor does the accompanying budget explanation relate the table to the task of tax reform. Yet the Congressmen who argued for the inclusion of the table in the budget, along with other tax experts, believe that a proper understanding of tax expenditures is essential to tax reform and that the tax-expenditure table will turn out to be an important first step in achieving it in any meaningful way.

In fact, the table as it relates to the process of tax reform is particularly relevant right now, since the tax bill recently passed by the House and the Senate includes a provision for the partial repeal of one of the most important tax expenditures—the depletion allowance under which producers of oil and natural gas can ignore the first 22 per cent of their gross income (up to a maximum of 50 per cent of net income) in calculating their Federal income taxes. The vote to repeal the allowance for big companies and to reduce it for small ones was the result of recent reforms in Congressional procedures, as well as the election of many new liberal Congressmen in the 1974 elections, but it could also suggest that the circumstances are right for further efforts at tax reform.

Every tax-reform issue fought over in the House Ways and Means Committee tax-reform bill of 1974 involved items in the tax-expenditure table. Whether those items will remain, whether new tax expenditures will be added—these are the real issues of tax reform today. The table explains why some of our wealthiest individuals pay little or no income tax and why some businesses on Fortune magazine's list of the nation's largest corporations also pay little corporate tax. The table shows why the real rate of tax paid by individuals whose income exceeds $100,000 is between 30 per cent and 40 per cent, with some in this group paying far less or even nothing—even though the law states that they should pay at rates of 50 per cent to 70 per cent. It explains why the average real rate for corporations is around 35 per cent—well below the 48 per cent rate stated in the tax laws—with some corporations paying far less and with the real rate varying erratically among industries and within any industry.

It is important to understand that the concept of tax expenditures is essentially a way of classifying certain provisions of the tax laws, and there are some who challenge the classification as misleading. Irving Kristol, for example, has written that those who use the terms "tax expenditure" and "tax subsidy" to refer to tax benefits "are implicitly asserting that all income covered by the general provisions of the tax laws belongs of right to the Government, and that what the Government decides, by exemption or qualification, not to collect in taxes constitutes a subsidy. Whereas a subsidy used to mean a governmental expenditure for a certain purpose, it now acquires quite another meaning—i.e., a generous decision by Government not to take your money."

But these statements are simply wrong. The concept of tax expenditures does not imply that all income belongs to the Government and any decision to tax less than all that income is an act of governmental generosity. Rather, it is based on the idea that a proper income tax includes in its tax base all sources of income and allows deductions for all the expenses incurred in obtaining that income. If a special provision excludes some types of income, allows deductions for personal expenses associated with consumption spending rather than the earning of income, or allows special business deductions not reflected under proper accounting standards, then it becomes something engrafted onto the income tax for a special purpose—that of subsidy or assistance. When Congress excludes from current tax one-half the income received from export activity—and so forgoes revenue of $1-billion—it is in effect giving a cash subsidy of that $1-billion to companies that engage in export trade. When Congress permits a homeowner in computing his income tax to deduct his mortgage interest and his real-property tax, at a revenue cost of $10-billion, it is really running a housing-assistance program of $10-billion for homeowners, which makes these tax expenditures for home ownership our largest housing program, exceeding by far the direct budget programs for public housing and low-income housing.

Indeed, the proponents of these special provisions understand this quite clearly, for their arguments in defense of the provisions are not framed in terms of proper tax structure or tax equity, but in terms of incentive and assistance for this or that industry or activity or hardship. Here and there theoreticians may disagree on an item included or left out of the tax-expenditure table, but these disagreements are not shaped by Kristol's misunderstanding.

Furthermore, it is only when we realize that these special tax deductions and allowances really function as subsidies that we can understand their huge inequity. A Congressman rarely perceives that if, say, he introduces a bill to give a $1,000 tax deduction for expenses for home insulation as an energy-saving measure—a goal he believes to be in the public interest—he is really giving $700 to a homeowner in the 70 per cent tax bracket (for that is what such a person saves in taxes when he deducts $1,000 from his income), only $140 to a home-owner in the 14 per cent tax bracket and zero to a homeowner whose income is so low that he does not pay taxes. No direct assistance program of grants or loans to homeowners that operated in this upside-down fashion would ever be considered by the same Congressman. Yet almost daily we find such special deduction assistance tax bills being introduced in a variety of areas, and each, if adopted, would mean a new tax expenditure. (Even when the tax expenditure involves a credit against tax payments, so that each taxpayer receives the same benefit, the system does not benefit those too poor to pay taxes.)

The table in the budget gives an over-all picture of the extent of tax expenditures. Figures published by the House Ways and Means Committee, which allocates the tax-expenditure assistance among the income groups in the country, from low-income taxpayers to the wealthy, reinforce the impression that the tax-expenditure system is grossly unfair.

To be sure, the benefits of some tax expenditures fall mostly to lower- or lower-middle-income taxpayers—for example, public assistance payments and disability-insurance benefits are not taxable. And a number benefit middle-income taxpayers—unemployment-insurance or workmen's compensation benefits are not taxed, and consumers may deduct interest they pay on loans and credit-card balances.

Viewed on a per capita basis, however, it is clear that tax expenditures overwhelmingly favor the upper brackets. On the average, based on 1972 estimates, an individual at the $3,000 to $5,000 level received $10 in tax-expenditure assistance; in the $25,000 to $50,000 bracket, $1,358; in the $100,000 to $500,000 bracket, $29,264; and in the $1-million bracket, $725,000.

Information based on averages, furthermore, does not tell us the extent to which some wealthy individuals escape tax because of the tax-expenditure system. The rules against disclosure of tax returns prevent particular identification. But unidentified examples do exist, such as those made public by the Treasury in 1968. (The practice of publicizing such examples should be continued, but the present Treasury and even the tax committees that have access to the data refuse to make them available.) Thus, some individuals whose actual incomes are in the hundred thousands or even millions pay little or no income tax and can show up in Internal Revenue statistics as low-income individuals because their taxable incomes have been so reduced by tax-expenditure benefits. Representative James C. Corman hinted at this situation in the Congressional Record in January:

> To study the extent of tax avoidance among wealthy Americans, the Ways and Means Committee last year examined the tax returns of 20 high-income individuals, whose names were chosen for the most part without prior knowledge about their taxes. These returns showed clearly the injustice of our tax laws. Some of the 20 paid very high tax rates because they did not make excessive use of deductions and exclusions. Most, however, paid very low effective tax rates, and two paid no tax at all on incomes over $500,000. A third tried valiantly to escape all tax by claiming $900,000 in tax-shelter losses, and a fourth paid only $25,000 in tax, even though his income exceeded $2-million. There was widespread use of tax shelters, percentage depletion, the capital-gains deduction and gifts of appreciated property to charity . . .

If the actual data were made known to the public, the result would be a national scandal that would surely produce serious tax reform. Every informed tax lawyer knows of individuals with very high incomes whose actual tax payments are on the same level as those of restaurant employes or mechanics or others who service their affluent style of life.

As for corporations, we are beginning to learn how various industries and particular corporations benefit from the tax-expenditure table as a result of a new S.E.C. rule requiring disclosure in corporate financial documents of why actual income-tax payments differ from what they would be at a 48 per cent rate, the rate in the tax law. Here also the Treasury and the tax committees could give us information, but since 1968 they have refused. However, Tax Analysts and Advocates, a Washington public-interest organization, has carefully sifted the S.E.C. data and regularly publishes tables showing the effective rates of tax. Picked almost at random are a few examples for 1973 that show how low are the taxes paid by some corporations—i.e., how large are their benefits under the tax-expenditure table—and how erratic is the distribution of those benefits. Thus, in the drug industry, actual tax payments for Baxter were 13.31 per cent of corporate earnings; G. D. Searle, 32.7 per cent; Abbot, 32.7 per cent; Johnson & Johnson, 46.7 per cent; in chemicals, Olin, 24.7 per cent; Allied 25.2 per cent; Celanese, 34.9 per cent; du Pont 41.7 per cent; in autos, Chrysler, 19.1 per cent; Ford, 32.7 per cent; General Motors, 46.4 per cent.

How do wealthy taxpayers take advantage of tax expenditures? Some of them search among the tax expenditures for the so-called "tax shelters," a term applied to ways by which individuals in tax brackets at 50 per cent and above may escape those high rates. In the real world, they are well-to-do doctors, investment bankers, lawyers, actors, Governors and the like. In the files of the I.R.S., they may be poor folk with hardly a dollar to their names. They enjoy this dual status because their investments in real estate, oil wells, cattle farms, motion pictures, sports teams, leased equipment, ships and other activities show up in red ink on the I.R.S. returns but in black ink on their own financial records. And this transformation occurs mainly because of items in the tax-expenditure table. "Depreciation of rental housing or buildings in excess of straight-line," "expensing of farm costs," "excess of percentage depletion over cost depletion," plus other tax-assistance devices produce excessive tax deductions which produce losses for purposes of the tax return. The tax deductions may be so excessive that they offset—"shelter"—both income from the tax-favored investment itself and income from other activities of the investor, and thereby change a real millionaire into an I.R.S. pauper.

Other wealthy taxpayers look for benefit in the tax-expenditure category labeled "revenue sharing and general purpose fiscal assistance," which refers to the fact that income in the form of interest on bonds issued by state and local governments is not taxed. Thus Nelson Rockefeller, in his hearings on his selection as Vice President, revealed that he annually received about $1-million in such tax-exempt interest so that he paid no Federal tax on that amount. By putting their money into such bonds, the trusts from which he received the tax-free funds were following a prudent investment policy for wealthy people, since for a person in this 70 per cent bracket, a tax-free bond paying 6.6 per cent is the same as a taxable bond paying 22 per cent, and such taxable bonds do not exist.

In effect, the exemption of interest on state and municipal bonds from Federal tax is a form of Federal assistance to the states and cities, accomplished by reduction of their interest costs. As a program of assistance, however, this tax expenditure is particularly wasteful. For the Federal Government annually loses $4-billion in revenues—the taxes that investors normally would pay on their bond-interest income—but the states and cities gain less than $3-billion in reduced interest rates. The difference is siphoned off by the wealthy individuals and banks that buy the bonds. The tax inequity and wastage in this form of tax expenditure cannot be defended.

Another tax expenditure favorable to the wealthy is listed on the tax-expenditure table as the subcategory "Capital gain: individual" under the main heading "Personal investment." Perhaps more than any other, this item explains why so many wealthy people pay income taxes far lower than their actual income would seem to require. For this item refers to the special treatment of income that results from the sale of appreciated stocks, real estate, oil properties and other capital assets. On this type of income, the tax rate is cut in half—for the very wealthy, this means a 70 per cent tax rate becomes a 35 per cent rate. In addition, all of the appreciation in value of a capital asset is not subject to income tax if an individual dies holding the asset. Therefore, the 70 per cent tax rate of a wealthy individual is reduced to zero on the rising value of a capital holding so long as he doesn't sell it but retains it and passes it on to his heirs. The combined value of these two items to taxpayers is between $7-billion and $10-billion, depending on the condition of the stock market.

Defenders of the special treatment of capital-gains income have argued that it is not really income at all, but rather a nonrecurring gain different from wages, salary, interest and other such items. Most economists, however, regard as income any increase in a person's net worth during the year, and this would include capital gains. Normal intuition tells the public that a capital-gain dollar can buy a Cadillac or a yacht just as can any other income dollar. Next came the argument that it was unfair to tax the capital gain all in one year, but today we do average income for tax purposes, including capital gains, so this rationalization must be abandoned. Now the argument is that capital gains represent only inflationary price increases. This is harder to counter, since inflation does produce a rise in value that reflects general price-level changes and not a real shift in values. But the inflation argument neglects several points. Often the asset has been purchased with borrowed money, and inflation decreases the cost of that debt to the investor. Also, since the tax collector does not collect the tax on an appreciated asset until it is sold, the Government actually "lends" the income tax on the accrued appreciation to the taxpayer for the period of time that he holds the asset, and this "loan" is at an interest-free rate. Over time, this benefit alone would offset the effect of inflation.

So the defenders of special treatment for capital gains turn to still another argument, useful in a recession period: The United States, they contend, needs more capital investment if we are to resume an upward economic path. Those using this approach sometimes will advocate that the rate of tax on capital-gains income should be reduced by even more than half, and urge, for example, that for stocks held over 15 years the exclusion should be 80 per cent. This would mean that a wealthy investor would pay 14 per cent on his gain (70 per cent on the taxable 20 per cent). This is ironic, since 14 per cent is the rate an unskilled worker pays on his first dollar of taxable wage income. This proposal is advanced to assist, according to one Senate supporter, "many middle-income Americans who invest in growth stocks in their late 40's and 50's and would like to sell those stocks on retirement to invest in income-producing stocks."

It is politic, of course, to argue that the special treatment of capital-gain income is beneficial to "middle America," but there is much to suggest that the claim is specious. An article in the November, 1974, Commerce Department "Survey of Current Business" informs us that .2 of 1 per cent of all families—those with income over $100,000, or 140,000 families out of 70 million—own 30 per cent of the individually held stock in this country; 1 per cent own 51 per cent of that stock and 10 per cent own 74 per cent. Any proposal supporting or increasing the capital-gain tax expenditure simply means that the benefits will continue to go to a relative handful of the wealthiest families in this country.

I.R.S. data show that while only 6.5 per cent of tax returns at the $10,000 income level and 12 per cent at the $20,000 level contain capital-gain income, over 50 per cent do so at the $100,000-and-above level, and seven out of eight returns do so at the million-dollar level. The average capital gain in 1971 did not reach $3,000 until the $20,000 income class. But the average gain became $20,000 for incomes between $50,000 and $100,000, $220,000 for incomes between $200,000 and $500,000 and almost $2.5-million for the millionaire group. Over-all, more than half of the capital gains are received by those with incomes of $30,000 or more—only 2 per cent of the families paying income tax. Thus, choosing capital-gain benefits as the method of encouraging investment for economic recovery involves major sacrifice of tax fairness. A better choice is the course taken by Congress in the recent tax bill—large tax reductions aimed at lower- and middle-income groups and an increase in the investment credit for business investment.

The tax-expenditure table makes it possible to design a program to correct the inequities and inefficiencies brought about by these tax expenditures—to accomplish "tax reform"———with some precision. For each tax-expenditure listing, we should ask if the public and the Congress really believe the Federal Government should be assisting the particular activity involved, as a matter of national priority. This is the same question that is asked each year about direct expenditures of Federal money itemized in the budget. For many tax expenditures, the likely answer to the question is a clear "no." In the category "International affairs," do we really want Congress to subsidize our corporations to invest abroad or to export? In "Natural resources, environment and energy," do we want to subsidize oil and timber companies? In "Business investment," do we want to subsidize the construction of office buildings or shopping centers? Where the furnishing of Government assistance is hard to justify, then the subsidy in the form of a tax expenditure should be dropped.

In some cases, however, the answer to the question will be "yes"; the activity encouraged by the expenditure can be considered a legitimate national goal. In these cases, the task of tax reform becomes a bit more complex. In most cases, the best approach would probably still involve doing away with assistance in the form of a tax expenditure, but it would also involve increasing the benefits provided directly under the Federal budget by compensatory amounts.

For example, the construction of low-income rental housing is currently encouraged by both direct Federal assistance in programs of Housing and Urban Development and by tax expenditures. The combined assistance appears necessary to get rental housing built that is within the financial reach of low-income people. But the tax-expenditure part of the assistance involves wastage for the Government and tax-shelter escape for the wealthy. The solution is to improve the direct-assistance programs and eliminate the tax expenditure.

Similarly, while home ownership is a national goal, the huge tax-expenditure assistance granted to homeowners who deduct mortgage-interest payments and real-estate taxes from their taxable income is clearly inequitable, since the least-affluent homeowners may gain the least benefit. The tax assistance should be re-examined in the context of new direct programs to promote home ownership by subsidizing home mortgages directly, or by other direct budgetary devices.

The same approach would be necessary to eliminate the waste and inequity created by the exemption of interest on state and municipal bonds. Federal help for the financing of state and city governments is accepted as a legitimate goal, but it could be accomplished far better if the states and the cities could elect to issue taxable bonds—paying interest rates high enough to compete for investors' funds—on which the Federal Government would directly subsidize, say, 45 per cent of the interest payments. There would be no waste, since all of the direct subsidy would go to the states and cities and would not be shared with the investors. And there would be no tax escape, since the bonds would be taxable. There would be little or no additional cost to the Treasury, since it would simply be transferring a tax-expenditure cost to a direct budget-expenditure cost.

The fact that tax-expenditure analysis offers clearer answers to the problem of tax reform and budget reform does not mean that such reform will be easy to achieve.

For one thing, tax expenditures relate to so diverse a sampling of Government activities that any concerted approach would be difficult to engineer. Moreover, the task of shifting assistance from the tax system to a direct-budget approach—for example, eliminating tax expenditures to assist housing while increasing direct subsidies for housing—would require a higher degree of coordination than now exists in Congress between the tax commitees, which decide on tax assistance, and the housing committees which decide on direct-budget assistance.

More to the point, perhaps, the number of those who benefit from tax expenditures is large, many of them are among the wealthiest people in the country, and all of them are hugely motivated to defend the effective Government subsidy they currently enjoy. The weight of their natural resistance to changing the tax-expenditure system is great.

However, there may well be hope ahead for those who seek tax reform in little-noticed provisions in the Budget Reform Act of 1974. In that act, the Congress, besides requiring the President to present the tax-expenditure table, also required the new House and Senate committees on the budget established under that act "to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies and programs with direct budget outlays."

Moreover, the new Congressional Budget Office created to assist Congress in controlling the budget is directed to provide information on bills providing tax expenditures. In addition, each standing House committee is now required to study on a continuing basis the impact of tax policies affecting subjects within its jurisdiction.

The tools for coordinating tax-expenditure policy with budget policy, and the work of tax committees and other committees having jurisdiction over the activities assisted by tax expenditures, now exist. These procedural steps, when combined with a new spirit in the Congress and with the knowledge that people really desire an end to the inequities of the income tax, can mean there is now a much better chance to achieve real tax reform.

ECONOMIC RECOVERY AND BEYOND

Mr. HANSEN. Mr. President, in my opinion this Nation is indeed fortunate to have William E. Simon as its Secretary of the Treasury.

His is a thankless job in times like these as was his previous job as head of the Federal Energy Office.

No one has worked harder at both jobs nor with more dedication and consistency to the principles in which he believes.

Time and again he has testified before various committees of Congress as to the causes of our energy problems and what Congress should do to solve them.

As Secretary of the Treasury and Deputy Secretary before, he has consistently recommended that Congress cure its excess spending habits and practice fiscal responsibility in its overall appropriations.

He has warned time and again that inflation can be cured only by biting the bullet of a balanced budget and control of deficit spending.

Last week Secretary Simon testified in hearings before subcommittees of the Committee on Finance on investment needs of the future and the need as we emerge from the recession to focus greater public attention on the longer range problems of our country.

We must be equally concerned, he said, whether the period of the recovery and beyond will bring sustained economic progress or a sorrowful repetition of the boom and bust cycles of the past.

Mr. President, Secretary Simon's testimony was so impressive that I believe most Senators, whether they agree entirely with his views or not, would do well to consider his proposals. I ask unanimous consent that the following summary of his testimony be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE WILLIAM E. SIMON

Mr. Chairman and Members of this Distinguished Committee:

I welcome this opportunity to appear before you this morning on a subject of timely and urgent concern: Our capital investment needs for the future.

For several months, many economic policy makers in Washington have been preoccupied with the problems of ending the recession, slowing the rate of inflation and steering the nation back to a course of stable, durable economic growth. Today there are many signs that the economic slide is gradually decelerating, and we can be increasingly confident that we will be on the road to recovery before the end of this year.

As we emerge from the recession, it is especially important that we now begin to focus greater public attention on the longer-range problems of our country. While the process of recovery will require careful and vigilant management, we must be equally concerned whether the period of the recovery and beyond will bring sustained economic progress or a sorrowful repetition of the boom and bust cycles of the past.

Certainly there is no subject more central to our hopes for the future than our ability and our willingness to meet the capital investment needs of coming years. Those needs are impressively large, and they will demand a full-scale effort. In my testimony this morning, I want to draw upon an abundance of documentary evidence showing that the United States has not been keeping pace in its capital investments and that we must devote more of our resources to this purpose if we are to achieve our most basic economic dreams for the future. To summarize, the record shows that:

During the 1960s, the United States had the worst record of capital investment among the major industrialized nations of the Free World;

Correspondingly, our records of productivity growth and overall economic growth during this period were also among the lowest of the major industrialized nations;

As other nations have channeled relatively more of their resources into capital investment and have acquired more modern plants and equipment, they have eroded our competitive edge in world markets:

Our record on capital investments reflects the heavy emphasis we are placing on personal consumption and government spending as opposed to savings and capital formation;

Our record also reflects a precipitous decline in corporate profits since the mid-1960s;

While the U.S. economy remains sufficiently large and dynamic to overcome our investment record of recent years, our economic growth will be tied much more directly to the adequacy of our caiptal investments;

Estimates of future needs vary, but it is relatively clear that in coming years we will have to devote approximately three times as much money to capital investments as we have in the recent past; and

It is an economic fact of life that increased productivity is the only way to increase our standard of living. For the sake of future economic growth—jobs, real income and reasonable price stability—the inescapable conclusion is that government policies must become more supportive of capital investment and that we must make a fundamental shift in our domestic policies away from continued growth in personal consumption and government spending and toward greater savings, capital formation and investment.

Some analysts have concluded that it will not be possible to meet our future capital investment needs. I disagree. I firmly believe that we are capable of achieving our basic investment goals, but I also believe that they represent one of the most formidable economic challenges of the decade ahead.

I. CAPITAL INVESTMENT EXPERIENCE

The beginning point for our consideration of capital investment—and one that should be of keen concern to everyone—is the pattern of economic growth during the decade of the 1960s. The average annual rate of real economic growth during that period for the twenty nations belonging to the Organization of Economic Cooperation and Development (OECD) ranged from a high of 11.1 percent for Japan, to a median of about 5 percent for Australia, the Netherlands and Norway, to a low of 2.8 percent for the United Kingdom. The United States during this time experienced an average growth rate of 4 percent a year—17th among the 20 nations (Table 1).

Of the many economic, political and social factors that influence economic growth rates, none is more important than the level of capital investment. Economists generally agree that the factors affecting growth include: (1) the accumulated base of capital goods; (2) the current pace of new capital investments; (3) the effective application of new technology; (4) the quality of the national labor force—its education, training, discipline and commitment; (5) the infrastructure of transportation, communication, financial and service facilities; (6) access to industrial raw materials; (7) managerial skills; and (8) the organization of the economic system. The mix of these basic economic variables—along with other specific factors not listed—varies from country to country and changes over time. It is also possible to substitute one, or a combination, of these productivity variables for specific inadequacies. Most analysts agree, however, that a strong rate of new capital investment is required to generate sustained growth. In fact, the effectiveness of all of the other factors that determine productivity are heavily dependent upon the quantity and quality of capital goods made available by new investment.

The United States retains a position of economic leadership because it has been blessed over a long period of time with a favorable mix of all of the important economic variables, along with political stability and improving social mobility. For many years our advantageous ratio of capital to labor has been acknowledged as the basis of the remarkable rise of the U.S. economy. Even now spending for plant and equipment continues to increase and these outlays still exceed the amounts invested elsewhere because of the large size of the U.S. economy (Table 2). In 1974, gross private domestic fixed investment totaled $195.6 billion, up from $194.0 billion in 1973 and $131.7 billion in 1970. Investments in business structures and producers' durable equipment totaled $149.6 billion in 1974, up from $136.8 billion in 1973 and $100.6 billion in 1970.

Nonetheless, even though plant and equipment expenditures will continue in the future as the economy grows, it is unrealistic to assume that the historical patterns of investment and productivity will be adequate to meet the priorities of the future. And I certainly am not suggesting that we can fulfill every claim presented by society. The disappointing record of Federal deficits in fourteen of the last fifteen years ending with FY 1975—or forty out of the last forty-eight years—and the unfortunate boom and bust pattern of economic performance over the past decade indicate that we have not been able to effectively identify and manage our national economic priorities. Some analysts have claimed that future economic growth will release unused resources to fulfill new claims against the national output. To the contrary, the intensity of claims for available resources will likely increase in the future.

The assertion that additional government spending programs can be added without disrupting the allocation of resources in the private sector has been refuted by the events of the past decade, particularly the increasing inflation pressures and shortages of materials and production capacity.

Comparative rates of investment

Recognizing the relatively low rate of U.S. economic growth in the 1960s, it is worthwhile to look now at the relative rate of capital investment in this country. Although the amounts of capital investment continue to increase in the United States and our capital-to-labor ratio is still relatively high, other nations during recent years have allocated a substantially larger share of their resources to new capital formation. Furthermore, the gap between the U.S. level of investment, measured as a share of national output, and the commitments of other leading industrial nations has increased. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output during the time period 1960 through 1973 was 17.5 percent. The U.S. figure ranks *last* among a group of eleven major industrial nations; our investment rate was 7.2 percentage points below the average commitment of the entire group. When only nonresidential investment is considered the level of commitment is naturally lower for every nation but the relative position of the United States is not changed.

The reduced pace of capital investment in the U.S. economy has also been emphasized by Professor Paul W. McCracken, former Chairman of the Council of Economic Advisers and now Senior Consultant to the Department of the Treasury. Using historical figures, reported in constant dollars, for the amount of nonresidential capital formation per person added to the labor force he estimates that commitments in the United States during the 1970s are 22 percent below the level reported in the 1956 to 1965 decade. In terms of business capital investment per worker, the United States still maintains a considerably higher capital to labor ratio than in Europe and Japan. However, our advantage has declined as other nations have increased their capital investments per worker. The Department of Commerce estimates that since 1960 the existing base of plant and equipment assets has nearly doubled in France and Germany and more than tripled in Japan. The cumulative total of such assets in the United States increased at most by about 50 percent during the same period.

Factors influencing U.S. rate of capital investment

In evaluating the relatively slower rate of capital investment in the United States, several moderating factors should be considered.

First, the unusually large size of the U.S. economy and its relatively advanced stage of development, including the accumulated total of previous capital investments, creates a different investment environment. In 1974 the U.S. national output was $1.4 trillion, which is approximately equal to 90 percent of the combined total for the nine countries in the European Economic Community and Japan. Having already created such an impressive productive capacity it is to be expected that our rate of additional growth might be lower than the development rates of other nations who are striving to achieve our relatively advanced level of economic activity.

A *second* and even more important influence has been the historical priority placed on consumption within the U.S. economy. We are a consumption-oriented society and this pattern has been developing for several decades. The emphasis on consumption has undoubtedly caused much of the rapid development of the U.S. economy because it has created a strong demand for goods and services needed to sustain output, employment and investment. In 1974 personal consumption totaled $877.0 billion, or 63 percent of our gross national product; total government purchases of goods and services totaled $308.8 billion, or 22 percent; gross private domestic investment, which includes the change in inventories, was $208.9 billion, or 15 percent; and net exports of goods and services amounted to $2.0 billion or 0.1 percent of total national output. Personal and government consumption outlays have long dominated the GNP totals, and this pattern of economic activity is deeply ingrained in our society. As a result, despite our high per capita incomes, the accumulations of gross savings flows required for capital investment are lower in the United States than elsewhere. It is also important to note that the level of gross private savings in the United States has remained stable throughout the postwar era.

A *third* important factor affecting the pattern of U.S. investment compared with other nations is the relatively large share of total capital outlays we commit to the services category, which includes housing, government and other services. According to a study published by the Organization for Economic Cooperation and Development (OECD), the United States allocated 70 percent of its total investment to the services category during the 1969 to 1971 time period. The U.S. figure is significantly higher than that reported by the other five major industrial nations included in the study (Table 3). Accordingly, the U.S. share of investment committed to the manufacturing sector, 19.7 percent, was considerably lower than the figures reported by France (27.8 percent), West Germany (25.2 percent), Japan (26.8 percent), and the United Kingdom (23.3 percent). Our heavy investment in the services category tends, of course, to emphasize consumption and moderate the growth in productivity. This arrangement may satisfy immediate consumer preferences, but we must weigh those preferences against long-term concerns about domestic productivity and international competitiveness.

A *fourth* influence on the pattern of capital investment in the United States is the relatively large share of our investment that must be used for replacement and modernization of existing facilities. It is estimated that 62 percent of U.S. capital investment during the time period 1960 to 1971 was used for replacement needs, compared to the United Kingdom, 61 percent; Canada, 52 percent; France, 54 percent; West Germany, 53 percent; and Japan, 31 percent. The divergent pattern reflects the advanced status of economic development in some nations and the postwar experience of Europe and Japan in restoring their devastated industrial facilities following World War II. The Department of Commerce estimates that 60 to 70 percent of the U.S. stock of plant and equipment has been added since 1960, compared to approximately 75 percent of the capital goods of West Germany and France and 85 percent of Japan's industrial capacity. It should be emphasized that this heavy replacement requirement does provide a continuing opportunity to introduce new technology into the U.S. economic system. Since the annual value of U.S. capital investment is so large, it cannot be assumed that the entire U.S. industrial system is technologically obsolete, even though some specific sectors have suffered a sharp competitive deterioration. Nevertheless, the otherwise imposing outlays for replacement and modernization do not add to the total productive capacity of our economy.

A *fifth* and final factor influencing the national rate of capital investment is the pattern of government policies. Government can affect investment either directly through the incentives it provides or indirectly through various tax and regulatory policies and its own pattern of spending.

A review of the diversified economic incentives available in other nations indicates the very active investment role played by many foreign governments. Basic industries are frequently controlled by the government with total, or at least dominant, public ownership. Special financial and operating assistance is also frequently provided for preferred private companies to assist their development if it is considered to be in the national interest. The United States has avoided most of the capital allocation and special incentive programs used in other countries. I strongly favor this private sector approach and believe that it has been a positive factor in the development of our economy.

There are some Federal programs which provide direct financial support through the Economic Development Administration, the Small Business Administration and 169 different government credit programs, but the major influence of Federal Government on capital investment comes through the Federal budget. Government budget decisions now represent approximately one-third of the total GNP and this figure will rise even higher if spending trends of the past twenty years are continued. The government also influences private sector activities by providing capital grants, research funding and other incentives which stimulate investment. For example, the FY 1976 budget prepared by the President calls for outlays of $4.6 billion on general science, space and technology programs, $2.2 billion on energy activities and $9.4 billion for environmental and natural resources. Part of these outlays will involve capital investment needs.

The Government is also exercising increased influence over private investment decisions through the growing number of safety, health and environmental standards. Precise estimates are difficult, but it has been estimated that during 1972, 8 percent of the textile industry's capital investments and 12 percent of the steel industry's investments were related to health and safety standards mandated by the government. While such standards may be highly desirable, we should recognize that these investments do not increase the Nation's total productive capacity.

Many State and local governments also provide special incentive programs to attract capital investment into specific geographical areas. Such incentives include capital grants, advantageous credit arrangements, relocation and manpower training grants, special site and building assistance, infrastructure investments, and preferred tax and utility arrangements. While such incentives have influenced the location of some facilities, the total amount of capital investment has probably not been increased.

The private sector continues to be the best means of increasing capital investment in the United States and our government has fortunately not attempted to control the pattern of such investments.

Negative results of inadequate capital investment

While the historical pattern of capital investment in the United States may satisfy our immediate goals, there are serious economic risks in having a slow rate of capital investment for an extended period of time. The emphasis on immediate consumption has occurred because American consumers have historically preferred to spend 91 percent of their disposable after-tax income. The government has basically supported this independence of choice although its tax and spending policies have unfortunately exercised an increasing influence on private decisions. But we must now question the future adequacy of past investment patterns if we are to adequately prepare for the economic future of our great nation.

Various studies have indicated the close relationship between capital investment and various measures of economic growth and productivity. A dynamic economy is needed to create jobs by applying new technology and expanding production capacity. A productive labor force is also necessary for producing goods and services to meet rising demands for an improved standard of living and as a means of holding down inflation. When productivity increases, the effects of rising wages are offset so that unit labor costs can be held down and prices are more stable. Inadequate capital investment also limits new job opportunities and creates unemployment. Specific examples of production capacity shortages became painfully apparent to the Cost of Living Council (COLC) as it administered the program of wage and price controls from August 1971 until June 1974. Recognizing the inflation pressures created by these numerous capacity constraints, the COLC followed a definite policy of requiring specific capital investment commitments from private industry as a basis for price decontrol decisions. The COLC also became very concerned about future inflation problems that could result from raw materials shortages and increasing capacity shortages in several basic industries as economic growth occurs. Unfortunately, productivity gains in the United States have been disappointing, particularly when compared with the experience of other leading nations.

The rapid growth of the U.S. economy to its present size and the relatively low level of inflation until the late 1960's has been based on the creativity and productivity of the system. Americans have greatly benefitted from this growth, not only in personal economic gains but in terms of national security and international leadership. Continued prosperity, however, cannot be taken for granted; it must be earned. We must be willing to allocate more of our resources to the future and fewer to satisfying immediate demands. This is a difficult concept for some to accept because they prefer current consumption. With so many needs still unsatisfied in a land of relative plenty, this feeling is understandable. Our ability to fulfill these needs will only be restricted, however, if we now fail to prepare for the future. The simple truism that we sometimes ignore it in setting national priorities. And we can no longer afford to ignore the fact that as the real output of other nations has increased more rapidly than our own, our competitive advantage has gradually been eroded.

II. FUTURE CAPITAL INVESTMENT REQUIREMENTS

Economic projections are always difficult, but estimating future capital needs is particularly uncertain at this time because costs and priorities continue to change rapidly. It is obvious, however, that future capital requirements will be enormous—larger than anything we have ever faced before. Clearly we will need to increase the quantity and quality of housing; develop new energy resources; improve the quality of our environment; rehabilitate the existing transportation system and develop a better urban transportation system; continue the mechanization of agriculture; construct new office buildings, communications systems, medical facilities, schools and other facilities; and meet the massive needs for new plant and equipment. In all of these sectors we must not only replace and modernize existing facilities but also add new capacity, particularly in many of our most basic industries.

The Department of Commerce estimates that capital requirements for producers' durable equipment and nonresidential structures will total $3.4 trillion during the 1974 to 1985 period. If annual outlays for residential construction, which have averaged $50 billion during the past four years, are added to this figure, the total capital needs rise to well over $4 trillion. Details of their estimate include:

GROSS PRIVATE DOMESTIC NONRESIDENTIAL FIXED INVESTMENT

[In billions of current dollars]

	1974	1985	Cumulative 1974–85
Total producer's durable equipment	$100.0	$276.7	$2,188.8
Nonresidential structures	54.7	151.3	1,197.3
Total	154.7	428.0	3,386.0

Energy investment requirements

One area of capital investment that is particularly critical for the future is energy. To achieve greater self sufficiency in energy, enormous capital investments will be required. We basically have two alternatives. The first one is to meet our increased energy investment requirements by reducing outlays in other sectors. While energy priorities are indeed important, it would be most unfortunate to disrupt the entire economic system in this way. A second—and more desirable—approach is to include these new requirements within an enlarged total investment goal. Our purpose should not be to redistribute the economic pie, but to continue enlarging it so that everyone will have a bigger share.

Recognizing that the ultimate cost of energy investment needs will be influenced by many variables, it appears that capital requirements over the next decade will total about $1 trillion stated in current dollars to include the effects of inflation. Energy investments will comprise an important share of the total capital requirements discussed above but their financing is manageable if they are given a high priority as part of a comprehensive national energy program. The specific amounts to be spent in each category will depend upon the energy policies adopted and dynamic developments within the economy. Nevertheless, the range of possible needs is indicated in four separate studies prepared by the Federal Energy Administration, National Petroleum Council, National Academy of Engineering and Arthur D. Little, Inc. All four studies are stated in *constant 1973 dollars* to make them comparable. If necessary adjustments are made for potential inflation and the increased needs that have been identified since the studies were prepared the resulting capital needs expressed in current dollars, will approximate $1 trillion between now and 1985.

III. GOVERNMENT POLICIES

Unfortunately, the Federal Government has reported a deficit in fourteen out of the past fifteen years ending with FY 1975. During the single decade FY 1966 through FY 1974, the cumulative Federal deficits totaled $103 billion. Net borrowings for supporting over one hundred "off-budget" Federal programs totaled another $137 billion during that decade. As a result, the Federal Government wtihdrew one quarter of a trillion dollars out of the capital markets. But this record is only a prelude to our present situation when Treasury financing requirements will total about $75 billion in calendar year 1975 in order to finance the massive Federal deficits expected. While much of the current deficit results from the recession, which has caused tax revenue losses, increased unemployment compensation benefits and other outlays resulting from the "automatic stabilizers" used to fight recession, a review of the budget details indicates that traditional spending programs are also rising rapidly and new programs are proposed almost every day. As indicated in Table 4, the spending figures included in the original budget submitted by the President last February called for outlays of $313.4 billion in Federal spending in FY 1975 and $349.4 billion in FY 1976. Recent projections by the Office of Management and Budget indicate that FY 1975 outlays will be $324.2 billion, an increase of 20.8 percent over FY 1974 outlays. It should be obvious that government spending—both for temporary stimulus and traditional programs—is increasing at a rate that is creating serious resource allocation problems far into the future and that these pressures will not conveniently disappear as we gradually emerge from the recession later this year.

Looking beyond the recession problems of 1975, we seem to face the dilemma of having an apparently irresistible force of growing government spending meeting the immovable object of future capital investment requirements. But we should no longer consider the growth of government spending and related deficits to be an irresistible force. To do so will inevitably lead to even more serious economic problems of unemployment, reduced real gains in our national standard-of-living and even more inflation resulting from inadequate physical capacity and reduced productivity. We must recognize the basic reality that when we apply too much pressure on our capacity to produce goods and services, the inevitable result is inflation and shortages. The underlying growth trends of the U.S. economy will continue to provide for further economic progress, but we cannot realistically expect to satisfy every new claim within our economy by simply shifting resources from the private to the public sector. Adding new government commitments is not feasible if the total productive capacity of the economy is exceeded.

This guideline has been frequently violated as total demand has increased too rapidly for the economic system to absorb. When this happens, the economy begins a boom and bust sequence with severe inflation and unemployment distortions. Nor can we wish away the problem by claiming that there is plenty of slack in the 1975 recession and that we can ignore problems of overheating the economy until later years. The escalation of government spending levels summarized in Table 4 has already seriously eroded our future fiscal flexibility and the lagged impact of current spending decisions will directly affect the future. In short, if we are to achieve our crucial goal of adding at least $4 trillion of private capital investment by 1985, we must first establish more moderate and sustainable fiscal and monetary policies.

Tax policies

Federal tax policies affect capital investment decisions by determining the after-tax earnings available for investment and by establishing incentives or disincentives for future investment. An OECD study of tax policies indicates that total government tax collections in the United States during the years 1968, 1969, and 1970 were a smaller proportion of the gross national product than in most other industrial nations. The U.S. figure of 27.9 percent for those three years was above that of Switzerland (21.5) and Japan (19.4 percent) but below the levels reported for many European nations, ranging from Italy (30.1 percent) to Sweden (43.0 percent). Since the study was completed, the United States undertook major tax policy changes in 1971 and in March of 1975, but the comparative relationships have probably not changed very much. There is, however, a major difference in the distribution of the tax burden. Only 18.1 percent of the U.S. tax revenues in 1971 were provided by taxes on the consumption of goods and services. Other industrial nations relied much more heavily on consumption taxes: France, 34.8 percent; West Germany, 28.1 percent; United Kingdom, 26.6 percent; Canada, 28.7 percent; and Japan, 20.7 percent.

The definite tilt toward personal and corporate income taxes in the United States is consistent with our historical preference for immediate consumption. It is not my purpose to criticize this historical priority, but the future requirements for capital investment indicate that tax policies should be reviewed. Just such a review has been underway in the Department of the Treasury in preparing for the tax law changes completed last month and in anticipation of a joint review with the Congress in the coming months of possible tax reform initiatives. I do not want to make any specific recommendations this morning because we are still working on our analysis and recommendations. We will want to review the options with Congress before specific actions are suggested. I will merely refer to some of the policy areas that need to be reviewed:

1. *Corporate income tax.*—These taxes directly influence the cash flow available for investment. The rate has vacillated slightly above or below the 50 percent level for many years. While a reduction in the rate of taxation would probably be the most straightforward approach to enhancing investment incentives, any change would represent a major shift in policy and would require extensive Congressional consideration. The Tax Reduction Act of 1975 did increase the corporate surtax exemption from $25,000 to $50,000 and decrease the "normal" tax from 22 to 20 percent on the first $25,000 of earnings. These changes, however, do not affect the tax impact on the great bulk of corporate earnings subject to the corporate surtax.

As part of this on-going review of tax policies we also need to consider the influence on investment of our two-tier system of corporate taxation in which income is taxed once at the corporate level and again at the shareholder level. This approach discriminates against corporate investors generally and small equity investors particularly. An individual in the 20 percent tax bracket in effect pays 48 percent at the corporate level and then an additional 20 percent on what is left for a total tax burden of 58.4 percent, or nearly three times his individual rate. If the individual is in the 70 percent bracket, he pays 48 percent at the corporate level and then an additional 70 percent on what is left. His total tax burden is 84.4 percent. If the same business could be conducted in a noncorporate form, the investors would pay only 20 and 70 percent respectively.

Our tax system puts a great penalty on companies that must incorporate. Companies that do incorporate are those that have large capital needs that must be raised from many persons. We should keep in mind that our system of taxation bears more heavily on corporations than do the tax systems of almost every other major industrial nation. In the last few years our major trading partners have largely eliminated the classical two-tiered system of corporate taxation. Through a variety of mechanisms they have adopted systems of "integrating" the personal and individual income taxes so that the double taxation element is radically lessened.

2. *Investment Tax Credit (ITC)*.—Business firms have strongly supported the ITC as a major stimulus to additional capital investment. Empirical studies do indicate that the amount of investment in machinery and equipment has increased when the ITC has been put into effect and has declined when it is suspended. Some critics believe, however, that the ITC simply influenced the timing and types of investment rather than increasing the total amount. Whichever view is correct, there was strong support for the investment tax credit provision in the Tax Reduction Act of 1975 which increased the credit to 10 percent for two years and removed the lower percentage limitation for utilities.

Unfortunately, this investment tax credit has had an uncertain status once it was initiated January 1, 1962 and businessmen are justifiably concerned about the stability of an incentive which has already been removed twice and then reinstated.

3. *Depreciation guidelines*—The amount of capital recovery charges permitted for tax purposes also influences the after-tax earnings available for private investment. In 1954 the Internal Revenue Tax Code was changed to permit depreciation charges to be made on an accelerated basis. The official guidelines were again liberalized in 1962, and in 1971 the Asset Depreciation Range (ADR)—along with the investment tax credit—was added to the regulations.

The ADR rules allow companies to select a time period for calculating depreciation within a range of 20 percent above or below the Treasury guideline which specifies useful life periods for various assets. Despite these adjustments, American businesses complain that they have a competitive disadvantage compared with some other nations. American firms using both the ADR and the investment tax credit can recover 55 percent of the value of new investments during the first three years. By comparison, the allowances in other nations are as follows: Canada, 100 percent; France, 90.3 percent; Japan, 63.9 percent; United Kingdom, 100 percent; and West Germany, 49.6 percent. It should be added that the U.S. position becomes more comparable by the seventh year. Various business groups have proposed further liberalization, such as a wider ADR percentage, but further consideration should be part of the general tax reform analysis involving the Department of the Treasury and the Congress.

4. *Special Incentives*—The government is frequently asked to provide special incentives in the form of reduced or delayed taxes, accelerated depreciation schedules, capital grants or other benefits to enhance the rate of return on capital investments. While such incentives are usually requested on the basis that they will contribute to the achievement of some national priority, it is usually difficult to justify such special treatment. When special advantages are given to a specific industry or geographical region, others become relatively disadvantaged and it is very difficult for government authorities to determine which claims should be favored, particularly in a dynamic economy where priorities can change rapidly. While there may be a few specific situations where the government should intervene in the allocation of resources which is now handled efficiently by the private markets, my overwhelming preference is to avoid the economic distortions which are found to occur.

Corporate profitability

The final area of concern that I want to address here is the future outlook for corporate profitability. Such profits are, of course, *the* major incentive for additional investment and an important source of funds for financing outlays, along with various external sources. In a fundamental sense profits are the driving force of our system—the engine that pulls the economic train for the 85 percent of our work force still in the private sector—and they are just as much a "cost" of doing business as payments to workers, supplies of materials and services, taxes, etc.

Unfortunately, corporate profits are too often thought of as an unnecessary claim required by greedy businessmen rather than the basic incentive in our economic system. Public opinion surveys in the 1930s and in more recent years are consistent in indicating that the general public thinks that profits account for approximately 28 percent of the sales dollar. The fact is, however, that profits account for approximately 5 cents out of each dollar of sales. Actual earnings of business firms are thus far below what the general public—and some Members of Congress—perceive them to be. In fact, corporate profits will have to improve substantially in order to provide the necessary incentives and to make the necessary contribution to future investment outlays. My concern is that the negative attitudes about profits held by many Americans might become an unfortunate part of public policy. We must avoid legislation and regulation that is punitive of profits honestly earned. The result could only be that capital formation would be inhibited, and the real purchasing power to wage earners would rise more slowly. We must always be alert to the fact that profits translate into jobs, higher wages, and an increased standard of living for all of our people.

One important reason why there is so much misunderstanding about corporate profitability is that our accounting system has not yet been able to adapt to the disruptive effects of the double-digit rate of inflation we have suffered. Inflation hurts investment by increasing the prices of new assets and eroding the purchasing power of corporate earnings. Taxes must be paid on reported earnings even though these figures are exaggerated by inventory valuation profits and the inadequacy of capital recovery allowances, which are based on the historical costs of existing assets rather than the inflated outlays required for new assets. Inflation also disrupts investment by discouraging savings once the general public recognizes that the purchasing power of such commitments is eroded so quickly.

IV. SUMMARY

As we strive to end the most severe economic recession in our postwar experience, my deep and abiding concern about the future adequacy of capital investment will perhaps appear to be ill-timed to some analysists. There is extensive slack in our economy with an unemployment rate near 9 percent and reduced rates of plant capacity utilization in many specific industries. The economic slide, however, will not last much longer, and we will again be reporting real growth gains before the end of the year. As the pace of economic activity accelerates, we will likely rediscover shortages of labor and production capacity. In fact, some industries still have high plant capacity utilization ratios, and many types of skilled labor will be difficult to find even in the early stages of economic recovery. In 1971 it was widely believed that extensive slack existed but the economy was again operating at a very high rate of capacity by 1972 and shortages and explosive inflation soon occurred.

Our statistics on plant capacity have always been uncertain measures, and current economic conditions have motivated the Department of Commerce to give top priority to a comprehensive survey of production capacity as a basis for preparing more meaningful estimates of plant capacity utilization rates. It is ironic that such a fundamental factor in preparing national economic policies has been based on such uncertain economic statistics.

Dr. Pierre Rinfret, President of a well known economic consulting firm, Rinfret Boston Associates, Inc., has published an impressive study of the national production capacity which indicates that our current government statistics grossly underestimate the rate of capacity utilization in American industry and that there is virtually no reserve capacity. His study estimates that the capacity utilization rate for manufacturing industries was 86.6 percent in 1974 (Table 8) a figure well above the government's estimate for 1974, of 78.9 percent. It should also be emphasized that the concept of operating at 100 percent of physical capacity is misleading. Over the last fifteen years the government figures indicate that manufacturing capacity utilization has averaged only 83 percent despite some periods of intense output. The highest figure reported by the government during these fifteen years was 91.9 percent for 1966. Most companies need to preserve some reserve capacity to handle unexpected output requirements and to substitute for operating assets which need repairs or replacement. Therefore, the existing government figures do not accurately measure the realistic level of capacity utilization.

Looking beyond the current problems of recession and sustaining an economic recovery, the additional capital investment of at least $4 trillion from 1974 to 1985 represents a major challenge to the future growth of our economy. We must also give careful attention to the problems of specific industries in attracting needed investment for balanced growth. I am confident that these basic goals can be accomplished. But the desired results will require government policies which will moderate inflation and balance the Federal budget over time in order to avoid diverting needed capital away from investment and into the financing of chronic Government deficits. A continuation of the fiscal and monetary distortions of the past decade will only frustrate our capital investment efforts and lead to still more serious economic problems in the future.

FULL FUNDING FOR NASA

Mr. TUNNEY. Mr. President, I would like to take a few moments to express my views in H.R. 4700, the authorizing legislation for fiscal year 1976 for the National Aeronautics and Space Administration. I strongly support full funding for NASA, and for that reason, I strongly supported passage of H.R. 4700, and I am pleased that the Senate approved this important legislation.

I am aware that some would have us cut our funding for NASA, or end it altogether. That seems to me to be a shortsighted attitude, which, in the long run, may cost us dearly.

The NASA budget request for fiscal year 1975 is $3.539 billion. The bill authorized the expenditure of some $3.544 billion. Both of these amounts represent less than 1 percent of our projected Federal budget of close to $370 billion for fiscal year 1976. For the price, I believe we are getting benefits so fundamental and so important to our future that we can hardly afford not to pay for them.

First, we can expect to continue to expand our knowledge of space itself, and consequently extend man's capacity to understand and utilize the hostile environment beyond the Earth's atmosphere. We have seen in past years how our knowledge of space both within and without our solar system has helped us to know more adequately the fundamental facts about the origins of the solar system, man's capacity to adapt to unfriendly circumstances, and ultimately the key to the origins of life itself. Our need for such knowledge did not end with our trips to the Moon or the Skylab program.

Knowledge about space is worthwhile in and of itself. On these grounds alone, we would be well justified in continuing manned space programs like the Space Shuttle, and unmanned programs, such as Viking.

Of course, our benefits do not end there. NASA's work and our space program have paid bountiful dividends here on Earth. We can cite a few of the thousands of examples. Unmanned satellites such as Landsat and Seasat have enabled us to map Earth's resources comprehensively for the first time, the first necessary step toward the coherent resource planning which is a must for the future. Knowledge about the solar environment and our own atmosphere have allowed us to minimize disruptions in our worldwide communications network, a vital lifeline around the globe. Weather and geological information fathered from our manned and unmanned space vehicles has vastly expanded our capacity to understand Earth's environment and man's interactions with it, giving us the capacity to minimize man's harm to nature and nature's harm to man. Breakthroughs in space medicine have been translated into lifesaving health benefits here at Earth.

In short, the NASA program has produced undeniable and incalculable gains in man's scientific and technological knowledge, and better understanding of the steps necessary to preserve the planet and improve living conditions here on Earth. As chairman of the Science and Technology Subcommittee of the Commerce Committee, I am fully aware of the role science and technology must play in our Nation's future. I am even more aware of the central role which NASA has played in making this country the scientific and technical leader of the world. If we are to preserve our lifestyle, and to solve successfully the increasingly complex environmental and resource riddles facing us, NASA will continue to be an indispensable cog in our scientific and technical apparatus.

The alternative to full NASA funding is the steady decline of NASA matched by the steady deterioration of our scientific capacity. We should not delude ourselves in the belief that we can gear up quickly to reverse any such decline. It is taken us almost two decades and many billions of dollars to create a technological complex of NASA's sophistication. It would be unbelievably difficult, perhaps impossible, for us to repeat that process. The decision we make today on funding will mark our degree of commitment to the future of NASA—whether to begin the dismantling process or allow it to function as an important part of our complex for dealing with the future. I believe we must decide in favor of full funding, and for that reason, I will vote in favor of H.R. 4700.

There's another reason why this authorization is crucial. It is not just a bill to preserve our scientific know-how. It will also help to assure jobs for hundreds of thousands of Americans in the aerospace industry and related fields.

It is been estimated that 72 percent of NASA's spending goes into payrolls. That means that over $2.5 billion of the $3.5 billion we authorize here today could go into job creation. That is pretty encouraging, when we consider the bleak unemployment statistics we face today, especially when those jobs are producing high-quality results—the kind NASA produces.

In my home State of California, for example, it is estimated that full funding for NASA would mean almost 52,000 jobs—2,200 civil service and permanent NASA jobs, and 49,700 contractors' positions. Also, 27,000 jobs will be provided by the Shuttle program alone, as well as 500 or so for the Landsat program, 400 to 500 positions for the vital Seasat concept, 100 jobs in the large space telescope study, and about 2,000 posts in connection with the high energy astronomical observatory. All of those programs perform important scientific functions, and they will put Americans to work. The number of jobs in California by the end of fiscal year 1976 will be about 6,000 more than it will be at the end of fiscal year 1975. And that increase will occur with virtually no increase in funding. Any time we can get more jobs without massive increases in authorizations, we should support funding for such a program. That is what the NASA program will give us, and it is a very good reason for us to back it with Federal dollars.

Direct NASA funding of jobs is not the whole story, either. Every NASA job results in the creation of 2.8 other jobs in peripheral activities. In California, that means over 200,000 jobs will result from our efforts. In the Nation as a whole, more than a half million jobs could be created directly or indirectly through NASA funding. That makes the economic justification for funding NASA as persuasive as the scientific reasons.

In short, I regard the NASA authorization as vital to our country's scientific and economic well-being. It is one of the very best investments we could make. The dollars we spend on NASA funding will be returned to us many times over during the coming years. The people employed, the hardware created, and the knowledge generated will be invaluable in providing better lives for us and our children and in solving the complex problems lurking in our future. NASA's record and its promise make this funding legislation a long-term bargain. Cutting NASA funding may gain us a few dollars for the present, but it could cost us immeasurably in the future. I am gratified that the Senate has seen the importance of NASA's continued vitality to our country's future and acted to secure that future. Approval of H.R. 4700 was a large step in that direction.

DEATH OF KIVIE KAPLAN

Mr. BROOKE. Mr. President, Kivie Kaplan, a crusader for civil rights, a philanthropist and a dear friend, died as he had lived, traveling on a mission of good works.

He had labored long and well as President of the National Association for the Advancement of Colored People and as the builder and chairman of its Life Membership Committee. He is also recognized as a "prime contractor" in the building of the NAACP into what he called, "the oldest, largest, most feared and most respected civil rights organization".

He had, as a Jew, lived and worked in the highest tradition of Judaism.

He had served his country and fellowman with patience, perseverance, and total dedication to the principles of equal opportunity and equal justice under the law.

To those of us who were privileged to know him, Kivie will be remembered as a quiet, gentle man who did good deeds all the days of his life and who somehow always managed to smile and to recommend smiling to others.

Mr. President, a grateful people extend to his loving wife, Emily, and his devoted children, Edward, Sylvia, and Jean, and to his grandchildren, family and host of friends, our deepest sympathy.

We have truly lost a good and righteous man.

THE TAX REBATE

Mr. BIDEN. Mr. President, during consideration of the Tax Reduction Act, along with several of my colleagues, I supported efforts to eliminate the tax rebate provisions. Virtually every poll taken indicates that the rebate will not be spent on new consumer goods and thus will not accomplish its purpose of stimulating the economy. In other words, Mr. President, we are not getting sufficient "bang for the buck."

In his typical tongue in cheek fashion, Art Buchwald described the probable use of the rebate in a recent column in the Washington Post. As Buchwald indicates, the money will be used to pay higher food, fuel, and governmental costs. This is no doubt a laudable purpose—after all, who would not want some extra money? However, that is not what we were trying to do by enacting the Tax Reduction Act. What we were supposedly doing was stimulating the economy and, as Buchwald makes clear, the rebate provisions do not aid in this effort.

Mr. President, I commend this column to the attention of my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Taking the Fun—and Profit—Out of the Tax Rebate

(By Art Buchwald)

The day Malcolm Dundee's $200 income tax rebate was scheduled to arrive, a large crowd gathered on his lawn. Word had gotten out that Dundee was to be the first person in Clarion Falls to get the rebate, and the town was full of excitement. His congressman, Jeremiah Lowball, had flown in from Washington for the occasion, the Clarion Falls High School band had suited up in their blue-and-gold uniforms and a television crew from Grimstead had set up their cameras to record the historic event.

Dundee had made his children get dressed up in their Sunday clothes, and he and Mrs. Dundee stood nervously on their porch awaiting the arrival of their check.

"Here it comes!" someone shouted as the mail truck hove into view.

It stopped at the curb and the mailman got out holding the familiar brown government envelope with the green check peeking through the cellophane window.

A TV correspondent pushed a microphone in front of the mailman's face and he said, looking into the camera, "Neither snow, nor sleet, nor heat of day would stop me from delivering this tax rebate to Malcolm Dundee of 110 West Zitherford Drive."

The crowd broke into a cheer and the band struck up "Pennies From Heaven."

"Give him room," someone yelled, "to deliver the check."

"It's out of my hands," Lowball said. "We voted you a rebate to spur the economy but we can't tell you how to spend it."

The mob reluctantly opened up a path on the sidewalk.

Dundee was beaming, and his wife squeezed his hand. "Did you ever think we'd see the day," she whispered to him, "when we'd get a tax rebate?"

"I dreamed about it," Dundee whispered back, "but I never thought it would happen."

The mailman walked slowly up the walk as Dundee waited, hand outstretched.

Suddenly from out of the crowd a man jumped forward and grabbed the check.

"Hey, what are you doing?" the mailman said.

"This check belongs to me," the man said.

"Who are you?"

"I'm from the electric company. We've just raised our rate and the $200 check should cover it."

Another man grabbed part of the check and said, "I'm from the telephone company and this check belongs to us."

"Be careful," Dundee cried, "you'll tear it."

A third man joined the melee and grabbed the envelope.

"I'm from the bank. Dundee owes this for interest on a loan we made to him to pay his income taxes."

A fourth man pushed the banker away. "Not so fast. I'm from the county real estate tax assessor's office and this check must go for the surcharge we put on Dundee's house."

"Over my dead body," said another man. "I'm from the state income tax bureau. We have a lien on all tax rebates Dundee gets from the federal government."

The men were now rolling on the ground trying to get their hands on the brown envelope. They were joined by a collector from group health, the gas man, a water inspector and a lawyer who helped fill out Dundee's tax return.

In no time at all the check was in shreds. Mrs. Dundee was in tears.

"Congressman, can't you do something?" Dundee said.

PERSONAL FINANCIAL REPORT OF SENATOR MATHIAS

Mr. MATHIAS. Mr. President, I have made a personal disclosure of assets and liabilities to the Select Committee on Standards and Conduct on behalf of Mrs. Mathias and myself. I ask unanimous consent that the report be printed in the Record, so that it may be available to the public and to the press.

There being no objection, the report was ordered to be printed in the Record, as follows:

May 14, 1975.

Hon. Howard W. Cannon,
Chairman, Select Committee on Standards and Conduct, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Senate Rules 42 and 44, I have submitted the information required.

In addition to that disclosure, Mrs. Mathias and I wish to follow the practice that we established when I was a member of the House of Representatives of informing the public of what we own and what we owe. We have listed our assets, our liabilities, taxes paid and our income over and above Congressional pay. A copy of this voluntary report is enclosed for your information and an additional copy will be submitted for publication in the Congressional Record.

Sincerely yours,
Charles McC. Mathias, Jr.,
U.S. Senator.

Enclosure.

Disclosure of Financial Interests

ASSETS

Equity in Federal Retirement System
Life Insurance
Livestock and Farm Machinery
Real Estate

House: RFD#2, New Design Road, Frederick, Maryland, Liber 623, Folio 90, Frederick County. Purchased 1958.

House: 3808 Leland Street, Chevy Chase, Maryland, Liber 3328. Folio 060, Montgomery County. Purchased 1965.

Half interest in Farm: 41.66 acres, Frederick Election District, Liber 587, Folio 339, Frederick County. Purchased 1957.

Half interest in House: 306 Redwood Avenue, Frederick, Maryland, Liber 577, Folio 489, Frederick County. Purchased 1956.

Lease and option in Farm: 370 acres, Kabletown District, Jefferson County, West Virginia, Liber 196, Folio 337, Jefferson County. Leased 1963.

STOCKS

Farmers and Mechanics National Bank, 1,551 shares.

Capitol Hill Associates, 4 shares.

Citizens Bank of Maryland, 19 shares.

Frederick Medical Arts, 15 shares.

G. D. Searle & Co., 90 shares.

First Pennsylvania Corporation—common, 137 shares.

First Pennsylvania Corporation—preferred, 2 shares.

Massachusetts Investors Growth, 139.446 shares.

The Detour Bank, 7 shares.

The Great Atlantic & Pacific Tea Company, 6 shares.

Warner Lambert Pharmaceutical Company, 152 shares.

Maryland National Corporation, 258 shares.

Farmers Cooperative Association, 3 shares.

Liabilities

Debts due on mortgages, collateral and personal notes to:

First National Bank of Maryland, Baltimore, Maryland	$40, 500. 00
Frederick County National Bank, Frederick, Maryland	3, 200. 00
Farmers & Mechanics National Bank, Frederick, Maryland, mortgage, farm, Frederick County	46, 000. 00
Walker & Dunlop, mortgage 12/31/74 3808 Leland Street, Chevy Chase, Maryland	25, 217. 40
Walker & Dunlop, mortgage 12/31/74 306 Redwood Avenue, Frederick, Maryland	1, 251. 24
Total interest paid	8, 704. 18

Interests in Trusts or Remainders

Trust established under the Will of Grace Winebrener Trail, Circuit Court for Frederick County, Maryland, Equity No. 7707.

Trust established under the Will of Charles McC. Mathias, Sr., Orphans Court, Frederick County, Maryland, Estate No. 8983.

Trust established under the Will of Fanny Gore Cutler, Suffolk County Court, Boston, Massachusetts, No. 046024572.

Year, 1974.
Investment income, $2,105.20.
Interest income $365.47.
Honoraria (net), $9,300.00.
Net rents, $1,300.00.

Federal Income Tax paid, $6,668.98.
State & local taxes paid, $5,208.89.

PROPOSED WHITE HOUSE CONFERENCE ON WOMEN

Mr. HOLLINGS. Mr. President, I would like to speak today in behalf of Senate Joint Resolution 25, a joint resolution introduced by Senator INOUYE authorizing the President to convene a White House Conference on Women next year as part of our Nation's Bicentennial celebration.

I can think of no better time and no better forum for affording the women of our country an opportunity to assemble to discuss their common problems and to inaugurate some definitive programs for improving the status of women in the United States.

Certainly 1976 would be a good starting point from which the Nation could proceed to settle some of the real problems women face today. We will be focusing our attention on the revolutionary beginnings of the country at that time, and it will be an opportune time to remind ourselves of the integral role women have played in the history of the greatest democratic nation in the world. As we know, in the past, a White House conference has been instrumental in finding ways to solve problems in areas such as old age, youth, labor, and minority status, and it would offer an excellent vehicle for assimilating the diverse opinions and ideas surrounding the status of women and effecting a meaningful national program aimed at solving such problems as equal credit opportunities, availability of child care services, and flexible hours for working mothers.

I would point out that 1975 has been proclaimed International Women's Year by the United Nations. There has been almost no official interest in the event across the country. I agree with Senator INOUYE that passage of this resolution would raise the level of consciousness in America concerning the problems of women, and I would urge my colleagues in the Senate to support its enactment.

Many of us in the Congress have worked long and hard trying to bring about meaningful change for women. We have not always been successful. But I think we can prove that America is still a nation dedicated to equality and fairness if, in 1976, we make a maximum effort in this area. And I think that authorization of a White House Conference on Women would demonstrate the good faith of the Government in being dedicated to improving the status of women.

For that reason, I support Senate Joint Resolution 65, and I urge my colleague in the Senate to do the same.

EQUAL EMPLOYMENT OPPORTUNITY ENFORCEMENT

Mr. JAVITS. Mr. President, the chairman of the Committee on Labor and Public Welfare, Mr. WILLIAMS, and I are both deeply distressed by reports which have appeared in the press this past week, and by two reports issued by the General Accounting Office last week, which indicate gross inadequacies and inefficiencies in the enforcement of equal opportunity legislation by the Department of Labor, the Equal Employment Opportunity Commission, and the Civil Service Commission.

I ask unanimous consent that a joint statement on behalf of Senator WILLIAMS and myself on this vital subject be printed in the RECORD. I also ask unanimous consent that a September 10, 1974, letter from myself and Senator WILLIAMS to then Chairman John Powell of the Equal Employment Opportunity Commission detailing our earlier concerns on this matter, also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF SENATORS WILLIAMS AND JAVITS ON EQUAL EMPLOYMENT OPPORTUNITY ENFORCEMENT

Last week the General Accounting Office issued a report evaluating the activities of the Office of Federal Contract Compliance of the Department of Labor and the various other Federal agencies with compliance responsibilities under the Federal Contract compliance program.

We are shocked by the apparent existence of pervasive maladministration and inefficiency which are pointed up in the report. We are equally distressed by the continuing inadequacy of the Federal Government's entire equal employment opportunity program, as administered by OFCC, the Equal Employment Opportunity Commission, and the Civil Service Commission.

The letter of the law is clear and unequivocal and it must be implemented by those agencies of the government to which it has been entrusted.

As a result of the continuing ineffectiveness of the government effort to eradicate employment discrimination, we have ordered the staff of the Committee on Labor and Public Welfare, on which we serve as Chairman and ranking minority member, to conduct an immediate investigation of the entire range of activities in the employment discrimination area in order to determine what remedies must be applied in order to insure that the law, as contained in Title VII of the Civil Rights Act and Executive Orders 11246 and 11375 is complied with.

We will not permit this unconscionable situation to continue. When the report is complete we will take whatever further legislative or oversight actions are necessary to speed compliance with the law.

The level of achievement of equal employment opportunity is wholly inadequate when measured in terms of the number of years that this issue has been recognized as a leading cause of social injustice in this country and in light of the numerous Congressional efforts to assure the full eradication of employment discrimination.

Despite the adoption of major amendments in 1972 to strengthen that agency's role, its effectiveness continues to be hampered by a low level of enforcement and administrative problems.

The Labor and Public Welfare Committee has continued an on-going investigation of this agency for several years now. Based on preliminary information which we had received, during 1973 we requested the General Accounting Office to conduct a thorough investigation of the operations of the EEOC, report back to the Committee the problems that they found, and offer recommendations as to how the agency's performance could be improved.

When we received the first preliminary findings from the GAO in June of 1974, the record of ineffective enforcement coupled with major internal administrative problems at the agency was clearly presented. At that time, we submitted a summary of the GAO's findings by letter to the then Chairman of the EEOC as suggestions to the agency for its improvement. We have attached that letter to this statement so that our efforts in this area become a matter of public record. The investigation of that agency is continuing, and we are hopeful that additional findings of the GAO will be helpful in fulfilling that agency's vital role.

Similarly, at the end of last month, Mr. President, we received a report from the GAO on its investigation of the operations of the Office of Federal Contract Compliance. That report was the outgrowth of a series of hearings on the status of women in employment which were conducted by the Fiscal Policy Subcommittee of the Joint Economic Committee. The initial investigation was confined to an evaluation of efforts at improving equal employment opportunity for women. However, the GAO found that there was reason to believe that the entire federal contract compliance program was not meeting its responsibility of enforcing equal employment opportunity among all federal contractors and the inquiry was broadened to include the entire area of OFCC responsibility. The report by the GAO, which was made public last week, reinforces this initial conclusion. It points to serious deficiencies in the compliance efforts by the Department of Labor's OFCC, and the various Federal compliance agencies assigned responsibility to insure that the Federal prohibitions against discrimination by Federal contractors are effectively carried out.

The Federal Contract Compliance program, as embodied in Executive Order 11246, is designed to insure that Federal contractors and sub-contractors are providing fair and equal job opportunities for all persons. Federal contractors employ approximately 25 million workers, more than one-fourth of the total work force in the country. The Federal contractor enforcement program is administered by 11 Federal Agencies who are responsible for the actual contract compliance functions. Overall supervision and policy determination is the responsibility of the Department of Labor through the OFCC. It is indeed tragic that these rights are not being effectively enforced.

The report from the GAO points up an unconscionable number of serious deficiencies in the operations of the entire federal contract compliance system, and notes several areas where lax administration and a lack of procedures have resulted in weak and erratic enforcement.

Executive Order 11246 requires that when Federal contractors do not meet the requirements for fair employment set out in the order, the various compliance agencies must initiate enforcement actions, which may include contract cancellation or debarment from future contract bidding. The GAO report notes that at this time 10 years after the issuance of the Executive Order only a single debarment action has taken place. The Department of Labor and the OFCC also have not yet developed a fully operational system for assessing the progress Federal non-construction contractors have made or are making in achieving equal employment opportunity for minorities and women. Similarly, Mr. President, the report shows that the Department and the OFCC are virtually ignoring the necessary follow-up and monitoring of compliance programs in the non-construction industry necessary for effective compliance. For example, the report notes that since 1972 the Department has evaluated the nonconstruction compliance program of only one of the 11 compliance agencies.

The report also notes that there are numerous weaknesses in the entire system. For example, certain of the compliance agencies are shown to be approving affirmative action programs which do not meet the minimum guidelines established by the OFCC; most of the compliance agencies are not reviewing an adequate proportion of the contractors for whom they have responsibility; and, in direct derogation of Department guidelines, some compliance agencies are authorizing contract awards without the required preaward reviews.

One fact is particularly indicative of the laxness with which the enforcement program is being carried out. As noted on page 30 of the report, twelve of the then thirteen compliance agencies have not yet even identified all of the contractors for which they have responsibility. This fact, Mr. President, is inexcusable.

The Federal Government spends in excess of $50 billion per year on Federal contracts. It has established rules and regulations requiring that any Federal contractor receiving such public money must adhere to the national policy of equal employment opportunity. Yet, those Federal agencies which have the responsibility for insuring that these requirements are met are not even aware of all of the contractors whose compliance they must assure. We must admit, Mr. President, that is close to total irresponsibility.

The report notes another fact that we have been aware of for some time; there is virtually no communication between the OFCC and its compliance agencies and the Equal Employment Opportunity Commission. Despite the existence of a memorandum of agreement between the two agencies, which appears to require a close and cooperative effort, the real facts show that these two agencies frequently not only do not know what the other is doing with respect to the identical employer, but are often working at odds with each other. The GAO found, for example, several instances of compliance agencies issuing preaward clearance for contractors who had several EEOC complaints against them. This area deserves further attention, since it is both a waste of valuable government resources and unfair for the Federal Government to subject employers to repeated inconvenience and disruption of their operations on similar or identical issues when a cooperative and concerted effort could achieve a much more effective climate for insuring equal employment opportunity. Further, where there are conflicting and inconsistent requirements or agreements by the OFCC and the EEOC, which inevitably occurs without close cooperation, the employer involved will feel encouraged to evade compliance altogether by playing the one agency's requirements and procedures off against the other.

We attempted to remedy this situation in 1972 when we provided for the Equal Employment Opportunity Coordinating Council. This body, comprised of the top Federal officials responsible for equal employment opportunity, has the assigned task of providing for policy coordination in this area. It is obvious to us that this has not been fully effected and we will re-emphasize the need for that body to function effectively.

These facts are bad enough, Mr. President, but there is one other area of equal employment opportunity which we cannot overlook. For the Federal Government to enforce equal employment opportunity requirements on employers in the private sector, it must also put its own house in order. It is a well-known fact that employment discrimination in the various federal agencies is frequently as prevalent and as blatant as that of the worst private sector violator.

We have had occasion to address this problem before. In 1972, when we adopted the Equal Employment Opportunity Act of 1972, we added a new section 717 to Title VII of the Civil Rights Act of 1964 which reaffirmed the principle that the Federal Government must itself eliminate discrimination in its own ranks, and which established certain requirements and rights within the Federal employment sector toward this end.

Our review since that time, Mr. President, leads us to the conclusion that the Federal agencies have been less than fully committed to achieving this goal. Since the adoption of the 1972 amendments, we have carefully observed and monitored the progress which the Federal agencies have made in this area. It appears to us, virtually without exception, that the commitment to equal employment opportunity in the Federal sector and compliance with nondiscrimination requirements has been minimal at best.

The Committee on Labor and Public Welfare has several investigations currently underway to determine more precisely the level of compliance in the Federal sector. We are also aware, Mr. President, of the periodic reviews that have been done in this regard by the U.S. Civil Service Commission, which has the overall responsibility for enforcing these rights. However, the problems which we are uncovering are abysmal, and have confirmed our worst fears as to haphazard and cavalier treatment of these important rights. We feel that the Commission is relying too much on the judgments of the agencies and is not paying enough attention to the rights of the employees and needs to reform its performance accordingly.

Last month we received a report from the GAO of an investigation undertaken at our request of the National Aeronautics and Space Administration (NASA). This report points up our worst fears and is, we believe, typical of the kinds of problems that are encountered by aggrieved employees in many Federal agencies.

Without enumerating all of the findings and recommendations that the GAO has included in its report, we would like to note that the report indicates generally that the current system of agency handling of equal employment opportunity complaints, as prescribed by Civil Service Commission procedures, is not effective in rooting out the causes of employment discrimination. During its investigation, the GAO has noted that 24 per cent of employees interviewed at NASA indicated that they would not file a discrimination complaint even if they felt that they had been discriminated against and 58 percent of the equal employment counselors themselves indicated that they felt that employees had no confidence in the current complaint system. Similarly, 35 percent of the employees did not know the first steps to take in registering a complaint; 72 percent did not know that a complaint had to be filed within 30 days after the discriminatory act occurred, and 55 percent did not know that their names could be kept confidential.

These figures reflect one part of the total picture of the lack of understanding and commitment on the part of the agency. There are other portions of the report which are similarly critical of the hiring and promotion systems of the agency, the procedures used in evaluating the agency's affirmative action plans, and the system of candidate referral from the Civil Service Commission.

While this Committee has already conducted extensive studies and reviews of the Federal and private equal employment enforcement effort, we do not intend to stop here. As long as we continue to receive reports of the maladministration of equal employment programs, and the persistence of discrimination against minorities and women, we will continue to strive for improvement by the government, both as an employer, and as the guarantor of fair employment practices in the Nation.

We are currently continuing investigations in nine Federal agencies and will begin a study of the hiring practices of 10 selected agencies this fall. We are also continuing our review of the operations of the EEOC, with the aim of assisting in the establishment of an effective and efficient system of Title VII enforcement throughout the Nation. We have shared our views with the agency, and we have seen some positive changes made in its operations as a result, but many more are needed. We will continue to accelerate this effort.

We also feel, Mr. President, that the Committee will have to become more actively involved in the administration and enforcement efforts of the Civil Service Commission pursuant to the 1972 amendments.

In sum, Mr. President, our work to date has shown us that there is much that remains to be done in the area of equal employment opportunity in this Nation, and that neither this Committee, nor the Congress, can rest on the accomplishments of 1964 and 1972 with the adoption of the major Civil Rights laws designed to achieve this end. Equal employment opportunity continues to be a matter deserving of the highest National importance, and this Committee and the Congress must continue to take all legislative or oversight actions which are necessary to insure that the attainment of this goal not be allowed to lag or be eclipsed by other matters.

WASHINGTON, D.C., *September 10, 1974.*

Hon. JOHN H. POWELL, Jr.
Chairman, Equal Employment Opportunity Commission, Washington, D.C.

DEAR MR. CHAIRMAN: This past January we requested the Comptroller General to obtain detailed information on the Equal Employment Opportunity Commission's implementation of Title VII of the Civil Rights Act of 1972. The Subcommittee staff has analyzed this data and identified a number of issues which should be thoroughly reviewed. We know that you are already cognizant of the need for improvement in the Commission's operations and trust that these comments and findings will assist you in addressing the problems which appear to have hindered the implementation and positive impact of the 1972 amendments.

COMPLIANCE PROCESS

Successful implementation of the Act depends upon the effectiveness of the non-litigation methods of enforcement since the litigation process itself cannot be expected to handle the large volume of charges referred to the Commission. It is imperative therefore that the investigative-conciliation function handle a large majority of charges in an effective and timely manner. The investigative-conciliation stages appear to suffer significant deficiencies.

Investigation constitutes a major bottleneck, accounting for the bulk of the steadily increasing backlog of unresolved charges. At the conclusion of Fiscal Year 1973, 83 percent of the active charges were in the investigative and preinvestigative stages. As of February 5, 1974, this proportion had increased to 90 percent.

Part of this increase can be attributed to insufficient manpower resources. As of January 15, 1974, 20.4 percent of the budgeted investigator and conciliator positions were vacant. This may be partly attributed to the lack of advancement opportunities, attractive job offers from other agencies, and the demands of the job. However, the resulting heavy workload and lack of motivation operates to place tremendous pressure upon the EOS investigator in two ways: (1) charges cannot be handled in a timely fashion and heavy backlogs have developed; and (2) the investigator is frequently forced to emphasize quantity considerations at the expense of quality investigations.

The apparent poor quality of investigations has been noted frequently. Some conciliators indicate that they must often reinvestigate cases to obtain remedial information. The Justice Department reports that their investigators must often re-investigate cases referred to them by the Commission because the original investigations are inadequate. Part of the high rejection rate of cases referred to litigation centers is also attributable to the poor quality of investigations.

The de-emphasis of quality considerations is apparent from the fact that quality is not included as a variable in the Performance Measurement System (PMS). Therefore, when PMS is used as a performance measurement tool, individuals are judged on the number of determinations made. Investigators are encouraged to complete a large number of investigations without regard to the thoroughness of the investigations or the number of successful conciliations achieved from their investigations. It is essential that a program which deals with such a sensitive matter as discrimination, and which seeks an impact on well-entrenched institutional, forces such as seniority systems, should build quality criteria into its performance evaluation system.

The situation is aggravated by training that is lacking in proper planning, preparation and goal orientation. Classroom experience is often repetitive and uncorrelated with practical situations. In addition, training activity appears uncoordinated and fragmented. The Employee Development and Training Branch, the Decision Division and field offices are all conducting training. There exists no single division which has the responsibility for training or even for coordinating the training efforts of the various divisions.

In regard to the conciliation process, the success record has not improved overall in the last 5 years. Only 43 percent of the conciliations were successful in 1973 (down 15 percent from 1971). Much of the recent reported increase in successful conciliations is due to the use of Predetermination Settlements (PDS). In addition, we find that if the two factors included in the calculations of the PDS success rate (namely, unsuccessful to investigation and unsuccessful to determination) were included in the computation of the conciliation rate, the rate would drop from 51.5 percent to 43 percent, a considerable reduction. Some of the same problems noted with regard to the poor quality and the backlog in investigations are probably also responsible for failure to show significant improvement in the success rate. Indeed, the investigations themselves are a major contributor to the low success rate of conciliations.

LITIGATION PROCESS

The passage of the 1972 amendments provided for the first time an Office of General Counsel (OGC) to conduct litigation in behalf of the Commission. It was expected that litigation centers would handle only a small residual of the charges. However, the ineffectiveness of the investigative-compliance process has led to a significant number of unsuccessful conciliations being forwarded to the litigation centers. The length of time required for approval of cases is over three months, and each case that is referred is already an average of three years old. In spite of the large number of cases referred, the number of cases actually initiated or filed by the centers is far below the goals they set; for the first half of Fiscal Year 1974, less than 50 percent of the planned cases were initiated and only 2 of 21 planned regional cases were initiated. It appears that both over-burdening and poor organization are responsible.

That 80 to 90 percent of the unsuccessful conciliations are rejected as unsuitable for litigation indicates that the coordination between litigation centers and district offices is inadequate. According to the Office of General Counsel, most cases are rejected because of insufficient evidence. This is at least partially attributable to the fact that the standard used by litigation centers for finding cause is preponderance of the evidence while the standard adopted by the district offices calls merely for reasonable cause. No attempts to adjust these differing standards seem to have been made. Neither have the litigation centers availed themselves of the use of discovery. As a result, major morale and credibility problems have developed at the litigation centers.

Finally, in respect to overall personnel strength, upon examination of the fiscal year 1973 workload, there seemed to be no relation between charges received, charges resolved and positions allocated or on board. EEOC officials could state only that they eventually hoped to secure 60 EOS personnel for each district office, but could offer no rationale for that number. It is evident that as yet no systematic allocation method has been devised. The same holds for the personnel at litigation centers. In large measure, this is due to the state of the present data-collection systems.

DATA COLLECTION SYSTEMS

Another major impairment can be found in the lack of an accurate record-keeping system. Evidently, EEOC has experienced record maintenance problems for some time. A 1972 EEOC report implies that of the 32 district offices analyzed, 22 had discrepancies of 20 percent or greater in their charge inventory accounts. Many charges and cases are simply and irresponsibly lost. Of 75 charges and cases studied in two district offices, 23% could not be located. This situation, unfortunately, still remains. Recent follow-up information, which tested the validity of 77,402 charge records, found:

Approximately 6,000 charges assigned to investigators which were not reported as assigned to investigation.

10,346 charges reported as returned from deferral which had not previously been reported as deferred.

11,433 deferred charges on which additional actions were reported without return from deferral being reported.

5,186 charges reported as investigation complete were not reported as assigned to an investigator.

This is but a partial list of the discrepancies found. In view of the need for a statistically reliable data-keeping system in any large national policy organization as a basic management decision tool, the situation is in need of immediate rectification. Part of the problem seems to be with the Equal Employment technicians who are responsible for record maintenance and the general control function of the district office. As of January 15, 1974, the EET position was experiencing an EEOC-wide vacancy rate of 22 percent. Several district offices indicated that their control units were continually understaffed to the point where investigators were being diverted to perform tasks normally handled by technicians. Several officials indicated that the professionalization of the technical position is warranted in order to ensure that high quality personnel are retained. In addition, there is inadequate training of EOS personnel on the importance and mechanics of reporting changes in the status of charges.

The Commission has apparently never attempted to develop an integrated Management Information System. Instead, each information system is discrete and has been developed at the request of various headquarter groups. We were informed that no one has been responsible for the coordinated development of the various systems, and that no one has exercised centralized control over information systems development.

The Complaint, Statistical Record System (CSRC) records information to reflect EEOC field activity such as the status of investigations. The Work Measurement System (WMS) was developed to record work performance and cost effectiveness of line operations. These systems are neither integrated nor coordinated, logically they should be in order to obtain an accurate picture of manpower utilization.

The Commission has also developed a resource allocation system designed to insure optimum utilization of its investigative and litigative resources. Under this system, respondents are separated into one of four tracks.

In enacting the Equal Employment Opportunity Act of 1972, Congress recognized a change in the definition of employment discrimination to include employment systems that perpetuate discrimination. In accordance with this, Track I respondents included large national companies and unions upon which resolution of charges involving personnel management systems would potentially yield the largest national impact.

During fiscal years 1973 and 1974, only 12 percent of the investigative and 15 percent of the litigative resources were allocated to this group. In addition, as of April 15, 1974, all fiscal year 1974 cases were still in the early investigative stages. In light of this, it is hard to conceive that efficiency has been significantly improved.

Also, after the respondents are selected for Track I, all activities relating to cases involving these respondents are suspended pending review of each case. In one instance, this resulted in the suspension of a significant successful conciliation attempt, involving a $50,000 settlement.

Although the ATT settlement, which serves as a prototype for Track I, was considered successful in terms of monetary benefits, it has failed to resolve EEOC's charge backlog. The settlement has also been difficult and expensive to monitor. One full-time national coordinator and 31 field investigative man years have been used to monitor the settlement. When asked about the impact of the ATT settlement, Office of Compliance officers admitted that their information system was inadequate for a proper evaluation of the ATT settlement. This would seem inexcusable as every consideration should be given to the measurement of impact in terms of future resource allocation adjustments.

Track II cases cover respondents which are multi-unit employers with potential regional impact. EEOC is also behind in its field activity in this area.

In respect to Track III and Track IV, charges resolved are not being separately distinguished under the present track system. There has apparently been no demonstrated need to separately report the number of Track III and Track IV charges resolved. We can not concur with this. We recognize the right of all individuals, regardless of size of establishment, number of charges, or potential national impact, to avail themselves of their rights under the law. It would seem important for management to closely monitor and evaluate all types of complaints, their sources, and types of charges resolved in order to optimally allocate resources.

Thus, it seems that the resources allocation system has not demonstrably improved efficiency nor is the present information "feedback" system providing adequate data which can be utilized in determining future readjustments to resource allocation. Furthermore, the Resource Allocation System is not integrated with the CSRS or WMS systems. Also, there has been no determination within EEOC as to whether cases should be given priority based on national impact or number of charges. Yet, a resource allocation system exists.

Finally, there is the Performance Measurement System. According to EEOC, the PMS is an attempt to measure how well Federal programs are operating in terms of actual results versus budgeted resources consumed and to report this information to key executives in a usable form to support vital decisions. There is a separate PMS system for compliance and litigative processes.

The PMS system for compliance stipulates numerical goals for charges resolved, charges investigated, charges conciliated and charges determined. These goals are supposedly based on realistic appraisals of EEOC's capabilities. On the basis of this criteria, charges determined and charges conciliated are below their projected goal for fiscal year 1974.

In addition, several important measurements seem lacking which deal with the utilization and coordination between various agencies: (1) the number of unsuccessful conciliations which are rejected as unsuitable for litigation; (2) the quantity and quality of State agency involvement and coordination; and (3) the performance of the district counsel who serves as the private liaison between EEOC and the private bar.

UNDERUTILIZATION AND LACK OF COORDINATION WITH OTHER AGENCIES

It may be argued that to some extent the steadily increasing backlog of charges is due simply to increased awareness on the part of the public of their rights and can't be absorbed merely by improving the efficiency of the existing Federal manpower and that, consequently, the use of other public and private resources is required. However, we have found that the EEOC has failed to utilize other agencies and organizations currently available to it.

Title VII requires that appropriate enforcement agencies be given first jurisdiction (for 60 days) over cases and authorizes payment under section 706 for services rendered to EEOC to assist in implementing its statute. This relationship makes it possible for EEOC to have a portion of its workload processed at the State level. However, until very recently, the States were not even recognized by EEOC as potential backlog reduction resources. As a result, state and local agencies are under-utilized. EEOC doesn't even have the basic data on state resolutions. Currently, they are recorded as administrative closures under the PMS, but the data collection system does not break down the administration of how many were the result of state charge resolutions. Consequently, under the current compliance performance measurement system, the district office–State agency relationship is not measured and no information on State capabilities is available. If state and local resources were better utilized, it might be possible to achieve projected goals.

In addition, there is very little coordination between the EEOC and private bar resources. Yet, EEOC in developing its resource allocation system, made the assumption that many Track III and IV charges were to be sent to private litigation groups.

Likewise, there seems to be little coordination between EEOC and other relevant Federal agencies such as the Department of Justice and the Office of Federal Contract Compliance. We feel that cooperation could have a positive effect.

The problem areas that we have mentioned in this letter are in need of serious revision if the fiscal year 1975 goals are to be achieved.

Consequently, we are requesting specific recommendations from you on each of the problem areas mentioned above.

We have asked the Comptroller General to provide us with in-depth analytical information on these aspects which are hindering the development of the Act. We trust that serious evaluative and remedial efforts will continue to be undertaken in an effort to correct these problems.

Sincerely,

HARRISON A. WILLIAMS, Jr.,
Chairman.

JACOB K. JAVITS,
Ranking Minority Member.

DEATH OF FORMER SENATOR KEATING

Mr. KENNEDY. Mr. President, on May 5, Kenneth Keating died at the age of 74. A former Member of this body, Mr. Keating was known for his personal integrity and devotion to public service.

Kenneth Keating served his country with distinction in many different ways. He loyally served the Nation in World Wars I and II. As a Congressman, and later as a Senator, a member of the New York State Court of Appeals, Ambassador to India, and Ambassador to Israel, he was an outstanding public servant who inspired respect and affection from all who knew him.

The difficult situation in the Middle East made Mr. Keating's recent service as Ambassador to Israel a challenging and difficult undertaking which he carried out with great skill and understanding. His presence was a source of confidence for all of us concerned about the achievement of a lasting peace in the area. His contributions were substantial, and his service will be remembered.

Mr. President, I was proud to serve for 2 years in the Senate with Kenneth Keating. He had many friends on both sides of the aisle, and we shall miss him.

ST. ADALBERT SCHOOL, CLEVELAND, OHIO

Mr. TAFT. Mr. President, I wish to pay special tribute today to St. Adalbert School in Cleveland's inner city. St. Adalbert's roots were begun in 1922, when a group of black Roman Catholics in the east central area banded together to establish a Catholic Church that would speak to the needs of the black people. After only a year, the people petitioned Bishop Schrembs to establish a school for the neighborhood needs for education. By 1924 the school opened, under the auspices of the Sisters of the Blessed Sacrament. In 1960 a new school was built, and Our Lady of the Blessed Sacrament—St. Adalbert School became the newest alternative school structure in Cleveland's inner city. St. Adalbert continues to be the only school of its kind in the east central area.

The school was founded, not as a citadel for Catholic education, but rather as an alternative to public education. Throughout the year, St. Adalbert has met the particular educational, moral, and spiritual needs of innercity children, in an effort to provide their students with strong Christian values with which to judge their lives on the street. Crime and dope are among the every day problems of these children; St. Adalbert is dedicated to eradicating them from our society by educating the children. St. Adalbert provides individual attention to the personal, family, and societal problems of their students, with the belief that Christian values can and will change the problems of society.

At the present time, the school enrolls 300 students; 45 percent are Catholic, and 55 percent are members of other denominations. As a community school, St. Adalbert's main concern is with poor black students who would not normally have the opportunity for a satisfactory education. Children enrolled whose families are financially well off, share a larger part of the financial burden, although this amounts to only about 50 families of the 200 families who attend the school. In this community-oriented school, the St. Adalbert Community School Parent-Teacher Unit is the policymaking board for the school. Their main concern is to see that the needs of the black people are met. This includes clothing and food distribution, as well as nonpartisan political activities, recreation, and youth activities.

This year marks the 50th anniversary of the St. Adalbert School in educating the children of Cleveland's east central area. Although the school faces some sad financial facts, the members of the community are hoping for 50 more years of alternative education, providing for the needs of the impoverished blacks in the community.

THE OIL DEPLETION ALLOWANCE

Mr. HATHAWAY. Mr. President, several months ago this Chamber echoed with the protests of what the repeal of the oil depletion allowance would do to the major oil companies. We were told that the search for oil would come to a halt if this highly profitable tax deduction were to end. We were told that the major oil companies would be brought to the edge of bankruptcy, if not further, if we were to take from them this 22 percent encouragement to explore and develop oil and gas fields.

Most of my colleagues, a majority anyhow, did not believe those tales of agony, and this Chamber, as well as the Members of the lower Chamber, voted to end the oil depletion allowance for the major oil companies.

I have been reading the papers of late, looking for some adverse reaction to our action. Well, Mr. President, that has not been the case. Profits are still high, and the oil industry executives still enjoy salaries that are beyond my limits of comprehension. I did note, however, a story in the Wall Street Journal which addresses itself to this problem: a story of a man who has made one fortune in the oil drilling business, and is willing, the repeal of the oil depletion allowance notwithstanding, to take one more gamble on hitting a gusher. The most interesting fact about his objective is that the American taxpayers are not going to be subsidizing his efforts. If he makes it, he will be richer than before, and the American public will have additional fuel for their homes and industries. If he misses it is his money he is putting on the line, and not that of a Maine potato farmer or a Florida shrimp fisherman.

This is still the land of opportunity for those who are willing to take the risk. I fought for, and supported, the effort to repeal the oil depletion allowance out of a deep feeling that the American public should no longer provide risk capital for the oil industry. This story reaffirms that position.

Mr. President, I ask unanimous consent to have printed in the RECORD the newspaper story of one man who wants to make another bundle in the oil industry—on his own.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 1, 1975]

Old Wildcatter Cites High Oil Price, Seeks One More Big One

(By Bill Paul)

WICHITA FALLS, TEX.—In 1931, while millions of Americans stood in bread lines, D. Houston Bolin became a millionaire, Mr. Bolin owned an interest in the first successful "deep-hole" oil wells drilled in the Chalk Hill oil field on northwest Texas, a field that still produces more than 200 barrels of oil a day and last month alone earned Mr. Bolin a tidy $32,000.

This year, while millions of Americans stand in unemployment lines, the 78-year-old Mr. Bolin will try to make a million—one more time. Within the next several days, Bolin Oil Co. of Wichita Falls will start drilling in King County, Texas, on land Mr. Bolin considers quite promising. "I don't care how many big strikes I've had over the years," he said, "I've just got a yen to do it all one more time. I feel like I've got one more big one in me."

Even if Mr. Bolin's "last" big venture should prove a bust, his $900,000 or so 1974 pretax income, plus assets of many millions, will soften the blow. "I need more money like I need a wart on my nose," he says. "Actually, I don't want anymore, but if I say that I sound old and foggy and I'm not that."

Mr. Bolin, a short, portly man who describes himself as "just a good country boy," lives in a 17-room mansion that his wife, Delores, has furnished in priceless antiques from Europe and decorated with a museum of 16th and 17th Century paintings by such artists as Brueghel.

OIL IN THAT THERE WELL

While Mr. Bolin knows little about antiques, he knows a lot about oil. As he sits in his office chawing a plug of tobacco, Mr. Bolin pulls out a map of King County and begins describing his latest dream.

"There's never been a better time to look for oil," he says, noting that the energy crisis has driven the price of oil up to around $12 a barrel, some four times what it was a couple of years ago. "The Arabs changed the whole ball game. This country is in a fix for oil, and," he adds while jabbing a finger at the map, "I just know there's oil on this land. All the tests look good. I'm going to make beaucoup money."

Not even the recent changes in the oil-depletion allowance, and the resulting higher taxes that oil men eventually will have to pay, dim Mr. Bolin's enthusiasm. Thus, anytime Mr. Bolin or anyone else drills a well, he had better be pretty sure there's oil under that spot, because otherwise he will have a tough time trying to recover the heavy expenses.

Mr. Bolin cites some favorable signs for his next well. Just the other day, some men sold their interest in wells on land adjacent to his for about $22 million. Six months before that, the same men had sold their interest in a number of nearby wells for about $16 million. "That's the boat I'm trying to ride," Mr. Bolin says with a smile.

RAGS TO RICHES

That boat was far out of reach in the Bolins' early days. During the 1920s, for example, when many Americans were amassing wealth, Mr. Bolin lived with Delores in a room over his small oil-equipment supply store. Mrs. Bolin could see her husband at work through the cracks in the floor.

But that all changed with the big strike in 1931. As reported in the Wichita Falls Record News of March 24, 1931, when Mr. Bolin's well started shooting oil 100 feet in the air, "a mighty cheer went up from the 1,000 or more throats that resounded for miles around." The story says that "a shower of high-grade petroleum drenched the wheat fields in all directions."

If it seems tempting to round up some dollars and copy Mr. Bolin's style to become a millionaire, forget it. The catch is that if Mr. Bolin didn't already have big money, his chances of making it would be slim because drilling costs can run into the millions of dollars per well. "If you've got a million dollars that you would otherwise have to give to Uncle Sam, then you're ready to be an oil man," he says. "But if you're selling stocks and bonds to raise the dough, forget it."

There are always several failures for every successful well, so even Mr. Bolin may have to be content with the 200 or so leases with producing wells that he already owns in his own name. Additional leases are owned by Bolin Oil Co., a venture with his three sons, which also does oil drilling.

One senses that Mr. Bolin is worried about running out of time the way other people are worried about running out of money. "I just want to get back in there for another couple of years," he says with visible emotion. "I just want one more big one."

THE BALANCED GROWTH AND ECONOMIC PLANNING ACT OF 1975

Mr. HUMPHREY. Mr. President, yesterday, Senator JAVITS and I announced that we will soon introduce the Balanced Growth and Economic Planning Act of 1975.

The purpose of the legislation is to put the Nation back on the road to prosperity by reorganizing our Government machinery to accomplish for long-term economic policy what Congress did for short-term economic policy last year when it passed the Budget Reform Act.

The Federal Government has become the last bastion of unplanned activity in the modern world. All other industrial nations plan. Businesses, universities, foundations, and families have learned that they have to plan in order to achieve their goals with the available resources.

The Federal Government, too, must learn to look ahead to at least try to see down the road. That is what our bill is designed to do in a free, democratic, and orderly way. I hope many of my colleagues will join me in sponsoring this important new legislation.

Mr. President, I ask unanimous consent that a fact sheet describing the bill and remarks made by Senator JAVITS, Leonard Woodcock, Wasily Leontier, J. Irwin Miller and myself at the press conference, and an article from the Washington Post, May 13, 1975, by Hobart Rowen, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Fact Sheet on the Balanced Growth and Economic Planning Act of 1975

The purpose of the Balanced Growth and Economic Planning Act is to establish procedures within Congress and the Executive Branch to formulate systematically and comprehensively long-term national economic goals and to recommend policy that will match goals and resources.

BASIC ASSUMPTIONS

The bill proceeds on two basic assumptions: first, that the economy will perform better with planning procedures and, secondly, that economic choices will be more explicit and widely debated so that Congress and the public can participate fully in the making of economic policy.

Under the proposed new procedures economic policy will be developed from an improved information base, it will be better coordinated, it will consider emerging and long-term problems to a greater extent than is the current practice, and it will take into account the views of state and local officials and the public.

VOLUNTARY PLANNING

The Balanced Economic growth plan that results from the new procedures will establish long-term economic objectives, paying particular attention to the attainment of the goals of full employment, price stability, balanced economic growth, an equitable distribution of income, efficient utilization of private and public resources, balanced regional and urban development, stable international relations, and meeting essential national needs in various sectors of the economy. The plan will identify the resources required for achieving the objectives and recommend legislative and administrative actions to achieve them.

Implementation of the plan within the Federal Government will be achieved through coordination of policy and actions among Government agencies. Implementation in the private sector and in States and localities will be achieved through voluntary co-operation.

ECONOMIC PLANNING BOARD

The bill sets up an Economic Planning Board in the Office of the President, provides for Congressional review and approval or disapproval of each proposed plan, and establishes procedures for public participation in the planning process.

The Economic Planning Board is composed of three members, appointed by the President with the advice and consent of the Senate. The Board will operate in close association with the Council on Economic Planning, composed of members of the President's Cabinet, and other high-ranking officials. There is also an Advisory Committee on Economic Planning composed of 4 members appointed by the President, 4 members appointed by the Speaker of the House, and 4 members appointed by the President of the Senate.

It is the Board's duty to submit a proposed balanced economic growth plan to the Council for its approval. In drafting the proposed plan, the Board is required to seek the active participation of regional, State, and local agencies and private persons through public hearings and other appropriate means to insure that the views of all segments of the economy are taken into account. The Board is responsible for evaluating and reporting on achievement of the goals and objectives in any approved plan, determining whether major Federal programs are consistent with any approved plan, and coordinating the long-term planning activities of Federal agencies.

The function of the Council is to review any proposed plan submitted by the Board, and transmit it together with revisions to the President. The functions of the Advisory Committee are to help provide the Board and the Council with the views of broad segments of the public, including business, labor and consumer interests, about matters relating to the formulation and implementation of any plan, and to establish advisory subcommittees.

The Division of Economic Information is established in the Economic Planning Board. The purpose of the Division is to help the Board obtain information and estimates directly from Federal agencies and to assist in the dissemination of information to State and local governments and to private persons so that they can make informed economic decisions and participate effectively in the planning process. An initial function of the Division will be to survey and assess government information gathering programs and recommend reforms.

SUBMISSION OF PROPOSED PLAN BY PRESIDENT

The President is required to submit to Congress, every 2 years, a proposed Balanced Economic Growth Plan together with a report prepared by the Board to aid in the consideration of the proposal. At the same time, the President submits copies of the proposed plan to the Governor of each State and to other State and local officials.

CONGRESSIONAL REVIEW

It is the duty of the Joint Economic Committee to hold public hearings on the proposed Balanced Economic Growth Plan after its submission to Congress, to consider the views on the plan of each standing committee of Congress and the reports of the Governors, and to report to the House and Senate within 105 days after its submission a concurrent resolution approving, disapproving, or modifying in whole or in part, the proposed plan. The Committee must also make a report with findings and recommendations with respect to each of the main recommendations in the proposed plan.

LOCAL PARTICIPATION

The Governor of each state may submit, within 60 days from the submission of the proposed plan by the President, a report to the Joint Economic Committee responding to the proposed plan. A governor's report should include the views of citizens within the State after public hearings have been held within the State.

The purpose of this part of the bill is to provide for the widest public participation. The Governors, local officials and citizens of each State are given the option of commenting on the proposed plan at the same time it is being considered in Congress.

CONGRESSIONAL ACTION

Congress must act on the proposed plan within 135 days from its submission by the President by adopting, modifying or rejecting the concurrent resolution reported by the Joint Economic Committee.

If the concurrent resolution disapproves the entire proposed plan the President must revise and resubmit it. If any portion of the proposed plan is disapproved by Congress, that portion may not be implemented by the President or the Director.

REMARKS OF SENATOR HUMPHREY ON BALANCED GROWTH AND ECONOMIC PLANNING ACT OF 1975

The bill that Senator Javits and I will introduce later this week. The Balanced Growth and Economic Planning Act of 1975, is the most important piece of legislation I have authored in twenty-five years of public service. I say this because the legislation will fundamentally reform the Federal government's management of economic affairs, which in turn will significantly improve the performance of the American economy. This legislation is the key to putting the nation back on the road to economic prosperity.

Last year Congress passed the Budget Act so that short-term economic policy can be made in a rational, orderly way. It is time that we looked at long-term economic policy in the same rational way.

We must begin looking ahead, calmly, intelligently, and systematically if we are to make progress toward meeting our goals and at the same time dealing successfully with the kinds of economic crises and international shocks that have occurred in recent years.

We cannot hope to find full employment, price stability, and economic growth the way a beachcomber hopes to find seashells. Our goals will not be brought in with the morning tide. They will not turn up by luck or by nature.

But the point is not engage in planning just for the sake of planning. The kind of planning Americans do want must be suited to our own unique and peculiar needs. It must make it more likely that we will solve our economic problems and achieve our goals.

Our bill is therefore based on the following fundamental principles:

First, planning must be open and democratic. Long term economic policy is too important to leave to the economists. There must be full citizen participation, and state and local officials must also be fully involved.

Second, Congress must study, debate, approve, disapprove or modify any plan. We don't do things in this country by executive fiat. Ours is a representative form of government and we will continue to define our goals and make our choices through our elected representatives.

Third, we must make it possible for the private sector to function more smoothly and more efficiently and with greater knowledge. We need better and more timely information about the economy. We need to improve both the way information is gathered by the government and its availability to the public.

I feel sure that this legislation will spark a vigorous national debate on economic planning. That is as it should be because such a debate would be of historic importance to the American people. For the debate to be productive, however, I believe we ought to view planning in the context of something Abraham Lincoln said in his famous house divided speech:

"If we could first know where we are, and whither we are tending, we could then better judge what to do and how to do it."

In the present economic and social circumstances, I am afraid we know where we are, but we don't where we are headed. Because we can't see the road clearly we don't know what to do. The nation is like a car chugging down a foggy road without a reliable steering mechanism. It's my view that planning in this country would provide a map of the country ahead, it would clear some of the fog from our view of the road, and it would steady the steering mechanism of the car.

The need for greater economic planning arises from the poor performance of our economy. In the past, the U.S. economy has been a source of productivity and pride to all of us. The system provided the best hope for combining economic well-being with personal liberty. But in recent years the performance of the American economy has been a source of bitter disappointment. We have just gone through the worst period of inflation since the Civil War, and we are now experiencing the highest level of unemployment since the Depression. Economic growth is completely out of balance, with shortages in some areas and surpluses in others. As a result, our standard of living is today lower than it was eleven years ago.

Despite this poor economic record, I have not seen any substantial effort to reform the economy, or our piecemeal and shortsighted economic policies. Instead, we continue to put bandaids on our economic problems, with a little tax cut here, an energy tax increase there, a jiggling of the money supply, and so forth. These short-term efforts, although necessary, are inadequate because they fail to address the following realities:

First, there is no one in government today looking ahead to spot problems such as shortages before they become crisis. Nor do we do an adequate job of estimating the long-term impact of government policies.

Second, the current inflation and recession—caused in part by the energy crisis, food and commodity shortages, supply bottlenecks, and structural barriers in our economy—have made it painfully clear that our economic problems are interrelated and cannot be dealt with in an isolated, uncoordinated way. Yet, the federal government grows like topsy, with little attention given to getting the government organized about its involvement in the economy.

Third, we are not going to meet our critical needs in areas such as employment, price stability, housing, education, health, and transportation unless we establish some long-term goals and focus our economic policies on the achievement of those goals.

Finally, I also believe that we have to know not only what the federal government is going to do, but what state and local governments can and are willing to do, and what the impact of government actions will be on the private economy. And this needs to be better coordinated by making the planning process open to all segments of our society.

The Balanced Growth and Economic Planning Act is an effort to come to grips with these realities and to create procedures within Congress and the Executive to provide a comprehensive, long-term economic policy. You have a fact sheet before you decsribing the details of the bill and we would be happy to answer any questions.

It has been correctly observed that the federal government has become one of the last bastions of unplanned activity. Private corporations, universities, foundations, and many local units of government and others with liimted resources are committed to long-term planning. They know that the chances of meeting their goals are slim if they do not look beyond their immediate needs.

The Federal government has an obligation to the people under the Employment Act of 1946 to do as much to intelligently plan government activities. If we do less, in my opinion, we jeopardize our basic economic system because we will continue on a roller coaster ride from crisis to crisis. If we do not plan, we will have food and commodity shortages; if we do not plan, we will have wage and price controls; if we do not plan, we will continue to have high unemployment and inflation. The American people do not want crisis economic policy and they will demand something better.

I believe that the Balanced Growth and Economic Planning legislation we are releasing today is a major step in providing the modern tools we need to improve the performance of the economy. A major piece of complimentary legislation is the Equal Opportunity and Full Employment Act of 1975, which would focus federal planning and policy on providing full employment. I intend to hold hearings before the Joint Economic Committee in June to carefully integrate these two major policy areas.

In the last six months Senator Javits and I have had the benefit of the expert counsel of the members and supporters of the Initiative Committee for National Economic Planning. This distinguished group, representing business, labor, consumers, and the intellectual community, have worked with us to develop sensible legislation to establish a process of economic planning in this country. I am delighted that members of the Initiative Committee are here today to launch a campaign to enact economic planning leigslation in the ninety-fourth Congress.

REMARKS BY SENATOR JACOB K. JAVITS

In the next few days, Senator Humphrey and I will introduce the Balanced Growth and Economic Planning Act of 1975. I regard this bill as one of the most important we shall deal with in this Congress, and a logical and necessary compliment to the Budget Act passed last year.

Many people are reluctant to consider the need for planning in this country because of its pejorative connotations. At bottom they are convinced that planning means regimentation, the loss of economic freedom and the end of the American free enterprise system.

This concern proceeds from the assumption that planning will dictate economic activity and supplant the free market. This assumption is highly erroneous in the case of our bill for several reasons: first, the

Economic Planning Board cannot tell anyone what to do—its powers are those of persuasion—not direction. Second, the planning process brings in all parties and interests and requires the approval of Congress—it will open up economic debate in this country rather than limit it.

I view this press conference today as the opening of a great national debate on the American economy, its directions in the next decade, and the role of economic planning—free of coercion direct, or indirect—in a democratic society. We have to face squarely the issue of whether this nation intends to pursue an essentially unplanned course—relying on increasingly questionable means to promote growth, reduce unemployment, and check inflation—or to recognize the absolute necessity for a coordinated, rational approach to our interconnected problems.

Our economy is in its worst state since the Depression. Large-scale unemployment—almost 9% and rising—means tragedy for individual families and lost production for the nation—a cumulative loss of real potential output estimated at almost $350 billion over the next five years. Meanwhile, basic human needs are inadequately fulfilled: large numbers of Americans lack basic medical care, housing costs are soaring beyond the reach of even middle class families, New York City is flat broke, and an enormous unemployment rate among teenagers—40% for black teenagers—attest to the inability of our society to provide useful employment for this volative age group. Is it possible to believe that we have reached this state because this is what the American people want?

Moreover, it is increasingly difficult to argue that merely reflating consumer demand for the same products that have used our resources so profligately and have produced so much environmental damage will solve our economic problems. Bad as is our present condition, the outlook for the longer term could be far more serious if we do not begin to deal wisely with certain fundamental and structural aspects of the economy.

Let me list a few areas in which we have yet to reach agreement or even begin to move to provide long-term solutions: energy, long-term capital requirements, endemic high unemployment, transportation, and food and raw material requirements. We know these problems will not solve themselves. The longer we delay, the more we foreclose our options and the greater the cost of ultimate solutions.

We also know that our problems are interconnected—an enormous tangle that cannot be unknotted by pulling on one string. Short-run solutions and treating issues in isolation can progressively worsen our economy, undermine our national strength and weaken our national character. Already a number of economists are fearful of a new round of inflation picking up speed in 1976, producing renewed shortages in productive capacity, accentuating the unresolved worldwide problems over food, energy, and raw materials, and leading to an even worse recession by late 1977.

The prospect is intolerable. But, honestly, how do we intend to deal with such possibilities? We cannot solve our economic problems through piecemeal legislation. We face the same urgent need for a comprehensive, rational approach that led Congress to pass the Budget Act for annual budget purposes and to submit to the discipline of the budget process. Our legislation today seeks to do for the government's role in dealing with the national economy what the Budget Act did for the budget.

Planning will be what we make it. There is absolutely no evidence that planning leads to a particular economic system. Planning is a neutral tool that adapts to the character of a country. Planning is socialistic in Russia because of Marxist policy. In France, however, the planning process conforms to French political philosophy and in fact has been regarded as favoring the business community.

In want to stress that planning has nothing whatsoever to do with greater government interference in the private sector. Opponents do not seem to believe that rational planning can be a force for improving competition or for abolishing outdate government regulation. Why not? Why should a government planning agency have a bias against capital formation or economic growth?

It is also assumed that in the absence of planning there will be less government regulation of the economy. Since we had wage and price controls in the absence of planning and are likely to have worse controls in the future if we persist in short-term remedies, the opposite is the more likely case. There will be more overlapping and inconsistent regulation in the absence of planning.

However, government involvement in the economy is here to stay. Government is more involved because our economy is far more complex, because we face environmental and resource limitations for the first time, and because social objectives are pursued more vigorously. None of these constraints will vanish in the absence of planning. Instead, the pressures on the economy will continue to mount, we will continue to waste resources, and we will fritter away our economic strength through short-term, contradictory and perhaps even self-defeating measures.

Statement by Leonard Woodcock, President of the UAW

We are grateful to Senators Humphrey and Javits for the introduction of this bill. I hope, as I am sure my colleagues hope, that the subject matter will provide the impetus for a great debate on the decision of national economic planning.

The need for long-range democratic economic planning on a national basis has never been more urgent. We have lived too long with boom and bust. Experience has taught us that the unseen magic of the so-called free market does not work.

We have learned the bitter lesson that the failure to make intelligent, long-range economic decisions has touched the lives of all Americans—especially working people—and injured them in their pursuit of happiness.

The Federal Reserve System and the Council of Economic Advisers have made short-range decisions which have been disastrous—foolish, irrational or selfish economic decisions made by these few have ruined the lives and futures of the many.

Our economic well-being and our basic freedom of choice too often have been decided by the wrong people, for the wrong reasons, in the wrong time frame.

A growing number of Americans, from all walks of life, see the need for a mechanism to enable us to plan democratically for prosperity, full employment and stability—to meet the nation's economic and social needs.

It is time to begin to plan. Americans will no longer tolerate an economy run by accident or caprice.

Rampant inflation, serious recession, massive unemployment and national misery have been the natural results of our failure to plan the national economy in any rational way.

This bill provides a framework for democratic national economic planning. It provides the instrument—the procedure. Substance will follow—based upon national will.

I am enthusiastic about this bill for a number of reasons.

First, it establishes the principle of national planning, long overdue.

Second, it establishes a crucial role for the Congress, which is directly responsible to the people.

Third, it provides for important local input from ordinary people, so that decisions are not made in a lofty vacuum.

Fourth, it mandates a coordinated government effort, rather than a fragmented system where one hand is out of touch with the other.

The bill is distinctively American—which is Federalism in action.

I hope that the Congress, the Administration, and the American people can focus on the issue, and let the debate begin.

Statement by J. Irwin Miller, Chairman of Cummins Engine Co.

Every major American Business today is intensely perfecting its skills at short- and long-range planning, and using these plans to guide major business decisions.

Business has been forced to plan, to set priorities, to allocate assets, because nearly all its necessary assets, whether one speaks of capital, labor or raw materials, are either in short supply, or are becoming very much more costly.

If business did not plan careful cost-effective use of scarce assets, it could not long survive, and some businesses in fact will not survive.

As business looks at the nation, much the same conditions seem to lie in its future as well. We are short of oil, and do not ourselves control adequate supplies of such essential raw materials as tin, nickel, chrome, platinum, zinc. We are not generating enough capital for investment, nor enough revenues to prevent decline in cities, schools and the environment.

Finally, we seem to have no means for stopping inflation other than unemployment, no means for eliminating unemployment other than inflation.

Without taking careful look at the consequences of our combined public and private actions, we have allowed problems to multiply, swings in the economic cycle to become more erratic, and prospects for a stable economy to diminish.

Business needs economic stability if it is to flourish and serve. Yet economic instability appears to be the only realistic prediction for the decade ahead, if we continue as at present.

I do not understand how the nation, given its current outlook, can achieve a reasonable and necessary measure of economic stability, unless the Congress and the Executive have at all times available to them intelligently formed and farsighted economic plans aimed at preserving stability, and simultaneously promoting growth and minimizing inflation and unemployment. We need also (as business does) to perfect an economic model which can allow us to foresee with an adequate degree of reliability the total consequences of any contemplated program of government actions.

Planners are not rulers or implementors in business. No more should they be in government. Our historic system of checks and balances is essential to the continuance of responsible democratic government, responsive to the needs of all the people. Within our democracy, however, planning is now a necessary and vital tool for the accomplishment of any long-term economic objectives, public or private. The U.S. government should, in the extraordinarily difficult days which appear to lie ahead, avail itself of every useful aid for making wise and farsighted decisions.

Statement by Wassily Leontief, Harvard University, Nobel Laureate in Economics, Co-Chairman of the Initiative Committee for National Economic Planning

The founding of this country was a bold response by determined, self-confident people to a challenge which they had to meet. The subsequent development of our private and public institutions is a history of constructive responses to a succession of difficult questions, each of which had to be answered before the country could move ahead.

The trouble in which the American economy now finds itself is not an unfortunate accident, neither has it been brought about by someone's malevolent intent or by uncommonly incompetent leadership. This trouble reflects the failure of our institutions to keep up with the accelerated change in the technological and economic structure of modern society and with its advancing needs and aspirations.

Those who compare the functioning of the market mechanism in a free economy—the interplay of the impersonal forces of demand and supply—with the automatic operation of a gigantic electronic computer are right. However, anyone who has had practical experience with large computers knows that they do break down. No one would ever dream of stacking, at the end of the day, a complicated problem into the machine, pushing the starting button and going home in the expectation of finding the correct answer neatly printed out when he returns next morning. If left unattended overnight, the computer would probably give a wrong answer, come to a standstill, or even burn out.

The framers of the bill, "The Balanced Growth and Economic Planning Act," propose to establish an adequate institutional framework for keeping the complex and delicate mechanism of the American economy in good working order. This involves much more than watching a few aggregative pointers on a stripped-down statistical dashboard and shifting back and forth two levers: one controlling the budget deficit, the other regulating the discount rate.

It requires lifting the hood, observing, and if necessary adjusting, the operation of all moving parts of the engine, and occasionally replacing those that turn out to be defective. What the government and the public need is a Service Manual describing gears, nuts and bolts—not just a Keynesian "Owners Manual," of the kind usually found in the glove compartment of a new car, which tells you only how to replace a bulb or change a tire. In other words, maintenance of our national economy in good working order is predicated on a steady, massive flow of detailed, up-to-date factual information.

The effectiveness of the planning process will depend not so much on the coercive or regulative powers of the government—of these we have enough and they are used as often as not without much rhyme or reason—but rather on organized factual knowledge and analytical foresight more nearly perfect and complete than any individual company or private citizen can possibly attain.

Let us hope that the publication of the draft bill, "The Balanced Growth and Economic Planning Act," will mark the beginning, not of an acrimonious emotional debate, but of a constructive, serious discussion which will contribute to remedying the weaknesses that a first draft would naturally contain. The fact that two prominent members of the Congress, from different sides of the aisle, are sponsoring the proposed legislation, and that in addition to those present, many business and labor leaders, members of the scientific intellectual community, and concerned citizens have expressed their support of this initiative, justifies the belief that this hope will not be disappointed.

[From the Washington Post, May 13, 1975]

HUMPHREY-JAVITS BILL URGES LONG-TERM ECONOMIC PLANS

(By Hobart Rowen)

Senators Jacob Javits (R. N.Y.) and Hubert H. Humphrey (D. Minn.) yesterday announced they are introducing legislation that would for the first time require the federal government to do long-range economic planning.

Both senators compared the bill in importance to the Employment Act of 1946 and to the Budget Act passed last year, and said it is essential for the rational management of the nation's economic affairs.

But they acknowledged, as well, that the concept of "planning" is controversial and that it would not have an easy passage through Congress.

The idea behind economic planning, Javits and Humphrey said, is that the development of full employment and price stability "can no longer be left to luck." They pointed to the program to put a man on the moon, and the Marshall aid plan of the post-World War II period as isolated examples of successful U.S. planning. And they noted that nations have long since adopted the planning concept on a regular basis.

Opponents fear that planning will mean more government interference with private business affairs.

"It takes time to change perspectives," Humphrey said, "but in any event, I hope this bill will spark a vigorous national debate."

The bill, titled the Balanced Growth and Economic Planning Act of 1975, would amend the Employment Act to set up an economic planning board of three members that would develop a plan for economic growth.

The plan would be submitted to the President after being reviewed by a council consisting of cabinet officers and other designated high officials. Beginning in 1977, the President would submit a plan to Congress every two years, with copies to all governors of the states, and to other local officials.

The Joint Economic Committee of Congress would review the plan, and report to the House and Senate within 105 days a concurrent resolution approving or disapproving it.

The sponsors left somewhat vague a definition of what would be encompassed in the "economic growth plan." A fact sheet said that long-term economic objectives would be set out for full employment, price stability, balanced regional development, and an equitable distribution of income—among other things.

But asked if these goals would be set out in specific numbers or percentages, Humphrey said they would not. "We first need to get the structure of the organization established," Humphrey said. But later the Senator said that the use of numbers may be necessary.

According to Javits, the economic objectives of the government will be made explicit, "but there would be no coercion." To carry out any specific recommendations of the planning board, Congress would have to agree on specific legislation.

Humphrey observed that the need for setting out national goals "arises from the poor performance of the economy." Inflation, recession, and the energy crisis, have demonstrated, he added, that "our economic problems are interrelated and cannot be dealt with in an isolated and unco-ordinated way."

The sponsoring Senators recognized that many opposed planning "because of its pejorative connotations." Just last week, for example, First National City Bank president Walter Wriston rapped the planning idea. He told a meeting of the Society of American Business Writers that if planning advocates "came right out and said they wanted to create an economic police state, their cause would never get off the ground."

Javits said that such assumptions are "highly erroneous," because the Humphrey-Javits bill relies on the power of persuasion, and would open up economic debate, instead of limiting it.

We had wage and price controls in this country when we had no economic planning," Javits said, "and in all probability we had controls precisely because we had no planning."

He noted, however, that "government intervention and involvement in the economy is here to stay . . . our economy is far more complex (than it used to be). . . . None of these constraints will vanish in the absence of planning."

By implications, the legislation severely criticizes the President's Council of Economic Advisers for failure to develop a long-range economic plan.

This point was made explicit by Leonard Woodcock, president of the United Auto Workers, a member of a private business-labor-academic group in favor of planning that appeared at a press conference with Javits and Humphrey to endorse their bill.

Other planning advocates who spoke at the press conference included Nobel Laureate Wassily Leontief, and J. Irwin Miller, chairman of the Cummins Engine Co.

THE IMPORTANCE OF SWIFT CONGRESSIONAL ACTION TO REFORM INTERNAL REVENUE SERVICE AND INSURE TAXPAYER PRIVACY

Mr. BENTSEN. Mr. President the Subcommittee on Administration of the Internal Revenue Code recently conducted important hearings on taxpayer privacy. Five former Commissioners of the Internal Revenue Service unanimously endorsed congressional attempts to limit disclosure of tax information to other Government agencies.

I commend Senator HASKELL, chairman of the subcommittee, for conducting these hearings. Greater legislative oversight of the activities of the Internal Revenue Service, through congressional hearings such as these, will help insure that our tax laws are enforced and administered in a more equitable manner.

Mr. President, revelations of abuses involving our tax system clearly demonstrate the importance of prompt enactment of legislation to insulate the Internal Revenue Service from political abuse, to protect the privacy of taxpayers, and to insure that our tax laws are administered in a fair and equitable manner. Last year I introduced my proposed Internal Revenue Service Reform and Taxpayer Privacy Act to help achieve these objectives. In January I reintroduced this bill, S. 442.

Abuses involving the administration of our tax laws have been vividly demonstrated by the House Judiciary Committee's impeachment inquiry, the final report of the Senate Watergate Committee, as well as the revelations of the political activities of the IRS special services staff, which operated between July 1969 and August 1973. Just recently we learned about an operation called "Project Leprechaun" which reportedly involved widespread spying by IRS agents into the private lives of public figures in Miami, Fla. These agents were apparently attached to the Justice Department's Organized Crime Strike Force.

The enactment of legislation to prevent these abuses and to protect the privacy of tax returns will greatly bolster public confidence in our system of government.

Such legislation will demonstrate to the American people that their leaders in Washington can respond to the tragic lessons of Watergate with strong and constructive political reform legislation.

S. 442 which I introduced earlier this year includes six major items:

First, criminal penalties would be imposed against the use or attempted use of the IRS for the purpose of political harassment.

Second, the General Accounting Office, which is an arm of the Congress, would be directed to audit the operations of the IRS and report its findings annually to the Senate Finance Committee, the House Ways and Means Committee and the Joint Committee on Internal Revenue Taxation.

Third, strict procedural safeguards would be established to prevent the President and the White House staff from misusing confidential tax information.

Fourth, increased criminal penalties would be imposed against anyone who knowingly and without authorization discloses confidential tax information.

Fifth, a taxpayer would be allowed to file suit for damages against any person who knowingly and without authorization discloses the taxpayer's confidential tax information.

And, sixth, clear limitations would be established on the access of Federal and State agencies to confidential tax information.

The new law I propose will carefully restrict the existing practice whereby confidential tax returns and tax information are often distributed to a large number of Federal, State, and local government agencies which play no role whatsoever in the enforcement of our Federal tax laws. Unrestricted dissemination of confidential tax information throughout all levels of government poses a grave threat to our right to privacy. Since the American Revolution we have cherished this very fundamental human value. The right of privacy was included twice in the Bill of Rights—in the fourth amendment which protects all Americans against unreasonable searches and seizures and in the fifth amendment which guarantees the privilege against self-incrimination. Congress must continually make every effort to prevent any abuse of this precious right.

My proposed legislation will also help prevent political misuse of the Internal Revenue Service which can seriously undermine public confidence in the enforcement of our Federal tax laws. This bill will help insure that our tax laws are administered fairly and impartially.

Several examples of misuse of the Internal Revenue Service were described in the final impeachment report of the House Committee on the Judiciary.

In 1970 the White House obtained tax information on Gov. George Wallace of Alabama and leaked this to the press.

In 1972 the White House demanded an IRS investigation of Democratic National Committee Chairman Lawrence O'Brien.

On September 11, 1972, White House Counsel John Dean personally gave the Commissioner of Internal Revenue a list of 575 names of staff members and contributors to Senator McGovern's Presidential campaign. John Dean asked that the IRS investigate or develop information about the people on the list.

All these were indefensible attempts to misuse the IRS. Under my proposal all would be specifically outlawed and subject to stiff criminal penalties.

These grave abuses of our tax system clearly demonstrate the need for prompt passage of remedial legislation.

However, it must be emphasized that even if the tragic events of Watergate had never occurred, other incidents in which our Federal tax system has been flagrantly abused by Federal, State, and local officials would still dictate the need to enact my legislative proposals.

Within the last few weeks, we learned about "Operation Leprechaun" which reportedly involved widespread spying by IRS agents into the private lives of prominent figures in Miami, Fla.

Most Americans are unaware of just how many agencies of the Federal Government have access to individual tax returns. For example, according to IRS statistics, during 1973, 15 Federal agencies requested and received tax returns from the Internal Revenue Service.

In addition, practically all State governments and many local governments receive Federal tax returns.

Such widespread distribution of confidential tax information is clearly open to serious abuse, and in fact, abuses have occurred.

Employees of Federal agencies have acquired confidential tax returns for their personal use.

Officials of State and local governments have given confidential tax information to private credit agencies.

In addition, there have been well-publicized efforts to authorize the Department of Agriculture to inspect the Federal tax returns of our Nation's farmers.

The legislation that I have introduced will help prevent abuses of this kind in the future.

It is essential that Congress take swift action on this legislation.

AGRICULTURE: A BUBBLE JUST WAITING TO BURST

Mr. McGOVERN. Mr. President, the "Outlook" section of yesterday's Washington Post contained an article describing, in human as well as statistical terms, the perilous state of much of agriculture in America today. This article—"Costs, Risks, Debts: The Farm Plagues," is especially timely. The House failed to override the President's veto of a very mild farm bill this week.

Every Member of the Congress should read and reread this exceptional article by Dan Morgan. I cannot recall a work of journalism in a large metropolitan newspaper that described modern agriculture so accurately.

Mr. Morgan tells of the enormous increase in debt load borne by American farmers, and the shockingly small returns which a farmer or rancher earns on an investment of nearly half a million dollars.

He describes the collapse of our cattle industry, from a value of $34 billion to one of $21 billion, in just a year. He tells how ranchers not only lost all of the equity built up over many hard years, but lost also their investment of sweat and toil—a loss, in human terms, that is far greater than any which can be measured in dollars.

The message for all Americans is that we simply cannot afford to force farmers and ranchers to bear all of the burden, all of the risk, of producing for a market without any real underpinning.

For a collapse in agricultural prices in 1975—an event that is not entirely impossible—some contend it is likely—would plow under not only hundreds of thousands of farm families, but it would bring down hundreds of rural banks, thousands of main street businesses and food-related industries, and the millions of jobs which are dependent thereon.

Mr. President, this analysis is not one-sided, it is not an appeal for any special interest at the expense of another. But facts and the logic of this example of newspaper reporting at its best constitute a clear appeal to the policymakers of this Nation to take a sober look at the real world of American agriculture, and to do something—before it is too late.

I ask unanimous consent that this meritorious article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Costs, Risks, Debts: The Farm Plagues

(By Dan Morgan)

Paul and John Kruse would almost certainly object to being lumped together with the nation's money managers.

They are farmers and, like farmers everywhere, they take pride in the earthy hardships of their calling. In the early Nebraska spring, the frozen barnyard of their farm had turned to foot-deep mud, negotiable only by tractor.

In a warm workshop the brothers reminisce about winter tasks: checking a sow with litter at 2 a.m., or fighting their way into the cold mornings when the barnyard water tanks were frozen and the tractor's failing engine made a bump-bump-bump noise starting.

For all that romance, finance rather than the farmyard has become the main preoccupation for the Kruse brothers as for other American farmers.

The Kruse brothers probably handle as much money in a year as many middle-income city dwellers earn and spend in a whole lifetime.

Their indebtedness averages $700,000 to $800,000 most of the time—about the level of a medium-sized business. That is what it takes to operate their cattle feeding and corn raising farm, which normally holds 1,500 to 2,000 cattle.

Today most of the feed-lots are full of mud but no cattle. The Kruses have scaled down their operation in response to sagging cattle prices. They are tightening their belts and have taken out a mortgage on their farmland, for the first time in years, to pay the bills.

In some respects their operation typifies the economic crunch in American agriculture. The high costs, the bills, the enormous requirements for credit and capital and, above all, the risks are forcing farmers all over America to become money managers on a grand scale.

Four or five times a year, they make decisions that can mean savings or losses 10 times what is at stake when an executive who lives in the city buys a home.

At dusk one cold early April evening, down in the Missouri River bottomland north of Kansas City, Joe Naylor gazed out at the field he had just plowed.

What to plant?

His decision could mean the difference between profit and loss this year.

Corn might give good yields from the rich gummy soil, he figured. But corn would need lots of chemical fertilizers, very costly this year. Soybeans on the other hand, wouldn't require nitrogen. And they'd stood up well in last year's drought when corn was hard hit. Naylor leaned toward soybeans. He'd skimp on fertilizer, hold spray and seed to $20 an acre and "do it myself."

Naylor has been right more than he has been wrong since he started farming in 1960. But in today's farm economy not even good sense is enough.

Factors beyond farmers' control can often affect the outcome. Monetary fluctuations can effect imports and exports, and events such as the failure of the Peruvian anchovy catch can boost soybean prices, since fish meal and soybean meal are both used for animal feed.

In 1973, he recalls, "Mr. Nixon devalued the dollar and the Peruvians didn't catch enough fish and all at once soybeans were $3.84, highest I'd ever seen 'em."

Naylor sold his soybeans at $5 a bushel. They went to $8. That $3 difference would have meant another $15,000 for Naylor on a 5,000 bushel crop.

The requirements for capital and credit in agriculture have reached staggering proportions.

Consider the following:

In the depths of the Depression, the average loan for annual farm operating costs was around $4,000; today it is over $100,000.

Farm debt reached $95 billion in January.

Buying farm property is beyond the means of many would-be-farmers now, especially young ones. Studies suggest that it requires an average of more than $100,000 to buy an adequate spread in most farm states, and over $400,000 in California and Arizona.

Some feel the ballooning of credit needs, land values and risk in general raises fundamental questions.

"We know that, regardless how difficult conditions may seem, an average man with average health and a good setup can work his way out of a $4,000, $11,000, $45,000 or even an $81,000 debt," a Colorado banker said.

"But when we bring this indebtedness up to $150,000 and he fails one year's operation and his loan then goes to almost a quarter of a million dollars, we simply don't work our way out by hoping conditions will improve."

The trend poses "deep and troublesome questions about the future of America's traditional land tenure system," said Don Paarlberg, director of economics at the U.S. Agriculture Department.

He estimated that $390,000 worth of capital investment in land, machinery and other assets is needed to provide a family farmer with income comparable to that of nonfarm wage-earners.

"We may be at a stage when it is no longer possible for most farmers to supply by themselves all the factors of production," said Paarlberg. "It may be that more and more of the land will have to be supplied by one person and the working capital by another."

To some, this vision of the future smacks of an advanced corporate feudalism. Reformers argue that the drive for farm expansion, more modern equipment and chemical and technological solutions to farm problems has been nurtured by agribusiness to sell more machinery and fertilizer. Farmers, they maintain, should break the credit cycle by turning back to more traditional methods.

Whether or not that is still possible, developments of recent years have plainly intensified the struggle for economic survival. Land values have been pushed up more than 30 per cent, excluding younger buyers and inviting outside investors.

A boom-bust cycle of farm pricing has set in, exposing all but the strongest to financial strains.

"It would have been impossible for me to go into farming nowadays," said an older Kansas farmer. With a few exceptions, a rich parent provides the surest access to the credit needed to start farming.

These concerns are uppermost in the conversations of Midwestern farmers interviewed during an eight-day trip through Kansas, Missouri, Iowa and Nebraska—America's food belt.

Yet the love of farming, a desire to farm, a determination to perservere add up to a tradition that still runs deep in the American countryside. It was expressed this way by a Nebraska farmer, Loren Schlitz, age 37:

"If I didn't love it, I wouldn't be here. I dunno. I think it's something you see what you did from day to day so much better than any other job. Just like in spring—you look across a field and see exactly how much you got done in a day. You're sittin' in a factory turning out the same old thing, and when you get done that night, you actually don't see how much you got done, as much as on a farm."

Garden City, in southwest Kansas, is the home of some of America's largest, wealthiest family farmers and ranchers. Truman Capote's saga of crime and punishment, "In Cold Blood," had its gory beginnings on the prairie near here. Two youths killed the family of Herbert Clutter in the futile hope of finding piles of cash stashed in his farmhouse.

Tragic as the event was local farmers still smile at the misguided notion that inspired it.

Some of the wheat and cattle farms in the area are worth a small fortune. But very little of the wealth is in cash. The riches take the form of land, cattle, crops and equipment. It is an affluence that often rests upon a shaky pyramid of debt and mortgages.

The adage that farmers live poor so they may die rich—die with valuable land that they can bequeath to their offspring to start the cycle anew—applies even in this booming country. For Garden City is a striking example of American agriculture's staggering requirements for ever-expanding amounts of capital and credit.

It is true that farmers around Garden City probably live better than most. Some have been to Europe or to ski resorts in Colorado. And there are farmers like Cecil O'Brate, who has moved his family into a sprawling new home in town and set up a one-room office in Garden City. O'Brate is branching out, diversifying, making the transition from farmer to businessman. He bought a welding company "on a shoestring" and also operates a farm implement company.

O'Brate's office is adjacent to that of his business adviser, Danny Trayer, who recently established a private consulting firm to meet the growing needs of farmers for analyses of their business efficiency, estate planning and income tax assistance.

Trayer's service augments that of the local agricultural extension service's quarterly computer readouts to farmers, detailing their cash flow, expenses, income, crop value and capital commitments.

It is also true that Garden City bustles with business activity. The town's half-dozen modern motels put out their "no vacancy" signs by 5 p.m. during the planting season because of the influx of salesmen pushing seeds, fertilizer, machinery and pesticides.

A vistior is lucky to find a room available at the neglected old downtown hotel, the Warren, which charges $7.21 a night.

Evenings, well-to-do people gather in a crowded supper club next to the Wheatland Motel. Finance seems to dominate. There are half a dozen banks or loan companies, including the Production Credit Association, the agricultural credit union which is a member of the federal farm credit system. It is housed in an opulent, ultramodern glass edifice that some farmers call ostentatious.

Loan officer Frank Kinney said southwest Kansas farmers are sharpening their managerial skills out of sheer necessity. Kinney who occasionally uses a technocratic turn of phrase that seems oddly alien in prairie country, said agriculture today "isn't a whole lot different from a diverse manufacturing process with different lines of products."

Garden City's prosperity is real. Yet is also somehow misleading. There is a whiff of Las Vegas in the air. At the airport, a local man in Stetson and boots saunters among arriving passengers, telling all who will listen that the slump in cattle prices has wiped out 10 years of his profits.

Many cattlemen have suffered such losses, bankers confirm, though few have gone bankrupt. "They are bent but not yet broken," a Kansas City banker said briskly. At the start of 1973, cattle in the United States was worth $43 billion; a year later the value was down to $21 billion.

The cattle market has behaved erratically, rising or falling by more than $10 a hundred pounds three times since 1973.

At the grass roots, the impact has been shattering.

Over at the Fidelity State Bank, Hoy B. Etling, a shrewd agricultural loan officer with the hands of a farmer, recalls the debacle. In the spring of 1973, the banks were routinely issuing notes to farmers and feedlot operators to cover the full purchase price of cattle. A few months later the bankers saw the value of those same cattle halved. To cover themselves, they demanded more collateral from farmers, including land. The Fidelity Bank hasn't been strained, said Etling, but some others have been.

Farmers and bankers alike in this part of the country are disturbed by the increasing demands for cerdit and capital. The financial statement of a single successful local farmer indicates the dimensions.

In 1974, Harry Lightner raised corn, wheat and milo, a grain sorghum, on 1,397 acres south of town. The value of the assets he manages is well over $1 million. The computer printout for his operation indicates capital assets of $1,401,983, including land worth $775,000, buildings, equipment, grain in storage, cattle, buildings and 640 acres of leased farmland.

That year he grossed $247,926, placing his operation in the top 2 per cent of American farms—those that sell more than $100,000 worth of products annually.

But the bottom line of all this was a net farm income of only $15,800.

Farmer-businessman O'Brate is disturbed about the implications.

"If somebody doesn't get aware of it, this country's going to run out of food, because our costs are so high now, we're either going to have to get paid for it or we'll go broke . . . that's all there is to it," he said.

The Kleysteuber Farm, 20 miles south of Garden City, is the envy of many a local farmer who believes that expansion is the key to his economic problems.

It covers some 4,000 acres (including leased land) of the flat prairie. A motorist driving toward the farm from Garden City goes first through rolling, sandy hills and then arrives in the Kansas of folklore. Tumbleweed blows across the highway. Miles are measured in the dirt access roads that lead off the highway with exact recurrence.

Dennis Kleysteuber is a blond, chunky man who is almost the prototype of the young professional farmer. He takes a two-week skiing vacation in Colorado, pays himself a $15,000 salary from the proceeds of the Kleysteuber family farm corporation and reads a pile of periodicals and newspapers, including the Wall Street Journal and a Chase Manhattan Bank economic survey.

To work on his books, Kleysteuber can retire to a paneled, air-conditioned farm office.

A business graduate from Kansas State, Kleysteuber talks articulately about economics. Several years ago, the farm was incorporated, with his father, brother-in-law and himself receiving stock. A small, but growing number of farmers in the United States incorporate their operations to facilitate dividing the assets of their estates among their heirs.

The Kleysteuber farm, for all its modern attributes and size, seem to be suffering from the same problems of debt and costs which dog lesser operations.

"We're living right now on depreciation, or did last year," he said, referring to tax write-offs on equipment which allow farmers to reduce some of their obligations to the Federal government.

Loans on the farm are approaching a million dollars, and last year the farm lost $52,000, after paying all expenses totaling $802,000. The losses came in the feedlot and cow-raising operations. "We've lost a tremendous amount of money. It's been almost a disaster and we're still at the mercy of the prices," he says.

The Kleysteubers reduced their losses somewhat by feeding their own corn to their cattle. But that reduced the amount they could sell at the record high prices of 1974.

Cows which the corporation purchased two years ago for $80 to $90 a hundred pounds were sold in 1974 for $30 to $40 a hundred pounds—after the Kleysteubers had added 400 pounds to their weight by feeding them expensive grain. To raise money to pay off short-term debts, the corporation has mortgaged farmland.

Dennis Kleysteuber is more fortunate than many young Americans who aspire to a farming career. As the son of a prosperous, land-owning farmer with a sizable equity, his opportunities are considerable. For other young people without an established farming parent or some equity of their own, the road is far rougher, if it is not blocked altogether.

The cases of Ray and Helen Davison, both 31, both caught in a web of debt, legal tangles and tax worries, is typical of the plight of underfinanced young people.

The Davisons are now living in a farmhouse belonging to friends about four miles out of Bedford, Iowa. Ray Davison is short, introverted, sharp-featured. His wife is bright, saucy and very well informed on political and economic matters. In the company of their two children, who play around the farmhouse kitchen, the word "bankruptcy" is never said out loud. But, in fact, the Davisons filed for bankruptcy last month.

Seven years ago, Davison gave up his job at a local service station to fulfill his dream. He was able to lease some acreage from an out-of-town doctor and start farming.

The Davisons slowly built up assets of $50,000 to $60,000, mostly in equipment, and some $7,000 in savings.

However, last year Davison was hit by a double blow: the economic slump which halved the value of the several hundred head of cattle he was fattening, and a drought-caused failure of his corn crop.

After selling his cattle and what he had of a crop, there was not enough money to pay debts. And his lender, the Production Credit Association in the county seat of Clarinda, refused to extend his loans.

Today, Ray Davison is broke. He has more than $50,000 in debts; and he has put his equipment up for sale. Last fall, in addition, the doctor whose farm he was leasing sold the property and the new landlord did not allow the Davisons to stay.

Davison, his attorney has told him, owes $6,000 in 1974 income taxes as well. That is because he had to sell all his cattle and crops but had few offsetting expenses since local lenders cut off the credit he needed to pay bills.

When the man from the Farmers Home Administration bank asked him last fall, "How did you get yourself in such a mess?" Davison responded:

"Seven years of working my butt off."

Davison's main problem is credit worthiness. Older farmers with land or other assets built up have weathered the storm in western Iowa for the most part. They are tightening belts, going into savings or refinancing their land.

Yet the Production Credit Association was not willing to carry Davison along.

"About $100,000 to $150,000 is what we would have had to have to continue our type of operation." Helen Davison said recently. "The PCA loan came up for renewal in November. We went over umpteen times to try to get it renewed. They wouldn't tell us, 'Yes, we're closing you out,' or 'Yes, you have to quit farming.' They should have told us one way or the other. They kept shoving at us, 'You don't have enough net worth.' We went through our whole savings this winter, then they told us no."

The Davisons said they have also been turned down by Farmers Home Administration in Clarinda for a livestock disaster loan under the $2 billion Federal loan guarantee program approved by Congress last year. "They said we were too much of a disaster," said Mrs. Davison.

Now Ray Davison is doing chores for a neighbor.

"He's determined we're going back in farming next year," Mrs. Davison said. "We like farming. I hate it when my husband works around the clock in the planting season . . . When he comes home at 4 a.m. from plowing because it looks like rain the next day. But the rewards you get! My famous last words were I wouldn't marry a farmer. But you know you always eat your famous last words."

Chuch Ehm is one of those small town Midwestern bankers who seems to know more about the pulse of his community than anybody else in town. He is deeply worried about young farmers like the Davisons, caught up as they are in agriculture's escalating financial stakes.

If the stakes force out young farmers, the family farming way of life that has assured the economic and social health of Midwestern communities will pass, he reasons.

Ehm is vice president of the Iowa State Savings Bank, a down-to-earth, old-fashioned sort of institution, in Creston. Men clad in overalls and high rubber boots mill around waiting to consult with one of the tieless bank officials who work right out in the front room. There are linoleum floors, standup radiators and a bulletin board covered with hand-scrawled advertisement for "precision sharpening of scissors or shears" or "all kinds of roofing and guttering."

Ehm strides down the street, past the ancient Iowana Hotel, with its clubroom for railroad men, past the still more ancient, boarded-up railroad station. Half a dozen times, people stop to say hello before he reaches the local buffet restraurant.

Ehm is elated. That very morning he set a young farmer up in business. The customer for an $18,000 loan was a young man who had arranged to lease some farmland. He needed the money to buy livestock, fertilizer, corn and beans. But he had a few assets to put up for collateral. He also lacked a wealthy, land owning father to guarantee the loan. Chuck Ehm by some fast talking persuaded the wealthy older farmer who was leasing the land to cosign the bank note. A young farmer had a start.

If a sociologist were researching the reason for the health of rural communities in Iowa, he or she might conclude that one reason was local bankers like Church Ehm.

Ehm has his roots in local soil. He knows the farms, knows the character of the people farming them and probably knows how often they oil their machinery.

Ehm's father came to Iowa from Germany years ago. His youngest brother still lives on the farm purchased by the father and Ehm himself owns a farm.

Why did he come back to Creston after graduating from Iowa State University?

"It has something to do with rural America," he said. "And service to people."

The rural communities around Creston are fairly typical of those left in the wake of the great rural migrations to the cities in the 1950s and 1960s. The trend has reversed in the last couple of years, spurred by the agricultural boom that began in 1972 and by the economic troubles of the cities.

But for many little farm communities, it is already too late. In places with names like Gravity, Sharpsburg, Diagonal and Shannon City, the scene is Main Street in the nostalgic film "The Last Picture Show"—only five years later. Garbage dumps, empty wooden houses, burned down hulks along main street, perhaps a hardware store or grocery, occasionally a post office or bank that is open for check-cashing (but no deposits) a few hours a week.

The loss of young people has been a fatal tragedy for these towns. During the 1960s, the proportion of farm people over 55 rose by a third while the share under 14 declined by half.

Those towns that have survived often have been helped by chance, or the determination of a few local citizens with nerves steady enough to resist being panicked by deteriorating surroundings.

The tiny town of Clearfield (pop. 500) has been aided by both. The county kept the local high school open, while closing others in neighboring towns. There is a hard surface road to other main highways. And Dale Juergens, the local banker and Lions Club booster, has fought for the town's survival.

The Lions Club raised money for a community center and restaurant and sold subscriptions for the local paper when businesses started to close.

Clearfield now has two gas stations, a nursing home, mortuary, seed dealer, two grain elevators, hog-buying station, grocery, two churches and a movie theater.

How does Juergens explain Clearfield's renaissance?

"A lot of it is attitude and confidence," he said. "In some of those other communities it must be that people gave up. But most of all what kept us going was a few good years of farming. Our whole prosperity depends on agriculture."

All across the Midwestern farm belt, growers are preparing to plant "from fencepost to fencepost" in response to the Ford administration's request for all-out production.

It is a situation that makes many farmers very uncertain about their economic prospects. In several states, such as Iowa, farmers are trying to organize voluntary planting cutbacks. They fear that the massive corn crop that could be harvested in good weather would force prices down.

Critics of the administration's farm policies say the government expects the farmers themselves to take all the risks—to plant as much as possible, but with little protection should massive harvests collapse prices. President Ford's veto of emergency farm legislation to increase price supports and income guarantees to farmers proved that, they maintain.

As farm state Sen. Hubert H. Humphrey (D-Minn.) says, no other part of the American economy is asked to take such risks; no other section of the economy is locked into a production cycle that can be adversely affected by so many factors, from unpredictable weather to suddenly soaring fixed costs.

In fairness, the critics say, a way must be found for consumers and taxpayers to share some of the risk. It is not fair, they insist, that those at the bottom of the food production chain should accept the most risk.

Yet many farmers themselves seem divided on the kind of government protections they desire.

An Iowa farmer, for example, said, "Get the government out of agriculture." But in the same breath he denounced Agriculture Secretary Earl L. Butz, who favors just that.

Some farmers clearly would like to return to the programs of the 1960's, when the government "managed" agriculture, supported the price of products, accumulated big reserves and told farmers how much land to plant.

But others blame the government for stockpiles of that era for stabilizing prices at a level satisfactory to consumers, not farmers. They seem unenthusiastic about a return to government planting controls. Yet some in Washington feel that farmers ultimately will have to accept that in return for more stable prices.

Farmers' opinions, naturally enough vary according to their specific economic headaches. Fruit and vegetable farmers in Michigan chafe at government regulations, from quality standards to minimum wages for migrant laborers.

But tobacco farmers in North Carolina depend on the government's planting allotments to protect them from free market competition, and dairy farmers want higher government price supports and limits on imports.

Others are as angry as consumers at profiteering middlemen in the food processing chain. They insist that they are suffering as badly as consumers in other respects, too. Net farm income dropped from $32 billion to $27 billion between 1973 to 1974 and is expected to dip still lower this year.

More than anything, farmers say they want one thing: a fair return on their escalating investments.

BRITAIN—SICK MAN OF EUROPE

Mr. EAGLETON. Mr. President, with the fall of Indochina and the collapse of Secretary Kissinger's Middle East negotiations, the United States is, quite naturally, reappraising and reevaluating its foreign policy for the year ahead.

Today I would like to touch briefly on one aspect of that reappraisal policy.

Europe and NATO are very much on our minds. The strength of our European relationship depends in large measure on our long-standing friendship with Great Britain. For generations now we have been able to count on the British for, at the very least, moral support—or polite silence even when we were wrong, as in Indochina. The American-British relationship has withstood the test of time and the test of adversity.

Mr. President, I am deeply disturbed by recent developments in Great Britain. A great nation is rapidly becoming the "Sick Man of Europe." Unlike the far-flung Ottoman Empire at the turn of the century, Britain's illness is not one of geographical overextension. The British Empire was dissolved responsibly, largely the result of political accommodation rather than lost battles.

Her illness goes to the very care of her compact society. By every test of strength and stability—societal cohesion, economic vitality, industrial productivity—Britain is far less well off than she was 20 years ago.

I was moved recently by two television broadcasts of Eric Severeid. Long a friend and admirer of Britain dating back to his World War II broadcast coverage in Britain along with Edward R. Murrow, Mr. Severeid paints a grim picture of Britain today.

Neither Mr. Severeid nor I have the instant or easy answers to Britain's dilemma. Nevertheless, Britain's plight and Britain's future must cause us to think deeply and constructively. The reappraisal of American policy should begin with the trauma of our closest ally.

Mr. President, I ask unanimous consent that the text of Mr. Severeid's two CBS broadcasts of May 5 and 6, 1975, be printed in the Record.

There being no objection, the broadcasts were ordered to be printed in the Record, as follows:

CBS Evening News With Walter Cronkite: Monday, May 5, 1975

Roger Mudd. Eric Sevareid has just returned from an assignment in West Germany, and here's his commentary on what he found there, three decades after the war ended.

Eric Sevareid. In Southeast Asia, where the vital security interests of the United States do not lie, the century's longest war—thirty years—has ended. In Europe, where our vital interests do lie, the century's longest peace reaches the thirty-year mark this week.

Thirty years ago, this reporter crossed the River Rhine into a German scene of total destruction and abject, exhausted people. We were in the same region the other day and everything has come full circle. Then, a pack of American cigarettes bought obeisance. Today, an American, with his debased dollars, feels humiliated by the mighty German mark. The greatest warrior race has become the greatest merchant race. The conquered of that time are economically stronger than any of the surrounding conquerors today. Germany, too, has felt the general western recession but mildly, compared to other countries, and they are pulling out of it already.

Responsible Germans keep a low profile about their astonishing success. It is the frankly stated wish of leaders like Willy Brandt that Germany not become an economic super-power in Europe, and they foresee unhappy political and psychological consequences should that occur. They want Britain to stay in the Common Market—and the British vote on this in a month's time—partly to dilute their own power in the European community, to reassure the French most of all.

More remarkable even than the German economic miracle is the German political miracle. Few societies have ever gone from the dictatorial, authoritarian tradition to open democracy and managed to stay there, but the Federal Constitution has lasted now a quarter century and shows only minor strains.

There is an air of confidence. The parochial nationalism of the previous generation is muted. Paranoia has all but disappeared. The new, young generation is remarkably objective about their society, free of guilt feelings about the past and properly so, pan-European in outlook, quite willing to get along with the east, and regarding East Germany itself as a different nation.

This is an immensely important and hopeful thing for the future of the west—a democratic, stable, rational Germany. In terms of our own long-range interests, this surely over-balances the collapse into Communism of Indochina.

But there is a giant fly in the European ointment, with a more serious potential than what is happening in Portugal, Italy, and Turkey. And that is the condition of Great Britain. One comes away from London with a sense that a great industrial system is not only running down but breaking down. The conflict is still mostly articulated in the old accents of tolerance, but beneath the surface, the tension gathers. An endless economic crisis is approaching some kind of political and social confrontation of rather ominous proportions—another story for another time.

CBS Evening News With Walter Cronkite: Tuesday, May 6, 1975

Roger Mudd. Rapid and drastic political change is now most noticeable in Southeast Asia, but it's also occurring in western Europe and in Britain, which is the subject of Eric Sevareid's commentary.

Eric Sevareid. The President will go to Brussels this month to tell the Atlantic allies that America's word is still its bond. He will also touch down in Spain, scene of a coming political transition. He will not visit Portugal, trying to find a new footing after a generation of authoritarian rule. And he will not visit Britain, our closest ally, always regarded as the strongest and most reliable. But it's a serious question whether it can be so regarded any longer.

It is not merely that her military strength is ebbing and her economic strength weakening but that Britain is drifting slowly toward a condition of ungovernability. It is now a debatable question whether Parliament or the great trade unions are calling the political tune. The country, as one English writer puts it, is sleep-walking into a social revolution, one its majority clearly does not want but does not know how to stop. As a rough analogy, Wilson's government is at the stage of Allende's Chilean government when a minority tried to force a profound transformation of society upon the majority—not that the backlash in Britain need be militaristic, but some kind of backlash is building up, with no certain policy and no certain leader.

In the last year, the cost of living rose some twenty-one-percent but average wages by thirty-two-percent, and worker productivity steadily falls, as does business investment. The city of London is financially broke. Property taxes rose by seventy-five-percent in two years. Thousands of middle-class people move out of the city every year, like New York. Unemployment, Britain's special nightmare, rises steadily, and great corporations are insolvent, one after another.

Behind all this are the doctrinaire socialists, the true believers, for whom the picture in their heads is more real than the reality around them. One of the troubles with Marx was that he lived before Freud; human psychology was not his strong suit. The socialists persist in thinking that a worker in a nationalized factory will feel he owns it and will joyously work the harder. The opposite happens, for everybody's property is nobody's property and is so treated.

Their emphasis is on sharing wealth over producing wealth, on equality over liberty. The end of this is almost certainly the loss of the wealth and, less certainly, the loss of the liberties. It is no small matter that the regime is trying to force all British journalists, editors included, into one monopoly union, sure to be dominated by what we call the radical chic and what they call the trendy left.

The powerful Communist influence in trade union leadership is no longer disputed. What do they want? Not a Communist Britain in the foreseeable future, much more likely a chronically weak, dispirited Britain, able to play no effective role in the world or the alliance. That would suit very nicely the long-range strategies of the Soviet Union.

MINNESOTA CORRESPONDENT REFLECTS ON AMERICA'S INVOLVEMENT IN VIETNAM

Mr. HUMPHREY. Mr. President, much will be written about the Vietnam war. There will be volumes of postmortems. I call to the attention of the Senate a recent article by Mr. Ronald Ross of the editorial staff of the Minneapolis Tribune. Ronald Ross served as the Minneapolis Tribune's correspondent in Vietnam from 1965 to 1970, and has followed developments there since then in his role as a Tribune editorial writer. When Saigon fell 10 days ago, his editors asked him to set down his personal reflections on the conflict. This article is the result.

I ask unanimous consent that the article entitled "The Vietnam War Is Over: What Was It All About?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE VIETNAM WAR IS OVER: WHAT WAS IT ALL ABOUT?

(By Ronald Ross)

A letter to my daughter:

You often asked me, when you were a little girl living in Hong Kong, what the Vietnam War was all about. Now that it has ended I will try to explain.

A lot of it has to do with American fears of the spread of communism after the second World War. To some extent those fears were justified. By 1950 Americans could see that Communists ruled in Russia, Eastern Europe, China and North Korea, and appeared to be threatening in other parts of the world, including Vietnam and the rest of Southeast Asia. Many Americans thought then that hordes of Communists, led by Russian and Chinese spies and soldiers—all lumped together in a huge global conspiracy—were about to take over everywhere.

Today, of course, we know that Russia and China have little in common—even their communism is different—that "global communism" is a myth. But it is a myth that many Americans—some of them in very important positions—believed in. And they believed that it had to be fought wherever it threatened.

Lyndon Johnson, who might have been a great president if it hadn't been for his obsession with Vietnam, was quite capable of telling people in the 1960s, for example, that if we didn't stop the Reds in South Vietnam, tomorrow they would be in Hawaii, and next week they would be in San Francisco.

The United States got really involved in Vietnam for the first time when it supported France's return to its Indochina colonies after the defeat of Japan in 1945. That support soon was translated into massive amounts of military aid with the surfacing of Ho Chi Minh's Vietnamese independence movement, which the French tried in vain to crush. When the French were defeated in 1954 by the Communist-led revolutionaries, the United States stepped into the breach, or quagmire, as some have called Vietnam for the Americans.

An anti-Communist president, Ngo Dinh Diem, was installed in Saigon—the capital of the southern half of Vietnam—and the first American advisers were sent out to help him. That was in President Eisenhower's days. From that small beginning, the American presence grew until there were 550,000 troops in South Vietnam in 1970, when President Nixon was in the White House. Getting involved in Vietnam we know now was a mistake, but once America's leaders got locked into it, they found it hard to get out. And in the 1950s and 1960s the leaders were backed by a majority of the American people.

If you have ever seen films of Sen. Joe McCarthy in action you will understand something about the mood of America in the 1950s. McCarthy finally was broken, but his malevolent anti-Communist crusade left many deep scars on American society and drove out of office many fine diplomats and scholars who could have helped policy-makers in the decisions they were making about Vietnam.

Those were times when you would have thought that many Americans had lost their senses. In a way, they had. They had certainly lost their sense of perspective. Many of them were not to regain it until much, much later. And there are some who still haven't. Those also were the days of Secretary of State John Foster Dulles and his messianic, muscle-flexing diplomacy. Dulles even wanted to drop an atomic bomb on Indochina at one time, but, mercifully, wiser heads prevailed.

John Kennedy inherited much of Dulle's vision of America's role in the world. When that was put together with Kennedy's illusions about counter-insurgency and the new weapons that were being developed for the U.S. military, it seems now that a "Vietnam" somewhere in the world was probably inevitable.

There also was an underlying streak of racism in the attitude of many Americans, and that led some of their leaders, including presidents and secretaries of state, to make the big error of underestimating the Vietnamese: "Charlie Cong" to some generals, and "gooks" to a lot of GIs.

It was an error that was to cost the lives of more than one and a half million soldiers (only 56,000 of them American) and the lives of hundreds of thousands of civilians (all but a handful of them Asian).

Vietnam was not America's finest hour abroad. Nor was it America's finest hour at home, where the better things about JFK's New Frontier and LBJ's dreams for his Great Society crumbled under mounting inflation and political and social dissent.

There was little to be seen of America's generosity or intellectual ferment, but plenty of its arrogance, its violence, its passion for manipulation. America was to look even worse under Richard Nixon and Henry Kissinger, the co-authors of the last chapter of America's tragic Vietnam story.

Nixon was ideally suited by temperament to succeed to "Lyndon's war"—manipulating men and machines to prove that America was not a "pitiful, helpless giant" and wrapping his actions in a cloak of secrecy and mistrust. If he had stayed within the limits Johnson had set (at least publicly), Nixon might have survived, but he chose instead to send the U.S. cavalry after more Reds in Cambodia—launching death and destruction on that little country in the name of saving American lives. (There really was a cavalry unit out there. It went to war in helicopters. Now it's back in tanks.)

The campuses exploded, but Nixon might have survived even that had it not been for his paranoia about secrecy. It was his and Kissinger's vain efforts to hide massive, pre-invasion bombing in Cambodia that led to White House orders to wiretap U.S. officials and reporters suspected of leaking the story. That was the first link in the miserable chain of clandestine operations that produced the White House "plumbers" and, eventually, the Watergate scandals. With those, Nixon was out.

For six years, Nixon and Kissinger, and then Gerald Ford and Kissinger, strung out the last chapter—from 1969, when a settlement could have been reached, through the Christmas 1972 bombing of Hanoi, the 1973 signing of the Paris agreements and the return of the American POWs, to the resignation of President Thieu on April 21 of this year and his flight to Taiwan on April 26 and the surrender of Saigon to the People's Army of the north and the Revolutionary Government of the south on April 30.

It might have gone on longer. Even until the last weeks, there still were hundreds of American military advisers in South Vietnam and billions of dollars worth of American guns, planes, bombs, helicopters and tanks. In Washington, President Ford and Kissinger still were pushing Congress hard to give Thieu even more. But Congress balked, finally responding to the feelings of millions of Americans that enough was enough. As the book closed in the White House, it opened on Saigon, renamed Ho Chi Minh City, Vietnam at last was for the Vietnamese.

Kissinger lingers on, continuing to treat domestic politics and the country's public opinion as something to be manipulated so that he can be free for dealings with other nations, preferably America's "adversaries" who, he once said, gave him less trouble than America's friends.

Some years ago, in a rare unguarded moment, Kissinger explained his own vision of himself to the Italian woman journalist, Oriana Fallaci: "The main point stems from the fact that I've always acted alone. Americans admire that enormously. Americans admire the cowboy leading the caravan alone astride his horse, the cowboy entering a village or city alone on his horse . . . a wild West tale, if you like."

"When people really digest what has happened, then they will begin to see that the Kissinger style of diplomacy is incompatible with our ideals as a people."

Those were the words of a wise man spoken last week here in Minneapolis. He is Maurice Visscher, regents professor emeritus at the University of Minnesota. In 1966, he helped form Minnesotans Against the War. That was a time when many prominent people in Minnesota, including Sens. Humphrey and Mondale and some of the senior executives and editors of this newspaper, thought that what America was doing in Vietnam was right.

Do you remember the Beatles' song: "I read the news today oh boy . . ."? Well, there always was news about Vietnam in the newspapers and on radio and television, as far back as the 1960s, when Kennedy was in the White House, and even further back when the French were in Vietnam.

There was plenty of deception by government officials, but information always was available, at least to those who cared to take an interest. If there was any sense in which it could be said that Americans were not well-informed, it was not that they lacked facts. Rather, it was that the press in those early days did not try hard enough, or was not bright enough, to make sense of them. One of the reasons for this failure was that many reporters and their editors agreed with Presidents Eisenhower, Kennedy and Johnson that the line against "global communism" had to be held in Vietnam.

It was not as though the United States was not warned about getting involved in Vietnam, either. There were always a handful of Americans saying, "No."

There were foreigners with insight and experience saying "no" too: Gunnar Myrdal, the famous Swedish social anthropologist; U Thant, the gentle Burmese. And then there was the French president, Charles de Gaulle. France was forced out of Indochina. Under De Gaulle, France was to give up Algeria. Surely he knew what he was talking about.

As far back as 1961, when there were only a few hundred American soldiers in Vietnam, De Gaulle told Kennedy: "You now want to assume our succession to rekindle a war that we ended. I predict to you that you will, step by step, become sucked into a bottomless military and political quagmire. . . ."

But few American politicians ever paid much attention to the French. The French were too cynical; worse, they were losers. It was a French general who first said there was "light at the end of the tunnel." That was Henri Eugene Navarre, commander of all French forces in Indochina, and he said it in September 1953—barely eight months before the French defeat at Dien Bien Phu.

Despite France's experience, America's Cold War warriors took up the trail. Secure in their myths and moral pretentions, they kept sending young Americans out to die in the search for that "light." All for nothing. Sometimes the absurdity of it all was shattering. I came to appreciate the true whimsy of "Alice in Wonderland," and when that no longer sufficed, the near silence of Samuel Beckett: "You must go on, I can't go on, I'll go on."

For a young woman who has grown up in a reasonably rational home, the whole Vietnam War must be very hard to understand, particularly since a lot of what you might have read about the big battles in Vietnam and and the Pentagon's "pacification" and "nation-building" schemes obscured what really was happening out there.

It was not "foreign aggression." It wasn't even a "civil war" though I have used those words myself in an attempt to catch the flavor of Vietnamese struggling against Vietnamese. It was a revolution. There is no other word to describe it, for that's what the Vietnamese have known it to be since the 1920s.

That shouldn't be hard for Americans to understand. The Vietnamese revolution had its own Declaration of Independence (proclaimed by its founding father, Ho Chi Minh, 30 years ago this August) and its own Redcoats and Hessians—the French, the Japanese, the British, who held Vietnam until the French returned, and finally, when the French lost, the Americans and their allies.

As for the war, itself, is wasn't wall-to-wall war every day of the week, you understand, though it must have seemed that way to your mother from TV and the headlines. A lot of the war was like being in a series of college locker-rooms, where it was "frig" this and "frig" that. "When you can kill hell out of them out there, goddamit, you feel real good." That was Maj. Gen. James Hollingsworth in April 1972.

It was all very macho—males testing themselves, going out on combat. "humping the boonies." Some of the American press was like that, too, I regret to say. It's a pity there weren't more women reporters out there to have pricked all that macho.

There were a few, though among them Oriana Fallaci and Gloria Emerson, who reported from Vietnam for the New York Times for more than two years.

Here is a sample of Ms. Emerson's thoughts about the men who fought the war (much the same could be said of some of the senior U.S. diplomats out there, too): "Many officers were small men with a talent for deceit. They lied about bodycounts, military targets, the war they insisted they were winning and even the morale of their troops. They were men with pleasant manners and dim minds . . . and carefully turned up sleeves to show a bit of muscle . . . for whom only other Americans were real. . . . It always surprised me that so many of them were such fussy men, always quite anxious to prove how hard-core they were and that there was really something between their legs."

The GIs, generally, she adds, "were very much smarter and understood so much more than their officers." How true. And many of them, fighting for a losing cause in a strange faraway land, continued to make personal sacrifices and perform acts of bravery that were all the more remarkable.

Not all the officers were of the mold that Ms. Emerson wrote about, though I must agree they certainly seemed to be in the majority; maybe that's what the army does to men. But there were bright and sensitive ones, too, and several of them became my close friends. There was much that their country was doing in Vietnam that they deplored. On the whole, however, the war was a massively nasty business, stripping away from many it touched the little decencies that are a hallmark of civilized people.

An incident I witnessed stays with me to this day. A regiment of the 1st Air Cavalry, the glamour unit of the early days of the American war, had just come back from a running battle up the Ia Drang valley in the Central Highlands.

It had been a long and dirty battle; I had been along for part of it. The regiment (which bore Custer's number, ironically) had claimed a big bag. After we had all showered, we gathered in the officers' mess. Some of the officers were missing, and quite a number of GIs had been killed. But the officers were in great form, laughing and flirting with a couple of Red Cross nurses. The chaplain bought a round of drinks.

Another time I was having a drink in the bar at the top of Saigon's Mia Loan hotel, which was, in truth, a seven-story whorehouse, but the bar was a good place to get away from everything. Pete Kumpa of the Baltimore Sun and I used to wander up there from time to time to get the "air." The 18-year-old son of a well-known Southern senator turned up, drunk as a young Bourbon lord, $200 in his pocket and a Polaroid camera in his hand. He had just come up from the Mekong Delta, where he was flying helicopters. He was, he said, going to take pictures in every room on every floor of the hotel. I heard later that he had tried, but finally got thrown by an enraged soldier who couldn't have cared less that the chopper-jockey was a warrant officer and a senator's son to boot.

War stories. They weren't all bad; there were a lot of Americans out there who really tried hard to do something for the Vietnamese. I still have some twinges of nostalgia—like the nostalgia of an aging ex-colonial—for the good things, the fine meals at Rene's Golden Lotus and a small but trusted parcel of friends, Vietnamese, American, German, British, French. Rogues, some of them, but they had some style.

Anyway, it's all over now for the Americans—for the time being at least. "Chacun son tour. . . . Aujourd'hui le tien, demain le mien," as Francois Sully used to say. "To each his turn. Today yours, tomorrow mine." (Sully, one of Newsweek's finest, was killed in Vietnam.)

"It's over," a young Revolutionary Government official told an Associated Press correspondent in Hue last week. "But what a cost. Thirty years of people being killed and our land destroyed. Now there is much to do."

But don't think for a minute that it couldn't happen again. Don't let the men who run this country push it under the rug. Insist that you see what's under that rug, and when you have, hang it up in the fresh air and give it a good beating.

BUSINESS WEEK ARTICLE ON TRANSPORTATION REGULATION

Mr. KENNEDY. Mr. President, Business Week magazine in its May 12 issue ran an excellent cover story entitled "Transportation: Freedom from Regulation?" The debate over regulatory reform of transportation is a complicated one and sometimes does not receive the attention that it deserves. The Business Week article is, however, an exception. It is one of the more comprehensive pieces I have seen on the subject for some time.

The Subcommittee on Administrative Practice and Procedure, which I chair, has been taking a close look at airline regulation. Many of the issues developed at our hearings were touched on in the Business Week article. The subcommittee has found that lower air fares without substantial reduction of air service is both possible and desirable. I ask unanimous consent that the article and my letter to Business Week be printed in the Record.

There being no objection, the article and letter were ordered to be printed in the Record, as follows:

Transportation: Freedom From Regulation?

Never in the memory of anyone connected with transportation has there been such a large and concerted outcry calling for its deregulation. "The American consumer is being forced to pay from $4-billion to $10-billion a year for the high shipping rates and inefficiency of railway operations caused by Interstate Commerce Commission regulations," says Senator Robert Taft (R-Ohio) in a characteristic statement representing the mood of the times. "We need to return America to the free-enterprise system and end wasteful federal bureaucracy."

The issues in deregulation are three: whether there should be freedom for new or existing transportation companies to enter markets; whether there should be freedom to stop serving markets; and whether there should be freedom to let the marketplace set prices in open competition subject only to antitrust laws.

Those in favor of deregulation believe that regulation was created in a different economic era, specifically when railroads had a monopoly on transportation. They argue that after the trucking industry grew big enough to challenge this monopoly, Congress—as deregulators see it—made a mistake. Instead of deregulating railroads and letting competition work, Congress brought the trucking industry under the regulatory umbrella. Subsequently, it regulated some water carriers and all surface freight forwarders.

Today, advocates of deregulation insist, there is no need to build fences around transportation companies or even transportation industries. In fact, doing so keeps rates artificially high, and the nation, which can ill afford it, is obliged to subsidize a lot of waste in the transportation of its goods and people. Just as the Interstate Commerce Commission was created to meet an economic need of the time, the Civil Aeronautics Board was created to promote and protect a fledgling industry. Today, aviation is a huge and powerful industry that should have more competition from innovators, say the deregulators.

Critics of deregulation, on the other hand, argue that this country has the best, most efficient, and lowest-cost-to-consumers transportation complex in the world. It is also, they point out, the only one that is still largely in private hands, and it got this way and prospered, by and large, thanks to intelligent regulation. The regulatory system is not, they admit, perfect by any means and is certainly subject to improvement. But allegations of huge waste fostered by regulation have no factual support. Tearing down the regulatory fences without fully understanding why they were put up in the first place would be a national disaster.

Nevertheless, in today's post-Watergate superinflation world, in which so much of the public distrusts big, entrenched business, labor, and government, such calls for transportation deregulation have enormous popular appeal. A view once held universally by academic economists but by few others has now become a rallying cry for everyone from free-market conservatives to extreme liberals, with consumer-activist groups scattered throughout the spectrum.

PUSHING FOR REFORM

Riding the wave of this belief and trying to combat inflation by eliminating waste, the Administration is vigorously pushing for regulatory reform. Although it is not going nearly far enough to satisfy the deregulators, the Transportation Dept. thinks it has a program that can pass Congress.

As part of this, they want more freedom of entry and more flexible rate setting. However, the first priority for government action is the railroad industry—because it is the sickest. And, ironically, that part of the program appears to favor more—rather than less—regulation.

Even as President Ford this week called for an across-the-board reduction of federal business regulation, Transportation Dept. officials were mapping plans to do just the opposite: increase federal control over the railroad industry. The plan, in fact, violates the Administration's abhorrence of another kind of federal intrusion in the free-market economy—allocation of credit by other than market forces.

The scheme calls for a massive $2-billion loan-guarantee program for railroads. To get this cheap money, reasonably healthy roads would first have to merge with one or more losing lines in accordance with a grand design for restructuring the national railroad network.

The program being drafted for the railroads, which is due for submission to Congress this week, is part of an over-all Administration strategy to "rationalize" the nation's transportation system. As such, it calls for a good deal of "deregulation" and a greater reliance on market forces for setting prices and developing new and more competitive carriers in transportation. But it also recognizes the need for the government to help channel billions of dollars into new transportation investment—especially in the railroad industry. Largely because of this investment program, which will increase the federal role in railroading, the new Transportation Secretary, William T. Coleman, is soft-pedaling the deregulation issue.

"There is no talk of deregulation if by that you mean no regulation whatever," says Coleman. He adds, "The Administration's aim is to modernize and reform the regulatory system."

For example, Coleman would like to simplify rail merger regulations in order to promote consolidation of rail facilities and the development of a more efficient rail system. He proposes that many of the ICC's procedures on mergers be waived. This appears to be consistent with removing the heavy hand of government from private business transactions such as mergers, but in reality it is not. It simply replaces the presence of the ICC with that of the Transportation Dept.

The catch in the Coleman plan is that railroads could obtain waivers from present merger regulations only if they merged with certain other railroads stipulated not by the ICC but by the Transportation Dept. And only then would the railroads get the loan guarantees.

Says Coleman: "I hope I can create a situation in which the first railroad knows it better go through the gate, and the others as a matter of defense will go through the gate. I hope that eventually I can say, 'Well, you're too late, the gates are closed.'" The scheme apparently fits the Administration's over-all deregulation strategy because the loan plan is viewed as a temporary measure, designed to create a more efficient and viable rail system. After that goal is achieved, Coleman hopes the government will remove itself from funding and merger issues as the railroads regain investor confidence and access to capital markets.

THE STRUGGLE OVER FREEDOM

The other part of the Ford program is more directly related to removing government controls on transportation. Briefly, it calls for:

Rate freedom: In the first year, railroads will be able both to raise or lower rates by 7% without the ICC's prior approval. The limits would increase to 12% in the second year and 15% in the third. After the third year, the results will be evaluated.

Standards: Carriers can base rates on their variable costs and do not have to factor fixed costs into their rate base. This would allow railroads, which have higher fixed-cost rate bases, to lower prices in competition with trucks and barges. When a railroad tried to do this in 1963 by lowering rates on ingot molds to variable costs, barge competitors took it to court and were upheld.

Entry requirements: New entries into the trucking business would get ICC operating approval if they could show that they would operate more efficiently than present carriers. In addition, subsidiaries of large companies hauling their own freight would be permitted to haul products of other subsidiaries or affiliates of the parent company without ICC approval.

In the airline field, the Administration favors an even greater range of price freedom, perhaps as much as 15%—up or down—immediately, as well as a simplification of procedures designed to encourage present airlines to compete more vigorously in strong markets. Coleman also hints at reviving earlier proposals to permit a company to own more than one form of carrier, which would allow railroads to expand into trucking.

The Administration's plan is sure to face stiff opposition in Congress, however, where a number of competing transportation plans have already been tossed into the legislative hopper. It is not clear that Congress will accept a plan such as Ford's for reviving rail service—for instead of a temporary loan-assistance plan, many lawmakers are calling for near-nationalization of the railroads. In areas such as less ICC control over prices and market entry, the trucking industry—both management and labor—is sure to dig in its heels. And despite Coleman's contention that times have changed, there is still great concern among many lawmakers that such abuses of free-market competition as rebates and discrimination against small shippers would crop up again if government vigilance lessened.

One criticism of the rail loan-guarantee program comes from ICC Vice-Chairman A. Daniel O'Neal, who characterizes it as an exercise in "funny money." Says O'Neal: "We need to bite the bullet and provide real money—cash—for the railroads."

He has been joined by other ICC officials, including George Chandler, director of its Rail Services Planning Office, which has been evaluating the U.S. Railway Assn.'s preliminary plan for revitalizing rail service in the Northeast and Midwest. Calling the USRA financing plan inadequate, Chandler has proposed a $2-billion federal program in which the government would match, dollar for dollar, new railroad investment by giving the railroads cash grants paid for out of new federal fuel taxes. Other plans call for a railroad trust fund paid for by surcharges on freight bills and federal ownership of the railroad right of way.

Representative Brock Adams (D-Wash.), who heads the new House Budget Committee, is a leading regulatory expert in Congress. He has introduced his own bill, which also allows greater rate freedom. But he would not allow railroads total freedom to reduce prices, as the Administration would. "It does not make sense to give them financial assistance and then allow it to be given away through decreased rates," he says. Otherwise, his proposal closely parallels the Administration program.

DRAWING THE BATTLE LINES

But others are not so agreeable to Ford's deregulation plans. Farm groups are especially concerned that greater rate freedom will mean higher prices for rail transport of grain; the Administration has therefore backed away from proposals to exempt railroads totally from regulation when they carry farm goods. "We'd like to, but it's political dynamite," admits Jack Snow, a top Coleman aide. But he concedes that the rate freedom proposed for railroads, giving them a range of uncontrolled price flexibility, will help them attract more farm business or carry existing business at more economic rates.

Truckers are especially upset at the deregulation plan, and they are particularly critical of the Administration's move to open up entry. "In the minds of many economists, and some government officials, there seems to be a belief that if the supply of transportation services is increased, the demand for service will also increase. This misconception is obvious," asserts Edward V. Kiley, vice-president of the American Trucking Assns., who argues that it would simply mean more people getting a smaller slice of the pie.

Airlines, too, are opposed to many deregulation arguments. "Would deregulation lead to lower labor and fuel costs?" asks Paul R. Ignatius, president of the Air Transport Assn, of America. He adds: "If it doesn't, how would it lead to lower fares?" He also questions the need for freer entry and exit. He believes that it would lead to instability and the loss of service to many communities that have made heavy investments in air terminal facilities.

But the issue has been joined once again—and this time with more momentum behind it because of the sad state of rail transport. With a large number of freshmen Congressmen sympathetic to knocking down institutional icons such as the ICC and CAB, the Administration may find some legislative allies willing to push its program through.

Understandably, when they first became aware of this phenomenon, transportation company executives were badly frightened. To a man, they retreated behind such bromides as, "Let's not throw out the baby with the bathwater," or "Let's not pull down the building until we have something to take its place." John L. Weller, who has had a long career in transportation as both an executive of operating companies and an investment banker specializing in transportation securities, calls the proposal to cure transportation's ills by bleeding "silly".

But lately transportation executives have gained confidence that they can win in a showdown fight over deregulation, and some of them are even anxious to get on with it. While there is widespread support for freedom of entry, there is virtually no enthusiasm among politicians for freedom of exit. Governor Milton J. Shapp of Pennsylvania, for example, has bitterly opposed virtually every attempt to drop railroad routes in his state. The transportation establishment cannot believe there could be freedom of entry without freedom of exit.

What is really at issue in the fight over regulation, particularly now, is how much waste it causes. But some of what deregulators think of as waste is actually the result of an unarticulated but age-old federal philosophy that transportation is an instrument of social policy. If many freight rates and passenger fares are higher than they would be without regulation, it is because the excess is used to cross subsidize high-cost transportation services elsewhere that are deemed by some governmental body or other to be socially important. These are the services that regulators mostly will not let transportation companies abandon.

WHAT KIND OF SUBSIDIES?

One reason that the established transportation companies are not so frightened as they were at first is that the political clout in Congress may be swinging toward their side. For instance, consumers who must pay $182 to fly from New York to Los Angeles may find the recent World Airways, Inc., proposal for an $87-fare based on a lack of cross subsidization attractive, but they do not have the financial backing or staying power of business and labor—the two groups that benefit the most from the present system.

There is talk that direct subsidies would be a cheaper and more efficient way to meet the needs of social policy. This is exactly what the National Railroad Passenger Corp. (Amtrak) and several railroad commuter operating agencies are designed to do.

"If cross subsidies are out, how about direct subsidies?" asks the ICC's O'Neal. "Advocates of free entry believe them to be more honest because they can be measured in dollars and cents. But can they assure you that Congress thinks it will be 'more honest' to appropriate increasingly harder-to-obtain tax funds to subsidize the transportation industry, parts of it, or factories or communities abandoned by that industry? I wonder whether the ultimate in direct subsidies—nationalization—wouldn't look better to a Congress besieged by demands for better transportation than would direct subsidies to private business."

WHICH FREEDOMS?

This gets down to the nitty-gritty of the problem. If transportation executives thought for one minute that Congress would excuse them from money-losing social responsibilities, the prospect of deregulation would not worry them. Political realities and past experience, however, have given them good cause for concern.

The fundamental reason the New York Central and Pennsylvania RRs fought for a merger—and the reason the ICC bought it—was to eliminate waste trackage and cut costs. To this day, local, state, and federal politicians have successfully kept the Penn Central from abandoning any but an insignificant amount of lightly used track.

For a time, the CAB attempted to rationalize the air transport industry, particularly the subsidized regional segment of it. There are scores of infrequently used commercial airports, many of which are not far, in driving time on interstate highways, from another airfield, so the CAB tried to increase the quantity of service at hub airports and close other fields nearby. It adopted a use-it-or-lose-it policy under which the board would give an airline permission to stop serving any airport at which enplanements dropped below a set rate. But political pressures quickly forced the board to abandon the policy.

"The first places we'd take a look at leaving if we had freedom of exit would be Ely and Elko, Nev.," says an official of United Air Lines, Inc. "Can you imagine us doing so and waving goodbye to Senator Howard Cannon of Nevada, head of the aviation subcommittee?" During March, just over 1,300 passengers got on or off United's two flights a day at Ely and less than 800 passengers traveled through Elko.

Deregulation purists who believe in free-market fares argue that transportation should not be made an instrument of social policy. Communities, factories, and shippers will be served at a price, say these deregulators, and if these users are too small or too far off the main line, the price will go up. If the price is too high to be competitive, the community, factory, or shipper will move elsewhere

In the worst possible world for existing transportation companies, one in which freedom of entry was permitted but freedom of exit was not, the airlines see the most frightening consequences. They foresee "sharpshooters" with second-hand jets and non-union labor converging on the heavy-traffic city pairs and "cream skimming" with rock-bottom prices. This will inevitably lead to corner cutting, which raises serious questions about safety.

Today, with the present price structure and CAB regulation, airlines generally police their own safety standards. (The CAB does not regulate safety per se.) In an unregulated world, the size of the Federal Aviation Administration would have to be enormously increased to do it for them—and the public. Increasing the size of one regulatory body in order to eliminate another is not generally considered progress in the industry.

Actually, however, other constraints would probably be put on airlines. It would be relatively easy to abolish the CAB, but it would be hard to abolish airline regulation. With existing and new airlines all trying to serve the densest markets at peak travel times, airports like New York, Chicago, Los Angeles, Miami, and so on would quickly run out of landing and take-off slots, ramp space, baggage-handling facilities, and fueling facilities. Quasi-governmental bodies like the Port Authority of New York and New Jersey would have to begin regulating aviation.

If the CAB were abolished, as consumer advocate Ralph Nader demands, and if airlines set fares under Robinson-Patman and various other anti-trust laws, regulation to prevent economic damage would be replaced by litigation after it had occurred. Within five years, a huge cadre of lawyers would develop in the Justice Dept. to specialize in aviation cases. "And that," says a long-time transportation observer in Washington, "is essentially what we've already got in the CAB."

Finally, assuming that the energy crisis persists, the Federal Energy Administration would eventually have to impose controls.

EFFECTS OF COMPETITION

Over airline objections, the Transportation Dept. is going to seek pricing zones and freedom of entry for the industry. "We recognize that pricing flexibility is criticized on the assertion that only the strong firms will take advantage of it," says Robert H. Binder, Assistant Secretary of Transportation for policy, plans, and international affairs. He characterizes the opposition view this way: "They will either drive prices up or, in the alternative, drive the prices down temporarily to destroy competition and then increase prices when the competition is gone."

He adds: "Liberalized entry and the threat of potential entry is the enforcer that assures that pricing flexibility will not be misused. With liberalized entry, the strong firms will not be able to drive the price up because of the threat of competition. And they will have little incentive to underprice their services to drive out old competitors because there is always the threat of new competitors. Instead, we think that existing firms will improve their efficiency and keep their prices low enough to keep the new firms out."

Not all "wastes" from regulation is caused by social policies, of course, and the need for cross subsidies. There is some inefficiency simply from the fact that transportation companies are protected from competition and are not slugging it out for business like everyone else. How much waste comes from this, not even the academic economists can agree on.

Professor Thomas G. Moore, now at Stanford University, has come up with the most dramatic numbers. And because of their size, they are quoted so many times and in such high places, including by the Council of Economic Advisers and by Senator Taft, that they have gained much credence. What Moore did was to estimate the various losses incurred from ICC regulation through inefficient use of common carrier trucks, private trucks, rails, and water carriers and through the inefficiencies that arose because a higher-cost carrier carried volumes he believes should have gone to the low-cost carrier. The year he choose for this study was 1968. His low estimate was approximately $4-billion; the high was almost $9-billion. Since then, with inflation and growing inefficiencies, he has increased the high side to $16-billion.

Professor John R. Meyer of the Harvard Business School, himself an eminent transportation economist and a sincere deregulator ("Not that it would make much economic difference, but it would get rid of a lot of underbrush," he says), laughs at these numbers. "I have to hand it to Tommy; he keeps his name in the headlines," says Meyer. "But I really can't see where he comes up with that much waste. I don't think there's anything like it. Given the deterioration of the rail plant, the excellence of the highway network, and the specialization of truckers, I am very dubious that over the short run there would be savings of more than $3-billion." However, Meyer is a firm believer in deregulation because it would eventually force a more efficient reallocation of capital.

There are several apparent flaws in Moore's assumptions. John A. Creedy, a widely respected transportation thinker who is also the president of the Water Transport Assn., which represents the common carrier inland and coastal waterway industry, gets indignant at several of them. Some 15 years ago, he claims, the courts ruled that frozen chickens traveling in truckload lots were an exempt agricultural commodity and therefore freed from regulation. Thus segregated from general freight, which often does not travel in truckload lots and which consequently undergoes repeated and costly terminal handling, the transportation charges on frozen chickens went down an average of 20%. "To extrapolate from that single, 15-year-old incident involving frozen chickens to a sweeping assumption that the ICC regulation causes 20% waste in the whole transportation industry is absurd," says Creedy.

He also cites in his own industry something called the mixing rule. This says that if barges carrying exempt commodities are combined with those carrying regulated commodities in a river tow, everything comes under regulation. As the power of towboats has increased, and with it the efficiencies of the inland waterway industry, operators have found it increasingly difficult to assemble a tow that is all one or all the other. Sympathetic to their plight, the ICC has never imposed the mixing rule. But Stanford's Moore calculates an estimated waste into his over-all number as though the commission had. "It isn't much, but it's there," says Creedy.

Creedy believes strongly that there is nothing the matter with transportation regulation that more penalties would not fix. He proposes to keep the Interstate Commerce Act intact but wants to assess triple-damages against anyone who violates its provisions. This, he believes, would make the transportation industry self-regulating.

SOURCES OF WASTE

In December, 1970, Dr. Hendrik S. Houthakker, then with the Council of Economic Advisers, sent key Congressmen a memo from the CEA "suitable for discussion with interested parties." It was not, he took pains to emphasize, an Administration call for deregulation. In it he proposed that ICC control over rates, entry, and exit be terminated, that rate bureaus be outlawed, and that rates for all modes of transportation be encouraged to descend to a floor of marginal cost.

Since the proportion of marginal or "out-of-pocket" costs for the motor carrier industry is far higher than it is for railroads, this would have tended to raise truck rates and lower rail rates. Supposedly, a lot of traffic would have been captured by the railroads, benefitting both them and the public through lower rates. The fact that this did not happen is also factored into Moore's total as a loss from traffic carried by truck instead of rails. But it overlooks the fact that price is not the shipper's only consideration. Many prefer trucks because of their greater reliability, dependability, flexibility, and so on. Furthermore, Moore apparently assumes that rail rates would not go back up on the traffic railroads lost to truckers—if they got it back.

The empty backhaul problem in the motor carrier industry is cited as another huge area of waste that would disappear under deregulation. Depending on who you talk to, the total mileage driven by empty trucks in the U.S. varies from 5% to 40%. The high figure is cited by the deregulators and by Agriculture Secretary Earl L. Butz. According to the American Trucking Assn., it includes pickups driven for personal transportation, trucks that specialize in commodities like automobiles, which can very rarely find a return load, and trucks that are empty because there is simply an imbalance of freight to be transported. "To contend that such vehicles operate empty because of federal regulation is the height of irresponsibility," says the ATA.

Where there is an empty backhaul problem is with exempt agricultural truckers and with private carriers. An owner-operator trucker who carries produce to a big-city market cannot legally carry regulated traffic back even though he makes a persuasive argument that the cost of the produce delivered to market might be less and the wastage of diesel fuel would be eliminated.

The regulated truckers point out, however, that they, not he, have a statutory requirement to serve the public and that their ability to do so depends on a large traffic base in both directions. Giving an exempt carrier a full backhaul, they insist, only deprives a regulated carrier of his full fronthaul. It shifts the costs and waste from one truck to another; it neither eliminates them nor adds to the total amount of freight being carried.

Similarly, men like Sam H. Flint of Quaker Oats Co. and Levon Soorikian of International Telephone & Telegraph Corp. complain of waste in transportation. Flint would like the trucks that bring in the raw materials for Quaker Oats' pet food subsidiary to be allowed to take out the canned pet food. Soorikian complains that corporate trucks carrying products of one ITT subsidiary in interstate commerce cannot pick up a cargo from another subsidiary for the return trip. Again, the regulated carriers argue that to do so would shift loads and costs unfairly. If the corporations really wanted to eliminate waste, says one, they should use common carrier, regulated trucks for both directions.

Out of all these impassioned arguments, it seems evident that total deregulation is not in the cards but that there will be changes. Sums up Congressman Adams: "I am willing to accept the fact that the regulatory system is not working well. But I do not believe that total deregulation will solve the problem. The abolition of the ICC tomorrow would not produce a deluge of money into the coffers of the railroads. It would probably mean rate wars, loss of essential service, and higher freight rates with further diversion of traffic to other modes. However, the problem of regulatory lag, of inflexible rate-making procedures, of across-the-board general rate increases can be addressed within the framework of the Commerce Act. I think we ought to try to tune the engine before we junk the car."

Coleman: He Runs an Open Shop

William T. Coleman, Jr., 55, picked by President Ford last February to serve as Transportation Secretary, is the Administration's "point man" in pushing its regulatory reforms through Congress. No stranger to Washington's ways, Coleman has served in federal hot spots before: He was one of the original members of the Federal Price Commission in 1971. Immediately prior to his current stint in Washington, he was a partner in the prestigious law firm of Dilworth, Paxson, Kalish, Levy & Coleman in Philadelphia.

Although a former director of Pan American World Airways, Inc., and a labor negotiator for the Philadelphia area transit system, Coleman admits that he needs to brush up on regulatory issues. Last week, for example, after reviewing Administration plans with BUSINESS WEEK staffers, he hurried up to Harvard University, where he obtained his law degree, for a crash course on various aspects of transportation economics. Although he is committed to reducing federal regulation, he remarked last week that the mind-boggling amount of federal administrative law was a significant factor in contributing to his own financial success.

An open shop. A distinguished civil rights attorney, the diminutive Coleman was the first black law clerk of Supreme Court Justice Felix Frankfurter and has been active in the National Assn. for the Advancement of Colored People. He is running a generally open shop at the Transportation Dept. and has made contact with almost every special-interest group in transportation. His job ranges from supervising the development of regulatory legislation to providing transit subsidies to assuring the safety of aircraft and autos. He emphasizes his freedom from White House meddling—a problem of his predecessors—and says: "No one over there tells me who to hire or fire."

To prepare himself for the Transportation job, he consulted with present U.S. Ambassador to Britain, Elliot L. Richardson, who held three Cabinet posts in the Nixon Administration, at Richardson's home in suburban Washington, where Coleman now plans to live. "He gave me seven secret rules for running a bureaucracy," said Coleman recently, "and they're staying secret."

The Maze of Transportation Agencies

RAIL

Federal

Interstate Commerce Commission (1887)[1]—Rates, routes, service, entry/abandonment, mergers for 450 railroads.

Federal Railroad Administration (1967)—Research and development for improving rail systems, safety standards.

National Transportation Safety Board (1967)—Investigates probable cause of major accidents and recommends corrective action for rails, airlines, trucks.

State

Each of the 48 contiguous states has a commission, with much the same powers as the ICC, for intrastate operations.

AIR

Federal

Civil Aeronautics Board (1938)[2]—Rates, routes, service, entry/abandonment, mergers for 36 scheduled and nonscheduled interstate airlines.

Note: Dates in parentheses are when authority first assumed.

Federal Aviation Administration (1958)—U.S. airways, airport development, pilots and aircraft, safety standards, research and development.

State

Aeronautics boards in Texas and California regulate intrastate airlines; some others regulate intrastate commuter operations.

HIGHWAY

Federal

Interstate Commerce Commission (1935)—Rates, routes, service, entry/abandonment, mergers for 15,000 common carriers, but not agricultural carriers or private trucking operations.

Federal Highway Administration (1967)—systems, highway safety standards.

National Highway Traffic Safety Administration (1967)—Motor vehicle safety standards.

State

Highway or transportation departments responsible for roads.

WASHINGTON, D.C., *May 13, 1975.*

EDITOR,
Business Weeks,
New York, N.Y.

I found "Transportation: Freedom from Regulation" one of the more comprehensive articles to appear on the subject for some time. I recently chaired an extensive series of Senate subcommittee hearings on airline regulation and would like to share with your readers three points that might supplement some of the issues raised in your article.

First, the somewhat rhetorical question of how deregulation can bring lower air fares to an industry showing little profit today and no excess profits historically deserves a straight answer. The fact is that Civil Aeronautics Board regulation of prices tends to cause this structurally competitive industry to compete away its high-fare revenues with high-cost excess capacity. Rigid CAB price control affords the airlines no substantial competitive outlet except increasing capacity, which in turn burns up potential profits faster than jet engines burn precious fuel. It may be good advertising, but it is bad regulation, when multi-million dollar aircraft leave so frequently and fly half-empty.

Second, the 26 years of air transportation in California and the more recent experience in Texas provide some empirical indication of what air fares would be with less CAB price and entry control. *Intra*state airlines in those states offer air fares that are much less—often 50% less—than those charged by *inter*state CAB-regulated carriers. These low fares are offered along with perfect safety records, timely and convenient jet service to large and small communities, fuller airplanes, and reasonable profits for the carriers.

Third, your article accepted as fact the cross-subsidy notion that high passenger fares produce excess revenues that pay for air service to small communities. Thus, the cross-subsidy argument claims, if less regulation—including relaxation of entry and exit barriers—produces meaningful price competition and lower fares, there will be no excess revenues to pay for small town service and airlines will abandon flights to those communities. This "cross-subsidy" argument is the most cherished shibboleth of some segments of the regulated air industry, and it has frightened away many well-meaning reformers. It is also unsupported and probably unsupportable.

On lucrative routes, capacity competition already eats up potential excess revenue that the cross-subsidy myth claims is paying for small town flights. The CAB itself recently confirmed the conclusions of others on this point when, after a four year investigation, it found that where fares exceed costs the excess revenues merely subsidize wasteful capacity competition, not air service.

Less regulation—including the removal of artificial exit and entry barriers—will not result in a wholesale abandonment of routes by airlines. The fact is that current CAB regulation imposes very minimal service obligations on the trunk airlines. In addition a recent study by United Airlines—which controls 20% of the domestic passenger market—indicated that most "unprofitable" routes are in reality small segments of longer flights, and that with no exit barriers many would continue to receive non-stop service for competitive, promotional and other profit-related reasons. Finally, the federal government directly subsidizes air service to the tune of 70 million dollars a year. If some essential routes are endangered by regulatory reform, a refining of the direct subsidy program would be the better and cheaper solution than perpetuating a system that inflates most air fares by 15 to 50 percent.

I agree with your assessment that there will be reform without immediate and total deregulation. The hard question for the Congress and air transportaton policymakers is how much and how soon. It is a question many would like to see faced and answered during this Congress.

---

[1] The ICC also regulates some commodities for common carrier barge lines, bus operators, surface freight forwarders, and oil pipelines.

[2] The CAB also regulates air freight forwarders and U.S. operations of international airlines.

Sincerely,

EDWARD M. KENNEDY.

THE ERADICATION OF FIRE ANTS

Mr. HOLLINGS. Mr. President, I would like to bring to the attention of my colleagues in the Senate a concurrent resolution adopted by the State of South Carolina memorializing Congress to take the required measures to implement a program for the eradication of fire ants.

The Department of Agriculture has recently announced its decision to suspend the fire ant control program as of June 30 of this year. Such a move would have a disastrous effect on those Southeastern States plagued by this dangerous and burdensome pest, and Senator THURMOND and myself have contacted President Ford about this decision. We must continue to have an effective fire ant control program so long as this particular pest is a problem.

On behalf of Senator THURMOND and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION TO MEMORIALIZE CONGRESS TO TAKE SUCH MEASURES THAT MAY BE REQUIRED TO INSURE THAT SUFFICIENT FUNDS ARE PROVIDED TO SUCCESSFULLY IMPLEMENT THE PROGRAM FOR THE ERADICATION OF THE FIRE ANT IN SOUTH CAROLINA

Whereas, the fire ant (Solenposis Salvisima Richteri Forel) again threatens many acres of land in South Carolina; and

Whereas, reports from many counties in South Carolina reveal that increasing numbers of fire ants have infested an inordinate amount of land in the State; and

Whereas, fire ants cause extreme hardship in the harvesting of crops, thereby increasing agricultural costs which are passed to the consumer; and

Whereas, it has been established that unless controlled the fire ant will multiply and will occupy more and more land area and as a result jeopardize land area beyond the boundary of South Carolina; and

Whereas, the fight to control and eradicate this persistent and treacherous fire ant will require federal assistance for any state eradication program to be effective. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That Congress be memorialized to take such measures as may be required to assure that sufficient funds are included in the budget of the United States Department of Agriculture to permit the allocation of enough funds to the State of South Carolina to successfully implement a program for the eradication of the fire ant.

Be it further resolved that copies of this resolution be forwarded to the Chairman of the Agriculture Committees of the House and Senate of Congress, each United States Senator from South Carolina and each member of the House of Representatives of Congress from South Carolina.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a wise 18th century philosopher once wrote:

> We owe it to our ancestors to preserve entire those rights which they have delivered to our care: we owe it to our posterity not to suffer their dearest inheritance to be destroyed.

This is the spirit of the United Nations Genocide Convention.

After the ravages and terror of the Second World War, the nations of the world banded together to create an institution designed to protect the rights of man and preserve the peace. The United Nations has become the conscience of mankind. It is that organization charged with protecting the rights of all humanity.

The human rights conventions adopted by the United Nations are an expression of those rights. They represent the wisdom of mankind on the evils which are to be avoided and the rights which must be preserved for men to live free and happy lives. The fundamental purpose of the human rights conventions is to seek to preserve these human rights and pass them on intact to generations not yet born.

Mr. President, millions of Americans have died to preserve freedom and liberty both here and abroad. They have left us a glorious heritage.

We must do all we can to preserve that heritage. Once again I urge the Senate to ratify the United Nations Genocide Convention.

MISS ROBIN HUEBNER

Mr. BURDICK. Mr. President, my State of North Dakota claims as its own a number of famous and outstanding people, from Eric Sevareid to Peggy Lee. According to Sunday's Washington Post, we will soon be able to claim one more, Miss Robin Huebner of Dickinson, N. Dak.

At the age of 13 and with no dance instructor to train her, Robin won acclaim and high honors at the Women's Junior National Gymnastics Championships held in Virginia last weekend.

I am very pleased that this young North Dakotan won such outstanding recognition.

I ask unanimous consent that the Washington Post article describing her success in the women's junior championships be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REMEMBER ROBIN HUEBNER: SHE JUST MIGHT BE GREAT

(By Paul Attner)

Remember the name: Robin Huebner. She just might be America's next great women's gymnastics star.

Huebner, only 13, captured the hearts of the fans at the women's junior national gymnastics championships last night at George Mason University and walked away with a surprising number of medals, considering her limited background in the sport. In the process, she also impressed many of the gymnastics experts at the meet.

"She is going to be a really good one," said Ruth Ann McBride, coach of the local MarVaTeens club and the former coach of Olympian Roxanne Pierce. "She's got everything it takes to go somewhere."

Huebner is from Dickinson, N.D., hardly a booming center of gymnastics. There is no dance teacher in Dickinson (population 13,000) so Huebner has learned floor exercise routines and techniques from film. She has been in gymnastics less than four years, yet develops her own floor exercise and balance beam routines.

Only her limited experience in floor exercise prevented her from winning the all-around title at this meet. She finished second to Donna Turnbow of the Kips team from Long Beach, Calif., a far more experienced performer in a well-developed program.

"She (Huebner) practices maybe three or four hours a day in her high school program," said her coach, Les Fischer. "She really doesn't work nearly as much as many of the girls in this meet. But she works hard. We have to get help for her on floor exercise. If we do, she'll be in good shape."

To get her to the meet, the citizens of Dickinson contributed money to a travel fund. She rewarded them with second places in both the uneven bars and the balance beam. In competition last night in the four individual events she scored 8.95 in beam and a sparkling 9.1 in uneven bars.

But beyond her scores is that immeasurable factor: charisma. With a pixie haircut, a dazzling smile a lot of poise and grace she attracts the attention of fans and judges alike. This same type of appeal is what has made Olga Korbut a household name to many American families.

While Huebner enjoyed the plaudits, 12-year-old Jenniffer Huff of the MarVaTeens and Winchester Va., learned something about the heartaches of sport. In her first major national championship Huff was unable to hold onto first place in the free exercise after an 8.3 routine and finished last. After her performance she sat behind the stands and cried.

She did better in the vaulting, scoring 8.9 to finish sixth. "I think the pressure got to her a little," said McBride, who had hoped Huff would win the all-around. "She'll know better, next time what it takes to win a meet like this."

McBride might have another future champion in 9-year-old Barbara Sachs, daughter of Jerry Sachs, president of Capital Centre. She put on a floor exercise exhibition last night, and then her father helped lug around mats and handed out awards.

The two best individual performances last night were turned in by Turnbow, who had a 9.3 routine on the uneven bars, and Christa Canary of Chicago, who had a spectacular vault that earned her a 9.15 mark.

S. 1216—EPA CONSTRUCTION GRANT FUNDS

Mr. HUDDLESTON. Mr. President, last month I was pleased to join with the distinguished Senators from Georgia, Mr. TALMADGE and Mr. NUNN, as a cosponsor of S. 1216. This bill would revise the formula for the allocation of the $9 billion in EPA construction grant funds which the Supreme Court recently ordered spent. The formula would be revised in such a way as to base the allocation of the $9 billion in fiscal year 1976 to the States one-half on the basis of population and one-half on the basis of the most recent "needs" survey. This "needs" survey was conducted under authority granted under Public Law 93–243, which was an amendment to the 1972 Water Pollution and Control Act—Public Law 92–500.

The revisions in the distribution formula called for in S. 1216 would be of substantial benefit to numerous localities. In my home State of Kentucky alone, the following projects would be in a better position to receive assistance from EPA should S. 1216 become law: Winchester, Augusta, Bowling Green, Somerset, Campbellsville, Jeffersontown, Mount Sterling, Greenup County Environmental Commission, Richmond, Shelbyville, Corbin, London, Berea, Millersburg, and Grayson. My colleagues may want to check back home with their respective environmental bureaus or departments to determine the potential benefits for their States.

As it now stands, EPA intends to allocate the $9 billion in accordance with the formula in effect for the years in which the money had been impounded. This distribution formula was devised in 1972 and certainly does not reflect the conditions that exist today. If it did reflect today's needs, one would wonder to what use EPA intends to put the most recent "needs" survey, a survey conducted at great expense of time and money.

Why EPA would not want to allocate fiscal year 1976 funding for its construction grant program in a manner consistent with its own recommendations for future funding as contained in its February 10, 1975, report to Congress, "Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities," is indeed baffling. It is particularly baffling in light of Administrator Train's February 4, 1975, testimony before the Senate Public Works Committee's Environmental Subcommittee. Mr. Train stated that " 'needs' is the most rapidly growing aspect" of the construction grant program. He went on to say that as a result of insufficient funds, "we must identify needs carefully and fund them on the basis of intelligently selected priorities." I firmly believe that S. 1216 establishes just such a basis.

Yesterday's goals are not necessarily in line with the realities of today. Accordingly, I urge that S. 1216 be expeditiously and favorably reported by the Public Works Committee in order that EPA's construction grant might be brought in line with the wastewater treatment needs of today.

THE NATION'S WATER RESOURCES

Mr. BURDICK. Mr. President, recently citizens concerned for and involved in the management of our Nation's water resources came to Washington to participate in the 1975 National Conference on Water. The conference focused on important water policy issues such as water and energy, water and food and fiber, flood damage reduction, and Federal-State relations.

A participant in a panel chosen to discuss Federal-State interplay was Vernon Fahy, engineer-secretary of the North Dakota State Water Commission. Mr. Fahy is recognized as a leader in Midwest natural resource circles. His views reflect the feelings of many Midwesterners and merit the consideration of all of us. Talking about Federal-State water management relations, for example, Mr. Fahy said,

> "I am convinced that we must return to the situation in which states exercise the powers with the Federal government acting as coordinator. Continuation of Federal encroachments into states rights can only bring chaos to the field of water resource management.

These may come to be prophetic words—especially so if Federal policymakers are not sensitive to valuable State and local contributions to the formation of water policy. For the benefit of my colleagues, I ask unanimous consent that Mr. Fahy's remarks to the National Conference on Water be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Vern Fahy

Mr. Chairman, Fellow Panelists, Participants, Ladies and Gentlemen:

I am honored that I have been invited to participate with people such as you who have developed positions of leadership in various facets of the nation's natural resource activities.

It is most appropriate that our discussions center around governmental policies and programs for the next decade. I believe that the next five to ten years will be the most critical in the nation's history insofar as water resource development is concerned. The national energy crisis and its attendant problems have triggered an awareness of the need to revise much of our thinking with respect to the vast resources of this country. No longer can we assume that Americans have everything in abundance and that there are no limits to the availability of the resources necessary to maintain our present way of living.

The energy crisis has focused particular attention upon the water resources of this nation, for without water, energy independence is impossible to attain. Because of the limitations of present energy development technology, it appears that the western states will once again be the scene of the opening of a new frontier—a western states energy frontier. The success that we have in developing this frontier hinges to a great extent upon how well and how wisely we handle the limited water resources of the region.

At this point, I should make it clear to you that my remarks are based entirely upon my experience in local and state government. This may help to explain to you why I seem to have difficulty in understanding a good many of the policies and administrative practices of federal boards and agencies. My state is one of the most highly agricultural states in the union and its people are eager to do everything possible to preserve the agricultural productivity of the land and the way of life of its people. Among the coal producing states, we are somewhat unique in that we have large amounts of water and coal side by side.

It is estimated that 40 percent of the nation's lignite reserves lie in western North Dakota in relatively close proximity to the great Missouri River which, in this area, has a long-time average annual flow of 18 million acre-feet. Garrison Dam impounds approximately 24 million acre-feet of water with vast quantities of coal lying adjacent to this reservoir on either side.

Although this seems to create a rather bright picture as to the availability of water, it must be remembered that the remainder of our state including the tributary areas to the Missouri River is extremely deficient in the availability of water for all uses. This means that our state must plan very carefully to assure that its share of the waters of the Missouri River are put to beneficial use in other areas of our great state.

Our Governor, our Legislative Leaders, and our people recognize the need for this state to make a meaningful contribution to the solution of the nation's energy problems, however, they are also keenly aware that our principle role may one day be in contributing to the solution of a serious food and fiber crisis. It is for this reason that the Garrison Diversion Project is supported so strongly in our state. Although we are having some difficulties with this project at the present time, we have every reason to believe that it will one day produce the benefits that have been promised for so long.

North Dakota is a strong supporter of the Missouri River Basin Commission, an agency which was created at the insistence of the ten states through which the Missouri River flows. North Dakota and other member states have been of the opinion that planning on a basin-wide basis will solve many of the problems which confront us as we attempt to meet state objectives. Unfortunately, the Basin Commission concept is not living up to its great potential. This is not the fault of the chairman and his staff, nor of the state and federal members who serve as its policy makers. If, as I believe, there is a weakness in the Missouri River Basin, it stems from the fact that there appears to be no commitment to the Basin concept at higher Washington, D.C. levels. Time and again we have seen programs or policies or actions initiated which will affect the basin states and these have been initiated outside the framework of the River Basin Commission. We find now that states who have joined together in order to more effectively program and coordinate activities which overlap state boundaries are becoming disillusioned by federal programs which are being imposed without reference to the Basin Commission.

Slightly more than a year ago, the Secretary of the Army and the Secretary of the Interior created an Ad Hoc Committee composed of federal officials to develop water marketing policies dealing with the upper Missouri River reservoirs.

At that point, the only concession to the River Basin Commission was in the naming of its chairman as a coordinator of the Ad Hoc Marketing Committee. When some of the state members became aware of this federal committee, they insisted that the states involved be given some role in the making of this policy. Although, the entire matter did not become a Basin Commission assignment, the states were successful in having some input to the decision making. Now after more than a year of deliberations, the argument between the Corps of Engineers and the Bureau of Reclamation concerning which agency should be the lead agency, has been settled in favor of the Bureau of Reclamation. The agreement which designates the Bureau of Reclamation as the lead agency in the sale of industrial water supplies from the mainstem reservoirs, indicates that the states would be allowed first right of approval for such sales. It is ironic that states that have contributed so great a cost to the development of large impoundments to serve river basin needs are now told that the Federal Government has assumed ownership of stored waters.

In recent months, we have learned that the Corps of Engineers has dredged up a provision of the Rivers and Harbors of 1899 which allow it to assume control of additional state waters by a declaration of navigability which, in North Dakota, borders upon the ridiculous with respect to a great majority of our water courses.

The criteria for determining the navigability of a stream appears to be so broad that the Corps could assume control over any water course in a state.

This control would not only affect the construction of roadways, bridges, irrigation structures, boat landings, docks and levees, but it would also affect the state's rights to allow withdrawals from those streams so designated. Also, the Corps could control drainage projects that would discharge waters into a water course or impoundment. In addition to the Corps control, the governmental agreements that exist among many agencies would bring the Environmental Protection Agency, the Fish and Wildlife Service and other federal agencies into the determination of the use of the states' waters. This federal encroachment is entirely unacceptable to the states and steps must be taken to have Congress write a definition of navigability that would pertain to only those water courses which can be used for commercial navigation purposes. The involvement of the River Basin Commissions in the determination of navigability is essential to the protection of states rights.

The Justice Department has also proposed another method of encroachment upon the rights of states to control their water resources. The move by the Justice Department is included in a bill that has been prepared for introduction that would attempt to identify and quantify the reserved, appropriative, and other rights to the use of water by the United States. The Interstate Conference on Water Problems has taken the lead in analyzing this threat to water resource management among the states. This is being discussed by another panel and I will not go into any further detail except to say that the River Basin Commissions were not asked by the Justice Department to provide a state viewpoint on the preparation of this proposed legislation.

It certainly is not proper for me to be so critical without offering some suggestions for improvement in water resource management besides the general statement that "we need less federal intervention".

I believe that the River Basin Commission can and should play a stronger role in the coordination of water resource management programs among the states. I believe that this was the original premise upon which the Basin Commission concept was established and I think that it can be workable if the Federal Government will develop a commitment to that concept.

States that form a unique part of a River Basin or who have problems which are unique to only a few states should join together to develop sophisticated regional management programs. In North Dakota, we are expending up to $2 million to develop a planning and research program which will be a complete indepth management information system utilizing computer technology to measure alternatives, impacts and results of various water and energy related programs upon the people and their communities. The system is designed so that results and changes in impacts of each major water or energy development can be reliably predicted in advance. These predictions will cover such things as impacts upon air and water quality, population, wildlife, agriculture, local government and the overall effects of programs on the state's ability to manage growth. From this, we hope to be able to make intelligent judgments concerning developments in our state and to devise methods to handle the impacts caused by those developments.

I believe that the states of North and South Dakota, Montana and Wyoming could join together in the development of this kind of a management pool in order to manage the tremendous impact of energy development upon the people of the four states.

The Federal Government through the Water Resources Council could be of tremendous help in a regional planning effort such as this by making Title III funds available in amounts adequate to assist in the planning effort. The developments in this four-state region could then be coordinated with the other states in the Missouri River Basin, and ultimately, we would have a total basin management concept.

A planning concept which includes long-range guidelines for energy conservation measures should be developed by an appropriate federal agency. These federal guidelines should recognize that there are regional differences in uses of energy and that a conservation measure for the highly populated areas may not be appropriate for rural regions.

Perhaps the greatest potential for conservation of our water resources will be realized in the development of alternative sources of energy. Adequate federal funding should be made available for this effort which may entail the construction of demonstration projects and grants for energy conservation research.

Many of us who work with federal agencies in the planning of water resource projects become highly frustrated when we are confronted with decisions that are based on the benefit-cost ratio. We can see indirect project benefits that are not easily quantifiable in dollars but these are given little, if any, weight in the final determination of project evaluation. Although some effort is being directed toward adjusting the methods for evaluating a project, much more needs to be done.

Here is an example of an indirect benefit which may be equally as important as direct benefits. North Dakota has proposed the construction of a flood control project which provides major benefits to Canada through alleviation of agricultural flooding along the international border. The disputes among local political subdivisions and landowners on either side of the border have reached such a level of intensity that the State Department and the Canadian External Affairs Department have been called upon to work toward a settlement of the problem which currently is threatening to cause an international incident. The cost-benefit ratio on this project is marginal in spite of the international aspects which cannot be measured in dollars.

A number of our western states, like North Dakota, are semiarid with futures irrevocably linked to an agricultural base—a fact which gives meaning to our deep concern that development of our water resources to meet national goals must be done within the legislative and constitutional frameworks of the states.

We are aware of the need for decreasing our dependence on foreign sources for oil and that our rich coal deposits are vital to this effort. We fully intend to participate to a reasonable degree in helping to meet national energy goals, but this participation will be based on the belief that our agricultural base must be preserved.

In committing certain portions of the waters of North Dakota for energy related uses, we shall always be mindful of the need to protect and conserve this valuable resource so that future generations will inherit a quality of life blessed by the availability of ample amounts of waters for all beneficial uses.

I realize that this presentation appears to be extremely simplistic, however, I am convinced that we must return to the situation in which the states exercise their powers with the Federal Government acting as coordinator. Continuation of federal encroachments into states rights can only bring chaos to the field of water resource management.

MUNICIPAL CLERKS WEEK—SENATE JOINT RESOLUTION 45

Mr. INOUYE. Mr. President, the City Council of the City of Manhattan Beach, Calif., has recently proclaimed its support of Senate Joint Resolution 45, which I have introduced to designate the second week in May as Municipal Clerks Week.

I ask unanimous consent that this proclamation be printed in the Record.

There being no objection, the proclamation was ordered to be printed in the Record, as follows:

Proclamation

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the municipal elections and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk maintains records about the community;

Now, therefore, The City Council of the City of Manhattan Beach, California, does hereby resolve, declare, find, determine and order as follows:

Section 1. That the City Council of the City of Manhattan Beach does hereby support the national movement to recognize the importance of the position of City Clerk designating the second week in May as "Municipal Clerks' Week."

Mr. INOUYE. Mr. President, the 15th Annual Conference of the Louisiana Municipal Clerks Association held in St. Francisville has recently passed resolution in support of Senate Joint Resolution 45, which I have introduced to designate the second week in May as Municipal Clerks Week.

I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution

Whereas, the International Institute of Municipal Clerks, and the Louisiana Municipal Clerks' Association, are of the opinion that the Clerk of a Municipality performs a vital role in the proper execution of local government, and

Whereas, the International Institute of Municipal Clerks and the Louisiana Municipal Clerks' Association are professional organizations of Municipal Clerks, and have contributed materially to the betterment of communities throughout our State and the United States, and

Whereas, recognition of these stalwart, dedicated public servants, working at the grass root level for better government, has long been overdue,

Now, therefore, be it resolved, that the Louisiana Municipal Clerks' Association cite the Honorable Daniel K. Inouye, United States Senator from the State of Hawaii, for the introduction of S.J. Resolution No. 45, in the United States Senate, authorizing and requesting the President of the United States to issue annually a Proclamation designating the second week in May, of each year, "Municipal Clerks' Week", and that a copy of this Resolution be sent to him as evidence of our appreciation.

Introduced and adopted this 26th day of April, 1975 at the Fifteenth Annual Conference of the Louisiana Municipal Clerks' Association, held in St. Francisville.

Mr. INOUYE. Mr. President, the mayor of the city of Lakeport, Calif., has recently proclaimed the city's support of Senate Joint Resolution 45, which I have introduced to designate the second week in May as Municipal Clerks Week.

I ask unanimous consent that this proclamation be printed in the Record.

There being no objection, the proclamation was ordered to be printed in the Record, as follows:

Proclamation

Whereas, municipal government, in order to best serve the needs of the citizenry, must be operated with efficiency and in an orderly manner; and

Whereas, the efficiency and order with which government carries out its public functions is strongly reliant on procedures and records; and

Whereas, the Municipal Clerks administer the procedures and keep the records; and

Whereas, an organized source of knowledge about a community and its government activities is vital to the smooth governing of that municipality; and

Whereas, the Municipal Clerks provide and maintain such a body of knowledge; and

Whereas, municipal government must be

conscientiously represented in affairs of its community; and

Whereas, the Municipal Clerks provide an important part of this representation; and

Whereas, the strength of local government depends upon the citizens' opinion of it, and such opinion is formed largely by the image set forth by the municipal government employees; and

Whereas, the Municipal Clerk is the municipal official most closely in daily contact with the citizenry, and therefore in a key position to mold sound public opinion.

FARM POLICY

Mr. HUDDLESTON. Mr. President, I have criticized President Ford's veto of the emergency farm bill as being "shortsighted." I felt that his action represented a failure to recognize that inflation had hit the farmer just like everyone else. In my opinion there is no question that assuring the farmer a decent income is, in the long run, in the best interest of the consumer because it will stimulate increased production which will hold prices down.

I believe the American farmer is being victimized by increased production costs. Farmers need economic protection if they are going to respond to the Government's appeal to expand food production.

It is my further opinion that Congress must move ahead to enact permanent omnibus agricultural legislation.

Mr. President, the Lexington Herald is the third largest newspaper in Kentucky with circulation of over 55,000. This newspaper has always been a stanch supporter of agriculture and is considered the voice of central Kentucky. On May 5 an editorial appeared in the Herald calling upon Congress to reconstruct a farm policy for America.

Mr. President, I ask unanimous consent that this editorial entitled "Congress Must Make New Farm Policy" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS MUST MAKE NEW FARM POLICY

President Gerald Ford's veto of the emergency farm aid bill was motivated, he says, by concern for both farmers and consumers.

By vetoing the bill, Mr. Ford assures us, he is saving money and helping to keep the cost of food and other agricultural products down. To pay more subsidies would, he added, be a return to already discredited policies. But the sad situation most American farmers now face is proof plenty that the policies (or nonpolicies) of Mr. Ford and Agriculture Secretary Earl Butz are themselves discredited.

The American farm economy is rapidly approaching a crisis. Before 1972, when the Nixon administration finished dismantling the old system of agricultural supports and controls, the farm economy at least kept things running. Farmers and consumers grumbled, but there were no actual shortages and productivity increased regularly.

The Nixon-Butz-Ford approach has changed all of this. Butz seems proud of the free-market status of our agricultural markets, but the abilities of foreign nations to buy our essential goods with no apparent restrictions has caused havoc which is apparent to everyone.

The fact is that the risks in farming, which were formerly shared by the federal government, now rest entirely with the farmers and consumers. Mr. Ford seems incapable of grasping the simple fact that Earl Butz and his troglyditic notions about the marketplace are exposing both farmers and consumers to the whims of not only weather and production but also of foreign nations' needs.

It is now up to Congress to reconstruct a farm policy for America. That policy must recognize that the government, as representative of both farmers and consumers, has an obligation to take some of the risk now being borne by those groups.

CHINESE MARKET EXPORT POTENTIAL

Mr. HUMPHREY. Mr. President, I wish to point out a recent article entitled "China Represents Enormous Market Potential," in the May issue of Grain Sorghum News.

This article points out the sharp increases in agricultural exports to the People's Republic of China since trade was renewed with that country in fiscal year 1973. In fiscal year 1974, our exports to that country rose from $200 million to $852 million. In the current fiscal year of agricultural exports have declined because of the improved Chinese harvest.

Nonetheless, prospects for future trade appear promising although the Chinese are making every effort to increase their own production in order to reduce imports.

The article indicates that in the current year our agricultural exports to Asia will exceed those to all of Europe, and that this is the most dynamic sector of our agricultural trade.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DESPITE RECENT SETBACKS—CHINA REPRESENTS ENORMOUS MARKET POTENTIAL

Despite recent setbacks in U.S. farm trade with the People's Republic of China, that country continues to represent an enormous potential market, according to Richard Goodman, associate administrator of the Foreign Agricultural Service.

Goodman pointed out that during the two fiscal years ended last June 30, agricultural products accounted for about 85 percent of total U.S. exports to the PRC. In the first year of renewed trade with that country (fiscal 1973), these farm shipments amounted to $200 million, mostly cotton, corn and wheat. And in the second year (fiscal 1974), they rose to $852 million with substantial increases in cotton, corn and wheat and $142 worth of soybeans.

In the current fiscal year, U.S. exports to China will be below last year's, mainly because of sharp declines in imports of U.S. wheat and cotton.

Nonetheless, prospects for U.S. trade with the PRC in grains, soybeans and cotton look promising.

Since grain exports began in the fall of 1972, the U.S. has shipped to China a little under 8 million metric tons of wheat and corn valued at nearly $828 million. During this period, grain exports accounted for more than 50 percent of total U.S. exports to the PRC.

Prospects for continuation of this grain trade are uncertain, however, in view of recent cancellations by the PRC of sizable imports of U.S. wheat.

The PRC currently has 3-year agreements with Canada, Australia and Argentina to provide a total of 3.4 to 4.0 million tons of wheat and 350,000 tons of corn annually through 1976.

But Goodman explains that until recently, the U.S. was viewed by the Chinese as a residual supplier. It remains to be seen if this country will remain a residual supply source or not.

Goodman pointed out that there are a number of reasons why the PRC may not continue to increase its total imports:

1. The PRC has made considerable progress in expanding its own grain production.
2. Substantial grain reserves are providing insurance against a poor harvest.
3. Prospects are improved for availability of chemical fertilizers and better water control.
4. Birth control measures are helping hold population growth down.
5. An improved transportation network is facilitating internal movement of grain.

In the current year, ending June 30, U.S. agricultural exports to Asia will exceed those to all of Europe. The most dynamic growth in U.S. agricultural trade is with Asia and has been for several years. The opening of the PRC to American trade has been important to that growth, according to Goodman.

By the same token, agricultural trade has been a major lever in opening the PRC once again to American commerce, travel and other exchanges.

"With China having the largest population in the world—a population that continues to expand and seek better living and improved food security—there is every reason to hope that American farm products might continue to find a growing market there," Goodman concluded.

HAS THE DEPARTMENT OF DEFENSE EXCEEDED CONGRESSIONAL AUTHORITY?

Mr. McINTYRE. Mr. President, the Department of Defense has engaged in the practice of managing certain defense research and development contracts in a manner which may be considered either in violation of the law, or in violation of established reprograming procedures as agreed upon with the Congress. This involves either tacit or explicit authority by the Department for contractors, who are developing major weapon systems, to use their own funds to cover costs incurred during the current fiscal year when amounts obligated by the Government within congressional authorizations and appropriations have been exhausted before that year is over.

This matter was brought to the attention of the Secretary of Defense by letter dated January 6, 1975, and the Comptroller General was requested by letter dated January 7, 1975, to provide an opinion regarding the legality of this practice. Copies of these letters appear on pages 579 and 580 of the RECORD for January 16, 1975, when I addressed Senators initially on this issue.

The Secrtary of Defense and Comptroller General both replied by letters dated February 24, 1975. These replies were not considered satisfactory and I requested the Comptroller General by letter dated Feburay 24, 1975, to review the OSD letter and take certain actions. Copies of these three letters were printed on pages 6480 and 6481 of the RECORD for March 13, 1975, the second time that I spoke to this matter on the floor of the Senate.

The Comptroller General conducted a comprehensive review of this matter and reported his detailed findings by letter dated March 17, 1975, which covered eight major weapon system programs. I ask unanimous consent that a copy of this letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without obligation, it is so ordered.

(See exhibit 1.)

Mr. McINTYRE. Mr. President, this is a highly complex and technical matter with potential implications involving interpretations of law, congressional prerogatives, reprograming procedures, and armed services procurement regulations and policies.

The Assistant Secretary of Defense—Comptroller—in his response of February 24, 1975, stated as follows:

> We believe that the actions of the Department of Defense in this area have been legal and proper and do not circumvent the reprograming procedures. However, we do not believe that the practice of contractors using their own funds in situations comparable to those indicated above, should be either widespread or encouraged. In this regard, I am advising the services that such practices should be further curtailed and in the future will not be pursued without prior notification to the Secretary of Defense.

These remarks are both responsible and constructive. I have recommended language to be included in the Armed Services Committee report on the pending fiscal year 1976 military procurement authorization bill which encourages the Department of Defense to act expeditiously in advising the services that such practices should be further curtailed and in the future will not be pursued without prior notification to the Secretary of Defense. I am also recommending that copies of such implementing actions be provided to the Congress. The Comptroller General will be required to maintain cognizance over this matter and report to the committee on any significant developments as they occur.

EXHIBIT 1

WASHINGTON, D.C.,
March 17, 1975.

Hon. THOMAS J. MCINTYRE,
Chairman, Subcommittee on Research and Development, Committee on Armed Services, U.S. Senate.

DEAR MR. CHAIRMAN: Your letter of January 7, 1975, asked us to review the legal implications of current practices of the Department of Defense (DOD) in tacitly or explicitly authorizing contractors to spend funds in excess of Government contractual liability, with the expectation on the part of the contractors of reimbursement either from subsequent year appropriations or through claims procedures. You further requested that the matter be considered by our staff and field offices, and that our findings be reported to you. By letter dated January 6, 1975, you also requested a report from DOD on this matter.

In an interim reply dated February 24, 1975, we indicated some of the potential legal consequences in a conceptual context, and said that we would reply further when we had accumulated relevant facts for the programs involved. Your subsequent letter, also dated February 24, asked us to conduct a detailed examination of pertinent contractor and DOD records and to report our findings, comments, and recommendations to you by March 14, 1975. For convenience of reference, pertinent portions of our February 24 letter will be repeated herein as appropriate.

The Assistant Secretary of Defense (Comptroller) has furnished us a copy of his February 24, 1975, report to you, which we have reviewed and considered in the preparation of these comments. The programs identified in the Assistant Secretary's report are as follows:

Estimated contractor commitments in excess of Government liability

[Dollars in millions]

(1) Navy/NATO Patrol Hydrofoil Missile Ship (PHM)	None
(2) Air Force B-1 Advanced Strategic Bomber (B-1)	15.2
(3) Army Utility Tactical Transport Aircraft System (UTTAS)	21.6
(4) Army Advanced Attack Helicopter (AAH)	7.9
(5) Air Force A-10 Aircraft (A-10)	1.6
(6) Air Force Advanced Medium STOL Transport (AMST)	29.8
(7) Air Force Airborne Warning and Control System (AWACS)	11.4
(8) Air Force Advanced Airborne Command Post (AABNCP)	8.0

Pursuant to your request, we asked our Regional Offices to review the status of all major weapon systems in development within their respective areas. Our Regional personnel reviewed contract fund status reports, progress billing records, contract allotment histories, and other pertinent documentation available at the System Program Office (SPO) or Project Office for each system. In addition, for each of the eight programs listed above, we instructed the Regional Offices to interview contractor management and financial personnel. The results of our field investigation are summarized in Attachments 1 through 8 which are presented in the sequence of the programs listed above. In a very few cases, it was not possible to schedule interviews within the limited time available. We will proceed to conduct interviews in these cases as rapidly as possible and will issue a supplemental report in the event our findings differ significantly from the information contained herein.

Funds for the programs in question are authorized and appropriated under the heading "Research, Development, Test, and Evaluation" (RDT&E). The governing legislation for Fiscal Year 1975 is Pub. L. No. 93-365, 88 Stat. 399 (DOD Appropriation Authorization Act) and Pub. L. No. 93-437, 88 Stat. 1212 (DOD Appropriation Act). The RDT&E appropriations are lump-sum appropriations for each of the military departments, available for obligation until June 30, 1976. Amounts authorized (title II, Pub. L. No. 93-365) and appropriated (title V, Pub. L. No. 93-437) are set forth below (in millions):

	Authorization	Appropriation
Army	$1,878.397	$1,799.339
Navy	3,153.006	3,006.914
Air Force	3,389.517	3,274.360

Since the RDT&E appropriation is not a line-item appropriation, the amounts appropriated for each department as given above represent the only legally binding limits on RDT&E obligations except as may be otherwise specified in the appropriation act itself.

Amounts recommended for each of the eight programs, taken from the various committee reports, are set forth in the following table (in millions):

Program	Authorization	Appropriation
(1) PHM	$15.7	$15.733
(2) B-1	454.973	444.973
(3) UTTAS	54.06	52.66
(4) AAH	60.8	60.78
(5) A-10	81.405	81.405
(6) AMST	55.8	55.8
(7) AWACS	219.7	210.0
(8) AABNCP	67.7	62.74

With a few exceptions, the contracts involved are cost-reimbursement contracts of the cost-plus-incentive-fee (CPIF) type. In this type of contract, a target cost and target fee are negotiated initially, along with a fee adjustment formula. The actual fee, determined after performance, depends on the relationship of total allowable costs to the target cost. See Armed Services Procurement Regulation (ASPR) § 3-405.4 (1974). The initial target estimates form the basis for recording obligations against the applicable appropriation for purposes of section 1311 of the Supplemental Appropriation Act of 1955, as amended, 31 U.S.C. § 200 (1970), which provides in part—

"(a) * * * no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of—

"(1) a binding agreement in writing between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed; * * *."

We approved this method of recording obligations in 34 Comp. Gen. 418, 420-21 (1955).

The contracts are funded "incrementally," that is, appropriations are requested and provided in fiscal year installments based on the estimated needs for a given year. Current policy and guidelines are found in S. Rep. No. 93-385, 93d Cong., 1st Sess. 112-115 (1973). Incremental funding used in RDT&E is to be distinguished from the "full funding" concept used in military procurement programs, wherein funds are requested and provided at the initial stage of procurement actions on the basis of the entire estimated cost of the procurement, regardless of the anticipated fiscal year timing and rate of obligations. See DOD Directive No. 7200.4 (October 30, 1969).

In several cases (e.g., UTTAS, AAH), DOD has awarded competitive contracts to two or more contractors to simultaneously develop prototypes, with the procuring department to ultimately select a single contractor for the award of the production contract.

The legal implications of a contractor's expending or obligating funds in excess of Government contractual liability for a given fiscal year fall generally under two headings: (1) the contractor's position regarding the recovery of such funds through claims procedures, and (2) implications in terms of Federal statutes prohibiting obligations or expenditures in excess or advance of appropriations.

A contractor's ability to present a valid claim in the event of nonreimbursement for company funds expended will depend on the precise terms of the contract and the degree of compliance or noncompliance therewith by both parties. The crucial contract provision is the Limitation of Funds (LOF) or Limitation of Government Obligations (LOGO) clause. ASPR § 7-402 requires a Limitation of Cost/Funds clause to be inserted in all cost-reimbursement research and development contracts. The precise clause in any given contract depends on whether the contract is funded fully or incrementally and whether or not the contract provides for cost-sharing. The clause used in the UTTAS and AAH contracts is the LOF clause set forth in ASPR § 7-402.2(c) (Attachment 9).

The purpose of the LOF clause is to—

"* * * give the Government unilaterally an effective tool to prevent the overexpenditure of appropriated funds by establishing the estimated cost as the limit of the Government's obligation to make payment, but providing a method whereby the Government may at its election increase the estimated cost and authorize the contractor to continue performance." *Weinschel Engineering Co.*, 1962 BCA para. 3348 (1962).

In brief, under the LOF clause, the contractor must notify the Contracting Officer in writing when he expects to incur costs within the next 60 days in excess of 75 percent of the total amount then allotted to the contract. If the Contracting Officer does not allot additional funds to the contract, the contractor is under no obligation to continue performance, and the Government is under no obligation to reimburse the contractor for costs incurred in excess of the total allotment. When and to the extent that the amount allotted to the contract is increased, any such excess costs shall be allowable "to the same extent as if such costs had been incurred after such increase in the amount allotted."

Cases involving the LOF clause before the Armed Services Board of Contract Appeals and the Court of Claims appear to support DOD's conclusion that, where the Government has strictly adhered to the terms of the contract, the contractor is not entitled to reimbursement for excess costs. Thus, reimbursement has been denied where the contractor failed to give timely notice of the overrun. *General Electric Co.* v. *United States*, 412 F.2d 1215 (Ct. Cl. 1969); *Acme Precision Products, Inc.*, 61–1 BCA para. 3051 (1961). Also, the notice must be given to the person with authority to act on it, i.e., the Contracting Officer. In *Weinschel Engineering Co., supra*, the Board denied recovery where the contractor had continued to perform using its own funds after funds earmarked for the project had been exhausted, but failed to notify the Contracting Officer until after the overrun had been incurred, although other Government officials had knowledge of the overrun. The Board stated:

"* * * A contractor has no right to usurp the Government's prerogative to control the expenditure of public funds by violating the Limitation of Cost clause and continuing to incur costs after the funds 'earmarked' for the project have been exhausted." *Id.*, at p. 17,236.

There are situations, however, where the contractor may be able to recover despite failure to comply with the LOF clause, for example, if the overrun was reasonably unforeseeable, *General Electric Co.* v. *United States*, 440 F.2d 420 (Ct. Cl. 1971), *Magnavox Company*, 74–1 BCA para. 10495 (1974); or if the Government urged continuation of performance, *Consolidated Electrodynamics Corp.*, 1963 BCA para. 3806 (1963). In *Thiokol Chemical Corp.*, 60–2 BCA para. 2852 (1960), overrun costs were allowed despite noncompliance with the Limitation clause where the Government had accepted and used the items involved (docket motors) and where the Board found that the "Government here would never have permitted appellant to discontinue performance of the contract."

The fact that the Government has funded prior overruns will not alone be sufficient to override the Limitation clause. *United Shoe Machinery Corp.*, 68–2 BCA para. 7328 (1968). But prior funding was relevant in *Clevite Ordnance, Division of Clevite Corp.*, 1962 BCA para. 3330 (1962), and the contractor recovered where he had been assured by the Government that the overrun would be funded when new appropriations became available, the Board finding that the Government's actions constituted "constructive authorization" to proceed.

Our investigation indicated that contractors operating under the LOF clause had given timely notice of projected FY 1975 overruns. It further appears that the military department in each case has instructed the appropriate contractor that costs incurred in excess of the amounts allotted are incurred at the contractor's risk. The military departments have generally indicated to the contractors that sufficient funds would be requested in FY 1976 to provide reimbursement of any contractor-funded overruns, but that there can be no assurance that Congress will appropriate such funds. All contractors said they were aware of the risks involved in proceeding with company funds.

Our review of correspondence and interviews with contractor personnel revealed no instance of overt pressure by the Government to continue performance with company funds.

It should be noted however that all contractors emphasized that a consequence of interrupting performance for 2 or 3 months at the end of a fiscal year would be to increase the total cost of the contract. In one case, a Contracting Officer, in denying additional funds, pointed out that cost management would be "a most important factor" in evaluating contractor performance to determine the award of the production contract. Thus, while that Contracting Officer's statement is not incorrect, it could be construed, in the context in which it was made, as a subtle inducement to the contractor to continue performance with company money.

It is apparent from the foregoing that a contractor's claim will depend on a series of complex factual interrelationships, to be developed through testimony at an adversary proceeding. The outcome of litigation, as DOD points out, is unpredictable. Based on the facts we have been able to develop, however, with the possible exception noted above, available precedent would not appear to support recovery.

An additional possibility for the contractor would be to attempt to develop some form of *quantum meruit* claim (fair value of services rendered). We denied such a claim in B–176498, October 2, 1973, because the claim presented no basis for finding a contract "implied in fact" for the contractor-funded performance, and we pointed out that grounds for recovery did not exist where the contractor appeared to be acting as a "pure volunteer." A further problem in supporting such a claim would be to establish that the Government has benefitted as a result of the contractor-funded performance. Contractor opinions in this respect were extremely varied and do not enable us to form a meaningful conclusion. The question of the existence and nature of such benefit in any given contract would probably be resolved only through litigation.

The LOGO clause (Attachment 10), used in most of the Air Force contracts under consideration, presents more difficulties. The clause, developed by the Air Force and not used to our knowledge by any other department, is designed to impose cost discipline on the contractor and to protect the Air Force against a contractor's being able to stop work on short notice.

Under LOGO, a schedule of planned fiscal year allotments covering the period of performance is agreed upon at the outset of the contract. The allotment for each fiscal year is specifically made subject to the availability of funds. If the contractor believes that his total costs through any fiscal year will exceed the cumulative obligations through that fiscal year, he must notify the Contracting Officer in writing 16 months prior to the beginning of the fiscal year in which he expects to incur such costs. A significant difference between LOF and LOGO is that, under LOGO, unless the Government fails to timely allot an initial increment of a planned fiscal year allotment, or prospectively revises the funding plan downward, the limitation of Government liability "shall not be authority for the Contractor to cease or slow the performance of work" under the contract and "may not be used as the basis for extending schedules or otherwise altering performance" (para. (g)). DOD apparently believes that this clause would protect the Government against having to reimburse the contractor for excess expenditures.

In a report to the Chairman, Preparedness Investigating Subcommittee, Senate Committee on Armed Services, entitled "Contractual Features and Related Matters in the AWACS Aircraft Program," B–163058, June 30, 1971, we cautioned that, if the parties are unsuccessful in accurately forecasting funding requirements, "the provisions of the [LOGO] clause could prove so financially burdensome on the contractor that they could constitute the seed for contract disputes."

To our knowledge, the LOGO clause has never been interpreted or discussed in a reported decision of any court or administrative body. Thus, there is no guidance to support definitive conclusions regarding a contractor's rights thereunder. We believe, however, that there is a substantial likelihood that the clause would not be interpreted as obligating the contractor to perform in any and all events.

There is ample precedent for a court's refusal to enforce a contract provision it deems "unreasonable" under a particular set of circumstances. As one example, under construction contracts, the Government frequently furnished the contractor with boring logs intended to indicate the presence or absence of subsurface water. Through the fault of no one, the logs are occasionally incorrect and the contractor incurs additional expenses in pumping and "dewatering" operations. The Court of Claims has consistently allowed claims for additional compensation in these circumstances, despite an express provision in the contract stating that the Government does not guarantee the accuracy of the boring logs. It has been held in a long line of cases that the exculpatory clause cannot be given its "full literal reach" and does not relieve the Government of liability for changed conditions "as the broad language thereof would seem to indicate." *United Contractors* v. *United States*, 368 F.2d 585, 598 (Ct. Cl. 1966); *Woodcrest Construction Company* v. *United States*, 408 F.2d 406, 410 (ct. Cl. 1969); *Foster Construction C.A. & Williams Brothers Company* v. *United States*, 435 F.2d 873, 888 (Ct. Cl. 1970); *Fattore Company* v. *Metropolitan Sewerage Commission of the County of Milwaukee*, 454 F.2d 537, 542 (7th Cir. 1971). Thus, the mere fact that the contract places a risk on the contractor is not necessarily dispositive.

It is not inconceivable that the notification period (17 months) might be deemed unreasonable in certain cases, for example, where a contractor could establish that its accounting system precluded timely discovery of the overrun. There is also, in our opinion, considerable doubt over the contractor's obligation to continue performance if the Contracting Officer denies additional funds after timely notice. To obligate the contractor to perform in this situation would, in effect, give the character of a fixed-price contract. As with the LOF situation, we discovered no instance of overt pressure to use or obligate company funds in excess of amounts allotted, but if DOD is interpreting LOGO to require performance even after funds have been denied, the concept would arguably be inapplicable since the "obligation" to perform would presumably arise under the contract.

In sum, there are many questions under LOGO still to be resolved, and it is impossible to predict the outcome of a claim in the absence of precedent. At the very least, however, we believe that recovery for excess expenditures where the Government, after timely notice, has refused to allot additional funds to the contract, cannot be categorically foreclosed.

As pointed out earlier, a primary goal of contract funding procedures is to prevent the overobligation of appropriated funds. The statutory restraints in this respect are

Revised Statutes § 3679, as amended, 31 U.S.C. § 665 (1970) (the "Antideficiency Act"), and Revised Statutes § 3732, as amended, 41 U.S.C. § 11 (1970), set forth in part below:

"31 U.S.C. § 665(a):

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law."

"41 U.S.C. § 11(a):

"No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Departments of the Army, Navy, and Air Force, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year."

Under DOD's approach of recording obligations for the instant contracts on a target price basis for purposes of 31 U.S.C. § 200, described herein-above, the obligations so recorded would not exceed amounts made available for the contracts during FY 1975, and thus would not violate the above statutes. However, we do not believe that the recording of obligations is the sole factor relevant in assessing possible violations of 31 U.S.C. § 665 and 41 U.S.C. § 11. Thus, in 42 Comp. Gen. 272, 275 (1962), we stated with regard to the generally accepted purport of these prohibitions:

"These statutes evidence a plain intent on the part of the Congress to prohibit executive officers, unless otherwise authorized by law, from making contracts involving the Government in obligations for expenditures or liabilities beyond those contemplated and authorized for the period of availability of and within the amount of the appropriation under which they are made; to keep all the departments of the Government, in the matter of incurring obligations for expenditures, within the limits and purposes of appropriations annually provided for conducting their lawful functions, and to prohibit any officer or employee of the Government from involving the Government in *any contract or other obligation for the payment of money for any purpose, in advance of appropriations made for such purpose;* * * *." (Emphasis added.)

The question arises, therefore, whether a Contracting Officer may "commit" the Government to reimburse a contractor in advance of appropriations becoming available in the next fiscal year. We have not objected to contracts entered into subject to the availability of appropriations in certain circumstances, as long as the contract made it unequivocally clear that no Government liability could arise until the appropriations became available. 21 Comp. Gen. 864 (1942); 39 Comp. Gen. 776 (1960); B–171798, August 18, 1971. In the present context, if it were clear through judicial precedent that a given course of conduct by the Government would give rise to a valid claim for reimbursement, we might conclude that such conduct constituted involvement of the Government in an obligation (although not in the "§ 200" sense) for the payment of money within the scope of the Antideficiency Act and hence would constitute a violation thereof. As indicated, we would require a clear line of judicial or quasi-judicial precedent to support such a finding. Since such precedent at present does not exist, we cannot conclude that the actions of the military departments with respect to the contracts here under consideration constitute a violation of the Antideficiency Act.

It appears that contractor funding in excess of contract allotments, or at least the potential exposure to such liability, is a problem inherent in the nature of research and development contracting in the framework of an inflationary economy. As long as these contracts are incrementally funded, there may be a point beyond which money to fund overruns is simply not available, so as not to lose the company's competitive position, there is considerable impetus on the contractor to continue performance, even if it means assuming the risk of loss. Since all contractors agreed that interruption of performance would increase total cost, and since the projects involved are of major importance, the outright prohibition of contractor funding may not necessarily be desirable or feasible. Nevertheless, the practice obviously has an impact on congressional prerogatives, and we concur with the Assistant Secretary of Defense that it should not be encouraged.

In reviewing the Attachments to this letter, it must be noted that, where the "contractor funding" figures include noncancellable commitments, this indicates contractor exposure and not actual cash flow or contractor billings to the Government. This exposure is a potential liability that would be realized in the event the contract were terminated at the end of the fiscal year without additional funding. Even in such a case, the liability would be offset, at least in part, by termination costs, and would therefore not necessarily represent out-of-pocket expenditures on the part of the contractor.

Some of the attachments hereto contain business privileged information within the purview of 18 U.S.C. § 1905 and are marked "Competition Sensitive." Such information should be safeguarded to prevent release as public information.

Pursuant to the consent of Mr. Fine of your staff, we are furnishing a copy of this report to the Committee on Armed Services, House of Representatives. We plan to make no further distribution of this report unless you consent or publicly release its contents.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

RAISE SOCIAL SECURITY EARNINGS LIMITATION

Mr. HUDDLESTON. Mr. President, I have asked to be included as a cosponsor of S. 560, introduced by Senator CHURCH to amend title II of the Social Security Act to increase by almost 20 percent the amount of outside earnings permitted each year without deductions from benefits. At the present time an individual may earn only up to $2,520 a year. Above that amount, earnings are reduced $1 for every $2 earned, until the worker reaches age 72. This bill would increase that limit to $3,000.

An earnings limitation of $2,520 causes hardship for those individuals who must work to supplement their benefits. Our retired citizens living on fixed incomes and facing ever increasing price rises are having an increasingly difficult time making ends meet. It is our older Americans who suffer most from the effects of inflation, particularly in the areas of nutrition, health, housing, and transportation. More and more we are seeing that an average social security benefit of $184 per month—or about $2,208 per year—for retired workers is not enough to meet ordinary financial obligations, and that they must turn to some other employment or continue their present employment.

Additionally, the person who is hurt most is the one with the greatest need for more income than his benefits can provide. An individual with a yearly average benefit of $1,500 in social security benefits is going to have to earn a good deal more in order to earn a decent standard of living than one who is receiving benefits of $3,500 per year. However, both may earn only up to $2,520 a year or they suffer a $1 or $2 reduction in benefits.

Furthermore, it is only the individual who continues to work who is penalized. A wealthy person who draws tens of thousands of dollars a year from investments, pensions, or annuities may still draw a social security check. At the same time the retiree who has worked for a salary all his life and who might need to continue working as a matter of economic survival cannot do so without a penalty.

Finally, those who are able to work and want to work in their later years must be respected for their ambition and interest in adding to productivity. Many older workers can contribute the benefits of the skills they have accumulated in a lifetime of work. By working they gain the advantage of much needed extra income and the knowledge that they still have an important role in society and are capable of contributing to the community in which they live. These individuals who are able to work and want to work should not be unduly penalized for doing so.

THE SEIZURE OF THE "MAYAGUEZ"

Mr. HATHAWAY. Mr. President, earlier today I heard that U.S. military aircraft, while inspecting the vessel seized illegally by Cambodia, were fired upon, after which they attacked and sank three Cambodian vessels.

The Cambodians acted wrongly in taking this ship.

The President's reaction of seeking, through diplomatic channels, the restoration of this property, was right.

My question to this body, and to the President is, On whose orders did our war planes visit this site? And on whose orders did they respond to the firing, and sink three of the Cambodian ships?

The lessons of the past 13 years were numerous and difficult ones for Americans. It was not too long ago that similar activities took place in the Gulf of Tonkin, and reaction and overreaction escalated us into war in Vietnam. We must not repeat this error. We should not brook any interference from any nation with regard to our ships on the high seas, but neither should we enter into another armed conflict with any nation until such time as all diplomatic efforts have been made to regain our property.

There are serious questions to be asked the Department of Defense with regard to what appears to be a unilateral decision to enter into armed conflict with Cambodia.

If the President has ordered the Department of Defense to take this action, pending any reaction to our efforts to regain the ship through diplomatic channels, then he has made an error in judgment, but one that he will be held accountable for by the Congress and the people of the United States.

In the event the Department of Defense sent its scouts abroad without expressed permission from the Commander in Chief, it must be held accountable for its unilateral decisions by the President, the Congress, and the people.

Either way, Mr. President, I anticipate some very fast answers from the White House regarding this serious breach to the peace that, apparently, was so short lived in Indochina.

INDOCHINA WAR STATISTICS—DOLLARS AND DEATHS

Mr. ABOUREZK. Mr. President, the Indochina Resource Center has just compiled a complete set of statistics on various aspects of the war in South Vietnam, Cambodia, and Laos. These include U.S. aid to Indochina and all other external financing, the costs incurred by the United States since the Paris peace agreement, the total U.S. bombing tonnage in Indochina, and most importantly, the total number of casualties.

It is a gruesome compilation. According to their report, a total of 5,732,100 casualties were suffered between January 1961 and January 1973. Of this, almost two million were deaths. The costs of this war in terms of lives and economics are certainly some of the worst ever experienced by man. Let us hope and pray that the Indochinese people can now experience a lifetime of peace and tranquility in spite of their governments and outside influences. They, perhaps more than any other peoples in the world, deserve at least this.

Mr. President, I ask unanimous consent that the text of the report compiled by the Indochina Resource Center be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INDOCHINA BALANCE SHEET—DOLLARS: DEATHS

1.—EXTERNAL FINANCING OF THE WAR IN VIETNAM

[In millions of dollars]

	[1] 1966	1967	[2] 1968	1969	1970	1971	1972	1973	1974	Total 1966–74
e. Sino-Soviet expenditures:										
Economic:										
People's Republic of China	75.0	80.0	120.0	90.0	60.0	105.0	90.0	NA	NA	
Soviet Union	150.0	200.0	305.0	385.0	345.0	320.0	210.0	NA	NA	
Total	225.0	280.0	425.0	475.0	405.0	425.0	300.0			
Most recent CIA estimates [3]					735.0	755.0	465.0	[4] 670.0	1,295.0	5,325.0
a. Military:										
People's Republic of China	95.0	145.0	115.0	140.0	100.0	115.0	230.0	NA	NA	
Soviet Union	360.0	505.0	415.0	175.0	90.0	165.0	375.0	NA	NA	
Total	455.0	650.0	530.0	315.0	190.0	280.0	605.0			
Most recent CIA estimates [3]					205.0	315.0	750.0	330.0	400.0	3,950.0
U.S. expenditures:										
Economic (fiscal years):										
Economic [6]	593.5	494.4	398.2	314.1	365.9	387.7	386.8	313.4	[8] 389.9	
Food for Peace [5]	143.0	73.7	138.5	99.4	110.8	188.0	67.8	188.3	[7] 230.1	
Total	736.5	568.1	536.7	413.5	467.7	575.7	454.6	[4] 501.7	620.0	4,883.5
Military (fiscal years):										
Military aid	875.1	1,208.51	1,153.2	1,710.8	1,727.6	1,895.0	2,348.5	2,270.5	1,010.0	14,249.2
U.S. operations [10]	4,924.9	18,891.5	25,346.8	26,089.2	21,372.4	12,805.0	7,001.5	3,029.5	691.0	121,151.8
Total	5,800.0	20,100.0	26,500.0	28,800.0	23,100.0	14,700.0	9,400.0	5,300.0	1,701.0	135,401.0

Note: Totals (in billions of dollars): Sino-Soviet economic aid, 5.325; Sino-Soviet military aid, 3.950; Sino-Soviet aid, 9.275; U.S. economic aid, 4.8835; U.S. military aid, 14.2492; U.S. aid, 19.1327; U.S. military expenditures, 135.401; U.S. expenditures, 140.2845; Foreign economic aid, 10.2085; Foreign military aid, 18.4993; Foreign aid, 28.4077; Foreign military aid, 139.3510; Foreign expenditure, 149.5595.

NOTES

Figures used in this survey represent the *highest* estimates for Sino-Soviet aid to North Vietnam. For example, the March 5, 1975 CIA estimates for Sino-Soviet aid during 1970–1974 have been used. These figures total more than $1 billion more than the previous estimates for those years.

Lowest possible figures were used in calculating U.S. military aid. For instance, until FY 75 some 80 per cent of PL 480 Food for Peace aid was used to generate counterpart funds that in turn were used to purchase U.S. military supplies. Thus, Food for Peace in fact constituted a source of additional military aid for the Saigon government during the period in question. For the purposes of this survey, however, Food for Peace aid was treated as economic aid, reducing total U.S. military aid by nearly $1 billion.

No attempt has been made to calculate undervaluations of U.S. equipment and materiel delivered to the Saigon government. Journalist Tad Szulc has cited (*Rolling Stone*, October 1974) Pentagon undervaluations of 50 to 90 per cent.

The figure $140.2845 billion for total U.S. expenditures on the war should not be taken as representing the full cost of the war. Senator Mansfield recently cited the *Statistical Abstract of the U.S.* figure of $352 billion (*Congressional Record*, March 21, 1975, 7983). Economist Tom Riddell, writing in the October, 1973 *Progressive*, sets total war costs at $676 billion.

SUMMARY

By U.S. government figures:

The U.S. spent and the Saigon government benefited from:

97.1 per cent of all foreign military expenditures in Vietnam

93.8 per cent of all foreign expenditures in Vietnam .

78.3 per cent of all foreign military aid to Vietnam.

67.4 per cent of all foreign aid to Vietnam

48.7 per cent of all foreign economic aid to Vietnam.

U.S. aid to Saigon represented:

92 per cent of Sino-Soviet economic aid to North Vietnam and the Provisional Revolutionary Government

3.6 times Sino-Soviet military aid

2.1 times total Sino-Soviet aid

Altogether, the U.S. spent:

15.1 times total Sino-Soviet expenditures on Vietnam

34.3 times total Sino-Soviet military expenditures on Vietnam.

Furthermore:

96.5 per cent of U.S. expenditures went directly for military purposes

74.5 per cent of U.S. aid went directly for military purposes.

42.6 per cent of Sino-Soviet aid went directly for military purposes.

FOOTNOTES

[1] National Security Study Memorandum No. 1, in Congressional Record, May 10, 1972.

[2] Report of Vice-Admiral de Poix, Director, Defense Intelligence Agency, transmitted to Congressman Les Aspin, May 18, 1974.

[3] Central Intelligence Agency, Defense Intelligence Agency, and Bureau of Intelligence and Research (Department of State), estimates of March 5, 1975.

[4] Report of Congressman Paul N. McCloskey, Congressional Record, March 14, 1974, 6776.

[5] U.S. Agency for International Development, Fiscal Year 1975 Submission to the Congress, "Indochina Postwar Reconstruction Programs," p. 49.

[6] Ibid., annual economic aid totals less Food for Peace totals.

[7] U.S. Department of Agriculture, Commodity Credit Corporation, telephone interview, January 1975.

[8] 1974 economic aid total in 3, less 7.

[9] Congressional Research Service, February 1974 Update of Total War Cost Figures.

[10] 9, less annual military aid figures from 5.

2. U.S. AID TO INDOCHINA (SINCE FISCAL YEAR 1949)

a. The past (1) Under Truman: $1,300[1]; (2) 1953–75, country breakdown

[In millions of dollars]

President and fiscal year	Military	Economic	Food for Peace	Total
VIETNAM[2]				
Eisenhower: 1953–61	526.3	1,466.6	78.3	2,071.2
Kennedy: 1962–63	955.4	658.1	193.5	1,807.0
Johnson:				
1964–65				
1966	875.1	593.5	143.0	1,611.6
1967	1,208.5	494.4	73.7	1,776.6
1968	1,153.2	398.2	138.5	1,689.9
Nixon:				
1969	1,710.8	314.1	49.4	2,124.3
1970	1,727.6	365.9	110.8	2,204.3
1971	1,895.0	387.7	188.0	2,470.7
1972	2,398,5	386.8	67.8	2,853.1
1973	2,270.0	313.4	188.3	2,771.7
1974[3]	1,010.0	[4]389.9	[5]230.5	1,630.0
Ford: 1975	700.0	[6]282.0	[7]54.0	5,036.0
Total	6,430.4	6,050.6	1,565.4	24,046.4
LAOS				
1953–61	98.4	266.0	1.1	365.5
1962–65	142.8	159.2	2.6	304.6
1966	54.3	57.?	.4	111.9
1967	56.0	56.1	1.3	113.8
1968	81.7	62.9	1.5	146.1
1969	79.8	52.0	.2	132.0
1970	77.9	51.4	1.9	131.7
1971	163.9	48.9	.6	213.4
1972	220.7	48.9	3.3	272.9
1973	334.4	48.0	2.3	384.7
1974	[8]108.0	[9]40.6	[5]3.6	152.2
1975	[10]30.0	56.0	NA	86.0
Total	1,447.9	948.1	18.8	2,414.8
CAMBODIA				
1953–61	[2]67.6	217.6	2.3	287.5
1962–65	23.6	7.5	4.6	35.7
1966–69				
1970	8.3			8.3
1971	184.0	70.0	6.8	260.8
1972	187.2	37.1	20.5	249.8
1973	140.8	67.5	29.1	237.4
1974	[11]419.1	[12]95.0	168.3	682.4
1975	[10]275.0	110.0	[13]81.0	466.0
Total	1,305.6	609.7	312.6	2,222.9

TOTAL INDOCHINA

Pre-1953	1,300.0	1971	2,944.9
Fiscal year 1953–61	2,724.2	1972	3,370.8
1962–65	2,147.3	1973	3,393.8
1966	1,723.5	1974	2,464.6
1967	1,890.4	1975	1,588.0
1968	1,836.0	Total	29,984.1
1969	2,256.3		
1970	2,344.3		

B. THE FUTURE—PENDING ADMINISTRATION REQUESTS, APRIL 1975

[In millions of dollars]

Fiscal year	Military	Economic	Food for Peace
VIETNAM			
1975 supplemental	722	507	
1976	1,293	A	
197T	355		
1977	1,000		
CAMBODIA			
1975 supplemental	222		73–100
1976	425	B	
LAOS			
1976		C	
Southeast Asia Incremental	124		
Total A+B+C=		959	
Total military	4,141		
Total requests[1]			

[1] Total requested $5,680,000,000.

U.S. AID TO INDOCHINA COMPARED WITH U.S. AID TO 131 OTHER NATIONS AND TERRITORIES, 1945–1974

Since 1945 the U.S. has given $128.534 billion in aid grants;

Of this sum: $26.491 billion has gone to South Vietnam, Laos, and Cambodia since the French left;

$28.033 billion has gone to Indochina counting aid sent to the French before 1954.

Of the aid grants since the French left:

$22.505 billion went to South Vietnam

$2.282 billion went to Laos

$1.204 billion went to Cambodia

The U.S. has therefore sent:

20.6% of all post World War II aid grants to Indochina;

21.8% of all post-World War II aid grant to Indochina counting aid to the French; and

17.5% of all post-World War II aid grants to South Vietnam.

The government of South Vietnam has therefore received more U.S. aid funds—not loans—than any other government or administration in the world:

17.5% of all U.S. aid grants since World War II have gone to a country with 0.8% of the population of U.S. aid recipients.

Sources

Foreign Assistance and Related Programs Appropriation Bill, 1975, Report, March 10, 1975.

1974 Information Please Almanac, Atlas, and Yearbook, Dan Golenpaul and Associates, USA, 1973.

Note

In computing the total U.S. foreign assistance since World War II, aid to the Soviet Union has been admitted, as well as any loan aid. Loans to the governments of South Vietnam, Laos, and Cambodia amount to less than $200 million of the total and have not been deducted.

U.S. AID TO INDOCHINA—SUMMARY

In the period since South Vietnam, Laos and Cambodia ceased to be outright French colonies, the United States has sent $28.684 billion in aid.

Including aid sent under the Truman administration during the first Indochina war, the United States has sent a total of $29.984 billion in aid.

Of the aid sent since 1953, 66.9 per cent has been direct military aid, 83.3 per cent of total Indochina aid has gone to Saigon, and 57.4 per cent of total Indochina aid has been direct military aid to Saigon.

For the rest of FY 1975, FY 1976, FY 197T ("Transition") and FY 1977 the Ford administration is requesting $5.312 billion in aid which is equivalent to 17.7 per cent of all U.S. aid to Indochina.

FOOTNOTES

[1] Foreign Assistance and Related Programs Appropriations Bill, 1975, Report (No. 94), March 11, 1975, p. 5.

[2] U.S. Agency for International Development, Fiscal Year 1975 Submission to the Congress, "Indochina Postwar Reconstruction Programs," pp. 49, 57, 76.

[3] Congressman Paul N. McCloskey, Report, Congressional Record, March 14, 1975, 6776

[4] 3, less 5.

[5] U.S. Department of Agriculture, Commodity Credit Corporation, telephone interview, January, 1975.

[6] U.S. Agency for International Development, Economic Assistance, Vietnam desk, telephone interview, April 1975.

[7] Congressional Record, Fiscal Year 1975 Concessional Food Aid Allocations, March 13, 1975, 6584.

[8] House Report 93–1255, August 1974.

[9] Foreign Assistance and Related Programs Appropriations, Fiscal Year 1975, Senate Hearings, p. 1450.

[10] PL 93–559, Foreign Assistance Appropriations Act, Fiscal Year 1975, authorized figure.

[11] Foreign Assistance and Related Agencies Appropriations for 1975 Hearings, House of Representatives, Part 1, p. 1068.

[12] Foreign Assistance and Related Programs Appropriations, Fiscal Year 1975, Senate Hearings, p. 1449.

[13] Congressional Record, March 13, 1975, 6584; and additional $50 million is available under "Cambodian Reserve."

3. WAR COSTS FROM JAN. 27, 1973 (PARIS AGREEMENT) TO JUNE 1975

[In millions of dollars]

	Fiscal year— 1973 (February–June)	1974	1975	Total
Vietnam:				
Military	675.0	1,010.0	700.0	2,385.0
Economic	176.0	389.9	282.0	847.9
Public Law 480 [1]	80.7	230.1	54.0	364.8
Total	931.7	1,630.0	1,036.0	3,597.7
Cambodia:				
Military	64.5	419.1	275.0	758.6
Economic	27.8	95.0	110.0	232.8
Public Law 480	6.5	168.3	81.0	255.8
Total	98.8	682.4	466.0	1,247.2
Laos:				
Military	79.9	108.0	30.0	217.9
Economic	19.4	40.6	56.0	116.0
Public Law 480	1.4	3.6	?	5.0
Total	100.7	152.2	86.0	338.9
SEA incremental [2]	416.0	691.0	281.0	1,388.0
Grand total	1,547.2	3,155.6	1,869.0	6,571.8

[1] Public Law 480. Food-for-peace.

[2] Southeast Asia incremental DOD costs related to the phase-down of the Indochina conflict (mainly bases in Thailand)

Note: $6,571,800,000,000 equals 23 percent of all U.S. aid since 1953.

SOURCES

Fiscal year 1973. Five-sixths of fiscal year 1973 totals, contained in information furnished by the Committee on Government Operations Subcommittee on Foreign Operations and Government Information to Congresswoman Bella S. Abzug, Feb. 20, 1974.

Vietnam military. Congressman Paul N. McCloskey, Report, Congressional Record, Mar. 14, 1975, 6776.

Vietnam fiscal year 1974 economic. Ibid., less Public Law 480.

Fiscal year 1974 Public Law 480. U.S. Department of Agriculture, Commodity Credit Corporation, telephone interview, January 1975.

Fiscal year 1975 economic. Agency for International Development, Economic Assistance, Vietnam desk, telephone interview, April 1975.

Vietnam fiscal year 1975 Public Law 480. "Fiscal Year 1975 Concessional Food Allocations," Congressional Record, Mar. 13, 1975, 6584.

Laos fiscal year 1974 military. House Report 93–1255, Aug. 1, 1974.

Laos fiscal year 1974 economic. Foreign assistance and related programs appropriations, fiscal year 1975, Senate hearings, p. 1450.

Fiscal year 1975 Laos and Cambodia. Public Law 93–559, Foreign Assistance Appropriations Act, fiscal year 1975, authorized figure.

Fiscal year 1974 Cambodia military. Foreign assistance and related programs appropriations, fiscal year 1975, House hearings pt. I, p. 1068.

Fiscal year 1974 Cambodia economic. Ibid., 1449.

Fiscal year 1975 Cambodia Public Law 480. Congressional Record, Mar. 13, 1975, 6584.

Fiscal year 1973 S.E.A. Incremental. Prorated, from "Budget of the Government of the United States."

Fiscal year 1974–75 SEA incremental. U.S. Department of Defense, Comptroller's Office, telephone interview, February 1975.

4. U.S. EXPENDITURE BY COUNTRY

[In millions of dollars]

Country	U.S. aid	U.S. military operations	Total
Vietnam	24,046.4	112,833.6	136,880.0
Cambodia	2,222.9	1,508.1	3,737.0
Laos	2,414.8	6,810.1	9,224.9
Total since 1953			149,835.9

SOURCES

U.S. aid. From "U.S. aid to Indochina" table.

U.S. military operations. Taking Congressional Research Service total war cost figures (from DOD) for annual incremental costs, less 1965 $100,000,000 incremental, less military aid allotments for Indochina, less Laos (3) plus Cambodia (3).

Military operations, Cambodia and Laos. Senator Stuart Symington, "Cambodia Bombing," Congressional Record, July 13, 1973, 24519; "Air War in Indochina," (revised edition, Beacon Press: Boston, 1972) for cost of bombing of Laos and Cambodia, which constitute the greatest part of U.S. military operations in the 2 countries.

5. COSTS OF THE AIR WAR IN INDOCHINA

[In millions of dollars]

Fiscal year	Fighter-bomber sorties	Cost of fighter-bomber sorties	B–52 sorties	Cost of B–52 sorties	Value of aircraft lost	Totat cost
1966	184,000	1,550	3,700	120	840	2,510
1967	328,000	2,690	7,400	270	1,100	4,060
1968	366,000	3,260	15,300	580	1,460	5,300
1969	375,000	3,640	20,500	850	950	5,440
1970	268,000	2,810	19,800	840	1,020	4,670
1971	153,000	1,780	12,400	550	600	2,930
1972	117,000	1,444	16,700	750	1,000	3,190
1973 [1]	96,000	1,260	20,500	990	590	2,840
1973 [2]	28,000	360	7,800	380	30	770
Total	1,915,000	18,790	124,100	5,330	7,590	31,710

[1] One-half 1973.

[2] Cambodia, Jan. 1–Aug. 11, 1973.

Sources: "The Air War in Indochina," p. 101.

"FY 72 Fighter-bomber sorties, and B–52 sorties." Senator Stuart Symington, "Cambodian Bombing," Cong. Record, July 18, 1973, 24520 "FY 72–73 sortie costs." Extrapolation from "The Air War in Indochina." "Cambodia FY 73 sorties." UPI dispatch, Aug. 14, 1973.

6. If Americans had suffered from the war on the same scale as the people of Indochina . . .

1. Vietnam:

Vietnam is about the size of New Mexico. South Vietnam is about the size of Florida. The population of South Vietnam is roughly 20 million. 1,710,000 Vietnamese killed since 1960=17,955,000 Americans or everyone living in New York State.

3,098,000 Vietnamese wounded since 1960=32,550,000 Americans, or the entire populations of South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Tennessee, Arkansas, and Kentucky.

2. In the two years since the signing of the Paris Agreement on Ending the War and Restoring Peace in Vietnam (January 27, 1973 to January 27, 1975).

150,000 Vietnamese soldiers have been killed=1,575,000 Americans, or the population of *Detroit*.

290,000 Vietnamese soldiers have been wounded=3,045,000 Americans, or almost everyone in *Chicago*.

15,000 Vietnamese civilians were killed in 1973 alone=157,000 Americans, or most of Pres. Ford's home town, Grand Rapids, Michigan.

70,000 Vietnamese civilians were wounded in 1973 alone=735,000 Americans, the population of Cleveland.

1,413,000 Vietnamese became refugees in that two-year period=13,850,000 Americans. equivalent to forcing all the people in *Texas, Oklahoma,* and *Washington, D.C. to leave their homes.*

3. Cambodia:

Cambodia is about the size of Missouri. The population is over 7 million. 600,000 Khmers have been killed or wounded =18,254,000 Americans, or the entire population of Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Massachusetts, and New Jersey. 3,390,000 Khmers have become refugees=103,092,000 Americans, or almost everyone in the United States living west of the Mississippi and north of Ohio.

4. Laos:

Laos is the size of North Carolina and Virginia combined. The population is 3 million (no U.S. government figures for killed and wounded) 700,000 refugees=49,693,000 Americans, or all the people in the three most populous states, California, New York, and Illinois.

Sources:

Vietnam. Cumulative statistics from Department of Defense:

States. 1974 Information Please Almanac.

Refugees. Senate subcommittee on refugees, Study Mission Report for the Subcommittee to Investigate Problems Connected with Refugees and Escapees, "Human Problems in South Viet Nam and Cambodia: Two Years after the Cease-Fire," January 27, 1975.

Cambodia. Sydney Schanberg, *New York Times*, September 8, 1974.

Laos. Senate subcommittee on refugees, "War-Related Civilian Problems in Indochina," Part II, 21–22, April 1971.

7. TOTAL CASUALTIES

January 1961–Jan. 27, 1973

	Killed	Wounded	Total
Americans	56,226	153,654	209,880
South Vietnamese:			
Military	1,135,557	1,911,043	3,046,600
Civilian	415,000	935,000	1,350,000
Subtotal	1,550,557	2,846,043	4,396,600
Indochinese: (Cambodia, Laos, North Vietnam)	200,000	300,000	500,000
Total	1,806,783	3,299,697	5,106,480
Since the Ceasefire: Jan. 27, 1973–Jan. 27, 1975:			
Americans			
South Vietnamese:			
Military	150,140	290,480	440,620
Civilian	15,000	70,000	85,000
Subtotal	165,140	360,480	525,620
Cambodians	(1)	(1)	(1)
Grand total	1,971,923	2,660,177	5,732,100

[1] Over 100,000 killed and wounded.

U.S. DEATHS, HOSTILE AND NON-HOSTILE CAUSES AND WOUNDED

Year	Deaths in hostile action	Deaths in non-hostile action	Wounded	Total
1961	11	2	2	15
1962	31	21	41	93
1963	78	36	218	332
1964	147	48	522	717
1965	1,369	358	3,308	5,035
1966	5,008	1,045	16,526	22,579
1967	9,378	1,680	32,371	43,429
1968	14,592	1,919	46,799	63,310
1969	9,414	2,113	32,940	44,467
1970	4,221	1,844	15,511	21,567
1971	1,380	968	4,817	7,165
1972	300	251	587	1,138
1973 [1]	[2] 12		12	24
Total	45,941	10,285	153,654	209,880

[1] January 1–27.

[2] Includes both killed in action and status changes.

Source. Pentagon Information Office.

VIETNAMESE CASUALTIES BY YEAR

	Johnson years—1964-68		
	ARVN killed	PRG/DRV killed	Civilians killed
1964	7,457	16,785	
1965	11,243	35,436	25,000
1966	11,953	55,524	50,000
1967	12,176	88,104	60,000
1968	27,915	181,149	100,000
Total	70,744	376,998	235,000
Total, Johnson years		682,742	

	Nixon years—1969-73		
	ARVN killed	PRG/DRV killed	Civilians killed
1969	21,833	156,954	60,000
1970	23,346	103,638	30,000
1971	22,069	98,094	25,000
1972	39,587	131,949	65,000
1973 [1]	1,726	5,625	
1973 [2]	13,778	45,057	15,000
Total	122,339	541,317	195,000
Total, Nixon years		1,541,398	
Total, Johnson/Nixon years		1,541,398	

Year	ARVN killed	Wounded	PRG/DRV killed	Wounded	Civilians killed	Wounded	Refugees	Total war victims
1960	2,223	2,788	5,669	8,503				19,183
1961	4,004	5,449	12,133	18,199				39,785
1962	4,575	7,195	25,148	37,737				74,467
1963	5,665	11,488	23,575	35,362				76,090
1964	7,467	17,017	16,785	25,177				66,446
1965	11,243	23,118	35,436	53,154	25,000	75,000	772,000	994,951
1966	11,953	20,975	55,524	83,286	50,000	100,000	906,000	1,227,738
1967	12,176	29,448	88,104	132,156	60,000	115,000	436,000	872,884
1968	27,915	70,696	181,149	271,723	100,000	200,000	2,522,000	3,373,483
1969	21,833	65,276	156,954	235,431	60,000	140,000	590,000	1,269,494
1970	23,346	71,582	103,638	155,457	30,000	95,000	620,000	1,099,023
1971	22,069	59,823	98,094	147,141	25,000	75,000	404,000	831,127
1972	39,587	109,960	131,949	197,923	65,000	135,000	2,020,000	2,699,419
1973 [1]	1,726	6,542	5,625	8,437			2,000,000	22,330
Subtotal	195,764	501,357	939,793	1,409,686	415,000	935,000	10,270,000	14,666,600
Since cease-fire:								
1973 [2]	13,778	51,364	45,057	67,585	15,000	70,000	818,700	1,081,484
1974	11,499	51,822	79,806	119,709	NA	NA	594,300	857,136
Subtotal	25,277	103,186	124,863	187,294	15,000	70,000	1,413,000	1,938,620
Total	221,041	604,543	1,064,656	1,596,980	430,000	1,005,000	11,683,000	16,605,220

[1] Jan. 1–28.

[2] Jan. 28–Dec. 31.

Sources:

ARVN—Army of the Republic of Vietnam; PRG—Provisional Revolutionary Government; DRV—Democratic Republic of Vietnam.

Casualties ARVN and PRG/DRV 1960–72. Department of Defense.

PRG/DRV wounded. DOD projects 1.5 wounded per death.

Jan. 1–28, 1973. Government of Vietnam.

Jan. 28–D3c. 31, 1973. "Relief and Rehabilitation of War Victims in Indochina: 1 Year After the Ceasefire," Study Mission Report, Subcommittee to Investigate Problems Connected with Refugees and Escapees, Jan. 27, 1974, p. 9.

1974. Humanitarian Problems in South Vietnam and Cambodia: 2 Years After the Ceasefire, Study Mission Report, Subcommittee to Investigate Problems Connected With Refugees and Escapees, Jan. 27, 1975, p. 8. 1974 figures computed by subtracting 1973 figures from total figures.

Civilian casualties. Ibid., p. 7. Wounded computed by subtracting Subcommittee death estimated from subcommittee casualty estimates including deaths.

Refugees. Ibid., p. 4.

January 1–28, 1973 refugees. Estimated nonregistered refugees, including some 1,000,000 in Saigon ineligible since 1964 to register.

PRG/DRV killed since ceasefire. Saigon Government estimate was 156,222, in "Report, Vietnam Factfinding Trip, Feb. 24 to Mar. 3, 1975—The North Vietnam-South Vietnam Confrontation," by Congressman McCloskey, Congressional Record, Mar. 14, 1975 6776.

Casualties in North Vietnam:

Civilian casualties

1965	25,000
1966	50,000
1967	50,000
1972	50,000
Total	185,000

There are no accurate figures available. These estimates are based on former Defense Secretary McNamara's estimate in May 1967 that the three years of bombing was killing or seriously injuring 1,000 non-combatants per week (*Pentagon Papers*, Gravel ed., Vol. iv, p. 172). The National Security Studies Memorandum No. 1, commissioned by Henry Kissinger in 1969, estimated 57,000 persons killed in the bombing of North Vietnam 1965–68. The figures for 1972 bombing are also not available. North Vietnam reported (AP in *New York Times*, January 5, 1973) that 1,318 residents of Hanoi were killed and 1,261 wounded in ten days of bombing in December 1972.

Cambodian war casualties:

Cambodian refugees. There are no reliable figures on the number of refugees. However, in a GAO report reprinted in the March 20, 1975 *Cong. Record*, 7891, it was stated the "roughly three million of the five million [under control of Lon Nol's government] have become refugees." The Study Mission report for the Subcommittee to Investigate Problems Connected with Refugees and Escapees, "Humanitarian Problems in South Vietnam and Cambodia: Two Years After the Cease-Fire," January 27, 1975, reported that as of December 1974, there were 3,389,050 refugees in Cambodia. (p. 31). In Sydney Schanberg's article of September 8, 1974 in the *New York Times*, it is also stated, "The refugee rolls have soared by 200,000 in that time to an estimated total of 3 million people . . . Nearly half the people of Cambodia are now refugees."

Cambodian casualties. There are no reliable figures on killed and wounded in Cambodia over the past five years. The State Department, Cambodia desk, estimates about 50,000 government forces have been killed or wounded between 1972 and the first half of 1974, with about 35,000 "enemy" killed during the same period. State Department estimates for January and February 1975 are around 40,000 killed and wounded on both sides. These figures are obviously underestimated. Sydney Schanberg, in his September 8, 1974 New York Times article stated, "By the lowest possible estimates more than 300 Cambodians are killed or wounded every day. So far, at least 600,000 Cambodians have become casualty statistics, nearly one-tenth of the country's population of 7 million." In April 1975 Schanberg revised his estimated upwards to 1 million casualties. In the Senate Subcommittee on Refugees January 1975 report the figure for civilian casualties since the war began is "well over 450,000." (p. 35).

Laos war casualties:

There are no reliable estimates on the number of Laotians killed or wounded during the war, but the numbers are in the hundreds of thousands. In a Washington Post article of March 4, 1970, it was reported that 100,000 Meo tribesmen have died in the last nine years of war in Laos. Civilian casualties are impossible to determine. In "Refugee and Civilian War Casualty Problems in Laos and Cambodia," a report of the Refugee Committee, May 7, 1970, civilian casualties are given: 5,500 for 1967, 2,658 for 1968, and 3,674 for 1969 (p. 44). These figures are underestimates.

8. U.S. BOMBING TONNAGE IN INDOCHINA

	Tons	Sorties
1964–73:		
South Vietnam	3,223,553	946,142
North Vietnam	881,302	362,542
Laos	2,083,100	541,344
North Laos	320,722	
South Laos	1,762,378	
Cambodia [1]	96,598	3.316
Cambodia total	539,129	49,640
Indochina total	6,727,084	1,899,668
Indochina:		
1964	3,440	
1965	174,121	
1966	449,856	
1967	842,557	
1968	1,272,547	
1969	1,218,629	
1970	800,418	
1971	616,593	
1972	957,162	
1973	391,761	
1964–68	2,742,521	
1969–73	3,984,563	
Total	6,727,084	

[1] March 1969–March 1970.

Sources: 1965–72: Senator Stuart Symington, Congressional Record, July 18, 1973, 24519–24520. Tonnage, June 1964–December 1974, Jan 1–Aug. 15, 1973. Pentagon statistics supplied by Congressman Les Aspin.

BOMBING TONNAGE

SOUTH VIETNAM

	June 1964–December 1964	1965	1966	1967	1968	1969	1970	1971	1972	Jan. 1–27, 1973	Total
F/B sorties	?	65, 921	123, 645	165, 103	200, 258	150, 321	74, 212	16, 123	76, 664	6, 695	878, 942
B–52 sorties	0	1, 538	4, 290	6, 375	16, 505	11, 525	4, 069	2, 416	19, 430	1, 650	67, 798
Total sorties	?	67, 459	127, 935	171, 478	216, 763	161, 846	78, 281	18, 539	96, 094	7, 747	946, 142
F/B tons	3, 250	86, 620	153, 102	293, 275	334, 967	308, 912	141, 195	52, 163	187, 708	13, 004	1, 574, 196
B–52 tons	(1)	31, 540	84, 230	173, 970	472, 308	323, 492	110, 928	61, 625	353, 354	27, 910	1, 639, 357
Total tons	3, 250	118, 160	247, 332	467, 245	807, 275	632, 404	252, 123	113, 788	541, 062	40, 914	3, 223, 553

[1] Started June 1965.

NORTH VIETNAM

	August 1964	February–December 1965	1966	1967	1968	1969	1970	1971	1972	Jan. 1–27, 1973	Total
F/B sorties	?	25, 408	81, 137	105, 576	92, 224	285	1, 003	1, 705	46, 186	1, 663	355, 187
B–52 sorties	0	0	280	1, 420	682	0	0	0	4, 440	533	7, 355
Total sorties	?	25, 408	81, 417	106, 996	92, 906	285	1, 003	1, 705	50, 626	2, 196	362, 542
F/B tons	154	40, 554	123, 194	205, 785	208, 068	659	832	1, 842	120, 981	4, 251	706, 320
B–52 tons	0	0	5, 710	41, 625	18, 971	0	0	0	97, 502	11, 096	174, 904
Total tons	154	40, 554	128, 904	247, 410	227, 039	659	832	1, 842	218, 561	15, 347	881, 302

CAMBODIA

	March 1969–December 1970	January–March 1970	April–December 1970	1971	1972	January–Aug. 15, 1973	Total
F/B sorties	20	0	13, 562	15, 154	6, 702	?	35, 438
B–52 sorties	2, 406	890	1, 626	1, 336	1, 868	?	8, 126
Total sorties	2, 426	890	15, 190	16, 490	8, 570	?	42, 896
F/B tons	31	0	19, 421	29, 947	16, 513	89, 366	155, 278
B–52 tons	70, 500	26, 067	48, 719	33, 567	36, 899	168, 099	383, 851
Total tons	70, 531	26, 067	68, 140	63, 514	53, 412	257, 465	539, 129

LAOS

	June–December 1964	1965	1966	1967	1968	1969	1970	1971	1972	January–April 1973	Total
Laos F/B sorties	?	9, 923	47, 690	44, 402	75, 247	142, 502	97, 480	82, 314	31, 260	10, 920	541, 738
Laos B–52 sorties	?	24	647	7, 718	3, 377	5, 567	8, 518	8, 876	2, 644	1, 835	39, 206
Total Laos sorties	?	9, 947	47, 737	52, 120	78, 624	148, 069	66, 998	91, 190	33, 904	12, 755	541, 344
North Laos F/B tons	36	8, 643	8, 186	10, 903	31, 505	81, 670	55, 363	38, 992	22, 057	14, 993	272, 348
South Laos F/B tons	0	6, 295	52, 366	72, 008	113, 529	274, 881	179, 643	177, 995	57, 665	19, 142	953, 524
Total Laos F/B tons	36	14, 938	60, 552	82, 911	145, 034	356, 551	235, 006	216, 987	79, 722	34, 135	1, 225, 872
North Laos B–52 tons	0	0	0	0	0	(1)	4, 217	6, 513	25, 097	22, 547	58, 374
South Laos B–52 tons	0	469	13, 068	44, 991	93, 199	158, 484	214, 033	223, 949	39, 308	21, 353	808, 854
Total Laos B–52 tons	0	469	13, 068	44, 991	93, 199	158, 484	218, 250	230, 462	64, 405	43, 900	867, 228
North Laos tons	36	8, 643	8, 186	10, 903	31, 505	81, 670	59, 580	35, 505	47, 154	37, 540	320, 722
South Laos tons	0	6, 764	65, 434	116, 999	206, 728	433, 365	393, 676	401, 944	96, 973	40, 495	1, 762, 378
Total Laos tons	36	15, 407	73, 620	127, 902	238, 233	515, 035	453, 256	437, 449	144, 127	78, 035	2, 083, 100

[1] Starts February 1970.

THE JACKSON 5

Mr. TUNNEY. Mr. President, I had the opportunity last weekend to attend a concert performed by the singing group, the Jackson 5, at Shady Grove in Maryland. I was accompanied by my two sons, Teddy and Mark. In the Tunney household, we think the Jackson 5 are a great musical team. Not only are they superb musicians but their vocal artistry is of the highest caliber. I think that my sons own every long-playing record that they have made. I was pleased to find that in person the Jackson 5 are as good as they sound on records. Not only can they sing and play music, but they also are outstanding dancers and have a totally agreeable stage presence. On the present concert tour, the five brothers are aided by three sisters and a younger brother. The entire younger generation of the Jacksons appear equally talented. They have to be one of the most extraordinarily gifted musical families in American history. I want to use this moment of my colleagues' time to publicly commend Mr. and Mrs. Joseph Jackson, the parents of this tremendously appealing family, for having given to them the love, the training, and the time to make them what they are. Despite Mr. and Mrs. Jackson's justified pride in their children's achievements, they have maintained a rare quality of humility which has been obviously passed on to the younger generation of Jacksons. All in all, my sons and I thoroughly enjoyed ourselves as did the 2,800 other persons in the audience.

NATIONAL NURSING HOME WEEK

Mr. BROCK. Mr. President, I would like to take this opportunity to join with President Ford in saluting the American

Health Care Association for the efforts of its members in providing quality care to our Nation's infirm elderly and chronically ill. The association represents some 8,000 health care facilities with approximately 600,000 patient beds. This week they are observing National Nursing Home Week, May 11–18, 1975, and have cordially invited all to visit their nearby nursing homes. As the President so aptly noted:

> Such civic involvement is a useful way of bringing the community into the lives of nursing home residents and thus making their days more interesting and enjoyable.

Therefore, I urge each of my colleagues to accept this invitation.

As a member of the Senate Special Committee on Aging Subcommittee on Long-Term Care, I and my fellow members have been examining the inadequate public policy toward nursing homes and the deficiencies that exist in a number of these facilities. The Subcommittee report, "Nursing Home Care in the United States: Failure in Public Policy," documents our findings. However, at this time, I think we should give some recognition to the great number of unheralded nursing homes and dedicated health professionals, supportive staff, and volunteers who provide quality health services to the elderly.

At this time I would like to submit for the record a recent article from a fine Tennessee newspaper, the Jackson Sun, by Ms. Bettye Anderson on a good nursing home and the attitudes of the residents toward it.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Jackson (Tenn.) Sun, Apr. 27, 1975]

Residents Reflect on Life in Homes

(By Bettye Anderson)

"Time gets long, but we laugh and talk with one another. You wouldn't want a better home," said Harriett Hennings, a resident of Mission Convalescent Home for the last five years.

The 72-year-old Mrs. Hennings, one of about 30 residents of the Glass Street home, said the modern, brick residence is "really a nice place to stay and these are good people to stay with."

Sitting in the doorway of her neatly decorated room, Mrs. Hennings pulled her chair closer and folded her hands in her lap as she reminisced about her home near Denmark.

"We never stray far from where we're born," she smiled, recalling the house where she spent her entire life before entering the convalescent home.

Generally, most nursing home residents interviewed by The Sun are satisfied with their present residence although they long for the days when they lived in their own homes and were among family and friends.

"All my real people are dead," said Mrs. Hennings. "But, I've got lots of friends and people here to talk with."

Mrs. Hennings, like many residents at the home, enjoys being active even if activity means walking from room to room or outside to a lawn chair.

"I love to stir," the slightly-built woman said. "When it's warm, I sit outside. Sometimes I get out there and pick up paper in the yard.

"If you sit too long, you get stiff," she noted.

However, some residents are not ambulatory and can't visit with patients in neighboring rooms.

For example, 45-year-old Eugenia Jones has crippling rheumatoid arthritis and until about three weeks ago could not even use her wheelchair.

"But the Lord was with me and brought me through it," said the 10-year nursing home patient.

"I've been sick the better half of my life," she explained. "The best you can adjust, the better off you are. You have to accept things you can't change. If you rely on the Lord, he will help you accept it."

However, Miss Jones said she enjoyed reading the Bible, other books and the newspaper and watching the daytime television shows.

After an 8:30 breakfast Miss Jones said she often writes letters to family and friends. At 10, she gets her bath and dresses, with the help of a nurse. Lunch is served between 12:30 and 1 and then the television stories "are a lot of company," she said.

Religion plays a large part in the lives of the elderly and disabled in area nursing homes. Many attend church services on Wednesday nights and Sundays. For those who are unable to attend services are piped in over the public address system at the Mission Convalescent Home.

Residents also participate in games, and once a month enjoy a celebration for those who have birthdays that month.

Many enjoy excursions away from the home and visits relatives and friends.

Leecie McNeal, for example, likes to go to the nearest ice cream establishment for an ice cream cone.

The 69-year-old Mrs. McNeal, a resident at Armour-Cathey Nursing Home on Cloverdals, goes out at least twice a week and on Sundays. Her home on Cartmell is "just two hops and a jump away," she said.

Although Mrs. McNeal spends the biggest part of her day "right in this chair," she has plenty of company in the room she shares with three other women. The neat quarters are decorated with red, white and blue bedspreads and red curtains.

Most residents agree the food served in nursing homes is "fine." Besides the meals, which provide generous portions of meat and vegetables, residents have fruit juice in midmorning and afternoon, and snacks are always available.

Dining areas are neat and pleasant. Many residents sit in the same spot to eat everyday and do not like to change places.

Some nursing home residents get lonesome, some get depressed and cry, and others want to go home, supervisors said.

"Molly often talks about going home," said 79-year-old Oce Moore of McNairy County. He and his wife Molly live at the Armour-Cathey nursing facility.

Sipping a soft drink as he sat in a rocker on the shady porch of the Armour-Cathey home, Moore (a retired farmer and sawmill worker) said he would like "to be able to farm again."

An early riser (he gets up at 4:30 a.m.), Moore's first chore of the day is to raise the American flag over the nursing home. Throughout the day, he helps others by rolling wheelchair patients to the dining room and helping the disabled to get a drink or other needed items.

Moore, like residents at both nursing facilities, saye he enjoys hearing birds sing and often feeds them.

"I love to hear the birds sing," said Mrs. Hennings. "I wake up about four or five o'clock and there is a little mockingbird out there (pointing out the window of her room) on a bush nearly every morning.

"Spring makes you feel good," she said, noting that the world was coming alive after a long winter.

BRITAIN: THE LOW-GROWTH STATE

Mr. BROCK. Mr. President, each day our economic situation becomes a little more confusing. Where are we going? What price will we pay to get there? Is our economy truly recovering? Indeed these are important questions and the American people want answers to them. However, as we strive for those answers, I believe it is necessary to look at the world around us.

The Washington Post recently carried an editorial calling attention to the plight of Britain. There are many similarities in some of the solutions being proposed in the United States and those already at work, or not at work as the case may be, in Britain. Mr. President, I ask unanimous consent that the editorial from the Post be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Britain: The Low-Growth State

Britain's new budget candidly acknowledges the country's economic troubles, but they are troubles on a scale that no budget can solve. More than any other major nation, Britain is living on money borrowed abroad. There are several theoretical solutions to these deficits, but as a practical matter neither of the parties has managed to build an effective public consensus for any of them. The decline in Britain's relative standing, in terms of wealth and economic power, has a large and unwelcome significance for American policy. It is an American habit of mind, both official and otherwise, to assume that Britain will continue to be an interlocutor for this country in Europe, and a steadying influence on European affairs.

Unfortunately, Americans and everyone else must reckon with the prospect that Britain will necessarily be increasingly absorbed in her own internal affairs. National influence tends to lag many years behind the actual state of national strength. But the steady decline of British productivity, measured against that of the three major countries of Western Europe, is inevitably eroding the weight that Britain carries on the continent.

The past 15 years have been, for the British economy, a creeping disaster. There have been no sudden declines or spectacular crises of the sort that draw great public attention. On the contrary, there has been steady growth—but at a very low level. British rates of economic growth have been consistently the lowest for any major nation. (The second-lowest growth rate is, incidentally, the United States', which explains why a number of Americans are beginning to take an uneasy interest in the relevance of the British example to our own case.)

In 1960 Britain's Gross National Product—the total value of all goods and services sold—was still slightly higher than West Germany's or France's. It was well over twice Italy's. But by last year, British GNP was less than half of Germany's, and only two-thirds as large as France's. In fact, it was only slightly higher than Italy's. But slow growth is far from the only symptom of malfunction.

The rate of price inflation in Britain is one of the highest in the industrial world. But since the wage inflation is even higher, the depreciation of the currency has become a mechanism for transferring wealth from the middle class and business to the working class. That is why the toleration for inflation among the unions is at present unlimited. The rise in consumer prices over the past year has been 20 per cent, but hourly wage rates have gone up an average of 32 per cent.

Rapid inflation is a peculiarly sharp threat in a country that earns a substantial part of its living in international banking and finance. That is where the British government's budget dilemma this month arose. The government feared that if it took no serious action, some of the foreign lenders and depositors would start edging toward the fire escapes in the purposeful manner of people who not only smell smoke but hear a crackling noise. But while it had to impose restraints, the government was severely limited by the referendum coming on June 5 over Britain's membership in the European Common Market.

British working people already tend to blame their economic hardships on the Common Market. Prime Minister Harold Wilson's Labor Party is severely split. The right wing is supporting Mr. Wilson, who, after much indecision, has decided to try to keep Britain in the Market. The left wing is campaigning strenuously to take the country out. Since the Conservative opposition also wants to stay in, a negative vote in the referendum would undercut the leadership of both big parties to the advantage of Labor's left half, as well as the Scottish nationalists and various other fragments. While the budget had to reassure lenders and bankers, it also had to do as little as possible to inflame voters as they approach the referendum.

The solution, as the Wilson government has presented it, is a series of very stiff taxes on just about everything—but no cuts in spending and services until next year. The excise taxes on beer, cigarettes and whiskey are up. The value-added tax on a television set is now 25 per cent. Income tax rates for most people are up. Altogether they add up to $3 billion a year; the equivalent in this country would be $24 billion. This budget has further exacerbated the tension within the Labor Party, since unemployment is high and rising. The left wanted a stimulative budget to put people back to work, instead of these sharply deflationary tax increases. The party will probably manage to hold together, since the desire for political survival is a marvelously strong glue. But whether it will be able to carry forward a coherent program is a closer question.

Economic trouble on this scale is never, at bottom, mere economics. On both sides of the channel, over the years, people have made a series of silent but tremendously significant choices. On the continent they have mainly chosen to pursue high productivity and the rapid accumulation of wealth, despite all of the uncomfortable and disruptive changes that it requires in people's lives. In two of those countries, West Germany and Sweden, GNP per capita is, at current exchange rates, higher than in the United States. Britain, in contrast to most of its Common Market partners, chose stability and security at the expense of growth. It was a decision not only to preserve everybody's job, but everybody's right to keep doing that job in the accustomed way. Unhappily, it has brought a decline in British industrial competitiveness that now threatens the jobs and security that it was intended to protect. British governments are not going to have much attention to spare for the concerns of Europe across the channel, or for the Atlantic world in general.

NATIONAL HISTORIC PRESERVATION WEEK—PART II

Mr. BEALL. Mr. President, Historic Preservation Week, 1975, gives us an opportunity to reflect upon the lessons of our Nation's history. This year is especially significant because we are so near to the celebration of the Bicentennial of the founding of this Republic.

In our modern, materialistic society, we too often lose sight of the role religion played in the founding and growth of America. Even though we are a Nation of great religious diversity, our forefathers, for the most part, adhered to the Judeo-Christian values which are the pillars of organized Western religion. In recent years many of these values and concepts have eroded, a process which I believe has been to our detriment. A society needs standards and values if it is to remain healthy.

Mr. President, I would hope that the vitality of the historic preservation movement and the Bicentennial celebration will give us as an opportunity to recapture not only the Spirit of 1776 but also the substance, the values, and the commitment of that era. We should never forget that a deeper strength enabled 13 diverse colonies to successfully rebel against the world's most powerful empire.

I would hope that churches, synagogues, and religious organizations of all faiths and denominations would become actively involved in preserving our heritage and celebrating our Bicentennial. I believe that we need a truly successful Bicentennial celebration in 1976 to help us recover psychologically from the political, economic, and foreign policy adversities which have befallen us in recent years. Thus the Bicentennial can serve to renew the American spirit, rededicate us to the cause of liberty, and strengthen our ties to the traditional virtues upon which our Nation was founded.

Mr. President, on April 20, Dr. F. Norman van Brunt, D.D., pastor of the Grace United Methodist Church in Baltimore, gave a commemorative service marking the Bicentennial of the outbreak of the Revolutionary War. Dr. van Brunt served as chairman of the Baltimore City Bicentennial Committee and he currently chairs the Bicentennial Committee of the Maryland Council of Churches United. At one time Dr. van Brunt served as a visiting chaplain to the U.S. Senate and it is safe to say that his is both a distinguished man and a very outstanding clergyman. Mr. President, I ask unanimous consent that Dr. van Brunt's Bicentennial sermon entitled "Redigging the Wells" be printed in the Record.

There being no objection, the sermon was ordered to be prined in the Record, as follows:

Redigging the Wells

(By F. Norman Van Brunt, D.D.)

There are those who have raised questions about the date on which the Bicentennial of this nation should begin or should have begun and also those who have questions about the terminal time. Some want it to be 1976 with the climax on July 4th. Others believe that the Revolution began with the passage of the Stamp Act in 1765 and that we are already ten years into the bicentennial with almost nothing having been done to commemorate many important dates in the life of the emerging nation. The interesting thing is that the Revolution was not just a war that was fought between the colonists and the mother country. It was a movement precipitated by God-given rights that were violated and the unique aspect of it was that never in the history of man had there been the coming together of perhaps a dozen gifted men whose minds were so creative that they were able to give the leadership that made possible the emphasis of those God-given rights in a new light.

Thus, the celebration of the Bicentennial of this nation covers the span of a generation, not just a year. It is appropriate to think of the Revolution as reaching from 1765 to 1789. However, that is a matter which will not be universally accepted across this nation. Most people will celebrate July 4, 1976 and that will be the Bicentennial for them. However, the date of April 19, 1775 is written unequivocally in the annals of our history. On that date:

By the rude bridge that arched the flood,
  Their flag to April's breeze unfurled,
'There' once the embattled farmers stood,
  And fired the shot heard round the world.

Two hundred years ago yesterday on the green at Lexington, the first blood was spilled into the brown earth of this land that marked the point of no return in the struggle for the freedom they believed God gave to them. It is not our purpose this morning to dwell upon the acts at Lexington and Concord but rather on certain principles which those historic scenes represent.

Now two hundred years later we are engaged in a struggle which many believe may be the contest to confirm the very future of this nation and its influence. In the midst of this attempt to find our way, we are experiencing confusion confounded and while our national leaders make efforts at bold pronouncements, it becomes more obvious with each passing day that some things seem to have vanished from our life and we are courting confusion and often further confounding the life of the nation in its intercourse with the world. So on this anniversary we look back at the decisions that were made, at the action that was taken, and we ask ourselves what motivated them? Somehow in these later years, we seem to have gotten off the track. We appear as a nation stunned by our position in the world asking ourselves "how did we get here and how do we get out of here?'

It may help us this morning if we turn briefly to the old narrative recorded in the Book of Genesis. That story says, "And Isaac dug again the wells which had been dug in the days of Abraham his father; for the Philistines had stopped them after the death of Abraham; and he gave them the names which his father had given them." What we see in that description of a heroic act is the recovery of an old gain which had been lost. Water in those desert areas was the substance of life. Without it those who dwelt there were hopeless. So when Isaac returned to the old places where Abraham had lived, they were confronted with a need. They had to have water. Isaac knew that Abraham had dug wells and he searched until he found the places where those wells had been, for he remembered that water was to be found there.

Through the years, the Philistines, the enemy, had wrought destruction and made the people ineffective by filling up all the wells of water. The land lost its value because the element of life needed was no longer to be found. Isaac stood in the place of his father and saw what had been done and something more than the need of water compelled him to move into action for a new day. There was a loyalty to what his father had done which touched him very deeply. He knew full well that what his father had accomplished was absolutely basic to the ongoing of the people who were to be the sons of Abraham in future generations. So in a time when others would have said, "What is the use?" Isaac dug again the wells of Abraham and called them by the names his father had given them. This old story from Scripture is so relevant to us as we stand on the brink of the Bicentennial of this nation.

There are two things that confront us now as faced Isaac when he returned to the home of his father. The times demand that we face the future "all untried." There are new things that we have to do. They are demanded of us. We cannot shirk them. However, there are some old things that have to be regained because without them we will be impotent to fulfill the demands of these untried times. I do not mean that this Bicentennial must be a kind of emotional bath which we must undergo—although some cleansing is absolutely necessary. Maybe a good dose of emotion in the right way might help us immeasurably. However, while there may be moments when our spines will tingle as we recall, perhaps dramatically, the great moments two hundred years ago, the most demanding thing must happen in those quieter moments when we reflect upon ourselves and where we are.

I remember a few years ago reading an account of a revival of the perennial favorite—Thornton Wilder's "Our Town." That drama of another generation situated at Gordon's Corner, New Hampshire portrayed the simple life of humble people in rural America. After the production someone saw a fellow and a girl leaving the theatre. The fellow was flamboyant and emotionally charged with the nostalgia created in those moments of simple drama. Putting his arm around the lady he said, "Well, baby, that's where we came from." The girl was much more reflective, seeming to be spiritually moved by what she had seen. Her reply to him was significant. "Yes," she said, "but look where we are now." Her thoughts were obviously ones of dissatisfaction.

Running through the mind of America today is the thought of dissatisfaction. How did we get where we are? Why is our nation torn from "sea to shining sea" with conflict and hostility, strife and unrest? How do we solve the seeming unsolvable problems confronting us now? We must go on! We cannot go back and live in the eighteenth century. However, we can redig the wells of our fathers, for without the water of life we are not going to solve the issues of the future. They were dealing with such basic concepts of life that what they saw then we must see now.

Let me share with you briefly this morning what I think we must recover as a people. First, I think we must recover our identity as a people. They were united. We are divided. The founding fathers were rooted in purpose because they were rooted in a belief in the eternalness of what they were fighting for and in the eternal qualities based upon a belief in the Fatherhood of God. They were given that identity because of the foundations upon which they stood. They knew who they were. The patriotism they possessed was vital because they believed that what they were struggling for was rooted and grounded in right. There was no equivocation of purpose. They knew they were right. A year later Thomas Jefferson expressed it for all of them:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these rights, Governments are instituted, deriving their just powers from the consent of the governed, that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundations on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness . . . And for the support of this . . ., with a firm reliance upon the protection of Providence, we mutually pledge to each other our lives, our fortunes and our sacred honor."

I submit to you, my brothers and sisters—those men knew who they were. There seems to have been in the inexorable course of time a movement away from those principles until today instead of drinking at the wells of our fathers, we are content with cisterns that have become contaminated.

A few years ago one evening Mrs. Van Brunt and I were on a street car in Frankfurt, Germany. We were impressed by the people of West Germany. They came through the experience of World War II and the shame heaped upon them by the deposits who had wrested power from them seemed to get a new grasp upon their purpose. While riding quietly that evening we were suddenly jolted by a great deal of noise and confusion in the back of the car. It turned out that it was created by a group of American teenagers, sons of military personnel stationed in that city, who had been drinking. They became so obnoxious that the motorman stopped the car and threatened to have them put off. They, in turn, almost put a motorman off of his own vehicle. Some German men came to his rescue and set the record straight. We sat in the car a bit fearful of what had happened as we saw the scorn written upon the faces of the German passengers. I leaned over to Mrs. Van Brunt and said, "Don't let anyone on this car know we are Americans." What a shameful thing to have done! We should have stood up in that car that night and said, "We are Americans also and we are ashamed of these people who have given you a bad image of America. All the people of America do not behave like that." We kept quiet and got off as soon as we could.

That is what seems to be happening in so many areas today. Why do not those of us who feel deep within ourselves the meaning of America stand up and let it be known? There are more in this land who believe in America than those who would replace our philosophy with some form of dictatorship. It would help us confirm our identity. God knows it is needed. Yet most of us are like the Van Brunts in that foreign city—we want to get off at the first stop.

The founding fathers stood up and said who they were. They were not a majority—their kind never were a majority during all of the Revolutionary period—the success of their venture was grounded in their identity. We must go back and redig that well. We need to recover spiritual values in this land because they are the promises upon which good life is built. Selfishness has reared its ugly head among us. Materialism has become our god. It seems more important to have our pleasures and affluence; our appliances and our automobiles than to insure life for our grandchildren. This is not the premise upon which this nation will stand for another two hundred years. Our founding fathers gave us the example. We must hold to what is right because it is right, not because it is legal or desirable.

Spiritual values are rooted in moral principles. Those principles do not change, the preachings of some social scientists to the contrary not withstanding. The direction we are going today, in this hour of permissiveness, has been tearing apart the very institutions which God created for the continuation of life among human kind. Why can we not see it? We are struck by fad—whatever comes along that seems innovative we must have now. Principles of the fathers are of no concern. The lack of the sense of history has created for us "a cut flower civilization." How long can it last? Unless we come to our senses we are destined to learn the lessons of history all over again. Government operates on the basis of expediency with little regard for what is right. The only possibility of recovering from this dilemma is to turn about and dig again the well of spiritual values that were dug by our fathers.

Finally, we need to recover our national purpose. I have only one thing to say about this. We are a nation which came up out of tyranny and we must stand today as the example to the emerging nations of this world, not as a nation which grabs and gains to fulfill the expediences dictated by selfish interests, but that the welfare of people and the means we use to accomplish that welfare stands the test of time. In 1832 Alexis de Tocqueville, the French historian, visited America. When he returned to France he wrote an assessment, a part of which seems apropo of this hour. He said:

> I sought for the greatness and genius of America in fertile fields and boundless forests; it was not there.
> I sought for it in her free schools and her institutions of learning; it was not there.
> I sought for it in her matchless Constitution and democratic congress; it was not there.
> Not until I went into the churches and temples of America and found them aflame with righteousness did I understand the greatness and genius of America.
> America is great because America is good.
> If America ceases to be good, America will cease to be great.

So we must, I think, redig the well of national purpose—not to be the greatest but to be people who are good.

So we celebrate today the bicentennial of the beginning of the War of the Revolution. It is not to exalt the battles where the blood of patriots was shed. It is rather to exalt the purposes which were so ingrained in the minds of the founders that it seemed the only way at that time to wrench the basic freedoms of a people out of the hands of tyrants. It is to exalt the basic greatness and goodness of America to this very hour. It is to say that more and more of those who believe that the life of this nation is best served by redigging the wells of identity, spirtual values and national purpose, that we can survive this moment in time, must step forth as did the patriots in 1775 and put ourselves in a position to say we will uphold this with all we have and all we are. We will not abide the muckraking that has passed for purpose and policy in the face of political expediency. We will build for the future as we stand upon those principles which do not pass away.

When the War of the Revolution had ended and the Constitution was finally framed, Benjamin Franklin met a well known Philadelphia lady who said, "Dr. Franklin, have you given us a monarchy or a republic?" Benjamin Franklin replied, "We have given you a Republic—if you can keep it." "If you can keep it."

Two hundred years have passed—now we stand on the concourse of time and we must move into the third century. We have a Republic still—can we keep it? I say we must redirect our energies and go back and dig the wells of our fathers, bringing forth the principles once again that do not change. This is a time of great opportunity. It is not a time to stand in the corners of this nation and wring our hands and say "what shall we do?" It is the time to sound the trumpets and give thanks that God in his providence and mercy has brought us through to this hour and solemnly determine and covenant that, as the people of American at the beginning of the third century, we shall boldly march forth to reinaugurate the principles of goodness and truth—

That we may tell our sons who see the light high in the heavens—Their heritage take:
I saw the powers of darkness put to flight I saw the morning break.

THE PRESIDENT'S VETO OF THE EMERGENCY PRICE SUPPORTS FARM BILL AND THE NEED FOR REEXAMINING AMERICAN FARM POLICY

Mr. THURMOND. Mr. President, I supported the emergency price supports farm bill which the President has vetoed and feel that his decision, no matter how well motivated, will be damaging to the farmers of America.

The major arguments offered by the President in opposition to this legislation are that it would lead to greater budget deficits and higher food prices. I support the efforts of this administration to attempt to maintain fiscal responsibility, and I think we should do everything possible to curtail further rises in food prices. However, on this particular issue, I think the President has been ill advised regarding the critical need for this legislation and its possible economic consequences.

First, let us briefly examine the necessity for this legislation. To put it very mildly, there have been drastic changes in the prices of agricultural products and inputs in the past several years. The year 1973 saw a dramatic increase in the price of most farm products, resulting from previous curtailments in world agricultural production, and rapid increases in world demand.

However, this upturn in farm prices was relatively short lived, and the prices of most commodities have declined sharply since that time. Very recently, we have experienced a 5-month decline in prices received by farmers, and I sincerely hope that last month's slight turnaround signals brighter days ahead for our Nation's productive but poorly rewarded farm sector.

Compared with the recent cycle in prices of farm products, the trend in costs of farm inputs has been virtually all in the upward direction and generally more extreme. Much has been said about the severe impact of higher fuel, fertilizer, labor, machinery, and other production costs, which farmers have recently experienced. Even USDA's very conservative estimates of average production costs for 1975 crops have climbed to levels that are generally well above target and loan prices proposed in the emergency price supports legislation.

At this point, it should suffice to say that the typical American farmer has lost valuable ground on the treadmill of cost-price squeezes. Now, he is put in the position of having to produce more, absorb gigantic production costs increases, and yet, probably receive less for what he grows. Finally, these impossible objectives are to be achieved without regard to the probable consequences for that typical American farmer.

The consequences of declining farm prices and rising production costs are already being deeply felt by farmers in my State of South Carolina. A record-high number of farmers in South Carolina have already had to ask for loan extensions and/or refinancing. Many have had to liquidate all or part of their operations in order to meet credit obligations. The outlook for this crop year does not look good, and it appears that it may be disastrous for many cotton farmers after the veto of this bill.

Mr. President, I ask unanimous consent that a concurrent resolution recently adopted by the General Assembly of the State of South Carolina be printed in the RECORD at this point and referred to the appropriate committee for prompt consideration.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION

To memorialize the Congress to take the necessary measures to assure farmers and ranchers an equitable return on their farm and fiber products, thereby protecting the American public against a possible severe shortage of food and fiber in the near future

Whereas, eighteen members of the Sumter County Agricultural Society made a trip to Washington, D.C., on March 13, 1975, to present certain facts to the South Carolina Congressional Delegation relating to the overall economic conditions and outlook for agriculture in this area; and

Whereas, the following facts and information were presented for their consideration:

1. Due to depressed farm commodity prices, a record-high number of farmers and ranchers in South Carolina have had to request extensions and renewals of their loans in an effort to make economic adjustments.

2. In the past twelve months we have seen a backward financial trend develop among a large percentage of the more successful farm operations in the State. It is evident that many operations will be forced into liquidation during the course of 1975 due to marketing factors over which the farmers have no control.

3. Due to inflation and profit-taking by many agricultural suppliers, the total input costs, based on 1974 projections, were underestimated by approximately twenty-five per cent in this area.

4. Farm receipts on the following commodities have decreased over the past twelve months, as indicated:

Cotton: From $.70 per pound to $.36 per pound.

Soybeans: From $8.00 per bushel to $5.50 per bushel.

Corn: From 3.25 per bushel to 2.50 per bushel.

Beef: From .60 per pound to .22 per pound.

5. At the same time the market value of farm commodities has declined, the input cost of farming has increased, as follows:

Farm machinery: Up forty per cent.
Fertilizer: Up forty-one per cent.
Chemicals: Up forty-five per cent.
Fuel: Up thirty-seven per cent.
Labor: Up fourteen per cent.
Utilities: Up thirty per cent; and

Whereas, this group met with the Director of CRO and other officials of the United States Department of Agriculture, and the following observations were made by members of the group:

1. The principal objective of USDA is to eliminate all surplus commodities and allow the economy to operate on a supply-and-demand basis. This objective is to be achieved without regard for consequences to the American farmer, and without regard for the fact that there is presently only an approximate sixty-day food supply on hand in the event of a national disaster.

2. It was stated by the USDA official that the actions of the Secretary of Agriculture and the USDA have no effect on farm market prices. We believe this premise to be entirely false.

3. USDA expects American farmers to compete on the world market at competitive prices; yet the federal government regulates input costs to farmers by setting controls on labor, oil, export and import quotas, and working conditions.

4. It is apparent that USDA is more consumer oriented than producer oriented; and

Whereas, we feel that the economic existence of farmers and ranchers in South Carolina is seriously threatened by the foregoing conditions. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the Congress of the United States be memorialized to take such measures as may be necessary without delay to assure farmers and ranchers an equitable return on their farm and fiber products, thereby protecting the American public against a possible severe shortage of food and fiber in the near future.

Be it further resolved that a copy of this resolution be forwarded to the United States Secretary of Agriculture, the United States Senate and House Agriculture Committees, and to each member of the Congress from South Carolina.

Mr. THURMOND. Mr. President, this resolution further illustrates the severity of the cost-price squeeze and requests that Congress take prompt action to assure farmers an equitable return on their farm products, in order to protect the American public against possible severe shortages of food and fiber in the near future.

Now, Mr. President, this leads me to the second key point I would like to make regarding the veto of this farm bill. I have emphasized that I felt this legislation was necessary to avert financial disaster for many farmers. Additionally, farmers and consumers need the greater measure of stability in food and fiber prices that this legislation would provide. Furthermore, I basically disagree with the USDA cost estimates and economic consequences of the higher target prices in this bill.

The extravagant costs of this legislation, as cited by the administration, are predicated on the assumption that the prices of major farm commodities — wheat, corn, soybeans, and other feed grains—will fall below the specified target prices in the next several years, thus necessitating massive subsidy payments to farmers. Given the present world demand for foodstuffs and the expected recovery from the current recession, I question the accuracy of these predictions. Furthermore, the cost estimates of the staff economists of the Senate and House Agriculture Committees are far less than those put forward by USDA.

Additionally, consumers may incur higher food costs in the long run because this legislation was not approved. Extreme price instability and extensive farm unit failures, which I believe will result from the rejection of this bill, are likely to create future commodity shortages and resultant higher food prices for consumers.

Naturally, there is considerable disagreement among agricultural economists regarding the need for reasonable stability in farm commodity prices, the relationship between price variation at the farm level and retail food prices, and the proper role of the Federal Government in farm policy.

On the one hand, the present USDA hierarchy, led by Secretary Butz, argues strongly for a free market-oriented farm policy. Such a policy is typically characterized by periods of great price instability, which some economists contend are necessary to bring about continued economic efficiency in agriculture.

If farmers purchased their inputs in a truly competitive market, if they did not have to cope with great variation in the weather and the possibility of natural disaster, if farmers could readily adjust the size and nature of their crops in response to market changes, if farmers could be certain of prices and readily compete with industry for hired laborers—if a number of factors were not such as they are, then I could readily embrace a totally free market with no support programs for American agriculture. However, given the present real world constraints and the fact that industrial workers received guaranteed wages but farmers have little assurance on commodity prices, I think there is a need for reasonable target and loan price guarantees to provide security for farmers and adequate food supplies for the remainder of our society.

In between these extremes there is adequate room for a reasonable, responsible farm policy based on free enterprise with stability. It is such an intermediate approach which most agricultural economists are now supporting. Such a policy would provide for target and support prices at reasonable levels, somewhere above the average variable, "out-of-pocket" costs of production, but below average total cost of production.

In other words, farmers would be encouraged to produce crops for which market demand was sufficient to enable them to recover production costs. They would be partially protected against sudden, drastic declines in commodity prices. Yet, target prices would be carefully monitored and set low enough to allow the market to efficiently allocate agricultural resources to commodity areas where demand was highest.

This kind of intermediate, rational agricultural policy recognizes the need for flexibility to cope with changing market demand and productivity gains. It also makes it possible to avoid excessive payments and unwanted surpluses. Fundamentally, it affirms the need for reasonable stability in commodity prices. Extreme instability, such as we have had in the last two years, is harmful to farmers, food handlers and processors, and consumers. Such instability creates unnecessary cost in the form of increased risks and inefficiency of resource use.

This, then, is the kind of responsible agricultural policy that I would hope Congress and the administration could unite behind. It is a concept that recognizes the importance of agriculture to society; the unique, highly competitive structure of American agriculture; and the many problems of food and fiber production. Properly implemented, it would combine the best points of a market-oriented agriculture with reasonable guarantees of market stability, achieved by spreading some of the cost of agricultural risks among all of us who depend on farm products for our survival.

I hope that the administration will reconsider its course toward farm policy in the future. President Ford is right in wanting to reduce Federal expenditures and hold down food prices. However, I think his veto of this bill will not accomplish those worthy goals. We need a strong, viable agricultural sector—not a crippled, uncertain one.

Mr. President, I ask unanimous consent that an excellent article on "The Effects of Unstable Prices in Agriculture," by Dr. Max I. Loyd of Clemson University, Clemson, S.C., be printed in the RECORD at the conclusion of these remarks. Dr. Loyd's article, while somewhat technical, provides an objective analysis of some of the advantages and disadvantages of instability in farm commodity prices. I commend it to my colleagues and others interested in farm policy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EFFECTS OF UNSTABLE PRICES IN AGRICULTURE

(By Max I. Loyd)

Extreme fluctuation in prices of most major U.S. crops during the past two years has been unlike anything experienced since the 1920's. In 1973, cotton and soybean prices reached about three times 1972 levels. Most other farm prices showed dramatic increases during the same period.

We may not be on the other side of the cycle for several commodities. Crop prices usually reach a seasonal low during peak harvest and trend upward to reflect approximate carrying charges until the next harvest. However, cotton, corn, and soybeans have trended downward since the 1974 peak harvest and haven't shown much promise of improving.

Cotton and beef cattle producers are either selling their products at a substantial loss or are trying to hold out for better prices. Some optimists feel that the current setback is temporary and that prices will improve substantially. A more realistic view, given current world supply and demand conditions, is that prices will continue wide fluctuations but will remain well below 1973 levels for the next year or two. It appears that currently a downward cyclical trend is more than offsetting the normal seasonal upward trend.

WHAT CAUSES SUCH EXTREME FLUCTUATIONS?

The supply of and demand for agricultural products is such that relatively small changes in supply or demand cause relatively large changes in price. Increases in supply because of weather or favorable grower expectations (with other conditions constant) result in more production and lower total returns to producers. In this case consumers get more for less. On the other hand, a decrease in supply—as might be caused by scarcity of inputs or poor weather—results in consumers paying more and getting less. Changes in demand, if in the opposite direction from changes in supply, magnify the effect on price.

Surplus stocks of U.S. farm products in the 1950's and 60's kept domestic and world prices near the CCC loan rate levels. These stocks were virtually used up before the 1973 harvest.

The dramtic increase in agricultural prices in 1973 resulted from curtailed world production and increased world demand. The current decline in prices is due to increasing world supply and stagnant or decreasing demand. Soybean, cotton, and feed grain prices would have dropped even more dramatically in recent months if the combination of spring floods, summer drought, and early frost had not cut U.S. production. Although an increase in production was expected in 1974, corn and soybean production was down one-fifth and cotton production was down one-eighth from 1973.

Many farmers are now in a quandary about what to do in 1975. The banker will answer this question for some—if they cannot sell their products forward at a projected profit and do not have sufficient net worth to cover potential losses, they will not be able to get production financing.

EFFECTS OF INSTABILITY

Several economic studies have evaluated the effects of stable versus unstable prices. These studies show that producers gain from stabilization of price fluctuations caused by shifts in supply. Producers may lose from stabilization of fluctuations caused by shifts in demand if the unexplained variation in demand is autocorrelated—that is, if the unexplained variation in a given time period is related to the unexplained variation in a previous period. A recent study has shown that even in this worst case for producers, consumers gain more than producers lose so that the economy as a whole gains from stable prices.[1]

The above study is based on a mathematical evaluation of "consumer surplus" and "producer surplus," using linear supply and demand functions. Consumer surplus is the difference between the amount consumers would be willing and able to pay for a commodity and the amount actually paid. Producer surplus is the difference between the income producers would be willing to produce for and the amount they actually receive.

This is a brief description of the concepts involved in price-stability studies. If you think it sounds complicated, you should see the mathematical formulas involved! These studies are based on theoretical demand and supply curves and show the direction, but not the magnitude, of effects. A practical approach is to observe the real world effects of instability on resource use. For example, in 1973, with rising cotton prices, farmers and ginners "geared up" to supply more cotton by buying as many pickers as manufacturers could build and by installing new gin equipment. In contrast, 1975 cotton acreage is projected at slightly over two-thirds of 1973 and 74 acreage. This means that about one-third of the harvesting and ginning capacity will be idle.

The agricultural and consumer protection act of 1973 recognizes the disruptive effects of extremley low prices. The act provided 1975 target prices of 38 cents per pound for cotton, $2.05 per bushel for wheat, and $1.38 per bushel for corn. However, most farmers consider these target prices to be unrealistically low.

Extreme price fluctuations also result in increased risk and inefficient resource use by processors and handlers of farm products. Processing firms have been among the strongest advocates for price-stabilization programs and specifically for more realistic target prices.

---

[1] Turnovsky, Stephen J.: Welfare Gains From Price Stabilization, American Journal of Agricultural Economics, V56-4, Nov. 1974.

THE ROLE OF PRICES IN THE U.S. ECONOMY

Prices play a vital role in a mixed economy. Prices ration the economy's output among consumers according to their wants and ability to pay. Product prices are reflected in resource prices, which allocate resources among industries. In particular the movement of resources from declining industries to growth industries is important to a dynamic economy. This provides a strong argument against stabilization programs.

Some agriculturists argue that unstable prices are desirable and that previous stabilization programs inhibited economic growth and caused the current high food prices. This argument is questionable in view of the remarkable ability of U.S. agriculture to produce abundant food at low cost.

On the other hand, rigid price regulation can be harmful. The present market-oriented program is designed to overcome previous deficiencies of stabilization programs. An intermediate solution might be possible which would provide for flexibility but prevent harmful effects of highly unstable prices. Target prices could be set above average variable cost without causing inefficient use of resources if the target price is sufficiently below average total cost to encourage movement of resources from declining to growing industries.

Careful monitoring of target prices would be needed for such a stabilization policy to encourage new technology, to allow for changes in market conditions, to avoid excessive payments and unwanted surpluses, or to accumulate reserve stocks if desired.

In summary, unusual conditions during the past two years have caused wide price fluctuations. There is much disagreement about stabilization policy; however, economic studies have shown that the overall economy gains from stable prices.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976—CONFERENCE REPORT

The PRESIDENT pro tempore. Under **the previous order, the Senate will now proceed to the consideration of the conference report on House Concurrent Resolution 218, which the clerk will** report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. Con. Res. 218), setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be granted the privilege of the floor during the consideration and votes on the conference report on House Concurrent Resolution 218: Douglas Bennet, John McEvoy, Arnold Packer, Sid Brown, Robert Boyd, Franklin Jones, David Blackburn, Bruce Thompson, Bill Stringer.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the vote on the conference report take place by 12:30 p.m., immediately prior to the vote on the Johnston amendment to the bill S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the text of the conference report be printed in the RECORD at this point.

There being no objection, the conference report was ordered to be printed in the RECORD, as follows:

CONFERENCE REPORT (S. REPT. No. 94–113)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $367,000,000,000;

(2) the appropriate level of total new budget authority is $395,800,000,000;

(3) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $68,820,000,000;

(4) the recommended level of Federal revenues is $298,180,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,400,000,000; and

(5) the appropriate level of the public debt is $617,600,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $86,600,000,000.

And the Senate agree to the same.

Edmund S. Muskie,
Warren Magnuson,
Frank Moss,
W. F. Mondale,
Ernest F. Hollings,
Alan Cranston,
Henry Bellmon,
Robert Dole,
J. Glenn Beall, Jr.,
Pete V. Domenici,
Managers on the Part of the Senate.

Brock Adams,
Jim Wright,
Thomas L. Ashley,
Robert N. Giaimo,
Neal Smith,
James G. O'Hara,
Sam Gibbons,
Parren J. Mitchell,
Butler Derrick,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

OUTLAYS

The House resolution provided for total outlays in the amount of $368.213 billion. The Senate amendment provided for outlays in the amount of $365 billion. The conference report provides for total outlays in the amount of $367 billion.

BUDGET AUTHORITY

The House resolution provided for total new budget authority in the amount of $395.938 billion. The Senate amendment provided for new budget authority in the amount of $388.6 billion. The conference report provides for total new budget authority in the amount of $395.8 billion.

DEFICIT

The House resolution provided for a budget deficit in the amount of $70,032 billion. The Senate amendment provided for a deficit in the amount of $67.2 billion. The conference report provides for a budget deficit in the amount of $68.8 billion.

REVENUES

The House resolution provided for Federal revenues in the amount of $298.181 billion; and, to achieve that level, it provided that revenues should be decreased by $4.4 billion. The Senate amendment provided for Federal revenues in the amount of $297.8 billion. The conference report provides for Federal revenues in the amount of $298.180 billion; and, to achieve that level, provides that revenues should be decreased by $3.4 billion.

The conference substitute (1) accepts the House assumption that major provisions of the Tax Reduction Act scheduled to expire December 31, 1975, will be extended by the Congress, lowering revenues by $4.4 billion; (2) accepts the House position with respect to raising additional revenues through enactment of tax reform legislation, but reduces from $3 billion to $1 billion the amount to be realized in Fiscal Year 1976; and (3) assumes that, as a result of recent tax collection experience, an additional $2 billion in revenues will be received during Fiscal Year 1976.

PUBLIC DEBT

The House resolution provided for a public debt level of $619.9 billion; and to achieve that level, provided that the temporary statutory limit on the public debt should be increased by $88.9 billion. The Senate amendment provided for a public debt level of $617.6 billion. The conference report provides for a public debt level of $617.6 billion; and that, to achieve that level, the temporary statutory limit on the public debt should be increased by $86.6 billion.

FUNCTIONAL CATEGORIES

The aggregate budget figures in the report represent the best judgment of the managers as to the appropriate levels of spending and income for fiscal 1976. That judgment could change if economic conditions change significantly between May and September, when the Senate and House Budget Committees will submit a Second Concurrent Resolution to set aggregate ceilings for fiscal 1976.

The functional category figures in this report are intended to serve as guidelines for the Congress, to explain the steps by which the conference reached the aggregate totals, and to provide a benchmark for the Second Concurrent Resolution. The estimates of the managers for budget authority and outlays in each functional category are as follows:

National defense (050)

The House Resolution assumes budget authority of $100.5 billion and outlays of $90.2 billion.

The Senate amendment assumes budget authority of $101.0 billion and outlays of $91.2 billion.

The Conference substitute assumes $100.7 in budget authority and $90.7 in outlays. This is an increase of $0.2 billion in budget authority and $0.5 billion in outlays above the House amounts and a decrease of $0.3 billion in budget authority and $0.5 billion in outlays below the Senate amounts. In arriving at these amounts, the managers considered and agreed to the following:

(a) If Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

(b) All funds requested for military assistance to Southeast Asia were deleted from fiscal 1976 estimates, including the outlay effect of the 1975 supplemental request.

(c) The balance of the reductions are the result of revised inflation estimates, reductions in program growth, and financial adjustments.

International affairs (150)

The House Resolution assumes budget authority of $4.7 billion and outlays of $5.0 billion.

The Senate Resolution assumes budget authority of $6.0 billion and outlays of $4.9 billion.

The Conference substitute allows $0.2 billion in budget authority for the Special Financing Facility and assumes that the estimate for foreign economic assistance will be reduced by $0.9 billion in budget authority and $0.4 billion in outlays below the budget as submitted.

The managers agreed to the House level for foreign economic assistance, assuming major reductions in Indochina Postwar Reconstruction. The managers also agreed that token budget authority should be provided for the Special Financing Facility to indicate the Congress anticipates a legislative proposal for this purpose.

General science, space and technology (250)

The House Resolution assumes budget authority of $4.7 billion and outlays of $4.6 billion.

The Senate amendment assumes budget authority of $4.7 billion and outlays of $4.6 billion.

The House and Senate estimates were substantially the same. The managers agreed to the Senate's figures.

Natural resources, environment and energy (300)

The House Resolution assumes budget authority of $14.1 billion and outlays of $11.5 billion.

The Senate amendment assumes budget authority of $13.4 billion and outlays of $11.7 billion.

The Conference agreed to budget authority of $13.8 billion, and outlays of $11.6 billion.

Agriculture (350)

The House Resolution assumes budget authority of $4.3 billion and outlays of $1.8 billion.

The Senate amendment assumes budget authority of $4.3 billion and outlays of $2.0 billion.

The Conference agreed to the House estimates. By this action the Conference does not either include or exclude outlays for the farm bill recently vetoed, because the conferees assume that outlays in fiscal 1976 will be minimal if that bill or a similar bill becomes law.

Commerce and transportation (400)

The House resolution assumes budget authority of $11.0 billion and outlays of $18.5 billion.

The Senate amendment assumes budget authority of $9.5 billion and outlays of $16.6 billion.

The conference substitute assumes $11.3 billion in budget authority and $17.5 billion in outlays. The estimates include a total of $0.8 billion in outlays for small business, postal service and rail rehabilitation projects now being considered by the House-Senate conference on the Emergency Employment Appropriations Act of 1975. The estimates also contain $3.3 billion in budget authority to continue advance highway apportionments and $6.3 billion in highway outlays. Outlays of $0.4 billion are provided for housing legislation expected to pass in fiscal 1975. Funding for other rail improvement projects recommended by the Senate is included, with $600 million in budget authority and outlays. Other items include additions to the Administration's budget of $0.2 billion in budget authority and outlays for the Washington Metro; $0.2 billion in budget authority and outlays for Postal Service subsidies; and $0.3 billion in budget authority and $0.2 billion in outlays for additional small business loans.

Community and regional development (450)

The House resolution assumes budget authority of $10.8 billion and outlays of $9.0 billion.

The Senate amendment assumes budget authority of $6.0 billion and outlays of $6.6 billion.

The conference substitute assumes $11.0 billion in budget authority and $8.65 billion in outlays.

The House resolution assumes $5.0 billion in budget authority and $2.5 billion in outlays for accelerated public works programs. The Senate amendment did not include this assumption. Since the accelerated public works program is intended to provide economic stimulus, the Conference agreed to retain the House budget authority estimate and an outlay estimate of approximately $2.1 billion to be available either for an accelerated public works program or some other appropriate stimulative program that Congress may decide to enact, such as emergency financial assistance to state and local governments.

Education, manpower and social services (500)

The House resolution assumes budget authority of $19.0 billion and outlays of $20.4 billion.

The Senate amendment assumes budget authority of $20.7 billion and outlays of $19.4 billion.

The conferees agree to budget authority of $19.0 billion and outlays of $19.85 billion in this function. These figures assumes that all programs in this function can be funded at least at their fiscal year 1975 funding level, the regular on-going programs be increased, and that the number of public service employment jobs also be increased. The conferees reached a decision to add $0.45 billion to the $3.1 billion already in this function for public service jobs in view of the job-creating effect of the $0.6 billion assumed in function 400 for rail assistance.

Health (550)

The House resolution assumes budget authority of $33.1 billion and outlays of $30.7 billion.

The Senate amendment assumes budget authority of $32.6 billion and outlays of $31.0 billion.

The Conferees agreed to the House figures.

Income security (600)

The House resolution assumes budget authority of $141.3 billion and outlays of $124.9 billion.

The Senate amendment assumes budget authority of $138.5 billion and outlays of $126.1 billion.

The conferees agreed to budget authority of $140.9 billion and outlays of $125.3 billion in this function.

This total includes $0.8 billion for the extension of emergency benefits for insured unemployed for an additional 13 weeks. It also assumes savings in fiscal year 1976 through legislative and administrative improvements in programs such as food stamps, aid to families with dependent children, and social security.

The managers intend that there be no cap on benefit increases as proposed in the President's budget. The managers intend that the resolution provide sufficient funds to extend both emergency benefits for the insured unemployed and also special unemployment assistance for the uninsured unemployed.

Veterans benefits and services (700)

The House Resolution assumes budget authority of $18.0 billion and outlays of $17.5 billion.

The Senate amendment assumes budget authority of $17.6 billion and outlays of $16.9 billion.

The Conference agreed to the House assumptions of $18.0 billion in budget authority and $17.5 billion in outlays for this function. The managers on the part of the Senate agreed to these figures because of the probability that Congress will reject Administration proposals to reduce the eligibility period for veterans' readjustment benefits and to require reimbursement from private health insurers for VA health care. The Senate amendment did not assume increases in budget authority and outlays for either. The House assumed $0.7 billion in budget authority and outlays for these probable expenditures to which the conferees agreed.

Law enforcement and justice (750)

The House resolution assumes budget authority of $3.3 billion and outlays of $3.4 billion.

The Senate amendment assumes budget authority of $3.3 billion and outlays of $3.4 billion.

The Conference agreed to the House figures.

General government (800)

The House resolution assumes budget authority of $3.3 billion and outlays of $3.4 billion.

The Senate amendment assumes budget authority of $3.3 billion and outlays of $3.2 billion.

The conference committee agreed to $3.3 billion in budget authority, the same as the House and Senate estimates, but to $3.3 billion in outlays, $50 million below the House assumption and $100 million above the Senate assumption.

Revenue sharing and general purpose fiscal assistance (850)

The House resolution assumes budget authority of $7.3 billion and outlays of $7.2 billion.

The Senate amendment assumes budget authority of $7.3 billion and outlays of $7.2 billion.

Essentially, the assumptions of both houses were the same for this function, but the conference committee agreed to round out the House estimate to the nearest tenth of a billion dollars.

Interest (900)

The House resolution assumes budget authority of $35.0 billion and outlays of $35.0 billion.

The Senate amendment assumes budget authority of $35.3 billion and outlays of $35.3 billion.

The Conference substitute provides $35.0

billion in budget authority and outlays, the same as the House estimate and $0.3 billion lower than the Senate estimate.

Allowances

The House resolution assumes budget authority of $1.7 billion and outlays of $1.5 billion.

The Senate amendment assumes budget authority of $1.3 billion and outlays of $1.1 billion.

The Conference agreed to $1.4 billion in budget authority and $1.2 billion in outlays.

The conferees assume that the levels agreed upon are sufficient to cover civilian agency pay raises under existing law and outlays that may be required for humanitarian assistance for Indochina refugees, as well as other contingencies.

Undistributed offsetting receipts (950)

The House resolution assumes budget authority of −$16.2 billion and outlays of −$16.2 billion.

The Senate amendment assumes identical amounts.

The conference substitute accepts the Senate estimate.

Both the House resolution and the Senate amendment assumed $4.0 billion in receipts from leases of mineral rights on the Outer Continental Shelf, rather than $8.0 billion estimated by the Administration.

BUDGET AUTHORITY AND OUTLAYS: FISCAL YEAR 1976

[In billions of dollars]

Function	Budget authority			Outlays		
	Senate	House	Conference	Senate	House	Conference
050—National defense	101.0	100.5	100.7	91.2	90.2	90.7
150—International affairs	6.0	4.7	4.9	4.9	5.0	4.9
250—General science, space, and technology	4.7	4.7	4.7	4.6	4.6	4.6
300—Natural resources, environment, and energy	13.4	14.1	13.8	11.7	11.5	11.6
350—Agriculture	4.3	4.3	4.3	2.0	1.8	1.8
400—Commerce and transportation	9.5	11.0	11.3	16.6	18.5	17.5
450—Community and regional development	6.0	10.8	11.0	6.6	9.0	8.65
500—Education, manpower and social services	20.7	19.0	19.0	19.4	20.4	19.85
550—Health	32.6	33.1	33.1	31.0	30.7	30.7
600—Income security	138.5	141.3	140.9	126.1	124.9	125.3
700—Veterans benefits and services	17.6	18.0	18.0	16.9	17.5	17.5
750—Law enforcement and justice	3.3	3.3	3.3	3.4	3.4	3.4
800—General government	3.3	3.3	3.3	3.2	3.4	3.3
850—Revenue sharing and general purpose fiscal assistance	7.3	7.3	7.3	7.2	7.2	7.2
900—Interest	35.3	35.0	35.0	35.3	35.0	35.0
Allowances	1.3	1.7	1.4	1.1	1.5	1.2
950—Undistributed offsetting receipts	−16.2	−16.2	−16.2	−16.2	−16.2	−16.2
Total	388.6	395.9	395.8	365.0	368.2	367.0

Note: Details may not add to totals due to rounding.

EDMUND S. MUSKIE,
WARREN MAGNUSON,
FRANK MOSS,
W. F. MONDALE,
ERNEST F. HOLLINGS,
ALAN CRANSTON,
HENRY BELLMON,
ROBERT DOLE,
J. GLENN BEALL, Jr.,
PETE V. DOMENICI,
Managers on the Part of the Senate.
BROCK ADAMS,
JIM WRIGHT,
THOMAS L. ASHLEY,
ROBERT N. GIAIMO,
NEAL SMITH,
JAMES G. O'HARA,
SAM GIBBONS,
PARREN J. MITCHELL,
BUTLER DERRICK,
Managers on the Part of the House.

Mr. MUSKIE. Mr. President, today, we ask the Senate to take one more step in the process of improving congressional management of the Federal budget. The Senate has before it the conference report on the first concurrent resolution on the budget for fiscal 1976. I urge Senate approval of the report.

Before getting into details on the report, I want to say that so far the new process is working precisely the way those of us who helped write the Congressional Budget and Impoundment Control Act thought it should. It also is working more smoothly than many of us had any right to expect it would this early in its career.

As a result, we have before us a budget that is tailored to the needs of the economy. And we have before us a budget which has been written in the open, with every detail subject to public examination and debate. There is no mystery about how it was put together and why it calls for the spending patterns it recommends.

As the act requires, the managers of the conference have agreed upon a combination of revenue and outlays which have been chosen with care to meet the needs of a nation and its people during the worst recession in more than 30 years. We are persuaded that the target for outlays of $367 billion will help stimulate the economy and put Americans back to work without generating new inflationary pressures.

We have agreed upon a pattern of spending that gives highest priority to those programs which get Americans back to work and help them in other ways to weather this recession.

During the course of the conference, some major amounts of money were moved among the functional categories. In every case, the reason for the move was to provide a maximum amount of spending for antirecession programs and to keep increases in the base of permanent, long-range spending to a minimum.

Thus, the conference managers have increased the amount of money that will create new jobs. They have balanced those increases with cuts in programs where spending can be deferred without leading to a loss of jobs. And they present these changes with unanimous support. All 10 managers for the Senate have signed the report.

When we brought the first concurrent resolution before the Senate last month, I said that the Federal budget is more than an exercise in cost-accounting. It is an annual affirmation of national hopes and goals. It is couched in terms of dollars, but its real meaning is in the purpose for which those dollars are spent—in the education of children, the defense of the Nation, and the support of retired workers.

Today, however, I will concentrate on the numbers, on accounting for the changes which the conference recommends in the budget ceilings and revenue estimates which the Senate and House approved on May 1.

One change is in the revenue recommendations. The Senate recommended revenues of $297.8 billion in its resolution. The conference managers recommend a higher revenue estimate of $298.2 billion, based on three factors:

First. Congress probably will extend major provisions of the Tax Reduction Act of 1975 into next year;

Second. The revenues for fiscal 1976 probably will be at least $2 billion higher than the Treasury Department originally calculated them to be; and

Third. Congress will enact tax reforms that will produce about $1 billion in additional revenues during fiscal 1976. The House resolution was amended on the House floor to recommend tax reforms to produce $3 billion in new revenues, with a majority of the members of the Ways and Means Committee supporting the amendment. The Senate did not assume any tax reform in its resolution.

The conference also recommends a change in the target ceiling for outlays to $367 billion, which is $2 billion higher than the ceiling approved by the Senate and $1.2 billion lower than the ceiling set by the House. All of the increase above the original Senate resolution outlay figure would go to job-creating temporary programs.

The combination of the revenue and outlay recommendations would produce a fiscal 1976 deficit of $68.8 billion—somewhat higher than the Senate figure; somewhat lower than the House figure. However, the conference deficit figure assumes an extension of the Tax Reduction Act, which was not included in the Senate resolution. This will reduce revenues by an estimated $4.4 billion in fiscal year 1976.

The most important change in the conference budget proposal is in the increase in funds that would be directed into temporary recovery.

The House approved about $9 billion for public works and other temporary job-creating programs. The Senate approved $4.5 billion for similar temporary recovery spending. The conference recommends temporary recovery spending of $7.5 billion.

The higher figure is closer to my personal preference. I wanted to allocate more than $4.5 billion to temporary job-creating programs but that was not the will of the Budget Committee or of the Senate.

The higher figure is possible, in part, because of the revised estimate of revenue which was made after the Senate approved the first concurrent resolution. It also is possible because the conference agreed to a tighter ceiling on defense spending than that which the Senate approved.

The higher level of spending for job-creating programs are divided among the functions of commerce and transportation, community and regional development and education, manpower and social services.

The conferees left open the question of how some $2 billion of the temporary recovery money would be spent. It could take the form of public works projects or it would be used for emergency help for State and local governments, many of which have been hard hit by both recession and inflation.

Without emergency help, many cities in this country will be forced to make a choice between raising taxes and cutting services or postponing major projects, either of which would run directly counter to the Federal Government's efforts to stimulate the economy.

Finally, these increases in funds for job-creating programs made it possible to reduce recommended outlays for unemployment insurance by nearly $1 billion below the original Senate figure.

The Congressional Budget Act requires the Senate to consider and report a second concurrent resolution on the budget in September. If economic conditions have changed significantly by then, Congress will want to change its outlay and deficit figures to meet the new situation.

As part of our preparation for that resolution, I have asked the Director of the Congressional Budget Office to prepare two reports on the Nation's economy, one for delivery on June 30 and the second on August 15. Those reports should help tell us whether the assumptions we have made about the behavior of the economy in the weeks ahead are correct and whether the policies we have adopted are valid.

I have asked Ms. Rivlin also to analyze the temporary recovery programs envisioned in this budget resolution and to prepare a report on various approaches Congress might take to launching such programs when they are needed and withdrawing them when stimulus is no longer appropriate. Ms. Rivlin advises me that she has begun her analysis and that she will report to Congress by August 15 on experiences with such temporary programs both in the United States and abroad.

Now the question remains: What are we going to do with these numbers during the summer?

When we are voting on the second and binding resolution in September, will these targets be more or less intact? Will our self-discipline have worked?

Success really will be a measure of self-discipline, because neither I nor the other members of the Budget Committee has the power to enforce these totals. We will be happy to work with all committees as their legislation goes forward to explain how these targets were achieved. The Congressional Budget Office is establishing an advisory monitoring system which will give us an understandable tally sheet on a very regular basis showing what we have already spent, what seems likely to come to the floor, and how much room there is left beneath the targets. But the decision to vote "yea" or "nay" for this spending bill or that will be up to the individual Members, as it always has been.

Applying the first concurrent resolution will not be easy, but neither have any of the other steps we have taken to date in this new process. The objective of fiscal responsibility remains valid, however, and I believe we now know it is achievable. We can emerge in September with a success far beyond what the skeptics ever envisioned for the first year of this new process.

Congress also must prepare for a so-called "transition quarter" which will occur from July 1 to September 30, 1976, during the shift to the new October 1 fiscal year under the terms of the Congressional Budget Act. Due to the press of time, neither the Senate nor the House Budget Committee has been able to include the transition quarter in its deliberation on this first concurrent resolution. I think it is fair to say, however, that both budget committees will agree that our approach to this interim period should be one of restraint. Activities of the Federal Government must, of course, be maintained at necessary levels, but new program initiatives clearly should be deferred until fiscal year 1977, which begins on October 1, 1976, wherever possible.

Mr. President, I submit that this conference report is one of the most important pieces of legislation to be presented to the Senate in many years.

The choices will not be easy. Many legitimate demands will have to be deferred. But with this budget proposal as a guideline, I believe we can meet the most urgent needs of Americans and, at the same time, restore their confidence in the Nation's economic future.

Mr. President, I urge the Senate's support of the conference report.

At this point, I express my appreciation again to the distinguished Senator from Oklahoma (Mr. BELLMON), the ranking Republican on the Senate Committee on the Budget. In the deliberations of the Committee on the Budget and on the Senate floor, he was a staunch supporter of our efforts in protecting the Senate position in conference. He attended every moment of those deliberations, which I think, on the whole, were constructive if, at times, reflecting vigorous dissent between the House and Senate conferees. Once again, I say "thank you" to Senator BELLMON and yield to him at this point.

Mr. BELLMON. Mr. President, I thank our distinguished chairman. The experience of working out a resolution on the budget with the House is certainly one that everyone who participates will remember for a long time. The House Members seemed to be pretty determined in their positions and it was only through the leadership of our chairman that we were finally able to come to a compromise and have the resolution which we are considering now.

Mr. President, this first concurrent resolution marks the end of the initial step in our implementation of the Congressional Budget Act. The resolution is the product of many hours of debate between joint conferees, and as such, it contains compromises between the differing positions of the two Houses of Congress. However, I believe the resolution represents more than simply compromises worked out in joint conference. It is the first positive result of the efforts of Congress to gain control of the budgetary process.

The resolution represents a compromise between many differing points of view. In my own case, I should have preferred a lower spending level and a lower deficit. In spite of my personal preferences, I support this resolution as the best result obtainable. I urge other Members of the Senate to do the same. Once these limits are fixed, Congress must act to see that they are not broken.

I wish to take this opportunity to reflect for a moment on the implications of the process we have set in motion.

For the first time and, I might add rather belatedly, Congress is now required to come to grips with the issues and hard choices involved in setting spending levels and priorities. No longer can we consider each spending program singularly, with no awareness or concern of its effect on the total level of Federal spending. No longer can we suddenly discover late in the session that we have, inadvertently perhaps, spent far beyond the anticipated level of receipts. From this time forward, Congress will have current information regarding the relationship between income and outlay. Our decisionmaking process should now be informed and deliberate.

As a part of our decisionmaking process, Congress must now examine the current and projected state of the economy and the effects of past action upon current conditions. Timely adjustments will undoubtedly be needed. A major responsibility of the budgeting procedure is to recommend these changes as conditions develop.

The spending levels recommended in this resolution for the various functional categories were not arrived at easily. They are the product of extensive and, in many cases, intensive and heated debate. As a result, I can recommend them to the Senate as being well thought out. They represent our best judgment as a way to cure the recession while minimizing to the greatest extent possible return to an intolerable rate of inflation.

With the adoption of the resolution, we move on to our next task, which involves working with the various authorizing committees and the Appropriations Committee to see that the Senate follows this fiscal discipline. We have a responsibility to the American people to get Government spending under control and to administer the budget in a responsible manner. This process gives us an excellent opportunity to show the American people that we are serious about setting spending levels and then living within them. If we proceed to ignore these ceilings, we will have thrown away what I believe to be a unique chance to show the Nation that we are indeed serious in our efforts to enforce fiscal discipline on the Federal Government.

Chairman MUSKIE referred to our responsibility constantly to monitor the economy through the summer months so as to gage properly the effects that the stimulus contained in this budget is having on the economy. This task must be performed in conjunction with our responsibility to bring a second concurrent resolution to the floor of the Senate in September. At that time, we shall have the opportunity and duty to adjust the budget where necessary to compensate for the changes in the then existing economic outlook.

With this second concurrent resolution in mind, I would urge my colleagues to give this budget time to work before the cry for more spending is raised. The process provides for orderly adjustments when conditions warrant.

Congress must now proceed in an orderly and responsible manner to live within the constraints of this resolution. Otherwise, we run the risk of further weakening the already declining public confidence in the ability of the Government to cope with and solve our financial problems.

As I have previously cautioned, we must reorient our problem-solving decisions to place less emphasis on shortrun solutions which tend to exacerbate future problems. We must view problem solving in a longer term environment and this new budgetary process gives us the opportunity to do just that.

Finally, I join Senator MUSKIE in his thoughts regarding the "transition quarter." It is a period of time with which we have not yet dealt in a budgetary context. We must address ourselves to it at an early date. In the meantime, I urge that it be treated with "benign neglect"; that no programs be enacted to begin during this period. To do otherwise, is to subvert the budget process.

Once again, I commend our able chairman, the senior Senator from Maine, for his leadership during this arduous process. He has been fair, effective and resourceful. This first concurrent resolution could never have come to the floor without his inspired and dedicated leadership.

Mr. President, I ask unanimous consent that Harold Gross of Senator CRANSTON's staff be granted the privilege of the floor during the remainder of the debate on this resolution.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

Mr. MOSS. Mr. President, I am pleased to speak in support of the first concurrent resolution on the budget for fiscal year 1976. I believe that the resolution represents a major step forward in bringing the Federal budget under control and in establishing national priorities. In my view, the new process which the Congress adopted in enacting the Congressional Budget Act last year is one of the most significant and positive changes in Government in decades. The debate on the resolution in this body has already served to identify issues and to provide an exchange of information on the Federal budget in a way heretofore unknown. In my view, the end result will be of great assistance to the authorizing committees in considering and developing measures which appropriately address budget-related needs.

The resolution considered by the Senate earlier this month which provided a basis for the conference report before us today, resulted from extensive committee seminars, hearings, and consideration of recommendations and viewpoints from people of various disciplines and persuasions. Like other products of the legislative process, it does not reflect the complete views of any single member of the committee. But is it reasonable, responsible, and responsive to the Nation's budgetary needs as determined by the committee at this time. It is important that the new process which the Congress has adopted succeed if we are to bring the Federal budget under control consistent with the Congressional Budget Act of 1974 from which the new process evolved. For these reasons as well as those reflected in my speech before this body on April 29, I have firmly supported the resolution, even when it did not precisely square with my own views.

Some recommend more Federal spending now to stimulate the economy. However, I think we should consider the stimulus and jobs included—in this resolution—over a million adult jobs and three quarters of a million summer youth jobs in the recent tax cut—which is expected to yield a million to a million and a half jobs and provide longer hours for an equal number of workers, some of whom are on part time and the other actions the Congress has already taken in recent months to stimulate the economy and create jobs; for example, the Emergency Jobs and Unemployment Assistance Act.

The economy has not fully benefited from the effects of these measures. I think the prudent course is to give these remedial actions a chance to work and to assess their impact on the economy prior to enacting the second concurrent resolution in September. This will afford an opportunity to consider additional recovery programs or to make other adjustments based on the economy's actual performance.

I share the concern of those who advocate a smaller deficit. However, we have over 8.9 percent unemployed including over 2 million heads of households. This is costing the Federal Government about $69 billion and State and local governments $5 billion annually in lost revenues and unemployment compensation. Our economy is also losing over $200 billion annually from lost production. Whatever figures we can cite do not begin to tell the real story of human suffering. Congress did not create the deficit, but people are looking to the Congress for help in alleviating the causes of the recession from which the deficit results, turning the economy around, and getting Americans back to work.

How much spending is enough to do this is itself a delicate question. I believe this resolution offers the best strategy at this time for meeting the Nation's needs and bringing the economy back to something closer to full employment. That is the only way to stop deficit spending.

I especially want to commend the committee leadership—Chairman MUSKIE and Senator BELLMON—and all the members of the staff of the new Senate Budget Committee, for their noteworthy contributions to what, in my view, history will record as an important step in budgetary reform.

Mr. DOLE. Mr. President, today we are going to take up the matter of the conference report on House Concurrent Resolution 218, the first concurrent resolution on the budget. Since the Budget Act requires that this first concurrent resolution be adopted by May 15, which is tomorrow, there will be a great deal of pressure to simply whisk it through.

I urge my colleagues to again consider the levels of expenditures and deficit embraced by this resolution. The Senate has approved an outlay figure of $365 billion—conference increased this by $2 billion. The resulting deficit is $1.6 billion over the Senate proposal. I do not fault the Senate conferees for the resolution we are now considering for I was one of the conferees, and I believe all the conferees from the Senate worked very hard and valiantly to be responsible in this historic occasion. It was indeed a difficult task.

Mr. President, I am opposed to the conference report. I believe the spending limits are too high. I will not be satisfied with the claim that the conference figures are somewhere between the proposals of the House and Senate. I felt that the Senate figures were too high to begin with, and was unsuccessful in offering an amendment during floor debate to lower the totals.

This is our last chance to demonstrate our absolute concern for the health of our economy and a restraining influence on growing deficits. While the proposed budget contains much needed stimulus to our economy, sooner or later we will have to accept the fact that we cannot continue to mortgage the future or our country.

Mr. HOLLINGS. Mr. President, I rise to urge adoption of the conference committee report on the budget resolution. We have been through a long and laborious process in formulating and passing this milestone legislation. The final result is, inevitably, a compromise. I did not get my way, but neither did any other Senator. Some of my colleagues have been pushing for a higher level of budget expenditure and deficit spending. Others, myself included, have argued in favor of restraint and holding the deficit down. During the course of Senate debate on the budget resolution—and in our many committee meetings—I have expressed and reiterated my concern lest the Federal Government monopolize the money markets via these huge deficits, thereby retarding a broadly based economic recovery.

I wish the conference committee figure had been closer to the Senate's suggested figure. But here again, compromise was necessary, and I will vote in favor of approving the work of the conference. I believe we have provided the means to generate economic recovery. And if we follow this up with generous amounts of restraint in the months ahead, I believe we can succeed in keeping that recovery on a sound footing.

Let me say in conclusion that this first experiment with the new budgeting process holds out great promise for the future. The Budget Committee had many obstacles with which to contend, and it had to operate without the full resources and capabilities which will be available to it in the future. But there was a willingness to make it work—not just in the committee itself, but here on the floor of the Senate. This augers well for the future. Certainly the new budgeting procedure is long overdue. And with the kind of performance and attitude I have seen in recent weeks and months, I believe the Budget Committees will make an enduring contribution to the prosperity and well-being of the American people.

Mr. CRANSTON. Mr. President, after both Houses of Congress act on the conference report on the first concurrent resolution on the budget, the Congress will have taken its first major step in carrying out its responsibilities under the new congressional budget process.

We will have set an upper guidepost for Federal spending, and we will have agreed upon a budget which reflects a congressional view of national priorities.

Now, the test will be whether we can hold ourselves within the overall budget.

I believe that it is essential that we attempt to do so.

For, these are the main thrusts of the budget reform discipline we have imposed upon ourselves:

First, to eliminate the long-standing, fiscally irresponsible congressional practice of piecemeal budgeting—that is, appropriating funds for one perceived need after another without ever looking at the total on the bottom line, or the amount of revenues available to spend.

Second, to permit Congress to reassert its constitutional power of the purse in establishing national budget priorities.

It is clearly a congressional responsibility, not a Presidential one, to determine among competing programs the spending priorities of the Nation.

Now, for the first time under the new budget reform process we have done so.

And we have come some distance, but not far enough, from the peculiar priorities the President suggested in the budget he released to us in February.

The President's budget imposed cuts on the elderly, the disadvantaged, the poor, the sick, and the unemployed, while requesting a turn-around real growth budget for the military, and a sizable increase in overseas assistance.

These were priorities badly in need of reversal, and to some extent Congress has reversed them.

These are the worst economic times since the Great Depression.

This is no time to force those who are least able to bear a greater burden to bear the biggest brunt of Federal revenue losses caused by the recession.

By making modest cuts in the Schlesinger defense request, the fiscal year 1976 congressional budget reduces from 26.9 to 24.7 percent the percentage to be spent on national defense, and from 1.8 to 1.3 percent the percentage spent on international aid.

At the same time, the congressional budget allocates $5.25 billion more than the amount requested by the President for education, manpower, and social services.

This allows for Federal education programs to recover from the adverse effects of last year's inflation, and provides more than $3.3 billion in fiscal year 1976 for public service employment jobs to help get people back to work.

The President requested only $2.4 billion for this purpose—by no means enough to meet the immediate need.

By percentage, this category has been increased from 4.2 to 5.4 percent of the budget.

The congressional budget also makes significant increases in the percentages allocated for commerce and transportation, and for community and regional development.

In the commerce function, Congress provided $400 million for the badly depressed housing industry, for which the President made no provision in his budget.

This category also includes substantial amounts for the rehabilitation of our railroads, including additional public service jobs in railbed improvement.

The share of the budget occupied by this category was increased from 3.9 to 4.7 percent.

In community and regional development, the congressional budget provides $2.75 billion more than the President requested—almost entirely for temporary recovery programs to stimulate the economy.

These programs will hopefully be designed to end as the economy recovers, so that they will not overheat the economy at the wrong time, nor add to long-range Federal spending.

Again, the President's budget made no provision for these programs to aid economic recovery.

The budget process makes us aware—perhaps for the first time—to relieve unemployment—to provide assistance to the sick or the elderly—or to provide better education for our children, for example, we must find the money somewhere.

In better times, we might consider raising taxes.

But this is not the time for a tax hike to achieve higher revenues than the $298.2 billion that the congressional budget provides for in fiscal year 1976.

Hopefully, as our stimulative recovery programs begin to work on the economy, higher revenues than are anticipated will be generated, as people go back to work and as business profits increase.

In addition, the congressional budget envisages raising $1 billion in additional revenues through tax reform in fiscal year 1976.

I support this modest goal.

I see it as merely the beginning of a long-range effort to eliminate inequity from our tax system, by reevaluating tax incentives and advantages and insuring that all Americans with sufficient earnings pay a fair minimum tax.

That is certainly not the case now.

But the $1 billion taken into account in the congressional budget may mark our achievable ability to produce revenue by this means in the short run.

It then becomes clear that unless we disregard our budget discipline—an alternative I believe has disastrous consequences—if we want to spend more than this budget permits in one category, we must take it out of another.

There are those who advocate creating a larger deficit to accelerate the rate of recovery.

I believe we should restore our economy to health as rapidly as we reasonably can—and far more quickly than the President and his advisors deem possible—but I believe that enlarging the deficit proposed in the budget resolution—$68.82 billion—involves too many long-range risks which could quickly eradicate any short-range economic advantage.

In my view, further reallocation of our budget is necessary.

The congressional budget recommends an upper guidepost for defense, as it does for other areas.

But it does not require that the amount allocated be spent.

I firmly believe that each dollar spent unnecessarily on defense could be better used to provide additional temporary recovery programs, which would—unlike defense dollars—not commit us to expensive, long-run programs which will continue to burn up our financial resources wastefully long after the economy has recovered.

Further savings can be achieved by adopting an approach to the defense budget that Secretary Schlesinger himself suggested in his defense posture statement:

That is, recognizing the connection "between the safety, interests, commitments, and foreign policy of the United States on the one hand, and the size, composition, and deployment of the Defense Establishment on the other."

While the Secretary's full statement of this position assumes that DOD correctly perceives the amount of money necessary to carry out assigned missions—an assumption that bears further examination—it does recognize the intimate relationship between mission and budget.

It is readily apparent to me that the Schlesinger defense budget is built on a number of questionable assumptions and judgments which Congress ought specifically to review.

It is also clear that none of these were accounted for in the reductions from the Schlesinger request contained in the congressional budget.

I encourage Senators, in making spending decisions affecting the national defense function, to examine closely the assumptions and policy judgments the Secretary has made, on which his funding requests are based.

Senators who, like me, disagree with one or more of the debatable assumptions can realize substantial savings in defense spending by eliminating the manpower or weaponry that result from these assumptions.

Using this approach—and by disagreeing with some, but by no means necessarily all, of the assumptions—I believe it is easily possible to achieve substantial further savings from the defense request.

The following debatable assumptions are found in the Schlesinger defense budget:

First, that the Vladivostok agreement means that both nations must race to reach its ceilings.

Second. That we must maintain "essential equivalence" in strategic weapons, despite our present possession of a secure deterrent for the foreseeable future.

Third. That development of sea and air launch cruise missiles, which would adversely affect arms control negotiations, should proceed, with a potential price tag of $10–16 billion.

Fourth. That we need a hard target capability for the Trident II SLBM.

Fifth. That current world conditions require further development and procurement of advanced ICBMs and SLBMs despite our current overkill capacity.

Sixth. That we need to procure an additional 50 Minuteman III missiles at a cost of $270 million for flight testing and possible future deployment, even though we already have the 1000 Minuteman missiles originally desired.

Seventh. That we need to continue an ABM effort, to defend our ICBMs.

Eighth. That the present world situation requires the creation and equippage of three new Army divisions.

Ninth. That we need to maintain U.S. forces in Taiwan, Korea, Thailand, Japan, and the Philippines which leads to a total estimated cost for the Asian force posture of between $20 and $25 billion per year.

Tenth. That we need overall to maintain over 500,000 military personnel overseas in 33 countries.

Eleventh. That we need an airborne surveilance command and control system—AWACS—housed in a large airplane, at a cost of $111 million per unit, to provide battle management in tactical air warfare.

Twelfth. That we need to modify 747s and DC 10s to a convertible cargo/transport configuration at a cost of $680 million.

Thirteenth. That we need to authorize $130 million in new budget authority for procurement of the SAM–D missile, even though its production has been delayed because its guidance system does not work.

Fourteenth. That we need to develop a new battle tank at a cost of $1.9 million each.

Fifteenth. That we need a new tanker/cargo aircraft to support general purpose forces.

Sixteenth. That we need to authorize $4.2 billion in new budget authority for shipbuilding a variety of ships.

Seventeenth. That the possibility of nuclear air attack justifies spending $88 million on civil defense this year, with far vaster expenditures to follow once we move in this direction, and

Eighteenth. That we need both an all-volunteer Army with a fully-subscribed recruitment quota, a $463 million annual advertising budget, and a highly competitive pay scale—and also a selective service system costing $47.9 million annually, for "the development of alternate contingency processing procedures designed to increase the system's capability to meet the DOD manpower requirements in a major military crisis should existing procedures prove inadequate."

In addition to these 18 points, some potential savings may be realized from funds from prior years' budgets which have become "unprogramed" and can be transferred for use in fiscal year 1976, and the cash balance of defense stock funds. These funds are used to acquire inventories of consummable materials and supplies.

Still another possible reduction is the Inventory Replenishment Fund. This fund is used to buy weapons—with U.S.-appropriated dollars—to sell to other countries.

These and other funds—including billions for intelligence—buried deep within DODs budget deserve close scrutiny.

Our national needs are too great, and our national resources too limited, to accept even so much of the hug Schlesinger "turn-around" defense budget uncritically, as the congressional budget suggests.

For, if we can trim from the defense budget that which is unnecessary or dangerous, or simply wrongheaded—we will find the funds to meet our other national needs.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the vote on the conference report at 12:30 p.m. be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I think we are ready for the vote on the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. MOSS. I move to lay that motion on the table.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business?

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER. Under the previous order the Senate will now resume consideration of the pending business, S. 200, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers.

The Senate continued with the consideration of the bill.

Mr. MANSFIELD. Mr. President, is the time controlled now?

The PRESIDING OFFICER. The time is not controlled.

AMENDMENT NO. 446

The PRESIDING OFFICER. The pending question is on amendment 446 to S. 200, which the clerk will state.

The assistant legislative clerk read as follows:

> The Senator from Louisiana (Mr. JOHNSTON) proposes amendment No. 446.

The amendment is as follows:

> On page 15, beginning with line 6, strike out through "consumers" in line 10, and insert in lieu thereof the following:
>
> The Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any Federal agency action reviewable under law that substantially and directly affects the health or safety of consumers.
>
> On page 17, line 5, insert the following:
>
> Notwithstanding any other provisions of this Act, a determination of an agency not to take the action requested shall not be subject to judicial review unless the requested action substantially and directly affects the health or safety of consumers.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12:10 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 12:10 p.m. today.

There being no objection, the Senate, at 11:52 a.m., recessed until 12:10 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. PEARSON. Mr. President, I ask unanimous consent that Mr. John Kirtland and Mr. Arthur Hill of my staff be allowed the privileges of the floor during debate on this measure.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, the time to be charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from Georgia (Mr. NUNN) to make a request.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976—CONFERENCE REPORT

Mr. NUNN. Mr. President, I ask unanimous consent that it shall be in order for me to enter a motion to reconsider the vote by which the conference report on House Concurrent Resolution 218 was approved, that the papers which have been forwarded to the House be returned to the Senate, and that the House be requested to return the papers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, if the House accedes to the request of the Senate, I should like to take it up immediately after the vote on the Johnston amendment. I ask unanimous consent that there be a time limitation of 30 minutes, the time to be equally divided between the Senator from Georgia (Mr. NUNN) and the Senator from Maine (Mr. MUSKIE) with the usual conditions.

Mr. JOHNSTON. Mr. President, reserving the right to object, as I understand this motion as the Senator from Georgia just explained it to me, it could involved a cut of 700,000 to 800,000 troops and personnel from the Department of Defense. I do not think that is the kind of cut that should be considered on 30 minutes' debate. I hate to upset the agreement, where the majority leader has just agreed to reconsider, but I really think that is a most weighty measure, if I understood the explanation correctly.

Mr. NUNN. I certainly agree with my friend and colleague from Louisiana that it is a very important matter. It is a budget resolution which, if we are going to take the budget process seriously, is certainly one of the most important items we will consider this year. Of course, my objection goes to the cuts in the Department of Defense budget, which I shall get into later. But in light of the fact that the Senate has already acted without a rollcall vote, in light of the fact that the majority leader is being most cooperative in giving us some time at least to discuss this matter, and in light of the fact that I anticipate a rollcall vote following at least a 30-minute discussion on a point that I think everybody can understand, I do ask that the Senator from Louisiana give strong consideration to complying or agreeing to the unanimous-consent request by the majority leader. We will have a chance to vote up or down on this.

Of course, once a concurrent resolution is passed, it is always in order to come back with another concurrent resolution. In my opinion, based on the rather hasty analysis that has been done on this, it may very well be that once the Department of Defense and the administration recognize what has been done in this particular resolution, they may come back and ask for another consideration. If we do not do that, of course, we have always the option of exceeding the resolution on the authorization and appropriation measures. The Senator from Georgia hopes that will not be done, because I hope that the budget process will work.

In light of all the circumstances, yet agreeing with my friend from Louisiana about the importance of this, I hope that the majority leader's unanimous-consent request will not meet objection.

Mr. JOHNSTON. Mr. President, I want first to congratulate the Senator from Georgia for his alertness to what may be the implications and congratulate the majority leader for his usual fairness in seeing that the Senate gets a full opportunity to know what it is voting on. But in all fairness to the country, if these implications, even may be correct, the Senate ought to consider it in full. I simply have to object to 30 minutes' debate. Therefore, I object.

Mr. MANSFIELD. Mr. President, then I do not know what is going to happen, because we are in difficulty over in the House. They are preparing to vote on the bill. The papers may not be returned, and this is about the only chance that we have to face up to this issue.

Furthermore, I want to get the pending business underway, which will be set aside temporarily, on which cloture has been invoked. I would extend the time to an hour; otherwise, I think we are in great difficulty.

Mr. JOHNSTON. I have no objection; I shall accede to the majority leader's statement.

Mr. MANSFIELD. With the same stipulations.

Mr. HELMS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, parlimentary inquiry.

The PRESIDING OFFICER. The Senator from North Carolina will state it.

Mr. HELMS. Has the Senator from Georgia made his motion, and if so, has the motion been agreed to?

The PRESIDING OFFICER. The majority leader has made the motion and the motion has been agreed to, for 1 hour—a unanimous-consent agreement.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The motion to reconsider has not been offered by the Senator from Georgia.

Mr. HELMS. That is what I had in mind.

Mr. MANSFIELD. We cannot do that until the papers get back. We cannot do anything until we have the papers. Is there an objection, before it goes that far? If there is, I would like to know now. Will there be an objection to the motion to reconsider?

Mr. HELMS. Not at all. Not from this Senator.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

Mr. JOHNSTON. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Louisiana.

Mr. JOHNSTON. And under the unanimous-consent agreement, the Senator from Louisiana has 10 minutes?

The PRESIDING OFFICER. That is correct; and the Senators have 5 minutes each remaining of the time allotted for the amendment.

Mr. JOHNSTON. Mr. President, I believe the Senator from Louisiana was never recognized under the unanimous-consent agreement, but rather a unanimous-consent request by the distinguished Senator from Georgia was being propounded and discussed. Am I not correct?

The PRESIDING OFFICER. There was a unanimous-consent agreement for the vote to occur on the amendment at 12:30 p.m., and the intervening time to be equally divided.

Mr. RIBICOFF. Mr. President, I am pleased to yield 3 or 4 minutes of my time to the distinguished Senator from Louisiana, so that he can have almost 10 minutes.

Mr. JOHNSTON. Mr. President, that will be suitable, and I thank the distinguished Senator from Connecticut.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSTON. I request that my colleagues who are not familiar with this amendment listen to me. This is not, first, an attempt to kill this bill; it is an attempt to make the bill a better bill, and if the amendment is agreed to I shall vote for it.

Mr. President, there has not been a bill to come through the Senate, which has been less understood than this bill, in quite some time.

Indeed, two basic questions were propounded on this floor yesterday to be answered ultimately by staff. In all good faith, because of complication of the bill, the questions were misunderstood; the answers were incorrect.

The first question was, is the right of the administrator subject to review? The answer was yes, it is. In fact, the right of the administrator to state a consumer interest and to promote it in the agencies or in the courts is not subject to review.

The second question was, does this agency have any greater right to proceed than does an individual? The answer is very plainly that individuals in almost every agency must prove an interest and failing to prove that interest they have no right to appeal.

I have only had a chance to look at the FTC, the SEC and the CAB.

Mr. President, I ask unanimous consent that two court decisions and a statute involving those agencies be printed showing that lack of interest.

There being no objection, the 2 court decisions and statute were ordered to be printed in the RECORD, as follows:

[U.S. Court of Appeals, District of Columbia Circuit, No. 12404]

WILLIAM LEIGHTON, PETITIONER, AGAINST SECURITIES AND EXCHANGE COMMISSION, RESPONDENT

Argued Jan. 31, 1955.

Decided Feb. 10, 1955.

Proceeding to review Securities and Exchange Commission's refusal to investigate and regulate issuance and sale of travelers checks. On motion by Commission to dismiss the Court of Appeals held that even if action of Securities and Exchange Commission in declining to entertain request to investigate and regulate issuance and sale of travelers checks constituted an order of the Commission, nevertheless it was within discretion of Commission, and such an order was not reviewable.

Motion granted.

Administrative Law and Procedure—701.

Licenses—18½ (57).

Even if action of Securities and Exchange Commission in declining to entertain request to investigate and regulate issuance and sale of travelers checks constituted an order of the commission, nevertheless it was within discretion of commission and such an order was not reviewable. Securities Act of 1933, §§ 1 et seq., 9(a), 20 as amended 15 U.S.C.A. §§ 77a et seq., 77i, 77t; Administrative Procedure Act, § 10, 5 U.S.C.A. § 1009.

Mr. William Leighton, petitioner pro se.

Mr. William H. Timbers, General Counsel, Securities and Exchange Commission, with whom Mr. Alexander Cohen, Special Counsel, Securities and Exchange Commission, was on the brief, for respondent.

Before Edgerton, Bazelon and Fahy, Circuit Judges.

Per curiam.

William Leighton, the petitioner, sought to persuade the Securities and Exchange Commission to assume jurisdiction to investigate and regulate the issuance and sale by the American Express Company of travelers checks, contending they are securities within the meaning of the Securities Act of 1933.[1] The Commission refused. Leighton then petitioned this court to review the Commission's refusal, contending jurisdiction resides in this court under Section 9(a) of the Securities Act[2] and Section 10 of the Administrative Procedure Act.[3] The Commission has moved that we dismiss the petition for lack of jurisdiction.

Were we to assume that the action of the Commission in declining to entertain petitioner's complaint, or to investigate the matters pressed by him, constituted an order of the Commission nevertheless it would be one within the discretion of the Commission under Section 20 of the Securities Act[4] and, in any event, not such an order as would be reviewable by this court under Section 9(a) of the Act. See Vrooker v. Securities and Exchange Commission, 1 Cir., 161 F.2d 944, 949. The discretionary character of the Commission's action likewise remove it from Section 10 of the Administrative Procedure Act, which excepts from its provisions for judicial review agency action committed by law to agency discretion. The motion to dismiss accordingly will be granted.

It is so ordered.

FOOTNOTES

[1] 48 Stat. 74 et seq., as amended, 15 U.S C.A. § 77a et seq.

[2] 48 Stat. 80, as amended, 15 U.S.C.A. § 77i.

[3] 60 Stat. 237, 243, as amended, 5 U.S.C.A. § 1009.

[4] 48 Stat. 86, as amended, 15 U.S.C.A. § 77t.

[U.S. District Court, N.D. Georgia, Atlanta Division, No. 15091]

ORIAN A. SAUCKE AGAINST FEDERAL TRADE COMMISSION

Oct. 22, 1971.

Proceedings on defendant's motion to dismiss mandamus proceeding. The District Court, Edenfield, J., held that mandamus petitions growing out of plaintiff's personal financial affairs and relating to plaintiff's eviction from his former residence and subsequent inability to find suitable housing through federal agency did not invoke jurisdiction of federal court and did not state claim upon which federal court could grant relief.

Motion granted.

1. Courts—265

Mandamus petitions growing out of plaintiff's personal financial affairs and relating to plaintiff's eviction from his former residence and subsequent inability to find suitable housing through federal agency did not invoke jurisdiction of federal court and did not state claim upon which federal court could grant relief.

2. Trade Regulation—811

Exercise of enforcement powers by FTC is discretionary and is applicable only in cases of public interest. Federal Trade Commission Act, §§ 5, 6, 15 U.S. C.A. §§ 45, 46; Fair Credit Reporting Act, § 621, 15 U.S.C.A. § 1681s.

3. Mandamus—73(1)

Mandamus was not available to compel exercise of FTC investigative powers, particularly where plaintiff sought to have FTC seize certain records relevant to plaintiff's financial status. Federal Trade Commission Act, §§ 5, 6, 15 U.S.C.A. §§ 45, 46; Fair Credit Reporting Act, § 621, 15 U.S.C.A. § 1681s.

Orlan A. Saucke, pro se.

John W. Stokes, Jr., U. S. Atty., Julian M. Longley, Jr., Asst. U. S. Atty., Atlanta, Ga., Joseph Martin, Jr., Gen. Counsel, Harold D. Rhynedance, Jr., Asst. Gen. Counsel, Robert E. Duncan, Atty., F. T. C., Washington, D. C., for F. T. C.

Order.

Edenfield, District Judge.

[1] This is the first of four pro se mandamus petitions which have been filed by plaintiff. Two of the petitions relate to problems growing out of plaintiff's personal financial affairs.[1] The other petitions relate to plaintiff's eviction from his former residence[2] and his subsequent inability to find suitable housing through a federal agency.[3] While plaintiff may in fact have some serious legal problem, the complaints presented to this court simply do not invoke the jurisdiction of a federal court, nor do they state any claim upon which a federal court could grant relief.

In this action plaintiff requests mandamus relief requiring the Federal Trade Commission to seize certain records relevant to plaintiff's financial status. These records are in the possession of various credit bureaus in Georgia, Iowa, Minnesota, and Wisconsin, and allegedly contain erroneous credit information which is damaging to plaintiff. The FTC has moved to dismiss the petition.[4]

[2, 3] It is well settled that an action in the nature of mandamus requires the existence of a specific duty owed to plaintiff. *E. g.*, In re Wingreen Co., 412 F.2d 1048 (5th Cir. 1969). No such duty is alleged in this action and it clearly appears that no such duty exists. The exercise of enforcement powers by the FTC is not only discretionary but is applicable only in cases of public interest. 15 U.S.C. §§ 45, 46, and 1681s. Such being the case, mandamus is not available to compel the exercise of FTC investigative powers particularly where plaintiff seeks to have the FTC assist him in his personal financial affairs. FTC v. Klesner, 280 U.S. 19, 50 S.Ct. 1, 74 L.Ed. 138 (1929); Stancato v. Department of Justice and FTC, Civil Action No. 69-1378 (D.C.Cal., Aug. 14, 1969).

Therefore, defendant's motion to dismiss is granted and the Clerk is directed to dismiss plaintiff's petition for failure to state a claim upon which relief can be granted.

It is so ordered.

FOOTNOTES

[1] This action and Civil Action No. 15669.

[2] Civil Action No. 15591.

[3] Civil Action No. 15670.

[4] Subsequent to the filing of defendant's motion to dismiss plaintiff informally contacted the court regarding his cases and was advised that his petitions did not appear to set forth a federal cause of action. The court informed plaintiff that prior to any ruling on the sufficiency of his petitions, he would be given an opportunity to obtain counsel and file any additional documents which he wished the court to consider. Plaintiff has responded by requesting appointment of counsel and filing an amendment. The request for appointment of counsel is denied and the amendment fails to cure plaintiff's fatally defective petition. The amendment contains a vague allegation that plaintiff is under the jurisdiction of a federal agency. While the purpose of this allegation is unclear, it clearly does not establish federal jurisdiction. Furthermore, even assuming that the amendment states a claim under subchapter III of the Consumer Credit Protection Act (15 U.S.C. § 1681 *et seq.*), such an action may not be maintained against the FTC, which is the only named defendant.

49, § 1482—FEDERAL AVIATION PROGRAM, CH. 20

§ 1482.—COMPLAINTS TO AND INVESTIGATIONS BY THE ADMINISTRATOR AND THE BOARD—FILING OF COMPLAINTS; COMPLAINTS AGAINST MEMBERS OF THE ARMED FORCES

(a) Any person may file with the Administrator or the Board, as to matters within their respective jurisdictions, a complaint in writing with respect to anything done or omitted to be done by any person in contravention of any provisions of this chapter, or of any requirement established pursuant thereto. If the person complained against shall not satisfy the complaint and there shall appear to be any reasonable ground for investigating the complaint, it shall be the duty of the Administrator or the Board to investigate the matters complained of. Whenever the Administrator or the Board is of the opinion that any complaint does not state facts which warrant an investigation or action, such complaint may be dismissed without hearing. In the case of complaints against a member of the Armed Forces of the United States acting in the performance of his official duties, the Administrator or the Board, as the case may be, shall refer the complaint to the Secretary of the department concerned for action. The Secretary shall, within ninety days after receiving such a complaint, inform the Administrator or the Board of his disposition of the complaint, including a report as to any corrective or disciplinary actions taken.

Investigations on initiative of Administrator or Board

(b) The Administrator or Board, with respect to matters within their respective jurisdictions, is empowered at any time to institute an investigation, on their own initiative, in any case and as to any matter or thing within their repective jurisdictions, concerning which complaint is authorized to be made to or before the Administrator or Board by any provision of this chapter, or concerning which any question may arise under any of the provisions of this chapter, or relating to the enforcement of any of the provisions of this chapter. The Administrator or the Board shall have the same power to proceed with any investigation instituted on their own motion as though it had been appealed to by complaint.

Entry of orders for compliance with chapter

(c) If the Administrator or the Board finds, after notice and hearing, in any investigation instituted upon complaint or upon their own initiative, with respect to matters within their jurisdiction, that any person has failed to comply with any provision of this chapter or any requirement established pursuant thereto, the Administrator or the Board shall issue an appropriate order to compel such person to comply therewith.

49, § 1486—Federal Aviation Program, Ch. 20

§ 1486.—JUDICIAL REVIEW—ORDERS SUBJECT TO REVIEW; PETITION FOR REVIEW

(a) Any order, affirmative or negative, issued by the Board or Administrator under this chapter, except any order in respect of any foreign air carrier subject to the approval of the President as provided in section 1461 of this title, shall be subject to review by the courts of appeals of the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within sixty days after the entry of such order, by any person disclosing a substantial interest in such order. After the expiration of said sixty days a petition may be filed only by leave of court upon a showing of reasonable grounds for failure to file the petition theretofore.

Venue

(b) A petition under this section shall be filed in the court for the circuit wherein the petitioner resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia.

Notice to Board or Administrator; filing of record

(c) A copy of the petition shall, upon filing, be forthwith transmitted to the Board or Administrator by the clerk of the court, and the Board or Administrator shall thereupon file in the court the record, if any, upon which the order complained of was entered, as provided in section 2112 of Title 28.

Power of court

(d) Upon transmittal of the petition to the Board or Administrator, the court shall have exclusive jurisdiction to affirm, modify, or set aside the order complained of, in whole or in part, and if need be, to order further proceedings by the Board or Administrator. Upon good cause shown and after reasonable notice to the Board or Administrator, interlocutory relief may be granted by stay of the order or by such mandatory or other relief as may be appropriate.

Conclusiveness of findings of fact; objections

(e) The findings of facts by the Board or Administrator, if supported by substantial evidence, shall be conclusive. No objection to an order of the Board or Administrator shall be considered by the court unless such objection shall have been urged before the Board or Administrator or, if it was not so urged, unless there were reasonable grounds for failure to do so.

Review by Supreme Court

(f) The judgment and decree of the court affirming, modifying, or setting aside any such order of the Board or Administrator shall be subject only to review by the Supreme Court of the United States.

Mr. JOHNSTON. What my amendment does, Mr. President, is to take away from the Administrator the right to delay proceedings by appeal to the courts and protracted reviews. The Administrator would still have that right, Mr. President, to present a claim, to gather information, to act as an advocate, to act as an ombudsman, to act in every way to represent the interest of the consumers except to engage in protracted legal delays when his plan has first been turned down by the agency.

Mr. President, in effect, what my amendment would do would be to prevent this bill from being a consumer overkill in much the same way that the seatbelt law became an overkill provision for protection of consumers.

Unless this amendment is agreed to, Mr. President, we will find, I believe, that every Federal agency will be subject to years of review, as indeed FTC was on natural gas rates in my State, as the ICC was on proceedings with railroad cases, and as every Federal agency has been upon occasion.

If it were a question of the consumer having no voice and not being able to be represented, then I would say vote against this amendment. But all the amendment does is take away that right to resort to the courts when the proceeding has been turned down after a full hearing by the agency itself.

Mr. President, the Administrator will still have, if this amendment is agreed to, the right to intervene in any proceeding or activity. The Administrator will still have the right to intervene by written or oral submissions in the Federal agency proceeding. He will still have the right to intervene on appeal. He will still have the right to gather information. He will still have every right except the right to subject consumers, agencies, and businesses in this country to protracted delays and expensive legal appeals.

I think it is exceedingly simple. I realize the difficulty of trying to explain this bill, which is totally misunderstood, in this amendment, but I submit, while we still have the chance, let us make this a reasonable bill, one that truly represents the consumers and does not simply serve the interests of the legal profession in this country.

Mr. RIBICOFF. Mr. President, I yield 1 minute to the distinguished Senator from Florida.

Mr. STONE. I thank the distinguished Senator from Connecticut.

If this amendment were to be agreed to, it would mean that, for example, a no-frills lower air fare otherwise approved by the CAB, were it not to have been approved, the consumer advocate could not have had it reviewed. On the other side of the coin, where the 4-percent air fare increase was approved and within a few weeks the airlines themselves realized that they had killed their consumer business and were back asking for review, that type of an increase could have been reviewed.

What this would do, then, in effect, is remove the ability to review economic decisions, and if the consumer advocate cannot review an economic decision, what kind of a decision really could be reviewed?

That is to say nothing of the examples raised by the Senator from Florida yesterday, where the Federal Trade Commission after secret proceedings terminated its investigation into consumer abuses in the condominium industry and the cooperative housing industry.

The instance where there is the most likelihood of abuse in terms of time-consuming litigation and unnecessary burdens on businesses is where the ACA appeals an agency action in which it did not intervene or otherwise participate. During the markup of this bill, I offered an amendment which was designed to alleviate the possible harm of such court initiation. The amendment was accepted in a modified form. It requires the Administrator to state the reasons for his failure to intervene or participate in the agency proceedings. The court then has the power to determine that those reasons are not sufficient and that the interests of justice would be impeded if the ACA were allowed to file suit.

In the case where the ACA did participate in the agency proceeding, it should have the same rights as every other party and be able to appeal not only in those instances where the health or safety of consumers is involved but also in the important area of economic concerns.

So it seems to the Senator from Florida that the guts of the bill is the ability by the consumer advocate not merely to appear before a Federal agency but to review an interest, a decision of that agency which adversely affects a consumer interest in a substantial fashion.

Mr. RIBICOFF. Mr. President, the amendment proposed by the Senator from Louisiana would really torpedo this entire consumer agency and would make it impossible for the ACA to seek judicial review when economic concerns of individuals and consumers are involved. I therefore oppose it. Now the ACA may seek judicial review of a Federal agency action which may substantially affect a health, safety or economic concern of consumers.

The Johnston amendment would limit the ACA's ability to seek judicial review to only agency actions which affect consumer health or safety. It would make it impossible for the ACA to seek judicial review when an economic concern of consumers was involved.

What we have here in the Johnston amendment, is an attempt to give the ACA less rights than any other party to an agency proceeding.

In a recent speech at the White House Conference on Domestic and Economic Affairs, the President cited surveys indicating that the average American family is paying $2,000 a year—a national total of $130 billion—in excessive and unnecessary costs resulting from ineffective Government regulation.

Department of Justice Antitrust Chief, Thomas Kauper, has estimated the price-fixing and other anticompetitive actions by businesses raise price levels by as much as $80 billion each year.

These figures are staggering. The effect of the Johnston amendment would be to keep the ACA from seeking judicial reviews of just those very agency actions which are costing American consumers billions and billions of dollars each year in unnecessary costs.

When the CAB considers airlines rate increases, when the ICC considers trucking rate increases, when the FCC considers telephone rate increases, when the FTC prosecutes false and misleading advertising—in all these instances and many, many others throughout the Federal Government, the economic concerns of consumers are clearly and dramatically affected by what the agencies decide to do.

For these reasons, I oppose the Johnston amendment as an undue and unjustifiable restriction on the power of the ACA to represent the economic concerns of consumers in the Federal courts.

Mr. PERCY. Mr. President, if the Senator will yield briefly, I join him in opposing the Johnston amendment. It would prevent the Consumer Protection Agency from moving into some of the most scandalous situations involving ICC rate fixing, where the consumer simply does not have a voice.

We know billions of dollars have been added to the costs of shippers, and the consumer pays that bill without having an adequate voice. It is absolutely essential and necessary, it would certainly seem, in connection with the housing scandals that we had across the country where section 235 was perverted by builders, labor unions, and others. The Agency for Consumer Advocacy should have the right to appeal decisions and speak on behalf of the consumer, using the courts if necessary.

Mr. President, for this and many other reasons I respectfully oppose the amendment of the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

On this question the yeas and nays have been ordered, under a unanimous-consent agreement, with the vote to occur at this time.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. LONG), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 29, nays 63, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—29

Allen
Baker
Bartlett
Bellmon
Brock
Byrd,
  Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Griffin
Hansen
Helms
Hruska
Johnston
Laxalt
McClellan
McClure
Nunn
Scott,
  William L.
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NAYS—63

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Fong
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—7

Beall
Buckley
Ford
Goldwater
Gravel
Long
Metcalf

So Mr. JOHNSTON's amendment (No. 446) was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 418

Mr. HELMS. Mr. President, I call up my amendment No. 418, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 29, lines 20 and 21, strike out the phrase "determine that (A) such information, so far as practicable," and insert in lieu thereof the following: "exercise great care to determine that (A) such information".

Mr. HELMS. Mr. President, the amendment that I am offering is simple. Its purpose is straightforward and clear. It seeks to insure that all parties against whom consumer complaints are filed are afforded certain basic elements of procedural due process, and it provides freedom of information.

As the bill now reads, the Agency is required to notify parties against whom complaints are filed of all complaints of any significance, unless the Administrator determines that it would not be in the consumer's best interest to do so. In that event, notification would not be required.

The amendment which I am submitting requires the Agency to notify all persons concerned of each and every complaint filed against them and upon which the Agency intends to act. Furthermore, neither the Agency for Consumer Advocacy nor any other agency is permitted to initiate action based upon any complaint until 60 days after all persons concerned have been notified. In other words, this provision simply insures that defendants will be notified that a complaint has been filed against them. It will put them on notice that they may be investigated, subjected to an agency proceeding, or taken to court. This is simply justice. It is an element of fairness that is basic to our American concept of government and law.

Additionally, the present language of the bill provides that the Agency for Consumer Advocacy shall maintain a public document room in which consumer complaints are to be made available for public inspection and copying. Under this language, however, the Administrator may in his discretion withhold information. The amendment I offer requires the Agency to make available all complaints as well as copies of all official documents relative to each complaint in addition to annotations of actions taken in response to such complaints. Neither the Agency for Consumer Advocacy nor any other agency is permitted to initiate any action until 60 days after a copy of the complaint upon which the action is based is placed in the document room.

This amendment does not permit anonymous complaints. The bill as it now reads would. In my view, it is fundamental to American law that a party complained against be allowed to be confronted with his accuser. To allow anonymous, confidential complaints would be to introduce into American law a concept so patently unjust as to shock one's conscience. Have we not learned the lesson of the secret inquisitions of old, of the historic injustices that our forefathers fought to protect us against?

Finally, this amendment allows the party complained against to comment on any such complaint, with the comment also being displayed in the public document room. This feature exists in the present bill and is retained in the amendment. In addition, any agency to which a complaint is referred shall notify the Administrator of what action, if any, it intends to take with respect to the complaint, and a copy of such notice must be displayed in the document room.

As stated, this amendment is simple and direct. It represents an attempt to afford the defendants due process and fair treatment. In our zeal to protect the consumer, we must not abandon the basic safeguards of American justice that we have come to value so dearly.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

Mr. RIBICOFF. Mr. President, I oppose this amendment.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, did the Chair rule there was not a sufficient second?

The PRESIDING OFFICER. There is a sufficient second. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. FORD), and the Senator from Iowa (Mr. CLARK) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the

Senator from New York (Mr. Buckley), the Senator from Arizona (Mr. Goldwater), the Senator from Maryland (Mr. Mathias), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

The result was announced—yeas 41, nays 50, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—41

Abourezk
Allen
Baker
Bartlett
Bellmon
Brock
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Griffin
Hansen
Helms
Hruska
Johnston
Laxalt
Long
McClellan
McClure
Montoya
Morgan
Nunn
Packwood
Randolph
Roth
Scott, William L.
Sparkman
Stafford
Stennis
Stone
Taft
Talmadge
Thurmond
Tower
Young

NAYS—50

Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Church
Cranston
Culver
Eagleton
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stevenson
Symington
Tunney
Weicker
Williams

NOT VOTING—8

Beall
Buckley
Clark
Ford
Goldwater
Gravel
Mathias
Stevens

So Mr. Helms' amendment (No. 418) was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent to present an agreed-upon amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I send an amendment to the desk. This is simply a clarifying amendment to make it clear that the right of the administration to find a consumer interest may be reviewed on appeal, as indicated in the colloquy yesterday. It is simply to correct a misimpression.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, between lines 13 and 14, add the following new subsection:

"(3) The Administrator's determination pursuant to subsections 6(a)(2), 6(a)(3), and 6(d) that an agency action may substantially affect an interest of consumers shall be subject to review during judicial review of a final agency action.

Mr. RIBICOFF. Mr. President, I am willing to accept the amendment of the Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 417

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I have an amendment at the desk, No. 417, which I call up and ask for immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, immediately below line 16, insert the following new section:

"CIVIL LIABILITY FOR ACTIONS OF THE AGENCY

"Sec. 27. (a) (1) Notwithstanding any other provisions of law, any person injured as a result of any act or omission of the Administrator, or any officer or employee of the Agency, or of any officer or employee of any other agency (as defined in section 551 of title 5, United States Code) of the Federal Government who, while acting within the scope of his office or employment, makes or causes to be made, any false or misleading disclosure, statement, or other publication to any agency or to the public, which disclosure, statement, or publication results in a reduced consumer demand for or sales of any product, good, or service, may bring a civil action for monetary damages against the United States.

"(2) The United States shall be liable, respecting provisions of this subsection, in the same manner and to the same extent as a private individual under like circumstances, but shall not be liable for punitive damages.

"(b) (1) The district courts of the United States, together with the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, shall have exclusive jurisdiction to hear and determine any action brought under this section in accordance with the provisions of subsection (a) of this section.

"(2) Any action against the United States under this section shall, at the request of any party to such action, be tried by the court with a jury.

"(c) Appellate review of an action brought under this section shall be had in the same manner and subject to the same requirements as an action brought under section 1346(b) of title 28, United States Code.".

On page 29, lines 20 and 21, strike out the phrase "determine that (A) such information, so far as practicable," and insert in lieu thereof the following: "exercise great care to determine that (A) such information".

Mr. HELMS. Mr. President, the advocates of consumerism insist that the American consumer needs protection from the business community. They argue that the consumer is a victim of false claims, harmful goods, and deficient services. They propose that we establish what is now called an Agency for Consumer Advocacy to eradicate these evils and aid the consumer.

It is true, of course, that businessmen do make mistakes. Through negligence or zeal, they may produce inadequate goods or present a misleading advertisement. Like everyone else, American businessmen are fallible beings, subject to human error. These capabilities for error are rooted in human nature. But they do not exist solely in the commercial establishments of this country.

What disturbs me, Mr. President, is the fact that the proposed Consumer Protection Act of 1975 overlooks the possibility for human error in the Agency for Consumer Advocacy. This Agency will be empowered to issue public statements regarding the quality or safety of a product or service. Because so many products and services will be under the scrutiny of this Agency—and many of these products are extremely complicated from a technical standpoint—we can be certain that the Agency will, sooner or later, make a false public statement about the safety of a product, or its utility, or its general value. Through error, indifference, or negligence, such mistakes are bound to occur.

And when they do, the consumer will suffer with the producer. The producer may suffer a crushing financial loss when his product is wrongfully removed from the market. But it is the consumer who will be denied the product that he desires; or he may be compelled to pay a higher price for a product after it returns to the market, and after the producer has increased the price to cover his loss. It is difficult to avoid the conclusion, Mr. President, that this bill may produce the opposite effect intended and in many instances actually harm the consumer's interest. So, neither is the consumer properly served, nor is justice promoted in the event the agency commits an error.

If the act is adopted in its present form, the Administrator will have broad powers over the thousands of commercial enterprises of the Nation. Yet, the act seems to assume—and it is a false assumption—that in the exercise of this power, the Administrator will never make a mistake. The act provides no protection whatever to the businessman whose products or services are wrongfully condemned by the Administrator.

The purpose of my amendment is to provide this protection. This amendment will allow any injured party to sue for damages in a Federal district court, if the Administrator of the Agency makes a false or misleading statement concerning any product or service offered to the public.

The need for this amendment is clear enough when we examine section 11(c) (1) of the act. Under this provision, "The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate." We may safely assume that the judicious Administrator will take proper measures to make certain that any information he publicizes about the safety or quality of a product or service is accurate and not misleading or incomplete; but reasonable men will differ as to what a "practicable" determination of the facts might be. Indeed, the act presumes that the Administrator himself will be the judge of the "practicability" of his own determinations.

In anticipation of the possibility that the Administrator may make a mistake and fail to take proper action, the Consumer Protection Act that we considered last year, S. 707, purported to protect the businessman by requiring the Administrator to retract his false or misleading statement. As I pointed out in a statement of July 17, 1974, in this Chamber, this retraction provision did not offer any real protection to the businessman. A retraction may be helpful if the mistake is caught in time, but what good is a retraction after a company has been ruined? What justice is accorded to the businessman who suffers economic injury as a result of a false statement that has been indelibly impressed upon the public mind?

The revised Consumer Protection Act of 1975 offers even less protection in that it contains no provision whatever requiring the Administrator to retract a false or misleading statement. Section 11(c)(3) of the act simply states that, "Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner." At best, it may be inferred from this provision that the errant Administrator will issue a public retraction at his own discretion.

As a second assurance against unfair actions, the act further provides under section 11(c)(4) that, "Where the release of information is likely to cause substantial injury to the reputation or good will of a person, the Administrator shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief." All this means is that some unfortunate business will receive notice that its product or service is about to be condemned.

Mr. President, I have said it before and I shall say it again: mere notification is no real protection to the businessman. In the first place, the judgment of the Administrator prevails, whether he is right or wrong. If he is wrong, notification is not going to aid the business that is going to be publicly maligned.

Besides, the act provides that the Administrator does not have to give any notification at all. If, in his judgment, he decides that an "immediate release" of information is essential to protect the health or safety of the consumer, then he may proceed under his own discretion and deny the businessman an opportunity to challenge the statement. In other words, there is no way for a company to prevent the publication of a false or misleading statement; and after it has been published there is no way in which a company can be compensated for wrongful injury.

These are not remote possibilities arising under this act. They are clear and present dangers. The tragedy of the Marlin Toy Co. of Horicon, Wis., is a case in point. This small company, employing 75 individuals, has been driven to bankruptcy. How did this happen? Through administrative negligence and error in the Federal Government.

For many years, the Marlin Toy Co. manufactured a toy known as the flutter ball. It was a clear, plastic ball, containing a plastic butterfly and plastic pellets. The toy sold well. It was popular with children. But in November of 1972, at the outset of the Christmas season, the Food and Drug Administration notified—notified, I repeat—the Marlin Toy Co. that its flutter ball was banned and would have to be withdrawn from the market. The Food and Drug Administration reasoned—and I am certain that the FDA took all reasonable measures that its information was correct—that the ball was unsafe, even though no injury had ever been reported. According to the FDA, however, there was a possibility that the ball might break, and if so, that a child might swallow or inhale the plastic pellets.

The Marlin Toy Co. suffered a severe financial setback, but proceeded to redesign the toys without the pellets, hoping to regain its losses in the following year. The company submitted the toy to the FDA, and the FDA assured Marlin that the toy was now acceptable. The Marlin Toy Co. was back in business—but not for long. Through administrative oversight, the Consumer Products Safety Commission neglected to remove the product from the holiday list of banned toys. The Commission admitted its mistake and apologized, assuring the Marlin Toy Co., that it would issue a corrected list. By this time, however, it was too late. The damage had already been done, and the Marlin Toy Co., was in a state of financial ruin. As of February 1974, the Marlin Toy Co. had suffered a loss of $87,000, not counting its losses in future sales and goodwill. The factory is now an empty shell, and most of the employees have been laid off.

Because the Federal Tort Claims Act does not permit recovery for such offenses as misrepresentation or false statements by Federal authorities, the distinguished Senator from Wisconsin (Mr. PROXMIRE) introduced a private bill during the last session to grant relief to the Marlin Toy Co. I cosponsored this bill, and the Consumer Products Safety Commission offered its support as well. If the Marlin Toy Co. is compensated for the wrongful damages, it may yet survive.

But if the Consumer Protection Act is passed, Mr. President, it is reasonable to believe that there will be more Marlin Toy companies put out of business, more bankruptcies, and more people put out of work because of bureaucratic mistakes. Indeed, the likelihood of similar errors is greatly increased under the Agency for Consumer Advocacy. If the Consumer Products Safety Commission cannot adequately handle a matter involving the safety of a simple plastic ball, we can well imagine the difficulties that the Agency for Consumer Advocacy will experience. For this new agency will be dealing with a great variety of sophisticated and technical products, concerning not only their safety, but their durability, their usefulness, and their general worth.

In a recent column by Nicholas von Hoffman of the Washington Post, the calamity of the Marlin Toy Co. was brought to the attention of the American public. As Mr. von Hoffman has observed, the Marlin case raises a crucial issue. The buyers need to be informed about the products they are using, but "now the question is how can public administration learn to protect the buyer and the seller too?"

My amendment, Mr. President, is designed to protect both the buyer and the seller. It will create a new section (27) on page 52 of S. 200, immediately below line 16. Subsection (a), paragraph 1 of this section provides that any person may bring a civil action for monetary damages against the United States, if the Administrator, or any officer or employee of Agency for Consumer Advocacy, as defined in section 551 of title 5, United States Code, of the Federal Government, makes or causes to be made a false or misleading statement which results in reduced sales or consumer demand for any product or service.

Paragraph 2 exempts the United States from punitive damages, but otherwise holds it liable in the same manner as a private individual.

Subsection (b) confers exclusive jurisdiction over actions brought under this section upon district courts of the United States, and the U.S. District Court for Guam, the Canal Zone, and the Virgin Islands.

Paragraph 2 grants the right of trial by jury to any party to any action arising under this section, and subsection (c) provides that appellate review of any action brought under this section shall be had in the same manner and subject to the same requirements as an action brought under section 1346(b) of title 28, United States Code.

To conform the language of section 11(c)(1), previouly mentioned to this amendment, this amendment provides that the paragraph shall be amended to state that the Administrator shall exercise great care to determine that information is accurate.

Mr. President, the Agency for Consumer Advocacy has extensive powers under this act. Some have argued that its powers are too extensive. In the interest of governmental restraint of power, in the interest of justice, and in the interest of both the consumer and the business community, I urge support of this amendment.

I think the point has been made, Mr. President. There ought to be some protection for people who are wrongfully maligned and damaged by the Federal Government. They ought to have recourse. That is the purpose of this amendment.

Mr. PERCY. Mr. President, I have looked carefully at the amendment offered by our distinguished colleague (Mr. HELMS). I was struck by the fact that we were both deeply concerned about the same thing.

Certainly, we do not want this agency

to be in a position where it could unfairly damage any business firm.

For that reason the Senator from Illinois introduced an amendment to the bill some 2 or 3 years ago, which is now part of the committee bill, in section 11, Limitations on Disclosures, where we provide in paragraph 4 on page 30 of the bill as follows:

> (4) Where the release of information is likely to cause substantial injury to the reputation or good will of a person, the Administrator shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed ten days, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 10(b)(7).

The purpose of that was to be certain that a firm or company was notified that there was going to be a complaint so that they could respond, and so that if there were to be a publication of the complaint it would be simultaneous, along with the answer.

Within the Government Operations Committee, we tried this in several specific cases where, though it was not provided for by law, as it is here. One vivid instance involved certain pharmaceutical companies. I remember the Senator from Connecticut (Mr. RIBICOFF), suggested at that time.

> Let us now establish the principle in government that we are trying to establish for the Agency for Consumer Protection. Accordingly, we promptly contacted the 10 pharmaceutical companies involved and apprised them of the situation.
>
> Under the provisions I have cited, if any company wants to reply, it can reply simultaneously with the complaint that is made. Generally when a charge is made it is on page 1, and when an answer comes later it is on the obituary page.

The Senator from Connecticut could not have been more helpful in the case involving the pharmaceutical companies. Now we embody the procedure of prior notice in law as a protection in this particular section.

Mr. RIBICOFF. If the Senator will yield, the Senator from North Carolina might be interested that somewhere in the long consideration of the bill I anticipate that an amendment will be offered taking away this protection.

As manager of the bill I will oppose it. It does seem to me that we do raise something of a problem by setting up a standard for this agency that we do not have in any other regulatory agency, and it could very well be that the Judiciary Committee should be considering whether all regulatory agencies should be subjected to such a procedure or rule as that suggested by the Senator from North Carolina. Otherwise we are putting a burden on this agency that no other agency has.

Mr. HELMS. Mr. President, if the Senator will yield, I agree with that. However, this is a new bureaucracy that we are creating—and I am not all that concerned about placing a burden of responsibility on it.

Mr. PERCY. Mr. President, it would appear to the Senator from Illinois that this proposed remedy might constitute a tremendous burden for this one agency, because those who would want to frustrate its activities could constantly challenge it in court, tie up the administrative personnel, and tie up the ACA's funds. We do not really know what would be the effect of such a proposal.

I think it should be looked at, though. I would fully support the Committee on the Judiciary looking into it to see whether the principle that the distinguished Senator is trying to incorporate for this one agency might not be considered for all regulatory agencies, as well as the Agency for Consumer Advocacy, which is not a regulatory agency, but will function like an ombudsman.

Mr. RIBICOFF. Mr. President, there would be a greater burden on this agency than any other agency, and this is the one agency that has no rulemaking power and no right to issue any regulations.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. HELMS. It will have access to the news media. That is where much of the damage will be done, I would say to the distinguished Senator.

Mr. RIBICOFF. Mr. President, I would say they have no more access to the news media than any other agency of the Federal Government.

Mr. HELMS. But it is involved in most sensitive areas of commerce, I would say to the Senator.

Mr. President, I am encouraged by the comments of both of the distinguished Senators, and I appreciate what they are saying. I am tempted to withdraw my amendment if I can secure from each of the Senators the assurance that they will join the Senator from North Carolina in urging the Judiciary Committee to examine this whole question.

Mr. RIBICOFF. The whole question, not just as it applies to this agency.

I would hope then, that when an amendment is introduced to eliminate this protection the Senator from North Carolina will support the Senator from Connecticut in trying to defeat the amendment.

Mr. HELMS. The Senator from North Carolina will go along with the Senator from Connecticut. Yes, the Senator from Connecticut can count on that.

In light of the discussion here on the floor, Mr. President, I think we have made some progress along the lines I desire. Therefore, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open for further amendment.

AMENDMENT NO. 433

Mr. PEARSON. Mr. President, I call up my amendment 433 in the nature of a substitute to S. 200.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. PEARSON. Mr. President, I ask unanimous consent to dispense with the further reading of the amendment in the nature of a substitute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, on this amendment on page 7, there is an omission which was inadvertently made, at the time the amendment was printed.

In view of the fact that we are operating pursuant to the provisions of rule XXII of the rules of the Senate, I ask unanimous consent that on page 7, line 11—and I understand this has been discussed with the managers of the bill—following the word "reappointed" that the words "or his successor is appointed" be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment in the nature of a substitute, as modified it as follows:

AMENDMENT NO. 433

Strike all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Consumer Protection Act of 1975'.

"STATEMENT OF FINDINGS AND PURPOSES

"SEC. 2. (a) The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; that regulations have been adopted and policies have been promulgated by the Federal Government without first securing available information as to the potential costs and benefits of such regulations and policies; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy. As a result of this lack of effective representation before and within Federal agencies and courts, consumers suffer economic harm and other adverse consequences in the course of acquiring and using goods, services, and credit available in the marketplace.

"(b) The Congress therefore declares that—

"(1) Effective consumer advocacy before and within Federal agencies would help such agencies to exercise more fully and effectively their statutory responsibilities, in a manner consistent with the public interest and with effective and responsive government. It is the purpose of this Act to protect and promote the interests of the people of the United States, as consumers of goods and services that are made available through commerce, by establishing independent Offices of Consumer Counsel within the executive branch and certain agencies of the Federal Government.

"(2) It shall be the purpose of each Office of Consumer Counsel to represent the interests of consumers before and within the Federal agency of which it is a part and before the Federal courts in matters relating to such agency; to receive and transmit consumer complaints; to develop and disseminate information of interest to consumers; and to perform other functions to protect and promote the interests of consumers. In the exercise of its functions, powers, and duties, each such Office shall be independent of all other offices and officers of the agency of which it is a part.

"(3) It is the purpose of this Act to promote the protection of consumers with respect to the—

"(A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

"(B) preservation of consumer choice and a competitive market;

"(C) prevention of unfair or deceptive trade practices;

"(D) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

"(E) provision of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit;

"(F) protection of the legal rights and remedies of consumers; and

"(G) provision of estimates of the costs and benefits of programs and activities established by regulations and laws of the Federal Government.

"DEFINITIONS

"SEC. 3. As used in this Act, unless the context otherwise requires—

"(1) 'agency action' includes the whole or any part of an agency 'rule,' 'order,' 'license,' 'sanction,' or 'relief' (as defined in section 551 of title 5, United States Code), or the equivalent thereof, the denial thereof, or the failure to act;

"(2) 'agency activity' means any agency process, or phase thereof, conducted pursuant to any authority or responsibility under law;

"(3) 'agency proceeding' means agency 'rulemaking,' 'adjudication', or 'licensing' (as defined in section 551 of title 5, United States Code);

"(4) 'commerce' means trade, traffic, commerce, or transportation, within the jurisdiction of the United States, (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffic, commerce, or transportation described in clause (A);

"(5) 'consumer' means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes:

"(6) 'Consumer Counsel' means, with respect to a Federal agency, as defined in this section, the officer who is appointed pursuant to this Act to represent the interest of consumers in accordance with this Act;

"(7) 'Federal agency' or 'agency' means the Departments of Agriculture, Defense, Commerce, Health, Education, and Welfare, Housing and Urban Development, Interior, Justice, Labor, Transportation, and Treassury, the Civil Aeronautics Boards, the Consumer Product Safety Commission, the Energy Research and Development Administration, the Environmental Protection Agency, the Federal Communications Commission, the Federal Energy Administration, the Federal Maritime Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, the National Aeronautics and Space Administration, the National Transportation Safety Board, the Securities and Exchange Commission, and the Small Business Administration;

"(8) 'Federal court' means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the United States Customs Court, the United States Court of Customs and Patent Appeals, the United States Tax Court, and the United States Court of Claims;

"(9) 'interests of consumers' means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

"(10) 'participation' includes any form of submission;

"(11) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

"(12) 'submission' means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

"ESTABLISHMENT

"SEC. 4. There is hereby established within each Federal agency an independent Office of Consumer Counsel. Each such Office shall be directed and administered by a Consumer Counsel. Each Consumer Counsel shall be appointed by the President, by and with the advice and consent of the Senate, for a term not to exceed four years and shall be compensated at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. Each Consumer Counsel shall be an individual who, by reason of training, experience, and attainments, is qualified to represent effectively and independently the interests of consumers. Upon the expiration of his term, each Consumer Counsel shall continue in office until he is reappointed or his successor is appointed and qualifies. A Consumer Counsel may be removed by the President for neglect of duty or malfeasance in office.

"POWERS AND DUTIES OF CONSUMER COUNSEL

"SEC. 5. (a) Each Consumer Counsel shall be responsible for the exercise of the powers and the discharge of the duties of the Office, and shall have the authority to direct and supervise all personnel and activities thereof.

"(b) In addition to any other authority conferred upon him by this Act, each Consumer Counsel may, in carrying out his functions under this Act and to the extent funds are appropriated—

"(1) select, appoint, employ, and fix the compensation (subject to the civil service and classification laws) of such officers and employees as are necessary to carry out the provisions of this Act, and shall prescribe the authority and duties of such officers and employees;

"(2) employ experts and consultants, in accordance with section 3109 of title 5, United States Code. Each Consumer Counsel may compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for Grade GS–18, as provided in section 5332 of title 5, United States Code, and may, while such experts and consultants are so serving away from their homes or regular place of business, pay them travel expenses and per diem in lieu of subsistence at rates authorized, by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

"(3) promulgate, in accordance with the applicable provisions of the Administrative Procedure Act, title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act, and to assure fairness to all persons affected by the actions of the Office, and to delegate authority for the performance of any function to any officer or employee under his direction and supervision;

"(4) utilize, with their consent, the services, personnel, and facilities of State, regional, local, and private agencies and instrumentalities;

"(5) accept voluntary uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

"(6) conduct conferences and hearings and otherwise secure data and expression of opinion;

"(7) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible;

"(8) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with other Offices of Consumer Counsel and with State and local agencies carrying out programs and activities related to the interests of consumers;

"(9) appoint such advisory committees as he deems necessary or appropriate to assist him with respect to his functions under this Act. Each Consumer Counsel may compensate the members of any such advisory committees (other than those who are regularly employed by the Federal Government) in the manner provided under paragraph (2) of this subsection. All meetings of such committees shall be open to the public, and interested persons shall be permitted to attend, appear before, or file statements with any such committee, subject to such reasonable rules or regulations as the Consumer Counsel involved may prescribe; and

"(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

"(c) Each Consumer Counsel shall prepare and submit a monthly report, on the activities of his Office of Consumer Counsel, to the head of the Federal agency of which such Office is a part, and he shall prepare and submit to the President and to the Congress simultaneously, not later than April 1 of each year beginning April 1, 1976, an annual report on such activities. Each such annual report shall include a description and analysis of—

"(1) the activities of his Office, including its representation of the interests of consumers;

"(2) the relevant Federal agency actions and Federal court decisions affecting the interests of consumers;

"(3) the appropriation by Congress for the Office, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Office for each of the next three fiscal years; and

"(4) the extent of participation by consumers in the activities of his Office, and the effectiveness of the representation of consumers before the agency of which his Office is a part.

"(d) Each office and officer of the agency of which an Office of Consumer Counsel is a part shall provide such Office with such information and data as the Consumer Counsel requests, except as provided in section 11 of this Act. The budget requests and budget estimates of each Office of Consumer Counsel shall be submitted by the agency of which it is a part directly to the Congress, and moneys appropriated for the use of such an Office shall not be used by the agency of which it is a part for any other purpose.

"OFFICE FUNCTIONS

"SEC. 6. Each Consumer Counsel shall—

"(1) represent the interests of consumers within and before the agency of which his Office is a part and before the courts, to the extent authorized by this Act;

"(2) conduct and support research, and studies, to the extent authorized by section 10 of this Act;

"(3) submit recommendations annually to the appropriate committees of the Congress and the head of the agency of which his Office is a part, on measures to improve the operation of such agency and of the Federal Government in general in the protection and promotion of the interests of consumers, including, but not limited to, any reorganization recommendations;

"(4) receive, transmit to appropriate officials, and make publicly available consumer complaints, to the extent authorized in section 8 of this Act;

"(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal officials or agencies;

"(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

"(7) keep the appropriate committees of Congress fully and currently informed of all the activities of his Office, when asked or on his own initiative;

"(8) encourage the adoption and expansion of effective consumer education programs;

"(9) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

"(10) encourage the development of informal dispute settlement procedures involving consumers;

"(11) encourage meaningful participation by consumers in the activities of his Office;

"(12) publish information and material obtained and developed in carrying out his responsibilities under this Act, including, but not limited to, a consumer register of matters that may be useful to consumer; and

"(13) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

"REPRESENTATION OF CONSUMERS

"SEC. 7. (a)(1) Whenever a Consumer Counsel determines that the result of a relevant proceeding or activity of the agency of which his Office is a part may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers, as provided in paragraph (2) of this subsection. The Consumer Counsel shall refrain from intervening in any proceeding as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The Consumer Counsel shall comply with the relevant Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with laws and agency rules of procedure of general applicability governing the conduct thereof. The intervention or participation of a Consumer Counsel in any proceeding or activity in accordance with this subsection shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedure fairness to all participants.

"(2) Whenever a Consumer Counsel determines, with respect to the agency of which his Office is a part, that the result of any relevant Federal agency proceeding—

"(A) which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code;

"(B) which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice;

"(C) which is conducted on the record after opportunity for an agency hearing; or

"(D) which provides for public notice and opportunity for comment; may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers in such proceeding.

"(b) At such time as a Consumer Counsel determines to intervene or participate in a proceeding under subsection (a)(2) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a)(1) of this section and stating concisely the specific interest of consumers to be protected. Upon intervening or participating, he shall file a copy of such statement in the proceeding.

"(c) To the extent that any person, if aggrieved, would by law have such right, a Consumer Counsel shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding that involves an action of the agency of which his Office is a part;

"(1) A Consumer Counsel may, as of right, and in the manner prescribed by law, initiate a civil action in a Federal court for the review of a relevant Federal agency action that the Consumer Counsel determines may substantially affect an interest of consumers. If the applicable Consumer Counsel did not intervene or otherwise participate in such Federal agency proceeding or activity out of which such agency action arose, the Consumer Counsel, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration. Such a petition shall be filed within 60 days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Consumer Counsel may initiate a judicial review proceeding immediately if the Federal agency does not finally act upon such a petition within 60 days after the filing thereof, or at such earlier time as may be necessary to preserve the Consumer Counsel's right to obtain effective judicial review of the Federal agency action. If the applicable Consumer Counsel did not intervene or otherwise participate in the relevant Federal agency proceeding or activity, the court shall determine whether the Consumer Counsel's initiation of a judicial proceeding pursuant to this subsection would impede the interests of justice. When the Consumer Counsel initiates a judicial proceeding arising out of a relevant agency proceeding or activity in which he did not intervene or otherwise participate, he shall file a statement setting forth the reasons for such failure, for the court's consideration in connection with its determination as to whether the initiation of such a proceeding would impede the interests of justice.

"(2) A Consumer Counsel may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil action in a Federal court if such civil action involves the review or enforcement of an action of the agency of which his Office is a part, if he determines that such civil action may substantially affect an interest of consumers.

(3) The initiation, or other participation of, by a Consumer Counsel in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.

"(d) Whenever a Consumer Counsel determines it to be in the interest of consumers, he may request the relevant Federal agency to initiate a judicial proceeding for review, or to take such other action, as may be authorized by law with respect to such agency. If such Federal agency fails to take the action requested, it shall promptly notify the Consumer Counsel of its reasons therefor, and such notification shall be a matter of public record.

"(e) Appearances by an Office of Consumer Counsel under this Act shall be in its own name and shall be made by qualified representatives designated by the respective Consumer Counsel.

"(f) In any Federal agency proceeding in which a Consumer Counsel is intervening or participating pursuant to subsection (a)(2) of this section, such Consumer Counsel is authorized to request such Federal agency to issue, and such agency shall issue, such orders as are authorized pursuant to its statutory powers for the copying of documents, papers, and records, for the summoning of witnesses and the production of books and papers, and for the submission of information in writing. Such orders shall only be issued by a Federal agency upon a statement or showing by the Consumer Counsel of general relevance and reasonable scope of the evidence sought, if such a statement or showing is required by the general rules of procedure of such agency.

"(g) A Consumer Counsel is not authorized to intervene in proceedings or actions before State or local agencies and courts.

"(i) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with its Consumer Counsel, shall issue any additional rules which may be necessary to provide for such Consumer Counsel's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers.

"(j) Each Consumer Counsel is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. Each Consumer Counsel shall notify the principal sponsors of any such petition, within a reasonable time after receipt of any such petition, of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If a Consumer Counsel declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

"CONSUMER COMPLAINTS

"SEC. 8. (a) Whenever a Consumer Counsel receives from any person any complaint or other information which discloses—

"(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a Federal court relating to an interest of consumers; or

"(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous or outside the jurisdiction of the agency of which his Office is a part, promptly, transmit such complaint or information to the Federal official which has the authority to enforce any relevant law or to take appropriate action. Each Federal agency shall keep its Consumer Counsel informed to the greatest practicable extent of any action which it is taking on complaints transmitted by him.

"(b) Each Consumer Counsel shall promptly notify producers, distributors, retailers, lenders, or supplies of goods, services, and credit of all complaints of any significance concerning them received or developed under this section, unless such Consumer Counsel determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

"(c) Each Consumer Counsel shall maintain a public document room for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), containing an up-to-date listing of all consumer complaints of any significance which he has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless a Consumer Counsel, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

"(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

"(2) the Federal official to whom the complaint has been referred has had a reasonable time to notify the Consumer Counsel what action, if any, he intends to take with respect to the complaint; and

"(3) no unsigned complaints shall be placed in the public document room.

"CONSUMER INFORMATION AND SERVICES

"SEC. 9. (a) In order to carry out the purposes of this Act each Consumer Counsel shall develop on his own initiative, and shall, subject to the other provisions of this Act, gather from other offices and officers of the agency of which his Office is a part and from any other source, and shall disseminate to the public (in such manner, at such times, and in such form as he determines to be most effective), information, statistics, and other data, including, but not limited to, any matter over which his agency has jurisdiction concerning—

"(1) the functions and duties of his Office;

"(2) consumer products and services;

"(3) problems encountered by consumers generally or conditions, situations, developments, or practices which may adversely affect consumers; and

"(4) notices of hearings, proposed and final rules and orders, and other pertinent activities of the agency of which his Office is a part that affect consumers.

"(b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with their respective Consumer Counsels in making such information available to the public.

"STUDIES

"SEC. 10. Each Consumer Counsel is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, and surveys concerning the interests of consumers: Provided, That such activities are not duplicative of other efforts of the respective agencies.

"ACCESS TO INFORMATION

"SEC. 11. (a) Upon written request by the Consumer Counsel, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which such Consumer Counsel deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny its Consumer Counsel access to and copies of—

"(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

"(2) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

"(3) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulations or supervision of financial institutions;

"(4) information which would disclose the financial condition of individuals who are customers of financial institutions; and

"(5) trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code—

"(A) obtained prior to the effective date of this Act by such Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Consumer Counsel that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Consumer Counsel, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

"(B) obtained subsequent to the effective date of this Act by the Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

"(b) Before granting a Consumer Counsel access to trade secrets and commercial or financial information described in section 552 (b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall, notwithstanding section 18(b) of this Act, afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief. Where access to information is denied to its Consumer Counsel by a Federal agency pursuant to this subsection, the head of the agency and the Consumer Counsel shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

"LIMITATIONS ON DISCLOSURE

"SEC. 12. (a) Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by a Consumer Counsel or any employee or agent of his Office.

"(b) No officer or employee of an Office of Consumer Counsel shall disclose to the public any information which was received solely from its Federal agency when such agency has notified the Consumer Counsel that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, such information may be disclosed in such form or manner.

"(c) The following additional provisions shall govern the release of information by a Consumer Counsel pursuant to any authority conferred by this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 7 of this Act:

"(1) A Consumer Counsel, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. A Consumer Counsel shall comply with any notice by his Federal agency pursuant to section 11(b) of this Act that such information should not be made available to the public or should be disclosed only in a particular form or manner.

"(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior, inferior, or preferable in quality over those not tested.

"(3) Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

"(4) Where the release of information may cause substantial injury to the reputation or good will of a person, the Consumer Counsel shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 11(a)(5) of this Act.

"NOTICE

"SEC. 13. Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by its Consumer Counsel, notify him of any proceeding or activity at such time as public notice is given.

"SAVING PROVISION

"SEC. 14. Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the appropriate Consumer Counsel as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

"EXEMPTIONS

"SEC. 15. (a) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force), the military weapons program of the Energy Research and Development Administration, and the broadcast license renewal proceedings of the Federal Communications Commission.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 16. For purposes of this Act, existing appropriated funds should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $500,000 for each Office of Consumer Counsel for the fiscal year ending June 30, 1976, $125,000 for the fiscal year transition period from July 1, 1976, through September 30, 1976, and $500,000 for the fiscal year ending September 30, 1977.

"EVALUATION BY THE COMPTROLLER GENERAL

"SEC. 17. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act.

"(b) Not less than 30 months nor more than 36 months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his study conducted pursuant to subsection (a) of this section, which shall contain, but not be limited to, the following:

"(1) an evaluation of the effectiveness of consumer representation activities authorized by this Act;

"(2) an evaluation of the effect of the activities of the Consumer Counsels on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

"(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives as set forth in section 2 of this Act.

"(c) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by Consumer Counsels shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.

"MISCELLANEOUS PROVISIONS

"SEC. 18. (a) Nothing in this Act should be construed to limit the discretion of any Federal agency or court, within its authority, including a court's authority under rule 24 of the Federal Rules of Civil Procedure, to grant a Consumer Counsel additional participation in any proceeding or activity, to the extent that such additional participation may not be as of right, or to provide additional notice to the respective Consumer Counsel concerning any agency proceeding or activity.

"(b)(1) No act or omission by any Consumer Counsel or any Federal agency relating to such Consumer Counsel's authority under sections 7 (a), (d), (f), (i), and (j), 8, 9, 12, and 13 of this Act shall affect the validity of an agency action or be subject to judicial review: *Provided*, That—

"(A) a Consumer Counsel may obtain judicial review to enforce his authority under sections 7 (a), (d) (f), (i), and (j), 9, and 13 of this Act: *Provided, further*, That he may obtain judicial review of his Federal agency determination under section 7(f) of this Act only after final action by such agency and only to the extent that such determination affected the validity of such action;

"(B) a party to any agency proceeding or a participant in any agency activity in which its Consumer Counsel intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Consumer Counsel's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

"(C) any person who is substantially and adversely affected by any action taken by a Consumer Counsel pursuant to section 7 (f), 9(a), or 12 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

"(2) For the purposes of this subsection, a determination by a Consumer Counsel that any proceeding or activity of the agency of which his Office is a part may substantially affect an interest of consumers or that his intervention in any proceeding is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

"PUBLIC PARTICIPATION

"SEC. 19. (a) After reviewing its statutory authority and rules of procedure, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

"(1) petition the agency for action;

"(2) receive notice of agency proceedings;

"(3) file official complaints (if appropriate) with the agency;

"(4) obtain information from the agency; and

"(5) participate in agency proceedings for the purpose of representing their interests.' Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

"(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

"(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

"COST AND BENEFIT ASSESSMENT STATEMENTS

"SEC. 20. (a) In furtherance of the purpose and policy of section 2(b)(3) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, and which are likely to have a substantial economic impact. Each such statement shall be short and concise, and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

"(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

"(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

"(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule.

"(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefits assessment statement.

"(e) Each agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

"(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, may furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

"(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be first published at the end of the year in which it was prepared in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding 12 months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code.

"(f) The President, or his designee, shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) of this section and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendation submitted to the President by the Director of the Office of Management and Budget and the Comptroller General of the United States. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93-637 (88 Stat. 2193; 15 U.S.C. 57 (a), (b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect 90 legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations.

"(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a) of this section. The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed 30 days from the date of submission to the Congress of such legislation.

"(h) In addition to the definitions in section 3 of this Act, the following definitions shall apply with respect to the provisions of this section:

"(1) 'benefit' includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such nonquantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action;

"(2) 'cost' includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes;

"(3) the term 'legislation' or 'law' means a statute of the United States or any amendment thereto; and

"(4) the term 'rule' means 'rule' as defined by section 441(4) of title 5, United States Code.

"(i) The Comptroller General of the United States shall monitor and evaluate the implemention of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress and to the Congressional Office of the Budget a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section.

"(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

"(k) The requirements of this section shall supersede the requirements of any existing executive order or law imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

"(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section.

"EFFECTIVE DATE

"SEC. 21. (a) This Act, other than section 20 of this Act, shall take effect 90 calendar days following the date on which this Act is enacted, or on such earlier date as the President shall prescribe and publish in the Federal Register.

"(b) Notwithstanding subsection (a) of this section, any of the officers provided for in this Act may be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act.

"SEPARABILITY

"SEC. 22. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.".

Amend the title so as to read: "A bill to establish an independent Consumer Counsel within certain Federal agencies in order to protect and serve the interests of consumers, and for other purposes.".

Mr. PEARSON. Mr. President, this amendment establishes independent "Offices of Consumer Counsel" within Federal agencies whose activities directly affect the consumer interest. The duties and activities of each Consumer Counsel closely parallel those granted the Administrator of the Agency for Consumer Advocacy established by S. 200.

BACKGROUND TO THE DEBATE

Mr. President, the efforts of those who have sought increased protection for the consumer in the public forums of American society are well known and commendable. Public awareness of the "consumer interest" has increased. Consumerism has become an economic and social fact of life.

In past years, most Americans believed that the traditional institutions of our society were sufficient to meet what they perceived to be the consumer interest. Business concerns were to produce in sufficient quantities those goods and services needed in a modern society. Government was charged with the responsibilities of promoting increased production and an expanding economy while protecting the health, safety, and welfare of the public.

Somewhere along the way, this viable and utilitarian system became suspect. On the one hand, the American public demanded ever increasing quantities of goods and services. On the other hand, the public called upon Government to assume a more aggressive role in promoting the consumer interest. As the economy expanded, so did the number and scope of consumer-oriented programs approved by Congress.

Mr. President, the impact of such programs on the private sector, both in economic and social terms, is substantial. And even though each is designed to benefit the consumer, that same consumer could not be blamed if he found this vast array of Federal mandates and managers somewhat incomprehensible. Indeed, only those enterprises with massive personnel and financial resources are able to monitor effectively the multitude of Federal agency actions which directly affect their interests.

Those who administer Federal consumer programs are charged with the duty to insure due process, not only to the consumer, but the regulated as well. The administrator of a particular program or agency performs executive, quasi-legislative and quasi-judicial functions in promulgating rules, standards, or regulations which affect all concerned interests.

The Senate has testimony to the effect that business interests outnumber consumer interests in Federal proceedings by 100 to 1. All too often, the consumer side of national issues is not heard. Those who administer consumer-oriented programs are, in many cases, left with the alternative of relying either on business interests for expert testimony, or on their own best judgment as to what the consumer interest might be. It is prudent, therefore, that we move forward to promote consumer advocacy in the Federal administrative process.

PURPOSE OF S. 200

Mr. President, S. 200 has been proposed to promote consumer advocacy. Its primary function is to establish a single consumer advocate within the Government. It is suggested that with adoption of this proposal, the confusion and lack of representation now evident in our consumer effort will be abated.

I do not deny that the voice of the consumer has gone unheard in the cacophony of the Federal regulatory process. Nor do I deny the need for Congress to act expeditiously in providing attentive consumer advocacy in the administrative and judicial processes.

However, I question the claims of those who maintain that S. 200 provides the most viable approach. And I doubt whether one individual, and a single staff, can effectively monitor public affairs of direct importance to the consumer at all times, in all places, and under all circumstances.

I question, finally, whether a single administrator, as envisioned in S. 200, should be vested with the enormous responsibility to decide the primary "consumer interest" in all situations involving Federal agency action. ACA will be only as effective as a single person—the Administrator—wants it to be; or stated another way, the competence of ACA will reflect the competence of its administrator, and little more.

AN ALTERNATIVE TO S. 200

Mr. President, I believe the Senate should consider an alternative to S. 200; one which seeks to accomplish the same objectives as the bill, but which uses a different mechanism tailored more precisely to the Federal Establishment. Accordingly, I propose my substitute amendment as a means of obtaining substantial reform in behalf of the consumer, at minimal cost and dislocation to the Government.

My substitute proposal addresses itself to two basic questions with respect to S. 200:

First, whether the goal of consumer advocacy is best achieved by the creation of a single agency for consumer advocacy with a single administrator; and

Second, whether the broad information-gathering authority, as contained in section 10 of the bill, is an appropriate extension of power to the Government's consumer advocate.

Mr. President, the proponents of S. 200, as reported by the committee, have answered these two questions in the affirmative. The bill provides a single consumer advocate. Under the bill, the ACA would be required to be expert in all fields of Federal agency action at all times. And the ACA would have broad subpena powers, broad powers to interrogate major business enterprises—powers that lead agencies, charged directly with promoting the consumer interest, do not have.

Mr. President, my substitute would answer these two critical questions in the negative. Instead of establishing a single agency, it would establish within each of 24 major Federal departments and agencies, an independent "Office of Consumer Counsel."

Each Consumer Counsel would be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years. He would have much the same power within his parent agency as is provided the Administrator of the Agency for Consumer Advocacy in S. 200.

Most important of all, each Office of Consumer Counsel would have independence. My amendment provides that each consumer advocate be appointed for a 4 year term by the President, with the advice and consent of the Senate. Each Office is provided with a budget authority of $500,000 each year, with such budget to be submitted directly to the Congress. Finally, each Consumer Counsel has full authority to sue the parent agency if, in his judgment, such suit is in the best interests of the consumer.

POWERS OF CONSUMER COUNSELS

Of all consumer advocacy functions, the most important is the representation of consumer interests in administrative and judicial proceedings. Section 7 of the substitute amendment grants each Consumer Counsel full authority to participate in administrative proceedings, if the interest of consumers in such proceedings, in his judgment, is compelling.

Section 7 of my amendment also grants authority to a Consumer Counsel to initiate any civil proceeding involving the review of an action taken by the relevant Federal agency of jurisdiction, which in his determination substantially affects the interest of consumers. However, if the Consumer Counsel has not participated in the formal administrative proceedings which led to the agency's decision, he must petition the agency for review or rehearing prior to initiating a court action. The agency is given 60 days to act on such petition, after which time the Consumer Counsel may file an appropriate action in a Federal district court. This procedure parallels comparable provisions of S. 200.

Mr. President, as previously noted, I do not believe that a separate Agency for Consumer Advocacy, as envisioned in S. 200, will have resources adequate to meet the demands of the consumer interest.

In implicit recognition of this fact, proponents of S. 200 have conferred upon ACA information-gathering authority over and above that normally granted to an agency of the Federal Government. I believe such authority is inappropriate in this instance.

Accordingly, I have deleted from my substitute the section 10 "dragnet" authority to elicit information from business on business activities. Independent consumer counsels, under my substitute, would have the same access generally to business records as their parent agencies of jurisdiction. If Congress believes that Government needs more information about business, then Congress ought to authorize the responsible agencies to secure such information directly.

Mr. President, by providing Federal agencies with independent Offices of Counsumer Counsel, we can assure that attention will be focused on all aspects of those agencies' work which relate directly to the interests of the consumer. Under the substitute, the independent Consumer Counsels, in the case of the 24 enumerated Federal agencies, would have the powers and the opportunity to insure effective advocacy. Those Consumer Counsels, in the final analysis, would become specialists in their parent agencies' work, and they could be truly effective.

In conclusion, Mr. President, the goals I seek are not dissimilar to those which proponents of S. 200 have set out in their proposal. The proposal I have submitted, in my judgment, is a more efficient and less costly alternative.

I would hope that those who recognize the need to provide the American consumer with a voice commensurate with that of other interests would closely examine this proposal, and lend it their considered support.

This is a fundamental recommendation and a change in the provisions of this bill. And yet, that being true, it is simple of explanation. Rather than an independent overall consumer agency, the substitute purports to establish within 24 agencies, bureaus, and administrations an independent Consumer Counsel.

Section 2, paragraph (7) of the amendment, in the nature of a substitute, contains those agencies, and they are identified and made precise. This is distinguished from the bill itself which, as I understand it, provides for the administrator to intervene in any agency proceeding that relates to consumer interests.

The second major and fundamental provision of this substitute provides for a modification of section 10 of the bill itself, in that the very broad powers of acquiring and disseminating information are very much restricted, and that rather than the sweeping authority to go forth and submit interrogatories and acquire information from the business sector, that the Consumer Counsel in each individual agency shall have the power to acquire and use the information that his agency now has the authority to use. If further information is required, then that agency in itself can request such information.

So, Mr. President, with those fundamental changes, we have a Consumer Counsel in each agency identified rather than the new agency. It is the judgment of those who worked on this particular substitute that there would be greater knowledge, greater expertise, greater ability to handle the precise consumer problems that come up if an independent Consumer Counsel were placed in each individual agency rather than having a large agency seeking to not only go into agency after agency.

Each Consumer Counsel is appointed by the President, confirmed by the Senate. He is independent, as I indicated. The budget authorizations are set forth here, to be submitted independently to Congress.

Mr. President, we think this meets a great number of the objectives of S. 200, and we think at the same time it provides those consumer protection elements which are essential and which are good in this particular bill.

So, Mr. President, let me reiterate that each Consumer Counsel has all of the authority, all of the rights and duties and obligations set forth in S. 200, with the exception, as I have mentioned, of the acquisition of information in section 10.

Mr. President, with that explanation, I reserve the remainder of my time.

Mr. President, it is my intention to ask for the yeas and nays on this particular substitute.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. PEARSON. I yield on my time to the distinguished Senator from Idaho for a unanimous-consent request.

Mr. McCLURE. Mr. President, I ask unanimous consent that Al Timothy and Jim Norell of my staff be accorded the privileges of the floor at all stages of the proceedings on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. I oppose this amendment. It sets up a consumer office in each agency. These offices would not be able to have the independence necessary to adequately represent the interests of the consumers. They would be subject to the same pressures that the agency itself would have. It would be wasteful because it would really create perhaps 30 to 35 new bureaucracies in the Government.

There would be duplication without coordination. These offices would lack information-gathering powers, and they could turn out to be at least as costly as the ACA.

The distinguished Senator from Kansas asks for $500,000 for each office. We think there is nothing to be gained by this proposal. The whole idea of an independent agency to look out for the problems of consumers before the other regulatory agencies is absolutely essential. I oppose the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PEARSON. Mr. President, I shall not respond at length. I think the Senator and I have an understanding of what is involved, and all those interested have an understanding.

I merely recite the fact that on page 11 of the substitute offered the independence is spelled out. I understand the Senator's position, and I do not feel that further debate on this particular proposal is necessary or would add a great deal.

While it is a substantial change, as I have said, the modifications are quite simple, and I am prepared to vote on this matter.

The PRESIDING OFFICER. Has all time been yielded back on the amendment in the nature of a substitute? The question is on agreeing to Mr. PEARSON's amendment in the nature of a substitute, as modified.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The result was announced—yeas 22, nays 70, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—22

Baker
Bartlett
Beall
Bellmon
Brock
Curtis
Dole
Eastland
Fannin
Garn
Griffin
Hansen
Hruska
Laxalt
McClure
Nunn
Pearson
Taft
Talmadge
Thurmond
Tower
Young

NAYS—70

Abourezk
Allen
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—7

Buckley
Goldwater
Gravel
Hartke
Long
Mathias
Stevens

So Mr. PEARSON's amendment (No. 433), in the nature of a substitute, as modified, was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, I would like to just make a comment concerning my friend from Kansas.

Mr. FORD. President, may we have order?

The PRESIDING OFFICER. May we have order in the Senate?

Mr. RIBICOFF. I would not want this vote to be interpreted as a reflection on the consistent efforts that the Senator has made on behalf of the consumers. As a ranking member of the Commerce Committee, the Senator from Kansas has been continuously in the forefront on all matters affecting the consumer. I recognize his sincere belief that his method is preferable to the one that had been advocated by the committee. I differ with the distinguished Senator on this particular proposal, but my respect for him is unbounded when it comes to the problems of the consumer. I do not believe there is a Member of this body who has worked as hard and continuously in behalf of all the consumers of America as Senator PEARSON of Kansas.

Mr. JAVITS. Mr. President, I yield myself 1 minute to make the same statement as my colleague from the majority side. I too, have worked closely with Senator PEARSON in consumer matters. He has no reason to yield to anyone in his concern.

We differ on this particular type of approach, but I am confident that in the future, as he has in the past, he will do his utmost to produce the best kind of consumer protection under whatever we all decide is the proper law. I thank my colleague.

Mr. PEARSON. Mr. President, I thank the distinguished Senator from Connecticut and the distinguished Senator from New York. They are most gracious in their comments. I would have preferred instead a few more votes.

AMENDMENT 452

Mr. KENNEDY. Mr. President, I call up my amendment No. 452 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes amendment No. 452.

The amendment is as follows:

On page 30, line 16, after "(4)" insert "(A)".

On page 30, immediately below line 25, add the following new subparagraph:

"(B) Nothing in this paragraph shall affect the rights of the public to obtain information under section 552 of title 5, United States Code.".

Mr. KENNEDY. I yield myself such time as I may require.

Mr. President, I have had an opportunity to talk to the floor manager of the bill and the author of the provision in the bill to which the amendment I offer is directed.

What we are attempting to do with this amendment is to insure that certain rights for the public to obtain information, which is guaranteed under the Freedom of Information Act, will not be restricted by any of the language contained in the relevant paragraph of this act.

It seems to me that the various requirements included in this section generally, such as notification to any company or individual whose reputation or goodwill is substantially injured, in order to give them adequate time, not to exceed 10 days to comment or respond, is of significant value.

The other provisions of this section which insure that information released at the Administator's initiative is going to be accurate, disclosures by the Administrator are not going to suggest a rating of products not tested, and that any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner, are valuable and would be retained. They seem to me to be highly desirable.

The purpose of this proposal is to insure, however, that information that could be obtained under the Freedom of Information Act from various Government agencies—recognizing the nine exclusions which are contained in the Freedom of Information Act, involving trade secrets, investigative reports, private medical files, national security issues—can equally be obtained from the Consumer Advocacy Agency. To the extent that the Freedom of Information Act applies to all other Federal agencies, it shall also apply to this particular agency.

It seems to me that this amendment is fully consistent with the whole thrust and the purpose of the proposed legislation.

Mr. President, last fall the Congress strengthened the procedures and reaffirmed the basic principles of the Freedom of Information Act. That act guarantees to every American the right of access to Government information, with the full force of the courts to back up that right.

The purpose of my amendment to paragraph 11(c)(4) of the bill to establish an Agency for Consumer Advocacy is simple and straightforward: to insure and clarify that this paragraph does not undercut, circumvent, or derogate the force or intent of the Freedom of Information Act. My amendment would state in plain language that nothing in the paragraph amended affects the rights of the public—both substantively and procedurally—to obtain information from the Agency under section 552 of title 5, the Freedom of Information Act.

The paragraph I am amending presently requires notice to a person before the Administrator releases information that might adversely affect him. Specifically, if the information to be disclosed is likely to cause substantial injury to the reputation or good will of the person, the Administrator must give him reasonable notice, not to exceed 10 days, before disclosing the information, except where matters of health or safety are involved. The person so notified then has the opportunity to comment on the Administrator's proposed disclosure, or to respond to the disclosure. If the provisions of paragraphs (2) and (3) of this section or paragraph (7) of subsection 10(6) are not complied with, then that person may go to court to enjoin the Administrator's affirmative compliance with those paragraphs.

Mr. President, as I earlier stated, I fully support inclusion of that notice requirement. But the way paragraph (4) now reads, it might be misinterpreted as providing the legal authority for the person notified to obtain an injunction to block release of the information, even if that information must be released on request under the Freedom of Information Act. Under this interpretation, which I do not believe was intended by the committee or the bill's sponsors, a new exemption would be grafted onto the Freedom of Information Act for the Consumer Advocacy Agency. Such an exemption would not only be unintended; it would be most unwise.

A number of agencies, including, for example, the Food and Drug Administration, the Environmental Protection Agency, and the Defense Department, attempt to give notice to private parties where the agency tentatively proposes to release information obtained from those parties which might constitute trade secrets or confidential commercial or financial data. The Freedom of Information Act presently contains an exemption, in section 552(b)(4), for this type of information. So under the Information Act, notice to the person who submitted the information is designed to protect his interest against substantial harm to his economic interests, his competitive position. This was the pronouncement of a recent case on the subject decided by the D.C. Court of Appeals, National Parks and Conservation Association versus Morton.

But the information included in paragraph (4) of section 11(c) goes beyond trade secrets or information whose release might cause injury strictly to a business' competitive position. It includes injury to "reputation or good will." This category could possibly cover every piece of information which a person does not want released because it may cause some embarrassment or cast some negative light on his business activities or product. It is precisely this kind of information which discloses consumer deception or fraud, or reveals shoddy or unsafe products. And it is precisely this kind of information which the public should have, which the Freedom of Information Act would require to be disclosed, and which S. 200 should not allow to be shrouded in secrecy.

To summarize, Mr. President, my amendment does not derogate the notice provision in paragraph (4) of section 11(c), so long as the procedural time limits provided by the Freedom of Information Act are followed by the Agency. My amendment does not prevent a person from obtaining relief against the Administrator to prevent violation of sections 11(b) (2) or (3) or section 10(b) (7). It does make clear and unmistakable the application of the Freedom of Information Act to information requested from the Agency for Consumer Advocacy. And in so doing, it again indicates Congress commitment to open Government and the free flow of information to the public.

Mr. RIBICOFF. I say, in behalf of the Senator from New York and the Senator from Illinois (Mr. PERCY), who is the author of subsection 4, that we accept the amendment of the Senator from Massachusetts, which would clarify the act with regard to the release of information under the Freedom of Information Act.

This in no way cuts back the protection contained in this section. It makes the paragraph, itself, clear.

However, it should be pointed out that we want to make sure when we go to conference that in no way is there any inconsistency with other limitations on disclosure of information written into the basic act.

I have discussed this matter with the Senator from New York and the Senator from Illinois, and we accept the amendment.

Mr. KENNEDY. Quite clearly, those protections that are guaranteed in this measure and other sections should be respected. It certainly is not my intention to compromise those safeguards in this proposal.

I thank the Senator from Connecticut and the ranking members of the committee.

I yield back the remainder of my time.

Mr. DOLE. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I am glad to yield.

Mr. DOLE. I do not believe I have any objection to the amendment, but I am not certain what it would do. Is this already provided for in S. 200? Would the Senator from Massachusetts explain the purpose of the amendment, as to whether it would do anything which is not now in S. 200?

Mr. KENNEDY. Under the Freedom of Information Act, if there is any information dealing with deceptive practices or fraud, or, for example, if you have a refrigerator or other household product that is defective but does not constitute a danger to health or safety, but where the release of information could impugn the goodwill of the company or the corporation, under paragraph (4) of section 11(c) of this legislation an injunction might be obtained. If this information were in one of the other regulatory agencies, however, under the Freedom of Information Act a member of the public could obtain such information on request. So it merely coordinates this particular provision to the requirements of the Freedom of Information Act.

As I said, it would not affect what is the desired end of the committee, to provide notice and insure fairness and equity in terms of the distribution of the information by the Administrator. But there is a host of different kinds of business activities that may be considered by the various government agencies which do not fall into the various categories that are recognized as exclusions under the Freedom of Information Act, although if they were made public, they could fall within the definition of being injurious to the reputation or good will of the business involved.

So it does not seem to me that we want to write in a special exclusion for this agency, restricting it from providing information to the public when, actually, they would be able to obtain it under the Freedom of Information Act if it had been developed in any of the other Government agencies. It is purely to apply this right, which has been recognized under the Freedom of Information Act, to this legislation.

Mr. DOLE. The point that the Senator from Kansas is making is that certain agencies acquire certain information based on the premise or promise that it will remain confidential. My point is that we should not try to expand the Freedom of Information Act. I think the Senator from Massachusetts has made clear that certain areas are so protected and that certain information gathered by certain agencies, if it is gathered on the basis of confidentiality, still would be protected. Is that correct?

Mr. KENNEDY. I want to make it very clear that such information—for example, all trade secrets and confidential financial information—are protected under the Freedom of Information Act from mandatory disclosure and would be protected under this amendment.

All the protections which exist and which have been debated for years by Congress and incorporated into the Freedom of Information Act, would absolutely be protected with this provision.

On the other hand, information recognized to be of legitimate interest for release under the Freedom of Information Act also would be available under this provision. It is really basically to conform this legislation to the provisions of the Freedom of Information Act, not to make more restrictive the burden on the public to obtain information which, if it existed in the other Federal agencies, would be available under the Freedom of Information Act. It seems to me that this is wholly desirable.

I agree with the Senator from Kansas that areas which would fall within the definition of the nine exclusions—like trade secrets, confidential commercial or financial information, law enforcement records, information involving individual privacy, medical files, national security—absolutely would continue to be protected from required disclosure as they are under the Freedom of Information Act.

Mr. DOLE. I thank the Senator from Massachusetts.

I have no quarrel with the amendment. I think I understand its purpose. But I just want to emphasize or underscore that we are not changing the law in any way. The Senator is just trying to underpin the present law and make it very clear.

However, there are times when certain information is obtained by a Federal agency with reference to financial matters or trade secrets, and that still will be protected, as I understand it.

Mr. KENNEDY. The Senator is absolutely correct. Nothing in this amendment would change that.

The PRESIDING OFFICER (Mr. BARTLETT). The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BURDICK. I ask the Senator from Connecticut to clarify what effect the bill will have on our vital food export program. I am referring especially to the

Public Law 480 program and private sales of food abroad. Would S. 200 affect these programs?

Mr. RIBICOFF. This bill should in no way affect these programs. The administration of Public Law 480 does not require the agency to conduct formal proceedings. Similarly, it is my understanding that the Government's monitoring of the private sale of food to persons abroad does not involve formal agency proceedings. Consequently the ACA could only present its views in these cases to agencies informally under section 6(a)(3). This section specifically provides that:

> Such submissions shall be presented in an orderly manner and without causing undue delay. Such submissions need not be simultaneous with that of any other person.

Thus, ACA will not be able to force delays in administration of these programs. It will just have the same opportunity any other citizen does to present its views to an agency.

Mr. BURDICK. What if these agency actions involve matters of foreign policy?

Mr. RIBICOFF. The ACA will have no authority to tell the Government what our foreign policy should be. The ACA will be concerned solely with consumer interests. Where the State Department determines, in its discretion, that national security considerations require certain action, the ACA cannot require the State Department to act differently.

Mr. BURDICK. Will the ACA have the right to disrupt longstanding contracts Americans have with buyers of food around the world?

Mr. RIBICOFF. The ACA cannot dictate in any way to private businesses or disrupt contracts already made. The ACA can only act as an advocate, presenting its views to Government agencies for their consideration and action.

Mr. BURDICK. Can the Senator then assure me that S. 200 will not disrupt our food export program or make our balance of payment problems critical?

Mr. RIBICOFF. I can wholeheartedly assure the Senator of this fact.

Mr. BURDICK. I thank the Senator.

AMENDMENT NO. 450

Mr. DOMENICI. Mr. President, I call up my printed amendment No. 450.

The PRESIDING OFFICER (Mr. BARTLETT). The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. DOMENICI. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Yesterday, we considered this amendment for a few moments and decided to set it aside and try to work out a compromise to be sure those people who were aggrieved and might want to seek injunctive relief would have adequate time. We have now worked out the difficulty, and I send to the desk a modification of my printed amendment No. 450.

The PRESIDING OFFICER. Is there objection to the amendment being modified?

The Chair hears no objection, and it is so ordered.

Amendment No. 450, as modified, is as follows:

> On page 27, line 20, delete "days", and add "working days after receipt of such notice".
>
> On page 27, line 20, after "relief", add the following sentence: "Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed."
>
> On page 30, line 20, delete "days" and add "working days after receipt of such notice".
>
> On page 30, line 22, after "public" add the following sentence: "Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed."

Mr. DOMENICI. Mr. President, my amendment will just clarify the 10 days that parties aggrieved have to get into court to seek injunctive relief. Basically, we have defined notice as being 3 days after mailing, if such is used. Then we have given the party or individual or entity 10 working days from and after receipt of that notice, whether it be the notice described here or actual delivery of notice. I have discussed this with the manager of the bill and others, and it seems to be a compromise that I am willing to accept and I hope they are.

Mr. RIBICOFF. Mr. President, I accept the amendment. I take this opportunity to pay tribute to the Senator from New Mexico for his constructive and cooperative attitude. He has many good ideas. We have been able to work them out, last year and this year, and I am more than pleased to accept his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 439

Mr. TAFT. Mr. President, I call up my amendment No. 439 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 37, after the period on line 4, insert the following new sentence: "The Administrator shall have the right to intervene or participate in proceedings brought within the jurisdiction of the National Labor Relations Board administering sections 8(b) (4) and (7), and sections 10(k) and 10(l), of the Labor Management Relations Act of 1974 in title I thereof (29 U.S.C. 151 et seq.).".

Mr. TAFT. Mr. President, this amendment by myself and the distinguished Senator from Kansas (Mr. DOLE) goes into the whole question of exemptions from the ACA of certain activities of the National Labor Relations Board.

While I voted for the Weicker amendment the other day, which would have eliminated the total exemption in the bill at the present time, I can sympathize with some of the arguments made by those who oppose the Weicker amendment, because there are certain matters within the jurisdiction of the National Labor Relations Board which relate so directly to the closed bargaining process, unfair labor practices, and that type of thing between the employer and the employee groups that it is possible that, had the Weicker amendment passed, the ACA might have involved itself in situations in which the interest in trying to determine and settle labor disputes would have exceeded any likely or possible consumer interest. However, there are a couple of areas in which I definitely do not feel that is true. This amendment is designed to try to deal with those areas.

Specifically, what we are dealing with is the area of secondary boycotts and jurisdictional strikes. Specifically, the secondary boycott provisions of the act as set forth in section 8(b)(4) seek to prevent a labor organization from unlawfully enmeshing neutrals who might be other employers or other persons including employees and consumers from being involved in a labor dispute which is not their own or concerning which they have no interest. Indeed, section 8(b)(4) in the proviso recognizes and permits publicity, other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization that a product or products are being produced by an employer with whom the labor organization has a primary dispute.

I point that out again, "for the purpose of truthfully advising the public." If the consumer advocacy agency has any duty to perform, I wonder if it is not one of truthfully advising the public with regard to a dispute of this kind so that the public may make its own judgment. The public certainly, in that regard, includes consumers and members of a labor organization.

Again, in section 8(b)(7)(c) the statute makes specific reference to the protection of consumer interests. The proviso of this section states:

> *Provided* further, That nothing in this subparagraph (c) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of this employment, to pick up, deliver or transport any goods or not to perform any services.

I submit that the statute makes it abundantly clear that it was the intent of Congress to recognize the existence of public and consumer interests and that there is no logical justification for concluding that labor-management relations are too remote in time, space, and effect to warrant elimination of at least this labor area from the coverage of an ACA.

Mr. RIBICOFF. Mr. President, I oppose this amendment. It is similar in many ways to the Weicker amendment, which was already voted on yesterday.

Mr. TAFT. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment. The yeas and nays are ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. MORGAN) is necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The result was announced—yeas 36, nays 57, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—36

Allen
Baker
Bartlett
Bellmon
Brock
Byrd,
  Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Griffin
Hansen
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Laxalt
McClellan
McClure
Nunn
Roth
Scott,
  William L.
Sparkman
Stennis
Stone
Taft
Thurmond
Tower
Weicker
Young

NAYS—57

Abourezk
Bayh
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Talmadge
Tunney
Williams

NOT VOTING—6

Buckley
Goldwater
Gravel
Mathias
Morgan
Stevens

So Mr. TAFT's amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

AMENDMENT NO. 462

Mr. McCLURE. Mr. President, I call up my amendment, No. 462, and ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state amendment No. 462.

The legislative clerk proceeded to read the amendment.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, between lines 3 and 4, insert the following:

The Administrator may not intervene or otherwise participate in any Federal agency proceeding or activity or in any civil proceeding in a Federal court, if such intervention, initiation, or participation is intended to restrict or limit, or have the effect of restricting or limiting, the manufacture, sale, or possession of firearms, antique firearms, ammunition, or components of ammunition. As used in this paragraph, "firearm" means any firearm as defined in section 921(a)(3) of title 18 of the United States Code. As used in this paragraph, "antique firearm" shall mean any antique firearm as defined in section 921(a)(16) of title 18 of the United States Code. As used in this paragraph, "ammunition" means any ammunition, or components of ammunition, including fixed cartridges and shells, primers, bullets, propellants, cartridge cases, and shells designed for use in any firearm. As used in this paragraph, "ammunition, or components of ammunition", shall also mean commercially manufactured blackpowder, percussion caps, safety and pyrotechnic fuses, quills, quick and slow matches and friction primers, intended to be used solely for sporting, recreation, or cultural purposes in antique firearms as defined in section 921(a)(16) of title 18 of the United States Code, or in antique devices as exempted from the term "destructive device" in section 921(a)(4) of title 18 of the United States Code.

The PRESIDING OFFICER. The Senator will suspend. The Senate will come to order.

The Senator may proceed.

Mr. McCLURE. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors to that amendment.

Senators Fannin, Goldwater, Domenici, Eastland, Laxalt, Hansen, Garn, Thurmond, Eagleton, Church, Dole, Helms, Buckley, Schweiker, McGee, Stevens, Hruska, Beall, Packwood, Roth, William L. Scott, and Bartlett.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I yield to the Senator from Georgia (Mr. NUNN) for a unanimous-censent request.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 218

Mr. NUNN. Mr. President, I ask unanimous consent, pursuant to an earlier understanding, although not a formal agreement, that this amendment be set aside for the purpose of having, hopefully, a very short period of time, maybe 15, maybe 20 minutes of debate. I would specifically request 20 minutes of debate and colloquy on the budget resolution conference report which has already passed.

So I ask unanimous consent that this amendment be set aside for a period of 20 minutes to be divided between myself and the Senator from Maine for the purpose of discussing the budget resolution conference report.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. If the unanimous consent is allowed, would the time be charged against the time of the Senator from Idaho?

The PRESIDING OFFICER. No, it would not be charged.

Mr. McCLURE. I thank the Senator. I have no objection.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Georgia is recognized.

Mr. STENNIS. Mr. President, now, may we have order, Mr. President, I think the remarks are of interest to all the membership.

The PRESIDING OFFICER. May we have order in the Senate?

The Senator from Georgia is recognized.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976—CONFERENCE REPORT

Mr. NUNN. Mr. President, this morning I had understood that the conference report on the first concurrent budget resolution would have a rollcall vote at 12:30 p.m. I arrived at about 20 minutes of 12 to make a speech against this resolution, for reasons which I shall go into in a moment, and I found that the resolution had already passed.

The Senator from Maine, the chairman of the committee, made every effort, I am sure, to notify various people he thought might have objections to get them to appear. He can speak on this point better than I, but he ran into problems with the House and their time frame on this particular resolution. Therefore, there was no rollcall vote.

So, even though I would like to have a rollcall vote to register a "no" vote on this resolution for the reasons I shall delineate, that is not possible at this time and, therefore, the Senator from Maine has agreed to a brief colloquy on a very important point concerning the Department of Defense budget.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. NUNN. I am glad to yield to the Senator.

Mr. MUSKIE. I think it might be helpful to Senators to understand the procedural picture this morning.

When I left the Senate yesterday I had an agreement with the leadership that the budget resolution conference report would be the first item of business this morning. There was no understanding with respect to a rollcall vote except that the Senator from West Virginia (ROBERT C. BYRD) made it clear we would not want a rollcall vote called before noon for the convenience of the Members of the Senate. That was agreeable to me, and I had no opinion at that point as to whether a rollcall vote would be desirable.

When I arrived this morning, I came to the floor shortly after 10 for the purpose of proceeding with the business. At that point, the distinguished Senator from Georgia (Mr. TALMADGE) had a special order to make some remarks on the action of the House yesterday on the agriculture bill veto. He had the floor, and Senator BYRD had scheduled a 30-minute morning hour, so it was clear we would proceed about 11 o'clock and we did so.

At that point, no Senators other than myself and the distinguished ranking Republican (Mr. BELLMON) were on the floor. We each made a statement; we inquired as to whether other Senators were interested in participating in the discussion. There were none of which the Senate aides were aware. There were none of which my staff was aware, and we did check specifically with the office of the distinguished Senator from Virginia (Mr. Byrd) because of his ongoing interest in these matters. He indicated he was not interested in participating.

At that point, I was advised by the distinguished Chairman of the House Budget Committee that the House ought to have the papers before noon.

I remind Members that the Budget Act requires that final action on the conference report be taken by May 15 and the House had other business scheduled for today which, if it were started at noon, probably would preclude the taking up of the budget resolution today and might put it over until next week when we would be well beyond our statutory deadline.

Since at that point I had no indication that other Senators were interested in being involved in the discussion, and because I had this urgent call from Congressman Adams, I checked with Senator Bellmon and we both agreed perhaps we could proceed by voice vote to get the matter over to the House and proceed, and that is what happened.

Now, if I did what I have said, it is in no way critical of Senator Nunn. I know of his long-standing interest in the Defense budget and fully understand why he wants to raise these questions and discuss them. I would have welcomed that discussion this morning, as I do this afternoon.

I simply express my regret to Senator Nunn that somehow we were both caught up in rapidly occurring parliamentary events, and that is where we are.

I am personally happy to engage in any discussion that would serve the Senator's interest.

Mr. NUNN. I thank the chairman, my colleague from Maine, and I certainly have no points to cast on him. I understand the exigencies he was operating under and I certainly understand the circumstances.

I do hope in the future that on matters as important as this conference report and the budget resolution, there would at least be notification by the various members of the committee that are handling the matter even though no rollcall vote is contemplated. I would hope under normal circumstances—and I know this morning's circumstances were not normal—there would be a rollcall vote on something setting the overall level of the Government expenditure for the fiscal year that is forthcoming.

Mr. President, first of all I object to the conference report for a reason that I think many Members share, and that is that the overall deficit is too high. It does go up considerably from the Senate deficit, but I also understand the conferees have to reach a compromise, and that is not the major point I would like to make today.

The major point I would like to make is that when we started this year, the administration requested an outlay ceiling of $94 billion, and at the very beginning of this process Senator McClellan announced, after due deliberation and study of the defense budget, that he felt we could cut $5.2 billion off budget authority and $2.1 billion out of outlays.

The net result of this budget resolution which has just passed is that we will be cutting out of outlays or we possibly can be cutting out of outlays certainly a minimum of $3.3 billion.

The other point I would like to make is that this is not really the most likely outcome. The most likely outcome is that we are going to be cutting $5.1 billion out of outlays.

The reason for this is, I suppose, a little complicated, but it needs some explanation.

In the report that the conferees passed, they make it clear on page 9 that the conference report sets a total target limit—and this is a target, not an absolutely binding limit—a target limit of $90.7 billion on outlays for the Defense Department—a $3.3 billion cut from the President's request.

But unlike any other department in Government, they have a provision on page 4 in discussing the national defense budget, labeled (a) on page 4, that states as follows:

> (a) If Congress should decide not to limit increases in defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

Mr. President, what this means is that if we do not go along with the request of the President of the United States to put a 5-percent cap on military and civilian salaries of employees of the Federal Government, then that $1.8 billion additional cost, according to the Budget Conference Committee report, can come out of the $90.7 billion in outlays.

If we assume for a moment that the cap will be removed by Congress—in all likelihood it will be, based on the House resolution which has already passed—then that means that instead of a $90.7 billion outlay ceiling, what we practically have as a real target is an $88.9 billion ceiling.

I am not here, Mr. President, to take a position at this time one way or the other about whether these caps are desirable, or whether there should be a full cost-of-living allowance. That is not the purpose of this colloquy. But I think we should assume a couple of things for a moment: No. 1, that this budget resolution is a serious resolution; No. 2, that the targets, even though they are targets, are the basis on which the total has been arrived at. If we start exceeding these targets on various items, like national defense and others, instead of having an estimated deficit of about $68.8 billion, we will have a deficit much larger than that as we proceed through the years.

Mr. HOLLINGS. Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. HOLLINGS. I was in a conversation this morning with Senator Muskie and Senator Bellmon. The Senator knows, as well as I, serving together on the Budget Committee, our entreaties and considerations during the markup were that we always took the position that the cap did remain. When we were in conference, I was looking at the additional amount. We had an additional $500 million cut. I had talked with the Secretary of Defense and since there had been an end in Vietnam, it was stated that we could have the $500 million cut.

I have to say that in no way did the House want any pay caps on it, but in my mind we were equally adamant and left the pay caps stay. With the additional $500 million cut I could attribute that cut, as a conferee, to the phaseout or the end of the war in Vietnam.

Mr. NUNN. I thank the Senator from South Carolina. I know of his interest in this matter as we have deliberated.

Mr. CHILES. Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. CHILES. I associate myself with the remarks of the Senator from Georgia.

Serving on the Budget Committee and also serving on the Appropriations Committee, I took the figures that the distinguished chairman of the Appropriations Committee had set forth as being the amount he felt the budget could be cut, and we started working from there. I believe in all of our deliberations on our side of the Budget Committee we were cognizant of this and had long deliberations between the difference in budget authority and the difference in outlay, how drastic would be the cuts in outlay in order to effect those cuts, and what kind of steps we actually had to take.

On several occasions on our side of the budget we had much deeper cuts than some of the members of our committee moved. Those cuts were defeated on the basis that it could be so severe to the R. & D. portion of the budget, to personnel and to procurement, that, in order to effectuate those cuts, you would have to go so deep that you could really cut not at all fiber but you would cut into muscle and bone.

Our feeling—and the strength of our committee was very strong—was that we could do much more toward budget outlay which would affect future spending and certainly have a drastic effect on future spending, and try to drive the direction of where future spending would go. But when you went too far on outlay, then you ran into a great danger.

I concur with the Senator from Georgia on the proposition we are faced with here that if this does mean that the caps are totally removed, then we have real problems.

I think it is probably good that this is a walk-through process that we are going through. In no way do I want to minimize what I think is the level, the bottom line of spending. We should not hold ourselves to that. I think the Budget Committee staff needs to be on the floor every time we are passing a new kind of money bill to see how that will affect the overall spending. Thank goodness, this is not poured into concrete, or what we did this morning I think drastically would hurt the military.

I again want to thank the distinguished Senator from Georgia for bringing this to the attention of the Senate. I think this is a valuable colloquy in which he has engaged.

Mr. NUNN. I thank my colleague.

I would like to complete my analysis of this matter and then I shall be glad to yield. I hope the Senator from Maine will help me on the time problem because I believe this point should be made.

As the Senator from Florida said, if we follow directly the implications of this budget resolution and adhere to the targets, in my opinion, if the pay caps are removed, what we would be telling the Federal employees, particularly those in DOD, is "We are going to raise your pay but we are going to take your job away."

The analysis that we made in the Armed Services Committee, and I admit it is a hasty analysis, is that we feel that the most likely result of this particular resolution, assuming it is adhered to, and assuming that the pay cap is removed, is that it will cost 700,000 to 800,000 jobs in the Department of Defense. That includes military and civilian jobs. If you take 700,000 or 800,000 jobs in the Department of Defense, you have closed bases all over this country. You have a result, I believe, that no one could logically propose.

I will give my analysis of that. The implications of a $5.1 billion reduction in outlays—again, this is assuming that caps are removed—is $3 billion higher than the $2.1 billion reduction recommended by the Senate Appropriations Committee. It is $3.6 billion higher than the real, actual reductions found after detailed examination of the program by the Armed Services Committee in the authorization bill. The Armed Services Committee reductions were based upon the same kinds of items recommended in the statement of managers. That included an elimination of military assistance in Southeast Asia, reductions in program growth, inflation estimates, and financial adjustments. Yet the Committee on Armed Services, on which I serve, was only able to find $1.5 billion in outlay reductions after a detailed review of all the line items.

Of course, as we know, the authorization bill does not encompass the entire defense budget. In budget authority, the Armed Services Committee exceeded the recommendation of the Budget Committee, if you take this on a proportional basis and allocate it throughout the entire military budget and not just the part of the budget that has been handled by the Armed Services Committee.

The authorization bill that we passed in the Armed Services Committee that will be debated next week does cover all of the research and development, most of the procurement, and all of the military, civilian and reserve strengths. So it is a large part of the overall total.

Let us assume for a moment that other authorizations and appropriations actions could reduce an additional $1 billion more than the Armed Services Committee bill. In other words, that Senator McClellan and the Appropriations Committee can find an additional $1 billion that will be added to the $1.5 billion that we have already cut in terms of budget outlays. This would still leave $2.6 billion in outlays to be cut to achieve the recommendation of the statement of the managers—an additional $2.6 billion.

We made a detailed analysis in the Armed Services Committee. However, the budget outlay recommendation made by the conference committee exceeds any reasonable outlay that can be achieved, in my opinion, by the Armed Services Committee or the Appropriations Committee without damaging the national security of this country.

I have had a brief analysis of this done by the staff, and I have talked to Senator McClellan's staff, and they also have done a very hasty analysis. This size reduction in outlays most likely will have to be made by cutting military and civilian personnel and by closing bases. A cut of this magnitude in 1 year, in our opinion—assuming that we do not want to do away with research and development and assuming that we do not want to do away with procurement—most likely would require a civilian personnel cut of between 700,000 and 800,000. In my opinion, this massive, undirected cut would create such turmoil and turbulence in our military forces and would require such cuts in forces, bases, and hard military muscle that it would be totally irresponsible.

I think we should be aware of this as we work our way through this admittedly difficult process involving the concurrent resolution.

Mr. STENNIS. Mr. President, will the Senator yield me 1 minute?

Mr. NUNN. I yield.

Mr. STENNIS. Mr. President, I commend the Senator for the work he has done on the Budget Committee. He has been working consistently for reductions. His analysis as to the figures, as I understand them, is undoubtedly correct. Reductions already have been made by the Armed Services Committee in the authorization bill for hardware, weapons, R. & D., and related matters—substantial reductions. Still, it would not meet the requirements of this budget resolution in its present form because of the discriminatory portion that applies to the Department of Defense, and it would be brought right on over into the personnel. Those reductions and outlays would have nowhere else to go. They fall into the category of civilian employees and the uniformed men. It would not apply to retirement; it would not apply to other things. It would have to fall into those categories with respect to reductions. It would be indiscriminate, nationwide, and it would have to be perfected in a short time.

The PRESIDING OFFICER. The Senator's 20 minutes have expired.

Mr. NUNN. Mr. President, I ask unanimous consent that we might have an additional 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The time will be equally divided between the Senator from Georgia and the Senator from Maine.

Mr. NUNN. The Senator from Maine has been very kind in allocating to the Senator from Georgia a good portion of his time.

In response to the Senator from Mississippi, I say that I agree completely with his analysis. It might be that we could find some more in R. & D. and procurement by taking out items we have not taken out so far. I feel that we have cut pretty severely already.

Even if we found another billion dollars in R. & D. and procurement, beyond the billion dollars that Senator McClellan is going to find—and this is by approximation—if we are going on with this budget outlay reduction, with massive layoffs of civilian employees of the Department of Defense and with massive base closings, we are going to see the reduction of our forces which are already below the Korean war level; and if we cut some more in committee, we are going to see that number go down beyond what anyone would prudently want for the national security of our Nation.

I thank the Senator from Maine for being most generous with his time.

Mr. MUSKIE. I am more than happy to do so. I still feel defensive about this morning's foul-up, and I am happy to contribute in the way of time and information in any way I can. I am not sure that I can do it in 3 minutes. I hope I can use time out of my hour on the pending measure, in order to cover the matter more thoroughly.

First, let me make this point. The concurrent resolution this year does not contain targets on functional categories. The only numbers in the concurrent resolution this year having to do with the Defense Department budget is the overall outlay target of $367 billion and the overall budget authority target of 395.8 billion as a result of the conference report. How the $367 billion is to be divided among the 16 functions of the budget has yet to be determined finally by Congress and by the committees.

It is our hope that as we move through the appropriations process, the guidelines which the Budget Committee has developed with respect to the functional categories will be examined closely by the authorizing committees and by the Appropriations Committee, so that we can come close to the overall target of $367 billion when our work is completed.

To ignore the functional categories as they have been developed by the Budget Committee, I think, would be to lose a very important disciplinary tool. They are not binding. That should be made clear. We deliberately chose that course this year, because we felt that it would be difficult enough for the Senate and the House to adjust to this discipline with the overall totals, without getting into these 16 functional categories in a binding way. So I make that point.

Second, with respect to the category 050, which is the defense category, there was a difference between the House number and the Senate number, going into conference, of $1 billion. The Senate amendment assumed outlays of $91.2 billion, and the House resolution assumed budget outlays of $90.2 billion. The House conferees, on the basis of a vote which was taken on the floor of the House, took the position that their $90.2 billion was sufficient to absorb the impact of lifting pay caps. They assured us that from their point of view, their $90.2 billion ceiling, which was $500 million lower than ours, was sufficient to absorb the impact of lifting the pay caps.

That number, the staff tells me, is $600 million for retired pay and approximately $1.2 billion for active duty pay, so that the total impact is $1.8 billion. The House took the position—they are very strong about it—that their $90.2 billion ceiling on defense would absorb that.

What other differences were there between the House numbers and the Senate numbers which in their view justify that conclusion? There are two, mainly. One, they had eliminated all military assistance for Southeast Asia. That number was $1.4 billion in outlays in the President's budget base. Only $500 million had been eliminated. Our action had been taken before the collapse of South Vietnam. So the House had eliminated $900 million more in their defense budget total than the Senate budget had done. In addition, the House had deducted $900 million in outlays from so-called financial adjustments.

Mr. President, I ask unanimous consent to have printed in the RECORD the detail on what the House had done with respect to financial adjustments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINANCIAL ADJUSTMENTS

(a) Receipts from sale of oil from naval petroleum reserves—The House adjusted the estimates provided in the President's budget to reflect the current status of legislation. The Senate did not adjust the President's estimates.	BA O BA O	−1,745 − 944 (+ 277) (+ 300)
(b) Sale of strategic materials—The House assumed that new legislation required to continue sale of strategic and critical materials would not be approved by the House and adjusted the President's estimate accordingly.	BA O	(+ 433) (+ 443)
(c) Family housing—These funds were included by the House in anticipation of a FY 1976 budget amendment to cover increased costs of maintenance and utility costs in the family housing area.	BA O	(+ 295) (+ 236)
(d) Financial adjustments—Each year certain adjustments are made by the Congress to transfer funds. These result in part from funds made available from the sale of equipment which does not need replacement and funds which are made available by applying a surcharge to direct foreign military sales, and in part from unobligated balances brought forward from prior year appropriations.	BA O	(−1,000) (− 700)
(e) Stock fund cash balances—The DOD budget shows an increase in the stock fund cash balances from $300 million on June 30, 1974, to $1,193 million on June 30, 1975. DOD states that a cash balance of $700 million is sufficient to cover cash flow reasonably. The House reduced the estimate to $700 million.	BA O	(− 500) (− 500)
(f) War reserves and inventory replenishment fund—Inventory replenishment fund of $300 million and war reserve for allies of $201 million require change in legislation which is not probable. In addition, $845 million for U.S. war reserves is requested. This seems to be an overstatement of requirements.	BA O	(−1,000) (− 600)
(g) Foreign military credit sales—This reduction reflects final Congressional action on the 1975 Foreign Military Assistance Appropriation by projecting the approved level into FY 1976.	BA O	(− 260) (− 150)
(h) Rejections of rescissions/deferrals	BA O	--------- (+ 27)

Mr. MUSKIE. With those two figures—$900 million in financial adjustments and $900 million more in military assistance to Southeast Asia—they had $1.8 billion, which in their judgment covered the decision they had taken on pay caps. This is where the numbers came out after our discussion.

The House was adamant in its position, because the House had taken a vote, and that vote was critical to passage of the concurrent resolution in the House. The resolution passed by just four votes. So the House conferees were not about to upset that decision on pay caps.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. MUSKIE. Mr. President, may I have 5 minutes out of my time on the pending measure, rather than additional time?

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 minutes.

Mr. MUSKIE. The Senate conferees, on the other hand, did not feel that we were in a position to commit the Senate to a lifting of the pay caps without having had a vote on it in the Budget Committee or a vote on it on the floor of the Senate. So we felt it unresolved so far as the Senate conferees are concerned, and I apologize for the ambiguous language in the report. I shall read it, because it was intended to bridge this gap between the Senate and the House conferees. The only reason we did it this way was that we do not have ceilings on functional categories in this year's resolution. We only have the overall. This is what we put in the report:

> If Congress should decide not to limit increases in Defense salaries and retirement allowances, there are sufficient funds within this total to support that decision.

The first half of that sentence is a gesture toward the Senate; the last half of that sentence is a gesture toward the House.

Next year, we cannot do that sort of thing, because next year we will have ceilings in the resolution on each of these 16 functional categories, and we cannot get that kind of ad hoc compromise between the two groups of conferees.

Mr. President, I must say that I have found the distinguished Senator from Georgia a very useful and effective source of information on the defense budget, in the Budget Committee deliberations. I compliment him for the interest he has taken and for the effort he has made to raise these questions this afternoon. These are matters that the Senate should consider head-on and directly, so that we just do not slide around them. I appreciate that.

Where we are on this point on the Senate side is that a decision has not been taken in any committee, so far as I know, with respect to lifting pay caps. That decision has not been taken. That is yet to be taken.

Second, the decision has not been taken on what should be done with the overall defense number if the cap is lifted. Nobody, so far as the Committee on the Budget is concerned, has made that decision.

Mr. NUNN. On that point, will the Senator yield for one question?

Mr. MUSKIE. Yes, I yield.

Mr. NUNN. I believe the Senator has already made this clear, but to make it abundantly clear, did the conferees intend to make massive cuts in Government DOD personnel, either civilians or military or both, in this report? Was that an intention of the conferees?

Mr. MUSKIE. It was not. As a matter of fact, that subject was not discussed.

Mr. NUNN. I used the word "massive." I ask, for example, did the conferees intend to make cuts as much as 100,000 people in personnel?

Mr. MUSKIE. No such intention was expressed on either side of the conference. Our discussion of the defense number was pretty much limited to—I think totally limited—to the question of the money available from military assistance to Southeast Asia and the financial adjustment item. Those were the only two. We did not take a position with respect to personnel or with respect to the other matters which the Senator has properly raised. Whether or not in the language of the report there are sufficient funds within this total to support that decision would depend upon individual Senators' views on what our total spending ought to be for defense. It is not a position that has been taken so far as the conference is concerned. I am delighted to clarify that point.

Mr. DOMENICI. Will the Senator yield?

Mr. MUSKIE. I yield to the distinguished Senator from New Mexico, who was a very valuable member of the conference for the Senate.

Mr. DOMENICI. I thank my distinguished chairman. I might answer that question also for the distinguished Senator from Georgia.

As he will recall, on the Senate side, throughout the debates on the budget, we discussed only the administration's proposed 50,000, more or less, troop cut in the President's $94 billion outlay budget, and various efforts were made to say we could cut substantially more troops. I think the Senator will remember that on the Senate side, we continually voted, repeatedly voted those down in arriving at our $91-plus billion outlay figure.

There is nothing in the record, in the conference, which would indicate that in the compromise with the House, where we basically split the difference in outlays, we intended to depart substantially from the position we had taken with reference to troop strength or overall civilian or military strength, other than as it was recommended in either the Senate appropriations recommendations or the President's budget. I think we at no time contemplated massive personnel cuts of the type the Senator has described.

The hangup is a very difficult one, because they were mandated by a resolution on caps, as the Senator knows. We were not. The Senate did not mandate us in that regard.

Basically, I think when we are saying if the caps are put on, there is enough money in the budget, it should not be construed to mean that we are saying that if the Senate feels that the amount herein is needed, and then more is needed for the caps, and the House insists that it be taken out of the meat, muscle, and personnel by the amount described by the Senator, either 1.2 or 1.9 depends on whether we treat retired and all active personnel the same.

Mr. NUNN. I thank the Senator.

Mr. President, I ask for 5 more minutes of my time on the main bill, rather than additional time, for this.

I thank the Senator from New Mexico. I thank the Senator from Maine.

As I have said before, I think the Senator from Maine has done a yeoman job in getting this resolution through in time for the statute. He has done an excellent job on committee, he has spent hundreds and hundreds of hours. This is the most difficult assignment I think anybody could have this year. It is difficult enough in any year, but in a budget year, when we have, no matter what we do, an inevitable deficit, it is difficult. This dialogue today in no way reflects on my admiration for the tremendous job the Senator from Maine has done.

I understand the background and the compromises that were necessitated, in all likehood, in the committee report. But I do think it is important for the Senate and Congress to realize that we think, based on an analysis of this particular resolution, the likely result of it is that we are going to be saying to Department of Defense personnel, we are going to raise your pay, but we are going to take your job away. We think that is the only result that can flow out of this unless there are some changes and adjustments made as we move through the processes, and unless we decide to cut somewhere else in order to prevent a massive loss of jobs by civilians and by military personnel.

In closing, I again would like to emphasize that I am taking no position on the question of caps at this time. We did not ever confront that directly in committee. We have not confronted it in the Committee on Armed Services. I know there are strong arugments on each side. But what I have felt and am prepared to point out in this colloquy is the likely result that could flow from this particular provision.

Mr. MUSKIE. May I say in closing, Mr. President, that I appreciate the remarks of the distinguished Senator from Georgia. I assure him of this: as far as the Committee on the Budget is concerned, we are involved in a learning process. We have much to learn from the Committee on Appropriations, from the Committee on Armed Services, from the other authorizing committees. We shall undertake, through the course of the weeks between now and next September, to follow the deliberations of the authorizing committees closely so that we can become more familiar with the values and the imperatives of all of these programs and all of the 16 functions of government.

We shall particularly monitor this one. With the help of the distinguished Senator from Georgia, who is a member of both committees, I am sure that we shall improve our ability to respond to the national interest in all of these competing fields—and they do compete. That is one thing we see in the Committee on the Budget and so we saw in the conference committee, the intensity of the competition between all these programs, all these interests, for the Federal resources. It is a tough competition to be in the middle of.

I am most grateful to the distinguished Senator from Georgia for raising this subject this afternoon.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may use 1 minute of my time on the consumer bill.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I have listened with interest to this colloquy. I have prepared a statement that I would have made had I had the opportunity to be here at the time the conference report was considered. I had no notice of it. I did not know it was going to be brought up. Therefore, I ask unanimous consent to have this statement printed in the RECORD at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR McCLELLAN

The FY 1976 budget request for National Defense is $107.7 billion in new budget authority and $94.0 billion in outlays. After careful consideration of all the factors involved in the required March 15 report to the Budget Committee, the Committee on Appropriations recommended a target ceiling in budget authority of $5.2 billion below the budget request and an outlay reduction of $2.1 billion. It was the judgment of the defense Subcommittee that this reduction was the absolute maximum that could be made in defense spending consistent with present national security requirements and the prevailing atmosphere of international tensions. Some Subcommittee members were convinced that this reduction was too great, and they may prove to be right. Anyway, no member at that time indicated that he thought it could be further reduced.

Nevertheless, in its report, the Senate Budget Committee *further reduced* National Defense budget authority by $1.5 billion and outlays by $0.7 billion over the amount of the cut recommended by the Committee on Appropriations. The Conference Committee then further reduced these estimates by $300 million in budget authority and $500 million in outlays.

In summary then, the Conference Committee reduced budget authority $7.0 billion below the President's request with an accompanying reduction in outlays of $3.3 billion.

This further reduction in defense spending I believe can prove hazardous and if this trend continues may soon imperil our national security. The burden of reordered priorities and reduced spending should I believe be borne more equitably by all sectors of the budget and not by National Defense alone.

In addition to my concern over the total magnitude of spending cuts recommended by the Conference Committee, I am also quite concerned that the outlay reductions are not commensurate with either the budget authority reductions made or with the implicit assumption that there will be little if any civilian or military personnel reductions. The Conference Committee report states "If Congress should decide not to limit increases in Defense salaries and retirement allowances, there are sufficient funds within this total to support that decision". In fact, removal of the "pay cap" will require approximately $1.8 billion more in outlays than originally estimated for the Defense Department, and this will be additive to the Conference Committee's reductions. This means that Defense will need to make a total outlay reduction of $5.1 billion. Without *very* substantial personnel reductions, military or civilian or both, I see no way to achieve such a large outlay reduction without making reckless and irresponsible additional reductions in defense spending.

As stated previously, the report of the Appropriations Committee to the Senate Budget Committee suggested that a budget authority reduction of $5.2 billion, coupled with an outlay reduction of $2.1 billion, was at that time deemed feasible. These figures assumed that the "pay cap" proposed by the President would be placed on civilian and military salaries. Quite frankly, after holding the majority of our hearings on the Defense budget for fiscal years 1976, it now appears that it may not now be advisable to meet the spending reductions recommended by the Appropriations Committee and certainly not the additional cuts implicit in the Concurrent Spending Resolution.

Mr. McCLELLAN. I make this further observation: I have tried to take a middle ground on this issue between cutting the military, slashing it $10 billion or $15 billion or so each year, and continuing to spend more than a lot of people think is necessary. I have tried to take a middle ground.

I believe that is the sensible thing to do.

This year, at my urging, the committee, particularly the Defense Subcommittee, reported out and recommended a cut of $5 billion, as I recall it, as we had in the year previous. As we hear the testimony now in these hearings, it is becoming apparent to me that it is going to be most difficult to meet this ceiling, to hold it within the ceiling that we have recommended, unless we are willing, as pointed out here by the distinguished Senator from Georgia, to make considerable slashes in personnel of our military establishment, or to cut drastically in research and development, or to cut drastically in our weapons procurement program. It has to come from somewhere.

We are getting it down to a bare-bones situation, in my judgment, taking into account the dangerous conditions in the world today.

I think we better stop, look, and listen, Mr. President, before we go too far in the wrong direction.

Mr. PERCY. Mr. President, I again commend the distinguished chairman of the Budget Committee and the members of the committee, including the ranking Republican member and the minority members.

I ask one question, and I am sorry I was not able to be here for the beginning of the discussion. As I understand the conference report, it does contemplate an expanded public employment program and includes $2 billion for either countercyclical State and local government fiscal assistance, or new public works projects. It essentially splits the difference between the Senate and the House passed bills; is that correct?

Mr. MUSKIE. In dollars, of course, the Senate provided nothing for either of these approaches. When it was clear that we would have to move toward the House outlay figure, we then undertook to make the case for countercyclical assistance, as contrasted to local public works projects.

Because the House felt very strongly about its local public works approach, what we did, again, was bridge the gap by opening the door to both for consideration of the Senate and the House, but we put in $2.1 billion as the outside figure.

Mr. PERCY. I have one last question to ask our distinguished colleague, because I think his preeminence in this field, his judgment, and his opinion will be a very helpful factor.

As he knows, the Senator from Illinois has been very concerned about our passing a bill which gives back a lot of tax rebates to people who realize that we are giving it back when we do not have it to give. We are just adding to our debt. We are going out to borrow this money that is being given back from taxes already paid in order to stimulate the economy.

The Senator from Illinois hopes that it is going to stimulate the economy, but he has a high regard for the intelligence level of people who are going to wonder why they are getting the money back when they know it is just simply adding to the Federal debt.

It is the opinion of the Senator from Illinois that the people of this country are willing and ready to pay for more of our cost expenditure programs as we go along rather than constantly adding it to the Federal debt.

Would the distinguished chairman of the Budget Committee look with an open mind and with some degree of favor to revenue-raising measures that might be introduced, such as gasoline tax, increased taxes on tobacco and alcohol and other kinds of taxes, including removal of, say, the deductibility of State and local gasoline taxes from our Federal tax return and the dyeing of fuel oil so that it cannot be used in diesel trucks and thereby get around the tax imposed on diesel fuel by State and Federal Governments? We have a tremendous amount of fraud in that area, which could virtually be eliminated, as Canada has done, by simply dyeing the heating oil so that it cannot be used in diesel trucks.

Would the distinguished chairman of the Budget Committee look with favor upon enacting measures now that will help bring in revenue to start to pay for some of these new programs that we have instituted to help offset the recession and also try to bring down the deficit, hold this ceiling that we have now imposed, and possibly give us a little more margin to spare?

Mr. MUSKIE. Of course, the conference report does now commit us to tax reform legislation, which would have the effect of raising revenues on a selective basis in the interest of reform as well as funding some of these outlays.

Apparently there is also in motion something in the order of an energy tax of some magnitude. There is some wide difference of opinion on what that ought to be.

If we really want to begin a program of energy conservation and energy research and development, I think we are going to have to move in that direction. It is a question, in my judgment, of timing.

I would not want to see any substantial increases of taxes of that order at this point, when we are trying to move the economy upwards for the benefit of the stimulus that we have in this budget.

But I think as we recover, as we move out, then we have to begin to look at energy taxes, for example, for the purposes I have described and perhaps beyond.

I would not want to see the reduction in the progressive income tax offset by increases in more regressive kinds of consumer taxes. I think that would be extremely counterproductive, not only in the short term but in the long term.

But I think the Senator is absolutely right in focusing upon the importance of taking at the right time those steps with respect to revenues as well as outlays which would move us toward a budgetary balance in due course, as the result of a rational kind of process, with that target in view.

Mr. PERCY. I thank the Senator for his comments. We thank him for the tremendous devotion he has had to this principle and concept, which is virtually revolutionary to the Congress of the United States.

Think of it: For us to really be now a responsible body, to think in terms of an overall budget, and to relate each of the budget bills that come on board, the appropriation bills as they are voted on, to see how it fits in the context of an overall budget.

I also express great appreciation for the work that has been done by the Appropriations Committee, who have done a Herculean job and who have understandingly looked upon this as a device that can be extraordinarily helpful to them, because they had really been fighting the battle all alone before. Now we are all a part of that process.

So I hope that we will scrutinize very carefully our expenses, make absolutely certain, as to every bill we bring on the floor of the Senate, that we either see that it fits within the guidelines that we have tried to establish or that we produce new revenue for it or drop out other items of lesser priority.

I think it will be a tremendous encouragement to the American people if they see we are running the American family now, in the appropriation, authorization and budgetary process, very much as any well-ordered family must operate for themselves, or a business operates, and the business of government should be run in a businesslike way. I think we have made a giant step forward, with the cooperation of every Member of the Senate.

Mr. MUSKIE. I thank my good friend from Illinois.

Mr. MAGNUSON addressed the Chair.

Mr. MUSKIE. I would like to say just a word, if I may, about the time frame in which we operate.

We found this morning that the 30 days the Budget Act provides for, say, congressional action on the resolution is a very tight period. Each House must act, and the House incidentally must wait 10 days into that period before it can move on the first concurrent resolution, so we may find it necessary to stretch out this period so that we will not be caught in a kind of a bind which regrettably deprived the Senator from Georgia (Mr. NUNN) of the opportunity to make the points he made this afternoon before the Senate finally voted, because the purpose of this is to give every Senator and every committee an opportunity to make an input into this process.

Mr. President, I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I yield myself 2 minutes on the bill. I want the record to show that had there been a rollcall vote this morning I would have voted "aye" on the conference report.

When the Senator from Maine talked about the difficulties timewise yesterday the full Appropriations Committee appropriated some $9.5 million in the supplemental over and above what we would consider. It was after the fact.

We are going down right now to consider almost half a billion dollars for the Vietnam refugees. All of this stuff adds up, and most of it is sent up by the Office of Management and Budget, by the administration, and it is of an emergency nature. So, of necessity, it would be pretty hard, with all of the time spent by the Budget Committee in the past 2 or 3 months, to anticipate these things, and they are going to amount to another $20 billion.

But the reason I want to vote for the conference report, I do think that the conferees and the two committees did a magnificent job in anticipating some of these things. In my own HEW bill how do I know exactly what it is going to be? Usually that is taken up by the budget, by all of us here, but you give us, I think, enough leeway in which to take care of these matters and establish some priorities that are long needed.

There will be a fight about establishing priorities. As the Senator from Maine well knows, everybody competes with everybody else, and even within HEW itself they compete with one another as to who gets what, and this is so in the health research field. But I think this first stab at this budget control was overall a good one, and I want the record to show that I would have voted "aye" had there been a rollcall vote on the conference report.

Mr. MUSKIE. I thank the Senator.

I might say that the consolidated supplemental is covered in our totals.

Mr. MAGNUSON. Yes.

Mr. MUSKIE. And also the humanitarian assistance for the refugees.

Mr. MAGNUSON. Health programs.

Mr. MUSKIE. All of these are covered. But it is difficult to anticipate.

Mr. MAGNUSON. It is difficult to estimate this. You do not know.

Mr. MUSKIE. Yes.

Mr. MAGNUSON. So I think on our first stab at this there is enough leeway to work out these things.

Mr. MUSKIE. We will learn as we go along.

Mr. MAGNUSON. We will have to learn as we go along.

Mr. MUSKIE. I yield the floor, Mr. President.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, this amendment, which is numbered 462, is a modification of the earlier amendment which I introduced, No. 410. They both deal with the same subject matter. The purpose is to prohibit the Agency for Consumer Advocacy from intervening in matters that concern the manufacture, sale, or possession of firearms and firearm ammunition.

My amendment affects consumers who in this case are the millions of Americans who daily purchase ammunition and firearms for lawful and constitutional purposes—for sport or for protection in their homes or places of business.

The need for this amendment is clearly exemplified by the current controversy over consideration of a ban on firearm ammunition by the Consumer Product Safety Commission. The CPSC has in the past denied petitions urging a ban because it felt it had no authority under either the Hazardous Substance Act or the Consumer Product Safety Act. But District Court Judge Flannery upon the action of a Chicago-based antigun lobby issued a court order requiring the Commission to consider a total ban of firearms ammunition. The outcry from consumers against any consideration of a ban was overwhelming and remains so.

The consumers of ammunition by the hundreds of thousands inundated the CPSC and Congress with letters and petitions in opposition to a ban, or even any consideration of a ban, of the product they consume. These consumers clearly rejected any call for so-called "consumer protection". The controversy over any CPSC consideration of an ammunition ban indicates the kind of activity that will likely occur under a massive bureaucratic structure that the legislation currently being considered establishes.

The consumers read the situation well, because this attempt to force the CPSC to ban ammunition is nothing more than an attempt to force back-door gun control. An Agency for Consumer Advocacy should not have this power. My amendment denies them the authority and clearly sets forth in statute, definition of firearms and ammunition so the intent of Congress will be unmistakable. Firearms and firearms ammunition are defined in this amendment in the same way they are defined in the 1968 Gun Control Act.

With the list of sponsors and cosponsors of this amendment, I hope the Senate will agree and that we can adopt this amendment and clarify the situation so that we do not get in, in this legislation the same kind of controversy that is embroiling the Consumer Products Safety Commission.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to the distinguished Senator from Nebraska.

Mr. HRUSKA. Is it not true that the U.S. district court, in ruling on this matter, put it on the one basis—I am speaking about the court's decision in The Committee for Handgun Control, Inc. v. Consumer Product Safety Commission case—that the intent of Congress has not been clearly shown to the extent that it wanted to exclude ammunition from the jurisdiction of the Consumer Product Safety Act?

Mr. McCLURE The Senator is absolutely correct. The legislative history is abundantly clear, however, that the contrary is true and the congressional intent was to specifically exclude firearm ammunition from the act.

Mr. HRUSKA. Is it not also true that the last time the Senate acted on the proposition of banning private ownership of handguns for the general public and had a vote on the subject, which was a substitute amendment to the Handgun Control Act of 1972, the vote was 7 in favor of banning private ownership and 84 against banning of private ownership of handguns?

Mr. McCLURE. The Senator is correct. Of course, the Senate has spoken on that issue.

Mr. HRUSKA. Does the Senator from Idaho agree with the Senator from Nebraska that a vote of 7 to 84 is a very clear expression of the intent of the Senate on the subject?

Mr. McCLURE. Well, it is scarcely possible to get a clearer expression in this Chamber.

Mr. HRUSKA. There is an indication in seven votes, is there not, that it was not a pro forma vote? It was a vote on the merits?

Mr. McCLURE. That is absolutely correct.

Mr. HRUSKA. It is my hope that the amendment of the Senator from Idaho will be agreed to, and that it will become a part of this bill.

Mr. McCLURE. I am mindful of the fact that the Senator from Nebraska has introduced a different amendment which probably, under the terms of rule XXII, cannot be offered. But I would be remiss if I did not comment that the Senator from Nebraska has exercised a great deal of foresight in formulating that broader amendment. I appreciate his support on this amendment.

Mr. HRUSKA. It is my hope that the vote will be overwhelming in favor of the Senator's amendment.

Mr. McCLURE. I thank the Senator from Nebraska.

Mr. THURMOND. Mr. President, I am pleased to cosponsor the amendment offered by the Senator from Idaho to the Consumer Protection Act of 1975. This amendment would prevent the Agency for Consumer Advocacy from intervening in matters affecting the manufacture or sale of firearms and ammunition.

While I am opposed to this Agency for Consumer Advocacy bill as presently written, I would hope that any legislation that might be passed would contain a provision such as the junior Senator from Idaho is proposing. I have always resisted efforts by Congress to impose Federal registration, licensing, or ownership standards on firearms. Moreover, if any form of ammunition or gun control should be considered, I would certainly hope that it would be the elected representatives of the people who have to make that decision, rather than appointed agency officials who can pick and choose the "consumer interests" they desire to pursue.

In my opinion, persons who are willing to break existing laws governing the use of firearms would not be deterred from obtaining weapons by whatever gun control regulations might be proposed by this Agency. A far better deterrent would be tough, mandatory sentences on persons convicted of the use of firearms in the commission of felonies, and I am cosponsoring legislation with Senator Domenici to accomplish this.

However, I reiterate that I think it is wise to clearly indicate by law that this Federal Consumer Advocacy Agency is not authorized to engage in any form of firearm or ammunition control. I sincerely hope this amendment will be adopted.

Mr. FANNIN. Mr. President, I am pleased to cosponsor the amendment introduced by Senator McClure to exempt firearms and ammunition from the authority of the proposed Agency for Consumer Advocacy.

S. 200, if enacted, would establish a new independent Federal agency to represent the interests of "consumers" in controversies before Federal agencies. For the many reasons I indicated in my Senate statement of May 8, I am opposed to the establishment of yet another level of bureaucracy to the already burgeoning Federal bureaucracy. I am concerned over all of the additional paperwork, effort, costs, and inefficiencies, and the loss of individual freedom that would mean to consumers.

I question the assumption behind this legislation that a single agency can represent consumers as a class. The ACA Administrator will represent certain groups of consumers while ignoring others. That concept makes one wonder who or what is meant by consumers.

Certainly one major group of consumers in my home State of Arizona is the large number of persons who purchase and use firearms and ammunition for hunting and sporting purposes. There are those, including some Members of Congress, who would like to ban all guns and ammunition, as once was tried with alcohol. The Consumer Product Safety Commission, one of the many agencies already in existence which represent the interests of consumers, has been considering a total prohibition on the sale of firearms and ammunition. Such a ban would certainly not be in the best interests of my Arizona constituents who hunt and shoot.

Yet when and if the Agency for Consumer Advocacy is created, I can perceive advocates representing hysterical antigun groups petitioning the ACA Administrator to intervene in controversies involving weapons and ammunition and to recommend banning their sale or use—the very thing that such groups have been unsuccessful in persuading the Congress to do so far.

I certainly would not want the new consumer protection agency to be occupied with protecting consumers out of their right to use firearms and ammunition for legitimate purposes. I do not believe that supporters of the proposed new agency would want that to happen either.

Accordingly, I am pleased to endorse the amendment proposed by my distinguished colleague from Idaho which would protect this important group of citizen consumers. I ask that my fellow Senators join me in this effort to prevent the ACA Administrator from intervening or participating in any proceeding involving the manufacture, sale or possession of firearms or ammunition.

Mr. KENNEDY. Mr. President, I oppose the amendment offered by the Senator from Idaho because it seems to directly counter the most important feature of the Consumer Protection Act.

As I understand it, the Senator's amendment would prohibit the new Agency for Consumer Advocacy from addressing the issue of firearms and firearms ammunition in any way.

Yet, the author of S. 200, the Senator from Connecticut, announced when he introduced this bill last January that the act would establish an independent nonregulatory Agency for Consumer Advocacy. That Agency would advocate the interest of consumers before agencies and the Federal courts and it would provide the public with information about consumer matters.

Senator RIBICOFF said emphatically, that the Agency—

> . . . will act solely as an advocate and spokesman for consumer interests.

And now the Senator from Idaho seeks to deny the Agency from responding to one of the most vital interests of concern to every consumer in this country.

The Senator from Idaho would deny to every American information about firearms and ammunition. Such information could very definitely be an important "consumer interest."

Mr. President, the new Agency for Consumer Advocacy will be authorized to provide the public with information about consumer matters.

I wonder if the Senator from Idaho can adequately explain why the public should not have information about firearms and ammunition for firearms.

Can he explain why the public should be denied information about the output of such lethal commodities that are introduced to the American market in such astounding numbers?

Over 7 billion rounds of ammunition are made available for sale in the United States each year. And approximately 5 million new weapons enter the marketplace every year.

I have authored firearms control legislation since 1971. And during the consideration of these measures, one important feature has always been evident: The American people must redefine the role of the firearm in our society. The way to do that is through information and public awareness programs. We cannot expect the public to learn about ways to reduce the dangers and risks from too many firearms by withholding information.

My intention in opposing the amendment by the Senator from Idaho is simply to prevent the closing of any avenue that could possibly aid in restricting firearms violence.

Under no circumstances can I see that the Consumer Protection Act would be a vehicle for imposing controls on firearms. But I strongly feel that this measure can provide a useful and effective way for the American people to obtain essential information about the dangers of arming themselves.

Consumer advocacy is clearly designed to protect buyers against products and commercial practices that can be harmful or fatal.

With over 25,000 gun deaths recorded in 1 year, there is no way to escape the sickening fact that guns are dangerously and recklessly used by too many people.

Gun suicides claim 10,000 lives; and gun accidents account for 3,500 deaths each year. So we know that when guns are in hand, people will use them.

But the steps we take to reduce the violence caused by guns are too often designed more to cater to the interests of munitions producers, rather than to deal with the possible misuse of weapons and ammunition.

I am convinced that the public must receive sufficient information about the dangers of firearms, in order to redirect the national mystique about gun ownership.

For that reason, Mr. President, I strongly oppose the amendment offered by the Senator from Idaho. We must make full use of every method that can provide useful information and guidance about the dangers of firearms and ammunition. Restrictions on such information can only serve to obstruct the public demand for a reduction of firearms misuse.

I believe that the new Agency for Consumer Advocacy should properly be engaged in advocating safe and reasonable firearms usage. At the same time, the Agency should underline the intrinsic dangers to health and safety that prevail in a society with at least 150 million firearms—and with 5 million new weapons added each year.

This amendment to restrict the agency's activity with firearms does not need to be adopted.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut to table the amendment of the Senator from Idaho. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend. It is a very important rollcall and the Senators are entitled to hear their names when called.

The clerk will not proceed until the Senate is in order.

The Senate is still not in order. The Chair asks that the well be cleared and the Senators take their seats.

The clerk will not proceed until the Senate is in order.

The clerk may proceed.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Indiana (Mr.

HARTKE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I further announce that if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "yea".

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) is necessarily absent.

The result was announced—yeas 27, nays 67, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—27

Brooke
Case
Cranston
Culver
Fong
Glenn
Hart, Gary W.
Hart, Philip A.
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Mathias
McGovern
Mondale
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Tunney
Weicker
Williams

NAYS—67

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Goldwater
Griffin
Hansen
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McIntyre
Metcalf
Montoya
Morgan
Moss
Muskie
Nunn
Packwood
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—5

Bayh
Buckley
Gravel
Hartke
Stevenson

So Mr. RIBICOFF's motion to table Mr. McCLURE's amendment No. 462 was rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Idaho.

Mr. McCLURE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Mr. President, is not the question now on the adoption of the amendment?

The PRESIDING OFFICER. It is.

Mr. McCLURE. Mr. President, the yeas and nays were ordered, were they not?

The PRESIDING OFFICER. That is correct.

Mr. McCLURE. Mr. President, I ask unanimous consent the order for the yeas and nays be vacated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Idaho, amendment No. 462.

The amendment was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 404

Mr. TAFT. Mr. President, I call up my amendment No. 404, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BROCK). The amendment will be stated.

The legislative clerk read as follows:

Mr. TAFT, for himself, Mr. THURMOND, and Mr. McCLURE, offers amendment No. 404.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Consumer Representation Act of 1975".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that the interests of consumers are often inadequately represented within the Federal agencies to the detriment of the fair and efficient functioning of a free market economy; that better consumer representation can be achieved in some circumstances if consumers are represented by an advocate; that in other circumstances, representation is better achieved by evaluating multiple consumer views or addressing the impact of actions upon consumers; and that vigorous advocacy of different consumer interests is essential to decisionmaking that is informed, timely, and in the best interests of the public.

(b) The Congress therefore declares that it is the purpose of this Act to establish consumer advocates to engage in active representation of consumer interests where appropriate and to require more systematic evaluation of consumer interests; and this Act should be so interpreted by the executive branch, the independent regulatory agencies, and the courts so as to implement the intent of Congress to protect and promote the interests of consumers.

DEFINITIONS

SEC. 3. As used in the Act, unless the context otherwise requires, the term—

(1) "Director" means the Director of the Office of Consumer Affairs;

(2) "Administrator" means the Administrator of each Office of Consumer Representation;

(3) "agency action" includes the whole or part of an agency "rule", "order", "license", "sanction", "relief", as defined in section 551 of title 5, United States Code, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency civil process, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal;

(5) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing", as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family agricultural, or household purposes;

(8) "Federal agency" means any executive department, or independent regulatory agency or commission of the United States;

(9) "individual" means a human being;

(10) "interest of consumers" means any health, education, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term of condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(11) "participation" includes any form of submission;

(12) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(13) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(14) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

APPLICATION TO SMALL BUSINESS AND AGRICULTURE

SEC. 4. (a) The particular varied needs of small business and agricultural enterprises shall be considered by all levels of government in the implementation of the procedures provided for throughout this Act.

(b) In order to carry out the small business aspect of the requirement set forth in subsection (a), the Small Business Administration shall (1) to the maximum extent possible provide small business enterprises with full information concerning the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various agencies in connection with such provisions, and (2) as part of its annual report provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(c) In order to carry out the agricultural aspect of the requirement set forth in subsection (a), the Administrator shall, before intervening in any United States Department of Agriculture proceeding, consider (1) the interests of consumers in obtaining an adequate supply of food, and (2) the interests of farmers in maintaining an adequate level of income and production.

(d)(1) To the extent feasible the Director of the Office of Consumer Affairs shall seek the views of small business and agricultural interests in connection with establishing the Federal agency's priorities, as well as in promulgating the rules to implement this Act.

(2) In administering the programs provided for in this Act, each Administrator shall respond in an expeditions manner to the views, requests, and other filing by small business and agricultural enterprises.

(3) In implementing the provisions of this Act, each Administrator shall give due consideration to the unique problems of small business and agriculture in order to avoid unnecessary hardships on those enterprises and activities.

EXEMPTIONS

SEC. 5. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the military weapons program of the Energy Research and Development Administration.

DISCRIMINATION

SEC. 6. No person shall on the grounds of sex, race, religion, age, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a person alleging discrimination.

EFFECTIVE DATE

SEC. 7. (a) This Act shall take effect ninety calendar days following the date on which this Act is enacted, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 8. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the circumstances shall not be affected thereby.

TITLE I—OFFICE OF CONSUMER AFFAIRS

ESTABLISHMENT

SEC. 101. (a) There is hereby created in the Executive Office of the President an office to be known as the Office of Consumer Affairs (OCA). The Office shall be directed and administered by a Director who shall be appointed by the President, and who shall serve as a Special Assistant to the President for Consumer Affairs. There shall be in the Office of Consumer Affairs a Deputy Director who shall be appointed by the President. The Deputy Director shall perform such functions, powers, and duties as may be prescribed from time to time by the the Director and shall act for, and exercise the powers of, the Director during the absence or disability of, or in the event of a vacancy in the Office of the Director.

(b) No employee of the Office of Consumer Affairs while serving in such position may engage in any business, vocation, other employment, or have other interests, inconsistent with his official responsibilities.

(c) There shall be in the Office of Consumer Affairs a General Counsel and not more than five additional officers. Each such officer shall be appointed by the Director, subject to the approval of the President, under the classified civil service, shall have such title as the Director shall from time to time determine, and shall receive compensation at the rate now or hereafter prescribed for offices and positions at level V of the Executive Schedule (5 U.S.C. 5316).

POWERS AND DUTIES OF THE DIRECTOR

SEC. 102. (a) The Director shall be responsible for the exercise of the powers and the discharge of the duties of the Office of Consumer Affairs, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Director is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Director, compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants: *Provided*, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Director may prescribe;

(4) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(5) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, on such terms as the Director may deem appropriate, with any agency or instrumentality of the United States, with any State, or any political subdivision thereof, or with any person;

(6) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(7) adopt an official seal, which shall be judicially noticed;

(8) conduct conferences and hearings and otherwise secure data and expression of opinion;

(9) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Upon request made by the Director, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Office of Consumer Affairs in the performance of its functions.

(d) The Director shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include a description and analysis of—

(1) the activities of the Office of Consumer Affairs;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Office of Consumer Affairs by other Federal agencies in carrying out the purposes of this Act;

(4) the performance of Federal agencies in protecting the interests of consumers.

FUNCTIONS OF THE OFFICE OF CONSUMER AFFAIRS

SEC. 103. (a) The Office of Consumer Affairs shall, in the performance of its functions, advise the President as to matters affecting the interests of consumers; and shall protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The function of the Director shall be to—

(1) communicate with each Office of Consumer Representation established pursuant to title II of this Act for the purpose of encouraging and assisting in development, implementation, and coordination of the activities of the respective Offices. The Director shall endeavor to make available to each such Office, appropriate assistance in the preparation of consumer benefit analysis or in such other functions as the Offices may undertake pursuant to title II of this Act;

(2) conduct and support research, studies, and testing to the extent authorized in section 5 of this Act;

(3) submit recommendations to the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) obtain information and publish and distribute material developed in carrying out his responsibilities under this Act in order to inform consumers of matters of interest to them, to the extent authorized in this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) perform the functions assigned to the President's Committee on Consumer Interests in Executive Order 11566 of October 26, 1970;

(8) receive and act upon consumer complaints in the following manner: Upon receipt of a consumer complaint or other information disclosing a possible violation of (1) any law of the United States, or (2) any rule or order of any Federal agency concerning consumer interests, the Director shall promptly transmit such complaint or other information to the Federal agency's Office of Consumer Representation for appropriate action and may in its discretion also refer such complaint or other information to the private persons or industry against whom the complaint is made;

(9) publish, in language readily understandable by consumers, a consumer register which shall set forth the time and place and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(10) encourage the adoption and expansion of effective consumer education programs;

(11) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(12) encourage the development of informal dispute settlement procedures involving consumers;

(13) encourage meaningful participation by consumers in the activities of the Office of Consumer Affairs;

(14) promote the consumer interests of farmers in obtaining a full supply of goods and services at a fair and equitable price; and

(15) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

CONSUMER INFORMATION AND SERVICES

SEC. 104. (a) In order to carry out the purposes of the Act the Director shall develop on his own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as he determines to be most effective, information, statistics, and other data including, but not limited to, matter concerning—

(1) the functions and duties of the Office;

(2) consumer products and services;

(3) problems encountered by consumers generally, including commercial and trade practices which may adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which possess information which would be useful to consumers are authorized and directed to cooperate with the Director in making such information available to the public (to the extent such information is not exempt from disclosure pursuant to title 5, United States Code, section 552).

LIMITATIONS ON DISCLOSURES

SEC. 105. The Director shall not disclose to the public or any State or local agency any information in a form which would reveal trade secrets and commercial or financial information as described in section 552 (b)(4) of title 5, United States Code, obtained from a person privileged or confidential unless the Director determines that the release of such information is necessary to protect health or safety.

STUDIES

SEC. 106. The Director is authorized to conduct, support, and assist research studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interests of consumers.

CONFORMING AMENDMENT

SEC. 107. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Director, Office of Consumer Affairs.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(100) Deputy Director, Office of Consumer Affairs.".

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(135) General Counsel, Office of Consumer Affairs.

"(136) Assistant Directors, Office of Consumer Affairs.".

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 108. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Office of Consumer Affairs and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Office of Consumer Affairs.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to this section shall be without reduction in classification or compensation for one year after such transfer.

AUTHORIZATION OF APPROPRIATIONS

SEC. 109. There are authorized to be appropriated to carry out the provisions of this title not to exceed $4,000,000 for fiscal year ending June 30, 1976.

TITLE II—CONSIDERATION OF CONSUMER INTEREST BY THE FEDERAL AGENCIES

ESTABLISHMENT

SEC. 201. (a) There is hereby established an Office of Consumer Representation within each executive department and independent regulatory agency and commission. Each Office shall be directed and managed by an Administrator who shall be appointed by such agency.

(b) The Administrator of each office is authorized to appoint within his office a Public Counsel and two Assistant Administrators, one for economics and one for complaint handling. The Administrator shall have such other professional and support staff as are necessary to adequately represent within his agency the interests of the consumers.

(c) Each Federal agency is directed to provide sufficient funding within its budget for its Office of Consumer Representation to enable it to carry out its functions under this title. The budget request for the Office of Consumer Representation shall be separately stated.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 202. (a) Each Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Office of Consumer Representation within his agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this title, the Administrator is authorized, in carrying out his functions under this title, to—

(1) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665 (b));

(2) conduct conferences and hearings and otherwise secure data and expression of opinion;

(3) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Each Administrator shall be subject to the Civil Service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this title and to prescribe their authority and duties.

FUNCTIONS OF EACH OFFICE OF CONSUMER REPRESENTATION

SEC. 203. (a) The functions of each Office of Consumer Representation shall be to—

(1) represent and protect the interests of consumers before its agency to the extent authorized by this title;

(2) submit such reports as may be required by the Office of Consumer Affairs or its agency on measures to improve the operation of its agency in the protection and promotion of the interests of consumers;

(3) obtain information and publish and distribute material developed in carrying out its responsibilities under this title in order to inform consumers of matters of interest to them, to the extent authorized in this title;

(4) receive, transmit to the appropriate bureaus, division, and persons within its agency and make publicly available, consumer complaints to the extent authorized in section 7 of this title;

(5) keep the Office of Consumer Affairs fully and currently informed of all its agency's activities substantially affecting consumer interests, when asked or on its own initiative;

(6) encourage meaningful participation by consumers in the proceedings of its agency; and

(7) perform such other related activities as it deems necessary for the effective fulfillment of its duties and functions.

CONSUMER REPRESENTATION

SEC. 204. (a) Each Federal agency shall keep its Administrator informed of all major proceedings and activities pending before the agency which may substantially affect an interest of consumers.

(b)(1) Whenever an Administrator finds that the result of any proceedings or activity before the agency may substantially affect one or more interests of consumers, he may (i) represent an interest of consumers as an advocate in the proceeding or activity pursuant to section 5 of this title and (ii) request the agency for and assist in the preparation of a consumer benefit analysis pursuant to section 6 of of this title.

(2) When the Administrator makes such determination, he shall issue publicly a written statement setting forth concisely the reasons for his determination. Notwithstanding the foregoing, the Administrator shall, upon petition in writing in a proceeding by a substantial number of persons, request his agency for and assist in the preparation of a consumer benefit analysis whether or not he has determined to represent an interest of consumers pursuant to section 5.

(c) The Administrator shall have access to all the information, data, and other materials customarily made available by his agency to its staff: *Provided*, That where the Administrator appears as a party in a proceeding under section 5, he shall be subject to the agency's rules of practice and procedure generally applicable to other parties to the proceeding. The Administrator may obtain information from other agencies through his agency or by independent request. When the Administrator makes an independent request, he shall be deemed a "person" within the meaning of section 552, title 5, United States Code. The Administrator shall be subject to laws governing public disclosure of information applicable to any officer or employee of his agency.

CONSUMER ADVOCACY

SEC. 205. (a) In any agency proceeding or activity in which the Administrator has determined pursuant to section 4, to represent an interest of consumers as an advocate, the Administrator may:

(1) Pursuant to the agency's rules of practice and procedure of general applicability, intervene as a party, appear as amicus, or otherwise participate for the purpose of representing an interest of consumers in any proceeding which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, or which is conducted on the record after opportunity for an agency hearing, or which provides for public notice and opportunity for comment. In any such proceeding, the Administrator may request the agency to issue and the agency shall issue such orders as are authorized by the Federal agency's statutory powers and rules of general applicability, for the copying of documents, papers, and records, summoning of witnesses, production of goods and papers, and submission of information in writing. The participation of the Administrator in any proceeding shall not affect the obligation of the agency conduct-

ing such proceeding to assure procedural fairness to all participants.

(2) With respect to any proceeding of this agency not covered by paragraph (1) of this subsection, or any other activity of his agency which the Administrator determines may substantially affect an interest or interests of consumers, the Administrator may participate by presenting written or oral submissions.

(b) The Administrator may in the manner prescribed by law apply for leave to intervene as a party or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of an action of his agency.

(c) When the Administrator determines it to be in the interests of consumers, he may request his agency to initiate such proceeding or activity as may be authorized by law with respect to such agency. If the agency fails to comply with his request, it shall promptly notify the Administrator of the reasons therefor, and such notification shall be a matter of public record.

CONSUMER BENEFIT ANALYSIS

SEC. 206. (a) If the Administrator determines to request a consumer benefit analysis in a proceeding, he shall promptly transmit his request to the appropriate official in the agency, who shall comply with the requirements of this section.

(b) The consumer benefit analysis requested by the Administrator shall assess in detail—

(1) the short- and long-term costs and benefits to consumers, if any, of the agency proceeding;

(2) the short- and long-term costs and benefits, if any, to other relevant interests;

(3) the real costs to the public, if any, of developing and administering or enforcing action taken by the agency in the proceeding;

(4) alternative means, if any, for achieving the same or similar result sought by the agency in the proceeding, and a comparison of their benefits and costs to consumers as well as other competing interests; for purposes of this subsection, "alternative means" shall include realistic alternatives, including those which require further action by a Federal agency or Congress;

(5) effect on productivity, competition, employment, and supply and demand of important materials, including energy;

(6) the relationship of the action taken to Federal, State, or local regulatory programs or actions (including those not directly involved in the proceeding), and the need, if any, for more interagency coordination; and

(7) any other criteria specified by the Administrator or the Office of Management and Budget or the General Accounting Office.

(c) When published in final form as specified by subsection (f), the evaluation must be a product of the agency's independent analysis of all relevant data, and shall discuss the reasons for failing to take into account any responsible data submitted by the Administrator and interested persons (at the hearing or otherwise) which is not included within the analysis of the body of the consumer benefit analysis, or for failing to choose a proposed alternative course of action less damaging to a significant consumer interest.

(d) A draft of the consumer benefit analysis shall be published no later than thirty days after such time as public notice of the proceeding is given, except that a draft of an evaluation requested pursuant to section 4(b) shall be published within twenty days of the request.

(e) Each agency shall establish procedures pursuant to which—

(1) the Administrator may publicly request views in specific matters identified by him, and

(2) all interested persons (including interested Federal, State, and local agencies) may have reasonable time to submit comments and data to be considered by the agency in its preparation of the consumer analysis.

(f) The consumer impact evaluation shall be published in final form no later than twenty days after announcement of the final action taken by the agency; and the consumer benefit analysis shall be subsequently updated upon request by the Administrator.

(g) The Administrator shall assist in the preparation of the consumer impact evaluations and shall provide information to the agency with respect to subparagraphs (1), (4), and (6) of subsection (b) of this section.

CONSUMER COMPLAINTS

SEC. 207. (a) Whenever the Administrator receives from the Office of Consumer Affairs or from any person any complaint or other information which discloses—

(1) an apparent violation of any law administered by his agency or of any rule or order of the agency relating to an interest of consumers; or

(2) a commercial, trade, or other practice within the jurisdiction of his agency which is detrimental to an interest of consumers; he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to the appropriate bureau, division, or person within the agency which has the authority to take appropriate action. The agency shall keep the Administrator informed to the greatest practicable extent of any action which it is taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Administrator shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) Each agency, with the assistance of the Administrator, shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all consumer complaints of any significance which the Office of Consumer Representation or agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in respect thereto. Unless the agency, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the person complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the bureau, division, or person of the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to recommend with respect to the complaint.

PUBLIC PARTICIPATION

SEC. 208. (a) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers. Any additional rules adopted pursuant to the requirements of this subsection shall be published in proposed and final form in the Federal Register.

(b) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

JUDICIAL REVIEW

SEC. 209. Nothing in this Act shall be construed as altering or affecting in any way either the law governing the substantive standards or the scope of judicial review otherwise applicable to the agency proceeding or activity involved.

AUTHORIZATION FOR APPROPRIATION

SEC. 210. For purposes of this title, existing resources should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $300,000 per Office of Consumer Representation for the fiscal year ending June 30, 1976.

Mr. TAFT. Mr. President, I advise the Senate at the outset that the yeas and nays have been ordered on this amendment.

I do not expect to speak for more than 5 or 10 minutes at the most. I am sure Senator McCLURE will have some few remarks, and perhaps Senator THURMOND, another cosponsor, will have some remarks as well.

Mr. McCLURE. Will the Senator yield for a unanimous-consent request?

Mr. TAFT. I yield.

Mr. McCLURE. I ask unanimous consent that the name of Senator BARTLETT be added as a cosponsor of the amendment just passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, we have witnessed for more than 10 years the struggle of this deliberative body with a simple idea. How can we proceed to have governmental bodies made more responsive to the needs and desires of consumers in the marketplace? This seemingly obvious question has spawned an endless series of proposals, vehement arguments, and highly divisive views. The continuing debate on S. 200 has been no exception.

This Chamber now has S. 200 before it. That bill responds to the question by once again proposing to establish a new independent bureau that will make its views felt throughout the land by force of litigation with all other agencies. The new response—as the old ones—perpetuates the divisions of the Chamber that have plagued us before. To some of my distinguished colleagues the new bureau is a Pariah. To others, it is a Dodo bird. To me—and I believe to all of us—this vehement polarization of the issues must be a source of grave concern.

If it is the will of the body to respond meaningfully to the basic question of service to consumers, then let this be done. But let it be done in a way that resolves the acrimonious debate and deals realistically with our current problems in the curent world. I, for one, believe there is such a way. It lies in the substitute that I place before you today, only after careful study and deliberation.

The key to this new proposal—like the question—is a relatively simple one. If the goal is to make the governmental bodies—in their myriad forms—responsive to consumer needs, then the governmental bodies must be dealt with directly. The solution cannot lie in the creation of still another new bureaucracy, nor in the concept that we can litigate ourselves into a consumer utopia. Nor can it lie in the spectacle of a monolithic mythical Mr. Consumer authorized to speak on all questions for all people—and therefore intelligently to no one. Rather, the solution lies in finding simple ways to cause agencies—all of the agencies which deal with consumer interests—to consider and balance service to our myriad needs in the marketplace.

I want to emphasize that the best solutions to problems are often the simplest and most direct. The advantage of my proposal is that it goes directly to the source of the problem—each of the agencies themselves. If all or even some of the agencies have failed to give adequate consideration to consumers, then these agencies—not just those targeted by some distant bureaucrat—should be required to focus the proper attention on consumer interests. The overwhelming majority of American consumers expect this course of action and their expectations ought to prevail.

My proposal seeks to focus proper attention on consumer interests in three basic ways. First, title II would establish within each agency an independent office of consumer representation. Each office would have two ways to focus its agency on consumer concerns: First, to advocate in agency proceedings, and second, to demand that the agency address consumer issues by a consumer impact evaluation. Impact statements have proved enormously valuable in requiring adequate consideration of environmental issues. A similar discipline in the consumer field should prove equally valuable. Impact statements together with advocacy where that is appropriate should provide a more balanced, flexible and considered approach to consumer protection. Some circumstances may call for a balanced consumer evaluation. Some for advocacy of more narrowly and clearly identified goals. The flexibility of the consumer offices to meet different problems in different ways is essential if we are to avoid treating consumers as a bunch of sheep willing to be spoken for by one super Government litigator.

Second, my proposal would create consumer representatives who will be familiar with the problems of each agency, as well as the industries they regulate. I simply do not believe that one agency—no matter how well funded or even well staffed—can obtain sufficient familiarity with each agency's procedures, problems and expertise to do consumers justice and to avoid massive mix-ups even if we were willing to face the horrendous thought of a single bureaucracy with individuals divisions specializing in the work of every part of Government. The advantage of creating the representative within each agency itself is twofold. It will have full access to all internal agency information and will thus not have to wage war to get it. And it will be free of the bureaucratic entanglements of a super agency and thus be motivated as an independent entity to do the best job as it sees fit.

Third, my proposal would benefit the course of agency litigation affecting consumer interests without at the same time making litigation the sole avenue for benefiting consumers. I think it obvious that the present bill—no matter how well-intentioned—will inevitably convert much of Government into a litigation free-for-all—a bonanza for lawyers, but a nightmare for the agencies, the consumers—and, indeed, the public.

About the only people who really are going to benefit by it, in my opinion, are the attorneys hired by the Agency for Consumer Advocacy and those hired on the other side by the various agencies already in existence, to answer the charges brought by the Agency for Consumer Advocacy. That is an element of the budget that has not been dealt with in the authorizations and the discussion of the cost of this bill.

Some consumer issues no doubt will require litigation for resolution. But let us limit that kind of confrontation to the circumstances that call for it. Life is too short and government too complex to look to litigation for solutions except as a very last resort.

There is, of course, one possible advantage to a single agency. It should theoretically, be able to avoid duplicate or conflicting efforts. Title I incorporates this advantage by creating a lean and efficient Office of Consumer Affairs to serve as a coordinating and policy body. There are sound reasons for having some entity with enough perspective and distance not to lose the forest for the trees.

The substitute is a responsible and effective one. Those of us concerned with recession, inflation and budget deficits, will agree, I think, that it carries a sufficiently small price tag—under half of the cost of the other one at the outset, and I think the ultimate cost of the bill which is not the substitute will be enormously in excess of the original authorization we are talking about.

Those of us concerned with the long-range problems of regulatory reform will agree, I think, that it will do the least damage to the regulatory process while that reform is under study. It would, I think, be a tragedy for study commissions to come to a workable set of recommendations only to find them inapplicable to the chaos that a new bureaucracy will create. And those of us genuinely concerned with agency sensitivity to consumer problems, I think, will agree that my proposal gives consumers the voices—and I mean the plural voices—they need and should have.

Finally, it is important, in closing my remarks, to say something about accountability. A large bureaucracy has difficulty being accountable to anyone—including consumers. That, I believe, is what the discontent with agency action is all about. Under the substitute bill, each office would be accountable to the agency head, who would have the ultimate responsibility to see to it that the office did its job no matter how discomforting that might become at times. Each office would also be accountable to consumers—and this is just as important—because each office would have fewer interests to represent and would have a reasonable measure of independence.

This substitute bill will not make everyone happy in every respect. Perhaps no bill on this subject ever could. But it does accomplish the major goals that may properly be sought—and it does so without disruption and exhorbitant cost. I would commend it to each of the Senators as a way to a middle ground that will permit this body to resolve and rest this perennial issue with responsibility and community of purpose.

Let me make clear at this point, too, that this bill is in no way a proposal of this administration. The President has indicated that he is against setting up, even within the various respective 34 agencies that we have studied, which in some way affect the consumer interest, what I would set up, a consumer agency for this responsibility, with any aditional personnel for this purpose. He may be right, but I am afraid that, practically, he is not, because these agencies are simply not doing the job today of properly representing the consumers in many instances. I think this aproach can do it and should do it.

In regard to the administration's position, many of the objections that I have to the bill which is not the substitute are voiced in a letter from the Honorable Casper Weinberger, Secretary of Health, Education, and Welfare, dated May 12, written to the distinguished Senator from New Jersey, the Honorable HARRISON A. WILLIAMS, chairman of the Committee on Labor and Public Welfare.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD, along with a comment on the particular effect of the Food and Drug Administration of the legislation, as a part of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECRETARY OF HEALTH, EDUCATION,
AND WELFARE,
Washington, D.C., May 12, 1975.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, the Senate is considering S. 200, a bill to establish an agency for Consumer Advocacy. I wish to express my strong opposition to this measure since I feel such an agency is not only an unnecessary layer of bureaucracy but it also has the potential for adversely interfering with the work of the Food and Drug Administration (FDA) and its efforts to protect consumer interests. In view of the government's increased awareness of consumer issues and the extensive changes recently introduced in our methods and procedures to involve consumer advocates, there is no need for such an agency.

Enclosed is a description of the major efforts underway in the FDA to be responsive to the needs of consumers. It indicates that consumer representation and participation is extensive throughout the operation of the Agency. It further describes how the establishment of a consumer agency would tend to interfere with the efforts of the FDA.

What most would-be intervenors are complaining about is that the institutions of government are not presenting or considering original propositions which are being developed among private groups; the answer is not to create another institution, but to see to it that the barriers to private participation are eliminated and that there is adequate public participation and consumer representation within the governmental decision making process.

In recognition of this, President Ford has directed the heads of all departments and agencies of the Executive Branch to review their procedures to make certain that consumer interests receive full consideration in all Government actions. His guidelines for this review are two: that all consumer interests should receive a fair chance to be heard in the Government decision making process; and that the costs and administrative requirements of Federal rules and regulations on the private sector should be held to a minimum.

If a consumer agency is established, I am fearful that it would inject itself into proceedings without regard to the program responsibilities of other agencies and would have adverse effects on the work we are attempting to accomplish.

I therefore urge that we be given an opportunity to proceed instead along the lines of regulatory reform outlined by the President in his October 8, 1974, Economic Message to the Congress and his letter of April 17, 1975, to Congressional Leaders.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

THE FOOD AND DRUG ADMINISTRATION AND CONSUMER ADVOCACY AGENCY LEGISLATION (S. 200)

An Agency for Consumer Advocacy is not needed.

The consumer movement of the 1960's and 1970's has made Federal agencies fully sensitive to the interests of consumers in their proceedings. There is now under way an effort to reform those Federal rate-making agencies—such as the Interstate Commerce Commission and the Civil Aeronautics Board—whose decisions in the past have sometimes tended to increase prices for consumers. Such reform is more effective than merely providing an institutional spokesman for consumers to try to counteract the forces promoting higher prices.

Many other Federal agencies, including FDA, have done much to involve consumers in their programs and improve exchanges of information with consumers. The following are among many developments in FDA which have helped bring consumers into its decision making processes:

1. Private citizens, consumer organizations, and consumer advocates participate directly in FDA proceedings. This involvement will be made even more meaningful by the agency's new procedural regulations, which clarify the ground rules for participation in our proceedings by all interested parties, including consumers. All citizens can petition FDA to take action and, as interested parties, are eligible to make appearances before the Agency and participate in its proceedings.

2. Each of the classification panels for FDA's massive product reviews—over-the-counter drugs, biological products, and medical devices—has as a nonvoting member a representative of consumers interests, as well as a nonvoting representative of industry interests, who play an important role in the deliberations of these committees. These consumer and industry representatives may attend even the closed session of the panels. FDA established a unique procedure for selection of these representatives whereby the consumer groups make nominations and assist in selecting the representative.

3. The new National FDA Advisory Committee is another important mechanism for obtaining views of the public in FDA actions. This Committee was a consolidation of several prior advisory committees and can give FDA guidance on difficult benefit-risk judgments the agency must make in which consumer views are important.

4. At FDA's request, the Department of Justice does not challenge the "standing" of citizens to challenge FDA actions in court. We are willing to allow our actions to be tested upon the merits and believe that any citizen has the right to take us to court and secure such a test.

5. The FDA is closely monitored by consumer advocates and the press. FDA's freedom of information policy and open calendar have made it quite easy for consumers to question agency decisions. An extensive number of consumer advocates watch FDA on a full-time basis and take full advantage of their rights to participate in FDA proceedings and to obtain information about FDA activities.

6. The Federal Advisory Committee Act has helped open advisory committee proceedings to consumers. This provides a significant opportunity for consumer participation in FDA proceedings.

7. The FDA's official publication, *FDA Consumer*, has become a more consumer-oriented magazine in which many articles appear presenting information directly useful to consumers. Similar efforts have been made to make FDA's pamphlets and publications more understandable by consumers. The agency's films, such as the award-winning "Read the Label," have further enhanced FDA's consumer education and information programs.

8. FDA has long had consumer affairs officers in its regional offices who work directly with consumer groups around the country. Any consumer can complain directly to FDA, and many complaints are the subject of follow-up investigations. In this manner, FDA has been a pioneer in its use of consumer input to aid the agency in carrying out its mission.

DELETERIOUS IMPACT OF BILL ON FDA ACTIVITIES

1. Section 4(c) of the bill provides that upon request by the administrator of the agency each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency for Consumer Advocacy. FDA would probably be a leading target for requests by the Agency and it should be emphasized that FDA sometimes lacks adequate staff and facilities to perform its own mission, much less to take on extra work on behalf of the Agency for Consumer Advocacy. Such redirection of staff effort would seriously and adversely affect FDA operations.

2. An Agency for Consumer Advocacy should not be given any special rights above and beyond any other citizen or group that wants to participate in an FDA preceeding. For the most part, S. 200 grants the Agency only the same rights that any other party would have. However, section 6(f) seems to authorize the Administrator of the Agency to request a Federal agency to issue subpoenas on behalf of the Agency in cases where other private parties may not have such a right. This seems to give extraordinary rights to the Agency.

Mr. TAFT. Mr. President, I ask unanimous consent that there also be printed at the close of my remarks a section-by-section analysis of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. TAFT. I also wish to call to the attention of the Senators that there has been put on their desks a copy of the amendment before them, in the nature of a substitute, called the Consumer Representation Act of 1975.

I yield the floor.

EXHIBIT 1

CONSUMER REPRESENTATION ACT OF 1975

(Section-by-section analysis)

TITLE 1

Section 1

Section 1 creates an Office of Consumer Affairs (OCA) in the Executive Office of the President, and provides for staffing consisting of a General Counsel and not more than five additional officers.

Section 2

Section 2 is basically a housekeeping provision, granting OCA, among other things, the power to hire employees, employ experts and consultants, appoint advisory committees of private citizens and federal and local government officials, and to designate representatives to serve on liaison committees coordinating federal and local consumer programs and activities. Section 2 also directs the OCA to prepare for Congress and the President an annual report describing the activities of the OCA, the major federal actions affecting consumers, the effectiveness of the federal agencies in protecting the interests of consumers and the consumer-related assistance given by the OCA to the federal agencies.

Section 3

Section 3 sets forth the basic responsibilities of the OCA. Aside from giving consumer advice to the President, the most important of these responsibilities, set forth in § 3(b)(1), is to oversee and coordinate the activities of the individual Offices of Consumer Representation established by Title II in each of the federal agencies. This Section also directs the OCA to act as a clearing-house for consumer complaints (§ 3(b)(8)), and to publish a consumer register setting forth the time, place and subject matters of actions by Congress, the federal agencies and the federal courts affecting consumers. The Section sets forth numerous other oversight activities—including a direction to encourage application of new technology (§ 3(b)(11)) and development of informal dispute mechanisms—which underscore the policy-making as opposed to the detailed administrative role to be played by the OCA.

Section 4

Section 4 establishes a separate authority and direction for the OCA to act as an information coordinator, collecting, assembling and digesting for consumers information affecting them as it can be gathered from all sources.

Section 5

Section 5 limits the authority of the Director to disclose trade secrets and other commercial or financial information except when he determines disclosure to be necessary to protect consumer health or safety.

Section 6

Section 6 authorizes the OCA to conduct and support consumer research and investigations.

Section 7

Section 7 contains housekeeping conforming amendments for other statutes.

Section 8

Section 8 transfers the functions of the Consumer Product Informations Coordinating Center in GSA to the OCA.

Section 9

Section 9 authorizes an appropriation of $4 million for the first fiscal year.

TITLE II

Section 1

Section 1(a) establishes an Office of Consumer Representation within each agency. The definition Section in the beginning of the bill (§ 3(8)) defines federal agency to mean any executive department or independent regulatory agency or commission of the U.S. This means in effect that there will be only one Office of Consumer Representation (OCR) in each of the major executive departments to act as the consumer representative for all the activities of each individual agency acting within the major departments. For example, the OCR for the DOT would have responsibility for the FAA, the NHTSA, etc.

Section 1(b) authorizes each OCR to hire a Public Counsel and two assistant administrators, one for economics and one for complaint handling. Section 1(c) requires the major executive departments and the independent regulatory agencies to provide sufficient funding—to be specifically requested in budget requests—within their budgets for the OCR. In this connection, Section 10 directs the departments and regulatory agencies to utilize existing resources as much as possible, and in addition authorizes an appropriation not to exceed $300,000 for each OCR.

Section 2

Section 2 is a housekeeping provision authorizing the OCR to hire officers and employees, to conduct conferences and hearings and to perform such other administrative activities as may be necessary for the effective discharge of the OCR's duties and functions. It is contemplated that the OCR will be held accountable for the performance of its duties by the head of the executive department or independent agency in which it is established.

Section 3

Section 3 sets forth in general terms the functions of each OCR—

To represent and protect the interests of consumers before its agency;

To publish information of interest to consumers;

To submit reports to the executive department or agency in improving consumer protection activities, and to transfer to the appropriate divisions and bureaus therein all consumer complaints received;

To coordinate with the OCA and keep it fully informed of its own activities; and

To encourage consumers to participate in the proceedings of its department or agency.

Section 4

Section 4 constitutes what is essentially the core provision of Title II and indeed the entire bill. It establishes the basic framework within which the OCR is to operate to provide consumer representation before the executive departments and independent regulatory agencies.

Section 4(a) requires at the outset that each department and regulatory agency inform the OCR of all major proceedings and activities which are pending before them and which may substantially affect an interest of consumers. Because the OCR resides within each agency, it is in effect privy to activities of the agency which affect consumers.

Section (b) establishes this basic independence by granting the OCR two basic tools—authorizing the OCR to represent an interest of consumers as an advocate and to demand that the agency prepare a consumer benefit analysis. This provision requires that the OCR carefully consider in light of all the circumstances which tool it will use by publishing the reasons for any action it takes. The provision also provides that on application by interested persons—private interests or public interest groups—the OCR shall in any event require and assist in the preparation of a consumer benefit analysis.

Section 4(c) provides specifically that each OCR shall have complete access to all information made available to the staff of the agency itself. Section 4(c) also provides, however, that if the OCR chooses to intervene as a party in a proceeding before the agency, it will lose this complete access and will be treated as any other party for purposes of discovery and litigation. The provision thus assures that the OCR will have no greater rights than any other litigant and the agency proceedings. Finally, subsection (c) authorizes the OCR to request information from any other federal department or agency in the same manner as any private person—thus having "discovery" rights vis-a-vis the rest of government that are no less or greater than individuals outside the agency—again whether they be private or public interest groups.

Section 5

Section 5 spells out the OCR's advocacy role in greater detail.

Section 5(a), for example, authorizes the OCR to intervene as a party in any public hearing pursuant to its agency's general rules of practice and procedure, and directs the agency to grant any discovery requests of the OCR that are appropriate under its general rules of practice. This provision thus ensures parity of treatment. The provision also (§ 5(a) (2)) authorizes the OCR to participate in informal activities that are not public hearings and that affect consumers by presenting written or submissions.

Section 5(b), the judicial review provision, authorizes the OCR to apply for leave to intervene as a party or to participate in some lesser status (such as an amicus) in court actions brought to review an action of its department or regulatory agency. This provision does not permit the OCR to initiate a review action itself, and it preserves the reviewing court's inherent power to refuse intervention where inappropriate, as in a situation where the OCR had not participated as a party in the agency proceeding on review.

Section 5(c) authorizes the OCR to request its agency or department to initiate proceedings and activities, and to be given notice of the reasons for failure to do so.

Section 6

Section 6 sets forth the consumer benefit analysis provisions in more detail. Essentially, the provision requires an executive department or independent agency to commence preparation of a consumer benefit analysis on demand by the OCR (§ 6(a)) and to assess in that analysis the short- and long-term costs and benefits of the action proposed to consumers, the real costs of enforcement and administration, alternate means for achieving the same goals, the effects on productivity and competition, and the relationship of the proposed action to other governmental activities. The provision requires further that the analysis be published first in draft form (§ 6(d)) so that all interested persons can comment (§6 (d)), and that it be published in final form no later than 20 days after announcement of the final agency action (§ 6(f)).

Section 7

Section 7 makes provision for the handling of consumer complaints and for establishment of public document repositories. Each OCR is to take responsibility for complaints relating to its agency or department.

Section 8

Section 8 deals with public participation, authorizing departments and agencies to issue additional rules of practice to provide for orderly participation in its proceedings and activities by the OCR (§ 8(a)) and by the public at large (§ 8(b)).

Section 9

Section 9 provides that the bill itself is not intended in any way to alter the governing law and standards otherwise applicable to agency actions.

Section 10

Section 10 is the appropriation provision discussed above in connection with § 1 of Title II.

Mr. THURMOND. Mr. President, I rise in support and am pleased to cosponsor the amendment of the senior Senator from Ohio, which is in the nature of a substitute for S. 200.

This proposal is a sound and responsible one, unlike S. 200, which I cannot support in its present form. The amendment of the Senator from Ohio recognizes the diverse nature of consumer interests. Furthermore, it does not create an all-powerful super-agency, which could arbitrarily pick and choose the consumer interest it desires to pursue.

I am backing this proposal because it is far more fiscally responsible than S. 200, which would cost the taxpayers an additional $60 million over the next 3 years. It is my understanding that this amendment carries a price tag for fiscal year 1976 of approximately $4.3 million, of which more than half is already in the President's budget. I think the President would be far more willing to accept this proposal, because of its much lower cost and because it does not have many of the other objectionable features of S. 200.

The concept contained in this amendment of a consumer representation office within each existing Federal agency is a good one. These various consumer representation offices would be coordinated by the Office of Consumer Affairs, which would be given statutory authority within the executive office of the President.

Each consumer representation office would have the advantage of thoroughly understanding the unique functions and programs of the Federal agency with which it is alined. Yet, each consumer office would be free to vigorously advocate the position of consumers in any proceeding of the parent agency. Furthermore, the offices of consumer representation would be empowered to request an economic analysis of proposed agency actions to determine the benefit or cost to the public. If necessary, the offices could petition to participate in Federal civil court proceedings involving actions of the parent agency. Additionally, the consumer representation offices would be able to act on consumer complaints and resolve consumer problems.

I think this proposal is a major step in the right direction to make the consumer voice heard within the Federal bureaucracy. Significantly, it would accomplish this desirable end without greatly adding to the Federal bureaucratic complex, without creating an expensive, all-powerful new agency, and without treading on the rights of private businesses.

I sincerely hope that my colleagues in Congress will see the wisdom of this proposal and the many faults of S. 200. If they carefully evaluate both, I believe they will wisely choose to support this amendment.

Mr. McCLURE. Mr. President, I rise in support of the substitute which has been offered by the Senator from Ohio and was cosponsored by Senator THURMOND and myself. I do not think any of us questions the fact that consumer interests sometimes have not been adequately represented before some of the Federal agencies. I am certain, as has been said before, that the pending legislation is a move in the direction of making certain that Federal agencies take adequate notice of the consumer interest in the decisions that are pending before those Federal bureaus and agencies. What many of us fear in the pending legislation is the creation of an independent administrator in an independent agency accountable to no one at all.

I think the people of this country are getting sick and tired of a government bureaucracy which operates without any lines of authority or responsibility. They are sick and tired of writing to their congressmen to find out why something happened to them or did not happen to them in the inner workings of a Government agency whose civil servants are almost faceless and oftentimes cannot be found.

I know that before I was elected to Congress, some 9 years ago, I always assumed that those decisions which were not made at the local level were made upstairs somewhere, and I, as an individual citizen, could find the local people where those local decisions were made. But if it were more than just a simple little question to be asked and answered, it was referred somewhere in the bureaucracy and I could never find out where. I assumed that, once I got elected to Congress, I would go to the top of the agency and I would find out where those decisions were made.

It will come as no surprise to any Member of this body that that is not the way it works, either. If it is a broad, general policy decision, yes, we can find out who made that policy decision by going to the head of the agency or the bureau. But if it is one of those difficult questions that is neither a broad policy question nor a simple individual question that is answered on the local level, it is neither decided at the top nor at the bottom; it is decided somewhere in that great mass of the Federal Civil Service, which has no visibility and no accountability to the people that it governs.

That is why many of us are concerned about creating not just another bureaucracy, but another bureaucracy that is accountable to no one. The problems that we have had in terms of the service of this Government to the people that it is supposed to be concerned with and serving become even more remote, even more mysterious. I think the people of our country have had enough of that. They want us to move in the other direction, not move in terms of building less accountability into the system. They want to know what their Government is doing and why. They want to get to the civil servant who made the decision and discuss their problem. We are building here, under the pending bill, a bureaucracy that removes Government even farther away from them.

If we need a couple of examples of what I am talking about, if one says, it cannot happen because this is consumer representation, well, who was it who decided that we ought to have a seatbelt interlock. It was not Congress. Congress mandated safety. We made the broad, general policy decision, and some bureaucrats mandated the seatbelt interlock. And what did the consumers of this country say? "We don't want it."

Congress had to come back in, then, afterward, and on a very specific and very narrow issue repeal the action that had been taken under a delegation of authority from Congress.

That will be multiplied a hundred times over if the pending legislation is passed.

Another example was the one we sought to correct, and I hope did correct, in the amendment just adopted which I offered with regard to ammunition. Congress had specifically said, "We will not, under consumer product safety, get into the business of firearms or ammunition controls." Yet in spite of that specific decision by Congress, the bureaucracy, under the prodding of a court interpreting the language, I think, erroneously, but nevertheless under the prodding of a court, looked into an area where Congress had said, "You will not go," and the result was that again Congress had to act to remove an abuse of the authority which was gathered unto itself by a bureaucracy, under the prodding of a court in this particular instance.

I think the issue is that of accountability. How do we find the person responsible for a decision in a bureaucracy that has grown like Topsy?

There are problems in consumer safety. There are problems in consumer responsibility, and in the responsibility of businesses and Federal agencies toward the consumers of this country.

What we seek under the amendment is a different approach to that problem, and I think a more responsible approach to the problem, by seeking to see that the agencies themselves live up to their inherent responsibilities by directing and structuring their own internal machinery to do the job that ought to be done.

I have a great deal of respect for the sponsors of this legislation, the concerns that they express, and the concerns that they are responding to, but I really believe that the attempt to create a new bureaucracy to oversee the old bureaucracy is a recognition of the failure of the Congress of the United States to do its job; because if the regulatory agencies are not doing their jobs, if these independent bureaus and agencies of the Government are not properly responding to the consumer interests in this country, that is our fault because we are so busy passing new laws we will not take the time to find out how the old ones are working.

Now, rather than try to find out how the old ones are working, we are going to pass a new one and pass the buck to a whole new bureaucracy, to take the responsibility which the people of the United States elected us to discharge.

That is why I support the amendment in the nature of a substitute which has been offered by the Senator from Ohio, because I think it is our responsibility and within the area of our own responsibility and accountability to the millions of people who individually voted for those of us who serve here to see that the regulatory agencies work, rather than saying, "We give up; we cannot make them work; we are going to create a new bureaucracy to take over our responsibility so that once again we can duck the issue; when a consumer has a problem, we can say, 'That is not our fault, we have no responsibility, take it to the Consumer Advocacy Agency.' " It is a neat way for us to shirk our own responsibility.

The substitute does not offer that. It simply provides that we, in the discharge of our own responsibilities, are going to try to see that the agencies and bureaus function as they were intended to, and if they do not, then to come back to us; it is our fault. That I believe the voters have a right to expect of us, and I hope when the Senate acts upon this substitute it will keep that fact in mind, and that we will not, then, create another layer of bureaucracy outside of the checks and balances of this Government, but stay strictly within them—at least, certainly, no farther outside than they are already.

For that reason, I hope that the Senate will adopt the proposed substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. RIBICOFF. Mr. President, basically the Taft amendment is similar to the Pearson amendment, that the Senate voted on and defeated overwhelmingly an hour or so ago. I would set up a consumer office in each and every agency and department. These offices would not be able to have the independence necessary to adequately represent the interests of consumers. As part of an agency or department they would be subject to the same pressures and problems which prevent the agencies themselves from representing consumer interests.

Further, it would be very wasteful because it would create perhaps 30 to 35 new bureaucracies in the Government, and there would be great duplication with no coordination.

The ACA will be able to get an overview of consumer problems that these individual officers would not. These officers would lack information-gathering powers.

The Senator from Ohio asks $300,000 for each office and an addition $1.5 million for the Office of Consumer Affairs. In fact, a $300,000 budget is really too small to accomplish anything meaningful. A meaningful sum would have to be about $1 million in each and every agency or bureau. This would be far more costly than the ACA.

Mr. President, I oppose the Taft amendment.

Mr. TAFT and **Mr. McCLURE** addressed the chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. McCLURE. Mr. President, will the Senator from Ohio yield to me for a minute.

Mr. TAFT. I will be glad to yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I yield time from my own time on the substitute.

I think is only one other factor that might be mentioned, and that is that while we speak now as though we are acting for the consumers, a recent independent survey indicates that 75 per cent of the people of the United States are opposed to the action that we are taking.

Just as they said after the fact they did not want the seatbelt interlock, just as they have said after the fact that they did not want the Consumer Product Safety Commission involved in the ammunition ban, they are telling us now before we act they do not want us to do what we are about to do.

They have indicated in the same survey that 80 percent are in favor of regulatory reform as an alternative to the creation of a new bureau, and that is exactly what the Taft substitute does.

I think we would be acting in concert with what the people want in this country if we adopt the substitute, and I think the opposite of what they want if we adopt the pending bill.

Mr. TAFT. Mr. President, I do not want to get into a protracted debate at this late hour on this issue. I think that Senators have thoroughly examined it.

Replying to the remarks of the distinguished chairman of the committee, I would point out that really it is not a question of getting way from activity relating to consumers in the various departments. Either way we are going to have it.

The only question is whether we are going to have the various respective departments, which are now charged with an area of regulation and responsibility in our Government, acting for the consumers or against them.

We would have an agency for consumer advocacy to look into the respective departments to oppose them on the positions they are taking, and to tell them they have to take a certain stance. They are going to build up a bureaucracy within their own house anyway with a whole bunch of lawyers, as I mentioned before, all designed to answer and to defend themselves against the attacks of the consumer advocacy agency.

This, to me, is a totally futile process. Inevitably it is going to lead to budget expenditures in the neighborhood of what we are talking about in setting up the various respective offices within the already existing Government departments.

The total cost, of course, of the bill in the authorization that is already admitted, as I understand, by the committee, because of the amendment they accepted yesterday, is a $68 million figure over a period of 2 years.

The cost by any calculation of the figures that we have given on the setting up the agencies within the various departments already existing, plus the independent office in the White House, would be something in the neighborhood of $11 million per year. So that we do have, even at the outset, half of that cost.

I do not say that all of that has to actually come out of the current budget or be added onto the current budget. I believe in many of these departments existing responsibilities within the agencies can be cut back, and ought to be cut back, and that we ought to force the various departments involved which have, in some instances, excessive budgets in the regulatory field, or that are carrying out duties that are totally unnecessary and meaningless insofar as consumers are concerned, in fact, sometimes inimical to the consumers, such as my criticism of the ICC to use their budgets to set up the independent actor for the consumers within their own agency from already existing budgets.

So I do not think the cost picture is exactly as has been represented, and I feel we have here a viable substitute and one that would in the long run be far greater in the interests of the consumers than the bill that is before us without the substitute.

What I fear is, and I do not see any reason why it should not be true, if we set up this independent Consumer Advocacy Agency and it does not work the way we think it should, then within 3 or 4 years we will see it back here in the Congress trying to set up another agency so it can police the Agency for Consumer Advocacy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to Mr. TAFT's amendment (No. 404) in the nature of a substitute.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Indiana (Mr. HARTKE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), and the Senator from Illinois (Mr. STEVENSON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The result was announced—yeas 28, nays 64, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—28

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd,
  Harry F., Jr.
Curtis
Dole
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Nunn
Scott,
  William L.
Stennis
Taft
Talmadge
Thurmond
Tower
Young

NAYS—64

Abourezk
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—7

Bayh
Buckley
Gravel
Hartke
Kennedy
Mathias
Stevenson

So Mr. TAFT's amendment (No. 404) in the nature of a substitute was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 431

Mr. HRUSKA. Mr. President, I call up my amendment No. 431.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HRUSKA. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, between lines 7 and 8, insert the following:

(c) Notwithstanding any other provision of law, authority and jurisdiction to restrict, limit, regulate or condition, or any measure having the effect of restricting, limiting, regulating or conditioning the manufacture, sale, possession, or use of firearms, ammunition, or any components of ammunition, including (without limitation) black powder and gun powder, shall be vested only upon and by legislation expressly and specifically providing for its applicability to such firearms, ammunition, or any component of ammunition, including (without limitation) black powder and gun powder.

Mr. HRUSKA. Mr. President, amendment No. 431 to S. 200, would provide that any measure having the effect of restricting, limiting, regulating, or conditioning the manufacture, sale, possession, or use of firearms, ammunition, or any components of ammunition, including black powder and gun powder, can be vested only by specific and express legislation enacted by the Congress.

My amendment would go beyond that of the amendment offered by the Senator from Idaho in that it would require positive legislative action by the Congress before any measure, including the pending bill, can confer authority to regulate the sale or manufacture of firearms or firearm ammunition, or ammunition, or ammunition components. Absent affirmative action by the Congress, no regulatory action by any Federal agency in this area, notwithstanding existing law, could be exercised contrary to express statutory authority and the intent of the Congress.

The Consumer Product Safety Commission, established by the Congress in May 1973, has recently become involved in the regulation of handgun ammunition. Its involvement is fraught with difficulty and controversy, and at the present time is subject to judicial interpretation and administrative review. Let me briefly summarize the status of this matter.

In June 1974 the Consumer Product Safety Commission received a petition from the Committee for Handgun Control, Inc., to ban the sale of handgun ammunition to the general public. The Commission decided on September 5, 1974, to deny the petition on the grounds that it did not have technical jurisdiction over handgun ammunition. In denying the petition of the Committee for Handgun Control, Inc., the Commission stated:

> Nevertheless, the Commission does not believe that Congress, in establishing the Commission and transferring to it the authority to administer the FHSA, *intended* to confer upon the Commission the authority to ban handgun bullets as requested by and for the reasons cited by the petitioner. This belief is based upon a careful review of the provisions of the Federal Hazardous Substances Act and its legislative history. The practical effect of the requested ban on handgun bullets, if successful, would be a virtual ban of handguns. There is clearly no authority under any act which the Commission administers to regulate handguns.

U.S. District Judge Flannery, however, overruled this decision and held, on December 19, 1974, that the Commission must consider the petition on its merits. See *Committee for Handgun Control, Inc.* v. *Consumer Product Safety Commission, et al.*, Civil Action No. 74–1387 (D.O.C.). In reaching his decision Judge Flannery allowed that—

> If the Commission remains convinced that Congress would object to the Consumer Product Safety Commission giving consideration to the merits of plaintiff's petition, the proper course is for the Commission to seek clarification from Congress. (supra)

In addition, the Office of General Counsel, Consumer Production Safety Commission, in responding to a request by the Commission for a memorandum on the question of handgun bullets as a "hazardous substance," recommended that the Commission decide that it has jurisdiction over handgun bullets. The Commission, however, meeting on September 6, 1974, rejected that recommendation and stated that in its view, Congress had not "intended" to confer upon the Commission the authority to ban handgun bullets as hazardous substances.

As I have indicated, however, Judge Flannery rejected the Commission's finding and looked to a "plain reading of the statute" test to decide against the Commission. He also ruled that the Commission reconsider the petition on its merits. To comply, the Commission, on February 14, 1975, published the petition in the Federal Register and solicited written comments from all interested persons and groups for a period of 60 days. In the period between February 14 and April 15, 1975, the Commission was inundated with letters and comments from respectable citizens who registered their opposition to the court's decision on handgun ammunition regulation. I know this is true because I have received hundreds of letters and postcards expressing opposition to the decision and also copies of letters sent to the Commission. I am sure that many of my colleagues in the Senate have received similar letters, both in number and in opposition to this ruling.

Mr. President, subsequent to Judge Flannery's December 19 ruling, Congressman John D. Dingell of Michigan, Senator Ted Stevens of Alaska, and the National Rifle Association, filed motions with the court seeking to intervene as parties to the action. The Consumer Product Safety Commission did not file papers concerning these motions.

Additional motions filed by the three parties included those which would have had the court vacate the order that the Commission undertake a consideration of the merits of the petition. The motions to intervene were denied on February 14, 1975, by Judge Flannery. The motions to vacate were not considered since the intervention was denied.

In addition, a number of bills have been introduced in the Congress to prohibit the Consumer Product Safety Commission for restricting the sale or manufacture of firearms or ammunition. These bills include S. 143, sponsored by the Senator from Idaho (Mr. McClure), and S. 1007, sponsored by the Senator from Kansas (Mr. Dole). Each of these measures prohibits the Consumer Product Safety Commission from issuing any regulations or orders restricting the sale or manufacture of firearms, firearm ammunition or ammunition.

Mr. President, I want to register strong opposition to the rulings of Judge Flannery that: First, the Consumer Product Safety Commission has jurisdiction and authority to ban handgun bullets, and second, that Congress has failed to express its clear intent not to confer this authority on the Consumer Product Safety Commission by enactment of the Consumer Product Safety Act—Public Law 92–573. It is only through a tortured interpretation of the statutory provisions and legislative history that Judge Flannery reaches these conclusions.

OBJECTION TO THE COURT'S RULING

With regard to the first finding of Judge Flannery that the Consumer Product Safety Commission has jurisdiction over handgun bullets, I must respectfully object to that conclusion. In his opinion, Judge Flannery pursues the following line of reasoning to reach his result. First, under the Federal Hazardous Substances Act—Public Law 86–613—specifically 15 U.S.C. 1261(f)(1)(A), a hazardous substance is defined as:

> (A) ny substance or mixture of substances which . . (v) is flammable or combustible, or (vi) generates pressure through decomposition, heat, or other means, if such substance or mixture of substances may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion by children. (15 U.S.C. 1261(f)(1)(A)).

Utilizing section 1262 of the Hazardous Substances Act, the court then concludes that the administrator of the act, formerly the Secretary of Health, Education, and Welfare but now the Consumer Product Safety Commission, has authority to determine which substances meet the definition of "hazardous substance" pursuant to the statute.

The court then proceeds to reason that the administrator of the act, on his own initiative, investigated the question of whether small-arms ammunition qualified as a hazardous substance, and determined that it did. He then issued a regulation to the effect that a narrow labeling requirement was in order containing the usual name of the ammunition, a warning regarding the danger to children, and the name and place of business of the manufacturer. This regulation is still in effect. See 16 C.F.R. 1500.83(a)(6).

The court finally sums up its line of reasoning thusly:

> Hence, it is without dispute that small-arms ammunition does constitute a hazardous substance with the Act's definition and that the administrator of the Act has jurisdiction to regulate the hazardous substance.

In short, the court concluded that because the general definition of "hazardous substance" under the Federal Hazardous Substances Act appears to include handgun ammunition, and the administrator also decided it did, issued a regulation under the labeling requirement authority and then, in fact, the Consumer Production Safety Commission has jurisdiction.

Mr. President, it is my contention that the Consumer Product Safety Commission Act expressly exempts firearms and firearms ammunition from the jurisdiction of the Consumer Product Safety Commission. Section 3(a)(1)(E) of the Consumer Product Safety Act—Public Law 92–573—states:

> Any article which, if sold by the manufacturer, producer, or importer, would be subject to the tax imposed by section 4181 of the Internal Revenue Code of 1954 (determined without regard to any exemptions from such tax provided by section 4182 or 4221, or any other provision of such Code), or any component of any such article.

Furthermore, section 4181 of 26 U.S.C. provides as follows:

> § 4181. Imposition of tax.
>
> There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to the specified percent of the price for which so sold:
>
> Articles taxable at 10 percent—
>
> Pistols.
>
> Revolvers.
>
> Articles taxable at 11 percent—
>
> Firearms (other than pistols and revolvers).
>
> Shells, and cartridges.

Mr. President, it seems clear to me that the items contained in section 4181 of the Internal Revenue Code are, indeed, exempt from the jurisdiction of the Consumer Product Safety Commission. Unfortunately, Judge Flannery did not take occasion to address these statutory provisions in his written opinion. It is because of these conflicting and almost, far-reaching conclusions by the court that I have introduced my amendment.

LEGISLATIVE INTENT EXPRESSED

In addition, Mr. President, I cannot agree with the judgment of Judge Flannery that the Congress has not expressed itself with regard to the applicability of the Consumer Product Safety Act to firearms or firearm ammunition.

Legislative intent is not then an item to be considered separate and apart from the language of the statute in determining the meaning of the statute as to jurisdiction or anything else. Among the aids used to determine proper statutory construction of statutes are: Statements at committee hearings, legislative debates—where the statements reflect a common agreement among the legislators—and legislative action on a proposed amendment.

Among the most telling of actions in the legislative history of the Consumer Product Safety Act surrounds an amendment offered in the House of Representatives by Mr. Bingham of New York. The purpose of his amendment was to restore to the bill the coverage of firearms and ammunition.

Mr. Moss, of California, a principal sponsor of the bill, spoke in opposition to the amendment because "neither the Committee on Interstate and Foreign Commerce nor the special Commission on Consumer Product Safety made any kind of an inquiry into firearms." He also stated:

> I do not believe we should here attempt to mislead the public. I am afraid that is what would happen if we were to suddenly have a firearms act without any kind of history as to what we intended. I believe it is an important enough subject to be dealt with as a separate subject.—(*Congressional Record*, at p. 31406, September 20, 1972)

Congressman Wiggins also opposed the amendment, stressing that if it were passed:

> What we (would) have, no more or less, is a gun control bill by administrative rule rather than by act of Congress. (Supra, at p. 31406)

Congressman Randall concluded the debate just prior to the rejection of the Bingham amendment with this observation:

> We all know, of course, that the Consumer Product Safety Commission created by this bill will have the power and authority to lay down standards as to what products are safe and what products are hazardous. If the amendment of the gentleman from New York should pass, there would be nothing to keep the Commission from declaring that all guns of any and every type, and ammunition of all sorts, are dangerous and hazardous products and thereby achieve through indirection what the antigun lobby has never been able to enact directly—their avowed objective to outlaw all guns and ammunition. (Supra, at p. 31407).

Mr. President, Congress may take on to itself regulatory authority over a particular area of Federal concern, and where Congress has occupied the field, there is no place for supplementary much less conflicting requirement. Congress expressed an intention to preempt decisionmaking with respect to a ban on ammunition as evidenced in the Gun Control Act of 1968. That legislation responded to widespread national concern that existing Federal control was inadequate, recognizing the use of firearms in violent crimes increased. The House Judiciary Committee was persuaded that "the proposed legislation imposes much needed restrictions on interstate firearms traffic and at the same time not interfere with legitimate recreational and self-protection uses of firearms by law-abiding citizens."

CONCLUSION

In summary, Mr. President, based on the questionable interpretation of the statutory provisions surrounding handguns and handgun ammunition jurisdiction by the Consumer Product Safety Commission, and the expression of legislative intent of the Congress in this area, I feel compelled to offer my amendment.

Mr. President, I modify my amendment in this massive bureaucracy of ours. ment by the insertion, in line 7, after the word "powder", the following words: "as defined in 18 U.S. Code section 921".

The PRESIDING OFFICER. Is there objection?

Mr. RIBICOFF. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. RIBICOFF. Mr. President, I raise a point of order that the amendment of the Senator from Nebraska is not germane.

The PRESIDING OFFICER. Does the Senator from Nebraska wish to be heard?

Mr. HRUSKA. Mr. President, I did not hear the ruling.

The PRESIDING OFFICER. Under the rule of germaneness, there is nothing in this bill that relates to the sale of firearms or ammunition, those specific products. Therefore, the Chair holds the point of order to be well taken.

Mr. HRUSKA. Mr. President, I regret that that is the ruling of the Chair. I shall not contest it, call it to a vote, or appeal it. It is to be regretted because, of course, this amendment could have been taken up prior to the cloture motion. It was not. But there will come another day when we can go into it in more detail and on its merits. I thank the Chair.

Mr. RIBICOFF. I thank the Senator for his courtesy.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 437

Mr. DOLE. Mr. President, I call up my amendment No. 437, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 51, between lines 22 and 23, insert the following new section:
>
> "BUDGET REPORTS
>
> "Sec. 25. (a) The Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall each transmit annually to the Congress a report containing an estimate of the amount of funds expected to be allocated for each fiscal year to any office representing consumer interests located within any department or agency other than the Agency for Consumer Advocacy.
>
> "(b) Such estimate shall be included in any committee report accompanying any bill making appropriations for the Agency for Consumer Advocacy.".
>
> On page 51, line 24, strike out "25" and insert in lieu thereof "26".
>
> On page 52, line 11, strike out "26" and insert in lieu thereof "27".

Mr. DOLE. Mr. President, this amendment would require the Directors of the Congressional Budget Office and the Office of Management and Budget to report annually to Congress the estimated amount of funds to be allocated each year to any office representing consumers in any Government agency other than the Agency for Consumer Advocacy.

The amendment further requires that these estimates will be included in any committee report accompanying any appropriations bill for the ACA.

This provision will enable the Congress to determine precisely how much money the Government is allocating to consumer protection each fiscal year. By monitoring total Government spending for consumer programs, Congress will be able to gauge more accurately the efficiency of all such programs. Moreover, these annual reports will be of benefit to the Congressional Budget Committees in analyzing expenditures in the various functional categories of Federal spending.

Mr. President, this amendment will demonstrate further the determination of the Congress to provide fiscally responsible programs to assist consumers throughout the Government.

Mr. President, this amendment has been discussed with the ranking minority member, with the chairman, and with staff members, and I think the amendment is acceptable.

Mr. RIBICOFF. Mr. President, I accept the amendment of the Senator from Kansas.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 435

Mr. DOLE. Mr. President, I call up amendment No. 435.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Kansas (Mr. Dole) proposes an amendment numbered 435.
>
> On page 12, line 23, strike out the word "and".
>
> On page 12, between lines 23 and 24, insert the following new paragraph:
>
> "(15) coordinate its activities with the activities of other executive departments and agencies with respect to consumers; and".
>
> On page 12, line 24, strike out "(15)" and insert in lieu thereof "(16)".

Mr. DOLE. Mr. President, I read the pertinent section, which would insert a new paragraph:

> Coordinate its activities with the activities of other executive departments and agencies with respect to consumers;

The purpose and the intent of this amendment is to qualify the working relationship of any future Consumer Advocacy Agency with already established executive offices having similar responsibilities.

Specifically, this amendment would require that the ACA coordinate its activities with those of consumer divisions within other Federal departments and agencies. In that way, we could avoid some of the duplication of effort and waste of man-hours which is so preva-

While the sponsors of the bill might contend that such a mutuality of purpose among governmental units with "consumer interest" labels is implicit throughout the legislation, I think those of us who have reservations about a new independent bureaucracy are entitled to that reassurance in actual language form. That is, this is not something we can take for granted.

There is good reason to be concerned, also, that without the "coordination" stipulation, competition—and even adversity—are likely to develop between the ACA and another element of the Federal organization having supposedly a common, if not identical objective: that of protecting consumers. Accordingly, we should act to incorporate into the law this provision to forestall such an undesirable intragovernmental conflict.

If we are truly seeking to represent consumers, we must do so in a way that will foster cooperation and unanimity throughout the rather large proconsumer community at the executive level. It is my hope that the adoption of this amendment will contribute to that objective.

This is another amendment that has been discussed with the chairman of the committee, with the ranking minority member, and with the members of the staff, and I believe the amendment is acceptable in its present form.

Mr. RIBICOFF. Mr. President, I accept the amendment.

The PRESIDING OFFICER (Mr. BUMPERS). The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 419

Mr. BROCK. Mr. President, I call up amendment No. 419.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposes an amendment numbered 419:

On page 51, strike out lines 20 through 22, and insert in lieu thereof: "are authorized to be appropriated to carry out the provisions of this section not to exceed $2,000,000 for each of the fiscal years 1976, 1977, and 1978.".

Mr. BROCK. Mr. President, this is simply a funding amendment to allow the agency to conduct such support activities as it desires, under section 24, without depleting the resources of the agency from the essential purpose of consumer protection, which the bill was designed to achieve.

I believe the amendment is acceptable to the ranking member of the committee as well as the committee chairman. I will be delighted if they will comment.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 424

Mr. BROCK. Mr. President, I call up my amendment No. 424.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposes an amendment numbered 424:

On page 47, line 1, strike out "first".

Mr. BROCK. Mr. President, this is a very simple amendment which deals with some confusion that has arisen with regard to the cost-benefit statement prepared.

On page 47, it refers to the fact that it shall be first published at the end of the year in the Federal Register.

We are not trying to delay, and I do not think that was the intent of the language, but just in order to clarify the language and be sure we understand this is an annual requirement, and as soon as they can come up with these publications, that is what they are intended to do, I am striking the word "first" simply for clarification purposes.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 422

Mr. BROCK. Mr. President, I call up my amendment No. 422.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposes an amendment numbered 422:

On page 48, line 1, strike out the period at the end thereof and insert ", and shall issue regulations implementing this subsection within one hundred and eighty days of the effective date of this Act.".

Mr. BROCK. Mr. President, this is simply a clarifying amendment. The purpose of the amendment is to insure that we have regulations to implement the purposes of the section in a specific time frame.

Last October, the President said that he was going to require executive agencies to implement an inflation impact statement, and here it is, 6 months later. Some agencies have complied; others have not. Others are in specific disagreement with OMB on what the language meant.

All I am trying to do is to put a limit of 6 months on the issuance of regulations, sufficient to promulgate the effect of this particular section. I hope the amendment is acceptable.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 460

Mr. BROCK. Mr. President, I call up my amendment No. 460.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK), for himself and Mr. NUNN, proposes an amendment numbered 460:

On page 32, after line 24, insert a new section (d):

(d) Nothing in this Act shall be construed to affect the duty of the Small Business Administration to aid, counsel, assist, and protect the interests of small business concerns, pursuant to section 631(a) of the Small Business Act of 1958 (15 U.S.C. 631(a)), and the Small Business Administration remains the sole executive advocate for the interests of small business concerns.

Mr. BROCK. Mr. President, here, again, we have what I perceive to be a need for clarification. I do not believe it is the intent of the committee or of Congress in any way to limit access to the Small Business Administration on the part of the small business community. What we are saying in this amendment is that nothing in the act should so limit SBA in their desire to aid, counsel, assist, or protect the interests of the small business concerns.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill and ranking minority member.

Mr. PERCY. I am very happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 458

Mr. BROCK. Mr. President, I call up my amendment No. 458.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 45, line 6, strike the period and insert a semicolon and add two new sections on the following lines:

"(4) the estimated cost of compliance for small business concerns with the agency rule; and

"(5) the effect on the competitive position of small business concerns if the proposed rule is implemented.".

Mr. BROCK. Mr. President, here we have a section on page 45 which deals with the cost and benefit assessment statements. We have, at the moment, three criteria. One is estimated costs that are foreseeable as a result of the effective implementation of such a rule; two is estimated benefits; three is the apparent relationship, if any, between such costs and benefits. What we are attempting to do here is add the estimated cost of compliance for small business concerns as distinct from business in general and the effect on the competitive position of small business concerns if the proposed rule is implemented.

Here we desire to single out the small business community again, as we have done several times in the bill, with additional protective devices to see that they are not abused or unfairly disadvantaged by action of their own Government. They have sufficient competition now, and any step that we can take to support their contribution to the competitive free enterprise system, I think, is well founded.

Mr. RIBICOFF. Mr. President, this amendment is not acceptable to the manager of the bill. I wonder if the distinguished Senator from Tennessee would defer consideration of this amendment at this time to see if it is possible to work something out overnight.

Mr. BROCK. Then, Mr. President, I ask unanimous consent to withdraw the amendment without losing my right to resubmit it in similar form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was withdrawn.

Mr. BROCK. Mr. President, I yield the floor.

AMENDMENT NO. 463

Mr. DOLE. Mr. President, I call up amendment No. 463.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, immediately below line 24, add the following new subsection:

(e) There is established within the Agency for Consumer Advocacy an office to correspond with each executive department and multiheaded independent regulatory agency of the Federal Government, to include as a minimum, but not be limited to, the Departments of Agriculture; Commerce; Defense; Health, Education, and Welfare; Housing and Urban Development; Interior; Justice; Labor; State Transportation; and Treasury, and the Civil Aeronautics Board; Consumer Products Safety Commission; Federal Communications Commission; Federal Maritime Commission; Federal Power Commission; Federal Trade Commission; Interstate Commerce Commission; Nuclear Regulatory Commission; and Securities and Exchange Commission. Each such office shall be under the direction of an office administrator appointed by the Administrator and responsible to him. Such office shall be administered in accordance with the provisions of section 4 of this Act.

Mr. DOLE. Mr. President, the Senator from Kansas does not intend to press this amendment. I do hope to discuss it briefly and then ask the chairman, or perhaps the ranking minority Member, to respond.

The intent of the amendment is to lay out some specific guidelines relative to the internal structure of any newly established Agency for Consumer Advocacy.

Very briefly, the amendment would add a new subsection calling for the ACA to have, within its own organizational framework, an office to correspond with certain executive departments and independent regulatory agencies of the Federal Government. Such offices would, thus created, be under the direction of an office head responsible to the Administrator.

What we are concerned about is that we do not, in the new agency which will be created, devote 90 percent of the time and resources to one Federal agency and zero to the others.

Because of the broad interpretation which could be applied to the requirement for separate offices, I am specifying that 11 executive departments—with Army, Navy, and Air Force being grouped under Defense—and at least nine independent commissions or boards be included in the definition. The named agencies would be determined according to their rulemaking and enforcement capacity, as well as their character of being multiheaded.

The purpose of this amendment—for which I think there has been some support in both the committee hearings and the minority views—is two-fold. Primarily, it is to insure that consumers will be represented in all areas of the Government, but it is also to guard against the possibility of the ACA's concentrating all its resources in one special sphere.

In my opinion, we need to build into the act, if not through the amendment which I understand is objectionable, at least through some informal colloquy, that this is the intent of the committee, this is the intent of the legislation, to make certain that we represent consumers in all areas of Government; and second, that there is not any effort to concentrate all the efforts or a lion's share of the efforts in one area of Government.

There should be some provision for internal agency structuring that will be consistent with the bill's purpose of protecting all consumers uniformly. That is, there should be within the ACA organization a separate office to correspond with at least the major elements of our bureaucracy—preferably with some expertise to handle the consumer problems which are unique to each.

While it is perhaps premature to suggest that a zealous administrator could focus his agency's attention on one particular Federal activity with the notion of "doing it in," it seems to me that the potential would be there without some provision for decentralized authority and responsibility. My amendment would establish the breakdown necessary to satisfy such a concern.

Mr. RIBICOFF. If I may respond to the distinguished Senator from Kansas, who has made many, many substantive contributions to this legislation, I am very sympathetic with what the Senator is trying to achieve. My feeling is that the agency should be structured along the lines suggested by the Senator from Kansas. I do feel, though, that it would be unwise at this time to freeze in such a structure, because we do not know from time to time what problems in the economy and the country will take precedence over other problems.

I say that it would be our intention on the Committee on Government Operations, should this become law, to be very zealous in our oversight of this agency. We have provisions in the bill that, after 3 years, it has to come back to Congress for a new authorization. At that time the Congress can take a thorough look at it. The GAO has duties here to monitor this agency.

I would be surprised, personally, if the agency were not structured along the lines suggested by the distinguished Senator from Kansas, but I do believe it would be unwise at this time to freeze such a structure in by way of amendment.

Mr. PERCY. Mr. President, if the distinguished Senator will yield for just a moment, just as a matter of legislative history, I wish to associate myself with the remarks of Senator RIBICOFF.

I think it would be unwise to structure it in law, but I think it would be wise for the agency to consider establishing and using this amendment as guidelines. It would probably be good organization for them to follow the suggestion of the distinguished Senator from Kansas, but I think if we do it as a matter of legislative history rather than as a part of law in this case, it will provide a little more flexibility.

Mr. DOLE. I appreciate the comments of both the chairman and the ranking minority member. I share the view that it is difficult to legislate how the resources and manhours of any new agency shall be used. There are agencies—the FTC, for example—where there are more consumer-related problems and cases and hearings than other agencies. Therefore, based on the colloquy with the chairman and the ranking minority member, I believe we have offered at least some guidelines and some hope and some direction to the Administrator and to those who will be responsible for the direction of the new Agency.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was withdrawn.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 407

Mr. PERCY. Mr. President, I call up amendment No. 407.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 7, line 2, after the word "citizens" insert a comma and add the following new language: "including consumers and business representatives,".

Mr. PERCY. The purpose of the amendment, Mr. President, is simply to make certain that with respect to the advisory committees already provided for in the bill, in addition to officials of the Federal, State, and local governments, and so forth, we clearly provide for consumers and business representatives alike to allow that there is a good dialog conducted among the various interested participants.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Illinois is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 407) of the Senator from Illinois.

The amendment was agreed to.

AMENDMENT NO. 408

Mr. PERCY. Mr. President, I call up my amendment No. 408.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. Percy), for himself and Mr. Javits, proposes an amendment as follows:

On page 3, beginning on line 20, add the following new subsection:

"(C) price and adequacy of supply of goods and services;".

Reletter the following subsections.

Mr. PERCY. Mr. President, the intent of this amendment, to be incorporated in the bill on page 3, is to clarify the fact that price and adequacy of supply of goods and services should be taken into account along with such matters as safety, quality, purity, potency, healthfulness, durability, et cetera, of the product; and preservation of consumer choice and a competitive market, and other purposes to be promoted by the Agency for Consumer Advocacy.

We have inserted here that ACA should take into account the protection of consumers with respect to price and adequacy of supply of goods and services, which certainly is important to consumers.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Illinois is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BROCK. Mr. President, may I take just a minute to ask the Senator a couple of questions?

I think I understand the intent of the amendment. Obviously price and availability are important factors in consumer needs. I am not quite sure what the effect of this amendment is on, apparently, the application of the Agency for Consumer Advocacy dollar. Is it the intention of the Senators to underscore the fact that sometimes price has a great effect on supply, such as wage and price controls, that can result in shortages, or is something else involved that I have not thought of?

Mr. PERCY. No, I think these are two factors of deep interest and concern. After all, we are interested, as we say in this particular section, in the quality of the product, in the purity of the product, in the safety of it, in its performance, in its repairability—all of those are important. But obviously the consumer is interested in price also; and supply, to. For instance, in the whole field of pharmaceuticals, the question of the cost differential between generic pharmaceuticals and brand name products, has been of major concern to the Congress of the United States, particularly when the U.S. Government is a very big procurer of such products. We certainly want specifically to indicate to the Administrator of this act, that price is a critical factor in assessing and promoting the interests of consumers.

Further, if the price is reasonable and the product is good, durable, repairable, and safe, but it is unavailable and is in very short supply, this adversely affects consumers, because it could, by the artificial nature of the shortage of the product, have an impact on price. So that to have the Agency for Consumer Advocacy inquire as to why a product or product line that has been offered and afforded to consumers is not available to them and cannot be procured in adequate quantity, once the market is established and the demand is there, is once again a question we feel is quite germane to the responsibility of an Agency for Consumer Advocacy.

Mr. BROCK. One of the things that has bothered me, and I understand what the Senator is saying, is that quite often our regulatory agencies, rather than achieving a competitive effect, have achieved an anticompetitive effect. The ICC is an example. I think the Senator would agree that there has been some inhibition to the competitive process under that particular regulatory agency.

When they limit competition, and then they put a floor under prices, as they do, they do so under the justification that it will allow them to maintain a quantity of supply. I do not want us getting into a situation where the Consumer Protection Agency is supporting that kind of illogic. I hope that is not the effect of the amendment. I am sure it is not the Senator's intention.

Mr. PERCY. Staff points out that businessmen themselves have raised the question that when regulations have been issued which require safety adjustments to be made on a product, that in itself may make the product unavailable for some time.

Mr. BROCK. Yes.

Mr. PERCY. That might be a matter of concern to the agency.

Mr. BROCK. All right. I accept that. Maybe it would help if I pose a hypothetical case for the Senator which would very quickly resolve this Senator's question.

I pray that the good Lord will give us the wisdom never to repeat the excesses of the past, particularly with regard to something like the wage and price controls. But if some future Congress were to exercise such lack of wisdom again, would it not be within the scope under the Senator's amendment for the Consumer Protection Agency, or the Agency for Consumer Advocacy, if you will, to protest an imposition of a price so low as to inhibit the adequacy of supply?

Mr. PERCY. Absolutely. That is a perfect example of where the Senate and the House enacted laws which regulated price, that overly restricted demand. In the city of Chicago, we had to have 250 meat inspectors added to the payrolls to try to stamp out the black market that developed overnight because the price was so unrealistically low. The price factor just put all of the meat that was above the counter down below the counter, because shops simply refused to sell it at a price at which they could not replenish their inventories.

This is the very kind of case where it appears as though legislating a price at an artificially low level is not in the interest of the consumer. It restricts supply, it cuts down production, and, in the long run drives prices up.

Mr. BROCK. The Senator and I are in full agreement. If this agency can protect the American people from the excesses of their legislative branch I am all for it.

Mr. PERCY. I do not think the floor manager of the bill can promise that it will do all of those things, but what it can be is an articulate voice. I can only hope that the Members of the Senate and the House of Representatives would listen to that voice. Sometimes in the heat of an issue we rush ahead emotionally to try to resolve a problem with a piece of legislation when someone who is really looking at the balanced overall view of the consumer would come back and say: Wait a minute. You had better take a look at what you are doing because you are really harming the consumer, you are not helping the consumer, even though on the surface it may look to the contrary.

I thank very much, indeed, the distinguished Senator, who has had a long and deep business experience and yet is alined with the consumer and knows as a good producer that the producer grows as he benefits the consumer.

I think this colloquy has certainly helped explain and expand on this particular amendment which, I trust, is ready for adoption.

Mr. RIBICOFF. Mr. President, the amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER (Mr. Stone). The question is on agreeing to the amendment (No. 408) of the Senator from Illinois.

The amendment was agreed to.

AMENDMENT NO. 406

Mr. PERCY. Mr. President, finally I call up amendment No. 406.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read the amendment as follows:

The Senator from Illinois (Mr. Percy), for himself and Mr. Javits, proposes an amendment as follows:

On page 34, line 24, after the word "consumers" insert a comma and add the following new clause: "including but not limited to the factors enumerated in section 2(b) (3),".

Mr. PERCY. This amendment, Mr. President, inserts at the bottom of page 34 of the bill, in subparagraph 11, a phrase which refers back to the section that we have just discussed and amended and would, therefore, incorporate that amendment by reference at this particular point in the bill.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Illinois is acceptable to the manager of the bill.

The PRESIDING OFFICER. Is all time yielded back? The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I would just like to address one question to the manager of the bill, Senator Ribicoff.

Some persons have claimed that the Agency for Consumer Advocacy might get involved in matters impinging on the foreign trade policies and actions of the United States.

Could the manager of the bill elaborate on this point for purposes of clarification?

Mr. RIBICOFF. Yes. In answer to your question, foreign trade policies and actions of the United States are an inherent part of its foreign affairs function. As such, they clearly affect relations between the United States and other governments. Any interference with our foreign policy would clearly provoke undesirable international consequences which the United States has a right to avoid.

If allowed, interference in such areas would cause an impracticable and unnecessary interference with actions taken by the United States in the public interest.

Accordingly the bill specifically exempts the national security functions of the Department of State from the bill's provisions. Of course, the views of the public, including those of the consumers in the ACA, can readily be given to agencies concerned with developing policies and actions involving foreign trade.

For example, in the case of issues affecting international trade in textile products, consumers as well as other interested parties are given full opportunity to let their views be known to the agencies involved, following the publication of appropriate notices in the Federal Register.

Section 2(b)(2) of the proposed legislation is specific, however, that nothing in this act is to be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any agency to discharge its own statutory responsibilities. This would, of course, include the power and responsibility of other agencies to regulate the trade or commerce of the United States.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. RIBICOFF. I am pleased to yield to the majority whip.

ORDER FOR RECESS UNTIL 8 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders or their designees have been recognized under the standing order, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Messrs. HARRY F. BYRD, JR., HELMS, TOWER, GARN, FONG, CURTIS, STONE, THURMOND, DOMENICI, FANNIN, BUCKLEY, BARTLETT, TAFT, WILLIAM L. SCOTT, LAXALT, MCCLURE, and NELSON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, may the Senator from Illinois be added to the debate in the morning?

Mr. ROBERT C. BYRD. Yes.

Mr. PERCY. For a period of not to exceed 5 minutes.

ORDER FOR THE RECOGNITION OF SENATOR PERCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that prior to routine morning business, and following the order for the recognition of Mr. NELSON tomorrow, the distinguished Senator from Illinois (Mr. PERCY) be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF S. 200 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow following the conclusion of the orders for the recognition of Senators, there be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 5 minutes each, at the conclusion of which period the Senate resume consideration of the pending business, S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, it is with great reluctance that I have opposed enactment of S. 200 as presently drafted. For reasons which are peculiar to Alaska and which I shall enumerate hereafter, I find myself forced to conclude that creation of an Agency for Consumer Advocacy would be directly contradictory to the most fundamental interests of Alaska and, therefore, must be resisted.

As my colleagues know, Alaska is a State blessed with a great bounty of natural resources—resources which in the years to come may make the 49th State a focal point in the achievement of our national goal of energy and mineral self-sufficiency.

Sensible development of these resources in an efficient, expeditious, and environmentally sound fashion has become one of the goals of Alaska's citizens. Indeed, the future economic viability of our State and the Nation is dependent upon our sensible, but aggressive, use of these resources.

We in Alaska are confident that the necessary technical and scientific skills to accomplish this monumental job are currently available. We are sure that North Slope oil can be tapped and safely transported over a trans-Alaska pipeline to the benefit of all citizens of this Nation and with only negligible environmental impact. In fact, we are now engaged in that great undertaking as we all know.

How we got this far is a difficult story to tell, but one that bears some repeating here for the lessons it can teach us as we consider this legislation.

Those of you whose privilege it has been to visit our State know that there are few, if any, areas of the globe which can match it for natural and untainted beauty. The heavy hand of industrial pollution and the ravages of urbanization have not yet touched Alaska, and Alaskans are proud of that fact.

We take a back seat to no American in our dedication to maintaining the purity of our landscape.

Yet we will not allow that concern to prohibit the economic development of our State in a way which will guarantee Alaska's citizens the same standard of living that other Americans now have.

What we propose to do, and what we are doing, is to balance these often conflicting interests so that the best of both may be achieved with minimal adverse impact on either. We believe that the trans-Alaska pipeline case is an ideal example of this "Alaskan solution" and we are proud that we have been able to provide national leadership in this area.

Because environmental protection has always been a cornerstone of Alaskan life we did not oppose enactment of the National Environmental Policy Act and the creation of the Environmental Protection Agency. Both the act and the Agency have provided us with a high standard of conduct by which we can assess our own environmental protection efforts. Make no mistake about it, they have not made our lives any easier, but they will make our lives and the lives of our children better in the long run.

This brings me to the reason why I feel compelled to register my strong objection to the legislation now before us. I believe, based on a considerable amount of study of the hearing records and background of S. 200 and its predecessor S. 707, that the enactment of this type of legislation will jeopardize the significant environmental and economic achievements which Alaskans have made over the years.

S. 200 proposes to create an agency which would be empowered to intervene and participate in every formal or informal action of the Federal Government where an "interest of consumers" is thought to exist. More than that, the Agency for Consumer Advocacy is given the extraordinary authority to employ interrogatories, use host agency subpena power and appeal Federal agency decisions to the courts.

Now, these powers would perhaps be tolerable were it not for the fact that the bill's proponents have refused to confine the consumer advocate to a jurisdiction clearly related to consumer concerns. Rather, they have said that virtually anything may be considered an "interest of consumers" and thereby have created an agency without bounds.

There can be little question that the framers of this legislation long ago wanted a consumer advocate who could become deeply involved in environmental issues.

I would urge you to pay particular attention to a comment made by Lee C. White, chairman of the Energy Policy Task Force of the Consumer Federation of America. Mr. White, who was formerly the Chairman of the Federal Power Commission, said the following on March 27, 1973, during Senate committee hearings on this bill's predecessor, S. 707:

> I think it is possible for consumer groups and for environmental groups to be in total disagreement on whether it (the pipeline) ought to come down through Alaska or whether it ought to come down through Canada, or whether it should come down at all.
>
> It seems to me in those circumstances that it is possible that the consumer advocate can be very useful and very helpful to the Government in assigning different teams to be advocates within the same proceeding and through as much light and information and analysis and argumentation into the process as is possible.—Lee C. White, Chairman of the Energy Policy Task Force of the Consumer Federation of America, Hearings Transcript, p. 362.

The conclusion I necessarily draw from this testimony, and from the fact that the Environmental Protection Agency is clearly covered by S. 200 as an agency over which the ACA will have jurisdiction, is that we are being asked to create yet another layer of bureaucracy to complicate and compound the administration of Federal environmental legislation. This I am unwilling to do, and my reasons are several.

First, anyone who has dealt with the EPA knows there is little cause to fear that it is not doing the job Congress gave it. In fact, many of my colleagues frequently seem to think it is doing too good a job. Certainly, in this complex and delicate public interest area over which it has jurisdiction, the EPA does not need badgering by another agency concerned only with the consumer interest.

I must confess that I do not regard S. 200 as a simple little bill which will cause a few ripples. I am mindful of a recent comment of Judge Henry J. Friendly, chief judge of the U.S. court of appeals for the second circuit, which is referred to in the minority views on S. 707. In commenting on the problems raised by certain "simple" provisions of the National Environmental Policy Act, he states:

> One must wonder whether the framers of the seemingly simple formulation (in NEPA) that any Federal Agency which proposes any action that "would have a significant effect upon the quality of the human environment" must prepare an impact statement, could have remotely conceived the volume of litigation it would spawn. In practical effect it has come to mean that any proposed federal action having a conceivable effect on the environment will become the subject of a suit, whether successful or not.

NEPA-generated litigation will not even hold a candle to the volume of litigation which an ACA can be expected to create. Remember, one of the ACA's main purposes is to litigate the decisions of other agencies.

The only result of all this for Alaskans is delay and disruption of Federal decisionmaking processes upon which so much of our State's future depends, and I for one am not willing to wager that future on an untried and unprecedented legislative experiment.

This is not an idle fear when one studies the above-mentioned testimony and reads the news releases and study the compilation of voting records of some of the consumer associations. In the 1973 voting record compilation of the Consumer Federation of America, 13 votes were identified as key rollcall votes on consumer issues for the first session of the 93d Congress. Three of these votes concerned amendments to S. 1081, the bill to authorize construction of the Alaska pipeline. While at least two of these votes were concerned with issues of importance to consumers, I was seriously troubled by a third vote flagged as a key consumer vote. This concerned an amendment to delay authorization of the trans-Alaska pipeline pending further study of the Canadian alternative. The Consumer Federation states that "(a) yes vote is a right vote for consumers." The vote for a further delay in construction of the pipeline, in my opinion, if anything, was an anticonsumer vote because of the delay which would have been caused in the delivery of new oil to the American consumer.

The vote on the Canadian route versus the Alaskan route, in my opinion, was not a consumer issue. I am afraid that unles the language in S. 200 is amended, the concepts of environmental protection and consumer protection will become blurred with the average American coming out the loser. With the debate regarding the routing of the gas pipeline now going on as well as the unque position Alaska now finds itself in relation to the sensible development of its natural resources, I must insist upon the following amendments before I can support S. 200.

My first amendment would limit the authority of the ACA in the following way. It is necessary to exempt the routing of the Alaskan pipeline. I must insist that the Agency for Consumer Advocacy be specifically excluded from this area. I am afraid that if this is not the case, the Federal Government would be intervening in pipeline routing decision in Alaska representing consumers located in the heavily populated areas in the Midwest and Eastern States.

My second amendment would restrict the activities of the ACA to prevent it from becoming involved in lobbying activities on the local, State, or Federal level. I believe this amendment is necessary to keep the employees of the ACA directed toward the task of their agency would be created for and not allow them to get involved in lobbying on such matters as resource problems which affect the State.

Mr. President, unless both my amendments are accepted, I cannot support S. 200.

AMENDMENT NO. 411

Mr. STEVENS. Mr. President, I would like to call up my amendment 411.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent to strike all of the amendment on page 2, line 3, that is, all following line 3 on page 2.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENS. Now, Mr. President, I would also ask to strike the numbering of (1) on line 4, page 1, and I ask unanimous consent to strike that. It is surplusage now.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment, as modified, is as follows:

> On page 37, between lines 11 and 12, insert the following new section:
>
> (c) Notwithstanding the preceding provisions of this Act, the Administrator shall not intervene in any agency or judicial proceeding or activity with respect to—
>
> The grant or enforcement of any right-of-way, permit, lease, or other authorization that is necessary for, or related to, the routing or construction of any oil or natural gas pipeline system located in whole or in part in the State of Alaska, or the enforcement of any environmental law relating to routing or construction of any oil or natural gas pipeline located in whole or in part in the State of Alaska;

Mr. STEVENS. I thank the Chair.

With those deletions, the amendment is identical now to the amendment offered by Senator PERCY for himself and Mr. JAVITS. It was actually offered on my behalf in my absence and this amendment now is identical to the amendment that was agreed to at the time this bill was before the Senate in the last session.

Its impact is to remove from the authority of the administrator the right to intervene in agency or judicial proceedings with regard to the enforcement of rights of way, permits, leases, or other authorizations necessary for the routing or construction of any gas pipeline located in whole or in part in the State of Alaska.

Mr. President, my reason for offering this amendment is that my State will produce, we believe, at least one-third of the oil that is to be produced in the future from lands in the United States and probably 50 percent of the new natural gas.

The construction of our pipelines, in and of themselves, become cause celebres, and we believe that with the proceedings that will take place before the Federal Power Commission, before the Department of the Interior, under the protection of the National Envionmental Protection Act, and also under the Rights-of-Way Act that was passed by Congress in the last session, many of them will actually, finally, have to be approved by the Congress iteself.

We just do not see any reason to insert the jurisdiction of another agency into the review of the questions.

I have discussed the matter with the managers of the bill. I am hopeful that in accordance with the action taken the last time the bill was on the floor that the managers of the bill will accept the amendment.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Alaska is acceptable to the manager of the bill and the ranking minority member, Mr. PERCY.

The PRESIDING OFFICER (Mr. STONE). Is all time yielded back?

Mr. STEVENS. I yield back any time I have.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska (Mr. STEVENS).

The amendment was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 412

Mr. STEVENS. Mr. President, I call up my amendment No. 412.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On page 17, line 23, strike the word "courts." and substitute the words "courts, or to engage directly or indirectly in lobbying activities before State or local agencies, or the Congress, in the manner prohibited by section 1913 of title 18, United States Code.".

Mr. STEVENS. Mr. President, this is also the amendment I offered the last time the bill was before the Senate.

I think it is probably the intent of the primary managers of the bill, in any event, because of the prohibitions already contained in section 1913 of title 18, United States Code, but just to make certain that all those connected with this agency realize that they are bound by this provision, I offer this amendment again.

I hope that the managers of the bill will accept this amendment. It will prevent lobbying activities on the State or local level by the consumer advocates.

I think they are not intended to be involved in that type of activity, but just to make sure, I offer the amendment.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Alaska is acceptable to the manager of the bill.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, on Monday, the Senate adopted an amendment to S. 200 put forward by the Senator from North Carolina (Mr. MORGAN).

The amendment provides that the Administrator shall not participate or intervene in any agency or judicial proceeding at the State or local level, and that it shall provide information to State, or local officials only at their request.

Mr. President, this amendment modified a provision worked out with the Senator from Montana (Mr. METCALF) during full committee markup of S. 200. Accordingly before accepting the amendment of the Senator from North Carolina, I checked with the Senator from Montana and he indicated that he would not oppose adoption of Mr. MORGAN's amendment. However, I do not want to leave the implication that the provision which was adopted on Monday has the enthusiastic approval of the Senator from Montana. The Senator from Montana would prefer that the ACA have full authority to intervene or participate at the State or local level at the request or of State or local officials. I understand that Senator METCALF still strongly holds this position, notwithstanding any action the Senate took this past Monday on this provision.

Mr. JACKSON. Mr. President, the Senate has invoked cloture on the Consumer Protection Act of 1975 by an overwhelming margin and we are about to vote on final passage of this vitally important legislation. This is a proud moment for those of us in the Senate who have labored for many years to produce a consumer protection bill that will assure an effective voice for consumers in Federal regulatory proceedings, and at the same time prevent delay or undue burdens for business in the regulatory process.

During the years this legislation has been under consideration there have frequently been scare stories and alarmist objections that the Agency for Consumer Advocacy (ACA) will bring the regulatory process to a halt, that it will operate to harass businessmen, that it will impose excessive burdens on business, and other charges. There is a growing understanding that these charges are simply false.

The Consumer Protection Act is intended to be a "pro good business" as well as a "pro consumer" bill. I believe that as the interests of consumers are articulated by the ACA under this legislation it will become apparent to all businesses that the interests of consumers and the interests of business need not be inimical to each other. This is already understood by a growing number of major American corporations which have expressed support for S. 200. The list includes: Montgomery Ward, the Polaroid Corp., Zenith, Inc., United Artists, the Atlantic Richfield Co., and Gulf & Western, Inc. to name just a few.

During Government Operations Committee consideration of S. 707 last year and S. 200 this year, 34 major changes have been made to assure that the Agency for Consumer Advocacy does not cause delay in the regulatory process or undue burdens on business. These include special protections for small business against burdensome interrogatories, provision for GAO review of ACA activities, a provision that all Federal agencies must make a cost benefit analysis of proposed regulations prior to issuance, and many other changes.

I believe that these changes have satisfied the legitimate concerns of businessmen without impairing the overall effectiveness of the Agency. Rarely is a piece of legislation subjected to the detailed analysis and scrutiny which the Consumer Protection Act has been subjected to over the years. I am pleased that we have now arrived at a solution to the problems of balancing consumer, regulatory, and business interests in a constructive manner.

I would also note that the ACA will be, at least in its early years, a very lean organization. S. 200 provides the Agency with an authorized budget of $15 million. This budget limitation itself will serve to focus the ACA on those Federal regulatory proceedings in which there are truly vital consumer interests involved. The Agency simply will not be able to waste resources by frivolous interventions in unimportant cases. During these early years, the Congress will be especially concerned to see that the ACA develops as an effective and responsible consumer advocate and future authorization levels will be directly related to the ACA's performance.

The need for an agency to act as an advocate for consumers during the course of the Federal regulatory process has been well demonstrated and documented over the past 5 years of Senate and House consideration of this legislation. The major factor giving rise to this need is the unique nature of consumer interests, which is largely responsible for the absence of effective consumer representation before Federal agencies. Consumers are usually poorly organized and ill-equipped to effectively present their point of view to a Federal agency. This occurs because regulatory decisions which may make the difference of only a few dollars to an individual consumer do not make it worthwhile for an individual or even a relatively large group of individuals to present their views in the course of a Federal agency proceeding.

The Consumer Protection Act does not establish a new regulatory agency or any new regulatory process. It does not create any lew legal remedies. S. 200 merely creates an agency which can serve as an advocate for consumers in the course of otherwise authorized regulatory activities which affect millions of consumers. The legislation does not provide for intervention in every Federal agency proceeding, but only proceedings where "substantial consumer interests" are involved. Specifically the act seeks to protect consumer interests in "marketplace" transactions in which consumers are participants. The act assures that existing legal rights and remedies which consumers already have can be more effectively raised by the Agency in their behalf. In addition, the ACA will transmit factual information about consumer interests to the attention of regulatory agencies for consideration in connection with pending proceedings. Much of the problem of adequately representing consumer interests will be solved by simply improving the flow of relevant information to agencies so that this information can be taken into consideration. These simple improvements in the existing mechanisms for considering the impact of agency decisions on consumer interests will not impair or impede the regulatory process, and they will greatly enhance the goal of providing the Ameircan people with a better quality of goods and services at reasonable costs.

I am pleased by the resounding support

which the Senate gave this legislation yesterday in the cloture vote, and I urge my colleagues to give this measure their continuing support as we move toward final Senate passage of S. 200.

CONSUMER AGENCY NEEDED TO IMPROVE GOVERNMENT

Mr. ABOUREZK. Mr. President, the establishment of an Agency for Consumer Advocacy is long overdue. As a cosponsor of S. 200, I urge the Senate to approve the bill promptly and restore some of the confidence which the public has lost in the processes and decisions of Government.

I am not surprised that polls show the public distrusts the Government, and believes that special interests have too much influence. When groups have huge lobbying budgets for their Washington offices and law firms, they get their point across to the rulemakers. In Washington, where a voice and a budget and a spokesman can mean influence, the consumer loses out.

If any evidence were needed of the ability of business to mobilize for lobbying, I would point to the mail that has been arriving in Senate offices about this very bill. I am not belittling the people who wrote. The letters are well written, sincere, and timely. They are, however, an example of how business, labor, and other well-organized interests make their wishes known, and do so very effectively.

The average family is simply unable to regularly gather information, notify fellow citizens, and apply pressure at the right place at the right time to be equally influential. For 14 years Congress has been trying to rectify the situation. I believe that an independent, nonregulatory consumer advocate within the Government is the proper approach.

When the Congress or a court or an executive agency makes a decision of public policy, the precondition should be maximum discussion, input, and argument among diverse interests and public scrutiny of the process and result. Unless people can see that all sides have been fairly heard, that officials have acted on the best information available about the consequences of a decision, the public is justified in suspecting that the Government has not served the public interest.

Often consumers do not even know that decisions on the price and supply of fuel, the safety of food and drugs, the cost of an airplane ticket, or the closing of a veterans hospital are being considered. Representing consumers where they have not been adequately heard will be the responsibility of this Agency at the dozens of Government hearings and offices every day.

Public policy which is more far-sighted, equitable, and credible will be the result. I urge the Senate to approve the Consumer Protection Act of 1975.

Mr. BROOKE. Mr. President, the business community has lost public confidence in large measure.

In 1965 less than 50 percent of the public showed a low measure of approval for business. Today it is more than 67 percent.

In 1965, only 52 percent believed that too much power is concentrated in a few large corporations. In 1973, 75 percent believed that.

A recent Harris poll reported that 77 percent believed that Federal regulatory policies should be more restrictive toward businesses. Only 1 percent thought that there was too much Government regulation.

Another survey showed that 75 percent believed that Government should set minimum quality standards for all consumer products. Seventy-seven percent believed that a Federal department of consumer affairs was needed. And 68 percent believed that there should be greater Government control over advertising, sales, and market activities.

These strong antipathies toward business have contributed to the present consumer movement, a movement which has been gaining momentum since the late 1960's.

The consumer has come to feel that his legitimate interests are ignored if not conspired against. The consumer has become aware of a wide range of questionable and often unsafe consumer practices by the business community and by the Government. And these practices have cost him dearly.

The worsening economic condition, the onslaught of double-digit inflation and a deepening recession, have added further fuel to the consumer cause. In the past 7 years, the cost of living has spiraled by almost 50 percent. Inflation raised prices by 12.2 percent last year, the highest inflation rate since price controls were removed at the end of the Second World War. Significantly, the public feels that many of these price increases are unwarranted.

It is, therefore, not an overstatement to say that American business is in serious trouble. David Rockefeller of the Chase Manhattan Bank has warned that unless business becomes more responsive to complaints and criticism, "we may expect to see many aspects of free enterprise drastically altered by an enraged society."

If then we are to avoid destruction of the free enterprise system, if we are to avoid increasing regulation of business by Government, we—the Congress and the business community—must act now, together, to restore public confidence. Delaying or obstructionist tactics by either Congress or the business world will only lead to a further deterioration of public confidence.

The need for a Consumer Advocacy Agency is great. The American consumer, and virtually everyone is a consumer, has never been formally represented in the Federal Government.

The President has had a consumer adviser for some years now, but this person has never had the legal authority to take action on behalf of aggrieved consumers. Establishment of the proposed Consumer Protection Agency would provide that authority.

Too often in the past, the interests and concerns of the product-and-service-buying public have been lost in the bureaucratic shuffle involved with the proposal, debate, passage, and implementation of new legislation. The ACA would act as an advocate for these formerly unrecognized interests.

As a cosponsor of the Agency for Consumer Advocacy bill, I believe it is excellent legislation. It would benefit all concerned.

It would focus consumer concern in one agency for the first time. Right now, when consumers are faced with unsafe or shoddy merchandise, or a service that does not live up to its promise they are unsure of who to write to for assistance. Letters of consumer concern have been scattered among the Members of the House and Senate, and among the various Federal agencies and commissions. Often little or no action is taken in behalf of these worried consumers. With the establishment of the ACA, consumers would have people who are working specifically on their problems. The sometimes weak, half-hearted consumer efforts by agencies which are mainly concerned with other areas would become concerted efforts that would produce results.

The agency, if established, is bound to receive thousands of letters a year from consumers who are unhappy with certain goods or services. The Administrator is instructed to follow up on these letters, which, in effect, would become the consumer's link to the Federal Government. The ACA Administrator would: First, keep a tally of letters directed at specific businesses and then, at certain times, pass these complaints along to that business along with suggestions to prevent future complaints; second, pass along all relevant complaints to the proper Federal agency and, again, submit suggestions for the protection of consumer interests; third, watch for any complaints that seem to point out a violation of Federal or State law in relation to consumer interests, and then to take the appropriate action to end this unlawfulness; fourth, make sure other Federal agencies also "follow up" on complaints submitted to them by the ACA; and fifth, to make available for public inspection all complaints and replies to these complaints. The Administrator may also, under his informational powers, authorize the research and publishing of a report in a particular area of consumer complaint.

Establishing an Agency for Consumer Advocacy would help insure that Federal agencies are familiar with the views and interests of the consumer, thereby enabling such agencies to carry out responsibly their statutory obligations.

Another important function of the ACA is its ability to represent the consumer in the courts. The Administrator would be able "to obtain judicial review of any Federal agency action reviewable under law." Critics of the ACA have charged that the Administrator would be "meddling" in many court cases and holding up important court decisions. This is an unjust charge. I believe that this judicial function would simply mean that consumer interests would be properly represented for the first time. This would, hopefully, prevent any court decision from being overly protective of business interests. And, through its informational function, the ACA would inform the public of all relevant decisions affecting consumers. Of course, this Agency and its Administrator would have no authority to enact any regulations or enforce any sort of a decision.

I also believe the information-gathering and dissemination powers of this new Agency would benefit the consumer. The surveys, investigations, and conferences that the ACA would initiate in the field of consumer affairs would provide important information to other agencies on the concerns and needs of consumers.

Critics of the proposed structure of the Agency for Consumer Advocacy argue that establishment of independent nonregulatory, special interest agencies is a poor way to run the Government. However, this country has traditionally relied on the adversary system to produce governmental and judicial decisions that are as fair and as consistent with the public interest as possible.

This act does no more than to make this adversary process more complete by including representatives of interests heretofore largely neglected. Neither Federal agencies nor businesses can fairly object to permitting all sides to be heard.

Other critics feel that the Agency will create interagency confusion and interfere in affairs that are irrelevant to consumers. I believe that the ability to participate in the so-called informal activities, as well as "formal" proceedings of Federal agencies is absolutely necessary to the effectiveness of this Agency. The presence of the consumer advocate would not create any confusion in the Federal Government, it would only help to make an important voice be heard. We all know that a great number of important decisions are made in the informal activities of Federal agencies. It is often said that as much as 90 percent of all agency activites are "informal." If this Consumer Advocacy Agency cannot participate in these informal activities, its power would be greatly reduced.

Despite its potential effectiveness, however, the Consumer Protection bill is relatively modest in size and cost. The cost would be $15 million the first year or 1/60th of the budget of the Department of Commerce, the Department charged with promoting commerce and industry. The Agency would cost approximately 17½ cents per person. It would be a wise buy.

Yet, despite all these benefits, Congress has now spent more than half a decade trying to enact an effective consumer advocacy and protection agency.

Last year the House of Representatives passed the Consumer Protection Act of 1974 by an overwhelming vote of 293 to to 94. But in the Senate, we fell one vote shy of cutting off a filibuster and bringing the issue to a vote.

However, with the continued endorsement of progressive business concerns, the recent change in the filibuster rules, and increasing consumer awareness, the prospects for passage of a Consumer Protection Agency are considerably brighter this year. I hope that the Congress will procrastinate no longer in passing this essential legislation. I urge all Senators to vote for the passage of S. 200.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that a statement and a resolution by the Senator from Alaska (Mr. GRAVEL) on the bill be printed in the RECORD.

There being no objection, the statement ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GRAVEL

AGENCY FOR CONSUMER ADVOCACY

The bill to establish an Agency for Consumer Advocacy, which we have been considering in the Senate these past several days, embodies a fundamental principle of our constitutional form of government. Our government of checks and balances is an adversary system which derives its strength and vitality from its technique of pitting various elements against one another, but with all working for the common public good. The Agency for Consumer Advocacy is an extension of this basic idea. It will assure the American public an even greater voice in the operation of their government by establishing an advocate for the people vis-a-vis the already existing agencies.

The support of the people of Alaska for the creation of an Agency for Consumer Advocacy was recently expressed by the unanimous passage in the Alaska State Senate of Senate Joint Resolution No. 29, expressing its endorsement of S. 200, and calling for early and affirmative action on this legislation. I ask that the resolution be printed in the RECORD.

The resolution is as follows:

SENATE JOINT RESOLUTION NO. 29

Be it *Resolved* by the Legislature of the State of Alaska:

Whereas S. 200, the Consumer Protection Act of 1975 is currently pending before the United States Congress; and

Whereas if this legislation were enacted it would establish an independent, nonregulatory Agency for Consumer Advocacy to speak for consumers in our Nation's capital; and

Whereas the proposed agency would be authorized to advocate the interests of consumers before federal agencies and courts and would provide the American public with information about consumer matters; and

Whereas the agency would act as a clearinghouse for consumer complaints and would maintain an up-to-date file of complaints for public inspection; and

Whereas passage of the proposed legislation would benefit each and every citizen of this great country; be it

Resolved by the Alaska State Legislature that it staunchly supports passage of S. 200 and urges the United States Congress to take early affirmative action enacting the proposal.

Copies of this resolution shall be sent to the Honorable Abraham Ribicoff, Chairman, Senate Government Operations Committee; the Honorable Jack Brooks, Chairman, House Government Operations Committee; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and to the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Mr. BAYH. Mr. President, I am pleased that cloture was invoked yesterday on S. 200, the legislation which would create an independent, nonregulatory Agency for Consumer Advocacy. This landmark bill, the product of many months of hard work and compromise during this Congress as well as past Congresses is aimed at assuring a voice for American consumers in matters affecting their own health, safety, and pocketbooks.

Proposed legislation to create a consumer protection agency has been exhaustively considered by the Congress since it was proposed in 1969. The Senate has considered this legislation three times before—it passed a consumer protection bill in 1970 by a vote of 74 to 4, and in 1972 and 1974 votes on similar bills were blocked by filibusters. In each of those instances, I supported this legislation. Now, once again, the Senate has the opportunity to properly protect the interests of consumers within the Federal Government. I am looking forward to the 94th Congress as the Congress which at last sees the enactment of the Agency for Consumer Advocacy.

The most important function of the Agency for Consumer Advocacy under this legislation will be to represent consumer interests before Federal agencies and courts, and to provide the public with information about consumer matters. It will participate as an advocate in Federal agency proceedings, speaking for the financial, safety, and health interests of consumers. The ACA will also be authorized, where necessary to protect consumers' interests, to seek judicial review of an agency proceeding which by prior law is subject to review.

Over the years there have been some who have voiced reservations about the creation of a Consumer Protection Agency, fearful that it would encroach upon the legitimate prerogatives of both Federal agencies and the business community. For those critics I would like to stress that the ACA will in no respect have the power to regulate the activities of business. It will have no authority to force other Federal agencies to take any particular regulatory actions. On the contrary, the ACA will act solely as an advocate and spokesperson for consumer interests.

The need for such a consumer spokesperson is self-evident. Ten to fifteen percent of the consumer's purchasing power is said to be wasted because consumers are unable to get the information they need to find the best buy. An estimated $14 billion annually is wasted in supermarkets alone through deceptive and confusing packaging and labeling practices, which prevent the consumer from finding the best buys. Additional billions are wasted on ineffective drugs, nonnutritious foods, and cosmetics.

Other statistics point to an even more urgent need for a Consumer Protection Agency. About 20 percent of deaths and injuries throughout the country during the last year are said to have been related to household consumer products:

The U.S. Public Health Service estimates that toys injure 700,000 children annually. According to the Toy Manufacturers Association, 15 percent of the toy related accidents are caused by faulty toys;

The National Commission on Product Safety reports that 60,000 people annually are injured by cosmetics severely enough to restrict normal activity or require medical attention;

Approximately 1,500 recall campaigns involving 45,453,823 motor vehicles were initiated by the Department of Transportation over the last 7½ years.

Whenever we experience skyhigh mortgage rates or highly inflated price rises or fare hikes, whenever we have a political milk deal or an international wheat deal, the consumer is usually the first to feel the squeeze and often the last to be heard.

In part the consumer experiences these misfortunes because the agencies and departments of the Federal Government have failed to adequately consider the needs and concerns of consumers in the course of the decisionmaking process, and in part consumers experience these misfortunes because there is no agency responsible for the dissemination of consumer-oriented information.

While I feel that the consumers of this country deserve to have their own advocate in the halls and meeting rooms of the Federal Government, I have also been concerned with the objections raised by members of the business community to the creation of a new layer of Federal bureaucracy. Particular concern was raised by a number of small businessmen, concerned with the financially burdensome provisions of the disclosure requirements under the legislation. In response to this legitimate concern, S. 200 provides an exemption for any company with assets of under $7.5 million, net worth of under $2.5 million, or average net income of under $250,000 from the interrogatory section of the bill.

Another legitimate concern that has been expressed to me be members of the business community has related to the potential for the ACA to engage in fishing expeditions by seeking unnecessary information from businesses. The ACA is given only limited powers under this legislation to gather consumer related information by sending out questionnaires to those engaged in business activities which substantially affect consumers' interest. Business can challenge these requests in court and they will be enforced only if the recipient shows that they are excessively burdensome. Moreover, the ACA cannot use this power if the information is already available publicly or from another agency. The ACA has no independent subpena power, but it does have the same right to ask a host agency to use its subpena power as any other party under the Administrative Procedure Act.

Another legitimate concern expressed by the business community has related to trade secrets. The ACA would be prohibited from obtaining trade secrets under S. 200. It would be subject to the same criminal liability for the exposure of trade secrets or any other confidential information acquired from another agency if that agency stated that the information is exempt from disclosure under the Freedom of Information Act.

There has also been concern expressed over the effect of the ACA on informal negotiations between government and business. I should like to point out that under this legislation, the ACA may not request to appear at the same time a member of the business community is making his presentation.

The ACA does have the right to participate in agency proceedings by presenting written or oral submissions in an orderly manner and without causing undue delay.

A majority of businesses have nothing to fear from this legislation. The ACA will help a majority of American businesses to keep their good name, and will help promote the consumers' faith in both American business and the governmental process. I feel strongly that this legislation deserves the support of the business community, as well as all other segments of our society which will receive direct benefit from a spokesperson for consumer interests.

Mr. President, I support the fundamental principles of the consumer advocacy bill, and hope that the Senate, will enact this much needed legislation.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 8 a.m. following a recess. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Messrs. HARRY F. BYRD, JR., HELMS, TOWER, GARN, FONG, CURTIS, STONE, THURMOND, DOMENICI, FANNIN, BUCKLEY, BARTLETT, TAFT, WILLIAM L. SCOTT, LAXALT, MCCLURE, and NELSON; to be followed by Mr. PERCY for not to exceed 10 minutes.

At the conclusion of these orders, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of the pending business, S. 200. Rollcall votes will occur thereon.

ORDER FOR ROLLCALL VOTES TO OCCUR AFTER 12:30 P.M.

I ask unanimous consent that no rollcall votes occur before 12:30 p.m. so as to allow committees to perform their work without interruption.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall votes on amendments to S. 200. Hopefully, final passage of that measure will occur tomorrow—hopefully, I say again—and there will be rollcall votes on final passage.

Then, following the action on S. 200, it is the intent of the leadership to call up the bill, S. 1661, to enable the United States to render assistance to or in behalf of certain migrants and refugees.

Following the action on that bill as of now it would appear that the Senate will probably take up S. 1730, a bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

Also waiting in the wings and scheduled for action very soon are the following measures: The supplemental appropriations bill which was reported from the Committee on Appropriations yesterday; S. 522, a bill to implement the Federal responsibility for the care and education of the Indian people; S. 182, a bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force; S. 846, a bill to authorize the further suspension of prohibitions against military assistance to Turkey; the military authorization bill which has been reported from the Committee on Armed Services. These measures are not necessarily listed in the order in which they will be taken up.

There is a conference report on the housing bill that is coming along. Next Tuesday will be the 10th day and the last day for the President under the Constitution to veto the surface mining bill if he decides to veto it. If so, at some point next week, the Senate may be confronted with a possible override of that measure.

As to the disputed election in New Hampshire, the committee report hopefully will be coming along in the very near future, but I doubt that the Senate will be able to take up that matter, until after the recess.

Mr. President, it looks as though we have plenty of action ahead of us tomorrow, Friday, Monday, Tuesday, Wednesday, and so on, with rollcall votes occurring daily.

RECESS UNTIL 8 A.M. TOMORROW

Mr. RIBICOFF. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 8 a.m. tomorrow.

The motion was agreed to; and at 5:45 p.m. the Senate recessed until tomorrow, Thursday, May 15, 1975, at 8 a.m.

NOMINATION

Executive nomination received by the Senate May 14, 1975:

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Martin G. Colladay, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

HOUSE OF REPRESENTATIVES—*Wednesday, May 14, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*Let the peace of God rule in your hearts * * * and be ye thankful.*—Colossians 3: 15.

O God of Peace amid the difficulties of these days we take a moment to lift our hearts unto Thee, seeking wisdom for our ways, strength for our souls and light for our lives. May Thy Spirit come to fresh life in us that we may better serve Thee and our Nation.

Bless the leaders of our people. Touch Thou their hearts with spirit-hand and make them souls that understand. Grant unto them courage and confidence as they endeavor to solve the problems that confront them and to establish a better and richer order of life for our citizens. May the good seed we sow this day bear fruit in an abundant harvest of justice and liberty for all.

In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4795. An act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the current resolution (H. Con. Res. 218) entitled "A concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4723. An act authorizing appropriations to the National Science Foundation for fiscal year 1976.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1236) entitled "An act to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. ALLEN, Mr. HUMPHREY, Mr. DOLE, Mr. CURTIS, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 719. An act granting a renewal of patent numbered 92,187 relating to the badge of the Sons of the American Legion;

S. 720. An act granting a renewal of patent numbered 54,296 relating to the badge of the American Legion;

S. 721. An act granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary; and

S.J. Res. 59. Joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976.

PEACE OFFICERS MEMORIAL DAY

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, tomorrow, this Nation will mark the occasion of "Peace Officers Memorial Day." On this day we honor the memory and contributions of the hundreds of law enforcement officers who have given up their lives on the frontlines in the war against crime.

On this occasion, I have reintroduced H.R. 2379 legislation which seeks to establish a law enforcement officers memorial in our Nation's Capital. We have no such national memorial in existence today which is a profound tragedy which deserves remedy.

The lives of all police and other law enforcement personnel are in daily peril due to the large deranged elements in our society who have targeted these symbols of authority for murder. Already in 1975, 41 law enforcement officers have been killed in the line of duty, and in the last 10 years there has been an increase of 200 percent in the numbers killed.

It would be fitting for the Congress to commit itself on this occasion to passing H.R. 2379 and appropriating the necessary funds to insure that this national memorial could be completed in time for our Bicentennial celebration which must include some meaningful tribute to the many contributions which law enforcement has made to our Nation's history.

On this day, let us pay tribute to those in law enforcement who have given up their lives so that we could remain a free people. Let us also commit ourselves to better protecting those who serve in law enforcement today for their effectiveness is critical to the preservation of our great Nation.

UNITED STATES CANNOT TOLERATE SEIZURE OF THE "MAYAGUEZ"

(Mr. LLOYD of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LLOYD of California. Mr. Speaker, the seizure of the American ship, *Mayaguez*, by the new Cambodian regime, cannot and must not be tolerated by the United States. President Ford has my support in implementing action to obtain the release of the ship.

I agree with the current efforts to release the *Mayaguez* through diplomatic channels. But, force should not be ruled out if diplomatic attempts fail.

Recently the present Cambodian Government detained a Panamanian ship for several days prior to release. I hope that this would be Cambodia's course of action; certainly we should allow time for this to occur according to a published schedule.

What is involved here is the national integrity of the United States and international maritime law. As a man familiar with the law of the sea, and knowing that many nations are dependent on the world's seas for commerce, I say this action against the *Mayaguez* represents a global threat.

Therefore, we cannot tolerate irresponsible, unilateral actions from states unmindful of the disastrous consequences of such challenges to the United States and other maritime nations of the world.

WE HAVE NOT LEARNED OUR LESSON

(Mr. HARRINGTON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HARRINGTON. Mr. Speaker, we have only the sketchiest information, but I think this new development is unfortunate for all of us. It would appear that this country, absent the restraint that would indicate that the lesson has been learned, is once again engaging in military operations off the coast of Southeast Asia.

One can only hope, despite obvious differences of opinion, that whatever course has been undertaken will be pursued with some appreciation for what this country has undergone.

I can only express my regret, sorrow and total disagreement with the actions that have been so precipitously and precariously undertaken. I feel that they are the kind of actions that will be shown to have been unnecessary. I think it has already been shown that these tendencies and policies are held in utter disrepute by most of the people of this country.

DISAPPOINTMENT IN FAILURE OF HOUSE TO OVERRIDE PRESIDENTIAL VETO

(Mr. BERGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERGLAND. Mr. Speaker, the failure of the House to override the President's veto of the emergency farm bill on yesterday was a great disappointment to me. Our action endorsed the continuation of this administration's bankrupt farm and food policy and I fear, seriously damaged plans to devise a new approach to this question.

Since the early 1930's farm policies have been designed to curtail farm output and have worked with varying degrees of success.

During the past 10 years export demand has developed to the point where I believe the time has come to break with the policies of the past and embark upon a new approach.

American farmers simply cannot meet the exploding world food needs which will probably increase by 50 percent in the next 20 years barring any unexpected change in population growth patterns. American farmers can however, help the world feed itself, but Government planning and aid is essential to this effort. Farmers simply cannot bear the enormous risks being forced upon them by this administration's policy of no policy.

The vote on yesterday suggests to me that Earl Butz is now clearly in control and we can expect less attention will be paid to this vital food issue than is accorded housing, health care, energy, transportation, and other public policy questions.

Had we been able to override the President's veto of this 1-year farm bill, the Congress would be in a position to negotiate with the administration on a number of neglected concerns. What should we now do? Advise and consent?

TO IMPROVE THE FEDERAL EMPLOYEE HEALTH BENEFIT PROGRAM

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, one of the largest "purchases" which the average citizen makes during his lifetime is health insurance and the Federal employee health benefit program is the largest group health insurance program in the world.

In my dealings over the years with thousands of Federal employees who live and work in my congressional district, I have found that Government employees are paying for a service in which they have no say. Since its inception in 1959, the Federal Employees Health Benefit Act has given the Civil Service a free hand to enter into contracts with private health insurers—in secret.

However, I see absolutely no justification for keeping the civil servant in the dark when it comes to negotiations conducted on his behalf for a service which has such a tremendous impact on his life.

This is why I am tomorrow introducing a measure to inject a little "sunshine" into this closed negotiating process. My bill requires that notice of any reduction of health benefits or any exclusion of any type of provider of health services be published in the Federal Register 180 days before such proposals take effect. The bill further provides for simultaneous notification that the Civil Service will hold public hearings 120 days prior to any such proposed reductions or exclusions take effect.

It is simply a matter of giving the subscriber who pays hundreds of millions of dollars for this service a rightful say in the plans which crucially affects the health care of his family.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CALL OF THE HOUSE

Mr. FREY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 203]

Ambro
Barrett
Bingham
Bonker
Chisholm
Clay
Conyers
Diggs
Dingell
Drinan
Eilberg
Foley
Ford, Mich.
Fraser
Harsha
Hayes, Ind.
Hébert
Hinshaw
Hungate
Ichord
Karth
Mathis
McDade
Metcalfe
Milford
Mills
Mollohan
Moorhead, Pa.
Pattison, N.Y.
Rangel
Roe
Ruppe
Scheuer
Sisk
Staggers
Steiger, Wis.
Teague
Wydler

The SPEAKER. On this rollcall 395 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SETTING TIME FOR DEBATE ON HOUSE CONCURRENT RESOLUTION OF THE BUDGET—FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, before calling up the conference report on House Concurrent Resolution 218, I ask unanimous consent that debate on the conference report be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Ohio (Mr. LATTA) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ADAMS. Mr. Speaker, I understand that there may be a message from the Senate on these papers which have been messaged over, but they are requesting them back. Therefore, I would yield my time back at this point.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make a statement.

We are anxious to get on with the conference report on the budget control concurrent resolution as soon as possible, but we will proceed at this time with the rule on the Refugee Assistance Act, House Resolution 461. If the other conference report is reported back, then we will go ahead with that.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Secretary was directed to request the House of Representatives to return to the Senate the concurrent resolution (H. Con. Res. 218) entitled "Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976," together with all accompanying papers.

The SPEAKER. Without objection, the request of the Senator is agreed to.

PROVIDING FOR CONSIDERATION OF H.R. 6755, ENABLING THE UNITED STATES TO RENDER ASSISTANCE TO, OR IN BEHALF OF, CERTAIN MIGRANTS AND REFUGEES

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 461

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Illinois (Mr. ANDERSON) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 461 makes in order the consideration of H.R. 6755, the Indochina Migration and Refugee Assistance Act of 1975. House Resolution 461 provides for an open rule with 2 hours of general debate.

House Resolution 461 waives points of order against clause 2(1)(6) of rule XI of the Rules of the House of Representatives—the 3-day rule.

The purpose of H.R. 6755 is to authorize assistance for the transportation, temporary maintenance, and resettlement of Cambodia and Vietnamese refugees. The assistance would be provided under the framework of the Migration and Refugee Assistance Act of 1962. The bill directs the President to report on a regular and current basis as to the administration of this legislation and the expenditure of funds.

Mr. Speaker, we all know there are problems relating to this matter. America, throughout its history, has had compassion and concern for the needy and distressed people of the world. These people are in our country, or will soon be here. We have the obligation to provide reasonably for them. I understand they are to be distributed reasonably and fairly over the whole country so that there will not be any extraordinary burden upon any part of the country.

Mr. Speaker, this bill was designed so that the Federal Government will pay the cost of the provision for these people so that it will not fall upon any particular State or community where these people may have to be resettled. Mr. Speaker, this is a meritorious and humanitarian program and should be favorably considered by the House. I hope the rule will be adopted.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6755, the refugee assistance authorization, which this rule would make in order for consideration, is nearly identical to the original administration bill which I was privileged to cosponsor. This resolution is an open rule with 2 hours of general debate, and it waives the 3-day rule. If ever there was a need for an emergency waiver of the 3-day rule, this is it. Available funds for transporting and processing these 115,000 refugees have been exhausted and a tremendous bottleneck has been created on and around Guam as well as in the relocation centers in the United States. It is imperative that this Congress move today on this authorization so that these refugees can be moved tomorrow into the mainstream of American life.

Mr. Speaker, I was frankly ashamed of the antirefugee sentiment which surfaced just after the evacuation of Saigon. I could not believe that a country about to celebrate its 200th anniversary of independence from tyranny would now turn its back on others fleeing tyranny. I do not know to what extent this sentiment was representative or the passing passions of the moment. But I do know that after dispassionate reflection, majority sentiment in this country has been turned around and that negative passions have been replaced by positive compassion for these refugees. We have not forgotten our own origins and traditions and principles; the heart of America is still good, and it is still reaching out, despite internal troubles, to embrace the homeless and tempest-tossed, yearning to breathe free.

Mr. Speaker, we are about to close the final chapter on our Vietnam tragedy. By our action here today in providing for the refugees from that war we can at least insure that the final chapter will be a proud one, depicting a reaffirmation of our humanitarian traditions and moral responsibilities.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, I commend the gentleman from Illinois (Mr. ANDERSON) for the excellence of his statement.

I am sure the able gentleman from Illinois and the Members of this House share the hope that at some reasonably early date, the Government of North Vietnam or South Vietnam will exhibit such respect for the rights of their people, such regard for their privileges as citizens, that the people who are here from any part of Vietnam will feel that they can with safety return to their homeland.

Mr. ANDERSON of Illinois. Mr. Speaker, I certainly join with the gentleman in expressing the very identical sentiments that he has just expressed, that we will see a time come when they will recognize human rights and freedom of ingress into and egress from that country.

Certainly, within my comprehension of this issue, it is important to recognize that those people have the right of voluntary return.

Mr. PEPPER. Mr. Speaker, I thank the gentleman.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I want to subscribe to the remarks of the gentleman from Illinois and also those of the gentleman from Florida. I would support this resolution, but I would like to ask this of the gentleman from Illinois:

Mr. Speaker, the gentleman from Illinois made a statement that we are closing the last chapter of our activities in Southeast Asia, and I wonder, in the light of what is happening today, if he can really be sure of that or if he thinks we are on the verge of opening up a new chapter.

Mr. ANDERSON of Illinois. Of course, I am not in a position to fully respond to the gentleman's question.

It is a legitimate concern, surely; and I know that he has reference to the sinking of Cambodian gunboats and the original incident which brought that about, apparently, the capture of the American merchant ship *Mayaguez* in the Gulf of Thailand. I have not personally been briefed as to all of the events surrounding the detention and the capture of that ship or the actions that were taken subsequently thereto that led to the latest reports of armed action, naval action, being taken in the Gulf of Thailand; but I would certainly express publicly the hope, as I did yesterday, that there would be full and complete consultation with the Congress on this matter, and that before any extensive actions are undertaken, either to recapture that vessel or otherwise, there would be a full and complete recitation of all of the facts surrounding the original capture, and that there would be the kind of consultation that I think is required under the War Powers Act which was passed in the last Congress.

Mr. SEIBERLING. Will the gentleman yield further?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Of course, the War Powers Act is one thing. I am reading from another law, which says, and it is in several different public laws:

> ... no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress.

I would ask the gentleman if he thinks the President has any right, under the law, to engage military forces in activities in, over, or off the shores of Cambodia without the prior approval of the Congress.

Mr. ANDERSON of Illinois. The legislative provision to which the gentleman refers, of course, was enacted, as I recall it, in 1973.

Mr. SEIBERLING. Correct.

Mr. ANDERSON of Illinois. And it was enacted at a time when we clearly were at war, both in Cambodia and in South Vietnam. I know from press reports that at least one member of the administration voiced the opinion that from a legal standpoint, prohibition of armed activity or military action would apply only to that particular contest or armed conflict between our country and the countries of North Vietnam and Cambodia, but it would not apply to a rescue operation undertaken to try to recover not just a ship, but, of course, more importantly, the 39 men of the crew aboard that ship; that, strictly speaking, the 1973 act did not apply to that kind of incident.

I would be frank to say to the gentleman that I have not researched the law carefully enough on this point to know what is the proper interpretation.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I will in just a moment, but first, if I may, I would like to complete my response to the gentleman from Ohio (Mr. SEIBERLING).

Mr. Speaker, I would just solicit some patience and understanding on the part of my colleagues on that side of the aisle. I said yesterday that I felt that this President would fully consult with the Congress before undertaking any major action in the Gulf of Siam, or in the area of the former theater of activities there in Indochina, that he would fully consult with the Members of Congress before taking any initiative of any kind. There has been a sort of a cascading of developments just within the last few hours that apparently, if the news report is correct, have escalated that situation to a certain extent. But, Mr. Speaker, I continue to express every hope and confidence that the President will consult with the Congress. I do not believe at this point that we need be concerned that there is going to be any deliberate attempt to either circumvent the provisions of the 1973 law, or the War Powers Act itself.

Mr. SEIBERLING. I assume the gentleman from Illinois would concur that this law is still in effect, and that it expresses in plain language the prohibition of such actions; does he not?

Mr. ANDERSON of Illinois. The law is in effect. Again I am relying only on secondary reports, on hearsay evidence, that the action in the Gulf of Siam occurred apparently today, and was in response to an attack that was made upon personnel of the U.S. Government, and that there was an actual exchange of fire, and as a result we reacted in the manner that we have been discussing.

I do not believe, however, that that indicates that we are going to get into a major military action without prior consultation with the Congress. I refuse to accept that premise at this moment.

Mr. SEIBERLING. Would the attack have taken place if our Armed Forces had not been present?

Mr. ANDERSON of Illionis. Obviously I suppose it would not.

Mr. SEIBERLING. I thank the gentleman.

Mr. ANDERSON of Illinois. I now yield to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Speaker, I thank the gentleman from Illinois for yielding; I believe this would be consistent with the President's powers under the War Powers Act if the action has taken place while the merchant vessel was being seized. But if the bombing is being done as an act of retaliation, it seems to me, the President would be violating the terms of the War Powers Act.

Mr. ANDERSON of Illinois. Mr. Speaker, I would caution the gentleman against premature judgments of that kind. I do not think that the gentleman from Maryland nor I, or perhaps any other Member of this body at this moment have received all of the facts, or are in possession of evidence of what really did happen, and why it happened, to be making and trading angry charges of the Presidential violation of the law. I cannot accept the interpretation of the gentleman from Maryland pending a fuller understanding of what all the facts are.

Mr. Speaker, I now yield to the distinguished gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I would certainly want to support the statement the gentleman has just made. I do not think it serves any useful purpose, really, at this moment to get into a legal argument about who did what.

The point that I want to make, and I am distressed that I have to say this to my colleagues; that we do not know the facts.

The Subcommittee on Political and Military Affairs of the Committee on International Relations attempted yesterday morning at 9 o'clock. As soon as we could, we attempted to get briefed on the facts; to fulfill our responsibility to ourselves; the committee; and to our colleagues in the Congress. We got very little information from the State Department representative who was sent down to brief us.

Events have cascaded. I have no way of verifying or not verifying events. So I agree with the gentleman it is too early to jump to any kind of conclusion, but it is not too early to say that we are at least entitled to the facts so we have some idea about what is going on.

We have scheduled a meeting for 3 o'clock this afternoon for the Subcommittee on Political and Military Affairs and the Committee on International Relations. We cannot get any confirmation from anybody downtown that they will send anybody to the meeting who will tell us anything. I think in the best spirit of giving the President whatever opportunity he needs, whatever legal right he has, whatever presumption he has, the benefit of the doubt—and I am in favor of all of that—I think in the spirit of cooperation with the Congress, particularly in the light of recent history, the last thing we need is to be kept in the dark about this crisis situation.

Mr. ANDERSON of Illinois. Let me say in response to the gentleman from Florida it is now a quarter to 1. If I understood him correctly, his committee will not be meeting for more than 2 hours. I will certainly work with him and use whatever influence I have to see that he gets some information on this point.

I do not question his right or the right of members of the subcommittee to be fully informed on the circumstances that led to the seizure. There may be good and valid military reasons why some security has to be maintained on various options that might be undertaken. I do not know, but I think the gentleman at least is entitled to an explanation of what led to the seizure, and I will work with him to try to see that he gets it.

Mr. FASCELL. I appreciate that very much. I am sure it will be helpful. Of course, I want to make it abundantly clear I am not speaking for myself; I am not even speaking for the subcommittee; I am speaking for the institutionalizing of the process of communication between the Executive and the Congress in a satisfactory fashion when the country finds itself in a dangerous situation. I take nothing away from the President; I take nothing away from the Congress. I do not believe, however, even the leadership of the House and the Senate have been briefed on this issue. Somewhere, somehow, even in an emergency, we have to be able to communicate intelligently if for no other reason than to stop the kind of speculation and argument that has occurred on the floor of the House today with charges and countercharges which do no justice to the President, do no justice to the country, and certainly do no justice to the Congress.

Mr. ANDERSON of Illinois. I thank the gentleman for his contribution. As always, he has spoken out very eloquently and in a sincere fashion, and I think that if he will exhibit some forbearance and some patience pending his committee meeting at 3 o'clock this afternoon, some information is going to be forthcoming for him and for others.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding, and I thank him for taking this time to present in clear terms the President's position. I have to say, as I listened to some of my colleagues on the other side—the last speaker excluded—I am inclined to think that they are literally blaming the President for the situation. I think if we take their argument in its essence, what they are saying is maybe we should learn to stay out of international waters. When we are in international waters, things like this piracy incident can happen, but to indicate that we should not have a response and a strong response by the President to me is unbelievable. I am sure the vast body of the people support the statements of the gentleman from Illinois and certainly the actions of the President.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentlewoman from New York.

Ms. ABZUG. I thank the gentleman for yielding.

I appreciate the point made by my colleague, the gentleman from Florida (Mr. FASCELL), but I would suggest that in view of the nonclarification here, and in view of the potential provocation—although I fully respect the committee system—I think under the law what the Congress is entitled to is a direct report from the White House with respect to any steps that have already been undertaken, because under the War Powers Act certainly there has to be advice to the Congress and consultation and notification.

I would like to point out one other thing. I do not agree with the interpretation of legal counsel to the White House. This body has acted and refused to waive the powers that it has under those other actions which say that there shall be no military action in and over the land, waters, and shores of Cambodia, Laos, and Vietnam. We specifically acted to reassert our insistence that that prohibition remain in force.

So I think, since there is a lack of clarification, but more than that, we do not have to have legal argumentation or constitutional argumentation, I want us to be able to act properly to safeguard the rights of those Americans—and all Americans—and the rights of these people here. I believe a direct report to the Congress is required, not just a possible appearance at a committee at a moment of crisis like this, so that we can be there at the beginning and not complain later on that there was an emergency and we had no opportunity to participate.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentlewoman for her contribution.

Let me simply close this discussion by suggesting that perhaps for purposes of clarification I should inform her that the other interpretations of the possible applicability of the 1973 Supplemental Appropriation Act was not an official opinion. It was voiced by Mr. Buchen, the White House Counsel, and he took pains to add he was speaking personally and not as the representative of the President.

Again, I think this has been useful but I am sure if Members will exhibit some patience and forbearance there will be some additional information forthcoming.

Mr. Speaker, I have no further request for time.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Michigan (Mr. RIEGLE) to address himself to the rule.

Mr. RIEGLE. Mr. Speaker, I rise in support of the rule today. I want to talk about that, but before I do, I want to support the previous remarks of the gentleman from Florida, the chairman of one of my subcommittees, Mr. DANTE FASCELL, and the concerns he expressed about the problem just recently under discussion, and I support him fully.

But if I could have the attention of my colleagues in the House right now, once we pass this rule and get to the refugee assistance as a whole, I am going to be offering an amendment today which I think is a very important one. I take a minute now to speak about it.

There is no question but that this country has an obligation to do what it can now to resettle the South Vietnamese refugees. My concern is that we also have a very large number of people in the United States who might be called American refugees, who are themselves in situations of extreme economic hardship and deprivation through no fault of their own, and they are in all age groups and levels and every congressional district. There are a great many of them in my congressional district.

My amendment would propose to expand this humanitarian refugee program so that any benefits which are made available to the South Vietnamese nationals have to be made available equally to American citizens who meet the same tests of economic hardship and personal circumstance.

In other words, it would be to say that, we are not going to have a double standard, we are not going to treat one group in one way and another group in another way, people who have the same problems will be treated in different ways, but instead, we will have to have programs that step up to the problems of all persons in this country who have a problem of dire economic consequence that they are unable to meet by themselves.

This to me will be a test, really, of how deeply this humanitarian impulse runs within the President and this administration and also within the Congress. So my proposal is to see to it that people in America who suffer equal hardship receive equal treatment, something, I think, which is just and sound. If we really want to see this country of ours accept and assimilate the South Vietnamese refugees, I think the best way to accomplish that is to say we are not going to have two kinds of treatment or a double standard but, in fact, that the benefit programs will be made available equally to people in our own society who desperately need help. We can see to it that they receive the same kind of help. We cannot do it for one at the expense of another.

I am prepared to support the South Vietnamese assistance if we can treat the people of America in the same way, if we can have this kind of equity. But if the Congress does not accept this amendment and we say to people across the land, to our young or to our retirees who are destitute and not in a position to help themselves, that we are not concerned about their problems and not willing to do anything for them while at the same time we spend hundreds of millions of dollars for the South Vietnamese, then I will not be able to support the bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PEPPER. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. RIEGLE. Mr. Speaker, I yield to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Speaker, I wonder if the gentleman could clarify what he is talking about. I think we are all concerned with those people who are recently here in the United States; but what benefits is the gentleman talking about that the refugees are getting that unemployed Americans are not getting?

Mr. RIEGLE. I might say to the gentleman, that is a very good question. As the administration witnesses appeared before our Committee on International Relations, they were asked this question, namely, what specifically will be involved in these assistance and resettlement programs? Are we talking about job retraining? Are we talking about resettlement expenses? Are we talking about travel expenses to go to some parts of the country? Are we talking about housing allowances? Are we talking about food allowances? If so, how much and in what amounts?

There were no answers provided. In other words, the administration is not prepared to say exactly at this time what the refugees will receive or what the individual amounts will be or what the total amounts will be.

If I may say one more thing to the gentleman, the money that is being authorized today is just a downpayment. In other words, there is nobody in this Chamber that can tell us how it will be spent in terms of specific help to people or what the ultimate costs will be.

Mr. GOLDWATER. Mr. Speaker, if the gentleman will yield further, I might clarify that. I happened to be at Camp Pendleton recently. They are getting blankets. They are getting cots. They are getting tents and they are getting sleeping facilities and they are getting food.

Is this the type of thing that non-American refugees the gentleman says should be getting the same?

Mr. RIEGLE. I would say American refugees who are equally deprived should get the same kind of help; but my longer term concern is what happens after they get out of the camps? What about job training? What about housing allowances, food and clothing allowances?

Mr. GOLDWATER. We do not know to what extent that will be.

Mr. RIEGLE. That is exactly right. That is why my amendment says that whatever decision is made, whatever assistance is provided, that same assistance would be provided to Americans under equal conditions of hardship.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. PEPPER. Mr. Speaker, I yield the gentleman an additional 2 minutes.

Mr. RIEGLE. Mr. Speaker, I yield to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Speaker, I believe some of the problems raised by the gentleman would be put to rest if he understood that once the refugees would be settled in the final place where the refugees were being sent, that thereafter any public assistance, any health assistance, or any other assistance of that sort that might be coming from public funds with respect to those refugees would be governed in the same manner as help for other Americans.

Mr. RIEGLE. Mr. Speaker, no; I do not agree with the gentleman, for this reason, that we have a problem with Americans in this country who are destitute, who likewise need help in perhaps relocating to another area of the country, who may need help with job training and who may need help in the forms that I listed. That is why I want to insure that everything that is made available under the general refugee program will be made available to other needy Americans. We do not have an answer on this. That is why I hope the gentleman will have no objection to my amendment, because it merely says that anything we end up making available to South Vietnamese, that we will make available to needy Americans under similar circumstances of hardship.

Mr. SARBANES. I understand. All I

want the gentleman to do is to think through the circumstances of these refugees, when he makes this assertions they should be treated equally, because their circumstances are, of course, unequal, and that stems from their relocation in these settlement camps and all the problems that run with that.

Now, we do not have a program for Americans to go to resettlement camps at Camp Pendleton and live in a tent, although we have such a program for the refugees. We have to have the refugees there. That is not where we want them to be or where we want them to end up.

Now, with respect to their eventual location, they will be governed in receiving assistance in a similar manner as other Americans.

Mr. RIEGLE. Mr. Speaker, let me say that we have people sleeping outside without tents in this city and in my city in Flint, Mich. I suspect we have them in Baltimore. We have a situation where we have large numbers of people today who are every bit as destitute as the newly arrived South Vietnamese. There is no provision coming to us today in this bill or from the White House to take care of the equivalent needs of Americans.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BRINKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 406, nays 0, not voting 27, as follows:

[Roll No. 204]

YEAS—406

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—27

Barrett
Bingham
Brown, Mich.
Burton, John
Esch
Ford, Mich.
Hagedorn
Hall
Hayes, Ind.
Hébert
Hinshaw
Jenrette
LaFalce
Madigan
Mathis
Metcalfe
Milford
Mills
Mineta
Mollohan
Moorhead, Pa.
Preyer
Rees
Ruppe
Sisk
Skubitz
Udall

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Brown of Michigan.
Mr. Barrett with Mr. Rees.
Mr. Moorhead of Pennsylvania with Mr. Hall.
Mr. Mollohan with Mr. Milford.
Mr. Sisk with Mr. Esch.
Mr. Udall with Mr. Skubitz.
Mr. LaFalce with Mr. Mills.
Mr. Jenrette with Mr. Hagedorn.
Mr. John L. Burton with Mr. Metcalfe.
Mr. Bingham with Mr. Ruppe.
Mr. Ford of Michigan with Mr. Madigan.
Mr. Hayes of Indiana with Mr. Preyer.
Mr. Minetta with Mr. Mathis.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Without objection, the action whereby the House agreed to the request of the Senate for the return of the papers on the conference report on House Concurrent Resolution 218 is hereby rescinded.

There was no objection.

FIRST ANNUAL REPORT ON THE NATIONAL COUNCIL ON EDUCATIONAL RESEARCH — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am pleased to send you the first Annual Report of the National Council on Educational Research as required by Public Law 92-318, Title III (Section 405(c)(3)(f) of the General Education Provisions Act, as amended).

The Council is the policymaking body of the National Institute of Education which was created by the Congress to provide national leadership in the conduct of educational research and development.

I remain committed to a strong Federal role in research and development in education and to support the National Institute of Education and the National Council on Educational Research as the primary vehicles responsible for the Federal role. The Institute is now well advanced in its program directed toward specific and pressing educational problems.

The National Council on Educational Research is providing guidance to the Institute during the development of this program.

I know that the Congress will join with the Administration in supporting and strengthening the National Institute of Education and in encouraging the National Council on Educational Research to continue providing the vigorous policy direction and advice which will assist the Institute to meet its goals.

GERALD R. FORD.

THE WHITE HOUSE, *May 14, 1975.*

APPOINTMENT OF CONFEREES ON H.R. 4700, TO AUTHORIZE APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4700) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, with a Senate amendment thereto, disagree with the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. TEAGUE, FUQUA, DOWNING of Virginia, SYMINGTON, FLOWERS, MILFORD, ROE, MOSHER, WINN, and WYDLER.

REQUEST FOR APPOINTMENT OF CONFEREES ON H.R. 4723, AUTHORIZING APPROPRIATIONS TO THE NATIONAL SCIENCE FOUNDATION

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4723) authorizing appropriations to the National Science Foundation for fiscal year 1976, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 218, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, I call up the conference report on the House concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976.

The Clerk read the title of the concurrent resolution.

The SPEAKER. The Clerk will read the conference report.

The Clerk read as follows:

(For conference report and statement, see proceedings of the House of May 9, 1975.)

Mr. ADAMS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in strong support of the conference report on the first budget resolution. The report is a reasonable compromise between the positions of the House and the Senate and, in my opinion, should be adopted by the House.

The conferees agreed to the following targets for the principal budget aggregates contained in the resolution:

Outlays: $367 billion, which was $2 billion above the Senate position and $1.2 billion below the House position;

Budget authority: $395.8 billion, $7.2 billion above the Senate position and approximately $100 million below the House position;

Deficit: $68.82 billion, $1.6 billion above the Senate position and $1.2 billion below the House position; and

Revenues: $298.18 billion, approximately $400 million above the Senate position and the same as the House position.

Mr. Speaker, the revenue target is based on a series of assumptions by the conferees: First, that the major provisions of the Tax Reduction Act of 1975 will be extended to the end of the fiscal year, which will lower revenues by about $4.4 billion; second, that approximately $1 billion in revenues will be realized in fiscal year 1976 through enactment of tax reform legislation, rather than the $3 billion contemplated in the House-passed resolution; and, third, that an additional $2 billion in revenues will be raised in fiscal year 1976 in view of the Treasury's recent tax collection experience.

As a result of these major decisions by the conferees, the resolution establishes a level of $617.6 billion for the public debt, equal to the Senate position and $2.3 billion below the House position.

The conferees also established budget authority and outlay estimates for each of the major functional categories of the budget. These estimates serve to explain how the conferees arrived at the principal budget aggregates contained in the resolution. Page 9 of the conference report contains a table setting forth the amounts agreed to by the conferees for each functional category.

I would like to bring to the House's attention the conferees' decisions on three major subjects before the conference:

First. President Ford's proposed 5 percent cap on increases in Federal pay, retirement, and other benefit costs. The Senate resolution did not include funds to permit payment of full cost-of-living increases in pay, retirement, and other benefit programs. The House resolution included the full amounts needed to make these payments. The conferees accepted the House position on all proposed caps.

Second. Economic stimulus. The House resolution included funding for approximately 1,700,000 jobs in fiscal year 1976. The conferees also provided for considerable economic stimulus—a total of 1,664,500 jobs over and above the President's budget submission. As my colleagues know, the Senate resolution did not have nearly so strong an economic stimulus thrust. The conferees went much more than halfway in meeting House concerns that the economy be given a substantial boost. Thus, the conference accepted the Senate proposal for stimulating employment through railroad rehabilitation projects, and agreed upon a public service employment level of 385,000 for fiscal year 1976.

Third. Additional employment-generating public works programs. The House resolution contained $5 billion in budget authority and $2.5 billion in outlays for a new accelerated public works program, the Emergency Local Public Works Capital Development and Investment Act. The Senate resolution did not contain funds for any similar program. The conferees agreed to retain $5 billion in budget authority and $2.1 billion in outlays for additional economic stimulus to be provided either through an accelerated public works program of the type being considered in the House, or through some other appropriate stimulative program, such as emergency financial aid to States and localities, that the Congress may ultimately enact.

Adoption of this resolution will complete the first important phase of the new budget process. In my opinion, the Congress performance should be highly commended, and I want to thank all Members of the House, regardless of their views on individual spending matters, for fully supporting the new budget process.

Mr. Speaker, I believe that this represents a fair compromise between the positions of the two Houses. Yesterday I placed in the RECORD at page 14119 a table which compares that figures of 1974, the President's budget estimate of 1975, the President's budget estimate as submitted for 1976, the House position, the Senate position, and the final conference position. There is also included the figures indicating the budget authority, recommended in general terms but not as part of the conference report itself, for each of the functional categories, and below that a report on each of the outlay figures. I hope my colleagues in the House will vote to accept the conference report.

I say to my colleagues, as I did at the time that the resolution was passed, I think this represents a very important step as far as the Congress is concerned in attempting to reestablish in appropriate form our constitutional responsibilities to have control over spending and, in particular, control over general fiscal policy of the United States.

Mr. LATTA. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I believe it would be a serious mistake to concur in the budget and deficit figures that are contained in House Concurrent Resolution 218 and am therefore constrained to speak in opposition to this conference report.

In setting the deficit for fiscal year 1976 at $68.8 billion the conferees have reduced the deficit somewhat from the amount as passed by the House originally but it is still excessive.

The conferees completed action on

House Concurrent Resolution 218 on May 9. Following are the five aggregate figures arrived at, as compared with the original House and Senate figures:

[In billions of dollars]

	House	Senate	Conference
Outlays	368.21	365.00	367.00
Budget authority	395.93	388.60	395.80
Deficit	70.03	67.20	68.82
Revenue	298.18	297.80	298.18
Debt	619.90	617.60	617.60

What makes the figures in this resolution all the more frightening is the prospect that the deficit could well go much higher than that, up to $100 billion range, if Congress continues approving spending legislation as in the past.

The Federal borrowing needed to support a deficit of that magnitude would push interest rates up and crowd out private borrowing needed to operate businesses, keep industry humming, and create jobs. Such spending would set off another round of aggravated inflation which in turn would inevitably bring on recession. It is not a pleasant prospect.

The resolution is questionable for other reasons. It proposes too much and the wrong kind of stimulative spending for public works and public service jobs. Our experiences in the past have demonstrated over and over again that public works programs place heavy burdens on the Federal budget and do not really stimulate the economy on a short-range basis. Their impact is later when the need for stimulus has passed, and then serve to aggravate inflation. Public service jobs tend to simply transfer to the Federal Government costs that should be borne by other levels of governments. In spite of such drawbacks, the resolution earmarks billions for such purposes.

The conference report on House Concurrent Resolution 218 embraces other numerous unbudgeted items. Many of these items might well have merit at another time but that time is not now when one considers the magnitude of our budgetary problems.

It is regrettable that the conferees did not accept the so-called cap on salaries. Even though the cap on salaries and retirement was removed by the House—and I believe that was a serious mistake—the cap on salaries was included in the Senate figures. The conference action had the effect of removing it. Given the job security of Federal personnel and their relative wage levels. I believe this is a very legitimate place to hold the line on runaway Federal spending and to set an example for the private sector.

On the other hand, suggestions made to effect savings have been rejected. Proposals were made to improve the administration of various benefit programs and otherwise eliminate undue spending, amounting to over a billion dollars in fiscal year 1976. They were rejected outright.

Mr. Speaker, it is for reasons such as I have discussed here that causes me to sound the call once again for some fiscal discipline on the part of the Congress. My "no" vote on the conference report is to give a glimmer of hope that we can make meaningful strides toward achieving the fiscal discipline which is so badly needed.

Mr. ADAMS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. O'HARA).

Mr. O'HARA. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, I think the conference report represents a number of improvements over the Senate bill. In most aspects the House resolution was followed in this conference report, so I believe all those who supported the House resolution at the time it was before the House could in good conscience support the conference report now before us.

I would like to try to clarify some of the matters that were taken up during the conference which are not fully amplified by the conference report.

I would like to have the attention of the gentleman from Washington (Mr. ADAMS), the chairman of the committee, with respect to these matters.

Mr. Speaker, on page 6 of the conference report under function 500, "Education, manpower, and social services," the conference report indicates that the House resolution assumed outlays of $20.4 billion and the Senate amendment assumed outlays of $19.4 billion, for a $1 billion difference.

Then the conference report points out that the conferees agreed to outlays of $19.85 billion in this function. These figures assume that all programs in this function can be funded at least at the fiscal year 1975 funding level, that regular ongoing programs be increased, and that the number of public service employment jobs also be increased.

Then the conference report says:

> The conferees reached their decision with regard to public service employment in this function, which involves a reduction in the House estimate, in view of the job creating effect of the $0.6 billion assumed in function 400 for rail assistance.

Now, that is my understanding, that those two were intermingled in the decision of the conference; is that correct?

Mr. ADAMS. Mr. Speaker, the gentleman is correct. Those two were intermingled at the time of the conference, but they both involved job creating functions and public service-type jobs.

Mr. O'HARA. Right, and we did not have the $600 million of rail assistance in the House resolution.

Mr. ADAMS. We did not. That was a Senate provision.

Mr. O'HARA. It was my understanding that when the compromise proposal was offered to settle the difference in function 500, it was agreed by the conference that to the extent the $600 million for rail assistance, that had not been in the House resolution, were not used for that purpose, rail assistance, the amount to be used for public service employment under function 500 could be correspondingly increased. Is that the understanding of the gentleman?

Mr. ADAMS. That is correct.

Mr. O'HARA. I thank the gentleman for assisting and clarifying that.

Mr. Speaker, I would like to direct the chairman's attention to one other provision of the conference report, function 900, "Interest," on page 8 of the statement of the managers. The third paragraph of that statement says:

> The Conference substitute provides $35.0 billion in budget authority and outlays, the same as the House estimate and $0.3 billion lower than the Senate estimate. If interest payments are lower due to changes in the economy, the conferees agreed, up to $100 million in outlays could be made available for education, manpower and social services, and for community and regional development, to be divided equally between the two functions.

Mr. ADAMS. That is correct. We have been told recently that the Treasury has underestimated revenues by about $7.5 billion. If such underestimates continue, the result will be to reduce the size of the national debt and the interest required to be paid. If less interest need be paid, the amount of the reduction can be used for these other purposes.

The SPEAKER. The time of the gentleman has expired.

Mr. ADAMS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. O'HARA. Mr. Speaker, then it was simply because the increased revenues, decreased debt, and smaller interest costs were not finalized at the time the resolution went to conference that we do not make the appropriate change in the actual conference report; but I nevertheless understand that our interest costs will probably not be as high in the coming fiscal year as was our original estimate, because of the changes in the estimates of revenues and debt.

Mr. ADAMS. That is correct. There is a possibility that as much as $300 to $400 million less in interest might be needed because of increased revenues likely to be received in 1975 andl 1976.

Mr. O'HARA. I thank the chairman, and I consider that the provision with respect to the $100 million of interest and what will be done if we do make that saving to be an important provision.

Mr. Speaker, I support the conference report. It provides substantially the same amount of economic stimulation and of job creation as did the House resolution. That, of course, is inadequate, but it is more than the Senate resolution provided. I think it is a good conference report, given the point at which we started, and I support the adoption of the report.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Speaker, I have serious reservations about the conference report on House Concurrent Resolution 218 that is before the House at this time. Furthermore, I believe all Members of the House of Representatives should be equally concerned.

As it was reported from conference, the resolution places a stamp of approval on a fiscal year 1976 deficit totaling $68.8 billion, a sum which far exceeds the deficit for any one fiscal year in our Nation's entire history. Beyond that, it is not just the deficit figure as such that is cause for deep concern. Equally significant is its potential impact as giving a go-ahead signal for a variety of spending programs being acted on or under consideration in the Congress.

Actually, the resolution could in fact represent a meaningful achievement if the fiscal year 1976 deficit could be held at the level no higher than contained in House Concurrent Resolution 218, even though that is still too high, but from the flow of budgetbusting legislation going through the House, unfortunately that seems unlikely. I refer to such items as the multibillion-dollar so-called emergency employment appropriation bill, the education appropriation bill, and the lunch program bill, and others under active consideration. All of these increase spending far beyond present levels.

If the budget control process is to be effective in holding down spending and averting inflation and recession, full cooperation by the Congress in exercising needed fiscal discipline is absolutely essential. If that is not done even the best of intentions in passing spending programs would backfire, because with worsening inflation and recession the people will be in a far worse situation than without the legislation enacted supposedly for their benefit.

In the minority views on House Concurrent Resolution 218, page 85, a table prepared by OMB appears, outlining where the fiscal year 1976 Federal deficit could be headed, taking into consideration the tax-cut legislation and various spending proposals pending before the Congress. At the time the report was filed it was estimated that the new congressional spending proposals could add an additional $30 billion to the estimated fiscal year 1976 deficit, bringing it up over $100 billion. That table has since been updated and the projection now is for new spending proposals to potentially reach approximately an additional $32 billion, which could put the deficit threat well over $100 billion. I am including as part of my remarks a copy of the chart for the information of the membership of the House:

[In billions of dollars]

	Latest estimates	Previous estimates
What will be the budget deficit?		
The current estimate (with tax bill as written)	60.0	60.0
If Congress rejects President's hold-down legislation—add	12.0	12.0
If features of tax bill become permanent—add	5.0	5.0
New congressional spending proposals	32.0	30.0
Potential deficit threat	100.0	100.0
New congressional spending proposals:		
Antirecession grants to State and local governments	5.0	5.0
Broadened unemployment compensation benefits	1.8	4.0
Additional public service jobs	[1] 12.0	3.0
Increased public works projects for State and local governments	[2] 1.5	3.0
(Veto sustained)		2.2
(This item removed)		1.9
New housing subsidies	1.1	1.9
Increased urban mass transit and highway projects	1.2	1.8
Health insurance subsidies for the unemployed	1.0	1.5
Increased school feeding and related programs	2.3	1.4
Increased veterans benefits	1.3	.8
Additional small business loans	.4	.4
Other increases in a wide variety of spending programs	4.9	3.2

[1] OMB estimate.
[2] $3,000,000,000 (1977).

Our past experiences and the advice we get emphasize that undue Federal spending will unleash further vicious inflationary spirals and this in turn will bring about recession. Obviously, we should do whatever we can to prevent that from occurring, which would bring much suffering to our Nation. I believe it is absolutely essential that we either eliminate or defer spending programs such as are cited by OMB in every way possible in order to keep our economy healthy and productive for the benefit of all our citizens. It is for this reason that I must express opposition to the conference report on House Concurrent Resolution 218 and the concept it seems to represent that we can spend our way into prosperity. That does not work and the sooner that lesson is learned the better.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the conference report on House Concurrent Resolution 218, legislation setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for fiscal year 1976.

This legislation continues the same economic philosophy that has caused our problems in the first place—increasing Federal spending, and along with these increases come larger and more devastating Federal deficits that can only be financed by an inflationary growth in the money supply or increasing Federal borrowing in the private money markets which crowds out private investors and stunts private industry growth. An editorial in the April 29, 1975, Wall Street Journal clearly points out that we are following the same road of economic destruction that has failed so miserably for Great Britain, and that unless this trend can be reversed, we will also be victims "of the welfare-state-manic-Keynesian syndrome." The full text of this article follows, and I urge every colleague who is inclined to support this conference report to read it carefully:

[From the Wall Street Journal, Apr. 29, 1975]

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

> The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.
>
> Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

Admittedly, the aggregate totals in the conference agreement are a compromise between the House and Senate versions, and in that sense the conference committee did its job. It is now up to us to reject this conference agreement with the intention of bringing the budget into balance, and restoring economic stability.

As I argued during the general debate on this resolution and during the offering of my balanced budget amendment, we are not creating long-term permanent jobs by financing accelerated public works programs, giving out tax rebates to individuals in the year after they were collected, increasing unemployment compensation, expanding welfare assistance, giving away tax dollars to assist foreign countries, continuing to pay our farmers not to grow certain crops, and burdening the taxpayers with $35 billion in interest in fiscal year 1976 to cover the financing of the new debt and the refinancing of old debt. We can only create long term permanent jobs by reducing Federal spending and the Treasury penetration in the private money markets thereby allowing economic growth in the private sector and the creation of permanent jobs for the unemployed.

The day of reckoning has come, and I urge all of you who share my belief that we must move the economy in the direction of long term recovery to vote with me to defeat this conference report, and to join with me in supporting a balanced budget for fiscal year 1976.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I rise in support of the conference report on House Concurrent Resolution 218.

The size of the Federal deficit—$68.8 billion—in the conference report on the first concurrent resolution on the budget raises three important questions about its impact on the economy.

First, what impact will the deficit have upon unemployment? In an October 7, 1974, speech I referred to unemployment as "Public Enemy No. 1." Today, the situation has become worse, with the unemployment rate approaching 9 percent.

Assuming that the GNP will rise at a rate of only 3 percent due to reduced labor force growth and other factors, it will take 3 years of growth at a rate of 7 percent per year to reduce the GNP gap enough to lower the rate of unemployment to 5 percent. The Federal deficit of $68.82 billion contained in the conference report should have a desirable stimulative effect upon the economy by fueling the growth of the GNP and reducing unemployment. Indeed, according to the House Budget Committee, the higher deficit in the congressional budget is projected to result in at least 1 percent less unemployment than the lower deficit in the budget recommended by the administration.

Second, will the $68.82 billion deficit aggravate inflation? The deficit contained in the budget resolution should not aggravate inflation, since the immediate impact of the deficit spending will be upon the effects of the recession, our more pressing economic problem. Federal deficit spending, coupled with the increased consumer purchasing power spurred by the tax rebates and reductions, should provide the needed fiscal stimulation to combat the recession. In addition, a policy of moderate monetary expansion on the part of the Federal Reserve would significantly aid this effort against the recession.

Thus, our first concern should be the recession. For the short-run, the size of Federal deficit financing under the budget resolution is appropriate for meeting the impact of the recession. The key question in this regard, which is difficult to answer at this time, is the depth of the recession. Nevertheless, recovery from the recession is unlikely to rekindle double-digit inflation until the slack in the economy has been largely taken up. It is at the time when the recovery is underway that the problem of inflation must be addressed. Then, as Dr. Franco Modigliani of MIT has pointed out, the goal will be to "prevent the recovery from overshooting into the zone of accelerated inflation." The First National City Bank, in its May economic letter, expressed the view that when that time comes the inflation may not be as severe as others have predicted:

> All in all, therefore, there is unlikely to be a rapid return to the inflation-ridden days of 1973 and 1974. Although the recession's major impact has been jammed into a relatively brief span, it has been of sufficient severity to dissolve the conditions of excess demand that sustained double-digit inflation. It is likely to take more time than is now generally appreciated to restore those conditions.

As we move out of the recession, we will have to develop an adroit policy flexible enough to head off inflationary pressures which might arise during the upturn. With careful planning, I believe this can be done. For the immediate future, however, our attention is more properly focused upon the recession.

Third, will the deficit "crowd out" private borrowing? According to the Andersen-Jordan economic model, there is a tendency for any rise in Government spending to be offset by an equivalent decline in private spending. However, it was the consensus of the banking leaders who appeared before the House Budget Committee to testify on the budget resolution that there should be no major problem through the rest of the current calendar year of creditworthy borrowers being pushed out of the financial markets. As Leonard J. Santow of Schroder Capital Corp. observed:

> The softness in the economy and the large inflows at financial intermediaries will mean considerable elbow-room in the financial markets.

As Albert Wojnilower of the First Boston Corp. noted, until there is a substantial economic recovery, it is more appropriate to speak of "substitution" of Federal for private borrowing, rather than "crowding out." Federal borrowing for the short term will move in to fill the vacuum created by the sharp drop in private credit demands. As the recovery begins, private credit demands will pick up and Federal borrowing requirements will decrease.

Federal spending, plus the effect of the Tax Reduction Act, should operate to increase spendable income throughout the economy. If the Federal Reserve assists the antirecessionary measures through moderate expansion of the money supply, there will be no "crowding out" effect.

Mr. ADAMS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Mahon).

Mr. MAHON. Mr. Speaker, I look upon the problem before us today to be one of deciding whether or not we want to adopt a set of principles for handling our fiscal affairs. I do not look upon the vote which we are about to cast as a vote for economy or as a vote against economy. I look upon it as a vote to establish a system through which economies and better management could be achieved. I do not say "will be achieved," but "could be achieved."

We give ourselves a method by which we can better address the problems which have confronted us for so long in this body. The purpose here is to set in motion a procedure which could bring about more awareness of our fiscal problems and enable us to acquire more fiscal discipline. For me to vote against the measure would indicate, to me, that I was not in favor of trying to establish a system which could, in the long run, be effective in promoting fiscal discipline, which is so urgently required.

Mr. Speaker, I would not want my words to be interpreted as favoring the full content of the measure before us. I am not in favor of some of the provisions or figures that are included. We will work on the figures between now and September and thereafter. But I want to preserve my position as saying that, in my view, greater discipline is certainly needed than is provided in the conference report today. But it is a step in the right direction because it is a step toward the adoption of a set of principles. Much more must be done, but at least we can now, if we adopt this conference report, have the mechanism for moving in the direction of greater discipline.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I will be happy to yield to the distinguished Speaker.

Mr. ALBERT. Mr. Speaker, I desire to associate myself with the main thrust of the gentleman's argument. I consider this one of the most important votes that this House will take this year. We must continue this process, which will give us an opportunity, eventually, to have our own budget and to assume our own responsibilities over the pursestrings of the country under the Constitution.

To defeat this conference report, in my opinion, would set back the good work that has been done toward trying to bring this process into being.

Mr. Speaker, this is indeed a historic moment for the Congress and for the people of the United States we represent. We now have before us the conference report on the first budget resolution—a measure which signifies in no small way the willingness of the House to reassert its responsibility for the taxing and spending policies of the Federal Government.

Since the founding of the Republic the Congress, and especially the House, has had special responsibility placed upon it by the Constitution for the formulation of sound financial policies for the Nation.

Too often in recent years, however, the Congress has failed to meet its responsibilities for overseeing the finances of the Nation. We had not provided ourselves with access to the technical resources necessary to oversee the large and complex budget of a modern industrial society. We had failed to create a structure which would provide for orderly budgeting. And, most important, we seemed to lack the will to reconcile overall spending and taxing policies.

Two of these problems have now been remedied. We have established the Congressional Budget Office to provide us with the technical expertise we need. And we have established a committee structure to help set budget priorities. Under the chairmanship of BROCK ADAMS, the House Budget Committee, working with its counterpart in the Senate, has done an outstanding job and has produced a budget package which certainly can be supported as the fiscal program of the Democratic Party.

So, we have dealt with two of our important problems, obtaining expertise and creating a structure through which the Congress can work its will upon overall spending and taxing. Now, in the vote we are about to take, we face the final and most difficult problem—summoning the will to reassert our prerogatives and our responsibilities for the Nation's budget, reaffirming that we, the elected Representatives of the people, will no longer abdicate our responsibilities in this most difficult and important of areas to the executive branch.

The conference report on the budget resolution now before us cannot please every Member of this Chamber in every detail. But the resolution is responsible. It is the product of lengthy and serious deliberations. It represents a carefully fashioned and comprehensive approach to setting the Nation's priorities. It has the confidence of the people of this Nation, who are looking to the Congress to find a way out of the current recession and back into a pattern of stable economic growth. And, most important, this resolution represents a broad consensus—a consensus worthy of our support—concerning how this Government should conduct its financial affairs over the coming year.

In short, the House must support this first budget resolution. For, not only is the resolution worthy of our support, but also it is the only means by which we can reassert the constitutional prerogatives of this body to fashion taxing and spending policy. Only through our support of this resolution will we provide the Congress with an opportunity to fulfill its proper role in conducting the financial affairs of our Nation. I urge all Members of the House to support the resolution.

Mr. MAHON. Mr. Speaker, I want to thank the distinguished Speaker for his statement, and I want to repeat that I think it is urgently necessary that we adopt the conference report, and I believe we will.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I want to take this opportunity to congratulate the chairman of the House Budget Committee for providing the leadership which has brought us to this point. Although the projected deficit is deplorable I concur with many of the remarks of the chairman of the House Appropriations Committee, and I consider this process very vital. I think it is a historic moment we have today.

I am sure other Members will remember that several Congresses ago in the House rules there was established a procedure under which the Congress was supposed to establish a budget for the Federal Government. This procedure was never completed. On two occasions it got to conference committee, but the House and Senate conferees never agreed on a report. The procedure failed.

Mr. Speaker, I think it is much to the credit of the chairman of the House Committee on the Budget that this process has now nearly been completed.

Mr. ADAMS. Mr. Speaker, I thank the gentleman for his very kind comment.

Mr. Speaker, I now yield 5 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, when the House considered the budget resolution, I voted against passage of the budget resolution. That vote won the ire of some of my colleagues. I received some gentle rebukes, and I received some very harsh rebukes for my having voted against the budget resolution.

I voted against it primarily because I thought it was deficient in economic stimulus, the stimulus needed to deal with the dramatic rates of unemployment that characterize my district and many other congressional districts. My major concern was with the extent to which we could provide economic stimulus, thereby creating jobs.

Fortunately, I was assigned as one of the conferees on this bill. I stayed and watched the Members work so very hard. I observed the give and take between our position of preserving the economic stimulus as it was and the Senate's opposite position in that area.

I am very happy to report that, as the Members know, the bulk of what we had in for economic stimulus is in the matter before us. Therefore, despite the fact that I think that there is not enough stimulus, I recognize that we have preserved what there was; and I am very happy to be able to support this resolution.

It seems to me that those of us who are concerned about the inadequacies of economic stimulus, the deficiencies, the lack of sufficient stimulus, ought to bear in mind that if we lose out on this conference report, we face the danger of coming up with another kind of package which may well reduce the economic stimulus and thus reduce the possibility of creating jobs.

I am very happy to support the conference report. I think the Budget Committee concept that has been started is an important one. I am not acting so much in terms of the orientation of some of my colleagues. I am oriented in terms of this budget process finally being used to establish national priorities in this country.

Mr. Speaker, for the reasons that I have laid out before the House, I urge the support of the conference report and the adoption of House Concurrent Resolution 218.

Mr. LATTA. Mr. Speaker, I have no further requests for time.

Mr. ADAMS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, I want to congratulate the conference committee on the job that they have done. They have come back with a budget that provides for a $10 billion stimulus and perhaps jobs for 1.6 million American workers.

Mr. Speaker, I think everybody should have very strong second thoughts about voting against this resolution. There is a lesser deficit than we had in the original resolution before the committee, and I think that we all ought to now set forth the position of the House, and perhaps at a later time we can consult on a medium position with the President.

Mr. Speaker, the conference committee has offered us a resolution that is worthy of our approval today. Through the process of reasoning, the House had proposed aggregate totals built on assumptions that would offer adequate funding for important programs and assist in recovery of the economy. I am convinced that the resolution developed in conference preserves the means to reach these goals. I commend to you both the process whereby the first concurrent resolution was developed and the substance of that resolution.

In fiscal year 1976 a total of 1,655,000 jobs will result from the expenditure of $10.6 billion in stimulation to the economy. This is help we need now to reduce the unemployment rate, a rate that has been climbing upward month by month. As a member of the House Budget Committee, I know that we have provided for stimulus to highway and housing construction, improvements to the environment, accelerated public works and public service jobs. The American people are looking to us to provide mechanisms and the initial impetus to allay this country's faltering economy.

In passing House Concurrent Resolution 218, the House had approved a budget deficit of $70.032 billion. There were those of us who were and are seriously concerned about the size of the deficit. The resolution on which we vote today has reduced this deficit to $68.8 billion, a level that when accurate revenue assumptions are made, is very close to that recommended by the President. I believe our resolution contains more realistic premises based on more current and better information. I am well aware of the dangers of a large deficit, as are my fellow House Budget Committee members. Let me assure you that the need for the deficit was carefully weighed both by the House and in conference; the deficit figure is no higher than it must be to help turn this economy around. We will not let the deficit figure get out of control—we now have a process to insure control. I urge that each of us support it with an affirmative vote today. I am asking that we support the establishment of a benchmark to help us make better decisions in the coming months.

Mr. ADAMS. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Speaker, I wish I could support this conference report. I wish that I could have supported the resolution originally brought to the House from the committee. I believe that I stated clearly my reasons for not supporting the concurrent resolution when we debated it earlier this month.

The conference report brings to the House the proposition of voting for a budget outlay of $367 billion. It assumes budget authority for $395 billion, setting up a deficit of $68.82 billion, and estimates and assumes that we are going to get revenue in the amount of $298.18 billion. It assumes an increase in the debt ceiling to $617.8 billion.

The big trouble with this conference report, Mr. Speaker, as was a big trouble in the concurrent resolution passed by the House originally, is that it is full of assumptions and ill-considered estimates.

Let me direct attention to one assumption that is about as ridiculous as I can think of having a responsible legislative body act upon. This conference report accepts the instructions in the House concurrent resolution to the Committee on Ways and Means to close loopholes and raise revenue in the amount of $3 billion.

Well, it is true that the conference report reduces that $3 billion to $1 billion, but nevertheless left in the instruction to the Committee on Ways and Means to close loopholes to raise that $1 billion in revenue. And it assumes, with this $68 billion, that we do that, that we collect, we levy and collect new taxes in the sum of $1 billion. If we do not, then the deficit can go to the amount called for in the original House concurrent resolution; $73 billion. When you add to that the off-budget outlays, you go immediately to $84 billion. And if the assumptions are just slightly off about employment, unemployment, and the recovery of the economy, then you will have to inevitably add another $14 billion or $15 billion, and you end up with $100 billion deficit.

Let us get back to this instruction to the Committee on Ways and Means. Thirty-seven members of the Committee on Ways and Means, fine, able people—at least 36 of them—and we are telling them to get busy and close loopholes.

Whose loopholes? What loopholes?

Look in the budget, look in our revenue laws and you will find one loophole, or what some designate as loophole, interest on home mortgages. Do you want to deny the homeowner this benefit? Another thing that could be taken out is contributions to private colleges. Another is contributions to religious organizations. Whose loopholes are you closing, Mr. REUSS? What is your pet loophole? Do you want to tax municipal bonds? Where would you direct that we go to raise this billion dollars? And if you could go, how would you get 37 members of the Committee on Ways and Means to agree with you?

What we are called upon to do here today is to approve a conference report that says this House of Representatives is in favor of spending $68 billion more than we are going to collect, and perhaps several billion dollars more than that if the assumptions in the report do not come to reality.

So the Members are going to have to go home and say to their constituents, "I voted to charge you, your children and your grandchildren with additional deficits for spending money to provide services and facilities that we would like to have, but that we can live without."

It is time we told the people from up here what we tell them at home when we asked them to send us here. I told them I would work for and vote for a sensible, stable budget and try to stay within the revenues obtainable, and that is what I am trying to do.

The SPEAKER. The time of the gentleman has expired.

Mr. ADAMS. Mr. Speaker, I yield 1 additional minute to the gentleman from Georgia.

Mr. LANDRUM. I thank the gentleman.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. LANDRUM. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Will not the gentleman agree that what we on this Budget Committee are doing here today is not voting a deficit of $68 billion, but rather the committee is recognizing that Congress in its actions in this fiscal year will have to vote deficits in that amount? We are recognizing what Congress is going to vote; the Budget Committee is not setting it. The gentleman knows that.

Mr. LANDRUM. I will say to my dear friend I think what we are talking about here is a matter of semantics or rhetoric, purely so, and anyone knows that there is no other way for it to be interpreted. Anyone knows that there is no other way to evaluate it. I can appreciate what the gentleman says. Of course, it is a fact that we are in a bind, but we are in a bind because we have been spending beyond our means. Let us stop some of these expenditures. Let us give the taxpayers of this country some relief.

Mr. ADAMS. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, as a member of the Ways and Means Committee, I am particularly concerned with the action of the conference with respect to raising additional revenues by $1 billion through enactment of tax reform legislation.

Chairman ULLMAN of our committee has announced a schedule of tax reform hearings beginning early next month. The extended schedule of hearings will not permit committee markup action until the week before the August recess. It is highly unlikely that House action can be completed this year with final action deferred until sometime next year.

Under these circumstances, the only way the Ways and Means Committee can produce an additional $1 billion in revenues in fiscal 1976 is to make such revenue raising legislation a part of the debt ceiling bill which we will consider next month. I know there is a great reluctance to attach tax issues to the debt ceiling—but realistically, I know of no other way in which we can realistically comply with the directive of the Budget Committee to provide an additional billion dollars in revenues in fiscal 1976.

Mr. ADAMS. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, it is with a feeling of temerity that I rise in support of the conference report. To one who has dwelt for any length of time with the great debates in the House over national budgetary policy, the complexity and difficulty of the task of formulating a resolution of that policy come home with compelling force. The subjects of the national debt and the size of the deficit may appear old-fashioned in times of national peril, but in the long run what we do on these matters will vitally affect and limit the actions of those who will come after us.

In helping to hammer out the figures in this resolution, first in committee, then on the floor of the House, and finally in conference with the other body, I have done my best to keep a clear perspective on the principal issue confronting us today. Simply, it is recession coupled with inflation. In attacking one, we cannot at the same moment ignore the other. Given these two conflicting but far from mutually exclusive problems, solutions which attempt to attack both will doubtlessly not satisfy those who believe one merits more attention than the other.

In this body today there are those who believe that the deficit targeted in this resolution is too high, and that a high deficit may mean more inflation. I, as a matter of fact, believe this. On the other hand, there are those who say spend more here, there, or everywhere and get people back to work. Who in good conscience would want our people unemployed, leading unproductive lives?

The point of view from which I have endeavored to evaluate our national economic policy encompasses both liberal and conservative fiscal beliefs. Let us face the facts head on: The recession has brought about large Federal expenditures and loss of badly needed tax revenues. Therein lies most of the deficit. But, large deficits kindle inflation and it is imperative that we draw the line somewhere.

The conferees have, I believe, struck a middle ground from which Congress, at last, can gage its future actions. We have tried to provide sufficient budgetary stimulus, in the form of expenditures for jobs, without committing ourselves irrevocably in the future to built-in expenditures. We have also, after careful review of the inflationary trend and an assessment of the private sector in terms of money supply and interest rates, tried to see how far we could reasonably go without crowding out the private sector and starting a new wave of inflation. In my opinion, we found a balance that provides reasonable targets and still reflects the basic commitments of both the House and the Senate. These targets are both realistic and prudent. I urge adoption of the conference report.

Mr. ADAMS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, in reluctantly supporting the conference report on the first joint resolution on the budget, I do not wish to indicate complete approval of it. Among my reservations about this congressional budget are the following:

First. It allows an inflationary $4.5 billion increase in defense spending;

Second. It does not reflect a careful scrutiny of the military budget, nor any study of intelligence spending;

Third. It does not contain adequate stimulus for the economy, accepting instead an unemployment rate in excess of 7 percent for fiscal year 1976;

Fourth. It provides only minimal assistance to State and local governments in dire financial straits because of the recession; and

Fifth. It contains an unnecessarily high deficit because the Budget Committees did not make and because they were so newly created could not make a substantial effort to close tax loopholes and eliminate wasteful spending.

Nonetheless, I am supporting this resolution because it is a substantial improvement over the President's budget, and because it represenst Congress' first attempt to exercise unified control over Federal revenues and expenditures.

The President's budget called for greatly increased defense spending—to $94 billion, $3.3 billion higher than this resolution—while starving vital programs to meet human needs and combat the recession. It sought to take away from elderly and disabled Americans their legally mandated and desperately needed cost-of-living increases. It anticipated an unemployment rate close to 8 percent for fiscal 1976. It sought cuts in health care, education, aid to the elderly, and in fact, in every category of Federal expenditure except energy and defense. The conference report makes significant improvements in each of these areas.

Most importantly, the Congress has shown, in this resolution, its intention to assert its constitutional power over the Federal budget. The Federal budget determines the allocation of economic activity between the public and private sectors. The budget also describes the choices of which public programs are supported and how well they are to be funded. It is here that the questions of national priorities are most squarely faced.

Control over the Federal budget, therefore, gives the Congress the opportunity to tackle such issues as the cost to America of its unconscionably high infant mortality rate, of lost productive capacity through debilitating hunger and a too high rate of illiteracy, of our decaying urban centers and deteriorating mass transit systems. Preparing a budget also requires that we look into the waste and inefficiencies produced by counterproductive Government regulation and tax incentives.

As a member of the House Budget Committee, I criticized its failure to undertake the comprehensive review of national priorities that I believed was necessary and was its responsibility. I have reservations about this resolution because it does not reflect such a review. I support the resolution, however, because I believe that it is a first step—an essential first step but a wobbly one—toward the redirecting of Federal expenditures, by the Congress, toward this country's basic human needs.

Mr. ADAMS. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I made known my opposition to the House budget resolution when it passed through the Chamber 2 weeks ago. I was 1 of 19 Members who voted against that resolution not because we were hypnotized by a deficit figure but because the budget really did not reflect any kind of policy that this Government ought to engage in or any objectives that ought to logically flow from the budget. It did not seek to remedy in more than a perfunctory way the tremendous economic crisis engulfing this country. Specifically, it did not attempt to reduce to any meaningful extent the depression level of unemployment which exists in many parts of the country and which is growing worse daily.

Rather, the preoccupation of so many members was with the deficit as if that were the measuring stick by which to develop a budget. In this, I think they were seriously in error.

I strongly oppose the present conference report for different reasons than the gentleman from Georgia, and I think it is time that many of us who represent areas where unemployment and ravaged cities are creating more and more of a problem realize that we cannot go back to our constituents talking about some intangible notion of a deficit when the fact of the matter is that we are not creating a full-production economy; we are not stimulating employment; and we are not adding to the gross national product.

As has been previously acknowledged, the necessity of a deficit stems from the deteriorated economy in the first place, not from reckless Government spending. If unemployment stood at 4 percent, the President's budget would have exhibited a $12 billion surplus rather than a $51.9 billion deficit, and likewise the congressional budget would also have demonstrated a sizeable surplus.

But the House's budget resolution was aimed at a 7.4 percent unemployment rate by the end of fiscal 1976; that was the most optimistic forecast that the authors of the resolution could venture. Time and again Members of the House were told in discussions with the chairman and staff of the Budget Committee that 7.4 percent was the lowest rate of unemployment we could realistically expect to achieve; and we were warned that if the present policies do not work, which I believe they will not, the rate will probably be somewhat higher.

I find that the present conference report embodies all the deficiencies of the original House budget resolution and is in fact worse than the resolution that narrowly passed the House. Instead of putting money into people and jobs, which it would seem conscience should dictate in this depressed time, we are pouring more money into that bottomless sieve at the Defense Department. The conferees added an additional half billion dollars to the already bloated level of defense spending when instead they should have been looking for ways to channel more money into the civilian sector of the economy, where the benefits would have been real rather than imagined.

As Prof. Seymour Melman of Columbia University has so ably pointed out, the excess billions of dollars that are routinely being pumped into lavish and unnecessary defense spending programs are depriving the productive, civilian economy of needed investment capital, technological resources, and research and development capital. The $1,500 billion that the United States has put into creating a sustained military economy is equal to 63 percent of the total money value of everything that is manmade on the surface of the United States. The permanent war economy, in which the Federal Government uses more than half its tax revenue to pay for past, present, and future wars, causes the decay from within of the country's relative production capabilities, resulting in the loss of millions of jobs.

If the Federal Government had spent the $39.7 billion which it had proposed to spend at the end of the Vietnam hostilities for fiscal year 1972—from the vantage point of 1969—in the areas of education, manpower, social services, health, and related programs, we would surely have created five million new jobs and there would have been a multiplier effect of considerable magnitude. If that money had been spent as proposed, the economy would not now be in the seriously deteriorated condition it is in. But the money continued to be poured into the Defense Department for more unnecessary hardware and overkill capabilities.

At the time we debated the House budget resolution the official rate of unemployment was 8.7 percent. Now it is 8.9 percent. What did the conferees do in the area of education, manpower, and social services? They cut the outlay figure for this functional category from $20.4 billion to $19.8 billion, $600 million was cut from needed programs for people and $500 million was added to defense at a time when uncounted millions of people, somewhere between 20 and 25 million, are in real need of jobs and when our national military strength is unquestionable, when we have enough strategic nuclear warheads to obliterate the 219 largest Soviet cities 36 times over.

I have heard all the arguments about how fiscally irresponsible the Congress would be if it did not approve its own budget resolution after creating the mechanism to establish its own budget committees and to reassert its constitutionally delegated authority over revenues and expenditures. I find none of those arguments to be even remotely persuasive in leading me to cast a vote for this sadly misguided effort. I cannot vote simply to approve the process without regard to the product. It would be better in my opinion for the Congress to have no budget at all than for it to have a budget which will seriously hamper our efforts to enact the types of legislation necessary to pull the country out of the depression.

I find that I have no choice but to oppose the conference report.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. CEDERBERG).

Mr. CEDERBERG. Mr. Speaker, I have been interested in the colloquies that have been going on here today. It would appear that everyone seems to think there is something binding about this resolution. As a matter of fact I think we ought to realize this is a dry run. Nobody I know of in discussing it with many people believes that we are going to live within a $68 billion deficit. As I see what is happening in various committees, we are going to have $80 billion plus deficit. That does not sound like budget control to me.

Members can vote any way they want to on this. If it makes one feel good that he is voting against it because the budget is too high or the deficit is too high or if one wants to vote against it because it is not high enough, this is the time to do it because this is a dry run. Next year we will get down to real action but I see no reason to get very excited about this or take too much time on it.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, does not this reflect, even though it is not binding, the position a Member would take on a $68.8 billion deficit?

Mr. CEDERBERG. It has not yet. It may not in the future. I do not know what committee the gentleman is from, but has his authorizing committee paid any attention to this? I do not think it has. I have not seen any authorizing committee that has paid any attention to it. I do not think many members of authorizing committees know what is in here as it pertains to their committee. We have here a practice exercise. It was good for the Budget Committee to go through it and get the feel of it this year, so everybody can do what he wants to do.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Texas.

Mr. WRIGHT. The Armed Services Committee only this past week did report out an authorization bill which they were careful and assiduous to keep within the budget figures.

Mr. CEDERBERG. Oh, that was going to happen anyway even if we did not have this.

Mr. MIKVA. Mr. Speaker, I rise today to reaffirm my support of the new congressional budget procedures. Today, by voting on House Concurrent Resolution 218, the budget resolution conference report, Congress has taken another important step toward once again becoming an equal partner in establishing national priorities.

There was little doubt that in recent years Congress had been losing its authority over the Federal budget. Legislators were using the same procedures to examine recent budgets that they had used since 1921. But in 1921, the Federal budget was $5 billion, not the more than $300 billion of the several last years.

Until the budget reform legislation, Congress has simply not had the staff to give an exhaustive, cohesive analysis of a $300 billion budget. Consequently, in the past, Congress reacted to the President's budget requests on a piecemeal basis, adding or subtracting amounts for various programs. The grand total was never really looked at until action was taken on all of the pieces.

That process was hardly a model of rationality. The reforms were meant to change that—really to bring a commonsense approach to how the people's money will be spent. The reforms were designed to make Congress work within its own budgetary limits.

But the budget reforms were not conceived as a panacea. They were not intended to automatically end budget deficits, nor to magically solve the disagreements about national priorities. The age-old questions of where and how to spend—whether for defense, or education, or highways, or energy development, or health—will be decided by debate and discussion among the people and their representatives.

In short, the reforms were designed to make the budget-making process more rational, to make Congress more accountable. And that has begun to happen during the early stages of the new procedures. There has been more public debate about priorities and about how allocations should be made to stay within the limits of the budget resolution. And there will be more debate.

Mr. Speaker, the new budget procedures, an important part of which we are testing today, will begin to allow Congress to demonstrate to the people that it can operate efficiently and effectively. In the past, Congress has too often been passive in allowing the executive branch to take the full initiative on the budget. And even when Congress did react, it did so in a haphazard, piecemeal way.

By voting on the first budget resolution today, Congress has moved a step closer toward achieving greater fiscal responsibility and, in the process, restoring the critical balance of power between the legislative and executive branches.

Mr. ASHBROOK. Mr. Speaker, I urge the defeat of the conference report to House Concurrent Resolution 218, the first concurrent resolution on the budget.

This resolution is a blueprint for national disaster. I do not think that I am exaggerating when I say that the proposed $68.8 billion Federal deficit threatens the very foundations of our economy.

For years I have warned my colleagues that there must be some limit on Government spending. I have urged time and time again that we should consider the long-range consequences of our actions.

The Congress, however, has enacted new spending program after new spending program without regard to cost. It has ignored the fact that one day all the irresponsible spending programs would have to be paid for.

Our recklessness has finally caught up with us. Today we are burdened with inflation, unemployment, and high interest rates. We are suffering the worst recession since the Great Depression of the 1930's.

Why has this happened? Where does the blame lie? Our economic problems stem from Government overspending. They have been primarily caused by the large budget deficits which liberal politicians have embraced in order to finance a host of new Federal programs.

For years the Government has been spending far more than it has been taking in. To finance the deficits, the Government has been borrowing on a massive scale. In fact, Federal borrowing is dominating the capital market. Approximately $0.60 out of every $1 being borrowed today is by the Federal sector.

The impact on the economy is devastating. As Government borrowing increases private borrowers are crowded out of the market. Interest costs soar. Money for business expansions and house mortgages dries up.

Since people either cannot get or cannot afford mortgages, the housing industry slumps. People in the construction trades as well as those working in industries that make the necessary materials are thrown out of work.

Since businesses are unable to secure adequate capital, job-producing plant expansion grinds to a halt. New enterprises never get off the ground. It becomes increasingly difficult to finance inventories. The economy plunges into recession.

You would think that the liberals in Congress would have learned something from this disastrous episode. Unfortunately, however, that does not seem to be the case.

In fact, the majority of the House Budget Committee refuses to acknowledge that the massive Federal deficits have been responsible for the recession. In their upside down world, it is the recession that is causing the deficits. The Budget Committee's report (No. 94–145) flatly states:

> Budget deficit increases that are occurring in fiscal years 1975 and 1976 are not the products of profligate Federal spending but of deteriorating economic conditions.

The facts, however, point strongly against the committee's views. Look at the record. Only once in the last 15 years has the Federal budget shown even a small surplus. Since fiscal year 1969 alone there has been a $171.9 billion increase in the Federal debt.

According to the advocates of deficit spending, such large "economy-stimulating" outlays should have brought us prosperity. I seriously doubt whether anyone would contend that this has happened.

Unfortunately, however, many Members still cling to the liberal economic myths of the past. After the Congress has spent us into the recession it is now proposed that the Congress spend us out of the recession.

"More stimulus is needed," cry the liberal spenders. The Budget Committee calls for even more public service jobs, accelerated spending for public works projects and additional housing construction. Only by massive deficit spending, we are told, can prosperity be restored to the United States.

Mr. Speaker, this is not the answer to our economic troubles. This is just a rehash of the same liberal economic views that we have heard for 40 years. They were wrong then and they are wrong today.

Now is simply not the time to add billions of dollars to our Federal deficit. This is the road to fiscal chaos and economic ruin.

The real answer—the only answer—is for the Congress to cut Government spending and to start balancing the budget. Until Government begins to live within its means our society will continue to be plagued by inflation, unemployment, and high interest rates.

That is why I supported two important amendments during the consideration of this legislation.

First, I voted for the Rousselot amendment which would have given our Nation a balanced budget. Reckless deficit spending has created the current economic mess. Another large dose of deficit spending can only bring more inflation, more unemployment, and higher interest rates.

The hour is growing late. It is time to put our own house in order. It is time to put a lid on Government spending. The Rousselot amendment, which was defeated by a vote of 311 to 94, would have been a major step toward a more productive and stable economy.

I also voted for the Latta amendment which would have reduced the budget deficit to $54.1 billion. Even this lower figure is much, much too high.

I supported the amendment, however, because it would have brought our Nation almost $20 billion closer to fiscal responsibility. Unfortunately, the big spenders in Congress prevailed again on this vote by a margin of 248 to 159.

I cannot support the reckless and irresponsible Federal spending that is called for in House Concurrent Resolution 218. For the sake of our Nation I urge the defeat of this conference report.

Mr. FRENZEL. Mr. Speaker, we are indebted to the Conference Committee for reducing the target deficit to a figure slightly under the House version. Nevertheless, the frightening fact remains that we are, in this resolution, certifying a target budget deficit of nearly $70 billion.

That target is bad enough, but what is more frightening is that we have already passed bills, and will surely pass other legislation, which call for spending over this target both in budget items and in off-budget items. The scariest aspect of this resolution is that our spending will, in fact, undoubtedly exceed our target.

The process by which this resolution comes to us has been a helpful one. Even though I am terribly disappointed in the large deficits accepted, or almost mandated, by the resolution, I am pleased that we have gone through the process. The system obviously has failed to impose spending discipline on us, but no one expected miracles to change bad habits of long standing. The main advantage of the process, so far, has been to spotlight attention on those bad habits.

I shall oppose the resolution.

Mrs. MINK. Mr. Speaker, I rise to urge my colleagues to vote in favor of passage of the conference report on House Concurrent Resolution 218.

The conferees have clearly recognized the importance of the economic stimilus which this budget resolution provides. As was our intent in establishing the budget authority and outlay figures which we did in our original presentation to this House late last month, the current measure reflects the urgent need to take the unemployed out of the unemployment lines and put them back on production lines. The increase in public service employment which this budget resolution encourages has the effect of halting Government expenditures for unemployment benefits while increasing tax revenues from reactivated employees, increasing productivity, and shoring up consumer confidence.

Members of the conference have agreed with many of the economic assumptions made by the House Budget Committee. These reflect congressional sentiment that there be no ceiling on Federal civilian and military pay or retirement cost-of-living increases, and further that provisions of the Tax Reduction Act of 1975 be extended until the end of fiscal year 1976. On the matter of revenues, there is an estimated $1 billion increase through expected tax reforms.

Further, the levels of economic stimulus and job-creating programs are equal to those which the House approved, and funds are included in the conference draft for the Speaker's accelerated public works program. In addition, the draft recognizes the need to extend both emergency benefits for the insured unemployed and provide special unemployment insurance for the uninsured unemployed.

All funds for military assistance to Southeast Asia have been eliminated from the target levels for budget authority and outlays, while anticipated funding fos humanitarian assistance for Indochina refugees has been included.

The administration's proposal to reduce the eligibility period for veteran's readjustment benefits has been rejected, and this is also reflected in the resolution we have before us today.

I believe it is evident from the manner in which the congressional budget committees have approached their task to implement the Budget and Impoundment Control Act that Congress can effectively monitor and determine fiscal policy for this Nation in a cohesive way, and with compassionate concern for the citizen. Our task has been vastly complicated by the economic disaster which confronted us in the early months of this year. But in spite of that, and the necessity to accept the large budget deficit which even the administration's program put forth, we have been able to present a comprehensive plan for action, and for the most effective use of the tax dollar that is possible and practical.

I strongly urge the Congress to support these initiatives and to join in this immensely important process at this critical time.

Mr. OTTINGER. Mr. Speaker, I oppose the conference report on the budget for the same reasons I opposed the House budget resolution, but with even greater force because the conference report is worse. It does even less to attack the problems of unemployment and economic recession in the country. It does even less to reorder our national priorities.

The conference report adds a contemplated half billion dollars in military spending to a budget which already contemplated a 9-percent rise in constant dollars, while it reduces the amount contemplated for spending in job-producing programs in the vital areas of transportation, community development and manpower, education, and social services by more than $1.7 billion.

The product of the conference, therefore, even more than the House budget resolution fails to address the real problems of economic decline in the country and fails to shift the focus of the budget debate from one of concentration of reduced spending in the vain hope that by debate from one of concentration on reduced, to one which would focus on putting the country back on its feet again and obtaining full employment.

Mr. ADAMS. Mr. Speaker, I have no further requests for time.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 230, nays 193, not voting 10, as follows:

[Roll No. 205]

YEAS—230

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brooks
Brown, Calif.
Burke, Mass.
Burton, Phillip
Carney
Chisholm
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Foley
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gonzalez
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hays, Ohio
Hechler, W. Va.
Hefner
Henderson
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
Leggett
Lehman
Litton
Lloyd, Calif.
Long, La.
Macdonald
Madden
Maguire
Mahon
Mann
Matsunaga
Mazzoli
McCormack
McDade
McFall
McHugh
McKay
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Neal
Nedzi
Nix
Oberstar
Obey
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Rees
Reuss
Richmond
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
Santini
Sarbanes
Scheuer
Seiberling
Sharp
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—193

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badillo
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Biester
Bowen
Brinkley
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conyers
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Dellums
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Flynt
Ford, Tenn.
Forsythe
Frenzel
Frey
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harrington
Harsha
Hastings
Hawkins
Heckler, Mass.
Heinz
Helstoski
Hillis
Holt
Horton
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, Md.
Lott
Lujan
Madigan
Martin
Mathis
McClory
McCloskey
McCollister
McDonald
McEwen
McKinney
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nolan
O'Brien
Ottinger
Pettis
Poage
Pressler
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Rhodes
Riegle
Rinaldo
Roberts
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Wiggins
Wilson, Bob
Winn
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—10

Barrett
Ford, Mich.
Hayes, Ind.
Hébert
Hinshaw
Metcalfe
Milford
Mollohan
Nowak
Wydler

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hayes of Indiana for, with Mr. Hébert against.

Mr. Ford of Michigan for, with Mr. Metcalfe against.

Until further notice:

Mr. Barrett with Mr. Mollohan.

Mr. Nowak with Mr. Milford.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report on House Concurrent Resolution 218 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERSONAL EXPLANATION

Mr. HAYES of Indiana. Mr. Speaker, on rollcall 205, adoption of the conference report on House Concurrent Resolution 218 on the budget, I was unable to respond due to being unavoidably detained while proceeding to the House Chambers due to an emergency halt of auto traffic on Independence Avenue at its intersection with Capitol Plaza.

Had I voted, I would have voted "aye" in favor of the conference report. This announcement, consistent with my "aye" vote on May 1, 1975, on final passage of House Concurrent Resolution 218, is made with the belief that the Congress is by this experiment going to be able to more firmly exercise its constitutional responsibilities.

Our next vote on such a resolution will not be experimental. It will be real and to a great degree its success will ultimately depend upon the ability of Congress to order spending and revenue priorities in a way which recognizes the needs of the elderly, the young, and the ordinary person in society upon whom the full weight of financing our Government rests.

In the past our Constitution has been severely strained by administrations which have seized Congress' appropriations and defied its ability to respond to the needs of America as it is charged to do.

Our experiment thus takes on added weight, far beyond being a response to econometric models and forecasts. It is instead a reassertion of this branch of the Government. Hopefully this preparation will prove to be our best guide for the real test coming.

ENABLING THE UNITED STATES TO RENDER ASSISTANCE TO, OR IN BEHALF OF, CERTAIN MIGRANTS AND REFUGEES

Mr. EILBERG. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. EILBERG).

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Arizona (Mr. UDALL) as Chairman of the Committee of the Whole and requests the gentleman from Indiana (Mr. ROUSH) to assume the Chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6755), with Mr.

Roush (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Pennsylvania (Mr. Eilberg) will be recognized for 1 hour, and the gentleman from New York (Mr. Fish) will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania (Mr. Eilberg).

Mr. EILBERG. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. Rodino).

Mr. RODINO. Mr. Chairman, first I would like to extend to the chairman of the Subcommittee on the Judiciary which has been considering H.R. 6755 my heartiest congratulations, both to him and to the members of the committee, including the ranking minority member, the gentleman from New York (Mr. Fish), who have diligently pursued this legislation, which is legislation of an emergency nature.

Despite the fact that this is legislation of an emergency nature, I want to assure the committee and the House that this legislation has been very carefully considered. There has been very deliberate and searching inquiry before the subcommittee, reported to the full committee, and the full committee extensively inquired.

Mr. Chairman, there are few occasions when one can confidently stand in this spot and say to the House: "This is the right thing to do." Today, for me, is one of those rare times.

Our tragic military involvement in Cambodia and Vietnam is mercifully at an end. Our human involvement with the people of that region continues.

Many thousands of Vietnamese and Cambodian citizens have fled their native lands in fear of their lives and have turned to this country for shelter. There have been suggestions that we should deny them a haven and the chance for a new life. Some have said that their fear is exaggerated, that no blood-letting looms in the newly established regimes in Southeast Asia.

Perhaps, and I fervently hope this is the case.

But for now, which of us is to say that a person's fear for his or her safety at the hands of military and political enemies of a quarter century's standing is groundless?

It is said that we should close our borders to these unfortunate people because our economy is in a deep recession and our job market already overburdened.

As a practical matter, the addition of such new jobseekers as there may be, many of whom will not compete for the kinds of jobs which are in short supply, is simply not going to be even a tiny factor in our unemployment situation. More to the point, did we ask these questions about the refugees from Hungary, Cuba, or Czechoslovakia, or have we asked them about the Soviet Jews we have welcomed in recent months?

There are many reasons why we should care for the Asian refugees. They are in need, without home or country. There is no alternative as a practical matter. We have done as much and more many times before.

Ultimately, however, we must do this because it is the only right thing to do. We are a nation of immigrants, and when we reject our humble foreign origins we will have ended our reason for being as a nation. We must pass this bill, not merely for the refugees, but for ourselves, for it is to ourselves that we must finally be true.

And to be true to ourselves we must extend the hand of welcome, not grudgingly, but with a good heart and with the recognition that we have contributed to the plight in which these people find themselves.

This issue leaves no room for partisanship. I heartily agree with the President, and I honor those in both parties in our committee who have labored so hard on these questions. I believe we must grant the necessary authorization to bring the great humanitarian goal of our evacuation program to fruition.

Mr. FISH. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Michigan (Mr. Hutchinson).

Mr. HUCHINSON. Mr. Chairman, I want to compliment the chairman of the full committee, the gentleman from New Jersey (Mr. Rodino) for the statement he has just made. I also want to indicate my full support for this bill. I think we have no viable alternative. I think it is only right that this Nation of ours continue its long tradition of accepting to its shores refugees from political oppression. As I say, I think that there is no realistic alternative. I think that this group of people, which may amount to around 125,000 with no more than 30,000 heads of families, can easily be absorbed into our economy. In fact, when we remember that last year under our immigration laws more than 400,000 people were admitted to the United States, then this group is not very large, and when they are equitably distributed through the United States, they will contribute, I firmly believe, much to our economy and will not be a burden upon it. I hope the House will support this bill in the form in which the committee has reported it.

Mr. EILBERG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there are few of us on the floor today who were serving in the Congress when the United States initially became involved in the war in Southeast Asia. But, all of us have taken some part in this involvement—in the Congress and outside of the Congress—supporting, criticizing, speaking for or demonstrating against the war effort. Whatever role any Member of this body today played during that turbulent last decade the fact remains that the Congress did authorize and appropriate billions and billions of dollars for instruments of destruction. During this period our country underwent a period of deep introspection causing us to constantly reevaluate our role in the world community. We have learned a great deal from our experience in Indochina during this critical period and fortunately we can now close that chapter in our history.

The bill before us today, the Indochina Migration and Refugee Assistance Act of 1975, in some ways begins a new chapter, a chapter which we trust will lend itself to an era of reconstruction rather than the destruction we have witnessed over the last decade. By authorizing funds to assist in the resettlement of refugees we are replacing "weapons of wars" with funds for transportation to safe havens, health care, food and blankets and most importantly an opportunity for a new life in this country—a life of dignity and hope.

Certainly, efforts to grant assistance to these people should not be considered a burden but a redeeming obligation.

We have witnessed over the past couple of weeks a refugee movement of unprecedented proportions. During this time over 100,000 refugees have been transported thousands of miles across the Pacific Ocean. This represents an historic movement for the United States since it is only the second time in our history that we have become a country of first asylum, and it is the first time that our Government has directly assisted refugees in escaping persecution in their native country.

I am hopeful and confident that the response of the Congress and the American people to these refugees will be consistent with our immigrant heritage and our demonstrated willingness on past occasions to accept with open arms the destitute, the oppressed, and those who flee persecution.

It is needless to recite the long list of humanitarian actions by our country in providing a haven for the homeless and a refuge for those attempting to escape tyranny over the last three decades.

We are now faced with a situation where large numbers of Vietnamese have already reached the United States or are in the process of being transported here in the very near future. We must—as we have always done—respond in a compassionate manner to help these unfortunate people to help themselves.

As my colleagues know, legislation was introduced on Wednesday, May 7, 1975, at the request of the administration by the distinguished chairman of the full Judiciary Committee. Because of the urgency of the situation, my Subcommittee on Immigration, Citizenship, and International Law has proceeded with all deliberate speed. My subcommittee reported the bill with amendment to the full committee on the evening of May 7, and the full committee ordered the bill reported with amendment to the House on Thursday evening, May 8. I say this to emphasize the Judiciary Committee's view of the urgency of the legislation before us at this time.

While we have processed this legislation on an emergency basis, we have not sacrificed thoroughness for expediency, nor deliberation for reaction. My subcommittee received extensive testimony from Ambassador L. Dean Brown, the Director of the Indochina Interagency Task Force, and other key members of that group for the better part of 2 days last week.

On April 16, I spoke here of the need for the President to present the Congress with detailed long-range plans for the resettlement of those Vietnamese able to depart from South Vietnam. Based on the hearings, we are satisfied that such a plan is taking shape, that the situation appears to be as well under control as is reasonably possible under the circumstances, and that the bill before us represents the appropriate legislative approach.

The funds authorized in this bill will be used for: First, the movement of refugees to the continental United States and to third countries; second, food, medical care, and screening at both staging and reception sites; third, resettlement assistance in communities which will be provided under the auspices of the voluntary agencies; fourth, vocational and language training; and fifth, reimbursement to State and local governments for the health care, welfare, and social services which they provide to these refugees.

Before discussing the legislation further, I want briefly to describe the relief operations as they are currently underway. The refugee situation has two distinct phases—reception and resettlement. We are currently involved in a particularly critical stage of the first phase—the transportation and processing of masses of incoming refugees. Speed is of the essence due to the danger posed to the health and even survival of the refugees because of overcrowding. As a vivid illustration, I am sure many of you saw the picture in last Saturday's paper of the refugees from South Vietnam arriving at Guam on the U.S. vessel *Pioneer Commander*.

According to the most recent figures received today from the Indochina Task Force, 121,605 refugees from Indochina have entered under U.S. control as of May 14, with more in the pipeline. Of this number, more than 61,000 remain afloat on vessels or are at Pacific safe havens or restaging areas.

Approximately 59,000 are currently being processed through the reception centers at Travis and Eglin Air Force Bases or at Camp Pendleton or Fort Chaffee. An additional 15,531 have been processed and left Government control.

Based on the testimony we heard, as well as on-site inspection of one of the resettlement centers by members of my staff, the principal danger to be avoided is the development of a bottleneck situation. This is particularly critical at the present time when a large number of the refugees remain on ships and cannot disembark until room is made for them at the restaging areas at Guam or Wake Island and again at the resettlement camps in the continental United States.

The capacity of these camps is limited and refugees must be moved out in the last step of the process before new refugees may be moved in. In other words, there must be a continual flow of refugees from the ships through the Pacific processing and restaging areas and into and out of the resettlement camps. The authority for and appropriation of immediate additional funding is necessary if this movement is to continue.

The final goal of this process is the resettlement of the refugees across the country. This is currently underway, under the very capable direction of church-related and other voluntary agencies active in the immigration and refugee field. In the absence of Federal funding, these agencies are exhausting their very limited resources with the result that the resettlement end of the process is in danger of coming to a halt.

A principal long-range aim of the resettlement program is to avoid a buildup of the refugees in any one area, largely in order to minimize their impact on specific labor markets. The resettlement plan and the bill before us are also aimed at minimizing the burden placed by the refugees on the public services and agencies of State and local governments. From what we know about this group of refugees, we full anticipate that once they are settled, they will be an asset, rather than a liability to the country, as are the Hungarian and Cuban refugees. However, the costs incurred by the refugees during the necessary resettlement phase are, without question, a Federal responsibility, and should be met by the Federal Government.

As I have previously stated, H.R. 6755 authorizes funds for a temporary program to provide special reimbursement to the States for financial and medical assistance and social services provided to needy Vietnamese and Cambodian refugees in the United States. It also provides funds for transportation, special education programs, and employment assistance. The authority for this temporary assistance program is the same as the present authority contained in the Migration and Refugee Assistance Act of 1962. However, and I emphasize this, the program authorized by this legislation differs from the Cuban program authorized in the 1962 act in that it is limited in duration. The authorization extends only through the end of fiscal year 1977. For this reason, the bill before us tracks, but does not amend the 1962 act, which is permanent legislation.

I am aware—as my colleagues are—that these are hard times in America. However, this does not change the fact that we have a moral obligation to welcome the refugees of the Vietnam war in the best American tradition, as we welcomed the Hungarians and the Cubans before them.

I would remind those who have voiced their opposition to the admission of these Indochina refugees that our Government had little choice other than to accept and provide for these refugees. During an appearance before our committee, Ambassador Brown presented the options available to the United States once these refugees reach Guam in the following manner:

> The choice before us is to force them to return to their own country, which they fled from for fear of persecution—to leave them at sea—or to accept responsibility for them.

Quite properly consistent with our immigrant heritage, and recognizing that these are people who are now without a country, the United States has accepted responsibility for them. In my opinion, the plight of the Vietnamese refugees both requires and deserves an immediate and compassionate response on the part of the Congress and the country.

Furthermore, notwithstanding attempts in both the subcommittee and the full committee to have an authorization ceiling inserted in the legislation, the bill which your committee reported contains an open-ended authorization. While in principle, I am generally opposed to open-ended authorization, I believe, and the committee felt that it was necessary to provide such an authorization in this legislation for various reasons. First, the estimates as to the total number of refugees under U.S. control fluctuate daily. Second, we are unable to accurately determine at this time the number of refugees who will eventually be resettled in the United States, and this figure is contingent upon the response of the international community. Lastly, we must recognize that we are in a totally fluid situation and emergent situations may arise at any time.

However, there is an initial cutoff date of June 30, 1976, for any funds which will be used for third-country resettlement and for other overseas refugee activities. There is a final cutoff date of September 30, 1977, for the activities of, and services provided by, the Department of Health, Education, and Welfare.

It is essential that we resume the flow of refugees as soon as possible and provide them with necessary health care, clothing, education, vocational training, and resettlement assistance. Likewise, moneys must be immediately made available to the voluntary agencies which are primarily responsible for integrating these people into American society. We have been continuously assured that this will be accomplished in a manner that avoids the displacement of American workers and the high concentration of refugees in any particular locality. At the same time, the funds authorized in this bill are primarily designed to insure that refugees become as quickly as possible self-supporting and productive taxpaying citizens of this country.

I urge my colleagues to support this urgently needed legislation.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentlewoman from New York.

Ms. ABZUG. I just wanted to ask a question first.

Mr. EILBERG. All right.

Ms. ABZUG. In the description of the bill by the gentleman himself and by the chairman of the committee, it was stated that the purpose of this legislation before us and the legislation it tracks was to provide assistance to those refugees who had to leave their homeland because of fear of political persecution. Would the gentleman say that was the focal purpose of the bill before us?

Mr. EILBERG. Yes. In the definition of aliens in section 3, I direct the gentlewoman's attention to page 2, section 3, lines 14 through 19 of the bill, where it says:

> (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return there because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life.

Ms. ABZUG. I thank the gentleman.

Mr. EILBERG. Mr. Chairman, I now yield 3 minutes to the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Chairman, I believe we must assist the refugees that have been brought here albeit under questionable circumstances provided the screening process weeds out those among them who are not financially in need, are war criminals, were parasites in Vietnam and Cambodia and provided adequate effort is made for those refugees who wish to return to their land. The intent of this bill is to aid political refugees. As a compassionate people, we all want to heal the wounds of war as best we can, and to effect reconciliation. Therefore, I believe we must also take this opportunity to assist our own political refugees who were earlier victims of this war, at the same time that we address the problems of the Cambodian and Vietnamese refugees.

The war is not over, cannot be over, as long as 20,000 young Americans remain in exile, as long as 12,500 are still listed as deserters, as long as several thousand men and women have criminal records because of their war resistance acts, and as long as 637,000 veterans have less than honorable discharges.

The amendments I am about to offer would help only one category of resisters—those who fled this country knowing that they would be prosecuted and jailed for adhering to their political convictions. They and their families have suffered a great deal, and the wounds of this war will not be healed until they too have been helped to start new lives.

The administration's clemency program has attracted only a small percentage of those who fled. It is still punitive and hedged with conditions. It is not amnesty.

The amendments I introduce would not grant amnesty either. That must be done in separate legislation. Early in this session I introduced with cosponsors H.R. 2568, which is now pending in the Judiciary Subcommittee. I intend to recirculate that bill for more cosponsors. Hopefully we will have a chance to act on that bill in this session. It would grant universal, unconditional amnesty, easing the plight of those in every category of draft resistance.

However, the amendments I offer en bloc today would indicate that the time has come to correct injustice. They would expand the category of persons eligible to assistance in relocation and resettlement to include our own exiles. They would simply change the word "alien" to "person" and add "United States" to "Vietnam" and "Cambodia."

Some have already returned home; others would be encouraged to return by the passage of this legislation.

If we can be generous to those who fled the possibility of persecution in Vietnam and Cambodia—as I think we must, whether or not their fears were realistic—then we can do no less for our own citizens who tried to tell us, long ago, that the war was immoral and inhuman.

Mr. SCHEUER. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I want to congratulate my colleague from New York on her remarks and the purposes of her amendment. It is certainly clear from the reports of the Kennedy hearings in the press today that we got a very mixed bag in this group of refugees. There are undoubtedly those who were sincere, decent people who wanted to get out and feared for their safety. But we now have excellent reason to believe that the pimps and harlots, the war profiteers and tiger cage masters, and others of the same ilk have also come in admidst the rush and chaos of the well meaning but ill-planned and poorly executed evacuation effort.

Still, Mr. Chairman, they are here—in infinite variety with all the nobility and grandeur that war elicits in some, and the moral sleaziness and squalor that it reveals in others. They are here and we had best manage as well as we can to make their new lives tolerable. We should give the adults work training and a chance to earn a living and be independent, taxpayer citizens. A chance, indeed, we would do well to provide the perhaps 20 million Americans who want to work but cannot find jobs. Education and health care for their kids? Of course. And for all kids in America.

We should hold out the warm hand of welcome and compassion, now that they are all here, knowing that mistakes were made and errors of judgment committed on both sides, but recognizing that recriminations are futile and that now, with the war ended, our Nation must take a collective deep breath and start anew.

If we vote today to spend millions of dollars to provide compassionate relief and assistance to these Vietnamese refugees, we must finally determine that the same compassion and relief must finally be extended to those of our children who are refugees from America. There remain many thousands of young American men who must live away from their families and friends, in exile at home or abroad, because they refused to participate in a war which the overwhelming majority of Americans now consider to have been misguided at best and immoral at worst. These young men are the victims of war as much as—perhaps more than—many of the refugees who managed to escape only because of their wealth and connections.

It is time for a declaration of full and unconditional amnesty. As we offer these Asian refugees the warmth and safety of America, we must invite our own young men finally to come in from the cold. President Ford has declared that the Vietnam war era is over. It should be over, too, for the men who were among the first to realize that it should never have begun. There were many and varied ways in which a determination not to participate in the war was expressed. I honor the conscientious objectors who gave alternative service. I honor those draftees who had the courage to refuse to take the symbolic step forward and knowingly accepted the consequences. I have less regard for those who bugged out and went AWOL or slipped across borders. Nevertheless—putting all that behind us, as I deeply feel we must—if we are sincere in our desire finally to end the tragedy of Vietnam, and if we truly wish to replace conflict with compassion, then let us make peace with ourselves. We must welcome our own young people back to America with the same magnanimity we extend to the refugees from Southeast Asia.

I congratulate the gentlewoman from New York on her remarks.

Mr. FISH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is with a great deal of pride that, as a member of the Subcommittee on Immigration, Citizenship, and International Law, I join with the chairman of the subcommittee, the gentleman from Pennsylvania, and the chairman of the full committee, the gentleman from New Jersey, in presenting to the House today H.R. 6755. Our committee has been called upon in the last year and a half by this House to deal with many extremely difficult constitutional issues. On this occasion, we have an opportunity to transmit into legislative form one of the finest traditions, one of the finest characteristics of the American people, that of humanity and goodness.

The chairman of the full committee mentioned that this was not brought to us in haste, even though the measure was only introduced on the 7th of this month. The fact is, our subcommittee had oversight jurisdiction over the evacuation, and subsequently the refugee movements, for the past 5 weeks, and have been in innumerable consultations with the Interagency Committee set up in the administration. We were familiar with the issues when the matter came before us this past week.

I should also note the bipartisan nature of this matter. In each and every category of refugee where parole was requested of the Attorney General, two Republicans and two Democrats on the House Judiciary Committee and a like number, equally bipartisan in the Senate, approved the granting of parole under the practice of being consulted by the Attorney General.

This bill also has the support of the Republican Policy Committee and was reported out of our subcommittee unanimously. Not only did our subcommittee do its work well, but I think the Members would be interested to know that in our numerous briefings, both informal and formal hearings with the Interagency task force, we also had an input into the conduct of their authority in the movement of refugees. Examples are the screening of undesirables, and the ascertaining of the financial status of refugees so that refugees of means leaving areas such as Camp Pendleton, will be on their own financially.

One should also compliment the Interagency Task Force, a real model of cooperative governmental effort put together under emergency conditions, having to deal with highly unusual, complex matters, and I think they have comported themselves with great credit to our country under difficult times.

The matter of urgency has been mentioned, and I would like to underscore the urgency. For every day the Congress does not act to provide the funds for the resettlement of these refugees currently in the United States or enroute here, we have a problem of casting the entire financial burden on the voluntary agencies, some nine agencies, with a long history of involvement in Southeast Asia, who have undertaken the responsibility of the processing centers in the United States and the movement of these people in their final resettlement.

The estimates in our bill called for $600 per refugee to be paid to the voluntary agency. I think it is important to note that this is less than one-half of what the voluntary agency will actually spend on each refugee. Presently there is no money in any account in the Federal Government that can reimburse the voluntary agencies that are currently expending their own money on this responsibility.

I might add that we are in the rainy season on Guam. We are approaching the typhoon season. It could come any day now. Guam is at absolute capacity, with 50,000 refugees. It cannot absorb any more that are off the shore in ships and are being retained there because of the lack of funds and because of the slowness in processing. The facilities are not the kind of facilities you and I would like to be in during the typhoon season.

I should also say that your subcommittee and the full committee fully explored many of the issues that will be inquired into this afternoon. For example, the impact on employment in the United States, the dispersal thinly of these refugees who already, I am pleased to announce, have been resettled in 48 States of our Nation. We explored the possibility of cooperation with other nations, with disappointing results, but an effort was made with over 100 other nations to seek their help in resettlement.

We also went into great detail on the impact of refugees needing social services in State and local governments in terms of health, in terms of welfare, and in terms of education.

There have been some newspaper accounts of dissatisfaction, of unhappiness, on the part of some of the refugees. I think the committee would be interested in the figures that are current as this morning.

Of those refugees who have expressed a desire to be repatriated, in Guam, 45 who were inadvertently herded onto transport planes by Thai soldiers that they happened to get in the way of at the time refugees were being boarded, in overcrowded conditions, onto planes.

Another group in Guam, three fishermen who were picked up by our Navy but who were not out seeking asylum, but who were merely fishing.

In addition to that, in the United States some 15 to 25 South Vietnamese soldiers who were in this country totally unrelated to the refugee issue, and are currently assisting our efforts in the processing centers of the United States, may well ask to go home to their families.

In addition to those few hard figures, there are the nonrefugees who are in the United States as students, as businessmen, as diplomats, that we have not yet heard from. But I can assure the committee that through Vietnamese language newspapers at Pendleton, through a Vietnamese language radio at Pendleton, every effort is being made to broadcast publicly to the refugees that they have the option, if they wish, to return to Vietnam.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes, I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I thank my colleague, the gentleman from New York (Mr. FISH), for yielding.

I would like to ask the gentleman a question: Is it not a fact that the evacuation process was a complete disorder, that it was in disarray, and that it was really handled about at the level of efficiency with which we prosecuted the war?

Mr. FISH. No, I do not agree with the gentleman. The evacuation process, by that I mean the evacuation by swept-wing and helicopter, from Tan Son Nhut in Saigon was accomplished under the most difficult conditions and with great efficiency.

If the gentleman is referring to the pell-mell exit from South Vietnam by refugees, under their own auspices, which was either by private boats or by other vehicles, I imagine that that did look like quite a scene, the same as any mass exodus of refugees would, but that was not an evacuation over which the United States had any control.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I thank the gentleman for yielding.

I commend the gentleman in the well, not only for his statement, but also for his service on the Committee on the Judiciary. I also thank the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. EILBERG).

However, I must admit that I still have some reservations with the amount of money involved and the justification for that amount of money. There can be no doubt, however, about the purpose, intent, and urgency of this particular measure. In recent days these refugees have become caught in a riptide of public anger and resentment. I think it is our duty to rise above the emotions of the moment and point to our history and our heritage, and what, I hope, will be our legacy. I hope it will not be said that America's message to the world is that we will spend billions for bombs to preserve your freedom, but we will not offer our freedom in order to preserve your safety.

Mr. FISH. Mr. Chairman, I thank the gentleman from Maine (Mr. COHEN), a member of the Immigration Subcommittee, for his statement.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes, I yield to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, certainly the committee should be commended on their alacrity in effectuating or helping to bring about the resettlement.

I am somewhat concerned in that from past experience we have found that actions of this type are just the tip of the iceberg. I know we all like to get a good idea of where we are going.

I notice that on the last page of the report the committee indicates that in spite of its hearings, they do not really know at this point how many refugees we are concerned with, and likewise no dollar amount is put on it because we do not know how much we are concerned with. I think we should learn a little bit from history, in that the first year of the Cuban refugee program, as I recall, we were talking about something less than 50,000 refugees, and we spent about $35 million. Then that went up to $60 million and then $70 million and then $120 million and then $130 million. I think, according to the analysis presented, last year we spent $125 million on the Cuban refugees, a large portion of that for reimbursing Florida and some other States for welfare. In any event, by and large, to date our known cost for Cuban refugees is about $1 billion.

Costs have gone up about 100 percent since those early days when the Cubans came in, and I am just wondering now if we are not laying the foundation, despite the fact that we have a time limit on this bill, for perhaps a $2 billion or $3 billion expenditure. Considering that, I am wondering whether perhaps we might not go a little slower and see where these people are going and where they are going to get the jobs and perhaps consider authorizing a 6-month bill rather than moving straightaway on a 2-year authorization program.

Mr. FISH. Mr. Chairman, I thank the gentleman. He has raised a lot of questions.

Let me point out that with the exception of the HEW services provided for the next fiscal year, what we are talking about is a program that would be for the balance of this fiscal year and fiscal year 1976, which means 14 months before the expiration of most of the provisions, with the exception of the HEW part.

The second point I would make is that there is in section 4 a reporting requirement giving the Committee on the Judiciary direct oversight responsibility so that we can stay on top of this.

As to the numbers, the parole authority agreed to by the members of the committee does not exceed 150,000. So no figure beyond that could be considered in this refugee assistance program unless the committee was made aware and consented to a figure in excess of 150,000 persons.

Mr. LEGGETT. That is not a legal limitation in the bill.

Mr. FISH. No, that is not a legal limitation in the bill, but it is by custom and practice that parole has not been granted without consultation and agreement of the Congress.

The bill contemplates considerably less than 150,000. We have only 121,605 refugees from Indochina who are currently under U.S. control. In addition, there are those afloat in the Pacific, and we are not sure exactly how many there are of them because they have been picked up by ships of other nations, and the number has not been precisely determined as of this moment.

In further response to the inquiry of the gentleman from California (Mr. LEGGETT) there is no evidence at all that the present Government of South Vietnam is going to allow any further refugees or citizens of that country to leave to seek haven in this Nation.

The gentleman from California has mentioned one other matter, and that is about the difference in expense. It is my recollection that there is only a $100 difference between what was computed for the maintenance of the Cuban refugees in the 1960's, and that was for a figure of $500, and what we are asking for today, $600. I think in the terms in which the gentleman from California placed it, this shows that we are really at a rock-bottom figure.

Mr. Chairman, at this moment I yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I compliment our colleague, the gentleman from New York (Mr. FISH), the subcommittee's ranking member, and the gentleman from Pennsylvania (Mr. EILBERG), the chairman of the subcommittee, for their diligent efforts in bringing to this floor, so expeditiously, this worthy legislation.

Mr. Chairman, I rise in support of H.R. 6755, the Indochina Migration and Refugee Assistance Act, which establishes a temporary program, through September 1977, to transport Cambodian and Vietnamese refugees to the United States and to help sustain them with the necessities of life until they can gain a foothold in our land. This measure provides funds to move approximately 20,000 refugees to third countries which are willing to receive them. It is anticipated that approximately 130,000 men, women, and children of Southeast Asia will seek refuge in our Nation. To date approximately 121,000 refugees from Indochina have entered U.S. governmental control.

Some recent irresponsible statements calling for the return of the refugees to Vietnam, not only do this country a disservice, but repudiate everything that this great Nation has stood for.

America is a nation of immigrants. Countless times in our history we have opened our arms to new waves of immigrants—to the old, to the weary, and to the downtrodden. Following World War II, the United States absorbed 1.4 million displaced persons; after the Hungarian uprising in 1956, we took in 50,000 Hungarian refugees and provided a homeland for 600,000 Cubans following the Cuban crisis. We must not now forget our heritage or our moral obligation to any of these helpless refugees who have turned to us in their hour of need, many of whom cannot return to their native lands because of fear of persecution.

Accordingly, I urge my colleagues to support H.R. 6755.

Mr. FISH. Mr. Chairman, I thank the gentleman for his statement.

Mr. Chairman, let me conclude by saying that one of the communications that was received by the committee was a letter from the National Council of Catholic Bishops, and the National Council of Catholics, in which Archbishop Bernardin said:

> The war in Vietnam is over. The human suffering of the war goes on. It is natural that we should wish to put the war behind us. But it is inconceivable that we should turn our backs on the suffering which continues.
>
> Thousands of people have fled their homes in Southeast Asia. Many have already come to our country, and many more will soon come. They call out to our Christian compassion and our commitment to American ideals. We must respond.

Mr. EILBERG. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Chairman, I think it is important to underscore at the very outset that what we are dealing with here is an authorization—not an appropriation—bill. This bill represents, if passed, a judgment by this House that there ought to be such a refugee program with the limitations and restrictions that are contained in the Migration and Refugee Assistance Act of 1962, with which this legislation, which is temporary in nature, corresponds. It refers to that 1962 legislation and carries with it the provisions of that legislation. The question of the dollar amount is, of course, a matter which is being dealt with by the Committee on Appropriations and must in any event subsequently be confronted by this House in the course of making any appropriation in whatever amount is deemed necessary.

At the time that our committee acted, which was last week, the situation was changing daily and will continue to change daily, and it was partly for that reason that it was deemed desirable not to include a dollar figure in the authorization legislation.

I point out to the members of the committee that the Committee on Appropriations acted just yesterday on the dollar figure. In other words, they were able to act 5 to 6 days after we acted within our committee on this matter and, therefore, were able to act on much more current information.

Let me very quickly review that information, because I think it is of interest to the Members of the House. There are now within what is termed the U.S. system that has been established 121,605 refugees. This is as of May 14, 1975. Of that number of 121,605, 15,531 have been out-processed from the restaging sites in this country. In other words, they are now out in American society. Forty-three thousand, two hundred and eight-one are in the restaging sites at Camp Pendleton, Fort Chaffee, and Eglin Air Force Base, the three restaging sites that have been designated for dealing with the refugees. Sixty-one thousand four hundred and forty-three are at the west Pacific restaging sites, particularly Guam, with just over 50,000, and Wake Island with some 7,600, and another 1,350, it is estimated, are aboard ship moving toward the Western Pacific restaging sites. So that is where the total figure of 121,605 refugees comes from.

We have moved with speed because there is clearly needed an authorization to provide for the funding of the various programs involved in moving these refugees into Guam, forward from Guam to the United States, and then resettling them in this country and providing them with the necessary services.

The executive department has—at least, in their testimony to us—been very careful about drawing down funds that are not properly authorized for this purpose. I commend them for that. Obviously, the Congress is concerned about the power of the purse and the proper expenditure of appropriated moneys, and the executive branch has tried, I think, to stay within existing statutory restrictions. They now seek this authorizing legislation and then subsequently an appropriation to follow behind it in order to give them the resources to move forward with the program.

The refugee movement is now being impacted, in part because we have not yet moved through this legislation, in particular as it affects the efforts of the voluntary agencies to move the people out of the three restaging sites in this country, and also as it affects the efforts to move them from Guam to the United States.

The estimates are that the population of Guam is at capacity, 50,233 people. They may take a few more unloaded from ships, since leaving them aboard ship is not a good health measure. But they are heavily loaded in Guam. They are at full capacity. There is a need to move refugees forward, and the camps in this country are not at full capacity. So we have got to move this process along.

There are a couple of matters that I think it is important to get before the members of the committee in an effort to understand this. One, of course, is to have some sense of the refugee profile, the profile of this refugee population. We have talked about the figures.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EILBERG. Mr. Charman, I yield 2 additional minutes to the gentleman from Maryland.

Mr. SARBANES. I thank the gentleman.

We have talked about the number as 121,000. Of the first group that came out which was the group evacuated by us, which is the one we have done a profile on, 45 percent are under 16 years of age; some 70 percent of those people speak English; and they have high employment skills.

We do not anticipate the next group will reflect necessarily the same profile since that is essentially the group that set to sea and was picked up in the South China Sea.

It is important for Members to understand what it means to be on parole. People remain in a real sense at the discretion of the Immigration and Naturalization Service. By the express language of the statute, parole of an alien into the United States is not an admission. In contemplation of law, an alien under parole is deemed to be standing at the water's edge although he is allowed to be physically present within the United States. The Immigration and Naturalization Service has power to restrict movement and to direct as to where people should be resettled so as to take into account the unemployment problem. Of course the announced policy which is being pursued is to resettle the refugees evenly across the country.

The Executive branch has made a commitment to the Governors that State and local authorities will suffer no fiscal hardship for this program and will be reimbursed 100 percent for the costs of health and welfare and social programs which may be incurred by State and local governments so there is a clear effort that none of those burdens will fall upon the localities.

We are faced with an enormous human problem. It is here. It is before us. Whether one feels that the problem should have been here is a different question. That goes back to earlier policy, as to what might have been. But events have transpired, developments have occurred, and we have now a situation in which 121,000 people have been brought under American control and we have the serious responsibility as to what we are going to do with these people.

This legislation seeks to authorize a program as a major step in response by the Congress to meet that situation. I urge its adoption by the Members.

Mr. FISH. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in support of this bill to authorize emergency assistance for the transportation, temporary maintenance, and resettlement of Cambodian and Vietnamese refugees.

It is expected that some 130,000 men, women, and children will seek refuge in this country, and an additional 20,000 will be resettled in other nations.

Almost all of these people are already at U.S. sites in the Pacific or in the continental United States. Mr. Chairman, I want to impress upon my colleagues the fact that the refugees are here. Now.

We are not debating about what policy to pursue at some hypothetical future date. These refugees are under our jurisdiction now, and we cannot turn our backs on them. We can not ignore our basic moral obligation to offer them humanitarian assistance.

These people left their homeland in fear for their lives, in most cases leaving behind the greatest part of their cultural roots and material possessions. We must now provide the means for their rapid assimilation into American society.

The United States is a nation of immigrants and we should not forget that heritage.

According to the 1970 census, there are only about 780,000 American Indians in the United States. That means that less than 0.04 percent of our population can truly be called native American.

People have come to the United States for many reasons over the years. They have come to escape religious intolerance, political oppression, and lack of opportunity.

The United States has stood as a beacon, offering freedom and opportunity for oppressed peoples everywhere.

The United States has a special obligation to these Vietnamese and Cambodian refugees. We brought them here, and we must now provide for their temporary relief and resettlement.

I urge the adoption of this bill.

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, in times of serious stress the greatness of a people is often demonstrated. Conversely, the smallness of some people is exhibited and the tragic plight of 125,000 homeless refugees presents such an occasion.

The bitterness expressed by some of my constituents against extending any humanitarian aid to these refugees confuses the victims of Communist aggression with its perpetrators. When America ceases to respond to the helpless and the homeless then we cease to be America.

I was shocked to read the remarks of a well-known Member of the other body who is currently urging warmer relations with Castro's Cuba. This distinguished gentleman suggested that 90 percent of those refugees would be better off returning to Vietnam. I find it amazing that even a moderately informed person would conclude that living under Communist tyranny, which is to say living in a concentration camp, is preferable to living in America.

Remarks have been made characterizing these refugees as political refugees. I can only say that these tragic people are victims of guns, cannons, mortar shells, bayonets, and hand grenades rather than politics. To equate their plight with our draft dodgers and deserters does not rise to the level of the ludicrous.

We have welcomed and assimilated over 500,000 Cuban refugees, many Hungarians, Czechs, and other Europeans fleeing Communist tyranny. Surely this is what this country is all about.

Mr. Chairman, this country was built by immigrants. They have brought diversity and strength to our Nation. Surely there is a place in this richest of nations for the most humble and dispossessed.

Mr. Chairman, I fully support this effort to alleviate the human suffering of so many whose only sin may well have been trusting in America.

Mr. EILBERG. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I rise in strong support of this bill to provide humanitarian assistance for resettlement of Indochinese refugees. We as a nation have always acted as a refuge and a haven to those fleeing for a better life. It is not the time now to turn our backs on that tradition.

As we consider this legislation, I think it is also appropriate to consider some related matters which the bill does not address, but which are on the minds of many. There are questions that still need to be answered as to why the evacuation took place in such a disorganized manner, why we waited so long, why American soldiers had to die. Did we leave people behind we should have brought out and did we bring out people who wished to remain behind?

Many questions about that evacuation still have to be answered.

It is also important to remember that much of the opposition to this bill has come because we have not shown the same generosity of spirit and we have not extended the same helping hand to those in our own country who are in desperate need—the poor, the elderly, the disabled, the children. I would suggest that it is incumbent upon us as a nation to show this kind of generosity to our own citizens.

I would hope also that, as we bring the refugees to our shores and provide a haven and a sanctuary for them, we would remember those of our own citizens who have no haven or no sanctuary, who are still abroad and living in exile, who refused to serve in the Vietnam war, and that we would bring them home as well.

I do want to take this opportunity, Mr. Chairman, to advise the Members of some matters which we on the subcommittee have raised. First, there has been some questioning by me personally as to what is being done about those persons who seek to return to Vietnam. I have been advised by the Interagency Task Force that, for this very small number of people, efforts will be made to return them through the U.N. High Commissioner. In addition, the task force informs me that all refugees are being given appropriate advice about their right to return to Vietnam, should they wish to do so. I think it is important to make that clear.

Second, I would like to set the record straight about certain actions that the Immigration Service is going to take regarding these evacuees. I wonder if the chairman of the subcommittee would be good enough to respond to the following questions for the purpose of developing the legislative history?

Mr. EILBERG. Mr. Chairman, I will be happy to respond.

Ms. HOLTZMAN. It is my understanding, and the committee report so states on page 7, that the Immigration Service is going to require every evacuee and refugee to sign a statement, subject to the penalties of perjury, to the effect that the person has not ordered, assisted or participated in the persecution of any person because of race, religion, or political opinion.

Mr. EILBERG. I would answer in the affirmative, but that statement will also include that that person is not in any excludable category under the present code.

Ms. HOLTZMAN. Is it correct also that a person who signs such a statement falsely will be subject to the penalties of perjury and to the other penalties that are provided already in the immigration laws for the signing of false documents in connection with entry into the United States?

Mr. EILBERG. That is correct.

Ms. HOLTZMAN. And with respect to somebody who refuses to sign such an affidavit or statement, that person will be subject to an inquiry in the regular course by the Immigration Service, is that correct?

Mr. EILBERG. That also is correct.

Ms. HOLTZMAN. I thank the chairman for his assurances and wish to compliment him for the excellent job he has done in connection with this bill.

Mr. CONYERS. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, what about the Vietnamese general that shot the citizen point blank, whose picture was all over all the magazines? Is he going to sign that kind of a requirement, too?

Ms. HOLTZMAN. I do not know to whom the gentleman is referring.

Mr. CONYERS. I am talking about the picture of the soldier, the officer who was holding a pistol point blank, firing at another Vietnamese. Is he subject to that same provision?

Ms. HOLTZMAN. It is my understanding that everybody will be required to sign this affirmation or affidavit.

The CHAIRMAN pro tempore (Mr. ROUSH). The time of the gentlewoman has expired.

Mr. FISH. Mr. Chairman, I would like to yield 1 additional minute to the gentlewoman from New York.

Mrs. FENWICK. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentlewoman for yielding to me. I am shocked to learn, and I wonder **how it could have come about that we are asking these helpless people to take these oaths. What does it mean, that we are doing this? I think that is a terrible thing. How did that happen and who instituted this?**

Ms. HOLTZMAN. **If I may answer the gentlewoman, a person coming into this country is already screened with respect to whether or not that person is a member of the Communist Party or adheres to a totalitarian form of government; whether or not the person has committed any criminal offenses. We on the committee are concerned about allowing into the mainstream of the United States a criminal element—whether they are murderers, political torturers, assassins or the like. We think there ought to be some screening for this purpose. Screening per se is not a new practice nor is the requirement of an oath.**

Mrs. FENWICK. My understanding was that these oaths were taken of people who wished to enter the United States on an immigration quota, or to be citizens. It never occurred to me to ask of these refugees, to require a kind of purity oath or something of that sort; we do not let them in even though they may be in danger, if they have done something wrong.

Mr. SARBANES. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, the problem that is involved is establishing an appropriate basis with respect to the parole authority and what might flow thereafter. The same question, with the addition of this one regarding political prosecution, was asked of the Cuban refugees coming in.

They are, in a sense, under our jurisdiction now and we can act accordingly, but eventually how they are treated with respect to the use of parole authority and thereafter, how they may be treated in terms of adjusting their status from simply being on parole to being citizens, is the problem.

Mrs. FENWICK. I thought being in danger was enough.

Mr. EILBERG. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Chairman, I thank the Chairman for yielding to me. I support this bill in principle. There are one or two points, though, which I hope someone will bring out and clarify, since they concern me greatly.

The gentleman from California (Mr. LEGGETT) pointed out a while ago that when the Cuban refugee situation commenced in 1959 or 1960, we talked about $35 million and possibly 50,000 refugees. That has wound up to 670,000 refugees and about $1 billion—that is b-i-l-l-i-o-n. In this situation we are talking about 130,000 refugees and perhaps $407 million. I do not quarrel with that, and I shall vote for it.

However, I want to point out that this bill has a built-in cutoff date of September 30, 1977, which is 2 years from now. During that period, the Federal Government is to pay the cost of local resettlement, training for employment, health, social services, the essentials of life, income, maintenance and—I presume—education on behalf of these refugees.

The gentleman from Maryland (Mr. SARBANES) pointed out that 45 percent are believed to be under the age of 16 years. To me, that immediately signals that we will have a very high education cost for the younger members of this refugee group. The education of students in primary grades in California today is about $1,400 per capita per year.

I should like to know, is there any provision in this law, which I do not find, which will guarantee that the Federal Government, which is the host government for all of these refugees, rather than the local units of government or local school districts or local cities, will bear the burden of meeting those costs after September 30, 1977, goes by?

We are talking about an awful lot of hundreds of millions of dollars, my fellow Members of this Congress, and I would like to know this: After September 30, 1977, who is going to pay the bill for education and the essentials of life and the rest?

My own school districts are very heavily burdened. I am sure they will receive their fair share of these refugees and will do so with open arms, but I feel it should be the burden of the Federal Government to pay the cost, at least the cost of education, after the time of September 30, 1977.

Mr. Chairman, my time has about expired, but I invite a response from whomever is able to make one.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I will be happy to yield to the gentleman.

Mr. EILBERG. Mr. Chairman, I would say to the gentleman the bill does indeed expire in September 1977. We have received assurances from HEW and the Inter-Agency Task Force that 100 percent reimbursement would be supplied during that period in any impact area. We would anticipate that, following 1977, if the condition continues, this Congress will continue its efforts in any impact area, just as we did in the Cuban situation.

Mr. DANIELSON. Then as I understand it, we do have the assurance of the executive department that the Federal Government will pick up the bill after September 30, 1977. And, of course, the funds for that would have to be authorized and appropriated by this Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FISH I yield the gentleman from California, Mr. DANIELSON) 1 additional minute.)

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I thank the gentleman for yielding.

I think the last statement put in the RECORD was that the gentleman stated we have assurance that the Federal Government would pick up the tab. Would the chairman agree with me?

Mr. EILBERG. That is correct.

Mr. FISH. We have no such assurance that the Government will pick up the tab on the HEW side of the bill, after September 1977.

Mr. DANIELSON. The gentleman says we do not have?

Mr. FISH. We do not. I certainly know of none. We are talking about HEW supportive services, such as health, and so on. I think we should differentiate between that and education. There are proposals for grants to students who are under the jurisdiction of committees that are presently being considered, and that HEW side, section 2(b)(2) of the existing immigration law, has authority for them to supply grants to students.

Mr. DANIELSON. I am willing to have anyone put in the RECORD an answer to this real question.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman.

Mr. EILBERG. Mr. Chairman, it is contemplated the impact shall be spread nationwide. Already, over 48 of the 50 States have offered to take these people, and we hope they will be assimilated by that time. There has not been a case-by-case study. It is impossible to answer the gentleman's question until there has been this kind of review.

Mr. FISH. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Chairman, I want to rise in strong support of the measure, and I commend the subcommittee and the full committee for acting with dispatch and with great care.

On Saturday last, May 10, I did spend a good part of the day at the refugee camp at Camp Pendleton, in San Diego County, one of the counties which I am privileged to represent, and I would like to report briefly on that visit.

I was most impressed with everything that I saw. There are currently some 18,000 at camp out of a total of 25,000, meaning that some 7,000 have been processed through and are relocated in a number of our 48 States.

However, I would point out that this outflow has come almost to a stop, and the number being processed out at least as of last Saturday, was down to 200 or 300 per day. Therefore, the camp is full, and the process is very slow. It indicates the need for this legislation.

Mr. Chairman, I would like to go on record as commending the Marines for a truly outstanding job, all the way from camp commander General Graham down to the most recent recruits. I would point out that the officers and men of the Marine Corps are doing this job in addition to their regular duties. Therefore, many of them have worked 16, 18, and 20 hours per day, voluntarily, and have even had their families assisting them in this duty. The morale is very high, and they enjoy it.

The regular mission of Camp Pendleton goes on; the training and the combat readiness goes on. The refugees are located in a totally different and separate part of the camp, for logistical and security reasons.

The living conditions are spartan, which is understandable, because the Marines had about one-day notice. Most of the refugees are living in tents and a few of the luckier ones are in quonset huts. They are very, very crowded; and the tents, of course, are hot in the daytime and cold at night. I think they are hopeful that they will not be there for several months, as we hope, indeed, they will not. In any event, the food is good. It is plain and ordinary, but it is nutritious. They feed 24 hours a day. There are long lines waiting to go through the mess hall. Why? I have asked this question of the camp commander. It would be quite easy for him to shorten the lines, but by choice, the Vietnamese refugees and the family groupings want to spend time at breakfast, lunch, and particularly dinner; they like to linger over the table instead of getting back to the tent. Therefore, it is their choice to wait in a long line so that they will have more time at the table.

The Marines have asked the Vietnamese to organize themselves in a kind of structure, somewhat corresponding to the Marine chain of command, in order to help. They have done that. They have held elections in the camp areas and have elected people to help the marines in carrying out their responsibilities.

The family units are exceedingly strong. They have made an effort to keep their family units together, even when it means overcrowding a tent, because that is the way the refugees want it. The family units consist of 4, 8, 10, 12, 14, and 16 people. There are mothers, fathers, children, aunts, and uncles, and cousins. They family unit is very, very strong. I think that is a good thing. I am sure that the members of the committee agree.

If there are some bad actors, some bad characters, some criminal elements, and indeed, there may be, it would seem to me that they would not find themselves so much in a strong family unit. I found no evidence of this element. Some 60 to 70 percent of them speak English and speak it quite well. They have already organized citizenship classes, although there is no guarantee that they would eventually achieve citizenship. I personally hope that they do. I hope that in the long run they qualify.

Mr. Chairman, the immigration processing was most interesting and that, too, goes on 24 hours a day. Under oath they must declare what their possessions are. I looked through 40 or 50 random of these statements of fact which are made under oath, and I was surprised to see the great discrepancy or variance in their assets, all the way from having absolutely nothing except the clothes on their back to one fellow who had $7,000, another one who had $2,000, one who had a kilo of gold, which is 2.2 pounds, others with 10 ounces and 20 ounces and so on.

An interesting aspect is that those with the most assets seem very proud to declare them, very proud that they had been able to accumulate them.

If they have assets, they are asked to pay their own air fare out of the camp to wherever they are going throughout the 48 States. That is proper. There is a temporary airline office set up on the camp.

I would say, if I were to hazard a guess now, that the average assets would be $200, $300, or $400, something in that range.

Mr. Chairman, the need for this bill is obvious. The pipeline has to be cleared so that these people can move on. They are highly skilled, most of them, and many of their skills are needed. And their tent space is needed by others yet to arrive.

I interviewed one and chatted with him, and he said that he was a chemist, and that he had a job waiting for him in New Jersey. I commended him for that, and I hope that he will find his way there soon.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FISH. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. BURGENER. Mr. Chairman, I thank the gentleman for yielding me the additional time.

Mr. Chairman, if I were to characterize the attitude on the part of the refugees I would characterize it as being grateful and very pro-America. I think that is exceedingly important. Their morale is high. These people are our friends. These are people who worked very hard for the cause that did not turn out like either of us wanted it to turn out, and I am proud that they are here. I think we owe them this much. I think they will make a contribution to this country.

Mr. Chairman, I commend the committee for its diligence, its speed, and its detail on this legislation.

Mr. FISH. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I am deeply anguished by this legislation. We Americans, indeed, are a compassionate people and we certainly are a Nation of immigrants. I have searched my soul in trying to find a way to be able to support this legislation, but as I have done so I keep coming back to the haunting question of how in God's name can I support $500 million over the next 14 months in refugee aid, worthy as it is, when I believe that the spending path we are on may well destroy America?

How in God's name can I and those of us who have voted against many, many worthwhile domestic programs because of the deficit spending path that we are on, turn around and vote for this bill? Those of us who opposed the farm bill to aid American farmers, not because it was unworthy, but because we do not have the money; those of us who opposed the emergency employment bill, expanding the Older Americans Act, increasing the school lunch program for America's children, increasing nurses' training, home purchasing assistance, and so forth, many worthwhile programs, worthy programs which we have opposed because we felt they had to be sacrificed for a more worthy national objective. That objective being to preserve the economic foundation of our country.

Mr. Chairman, I think, harsh as it is, that we must face the reality that we cannot do everything. There are 500,000 children in the world who are going to starve in the next year or so, we are told. Should we bring them here? We as a nation just cannot do everything. I think as difficult and as painful as it is, we must face the reality, we must reorder our priorities and focus on strengthening America.

Mr. Chairman, I would conclude by referring to the eloquent language of my colleague, the gentleman from Maine (Mr. COHEN), and I would say: Let it never be said that the American message to our children is that we will spend billions to preserve the freedom of other people, but we will not preserve our own children's freedom by saving the very economic foundations on which America is built.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I will be glad to yield to the gentleman from Pennsylvania.

Mr. BAUMAN. Mr. Chairman, I would just like to observe that the gentleman from Pennsylvania has expressed the feelings of a great many people. I think that the gentleman from Pennsylvania probably qualifies slightly more than the gentleman from Maryland in having voted against many spending bills, but I believe that the gentleman from Pennsylvania will agree that the Congress has voted for assistance in many instances to areas where disasters have occurred such as floods, cyclones, and natural disasters. The Congress has voted and acted upon these emergencies. And I would cite as an instance the subject of the emergency assistance for the Penn Central Railroad that both the gentleman from Pennsylvania and I voted for.

Mr. SHUSTER. I agree with the gentleman from Maryland, and the gentleman helps make my point. My point is that since there is not enough money to go around to solve the crying basic domestic needs here in America, then I think that we must face a very difficult choice, and make the choice in favor of doing what we believe is best for preserving and protecting the fundamental strength of America rather than spending that money, money that we do not have, on a refugee program. I wish we had this money. I wish we could spend this and double this on a program to help not only the Vietnamese refugees but to help the starving, the ill-fed, the ill-clothed across the world. Indeed, there is more to be done than we conceivably can do, and I am simply saying that we should focus on giving priority to our problems here at home.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

What are our options if we do not provide the money? What would the gentleman do with these people?

Mr. SHUSTER. The gentlewoman makes a very good point. I reject completely the notion that we are simply a rubberstamp here which now must go along with a fait accompli. It is the administration which has made the decision to proceed, and it is for us to either approve or disapprove. If we disapprove, then it is up to the administration to come back with alternatives, and there are several alternatives which at least may be partial solutions.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Maine.

Mr. COHEN. I thank the gentleman for yielding.

I would just like to inquire of the gentleman: He says it is the administration's problem and now it is up to the administration to solve it. How did the gentleman vote when it came to providing aid to evacuate those people?

Mr. SHUSTER. I voted against it. I certainly did.

Mr. COHEN. If the gentleman will yield further, he did not vote for any authority to evacuate?

Mr. SHUSTER. That is correct. I voted against it. I voted against it because that vote that day simply was the first step, and when that was passed, it foreordained our having to be here today to face this kind of a problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EILBERG. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. DODD).

Mr. DODD. Mr. Chairman, first of all, I would like to congratulate those members of the subcommittee and the full committee for the expeditious way in which they moved this legislation. I would like to point out that many of the questions that are being raised here today by my colleagues in the House, are questions which plagued us in the subcommittee and in the full committee. We were concerned about the cost of this program, and we have come to recognize how difficult it is, given the time element and given the figures and the numbers of people involved, to come up with exact cost items with regard to trying to do something for these people.

We were also concerned about the type of person coming into this country, the so-called criminal element and those people who would have the financial means of paying for their own transportation and their own costs.

I raised these questions in subcommittee. I was concerned about the amount of currency and gold being exchanged. We were satisfied at the conclusion that we would not ask the taxpayers of this country to subsidize the cost of relocation, the cost of financial assistance to those people who are more able to take care of themselves than my colleagues and I are, or the other people here.

The point I would like to make, though, is the criticism that is being raised—and it is legitimate criticism—as to why we are not doing more for the unemployed in this country and why we are not doing more for those people who are being affected by this crisis, economic crisis, plaguing this Nation. The issue before us today is one issue and that is whether or not we are going to do something for these refugees. It is a tragedy that the current administration has decided not to support the unemployed in this country, and that the President has said numerous times that he would veto legislation involving additional programs and financial aid to assist those people who have been laid off of their jobs, or those people on fixed incomes.

But the issue today does not involve that question. We are being asked today to decide whether or not we are going to support refugees who had to leave their native lands because of economic, religious, and political oppression. That is the sole issue before us. There is no other issue. So I would beseech my colleagues if we are to deny these people free access to this country, we would be denying the very fabric of this Nation. We might as well tow away the Statue of Liberty and begin all over again, if we deny these people access to this country. It would be a great tragedy to ever allow that to occur.

There is not a person in this country, except the American Indian, who cannot go back to his own parents or his grandparents or his great-grandparents and point to some kind of oppression—religious, economic, political, whatever—that allowed them to come to these shores. So I ask the Members, despite the tremendous pressures on us to try and get this country back on its feet again, that we do not use that as a wedge to deny these people an opportunity to come to this Nation.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding.

I would like to indicate to the body I am in complete support of the bill before us but I would like to correct a statement that the gentleman in the well just made regarding the administration support for our unemployed in this country. The Ways and Means Committee has just completed passing the bill asked for by the administration to extend the special unemployment benefits.

Mr. DODD. I thank the gentleman.

Mr. FISH. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I think we have seen a dramatic change in the attitude in the country in the last 4 or 5 days. Initially when the problem of the refugees was facing our country, there was much talk of a million people entering this country and hundreds of thousands of jobs being involved. I think based on this misinformation many people, considering the problems we have domestically today, immediately became concerned.

Since then the public has learned what the facts are in this refugee program, many of these facts have been stated today on the floor of the House. I have found in my own mail in the last 3 days nearly a 10-to-1 reversal of what I was hearing initially. People now are saying: "We must help these people. We must move forward now and open our arms and hearts as we have always done." I would like to compliment Mr. George Meany president of the AFL–CIO for his recent statement in support of this refugee program.

I think we in this Congress today will also support this program. I doubt if there will be 50 votes against this legislation. I think that is going to be an indication to the world that America still responds to those who are in need.

In my own district I have a small college, Elizabeth Seton College, headed by Sister Eileen Farley. That college has notified the authorities they would open up one of their own houses to accommodate 24 Vietnamese refugees and shortly those refugees will be arriving at the college. I think Members will find a response of this nature growing all over the country.

I hope when we reach the amendment stage of this legislation we will not get caught up in wrangling and arguing about amendments that obviously are not going to pass this House of Representatives and which by their very nature I think demean the Congress.

I have heard the question raised by my good friend, the gentleman from Michigan, who brought up the point that the evacuation from Vietnam was really a mess and this was for some reason a reason we should not take this action today. I would like to remind the House there was another evacuation not that many years ago in a place called Dunkirk that was certainly by all measures the most disorderly and confused evacuation that ever took place, but the net result of that evacuation was to bring soldiers, our allies, out of Europe safely into England so they could fight again. I do not think it makes any difference how that evacuation took place, whether it was orderly or disorderly, as long as we got out as many people as we could and we take the proper action today.

Mr. EILBERG. I yield 2 minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I would like to report on the views of my constituents in Detroit. Contrary to the report of the previous Member, there has not been a dramatic reversal by 10 to 1 in favor of approving millions of dollars of refugee aid.

The citizens in Detroit are not nonhumanitarian or anti-Vietnamese. They do not feel that we should refuse to open our doors to people from any country escaping for their very lives, as we have traditionally done for true refugees in times past. But they are not at all certain that the more than 100,000 persons just brought in from Vietnam are really political refugees in the accurate sense of the word.

We are bringing in thousands of children who certainly are not fleeing from persecution. And we are bringing in adults whose lives were no more endangered than the relatives they left behind. In fact, both the North and South Vietnamese Governments have requested the return of these, and have even promised secure homes for the children. By encouraging and maintaining these "refugees" in the United States, however, we will be filling childless American homes with foreign youngsters while thousands of our own orphans languish in institutions waiting for adoption. And we will be increasing the competition for the few job openings with the sudden addition of from 35,000 to 70,000 Vietnamese applicants to the millions of U.S. job searchers already becoming frustrated in their attempts to find work.

The decision we are being called upon to make ultimately revolves around the question of how best we can spend the several hundreds of millions of dollars now under debate. Should we spend them on Vietnamese "refugees" or should we spend them on Detroit "refugees," who by the hundreds of thousands are without work or any job prospect.

The immediate bill before this one was the acceptance of the conference report on a budget which countenanced an unemployment rate of 7.4 percent on its opening page. Since we first began debating that conference report and bill, the unemployment rate has continued to go up. And the overall jobless figure for Detroit, of course, is at least triple 7.4 percent already.

The citizens of my district desperately need work. They need housing. Some of them need food. I was at an elementary school in January where they were serving cold lunches in the dead of winter. The bologna was frozen to the bread because they could not afford hot lunches. It is to these needs then that I speak. And it is these needs which call for the support of the Riegle amendment if it is introduced.

I think we should recognize that the "great American dream" is still just that—a dream—for many of our own citizens. It should be evident to all, as it is to me, that our first obligation is to these who are closest at hand, our domestic refugees, living in economic and social deprivation. Although we certainly should not have an isolationistic spirit, yet it remains that it would be equally wrong or worse to give to others that which we refuse to give to our own.

My record will show that I have consistently labored for the rights of all minorities. In fact, it is precisely my support for Asian Americans, Latino Americans, and Black Americans, who for so long have been excluded from justice and equality and meaningful assistance to opportunity, which compels me to take this stand.

It makes no sense to take aid which millions of unemployed Americans desperately need, and give it to those whose need has not only not been determined, but whose need might not exist at all if it had not been for our folly in removing them from their own country in the first place. The logic of the whole refugee situation, from beginning to end, eludes me. The whole removal operation was haphazard and unplanned and uncoordinated, to say nothing of its being unjustified.

Who decided which persons could qualify to become refugees? The decision was finally a circumstantial one: whoever clawed his way over an embassy wall, or paid his way with bribes, or overpowered another in line, or had a friend among the American elite, or had been a past collaborator with the corrupt military, became a refugee.

Who decided what reasons were sufficient for entry into the United States? As it turned out, the arbitrator was panic, fear of change, fear of bombings—even by Americans—the fulfillment of a lifelong dream, a sense of adventure, or a chance to share in the materialistic benefits long associated with the American presence. It certainly was not fear of the Communists or even of personal death that motivated most to come here. And no bloodbath resulted for those left behind. In fact, the New York Times reported:

> Refugees appeared to be fleeing in panic, rather than for political reasons . . . Not one said it was because he or she hated or feared the communists.

What rationalizations can then be summoned to defend a refugee assistance bill? Is it because we are saddled with an extra 120,000 or more persons we now know not what else to do with? Is it because other nations have refused to accept these we thought we could pawn off on them? Is it because there is now no way of knowing for sure who among them might be a criminal, a profiteer, or a former guard of tiger cages? Is it because the vast unemployment rate of our own people has reached such astronomic proportion that we feel than another 30,000 heads of Vietnamese households competing for our jobs would not make much difference?

Whatever the reasons, the symbolism of this action, if this bill is approved, will be unmistakable. We will be saying to all the poor and deprived and disadvantaged and unemployed Americans that they have no needs this Government is bound to recognize before the tribunal of political expediency.

Mr. FISH. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Chairman, I rise today to express strong misgivings about the new funding authority contained in this bill. This legislation proposes to authorize the appropriation of such sums as may be necessary for the payment of costs incurred in helping Southeast Asian refugees. I believe that American has a clear responsibility to assist these people. This legislation declares that the Congress recognizes and accepts that responsibility. I do not quarrel with that aspect of the legislation.

However, I do have deep reservations about any funding approach that adds to the current $50 billion to $70 billion Federal deficit. I am particularly concerned about any approach that does not take into account the possibility of utilizing existing, but unexpended funds. I believe we can do it without further adding to the staggering Federal deficit.

I am suggesting that the Congress provide for the reallocation of any and all Department of Defense Southeast Asian military and economic assistance funds to the Southeast Asian migration and refugee assistance program. Testimony made on the floor of the other body by Senator HATFIELD in the introduction of Senate bill 1696 suggested that there may be possibly $147 million in unexpended funds in the pipeline.

What I would like to strongly urge and suggest to the committee that should amendatory language be added by the Senate or offered in a conference on these two bills, the language be accepted. Such language takes a more fiscally responsible approach.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the distinguished chairman.

Mr. EILBERG. Mr. Chairman, the provisions of the subcommittee and the Senate provisions which require a reduction in the authorized amount by the amounts saved in the AID and DOD appropriations is a very complicated procedure, particularly since AID and DOD can give us no reasonably accurate figures that could be relied upon at this time. It would be cleaner and easier, both legally and administratively, to merely return unused DOD and AID funds to the Treasury.

Mr. GOLDWATER. Mr. Chairman, I might point out that because of the rules of the House, I am unable to offer an amendment suggesting that we utilize funds already in the military and economic assistance pipeline.

I would like to ask the gentleman from Pennsylvania (Mr. EILBERG) if these are in essence newly appropriated funds, and if they are, will they not add to the current deficit?

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Maine.

Mr. COHEN. I would point out to the gentleman in the well that we had some testimony before the committee this morning on an informal basis on revenue from the State Department and Defense Department. They anticipate some $70 million is in the pipeline, which would be returned to the Treasury. I made exactly the same suggestion as the gentleman in the well, that we allocate this amount of money to the program. They pointed out that they intended to turn it back to the Treasury.

Mr. GOLDWATER. Mr. Chairman, I would like to ask the chairman of the committee if, when he goes to conference, he would accept language in the Senate bill to provide for the use of existing funds in the Department of Defense Southeast Asian Military and Economic Assistance program already in the pipeline and which may be available.

Mr. EILBERG. We will, of course, review that legislation at that particular time, but I have stated what our position is.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. FISH. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, it is important to point out to the gentleman in the well that those moneys now in the pipeline cannot now be expended, since the purpose for which they are in the pipeline, military assistance to South Vietnam, no longer exists. Those moneys will revert to the Treasury. They will be recovered.

To try and engage in a process at this point in time before the end of the fiscal year in which we seek to recover them and transfer them is a complicated and difficult matter. We did, in fact, look into that, but the general conclusion was that this is a process which is extremely difficult to effect, and in any event is for no net result since the final outcome with respect to those moneys is that they will come back to the Treasury since the purpose for which they were appropriated is no longer existent.

Mr. GOLDWATER. I would assume that the gentleman would not object to that type of procedure if it was possible.

Mr. SARBANES. The problem is the difficulty in effecting such a procedure.

Mr. GOLDWATER. It can be effected by appropriate language in the authorization bill if only the Congress wishes. The point I am trying to make here is, if there are moneys available, even if we take them out of foreign assistance funds, this would be preferable to creating new money, which is only going to add to the deficit. This approach would be responsible.

Mr. KETCHUM. Mr. Chairman, I rise in support of H.R. 6755, the Indochina Migration and Refugee Assistance Act.

The President has asked Congress to provide additional funds for the transportation and resettlement of Vietnamese refugees. The request was for $507 million, preferably with an open-ended authorization, so that the relief efforts may be continued.

House Resolution 6755 would accomplish this goal. The funds may be used to provide transportation, maintenance, and resettlement of the refugees as well as medical and social services. Also, this bill would allow State and local agencies undertaking the care of evacuees to be reimbursed for their services. This is very important. If such agencies had to bear the costs involved on their own, it would place an unreasonable strain on their financial resources.

I believe that providing refuge and assistance to those Vietnamese nationals whose lives were threatened by the Communist takeover of Saigon is consistent with our Nation's best traditions of offering liberty to the oppressed. During the last generation alone, this country has absorbed 650,000 Cubans and 38,000 Hungarians seeking relief in the land of the free. In the course of our history, the United States has provided a new home for millions of people looking for a better and safer way of life. All of us here are descendants of immigrants. Let us not deny to others the opportunities extended to our forefathers.

An amendment may be offered to require refugees to reimburse the Federal Government for their resettlement costs if they are found to have assets. I think this is an excellent proposal and completely consistent with present law. Our citizens stranded and destitute in foreign countries are provided transportation, through the State Department, to the nearest U.S. port of entry. Upon arrival, the Department of Health, Education, and Welfare will provide medical care if needed through medicaid and sometimes pay the costs of travel to the individual's home. Citizens making use of this service are required to repay the Government if they are able. Thus, we have precedent for such an amendment.

I urge my colleagues in the House to favorably act on this bill. We are now approaching our Bicentennial anniversary. Let us not forget what it is that made our country great.

Mr. EILBERG. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I thank the chairman for yielding this time to me.

I really am outraged that this Congress is put in the position of having to vote on this legislation because John Foster Dulles, in 1954, sabotaged the Geneva accords that ended the French-Indochinese war. Had this Nation let the accords be implemented, we would have had a Communist government in Vietnam, as we do today, but we would not have lost 55,000 Americans, wasted $165 billion, or been confronted with the problem of the refugees and the spending of a half billion dollars for their support.

I also resent being asked to appropriate $405 million to resettle refugees when we are denying people in this country even very meager existences. I resent the fact that if this Congress does not appropriate the money, local property taxpayers and State treasuries will have to absorb the funds for the refugees in local welfare costs.

The burden that falls upon us today is the result of a stupid policy made by John Foster Dulles in 1954. There was no meaningful program to get the Americans out of South Vietnam by Ambassador Martin. Such a program could have forstalled the number of refugees who are here, some of whom fled with valid reason, and others out of sheer panic, created partially because Graham Martin refused to have an orderly evacuation program.

I do not know how I will vote on this bill. I will probably vote for the money because it is in effect a fait accompli, but I will resent having to pay for John Foster Dulles' sabotaging the 1954 Geneva accords.

Mr. Chairman, I would now like to ask one question of the distinguished subcommittee chairman. I have received a communication from constituents who were involved in flying some of the people out of Indochina.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. EILBERG. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. JOHN L. BURTON. They have been informed by the Immigration and Naturalization Service that they will be responsible for fines up to $1,000 per person for people who were not "legally" through with their paperwork when they were flown out of the country.

I realize an amendment to this bill would not be germane, but I would hope that the distinguished chairman of the subcommittee would work with me to find some administrative remedy so that these people do not bear the burden for the total screw-up caused by several administrations and finally by Ambassador Martin, whose policy, I thing, contributed to the evacuation chaos and to the unorthodox, improper administrative procedures used.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. EILBERG. I will be glad to do that. I will also ask the gentleman to appear at our oversight hearings so that he can document these details more fully.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. LEGGETT. Mr. Chairman, I would like to commend the gentleman for bringing up this very important strategic problem right now, where there is an attempt to charge a man who brought out some 200 young refugee orphans. They could not get the papers together. As I understand it, there is an attempt to charge him a fine of $1,000.

I think if we are going to do that, we certainly should think of assessing our Ambassador, maybe, for people we were unable to bring out in the regular course.

Mr. JOHN L. BURTON. Or we could get the 16 tons of gold back from Nguyen Van Thieu.

Mr. LEGGETT. Exactly.

Mr. FISH. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 6755, the Indochina Migration and Refugee Assistance Act.

As you may recall, I was among those who spoke in opposition to H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act. Regrettably, some have interpreted opposition to H.R. 6096 as a manifestation of hostility toward the Vietnamese refugees. This certainly was not my reason for opposing the bill. I viewed the proposal as an unworkable measure. In fact, we should note in retrospect, that the funding provisions in H.R. 6096 would not have been sufficient to accomplish the evacuation and resettlement of Vietnamese refugees.

Mr. Chairman, like the speaker who preceded me in the well, I opposed our military involvement in Indochina. Yet, this does not erase the fact that many Vietnamese have had to flee their homeland in fear of retribution and possible loss of life because of their support of U.S. policy in Vietnam. Nevertheless, many of our citizens have expressed their concern about the economic impact of this mass immigration to the United States. This factor is far outweighed by the spirit of freedom that America has retained since colonial times. Our shores have always been a refuge for the politically and religiously oppressed. Most of us are in America today because our forefathers sought to escape oppression abroad, and it is my hope that our citizens will accept these refugees today, just as previous generations have assisted the victims of earlier oppressions.

The American economy is strong enough to support these Vietnamese. Congress, in passing H.R. 6755, can provide the funds needed for an orderly integration of the refugees into our society. In my opinion, failure to pass a measure granting assistance would, in effect, be turning our backs on our heritage.

Mr. EILBERG. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I appreciate the gentleman's yielding.

First of all, I want to congratulate the chairman, the subcommittee and the chairman of the full Committee of the Judiciary for the expeditious manner in which they brought this matter to the floor.

I want to say at the outset that I support H.R. 6755. Reluctantly. I am concerned and disturbed over how we have apparently lost the control over events. I am as upset as the gentleman from Pennsylvania over the fact that we now have to provide $405 million, or perhaps more, to resettle refugees. I did not participate in the policy decisions necessitating the present authorizing legislation. Neither did any other Member of this House. That was an administration decision. However, we are now sent the bill for the costs.

I found out early, when I arrived in Congress, that there are a lot of moneys spent before anyone gets a chance to vote on the appropriations bill. In the instance of foreign aid, 75 percent of the money was spent before I had a chance to vote on it.

However, I respectfully ask the gentleman from Pennsylvania, what are our options at this point? What choice do we have? I do not see that we have any. We have roughly 120,000 Vietnamese who are going to be settled in this country. We cannot ship them back. No. 1, this is not the American way, and No. 2, we cannot subject these people, to whom we owe some obligation, to an uncertain fate in their homeland.

In a real sense they will join a growing number of refugees in this country who are suffering loss of jobs and income due to the recessionary and inflationary pressures brought about, in large measure, by the inability of our economy to provide for the annual commitment of billions of dollars to Southeast Asia.

The refugees in my district are the poor, the unemployed and those living on fixed incomes who are as much the victims of our foreign policy failures in Southeast Asia as those this legislation now seeks to resettle here.

I did have serious questions and misgivings about this legislation. I have talked with the good subcommittee chairman. One of my concerns was whether or not this authorization bill and the appropriation bill were broad enough to provide funding to enable those refugees who wished to go back to Vietnam the option, as well as the funds to do so.

As I understand it, there is provision under the 1962 act to allow funds for just that purpose, through the office of the U.N. High Commissioner.

I will yield to the chairman to ask him if that is correct.

Mr. EILBERG. Correct.

Mr. HUGHES. In addition to the three fishermen who were inadvertently picked up by our ships, I am sure there are others who, on reflection, now have decided that they want to go back to Vietnam, back to their homes; and I would want to make certain that our policy is to accord them that privilege.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Maryland.

Mr. SARBANES. I have a comment with regard to the last point that the gentleman in the well made.

There is no intention or desire to hold refugees here who do not wish to be here but wish to return to their homes. In fact, that is being made clear to them in Guam and again in the resettlement camps in this country, so that the option of returning, if that is what the refugee wishes and seeks, is certainly available.

Mr. HUGHES. As the gentleman knows, I had an amendment to offer today that would clarify that point in the event of any doubt. As long as we have this legislative history, and the assurances of the committee that this issue is presently covered by the 1962 act, then I am satisfied.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I appreciate what the gentleman in the well has said. I am familiar with the proposed amendment which the gentleman has before us. I assure the gentleman that it was a matter of some discussion among members of the subcommittee and the Interagency Task Force. However, I am sure that the interest that the gentleman has in mind would be far better served through the existing mechanism, the U.N. Mission for Refugees, which is known to the North Vietnam and has physically, for months, been in Vietnam and is there currently, along with ICEM, who are in charge of the movement of those who want to go back to Vietnam. Any change in that structure that would require bilateral action between the President of the United States and either North Vietnam or the Provincial Government of South Vietnam would only delay the objective that the gentleman has in mind.

Mr. HUGHES. Mr. Chairman, I thank the gentleman for his statement. I would state that having that assurance, and relying upon the Chairman's interpretation of existing law. I am happy to withdraw my amendment.

Mr. FISH. Mr. Chairman, at this time I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 6755, and commend the Committee on the Judiciary for reporting out this bill.

However, I am a member of the Committee on International Relations, and the committee did hold extensive hearings on this matter, not only when the original bill for evacuation and refugee relief was before us, but also on the subject matter that is before the House today.

I, like many of the Members, have received letters from people opposing the refugee program, and opposing the coming to our shores of these people who have fled from their native land. I have also received some letters in support. I would like to read one of them to the Members, because I think it makes the point far better than I do. It is addressed to me, and it reads:

> Please count us as five "ayes" who are grateful to be alive and well and living and eating in California! If we cannot extend a welcoming hand to those who have lost everything, then we do not deserve the good fortune that was made easier for us by those who struggled before us. Do we only help those who confront us with heavy threats? If so, then we reinforce feelings that if you want something from us, hold a gun to our head, but don't expect a hand if you are down, out and vulnerable!
>
> P.S.—This is despite our current state of half the income and double the prices!

Some persons allege that these refugees were not and are not in danger. Obviously they thought they were; many fled at great peril to their lives in small boats on the open sea.

How can we second judge them? If, in fact, some of the refugees, on reflection, decide they want to return to Vietnam they can eventually do so.

Mr. Chairman, I urge an "aye" vote on this legislation.

Mr. FISH. Mr. Chairman, at this time I yield 5 minutes to the distinguished gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I thank the gentleman from New York for yielding me this time.

Mr. Chairman, I have had mixed emotions about this legislation from the beginning. I have attended a number of meetings concerning this matter, in trying to put this entire matter into what I consider proper perspective. I would say at the outset that my mail at first was running 5 to 1, and now it is running about 5 to 2 against, 5 to 2 against the United States assimilating these refugees from Southeast Asia.

In discussing this with other people, and I am not a member of the Committee on the Judiciary, I find that there are roughly 125,000 refugees that have come into our custody. Of these only about 35,000 are considered to be heads of households, and that among this group we have either well educated or more highly educated people, the majority of whom speak the English language, and I further found that about 60 percent of this group are children.

The letters that I have been receiving in opposition to this overall assimilation of these people are based primarily on the idea that we have many, many welfare problems in this Nation; that we have too many people who are getting food stamps, and we have too many people who are unemployed, so that these people are logically concerned with whether or not these people would come into our country and take the jobs away from these people who are presently unemployed, and who would like to be employed.

Of course, on the other hand, we have those people who say that those who are opposed to having them come into our country are racists. I think that that is distressing. They have also said that those who are opposed to them coming into our country are being shallow in conscience and morality, and in their sincerity. I do not believe that is a fair assumption because persons who would resist this I think are concerned, and sincerely concerned, primarily with our own people.

On the other hand, I have received information from persons who should know that under our legal immigration quota system we absorb about 400,000 people a year, and they have not had any great effect on our unemployment or on our welfare situation. So in looking at the overall picture here, it seems to me that in a true American tradition we should assist those persons who are in need. We cannot turn our backs particularly on these people from South Vietnam who were helpful to our people when we were involved in that conflict.

I must say in passing—I do not know whether the gentleman from California is still on the floor who deplored and placed all of the recriminations on John Foster Dulles for his policy in 1954—he should not overlook his good friend Robert McNamara and his limited war, which I think also contributed to this. Of course, those others who say, Oh, let us have no recriminations, are those who last year said, Let us provide no military aid to the South Vietnamese, which could have prevented the situation in which we find ourselves today.

But by and large I think this is a worldwide responsibility and not just belonging to us in the United States. I think again the United Nations has utterly failed—utterly failed—because they have not been helpful at all in assimilating refugees. We in the United States have contacted over 100 nations to see whether they would absorb some of these people, and the response has been extremely poor.

I will say our friends from the north, in Canada, have agreed to accept 3,000, which is very commendable. Some of the West African countries have said, "Yes, we will take 100 each." But this is something we should spread out among the member nations of the United Nations to help the people in need, to help people in the Free World.

So I say I have mixed emotions on this. I think I will ultimately vote to support the resolution. I am not too sure of the dollar amount.

I read the "dear colleague" letter this morning written by the gentleman from Indiana (Mr. ROUSH) that had an amendment that, I think, will be helpful. But I think that we in America should not turn our backs on these people or even think about sending them back. We should do the best we can under the circumstances.

Mr. EILBERG. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. RUSSO).

Mr. RUSSO. Mr. Chairman, I rise in support of H.R. 6755.

The House Committee on the Judiciary—and especially the subcommittee chaired by the gentleman from Pennsylvania (Mr. EILBERG)—has worked long and hard in developing a balanced legislative response to the problem which confronts us all in the resettlement of the tragic refugees from Southeast Asia.

The committee was challenged to deal with a fluid, complex, and admittedly emotional issue with wisdom and compassion, coupled with an open eye to reality. It was a challenging task, coming as it did in the wake of confused, indeed puzzled, reaction by the American public. They look to us to explain and clarify, and in this case they expect us to find a solution to what could be a problem of staggering dimensions—thousands of homeless strangers in a land beset by its own inner turmoil and economic chaos. Which will prevail—our fixation on our own, very real problems; or our astounding ability to empathize and extend a hand of genuine assistance.

Many questions continue to baffle us, but rather than sit bewildered, sorting out the various themes in this unprecedented story of human dislocation within our own borders, we are compelled to act.

There is, beneath the complexity, a simple truth. These are people who need help. There are many answers we do not know right now. But we do know that these people, who poured onto ships, into planes, are sleeping in tents. They have left their culture behind, and this is no small disruption for a person whose ancestral roots stretch back thousands of years. Put yourself in this unenviable position, imagine packing what you can carry on your back, leaving your hometown forever, and journeying to, say, India. You did not have time to pack summer clothes, or learn the language and you do not know if you will have food or shelter. You did not have time to find out if they were putting a welcome mat out for you. Suddenly you are there.

If the resettlement is a matter of moral responsibility to us, it is a matter of life to these refugees. They must have the opportunity to form new dreams, put down new roots, become a part of this strange place. What a gargantuan and perhaps frighteningly strange land we must seem. But then, this country was once strange to our own ancestors.

My point is that this legislation is crucial to the resettlement. And besides the practical provisions of transportation and shelter, perhaps we will ease some of the homesickness and readjustment problems by demonstrating our concern with the passage of this bill.

This is not an easy period for our country, nor perhaps the best time to receive and absorb the refugees. We are still caught in the throes of our own agonizing reappraisal of Vietnam. We have been deeply wounded as a nation. But if we have been wounded, what of these people? What of their country?

Perhaps we are wiser now. Perhaps more mature. But nevertheless it is a period of transition for us, and perhaps not the best time to summon up visions of our grandeur and generosity. Or is it? What better tonic is there than to recall and once again act in the best traditions of our democracy, a democracy that embraces people from nearly every corner of the globe, regardless of—and here is the familiar phrase we must never forget and from which we draw our greatness—regardless of race, creed, or color. If there is a country that dares to say—

> We the people, in order to form a more perfect union . . .

It is America. No wonder people want to come to our country.

So rather than cower in the corners of our own misgivings and self-doubts at a time when it is tempting to do so, let us expand our consciousness to include these newcomers, and help them with their adjustment to their new land. This legislation is the place to begin.

Mr. FISH. I yield 2 minutes to the gentleman from South Dakota (Mr. PRESSLER).

Mr. PRESSLER. Mr. Chairman, I rise as a U.S. Army Vietnam veteran to support this bill. I did vote against the original Vietnamese Evacuation Act based on a feeling that it was ill-conceived and based on some of my experiences of living in that country. Today we have quite a different situation. The Vietnamese in question who are already in this country. We must take care of them.

I do, however, have a question which I hope can be answered. It is: Would this bill in some instances put Vietnamese students at an advantage over our American students in terms of assistance, both financial assistance and otherwise, or would those students fit into the pattern of American students? I am told in many instances some Vietnamese students would be at an absolute advantage over American students as a result of this bill, and that troubles me.

Mr. FISH. Mr. Chairman, if the gentleman from South Dakota will yield, I would like to respond to the gentleman.

We are talking about 2,000 South Vietnamese and Cambodians who are here either on exchange visas or student visas. In many instances they are recipients of State Department scholarships. At present their status would be exactly like an American-born student at a college who is receiving a scholarship except for one factor, that by virtue of being foreigners, they would not be permitted under their status to seek employment to supplement their income. This is an advantage any American student would have at college.

What has occurred in the last few weeks in addition to the suspension of deportation for these students is that the Immigration and Naturalization Service has said this category of foreign students may seek employment. So if anything, I would say to the gentleman they have now reached a parity with their American counterparts in colleges rather than a preferential status.

Mr. PRESSLER. I thank the distinguished gentleman from New York for his comments, but does not the bill provide authority for HEW to grant outright scholarships to Vietnamese students in some instances which are not available to U.S. students?

Mr. FISH. The Department of HEW considers that under section 2(b)(2) of the Migration and Refugee Assistance Act of 1962 it has this authority. There is other legislation pending in another committee of the House which is considering a cash grant or a monetary stipend for those refugees presently in college, but new grants are not contemplated in any part of this legislation which is before us now.

Mr. PRESSLER. I thank the distinguished gentleman from New York.

Mr. EILBERG. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. RIEGLE).

Mr. RIEGLE. Mr. Chairman, to those Members who may be on the floor that were not on the floor when I spoke earlier on the rule, I would like to just take a short time to elaborate on an amendment that I will offer later, which is an amendment that would insure that any special programs, special assistance made available to South Vietnamese refugees for humanitarian assistance, would likewise be made available to other Americans in this great country now living under conditions of equivalent hardship. The idea here is that I want to make sure that we do not establish a double standard. As things now stand, if this bill and the authorization passes exactly as it has been presented, it means in effect there is a national origins test. In other words, to qualify for the help, they have to be Vietnamese or possibly Cambodian, if there are any; but if they happen to be Americans in this country with equivalent problems, under this bill as it has been brought to us, they would not be eligible for this kind of special help, whatever it turns out to be.

I think that kind of double standard is a mistake I want to make clear that we do need to assist the refugees. I want to do that as long as it is in the context of providing exactly the same help to the people in this country who have exactly the same needs, who happen not to be South Vietnamese, but happen to be Americans. I think that is the way to promote the maximum amount of good will and humanitarian feeling. I think that is the way to speed the process of assimilation of South Vietnamese into the American system; but if we fail to adopt this kind of amendment and, in fact, set up the national origins test and establish a double standard, I think it is real hyprocrisy.

I will say to the Members here shaking their heads, I see very little humanitarian impulse coming out of the White House to help American people who are destitute and who have real economic problems in this country.

I rejoice at whatever humanitarian effort I see; but if we draw a line and say it is only available for South Vietnamese and not available for Americans in this country who have equivalent hardship, we make a great error.

I want to see this program expanded so that it is available to everyone.

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, I want to ask a few questions. Maybe some of this was answered today.

Will the normal screening process take care of those who are, let us say, parasites from another society that come here only to be parasites in this society?

The gentleman would not have us support persons of disreputable character?

The reason I raise this question is that there has been testimony this afternoon before Senator KENNEDY's refugee committee that a good number of the refugees that have come in from Vietnam and Cambodia appear to be of questionable character. I know that this great body and the President of the United States would not want to use the funds of American taxpayers, as compassionate and humane as they are, for inhumane purposes.

Mr. EILBERG. Mr. Chairman, I might say to the gentlewoman that the testimony before our subcommittee did not indicate that half of the refugees were disreputable in any sense, but that approximately half the refugees would be in need of assistance. We did explore that and were told that there might be 7 or 8 percent of undesirables among the group that would not be admissible after they were properly checked out at the centers; but those people would be retained in detention centers of some kind with the purpose and object of removing them to some other country as soon as possible, as occurred during the Cuban crisis.

Ms. ABZUG. The other questions I have are, if there are persons who were guilty of acts equivalent to those of war criminals, No. 1, and No. 2, if there are persons who have no need of financial assistance, and No. 3, if there are persons of general criminal character, would the screening process take care to see that we are not obligated to make payments to those kinds of persons?

One other question while I have the floor.

Mr. Chairman, I will support this bill because it presents an acceptable humane concept and a concept that must be refined. As the Members know, I am going to present an amendment that will say we have our own American political refugees, those in exile in Canada and Sweden who refused to fight in this illegal and immoral war and who are also entitled to assistance.

I think we should help our own American political refugees, but there are other political refugees we have caused to come about. Have we considered that and aided, for example, others who were exiled from Chile because of their differences with their government?

Mr. FISH. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I think it is sad, some of what we have heard here today. I cannot imagine frightened and helpless people being scrutinized and screened and questioned. When one is hungry, food is what one needs. When one is a refugee, what one needs is shelter.

The West African countries, which have had no part in this tragedy—and we could well take an example from them—are not making all these extravagant demands of these people. They are responsible; they have been asked to accept the burden of these refugees, and they have accepted it. We ought to follow their example.

We ought to be moved with humanitarian concerns and not with narrow efforts to put the refugee into some category, or set conditions which may send them back to where they are in danger. I cannot see how this country has come to this attitude toward people in trouble. It is not characteristic.

Mr. EILBERG. Mr. Chairman, I yield myself such time as I may consume.

Very briefly, Mr. Chairman, in order to relieve the concerns of some of the Members about how their constituents would feel about this issue, the subcommittee is in receipt of the study indicating the status of public opinion after each emergent refugee situation. That study shows—and we will make it part of the record when we go back into the House—that invariably upon the emergency occurring, public opinion has been in opposition to the admission of refugees; but that subsequently there has been an acceptance of the admission of those refugees. Therefore, I anticipate that this is what will occur. In fact, there are evidences of its occurring already in this country.

I might say that since this subcommittee and our full committee have reported the bill out, there has been virtually no information which would indicate national opposition, so I would just like to relieve my colleagues of that concern, for whatever it may be worth.

Another concern I would like to try to satisfy is the response of the international community. Our subcommittee has been pressing—I would say mercilessly—the executive branch, and in turn the United Nations High Commissioner and the Intergovernmental Committee of European Migration to spread the burden among the third nations as much as possible.

I am satisfied, Mr. Chairman, that these international agencies have the message and that, in fact, we have some commitments which indicate very well the distribution of some of these people to third countries. I would add also that of the 50 States of the Union, we have agreements of sponsorship by States or organizations or individuals from 48 of the 50 States, which I think is a good sign.

Finally, Mr. Chairman, I cannot stress too much, in conclusion, the fact that there is an emergency as far as the situation is concerned. We are out of money. We still have refugees floating around in boats with no place to put them. We have staging areas filled to capacity. We have reception centers filled to capacity. Volunteer agencies are ready and willing to go to work and are working at the present time, but are out of money. It is absolutely essential that this House, if it is to maintain the very best of American traditions, move expeditiously in passing this bill.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I would just like to answer the concerns of the gentlewoman from New Jersey.

I think it is important for the gentlewoman to recognize—I would like to state this to every Member of the House—that the refugees are being cared for and fed now. It is the concern of the committee and it is the intention of this bill to make sure the refugees get that humanitarian aid.

With respect to the screening procedures, at this point the screening procedures—and they were in existence before the subcommittee even got into this matter—under the law involve security checks for a variety of matters, including the ones I mentioned before, as to whether or not a person is going to commit treason in this country, whether a person has committed a crime, such as murder, is a member of the Communist Party, whether a person has trafficked in drugs, and the like. These screening procedures do not in any way interfere with or inhibit the feeding, the shelter, the care of the refugees.

The committee had an additional concern with respect to screening for whether or not these people engaged in persecution on account of race, religion, national origin, or political opinion.

Let me assure the gentlewoman that these persons are being processed rapidly. In my judgment nothing the committee did in any way inhibits the processing of these refugees.

Mrs. FENWICK. Mr. Chairman, will the gentlewoman yield, or is there no more time?

The CHAIRMAN. The gentlewoman has half a minute remaining.

Ms. HOLTZMAN. Mr. Chairman, I yield to the gentlewoman.

Mrs. FENWICK. My alarm and concern arose from the fact that refugees are people who are frightened and are taking refuge. The gentlewoman seems to imply that the same things apply when an immigrant comes in and wants to work in this country. I do not think those same rules are applicable. I think it is quite right to determine that someone is of high moral character when they seek to become a citizen here.

Ms. HOLTZMAN. Let me respond by saying that by collecting this information now we will permit the Immigration Service to take appropriate action at a later time.

Mrs. FENWICK. It all hangs over their heads anyway.

Mr. HÉBERT. Mr. Chairman, I deeply regret that I am unable to be here to cast my vote in favor of the President's bill for aid to Vietnamese refugees.

Because of a previous commitment in my own district and the uncertainty that the vote would come on this date, I asked to be paired in favor of the President's position and for the legislation.

I did not want there to be any doubt about the position I have taken in this instance. For that reason, I am making this statement.

Mr. DERWINSKI. Mr. Chairman, I rise to support the Indochina Migration and Refugee Assistance Act, and as I do so, I address myself to an issue far larger and more historic than the recent bitter and divisive Vietnam war period.

Who are these refugees? They are refugees from communism, the same as were the Cubans, Poles, Hungarians, Balts, Czechs, and others, almost 2 million of whom the United States has accepted to our shores since the Second World War. They are war victims, some of whom fled North Vietnam, losing everything, in 1954, and who have now had to flee South Vietnam.

If this Nation, whose greatness has come from its many immigrants, will not welcome the Vietnamese refugees, who will? The United States admits 400,000 immigrants each year, so those we absorb from the Indochinese countries cannot possibly exceed even half that total.

Mr. Chairman, I do not see the Vietnamese refugees as a threat to our job market since many have families here already and, of course, many are children and old people who will not be entering the labor force. It is my judgment that most of those who will be seeking employment in the United States will be skilled, middle-class persons who can contribute to our economy. They will be most unlikely to increase our problems by adding to our welfare rolls or crime rate since they have strong traditions of personal pride, hard work, and family devotion, just as our Chinese and Japanese immigrants have proven to have.

Mr. Chairman, we are all immigrants and almost 45 million Americans are exiles who have come to this land of freedom. We all know of the great contributions immigrants have made to make ours a greater nation. For all we know, one of the youngsters now in a military camp awaiting processing as a Vietnamese refugee, will in his or her lifetime make a tremendous contribution to the further growth and vitality of this country.

I have no doubt that when the emotional debate of the day runs its course, those of us who support this measure will be proven to have exercised sound judgment.

Mr. GIAIMO. Mr. Chairman, regardless of an individual's feelings on the merits of the Vietnam war, it has been a bitter experience for the United States. It is understandable, therefore, that many Americans want to forget the pain of this tragedy by ignoring those who have fled from it. However, while our involvement in Vietnam is essentially over, the plight of the South Vietnamese refugees remains and cannot be overlooked by the United States.

I would hate to think that either opposition to the war, relief at its conclusion, or bitterness at its outcome have numbed our sensitivity to the plight of those who were able to flee its ravages.

Many South Vietnamese believed in and supported our policies, and they have left their country because they dared not live under the new regime. Most of these people have turned to the United States as the only country which could offer them an opportunity to rebuild their shattered lives.

I refuse to believe that the people of the United States have forgotten their history. At one point or another, we have all been immigrants. Some of our earliest settlers came here to avoid religious persecution or a debtors' prison.

Some came to escape famine or pogroms. Some came for political freedom or economic opportunity. Some were brought here against their will. Regardless of their background, these immigrants-turned-Americans have contributed to the growth of the United States and to the better life which this Nation universally symbolizes for the homeless or oppressed.

Now, when we are being asked to accept a new wave of immigrants, is not the time to turn our backs and disregard our moral and humanitarian commitment to assist those who seek refuge in our country.

Some people object to the new immigrants because of the state of our economy. The combination of inflation and recession is a serious problem, but it has not been caused by and will not be aggravated by these South Vietnamese refugees.

Only an estimated 35,000 heads of household will require jobs. At the same time, the United States already allows 400,000 legal immigrants into the country each year. In addition, approximately 8 million illegal aliens in the United States hold an estimated 1 or more million jobs. Finally, the United States already allows 41,000 temporary workers to enter the country each year because they are willing to do work which Americans refuse to do.

In light of these figures, the impact of the Vietnamese refugees on our labor forces will be insignificant. Furthermore, history shows that most immigrants are quickly absorbed into the labor force and do not burden the economy for a long period of time.

In the name of decency and compassion, the United States should help provide a new home for those people who have fled from South Vietnam. The legislation which the House of Representatives considers today will provide temporary assistance to enable these people to enter the mainstream of American society.

I support this program because it is the proper thing to do in light of our history.

Mr. EVANS of Indiana. Mr. Chairman, I rise in support of the Indochina Migration and Refugee Assistance Act.

Many of the letters I have received in the past few weeks from people of the Sixth District say that America should care for her own poor and hungry people first, and that we cannot afford to care for the 130,000 South Vietnamese refugees whom the President evacuated to this country.

I appreciate the concern of those who have written to me. However, the decision has already been made by the administration to allow the refugees to come to our country. Whether we like it or not, since the Federal Government made the decision to bring the refugees here, the Federal Government should shoulder the responsibility of picking up the tab. Moreover, unless the Federal Government assumes these costs, State and local governments will have to make assistance available to the refugees.

In preparing for today's debate, I checked some recent Supreme Court decisions having to do with aliens and their eligibility for various State and Federal assistance programs. In *Graham* v. *Richardson,* 403 U.S. 365, a 1971 decision, the Court ruled that aliens lawfully admitted to the United States may not be excluded from public assistance programs which are either Federal or State funded. The Court stated that—

> A State's desire to preserve limited welfare benefits for its own citizens is inadequate to justify . . . making noncitizens ineligible for public assistance, and . . . restricting benefits to citizens and longtime resident aliens.

As the Court pointed out, aliens, like citizens, pay taxes and may be called into the Armed Forces.

Mr. Chairman, it would be clearly unfair for the individual States to be forced to take on the financial costs associated with a decision which they took no part in. We cannot place a larger burden on the people of some States than other States, and it is therefore only fair that the Federal Government assume the cost.

I would also like to point out that the committee estimates that there will be no more than 35,000 new entrants in the job market from the refugee population; no funds can be used after fiscal year 1976 for other than functions carried out by the Department of Health, Education, and Welfare; and no funds authorized by the bill will be available at all after the following year, fiscal year 1977.

As the distinguished chairman of the Judiciary Committee has so eloquently stated, we are a nation of immigrants. Are the American people opposed to admitting refugees whose government lost a war? Are we afraid that the South Vietnamese will not be assimilated into our society? Or do we not want to be reminded of a long, painful, divisive war?

Mr. Chairman, I do not know the answers. However, it is true that immigrants have not always been welcomed here. By the late 19th century, after decades of an influx of people from many parts of the world, the American people began to close the door. Fears of displacement in the labor market and prejudice against immigrants from certain parts of the world led to the enactment of legislation restricting the rights of aliens. For example, the California constitution at the turn of the century prohibited land ownership by aliens. The anti-alien land law prohibited aliens from having any interest in land used for agricultural purposes. A Pennsylvania statute prohibited aliens from killing wild birds or animals except in the defense of a person or property. And there were many laws designed to keep aliens from securing employment.

The words "Irish need not apply" are the distillation of a generation of fears several decades ago.

Our experience tells us that our fears were, for the most part, groundless. We have a tradition in America, a tradition of being a big country, a land of opportunity, a free nation. I, for one, do not think our traditions have withered.

Mr. BAUMAN. Mr. Chairman, I rise in support of H.R. 6755, to provide assistance to the refugees who have fled South Vietnam. Many of these refugees have supported the United States for many years, and would be in serious danger if they had stayed in South Vietnam. Others want no part of communism and look to America as a beacon of hope as we have been for thousands of previous immigrants and refugees. As a nation we cannot turn our backs on these people.

I can readily understand those who question the wisdom of admitting these refugees during a time of economic uncertainty. During a period of domestic doubt and anxiety, it is not easy to open your arms to the homeless of a faraway country whose very name stirs bitter and divisive memories. There are valid questions about how so many people, whose background and culture are so different from ours, will be assimilated into our country.

However, I feel that as we learn more about the South Vietnamese seeking refuge in the United States, many of these questions will be put to rest. Then the traditional generosity of America will come to the fore. For example, many of those South Vietnamese have worked for the American Embassy or for U.S. companies in South Vietnam. They speak English and have numerous skills. Many of them are professional people. Some have American sponsors who have volunteered to help them find homes and build new lives, and more American sponsors are stepping forward every day, seeking an opportunity to help.

U.S. immigration figures for the last several years enable us to gain a better perspective on our ability to assimilate these people into our society. In 1970, the United States accepted almost 80,000 immigrants from Southern Asia and the Far East. In 1971, the figure was almost 90,000. By 1974, we had accepted over 110,000 immigrants from this part of the world. This virtual flood of immigration has gone virtually unnoticed except by specialists. Somehow we have managed to assimilate these hundreds of thousands of Asian immigrants. Somehow we will manage to make approximately 100,000 Vietnamese welcome in our homeland.

I have great faith in the spirit of the American people. There has been some hostility, but in the last several weeks there has been an outpouring of offerings of money, clothes, food, and personal assistance from the American people. We will help these Vietnamese make new lives as we always have helped those who came to us for refuge, on a person-to-person basis of individual sharing. The U.S. Government can help with money and with logistics. But the American people will be doing the job that must be done over the next several years. I know we can do it.

Mr. FRENZEL. Mr. Chairman, I support H.R. 6755, the Indochina Migration and Refugee Assistance Act.

I have been disappointed that my mail has revealed opposition to this bill. People in my district have complained about aid to Vietnamese refugees, principally because of the state of our own economy and the distress of many of our own people.

We do not want the refugee problem. Surely the refugees, themselves, would prefer not to be here under these circumstances. But they have no other place to go.

Our responsibilities are not unlimited, but I believe we have to accept some responsibility for these people. The committee has done well to process a bill so quickly after the failure of our previous bill. I was disappointed in the failure and hope that H.R. 6755 will be passed promptly and decisively.

All of us would like to devote our full energies to solving domestic problems. The need to deal with these humanitarian problems comes at a poor time. The extra expense occurs when we can least afford it.

But, even though each of us would prefer another set of conditions, we must face the actual facts, and the actual needs. I hope we will react as Americans have always reacted—to extend a helping hand to those who cannot help themselves.

In recent times, also inconvenient times, we have extended that helping hand to Hungarians and to Cubans. Over our history we have been a nation of immigrants, offering refuge to many different peoples of all races who fled tyranny for the opportunity of our Republic.

Dispite the general tone of my daily mail bag, I have noted these traditional American feelings throughout my district. County commissioner, city councilmen, church leaders, and just plain people have expressed their desire to help personally as well as to have their country offer help. I support their feelings—just as I support this bill today.

Mr. RHODES. Mr. Chairman, the bill we have before us today provides humanitarian relief for refugees who have fled their homeland to avoid living under repression from invaders. It is proper and fitting, in our American tradition that we provide adequate funds to assist in resettlement of these people who seek a new life on our shores.

There has been considerable comment regarding the refugees. We have passed the point of decision as to whether or not they are coming. The issue now is how we will meet this responsibility.

I cannot see why our great country will have difficulty in assimilating them into our population. We are a nation of immigrants. The estimated 130,000 persons involved are less than one-third of the 450,000 immigrants we accept every year.

Many of the Vietnamese and Cambodian refugees are dependants, and will not be immediately entering the job market. There are an estimated 35,000 who will be seeking employment. This represents .0004 percent of our more than ninety million civilian work force in this Nation. Special efforts will be made to avoid resettlement in areas of high unemployment.

H.R. 6755 establishes a temporary program through 1977 to bring in refugees and care for them while they are being resettled here, and in other countries. Much of the responsibility for these victims of war has been assumed by traditional volunteer groups in the United States. It is right that the Federal Government recognize and meet its humanitarian commitment—and the Congress should accept its responsibilities and pass this bill that symbolizes the heritage we have built in this Nation over 200 years as a haven for those seeking freedom and opportunity.

We should not set up special barriers, conditions, oaths, job requirements for these people. We should, and will enforce existing regulations that apply to aliens entering our country. H.R. 6755, and its accompanying appropriations measure should be passed so that we can get on with the job of caring for these refugees.

Mr. KEMP. Mr. Chairman, I rise in support of the refugee assistance bills before us today—one to provide the authorization for the program, the other to provide its funding.

These measures will help provide refugees from war-torn and now Communist-controlled lands of Southeast Asia with new hope and promise—opportunities for tomorrow given by descendants of those who were given the promise of America in yesteryears. As others held the doors of this new land open for our forebears, so too should we now hold those same doors open for these new immigrants—these Americans of tomorrow.

There are many reasons why we should undertake this specific endeavor, and I will comment upon them in one moment.

But, first, I think it should be stressed that we are dealing here with questions of far greater significance than whether we will provide Government assistance for this undertaking. They are the larger questions of America's commitment to its own greatness as a Nation comprised of peoples of every divergent national origin, race, heritage, religion, and creed and of whether we are still a Nation of growth and hope. To answer these questions in the negative would be to abandon outright our tradition as a haven for those of other lands, drawing the line at which that tradition will be only a part of our history and not a part of our future.

Few things, if any to me, could more dramatically illustrate the decline of a great Nation and its people than the adoption of such a point of view. And, there is strong historical evidence that if we do shut our doors to these individuals—for they are all individuals—we will have taken that first step into a dark chapter of selfishness and isolation.

This, we must not allow to happen, for, as President John F. Kennedy told us eloquently: "We are indeed a Nation of immigrants."

And, whether one takes the view that we are a melting pot where assimilation has been the goal and homogeneity the product or a mosaic where cultural heritages have been isolated and preserved, the fact remains: We all came from across the oceans or are descendants of those who did.

It is said that the only "true Americans" are full-blooded American Indians, and it is certainly true that this was their land before the advent of the European colonists. But, we are all truly Americans—we who are the offspring of those who became a part of the American promise, a promise that every man, woman, and child could pursue fully opportunities for economic, cultural, intellectual, religious and political growth, regretful though some manifestations of prejudice are.

We are not a Nation made up of those who believe they are better than others because their forebears or they reached our shores first. The groundswell in recent days of strong support for the refugee resettlement bills we now debate reflects this.

This issue is not one of emotion alone, although I am proud of those emotions in the American people which cause us to hold out a helping hand to those less fortunate than we. There is nothing at all wrong with feeling such emotion. It is the same unifying emotion which one experiences when one hears "God Bless America" and feels it, no matter what God that person might worship.

There is much reason for what we are doing too.

The right to emigrate—the right to leave one's own country—is the most fundamental of all human rights. It is that ultimate right which must be exercised when one's other rights have been so destroyed that meaningful existence is next to impossible. This right to emigrate is recognized through and guaranteed by the Universal Declaration of Human Rights to which the member countries of the United Nations are to adhere. It is this Declaration which has provided the leverage in international affairs to make it more possible to assure migration of Jews from the Soviet Union, as well as others who dissent from the totalatarian nature of applied communism.

This right to leave has an obvious logical corollary: acceptance by another nation. It does one little good to have a right to leave—and an opportunity to leave—if one has no nation to which to migrate. While there is no obligation under international law to be a recipient of such emigrates, I believe there does exist such a moral and ethical responsibility, especially to those who flee from an aggressor viewed as our enemy as well.

This right to leave is here to be honored for about 130,000 South Vietnamese and Cambodian refugees. That is not a large number of people. As a graphic demonstration, for example, all these refugees—130,000—would fill Rich Stadium in Orchard Park, N.Y., less than two times. In addition, they will be settled throughout 53 States and territories of the Union; and, of course, a large number may wish to emigrate to France or French-speaking lands because of the strong French cultural heritage in their homelands.

When we talk about these 130,000 people, we are not talking about them competing for 130,000 American jobs either. That is unbelievably misleading. Many are children; others will be nonworking spouses. According to an estimate provided me this week by the Department of State, only about 30,000 will be entering the immediate job market looking for full-time jobs. And, it is wrong to think that all of these will compete with those sought by the current American labor force. As was the case with many immigrants coming to this country, a vast number of jobs which they fill will be newly created in association with the influx of this cultural and economic group. Chinese restaurants and laundries, German beer gardens, pasta manufacturing plants are but a few examples of expansions in American commerce generated by influxes of ethnic groups.

In addition, we are here talking about the most productive, industrious segment of the South Vietnamese and Cambodian populations, essentially their middle and upper classes. There is a high degree of professionalism and specialized training, and while many will have to be either retrained or recertified, the process will be of short duration and with a high success rate. A productive person is a productive person no matter in what society he or she finds oneself. There is no reason to believe that doctors, accountants, teachers, merchants will not be as successful here as they were there.

There is also a very high level of English proficiency—speaking, writing, reading—because of their association with Americans there over the past dozen years. According to the Department of State, nearly 70 percent of the adults—an astoundingly high percentage—speak English.

That "times are tough" here in the States is not a sufficient basis to deny these refugees new hope either. In 1931—during the darkest days of the Great Depression—America was a refuge to over 97,000 "new Americans" into a total population of about 123,000,000. During that great depression, from 1931–40, we welcomed 528,000 immigrants to our shores. Were we a different people then? I think not.

America's principal spokesman for organized labor, George Meany, AFL–CIO chief is not afraid of their impact on our labor force. Several days ago, he reminded all of us that those who would reject the South Vietnamese and Cambodians as unwanted foreigners who would be happier somewhere else that—

> The United States has had a long tradition of opening its doors to immigrants from all countries.

We must not lose sight of the fact that, according to the U.S. Immigration and Naturalization Service, there are probably as many as 1,000,000 illegal aliens in this country—not here lawfully and for quite different purposes than those from Southeast Asia. If this problem were corrected, we could relocate the South Vietnamese and Cambodians into 30,000 of these jobs, and have enough left over for about 970,000 Americans already here—a reduction in nationwide unemployment of between 1.2 to 1.5 percent.

My conclusion is that these people can be fairly easily assimilated into our economy—the means of mobility found most assuring by prior immigrant groups—and into our society. And rightfully so, that they can, and that we will afford them that opportunity.

Those who seek refuge after a war leave with children clinging to their arms. They seek opportunity—but opportunity for their children to live a life in peace, in a country whose people have a tradition of evaluating men for what they do, not for where they were born; a tradition of respecting individuals not on the basis of their name, or the color of their skin, but on their character and decency.

It was in that context that we welcomed the huge migrations of Irish, Germans, Italians, and Greeks during the last century; that we were a haven for over half a million Eastern Europeans—Poles, Czechs, Slavs, Germans, Croatians, Serbs, Hungarians, et cetera—at the end of the Second World War, when their lands too had been overrun by Communists and Soviet puppet governments installed and another 200,000 Eastern Europeans in the early 1950's; that we assimilated about 40,000 Hungarians after the revolt of 1956; and, that we welcomed over 700,000 Cubans in the 1960's.

Why, might it be asked, must we provide relocation assistance—U.S. tax-supported aid—to these particular refugees? Remembering that we did this for almost all immigrant groups since the Second World War, it is because this was no gradual migration. These refugees did not have time to sell their homes and businesses—if they had them—to withdraw funds from banks, et cetera. Besides, what buyers would they have found for such homes and businesses? And, like almost all Americans, the equity in their homes and businesses constituted the bulk of their wealth and savings. Most had to leave almost everything behind. Sure, we hear reports about some getting out with gold or precious stones, but those are exceptions; they are not the norm by any standard. Look at the substantial successes of the Cuban communities in this country as evidence that they will very quickly become tax-generating—helping to support America so it can help its own people and others.

What would be the consequences—specific and general—of our doing nothing?

First, I believe—if Government assistance were outright denied—that there would be a strong response within the private sector of the economy to assist these people—a response not felt fully at this point because of the probability of Government assistance.

A large number, however, would then be forced to look elsewhere, and many might not find it. A large number of those might be forced by circumstances to return to South Vietnam or Cambodia. Many would be imprisoned or executed—we know that for a fact. Have we forgotten the firing squads of Castro's Cuba? Have we forgotten the number already executed in South Vietnam and Cambodia or North Vietnam in the 1950's? Have we also forgotten the tactics of the Communists when they took over other Asian countries—where the extensive bloodbaths were not immediate but took place over the next several years? At best, these people would have their property confiscated—there is no such thing as private property in a Communist society; they would be forcefully relocated with families being broken up forever; and, worst of all, they would be compelled to live in a society they had chosen to leave.

I could not help but feel very strong emotions when I read that some of those who escaped in small crafts upon the open sea had died on their way to Guam or the Philippines.

I began these remarks with a short quote from President Kennedy. Let me end them with a quote from his youngest brother, the Senator from Massachusetts, EDWARD M. KENNEDY.

In a speech on May 7, entitled "Vietnamese Refugees: Our Latest Immigrants," he summed up his feeling, my feeling, and I believe that of millions of other Americans when he said:

> I am troubled that this Nation of immigrants—whose bicentennial is nearly here—is struggling over whether our doors will remain open to the latest group of refugees. . . . For us, the war is truly over. . . . But as the curtain falls on war, the tragedy is not finished—nor is the responsibility of the United States. For the suffering continues. . . . We cannot ignore this suffering. We cannot ignore the needs of orphans, of the wounded and maimed, and the countless other war victims who cry out for protection and help. . . . But most of all I call upon all Americans to receive the Vietnamese warmly. They fled in fear, from a nation torn by war, from a life marked by devastation and death. We can do no less to end their suffering and bring a new purpose to their shattered lives than by accepting the challenge of their arrival, and meeting this new problem in a positive manner.

Mr. Chairman, we can do no less. If we did, it would follow us—haunt us as a dark chapter in our national experience—until the last days of this Republic.

Mr. BRADEMAS. Mr. Chairman, I rise in support of H.R. 6755.

Passage of this legislation is in keeping not only with the best in the American heritage, but with the teachings of our Hebrew-Christian religious traditions as well.

Mr. Chairman, in this latter connection, I insert at this point in the RECORD the text of the statement issued on May 6, 1975, by Archbishop Joseph L. Bernardin of Cincinnati, president of the National Conference of Catholic Bishops, and following Bishop Bernardin's statement, the text of a brief comment on the archbishop's statement issued by Bishop James S. Rausch, general secretary of the NCCB:

ARCHBISHOP JOSEPH L. BERNARDIN'S STATEMENT OF THE VIETNAMESE REFUGEES

> The war in Vietnam is over. The human suffering of the war goes on. It is natural that we should wish to put the war behind us. But it is inconceivable that we should turn our backs on the suffering which continues.
>
> Thousands of people have fled their homes in Southeast Asia. Many have already come to our country, and many more will soon come. They call out to our Christian compassion and our commitment to American ideals. We must respond.
>
> Negative reactions voiced by some Americans to this new group of suffering human beings are dismaying but in some ways understandable. Our economy is under strain. Unemployment is high. The refugees are a living reminder of a tragic episode—the Vietnam war—which many would prefer to for-

get. The racism which has stained our national life before colors and distorts the manner in which some perceive these refugees.

Such reactions can be understood but they cannot be accepted. They must not be allowed to impede the generosity which the present emergency demands of us.

There is reason to believe that the anxieties expressed so far represent exaggerated and unfounded fears concerning the impact which the coming of the refugees is likely to have on our national life and economy. Their number is very small in relation to our total population. Every effort will be made to disperse them throughout the country instead of concentrating them in a few areas. Furthermore, preliminary government surveys indicate that these are predominantly family units, and the proportion of women and children is high. It is most unlikely that there will be an extremely large number of Southeast Asian men in this group to add significantly to competition for jobs.

Some sacrifices will be required of us of course. The coming of the refugees underlines the need for programs and policies to reduce the impact of economic difficulties upon the most vulnerable among us, be they Americans or newly arrived Southeast Asians. With concerted effort on the part of both the public and the private sectors in America, however, what needs to be done can and will be done.

In line with our longstanding national commitment to voluntarism, voluntary agencies, especially religious ones, will play a central role in the refugee resettlement program which is now beginning. Since World War II the Catholic Church has been responsible for the resettlement of one million persons in the United States; in the past eight years alone, Migration and Refugee Services of the United States Catholic Conference has assisted half a million. In similar crises in the past—Hungary, Czechoslovakia, Cuba—Catholic agencies at the national and diocesan levels have resettled well over half the total number of refugees. We stand ready and willing to perform the same service now.

The urgent, immediate need is for homes and jobs for the refugees. It is intolerable to think that these people, many of whom have already suffered greatly, should have to live a day longer than necessary in the primitive conditions of hastily improvised camps and tent cities. Their movement into American communities must begin as quickly as possible. As it occurs, they must be greeted warmly and given the help they need to begin their new lives among us. They need material assistance, but they also need our acceptance and our love.

American Catholics have special motives for generosity. In many cases our own parents, grandparents, or great-grandparents came to this country from other lands, often in circumstances of suffering and deprivation not unlike those experienced by the refugees from Southeast Asia. Here they found opportunity for a new start. We are the beneficiaries of the generosity they enjoyed. We can be no less generous in our turn.

We know, too, that many of the refugees have fled their land out of fear of oppression because of their faith. So did the forebearers of many of us. It is now for us to enable them to enjoy the blessing of religious liberty which we are fortunate enough to take for granted for ourselves.

Finally, we believe firmly that our response to the refugees is a mirror of our love of God. Jesus tells us that what we do for the needy, we do for Him. "I was a stranger and you welcomed me . . . As often as you did it for one of my least brothers, you did it for me." (Mt. 25, 35–40).

As Catholics, as Americans, and as human beings we recognize in the refugees a duty and a privilege, and above all an opportunity for loving service.

STATEMENT OF BISHOP RAUSCH

In light of Archbishop Bernardin's clear and forceful statement of the policy of the conference, I wish to express my hope that American Catholics will act promptly to make known to members of Congress and other public officials their readiness to assist in the refugee resettlement program.

Mr. MEZVINSKY. Mr. Chairman, aid for the refugees from South Vietnam and Cambodia is proper and decent. But let us not forget those Americans who fought there. They deserve and need our compassion and help. The veterans themselves speak eloquently on that issue and I would like to insert these remarks written by Vietnam era veterans at the University of Iowa.

STATEMENT BY UNIVERSITY OF IOWA VETERANS MICK BILNEY AND DICK OSBORNE, MAY 14, 1975

The program under consideration before the House today is part of the continuing history of compassion and humanitarianism the United States has shown to people in need everywhere. It is a measure of our country's greatness that such an issue receives consideration from those who represent the American people. However, we feel that the House should also consider and be compassionate toward a group of people who are citizens of this country and who have suffered as much as the Vietnamese refugees. They are the Vietnam era veterans, those people who served to protect that system which allows the members of the House to sit here today. These veterans are victims of a general apathy regarding their problems of employment, housing, education, and physical and psychological well-being.

Congress has passed laws which attempt to deal with these problems. Many of these laws do not meet minimal needs and others do not have effective enforcement clauses. The reception which the Vietnam era veteran has received is radically different from that afforded veterans of other eras. They are often feared, maligned, and are generally ignored. They hear the empty rhetoric of a government which proclaims its "commitment" while cutting the programs which would help them. What are they thinking as they hear of a program which would provide tuition assistance to refugees in the amount of $2,500 a year and then remember when in 1974 the House of Representatives turned down a $1,000 tuition grant program for the Viet vet?

There has been much talk in the past few months of commitment. Commitment to Vietnam, commitment to our allies, and so on. The President said at his last press conference, "we have an unbelievable commitment." What is that commitment?

The membership of the House of Representatives in 1975 is different from that of 1974. Let the membership of the House of Representatives in 1975 be different also in that their commitment to veterans be established on sound programs which meet more than minimal needs and include input from the people who will be affected by those programs.

That system which the Vietnam era veteran served can provide the means for the veterans to become productive citizens. As you show your compassion for the refugees, remember that the Vietnam-era veteran deserves no less.

Mr. PREYER. Mr. Chairman, as we debate today the President's request for assistance to refugees from Southeast Asia we participate in another chapter of what has been the longest war in our history as a Nation.

It is difficult to find many redeeming aspects to such a tragedy but surely two of them are the memory of our fighting men who gave their lives out of loyalty to their country and this effort of our country to provide refuge for those who have fled because they supported our cause.

We cannot change what has happened but we should all be concerned that our performance now reflect honor upon those men and understanding of the plight of the refugees.

There are those who would seek to make this a time for recrimination and there are others who would advise that Americans forget all that has happened.

I hope we will reject both of those options. We need now to come to terms with the tragedy of Vietnam and move on to other problems confronting our Nation. We need to put behind our grief but not our memories and not our efforts to learn what we can from our mistakes.

To dismiss what has happened would be to forget the sacrifice of thousands of good American men, the 30-year-long bloodshed of millions of Vietnamese and the nation-rendering differences among ourselves fired by events in that faraway land.

For many Vietnam has been an easy issue. They have confirmed views of the right and wrong associated with it. For many of us it has not been so easy, and our reaction to what has happened there has been mixed. For many of us, attitudes have evolved over the last 10 years, changing as events and our understanding of them has changed.

Those of us in the Congress have had to answer many of the same questions that millions of Americans have asked themselves: What went wrong? Who was right? What if we had not intervened? Should we have committed our men to the war? Could it have been won by the South Vietnamese under different circumstances? And more.

Now history will have to answer some of these questions and, like much in life, some will never be answered.

There are two which have been asked me which are particularly difficult because they are usually asked by sincere people who want to believe so much in an answer.

What do you say to a parent who asks if his son's death was in vain? What do you say to someone who asks what Vietnam means to our sense of honor as a nation and to our purpose in foreign affairs?

I do not believe our men died in vain. I believe that all of us, whatever our attitude about the war, can be proud of them.

Duty has a special meaning to a soldier which only those who have defined it with their lives can really know. Yet, if we believe in our country as a good Nation committed to serving the right as best we can see it, then surely we believe that those who commit their lives in the defense of that purpose have a nobility that transcends all the debates over policy and strategy.

Perhaps I am old fashioned, but I do

not believe that anyone who dies for his country has died in vain.

I do not believe these events repeal our strength as a nation, nor should they deny our reliability as an ally.

Let no nation read the events in Indochina as a failure of American will. We spent more than $124 billion of our national resources in defense of South Vietnam. We gave them the world's fourth largest air force. We dropped more bombs on their enemy than we dropped on all our enemies in every part of the world in World War II. We gave them ammunition and equipment that allowed them to outfire their enemy often as much as 14 to 1. We sacrificed American blood on their soil.

No nation has ever done so much for another nation.

Whatever the critics of America may say abroad or at home, our commitment to Vietnam came about because of essentially humanitarian and selfless motives.

Whatever mistakes we made along the way, arrogance and abuse were not our guiding emotions.

Whatever may be our disagreements as a Congress and a Nation about the implementation of the evacuation of Saigon or the plans for handling the vast numbers of refugees, I do not believe many Americans are motivated by a lack of compassion and understanding for these people.

Few can be pleased that we have to assume such a burden at such a time of economic stress in our own country but few can really argue that we should abandon those who risked their lives in support of our national policy.

The refugee issue is but another challenge to the efforts of the United States to provide leadership for the free world.

We took it upon ourselves to save democracy after World War II. In France and Germany, in Italy and Iran, in large and small places around the world that policy succeeded. If we have critics in those countries today, they are critics who criticize us in lands which are free and where the modern-day families of our own ancestors have a dignity which would have perished without our efforts. That is reward in itself.

During the late 1950's and 1960's we set out to help a government in Saigon. We did so with a high sense of national purpose. Tragedy followed.

Humanity does not ride on a single conflict. Our losses in Southeast Asia may give us a new maturity. The preservation of freedom may take different strategies.

Let us remember that we are a nation of extraordinary accomplishments because of simple strengths. Now is the time for us to call on those strengths with a new resolve to our continuing interests in support of free men elsewhere in Asia and around the world.

The passage of this bill is essential to the maintenance of that commitment.

Mrs. MINK. Mr. Chairman, I rise in support of H.R. 6755, the bill before us today which would provide assistance to or in behalf of migrants and refugees from Southeast Asia who are being allowed into this country under the administration's current refugee assistance program.

The debate on whether or not these refugees ought to be allowed into this country is over. We must now concentrate our efforts on how best to assist these people settle in the United States. After all they are already here.

Congress must relieve State and local governments of the financial burdens which these new arrivals in these communities will pose to the maximum extent possible. The Committee's recommended funding level is, I believe, adequate for that purpose, and for the limited scope of services which the bill envisions. I am pleased to see that the Department of Health, Education, and Welfare has pledged to the committee that for the duration of the proposed legislation, that is, through the end of fiscal year 1977, HEW is prepared to pay 100 percent of the health, social service and income maintenance costs related to the refugee resettlement program. HEW proposes to reimburse State and local governments for any of these expenditures in behalf of refugees who become public charges. HEW does not include reimbursement for additional education costs.

I note that the Committee received assurances from voluntary agencies which have been working together with the Department of State and HEW that such agencies will avoid settling Vietnamese and Cambodians in economically hard-pressed areas, and that every effort will be made to disperse them throughout the United States; that the Committee has urged the executive branch to conduct a vigorous international campaign to obtain assistance of the world community in dealing with these Indochinese refugees; and that the committee has amended the proposed legislation to require regular, current and comprehensive reports to the Congress on the implementation of the provisions of the assistance program.

Mr. Chairman, these actions are taken in difficult times, under difficult circumstances. Many people in this country, distressed by our Nation's economic plight and by their own personal hardships which may have resulted from that plight, have reacted bitterly to the fact that so many thousands of foreigners may now become so totally dependent on this huge expenditure of Federal tax dollars. Many others, newly arrived in this country themselves, and for whom no similar assistance programs have been available, have also had occasion to question the motives of the Government which might, in their view, act or react capriciously. There comes a time when a reordering of priorities can no longer be ignored or put off "until another time." I suggest that such a moment has come.

The issue does not die when this money is authorized and appropriated. This Nation's attitudes toward people we have brought into the United States do not suddenly change when it has been determined that none of "those people" are going to be living in "my neighborhood," or that none of "my money" is going to pay to keep "some foreigner" alive, or that "my job" is not going to be taken away by "one of those Asians." These issues will be with us until we undertake a careful examination of attitudes.

With that caution, Mr. Chairman, I urge a favorable vote on H.R. 6755 so that the immediate problems of the presence of these people may be addressed with dispatch.

Mr. MOORE. Mr. Chairman, I rise in support of H.R. 6755, which will make it possible to provide assistance to refugees from Vietnam and Cambodia, reimburse State and local governments for the services they provide to our new immigrants, and pay the travel costs of those who wish to return home or settle in other countries.

We are a nation of immigrants and have traditionally welcomed to our shores people who are dissatisfied with political conditions in their homelands or are in danger of retribution for their political activities. The melting-pot aspect of our Nation is one of her most distinctive features, and one of the reasons for her greatness. At one point we all were immigrants.

In this case we have a special duty, because the beneficiaries of today's bill were in imminent danger due to their support of American activities in Indochina. Whether those activities were ever advisable is no longer the point. We sent our forces in to do a job, tied their hands so that it could not be completed, and then pulled out, leaving these countries in a shambles and now in the hands of the Communists. Thousands of people tied their futures and their very lives to our interests through employment with our missions or political identification with our goals. They are the ones most likely to suffer under the new Communist regimes. I thank God we have been able to rescue as many as we have.

Unemployment is indeed a serious problem in this country, and many Americans are concerned about the additional impact of these refugees. It appears, however, that their effect will be minimal. Current estimates of total evacuees are running about 130,000, of whom only some 35,000 will need jobs. This is only four-hundredths of 1 percent of our civilian work force and only 3¼ months' worth of our normal yearly immigration. Special efforts are being made by the Labor Department to be sure that the refugees are relocated in areas where unemployment is least severe. Finally, many of the people already have family ties in the United States, which was why they were evacuated in the first place.

No matter how small the effect, I do not like any additional pressure on our employment opportunities; I do not like bringing thousands of additional people into this country; and I do not like the additional tax pressures this bill will cause. None of our choices are easy, however, and this one requires special thought and prayer. But as we did not refuse the Hungarian and Cuban refugees who fled from communism during the 1950's and 1960's, we cannot refuse these now. The whole Indochina situation has been a tragedy for us and caused us a loss of international respect. If we turn these people away, our divisiveness will increase and our foreign image will sink to a historic low.

We cannot set these people once again adrift on the open sea. We cannot force them to return to the country they fled out of fear for their lives. Their presence in this country is authorized by long-standing refugee provisions in the Immigration and Nationality Act. This bill settles the only two questions left to be asked: How long it will take to move them through and out of the camps—and I might add that our experience in World War II should make the very idea of permanent camps abhorrent to all Americans—and who is going to pay the bill. These people are here because of national policy, and the Nation as a whole should pay the costs of their health and welfare, not the State and local governments. This is provided for in the bill and deserves the support of all Members and the American people as well.

The CHAIRMAN. All time has expired. Under the rule, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indochina Migration and Refugee Assistance Act of 1975".

SEC. 2. (a) Subject to the provisions of subsection (b), there are hereby authorized to be appropriated, in addition to amounts otherwise available for such purposes, such sums as may be necessary for the performance of functions set forth in the Migration and Refugee Assistance Act of 1962 (76 Stat. 121), as amended, with respect to aliens who have fled from Cambodia or Vietnam, such sums to remain available until expended.

(b) None of the funds authorized to be appropriated by this Act shall be available for the performance of functions after June 30, 1976, other than carrying out the provisions of clauses (3), (4), (5), and (6) of section 2(b) of the Migration and Refugee Assistance Act of 1962, as amended. None of such funds shall be available for obligation for any purpose after September 30, 1977.

SEC. 3. In carrying out functions utilizing the funds made available under this Act, the term "refugee" as defined in section 2 (b)(3) of the Migration and Refugee Assistance Act of 1962, as amended, shall be deemed to include aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return there because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life.

Mr. EILBERG (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: on page 2, after line 19, add a new section, as follows:

SEC. 4. The President shall keep the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations of the Senate currently informed of the use of funds and the exercise of functions authorized in this Act.

AMENDMENT OFFERED BY MR. BEDELL TO THE COMMITTEE AMENDMENT

Mr. BEDELL. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BEDELL to the committee amendment:

Page 2, line 20, insert "(a)" after "SEC. 4."

Page 2, immediately after line 24, insert the following:

"(b) In addition to performing the functions required by subparagraph (a) of this section, the President shall, not less than thirty days after the date of enactment of this Act and not later than the end of each thirty day period thereafter, transmit to the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely the steps taken to carry out the provisions of section 2 of this Act. Such reports shall continue until the funds available under this Act have been expended, or until September 30, 1977, whichever occurs first."

Mr. EDGAR. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-four Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and four Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to the provisions of clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes in support of his amendment.

Mr. BEDELL. Mr. Chairman, I wish to call up my reporting amendment which is at the Clerk's desk.

This amendment would add a new subparagraph (b) to section 4 of the committee bill. It would complement the bill's current reporting provision by requiring that the President provide the Congress with a complete report on the nature and scope of his refugee resettlement assistance program at least once during every 30-day period following the date of enactment of this act.

Let me make one point clear at the outset. I favor the provision of the necessary resettlement assistance to Vietnamese and Cambodian refugees. The United States cannot turn its back on these individuals simply because our direct involvement in Indochina is over. We should help legitimate refugees, just as we have helped countless numbers of refugees in other parts of the world in years past.

At the same time, however, there is absolutely no reason to steamroll an open-ended and loosely defined refugee resettlement assistance program through Congress. During their testimony before the House Appropriations Committee, Ambassador Brown and other administration spokesmen said that their resettlement assistance figures are only estimates and that at this time more specific information is not available. I think that it is imperative that Congress require detailed reporting as the program develops so that we may better fulfill our responsibility to the taxpayer.

We should proceed with this task in a rational and responsible manner. If we are going to authorize and appropriate funds for refugee resettlement assistance, we should at the very least be entitled to know how such funds are being spent.

I am aware of the time element involved here. The refugees need prompt action on this bill. And they will get it. However, such timeliness does not abrogate our responsibility to demand accountability from the administration as to the specific uses of these funds. Nor does it preclude the possibility of providing such accountability. We must insist on it.

My amendment, by requiring the administration to make periodic and detailed reports on the administration of the refugee resettlement assistance program and on the expenditure of funds for the program, will insure that Congress oversight responsibilities are exercised.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman.

Mr. Chairman, I do not quarrel with the concept of the amendment to the committee amendment, but this matter was thoroughly considered by the subcommittee, and in the subcommittee the ranking member of our subcommittee offered the subcommittee amendment which is part of the bill.

The gentleman from New York (Mr. FISH) first borrowed that language from the Migration Refugee Assistance Act of 1962, and subsequent to 1962 these committees have been kept informed currently, have been currently informed, on the various expenditures that have been made pursuant to that bill and amendments to that bill.

I say, Mr. Chairman, that the fallacy, it seems to me, in the amendment offered by the gentleman is that he would have reports made by the executive branch every 30 days. It seems to me, Mr. Chairman, that when we are dealing with such an emergency situation where events change from day-to-day—we all know the excitement and uncertainties that have occurred, for example, during the last 30 days—we want to be kept not informed every 30 days, which imposes an automatic and perhaps meaningless burden on the administrative branch, but we want to be kept currently informed, and that means we may be kept informed on a daily basis rather than on a monthly basis.

I would say, Mr. Chairman, that the committee has intended and intends to vigorously pursue its authorization and oversight functions, and in order to accomplish this objective, it expects the full cooperation of the executive branch. If we do not get that cooperation, we will go after them, so that I really think that when the gentleman says, "Let us have a report every 30 days," he is offering something less than the committee amendment, and I ask the Members to vote the amendment down.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

I agree with the chairman. Certainly I am sympathetic with the intent of the amendment, but I think the gentleman would be the last person to really wish on us the results of his amendment, which would be actually to restrict and to modify the existing language in our bill. As the gentleman from Pennsylvania said, it is not a matter of waiting for days. It may be tomorrow morning that we wish to conduct oversight hearings.

I would like to reiterate, as we told the House committee before, that over the last 5 weeks sometimes we met on a daily and hourly basis, I recall, with responsible persons in the executive branch. I would not let them think downtown that they would have to report to us only every 30 days.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentleman for yielding.

I certainly agree with what the gentleman says. There certainly is not any intention to restrict it in any way. This amendment does not change the wording of the bill or the committee amendment in any way. It simply guarantees that at least monthly we will get some reports from the President, and there is not anything in my amendment that would prevent us from getting information sooner, or at any time if we request the information.

Mr. EILBERG. In reply, I will say simply that the gentleman's amendment adds nothing to the obligation that we are undertaking in the bill, the obligation that we are presently exercising through our subcommittee's oversight function.

Mr. BEDELL. If the gentleman will yield, it does require that the President report at least one of every 30 days, in addition to performing the function required in subparagraph (a).

The CHAIRMAN. The time of the gentleman has expired.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in favor of this amendment. Simply stated, without this requirement for frequent and specific reporting to the Congress, the legislation proposed by the committee will allow the administration to continue its sorry record of mismanagement insofar as the refugee evacuation is concerned.

In spite of references to the contrary, the administration has not conducted the evacuation or the resettlement in an orderly, systematic fashion. There is no complete, coordinated plan at this time.

I do not distrust the President, rather, I distrust the process used by the executive branch so far. I have personally experienced total frustration with the State Department, the Immigration and Naturalization Service, and the Interagency Task Force. Our requests for specific answers to specific questions have been met with delay, disdain, evasion, and misinformation.

Mr. BEDELL's amendment will force the administration to bring order out of chaos. It will force the administration to spend hard-earned taxpayer dollars prudently. I do not believe either goal is irresponsible or out of line

I urge an "aye" vote on the Bedell amendment

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Iowa (Mr. BEDELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BEDELL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 158, noes 261, not voting 14, as follows:

[Roll No. 206]

AYES—158

Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Ashley
Aspin
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bingham
Blanchard
Blouin
Bonker
Bowen
Brademas
Brodhead
Brooks
Burke, Calif.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clausen, Don H.
Clay
Collins, Ill.
Conyers
Corman
Cornell
Danielson
Davis
Dellums
Dent
Derrick
Derwinski
Downey
Drinan
Early
Edgar
Edwards, Calif.
English
Evans, Ind.
Fenwick
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fulton
Gaydos
Ginn
Grassley
Green
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Henderson
Hicks
Holland
Howe
Ichord
Jacobs
Jenrette
Jones, N.C.
Jones, Tenn.
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Leggett
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lujan
Macdonald
Madden
Maguire
McHugh
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Mink
Mitchell, Md.
Moffett
Moss
Mottl
Natcher
Neal
Nichols
Oberstar
Obey
Ottinger
Patterson, Calif.
Pattison, N.Y.
Perkins
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Risenhoover
Rose
Rosenthal
Roush
Roybal
Runnels
Santini
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Smith, Iowa
Snyder
Spellman
St Germain
Stark
Stokes
Studds
Traxler
Vander Veen
Vanik
Vigorito
Waxman
Weaver
White
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Yatron
Young, Ga.

NOES—261

Abdnor
Adams
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
AuCoin
Badillo
Bafalis
Bauman
Beard, Tenn.
Bell
Bergland
Bevill
Biaggi
Biester
Boggs
Boland
Bolling
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Carter
Cederberg
Chappell
Clancy
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
de la Garza
Delaney
Devine
Diggs
Dingell
Dodd
Downing
du Pont
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Eilberg
Emery
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Goodling
Gradison
Gude
Guyer
Hagedorn
Haley
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Heckler, Mass.
Heinz
Helstoski
Hillis
Holt
Holtzman
Horton
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Litton
Long, Md.
Lott
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Michel
Mills
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Nedzi
Nix
Nolan
Nowak
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Pepper
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rostenkowski
Russo
Rousselot
Ruppe
Ryan
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Solarz
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—14

Barrett
Brown, Calif.
Butler
Dickinson
Evins, Tenn.
Hébert
Hightower
Hinshaw
Howard
Metcalfe
Milford
Mollohan
Roberts
Roncalio

So the amendment to the committee was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. ABZUG: On page 1, line 10, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 1, strike out "Cambodia or Vietnam," and insert in lieu thereof "Cambodia, Vietnam or the United States".

On page 2, line 13, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 16, strike out "Cambodia or

Vietnam" and insert in lieu thereof "Cambodia, Vietnam or the United States."

POINT OF ORDER

Mr. EILBERG. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. EILBERG. Mr. Chairman, I make the point of order that the amendment is not germane.

This bill deals with a particular class of people: refugees from Indochina, that is, Cambodia and Vietnam. The subject matter of the amendment offered by the gentlewoman from New York (Ms. ABZUG) has to do with amnesty, a matter which is within the jurisdiction of the subcommittee chaired by the gentleman from Wisconsin (Mr. KASTENMEIER), and is being separately considered by that subcommittee, actively considered.

This bill will cover those aliens, refugees, who have been paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act. In addition, the term "refugee," as defined in the bill and as that term is interpreted under international law and under section 203(a)(7) of the Immigration and Nationality Act, does not include U.S. citizens, and the bill was not intended to cover that category or class of people.

The CHAIRMAN. Does the gentlewoman from New York (Ms. ABZUG) wish to be heard on the point of order?

Ms. ABZUG. Yes, I do, Mr. Chairman, wish to be heard on the point of order.

Mr. Chairman, this amendment which I have offered is not an amnesty amendment. There is reason for us to consider that on another occasion, and I will be recirculating for additional cosponsors, H.R. 2568, a bill for unconditional amnesty, which I believe the Committee on the Judiciary is considering, among other measures on this subject; and hopefully we will act on that.

The bill before us deals with providing assistance to a certain class of individuals, namely, those who have had to flee their homeland because of fear of prosecution because of their political opinions, among other things.

Earlier in the debate, I questioned the chairman of the subcommittee as to the purpose of the legislation which is before us. I asked the chairman whether this legislation and, also the Migration and Refugee Assistance Act of 1968 the legislation it tracks, was intended to provide assistance to refugees who had to leave their homeland because of fear of persecution on account of race, religion, or political opinion and who cannot return there because of fear of persecution on account of race, religion, or political opinion and consequently have urgent need for assistance for the essentials of life.

The chairman responded by saying yes, that the local purpose of this legislation was as provided in section 3, which was to provide assistance and relief to those who were refugees because of persecution or fear of persecution on account of the three categories that I read previously.

Mr. Chairman, my amendment is germane because it does not seek to add another class of persons. What my amendment says is that there are several persons or several groups eligible within the class, the class being those who have to flee their homeland because of fear of persecution because of their political opinions. That is the purpose of the legislation. We would not be addressing this question of assistance if these people were just ordinary refugees. What we are saying is that they are here in the country because they fear persecution because of their political opinions, and that was the same reason we originally gave relief to the Cubans under the legislation which this bill tracks.

My amendment, I submit, is germane. It merely adds another group of persons and makes them eligible within the class. They are also persons who fled their country because of fear of personal and political persecution.

The American political refugee, the person who resisted the war in Vietnam because it was illegal and immoral, was forced to go into exile in Sweden and in Canada and is unable to return because of fear of prosecution, is entitled to the same kind of assistance that the Vietnamese and the Cambodian refugee is entitled to.

Do we not have a responsibility, first and foremost, to the American political refugee?

Is it not to them that we should feel a prior responsibility? Is it not really the essence of germaneness in the last analysis to provide for our own political refugees as we provide for political refugees from other lands? Certainly we should include them under the same category and under the same conditions as we provide relief for these others.

Therefore I submit that the purpose of this amendment is germane which says:

> . . . strike out "aliens" and insert in lieu thereof "persons" . . .

And which says to:

> . . . strike out "Cambodia or Vietnam", and insert in lieu thereof "Cambodia, Vietnam, or the United States" . . .

In so doing we are merely enlarging the number of groups that are eligible for assistance under this act. Therefore, Mr. Chairman, I believe the amendment falls within the germaneness rule.

The CHAIRMAN. Does the gentleman from Maryland desire to be heard on the point of order?

Mr. SARBANES. I do, Mr. Chairman.

Mr. Chairman, the class to which H.R. 6755 addresses itself is to aliens who, in turn, meet other requirements contained within the legislation The permanent legislation to which this pending legislation is related, since this is temporary legislation, is Public Law 87-510, the Migration and Refugee Assistance Act of 1962 which also deals with aliens as a class to which that legislation pertains.

The jurisdiction of the committee bringing this legislation to the floor of the House would not run to the programs proposed to be covered if the class were expanded to "persons" rather than "aliens," the jurisdiction of this committee rests upon its immigration and naturalization jurisdiction, and pertains to the class of aliens which is set out in the legislation in the Migration and Refugee Assistance Act of 1962.

Therefore, whatever the merits or the substance of the contentions of the gentlewoman from New York (Mrs. ABZUG) are, her amendment would not be germane to the legislation now pending before us.

Ms. ABZUG. Mr. Chairman, may I be heard briefly on the remarks of the gentleman from Maryland?

The CHAIRMAN. The gentlewoman will proceed.

Ms. ABZUG. Mr. Chairman, the legislation to which the gentleman from Maryland refers did not pertain, because it dealt with persons who were in the Western Hemisphere. The report indicates that the reason the new bill refers to Indochina is to enlarge the groups eligible for assistance from Cubans to Vietnamese and Cambodians. I do not think the rule of germaneness is determined by the jurisdiction of a committee. The situation is that we are dealing with the bill that is before us now, and the question of whether this committee would have had jurisdiction over this or a bill with changed wording does not go to the question of germaneness. Therefore, I press my point, and simply say that my amendment merely brings in a third category of eligible persons, and the fact that they are or are not aliens does not preclude them from being covered for the purposes provided for the class for whom the bill addresses itself, namely, those who have been uprooted as a result of their political opinions from their homeland for fear of persecution.

The CHAIRMAN (Mr. UDALL). The Chair is prepared to rule.

The gentlewoman from New York (Ms. ABZUG) has offered an amendment to the bill which, in several places, strikes out "aliens" and inserts "persons," and would strike "Cambodia or Vietnam" and insert "Cambodia, Vietnam or the United States," to which the gentleman from Pennsylvania (Mr. EILBERG) has made the point of order that the amendment is not germane to the bill.

The Chair has examined the bill and the report, and would characterize this bill as one which enables the United States to render assistance to a certain class of individuals, specifically, as stated on page 6 of the report, those individuals who are refugees from Indochina, and who are aliens.

The amendment, however, offered by the gentlewoman from New York, would extend the coverage of this act to another class of individuals, specifically persons of the United States, who are citizens, but not aliens, even though they might be in a broader sense considered "political refugees."

The precedents of the House indicate that to a bill dealing with the relief of one class, an amendment seeking to include another class is not germane, both because one individual proposition is not germane to another individual proposition and because such amendment would broaden the scope of the bill.

The Chair refers to Deschler's Procedure, chapter 28, section 10.2, and Cannon's Precedents, volume 8, sections 2959 and 3046. The Chair believes that these principles are applicable in the present situation. By striking the word "aliens" and inserting in lieu thereof the word "persons" and by including a new class of persons within the coverage of the bill, the amendment would broaden the bill beyond its original scope. The Chair, therefore, feels that the amendment is not germane, and the point of order is sustained.

AMENDMENT OFFERED BY MR. RIEGLE

Mr. RIEGLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIEGLE: Page 2, line 2, immediately before the period insert "; except that no funds made available under this Act may be used to furnish to any such alien any assistance which is not available to an individual facing equivalent personal economic hardship who is not a refugee from Cambodia or Vietnam and who is an American citizen".

Mr. RIEGLE. Mr. Chairman, earlier in the day, both during the period that we were debating the rule and for the period when we were on general debate on the bill itself, I had some opportunity to discuss in passing the gist of the amendment which I have offered. To recap, this amendment is designed to make sure that special assistance that is going to be made available to the South Vietnamese refugees not be made available solely on the basis of national origin. That is the test today—national origin, and as such, American citizens with equivalent economic hardship are denied the assistance and benefits of these programs.

I am suggesting the test really ought to be what we might call a means test or a needs test so that everyone in America, refugees and nonrefugees alike qualify equally. Otherwise, we run into a situation where in this country today we have got at least, in my judgment, 10 million people out of work, and several hundred thousand or millions of those in situations where they are absolutely destitute and have no place to turn. Under the authorization in this bill they in effect are being told that there is no help for them or there is no special program for them of the very kind that we are now in the process of creating for the South Vietnamese.

Mr. Chairman, I do not want to be misunderstood in terms of my feeling about humanitarian requirements either today or at any time, either in the past or in the future. I care very deeply about humanitarian needs, whether they be for people in this country or for people abroad. There is no question but what we have to do what we can to help South Vietnamese refugees who are now here. Like many, I am troubled about the process that took place leading up to these people coming here, but we cannot change that now.

My concern now is to see to it that the program that we set out to develop not be one that is based on a double standard. I must say that I sense some hypocrisy in the notion that somehow we can feel more strongly—more strongly—for displaced foreign nationals, in this case the South Vietnamese who now find themselves in this country, than we can feel for Americans who are in this country who are in exactly the equivalent circumstances in terms of economic need and in terms of the bleakness of their own prospects.

I would say to the Members I know there are some districts in this country that have been harder hit than others by the economic situation in which we find ourselves. I have a district with a 21 percent unemployment rate, but I honestly believe that even with that many folks in my district out of work, they are prepared to do what is necessary to help the South Vietnamese refugees if at the same time we are prepared to make exactly the same help available to Americans who have equivalent needs and requirements.

What they do not want is a double standard, and if we are going to open a window up to provide this help, which I think we should and which I think we have to, if an American goes up and stands in that line to receive the same help and the same assistance, and if he be asked to step out of the line because he does not qualify because he is not a South Vietnamese or he is not a Cambodian, that is not humanitarian and that is not humanitarian interest, in my judgment, and I think it is hypocrisy.

I must say in the course of 10 years of history of the war in Vietnam I saw very little humanity coming out of the White House in terms of what was happening to the civilians in Southeast Asia. We dropped enough bombs to wipe everyone out and we did wipe out a great many, and the fact that some survived was as much blind fortunate as anything else.

But the fact is that they are here now, it is a fact, and it is said we must provide for them. I think that is necessary, but to draw the line and say that this humanitarian impulse and assistance cannot be made available to Americans who need it is as phony as it can be. It is a double standard. That is what the people in the country resent.

I must say I am very disturbed by the inference drawn by the White House and others that somehow this country of ours is racist, in terms of its response to the South Vietnamese, or is selfish. The main response I hear in my district and around the country is that they are willing to help the South Vietnamese but they do not want a double standard where Americans are denied exactly the same help. This amendment is designed to correct that.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I yield to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I thank the gentleman for yielding.

The amendment authored by our colleague from Michigan is both logical and humane. I think its inclusion is about the only way this legislation could be acceptable to me and I congratulate the gentleman for offering it. It is a sound addition that is sorely needed.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I yield to the gentleman from Michigan (Mr. TRAXLER).

Mr. TRAXLER. Mr. Chairman, I thank the gentleman for offering this very fine amendment. I definitely associate myself with the gentleman's remarks. I represent a district in Michigan that has over 16 percent unemployment. I think this is the kind of treatment native Americans deserve. It is equality and eliminates the double standard.

Mr. SARBANES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is very important to give this amendment careful attention. It has been suggested that there is hypocrisy or phoniness at work here. I would reject that suggestion out of hand. I do not believe it aptly characterizes the work of the subcommittee, the full committee, or the House of Representatives.

I understand the thrust of the gentleman's amendment and I understand the concerns to which it is responding, but I do not feel it serves our purposes in discussing the substance of his amendment to suggest any phoniness or hypocrisy within the confines of this institution.

The provision which will govern, and the committee has gone into this very carefully, is that once the refugee is placed in a community, in other words once he is moved from either Pendleton or Chaffee or Eglin to where he is being relocated, from that point on he will be subject to the same monetary tests that any American would have to meet in order to receive assistance, to receive financial assistance, social services, health care, and other similar programs. So at that point the refugee has no advantage with respect to how he is treated in comparison with how Americans are treated.

The reach of this amendment—and it is very important that the Members appreciate this—goes well beyond that situation. This amendment would make it impossible to provide services for the incoming refugees unless similar services were provided for Americans. Let me underscore what those services are. They include movement to the United States from the South Pacific. They include settlement at one of the three camps, either in California, Arkansas, or Florida, and sustenance for the period in which the refugee is living in totally displaced circumstances. They would include for those refugees who could not afford to pay their own way from the settlement camp to the place of permanent location the transportation costs for those who could not meet that cost themselves. That is perceived as being a highly desirable provision. The objective of course is to disperse the refugees as much as possible evenly throughout the country.

So at the point when the refugees are placed in a similar environment as most Americans, in other words are located permanently, beyond that point if they come in to seek financial assistance they must meet a means test.

They must meet the same needs test with respect to their financial position that any American would have to meet.

As to previous services that are being provided, it is true that there is not a program that allows an American to go to Camp Pendleton and live in a tent. There is no such program at this time. I admit that.

Mr. Chairman, I will not yield further at this time. The gentleman from Michigan (Mr. RIEGLE) took his time to explain his amendment. There is a serious thrust to the amendment. I would like to respond seriously to the thrust and substance of the amendment.

Now, it is true there is no such program, but at this point in the process, all we are seeking to do is move this totally displaced person, who has fled from his home, who has come to a totally strange land, who is in a strange environment with the whole problem of whether he can live before him, to move him out of temporary circumstances and seek to relocate him in the society generally. At that point in time, we are trying to move him along in the chain in terms of final relocation. That is the objective, I assume, of what we are all trying to do.

I would hope everyone in this body would agree that the ultimate objective is to seek to locate these people throughout America in permanent surroundings. Sponsors are seeking now to receive them. Religious and voluntary agencies have come in and offered their assistance in this matter.

This amendment, if we will read it carefully, would mean that those services could not, in fact, be provided to the refugees. It would not mean that such services would be provided to Americans. The wording of the amendment, in effect, would preclude those services being provided to refugees to move them on in the process.

Mr. Chairman, I urge rejection of the amendment.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

I wonder if I could have the attention of the gentleman from Maryland (Mr. SARBANES) who just made a very eloquent analysis of what the amendment will do and why it should be rejected. I have been asked, why was not a point of order reserved? Would the gentleman not agree that the reason this amendment did not have such a point of order made against it, is because it is a limitation on the availability of funds that would otherwise be available for refugees in resettlement?

Mr. SARBANES. Mr. Chairman, that is correct. The interesting thing about the amendment is that it would not include Americans into a class that would be covered by the benefits, which would have made it subject to a point of order, but the amendment works the other way, as a limitation upon the services that have been provided for the refugees. That is the only effect of the amendment. Since it was a limitation, the judgment was made that it was in order; but I point out that makes it even more urgent that the substance of the amendment be rejected.

Mr. FISH. Mr. Chairman, may I say to the gentleman from Maryland, once a refugee is in an area in which he is going to be resettled, that all the social services and health services that he would be entitled to would be identical to those provided by the local sovereignty for the American citizens. There is no difference in the treatment.

Mr. SARBANES. At that point the refugee is subject to the same financial needs test as an American that needs those services, once he is relocated.

Mr. FISH. The section on inland transportation is what we are providing the refugees that would not be available to any other American. If this amendment is adopted, therefore, that whole inland transportation area would be affected. We would effectively gut the entire dispersal program that is so very important in this legislation.

Mr. SARBANES. We would raise the serious problem of heavy concentrations within very close geographical location of the three resettlement centers in the United States, which everyone is seeking to avoid. It is a stated objective of our policy to avoid that happening.

Mr. FISH. I thank the gentleman.

Mr. RIEGLE. Mr. Chairman, would the gentleman yield to the author of the amendment, as long as he has time left?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I appreciate the gentleman yielding to me, because I think the explanation the gentleman has just gotten is not correct. As a matter of fact, the same witnesses who appeared before the Judiciary Committee appeared before the Committee on International Relations. It is not clear exactly what the program is going to be. There is not anybody in this Chamber today who can tell us precisely and exactly what benefits and program there will be that is going to be made available to the refugees.

This amendment simply says that if such help is going to be made available over and beyond that which is otherwise available to American citizens with equivalent economic need, those benefits would have to be applied and made available to American citizens. That would not be through this bill. The administration would have to come up with another piece of legislation to do that.

I would hope the administration would. This establishes the equity and equal treatment.

Mr. FISH. If the gentleman listened to the gentleman from Maryland a moment ago, the one big difference is the transportation from the processing areas that is not available to all Americans equally. We are going to end up, instead of dispering these refugees, with large concentrations in Florida, Arkansas, and southern California.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Chairman, the effect of the amendment would be that we would not be able to move these refugees away from Camp Pendleton. They would remain there, and we would not be able to move them anywhere else in the country.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Very briefly, Mr. Chairman, much has been said that I would say, except that I want to make very clear that the adoption of this amendment, as the gentleman from Michigan (Mr. HUTCHINSON) said, would keep the refugees at the resettlement centers where there is this high concentration of refugees and they would be congested in the areas. It would impede their movement which is directly contrary to what we want to do.

We want to disperse them around the country, and the effect of this amendment would keep them right there. Most of the benefits are already available to American citizens, namely, health, welfare, social services, education, employment programs, which are under current programs established by State and local governments. These services are already available to U.S. citizens.

The amendment would make no funds available for U.S. citizens, and would not have the effect of halting the movement of refugees out of reception areas.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, what we are trying to do is to suggest that the Government has a responsibility to care for all of the needy in America, not just the latest arrivals. There seems to be a great deal of steam building up around the notion that there may be some additional costs. But what if there are? One thing is for sure, there will not be any additional costs of transportation from the South Pacific to the United States because the people are already here.

There will not be any great problem about some of the other matters raised. There would be transportation costs involved. There would be programs of retraining and job placement that a great number of Americans are very vitally concerned about and would be as eager to participate in as any Vietnam refugee, So, I would look upon this as an equalizing amendment for the domestic refugees, as it were, who are already inside this country.

The Members, in another piece of legislation, can consider whether or not we want to at least provide the same things that we are providing for the Vietnamese who are coming in under the provisions of the bill. I think it makes eminently good sense, and I commend my colleague from Michigan for introducing the amendment.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to my colleague from Michigan.

Mr. RIEGLE. Mr. Chairman, I thank the gentleman for yielding to me. I want to say, in response to the gentleman from Maryland, that when I earlier raised the question of double standard, what I think is a certain amount of hypocrisy in the request, I was referring to the administration's request, as I think the gentleman knows, and at no time made any inference about the committee itself.

I think what the President wants to do is, he wants to come running through to get his blank check. There is no total figure here. It says "whatever funds may be required." He wants to run through, get that blank check to use for whatever he later decides to do for the South Vietnamese. There are no limitations or requirements in this bill, as I read it. That is exactly what he wants. He wants to come in and get out of here with a blank check and do whatever he should decide in the future to assist South Vietnam and pay absolutely no attention whatsoever, not an ounce of concern whatsoever, in terms of any proposals to deal with equivalent problems that Americans in this country have, not just in my district but in yours and in the district of the gentleman from Michigan and everybody else here who have situations in their districts where they need job retraining, where there are people who may well need to relocate to another part of the country where there are jobs available. And that is the kind of equity and that is the kind of equality we are talking about here.

I say to the Members if we allow the President to come in here, get this blanket authority and get out without looking at the equivalent problems Americans have, then we are establishing a double standard, and we are doing it at the expense of the people in this country who are being ignored and who are not being helped—and they number in the millions. If you come to my district, you will see they are there. I want to see them helped.

Mr. CONYERS. Mr. Chairman, I think what the gentleman is trying to make clear is that this amendment is not going to wreak any havoc or any harm upon the legislation that is under consideration. It merely holds the President to an accountability that does not exist without this amendment.

I urge its sincere consideration.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to my friend from Maryland.

Mr. SARBANES. I thank the gentleman for yielding.

I want to respond to the gentleman in the well, very quickly, on a couple of points.

First of all, it is not a blank check. We have to vote an appropriation, and at that proper time we will determine and resolve the amount.

Second, I would say to the gentleman, would that the Chief Executive would come to this Congress and say, "Give me that job bill you are working on"——

Mr. RIEGLE. This makes him do that.

Mr. SARBANES. "Give me that housing bill you are working on," and so forth. But this refugee problem now before us is our responsibility here today, the responsibility of the Congress, and I would hope we would not seek to hold these refugees hostage to that other legislation. I feel as deeply about the need for that legislation as the gentlemen do.

Mr. CONYERS. Mr. Chairman, I am not going to be able to yield to my friend any more, because it is my perception that this amendment does not harm to the legislation that the Subcommittee on the Judiciary brought before us, and I urge its passage.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in one sense, I apologize to the House for taking any more time on this amendment. I want to say that the gentleman from Maryland, in his comments just a moment ago, really hit the nail right on the head. I find that when you really get worked up over an issue, it is probably the best time not to speak.

On the other hand, what I see happening here—and I am amazed, frankly, at some of my good friends over here who are offering this and other amendments—to see this action being taken in this House that have the effect of holding these South Vietnamese refugees as prisoners ourselves for legislation that I agree should be passed is absolutely outrageous. I agree we ought to have more job legislation and more housing legislation. And if the Members look at my own record, they will find that I vote for them anywhere and at any time that I can. But that is not the issue here.

If we had this kind of an amendment 100 years ago in this Congress, half of the people in this room would not be here.

Half the people in this country probably would not be here.

I do not know how some of the Members voted last year on the Food for Peace program. I think you voted for it, Mr. RIEGLE, as I remember, and you should have; but if we apply this type of amendment, the Members would say, "No, no, we are not going to give food to those starving people, whether people are starving in India or starving at other points of the world, until we have voted all of those things for our own people."

Mr. Chairman, I am just saying that I want to do these things for our people, but we are dealing today with a disaster that has been suffered in South Vietnam with people whose lives have been endangered, and if this country and this Congress cannot respond without this kind of foolishness, I think it is really a crying shame. I would hate to have the American public think that we are seriously considering taking this kind of action. We need to get the job done. We need the money for our own people, but let us not do it at the expense of these people; let us beat the amendment overwhelmingly.

Mr. HUNGATE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, express apologies at taking the time, although it will not be much time. I feel that this is an important subject. I do not plan to offerany amendments or take any more of the Members' time than necessary, but I would like to be heard at this time on this amendment.

I think this amendment is well-intentioned, and I like the remarks of the gentleman from Michigan. I am not sure about his amendment. It may be like a fire hose that doesn't quite reach the fire. I am not sure that it is accomplishing its purpose.

I have heard discussion here about phoniness and hypocrisy. It reminds me of the story of the Evangelist who was working one night. He said, "Now, how many of you people has the devil got acting as hypocrites?" About half of them raised their hands. He said, "I see he has the other half of you lying."

I think this is as fine a group as there is anywhere, and I would not bring up anything like that, but I think it is also a mirror of the American people, and that ought to scare them to death.

Abdication? Yes, we have abdicated our authority. We are abdicating our responsibility. They talk about the dollar figure. There is no dollar figure here. The man told us right. What we are doing is delegating to the great Committee on Appropriations. We are delegating the authority to fix an amount. Let us not make any mistake. The Committee on Appropriations is putting some ceiling on it, but we are giving a blank check. I regret that.

The Members may recognize some of this. Our vote is a test on how this Congress will measure up to our spiraling deficit. Citizens groups and editorials across the country echo the hope that, finally, Congress will show some sense of responsibility toward controlling our Federal deficit.

Mr. Chairman, we must work within the $70 billion deficit figure. How can we work within it today if we are going to break it?

This legislation may cost $500 million.

You may have heard this before: "I believe that Congress response is best described as overkill."

The worst aspects are its cost implications at a time of unthinkable deficits and still-rampant inflation. This unbudgeted Federal expense simply does not fit today's priorities. The general condition of the economy would seem to call for no new Federal expenditures now.

I am taking this from other people's writing. They write better than I. I am just quoting them, and these are the words they spoke in this very Chamber, only yesterday.

This has to be regarded and accepted as a budget buster-bill. I say it is vitally important, because this is the first test of the will of this Chamber to live by the decision it made on the budget less than 2 weeks ago.

The vote will be the first and, therefore, the most crucial test of our will to stand by the provisions of our budget resolution.

If the House should repudiate the budget resolution in this first test, the American people may conclude that the much-heralded budget procedures—explained to the public as a long-needed change to business-like management of the Federal budget—is nothing but empty rhetoric. We cannot fill these bills with empty rhetoric.

Second, the bill will cause a substantial outlay of money that cannot be recovered. No one denies that the direct nonrecoverable outlays will run into millions of dollars.

This is a matter of fiscal responsibility, economic reasoning, and commonsense.

We are all aware of the budget deficit problem. It is serious, and this bill would make it worse.

With the present fiscal squeeze, this Congress will have to cut back spending on many good programs. With spending on good programs being curtailed, it should be obvious that spending on bad programs must be cut off entirely.

I would be willing to send some of those farmers whom we turned down yesterday to Vietnam and then just bringing them back would make us willing to support them and provide food for this country. We are worried about food for the world, but we are not worried about the farmers. I suppose that is narrow and parochial, and that is the way it is; but I do hope that we could some day find the same compassion for the people of this country as we find for those around the world.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to comment on the statement made by the gentleman from New York, we are going far and above opening the doors of the country to people coming in, which is part of our national tradition. We are getting into a form of subsidy that the other side of this body does not like when it applies to people in this country. For those who say that we are holding these people hostage to get jobs for American people, I would say that is a lot better than when Ambassador Graham Martin was holding American people hostage to get other people out of Saigon.

Mr. RANDALL. Mr. Chairman, if the gentleman will yield, the gentleman mentioned the farm bill, and I think it was a strange coincidence, but was it not the same day that the President vetoed the farm bill that he requested a billion dollars for Vietnam aid?

Mr. HUNGATE. That is right, it was the very same day.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan, Mr. RIEGLE.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RIEGLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 71, noes 346, not voting 16, as follows:

[Roll No. 207]

AYES—71

Abzug
Ambro
Beard, R.I.
Bedell
Blanchard
Blouin
Bonker
Brinkley
Brodhead
Burke, Calif.
Burton, John
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Dellums
Dent
Dodd
Downey
Early
Esch
Evans, Ind.
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Gaydos
Gonzalez
Harkin
Harrington
Hawkins
Hechler, W. Va.
Heckler, Mass.
Holland
Jacobs
Jenrette
Krebs
Lehman
Levitas
Maguire
McHugh
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moffett
Mottl
Neal
Nolan
Oberstar
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Randall
Rangel
Richmond
Riegle
Roush
Schroeder
St Germain
Stark
Stokes
Studds
Traxler
Weaver
Wilson, C. H.
Wirth
Wolff
Young, Ga.

NOES—346

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Drinan
du Pont
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nowak
O'Brien
O'Hara
O'Neill
Obey
Ottinger
Passman
Patman, Tex.
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—16

Barrett
Broomfield
Collins, Tex.
Diggs
Fulton
Hébert
Hightower
Hinshaw
Howard
Metcalfe
Milford
Mollohan
Roberts
Roncalio
Seiberling
Shriver

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. MINK

Mrs. MINK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. MINK: Page 2, line 9, strike out the period at the end of line 9, and insert, a comma, and the following: "excepting education assistance."

Mrs. MINK. Mr. Chairman, one of the provisions of this legislation that we are considering today deals with the matter of reimbursing State and local public agencies that provide assistance in the areas of health services and education to the evacuees that eventually will be settled in their communities. I fully recognize the fact that most of the money that is being appropriated by this bill will be spent for the care and assistance which these individuals will be required to have while they are held in the various staging areas, whether in Guam, California, Arkansas, or Florida. My concern is that once the individuals are distributed, hopefully equitably, throughout the country, that there will, nevertheless, be costs which must be borne by our States and local communities.

I think much of the concern that has been expressed by our constituents comes from their reluctance to bear any greater tax burden because of this national policy. I quite agree with this concern.

My amendment merely makes it possible, in the event that there are funds left over in this particular provision after September 30, 1977, that these funds can continue to be used for the purposes of educational assistance to these refugees. It seems to me that this is absolutely essential. It is the kind of assurance that our school districts and our communities are demanding. We are told repeatedly by news reports that over half of the evacuees are young children.

These children will require educational support.

The Department of Health, Education, and Welfare refused to tell the committee that it would be willing to provide educational assistance on any kind of a permanent basis. They refused to commit that kind of program which was given the children of the Cuban evacuees, so if we are unable to get that kind of assurance from HEW now, the least we can do is to make sure that the funds we are providing under this legislation will continue to be available so long as there are any funds for the purposes of sustaining educational programs in our communities.

It is of little consequence that the Secretary says, "Well, there will be such a few number of students in the schools that there is not going to be any burden." Let me tell the members of the committee that when we bring in a student from a foreign area who is completely unfamiliar with not only our language, but our ways, our culture, our Government, and our school system, it is going to require a comprehensive program to make that child quickly a part of our community. I am sure that is the intention of this body, to make it possible for these young children to become integrated as soon as possible. This is going to require special attention, special education in bilingual programs and bicultural activities.

My own State receives 5,000 or 6,000 imigrants from Asia each year and we find that this creates enormous problems and burdens on our local communities. I want to share this with the Members and ask that in voting for this bill today, we make sure that whatever educational programs are authorized by this legislation and implemented by the administration, will continue to be provided for our school districts well beyond the cutoff day of September 30, 1977, if there are funds.

Under my amendment as long as the Appropriation Committee funds this program, this educational assistance can continue. It is imperative that we give our local communities this kind of support and assurance that they are not going to have to pay for the special education services needed by these children. There are over 50,000 children in this group, and I think that these children need more than just 2 years of support.

Mr. Chairman, I urge all Members to give their careful attention and support to my amendment.

Mr. EILBERG. Mr. Chairman, I rise in opposition to the amendment.

Very briefly, Mr. Chairman, we would make this an open-ended authorization bill but all programs will expire on September 30, 1977. If we do this for education, what about other services? What about health? What about social services? What about employment programs? I think an argument could be made for all those, and it seems to be wrong to single out education.

Mr. Chairman, I am against open-ended authorizations generally speaking, and I am not terribly happy about having an open-ended authorization bill even for the 2 year limited period proposed in this bill, but it seems to me that we have an emergency in which quick action may be called for, and the simplest way is to have this done by the committee that can do the best—that is, by the Appropriations Committee with assistance provided by the Authorizing Committee.

What we would be doing here would be to provide an open-ended authorization for education alone. The gentlewoman is concerned, obviously, about the possible impact in her State caused by a high concentration of refugees. I think that she tends to overlook the intense hearings we had in which we went over this subject very, very carefully with HEW, with representatives of the Interagency Task Force, and every effort is being made to spread the people around the United States and to other countries.

I would like to point out that in the history we have of Vietnamese refugees, the other notable example, in France, indicates that they are easily assimilated. They are well spread around. Some 20,000 of them are there. Most of them have jobs. There is a problem with less than 1 percent as far as the need for social services is concerned. I say we should allow the executive branch, in this case HEW, to make a study of this situation on a case-by-case basis and determine whether any impacted areas develop, which we certainly hope will not occur.

If the results are that there are no impacted areas, then there certainly is no need to have an indefinite, open-ended authorization.

I suggest, Mr. Chairman, that the refugee situation, as it develops in the next few months, should be studied carefully, and I know it will be studied with the oversight of this committee. I would be the first one to suggest to our subcommittee that we extend the limit beyond September 1977, if there is any impact of the kind that the gentlewoman is concerned with in her State. I just do not see the need for this amendment at this time.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I will be happy to yield to the gentlewoman.

Mrs. MINK. It is not a concern that I have in respect to any foreseeable impact in my State. Hawaii has received only a few refugees thus far. I think what we are all concerned with is that there are no reports being submitted by the Administration to give us any idea who will have any impact, and how much of an impact it will be. My concern is the section contained in the committee report on page 10, in which the Secretary of HEW sent a report to the gentleman's committee saying that, if there are high concentrations in certain localities, we hope then to look into this issue.

I am not in my amendment suggesting that a certain specified amount be spent for education. Indeed, none may need to be required. But if such should be the case, then my amendment would say these funds should continue to be spent for education if there are any funds left in this account after September 30, 1977, because education support should not be arbitrarily cut off, and must by its nature be required for more than 2 years.

Mr. EILBERG. My recollection of the testimony was that they would look at the situation with a positive assurance there would be 100-percent return during that 2-year period if there is a high concentration and a substantial impact on a particular school district.

It is not a matter of "We will see what we can do." It is a guarantee that there will be that kind of assistance. And if the gentlewoman would answer the question, if we do this for education, what about the other services? What argument can the gentlewoman make for picking education and not other services?

Mrs. MINK. I assume that kind of assistance you are discussing would be in the category of an emergency. We would expect this would not be required for longer than 2 years. But education assistance is not something you can terminate after 2 years. The youngsters are going to require this at least throughout their elementary years and through high school

Mr. EILBERG. I fail to see the differentiation the gentlewoman makes.

Mr. DANIELSON. Mr. Chairman, I rise in support of the amendment.

I would like to state that, while it may be true that other services should be continued beyond September 30, 1977, it is certainly true that the facilities for education should be continued. Education is, without doubt, the one most essential service to be provided if we are going to properly assimilate these new refugees into our society.

The committee has stated in its report that:

> The Committee anticipates that HEW will develop procedures to insure that local communities will not be adversely affected by the resettlement of refugees.

What local communities need to know, and as soon as possible, is what their plans and policies will be. In particular, school systems—which must hire bilingual teachers and aides, provide instructional materials, and do many other things—need to know what funds will be available to them, and when they will be available.

In the committee report an HEW official is said to have stated that:

> If there are only a couple or 10 children in one school system, we do not feel that that would require a special per pupil impact aid provision.

Regardless of the size of the school system, the point is that someone must pay the cost of educating these refugee children. The impact of 10 children on a small school district could cause a serious difficulty for that district, and the question is whether the Federal Government is going to pay it, or whether the local school systems will be forced to assume the cost.

School budgets are relatively fixed, and in most cases the school systems have no means of obtaining additional funds to meet unexpected needs and extra costs such as those imposed by the refugee children.

The Federal Government is imposing

these children upon the local education agencies, and the Federal Government should pay the costs, certainly for the first year, and thereafter until the refugees have been assimilated into our society and the parents have found jobs and have begun paying taxes.

It is granted that at this point no one knows how many refugees there will be in any one State or locality, or what their language and education status is, or how long they will need help, or many other of the variables. What we are asking is that just as soon as some of these factors are known, the administration come up with a definite plan as to how it will reimburse local school systems for the costs of educating refugee children. That plan should be submitted in writing to the Congress, so we can study it and evaluate its effects on our local areas, and propose such changes as we think may be in order.

It has been implied that local schools can simply assimilate the refugee children and that there will be no substantial added costs. This overlooks the fact that class sizes throughout the country are fixed, frequently by State law or municipal ordinance, or by the availability of facilities and teaching staff, aides, and by teacher union agreements. When additional children are to be accommodated, there are definite additional costs which must be paid, on a per-pupil basis; the system does not permit us to add more children without paying additional costs.

The national average expenditure for each pupil in the school system is about $1,300 to $1,400 for this current year, according to statistics released by the National Center for Educational Statistics of the Department of HEW.

Bilingual children are "high-cost" children. Because of their limited English-speaking ability, and their inability to read ordinary textbooks or other instructional materials, it costs on the average about $400 additional per child to provide adequate education for such children. This means that the real cost per child for these refugee children will be a total of about $1,700 per child, for this coming school year.

If the estimate from HEW is correct, and a half of the 113,000 refugees are of school age, this means that the total expense to be paid by State and local education agencies in educating the refugee children will be $96 million for this coming school year—56,500 children times $1,700—and we do not know how long this will continue.

To require local educational agencies to furnish this service without remuneration adds an intolerable burden to that part of our governmental system which is least able to bear it. The public schools are laboring under extreme financial difficulties. In the State of California, for example, the School Boards Association recently completed a survey which showed that 213 school districts, representing about 60 percent of the education expenditures in the State as a whole, reported that they will be $221 million short of being able to meet the impact of inflation on their operating budgets. Many other States can cite equally discouraging figures.

In the case of the State of California, assume that we will receive only 10 percent of the refugees and therefore 5,650 children to be educated—a figure which I am sure is very low. But if you then take our State average per-pupil expenditure as adjusted for inflation, which amounts to about $1,400 per child for this coming year, the taxpayers of our State will have to pay $7.9 million to educate refugee children. But then if you add the high-cost factor of $400 per child, the total bill will be about $10.17 million for our State alone.

Mr. Chairman, I urge the adoption of the Mink amendment since this educational burden will not extend beyond September 30, 1977.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I, too, would like to associate myself with the gentleman's remarks.

It is going to be my posture to try to hold the committee bill as best we can, but this particular amendment of our colleague, the gentlewoman from Hawaii, is in order. If we do find that there is a certain heavier number of Vietnamese in one community than in another, the educational program is just as essential to it, and I think this amendment gives real meaning and viability to this very important piece of legislation.

Mr. DANIELSON. Mr. Chairman, I thank the gentleman very much. These refugees are the guests of all of the United States, not simply of the local communities in which they will be settled.

Mr. Chairman, I urge the support of the Mink amendment.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for yielding.

I just want to express my own reluctant opposition to this amendment. While I respect very much the gentlewoman from Hawaii, and surely there are possibly adequate safeguards, I think that purpose is best served if the basic authorization question can go back to the House Committee on the Judiciary instead of turning it over to the Committee on Appropriations.

Mr. FISH. Would it be the view of the gentlewoman from New York, from the testimony that we had from representatives of HEW, that this amendment which excepts educational assistance would mean that we would lose foster-care assistance for children, day care, and the head-of-the-household provisions that are all part of child care but differ from education and that therefore this amendment is concerned with just a part of the total problem of supportive services of HEW?

Ms. HOLTZMAN. That is correct. I would like to see the Subcommittee on Immigration in a position to review that problem at a later time so that we can see that the problem is fairly dealt with.

Mr. FISH. Mr. Chairman, if we are talking here about uniformity and about these children being the responsibility of the entire country, I do not think justice can be done to this problem by the addition of three words in this authorization bill. This should be directed to the competent jurisdiction and not addressed to this bill. I know the gentlewoman from Hawaii is concerned as Hawaii has one of the finest and costliest educational systems.

I can only guarantee to the gentlewoman that up to the period in late December 1977, there will be the 100 percent HEW reimbursement to the State and local services, including education, and they will be at the Hawaiian standard, and total reimbursement for the gentlewoman.

Mrs. MINK. There is nothing in the committee report or the bill which suggests that HEW is going to reimburse anybody 100 percent for their educational costs for the refugee children. If there were such assurances I am sure there would not be this kind of concern expressed by the people in California, and in my State. It is purely discretionary, it is my view that it is arbitrary, but if it is offered it should be permitted to extend beyond the cutoff date of December 31, 1977.

Mr. FISH. I do not want to take the time of the entire committee to refute what the gentlewoman from Hawaii has said, that there is no record. I would prefer it if the gentlewoman would take my word that there will be 100 percent reimbursement, and at the rate of the existing State and localities' going rate, which would be in this case a higher one than normal.

Mr. Chairman, I recognize the intent of the amendment, but regretfully I cannot accept it, because there is absolutely no desire to repeat the Dade County situation where they were inundated with Cuban refugees. The entire purpose here is to disperse the refugees. As I said earlier, as of this moment 48 States have received resettled refugees, and the entire purpose of this is to avoid the impact whether it be on the educational, labor, or whatever.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

I had not intended to speak, but the debate has made me uneasy because it is very possible that certain of the States will have a huge financial burden because of additional school expenses. And we are assured by members of the committee, and we were assured in the debate when the bill was adopted by the full Committee on the Judiciary, and I supported the bill there, and I intend to support it again, that somehow or other this money would be repaid to the States.

The gentleman from New York (Mr.

FISH) says that this is in the bill. I do not see it in the bill.

I would like to ask the Chairman of the subcommittee, the gentleman from Pennsylvania (Mr. EILBERG) where it is in the bill. We should not accept a letter from HEW because HEW does not make these decisions; we make the decisions.

Mr. EILBERG. Mr. Chairman, if the gentleman will yield, in response to the inquiry of the gentleman from California (Mr. EDWARDS), it does not appear in the bill. The committee heard extensive testimony by Miss Taft, who was the representative of HEW for extensive care, and her language was that if there were just a few children involved in a school district that they would not consider that as justifying such an impact that it would be required to be reimbursed, but if a community indeed had such an impact as we have discussed, that there would be 100 percent reimbursement to that community. That was the assurance that was given us during the course of the testimony by the HEW representative at our hearings.

Mr. EDWARDS of California. Mr. Chairman, I thank the gentleman from Pennsylvania for that response, but I do not think that promises of any agency should be a substitute for law, especially when we are authorizing hundreds of millions of dollars.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I wish to tell the gentleman from California that I very much share the gentleman's concern. It seems to me that the best way to deal with the question of any inequities or any undue burden that any State or locality will have to bear is not to authorize this program in perpetuity, and turn over the authority to the Committee on Appropriations, but to retain the authority to the Committee on the Judiciary of the House to iron out any inequities under the program.

I share the gentleman's concern, and it is for that reason that I oppose, reluctantly, the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

Mr. EDWARDS of California. The gentlewoman is correct that we will not have this subject come up again before us, because we will give up our authority; is that correct?

Ms. HOLTZMAN. That is correct, if I may answer the gentleman. If the gentlewoman's amendment is accepted, then we remove the question of education aid from authorization bills. That concerns me.

Mr. EDWARDS of California. The gentlewoman is referring to her amendment? Is she going to offer her amendment so that there will have to be a new authorization?

Ms. HOLTZMAN. I intend to offer my amendment, but the same concern that gave rise to my amendment arises here, namely, that after 2 years, under the committee bill, we can reexamine how the education program is working. With the gentlewoman's amendment, the Committee on the Judiciary will not have to reexamine the education program, and that troubles me very much. I want to make sure that there is not going to be any inequity in the distribution of education funds. We may have very strange interpretations of impact aid under this bill, and I would like to make sure there is no inequity.

Mr. EDWARDS of California. I thank the gentlewoman.

Mr. Chairman, although the Department of Health, Education, and Welfare has estimated that 50 percent of the 113,000 refugees from Vietnam and Cambodia are of school age, Ms. Julia Taft, the Deputy Assistant Secretary of Health, Education, and Welfare for Human Development, has told the House Appropriations Subcommittee on Foreign Operations that there specifically is no proposal to repay State and local education agencies for the costs incurred in educating them.

The current average per pupil expenditure for school systems throughout the United States is approximately $1,300 per year. This means that unless something is done to remedy this situation, the State and local education agencies throughout the country, and the taxpayers who support those agencies, will have to assume $73,450,000 in added costs during the coming academic year for the education of the refugee children.

To require educational agencies to furnish this service without remuneration adds an intolerable burden to that part of our governmental system which is least able to bear it. The public schools of our country are laboring under extreme financial difficulties. In the State of California, for example, the School Boards Association recently completed a survey which shows that 213 school districts, representing about 60 percent of the educational expenditures in the State as a whole, reported that they will be $221 million short of being able to meet the impact of inflation on their operating budgets. Many other States can cite equally discouraging figures.

In response to expressions of concern about the costs of educating the refugee children, HEW representatives have explained that by spreading out the refugees throughout the 50 States, they hope to reduce the impact on the educational system. However, regardless of the extent to which the children may be spread out, the costs of their education still must be paid, at least until such time as their parents have been integrated into our society and have begun earning their way and paying taxes.

Our country has an obvious moral responsibility to accept these displaced persons. However, the Federal Government also bears a responsibility to reimburse hard-pressed State and local agencies for the costs which they will inevitably incur in providing necessary education for the refugee children. To do otherwise would impose on the local taxpayer a burden which is unreasonable and unacceptable.

I urge the approval of the gentleman from Hawaii.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. MINK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 80, noes 327, not voting 26, as follows:

[Roll No. 208]

AYES—80

Abzug
Anderson, Calif.
Bingham
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Clay
Conyers
Corman
Danielson
Dellums
Diggs
Drinan
Early
Eckhardt
Edwards, Calif.
Esch
Fisher
Fithian
Flood
Ford, Mich.
Ford, Tenn.
Fraser
Goldwater
Gonzalez
Green
Hannaford
Harkin
Harrington
Hawkins
Hechler, W. Va.
Helstoski
Jacobs
Johnson, Calif.
Johnson, Colo.
Keys
Krebs
Lagomarsino
Leggett
McCormack
Meeds
Melcher
Meyner
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moorhead, Calif.
Moss
Nix
Nolan
O'Hara
Ottinger
Patterson, Calif.
Randall
Rangel
Richmond
Risenhoover
Rosenthal
Roybal
Scheuer
Schroeder
Seiberling
Simon
Spellman
Stanton, James V.
Stark
Stokes
Thompson
Traxler
Udall
Vanik
Waxman
Wilson, C. H.
Young, Ga.

NOES—327

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
du Pont
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hefner
Heinz
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Pa.
Jones, Ala.

Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krueger
LaFalce
Landrum
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Mezvinsky
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
O'Brien
Oberstar
Obey
Passman
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Reuss
Riegle
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
St Germain
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—26

Barrett
Broomfield
Cederberg
Fulton
Hébert
Heckler, Mass.
Hightower
Hinshaw
Howard
Metcalfe
Michel
Milford
Mollohan
Morgan
O'Neill
Price
Rhodes
Roberts
Roncalio
Ryan
Shriver
Steiger, Wis.
Teague
Whitten
Wilson, Bob
Wirth

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN: Page 1, line 8, insert immediately after "necessary" the following: ", but not to exceed $507,000,000,".

Ms. HOLTZMAN. Mr. Chairman, I would like to be very brief. In essence, the purpose of my amendment is to set a ceiling on the amounts authorized in this bill. As the bill stands now, it is an open-ended authorization for a 2-year period. I think that, consistent with our responsibilities as an authorizing committee, there ought to be a ceiling on this bill so that, in the event an additional amount is needed, we can play a role in scrutinizing the requests. The ceiling I suggest is $507 million—the amount the President requested.

Some people may say that the amount authorized should be the amount suggested by the Appropriations Committee. I disagree. The Appropriations Committee has suggested $405 million, but that is based on certain assumptions with respect to the number of refugees coming into this country.

I think the assumptions may be wrong, and I agree with the statements that have been made that the situation is in a state of flux. We need to allow ourselves some leeway which my amendment accomplishes.

I do think it is incumbent upon us, in authorizing legislation, to put a limitation on the bill. Then, if additional funds are needed, the Judiciary Committee can play a role in overseeing the program. This does not—let me emphasize—put us on record in support of a specific amount. My amendment simply allows the Committee on Appropriations to appropriate whatever is necessary, up to the $507 million initially requested by the President of the United States.

AMENDMENT OFFERED BY MR. BLOUIN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MS. HOLTZMAN

Mr. BLOUIN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLOUIN as a substitute for the amendment offered by Ms. HOLTZMAN: On page 2 line 2 strike out the period and insert: "*Provided*, That such sums do not exceed $405,000,000."

Mr. BLOUIN. Mr. Chairman and Members of the House, we are talking about the same subject. This is simply a different level of authorization. It seemed to me that this was probably the fairest, most logical way to get both figures before the committee.

The appropriation bill which will follow will appropriate moneys, as I understand it, in the sum of $405 million. My amendment, if adopted, would set the authorization level at the exact, same amount of money, no more, or less—the same amount of money.

Mr. Chairman, I have an inherent fear or maybe an overconcern as to open-ended appropriations and open-ended authorizations. I do not like funding programs under that procedure. I have never thought too kindly about that.

I seem to remember that the chairman a few moments ago mentioned himself that he did not like the concept of open-ended funding. I think that all our amendments do is to give the chairman and all of those in this body who are concerned about fiscal responsibility an opportunity to demonstrate that concern.

It also gives us, as a Congress, the necessary requirement of reviewing this whole authority before any additional moneys over that $405 million lid are ever committed or before the bill is extended beyond that September 30, 1977, cutoff date.

It seems to me, then, that we literally put ourselves in the position of having to take another look at it, and I think that is just where we ought to be. If we are really going to assume the leadership as a body in attempting to formulate the direction of policies internally and externally, it seems to me that we have to start with this type of lid on authority. Wherever we end up, whether it is at the level suggested by the gentlewoman from New York (Ms. HOLTZMAN) or at mine or at any others, is really secondary to the purpose and the lid on the authority within this legislation.

That is all it does, purely and simply. I do not think there is much else anyone can say about it except that I cannot understand how anyone can oppose it.

Mr. Chairman, I would like to hear some of the reasons for the opposition, if there is any.

Mr. FISH. Mr. Chairman, I rise in opposition to the amendment of both the gentlewoman from New York and the substitute amendment of the gentleman from Iowa.

This has been a matter of tremendous concern and discussion in the subcommittee and the full committee over the past week. It has been the majority view in both bodies that a cap of either figure would not be in the best interests of the program.

I can sympathize with the issues raised here in the last few minutes as to the need for a limitation. I would answer the gentleman by saying that the program is limited in terms of time. Most of it ends in a 14-month period from now, at the end of fiscal year 1976, except for the HEW aspects, which terminate at the end of fiscal year 1977, 15 months thereafter.

There is also section 4 providing for current reporting by the President to the House Committee on the Judiciary and to the Senate Committee on Foreign Relations. That is where we are going to get perhaps even weekly reports or reports as frequently as we wish to have them on the implementation of this bill.

One of the major reasons that it was difficult to come up with any cap figure was because of the question of the supportive services that these refugees would need.

Mr. Chairman, the gentleman from Iowa and the gentlewoman from New York, certainly from her participation during every minute spent in the last few weeks on this matter, know that we have a good profile on the first large group of refugees. These were people identified as employees of the U.S. Government, as employees of companies, American companies, and others as relatives of Vietnamese nations admitted to permanent residence, or of American citizens who came from Vietnam.

These people are educated and have a high incidence of speaking English. What we do not know is the makeup of the 62,000-plus people who are either en route to the western Pacific restaging areas or who are already at the western Pacific restaging areas. The actual figure today is 62,793.

The Members will recall that these are the people who went out under their own steam in sampans, commercial boats, fishing boats, and what-not, and were picked up in the South China Sea, not just by U.S. vessels, but by foreign-flag carriers. They do not fit the profile of the first group that was identified in the evacuation, and therefore may, because of this reason, require considerably more supportive services.

Another factor in here, and it is important, is that the figures change. In the last 24-hour period alone almost a 1,000-figure change was made to the number in the western Pacific restaging areas. It is just one of those factors that we are not totally aware of now.

Finally I would like to have the attention, particularly, of the gentlewoman from Hawaii (Mrs. Mink) and the gentleman from California (Mr. Danielson) because this relates to their concern for that aid which was presented to us with respect to HEW's supportive services. These figures had to be given to us early in May when we were undertaking our consideration of this measure. The figure is $125 million for subsequent welfare and medical care under HEW for the fiscal year 1976 and the remaining month and a half of this fiscal year, and it would be totally inadequate for the 15 months thereafter in fiscal 1977 that is contemplated in this authorization bill.

It well may be that the 507 figure may not be reached, or that it may be exceeded.

I can assure the Members from the testimony of HEW given before the Committee on Appropriations today, or perhaps it was yesterday, that the $407 million figure is totally inadequate, and they will have to come back for a supplemental appropriation because they can demonstrate, as I hope I have been able to demonstrate to you, that we do not know at this time what will be needed in the way of supportive services, and rather than having to come back with a new authorization bill and an appropriation bill and a supplemental, the better course would be to leave it open.

Mr. HALEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is very seldom that the gentleman from Florida comes to the well of this House to make a speech of any kind, but I wish to say this to the Members of the House: That I can see no good reason why we could not put a ceiling on the moneys that we authorize here.

In the committee in which I have the honor to serve as chairman, I have tried to do that for 20-some-odd years. We should put a ceiling on this. Why should not the Congress and the people know how much money a program is going to cost? If it is going to cost more, then the thing to do is to let them come back here to the Congress and justify the expenditures of the Federal moneys which are the taxpayers' money, and give an accounting on why they want it.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. HALEY. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I want to thank the gentleman for his remarks. I agree with the gentleman that it is fundamental to the legislative process that we set a limit in authorization bills.

I agree with the gentleman from New York (Mr. Fish) that there is uncertainty as to the exact amounts needed—and that is why I set as the ceiling in my amendment the amount that the President requested rather than the amount the Committee on Appropriations set. But uncertainty is no reason why the Congress and the House Judiciary Committee should not be involved, if additional amounts requested exceed the present limits. What we are saying, if we reject my amendment, is that we do not trust ourselves to legislate on this matter, and I, for one, think we can trust ourselves. I appreciate the gentleman's support.

Mr. HALEY. I thank the gentlewoman.

Mr. SARBANES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would hope the position we find ourselves in with the two amendments before us, each with a different dollar figure, might perhaps underscore what I think was a wise decision by the subcommittee and the committee not to put in a dollar figure with respect to this authorizing legislation. Not a dollar—not a dollar—can be spent until it is appropriated, and any appropriation must be in specific dollar amounts. So the argument that somehow this House is losing control over the amount of dollars that will go into this program is not correct. No dollars can get into this program until the Committee on Appropriations brings forward a dollar appropriation amount and it is approved by the House.

In this authorizing legislation we in effect made the judgment that there was a need and a necessity to have such a program. If we are going to put in a dollar authorizing figure, we have to make some judgment as to what that figure ought to be in an extremely fluid situation in which the facts are changing daily. It would seem to be the better approach for the authorizing committee to make the fundamental decision as to the need for the program, to connect that fundamental decision with the limitations and restrictions that are in the Migration and Refugee Assistance Act of 1962 which govern how that money can be used and place limitations upon it. It is not enough also to look only at H.R. 6755. One must also go to the Migration and Refugee Assistance Act of 1962 and look at its provisions because it is incorporated here in terms of the statutory scheme for this assistance for Vietnamese and Cambodian refugees.

The second thing is this is not an open-ended authorization because there is a time limitation upon it. At a point in time not all that far away, if there is a desire still to continue the program, the administration will have to return to the Congress for a further authorization. In the time covered by the legislation, which is until June 30, 1976 for most of the program, and a year later for the part of it carried out by HEW, in the interim period the dollar figure level will be controlled by the action of the Committee on Appropriations and the House.

To seek to establish an authorization dollar figure, it seems to me, is to depart from what in this instance makes for a wise legislative strategy. But I want it clearly understood not a dollar can get out of this House and into any of these programs until the dollar amount has been approved by the House, and that would be acted upon after reports of the Committee on Appropriations.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. SARBANES. I yield to the gentlewoman from New York.

Ms. ABZUG. I thank the gentleman for yielding.

I am a little confused by this. We are all on committees which authorize legislation, and we usually set a dollar amount.

Mr. SARBANES. Sometimes we do, and sometimes we do not.

Ms. ABZUG. We put down an amount that we think should be expended. The question I am asking is, in view of the fact that we have a lot of problems with this legislation—many of us are supporting it, but there are many questions—there is a responsibility, it seems to me, on the committee which considers the substance to give some guidance in terms of the amount of money and ceiling at least, that should be imposed. I cannot understand the gentleman's reasoning except that he is unwilling to have a final amount set or have any ceiling. I think it is sloppy draftsmanship, and I think it is inappropriate for authorizing legislation to omit a sum certain and a shirking of responsibility on the part of an authorizing committee. I do not understand what the gentleman is saying up there all this time, although I respect him greatly.

Mr. SARBANES. First, I regret greatly that the gentlewoman from New York does not understand the argument I was trying to make. What we are trying to do, and this is a matter of how to proceed legislatively on this issue, is for the authorizing committee to make the judgment as to whether we should have a program and what the general limitations upon it should be, but the determination as to the dollar amount is to be made by the Appropriations Committee, which it must be in any event.

The gentlewoman from New York is not going to lose her input into the dollar figure because the figure that comes to her from the Appropriations Committee will be before her for action then.

If this legislation did not have a time factor on the legislation, in other words if the time factor were indefinite and in addition there was not a dollar figure, then I think there would be merit to the gentlewoman's argument, but there is a time limitation.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I would like to try not to bring in open-ended legislation, but it is hard not to in this instance. But let me first, in response to both gentlewomen from New York, say I would like to remind the gentlewomen and the Members that this is an emergency situation, and to bear that out I will read from the report of the House Committee on Appropriations on this measure, on this matter, where they report out $405 million. I will read two sentences:

> . . . the Committee wants to make it clear that at this time it is impossible to determine how many refugees will finally be processed or the actual per capita costs that will be involved in the refugees. Because of the current fluid situation and the lack of availability of hard figures at this time, the Committee felt Congress should move cautiously in this area until the situation begins to stabilize.

Then separately the committee states this:

> The Committee recommends the amount in the bill for the purpose of funding this portion of the refugee program on a stopgap basis until more definitive data is available to determine what the actual needs will be.

It is obvious from the report of the Committee on Appropriations that they regard this as we do, that this is a very fluid situation. This Congress has many things to do and I personally think there is no need for us to come back to this Chamber in 3 or 4 weeks or 2 months from now perhaps and go over this same groundwork again. It seems to me we will be serving the needs of the House and of the country if we deal with this as well and as expeditiously as we can.

We do not know how many refugees are going to third countries. We do not know, of those who are at sea and over whom the United States has no control at the present time, how many will need welfare support. We are dealing with a fluid and emergency situation that may change radically in the weeks ahead. This is a very extraordinary situation. I say again I am generally opposed to open-end authorization, but it seems to me we will be serving the needs of the House and the best interest of the country by allowing in this case an open-end authorization.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. EILBERG. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank my chairman for yielding.

I would like to note first that I think the other amendment that has been offered, that sets $405 million instead of $507 million as a ceiling, is really not appropriate because it does not recognize that we should provide legislative flexibility to meet future needs.

On the other hand I would like to ask the distinguished chairman of the subcommittee, What is the problem with having the House reconsider this program if more than the $507 million which the President originally requested is needed? The reason is that this bill has no standards or guidelines for the distribution of educational assistance, health assistance or the like. Instead, we are relying on the Migration and Refugee Assistance Act of 1962. If there should be a need for additional money, we will have the opportunity to see whether the resettlement problem has been appropriately dealt with. At that time the legislative committee may wish to set some guidelines to improve the operation of these programs.

Mr. EILBERG. Mr. Chairman, if I may respond to the gentlewoman, I hope she does not think I am in any way trying to shirk my duty or responsibility by not working, because she as a member of the subcommittee knows how hard this subcommittee has been working for several weeks, frequently day after day and long into the night.

It could very easily be that the figure may go over $507 million. I do not think the gentlewoman wants to and I do not think we need to go through the very laborious process we have gone through in the last few weeks. The gentlewoman and I and others who worked so hard on this measure could be spending the time on other constructive legislation to serve the national needs.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the gentlewoman's amendment.

Mr. Chairman, as a Member of the Committee on Appropriations, I can appreciate the argument that we do not have to worry about setting a dollar figure here, because we will take good care of it in the Committee on Appropriations. That may or may not always be the case, but it seems to me it does not hurt in this Congress to have extra oversight in the expenditure of public funds. If we have two, rather than one oversight function the public does not suffer. While it means that we have to work on it twice in the Congress, I think we protect the public interest. In many areas we want legislation which sets an understandable figure, not for appropriation purposes, but it says, "Yes, we, the legislative committee, are in favor of such and such a program and we think the people of the United States ought to spend an overall amount of so many millions of dollars on it." From there we identify the expenditures and have an appropriation. Now, what is wrong with that?

Miss JORDAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentlewoman from Texas.

Miss JORDAN. Mr. Chairman, I would like to associate myself with the gentleman's remarks and observe that it is the height of abdication of authorization responsibility for the Committee on the Judiciary to have to come to this floor without placing any parameters on the amount of money that should be spent on this worthy cause.

I support the Holtzman amendment, and I think the gentleman in the well feels the same way.

Mr. GIAIMO. Exactly; I feel the same way. I am wholeheartedly in favor of this program to lend assistance for South Vietnam refugees. I want this program and I want it to pass; but I certainly think we ought to tell the American people tonight that we are for this program and that it is a $507-million program at best, rather than say to the American people, "I am for a refugee program and I have no concern at all as to what the cost may be. It will be such items and such amounts as may be requested by the Executive or the Appropriations Committee."

I see no harm in having an authorization figure in this area.

Then I must also say, it disturbs me not to have an authorization for the reasons that the gentleman from Texas has just stated. For years we in this Congress have been fighting, to do what? To get away from the idea of saying to the Executive, "Here, we have a tough situation, Mr. Executive. You take it and handle it. Don't bother us with it."

Let Congress set the amounts. Let us set the authorizing figure. Let us say the size that we want this refugee program to be. If it is not enough, I will say to the gentleman from Pennsylvania, let the President come back in with another request for authorization.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Chairman, we had extensive testimony on the budget of estimates of $507 million. All the witnesses, I say all the witnesses indicated to us this was a rough estimate. The figure of $507 million is not a proven figure. It is not a precise figure. It is a very rough figure. So I do not understand the magic of the figure $507 million, which is being presented by the gentleman and the gentlewoman.

We heard carefully from many, many witnesses, these were just emergency figures.

Mr. GIAIMO. Mr. Chairman, I understand it is emergency legislation. They need it in a hurry. To the credit of the gentleman and his committee it was voted out in a hurry. I see no harm in holding their feet to the fire by mandating an authorized amount.

If they have to come back in a month or a week or whatever, we can act quickly by legislating as we are doing today. We will demonstrate that this Congress can move and act quickly. I do not see that we take away from the process if we add an additional congressional safeguard; namely, the authorizing procedure.

Mr. Chairman, I support the amendment offered by the gentlewoman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. BLOUIN) as a substitute for the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The question was taken; and on a division (demanded by Mr. BLOUIN) there were—ayes 18, noes 77.

So the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. EILBERG. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 353, noes 54, not voting 26, as follows:

[Roll No. 209]

AYES—353

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boland
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conlan
Conyers
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
du Pont
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Macdonald
Madden
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McCloskey
McCollister
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oberstar
Obey
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—54

Ambro
Anderson, Ill.
Aspin
Badillo
Baldus
Biester
Boggs
Bolling
Brademas
Brown, Calif.
Burgener
Butler
Chappell
Clancy
Collins, Tex.
Conable
Conte
Eilberg
Erlenborn
Eshleman
Fenwick
Findley
Fish
Forsythe
Fraser
Gonzalez
Gude
Guyer
Hayes, Ind.
Hutchinson
Hyde
Koch
Lagomarsino
Madigan
McClory
McEwen
McFall
O'Hara
Ottinger
Passman
Patten, N.J.
Peyser
Railsback
Robinson
Rodino
Sarbanes
Sikes
Smith, Iowa
Solarz
Steiger, Ariz.
Walsh
Waxman
Wydler
Yates

NOT VOTING—26

Barrett
Beard, Tenn.
Broomfield
Cederberg
Corman
Diggs
Duncan, Oreg.
Hébert
Hightower
Hinshaw
Howard
Metcalfe
Michel
Milford
Mills
Mollohan
Morgan
O'Neill
Price
Rhodes
Roberts
Roncalio
Shriver
Teague
Wilson, Bob
Wirth

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DAN DANIEL

Mr. DAN DANIEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAN DANIEL: Page 2, line 1, immediately after "Vietnam" and their families insert: "and who prior to such flight had performed unique services of vital importance to the furtherance of American interests".

Mr. DAN DANIEL. Mr. Chairman, I can understand the desire of any and all South Vietnamese who wished to leave that land. I am aware, as well, of the very real concern on the part of many Americans at the prospect that large numbers of South Vietnamese may soon be competing for what few jobs there are available in our present economy.

And further, if press reports are to be believed, there are many among the refugees whose recent pasts can best be described as unsavory.

On the other hand, there is one group of South Vietnamese and Cambodians to which this country has a real debt. These are the people who have served the U.S. interests in Southeast Asia and who have performed services the nature of which would place their lives or their freedom in jeopardy.

Agencies of the U.S. Government know who these people are. And they know the debt which is owed to them. These people stood by us when we needed them. We can do no less in return.

Mr. EILBERG. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Was it the gentleman's intention when he presented his amendment to withdraw his amendment at this time? It was my impression it was his intention to do that at this time.

Mr. DAN DANIEL. It is my intention not to ask for a vote on the amendment.

Mr. EILBERG. I say that for the enlightenment of the Chair and the Members.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. DAN DANIEL).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to the bill? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFALL) having assumed the chair, Mr. UDALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees, pursuant to House Resolution 461, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. EILBERG. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 381, nays 31, answered "present" 5, not voting 16, as follows:

[Roll No. 210]

YEAS—381

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane

D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
du Pont
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Hastings
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
O'Hara
O'Neill
Oberstar
Obey
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—31

Andrews, N.C.
Bevill
Brooks
Burleson, Tex.
Carney
Clay
Collins, Tex.
Conyers
Dent
Duncan, Tenn.
Gaydos
Haley
Harsha
Hawkins
Hechler, W. Va.
Hefner
Hungate
Jenrette
Jones, N.C.
Lujan
Miller, Ohio
Mitchell, Md.
Montgomery
Mottl
Randall
Runnels
Shipley
Shuster
Snyder
Stokes
Traxler

ANSWERED "PRESENT"—5

Burke, Calif.
Burton, John
Collins, Ill.
Ford, Tenn.
Riegle

NOT VOTING—16

Alexander
Barrett
Burke, Fla.
Corman
Hébert
Hightower
Hinshaw
Howard
Metcalfe
Milford
Mills
Mollohan
Patman, Tex.
Roberts
Roncalio
Shriver

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Shriver.
Mr. Barrett with Mr. Metcalfe.
Mr. Alexander with Mr. Milford.
Mr. Howard with Mr. Roncalio.
Mr. Mollohan with Mr. Burke of Florida.
Mr. Corman with Mr. Roberts.
Mr. Hightower with Mr. Patman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 6755 just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TOMORROW, MAY 15, 1975, WHILE THE HOUSE IS IN SESSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research, Development, and Demonstration of the Committee on Science and Technology may sit on Thursday, May 15, 1975, while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

SPECIAL APPROPRIATIONS FOR ASSISTANCE TO REFUGEES FROM CAMBODIA AND VIETNAM

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 462 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 462

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI and clause 7 of rule XXI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6894) making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes, and all points of order against said bill for failure to comply with the provisions of clause 2, rule XXI are hereby waived.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, a reading of the resolution makes it clear that this is a waiver of points of order to make it possible to consider an appropriation bill tonight.

I urge the adoption of the resolution, and I reserve the balance of my time.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution waives two clauses of House Rule XXI. It waives clause 2 which prohibits appropriations for matters not previously authorized; and it waives clause 7 which is the 3-day rule for Appropriations Committee hearings and reports. Again this is a matter of two emergency waivers. Before final action is taken on this appropriation bill for refugee assistance, we will have taken action on the refugee authorization. The resolution also waives clause 2(1)(G) of rule XI.

I earlier commended the House Judiciary Committee on its thorough yet expeditious reporting of the authorization request; and I now wish to extend that commendation to the Appropriations Committee. We have demonstrated in these two bills that we can act quickly and responsibly in a genuine emergency, and the current refugee situation certainly qualifies under that heading.

Mr. Speaker, the legislation which this rule makes in order appropriates $305 million for the relocation and resettlement of Indochina refugees through June 30, 1976, and another $100 million in assistance for refugees in the United States. As has already been made clear during discussion of the authorization, these funds are urgently needed to break the current bottleneck at the various refugee centers and assist private and public agencies with the resettlement process and related services. Mr. Speaker, while the administration had originally requested $507 million, this was based on an estimate of 150,000 refugees. The actual number now stands at around 115,000, and thus this reduction of $102 million tends to reflect needs based on these most recent figures. The President's Director of the Interagency Task Force on Refugees, L. Dean Brown, has termed this bill, "a solid endorsement of the President's request," and he went on to say, "We will work with this, and if it does not work, we will come back for more."

Mr. Speaker, I think the major concern of many Americans has been the potential impact of such a large influx of refugees on an already strained economy. But the fact is that of the 115,000 refugees, about 60 percent are children, some 20,000 have American sponsors, and only about 30,000 are heads of households and thus potential job seekers. Early profiles indicate that the majority of these are highly skilled and educated and can be absorbed easily into our labor force. We are all aware of the fact that when the French were defeated at Dienbienphu and Vietnam was partioned, some 700,000 Vietnamese fled from the north to the south. What is little noted is the fact that 60,000 migrated to France and most were easily absorbed into that society. If France, which is one-fourth the population of the United States, can absorb half the number of refugees now at our doors, I am confident that this great "melting pot" can handle the refugee challenge without serious discomfort or dislocation. We owe it to ourselves and our heritage as a Nation of immigrants and the land of the free to open our doors and welcome these new immigrants.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MAHON. Mr. Speaker, pursuant to the rule just granted, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6894) making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Michigan (Mr. CEDERBERG) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6894), with Mr. MEEDS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Pursuant to the unanimous-consent agreement, the gentleman from Texas (Mr. MAHON) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. CEDERBERG) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I shall at the proper time ask unanimous consent for all Members to revise and extend their remarks in connection with this bill providing appropriations for Vietnam and Cambodian refugees.

Mr. Chairman, I think if we will proceed expeditiously, we can dispose of this bill rather quickly, and then we would hope to agree to the conference report on the jobs bill, which has been pending since about March 12.

Mr. Chairman, I would like to say that in view of the fact that we have just had lengthy debate on the authorization bill for aid to refugees, it should not be necessary to have similar debate now on the appropriation bill. I think most Members who wanted to speak on this legislation have already expressed their views. Therefore, I am hoping that we can move along rather expeditiously.

Let me say to the House that in handling a bill of this nature in the Committee on Appropriations, we utilize the subcommittees of the Appropriations Committee. The hearings and markup on this bill were conducted by the Subcommittee on Foreign Operations chaired by the gentleman from Louisiana (Mr. PASSMAN).

I am not going to undertake to discuss the bill at this time. I will later insert certain of my remarks in the RECORD, but I yield now to the distinguished and able chairman of the subcommittee, the gentleman from Louisiana (Mr. PASSMAN) to explain the bill.

Under leave to revise and extend I am inserting the following remarks which more fully explain my position on this bill:

Mr. Chairman, the bill before us would provide $405 million for emergency and temporary assistance to refugees from Cambodia and Vietnam. This amount is $102 million less than that requested by President Ford on May 6, 1975.

The Appropriations Committee is recommending this reduction because of the uncertainties about the actual number of refugees that will settle in this country and what amount of financial assistance over what time period will be required for them.

The Appropriations Committee plans to monitor very carefully the refugee program, and in fact, I am directing the committee investigative staff to conduct an investigation of the refugee activities and particularly the nature of the refugees who are entering this country, their skills, and financial resources.

Additionally, Mr. Chairman, I would like to stress my hope that every effort will be made by the administration to settle these refugees throughout the Nation and to insure that no intensive refugee population concentration will occur in any part of the country, as happened during the Cuban refugee program.

It is my hope that these refugees can be assimiliated into the mainstream of American life very quickly and that this program can be of short duration.

Mr. Chairman, we have just had extensive debate on the authorization bill and many of the issues that were discussed then are applicable now also.

I am hopeful that we can quickly move to a vote on this bill.

Mr. PASSMAN. Mr. Chairman. I shall not take too much time on this bill because all the issues were discussed in connection with the authorizing legislation which we just adopted a few minutes ago.

Mr. Chairman, this bill provides for a total of $405 million for assistance to refugees from Cambodia and South Vietnam. This amount is $102 million less than that requested by President Ford on May 6 and also $102 million less than the amount we authorized just a few moments ago.

In making this appropriation, the committee affirms its belief that this Nation has a responsibility to provide emergency temporary assistance to these refugees, in keeping with its historical tradition of helping those who seek the shelter of the United States because of political or religious persecution.

In making the funding recommendations contained in this bill, the committee wants to make it clear that at this time it is impossible to determine how many refugees will finally be processed, or the actual per-capita cost that will be involved in this refugee operation.

Because of the current fluid situation and the lack of availability of hard figures at this time, the committee felt that Congress should move cautiously in this area until the situation begins to stabilze.

The appropriation is divided into two different categories, one category is under the Department of State, and the other is under the Department of Health, Education, and Welfare.

The committee recommends an appropriation of $305 million for the Department of State item, a reduction of $77 million below the budget request of $382 million. We made this reduction because we felt that the per-capita costs of taking care of the refugees were just a little high and because the Number of refugees requiring aid was not fully known at this time.

Some of these programs will require major obligations to be made early in the year and if those amounts are reduced too drastically there is a possibility the refugees will have to be held at the staging areas longer.

Under the Department of Health, Education, and Welfare item, they asked for $125 million and we recommend $100 million, a reduction of $25 million.

I can assure the Members, Mr. Chairman, that this is a very tight bill and I believe this is the very minimum by which we can handle the refugees.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I would like to address a question to whoever feels equipped to answer it on the other side. In title II, section 201, there is a general provision which prohibits any aid under this bill from going to the present government in Vietnam, North or South. The question I have is, Does this imply in some way that these funds are to be used in any manner within the area of Vietnam? It was my impression in the debate on the authorizing bill which we just heard that these funds are only to be used in the United States or for bringing refugees from the staging areas.

Mr. PASSMAN. If the gentleman will yield, that is correct. We have a provision in the bill prohibiting the funds from being used elsewhere.

Mr. BAUMAN. If the gentleman will yield further, none of these funds will be used in Vietnam?

Mr. PASSMAN. Absolutely not. None of these funds can be spent in Vietnam.

Mr. BAUMAN. I thank the gentleman.

Mr. CONTE. Mr. Chairman, prior to coming to Congress as a State Senator, I also was a trial lawyer, and I learned very early in my legal career that many cases were lost by talking after the case was won.

Mr. Chairman, I rise in support of this bill to appropriate $405 million for assistance to Cambodian and Vietnamese refugees.

This money is divided into two categories: $305 million for the State Department to cover movement and resettlement costs, and $100 million to HEW for medical and social services to refugees moving to the United States.

The bill prohibits the use of these funds by North Vietnam or the provisional revolutionary government in Saigon, and also bars aid to these governments by international organizations or voluntary groups using funds under this Act.

The committee has cut $108 million from the President's request in this bill. We found in the testimony before our committee that a great deal of uncertainty is associated with the actual number of refugees that will finally stay in this country and the extent to which the refugees will actually need Federal assistance.

In accord with the spirit in which we recently authorized these funds, we must be generous in approving the funds needed to implement the refugee assistance program. We reduced the President's request with the understanding that if the actual cost of the program is greater than expected, the appropriation might be adjusted at a later date.

But by the same token, it would be inappropriate to reduce the level of funding contained in this bill. A large portion of the funds provided are for one-time, startup expenses within the staging areas and rehabilitation centers. Funds are also needed for transportation from the staging areas to these centers, and on to the refugees new homes.

A reduction in this appropriation could slow down the entire relocation process and for that reason I urge against such an action.

It is not expected that these refugees will be a burden upon American society. Every effort is being made, in cooperation with appropriate volunteer agencies, to relocate refugees as widely as possible, in order to prevent the evolution of refugee enclaves. We hope to avoid the kinds of impact problems associated, for example, with the settlement of the vast majority of Cuban refugees in the State of Florida.

The number of heads of household who will be seeking employment amounts to about 35,000, or less than 0.1 percent of our present work force. Every effort will be made to avoid resettling refugees in high unemployment areas.

A preliminary survey of the refugees shows that over 50 percent were professionals, skilled workers, clerical workers, and journalists. There was practically no illiteracy. Almost 70 percent of the first group of heads of household spoke English already.

Many of the people who were evacuated were employees of American contractors and businesses in Vietnam. Others have American friends and relatives.

What I am trying to show, Mr. Chairman, is that these people will not be a burden. They will be productive members of American society. They are grateful for the relocation assistance being provided, but they are ready to make their own way.

Questions have been raised about the resources of some of the refugees. The information we received shows that very few people were able to bring out any significant resources. But those who are able to pay are providing their own transportation to their new homes.

Mr. Chairman, the money provided in this bill is intended to cover the next 14 months. For those concerned about the amount, I would simply like to point out that we were spending this much money each week during the height of the Vietnamese war.

The least we can do is provide the means for these people to establish new lives for themselves, and I urge the adoption of this bill.

Mr. SIKES. Mr. Chairman, the need for funds for the refugee program is quite clear. The Vietnamese and Cambodian refugees are in our country because they had no where else to go. They fled from communism—some because of fear for their lives; others because they simply did not want to live under a Communist form of government. Most of them were our friends and active supporters during the war in Indochina. Their situation is a tragic one and we cannot turn our backs on them now.

I realize there has been hostility by some toward the refugees. Much of this is due to the fact that the public did not realize what is proposed. The refugees are being processed at three staging areas and moved out as quickly as possible to areas where they will be settled permanently under sponsorship of friends, relatives, or charitable organizations. There they will expect to use their skills and to begin a new life in America. They will be distributed as widely as possible in order to avoid too great an impact on any one part of the Nation.

Some of the apprehension which first was felt about the refugees was that they would be released indiscriminately in the staging areas to compete for jobs, to complicate educational and other problems, and to present difficulties associated with a major influx of people of a different culture and customs. This is not the case. These in the staging areas can leave only under the sponsorship of local citizens for limited times. They are not indiscriminately seeking jobs. Most of them have shown appreciation for a chance at a new life. Their attitude and example have generally been above reproach.

Whatever problems may be encountered, we cannot avoid the responsibility entailed. We must help these unfortunates who no longer have a country and who hope to begin a new life in this land of freedom and opportunity.

Mr. ADDABBO. Mr. Chairman, I wish to add my voice to those here in the House today who have spoken in support of the bill we have before us, which would provide humanitarian aid to the refugees from Cambodia and South Vietnam.

I was not an ardent supporter of this Nation's policies in Southeast Asia, and I am convinced in my mind that the final result of these policies was predestined long ago. But whichever of us were right or whichever were wrong, that is not the question we face in this Nation today. Yet, I believe it plays a part of the antagonism that has arisen to face the refugees.

Our people were lied to and deceived by their leaders about Vietnam and Cambodia, not once but many times. And when the truth emerged as it has so slowly but surely, many of our people were hurt and angry. And it is perhaps natural they have turned their frustrations on those people for which so many American lives were shed.

Our people today are worried about many things. They worry about their jobs and their homes, their educational systems and how to live at peace and in harmony with their neighbors of differing creeds and colors. They worry about crime and high taxes, and they see cities and States at the verge of collapse, and they wonder if the system will work any longer. In international affairs, we are reaping the grim harvests of years of miscalculation in many areas. Our people see bleakness whichever way they turn, and so they are as fearful as they are frustrated.

There is no denying the bitterness that exists, and there is little likelihood that what we in Government do and say here today will make it disappear overnight.

But I am convinced, as much as I am convinced that this Nation has decades and generations ahead of it filled with the potential for greatness, that our people will set aside their own fears, their own frustrations and their bitterness, and aid these newcomers among us.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

TITLE I

DEPARTMENT OF STATE

OTHER

SPECIAL ASSISTANCE TO REFUGEES FROM CAMBODIA AND VIETNAM

For necessary expenses, not otherwise provided for, for the relocation and resettlement of refugees from Cambodia and Vietnam,

$305,000,000, to remain available until June 30, 1976.

AMENDMENT OFFERED BY MR. ROUSH

Mr. ROUSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROUSH: Page 2, line 8, after the word "Vietnam", strike out "$305,000,000" and insert "$264,219,750".

Mr. ROUSH. Mr. Chairman, I recognize the restlessness of the House at this hour. The vote on the authorizing legislation shows overwhelming support for the refugee program, as I believe it should. I would like, Mr. Chairman, just to reread a sentence which was read during the debate on the authorizing legislation. It states this:

> Because of the current fluid situation and the lack of availability of hard figures at this time, the committee felt Congress should move cautiously in this area until the situation begins to stabilize.

I would repeat that this is emergency legislation and we should move cautiously. Mr. Chairman, there are certain facts we know, and the legislation before us is not based on those facts. My amendment is. I want to emphasize that this is not an antirefugee amendment—not at all. The figures I am presenting have not been just taken out of a hat somewhere, but are based on logic.

Mr. Chairman, I had a Member, a colleague, comment on the fact that I had offered this amendment in committee and it was defeated. He said:

> Roush, the trouble is you based it on logic, and this Congress is not going to do anything that is logical.

I am going here today to do something that is very logical. Let me turn to the figures I am presenting. If the Members would take their reports and would refer to the bottom of page 2, they would find that under title I there are four different categories of assistance that are being contemplated by this title of the bill. They will see some of the figures.

Let me point out, for example, in the No. 1 category, $15 per day for 30 days, 150,000 people in staging areas; $15 per day for 60 days, 130,000 people at processing centers, which includes food, utilities, medical care, et cetera. These figures are exaggerated. This is what I have done. I have called the Department of State. Day before yesterday they gave me a figure of 115,237 refugees now under our control.

I called yesterday and that figure stood firm. I called today and that figure stands firm. So what we are dealing with is 115,237 people. I have rounded that to 115,250 people. To arrive at a figure for the first 30 days the refugees are under our control I have subtracted from the 115,250 people, 14,700 who have already been processed. Using that figure at $12.50 per person per day for the first 30 days, I come to a figure of $37,687,500.

Turning to the additional 60 days, that is on top of the 30 days, the testimony, and I sit on this subcommittee, showed there were 12,000 of these people who are dependents of Americans. There are 8,000 who have sponsors. Those people will not be there for more than 30 days, so I subtract 20,000 from the 115,250, leaving 95,250 who will need assistance. Again instead of using $15 per day per person, I use $12.50 and arrive at a figure of $71,437,500. The total result is that instead of having, as the President requested, $185 million, I arrive at a figure of $109,125,000. The committee had a figure of $155 million in this category.

Let us turn to the second category, which is the airlift. The chairman said we have to move these people out of the camps in which they are now located. My computation is using the figure of $439 per person, not $530 because testimony showed it was cheaper to send these people commercially than by military aircraft. Using that figure of $439 per person who would be airlifted, and multiplying that times the entire amount under our control, we come up with a figure of $50,594,750.

They have added $30 million to that because they say that is needed to transport materiel. Since the figure of 130,000 refugees is reduced by 8 percent, I reduce that $30 million by approximately 8 percent, and I have a figure of $27,500,000. Adding this to the $50,594,750 I get in that particular category a figure of $78,094,750.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. ROUSH was allowed to proceed for 3 additional minutes.)

Mr. ROUSH. Mr. Chairman, we come to the resettlement costs. What I have done here is take away from the figure which I have come to of 115,250 persons, the 12,000 American dependents, and I came up with a figure of 103,250. Using the dependents figure of $600 per person for resettlement, I come up with a figure of $62 million.

I accept the committee's figure on the movement of refugees to third countries, of $15 million. I come up therefore, Mr. Chairman, with a figure of $264,219,750. Now that makes sense.

We have been hearing a great deal of talk about appropriating prudently here. I do not believe in this emergency legislation that we should appropriate beyond the facts as they exist right now. Therefore, Mr. Chairman, I respectfully submit that my figures are based upon logic and upon fact, and knowing this House to be filled with logic and reason I appeal to the House to accept my amendment.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Members may recall that 40 minutes ago we had an amendment reducing the amount and it was voted down. Less than 30 minutes ago this House passed by a vote of 381 to 31 an authorization for $507 million. This subcommittee has already reduced this item down to $405 million, a reduction of $102 million below the request.

Most of the money contained in this section where the amendment is offered would be spent within the next 90 days.

This is the very minimum by which this program can be financed and keep the refugee movement going forward. I certainly plan to keep the House informed on the expenditure of these funds and I am sure the legislative committees plan to monitor this program very closely also.

We could tie these people up in staging centers if we accept this amendment.

Now, within the last few minutes, I have been informed that already the number of refugees have increased over the day before.

I believe this is a very minimum by which this program can be funded and I certainly try not to ever mislead the membership.

Mr. ROUSH. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Chairman, the chairman has referred to transporting these refugees from the camps. I would point out in contemplating my amendment that I used a figure beyond that of the committee. The committee accepted a figure of $65 million. Under my amendment, I take a figure of $78 million. I think I am being more considerate in trying to get these people moved from camp to camp than is the chairman.

Mr. PASSMAN. We voted down the gentleman's amendment in the full committee and I believe the reasons are even stronger today to again vote this amendment down.

Mr. Chairman, I would like to yield to the very able and valuable member of the Foreign Operations Subcommittee, the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman from Louisiana for yielding. I voted for the Roush amendment yesterday and since that time new information has transpired to alter my position. There are apparently more people involved in this than we were informed yesterday.

In addition to that, it must be noted that none of this money will be wasted. It will not go to the refugees if there is an excess. It will be spent on the various services that will be handling this; if there is any money left over, it will be returned to the Treasury.

Basically this is conscience money. The American people feel pretty badly about what has been happening in Southeast Asia. There is an overwhelming feeling that we do not want to put on any image of parsimony. We want to give the appearance of generosity.

I oppose the Roush amendment.

Mr. PASSMAN. Mr. Chairman, I yield back the balance of my time.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment.

Mr. Chairman, I yield to the gentleman from California (Mr. MINETA).

Mr. MINETA. Mr. Chairman, I wonder whether it is the intent of Congress that the Federal Government would retain 100 percent of the cost of relocation, health, education, and welfare and employment services in terms of costs of the refugees?

Mr. PASSMAN. That is absolutely correct.

Mr. CONTE. Regular order, Mr. Chairman.

The CHAIRMAN. The gentleman from Massachusetts (Mr. CONTE) has the floor.

Mr. PASSMAN. I am very sorry. I apologize.

Mr. CONTE. Mr. Chairman, I yield to the gentleman from California.

Mr. MINETA. It is also the intent of the committee that this money is not to be used for reimbursement to the Department of Defense?

Mr. CONTE. There may be some reimbursement there of money that has already been spent. There are two categories of assistance in this bill. The one, which the amendment offered by the gentleman from Indiana is trying to cut down is for reimbursement to the Defense Department for transportation and daily maintenance costs. Some of which has already been spent. Then there is the special assistance program of $100 million, which is for public health, welfare and social services, Medicaid, and bilingual and vocational training. That will be directly reimbursed to the States.

Mr. MINETA. I thank the gentleman.

Mr. CONTE. Mr. Chairman, this $77 million in this account is excessive, but it should be clear that there is insufficient data at this point to give a really good estimate on how many refugees are coming in. We had some 15,000 coming in. There are possibly 7,000 or 8,000 people in Singapore; 5,000 in Hong Kong; and there are other boats in Taiwan, Japan, and elsewhere where there are refugees that may be coming in. There are small clots of people all over the world who have escaped in one way or another, mainly by sea, that may be coming in. The committee has already made some reduction in this item, and it would be a serious mistake to reduce it further.

Further reductions could only slow down the process of getting these people relocated as soon as possible and I urge my colleagues to defeat this amendment.

(By unanimous consent Mr. DOWNING of Virginia was allowed to speak out of order.)

LATEST NEWS BULLETIN ON U.S.S. "MAYAGUEZ"

Mr. DOWNING of Virginia. Mr. Chairman, this bulletin just came over the UPI Bangkok:

> Radio Phnom Penh said Thursday the Khmer Rouge will release the U.S. merchant ship *Mayaguez*, seized by the Cambodian Communists earlier this week.
>
> The announcement was made in a 19-minute communique read over radio Phnom Penh by Information Minister Defense Minister Hu Nim, in what was the first public reference by the Cambodian Communists to the seizure of the *Mayaguez* since it was captured on Monday.
>
> "Our RGNUC (Royal Government of National Union in Cambodia) will order the *Mayaguez* to withdraw from Cambodian territorial waters and will warn it against further espionage or provocative activities," Hu Nim said.
>
> "This applies to the *Mayaguez* or any other ships, like the ship flying the Panamanian flag which was released on May 9."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. ROUSH).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROUSH. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SOCIAL AND REHABILITATION SERVICE

SPECIAL ASSISTANCE TO REFUGEES FROM CAMBODIA AND VIETNAM IN THE UNITED STATES

For assistance to refugees from Cambodia and Vietnam in the United States, to remain available for obligation through June 30, 1976, $100,000,000.

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. COUGHLIN: Page 2, strike out lines 15 through 17 and insert in lieu thereof the following:
>
> "For assistance to refugees from Cambodia and Vietnam in the United States, to remain available for obligation through June 30, 1976, $100,000,000, provided, that none of the funds appropriated under this paragraph shall be obligated or expended for payments or services for which such refugees would be eligible and that are funded under existing federal programs."

Mr. COUGHLIN. Mr. Chairman, there is a right way to do things and there is a wrong way to do things. What my amendment does is to say that once these refugees have come to this country; once they have been transported here; once they have been part of our society, that they will be integrated into our society under existing Federal programs and will not be the subject of special new categorical programs.

This amendment does not apply to the so-called front end funds that bring the refugees here for resettlement.

All my amendment says is that if these refugees, once resettled, require services provided for by existing programs for which they are eligible, these services will be provided by existing programs and not by a new program. It would not change the amount of money appropriated. It would have nothing to do with funding front-end transportation for refugees here. It would only say that if there were existing programs, it would fund them under those programs.

There are a couple of very good reasons why this is the right way to do it and not the wrong way to do it.

First, a new categorical program means a new bureaucracy downtown—and the Members know that and I know that—to administer that program. And, second, while the authorization only applies for 2 years, we all know—the Members know and I know—how difficult it is to discontinue a program once we have started it.

Why should we create a special category for Vietnamese refugees? We absorbed 80,000 Hungarian refugees through our normal social services. We absorbed 450,000 displaced persons through the same method and 189,000 Eastern Europeans through the same method. And each year—each and every year—we absorb into this country over 400,000 immigrants through our existing Federal programs. The only other special program we have is the Cuban refugee program, and that was developed because those refugees impacted on a particular part of this country.

These refugees, we have been assured, and by contract with the agencies who are going to resettle them, will be dispersed throughout the United States, and they can well fit into our existing programs.

It is agreed that the use of existing programs means that the States will have to contribute part of the services provided for such things as welfare and medicaid and vocational and bilingual education, but just as they did, just as the States did, for the Hungarians and the Eastern Europeans and the displaced persons.

Surely, with this limited number of immigrants, the States can absorb this. It seems to me this is the right way.

We talk about proliferation of categorical programs in this country, proliferation of new programs. Here is a way to stop it. Here is a way not to start a new program that we will have a hard time unwinding.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I will be glad to yield to the gentleman.

Mr. DEVINE. I thank the gentleman for yielding.

I rise in support of the gentleman's amendment. I agree that we have too many agencies downtown now, and we all know they have a way of going on in perpetuity and not a temporary thing.

I intend to support the gentleman's amendment.

Mr. COUGHLIN. I thank the gentleman for his remarks.

I will just remind the Members to think of the howls of protest that will come from their individual States 2 years from now if we try to discontinue this program. It is just one more program that we do not need, because it can be handled under existing programs.

Mr. PASSMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. It is just this simple: If the Members want the Federal Government to pay the full cost, vote against the amendment. If the Members want the States to assume part of the cost, vote for the amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Pennsylvania.

It would be a mistake not to provide 100-percent reimbursement to the States and localities for expenses incurred in connection with the refugee program.

Many cities and States are in serious financial condition.

In my own State of Massachusetts, the Governor is making substantial reductions in State expenditures for health, education, and other vital social welfare programs.

The Federal Government should not further strain the resources of our States with the Vietnamese refugees.

The Vietnamese war was an enterprise of the Federal Government, and a seriously misguided one. By the same token, the Vietnamese evacuation was a Federal enterprise, and a worthwhile, charitable one. But the charitable instincts of a nation should not have their costs borne by the States and localities.

If everyone's intentions prove true, and there is no particular impact of these refugees on a specific State or part of the country, then the program will not be continued. In most cases those refugees in need will be eligible for existing programs such as SSI and medicaid, and they can be paid for under the regular Federal-State maching grant formula.

But until we determine what the impact is going to be on different parts of the country, we should fund this program on a 100-percent Federal reimbursable basis.

We need to get better estimates of the needs of these refugees and the demands which they will place on State and local resources. For that reason, Mr. Chairman, I urge the defeat of this amendment.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Yes, I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I cannot imagine that the States would have less humanitarian instinct than this great body, because I would think that they would feel some obligation themselves to help out in this proposition.

Mr. CONTE. Mr. Chairman, let me ask the gentleman this: Who was it that got us into this mess? Was it the 50 individual States or was it the Federal Government that got us into the war in Vietnam? Why should the gentleman now say to the States that they should pick up the tab for the Vietnamese refugees?

Mr. Chairman, this amendment should be soundly defeated.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I agree with the gentleman in the well. I think the best way we can get this conflict behind us as soon as possible is to quit talking about it.

If we are going to pass amendments like this, we are going to have a dispute going on between the States and the Federal Government.

We can help prevent that by voting against this amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well.

I think that if there is any obligation here at all, it is on the part of the Federal Government and certainly not the States.

Mr. Chairman, I urge that the amendment be soundly defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN).

The question was taken; and on a division (demanded by Mr. COUGHLIN) there were—ayes 9, noes 49.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. MAHON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House without amendment and with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. MEEDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6894) making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes, pursuant to House Resolution 462, he reported the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and that the gentleman from Louisiana (Mr. PASSMAN) and myself may include extraneous materials.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 4481, EMERGENCY EMPLOYMENT APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1975

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on yesterday, I call up the conference report on the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 12, 1975.)

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, we bring before the House today the conference report on the emergency employment appropriation bill. This is a unique appropriation measure designed to provide for the emergency acceleration of existing Federal programs and projects in order to help increase employment opportunities throughout the Nation.

The funds in the bill represent a blend of two approaches to the unemployment problem—funding of programs such as public service employment to directly create jobs and funding of accelerated Federal building and purchase of automobiles for Government use, further development of the Nation's recreational and public land resources and other similar programs.

CONFERENCE SUMMARY

The conference agreement being presented today represents a compromise total of $5,306,508,000 for emergency employment activities. This is $635,128,000 less than the House bill and $776,139,000 less than the Senate bill. The total excludes $700 million contained in the Senate bill for rail transportation improvement and employment. A motion will be offered that the House insist on its disagreement to the Senate amendment providing for this unauthorized program. The $5.3 billion total includes $485 million for direct and insured loans and $92,362,000 for liquidation of contract authority.

GROWING UNEMPLOYMENT

Mr. Speaker, last year at this time the unemployment rate was 5 percent. By the end of October the figure had crept to 6.

When the 94th Congress convened, the unemployment rate stood at 7.2 percent and indications were that the situation would continue to deteriorate. By the end of January, unemployment had jumped a full percentage point to 8.2 percent.

During the period of late February and early March, the Committee on Appropriations, through its subcommittees and with the participation of most of the members of the committee, mobilized an intensive effort to identify existing Federal programs where additional funding could immediately be applied to create additional jobs.

On March 12, the House passed the emergency employment appropriations bill by a vote of 313 to 113. The Senate passed the bill on April 25 with 62 amendments. On this Monday the conferees finished their deliberations and the conference report was filed that evening—the day before yesterday.

Mr. Speaker, the unemployment rate is now 8.9 percent, the largest figure since the great depression of the 1930's. The thrust of this bill is to accelerate existing Federal programs, activities and projects which will immediately provide jobs. The bill does not undertake large new Federal programs which could not and would not impact on the economy in a timely fashion. The bill has the potential of helping to alleviate unemployment without establishing large, costly new programs which would have an impact in the future when hopefully the economy is on the upturn and which would probably be virtually uncontrollable once started.

BILL HIGHLIGHTS

Mr. Speaker, the conference total being presented to the House today is some $635 million less than the bill which passed the House. This is a net figure and is more than accounted for by the decrease of $800 million in funds for the Postal Service.

The total is some $776 million under the bill as passed by the other body. Again, this is a net figure but it is largely accounted for by $700 million for the unauthorized program of rail transportation improvements to which I have referred.

Without mentioning every item in the bill, I wish to identify the major features contained in the conference agreement. The bill includes:

$1,625 million for public service jobs.

$375 million to fully fund the job opportunities program of the Economic Development Administration.

$102,625,000 for economic development assistance and regional action planning.

$325,425,000 for the acceleration of projects under the Corps of Engineers and the Bureau of Reclamation.

$385 million for the loan programs of the Small Business Administration.

$73 million for the purchase of vehicles by the General Services Administration and the Treasury Department.

$159,965,000 in appropriations and $84 million for liquidation of contract authority in the Department of the Interior and the Forest Service for such activities as reforestation and timber stand improvement, fire prevention, habitat fencing, erosion control, hatchery improvements, and the construction and improvement of roads and trails and recreation facilities.

$70,755,000 for necessary improvements to facilities of the Veterans' Administration, including hospitals and medical facilities.

$106 million to accelerate construction of the watershed and flood prevention operations of the Soil Conservation Service.

$440 million for the General Services Administration for the construction and needed repair, alteration, and improvement of public buildings in numerous locations across the country.

$100 million for the construction and improvement of small postal facilities across the country.

$150 million in appropriations and an increase of $300 million in the loan level for needed rural water and sewer grants.

$458,050,000 for summer youth employment.

$70 million for the work incentives program.

$30 million for community service employment, and

$119,800,000 for part-time employment under the college work-study grant program.

Mr. Speaker, I believe the recommendations of the House conferees represent a reasonable and acceptable compromise under all the circumstances and I urge adoption of the conference report.

Mr. Speaker, under leave to revise and extent my remarks, I include a summary table of the conference agreement presented to the House:

SUMMARY OF CONFERENCE ACTION ON H.R. 4481

	Budget estimates, 1975	Amounts recommended in—			Increase (+) or decrease (—), conference report compared with—		
		House bill	Senate bill	Conference report	Budget estimates, 1975	House bill	Senate bill
Chapter I—Agriculture and related agencies:							
New budget (obligational) authority		$271, 250, 000	$271, 250, 000	$271, 250, 000	+$271, 250, 000		
Direct and insured loan level		(485, 000, 000)	(485, 000, 000)	(485, 000, 000)	(+485, 000, 000)		
Chapter II—HUD and related agencies: New budget (obligational) authority		71, 105, 000	70, 930, 000	70, 930, 000	+70, 930, 000	—$175, 000	
Chapter III—Interior and related agencies:							
New budget (obligational) authority		171, 689, 000	216, 255, 000	192, 641, 000	+192, 641, 000	+20, 952, 000	—$23, 614, 000
Liquidation of contract authority		(83, 162, 000)	(85, 112, 000)	(84, 362, 000)	(+84, 362, 000)	(+1, 200, 000)	(—750, 000)
Chapter IV—Labor-Health, Education, and Welfare: New budget (obligational) authority	$2, 037, 700, 000	2, 251, 500, 000	2, 392, 100, 000	2, 318, 150, 000	+280, 450, 000	+66, 650, 000	—73, 950, 000
Chapter V—Public Works:							
New budget (obligational) authority		117, 955, 000	328, 925, 000	325, 425, 000	+325, 425, 000	+207, 470, 000	—3, 500, 000
Liquidation of contract authority			(8, 000, 000)	(8, 000, 000)	(+8, 000, 000)	(+8, 000, 000)	
Chapter VI—Commerce and related agencies: New budget (obligational) authority		760, 000, 000	968, 750, 000	864, 375, 000	+864, 375, 000	+104, 375, 000	—104, 375, 000
Chapter VII—Treasury, Postal Service, and related agencies: New budget (obligational) authority		1, 724, 975, 000	551, 325, 000	681, 375, 000	+681, 375, 000	—1, 043, 600, 000	+130, 050, 000
Chapter VIII—Transportation and related agencies: New budget (obligational) authority	5, 000, 000	5, 000, 000	705, 000, 000	5, 000, 000			—700, 000, 000
Total:							
New budget (obligational) authority	2, 042, 700, 000	5, 373, 474, 000	5, 504, 535, 000	4, 729, 146, 000	+2, 686, 446, 000	—644, 328, 000	—775, 389, 000
Direct and insured loan level		(485, 000, 000)	(485, 000, 000)	(485, 000, 000)	(485, 000, 000)		
Liquidation of contract authority		(83, 162, 000)	(93, 112, 000)	(92, 362, 000)	(+92, 362, 000)	(+9, 200, 000)	(—750, 000)
Grand total	2, 042, 700, 000	5, 941, 636, 000	6, 082, 647, 000	5, 306, 508, 000	+3, 263, 808, 000	—635, 128, 000	—776, 139, 000

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania, the subcommittee chairman.

Mr. FLOOD. I thank the gentleman for yielding.

Mr. Speaker, chapter IV of this bill, the Labor-HEW chapter, contains a total of $2,318,150,000. This is an increase of $280,450,000 over the budget request.

For public service employment under title VI of the Comprehensive Employment and Training Act, the bill provides $1,625,000,000, the exact amount requested by the President. This amount, together with $875,000,000 for title VI that was appropriated at the end of the last Congress, would provide a total appropriation in fiscal year 1975 of $2,500,000,000.

In addition, the Congress has appropriated $400,000,000 this fiscal year for public service employment under title II of CETA. And finally, there was a carryover of public service employment funds from fiscal year 1974 to fiscal year 1975 of $600,000,000.

If you add all of these figures together, you will see that the public service employment funds in this bill, together with funds previously appropriated or available during fiscal year 1975, total about $3.5 billion.

Obviously, since it is already mid-May, virtually all of the public service jobs money in this bill would actually be spent in fiscal year 1976.

For summer youth employment, this bill contains $456,350,000, an increase of $43,650,000 over the amount requested by the President and over the House bill. This amount would provide about 840,000 job opportunities for young people this coming summer. That is an increase of about 80,000 jobs over last summer.

The conference report contains language concerning the distribution of this summer youth money, and insures that no area will receive fewer job slots than it received last summer.

The bill contains $30,000,000 for community service employment for older Americans under title IX of the Older Americans Act. This amount, together with $12,000,000 that was appropriated earlier this fiscal year, would provide a total of $42,000,000 for title IX to continue the Operation Mainstream program and the senior community service employment program. Virtually all of this money would actually be spent in fiscal year 1976.

Under "higher education," the bill includes $119,800,000 for the college work-study program. Of that amount, $60,000,000 would remain available until September 30, 1975, and the remainder would be available until June 30, 1976.

For the work incentives program, the bill includes $70,000,000, and contains language permiting the funds to be used to pay the States the Federal share of their fiscal year 1974 reported expenditures for which they were not reimbursed. It is estimated that about $5,800,000 of the $70,000,000 would be required to do this.

The bill contains $15,300,000 for the summer youth recreation program to be administered by the Community Services Administration. There was no budget request from the administration on this program. In addition, the bill includes $1,700,000 for the summer youth transportation program.

Finally, this chapter of the bill contains two language items which do not involve additional appropriations. The first is language authorizing the Secretary of Health, Education, and Welfare to hire and asign not to exceed 146 additional health professionals to serve in the National Health Service Corps.

The second item provides that any amounts appropriated under "Higher education" for basic opportunity grants for fiscal year 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76. The amount of money that would be carried forward to next academic year is $135,000,000.

I would like to insert a table at this point in the RECORD showing the amounts included in chapter IV of this bill.

EMERGENCY EMPLOYMENT APPROPRIATION BILL (H.R. 4481)

CHAPTER IV

Item	Budget request	House bill	Senate bill	Conference agreement
DEPARTMENT OF LABOR				
MANPOWER ADMINISTRATION				
Comprehensive manpower assistance:				
a. Summer youth employment	$412,700,000	$412,700,000	$500,000,000	$456,350,000
b. Summer youth transportation			2,300,000	1,700,000
Community service employment for older Americans		24,000,000	36,000,000	30,000,000
Temporary employment assistance:				
a. Public service employment	1,625,000,000	1,625,000,000	1,625,000,000	1,625,000,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
Office of Education:				
Higher education: a. College work-study		119,800,000	119,800,000	119,800,000
Social and Rehabilitation Service:				
Work incentives		70,000,000	70,000,000	70,000,000
RELATED AGENCIES				
Community Services Administration:				
Community services program:				
a. Summer youth recreation program			26,000,000	15,300,000
b. Emergency energy conservation services			10,000,000	
c. National summer youth sports program			3,000,000	
Total, chapter IV	2,037,700,000	2,251,500,000	2,392,100,000	2,318,150,000

Mr. MICHEL. Mr. Chairman, I yield myself 5 minutes.

Mr. Speaker, I rise in opposition to the conference report on H.R. 4481. I did not sign the conference report and there were a number of others from both bodies who did not sign the conference report. I have some hope that the House will reject it in spite of political odds which seem overwhelming. For example:

The bill passed the House 313–113.

It contained $5.9 billion in budget and loan authority, and was $5.7 billion over budget estimates considered by the House.

It was passed in the face of massive deficits, on the order of $90 billion, for fiscal years 1975–1976.

It passed in the face of determined and persuasive arguments that the bill was fiscally irresponsible, and as a method for putting people to work, was ineffective at best, and counter-productive at worst.

The unemployment situation has not improved.

The conference report is $644 million under the House bill, and $775 million under the Senate bill.

The conference report is "only" $2.7 billion over budget estimates, since budget estimates were subsequently transmitted for $2.6 billion which was unbudgeted at the time the bill passed the House.

Why, in the face of these political realities, do I urge a no vote on this conference report?

Because on May 1, this House came within 2 votes of rejecting the first concurrent resolution on the budget, which recommended a deficit of $73 billion in fiscal 1976.

Earlier today, we voted 230–193 for a conference report which recommended a deficit of $68.8 billion.

I believe these votes, where the Democratic Caucus controls a majority of 289 to 144, suggests that many Members of this House looked fiscal irresponsibility squarely in the eye, and said no.

And Members who voted for a deficit of $73 billion or $69 billion now must face the responsibility of making individual congressional actions fit within the total.

Members on both sides of that issue should vote to reject this conference report. Let me give you a bill of particulars.

First. This is not a jobs bill for the unemployed. It should be titled "The Congressional Incumbents Reemployment Act of 1976." It was conceived and carefully drawn to protect certain highly competitive jobs in the Nation's Capitol which pay approximately $42,500 a year, and which consistently have an employment rate in excess of 99 percent.

Agencies were literally asked for shopping lists, and their response showed conclusively that our bureaucracy can be responsive—when given a blank check on the American taxpayer.

Projects and programs were selected on the basis of their political benefit, and in total disregard of the level of unemployment in areas which would receive Federal funds.

Second. The bill would hinder, not stimulate, economic recovery. We in this House will learn, sooner or later, that the private sector, not the Government printing press, is the only effective source of long-term economic growth and prosperity in a free society. This bill does not create money or jobs. It simply provides for Federal borrowing, on the order of $4.7 billion, which will displace an equivalent amount of private investment and employment.

A large part of the $4.7 billion in borrowed funds will pay for nonproductive Federal employment to administer the various projects and programs in this bill, and for public service jobs, far too many of which are plain political patronage, and the sleight-of-hand reemployment of State and local employees, so that Uncle Sucker picks up the tab.

We will also learn, sooner or later, that deficit spending and inflation are prime causes of unemployment, and not politically preferable alternative policies which will put people back to work. At a given level of consumer spending, and labor productivity, employment will fall as consumer prices rise. During the past few years, increases in productivity and aggregate consumer spending have not been sufficient to offset rising consumer prices, and the result has been high unemployment, and a high rate of inflation.

For the benefit of my colleagues who do not fully appreciate how ineffective and discredited is the policy of "pump-priming", let me point out that our current condition of high unemployment and inflation persists during the current 1975 fiscal year when the Federal deficit is currently and conservatively estimated at $44.7 billion.

Third. This conference report is the first test of budget control. Today the Office of Management and Budget estimates the potential deficit for fiscal 1976, including threatened congressional action, at $98.8 billion. Today this House approved a deficit of $68.8 billion. How do we reconcile this discrepancy?

Let us start with this bill, which is a

fiscal and a legislative travesty. Jim Lynn, the Director of OMB, will recommend to the President that this bill be vetoed. I will strongly concur in that recommendation.

I urge my colleagues in this House to reject this conference report, to strike a blow for economic freedom and prosperity, and to show the American people that we reject our traditional role as the happy warriors of squandermania.

Mr. Speaker, so far as the Labor-HEW items in the bill are concerned and for which I am responsible as the ranking member on that subcommittee, Members may be interested in the following summary.

Public Service Jobs. The $1,625,000,000 in the conference report will provide 180,000 jobs on a yearly basis. The average weekly pay is $160. In contrast, the average weekly unemployment compensation payment nationwide is $50 to $60, so the same amount of funds being allocated for PSE would assist three times as many people through the unemployment compensation system.

Summer Youth Jobs and Transportation. The $458,050,000 will generate about 840,000 jobs for 9 weeks of the summer, at an average of 26 hours per week at the minimum wage of $2.10 per hour. The number of jobs is approximately 80,000 over last year.

Community Service Employment for Older Americans. The $30 million, together with the $12 million appropriated earlier, will provide about 14,000 jobs at a cost of about $3,000 each. Funds are already available for the elderly under the public employment program, under which it is estimated that 15 percent of the jobs are made available to those 45 or older. Over $200 million is also available under various administration on aging programs which are beneficial to the elderly.

At present, $20 million is available under CETA for the older workers program—Operation Mainstream—and $22 for jobs for the elderly under Labor Department programs under the Older Americans Act, for a total of $42 million.

College Work-Study. The $119,800,000 will provide part-time employment to about 250,000 students during this academic year, during the summer, and in academic year 1975–76. Of the amount, $60 million is for use immediately, and $59.8 million is to be used to increase amounts already appropriated for the next academic year.

Work Incentives. The $70 million to assist welfare recipients to obtain employment and which will continue the present program for which funds are currently being exhausted. Of the amount, $35 million is for training and employment activities.

Summer Youth Recreation. The $15.3 million would fund the program at the 1974 level. The program supplies organized activities for disadvantaged youth too young to work, and creates job opportunities for enrollees in the Summer Youth Employment program.

National Youth Sports Program. Funds for these programs were not included in the House version nor in the conference report. Conferees indicated that if moneys are allocated, it would be as part of the Second Supplemental Appropriations Bill.

And finally, Mr. Speaker, I shall include a summary table of all the items that were considered in the conference.

CONFERENCE COMMITTEE RECOMMENDATIONS ON DOLLAR AMOUNTS IN DISAGREEMENT, EMERGENCY EMPLOYMENT APPROPRIATIONS ACT, 1975

	Amounts recommended in—			Conference compared to House—House bill
	House bill	Senate bill	Conference report	
TITLE I				
Chapter I: No dollar amount in disagreement				
Chapter II: Environmental Protection Agency: Abatement control	350, 000	175, 000	175, 000	−175, 000
Chapter III:				
U.S. Fish and Wildlife Service: Construction and anadromous fish	21, 496, 000	24, 647, 000	23, 066, 000	+1, 570, 000
National Park Service:				
Planning and construction	22, 100, 000	29, 361, 000	26, 880, 000	+4, 780, 000
Road construction	(12, 700, 000)	(14, 650, 000)	(13, 900, 000)	(+1, 200, 000)
U.S. Geological Survey:				
Surveys, investigations, and research		1, 500, 000	750, 000	+750, 000
Mining enforcement safety administration, salaries and expenses		2, 775, 000	1, 250, 000	+1, 250, 000
Bureau of Indian Affairs: Operation of Indian programs	5, 000, 000	10, 000, 000	7, 500, 000	+2, 500, 000
Subtotal, Department of the Interior:				
New budget (obligational) authority	74, 035, 000	93, 722, 000	84, 885, 000	+10, 850, 000
(Liquidation of contract authority)	(27, 162, 000)	(29, 112, 000)	(28, 362, 000)	+(1, 200, 000)
Forest Service:				
Forest land management	56, 080, 000	56, 580, 000	56, 580, 000	+500, 000
Construction and land acquisition	18, 000, 000	21, 000, 000	19, 500, 000	+1, 500, 000
HEW:				
Indian health facilities	12, 574, 000	22, 453, 000	17, 676, 000	+5, 102, 000
National Foundation on Arts and Humanities, salaries and expenses		5, 000, 000	2, 500, 000	+2, 500, 000
Total Chapter III:				
New budget (obligational) authority	171, 689, 000	216, 255, 000	192, 141, 000	+20, 452, 000
(Liquidation of contract authority)	(83, 162, 000)	(85, 112, 000)	(84, 362, 000)	(+1, 200, 000)
Chapter IV:				
Department of Labor:				
Manpower administration comprehensive manpower assistance	412, 700, 000	502, 300, 000	458, 050, 000	+45, 340, 000
Community service employment for older Americans	24, 000, 000	36, 000, 000	30, 000, 000	+6, 000, 000
Subtotal, Department of Labor	2, 061, 700, 000	2, 163, 300, 000	2, 113, 050, 000	+51, 350, 000
Community services program		39, 000, 000	15, 300, 000	+15, 300, 000
Total, Chapter IV	2, 251, 500, 000	2, 392, 100, 000	2, 318, 150, 000	+66, 650, 000
Chapter V:				
Corps of Engineers, Civil:				
Construction, general	58, 055, 000	226, 350, 000	226, 350, 000	+168, 295, 000
Flood control, Mississippi River and tributaries		25, 000, 000	25, 000, 000	+25, 000, 000
Operation and maintenance, general	48, 000, 000	22, 405, 000	22, 405, 000	−25, 595, 000
Subtotal, Corps of Engineers	106, 055, 000	273, 755, 000	273, 755, 000	+167, 700, 000
Bureau of Reclamation:				
Construction and rehabilitation	9, 600, 000	42, 920, 000	42, 920, 000	+33, 320, 000
Upper Colorado River storage project		2, 450, 000	2, 450, 000	+2, 450, 000
Colorado River basin project		2, 400, 000	2, 400, 000	+2, 400, 000
(Liquidation of contract authority)		(8, 000, 000)	(8, 000, 000)	(+8, 000, 000)
Loan program		1, 600, 000	1, 600, 000	+1, 600, 000
Subtotal, Bureau of Reclamation	11, 900, 000	55, 170, 000	51, 670, 000	+39, 770, 000
(Liquidation of contract authority)		(8, 000, 000)	(8, 000, 000)	(+8, 000, 000)
Total, Chapter V: New budget:				
(Obligational) authority	117, 955, 000	328, 925, 000	325, 425, 000	+207, 470, 000
(Liquidation of contract authority)		(8, 000, 000)	(8, 000, 000)	(+8, 000, 000)
Chapter VI:				
Department of Commerce:				
Economic development assistance programs		163, 250, 000	81, 625, 000	+81, 625, 000
Administration of economic development assistance programs		3, 500, 000	1, 750, 000	+1, 750, 000
Regional Action Planning Commissions		42, 000, 000	21, 000, 000	+21, 000, 000
Subtotal, Department of Commerce	375, 000, 000	583, 750, 000	479, 375, 000	+104, 375, 000
Total, Chapter VI	760, 000, 000	968, 750, 000	864, 375, 000	+104, 375, 000

CONFERENCE COMMITTEE RECOMMENDATIONS ON DOLLAR AMOUNTS IN DISAGREEMENT, EMERGENCY EMPLOYMENT APPROPRIATIONS ACT, 1975—Continued

	Amounts recommended in—			Conference compared to House—House bill
	House bill	Senate bill	Conference report	
Chapter VII:				
Department of Treasury:				
Federal Law Enforcement Training Center: Salaries and expenses	3, 500, 000	250, 000	250, 000	−3, 250, 000
U.S. Secret Service	6, 500, 000	3, 600, 000	5, 050, 000	−1, 450, 000
Subtotal, Treasury Department	79, 975, 000	45, 225, 000	75, 275, 000	−4, 700, 000
U.S. Postal Service: Payment to the Postal Service Fund	900, 000, 000		100, 000, 000	−800, 000, 000
Federal Buildings Fund: Real property operations	100, 000, 000	75, 000, 000	75, 000, 000	−25, 000, 000
General Supply fund	280, 000, 000	66, 100, 000	66, 100, 000	−213, 900, 000
Subtotal, General Services Administration	745, 000, 000	506, 100, 000	506, 100, 000	−238, 900, 000
Total, Chapter VII, New budget (obligational) authority	1, 724, 975, 000	551, 325, 000	681, 375, 000	−1, 043, 600, 000
Chapter VIII: No dollar amount in disagreement				
Grand Total: (liquidation of contract authority)	(83, 162, 000)	(93, 112, 000)	(92, 362, 000)	(+9, 200, 000)

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I associate myself with the remarks of the gentleman from Illinois. I could not in good conscience sign the conference report. I think it is highly inflationary and it will not place jobs where we want to place them.

As I said when we had the bill before us, I come from a State which has probably the highest unemployment in the whole of the United States. I have looked this bill through and I cannot find anything for my State in it. There is not anything targeted to take care of the areas of unemployment. I think as the gentleman from Illinois has properly said it is a bill for us, more than it is for those who are unemployed.

Mr. KEMP. Mr. Speaker, will the gentleman yield??

Mr. MICHEL. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman yielding.

I, too, associate myself with the gentleman's remarks.

The gentleman made a very important point tonight in talking about jobs and how they are created. He mentioned the conference agreement and the displacing of $4.7 billion of private spending. It is that private spending that must be invested if we are to have jobs that pay taxes and not just consume taxes.

So I want to urge the Members of this House to heed the remarks of the gentleman. I, as a member of the Appropriations Committee, will certainly join the gentleman in attempting to defeat this poor attempt at creating jobs. I think the No. 1 problem in the country today is to stimulate investment out of savings with which to put people back to work in the private sector.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for his remarks. I would like to summarize. The budget estimate is $2,042,700,000. As it passed this House the bill had a figure of $5,373,474,000. The Senate bill had a figure of $5,504,535,000.

We have a conference agreement with a figure of $4,729,146,000. That is $2,686,000,000 over the budget. This is a good reason for voting down the conference report and living within the figures we adopted earlier in our overall budget resolution.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, how many new Government automobiles are included in this bill?

Mr. MICHEL. I think that the automobile figure was reduced.

Mr. CEDERBERG. Mr. Speaker, if the gentleman will yield, this is another example. My State has the problem of unemployment in the automobile industry. There were 120,000 automobiles in this bill when it went to the other body, and now we have 21,051 left.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, do I understand the gentleman to say this is $2.7 billion over the budget?

Mr. MICHEL. It is $2,686,446,000 over, to be exact.

Mr. FRENZEL. So anyone who supported the budget resolution and who votes for this is certainly going to be violating whatever spirit of an attempt there was to set a figure in that budget resolution.

Mr. MICHEL. That is the point I was trying to make and the thrust of my remarks.

Mr. FRENZEL. I support the gentleman's statement and the thrust of his remarks. I certainly shall vote against the conference report.

Mr. MAHON. I yield myself such time as I may consume.

Mr. Speaker, the latest figures show that the unemployment rate is 8.9 percent, about 9 percent. When we have unemployment we have unemployment compensation. We also have a huge loss of revenues because these workers are not paying taxes. It is costing us billions of dollars and we need to put these people back into productive work. One way to do it is to have a jobs bill, a bill that will put people to work. I think then that if we want to save some of the unemployment compensation funds and increase revenue, we should try to provide productive jobs for the unemployed.

Now, I was rather surprised at the misinformation that was inadvertently given to the House by my colleagues. We voted today for the budget control resolution. It was said that if we voted for the budget control resolution, we would have to vote against this conference report.

Well, let me say to my colleagues that the jobs bill, the money in this bill, was in the budget control figures that we voted on today. So we are not going above the budget control legislation which we approved today when we vote for this conference report.

We need to keep this whole matter in as good a focus as we possibly can.

It was indicated that the President is against all this legislation, all but about $2 million. The request by the President includes $1.6 billion for public service jobs. The public service jobs are probably the most questionable program in this bill. If the administration could support public service jobs under the conditions which exist, certainly it can support jobs for various programs to benefit this country and the cities alike in various types of programs by the Army Corps of Engineers, summer employment for youth, jobs in the forests and Interior Department areas, and numerous other constructive, productive jobs.

It seems to me that while we need to keep the spending as low as possible, the best thing we can do under the circumstances is to approve this conference report. I believe the House will decide to do so.

Mr. MICHEL. Mr. Speaker, I want to yield myself 2 additional minutes to respond very briefly to my distinguished chairman.

True, the job bill was included in the Congressional budget developed by the gentleman's own party but certainly was not included in the President's budget in this amount. That is the point I have been making all along. How can we vote this kind of increase and stay within that $68 billion deficit the gentleman was talking about. Surely there will have to be adjustments downward in defense, housing, health, transportation, education or what not, if we are to come anywhere near the $68 billion budget deficit. The gentleman surely is aware of that.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am delighted to yield to the gentleman.

Mr. MAHON. Mr. Speaker, the jobs bill was part of the entire budget resolution package, along with such other areas of spending, such as agriculture, defense, education, and foreign aid. It was a part of the package that had been approved by the House in its budget resolution. The jobs bill will not take anything out of other programs.

Mr. MICHEL. I have to say to the distinguished chairman, we have currently about 300,000 or 325,000 people in public service jobs. This $1.6 billion would provide 180,000 additional jobs. There are 7 or 8 million unemployed. Is this bill going to make the difference? We could put three times as many people on extended unemployment compensation, for the same amount we are spending for the 180,000 additional public service jobs.

Initially, people thought this was a great panacea, but after hearing the testimony on the way this program is operated, people have changed their minds from the day it was proposed. We have a good opportunity now to vote down this conference report and come up with an alternative proposal for putting people back to work.

Mr. MAHON. If the gentleman will yield further, I do not agree with many of my colleagues that are in support of public service jobs. But the President submitted a budget estimate for this purpose.

Moreover, the bill is designed to provide 800,000 or 900,000 jobs. The great majority are not in the public service area.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, if I might ask my chairman, does the chairman of the Committee on Appropriations seriously believe that we are going to live within the $68 billion deficit in fiscal year 1976?

Mr. MAHON. I have no crystal ball. I hope that we will. I believe that we have got to work toward greater fiscal restraint, and I cannot say that we will live within it. I am afraid that we will not, and I am sure the gentleman is afraid that we will not. However, maybe with the budget control legislation under which we have a better opportunity to look at the whole package of expenditures and revenues, we can begin to discipline ourselves better. I hope we can live within that figure, but frankly, I am afraid we cannot. But it will not be the jobs bill that pushes us over that figure because it is already included in it.

Mr. CEDERBERG. I cannot understand how we can if we go along with this bill, plus the $5 billion bill coming out of the Committee on Public Works, plus many other things pending in the legislative committees. I think it will take nothing less than a miracle.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, I simply, asked the gentleman to yield in order that one thing might be clarified, that being the effect of the enactment of this conference committee report upon the projected budget.

I am sure the gentleman from Illinois, as well as the gentleman from Michigan, will be pleased to know that enactment of this conference committee report will exert no additional adverse impact that was not fully accounted for in the budget resolution which the House adopted in the conference committee report form today, because the sums earlier contemplated were not taken account of in that resolution.

Mr. MICHEL. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, Members of the House, I take this opportunity only to inform the House that when we read the amendments in the conference report and when we get to amendment No. 61 in disagreement, at that point I will offer an amendment to have the House recede and agree to an amendment of $200 million.

Let me explain what happened here. Senator BAYH on the Senate side put in an amendment for $700 million for the maintenance and rehabilitation of our rights-of-way and our railroad tracks in this country to help put back to work 30,000 people. There is an authorization bill that has passed the Senate committee. It is now before the committee headed by the gentleman from Pennsylvania (Mr. ROONEY) in the Committee on Interstate and Foreign Commerce.

This amendment of mine provides that it does not go into effect until there is an authorization bill, because we do not want to violate and trespass on the jurisdiction of the committee headed by the gentleman from Pennsylvania.

What will it do? It will do this: If the gentleman from Pennsylvania (Mr. ROONEY) and his committee see fit and feel that this is a good piece of legislation, the minute it passes and becomes law, there will be $200 million available immediately to put people to work. I took this floor when the bill was passed, and I spoke against the public service jobs anl I said that we are blowing billions and billions of dollars down the drain on public service jobs. It is like blowing up a balloon with a hole in it. At the end, what have you got? You have got an empty balloon. That is what is happening on these public service jobs. When it is all over with, we have nothing.

If we take this money and use it on the railroad tracks, which are faulty, which are unsafe, and we have tremendous evidence that they are unsafe—there is plenty of evidence that the railroad beds are unsafe—I am sure that the gentleman from Pennsylvania and his committee will build in some tough guidelines where this money is going to go; what railroads it is going to go to, then at least when it is over with we have got something to show for it. We have got some good roadbeds on which our railroads can carry our freight and passenger cars.

So, I hope that when we get to amendment No. 61, the House will go along with me.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, I am in sympathy with the gentleman's statement, and I hope that this body will work its will and pass some kind of legislation and will pass an appropriation to take care of the problem of upgrading the tracks, especially in the northeast part of the United States. But, Senator BAYH's $700 million or the $200 million of the gentleman from Massachusetts will do nothing more than rake leaves in the northeastern part of the railroad sector of the United States.

We need between $3 billion and $10 billion in funds to upgrade the tracks in the Northeast alone. My very distinguished colleague from Kansas (Mr. SKUBITZ) has listened to endless testimony on this subject. We are having hearings on June 23, June 24, and June 25. We are going to have hearings on this subject. I would hope that the gentleman from Massachusetts (Mr. CONTE) would withhold his amendment until we have hearings in our subcommittee.

Mr. CONTE. Mr. Speaker, I yield no further.

Let me tell the House this is wrong. We had Mr. Asaph Hall, the Acting Administrator of the Federal Railroad Administration, before the committee of the gentleman from California (Mr. MCFALL), and some of the other Members sitting here today were on that committee. $200 million will put 30,000 unemployed railroad maintenance workers back to work tomorrow for the rest of the year.

Let us not fiddle while Rome burns.

Mr. O'NEILL. Mr. Speaker, I strongly endorse this conference report as a major counterrecessionary legislative measure of this Congress. The Emergency Employment Appropriations Act has the full endorsement of the Democratic leadership in the House. It is a vital part of the democratic program of economy recovery which we have promised to the American people. It will create more than 900,000 jobs in the areas of construction, development of our Nation's recreational and public land resources, summer youth employment for economically disadvantaged youths, and flood control projects.

While our present recession is felt by all, directly or indirectly, it is those segments of the population particularly hard hit—minorities teenagers and part-time workers that this bill addresses. It is an emergency measure to meet our national employment emergency needs. It is high time for us to act responsibly to stimulate employment. I urge all my colleagues to support this conference report.

Mr. MAHON. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 293, nays 109, not voting 31, as follows:

[Roll No. 211]

YEAS—293

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey
Drinan
du Pont
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Hillis
Holland
Holtzman
Horton
Howe
Hubbard
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Macdonald
Madden
Madigan
Maguire
Mahon
Mathis
Mazzoli
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
O'Brien
O'Hara
O'Neill
Oberstar
Obey
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Rooney
Rose
Roybal
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—109

Abdnor
Anderson, Ill.
Andrews, N.C.
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bell
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Cederberg
Clancy
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Eshleman
Fenwick
Findley
Forsythe
Frenzel
Frey
Goldwater
Grassley
Hagedorn
Hansen
Henderson
Holt
Hughes
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Lent
Levitas
Lott
Mann
Martin
McCollister
McDonald
McEwen
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nichols
Pettis
Pickle
Poage
Quillen
Rhodes
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thone
Waggonner
Wampler
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—31

AuCoin
Barrett
Biaggi
Brinkley
Corman
Flynt
Gradison
Hébert
Hightower
Hinshaw
Howard
Landrum
Matsunaga
Metcalfe
Milford
Mills
Mollohan
Murphy, N.Y.
Patman, Tex.
Roberts
Roncalio
Rosenthal
Rostenkowski
Roush
Shriver
Stephens
Stuckey
Sullivan
Treen
Vander Jagt
Whitten

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Howard for, with Mr. Hébert against.

Until further notice:

Mr. AuCoin with Mr. Stuckey.
Mr. Barrett with Mr. Roberts.
Mr. Murphy of New York with Mr. Whitten.
Mr. Biaggi with Mr. Patman.
Mr. Rostenkowski with Mr. Landrum.
Mrs. Sullivan with Mr. Hightower.
Mr. Mollohan with Mr. Metcalfe.
Mr. Rosenthal with Mr. Milford.
Mr. Flynt with Mr. Mills.
Mr. Corman with Mr. Gradison.
Mr. Roush with Mr. Stephens.
Mr. Brinkley with Mr. Shriver.
Mr. Matsunaga with Mr. Vander Jagt.
Mr. Roncalio with Mr. Treen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 4, line 1, insert: ", to remain available until October 31, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 4, line 19, insert: ", to remain available until October 31, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 4, line 24, insert: ": *Provided*, That $2,300,000 shall be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 5, line 9, insert:

"GEOLOGICAL SURVEY

"SURVEYS, INVESTIGATIONS, AND RESEARCH

"For an additional amount for 'Surveys, investigations, and research', $1,500,000, to remain available until October 31, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 8 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$750,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 5, line 14, insert:

"MINING ENFORCEMENT AND SAFETY ADMINISTRATION

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses', $2,775,000: *Provided*, That these funds shall remain available until expended for the construction of facilities."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$1,250,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 6, line 14, insert: "to remain available until October 31, 1975,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 8, line 13, insert: "*Provided*, That, notwithstanding any other provision in law, amounts contained herein, together with amounts heretofore appropriated for 'Community service employment for older Americans' may be expended to continue projects now being conducted as part of the National Operation Mainstream program authorized by title III of the Comprehensive Employment and Training Act of 1973 (Public Law 93-203)."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 9, line 3, insert:

"HEALTH SERVICES ADMINISTRATION

"HEALTH SERVICES

"Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare is hereby authorized to hire and assign not to exceed 146 additional health professionals to serve in the National Health Service Corps."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 10, line 3, insert: : "*Provided further*, That any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974-75, shall remain available for payments under the payment schedule announced for the academic year 1975-76."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 10, line 12, strike lines 12 through 23 and insert:

"For an additional amount for 'Work Incentives', $70,000,000, for carrying out a work incentives program as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and supportive services, as authorized by section 402(a) (19) (G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, which, together with the previously authorized current year appropriation, shall be the maximum amount available for transfer to the Secretary of Labor and to which States may become entitled, pursuant to section 403(d) of such Act, for these purposes, for the current fiscal year and for any period in the prior fiscal year provided the prior fiscal year expenditures are claimed on quarterly statements of expenditures received by the Secretary of Health, Education, and Welfare prior to February 1, 1975."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: Page 13, line 1, insert:

"UPPER COLORADO RIVER STORAGE PROJECT

"For an additional amount for 'Upper Colorado River Storage Project', $2,450,000, to remain available until expended, which shall be available for the 'Upper Colorado River Basin Fund'."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 13, line 6, insert:

"COLORADO RIVER BASIN PROJECT

"For an additional amount for 'Colorado River Basin Project', to remain available until expended, $10,400,000, of which $8,000,000 is for liquidation of contract authority provided by section 303(b) of the Act of September 30, 1968 (82 Stat. 894)."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 13, line 14, insert: "to remain available until expended,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 13, line 17, insert:

"LOAN PROGRAM

"For an additional amount for 'Loan Program', $1,600,000, to remain available until expended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 37: Page 14, line 1, insert: "*Provided further*, That $3,000,000 shall be available until expended, and shall be transferred to 'Regional Development Programs', Regional Action Planning Commissions, to carry out programs authorized by Title V of the Public Works and Economic Development Act of 1965, as amended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$1,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 58: Page 20, line 18, insert: "Appropriations hereby made to the Federal Buildings Fund shall not be subject to the provisions of section 210(f) (4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f) (4)) requiring repayment with interest."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 61: Page 41, line 9, insert:

"FEDERAL RAILROAD ADMINISTRATION

"RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities, $700,000,000 of which not to exceed $7,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however*, That these funds shall be available only upon enactment of authorizing legislation."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House insist on its disagreement to the amendment of the Senate numbered 61.

PREFERENTIAL MOTION OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. CONTE moves that the House recede from its disagreement to Senate amendment Number 61 and concur therein with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate, insert the following:

"CHAPTER VIII

"DEPARTMENT OF TRANSPORTATION

"FEDERAL RAILROAD ADMINISTRATION

"For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities, $200,000,000 of which not to exceed $1,500,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however,* That these funds shall be available only upon enactment of authorizing legislation: *Provided, further,* That none of these funds shall be available to commuter rail systems."

Mr. MAHON. Mr. Speaker, I have moved that the House insist upon its disagreement with the Senate amendment. The other body put into this jobs bill the sum of $700 million—I repeat, $700 million—for the restoration of the railroads.

Now, I agree that we have to do something perhaps dramatic and certainly that will be very costly about the railroads. The railroads are essential to the economic health and prosperity of the country and the railroads are generally in trouble. But the House conferees did not accept the $700 million appropriation added by the other body. No hearings have been held in the House Committee. How the money will be spent is not clear. Where the money would be spent is not clear.

The point I am making, Mr. Speaker, is that there is no authorization at all. The Appropriations Committee does have wide ranging authority, because the Appropriations Committee deals in the appropriation of funds for the various agencies and departments of the Government. There are some who say from time to time that the Appropriations Committee oversteps itself, and at times the Appropriations Committee in the past has overstepped itself.

As chairman of the committee, I am sensitive about that matter. We think the Appropriations Committee is important, but it is not so important that it is authorized to trample upon the authority and prestige and responsibility of the legislative committees. Some might look to the Appropriations Committee and say, "Upon what meat do these Appropriations Committee members feed that they have grown so great?"

We have not grown so great. We are just trying to do our job, and our job is to appropriate money for programs when the Congress has decided—through its regular legislative bills—on a program.

But, the Congress has not yet decided on a program to rehabilitate the railroads. It will, in my judgment, do so. If it does so, and there are proper safeguards and we know what we are doing and do not have to act blindly and be subject to the criticism of our people that we irresponsibly provided $700 million without any guideline or any controlling authority, that is a different matter altogether. So, with all sympathy for the railroads and with all respect and deference to my colleagues who would want to support the amendment offered by the gentleman from Massachusetts, I say that this is not the time or the place to appropriate $200 million for purposes when we are not clear about what those purposes would be.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I am glad to yield to the gentleman from Pennsylvania, the chairman of the subcommittee, as I understand it, of the Committee on Interstate and Foreign Commerce.

PARLIAMENTARY INQUIRY

Mr. SHUSTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SHUSTER. Mr. Speaker, how is the time divided?

The SPEAKER. The time is divided equally between the gentleman from Texas (Mr. MAHON), who has 30 minutes, and the gentleman from Illinois (Mr. MICHEL) who has 30 minutes or such small fraction thereof as he may decide to use.

Mr. SHUSTER. I thank the Speaker.

Mr. MAHON. Mr. Speaker, in deference to my colleague, the gentleman from Pennsylvania (Mr. ROONEY), who is chairman of the subcommittee having legislative responsibility for this program, which we do not feel the Committee on Appropriations should usurp, I will yield. It is true that the amendment says that unless the authorization is passed, the funds cannot be made available, but that is no way for responsible people, in my judgment, to legislate. I yield 3 minutes to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, I appreciate very much the distinguished chairman yielding to me.

There is no one in this body, Mr. Speaker, who is more concerned about putting people to work than I am, because in my congressional district, as in many other congressional districts, we have great unemployment.

But, let me tell the Members this: This $200 million is just a miniscule amount of money as far as upgrading the tracks in this country. We have had testimony after testimony, and the gentleman from Kansas (Mr. SKUBITZ), the ranking minority member of my committee, can testify that every railroad executive who came before our committee could not give a dollar number as far as upgrading the tracks in the northeastern part of the United States. They estimated between $3 and $5 and $10 billion.

Witness after witness said this is what is going to be needed. This $200 million is not going to be a guarantee to the taxpayers. We are not going to know where this money is going, and I think at this time it is very foolish to even consider it.

I have told my colleagues on the other side of the aisle and I have told my colleagues on this side of the aisle who are concerned about this type of legislation that I was going to hold hearings on the 23d, the 24th, and the 25th of June, that I would hold extensive hearings to get all of the information, to find out where this money is going to go, to protect the taxpayers and make sure the people who are needed are going to work in the area that needs it.

I am sure many unions in this country support this legislation, but, Mr. Speaker, I want to protect the American taxpayer, I want to protect the unions, I want to protect the railroads, and most of all, I want to protect the American taxpayers so far as this outlay of $200 million is concerned.

I want to say one other thing in concluding my remarks. I have heard testimony about all of the money that is going to be spent, the rehabilitation of the rail tracks in this country. Seventy to seventy-five percent will not go into jobs but it will go into materials and 25 to 30 percent will go into labor. So how is this going to put people back to work?

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman.

Mr. SHUSTER. Mr. Speaker, I fail to understand if that 75 percent is not going into jobs, it would go into labor, where it will go if it does not go into jobs?

The SPEAKER. The time of the gentleman has expired.

Mr. MAHON. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Speaker, we have had testimony after testimony before our committee that it will take 4 to 5 years for industry in this country to produce the material to build the tracks in this country, and I am talking about United States Steel, I am talking about Bethlehem Steel who cannot produce the tracks that are needed in the immediate future.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield further?

Mr. ROONEY. I yield to the gentleman.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding.

I certainly agree with the gentleman's point that it will take in fact not 5 years but 10 years to achieve all of the rehabilitation that is needed, that it will take over 10 years and, indeed, with a cost of over $3 billion. Does that mean we should not begin now with a modest $200 million?

Mr. ROONEY. We can begin our hearings on June 23, we can get the facts. We can get all of the facts. We can get industry and we can get labor to testify before our committee and then come up with an authorization that will guarantee the workers, that will guarantee everybody that everybody is going to get a fair shake.

Mr. SHUSTER. Mr. Speaker, if the gentleman will yield further, if this is a national emergency, why do we wait until June? Why do we wait? Why do we not proceed now, at least in a modest way, to create real jobs? Not leaf-raking jobs, but real jobs for the people of America.

Mr. ROONEY. $200 million will not

even, Mr. Speaker, rake the leaves off the tracks in the northeastern part of the United States.

Mr. MAHON. Mr. Speaker, I have no additional time at the moment.

Mr. MICHEL. Mr. Speaker, I yield 20 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, the sad state of unemployment troubling our Nation today is of extreme concern to all Americans. Our national rate of unemployment is now wavering around 9 percent. Several of our Nations geographic areas are tortured by unemployment rates as high as 23 percent. The bill we have before us is the result of many long hours of consideration by the Committee on Appropriations in both the House and the Senate. During the two sessions of the joint conference, the conferees labored to present a bill that would be acceptable to both the House and Senate. With one exception, I am satisfied that the conferees have produced such a bill. The bill is responsive to the needs of our Nations unemployed in the period of economic crisis. The one exception which I alluded to is the failure of the joint conferees to reach any agreement on Senate amendment No. 61.

The amendment provides $700 million to provide jobs for repairing, rehabilitating, and improving railroad roadbeds and facilities with $7 million for administrative expenses. The amendment further provides that the funds shall only be available upon enactment of authorizing legislation. My amendment will reduce funding to $200 million for jobs on construction crews to rehabilitate the rail rights-of-way and $1.5 million for administrative expenses of the Department of Transportation. Further, my amendment retains the requirement for authorizing legislation as well as providing that no funds shall be available to commuter rail systems.

The present rate of unemployed rail workers exceeds 30,000. The Federal Railroad Administration advises that this amendment would enable the rail carriers to employ these men throughout calendar year 1975. Further, the Federal Railroad Administration advises that regulations will be formulated with all due expedience in order to insure our efforts to provide these jobs immediately upon passage of authorizing legislation.

The reason for excluding commuter rail systems is that they are eligible for funding of such programs from the Urban Mass Transit Administration. I am pleased to report that authorizing legislation has already been reported out of the Senate Commerce Committee and is expected to reach the Senate floor early next week. Similar authorizing legislation is awaiting action before the House Interstate and Foreign Commerce Subcommittee on Transportation.

This amendment will provide a multitude of jobs in an industry hit hard by the unemployment situation. The bill before you now provides funding for positions in the Youth Conservation Corps to providing extra typists in our libraries. We cannot deny the fact that many of these positions are less than essential. After all, the purpose of this bill was to create jobs. My amendment will do exactly that, it will create jobs in an industry where unemployment is high. In addition, the creation of these jobs will serve a vital and essential improvement to our national rail transportation system. Our rights-of-way are in deplorable condition. I am privileged to sit on the Appropriations Subcommittee on Transportation as the ranking minority member. During the course of our hearings we heard from the various Federal safety regulatory agencies who advised of the increasing rate of derailments and other rail accidents due to the poor shape of the rights-of-way. The NTSB estimates rail accidents in excess of 11,000 accidents and derailments before the end of fiscal year 1975. Further, we learned of our financially troubled rail carriers who laid off the vast majority of their construction crews in order to economize.

With the exception of a handful of prosperous railroads, who incidentally would not unduly benefit from this amendment, virtually all of our rail carriers are operating under some degree of deferred maintenance.

It is a vicious cycle that is a major contributor to the demise of several of the rail carriers. The tragic end results are a reduction in transportation services to the public and an increase of the unemployment rolls. Fellow Members—this relatively small addition to the bill can accomplish so much more than the other programs. We will have relatively little to show for the other programs in this bill upon their termination. However, my amendment will result in more improved and safe rail rights-of-way. The Senate report makes it clear that the funds shall be made available to those bankrupt and near bankrupt rail carriers whose trackbeds are in such poor condition. I am satisfied that the various authorizing bills before the House and Senate contain such guidelines.

A point worthy of consideration is that with the addition of this $200 million amendment, the total bill will be $444.3 million less than that level of funding which previously passed this House.

Might I interject that I feel confident that if this amendment passes, the Senate would be amenable to reducing the level of funding to $200 million.

If the amendment fails, I fear we will be headed back to conference with another costly delay to our unemployed who need this bill so badly.

Fellow members—let us rise to the chance to produce not only jobs for the sake of jobs, but a much needed benefit in the long run. I solicit your support.

Mr. YATES. Let us suppose the gentleman from Massachusetts or other Members of the House do not like the law that comes out of the committee. The money under the gentleman's amendment would nevertheless go to pay for the operation of that law because we would have voted that money in advance.

Mr. CONTE. Mr. Speaker, I will yield no further to the gentleman.

However, the amendment is very clear. The $200 million does not go into effect until there is an authorization bill passed by the gentleman from Pennsylvania's committee, the House of Representatives, and the Senate will have to work there will.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. Yes, I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding.

I have had great problems with this bill because it, by and large, provides make-work rather than real jobs. However, Members of the House, if there is any segment of this bill under consideration which deserves the support of the House, it is the amendment proposed by the gentleman from Massachusetts.

Members of the House, this amendment, modest though it is, provides for $200 million to create 30,000 jobs, not leaf-raking jobs, but jobs to revitalize our railroads in America.

It was this body and, indeed, the great Committee on Interstate and Foreign Commerce and the subcommittee chaired by the distinguished gentleman from Pennsylvania (Mr. ROONEY), which brought into being the U.S. Railway Association.

Let me quote what the U.S. Railway Association, created by this body, had to say:

> The Association's rehabilitation strategy recognizes that some sacrifice in operating efficiency may be required in the light of overall material and financial considerations. However, the result may be higher long-run costs, poorer service and possible decline in market share. For example, effective and profitable piggyback service is impossible if the railroads' main lines cannot sustain a dependable high-speed operation. Further, day-to-day operating costs can be affected by lower maintenance levels. Examples of these are:
>
> Increased costs resulting from derailments and damage claims,
>
> Increased day-to-day basic maintenance just to keep trains in operation, which is far less efficient than programed renewals,
>
> Increased train and engine crew costs resulting from increased times to get trains over the road,
>
> Increased per diem payments and other car utilization costs because the cars simply do not move as quickly both over the road and through terminals, and
>
> Lost revenue because the railroad cannot adequately handle business.

Mr. Speaker, we cannot have a viable rail system unless we bring about improved maintenance of our trackage.

If there is any segment of this bill under consideration which deserves support, it is that segment which proposes to provide for the creation of real jobs, jobs to refurbish the trackage of our Nation's railroads.

Mr. Speaker, I urge support for this amendment.

Mr. HEINZ. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Speaker, I rise in support of the Conte amendment, and I respectfully urge my colleagues to support it as well. I rise also—and I confess some bias—in support of this kind of legislation. As of March 11 of this year I introduced authorizing legislation of the kind referred to in the gentleman's amendment. It was at this time that the distinguished chairman of the Subcommittee on Transportation indicated his desire for hearings. But it is only today, as we confront a real issue, that a hearing date 6 weeks in the future has been set. All this delay is taking place at a time when unemployment has reached the highest level in 30 years, when unemployment in the railroads and among the maintenance of way employees is rising at the rate of several thousand per month. All this delay is taking place at a time when we all recognize that our railroads are in a precarious situation.

I think we all recognize also, as the gentleman from Massachusetts (Mr. Conte) pointed out, that if the committee, after it holds hearings at the end of June should also schedule markup in July, and should be so fortunate as to move legislation before the congressional recess in August, we might well defer any funding action in authorizing legislation, if enacted before August, until late this fall.

What, besides the plight of the economy, is wrong with that? One thing that is wrong with that is that if you are going to put people to work productively the best time to do it is now, because now is the fair-weather months, and that is when most of the important maintenance of way work can be done on the railroads—not this fall or this winter when there is a seasonal slowdown in such work.

If we want to do something about turning our economy around, then we want to do it now. If we want to get the steel mills cranked up to produce more railroad track, we are just going to postpone doing it another 6 months if we wait until September, October, or November.

Mr. Speaker, I say that the Conte amendment should be accepted. If we care about putting people to work, if we care about not being penny-wise and pound-foolish, if we can that for every Federal dollar spent we can create up to two other jobs in steel mills, lumber mills, and in the mills that make equipment and machinery used in installing and laying railroad track, then we will vote for the Conte amendment.

Mr. CONTE. I thank the gentleman from Pennsylvania.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. Mr. Speaker, I rise in opposition to the amendment offered by the gentleman from Massachusetts (Mr. Conte). I do so even though I find it difficult to disagree with the reasons that the gentleman from Massachusetts presented. I do feel that jobs to maintain the rail beds of this country, which are so badly needed, are necessary, and more good can be accomplished by doing this sort of work than from leaf-raking jobs in the present proposal. But it seems to me that there is a right way and a wrong way for this body to operate. It seems to me that the appropriate way is for the Subcommittee on Transportation to hold its hearings on the legislation that is pending before us, and then come forth with an authorizing bill. I happen to be a cosponsor of Mr. Heinz' bill that is pending before our committee, and I support that bill. But I think it is appropriate that we hold hearings on that bill to make a determination of how much money is needed, how much we should ask for, what kind of work we should do, and under what conditions we should spend that money.

Mr. Speaker, I rise in support of the committee position. I hope that the Conte amendment is defeated.

The SPEAKER. The time of the gentleman has expired.

Mr. MAHON. Mr. Speaker, this matter has been fully debated.

There being no further request for time, Mr. Speaker, I urge that when the vote comes the House vote "no" against the Conte motion which would provide $200 million for the unauthorized program of assistance to railroads. The funds were not in the House bill. They were not in the conference report. The $700 million was in the Senate bill. I urge the House to vote "no" on the pending issue, and we can at a later time, when the authorization is before the House, debate what further action to take.

The SPEAKER. The question is on the preferential motion offered by the gentleman from Massachusetts (Mr. Conte).

The question was taken, and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 141, noes 253, not voting 39, as follows:

[Roll No. 212]

AYES—141

Abzug
Adams
Addabbo
Annunzio
Ashley
Badillo
Beard, R.I.
Bedell
Biester
Blanchard
Blouin
Boland
Brademas
Brodhead
Brown, Ohio
Buchanan
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Cleveland
Cohen
Conte
Conyers
Cotter
D'Amours
Daniels, N.J.
Delaney
Dellums
Dent
Dodd
Downey
Drinan
du Pont
Early
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Ind.
Fenwick
Flood
Florio
Ford, Mich.
Forsythe
Fraser
Gaydos
Giaimo
Gilman
Goodling
Grassley
Green
Gude
Hagedorn
Hall
Hanley
Harkin
Harrington
Hastings
Hayes, Ind.
Heckler, Mass.
Heinz
Helstoski
Hillis
Holtzman
Hughes
Jacobs
Jeffords
Johnson, Pa.
Keys
Koch
Krebs
Latta
Madden
Maguire
McCloskey
McCormack
McDade
McFall
McKinney
Meyner
Mezvinsky
Mikva
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Murphy, Ill.
Murtha
Nedzi
Nolan
O'Hara
Ottinger
Patten, N.J.
Pattison, N.Y.
Pettis
Peyser
Pressler
Price
Rangel
Richmond
Riegle
Rinaldo
Rodino
Roe
Rosenthal
Roush
Sarasin
Sarbanes
Scheuer
Schneebeli
Schulze
Sharp
Shipley
Shuster
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stratton
Studds
Traxler
Tsongas
Udall
Vander Veen
Vigorito
Walsh
Waxman
Whalen
Wolff
Yatron
Young, Ga.
Zeferetti

NOES—253

Abdnor
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Bingham
Boggs
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Collins, Ill.
Collins, Tex.
Conable
Conlan
Cornell
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Fithian
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Frenzel
Frey
Fulton
Fuqua
Gibbons
Ginn
Goldwater
Gonzalez
Guyer
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Harris
Harsha
Hechler, W. Va.
Hefner
Henderson
Hicks
Holt
Horton
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Macdonald
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCollister
McDonald
McEwen
McHugh
McKay
Meeds
Melcher
Michel
Miller, Calif.
Miller, Ohio
Mineta
Mink
Moore
Moorhead, Calif.
Mosher
Moss
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nix
Nowak
O'Brien
O'Neill
Oberstar
Obey
Passman
Patterson, Calif.
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Risenhoover
Robinson
Rogers
Rooney
Rose
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
Santini
Satterfield
Schroeder
Sebelius
Seiberling
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Ullman
Van Deerlin
Vanik
Waggonner
Wampler
Weaver
White
Whitehurst
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki

NOT VOTING—39

AuCoin
Barrett
Biaggi
Brown, Calif.
Chisholm
Cochran
Corman
Coughlin
Diggs
Eshleman
Fish
Gradison
Hawkins
Hays, Ohio
Hébert
Hightower
Hinshaw
Holland
Howard
Karth
Metcalfe
Milford
Mills
Mollohan
Montgomery
Murphy, N.Y.
Patman, Tex.
Rees
Roberts
Roncalio
Ryan
Shriver
St Germain
Teague
Thompson
Treen
Vander Jagt
Whitten
Wiggins

So the preferential motion was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Corman.
Mr. Hays of Ohio with Mr. Roberts.
Mr. Mollohan with Mr. Mills.
Mrs. Chisholm with Mr. Brown of California.
Mr. Montgomery with Mr. Eshleman.
Mr. Barrett with Mr. Teague.
Mr. Howard with Mr. Cochran.
Mr. Metcalfe with Mr. Rees.
Mr. Roncalio with Mr. Hawkins.
Mr. St Germain with Mr. Gradison.
Mr. Whitten with Mr. Coughlin.
Mr. Biaggi with Mr. Milford.
Mr. Ryan with Mr. Fish.
Mr. Diggs with Mr. Patman.
Mr. Thompson with Mr. Shriver.
Mr. Murphy of New York with Mr. Treen.
Mr. Holland with Mr. Vander Jagt.
Mr. Karth with Mr. Wiggins.
Mr. Hightower with Mr. AuCoin.

The result of the vote was announced as above recorded.

The SPEAKER. Without objection, the motion offered by the gentleman from Texas (Mr. MAHON), is agreed to.

There was no objection.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to and all amendments in disagreement just agreed to, and that I may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON THURSDAY, MAY 15, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow, Thursday, May 15, 1975.

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object. I would like to ask a question of the distinguished majority leader.

We adjourned at 2 o'clock on Monday and 3 o'clock yesterday. Why can't we just come in at the normal time? Do not tell me there are 50 Republicans going to New York. I have checked, and there are less.

Mr. O'NEILL. It is my understanding that there is an annual congressional trip to New York and I also understand that among those who are going are more than 2 to 1 Republicans to Democrats.

Mr. ROUSSELOT. Apparently the taxpayers are paying for it. I imagine we are all going up for food stamps.

The SPEAKER. Is there objection to the request of the gentleman from Massachussetts?

Mrs. SCHROEDER. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

MOTION OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Speaker, I move that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow, Thursday, **May 15, 1975.**

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. O'NEILL).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was refused.

So the motion was agreed to.

INCONSISTENCY IN NEW YORK

(Mr. ROSE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSE. Mr. Speaker, yesterday the Governor of New York and the mayor of New York City paid a visit to this body, conferring with the leaders of the House of Representatives and seeking help in paying the bills of the Nation's largest city.

Their timing could not have been worse.

Governor Carey and Mayor Beame came up the Hill with their hands out just 1 hour after the New York delegation—by a 2 to 1 margin—had voted against the American farmer.

This vote to sustain the President's veto of the emergency farm bill was extremely shortsighted. This legislation had been written by a bipartisan coalition of farm experts in both Houses. It was designed to increase food production, to save the jobs of farmers and to insure a bumper crop of grain to help feed the world's hungry.

But most of the New Yorkers, following the advice of Earl Butz, apparently swallowed arguments that passage of this bill might increase costs to the American consumer.

That is their option of course.

But it takes a great deal of arrogance or insensitivity or maybe even that New York quality of chutzpah to vote against helping the Nation's farmers and then ask those of us who represent rural areas to subsidize the subway riders in New York City.

What happens to consumer costs in North Carolina when Congress supports mass transit so New York can keep its 35-cent fare?

Some of our colleagues apparently have not learned that the Nation's economic woes are not limited by the Hudson River and the Long Island Expressway. The problems confronting this Nation extend way beyond the northeast rail corridor, and they include the Nation's farmers.

For their far-sighted approach to the legislative process and their support in yesterday's vote, I would like to thank Ms. CHISHOLM, Mr. SOLARZ, Mr. RICHMOND, Mr. RANGEL, Mr. BADILLO, Mr. BINGHAM, and Mr. OTTINGER, as well as the upstate Members—Mr. MCHUGH, Mr. PATTISON, Mr. MCEWEN, Mr. HANLEY, Mr. LAFALCE, and Mr. NOWAK.

I would urge their colleagues to widen their vision to encompass the problems of others as future votes are taken.

GOVERNMENT LAWLESSNESS

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, "Government lawlessness," the widespread bureaucratic practice of distorting, ignoring, and subverting the congressional mandates contained in legislation, is the greatest threat to meaningful self-government. I strongly feel the basic cause of this is the lack of mechanisms which would allow citizens some means of protection against officials in their day-to-day contact with the bureaucracy. For this reason. I am introducing today the Bureaucratic 'Accountability Act of 1975 which proposes concrete steps toward strengthening responsible and reliable government through amendments to the Administrative Procedures Act.

The aim of this legislation is to confine the bureaucracy to its legal purposes by the democratic method of increasing its responsibility, its answerability, both to citizens and to the intent of Congress.

Nothing can substitute a political will to reform, but this will remain ineffective or even unformed without the necessary institutional procedures. These mechanisms cannot guarantee that Congress will pass wise and democratic substantive legislation, but they do allow hope when such legislation is indeed passed and citizens may rely on seeing it carried out. This hope is the basis of active democratic reform and confidence in the capabilities of government.

Therefore the approach of this bill is two-fold. First, it extends the rights contained in the APA to those situations that are of direct concern to our citizenry. Second, it strengthens the ability of Congress to actually control the actions of the Presidential branch. In both cases, the status of the objection is strengthened, democratically arrived-at legislation against the subjective political and bureaucratic desires of an uncontrolled administration.

The "Bureaucratic Accountability Act" is to insure that citizens may receive an accurate idea of their rights and of the procedures of the bureaucracy. I believe this is an important extension of responsibility participation in the work of the Government.

SUMMARY OF "BUREAUCRATIC ACCOUNTABILITY ACT OF 1975"

Sections 101 and 102 (a)—Extension of rulemaking requirements: The Administrative Procedures Act sets forth some minimal due process requirements to be followed whenever the bureaucracy issues "rules" that affect the citizenry. These include adequate prior public notice of the intended rule, opportunity for written comments by interested persons, and opportunity to petition for changes or exceptions. Opportunity for oral argument is discretionary, and final administrative decisions are not confined to any record established by these proceedings.

At present, the requirements apply mainly to the regulatory agencies. The time has come to extend these APA procedures to social programs and other aspects of "positive Government." Allowing the citizens to present their case, and requiring the bureaucracy to hear all relevant views, are increasingly indispensable tools of effective government.

Therefore, this bill eliminates the existing exemptions of "matters relating to public property, contracts, loans, grants, benefits" from the rulemaking requirements of notice and comment.

Section 102(b)—New criteria for rulemaking requirements exemptions: This section regulates those cases in which there is a legitimate public interest served by exemptions from the public notice opportunity to comment requirements. First, the present exemption for military and foreign affairs functions would not diminish the power of the agencies to omit APA rulemaking procedures when their observance is found to be inappropriate because of a need for secrecy in the interest of national defense or foreign policy. This exemption should be on the same basis now applied in the Freedom of Information provision. It contains an exemption for rulemaking involving matters specifically required by Executive order to be kept secret in the interest of national defense or foreign policy.

The present exemption of interpretive rules and general statements of policy is eliminated. These agency decisions are often just as important as rules proper. The division between "rules" and "interpretive statements" is inefficient for deciding what should or should not be exempted.

The bill substitutes a more functional classification, based on language already in the APA: "impracticable, unnecessary, or contrary to the public interest." Grant-in-aid decisions cannot be exempted, in accordance with the procedures set up in section 501.

Section 201—Subpena power: The APA does not presently contain a grant of subpena power. It does provide that where agency subpena authority exists, subpenas must be made available to private parties in adversary proceedings to the same extent that they are available to agency counsel.

Most agencies which conduct formal proceedings under sections 556 and 557 of the APA do have subpena power. Such power is granted in the agency's legislation or in the particular substantive statute under which the proceeding is conducted. Some agencies which conduct such proceedings either have subpena power which is in some way limited or inadequate to the needs of all parties, or have no subpena power at all. The basic purpose of section 2 of the bill is to fill existing gaps by providing within the APA a grant of subpena power for all agency proceedings, both rulemaking and adjudication, which are required to be conducted on the record with opportunity for a hearing.

Section 301—Payment of expenses incurred before agencies: Our system of government relies on the spontaneous cooperation of the citizenry. This includes active participation in the administrative process, either by defending rights that Congress has sought to protect the "privacy attorney general" concept already recognized by the courts—or by providing information and perspectives that the bureaucracy would not have the resources to discover. When this private participation aids in vindicating public policy, the citizen should not be penalized by excessive financial burdens. Costs of participation should be kept at a minimum, and the agency should have the option of subsidizing those who otherwise would not be able to make a contribution.

Section 401—Sovereign immunity: "Sovereign Immunity" is a common law doctrine that prohibits suits against the sovereign without his consent. It is used by the Government arbitrarily and unpredictably, and frustrates the orderly legal planning of the citizen. The removal of this doctrine in the days of active positive government is a long overdue reform endorsed by most of those concerned with administrative law.

Section 501—Enforcement of standards for grants: The aim of this section is to insure the maintenance of Federal standards of performance and policy aims in those State and local programs that depend on Federal funds.

This bill defines grant-in-aid programs as "programs pursuant to which the Federal Government transfers funds to State and local governments and public and private nonprofit organizations to provide general public services or finance programs for special groups.

Secondly, all grant decisions are made subject to the public notice-and-comment procedures of rulemaking. This was done in section 102 above. This will allow objections to be heard before a State or local program is approved and funded. Relevant materials are required to be made available to interested persons.

Thirdly, procedures for hearing complaints concerning grant plan applications and the administering agency and the State or local grantee.

The agency will hear complaints when they are made in the name of a substantial number of those persons affected by a grant-in-aid program, or when the agency decides an important policy question is involved. The agency is also given less disruptive ways of enforcing Federal standards than the complete termination of the program.

Grantees are required to hear complaints from any person adversely affected by their administration of the program. Minimum standards for grantee complaint procedures are set up.

NATIONAL TRANSPORTATION WEEK

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Missouri (Mr. Randall) is recognized for 60 minutes.

Mr. RANDALL. Mr. Speaker, as chairman of the Transportation Subcommittee on Government Operations our subcommittee has oversight and the new rules of all transportation—air, land, and water. The week of May 11 to 17, 1975, has been declared National Transportation Week and various transportation organizations across the Nation have observed the week.

It is proper that every American take time to reflect on the significance of a healthy, safe, and dependable system of transportation in this country. The word "system" is of great importance to all of us as we ponder actions which directly affect the future of transportation and which will determine the development and direction of our Nation's great rail, air, highway, waterway, and pipeline modes of transportation. They are all systems which are complex unto themselves and which interact with further complexity with each other. Any action which substantially affects one will undoubtedly have a ripple effect upon one or more of the others.

This is a concept which we as lawmakers must honor and respect if we are to produce more constructive than harmful legislation. We must also remain constantly aware of the fact that most of the other great issues which face us are directly related to the field of transportation. The economy, energy consumption, unemployment, pollution, and national defense are but a few areas of critical concern which are directly concerned each and every time we debate a measure which affects transportation.

We, as a Congress, have made some great progress in attempting to assure the health, safety, and dependability of our sprawling systems of transportation. In the last Congress, Public Law 93-633, the Transportation Safety Act of 1974, made great strides toward the end of safer movement of hazardous materials by all modes of transportation. It also rendered the National Transportation Safety Board an independent agency, free of any stigma which might have attached to it as an arm of the Transportation Department.

The regional Rail Reorganization Act, Public Law 93-236, took the first of possibly many steps toward insuring the economic health of our railroads.

We continue to operate under the auspices of the Airport and Airway Development Act of 1970, which is to be considered for extension this year.

Congress has passed numerous measures concerning transportation, some after long and deliberate debate, some with a kiss and a prayer under urgent circumstances, but there has never been a time which required greater attention and coordination between the various committees of the House which are concerned with transportation than now. As chairman of the Government Operations Subcommittee on Transportation, I have instructed my staff to establish close liaison with the Committees on Public Works, Interstate and Foreign Commerce, and Appropriations in planning the subcommittee activity. Meetings to effect this end have already been held. Duplicative hearings have already been averted in the matter of ground proximity warning systems which are being required on all passenger carrying aircraft. As you are aware, it is the responsibility of the Committee on Government Operations to eliminate conditions which lessen the economy and efficiency of the Federal Government, and we are beginning this effort at home, here in the Congress.

As a subcommittee, and with the able assistance of Charles Thone, the ranking minority Member, we intend to take a long and thoughtful look at the entire transportation picture. We have begun studies into the FAA, the ICC, the St. Lawrence Seaway, and the Maritime Commission. I would again note that we have repeatedly found that a study of one area or agency inexorably leads into consideration of matters affecting another mode of transportation. Matters which affect trucking have direct impact on railroads. Matters which affect transportation of hazardous cargo by air affect just about every other mode, since the materials must be brought to and taken from the airports by trucks, rail, or sea.

During this National Transportation Week, I wish to make known to the public some of the specific issues which will be confronted during this Congress by the Subcommittee on Government Activities and Transportation.

Subjects which are presently under study or which will soon be under study include:

FAA response to National Transportation Safety Board safety recommendation, especially those which deal with airplane crash survivability; FAA rules governing the air transportation of hazardous cargo, with particular attention to responsibility for packaging and handling; training of air traffic controllers, with special emphasis on the FAA Academy in Oklahoma City, Okla.; ICC regulations, particularly those rules which contribute to waste or inefficiency; the St. Lawrence Seaway, especially the impact of containerized cargo and rail competition on its economic future; and finally, the economy and efficiency with which funds available under the Airport and Airways Development Act of 1970 have been put to use.

National Transportation Week is being celebrated in my district with barge rides on the Missouri River and with complimentary train rides through the Kansas City area. I hope next year more in our country may participate in these and similar activities across the Nation, in hopes that everyone will develop an awareness of the magnitude and multiplicity of problems which face us and will continue to face us for decades to come. The purpose of these few words today is to restate my commitment to the development of a proud, efficient system of transportation in America. I wish that there were a single concept or principle which, if developed, would lead us as a Nation quickly and securely down the road to a robust, reliable system of transportation, but there does not appear to be one. We will, in the alternative, continue to study and correct those problems which come before us, and hopefully, with each passing Congress, contribute to that end.

NATIONAL TRANSPORTATION WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. THONE) is recognized for 10 minutes.

Mr. THONE. Mr. Speaker, I wish to add my support to the fine remarks of the gentleman from Missouri (Mr. RANDALL) and join him in support of the activities of National Transportation Week. I also wish to thank the gentleman for his recognition of my work on the Subcommittee on Government Activities and Transportation. I share his concern for the continued viability of this most important industry.

The economy of the State of Nebraska and the rest of the Midwest and plains States is almost totally dependent on the modes of transportation available. The vast bulk of agriculture production must be moved by truck, train, and barge to its destination in other parts of the country. Raw and semifinished products and fuel must be shipped in for the manufacturing process and the finished product transported yet again.

In many ways the massive increase in highway and interstate construction in recent years has tended to aggravate the transportation problems of rural areas. The resultant increased use of the private automobile has led to a lessened dependence on public transportation. Increased use of trucks for transportation of goods has created problems for the railroads. The energy crisis forced us to place this in a new perspective.

As a nation we are beginning to realize these problems must be faced directly and a balanced transportation system developed that takes advantage of motor vehicles, trains, watercraft, and air. Convenience, cost and efficiency must all be considered.

These ramifications are now being seriously studied—maybe for the first time—by the regulatory agencies, the executive branch and Congress. Our subcommittee is aware of legislation emanating from all three of these sources dealing with these problems.

Over the next months, I look forward to working with Chairman RANDALL and the other members of the subcommittee on the problems of the transportation industry.

NATIONAL TRANSPORTATION WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 10 minutes.

Mr. HOWARD. Mr. Speaker, the occasion of National Transportation Week presents a most appropriate opportunity for all of us in the Congress to reappraise the role of Government in coping with the many and complex problems that confront our increasingly urbanized society in the field of transportation.

Until this year, the Public Works Committee's transportation jurisdictions centered primarily on highways and inland waterways. This committee, on which I have been privileged to serve since my first term in Congress, has contributed significantly in those two specific areas to the development of the world's most advanced transportation system.

The St. Lawrence Seaway, which gave the United States fourth seacoast and brought deepwater ocean shipping 1,000 miles inland from the Atlantic to the Great Lakes ports, was initiated by the Public Works Committee more than 20 years ago. And in the same era, the committee authorized construction of the 42,500-mile Interstate Highway System. Now approaching completion, this magnificent system today is the safest and most-traveled road network on earth, as well as the greatest public works program in the history of mankind.

But, successful as those two great undertakings have been, our society and its needs are changing so rapidly that there is no time for a self-congratulatory pause; we must act without delay to develop new and even better instruments for the problems of the immediate future.

If current demographic trends continue, we will have added some 50 million persons to our population by the year 2000. Where and how well they will live will depend to a significant extent on how wisely we plan now for their transportation requirements.

Much of the responsibility for that planning effort is now lodged within the Public Works and Transportation Committee, because of the 1974 congressional reorganization which extended the committee's jurisdiction to all surface transportation excepting railroads, and to all civil aviation.

As chairman of the Surface Transportation Subcommittee, I am convinced that one of our most urgent priorities is the development of a national transportation policy that will take into account the capabilities of all modes of transportation and direct them toward the needs of the future. I pledge my every effort, Mr. Speaker, to the development of such a policy.

CUTTING THE BUDGET: A SUMMARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, for a number of years now, I have been concerned about the growing deficits in the Federal budget and the impact of these deficits on inflation and capital investment. Release of the President's budget for fiscal 1976, with its $52 billion deficit, heightened my apprehension and the steady escalation of the estimated budget deficit since then has done nothing to allay my fears about the direction in which our economy is headed. At the time the House budget resolution was considered, a number of Congressmen, myself included, made an effort to stipulate that expenditures should not exceed revenue in fiscal year 1976, but, unfortunately, that effort was defeated 311 to 94.

Ultimately, however, such an effort raises two important questions, namely, what specific programs are to be cut to reduce the fiscal year 1976 deficit to zero and how likely is it that such cuts will be approved given the present disposition of Congress.

Answering the second question first, it is obvious that, at the moment, Congress is disinclined to opt for a balanced budget because most members seem to be preoccupied with recession despite the fact that inflation is the root cause of recesssion. However, if the coming budget deficit of $70, $80, or $100 billion sets off another inflationary spiral as many people are persuaded it will, that mood may change and Members of Congress may be willing to look at possible alternatives, particularly if they are set out in specific terms. Therefore, for that reason, if for no other, specific alternatives providing for a balanced budget should be presented.

However, there is another consideration—the role Government should play in the economic life of this country. As one who has long believed in the concepts of free enterprise and limited Government, I not only want to see deficit spending curtailed but Government subsidization and regulation reduced. History clearly shows that increasing the role of Government not only decreases personal liberty but, through intervention in the free market system, hampers economic growth. Understandably, all Americans want a larger piece of the economic pie, but governmental regulation of the size of the slices is far less likely to produce that result than letting the free enterprise system bake a bigger pie.

Therefore, I have prepared a proposal that would not only produce a balanced budget in fiscal 1976, but would reduce Government intervention in, or control over, various aspects of American life. Frankly, this proposal represents what I would like to see happen, politically and philosophically as well as financially, but I recognize that, given the makeup of the present Congress, the chances for adoption of all, or parts of it, are minimal at best. However, I would hope that, by making these suggestions, I will stimulate interest in and discussion of a balanced budget and how it may be achieved.

I should also note that this proposal represents a rough outline rather than a polished final draft. I would hope that, as discussion of it proceeds, criticisms will be made, refinements will be suggested and imperfections will be worked out. Unfortunately from a research standpoint, and fortunately from the standpoint of the taxpayer, the resources of an individual Congressman are not comparable to that of the Budget Committees, the executive branch or OMB, so there are bound to be some things that need to be corrected or improved. However, even organizations like OMB have had difficulty estimating expenditures and revenue, especially the latter, so that problem should not constitute a fatal drawback.

When the President proposed this fiscal year 1976 budget last February 3, he stated revenues would be $297.5 billion, he suggested outlays of $349.4 billion and he proposed a deficit of $51.9 billion. Using the figures in the President's proposed budget and postulating opposition to spending programs that either have increased or will increase the deficit, my feeling is that we cannot only cut approximately $52.5 billion from the President's original budget, but that we can keep the revised budget in balance for fiscal 1976.

To achieve this, I am recommending that approximately $6 billion be cut from the defense budget in the areas of personnel support facilities and military assistance, that $4¼ billion be trimmed from foreign aid, that $190 million be cut from space and technology, that approximately $3 billion be trimmed from natural resources, environment and energy, that just over $800 million be chopped from agriculture, that $4.6 billion be taken from community development, that over $8¼ billion sliced from commerce and transportation, that over $4 billion be taken out of education, manpower and social services, that over $700 million be trimmed from health, that $10.5 billion be cut from public assistance and income security, that $269 million come out of veteran's benefits, that $1.15 billion be cut from law enforcement and justice, that $800 million come out of general government and that $7½ billion be subtracted from budget allowances.

In proposing these cuts, I have not left any sacred cows. All 14 functional areas of Government have come in for attention, with the nature and size of the cuts being determined by 6 basic premises.

The first premise is that any program vital to national security not be cut. However, as you will notice, this is not intended to provide a blanket exemption for the defense budget; in fact the $6 billion in defense cuts I am proposing are larger than either of those proposed by the House and Senate Budget Committees and will enable us to shift $1 billion to badly needed weapons research and development.

The second premise is that businesses, agricultural interests, and individuals should rely on their own skills and initiative and not on the Government. Consequently I am proposing that, wherever possible, Government subsidies to the able-bodied—corporate and otherwise—be eliminated.

The third premise is that excessive Government regulation has had much to do with businesses and others getting into the kind of economic difficulty that results in requests for subsidies. Furthermore, such regulation, while intended to promote competition and help the consumer, has had just the opposite effect. Therefore, I am calling for the elimination of a number of Government regulatory agencies on the grounds that they are counterproductive for the businessman, expensive for the consumer, and hard on taxpayers. Proof of that may be found in recent White House estimates to the effect that unnecessary and ineffective Government regulations are costing the average American family $2,000 a year.

The fourth premise is that programs that have not worked, or can easily be delayed, should be either dropped or postponed. Certainly foreign aid falls into this category; we have been Santa Claus to the the world for years now and the world could not seem to care less.

The fifth premise is that, as a matter of equity, all groups should be treated alike. Accordingly, I am suggesting that special interest group programs either be eliminated or cut back to a per capita level no higher than that being provided to all other Americans.

The sixth and last premise is that all other program reductions be as uniform as possible. Therefore, I am recommending that all programs that seem desirable but are not vital to national security, be rolled back to fiscal year 1974 levels. Surely, on these programs, we can get by with what we spent less than 2 years ago. And, by instituting such a rollback policy, we will encourage, if not force, greater administrative efficiency and an effort to eliminate waste and duplication.

Included in the cuts I am suggesting is: A 200,000-man troop reduction for the U.S. Army; the phaseout of unneeded military bases, the elimination of the food-for-peace program; reduction of our contribution to the United Nations and to multilateral assistance programs; elimination of funding for the Agency for International Development, the Peace Corps, and the Job Corps; foregoing participation in the special financing facility program that would help other countries with their balance-of-payments problems; postponing construction of waste treatment plants and the Interstate Highway System for at least 1 year and, elimination of subsidies for airlines, railroads, buslines, shipping, agricultural interests, the Postal Service, students, and individuals who are perfectly able to take care of themselves.

In addition, my proposal would cut out funding for programs such as urban renewal, Model Cities, subsidized housing, and for regulatory agencies such as the ICC, the CAB, and the FTC. Moreover, the proposal would not only eliminate the food stamp program but also envisions the amendment of the welfare program and the unemployment compensation program so that those who are not really in need do not become a burden on those who are working. And, finally, these proposals envision acceptance of the President's 5 percent cap on entitlement programs while rejecting his call for energy cost rebates to individuals, State, and Federal agencies.

All in all, these cuts, coupled with the other terminations and rollbacks contained in this proposal, offer what I believe to be a reasonable way of balancing the budget and buttressing the free enterprise system without endangering national security. Obviously, a certain amount of subjectivity is involved in these proposed cuts and, just as obviously, not everyone will agree with all the premises developed in making them, but they do represent a starting point from which I hope discussion will proceed.

Such discussion is certainly needed. If we do not do something to reduce Federal spending for fiscal year 1976, the deficit we will face will not only require government at all levels to soak up better than 80 percent of the available capital in this country, but it will also set off another inflationary spiral. Such a combination can only lead to a follow-up onslaught of recession and unemployment, which is the very thing that so many people are concerned about today.

Congress should realize that it cannot spend the country out of the recession without rekindling inflation and driving up interest rates, which in turn, will retard both investment and future economic growth as well as compound all the present problems that have given us our current 8.9 percent unemployment rate.

Therefore, it only makes sense for all Americans to consider any and all ways of cutting the budget. Imperfect though it may be, I invite my colleagues to evaluate my proposal in this light and pass along any suggestions they might have for improving it. Copies are available in my office and a printed copy should be out in a matter of weeks for all those who are interested. For those who believe, as I do, that "inflession" is still the number one domestic enemy against which we must intensify the fight, time is of the essence.

THE HONORABLE WAYNE HAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MYERS) is recognized for 1 minute.

Mr. MYERS of Pennsylvania. Mr. Speaker, one of our colleagues celebrated his 64th birthday yesterday and since he represents a congressional district that is a neighbor to the one I represent in Pennsylvania, I desire to pay my respects and offer my congratulations to him and his constiuents.

Congressman WAYNE HAYS wears his years well, Mr. Speaker. His years have not diminished his energy and concern for this House. Sometimes, without even trying, he is good for our side of the aisle. He keeps us on our toes, while occasionally stepping on them, but I respect him for his forthrightness and dedication to what he thinks is right. I hope that I reflect the best wishes of all of my colleagues in wishing him many more birthdays as a Member of the House of Representatives.

LIBERALS OVERLOOK RED BLOODBATHS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, efforts in the press to downplay Communist brutality continue. Many of us have tried to set the record straight but the liberal reporters clearly do not want to learn and do not want to be confused by the facts.

First, it is necessary to note that bloodbaths do not necessarily happen the day, week, or month after a country falls to communism. As was so often illustrated in China, there may have been "speak out" sessions where simple people were urged to air their gripes, point the finger, complain. All complaints were recorded for proper retribution at a later time. Those taking over villages, cities, and governments often spoke of conciliation and working with the "old order" in the early part of their organizing efforts. The brutality came later. Reeducation was a code term to mark someone for brainwashing or execution.

In Communist China, at least 15 million people were slaughtered in political liquidation campaigns from 1949 to 1958.

In Tibet, one of the most horrendous genocides was inflicted on a small nation resulting in the extermination of 300,000.

In North Vietnam, to solidify their hold, at least 50,000 countrymen were executed in the land reform programs of the 1950's.

In South Vietnam, civilian victims of Communist terror from 1957 through 1971 is over 36,000.

Reports from Cambodia and Vietnam right now—repeat, right now—indicate executions and a reign of terror as a part of Communist takeover.

The records do not stop there. The staggering loss of life extends to Eastern Europe and Cuba which are detailed later in these remarks. It is this broad picture that liberal reporters overlook in their effort to rewrite history sympathetically to Communist butchers.

Having read thousands of articles over the past 25 years on the subject of communism and having become accustomed to the managed news and brainwashing technique of the left, I did not think I could ever read an article which would top them all. The Schanberg article clearly does top them all. It is the most dishonest, propagandistic article on communism I have ever seen. In it he says "it will be nice when Americans get out of the killing business in Indochina" and "it is difficult to imagine how their lives could be anything but better with the Americans gone."

His anti-American posturing is bad enough but he arrogantly ignores the operating principles of communism to mislead his readers by flat out referring to their brutality and murder as—quote—abnormal behavior—unquote, clearly implying this is isolated and not to be confused with their expected actions. Note his entire quote:

> Wars nourish brutality and sadism, and sometimes certain people are executed by the victors but it would be tendentious to forecast *such abnormal behavior* as a national policy under a Communist government once the war is over. (emphasis added)

This might be tendentious from his biased point of view, Mr. Speaker, but any objective study of Communist tactics, past and present, will belie his assertion. What normally happens is twofold: First, their executions, reeducation programs, concentration camps, repressions are done outside of the coverage of TV cameras and the sight of reporters like Schanberg who does not want to admit they happen anyway; second, a silence, a cold-blooded calm comes over the country whose borders are sealed, whose communications with the rest of the world are curtailed.

The result of this is that suppliant reporters like Schanberg will call this silence "peace."

Mr. Speaker, I cite here just some of the record of communism which has been normal—not abnormal. While it always can be hoped the Communists will turn from their bloodthirsty ways, it is irresponsible to rewrite history in this way, especially when they have their anti-American knives whetted so sharply. Schanberg alludes to the hopes that the "more gentle and flexible Khmer character" will be reflected in a Cambodian Communist government.

ATROCITIES IN VIETNAM AND CAMBODIA

The present tragic events now unfolding in Cambodia and South Vietnam raise ominous signs once again of the prospects of a Communist-style bloodbath in Southeast Asia. It is urgent that the on-going controversy over the fact or fiction of bloodbaths not be allowed to place in jeopardy the lives of those marked for extinction by the North Vietnamese, the Vietcong, and the Khmer Rouge.

Nothing new about this. Dr. Tom Dooley told about what happened to a teacher who did not conform to Communist tactics.

As for the teacher, whose unforgiveable crime was the conducting of classes in religion, Dr. Dooley continued:

> As for the teacher, he must be prevented from teaching again. Having been forced to witness the atrocity performed on his pupils, he endured a more horrible one himself. One soldier held his head while another grasped the victim's tongue with a crude pair of pliers and pulled it far out. A third guard cut off the tip of the teacher's tongue with his bayonet. Blood spurted into the man's mouth and gushed from his nostrils onto the ground. He could not scream; blood ran into his throat. When the soldiers let him loose he fell to the ground vomiting blood; the scent of blood was all over the courtyard.

With but slight variation, the above Communist measures were vigorously invoked throughout the entire central-eastern region between the Baltic and the Mediterranean Seas. Moreover, the figures cited are very conservative because they span only the early years of the Communist takeover period.

HUNGARY

In the public mind, the major bloodletting period by the Communist is generally assigned to the mid-forties and early fifties. However, the harbinger of the terror to be visited on the States of Central-Eastern Europe appeared 25 years earlier in Hungary, in 1919, when the Communist Bela Kun regime succeeded in creating a Soviet Hungary. Although of short duration, the terror and disruption lasted for 4 months and was the reason that communism never secured a foothold in Hungary during the decades which followed or until the Red Army rammed it down Hungary's throat.

But the bloodbaths suffered during the initial Communist takeover were not the only instances of bloodletting suffered by the peoples in the Communist-dominated nations. As a direct consequence of exploitation, Hungary exploded in 1956.

YUGOSLAVIA

Unlike the other Communist satellites, Yugoslavia did not have the direct presence of the Soviet Army following World War II, as it did during the end of the war, to aid its native Communists in the takeover of the reins of power. Much of the spadework, however, was done during the war years by Marshall Josip Tito's forces against his natural enemies, the Christian anti-Communists, under the guise of fighting Germany.

Finally in September 1944, the Soviet Army entered northern Serbia and thus, the genuine patriot of Yugoslavia, General Mihajlovic, exhausted from fighting both the German's and Tito's guerrillas and unsupported by the West, was finished. Many of his anti-Communist troops who were not captured by the invading Communist armies or by Tito's partisans fled to the American Zone—where they found safety, or to British-occupied Carinthia—where they found treachery.

The British, out of ignorance, or deception by their own diplomats such as Guy Burgess who later defected to the U.S.S.R., and by James Klugmann, wartime chief of Balkan intelligence for the British Middle East Command who later became "director of education" for the Communist Party of Great Britain, sent back thousands of the general's men to Tito's partisans who immediately massacred them without benefit of trial.

Their numbers included over 11,000 young Slovenians including civilians, several thousand unarmed Croatian soldiers, and about 3,000 anti-Communist fighters from Ljotic's movement, and 1,000 Montenegrin cetnici, according to the excellent study on Yugoslav communist prepared by Dr. Charles Zalar for the Senate Internal Security Committee.

In a work entitled "Requiem for Massacred Slovenes," it was noted that:

> The quiet mountains and hidden valleys of Slovenia were the scenes of mass executions during the whole months of May and June 1945. By a terrible mistake the Christian leaders of the Western World had sent to their deaths over ten thousands of convinced anti-Communists; these young men were the first victims in the defense of the West against Eastern barbarism.

Wrote Bishop Bernard J. Topel of Spokane—

> Not only men, but also women and children, even babies and grandparents were murdered at Tito's whim. Sometimes the killing came after sadistic torture that is so much a part of Communism.

Tens of thousands of Yugoslavs fled to refuge abroad. A great number of Yugoslav prisoners of war who were held in concentration camps by the Germans and Italians refused to return to the "new liberated" homeland.

But this was only the beginning. Those patriots Tito's Communist-led partisans missed in the massacres during the wartime mopup, his secret police finished off during the postwar period. Under the lofty-sounding name of the "Department for the protection of the people," otherwise known as the infamous OZNA, 200,000 persons were liquidated.

Marshall Tito, the butcher of Belgrade, in a speech at Tuzla, in September 1946 stated piously, according to Martin Ebon in his work, "World Communism Today:"

> Those who will persist in hindering the creation of a better future, the reconstruction of our country, the creation of something better and new, will have to disappear from the face of this earth. We will have no pity toward them and will act toward them as against our worst enemies. We cannot stop halfway.

And indeed he did not.

THE NEED FOR NATIONAL WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.) is recognized for 5 minutes.

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, since its inception in 1936, Federal aid to families with dependent children—AFDC—has been growing at a dizzying rate. Total caseloads have increased 20 times from December of 1936 to December of 1974. More specifically, the ratio of children on AFDC to the Nation's population of persons under 18 years of age has grown substantially during that period, from 1 in 50 to 1 in 8 presently. The ratio in a number of the Nation's large urban centers has grown even more alarmingly: Chicago and Detroit, 1 in 5; New York and Newark, 1 in 4; and St. Louis, Baltimore, Boston, and Washington, 1 in 3.

It took 15 years, from 1940 to 1955, for the AFDC rolls to double. Ten years later the 1955 figure had doubled again; and by 1970, only 5 years later, those rolls had doubled once more.

Accordingly, the multiplying AFDC rolls have been accompanied by vast expansion of Federal expenditures for the program. In fact, Federal AFDC expenditures have risen over the last 20 years from over $545 million to well over $4 billion. The AFDC portion of the Federal budget has risen 6,800 percent from 1937 to 1974. The past decade alone has seen the Federal Government's participation in payments to families triple.

At every level of Government, increasing fiscal distress has been experienced as this and a number of other public assistance programs have grown alarmingly. The results have been apparent not only in fiscal but in human and administrative terms: An invitation to generational dependency and an involvement in a growing and increasingly cumbersome bureaucratic maze.

In recent years a number of States have undertaken basic reform of their own State codes, regulations, and administrative practices in an effort to bring the AFDC program under control. By tightening eligibility and cracking down on fraud, several States have managed to cut the welfare rolls and simultaneously improve assistance to those citizens in critical need. California was the first State to enact welfare reform legislation in 1971. During the period prior to welfare reform in California, welfare rolls were increasing at the rate of 40,000 a month. Since reform was instituted in that State, caseloads not only leveled off but actually decreased at the rate of approximately 8,000 per month. The 1971 Welfare Reform Act enabled California to utilize its savings to enact a 27-percent increase in grant levels; institute the first annual cost-of-living increase; and by 1974 increase grants by 41 percent.

One of the byproducts of the 1971 Welfare Reform Act was that at least 42 of the 58 counties in California were able to reduce their property taxes, and overall savings to the taxpayers were estimated to exceed $1 billion between the period from 1971 to 1974.

Other States embarked upon similar reform efforts, tightening grant and eligibility requirements, strengthening child support provisions, instituting fraud control measures, and developing work requirements. But the experience of the State, county, and city officials in the country has been that they can only do so much—that there remains a substantive body of law in the Federal Social Security Act and accompanying DHEW regulations that perpetuates the irrational allocation of public assistance funds and serves as a barrier to complete reform.

The Subcommittee on Fiscal Policy of the Joint Economic Committee completed a congressional study of the Federal welfare laws and regulations and its results are deeply disturbing. It shows that the current welfare system encourages low income and unemployed fathers to avoid work and to desert their families. It also encourages single women and unmarried couples to have children by awarding large financial bonuses for the first child, with lesser inducements for additional children.

The congressional study concludes that the welfare system is so structured in the United States that it financially encourages unemployment, higher birth rates, and separation of families.

It is ridiculous to have a welfare system that encourages single and married women to have children and fathers not to work and to abandon their families.

Last August I spoke on the floor of the House calling my colleagues attention to the congressional study and urging "that the Congress give its full support to a complete reevaluation of the welfare system as it is desperately needed."

Every welfare reform proposal offered in recent years has ranged from simply piling on more welfare programs to providing a guaranteed annual income for everyone. I do not think any of these so-called solutions even begin to deal with the problem.

The bill I am introducing today, the National Welfare Reform Act of 1975, is quite different from past proposals for reform. Its goal is to stem the growth of the welfare rolls, not to increase it. At the same time, we want to insure that those who are genuinely in need of assistance are able to get it.

But above all, I believe that it is time that we limit public welfare to its original purpose: helping those who are really incapable of helping themselves. I do not believe that able-bodied citizens should be permitted to enjoy a relaxed lifestyle at the taxpayers' expense. This is especially true, with taxpayers having to scrape hard to maintain their present standard of living in the face of a declining economy and rampant inflation. To allow their tax dollars to be siphoned off by welfare recipients who are merely unwilling to work or by those who have been experts at receiving fraudulent benefits is unforgivable.

The bill that I am offering today will save the taxpayers an estimated $1.7 billion each year without hurting the truly needy recipients of welfare by tightening grant and eligibility requirements, strengthening child support provisions, instituting fraud control measures, and developing work requirements.

If we do not enact my bill or one of the similar welfare reform proposals offered by members of both parties, our efforts to assist the truly needy will fail.

WILL FISHING FLEET BE SAVED?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I recently wrote to the Subcommittee on Fisheries, Wildlife, and the Environment urging immediate action on H.R. 200, which provides for a 200-mile fishing limit, in light of the failure of the United Nations Law of the Sea Conference to resolve the dispute involving territorial fishing rights.

I wrote to my colleague, Congressman ROBERT LEGGETT, chairman of the subcommittee:

> The conference has been meeting periodically since 1958 and the American people have come to view the lack of action with growing impatience. . . . Our fishing stock is a vital part of our national resources and we must take action to prevent its depletion by foreign powers, just as we do not allow depletion of inland resources by other countries.

The Fall River Herald News in its editorial of May 12, points out the deficiencies of the Law of the Sea Conference and emphasizes the need for immediate congressional action on the 200-mile fishing limit.

It is a thoughtful and well reasoned piece which I commend to my colleagues, and include it at this point in my remarks:

WILL FISHING FLEET BE SAVED?

Slowly, perhaps too slowly, the international conference on the law of the sea now being held in Geneva is moving toward revision of existing codes. For one thing, the draft charter drawn up by the conference provides for a 200-mile economic zone in which coastal nations will have full control of all marine resources. This provision, if ratified, will resolve a very knotty problem for New England, one which has plagued the area for years, the problem of protecting its own fishing fleets from foreign interlopers.

The provision in the draft charter amounts to extending the off-shore limits of coastal countries to 200 miles, a distance which it is generally thought would give New England's fishing fleet ample protection against the trawlers from other countries, principally the Soviet Union, which have been depleting the region's supply of fish for years.

Although the provision is desirable, it will not do for New England's fishermen simply to sit back and relax, assuming their battle has been won. The draft charter is simply a preliminary document which will be fought over for at least a year or two. The next sessions of the conference are scheduled for New York next year. Then the final document must be approved by the nations conferring. The whole process is bound to drag on while New England's supply of fish goes on being systematically depleted.

The conference on the law of the sea is laudable and headed in the right direction, but it is doubtful whether it will achieve its goals in time to salvage New England's fishing fleet.

HOW LONG WILL WE BE KICKED AROUND?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Florida. Mr. Speaker, how long is the United States of America going to be kicked around?

The Khmer Rouge of Cambodia have seized one of our unarmed merchant ships on the high seas in an act of blatant piracy.

This is but the latest in a series of insults to the most powerful Nation in the world.

The Viet Cong demand the return of U.S. military equipment used to fight their aggressions in South Vietnam, and then used by refugees to escape from the Communist takeover.

North Vietnam, having signed the Geneva Protocol, refuses to observe its requirements and tortures and maims U.S. prisoners. That same government refuses to account for more than 1,000 missing prisoners.

Arab nations seize oil fields and equipment developed with U.S. funds and know-how, and then turn around and extort vast sums and political concessions from us, using those very oil resources.

India, with millions of its peasants going hungry, explodes an expensive atomic device, and then accuses the United States of "warmongering" when we resume arms sales after a 10-year embargo to its neighbor.

U.S. diplomatic envoys are murdered without cause or reprisal. Consider the roster of the last 3 years alone:

John P. Egan, Honorary Consul in Cordoba, Argentina.

Roger P. Davies, Ambassador to Cyprus.

Cleo A. Noel, Ambassador to the Sudan.

The European nations whose industrial vitality today is primarily due to U.S. dollars and assistance during the past 30 years, now turn on us and force two devaluations of the American dollar.

Ecuador uses surplus ships, given them from our own Navy, to seize and hold for ransom U.S. tuna fishing boats.

Panamanian Foreign Minister Jose Torres uses firebrand radicalism to inflame mobs and cow the Department of State into offering up the Panama Canal as a sacrificial lamb.

"Have-not" nations such as Ceylon break up the International Law of the Sea Conference by demanding that the United States give up all of its mineral rights on the seabed and finance their development by other nations.

The United Nations, supposedly dedicated to world peace and cooperation, financed largely by the United States and given a home by the United States, spends most of its sessions attacking the United States and our policies.

The list is endless. The indignities mount daily. Our properties abroad, our citizens, our ships, our economy, our philosophy. Nothing is immune. Unless there is a positive change, the United States will become as Gulliver in the Land of the Lilliputs, bound helpless by a thousand tiny immobilizing threads.

Mr. Speaker, I respectfully suggest that maintenance of the dignity and restraint appropriate to a superpower is all well and good, but in the absence of any such restraint by our attackers it is time for us to reconsider this position. So far, it has resulted only in an endless succession of insults and abuses.

We have been kicked around long enough. We have more than proven that we can exercise a quiet restraint in the face of attacks by immature and aggressive political entities. Having made our point, it is now incumbent upon us to also exercise the swift and direct discipline which is the best response to immature political and social behavior.

This is not the first time a Communist nation has presumed to seize one of our ships. The lesson of the *Pueblo* is all too fresh in our minds. We were polite and dignified and used the "correct channels." What happened? We were humiliated before the world. After an aeon of torture and mental agony, the *Pueblo's* crew was returned. Instead of chastising the aggressors, we conducted an inquiry into the behavior of the commanding officers. I fail to comprehend such perverted logic.

Obviously, the communists comprehend our weakness all too well. If one nation can commit such an outrage and get away with it, then yet another and another and another can do equally well. The Ecuadoreans have been doing it for years without suffering any consequences.

The fledgling Communist government of Cambodia has an acute understanding already of the uses of world power politics. Having set itself as the oppressed underdog in a battle with the "aggressive imperialist United States," and won due to our restraint, it is once again testing the limits to which we can be pushed.

I, for one, say let us not be kicked around any longer.

If a foreign government can seize an unarmed U.S. merchant ship in international waters, what is to stop any country in the future from interdicting our ships in any other part of the world? What is to stop any Nation abutting an important sealane from claiming a violation of its territorial waters and seizing our ships? What would happen then to the United States—a Nation whose economy depends on world trade?

I need not remind my colleagues that the most important shipping lanes in the world are those adjacent to nations which do not strike a particularly friendly attitude toward the United States—

The Suez Canal;

The Panama Canal;

The Straits of Malaysia;

The Gulf of Aden; and

The coastal lanes of Africa, so essential for supertankers. If but one single nation can establish as a precedent its right to seize merchant shipping vessels of the United States on the basis of an allegation of control over international waters, then a Pandora's box has been opened of countless future evils.

World trade is essential to our economy and to our continued prosperity. Not only are we dependent on foreign markets for our exports, but we are also highly dependent on developing nations for vital raw materials. Right now, we import more than 50 percent of our aluminum, chrome, manganese, tin, nickel, and zinc. By 1985, we will be importing more than 50 percent of our iron, lead, and tungsten needs. Almost 100 percent of our rubber is imported, as well as 50 percent of our hardwood lumber. These imports come from nations such as Thailand, Venezuela, Chile, Turkey, and Indonesia—countries which have seen other small nations flaunt the United States and win, and who are themselves flexing their muscles against us.

We have felt and are still feeling the economic impact of "oil blackmail." The success of the OPEC cartel has inspired Algeria to demand it expand its scope of operations to include price increases for other vital raw materials as well.

While developing nations are putting the economic squeeze on the United States' economy, the Soviet Union is rapidly expanding its Navy into a major fleet, capable of swift action anywhere in the world's oceans. The recent large-scale Soviet naval maneuvers proved clearly that the Soviets are able to dominate the major shipping lanes at will.

If the United States gives in to a single miniscule revolutionary government over a single merchant ship, we have virtually invited similar forays on a larger and larger scale, and of a greater and greater threat to our economic and military well-being.

Mr. Speaker, we have learned the tragic lesson of the failure of appeasement during World War II. But events of the past few years make it appear that memories are shorter than lives. We have appeased our adversaries until we are the laughingstock of the world. We have given up and given in beyond all requirements of global harmony. We have bound our Commander in Chief with a War Powers Act that compels him to wait while the Congress dawdles, debates, restricts, and pontificates. There are even those who claim the President acted illegally in the evaculation of U.S. citizens and their dependents from South Vietnam. Where would those evacuees be now if the President had waited for the Congress to act? Dead? Tortured?

I suggest to my colleagues that the time for fine rhetoric, long debate, amendment under the 5-minute rule, and other polite converse is past.

In today's world, as in yesterday's appeasement is a losing policy. It has cost us our foreign business properties. It has cost us billions in oil payements. It has cost us the lives of our citizens. And now it threatens our naval commerce.

The time for decision is right now. The Khmer Rouge must not be allowed to continue holding our merchant ship. This communist action is yet another gauntlet thrown at us in the world arena, and if the United States fails to pick it up this time, we will be liable to all the sad consequences of continued appeasement.

Calmly, swiftly, and decisively, the United States of America must act to let the world know that our prior restraint in the face of repeated provocation will, in the future, be replaced by direct action appropriate to the circumstances and to the need to protect our national interest.

AT LONG LAST, PROPOSALS TO CHANGE THE FEDERAL RESERVE ARE GETTING ATTENTION—EVEN FROM A FEDERAL RESERVE BOARD GOVERNOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Patman) is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, this morning's New York Times carries a very interesting interview with John E. Sheehan who is retiring as a member of the Federal Reserve Board.

As I have said on this floor on innumerable occasions, there is no reason for the secrecy about the operations of the Federal Open Market Committee because its monetary decisions are well known by the "experts" who have the most to gain or lose. Its just the people who are kept in the dark under the present secrecy arrangements.

Let me quote this paragraph from Governor Sheehan's comments:

> I have interviewed the money market dealers and banks. They have very large staffs, made up in part of former Federal Reserve people. They are paid to figure out what the Fed is up to, and they are very good at it. They are usually right on the money in perceiving our actions and intentions.
>
> With our policy of non-disclosure until 45 days after our meetings, are we really protecting the minnows from the sharks?

Mr. Speaker, Governor Sheehan also raises other key questions about the structure of the Federal Reserve—once again, these are questions which we have raised consistently in the Banking and Currency Committee of the House and on the floor of the House. I am glad at long last to see the New York Times and a member of the Federal Reserve Board at least raising questions about the need for more information from the Federal Reserve and a structure which is more in line with our theory of accountability in a democracy.

These broad questions were raised during my first term as chairman of the Banking and Currency Committee when we conducted a massive investigation of the first 50 years of the operations of the Federal Reserve System. I am hopeful that this new public debate will at long last bring these badly needed reforms into reality.

Mr. Speaker, the Banking and Currency Committee, on August 25, 1964, published a report on its investigation entitled "The Federal Reserve System After 50 Years," and made these specific proposals:

> A. To emphasize the public character of the Federal Reserve
>
> 1. Provide for the retirement of the Federal Reserve stock.
>
> 2. Vest all power to conduct open market operations in the Federal Reserve Board.
>
> B. To increase the effectiveness of monetary policy by assuring the recruitment of an outstanding Federal Reserve Board and an adequate response to advances in economic knowledge
>
> 1. Remove the present requirement that the President, in selecting Governors of the Federal Reserve Board "* * * shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests and geographical divisions of the country." Instead require only that the Governors be men of integrity devoted to the public interest.
>
> 2. Reduce to five the number of Governors of the Federal Reserve Board.
>
> 3. Reduce to 5 years the terms of office of the Governors and allow for reappointment.
>
> 4. Make the term of the Chairman of the Board of Governors coterminous with that of the President.
>
> 5. Raise the salaries of the Governors.
>
> C. To insure public control over the expeditures of public moneys
>
> 1. Provide for a public audit by the Comptroller General of all expenditures by the Federal Resercve Board and the Reserve banks.
>
> 2. Provide for paying into the Treasury as miscellaneous receipts all capital gains and itnerest received by the Federal Reserve from U.S. Government securities.
>
> 3. Authorize appropriations by the Congress of the expenses of the Federal Reserve banks and the Federal Reserve Board.
>
> D. To provide guidelines for monetary policy and assure coordination of all of the Government's economic policies in achieving the goals of the Employment Act of 1946.
>
> 1. Require that the President set forth in his periodic economic reports, in conjunction with his recommendations on fiscal and debt management policy, guidelines concerning monetary policy, domestic and foreign—including the growth of the money supply, as defined by him—necessary to attain the goals of maximum employment, production, and purchasing power of the Employment Act of 1946.
>
> 2. Express the sense of Congress that the Federal Reserve operate in the open market so as to facilitate the achievement of the President's monetary policy; and require that the Federal Reserve, if its monetary views and actions diverge from those recommended by the President, file with the President and the Congress a statement of reasons for its divergence, in form like the President's Economic report.
>
> E. To allow for greater specialization in performing the monetary control function
>
> 1. Permit the Federal Reserve Board to concentrate on monetary policy by transferring its present bank supervisory functions to the Comptroller of the Currency, the FDIC, or alternatively, to a newly created Federal banking authority.

Mr. Speaker, these recommendations made 11 years ago are still valid and had they been put into effect earlier we might have avoided much of our present economic difficulties. Let us hope that we have action in this Congress.

Mr. Speaker, I want to place in the Record at this point the interview with Governor Sheehan which appears in today's New York Times under the byline of Edwin L. Dale, Jr.:

Insider Views the Fed

(By Edwin L. Dale, Jr.)

WASHINGTON, May 13.—Why shouldn't the Federal Reserve System's key Open Market Committee disclose its monthly decisions on monetary policy as soon as they are made? Why shouldn't Congress be told of the intermediate-term aim of policy that really counts—the six-month target for money supply growth—instead of the rather meaningless one-year target just disclosed by Arthur F. Burns, the Reserve's chairman?

Should the presidents of the 12 Federal Reserve banks, five of whom serve at any one time on the Open Market Committee, be subject to appointment by the President and confirmation by the Senate?

Why shouldn't there be someone from a labor union on the Reserve Board?

These somewhat radical questions have been raised by John E. Sheehan, who is retiring at the end of the month as a member of the Federal Reserve Board to become president of the White Motor Corporation. Mr. Sheehan is anything but a radical, and he has a deep regard for the Reserve as an institution and for Mr. Burns.

But his questions, arising from his experience of almost three and a half years as an energetic and inquisitive member of the board, are likely to provide meat and drink for the broad investigation of the nation's banking system, including the functioning of the Federal Reserve, that has been announced by the House Banking Committee.

Consider, for example, the question of disclosure of the Open Market Committee's decisions as they are made.

Mr. Sheehan stressed in a recent interview that he has not made up his mind on this issue. But he commented:

"I have interviewed the money market dealers and banks. They have very large staffs, made up in part of former Federal Reserve people. They are paid to figure out what the Fed is up to, and they are very good at it. They are usually right on the money in perceiving our actions and intentions.

"With our policy of non-disclosure until 45 days after our meetings, are we really protecting the minnows from the sharks?"

Mr. Sheehan reflects on the possibility of having Open Market Committee meetings conclude on Fridays, with an announcement of decisions after the close of markets on that day, including the committee's target range for the key Federal funds interest rate, which the Reserve essentially controls. That would provide a weekend for contemplation at home and abroad.

He concedes a problem raised by his colleague, Henry C. Wallich. This is that disclosure to anticipate Reserve moves if the figures on, for example, the money supply, were not moving in accord with the announced target range in the following weeks.

"But I think the problem should be examined," he says. "I'd like to see serious papers exploring it. Anyway, we're not talking about skinning widows and orphans." As for the disclosure to Congress, Mr. Sheehan revealed that the Open Market Committee had never before adopted a one-year target for growth of the money supply until Congress asked it this year to disclose this target.

Dr. Burns told the Senate Banking Committee early this month that the one-year target was growth in the narrowly defined money supply—demand deposits and currency—in a range of 5 to 7½ per cent. The "meaningful" figure, long used by the committee, is the six-month target, according to Mr. Sheehan, and he sees no reason why this should not be disclosed.

"If the Federal Reserve's independence is constrained," Mr. Sheehan said, "the primary cause will not be serious errors of policy but its refusal to communicate what it is doing and why.

The announcement of the House Banking Committee investigation by its chairman, Henry S. Reuss, specifically raised the issue of the composition of the Open Market Committee and its powers and the terms of the members of the Reserve Board. Mr. Sheehan has some thoughts here, too.

He believes that, if the terms of the board members are shortened from the present 14 years, they should not be less than 10 years on the ground that the Reserve is "the Supreme Court of finance." But he is strongly opposed to packing the board with economists, as it now is, saying it "should be more representative of the various elements of society, including labor."

The views of one individual, even a board member, would not matter so much if they did not come at a time of national soul-searching about the central bank and its monetary policy. Mr. Sheehan even wonders about the central role of the chairman—a tradition that has grown up under a series of very strong chairmen such as William McChesney Martin Jr. and Dr. Burns.

Mr. Sheehan is a deep admirer of Arthur Burns. But he wishes now that he had dissented more often from decisions proposed by the chairman when he genuinely disagreed.

"I wanted to present the Fed as a solid phalanx, to reassure the markets," he said. "I don't like 4–3 votes. But I probably erred. It is traditional in the Fed to perceive the chairman as the chief executive. But he should be first among equals, more like the Supreme Court."

The Fed is a conservative institution, slow to change. But it has already begun to change in the area of disclosure, and it is being pushed hard by Congress. There is at least a possibility that if it is "out in front" it might head off an effort—which almost everyone would regard as dangerous—by Congress to dictate the details of monetary policy.

THE NEW CAPTIVE NATIONS: CAPTIVE NATIONS WEEK JULY 13–19, 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, this July 13–19, Americans throughout the Nation and citizens of some 17 different countries will be observing the 17th observance of Captive Nations Week. The week was legislated by Congress in 1959 and signed into Public Law 86–90 by President Eisenhower. Since then, every President has annually proclaimed the week, and most of our Governors and mayors of large cities have done likewise. Despite our domestic concerns and numerous problems in the Free World, the established tradition of the week has been strongly perpetuated by Americans with both a firm moral consciousness and conviction toward all the 29 nations in Communist captivity and an unshakable political rationale that underscores these captive nations as our most formidable allies. This in itself expresses the real, existing moral fiber of our country and augurs well for our future, both in terms of our national security and the persistent values of our democratic civilization.

In all that has been written recently about the tragedy of Southeast Asia, no one has provided a more accurate and sound perspective on this tragedy than has Dr. Lev E. Dobriansky, professor of economics at Georgetown University and also president of the Ukrainian Congress Committee of America and chairman of the National Captive Nations Committee. Dr. Dobriansky, who authored the Captive Nations Week Resolution in 1959, has written extensively on the politico-economic imperialism of both Moscow and Peking and has developed a captive nations genetical analysis that substantiates empirically what he calls an historical dominoism, the current effects of which we today witness in Southeast Asia.

In his article on "The Despairing West and The Confident East," published in the summer issue of the internationally renowned The Ukrainian Quarterly, Dr. Dobriansky adds both South Vietnam and Cambodia to his familiar, long scorecard of captive nations. As in the past, he also with scientific patience raises the question, "Who is next?" His analysis of détente points to new additions to his long list, based on historical perspective, cumulative causation, and Communist exploitation of captive resources, particularly those in the Soviet Union itself. Détente, as currently pursued, accommodates and abets this exploitation by imperialist Moscow in its fixed quest for world supremacy. Because of its uniqueness, I strongly commend this article to the reading of every American who is intelligently concerned with freedom and the future of our Nation:

The Despairing West and the Confident East

(By Lev E. Dobriansky)

About a week after the signing of the Paris Accord in 1973, Pat Buchanan, President Nixon's speechwriter, asked me in Washington's University Club, "Well, Doc, what do you think?" My response was, "Pat, I give the three free nations two to three years before the communist takeover." Though two-thirds accurate so far, this prediction was, of course, no product of any uncanny prescience but rather an educated guess based on perceptions afforded by captive nations genetical analysis, some appreciation of the classical ways of communist psycho-political warfare, the severe compromises engendered by the Paris agreement, and the confused attitude of the majority of our people who had been exposed to a succession of policy vagaries and errors extending back to the 50's.[1] By and large, we failed for some time to comprehend the revolutionary warfare being waged by the communist syndicate, and as late as 1970 an Asianization, rather than a Vietnamization, policy was the wiser course both for our troop withdrawals and a secure Southeast Asia.[2] However, it is not intended here to rehash this sad episode of U.S. policy; instead, our aim is to place its results in accurate perspective and dwell on detente and its prospects for the future.

TWO NEW CAPTIVE NATIONS

On the occasion of the 17th Observance of Captive Nations Week—July 13–19—it can only be with sadness and a deep sense of tragedy that we realistically view South Vietnam and Cambodia as the most recent additions to the already long list of captive nations. Some analysts are already indulging in all sorts of spurious semantic distinctions and rationalizations about a united Vietnam, coalition governments, intra-communist rivalry and so forth, but the glaring fact is that two free and determined national entities have fallen under the cover of communist domination. To believe otherwise is the height of naiveté.

---

[1] See writer's *Do You Know The Captive Nations? Who's Next—South Vietnam?*, USGPO, Washington, D.C. 1972; also *On The Threshold of New Captive Nations*, USGPO, 1973.

[2] Author's "Asianization—Not Vietnamization—Is the Winning Concept." *The WACL Bulletin*, Korea, September 1970.

Perspectival reason and some homework on the cumulative causation of expansive, imperialist communist power, with its ultimate center in Moscow, would alas demonstrate the empirical, historical dominoism involved in this process. Our familiar scorecard of captive nations depicts this process in chronological form and lays a basis for the perennial question that trends and developments continue to justify:

THE CAPTIVE NATIONS—WHO'S NEXT?

Country, people, and year of Communist domination

Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkistan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats, Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czecho-Slovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975

WHO'S NEXT?

Laos? Thailand? Republic of China? South Korea? Philippines? Portugal?

The above is source for despair enough. Nonetheless, any sober, politico-economic analysis of the current world situation can lead only to one tentative conclusion: an increasingly despairing West, including Japan, and a progressively confident East, meaning the totalitarian communist regimes, including Cuba. The sharp, growing contrasts of relative stability in the East and instability in the West are punctuated almost daily by self-assured statements on growth, systemic superiority, and controlled progress in the former and grave observations on zero-growth, dwindling faith in institutions, and extensive disintegration in the latter. Doomsday utterances about the decline of Western civilization, another pervasive Great Depression, uncontrolled inflation, financial collapse, uncertainty about the comparative strength of democratic government, and general social upheaval clearly reflect the spreading despair in the West and also an unquestionable source of expansive confidence in the East. In all of this, equally clear is the already evident necessity for a basic reassessment and redirection of our basic policy toward the East, primarily toward the Soviet Union itself.

This writer shares none of the grim, doomsday outlooks concerning the West and, with some understanding of the captive nations, notably those in the U.S.S.R., devaluates considerably the stability imputed to the totalitarian, communist regimes. On their own, by fair, pragmatic decisions the democracies of the West can and will cope with the paramount politico-economic problems confronting them, but if the concatenational nature of these problems continues to be minimized and overlooked, the risk of failure will rise markedly and a disaster course will become more discernible, providing needless substantiation for the doomsday coterie.

In short examples, our costs in Vietnam would have been meager had the U.S.S.R. and Red China not invested heavily in the fraternal venture, and the proliferation of these costs domestically has affected us to this day. In the Mideast the concatenation of cumulative events and costs, involving Soviet arms, guidance on oil strategy, precipitation of the Yom Kippur War, and further deep involvement in Syria and the course of peace negotiations, reaches into the generation of the West's acute energy and financial problems, affecting, whether he's aware of it or not, the pinched economic state of every laboring American.

If, as the Institute of International Social Research discloses, isolationism has risen in this country so that one in every five Americans believes our problems can basically be solved independently of this concatenative effect, the East has gained as a consequence in terms of its political warfare policy of "peaceful coexistence."[3] There is nothing easier to handle than ostriches with heads in the sand. Plainly, "interdependence" on the international scale has little meaning if the concatenative effect of forces and events in different parts of the world is scarcely recognized, reaching well into the USSR itself. In great measure, one of the ultimate sources of our costly problems is imperial Moscow and its bid for world supremacy.

If the Cold War, in reality and not rhetoric, is supposed to be receding, this certainly doesn't show in the deepening instabilities of major Free World areas. However, what is beginning to show more clearly is the fact that the patchwork diplomacy of detente, as currently pursued, is nothing but a shifting facade for Cold War operations, with us paying a far higher price than Moscow. In the Far East, Russian-backed North Korea has stepped up its military and subversive pressures on the Republic of Korea; Japan still smarting from our diplomatic insults in '71, faces internal communist pressure with undoubted backstage assists from Moscow; our loyal ally, the Republic of China, fears a sell-out by us to Peking whose cool, psychological stance aims at the so-called solution of the "Taiwan problem"; the spectre of Red China's reconciliation with Moscow hovers over the area and beyond; and a European Security Conference, long advanced by Moscow, is about to consecrate Russian hegemony over the post-war East European bloc, in short, Moscow's outer empire.

This grim picture of instability, uncertainty, stress on the defensive, and doubt about American leadership in the Free World extends to the Mideast, Western Europe and Latin America. Moscow's hand in the Yom Kippur war, its support of the PLO, its long-known strategy on oil, its arms flows to Syria, Egypt and others, and its skillful play on frictions in the turbulent Mideast area are manifestations of traditional expansionist involvements of Moscow that possess all the earmarks of Cold War and its objectives of excluding American influence in the area and thus reducing its power image in the world at large. It would be a tragic historic irony if the extinction of Israel were the result of the compromising efforts of an American Secretary of State bearing a Jewish heritage. Moving toward Western Europe, it is patently evident that NATO has been seriously weakened by the mismanaged Cyprus affair, the Greek upheaval, the financial and economic crisis in Italy, the turn of events in Portugal, and the surge on the part of indigenous, large communist parties in France, Italy and Portugal to enter coalition governments. Led by Suslov and others, Moscow is highly active in cultivating the opportunities for a Finlandization of Western Europe, and the security problems for NATO loom greater than ever before. In Cuba, Peru and Latin America generally, Moscow's presence and influence grow substantially.[4]

MAKINGS OF AN INTERNATIONAL WATERGATE?

In terms of principles, ideals, our tradition of accepting challenges with candor and truth, and dutifully informing the American people the nature and basic source of the threat to our security, the foregoing and more seem to suggest the makings of an international Watergate. Perhaps nowhere is this more pointed than in our relations with the USSR. As one excellent presentation stresses "The Soviet Union does not accept the 'ideological coexistence' and there is no reason why the West should compromise its own fundamental values and ideas."[5] With application to the Soviet Union, the necessary linkage of detente and human rights assumes far greater significance and practical import than it could possibly anywhere else in the world. And this for several reasons.

One is the continual and unremitting threat posed by Moscow to our national security and that of other significant parts of the Free World. Two is the unique and peculiar composition of this contrived state, a land empire-state which, with the exception of the lower-scaled Peoples' Republic of China, has no comparability anywhere. And the third essential reason resides in Moscow's long and continuous record of the cruel suppression of human and national rights, which, taken in toto, far exceeds in magnitude and extent totalitarian records of Nazi Germany, Fascist Italy and others.

Among countless, similar experiences, it was the writer's pleasure to appear last summer on the Today Show in New York, discussing detente and the USSR. Mention is made of this because of the characteristic obscurantism of the interviewer who, after being told the rudimentary facts about the various nations in the Soviet Union, their subjection to economic imperio-colonialism, etc. continued on his own merry, preconceptual, and fallacious way to lump all the various distinct and different nations and peoples in the USSR as either "Russians" or "the Soviet people." This type of obscurantism is, unfortunately, widespread throughout the media and is also found at the highest levels of our government. There is little evidence to show that Dr. Kissinger understands appreciatively this essential fact. Needless to say, no matter how one defines "detente," if the object of the term is falsely and poorly understood, the content of the relationship can scarcely be maximally beneficial to us. The perpetuation of conceptual errors with regard to the USSR can only insure some error in judgment, policy and deed, and certainly forecloses the seizure of opportunities contributory to the advancement of our interests. Thus the prospect of an international Watergate based on false conception and a myriad of tenuous deals with the prime, proxying Cold War aggressor.

It should be emphasized that the essential ideas and observations set forth here stem from a fundamental captive nations genetico-analysis founded in the empirical evolution of Soviet Russia and then the

---

[3] Richard E. Rotman. "Uncertainties Cause Americans To Turn From World Concern," *The Washington Post*, July 6, 1974.

[4] See James D. Theberge. *The Soviet Presence in Latin America*, New York, 1974, p. 38.

[5] *Detente: An Evaluation*. Subcommittee on Arms Control. U.S. Senate, GPO, Washington, 1973, p. 3.

Soviet Union from 1917 to the present. What is of poignant significance is the striking parallelism that has evolved in the current period between the salient thoughts and messages of Alexander I. Solzhenitsyn, Andrei Sakharov and other Russian and non-Russian intellectuals and the content and conclusions of the long-established captive nations structure of analysis. As I pointed out elsewhere, "In calling for the withdrawal of Russian power to the national borders of Russia and the renunciation of Marxism-Leninism they, and countless behind them in the USSR, are in essence calling for the freedom of the crucial non-Russian nations in the USSR, the surcease of Russian imperio-colonialism, and the open admission of the bankruptcy of Marxist philosophy in the whole area of the captive nations."[6] In fitting tribute to the two Russian intellectuals, it should also be emphasized that it has been many decades since any leading Russian voice expressed itself in behalf of the national self-determination and freedom of the non-Russian nations and peoples in the USSR. Kerensky went to his grave muttering the old Holy Mother Russian Empire complex.

As a further indication of the atmospherics of an international Watergate, as construed above, the growing, critical discussion on "detente" reveals considerable confusion as to its nature and intent, so much so that all sorts of characterizations are assigned to it, ranging from "fraud" to "our last hope for peace." The word is certainly another addition in the long succession of foreign policy slogans. However, the views expressed on our side appear to fall into three categories: (1) the dictionary definition of relaxation of tensions, (2) the subjectivist view, as given by the late General Abrams and others, of reactions, euphoric or otherwise, to objective circumstances, and (3) the instrumentalist view of Secretary of State Kissinger and others, interpreting detente purely as a process.

Placing aside the psychosomatic notions of detente, it is not unreasonable to accept with some qualification the definition of Dr. Kissinger: "Detente is a process of managing relations with a potentially hostile country in order to preserve peace." As a point of departure, the acceptance invites a number of observations that are fundamental to the efficacy of the process itself. One, of course, is how does the opposing party view the same process. The evidence is more than abundant to show that Moscow views "detente" as an important conduit for its fixed policy of "peaceful coexistence" which, unmistakably and unequivocally, means systemic ideo-political warfare against American "capitalism," "imperialism" and the rest of it.[7] It is noteworthy that Moscow's apologists, such as Boris N. Ponomarev, who in 1974 headed the so-called parliamentarians of the USSR in a visit here, always coupled "peaceful coexistence" with "detente." Detente may be purely a process of management and negotiation for us—non-ethical, non-ideologic and pragmatic—but if we fail to comprehend Moscow's conception of it, we may find ourselves in a progressively insecure position both within and without.

Viewed in terms of the overall development of US-USSR relations the past 25 years, detente as a process is a technique advocated in the old policy of liberation but without statements of objectives and intentions other than "peace" and "building a structure of peace." It can also be validly interpreted as a forthright follow-up on early and long extended Soviet gestures of disarmament leading to the SALT talks, the balanced reduction of forces, all-European security, trade and cultural exchange. These gestures by Moscow were pushed in the 50's. In the so-called era of negotiation, not confrontation, detente as a process turns into a diplomatic offensive and confrontation on all of these Soviet-initiated fronts, necessarily adjusted to our domestic circumstances and conditions. If one overwhelming advantage at minimum cost might be realized by the process, it is the prospect of a purgative effect concerning much of the content of the process itself. Up to the Indo-China debacle it could be maintained that the pursuit of detente in Asia and in Eastern Europe hadn't violated any basic principle to which we as a nation subscribe. However, at the same time, it hasn't really advanced our basic principles, and as George Meany with much justification has pointed out: "We are not building lasting structures of peace. We are building castles of sand on the watery foundations of petty greed, wishful thinking, irresponsibility, self-indulgence, and plain old ignorance."

THE DEFENSE ECONOMIC ADJUSTMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, the drive to reorder national priorities and reduce defense spending is stronger in the 94th Congress than it has ever been before. Congress is determined to increase the efficiency of the defense dollar, beginning this month with cuts of $3 to $4 billion in the military procurement authorization requested by President Ford. It is important to realize that such reductions mean more than just hardware not purchased, fewer men in uniform, or smaller cost overruns. To communities, defense contractors, and their employees across the Nation, budget cuts translate into closed bases and cancelled contracts, which may be all well and good from a national perspective, but can have disastrous effects on the local level. Thousands of defense workers may find themselves out of work, without job prospects, and unable to obtain adequate assistance either in finding new employment or in retraining themselves. Local economies and defense industries feel the wrenching effects of lost business and closed facilities. What, for example, would happen to the 69,000 workers and 4,100 companies in hundreds of communities involved in the B-1 program if Congress were to slice that $749 million request from the military procurement bill? And while often a local disaster, these cutbacks are not classified as natural disasters which can trigger a wide range of Federal aid programs to meet the crisis. The prospect of such disruption forces many community leaders and elected officials to support military cutbacks only in "someone else's district."

For these reasons, Representative WHALEN and I, together with 29 cosponsors, have introduced today legislation designed to provide desperately needed aid to those communities and industries, and most importantly, to those people who are unfortunately victimized by the lack of long-range planning in the drive for an efficient Defense Establishment. Senators MCGOVERN and MATHIAS have introduced identical legislation in the Senate.

In general terms, the Defense Economic Adjustment Act would furnish Federal assistance in conversion planning for communities and industries. It would require the Department of Defense and defense contractors to think ahead about conversion of defense facilities for civilian use. Finally, it would offer special benefits and other assistance to employees of defense contractors whose jobs are lost due to a substantial reduction in the volume of work performed by the contractor. This three pronged assistance effort would make it possible for those who are most seriously harmed by defense budget reductions to transfer their resources and skills to the civilian economy.

More specifically, the bill includes the following features:

For communities, it would provide the planning assistance which is vital to a successful transition from dependence on defense facilities to a thriving civilian economy. Communities would be notified of any closing or reduction of Government-owned defense facilities 180 days in advance, so that effective planning could be undertaken and put into effect. In the case of base closures, which pose a special set of problems, particularly in the area of real property disposal, the act would mandate better recordkeeping by DOD of the condition of capital and real property at each base, and would facilitate transfer to the community at closure. Communities would also be made immediately eligible for all other currently available forms of adjustment assistance, such as grant programs administered by the Commerce Department.

For future defense contractors, the bill would provide technical and management assistance in planning for diversification and conversion of defense facilities to civilian use. The kinds of independent research and development which may be funded by DOD would be expanded to include projects which have a potential relationship to urgent national requirements in nondefense areas, such as energy and fuel efficiency. Perhaps most significantly, defense contractors would be required to develop and keep up to date plans for switching over their personnel and facilities to producing goods and services for nonmilitary markets. With this sort of planning, successful transitions can be made; planning is what has been missing in the past.

Defense contractors whose contracts, now in force, are completed, canceled, or reduced, within 1 year of the date of enactment, would receive special assistance. That assistance would take the form of technical and management help in planning and carrying out conversion projects, grants to cover 50 percent of the cost of planning, long-term low interest loans for conversion costs, and immediate eligibility for currently extant assistance to economically depressed industries. Conversion projects would be in the areas of fuel efficiency, mass transit, energy, resource recovery, and low- and moderate-income housing.

The heart of the Defense Economic Adjustment Act is the assistance it would provide to employees of defense contractors whose jobs are lost. Given alternative sources of employment, many defense workers are able to make the transition from defense to civilian work easily. But many others, particularly highly skilled blue collar workers, engineers, and scientists, need assistance in moving from the highly sophisticated and technological world of defense to the less technology-dependent civilian job market. Our bill would guarantee 2 years of unemployment compensation which, when added to other benefits, equals 80 percent of prior weekly wages. It would also provide for continuance of vested pension credit, medical and life insurance; and for retraining and moving expenses. This special aid would reduce the hardship suffered by employees, enabling them to survive in reasonable comfort until new employment is found.

---

[6] *The Illusions of Detente.* Remarks of Hon. Edward J. Derwinski, USGPO, 1974, p. 1.

[7] See *The Theory and Practice of Communism* Part 4, Hearings, Committee on Internal Security, USGPO, 1974, pp. 2422–2423.

To pay for the Federal assistance mandated by the bill, a trust fund would be established in the Treasury Department. Contractors would pay to the fund half of 1 percent of the payments received under defense contracts, and will receive back with interest unexpended portions. A nonprofit fund would also be established, funded from general revenue, to pay for benefits to employees of nonprofit institutions holding defense contracts. Other necessary appropriations would also be authorized.

The entire assistance program would be overseen by the Defense Economic Adjustment Council within the Executive Office of the President. Although the Council is already established as an interagency body by Executive Order, the bill would locate it in the President's Office, give it statutory footing, and provide expert staffing.

We believe that Congress has a special responsibility to assist communities, industries, and workers adversely affected by changes in Federal spending decisions. This idea has been supported by previous Congresses. Two relatively recent examples of congressional action in this area are Public Law 92–385, which provides assistance to small businesses hurt by limitations on strategic arms, and Public Law 93–618, which furnishes aid to communities, industries, and workers hurt by imports. We need to centralize and supplement already extant programs of assistance to those affected by defense cutbacks. That is what this bill would do.

This new legislation is made especially necessary now by the recession. Our economic woes impose greater hardships upon those affected by contract terminations and base closures than might be the case during better times. In fact, the recession can only be made worse by the economic disaster that will befall those I have mentioned unless this kind of measure is enacted.

Let me emphasize that I am in favor of reductions in defense spending in many cases. But my colleagues and I believe that it is incumbent upon the Congress to provide some protection for those adversely affected by changes in Federal spending decisions in this area. This bill can provide that protection, and allow Congress to make defense spending decisions with confidence that defense-dependent workers, communities, and industries will not be permanently harmed. With the enactment of this bill, we can insure that transitions from defense-based to civilian markets in these communities are made smoothly, according to carefully developed plans, with special attention to urgent national priorities such as energy, and with assistance to tide over those people most directly and harmfully affected by the change.

Mr. Speaker, I include a summary of the bill and a list of cosponsors at this point in the RECORD:

SUMMARY OF MAIN PROVISIONS OF DEFENSE ECONOMIC ADJUSTMENT ACT

1. PURPOSE

To provide economic adjustment assistance to workers, communities, and contractors which may be substantially and seriously affected by reductions in defense expenditures.

2. DEFINITIONS

Defines terms used in bill. Defines "substantially and seriously affected" for communities and contractors, so that bill will cover those who would be hardest hit by reductions in defense expenditures and would have the most difficulty in adjusting.

3. TITLE I, ESTABLISHMENT OF COUNCIL

Sec. 101: Establishes a Defense Economic Adjustment Council with cabinet-level membership. Secretary of Commerce is Chairman. (Note: This council currently exists within the Office of the President, but by executive rather than legislative direction.) Section provides staff for Council.

Sec. 102: Defines duties of Council as follows: developing and coordinating policies and programs, collecting and disseminating information, encouraging State studies and action, providing seed money for planning immediately to communities which have been substantially and seriously affected by reductions, defining in coordination with the Congress priority sectors and projects in the civilian economy and channeling economic adjustment plans into these areas, reviewing adjustment plans, and reporting to the public.

4. TITLE II, COMMUNITY ECONOMIC ADJUSTMENT

Sec. 201: Provides for economic adjustment planning assistance to communities which would be substantially and seriously affected by base or industry closures or reductions. Establishes a mechanism for identifying communities and earmarks a portion of existing funds for economic development for providing these communities with seed money for planning economic adjustment.

Sec. 204: Requires each defense agency facility to file a detailed listing of all equipment, including its condition, the cost of conversion to civilian uses, and the most likely civilian uses. Requires 180 days advance notification to community of any facility closure or substantial reduction. Provides immediate adjustment assistance to communities. Provides for sale of all excess facilities to community at a public benefit discount—currently this discount only applies to property which is to be developed as a park or airport. Guarantees retraining and employment benefits to affected government workers.

5. TITLE III, INDUSTRIAL ECONOMIC CONVERSION

Sec. 301: Requires defense contractors to develop conversion plans, the costs of which can be included in the defense contract.

Sec. 302: Provides technical and managerial assistance to contractors in planning for and conducting economic conversion. Assistance is to be provided by federal agencies.

Sec. 303: Amend Defense Authorization Act of 1970 to expand kinds of independent research and development which can be funded in a defense contract to include projects which the Council believes have a potential relationship to an urgent national requirement in a designated non-defense sector. Council and Congress permitted to designate non-defense R&D which can be funded. (Note: Provision will expand government support for IR&D).

Sec. 304: Provides immediate assistance to contractors whose contracts cancelled within one year of passage of act and who have not received other contracts to take their place. (Such contractors cannot benefit from Section 301–303 because these sections are tied to contracts let after the act becomes law.) Designates project areas and funding and other assistance for such contractors.

6. TITLE IV, ECONOMIC ADJUSTMENT FUND

Establishes a fund, paid for out of contractors' payments from contract, to be used for worker benefits. Contractor to place ½% of funds he receives under the contract in fund, to receive back with interest all funds not expended for worker benefits under certain conditions. Authorizes federal expenditures for Fund if necessary. Also establishes Non-Profit Fund from U.S. Treasury funds to cover workers in nonprofit organizations which have defense contracts.

7. TITLE V, ECONOMIC ADJUSTMENT FOR WORKERS

Provides adjustment assistance in cases in which 5% or more of local work force is affected by reduction in the volume of defense work at a contractor's facility. Assistance includes guarantee of compensation which, when added to other benefits, equals 80% of prior weekly wages, vested pension credit, hospital and life insurance, retraining, and/or moving expenses. Assistance available for up to 2 years, or until worker placed in new job, whichever occurs first. Assistance paid for by Funds of Title VI.

COSPONSORS OF BINGHAM-WHALEN DEFENSE ECONOMIC ADJUSTMENT ACT

1. William Armstrong (R-Colo).
2. Herman Badillo (D-NY).
3. Edward P. Beard (D-RI).
4. George Brown (D-Calif).
5. John Conyers (D-Mich).
6. Thomas Downey (D-NY).
7. Robert Drinan (D-Mass).
8. Don Edwards (D-Calif).
9. Joshua Eilberg (D-Penn).
10. Donald Fraser (D-Minn.)
11. Mark Hannaford (D-Calif).
12. Michael Harrington (D-Mass).
13. Philip Hayes (D-Ind).
14. Edward Koch (D-NY).
15. John LaFalce (D-NY).
16. Ralph Metcalfe (D-Ill).
17. Helen Meyner (D-NJ).
18. Edward Mezvinsky (D-Iowa).
19. Patsy Mink (D-Hawaii).
20. Richard Ottinger (D-NY).
21. Edward Pattison (D-NY).
22. Shirley Pettis (R-Calif).
23. Thomas Rees (D-Calif).
24. Paul Sarbanes (D-Md).
25. James Scheuer (D-NY).
26. John Seiberling (D-Ohio).
27. Stephen Solarz (D-NY).
28. Louis Stokes (D-Ohio).
29. Paul Tsongas (D-Mass).
30. Antonio Won Pat (Guam).

EPA SUPPORTS STRONG CRITICISM OF GARRISON DIVERSION UNIT ENVIRONMENTAL IMPACT STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on April 4, I wrote to the Honorable Russell Train, Administrator for the Environmental Protection Agency, concerning a report by the Institute of Ecology which was highly critical of the Bureau of Reclamation's North Dakota Garrison Diversion Unit.

The report, entitled "A Scientific and Policy Review of the Final Environmental Statement for the Initial Stage, Garrison Diversion Unit," was prepared by the Environmental Impact Assessment Project of the Institute of Ecology. The detailed study was prepared largely by professors of economics, engineering, conservation, and natural resources at a number of Midwestern universities.

The report is a withering blast at the Bureau of Reclamation's project. As the Institute noted:

> The Final Environmental Statement (FES) prepared by the Bureau of Reclamation for their Garrison Diversion Unit in North Dakota, does not represent a comprehensive and objective examination of the complete impacts of the Garrison Diversion. . . . Information included in the FES is grossly inadequate and defies objective evaluation. Further, the Bureau's analysis of its own data is often inaccurate, insufficient or misleading. . . . Major adverse impacts are ignored and alternatives to the project are not considered. It appears, despite precautions to the contrary in CEQ guidelines, that the FES was prepared as a justification of the Garrison Diversion Unit rather than a detailed analysis of its environmental impacts.

In my letter to Administrator Train, I asked:

> Does the Environmental Protection Agency have any comments on the Institute of Ecology's study?

On May 7, I received a reply from Mr. Sheldon Meyers, Director, Office of Federal Activities, EPA. Mr. Meyers reported:

> Our Denver Regional Office . . . has conducted a review of both volumes of the Institute's evaluation of the Garrison Project. We believe that the study represents the most comprehensive analysis to date of the final EIS. Hopefully, this analysis will be useful to the Bureau of Reclamation . . . in improving both the quality of the EIS process and the environmental acceptability of their projects.
>
> * * * * *
>
> In essence, then, it is clear that our review of the Bureau's final EIS is substantially in agreement with the conclusions reached in the Institute's analysis . . .
>
> * * * * *
>
> As the Bureau of Reclamation releases more detailed impact statements on individual project features and irrigation service areas . . ., EPA will become even more intensely involved in the evaluation of the project.

Mr. Speaker, the EPA letter is a staggering indictment of the Bureau of Reclamation's work on the Garrison project. In essence, EPA has said that a group composed largely of independent nongovernmental academicians has prepared a more accurate environmental impact statement after 4 to 6 months of work than the Bureau has since NEPA become law in 1969.

The Bureau of Reclamation has tried to do everything in its power to push the Garrison project ahead. Nothing can hide the fact, however, that it is an environmental disaster. In addition, the estimated cost of the project has increased from $207 million in 1965 to over $240 million in 1975 and its cost/benefit ratio is highly suspect. The project has also become a major issue of bad feeling between the United States and Canada, since the Garrison Diversion Unit, if completed, would severely and adversely affect the water quality of the Souris River which flows into Canada.

Mr. Speaker, this year we have an opportunity in the public works appropriations bill to place a moratorium on this environmental and economic madness. This project should be stopped—at least until the Bureau with all its bureaucrats can put together an environmental impact statement as thorough and convincing as the one prepared by the Institute of Ecology.

I would like to enter the full text of the EPA letter in the RECORD at this point:

WASHINGTON, D.C., *May 7, 1975.*

Hon. CHARLES A. VANIK,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. VANIK: On behalf of Administrator Train, I would like to thank you for your letter of April 4, 1975, regarding The Institute of Ecology's analysis of the final environmental impact statement (EIS) for the proposed Initial Stage of the Garrison Diversion Unit in North Dakota.

Our Denver Regional Office (Region VIII) has conducted a review of both volumes of the Institute's evaluation of the Garrison Project. We believe that the study represents the most comprehensive analysis to date of the final EIS. Hopefully, this analysis will be useful to the Bureau of Reclamation (and other Federal agencies) in improving both the quality of the EIS process and the environmental acceptability of their projects.

As you know, water quality issues raised by this project have been the focus of EPA's concern. The Institute's evaluation of water quality problems which may arise should the project be completed is extremely pertinent, and accurately points out many of the deficiencies in the Bureau's final EIS.

In EPA's August 16, 1974 review of the final EIS (copy enclosed), we raised many of these same issues. Specifically, Administrator Train's letter notes:

"The final EIS leaves many important environmental questions unanswered, and more importantly, project proposals as presented in the final EIS do not include sufficient built-in plans for mitigating adverse environmental impacts. . . ."

In addition, our review states:

". . . EPA has very serious objections of an environmental nature regarding the completion of the Garrison Diversion Unit as outlined in the final EIS."

In essence, then, it is clear that our review of the Bureau's final EIS is substantially in agreement with the conclusions reached in the Institute's analysis, especially with regard to the overall adequacy of the final EIS and the adverse impacts on water quality in the United States and Canada. Additional issues raised by The Institute of Ecology are also of great importance, but several of them (e.g., economic and social impacts) are outside the scope of EPA's authorities.

Let me assure you that EPA is continuing to be actively involved in working towards solutions of the many environmental problems associated with this project. On January 13, 1975, I wrote Reclamation Commissioner Stamm regarding the Bureau of Reclamation's computer model of potential water quality problems from irrigation return flows. A copy of this technical evaluation is enclosed for your information. In addition, EPA has participated in technical and policy meetings with the Department of the Interior, the State Department, the Council on Environmental Quality and the Canadian government regarding the issue of Canadian non-acceptance of Garrison project irrigation return flows slated for discharge to the Souris and Red Rivers.

We intend to continue our active participation in these and other areas. We believe that these types of activities constitute a continuing reevaluation of not only the final EIS for this project, but also of the project itself. As the Bureau of Reclamation releases more detailed impact statements on individual project features and irrigation service areas (as they indicated in the final EIS), EPA will become even more intensely involved in the evaluation of the project.

Again, let me thank you for your interest in the environmental implications of this project. Please feel free to contact me or Mr. John A. Green, Regional Administrator of our Denver Office, if you have additional questions.

Sincerely yours,
SHELDON MEYERS,
Director, Office of Federal Activities.

INTERNATIONAL WOMEN'S YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, today I had the pleasure of sponsoring, along with Representative FENWICK, Senators HUMPHREY and PERCY, and 118 House and Senate cosponsors, a Congressional Symposium on International Women's Year (IWY). Distinguished panelists gathered to develop an agenda of action for the Congress and for the upcoming UN Conference on IWY, to promote equality of women throughout the world.

International Women's Year offers a unique opportunity for women of the world to join hands in an effort to give voice to the concerns of over half the world's population. For me, the goals of IWY constitute priorities for congressional action, and I would like to share with my colleagues the text of a speech I gave at the opening of today's symposium.

The text of the speech follows:

STATEMENT BY REPRESENTATIVE ELIZABETH HOLTZMAN

Some say International Women's Year attempts too little. Many think it goes too far (including half of the membership of the United Nations which has refused to ratify it). There are those who find it hypocritical and others who think it futile.

I believe, however, that International Women's Year offers an unparalleled opportunity for women of the world to join hands in a recognition of their common plight. By acknowledging that the condition of womankind is universal, we can overcome national frontiers, language barriers, and cultural differences, and we can give voice to the aspirations of over half the world's population.

It is entirely fitting that the United Nations sponsor International Women's Year. According to the UN Charter, its objectives include "encouraging respect for human rights and for fundamental freedoms for all without distinctions as to . . . sex."

But we women will not be satisfied by empty words. That is the purpose of our symposium: to flesh out a concrete agenda for action.

Allow me to suggest a minimum platform for IWY:

I. We must insist that the United Nations itself change its hiring policies which discriminate against women. At present:

There are 19 Undersecretaries General—all male;

There are 16 Assistant Secretaries General but only one woman;

Less than 16 percent of the 11,000 professional employees at the UN are women. Women, however, make up 55 percent of the non-professional staff; and

Male employees are entitled to greater travel and pension benefits for their spouses than are women employees.

In short, the United Nations, if it accomplishes nothing else during this Women's Year, should at the very least become an equal opportunity employer of women.

II. We must insist that the member countries include more women in their own delegations to the U.N. Look at the record:

In the 29 years of the UN's existence, only 3 governments have appointed women to head their UN missions;

In 1972 only 10 percent of a total of 1,113 delegates were women—usually holding the lowest posts;

In 1972, 60 percent of the permanent missions had no women on their diplomatic staffs;

In 1973 there were 180 women delegates to the General Assembly compared with 2,369 males;

Only 2 women have even been elected President of the General Assembly. (But that is 2 more than have ever been elected President or Vice President of the United States during its almost 200 year history.)

III. We must insist that each country abolish laws and practices that discriminate against women. We must rid the world of policies that deny the humanity of women by conceiving of them primarily in terms of their breeding function.

These policies are reflected in the fact that:

Only 76 of the 138 member countries are parties to the UN Convention on the Political Rights of Women;

Only 46 of the 138 member countries are parties to the UN Convention on the Nationality of Married Women;

Only 27 of the 138 member countries are parties to the UN Convention on Consent to Marriage, Minimum Age for Marriage and Registration of Marriages; and

Only 42 of the 138 member countries are parties to the UN Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others.

The United States is not a member party to any of these Conventions.

We must recognize that most women in the world are kept in poverty and illiteracy. We must call on every country to insure that all women are accorded fundamental rights to determine their own destiny, to participate in fashioning the laws which govern them, and to be accorded equal opportunity to share in the economic benefits of their countries; in short:

The right to vote;

The right to education;

The right to equal employment;

The right to regulate their own childbearing;

And equal rights with men to hold and dispose of property.

IV. Finally, in the United States, the most significant step we can take to fulfill the expectations of IWY is to ratify the Equal Rights Amendment. That must be done.

The Supreme Court has still not ruled that women are "persons" under the 14th Amendment. Consequently, without the Equal Rights Amendment, it will take years of painstaking, laborious efforts to eliminate only a few of the inequities that women confront in this society. Let us examine some of these.

A. The Federal government itself discriminates against women in employment. Of 94 U.S. Attorneys, none are women. Of 580 Federal judges, 6 are women. We have had 3 women Cabinet members in our history and no women Supreme Court justices.

HEW, IRS, VA, FCC, ICC, CAB, FTC and SEC have all been cited by the Civil Rights Commission for failure to enforce prohibitions against sex discrimination in industry and education.

B. In the private sector, the figures speak for themselves. A full-time working woman makes, on the average, 60 percent of a man's salary. Women represent 39 percent of the labor force but make up 18.6 percent of the managers and administrators, 9 percent of the scientists, 4 percent of lawyers and 1 percent of engineers.

The EEOC has a backlog of 100,000 cases and enforcement leaves much to be desired.

C. Laws to punish the crime of rape in the United States humiliate women. The victim's past sexual history is still considered relevant in the prosecution for rape. Yet, it would be considered absurd to ask a robbery victim if he had ever given away money, as evidence that he had consented to the robbery.

D. Child care is central to women. Women cannot have economic independence—that is, work—without day care centers for their children. Yet, day care was one of the first items cut from the Administration's budget. In 1973 working mothers had 6 million children under the age of 6, but only 920,000 day care slots were available.

E. Our Social Security System is based on the premise that women's rights are derived through men:

(1) Married women who have worked usually wind up receiving derivative, widow's benefits rather than their own;

(2) Women who have done house work are not eligible for retirement coverage; and

(3) Because women earn less than men, they receive lower benefits and pay a larger proportion of their earnings under the regressive payroll tax. Yet, two-thirds of the women in the work force are single, separated, divorced, widowed, or have husbands who earn less than $7,000 a year.

F. With respect to pension and other benefits generally, courts and lawmakers are more willing to extend benefits presently enjoyed by women to men than they are to extend men's benefits to women.

G. The image of women presented in the media has not improved despite much criticism. Examples: "Fly me, I'm Carol," the nagging wife, the mother deeply concerned with cleanliness, the expert coffeemaker and the room deodorizer. Commercials rarely portray a woman as a scientist or professional; the authoritative voice that explains is almost always male. New TV series which feature female lawyers or policewomen always portray them as cute, sexy, perhaps clever but with a tinge of "scatterbrainedness".

We would recoil from media portrayal of blacks as always singing spirituals or eating watermelons. We need to recognize and prohibit similar stereotypes of women which pervade the media.

* * * * *

In addition to "equality" and "development", International Women's Year has as one of its objectives "peace". Not the peace of the gallows or the silence of enslavement, but a peace based on the recognition of the value and dignity of every person.

We should take this year to reflect on the patterns of aggression and domination that have characterized the relationships between men and women—and understand how these patterns have become enshrined in laws and customs everywhere.

The promise of peace and equality go hand in hand.

BASIC QUESTIONS IN OIL PRICING LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, several major legislative proposals dealing with energy policy will soon be sent to the floor of the House. They represent the product of at least 4 months of work on the part of many Members of this House. When, 4 months ago, we set out to formulate a national energy policy, I think there existed wide agreement on goals. We wanted a policy which matched maximum domestic energy supply with minimum foreign dependence, and we sought the maximum energy conservation consistent with protection of the consumer and the environment. While there continues to be basic agreement on these goals, significant differences exist regarding how we can best achieve these goals.

At the heart of the disagreement is the central question of energy prices: how high they should be and how they should be set. Should we follow a course of Government regulation or should we seek to use the market as the arbiter of energy prices? Indeed, should we employ both Government regulation and market forces to set energy prices? It is my belief that resolution of these questions will, more than anything else, contribute to a solution of our energy problems.

In an effort to assist my colleagues in focusing on this central issue of energy prices I am submitting today the eight basic questions which I believe underlie the formulation of a pricing policy. These questions have evolved during my deliberations as a member of the Subcommittee on Energy and Power, which has now completed a major review of energy policy under the able direction of Chairman DINGELL.

A further discussion of each of these eight questions will be found in the Extension of Remarks of tomorrow's RECORD. I am hopeful my remarks will prove useful to my colleagues as we work to understand and resolve the complex and important problems of national energy policy. I submit the eight questions herewith:

BASIC QUESTIONS IN OIL PRICING LEGISLATION

1. *Maximum Production:* What price and tax incentives are required to maximize domestic petroleum production?

2. *World Price and Foreign Supply:* What pricing and tax policy is most likely to achieve the greatest overall success in lowering world petroleum prices?

3. *Conservation:* What pricing and tax policy is likely to produce needed conservation with minimum amounts of economic disruption?

4. *Consumer Protection:* What pricing and tax strategy can achieve 1, 2, and 3 above, without imposing intolerable burdens on consumers?

5. *Employment:* What pricing and tax strategy can achieve its goals while maximizing opportunities for domestic employment and stable economic growth?

6. *Administrative Efficiency and Simplicity:* What pricing and tax policy offers the prospect of maximum production, conservation, consumer protection and economic stability with the least amount of adminis-

trative cost of complexity and economic dislocation?

7. *Political Viability:* Given the urgency of putting into effect a national energy policy, what pricing and tax strategy holds the greatest promise of winning the early approval of the Congress and the Executive, and the support of the consuming and producing public?

8. *Oil Company Profits and Industry Structure:* What regulatory and tax strategy will serve to maximize industry competition and minimize opportunities for market manipulation by the industry?

GEN. EARL EDWARD ANDERSON—AN ILLUSTRIOUS MARINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker—

> "I tread in the footsteps of illustrious men."
> "We fight our country's battles
> On the land as on the sea."

It is said that opportunity always answers the knock of capable men. In the fateful decade of the 1930's, an energetic and foresighted young West Virginian was preparing for opportunity's nod in the public schools of the State and in the university. War clouds were gathering across the seas, but in America's preoccupation with a waning depression, few of us considered it a matter of personal interest. Nevertheless, military training was available at the university, and young Anderson took advantage of the opportunity, as he has taken advantage of countless opportunities as the years went by. Along with his university diploma, he received a commission in the U.S. Marine Corps. On that commission he built a career of service to his nation which may not be outmatched by any other member of that illustrious military oganization.

After a brief training program, Anderson was assigned to the U.S.S. *Yorktown.* A few months later came Pearl Harbor, but the *Yorktown* happened to be in the Atlantic. Immediately the ship was transferred to the Pacific, in time for the Marshall-Gilbert campaign, the Salamaua raid, and the battles of the Coral Sea and Midway. One writer asserts that the latter two were the greatest naval battles in all history. By 1942, Anderson ranked as captain. The next year Anderson was sent to the Naval Air Station at Dallas. Here he was awarded the gold wings of a naval aviator, with the rank of major.

Returning to the Pacific in 1944, he assumed command of Marine Bomber Squadron 443, and a little later he became executive officer, Marine Aircraft Group 61.

The war ended, but not military service for Anderson, now a lieutenant colonel. Alternating between instructional assignments in practically every training center for the Marine Corps in the United States, he went back to the Pacific every time trouble broke out in that unruly area. In Korea he was commanding officer, Marine Observation Squadron Six, and then assistant chief of staff, First Marine Aircraft Wing.

Back to the United States for more training activities, but then Vietnam intervened. Here he received a Legion of Merit, and for participation in more than 40 combat missions he received gold stars in lieu of his seventh and eighth Air Medals. In Vietnam also he was promoted to major general, the first active duty Marine naval aviator to reach four-star rank.

Other medals and citations settled upon him as thick as autumn leaves; Distinguished Service Medal; bronze and gold stars in profusion; citations for this, that, and the other; awards from foreign countries. The list covers a half-page, single typed.

Civilian honors likewise were far from lacking. He has a juris doctor degree from George Washington University, and served as editor-in-chief of the university law review. He has a license to practice before the Supreme Court of the United States. In 1973 he was elected West Virginia's Son of the Year by his native State. The list of honors is endless. I must forbear.

After 35 years of service, General Anderson is about to retire from active duty. The Nation owes him much. He is still in the vigor of manhood. Whether the Nation can afford to dispense with his talents and his enormous capabilities is doubtful. He is on the list of the country's illustrious men. If he is needed, he will respond.

It is very difficult for me to understand—and others have joined—just how such a fine and qualified leader could be passed over in the naming of a new Commandant of the U.S. Marine Corps. I am advised he was recommended by the present retiring commander and many other leaders who are familiar with General Anderson's outstanding military record and proven leadership.

Needless to say, he has served the United States with honor, as well as the Marine Corps, from his second lieutenancy to the Assistant Commandant of the Marine Corps. It is indeed a sad day when this has not been recognized and General Anderson has been passed over as Commandant of this fine branch of service.

DOMESTIC MONETARY POLICY SUBCOMMITTEE REPORTS OUT A STRONG AUDIT BILL

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATMAN. Mr. Speaker, this morning the Domestic Monetary Policy Subcommittee reported out H.R. 4316—a bill to require a full-scale, top-to-bottom audit of the Federal Reserve System—by a 6-to-1 vote.

The subcommittee adopted some minor strengthening amendments recommended by the General Accounting Office, but the reported bill is virtually as introduced by myself and 109 Members of the House of Representatives. This legislation does not place prior restraints on the type of audit and gives the GAO the same type of authority to scutinize the Federal Reserve System as it enjoys in other departments and agencies of the Federal Government.

Mr. Speaker, the 6-to-1 vote—with all Democrats present voting for the bill—is highly gratifying to those of us who believe that the Federal Reserve System should be accountable to the Congress and the American people. It is a victory for people who believe in open government and who believe that the world's biggest economic agency bears scrutiny by the GAO and the Congress.

Mr. Speaker, it is an absurdity that the Congress has so long delayed auditing an agency that handles transactions in excess of $30 trillion annually and which holds almost 20 percent of the national debt in the portfolio of the Federal Open Market Committee. This is an absurdity which is being corrected through this legislation and I am very pleased that the Subcommittee on Domestic Monetary Policy has started the ball rolling in such excellent fashion.

Mr. Speaker, I want to take this occasion to commend the members of the subcommittee who voted to report out this bill: JOSEPH MINISH of New Jersey, HAROLD FORD of Tennessee, MARK HANNAFORD of California, JAMES BLANCHARD of Michigan, and WILLIAM BARRETT of Pennsylvania.

Mr. Speaker, it is my hope that the full Banking, Currency and Housing Committee will be taking up this bill soon after the Memorial Day recess and I know that Chairman REUSS is interested in seeing that this legislation moves forward.

PART IV: IN OPPOSITION TO REVERSE DISCRIMINATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on Sunday, May 4, I attended a breakfast held by the Metropolitan New York Coordinating Council on Jewish Poverty. There were a number of speeches made at the breakfast discussing the needs of the Jewish poor. I am appending at this time the statement of Mr. Harold Jacob, president of the United Jewish Council of the East Side, Inc.:

TEXT OF SPEECH DELIVERED BY MR. HAROLD JACOB, ON MAY 4, 1975 AT AN ASSEMBLY OF JEWISH POVERTY WORKERS AND POLITICAL FIGURES IN THE NEW YORK COMMUNITY

Good morning ladies and gentlemen. I have been asked to speak here this morning on behalf of the Jewish poor, but before I begin I would like to point out that I may have a slight difficulty in speaking. As most of you know who have heard me speak, I am usually hollering and I just want to assure you that this is the same Heshy Jacob.

Getting down to serious busines, you have heard Jerry Becker and Bernie Warach speak to you about the problems of Jewish poverty. I would like to give you a few insights into some of the specific problems we of the Lower East Side have been faced with. I have been involved in some of the aspects of Jewish poverty for the past 4 years. It all got started when, 4 years ago, Mr. S. Elly Rosen came to the Lower East Side and explained to us that there were many Jewish poor living in our community who were isolated, unaccounted for and totally unserviced for even the necessities of life. I personally was not aware of the extent of the problem and the mammoth task that began to present itself to me in terms of establishing assistance for this segment of the population was definitely at hand. Mr. Rosen explained the specifics involved in joining a community corporation, what a delegate agency is and does, and helped us understand how we could go about getting some Jewish representation.

Although there are a multitude of problems I would discuss, in the interest of brevity I will confine myself to three crucial ones. They are housing, lack of existing services geared specifically to the Jewish client and inadequate funding for delivery of these services.

Let me preface my discussion of the housing problem with a short statement. Our community, which was once the largest Jewish community in the United States, is today but a fraction of its once glorious size and reputation.

In contrast to what was once a lively, functioning community, we are faced with a population of which 50% is elderly and many of whom are living in areas where Jewish life is now just a memory. Some of these elderly, due to the areas in which they live that were once Jewish and are not totally devoid of Jewish life, are faced with isolation so severe that they feel that their environment is totally hostile to them. They feel they have no place either physically or spiritually.

Our Council was the leader in the battle over the Seward Park Extension Project, the controversy which was widely publicized and in litigation for two and a half years in the New York courts. While the Mayor and the Housing Authority ruled in our favor to try and help the elderly and poor of our community, the Federal courts, not knowing all of the underlying factors and the suffering of the Jewish poor, overturned that decision. Finally after many months, a compromise was made with which we can survive although it is quite difficult to live with. At this point I would like to thank the two attorneys, present at this assembly, who did all of the work on that case and on behalf of the Jewish elderly and poor. They are Mr. Kalman Finkel and Mr. Sheldon Silver.

The message I wish to convey to you concerning this issue is that while scatter-site housing and other such concepts may look good on paper, they are not practical in a working sense. Housing must be built for the community's specific needs. Jews must be near synagogues; they must be able to avail themselves of kosher food in order to sustain themselves.

The next problem I will discuss is the lack of existing services geared specifically to the Jewish client. While the City and Federal Governments offer many services for the poor, in many instances the Jewish client is left out. When he enters a Welfare center or delegate agency, he finds the people and language totally foreign. For the majority of Jewish elderly Yiddish is their primary language. In many cases the only languages spoken by the staff of the delegate agencies and centers are English and Spanish. This elderly Jew, who for all his life has never known what it means to take something for nothing, does not understand the concept of Social Security and S.S.I. and certainly not welfare. If we are to make him understand that it is his right to receive these services, the least we can do is make sure that the personnel delivering these services are comprehendable and that they are getting their message through.

Now we come to problem number three, inadequate funding. Our council, which is located on the Lower East Side, is in one of the twenty-six poverty areas designated by HRA. We receive a mere $99,000 in funding to service all the Jewish poor in our area. They number about 20,000. The Community Corporation receives approximately 4 million dollars in funds to service no more than 100,000 poor. It is not enough for Congress to merely fund OEO for millions of dollars, but they must also monitor the agencies to see if all the poor are receiving their fair share of these funds. Our Council, even with the lack of funds, is the finest agency in the area. Last year we serviced 3,000 people.

Due to the lack of time I cannot delve into this subject matter any further but, I would like to end with a famous story.

Before attacking Czarist Russia, Napoleon Bonaparte went to see the Rabbi of Brezhan to seek his advice on this matter. The rabbi answered him with this famous parable. He repeated to him the story of a Jewish farmer traveling through the Russian countryside and coming across a Russian landowner who was stuck in the mud with his carriage and four great horses. The Jewish farmer stopped and asked him if he could offer any assistance by attaching his two small horses to the carriage and let them haul it out of the mud. The landowner did not believe that the two small horses could accomplish this feat but having no other choice allowed the farmer to try. The farmer hitched his horses to the carriage and whipped them and lo and behold they dragged the carriage out of the mud. The landowner stood aghast, totally amazed that the two small horses were able to accomplish what his four great horses could not. When he asked the farmer how this was possible the farmer answered with a question 'Where did you buy the front right horse?' 'In London' the landowner answered, 'and the front left horse, where did you get him?' and so on for all four horses. The farmer then explained, 'these two small horses came from the same mother so that when I whip one the other felt the pain and pulled just as hard. Your horses were all pulling one at a time and maybe even in different directions. 'So it is with Russia,' said the Rabbi of Brezhan to Napoleon. 'Russia is the motherland and its soldiers are fighting for the motherland and for each other, while your soldiers are mercenaries fighting with little feeling.'

HOME HEALTH CARE—PART XV

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 85 House cosponsors, I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators FRANK MOSS and FRANK CHURCH, respective chairmen and the Senate Subcommittee on Long Term Care and Committee on Aging, HUGH SCOTT, Senate minority leader, and Senators WILLIAMS, DOMENICI, and TUNNEY.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the RECORD several times a week by experts and lay persons commenting on the legislation.

This is the 15th in the series:

AMERICAN FOUNDATION
FOR THE BLIND, INC.,
Washington, D.C., May 12, 1975.

Representative EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Mr. Clyde W. Waugh, national president of the Blinded Veterans Association, has forwarded your letter of May 1 and enclosure to me.

The American Foundation for the Blind, American Association of Workers for the Blind, and the Blinded Veterans Association are in full accord with the legislation introduced by you and Rep. Pepper to provide for long-term care services and home health services to minimize the need for institutionalization. Enclosed is a copy of our statement on national health insurance legislation filed with the House Committee on Ways and Means in April, since the Subcommittee on Health announced that it was receiving file statements in lieu of public hearings. As you will see, we advocated provision of certain basic rehabilitation services to older blind persons, as well as long-term care services, as part of a national health insurance program to reduce the need for institutionalization and make it possible for older blind persons to continue living in their own homes.

The cost of residential rehabilitation center services to enable blind persons to achieve maximum functional independence and return to their own homes varies from approximately $2,000 to $4,000. The cost of similar services on a home health basis for individuals unable to spend 13–16 weeks at a rehabilitation center would be approximately $1500 to $2500. You undoubtedly already have figures for the costs of extended or permanent nursing home care—these costs in some areas of the country would be $6,000 to $8,000 a year, or higher.

With specific regard to the elderly, blind, and visually handicapped population, there is no question that a substantial number are prematurely institutionalized when adequate rehabilitative services and long-term care services would enable them to continue living substantially more independent lives in their own homes.

We hope that the House Committee on Ways and Means will enact legislation providing for a comprehensive national health insurance program, including the essential components you are advocating.

Very truly yours,

IRVIN P. SCHLOSS,
Director, Governmental Relations Office.

UNITED CEREBRAL PALSY ASSOCIATION OF THE PITTSBURGH DISTRICT,
Pittsburgh, Pa., March 25, 1975.

Congressman ED KOCH,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Enclosed please find a brief statement on our need for home health service assistance in the Pittsburgh, Pennsylvania area.

I hope this will help in your strategy to pass H.R. 2389. We are certainly in full support of this measure and our clients would greatly benefit from federal-state reimbursement for home health services.

Good luck in your attempts and if we can be of any further assistance please feel free to contact us.

Most sincerely,

ALLEN CONDELUCI,
Adult Program Director.

[From the Cerebal Palsy Association of the Pittsburgh District]

HOME HEALTH CARE STATEMENT

In Allegheny County, Pennsylvania, United Cerebral Palsy of the Pittsburgh District is the prime programmer for individuals with cerebral palsy and their families. We provide a wide spectrum of services from infants to adults, that are therapeutic in nature.

The adult program consists of three major facets:

Socialization,
Developmental, and
Community Placement.

In each of these areas our major goal is to assist the developmentally disabled adult achieve the highest functional level possible. We stress independent living and tailor our programs to meet these needs.

Overall we are successful in our attempts; however, there is one major obstacle that considerably restricts our program, particularly our community placement program. This road block is the lack of home health care availability in our area.

As stated earlier, United Cerebral Palsy addresses its adult program toward functional independence. This focus has been requested by our clients and respected by our staff. However, in any independent living development we must realize the physical limitation many developmentally disabled individuals do have. They can go only so far.

With this in mind then, we must consider some ancillary assistance in order to realize total independence for the severely involved adult. Assistance that is not medically oriented, or out of the financial reach of the Supplemental Security Income recipient.

In Pittsburgh there are many elderly and disabled adults (not only Cerebral Palsy, but also Multiple Sclerosis, accident victims, stroke, war vets, etc.) that could become totally independent within the community if such a service were available. These are the people who will ultimately end up in a nursing home, or state hospital if this need is not met when their current caretakers pass on.

Let me reiterate that the population I am talking about are not convelescent, or individuals in need of total care. Rather these are disabled adults and elderly who need only a few hours of home health assistance to be totally independent.

Not only would such a home health service keep this population in the community, hence in line with the normalization principle, (provision of a living situation as culturally normal as possible), but would also create a substantial savings for both state and federal government. For example, in Pittsburgh, United Cerebral Palsy is planning a special apartment project to place 30 developmentally disabled adults in the community. Fifteen of the potential residents currently live in the Pennsylvania State Schools and Hospitals.

The remaining fifteen are currently residing in the community but will be admitted to a state hospital or nursing home upon the death of their present caretaker. In Pennsylvania the daily cost to maintain an adult in the state hospitals is set up at $39.00. This totals to $14,285.00 per year. We have computed that in our program we can place the same adults in the community for approximately $8.00 per day or $2,920.00 per year that includes a non-medical home health service. This represents a substantial savings to our state and federal budgets, by defining and separating the higher cost medical service from the lower priced home health services. However, dollars and cents should not be our guiding light in this matter. What is more important is that many of our nations elderly and disabled citizens could become independent and remain in the community as dignified human beings if such a service was available.

We strongly feel that our government should realize that there is a sharp distinction between social needs and medical needs. If a home health service was available under Medicaid to provide the home health assistance as well as skilled nursing, when applicable, the possibility of independent community living will become a reality for many disabled adults.

SUPPORT FOR ISRAEL—REMAIN THE SAME

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, at a time when our foreign policy is undergoing a worldwide reappraisal, I want to take this time to add my voice to those urging that one particular aspect of our policy—support for Israel—remain the same.

The ties between the United States and Israel are strong. We are bound culturally, by the common origins of so many of the citizens of both nations, and we are bound politically by a shared commitment to democratic government and those basic rights and freedoms which both our governments guarantee to their citizens. There is no question in my mind that these ties exist and that they are strong. My contact both with my own constituents and with Americans around the country convinces me that the overwhelming majority of the American people support Israel and wish our government to continue its strong support in political, military, and economic terms.

Israel is important to this country not only for those attitudes and backgrounds we share, but is also fundamental to a balanced power structure in the Middle East. The Middle East is a strategic area—geographically in terms of its relationship to Europe, Asia, and Africa and in its proximity to the Soviet Union—and economically because of its vast reserves of oil which will become increasingly important as developed nations exhaust their own reserves. It has long been an important element of our policy to prevent this region from falling under the dominance of any single power, either global or regional, and it is clear at this point that the preservation of Israel as an independent state is essential to the maintenance of that policy.

There is also no question about the fact that today Israel is threatened. Rhetoric changes, as do the faces of the various leaders in the region, but through the rhetoric the objective of the more radical Arab States and leaders remains clear—the destruction of Israel. Little has happened since the war of 1967 to convince me that they have moderated their goals in the Middle East. The increasing use—and tolerance—of terror and guerrilla tactics is compelling evidence of the real motivation and the extent to which they will go to achieve their objectives. While the Arab States differ in their policy goals and the aggressiveness with which they pursue them, the pressure tactics of the more radical Arab States and the Palestinian terrorists too often determines the tactics of all the states, pushing the more moderate into support of radical policies. The preservation of Israel as an independent state is going to take more than strong words and diplomatic representations on our part. It is going to take substantial military and economic support, but I believe it is vital that we provide it.

United Nations Security Council Resolution 242 calls for the establishment of "secure and recognized borders." These borders must not be vulnerable, temporary lines of demarcation which the Arabs have sought to destroy. According to Security Council Resolution 338, the borders must be negotiated by the governments directly involved. To my mind this is the key principle. I have always supported such direct negotiations with the goals of secure borders and equal recognition. The major powers cannot impose such an agreement on the belligerents, but they can act as a catalyst in helping to achieve such an agreement, and it is this role which Secretary Kissinger has sought to play. Despite his recent setbacks, the role is still a viable one, and I urge our Government to continue striving to bring the two sides together.

In addition to that, however, we must also continue to take positive action to maintain the military and economic balance of power in the Middle East by providing Israel the arms she needs to defend herself and to maintain economic supports to ease her considerable fiscal burden. Such a policy will serve the cause of world peace, for in a real sense, the avoidance of a great power confrontation depends on the preservation of the cease-fire in the Middle East.

CHEMICAL WARFARE—IT'S UNNERVING

(Mr. OTTINGER asked and was given permision to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on Wednesday, April 30, ABC Newsman Edward P. Morgan aired a piece on chemical warfare for the Shape of One Man's Opinion. One of the issues he discussed is one which concerns me—proliferation. My view is that since binaries would be safe to transport, that they not only would appeal to third world countries, but that they could also become that much more accessible for terrorist activity.

This possibility became quite real to me yesterday morning while reading a newsstory that 53 steel bottles of mustard gas had been stolen in West Germany, and that a terrorist group may be involved in the theft. The effects of mustard gas, a precursor of our present day stocks of nerve gas, were vividly described in an article I submitted in the RECORD on April 28, pages 12073–12075.

To move toward development of the binary nerve gas system is to make this kind of situation that much more likely. I submit Mr. Morgan's opinion and the news article for the RECORD:

SHAPE OF ONE MAN'S OPINION

This is Edward P. Morgan, ABC News Washington, with the Shape of One Man's Opinion. A look at gas from the unnerving Army after this word.

Even before our military influence in Indochina collapsed, the U.S. Army, it seems, was busy thinking up a better idea: a new weapon—not to be used in Southeast Asia, of course, but as a counter against the Soviet Union: nerve gas.

We have foresworn the use of biological warfare and presumably have destroyed our stockpiles of biological weapons. But chemical warfare the Pentagon clings to like Buck Rogers with his ray gun. The posture is not only lethal but internationally embarassing.

At the UN conference on disarmament in Geneva, the United States has refused to table anything important which would put a crimp in the use of chemical weapons. Other nations, notably Japan, have done so. The American argument appears to be that verification of commitments is necessary, that a nation's word on what stockpiles it has and what it will or will not do with them is not enough.

Ironically, America appears already to have enough nerve gas. We have stockpiled in the United States alone, most of it at the Tooele Army Depot in Utah, approximately 20,000 tons of the stuff, abundantly more than enough, according to experts, to kill every living human on earth. One-fiftieth of one drop can be fatal in 15 or 20 minutes.

But the Pentagon is restive. It wants a whole new generation of nerve gas weapons called binaries. Their advocates call them, pardon the expression, safe. Presumably they won't leak and kill sheep, as happened at the Dugway Proving Grounds in Utah seven years ago. That's because the lethal chemical components are kept packed separately—and thus inert—in an artillery shell until the shell explodes.

Though it was voted down by the House last year, the Defense Department has renewed a request for $8.8 million to build a facility to produce binaries. However, Harvard biochemist Matthew Meselson, an expert in this field, told the Arms Control Association in Washington last week he estimated it would actually cost a billion to *produce* binary nerve gas weapons and perhaps three-quarters of a billion more to dispose of the existing stockpile.

Congressman Richard Ottinger, New York Democrat, is leading a fight in the House to kill the $8.8 million item, for fear it will expand into just the explosive, expensive item Prefessor Meselson predicts it will.

There is another frightening aspect here: proliferation. If the United States prepares to produce binaries, the pressure will be on other countries to do the same. The Soviet Union is not known to be monkeying with binaries but it "must be presumed" she does have a "strong defensive capability" with nerve gas.

One estimate of the cost of producing binaries is five bucks a gallon. What a bargain for a third world country that con't afford, say, to develop a nuclear capability!

With biochemistry and biological sciences advancing at great rates, Meselson suggests, we should encourage an international consensus that such knowledge not be exploited for military purposes. Have we got the nerve?

This is Edward P. Morgan, ABC News, Washington with the shape of one man's opinion.

Around The World—Terrorist Use of Gas Feared

Bonn.—Fifty-three steel bottles containing mustard gas have been stolen from West German ammunition bunkers, and there are fears that they may be in the hands of terrorists, The Manchester Guardian reported.

The mustard gas was made in Britain during World War II and the bottles were handed over to the West German army to be destroyed.

A terrorist group threatened over the weekend to attack Stuttgart with Soviet SA-7 missiles, bombs and mustard gas unless an amnesty was granted to all political prisoner. The group also demanded the release of members of the Baader-Meinhof urban guerrilla group who are to go on trial in Stuggart May 21.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Roncalio (at his own request), for 3 legislative days on account of official business.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Thone and Mr. Howard, (at the request of Mr. Randall), for 10 minutes, today, and to revise and extend their remarks.

(The following Members (at the request of Mr. Pressler) to revise and extend their remarks and include extraneous material:)

Mr. Myers of Pennsylvania, for 1 minute, today.

Mr. Ashbrook for 15 minutes, today.

Mr. Crane, for 5 minutes, today.

Mr. Robert W. Daniel, Jr., for 5 minutes, today.

Mrs. Heckler of Massachusetts, for 5 minutes, today.

Mr. Young of Florida, for 10 minutes, today.

(The following Members (at the request of Mr. Ford of Tennessee) and to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Patman, for 15 minutes, today.

Mr. Fulton, for 10 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Burke of Massachusetts, for 30 minutes, today.

Ms. Holtzman, for 10 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Wirth, for 5 minutes, today.

Mr. Staggers, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Ketchum to extend his remarks following the remarks of Mr. Goldwater in the Committee of the Whole.

Mr. Edgar, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $764.50.

(The following Members (at the request of Mr. Lagomarsino) and to include extraneous material:)

Mr. Hastings.

Mr. Steelman.

Mr. Frey in two instances.

Mr. Derwinski in three instances.

Mr. Dickinson in three instances.

Mrs. Fenwick.

Mr. Crane.

Mr. Guyer.

Mr. Frenzel in three instances.

Mr. Michel.

Mr. Bell.

Mr. Ketchum.

Mr. Broomfield.

Mr. Martin.

Mr. O'Brien in 10 instances.

Mr. Ashbrook in five instances.

Mr. Findley.

Mr. Rhodes.

(The following Members (at the request of Mr. Ford of Tennessee) and to include extraneous matter:)

Mr. Addabbo.

Mr. Nowak.

Mr. McDonald of Georgia in five instances.

Mr. Evins of Tennessee.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mrs. Spellman in five instances.

Mr. Mazzoli in three instances.

Mrs. Keys.

Mr. Bennett.

Mr. Miller of California in two instances.

Mr. Evans of Indiana.

Mr. Stark.

Mr. Rogers in five instances.

Mr. Hightower.

Mr. Charles H. Wilson of California.

Mr. Madden.

Mr. Santini.

Mr. McCormack in two instances.

Mr. Charles Wilson of Texas in 10 instances.

Mr. Bedell.

Mr. Rosenthal.

Ms. Holtzman.

Mr. Young of Georgia.

Mr. Giaimo in five instances.

Mr. Thornton in two instances.

Mr. Wirth.

Mr. Harrington in two instances.

Mr. Stratton.

Mrs. Mink.

Mr. Downey of New York in two instances.

Mr. Hannaford.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 719. An act granting a renewal of patent numbered 92,187 relating to the badge of the Sons of the American Legion; to the Committee on the Judiciary.

S. 720. An act granting a renewal of patent numbered 54,296 relating to the badge of the American Legion; to the Committee on the Judiciary.

S. 721. An act granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary; to the Committee on the Judiciary.

S. J. Res. 59. Joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Oklahoma, from May 16, 1976, through May 22, 1976; to the Committee on International Relations.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4975. An act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on May 14, 1975, present to the President, for his approval, a bill of the House of the following title:

H.R. 4975. An act to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

ADJOURNMENT

Mr. FORD of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 37 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 15, 1975, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1016. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under the German Offset Agreement, for the quarter ended March 31, 1975, pursuant to section 819 of Public Law 93-437; to the Committee on Armed Services.

1017. A letter from the Administrator of General Services, transmitting the semiannual report on the stockpiling of strategic and critical materials, covering the period ended December 31, 1974, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act [50 U.S.C. 98c]; to the Committee on Armed Services.

1018. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the Board of Visitors to the U.S. Military Academy, dated April 28, 1973, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94-149); to the Committee on Government Operations and ordered to be printed.

1019. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the Board of Visitors to the U.S. Military Academy, dated April 25, 1974, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94-150); to the Committee on Government Operations and ordered to be printed.

1020. A letter from the Director, U.S. Water Resources Council, transmitting a report on a comprehensive study of the water and related land resources of the Red River below Denison Dam; to the Committee on Interior and Insular Affairs.

1021. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Environmental Research Institute of Michigan, Ann Arbor, Mich., for a research project entitled "Research and Development Contract on the Application of Geophysical Techniques to Surface and Underground Oil Shale Mining," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1022. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with The Ansul Co., Marinette, Wis., for a research project entitled "Development of an Automatic Fire Protection System for Mobile Underground Metal Mining Equipment," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1023. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with E. I. du Pont De Nemours and Co., Wilmington, Del., for a research project entitled "Perform a Research Project on Deep Blasting for In Situ Leaching of Orebodies," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1024. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Ford, Bacon and Davis, Inc., New York, N.Y., for a research project entitled "A Project for Development of Improved Mining Methods for Highwall Reduction in Contour Mining," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1025. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Battelle Memorial Institute, Richland, Wash., for a research project entitled "Research and Development Contract to Investigate Feasibility of Improving Efficiency of Surface Mining Equipment by Extending Rope Life," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1026. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with FMC Corp., San Jose, Calif., for a research project entitled "Develop and Test an Underground Auger Panel Extraction System," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1027. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Foster-Miller Associates, Inc., Waltham, Mass., for a research project entitled "Development of a Complete Fire Retardant Froth Foam Topping and Seal Checking System for Remote Mine Sealing," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1028. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Joy Manufacturing Co., Pittsburgh, Pa., for a research project entitled "Shortwall Face Conveyor," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

1029. A letter from the Office of Legislative Affairs, Agency for International Development, Department of State, transmitting reports covering the quarter ended March 31, 1975, on the programing and obligation of contingency funds and on famine and disaster relief, pursuant to sections 451(b) and 639 of the Foreign Assistance Act of 1961, as amended (88 Stat. 1803); to the Committee on International Relations.

1030. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Public Health Service Act and the National Research Award Act of 1974 to strengthen and improve the program of National Research Service Awards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1031. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of December 1974, and January 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1032. A letter from the Postmaster General, transmitting a draft of proposed legislation to amend title 39, United States Code to authorize the Postal Service to give certain personnel the powers of special policemen, to provide penalties for the violation of regulations governing postal property, and for other purposes; to the Committee on Post Office and Civil Service.

1033. A letter from the Director, National Legislative Commission, the American Legion transmitting statements of the financial condition of the organization as of December 31, 1974; to the Committee on Veterans' Affairs.

1034. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to eliminate or modify certain statutory reports to Congress; jointly, to the Committees on Armed Services, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 6698. A bill to amend section 1113 of the Social Security Act to make permanent the program of temporary assistance for U.S. citizens returned from abroad, subject to specific limitations on the aggregate dollar amount of such assistance which may be provided and on the period for which such assistance may be furnished in any particular case (Rept. No. 94-209). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 6516. A bill to amend the Equal Credit Opportunity Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes; with amendment (Rept. No. 94-210). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. S. 555. An act to amend the Consolidated Farm and Rural Development Act; with amendment (Rept. No. 94-211). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. S. 441. An act to amend the Forest Pest Control Act of June 25, 1947; with amendment (Rept. No. 94-212). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 468. Resolution providing for the consideration of H.R. 5727. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes (Rept. No. 94-215). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 469. Resolution providing for the consideration of H.R. 6219. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisities to voting, and for other purposes (Rept. No. 94-214). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 470. Resolution providing for the consideration of H.R. 6674. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedies, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe2 the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes (Rept. No. 94-215). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

Br. Mr. ADDABBO:

H.R. 6951. A bill to amend title 39, United

States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6952. A bill to amend the Small Business Act with respect to Government contracts and small business concerns; to the Committee on Small Business.

By Mr. AuCOIN:

H.R. 6953. A bill to provide for the free entry of certain scientific equipment for the use of Oregon State University, Corvallis, Oreg.; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (for himself, Mr. Nix, Mr. Pepper, Mr. Railsback, Mr. Riegle, Mr. Risenhoover, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Ms. Schroeder, Mr. Seiberling, Ms. Spellman, Mr. Stark, Mr. Vanik, and Mr. Bob Wilson):

H.R. 6954. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. BYRON (for himself, Mr. Cohen, Mr. du Pont, Mr. Kindness, and Mr. Richmond):

H.R. 6955. A bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. CASEY (for himself, Mr. Burgener, Mr. Broyhill, Mr. Burleson of Texas, Mr. Cochran, Mr. Hubbard, Mr. Kindness, Mr. Nix, and Mr. Waggonner):

H.R. 6956. A bill to amend the Flood Disaster Protection Act of 1973 to make compliance with its provisions voluntary; to the Committee on Banking, Currency and Housing.

By Mr. CASEY (for himself, Mr. Milford):

H.R. 6957. A bill to amend the authorization for the project for hurricane-flood protection at Freeport and vicinity, Tex.; to the Committee on Public Works and Transportation.

By Mr. CASEY (for himself, Mr. Lehman, and Mr. Melcher):

H.R. 6958. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. CLAY (for himself and Mr. Carney):

H.R. 6959. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, to protect Federal civilian employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CONABLE:

H.R. 6960. A bill to amend the Elementary and Secondary Education Act of 1965 to provide that programs for migratory children shall include the children of migratory horse groomers; to the Committee on Education and Labor.

By Mr. DODD:

H.R. 6961. A bill to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions; to the Committee on Ways and Means.

By Mr. FLORIO (for himself and Mr. Santini):

H.R. 6962. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOWERS:

H.R. 6963. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax from $60,000 to $200,000; to the Committee on Ways and Means.

By Mr. HALL (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6964. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. HAMMERSCHMIDT:

H.R. 6965. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued, for estate tax purposes, as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

H.R. 6966. A bill to amend the Internal Revenue Code of 1954 to exempt cooperative housing corporations, condominium management associations, and residential real estate management associations from taxation on certain types of income; to the Committee on Ways and Means.

H.R. 6967. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for volunteer services performed in Veterans' Administration hospitals; to the Committee on Ways and Means.

By Mr. Hays of Ohio:

H.R. 6968. A bill to extend the Appalachian Regional Development Act of 1965; to the Committee on Public Works and Transportation.

By Mr. JOHNSON of Colorado:

H.R. 6969. A bill to adjust target prices, loan and purchase levels for the 1975 corps of upland cotton, corn and wheat; to the Committee on Agriculture.

By Mr. JONES of Alabama (for himself, Mr. Roe, Mr. Duncan of Oregon and Mr. Sarbanes):

H.R. 6970. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Ms. JORDAN (for herself, Mr. Rodino, Mr. Brooks, Mr. Flowers, Mr. Seiberling, Mr. Mezvinsky, Mr. Mazzoli, Mr. Hughes, Mr. McClory, Mr. Railsback, and Mr. Cohen):

H.R. 6971. A bill to amend the Sherman Antitrust Act to provide lower prices for consumers; to the Committee on the Judiciary.

By Mr. LITTON (for himself, Mr. Steelman, Mr. Long of Maryland, Mr. Brown of Michigan, Mr. Thompson, Mr. AuCoin, Mr. Hughes, Mr. Hicks, Mr. Duncan of Tennessee, Mr. Hechler of West Virginia, Mr. Broyhill, Mr. Edwards of Alabama, Mr. Lott, Mr. Howard, Mr. Coughlin, and Mr. Henderson):

H.R. 6972. A bill to prohibit, except in cases of extreme emergency, assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts, especially with regard to family planning, designed to alleviate the causes of the need for assistance provided under such act; to the Committee on International Relations.

By Mr. MEEDS:

H.R. 6973. A bill to provide under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURTHA:

H.R. 6974. A bill to amend the Internal Revenue Code of 1954 to allow an individual to elect a tax credit for 50 percent of his charitable contributions in lieu of the deduction allowed for such contributions; to the Committee on Ways and Means.

By Mr. MURTHA (for himself and Mr. Staggers):

H.R. 6975. A bill to amend title 23 of the United States Code to add 522 miles to the Interstate System and provide for the inclusion of a critical north-south highway corridor; to the Committee on Public Works and Transportation.

By Mr. OBEY (for himself and Mr. Brown of Michigan):

H.R. 6976. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for sanitation and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

By Mr. OBEY (for himself, Mr. Bingham, Mr. Florio, Mr. Roe, and Mr. Simon):

H.R. 6977. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 6978. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RANGEL:

H.R. 6979. A bill to establish a program of reduced tuition rates to encourage older Americans to attend institutions of higher education, and to establish a program to gather data relating to employment opportunities for older Americans; to the Committee on Education and Labor.

By Mr. ROYBAL (for himself, Mr. Anderson of California, Mr. Ginn, Mr. Hannaford, Mr. Howard, Mr. Jones of Alabama, Mr. Mineta, Mr. Roe, Mr. Roncalio, and Mr. James V. Stanton):

H.R. 6980. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. SIKES:

H.R. 6981. A bill to provide additional financial assistance for consumer education and market development programs pertaining to U.S. fisheries; to the Committee on Merchant Marine and Fisheries.

By Mr. THOMPSON (for himself, Mr. Kelly, Mr. Matsunaga, Mr. Mills, and Mr. Waxman):

H.R. 6982. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. VANDER VEEN:

H.R. 6983. A bill to suspend until July 1, 1976, the duty on certain elbow prostheses if imported for use, or for free distribution, by certain public or private nonprofit institutions; to the Committee on Ways and Means.

By Mr. WAMPLER:

H.R. 6984. A bill to amend title II of the Social Security Act to provide that an individual may become entitled to widow's or widower's insurance benefits, subject to the existing actuarial reduction, at age 50 whether or not disabled; to the Committee on Ways and Means.

By Mr. WIGGINS:

H.R. 6985. A bill to amend the Voting Rights Act of 1965, and for other purposes; to the Committee on the Judiciary.

By Mr. WON PAT:

H.R. 6986. A bill to require the Guam Shipyard Facility to function at its maximum productive capacity, and for other purposes; to the Committee on Armed Services.

By Mr. ANDREWS of North Dakota:

H.R. 6987. A bill to amend section 15(7) of the Interstate Commerce Act to permit interested persons to seek injunctive relief in certain situations where the Interstate Commerce Commission has not completed proceedings on new rate schedules within the period of the suspension of such schedule; to the Committee on Interstate and Foreign Commerce.

By Mr. BONKER:

H.R. 6988. A bill to broaden the income tax base, revise the minimum tax and to otherwise reform the income, estate, and gift tax provisions; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 6989. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 6990. A bill to amend the Communications Act of 1934 with regard to the renewal of broadcast licenses, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLEVELAND (for himself, Mr. Wright, Mr. Alexander, Mr. Blanchard, Mr. Broomfield, Ms. Burke of California, Mr. Dickinson, Mr. Duncan of Tennesee, Mr. Emery, Mr. Fithian, Mr. Guyer, Mr. Hefner, Mr. Johnson of Colorado, Mr. Ketchum, Ms. Keys, Mr. Kindness, Mr. Lott, Mr. McCloskey, Mr. Mathis, Mr. Montgomery, Mr. Rees, Mr. Rhodes, Mr. Stephens, Mr. Won Pat, and Mr. Young of Alaska):

H.R. 6991. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works and Transportation.

By Mr. CORNELL (for himself, and Mr. Drinan):

H.R. 6992. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 6993. A bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes; to the Committee on Ways and Means.

By Mr. de la GARZA:

H.R. 6994. A bill to amend the act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum; to the Committee on Agriculture.

By Mr. DELLUMS:

H.R. 6995. A bill to amend chapter 5 of title 5, United States Code, relating to agency rulemaking, to provide that such chapter applies to matters relating to public property, loans, grants, benefits, or contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. Mitchell of Maryland, and Mr. Pattison of New York):

H.R. 6996. A bill to require the submission of reports to the Congress prior to the issuance of a license for the export of certain arms, ammunition, or implements of war; to the Committee on International Relations.

By Mr. DRINAN (for himself, Mr. Baucus, Mr. Hannaford, Mr. Hawkins, Ms. Holtzman, Mr. Maguire, Mr. Mitchell of Maryland, Mr. Pattison of New York, and Mr. Stokes):

H.R. 6997. A bill to provide for increased congressional oversight of foreign military sales conducted under the Foreign Military Sales Act; jointly to the Committees on International Relations, and Rules.

By Mr. PRESSLER:

H.R. 6998. A bill to amend the act of August 31, 1922, to prevent the introduction and spread of diseases and parasites harmful to honeybees, and for other purposes; to the Committee on Agriculture.

By Mrs. SPELLMAN:

H.R. 6999. A bill to amend section 1661 of title 38 of the United States Code in order to entitle veterans to 2½ months of educational assistance for each month of service on active duty and to extend the maximum entitlement to such assistance to 45 months; to the Committee on Veterans' Affairs.

By Mr. HANNAFORD:

H.R. 7000. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 7001. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes; to the Joint Committee on Atomic Energy.

Mr. PRICE (by request):

H.R. 7002. A bill to amend the Atomic Energy Act of 1954, as amended, to provide for approval of sites for production and utilization facilities, and for other purposes; to the Joint Committee on Atomic Energy.

By Mrs. BURKE of California:

H.R. 7003. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

H.R. 7004. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce and Education and Labor.

By Mr. KASTENMEIER (for himself, Mr. Railsback, Mr. Danielson, Mr. Drinan, Mr. Badillo, and Mr. Pattison of New York):

H.R. 7005. A bill to amend title 42, United States Code; jointly to the Committees on Education and Labor, and the Judiciary.

By Mr. KEMP (for himself, Mr. Carter, Mr. Hinshaw, Mr. Martin, Mrs. Holt, Mr. Dent, Mr. Beard of Rhode Island, and Mr. Robinson):

H.R. 7006. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. Ichord, and Mr. Kelly):

H.R. 7007. A bill to reestablish the fiscal integrity of the Government of the United States, through the establishment of controls with respect to the levels of its revenues and budget outlays, and the preparation of the budget, and for other purposes; to the Committee on Rules.

By Mrs. SPELLMAN (for herself, Mr. Hechler of West Virginia, Mr. Mitchell of Maryland, Mr. Hicks, Mr. Pattison of New York, Mr. Thompson, Mr. Conte, Mr. Solarz, Mr. Harrington, and Mr. Stokes):

H.R. 7008. A bill to amend the Public Health Services Act to provide for a national program of medical injury compensation insurance; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 7009. A bill to create a fund in the Treasury of the United States to be known as the Fund for Endangered Wildlife, to be administered by the Department of the Interior; to the Committee on Merchant Marine and Fisheries.

By Mr. BINGHAM (for himself, Mr. Whalen, Mr. Armstrong, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Brown of California, Mr. Conyers, Mr. Downey of New York, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Fraser, Mr. Hannaford, Mr. Harrington, Mr. Hayes of Indiana, Mr. Koch, Mr. LaFalce, and Mr. Metcalfe):

H.R. 7010. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in defense contracts and facilities which are undertaken to realine defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups; jointly to the Committees on Banking, Currency and Housing, Armed Services, Education and Labor, Government Operations, and Ways and Means.

By Mr. BINGHAM (for himself, Mr. Whalen, Ms. Meyner, Ms. Mink, Mr. Ottinger, Mr. Pattison of New York, Mrs. Pettis, Mr. Rees, Mr. Sarbanes, Mr. Scheuer, Mr. Seiberling, Mr. Solarz, Mr. Stokes, Mr. Tsongas, and Mr. Won Pat):

H.R. 7011. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in defense contracts and facilities which are undertaken to realine defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups; jointly to the Committees on Banking, Currency and Housing, Armed Services, Education and Labor, Government Operations, and Ways and Means.

By Mr. DINGELL (for himself, Mr. Moss, Mr. Rooney, Mr. Van Deerlin, Mr. Eckhardt, Mr. Ottinger, Mr. Moffett, and Mr. Maguire):

H.R. 7012. A bill to provide for enhanced competition in the energy industry, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mr. KEMP (for himself and Mr. Montgomery):

H.J. Res. 457. Joint resolution relating to obtaining a full and accurate accounting for members of the U.S. Armed Forces missing in action in Southeast Asia and U.S. contribution to the United Nations; to the Committee on International Relations.

By Mr. RAILSBACK:

H.J. Res. 458. Joint resolution designating the composition known as The Stars and Stripes Forever as the national march of the United States; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST:

H.J. Res. 459. Joint resolution to authorize the return of the remains of Pocahontas to the United States and the establishment of an appropriate memorial commemorating her place in American history; to the Committee on Interior and Insular Affairs.

By Mr. WYLIE:

H.J. Res. 460. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. du PONT:

H. Con. Res. 278. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. RANGEL:

H. Con. Res. 279. Concurrent resolution elimination of illegal drug traffic; jointly to the Committees on Interstate and Foreign Commerce, and International Relations.

By Mr. ROYBAL:

H. Con. Res. 280. Concurrent resolution expressing the sense of the Congress with respect to the establishment of a Federal Audiovisual Procurement Office; to the Committee on Government Operations.

By Mr. VANDER VEEN (for himself, Mr. Beard of Rhode Island, Mr. Blanchard, Mr. Carney, Ms. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Cotter, Mr. Diggs, Mr. Duncan of Tennessee, Mr. Ford of Michigan, Mr. Gilman, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Hicks, Mr. Mitchell of Maryland, Mr. Nix, Mr. Rodino, Mr. Rooney, Mr. Rosenthal, Mr. Solarz, Mr. Stark, Mr. Thompson, and Mr. Waxman):

H. Con. Res. 281. Concurrent resolution expressing the sense of the Congress that during the Nation's present economic crisis, and so long as the national unemployment rate remains at 6 percent or more, the emergency unemployment program established by the Emergency Jobs and Unemployment Assistance Act of 1974 should be extended to continue benefits for involuntarily unemployed individuals when 25-percent or more of workers entitled to compensation thereunder are unable to find jobs during the period for which they are eligible for benefits; to the Committee on Ways and Means.

By Mr. FLOOD (for himself, Mr. Anderson of California, Mr. Barrett, Mr. Beard of Rhode Island, Mr. Dingell, Mr. Eilberg, Mr. Evins of Tennessee, Mr. Hannaford, Mr. McEwen, Mr. Moore, Mr. Mollohan, Mr. Sikes, Mr. Rose, Mr. Wolff, and Mr. Zeferetti):

H. Res. 463. Resolution in support of continued undiluted U.S. soverignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

By Mr. MIKVA (for himself, Mr. Frey, Mr. Frenzel, Mr. Baucus, Mr. Abdnor, Mr. Badillo, Mr. Burgener, Mr. Bedell, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. Blouin, Mr. Bonker, Mr. Bafalis, Mr. Blanchard, Mr. Carr, Mr. Cleveland, Mr. Cochran, Mr. Conable, Mr. Conyers, Mr. Coughlin, Mr. Downey of New York, Mr. du Pont, Mr. Edgar, Mr. Emery, and Mr. Fascell):

H. Res. 464. Resolution to amend the Rules of the House of Representatives to provide that House conferees may conduct business only at conference meetings open to the public; to the Committee on Rules.

By Mr. MIKVA (for himself, Mr. Frey, Mr. Frenzel, Mr. Baucus, Mr. Mazzoli, Mr. Mitchell of New York, Mr. Mottl, Mr. Ottinger, Mr. Pattison of New York, Mr. Quie, Mr. Roncalio, Mr. Rosenthal, Mr. Ryan, Mr. Scheuer, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Studds, Mr. Waxman, Mr. Charles Wilson of Texas, and Mr. Charles H. Wilson of California):

H. Res. 465. Resolution to amend the Rules of the House of Representatives to provide that House conferees may conduct business only at conference meetings open to the public; to the Committee on Rules.

By Mr. MIKVA (for himself, Mr. Frey, Mr. Frenzel, Mr. Baucus, Mrs. Fenwick, Mr. Fisher, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fraser, Mr. Gilman, Mr. Gradison, Mr. Gude, Mr. Hagedorn, Mr. Harkin, Mr. Harris, Mr. Ketchum, Mrs. Keys, Mr. Kindness, Mr. Koch, Mr. Krebs, Mr. Lagomarsino, Mr. Lehman, Mr. Lent, Mr. Long of Maryland, and Mr. McCloskey):

H. Res. 466. Resolution to amend the Rules of the House of Representatives to provide that House conferees may conduct business only at conference meetings open to the public; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHRIVER:

H.R. 7013. A bill for the relief of tenants of Scully lands in Marion County, Kans.; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H. Res. 467. Resolution to refer H.R. 6948 "A bill for the relief of Robert H. Carleton," to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII:

123. The SPEAKER presented a petition of the Rhode Island League of Cities and Towns, Providence, R.I., relative to general revenue sharing; which was referred to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6674

By Mrs. SCHROEDER:

Page 2, line 9, strike out "$4,445,250,000" and insert "$4,200,000,000".

Page 2, line 17, strike out "$886,300,000" and insert "$871,300,000".

EXTENSIONS OF REMARKS

USDA AND HEW—TANDEM WELFARE PROGRAMS

HON. JAKE GARN

OF UTAH

IN THE SENATE OF THE UNITED STATES

Wednesday, May 14, 1975

Mr. GARN. Mr. President, the Department of Health, Education, and Welfare last week reported that the Nation's welfare rolls now total a near record 11,147,071, a figure only 8,888 below the all-time peak in 1973. This number, staggering though it may be, no longer represents the largest Government assistance program for the poor. Striding out in front we now find the food stamp program, which aided 19.1 million participants in March. Translated into dollars for fiscal 1975, the projected Federal cost of food stamps is conservatively estimated at approximately $5 billion as compared to a total fiscal 1974 cost of $2.9 billion.

It is difficult to comprehend that only a decade ago when the Food Stamp Act was enacted, recipients numbered a mere 367,000 at a cost to the American people of $26 million. Now there are 52 persons receiving food stamps for every one who began when the legislation was enacted.

As our depressed economy pushes the rolls of welfare and food stamp recipients every skyward, a two-headed monster is rearing its head. Food stamps has become another variety of a welfare program. What this means is that two giant bureaucracies in Washington—HEW and USDA—are running parallel welfare programs.

This situation is fundamental to many of the problems which plague the overall welfare system of our Nation today. Local welfare officers who must administer both programs are having to thread their way through a bureaucratic morass. Can we be surprised at the high error rate when welfare workers and employees must perform two differ and complicated procedures for processing applications. Two separate bureaucracies running welfare programs is one bureaucracy too many.

Had food stamps met its original objectives, it might not have grown to its present proportions. The program started in the early 1960's was a small program with basically a twofold purpose. There was a problem of agricultural overproduction and food stamps was viewed as a vehicle to help the small farmer by raising the price of farm commodities by distributing farm food surpluses through normal food outlets while at the same time raising the nutrition levels of the truly needy.

There is little evidence that the program has succeeded on either count. As far as helping poor farmers is concerned, I am certain my colleagues hear the same cries I do from the farmers in their own States who complain that they receive only a small percentage of the retail price. The majority of the retail food dollar is not received by the farmer but is siphoned off to pay for transportation, processing, and so forth. Very little of this supposed increase in retail sales caused by food stamps goes into the pockets of the farmer.

The second objective of the program has failed more dramatically than the first. For a program designed to improve the nutrition level of the needy, there is little, if anything in this program which requires or encourages the purchase of nutritional foods. Recipients may use their stamps to purchase steak instead of hamburger or a convenience food instead of pot roast when nutritional benefits may be equivalent; or they may shop at costly convenience markets instead of regular supermarkets. In fact, there is evidence that less nutritional but more palatable commodities are occasionally substituted for what should be essential foods.

The incidence of malnutrition above the poverty line should be sufficient proof that income supplementation in the form of food stamps will not eradicate or even reduce malnutrition. If we are truly concerned about nutrition we should seek out alternatives such as educating the poor on the importance of nutrition or actually lowering the cost of nutrition to those individuals whose diets are deficient.

Food stamps has failed to serve its two masters. The decrease in malnutrition has only been slight in the last 5 years in spite of a 400-percent increase in Federal food assistance programs.

Our welfare and health care systems are administrative nightmares leading us down the road to bankruptcy. The costs of these programs to the American taxpayer exceed the entire budget of all but a few countries. New York alone spends more for public assistance than the gross national product of some medium-sized countries.

It appears that Congress has long since forgotten that there is a practical limit to the growth of the Federal Government's role in domestic assistance programs. If these programs continue to expand unchecked, total Government spending will grow to more than half of our national output. I need not insult my distinguished colleagues by explaining how this spending will be financed. And as our capital markets are drained, less and less will be left for private industry and for new productivity to create the jobs we need.

The growth of our domestic assistance programs has taken place in an unplanned, patchwork pattern. The result is that we have too many programs trying to achieve similar objectives. We must now, more than ever, take steps to eliminate the gaps and rationalize our efforts.

The old American spirit of self-reliance and individual initiative has not been served by Congress and the administration. At the best we have given scant help to the truly needy who are unable to make their way alone in the world. But at worst, we have diminished the American sense of pride and self-reliance.

U.S. PROSECUTORS SHOULD BE PROSECUTED

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. CLAY. Mr. Speaker, some months ago, the Justice Department injudiciously without a shred of evidence began an investigation of me for narcotics trafficking or association at least with those who were so involved. Now, as the facts rapidly unfold detailing the Government's complete lack of a case involving me, it becomes evident that the Justice Department is investigating the wrong party. The real culprit in this whole travesty is U.S. Prosecutor Liam S. Coonan. Mr. Coonan, a much decorated and highly praised criminal strike force prosecutor apparently lacks the character, integrity, and moral rectitude necessary to determine the fate of those rightly or wrongly accused of Federal crimes. If his aggressive attempts to manufacture false evidence against me are typical of his prosecutorial modus operandi, then many persons in prison now should be released immediately.

Mr. Speaker, this man has acquitted himself as ruthlessly and irresponsibly as a little man with big powers possibly can. He has been accused of attempting to create a narcotics case against me by offering to drop charges against those awaiting trial and to reduce sentences for those already convicted if they would just implicate me in a drug-related crime. But apparently Mr. Coonan has found that even convicted felons are more honorable than some of those who convicted them.

Mr. Speaker, it is my belief that Mr. Coonan ought to be investigated. The Attorney General ought to appoint a Special Prosecutor to carefully analyze cases prosecuted by Liam Coonan for the purpose of determining the validity of the evidence, whether or not it was legally obtained and whether or not it was fabricated or falsified.

I am not nearly as concerned about the frivolous charges made against me as I am about those less able to defend themselves. I have certain resources at my disposal that most Americans do not. In addition, my entire career has been one of fighting the degenerate exploiters in our society. So one more serpent poses no real threat to me. In my 20 years of public life, I have encountered the pros, met them on their battlefields, used their weapons, ignored their battle plans, routed their troops, and overrun their lines. Mr. Speaker, I stand here today as living testimony that the Liam S. Coonans in our society only succeed if we allow them to.

Mr. Speaker, not only do I recommend to the Attorney General that Mr. Coonan be fired, but also that he be prosecuted for gross negligence, malfeasance in office, and conspiracy to obstruct justice.

THE SITUATION OF HUNGARIANS IN ROMANIA

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ADDABBO. Mr. Speaker, between 1965 and 1968, I have often spoken about the discrimination and harassment exerted by the Romanian Government against its almost 2.5 million Hungarian minority, concentrated mostly in Transylvania.

After remaining stationary for several years, the situation started to worsen again since the spring of 1974 and the events force me and my colleagues to raise our voices. A special poignancy is lent to the question by the Presidential proclamation of last week sent to the Congress for approval. This proclamation awards the most-favored-nation status to Romania.

Unfortunately, the performance of Romania in the fields of human and civil rights is a poor one. The educational situation of the Hungarian minority on the secondary and university level is grossly inadequate and university graduates are scattered nationwide into purely Romanian areas, facts admitted by our State Department.

Job discrimination continues unabated as some new testimonies of recently emigrated people show which are attached to the speech of the distinguished gentleman from New Jersey (Mr. PATTEN).

Lately the rich archival and library materials of the churches which contain much of the historical record of the Hungarians who had ruled the province of Transylvania for almost 1,000 years is being made inaccessible. A law was passed in October 1974 which transfers into state archives and museums all art objects, records, books, letters, archival materials, and documents which are over 40 years old and could be of importance to the history of the people of Romania. As there are no qualified archivists who read Hungarian, Latin, and classical Greek, the materials would not be cataloged and made accessible to scholars and are even in the danger of partial destruction.

Even in Hungarian majority areas local, state, and county officials are mostly Romanian, especially on the higher echelons. The distinguished gentleman from Indiana (Mr. MADDEN) provided some eloquent proof for this state of affairs.

Considering the real situation, we must proceed very carefully with any approval of a most-favored-nation status for the Romanian Government at a time of severe recession in our country. At the minimum we must ask our State Department to raise the issue of continued harassment and oppression of national and religious minorities in Romania in their talks with the representatives of the Romanian Government, otherwise the whole affair becomes a farce as far as our commitment to human rights and equal opportunities are concerned in our foreign policies.

"CLUSTER'S LAST STAND"

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. STARK. Mr. Speaker, an editorial in Postal Record by the National Association of Letter Carriers President James H. Rademacher has come to my attention. It is entitled—"Postal Disservice." The caption is most apt.

The Postal Service's lack of service is especially evident in its policy concerning curbside mail boxes. In a move to economize, a certain segment of the public is failing to receive the delivery service to which they are entitled. The discrimination is blatant, the repercussions are severe.

Communities in my district have voiced their displeasure and their indignation over the newly instituted curbside policy and I believe their discontent is legitimate. In his remarks, Mr. Rademacher outlines the postal abuses that my constituent must live with. The Postal directive is not confined to my area, however, and I am sure many of my fellow members have heard from individuals and towns in their own area. Congress can make a difference. Not only must we wrestle with a proposal for a permanent Postal subsidy, we can work to insure swift enactment of a bill introduced in the House by my friend from Texas, the Honorable OLIN TEAGUE. The remedy is within our grasp and for that reason I call my colleagues' attention to the following article:

POSTAL DISSERVICE

(By James H. Rademacher)

Inflation, recession, depression and unemployment are all terms which can be used to excuse dereliction of duty and avoid responses which otherwise would require affirmative answers. With apologies to a Postmaster General who has yet to get his feet wet, we find we must comment on the continuing discrimination which is practiced by the United States Postal Service in matters affecting delivery service to mail receptacles.

If an American citizen—postal patron is entitled to delivery service, that entitlement should be fulfilled whether it be in lean years or otherwise. The assurance of the most efficient means of mail delivery should be a guarantee whether a postal customer has just purchased a home in a new development or if he has been situated for any period of time. When postage rates are determined, the costs are expected to guarantee equivalent services, irrespective of the particular location of the resident. With economy uppermost in the minds of those who establish policy, service continues to be absent from the priority list within the world's largest communication network.

We refer to the ongoing attempts of management to force postal patrons to erect mail receptacles at curblines and we also deplore the continuing construction of cluster boxes which postal officials contend are not resulting in worse service—"only trimming accommodations no longer considered essential." The problem here is that the determination of essential accommodations remains in the hands of management. In testimony recently presented to a Congressional Committee, USPS spokesmen indicate a savings of about a nickel daily when mail is delivered to a cluster box grouping rather than at a doorstep. Recipients of such delivery can not request a rebate from the savings which cause so great inconvenience.

Cluster boxes are generally being arranged in new subdivisions where developers are apparently persuaded to cooperate with the innovation. In addition to the use of cluster boxes as a substitute for legitimate mail delivery, more and more patrons are being urged to transfer receptacle boxes to curblines. Additionally, in new developments where it is more economical to serve from vehicles to curbline delivery, customers have no say and are forced to comply with outdated postal regulations. For example, in a copy of a letter received at union headquarters, more than 80 petitioners are demanding house delivery in a new development at Youngstown, Ohio. The group was rejected in its demands in a very curt response from the Youngstown SCF Manager/Postmaster who concluded his reply by stating "delivery to your area will be mail service to curbline boxes." In stressing the need for doorstep delivery, the petitioners very eloquently pointed to these problems involved with deliveries being made at curbline:

Safety of children. Receptacles located at the curb create a worsening problem of keeping youngsters from venturing into streets.

Outright discrimination in maintaining two different delivery plans within one development.

Elderly persons fear falls and other hardships when required to receive mail at curbside, especially in inclement weather.

Vandalism is on the increase, including tampering with mail and mail receptacles.

California Senator John V. Tunney has expressed interest in the problem of curbside delivery and has introduced legislation providing that USPS may not require installation of mail boxes at the curbline. He was joined in his concern by numerous city managers including J. Wayne Dernetz of Del Mar, California who complained:

Gross unsightliness located up one side and down the other of neighborhood streets.

At a time when citizens are cooperating by removing rooftop antennae, installing cable television, improving landscaping, improving the appearance of fire plugs, no one is paying any attention to the problems created by curbside rural-type mailboxes.

Some customers would be willing to even pay a service fee rather than have the beauty of their property diminished by construction of ugly curbside mailboxes.

The NALC has lodged a strong complaint about cluster boxes and curb delivery during testimony on legislation which would establish a permanent subsidy for the Postal Service. The Union proclaimed, however, no subsidy should be granted without an assurance that the American people will have the very best possible service to their doorsteps on city delivery routes. This continuing disservice to the American people is now a growing concern of many members of Congress who control the purse strings which can well make it "Cluster's last stand" and bring curbside to porchside.

GENES ARE KEY TO ABILITY

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DICKINSON. Mr. Speaker, a rather interesting and informative article appeared in the April 6, 1975, issue of the Birmingham News. It is a column written by noted educator Dr. Max Rafferty in which he puts to rest the myth that environment is the most important part of a child's education process.

As Dr. Rafferty so eloquently points out, "If kids are born stupid, then they are."

The article follows:

IF KIDS ARE BORN STUPID, THEN THEY ARE

(By Dr. Max Rafferty)

Mediate—nay, chew upon—this recent statement by Joann Rodgers in the National Observer: "You may give a child excellent parental attention, a good home, fine schools and cultural experiences; but if the youngster wasn't born smart, he'll probably never be smart."

Now, before you start to cloud up and rain all over Miss Rodgers, let me point out that she was merely recapping the conclusions of the 1974 First International Congress of Twin Studies, sponsored by the Mendel Institute of Medical Genetics and Twin Research.

Take a long look at some of the findings, all of which fly directly in the teeth of the educational establishment's slogans and shibboleths over the past 30 years:

1. "Genes play an overwhelmingly dominant role in determining one's basic level of intelligence . . . Manipulation of the external environment after birth has little effect."

2. "The intelligence of adopted children is much more often closely similar to their biological mothers—whom they never saw—than to the intelligence of their adoptive mothers, adoptive fathers or adoptive brothers and sisters."

3. "The IQs of identical twins are more alike and get progressively more alike with age, while the IQs of nonidentical twins are more often dissimilar and become progressively more so with age."

The psychologists responsible for these bombshells are Dr. Joseph Horn of the University of Texas, Dr. Ronald Wilson of the University of Louisville and Dr. Adam Metheny, also of Louisville. Their bona fides are, I submit, impeccable and their research stood up against all challenges.

Here's why the waves they made in American education are still spreading:

A basic tenet of today's educational theory is the infinite perfectability of the individual through "proper" schooling. If a child appears stupid, it's somebody else's fault. His parents neglected him. Society failed to supply good housing for him. Uncle Sam didn't give him enough food stamps.

The merest suggestion that the kid was in fact born stupid, is growing up stupid and will eventually die still stupid regardless of whether he lives in Watts or in Beverly Hills will bring down upon you whole platoons and regiments of screaming school people, gnashing name-callers, and indignant ink-slingers, for all the world like so many maddened piranha. "Undemocratic" and "bigoted" will be the mildest expletives you'll receipt for.

So now the experts are saying, in effect, that environment—including school—really doesn't have much effect on intelligence—which is innate—and a whole generation of environmentalism is crumbling and toppling like a sand castle at high tide.

Note the implications—Project Head Start, for example. This apple of every bureaucrat's eye during the late Sixties, devouring billions of tax dollars the way the Cookie Monster shovels in cookies, turns out to be a cipher in terms of making "deprived" children better, smarter or more amenable to learning. Hear Dr. Horn's report to the Congress:

"Gains made by Head Start children were

> minor and temporary and probably attributable to extra attention they received rather than to the . . . program itself."
>
> Then, too, there's the whole matter of forced busing. The whole rationale for this court-mandated weirdo is the assumption that changing the black child's school environment is going to make him somehow a better student and increase his ability to learn. But if the Horn-Wilson-Metheny conclusions are valid, where any child—black or white—goes to school is relatively unimportant. His genes and chromosomes are the things which will determine his mastery of subject matter, not his school address or whether his classmates are black, white or polka-dotted.
>
> Does all this make education irrelevant? Nope. It just keeps it from getting too big for its britches.

NO TRADE WITH CUBA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the protracted campaign by the Soviet bloc and its supporters to end the political and economic quarantine of Fidel Castro's Communist stronghold continues.

Indeed, the drive for "normalization" of United States-Cuban diplomatic and trade relations now reportedly has the support of the Secretary of State.

"Normalization" of American relations with revolutionary Cuba means that the United States would be picking up the tab for subsidizing the tottering Cuban economy which now costs the Soviet Union a minimum of $2 million in foreign aid every day.

It is not in the interest of our country to prop up the Cuban Marxist-Leninist regime.

The following editorial from the Chattanooga News-Free Press focuses on the issues involved, and I commend it to my colleagues and all freedom-loving Americans:

> PROMOTING SURRENDER TO CUBA
>
> Sen. George McGovern, D.S.D., has said in Communist Cuba, where he is visiting, that both he and Cuba's Red dictator Fidel Castro feel that "inevitably" the United States will establish trade and diplomatic relations with Communist Cuba.
>
> Why?
>
> Sen. McGovern, in view of the many past policy mistakes the United States has made in coddling Communist enemies, may be predicting accurately what is going to happen. Castro surely is talking about what he wants to happen. But why should we let it happen? There is no good reason for the United States to do any such thing.
>
> Castro has chosen to be an enemy of the United States and of freedom.
>
> In his early days when he was still just a colorful outlaw guerrilla in the mountains of Cuba, he had a propaganda claque going in the United States, playing him up.
>
> This took place although officials in our government had clear evidence that he had participated in a revolutionary overthrow attempt in Bogata, Columbia, in which Castro seized a radio station and broadcast: "This is Fidel Castro from Cuba. This is a Communist revolution."
>
> While the American people were not told clearly that Castro was a Communist revolutionary, our government knew he was. He still is. It was a mistake of our leadership to allow him to come to power. It would be a mistake of our leadership if he were allowed to have American trade-aid and diplomatic support while he remains in power.
>
> Castro is exporting Communist revolution throughout the hemisphere. We have advertised in Asia that American support is not trustworthy, causing many friends and would be friends to back away from us and begin trying to make accommodations with the Communist aggressors. Do we now want to advertise to the other nations of North and South America that we are not firm in opposing Communism here, either, and that we will even end up aiding the Communist revolutionary Castro?
>
> It is reported that because of nontrade between the United States and Red Cuba, Russia is being forced to subsidize the Cuban economy to the tune of one to two million dollars a day.
>
> Can you think of any good reason for the United States to relieve the Russian Communist aggressors of this burden in supporting Cuban Communist aggressors?
>
> Can you think of any reason for us to help make permanent the captivity of the people of Cuba who want freedom but who have been engulfed by Castro Communism with Russian support?
>
> Can you suggest any assurance we may have that Russian missiles—perhaps with nuclear warheads—are not still in Cuba, aimed at the Southeastern United States?
>
> There is no good reason for us to do anything about our Cuban policy at this time, Sen. McGovern and Fidel Castro to the contrary notwithstanding. But be on guard. The campaign is getting under way for another American surrender to Communism—this time not on the other side of the world, but 90 miles from our shores.

THE 100TH BIRTHDAY OF FRANK VARAGNE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, on the occasion of the 100th birthday of Frank Varagne of Gardena, Calif., I wish it known that this is a remarkable person, and I am proud to represent the district in which he lives.

Frank Varagne was born on May 24, 1875 in Walbridge, Ohio. The son of immigrants from France, he was a man of the soil. His labors as a farmer were in the finest of American tradition, and this is not an easy life. During those years the loss of his beloved Liza led to his rearing four fine children, these being Harold, Leger, Evelyn, and Ruth. These children in turn gave him 6 lovely grandchildren and he now has 17 great-grandchildren to share his golden years.

For 30 years Frank Varagne nas been a fine citizen of Gardena. He has been an active member of St. Anthony's Church for all of these 30 years. His wants are modest, yet his interests are wide. He is known to be an ardent fan of the Los Angeles Dodgers. And his own interest in automobile racing has taken him often to the "500" race in Indianapolis, where many celebrities have recognized him and come to know him there where they share common interests and the love of good sportsmanship.

If you test the memory of Frank Varagne, you find that it is very keen, whether the subject be facts and knowledge about radio, historical events or the current events of today. He follows the issues carefully and keeps himself fully informed at all times through the news programs which are his favorites.

He is a gentle man, humble in the eyes of God and his fellow man, never seeking praise or recognition. Proud he is, as he has right to be. And with a sense of humor that makes him widely loved by so many.

We are fortunate that America has been the homeland of this outstanding, honest citizen. And it is a very great honor to wish him a happy 100th birthday.

THE FACTS OF LIFE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. McCORMACK. Mr. Speaker, on April 24, in a paper presented to the American Association of Petroleum Geologists, Dr. V. E. McKelvey, Director of the U.S. Geological Survey, made some very important points about the energy situation in this country. In reading his remarks, it is important to consider the following facts: If we are able to limit the growth of our total energy consumption to 2 percent per year—which will be a dramatic reduction—we will double our energy consumption in about 35 years, we obtain over three-fourths of our present energy from petroleum and natural gas; as our supplies of petroleum and natural gas dwindle, this Nation will become dependent for virtually all its energy on coal and nuclear fission.

In his paper, Dr. McKelvey said that:

> It is obvious that the changeover from the two fuels which provide three-fourths of our entire energy supply will have immense impact upon the energy sources chosen as alternates. Intricate technologies must be developed and perfected, vast amounts of capital must be assembled, immense facilities must be put into place, and hundreds of thousands of people must be recruited, organized, trained, and directed. Yet, we have only the barest glimpse of the true nature and dimensions of the task before us.

In his paper, delivered by Dr. George Gryc, of the Survey's Menlo Park, Calif., office, McKelvey reviewed the trends and events that preceded the present energy situation. He stressed the urgent need for creativity in approaches to the discovery, recovery, and production of naturally occurring sources of energy.

McKelvey said:

> We have been jarred by the embargo, the production curtailments, and the spiraling prices for oil since October 1973; but if we let it go at that, we shall have missed the most important point to be learned from all the travail that has ensued.

McKelvey emphasized:

> That point is that the oil of the Middle East is an exhaustible resource, and given the continuation of rates of increase in production that were in effect during the past

> ten years, the physical capacity of the Middle Eastern province would have been reached within most of our lifetimes.

To underline his theme, McKelvey pointed out that—

> If all the proved reserves of the Middle East—about 315 billion barrels—happened to be located in Kansas, the U.S. requirements alone would exhaust the supply in less than 30 years at an annual growth rate in consumption of four percent, assuming this were physically possible to do. Even if we were to allow no growth at all in consumption above the present level, we would be out of oil in 50 years. If we reduced consumption to two-thirds of our present rate, our conservation would buy only 25 additional years. The fact is that fixed supplies will eventually be depleted at any rate of consumption; and if we are to survive, we are obliged to continue the relentless search for new resources to serve our needs—changing, adapting, innovating, creating—as our predecessors have been doing, on the whole, successfully, for at least a thousand generations.

Although various estimates of the amount of oil and gas that might be recovered from known and unknown fields have a "comfortable ring" about them, the realities associated with getting additional volumes of oil and gas turned into pipelines are something else, McKelvey said:

> It will require an all-out, unremitting effort, involving continued levels of activity which the petroleum industry has not seen since the peak of the boom in the mid-1950's, and much greater outlays of capital. All this, for what can only be considered a holding action to prevent the collapse of our system until the new sources of energy can be developed and brought on stream.

Actually, the leaders of the oil exporting countries, in seeking to maximize the value of their own wasting assets, have given consuming Nations pointed notice, many years ahead of time, of the need for actions to shift dependence upon oil to more abundant energy sources, McKelvey pointed out:

> This is good advice, even in the light of large discoveries that have been made recently in such areas as the North Sea, Mexico, Indonesia, and in a number of African and South American countries, because as large and welcome as these discoveries are, they can in no way be counted on to supply more than a fraction of the demand for energy that can plainly be foreseen in the closing years of this century.

McKelvey said:

> It is plain that the world's largest energy consumer—as a service both to itself and its neighbors—ought to make more of an effort to pull its own weight. It is singularly well equipped to do this in view of its long experience in large-scale energy production and its immense endowment of alternate fuels. The extent of our resources is not the major question; the availability is. The shortage areas are time, investment capital, technology, and social, economic, and political ingenuity.
>
> Some have imagined that conservation is the touchstone with which we can command our energy problems to disappear; however, in all but the initial stages, conservation will prove to be exceedingly difficult and elusive, and at best, it can contribute only part of the solution to our problem. The relationship between energy conservation and energy production is not on an either or basis. The implacable requirement facing us is for both. We have no choice; we are bound by the harshest necessity both to conserve energy and to produce it in every practicable way we can find.

McKelvey concluded:

> It has been said that petroleum is first found in the minds of men, and this is no less true for other sources of energy as well; the resources are here, waiting the application of human capabilities and will. While it is God who creates rocks, it is man who creates resources by actions which match materials to human needs.

TRIBUTE TO WALLY NYMAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ANDERSON of California. Mr. Speaker, on May 22 the Rotary Club of Hawthorne, Calif., will honor a man who demonstrates those qualities which I consider finest in the human being: love of family, dedication to profession, concern for community, and a true and genuine love for one's country.

Wally Nyman, my longtime friend, will retire this year after a most distinguished career as an educator and administrator. Wally's work will long be remembered by those of us who appreciate selfless determination to improve the lot of all human beings.

Born in Michigan in 1914, Wally came to California at a young age where he received his early education, graduating from Inglewood High School in 1931. He continued his scholastic ambitions at the University of California, Los Angeles, where he earned his bachelor of arts degree in history in 1935.

After a brief teaching assignment in Fresno, Calif., Wally returned "home" to Leuzinger High School in 1938 to assume teaching responsibilities there. Wally assumed another responsibility that year, he married his lovely wife, Edith.

In 1943, Wally entered the U.S. Navy where he served as a communications officer on the U.S.S. *Baltimore* during the Second World War.

Following his discharge from the Navy in 1946, Wally returned to Leuzinger High School where he instructed for the next 4 years. It is remarkable that despite these other time-consuming obligations, Wally managed to obtain his master of science degree in 1950 from the University of Southern California.

Recognized for his prowess in the field of education, Wally became principal of Hawthorne High School in 1950, serving in that capacity for the next 12 years. He will retire as assistant superintendent of Personnel for the Centinela Valley high school district, a post he has served so well these past 15 years.

Mr. Speaker, Wally Nyman is a man to whom knowledge and learning has always been a challenge; a man whose best efforts, and finest years, have been devoted to helping others strive to know, to learn, and to believe.

His countless contributions to his community will not soon be forgotten. His active participation in the Rotary Club, the YMCA, the Centinela Valley Community Chest, the Hawthorne Coordinating Council, and the Family Services Council serves as an inspiration to us all.

Mr. Speaker, Lee and I are sure that his wife, Edith, and daughter, Christina, are as proud of him as we are.

As the Roman historian Sallust said in ancient times, "every man is the architect of his own fortune," this can be said of Wally Nyman, for his fortune is knowledge and compassion, and there is none more admirable.

OTHER PATHS TO FOLLOW BEYOND THE CLASSROOM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DERWINSKI. Mr. Speaker, I wish to insert into the RECORD an article by Stephanie Price, a student at Marian High School, Chicago Heights, Ill., which appeared in the school paper, the Marian Megaphone. I believe this article to be a well-reasoned and timely message to this year's class of high school graduates, as well as a commonsense approach to education for those students who wish to further their education and to those students who are still undecided as to their future goals.

The article which appeared in the May 2, edition of the Megaphone, follows:

OTHER PATHS TO FOLLOW BEYOND THE CLASSROOM

(By Stephanie Price)

> Does the prospect of college bore you, break you or give you the blues? Although our society impresses upon us the need for further schooling in a classroom situation, numerous alternatives are available, and sometimes more rewarding.
>
> If a college classroom situation rushes your learning or inhibits you, many highly recommended home study trade and business schools may attract you. They enable you to work at your own pace and concentrate on one particular job skill. Some of the courses offered are mobile engine service, refrigeration and air conditioning, bookkeeping, drafting, accounting, secretarial, radio and T.V. service and repair, electronics, interior decorating, and real estate.
>
> Still, some of you are turned off by the idea of any kind of further schooling. For you, on-the-job training or apprenticeship programs can be of help. This will teach you a skill through first hand experience. Dental assistants, photographers, construction workers, carpenters, plumbers, models, tool and die makers, and welders are only a few of the opportunities open to you.
>
> What about those who wish to travel and actually experience different lifestyles around the world? The army, navy, marines, and air force are constantly recruiting young people. Here also is the choice of specializing in an interesting trade or even making a career of the service itself.
>
> In our competitive society we are forced to plan for the future at an early age, many aiming toward college. But for those who are discouraged at the thought of college, alternating doors are waiting. All it costs is a little time and effort on your part to find them.

AMERICA AND THE TERRIBLE LOGIC OF VIETNAM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. CRANE. Mr. Speaker, many in the United States speak of the end of the war in Vietnam as if it represented something other than victory for Communist aggression and something other than defeat for both the United States and the cause of freedom, independence, and self-determination in the world.

The United States committed more than 500,000 men to battle, and lost more than 50,000, in order to prevent aggression from succeeding. We failed in that attempt. We failed not because of a superior enemy or overpowering odds but, quite to the contrary, because of a failure of will. Because success did not come quickly, we welcomed defeat. This is what the Communists counted upon and events have proven them correct.

While many in the Congress believe that the abandonment of South Vietnam was virtuous, history may tell a far different story. The distinguished deputy editor of the London Telegraph, Peregrine Worsthorne, was in Washington during the time in which Vietnam was abandoned. His reports are instructive.

Mr. Worsthorne notes that:

> It was a disturbing experience to be in Washington during this past week . . . Congress . . . has elevated its determination to refuse further aid into an act of almost heroic virtue, treating President Ford's impassioned pleas with derisive contempt, as if it was upholding honor while he was seeking to impugn them.

When Secretary of State Kissinger appeared before the Senate Appropriations Committee, Mr. Worsthorne reported:

> He was treated like a criminal in the dock, with the Senators seeming to take pride in proclaiming their faith in American impotence, in the pointlessness of further intervention, as if their recognition of the inevitability of defeat was a form of high courage which would earn them an honoured place in history.

Mr. Worsthorne declared that:

> I watched them filing out, their heads held high, posturing proudly before the television cameras, for all the world as if sealing the fate of South Vietnam was their finest hour, the moment when they walked with destiny.

I wish to share with my colleagues the report of this perceptive British observer as it appeared in the London Daily Telegraph and insert into the RECORD at this time the article, "America and The Terrible Logic of Vietnam," by Peregrine Worsthorne:

AMERICA AND THE TERRIBLE LOGIC OF VIETNAM

(By Peregrine Worsthorne)

It was a disturbing experience to be in Washington during this past week. At one level, in rejecting utterly the Administration's case for last-ditch aid to give the South Vietnamese a final chance, the Congress and the media have reason on their side. Why pour further American money and equipment down the drain? After all, Churchill refused to send those RAF squadrons to succour France in 1940. But he did so with an anguished heart, knowing that Britain's very life depended on saying "no."

This, however, has not all been the mood of Congress. It has elevated its determination to refuse further aid into an act of almost heroic virtue, treating President Ford's impassioned pleas with derisive contempt, as if it was upholding American pride and honour while he was seeking to impugn them.

When the Secretary of State went before the Senate Appropriation Committee to argue the President's case, he was treated like a criminal in the dock, with the Senators seeming to take pride in proclaiming their faith in American impotence, in the pointlessness of further intervention, as if their recognition of the inevitability of defeat was a form of high courage which would earn them an honoured place in history.

I watched them filing out, their heads held high, posturing proudly before the television cameras, for all the world as if sealing the fate of South Vietnam was their finest hour, the moment when they walked with destiny.

LITTLE SENSE OF SHAME

What is extraordinary and shocking about the manner in which the United States has observed the collapse of its client state is its undertones of self-congratulations, not so much a trauma, more a cause for satisfaction. Only the President and the Secretary of State insist on using the language of shame, and they are mocked for it; more than mocked; castigated and reviled; accused almost of an un-American activity.

It could be that this will be only a passing phase, and that as the reality of the Communist take-over in Saigon begins to impinge there will be a recovery of concern about the consequences of the American washing of hands; washing of hands ceasing to be respectable once it is seen to be taking place in a bloodbath. But I doubt it. For it is difficult to exaggerate the extent to which there is now a vested interest among all those who observe foreign affairs to see no evil; to make the best of a bad job.

So much moral capital has been invested in the effort to get America out of Vietnam, so many newspaper editorials, political speeches, and pulpit sermons, such a wealth of passion, that it seems almost impossible for the American people to recognise that this withdrawal crusade—for such it has become—may also lead to disaster, just as the crusade to get America in led to disaster. Indeed the way in which America is trying to end its involvement in Vietnam is strangely similar to the way in which it all began.

The Washington establishment then, those Kennedy New Frontiersmen, could not bear to see the ugly possibilities inherent in the original involvement, so utterly convinced were they of its moral necessity. There is exactly the same belief in the possibility of limited consequences, about the decision to disengage.

What one noticed in Washington last week was the same kind of moralising fantasies that caused America to mislead herself about Vietnam in the first place, repeating themselves like some dreadful echo from the past.

"Because America's motives are so right in getting out," the argument runs, "no evil can flow from it. The American retreat from empire will be quite different from all other retreats from empire, just as the American advance into empire had been assumed to be going to be quite different from all other advances into empire. Surely the world will understand. America is abandoning her allies for the best of motives; dishonouring her obligations out of high-minded altruism. When we do these things, it is not like other nations doing them, because we are Americans, God's elect."

As American intervention began, so is it ending—in self-deception, self-righteousness and Utopian dreams, with one form of euphoria replacing another, one lot of puerile assumptions about the innocence of American disengagement succeeding an earlier lot about the innocence of American entry.

It seems to me terribly important that this state of affairs should be properly understood in Western Europe. The truth is that America is getting out of Vietnam in the same dangerous way as she got in; that is to say, in a cloud of unknowing, the only difference being that whereas the mistake in the past sprang from a naive innocence about the dangers of one form of rhetoric—the rhetoric of power—the mistake today springs from naive innocence about another form of rhetoric: the rhetoric of impotence.

But the appalling lesson that they learnt about the dangers inherent in the use of power has not taught them to be cautious, as it should, about the inherent dangers of the non-use of power. The price and cost, and potential tragedy of the destriction of American power are today no more understood than a few years ago were the price and cost, and potential tragedy of its creation.

MCCARTHY-LIKE ATMOSPHERE

Take the extraordinary case of the backlash against the CIA. Doubtless its intelligence-gathering and covert operations had got out of control. But so now has the reaction against them.

It has meant nothing less than the demoralisation of a large part of the American foreign policy establishment, most of whose work at some point has involved them in CIA work, either directly or tangentially. So they wake up each morning waiting to read some revelation in the newspapers which will involve them in ruinous "scandal."

With so many members of Congress bent on cleansing the Augean Stables, how could it be otherwise? The atmosphere is not wholly unlike that of the McCarthy years, with CIA links—now held to be tantamount to Fascist links—replacing Communist links as the smear.

On visits to Washington over the years I have been staying at the Metropolitan Club, which is the equivalent of White's, the Travellers and the Athenaeum rolled into one. It is there, at lunchtime, that the establishment meet. During the Kennedy years it was, for a British visitor, a wonderfully touching and nostalgic experience to listen to the American pro-consuls discussing the business of empire like characters out of Kipling. The place was alive with the small-talk of great affairs. But no longer.

That necessary confidence that binds a governing class together in mutual trust has melted away under the heat of Congressional inquiry and media attack. Nobody trusts anybody.

The point that needs to be understood seems to me this: 15 years ago the relationship between the White House and Congress, between the media and both, the vocabulary of public discussion in the press and television, the moral mood, all these might have led me to expect, and guard against, the excesses of imperial adventure.

Today there is cause to expect, and guard against, the excesses of post-imperial guilt. Whereas the mood in Washington then was pregnant with one form of imprudence, so today is it pregnant with another.

Both the President and the Secretary of State have warned about this, but the latter is assumed to be lamenting only his own predicament, and the former echoing only that lamentation like a puppet. (Quite wrong, incidentally, Ford is very much his own man, and very much more impressive than is yet apparent).

EFFECT ON PEKING

What, then, is it that they fear? Let me be specific. It is that:

Communist China will lose interest in rapprochement with the United States, the whole value of which, from Peking's point of view, rested on assumptions about the determination of the United States to resist the Soviet Union. Any sign of a diminution of that determination—and how can acceptance of defeat in Vietnam not be taken as such a sign?—will, therefore, tend to undermine the delicate relationship between the United States and China.

This in turn will prompt China to look for a new source of strength against the Soviet Union, to replace the flattering American giant: obviously Japan, which must also be reconsidering its total military reliance on the United States. The logic of Vietnam, in short, is to compel both China and Japan to come together, a diplomatic and military revolution of incalculably dangerous significance.

The North Koreans will use this moment of American disarray to launch a new attack on South Korea, and China will no longer have the incentive to use its influence to prevent such a move.

There are two American defence treaty commitments. Is it conceivable in the present American mood that Congress would allow this to be honoured?

Communist parties in Western Europe, sensing American lack of continuing sensitivity to the spread of Communist influence will grow less cautious, and be encouraged to do so by the Soviet Union. Because the United States has adopted a low profile in face of a Communist take-over in one Nato ally, Portugal, this will encourage the French and Italian parties to expect the same passive reaction to similar political development there, with results that would destroy the cohesion of Nato.

West European Conservative and Social Democratic forces, sensing a turning of the tide in world affairs, will begin to grow resigned and fatalistic.

And most important of all, the United States itself, observing these developments, about which in the present condition of fractured political leadership it will be able to do nothing, will grow increasingly Isolationist, concluding that its only sensible course is to concentrate exclusively on protecting its own interests.

A by-product of this would be fierce economic nationalism since, in the absence of satisfying and promising outlets for the use of American power in the diplomatic and security areas, the full thrust of American pride and purpose would be degraded into areas of economic domination, where American power can still get results.

STOPPING THE ROT

Such are some of the fears of the American Administration, quite openly expressed. Are they reasonable or paranoid? In my view they are reasonable. But if they are not, it is almost more alarming, since an American political and social climate that can induce paranoia among its leaders is itself a matter of the gravest possible concern.

Perhaps Congressional obstruction, and media criticism and a general popular mood of deep disillusion with American foreign policy have driven the Administration mad. But that is the most disturbing conclusion of all, since, if this Administration does not renew American faith in the defence of freedom, there is none other on the political horizon more likely to do better—or even half as well.

It would be nice to end on a note of cheer. "Come on," I said to an old Washington friend whose judgment over the years I have come to respect, "tell me something comforting." He thought for a long while, brow furrowed by the strain, and I began to fear the worst. Then, to my infinite relief, his face began to lighten.

"The destruction of Israel," he said, "that's going to set the alarm bells ringing. Nothing else will bring us to our senses and stop the rot."

How dark must be the tunnel of despair if that is the only light of hope at the end of it.

BUREAUCRATICIZING THE HOSPITALS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ASHBROOK. Mr. Speaker, Government involvement in medicine—especially the medicare and medicaid programs—is costing billions of dollars a year. With the rising costs of medical care there has been various efforts by the Federal and State governments to try to bring costs down.

It can be understood why this is being done. The reduction of costs is necessary.

It does seem to me, though, that costs have gone up as Government involvement has increased. Medicine, like so many other areas, also has suffered from the inflationary spiral.

The desire to cut costs is commendable. However, this worthwhile goal seems to often result in quite something else. And that is more Government involvement in medicine with doctors and other medical personnel having to spend ever-increasing amounts of time on filling out governmental forms.

The small businessman continually is hit with more paperwork from the bureaucrats in Washington who think that they know what is best in numerous local communities—one community quite different from another. The same thing is being seen in medicine.

Total governmental control of medicine is becoming the form of American medicine. PSRO's—Professional Standards Review Organizations—which I have previously discussed in this body are under the final control of bureaucrats in Washington. Numerous other requirements are placed on the medical profession by bureaucrats in Washington.

Under the same law that mandated the PSRO's was language mandating "utilization review." Basically, this requires hospitals to operate by certain "norms" and to review full written justification for the admission of patients receiving medicare or medicaid. This justification then must be prepared and reviewed by a utilization review committee.

Under the regulations, small hospitals particularly are hit hard. First, they sometimes do not have the numbers necessary under the conditions prescribed to make up the utilization review committees. Second, the paperwork requirements for small hospitals seriously reduce their ability to provide medical services as they do not have the large staffs necessary to handle the paperwork. The result is less medical care and higher costs. Government is called upon to help solve the problem at least part of which it helped cause.

Who ever said Government was not creative? It is constantly creating headaches for numerous businesses and services throughout the country. And it is usually the little guy who is hurt be he the small businessman, the customer, or the doctors and patients in smaller hospitals.

At this point, I include in the Record the text of an article by James J. Kilpatrick entitled "The Hospital and the Bureaucrats" from Nation's Business of May 1975:

THE HOSPITAL AND THE BUREAUCRATS

(By James J. Kilpatrick)

Several months ago, a small-town physician in Oklahoma, Dr. Claude H. Williams of Okeene, cried out in despair against what he termed a "death sentence" on his community hospital. Late in March, Health and Welfare Secretary Caspar Weinberger granted a three-month reprieve. But unless the terms of the reprieve are more helpful than they now appear to be, Okeene's little 34-bed hospital is doomed. Bureaucracy will have killed it.

Dr. Williams' plight is duplicated many times over. Of the nation's 7,100 hospitals, nearly 1,800 have fewer than 50 beds; of these, almost 400 have fewer than 25 beds. These are the small rural hospitals, having staffs of only as many as six doctors. Typically, the institutions are the proud results of community effort. Daniel Webster's famous tribute to Dartmouth finds an echo here: They are small, these hospitals, but there are those who love them.

The story provides a textbook example, on a scale that anyone can understand, of bureaucracy gone berserk. The story therefore has its good aspects, for bureaucracy has its good aspects; bureaucracy is not intrinsically evil. The problem, one surmises, is that bureaucrats of the best intentions often dwell in an ethereal world of their own, light-years removed from the realities they seek to regulate. It seems unlikely, somehow, that Secretary Weinberger or his aides know much about the hospitals at Okeene, Watonga, Cherokee or Alva, all in northwestern Oklahoma. These institutions are real, and the Secretary's regulations have them in trouble.

Under various programs of Medicare and Medicaid, tax funds are provided to pay for the hospitalization of patients under Social Security or public assistance. In many institutions, such patients constitute more than half of the patient load. Payments for their care are indispensable to a hospital's survival. The two programs are costly: In the coming fiscal year, the President's budget asks $7.4 billion for Medicaid, more than $10 billion for Medicare.

It doubtless is true, as various critics have charged, that some doctors and some hospitals, seeing such vast sums available, have abused the programs. That is, they have admitted patients who never should have been admitted; or they have kept patients hospitalized after they should have been discharged. It was in a commendable effort to prevent these abuses that the government, last November, laid down its utilization review regulations. They were to have become effective on Feb. 1. Under the reprieve, the effective date now is July 1.

This is how the system works. The Okeene Municipal Hospital must prepare a written set of "norms" for all categories of prospective admissions. Such "norms" are defined as "numerical or statistical measures of usually observed performance." You are a person on Social Security, living somewhere in the boondocks of Blaine or Kingfisher County, and you come down sick. You make it into the Okeene hospital, where a doctor orders your admission.

Within 24 hours, a full written justification for the admission must be prepared and reviewed by a utilization review committee. This "staff committee" is to be composed of "two or more physicians with participation of other professional personnel," or by a "group outside the hospital which is similarly composed." The reviews may not be conducted "by any person who is financially interested in any hospital or by any person who was professionally involved in the care of the patient whose case is being reviewed."

At the time Dr. Williams cried out for relief, the Okeene Municipal Hospital had a staff of two doctors. The hospital at Watonga had three, the 20-bed hospital at Waynoka had one. Ten institutions in the general area had a total of only 26 doctors. It is a fair assumption that most of the doctors have at least some financial interest in some hospital; they would thus be disqualified from serving on a review committee, even if their 60-hour workweeks could be stretched to include committee service. In practice, every doctor attached to a small hospital becomes professionally involved in the care of every patient. This is rural practice.

How is your admission to be reviewed and justified according to the predetermined "norms"? Dr. Williams says flatly, "No way." The hospitals do not have the clerical staff, let alone the time, to fill out elaborate reports on every Medicare or Medicaid admission, detailing "the diagnosis or symptoms indicating the need for the admission, the physician's plan of treatment, and other supporting material (*e.g.*, recent test findings, recent case history, schedule of tests planned, *etc.*) the group or committee may deem appropriate." No way.

But if the admission is not thus reviewed and justified, no payments will be made for the patient's care.

Between now and July 1, "alternative means" are to be explored. According to a spokesperson at HEW, it might be possible for a nurse or a records librarian to make an initial determination that a particular admission met the written "norms." If in doubt about the admitting doctor's judgment, the nurse or librarian could telephone some other doctor somewhere else. The other doctor, somewhere else, would then drop whatever he was doing in order to approve or disapprove the judgment of his distant colleague. It sounds, somehow, a little improbable.

Utilization review is only one of the burdens placed upon the small institutions. Back in July of 1974, an inspector for the Social Security Administration descended upon the Okeene Municipal Hospital. Subsequently he prepared a seven-page, single-spaced statement of "deficiencies and plan for correction." The document is a masterpiece of bureaucratic harassment: "Storage of garbage is not stored properly." In reports of staff meetings, "the names of discussants was [sic] not given." As to records, "there is no registered record administrator which makes periodic visits to the hospital to evaluate the records." The author of this infuriating document could not spell "examination;" he could not spell "privileges," "Caesarean," "judgment" or "specialization." His most serious citation, having to do with the supposed lack of an emergency water supply, later was acknowledged to have been "an error."

This is bureaucracy in action, out in the boondocks. The reality, as distinguished from the theory, is that rural physicians are swamped by the everyday demands of patient care. Overwhelmingly, these are doctors of honor and integrity. They are working formidable hours, with limited clerical and nursing staffs, and they are providing a kind of community hospital service that is indispensable to their people. They can cope with most of the medical and surgical situations one would expect—they can cope with epidemics, with the farmer who manages to get a leg caught in a baling machine, and with other emergencies—but they cannot tend to their patients and tend to the big-city demands of bureaucracy also.

Because these observations seem to have focused on a single area in Oklahoma, probably it should be emphasized, for the record, that Dr. Williams is no isolated dissident. In Louisiana, Dr. H. Ashton Thomas, executive vice president for the Louisiana State Medical Society, has objected as severely. The utilization review requirements, he says, are the work of "technocrats," unfamiliar with actual hospital care. The small hospitals of Louisiana, in his view, could comply only by "paper-faked deals." Dr. F. Michael Smith, Jr., of Thibodoux, is still more emphatic. Compliance, as he sees it, means "sham, subterfuge and perjury."

How did these critical problems develop? They developed somewhat in the fashion of the Mad Hatter's watch. If you remember your Alice in Wonderland, the watch needed repair and the Mad Hatter asked the March Hare to minister to the timepiece. It still ran two days wrong. "I told you," says the Hatter, "that butter wouldn't suit the works." The March Hare says defensively that "it was the *best* butter," and the Hatter grumbles that some crumbs must have gotten in as well: "You shouldn't have put it in with the bread knife."

That is what has happened here. With the most proper and virtuous intentions, the Medicare and Medicaid people set out to repair a minor malfunction in the government's hospitalization machinery. They proceeded to impose a bewildering array of regulations geared to the largest big city hospitals. It would be unkind to suggest that the bureaucrats knew that enforcement would demand still more bureaucrats, and that the labors of these bureaucrats would produce work for still more bureaucrats, and so *ad infinitum*. In charity, let it be said that the bureaucracy was motivated solely by an earnest desire to provide high-quality hospital care, and to protect the taxpayers from unscrupulous rip-off.

All right. Where do we go from here? A Congress firmly controlled by liberal Democrats soon will turn to the business of national health insurance. Before long, the taxpayers will be asked to finance not $7 billion for Medicaid and $10 billion for Medicare, but $50 or $60 billion for everyone. The federal government then will be pervasively involved be claims, payments, reviews, justifications, appeals and the preservation of medical records from the cradle to the grave.

We ought to think about where we are going. No matter how national health insurance may be financed and administered, new armies of inspectors, coordinators, audiors and supervisors will be required. In the name of accountability, new volumes of rules and regulations will have to be composed. National "norms" of admission and treatment inevitably will appear. Government's standards will replace individual judgment. Doctors and hospitals that deviate from certifiable procedures eventually will weary of bureaucratic combat. The tendency will be to "go by the book," to take the easy way.

At some point—and that point is nearer than most Americans think—the people must wake up to what is happening to the private practice of medicare in our country. The doctors know what is going on, but they are an inarticulate bunch, for the most part, ill-equipped—and lacking the time—to communicate with people who may be concerned when they're sick but remain indifferent when they're well. Meanwhile, small-town Americans need to look to their small hospitals. The institutions are suffocating under a bureaucratic blanket, and may not survive.

SHRUNKEN DREAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MILLER of California. Mr. Speaker, I am inserting into the RECORD today a recent editorial from the New York Times on the state of housing construction in the United States. This perceptive editorial points out that, while the Congress has initiated a program to stimulate the sale of backlogged homes, we must now conceptualize long-term solutions to our housing dilemma.

The slowdown in housing starts affects many different sectors of the population. In my home district, Contra Costa County, Calif., the unemployment rate among construction workers far exceeds the national jobless rate. Among those in home building, two-fifths of all workers are jobless. And, of course, far more than only those construction workers are economically affected. The communities in which these workers reside suffer from the resident's reduced purchasing power.

In addition to the economic impact of stagnation in home building, there is the social side of the problem. Throughout the United States, hundreds of thousands of Americans live in substandard, dilapidated, energy-inefficient, decaying homes. A systematized national home construction program would improve the living conditions for these citizens, and the resulting social benefits would be obvious.

The editorial clearly indicates that homes are becoming economically unfeasible for the average working family. It is a call to action for this Congress, and I urge my colleagues to note its important message.

The article follows:

SHRUNKEN DREAM

The cost of the American dream—that rose-covered cottage or split-level ranch in suburbia—is now up to $41,300 (new) or $35,600 (used) and is unavailable to anyone with an income of less than $23,300. Since the average family's income is half of that, the average family is just out of luck.

For the more affluent family, what used to be the $35,000 "luxury" model is a routine $60,000 to $70,000. With inflation and today's high construction costs and interest rates, five out of six American families cannot afford the American dream at all.

These depressing figures come from a recent Congressional Joint Economic Committee report. The shocking message behind the figures is that the high cost of housing has finally outstripped most people's ability to pay for it. Even the currently increased availability of mortgage money has done little to stimulate sales. And the new tax law that will give 5 per cent of the purchase price of a new house as a tax reduction to move current unsold stock is no permanent solution.

The answer from builders is apparently to be a reduced, stripped-down product; a shrunken dream that will cost as much as the previous standard model. A better answer—finding ways to increase the attractiveness and livability of smaller, less costly houses on smaller lots—is often made difficult or impossible by the rigidity of existing Housing and Urban Development Department regulations and local codes.

These restrictions do not apply to mobile homes, which account for almost 28 per cent of all new housing because they are the only realistically priced dwelling units. The construction industry, which could offer far greater amenities than mobile homes with far less environmental damage, cannot even begin to compete under present rules.

The inevitable conclusion is that an appallingly large number of Americans are now housing-deprived; and virtually nothing is being done about it. Nor is anyone facing the prospect of a considerable lowering of the American standard of living and environment.

The solution is not temporary tax gimmicks for overpriced houses, but innovative design and legislative reforms. Thus far, both industry and government have failed either to define or deal with the real dimensions of the problem.

RESOLUTION OF JACKSONVILLE, FLORIDA CITY COUNCIL

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. BENNETT. Mr. Speaker, today I would like to insert in the RECORD a resolution of interest to all my colleagues. This resolution, passed by the Jacksonville, Fla. city council on April 8, 1975, strongly urges Congress to focus its attention on the needs of permanent programs administered by local governments. These permanent programs have been neglected and underfunded by Congress due to the emphasis on temporary public service programs. This resolution merits our close attention. It makes sense to me. The text of the resolution follows:

RESOLUTION 75-355-104

(A resolution urging the Congress of the United States to alleviate unemployment by increasing funding of presently existing permanent programs rather than by creating temporary public service employment programs; providing an effective date.)

Whereas, the economic condition of this country is deteriorating; and

Whereas, fiscal legislative remedies in the past have taken the form of programs designed to create temporary public service jobs; and

Whereas, there are numerous presently existing meritorious permanent programs administered by local governments which are not adequately funded; and

Whereas, economic stimulus would be just as effective and have a greater utility to society if the Congress of the United States increased funding to presently existing permanent programs administered by local governments in lieu of funding temporary public service employment programs; now, therefore

Be it resolved by the Council of the City of Jacksonville:

Section 1. The Congress of the United States is urged to alleviate deterioration of the economic health of the nation with fiscal legislation that would increase funding of presently existing permanent programs which are in dire need of funds rather than by creation of temporary public service employment programs.

Section 2. The Council Secretary shall provide copies of this resolution to the Honorable Lawton M. Chiles, Jr., the Honorable Richard B. Stone, and the Honorable Charles E. Bennett.

Section 3. This resolution shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

NOWAK URGES SWIFT ACTION ON EMERGENCY JOBS BILL

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. NOWAK. Mr. Speaker, the pending conference report on H.R. 4481, making emergency employment appropriations for the fiscal year ending June 30, includes increased funding that greatly enhances the opportunities for areas such as Buffalo and Erie County to obtain additional economic planning and development assistance from the Commerce Department's Economic Development Administration.

I would like to take this opportunity to urge swift congressional clearance of this multifaceted legislation, which also includes funds for summer jobs for youth, community service jobs for older Americans, part-time jobs for college students, and acceleration of public works construction and maintenance projects.

This measure is essential to our efforts to accelerate our national economic recovery. In comparison to the need, this legislation indeed is a modest proposal. By itself, this bill is not going to provide an overnight panacea to cure unemployment. Yet, I believe it will provide the strong stimulus on several economic fronts that has been postponed too long. There are too many persons in this country who need help now, right now. They cannot afford the luxury of waiting for the crystal ball predictions of economists to become realities.

This Nation always has found its pocketbook large enough and its generosity broad enough to provide assistance in various forms around the globe. It would be indefensible, therefore, to deny the help needed now by our own sorely tried citizens.

I am particularly pleased with the conference report's total funding of $456 million for EDA, which in recent years has been denied adequate funding levels to give its potential an adequate national test. Because of high unemployment, Buffalo and Erie County have been declared eligible for special EDA assistance. Earlier this spring, for example, Buffalo received a $1.4 million EDA grant to support land preparation work for the South Ellicott Industrial Park project.

The bulk of the $456 million fund—$375 million—will be used in conjunction with $125 million already appropriated for quick-starting community improvement projects. Buffalo has applications pending with EDA for approximately $2 million for such projects. The additional $81.6 million earmarked for EDA is to supplement the agency's economic planning, technical assistance, and business loan guarantee programs. In this area, the newly created Buffalo and Erie County Economic Development Task Force has pending a request for $130,000 for planning and staff support.

Frankly, I would have preferred that more money in this bill went into EDA-type programs and public works construction, which involve immediate job creation and long-term community facilities that help spur growth in the private sector. On balance, however, the general thrust of this bill is toward the prompt and positive action the Federal Government must take to help revitalize the economy.

INVESTMENT CLUBS PROMOTE CAPITALISM

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. BROOMFIELD. Mr. Speaker, in an era when the defense of economic freedom is so timid, it is heartening to learn about Campaign 1976, a program sponsored by the National Association of Investment Clubs with the cooperation of the New York Stock Exchange and a number of prestigious organizations and corporations.

The objective of Campaign 1976 is to promote the basic ideas of capitalism and to encourage individuals to participate by buying shares of stock.

The association, organized by four investment clubs in 1951, is composed of thousands of small clubs whose members meet periodically to discuss investments and to pool modest amounts of money in the stock market. Hence, it teaches individuals sound investment principles and helps them build investment experience without risking large sums of money.

The idea of investment clubs is not new. During the past 20 years over 2 million people have become owners of industry through investment club membership. But Campaign 1976 is unique and commendable in using club promotion as a tool to teach capitalism.

This Nation's economy is experiencing some difficulties today, as it has in times past, but let us not forget our free economic system has made possible material abundance beyond the dreams of earlier ages and peoples in less fortunate lands. Amidst anti-free-enterprise proposals and deterioration, Campaign 1976 is refreshing and timely. I want to share information about it with my colleagues. Thomas E. O'Hara, chairman of the association's board of trustees, describes the campaign of investor education in an editorial in the May 1975, issue of Better Investing, the association's publication designed to provide club members with investment ideas each month. I would like to insert this editorial in the RECORD:

CAMPAIGN 1976

For many years, the National Association of Investment Clubs has worked to do its part in helping to maintain a strong capital market and a growing economy by introducing individuals to the benefits of owning a part of American industry.

Perhaps now more than ever, industry depends upon a free flow and availability of capital, and, in turn, greater employment depends upon the vigorous, productive industry made possible by sound capital markets.

Recognizing these needs, NAIC has now conceived and is building CAMPAIGN 1976, an action program aimed at interesting more of our citizens in individual ownership of industry.

Investment education has been NAIC's forte, and with this as the base, and with the cooperation of business and industry, their related associations and organizations and the securities industry, millions of our citizens will be acquainted with the program.

Mr. James J. Needham, Chairman of the Board of the New York Stock Exchange, is the Chairman of the Governing Committee of CAMPAIGN 1976. The following are the distinguished persons and organizations who have joined the Governing Committee to date:

CAMPAIGN 1976 GOVERNING COMMITTEE

Chairman: James J. Needham, Chairman of the Board, New York Stock Exchange.

Karl Bendetsen, Director, Champion International Corp.

Arch N. Booth, President, U.S. Chamber of Commerce.

Richard M. Brodrick, President, National Investor Relations Institute.

W. Donham Crawford, President, Edison Electric Institute.

Justin Dart, Chairman, Dart Industries.

Jerome H. Holland, Director, various corporations.

E. Douglas Kenna, President, National Association of Manufacturers.

Paul Kolton, Chairman, American Stock Exchange.

Juanita M. Kreps, Vice President, Duke University.

Gordon S. Macklin, President, National Association of Securities Dealers.

Charles H. Prout, Vice President, Cutler-Hammer, Inc.

Raymond A. Rich, Chairman, U.S. Filter Corporation.

Robert W. Sarnoff, Chairman, RCA Corporation.

Carl Spielvogel, Vice Chairman, Operations, the Interpublic Group of Companies, Inc.

O. Pendleton Thomas, Chairman, B. F. Goodrich Corporation.

J. W. Walter, Chairman, Jim Walter Corporation.

C. V. Wood, Jr., President, McCulloch Oil Corporation, and Chairman, Committee of Publicly Owned Companies.

Each has agreed to work toward enlisting other corporations in the program which, in turn, will be asked to invite still other companies to join in the effort. This compounding of participation should lead to a burgeoning national movement with tremendous potential impact.

In concept, the plan is quite simple, inexpensive and yet meaningful.

Eight pieces of literature have been produced for distribution beginning in the last quarter of 1975 and continuing through seven additional quarters. Each of the small folders succinctly discusses the import of a particular economic factor as it affects the individual. Subjects covered are pricing goods, the benefits of high productivity, the need for profits, why capital is important, the role of free trade, the implications of world trade and the ramifications of inflation.

It is felt that when every citizen understands how he or she is affected by all these components of the economy, a greater understanding and appreciation of capital markets, business and industry can be achieved. A natural outgrowth would be a desire to participate in and contribute to free enterprise by becoming an owner of American business.

The organizations taking part in Campaign 1976 will distribute the literature to their employees, shareholders, public customers and other groups as each decides.

It is our hope that many people will, as a result, want to learn more about how business and industry operate, their problems and their successes. Education becomes the key.

We believe that few mediums can match the Investment Club as a way for people in all walks of life, of all ages and all levels of income to learn how industry works and at the same time become owners of that industry with modest sums. Learning together is what Investment Clubs are all about, and through this method, NAIC has introduced over 2,000,000 of today's investors to ownership of industry.

The literature of Campaign 1976 urges people to take whatever path they like to learning and suggests Investment Clubs as one route toward investment education.

Campaign 1976 is designed (1) to make a major contribution to bringing about a better understanding of business, investment and economic factors and how they relate to creating more and better jobs, and (2) to interest a large number of individuals in becoming owners of industry.

For details of the program and samples of the literature write Campaign 1976, The Investment Education Institute, 1515 E. Eleven Mile Road, Royal Oak, Mich. 48067.

H.R. 6573

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. FRENZEL. Mr. Speaker, last week passed a budget resolution targeting a deficit we can not afford and do not really intend to comply with anyway. The day before yesterday we voted on the fourth of the budget rescission bills forwarded by the President. That took us once again back in the world of fiscal realities.

H.R. 6573, reported by the Appropriations Committee, rescinds a total of $17,873 of budget authority. That is not bad, but it is $220,000 less than could have been dropped had the committee followed the rescission recommendations.

The committee, and particularly the subcommittee on HEW and related agencies, has tried to act responsibly. In fact, I think that they are to be commended for deleting unnecessary and largely duplicative funding for the areas of health services evaluation, community mental health center construction and District of Columbia facilities construction. However, in a period when we obviously need to tighten the Federal belt, $220 million funded under a continuing resolution, no less, for health manpower programs seems extravagant.

No one contests the need for expanded nursing and paraprofessional assistance in the medical field, but these particular programs are not urgent now. In fact, in light of the fact that we will be considering the Health Revenue Sharing and Health Services Act later this week, it seems premature to handle them now.

H.R. 6573 was simply another case of allowing expenses of too much money for too little benefit. However, I supported it because it does reduce expenditures slightly. I can only hope that in the future we will try harder to be a little more responsive to our Nation's fiscal needs. The committee has muffed another chance to save the taxpayers some money.

SENATOR GOLDWATER AND FOREIGN POLICY

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DICKINSON. Mr. Speaker, we were privileged to have a great American, Senator BARRY GOLDWATER, in Montgomery, Ala., to help in the observance of the Annual Law Day U.S.A. Senator GOLDWATER addressed a joint meeting of the Montgomery County Bar Association and the Montgomery Chapter of the Federal Bar Association at the Law Day Banquet at Maxwell Air Force Base.

As is his custom, Senator GOLDWATER was very frank in his comments about recent happenings in the foreign policy field, and he made some very cogent remarks about our will and ability to fulfill our commitments abroad. I would like to share his statements with other Members of the Congress and insert the text of his speech in the RECORD at this point:

ADDRESS BY SENATOR BARRY GOLDWATER

It is a great privilege to share with you tonight your commemoration of Law Day in this year which marks the beginning of our Republic's Bicentennial celebrations. The Founding Fathers taught us in many ways what the true meaning of the rule of law is to a free people.

Shortly after taking up his commission as commander of the patriot armies, Washington promised his countrymen:

"When we assumed the soldier, we did not lay aside the citizen; and we shall most sincerely rejoice with you in that happy hour when the establishment of American liberty upon the most firm and solid foundations shall enable us to return to our private stations."

Eight years later, Washington fulfilled that pledge. Having been invited to lead his army in insurrection against the state governments, which had dismally failed to attend to the financial sufferings of the army, the commander in chief addressed a mass meeting of his officers in camp in Newburgh. In an effort to dissuade the army from intervening into civilian affairs, he assured his companions that "despite the slowness inherent in deliberative bodies" the legislatures would "act justly." He implored them, "As you value your own sacred honor, as you respect the rights of humanity, and as you regard the military and national character of America, to express your utmost horror and detestation of the man who wishes, under any specious pretense, to overturn the liberties of our country. . . ."

When Washington finished his prepared speech, the crowd remained sullen. His biographer, James Flexner, relates that Washington reached in his pocket and pulled out a piece of paper from a member of the Continental Congress that would show the officers what that body was trying to do. He would read it.

But something was the matter with their commander. He seemed unable to read the paper. He paused. He fumbled in his waistcoat pocket. And then he pulled out something that only a very few intimates had seem him wear, a pair of glasses. He explained, "Gentlemen, you will permit me to put on my spectacles, for I have not only grown grey but almost blind in the service of my country."

This simple statement won over the audience to Washington's persuasions, as they looked with respect at the commander who had led them so far and long.

Historians believe that had Washington been unable to surpress the insurrection, the resulting chaos would probably have left behind several small nations, ripe for conquest by outside powers. Flexner writes:

"Americans can never be adequately grateful that George Washington possessed the power and the will to intervene effectively in what may have been the most dangerous hour the United States has ever known."

A friend and admirer of George Washington also left a legacy of rule by law. This patriot, who had starved and frozen with Washington at Valley Forge, who had served his country as Congressman, diplomat and Secretary of State before filling the seat of Chief Justice of the United States for thirty four years, understood the need for solving problems in the court room and not on the battlefield.

In arguing for the Constitution at the Richmond convention, delegate John Marshall explained that it was the purpose of this charter to create an independent legal system that would settle disputes peaceably.

"What is the service or purpose of a judiciary," he asked his fellow delegates, "but to execute the laws in a peaceable, orderly manner, without shedding blood, or creating a contest, or availing yourselves of force?"

One hundred and fifty three years later, a future justice of the Supreme Court, Robert H. Jackson, wrote: "Struggles over power that in Europe call out regiments of troops, in America call out battalions of lawyers." John Marshall's biographer Leonard Baker, contends that this concept of Marshall, restated by Jackson, better than anything else, "explains the stability of the American Government." Baker continues: "No government of another major power has lasted so long, has been so much the product of rationality rather than violence."

But legal order presupposes the preservation of basic social institutions upon which the freedom of all depends. How to secure both order and liberty, in the face of hostile forces from outside our community who refuse to bring disputes into a legal forum?

Marshall's answer, given during the undeclared naval war between this Nation and France, was:

"Experience, the parent of wisdom, and the great instructor of nations, has established the truth of [the] position, that, remotely as we are placed from the belligerent nations, and desirous as we are, by doing justice to all, to avoid offense to any, yet nothing short of the power of repelling aggressions will secure to our country a rational prospect of escaping the calamities of war or national degradation."

This statement gives us some insight into the practical attitude which guided the Founding Fathers in the formation of the Republic.

However much they may have wished to avoid foreign troubles, they recognized that the Nation cannot be safe if its defensive capabilities are shackled by unrealistic rules.

It must be remembered that the framers had witnessed at firsthand the inefficiency of the Continental Congress in the management of military affairs during the War of Independence. Of the fifty-five framers who attended the Constitutional Convention, no less than thirty had performed military duty in the Revolution.

The framers also held fresh memories of Shays Rebellion, in which Governor Bowdoin of Massachusetts had single-handedly called out the militia and raised an army to restore order, before the reluctant and divided legislature could be moved to action.

It is my strong belief that the framers strived to write a workable charter, one that would survive the ages. It is my further belief that the framers were concerned with grave dangers of internal disorder and foreign pressures, both military and economic, and that they chose to build a government able to cope with these kinds of problems.

Thus, for the first 184 years of our Republic, the Constitution has been interpreted as to permit United States Presidents to take defensive actions in response to, anticipation of, foreign dangers to our citizens, property or security.

As early as 1798, John Adams unilaterally issued an order allowing American merchant vessels to arm without the approval of Congress. This was questioned in the legislature on the grounds that if the President could take the measures which he had taken, "He, and not Congress, had the power of making war."

The Congress debated the matter extensively, but rejected any legislation that would regulate the President's actions. From the printed debate in the House of Representatives, it is clear the Congress distinguished between offensive and defensive military measures, recognizing that the President can take proper actions for the defense of the country, without restriction by Congress and without a declaration of war.

The Speaker of the House, Mr. Dayton, argued that the President, as commander in chief, was the official "whom the constitution as made execusively the judge" of employing the armed vessels of the United States wherever he "though the common defense and general welfare required."

The President was also supported by Congressman Sewall, who ridiculed the idea that, "our citizens going without the territory of the United States are to be no longer objects of our attention" and "were to be abandoned to the elements or to the hostility of mankind, wherever they went."

This view of the President's primary responsibility for the public safety has been followed by nearly every President since. Only three years later Thomas Jefferson sent into the Mediterranean, on his own authority, a squadron of four ships with instructions that should hostilities be commenced by the Barbary powers before its arrival, "this force will be immediately employed in the defense and protection of our commerce. . . ." His orders provided that pirate attacks against our shipping will be "repelled and punished." It was only after actual fighting had erupted that Jefferson came to Congress for support.

Prior to our official entry into World War II, President Roosevelt, without consulting Congress, sent troops to occupy Greenland and Iceland and order United States warships to protect the British lifeline in the Atlantic. He knew that a Congress which had extended the draft in the same year by barely a single vote could not be counted upon to authorize these actions at the time they were needed.

According to a documented study my office has made of these incidents, Presidents have deployed troops into crisis areas and used force or the threat of force on more than two hundred occasions since the founding of the Republic without any prior declaration of war. These events show a consistent and growing practice by which President's have responded to foreign threats with the force they believed was necessary, and technologically available, in the particular moment of history. Although these measures have been reviewed and debated in Congress many times, not once before the 1970's had Congress approved any legislative proposals to halt or prohibit any such defensive action.

From this usage and Congressional acquiescence arises an impressive source of constitutional interpretation, which has been accepted by the Supreme Court on at least two occasions as a basis for rejecting congressional attempts to reverse its earlier idea of exectuive authority.

But the President need not rely upon practice to establish his authority. The basic source of his power rests in the Constitution itself.

First, the opening sentence of article II of the Constitution reads:

"The executive power shall be vested in a President of the United States of America."

This is not a passive grant, but includes the traditional power of protecting the national safety that has been historically recognized by the law of nations as a right of the executive.

Second, the President is "the sole organ of the nation in its external relations, and its sole representative with foreign nations." At least six sitting members of the Supreme Court have accepted this description of executive power by John Marshall and interpreted it to mean that the President has "*primary* responsibility for the conduct of foreign affairs."

Third, section 2 of article 11 designates the President as "Commander-in-Chief." This power has been traditionally defined to encompass "the conduct of all military operations in time of peace and of war, embracing control of the disposition of troops, the direction of vessels of war and the planning and execution of campaigns. . . ."

Fourth, section 3 of article II vests with the President the duty and right to "take care that the laws be faithfully executed." The Supreme Court has construed this power to include enforcement not only of statutes and treaties, but also of "the rights, duties and obligations growing out of the constitution itself, our international relations, and all the protection implied by the nature of the government under the Constitution."

This, as I say, has been the historical interpretation of the Constitution. With the advent of the 1970's however, when the going started getting tough in Vietnam, Congress suddenly reversed itself and began to claim dominion over a host of military and foreign policy powers. In 1973, Congress enacted over the President's veto, the war powers resolution. This document asserts for Congress control over the entire field of troop commitment and deployment.

The law is triggered by the introduction of American forces, without a declaration of war, (1) into hostilities or imminent hostilities, (2) into the territory, air space or waters of a foreign nation, when equipped for combat, or (3) in numbers which substantially enlarge United States forces equipped for combat already located in a foreign nation, such as NATO areas.

When military forces are introduced in one of these situations, the President must report on it to Congress within 48 hours and periodically thereafter. The President cannot use the Armed Forces for longer than 60 days, unless Congress votes specific authority. He is given an additional 30 days only if the safety of our troops demand their continued use in the course of removal.

The President cannot take defensive measures, even during this 60 or 90 day period, if Congress orders the withdrawal of United States forces sooner. The law provides that the President must obey such a congressional directive.

Also, since 1973, Congress has imposed a ban on the use of any funds to finance the involvement of American military forces in hostilities in, or over, or from off the shores of, North and South Vietnam, Laos or Cambodia. In addition, Congress had enacted a provision requiring the withdrawal of NATO forces proportionate to any balance of payments deficit caused by stationing our troops in Europe.

Recently, while President Ford was taking unto his own hands the protection of Americans in Phnom Penh and Saigon, Congress was spinning its wheels debating amendment after amendment to the supporting legislation that the President had asked for to demonstrate unity in our national policy. These amendments proposed to restrict the number of Americans who would operate our mission in Saigon, establish a ten-day time limit to accomplish the evacuation, and require the President to report every detail of the evacuation operation to Congress every few hours, among many other restrictions.

What we were primarily concerned with in this debate was a repetition of what history has been filled with in the past—a threat to American lives, American property and American freedom overseas. My point is to keep the War Powers Resolution, and its offspring, in debate, in the hope that at some time in the future this matter can be considered by the American people in the form that it should be, a constitutional amendment.

The unfortunate developments in Indo-China are pointing out, very graphically, to the American people that under this law, the President cannot protect American lives and property overseas anymore without authority of Congress, and, if he tries, they can call the whole thing off at any time.

To me, one of the weak points of the entire episode we are going through is that it has crippled, not only the President, but through him, the United States in its ability to remain a respected and believed power able to express its historic prerogatives across the world.

I can tell you from personal experiences in the Pacific, and from rather constant communication with friends around the rest of the world, the rank of this country is slipping and it is slipping fast.

Whether or not we can stop it, I do not know. I hope and pray we can. I think we can. But it is going to take a decision of the American people and the Congress, both. The President cannot do it alone.

The question I shall leave with you is whether rule by law can survive a weakened America, which seems indecisive about even protecting its own citizens? Do we have the will to act in an honest way to those people in the rest of the world to whom we have made promises? It is to the American people where we must truly seek a rebirth of our strength and determination. This is why I have laid this problem before you tonight.

A TRIBUTE TO RANDY CAIN

HON. JACK HIGHTOWER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HIGHTOWER. Mr. Speaker, it gives me a great deal of pleasure to share with my colleagues the success of one of my constituents in an organization that prepares high school students for a vital role in our free enterprise system.

Randy Cain of Pampa, Tex., has just completed a year as national president, high school division, of the Distributive Education Clubs of America. This organization is made up of students throughout the Nation who gain valuable experience in various aspects of business, including marketing, merchandising, and market research, through jobs that they hold while in high school. The DECA organization does not limit itself to the narrow definition of business, but also has a broad program of charitable and civic activities designed to assure that members will develop the sense of responsibility so important in our society.

Randy Cain's accomplishment and the vigor of the Pampa distributive education program and DECA chapter are in the best tradition of American perseverance and dedication.

THE 10TH ANNIVERSARY OF THE HEADSTART PROGRAM

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mrs. KEYS. Mr. Speaker, this week marks the 10-year anniversary of the Headstart program. It has been and continues to be a pioneering force in the field of preschool education and child development.

One of our highest priorities must be the education of our children in a way that they can realize their full potential as human beings and become productive citizens. If we are to tackle effectively the problem of burgeoning welfare rolls and rising crime statistics, then we must use every lever to enable the educational process to be successful. The importance of early childhood years to the future development of an adult is well known.

We must begin at that age level, particularly for children who for one reason or another do not have the opportunities at home to prepare them for a successful and healthy elementary school experience. Headstart has done this.

Since its inception in 1965, more than 5.3 million children have participated in the Headstart program. Today the Headstart program operates in every State and U.S. territory. In Kansas, there are 28 programs reaching thousands of children.

In addition to its educational function, the Headstart program offers children medical and dental screening, nutritional, and social services. It is important to point out that parents and volunteers are involved in every aspect of Headstart. This has focused attention on the importance of parental involvement in the education of their children.

The success of Headstart has led to the initiation of other programs such as Homestart where trained personnel go to the home to assist in the education of preschool children and Follow Through which continues through third grade the educational services offered by Headstart.

The Headstart program provides an excellent example of what can be accomplished by people working together and it should be continued. Millions of children have benefited from these efforts. Our country will reap the rewards.

CHERI MANGHAM SCORES A FIRST FOR NROTC

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. CHARLES WILSON of Texas. Mr. Speaker, most of my colleagues in the House know me as a man who supports a strong National Defense Establishment and as one who has publicly expressed fears about the quality of the Armed Forces now entrusted with the defense of this country.

I would like to speak today, however, about one member of our Armed Forces about whom I have no such reservations—a young woman who has been tested and found not only qualified but superior in the talents she will bring to the U.S. Navy.

Last month Cheri Jane Mangham of Nacogdoches, Tex., became the first woman in the United States to graduate from the Naval Reserve Officer Training Corps program. She was No. 1 in the class of 25 ensigns at Jacksonville University in Jacksonville, Fla., on the basis of her performance record in the NROTC and her grade point average of 3.35 on a 4-point scale.

Her spectacular success in the program—maked by service as battalion executive officer in charge of drilling, duty execution, and conduct of students—is even more remarkable since she completed the 4-year NROTC scholarship program in only 3 years.

Cheri transferred to Jacksonville University from Stephen F. Austin University in Nacogdoches. She was greatly encouraged in her decision to join the Navy by a former Navy nurse and a former Navy lieutenant commander who is now mayor of Nacogdoches—her mother and father.

Although Cheri majored in international relations, her military studies included naval orientation, sea power, navigation, electronics, missiles, radar, and military management. Those courses have prepared her for the next step in her naval career—and it is a very big step. She plans to become an intelligence officer for an aviation squadron, and she is now at Lowry Air Force Base in Colorado for training.

In a recent interview with a Jacksonville newspaper, Cheri talked about the problems she has encountered in the male-dominated NROTC program:

> I knew it would be difficult. But if a woman has capability and wants to do something different with her life, there is no reason why she shouldn't.

This year is International Women's Year, a time when the many accomplishments of women are being highlighted and their potential for more involvement is being investigated. Cheri's past achievements and future prospects contain the success of the women's movement in microcosm. As a former Navy lieutenant, I salute Cheri for a job well done.

"BIG BLUE MARBLE"

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. RANGEL. Mr. Speaker, the ongoing controversy about which programs are to be aired on television is an understandable one since advocates on both sides exhibit rational arguments supporting their respective views. In the midst of this controversy, a program which is appealing to those who favor more programs geared to the large audience of children, is gaining international reknown. "Big Blue Marble," the first international children's television series, is a unique television program now being aired over more than 120 stations across the country. This 26-minute program visits three countries weekly, contains animated folktales, a "how to" segment, and a special "Dear Pen Pal." It is geared toward those viewers between the ages of 8 and 15, carrying them around the world through visual impact, and telling each other how they live.

The "Big Blue Marble" is offered free to stations as a public service by ITT. This is a wonderful idea, for it is a step in the right direction toward opening the communication barriers for the future adults of our world. "Big Blue Marble" is a means of overcoming the ignorance exhibited by so many of us stemming from a belief that those different from ourselves are less smart or not as good. The program contributes to a greater appreciation and tolerance for other people and cultures and comes at a time in a child's life when these attitudes are critically being shaped.

The program has won a special citation by Action for Children's Television—ACT—a committee of concerned citizens privately monitoring and attempting to influence positively television programing for children. I applaud this new program, and encourage its growth to every television station across the Nation.

I place at this point in the Record several newspaper articles describing the Nationwide impact of the "Big Blue Marble":

[From the New York News, Apr. 20, 1975]

THE WORLD'S A RAINBOW ON "BIG BLUE MARBLE"

(By George Maksian)

Each week thousands of youngsters go hopscotching the globe without once leaving their living rooms thanks to the magic of television's latest children's success, "Big Blue Marble," which is seen on 130 stations across the nation, including Channels 11 and 13 here (Sundays at 9 a.m. and Fridays at 8 a.m., respectively).

The youngsters visit such far-away lands as Tunisia, Bali, Jamaica, Kenya, Egypt, Thailand, Ireland, Switzerland, Colombia and Yugoslavia, to see how other children live, work, play and grow up.

Comes the fall, viewers wil be given an extra treat when the series goes behind the Iron Curtain to Russia. "It will mark the first children's series to visit that country," said producer Henry Fownes, who co-created the program with Bob Garrison and Ken Snyder.

"I was in Moscow late last month negotiating the deal. And I got word today that they approved it. They said I was to have my crew in Moscow by May 10. Those Russians work like an army sergeant. They don't give you much notice at all.

BETTER THAN OLGA

"After we arrive in Moscow, we'll head straight to Rostov in the south near the Caspian Sea. There we're going to do a piece on a gymnast who's supposed to be even more astounding than the Olympic champion Olga Korbut. We also plan to visit a children's railroad, which is entirely run by youngsters, from the engine car to selling tickets. Children's railroads are very common in socialist countries," he added.

"We'll head back to Moscow on the 18th (May), where we're going to film a segment on 'Pioneer Palaces,' This is a fascinating project, the most unique thing I've ever seen.

"There are 35 such places in Moscow, and 35,000 in the entire Soviet Union," he continued. "Not all, of course, are former palaces. Most are newly constructed buildings. These centers are for youngsters who want to learn everything from sculpture to modern dance. They even have a reproduction of a MIG fighter plane, where children can go in and examine all the parts.

"The Russians are very serious about their children and their education. As one Russian said to me during my visit, 'There's only one ruling class in Russia and that's our children.' "

STRONG FAMILY TIES

Fownes, who already has filmed programs in such Iron Curtain countries as Poland, Czechoslovakia, Hungary and Yugoslavia, believes children are alike the world over. "It doesn't make any difference where they live," he said, "they have the same interests as our children. The only difference I sense is that there's less juvenile delinquency over there. But my observations are really limited," he admitted. "I'm usually very busy working. But generally you don't see kids roaming the streets as you do here."

The producer continued: "In Europe and elsewhere, there are strong family ties. Children from an early age are given responsibility and are expected to live up to it. They also get the respect that goes along with it. I think this is a very healthy thing.

"I'm not knocking America, you understand. But I believe that in this country our children are not required to pull their own weight. We're a very affluent nation. Over there, part of the growing-up process is to have a job and to have responsibility."

One of the most popular features of the program is the "Dear Pen Pal" segment. "This alone brings in an average of 5,000 letters a week," said Fownes. "Any American child who wants a foreign pen pal friend simply writes to the televised box number, giving his or her name, address, sex, age, special intersts, and saying whether a boy or girl pen pal is wanted.

"The 'Big Marble' computer then matches the American child with one from another country of the same age and interests. Within weeks, the U.S. child gets a postcard telling whom to write, and where."

The producer said the series will be syndicated around the world next year to about 70 nations, or roughly 50% of the children in the world.

"Big Blue Marble," which is offered free to stations as a public service by ITT (their only requirement is that the program be presented without commercial interruption), gets its name from the picture of the earth snapped from moon orbit by Col. Frank Borman in October 1968. When his space capsule pulled away from the earth and he got his first look at the planet from space, he exclaimed, "My God, it looks like a big blue marble!"

SCENES OF POVERTY

"The title gives the impression that the world's a big, beautiful place," said Fownes, "but it's not enough to show just the icing, the pretty parts of the world. On our series, we also go into the poverty, the anguish and the misery. We'll show, for instance, a poor shoe shine boy in Bogota, Columbia, and his struggle to exist. And we've done segments on blind skiers in Aspen."

Fownes said the aim of the series, which made its debut last September and was given a stamp of approval by Action for Children's Television, is to instill in youngsters a sense of understanding appreciation and tolerance for people, countries and cultures around the world. "If it does that, I'll consider the show a success," he said.

[From the Des Moines (Iowa) Register, Apr. 6, 1975]

"BIG BLUE MARBLE" FILMS WORLD'S CHILDREN

(By Jo Ann Levine)

NEW YORK, N.Y.—What can you do with a world that looks like a marble when seen from outer space?

Hold it close and warm in your hand, play games with it, discover what everybody else is doing with it.

That is just what "Big Blue Marble," the child-size name for the first international children's television series, does as it films children around the world telling each other how they live—and laugh.

Sandwiched between 10 hellos and 10 goodbyes in different languages, this 26-minute weekly program, uninterrupted by commercials, is in its first season on 120 stations in the United States.

Bob Garrison, the series' co-producer, says that Alpha-Venture, Inc., expects by the end of 1976 that "Big Blue Marble" will be syndicated to about 70 nations, or roughly 50 percent of the children in the world.

The series, which cost $3 million to research and complete 26 weeks of programing, is offered by International Telephone & Telegraph Corporation (ITT) as a public service to any station which agrees to offer it without commercial interruption.

The program has won a special citation by Action for Children's Television (ACT), a committee of concerned citizens privately monitoring and attempting to influence positively television programing for children.

Each program features children in three countries outside the United States and one segment on children in the United States. Each program also includes a section on how to make something, a folk tale, some jokes, and a pen-pal section.

One program starts with an animated skit: "Waiter, get me France," says one character. France lights up on a map while the characters explain that "France is between Spain and Germany." A nine-year-old girl talks about the sand yachts which her family race along Normandy Beach. Then the next segment is in Hong Kong, where a little girl named Carolyn takes viewers around her father's snake farm.

While Carolyn, another child, and the manager of the farm lug a python, Carolyn explains that the snake is so heavy it takes three people to carry it. After unpacking some elephant snakes, watching a cobra being milked, and noting that "snakes are good citizens," Carolyn confides that her father wants her to take over the farm some day. She isn't sure she wants to because "I may want to do something more unusual."

Viewers, who are expected to be from about 8 to 15, then are shown how to make designs with paint and potatoes before moving on to Holland where a miniature city called Madurodam is filmed in such a way that at first it appears to be regular size.

Other programs include a child milking goats in Switzerland, another working on a fishing trawler in Iceland, a 15-year-old girl from Virginia living with six other girls in a New York City penthouse while on a ballet scholarship, and a dog-training school in England where the teacher explains there are no disobedient dogs, only inexperienced owners.

Four crews travel around the world filming stories for the program which is edited in New York.

Clare O'Brien, the series' educational director, said that reactions from children indicate they are most interested when children do the talking, and that they enjoy watching children who are able to effect things on their own.

One teacher in California said, "Before the show, my class used the term, "foreign children.' After seeing several of the shows, they dropped the word, 'foreign.'"

[From the Newport News (Va.) Press, Mar. 27, 1975]

TV TRAPS CHILDREN, PRODUCER SAYS

(By Jo Ann Levine)

NEW YORK.—If adults had learned what Bill Bryan wants children to learn about watching television, they would keep it at a distance, move it out of the center of attention in a home, and be its master.

As producer of the local WCBS children's show "Patchwork Family," Bryan says that just because there is a block of children's shows running for six hours on Saturday does not mean that children are supposed to watch them all, or watch any indiscriminately.

"It is the responsibility of the parents to watch a program and to gauge that program either with or for the child," said Bryan.

The parents are the only ones who know the child. They are the only ones who know about the individual sensitivity.

"You have to say to the child, 'You have your viewing time (and I'm not the first one to say this). You can watch tomorrow from 8 to 10, it is an honor system.' You may even say, 'Make a choice (but try and keep an eye on it, too)."

To Bryan, a good children's show does not talk down to children, and it keeps a "certain removal of distance." It allows the child to be a more independent critic of what he is watching, rather than forcing him to look.

With "Patchwork Family" Bryan says he has tried to have a cast with a "Take-me-as-I-am quality," and no people who come on and act as "I'm going to make you love me, kids."

It is the forcing which he feels has pervaded children's television: "Tell Mommy you want those cornflakes." Or, "You'd better tune in tomorrow."

"That's one thing I like about public television," Bryan cautioned. "They have this quality of removal of distance—whether consciously or unconsciously, or whether it is innate good taste; they do less of it.

"Children are interested in any subject. I don't care what it is, as long as you gear it for their age and present it in an interesting way."

To help parents put television into perspective for themselves and their children, Bryan says:

"Television is not show business. It can be entertainment but it is not a consuming entertainment. How can it be when it is interrupted every 15 minutes by a commercial? Or when all of a sudden a slide says, 'We bring you a special news bulletin'?

"It is an informal device," he adds, "ana therefore it is due only part of your time. In the old days, the average American saw just over one movie a week. Why should you demand something great every night? It can trap you, so you have to maintain your own distance from it."

Asked if he would suggest that people take television out of their homes, he said quickly, "I know people who have done it and have been delighted with it."

Then after a pause, he added, "No, I don't think so, because I think television can be quite valuable and entertaining. It should be treated in a more casual way; it should be the raison d'etre of your evenings at home."

[From Grit, Apr. 27, 1975]

COURAGE ON THE SLOPES

(By Mike Lipman)

Vicki DeCastro has learned to ski pretty well on the slopes near Aspen, Colo.

That's not too unusual for a 15-year-old girl, except for one thing—Vicki is legally blind.

"I felt pretty good about getting up on skis," Vicki reminisced after a day on Buttermilk Mountain at Aspen. "That morning I fell a lot as I came down off Buttermilk. But by afternoon I had stopped falling. I had the most fun coming down the second time off the top of the mountain."

Vicki is from Sheridan, Wyo., and attends school in Colorado. That she and many other blind and partly blind youngsters and adults are learning to ski is the result of a program begun by another blind skier, Jean Eymere.

It all came about because Eymere refused to accept defeat when he became blind.

The story of the skiing experiences of Vicki, Eymere, and others will be told in an episode of Big Blue Marble to be shown later this year. The award-winning weekly television series geared toward youngsters eight to 15 is seen on more than 120 stations in this country and is scheduled to be shown abroad.

Eymere was a member of the French "B" Olympic ski team in 1956 and was the top downhill racer among European university students. In 1970, as a result of diabetes, he lost his sight.

Aided by a friend, Brian Webber, of Springfield, Mass., Eymere learned to ski all over again. Few would realize, as they watch him ski at Aspen now, that Eymere, 38, is blind.

Soon after he recovered his skill, Eymere got the idea that if he could be blind and ski, others could too. So in 1971 he created a program known as Blind Outdoor Leisure Development (BOLD).

He approached the Aspen Ski School and Aspen Highland Ski School with his idea. Both now furnish instructors at no charge for blind skiers. Lions Club International, whose projects often deal with sight, also supports the program.

The BOLD program, open to all ages, has spread from Aspen to Los Angeles, San Francisco, Detroit, Milwaukee, and Chicago. Eymere attends skiing clinics and provides instruction.

The first thing a BOLD ski student does is "see" the skis, boots, and poles by feel. Then come lessons in putting on boots and using the other equipment. Next, a student dons skis and learns to walk and slide.

In a one-to-one relationship, the instructor teachers the student how to position himself To do this, the teacher faces the student, sets him into the proper stance, and skis backward holding onto him.

After the student learns to get set, the instructor skis behind him with his arms wrapped around the novice and the latter's skis between his.

Then comes the big test—soloing. The student begins on the small hills, learns to snowplow (cross the skis to slow down or stop), uses the chair lift, and so on.

"Quite often, a blind student progresses quicker than a sighted person," said Eymere. The reason is that the blind student is not afraid, he said.

Eymere estimated BOLD has taught about 50 youngsters to ski since it was organized. Last year, blind youngsters learned to ski on 157 days at Aspen. The youngest was nine; another was a 53-year-old man just as enthusiastic as the youngsters.

For Eymere, who lives in Aspen with his wife, Wils, and their two sons, Oliver and Dominique, it's a case in which the blind leading the blind has produced remarkable results.

[From Teacher magazine, May-June 1975]

BEING 'CHOOSY' ABOUT TV

(By Kathy Sterling and Jane Cohen)

"BIG BLUE MARBLE"

For a documented trip around the world try "Big Blue Marble" (check local listings). Except for public broadcasting, this is the first regularly scheduled children's show uninterrupted by commercials (they appear in a block at the end of the show). Each show visits three countries, contains animated folktales, a "how to" segment and the special "Dear Pen Pal."

Students can participate in "Dear Pen Pal" by writing to: Dear Pen Pal, Box 4054, Santa Barbara, Calif. 93103. The letter must specify the country the child is interested in and whether he or she would prefer corresponding with a boy or a girl (Maybe they will change that with time and pressure.)

An international correspondence may start as a summer project but last for years. Discuss what your students want to learn from their pen pals. Can they locate their countries on a map? What can they share about their own lives? Have an international costume party and serve foods that originate in other countries. You might, for example, serve french bread and chili. Include songs in foreign languages.

Ask your school or local librarian for help with your research or call on the language teachers at the nearest high school or college. Above all, find out if any students have relatives who speak another language or can help with the food. Although the project is international in scope, don't forget to include your own community.

Special films and teaching aids for classroom use in connection with "Big Blue Marble" are available to teachers at a modest cost. For details and further information, contact: Alphaventure, 717 Fifth Avenue, New York, N.Y. 10022.

Enjoy your summer!

[From the Philadelphia Tribune, Apr. 4, 1975]

"BIG BLUE MARBLE" YOUNGSTER TOURS U.S. CITIES

Youngsters who enjoyed seeing 12-year-old Richard Ace, Jr. play the drums with his father's reggae band on a recent segment of "Big Blue Marble," the international children's television series, will get the chance to see Richard perform in selected U.S. cities.

The young and talented Jamaican is now making a cross-country tour with his Dad's band. They have been in Detroit, Chicago and Minneapolis.

Other cities lined up so far include: New York City, April 3-4, Indianapolis, April 2, Los Angeles, March 31-April 1. The rest of the tour is being arranged.

The "Blue Marble" segment in which Richard appeared was filmed in Jamaica as each program of the 26-week series features children in three countries outside the United States and one segment on children in the U.S.—showing how they live and laugh.

The series, which cost $3 million to research and complete 26 weeks of programming is offered by International Telephone and Telegraph Corporation (ITT) as a public service to any station which agrees to offer it without commercial interruption. In its first season it is running on 120 stations in the United States.

Bob Garrison, the series' co-producer, says that Alpha-Venture, Inc., expects by the end of 1976 that "Big Blue Marble" will be syndicated to about 70 nations, or roughly 50 percent of the children in the world.

The program is being considered for an Emmy nomination, has been named best new children's series by the Boston Globe and has won a special citation by Action for Children's Television (ACT), a committee of concerned citizens privately monitoring and attempting to positively influence television programming for children.

Each program of "Big Blue Marble" also includes a section of how to make something, a folk tale, some jokes and a pen-pal section.

"Big Blue Marble" is not designed to teach specific disciplines," says Clare Lynch O'Brien, the show's educational consultant. "Instead, it aims to increase awareness, familiarity and curiosity about all the fascinating things to be found in the world."

Four crews travel around the world filming stories for the program which is edited in New York.

In the segment in which Richard played his drums, the show sailed from Jamaica to the Sulu Islands in the Philippines to observe a 9-year-old who works on the village farm. Finally, castles, dragons, rabbits, frogs and Indians—all made from sand—were displayed at the Annual Sand Castle Contest in San Diego, Calif.

"Big Blue Marble" takes its name from the picture of the Earth snapped from Moon Orbit by Col. Frank Borman. It showed the world looking like a marble. The show is aimed at children 8–15 and special films and teaching aids are used in conjunction with the series.

[From the Pittsburgh Courier, Apr. 5, 1975]

New Sitar Star Is a Teenager

Indian sitar music, introduced to major U.S. audiences by Ravi Shankar and the Beatles, comes to the world of children's television on this week's "Big Blue Marble."

Fifteen-year-old- Rajesh Sanghi, a native of India's capital, New Dehli, is seen practicing the complex stringed instrument under the watchful eye of his guru, Ustad Amjad Ali Khan. During the five-minute segment, filmed on location, Rajesh also explains the instrument's history and plays a famous Indian classic.

Young Rajesh has been studying the sitar for three years. The instrument is difficult to play and requires spiritual discipline as well as musical skill.

BEGINNINGS

The sitar originated in India or Persia and probably was developed during the 13th century. It is used primarily to play classical music of India called "ragas."

The complex instrument has six to seven main strings, which the musician plucks with a wire plectrum, or pick, worn on the right forefinger. It also has 12 to 20 sympathetic strings, which are not plucked, but vibrate when the main strings are played. The sitar, usually made of wood, has a long, broad neck and a pear-shaped body.

The Indian musician, Ravi Shankar, ranks as the world's best-known sitarist. The Beatles and several other rock musicians in Western countries have adapted the instrument for several of their more spiritual music.

TO BALI

Also on "Big Blue Marble" this week, Balinese children dance the "trampong." The young dancers perform in Western costumes to the music of a Balinese percussion orchestra, called a "gamelan."

"The Moose's Coat," an old North American Indian story from Manitou, Canada, is this week's animated folktale. The story tells how the moose ended up with a baggy coat and ugly horns while the other animals were given different coats.

Finally, young Christie Rice of Florida tells about her favorite sport, tarpon and bone fishing.

FIRST WORLWIDE SERIES

"Big Blue Marble," the first worldwide children's television series, shows how children in different lands work, play, live and grow up. Presented without commercial interruption as a public service by International Telephone and Telegraph Corporation, the weekly series is shown on 120 U.S. commercial and educational stations. It is slated for international distribution later this year.

AWARD-WINNING SERIES

Action for Children's Television (ATC), outspoken consumer interest group concerned with quality children's programming, has honored the series with its "Achievement in Children's Television" Award. Also, the National Association for Better Broadcasting (NABB) has selected "Big Blue Marble" as the best new television series for children and teens.

The Christian Science Montor called "Big Blue Marble" a hit, and the hit, and the Boston Globe named the series the best children's show of 1974. "Big Blue Marble" is currently in contention for an Emmy Award as the Outstanding Entertainment Children's Series.

THE SOVIET UNION: AN ORCHESTRATED SOCIETY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MICHEL. Mr. Speaker, as Communist aggressors move to establish control over ever more nations of the world, it is useful to pause and consider just what kind of a society may be in prospect for the peoples who are now to be governed by Marxist doctrines.

In that regard, where better to look than to the granddaddy of all the Communist nations, Soviet Russia?

The Russian system, if it is nothing else, is just that—a system. Omnipotent and allpervasive, the Communist ideology permeates every aspect of life in the Soviet Union. Religion, home life, education, the arts and history alike are systematically controlled by the government, and orchestrated to produce the effect desired by those in charge.

In an era of détente, we should not forget that, not forget what it means to live in a Communist nation. Some incisive thinking on this subject was offered this week by the Peoria Journal-Star, which took an editorial look at Russian plans for the celebration of the 30th anniversary of V–E Day, and found much evidence of the sort of orchestration of which I speak.

The editorial makes good reading for all of us, and so I would ask that it be printed here in the Record:

Orchestrating Red History

The Soviet Union is staging the most grandiose war celebration of even its history of celebration to mark the 30th anniversary of what we call V–E day—the end of World War II in Europe.

It is a curious phenomenon that has raised eyebrows at the scope of these activities this year, an unprecedented avalanche of books, movies, TV shows, art exhibits, even an opera to mark this anniversary and glorify World War II.

It is another example of how the Soviet system makes a decision and then inundates all forms of expression including the "arts" to produce a propaganda deluge.

Then you wonder, why?

Because you know it is calculated.

That is a hard one to answer.

But the new demonstration of the massive size and comprehensive nature of Soviet control and guidance of all forms of expression also demonstrates one way in which it is used—they give their own calculated, unvaried version of "history" with more regard for Red propaganda than for accuracy or truth.

Hence, all this material treats the war as almost exclusively a Russian achievement, but also describes it as "a war begun by capitalists and ended by Communists."

In fact, of course, it was a war begun by National Socialists in close and secret alliance with Soviet Russia, herself.

What really happened was that Communist and Nazi negotiators reached a secret accord in Moscow even while the Soviets were stringing along an open show of "negotiations" with Britain and France for a common front.

That agreement guaranteed Hitler a peaceful eastern border for the attack on France, and the war actually began with east and west to divide Poland between them. (Plus the "gift" of Latvia, Lithuania and Estonia, which countries were snuffed out by Soviet armies as Hitler was snuffing out his targets.)

The partnership was a huge success in mutual conquests and they then began to discuss longer term plans for literally dividing the world.

Hitler urged Russia to take India for starters and to eventually gobble up Asia, while he concentrated on Europe.

They finally "fell out" because both wanted Greece, Yugoslavia and the Middle East. Hitler wanted it, looking back to the classic World War I alliance of Germany, Middle Europe and Turkey. Russia wanted the Dardanelles and full control of the Middle Eastern outlets from her Black Sea coasts.

They couldn't agree, although they got far enough along in scheduling the "digesting" of proposed step-by-step conquests to figure that after a considerable gap they'd be ready for the final assault in a new war in 1980—on the United States! (We were neutral at that time!)

(Details on this did not become available to us until we got the German records after World War II.)

With his easy victory in France and the gobbling up of all Europe, Hitler began to look upon his former partner-in-crime as a more tempting target and more dangerous neighbor than Britain. So instead of finishing the original job, he launched his surprise attack on Russia.

The record is clear of both Stalin and Molotov being horrified and explosive about this breach of faith. The German alliance with Japan, also secretly worked out, shook them even more until a brilliant spy let them know that Japan was far more interested in the rice bowl of Southeast Asia than in the Siberian steppes and war with Russia.

None of this, of course, is included in the great commemoration of their "Great Patriotic War", much less in the ideologic bunkum about a war "begun by capitalists and gloriously ended by the wondrous might of Communism."

In fact, it was a war born by "National Socialist" Germany and the "National Communists" of Russia.

It was the capitalists who re-armed Russia when she was flat and desperate, delivering the materials of war over whole continents from the south and through the oceans. And it was the "capitalists" who rocked German forces back hundreds of miles into Germany and then waited for the Russians to make it from the other direction—for weeks.

Sort of upside down history.

But that is a basic fact we can't afford to forget. There is no such thing as "free press" in any complete socialist system. Every means of expression is not merely controlled in the sense of censorship but actually directed by the government for the purposes of fact control and mind control of the people.

They don't just abridge liberty of expression. They orchestrate the arts, the entertainment, the news, the books, and everything to create whatever fake "truth" suits the purposes of the people in power in the Kremlin.

When investing useful facts to replace true ones is a way of life, and a daily "system", you have to be careful.

And you have to consider, also, what activities and what problems exist in this kind of system that require such total orchestration even after 50 years.

If their purposes are good and their system very successful, you would think they could relax a little bit at least.

Until they do, we had better be a bit less careless than we have been of late in just regarding these things as "another political system" and a "different culture" that "suits them" even if it wouldn't suit us.

It is neither a philosophy nor a culture.

It is a raw tool for power.

When power is the God, it is dangerous to forget that fact.

EXPLAINING CITY GOVERNMENT TO YOUNG PEOPLE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. RHODES. Mr. Speaker, Dorothy Theilkas, the chairman of the task force on Career Education Committee for the city of Phoenix Commission on Youth, has done a fine job of explaining local government to fourth graders in a pamphlet titled "Your City Government: Sanitation and Streets."

In her imaginatively illustrated pamphlet, Mrs. Theilkas systematically explains the sanitation and street operations of the city of Phoenix. "Wild Bill," a fictitious character created by Mr. Bill Keans who is now Phoenix's new cleanup symbol, introduces children to the sanitation inspectors and workers whose job it is to take care of the complex sanitation and street systems. The pamphlet impresses upon the young reader the importance of respecting the efforts made to keep the city clean and safe.

An example of Mrs. Theilkas' writing style can be seen in the following paragraph describing landfills:

> Every town and city must decide on the area that is best to dispose of its garbage and trash. The Sanitation Engineers and Department Heads study and plan for the best possible areas and how much the land will hold. Then the City Council decides where the landfills will be after they have checked all the facts and talked to the people who live near the fill. Also, our Parks and Recreation Department studies the landfill plans too. Because, when they are filled in we make them into parks, playgrounds, bike trails, and just wonderful green areas around the City.

Nearly everyone would concede the importance of educating our young people about how their government works, at all levels. Mrs. Theilkas' highly successful attempt at explaining city government to young readers in Phoenix can hopefully be emulated by other cities.

SPELLING IT OUT

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. GUYER. Mr. Speaker, with the fall of South Vietnam, Cambodia, and now Laos, together with anxiety and fear in the hearts of those who feel they may be next, it is imperative that the United States disengage itself from discussions of who should wear the mantle of shame or blame, and rid itself of self-flagellation.

In the wake of the seizure of the unarmed merchant ship, the *Mayaguez*, in the Gulf of Siam by the crew of a Cambodian gunboat, the eyes of the world, not just those of America, are on us.

Just this week, my hometown newspaper, The Republican-Courier, in Findlay, Ohio, published this editorial:

> SPELLING IT OUT
>
> Ever since Cambodia and South Vietnam have "gone down the drain," there has been a great deal of talk about reassessing U.S. policy here, there and everywhere. We would like to suggest one place, Korea, and just what can be done there to ease any situation in the future.
>
> Why Korea? The answer almost jumps at anybody who looks at a map. It is the only remaining nation on the Asiatic mainland in which we have any vital interests. And almost next door to Korea is Japan.
>
> It can be said with certainty that the U.S. has some type of commitment to the South Koreans. What should be done now, we feel, is for that commitment to be stated publicly, so that no question remains, and for the President to say bluntly whether or not we intend to fully honor that commitment under any and all conditions.
>
> One of the tragedies of Vietnam was that the whole mess grew and mushroomed over a space of years under several different Presidents and different Congresses. As a war, it went nowhere because we never intended to "win" in the military sense of the word.
>
> Finally, under clouds of doubt, uncertainty and lack of support from the people, the whole thing collapsed. We accepted a ceasefire that nobody expected would work. And now South Vietnam is gone.
>
> This need not happen to Korea. What we should do now is tell everybody in the world exactly what our intentions are and just what we will do if Korea is attacked.
>
> It should not be necessary to get "eyeball-to-eyeball" with the Soviet Union or the Peoples Republic of China before they understand just what they are up against.
>
> Most of all, by laying it on the line now, the President will find out quickly just what the American people think about the situation. If they approve, fine. If not, adjustments would have to be made. We should never again get into any Vietnam-like situation without overwhelming support of the people.
>
> In the meantime, let's put our cards on the table. There is no room for miscalculation.

Mr. Speaker, it is small wonder that the people of Korea look to the United States for some word of reassurance that we will seal our words with our deeds.

On May 10, an estimated 2 million persons gathered in Yoido Plaza, Seoul, Korea to cheer and proclaim their support of Korean President Park Chung Hee in his negotiations with President Ford and this Congress.

This rally was the Korean manifestation of asking the United States if we in fact will honor our commitments to South Korea. In the same spirit, the rally warned Kim Il-Sung, the North Korean leader, not to confuse South Korea with South Vietnam or Cambodia in strength or courage.

They let it be known that Korea is not built for jungle warfare, nor does it lend itself to undetected guerilla approaches which worked to the advantage of the Vietcong and the Khmer Rouge in the fall of Vietnam and Cambodia.

Even the opposition group, the New Democratic Party, certainly no endorser of President Park under other circumstances, gave firm support to the President in his measures of security and surveillance of Communist activities and checking the flow of capital out of Korea.

When their country's freedom is at stake, the Korean people back their brave and determined President. They may not always agree with his policies, but they stand together when their country is in jeopardy.

Mr. Speaker, many people here and abroad wonder how we regard Korea. Scattered criticism of President Park's administrtion is frivolous and untimely in the face of the greater issue of survival and alliance. It seems no time to be sitting in judgment of cosmetic procedures of an internal nature, at a time when other dominoes may tumble as did South Vietnam and Cambodia. Remember, Mr. Speaker, civil rights in Saigon are gone for good, not a few of them but all of them.

It is perilous to rely upon some Tooth Fairy to bring about a Shrangri-la of ideal democracy in Korea and place it under our pillows while we sleep and rest from our recent harrowing experience.

If Korea goes, where will the next stand take place? If Japan, why not Korea, where and when it still counts.

If Korea and Japan join the conquered countries, shall we say Alaska is far, far away from the predators?

The American people are tired of war and weary of heartbreak. We never again want to go through the nightmare of that tragic entanglement in Vietnam that took so many, cost so much, and left so little. I am confident we neither want another war, nor are we inviting one.

There is no such thing as a fortress America. There may never again be such a thing as safety on this Continent. The time of sleep is over and the time for decision is already at hand.

One of my distinguished friends, Korean-born Dr. Hancho C. Kim, in an article—editorial in the New York Times of Wednesday, January 8, 1975, and another in the Washington Star of Sunday, April 27, 1975, declared that we can neither let down the regime of President Park nor take on a war of attrition anywhere at this present time. As Dr. Kim puts it:

> We are too weak to be anything but strong. Like it or not, we must pick our line of outposts once again because that is the way of the world. And having chosen it, we must in our weakness be prepared to stand upon it, beyond that weakness, with all the strength we know we have. If we do that, we may not have to do anything more. Korea

is our symbol of symbols, our own strong line of defense, governed by a capable, courageous, and determined man, Park Chung Hee. When we draw that line, we know that in President Park, we have a strong right arm on our side.

Mr. Speaker, we need not fear slipping into another war by daring to speak up and stand up at a time so many eyes look to us for leadership and so many ears are cupped to hear words of assurance.

We in the United States are not the warlocks, nor are we the marauders. We now more than ever want to be the architects of a true and lasting peace. But, we will not fulfill that dream unless we manifest strength and loyalty to those principles and bonds that have made us the greatest nation on Earth.

Mr. Speaker, let one and all know that it is the eagle that is our national symbol, not the chicken.

A SENSELESS DISPLAY OF POWER?

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. YOUNG of Georgia. Mr. Speaker, this Nation has just recently extricated itself, on the eve of its 200th year as a Republic, from a tragic involvement in a distant land. It was a war to no avail and no purpose, a war which wrenched apart the very sinews of our nationhood for more than a decade.

A new government, formed as a result of our mistaken steps in Southeast Asia, but as untried as the new republic of 200 years ago and as uncertain in its halting steps toward mature statecraft, seized a U.S. merchant vessel. Our President has just responded today to this act with an unparalleled assertion and application of U.S. military power.

Let my colleagues of this House, Mr. Speaker, read the text of a most important message sent on behalf of the churchmen of our Nation, those keepers of the conscience, and the beacons of our national shame:

TEXT OF TELEGRAM TO PRESIDENT FORD

My conscience requires me to make the following statement for communication to the members of the United Church of Christ and to the public at large:

If the United States is to have one shred of moral integrity left to it, we, the people of this country must rise up and denounce our government's senseless use of military force against Cambodia. There is no justification for using force of arms to solve a problem that could be handled in a civilized manner through diplomatic channels and the force of world opinion. It is imperative that each of us demand an immediate end to the attacks being made by our armed forces in Cambodia. Even now we should utilize the United Nations and any other diplomatic channels that are open to Cambodia to redress the actions of the President and his military advisers which have placed this nation in an untenable situation.

ROBERT V. MOSS,
President, United Church of Christ.

HOW MUCH PROGRESS HAVE BLACKS MADE?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. RANGEL. Mr. Speaker, while the average American is currently feeling the recessionary crunch as we approach the Bicentennial, the average black American has consistently suffered economic recession, if not depression, irregardless of the health of the economy. Although we are fully aware of this imbalance, there is a much more stubborn force that maintains and perpetuates these inequities. Therefore, the progress that is thought to have been made by blacks in this country, is not really progress at all, as statistics continue to show that the discrepancy between white and black attainment continues to grow.

Our distinguished colleague, the Honorable WILLIAM L. CLAY has addressed this problem in a recent column in the Boston Globe. I would like to share it with my colleagues at this point in the RECORD:

HOW MUCH PROGRESS HAVE BLACKS MADE?

(By WILLIAM L. CLAY)

Many blacks, to remain sane no doubt, grow up in America believing that discrimination and inequality illustrate nothing more than a long-term historical event. Slavery, then emancipation; segregation, then a successful civil rights movement. Progress? Doubtless. But coming down from our euphoria, we've learned in the last eight years or so that some of the problems are a great deal more intractable (if soluble at all) than those mere legal barriers to fundamental civil rights.

Beneath that thin layer of courts and legislatures lies the whole American institutional infrastructure, resistant and poisoned to the core—universities and public school systems, businesses, city halls, labor unions, families and neighborhoods, police departments, fire departments and on and on. The results are socio-economic statistical measurements that show our relative status in America as largely unchanged.

Let's look at the most recent record in the salient categories:

Income: In 1973 the median income for white families in America was $12,600. For black families it was only $7270. From 1969 to 1973, the median income for white families grew. For black families, it did not, meaning the income differential is widening, not narrowing. (Other evidence suggest it has widened still more since 1973.) Even the much sought after college degree has given false promises. In 1969 a black with four years of college made $8715, a mere $102 more than a white with four years of high school. The white college graduate made over $11,000. It's no small wonder then that in 1973, 31.4 percent of all blacks found themselves below the low income level of $4540, a plight endured by only 8.4 percent whites.

Employment: In a trend that has persisted in an even trajectory since the Korean War, blacks and other minorities are twice as likely to be unemployed as whites, black teens over 2½ times as likely as white teens. However high the overall rate is, the American formula instructs us to double it for the black rate.

Education: In 1973, 8.3 percent of blacks between 25 and 34 had completed four years of college. For whites, the figure was 19 percent.

Family: Between 1965 and 1974, the proportion of black families headed by a woman rose from 24 to 34 percent. Among white families, only a slight increase was registered—from 9 percent to 10 percent.

Housing: In 1970, 23 percent of the 6.2 million housing units occupied by blacks were classified as "substandard." The corresponding white rate was only 7 percent.

Health: For the last two decades, the infant mortality rate for blacks has been approximately double the rate for whites and black mothers still die in childbirth at about five times the rate of their white counterparts. But if we have a harder time coming into this world, we have an easier time going out. Among blacks, the average life expectancy is now 69.3 for females and 61.2 for males. Corresponding figures for whites are 75.6 and 68.3 years, a better than six-year differential.

These are the real indices of residual racism and stubborn inequality in America today. And if the barriers are less visible they are indeed more damaging to our psyches and material welfare precisely because they are less visible.

It would appear that, the great victories taken into account, black Americans have little to celebrate in this nation's Bicentennial.

DEFICITS DESTROY JOBS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ASHBROOK. Mr. Speaker, today the House of Representatives adopted a budget that calls for a $68.8 billion deficit for the next fiscal year. This would be the largest deficit in our Nation's history.

Liberal economic theorists argue that such a large budget deficit will stimulate the economy and produce jobs. In reality, however, large deficits destroy jobs.

Why is this so? Deficits must be financed. Simply stated, financing takes place by printing more money, borrowing more money, or a mixture of both.

Printing more money with no backing leads to greater inflation and higher prices. Federal Government borrowing results in crowding out others who are trying to borrow. This harms industries like construction which are so dependent on credit.

When the Government has to borrow more and more, it crowds out mortgage money. Money and resources are taken from mortgages and construction loans for homes, and commercial and industrial building.

It has been estimated that for every $10 billion the Federal Government borrows, 500,000 new housing starts cannot begin due to lack of mortgage funds. This lack of housing starts results in the direct loss of over 1 million jobs and the indidect loss of over 2 million more in affiliated industries. The construction industry depends on supplies made by numerous other industries—from plumbing equipment to paints to nails to electrical appliances.

In a recent advertisement the AFL–

CIO leaders state "Borrowing money is part of the American way of life." But everyone knows—particularly the rank-and-file worker—that when you borrow too much you get overextended. The result is bankruptcy.

Unfortunately, that is where our country is heading—toward national bankruptcy. And the bigger deficits are only speeding that along—at the cost of jobs and production.

It was indeed unfortunate to read AFL–CIO President George Meany's statement yesterday calling for not a gigantic $68.8 billion deficit out $100 billion. That is totally irresponsible and does not represent the thinking of rank and file union members whose jobs are already threatened by inflation and Government bureaucratic program which destroy their jobs.

FOCUSING ON THE MALPRACTICE CRISIS

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HASTINGS. Mr. Speaker, our colleague, Congressman H. John Heinz III, of Pennsylvania, who serves with me on the Public Health and Environment Subcommittee of the Interstate and Foreign Commerce Committee, recently addressed the Pennsylvania Medical Society in Harrisburg.

Mr. Heinz urged strong and quick State legislative action to avert the medical malpractice crisis, and also urged the medical profession to move boldly to sweep clean its ranks of incompetent or negligent physicians.

I insert the text of Mr. Heinz' thoughtful remarks to be included in the Record:

Focusing on the Malpractice Crisis

A generation ago, a Congressman invited to speak to a group of medical leaders about national legislation and the health care system wouldn't need much time. He could talk about the Public Health Service and the Indian Health Service, or the National Institutes of Health and Federal biomedical research efforts—but there wasn't much more than that. He could probably say everything that needed to be said about all the Federal health programs, shake hands, and leave within minutes.

But this generation has seen a near revolution in national health legislation. We could easily consume the entire morning discussing just a few of the recent Federal involvements in health.

Last December, for example, Congress enacted the new Health Planning and Resources Development Act—perhaps the most important health legislation since medicare;

Health manpower education and training still lingers in Congress, the focus of efforts by some to enact what amounts to a universal doctor draft—a highly controversial proposal of questionable constitutionality;

Several Members of Congress have proposed amendments to broaden medicare and medicaid coverage—including a suggested adoption of a Federal catastrophic illness benefits program.

We could spend the entire day exploring proposed amendments to PSRO—or some of the various health care regulation schemes floating around Congress disguised as national health insurance bills.

But in the little time I have this morning, I would like to focus on a problem in our health care system that I know concerns each of you deeply—the crisis in medical liability insurance protection. Unlike many politicians these days, I am not here to urge Federal intervention to solve this problem. I think Congress intervenes all too quickly and all too frequently in problems that can be solved elsewhere.

Instead, I'd like to tell you why everybody would be much better off if Congress stayed out of this mess known as the medical malpractice crisis.

I am not denying that a real crisis exists. There can be no doubt about that. You have experienced explosive increases in malpractice insurance prices, with Pennsylvania physicians facing increases of up to 250 percent and individual premiums as high as $15,000 or more. Now, on top of these gigantic jumps, 4,000 Pennsylvania doctors are threatened with loss of all insurance coverage on December 31, 1975. They have no place to turn for necessary liability protection.

The effects of soaring premiums are already showing up . . . as they must . . . in higher medical bills to the patient. One example in Illinois is particularly disturbing. A hospital—as the result of a 500 percent increase in liability insurance premiums—charges $12 per bed per day just to pay for that protection. HEW Secretary Weinberger estimates that increased premium costs, when combined with the higher costs of the defensive medicine practiced by wary physicians, could total as high as $7 billion per year.

But while higher costs can be passed on, loss of insurance—now threatened in some states such as ours—would be simply devastating. Doctors would cease the practice of medicine since any uninsured medical action could result in a bankrupting personal injury claim. In Pennsylvania, we could lose 20 percent of our physicians at the stroke of the new year. Care would simply not be available for two to three million Pennsylvanians.

Even short of total loss of coverage, the medical liability insurance crisis further exasperates the current maldistribution of medical care. Some doctors have retired early rather than keep part-time practices requiring insurance premiums identical to those of a full-time practitioner. Similarly, women physicians with young children may not practice at all during child-rearing years when faced with a steep premium. And still other doctors may practice where insurance is available at a lower price, rather than where their services are most needed.

Still another possible development would be the avoiding by doctors of certain high-risk medical procedures which, while of potential help to a patient, might also result in a malpractice suit.

Clearly, there is no disputing that a crisis is upon us. Not only are costs of insurance soaring but the very availability of care is threatened as well.

The need for action is quite clear. In the short run, we must assure that insurance coverage is available to all physicians and hospitals. In the long run, the number and size of injury claims requiring compensation must be controlled. But to do so, we must first identify and treat the causes of this crisis. Only then can we determine not only what should be done but just as importantly, which level of government should act.

Many problems have been identified as contributing to the malpractice mess. For instance:

The increasing frequency of personal injury suits of all kinds—we have become a litigation-oriented society that sues at the drop of a scalpel.

For another, Americans' expectation of medical care approaches a standard of perfection. Oversold on the benefits of medical technology, we fail to recognize the complexity of medicine and the risks of failure, and in some cases, the injuries that can occur where neither negligence nor incompetence is a factor.

For a third, the traditional physician-patient relationship has been modified. We live in a highly mobile society with highly specialized medical care. As a result, health care is less personalized than it once was. Since people are more likely to sue strangers than old and trusted friends, little wonder that malpractice claims have increased.

All these factors relate to the medical system. Various studies have identified several features of the legal and insurance systems that may encourage suits, increase the size of claims or make defense against them difficult if not impossible.

What is the remedy? Legislative proposals have been offered:

That would amend the statute of limitations laws that allow claims to be made decades after an alleged injury is suffered. The lengthy delays now allowed in filing claims, make a defense virtually unconstructable.

That would modify the doctrine of informed consent which burdens the doctor with the nearly impossible task of explaining virtually every medical procedure and its potential risks.

That would place ceilings on size of claims to be paid.

That would regulate by a sliding scale the size of contingency fees paid to a plaintiff's attorney.

And that would test alternate systems for compensating those injured by medical malpractice and maloccurence. These alternatives—of which we presently know very fittle, include mandatory arbitration and the much acclaimed but virtually untested "no-fault" approach.

Some of these steps need to be taken—and soon. But I see no reason why they should be taken by the Federal government. The crisis is not nationwide. The availability of medical liability is not a problem in every State. Approximately half the States are not experiencing significant problems—and for the majority, the difficulty is one of the cost of the insurance, not its availability. In only seven States or so is there an imminent threat of loss of coverage.

TRIBUTE TO KENNETH B. KEATING

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. BELL. Mr. Speaker, I would like to join my colleagues who paid tribute last night to Kenneth B. Keating. I too was saddened to learn of his death.

As a public servant, Ken Keating distinguished himself in all three branches of the Government: as a Member of both the House and the Senate, in the New York Court of Appeals, and as Ambassador to India and Israel. I recognize Ambassador Keating's diverse contributions to the State of New York and to the Nation as a whole, and I am grateful for his dedication. Kenneth Keating's leadership will be sorely missed.

HUBERT ALBERTZ—FREEDOM FIGHTER

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DICKINSON. Mr. Speaker, Hubert Albertz is a little, ordinary man. Little in size—he is only 5 feet, 4 inches. Ordinary in terms of his employment—a building supervisor, or janitor, if you will. But measured in integrity, courage, and dedication to a cause in which he believes, Hubert Albertz stands more than 10 feet tall.

A Belgian immigrant, Hubert Albertz came to America like so many millions—looking for freedom—a chance to work and make his own way. Instead, he found compulsory unionism. He has spent almost half of his more than 70 years doggedly and determinedly fighting it.

It all began in 1947, when Hubert Albertz had the audacity to openly question a proposed dues increase in a meeting of his AFL-CIO Service Employees' Union Local 32E in New York City. He just wanted to know how the union funds were being used. For this he was hounded out of his union, out of his job, and out of his home.

Forced to move to an another section of New York City, Hubert Albertz began a tireless effort for reinstatement in his local union that has continued to this day. He has had some success in that, for pension eligibility, the union has assigned him to another local. But Hubert Albertz will not rest until he is completely vindicated and reinstated in his original local—32E.

Last Friday night Hubert Albertz's long fight—his years of harassment, frustration, and suffering—were finally recognized by at least one group of Americans who know what compulsory unionism can do to a man. The National Right To Work Committee selected Hubert Albertz for its highest honor—the John Seeley Memorial Award.

Like Hubert Albertz, John Seeley knew what freedom means. So strongly did he oppose compulsion that he gave up his job of 27 years, rather than pay dues to a union he felt was not representing the workers' interests. The award is presented annually to the person most clearly emulating the qualities of leadership, integrity, and dedication to the right-to-work principle which marked Seeley's lifetime.

The National Right To Work Committee could not have made a better choice. John Seeley and Hubert Albertz—freedom fighters.

MAGNETOHYDRODYNAMICS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. EVINS of Tennessee. Mr. Speaker, as this Nation faces potential energy shortages, the necessity of finding alternative methods and more efficient means of producing electric power is becoming increasingly important.

The scientific community is conducting research into various potential sources of energy which holds great promise for the future. One of these promising new methods is magnetohydrodynamics—MHD—a process of producing electric power by burning coal some 30 times more efficiently than present methods.

Research on MHD has been carried on for years, but as funding has increased in recent years, scientists are encouraged by the results. I am pleased to report that a major portion of the MHD research is carried on in the great Fourth Congressional District of Tennessee, which I am honored to represent in the Congress.

Two facilities in Tullahoma, Tenn., are carrying on cooperative research in this area. Certainly I support and commend this work which is continuing at the Arnold Engineering Development Center and the University of Tennessee Space Institute.

This research is certainly in the national interest and the Nation looks forward to continued progress.

I have recently been provided with a report prepared by Dr. Harold L. Falkenberry, Chief, Power Research Staff, Office of Power, Tennessee Valley Authority, concerning the research currently underway at UTSI.

Because of the interest of my colleagues and the American people in this most important subject, I place the report herewith in the RECORD.

The report follows:

TVA's Construction of MHD for Power Generation and the Importance of MHD Development at UTSI

1. The attraction of combined MHD/steam cycle power plants lies in the ability of such systems to provide improved thermal efficiencies over conventional steam plants. Such improvement in turn, would yield reduction in thermal pollution and reduction in fuel requirement (thus permitting us to conserve our domestic fuels and reduce our dependence on foreign oils). Furthermore, the inherent ability of the MHD generator to control sulfur emissions and the potential capability to burn coal directly could provide utilities with an attractive means to utilize this Nation's vast coal reserves—provided, of course, that technical problems facing MHD applications can be solved and that the power plants that eventually evolve are economically viable. The potential of using coal or coal products without prior purification seems to us the primary advantage of MHD over competing advanced energy conversion systems. We believe the work at UTSI addresses itself to the first steps in the development of this potential.

2. We have noted the developments of the UTSI MHD program with much interest over the past three years and have been encouraged by the experimental results thus far. We are particularly pleased with the findings that direct coal combustion in MHD generators appear technically feasible.

3. Since the beginning of the UTSI MHD development program for power plant applications, TVA has contributed a total of $100,000 toward this program. We also continue to provide the required pulverized coal for test operations. The Power Research Staff has maintained a close working relationship with the program activities and has provided advice and perspective, much of which has been accepted in establishing the basic scope and objectives of the program.

4. In January 1975, UTSI began a new three-year contract term with the Federal Energy and Development Administration (ERDA) in which substantially larger-sized equipment than presently used will be built and tested and in which a superconducting magnet will be acquired to conduct tests with substantially higher magnetic fields.

5. Sufficient ERDA funding is presently available and it appears that ERDA intends to continue full support of the UTSI effort. Therefore, TVA or other utility financing appears not to be required nor has it been sought thus far. It is expected, however, that as the national MHD development program proceeds to construction and operation of larger test facilities, the utilities will be asked to provide a site and supporting services.

6. We have been informally discussing with Dr. John Dicks at UTSI the possibility of TVA's providing a site at one of our power plants for any future test facility. We believe this arrangement would have a number of advantages and would help encourage the location in Tennessee of work associated with a subsequent pilot or demonstration plant. We plan to continue to discuss these possibilities with Dr. Dicks.

7. Despite the technical program that has been achieved in MHD thus far, we recognize that MHD is still in the early stage of development and that a substantial engineering effort must be undertaken before MHD could become a commercial reality. Preliminary estimates by ERDA, for example, place the operations of a demonstration plant no earlier than about the end of the 1980's. Therefore, the plans by electric utilities for power plant expansion for the next 10 to 15 years, must of necessity, include power generation systems other than MHD.

8. We are maintaining a role in the planning of a national MHD development program by active participation in an industry committee that oversees the funding of MHD by the Electric Power Research Institute (EPRI) and that assists in coordinating MHD program plans between EPRI and ERDA. Specifically, TVA is represented by a member that chairs the MHD Working Group of that committee. Our participation in this group and other task forces that review and provide recommendations on MHD program matters has allowed us to keep a current awareness of the progress and further needs of all major MHD development efforts.

9. It may be noted that through the then Manager of Power (TVA), Mr. G. O. Wessenauer, TVA was represented in the first Federal board to review the status of MHD and to recommend the course of future MHD development for power plant application (see OST report).[1]

10. Also, in recognition of the need for

---

[1] "MHD For Central Station Power Generation: A Plan for Action," prepared for the Executive Office of the President, Office of Science and Technology by Panel on Magnetohydrodynamics (MHD), June 1969.

more advanced MHD development at UTSI, TVA submitted an MHD program proposal to Dr. Dixie Lee Ray in 1973 for consideration in her five-year national energy R&D program to the President. The scope and objectives we had outlined therein are basically identical to those now contained in the recent UTSI/ERDA agreement.

MARXISM - LENINISM - MAOISM-ARTHUR KINOY THOUGHT: THE NIC, PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in my extension of remarks on May 13, 1975—pages E-2397-8—I developed the background material on the origins of a new revolutionary Marxist organization, the National Interim Committee for a Mass Party of the People or NIC.

As you will recall, the NIC leadership staged a so-called "celebration" on Sunday, May 4, in Lafayette Park just across the street from the White House. The NIC's rally was to honor the victory of the bloodstained Communist conquerors of South Vietnam.

This was, as far as I can determine, the first public demonstration of any note or size by this new revolutionary organization.

Founded by Arthur Kinoy, who wrote in his monograph on the mass party of the people that this revolutionary movement draws its "inspiration and courage from contemporary struggles of the Vietnamese, Cuban, and Chinese peoples," the NIC is building a revolutionary socialist political party on a nationwide basis.

The NIC three prime reasons for organizing a new radical political party: First, the political party is the traditional American form for seeking to take and hold political power; second, political campaigning provides a useful propaganda tool for indoctrinating the public; and third, the important practical consideration that the "traditional legitimacy" of the political party gives it the ability to "maintain its legality and ability to function openly as long as possible" before revolutionary armed struggle tactics are used.

Mr. Speaker, here we have yet another example of a revolutionary cabal seeking to manipulate legal loopholes and our constitutional respect for the political process and the right to dissent in order to prepare for an armed takeover.

Let us examine the NIC's statement of political purpose, a pamphlet entitled "An Open Letter to Activists and Organizers of the Past and Present on the Need for a Mass Party of the People."

The open letter states:

> The National Interim Committee for a Mass Party of the People was formed in September 1973, at a meeting of people from different parts of the country. For several months before, there had been informal discussions about the possibility and necessity of moving in the direction of organizing a new, broad-based party of the people.
>
> We felt it was critical to involve in such discussions as many people as possible from different sectors of society before taking any formal steps. Therefore, it wasn't until June 1974 that we called an enlarged Interim Committee meeting to discuss a first statement of the political principles which unite us. This statement, the Open Letter, comes out of the discussions at that meeting. Many of us who have signed it were at the meeting.
>
> * * * overall it represents our best efforts so far to state our basis of agreement, from which we can move on together.

Open letter plainly states that the goal of the NIC is a "dictatorship of the proletariat," page 7:

> Such a party would have as its fundamental program for this era the transfer of power from the capitalist state and the corporations to the people.

After explaining the legal advantages of using the organizational form of a political party, the open letter moves into a diatribe against the free enterprise system.

The NIC calls for a new social system in which, if its conditions were met, the family would be destroyed and children raised communally by strangers. As a corollary to the call for the induction of women into the working masses of the future socialist state, the NIC promotes homosexuality under the guise of "freedom of sexual orientation" as a "basic freedom we must affirm and struggle for as an important part of human liberation."

As did the Weatherman faction of SDS, the White Panther Party and the drug-crazed Yippies, the NIC seeks "to develop a culture of resistance to capitalist oppression. It must challenge the individualistic and bourgeois attitudes which are fostered by capitalist society." And the NIC, as do the alternate culture freaks, looks to the "traditions and survival cultures of the Native Americans, blacks, Puerto Ricans, and Chicanos" in developing its new "culture of resistance."

The National Interim Committee for a Mass Party of People exhibits an extreme hatred for America and dedicates itself to overthrow and destroy this country. When the NIC states its mass party of the people must engage itself in "struggles in every area," must prepare for "militant mass intervention" in alliance with international revolutionary struggles, and must "organize appropriate forms in the development of these struggles to overthrow and destroy imperialism," the NIC is clearly talking about using "armed struggle" tactics whenever it feels the time is ripe for it.

The relevant passage from Open Letler—pages 16–17—reads:

> "The party of the people will be totally dedicated to the destruction of imperialism at home and abroad. The main enemy of millions of people engaged in life and death struggles from one end of the globe to the other is U.S. and world imperialism. The party must not only organize support for these many liberation struggles which are shaking the very foundations of imperialist rule, it must be prepared to open within the imperialist country itself struggles in every area against those policies of the imperialist ruling class which perpetuates its domination around the world. * * * events are exploding which require and will continue to require militant mass intervention by the people internationally. A party of the people, built in the homeland of the most powerful imperialist rule, must as a basic and fundamental aspect of its purpose help organize appropriate forms in the development of these struggles to overthrow and destroy imperialism as a world system of exploitation.

Further to the theme of NIC support for armed struggle against our Government, the NIC Newsletter, reported in March 1975, of a problem concerning the political stance of NIC member David Dellinger.

Dellinger, who described himself in an SDS Radical Education Project brochure in 1969 as a "Communist, although not of the Soviet variety," came under fire from the NIC because he refused to sign the Open Letter. NIC explained:

> He is in basic political agreement, but didn't feel he could sign because of a couple of formulations; e.g., implied agreement with the necessity of armed struggle.

Since Mr. Dellinger participated in the "expanded NIC meeting" held at Antioch School of Law here in Washington over the weekend of May 2–4, 1975, and participated as a speaker in the NIC's "victory celebration" for the Vietcong, it would appear that he has managed to "resolve his contradictions."

For the information of my colleagues, the published signers of NIC's Open Letter include:

Mark Amsterdam—N.Y.C. (National Lawyers Guild and Center for Constitutional Rights).

Peg Averill—political artist, Washington, D.C. (former Kent State antiwar activist).

Sally Avery—New American Movement, Durham, N.C.

Ella Baker—N.Y.C.

Norma Becker—War Resisters League, N.Y.C. (Fifth Avenue Peace Parade Committee).

Henry Beitscher—Philadelphia, PA.

Shepard Bliss—Cambridge-Goddard Graduate School, Cambridge, MA.

Krista Brewer—*The Great Speckled Bird*, Atlanta, GA.

Owen Brooks—Greenville, MS.

Al Brotsky—National Lawyers Guild, San Francisco, CA.

Leonard Calabrese—Radical Historians, Chicago, IL.

Joe Carnegie—Fight Back, N.Y.C.

Charles Cassell—Organization for Political Equality Now (OPEN), Washington, D.C.

Virginia Collins—Southern Conference Educational Fund, New Orleans, LA.

Walter Collins—Southern Conference Educational Fund, Louisville, KY.

Rhonda Copelon—N.Y.C. (National Lawyers Guild and Center for Constitutional Rights.)

Benito Diaz—Adams-Morgan Tenants Union, Washington, D.C.

Brian Doherty—Bread & Roses Music Collective, Washington, D.C.

Joan Drake—Lancaster Bail Bond Project, Lancaster, PA.

Janet Gallagher—Brooklyn, N.Y.

Ailleen Goodwin—Socialist Education Center, Chapel Hill, N.C.

Ted Glick—Committee to Support Puerto Rican Independence, Washington, D.C. (former Harrisburg 8 defendant indicted on kidnap-conspiracy charges).

Bob Greenblatt—Brooklyn College, N.Y.

Jim Haughton—Fight Back, N.Y.C.

Moses Harris—Black Economic Survival, N.Y.C.

Dorothy Healey—New American Movement,

Los Angeles, CA. (former chairman of the Communist Party of Southern California).

Robert Hinton—D.C. Statehood Party, Washington, D.C.

Barbara Honig—Peace & Freedom Party of California, Los Angeles.

John Horton, Union of Marxist Social Scientists, Los Angeles.

Carol Horowitz—National Prisoner Project [of ACLU], Washington, D.C.

Charles Horowitz—Washington, D.C.

Andrei Joseph—Mission Hill Health Movement, Roxbury, MA.

Michael Kane—Boston, MA.

Alice Keller—Chicago Women's Liberation Union, Chicago, IL.

Arthur Kinoy—N.Y.C. (National Lawyers Guild and Center for Constitutional Rights).

Nancy Lessin—Health worker, Roxbury, MA.

Bob Lewis—N.Y.C. (National Lawyers Guild and United Electrical Workers).

Staughton Lynd—Chicago, IL.

Carl Marzani—Veterans of the Abraham Lincoln Brigade, N.Y.C.

Alan McSurely—AFT Local 2322 (AFL–CIO), Washington, D.C.

Don Miller—Southern Conference Educational Fund, Jackson, MS.

Miles Mogelescu—New American Movement, Minneapolis, MN.

Bill Munger—Socialist Party, U.S.A., Washington, D.C.

Gail Pressburg—Philadelphia, PA.

Ro [Rosemary] Reilly—N.Y.C. (former staffer of NLG's Coalition to Stop Guard Jury Abuse).

Ron Ridenour—ACLU of Southern California, Los Angeles (and in 1969 a member of the CPUSA's Southern California Student Club).

Lilian Shirley—Cambridge, MA (formerly an organizer for the Harrisburg Defense Committee).

Fred Solowey—National Lawyers Guild, Washington, D.C. (formerly with the Harrisburg Defense Committee).

Vivian Stromberg—Teacher Action Caucus, N.Y.C.

Ray Sundance—Berkeley, CA.

Barbara Webster—N.Y.C. [Mrs. Arthur Kinoy]

Burton Wechsler—National Lawyers Guild, Washington, D.C.

John Welch—New American Movement, N.Y.C.

Howard Zinn—Newton, MA.

Rosyln Zinn—Newton, MA.

In January, 1975, the NIC Newsletter reported on the advances it had made in developing its "mass party." Replete with the usual New Left obsessions with "participatory democracy," women's liberation and "third world" participation. NIC reported:

From the very beginning of our discussions almost two years ago we have constantly stressed the necessity for achieving a broad-based composition seriously representing Blacks, Women, Third World and working people, before the emergence of any crystalized national organizing form. We have also emphasized the necessity for any national form to reflect widespread geographic participation and to rest solidly upon local bases rather than developing as a heavily top-down structure.

NIC continued:

The very openness of of our process and our caution is not prematurely freezing organizational forms has acted as a catalyst in opening significant discussions and beginning relationships with important sections of Black and Third World leadership and organizations. Of particular importance in this respect have been the discussions with Walter Collins, the executive director of the Southern Conference Educational Fund, and his discussions with Black groups throughout the South.

NIC stressed its initial successes in forming alliances with radical and violence-prone minority groups:

Other important relationships exist or are beginning to Fight Back, Black Economic Survival, Puerto Rican Socialist Party, American Indian Movement and the Congress of Afrikan People. In a number of cities women active in the organization of women's unions and other aspects of the women's movement have participated in the initial and ongoing discussions.

The National Interim Committee for a Mass Party of the People has begun serious steps to implement its proposed alliance with violence-prone racial and ethnic minority groups.

During April, the NIC's full-time "national traveler," Ted Glick, made a 3-week tour of Iowa, Colorado, Montana, Washington, and California to develop contacts with militant Mexican-American organizations including the Denver-based Crusade for Justice, La Raza Unida, and CASA—Center for Autonomous Social Action. And in the South, NIC has established contacts through the Southern Conference Educational Fund, SCEF, in the States of Florida, Alabama, Mississippi, and Louisiana.

In an even more dangerous development, the NIC and the Congress of Afrikan People, CAP, jointly hosted a meeting on March 14–15, 1975, in Newark, N.J., to develop "the basic strategy required to build a mass, united political movement in 1975 and 1976."

A report on the CAP/NIC conference written by NIC organizer Shepherd Bliss, copies of which were available at the recent "expanded NIC meeting" at Antioch Law School as were copies of the newsletters, pamphlets and other documents used in this report, quoted several group leaders on the need for armed struggle.

Keith Demarrias, American Indian Movement:

We see the struggle as more armed than electoral. We are backed against the wall, but we will support you as much as we can.

Le Roi Jones, aka Amiri Baraka, the founder and leader of the Congress of Afrikan People, was reported as saying:

Baraka—quotes Lenin that 'we must amass all forms of struggle and organization,' ruling out none. Mao speaks of three magic weapons: vanguard party, united front, armed struggle. In the U.S. today we have none of these. We must develop all three.

One of the principal climate-makers of the 1967 riots in Newark, N.J., LeRoi Jones formed the Congress of Afrikan People in September 1970. For its first 3 years, Jones used the CAP to promote racial tension and a form of primitive communism known as "communalism." Late in 1974, Jones announced his rejection of "black nationalism" as "incorrect" and publicly embraced Marvism-Leninism-Mao Tsetung Thought as the only "correct" theory of revolution.

Among the groups reported by the NIC as attending that March CAP/NIC meeting, and a follow-up meeting on April 6, 1975, were:

All African People's Revolutionary Party, Washington, D.C.

American Christians Toward Socialism, New York City

American Indian Movement, New York City

Asian Americans for Action, New York City

* Black Economic Survival, Brooklyn, N.Y.

Black Panther Party, Oakland, Ca.

Black Women's United Front [a CAP front], Newark, N.J.

Boston Area Socialist Feminist Organization, Cambridge, Ma.

* Boston Labor League, Boston, Ma.

Bronx Tenants Organization, Bronx, N.Y.

Coalition of Black Trade Unionists, New York City

* The Collective, East Orange, N.J.

* The Commentator, Jersey City, N.J.

Community Action Team, Newark, N.J.

* Congress of Afrikan People, Newark, N.J.

El Comité, New York City

The Feminist Party, New York City

* Fight Back, Brooklyn and Harlem

The Guardian, New York City

* Human Rights Party, Ann Arbor, Mi.

Madison Agenda for People, Madison, WI.

Mid-Atlantic Radical Historians Organization, N.Y.C.

* National Interim Committee for a Mass Party of the People, delegations from N.Y.C., Boston; Northhampton; Lancaster, Pa.; Passaic County and Somerville, N.J.; Washington, D.C.; and San Francisco.

National Lawyers Guild, Dorchester, MA

National Tenants Organization, New York City

*New American Movement—New York City, Boston, Pittsburgh and Durham, N.C.

October League, Brooklyn and Detroit

*People Against Racism in Education, New York City

People's Party, Summit, N.J.

Political Economy Program Center, Washington, D.C.

Prairie Fire Distributing Committee, New York City

Puerto Rican Socialist Party, New York City

Socialist Revolution.

National Conference of Black Lawyers, New Brunswick, N.J.

New York City Taxi Rank and File Coalition, New York City

United Black Workers, Newark, N.J.

War Resisters League, New York City

Wisconsin Alliance, Madison, Wis.

Women on the Move, New York City

Worcester Tenants Association, Worcester, Mass.

Workers Viewpoint, New York City.

Persons attending the March meeting included Sally Avery, NAM; Amiri Baraka, CAP; Joe Brennan, Wisconsin Alliance; Gil Banks, Joe Carnegei and Jim Haughton, Fight Back; Phil Carrol, Human Rights Party; Keith Demarrais, American Indian Movement; Claire Davis, the commentator; Moses Harris, Black Economic Survival; Jesse Gray, National Tenants Organization; David Harris, and Sherman Miller, October League; Ted Glick, NIC; Federico Lora, El Comité; Ngola, CAP; Arthur Kinoy, NIC; Russ Neufeld, Prairie Fire Distributing Committee—a nationally active Weather Underground Organization support group; Sandi Polaski, Boston Labor

---

*Groups now committed to developing a 1976 electoral strategy.

League; Cheryl Small, All African People's Revolutionary Party; and Nancy Wechsler, Boston Area Socialist Feminist Organization.

Mr. Speaker, LeRoi Jones is as great an influence among black revolutionaries today as was Eldridge Cleaver of the Black Panther Party in 1970 when he organized the terrorist gang of urban guerrillas known as the Black Liberation Army. His organization, headquartered in Newark, N.J., has branches in many other U.S. cities.

Arthur Kinoy, another intelligent and committed Marxist-Leninist revolutionary, has gathered into a loose coalition a broad range of U.S. radical leaders and revolutionary groups, including the above ground support group for the Weather Underground Organization.

These groups represent a clear threat to the internal security of the United States, and I am calling on the House Judiciary Committee, which has jurisdiction over internal security matters, to begin a full investigation of the activities of the National Interim Committee for a Mass Party of the People and of its alliance with the Congress of Afrikan Peoples.

TRIBUTE TO DR. ELCY McGOVERN

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. KETCHUM. Mr. Speaker, I am honored today to call to the attention of the Congress the accomplishments of one of Kern County, Calif.'s most active and dedicated residents, Dr. Elcy McGovern of Bakersfield. Dr. McGovern has served her community and Nation in countless ways with dedication and selflessness. On Saturday, May 24, 1975, she will be honored by Kern County Economic Opportunity Corporation. I am proud to be able to participate in this way.

Dr. McGovern has made a notable contribution to the educational program in the county of Kern, and has shown a great sensitivity to the needs of people. Her retirement from the education field did not curtail her interest. For the past 7 years, she has contributed her time, energy, and knowledge in her service to the Kern County Economic Opportunity Corporation.

Her complete dedication and support to the agency has been demonstrated in her active membership on the executive board, as an appointee of the superintendent of schools. She has served as a member of the by-laws and procedures committee, evaluation committee, personnel committee, delegate agency committee, executive committee, and as secretary of the board of directors.

Certainly, she is deserving of this recognition. Everyone who has been privileged to know and work with Dr. McGovern knows well the enormous dimension of her self-sacrificing compassion for others. It is a distinct pleasure to speak on Dr. McGovern's behalf today, and I am sure that my colleagues join with me in tribute to this fine person.

VERNON E. JORDAN, JR.: A TRIBUTE TO MORRIS ABRAM

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. YOUNG of Georgia. Mr. Speaker, on May 1, 1975, at the 69th annual dinner of the American Jewish Committee in New York, N.Y., a distinguished Atlantan, Morris Abram, was awarded the American Liberties Medallion.

Another distinguished Atlantan, Vernon E. Jordan, Jr., executive director of the National Urban League, spoke in tribute to Mr. Abram for his outstanding career in the law, higher education, and Government service.

Mr. Abram, in his speech accepting the award, gave a message of hope and confidence in the future of America.

I commend to the House the addresses by Mr. Jordan and Mr. Abram:

REMARKS BY VERNON E. JORDAN, JR.

In the letter inviting me to join in paying tribute to my dear, good friend, Morris Abram, it was suggested that I say whatever I pleased about him.

And so, in the spirit of that invitation, I would like to make a revelation about Morris tonight.

And that is, during the many times in which Morris and I have met in fierce combat on the tennis courts, I have never yet been able to beat him.

This lays to rest the myth of black superiority in athletics.

The courtroom, as opposed to the tennis court, is another matter. Morris is justly renowned as one of America's great lawyers. Speaking as a lawyer myself, sheer technical expertise in the law is, however admirable in itself, only part of the story. The real test of a lawyer lies in the use to which he puts his skills; the extent to which he champions unpopular causes.

And here, Morris' record speaks for itself. Morris put his skills and his talents into the fight for human rights. I well remember his long, uphill struggle to combat the vicious county-unit rule in Georgia that effectively disenfranchised urban communities and especially blacks. I well remember his participation in civil rights suits at a time when such action was not only unfashionable, but downright dangerous.

Today, Morris continues to use his legal skills and his compassion for the neglected of our society as chairman of the commission investigating the nursing home scandals.

Throughout a distinguished career in private practice, higher education, and government service, Morris has maintained an intimate involvement with two groups in our society—Jews and blacks. He is a former President of the AJC whose many activities on behalf of the Jewish community, including those living in liberty in Israel and in oppression in Russia, is well known to you.

He has also brought his deep commitment and concern for justice to the cause of civil rights and black progress. This is especially evident in his position as Chairman of the United Negro College Fund, where I was privileged to be his executive director some years ago, his service on the board of Morehouse College and his Chairmanship of the Field Foundation.

It seems to me that these two major personal commitments of Morris' should also be basic commitments of our entire nation.

At a time when the state of Israel finds itself the target of international recriminations, unfounded UNESCO actions and costs of terrorism, our nation should stand fast to its commitment to a country that symbolizes the idealism, the hope and the opportunity of democracy in an increasingly undemocratic world. It should be said loud and clear that Israel, unlike Vietnam and Cambodia, is a free, democratic nation whose survival is in our own national interest and whose populace is willing and able and eager to stand up for itself and preserve its freedoms.

This is also a time of national withdrawal from the struggle for freedom at home. Black people find themselves the target of manipulated so-called "social issues," economic Depression and a rollback of many of the gains of the 1960s. It should be said loud and clear, especially on this eve of America's Bi-Centennial, that the promises of the Second Reconstruction must be redeemed, and that equality must remain a prime national goal.

Blacks and Jews alike must recognize, in the words of Whitney Young, that while we may have come over in different ships, we're in the same boat now. And the re-emergence of a recycled, George Wallace, makes intergroup cooperation more urgent than ever. If the parameters of American politics are set by the likes of a Wallace, both blacks and Jews will feel the hot breath of repression and hardship.

That is why I believe Morris' prime concerns should be those of all of us. He has devoted his career to what's right; to what's good, to what's decent in America.

If I had to sum up Morris' career in a brief phrase, I would say: "He has made a difference in the lives of people." Throughout his life, he has done things that made a difference. His career as a lawyer made a difference to people whose votes were suddenly counted in the state of Georgia. His career as an educator made a difference to countless young men and women not just at Brandeis, but on the forty-one campuses of the member colleges in the United Negro College Fund.

When you think about it, that's quite a tribute—to have made a difference in people's lives. So many people go through distinguished, even brilliant, careers without ever really touching their fellow men. They accumulate wealth, honors, prestige, even power, but when they depart, it is as if they had never existed. Others touch their fellows in a purely negative way, inflicting pain and punishment upon those affected by their decisions or their deeds.

But Morris has had a positive effect upon countless persons, some of them here tonight to join in honoring him; others spread throughout our land, some in high places some in humble ones, some who may not even know his name. But all can trace some betterment of their lives to Morris' actions and to his dedication to the cause of human rights.

Morris—we're just a couple of little Southern boys up here in the North, but this evening wouldn't be complete without a fellow-Atlantan to say a short piece about you. Down home, we talk on a lot longer, but tonight I'll observe the Northern style of brevity.

I just want to add two points of importance. One, I think of no one more deserving of this treasured American Liberties Medallion than Morris Abram, whose life and work perfectly exemplifies American liberty in action.

And, two, I intend to beat Morris Abram

on the tennis court, as the song says, I shall Overcome!

Ten years ago tonight I spoke in this room. My theme was Hope. Two old friends were on the dais: one the grandson of slaves, the other of Confederate veterans. Each had fought publicly for the Civil Rights Act of 1964. The friends were Rev. Martin Luther King, Jr., and Mayor Ivan Alan, Jr., both of Atlanta.

Now, Martin King Jr. has been dead for almost a decade though his spirit and redemptive message are imperishable. His personal qualities and examples abide with us in the continuing life of his father who does us the honor of coming here tonight from Atlanta.

The ten years which have passed ravaged many hopes but they have also brought forth a new group of leaders in the forefront, one of whom is my friend and my brother in every confidence and dream—Vernon Jordan, Jr.

In such a setting I thought I could discuss a thorny but important question: Black-Jewish relations. I do so in full awareness that there are many views to this question and that my own, as so many of mine on other issues change with times and circumstances.

First, I would note that the subject preoccupies what would seem to be an inordinate amount of thought, time and discussion in a nation in which both Blacks and Jews are distinct minorities. In a nation of ethnic groups we seldom think of English-Italian, Iirsh-German, Chicano-Puerto Rican relations. Nor do we with much frequency or intensity analyze Jewish-Italian, or Jewish-Puerto Rican or Jewish relations with any other ethnic group.

The subject is apparently one of significance to Jews, to Blacks and to the thinking public.

Recently, the New York Times, in a much heralded article, announced that "Blacks and Jews Were Drawing Closer Again," citing supporting comment from Jews and Blacks, including an editorial from the Amsterdam News which was hailed as a harbinger of a spring of understanding and cooperation following a winter of vague discontent.

Black-Jewish relations preoccupy many leaders and thinkers simply because they are important to the social and political health of this country and to its progress towards justice.

Jews and Blacks historically have been vulnerable people. The state of their security can almost be said to serve as barometric measures of the social climate. When the state trespasses on the liberty of the Jew, the freedom of all is soon in peril; when joblessness of the Black (always higher than that of the general public) begins to escalate, you can be sure that the economy is on the slide and even Chrysler will be in trouble.

One reason Jewish-Black relations are important is that both are an urban people. Blacks are only recently so. In 1910, 27.4% of the Black population was urban compared with a corresponding white figure of 48.7%. By 1960, fully 73.2% of the Black population was urban, well ahead of the white percentage which stood at 65.5%. By the 1980s, the Black population will be almost entirely urban, which is substantially true of the Jewish population. The points of interaction and contact between Jew and Black are therefore maximal.

Jews and Blacks have had a conspicuous relationship during a period still fresh in memories of both people when their leaders fought side by side in the civil rights struggle of the 1960s and in some cases even long before. For all these reasons and more, the subject is relevant to all. It certainly is to me.

From the very beginning of my consciousness the subject of Blackness in America and Jewishness in me have been determinative facts of my life. I have had to struggle long and hard and confessedly with only partial success first to understand the paradox of discrimination in what was said to be freedom's home and to overcome racial prejudice in myself while demanding that everyone treat me, a Jew, equally.

Though I make no claim to have been either miraculously exempt from, or immunized against, endemic racism in America, I can assert that my pure self-interest and that of every American, demands that the Black, Chicano, Puerto Rican and the impoverished of all groups be brought into the main stream of American opportunity.

This has not proved to be easy, even when the historic sufferers have stood shoulder to shoulder. It will be impossible, if instead of making common cause against the enemies of justice, we engage in common squabbles amongst ourselves.

But as one swallow does not make a spring, one feature story in the New York Times does not paper over differences of views. Where these exist between Jew and Black they should be frankly addressed, the common ground found, occupied and seeded and the divergent views not ploughed under, but respectfully exposed and explored.

I should like to explore briefly as examples three important current issues:

BLACKS AND ISRAEL

Many Jews have been misled into a belief that Black support for Israel is almost nonexistent. First, there is very little evidence that support for the security and independence of Israel as a Jewish state has appreciably diminished overall in the United States in the white or Black communities. Second, there is no question where the Vernon Jordans, Roy Wilkins, A. Philip Randolphs, Bayard Rustins and the King family stand on this question. Third, there is a circle of Black young and Black intellectuals who spout nonsense about a victimed Third World and would have us believe that these 40 or so nations are being threatened and oppressed by the beleaguered little State of Israel. As a personal note, I heard these absurdities in the late 1960s from the children of middle class whites—some of whom were Jewish. It made no sense when the oil gorged states of the Middle East could be classified amongst the oppressed of the earth and today, when oil is more precious than gold, it is an exercise in Orwellian doublethink. But Black or white young or old, uneducated or intellectual, anyone who is willing to sacrifice democratic Israel to Arab tyrants and oligarchs is not a fighter for freedom or a friend of Jews or Blacks who overwhelmingly desire and treasure freedom.

EQUAL OPPORTUNITY, QUOTAS, AFFIRMATIVE ACTION, LAISSEZ-FAIRE

I have tried by the use of the above catch words to indicate that one of the most controversial and divisive subjects in the Black-Jewish dialogue has come about because the issues have been generally poorly defined, and catch words have been used in place of logic. No one opposes equal opportunity: How can she?

No one really believes that under so-called laissez-faire—a regulation free society—merit always triumphed either at the Harvard Admissions Committee or at the Chase Manhattan Bank. But quota is a chilling word to a Jew and the prospect of hire by quota for all types of jobs at all levels should be frightening to anyone who rides over a bridge built by engineers, up an elevator checked by technicians, submits to anaesthesia or pays money to go to a university.

Nature has not been overly generous—not, at least, since before Adam and Eve were driven from the Garden and ordered to work and sweat. If mankind is to be fed, sheltered, clothed and its dependents cared for the world needs increasingly all the fully developed skills of all of its people. Let there be no impediment to development or placement on the grounds of race; let there be careful reexamination of all traditions in respect of entrance and qualification to opportunity; let there be affirmative efforts to move the disadvantaged forward, with "disadvantaged" defined without regard to race, color, creed or national origin. For 89 years, from 1865 to 1954, people such as those on this Dais fought to make this nation's economic, social and political eyesight color and religious blind and urged the Fourteenth Amendment to the Constitution as support for this equalitarian principle. I think that anyone who, on the grounds of expediency, opportunism or frustration, seeks today to justify the classification of Americans on the grounds of race is making a serious strategic mistake which, if successful, may some day haunt us all.

Finally, on this point, I believe that the degree and intensity of affirmative action should depend on the history and pattern of discrimination in the particular profession, industry or institution involved. The remedy should be of a dosage applicable to the *malaise*. On such grounds perhaps the plumbers may be properly the subject of more vigorous efforts than the United automobile workers.

Ultimately, an overpopulated hungry and depleted world is going to require the full efforts of all of its people at their highest performance levels—a necessity which meets also the demands of justice.

CRIME IN THE STREETS

No issue provokes more emotions, creates more fears, and evokes more racist feelings than urban violence. This is surely not an issue in which there is any special Black-Jewish relationship except that of proximity in certain communities. The victims of urban crimes of violence tend disproportionately to be Black and the incidence of violent crime is growing faster (but from a lower base line) in the suburbs than in the central city. If violent crime in which the Black man is involved has any confrontational implications, it must, at least on statistics, be perceived primarily as a Black attack on Black. The 1973 FBI Uniform Crime Reports lists Blacks as victims of 52% of the murders in the U.S. and as perpetrators of approximately the same percentage of homicides.

I am not attempting to analyze the root causes of rising crime except to assert that it is not manifest of racial feeling and certainly not of anti-semitism. But I am surely not attempting to minimize the dreadful effects that urban violence has had on race relations in general. Violence, as much as any other factor, has throttled down the engines of racial and economic progress and in some instances thrown them violently into reverse.

The violence of which I speak may well have social and economic roots. But in the words of the Black intellectual, Orlando Patterson: "Gone now are the epic riots which at least had some meaning and reflected a certain hope, even in their flames, since they were at least spontaneous group expression of outrage and clearly recognizable deprivations. The mood of violence has shifted from the collective to the individual level, from the socially understandable to the level of private criminality."

And here I might add that individual criminals who find it convenient or stimulating to band together under an imposing shibboleth or banner do not reverse that process . . . crime is always a non-negotiable demand for society's capitulation.

Now private criminality no doubt has its own causes and explanations, but no society that wishes to remain such can let the search for a long range cure interfere with the ability of the state to protect the victims from the victimizers. The America we have cherished will not be the same if we have to wait until its social inequities are straightened out before criminal violence is brought within tolerable limits.

In the fight to drive the rate down to these limits, police, courts, jails all have their place, but tonight I would like to suggest another weapon—perhaps as powerful as any and the least used of all—peer and community resistance, and condemnation.

Whatever else private criminality is—and that is what Patterson called it—it is often associated with the private acquisitive instinct whether the person is robbed on a street or in a nursing home. Nursing home operators who steal and are exposed, as they should be, lose caste and status in their communities. Community pressure against them may ultimately be one of the strongest weapons in the arsenal for the reform of the nursing home industry.

I know firsthand that violence on the campus stopped when some faculty and student leaders decided that enough was enough. Though the worst and most disgraceful phase of the United States involvement in the Southeast Asian war occurred during the Christmas bombing of 1972, scarcely a bottle was thrown into a single window in an American university.

University presidents in 1969 could stand up to the student arsonists and murderers, but this did no good as long as some faculties and student leaders could only bring themselves to deplore violence in the context of an expression of a profound and sympathetic understanding of the causes that supposedly provoked it. Violence-prone students got the message loud and clear. The signal was implicit—condonation accompanied by a mild tap on the wrist with a wink of tacit camaraderie. So the violence festered and grew and did not abate until peer moral and common sense pressure changed the mood of the community and then it stopped. And there may be some parallels in this experience with the current wave of urban violence: When a community has had enough; when it wishes to fully cooperate with the police and the courts; when it truly wishes to become its neighbor's keeper; when it speaks through its natural leaders—and this must include its elected officials—and says it has had enough, the rate may well taper off.

I am not asking—no fair man could—that community leaders relent one whit in their attacks on poverty, ignorance, disease and racism, but let none ever couple these in discussing private criminality so that the signal of indignation is confused by overtones of condonation. . . . Let us never again offer a sociological flag as refuge for the scoundrel.

The problems of the mid-1970s are not those of the mid-1960s. I am not optimistic about the same things in the 1970s as I was a decade ago. The problems are different, the mood is changed, the evils to be overcome are even more complex and intractable. Yet I still am optimistic and hopeful. If one values a society, as I do ours, despair is a closed option no matter how difficult our problems may be or how seductive are the Siren songs of cynicism. Rather, one must work to improve and change. An America which faced the cataclysmic fall from opulence, optimism and innocence in the '30, then experienced a dreadful generation of war, and then overcame the legalized racism of 300 years and has just accepted defeat in an unjust war with a sigh of national relief, surely has the energy and maturity to solve its present quotient of problems.

BASIC QUESTIONS IN OIL PRICING LEGISLATION

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. WIRTH. Mr. Speaker, members of the Energy and Power Subcommittee under the able direction of Chairman JOHN DINGELL have been studying the issue of oil pricing in great detail for several months. I would like to share with other Members of the House what I feel are the eight critical questions which surround the issue of oil prices. These eight questions formed the basis of my inquiry into the subject; determining the best response in each area will, I believe, make clear to Members the course we should follow with respect to the price of oil. I should like now to pose these questions and discuss each briefly:

BASIC QUESTIONS IN OIL PRICING LEGISLATION

1. *Maximum Production:* What price and tax incentives are required to maximize domestic petroleum production?

2. *World Price and Foreign Supply:* What pricing and tax policy is most likely to achieve the greatest overall success in lowering world petroleum prices?

3. *Conservation:* What pricing and tax policy is likely to produce needed conservation with minimum amounts of economic disruption?

4. *Consumer Protection:* What pricing and tax strategy can achieve 1, 2, and 3 above, without imposing intolerable burdens on consumers?

5. *Employment:* What pricing and tax strategy can achieve its goals while maximizing opportunities for domestic employment and stable economic growth?

6. *Administrative Efficiency and Simplicity:* What pricing and tax policy offers the prospect of maximum production, conservation, consumer protection and economic stability with the least amount of administrative cost of complexity and economic dislocation?

7. *Political Viability:* Given the urgency of putting into effect a national energy policy, what pricing and tax strategy holds the greatest promise of winning the early approval of the Congress and the Executive, and the support of the consuming and producing public?

8. *Oil Company Profits and Industry Structure:* What regulatory and tax strategy will serve to maximize industry competition and minimize opportunities for market manipulation by the industry?

MAXIMUM PRODUCTION

U.S. production of petroleum has been declining rapidly in recent years. There is general agreement that virtually all of the cheap and readily accessible oil and gas has already been found. While the exact extent of price elasticity with respect to energy supply remains a subject of debate, there is nearly universal agreement on three points:

First. Currently, domestic production is declining and will continue to do so in the immediate future. However, substantial increases in supplies from new exploration and from enhanced recovery might well be brought on by higher prices. For example, both private and public estimates suggest some 50 to 60 billion barrels of additional oil may be derived from more expensive tertiary recovery techniques alone. Exactly what price levels will bring on each of these sources remains in doubt. However, experts at both the Brookings Institution and FEA, for example, suggest that by 1985 a $12.50 as opposed to a $8 domestic price would result in some 4 million additional barrels of domestic production daily.

Second. If choices are to be made between expensive foreign oil and equally expensive domestic oil, then there is greater economic benefit to be derived from the employment and investment associated with the domestic oil production. This is especially true if one's goal is to avoid dependence on foreign oil beyond certain levels.

Third. Even in the face of artificial prices generated by the OPEC cartel, the price mechanism and market forces will produce a more efficient allocation of resources than will a regulatory mechanism; governmental policy goals in this area are best administered through the tax system. It should be understood that, on this question, price controls are a second-best alternative.

WORLD PRICE AND FOREIGN SUPPLY

Two basic schools of thought exist regarding how to influence the world oil price. One school contends that the current world price is essentially a "political" price administered by the OPEC cartel and relatively immune to economic forces. The other contends that the world price for oil is a product of both economic and political forces. For those holding the latter view, a further disagreement exists with respect to whether greater influence can be achieved through a determination to hold domestic prices down or through a policy of allowing them to rise.

If the world price is subject to economic influences, and if higher domestic prices can cause greater production and conservation in the United States, the combined effect should be a downward pressure on world oil prices due to reduced demand for foreign oil.

If, on the other hand, the world price is now more subject to "political" than economic influences, the case can be made that adoption of a strategy of higher domestic prices linked with the mandatory conservation measures now likely to be enacted would constitute a strong signal to other oil-producing nations that we have the political will and strength to impose sacrifices on ourselves and resist the pressure to pay higher prices on larger and larger amounts of foreign oil. Moving to a strategy of higher domestic oil prices will make clear that unless world prices drop, the global surplus will grow and revenues of OPEC and other producers will decline.

CONSERVATION

Whether or not the price mechanism can or should be used as a conservation device is a matter of considerable debate. Yet most economists are in agreement that permitting the price of domestic petroleum products to reach the world price level would produce some domestic energy saving, especially within the industrial sector where a number of industries have already shown a marked capacity to respond to higher prices by increasing efficiency. For 1985, for example, FEA analysis projects a difference in consumption level on the order of millions of barrels per day, depending on whether prices are at $7 or $11 per barrel.

The principle that price can and should be used as a conservation device has already received endorsement by the Ways and Means Committee with its gasoline tax. The potential for conservation achieved through price strategies is demonstrated not only by the experience of other countries—especially in Europe—but also by the dramatic response of American consumers to the lower operating costs of foreign automobiles.

CONSUMER PROTECTION

One of the most difficult aspects of the debate over price policy for oil is the seeming dilemma that the cost of more expensive energy typically is most heavily borne by the lower-income individuals and the marginal institutions least able to pay. Conservation brought on by higher prices will, in the absence of offsetting measures, impact disproportionately on low-income consumers. Their discretionary spending on energy is relatively small; but energy as a necessity takes a far greater part of their disposable income.

Since most measures now under consideration contemplate some increase in energy costs, the issue seems to be how best to offset these costs for unprotected and highly vulnerable consumers. Proposals calling for controlled prices at higher levels fail to make any provision for the consumer; this is especially true where such higher prices are permitted for larger and larger amounts of previously controlled oil. While it is nearly impossible—and perhaps undesirable—to completely offset higher prices for low-income consumers, a well-designed tax and rebate system could serve as a major balancing factor.

EMPLOYMENT AND ECONOMIC IMPACT

A price strategy should include among its goals the avoidance of unemployment and economic dislocation, reduced migration of investment capital, and the elimination of excessive payments for imports. Alternatives now under consideration differ significantly in their potential impact in each of these areas. Phased decontrol and/or higher taxes promise not only to stimulate new jobs in exploration and production, but also would reduce import-related losses of capital and redirect consumer spending into less import-dominated sectors of the economy. Estimates are that as many as 250,000 additional domestic jobs which would result from higher domestic energy production and redirected consumption.

To a limited degree these goals might also be realized under a system of regulated prices. Yet in each case there would be a requirement for additional regulation and administrative mechanisms to control the movement of capital. The differences in the effect of price strategies on employment and economic dislocation relate directly to the issue of administrative efficiency discussed below.

ADMINISTRATIVE EFFICIENCY

Marked differences in administrative efficiency and complexity exist between a system of price controls and a system of taxes administered on market sales. The current two-tiered system for oil prices and the attendant system of refining entitlements would become more complex and less efficient under the more elaborate system of controlled prices now proposed by some. While these proposals represent an improvement over the status quo because of their stimulus to new production and conservation, these gains are significantly undermined by a yet more dense set of price tiers and attendant requirements for offset agreements. The Wall Street Journal recently set these costs at a level near $10 billion for the current, more simple system. While no one should believe that a windfall profits tax on oil revenues would itself be a simple thing, such a tax would permit the elimination of a substantial set of administrative procedures now required by the FEA. Under price controls the cost of these administrative procedures and inefficiencies must be added to the costs which consumers ultimately pay. Under a system of market prices, taxes, and rebates, the existing IRS bureaucracy assumes the responsibility.

POLITICAL VIABILITY

Widespread agreement exists on the need for a rapid establishment of a comprehensive energy policy. Guidelines with respect to oil and gas prices lie at the core of such a comprehensive policy. Delay in resolving the pricing issue occasions delay in every other facet of energy planning.

In choosing between pricing strategies, therefore, every consideration should be given to selection of a price strategy which can win support in both Houses of Congress and within the executive branch. It is abundantly clear that any policy calling for an open-ended continuation of oil price controls and allocation will encounter stiff resistance from many quarters of Capitol Hill, and in all likelihood will encounter at least an initial veto at the White House. Such a delay would be justified to avoid the flat-out deregulation advocated by the President, but phased deregulation linked to a strong windfall profits tax represents an alternative pricing strategy which omits the drawbacks of the President's plan and which could command the early support of both the Congress and the Executive.

OIL COMPANY PROFITS AND INDUSTRY STRUCTURE

Closely related to the questions of administrative efficiency and consumer protection is the question of what levels of profit are appropriate for the domestic petroleum industry and the question of what relationship exists between industry structure and energy prices. Monopoly pricing by vertically and horizontally integrating companies constitutes a potential for inefficiency, market interference, and withheld supply which is at least as serious as the inefficiencies and market interference brought on by Government regulation or cartel pricing by the OPEC nations.

How best to respond to these threats through either antitrust action, altered tax policies, or Government oversight actions constitutes a central part of an overall national energy policy. What remains is that the industry cannot be depended upon to police itself with regard to either monopoly pricing or hoarding of supplies.

COMMUNIST TACTICS AND THE DOMINO THEORY IN LAOS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MICHEL. Mr. Speaker, recent events in Southeast Asia, if they have done nothing else, should have put to rest two very popular but totally specious myths of recent years.

The first is that coalition governments in which Communists take part can endure. The sad reports from Laos give the lie to that argument anew, although it must be said that almost 60 years of empirical evidence should have disposed of it long ago. Ever since the ill-fated Mr. Kerensky attempted to form a coalition government in St. Petersburg, Russia, in 1917, the record clearly shows that not one such coalition has survived for very long.

This historical record has grave implications for us today, not only in Asia, but in such places as Portugal as well, and those who concern themselves with American foreign policy would do well to bear it in mind.

The second myth is that the domino theory was foolish and invalid. Indeed, we now see that it was both wise and operative. The domino theory said that if one of the nations of Indochina fell, the others would not be far behind.

Indeed, they were not; only days separated the tragedies of Phnom Penh, Saigon, and Vientiane. Are there more dominoes in the line? There is no reason to think not, and indeed, the Thais, a sagacious people who have preserved their independence when their neighbors have not, are girding and posturing for just such an eventuality.

In an editorial yesterday, the Chicago Tribune recounted the recent history of Laos, and its implications for us today. For the edification of my colleagues, I ask that that editorial be printed here in the RECORD:

FOURTEEN YEARS IN LAOS

The 14-year-old coalition government of Laos has gone the way of every coalition government in which the Communists have taken part: It has become a Communist government.

The chief remaining anti-Communist cabinet members have resigned and fled to Thailand; the capital city of Vientiane is occupied by the Communist Pathet Lao troops; and the neutralist premier, Prince Souvanna Phouma, has warned his people that it is necessary to look at the facts and "reach an accord with history."

It was on March 23, 1961, that the late President Kennedy announced his determination to "support the goal of a neutralist and independent Laos" and warned that "if the

Communists were able to move in and dominate this country, it would endanger the security and the peace of all of Southeast Asia."

Later that year the three rival princes—right-wing, Communist, and neutralist—agreed on a neutralist government and on Souvanna Phouma as premier. Averell Harriman, American delegate to the Geneva convention at which the agreement was reached, insisted that this would not mean the loss of Laos to Communism.

Despite another coalition agreement in 1973, the inevitable has happened—tho the sequence mentioned by Mr. Kennedy has been reversed. Instead of precipitating the fall of Viet Nam and Cambodia, the peaceful fall of Laos was precipitated by the military collapse of the other two.

But in fact the formalities in Laos merely recognize the fact that the Communists have controlled the countryside for years. One of Souvanna Phouma's former aides is head of the Pathet Lao army, and his half-brother is political leader of the Communists. The coalition government in Laos survived for 14 years only because, for nearly half of that time, it has been little more than a paper government.

So now we go back to President Kennedy's script, and the next domino in line is Thailand. The Thais have seen what happened in South Viet Nam and in Cambodia, and are hastening to deal with the Reds thru negotiation rather than thru the threat of force.

It's true that the collapse of Cambodia and South Viet Nam was dramatic and costly in every way; but the collapse of Laos is likely to prove just as final. And the Thais will find little comfort in noting that in the same 14 years it took for the Communists to win control of Laos, they have virtually won American acceptance of their conquest of another country half way around the world. . . .

WE CANNOT TOLERATE THE SEIZURE OF OUR SHIPS

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MARTIN. Mr. Speaker, the United States must not tolerate the seizure of our ships on the high seas. If we dawdle, we will signal our adversaries that we are indeed helpless. While efforts to recover the *Mayaquez* by diplomacy are an appropriate first level of response, if this fails in short order we must move directly to its aid.

I would propose that due notice be given the Cambodian pirates as follows. Tell them that within 72 hours we will expect the *Mayaquez* to be returned with the crew unharmed and cargo intact. Thereafter, our forces will proceed to secure control of the vessel and tow it away.

We shall clearly inform them so that there be no misunderstanding: If they scuttle our freighter, we will be compelled to retaliate by sealing off all their harbors; if they kill or injure any of the crew of the *Mayaquez*, we will be compelled to retaliate in kind by bombing their military bases. They must understand that further rash actions will have severe consequences.

If we fail to deal firmly, we will have to expect repetitions of such foolishness in the future. It is the spineless foreign policy stance of the liberal majority in Congress that has tempted this outrage in the first place.

HEAD START MARKS 10TH ANNIVERSARY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. PICKLE. Mr. Speaker, today we celebrate National Head Start Day, commemorating the 10th anniversary of this very successful program to aid young children from poor families.

This effort to give the underprivileged special health care and educational opportunities prior to their formal entrance in the first grade has served more than 5 million children during the last decade. It was an integral part of President Johnson's war on poverty, and this is one "war" which I believe that the great majority of Americans feel we must pursue to a successful conclusion.

We owe a great debt of gratitude to those who have worked long and hard to make this venture a success, especially those more than 100,000 volunteers—many of them parents—who are now active.

The Hays County Citizen has done a retrospective article on the Head Start program in the county. I would like to insert this for the benefit of my colleagues:

THE 10TH ANNIVERSARY—LOCAL CENTERS WILL OBSERVE NATIONAL HEAD START DAY

(By Melissa Millecam)

Two Hays County Head Start Centers will celebrate the 10th anniversary of the establishment of the program as National Head Start Day is observed May 14 accross the country.

One of president Lyndon Johnson's "War on Poverty" programs, the Kyle Day Care Center and the Henry Bush Child Development Center in San Marcos have given hundreds of local children a better chance to make it in school. Their first "graduates" are now teenagers in junior high school.

Much has changed over the years as the program became more refined, but not the dedication and hard work of staff and the community in making both programs successful.

The Head Start programs are now funded by the Office of Child Development, Department of Health, Education, and Welfare, and administered by the Community Action. Head Start Director John Roberts also guides similar centers in Lockhart and Blanco.

SHRIVER VISITS KYLE PROGRAM

One of the first centers to open was the Kyle Day Care Center in June, 1965, the year that Head Start was established under the Office of Economic Opportunity.

The public schools operated the eight-week summer program in which 51 youngsters participated, under the direction of Ernest Kimbro. The short summer session was aimed at giving children from low income families a start before they entered public school and in the first few years had general goals of developing children's curiosity, self-image, self-discipline and helping Spanish-speaking youngsters grasp the English language.

Other early directors were Jim Matlock and Mrs. Riso Milhollon.

In 1966 the program was spotlighted with a visit from Sargent Shriver, then national OEO director, and a delegation of OEO officials, including San Marcan Bill Crook, then the regional OEO director.

During the fact-finding visit, Shriver interviewed teachers, parents and children alike to learn how the program was progressing.

The Head Start program operated at the Kyle Elementary School at first and later was moved to a building at St. Anthony's Catholic Church.

In 1969 Dora Rodriguez, the present director, joined the program as a teacher aide, after her son enrolled in Head Start. She later became a teacher and finally director of the center.

Also that year the program was expanded from a summer program taking in a large number of children to a year-around full-day center working with a smaller number but on a more intensive basis. The director that year was Mary Cariker, followed in 1970 by Betty Sue Crain, and finally in 1973 by Ms. Rodriguez.

"The goals now are aimed at developing the whole child-physically, emotionally, socially and intellectually." Ms. Rodriquez noted. Entering at age 3, a child may spend two years in the program before going on to kindergarten.

Both centers use "behavior modification"—emphasizing the positive instead of the negative—in highly individualized teaching of prereading, math and handwriting, as well as in organized play, developing individuality and social activities.

Since 1969 the Kyle Day Care Center has served 105 children and 65 low income families with 20 children enrolled this year.

The program is a community-based project with help coming from many quarters. Among those are the Catholic church, providing the building without charge; volunteers from the Baptist Church, who work with parents and help with eye glasses and examinations; special services provided by the schools for handicapped children; the county commissioners for giving sand and gravel; the Kyle City Council, which helped dig a new gas line; Tenorios Grocery, for providing supplies; the school pre-employment program which provides high school students as aides; the San Marcos health clinic; CETA, which provides three workers; Southwest Texas State University, for help in speech therapy; and parents, who add many volunteer hours to the program.

Other workers at the center are Oralia Sandoval, teacher, Ida Lois Dressen, cook, Antonio Aguirre, janitor and Glora Mosqueda, driver.

SM CENTER SERVES OVER 400 CHILDREN

The Henry Bush Child Development Center opened in 1966 as a full-day program, initially called the Mary Street Day Care Center. The program got off the ground as the result of a survey conducted by the Community Action Agency, then directed by Margaret Herrera.

When the survey showed a need for a place to care for young children while their mothers worked, a committee of interested citizens was formed. Included in that first committee were Mrs. Bob Cooper, Mrs. Joe Rodriguez, Mrs. Frank Villanueva, Minnie Flores, Catherine Hardeman, Elida Mendez, Mrs. James Smith and Henry Bush as chairman.

As the program was organized the Presbyterian church board made available the parsonage rent free where the center has grown ever since.

The Mary Street Day Care Center opened its doors Oct. 3, 1966 with 10 children and four staff members, including Belle Townsend, who has been director since it opened.

Esperanza Hernandez and Olivia Ybarra, both teacher aides, were also on the original staff and have continued there for the nine years it has been open.

Henry Bush was one of the most active supporters of Mary Street Day Care Center, from playing Santa Claus for the children to guilding the center's board. When he died in November, 1969, the center was renamed the Henry Bush Child Development Center in his memory.

Since 1966 close to 400 three and four year olds have been served by the program, which has the same kind of goals as the Kyle Center. Nutritional needs are also met as the children are provided with breakfast, lunch, and an afternoon snack.

Parents are also very active in the program, electing representatives to a policy council which reviews the budget and checks the center's policies.

The program has outgrown its facilities at the parsonage on Mary Street, and the Presbyterian Church has continued its assistance by providing extra room in the church itself. This year 39 children are enrolled in the program. "If it weren't for the church letting us use the building, we would have to cut back to 20 children," Ms. Townsend noted.

Other workers at Henry Bush are Eufrasia Espinoza, teacher aid, and Jane Hernandez, cook.

The Henry Bush parents may plan a "homecoming" of sort for its graduates in observance of National Head Start Day next Wednesday. Otherwise, it will be learning and playing as usual in both programs. Both centers, however, always welcome visitors.

HEW SACRED COW

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ASHBROOK. Mr. Speaker, in the past some people have characterized the defense budget as being a sacred cow in our society. The defense budget was supposedly immune to legitimate criticism and to needed spending cuts.

If that ever was the case, it is clear that America has a new sacred cow—the Department of Health, Education, and Welfare. Not only is its budget shrinkproof, HEW is devouring an ever larger proportion of our national budget with every passing year.

In the fiscal year ending June 30, HEW will have spent $109.9 billion. This is $301 million a day, 365 days a year. More than a third of our entire national budget will have been consumed by HEW.

And HEW expenditures are growing at a truly alarming rate. If its expenditures grow at the same rate as they did in the past decade, HEW spending will go over the $500 billion mark by 1985. This would be far in excess of our present total national budget.

The Congress, moreover, seems unwilling to take the actions necessary to bring HEW spending under control. H.R. 6573, the fourth budget rescission bill, is a prime example of what I am talking about.

The administration has proposed rescissions involving four HEW appropriation accounts. These rescissions total $238,323,000. The Committee on Appropriations approved $17,873,000 of this total. That is only 7 percent of the amount requested.

It is time that the Congress made the budget-cutting decisions that our current economic situation demands. HEW spending must be reduced. If we fail to act this sacred cow will devour our Nation.

EDWARD F. (PETE) KENNELL, CHAIRMAN OF THE ALBANY HOUSING AUTHORITY AND DEPUTY DIRECTOR OF THE ALBANY URBAN RENEWAL AGENCY

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. STRATTON. Mr. Speaker, the other day in Albany, N.Y., there departed suddenly and prematurely from our midst one of the city's outstanding public servants, and one of our great leaders in the fight for improved racial understanding and equality. I refer to Edward F. Kennell, known to his friends as "Pete."

Pete Kennell has been the chairman of Albany's Housing Authority and at the same time deputy director of the Albany Urban Renewal Agency. In this dual capacity Mr. Kennell largely has presided over the remarkable transformation that has taken place in Albany in recent years, tearing down dilapidated slums and building in their place hundreds of new, modern housing units for our low-income and disadvantaged families.

Pete Kennell, a graduate of Harvard College, was active in many other civic enterprises in the Albany area. His departure leaves a very large, gaping hole in our community fabric; his unusual energy, his balance, his dedication, and his keen mind have all been assets that we can ill afford to do without today in any city in the fight for better racial understanding, harmony, and progress.

Under leave to extend my remarks I include a news article from the Albany Knickerbocker News of April 21, 1975, an editorial from the Albany Times-Union of April 23, 1975, a letter-to-the-editor of the Knickerbocker News of May 2, 1975, and a copy of the program of the community memorial services for Pete Kennell, including a listing of his personal background and accomplishments:

[From the Albany Knickerbocker News, Apr. 21, 1975]

"MAN OF BALANCE" MOURNED: EDWARD KENNELL "MAN WHO KNEW HOW TO DEAL WITH POLITICIANS, PEOPLE AND GET THINGS DONE"

(By Joann Crupi)

"You can hear him all day long talking in that loud voice of his to people on the phone or people who came into his office," one Albany City Hall aide said. "He was busy all day long with people who wanted housing or a job or help getting into school."

He was Edward F. Kennell, chairman of the Albany Housing Authority's (AHA) board of directors and deputy director of the Albany Urban Renewal Agency.

Mr. Kennell, 59, died Friday. Funeral services were to be conducted today at the Wilborn Temple in Albany.

His wake Monday at the Morning Star Missionary Baptist Church in Albany was crowded with friends and local officials.

Outside the church, an Albany policeman directed vehicles and pedestrians along congested Quail and Spring streets. Inside, women with white uniforms and tags marked "usher," led visitors to seats or standing room in the tiny church. At the front of the church lay Mr. Kennell's casket, with an arch of funeral wreaths overhead.

Mourners heard a series of eulogies on Mr. Kennell's generosity, spirit and work in Albany's black community.

Among the speakers were David Riker, director of the Albany Urban Renewal Agency; Joseph Laden, AHA executive director; Joseph Leone, former chief of the Albany Urban Renewal Agency and current director of the New York State Association of Renewal and Housing Officials; Sam Johnson of the Albany Inter-Racial Center; Leonard Weiss of the Albany Interfraternal Council; Lawrence Burwell of the Albany Urban League and the Rev. William Roland of the Albany Interdenominational Ministers Conference.

Burwell spoke earlier Thursday about the impact Mr. Kennell, a native of Boston and graduate of Harvard and Fisk universities, had on Albany.

"Ed Kennell had the greatest impact of any black person in this community I've known since being here for 10 years," Burwell said. "His impact was in housing, health, education, welfare and employment. And that doesn't count the one-to-one relationships he had with people."

Mr. Kennell was "still a social worker at heart," even after he left the job he held for 16 years as director of the Albany Inter-Racial Center to become deputy director of the city urban renewal agency in 1961," Burwell said.

"He had the balance to deal with politicians and people," Burwel added. "He knew how to get things done, how to get through the maze."

Mr. Kennell once said his role within the administration of Mayor Erastus Corning was "race relations." In that role, he had his share of critics.

But that was all muted as Mr. Kennell was mourned.

Survivors include his widow, the former Phyllis Grady; a daughter, Jacqueline; a son, James, all of Altamont; his mother, Mrs. Janice Kennell, and his sister, Donalda Kennell, both of Nashville, Tenn.

[From the Albany Times-Union, Apr. 23, 1975]

MR. KENNELL, PUBLIC SERVANT

The untimely death of Edward F. Kennell last Friday ends the career of one of the most tireless workers for the improvement of Albany.

Mr. Kennell was the first black to be named commissioner of any upstate housing authority. He was appointed in 1947 by Mayor Erastus Corning. He became chairman of the Albany Housing Authority last January. In another role as deputy director of the Albany Urban Renewal Agency, Mr. Kennell also had labored for years for the city's redevelopment programs and housing projects.

His community service did not stop with his official municipal positions, however. Mr. Kennell was 1975 chairman of the United Way campaign of the Albany area, and he had been director of the Albany Inter-Racial Council. In all of his community service he was known for the energy and verve he brought to the tasks before him.

Mr. Kennell will be missed by the city government as well as the entire community. We join in sympathy to family and friends.

[From the Albany Knickerbocker News, May 2, 1975]

EULOGY FOR MR. KENNELL

To the Editor:

People come and go and most times little note is taken of their passing by any other than the immediate family. All too seldom is a community blessed with the presence of an Edward F. Kennell, whose death has created a void which may never be replaced. The City of Albany has lost one of its most dedicated and productive citizens.

This decade has witnessed an era of the disclosure of the lack of understanding and appreciation of human dignity. One of the foremost advocates of the unfortunate and oppressed was Ed Kennell. Known affectionately by his friends as "Pete," he worked selflessly and steadfastly to give aid, succor and understanding to countless numbers of needy people in our city. He was constantly at work raising funds to help with housing, food, education, clothing and all human needs, in a quiet, dignified and gracious manner. His personality was gentle, never seeking the limelight or recognition for himself. He chose to do God's holy work with dignity and grace. He was a gentle man whose purpose was to help others. His labors were of love. It was not possible to refuse a request from Ed Kennell, for he sought not for himself, but always on behalf of others.

Those whose lives were touched by Ed Kennell are better people. Our community is a better place in which to live because he was part of it. May his memory be as a blessing for all of us, and may we best honor him by pledging ourselves to continue his work.

LEONARD A. WEISS.

MEMORIAL SERVICES FOR EDWARD FRASIER KENNELL

SPECIAL MEMORIAL SERVICES AT THE MORNING STAR MISSIONARY BAPTIST CHURCH, ALBANY, N.Y.

Presiding: Rev. M. S. Hunter.

Organ Prelude.

Special Memorial Services: Beta Pi Lamda Chapter, Alpha Phi Alpha Fraternity.

Resolutions

City of Albany, New York, Hon. Erastus Corning, 2d, Mayor.

Albany Boy Friends, Louis Johnson, Herbert L. Bryan.

Albany Urban Renewal Agency, David F. Riker, Director.

Albany Housing Authority, Joseph Laden, Exec. Dir.

N. Y. S. A. U. R. O., Joseph Leone.

The Group, Mrs. Geraldine Jefferson.

Inter-Fraternity Council, Leonard Weiss.

Advisory Council, State Division of Human Rights, Mrs. Wardell Robinson.

M. C. Lawton Civic and Cultural Club, Mrs. Lucretia Diggs.

Albany Inter-Racial Council, Samuel Johnson.

Urban League of Greater Albany, Lawrence Burwell.

N. A. A. C. P., Dr. Harry Hamilton.

The Ministers' Alliance, Rev. William Roland.

The Albany Girls' Club, Mrs. Ruth Walsh, Dr. Sybil Hoyle.

The United Fund, Mrs. Ersa Poston.

The Harvard Club, Richard Goodman.

Musical Selection, Julian Parrish.

Benediction.

MEMORIAL SERVICES AT THE WILBORN TEMPLE, FIRST CHURCH OF GOD IN CHRIST, ALBANY, N.Y.

Presiding: Rev. M. S. Hunter, Pastor, Morning Star Missionary, Baptist Church.

Organ Prelude.

Processional.

Invocation.

Scripture Lesson: 4th Chapter, Gospel of St. James.

Musical Selection: The Choirs.

Obituary: J. W. Jennings.

Solo: "Just A Closer Walk With Thee," Artis Kitchen.

Eulogy: Rev. M. S. Hunter.

Benediction.

Recessional.

Interment: Graceland Cemetery, Albany, New York.

Bearers

Active: Bernard Bryan, Herbert Bryan, William Hoyt, Clifford Johnson, Louis Johnson, Jesse McElevene, Junius Reese, Walter Yarbrough.

Honorary: John Brown, Alan Bush, John E. Haith, David Harris, Joseph Laden, Joseph Leone, Homer Perkins, David Riker, Kenneth Vaughn.

Music under the direction of Mrs. Dematress Taylor.

EDWARD FRASIER KENNELL

Born: October 24, 1915, Boston, Massachusetts.

Relatives: Edward Kennell, father, Mary Jane Kennell, mother, Harriet Kennell, stepmother, Donalida K. Ryan, sister, Cecil M. Ryan, brother-in-law, Cecil J. Ryan, nephew.

Graduate: Boston Latin School, Fisk University, Harvard University.

Family: Married June 6, 1943 in Schenectady, New York to Phyllis Grady Kennell, Jacqueline Kennell, daughter, James Kennell, son.

Occupation: Chairman, Albany Housing Authority, Dep. Dir., Albany Urban Renewal Agency. Former Executive Director, Albany Inter-Racial Council.

Affiliations: Morning Star Missionary Baptist Church, Albany Boy Friends, Beta Pi Lambda Chapter, Alpha Phi Alpha Fraternity, N.Y.S. Ass'n of Urban Renewal Officials, The Group, Inter-Fraternity Council, Citizens Advisory Council, State Division of Human Rights, Urban League of Greater Albany Area, N.A.A.C.P., The Albany Girls' Club, The United Fund, The Harvard Club, The Albany Area Chamber of Commerce.

Died: Friday, April 18, 1975, in Guilderland, New York.

SHARED EDUCATIONAL EXPERIENCES, INC.

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HARRINGTON. Mr. Speaker, in light of the intense interest that our Nation has placed on career education; and in light of the problems facing young people in obtaining the necessary skills to adapt to today's changing society, I would like to call attention to a career education program which was initiated and fostered by the Western Electric Co. in Boston.

This program called Shared Experience encourages learning through a personal one-to-one association between a student and professional sponsor in a career area of a student's choice. A program coordinator interviews the students to determine their fields of interest and then attempts to match them with appropriate sponsors from the business and professional worlds.

Since its inception—September 1971—4 years ago, the Western Electric Co. has provided the staff, facilities, and resources in matching approximately 500 students from 11 colleges and universities in the greater Boston area. Based on extensive feedback from students, sponsors, and college administrators across the country, the Shared Experience concept has been incorporated into Shared Educational Experiences, Inc. in order to expand this cooperative education venture nationwide. It is hoped that SEE, Inc. will become a national model of an effective career education program, and that the efforts of the Western Electric Co. will be an example to other corporations in recognizing their role in the area of career education.

THE DELUSION OF DÉTENTE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. BAUMAN. Mr. Speaker, the fall of South Vietnam, at almost the same time that the Communists were gaining victory in Cambodia, followed quickly by the purging of non-Communist elements in the government of Laos, provides some crow to eat for those who scoffed at the so-called Domino Theory. But these events also have called into question our entire foreign policy, based as it is on the illusion of détente with the Communists.

We are familiar with the effects of the Communist victory in Southern Asia. The governments of Thailand, the Philippines, Indonesia, are publicly "reassessing" their foreign policies, presumably pondering whether they should follow the lead of Laos, and become prospective dominoes before they are pushed.

On the other side of the world there is an ironic situation in Portugal. Commander Jesuino, Portuguese Minister of Information, is in the United States seeking "understanding." Secretary Kissinger is reportedly miffed, both at Jesuino, and at U.S. Ambassador Frank Carlucci, for advocating some understanding of this government. Secretary Kissinger disapproves of Portugal for allowing too many Communists in their government. How can he possibly be surprised, either at Portugal or Carlucci, when he has been relentlessly promoting détente for as long as he has had any influence in the government? Why is it acceptable for Secretary Kissinger to seek "understanding" and mutual agreements with the brutal masters of the Kremlin, but not acceptable to seek understanding of a government which has not yet turned completely to communism?

The San Diego Union of May 3 has printed an excellent editorial calling for a reappraisal of détente from yet another perspective—the disastrous effect which détente has had on NATO and the

Atlantic Alliance. The editorial concludes, pointedly:

> Détente, it is plain, has helped our enemies and has done us no good whatever. Furthermore, it has shaken the confidence of our allies. Now, in the wake of Vietnam, we would be well advised to ask ourselves if it is not, in the long run, better to have a meaningful détente with our friends than a worthless détente with our enemies.

I endorse those thoughts, and commend this editorial to my colleagues.

THE "DELUSION" OF DÉTENTE

As we raise our eyes from the embers of Vietnam and look in other directions we must concur with the wag who said, "The whole world is a rat race and the rats are ahead."

A case in point is NATO, the grand alliance that has held Soviet imperialism at bay for 25 years. Now, NATO is in trouble, partly because of the dynamism of Soviet diplomacy and the size of the Soviet's military buildup, and partly because of misplaced American priorities as to the relative importance of the thing we call "detente."

The Soviet power has grown with almost dramatic speed. The Russians are spending more on military defense by far than the United States, and their progress is almost terrifying. They have developed a massive and modern fleet, and are procuring the bases necessary to make it a worldwide strategic force.

The NATO European command is now faced with a formidable force of 26,000 Warsaw Pact tanks, an array of tactical nuclear weapons and armies at least twice the size of the NATO forces.

NATO, itself, is in tragic disarray. Great Britain is impoverished, suffering brutally at the hands of a leftist government that is disinterested in defense. Portugal is turning slowly leftward, as is Italy. Greece and Turkey, former stalwart anchors of the NATO flank on the Mediterranean, are totally disenchanted. Turkey can no longer be regarded as a United States base in that area and Greece, suffering brutal internal political and economic problems, is about to leave NATO completely.

It is against this backdrop that the United States should hasten to reexamine its attitude on detente.

If our interest in mollifying the Soviet Union through detente suggests a corresponding disinterest in our relations with NATO, the alliance could very well collapse, with the NATO nations trying, one way or another, to accommodate with the Soviet Union.

It is time for the leadership of our country to see detente as an abstraction, simply a theatrical camouflage on the Soviet Union's part, for pursuing its political war.

Stripping off the camouflage, we see that detente did not keep the Soviets from arming the North Vietnamese in violation of the Paris Peace accord. It did not cause the Soviets to work for peace during the October, 1973, Middle East war. It has resulted in the two Strategic Arms Limitation meetings, SALT I and SALT II, which actually limited nothing and, since the Soviet Union is ready and willing to spend far more on arms than is needed for defense, it has moved her clearly into the position of No. 1 in the nuclear world. In that world, it might be observed, being No. 2 is not better than being No. 20.

Detente, it is plain, has helped our enemies and has done us no good whatever. Furthermore, it has shaken the confidence of our allies. Now, in the wake of Vietnam, we would be well advised to ask ourselves if it is not, in the long run, better to have a meaningful detente with our friends than a worthless detente with our enemies.

CALL FOR REOPENING OF INVESTIGATION OF THE ASSASSINATION OF JOHN KENNEDY

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mrs. SPELLMAN. Mr. Speaker, recently I was visited by several students from the University of Maryland who represented many of their peers who are concerned about the Warren Commission and the investigation into the Kennedy assassination. Members of the Organization of Students To Investigate the Investigation of the Kennedy Assassination, Mr. Floyd Lamore, Mr. Michael Diamond, Ms. Terri Weifenbach, Mr. David O'Neill, Ms. Maryann Hainley, Mr. Daniel Kinder, and Ms. Christina Mazzanti presented me with a petition from the University of Maryland containing 1,175 signatures in support of resolutions before this House calling for the reopening of the investigation of the assassination of John Kennedy.

These students are sincerely concerned that the FBI, the organization investigating the assassination, had a "predilected opinion of the outcome of their investigation." The students believe that the Warren Commission decided to withhold and suppress evidence contrary to the predilected opinion of the FBI. It is the coverup aspects of the assassination investigation that are of the greatest concern to these students, and I share this concern.

In support of their belief that some coverup existed in the investigation, the students presented me with a copy of the transcript of the executive session of the Warren Commission of January 22, 1964. I would like to include for the RECORD this portion of the transcript, along with the accompanying petition from the Organization of Students to Investigate the Investigation of the Kennedy Assassination.

Mr. Speaker, these students are taking their summer to work on a petition survey of Prince Georges County, Montgomery County and the counties comprising the district of our distinguished colleague, Congressman PAUL SARBANES, in an effort to further determine the beliefs and concerns that exist on this subject. They are also planning a symposium to be held on the University of Maryland campus, tentatively scheduled during the second week of June. This symposium will be made up of experts in the field as well as concerned citizens and Members of Congress.

Mr. Lamore and his fellow students have emphasized again and again that it is the coverup aspects of the assassination investigation that are of major concern to them. If the FBI, the CIA and the Secret Service are not doing their job, and if, in the process, they covered up their mistakes, the American people should know about it.

Mr. Speaker, I support these and other efforts to answer the many puzzling questions that have arisen around the investigation of the Kennedy assassination, and I applaud the efforts of the Organization of Students to Investigate the Investigation of the Kennedy Assassination.

The January 22, 1964, transcript of the Warren Commission executive session and the petition of the organization follow:

To: The Honorable Gladys Noon Spellman,
Congresswoman, 5th District, Maryland

We the undersigned, do hereby Petition the Honorable Gladys Noon Spellman, Congresswoman from the fifth district of Maryland, to support in particular, House Resolution No. 204 and in general, a full and open investigation by either body of Congress on the Kennedy Assassination. The essence of House Resolution No. 204 is to reopen the investigation of the assassinations of John F. Kennedy, Martin Luther King and Robert F. Kennedy. Its sponsor is Representative Gonzalez of Texas.

We think the Warren Commission was inaccurate, dishonest and incomplete in their investigation, findings and their conclusion that there was no conspiracy and that Lee Harvey Oswald acted alone in assassinating President Kennedy. We question the "lone assassin" theory in light of previously suppressed and/or ignored evidence; evidence which plainly suggests more than one gunman and thus a conspiracy.

House Resolution No. 204 is in rules committee at this time and we would appreciate your efforts to support this resolution and follow its progress through till a vote before the House.

As your constituents, we most humbly appreciate your attention on this petition and being familiar with your record of involvement, feel that you will take an active position of approval of the resolution.

UNITED STATES OF AMERICA,
GENERAL SERVICES ADMINISTRATION,
Washington, D.C., March 19, 1975.

Mr. HAROLD WEISBERG,
Route 8,
Frederick, Md.

DEAR MR. WEISBERG: Some years ago you requested a copy of a transcript of the executive session of the Warren Commission of January 22, 1964. At that time, as we informed you, there was no transcript of that session. A transcript of the reporter's notes for that session has been prepared and is now available for research. Enclosed is a copy of the transcript.

Sincerely,

Miss JANE F. SMITH,
Director, Civil Archives Division.

TRANSCRIPT OF EXECUTIVE SESSION OF THE PRESIDENT'S COMMISSION ON THE ASSASSINATION OF PRESIDENT KENNEDY OF JANUARY 22, 1964

Gentlemen, I called this meeting of the Commission because of something that developed today that I thought every member of the Commission should have knowledge of, something that you shouldn't hear from the public before you had an opportunity to think about it. I will just have Mr. Rawkin tell you the story from the beginning.

Mr. RAWKIN. Mr. Wagner Carr, the Attorney General of Texas, called me at 11:10 this morning and said that the word had come out, he wanted to get it to me at the first moment, that Oswald was acting as an FBI Undercover Agent, and that they had the information of his badge which was given as Number 179, and that he was being paid two hundred a month from September of 1962 up through the time of the assassination. I asked what the source of this was, and he said that he understood the information had been made available so that Defense

Counsel for Ruby had that information, that he knew that the press had the information, and he didn't know exactly where Wade had gotten the information, but he was a former FBI Agent.

That they, that is, Wade before, had said that he had sufficient so that he was willing to make the statement.

Ford. Wade is?

A. The District Attorney.

Ford. Carr is the Attorney General.

Boggs. Right, of Texas.

Rawkin. I bought that to the attention of the Chief Justice immediately, and he said that I should try to get in touch with Carr and ask him to bring Wade up here, and he would be willing to meet with him any time today or tonight to find out what was the basis of this story. I tried to get Carr and he was out campaigning in Texarkana and so forth, and so it took us quite a while to get back to him and talk to him. I just got through talking to him and he told me the source of the information was a member of the press who had claimed he knew of such an agent, that he was an undercover agent, but he now is coming with the information as to his particular number and the amount he was getting and the detail as to the time when the payments started. Wade said he as well as him did not know the name of the informant but he could guess who it was, that it was given to his assistant, and he was sure that he knew, and he said he was trying to check it out to get more definite information. Carr said that he could bring Wade in some time the first of the week, but in light of the fact that it was this man of the press and that they did not think it would be broken by the press immediately, although there had been all kinds of stories down there but Carr said there were some 25 to 40 different stories about this being the case admonishing the press themselves, but this was the first time that he got something definite as to how they were handling it or how it could be handled by himself. But I was concerned of an undercover agent. He thought that the press would not bring the story without some further proof, and they are working on that now, he said. So he thought that if he brought Wade back on Monday or Tuesday, that that would still take care of any major problem. When he first told us, he said the press had it and he was fearful because he hadn't even gotten this from Wade. He got it from another man that the press would bring it before we could know about it and the Commission would be asked all kinds of questions without having information about it. Now he said Wade told him that the FBI never keeps any records of names.

Mr. Boggs. Wade is the District Attorney for Dallas County?

Rawkin. Right.

Q. And the other man, Carr, is the Attorney General?

A. That is right.

Q. And the other people who have knowledge of this story?

A. He indicated that the press down there had knowledge of this story, and that the information came from some informant who was a press representative, and he, that is, Wade, could guess who it was but his assistant knew and he never asked him. They were trying to get more explicit information.

A. Lee, would you tell them?

Mr. Dulles. Who were you talking with when you got this information, Wade himself?

A. I was talking with Carr.

Boggs. There is a denial of this in one of these FBI records, as you know.

A. Yes.

Cooper. In this file we had yesterday, one of the lawyers for this fellow who claims to represent——

Boggs. Thornhill, I think.

Cooper. Oswald or one of them, Ruby, told about this, do you recall it, he said it was being rumored around.

Rawkin. Yes, it was being rumored that he was an undercover agent. Now it is something that would be very difficult to prove out. There are events in connection with this that are curious, in that they might make it possible to check some of it out in time. I assume that the FBI records would never show it, and if it is true, and of course we don't know, but we thought you should have the information.

A. Lee, would you tell the gentlemen the circumstances under which this story was told?

A. Yes, when it was first brought to my attention this morning——

Boggs. What time was this, Lee?

A. 11. 10.

Boggs. That is after the Ruby episode of yesterday?

A. That is right.

Q. Yes.

A. And Mr. Carr said that they had used this saying before the Court that they thought they knew why the FBI was so willing to give some of these records to the Defense Counsel, and they were * * * to the Defense Counsel being able to get the records and asking the Court to rule that they couldn't get them.

Q. That is, the District Attorney was?

A. That is right, and he said a number of these records were furnished by the Texas authorities, and that they should not be given up to the Defense Counsel, and that the reason he thought that they were so eager to help Ruby was because they had the undercover, that Oswald was the undercover agent and had the number of his badge and so forth, he was getting two hundred a month and so forth, and that was the way it was explained as his justification to the Court as a basis for determining the records and that that was the excuse the FBI, the reason the FBI had for being so eager to give the records up. That is the way it was developed. Now Mr. Jaworski, who is associated with the Attorney General working on this matter was reported to you before, and, * * * Story, I don't talk to Story about it but I did talk to Jaworski and he said he didn't think Wade would say anything like this unless he had some substantial information back of it, and thought he could prove it, because he thought it would ruin many in politics, in Texas, to be making such a claim, and then have it shown that there was nothing to it.

A. And Jaworski is an able lawyer, mature and very competent. We have complete confidence in him as a person. Now that is the evaluation of the situation.

Ford. No. He hasn't made any investigations himself?

A. No, he has not.

Ford. Has Wade or anyone connected with Wade?

A. No.

Dulles. Talking about Story, just a few minutes ago just telling him I wasn't going to be down in Texas, I had told him I was going to be down at the time, he didn't indicate that he had anything of any importance on his mind. Maybe he won't offer it to him obviously.

Rawkin. I don't know that it was even brought to his attention.

Dulles. I don't believe it was, now. Of course, he is not in the hierarchy.

A. Well, I think they were planning on telling the Attorney General and Jaworski.

Ford. How long ago did they get a feeling that there was some substance to the rumors that apparently had been—I just assumed, and I didn't ask them that, that Carr called me and seemed to be in a matter of great urgency at 11:10 this morning, and that he was fearful that they would bring in the papers before we would even get to know about it, and that is the way he was talking and acting about it.

Cooper. He felt there was . . . He didn't know the name of the informant?

A. No, he did not.

Q. What then would lead him to think it had substance?

A. Well, he said that the reason he thought it might have substance was because Wade had heard these rumors constantly, and his assistant had gotten this information from the informant as to a definite badge number, and the amount and the date.

Cooper. How would you test this kind of thing?

A. It is going to be very difficult for us to be able to establish the fact in it. I am confident that the FBI would never admit it, and I presume their records will never show it, or if their records do show anything, I would think their records would show some kind of a number that could be assigned to a dozen different people according to how they wanted to describe them. So that it seemed to me if it truly happened, he did use postal boxes practically every place that he went, and that would be an ideal way to get money to anyone that you wanted as an undercover agent, or anybody else that you wanted to do business that way with without having any particular transaction.

Ford. There might be people who would see what was going on with that particular box, because the postal authorities do watch, they have means of watching in many places that no one could see. They can watch the clerks as to what they are doing in these boxes, and they can watch the individuals that are going in and out. They do that only when they have an occasion to be suspicious, but they might, in watching for somebody particularly, they might also see other things that they just have to note. That is a possibility.

Dulles. What was the ostensible mission? I mean when they hire somebody they hire somebody for a purpose. It is either . . . Was it to penetrate the Fair Play for Cuba Committee? That is the only thing I can think of where they might have used this man. It would be quite ordinary for me because they are very careful about the agents they use. You wouldn't pick up a fellow like this to do an agent's job. You have got to watch out for your agents. You have really got to know. Sometimes you make a mistake.

Ford. He was playing ball, writing letters to both the elements of the Communist parties. I mean he was playing ball with the Trotskyites and with the others. This was a strange circumstance to me.

Dulles. But the FBI get people right inside you know. They don't need a person like this on the outside. The only place where he did any at all was with the Fair Play for Cuba Committee.

Boggs. Of course it is conceivable that he may have been brought back from Russia you know.

A. If he was in the employ from 1962, September 1962, up to the time of the assassination, it had to start over in Russia, didn't it, because didn't he get back in February? When did he get back here from Russia?

A. I think it was February; February of this year.

Q. Of '62. Was it of '62?

A. Oh yes, that is right, it was '62.

Dulles. They have no facilities, they haven't any people in Russia. They may have some people in Russia but they haven't any organizations of their own in Russia.

A. Yes.

Dulles. They might have their agents there. They have some people, sometimes

American Communists who go to Russia under their guidance and so forth and so on under their control.

Cooper. Of course there are rumors all around Dallas, of course the FBI is acquainted with rumors too.

A. One of the strange things that happened, and it may have no bearing on this at all, is the fact that this man who is a defector, and who was under observation at least by the FBI, they say they saw him frequently, could walk about the Immigration Office in New Orleans one day and come out the next day with a passport that permitted him to go to Russia. From my observations of the case that have come to us, such passports are not passed out with that ease.

Dulles. Mr., I think you are wrong on that.

A. I could be.

Dulles. Because the passports are issued valid for anywhere except specified countries. There is a stamp as I recall that says not good for Communist China, North Vietnam, and so forth. For a long time they had on the stamp not good for Hungary. But any American, practically any American, can get a passport that is good for anywhere. An American can travel and Russia is one of the countries that you can now travel to.

A. Well, maybe you can.

Dulles. You can get them quick.

A. I think our General Counsel and I both have some experience in cases that have come before our Court which would indicate that that isn't exactly the fact.

Dulles. I think in the State Department. . . .

A. They have great difficulty, some of them, in getting a passport to go to Russia.

Boggs. Particularly for someone who has any Communist. . . .

A. Oh, yes.

Dulles. Is there any evidence the State Department has that record in the files? I don't think that record has ever turned up.

Cooper. They admitted there wasn't any.

A. What record, that he was a defector?

Dulles. Yes, I don't think the State Department or in the Passport Bureau, there was no record. It didn't get down to the Passport offices. That is one of the things we ought to look into.

A. The State Department knew he was a defector. They arranged for him to come back.

Dulles. But it don't get . . . passport files or the passport records. They are issuing hundreds and thousands of passports. They have their own particular system.

A. Yes.

Dulles. They don't run around from time a man comes in. If they don't find any clue, and they don't according to our record here they don't find any warning clue in his file—they should have a warning clue in his file but as I recall they don't.

Cooper. That is what they admitted, that they had not supplied the warning.

Dulles. And the Passport Office don't on its own usually go around and inquire. They wait until it is assigned there. Then they follow it up.

Cooper. This may be off the point a bit, but as I re-read the report, the chronology of the FBI checks on Oswald, they knew that he had gone to Texas. They learned from Mrs. Payne: they knew where Mrs. Oswald was living. They talked with her. They knew where he was working.

Boggs. Sure. That is all in the file.

Cooper. I know that. I say they knew where he was working.

Boggs. I am sure you went over that material that we received a few days ago. You will find the report from the FBI dated back last summer, and months before that and then months after that, why some agent would make a report on it.

A. I thought first you should know about it. Secondly, there is this factor too that a consideration, that is somewhat an issue in this case, and I suppose you are all aware of it. That is that the FBI is very explicit that Oswald is the assassin or was the assassin, and they are very explicit that there was no conspiracy, and they are also saying in the same place that they are continuing their investigation. Now in my experience of almost nine years, in the first place it is hard to get them to say when you think you have got a case tight enough to convict somebody, that that is the person that committed the crime. In my experience with the FBI they don't do that. They claim that they don't evaluate, and it is uniform prior experience that they don't do that. Secondly, they have not run out all kinds of leads in Mexico or in Russia and so forth which they could probably—It is not our business, it is the very ——

Dulles. What is that?

A. They haven't run out all the leads on the information and they could probably say—that isn't our business.

Q. Yes.

A. But they are concluding that there can't be a conspiracy without those being run out. Now that is not, from my experience with the FBI.

Q. It is not. You are quite right. I have seen a great many reports.

A. Why are they so eager to make both of those conclusions, both in the original report and their experimental report, which is such a departure? Now that is just circumstantial evidence, and it don't prove anything about this, but it raises questions. We have to try to find out what they have to say that would give any support to the story, and report it to you.

Cooper. Sure.

A. I think it was in October.

Rawkin. They had a report on many, they had an agent go and see him when he was in prison.

Boggs. In New Orleans?

A. In New Orleans.

Q. Right.

A. And he lied to them before the police. He said his wife was a Texas girl, and he married her in Texas, and a whole string of stuff, and in Dallas they had a report prior to that that was definitely contrary to it.

Boggs. The fellow Butler, who works for the profit organizations that Dr. Oxnard heads to disseminate and tie Communist propaganda to Latin America, is the one who confronted him on the streets in New Orleans. I know Butler. He is a very fine young man. It was . . . Butler says that this was the first time that they established that he had been in Russia and that he had defected at one time and then returned. You have that undoubtedly in your files, that film, that tape that was made and borrowed in New Orleans?

A. Yes.

Boggs. Of course on that tape—I listened to that tape—he gives the normal Communist line, reaction to everything.

A. That is right.

Q. The same old stereotyped answer?

A. Yes.

Cooper. How do you propose to meet this situation?

Boggs. This is a serious thing.

Ford. Who would know if anybody would in the Bureau have such an arrangement?

A. I think that there are several. Probably Mr. Belmont would know every undercover agent.

Q. Belmont?

A. Yes.

Q. An informer also would you say?

A. Yes, I would think so. He is the special security, of the division.

Dulles. Yes, I know.

A. And he is an able man. But when the Chief Justice and I were just briefly reflecting on this we said if that was true and it ever came out and could be established, then you would have people think that there was a conspiracy to accomplish this assassination that nothing the Commission did or anybody could dissipate.

Boggs. You are so right.

Dulles. Oh, terrible.

Boggs. Its implications of this are fantastic, don't you think so?

A. Terrific.

Rawkin. To have anybody admit to it, even if it was the fact, I am sure that there wouldn't at this point be anything to prove it.

Dulles. Lee, if this were true, why would it be particularly in their interest—I could see it would be in their interest to get rid of this man but why would it be in their interest to say he is clearly the only guilty one? I mean I don't see that argument that you raise particularly shows an interest.

Boggs. I can immediately—

A. They would like to have us fold up and quit.

Boggs. This closes the case, you see. Don't you see?

Dulles. Yes, I see that.

Rawkin. They found the man. There is nothing more to do. The Commission supports their conclusions, and we can go on home and that is the end of it.

Dulles. But that puts the men right on them. If he was not the killer and they employed him, they are already it, you see. So your argument is correct if they are sure that this is going to close the case, but if it don't close the case, they are worse off than ever by doing this.

Boggs. Yes, I would think so. And of course, we are all even gaining in the realm of speculation. I don't even like to see this being taken down.

Dulles. Yes. I think this record ought to be destroyed. Do you think we need a record of this?

A. I don't, except that we said we would have records of meetings and so we called the reporter in the formal way. If you think what we have said here should not be upon the record, we can have it done that way. Of course it might. . . .

Dulles. I am just thinking of sending around copies and so forth. The only copies of this record should be kept right here.

Boggs. I would hope that none of these records are circulated to anybody.

A I would hope so too.

Rawkin. We also give them to you Commissioners. Now if you don't want them, those are the only ones who get them but Sides himself: off the record.

CARDINAL MINDSZENTY

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mrs. FENWICK. Mr. Speaker, on May 6, one of the great spiritual leaders of our century, Jozsef Mindszenty, died at the age of 83 in Vienna. Cardinal Mindszenty spoke out against both Nazi and Communist oppression even when it placed him in grave personal danger. The Nazis arrested him, because he protested the annihilation of Hungarian Jews. The Communist government jailed him and convicted him of treason in 1949, because of his opposition to the authoritarian and atheistic regime.

Mr. Speaker, we should not forget the 1949 "treason trial" in Budapest and

Cardinal Mindszenty's gaunt appearance after weeks of Communist brutality. One of the lessons which we in the West learned from the cardinal's trial was that the so-called "people's republics" of Eastern Europe in no way represent fairness or justice. The Hungarian Government revealed itself for what it was: A tightly-ruled authoritarian regime. It showed the extent to which elemental human freedoms can be debased. Freedom of speech, religion, and assembly—all taken for granted in the United States—were easily trampled by the Hungarian Communists in 1949.

Cardinal Mindszenty is dead, but as a lonely and courageous religious leader, standing isolated in the courtroom, speaking against tyranny of the left as bravely as he had against tyranny of the right, he will be remembered by all who cherish freedom.

LULAC HOLDS STATE CONVENTION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ANDERSON of California. Mr. Speaker, on May 23 through May 25, the League of United Latin American Citizens, LULAC, will convene for their 27th annual State convention in Long Beach, Calif.

Under the coordination of LULAC's Paramount Council, presided over by Margaret Pacheco, the LULAC convention will gather to perpetuate concepts which are the foundation of this fine organization's purpose—to instill in its members the democratic principle of individual political and religious freedom, the equality of social and economic opportunity, and to strive toward development of an American society where the cultural resources and integrity of all people are recognized to be a necessity for a worthwhile, meaningful, and enriched civilization.

The growing importance of the Latin American people in our country makes it essential that every citizen have an understanding of the cultural and spiritual origins we share with these great people.

I am especially pleased that in my State of California, LULAC councils have generally been in the forefront of initiating programs capable of implementing the ideals of their beliefs.

The first council organized in California was headed by Jess Vela in 1927 and was based in Orange County. The spirit that Vela's efforts produced soon spread to Los Angeles, Norwalk, Downey, Paramount, Long Beach, San Pedro, Gardena and countless other cities throughout our State.

LULAC's immediate goal in California is to rectify the employment problem faced by Spanish-speaking citizens. During the past several years, a LULAC committee, headed by Frank Galaz of the Gardena council, and Fidel Gonzales, past State chairman of LULAC, exposed various examples of discrimination against Latinos by many of California's major employers. They are presently taking the necessary legal steps to solve these problems.

In addition to working on fair employment practices, LULAC has been working toward greater educational opportunities for Latin Americans, for often it has seemed that higher education was beyond reach of the Latin American society. Through individual efforts, and the assistance that LULAC Educational Service Centers provide, Latin American people now have educational opportunities and resources available that they were deprived of for so many years. These new centers work to develop new levels of awareness in an attempt to motivate students in meeting the community's needs and solving problems one might have from an educational standpoint. The centers which operate in California work together and coordinate their efforts throughout California to reach as many Latin American youths as possible.

Mr. Speaker, these are but a few of the accomplishments LULAC has attained. Their active participation in the betterment of life for their people is indeed a noble contribution to our Nation. Their concern in the areas of housing, health, the media, economic development, civil and women's rights are admired by all who share a sense of equality and compassion for our fellow citizens.

I am particularly pleased that in my congressional district, individuals such as Isaac De La Rocha from the Long Beach Council, Joe Sanchez from the Greater Long Beach Council, Jay Leon of the Gardena Council and Victor Valdez of the San Pedro Council have played such a vital role in the development and implementation of LULAC programs.

We are sure that with the dedication of these people, the 27th annual LULAC State Convention will serve as a prologue of further accomplishments for this organization.

Mr. Speaker, at this time I would like to insert into the RECORD the official LULAC code:

Respect your Citizenship and preserve it; honor your country, maintain its tradition in the spirit of its citizens and embody yourself into its culture and civilization.

Be proud of your origin and maintain it immaculate, respect your glorious past and help to defend the rights of all the people.

Learn how to discharge your duties before you learn how to assert your rights; educate and make yourself worthy, and stand high in the light of your own deed; you must always be loyal and courageous.

Filled with optimism, make yourself sociable, upright, judicious, and above all things be sober and collected in your habits, cautious in your actions and sparing in your speech.

Believe in God, love Humanity and rely upon the framework of human progress, slow and sound, unequivocal and firm.

Always be honorable and highminded; learn how to be self-reliant upon your qualifications and resources.

In war serve your country, in peace your convictions; discern, investigate, meditate, and think, study, at all times be honest and generous. Let your firmest purpose be that of helping to see that each new generation shall be of a youth more efficient and capable and in this let your own children be included.

NEW YORK—THE STATE OF THE CITY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. ROSENTHAL. Mr. Speaker, New York City faces a grave fiscal crisis and has appealed to the President for help. If the administration insists on a blueprint for future action before agreeing to assist New York City, an excellent basis for discussion can be found in a series of editorials currently appearing in the New York Times.

Yesterday, I inserted the first three editorials in this series—"The State of the City"—in the CONGRESSIONAL RECORD, and today I wish to bring the fourth to the attention of our colleagues, Mr. Speaker.

Today's installment discusses housing and energy. The Times editors make the essential point that even with an equitable and realistic regulation of rents "a considerable expansion in Federal rent subsidy, rehabilitation and construction funds will be needed to assist renters with low and moderate incomes."

The editorial follows:

STATE OF THE CITY: HOUSING AND ENERGY

"The time has come for the city or state to take over all rent-controlled apartments. We are not asking for any cash, just mortgages covering the condemnation value of our property."

That statement of surrender comes from the chief spokesman for owners of 900,000 New York City apartments seeking to get out from under the vagaries of rent control, rising real estate taxes, high fuel and utility charges and kindred afflictions of infinite variety.

In terms of equal desperation tenants complain that decent housing is unobtainable at rents any but the wealthy can afford—and much of it is shoddy at any price. Even where apartments are built with exemption from municipal taxes, they now come in at monthly rents of $125 a room or higher, triple or quadruple what used to be considered a tenable middle-income figure.

Uncollected realty taxes are expected to total a quarter-billion dollars this year, and landlords shrug off the scheduled 10 per cent increase in the tax rate July 1. "The money just isn't there to pay it," is their almost unanimous comment. Savings banks squirm as defaulted mortgage payments reach astronomic totals, but they do not foreclose for fear of even more staggering losses if the banks become owners. Abandonments at the rate of 30,000 per year convert entire neighborhoods into wasteland; arson in abandoned apartments is a growing menace.

At least 30,000 new or substantially rehabilitated family units annually for the next decade is the officially calculated housing need for this city. Yet public and private rehabilitation—and there are some brave efforts in this direction—is near a standstill. Many existing low-rent housing developments are fear-swept jungles. Federal rent supplements offer a glimmer of hope—a dim glimmer.

THE EMPTY SKYSCRAPER

In the soaring skyscrapers that are the external symbol of New York's commercial greatness more than a tenth of the space is vacant—a total of 27.5 million square feet of unfilled offices. By cutting rents to half or less their original level, operators of shiny new towers in midtown Manhattan made a modest dent in their backlog of surplus space in the last year, but much of their gain was at the expense of Lower Manhattan buildings.

The twin peaks of the World Trade Center, with two million of their nine million feet still unrented, are monuments to unplanned expansion—misspending by the Port Authority of reserves that should have gone to mass transit but that were used instead for unfair competition with commercial builders. As if all this were not dismaying enough, the combination of municipal tax policy and of quest for speculative advantage has put a premium on the destruction of sound and often handsome buildings in prime sections of the downtown district. The owner comes out ahead by paving over the vacant property as parking lots; the city is left with an ugly ruin.

The only palliative currently being applied is the promising, though still decidedly limited one, of rehabilitating commercial and loft buildings for residential use, an approach that has worked well in SoHo and a few other areas. A more expansive application of the same principle to brand new construction is getting municipal encouragement through tax abatement for structures that heap luxury apartments on top of commercial floors, shops and showrooms; but this is only for the rich.

It is evident that the city's need for livable housing for middle-class and low-income families will never be met by such methods. The overwhelming immediate need is to preserve and upgrade the existing stock of sound housing, not to let more and more buildings sink into decay, mortgage and tax default, and total abandonment.

The many months it took to get a feeble bill for a passalong of skyrocketing fuel costs through the City Council, despite consistent pressure from Mayor Beame, provides fresh proof that rent policy is too close to the ballot box to be safely left to political decision. The present creaky control structure, a patchwork carried over from World War II, ought to be replaced either directly by the State Public Service Commission or by some counterpart agency.

In recent years the P.S.C. has proved an independent watchdog in policing utility rates; gone is the subservience it once showed to the big power companies and to the Bell System. Similar independence is needed in the housing field if some element of equity and realism is to characterize determination until over-all supply of housing is adequate to allow deregulation.

Even with that, a considerable expansion in Federal rent subsidy, rehabilitation and construction funds will be needed to assist renters with low and moderate incomes. Preferential loans and special mortgage terms, backed by governmental guarantees, can do much to encourage conversion of marginal rental units to cooperatives and condominiums. Unlocking the door to new construction at reasonable rents depends on action by the building unions and employers to ease restrictive work rules and to avoid another round of inflationary pay boosts in talks now under way.

HIGH COST OF ENERGY

The high cost of shelter for householders and business alike is pushed higher still by electric rates well above those that prevail in any other community. No city is more dependent on electric power than New York, making Consolidated Edison, the monopoly supplier, as vital an element in the well-being of the metropolis as City Hall.

The dependence is far from a happy one, though the company's managerial competence has improved enormously since a systemwide power failure blacked out the city and Westchester County almost a decade ago. High costs are inescapable in an underground distribution network that is eight times as expensive to install and repair as overhead lines would be. More than half of Con Edison's bill to its customers directly reflects outlays for fuel and taxes.

A coordinated interdepartmental approach is needed to the economic, environmental and technical problems this giant utility presents, but the Lindsay administration's attempts along this line accomplished little and the Beame administration is not even trying. Responsibility for holding down light and power costs has fallen back primarily on the P.S.C. and the State Power Authority. The most that seems in immediate prospect is a more rational rate structure aimed at discouraging the present profligate waste of energy and at cutting Con Edison's long-term need for new generating equipment.

HUSSEIN OFFERS ISRAEL PEACE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. FINDLEY. Mr. Speaker, 1 week ago, King Hussein of Jordan gave one of the most important foreign policy addresses of this decade. Speaking at the Citadel Military Academy in Charleston, S.C. he stated publicly, perhaps for the first time, the absolute willingness of the Arabs to make peace with Israel. The significance of what he said cannot be overstated. Using his own allusion, King Hussein "bit the bullet" for the Arab peoples. He publicly abandoned, on behalf of the Arab nation, decades of enmity for the Israelis and offered them precisely what they have rightly sought for so long—the opportunity to live in peace and security in their national homeland.

Whatever mistrust the Israelis may have for some Arabs, they should, I believe, recognize King Hussein as a straightforward neighbor. It was Hussein who, rather than appease fanatical elements within the Palestinian movement, crushed their insurgency, and thereby made Israel's borders vastly easier to defend against terrorist attacks. It was Hussein who attempted to forestall the October 1973 War against Israel, and withstanding enormous pressures from Egypt and Syria, yielded only a token force to the battle in the last days of the war.

It is King Hussein who offers what he says may be the last chance for peace, and perhaps is.

In an extraordinary public admission, one which must have taken enormous courage, Hussein stated flatly that the Arabs have changed their position. Speaking explicitly for Egypt, Syria, and Jordan he categorically stated:

> We accept the conditions for peace that have been laid down—recognition of Israel, nonbelligerency, Israel's right to exist within recognized borders, and our willingness to make and support a final peace.
>
> All of these we accept on condition that Israel withdraw from all Arab territory and recognize the legitimate rights of Palestinians in their homeland. It is as simple as that.

His thinly veiled reference to Egypt's Nasser and Syria's Jedid, who have now been replaced by "enlightened new leadership," amounts to a repudiation of past policies of hatred and attempted destruction of Israel.

In fact, it is apparent from King Hussein's speech that the Arabs are willing to eat a good measure of crow if that will help to bring about peace. And it is also apparent that before he spoke he must have cleared every word of his speech with Presidents Sadat and Asad.

What more can the proponents of peace in the Middle East reasonably demand than that which was offered on behalf of all Arabs last week? What more will the United States insist upon as it tries to establish a formula for a lasting peace?

In House Concurrent Resolution 192, which I introduced on March 24, 1975, I set forth the basic principles which I believe to be essential to peace in the Middle East. The statement of King Hussein at the Citadel is wholly consistent with those principles. Because of the importance of the King's statement, and the growing urgency between Arabs and Israelis, I insert the text of King Hussein's remarks at this point so that every Member of Congress might have an opportunity to read them:

ADDRESS OF HIS MAJESTY KING HUSSEIN OF THE HASHEMITE KINGDOM OF JORDAN, AT THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA, MAY 6, 1975

Mr. President, members of the faculty, the Corps of Cadets, and distinguished guests.

As a former Cadet and an alumnus of Sandhurst, I was especailly pleased to be invited here to The Citadel, and doubly appreciate the honor you have bestowed upon me. I am not really an academic type and I feel hesitant sometimes about accepting a degree. But among you, I feel right at home.

I recognize that the System of The Citadel which begins at the "Gate"—from "Knob" status to distinguished graduate—imposes certain restrictions, restrictions that may on rare occasions be broken. With vivid memories of my own days as a cadet, I shall now, Mr. President, invoking the traditional privilege as a Chief of State, ask that amnesty be granted those cadets undergoing confinement or tours of penalty.

By the nature of my position, I have had to become, you might say, something of a military strategist and a political scientist. So, although I have not had the benefit of instruction from your distinguished faculty, I might be able to pass some of your courses, maybe even enough to earn a degree. I'm happy, however, not to be put to the test.

Today I am indeed proud to become an alumnus of The Citadel.

While I was a cadet at Sandhurst, I was involved in an episode which I still vividly recall.

After a night out in London, I returned to the college to find fire trucks just leaving the campus, having been summoned by a prankish fire alarm. The next morning at an early parade, the college commander demanded that the officer cadet who rang the alarm should step forward. When no one volunteered, the entire college was confined to barracks until the guilty party confessed.

This seemed a bit unfair to those of us who had not been in the college when the alarm rang, and especially to me because I had the opportunity to try out a new racing car at the Goodwood track that very day.

After brooding on this for some time, I asked permission to see the college commander. When I was permitted into his presence, I saluted sharply and blurted out, "I did it, sir."

"You did what?" he asked.

"I rang the fire alarm, sir."

He paused for a moment, and then said, "How could you? You were on leave in London."

"That's true, sir. So were many others."

He smiled slightly, and then said, "I see your point, Hussein."

Within an hour, I was something of a hero to all those who were released from confinement to barracks because they hadn't been in the college when the alarm rang. I'm sure, General Seignious, that you would have agreed with the commander's decision not to inflict mass punishment.

I did try out that car, by the way, but never did race it. The garage, under orders I suspect from the Jordan Embassy, never tuned it up sharply enough for Goodwood racing. Probably just as well.

The duty to set right an obvious wrong is an obligation we all recognize, whether it be in a military school, or in relations between nations. It is at the heart of the concept of Justice.

It is also, Mr. President, at the heart of the Great Issue I wish to discuss today—War or Peace in the Middle East.

There are few problems on the planet Earth more demanding of the collective wisdom of mankind than a just settlement of the difficulties that have arisen between the Arab Nation and Israel. Although the Arabs comprise many States, they do form one Nation, in that they share the same language, religion, tradition, culture, history and geographic area. It is in this sense that I use the term.

The drama of this conflict between the Arab Nation and Israel, with its attendant human suffering, has unfolded in a grim 30-year tragedy. We have witnessed Act I—the founding of Israel; and Act II—the Wars, 1956, 1967, 1973. Today we are observing the formulation of Act III—the ultimate conclusion. Shall it be peace, the peace we all desire—or a violent catastrophe, possibly involving the entire world in armed struggle and suffering?

How did the problems and misunderstanding of the first two acts occur? And what can we all do to insure the Third Act will not enlarge and perpetuate the tragedy? My views are those of one who has been both an observer and a participant in this human experience for the past 23 years and whose country has been in the forefront of the conflict from its beginning. It is against this background that I would like to assess the events and developments of the recent past, consider their impact, and develop some conclusions.

As you know, the state of Israel came into being in 1948 after the British decided to give up their Palestine mandate, and the United Naitons passed a resolution partitioning Palestine. Between November 1947, when the UN vote was taken, and May 1948, when the mandate ended, there was fierce terrorist activity, and the first Arab-Israeli war was fought thereafter. The result was that when the truce was signed nearly 800,000 Palestinians were driven from their homes or had fled because they could not live under Israeli rule.

For nearly 20 years, most of the displaced Palestinians lived in refugee camps in Jordan, Syria, Lebanon, and the Gaza Strip. There were frequent incursions over the border by Palestinians and fierce reprisals by the Israelis. Bitterness and hatred grew stronger with every passing year. Cease fire agreements were made and broken, while both the Arabs and the Israelis kept building up their military strength.

In June, 1967, the "Six Day War" erupted between Israel and three Arab states—Egypt, Syria, and Jordan. At its conclusion, the military capability of the three Arab states was utterly destroyed, and Israeli forces were occupying territory in all three countries—the Sinai Peninsula of Egypt, the Golan Heights of Syria, and the West Bank of Jordan, including the old city of Jerusalem.

In November of that year, the Security Council of the United Nations unanimously adopted a resolution—No. 242—designed to form the basis of a solution. Its preamble stated a basic principle written into the charter of the United Nations—that no nation may acquire the territory of another nation by force. It then proceeded to outline the conditions that were to be accepted by both sides. They included: Arab recognition of Israel; an end to belligerency; the right of Israel and the Arab states to live within recognized borders; the freedom of passage through the Suez Canal; a just solution of the Palestine problem; and the withdrawal of Israeli forces from the Arab territory they had captured and were still occupying.

The terms were accepted in principle by all. But then began the challenge of implementing the peace.

That was in 1967—eight years ago. What has happened since then?

The United Nations has repeatedly confirmed the terms of the resolution, and repeatedly sent conciliatory missions to the area. Nearly every major nation has offered to mediate, and the problem has been on the agenda of half a dozen summit meetings. Unfortunately, all of them failed. There was no progress on any point, and Israel continued to occupy Arab territory.

Then occurred the October War in 1973, which in 30 days, in terms of military equipment, was the most costly war ever fought.

After a cease fire had been arranged, there began a series of diplomatic interventions by the United Nations and the great powers. The United States and Russia sponsored a conference at Geneva that quickly adjourned. Once again, nothing seemed to be working.

Then in mid-1974 began one of the more remarkable events in diplomatic history—the "shuttle" diplomacy of your Secretary of State, Dr. Henry Kissinger. He did succeed in arranging a separation of forces in the Sinai Peninsula, and the Golan Heights. But when he returned recently to seek a further separation of Egyptian and Israeli forces, he found their positions had become irreconcilable, and departed for home, a greatly disappointed man. That he did not succeed has been called by some a failure.

If there was a failure it was not Dr. Kissinger's. No man has worked more tirelessly, more valiantly, with greater patience or greater dedication, than your Secretary of State in trying to resolve the issues which divide the area. He must be commended for his efforts and be urged to continue them and, indeed, under President Ford's leadership, to redouble them.

The failure of the negotiations reflected a failure by Israel to jettison an already discredited policy—a failure by Israel to reexamine and reject its notion that security derives from holding the territory of its neighbors. In fact, it is Israel's continued embrace of that notion that prevents it from realizing its security goals.

What I have said so far has dealt with history. What of the future?

As a true friend of the United States—and happy to be accepted as one—I believe I can contribute helpful and somewhat different points of view on the Middle East problem. These are views which I have expressed to your President, the Secretary of State and members of the Senate and the House. I think it was particularly opportune to have exchanged views with your leaders at a time when they were conducting a serious reassessment of United States policy for the Middle East, and to learn that our respective views are not very far apart.

Although the area has been an unending battlefield, a scene of interminable chaos and tragedy and is now in yet another state of crisis, I am convinced the prospect of peace in the Middle East still exists and in some respects may be closer than it has ever been before. Significant changes have taken place which give new hope.

Perhaps the greatest single new hope for peace stems from the historic change in the Arab position. And I have asked your leaders to recognize this in their reassessment. In the years before, and immediately after the 1967 War, we were in no mood for anything but retribution. We refused to recognize the existence of Israel, much less negotiate with her. Since then there has been time for reflection and growth in the Arab world. Greater strength has produced greater confidence. Heightened responsibility has brought a broader maturity. With enlightened new leadership in Egypt and Syria we have reassessed our policy. Realistic and constructive new attitudes and measures have been adopted. As a result, starting with our cautious acceptance of the 1967 UN Resolution, today we in Jordan, as well as in Egypt and Syria, are ready, even eager, to make peace. We accept the conditions for peace that have been laid down—recognition of Israel, non-belligerency, Israel's right to exist within recognized borders, and our willingness to make and support a final peace.

All of these we accept on condition that Israel withdraw from all Arab territory and recognize the legitimate rights of the Palestinians in their homeland. It is as simple as that.

There have been other important recent changes in the Arab world. They do not affect our attitude toward seeking peace with Israel, but they increase the urgency of something being done about it. Although the Middle East has always been a key area in international military and political strategy, it has now become a major center of economic power. Because of this the stakes are immeasurably higher in this crisis than before, and the urgency for solution has never been greater.

For most of the 20th century, and until very recently, the Arab Nation was generally ignored by the International Community. We had little voice or influence in the affairs of the world. The remarkable change which occurred within the past five years has now placed us prominently on the world stage. The Arab Nation has become the principal source of supply for the world's energy needs. Its energy resources have provided it with financial means rivalling the great industrial nations. Its rate of economic and industrial growth exceeds that of the other areas of the world. Future projections are even more impressive.

The old political order is being replaced by a new economic order of world importance. Peace is essential if the opportunity to share this prosperity is to be realized.

These changes which have occurred in the Arab world are truly of historic proportions and they will require equally historic decisions. Unfortunately, the decision most vital to everyone involved is not one which the Arab Nation can make. It is a decision for Israel. The decision, at long last, to return all territories she occupied by force and make peace. Despite the changes within the Arab world since the 1967 War, Israel has not budged from the territory she took then or the policies she has followed since that war. You have an expression in this country, "to bite the bullet" and that is what Israel must now do—"bite the bullet," and withdraw from Arab territory. That, I know, will be a major decision for Israel to make. Israel has demonstrated it can wage war, yet security eludes her. It may take more courage on the part of her leaders to make peace than to provoke war. Courage is the test of leadership. Withdrawal is the key to both peace and the real security Israel's leaders claim they so ardently desire.

Israel claims that her overwhelming concern is fear for her security. On analysis this is difficult to reconcile with reality at this point in history. If I may paraphrase a quotation from one of your former Presidents, in my opinion, the only thing Israel really has to fear is fear itself. She unfortunately appears to have confused fears of the past—in other times and other places—with her security for the future. Old Jersualem is not the Germany of World War II and Palestinian refugees are not the Nazis of Hitler. Prior to 1948, Arabs and Jews lived side by side in harmony as friends and neighbors for centuries. Perhaps, the fact that many of the founders of Israel and many of its present leaders and citizens were persecuted in Europe by Europeans, and are alien to the Middle East and its people, explains in part the attitudes of Israelis and their supporters. But European persecution in the past cannot justify the denial of rights to other peoples in 1975. Today, right now, there are thousands of families, men, women, and children, in my Kingdom who were born and raised in the holy city of Jerusalem, but are barred from returning to the holy city. Yet, refugees to Israel from Poland, East Germany, the Soviet Union and other corners of the world live there and claim it as their exclusive home. Is it not reasonable that we find this difficult to accept?

I have suggested that Israel is confusing her problems of security today with haunting fears from the past when she should be exploring the promises of the future. More concretely, her concept of military security has become antiquated—a fact this audience should appreciate. To contend, in this modern military age of sophisticated weapons and supersonic speeds, that long-term security can be measured in territorial miles may be a good propaganda ploy—or, as some have suggested, a guise for permanent expansion—but it has no military validity. Travelling under this false badge of security, Israel now occupies ten times the territory she was originally given. I am sure the United States, private citizens as well as government, did not intend that the billions of dollars which have been poured into Israel, out of compassion, would be used to conquer and occupy new lands. Yet that is what has happened. The United States bears a special responsibility in this regard for you are Israel's major ally and her most important benefactor. If condition for peace is withdrawal, should not a condition for assistance be the same?

You must help Israel realize that she will only have true security when her neighbors are willing to live in peace with her. That is what the Arab States are offering her now. An offer, despite her protestations of peace, which Israel refuses to accept. It is a dangerous and disturbing siutation. For if, as we have recently observed, Israel would not bring herself to relinquish a few miles in the Sinai, despite Egyptian concessions and your strong urgings, how can we expect her to withdraw from the rest of the lands? Eight years ago I said, Israel could have territory or she could have peace, but she could not have both. I can only add that if she continues to persist in her present occupation policy she could end up with neither.

Nations have been at crossroads many times in their history and as often as not have chosen the wrong road. The Middle East is littered with lost opportunities for peace. The crossroad we now face is an important one because the stakes have become so high that to choose the wrong road this time could be catastrophic. And there is no assurance that if we miss this opportunity there will be another. Time could not be more critical. The area is too volatile, the alternatives too limited and the pressures too great and uncontrollable to permit the present condition of "no war—no peace" to survive for long.

As has been so often the case in this century, the role of the United States once again is crucial. I am grateful you are reassessing your policy in the Middle East. I think it is vitally important that your Congress and the President join together in the policy to be followed for it is essential to your greatness and your credibility that you speak to the world with one voice on matters of basic policy.

I would hope that yours is not the only other reassessment. The Arab States have reassessed their policy. It is now time for Israel, as well, to reassess her policy. In fact, it is crucial to the problem—and it is the response Israel gives that will determine the answer to our question—War or Peace in the Middle East?

May God guide us all in our efforts to insure that it is Peace.

ENDING THE RECESSION IS NOT ENOUGH

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HARRINGTON. Mr. Speaker, an article by Walter Heller, "The Dangers of an Upturn," appeared in the Wall Street Journal of Tuesday, May 13.

In that Op. Ed. piece, Mr. Heller makes the point that simply ending the recession and beginning recovery, if that involves no more than continuing the current depressed level of economic activity, is simply not acceptable as a goal for economic policy.

Reducing inflation is not the paramount goal at this time; ending the individual and social disasters caused by high unemployment is the goal we should all be seeking. If we can reinvigorate our economy, we will have more than adequate time to deal with the possible attendant problems of inflation which might be caused by true recovery, perhaps a year or a year and a half from now.

Given the importance of the prescriptions he outlines for the Congress with regard to the economic policy we should be developing, I would like to insert Mr. Heller's article in the RECORD at this time for the information of my colleagues:

THE DANGERS OF AN UPTURN

(By Walter W. Heller)

That much heralded business upturn, not far off, will be the economic non-event of 1975. For while *business* will turn up, unemployment will hang high and unused capacity will be huge. The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward *direction* of activity, will ignore the abysmal *level* of the economy and press their Holy War against inflation with recovery-aborting fervor.

Right now, we are in the darkness that comes just before the dawn. Unemployment is still rising, to a peak between 9% and 10%. Much consumer demand is being met from inventories instead of new production. Prospects for autos and housing range from feeble to anemic. Plant and equipment outlays are still being marked down.

But as the 1975 tax cuts pour into the economy, as inventories are drawn down and production steps up to meet the consumer demand, and as the pace of government spending (especially on defense) picks up, the economy should begin a rebound. Starting by July or August, it should carry real GNP upward at a 6%-7% pace in the second half of the year.

Still and all, the dawn will break cold and grey for the unemployed. The jobless rate will hover near 9% throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

Before tossing our hats in the air at the first signs of an upswing, we should reflect a moment on the path of the stimulants that will bring it about:

Tax cuts. After pumping money into the economy this quarter at a $50 billion annual rate, the injections will drop to a $15 billion rate in succeeding quarters. (In contrast, the 1964 tax cut, in today's terms, would have produced a sustained $26 billion rate of injection.)

Budget stimulus. Even assuming expenditures in the neighborhood of $365 billion in fiscal 1976 and continuation of about $12 billion of the tax cuts next year, the budget will swing significantly toward restriction (by some $10 billion to $15 billion in full-employment terms between the first half of 1975 and the first half of 1976) at a time when recovery is still in its early stages.

Money supply. After the temporary current spurt in money supply growth, the Federal Reserve will be tempted to go back to its "standard" 6% growth target. If it does, this alone could condemn us to a paltry 4%-5% rate of increase in real GNP in 1976.

Inventories. The big spur to production implicit in the drop in inventory liquidation rates from a peak of perhaps $20 billion to the neighborhood of zero by the end of the year is hardly likely to be sustained via inventory accumulation in 1976.

THE WHIPLASH OF RHETORIC

Yet under the whiplash of the Ford-Simon-Burns rhetoric, even the *prospect* of an unturn is being used to mobilize the nation's continuing fears of inflation in a campaign against more expansionary budgetary and monetary policy. The upturn itself will give aid and comfort to that campaign. The forces then arrayed against vigorous policies for expansion would indeed be formidable:

The Federal Reserve, still smarting from charges of election-year overexpansion in 1972, will let its deep-seated anti-inflationary bias be its guide.

The White House, following its inherent economic conservatism, seems ready to settle for a mild expansion and slow absorption of the unemployed.

Congress, intimidated by scare-talk about deficits and inflation and determined to demonstrate its fiscal responsibility under the new budget procedures, is likely to be imprudently "prudent." That is, in guarding against the distant threat of renewed inflation, it seems unwilling to deal boldly with today's deep recession.

This dangerously timid and restrictive mood—which, if it persists, could lead us from the 1974–75 recession, after a brief spurt, into a 1976 stagnation—seems to be rooted in neglect of some factors and misperception of others.

First, in its blind preoccupation with inflation, it seems to forget that (a) the ferocious inflation of 1973–74 is rapidly ebbing, (b) there is no reason to expect the forces that generated over one-half of that inflationary upsurge—two years of disastrous crop failures, a quintupling of oil prices and dollar devaluation—to recur during the expansion of the mid-1970s, and (c) a miserly monetary policy and restrictive fiscal policy would blunt both the upswing and productivity that can help us subdue inflation in the short run and the expansion of savings and capital spending that can forestall shortages in the longer run.

Second, in assessing the economy's capacity to absorb stimulus, we seem to forget that (a) this recession is twice as deep as any previous postwar recession, (b) while real GNP has dropped 8% in the past 18 months, potential GNP has also been rising (by 6%, if we use trend growth), thereby idling about $200 billion of our annual productive capacity, and (c) American industry is now operating at only two-thirds of capacity. It remains a chilling reality that three consecutive years of 7% real growth would still leave unemployment at more than 6% and that present policies provide no assurance that even 7% growth will be maintained in 1976.

Third, even the redoubtable John Dunlop, in expressing the fear that bottlenecks in primary processing industries will abort recovery, seems to forget (a) that operating rates in primary processing industries are running below 70%, and (b) that many of the 1973–74 shortages reflected a frenzied flight into commodities—partly protective, partly speculative—as much as, perhaps more than, a genuine scarcity of materials for productive use, and (c) that many of these materials are only now being disgorged in 1975's massive inventory liquidation. True, that inventory liquidation makes the huge idle capacity today somewhat deceptive. But inventory gorging and hoarding also blew the bottleneck problem in 1973–74 out of all proportion.

Fourth, two major misapprehensions about the budget continue to plague the country and inhibit the Congress. One myth is that the huge federal budget is somehow the result of government profligacy. The facts are that (a) nearly $60 billion of the projected 1976 deficit is due simply to the ravages of recession (about $45 billion of reduced revenues and $15 billion of increased unemployment costs) and (b) the $4 billion overestimate of offshore oil lease revenues and a $6 billion or so underestimate of domestic expenditures bring Mr. Ford's deficit to some $70 billion—small wonder that Republican Senator Bellmon angrily accuses the White House of "phony" budget numbers.

A companion myth is that civilian spending is the main source of upthrust in the federal budget today. But it is defense purchases, already running several billion dollars above projections, that are programmed (according to the Special Analyses section of Mr. Ford's budget) to rise some $25 billion, at annual rates, in the next five quarters. Leaving aside the energy program and the rise in unemployment benefits, the Ford budget for fiscal 1976 projects an 11% increase in defense expenditures, 9% for income security, 6% for income security, 6% for health and zero for education, manpower and social services.

THE COST OF STAGNATION

Fifth, those who shrink from vigorous expansionary policies are also forgetting the huge costs of continued stagnation, not only in the human terms of intolerably high unemployment and intolerable losses of output, but in terms, already mentioned, of the productivity advances and capital formation foregone in a stagnating economy.

Is this an argument for pulling out all the stops? No, but it is an argument for stopping all the pulls—the downward pulls of niggardly monetary policy, a fading tax cut and parsimonious budget policy.

The Fed should lose no time in assuring the country that it will accommodate expansion, even if this means going beyond the newly declared 5% to 7½% monetary growth range, as it surely does.

The Congress should move promptly to make crystal clear, preferably by early reenactment, that the $12 billion to $13 billion of tax cuts beyond the rebate, Social Security payments and housing credit *will* continue in 1976.

Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as long as national unemployment exceeds a triggering level, e.g., expanded unemployment compensation and public service jobs and a new program of counter-cyclical assistance to hard-hit state and local governments, all of which would gradually self-destruct as the economy regains its health.

A year from now will be plenty of time for another look at expansionary policies. Even if we follow a resolute program of expansion, one that would boost real GNP at an 8% annual rate, we would still find the U.S. economy in mid-1976 with 7½%-8% unemployment, with output running some $125 billion below its potential, and with shortages and bottlenecks still no threat. That will give us plenty of time to review the bidding and determine whether, when, and how restraint should be applied. To do it at the first sign of an economic upturn would be an abject confession of economic bankruptcy.

The danger of an upturn, then, is that the Burns-Simon axis will mistake the warm and gentle zephyrs of the rebound for the gathering winds of a new inflation—to be leaned against in the best (or worst) Fed tradition and to be used as a club against bold congressional action. The consequence? The rebound may never become a recovery. If the White House and the Fed, hypnotized by the fear of inflation, quickly turn from expansion to restriction, they will snatch defeat from the jaws of victory.

AMERICA'S 21 MILLION ELDERLY MEDICARE BENEFICIARIES DESERVE THE HIGHEST QUALITY NURSING CARE

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HANNAFORD. Mr. Speaker, I have today introduced a bill, H.R. 7000, to amend the Medicare Act to require the Social Security Administration—SSA—to continue to recognize the nursing cost differential which is presently used in determining the reasonable cost of providing nursing care for our older Americans.

I was deeply concerned to learn that the SSA is proposing to eliminate this nursing differential factor in providing quality care for the Nation's senior citizens.

In my own 34th Congressional District in California, we have nearly 44,000 citizens of retirement age who depend on our Federal medicare program to meet their continuing health needs.

It seems to me, Mr. Speaker, that we in the Congress have an obligation to assure that this congressionally-mandated Federal health care program for older Americans continues to maintain the very highest standards of quality care for our senior citizens who have worked and contributed to the program and who now have a right to expect the best medical care our Nation's health delivery system can offer.

Instead of reducing the quality of care in the medicare program and cutting out vital nursing services to our elderly citizens, the SSA should be busy finding ways to improve the quality and upgrade the standards of care provided these older Americans.

If this proposed elimination of the nursing salary differential is implemented, the additional cost to health care institutions of providing the needed extra nursing services will simply have to be shifted to other private patients receiving care in the same institution.

This, however, would be clearly contrary to the congressional mandate as expressed in the medicare law, Public Law 89–97, which states that—

> The costs with respect to individuals covered by the (Medicare) insurance programs . . . will not be borne by individuals not so covered . . .

If SSA intends to go through with their proposal, they will be doing what Congress has specifically prohibited them from doing: shifting, according to SSA's own estimates, some $120 million of Medicare costs annually to non-Medicare patients or to hospitals. Such a proposal would be inequitable, arbitrary, and, in my opinion, clearly unlawful.

It is certainly ironic that SSA itself, in its Medicare regulations published in 1971, recognized the inequity of its present proposal when it stated:

> It is appropriate that the greater costs of providing these (inpatient routine nursing care) services, which are attributable to caring for (Medicare) beneficiaries . . . be recognized by the program and its reimbursement.

A graphic example from my own Congressional District in California of some of the most serious adverse effects of SSA's proposal to eliminate the medicare nursing cost differential has just been brought to my attention.

It has to do with the Long Beach Memorial Hospital Medical Center, one of the outstanding health care institutions in the Nation, which is not only the largest nongovernmental hospital in California, but also prides itself on having rates lower than any other community hospital in any large city in California.

Mr. Millard J. Hines, a prominent business and civic leader in southern California for many years, president of Industrial Paper Distributors, Inc. of Long Beach, and a member of the finance committee and the board of trustees of Long Beach Memorial Hospital, is so deeply concerned about the harmful effect of this SSA proposal that he has written a letter to President Ford strongly urging him to take a personal interest in the matter and asking that he use his authority to see that this proposal is withdrawn.

Mr. Hines has taken the liberty of sharing his fine letter to the President with me, and I would like to include pertinent sections of the letter at this point in the RECORD:

> It is as a private citizen and businessman that I am writing this letter to strongly protest the ill advised and unlawful proposal to eliminate the 8½ percent Nudsing Salary Cost Differential for aged Medicare patients.

> It is a fact that the failure of Medicare and MediCal to pay just costs for hospital care provided the aged and indigent at Memorial will result in a loss in excess of $3 Million for the current fiscal year. If this newly conceived, grossly unfair, arbitrary and unilateral action is implemented, Memorial will lose another $100,000 this year.
>
> In a not-for-profit hospital like Memorial this means that rates charged other patients must be increased once again. This continued shifting of additional Medicare costs to the private patient ultimately will bankrupt the non-profit community hospitals in this nation. This, in turn, will result in higher costs to government and dangerous reduction in the quality of care provided Americans.
>
> In an inexplainable act dating back to 1969, the Social Security Administration eliminated the 2 percent overall allowance for such increased costs as inflation and in its place gave the hospitals the 8½ percent Nursing Salary Cost Differential. Because aged Medicare patients required above average routine nursing care, research studies at that time at Memorial showed that the 8½ percent Nursing allowance was in fact substantially lower than the 2 percent overall allowance and markedly lower than the cost of providing additional routine nursing care for the over 65 patient. Local studies revealed that aged Medicare patients, in fact, received 20 percent more nursing care than other patients.
>
> Further, it was made indelibly clear in 1969 that if any change in the 8½ percent figure were considered that the adjustment would be based upon further research. This has not been done. It should be done. It is appalling that government would attempt to eliminate this differential without so much as a single study or other credible evidence showing that it should be modified in any fashion.
>
> To be certain that you would not think that this protest is coming from a hospital that is making excessive charges, I would like to point out that Memorial is not only the largest non-government hospital in California, but in addition, has rates lower than any other community hospital in any large city in California. The development of quality care at low cost has been possible because of the unselfish dedication and generosity of the citizens of our city. We think this local, grass-roots support is the heart of America's health care delivery program. We strongly oppose irresponsible proposals such as this because they undermine our efforts and move us closer and closer to expensive, low quality hospital care. This, I am confident, you also oppose.

Mr. Speaker, I have also received an excellent letter from Mr. John Brewer, executive vice president of the Hospital Council of Southern California. Mr. Brewer's letter strongly supports the statements Mr. Hines addressed to the President. I would like to include a portion of Mr. Brewer's letter in the RECORD:

> Our 250 hospitals in the Hospital Council of Southern California are extremely concerned in regard to the proposed deletion of the 8½% nursing salary cost differential for Medicare patients.
>
> In Public Law 89-97 (Medicare Law) Congress mandated that Medicare costs be borne by the Medicare program. The termination of the nursing differential violates this congressional intent, for it will shift Medicare program costs to non-Medicare patients, an amount SSA estimates at $120 million per year. If SSA enacts this proposal, it will force hospitals to increase their charges to non-Medicare patients as their only means of recovering their losses. We do not think this is desirable or in the best interests of hospitals or the public.

Equally concerned with the far-reaching adverse ramifications of the Social Security Administration's proposal are the Kaiser Foundation Hospitals, whose general counsel, Arthur B. Rosenfeld, addressed a strong letter of protest to the Commissioner of Social Security, from which I quote:

> Experience shows that elderly patients need more routine nursing care than younger patients. A recent study conducted at the Hayward, California hospital of Kaiser Foundation Hospitals concluded that Medicare beneficiaries require 14 percent to 18 percent more nursing care than non-Medicare patients. There can be no question that a differential is still appropriate.
>
> The general principle of reasonable cost reimbursement in the Medicare Program is that "the share of the total institutional cost that is borne by the program is related to the care furnished beneficiaries so that no part of their cost would need to be borne by other patients." "Conversely, costs attributable to other patients of the institution are not to be borne by the program." Unless it can be shown that Medicare beneficiaries do not need more routine nursing care than other patients, elimination of the routine nursing salary cost differential violates this principle. The fact is that Medicare beneficiaries need and receive proportionally more routine nursing care than other patients.

Mr. Speaker, another outstanding health care leader in my home State is Mr. Samuel J. Tibbitts, president of the Lutheran Hospital Society of southern California. In his recent letter to me, Mr. Tibbitts has well summarized the major objections to SSA's proposal to terminate the nursing salary differential for elderly Medicare patients:

> The nursing differential is required to reimburse our hospitals for the disproportionately large amounts of routine nursing care required by these patients. To compensate for this additional burden on our nursing staffs, we allow all our hospitals a 22 percent additive to their staffing requirements in routine care areas for patients over 65 years of age.
>
> We continue to recognize an even greater staffing burden as the age level of patients rises. Since 1966, the number of patients over age 75 has increased considerably in our hospitals.
>
> In summary, it is evident that aged Medicare patients constitute a real additional burden on the total resources of our health care institutions, and ignorance of that fact may lead to the deterioration of the quality of patient care.

I have also received a letter from Mr. William M. Whelan, executive vice president of the California Hospital Association, on this important matter. I would like to include in the CONGRESSIONAL RECORD at this point a portion of Mr. Whelan's fine letter:

> There is no question that hospitals will develop serious financial problems if in fact the differential is to be eliminated. Elimination of the differential will clearly require California hospitals to shift costs to direct payers, impede their ability to provide charity care, force the elimination of vital community services and could bring financial insolvency to hospitals that are just now able to break even.
>
> The nursing care differential is now paid only where it is required, in the routine nursing care area for Medicare beneficiaries. If Medicare is to function appropriately and in accordance with the intent of the Medicare Law, it is only right that Medicare continue to pay its rightful share of hospital costs and, thus, not eliminate the nursing salary cost differential.

In addition, Mr. Speaker, I would like to include in the RECORD the very concise and well-reasoned letter of protest on this subject written to President Ford by Mr. John Alexander McMahon, president of the American Hospital Association:

> APRIL 21, 1975.
>
> President GERALD R. FORD,
> *The White House,*
> *1600 Pennsylvania Avenue, N.W.*
> *Washington, D.C.*
>
> DEAR MR. PRESIDENT: On behalf of this country's hospitals, and the patients they serve, I urge you to direct the Social Security Administration to withdraw its proposal to terminate the nursing salary cost differential for aged Medicare patients. (40 *Federal Register* 14934, April 3, 1975.)
>
> The Congress has mandated that Medicare costs are to be borne by the Medicare program; Medicare costs are not to be shifted to non-Medicare patients or to providers of health care. The Medicare law, P.L. 89-97, clearly states that "the costs with respect to individuals covered by the [Medicare] insurance programs . . . will *not* be borne by individuals not so covered . . ." (Section 1861 (v)(1). Emphasis is mine.)
>
> By proposing to eliminate the nursing salary cost differential for aged Medicare patients, the Social Security Administration (SSA) apparently intends to do what Congress has expressly forbidden it to do: it proposes to shift, according to its estimates, $120 million of Medicare costs per year to non-Medicare patients or to hospitals. Such a step would be inequitable and unlawful. Non-Medicare patients and the hospitals of this nation can ill afford to assume the financial burden of the Medicare program.
>
> SSA has recognized that aged Medicare patients require greater than average amounts of routine nursing care. Indeed, this fact of hospital life has been an important feature of the Medicare program since July 1, 1969. Because "of the above average cost of inpatient routine nursing care" furnished to aged Medicare patients, the Medicare regulations have provided an 8½ percent salary cost differential on routine nursing provided to these patients. (See 36 *Federal Register* 12606, July 2, 1971.) These regulations say:
>
> "Studies have indicated that aged patients . . . on the average, receive inpatient routine nursing care that is more costly on the average per day basis than the average of the remainder of the adult non-maternity patient population. *It is appropriate that the greater costs of providing these services, which are attributable to caring for [Medicare] beneficiaries and which are sufficiently supported by studies,* be recognized by the program and its reimbursement." (Emphasis again is mine.)
>
> What SSA acknowledged in 1971 remains true today. Aged Medicare patients continue to require disproportionately large amounts for nursing care; they continue to incur greater than average routine nursing costs. Yet SSA now proposes to terminate this necessary 8½ percent nursing care differential—without apparent benefit of a single study or a single fact which justifies such action.
>
> SSA offers three explanations for its proposal. (40 *Federal Register* 11934, April 3, 1975.) However, not one of the explanations

is relevant, let alone a justification of the action which SSA proposes.

First, SSA notes that since 1972, Medicare benefits have been extended to certain disabled persons and to persons with end-stage renal disease, beneficiaries who are not aged, and who may not require above average routine nursing care. The Medicare program has been so extended. But SSA appears to overlook the fact that only care for aged beneficiaries—and not these new Medicare beneficiaries (save a few maternity or pediatric patients)—qualifies for the nursing care differential. Moreover, these new Medicare beneficiaries constitute a very small portion of the Medicare population. There are about 21.4 million aged Medicare beneficiaries, less than 1.8 million disabled Medicare beneficiaries, and only about 21,500 end-stage renal Medicare beneficiaries.

Second, SSA suggests that aged Medicare patients now receive more treatment in intensive care, coronary care and other special care units, where the higher unit nursing costs for such patients are built into the reimbursement formula for treatment in such. However, the existing regulations expressly take this into account: no routine nursing care differential is now paid for such patients. The growth of special care units provides no justification to eliminate the routine nursing care differential with respect to aged beneficiaries who continue to receive treatment in regular care facilities. Indeed, the vast majority of aged Medicare beneficiaries are still treated in such facilities.

Third, SSA claims that the 1972 changes in Medicare cost apportionment requirements somehow eliminate the need for the nursing care differential. To the contrary, the 1972 changes in cost apportionment—which require separate calculation of routine cost and special care unit cost—assure that the nursing care differential is paid only for routine nursing care of aged beneficiaries. This refined application of the differential is hardly a reason for its elimination. It is an additional compelling reason for its retention.

In short, the nursing care differential is now paid only where it is required, that is, to reimburse hospitals for the disproportionately large amounts of routine nursing care required by aged Medicare beneficiaries. If the Medicare program is to function in accordance with intent of Congress and the Medicare law, if Medicare is to pay its rightful share of hospitals costs, then this differential must be retained.

When the nursing care differential was first adopted, SSA proposed to undertake further studies "to ascertain what variations in differentials should be established" in the future and "to obtain other pertinent data on nursing care costs" in order to assess the continued appropriateness of the 8½ percent factor. 20 C.F.R. § 405.430(c) (1). SSA stipulated that such studies would be a condition precedent to any modification of the differential. To our knowledge, SSA has not conducted any such studies. The American Hospital Association stands ready to cooperate with SSA in planning and executing such studies. But AHA and its members cannot accept elimination of the differential without so much as a single study or other credible evidence showing that it should be modified in any fashion.

On behalf of the hospitals of the United States, I respectfully urge you, Mr. President, to withdraw this baseless, unlawful proposal. Because of their interest, I have taken the liberty of sharing this letter with Caspar W. Weinberger, James B. Cardwell and James T. Lynn.

Sincerely,

[s] JOHN ALEXANDER MCMAHON,
President.

Finally, I want to print the full text of my bill, H.R. 7000:

H.R. 7000

A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 1861(v) (1) (A) of the Social Security Act is amended by striking out "and (ii)" and inserting in lieu thereof the following: "(ii) provide in any event for the allowance of an inpatient routine nursing salary cost differential of at least 8½ percent, as a reimbursable cost of inpatient nursing care, in recognition of the above-average cost of furnishing such care to aged patients, and (iii)".

ESEA 10 YEARS LATER

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. HAMILTON. Mr. Speaker, with scarcely a notice, the Nation has quietly slipped by a significant anniversary. Ten years ago this April the Congress and the President enacted the Elementary and Secondary Education Act of 1965—ESEA. Even in the midst of Vietnam, budget deficits, and high unemployment, it is worth asking ourselves whether this landmark education bill is succeeding and what we have achieved with the $17 billion appropriated under ESEA over the past decade.

In a financial sense, ESEA's contribution to education has been modest, amounting to about $40 per year per pupil, about 3 percent of the total school budget each year. But the number of dollars is not the only determinant of impact. I have come to believe that ESEA has had an impact far beyond its dollars, with an enormous multiplier effect throughout education.

In the past 10 years a remarkable consensus has emerged about the Federal role in education that almost causes us to forget the virulent conflicts over the church-state relationship, desegregation, distribution formulas, and fear of Federal control of education that prevented passage of any large-scale Federal aid to elementary and secondary schools for many years. Today renewal of the ESEA is never in doubt—it passed the House of Representatives in 1974 by the lopsided vote 328 to 26—reflecting the consensus that, although aid to education is no panacea, the Federal Government has a role in helping local school districts cope with special national problems, such as the educational problems of disadvantaged children, education is basically a local function, and Federal dollars and direction should be limited. The ESEA is no longer viewed as a high-risk experiment but as a solid block in the Nation's educational superstructure.

ESEA has highlighted the special needs of children and insisted that emphasis in education be on the child. That may seem simplistic, but it may be the most enduring contribution of the ESEA. In these past years, we have drastically changed the focus of education away from school buildings, teacher problems, and school administration to the question of how to enable millions of children to perform better in school and how to equip schools and teachers to help them. "Instead of blaming the children for failing to fit the school, ESEA asked the schools to fit the child, to assess the particular needs of their students, and to devise individualized and effective prescriptions for them," writes Samuel Helperin, one of the architects of the act.

The ESEA has had other benefits, too. It energized the movement toward equal educational opportunity with special provisions for children of migrant workers, juvenile delinquents, children who speak one language at home and another at school, and preschool children. A basic principle behind ESEA is that disadvantaged children are entitled to above-average educational expenditures. The ESEA has also involved parents and the community in the schools through the use of parent advisory councils and other mechanisms, and it has promoted cooperation between public and nonpublic schools by centering funds in the public schools while insisting that they had an obligation as public trustee for all children.

ESEA has also promoted an emphasis on better evaluation of educational programs to assure that public funds result in advances in learning. The emphasis of the ESEA on measuring the educational outcome of educational programs by academic performance has added impetus to the improvement of the evaluation and accountability of the programs. ESEA has strengthened State educational agencies in every State, which have become better staffed and more professional. State departments of education have added over 2,000 needed staff members and increased planning, training, evaluation, and management systems.

The critical test of ESEA, of course, is whether it has helped children learn. No final answer can be given to that question because the factors in a child's education are too complex to single out any one factor for credit. But tests do show that today's young readers, for example, seem better, on the average, than those of previous years.

ESEA has also had it problems. Academic achievement is not rising everywhere; some of the money has not been well spent; the needs of many children are not being met; and some provisions of the act, such as the provision to establish national education research laboratories, have not worked well. But, on balance, the 10th anniversary of ESEA is worth noting. The act has had some impressive achievements. It has gained broad acceptance and, though it may not measure up in all respects to some of the claims of its staunchest supporters, the evidence is looking better all of the time.

This newsletter was written on the basis of an article by Samuel Halperin, entitled "The Great Education Act: ESEA 10 Years Later."

ENGINEERS ACCEPT LOWER WAGES TO INCREASE JOBS

HON. RAY THORNTON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. THORNTON. Mr. Speaker, one of the great strengths of America is the willingness of its people to share in overcoming difficulties.

Last month, the 2,500-member Operating Engineers Union, Local 382, agreed to reduce wages in order to help reduce the costs of construction projects and get jobs started in Arkansas. This action reflects a genuine concern by working people that we must find ways of improving employment opportunities for our unemployed. I wanted to share the report of this story which appeared in the Arkansas Democrat, and I hope it will encourage us to establish programs to put our unemployed to work without requiring them to bear the whole cost of our faltering economy:

UNION LOWERS WAGE SCALE

With the approval of about 100 of its 2,500 statewide members, the Operating Engineers, AFL–CIO, Local 382, has executed an agreement lowering members' wage rates.

The agreement was announced Friday by V. H. "Bill" Williams, the union's business manager, and Ray Spillers, chairman of the Labor Committee of Associated General Contractors of Arkansas.

Williams said he initiated the wage-reducing agreement to create more jobs.

The reductions range from $2.82 an hour to $1.24 an hour, dropping rates from $9.20 to $6.38 at the top level and from $6.40 to $5.16 an hour at the bottom level.

The lowered wages will help reduce construction costs and make it easier for contractors employing union members to win construction contracts over those who hire nonunion workers, Williams said.

The new rates apply only to work done under construction contracts obtained by contractors after Friday's announcement. Work being done under existing contracts will not be affected.

The union membership includes operators of cranes, draglines, bulldozers, shovels, motor patrols, end loaders and backhoes for such site preparation work as clearing, excavating, grading and compaction.

However, many operators of such equipment do not belong to the union. That—along with a general slackening in construction—has helped put union members out of work.

Williams said he figured 20 to 25 per cent of the union's members were out of work because of the construction slowdown.

"Your contract wage rate may be $10 or $12 an hour, but that doesn't mean anything if the contractor isn't competitive and there isn't any work for our members," Williams said in a prepared statement.

"We went to the contractors asking for this agreement," he said. "We believe it makes sense to help the contractor be more competitive and get work started rather than have our people out of work drawing no pay."

He said it was obvious to him that "the wage rates had priced our workers out of jobs because the contractor couldn't perform the work on a competitive basis," and he asked for authority to negotiate lower wage rates.

"It is my responsibility to keep these people working," Williams said.

The union's 15-member executive board approved, Williams said.

He said about 100 union members who attended two meetings where the question was considered gave the question unanimous voice-vote approval each time.

Spillers said the action by the union "could be a landmark decision for Arkansas and this part of the country." He praised Williams for a "bold step."

"I believe it will motivate other labor leaders and workers to join with contractors in helping reduce the costs of construction projects and get jobs started," Spillers said.

"A substantial amount of new construction work is held up because of the tremendous escalation in cost," he said.

He said the contractors respected the union for taking the initiative in helping contractors to be more competitive. The action, Spillers said, "will put people back to work."

Though apparently not the first time ever for a union and an employer to agree on lower wage rates in Arkansas, this agreement is the first wage-lowering contract to be reported in recent history.

The new agreement, like the one it amends, will expire April 30, 1976.

Newsmen attempted to determine how much of a construction cost reduction might be traceable to the lowered wage scales.

One contractor at the news conference said that recent bids on a Fort Smith contract for construction of a Whirlpool factory included $140,000 bid for site preparation work. That bidder indicated this amount could be reduced by $10,000 if nonunion workers were hired. The nonunion rates are roughly comparable to the rates of the new agreement, he said.

REMARKS OF VA ADMINISTRATOR RICHARD L. ROUDEBUSH

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. O'BRIEN. Mr. Speaker, all of us in Congress face a daily struggle to keep big Government responsive to the needs of individual Americans.

But we are not the only arm of the Government faced with this problem. One of the largest personal service agencies in the Federal Government is the Veterans' Administration. Each of our constituencies are tiny in comparison to the VA's which numbers more than 29 million veterans of all wars. If you add the close relatives of these veterans, you find that the VA provides services that touch half our Nation's population.

Staying responsive to the needs of such a vast number of people is a massive job by any standard. The chain of command is a long one, running from the Administrator here in the Washington central office to the individual VA employee who makes personal contact with veterans.

Obviously any operation of that size has imperfections and people are quick to point them out. Yet despite these problems, the Veterans' Administration does an outstanding job handling thousands, sometimes even millions of veteran-connected cases daily.

Today I would like to call your attention to the remarks given by Richard L. Roudebush, Administrator of Veterans' Affairs at the VA's 16th Regional Management Institute on April 24.

I think they will give you some insights into how the VA maintains its responsiveness and remains a credit to the Federal Government:

REMARKS BY THE HONORABLE RICHARD L. ROUDEBUSH

The fact that this Regional Management Institute has been an annual feature for sixteen years says a great deal about its value to the Veterans' Administration and is a positive commentary on the way it has been conducted.

This is a prestigious event. You know of the reputation it has gained over the years and of the attention given it by Central Office and throughout VA. This institute has been important for the last fifteen years and it has been productive.

But I think that now, in the sixteenth year of its existence, there is an even greater need for the study of good management practices in VA and that there are even more compelling reasons for each study to produce tangible results.

If Congress provides the funds we have requested, you and I will have administrative responsibility in a sixteen and one-half billion dollar enterprise starting the first of July.

This is such a large sum of money that I have it underlined here on my speech copy. It is too large an amount for any of us to really comprehend . . . yet you and I and others throughout VA are going to be asked to allocate it properly and spend it wisely next fiscal year.

Just five years ago, when the Tenth Regional Management Institute was conducted, Administrator Don Johnson spoke at this banquet and noted that VA was making plans for an eight and one-half billion dollar budget.

Now I don't suggest a strict relationship between the size of our budget and the state of our managerial skills. I don't even know for sure what measurements we could apply to see if management is twice as good as it was five years ago.

I am sure that it is not twice as good and I don't think we could reasonably expect it to be.

But I am equally sure that as more of the resources of our government . . . more of the taxpayers dollars . . . go into this huge agency of ours that administrative skill becomes more important and administrative accountability more critical.

I am not speaking just of top management within VA, although I know that my own responsibility increases as VA grows, and I know that it is to top management that Congress and the public look in event of administrative breakdown.

I am speaking also of the many employees to whom top management tasks fall at all levels of VA operation, of those who make decisions regarding programs and operations throughout the system.

The American people are paying more for their government than ever before and it follows that they are entitled to more administrative skills and the greater productivity that will result.

And . . . while I am on the subject of money . . . I hope that those in charge of your sessions have emphasized the point that professional pay calls for professional performance and that individual levels of efficiency that were appropriate and tolerable ten, or even five years ago are in many cases no longer acceptable.

I think it is also good to remind ourselves that while operating funds for VA have gone up steadily, year after year, this is a trend that is not necessarily irreversible. We may be called on to do more with less and we must develop the ability to do so.

But money, with all its implications . . . more money, less money, the need to spend wisely, the need to earn our salaries . . . is not the only reason that this is a particularly important time to stress better management within VA.

We serve more veterans and more veterans' dependents today that at anytime in the past and prospects are that our clientele will continue to grow.

The fact that we also have more employees to provide this service does not, I believe, diminish the need for higher standards of achievement on the part of each employee.

This is true because we are also being called on to administer a greater number of programs and they are programs of a more complex and more sophisticated nature.

As new concepts concerning needs of veterans in this changing world emerge and as new methods of meeting these needs are perfected, there must be an accompanying evolution of management methods to accommodate to these developments.

This is not new to you, of course, and it is not news to VA. VA's ways of administering help have changed constantly and stress has always been put on improvement.

But it seems to me that we are today at a crossroads of events and influences that will make the future considerably different from the past.

The Vietnam War has ended but has left a large number of veterans who need assistance of various kinds. Veterans of World War II and Korea are reaching the age where more and more of them will need medical care and financial help. Over one million World War I veterans and even a few Spanish American War veterans are still with us and have special needs.

Not only are there more veterans living today than at any time in our history but they have a wider range of ages than ever before and their needs are equally diverse. And, because people live longer now, there will for the foreseeable future be a large veteran population ranging from young to very old.

There are also the needs of the dependents of all these veterans to consider.

Further, we are changing our ways of doing things as we learn more about the requirements of those we help and as we institute the more complex and more sophisticated programs I have spoken of.

Management needs have changed as we have moved away from the old practice of providing a hospital bed for every veteran with medical problems and have opened outpatient clinics, made arrangements for home care, helped states build facilities and have otherwise offered a variety of health services.

Management needs have changed as we have gained the ability to save lives and to restore usefulness with more advanced medical techniques.

Management needs have changed as we put Vet-Reps on college campuses, provided free long-distance telephone service for our veterans, put mobile vans on the road, put into service new methods of data retrieval and as we have done the countless other things that make VA today so very different from the VA of just a few years ago.

Management needs will continue to change as programs are altered and improved, as those to whom our mission is directed change and as the society of which they are a part changes.

There is another side to all this, of course, and perhaps it is more positive. The other side is that our service has been *able* to change and improve because we have improved our management skills . . . and that this process will continue.

Both sides describe the usefulness of this institute. You are here to learn how to meet changing conditions. And you are here to learn how to make constructive changes of your own.

But maybe I speak too much of change. Certainly there will be no change in the mission of our agency and I hope there will be no deviation in the loyalty and dedication that VA employees have traditionally shown toward that mission.

And certainly there must be no change in our recognition that we are here . . . first, last and always . . . to provide service to veterans and their survivors and dependents.

Service is . . . and has got to be . . . the guiding principle of VA because it is all we have to offer.

Good administrative policies and good administrative practices . . . at any level, at your installation or in Washington, in your office or mine . . . are good only if they produce good service at the only level where service exists . . . at the meeting place between a VA employee and the veteran or dependent who needs our help.

The ultimate test of good management, and the only worthwhile test, is how effectively our veterans are taken care of.

VA is an agency that deals entirely with individuals, their plans and their problems. Our business is conducted, generally, through a matchup of one veteran and one public servant.

If the employee fails, it does not mean that all of VA fails, but it does mean that our effectiveness has been diminished and it does add up to failure in the opinion of the veteran.

I know you are aware of the consequences of such a breakdown in the fulfillment of our responsibilities and don't need them spelled out for you. But I hope you are more than just aware of these consequences.

I hope you are skillful in describing them to those you supervise and skillful and insistent in helping them to correct practices that may lead to our giving less service than we should or giving it less effectively.

To me, these are management skills and they make you extremely valuable to VA if you have them.

I hope you can go one step further in this direction. I hope you can help the people you work with to see the great significance of what they are doing . . . help them to see the great force for good that they may be both for the individuals they assist and for society.

It is on such on-the-job self respect by large numbers of employees that the morale of an agency is built. It is from individual pride and satisfaction that agency pride develops.

I have a strong feeling that if you can help build respect, pride and esprit de corps among your associates many of your management problems will take care of themselves.

ABOLISH EPA AND OSHA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. McDONALD of Georgia. Mr. Speaker, our deteriorating economy is the result of the fiscal, monetary, and regulatory policies of the Federal Government.

Deficit spending as a fiscal policy necessitates expanding the money supply by means of the Federal Reserve System and the consequence is inflation and rising prices.

On top of this the Government adds its avalanche of regulations, which restrict freedom of action, stifle initiative, and outlaw innovation—all the conditions necessary for the rapid adjustment and growth of the economy.

The fiscal and monetary policies are designed to bring the economy to its knees—the regulatory policies, to keep it there.

Two regulatory agencies that are most effective in stifling economic growth are the Environmental Protection Agency, EPA, and the Occupational Safety and Health Administration, OSHA. The following excerpt from an article by Allen Fulford, which appeared in the April 23, 1975, issue of the Southeast Farm Press, demonstrates how these agencies affect just one segment of our economy—agriculture.

Project this to all aspects of the economy and you can see why, if our economy is to survive and remain productive, these and other such agencies must be abolished.

The article follows:

[From the Southeast Farm Press, Apr. 23, 1975]

EPA AND OSHA COSTING FARMERS

(By Allen Fulford)

Well, we just heard that USDA is cutting off funds for the control of the fire ant.

One of the reasons given is that the EPA will not allow but one application of mirex every 12 months.

USDA says to effectively control the fire ant an area must be treated at least three times, six months apart. They say efforts based on one application every 12 months are token at best; and therefore a waste of money.

ANOTHER ROUND

Chalk up another round for EPA. How many rounds will it take before EPA scores a knockout punch? EPA and OSHA have already put this nation on it's knees. How much can we take before being flattened?

EPA and OSHA regulations have probably contributed more to inflation than any other single factor including the increased price of imported crude oil, yet our national news media, public watchdogs that they are, refuse to even approach the truth about EPA and OSHA.

CONSUMER UNAWARE

The average American had no idea that Congress was even thinking about the current Federal Insecticide, Fungicide and Rodenticide Act that EPA now administers and the creation of the Occupational Safety and Health Act.

I believe that if the average American knew what these two agencies were doing he would demand that they be abolished or their absolute power be curtailed drastically. But the average American is not going to know because the national news media is not going to tell him.

They would rather report scandals like Watergate, what the bird watchers in New York thought about killing those birds in Kentucky or maybe that some freak from the concrete abyss of Chicago thinks about putting a safe insecticide like Mirex out in Georgia to kill a pesky fire ant. Personally, I would like to see some of these self anointed experts on our environment forced to stand in a bed of fire ants about five minutes. But that's not likely to happen either.

WRITE LETTERS

What can farmers do then? Write letters. Sound simple? It is. But how few letters our lawmakers receive from their constituents. One Senator told a friend of mine that he figured one letter represented the views of 50,000 people.

That was based on the average number of letters he received on each bill that he voted on. Very few farmers realize the impact that just one letter has. It is way past time farmers let themselves be heard and not just talking to each other at country stores and other gathering places.

NIT-PICKING

dustry people concerning nit-picking rules

Some of the facts related to me by in- and regulations they are forced to adhere to by EPA are enough to create a national scandal.

Rules and regulations are passed on to industry without any regard to cost or possible consequences. These added costs are passed on to the farmer but he cannot add these costs to his selling price; he has to take what the "Market" is. But you can bet EPA and OSHA's influence is reflected in everything he buys—equipment, repair parts, pesticides, tools, fertilizer, etc.

LABEL COSTS

Talk to any basic manufacturer about the cost of getting a label for a pesticide starting from scratch. I wonder sometimes why they even try.

Last spring I was talking to the office of one of our Georgia Lawmakers about the reentry standards being proposed for cotton by EPA. They were trying to keep anyone from going into cotton fields until seven days had elapsed after applying Parathion. I inquired how EPA could ignore expert testimony given at hearings all over the U.S. and still propose such ridiculous regulations. His answer was, "Mr. Fulford, this crowd is doing just as they damn well please."

LICENSE REQUIREMENTS

Well, I believe him. Farmers are really going to believe, too, when they get through going to school and taking exams for a license to apply pesticides. That's right. In case you haven't heard, anyone who applies a restricted use pesticide after October 21, 1976 will have to be certified. That means every farmer in our country.

Imagine if you will, farmers everywhere sitting in classrooms attending classes on pesticides and then taking an exam to see if they are qualified to apply them. Sound ridiculous? It is, especially, in view of the excellent safety record farmers everywhere have in the application of pesticides.

Can you imagine how much this venture is going to cost? how many wasted hours? the red tape? the bureaucratic lollygagging and just plain needless effort that will be expended by this monster created by congress?

TO LIVE IN AMERICA BE A REAL AMERICAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DERWINSKI. Mr. Speaker, consistent with the House debate on the Indochina Migration and Refugee Assistance Act, I wish to place in the RECORD at this time, an article by Michael Kilian of the Chicago Tribune, May 4, which with a light touch, dramatizes some of the objections we heard on the floor today from Members who, for various alleged reasons, opposed this bill.

The article follows:

TO LIVE IN AMERICA BE A REAL AMERICAN

(By Michael Kilian)

Seeing the generous American spirit in action is enough to warm the cockles of the heart.

To about 212 degrees Fahrenheit.

Consider the response of so many of our glorious elected leaders to the decision to allow between 50,000 and 70,000 South Vietnamese refugees to immigrate to the United States.

You would have thought the South Vietnamese were black welfare mothers trying to crash the Daughters of the American Revolution.

A proposed resolution welcoming the refugees was resolutely voted down by a margin of 7 to 1 in the Seattle city council. Other politicians in such enlightened provinces as California yelled and screamed about how the South Viets would bring in strange jungle diseases and take away American jobs.

Instead of congratulating President Ford and the Pentagon on their last-minute rescue or some 6,000 refugees from Peoples' Liberation beheading squads, the carping liberals on Capitol Hill complained that Ford violated their precious War Powers Act in doing so.

What are a few heads when it comes to the sanctity of liberal legislation? Besides, most of those refugees really aren't "people," but merely members of the South Vietnamese middle class.

Such hypocritical knavery is to be expected of elected leaders, especially those on Capitol Hill. But I wondered if they truly reflected the attitudes of the millions of average Americans who have made our country what is is today.

To find out, I set forth with a tape recorder. To get a truly representative response, I also borrowed my neighbor Mad Marvin's time machine. Here is the transcript:

Q. Mr. Lopez, are you opposed to the immigration of South Vietnamese refugees to the United States?

A. Sure, man. They just gonna bring in diseases and take away our jobs. We got a recession here and we oughta take care of our own first. I got it bad enough makin' payments on my motorcycle. Why they want to come to America, anyway? Why don't they stay in their own place?

Q. Mrs. Bernstein, are you opposed to the immigration of Cuban refugees to the United States?

A. Yes! They'll come in here with their cigar leaves and ruin Miami. They don't even speak English. If they don't like that Castro of theirs, that's their problem.

Q. Mr. Antonelli, are you opposed to the immigration of Jewish war refugees to the United States?

A. You betcha. We fight the war for them; what more do they want? I didn't build no concentration camps. They just come in and take our businesses. I work hard for what I got. Send them to Palestine where they belong.

Q. Mrs. Kosinski, are you opposed to letting more Italian immigrants into the United States?

A. I am. They shiftless and gangsters and smell up the neighborhood with their cooking. We got a nice neighborhood. We work hard for our houses in steel mill. No Italians!

Q. Mrs. Kelly, are you opposed to letting Polish refugees immigrate to the United States?

A. Sure, that I am. They may be Catholic, but they don't speak English. They don't know how to vote. 'Twasn't easy for us, you know. We're not going to give up what's ours to any Poles.

Q. Mr. Haynesworth, are you opposed to allowing Irish immigrants into the United States?

A. What, those drunken bog-trotters? They need not apply. We didn't cause their potato famine. If they have no potatoes, let them drink whisky. But not here. America for the Americans.

Chief Running Fox, are you opposed to letting English immigrants settle in America?

A. Me opposed. No English. America for Americans.

HOUSE OF REPRESENTATIVES—*Thursday, May 15, 1975*

The House met at 10 o'clock a.m.

Rev. Edward H. Porter, Hughes United Methodist Church, Wheaton, Md., offered the following prayer:

Our Father, we thank You for the blessings of community whereby Your gifts feed us, teach us, defend us, and enrich us in many ways.

We pray for our Nation—assist its residents to enlarge their responsibility for one another. Help its leaders to lead wisely. Bring us all to a deeper devotion to the common good.

Give health of body, mind, and spirit to the Members of this Congress. Sustain them in the anguish of difficult decisions, the rigor of hard work, and the role of dedicated servant.

Help them to trust in You in the times of turmoil and testing knowing that the hands into which we commit ourselves are tender and dependable. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 44. Concurrent resolution providing for the printing of a revised edition of the House document, "Our American Government. What Is It? How Does It Function?";

H. Con. Res. 117. Concurrent resolution providing for the printing as a House document of the hearings and panels of the Select Committee on Committees; and

H. Con. Res. 146. Concurrent resolution authorizing the printing of a revised edition of the booklet entitled "The History and Operation of the House Majority Whip Organization—94th Congress."

The message also announced that the Senate had passed a bill and joint and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 1509. An act to prohibit pyramid sales transactions, and for other purposes;

S.J. Res. 41. Joint resolution to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 42. Joint resolution to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution; and

S. Con. Res. 36. Concurrent resolution au-

thorizing the printing of additional copies of Senate hearings on proposed constitutional amendments to limit abortions.

PRESIDENT'S ACTION SHOULD BE PRAISED

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, the swift and decisive action of the President of these United States in connection with the pirating of the American ship *Mayaguez* will serve to prevent repetition of such aggression and the serious consequences of such acts.

An American merchant ship has the right to sail on the high seas and this Nation has an obligation to protect that right.

This is what American policy should be—firm, forceful, and fair. We were not the aggressors, we sought no territory, we sought only to regain possession of an American ship and the release of American sailors who have a right to expect protection from their fellow Americans.

Had this act been allowed to go unchallenged, there would have been others. Our actions in this instance were both firm and decisive. Our ship had been seized on the high seas, an affront to international law and to all men everywhere—although certain narrow-minded elements fail to recognize the larger implications.

Let us hope that the issue has been joined.

If there be recurrences, let us pursue this same policy. Let us never use force in anger, but let us never fail to use force to preserve world peace.

Perhaps out of this tragedy the world will have learned valuable lessons.

Those who have been called upon to make the supreme sacrifice should not be allowed to have made that sacrifice in vain. Let this be the foundation of our foreign policy. We will walk to the ends of the Earth in search of peace, but we shall also use our defensive might to protect the rights of Americans to sail the high seas.

THE PRESIDENT'S ACTION IN "MAYAGUEZ" RETRIEVAL IS TO BE COMMENDED

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, the action by the President earlier today in Southeast Asia will reestablish our country's credibility around the world

His performance was in the true American tradition, and reflects credit upon the American people and upon himself.

COMMENDATION TO PRESIDENT FORD FOR FIRM AND SUCCESSFUL LEADERSHIP IN "MAYAGUEZ" INCIDENT

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, I want to join with my colleagues this morning in expressing my congratulations and commendation to the President of the United States for the firm, aggressive, and successful leadership which he has taken in the *Mayaguez* incident. I think this is one of the few high points that we have had in our foreign and military policy in the past few months, and I am delighted at the outcome. I think the action the President has taken demonstrates, first of all, that in spite of all our difficulties in Vietnam, we can be firm when we have to, and we do have the will to exercise our military power in the defense of our own interests when the occasion demands.

The thing that has impressed me most in this incident is that the President did consult with the leaders of Congress at every step of the way. In addition, there were substantial briefings of other Members of Congress. Mr. Speaker, I believe we have here in this case a clear demonstration of the kind of cooperation that should exist between the Congress and the White House on foreign policy. It was successful this time, and I hope it continues in the months and days ahead. The handling of the *Mayaguez* case should demonstrate clearly to the rest of the world that Americans cannot be pushed around, and that we can and will respond promptly and firmly to all challenges.

THE "MAYAGUEZ" AFFAIR

(Mr FLYNT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FLYNT. Mr. Speaker, with the confirmation that the United States has retaken the *Mayaguez* and successfully rescued its crewmembers, I want to commend the President and express my support for his prompt and forceful response to an intolerable act of piracy.

I supported the President in his efforts to secure release of the *Mayaguez* through diplomatic efforts, but when these diplomatic efforts proved fruitless, he acted with courage and wisdom in his decision for decisive military action.

As a result of the President's decisive action, the lives of the captured crewmen have been saved, and the United States has exhibited in the strongest possible terms that we are a nation that has both the will and the capability to resist blatant acts of aggression promptly and effectively. I am confident that had the President not responded with promptness and force as he did, the United States would have become involved in a series of similar humiliating incidents, and I commend him and our American forces for their service to our country.

SS "MAYAGUEZ": PROUD NEW CHAPTER IN AMERICAN HISTORY

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, a difficult and dangerous moment has been turned into a proud new chapter in our history.

From the President, who made the tough decisions coolly and decisively, to the Congress, which set aside partisanship to provide unified support, to our combat forces who carried out a dangerous and difficult operation with courage and precision, the world saw an America which commanded its admiration and respect.

By our strong but measured response, we showed our allies and enemies alike that we can still unite as a nation and respond to a clear and arrogant threat to our interests in a bold but responsible manner.

In one convincing action, the President has reaffirmed our willingness to fight for our commitments and reenforced the freedom of international sea lanes for all nations of the world.

Through all of the incredible pressures of the crisis, the White House adhered scrupulously to the requirements of the War Powers Act in keeping the Congress apprised of developments involving the commitment of the U.S. troops to combat. I was very pleased with the close and careful consultation the White House offered the Congress.

SS "MAYAGUEZ": A SUCCESSFUL OPERATION

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I just want to commend those gentlemen from the other side, particularly the reasonable voices in this House who have risen to applaud the President for the strong action he has taken within the last several days. Up until late yesterday there were some pretty timid voices being aired publicly around the country, particularly from the other body, suggesting delay, more patience, more consultation. If we had gone that course everything would have been lost. So I commend those who have stood firm here in support of the President today.

I would also further suggest that in view of our not being as welcome as we once were in some of these countries around the globe, we do well to maintain our superiority in air and sea power. The oceans are broad and expansive and as good as our carriers are we certainly cannot afford any further cutbacks and maintain our security. More than ever we need this flexibility.

In consideration of the Armed Forces procurement bill later on today, I think we would do well to keep this in mind.

SS "MAYAGUEZ": EFFECTIVE WAY OF DEALING WITH IRRESPONSIBLE ACTION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, the President took forthright action in putting down an act of piracy committed by an irresponsible government in seizing an American ship and its crew. It was obvious that the new Communist government in Cambodia felt that it could take its turn in twisting Uncle Sam's tail without repercussion. They expected to keep the ship and extort a king's ransom for the crew. They even attempted a typical Communist face-saving maneuver by ordering the ship and crew out of their waters after it had been recovered by U.S. forces. Even their own people know that you cannot believe what Communists say.

President Ford has shown the world America does have the courage to stand by our principles. This time we remembered there are effective ways to deal with irresponsible actions. The Communists understand this language. The American people will applaud. Hopefully, this is a sign of new policies and new concern for America's world stature.

America now can hold its head high again.

SS "MAYAGUEZ"—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-151)

The SPEAKER laid before the House the following communication from the President of the United States; which was read and referred to the Committee on International Relations and ordered to be printed:

THE WHITE HOUSE,
Washington, May 15, 1975.

The Honorable the SPEAKER,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On 12 May 1975, I was advised that the SS *Mayaguez*, a merchant vessel of U.S. registry enroute from Hong Kong to Thailand with a U.S. citizen crew, was fired upon, stopped, boarded, and seized by Cambodian naval patrol boats of the Armed Forces of Cambodia in international waters in the vicinity of Poulo Wai Island. The seized vessel was then forced to proceed to Koh Tang Island where it was required to anchor. This hostile act was in clear violation of international law.

In view of this illegal and dangerous act, I ordered, as you have been previously advised, United States military forces to conduct the necessary reconnaissance and to be ready to respond if diplomatic efforts to secure the return of the vessel and its personnel were not successful. Two United States reconnaissance aircraft in the course of locating the *Mayaguez* sustained minimal damage from small firearms. Appropriate demands for the return of the *Mayaguez* and its crew were made, both publicly and privately, without success.

In accordance with my desire that the Congress be informed on this matter and taking note of Section 4(a)(1) of the War Powers Resolution, I wish to report to you that at about 6:20 a.m., 13 May, pursuant to my instructions to prevent the movement of the *Mayaguez* into a mainland port, U.S. aircraft fired warning shots across the bow of the ship and gave visual signals to small craft approaching the ship. Subsequently, in order to stabilize the situation and in an attempt to preclude removal of the American crew of the *Mayaguez* to the mainland, where their rescue would be more difficult, I directed the United States Armed Forces to isolate the island and interdict any movement between the ship or the island and the mainland, and to prevent movement of the ship itself, while still taking all possible care to prevent loss of life or injury to the U.S. captives. During the evening of 13 May, a Cambodian patrol boat attempting to leave the island disregarded aircraft warnings and was sunk. Thereafter, two other Cambodian patrol craft were destroyed and four others were damaged and immobilized. One boat, suspected of having some U.S. captives aboard, succeeded in reaching Kompong Som after efforts to turn it around without injury to the passengers failed.

Our continued objective in this operation was the rescue of the captured American crew along with the retaking of the ship *Mayaguez*. For that purpose, I ordered late this afternoon an assault by United States Marines on the island of Koh Tang to search out and rescue such Americans as might still be held there, and I ordered retaking of the *Mayaguez* by other marines boarding from the destroyer escort *Holt*. In addition to continued fighter and gunship coverage of the Koh Tang area, these marine activities were supported by tactical aircraft from the *Coral Sea*, striking the military airfield at Ream and other military targets in the area of Kompong Som in order to prevent reinforcement or support from the mainland of the Cambodian forces detaining the American vessel and crew.

At approximately 9:00 p.m e.d.t. on 14 May, the *Mayaguez* was retaken by United States forces. At approximately 11:30 p.m., the entire crew of the *Mayaguez* was taken aboard the *Wilson*. U.S. forces have begun the process of disengagement and withdrawal.

This operation was ordered and conducted pursuant to the President's constitutional Executive power and his authority as Commander-in-Chief of the United States Armed Forces.

Sincerely,

GERALD R. FORD.

RESIGNATION AS A MEMBER OF HOUSE SMALL BUSINESS COMMITTEE

The SPEAKER laid before the House the following resignation from the House Small Business Committee:

WASHINGTON, D.C., *May 14, 1975.*

Hon. CARL ALBERT,
Speaker, House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: As you know I was re-elected to serve on the House Budget Committee. Therefore, with regret, I tender my resignation from the House Small Business Committee.

With kind regards, I am,

Sincerely yours,

PARREN J. MITCHELL,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

THE "MAYAGUEZ" AFFAIR

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. EDWARDS of Alabama. Mr. Speaker, I am very proud of our country and our President today. When the chips were down, we did not shirk our responsibility in a time of crisis.

The President did a superb job of dealing with a very tense situation concerning the Cambodian seizure of the *Mayaguez*. He tried every diplomatic avenue, but when these avenues turned out to be deadend streets, he moved decisively with a restrained use of our military forces to protect American lives and property.

It grieves me that American lives were lost in this operation, but do not tell me that there might have been a better way. Let us have no Monday morning quarterbacks on this one. The time came when a show of strength was required and President Ford did not flinch. He displayed on our behalf a national resolve to take swift and appropriate action. If Vietnam was a low point for the United States, then the recapturing of the *Mayaguez* and the saving of all its crew is certainly the first step on the road back.

Someone has referred to the tyranny of the weak and the weakness of the strong. It is easy for a small upstart of a country to flex its tiny muscles and attempt to inflict damage and embarrassment on a powerful country like the United States. It is not so easy for the strong nation to respond in a firm but measured way.

I think we met the test. We could have acted like a helpless giant, as we did in the *Pueblo* affair, or we could have blown Cambodia off the face of the earth. I believe President Ford's strong, decisive, and prompt response was appropriate for the situation and he should be commended for his sound judgment.

IT IS GREAT TO BE AN AMERICAN

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, it is great to be an American.

My congratulations to President Ford and the U.S. military for this necessary successful military operation.

Let other nations around the world take notice that America is still strong and will stand up for what is right.

I offer my condolences to the family and loved ones of those Americans who lost their lives.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PEPPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 213]

AuCoin
Barrett
Biaggi
Bingham
Boland
Breckinridge
Chisholm
Clausen, Don H.
Clay
Conyers
Coughlin
Crane
Danielson
Dickinson
Diggs
Drinan
Eckhardt
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Foley
Ford, Mich.
Giaimo
Gradison
Harsha
Hayes, Ind.
Hébert
Heckler, Mass.
Heinz
Hightower
Hinshaw
Howard
Kastenmeier
Macdonald
Madden
McCollister
McDonald
McKinney
Metcalfe
Mink
Mollohan
Murphy, Ill.
Murphy, N.Y.
O'Hara
Pattison, N.Y.
Railsback
Rees
Risenhoover
Roberts
Roncalio
Ryan
Santini
Scheuer
Shuster
St Germain
Stanton, James V.
Teague
Treen
Udall
Vander Veen
Waggonner
Wiggins
Wilson, Tex.
Wright
Young, Ga.

The SPEAKER. On this rollcall 367 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ELECTION AS MEMBER OF COMMITTEE ON SCIENCE AND TECHNOLOGY

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 471) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 471

Resolved, That Larry Pressler, of South Dakota be, and is hereby, elected a member of the Committee on Science and Technology.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The SPEAKER laid before the House the following resignation from the Committee on Interior and Insular Affairs:

WASHINGTON, D.C.,
May 15, 1975.

Hon. CARL ALBERT,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation from the Interior and Insular Affairs Committee effective immediately.

I would like to take this opportunity to express my deep appreciation to the Committee Chairman, the Honorable James Haley, for his assistance and guidance during my tenure. During the two and one-half years that I served under his leadership, I came to know him as a man of high principle and superior capability. Although I did not always agree with the majority views of the Committee, Chairman Haley exhibited a remarkable fairness in providing an opportunity for discussion of divergent opinions. His willingness to "sound out" all Members of the Committee in a forum void of partisan politics is a tribute to this great institution.

It is with a good deal of regret that I resign from the Committee but look forward to working in conjunction with them in the years to come.

Sincerely,
WILLIAM M. KETCHUM,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 472) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 472

Resolved, That Shirley N. Pettis, of California be, and is hereby, elected a Member of the Committee on Interior and Insular Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FORD BOOSTS AMERICAN MORALE

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, President Ford's bold and courageous action in sending Marines to retrieve the *Mayaguez* and her crew from the Communist pirates has given American morale a much-needed shot in the arm.

For too long, we have suffered the indignities perpetrated on our Nation by foreign aggressors.

For too long, we have exercised a diplomatic and military restraint in the face of repeated provocation, a restraint which has weakened our global image and our national pride in being the leader of the free world.

For too long, we have been forced to sit helplessly by as our ships, our men, our properties have been seized by others.

President Ford has at last drawn the line. He has made it clear to the rest of the world that we have had enough, and that we will no longer tolerate these aggressions against our Nation.

By acting swiftly and decisively, he has retrieved not only the *Mayaguez,* but also our national pride. He has restored confidence in the United States as the greatest Nation in the world, a nation willing to stand up for itself and its citizens.

I applaud the President for his action, and say that I am always proud to be an American, but today for some reason, that feeling is just a little something extra.

THE "MAYAGUEZ" AFFAIR

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute.)

Mr. GOLDWATER. Mr. Speaker, the Congress should be proud of the way in which President Ford has handled the *Mayaguez* hijacking. His firm, measured response to an obviously illegal act that threatened the freedom on the seas was most appropriate. The credibility of the United States was at stake in this affair. Dilatory action by the United States clearly could have led to another *Pueblo*-type debacle.

I am especially relieved that all 39 crewmen of the *Mayaguez* were safely recovered. The faith and confidence of their families and loved ones have been rewarded. And, their safe recovery was accomplished in a manner in which the entire Nation can be proud.

It is a sad commentary that the recovery of our crew and vessel seized in an act of piracy cost the lives of two U.S. marines and resulted in several casualties. The Marines have long been proud of their "first in, last out" tradition. They again lived up to that tradition and demonstrated that in the defense of liberty and freedom they are always willing to pay the necessary price. Further, the actions of the Navy and Air Force made the recovery of the ship and crew possible and clearly minimized the risks and loss of life throughout the entire operation.

President Ford's actions have clearly demonstrated that the recent events in Vietnam are not indicative of a general loss of American courage and determination. His decisiveness has reinforced the international credibility of the United States. It is to his credit that the entire operation was balanced, timely, and appropriate. I commend him for his handling of the whole incident.

THE "MAYAGUEZ" AFFAIR

(Mr. SISK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SISK. Mr. Speaker, I wish to lend my full support to President Ford in the actions he authorized to free the American merchant ship *Mayaguez* which was seized by the new Cambodian regime.

Mr. Ford acted with deliberation, yet with boldness and firmness in freeing the ship and protecting its crewmembers. His actions should be clear evidence to all in the world that this Nation is prepared to protect its citizens and its property.

At a time when many are questioning the resolve of American foreign policy or its willingness to stand up to its aggressors, Mr. Ford did not hesitate to place the full military weight of this Nation behind a decision which was right and proper.

There should be no doubt in anyone's mind that this Nation will not be pushed around, and that we are prepared to use whatever force is necessary to protect American lives and property.

I commend the President, and I think we all owe him our thanks.

As one of the authors of the War Powers Act, I was deeply pleased to see that Mr. Ford complied fully with the act by keeping Congress competely aware of all actions taken to free the *Mayaguez* and its crewmembers.

The President and the U.S. Armed Forces acted boldly and in the best interests of this country. We should stand behind them.

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 470 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 470

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the the Committee of the Whole House on the State of of the Union for the consideration of the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 470 makes in order the consideration of H.R. 6674, the DOD authorization bill for fiscal year 1976. House Resolution 470 provides for an open rule with 4 hours of general debate. And it also provides that the bill shall be read for amendment by titles instead of by sections.

H.R. 6674 provides specific authorization for appropriations totaling $26,539,023,000 for fiscal year 1976 and $5,474,017,000 for the transition period between July and October 1976. By categories these authorizations include the following: $16,878,650,000 in fiscal year 1976 and $2,965,400,000 in the transition period for procurement of vessels, aircraft, missiles, tracked combat vehicles, torpedoes, and other weapons; and $9,660,373,000 in fiscal year 1976 and $2,508,617,000 in the transition period for research, development, test and evaluation.

Mr. Speaker, I urge the adoption of House Resolution 470 in order that we may discuss and debate H.R. 6674.

Mr. Speaker, I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Speaker, I thank the gentleman from Florida, and I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Florida, (Mr. PEPPER) has so ably explained, this rule provides for 4 hours of general debate. The bill will be open to all germane amendments. There are no waivers of points of order in the rule. In order to expedite the amending process, the rule provides that the bill will be read for amendment by titles instead of by sections.

Mr. Speaker, I support the rule and the bill which it makes in order. The bill authorizes funds for military weapons procurement and research and development for fiscal year 1976 and the fiscal year transition period from July 1, 1976, to September 30, 1976. The authorization in this bill $26,539,023,000 in fiscal year 1976 and $5,474,017,000 in the transition period is $3,706,085,000 below the amount requested by the Department of Defense.

Mr. Speaker, this bill represents, in my opinion, the minimum amount necessary for America to sustain its military strength. Certainly the events of recent weeks and days and hours have emphasized again the need for this country to maintain a strong defensive posture. I urge adoption of the rule so that the House can proceed to consider the bill.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FLOWERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 26, answered "present" 1, not voting 39, as follows:

[Roll No. 214]

YEAS—367

Abdnor
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downing
Drinan
du Pont
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hefner
Helstoski
Hicks
Hillis
Holland
Holt
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
McClory
McCloskey
McCormack
McDade
McDonald
McFall
McHugh
McKay
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
O'Brien
O'Hara
O'Neill
Oberstar
Obey
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—26

Abzug
Aspin
Badillo
Beard, R.I.
Burke, Calif.
Burton, John
Carr
Chisholm
Dellums
Downey
Early
Edgar
Edwards, Calif.
Harrington
Hechler, W. Va.
Holtzman
Kastenmeier
Miller, Calif.
Moffett
Nolan
Rangel
Richmond
Stark
Stokes
Waxman
Wirth

ANSWERED "PRESENT"—1

Henderson

NOT VOTING—39

Alexander
AuCoin
Barrett
Biaggi
Bingham
Brown, Calif.
Brown, Mich.
Clay
Conyers
Coughlin
Diggs
Eshleman
Ford, Mich.
Gradison
Hébert
Heckler, Mass.
Heinz
Hightower
Hinshaw
Howard
Macdonald
Madden
McCollister
McEwen
McKinney
Metcalfe
Mink
Mollohan
Murphy, N.Y.
Patman, Tex.
Rees
Risenhoover
Roberts
Roncalio
Schroeder
Seiberling
St Germain
Vander Veen
Young, Ga.

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. Mink.

Mr. Murphy of New York with Mr. Metcalfe.

Mr. Patman with Mr. Ford of Michigan.

Mr. Mollohan with Mr. Bingham.

Mr. Macdonald of Massachusetts with Mr. Coughlin.

Mr. Biaggi with Mr. McEwen.

Mr. Alexander with Mr. Gradison.

Mr. Rees with Mr. Brown of Michigan.

Mr. Roberts with Mr. Heinz.

Mr. Hightower with Mr. McCollister.

Mr. Madden with Mr. Eshleman.

Mr. Barrett with Mr. Clay.

Mr. Risenhoover with Mr. AuCoin.

Mr. St Germain with Mr. Howard.

Mr. Seiberling with Mr. Conyers.

Mr. Roncalio with Mr. Vander Veen.

Mr. Diggs with Mrs. Schroeder.

Mr. Young of Georgia with Mr. Brown of California.

Mrs. Heckler of Massachusetts with Mr. McKinney.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to insert, revise, and extend their remarks in the RECORD on the debate which will follow on H.R. 6674.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active-duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6674, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Illinois (Mr. PRICE) will be recognized for 2 hours, and the gentleman from California (Mr. BOB WILSON) will be recognized for 2 hours.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, H.R. 6674 is the annual authorization bill of the Committee on Armed Services. It is a clean bill superseding H.R. 3689 on which hearings were held.

The bill authorizes appropriations for procurement of major military weapons and for research, development, test, and evaluation—R.D.T. & E.—which are essential technical activities leading to procurement and insuring the maintenance of a strong technological base. The bill also authorizes the active duty military and Selected Reserve strengths of the Armed Forces; the number of civilian employees in the Department of Defense; and military training student loads. Certain other requirements and limitations are imposed with respect to procurement and personnel actions.

The annual authorization requirement, as the Members well know, covers only a part of the defense budget—ranging between 20 and 25 percent. This year the arithmetic is complicated by the fact that we must authorize for an additional 3 months, to accommodate the transition to a new fiscal year—beginning October 1, 1976—mandated by the Congressional Budget Act of 1974.

To summarize for the 15-month period, the President requested a total of $129,945,000,000 in new obligational authority for the Department of Defense. Of this amount, $35,719,125,000 constituted the authorization request. The committee bill authorizes $32,013,040,000, a reduction of $3,706,085,000.

How did we arrive at this $3.7 billion reduction? We took more than $2 billion from the amounts requested for procurement and R.D.T. & E. covered in titles I and II, respectively, of the bill. We also deleted from title I a proposed inventory replenishment fund of $300 million, which the Department of Defense had requested for the purchase of weapon systems in anticipation of foreign military sales. And finally, we eliminated a request for $1,293,000,000 for assistance to South Vietnam. These actions are summarized in the table at the top of page 10 of the committee report.

The committee added language to the bill to provide a ceiling of 5 percent on pay increases for members of the Armed Forces during the period January 1, 1975 to June 30, 1976—with two provisos. The restriction shall apply only if: First, a similar "cap" is placed on pay increases for Federal civilian employees under the general schedule; and second, during the period of the limitation, there in no change in the surtax on military commissaries. Thus, the effectiveness of the pay ceiling depends upon other actions by the Congress. If these actions are taken, an additional $828,000,000 would be saved in fiscal year 1976.

The committee does not authorize expenditures for military personnel or for operations and maintenance. However, it does authorize personnel strengths, which have a considerable impact on the spending for those categories. Personnel costs, including both military and civilian personnel, now account for more than 50 percent of the defense budget. Our committee authorized a total military strength of 2,099,954 active duty personnel. This is the amount requested by the administration, but it is 49,133 less than were authorized in fiscal, year 1975. The committee does not believe that further strength reductions are prudent at this time. The active forces are covered in title III of the bill. See pages 66–70 of the committee report.

The reserve strengths requested by the military departments were authorized with two changes. The committee increased the authorized average strength of the Army Reserve from the 212,400 requested to 226,000; and it increased the authorized average strength of the Navy Reserve from the 93,972 requested to 112,000. These upward adjustments are consistent with the committee's view that increased emphasis should be placed on our reserve assets at a time when active forces are declining but manpower costs are increasing. Nevertheless, the reserve authorizations are 9,000 below the strength authorized for fiscal year 1975. The Reserve Forces are covered in title III of the bill. See pages 70–72 of the committee report.

The committee authorized a total of 985,000 civilian defense personnel for fiscal year 1976. This authorization for the first time applies to the Defense Department as a whole rather than to the separate military services, so as to allow more flexibility in personnel management. Civilian personnel are covered in title V of the bill. See pages 72–75 of the committee report.

Other members of the committee will present detailed explanations of the various titles of H.R. 6674. I would like at this time to make certain observations about the committee's approach to this legislation and about the world situation as it bears on our national security.

The Congressional Budget Act sets a deadline of May 15 for committee reports on authorization legislation. Although the terms of the Act do not become fully effective until next year, our committee was determined to meet the deadline this year. Accordingly, the full committee and its several subcommittes have been working literally around the clock. The hearing program began on February 18 and concluded on May 6. This involved a general review of military posture and detailed consideration of aircraft and missile procurement by the full committee, 23 days of meetings by the Research and Development Subcommittee, which I chaired; 13 days of meetings by the Personnel Subcommittee, chaired by Mr. NEDZI; and 9 days of meetings by the Seapower and Strategic and Critical Materials Subcommittee, chaired by Mr. BENNETT. To these gentlemen, and to Mr. HÉBERT, who chairs the Subcommittee for Investigations and who assisted me greatly in presiding at the full committee when I was engaged in subcommittee work, I want to express my deep appreciation. Also, I wish to commend all members of our committee for their hard work and patient consideration of the many complex matters covered by this legislation.

The Committee on Armed Services, with the help of its skilled and dedicated staff, has examined the requested authorization in great detail and has brought its best judgment to bear. Let me assure the Members, this annual authorization is not a cursory review. It involves an examination of many hundreds of line items, not only in hearings but in numerous meetings, both preparatory and followup, with persons in the Department of Defense, the military services, and elsewhere. For example, in the review of R.D.T. & E., we examined every line item and in each instance recommended action based on the merits of the individual program. In effect, we made a reassessment of the need or requirement for each weapon system, reviewed progress in each program, and considered the viability of lower cost alternatives. A number of the less promising programs were eliminated and adjustments made in many others.

One of the key features of House reform, as reflected in the rules for the 94th Congress, is the new emphasis given to each committee's oversight of the executive agencies within its area of assigned jurisdiction. The Committee on Armed Services takes its oversight responsibilities very seriously. Not only do we have a Subcommittee for Investigations, chaired by the gentleman from Louisiana (Mr. HÉBERT), but our detailed review of the annual authorization by the full committee and its several subcommittees is itself an oversight function of the most exacting kind. We review programs and we monitor programs. A perusal of the report on H.R. 6674 will show that the committee has recommended various courses of action and called for the submission of numerous followup reports by the Department of Defense or the services in the interest of needed classification or more effective program performance.

This close and continuing scrutiny, I firmly believe, is consistent with the recent congressional reforms and with the endeavor of the Congress to regain its rightful place in the making of defense and foreign policy decisions. We do not engage in "meat ax" budget cuts. To make a general dollar reduction without specifying where the reduction is to be made, leaves the decision wholly to the Secretary of Defense and is an abdication of responsibility by the Congress. I hope the Members will bear this in mind when "meat ax" amendments are offered from the floor.

It is easy enough to claim responsibility for the Congress, Mr. Chairman, but it is not easy to exercise it. The exercise of responsibility by the Congress in matters of national defense at this time in our national life, in my judgment, demands that we keep our defenses strong.

These are indeed the times that try men's souls. The Nation staggers with a heavy burden of problems—unemployment, inflation, deficits of unprecedented size, energy shortages that will change our way of life. The shockwaves of our failure in Vietnam are being felt in many lands, and new constellations of force and influence will result. Soviet Russia preaches détente but practices an arms buildup of truly threatening diminsions. The Middle East remains a tinderbox, there are stresses and strains in NATO, and elsewhere tensions and conflicts prevail.

It is the counsel of prudence and commonsense that we should look sharply to our defenses and keep our powder dry. We are not alone in this world and we cannot retreat from this world. We must strengthen our defenses, rebuild our alliances, stand by our friends, and persuade our enemies to stay in the path of peace.

The cuts we have recommended in the authorization request are not cuts into the bone and muscle of our national defense. Some have referred to these as "phony" reductions. There is nothing phony about the elimination or deferral of expenditures which need not be made in the next fiscal year. For example, the committee reduced the Navy authorization request for shipbuilding and conversion by more than $1 billion without stopping or deferring the construction of a single ship.

The Navy, in its present practice of requesting total program authorizations, includes a large amount as an escalation reserve to compensate for future inflation. In the committee's view, these estimates, which stretch 6 or 8 years into the future, are speculative at best. The committee believes that escalation reserves can be more realistically estimated for 2 years in advance, and appropriations for future escalation can be made in future years as required. Consequently, it was possible to reduce the escalation reserve by more than $1 billion, certainly not a phony saving.

The committee approved the Navy's fiscal year 1976 request for 23 new ships because the Navy fleet must be modernized and maintained at needed levels. Navy ships have declined in numbers from 900 in 1968 to less than 500 this year. One in five of these ships is more than 25 years old. In the judgment of Adm. James L. Holloway III, Chief of Naval Operations, the Navy should have at least 600 ships by 1985 to retain its first-class position.

Mr. Chairman, amendments will be offered from the floor to cut out this program or that—the B–1 bomber, the new Trident nuclear submarine, so many aircraft of one kind or another. I urge the Members to oppose all these weakening amendments. They are weakening because they cut into the muscle and bone of our national defense.

The U.S. bases its defense on the concept of the triad or triple deterrent. This concept is used in two senses: First, a triad of forces ranging from strategic nuclear through theater (tactical) nuclear, to general purposes forces; and second, within the category of strategic nuclear forces, a triad of land-based, sea-based, and bomber-carried missiles. The triple deterrent is our insurance policy. It covers us against enemy breakthroughs in technology, or in the last resort, against surprise attack. It insures our capability to make the appropriate response to any emergency or contingency.

This is a big insurance policy, an expensive one, but the only one that will buy us protection in the nuclear age. It requires a defense that is both broad in base and abreast of the latest technologies. That is why we need bombers as well as missiles on land and sea; that is why we need to replace aging B–52's with B–1's; and Polaris/Poseidon with Tridents, which are newer, faster, quieter, and have bigger payloads.

Mr. Chairman, the decisions we make today determine the kind of force structure we will have in the future. Weapon systems take 6, 8, 10, or more years to design, develop, produce and deploy. They remain in active inventory for 20, 30, or even 40 years—as in the case of support ships. Department of Defense planning must look many years down the road.

We in this Congress also should take a long look. We are, in a very real sense, making the decisions that will affect the safety and security of our children, and our children's children. Let it be said, when the history of these times is written, that the Members of the 94th Congress went about doing their constitutional duty of providing for the common defense with prudence and wisdom, having in mind not only their own security but that of their children, who will be taking the United States into the 21st century—as a great and powerful nation, still the leader of the free world. This I hope and pray.

One last word, Mr. Chairman: The Constitution calls upon the Congress to provide for the common defense and the general welfare. This is not an either-or proposition. They go together. The defense budget is not some limitless pool from which we can pump funds ceaselessly into the welfare budget. In "real program" terms, we have to spend more money in both sectors to offset inflation, to assimilate new technologies, and to respond to genuine needs. It was with such considerations in mind that the committee developed H.R. 6674, the bill now before you.

Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. HÉBERT).

Mr. HÉBERT. Mr. Chairman, I rise today to talk about the aircraft procurement account authorized by the House Armed Services Committee for the Department of Defense budget during the fiscal year 1976 and the 3-month transition period, fiscal year 197T. However, before I go into that, I want to say a few very special and personal words about my good colleague and friend, and present chairman of the House Armed Services Committee, the Honorable MEL PRICE, of Illinois. As you know, this year, for certain reasons, the committee chairmanships were in some cases redistributed. As a result of that, I stepped down, and Mr. PRICE was appointed as my successor. That could be a little difficult for some people, but that was not the case here. As a matter of fact, I tell you quite frankly that in some ways it was a lot easier for me, because now he has to worry about all of the headaches I used to have to worry about.

But, seriously, I want to take a few moments to reflect on the leadership that this committee has experienced under MEL's guidance. I think that I can truthfully say that he has gone about the committee's business with tolerance, and tact. He has given everybody a fair break; he has given equal time to those who are normally considered prodefense and to those who are normally considered antidefense. No one can complain that they were not heard. No one can complain that subject matter of special interest to each individual, was not openly and freely discussed, and, of course, everyone had the opportunity to submit dissenting views. In a number of cases when Members were not present for some crucial policy, or crucial discussions of personal interest to them, the chairman urged unanimous consent not to close the debate on an issue so that an individual could make his case at a time when it was convenient for him to do so. As a result of the discrete bipartisan leadership shown by Chairman PRICE, the Armed Services Committee put together an authorization bill that has had a thorough examination. I think it is one of the best bills that has come out of this committee. A lot of hard work went into it and one man can take particular credit for the accomplishments which have been made. I most respectfully refer to the Honorable MEL PRICE of Illinois.

Now I am going to briefly review with you some of the action taken by the committee. First, I am going to talk about the cuts we made in aircraft procurement and related items, and then briefly about a few of the additions we made to this account. I am going to break it up into three categories; the Army, the Navy, and the Marine Corps combined, and then the Air Force.

First, the Army. The hottest fight we had in committee this year was over procurement of the AH-1S attack helicopter equipped with a TOW missile. The fundamental argument was whether the Army should continue to purchase a single-engine helicopter for its mission or whether it should purchase a multiengine helicopter, the AH-1J, which proponents claim would give the Army a greater armament carrying capacity, and increased performance and safety features. The problem in this area is not as simple as it sounds. The Army eventually hopes to purchase a new advanced attack helicopter—AAH—which would also be a multiengine helicopter.

I want to especially commend one member of the committee, the Honorable BOB MOLLOHAN of West Virginia, who was most persuasive with his cogent arguments in favor of procurement of the AH-1J multiengine helicopter. His persistence, logical arguments, his expertise in helicopter operations, the soundness of the facts he presented, literally persuaded this committee to reveal the plans of the Army for purchase of the AH-1S helicopter. I am sorry to say my colleague, Mr. MOLLOHAN, is not with us today. I know, if he were here, you too would be persuaded by his knowledge. I hope the committee will support his views. The committee has placed words in the bill which in substance state that no moneys allocated for the Department of the Army's procurement of aircraft for fiscal years 1976 and 197T shall be used for procurement of the AH-1S helicopter. In the committee report we have directed that the Department of the Army once again review its procurement needs for attack helicopters through the 1980's.

Now I am going to talk a little bit about cuts we have made in the Navy and Marine Corps aircraft procurement. Throughout the hearings, one of the subjects that troubled us was military attack aircraft. It is a complex subject, but let me put the problem to you this way. These days aircraft tend to have multimissions, and these missions might include visual attack mission or all-weather attack missions, and a combination of fighter and attack missions, and a whole range of interrelated attack aircraft requirements. The question that is often asked is, "Why do we need so many different varieties of attack aircraft?" Well, without going into detail, let me just say that there are good reasons for having different types of attack aircraft in the military inventory.

On the other hand, there does seem to be some redundancy in the use of certain types of aircraft for this purpose. One of the aircraft which came under scrutiny was the A-7E attack aircraft known as the Corsair II. I want to emphasize that the reason for the committee's action to cut out moneys for the A-7E's was not that it is not a good attack aircraft, or that its continued procurement in future years may not be necessary, but rather that certain other types of attack aircraft which the Navy badly needs had not been requested in the Department of Defense program presented to this committee. Essentially, the committee reasoned that some of the money cut out of the A-7E program would be better utilized in the A-6E program. The net result was that we decreased overall spending on attack aircraft for the Navy during this fiscal year and the transition period.

We made another cut in a Navy program to modify the P-3C and the S-3A, to give them the capability of carrying the harpoon missile. You may recall that the Navy's harpoon missile is very versatile. It can be launched from surface ships, submarines, and aircraft as well. However, on examination of the requirement to utilize these particular Navy aircraft for this mission, the committee decided that the requirement was not urgent and could be better put off for further study without damage to our defense posture. The savings here amounted to $27.5 million.

Now I want to go to the Air Force aircraft procurement. One aircraft which came under considerable fire by this committee is the E-3A known as AWACS which stands for airborne warning and control system. This is basically an airborne radar system, but, of course, it is highly sophisticated. The system has been mounted in the body of the Boeing 707, 4-engine jet aircraft. The idea behind the system is to provide the military commander an airborne platform through which he can monitor activities of aircraft in the air and installations on the ground. The Air Force wanted six AWACS during the fiscal year 1976, but the committee authorized only three. The savings amounted to approximately a little over $260 million.

The committee voted to delete the entire request in this authorization bill of $185.8 million for the advanced airborne command post. There were a number of reasons for this action, but the most significant is the fact that there has been an excessive cost escalation in this program. In addition, the Members questioned the need to add to the numbers of airborne command posts which we already have in the inventory.

So far I have talked about aircraft procurement cuts. I want to briefly comment on a few additions. We found that unless some action is taken by the Congress this Nation will be without an ongoing procurement of an all-weather airborne attack capability. This is an intolerable situation and was so recognized by the committee. The committee therefore acted to add $14.3 million to the Navy aircraft procurement account for the fiscal year 1976, for the purpose of keeping open the A-6E line. Further inquiry will be made by the committee into the Department of Defense rationale for cutting off the only source of all-weather airborne attack capability left in this country.

The committee also voted to add $115 million to the aircraft procurement account for fiscal year 1976 for the purpose of providing A-7D aircraft to the Air National Guard. This committee has been concerned for some time that the readiness posture of the Guard, as well as the Reserve, be upgraded to augment our regular military forces. The committee recognized that in order to achieve the excellence expected of the Guard, we must provide it with first-line equipments. The Guard must be able to maintain units which are capable of deploying with our active forces. Consequently, the committee voted to provide the Guard with 24 A-7D's to upgrade the present Air Guard inventory.

I think that I have fairly well summarized the major actions taken by the Armed Services Committee on aircraft procurement. But before I conclude, I would like to leave you with a few observations.

I understand that some of my colleagues intend to introduce amendments to the aviation portion of the procurement bill, probably on the B-1 bomber and the AWACS, airborne radar system. I want to reemphasize what I mentioned earlier. This committee gave all aircraft procurement proposals a thorough going over under Chairman Price's leadership. It was clearly the judgment of the great majority of our Members that this Nation, particularly at this time in our history, can ill afford to procrastinate over alternative weapons systems, when the preponderence of evidence brought before the committee points to the need for a manned bomber of B–1 capabilities well into the 1990's, and the unquestionable value and viability of an airborne radar system for battlefield communications command and control.

Both of these programs have been popular whipping boys for a number of years. I think it is about time that we stopped kicking them around and pay more attention to the serious business of upgrading our military capabilities in a timely fashion to meet the military challenges of the decades ahead.

Mr. BOB WILSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill the Armed Services Committee brings to the floor today, H.R. 6674, provides the authorization for appropriations for weapons procurement, and research and development, and the strength levels for active-duty, Reserve, and civilian personnel of the Department of Defense. As our chairman has explained, the bill covers the 15-month period from July 1, 1975, to September 30, 1976. It is necessary for this bill to be enacted before appropriations can be made to run our defense establishment during the 15-month period. Therefore, it is absolutely necessary that we pass this bill.

You know that. You know that we are going to pass the bill in some form after completion of proceedings under the 5-minute rule next week.

The question is, therefore, what size bill we are going to pass and how many changes, if any, the House might make before giving its approval to the legislation.

A bill of this size includes literally thousands of procurement and research-and-development items with various levels of funding authorized for each plus a myriad of decisions about personnel strengths. Obviously not all of us agree on every item in the bill, and the legislation before us is a compromise—as good legislation always is—embodying the best judgments of the overwhelming majority of the committee after months of detailed consideration.

Before this debate is concluded, we will undoubtedly consider many amendments to change, increase, reduce or eliminate various programs authorized in the bill. I think debate on such amendments is a useful and healthy activity. But I want to say something today about the effect of our actions on the size of the bill as a whole and on the atmosphere here and in the country as we begin the debate.

The chairman has described the major committee changes in the bill; and the subcommittee chairmen and ranking minority members of the subcommittees will, I know, be discussing in detail the specific changes made in the various titles of the legislation. I shall, therefore, avoid repetition of detail.

I would like to take a moment to express my appreciation and my congratulations to my good friend and distinguished colleague Chairman PRICE for the effective way he conducted the committee's review of this legislation in his first year as chairman and for continuing the committee's tradition of nonpartisan consideration of defense matters.

I would also like to particularly express my personal appreciation to the members who served as ranking minority members on the subcommittees which took an active role in considering this particular legislation: Mr. DICKINSON, on the Research and Development Subcommittee; Mr. SPENCE, on the Seapower and Strategic and Critical Materials Subcommittee; and Mr. TREEN, on the Military Personnel Subcommittee. As the debate proceeds, you will learn—as I already have—that they have immersed themselves in the subject matter of their subcommittees and have become valuable specialists in national defense matters.

I am also proud of the diligence and the conscientiousness with which all of the members on our side of the aisle on the committee approached their work on this legislation. Their attendance at subcommittee and committee meetings was extraordinarily good, and they have made a real contribution to the very effective piece of legislation we bring before you today. I express my appreciation to all of them.

Mr. Chairman, I am concerned about the attitude that some people take which implies that the committee has not done its work properly because it has not cut the bill deeply enough. I am concerned about an atmosphere here in the House that presumes that budget problems automatically provide a justification for cutting national defense and an atmosphere which indicates the only question is how much we should cut this bill.

To me, more important than any particular item, is the overwhelming consideration that we should not cut the total dollar amounts in the bill at all and that we should not close our ears to suggestions that increases may be desirable.

I say this for two reasons:

First of all, I think the committee has cut the bill as far as we can safely cut it without weakening national defense.

Second, I think—more than any other time that I can recall—our action on this bill today will be, for better or worse, a signal to the world.

I said that I thought we had cut this bill as much as we could. We have made reductions of $3.7 billion from the authorization requested for the 15-month period covered by the legislation. It will be alleged that some of these reductions are bookkeeping changes. To an extent that is true. We eliminated $1.2 billion for assistance to South Vietnam which, of course, is no longer required. Even excluding this item, however, and even excluding the proposed $300 million inventory-replenishment fund requested in anticipation of foreign military sales, the total of specific reductions in titles I and II of the bill is $2.1 billion. This is the largest reduction in my memory of the legislation. This $2 billion in reductions is all made—do not forget—in our investment authorizations; that is, in the areas that determine the level and the quality of weapons our Armed Forces will have. The areas that we have cut represent just one-fourth of the total defense budget request, but it is the part of the defense budget which determines the quality of our military preparedness.

This bill is frankly a compromise between what we think we really need and what we can afford. There is no question that the severe budget deficit facing us and the severe economic conditions of the country have influenced us to hold defense spending down to the maximum extent possible. From a purely defense standpoint, the authorizations in this bill are inadequate. We should be modernizing our naval forces at a faster rate. We are unacceptably low in our inventories of some systems. We are spending at a rate on research and development which allows the Soviets to gain on us steadily. And we are in a trend which shows a consistent relative increase in comparative Soviet power—a trend that can only be reversed with many years of increased effort on the part of the United States. The authorization bill we present today, therefore, is truly compromise legislation dictated, in part, by economic constraints.

But equally important, as I said, is the signal which we now give to friends and potential foes around the world. There is no doubt that our resolve is being questioned in the wake of the Vietnam experience. There is no doubt that the act of piracy by the Cambodians so successfully resolved by the show of strength was a test of American willpower and responsiveness. There is no doubt that our allies in Europe, as well as in the Pacific, are watching for our next move with anxiety and anticipation. If we were to make major cuts now, it would be a sign of deep concern to non-Communist nations throughout the world. By contrast, voting down proposed cuts and passing the bill without further reductions—preferably by a large majority—would be a very reassuring signal for the cause of freedom everywhere.

Mr. Chairman, I stated earlier that I was concerned about the atmosphere here in the House which seems to approach this legislation from a standpoint of seeing what can be cut. I am also concerned because I think there is perhaps a different tempo running in the country which is more realistic but which, perhaps, this House has not yet grasped. This would not be the first time that the American people were well ahead of their political leaders. I would like to quote to you something said by Eugene V. Rostow, chairman of the Foreign Policy Task Force of the Coalition for a Democratic Majority, when he was testifying before our committee on this legislation. You all know that I do not usually go around quoting Democrats. But this bears repeating. Mr. Rostow said:

> There is another current running in the country and running very strongly. The experience I have had is, of course, an immense privilege that I shall always be proud of having tried to meet. It is also an obligation, and it means that people like me and many of the men and women with whom I have served are going around the country doing their best speaking to students, speaking to citizens' groups, writing articles and so on, because we are the repositories of an experience that can't be escaped.
>
> Now, in my travels recently I found an immense anxiety. The people know some-

thing is wrong, the people know there is no détente, the people know things are not going well. They are concerned.

I have quoted this because I have been struck so often in recent months by this mood of reality in the country myself. Quite frequently the false sense of euphoria because of détente seems to be most infectious on this particular Hill. The typical Americans I have talked to are not fooled by the negotiating posture of the Russians and are deeply concerned about America's place in the world. They are prepared to support adequate expenditures for national defense.

The proposal of Mr. Rostow's group is, I think, evidence of this welling-up of concern. What his group, the Coalition for a Democratic Majority, proposed is a $10 billion increase in the defense budget. In spelling out their proposal for the committee, they recommended an increase in research-and-development expenditures between $1.7 and $2 billion. They recommended a $4 billion increase for modernization and improvement of our naval forces. Among their other recommendations are a $500 million increase in antitank missile procurement, a $300 million increase in expenditures for tanks, a $400 million increase in expenditures for air defense and a $600 million increase for land-force modernization and improvement. Anyone who is familiar with the drawdowns on our equipment because of the Middle East war and anyone who is familiar with the minimum inventory of some of these systems which we maintain compared to what the Middle East war taught us about expenditure rates on a high-intensity battlefield could hardly argue with the logic of the group's proposal from a military standpoint. The membership of the coalition's task force includes some noted liberals in the country and is hardly to be confused with unthinking support for the Pentagon. The group includes Max M. Kampelman, former counsel to Vice President HUMPHREY; Norman Podhoretz, editor of Commentary magazine; Henry Fowler, former Secretary of the Treasury; Don Irwin, mayor of Norwalk, Conn., and former Democratic member of our committee; Albert Shanker, president of the American Federation of Teachers, AFL–CIO; attorney D. Bruce Shine, member of the Democratic National Committee; Peter J. Rosenblatt, former special consultant to Senator EDMUND S. MUSKIE; and Paul Seabury, professor at the University of California at Berkeley.

This is not the military-industrial complex speaking. This is a group of noted liberal Democrats. But they recommended a $10 billion increase in defense spending.

In summary, Mr. Chairman, the needs of national security are determined by the international situation in which we find ourselves and by the military developments of potential enemies—not by how much some people would like to spend on social programs or by some theoretical division of budgetary allowances. Your committee has recognized this reality and has based its recommendations on providing the minimum required. This bill is the bottom line on national security. Many distinguished citizens in both parties believe that prudent considerations of defense would dictate a higher level of authorizations. Your committee has held the bill down because of the severe economic restraints facing the country. The committee has made cuts in such a way as to avoid weakening our Defense Establishment. The American people will support the level of spending required to assure the Nation's defense. Whatever it is.

Let us show as much commonsense as the people we represent. Let us not reduce this bill.

Finally, let us remember that the action you take on the bill, and the manner of taking it, is in itself an act of national policy. The world is watching what we do. Let us send a signal that will not be mistaken—by overwhelmingly passing this bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I will be happy to yield to the gentleman.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Chairman, I wish to compliment my colleague from California (Mr. BOB WILSON) who is the ranking Republican member on the Armed Services Committee, for his continual and regular effort to make sure that our country is properly equipped to do the job in defense that is so necessary. The gentleman has been very consistent in his efforts to make sure that our country is able to maintain the peace wherever it is called upon to do so, but most especially in the defense of our own shores should the Nation ever be called upon to do so.

I know that sometimes it has not been supposedly popular, because during the South Vietnamese war it bacame a hard task to come before this House and try to talk about the necessity of maintaining adequate weapons systems and providing for the research and development for the future.

I know that the gentleman from California has provided, along with the rest of the committee, a real service to the country in making sure that our Government is not caught short.

We must make sure there is not another Pearl Harbor, because our potential enemies have misjudged our willingness to maintain adequate weapon systems.

Mr. BOB WILSON. Mr. Chairman, I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I will be happy to yield.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, I am curious about the situation about the Lance missile. Will somebody be going into that later?

Mr. BOB WILSON. Yes. That will be covered later, on research and development.

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. PRICE. Mr. Chairman, the fiscal year 1976 authorization request for $10,181,388,000 is the largest amount, in actual dollars, ever requested by the Department of Defense for research, development, test, and evaluation.

I as well as other members of the Research and Development Subcommittee and full committee were—and remain—concerned over this level of expenditure. There are many ways, Mr. Chairman, of reviewing a request of this magnitude. One obvious view is from the standpoint of—can we afford such expenditures for R.D.T. & E.? A second—and in my opinion, better view—is can we afford at this time not to have a R.D.T. & E. program of this magnitude?

I have served as chairman of the Research and Development Subcommittee for over 11 years. Each and every year I have come to realize more and more the importance of research and development to our military strength and national security. The axiom that superior military technology can give a nation a decisive advantage over its adversaries has been demonstrated time and time again during the past 6 centuries.

In the last 20 years technological advances have taken even greater strides. Today's smart bombs, infrared systems, advanced computers, and high-energy lasers make our national security even more dependent upon technology.

For these reasons, Mr. Chairman, I retain the strong conviction that this Defense request must be viewed not in terms of whether we need more R.D.T. & E. or less R.D.T. & E.—but in terms of whether or not this R.D.T. & E. will enable us to maintain our technological superiority and defense posture and provide for a safe America.

Mr. Chairman, it is no startling revelation that all is not well in the world today. During the past year the governments of many of our allies have been subjected to varying degrees of turbulence. We can add to this, Vietnam, Cambodia, and the recent piracy of one of our merchant ships.

I do not suggest in any way justification of our Defense budget on the basis of a few isolated events. However, these are real-world occurrences—facts of life—and I am suggesting that we structure our defense posture to meet these and other contingencies accordingly.

If it requires a $10 billion research budget to develop and deploy whatever is necessary to show our potential adversaries that they will never be able to achieve a real military advantage over this country, then it is worth every cent of the investment.

Mr. Chairman, this belief did not cause the committee to rubberstamp the Defense Department's request. Just spending a lot of money will not insure our national security. Our R.D.T. & E. program must be properly structured, guided, and directed. As the architects of our research program, the Department of Defense has done a credible job. Like the Congress, however, they are not and cannot be expected to be perfect. They, at times, view priorities differently. They, too, have their share of bureaucrats whose only purpose is to perpetuate their programs. For these and other reasons, the committee is compelled to conduct a comprehensive review of the proposed Defense program. The objective of the committee has been and will continue to be to work cooperatively wtih the Department of Defense in serving the best interests of our national security.

The Research and Development Subcommittee examined over 3,000 individual programs and projects in the fiscal year 1976 authorization request. The examination was further complicated by the fact that the committee had to authorize for appropriations, funds for the 3-month transitional period between July and September 1976. The programs were discussed at varying lengths with Defense witnesses during the 31 hearings that were held by the subcommittee. As in the past, the subcommittee recommended action that was based on the merits of the individual programs, a reassessment of the need or requirement for each weapon system, the Department of Defense planned course of action, program progress, and the viability of lower cost alternatives.

The committee again thoroughly assessed the need for the B–1 as well as the possible alternatives to it. Several experts in the research and development community offered alternatives to the B–1. The committee set aside an entire afternoon to receive testimony from these people. Some proposed continued use of the B–52; some proposed using cruise missiles in lieu of the B–1. In the overall analysis, there is no viable substitute for the B–1. We do not have a cruise missile today. Cruise missiles are inherently slow. They do not have provisions for electronic countermeasure, ECM, nor can they evasively maneuver. Further the delivery system for a cruise missile coupled with our peripheral systems would amount to a considerable percentage of the projected cost of the B–1. Repowering the B–52 would cost over $40 million per aircraft and would still lack the penetration capability of the B–1. A stretched version of the FB–111 would enable us to strike only 10 percent of the desired targets, unrefueled.

Mr. Chairman, when considering the alternatives to the B–1, it is obvious that what you see is not what you get. What you do get is a lot less capability at the same cost of the B–1.

The committee concluded that we do need the B–1. We do need its penetration capability; we do need its range and we need the best bomber possible when we consider that over half our strategic weight is bomber carried.

The strategic bomber leg of the Triad is perhaps more critical today than it was 5 years ago. Today the Soviets have a manned strategic bomber, the Backfire, with performance characteristics that are widely apart from those of the B–1. They developed this bomber capability in a relatively short period of time. They are capable of doing even better than their existing Backfire manned strategic bomber.

Beyond the thought of a nuclear confrontation, have we forgotten the effectiveness of the bomber during the Southeast Asia conflict?

As a Nation, we are committed to a policy of nonaggression, but as I stated last year—inevitably and unavoidably, in the absence of clairvoyance, we must be prepared to fight almost every kind of war that could be thrust upon us. I believe, Mr. Chairman, that the committee's action on the research and development authorization will provide adequately for the development of those weapons systems which are needed to enable us to satisfy this requirement.

The committee made numerous reductions in the research and development authorization request. Ten programs were eliminated in their entirety. The total reduction for fiscal year 1976 and 197T amounted to $695.3 million, or a 6-percent reduction. The fiscal year 1976 authorization is $9,660,373,000; and for fiscal year 197T, it is $2,508,617,000.

Several of my distinguished and dedicated colleagues will offer amendments to reduce this authorization even further. I urge the Members of the House to think long and hard before adopting any proposed amendment.

I urge you to ask yourself in every instance whether the proposed amendment, if adopted, will compromise in any way our ability to deter war or insure our national security. This is not a rhetorical question. This is the gut issue that underlies every amendment.

I also urge you to exercise caution in arriving at decisions that are based solely on costs.

Mr. Chairman and Members of the House, I urge you to consider:

Whether an amendment to delete the funds for chemical warfare is wise since we have first-hand knowledge that the Soviets are advancing in every aspect of both offensive and defensive chemical warfare. The Soviets chemical agent Soman is not a myth. It is a reality. It is not a defensive piece of equipment. It is a lethal chemical munition;

Whether deferral or cancellation of the Trident program will be the final step that permits the Soviets to change the balance of technology to their advantage;

Whether an Army with an inferior tank makes sense. The finest tank in any inventory today is not American;

Whether, in the light of the limited progress of SALT II and the talks at Valdivostok, we can reduce or terminate our efforts in advanced ICBM technology; and finally,

Whether you think it would be wise to have a second rate manned strategic bomber the end of this century.

Mr. Chairman—Members of the House—research and development is a difficult area to comprehend. It is a difficult area to authorize appropriations for. We authorize the expenditure of billions of dollars with the expectation that the technology will culminate in an operational, deployable, and effective systems.

I know that there are many demands being placed upon our economy and this level of Defense spending is of grave concern. But I ask you to share with me today the awareness that defense is one area where second best will not suffice.

Mr. Chairman, I ask the Members of the House to support the R.D.T. & E. portion of this bill as reported by the Committee on Armed Services.

Mr. Chairman, I yield 15 minutes to the gentleman from Florida (Mr. BENNETT), chairman of the Seapower Subcommittee of the Armed Services Committee.

Mr. BENNETT. Mr. Chairman, first of all I want to congratulate President Ford on his positive and effective action to snuff out in its beginning the situation in Cambodia that might have been a tragedy of mammoth proportions.

I, of course, support H.R. 6674, and I expect to talk in detail about the Navy part of it and about some other aspects of it.

We are still watching at this moment the drama in Cambodia of a modern-day lesson in seapower. We need to have the sealanes open to us and our ships, at all times without molestation.

Our economy here at home is dependent, among other things, on rubber and tin from the Indochina area of the world. If our ships cannot go safely into this area, we cannot be sure we will receive the materials we so greatly need. Even more important, perhaps, is the need to be assured by our naval forces that international law will be upheld in the interest of world peace; and that we discourage by the presence of an adequate navy the violation of law and the starting of war.

We are also watching the necessity of having strike forces which can respond quickly, without being hampered by a lack of oil and logistics in the crisis area; itself a good reason for having nuclear-powered ships which can take care of the situation.

Recently the City Council of Jacksonville, Fla., which I represent, along with my colleague from Florida (Mr. CHAPPELL), passed a resolution in which they said the Congress of the United States is urged to alleviate the deterioration of the economic health of the Nation with fiscal legislation that would increase funding of presently existing, permanent programs which are in dire need of funds, rather than creating temporary public service employment programs.

Mr. Chairman, I voted yesterday for the legislation which provided for the temporary-type jobs—which my city council felt was perhaps not the best thing to do—because I felt it was needed. Like my city council, I do believe it is absolutely essential that wherever we can, we have employment in fields which will make a permanent contribution to America and lead to permanent-type jobs rather than temporary-type jobs. I do not even quarrel with somebody who says that we should not have any at all of these temporary-type jobs, although at the moment I myself feel that we need some of them. I can understand their point of view.

However, when we can employ people in something which is greatly needed, as we can in the defense structure, I think it makes sense to do it. I think it makes sense to do it because we are getting something we need. I think it makes sense to do it because we are giving a permanent-type employment, not just a temporary-type employment.

Mr. Chairman, the day before yesterday I received a document from the AFL–CIO. It said:

> The Executive Council of the AFL–CIO unanimously adopted the enclosed statement on National Defense at its meeting on May 6 in Washington, D.C. You will note we urged that consideration be given to increasing the Pentagon budget and that extreme caution be exercised in voting on any amendments which would cut the request of Secretary Schlesinger.

Mr. Chairman, I am going to ask later on that the entire paper be inserted into the RECORD, but I would like to read a few portions of it to show what the Executive Council unanimously adopted. It says:

> In recent years Soviet military might has surged far beyond a mere defensive capability.
>
> The Soviet arms budget is growing by 5% a year, by conservative estimates. Since the first SALT agreements were signed, the Soviets have developed four new missile systems including new multiple warheads and multiple independently targeted re-entry vehicles (MIRVS). Their new missiles are far larger than ours and, if equipped with multiple warheads, could give them a vast strategic superiority.

And then, reading further:

> In the conventional field, the Soviets now have 50% more men under arms than the U.S. not counting their enormous paramilitary forces. Together with their Warsaw Pact allies they have four times the number of tanks we have, three times the heavy artillery, and twice as many heavy mortars.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. Yes, I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to commend the gentleman from Florida (Mr. BENNETT) for the leadership that he has shown in connection with the naval section of this bill, as chairman of the Seapower Subcommittee.

I would like to ask the chairman, the gentleman from Florida (Mr. BENNETT), in line with his earlier remarks, if it is not clear that without our naval power and without our carriers, we could not have carried out the successful rescue operation that we have just carried out in the *Mayaguez* incident.

Mr. BENNETT. In my opinion, the gentleman is 100 percent correct.

Mr. STRATTON. Does not the gentleman from Florida (Mr. BENNETT) share my concern, particularly over the fact that came out in connection with this incident, that the facilities that we constructed in Thailand at great cost to the American taxpayers are apparently no longer going to be available to us in that area of the world for any air or naval operations? Does that not underscore the importance, in the opinion of the gentleman, that we at least should proceed with the enlargement of the facilities at Diego Garcia so that we have some place at which to refuel our naval carrier if a new incident of piracy should occur in that part of the world?

Mr. BENNETT. I certainly believe we should use Diego Garcia as a fueling station, and that the very modest request made by the Navy in this is essential.

I am now reading further from the AFL–CIO statement:

> The Soviet navy now has as many surface combat ships as the U.S., and more than three times our submarine strength. Their ships are newer and faster, and have immense and sophisticated firepower.
>
> The United States, in contrast, appears to have begun a drift toward unilaterall disarmament. Current defense spending constitutes the lowest percentage of our GNP since our demobilization after World War II. In constant dollars, our defense spending has steadily declined; yet the proportion of our defense budget that goes for manpower and other personnel benefits has risen substantially.
>
> Our allies and adversaries alike must now question our capability to effectively wage war—and only the capability, clearly perceived, can effectively deter war.

Then the AFL–CIO continued:

> We urge our representatives to arms control and arms limitation talks—SALT, and the Mutual and Balanced Force Reduction (MBER) negotiations—to continue to press for agreements that will end the arms race. But such agreements must clearly be mutual, not one-sided; they must be balanced, not ridden with subtle concessions on our part; and they must be enforceable, not ringing public-relations declarations of no practical consequence.

Then they finally concluded:

> To achieve this goal may require us to spend more for defense than the budget proposed by Secretary Schlesinger, which, by the Administration's own projections, will probably not even keep pace with the inflation in the coming year. If fat can be found in the present budget, and if greater defense capacity can be achieved at no further cost, we will warmly approve. But if greater costs are required—so be it. No burden we must bear is too heavy to endure if the alternative is to live under dictatorship, or the constant prospect of war.

Mr. Chairman, in the 27 years since I have been in the Congress I have had many occasions to congratulate the AFL–CIO, but I do not think I ever had a more sincere opportunity to give congratulations to them than that which I tender them now for what they have expressed in their report. I think that the committee would be well advised to heed this report, and it is important in my opinion that we listen to the thoughtful comments of that council. I congratulate the AFL–CIO for its needed leadership on this vital issue.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I do not now have the time to yield to the gentleman. If the gentleman will permit me to continue and finish my statement, then I shall try to yield to the gentleman, but I have not used the gentleman's name.

Mr. Chairman, the Seapower Subcommittee of the Armed Services Committee has held extensive hearings in connection with the programs for the construction of naval vessels and in connection with the studies of our naval shipyards. We remember hearing some years ago from Admiral Moorer that we should be a Navy of 850 ships. We also remember hearing from Admiral Zumwalt that we should have a navy in the area of 800 ships. Presently we are down to under 500 ships and the Navy desires to bring this size up to over 600 in the 1980's. We are now building at a rate which will let us get up to the 600 ship level. At this point I am very mindful of the statement made to our committee by Eugene V. Rostow, spokesman for the Democrats on Foreign Policy of the Coalition for a Democratic Majority, who said, and I quote:

> We therefore recommend an increase in our defense capacity, especially for the Navy. The best diplomatic signal the United States could give the world now would be a sharp increase in our defense programs, going beyond the programs recommended in Secretary Schlesinger's recent message to the Congress. It is the first responsibility of the Ninety-Fourth Congress, controlled by large Democratic Majorities, to provide for the common defense.

The shipbuilding portion of the budget that was presented to you today provides $4.4 billion, and allows for the construction of 23 new naval vessels. This may seem like a large number of ships, but Admiral Holloway has testified to us that the Navy should be building at a rate of 35 ships a year, not 23, in order to attain a Navy of 600 ships in the mid-1980's.

With this program, we are gaining 1 nuclear-powered ballistic missile submarine, 2 nuclear-powered attack submarines, 1 nuclear-powered guided missile frigate, 2 patrol hydro-foil missile ships, 10 patrol frigates, 2 destroyer tenders, 2 fleet oilers, and 3 fleet ocean tugs. Thus, 7 of the 23 are auxiliary ships, and 12 more are small naval vessels, leaving only 4 major naval ships being built this year. In order to get these ships, the Navy has voluntarily retired nearly half of its aging fleet.

I do not, at this point, try to draw any comparisons between the U.S. fleet and the Soviet fleet. The two have different missions. Our Navy has to be sure that we can sail anywhere we want to, when we want to. The Soviet mission is simpler. It is keeping us from sailing where we want to sail, when we want to sail there. Hence, the Soviets have built up a large submarine fleet with a large cruise missile capability. To meet this, we need our submarines, our destroyers, our surface ships carrying helicopters and antisubmarine warfare planes, and we need our surface ships with capability against cruise missiles and airplanes.

More importantly, we emphasized the need for a nuclear Navy that can move quickly to the areas of crisis without having to worry about fuel. Because of congressional concern in the past, the nuclear reactors for the *Nautilus* and *Sea Wolf* were provided from Atomic Energy Commission funds. Because of congressional concern, we have at present authorized a group of nuclear frigates to act as escorts to our carriers. We have even had to mandate the construction of frigates in order to get them built, over the objection of systems analysts. It was the congressional pressure on the part of all of Congress that made the *Nimitz, Eisenhower,* and *Vinson* nuclear-powered, after the horrible mistake of providing conventional power for the *John F. Kennedy.*

To continue our efforts in building up the strike power of the Navy, so that it is no longer dependent on black-oil-train logistics, we have added $60 million for the long-lead-time items for a new nuclear-powered strike cruiser. In part, this is to show the U.S. resolve for seeing to it that we meet the present exigencies, as it is in part to show the committee's determination to get on with the policy of title VIII of last year's authorization act.

In connection with that policy, Admiral Moorer said just before he left his post as Chairman of the Joint Chiefs of Staff—

> I urge that the Department of Defense adopt it and get on with the task of building nuclear-powered naval strike forces which I sincerely believe will be essential in the years ahead. The experience of our Navy during the 1973 October War is providential warning—which appears already to have been forgotten—that the Navy strike forces must not continue to be dependent on oil for propulsion in an actual war situation.

A nuclear-powered strike cruiser has been in the 5-year plan for fiscal year 1977–78, and we might just as well get on with it. It will give us one more of the seven needed to complete the escorts for the four nuclear-powered aircraft carriers presently authorized and under construction.

Our bill provides $4.4 billion for the shipbuilding program, a sum which is $1 billion less than the President requested. This large reduction was the result of postponing the authorization for extension of very distant escalation, which is dealt with in the report. We deferred the authorization of reserves for further contractual obligations for escalation, for labor and material costs due to inflation, until the fiscal year in which these funds are obtained, but provided a hedge of an additional year of escalation reserves in the event that actual escalation payments should exceed the fund authorized for the current fiscal year.

We also removed $150 million requested as a reserve against claims for shipbuilding contractors, which are now pending. We did so without prejudice to any future claims based upon settlement of decisions of the Armed Services Board of Contract Appeals. We believe that approval of the requested 150 million at this time would be considered as an endorsement of the claims and would tend to undermine the Navy's bargaining position.

In summary, Mr. Chairman, we have brought to you a shipbuilding program which begins to set the Navy on the road to a 600-ship Navy, and we have done so with a reduction of $1 billion in this year's requests.

Mr. Chairman, that concludes my remarks except that I would like to say it is a real pleasure and inspiration to work on a problem which is really a challenge because we all know we really do need to have a strong Navy. It has a major part to play in whether there will be wars or no wars in the future. A strong U.S. Navy is a good preventive measure to decrease the chances of us having to go to war.

The Navy, unlike some of the branches of service, is extremely vital to reduce pressure for the escalation of or a beginning of a war. Therefore, I am very hopeful that the Congress as a whole will approve the Navy provisions we have in this bill; and if any change is made it will add to, not decrease, these facilities.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the distinguished gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

I, of course, subscribe to the gentleman's philosophy that we need a strong national defense. I think everyone in this House does. I would like to ask a few questions to try to clarify the gentleman's position as indicated in his statement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PRICE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Florida.

Mr. SEIBERLING. If the gentleman will yield further, he indicated that the Soviet Union has several times more men under arms than the United States. If the United States were in the position of the Soviet Union, with a 2,500-mile common border with a hostile power that has the largest population of any nation on Earth, would we not probably have a larger number of men under arms? In other words, is the Soviet Union's position comparable to that of the United States?

Mr. BENNETT. I am not pointing a finger of blame at Russia. I am really trying to present to the Members our own national security. I would say that when a nation is as dedicated to spreading communism and Soviet imperialism throughout the world as Russia is, and when she is more heavily armed than we are, and shows no indication of the desire not to use her arms to dominate other peoples, it is wise for us to see to it that we have reasonable protection in our defense. All those facts and figures have to be considered with regard to what strength we have to obtain and maintain.

I in no way cast any stones at Russia.

Mr. SEIBERLING. Will the gentleman yield further?

Mr. BENNETT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I am not suggesting that there is any blame to be assessed. I am merely suggesting that the gentleman is comparing apples to oranges, because the Soviet Union's strategic position and their defensive needs, in view of the fact that they have a powerful and hostile China on their borders, are far different than ours.

Mr. BENNETT. I must say if we are going to take that kind of little trip down the lanes of imagination, we might just as well come to a little imagination as to why and what if Peking and Moscow should throw in together; because, after all, a great many of these Russian troops are under arms projected defensively against the Chinese. I do not really think Russia expects the United States or Western Europe to attack Russia. I think there might be some concern to Russia that the Chinese might attack.

Mr. BOB WILSON. Mr. Chairman, I yield to the gentleman from South Carolina (Mr. SPENCE) such time as he may consume.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to get the attention of the gentleman from Florida (Mr. BENNETT), the distinguished chairman of the Subcommittee on Seapower and Strategic and Critical Materials in regard to the colloquy just a moment ago with the gentleman from Ohio (Mr. SEIBERLING).

Did not the prestigious and highly respected Institute of Strategic Studies of London, England, recently release a detailed study that showed that the present naval development of the Soviet Union and the power they have generated far exceeds any conceivable defense requirements? Did they not say that these new Soviet naval forces are clearly designed for offensive rather than strictly defensive operations?

Mr. BENNETT. That is not only their observation but also the observation of every other thoughtful person I know of in this field.

Mr. STRATTON. I thank the gentleman from Florida and I appreciate the gentleman from South Carolina yielding.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Washington.

Mr. HICKS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as a member of the Seapower Subcommittee of the Armed Services Committee, I rise in support of H.R. 6674.

Today I would like to address myself to the 5-year shipbuilding program.

Last year the Seapower Subcommittee held 24 hearings and took over 1,500 pages of testimony on the current status of shipyards, 1974. We heard from both the private shipyards and the naval shipyards. We heard from the departments. The one problem which seemed to be the most difficult was the inability of the industry to plan. We received testimony that it takes over 10 years from the original Department of Defense approval of a shipbuilding program until the last ship of the program is commissioned. In between there are many ups and downs in the program. Indeed there are many programs which have been started only to be choked off before their completion. The constant up and down of the shipbuilding industry, coupled with the industry's inability to plan beyond the current year is what has caused so much consternation in the industry.

We looked at the overall situation and concluded that the answer would be to get a 5-year shipbuilding program which the Congress would authorize year-by-year, as the best means of cutting down on this kind of turbulence. We received approval for this idea from the Deputy Secretary of Defense, from the Secretary of the Navy and from the Chief of Naval

Operations. Despite all of these agreements, the Department of Defense has so far been unable to come up with any kind of a 5-year shipbuilding program to be enacted or even recommended. We have been long suffering in our search for such a program.

Since that program has not come to the committee, we have included in the law a requirement that the Department of Defense present such a program to the committee for enactment when it submits the fiscal year 1977 budget.

Toward the end of the full committee hearings, the Assistant Secretary of Defense for Program Analysis and Evaluation, the Honorable Leonard Sullivan, came before the full committee and recommended a 5-year program generally for the Department. Yet, we understand through our informal sources within the Department, that this is the very section which is objecting to the 5-year shipbuilding program the most.

Only when the Navy has laid out a 5-year program, and the Congress has examined it and authorized that kind of a program, can we begin to get some sort of order into the overall shipbuilding program.

It is exactly this same philosophy which has led the committee to look at each shipbuilding program individually with an eye to evening out the overall program and to see that programs do not have rapid rises and falls, but continue on an even keel. If we cut back on this or that program in the hopes of saving money this year, the only result will be to make the entire project more costly in the end or to cut off the program now, with the result of making the present programs much more costly. The evenness in handling shipbuilding programs is something which we in the Congress must assure.

Mr. SPENCE. Mr. Chairman, I rise in support of H.R. 6674. Since there are other programs included in the bill, which can be best addressed by other Members, I will confine my remarks to the Navy program.

Our Navy is, and has always been, an insurance policy for our national survival. Throughout our 200-year history the Navy has assured our ability to export our goods and to import raw materials by keeping the sea lanes open. Only the Navy has provided us the means for protecting our interests overseas, and supporting our allies. And, I point out that we have more than 40 national defense treaties in force at this time.

Although our country is situated on a large land mass, we are essentially an island Nation, dependent upon seaborne commerce with other nations of the world for our prosperity and security. For example, 35 percent of the oil we use comes to us by sea, over sea lanes guaranteed by our Navy.

We have a multipurpose navy, and one of these purposes is the provision of a well hidden nuclear deterrent force—our Polaris/Poseidon submarines and the follow-on Trident system.

The Navy is more important to us now, given world conditions, than at anytime since Pearl Harbor. Where, in the past, we could rest our foreign policy on land bases and a system of alliances, this is no longer the case. We have been forced out of our land bases in many countries. We have seen the use of our oversea bases restricted, when most needed, as during the Arab-Israeli War. And, as a result of what our Asian allies perceive to be a change in our policy toward that area, we are being ousted from Thailand and our base rights in the Philippines are being studied by that Government.

Compare this to the situation of the Soviet Union, which is expanding its influence throughout the world with naval bases in every ocean. The Soviets recognize the value of a strong navy and now outnumber us in strategic missile launching submarines, nuclear-powered submarines and major surface combatants. They are continuing to build, at a rate much higher than our own, highly sophisticated and well-armed ships.

The downward trend in our own naval forces, coupled with the growth and increased activity of the Soviet Navy, has created conditions of risk which are of great concern to the Chief of Naval Operations, and to me.

Admiral Holloway's words to the Armed Services Committee should be carefully considered, and I quote him:

> The Navy's ability to deter hostilities or prevent infringement of our national interests is no longer clear-cut or unambiguous.

He also told the committee that:

> Our current forces are powerful, but relative to expanding Soviet Naval power, our advantage is, in some areas, now very thin.

Witnesses before our Seapower Subcommittee have painted the picture of a navy dwindling in numbers and growing only in age. Our Navy, at less than 500 ships, now stands at its lowest number since before Pearl Harbor. Nearly 1 in every 5 of these ships is more than 25 years old.

The average age of our aircraft carriers is over 19 years; our cruisers, over 26 years; destroyers, 16 years; and 81 auxilliary ships average more than 24 years old. Older ships contain outdated technology, are less battle worthy—if indeed seaworthy—and are highly difficult and expensive to maintain.

As the older ships have been retired, some, but not enough, have been replaced. Because the costs of ships, along with everything else, has increased, sufficient funds have not been made available to maintain our Navy at optimum size.

We have built some excellent ships over the past few years, but at a rate too slow to stop the attrition of age. While we have built ships with greater capabilities than their World War II counterparts, there is a point where excellence and capability can no longer offset the numerical superiority of enemy forces. I believe that we are now at this point, and that we are running risks which are unacceptable to the people of this country.

One of these risks is demonstrated by the act of piracy against the United States merchant ship *Mayaguez* last Monday, while operating in international waters. Because of quick and decisive action on our part, we were able to show the world that we will not allow such action be successful. However, if we permit our Navy to grow smaller and become impotent, as some seem to want, who is to say where this piracy, by irresponsible governments, will end?

H.R. 6674 provides for 23 new ships, 7 of which are service ships—tenders, oilers, and tugs—3 are submarines, and only 13 are surface combatants. Last year, the Congress approved 22 new ships. While this is a substantial improvement over the average of 12 new ships a year between 1968 and 1975, this number is required merely to sustain the Navy at its present low numbers. A rate of 30 new ships a year is required to attain a 600-ship Navy, and to sustain it, at that size.

For this reason, H.R. 6674 is a "bare bones" authorization as far as Navy ships are concerned.

Our Seapower Subcommittee, and the full committee, looked at each shipbuilding request very carefully. We concluded that each ship in each program was needed, and well justified. We did not believe that we could recommend that any ship be cut, or deferred, without harming the overall national interest. We found that past deferrals—in the case of the Trident and Patrol Frigate—have added more than $1.1 billion to the future costs of those programs.

While the committee does not recommend any program cuts or deferrals, we have identified more than $1 billion in requested reserve funds which need not be obligated until later years, and we have deleted them. These funds were requested in accord with a longstanding Department of Defense policy requiring the Navy to budget for predicted future inflation and the possible settlement of claims.

H.R. 6674 would also require the Secretary of Defense to submit a 5-year plan for future shipbuilding when the President submits his fiscal year 1977 request. We believe that, if our Navy is to remain second to none, goals should be set which extend for a period longer than a year or two.

Included in this year's program are funds for the fourth Trident ballistic missile submarine. The Trident will not only replace the Polaris/Poseidon submarines when they are retired in the 1980's, but it is a much faster, quieter, and more survivable system. Carrying 24 missiles instead of 16, and the ability to hit targets at twice the range of present submarines, the Trident is not only a more potent deterrent, but it is also more cost effective. At the current building rate, the first Trident probably will join the fleet in 1979 and the last, Trident No. 10, in 1985.

The committee, in H.R. 6674, also reconfirms the commitment of Congress to nuclear-powered surface combatants. This commitment has been voiced by the Congress time and time again over the past decade and was written into law in last year's authorization act. This year, we have recommended that funds be provided to complete another nuclear-powered guided missile frigate—DLGN–

42—and that $60 million be provided for long-lead items for a nuclear-powered strike cruiser.

I would also point out that, while the amount authorized this year for Navy ships is considerably larger than the amount approved by Congress last year, because of inflation, there was no real gain in program value.

Mr. DELLUMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announced that he will vacate proceedings under the call when the quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. Giaimo). One hundred one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call will be considered as vacated.

The Committee will resume its business.

At the time of the quorum call, the gentleman from South Carolina (Mr. Spence) had been recognized.

Mr. SPENCE. Mr. Chairman, as I was saying, the Committee was aware of the rapid increases in the cost of Navy ships, due mostly to general inflation. I wish that there was some cheap, cutrate way to provide for our national security. I have not thought of one, nor have I heard a good suggestion. While many point to the high cost of defense, few seem to realize that we have the most to lose.

I also wish that the cost of insurance on my house was less; however, I would sacrifice many things that I now enjoy in order to pay the necessary premium.

For much the same reason, simply because of higher costs, this Congress should not permit the insurance provided by our Navy to lapse into ineffectiveness. H.R. 6674 will restore some of our lost naval power. I support it, and urge you to support it.

Mr. DELLUMS. Mr. Chairman, I notice the absence of a quorum and I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore (Mr. Giaimo). Obviously a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The Chairman pro tempore (Mr. Giaimo). One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. Ichord).

Mr. ICHORD. Mr. Chairman, I thank our distinguished chairman for yielding to me at this time.

Mr. Chairman, clauses 1 and 2 of section 8, article I of the Constitution place the responsibility upon Congress to provide for the common defense and to raise and support armies. The bill H.R. 6674, which the Armed Services Committee brings to this body under the leadership of the distinguished gentleman from Illinois (Mr. Price), is the first step of this House in carrying out that responsibility for the fiscal year 1976 by providing the authority for appropriations for major weapons procurement, for research and development, and setting the manpower levels for the Department of Defense and the military services.

As are many Members of this body, Mr. Chairman, I too am concerned about the serious fiscal problems which the Federal Government faces as evidenced by the Federal budget deficit of $70 billion.

I would remind the Committee, Mr. Chairman, that here we are carrying out not only a primary responsibility of Congress, but one which is constitutionally mandated.

Personally, Mr. Chairman, I would prefer to live in a world where no military expenditures were required. We cannot afford the luxury of thinking in terms as to how we would have the world to be, rather than how it is.

This authorization is $3.7 billion under the total departmental requests. Unfortunately, I submit, we did not think we were in a position to meet the request of Professor Rostow, spokesman for the Task Force on Foreign Policy for the Coalition for a Democratic Majority.

Professor Rostow, Mr. Chairman, came before the committee and requested the addition of $8 billion or $10 billion to meet the growing threat of the Warsaw Pact Forces. Professor Rostow testified that in his opinion, unless we set a new and responsible course, the next 2 years may see the military balance shift decisively toward the Soviet Union and its allies.

He pointed out, Mr. Chairman, that there is no place for politics in the consideration of our defense budget and that, as they did in the Truman years, liberals and Democrats must again take the lead in rallying America to increase our defense capabilities, both nuclear and conventional.

I hope, Mr. Chairman, that all of the Members of this body will take the hearing record and read the statement of Professor Rostow over the weekend before we consider this bill for amendments.

We cannot afford, Mr. Chairman, and Members of the Committee, to be lured by the euphoria of détente into taking action that will seriously degrade our Nation's defense capabilities at this particular point in history.

Mr. Chairman, if I have time remaining, I yield back the balance of my time.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama (Mr. Dickinson).

Mr. DICKINSON. Mr. Chairman, I rise in support of H.R. 6674 and wish to address my remarks principally to title II of the bill, which has to do with research, development, tests, and evaluations.

Mr. Chairman, nearly two centuries ago a Scottish jurist and historian named Alexander Tyler said:

> A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess out of the public treasury. From that moment on, the majority always votes for the candidate promising the most benefits from the public treasury, with the result that democracy always collapses over a loose fiscal policy, which is always followed by dictatorship and or a monarchy.

Mr. Chairman, I sincerely wonder if we are going to see this prophecy come true in our lifetime. Are we as a nation going to continue to spend less and less on defense and more and more on social services, and specifically welfare? Are we reaching the point when half our tax dollars go to support social programs which are welfare oriented?

The biggest culprit of them all, welfare, starting with the Great Society, is like a snowball rolling faster and faster down a hill, only these are money covered slopes. The Great Society programs continued to suck up the people's tax dollars while producing little permanent good. Mr. Chairman, I recognize that it is the function of government, among other things, to take care of those who cannot take care of themselves, but I think we have long since passed that point.

But, it makes no difference in what area we are interested and in what programs we would give the highest priority, whether it be in public works, whether it be in health, whether it be in education. All of these come to nothing if, in the final analysis, we do not provide for an adequate national defense to protect and safeguard these rights and privileges for the American people.

Mr. Chairman, I support my distinguished colleague from Illinois, the chairman of the full committee, and also the chairman of the Research and Development Subcommittee, who emphasized the need for a strong research. Each year the Research and Development Subcommittee conducts an extensive review with the Department of Defense representatives to structure a technology program that will assure our national security.

Mr. Chairman, we have seen our strategic capability, in comparison with the Soviets, steadily but consistently eroded. Whether we want to talk about the total throw-weight of ICBM's, whether we are talking about the number of ICBM's or our ability to deliver ordnance on target, whether we are talking about our naval surface or submarine ships, we have seen the U.S. position of superiority fall below that of the Soviet Union. I submit, Mr. Chairman and members of this Committee, that the only major area in which we have a real superiority is in the area of technology.

This comes out of our research and development efforts. If we short change ourselves here there is no such thing as doubling up and catching up later, because these are such long-term leadtime items that we are incapable, as any other nation is incapable, of just spending more money to catch up.

We have a lead in technology, but we must continue to exert the utmost effort to see that this area does fall behind the efforts of the Soviets. Let me just point to a few items that I think are dramatic.

I quote Admiral Moorer, the recently retired Chairman of the Joint Chiefs of Staff, when he appeared before our subcommittee just recently, in April. He said that when he first started fllying naval aircraft over 30 years ago, by a strange coincidence it was called the F-4. One F-4 in today's modern fleet costs more than a complete squadron of F-4's when he first started flying. One F-4 aircraft today weighs more than a complete squadron when he started flying. What is more, an F-4 of today can fly faster straight up than the F-4 he learned to fly could fly straight down, wide open. And that is an old airplane.

I recently had the privilege of flying in an F-15. Mr. Chairman, let me report—it is no secret, I am sure, to those who are familiar with aircraft—we broke the sound barrier going straight up. We went mach plus.

Last year, I had the privilege of attending the Farnborough Air Show in England, where the United States demonstrated its technological capability. The SR-71 broke the world speed record traveling from New York to London. Mr. Chairman, the SR-71, which is our high altitude reconnaisance airplane, flew from New York to London in less than 2 hours; 1 hour and 55 minutes.

To give the Members some idea of the magnitude of this accomplishment, if a person had fired a .30/06 rifle at the same time that the SR-71 went through the gate, as they call it, leaving New York, it would have beat the rifle bullet, assuming it would have maintained its velocity, to London by 7 minutes. This aircraft, which is old now—it has been in the inventory over 10 years—traveled at such a rate that it had to go out over the Baltic Sea to turn around and land at Farnborough. The skin temperature on this airplane reaches 900°F. This is surely one of our technical accomplishments that no country has yet duplicated.

But we cannot rest on our laurels and continue to think we will maintain our superiority without spending the necessary money in research and development to go forward.

The F-111, Mr. Chairman, was a quantum jump in air technology. I do not know how many people are familiar with it, but this is the greatest airplane flying operationally today. It has a terrain-following radar so that in all weather—night, day, storm, whatever—the pilot can set his altitude over the ground to go over mountains, to go over trees, to go over forests, and still come right back down over the deck and still escape radar detection. No other country has this capability, and we are building this capability into the B-1, but this is a technological advancement that no other nation enjoys, no one has. It has only been because of our foresight and our ability and willingness to spend money on R. & D. that we are able to have this technological advantage.

We are now putting satellites in orbit that will ultimately give us location for navigation of ships on the sea and our aircraft. This system is so accurate it will pinpoint a ship or plane's position within feet, as close as from one wall to the other wall of this Chamber. This is a technological advantage that this country enjoys because we have been willing to devote our money, our effort, our time, our energy, and abilities to develop what we must have in this country.

We recently visited the Mideast. When the 6-day war started, we were told the Israelis were not particularly interested in our TOW missile because they did not feel they needed this for antitank defense.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOB WILSON. I yield 5 additional minutes to the gentleman.

Mr. DICKINSON. Israel was very capable of defending their tanks. Lo and behold, in the Yom Kippur war, they found they no longer had air supremacy because the Soyuz Quad 23 millimeter Russian gun, plus the hand-held heat-seeking missile, the Sagger, denied to the Israelis the air supremacy they had enjoyed in the Six-Day War, and so they sent out an SOS in a hurry. They issued a distress call for our TOW missile, the antitank missile, which ultimately was provided to them. This is the best antitank weapon that has been developed today. It is wire-guided. It is accurate. But if we did not already have it developed and did not already have it in inventory, Mr. Chairman, it would not have been available to provide to the Israelis. The same is true of our other major technological developments.

What I am saying—and I would like to say, Mr. Chairman, I am very disappointed that more people are not here who are not members of the Armed Services Committee, because most of us here are familiar with these facts—many of the voices in the Congress and out that have been most strident in the opposition to a strong defense have been those who are most vocal and outspoken of trying to get aid for Israel when Israel really needed aid.

Where did the aid come from that went to Israel in the form of tanks and other weapons? It was a drawdown from our inventory which was already on hand and in-house and developed, from Europe and from the continental United States; and it is too late, once it is needed, to go into production and to go into research and development to produce and manage these weapons. We must have them on hand.

The very people who are most earnestly beseeching aid for Israel, if they had their way, we would not have had the weaponry to provide the defense to Israel which was provided.

Therefore, Mr. Chairman, if there is one area in which we should spend money, one area in which we should be unstinting, one area in which we should be imaginative, where we should go forward with all due speed, it should be in the area of research and development. We should do everything within our ability and capability to see that we will not occupy second place in technology.

Using the B-1 bomber as an example, I am not ready to support the production of this weapons system. There is the philosophical argument here as to whether or not we want to continue to try a theory of manned bomber plus the ICBM's, plus the Trident submarines; but the important point is that if we do not go forward with research and development and develop the technology necessary, it is too late to argue about it once it is actually needed. Therefore, whether the B-1 bomber costs $34 million per unit, as it was originally designed to cost, or whether it costs $85 million per unit, which is projected by the 1982 time frame, or whether it costs $100 million, this is a question to be decided when and if we decide to go into production, but at this point we would certainly be pennywise and pound-foolish, Mr. Chairman, if we did anything to diminish our capability and ability in our technological development.

I, Mr. Chairman, would strongly urge the members of this committee and the Members of this House to support 100 percent the R. & D. budget.

Mr. PRICE. Mr. Chairman, I yield 12 minutes to the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Chairman, titles III through VI of H.R. 6674 respectively deal with the active duty, Reserve, and civilian personnel strengths in the Department of Defense, as well as the military student training loads, for fiscal years 1976, and the transition period. The levels authorized, with the exception of the Reserve Components, are strength ceilings which may not be exceeded by the Department of Defense.

The Committee recommendations for title III, which deals with active duty end strengths are as follows:

	Fiscal year 1976	197T
Army	785,000	793,000
Navy	528,651	535,860
Marine Corps	196,303	196,498
Air Force	590,000	590,000
Total	2,099,954	2,115,358

The end strengths recommended are those requested by the Department of Defense. This total strength represents a manpower level for 1976 almost 50,000 below the number the Congress authorized last year, and 587,133 lower than the fiscal year 1964 strength, the last pre-Vietnam year.

Implicit in this recommendation is the committee's view that the Department of Defense is proceeding in the right direction in its management of manpower activities. The committee received a great deal of evidence on the development of requirements for, and management of, the manpower resources of the Department of Defense. It was apparent that, unlike the situation in the not too distant past, progress is being made to maximize the utility of all forms of personnel.

In light of these positive efforts, it was determined that the imposition of reductions or inflexible guidelines by the Congress at this time might actually hobble further progress. In addition to this concern, however, was a recognition that imposed reductions would cause further turbulence in a structure still recovering from major personnel contractions as a result of the Vietnam drawdown. A period of stability in strength levels will be beneficial to the structure. Nevertheless, the overriding consideration in recommending the requested strengths was the fact that the Department's manpower managers are producing substantive results and that actions which might jeopardize this progress should be avoided.

In the Army for 1976, with a manpower level identical to that authorized last year, three additional divisions will be created in the Active Force. The recommended strength for the Navy represents a reduction of 11,729 from that authorized last year including a decline of 1,474 in the officer ranks. Major Navy force changes will be the retirement of two attack carriers, a decrease of five fighter attack squadrons, and an increase of three attack submarines. In the Air Force, the recommended strength is 37,000 personnel below that authorized last year. The major changes in force planned for fiscal year 1976 are a reduction to 30 percent in the strategic bomber alert rate, an increase in fighter crew ratios from 1.1 per aircraft to 1.25, the transfer of 32 KC–135's, four RF–4 squadrons, and two C–130 squadrons to the Reserve components, and the activation of three F–5E tactical fighter training squadrons.

The recommended figures for the transition period for the Army and Navy evidence increases which are apparent but not real. As you know, an end strength control requires only that the number set not be exceeded on one specific day, the final day of the fiscal year. In altering the fiscal year, which the transition period accomplishes, the operative date becomes September 30—a point in the year subsequent to the heavy recruiting months at the end of the school year—thus representing peak time in strength for these services.

Title IV authorizes average strength floors for each of the Reserve components. The Committee recommendations are:

	Fiscal year 1976	197T
Army National Guard	400,000	400,000
Army Reserve	226,000	226,000
Naval Reserve	112,000	112,000
Marine Corps Reserve	32,481	33,013
Air National Guard	94,879	94,543
Air Force Reserve	51,789	53,642
Coast Guard Reserve	11,700	11,700

With the exception of the Army and Navy Reserve, these recommendations represent the administration's requested levels.

The administration request for the Navy Reserve was 93,972 in fiscal year 1976 and 92,000 in the transition period. The committee recommends an average strength of 112,000 for this component for each of these periods. In the Army Reserve, the committee recommends a strength of 226,000, as opposed to the 212,400 level requested. Even with these specific increases, the total reserve manpower request is approximately 9,000 below the total authorized last year.

While supportive of the requested strengths for the Reserve components overall because of the increased emphasis being placed on our relatively cheap Reserve assets in these times of declining active forces and increasing expense of manpower, the committee was convinced that the requested number for the Army and Navy Reserve did not reflect long term mobilization requirements for these components. In the Navy Reserve, the administration request was established prior to a comprehensive study on the requirements for this organization which appears to establish this number more appropriately at 112,000. This figure will prevent the disestablishment of over half of the Navy's Reserve Seabee battalions whose worth has been demonstrated frequently.

In the Army Reserve, the evidence before the committee was that the requested figure was based upon recruiting estimates which have proven to be understated. With a current strength in excess of 226,000, and because this component has mobilization requirements in excess of 250,000, the committee believes a level of 226,000 to be the appropriate level.

End strengths for civilian personnel of the Department of Defense are addressed in title V. Mr. Chairman, this is an area on which the committee received a great deal of testimony from disparate sources to the effect that end-strength controls contribute to inefficient actions by the Department of Defense. The problems arise in attempting to coordinate two distinct types of control imposed during the authorization and appropriation process—that is, end strength versus available dollars—in a manner which will allow full utilization of these resources.

It was apparent from this evidence that some alternate approach was necessary in order to alleviate the unnecessary problems encumbering the present system. The committee determined that while an end strength control should be maintained in order to provide an overview of all categories of defense manpower for authorization purposes, it should apply to the Department of Defense as a whole in contrast to past procedure which set limits on civilian personnel by service. Providing a Department of Defense-wide ceiling will allow flexibility in allocating resources between the services to meet unique problems that arise during the fiscal year. Thus, the committee recommendation for fiscal year 1976, which is approximately 9,000 less than were authorized last year, is the administration request.

Additionally, the Department's ability to exercise the ½ percent escalation authority—which, as you know, allows the Secretary of Defense to exceed the authorized number by ½ of 1 percent when he determines it is in the national interest to do so—will be clarified in the language accompanying the legislation so as to alleviate any managemental or fiscal inefficiencies—such as unnecessary reductions in the permanent work force—which might arise from compliance with an end-strength control. In this manner, the committee believes the problems experienced by the Department of Defense will be substantially ameliorated, yet the committee will be able to maintain effective oversight over this very substantial portion of Defense manpower.

In the past 2 years, the authorization for civilian personnel has excluded from its number those civilian personnel employed in civil functions—primarily personnel of the Army Corps of Engineers—summer hire type programs, employees of the National Security Agency, and what are called indirect hires. The committee bill retains the first three exclusions but recommends that the number of indirect hires—foreign nationals employed by the Department of Defense—be authorized under a separate ceiling at a level of 96,000 for fiscal year 1976, and the transition period. The committee believed that a more direct exercise of control was desirable to insure that it would be directly aware of any significant actions with regard to these personnel.

Title VI establishes military training student loads for fiscal year 1976 and the transition period. The committee recommendations have been adjusted downward slightly for the Navy and Naval Reserve to adjust for a computation error in the original figures received from the Department of Defense. The average loads recommended are:

	Fiscal year 1976	197T
Army	83,101	75,185
Navy	69,513	70,571
Marine Corps	26,489	26,788
Air Force	51,225	52,280
Army National Guard	9,788	9,481
Army Reserve	7,359	5,518
Navy Reserve	1,661	2,106
Marine Corps Reserve	2,769	4,088
Air National Guard	1,952	2,180
Air Force Reserve	810	836

The committee noted some substantial reductions in this area due to departmental initiatives, for example in flight training by the use of simulators, and in the fully funded graduate education programs. While cognizant of this progress, there are aspects of the training establishment which bear future scrutiny, and the Committee intends to do so.

Also, in the personnel area, the committee has included sections 702–705 of the bill. The effect of this language will be to:

First, allow a serviceman to be assigned outside the United States prior to the completion of 4 months' training, if the individual has completed basic training and specialty training, and as long as it is not to an area subject to hostile fire; and

Second, eliminate the requirement that a reservist perform 4 months of initial active duty for training in favor of a period sufficient to allow completion of basic and necessary specialty training. In each of these cases, corresponding sections in the Military Selective Service Act are amended in similar fashion. These recommendations will allow more efficient use of personnel absent the present arbitrary requirement, and in the Reserves act as an inducement for recruiting. It is estimated that this language, which is identical to a recent Department of Defense proposal, will eliminate unproductive periods in the training and utilization of military personnel.

As you will note, Mr. Chairman, there are no changes of great significance to the administration's requested manpower levels in this bill. This fact belies the extensive scrutiny this request received, including a unique day of hearings in which we invited experts from the Brookings Institution to challenge the administration's policies. Based on this, our recommendations reflect the recognition that the Department of Defense is proceeding in the right direction by effecting internal efficiencies and an appreciation of the fact that congressionally directed reductions in our military forces at this juncture would transmit political signals overseas that could be misread.

Because of the changeover in fiscal years, the committee will be going through the authorization process again this year and will continue to provide strong direction to insure that military manpower is optimized in defense of the Nation.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. Mr. Chairman, I rise in support of H.R. 6674, but before getting into the substance of the bill I would like to take this opportunity as ranking minority member of the Personnel Subcommittee to compliment my esteemed colleague, the gentleman from Michigan (Congressman NEDZI), chairman of the Personnel Subcommittee, for his leadership on this subcommittee. Throughout our hearings he demonstrated a high degree of expertise, I think a unique dedication to the task before the committee, and a steady determination to get all of the relevant facts as well as to hear opposing views, and a splendid tolerance and patience toward each and every member of the subcommittee. It is an honor and privilege to serve with him and under his leadership.

Mr. Chairman, I wish to direct my remarks specifically to title III which deals with active duty manpower levels.

Mr. Chairman, the Personnel Subcommittee worked diligently in an effort to avail ourselves of all pertinent information on the subject matter in these titles. We heard testimony from each of the Service Departments and the directorates within these departments specifically involved so that in each case we were privy to, and able to examine in detail, the rationale behind the request. In addition to departmental representatives, however, the subcommittee also heard evidence from a broad spectrum of independent organizations including representatives of the Brookings Institution, the Reserve Officers Association, and the National Guard Association.

From all of this evidence, I was left with distinct impressions on several different issues. As we all know, the military has recently sustained a period of convulsions in its structure caused by our military involvement in Vietnam. Our forces grew by a million men from 1964 to the peak of our involvement in 1968, and since that time have been reduced by almost a million and a half. As our foreign policy and commitments have readjusted to account for our disengagement in Vietnam, so has our military structure conformed to reality by this personnel reduction.

Last year it became clear that no further adjustments for the Vietnam experience were warranted, and, absent further major national decisions adjusting our foreign policies and our definition of the national interest, the force structure we have presently was necessary for the Nation's security and to carry out national commitments in Western Europe, and Asia.

I was convinced, as was the majority on the committee, that further major personnel reductions in the military end strength ceilings could only be suffered if a conscious decision were made to restructure our foreign policies and revise our judgments of what is necessary to maintain national security.

No such decision has been made, nor should it be in my estimation. Thus, the committee's orientation was to pursue efficiency in personnel utilization within this structure. In this regard, I am pleased with the results we see this year.

In the Army, three new divisions will be formed this year. In fact, this 16-division force for 1976 will be accomplished with almost 200,000 less personnel than it took for a 16-division force in 1964. This is a tremendous achievement when you realize that this will amount to about a 20-percent increase in our division forces without an increase in manpower. This progress was possible by internal efforts which have converted 60,000 support spaces to combat forces since 1973. Within the Army alone there has been a personnel decrease of approximately 1,000 at the Pentagon. General Weyand, the Army Chief of Staff, told us that we can expect a sizable decrease in the number of lieutenant colonels and colonels in the Army in the near future.

It was clear to me and to the committee that the Army management is energetically committed to producing the leanest and most qualified peacetime Army the United States has ever seen. And I think much of the credit for this is due to the conscientious, dedicated and very capable effort of the Secretary of the Army, Bo Callaway.

The Navy will see a decline of 11,729 in its strength in 1976. This decline correlates to the bottoming out of the active fleet at 490 ships, and is the point from which the proposed 600-ship Navy of the future is planned. Within this content, the Navy will achieve a more efficient officer-to-enlisted ratio by the reduction of 1,474 officers in 1976.

The Air Force, which appears to have effectively incorporated the essence of the private sector's management techniques, is reducing 37,000 in authorized strength over last year as it fine tunes the content of its force.

After all of this, the question arises in my mind as to whether we have accomplished what is the driving goal of all military expenditures, the purchase of a defense establishment adequate to provide security for our Nation in a world unstable in its relationships. I do not know the answer to that question to a certainty, but I do not consider all of the signs to be comforting.

Objectively, I see the U.S. Army achieving a 16 active and 8 Reserve division force in fiscal year 1976, even though the Joint Chiefs of Staff tell us that a 30 division force is necessary to minimize the risks to our national interest.

The Navy is at its lowest level in terms of warships since before Pearl Harbor, a fact that other nations must perceive.

The Air Force appears to be capable of fulfilling its assigned missions. Still, I am not encouraged to see that assessments of its capability are founded in part on combat skills and technological advantages, rather than on the number of planes, for these qualitative advantages could well be transitory.

These are cold, hard military matchups which have not been fashionable to address publicly in the past several years, yet their existence is of mounting significance as conventional forces become increasingly important in a world of strategic parity.

These facts concern me and they assist only a little in answering the question of whether we have an adequate defense posture. What I can say with assurance after our recent examination of the manpower component of the defense establishment is that this year we will have a military force more efficient in its structure and more oriented toward combat than we had last year at this time. This perception of progress, after 7 years of decline, may be the single most comforting aspect of our current defense posture.

Mr. Chairman, underlying our consideration of appropriate levels was a concern that any reductions, at this time in particular, might signal weakened resolve on the part of the United States to defend its interests and commitments. Reductions in addition to those the committee has already made—in the wake of the recent occurrences in Southeast Asia—would promote an unfortunate and I believe dangerous perception in the eyes of the world as to our military posture.

For this reason and because these levels will allow continued hardening of our military structure, I strongly urge the approval of the strength levels recommended.

Mr. BENNETT. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. NICHOLS).

Mr. CARR. Mr. Chairman, I make the

point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Twenty-seven Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 215]

Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Ashley
AuCoin
Barrett
Biaggi
Boland
Breaux
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burton, John
Byron
Carney
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Conyers
Daniel, Dan
Danielson
Dent
Derrick
Diggs
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fish
Flowers
Ford, Mich.
Fraser
Frey
Fulton
Gradison
Harrington
Harsha
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Hicks
Hightower
Hinshaw
Holland
Holtzman
Howard
Hutchinson
Hyde
Jarman
Jenrette
Johnson, Calif.
Kastenmeier
Kelly
LaFalce
Landrum
Latta
Lloyd, Tenn.
Madden
Madigan
Mazzoli
McClory
McCollister
McEwen
McFall
Metcalfe
Mineta
Mink
Mitchell, Md.
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Pattison, N.Y.
Pepper
Quillen
Randall
Rees
Reuss
Risenhoover
Roberts
Roncalio
Ruppe
Russo
Santini
Satterfield
Scheuer
Sebelius
Seiberling
Shipley
Shuster
Snyder
Spellman
Spence
St Germain
Steiger, Wis.
Stephens
Stokes
Stuckey
Teague
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waxman
Whitten
Wiggins
Wilson, C. H.
Wolff
Young, Ga.
Zeferetti

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6674, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 307 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose, the Chair had recognized the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, this year the Army is asking for authority to procure 662 tanks, as well as $6.2 million to procure special tools in long production leadtime items to support the fiscal year transition and fiscal year 1977 program. During the transition period, an additional 248 tanks have been requested by the Army. Again in the transition, $17.9 million has been requested for long leadtime items in support of fiscal year 1977 program. The Marine Corps is also requesting procurement authority for 154 of these M–60 series tanks. The funds involved for the Army are $387.8 million in fiscal year 1976 and $147.4 million during the transition. The Marine Corps' procurement authorization request is $86.4 million for fiscal year 1976 only.

The tanks to be procured are mixed. This mix is broken down as 720 M–60A1 tanks and 190 M–60A3 tanks for the Army, and all of the 154 of the Marine Corps buy will be the M–60A1 model.

The M–60 tanks are the primary armored fighting vehicle of the Army and Marine Corps, and are diesel-powered, fully-tracked tanks with four-man crews. The M–60A1 model differs by the addition of a better fire control mechanism, an elongated turret, and a gun stabilizer, giving it a "shoot-on-the-move" capability. The M–60A3 is further improved by the inclusion of a laser rangefinder.

The reason for what may appear to be an extra large purchase of these vehicles is that the U.S. Army has a critical shortage of prime asset tanks. Since October 1973, security assistance requirements to our allies have siphoned off approximately 1,000 tanks from the U.S. inventory, leaving our own forces with a critical shortage. Today, if we were to have to go to war, we would only have approximately 48 percent of the necessary tanks in our inventory. The tanks lost to the inventory through security assistance have had a significant impact on the combat readiness of the U.S. Army, and are directly comparable to wartime equivalent loss of 30 tank battalions.

The Marine Corps has not been directly affected by this loss of equipment for foreign military sales or the military assistance program, but until such time as they procure the last vehicles in this 3-year buy, they, in turn, have an insufficient number of prime asset tanks to accomplish their mission.

Compounding the problems due to losses through security assistance sales and grants is the difficulty which the Army, as the procurement agent, is experiencing in expanding the M–60 series tank production base. It is planned to increase production capacity to 103 tanks per month, in order to get as many "prime asset" tanks into the inventory as quickly as possible.

These prime asset tanks are defined as the M–60 series tank armed with 105mm guns and powered by a diesel engine as well as older model M–48A5 tanks which have been upgraded to fill reserve inventories with the addition of 105mm guns and a diesel engine. These vehicles are the minimum capability tanks which can survive in combat against modern Soviet armor.

The continued erosion of the inventory has been the direct result of limiting tank production for the past 10 years to the minimum base sustaining rate coupled with the enormous impact of drawdowns to meet our allies and emergency needs. Low rate production over a period of time has had the effect of drying up the tank industrial base. Turret and hull casting has been one of the primary areas affected and there is only one qualified supplier producing cast turrets in the entire United States at this time. The Army is attempting to certify, prior to fiscal year 1976, a second source from among several bidding firms.

So, at first glance, this line item request may appear to be excessive, but upon examination we find it to be a critical, necessary remedial action, and I urge its strong support by any Member of this body.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. NICHOLS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman tell us the total cost the Government will incur to replace the tanks given to Israel in 1974? Do we have that figure?

Mr. NICHOLS. I am sorry, I do not have that at my fingertips. I suggest the gentleman inquire of the gentleman from New York (Mr. STRATTON) when he appears later in the debate.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.).

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. ROBERT W. DANIEL, JR. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I find it very encouraging that for the first time in history, a group of members of the House Armed Services Committee has proposed an alternative to the Pentagon budget. As they point out in their statement:

> Each year the bill Congress deals with is presented to Congress by the Pentagon. The Pentagon gives nearly all the testimony that is taken on the requests. The Pentagon provides nearly all of the statistical backup data. The Pentagon does nearly all of the lobbying. As a result, the bill reported to the House floor is a Defense Department creation from start to finish, with only small marginal changes made each year.

The Committee on the Armed Services cut $3.7 billion from this procurement request, but this still leaves $26.5 billion for fiscal year 1976 and $5.4 billion for the transition period. The Senate Armed Services Committee cut $4.8 billion from the budget, but this includes—as does the House cut—such items as $1.3 billion for South Vietnam, a request which has become academic. The alternative budget cuts some $6 billion.

I congratulate my colleagues; this is a good start. But it points up the fact that other segments of society must become involved in debate on our military budget. It is absurd to leave these fantastic appropriations in the control of people who stand to gain from them.

I support the alternative budget, but I also support much more drastic cuts in Pentagon requests. I maintain that we are not adding to our security, but detracting from it, by continuing these vast expenditures on dead-end hardware, nonproductive jobs and belligerent postures.

Why do we need $104 billion worth of planes, missiles, ships, tanks, guns, ammunition, troops? Why do we need a farflung empire bristling with missiles whose use can only result in devastation? This total budget request is the largest ever made by the Pentagon—and at a time when we supposedly are promoting détente and conducting SALT talks with the Soviet Union.

Defense Department spokesmen led by Secretary Schlesinger have said that it is necessary to stiffen our military posture around the world, on the land, in the sea and in the air. Meanwhile, President Ford is saying that:

> No enemy of the United States should now determine . . . that the time has come to challenge us.

Even more incredible was Secretary of State Kissinger's statement that our foreign policy must now become more "abrasive" and that "the United States must carry out some act somewhere in the world which shows its determination to continue to be a world power."

These are the blusterings of frightened children, ill becoming the statesmen of the mightiest nation ever known on earth. Such talk does not contribute to world stability but instead spurs the fear and distrust that have haunted us since the start of our mad venture into Indochina. Our military overreaction to the *Mayaguez* incident does little to inspire confidence.

The military governments we support all over the world may be worrying about our commitments to them—of money, that is—but the ordinary people of this world would like to see less sword rattling and more food. So would my constituents.

They are bitter about the administration's desire to cut out funds for human needs, to feed the military monster. The President is misreading the mood of the American people as reflected in every poll taken this year. Americans are through with sacrificing for slaughter.

The war in Indochina will ultimately cost far more than the $150 billion already spent on shoring up unpopular regimes. As David Nyhan points out in the Boston Globe, March 30, 1975:

> Wars are heavily mortgaged. Veterans benefits can double or triple original costs, and interest on the debt piles up. The most conservative estimate on the ultimate tax dollar cost of our involvement in Indochina is more than $350 billion—almost exactly the size of the federal budget this year. . . .

Prof. James Clayton of the University of Utah says of the decade of the sixties:

> The war in Vietnam has cost 10 times more than Medicare and medical assistance, 14 times more than support for all levels of education, and 50 times more than was spent for housing and community development. We have spent several times more money on Vietnam in 10 years than we have spent in our entire history for public higher education or for police protection.
>
> Put another way, the war has cost us more than one-fourth of the value of current personal financial assets of all living Americans, a third again as much as all outstanding home mortgages, and seven times the total U.S. money now in circulation.

And we wonder why we have inflation and recession.

Now the Secretary of Defense comes to ask for an all-time high in military spending. The total $104.7 billion total requested is $15.7 billion higher than last year. Spending for conventional forces alone will increase during the next fiscal year by $7.7 billion, largely to expand the number of Army divisions from 13 to 16. This, in turn, requires a $7.3 billion boost in procurement spending, mostly for tactical air forces. The Navy's shipbuilding program accounts for the other major increase—yet for $2.3 billion the Navy will not receive a single new ship. This amount covers only inflation and cost overruns.

Nobody subsidizes the "cost overruns" of the working family with two or three children. They have to struggle with inflation as best they can. The administration even wants to deny health insurance for the unemployed; it's "too costly." But we are asked to give the Navy contractors millions of dollars to take care of their budget problems.

The Secretary admits that this is a "turnabout" budget which will increase the proportion of our resources spent on war. He calls it "defense" but I maintain that it is quite the opposite: it is a provocative budget which, along with the bristling words of the President and the Secretary of State, will cause considerable alarm.

My colleagues will be questioning the need for troop increases, Navy and Air Force subsidies, and other debatable items. I will confine myself to what I consider the most dangerous part of this budget: the continued funding for Schlesinger's "counterforce" programs—because this is the most threatening concept.

As you know, three specialists recently told the Senate Subcommittee on Arms Control that Secretary Schlesinger's policy could put the United States almost back where it started with the Soviet Union. Gerald C. Smith, who was our delegation chief in the first SALT talks, expressed concern that this policy can undermine the basic nuclear concept which the United States and the Soviet Union accepted in 1962, that neither could prevent the other from destroying it in a nuclear attack.

Wolfgang Panofsky, director of the Stanford Linear Accelerator at Stanford University, called the current Pentagon policy of "flexible response," "a prescription for escalation."

Paul Doty, professor of biochemistry at Harvard University, declared that—

> With the exception of the ABM treaty, no serious limitations (of strategic weapons) are yet in view; no new weapons systems have been cut back, no new developments have been stopped. The SALT II treaty we expect will bring us to the brink of really controlling strategic arms: either we will move forward into a new era or arms control will have failed.

All three agreed that the SALT talks should proceed without introducing new issues that might arouse Soviet suspicions, and that major reductions should be made in the nuclear weapons accepted at Vladivostok.

Those levels, set at 2,400 strategic nuclear delivery systems on each side, would allow both sides to build up, rather than cut down, on arms.

As the 94th Congress opened, I introduced a resolution (H. Res. 12) calling upon both sides to freeze development and deployment of nuclear weapons at present levels.

Both the United States and the Soviet Union now have enough nuclear weapons to destroy the other several times over—what Gen. Maxwell Taylor has called "strategic redundancies." But the overall U.S. nuclear arsenal is far greater than the Soviet's. We maintain three distinct strategic nuclear forces, each of which could totally destroy Russia: some 500 bombers, 1,054 land-based intercontinental ballistic missiles—ICBM's—and 656 submarine-launched missiles. Together, these systems could unleash 8,000 nuclear weapons anywhere in the world. Their destructive power is equivalent to 370,000 Hiroshima-size bombs.

The Soviets have a smaller strategic force: 140 bombers, 1587 ICBM's, and 666 submarine-launched missiles. The launchers carry only about 2,600 nuclear weapons, however. While we have 750 MIRVs deployed and ready, the Soviets are still in the testing stage.

It was our development of MIRV's, even during the SALT talks, that made obsolete the Soviet's chief defense, the land-based ICBM's. Now, the Pentagon would push us toward 10,000 MIRV's by 1977, 20,000 by 1985. But there are only 200 major cities in the Soviet Union. And its citizens, like ours, can die only once. Why do we need this tremendous overkill?

Secretary Schlesinger admits that neither country can disarm the other "for the next several decades." He seems to be peering into the future looking for a threat. The only threat, it turns out, is that the Soviets may catch up to us in one area only, during the next decade. But the Secretary wants to change our strategy.

For many years, each side has been in a defensive posture, knowing that the others' missiles were targeted on cities. This situation, known as "mutual assured destruction" prevented either side from risking a first strike. Dr. Schlesinger's new strategy would retarget our missiles to aim at Soviet defenses, as well as cities—thus being able to destroy their retaliatory forces with the first strike. This gives justification to Soviet hawks who would push Russia into a first-strike position, and the race is on once again.

A new program of research and development was started last year to improve the accuracy of missiles and develop MARV's—maneuverable nuclear warheads that can be redirected in flight by a sensor in the warhead and an onboard computer—the better to destroy Soviet defenses. During debate on the military procurement bill, I introduced an amendment that would have deleted some $250 million for R. & D. of the following programs designed to build this counterforce capability:

The Mark 500 warhead for the Trident submarine;

Improved targeting of sub-launched ballistic missiles;

Terminally guided MARV's;

Improved yield on Minuteman III;

Increased accuracy on Minuteman III;

Missile performance measurement system for Minuteman and

A new fixed-base ICBM.

This year's increase in strategic weapons systems seems small by comparison with the total budget—only $300 million. But, as Mr. ASPIN has pointed out, this is only "the camel's nose under the tent." The eventual cost of these New, "improved" weapons will run to some $27 or $28 billion, he says. I will oppose these developments at every opportunity.

And what are we getting for all that money? Not real defense but greater insecurity as the threat of war increases. Instead of looking for potential threats a decade or two away, why doesn't the Secretary—and the President—look at the real, immediate threats to the country? These threats come from unemployment, depression, inflation, hunger, fear and a prevailing sense of distrust of government. Are we going to let our economy slide until there are riots in the streets?

There is a popular misconception that military spending creates jobs. The closing of a base or the trimming of a particular military contract is always—understandably—greeted with fear by those whose jobs are affected. But there are ways in which these jobs can be converted into constructive civilian jobs—and with a much greater return per dollar.

A study done by the U.S. Bureau of Labor Statistics shows that $1 billion will provide 75,812 jobs in the Defense Department; but $1 billion will provide 80,041 jobs in health care, or 104,019 jobs in education.

Even Arthur Burns, Board Chairman of the Federal Reserve System, has said:

> I certainly agree with the basic observation that military expenditures do little or nothing to add to our nation's economic strength. They add to our burden without increasing our economic potential.

The Coalition on National Priorities and Military Policy points out that dollars spent on defense are dollars not available in the civilian economy. The decline in auto sales, for instance, in November 1974 as compared to November 1973 was estimated at a billion dollars—the cost of one Trident submarine. The Potomac River could be cleaned up for $1.4 billion—which is the cost increase in Pentagon research and development from fiscal year 1974 to fiscal year 1975. Two thousand national health service scholarships could be provided for the $22.5 million that it will cost to expand the naval base at Diego Garcia.

Approval of Pentagon requests has become so automatic that it is almost unquestioned. If one includes the amount still being spent for past wars, 56.1 percent of the budget financed by general revenues goes for military-related purposes. This means the average family of four with a $15,000 annual income is spending $953.14 of its 1974 Federal income taxes for the military. Most Americans have a vague, uneasy feeling that there is something wrong—but they have not the faintest idea how much they are being asked to pay for inefficiency and boondoggle. When they do become aware, they rise up and demand a change. Many of my constituents are doing just that, and I am sure yours are too. Why is the administration trying to cut programs that help the elderly, the very young, the poor, they ask, and yet bailing out industries and huge corporations unable to run their businesses efficiently? It is a good question.

I expect that the 94th Congress will approach this budget in a very different fashion. Many new Members were elected specifically on anti-war platforms and do not view these annual demands for funds as sacrosanct.

The Center for Defense Information, headed by a retired rear admiral, estimates that the budget could be cut by $19 billion and still leave us the foremost military power. Last year a study by Brookings Institution showed how the budget could be cut by $25 billion.

I mentioned that there are ways of converting the economy without loss of jobs. We should have a National Planning Board exploring plans such as that of Dr. Seymour Melman of Columbia, who would require conversion planning as a condition for military contracts, and set up management/labor committees at each facility to work on it.

Other plans would enable the citizen to decide how tax dollars should be used. The World Peace Tax Fund, which I sponsor, would allow citizens to pay for peace instead of war.

Nicholas von Hoffman has advanced the startling suggestion that there be balloting on the various categories of Federal spending.

There is no lack of ideas—only a lack of will on the part of the administration and the Pentagon. I urge the Congress to exert its will by cutting our many items in this procurement bill that contribute nothing to our real defense.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I rise in support of H.R. 6674.

Mr. Chairman, in the past few weeks, the fall to the Communists of South Vietnam, Cambodia, and now perhaps Laos has seriously changed our standing in the world community. Allies now doubt whether they can count on our support in the event of aggression against them.

The Soviets must now wonder if they could more easily win a confrontation with the United States. Even a fifth rate power like the new Cambodian Government believed it could commit acts of war against our merchant vessel on the high seas.

If nothing else, events of recent months should remind us that diplomacy, détente, peace, and national security are all based on reality, and the ultimate reality is military power. Potential enemies often remain at peace only because they have a mutual respect for the military power of each other. Diplomacy flourishes, in part, because one nation knows another has the ability and will to maintain its commitments. Détente exists because the Soviet Union and the United States both appreciate the futility of mutual destruction when mutual cooperation could aid both countires.

We realize now what many Americans had forgotten. Diplomacy, détente, peace, and national security cannot exist only through the hoped-for goodwill of other nations.

Today we begin to consider our Nation's defense authorization bill that will set our military priorities for the coming year. Each year, the Members of this body hear familiar, though I think valid, arguments for the maintenance of a strong national defense that is undeniably expensive. We know that the development of new, modern weapons systems takes years. If we are to deploy a new system, whether it is a ship, aircraft, antisubmarine weapon, or missile, we must act now if we are to have them available in the 1980's.

We know that in our society a man's labor is highly valued. As a result, more of our defense budget must be allocated to personnel costs than is the case with other nations. If we are to make changes in the defense budget, a disproportionate part must come in the areas of research and development weapons procurement, and military construction.

But, this year, perhaps more than any years since World War II, we must realize the consequences of an inadequate defense.

The bill that our committee has reported to the floor is an expensive bill. The majority of the committee, Democrats, and Republicans alike, does not feel, however, that the bill spends taxpayer dollars unwisely. This year the Congress will pass laws and appropriate funds that will result in a budget deficit that may pass $66 billion. The exact impact on the economy is unknown, but must be potentially harmful. As a result of the huge deficit, rampant inflation may yet begin again. Our committee has considered this bill in light of the economic restrictions that should apply to any legislation this year. We also considered the bill in light of the potential dangers of an inadequate defense force.

Some in the Congress, I realize, will be apt to propose further cuts in the authorization levels.

As a partial answer to those who would seek additional cuts in the defense budget, I would ask them to consider remarks delivered recently by the Secretary of Defense, James Schlesinger. Speaking to the Economic Club of New York, Mr. Schlesinger said:

> There will be those among you, I suspect, who have accepted such terms as swollen, bloated, and inflated as applied to the Defense Budget. Inflated, to be sure, in the correct meaning that the Department of Defense, like all other institutions, is a victim of the erosion of purchasing power. Swollen and bloated, by contrast, would seem to be in direct conflict with the known facts.

Testimony before the Armed Services Committee clearly demonstrated the known facts to us. The proposed Defense Department budget, before cuts were made by our committee, was expected to represent some 5 percent of our Nation's output capacity. This is the lowest point since the pre-Korean demobilization. The defense impact on the economy has been cut in about half since the peak of the Vietnam involvement. It is down by about 30 percent compared with defense budgets before Vietnam.

The reductions reflect more than an expanding economy. In actual numbers, the U.S. Army has been cut in half compared to 1968. Compared with the Army's size before the Vietnam era, we see that is 200,000 men smaller. Admittedly, the all volunteer army that we have today is more expensive to maintain per man than pre-Vietnam, but this was a political choice.

As a percent of total Government spending, including that of State and local governments, proposed defense spending is the lowest percentage since before Pearl Harbor.

With regard to the Navy, this next year will see our fleet at the lowest point, below 500 ships, since 1939. The Navy is now half the size of the pre-Vietnam Navy. A number of the ships in the active fleet are World War II vintage, and these vessels are rapidly becoming obsolete.

During this time of American military reduction, the Soviet Union has continued a constant increase in real expenditures in their military budget, which Secretary Schlesinger estimates at between 3 and 5 percent per year. These increases come in the face of rhetoric about détente and relaxed tensions.

The Soviets for their part prefer to base détente on strength. As Secretary Schlesinger stated:

> The Soviets continue to state quite categorically that peaceful coexistence is a consequence of the expansion of Soviet military power.

One would naturally expect the Secretary of Defense to call for support of the defense budget and to marshal arguments in its favor. Fortunately, Mr. Schlesinger is not alone in his call for an adequate defense. Among the supporters of a strong national defense is the Executive Council of the AFL–CIO. In their statement of May 6, 1975, the council said:

> We urge our representatives to arms control and arms limitation talks . . . to continue to press for agreements that will end the arms race. But such agreements must clearly be mutual, not one-sided.
>
> Until such agreements are attained, our military power must be sufficient to effectively deter even the threat of attack.
>
> To achieve this goal may require us to spend more for defense than the budget proposed by Secretary Schlesinger, which by the Administration's own projections, will probably not even keep pace with the inflation in the coming year. If fat can be found in the present budget, and if greater defense capacity can be achieved at no further cost, we will warmly approve. But if greater costs are required—so be it. No burden we must bear is too heavy to endure if the alternative is to live under dictatorship, or the constant prospect of war.

The attitude of the AFL–CIO Executive Council is commendable. Just as with social programs, if the Government could print and spend all the money it wanted, then we could increase the defense budget. But these are trying economic times and we must restrain all spending to a reasonable level. This reasonable level is achieved in the bill reported by the Armed Services Committee. To do less, however, I feel seriously endangers our Nation's diplomatic status, the prospects of peace and détente, and our national security.

Another view on the defense budget is expressed by Mr. Eugene V. Rostow, currently a professor of law at Yale University and a former Under Secretary of State under President Lyndon Johnson. Mr. Rostow now serves as the chairman of the Foreign Policy Task Force of the Coalition for a Democratic Majority. Let us consider a portion of his report from the Task Force of the Coalition for a Democratic Majority released last month.

"Soviet policies of expansion are based on a military array which is growing at the rate of 5 percent a year in real terms," the report states. It continues:

> The Soviet armament effort has no parallel in modern history. Meanwhile, our own expenditure for defense is declining in real terms, and in many categories amounts to unilateral disarmament. It has fallen to the lowest point since the period just before the Korean war.
>
> It follows, at a minimum, that we should build up our military capabilities in order to avert a catastrophic military imbalance. But the defense budget proposed by the Ford administration would keep our defense posture constant, if the rate of inflation turns out to be no more than 10 percent, and all the other cost estimates on which the budget rests prove to be accurate. A static defense program is not enough, in view of the increasing pressures of Soviet policy, and the Soviet defense build-up. That build-up must be countered, if the basic security of the nation is to be assured, particularly by increases for the Navy, for our ready force, and for research and development. The estimated costs of the increased capabilities recommended in the recent Task Force statement issued by the Coalition for a Democratic Majority, would be of the order of $10 billion. . . .
>
> The most important problem of our foreign policy is that we and our allies seem to be in a mood of somnambulism similar to that which paralyzed France, Britain, and the United States during the thirties. If we and our allies had been able to wake up then, the Second World War, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today.
>
> The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to face the issues, and undertake that debate.
>
> Thus far, at least, resolve has been the missing factor in the politics of national defense. It is the key factor.

Since Mr. Rostow's task force issued its report, the Communist victory in Southeast Asia was completed. If any good can come of recent events in Southeast Asia, perhaps it will be the determination that we carefully and rationally consider our national defense needs. We also know now that the world watches the proceedings in this Chamber as a test of our resolve. We cannot afford to falter now.

No sane person would rather spend dollars for a new ship than a new school, produce a fighter plane instead of a new home, or research a new weapon instead of a cure for cancer. These are the choices that defense critics say we must make.

I would disagree. The real choices are between an adequate defense or an end to peace, détente, national security, and freedom.

Upon reflection, I suppose there are two ways to maintain peace. The first stems from strength enough to deter potential aggression. The other results from the total domination by one's adversaries. Unless we provide the means to insure peace through strength, we may find peace imposed at the cost of our liberty. I urge my colleagues in the House to support defense authorization at a level adequate to our needs.

Mr. BENNETT. Mr. Chairman, I yield 6 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 6674, the defense authorization bill for fiscal year 1976 and the transition period.

I intend to address my remarks to title IV of the bill which deals with reserve Forces, a subject of great interest to me, and one on which I have some personal information and experience.

As I have been saying for several years to the Members of this House, Reserve Forces are a good buy for the taxpayers as they provide a significant amount of protection at a small cost. This is a fact which has been receiving growing attention as manpower costs dominate a deffense budget being severely squeezed by competing national priorities and a runaway inflation.

While I do not believe that the necessary costs of national defense should be ignored for any reason, I am realistic enough to recognize that we must seek the most efficient and cost-effective methods of providing this security in the current economic situation. That is why I continue today, as I have in the past, taking every opportunity to impress the house with the cost benefits of reserve forces.

For fiscal year 1976, the committee is recommending, with two exceptions, the strengths requested by the administration for the Reserve components. The chairman of the subcommittee has outlined these strengths so I won't repeat the numbers, but I do want to make a few comments about the Reserves.

Although the primary thrust of my remarks is that the Reserves should receive additional support and new missions, I want to take this opportunity to acquaint the House with the extensive reliance we place today on the Guard and Reserves. In the Army, the Reserve components make up 50 percent of our total combat force, and provide 25 percent of the maneuver battalions for the nondeployed active divisions. I might add that these units provide this asset at a fraction of the cost of an active unit with the same function.

In the Air Force, the Guard and Reserve today provide 56 percent of the Nation's tactical airlift aircraft, 40 percent of the tactical reconnaissance aircraft, 43 percent of the crews for aircraft with a strategic airlift mission, and, in a relatively new mission, will provide 21 percent of the jet tanker aircraft by the end of fiscal year 1979.

It is also important to note that these Air Guard and Reserve units can accomplish the mission at one-half the cost of an active unit.

The Selected Reserve today provides nearly 900,000 trained men and women in mobilizable, deployable units, or 30 percent of the organized military forces of the Nation, for only 5 percent of total defense outlays. It is accurate enough for purposes of comparsion to say, for example, that a combat unit can be maintained in the Army National Guard or Army Reserve for about one-tenth what it costs to maintain an identical unit on an active, full-time status.

The National Guard, in particular, delivers more for every dollar expended than any other component of the Armed Forces, for it performs vital emergency functions for the States on an almost daily basis. For its State mission, the Guard utilizes the same manpower, facilities and equipment that are required for its national defense function, thus getting double use from its dollars. It is important to note that these forces are located in over 2,500 communities throughout the Nation readily available for immediate use in emergencies.

Obviously, a Guard or Reserve organization cannot develop the same degree or proficiency and readiness in 280 to 300 training hours per year that an active unit can produce with 52 weeks a year at its disposal. The important thing that has been taking place in the past few years, however, is that our Reserve Forces have demonstrated that they can attain the levels of proficiency required to deploy quickly and fight effectively.

It is not an exaggeration to say that a massive transformation has been taking place in the Guard and Reserve in the past decade. With unprecedented support and assistance from the Active Military Forces, the Guard and Reserves have been steadily transforming themselves into a modern, capable, rapidly responsive military force with important missions, up-to-date force structures, and productive training.

A variety of programs have been adopted by the Military Establishment to produce improvement in the readiness of the Reserve Forces, and there is ample evidence that further improvement is assured. A closer working relationship between Active and Guard/Reserve organizations has developed, typified in such programs as the Army's affiliation and mutual support systems.

In only one area have accomplishments fallen short of objectives. That is in the effort to provide quantities of modern equipment for Guard and Reserve Forces. In today's world environment, our Guard and Reserve must be trained, equipped, manned forces-in-being, ready to mobilize and deploy to a potential combat area in mere weeks to augment the Active Forces. They can not do this unless modern, combat-serviceable equipment is immediately available to them. Without that equipment, they are a marginal defense asset.

Today, too many of our Guard and Reserve units are still making do with obsolete tanks, radios, jet fighters, and other critical items, and even those are in short supply. In general, the Reserve Forces today possess only 70 percent of the equipment they require for training, and less than 50 percent of what they would need for deployment and combat. What they do have in their possession contains a very heavy percentage of outmoded items that could not meet the test of combat against a well-equipped enemy.

Much of the equipment that was to have been used to modernize the Reserve Forces has been shipped to some of our foreign allies this past year. At a time when more than 1,700 of the Army Guard's 2,500 tanks were outdated M-48A1's and M-48A2's, for example, nearly 1,000 modern M-60's and M-48A3's were being shipped to foreign friends. Similar examples may be found in each of the Reserve components.

There is a serious need, therefore, for an orderly, long-range program to properly equip the Guard and Reserve. This will give them the combat capability our national security requires. They have demonstrated that they can keep their units manned to the required levels under the all-volunteer system. They have proved that they can attain training levels that are required. Of the three prime ingredients of combat-readiness—manpower, training and equipment—only the latter is missing.

Mr. Chairman, I would also like to make note of another action taken by our committee in this legislation concerning the Reserve components. The committee has recommended language which will relax an arbitrary four months' service requirement for the assignment of personnel overseas, and a similar time requirement in active duty for training for members of the Reserve.

This recommended language will assist recruiting in the Reserves by shortening the active duty requirement for those who wish to continue their civilian education without interruption. It will also save a substantial number of wasted man-years in both active and Reserve forces amounting in dollar terms to above $8 million annually in the Army components alone.

Mr. Chairman, all in all the Armed Services Committee has come up with legislation which balances the necessities of national defense with the demands of the economy. I believe that the bill which is before the House today will allow the Nation to maintain a strong Reserve capable of accomplishing its mission and on which increased responsibilities can be placed if defense funds decrease further.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to the gentleman.

Mr. LEGGETT. Mr. Chairman, I want to commend the gentleman on the statement he is making. I think what the gentleman is talking about is doing the job and saving money, and I think that is what we are all trying to do in national defense, is to accomplish the objective.

I think we have a particularly difficult time right now to accomplish our target, with high manpower costs, and the gentleman made a very important contribution when he pointed up that we can accomplish some of these targets by doing it through the Guard and the Reserve.

I would like to ask the gentleman, does the gentleman think it is reasonable, though, that we not only save money on manpower in the Reserves and also save money on equipment for the Reserve components? Does the gentleman think we can do it both ways?

Mr. MONTGOMERY. I wish we could. This was my next point. I appreciate the gentleman's comment.

There is no question that we can save money in the manpower field. The National Guard only costs one-tenth of what it costs to keep a regular, active-duty infantryman. The Air Guard Reserves cost one-half. But this is not true of equipment, and I would like to move into that last phase of my talk.

Mr. LEGGETT. If the gentleman will yield, they need better equipment and they need first-class equipment.

Mr. MONTGOMERY. That is correct. And they do not have it. But my point is that somebody is going to have to pay for it. If we do have one problem in the Reserve, which the gentleman has pointed out, we do not have the equipment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNETT. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. MONTGOMERY. The big problem that we do have in the National Guard, in the Reserve, is that we are only 70 percent equipped to carry on these units. We have the manpower, we have the strength, but we do not have the equipment. If we could bring up the equipment, this would certainly solve some of our problems.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to the gentleman.

Mr. HILLIS. I thank the gentleman for yielding.

I want to commend the gentleman on his statement he just made concerning the current status of the National Guard and I associate myself with his remarks. But is it not a fact, with the gentleman's experience in this area, these organizations are doing a topflight job in getting out and recruiting and getting the young people to come in and serve weekends in a drill status? Summer camps, and respond to calls for service to their communities in case of disasters. They are willing to do this in the service of their country; are they not?

Mr. MONTGOMERY. That is correct. Since we have gone to the all-volunteer status, the Guard, in my opinion, has improved on the quality of the personnel they are getting.

Speaking of the equipment, I know that the gentleman had an amendment adopted in our committee which I hope will be enacted by the full House, which will give a squadron of A-7's to the National Guard. They are certainly needed.

Mr. BOB WILSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. Hillis).

Mr. HILLIS. Mr. Chairman, the use of Reserve and Guard Forces in the total force concept is gaining clear recognition as an effective supplement to our Active Forces. As this trend continues so comes the need to assure that our Reserve Forces are modernized to the extent that they will be available as ready, complementary forces when needed. This trend is being followed because the difference in combat effectiveness between equally equipped Regular and Reserve Forces is insignificant and because Reserve Forces can be operated at costs dramatically lower than those required for the maintenance of our Regular Forces. Since the manpower of our Regular Forces does take up a major portion of the defense dollar it does make sense to place greater reliance on our Reserves and to make stronger efforts toward adequately training and equipping the Reserve Forces for participation in any conflict.

For the moment, I want to limit myself to the discussion of the Air National Guard in this respect. As indicated by Secretary Schlesinger, the desire to push the Air National Guard more and more into the general purpose Air Force mission exists. However, in order to accomplish this goal, operational units must be adequately equipped in order to train effectively for and accomplish existing and planned tasks. Presently, the tactical arm of the Air National Guard is equipped with approximately 800 aircraft averaging 17 years in age, and some of these aircraft are of mid-1950 vintage. The majority of these aircraft could not be realistically deployed for combat.

In the instance of the Air National Guard, needed equipment simply has not been received fast enough to allow a thorough and complete integration of Reserve components within the Regular force. Several factors have contributed to this situation. The cost of the latest tactical fighter aircraft is high—$12 to $15 million—and historically the equipment received by the Guard has directly resulted from Regular Air Force modernization programs. However, with our foreign involvements, this process has slowed down with replacement equipment going elsewhere.

I believe that it is of prime importance that steps be taken to modernize the Air National Guard. If the Guard is to make a meaningful contribution to our security needs as planned, we can no longer afford to delay modernization. I believe it would be in our best interest to increase Air Force aircraft procurement funds by $115 million to be used to supply the Air National Guard with A-7D aircraft. We have added funds to the defense budget for this purpose over the last 2 years. The A-7D is a combat proven, cost effective attack bomber and it has been specifically designated for use by the Air National Guard. While the Air Force plans to gradually transfer Active Force A-7D's to the Guard over the next several years, there are strong indications that this effort will slip as A-7D's are retained in the Active Force longer than originally planned. If we are indeed planning to use the Air National Guard within the total force concept, modernization is essential now. I believe that the addition of $115 million will give the Air National Guard the funds necessary to adequately modernize to meet required objectives.

Mr. BOB WILSON. Mr. Chairman, I now yield 3 minutes to the gentlewoman from Maryland (Mrs. Holt).

Mrs. HOLT. Mr. Chairman, I would like to take just a moment to commend President Ford on his responsible, diplomatic efforts, followed by strong decisive action, to recover our merchant ship and our men from Cambodia.

Mr. Chairman, I rise in support of H.R. 6674.

We spent a lot of time looking into this defense authorization bill beginning in February with testimony from the Secretary of Defense. I particularly would like to commend the gentleman from Michigan (Mr. Nedzi), the chairman of our subcommittee, for the depth and comprehensiveness of the inquiry into our manpower requirements.

Mr. Chairman, I want to discuss today particularly the civilian personnel end strengths contained in this bill and the new framework for the authorization control over this segment of defense personnel. This is only the second year that the Congress has authorized a ceiling on the number of civilian personnel in the Department of Defense. Last year the committee was wary of the collateral problems that might result from such control.

During our hearings this year we received a great deal of testimony to the effect, that in fact, this control in its present form had complicated the management process for civilian personnel. Based on this evidence, the committee has offered the authorization framework to provide additional flexibility. The committee's recommendation would accomplish more flexibility in two ways: First, as opposed to an authorization of separate levels for civilian personnel within each of the services, the committee action would provide a Department of Defense-wide ceiling. This will allow the allocation of civilian positions between services as the year progresses when unforeseen priorities occur which cause unprogramed requirements in a specific function. This change alone should substantially alleviate the problems of dealing with an end strength ceiling. However, in addition to this, the committee has further clarified a provision in last year's law intended to avoid inefficient actions such as unnecessary reductions in force in order to comply with the ceiling on the effective date. Last year and again this year, the Secretary of Defense is provided unique authority to exceed the authorized ceiling by one-half of 1 percent if he considers it to be in the "national interest" to do so. The Department of Defense has apparently been reticent to exercise this authority except in emergency situations.

Mr. Chairman, the committee has made clear in its report that its authority should be specifically utilized to avoid precipitate reductions in force or forced firings prior to the end of the fiscal year and subsequent immediate hirings in order to comply with the control. We have all realized this kind of action in our district, and actions of this sort have apparently occurred in facilities such as naval shipyards and other industrially funded activities.

The committee action is specifically directed at precluding such a recurrence.

Once having established this framework, the ceiling for fiscal year 1976 is set at 985,000 and for the transition period, 991,441. The fiscal year 1976 figure recommended is approximately 9,000 less than the Congress authorized last year, which, in turn, incorporated the 32,327 decrease from the previous year. I think it should be clarified, Mr. Chairman, that the apparent increase for the transition period is not one in actuality, but rather a result of a different reporting date, September 30 versus June 30, on which the approximately 8,000 schoolteachers employed by the Department of Defense become visible on the rolls due to the cycle of their profession.

One of the categories was excluded last year, indirect hire foreign national civilians. This exclusion has not been continued this year; rather, the committee believed that because of the size of this contingent, and the need for a more direct involvement in the management of this category of personnel by the Congress, a separate ceiling of 96,000 is recommended.

The CHAIRMAN. The time of the gentlewoman from Maryland has expired.

Mr. BOB WILSON. Mr. Chairman, I yield 1 additional minute to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, those are the committee recommendations with regard to civilian personnel. The resolution of the many issues we faced was not an easy one. I think we have gone into it fully. The civilian personnel contingent deserves unique and careful treatment by the Congress to insure that the exercise of our responsibilities does not unnecessarily hinder efficient management, nor work undue hardship on those willing to work in our national defense installations. These personnel need a very positive control by the Department of Defense to maximize their usefulness.

I feel strongly that detente is a definition of the Soviet-American relationship made possible by a balance of power. Peace for the United States depends solely on our American military strength, and weakness would only invite more aggression in the world today, as evidenced by the experience we have just come through, indicating our need for a strong defense posture.

Therefore, Mr. Chairman, I urge my colleagues to support H.R. 6674.

Mr. BENNETT. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. Stratton).

Mr. STRATTON. Mr. Chairman, I rise in support of H.R. 6674. I want to join the chairman of our committee in urging the Members of the House to resist the political temptation of wholesale cuts in this legislation.

I want to stress for Members that the Armed Services Committee did not simply cut to some arbitrary levels or make a few reductions. Part of our job also was to give direction where we thought it was necessary for better management of the Defense Establishment. Frankly, in some programs we found that what the Defense Department was doing did not always seem logical; and we did not hesitate to provide new direction.

I also would like to point out, Mr. Chairman, that this bill, as the gentleman from Illinois (Mr. PRICE), the chairman, indicated, represents a reduction from the request of the Department of Defense of $3.7 billion.

The procurement legislation which is before us here is roughly one-third of the entire defense budget, so that means that in saving $3.7 billion we have actually saved almost a half of the entire $7 or $8 billion cut which was included for defense spending in the budget resolution adopted just the other day by both the House and the Senate.

So if the Members want to live within that budget resolution there is no need for any additional cuts in this legislation because we have already done the job in our committee, and I think we have done it in a realistic way and a responsible way. There is no justification for any further meat-ax approach.

Let me illustrate this point by reference to the field of missiles and related weapons procurement:

We did not make too many reductions in this area for a simple reason; that is, that we found that our inventories of antitank and other tank missiles and of tanks and related weapons systems were often inadequate and in some cases, disturbingly low. If it were not for the extreme economic constraints facing this Congress, one could make a very good case for increasing the level of authorization for some systems above that asked for by the Department of Defense and the coalition for Democratic majority—the AFL–CIO and Brookings have made that case.

The experience of the Middle East war taught us a year and a half ago—that our planned reserve of weapons was sometimes unrealistically low. The rate at which missiles and other weapons were expended in the Middle East war was much more rapid than our planning contemplated. In one afternoon in that war more tanks were lost than the United States produces in over a year. That is a very significant fact, and we are just beginning to appreciate its implications.

Because of the drawdown on U.S. inventories to resupply Israel and the impact of foreign military sales, our inventory levels are still inadequate in some systems. However, this did not mean that the committee simply approved the amounts requested by the military departments. In the case of the Lance missile we found that the Department of Defense had approved production of a nonnuclear warhead for the Lance missile for sale to the Netherlands and Belgium and was in the process of approving sale of the nonnuclear warhead to Israel. But at the same time we found that the Department of Defense had not approved production of the nonnuclear warhead for our own Army because a dubious study had questioned the "cost effectiveness" of the system. Actually the committee has, for several years, urged development of a nonnuclear warhead for Lance. We do not believe the Congress could accept the argument that the United States can afford to produce this warhead for other nations but cannot afford to produce it for ourselves. Therefore, we have included language in the bill, beginning on line 20 of page 2, that no funds authorized for appropriation shall be obligated or expended for development or production of a nonnuclear warhead for Lance until such a warhead has been certified by the Department of Defense for production for the U.S. Army.

I want the record to show very clearly that the committee does not, in any sense, want to prevent our NATO allies or Israel from getting a nonnuclear Lance. We think it is a good system. The Israelis want it because it is the kind of missile system they can use on longer launches to hold their casualties down in a conflict. We want them to have it. But this attribute will be equally true for our own forces—and so we want our own forces to have that weapon.

At the same time, the committee discovered that the Department of Defense was asking authorization for an alternative to Lance that would use a warhead compatible with the Lance system. But since Lance is already in being and deployed with our forces in Europe, we hardly thought it was cost effective to develop a new system. So we deleted this new authorization request from the research-and-development title of the bill—at a saving of $8 million.

In another case the committee found that the cost had risen sharply on the Harpoon surface-to-surface missile system for the Navy. This is an important capability which the Navy needs, and the committee has been urging development of such a system for years. At the same time, the cost escalation on the system in 1 year is unacceptable.

Therefore the committee in our report has directed the Navy to qualify a second source for the missile and be prepared to present plans later this year for a competitive procurement in an effort to bring the price down. The committee found that in other missile systems the use of competitive procurement was very effective in getting a more favorable price for the Government—and we believe this device should be employed in this case.

These are examples of what I have been talking about— about how the committee cut—but cut wisely and responsibly, of the committee not simply approving or disapproving dollar requests as such—but making policy concerning the proper management of the defense establishment—which is, after all, our major responsibility.

To give just one other example, in one of the little noticed but most important items of the bill is a general provision drafted by the committee which requires the military departments to obtain the technical-data packages for major weapons systems which cost over $100 million to develop and procure. This is an effort by the committee to get at the ever-increasing cost of weapons. By getting hold of the technical-data packages available in-house we will be able to provide the option for more competitive procurement and then we will give the services greater flxibility in working to reduce the cost of weapons systems.

In summary, Mr. Chairman, the committee has tried—and I believe successfully—as the agent of the House, to take a constructive positive role in policy determination on defense programs. This bill before you today is evidence of the committee's effort. The bill is responsive to the economic constraints facing us in this particular year while still attempting to provide the minimum requirements of national security. It is a good bill. It is a sound bill. It is a responsible bill.

I urge the Members to give it their wholehearted support.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

I notice in the committee report the gentleman and the committee has mentioned alternatives to various weapons systems. Did the committee get into much detail on the possible alternatives to the B–1 bomber? I favor the continuation of the B–1 bomber but I feel the whole House should know of the committee findings.

Mr. STRATTON. The committee went into great detail on alternatives to the B–1 bomber. I might say the Member in the well was one of the more active supporters of possible alternatives to the B–1 bomber, namely the FB–111 aircraft; but the House and the Senate struck out all funds for the FB–111, so the most viable alternative has now been eliminated.

Mr. ROUSSELOT. Does the gentleman believe we should go ahead with the B–1 bomber on the basis that there is not really a good alternative?

Mr. STRATTON. I think that is undoubtedly the position we are confronted with, that there is at the moment no really acceptable alternative since the House, unwisely in my judgment, knocked out the funds. I think in view of the situation that confronts us around the world today any hesitation in proceeding with a B–1 bomber at this time could be misconstrued by both our friends and potential enemies.

Mr. ROUSSELOT. I appreciate the gentleman's comment because I know he has been a serious advocate in looking for other alternatives. I appreciate his comment, as it is even more meaningful in view of the time he has spent on reviewing weapons.

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I thank the gentleman from Illinois for yielding.

My colleagues in the Armed Services Committee and what few other Members of the Congress have deemed it appropriate to attend here this afternoon to review our authorization bill for one of the largest items and most important items, I might add, that the United States is concerned with, have been discussing this bill now, as I read the statistics, for something like 2½ hours, and we have about 1½ hours left.

I believe I am one of the first speakers to speak perhaps without the wholehearted approval of everything we do and I can lay my foundation and my credentials. We have got the greatest defense system going. We certainly have done a commendable job, it would appear from the information we have received, in Southeast Asia over the past 48 hours.

I have a large defense district and certainly when I argue for moderation in defense spending it is not a politically popular thing that I do, particularly in my area.

I think we have to keep in mind however, the overall perspectives and I think by and large this year the committee has done a good job. We have worked very hard and we have had very diligent, consistent, time-consuming meetings; I have not been able personally to attend the R. & D. Subcommittee hearings as much as I would like but I do want to commend the chairman of the R. & D. Subcommittee, the chairman of the full committee, and Mr. Battista, our counsel for the excellent critique of the defense request and the R.D.T. & E. and also developing a rapport with the committee such that the bulk of its recommendations have been acceptable and were accepted.

We have reduced the R. & D. in the bill by some $521 million in the fiscal year 1976. At first blush that is very good, but considering the fact that the request was made for about $1.5 billion more in fiscal year 1976 than actually was enjoyed by the Department of Defense in 1975, we can see we have still allowed for a rather healthy increase.

There are some other items in research and development that I think the committee should relate to when we have amendments on Monday. I would refer to the reports, the supplementaries, filed by himself and some of my colleagues, where we point out throughout the matter that we can, in fact, save further money in research and development in areas like some of the preproduction programing for the B–1 bomber.

I am one of those hybrid types that supports research and development for the B–1, but do not support making a decision on the B–1 this year. I think it would be a mistake to do that. The bill has all the money for the B–1 in it. I think a very serious effort should be made to moderate that decision to conform with the education of the Senate Armed Services Committee last week.

Now, my colleague, the gentleman from New York (Mr. STRATTON) who is very learned in a great number of weapons systems, has talked about the reductions made in the bill. I do not think we should be mesmerized by the reductions we have made. We should take credit for some of them, the ones that are cosmetic, I admit to them. We talk about a $1.2 billion reduction in the bill. This is commendable; but on the other hand, how can we talk about $1.2 billion going to the Vietnamese to support themselves in fiscal year 1976? We cannot take credit for that $1.2 billion.

So then we come down to $2.5 billion, because there is no possibility for the Vietnamese to get that $1.2 billion. Then we have to recognize what the gentleman from Florida (Mr. BENNETT) has done on the Navy program and that is to recognize that really we do not know whether our programs will escalate 4 percent or 12 percent. To use a figure of 7 percent might be too high or too low. As a result, what he said is to forget about escalation beyond a couple years until in practice we have wage and price controls in the odd years, both years.

Therefore, let us cost our programs for past programs, of which there is $2.2 billion in this bill, let us cost all those programs as if they will not escalate beyond 2 years and have all this magnificent number ships that we are going to build under this program. Let us not allow for the escalation of those beyond the 2-year period. If we do that and ignore the refunding of $250 million for claims for Navy overcharges, which are now in dispute, we save $1.1 billion. So take that off the $2.5 billion, because we have not changed any of those ships we have built. We just readjust our accounting to pick up the $1.1 billion. So now we are down to $1.4 billion and from that we should necessarily deduct the $550 million. That leaves about $900 million or $850 million and for that item there was really no possibility that the Department of Defense was going to get $300 million for war materials. Even the very aggressive House Armed Services Committee recognized it ought to come out and it came out of there almost unanimously, without my assistance and without provocation and the $300 million was struck, because it was an attempt for a grab by the Department of Defense.

Then we came down to about $550 million. Certainly on these items the committee is entitled to credit for two items; one, they cut AWACS in half at $100 million plus a copy of the early warning system that ought to be cut.

The Department has indicated that the 12 airplanes—we built 6 and we are authorizing 3 in this bill—would be a useful increment to give us a high radar, long-lead capability in picking up a great number of things. I might add that it might help us in policing our 200-mile fishing limit which we are going to enact out of my Fish and Wildlife Committee in the next 30 to 60 days, hopefully.

Some of that program was good, but certainly it was wise to cut out a large part of that. We made the admonition, as I think some Member has talked about, that this program is really for Europe. There are no bombers coming over this way and no tactical aircraft coming over this way. If it is a good program, perhaps the Europeans and NATO people ought to participate. I believe if we are going to go forward with this program with anything like the 30 or 40 planes that have been discussed and with the $12 billion or $6 billion, whatever it might be, certainly the NATO forces ought to participate.

Then, we are back down to the airborne command post which we cut out, finally. We spent some money on this program, and I guess some of that is spilled milk, but these folks, if they are going to get us in a nuclear war and manage the war, I suspect ought to be right here on the ground making those decisions rather than flying high in the sky in a converted 747 where they are perhaps in euphoria and not really aware of the decisions where the rubber meets the road in national defense. So, that is what we have done.

The statement has been made that we do not need to cut this bill any more because we are right on the budget. As a practical matter we are not right on the budget. The conference report we agreed to on the floor yesterday stated that the Department had requested $29.85 billion. We had proposed in an item in the conference report, which again was not necessarily binding on the House since it was fragmentary, $25.3 billion would keep us within the spending limit of about $68 billion. The House bill, as it currently stands and ignoring all the gymnastics which I have talked about, is $26.5 billion, or about $1.3 billion above the budget. We can get to this number of the budget either easily by going after it in what we call a sledge hammer approach and arrive at the $1.3 billion budget reduction either by way of the ASPEN-type percentage reduction, or we can eat away at it and express our will on the B–1 and perhaps AWACS.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOB WILSON. Mr. Chairman, I will magnanimously yield 2 additional minutes to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I appreciate the gentleman yielding this extra time to me.

Mr. Chairman, there are going to be some amendments offered, all of which I do not support necessarily, but I would say that on Monday we ought to give very serious attention and ought to have a full House here. I want to say that I intend on Monday, when we have amendments, to have a full House here. I am going to call quorum calls Monday to make sure that we have got full participation at what I consider a very important time. I would hope that we can get a full House.

Of course, the main thing I wanted to talk about today was the main item I covered in my separate concurring remarks on this legislation. That is the need to limit MaRV testing. It will save us something like $32 billion over the next 20 years. It is beyond the perspective of most of us to contemplate, but I think it is very worthwhile, and I do intend to have some charts and graphs here and to go into a rather complicated discussion of the contract facts.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I want to say that I think the gentleman's statement is superb, and I would like him to express in these additional views—which I also support—the notion about the B-1 bomber. He says this decision will be made over the next few years. We should not jump the gun and pour several billions of dollars in it until test airplanes have had a chance to show their stuff.

Mr. LEGGETT. Yes. My reason for that is this: We have pretty nearly fully funded three test airplanes. There is a fourth test airplane in this bill. I will support taking out $77 million production money plus the preproduction money. I think that with a $70 billion deficit, when the country is almost on its backside, with its feet up in the air, it is a bad time to make a reduction of a $20 million program.

I think we ought to abate this decision until a later time and use the aircraft and see if they are worth anything.

Mr. Chairman, when the military authorization bill comes up for amendment next week, I will offer an amendment which will take no money out of the bill and will have only a minimal effect, or possibly no effect, on the conduct of the Defense Department during the coming fiscal year. Nevertheless, I regard this as possibly the most important military proposal I have made.

My amendment will add the following language:

> "SEC. 202. No funds are authorized to be appropriated for testing of a Maneuvering Re-entry Vehicle (MaRV) on a ballistic missile system."

Maneuvering re-entry vehicles, in their high-accuracy version, will be capable of changing course and homing in on their target, much like the "smart bombs" used in Vietnam. This homing mechanism will provide a radical improvement in accuracy. For example, the later model Soviet missiles today probably have an accuracy of a bit more than .5 mile. Terminal-homing MaRV could improve this to 0.02 mile; a 25-fold improvement. This upgrading of accuracy is of little importance to an attack against civilians or industrial targets. But it is of extreme importance in the context of a first strike against an ICBM hard silo complex. We have heard a great deal about the large size of Soviet warheads, but accuracy is far more important than explosive power if the missile is to be used against ICBM silos. The mathematics is rather involved, but the significance of accuracy can be illustrated by pointing out that the accuracy improvement cited above would be equivalent to increasing the power of Soviet warheads 15,625 times. Today the United States is approximately 5 years away from an initial test of a high-accuracy MaRV system, and perhaps 10 years away from initial deployment. The Soviet Union is probably 5 years behind us.

But if we continue on our present course, the day will come when the Soviet Union has a high-accuracy MaRV. At this point, even a very small submarine-launched warhead will have better than 99 percent probability of destroying one of our ICBM silos. When combined with MIRV—maneuvering reentry vehicle—MaRV will give the Soviet Union the power to destroy nearly all our ICBM's in a short-warning first strike. Our ICBM's will therefore be useless as deterrent weapons. At this point, the United States will have suffered a loss of national security which will be irrecoverable. Of course, we will be able to deploy our own MaRV, and in fact we will probably do so 5 years before the Soviets. But an American MaRV is not an effective counter to a Soviet MaRV; it will give us a first strike capability against their ICBM's—which will do us no good since it is not our policy to strike first. It will do absolutely nothing to decrease the validity of the Soviet anti-ICBM capability.

We will be able to move to an airmobile or land-mobile ICBM system, but this will be less secure than the fixed-based ICBM system we have today. To reiterate, there will be no move available to us which will restore us to the state of deterrent security we enjoy today. But while the mobile system will be less secure than our present system, it will be far more expensive. Assuming 5 percent annual inflation, we could maintain our present fixed-based Minuteman system through the year 2000 for about $9 billion. In contrast, the Department of Defense concedes even at this early stage that a mobile system to be phased in during the late 1980's could cost $40 billion, broken down as follows:

	Billions
Research and development	$4
Procurement	20
Operation and maintenance through year 2000	12
Operation and maintenance of Minuteman before mobile systems are phased in	4
Total	40
Difference between Minuteman and mobile systems	31

THE SOLUTION

An American MaRV will create even more severe problems for the Soviet Union than a Soviet MaRV will create for us. Therefore, it is in the interest of both sides that MaRV deployment be prevented. This can only be done by international agreement; such an agreement is possible only if the Soviet Union can have high confidence that we have not deployed terminal MaRV. They can have this confidence only if they know we have not tested terminal MaRV.

MaRV like MIRV, cannot be verified in the deployment stage; there is no way to determine by external inspection whether or not a missile incorporates MaRV. But MaRV testing is detectable and verifiable. Therefore, it is of vital importance that the United States not shut the door on a no-MaRV SALT agreement before such an agreement can be attained.

There should be no doubt that once this door is closed, it can never be reopened. We have already made one irrecoverable mistake in the case of MIRV. Even if high-accuracy MaRV is available, an effective anti-silo first strike is not feasible in the absence of MIRV: the combination of the two is required. If you have only single warheads on each of your missiles, it makes no sense to attack the other side's missile silos, since you will use up your own missile force as quickly as you destroy his; in fact, you will use up your own force more quickly because some of your attacking missiles will not be successful. But MIRV allows one attacking missile to destroy several of the other side's ICBM silos—assuming of course the warheads are sufficiently accurate.

If the Soviets did not have MIRV, the Department of Defense would have no cause for concern over the vulnerability of our ICBM silos. In the late 1960's and early 1970's, it seems highly probable that the Soviet Union could have agreed to a ban on MIRV; our MIRV program was 5 years ahead of theirs, and such an agreement would have been very strongly in their interest. But in 1969, we proceeded to test MIRV, even though there was no military need to do so. We thus closed the door on any possibility of preventing a Soviet MIRV, and we must now live with it.

Today, Secretary of State Henry Kissinger, says, "I wish I'd never heard of MIRV." But it is too late.

The question now before us is whether we will make the same mistake twice. Will we allow technological momentum to foist upon the American people a weapon system which will simultaneously decrease their military security and burden them with enormous expense?

Fortunately, the time frame available to us gives an excellent opportunity for constructive action. As I have explained above, we will not be ready to test high-accuracy MaRV for perhaps 5 years. This gives sufficient time to arrive at a no-MaRV SALT agreement, even considering the snail pace at which such negotiations are generally conducted.

But such an agreement can only be reached if the Soviet Union has absolute confidence that we have not tested high-accuracy MaRV. As the authorization bill presently stands, the Department of Defense has the authority, although not the capability, to test this system. The Department of Defense has both the authority and the capability to test various maneuvering re-entry vehicles which, while designed for ABM evasion or technology research rather than for high accuracy, to a Soviet observer would not be easily distinguishable from a high-accuracy system. At present we do not have the technology for a high-accuracy MaRV and the Soviets know it. But over the next year or two their confidence in our technological incapability will progressively decrease; if tests of maneuvering re-entry vehicles of any type are conducted during this period, a point will be reached at which the Soviets will no longer believe us when we say we have not tested high-accuracy MaRV, a MaRV ban will no longer be possible, and we will have lost the ball game as far as dollars and security are concerned.

This is why I regard it as essential

that the military authorization bill incorporate a flat prohibition against testing of maneuvering reentry vehicles.

Since the ramifications of my amendment tend to be complex, I conclude with a series of questions and answers which I believe will resolve any doubts which may arise concerning this amendment.

First. After our defeat in Vietnam, isn't it necessary for us to be extra firm to demonstrate our continuing national resolve? You do not demonstrate resolve by weakening your own security. Whatever resolve-demonstrating we need to do can be done by continuing research and development on this system. But if we test it, we destroy its value as a bargaining chip and demonstrate not resolve but foolishness. Five years ago, a similar objection was raised in the Senate against an amendment to suspend the MIRV program. The objection prevailed, the amendment lost, and as a result the Secretary of Defense is now uncertain about the vulnerability of our ICBM's, and the Secretary of State says "I wish I'd never heard of MIRV." If this amendment fails and a no-MaRV agreement is not reached, a future Secretary of Defense will not be uncertain about the vulnerability of our ICBM's; he will be sure they are vulnerable. And a future Secretary of State will wish he had never heard of MaRV. But it will be too late.

Second. What if we reach a SALT ban on MaRV testing and the Soviets continue to do research and development on MaRV, get it right up to the point where they are ready to test, then they abrogate the treaty and begin to test and deploy at a rapid rate? Won't this give them an immense advantage over us? It is because of this potential problem that I have not advocated reducing research and development. We also can carry our terminal MaRV program right up to the pretesting stage. If the Soviets abrogate the treaty and begin to test, we will know it and can carry out tests ourselves; at worst, they will have a few weeks' head start on a 5-year development program.

Third. What about the evasive MaRV? This is a low accuracy ABM-evasion device now part of the Trident program, and which has recently been tested on a very small scale. Evasive MaRV is not a counterforce system, but an evasive MaRV test can be used to disguise a terminally guided high accuracy MaRV test. Therefore, I recommend that evasive MaRV testing be banned as well, and my proposal is worded accordingly. Since the Defense Department has no plans to deploy evasive MaRV, we can afford to put this system on the shelf while we seek further SALT agreements.

Fourth. What if this proposal does not go against the successful ABM precedent, wherein it is alleged that testing of Safeguard gave us the bargaining chip to conclude a successful agreement? Without commenting on the dubious value of the bargaining chip strategy as applied to ABM, it is clear the two programs are no way comparable. ABM deployment is verifiable; MaRV deployment is not. Therefore, as soon as you test MaRV, the bargaining chip disappears.

Fifth. Doesn't NAVSTAR do the same thing as MaRV, and render the MaRV question moot? No, it does not. NAVSTAR is not a usable strategic system, since it can be taken out by a prepositioned destroyer satellite loaded with dynamite.

Sixth. What about the question of whether the large Soviet throwweight would give them an anti-silo capability if they combined it with the best non-MaRV guidance systems? The answer is rather complex. Such missiles would give the Soviets something of an anti-silo capability, but with two qualifications: improved hardening of our silos would hold this capability to a marginal level of confidence, and the capability would be confined solely to their ICBM's—the small yield of their SLBM's would preclude anti-silo capability in the absence of terminal MaRV. A first strike launched by Soviet ICBM's against U.S. ICBM silos has the disadvantage of excessive warning time; we would have sufficient warning to get our bombers safely into the air before the missiles struck, thus rendering the strike ineffective. This is the highly publicized "synergistic" relationship between manned bombers and ICBM's. But if the Soviets get an anti-silo capability in their submarine-launched missiles—this is possible only with terminal MaRV—the short flight time of the SLBM's will permit a simultaneous strike against our bombers and ICBM's. We would then be reduced to a single-armed deterrent: our own SLBM's. While even the SLBM's are doubtless sufficient to deter Soviet nuclear aggression, I think we will all feel more comfortable if we can keep our eggs in more than one basket.

Seventh. Isn't it irresponsible unilaterally to give up something in the hope the Soviets will be good fellows and follow along? We won't be giving up anything, since we don't have it yet. We won't be ready to test this year in any case, so this proposal will take not 1 cent out of the bill and will not influence our actual high-accuracy programs. What it will do is send a clear signal to the Soviets that will keep the door open for the SALT agreement that will prevent the Soviets from deploying MaRV.

Eighth. What has been the Soviet reaction to this idea? Our negotiators have not proposed it to them, according to William Hyland, Director of Research and Intelligence for the State Department. Our negotiators are thinking only of the relatively unimportant problems of numbers of missiles.

Ninth. Have we not already conducted so many MaRV tests that the opportunity for a MaRV ban has passed already? No tests of high-accuracy MaRV have been conducted. In 1967 we conducted two tests of a system called maneuverable ballistic reentry vehicle—MBRV—and two tests of what was called the boost-glide reentry vehicle—BGRV. In 1969 we conducted two tests of the advanced control experiment—ACE. In 1975 we conducted one test of the Trident Mark 500 evader MaRV; a second test is scheduled for mid-May. While all of these systems are technically described as MaRV's none were designed for high accuracy, and none offered better accuracy than contemporaneous non-MaRV systems. In fact, all but the advanced control experiment had considerably less accuracy than conventional systems deployed at the time. We have not tested MaRV missile guidance systems; we have not integrated MaRV missile guidance with control systems, we will not be ready for a first test of this system for 4 to 5 years, and this is obvious to the Russians or any other technically sophisticated observer. So the window for an effective SALT agreement is still there. But it gets narrower every year.

Tenth. If the Soviets deploy MaRV, can we not simply counter by deploying our own MaRV? This would be an inappropriate and ineffective response. The significance of a Soviet MaRV lies in its ability to attack our ICBM silos; an American MaRV would do nothing to impair that capability. Instead, we would have to counter the Soviet MaRV by getting our ICBM's out of the silos and into some kind of mobile system on land or in the air.

Eleventh. What is the point in an amendment that does not save any money? This amendment will save a great deal of money, but it will save it in the long run. The Department of Defense concedes that a mobile system will cost possibly $40 billion between now and the year 2000, as opposed to $9 billion if we do not have to replace our present Minuteman silo-based missiles—5-percent annual inflation is assumed in both cases. If we wait until MaRV begins to show up as a significant item in the budget, some time in the mid-1980's, it will be too late. If we do not show the necessary vision now and next year, our children will have no choice but to pay the price for our lack of foresight.

Twelfth. Would not this $30 billion be well spent if it will give us greater security? It will give us less security than we have today. An air-mobile system will be subject to prelaunch destruction by a short-warning submarine-based missile, just as our bombers are subject to destruction today. The "synergistic" properties of a bomber-ICBM mix will be lost, and we will no longer have a true triad.

With a land mobile system, in which the missile is transported by road or rail, the missiles might not be pinpointed by Soviet spies. They might not be pinpointed by Soviet satellites. But we could never be sure.

Today, we are sure our ICBM's cannot be destroyed. We are sure they cannot even be attacked without giving us the opportunity to send our bombers safely into the air. If the Soviets do not deploy MaRV, we can retain the first assurance with moderate confidence and the second assurance with very high confidence. But if we drop the ball and fail to reach a no-MaRV agreement, both assurances will be lost.

If we continue on our present course, we will box ourselves into spending much more money for much less security. By passing this amendment, the House will be able to reverse course and give the American people more security for less money.

I will also offer an amendment to delete funds for modification of Civil Reserve Air Fleet—CRAF.

The bill contains $22 million in fiscal year 1976 for modification of Boeing 747 and McDonnell Douglas DC–10 airliners to serve as military freighters in time of national emergency. This is a relatively small amount, but it mushrooms quickly: $24 million in the transition quarter, and nearly $1 billion by the time the project is completed. In my view, this program is unnecessary and redundant.

At enormous annual expense, we maintain a bloated, tail-heavy, top-heavy force in Europe, and dozens of smaller versions of the same thing all around the world. We do this because the Department of Defense tells us we cannot rely on airlift or sealift in an emergency; we must have the troops on the scene.

But at the same time we have been told we must have an airlift. Moreover, we have been told the Air Force cannot make do with Boeing 747's; it must have C–5's, which cost twice as much and have one-tenth the service life. So we paid an enormous price to equip the Air Force with C–5's.

Now we are told the C–5's would not do the job; among other things they cost so much we could not buy enough of them. This is adding insult to injury and should not be tolerated.

If we were to cut our European troop commitment in half, a better case could be made for the CRAF modification. But I find it difficult to justify the Pentagon's desire, not only to have its cake and eat it too, but to keep the plate and the silverware in the bargain.

Finally, I will offer an amendment to delete funds for procurement of the Trident submarine during the coming fiscal year. The arguments on Trident have been hashed over many times, and it will serve no purpose for me to repeat them at this point. I will make only one specific point: If we authorize the money requested in this bill, we are not going to get Trident ships any sooner. The keel on the ship we are asked to authorize in this bill will not be laid until 1978 because the contractor simply does not have the capability. Therefore, it would be prudent to delay this authorization until such time as it can actually be used; thereby giving us more time to reconsider the entire question which is the best way to go with our submarine-based deterrent.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. O'Brien).

Mr. O'BRIEN. Mr. Chairman, as a prolog to my remarks, I would like to join some of my friends in extending compliments to the gentleman from Michigan (Mr. Nedzi) and the gentleman from Louisiana (Mr. Treen).

Under the skillful chairmanship of the gentleman from Michigan (Mr. Nedzi), aided by the gentleman from Louisiana (Mr. Treen) as ranking minority member, the hearings relating to military personnel which were held were exhaustive and comprehensive and provided a superior basis from which to draw well reasoned and reliable conclusions.

Mr. Chairman, I would like to address some four popular and seductive misconceptions which may become factors in our consideration of this bill.

First, that this authorization bill is the product of an inefficient department in the vast administrative bureaucracy: If the rest of the executive agencies were given the same intense scrutiny, if they had their feet held to the fire in the same manner that DOD has, then we would be a long way toward having cost-effective government. The Defense budget rationale, after the carefully considered cuts effected by the Armed Services Committee, should not be reduced on the basis of pseudoefficiency. To cut this bill further would reduce our military forces below a minimum adequate defense posture.

The second basic misconception is that in an era of or because of the anesthetic atmosphere surrounding the notion of détente, we can further reduce our defense spending. This is a beguiling but fallacious conclusion because our primary potential adversary, the Soviet Union, has clearly embarked on a concerted policy of expansionism. Witness the just-concluded international naval maneuvers deploying over 200 ships worldwide, culminating in mock nuclear attacks on the United States. Their naval forces in the Mediterranean outnumber ours. There is a huge numerical disparity in their favor in the critical Indian Ocean. They are expanding both their sea- and land-based missile forces. The Soviet conventional forces completely dwarf those of the United States.

On a more somber note, détente and open channels of communication between the United States and the U.S.S.R. have had no appreciable effect in cooling down the last two major war situations involving the United States. The key factors in defusing the October war were not détente and diplomacy. It was the successful Israeli crossing of the Suez Canal. Détente and diplomacy may have led to the Paris Accords, but they certainly did not seem to function when the North Vietnamese invaded the South.

Détente and diplomacy did not help us in these last terrifying 48 hours—a cool and decisive President and a handful of well-equipped, courageous marines, sailors, and airmen did the job and turned near-disaster into a brilliant victory.

A third major misconception is that now that Vietnam is truly over, we can take a well-earned rest, and pragmatically allow the rest of the world to mend its own fences. We should never again allow ourselves to become some sort of "policeman" for the rest of the world; but neither can we turn our back on our traditional and necessary mutual security arrangements worldwide. NATO is under severe strain. Our treaty relationships in the Far East are under severe strain. Our capability to influence the drift toward another war in the Middle East is under severe strain. We dare not add to our allies' qualms about our resolves and our commitment to defense by cutting this budget past prudent levels and embarking on a dangerous program of unilateral disarmament.

The fourth and last major misconception is that the weapons systems that are requested for procurement in this bill are unnecessary, "gold-plated" items, most of which can be reasonably replaced with a bargain-basement alternative. A case in point is the B–1 bomber. Fifty-eight percent of our strategic deterrent lies in manned bombers.

The SALT talks have by no means come to any definitive, authoritative conclusions. To halt this program, or seriously impede its progress, could quite simply lead to a situation in years ahead where we have neither effective genuine arms limitation nor a strategic deterrent capable of deterring. This is by no means the only system under attack in opposition to this bill, but is an excellent example of how an unwise and ill considered search for economies can undermine security. Doing away with, or cutting back on, proven systems in the gauzy hope that they may be replaced by theories will place this Nation on an irresponsible, if not suicidal, course.

An adequate defense in a troubled world of armed camps is an expensive proposition. Economies can be made. Economies have been made.

But defense efforts can never be based on what we can afford. Defense programs are not merely optional programs that we can take or leave alone, programs to be dropped in times of difficulty and economic distress.

In the words of the distinguished Yale law professor, Eugene Rostow—

> We can never afford not to do what must be done to insure the safety of our people, the safety of our national interests and the safety of our democratic institutions.

Let us provide for an adequate and reasonable defense. Mr. Chairman, I urge support for H.R. 6674, as presented.

Mr PRICE. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. Conyers).

Mr. CONYERS. Mr. Chairman, the Armed Services Committee report on the defense authorization bill includes 52 pages of additional views, an encouraging indication that several members of the committee, and hopefully of the entire House, are seriously questioning the Pentagon's requests for the procurement of increasingly costly and complex instruments of war. For far too many years, the Congress has deferred to the Pentagon's experts and essentially rubberstamped their wasteful and bloated budgets.

I am dismayed by the scarcity of Members here for this debate, and am certain that if a $25 billion authorization for virtually any other Government program were being debated today, we would have the benefit of many more in the Chamber than are here presently. The unusual scheduling of the general debate and reading for amendments may be contributing to the poor attendance, but I hope that more are present on Monday to show the Nation our concern for soaring defense costs of questionable worth.

Each of the additional and dissenting views in the report addresses the issue in a different but equally valid manner. Congressman Leggett focuses on the

MaRV ballistic missile system and details the inherent danger of arms race stimulation in developing this maneuverable and accurate missile. My colleague from Wisconsin (Mr. ASPIN) contends that this authorization is too big and is misdirected. His analysis, in my view, is certainly compelling and I will support his ceiling amendment. PAT SCHROEDER has performed the much needed and long overdue service of offering a carefully drawn alternative defense budget, something conspicuously lacking in the past. Mr. LLOYD also persuasively advocates a meaningful funding cutback, and Mr. DOWNEY rightly directs us to closely scrutinize and examine with heightened attention all the provisions of this bill, and weed out the impact of the military's "new toy" mentality which would have us replace weapons systems long before they are useless or obsolete.

As my good friend and colleague, RON DELLUMS, points out, one of the most questionable and expensive military items is the unnecessarily large deployment of American troops abroad. Demonstrated to my satisfaction is the lack of any justification for the troop placements he criticizes, and the adoption of the troop cut amendment lowering this overseas force by 70,000 would represent a sizable savings with no danger to our own or our allies' security.

All these statements deal in a strong way with these huge military expenditures which have, over the last 30 years regardless of our foreign policy at any particular time, seriously weakened our economy and probably destroyed the productive and technological edge we always claimed over other industrial nations. Invaluable resources and individual talents have been siphoned off to the Military Establishment where little of social use is produced, and countries such as Japan and West Germany have taken the lead in many civilian enterprises. It is mind boggling to consider the tremendous strides in peaceful development and technology we have forfeited over the years by such excessive regard for the creation and stockpiling of weaponry. Also, too often strategic doctrine followed the achievement of a new weapons technology, causing defense industries to develop costly and complex instrumentation for sale to our Government which was all too willing to buy it and far too afraid of not buying it.

I propose a new and more meaningful definition of the Nation's security that transcends a "security" based only on missiles, tanks, and submarines. America's national security must by definition include job security for our workers, personal security for our city dwellers, income security for our families, nutritional security for the poor and elderly, educational security for our children, and equal opportunity security for everyone. If the Congress would provide for its people with the same devotion it pampers the Pentagon with, an increasingly cynical citizenry might become convinced that the Congress does, in fact, act in the best interests of the Nation. A recognition is urgently needed that this concept of security should be our paramount goal and lead to a Federal budget guaranteeing full employment, economic stability and peace.

Mr. BOB WILSON. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, events of the last few days have demonstrated how important a national image of firmness is to maintain our credibility, and therefore to maintain peace. If our national defenses slip behind our detractors, Communist-aligned nations will be tempted to risk military adventures against our allies, and an underestimation of our resolve could lead to a shattering of peace.

One of the pieces in our total defense credibility is our AWACS system, airborne warning and control system.

AWACS

The AWACS concept is not new. The Navy has been using it for years, and it has proven highly successful to coordinate seagoing air and surface task forces. There is a difference, however, and that is that in the sea environment there are fewer technical problems to overcome to achieve a very high degree of reliability.

There is no question in my mind, nor did there appear to be in the minds of the Armed Services Committee members, that AWACS is a viable concept, and would be an invaluable asset to the battlefield commander.

The problem, as we saw it, was that there were still some technical problems to overcome to increase the usefulness and reliability of some of the aircraft's electronic systems, when in use over a hostile land environment.

In a land-based environment, the enemy has a greater opportunity to use countermeasures, such as mobile jammers, to interfere with the information picked up by the aircraft. It is in this area that efforts are being made to beef up the capabilities of the AWACS to live in a hostile electronic environment.

However, do not be misled by that. The aircraft, even in its present configuration, is still a very formidable weapons system. For instance, I feel certain that it would have been a welcome addition to our task forces in the recent Cambodian incident, because it has a deep-penetrating surveillance capability over land.

The problems with AWACS are technological ones which are well within the present state of the art to overcome. None of the specific criticisms that I have heard to date are serious enough to make me want to junk the system. In perspective they are minor problems, associated with the growing pains of advanced system technology.

AWACS is a very versatile weapons system, for all sorts of missions, on land and over water. Our Armed Forces need this added capability to keep up with the pace of modern tactical and strategic warfare concepts. Either we do that, or we will be left at the starting gate.

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, this has been a rather frustrating day, I think, for many of us. I missed the vote on the rule because the policeman would not let me drive into the Capitol lot because I did not look like a Member, and the day has continued downhill from there. Here we are discussing one of the largest dollar amounts in any budget we will consider in this House. And we find that many Members are away. In fact, I believe over 100 Members are away. I think that is tragic.

Further, we have the amending process for this bill scheduled on Monday, which traditionally in the House has been a day that we have debated such vital issues as kite flying in the District of Columbia. So I find it discouraging.

Mr. Chairman, this is an important and difficult bill. The Armed Services Committee has worked very hard on it. I think the committee has made some strides this year, and I want to commend them for the changes permitting more oversight of the Department of Defense than we have had in the past.

I did some figuring before I came over here, and I found out something really very interesting. This year's budget—not next year's, which is what we are talking about—but this year's budget for defense of $82.1 billion, if it were divided into the average family unit in America, 3.6 people, we could find that the average American family is spending $1,345.84 for defense this year.

I think that what we in the Congress should ask is are Americans getting everything that they deserve for their security with that kind of expenditure.

I also looked at the strip mining bill, which Mr. Ford has threatened to veto, claiming it is too inflationary. But I found out that the strip mining bill was going to cost the average American family of 3.6 people 12 cents a year. This kind of comparison helps put things in perspective.

Much of the debate on the Department of Defense budget is emotional—on both sides. It is difficult to get to the facts. One side stands up and screams, "You are taking cookies out of the mouths of the children and you are taking roofs away from old people," and the other side says, "You are giving the country away to the Communists and they will be here in the morning if you don't give the Defense Department every dime they ask for." And, of course, the DOD defenders claim there is no waste in their budget.

The truth is somewhere in between.

I was very proud of some of my Armed Services Committee colleagues this year. I think we made an attempt that has never been made before, and I hope it will be made again. We put together an alternative to the Defense Department's budget proposals. I wish every committee in the House would prepare such an alternative budget for the departments they oversee to compare with the administration's proposals. Of course, everyone will not agree with everything in an alternative proposal, but at least we on the Armed Services Committee have something to start from this year and we have had some good give and take. We structured our alternative proposals on a factual base. Surely it is a more responsible factual approach to the yearly defense budget debates than talking about taking cookies out of the mouths of children or letting the Communists come in here in the morning. What we are really talking about is oversight—making sure that tax dollars are being spent responsibly and wisely.

There are days when I often think that in jest I should offer an amendment to cut 10 cents from the military budget, because for sure there would be some people who would say there is not 10 cents in the budget that can possibly be cut, and there are others who would disagree. None of us should be knee jerk reactionaries on either side of the defense budget debate, but attempt to engage in factual, objective oversight.

This is a very important time in this country, and I cannot emphasize it enough. The war is over, and many people have said:

> Well, the war in Southeast Asia, in South Vietnam, is over. Now we don't have to worry any more—back to normal, the old cold war.

We need to talk about many open wounds, about the scars in this country, and about what our posture will be in the world. Which way will we continue to go? How will we direct our forces? How will we arrange our priorties? And what kind of role do we see for ourselves in the world? Are we going to attempt to continue to be the superpoliceman? Are we going to see the whole world as a chessboard with red squares and black squares, and are we going to insist on being everywhere to defend everybody we have labeled as part of the "free world"?

I have some question in my mind as to what happens when we convince everybody that we are the only ones in the free world who can truly defend the free world. I sometimes think that we get off on that just a little bit too heavily. I think maybe that is what went wrong in Vietnam, and I wish we could have a more meaningful dialog about that.

We may have demoralized the South Vietnamese troops by convincing them we had the best pilots, by convincing them we had the best equipment, by convincing them that we knew how to fight better than they did. Eventually we convinced them, and they lost their morale in our so doing. Maybe my analysis is wrong; maybe it is right; but I think morale is one of the most important things that any army has. We must never do anything to destroy another country's morale.

Yes, equipment is important too, and today we are talking about equipment. But so often we forget about people programs, and we forget about the people. We hear, too, the emotional arguments about security and, of course, we must offer security. But, security also means having a job, having food to eat, and being safe in your neighborhood.

So what we want to do when we talk about security is not just talk about the security of our defense systems, but also about our internal security and our domestic security. A look at the history of the world shows that many more governments have fallen from within than have fallen from an attack from without; but of course, we must be prepared for both.

I encourage everyone to go back and read the Declaration of Independence.

One of the things the Framers decided was to go to war over civilian control of the military. It is one of the main points in the Declaration of Independence there. Civilian control of the military is very important. Reread the Declaration of Independence sometime and imagine what it would take for one as a person to go and enlist in George Washington's army—they were without pay. Go over and look at the tent George Washington lived in, which could hardly be called elegant. I do not think any of us would want to camp in it. Think of it. Think what it really took to get these men so dedicated to the cause of freedom that they wanted to fight.

Our ancestors felt strongly about civilian control in the Army. That is one reason why I am upset that we do not have more of the Members of the House here. We can count the Members present on one hand. Most of those here have already heard the arguments on this bill, because they are on the committee. This is a very significant part of our budget and one of the most important factors in our whole country and its international posture.

Mr. CONYERS. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Michigan.

Mr. CONYERS. I commend the gentlewoman for her remarks.

The problem with the lack of attendance, as the gentlewoman found out last night when she objected to our coming in early, is that the leadership agrees to this procedure. This is not the will of the Congress but the fact that we have traditionally decided to downplay the emphasis on the military and especially the procurement bill. I do not think it happens by accident every year but this is part of the deliberate procedures that I think are so denigrating to the actions of the 91st Congress.

Mrs. SCHROEDER. I thank the gentleman. I think one of the problems we have especially in the military area is that we tend to want to defer to the "experts" because we become frightened that we may not be 100 percent right. But the experts have not been 100 percent right. They were 100 percent wrong on Vietnam. However, we should have more dialog. As an example, our committee should meet with the Committee on International Relations and talk about the very basics of foreign policy and what those mean as respects our defense posture. We should demand a true dialog—not just have the administration tell us what they want us to know. I am tired of the attitude that if we do not give the Defense Department everything that say they need that we will be in deep trouble.

Mr. STRATTON. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, the gentlewoman is not suggesting that the committee is responsible for the fact that we have so few Members on the floor, is she? I have always assumed that Thursday was a normal legislative day. There is some tradition that we do not work too hard on Fridays. We did have 307 Members at the last quorum call. I think for the gentlewoman to try to imply that somehow the committee leadership set it up so no one would be on the floor is not entirely accurate.

Mrs. SCHROEDER. I apologize if that is what the gentleman understood. There were 75 percent of the membership who responded at the last quorum call and many of them are on the New York trip now. I understand last Thursday also was not important, because many Members went to the Kentucky Derby.

Mr. STRATTON. Maybe it is because the committee has done such a fine job that the membership is satisfied with the fine job we have done on this bill and they do not want to be here to oppose it.

Mrs. SCHROEDER. The Members do not schedule the bringing up of bills.

Mr. CONYERS. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, of course the fact of the matter is that the Members do not know the fine job that has been done, as the gentleman from New York suggested, and of course most of the people who are not here are on the New York trip, and the gentleman knows Monday is not the day to take up this huge $32 billion bill for the amendment process. That is not usual and it is the leadership responsibility and not the responsibility of this committee. But certainly this whole operation did not just happen.

I commend the gentlewoman in the well for her remarks on this.

Mr. STRATTON. Mr. Chairman, if the gentlewoman will yield, the Speaker was on the floor today and as a member of the whip organization for many years the Speaker made it very clear to us at the beginning of this year that Mondays and Fridays were going to be working days in this Congress. Many Members—I do not know whether the gentleman from Michigan was included—have been complaining about the Tuesday-to-Thursday group and the Speaker took the leadership to say we are going to be working every day and there is no reason why we should not be taking up a $28 billion bill on Monday just as well as on Tuesday.

Mrs. SCHROEDER. The record of meetings of this House speaks for itself. I think we should look at what the House does, not what they say it does.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to report their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 216]

Abzug
Addabbo
Alexander
Andrews, N.C.
Ashley
AuCoin
Badillo
Bafalis
Barrett
Beard, R.I.
Beard, Tenn.
Bedell
Bevill
Biaggi
Boggs
Boland
Bowen
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burleson, Tex.
Burton, John
Burton, Phillip
Byron
Carney
Chisholm
Clancy
Clay
Cleveland
D'Amours
Daniel, Dan
Danielson
Davis
de la Garza
Dent
Derrick
Diggs
Downing
Drinan
du Pont
Duncan, Tenn.
Eckhardt
Edwards, Calif.
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fisher
Flynt
Foley
Fountain
Fraser
Frey
Fulton
Gaydos
Goodling
Harrington
Harris
Harsha
Hastings
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Hicks
Hightower
Hinshaw
Holtzman
Howard
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Kelly
Koch
LaFalce
Landrum
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Tenn.
Madden
Madigan
Mazzoli
McClory
McCloskey
McCollister
McDade
McEwen
McKinney
Metcalfe
Michel
Mikva
Milford
Mink
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Montgomery
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Nichols
Nix
Nowak
O'Brien
O'Neill
Peyser
Pike
Quie
Railsback
Randall
Rangel
Reuss
Riegle
Risenhoover
Roberts
Rodino
Roncalio
Rose
Rosenthal
Runnels
Ruppe
Russo
Satterfield
Scheuer
Sebelius
Shipley
Shuster
Sisk
Snyder
Spellman
St Germain
Staggers
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Stokes
Stuckey
Symms
Taylor, Mo.
Teague
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waxman
Whitten
Wiggins
Wilson, C. H.
Winn
Wolff
Wydler
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zeferetti

Accordingly the Committee rose; and the Speaker having resumed the chair Mr. Rostenkowski, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 6674, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 258 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The Speaker assumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

DEPARTMENT OF DEFENSE PROCUREMENT AUTHORIZATIONS

The SPEAKER. The Committee will resume its sitting.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose the gentlewoman from Colorado had concluded her statement.

The Chair recognizes the gentleman from Illinois (Mr. Price).

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. Dellums).

Mr. DELLUMS. Mr. Chairman, we meet today at a time of difficult choices and very limited resources. We meet at a time when we must come together around issues of priorities. It is clear to me—and I am certain that it is clear to other Members—that we do not have the economic capability and wherewithal to solve the myriad of human problems domestically or internationally. Therefore, we must make decisions based upon sound and rational thinking, and hopefully against a backdrop of humanitarian and humanistic values.

I have submitted to Members several times in recent years, when this bill has reached the floor, the following statement: That if we are to preserve the military budget as sacrosanct, then our human services programs will continue to be weak and ineffective and ineffectual programs they have been for many years.

We cannot continue to spend over $100 billion a year perpetuating war and death and destruction and also solve the many human problems we are confronted with in this country. Tens of thousands of people are unemployed in all our congressional districts. Our educational districts throughout this country lack resources. Our housing market is in serious trouble. Health is still a critical issue.

If we are to solve these problems, Mr. Chairman, then we must make difficult decisions about how we spend our resources.

It seems to me that we have a responsibility to address this budget beyond the rhetoric of the moment—beyond the demogoguery and emotion of the moment—by facing these questions with sanity, with reason.

I believe we must reduce our bloated and wasteful military budget.

But I am confronted this year, as I have been in the past, with this notion: "All of us agree that we must reduce our military budget, Mr. Dellums, but this must be the worst possible moment to do it."

Every year I hear that. I would submit this rhetorical question to the Members: When will be achieved that millennium, when will we achieve that moment when the President and the Secretary of Defense and the Secretary of State and others will allow us to move into this area because no one's feathers will be ruffled? When will the millennium come when there will be peace throughout the world unless we make decisions to help achieve that?

When will that magic moment come when I will hear the leadership of the Congress say, "Ron, now is the time to reduce the military budget."

When will that moment come?

I think that moment is upon us. We are being kicked out of Thailand, Taiwan, and the Philippines—I repeat, kicked out; not that we have fought with reason and rationality, not because of foreign policy determinations, not because we have made a conscientious determination with regard to Taiwan, Thailand, and the Philippines. We are being kicked out. Is that the image we want to project to the world, that we are saying we do not want to communicate, that we are not a strong Nation to the world?

What will we communicate? Ineptness, inadequacy, and lack of courage. Not to drop a bomb—oh, we have that ability, we have just proven in the last 24 hours that we can beat the hell out of the Cambodian people, who cannot even put three airplanes in the air and do not even have one battleship.

We have proven something powerfully to the world. We can beat the Cambodians to death; but that is not our strength. It seems to me that our strength lies instead in our ability to come to grips with the critical questions that are before us, not with emotion, but with some reason.

Where are some of the greatest places that we waste our military spending? Where does the Pentagon spending do the least for our economy, and yet buy the smallest contribution to our national security?

The answer is in our huge excess overseas troop commitments, where economic assistance funds could be released for use at home with no loss in power or strength abroad.

Let us talk about where these troops can be cut. I will concede to my colleagues that we cannot at this moment deal with the issue of Europe, because of Mutual Balanced Reduction Talks now going forward.

But there are other places in the world.

The President of the United States said in his most recent speech that we must embrace South Korea. So, let us look at South Korea for a moment. We have approximately 42,000 troops in South Korea, give or take a few thousand.

The Pentagon plays games with figures, depending on when the military authorization bill is coming up in Congress. The stated mission of those troops is to provide ground combat support to the South Korean Army. The South Korean Army has over 600,000 persons under arms. Many of them are combat experienced as the result of their recent involvement in South Vietnam. Who are the ostensible enemies of the South Koreans? The North Koreans. The North Koreans have a little over 300,000 troops, and have not fired a shot in 22 years, with the exception of occasional sniper fire.

So I asked Secretary Schlesinger—

> How can you justify on military grounds a forward deployment of 42,000 troops?

His response, and we can read it in the record, was—

> The gentleman from California is correct. We cannot justify on military grounds the forward deployment of troops in South Korea. We are there to provide a political presence.

My question is, Why do we need 42,000 troops to provide a political presence? Why not 4,200 or 420? What is so magic about 42,000 troops? Why 42,000 troops providing resources to one of the most powerful, best equipped armies on the face of the earth?

So it has now taken us over 2 years to argue effectively that the South Koreans can take care of themselves and then within the last 72 hours I have heard the most absurd argument I have ever heard. The reason we are there is not because the North Koreans will overwhelm the South Koreans, but so that we have a political presence there, to prevent South Korea from invading North Korea. Utter absurdity.

So how do we win in the Congress of the United States when we give them all these facilities and they run a hundred miles an hour in the opposite direction?

I find no justification, no backup, no support. I challenge that argument. So, I think we can reduce many of our troops in South Korea.

I am going to give the members of the committee some figures to show how we can achieve a 70,000 troop cut. Japan is another place where we have a large amount of troops, 52,000 troops. The Secretary of Defense has given us two reasons why we have troops in Japan.

Reason No. 1: We do not want to see Japan again become another major military power in the world. But think about that for a moment. Because it means explicitly and implicitly that we have made a commitment to defend Japan with conventional troops, and we have not made that decision either in this House or in the other body. We have not made that decision. There are enormous ramifications for that statement.

Let us look at the second argument, that we need a refueling spot in the Western Pacific. I would grant that, but 52,000 troops pumping gas have to be the largest gasoline station in the world. Why do we need that many troops doing that there? We do not.

So, with reason, logic, and rationality, we can reduce some of our troops. Why do we have 1,000 troops on the Island of Bermuda? It is good duty, suntans, nice weather, but has anyone on this floor stood up and given me a justification for 1,000 troops on Bermuda? Could we take 10 of them away? Could we take 500 of them away, or all of them? Give me a rational reason for their presence there.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PRICE. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, the issue of overseas military manpower reduction should not be viewed as an issue of the moment, but one which has been presented to Congress with increasing urgency over the last 4 or 5 years as one of the most substantial decisions Congress will make about military spending, and we should not deal only on the basis of this or that month's political rhetoric, but on our long-term conception of the country's needs and the role of Congress.

Perhaps the best way to provide some background on the whole issue is to review the legislative history of the two previous troop-cut amendments: In early 1973, with my appointment to the House Armed Services Committee, I became interested in the rationale behind the extraordinarily far-flung American troop commitments. I believed that there should be a substantial motive behind deployment of over half a million men all around the globe, a deployment which made up such a large part of the Pentagon budget. To discover this rationale, I asked the Pentagon over 70 specific questions—about each of our military missions abroad. I asked, for example, why, given the evident capacity of the South Koreans to take care of themselves, we have such a high level of troops there. What justification exists for top-heavy command structures in southern Europe? What about small deployments we maintain in so many countries—Iran, Australia, Cyprus, Ethiopia, Morocco, and numerous military assistance advisory groups, MAAG? DOD's inadequate response to my original questions and further clarifying responses can be found in the CONGRESSIONAL RECORD, volume 119, part 18, page 23130. These answers are extremely general and vague, and confirm my suspicion that the real reason for most commitments is historical accident and bureaucratic inertia—not ongoing realities of the seventies.

From that interchange, I came to the conclusion that: First, we are greatly overcommitted overseas, and second, that there is no present justification for half a million men stationed abroad. I, therefore, prepared an amendment that would cut the overseas troop commitment in half. The general arguments for this amendment are still valid today, so I will quote from testimony I gave in 1973:

One purpose of the amendment is to reassert congressional control over our overseas military presence. For years, Congress has approved these manpower levels without seriously questioning basic rationale for these amendments.

Yet we must be aware that manpower levels requested by DOD were not arrived at by constitutional processes of congressional control; in fact they represent an abdication of our control—not only to the Executive, but to foreign countries.

The key point here is that there are no specific treaty obligations that force Congress to approve any level of troop commitment. Exact figures for each country are the result of executive agreements, and are not submitted to Congress for approval. Furthermore, such figures are the result of political foreign-policy calculations—and are not based on military matters to which we may legitimately defer to military experts.

This last point is crucial. There is only one question the Pentagon is professionally equipped to answer with assurance: Whether a force level in a certain country is necessary or sufficient to repeal the threat that is responsible for its presence overseas. Yet in almost no case is the Pentagon able to give us this assurance.

In 1973, we were challenged by an argument that came up every time this type amendment has been proposed: that this was "the worst possible time" for any cut, even if justified objectively. That year the delaying tactic was the just-opening mutual balanced force reduction talks, which we were assured would create a substantial reduction—with Soviet concessions also—in a short time. That was 2 years ago; now MBFR is no longer mentioned, because it is obvious to most observers that it has not achieved anything yet and is not likely to in the future.

In 1973, I had this to say about the "worst possible time" attitude:

The central issue that now faces this body is whether we will take any action at all concerning our overseas troops, or whether we will abdicate our responsibility and let our outmoded, expensive commitment continue for another year.

I really should say, another 5 years, because if we do not act now, we will in essence be accepting the bureaucratic plea that we leave everything up to them. We must wait for a time when no negotiations are going on anywhere—when our allies no longer see an advantage in having us spend money on them—when no bureaucrat can think of any possible bad effect from a new direction in foreign policy. In other words, we will have to wait for the millennium, when the foreign policy establishment no longer resents congressional initiative.

That time will never come. For the sake of our constituents, who are being squeezed by higher prices, higher taxes, and poorer civilian government services—for the sake of the developing era of negotiations, where we see our best hope for progress in national security—for the sake of the men stationed in useless jobs overseas, whose talents could be better used at home—for the sake of all these, I say the time has come to act now, to take a concrete, helpful step toward adjusting to the new international realities in ways that will directly benefit the American people.

Debate in both 1973 and 1974 tended to get tangled up in the issue of Europe. Many people felt that overseas troop reduction really meant withdrawal from NATO and were surprised to learn of large numbers of troops all over Asia and scattered around the globe.

To completely separate the question of NATO and U.S. relations with Europe pertaining to troop cuts, the proposed decrease has been reduced now to 70,000—

always with the provision that exact location of cuts be left to Pentagon officials. This means that Europe need not be affected.

The question of our commitment to NATO is completely separate from the question of troop cuts. This amendment in no way raises suspicions about the strength of that commitment.

Great emphasis has continuously been given to symbolic values of any cut, be it 100 or 100,000 persons. But in the long run, a meaningless military commitment does not add up to a meaningful political commitment. Events of recent days should teach us two things: A commitment should be clearly defined, and no commitment should be undertaken that is more than the American people are willing to sustain. When these two rules are ignored—as Indochina shows—a tragedy becomes also a defeat for American foreign policy and American influence.

For example, apply those two rules to Korea. Our present commitment is militarily meaningless, as Secretary Schlessinger all but admitted before the committee this year. Yet it represents a very vague, shadowy kind of commitment, with unknown consequences. Either we should really help Korea militarily, which will probably require a greatly expanded commitment, or we should forego this very expensive symbol that owing to economic pressure at home is very unstable. But the present ambiguous situation has all the potential for disaster.

In 1974, I made the same point in the following words: It is true that political realities have a symbolic dimension, but this must have some connection, however tenuous, to military and financial realities. Our present level of overseas troop commitments has lost even that connection. I urge you to join me in bringing these levels closer to reality.

In July 1973, the Democratic Caucus Policy Steering Committee unanimously recommended approval for the following resolution:

> Whereas, the United States presently maintains numerous military bases and deploys forces both on shore and afloat in many foreign areas; and
>
> Whereas, our current overseas force levels are excessive both in terms of our own national security and the most efficient use of the defense dollar; and
>
> Whereas, no treaty obligations or any other agreement for which the approval of Congress is required prescribes specific force levels of United States forces abroad; and
>
> Whereas, many of our overseas deployments are not related to any concrete military threat; and
>
> Whereas, maintenance of such bases and forces contributes to this country's continuing and widening balance-of-payments deficits; and
>
> Whereas, the current United States military base structure and force deployment abroad constitute a serious drain on the budget and consume an inordinate portion of tax revenues that would otherwise be available for other essential needs; and
>
> Whereas, such reduction would be consonant with our Nation's defense needs, and compatible with policies under the Nixon doctrine of reasonable military and economic foreign aid to allies; now therefore be it
>
> *Resolved*, by the House Democratic Caucus, that it is the sense of the House Democratic Caucus that United States forces stationed abroad—both ashore and afloat—be reduced, such reduction to be accomplished in stages over the next fiscal year.

Dut to lack of a quorum, full caucus action was never taken and the amendment asking for a 50-percent cut did not succeed in winning a majority when the vote was taken in late July 1973.

In 1974, Representative O'NEILL offered an amendment calling for a 100,000 reduction, which received substantial support. The new Congress, one which faced the electorate last fall, is aware how serious these economic problems are, and is not likely to tolerate continued extravagance on meaningless prestige items.

I believe this is the year for a troop cut. The facts of the current situation are clear: the administration budget and the Pentagon both claim that military spending is untouchable, and that all sacrifices must come from the civilian sector—and from the most vulnerable groups in that sector. This only brings to the surface what has always been true: wasteful military spending directly means neglect of the most pressing social problems.

Where do we find the greatest waste in miiltary spending? Where does Pentagon spending do least for our economy and yet buy the smallest contribution to real national security? The answer is the huge excess in our overseas troops commitments. Here is where substantial funds could be released with no economic dislocation at home and no loss of usable power or security abroad.

I do not think it is necessary to emphasize the importance of cutting the Pentagon budget. One of the outstanding characteristics of the last few years has been a sense of helplessness about creative social reform. First we thought the winding-down of the Indochina war would release needed resources. Then we thought that détente and the SALT talks would prove to be more than slogans. But by now it should be clear that unless Congress acts, there will be no savings coming from the bureaucracy, and that our only choice is between releasing these resources and social hopelessness.

Mr. Chairman, I will introduce at the appropriate time, an amendment to reduce our overseas forces by 70,000 troops. That can be accomplished without in anyway touching our NATO forces.

Cut 23,000 in Thailand; all our forces there.

Cut 20,000 in Japan; still leaves 32,000 there.

Cut 15,500 in South Korea; still leaves 26,500 there.

Cut 8,000 in Philippines; still leave 8,000 there.

Cut 2,000 in Taiwan; still leaves 3,000 there.

Cut 200 in Bermuda; still leaves 800 there.

Cut 800 in Cuba; still leaves 2,200 there there.

Cut Morocco by 500; still leaves 500 there.

We can reduce bloated and wasteful deployment of our overseas forces and save between $2 and $3 billion and use those funds to deal with the problems our people are confronted with. We do not need irrationality and demagoguery; we can do it with rationality and reason.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I rise in support of the remarks of the distinguished gentleman from California. I commend him for his industriousness and thoughtfulness in his attempts to bring rational judgment to bear regarding the necessary levels of our troop commitments abroad. The gentleman has just pointed out that the U.S. armed services contain excess numbers of overseas troops in eight countries. The gentleman has made significant comment about the inadvisability of our bloated troops levels in South Korea. In my judgment, Mr. Chairman, the events of the past 2 weeks and the climax of events in the last 24 hours require a reexamination of our commitment, of our military credibility to South Korea. Nine days before the SS *Mayaguez* was attacked and seized by a Cambodian patrol boat, a South Korean freighter bound from Bangkok to Borneo was also fired upon by a Cambodian patrol boat and narrowly escaped capture. Two days later according to the Los Angeles Times of Wednesday, May 14, the South Korean Transport Ministry issued a warning to all Korean merchantmen to be on the lookout for Cambodian ships in the Gulf of Thailand in the South China Sea.

Mr. Chairman, if I am to believe U.S. naval authorities, this "ally" of ours—South Korea—upon which we have spent several billion dollars in military assistance, failed to share this critical information with our Government and thereby possibly contributed to the creation of an incident that cost many lives, much property damage, severe national anguish, and threatened world security. I would hope, Mr. Chairman, that we would consider these additional facts when we deliberate the merits of Mr. DELLUMS' troop cut amendment particularly as to the 42,000 U.S. overseas troops in South Korea.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. LLOYD).

Mr. LLOYD of California. Mr. Chairman, we are here talking about a bill that in part I do not agree with and in part I do agree with. This is not a very dramatic statement to make on this floor, but there are certain programs in the defense bill which I think we ought to address ourselves to.

I happen to be in support of the B-1 bomber. I think we can, in the light of the remarks of my colleague from California (Mr. LEGGETT) extend the procurement and make it a more meaningful application at this time within the economic arena, which exists today in the United States.

One area I would like to address myself to is the area of the A-10 aircraft. The A-10 is an attack aircraft, an air support aircraft, and it is intended to be used by the Air Force to provide close air support for the troops.

It started out as an aircraft that was going to cost approximately $1.5 million, and I quote from a case history from the Defense Management Journal "Design to Cost." And it is designed to cost. It costs a lot of money. The design cost figure of the A-10 was $1.5 million unit flyaway. The Air Force designed cost figure is based on the quantity of 600 aircraft, the production rate of approximately 20 per month. The major item weapons system involved in the A-10 was the Gau-8 system, which has price tag of $85 million.

As the Members know, the A-10 is to provide a close air support role to ground forces during the 1978 or later time frame. Ordinarily, the system would be considered a fairly good one, and we did have some fly-offs between the A-10 and the A-9 and the A-10 and the A-7, and I would like to point out that, in these fly-offs, in general the pilots said that they preferred the A-10. However, they also made some other statements in there, and three of them said they preferred the A-7 at certain altitudes and others said they preferred other aircraft for certain things that they thought the aircraft would perform or do a better job at.

Operating conditions, however, under the circumstances that we would be flying this aircraft, would be in weather conditions under a 1,000-foot ceiling and within a 1-mile visability range.

This aircraft, the A-10, is an aircraft that has been asked for by the Army. It is being provided for the Air Force. But, in reality, I do not think it is that much better than the A-7. I think that for the role we are talking about that it is a small percentage factor better than the A-7. I do not deny that the weapon system is a good one, particularly if we could get it for the $1.5 million that we are talking about. But we are not going to get it for that? No, we are now up to $2.3 million for this weapons system. On that basis, and because it is cheaper than the A-7, with which we had the fly-off, it was the one they chose. But we are not talking about $3.3 million and we are not talking about $3.4 million.

If you are a little confused by these figures, as I am, we can project them out to $4.5 million. What we are really getting is a $1.5 million airplane in 1970 dollars which may or may not be somewhere around the figure of $4.5 million when we finally get it in the late 1970's or first part of the 1980's. And that is what is wrong with this system. I think it is now time to go back and review the total buy on this specific aircraft. That is the point I wish to address myself to in this weapons systems.

This aircraft systems has to be reviewed in the light of these final costs. This is where we are being had. We are talking about the B-1, and I said I would support it. We are talking about an $85 million per copy airplane, and I sincerely hope we are able to keep it under $100 million.

My time is up, but I think we have to review these kinds of things.

Mr. PRICE. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. BLOUIN).

Mr. BLOUIN. Mr. Chairman, I came to Congress this past January totally convinced that the time has come in this country to begin to provide the process and the tools necessary to begin the reordering of major priorities within this Nation and within our budget, convinced that it is time to decrease the destructive construction and increase attention to human needs in this Nation.

The authorization before us today runs contrary to that philosophy, and I am, therefore, prepared to vote against its final passage unless drastic reemphasis develops through the adoption of most of the amendments yet to come.

I do believe in a strong defense in this country. I do believe in advancing technology with an eye on the future as well as the present safety and protection of the people in this Nation, but I do not believe in overkill. I do not believe in creating more destructive war materials simply to have them. I do not believe in defense industry contracts merely to help them stay afloat and create new jobs. There are far better ways to achieve this goal. I believe it is time that we begin to divert a sizeable part of the defense-oriented industrial complex to a more positive, contributing type of production, using Federal money to bring this conversion about, to retrain those employees affected, and to relocate them when necessary.

Mr. Chairman, in the area of defense spending, the American public is far ahead of this Congress in sharing that opinion; and maybe one day the Representatives of this body will begin to listen.

Mr. Chairman, how many times must we continue to tell the American poor to step aside while more bombs are made simply to stockpile them? How many times must we continue to raid the pocketbooks of the middle class to fund a weapons system that is already capable of blowing up the world several times over? How many times will we continue to feed the ever-growing military complex that devours money like some kind of popcorn and justifies it by feeding on people's fears instead of hopes?

How many years will it take to truly begin to turn that corner?

Mr. Chairman, I think the time to make that turn is now.

Mr. BOB WILSON. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I shall not use the 2 minutes allotted to me. I had intended merely to revise and extend my remarks, but having heard some of the comments made in this well just a short period of time ago, I would like the world to know that this is one Congressman who is very happy that the United States had the force and the will to, for once, stand up to the world and tell them, "No more."

Mr. Chairman, I am very proud of my President, and I am very proud of my country that, for once, we would not allow ourselves to be intimidated by a two-bit country.

I would like to remind the Members here in this House today that in a democracy one of the greatest social services we offer is freedom and light, and our defense establishment offers us this, and for this we must pay a price.

Mr. Chairman, earlier this year, Secretary Schlesinger in his statement to Congress accompanying the administration's request for defense funds for fiscal year 1976, described national defense most succinctly. He stated:

> I am sensitive to the fact that National security is not a product that brings explicit and tangible benefits to us, although most of us are acutely aware when it is absent. As Sir John Slessor once noted: "It is customary in democratic countries to deplore expenditure on armament as conflicting with the requirements of the social services. There is a tendency to forget that the most important social service that a government can do for its people is to keep them alive and free".

Thus when we speak of national defense, we are, in effect, speaking of freedom and national survival.

But how strong is our national defense with which to guarantee the freedom and survival of citizens? And, if it is strong enough this year, how about in succeeding decades? Are we keeping abreast of technological and scientific advancements of other nations, particularly the Soviet Union? Will we continue to exercise a leadership role based on economic and military supremacy? These are questions of grave concern and ones to which I believe we in Congress must address ourselves.

Presently, the United States maintains a strategic force that is designated the Triad. It is a three-part system comprised of strategic land-based missiles, land-based aircraft, and missile-carrying submarines. Furthermore, there are secondary systems, such as land-based aircraft in Europe and carrier-based aircraft, which are also capable of carrying nuclear weapons. However, these are usually not considered when we speak of the nuclear warfare capabilities of the United States.

Our land-based deterrent is made up of 1,000 Minuteman missiles and 54 older Titan II missiles. Five hundred and fifty of the Minuteman missiles are of the latest model and are armed with MIRV's, an acronym meaning multiple independently targetable reentry vehicle. Each MIRV contains three warheads each capable of striking a different target. The other 450 Minuteman missiles are each capable of striking one target. The 54 Titan II missiles each have one warhead capable of striking a single target. It is quite possible that these missiles will be phased out in the next few years.

Our ocean-based deterrent is on board 41 Polaris submarines. The first 10 of these boats are each armed with 16 Polaris A-3 missiles. Each of these missiles has three warheads. However, they are not independently targetable and therefore each missile can strike only one target. The remaining 31 Polaris submarines are in various stages of modification to carry 16 Poseidon B-3 missiles. Each of these missiles is armed with a MIRV, usually carrying 10 warheads. Thus, a single Polaris submarine, armed with Poseidon missiles, could strike 160 targets.

The strategic aircraft component of the Triad is presently composed of approximately 330 B-52's and 66 FB-111A's, assigned to active squadrons. Most of these aircraft are armed with short range attack missiles—SRAM—

as well as gravity bombs. It is proposed that the B-52's be replaced by the B-1, a proposition that I fully support.

The B-1 is intended to replace the B-52's by providing a credible survival and retrievable element to the Triad. Some of the B-52's it will replace are 20 years old. The Air Force expects the service life to be about 30 years, and when the B-52 flies its last operational training mission, its design will be about as old as military aviation history was at the time the B-52 was designed.

In terms of cost, the Air Force reports that since the B-52 was strengthened for low-altitude penetration and more sophisticated avionics added, the cost has been approximately $2.75 billion for the total force. A rehabilitation program, as some have suggested, would not only be extremely expensive, but a risky proposition as well. Dependence upon a refurbished 20-year-old weapon system for a first line of offense is clearly a serious breach of our security.

The B-1 is being developed to modernize the present strategic bomber force. It is designed to penetrate enemy airspace below the defensive radar detection threshold and deliver strategic nuclear weapons on selected targets with a high degree of reliability, accuracy, and a minimum of collateral damage. In conjunction with sea- and land-based delivery systems, it is designed to deter a a Soviet first strike.

The B-1, only two-thirds the size of the B-52, is to carry nearly twice the B-52's payload. Its variable geometry wing will enable it to fly at a speed of mach 2.2—2.2 times the speed of sound—at high altitudes, to climb above 50,000 feet, to cruise at mach 0.85 at near treetop level, and permit faster takeoff from shorter runways than those required by the B-52. This alone allows for the dispersal to over 320 military and civilian airfields in an emergency. The B-1 will have improved hardness against nuclear blast effects, greater penetration speed, lower sustained penetration altitude, and smaller radar cross section than the B-52. A total of 244 B-1's are expected to be produced.

The B-1 will be armed with 24 SRAM's, loaded internally, with the option of loading 8 more SRAM's, on wing pylons. The SRAM is a nuclear armed missile with a range of about 100 nautical miles. It can follow terrain or take a semi-ballistic path to target. A unique feature of the SRAM is its offset capability, which means the aircraft launching the missile does not have to be pointed at the target. It can be released while the aircraft is flying parallel to, or away from, a target—a 360-degree homing capability. This means that an attacking B-1 would not have to penetrate to the most heavily defended areas to hit its target. As I noted earlier, it is currently operational on B-52's and FB-111's.

It is often asked: "Why retain aircraft in a strategic arsenal in an age of ballistic missiles capable of attacking targets in minutes rather than hours?"

The basic arguments in support of retaining strategic aircraft are based on prudence. While it is most unlikely that the Soviet Union will ever develop the capability of destroying all of our land- and sea-based missiles at once or, assured to stop every incoming ballistic missile, we must guard against that remote possibilty.

Another basic argument is that of "throw-weight." The Soviets have a tremendous advantage over the United States in the size of their missiles. Since the only way that the United States can redress this disadvantage is by aircraft, it is prudent that the United States replace the aging B-52's with more modern and more capable B-1's. Of perhaps even graver consequence, is a section of the Vladivostok Arms Control Agreement, commonly called SALT II. This section allows each side to increase the diameter of its missile silos by 15 percent. Since the Soviet missile silos are about 20 feet in diameter, and ours about half of that, the Soviets have an option of vastly increasing the size of their launchers and the accompanying missiles. These much larger missiles would almost certainly be armed with MIRV's and might even be powerful enough to destroy a significant portion of our land-based missiles—some analysts have suggested as much as 95 percent. Since our national policy is that of responding, it would be most prudent to have aircraft that could be launched on warning and then recalled if the warning proved false. Quite obviously, a ballistic missile cannot be launched and then recalled.

There is no doubt that the B-1 is an expensive aircraft. It is presently anticipated that the entire development and procurement of 244 B-1 bombers will be $20 billion. According to Mr. R. Anderson, president of Rockwell International, the B-1 program will have a tremendous impact on our economy. Over 5,000 subcontractors and supplier companies in 48 States are taking part in the research and development. More than $56 billion will be added to our gross national product; it will provide a potential of 192,000 jobs, and it will be responsible for the payment of more than $17 billion in Federal and State taxes.

On a less tangible level, the program will contribute considerable information in various fields of technology. These may well extend beyond the aircraft industry. I do not present these arguments on grounds that they should determine whether or not the B-1 should be procured. Rather, I present them on the grounds that the price tag of the B-1 should be seen in perspective.

The real question is, then, how high is the cost for producing a new aircraft? Gen. David C. Jones, Chief of Staff of the Air Force, has said:

> In addressing whether we can afford the B-1, the easy answer would be that we can't afford not to buy it, but that begs the question. A more thoughtful response might be, that there is no more important area in which national resources should be invested than maintaining United States security.

Ultimately, the basic argument for procurement of the B-1 is national survival, with the type of government we are accustomed to. This, too, is an intangible. But freedom and national security, as Air Marshal Slessor stated, "are the most important social services that a government can do for its people."

The B-1 is essential to the security of our country. Unless the United States maintains a strong and well-rounded national defense that serves as a deterrent to any potential attacker, we will seriously jeopardize our national security. The United States can ill-afford to sit back and view the rest of the world through rose-tinted glasses content to allow other countries to further develop their defenses while we allow ours to slide.

In the end, therefore, the question that must be answered is whether or not we are willing to pay the price to keep America strong.

Mr. PRICE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY of New York. Mr. Chairman, I would just like to ask the gentleman from California (Mr. LLOYD) a few questions, if I might.

The gentleman mentioned before that he was in favor of the B-1 bomber, but opposed to the A-10 aircraft. Some of the reasons he gave for being opposed to the A-10 were cost overruns.

I ask the gentleman, How does that relate, if the gentleman is using that as a criterion, to this position with respect to the B-1?

Mr. LLOYD of California. Mr. Chairman, if the gentleman will yield, I think there is a great relation, I say to the gentleman from New York (Mr. DOWNEY), in the fact that the B-1 is a second generation after the B-70. I am comparing the A-10 in its development stage—and there is a truism to this—as though it were like the B-70.

Mr. DOWNEY of New York. The A-10 to the B-70?

Mr. LLOYD of California. Yes. I think that we need to go back to ground zero on this and review the infrared pattern and review this huge flying tank, which is really what it is supposed to be, really a platform for the operation of the 30-millimeter machinegun.

Mr. DOWNEY of New York. But these overruns themselves, according to the gentleman from California, should not be a factor with respect to the B-1, but should be a factor with respect to the A-10?

Mr. LLOYD of California. Absolutely not. I think that we are talking about a certain weapons system, and I think cost overruns are involved in both systems, and I know that is what the gentleman would want me to say, and I am not disagreeing with the gentleman.

Mr. DOWNEY of New York. But, stating it in terms of the cost overruns, there is a difference of 3 to 1, so what we are really talking about is 12, 13 or 14 percent for both programs.

Mr. LLOYD of California. I really have great difficulty, I would say to the gentleman from New York (Mr. DOWNEY) in starting at a certain price to produce each plane, and going all the way now to a projection of $4.5 million.

Mr. DOWNEY of New York. They are contradictory figures in terms of how much the airplane costs. The gentleman is saying $4.3 million, and the Pentagon is saying it is about $2.2 or less.

Mr. LLOYD of California. They say it is $2.2, and it was on the basis of $2.3 that this aircraft was chosen, was really one of the reasons that it was picked over the A-7, suggesting it was going to be cheaper than the A-7. The point is it is not.

Mr. DOWNEY of New York. Let me point out that, cheaper or not, the flyoff conclusively proved that the A-10 accomplished the close air support mission with much greater capability.

Mr. MYERS of Pennsylvania. Mr. Chairman, if the gentleman will yield, is the gentleman suggesting that we disband every social program that has cost overruns connected with it?

Mr. DOWNEY of New York. No, the gentleman must have missed part of my question. I am just curious since Mr. Lloyd and I were talking about a particular aircraft with relation to each other.

Mr. MYERS of Pennsylvania. I gather from the gentleman's question that everything that is not accurately estimated so far as costs are concerned, before it is built, or before it is implemented, should be disbanded? I would inquire of the gentleman does that mean that we should also disband every social program that has a cost overrun?

Mr. DOWNEY of New York. In case the gentleman from Pennsylvania missed the question, the gentleman from California (Mr. Lloyd) is highlighting one of the problems of the A-10, namely, cost overruns and ignoring that very problem in the B-1 bomber, a program he supports. I submit that this is a contradiction that my esteemed colleague from California should recognize when he disparages the A-10. I happen to believe the A-10 is a cost-effective weapon system we should all support.

Mr. MYERS of Pennsylvania. The gentleman is saying, then, that he would be in favor of cost overruns in the subway system, but that he would be against it in the B-1 bomber; is that what the gentleman is stating?

Mr. LLOYD of California. No, I happen to be in support of the B-1. What the gentleman from New York is saying is correct; that they have a similarity, but I believe that basically and fundamentally the A-10 is not an acceptable weapons system.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAGGONNER. Mr. Chairman, I would like to take a moment to highlight one area of the defense program which has particularly impressed me this year—the sharpening of Army combat power within the constraints of stable manpower and essentially constant dollar resources.

In various discussions and inquiries, I have learned that since mid-1974, the Army has eliminated seven major headquarters, slashed the size of its Pentagon staff, consolidated many training functions under the "one-station-training" plan, and cut back support activities at virtually every installation. Rigorous management efficiencies have been instituted to reduce the manpower "pipeline," stabilize personnel assignments, and make better use of troop training time.

I am informed that through such efforts from fiscal year 1973 through the end of fiscal year 1976, the Army will have converted about 60,000 manpower spaces from its support structure into new combat muscle. This will enable it to form 48 new fighting battalions and to increase the number of Active Army divisions from 13 to 16, subject to our approval. I am told these steps will raise the percentage of combat forces from 45 to 53 percent Army-wide, and from 62 to 69 percent in U.S. Army, Europe.

This is impressive management indeed, when we realize that the new 16 active division force is being forged within a fixed manpower strength of 785,000 soldiers, or about 200,000 less than were required in 1964—the last time 16 active divisions were maintained in peacetime.

Let me stress that from everything I see, Army manpower may in fact be too low. Our own forces have drastically reduced during a period when the Soviet Army has reached formidable new heights of modernization, combat-effectiveness, and size. At the same time, the structure and stability of world relationships have become much more unpredictable and unstable. What we need to display now is not irresolution but a firm indication of national resolve.

For this reason, I think the Armed Services Committee has done well to maintain defense manpower at or above requested levels. We need to give the services an incentive to get the most out of the assets they already have—not destroy their morale with salami-tactics. Any cuts at this point would certainly hit muscle, initiate wasteful turbulence, and disrupt an orderly transition toward better combat posture.

I urge support for the committee's manpower proposals and for a restoration in joint conference of the cuts which I understand have been made in this area on the Senate side.

Mr. SCHULZE. Mr. Chairman, let me take this opportunity to refute the allegations of the Public Interest Research Group in Michigan that high defense spending produces high unemployment. The conclusions of the PIRGIM's study, "The Empty Pork Barrel," are fallacious because of a fundamental error in methodology.

If the study were right, then as defense spending rises there must be a concurrent rise in unemployment. As defense spending decreases, unemployment must also decrease. Quite simply, this has not been the case. The PIRGIM study is based only on the years 1968 through 1972. Let us take a look at what happened during that period as compared to the years 1964 through 1968.

From 1964 to 1968, the GNP grew by 37 percent, and from 1968 to 1972 it grew by 34 percent, about the same amount. In the former period, though, there was a 57-percent increase for defense, and in the later period a decrease—4 percent in current prices, or 30 percent in real terms, adjusting for inflation.

In fact, the record is exactly opposite to what the PIRGIM study would have us believe. Unemployment fell by 26 percent from 1964 to 1968, while defense spending was rising. It rose by 72 percent from 1968 to 1972, while defense spending was falling.

Mr. Chairman, I do not challenge the motives of the Public Interest Research Group in Michigan. I would simply suggest that we be careful in the use of studies and statistics of such limited scope. We, as Members of Congress, have a responsibility to examine carefully serious allegations such as those contained in the PIRGIM study before we present them on the floor of the House of Representatives. These statistics are misleading, they are narrow, and the charges which result from their dissemination are damaging.

This study alleges that unemployment in six States—New York, Illinois, Michigan, Ohio, Pennsylvania, my own State, and Wisconsin—is affected drastically by defense spending. But if this were true, recent unemployment trends should prove it. The truth is, however, that in the six "losing" States, unemployment fell by 24 percent from 1964 to 1968, at a time when defense spending fell by 24 percent. This was an even better record than in those States cited in the study as areas which would benefit the most during times of increased defense spending.

Another problem with this PIRGIM study is that it does not take into account military and civilian personnel overseas. The study begins by assuming a zero defense budget, and calculates the unemployment generated if the money were spent for other purposes. From this total, PIRGIM deducts the unemployment generated by defense purchases from industry and direct defense employment in the United States. The result is a startling loss of 840,000 jobs. The study entirely overlooks the fact that defense spending also provided employment for 1,195,000 military and civilian personnel overseas. This is irresponsible and misleading. Had there been no defense program, these 1,195,000 people would have been in the United States—and looking for jobs! Without our defense program, there would have been an increase in unemployment of 335,000, not a decrease of 840,000.

The closest that the PIRGIM study comes to supporting its allegation that defense spending costs jobs is in the table on Page 12. The table follows:

TABLE 8.—JOBS CREATED PER $1,000,000,000 OF EXPENDITURE

Jobs created by—	If spent to create jobs in industry	If spent to create jobs in government
$1,000,000,000 spent in civilian sector	65, 000	[1] 100, 000
$1,000,000,000 spent in military sector	55, 000	79, 000
Jobs foregone by spending on the military	10, 000	21, 000

[1] State and local government.

The first column is approximately correct, although I suggest that the spread is about 7,000, not 10,000. The second column is far from the mark and the correct figures for 1973 should read:

	Jobs per $1 billion of direct payroll
State and local governments	94, 959
Nondefense Federal	64, 170
Composite nondefense	90, 560
Defense	89, 006

The difference is therefore, 1,544—substantially less than the 21,000 suggested. It is possible that those who compiled the PIRGIM study were drawing figures from different years.

In conclusion, Mr. Speaker, let me point out two important facts which were also conveniently overlooked in the study. The first is that multipliers and other secondary effects would tend to reduce or eliminate the differences in direct job count. Also, the foregoing comparisons involve direct Government employment or Government purchases from industry. Had the authors of the PIRGIM study included these important facts into their analysis, the conclusions or allegations of the study would have been radically different.

I call upon my colleagues to consider carefully the facts I have just outlined before jumping on the PIRGIM bandwagon. Although the study is an interesting example of what can be done with figures and statistics of a limited nature, and an exercise in information gathering, I hardly believe that it is a credible or responsible brief.

Mr. MURPHY of Illinois. Mr. Chairman, I wish to take this opportunity to publicly acknowledge the progress made by the U.S. Army over the past 3 years. From an Army almost entirely dependent on the draft to satisfy its manpower needs, it has reached the point where personnel requirements are now met entirely by volunteers. And, even more impressive, the quality of this force, measured by educational qualifications and traditional indicators of discipline, has been substantially raised through high standards for entrance and retention. To be certain, our present economic situation has helped the Army in recruiting. But, I submit that a sizable segment of young Americans, male and female, are seeing the Army as an opportunity to serve their country and themselves.

Service to the United States has always been a hallmark of the Army. In this period where Federal spending must be held to the minimum, it is encouraging to note that the Army is giving the American people a sizable return on their investment. Army initiatives in management improvements—excising marginal activities, eliminating redundant headquarters, and converting excessive tail into needed teeth—are paying dividends now. In the future these efforts will insure that the United States is provided the most efficient Army that it has ever had in peacetime.

I applaud the positive achievements of our Army and encourage my fellow Members of Congress to do likewise.

Mr. DAN DANIEL. Mr. Chairman, it did not take long after the end of the Second World War for President Truman to recognize the continuing aggressive nature of communism.

His policy of containment was endorsed by the 82d Congress and it has been our Nation's policy under five succeeding Presidents and 12 Congresses.

This present Congress has pledged itself to openness and candor. It would be very much in order to see those traits practiced in this debate today. The issue is not dollars authorized, it is not numbers of troops and where they are stationed. The issue is whether we intend to provide for the protection of those we were sent here to represent.

Once we have answered these questions, the options are simple. We can authorize a reasonable level of funding to meet our commitment to the American people, or we can, if we conclude there is no external threat whatsoever, revert to providing for the various State militia. The issue is clear cut. So is the solution.

For myself, I find I am in the camp of the AFL–CIO Executive Council in the matter. The council's statement on national defense concludes:

> Until such agreements are attained, our military power must be sufficient to effectively deter even the threat of attack.
>
> To achieve this goal may require us to spend more for defense than the budget proposed by Secretary Schlesinger which, by the administration's own projections, will probably not even keep pace with the inflation in the coming year. If fat can be found in the present budget, and if greater defense capacity can be achieved at no further cost, we will warmly approve. But if greater costs are required—so be it.
>
> No burden we must bear is too heavy to endure if the alternative is to live under dictatorship, or the constant prospect of war.

Mr. HAYES of Indiana. Mr. Chairman, it is my intention to offer an amendment to title V of H.R. 6674, the Defense authorization bill, which will exclude industrially funded activities of the Department of Defense from the computation of civilian manpower ceiling strengths.

This amendment is not directed at civilian manpower ceilings as a concept, nor does it attempt to challenge the basic assumptions of civilian manpower ceilings as conceived by Congress in prior authorizations. It challenges the application of the ceilings on self-supporting activities of the Department of Defense which respond to supply an demand created by unrelated defense appropriations.

Because industrial funds aim at military production in a fashion similar to private industry, manpower costs are minimized. But civilian personnel ceilings render this goal impossible.

The imposition of a ceiling will cause the work force at an installation to decline. However, fixed costs of operation remain constant. In fact, workload and funding may remain constant or increase at an industrially funded facility as congressional appropriations create work. The direct result of the imposition of the manpower ceiling on an industrially funded activity is an increase in cost per man-hour to produce a similar volume of material.

A typical example would be this: The Department of the Navy orders an industrially funded activity to decrease its workforce in response to a Department of Defense manpower allocation. Meanwhile, in response to congressional appropriations, the Air Force has increased its order for interceptor radar equipment from the same facility. The industrially funded activity must make more radar equipment with less manpower and at a greater cost.

Manpower ceilings on industrially funded activities give the illusion of reducing manpower costs, but instead increase costs. Contractual work will rise as Congress appropriates funds to accomplish defense material goals. At the same time, the number of employees will remain constant or shrink as the Department of Defense is forced to apply civilian manpower reductions at these activities.

The committee in its deliberations and in its report specifically pointed out an example of how this situation obtains in industrially funded activities such as a naval shipyard. A shipyard is and should be wholly responsive to its customers, and yet might suffer employee reductions at the conclusion of a fiscal year in order to comply with its share of a reduction in force even though its workload does not merit action. The committee, however, in its attempt to ameliorate these difficulties does not go far enough.

It has been Congress' intent to require that the Department of Defense use the least costly form of manpower consistent with military requirements—Public Law 93–365.

This amendment will make that intent effective.

By excluding civilian personnel engaged in industrially funded activities of the Department of Defense from the civilian manpower ceiling, industrially funded facilities will be able to reduce and increase civilian personnel strictly in regard to workload supported by existing funding.

Upon the adoption of this amendment, the following would be excluded from computation of end strengths, as furnished by the Committee on Armed Services:

DEPARTMENT OF DEFENSE, INDUSTRIAL FUND CIVILIANS (DIRECT-HIRE), END STRENGTHS

	Fiscal year—	
	1975	1976
Army	77,698	76,115
14 Depots (supply and maint)	39,761	[1] 39,497
7 Arsenals	19,480	18,530
1 Missile maint facility	6,982	7,982
7 R.D.T. & E. activities	7,475	6,436
Transportation management	4,000	3,670
Navy	162,241	164,616
8 Shipyards	60,685	64,428
15 Ordnance activities	21,634	20,972
9 Public works centers	11,615	12,410
8 Aircraft maint activities	28,349	28,360
7 Printing and duplicating	1,462	1,462
12 Military sealift command	5,161	5,587
55 R.D.T. & E. activities	32,722	30,784
2 Missile maint facilities	613	613
Marines: 2 supply centers	1,180	1,180
Air Force	45,265	42,946
Airlift services (MAC)	3,608	3,645
6 Depots (maint only)	40,454	38,121
7 Printing and duplicating	532	505
19 Laundry and drycleaning	671	675
Defense agencies	1,832	1,805
DSA clothing factory	1,625	5,600
DCA defense commercial communications office (contract admin.)	207	205
DOD total	288,216	286,662

[1] Close 1 act. in fiscal year 1976.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to H.R. 6674, the military procurement and research and development authorization bill.

Each year, we are led to believe that at some future date we will see a decrease in the military procurement authorization bill. We were told that once the Vietnam war ended, there would be less of a need for military armament. But once the Paris Peace Accords were reached, the promise was not realized because we now had to resupply an ally. Now the long Vietnamese struggle has come to an end, but rather than finding a cutback in arms procurement, we are told we need over $32 billion worth of military armament to prove to the world that we are still a strong nation. At some point, the rhetoric in the Department of Defense must surely clash with the curtain of reality.

Each year as I review the military procurement budget, I am amazed that the Armed Services Committee and in fact the entire Congress can find so little to cut in such a massive budget. This year, for instance, out of a total budget request of $32 billion, we could only find $700 million to cut. There are those who will say that this $700 million is a false figure, but the other two alleged cuts are really paper transactions. One cut of $1.3 billion was for military aid to South Vietnam and every person will agree that this is a moot request. Another $1.02 billion, which allegedly was cut from the shipbuilding request, has merely been pushed back to next year's military budget. Thus, we are left with the less than 3-percent cut that the Armed Services Committee traditionally makes in the defense budget.

What I find even more disconcerting is that in times of economic crisis, when some Members are calling for a balanced budget, it is these same Members who cannot find any program in the defense budget that should be cut. The defense budget is the one area in the Federal budget that is the most inflationary. Everyone is aware that every dollar spent on defense only generates 1 additional dollar in civilian spending, whereas the ratio for spending for social programs is variously estimated at between 4 to 1 and 5 to 1. But even worse, there are many Members and many economists who are fond of defining inflation as too many dollars chasing too few goods. The total defense budget, estimated at over $104 billion, produces no consumer goods. The defense budget puts money into the stream of commerce without producing the consumer goods necessary to support the expenditure. Thus, the defense-spent dollars contribute directly to an increase in the inflationary pressures.

I believe that we can prudently cut the military procurement budget and still maintain the strength and integrity of the Defense Establishment.

The B-1 bomber is an expensive yet unnecessary luxury in our weapons arsenal. The Defense Department has conceded that the B-52's are capable of performing their military function until the 1990's. The only advancement of the B-1 bomber is that it will fly a little lower and a little faster than the B-52. However, when we note that each B-1 will cost at least $85 million, and that the cost of the entire fleet will be in excess of $20 billion, it is clear that we cannot afford this luxury.

Beyond this, the B-1 bomber merely duplicates other existing defense systems. The Department of Defense wants to construct a triad of deterrents to nuclear war. This means that we will have missiles, submarines, and now the B-1 bomber to attack anyone who should strike against us first. There is no need to duplicate what our other two defensive systems can already accomplish.

Second, we should cut out funding for the maneuvering reentry vehicle—MaRV—on ballistic missile systems. This weapon is designed to destroy an opponent's missiles before they can be launched. This is a first strike characteristic rather than a defensive or retaliatory tactic. At this point, neither the United States nor the Soviet Union has gone very far into the development of the MaRV. But, if we should authorize development and procurement of this weapon, we can expect that the Soviet Union will also start its own MaRV program. Rather than authorizing the funds, we should seek to ban the development of this weapon at the SALT talks.

Lastly, it is clear that we could cut $.5 billion in procurement and research and development funds for the AWACS program. This aircraft is one that has never had a well defined mission. At first, it was conceived as a strategic air defense system for the Continental United States. Later, when it proved incapable of handling this threat, its mission was shifted to that of coordinating the air component of a full scale conventional war in Europe. But it was found that it was vulnerable to radar jamming, and its mission has been downgraded to that of defense of European airspace. The design of the plane brings into question whether it will be able to even accomplish this mission. In view of these continually changing plans, I believe we can cut this from the Defense budget without affecting our air defense.

Mr. Chairman, the huge budget deficits that we face in the next 2 fiscal years means that no program is sacrosanct. I hope that in the future, Members of the Congress will take a harder look at the defense request so that we can make a more realistic cut in its already bloated budget.

Mr. BOB WILSON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons as authorized by law, in amounts as follows:

(a) (1) During the fiscal year 1976:

AIRCRAFT

For aircraft: For the Army, $362,300,000, however, no funds authorized for procurement of Army aircraft shall be obligated for AH-1S aircraft; for the Navy and Marine Corps, $3,056,600,000; for the Air Force, $4,445,250,000, of which $115,000,000 shall be used only for the procurement of A-7D aircraft for the Air National Guard.

(2) During the period July 1, 1976, to September 3, 1976:

AIRCRAFT

For aircraft: For the Army, $59,400,000; for the Navy and the Marine Corps, $585,500,000; for the Air Force, $886,300,000.

(b) (1) During the fiscal year 1976:

MISSILES

For missiles: For the Army, $455,600,000, except, that no funds authorized for appropriation by this or any other Act shall be obligated or expended for development or production of a nonnuclear Lance warhead for any other nation, until a nonnuclear warhead for the Lance missile system for the United States Army has been certified for production by the Department of Defense; for the Navy, $1,000,500,000; for the Marine Corps, $52,900,000; for the Air Force, $1,768,500,000.

(2) During the period July 1, 1976, to September 30, 1976:

MISSILES

For missiles: For the Army, $56,500,00; for the Navy, $309,100,000; for the Marine Corps, $10,700,000; for the Air Force, $277,400,000.

(c) (1) During the fiscal year 1976:

NAVAL VESSELS

For naval vessels: For the Navy, $4,422,400,000.

(2) During the period July 1, 1976, to September 30, 1976:

NAVAL VESSELS

For naval vessels: For the Navy, $474,200,000.

(d) (1) During the fiscal year 1976:

TRACKED COMBAT VEHICLES

For tracked combat vehicles: For the Army, $915,000,000; for the Marine Corps, $101,500,000.

(2) During the period July 1, 1976, to September 30, 1976:

TRACKED COMBAT VEHICLES

For tracked combat vehicles: For the Army, $272,600,000; for the Marine Corps, $400,000.

(e) (1) During the fiscal year 1976:

TORPEDOES

For torpedoes and related support equipment: For the Navy, $19,200,000.

(2) During the period July 1, 1976 to September 30, 1976:

TORPEDOES

For torpedoes and related support equipment: For the Navy, $197,400,000.

(f) (1) During the fiscal year 1976:

OTHER WEAPONS

For other weapons: For the Army, $74,300,000; for the Navy, $26,300,000; for the Marine Corps, $100,000.

(2) During the period July 1, 1976 to September 30, 1976:

OTHER WEAPONS

For other weapons: For the Army, $9,700,000; for the Navy, $4,400,000.

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and

the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, had come to no resolution thereon.

"B-1 BOMBER—IS THIS THE BEST WAY TO SPEND 50 BILLION DEFENSE DOLLARS?"

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the debate that has just terminated, the general debate on the procurement authorization bill, touched on a great many points. I would just like to touch on one.

Reference was made to the B-1 bomber, and I would like to offer for inclusion in the RECORD at the conclusion of my remarks the testimony before the Committee on Armed Services this April by the Honorable Richard L. Garwin who has been an expert consultant to the Department of Defense for many years, in which he states that the B-1 will buy us "the shadow rather than the substance of first-class military power," and urges as an alternative the production of Boeing 747 transports with cruise missiles, which he believes would give us far more power as a strategic force than the proposed fleet of B-1's, and would cost only 10 percent as much.

When we realize that it will cost $84 million just to manufacture each B-1 and that the entire program is a $30 to $50 billion program, we are talking about an enormous saving.

The prime contractor, North American Rockwell Co., says that my congressional district is the Nation's second largest district in terms of the current B-1 prototype business. Nevertheless, I intend to vote against the $200 plus million in this bill for going into the full production phase on the B-1. The entire project is of dubious validity, but certainly we should do no more than maintain this program in the present research and development phase until we can get a real understanding of the cost effectiveness as compared with other ways of spending our limited defense dollars.

Mr. Garwin's testimony is as follows:

TESTIMONY OF RICHARD L. GARWIN

INTRODUCTION

It is a pleasure for me to be able to respond to the Committee's request for comment on the B-1 program and its alternatives. [Of course, these are my personal views and not necessarily those of any group with which I am or have been associated.] On defense-related matters I testified to committees of the Congress in 1972 in support of the SALT I Agreements and also in support of increased emphasis on defense exploratory development. On June 7, 1973 I testified to the Senate Armed Services Committee on the Defense Department budget proposal. On March 13, 1975, I participated for the Senate Budget Committee in a round-table discussion with Dr. Malcolm Currie, Director of Defense Research and Engineering, of the Defense Department budget request for FY-1976.

BACKGROUND

A brief biography is attached. As a physicist and technical manager, I have worked for 22 years in industry both on basic research and very broadly on modern technology. I have been Director of Applied Research in the IBM Research Division. For 25 years I have worked for one or two months a year or more as a consultant to the United States government or to its contractors on matters of national defense or intelligence, where I have made technical and programmatic contributions to the design of nuclear weapons, to ABM and air defense systems, to military aircraft and submarine and antisubmarine warfare, to the interpretation of intelligence and to the creation of national technical means of verification of agreements, etc. The greatest opportunities for constructive interaction with the Department of Defense extended throughout my two four-year terms as a member of the President's Science Advisory Committee from 1962 to 1965 and 1969 to 1972. During that period, I was a member or chairman of such panels as the Strategic Military Panel, Military Aircraft Panel, Antisubmarine Warfare Panel, Naval Warfare Panel, and of several *ad hoc* panels dealing with defense problems or opportunities.

In addition to my involvement in defense matters on behalf of the Executive Office of the President, I served on the Defense Science Board in the Department of Defense itself, for instance chairing a Task Force on Advanced Tactical Fighter Aircraft which reported to Secretaries Laird and Packard in 1969, many (but not all) of whose recommendations are visible in the current tactical fighter programs.

B-1 BOMBER

But I cannot agree with the proposed funding for the B-1 bomber program. I have followed the B-1 program from its inception. The B-1 was hardly put into valid competition with alternative programs at the time of its transition to full-scale system development, and continued expenditures on the B-1 will indeed buy us *"the shadow rather than the substance of first-class military power."* The Secretary of Defense warns against that danger in another context unless there is acceptance by the Congress *"not only of the Administration's budgetary request, but of the strategic concepts on which it is based."* But funds available for real military capability are just as surely diminished by commitments to new programs of $20 billion or $40 billion initial cost and very high operating cost, as much as they are by the Congress's refusal to authorize funds for effective systems. History aside, let me explain why, under the same strategic view adopted by the Department of Defense, we should choose an alternative to the B-1 program.

The FY-1976 request for the B-1 development is $672 million, additional to the $2,027 million committed through 1975. Although there may be fringe benefits from B-1 bombers, the only justification for consideration of a substantial fleet of these bombers, each of which will cost more than $80 million, is its role for the delivery of nuclear weapons in strategic war. Before we had ICBMs and SLBMs, the strategic bomber was our sole U.S.-based deterrent, and even now, with large numbers of Minuteman and Poseidon, the B-52, together with its tankers, constitutes an important component of the strategic deterrent. This comes about, of course, because the bomber can be launched on warning (even somewhat ambiguous warning) of SLBM launch or ICBM launch, and can be airborne and invulnerable to strategic attack for hours (far longer than the fraction of an hour required to determine whether the United States is in fact under large-scale nuclear attack). To play this role, the bomber must be demonstrably survivable in escaping its home air field. It must be warned. A substantial fraction of the bombers must be able to penetrate through Soviet air defenses to strike their targets. Furthermore, if the bomber does not have enough range to fly from its home air field to its targets and to a recovery base, then air-refueling tankers must exist and must also safely escape their bases under nuclear attack. Some eight or ten hours later, the bomber targets come under attack. The bomber contribution to the strategic force comes about because of its basing mode, because it can return after being launched, and, of course, only if it can deliver its weapons on target. One of the alternatives which was largely ignored at the time of the initiation of B-1 development in June 1970 is the possibility of filling the advanced-bomber role with a stand-off bomber, which does not in fact penetrate the air space of the Soviet Union but instead launches long-range cruise missiles, which fly with bomber-like speed the rest of the way to their individual targets, delivering a nuclear warhead more powerful than that of Minuteman III. At that time, the Air Force was contemplating a SCAD program, in which the cruise missile was primarily a decoy rather than a means of attack, and the long-range cruise missile was not considered in its own right. Nor were the various aircraft characteristics properly evaluated as to their contribution to the strategic mission.

Now, Dr. Currie has reported the results of The Joint Strategic Bomber Study, revealing *"that bomber force cost-effectiveness was crucially dependent upon a relatively few factors.*

For all forces, survivability against an SLBM patterned attack depends most upon reaction time. Dispersed basing, threat levels, air vehicle hardness, and speed are substantial but secondary considerations.

Cruise missile penetrativity, good against fighters because fighters are overwhelmed by the large numbers. Thus the cruise missile is a potentially powerful complement to the penetrating bomber."

But now in March 1975, the Defense Department has the results of the Joint Strategic Bomber Study; by virtue of its air-launched cruise missile (ALCM) and submarine-launched cruise missile (SLCM) programs, it has a much better understanding of the characteristics, performance, and cost of strategic cruise missiles; and it has recognized the importance of designing our force not only to achieve a given capability within a given initial cost but also to have low operating costs. I believe that we are now at the point where we can make a firm decision to abandon the B-1 program after the prototype aircraft and to commit the bomber portion of the force to a cargo-type aircraft carrying nuclear-armed strategic cruise missiles of range about 1500 nautical miles. Such a missile is, of course, under development as the SLCM, which would have a range of more than 1500 nautical miles, at perhaps Mach 0.7 and 200-foot altitude. There is no reason to believe that such missiles cannot be developed and manufactured for less than $1 million each. A single C–141 could easily carry 50 such missiles and two launchers, while a 747-type aircraft could carry as many as 100. Indeed, DOD is seeking $5.2 million in the FY–1976 budget for the Advanced Tanker/Cargo Aircraft, a modified commercial wide-body jet. This aircraft could indeed have a third capability, namely that of a strategic cruise-missile launcher, where the cruise missiles would be carried in loadable racks in the cargo space, with automatic feed to a couple of launchers. Indeed, Congressional questioning of Air Force spokesmen regarding the FY–1975 budget revealed that there was an agreement between the Office of the Secretary of Defense and the Air Force whereby the Air Force would not have to analyze a triple-capable configuration, but could leave out of consideration a stand-off cruise-missile launching capability for the Advanced Tanker/Cargo Aircraft.

[In response to a question at the Hearing 4/17/75 I promised to submit for the record documentation for this statement. The following is reproduced from the Senate Armed Services Committee Hearings, 93rd Congress, Second Session, on S. 3000—Part 6 Research and Development March 22, 26, 27, 29, April 1 and 2, 1974 (page 2734). In turn this material was supplied for the record by the Air Force spokesman.

". . . no requirement could be established for a new aircraft to carry air-launched cruise missiles (ALMC). The ALMC is being designed to complement and support the bomber during penetration of enemy defenses, and this complementarity will be enhanced when the bomber carries the missile . . . Although no specific costs were estimated for the cruise missile capability, undoubtedly they would be quite significant . . . The combination of potentially high costs, degradation of systems effectiveness by proliferating its uses, and the fact that there is no valid justification for a unique force of cruise-missile launchers led to an agreement between Air Force and OSD not to pursue this capability."]

But physically that possibility is there, and if we are choosing the best among alternatives for survivable, effective strategic weapons, then we must consider also this cruise-missile-launching airfcraft.

Would such an aircraft survive and take off from its base as well as a B–1? Not only do we have Dr. Currie's report of the Strategic Bomber Study that reaction time is of primary importance, with speed, hardiness and dispersed basing secondary, but we also have the results of that study that the KC–135 tankers are adequately survivable. Therefore, I believe that it can be taken as assured that the Advanced Tanker/Cargo Aircraft/Cruise Missile Launcher can be built with adequate reaction time to take off safely in the threat environment.

Can the cruise missiles penetrate to the target? Although Dr. Currie's testimony suggests that "cruise missiles are effective against advanced fighters and are countered by extensive advanced-capability SAMs" the cruise missile would of course be programmed to fly around fixed SAM sites, and because of the very low altitude of the cruise missiles, even mobile SAMs would have difficulty detecting and intercepting them. In all, although some cruise missiles will be lost to such advanced SAMs, I believe that a 3000-warhead cruise-missile force would have a far higher fractional penetration capability than would, for instance, a 150-aircraft B–1 force. How much would such a cruise missile force cost? Loading only 50 cruise missiles into each of 60 modified 747s, the aircraft at about $30 million would be $1.5 billion; 3000 cruise missiles would between $1.5 billion and $3 billion. A further substantial benefit of this stand-off cruise-missile launching system, in contrast with a system based upon the retention of large number of penetrating aircraft, is a greatly-reduced operations cost. The current stategic bomber force incurs a direct operating cost of about $2 billion annually, plus an indirect operating cost of approximately the same amount, for a total of about $4 billion annually. B–52 crews, FB–111 crews, and eventually B–1 crews must train continuously for the very exacting high-speed, low-altitude, terrain-following penetration run for hours over enemy territory. Furthermore, such training service is very hard on the aircraft life. By contrast, a stand-off cruise-missile launcher needs no such expensive continuing training. With modern automatic commercial navigation systems to guide the aircraft, all that needs continuing practice is the crew readiness and rapid-reaction take-off, which is far less demanding on the aircraft and builds up far less fatigue than does the extended low-level penetration.

Furthermore, the bomber role as fulfilled by a stand-off cruise-missile launcher needs no associated tankers, thereby maintaining capability in the face of enemy attack far more severe than is required to disrupt a penetrating bomber attack which relies on tanker support.

Dr. Currie's testimony states: "An all stand-off cruise-missile force (using wide-bodied transports) is not promising because it invites attack on the relatively few weapons carriers before their cruise missiles can be launched." If indeed cruise missile launchers are vulnerable to fighter attack before their cruise missiles can be launched (say, 500 miles from Soviet borders), how much more vulnerable must the B–1 be if it must fly not only 500 miles from the borders but all the way in to its target? If the B–1 survives because of its numbers, a solution is to buy as many wide bodied jets as one would have bought B–1s, although only a fraction of them need be equipped with cruise missiles or cruise-missile launching capability. But, in fact, Soviet ability to conduct intercepts at such distances from her borders is not now foreseen, especially in the context of support by our ICBM force for the penetration of cruise missiles.

Finally, Dr. Currie notes ". . . the extreme sensitivity of the performance of the penetrating bomber to the quality of its ECM . . . This sensitivity is so crucial that continuous reevaluation of ECM interactions are required over the long term." From my continuing contact with this field, I do not believe we can ever have adequate confidence in the ECM capability of our bomber force against Soviet home-deployed SAMs, when the chips are down. In the ICBM field, although jammers against ABM radars were always a possibility, we chose the route of saturation by multiple warheads, and I believe that the prudent course for the airfield-based component of the deterrent is to rely on numbers of penetrating cruise missiles for assured penetration.

To sum up my recommendations regarding the B–1 program:

No more funds should be authorized for the B–1 program.

Funds already appropriated should be spent only on flight test and evaluation of the prototype aircraft, and unspent funds should be returned.

Emphasis should be placed for the bomber portion of the strategic deterrent on the early definition of the advanced tanker/cargo aircraft/cruise missile launcher and the accompanying cruise missile. The savings in requested funds for FY–1976, FY–197T, and FY–1977 amount to about $2,401 million.

CONCLUSION

In summary, by denying funds for the B–1, one can reduce the Defense Department budget by some $2 billion or more over the next two years, and begin the transition from the shadow of military power to the reality of first-rate military power, at a savings which will probably exceed $3 billion per year indefinitely in averaged procurement and operation costs. I emphasize that this saving does not involve a reduction in U.S. strategic capability or a change in strategic philosophy. In fact, a full force of stand-off launching aircraft and cruise missiles can be available sooner than could the fleet of B–1 aircraft.

LEGISLATIVE PROGRAM

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, I take this time to discuss what the calendar will be for next week.

Mr. STRATTON. Mr. Speaker, if the distinguished acting minority leader will yield, I will be happy, as acting majority leader, to respond to his inquiry.

Mr. ROUSSELOT. I yield.

Mr. STRATTON. There is no further legislative business for today, and upon the announcement of this program for next week, I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for the week of May 19, 1975, is as follows:

On Monday we have the Consent Calendar, and we have seven bills on suspension:

H.R. 4073, the Appalachian Regional Development Act;

H.R. 12, Executive Protective Service;

H.R. 5217, Coast Guard authorization;

H.R. 5710, Marine Protection Research and Sanctuaries Act;

H.R. 5447, National Advisory Committee on Oceans and Atmosphere;

H.R. 6054, Office of Environmental Quality; and

H.R. 5709, Offshore Shrimp Fisheries Act.

The votes on all of those suspensions will be postponed until the end of all of the suspensions, and at the conclusion of the suspensions the House will take up:

H.R. 6674, the defense authorization and undertake to consider amendments under the 5-minute rule, and will conclude that legislation on Monday.

On Tuesday, we have the Private Calendar, and also we have two suspensions:

H.R. 6516, the Equal Credit Opportunity Act amendments; and

H.R. 6698, social security assistance for U.S. citizens returned from abroad.

The votes on those two suspensions will also be postponed until the end of all suspensions.

In addition there are two other bills scheduled for Tuesday:

H.R. 5247, Local Public Works Capital Development and Investment Act, which is subject to a rule being granted; and

House Resolution 371, International Women's Year Conference.

On Wednesday and Thursday we have:

H.R. 6860, Energy Conservation and Conversion Act, subject to a rule being granted; and

H.R. 5727, Parole Reorganization Act, under an open rule, with 1 hour of debate.

I will also say to the gentleman that at 11 o'clock on Thursday we will receive former Members of the House, in keeping with the longstanding tradition.

Of course, conference reports may be brought up at any time, and any further program will be announced later.

I will say to the gentleman that, as he is well aware, the House is scheduled to adjourn at the close of business on Thursday, May 22, until noon on Monday, June 2.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman comment further. If the rule is granted on the Energy Conservation and Conversion Act, is it possible we will go into a Friday session on the basis that the act might take more time to cover than anticipated? Do we contemplate a Friday session?

Mr. STRATTON. If the gentleman will yield, there is no plan to hold a Friday session. It is contemplated we will complete that particular legislation prior to the close of business Thursday.

Mr. ROUSSELOT. If the strip mine legislation is vetoed, and I have no prior information, is it contemplated we will vote on that prior to the recess?

Mr. STRATTON. If the gentleman will yield further, I would respond on that point. I would like to add that if the President should issue an Executive order decontrolling old oil, then we would have on the floor next week a resolution of disapproval, and if there is such an order we would have 5 legislative days in which to act. Our plan would be to have the Rules Committee consider the disapproval resolution, House Resolution 439 on Monday, and take it directly to the floor on Tuesday.

In response to the gentleman's specific question, if the President vetoes the strip mining bill, there is a possibility we would take that up next week.

We would also like to notify our committee chairmen and members that during the week of June 23 we will be considering five appropriation bills that should completely fill out the week before we adjourn prior to the 4th of July: the HUD appropriation bill, the State-Justice, the Public Works, the Labor-HEW, and the Agriculture appropriation bills.

Mr. ROUSSELOT. If the gentleman could help us on some additional items, is the Democratic leadership really convinced we would be able to do all the things suggested here and still take up the energy bill if it is granted a rule?

Mr. STRATTON. The leadership is convinced.

Mr. ROUSSELOT. And we would have no Friday session.

Mr. STRATTON. That is correct.

Mr. ROUSSELOT. Also do I understand that the former Members' time is from 11 to 12 on Thursday, so we will not be coming in early for business on Thursday?

Mr. STRATTON. The gentleman's assumption is correct.

Mr. ROUSSELOT. I thank the gentleman.

ADJOURNMENT TO MONDAY, MAY 19, 1975

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL 4 O'CLOCK ON FRIDAY, MAY 16, 1975, TO FILE REPORT ON H.R. 5447

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until 4 o'clock tomorrow afternoon, May 16, 1975, to file its report on H.R. 5447, to authorize appropriations for the National Advisory Committee on Oceans and Atmosphere.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 6900

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the report of the Committee on Ways and Means on H.R. 6900, a bill to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes, may be filed by midnight tonight, May 15, 1975, along with any additional or dissenting views.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SECOND ANNUAL REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–152)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Enclosed is the "Second Annual Report of the National Heart and Lung Advisory Council," prepared in accordance with the requirement of Public Law 92–423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

The National Heart and Lung Advisory Council has again prepared a thoughtful Report that addresses a number of important research policy questions. With regard to the Council's Report, there are recommendations that are in accord with the Administration's views (e.g., for inter-Council collaboration) as well as recommendations that are at variance with Administration policy (e.g., on the Council's proposed budget).

The Report indicates that "the Council has tried to estimate as realistically as possible the funds which are required to implement the National Program" of the National Heart and Lung Institute. The Council recommended funding levels without considering budget constraints. Therefore, it is not surprising that the budget recommendations of the Council considerably exceed those of the President's 1976 Budget, which must take fiscal constraints and competing national needs into consideration. It should be noted that the budget for the National Heart and Lung Institute has increased greatly in recent years: from $195 million in 1971 to $286 million in 1974, to $293 million proposed for 1976.

The Administration acknowledges the accomplishments of the National Program as described in the Council's Report, and continues to view the heart and lung program as an area of high priority. The Report of the Council merits serious consideration and is being carefully studied and evaluated. I am forwarding the Report to the Congress so that it is available for deliberations.

GERALD R. FORD.

THE WHITE HOUSE, *May 15, 1975.*

SPONSORING EXECUTIVE AGREEMENTS REVIEW ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, considering the diminishing role of Congress in determining foreign policy as a result of the growing number of executive and other international agreements, I am today joining 27 members of the International Relations Committee as a sponsor of the Executive Agreements Review Act of 1975.

The policy of the executive branch to bypass Congress by the use of these agreements is not in accord with the intent of the Constitution. With regard to our recent prolonged involvement in Southeast Asia, I believe it is clear that Congress needs to reassert its responsibility in the conduct of foreign affairs, and this bill will provide for congressional review of all executive agreements.

This legislation, I believe, is vital to the strengthening of the role of Congress in foreign affairs, because it permits Congress to play an integral role in the shaping of foreign policy.

These agreements have commited the United States to the security of South Korea, Japan, Tawian, Portugal, Spain, and Bahrein. The agreements with South Korea, Japan and Tawain are pursuant to the bilateral treaties the United States has with them, but the commitments for Portugal and Spain have been classified as agreements concerning base rights in these countries. The executive branch uses these agreements for all types of commitments, ranging from security to trade and postal exchanges. The executive branch is bypassing the Congress, and thereby the American people, by the use of these agreements to form many of the major commitments the United States has to other countries.

Executive agreements are now concluded without the very important consent of the elected representatives of the people. Also these agreements which have been used to establish relations with other countries, establish military bases overseas and commit the United States to the defense of other nations can be concluded upon the sole discretion of one man, the President, without advice and consent. Before we make one more commitment of peace, money or material, Congress needs to reassert the separation of powers doctrine and the system of checks and balances in foreign commitments.

The legislation I am introducing today is identical to that of Chairman MORGAN and other members of the International Relations Committee. I believe this bill is a logical and necessary extension of the Case-Zablocki Act, Public Law 92-403, which requires the transmission of all executive agreements to Congress. The Secretary of State would be required by this bill to transmit all executive agreements which in any way establish or renew a national commitment of security, military or financial aid in any form, to Congress. These agreements become operative 60 days after their transmission, unless by a concurrent resolution Congress disapproves of the agreement.

The agreements with Portugal, Spain, and Bahrein would be included in this bill. In the future Congress would have the power to control such agreements.

With great concern in recent Congresses that the legislative branch has not been able to play its role in foreign policy because of executive and other international agreements, I believe that this measure can bring Congress back into a substantive role in determining the course of our foreign policy. I hope this bill will serve as a catalyst in the creation of a mutual role of both the executive and legislative branches in forming foreign policy. Through a mutual role, American commitments can and should be supported by both the executive and legislative branches of our democracy.

This cooperation does not mean that Congress will be involved in the direct negotiations, but permits the Congress to give their approval and support. This bill removes the total burden of our complex foreign policy from one man.

With such a measure, requiring congressional support for national commitments, I believe American allies and friends will have a greater trust in American promises. In light of recent comments made by some of our allies, especially in Asia and Europe, I believe this measure is vital to maintaining strong commitments abroad. This measure could prevent the embarrassment to our country caused by the Thieu letters and other such agreements.

I believe that we will see this bill will not only strengthen the congressional role in foreign policy, but the commitments made will be strengthened and more greatly respected.

WORLD COURT SHOULD SETTLE LEGAL ISSUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, I rejoice in the success of President Ford's action which led to the rescue of both the ship and crew off Cambodia.

The action entailed great risk but at stake was a great principle—freedom of the seas. If the United States, as one of the two world superpowers, had equivocated in dealing with this act of piracy, the safety of all ships at sea would have been jeopardized.

In my opinion, the President acted entirely within his constitutional authority. He is called by history, tradition, and the Constitution to use military force to a reasonable extent to protect U.S. lives abroad. Considering what was at stake in terms of principle, the use he made of military force was reasonable.

The President could wisely take a further step related to this incident. He could give even greater standing to the principle of freedom of the seas, and the underlying concept of the rule of law not force in international affairs by inviting Cambodia to join the United States in placing any and all legal issues which may arise in connection with the incident before the International Court of Justice at the Hague for adjudication. The United States should offer in advance to accept the judgment of the court.

Cambodia has already made allegations against the United States of espionage, provocative action, violation of territorial rights. No doubt Communist propaganda mills will grind out other charges. The world will be watching to see how we respond.

By inviting Cambodia to join in letting the Court settle all such issues, our Government would effectively disarm its critics.

The United States is the world's foremost exponent of the rule of law. Here is an opportunity for the United States to prove it means what it says.

The rescue was an exercise in power, and, in my view, a prudent one. The referral to the Court would raise the issue to an even higher plane and prospect. It could open a new era in which disputes between even the greatest and smallest of powers are settled ultimately by the application of legal principles and conventions.

For all these reasons, I have transmitted this recommendation to the appropriate officials in the State Department.

SPEECH OF DR. FRANK W. SHELTON BEFORE AMERICAN ASSOCIATION OF RETIRED PERSONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SKUBITZ) is recognized for 5 minutes.

Mr. SKUBITZ. Mr. Speaker, Dr. Frank W. Shelton recently addressed the American chapter of the American Association of Retired Persons. I insert his remarks at this point in the RECORD:

LIFEBOAT

About 2:00 AM on April 15, 1912 the soulful human "Nearer My God to Thee, Nearer to Thee—E'en though it be a cross that raises me" floated through the dismal mists of the cold north Atlantic, 711 women, children and a few men huddled in lifeboats, listening and crying as the last strains were suddenly obliterated by the waves. And with those last strains 1,513 men—mostly brave—were drowned.

The mighty Titanic went to the bottom after striking an iceberg on its maiden voyage. It had been touted by its architects, builders and owners as unsinkable. And, as such, adequate lifeboat facilities seemed unimportant in the great ship's design.

When the ship's officers realized the extent of the disaster, women and children were ordered to the lifeboats. This discrimination was accepted, because we were still in the waning years of the age of chivalry.

The captain's decision to let some individuals live and sentencing others to die was a dramatic example of the "lifeboat ethic". The hypothesis upon which this ethic is based is that in the event of catastrophe, a moralistic and rational determination must be made as to which lives shall be saved with limited lifesaving capabilities. In other words—shall some be saved or shall all drowned by overcrowding and sinking the only means of survival—the lifeboat? In wartime and similar disasters, the lifeboat ethic is also known as "triage"—which is the saving of savable wounded and letting the hopeless cases go.

Even though it may be hard for us in Kansas to realize it—we in the United States today can be viewed as being in an overloaded lifeboat while the ocean outside is full of drowning millions from the so-called "developing nations". What should we lifeboat passengers do? Remember, in this proposition the lifeboat United States is overloaded.

Some of those in that boat helped to build it; while others had exploited the builders—and still others had sat by and watched, while eating out of the lunch buckets supplied by the builders. Unless the numbers in the boat are reduced, it will be swamped and all will drown.

Dr. Garrett Hardin in analyzing the dilemma, says that it is morally abhorrent to save oneself while others flounder—and that some people feel guilty about their good fortune to be in the fine boat U.S.A. Of course those with the guilty feeling can get out and yield their place to others. "This may solve the problem of the guilt-ridden persons's conscience, but it does not change the ethics of the lifeboat. The person to whom the guilt-ridden person yields his place will not himself feel guilty about his good luck. If he did, he would not climb aboard".

Other nations, and millions of able-bodied people in our country, have long adopted this ethic for their survival, and they have been imposing on our charitable nature and our productivity for their selfish purposes. This has been magnified by those with guilt complexes and the "do-gooder" elements among us who find charity to outsiders more dramatic and satisfying than charity at home.

However, whether we like it or not, all the evidence confirms that the population explosion and our past wastrel practices—which have dissipated our natural resources—bring us face to face with adopting the "lifeboat ethic" or being destroyed as a desirable nation of free men.

The pioneers of this nation did not fight, sweat and die to have their efforts consumed and destroyed by Johnny-come-latelys and other opportunists. They aspired for and built a free and wonderful land for their children—in which the quality of life would be ever improving. But, since the turn of the century, self-serving and internationally oriented politicians, academicians and profiteers have opened our gates to internal and alien parasites, and they have picked the taxpayers pockets to send over 300 billions of dollars to undeserving foreign lands.

Now—we have reached the hour of decision. Either we determine to save our nation and the hard-earned American-way-of-life or we will be swamped by the world's population explosion. In 1930 the world population was less than 2 billions—today it is over 4 billions. Each day the world has 200,000 more mouths to feed. In 25 years the world population will be over 6.5 billions and by 2050 it will reach 12 billions.

To my personal knowledge—for over 60 years the people of the United States have been called upon to save India from famine. And, today, that country is in worse shape year by year—and is demanding more and more assistance because they multiply like flies and do little to reduce their plight. Because of our charity, they are capable of reproducing faster.

The same malpractice is a scandal in our own country, where we nurture millions of able-bodied sluggards whose only creative activity is the destructive reproduction of so-called underprivileged, generation after generation.

Let us look through the eyes of others at the over-population in and around our lifeboat:

The Environmental Fund says, "We have reached, or nearly reached, the limit of the world's ability to feed even our present numbers adequately." And, in November 1974, Senator J. W. Fulbright warned that "We Americans are not only living beyond our economic means; we are damaging the world's ecology by depleting irreplaceable raw materials."

At the New Mexico "World Food Conference" in October 1974, A. W. Laggeneggar, President of the New Mexico Farm & Livestock Bureau, opined that, "The really serious aspects of the world food situation involve over-population and inadequate incentives for economic development." In the December 10, 1974 Miami Herald, James McCartney stated that, "In the long run if population can't be controlled, there will not be enough food anywhere."

At the World Food Conference in Rome, Kissinger emphasized the need to bring the world's population explosion under control if the food crisis is to be mastered. He declared that, "At some point we will inevitably exceed the earth's capacity to sustain human life."

Don Paarlberg of the U.S. Agriculture Department, said if population can't be controlled "there is no answer to the food problem."

"Population growth is insidious. Its like a cancer," says Dr. R. T. Ravenholt, director of the Agency for International Development's Office of Population. "It moves silently and may not be perceived until it is too late, eating up all the resources and eventually crippling a nation."

We senior citizens—who endured the last big depression and remember the pre-welfare-state years when the dollar was worth a dollar and people had pride in workmanship—we are in the lifeboat together. We had a big hand in building that boat. We are the ones who can take the lead in saving our nation from the impending destruction of the American-way-of-life. For it is we—the senior citizens—who are being and will be most seriously and adversely affected by inflation and the ill-advised proposals to combat the energy shortages.

President Ford has said "A breakdown of world order and world safety is threatened." The President of France believes he has identified four horsemen of a threatened modern Apocalypse—energy, food, population and finances.

None of these problems can be separated from the population explosion. And, as stated in the Congressional Record on December 18, 1974, page 40811, "The fact that there is a new and unprecedented world crisis of monumental proportions is no longer disputed by top government officials." Further, it is agreed that there is no way the United States can feed the world.

If ever there was a time when this country needed leadership with guts, gumption, grey-matter and greatness—now is the hour. But, what do we have at all levels of government—and particularly in the nation's capital—ineptness, vacillation, a prime interest in a foreign home-land, near-sighted planning, ego-centric evaluations, double-talking, special-interest determinations, "The King and I" syndrome, bureaucratic and military superpowers, and impractical, destructive, politically motivated decisions.

Recent Administration and Congresisonal proposals and orders to solve the energy and economic crisis reflect the influence of theoreticians rather than experienced practitioners; Wall Street rather than Main Street; bureaucrats rather than private citizens; privileged politicians and big business executives rather than small business men, farmers, ranchers and senior citizens; and politics rather than patriotism—and last, but not least, foreign home-land interests rather than America First.

Those proposals admittedly will accelerate and skyrocket the already unprecedented inflation. It will be the coup de grace for small businessmen, ranchers, farmers and those on fixed incomes. Senator Proxmire estimates the $3.00 per barrel tariff and 37-cent per thousand gas tax will raise the price of natural gas 300 percent; and the cost of heating and cooking in the average home will increase from $260. to $1,000. per year.

Dale E. Saffels, Chairman of the Kansas Corporation Commisison, said Ford's proposed 37-cent tax on natural gas, alone, will cost Kansans about $240 million per year; and would increase gas prices 50 percent. That tax also would increase fuel costs of public utilities by 93 percent, which would be passed along in home utility bills.

In the opinion of Robert Robel of the Governor's energy council, Ford's proposal to tax natural gas will cost the average Kansas family $570. per year. In talking to dealers, I estimate that ranchers will have to pay about $350 per ton for fertilizer on their pastures as against $60 per ton in 1973. Even Administration representatives admit that Ford's fuel tax plan may increase inflation by 3.5 percent and will cost the consumer $50 billion per year.

Then there are plans to give income tax refunds on 1974 taxes. But what about the small businessmen, ranchers and those on fixed incomes who lost money or had incomes below taxable limits?

The huge inflationary aspects of the oil tariff and gas tax have been hidden in a smoke screen. Millions under labor contracts will get escalations in pay to cover the consumer price index rises caused by the big jumps in all petroleum related products. The millions of Federal employees, who just received a 7.4 per cent cost of living increase, are among those who will get pay jumps. These pay increases in turn will raise the consumer index, which again will cause more pay increases. Each such pay increase will add to the cost of products to consumers. The cost-push will skyrocket.

It is estimated that the Ford petroleum and gas proposals will cause a $100 billion increase in the cost of living in the next 12 months and an inflation rate of 18 to 20 percent. Even the Administration spokesman's 3.5 per cent increase would make an inflation rate of 16 percent.

For 40 years our government's economic policies and philosophies have been ruled by professors (largely Ivy League), so-called intellectuals and a New York based international clique. Every practical and worthy suggestion to solve today's crises were rejected by the King's Court. Unfortunately, Ford himself is far removed from reality—having been feeding at the government trough and playing the Washington log-roll game for over 26 years.

Our leaders should set Churchillian examples to rally the nation to fight for the American-way-of-life. Instead, there has been no move to cut government salaries. Both civilian and military personnel are being treated, not only with pay raises, but also with a multitude of pay-raise promotions. The hundreds of generals, admirals, colonels, etc., in our military would make the farcical Mexican army look like a band of privates. Further, the thousands of "double-dealers"—the military brass that retires and takes other top government jobs; those who have military pensions and civil government pay—are in many instances making well over $50,000 per year. They get escalations in both their pay and their pensions.

Then there is Kissinger who flies all over the world, taking his family at our expense—with the large entourage of secret service men. He even had them on his honeymoon. He has another big plane flying an armored car for his protection. Then there are the vacation trips, such as skiing at Vail, the large numbers of government employees are transported, wined and dined to "confer" with the President and others. Of course the many Congressional junkets all over the world are a continuing enormous "legal" filching from the public coffers—take for instance overseas trips by the lame-ducks of the last Congress.

All these costly and unnecessary trips, together with thousands of others, consume millions of gallons of fuel and millions of dollars.

Then there are the elaborate playgrounds, across the country and around the world, called military bases. There are over 300 military golf courses in the United States alone. These consume fertilizer, fuel and manpower—all much needed on our farms and ranches. And our foreign aid programs give away other millions of tons of fertilizer and fuel—thus making severe shortages and exorbitant prices here at home. Recently an aircraft carrier took all the families of the ship's compliment, together with pets and automobiles, on a cruise. Why didn't the news media give us more lowdown on that?

The President has asked for alternate plans. However, his advisers must prevent him from considering such alternates. Alf Landon last week suggested several practical alternates, and I am proposing the following suggestions which will face up the major issue of population explosion which the politicians appear to duck.

First—We have always abhorred war—still we have fought several when we believed our American-way of-life was endangered. Such wars always resulted in the killing of those that we considered to be our enemies. Often we had to round up and deport aliens if they might be a hazard to our cause.

Second—We must recognize that this war is more insidious than any in the past because it creeps on us like cancer, and we have not had a violent confrontation to awaken us to the dangers. Further, the powerful forces who profit from our lethargy have misled us over the years and have prevented our education to the magnitude of the crisis.

Third—We must pragmatically and scientifically determine the optimum population for our country—the 50 states—based on the resources which remain at our disposal. And, we must trim our country's population to meet the optimum. A cursory estimate would suggest a population of about 185 millions as opposed to the present 215 millions.

Fourth—We should allow free enterprise and free markets to govern our economic life.

Fifth—We must cut governmental bureaucracy and expense, and we must balance the budget.

Sixth—Our citizens, and particularly our children, should be educated in economics and made aware that quality of life is not synonymous with dollars. More of our people need to learn trades and have pride of fine workmanship. Craftsmanship and intellectual development should be applauded at least as much as physical prowess.

Seventh—Night sports and other energy consuming spectacles should have a moratorium until there is a domestic surplus of energy over and above the household and industrial requirements. Large sports arenas, gymnasiums and racing events should be severely restricted in the use of energy consumed which is disproportionate to the mass intellectual and physical benefits derived from their use. The use of company-owned and government-owned vehicles and planes and boats for pleasure should be heavily penalized.

All of these can be attained without the country being nursemaided by additional bureaucrats—but it will require patriotic leadership rising above the present mediocrity.

The optimum population can be achieved by taking our military forces out of their domestic and foreign playgrounds and using them to assist the immigration officials. The influx of some 10,000 illegal aliens each day must be stopped—incidentally, that is adding another Independence, Kansas to our population each day. Those forces also need to sweep the nation clear of some 15 millions of illegal aliens. They hold an estimated 5 million jobs in our country. Hiring of such aliens should be a criminal offense.

Immigration (those allowed to legally enter our country) should not exceed emigration (those leaving our country). This would cut our population growth by 500,000 per year. Then there is the movement into the 50 states of some 100,000 people per year from our commonwealth territories. They arrive as U.S. citizens, and many go immediately on relief. Puerto Ricans form a large body of these people. It is estimated that they number around 4 millions in the states. Most of them should be returned home. Again the influx should be balanced with those citizens moving to the territories.

Our welfare roles must be pared rather than having able-bodied young recipients procreating on relief generation after generation. Other means have failed, so sterilization of the chronic able-bodied young reliefers may be the answer. Also, felons, incompetents and the insane should not be permitted to reproduce—since experience shows that they cannot support families and they have a high percentage of indigence among their offspring.

If we recognize our dangers and if we have the will, our optimum population can be achieved and our quality of life maintained. We say "Nothing is too good for our children". Let us dedicate ourselves to the future realization of that proposition—rather than having them inherit that slogan as hollow rhetoric.

I am sure that this proposal will be shocking to many and will not fit some ideologies. And I do not suggest that my prescription is complete and should not be subject to amendment, but it is based on facts and the fundamental proposition has not been nationally propounded. It would put a crimp in the profits of some quick-buck promoters, and it will not fit the short-sighted growth goals of some industrialists. But, all Americans will benefit by an improving life quality; whereas, our present rapid descent will bring us all to a primitive rather than quality way of life. At least it does not call for a $60-billion deficit in next year's Federal budget. Instead the budget should be reduced.

May I ask your thoughtful consideration of our prospects in your evaluation of these suggestions. Thank you.

THE NEED TO BE PREPARED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, during the past couple of days we have had once again a dramatic reminder of the need to be prepared. It is a lesson we seem incredibly prone to forget—despite Pearl Harbor, despite the lightning emergency of the Yom Kippur war, and despite even the most recent emergency at sea, involving the ship *Mayaguez*. That incident is not even over yet, as we debate this bill.

What all these emergencies prove, and what we can never forget, is that we do not have the time to gear up and get ready for action. There is no time for planning, for a leisurely preparation. Our military forces have to be ready, willing, and able to act in an emergency. What is more—and even more important, we have to be able to maintain action. We have to have not only strength to act, but strength to continue to act, for as long as need be, to protect our people and our interests, wherever they are challenged.

Yet, I see in this bill a less than adequate response to that kind of need.

In building a force that can sustain its action, we have to have an adequate base of logistical support. It is this logistical support that involves a huge number of civilian personnel. That brings to mind title V of this bill, which places severe restrictions on the number of civilians who may be hired. The report of the committee places further restrictions on just what civilians are going to be fired—namely, restrictions on how many civilians the Navy can fire. It directs that all the reductions in fact be made by the Army and Air Force. But I see nothing persuasive, no evidence, that these services are any less in need of replenishment, of logistical support, of inventory repair and rebuilding.

I think that the level of manpower called for in this bill is insufficient to meet the basic, the vital needs of our services, if those services are going to be ready for extended action—as events of these last days indicate they could be, at any time.

So I have questions about this bill, and I raise these in the hope that they will be specifically answered during the course of this debate. These are my questions:

First. Referring to title V of the bill, is it correct that the manpower ceiling envisioned and provided for would result in the loss of about 10,000 civilian positions in the Air Force?

As I read it, the ceiling you provide for is identical with the Defense Department request, and according to the Secretary's annual report, that calls for a reduction of 10,000 civilians in the Air Force. Is that correct?

Second. How can you be assured that the Air Force can absorb these reductions, when the commitee says that the Navy cannot take any reductions at all—and in fact, the committee would require the Department of Defense to clear any Navy cuts with you beforehand? How can you be so assured that the Air Force can be cut by 10,000, without endangering its basic mission?

Third. I ask these questions because I know for a fact that the Air Force Logistics Command is already unable to do all the work assigned to it. If these cuts are imposed, this command will be reduced below its pre-Korea levels. I know for a fact that the command simply will not be able to do its job with such low manpower levels. I believe that if the committee had studies of the situation, it would have in fact recommended an increase in the manpower levels, rather than approved the cuts submitted by the administration. I think that serious, objective study, careful consideration, and sober thought, would show that if the Defense Department is going to perform its mission, it needs more people than are provided for in title V of this bill.

ALEXANDER SENDS TELEGRAM TO PRESIDENT FORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, yesterday I sent the following telegram to President Ford:

The Honorable Gerald R. Ford,
The President of the United States,
The White House,
Washington, D.C.

Dear Mr. President: I applaud your efforts to protect the rights of American vessels to safe transit on the high seas. Our allies and adversaries alike must be assured that the United States will defend the lives and property of Americans.

Safety of world commerce is vital to the U.S. as well as other nations and acts of piracy must be met with appropriate force to discourage a continued deterioration of global stability.

Sincerely,

Bill Alexander,
Member of Congress.

DISMAL GRAIN INSPECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, a recent series of articles in the Des Moines Register by James Risser has painted a dismal picture of grain inspection of a substantial percentage of American feed grain exports. This is best documented in the port of New Orleans which handles more than one-third of all American grain exports. Grain inspectors have been indicated for accepting bribes from shipping companies to permit grain to be loaded on dirty ships, some of them hastily converted oil tankers, in violation of Federal sanitary standards. Some inspectors have pleaded guilty to these charges and one has been convicted. The Federal investigation also includes other gulf ports, and it appears that the scandalous situation exists there as well.

It seems clear to me that corruption in grain grading and ship inspection flourishes in the conflict of interest which exists because grain inspectors are the employees of private agencies, largely controlled by grain and shipping interests. Under the Grain Standards Act, inspection may be handled only by private inspection agencies, precluding the use of Federal inspectors. The enforcement of Federal standards is, in other words, left to private groups. The inspectors are licensed for competence and are supposedly supervised by the USDA. There is strong evidence that the surveillance has been shoddy and incomplete and that the USDA has not responded to the evidence of corruption.

The gravity of the situation demands immediate corrective action. I am preparing legislation which would prohibit private funding and control of grain inspection and thus eliminate a situation which invites corruption. Moreover, I plan to call for a thorough review by the General Accounting Office.

The seriousness of these incidents obviously extends far beyond the indictment of a few inspectors and another scandalous tale of corruption and inadequate surveillance by both the USDA and the Congress. The impact upon our economy and the foreign policy of this Nation is obvious and potentially devastating, even if the extent is not presently calculable.

Our feedgrain export program—precisely at the time we are in need of expanding it—could be sharply curtailed by foreign governments tired of not getting what they pay for and angry about the filthy and insect-ridden shipments. According to reports reviewed by the Des Moines Register, there have been increasing complaints from foreign countries about misgraded, contaminated and insect-infested grain. Great Britain, Italy, Nicaragua, Algeria, and Japan, among other nations, have filed complaints. If these countries have no faith in our grain inspection system, they may well refuse to buy.

This could severely damage our agricultural economy, the midwestern farmer, and our balance-of-payments situation. The production of feedgrains is one of our major advantages in foreign trade and is a significant source of income for the farmer. All of this could be forfeited if we do not act promptly.

Moreover, these episodes damage the credibility of the United States and could undermine our foreign policy. In addition, we may have contributed to disease and sickness abroad.

I was shocked to learn of these bribery scandals, but it quickly became apparent that the situation could have been and ought to have been foreseen long ago. Given the inherent conflict of interest that exists between the grain inspectors and the private groups which hire them, the corruption that has been discovered was practically inevitable.

Under the Grain Standards Act private inspection agencies are responsible for grading and inspecting grain exports. In New Orleans and Houston, for example, inspectors are hired by the New Orleans Board of Trade and the Houston Merchants Exchange, whose members include officials of grain and shipping companies and international financial institutions.

The grain inspectors in New Orleans and Houston were indicted for accepting bribes from shipping companies, which found it more profitable to pay off inspectors than to spend thousands of dollars cleaning their ships. These indictments may merely scratch the surface of the corruption existing in our major exporting ports.

One of the indicted New Orleans' inspectors, for example, certified as being clean and free of insects and foreign materials a ship that carried corn which was found to be contaminated when it reached Nicaragua. This 1973 incident drew an angry complaint from the Nicaraguan Government, but no action from the USDA.

Needless to say, the grain companies—many of whom are probably represented on the New Orleans Board of Trade—stand to gain thousands of dollars whenever an inspector falsely upgrades a shipment of grain.

Ironically and unbelievably, the Grain Division of the USDA reduced its staff of inspection supervisors during the very period when U.S. exports were increasing because of our export policy and world demand. The USDA cut its review of grain inspections by more than 50 percent. Reducing surveillance could hardly have been justified by past performance of the inspection system. More than 6 years ago, USDA officials received warning that grain inspectors were taking bribes. The USDA also knew that Japan has been so dissatisfied with the private inspection system that they now routinely appeal the inspection examinations as a doublecheck on the accuracy.

I do not think we can simply rely on the USDA to give us a clear picture of the problems that exist in our ports. Therefore, I am calling for a General Accounting Office investigation of this deplorable situation. We must learn just how far the bribes and corruption extend in this crucial segment of our grain trade.

It is clear to me that we need immediate legislation to remove the overwhelming conflict of interest that now exists with inspectors being hired by the very people who have the most to gain by manipulating them. The law needs to be changed to make Federal inspectors mandatory. This in itself will not guarantee that bribery would not continue, but it is outrageous and absurd to continue an arrangement allowing grain inspectors to be front men for the very groups they are supposed to be regulating.

Mr. Speaker, the first of the articles referred to was recently inserted in the RECORD on May 12 by Senator CLARK. The other two articles from the Des Moines Register follow:

[From the Des Moines Register, May 11, 1975]

USDA IGNORED GRAIN BRIBES FOR 6 YEARS—ADMITS LAXITY AFTER INSPECTORS INDICTED

(By James Risser)

WASHINGTON, D.C.—U.S. Agriculture Department (USDA) officials were warned six years ago that federally licensed inspectors were taking bribes in connection with the grading of export grain and the inspection of ships used to carry the grain abroad.

The USDA also had evidence as early as 1972 that something was drastically wrong with inspection procedures at New Orleans, La., export elevators.

The danger signals are contained in department documents examined last week by The Register.

They contain a variety of warnings from foreign purchasers of U.S. grain from U.S. Embassy personnel, and from USDA officials about the possibility of a bribery system and about problems in New Orleans.

INDICTMENT CITED

But until a bribery scandal surfaced recently with the indictment of grain inspectors at New Orleans and at Houston, Tex., high department officials ignored fervent pleas that the bribery question be investigated and that supervision of inspectors be beefed up.

In fact, at the time U.S. grain exports were booming in the late 1960s and early 1970s, the Grain Division cut its staff of inspection supervisors from 300 to 220.

During the same period, surveillance of the grading and ship inspection activities of the inspectors was reduced by more than half, records show.

"LESS THAN ADEQUATE"

"Our supervision has indeed been less than adequate," Ervin L. Peterson, administrator of the Agricultural Marketing Service, acknowledged. Peterson, whose agency includes the Grain Division, said "we are taking steps now to see that our supervision is improved."

Staff cuts in the grain division were "unwise" but apparently came about because of the division's efforts to comply with budget reductions ordered by President Nixon and by USDA Secretary Earl Butz, Peterson indicated.

The extent of the bribery scandal, and the existence of additional federal investigations into the possible involvement of shipping and grain company officials, was disclosed by The Register May 4.

CONFLICTS SEEN

The investigation in Washington, New Orleans, and Houston showed that the inspection system contains inherent conflicts of interest primarily because the inspectors, although federally licensed, are employes of boards of trade and other private organizations controlled by grain, shipping, and other business interests.

The role of the Grain Division has been to license the inspectors, to supervise their work on a spot basis, and to conduct appeal inspections at the request of a shipper who disagrees with an inspector's ruling.

Seven grain inspectors in New Orleans and five in Houston, all federally licensed but employed by private inspection agencies, were indicted recently on charges they took bribes to certify that export ships were clean, insect-free, and acceptable for loading with grain. Five of the New Orleans inspectors have pleaded guilty, and another was convicted in federal court.

INCREASING COMPLAINTS

In January, 1969, John A. Browning, chairman of the Grain Division's Board of Appeals and Review, spent three weeks in Europe talking with government officials and those in the grain trade about an increasing number of complaints about misgraded, contaminated and insect-infested grain.

In a number of the countries, Browning was warned that it was commonly believed inspectors at the American ports were taking under-the-table payments.

Upon his return, Browning wrote a strongly worded report to Howard H. Woodworth, director of the Grain Division saying:

"The Grain Division should make doubly sure there is no bribery of inspectors or falsification of certificates or misgrading of the grain or improper sampling.

MANPOWER, FUNDS

"We should have the manpower and funds to supervise and keep inspectors under surveillance on weekend and night loading at those export points where foreign complaints indicate the lower grade grain was loaded."

Browning continued that "after listening to complaints for three weeks and seeing the look on people's faces and in their eyes when they accuse the inspection system of being subject to bribery, I cannot stress too strongly the part good inspection practices, constant supervision and quality control must play in helping this country retain the overseas grain market."

Apparently referring to the fact that inspectors work for agencies allied with the grain export trade, Browning wrote that "it is very difficult for people in other countries to understand our licensing of inspectors and supervision procedure."

Asked about the report, Woodworth said the Grain Division "is not staffed to find conspiracies of briberies," which he said is up to federal law enforcement officials.

"A LEAN STAFF"

Woodworth, who went along with budget and manpower cuts in the Grain Division, said he has built "a lean but efficient staff."

"I'm not an empire builder or a bureaucrat," he added.

Woodworth acknowledged, however, that his supervisory personnel at the ports "weren't very resourceful in guarding against briberies on the cleanliness of ships."

He portrayed ports as centers of corruption and said that in the case of grain exports, the name of the game is to get the grain past the sampler and onto the ships. "They're always finding ways to get by with everything they can."

THROUGH 1975

The recent indictments in New Orleans and Houston allege bribery payments going back as far as 1970 and continuing up through 1974.

Peterson, who became administrator of the agricultural marketing service three years ago, said he had not been aware of the Browning report on possible briberies until informed by The Register.

In January, 1973, in a report on a complaint from Nicaragua, about the quality of U.S. corn shipments, Woodward contended the licensed inspectors have a 98 per cent accuracy rating.

But he acknowledged that Grain Division supervisory personnel were conducting on-site surveillance of the inspectors in only about 2 per cent of all export grain shipments.

He said that some of his staff, "for peace of mind and in keeping with past on-site surveillance practices," wanted to increase surveillance to about 10 per cent.

NEW EMPLOYEES

Woodworth said in the 1973 report that it would require 14 new federal employees at an annual cost of $198,000 a year.

As an alternative, Woodworth proposed to increase surveillance at "the known problem elevators in the New Orleans circuit" by transferring people there from other Grain Divisions offices.

Woodworth's report was made in response to a demand by Peterson that the division look into complaints from the Nicaraguans and take "whatever actions required to insure the accuracy of any grain inspections made by the designated grain inspection agency involved."

The agency was the New Orleans Board of Trade, which is run by New Orleans business interests and employs licensed grain inspectors to examine ships and grain going out of two large elevators there.

NEW ORLEANS ELEVATOR

Woodworth told The Register that the Grain Division has had problems with one New Orleans area grain elevator in particular, where, he said, elevator personnel "took advantage of our mechanical sampling and made sure we didn't get representative samples of grain."

Woodworth's report also detailed how the Grain Division had cut back its activities between 1963 and 1973:

Field offices were reduced in number from 48 to 35, and inspection supervisors from 300 to 220.

Grain supervision inspections, involving checking on the work of some 800 inspectors and 3,000 licensed grain samplers had decreased from 170,000 a year to less than 65,000.

Supervisory inspections of processed products also had dropped, from 50,000 a year to less than 35,000.

EXPANDING SALES

All this had occurred while the U.S. was rapidly expanding its overseas sales of grains and other food products.

Copies of Woodworth's 1973 report, outlining weaknesses in the inspection system, were sent to Butz's top aide, Undersecretary J. Phil Campbell, department records show. It also went to Assistant Secretary Richard Lyng and to Raymond A. Ioanes, administrator of the Foreign Agricultural Service.

Peterson told The Register that the whole thrust of the Grain Division's work has been misguided. Rather than concentrating on statistical review of the insepctor's accuracy, the division should have been cracking down on the private inspection agencies to see that their inspectors were performing honestly, he said.

[From the Des Moines Register, May 15, 1975]

Reveal Corn Misgraded in New Orleans—Inferior Shipment to Nicaragua

(By James Risser)

Washington, D.C.—U.S. grain inspectors at New Orleans, La., misgraded a 427,000-bushel corn shipment to Nicaragua in 1972, with the result that the Nicaraguans received an inferior grade of corn containing damaged kernels and "foreign material."

The misgrading was compounded by evidence that U.S. Department of Agriculture (USDA) personnel misled the Nicaragua government in the first place about the kind of corn it would receive.

The incident, described in a USDA file stamped "classified" brought a strong protest from the Nicaraguans and touched off an internal controversy at the Agriculture Department about the adequacy of federal procedures for inspecting and grading U.S. export grains.

NO SURVEILLANCE

The file, examined by The Register, shows there was no federal surveillance of the privately employed inspectors and graders during the two days the corn was inspected and loaded onto a Nicaragua-bound ship.

It has been learned that the inspector who examined the ship itself, and certified it as being clean and free of foreign material and insects, was among the inspectors later indicted by a federal grand jury in New Orleans on charges of bribery.

The ship-hold inspector was Raymond S. Schultz, an employe of the New Orleans Board of Trade who was indicted last August on 66 counts of taking payments from shipping companies and from a ship-cleaning firm. None of the counts involved the Nicaraguan shipment, however.

Schultz pleaded guilty to 10 counts of bribery, was fined $500 and placed on 4 years probation.

A Des Moines Register investigation over the past six weeks in New Orleans, Houston, Tex., and Washington, has disclosed that:

The federal investigation of bribe payments to inspectors is continuing, has spread to other major grain ports and includes a probe of possible involvement of shipping and grain company executives.

Federal agents also are looking into the possible misgrading of U.S. grains, to determine whether foreign purchasers and countries that get U.S. humanitarian food aid may have been sent substandard or contaminated grains.

The inspection system is plagued by conflicts of interest because, although they are federally licensed, the grain and ship inspectors are employed by boards of trade and other private agencies which are controlled by grain, shipping and other business interests.

The Agriculture Department was warned as long as 6 years ago that an inspector bribery system might be in operation, and also knew at least 3 years ago that there were inspection irregularities at New Orleans in particular. But during this time, and while U.S. grain exports were booming, the department reduced by half its surveillance over the inspection process.

The Nicaraguan complaint occurred during the export boom. Agriculture Department files show that at about the same time, other foreign purchasers of U.S. grains were complaining strongly that the quality of grain being shipped was deteriorating.

The corn purchased by the Nicaraguan govenment was shipped from the New Orleans Public Elevator by the Louis Dreyfus Corps. in November, 1972, aboard the MV North Duchess, according to USDA records.

SHIPMENT GRADING

After Schultz had inspected and approved the ship, inspector Richard Blades, also of the New Orleans Board of Trade, graded the shipment as containing 227,777 bushels of U.S. No. 2 yellow corn and 190,852 bushels of U.S. No. 2 white corn, copies of the inspection certificates on file in USDA offices in New Orleans show.

On Jan. 3, 1973, Ervin L. Peterson, administrator of USDA's Agricultural Marketing Service (AMS), said in a memorandum that the Nicaraguans had filed "a strong complaint" alleging excess broken corn and foreign materials in the shipment.

"It was also reported that the corn was misgraded by the licensed inspector at the time of loading," said Peterson, adding that "the adequacy of the federal supervision of the licensed inspection personnel" had to be examined.

DEMANDED PROBE

Peterson demanded an immediate investigation by Howard W. Woodworth, director of AMS's grain division, and called for "the institution of whatever actions required to ensure the accuracy of any grain inspections made by the designated grain inspection agency (the New Orleans Board of Trade) involved."

Woodworth's report two weeks later, while defending his office's surveillance of the inspection process, admitted, in effect that the Nicaraguans had been misled by USDA grain export personnel and that the grain also had been improperly graded.

A reinspection of the corn by the AMS Board of Appeals and Review showed that the yellow corn should have been given the next lower grade of U.S. No. 3, or even U.S. No. 4, because of excessive amounts of damaged kernels and foreign material.

The board assigned several possible grades to the white corn, depending on the particular samples which were checked, but none of the grades was as high as the U.S. No. 2 assigned by the inspector.

WHITE CORN

The white corn graded either U.S. No 3, or "U.S. sample grade" which is lower than U.S. No. 4. Also, some of the samples indicated the town should have been designated "mixed" rather than "white" because of the high percentage of corn of other colors mixed in with the white corn.

Other samples of the white corn also were rated "weevily" by the board, indicating the presence of insects.

During the two-day loading process. "There was no surveillance of the loading or sampling of the corn at the public elevator" by grain division personnel in New Orleans, Woodworth acknowledged.

He contended, nevertheless, that the testing results "represent an acceptable level of inspection accuracy" and were within expected variations. He said, however, that the grading inspector had been "cautioned about an apparent lenient interpretation of 'broken kernels.' "

COST DIFFERENCES

Another Agriculture Department official involved in agricultural exports said, however, that the discrepancies in grades could not be justified and would mean substantial cost differences to the shipper and the purchaser.

Woodworth said that before the sale a representative of the Nicaraguan government had come to officials of AMS and of USDA's foreign agricultural service (FAS) for advice on what type of corn to buy. The Nicaraguan official specified that the white corn must be suitable for food purposes.

The USDA personnel recommended the purchase of U.S. No. 2 corn, but "did not caution the Nicaraguan representative that a U.S. No. 2 corn grade is a general purpose grade and permits a maximum of 5 per cent damaged kernels and a maximum of 3 per cent broken corn and foreign material, and, in the case of white corn, a maximum of 2 per cent of corn of other colors," Woodworth wrote.

NOT CAUTIONED

"In addition," he said, "the AMS and FAS representatives did not caution the Nicaraguan representative that U.S. corn was more fragile than Argentine corn, and that care should be exercised in loading and unloading the corn to maintain the quality of the corn."

The corn later was loaded and unloaded with mechanical trimmers and pneumatic equipment, both of which tend to break dry corn, he said.

Woodworth said he believed that most of the corn was, at the time of loading, "at the bottom of Grade 2 or the top of Grade 3."

An FAS official said the dispute over the quality of the corn eventually was settled privately between the Dreyfus Corp. and the Nicaraguan government, without any USDA involvement.

Woodworth acknowledged that with export business up, the grain division office in New Orleans could use more personnel to oversee the work of the inspectors. However, the beefing-up of the office did not take place until mid-1974, when it became known that inspection procedures in New Orleans were under investigation.

THE "MAYAGUEZ" INCIDENT—PRESIDENTIAL OVERREACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, President Ford's decision to use force to free the merchant ship *Mayaguez* and its crew has resulted in needless bloodshed.

At the present time, the ship and its crew are in American custody, but at the cost of at least one marine dead, and many others wounded. The Pentagon expects the American death toll to rise as further reports come in.

The President's resort to force in this case appears to have been illegal and unconstitutional. At least five provisions of law specifically prohibit the involvement of U.S. military forces in combat "in or over or from off the shores of" Cambodia. Furthermore, under the war powers resolution, the President may engage in hostilities without the prior consent of Congress only in cases of an armed attack which constitutes an extreme national emergency. This was clearly not such a case.

Equally disturbing is that the use of military force in this incident, and the resultant casualties, appear to have been unnecessary. Diplomatic efforts were underway to recover the ship and its crew. Nothing would have been lost by waiting to see whether they would bear fruit. Indeed, according to the latest reports, at the very time the President was ordering marines into the operation, the Cambodian Government was announcing that it would return the crew of the *Mayaguez*. As the marines were invading Tang Island searching for the crew, the crew was already on its way back in a Thai fishing boat. At best the whole situation reflects terrible intelligence. At worst it is a reflection of faulty Presidential judgment and overreaction.

Let there be no mistake about it. We have won no "victory." We have proved nothing to the world, except that this President is willing—as were his predecessors—to make hasty and ill-considered use of American military force against tiny countries, regardless of the law, regardless of the cost in American lives, and regardless of the ability to achieve the same ends peacefully.

THE ELECTRIC UTILITIES RATE REFORM ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, I would like to bring to my colleagues' attention a bill which I have recently introduced, the Electric Utilities Rate Reform Act of 1975 (H.R. 6696). This legislation requires State regulatory authority to establish rate schedules which distribute costs to classes of consumers according to the actual cost incurred by the utilities.

The need for reform in the regulatory rate structure for electric utilities has become all too evident. Monthly electricity bills have shot up between 20 and 50 percent in the past year, and there is no end in sight to the upward rate spiral. Even now, utilities from coast to coast are seeking permission to pile record increases on top of record increases in order to finance their fuel and operating costs. Given the present rate structure, such continued increases will bring on a consumers' revolt.

Mr. Speaker, the existing rate structure benefits those who use the most electricity, a hard fact which hurts the small consumer and businessman who pay a disproportionate share of the actual cost. Under the traditional declining block rate, the larger users of electricity are charged progressively lower rates per kilowatt hour, and in addition, utilities generally offer lower rates for such sought after markets as all electric residential and hot water heating. These declining rates and promotional designs are now obsolete in view of this country's significant energy problems and the high costs which now adhere to the utilities' operations.

The consuming public should no longer subsidize the large energy users, nor should such promotional schemes be allowed by State regulatory commissions. With the high costs and scarcity of fuel, each class of customer should pay a flat rate for its electricity or a rate which reflects the actual cost of that electricity. To allow the present system to continue as it has will mean that we are providing no incentive for saving energy, nor are we properly distributing the cost of the electricity in a fair manner.

THE EFFECT OF HIGH ENERGY AND GROWTH COSTS

Mr. Speaker, the electricity rate structure did not arouse the consuming public when energy was plentiful and inexpensive, but electricity bills have become extremely high in the last year and a half. With the extraordinarily high fuel adjustment charges which have been assessed recently, it is common for a family to pay well over $100 for a 2-month billing period.

The average charge for electricity over the past 10 years indicates the reason for this consumer unrest. From 1964 to 1969 the average residential revenue per kilowatt hour declined from 2.31 cents to 2.09 cents. By 1973, however, the rate was back to 2.38 cents and in 1974 it went to 2.50 cents and 2.60 cents per kilowatt hour in many areas.

As the consuming public has seen in the past year, though, the cost per kilowatt hour for electricity is only the base price. With the advent of the fuel adjustment charge, utilities have been able to pass on the cost of their rising fuel prices by attaching a fuel adjustment charge. In some cases, these extra charges are almost equal to the bill prior to the surcharge. The fuel adjustment innovation has greatly pushed consumer prices up, with electric and gas utilities increasing their prices by an estimated $6.5 billion during 1974. According to a recent survey released by the Senate Subcommittee on Budgeting, Management, and Expenditures, this $6.5 billion figure is greater than the total of all rate increases approved during the last 25 years. Rate increases range up to 1,400 percent in the District of Columbia, 900 percent in New York, 750 percent in Maine and Tennessee, and 300 to 500 percent in a variety of other States.

Mr. Speaker, my home State of Massachusetts has been particularly hard hit by the prevailing electricity costs. Monthly electric bills for an average Massachusetts home increased more than 21 percent between January 1973 and January 1974. This made the Bay State utility rates the second highest in the Nation, after New York. According to a report by the Federal Power Commission, Massachusetts consumers were paying $14.05 for 500 kilowatt hours of electricity on January 1973, while the cost rose to $17.10 by the beginning of 1974. While the rate was increasing 21.7 percent in Massachusetts, the average increase nationwide was 12.3 percent. Despite the dramatic increases which have already occurred, there is presently pending before the Massachusetts Department of Public Utilities rate increase applications which total nearly $130 million. On a per capita basis, these proposed increases are as high or higher than those pending anywhere in the Nation.

It is not difficult to understand why the electricity charges have gone up so substantially. The price of residual fuel oil which is burned by many powerplants has increased daramatically over a 4-year period from 1972 to 1975. In that time, the cost per barrel of oil rose from $2.40 to an astronomical $13 per barrel. This represents an increase of more than 440 percent. The price of distillate fuel, which is most often used in "peaking" plants has also gone up sharply. Between 1973 and 1974, its price has more than doubled.

Coal is the most commonly used fuel for power production, with 53 percent of all electric steam generation being produced from coal. This power source has also risen sharply in price in recent years, however. Power companies and utilities which were paying on the average of $7.80 a ton for coal in 1970 must now pay an estimated $28 a ton. In some cases, "spot" purchases—those not supplied under previous contracts—have been made at up to $40 a ton or more. Nor has nuclear fuel presented an enviable cost record. Although the fuel is not as hard to obtain at reasonable prices, the cost of nuclear powerplants and the frequency with which they are "down" makes nuclear power no bargain investment.

The high cost of plant construction has been an additional factor which has led to utility rate increases. Fossil fuel steam baseload plants have a lead time of approximately 7 years, and their cost is about $690 per kilowatt. For the larger plants, this means that a price tag of $300 to $800 million is common.

Peak loading plants in the form of combustion turbines are another commonly installed powerplant, and they are also the least capital intensive. Their cost is approximately $80 to $125 per kilowatt which makes them a relative bargain. It must be emphasized, however, that combustion turbines are by far and away the least efficient utilizers of fossil fuels. They are only used during the peak loading times of the day for electricity generation as their operating costs are extremely high and energy inefficient.

Nuclear powerplants are easily the most expensive and capital intensive generating stations. Their cost is about $775 per kilowatt for a 1,000-megawatt plant. This means that an average price for a major nuclear power station is in the neighborhood of $775 million, and costs are continuing to escalate in their construction. A very long leadtime is required to put them "on the line," with approximately 10 years being required. In addition, it is quite difficult to obtain the requisite Government approvals and permits which are necessary to build and operate nuclear facilities. The cost for fuel is cheaper, but the cost of the plant more than makes up for this savings.

THE DECLINING BLOCK RATE SYSTEM

In view of this steeply increasing energy and plant cost, the declining block rates and promotional devices no longer make sense in the determination of electricity rate structures. The average consumer is not able to afford the prices which must be charged, and the utilities are not receiving a fair rate of return for the power which they are generating.

Industrial users buy about 35 percent of the electricity produced, and yet they pay for only 23 percent of the total bill. For example, in 1972, the average price per hour paid by residential customers was 2.42 cents, while the average price paid by industrial customers was just 1.16 cents per kilowatt hour. The rate varies from State to State, with New Hampshire charging residents an average of 2.92 cents per kwh while industry is charged an average of 2.30 cents. On the other hand, Maryland charges residential consumers an average of 2.08 cents per kwh, but asks only 0.82 cents from industry.

These electricity rates are unfairly structured so that the more electricity a consumer uses per month, the less he or she will pay. The rates gradually decrease as a consumer reaches the succeeding categories of 50 kilowatts, 100 kilowatts, 700 kilowatts, and finally 1,000 kilowatts per hour. As indicated above, the highest users may be charged between 50 percent to 150 percent less than the average homeowner.

This type of declining block rates, Mr. Speaker, significantly hurts certain types of residents, such as those who live in the city. The average city resident consumes much less electric power than the average suburban resident, often times up to 100 percent less. Residents of big cities are not generally in need of most of the new generating plants. Existing plants, plus a few minor additions in some cases, would be sufficient to supply electricity for their and small business' needs. But city residents are in "service areas" which supply a great deal of electricity to industrial facilities and fast-growing suburbs. Consequently, city people, despite their low use of electricity, find themselves paying higher electricity rates based on the large energy needs of a select group of large electricity users.

The fallacy of our existing rate structures has been proved by the advent of the fuel adjustment charge. Previously, utilities always had to proceed through a rate schedule hearing in order to be granted higher rates. Due to fast rising fuel prices, however, electric utilities across the Nation asked the regulatory commission to be able to pass on higher fuel costs automatically through higher rates without a formal rate increase request. This permission was granted, and the result is that utilities with fuel adjustment clauses no longer have to fight fuel price increases. They pass the higher costs along to their customers directly and this has severely hurt the average consumer. Thus, it has gotten to a point where everyone is protected except the ordinary citizen.

Mr. Speaker, we have now reached a situation where increasing fuel prices and electricity bills clearly call for a major reform of such promotional devices as the declining block rate. Small consumers and businessmen should not be called upon to subsidize the electricity needs of large office buildings and industry.

PRICING PEAK LOAD ELECTRICITY

The electricity rate structures which are now in use levy the same charge per kilowatt hour regardless of whether the power is used during peak or offpeak demand periods. And yet pricing peak power at the same price as offpeak power is a tremendously inefficient and wasteful practice. The extra equipment for peak service typically consists of highly inefficient and expensive to operate natural gas or distillate oil burning turbines, with the result that peak power is far more expensive to generate. Public utilities must provide generating power stations which are capable of meeting peak power needs despite the fact that peaking equipment is only on the line for a short time during the day.

The present rate design promotes the use of electricity during peak demand hours and forces prices up for all consumers. Since there are no penalties for peak power usage, normal energy use between the hours of 4 p.m. and 7 p.m. requires the costly expansion of base load generating capacity so as to meet the increased average demand which is felt during these peak hours. The Federal Energy Administration estimates that if the demand curve of electricity were smoothed out, as by discouraging excessive peak load use, $60 billion in powerplant additions could be saved over the next 10 years.

Present rate designs promote electricity use on an overbuilt system designed to meet high peaks and wasteful use. Generally these systems have to be built so as to allow a 20 percent extra peaking capacity. In some cases, the ratio of average demand to peak demand ranges up as high as 50 to 75 percent. This variation has a tremendous impact on cost and rates as would be expected. Indeed, one utility executive was recently quoted as saying that a 1 percent improvement in load factor would mean as much to his company as a $10 million rate increase.

To meet the increased peak load needs, utility companies operate special intermediate and peak load equipment. Typically, intermediate load equipment is operated from 8 to 12 hours a day or 1,000 to 4,000 hours per year, while peak load equipment is operated from 4 to 8 hours or less than 1,000 hours per year. The generators normally used have been developed from our jet engine technology which allows for fast startup power generation. The preferred fuel is natural gas, but oil distillates are also usuable. The big problem with this sort of generation, however, is the fuel efficiency which is considerably less than that of large steam plants. In the decade from 1963 to 1972, because of the increased need for electricity, the use of these inefficient combustion turbines have increased by nearly fiftyfold. I submit, Mr. Speaker, that much of this inefficiency could be eliminated by charging more for this peak hour electricity.

Our current rate structures discriminate against lower and middle income households which are required to pay the capacity charge associated with all residential users. They pay evenly high prices even though they do not generally have the appliances and facilities which cause peak load problems. With peak load pricing, on the other hand, customers big and small would pay more for electricity during the day when the demand is high. Consequently, during weekends and late at night the rates would drop significantly, providing an incentive for using electricity at low rate hours. Simply doing the laundry and the dishes in off-hours could result in a smaller electricity bill while curbing the utilities' need for expensive new energy-producing capacity.

Commercial customers are less differentiated than residential users as to the time of their energy consumption. Small commercial users such as small merchants and businesses, who often pay rates exceeding their cost of service, would find their bills lowered with peak load pricing. Larger commercial users, though, such as office buildings and apartment houses would find their bills increased if they maintain present typical time patterns of consumption. These types of users, however, have significant opportunities to alter consumption patterns. Tenants of large office buildings may stagger employee working hours, utilize heating and/or cooling storage units, and install better insulation. All of these measures would help to conserve energy.

Large industrial users, whose consumption is typically uniform, are very often more efficient consumers of electricity. In some cases, large industrial users even have their own peak generating equipment. By introducing peak load pricing, large industrial users would face price increases for their energy consumption, but certain steps could be taken to ameliorate these increases. For example, low grade waste steam can be reprocessed so as to provide for electricity generation during peak hours.

Some utilities have already started using peak load pricing with considerable success in different parts of the country. Utilities in the mid-West, Seattle, Virginia, and Long Island, have implemented this basic reform. Considering the tremendous advantages which could accrue from its nationwide use, it is incumbent upon the Federal Government to see to it that such pricing becomes the rule rather than the exception in the near future.

THE ELECTRIC UTILITIES RATE REFORM ACT OF 1975

Until the present time regulatory commissions have traditionally chosen to leave the design of rate structures to the discretion of utility companies. Not surprisingly, the choice by the utility management was one which would promote growth. Almost without exception, the chosen schedule was one of the declining block charges, without peak load pricing.

The pricing practices of the electric utilities produced exactly what the utilities desired in the 1960's.

Electricity demand grew substantially, and prices to the consumer were actually lowered. But by the 1970's, the great effects of electricity growth became more of a problem than an asset to the utilities. The utilities were still growing, but the price of oil began to rise, preventing the rates of return which were desired.

Mr. Speaker, the huge price tag for energy and utility expansion now calls for a basic restructuring of electricity rates. It is for this reason that I have introduced the Electric Utilities Rate Reform Act of 1975, a bill which if enacted would decrease significantly the price of electricity to most consumers. The legislation is designed to distribute more fairly electric costs to all classes of consumers, individuals as well as large industries. The premise of the bill is based on actual cost, whereby users pay rates which are commensurate with the cost of the electricity which they consume. The average American should no longer be called upon to subsidize large users of energy, especially in these days of energy shortages and high prices.

The proposed legislation mandates minimum standards known as "cost of service pricing," for the establishment of retail rates for various users. The rates would reflect the actual proportionate cost imposed on the utilities by the user's demand. Consequently, promotional rate designs would be prohibited. In addition, users whose demand adds to peak loads and thus imposes higher costs on the utility would pay more per kilowatt hour than those who draw on power reserves during nonpeak periods. Since electricity would thus be priced to encourage conservation, the need for new electricity generating plants and for increased rates to finance this new capacity would be lessened significantly.

The Rate Reform Act has several other important features. Public utility commissions would be prohibited from permitting utilities through fuel adjustment clauses in monthly bills to pass through automatically to consumers increased costs of generating capacity fuels. Instead, the commissions would be required to find that these added costs were absolutely necessary and prudently incurred and charged to consumers only in accordance with cost of service principles. The proposed legislation would also authorize funding to the commissions for adequate personnel and other resources to implement the required rate reforms and designs most suited to the various locales.

The price impact of this proposed legislation would vary for different classes of consumers. Residential consumers would be the main beneficiaries since they are relatively small consumers. Those who consume electricity for space heating and cooling purposes, which are heavy load users could mitigate their bills by avoiding heavy use during peaking hours. Because industrial and commercial users are relatively large users as well, they would experience larger bills. These could be mitigated, however, by switching portions of their consumption to off-peak periods and by taking other energy conservation steps.

Mr. Speaker, it is most important that the Congress take action such as that proposed in the Electric Utilities Rate Reform Act. The electric utilities are greatly cutting back the construction of new plants, which means that this country could experience significant shortages of electricity in the future. Due to the industry's apparenty financial crisis of inadequate revenues, a 47 percent cutback in new planned generating stations is now on the boards. In addition, there is no evidence that significant new capacity will be brought about. In view of this situation, and the fact that consumers are now heavily overcharged by existing rate structures, I feel that the Congress must act to reform these antiquated rates.

The solution embodied in the Rate Reform Act would go a long way toward eliminating the causes of soaring electricity rates and the need for costly new generating capacity. The regulatory reform approach was recommended in the final report of the energy policy project of the Ford Foundation, and has been similarly recommended by many leading energy economists. Rate reform is a viable alternative to massive Federal subsidy intervention and it would prevent a further spiralling of electricity price increases. The concept is a viable one, Mr. Speaker, and it should be given immediate attention.

For the benefit of my colleagues, I would now like to insert the text of the Rate Reform Act:

H.R. 6696

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Electric Utilities Rate Reform Act of 1975".

FINDINGS

SEC. 2. The Congress hereby finds that—

(a) the continued generation and transmission of an adequate supply of electrical energy is critical to the Nation's defense, a sound and stable economy, and the general health and welfare of the people of the United States;

(b) rapid changes in the economic environment of the electric utility industry call for adaptation by the regulatory authorities in their ratemaking practices which influence total revenues and, therefore, the return on capital of electric utilities;

(c) present utility pricing practices and local regulatory ratemaking practices often result in a disproportionate distribution of the costs of generating and transmitting electricity among different classes of customers;

(d) the disproportionate distribution of costs in electric rate schedules often results in some classes of customers paying less than the full cost of the service they receive, including the costs of capacity needed reliably to meet their demand during peakload periods, and thereby encourages wasteful use of energy;

(e) sales below actual cost of service encourage excessive consumption of electrical energy and unnecessary construction of electricity generating facilities at a time when the Nation gravely needs to conserve its energy resources;

(f) the unnecessary construction of generating capacity by the electric utility industry is creating burdens on the financial markets which will be difficult to meet;

(g) the capital inadequacy of the electric utility industry has impaired its ability to finance conversion of generating facilities from oil to coal and to invest in equipment necessary to limit adverse environmental effects of energy production;

(h) shortages and unreliable supplies of electricity caused by the financial problems of the utilities now exist or are imminent and jeopardize the normal flow of interstate and foreign commerce by creating severe economic dislocation, including loss of jobs, closing of factories and businesses, and curtailments of vital public services; and

(i) existing rates and rate bases are significant elements in the present and future generation, transmission, and conservation of electricity, and affect interstate commerce.

PURPOSES

SEC. 3. The purposes of this Act are—

(a) to establish minimum standards of electric ratemaking in order that the actual costs of generating and transmitting electricity are equitably distributed among all customer classes;

(b) to insure that all electric utility customers are charged prices which are proportionate to the actual cost of the service they receive;

(c) to encourage the conservation of electricity by all users;

(d) to avoid the construction of unnecessary electricity generating facilities;

(e) to restore the electric utility industry to financial soundness and reliability of service; and

(f) to affirm and maintain the power of regulatory authorities to regulate the sale, generation, and transmission of electricity, including the specific application of the principles of regulation in individual cases, subject to the provisions of this Act.

DEFINITIONS

SEC. 4. As used in this Act—

(a) "corporation" includes any corporation, joint stock company, partnership, association, business trust, organized groups of persons whether incorporated or not, receiver or receivers, trustee or trustees;

(b) "fuel adjustment clause" means that part of a rate schedule for sales of electric power which reflect changes in the fuel component per-kilowatt-hour of delivered energy cost;

(c) "long-run incremental costs" means those costs which utilities will incur in adding generating capacity necessary to meet additional demand for electricity;

(d) "peakload periods" means annual, seasonal, and diurnal periods of time in which the consumption of electricity exceeds the average consumption of electricity for such periods of time;

(e) "rate base" means the value established by a regulatory authority upon which a utility is permitted to earn a specified rate of return;

(f) "regulated public utility" or "utility" means a corporation which is engaged in the business of furnishing or sale of electric power if rates for such furnishing or sale have been established or are subject to approval by a regulatory authority; and

(g) "regulatory authority" means any agency of a State, the District of Columbia, or a territory or possession of the United States, or political subdivision thereof, or any agency of the United States which has jurisdiction to establish or regulate rates or charges for the sale of electric power.

STANDARDS FOR COST OF SERVICE PRICING

SEC. 5. Regulatory authorities shall implement and maintain rate schedules which distribute costs to customer classes in accordance with the costs these classes impose on utilities by their consumption patterns. To meet this requirement—

(a) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity to different customer classes at different prices only to the extent that such prices reflect documented differences in the actual costs of service to such customer classes;

(b) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity during peakload periods at prices higher than prices for the sale of electricity during off-peakload periods: *Provided,* That such prices are documented by differences in the actual costs of service during such periods; and

(c) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity at prices which reflect the long-run incremental costs of service so as to distribute all such costs proportionately among customer classes to the degree their consumption patterns are responsible for such costs: *Provided,* That such cost differences are documented.

RATES FOR CUSTOMERS USING SMALL AMOUNTS OF POWER

SEC. 6. Nothing in this Act shall prohibit any utility from establishing or maintaining rates for electric power at less than cost to customers using no more than 300 kilowatt-hours per month for the purpose of alleviating the burden of high electricity prices to low-income households.

STANDARDS FOR TREATMENT OF PROMOTIONAL AND ADVERTISING EXPENSES

SEC. 7. No regulatory authority, for ratemaking purposes, may allow recoupment of promotional and advertising expenses, unless such expenses finance efforts encouraging the conservation of electricity or the shifting of the consumption of electricity from peak load periods to off-peakload periods.

STANDARDS FOR TREATMENT OF FUEL ADJUSTMENT CLAUSES

SEC. 8. No regulatory authority may allow or otherwise make lawful, as part of any rate schedule, a fuel adjustment clause permitting monthly changes in the utility's lawful rate equal to the changes in the cost to the utility of generating fuels, including all applicable taxes, tariffs, or similar charges without—

(a) requiring prior notice of the changed cost of fuel and the adjusted rate before any rate change can be implemented;

(b) public proceeding to establish that the utility continually manages fuel purchases, uses, and generating facilities prudently and efficiently;

(c) such rate adjustments distributing fuel costs and charges consistently with the standards established in section 5 of this Act; and

(d) reserving the power to subsequently determine that the adjusted rates or parts thereof are unlawful and subject to refund.

STANDARDS FOR EXPEDITING THE RATEMAKING PROCESS

SEC. 9. (a) No regulatory authority may suspend or otherwise defer the operation of a utility's rate schedule properly filed with it and defer the use of the rate, charge, classification, or service established by such schedule for a period longer than ten months from the date such schedule accompanied by all required supporting documentation is filed, or ten months beyond the time when it would othewise go into effect, whichever is later. The proposed change of rate, charge, classification, or service shall go into effect, upon motion of the utility, at the end of such period and shall continue in effect until the proceeding on the proposed change has been concluded and a final order issued approving or otherwise disposing of the proposed change.

(b) In the case of a proposed increased rate or charge, the regulatory authority shall, by order, in a manner to be determined by the regulatory authority, require the interested utility to keep accurate account of all amounts received by reason of such increase, and upon completion of the final determination on the rate schedule, shall by further order require, in a manner to be determined by the regulatory authority, such utility to adjust the lawful rate or to refund, with interest, such portion of such increased rates or charges as by its decision shall be found unlawful.

(c) For purposes of this section, any rate schedule properly filed and pending with a regulatory authority prior to the effective date of this Act shall be deemed to be filed as of the effective date of this Act.

EFFECTIVE DATES

SEC. 10. (a) This Act shall be effective upon enactment, with the exception, however, of section 5 hereof, which shall become effective after five hundred and forty days following such date of enactment.

(b) The Federal Power Commission shall report to the Congress by the last day of each succeeding year after the effective date of this Act describing in detail the measures undertaken by the regulatory authorities to comply with the provisions of this Act.

SEVERABILITY

SEC. 11. If any provision of this Act or the applicability thereof to any entity or circumstances is held invalid, the remainder of this Act and the application of such provision to other entities or circumstances shall not be affected thereby.

FINANCIAL ASSISTANCE TO NON-FEDERAL REGULATORY AUTHORITIES

SEC. 12. (a) The Federal Power Commission is authorized to make grants to non-Federal regulatory authorities, in accordance with regulations established by the Commission, in such amounts as are necessary to compensate such authorities for additional costs incurred in complying with the provisions of this Act.

(b) There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this section.

PRESIDENT FORD'S COURAGEOUS DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

Mr. ZABLOCKI. Mr. Speaker, the seizure of the American merchant ship, the *Mayaguez*, by a Cambodian naval vessel earlier this week, was a reprehensible and serious violation of international law. As a result of this provocation, the situation over the last few days has indeed been tense, sensitive, and serious. Wisdom and prudence was on the side of acting with caution and yet with firmness.

I commend President Ford and our Nation's leaders for making the courageous decision to retrieve the seamen and the freighter, *Mayaguez*, albeit a calculated risk was involved. It is with pride and appreciation that I join in praise and congratulations to our troops for the valor and courage they have demonstrated in the operation. We are especially pleased that the ship's entire crew was rescued, including a fellow Wisconsinite, Mr. Salvatore Puntillo. I join with his family and friends in the joy of his safe release.

At the same time, we sincerely regret the loss of any U.S. Marines and those injured in the operation, and join in sympathy to their loved ones. The American people are greatly indebted to and grateful for their sacrifice.

It is our sincere hope that this bold and successful action will prove to be a lasting deterrent against future similar acts of piracy and other potential violations of international law.

Regrettable as were the circumstances necessitating this reasoned use of force, one clearly positive aspect of the situation is that the worth of the war powers resolution has once again been demonstrated. Among other considerations, the President has properly filed a prompt report appropriately in compliance with section 4(a)(1). While such a 4(a)(1) report would normally activate the section 5 and succeeding "congressional action" procedures of the resolution, the fact that our troops are disengaged from the situation makes that a moot point. However, if such congressional followup action were in order, I, for one, would vote in favor of a resolution supporting the President's action.

OVERSEAS DEVELOPMENT COUNCIL PUBLISHES AGENDA FOR ACTION 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, the end of the tragic Vietnam decade has brought this Nation to a historic juncture. We must reassess our role in the world and the directions our foreign policy will take in the decade now before us.

We must step back to gain perspective on a period of almost total involvement in one corner of the globe in order to grasp what has changed in the rest of our shrinking world.

In short, Mr. Speaker, we must determine where the new challenges lie so that America can continue to assert its leadership in the world community.

Mr. Speaker, the Overseas Development Council this week published a thoughtful analysis, "The United States and World Development: An Agenda for Action 1975," which can illuminate an important area of this inquiry.

This analysis deals with the rapidly evolving nature of the developing world and the demands and responsibilities these changes place on our own country.

For the developing nations of our Southern Hemisphere have not been static.

A principle theme of this new book is that, indeed, a major challenge faces the United States and the rest of the industrialized world from the emerging economic and political power of many previously underdeveloped lands, the "Third World" nations. That challenge is to design a world order which will accommodate the aspirations for equality of these newly powerful nations within a framework of stability for the industrialized countries of the Northern Hemisphere.

An equally challenging problem, to American moral leadership, is the formation of an even more impoverished community of nations now known as the "Fourth World." These are the nations which have suffered most through the present world economic stagnation.

Mr. Speaker, the Overseas Development Council is a private, nonprofit center founded in 1969 to increase American understanding of the problems faced by the developing countries and the importance of these countries to the United States.

"Agenda for Action 1975" is the third in an annual series of assessments by ODC of U.S. foreign policy toward the developing world.

As the Reverend Theodore M. Hesburgh, CSC, president of the University of Notre Dame and chairman of the Council's Board, and James P. Grant, Council president, write in their introduction to this year's assessment, the interdependence of nations has become a reality. This study therefore deals with "the problem of world development rather than only that of the poor countries."

Father Hesburgh and Mr. Grant call for new global "social compacts" arising from the recognition of this interdependence, and state that:

> Human equality is a subject that has increasingly preoccupied us during this century, and the growing pressure from the world's poor majority to come. In the short period since World War II, we have seen the development of mutuality among the advanced nations and the development of political freedom and juridical equality for all nations. It is only within the past eighteen months that a new search for economic equality has opened in earnest as the developing countries of the South, led by oil exporters, have begun to press their claims. This initiative comes at a time when the world has the capacity and knowledge to make a decent life for every person.
>
> The challenge from the developing countries to the existing international hierarchy of power is part of an even broader theme of this Agenda—the argument that the world appears to be on the verge of one of the great economic, social, and political discontinuities of history. A global transformation is beginning to emerge that includes, but goes beyond, the immediate consequences of increasing interdependence; indeed, it is as if the molecular structure of the world order were changing. In the rich and poor nations alike, solutions to major issues such as the food and energy crisis and stagflation increasingly involve a web of relationships requiring new global approaches if reasonable rates of growth are to continue. New global as well as domestic "social compacts"—involving significant changes in life styles—are needed to meet these new circumstances.

Mr. Speaker, some of the major issues dealt with in this valuable book include the following:

Continuing economic distress of the poorest Fourth World nations;

Precarious world food situation in the absence of a system of reserves;

Emergence of OPEC countries as major aid donors;

Difficulty of negotiations ahead to realize the potential for expanded world trade as result of 1974 Trade Act;

Recycling of petro-dollars causes greater problems in developing countries than in industrial nations;

Danger that the Law of the Seas Conference may collapse in 1975.

Mr. Speaker, the "Agenda for Action 1975" was prepared under the direction of Mr. James W. Howe, a senior fellow with the Council. I recommend this volume to the attention of my colleagues.

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. NOWAK) is recognized for 5 minutes.

Mr. NOWAK. Mr. Speaker, on May 14, I was in a meeting in the Senate Office Building, and was unable to return to the floor in time to cast my vote on the conference report on House Concurrent Resolution 218. I would like the RECORD to show that had I been present and voting, I would have voted "yea" on roll No. 205.

PROPOSED RULE TO ACCOMPANY H.R. 6900, THE EMERGENCY COMPENSATION AND SPECIAL UNEMPLOYMENT ASSISTANCE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker, today the Ways and Means Committee unanimously approved H.R. 6900, the Emergency Compensation and Special Unemployment Assistance Act of 1975. The purpose of this bill is to extend unemployment benefits under the Federal supplemental benefits and special unemployment assistance programs. It would add 13 weeks to the maximum number of benefit weeks under both programs payable through June 30, 1976, extend with certain amendments the special unemployment assistance program through 1976, and entitle the Virgin Islands to borrow money from Federal general revenues as is necessary to continue its unemployment insurance program.

It is the Ways and Means Committee's intention to go before the Rules Committee as soon as possible and request an open rule for this bill, with the condition that any amendments that are to be offered on the House floor be filed 48 hours prior to the beginning of debate. Because of the nature of these two unemployment benefit programs, slight changes can be very costly, result in difficult administrative problems and have a dramaticaly different impact on different States. In order to inform the House of the possible impact of changes in H.R. 6900 as reported, the committee will need the requested 48 hours to review and analyze any proposed amendments.

The reason for this brief statement is not to explain H.R. 6900 but simply to advise the Members of the 48-hour review period which the committee is going to request from the Rules Committee.

RESOLUTION ON LATIN AMERICAN AND CARIBBEAN FOREIGN POLICY PRINCIPLES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 10 minutes.

Mr. FASCELL. Mr. Speaker, today I am introducing House Concurrent Resolution 282, the Latin American and Caribbean Foreign Policy Principles Resolution. The resolution reflects my deep concern that the United States devote to our hemisphere neighbors the attention which they merit as well as my conviction that the United States must construct a new and coherent legislative framework for our foreign policy toward Latin America and the Caribbean.

This resolution in and of itself would neither repeal nor amend any existing laws. It would create no new laws. It is rather exactly what the title implies, a statement of principles. It is my hope that in the weeks and months ahead the resolution will serve as a focal point for discussing the pros and cons of all aspects of our relations with the hemisphere. Discussion of separate security, political, economic and cultural issues in relation to each other should help shape a general consensus to guide Congress in making specific legislative decisions on particular issues when they reach the floor of the House. The existence of such a legislative framework, setting forth the principles to which Congress is committed, will enable both the executive and Congress to work together more effectively in the area of hemisphere foreign policy. Moreover, the existence of such a framework will hopefully foster better relations with our neighbors by decreasing the likelihood that well intentioned but misguided amendments in Congress will unintentionally undermine the complex framework of inter-American cooperation and friendship.

This resolution is being introduced in the Senate today by my friend and colleague from Florida, the Honorable LAWTON CHILES as well as the distinguished Senator from Texas, the Honorable LLOYD BENTSEN. The resolution is a joint effort which reflects many weeks of work. While the final product is ours I do want to express my appreciation to many individuals in the State Department and elsewhere whose comments were solicited on various aspects of the resolution. A special vote of gratitude goes to the Commission on United States-Latin American Relations whose efforts and report prompted a number of us in Congress to undertake our own review of hemisphere policy. We are appreciative of the assistance given us by the Commission and its able and effective staff.

AGRICULTURE SHOULD BE INCLUDED IN MONITORING FOREIGN INVESTMENTS IN THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, on May 7, the President issued Executive Order No. 11858 setting up a White House Committee on Foreign Investment in the United States to monitor foreign investments in this country, set up advance consultations on foreign governmental investments, and study the implications of growing foreign ownership of American assets for U.S. national interests.

I laud the President's action, but I would like to recommend as vigorously as I can that the U.S. Department of Agriculture be made a full participant in the committee. The committee is now composed of the Secretaries of State, Treasury, Defense, and Commerce, plus the President's assistant for Economic Affairs and the Executive Director of the Council on International Economic Policy.

There is a great deal of concern across the Nation about purchase of farmland by foreign investors, and that extends from concern about a large tract of coastal land in South Carolina to Midwestern corn/hog properties and on to west coast irrigated tracts. Foreign purchase of U.S. farmlands is widespread, but we have no idea of their full extent.

In the past few years, the U.S. trade balance has been maintained by rapidly increasing agricultural exports. There is some evidence that Arab governments, Italian nationals, the Japanese, and others are beginning to acquire land to produce some of their own food requirements in this country. Just how they propose to operate, we do not know.

We need to know what is happening in this area, and we need to know what the implications are for farm programs, for food supply, for our exports and trade balance, and any and all other potential effects.

I am communicating with the President urging him to include the Secretary of Agriculture on the list of Committee members to be sure that reporting on, and analysis of, purchase of a part of our foreign agricultural production capacity, and of our food industries, be given the careful attention it deserves. The implication of foreign investments in the farm and food field need to be given consideration by others than just people preoccupied with defense, banking, diplomatic, industrial, and economic aspects.

Executive Order No. 11858 follows:

EXECUTIVE ORDER 11858: FOREIGN INVESTMENT IN THE UNITED STATES

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the Act of February 14, 1903, as amended (15 U.S.C. 1501 et seq.), section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 822a), and section 301 of title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. (a) There is hereby established the Committee on Foreign Investment in the United States (hereinafter referred to as the Committee). The Committee shall be composed of a representative, whose status is not below that of an Assistant Secretary, designated by each of the following:

(1) The Secretary of State.
(2) The Secretary of the Treasury.
(3) The Secretary of Defense.
(4) The Secretary of Commerce.
(5) The Assistant to the President for Economic Affairs.
(6) The Executive Director of the Council on International Economic Policy.

The representative of the Secretary of the Treasury shall be the chairman of the Committee. The chairman, as he deems appropriate, may invite representatives of other departments and agencies to participate from time to time in activities of the Committee.

(b) The Committee shall have primary continuing responsibility within the Executive Branch for monitoring the impact of foreign investment in the United States, both direct and portfolio, and for coordinating the implementation of United States policy on such investment. In fulfillment of this responsibility, the Committee shall:

(1) arrange for the preparation of analyses of trends and significant developments in foreign investments in the United States.

(2) provide guidance on arrangements with foreign governments for advance consultations on prospective major foreign governmental investments in the United States;

(3) review investments in the United States which, in the judgment of the Committee, might have major implications for United States national interests; and

(4) consider proposals for new legislation or regulations relating to foreign investment as may appear necessary.

(c) As the need arises, the Committee shall submit recommendations and analyses to the National Security Council and to the Economic Policy Board. It shall also arrange for the preparation and publication of periodic reports.

SEC. 2. The Secretary of Commerce, with respect to the collection and use of data on foreign investment in the United States, shall provide, in particular, for the performance of the following activities:

(a) The obtainment, consolidation, and analysis of information on foreign investment in the United States;

(b) the improvement of procedures for the collection and dissemination of information on such foreign investment;

(c) the close observation of foreign investment in the United States;

(d) the preparation of reports and analyses of trends and of significant developments in appropriate categories of such investment;

(e) the compilation of data and preparation of evaluations of significant investment transactions; and .

(f) the submission to the Committee of appropriate reports, analyses, data and recommendations relating to foreign investment in the United States, including recommendations as to how information on foreign investment can be kept current.

SEC. 3. The Secretary of the Treasury is authorized, without further approval of the President, to make reasonable use of the resources of the Exchange Stabilization Fund, in accordance with section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 822a), to pay any of the expenses directly incurred by the Secretary of Commerce in the performance of the functions and activities provided by this order. This authority shall be in effect for one year, unless revoked prior thereto.

SEC. 4. All departments and agencies are directed to provide, to the extent permitted by law, such information and assistance as may be requested by the Committee or the Secretary of Commerce in carrying out their functions and activities under this order.

SEC. 5. Information which has been submitted or received in confidence shall not be publicly disclosed, except to the extent required by law; and such information shall be used by the Committee only for the purpose of carrying out the functions and activities prescribed by this order.

SEC. 6. Nothing in this order shall affect the data-gathering, regulatory, or enforcement authority of any existing department or agency over foreign investment, and the review of individual investments provided by this order shall not in any way supersede or prejudice any other process provided by law.

GERALD R. FORD.

THE WHITE HOUSE, *May 7, 1975*.

INTERNATIONAL REASON AND SANITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. EARLY) is recognized for 5 minutes.

Mr. EARLY. Mr. Speaker, I am certainly relieved, as I am sure are all of my colleagues in the Congress and the American people, that the President's actions yesterday were successful in recovering the merchant ship *Mayaguez* and its entire crew. Even now, the information we have on the cause and circumstances surrounding this incident is very sketchy. At this stage we know that American casualties were suffered. How many and how badly, we do not know. But, I for one, am bent on getting all of the facts, and getting them quickly.

It is deeply regrettable that force had to be used—that the incident could not have been settled through diplomatic channels. We simply have had too much bloodshed in our recent past, and I would think—I had hoped—that particularly those nations so recently engaged in bloodletting wars, would have the strongest desires to deal with international situations peacefully. I am tired, and the people of this country are tired, of front-page headlines that spell American casualties.

In a world supposedly civilized, nations—all nations, new and old—must realize that they cannot act rashly and impetuously; that the gun rarely settles anything justly or permanently. We, all of us, must return to the use of reason and sanity in our dealings with each other.

COMPREHENSIVE ENERGY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, this afternoon JOHN DINGELL, chairman of the Energy and Power Subcommittee of the Committee on Interstate and Foreign Commerce submitted the subcommittee's comprehensive energy bill. This bill will, hopefully, come before the full committee next week.

I hope that all of my colleagues in the House will carefully examine this bill. Needless to say, it is not perfect; but with the exception of the pricing section, I believe that it comes very close to being an excellent legislative product.

The pricing section—essentially meaning: How much should a barrel of oil cost?—is extremely difficult and complex, substantively and politically. For a week I have been speaking to various aspects of the pricing issue, and hope that the elements of this discussion, which can be found in the RECORD, will be helpful to my colleagues.

Energy is as complex and difficult an issue as we face in this country today, and I urge the careful study, analysis, and thought of my colleagues as we move toward a comprehensive legislative program.

THE PROPRIETY OF ACCEPTING CERTAIN NONPAID TRANSPORTATION

(Mr. FLYNT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FLYNT. Mr. Speaker, the Committee on Standards of Official Conduct, of which I have the honor to be chairman, yesterday approved advisory opinion No. 4 dealing with the propriety of acceptance by Members and staff of the House of Representatives of nonpaid transportation under various circumstances.

The committee acted in response to written and oral requests for guidance in the use of both commercial and private transportation facilities.

I believe the opinion clearly defines the circumstances under which acceptance of such transportation would not be improper, as well as those under which acceptance should be declined.

Copies of the opinion will be sent today to all Members, and I include the opinion at this point in the RECORD:

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, U.S. HOUSE OF REPRESENTATIVES, ADVISORY OPINION NO. 4, ISSUED MAY 14, 1975, ON THE PROPRIETY OF ACCEPTING CERTAIN NON-PAID TRANSPORTATION

REASON FOR ISSUANCE

The Committee has been requested in writing to express an opinion on the propriety of Members and staff of the U.S. House of Representatives accepting non-paid transportation provided under a number of circumstances. In order that all may be on notice, the response to that request is made in this Committee Advisory Opinion.

BACKGROUND

It is necessary and desirable that Members and employees of the U.S. House of Representatives, being public officials, maintain maximum contact with the public at large to provide information on the work of the House and to gain citizen input into the legislative process. To accomplish this, considerable travel is required. Under some circumstances, such travel may be appropriately provided by other than commercial means. Conversely, in some circumstances non-paid transportation offers should be declined. It is the intent of this Advisory Opinion to address both situations.

The distinction turns on the *purpose* of the transportation. At times, it will be clear that there is a single identifiable purpose. At other times there may be more than one purpose involved. The Committee stresses that the opinions hereafter stated deal with the *principal* purpose for taking the trip, such purpose to be fairly determined by the person involved, before acceptance of any non-paid transportation.

NONPAID TRANSPORTATION OFFERS TO BE DECLINED

If the principal purpose of the trip is political campaign activity, and the host carrier is one who would be prohibited by law from making a campaign contribution, such non-paid transportation would amount to a political contribution in kind, and should not be accepted.

If the trip is principally for non-campaign purposes, and the person involved were to request the host carrier to schedule transportation expressly for the convenience of the congressional passenger, such request could be interpreted as abuse of one's public position and should be avoided.

NONPAID TRANSPORTATION OFFERS WHICH MAY BE ACCEPTED

If the purpose of the trip is principally representational or even personal, and if the host carrier's purpose in scheduling the transportation is solely for the general benefit of the host, and the transportation is furnished on a space-available basis with no additional costs incurred in providing the accommodation, it would not be improper to accept such transportation.

If the purpose of the transportation is to enable the congressional passenger, in his role as a public official, to be present at an event for the general benefit of an audience, the accommodation should be construed as accruing to the benefit of the audience—not the passenger—and it would not be improper to accept such transportation.

The above principle can be similarly applied to situations in which a congressional passenger is transported in connection with the receipt of an honorarium. Under such circumstances, the transportation may be accepted in lieu of monetary reimbursement for travel to which the passenger would otherwise be entitled.

Congressional officials, like other public officials and private persons, are on occasion invited as guests on scheduled airlines' inaugural flights. Specific authority to provide such non-paid transportation is contained in 14 CFR 223.8 and 399.34. Assuming that the conditions of these sections are strictly met, the Committee finds that there would be nothing improper in the acceptance of such inaugural flights.

PARKINSON'S DISEASE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on the first of March of this year the distinguished Secretary of Health, Education, and Welfare, the Honorable Caspar W. Weinberger, made a very significant address at the 16th Annual Bob Hope Dinner of the National Parkinson Foundation at the Fontainebleau Hotel of Miami Beach, Fla., in my congressional district. My wife, who is the chairman of the Women's Division of the National Parkinson Foundation has long been the chairman of this dinner and I had the honor to act as toastmaster. Bob Hope, for the 16th time, honored the dinner with his presence and participation by his own inimitable appearance and the presiding over the many talented performers who provided the delightful entertainment for the evening. Secretary Weinberger, speaking from his broad background and knowledge of health matters and particularly out of his general supervision over the National Institutes of Health, spoke very significantly of research in its relation to the provision of health care in our country and especially of the problem of Parkinson's disease with which the Institute of Neurological Diseases and Stroke in the National Institutes of Health is primarily concerned. Secretary Weinberger spoke on the progress that has been made in acquiring a knowledge of the causes of Parkinson's disease and how to deal with it. He expressed the dedication of the Department of Health, Education, and Welfare to the continuation of this research and to finding a cure for this crippling and killing disease. The Secretary warmly commended Mrs. Jeanne Levey, who with her husband, many years ago founded the National Parkinson Foundation and the Parkinson Research Institute in Miami, an arm of the foundation, and the great work that the National Parkinson Foundation has done in the treatment of Parkinson's patients and in research in the Parkinson's field. He recognized that the National Parkinson Foundation has the largest number of Parkinson's patients of any institution concerned with that disease and, therefore, the contribution the foundation can make in cooperation with the National Institutes of Health in finding the cause and the cure of Parkinson's disease.

I may add that since the Secretary spoke at this very meaningful dinner there has been established in Miami by the National Parkinson Foundation, under the inspired leadership of Mrs. Jeanne Levey, the Bob Hope Parkinson Research and Clinical Center, consisting of a fine, new building of four stories, splendidly adapted to the treatment of Parkinson's patients and especially adapted to research in Parkinson's disease and the treatment of the whole person afflicted with that disease in one center. Bob Hope was present at the dedication of this new research center and spoke in his usual inimitable way in commendation of Mrs. Levey and the work of the Parkinson Foundation. My wife and I had the privilege of participating in this dedication. All who are concerned about this disease, of which there are about 1 million in the United States constantly afflicted, will profit from reading the able address of Secretary Weinberger at the Bob Hope Dinner and I include the Secretary's address in the RECORD following these remarks:

TRANSCRIPTION OF TAPE RECORDING

(Remarks by The Honorable Caspar W. Weinberger, Secretary of Health, Education, and Welfare before the National Parkinson Foundation, Inc., Miami, Fla., on March 1, 1975).

Following an introduction by Congressman Claude Pepper, Mr. Weinberger made the following remarks:

Thank you very much, Senator. That's a very generous welcome and I'm extremely grateful to you and it's a great honor to have the opportunity to be here and join all of you in paying tribute to Mrs. Levey and to the magnificent work that she has done. Your Mayor said a little while ago that he knew that you could hear him because he could hear you and I think that that's a very fitting description of tonight. I'm not going to continue long because I know that we're all waiting eagerly to hear the performance of Bob Hope and his Company. But I did want you to know that the very distinguished record of Senator Pepper with which you are thoroughly familiar is similarly regarded by all of us in Washington and it is an honor to have the opportunity to be introduced by him tonight.

Yesterday I had occasion to talk to the President and he, when he knew that I was coming down to Florida, expressed his great interest and hoped that he would be able to be part of the Dedication of the Parkinson Research Foundation building a little later this month; and he also asked me particularly if I would convey his deep appreciation of the contributions that all of you here tonight have made and of his great happiness at the willingness to contribute that has made possible this very fine institution. I assure him I would convey all of his personal greetings to all of you and I'm very honored, of course to have the opportunity to do that on behalf of President Ford.

You know one morning a few weeks ago a very unusual and attractive lady came to see me in my office and during the visit she told me of a very fine new building that her organization had just finished. She said it didn't have a cent of federal money in it, that it was all loaned and it was all paid for down to the last nail before it was finished. I told her I very much wished that we could have her in the Federal Government, that we could really use her and we're not likely to be able to achieve this kind of solvency in Washington soon, I'm afraid. Nor are we likely to be able to hire Mrs. Levey, although we would certainly like to. But we are going to do the next best thing and that is to work with her and with the Foundation which she more than anyone else has brought into being. It's a real inspiration to be here. When you can see what she has accomplished in the past 16 years with her spirit and her drive, you know why she has won the admiration of all who know her here and that her reputation has spread a long way to Washington and beyond.

What I think we must resolve to do tonight is to help maintain the momentum that she has created. I'd also like to say a word as a fellow Californian about Bob Hope, who has done such an enormous amount for so many people and so many causes all over the world. This is his 16th year in helping the Foundation and he's been responsible for raising over 5 million dollars in contributions and as a Californian of course I know the very great contributions he's made to a number of other worthy causes throughout our state, as well as the country. As an official of the United States Government I'm delighted to have the opportunity to pay tribute to him for the very magnificent work that he has done with our troops overseas year after year at great cost and personal expense and effort and time on his part. It's been an inspiration for all of us and it's an honor to be on the same program with Bob.

The Institute that we come to honor tonight has been created in a great spirit, similar to that Bob Hope and others have exercised in their voluntary work. The voluntary movement is largely responsible in many ways too for the work of government. Behind almost every governmental program there is a volunteer group which has originated interest in that subject and has moved government to enter it. That has been the way in a number of different kinds of research into a number of different kinds of disease and it is certainly the fact with respect to Parkinson's disease too. Your organization is unique in a number of ways. It's the only institution of its kind in the country and probably in the world that devotes itself exclusively to the needs of Parkinson patients. In the usual neurological clinic, this is one of many nervous system disorders being treated. In the great Institute which Dr. Tower heads so ably in Washington, that is the case. But here all of the attention is focused on Parkinson's disease and so a very powerful spirit of hope and optimism has been generated here and we know that that is going to replace the despair that is the common lot of so many who suffer from this terrible disease.

Secondly your Institute is unique also in the services that it offers its patients. Its physical facilities and rehabilitative therapy are unparalleled and what is more your program here is one in which the whole patient is treated. You just aren't looking at the disease or its symptoms, you're looking at the whole patient and how he can be made a happier, more whole citizen and therefore you concentrate training also on his family and on others who will be taught to care for him.

Finally the Institute has uniform records on the largest population of Parkinson patients of any in the world and our efforts at NIH, at the National Institutes of Health, have greatly benefited from this achievement. Our department, as you know, is heavily committed to research into Parkinson's disease. Our Food and Drug Administration is responsible for the safety and efficacy of drugs and in fact it now has under review a new drug combination for Parkinson's disease. Our Social and Rehabilitative Service, which is another of the units of our department through the states, provides funds for rehabilitation for many kinds of patients including some with the disease that we are concerned with tonight.

But the agency that offers the greatest hope in terms of impact is, of course, the National Institute of Neurological Diseases and Stroke, and you heard from its very distinguished director, Dr. Tower. Dr. Tower can give you far more detailed and scientific reviews than our program tonight has, but I want to mention a few of the more active research areas and give you some sense of the reason that we feel optimistic for the future after a great many years of pessimism in dealing with this disease.

In the research that we're doing now, the main action is in the study of drugs and how they will work. Most of you know that the recent advances we have made in drug therapy centered around the one drug of L-dopa and the amount of benefits that we've had and the amount of care with which we must use that drug. Our scientists have played a very crucial role in basic research going back more than 20 years and that led to the L-dopa and you heard the interesting story of how that was put together by workers all over the world from Dr. Tower.

But that's been more of a beginning than an end. It's provided a great many prime research opportunities whereas before we could mainly observe and simply try to make the patient's life as bearable as possible. But L-dopa has done a number of things, including extending the patient's life and making him much more able to live a more normal life and at the same time given our scientists an opportunity to find out what happens to that drug in the body and find out what happens to the patients who take it. The problem that we are most concerned with now is the fluctuating effect of L-dopa and that again emphasizes the care with which it must be used and how carefully it must be monitored by trained physicians at all times. In some patients you have the "on and off" effect whereby the drug loses what benefits it has given before and suddenly it's like turning off a light switch. A great deal of attention is being devoted at NIH and here and elsewhere to try to find out the cause of that.

Another area of the Parkinson research that is very exciting now concerns the virus and we are particularly interested in the kinds of viruses that live in brain cells for a long time in a dormant way, sometimes for decades before they emerge and are the cause of many illnesses. And a virus has long been suspected in one form or another in Parkinson's disease causes and for many years physicians have diagnosed Parkinson patients who had flu and there were thousands in that category who provided a wealth of circumstantial evidence but none that was direct. And now we believe that we do have, and it was discovered at Mt. Sinai in New York, a type of influenza virus antigen in brain tissue from 6 patients who had had post-encephalitic parkinsonism. NIH has a substantial virus research program underway and the scientists have established that these types of viruses are indeed responsible for some diseases. A rare form of the disease called parkinsonism dementia occurs among the Chamorro-speaking people of Guam in the Mariana Islands much more frequently than others in the world and we have special units there studying why this should be the case and trying to help us find out if we cannot apply some of that knowledge, when we learn it, to other types of parkinsonism around the country and indeed around the world. These patients in Guam have formed an extremely important research population for basic study by our scientists and we expect to continue to operate this facility and we believe that our scientists there may some day indeed make scientific history.

One question of great interest here is whether the new drugs actually arrest the disease itself or if they merely mask its symptoms. At the moment we don't have any indication of any halt in the progressive cell loss but we do have an indication that the L-dopa and other adjunctive drugs can prolong life for something like a year and a half. And whether it does prolong life is academic in a sense because one thing we do know and that is that it improves the quality of life for so many victims of this disease. We don't know when we really will be able to arrest and cure the disease, but we do know that we will continue to work at it and we know that we're living in a very exciting time when each day may well bring a breakthrough in this disease as it has in so many others.

But there are many doors still left locked in this and arthritis, in cancer and in heart disease. One thing however that we do have strongly in our favor, we have a national spirit that enables us to accomplish very great things in this country and we have a sensitivity to human suffering and a will to help. We have a great many times in our history scaled a number of heights that we thought were leading us to the top, only to find that we had reached merely another plateau and we have always had the heart and the eagerness and the enthusiasm to realize that it was only a plateau and to take up again the struggle to reach the top and to breakthrough and to find the solution; and that is the solution of the spirit and the hope that we can bring to this disease.

That is what our department is committed to doing, that is what our government is committed to doing and that is why we have been so fortunate to have the work of people like Dr. Tower. That's why we've been so fortunate to have the partnership that comes from a voluntary organization put together through the inspired work of one indomitable woman and it is delightful indeed for me to have the opportunity to pay just tribute to her and through her to assure you that our partnership will continue. Our government will continue its extraordinarily important work to bring an end to the suffering that so many thousands of people undergo as an apparently permanent condition in the past and to assure you that it will not be a permanent condition of suffering in the future because our spirit is great and our ability as a country is great. We should never forget it and I'm sure that that kind of spirit will bring about again solutions that we all so urgently and so desperately need.

WHITE COLLAR CRIME

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, white collar crime is increasing more rapidly in the United States than any other kind of crime. It feeds like a cancer upon our country's economy and life. Its perpetrators in many instances are people regarded with respect and enjoying prestige in the business and social world and, yet, such men and companies of erstwhile repute have defrauded the American people of colossal sums of money. So today one of the great challenges to our National and State Governments and to our people generally is the problem of white collar crime—how to deal with it, how to curb it.

On September 11, 1974, I spoke on white collar crime at a seminar held in New York City under the auspices of de Hellerman & Co., Inc. I hope those interested in this subject may find something of profit in my remarks on this subject. Hence, Mr. Speaker, I include them in the body immediately following these remarks:

CONGRESSMAN PEPPER'S SPEECH, WHITE COLLAR CRIME SEMINAR, NEW YORK, SEPTEMBER 11, 1974

Chairman of program: Our next speaker, Mr. President, has had a long and very distinguished career, both in his own state and in the Federal government, but we are particularly interested in Congressman Pepper's very substantial and long involvement with crime. He had a distinguished career as an Instructor at universities and Law Schools and in the House of Representatives, he has taken a particular interest in these matters which was clearly recognized by his peers in the Congress, for in the 91st and 92nd Congress, he was Chairman of the Select Committee on Crime in the House; he has numerous honorary degrees and he was the winner in 1967 of the Albert Lasker Public Servant Award. I know that you are much more interested in hearing him than hearing me go on about him, and therefore I introduce Congressman Pepper:

Congressman Pepper: Thank you very much, Chairman Haley, Ladies and Gentlemen. Today if one has been in politics as long as I have, he is grateful if the introducer is just kind, he doesn't have to be so graciously complimentary, as you were. I commend all of you who are participating in this Symposium on one of the critical subjects that is facing our country today, another and duly developing in emphasis of crime—what we call "White Collar Crime", or some prefer to call it "Economic Crime."

Of course, there are certain types of crime that we tend to tolerate in our country. I heard of an instance of that not long ago when a truck driver early one morning drove up to a roadside restaurant for breakfast. He parked his truck in front of the restaurant, went inside, ordered bacon and eggs, butter, toast and coffee and was just about to begin to eat his breakfast, when three motorcycles roared up to the restaurant, stopped, and three black leather jacketed riders sauntered arrogantly into the little restaurant. They saw the gentleman sitting there with a plate in front of him. They walked up behind him, looked over his shoulder, one of them just reached down and picked up his coffee and walked away with it. The truck driver looked at him, but he didn't say anything. The other fellow picked up a handfull of bacon and walked away. The truck driver's eyes followed him, but without any comment. The other fellow picked up his toast and walked away with that. He looked at him, too, but he didn't say anything. Finally, the truck driver got up, walked over to the cashier, paid his check and left. The motorcycle toughs drank their coffee, and then finally one of them sauntered over to the lady cashier, and he said, "Lady, did you see what happened there awhile ago?" She said, "Yes Sir." "Well," he said, "That fellow wasn't much of a man was he?" She said, "No Sir, he wasn't much of a truck driver either, he just ran over and flattened three motorcycles and drove off."

If we were to go to Attica, in New York, or Raiford, in Florida, or to many of the other institutions in this country of penal character, we would find generally certain types of individuals confined there. Generally, they are people of rather obscure backgrounds, little preparation in education or training for a competitive role in life; they have come ordinarily from environments which are not conducive to the highest aspirations, they are what we call the "Criminal Types" in America. They are the people who primarily commit the violent crimes, crimes against the person, crimes directly by violence against our property.

And we think it is an enormously tragic thing when we learn of someone being robbed or burglarized or assaulted; and yet, we have come to find out now that four times as much property is taken from the people of this country by a so called "economic" or "white collar" crime as is taken from them by robbery, burglary, larceny or theft. It always makes a big headline in the paper or in the media when there is a bank robbery. Yet we are told that six times as much money is taken from the bank by the people on the inside of the bank as by bank robbers. And so we have, instead of a six per cent increase in so-called violent crimes which has been recently noted by the figures of the FBI, in the field of economic crime apparently the increase is very much more rapid and has become very much more serious to the American people. In fact, it is estimated that at least $40 billion a year (some say $42 billion) are taken from the American people by white collar or economic crimes. That divides up into about $200 for every man, woman, and child in the United States every year on account of the perpetration of this kind of crime.

In the morning's *Time*, in the middle of the front page, here are the headlines: "Realty Company Indicted In Plan for Fort Lee Bridge", dated September 10. Investigators Funding Corporation of New York and four of their top officials were indicted today by a Federal Grand Jury on charges of authorizing payments of a million four hundred thousand dollars in bribes in order to try to win approval of plans for a $250 million high-rise commercial project near the George Washington bridge in Fort Lee. Now the people that had to do with that, I can't say of course, whether the people will be convicted or not, but no doubt those officials who had to do with that perpetration of crime for which they were indicted probably did not come from broken homes, they probably did have an education, possibly a college education; they had risen to positions of considerable responsibility in their organizations and, I am sure, of respect in the communities in which they live. They ranked with the best people, as we say, they were a part of the good people of this country. Yet today in a prison in Illinois a former Governor, former Chairman of the Presidential Commission to investigate violent crimes, former Judge of the second highest level of courts in our country, the Court of Appeals of the Federal District is in prison for the commission of felonies, making a bribe, income tax evasion, and the like. I don't need to mention other conspicuous statements associated with our national government in Washington which have shocked even a rather callous public opinion. To what do we attribute this kind of crime and what sort of crime is it, generally? Well, I have here a little bit of a compilation that has come from the authorities which have put together some facts about this matter. Just let me read a few: These are in respect to stock transfers and transactions.

25 men indicted by a Federal Grand Jury in Tampa, Fla. in alleged plot to counterfeit millions of Walt Disney stocks and TWA bonds.

16 persons, 9 Americans, several Europeans, indicted by Federal and State Grand Juries in New York for conspiring to cash $3,400,000 worth of stolen stock—$14½ billion in counterfeit corporate bonds.

Another one, several persons indicted in Los Angeles by a Federal Grand Jury for theft of $30 million in stolen securities and the like.

And we are told that it is estimated that in the last several years $400 billion of securities have been stolen from the security houses and financial institutions of this country. Well, I have just mentioned a few in the area of stocks and securities.

Another category is anti-trust: 11 corporations, and 7 executives, including (and they name these various corporations) indicted by a Federal Grand Jury on charges of conspiring to fix concrete block prices in the Chicago area.

Another one: 5 companies and 5 officials (including Indianhead, Inc., etc.) indicted on charges of conspiring to fix prices of nylon wire.

Six individuals and 7 vending machine companies indicted on charges of conspiring to fix prices on hot and cold beverages, sold in trucks in Atlanta, Georgia.

Another prominent group of corporate leaders indicted by a Federal Grand Jury in Philadelphia on charges of conspiring to fix prices of coremite sand (sp?) used for making molds for iron and steel products.

One other miscellaneous area: several prominent corporate executives indicted on bribery, conspiracy and security charges in connection with a scheme to bribe election commissioners into buying the company's voting machines and violating SEC rules about loans to officials.

A man here, a former Vice President and one of the major airlines in the United States, convicted with a certain man (a former sales promotion director of this national airlines) and four printing companies and their presidents on charges of arranging kick-backs for the printing of the company's magazine (they name the magazine). Another man was named in another indictment.

One of the outstanding drug houses in the United States indicted by a Federal Grand Jury on 60 counts of shipping adulterated or misbranded drugs, dangerous to human health, in violation of the Pure Food Drug and Cosmetics Act in 1971, the Center for Disease Control reported that 150 cases of septicemia or blood poisoning and 50 deaths had been associated with the use of this solution by this drug house in 25 hospitals. The government is appealing the judge's dismissal of the case on the ground of prejudicial publicity.

Another one of the big companies of this country indicted for a violation of the Munitions Control Act for trading with Portugal by shipping bullet proof windows to Portugal without U.S. clearance. The government charged that attempts to give Portugal the technology to make its own armored and amphibious vehicles after efforts to purchase them legitimately in the United States were blocked by the State Department.

And one more. Indicted for conspiracy to import computer cards into this country by using false customs papers. Another outstanding corporation in the United States. And over here, there is a deputy—just listen to this one: A former United States Deputy Comptroller of the Currency, President of a large national company convicted on charges of conspiring to defraud five United States banks and three Swiss banks of $8,100,000. Those are just typical.

How do we account for that kind of conduct What do we do about it? Well, in the first place, we are trying to do a bit about it. I want to commend the United States Chamber of Commerce for publishing 400,000 copies of this excellent little booklet, 92 pages, entitled, "White Collar Crime". It is very informative—as I said, it puts the prestige of the United States Chamber of Commerce behind an effort to eradicate this sort of conduct from the business structure of our nation. We've only had limited reports as to the extent of this kind of crime. These statistics show that there were 28,000 arrests for forgery and counterfeiting in 1972—up 43% since 1960, and 57,000 arrests for the crimes of fraud and embezzlement in 1972—83% in a decade. These statistics were based on only 2400 reported police agencies, however, serving 86 million people in our country. Another interesting FBI statistic indicating the rise in White Collar crime showed an increase of 417% from 60 to 72 in arrests of those buying, receiving and possessing stolen property. We are told by the Department of Justice that there are 61 different offenses that are pretty well recognized in this whole area of White Collar or Economic crime.

Well, any prosecuting attorney will tell you that the most difficult funds for him to obtain from appropriate authorities are funds to investigate and to prosecute this kind of crime. Revolt is not so pronounced as in the case of victims who have been brutalized in some way or robbed of their possessions which were very meaningful to them. However, last year LEAA, the Law Enforcement Assistance Administration did make $500,000 available to the district attorneys of the country in an effort to assist them in prosecuting this kind of problem. Lately, that amount has been tripled to $1½ million now which has been made available to the district attorneys. Sixteen participating district attorneys, that is local attorneys, have shown in respect to that inquiry the following results in the last few months: 2,100 investigations have been made, 1,100 indictments have been returned; 449 convictions have been obtained, 130 of them were for felonies.

Well, it is difficult to know what to do about any aspect of this problem of crime. In respect to violent crimes, which my Committee on Crime conducted an inquiry into for four years on certain aspects of white collar crimes, you know that 50% of the violent crimes are committed by people, mostly boys, under 18 years of age, and two-thirds by people (mostly boys) under 26 years of age. Nine out of ten of those offenders are school drop-outs. So if we could do something about the problem of school drop-outs, we'd be able to make a very great contribution to the reduction of crime in the country. The other great in-put into the crime population are the people coming back again and again out of our penal institutions. Most of them committing more than one crime, while they are out on some kind of probation from the penal institution.

So if we could change our structure—I visited with my Committee, Attica, on Friday of the week that the tragedy occurred and we found there conditions that were deplorable and they are as true in my State of Florida, in Raiford, and all over this country as a matter of fact. But we've never been able to get the money, we've never been able to develop the public support, indeed, the public however grievously the public suffers from the perpetration of crime to do the things necessary to prevent and appropriately to punish that kind of crime. All the more difficult is the problem of dealing with White Collar crime which we are talking about here today. I think on the whole that corporate morality in America is higher than it has ever been. But when a company participates in price fixing, what difference is there in principle between that and people of a lower social and intellectual scale fixing a horse race? Both of them are violating, cheating at the rules of the game. And any company that participates in illegality for restraint of trade, price fixing, or other illegal acts, may well be inviting embezzlement by its own employees to perpetrate some kind of crime by them to the detriment of that company and to their country.

So the first thing that I would suggest is that we try as best we can to raise the level of personal morality and integrity not only among the business people but particularly among the political people of this country. And we are now having shocking instances of the necessity of that demand by the public. All the elections are indicating a very low vote over the country, and I suspect that a lot of that is attributable to the fact that people are disillusioned with those who are in public life and they just don't want to participate in it because they don't think they are going to get very much in return for whatever ballot that they cast.

And so that is the first thing: Try to inspire higher individual standards of integrity on the part of all who participate in the activities, particularly, the leadership of our country.

The second is obviously in the field of White Collar crime particularly; we have got to provide more money, better techniques, more effective investigatory authorities and agencies and personnel, more diligent pursuit of those who have been involved in this kind of crime, and then when we get into the courts, it may well be—although we don't like to think of the vindictive spirit in dealing with crime—but none the less it must be somehow a changed concept of this country that if a man comes up before a court for stealing a few hundred dollars or engaging in soms relatively minor felony he goes to prison for a time, but if he steals a million dollars from his bank or from his corporation, or if he participates in a stock fraud scheme that fleeces many billions of dollars from the American people, but all he will get relatively is a pat on the wrist from the judge who imposes sentence. My Crime Committee had a case not untypical; a preacher named Jackson formed what he called a Baptist Foundation. I'm a Baptist and I was a little regretful to find that my faith was associated with that kind of an enterprise. It really didn't have anything to do with the Baptist Church, that was the name that he chose. He prepared a beautiful brochure; that is, he didn't prepare it, he had competent public relations people to prepare it for him. And then he got a crooked accountant to prepare a spurious assets sheet (statement of assets), and then, unhappily, one of the outstanding credit agencies in this country, after a visit of only two hours by an inferior subordinate to Reverend Jackson, included in its own respective report, the statement of assets of that company which had been prepared by a crooked proprietor and a crooked accountant, and had been therefore ingratiated into the attention and apparently the approval of this nationally recognized company.

Well, we know technically that they put some fine print down at the bottom of the page, saying that we are not responsible for the assets sheet. But when a respected credit reporting company reports assets of a company that is putting securities on the market, obviously the average observer is inclined to give credibility to it because he attaches credibility to the name of that credit reporting company. So we made some recommendations in that kind of thing. Incidentally, they fleeced the public, banks, insurance companies, and other people out of about $26 million through that fradulent scheme. And incidentally, there was a corrupt broker that fixed the market, made the market fraudulently for those securities and enabled this crowd which included many gangsters, to fleece the public, as I said, of about $26 million. So we recommended two or three things in that category. One was: that anybody who printed a false statement intending for other people to rely upon it where they represent themselves as having assets of over $1 million would be subject to a penal offense if they included false statements or false information in their brochures. And, secondly, we recommended that the SEC tighten up its surveillance of stock brokers who participate in that kind of fraudulent scheme. And, third, we recommended that when investigating authorities discover that a scheme of that character is in operation, and they discover assets that can be attached and held for the reimbursement of the people who have been defrauded, that there be authority of law that will permit those assets to be sequestered and can be held subject to the distribution of judicial authority, possibly in retribution or in recompense of those who have sustained that kind of fraud. And, last, we need to cultivate all over the United States the closest kind of cooperation among federal, state and local authorities. In respect to horse racing, we found that there was a type practice of fixing horse races in many respects, some of them here in the state of New York. Gangsters had taken over certain of the race tracks in the country, we were able to show.

We proposed that it be made a federal offense, as well as a state offense, to fix a horse race or to do anything of that character because the FBI is all over the country, the federal authorities are throughout the Nation. We also recommended that there be task forces of the several states where racing is engaged in to permit more effective coordination of effort among the several states and the like. So these are just some of the things that may be done but after all, the only real answer to this kind of problem is to try to inculcate into the conscience of the people of this country respect for law and order, the rights and the property of other people, and somehow a universal sentiment of that character must be developed in the business world, in the political world, among the citizens of this country to try to put integrity into all aspects of our lives.

I conclude with one little incident that I heard of: A fellow applied to a bank for an improvement loan (a home improvement loan) of $2,000.00. The bank granted him the improvement loan. They investigated a while later and found out that instead of using the loan to improve his home, he had used that money to get a divorce. Well, he was of course arrested and indicted and he was on trial. And the judge asked him, he said, look here, Mr. so-and-so, why did you take that $2,000 which you got for a home improvement loan and go and do something else with it, get a divorce? He said, Well, judge, that was the best way I could spend that money to improve that home, and you just don't realize what an improvement it is.

Thank you very much.

WELL DONE

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, President Ford and the officers and men who planned, participated in and executed the successful operation to rescue the U.S. vessel *Mayaguez* and its crew are to be congratulated on a job well done. The task and the decisions that had to be made were exceptionally difficult. The success achieved demonstrates clearly the resolution and ability of the United States to respond reasonably and effectively to dangerous and unanticipated events.

It is reassuring to know that at the decisionmaking level the legally constituted mechanism for crisis management, the National Security Council, met frequently. From their deliberations it would appear that under severe pressure only carefully considered action was approved. This should help restore confidence in the integrity and effectiveness of our governmental mechanism for crisis management—confidence which had been severely eroded.

As from any event there may be some lessons which we should learn from this incident. Among issues which should be pursued more fully in my judgment are:

The effectiveness of our mechanism for evaluating potential dangers to our merchant marine and the speed with which appropriate warnings are issued and protection provided;

Mutual obligations of the United States and Thailand in the situation and the impact of our operation on our long term policy interests in the area.

The adequacy and timeliness for Presidential-congressional consultations before and during periods of crisis.

It is my intention as chairman of the International Political and Military Affairs Subcommittee to pursue each of these matters. First, I intend to ask the General Accounting Office to study the adequacy of our system for protecting our mariners and minimizing the danger of future incidents like the one involving the *Mayaguez*. Second, the subcommittee will hold hearings following the Memorial Day recess on U.S. policy in the Far East and explore among other questions the issue of the implications of our actions for Thailand. Third, it is my intention to work with both the House leadership and the White House to reach a clearer mutual understanding of what is meant by consultations before and during foreign policy crises; who should be included in such consultations and what mechanisms, if any, should be formally constituted to facilitate cooperation, trust, and understanding between the President and the Congress which are vital in a moment of crisis.

RESOLUTION OF THE TEXAS HOUSE OF REPRESENTATIVES REGARDING FEDERAL EXPENDITURES

(Mr. MAHON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MAHON. Mr. Speaker, all thoughtful Americans are deeply concerned over the fiscal plight of the country. They are disturbed over the escalating cost of government at all levels. They are especially upset over Federal Government spending, deficits, inflation, and associated problems.

The Texas House of Representatives has passed a resolution under the sponsorship of Representative John Hoestenbach with respect to our fiscal plight, and it has been sent to me and other members of the Texas delegation in Congress by the distinguished Speaker of the Texas House of Representatives, the Honorable Bill Clayton, with the request that the resolution be placed in the Congressional Record. It is a thought-provoking document which deserves serious consideration. It reads as follows:

House Resolution No. 22

Whereas, Inflation has become the primary problem facing the United States today; and

Whereas, Since time immemorial, a major source of inflation has been the result of government's attempt to acquire resources to finance its activities; and

Whereas, Rather than increasing taxes to acquire these resources, the government tends to create and spend money it does not have by issuing ever increasing amounts of paper currency and putting a disproportionate emphasis on bonds and other government securities, which results in large and persistent budget deficits; and

Whereas, This deficit spending is a major cause of the long-term inflation present in this country today, since it creates a swollen money supply, tends to raise interest rates (which induces people to hold less cash relative to their income), and puts pressure on the Federal Reserve Bank to finance the deficits; and

Whereas, For the four years from 1970 to 1973, the total deficit in the federal budget amounted to $63.5 billion, or an average of $15.9 billion per year, the laregst since the World War II period; and

Whereas, Eliminating the deficit, which would require a substantial reduction in federal spending to bring budget outlay into balance with budget receipts, would be an important step toward stopping inflation; now, therefore, be it

Resolved by the House of Representatives of the State of Texas, That by this Resolution the House of Representatives of the 64th Legislature hereby memorialize the President of the United States and the Congress of the United States to take affirmative action to balance the federal budget as a means of fighting inflation; and be it further

Resolved, That a copy of this Resolution be forwarded to each Senator and Representative in the Congress from Texas with the request that this Resolution be officially entered into the Congressional Record as a memorial to the Congress.

ON ENDING THE PROHIBITION AGAINST A FAMILY'S ASSISTANCE OF SSI RECIPIENTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Supplemental Security Income program, which was intended to assist the elderly, the disabled, and the blind, prohibits additional assistance from outside sources by deducting such income from the SSI recipient's potential benefits. This is particularly cruel when an elderly, disabled, or blind person's own immediate family wishes to assist the SSI recipient to rise over a bare subsistence standard of living.

I became acutely aware of this problem as the result of the sad case of a retarded young constituent whose family paid for him to attend a school for the retarded but who, as a result of these payments, was denied SSI payments.

On August 5, 1974, the Commissioner of Social Security, James Cardwell, advised me that his department was "deeply concerned about the effect of our present interpretation" and was "conducting an in-depth evaluation of the present title XVI treatment of support and maintenance as income with a view toward finding administrative or legislative options which may remedy the present situation." Commissioner Cardwell concluded:

> I am hopeful that I will be able to review these options very shortly and that we will find a solution so that no supplemental security income applicant is disadvantaged by the unearned income provisions of the law.

On March 20, 1975, after I contacted the Social Security Administration again, Commissioner Cardwell informed me that no decision had been reached.

It seems clear that congressional action is required. Accordingly, I have today introduced legislation to amend title XVI of the Social Security Act to provide that support and maintenance—in cash or kind—furnished to an eligible individual by members of his or her immediate family shall be disregarded—and shall not serve to reduce his or her supplemental security income benefits—to the extent that it does not exceed $200 a month.

Under present law, any cash contributions received by an SSI claimant are considered as unearned income and if above $60 a quarter, result in a dollar-for-dollar reduction of the SSI benefit for the amount exceeding $20 in each month. Thus, if a son contributes $140 a month in cash to his widowed mother to cover her rent of $100 a month or her food, her SSI benefits would be reduced $120, which in many States would result in an SSI benefit of only $26 a month and in all States in a very small benefit. On the other hand, if instead of giving her cash he pays her landlord and buys her food, she would only suffer a reduction of at most $68.66 a month in her SSI benefit.

This bill will encourage members of the immediate family to supplement the frugal SSI benefit, thus enabling the beneficiary to rise above a less than bare minimum subsistence level. The $200 a month limitation in the bill provides enough flexibility to make a meaningful contribution to all individuals without permitting excesses. Most contributions will be considerably less. The legislation will also eliminate the need for subterfuges to disguise cash contributions as in-kind payments, thus enhancing respect for law and the dignity of all involved.

The bill follows:

H.R. 7033

A bill to amend title XVI of the Social Security Act to provide that support and maintenance (in cash or kind) furnished to an eligible individual by members of his or her immediate family shall be disregarded (and shall not serve to reduce his or her supplemental security income benefits) to the extent that it does not exceed $200 a month

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1612(a) of the Social Security Act is amended—

(1) by inserting "(subject to the sentence following paragraph (2)(F))" after "kind"; and

(2) by adding at the end thereof (after and below paragraph (2)(F)) the following new sentence:

"Notwithstanding any other provision of this title, support and maintenance furnished in cash or kind to any individual (and his eligible spouse, if any) in any month by members of such individual's (or spouse's) immediate family shall not be taken into account for purposes of paragraph (2)(A) to the extent that the total of the support and maintenance so furnished to such individual and spouse in that month does not exceed $200; and, under regulations prescribed by the Secretary, clause (i) of such paragraph shall apply in the case of an individual (and his eligible spouse, if any) reeciving support and maintenance from his or their immediate family in excess of such amount only if its application would increase the amount of the benefits payable to such individual under section 1611. For purposes of the preceding sentence, the term 'immediate family' with respect to any individual (or spouse) includes the parents, children, grandparents, grandchildren, brothers, and sisters of such individual (or spouse)."

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to benefits payable for months after the month in which this Act is enacted.

LAW OF THE SEA: TOO MUCH VENTURED, NOTHING GAINED

(Mr. HUGHES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUGHES. Mr. Speaker, the second United Nations Law of the Sea Conference has concluded 2 months of talks with nothing to show for the experience.

Many people in my State had hoped that some fair agreements could be hammered out among the 144 nations which reconvened at Geneva after a disappointing session last year in Caracas. I was particularly concerned that the matter of establishing a protective zone for commercial fishing be negotiated.

In fact there were those who testified against this Nation adopting, unilaterally, a 200-mile protective zone in recent hearings before the Merchant Marine and Fisheries Committee.

Wait, they said, until we hear from Geneva.

Well, now we have heard.

Chairman JOHN MURPHY of the House Oceanography Subcommittee brings word that our State Department was prepared to concede everything short of the Hawaiian Islands to sign a treaty.

According to an account I shall insert after these remarks, the Treasury Department, the Defense and Interior Departments and the White House budget officials in attendance were sharply critical of State's agreement to a plan which would have required that nations with undersea technology submit to an International Seabed Resource Authority.

Chairman MURPHY, to his credit and to the credit of this Congress, fought that proposal. He and other Members of the U.S. delegation pointed out that this would compel the United States to turn over to a multinational authority many of its seabed discoveries for development with proceeds allotted principally to other nations.

I understand, Mr. Speaker, that it is in the long-term interest of all nations to reach agreements for the development of the seabed's estimated $3 trillion in minerals and to settle real and potential conflicts over territorial boundaries.

But these agreements must be fair to all parties, including, yes, the United States.

I hold the opinion that it will take a number of years to reach such accords, particularly when you consider the inevitable conflicts between land-locked and coastal States and those which possess technological capabilities to develop the seabed and those which do not.

In the meantime, this Nation must, as have others, move to conserve and protect its own sea resources.

We should move in the next few weeks to report out of the House Merchant Marine and Fisheries Committee H.R. 200 which will save what is left of some fish species depleted to the point of extinction by the trawler operations of other nations.

At this point I submit for the RECORD a United Press International dispatch from Geneva headlined "UN Sea Talks Produce Little" as well as a recent column by Jack Anderson entitled "Law of the Sea Parley Ended in Feuds, Accusations":

UN SEA TALKS PRODUCE LITTLE

GENEVA.—The United Nations Conference on the Law of the Sea ends two months of talks this week with little to show for its efforts.

Delegates from 150 nations were expected to wind up the conference Friday with agreement on only one item—to meet again next year.

"The differences have just been too big and the conference too large to permit even a consensus on major issues," a U.N. official said today.

Conference President H. Shirley Amerasinghe of Sri Lanka said last month the 2,000 delegates might go home with nothing but personal effects and memories.

"He wasn't far wrong," one Western ambassador said today.

The meeting was called to work out an agreement governing exploration and exploitation of the world's oceans. The delegates will hold another session next year and probably at least one more meeting after that.

Chairmen of the three main committees were trying to complete a basic negotiating text to be studied by the delegates before the next session early in 1976.

Many participants blamed the lack of progress on the absence of such a single text when the conference opened March 17.

"The way things look now, we would be happy if our grandchildren see final agreement on a Law of the Sea convention," an Ecuadorian delegate said.

Hopes of reaching a future agreement center on the ability of the various national interest groups to meet in the interim and work out joint proposed articles.

Such sessions would cut down the number of negotiating proposals put before the next conference.

The United States and Soviet Union, along with other industrialized coastal states, want to establish a 12-mile territorial sea with an "economic zone" of 200 miles.

More than 30 Latin American, African and Asian states, however, back a 200-mile territorial sea in order to retain complete jurisdiction over foreign fishing off their coasts.

Some coastal nations want to extend absolute control over mineral resources as far as 600 miles from their coasts, but the United States has called for sharing proceeds from deep sea mining beyond 200 miles.

Law of the Sea Parley Ended in Feuds, Accusations

(By Jack Anderson)

Washington.—Ten weeks ago, the representatives of 144 nations gathered in Geneva with high hopes of settling coastal boundaries, saving vanishing sea animals and sharing fairly the seabed's $3 trillion worth of minerals.

The Law of the Sea conference has now ended in shambles. Some delegates spent more time in the cocktail lounges and on the ski slopes than at the negotiating sessions. Others engaged in angry recriminations and petty squabbles. There were whispers of "black box" spy sensors off coastlines.

At one point, a Soviet interpreter was replaced by a KGB agent who ostentatiously leafed through a black notebook full of clippings about the U.S. recovery of a sunken Soviet submarine. Another time, the senior American official dozed off in the middle of an important discussion.

From a confidential report by House Oceanographic Chairman John Murphy, D-N.Y., and from interviews with other participants, we can now access the debacle and how its failure affects the American taxpayers.

"The sharks of Geneva, whose only interest appears to be to delay the treaty in order to force increasingly greater concessions from the U.S., (have) doomed our efforts," summed up Murphy in his report.

What the congressman meant, and what other sources agree with, is that the State Department was hellbent on a treaty virtually at any cost. This led the United States to offer to give up much of its seabed mining potential to world authority dominated by small, increasingly greedy nations.

So outraged were some Treasury officials over the State Department's cave-in that they described it as "disastrous . . . an atrocity . . . a debacle." The secret position papers of the various U.S. departments show that not only Treasury experts but also Defense, Interior and White House budget officials sharply disagreed with the State Department.

Murphy, whose report called the give-away plan "a national disaster of tragic proportions," fought against it at Geneva. He pressed his arguments vigorously at a back-room meeting with State Department representatives.

As Murphy was making his points with intense earnestness, the senior American official, aging undersecretary of state Carlyle Maw, nodded off twice into quiet oblivion.

At the heart of the dispute was a proposal by Sri Lanka's Christopher Pinto. This would require nations with an undersea technology, such as the United States, to submit to an International Seabed Resource Authority.

Under the Pinto plan, the United States would be compelled to turn over many of its valuable seabed discoveries to the multinational authority for development. Thereafter the proceeds would be parceled out mainly to have-not nations.

The small nations, citing the U.S. success in salvaging a Russian submarine from the ocean bottom, argued that the United States was ahead of the rest of the world in seabed mining and would wind up collecting most of the valuable tomato-sized nodules of nickel, manganese, copper and cobalt from the murky ocean floor.

The State Department, eager to please the Third World countries, pushed for approval of the Pinto plan. But other U.S. delegates considered the plan, although idealistic, to be impractical. It would mean that the United States, in the midst of a recession, would be expected to finance the mning of the ocean bottom for the benefit of the less developed nations.

U.S. Ambassador John Stevenson tried in vain to keep the Central Intelligence Agency's undersea adventures with the Glomar Explorer out of the discussions. He urged the U.S. delegation to downplay the importance of the undersea craft and, if possible, not to discuss it at all.

Canada's John Cooper gamely tried to convince delegates that the break-through by the CIA might not be as dramatic as it sounded. But Pinto wouldn't let the issue drop. In cloakroom conversations, he stressed that the success of the Glomar Explorer made clear the need for the third World nations to control the proposed world seabed authority.

The Russian reaction is described in Murphy's confidential report. "The interpreter for the USSR was changed," recounted Murphy. "The gentleman who replaced him was identified as a KGB agent . . .

"The Russian agent sat with a black notebook containing news stories and photographs of the Glomar and its retrieval of the Russian sub. (He) slowly turned the pages in an obvious manner so that the American negotiators could see what he was doing.

"It was the usual game of Russian one-upmanship, an attempt to embarrass and put at a psychological disadvantage their American counterparts."

The Soviet delegates, Murphy added, were "not allowed to associate with or appear friendly toward U.S. representatives even though some of them have known our people since World War II."

Murphy was appalled to learn, meanwhile, that the Center for Naval Analysis spent $400,000 of the American taxpayers' money to computerize data so the center could predict what various groups and sub-groups at the conference would do.

But the Defense Department refused to share its computer predictions fully with other U.S. agencies at the conference, wrote Murphy, thus leaving the Treasury at a disadvantage in pushing its views.

The Pentagon people also were concerned over the effect oceanic agreements might have on the "little black boxes," which they have planted in the seas. These boxes contain secret sensor equipment. One such "little black box," according to Murphy, was helpful in locating the sunken Russian sub.

As the negotiations began to fall apart, some delegates abandoned the conference rooms for the cocktail lounges, where they drank too heavily. Others took a five-day Easter break right in the middle of the talks. And the United States cordially pressed a 13-seat minibus into service shuttling delegates to the ski slopes.

Declared the Murphy report: "I must with great reluctance conclude that the interest of the U.S. . . . must be served in the months ahead . . . by immediate unilateral government actions."

"IS DEMOCRACY WORKING?"

(Mr. HUGHES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HUGHES. Mr. Speaker, the Washington Post last Sunday, May 11, featured an interview with David J. Bardin, the exceptionally capable New Jersey Commissioner of Environmental Project.

The interview, entitled "Is Democracy Working?" relates the Commissioner's experiences in working at the Federal and State levels of government and as a consultant to the Israeli government for 4 years.

Mr. Bardin sees "ridiculous, unnecessary roadblocks to decisions for no good reasons."

So do I. I commend the interview to the readers of the Record:

"Is Democracy Working?"

(By David Bardin)

When I sat in Washington for 11 years I tended to be a state's righter in the sense that I didn't want to see too much accumulation of power. I also was pushing hard with most of the federal bureaucracy for assuming those roles which we thought the states simply weren't performing. There was a conflict. It's much clearer to me today, partly as a result of the Israeli experience and partly as a result of the New Jersey experience and work I've done with some of our sister states. On the one hand, there is a dangerous arrogance that we in the federal bureaucracy were in danger of assuming. On the other, in all of the theory of local government and government close to the people, it's terribly difficult to implement.

New Jersey is a unique example, or an extreme example, of carrying home rule to the nth degree. We have 567 separate municipalities and every square inch of the state is incorporated. And this is true after we have cities that are big towns by anybody's standards. Yet the system has led to the proliferation of many, many that are too small for many of the municipal functions assigned to them. They're wonderful in terms of getting neighborhood control of the local institutions. And they are wonderful in terms of creating positions, usually not very well paid, but at least that offer the dignity of office for many people.

Now what's happening in New Jersey has been happening for some years, and I would expect would continue to happen, is that the county, which has been traditionally weak and still today is not a major unit of government, tends to accumulate powers. Twenty years hence, our 21 counties look to be major instrumentalities in the arts of government. The other device, which is not as efficient although it is more democratic, is the accumulation of responsibilities in special regional agencies by delegation of the municipalities.

One of the big questions in all this is whether democracy is working, either in the sense of the people actually deciding or in the more realistic sense of popular satisfaction or popular feeling about the legitimacy of government institutions and government decisions. We, all of us in government, have a sense, rightly or wrongly, that it's harder to exercise these responsibilities today than it was 10 years ago because there's less faith and more suspicion.

What is happening in America is as a result of a changed position in international affairs. Our relative standard of living is declining. Almost nobody's talking in those terms, nobody likes to face that. The country, just like most human institutions, couldn't think of something like doubling of the price of energy. There's no program which the mind of federal man or state man or country man or local man or private sector man can devise that will make the pain equal for all people. I don't see that we have much choice left. We think we do. We have the illusion of having choice.

State government in New Jersey is amateurish compared to the federal government I knew. The investment in people and training and the quality of programs is very low. I'm shocked. When I was in Israel, I criticized what I saw there. I said, "You're a developing country, you've got to bring yourselves up to American standards." I was shocked there to see bills that did not get paid right away. Hire people to do things and you have to wait months.

I see exactly the same thing with the New Jersey operation. I see ridiculous, unnecessary roadblocks to decisions for no good reason. And virtually no will to change it. You have the same thing in the federal government, but they always seem to be in great institutional areas—like the Jones Act preserving coastal shipping to American bottoms so that natural gas from Alaska was liquefied and shipped to Tokyo instead of being shipped to California. It's a monster of irrationality.

Here, where it's government closer to the people, our whole budget is $2.8 billion if we can raise the taxes to pay for it. Here government's a tiny institution. The governor and the two houses of the legislature and the secretary of state and the treasurer all have their offices in the same building right over there. The one with the golden dome. And the budget bureau and several others. All you have to do is walk across the hall and straighten things out. I can pick up the phone and call any cabinet officer. I can call the governor. I can go over there as I was this morning. And yet you don't disentangle. It's the most asinine thing. The basic reason is simple. They don't invest money in management institutions, professionalism and expert advice. I find that very discouraging.

When you see the money going down the drain first-hand, as you occasionally do, you've got to be discouraged. I'm presiding over a sewer construction program, waste water treatment and interceptive plant program, which in New Jersey is based on the notion that the funds will be funneled through the state. But the operating and planning and designing and building agencies in every case will be local, a typically regional conglomeration of municipalities. Not the county as such, not the municipal government as such, but a special agency created by the consent of each of the participating municipalities.

I have civil servants working for us on a pay scale substantially below the federal pay scale who are supposed to be good engineers, be able to evaluate plans from a strictly engineering point of view, good environmentalists who can evaluate the impact of sewer construction directly on the environment, indirectly on growth and all the secondary effects of growth. They must also be diplomats, holding the hands of mayors, convincing them to join despite all of the real conflicts of interest and the political hazards of doing anything. It's an incredible job. No rational mind would design such a system. What's happened is a great, great inefficiency goes into the decision-making apparatus, presumably in the name of democracy.

AMERICA CAN BE PROUD

(Mr. BAUMAN asked and was given permission to extend his remarks at this point in the Record.)

Mr. BAUMAN, Mr. Speaker, the President's handling of the seizure by Cambodia of the American merchant ship *Mayaguez* has been in marked contrast to the way similar incidents have been handled in the past. After giving diplomatic negotiations a reasonable opportunity to work, we went in with a well-planned, well-executed military operation, and successfully took back the ship and its crew. This success have given many of us a renewed pride in the United States, a pride which it has sometimes been difficult to feel in the recent past. Believe me, Mr. Speaker, it feels good to be proud of your country.

Compared to the vacillation which followed the capture of the *Pueblo* by North Korea, the decisiveness with which President Ford acted to retrieve the *Mayaguez* is commendable. In a world which had ample reason to doubt the will of the United States to protect its own interests, the President has demonstrated that we will not tolerate piracy of our ships or kidnapping of our citizens. One shudders to think what the consequences might have been had the President not acted quickly. I am grateful that he did so.

Perhaps this decisiveness will be a turning point in American dealing with other countries. Our desire for détente and disengagement has led some people to wonder whether we were on our way to becoming patsies for the world. Hopefully the resolve and decisiveness displayed in the *Mayaguez* incident will soon be reflected in the way we approach such problems as Cuba, the Panama Canal, Portugal, and relations wth other Communist countries.

For the U.S. Marines who conducted this successful operation I have nothing but admiration and congratulations. Their courage under fire validates the proud tradition of the Marines as some of the finest fighting men in the world. The U.S. Navy is also to be congratulated for its outstandingly skillful handling of a difficult situation.

Thank you, Mr. President. All Americans can hold their heads just a little higher today.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Hannaford, for May 19 to May 22, 1975, on account of official committee business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Pressler) to revise and extend their remarks and include extraneous material:)

Mr. Steelman, for 5 minutes, today.

Mr. Talcott, for 10 minutes, today.

Mr. Findley, for 5 minutes, today.

Mr. Skubitz, for 5 minutes, today.

(The following Members (at the request of Mr. Lloyd of California) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Alexander, for 5 minutes, today.

Mr. Mezvinsky, for 15 minutes, today.

Ms. Holtzman, for 10 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Zablocki, for 5 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Nowak, for 5 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Corman, for 5 minutes, today.

Mr. Fascell, for 10 minutes, today.

Mr. Hayes of Indiana, for 5 minutes, today.

Mr. Melcher, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Early, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Wirth, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Pressler) and to include extraneous matter:)

Mr. Hastings.

Mr. Frey in four instances.

Mr. Latta.

Mr. Crane.

Mr. Rousselot in two instances.

Mr. Kasten in two instances.

Mr. Martin.

Mr. Bafalis.

Mr. Ashbrook in three instances.

Mr. Harsha.

Mr. Kemp in two instances.

Mr. Bell.

Mr. Derwinski in three instances.

Mr. Heinz.

Mr. Abdnor.

Mr. Anderson of Illinois.

Mr. Skubitz.

Mr. Treen.

Mr. Hillis.

Mr. Symms in four instances.

Mr. Wylie.

(The following Members (at the request of Mr. Lloyd of California) and to include extraneous material:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Dan Daniel.

Mr. Helstoski.

Mr. Lloyd of California.

Mr. MOAKLEY.
Mr. MAZZOLI.
Mr. BRADEMAS in six instances.
Mr. FLORIO.
Mr. WIRTH.
Mr. ROSENTHAL.
Mr. ASHLEY.
Mr. WON PAT.
Mrs. SULLIVAN in five instances.
Mr. ZABLOCKI in two instances.
Mr. ROUSH.
Mr. ICHORD.
Mr. RANGEL.
Mr. MCDONALD of Georgia.
Mr. FRASER.
Mr. DIGGS.
Mr. SANTINI.
Mr. EARLY.
Mr. BADILLO.
Mr. VANIK.

SENATE BILL AND JOINT AND CONCURRENT RESOLUTIONS REFERRED

A bill and joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1509. An act to prohibit pyramid sales transactions, and for other purposes; to the Committee on the Judiciary.

S.J. Res. 41. Joint resolution to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S.J. Res. 42. Joint resolution to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S. Con. Res. 36. Concurrent resolution authorizing the printing of additional copies of Senate hearings on proposed constitutional amendments to limit abortions; to the Committee on House Administration.

ADJOURNMENT

Mr. LLOYD of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until Monday, May 19, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1035. A letter from the President of the United States, transmitting budget amendments for the Judiciary for fiscal year 1976 and the transition period ending September 30, 1976 (H. Doc. No. 94–153); to the Committee on Appropriations and ordered to be printed.

1036. A letter from the President of the United States, transmitting a report on the participation of U.S. military forces in the recovery of the merchant vessel S.S. *Mayaguez* and its crew, pursuant to section 4(a) of the War Powers Resolution (Public Law 93–148) (H. Doc. No. 94–151); to the Committee on International Relations and ordered to be printed.

1037. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1038. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1039. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1040. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1041. A letter from the Secretary of Labor, transmitting a report on the 1975 Summer Youth Jobs program, pursuant to section 604(c) of the Comprehensive Employment and Training Act of 1973; to the Committee on Education and Labor.

1042. A letter from the Executive Director to the Department of Health, Education, and Welfare, transmitting notice of proposed final regulations governing need analysis for student financial aid, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1043. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on planned changes in allocations of fiscal year 1975 funds for the International Narcotics Control program, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

1044. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate John H. Holdridge and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1045. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Galen L. Stone and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1046. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide adequate authority for the protection of buildings and property under the charge and control of the Department of the Treasury, to authorize the appointment of special police, and for other purposes; to the Committee on the Judiciary.

1047. A letter from the Director, National Science Foundation, transmitting a report on Federal support to universities, colleges, and selected nonprofit institutions for scientific research during fiscal year 1973, pursuant to section 3(a)(7) of the National Science Foundation Act, as amended [42 U.S.C. 1862]; to the Committee on Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5709. A bill to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil; with amendment (Rept. No. 94–216). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5710. A bill to authorize appropriations for fiscal year 1976 for the purpose of carrying out titles I and III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended; with amendment (Rept. No. 94–217). Referred to the Committee of the Whole House on the State of the Union.

Mr. NIX: Committee on International Relations. House Concurrent Resolution 136. Concurrent resolution relating to World Food Conference of 1976 in Ames, Iowa (Rept. No. 94–218). Referred to the House Calendar.

Mr. NIX: Committee on International Relations. H.R. 5884. A bill to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes (Rept. No. 94–219). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 6900. A bill to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes (Rept. No. 94–220). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on May 13, 1975, the following report was filed on May 15, 1975*]

Mr. ULLMAN: Committee on Ways and Means. H.R. 6860. A bill to provide a comprehensive national energy conservation and conversion program; with amendment (Rept. No. 94–221). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL:

H.R. 7014. A bill to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of Illinois (for himself, Mr. ANDREWS of North Dakota, Mr. BURGENER, Mr. DUNCAN of Tennessee, Mr. DU PONT, Mr. ESHLEMAN, Mr. GAYDOS, Mr. GRADISON, Mr. GUDE, Mr. HARRINGTON, Mr. HEINZ, Mr. KEMP, Mr. KREBS, Mr. LAFALCE, Mr. MCDONALD of Georgia, Mr. MAZZOLI, Mr. MIKVA, Mr. MOSHER, Mr. O'HARA, Mr. OTTINGER, Mr. QUIE, Mr. RIEGLE, Mr. SEIBERLING, Mr. STARK, and Mr. STEELMAN):

H.R. 7015. A bill to amend title 5, United States Code, to provide that appointments in the competitive service shall be made without regard to any political recommendation; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of Illinois (for himself, Mr. BAUCUS, Mr. BEARD of Rhode Island, Mr. BROWN of Michigan, Mr. COUGHLIN, Mr. FRENZEL, Ms. HOLTZMAN, and Mr. MYERS of Pennsylvania):

H.R. 7016. A bill to amend title 5, United States Code, to provide that appointments in the competitive service shall be made without regard to any political recommendation; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself and Mr. SNYDER):

H.R. 7017. A bill to amend the Federal Aviation Act of 1958 relating to tariff changes; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of Illinois (for himself, Mr. Goldwater, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H.R. 7018. A bill to amend title 2 of the United States Code to provide for the consideration and adoption of the Rules of the House of Representatives for the 95th and each succeeding Congress; to the Committee on Rules.

Mr. BELL:

H.R. 7019. A bill to direct Government instrumentalities not to require nonessential declarations of marital status or the nonessential use of prefixes indicating such status; to the Committee on Government Operations.

By Mr. PATMAN:

H.R. 7020. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by permitting Federal credit unions to operate more efficiently and to better serve the family financial needs of their members; by reorganizing the National Credit Union Administration; by establishing a central liquidity facility for Federal and State credit unions; and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. BOWEN:

H.R. 7021. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 7022. A bill to enable freestone peach growers to finance a nationally coordinated research and education program to improve their competitive position and expand their markets for peaches; to the Committee on Agriculture.

By Mr. CARNEY:

H.R. 7023. A bill to amend the Securities Exchange Act of 1934 to restrict persons who are not citizens of the United States from acquiring more than 35 percent of the nonvoting securities or more than 5 percent of the voting securities of any issuer whose securities are registered under such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7024. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL (for himself, and Mr. Wirth):

H.R. 7025. A bill to provide for enhanced competition in the energy industry, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mrs. FENWICK (for herself and Mr. Patten):

H.R. 7026. A bill to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. FOLEY (for himself and Mr. Symms):

H.R. 7027. A bill authorizing and directing the Corps of Engineers to construct a four-lane high-level highway bridge between Clarkston, Wash., and Lewiston, Idaho; to the Commitee on Public Works and Transportation.

By Mr. FORSYTHE:

H.R. 7028. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 7029. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 7030. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GUDE:

H.R. 7031. A bill to amend the Federal employee health insurance provisions of title 5, United States Code, to require that notice and hearings be provided before the effective date of any reduction of health benefits or any exclusion of any type of provider of health services; to the Committee on Post Office and Civil Service.

By Mr. HEINZ:

H.R. 7032. A bill to amend title XX of the Social Security Act to provide that no State shall be required to apply a means test, or limit benefits on the basis of federally prescribed income levels, in determining the individuals for whom education, transportation, recreation, socialization, or associated services may be provided thereunder, if such services are provided in a manner consistent with certain specified State programs; to the Committee on Ways and Means.

By Mr. KOCH:

H.R. 7033. A bill to amend title XVI of the Social Security Act to provide that support and maintenance (in cash or kind) furnished to an eligible individual by members of his or her immediately family shall be disregarded (and shall not serve to reduce his or her supplemental security income benefits) to the extent that it does not exceed $200 a month; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 7034. A bill to prohibit the importation of fresh strawberries into the United States during certain periods of the year; to the Committee on Ways and Means.

By Mr. MURPHY of Illinois (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. Howard, Mr. Anderson of California, Mr. Roncalio, Mr. James V. Stanton, Mr. Ginn, and Mr. Mineta):

H.R. 7035. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. O'NEILL (for himself, Mr. Riegle, Mr. Solarz):

H. R. 7036. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. PATTEN:

H.R. 7037. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. PERKINS (for himself and Mr. D'Amours):

H.R. 7038. A bill to amend the Education Amendments of 1974 to delay the effective date of certain amendments to the act of September 30, 1950 (Public Law 874, 81st Congress), and for other purposes; to the Committee on Education and Labor.

By Mr. ROGERS (for himself, Mr. Preyer, Mr. Symington, Mr. Carney, Mr. Scheuer, Mr. Waxman, Mr. Hefner, Mr. Florio, Mr. Maguire, Mr. Carter, Mr Broyhill, Mr. Hastings, and Mr. Heinz):

H.R. 7039. A bill to amend the Public Health Service Act to revise and extend the programs under the National Heart and Lung Institute, to revise and extend the program of National Research Service Awards, to control disclosure of research information, and to establish a national program with respect to genetic diseases; to the Committee on Interstate and Foreign Commerce.

By Mrs. SCHROEDER (for herself, Ms. Abzug, Mr. Anderson of California, Mr. Baucus, Mrs. Boggs, Mr. Brown of California, Mrs. Burke of Calinia, Mr. Carr, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dominick V. Daniels, Mr. Downey of New York, Mr. Drinan, Mr. Edgar, Mr. Fascell, Mr. Fraser, Mr. Gude, Mr. Harrington, Mr. Hawkins, Mr. Hicks, Mr. Howard, Mrs. Keys, Mr. Koch, and Mr. McHugh):

H.R. 7040. A bill to establish an Office of Food Administration for a temporary period in order to develop coordinated national policies on domestic and foreign food assistance programs; jointly to the Committees on Agriculture, and International Relations.

By Mrs. SCHROEDER (for herself, Mr. Mezvinsky, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Murphy of New York, Mr. Nix, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Sarbanes, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Thompson, Mr. Waxman, Mr. Charles Wilson of Texas, and Mr. Won Pat):

H.R. 7041. A bill to establish an Office of Food Administration for a temporary period in order to develop coordinated national policies on domestic and foreign food assistance programs; jointly to the Committees on Agriculture, and International Relations.

By Mr. SEBELIUS:

H.R. 7042. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Glen Elder Unit of the Pick-Sloan Missouri Basin program, Kans., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHRIVER:

H.R. 7043. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to eliminate medicare taxes as the method for financing the hospital insurance program, and to provide that such program shall instead be financed from general revenues; to the Committee on Ways and Means.

By Mr. SHRIVER (for himself and Mr. Sebelius):

H.R. 7044. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Kanopolis Unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SISK (for himself, Mr. Baucus, Mr. Beard of Rhode Island, Mr. Bell, Mrs. Burke of California, Mr. Carr, Mr. Diggs, Mr. Ford of Tennessee, Mr. Ottinger, Mr. St Germain and Mrs. Spellman):

H.R. 7045. A bill making appropriations for section 107(a)(6) of the Housing and Community Development Act of 1974 for the fiscal year ending June 30, 1975; to the Committee on Appropriations.

H.R. 7046. A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing additional appropriations for fiscal year 1975; to the Committee on Banking, Currency and Housing.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 7047. A bill to amend sections 203 and 204 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

H.R. 7048. A bill to extend the National Health Service Corps and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7049. A bill to amend the Public Health Service Act and the National Research Service Award Act of 1974 to strengthen and improve the program of National Research Service Awards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7050. A bill to extend appropriations authorizations for communicable disease and other control programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN:

H.R. 7051. A bill to provide for congressional review of international executive agreements which create a national commitment; to the Committee on International Relations.

By Mr. VANIK:

H.R. 7052. A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations with respect to certain electronic equipment that is susceptible to radio frequency energy interference; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE (for himself, Mrs. Spellman, Mr. Dominick V. Daniels, Mr. Harris, Mr. Mineta, Mr. Taylor of Missouri, and Mr. Jenrette):

H.R. 7053. A bill to amend chapter 83 of title 5, United States Code, to eliminate, subsequent to the death of an individual named as having an insurable interest, the annuity reduction made in order to provide a survivor annuity for such an individual; to the Committee on Post Office and Civil Service.

By Mr. WINN (for himself, Mr. Sebelius, and Mr. Young of Alaska):

H.R. 7054. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term weather phenomena, and to develop methods for predicting, detecting, and monitoring such atmospheric behavior; to the Committee on Science and Technology.

By Mr. WON PAT:

H.R. 7055. A bill to provide Federal assistance to cities with high concentrations of foreign-born persons, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. REUSS (for himself, Mr. Delaney, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Biaggi, Mr. Bingham, Ms. Chisholm, Mr. Downey of New York, Ms. Holtzman, Mr. Koch, Mr. McHugh, Mr. Murphy of New York, Mr. Nowak, Mr. Pattison of New York, Mr. Peyser, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, Mr. Hanley, Mr. Wolff, Mr. Zeferetti, Mr. Ottinger, and Mr. Rangel):

H.J. Res. 461. Joint resolution for the relief of New York City; to the Committee on Banking, Currency and Housing.

By Mr FASCELL:

H. Con. Res. 282. Concurrent resolution on Latin American and Caribbean foreign policy principles; to the Committee on International Relations.

By Mr. ABDNOR (for himself, Mr. Anderson of California, Mr. AuCoin, Mr. Beard of Rhode Island, Mr. Blouin, Mr. Bonker, Mr. Burgener, Ms. Chisholm, Mr. Cohen, Mr. Downey of New York, Mr. Eilberg, Mr. Frenzel, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Kemp, Mr. Ketchum, Mr. Lagomarsino, Mr. Long of Maryland, Mr. Melcher, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moss, Mr. Ottinger, and Mr. Quie):

H. Con. Res. 283. Concurrent resolution to promote and encourage the removal of architectural barriers to the access of handicapped persons to public facilities and buildings; to the Committee on Public Works and Transportation.

By Mr. ABDNOR (for himself, Mr. Walsh, Ms. Schroeder, Mr. Waxman, Mr. Whitehurst, Mr. Bob Wilson, and Mr. Zeferetti):

H. Con. Res. 284. Concurrent resolution to promote and encourage the removal of architectural barriers to the access of handicapped persons to public facilities and buildings; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of Illinois (for himself, Mr. Chappell, Mr. Goldwater, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 473. Resolution to amend rule VIII of the Rules of the House of Representatives to prohibit a party caucus or conference from issuing binding instructions on a Member's committee on floor votes, and to permit any Member so bound to raise a point of order; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Goldwater, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 474. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Goldwater, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 475. Resolution to amend rule XXVII of the Rules of the House of Representatives to prescribe procedures whereby a committee may request that a matter reported should be considered under a suspension of the rules; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 476. Resolution authorizing and directing the Speaker of the House of Representatives to take immediate action to implement a plan for the audio and video broadcasting of House floor proceedings; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 477. Resolution to amend rule XI of the Rules of the House of Representatives to provide that any member in committee may demand a rollcall vote on any matter, and that a rollcall vote shall be required on any motion to report a bill or resolution from committee; to the Committee on Rules.

H. Res. 478. Resolution to amend rule XXVIII of the Rules of the House of Representatives to require that all House-Senate conferences shall be open to the public and that no conference report shall be in order for consideration unless all conference sessions were open; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Pressler, Mr. Rinaldo, Mr. Symms, and Mr. Symington):

H. Res. 479. Resolution to amend rule XI of the Rules of the House of Representatives to require that all committee meetings, with only limited exceptions, shall be open to the public; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Pressler, Mr. Rinaldo, and Mr. Symms):

H. Res. 480. Resolution to amend rule XI of the Rules of the House of Representatives to require that the record of committee action be made available for public inspection, with certain exceptions; to the Committee on Rules.

By Mr. ROUSSELOT:

H. Res. 481. Resolution in support of the President's actions to secure the release of the U.S. merchant vessel, the S.S. *Mayaguez*, and its men; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6674

By Mr. HAYES of Indiana:

Page 8, line 24, immediately after "excluding" insert the following: "civilian personnel engaged in industrially-funded activities, and excluding".

By Mr. McCLOSKEY:

Page 21, between lines 23 and 24, insert the following:

"Sec. 717. The Secretary of Defense shall take such action as may be necessary and appropriate to ensure that no department or agency of the Department of Defense shall hereafter refuse to sponsor or assist (under any educational assistance program authorized pursuant to law) any member of the Armed Forces or any civilian employee of any such department or agency in undertaking any program of education or training at any of certain educational institutions solely on the basis that such educational institutions voluntarily withdrew after 1968 from participation in the Senior Reserve Officers' Training Corps program."

By Mr. STRATTON:

On page 15, at the end of line 4, insert a new section, section 705, as follows:

"Sec. 705. Notwithstanding any other provision of law, in the administration of chapter 403 of title 10, United States Code (relating to the United States Military Academy), chapter 603 of such title (relating to the United States Naval Academy), and chapter 903 of such title (relating to the United States Air Force Academy), the Secretary of the military department concerned shall take such action as may be necessary and appropriate to insure that female individuals shall be eligible for appointment and admission to the service academy concerned and that the academic and other relevant standards required for the appointment and admission of female individuals shall be the same as those required for the appointment and admission of male individuals, including equal opportunity for appointment under the provisions of sections 4342, 6954 and 9342 of title 10, United States Code."

And renumber the following sections accordingly.

H.R. 6860

By Mr. VANIK:

Strike page 29, line 3 through page 56, line 16, and add the following new sections:

Sec. 211. Gasoline Conservation Tax.

(a) General Rule.—Part III of subchapter A of chapter 32 (relating to petroleum products) is amended by redesignating subpart B and C as subparts C and D, respectively, and by inserting after subpart A the following new subpart:

"Subpart B—Gasoline Conservation Tax

"Sec. 4086. Imposition of tax.

"Sec. 4087. Cross references.

"Sec. 4086. Imposition of Tax.

"(a) General Rule.—In addition to any tax imposed by section 4081, there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax determined in accordance with the following table:

"In the case of gasoline sold:	The tax per gallon is:
During the period beginning on January 1, 1976, and ending on March 31, 1977	7 cents
During the period beginning on April 1, 1977, and ending on March 31, 1978	15 cents

During the period beginning on April 1, 1978, and ending on March 31, 1979	22 cents
During the period beginning on April 1, 1979, and ending on March 31, 1980	30 cents
After March 31, 1980	37 cents

"(b) Revision of Table by the President.—If, under section 215 of the Energy Conservation and Conversion Act of 1975, the President revises the table contained in subsection (a), such revised table shall apply, in lieu of the table contained in subsection (a), in determining the amount of the tax imposed by this section.

"Sec. 4087. Cross References.

"(1) For provisions to relieve purchasers of gasoline from gasoline conservation tax in the case of certain uses, see section 6428.

"(2) For credit against income tax for tax imposed by this subpart, see section 42."

(b) Floor Stocks Taxes.—

(1) In general.—Subsection (a) of section 4226 (relating to floor stocks taxes) is amended to read as follows:

"(a) In General.—

"(1) Gasoline conservation tax.—

"(A) Imposition of tax.—On gasoline (as defined in section 4082(b)) which, on a gasoline tax increase date, is held by a dealer for sale, there is hereby imposed a floor stocks tax at a rate equal to the difference between (i) the tax (if any) imposed by section 4086 on the sale of such gasoline by the producer or importer, and (ii) the tax which would have been imposed by such section on such sale if that sale had occurred on such gasoline tax increase date. The tax imposed by this subparagraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline.

"(B) Gasoline tax increase date defined.—For purposes of this section, the term 'gasoline tax increase date' means January 1, 1976, and any other day on which the rate of the tax imposed by section 4086 exceeds the rate of such tax in effect on the preceding day."

(2) Due date of taxes.—Subsection (d) of such section 4226 is amended to read as follows:

"(d) Due Date of Taxes.—Any tax imposed by paragraph (1) of subsection (a) shall be paid at such time not less than 90 days after the gasoline tax increase date in respect of which such tax was imposed, as may be prescribed by the Secretary or his delegate."

(c) Denial of Certain Exemptions and Refunds.—

(1) Tax-free sales.—Subsection (a) of section 4221 (relating to certain tax-free sales) is amended by adding at the end thereof the following new sentence: "Paragraphs (2), (3), (4), and (5) shall not apply to the tax imposed by section 4086."

(2) Use in further manufacture.—Paragraph (6)(C) of section 4221(d) (relating to use in further manufacture) and paragraph (3)(F) of section 6416(b) (relating to tax-paid articles used for further manufacture, etc.) are each amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086."

(3) Denial of refunds for certain uses.—Paragraph (2) of section 6416(b) (relating to tax payments considered overpayments in the case of specified uses and resales) is amended by striking out "chapter 32 (or under section 4041(a)(1) or (b)(1))" and inserting in lieu thereof "chapter 32 (other than any tax paid under section 4086) or under section 4041(a)(1) or (b)(1)".

(d) Technical and Conforming Amendments.—

(1) The table of subparts for part III of subchapter A of chapter 32 is amended by striking out the last two items and inserting in lieu thereof the following:

"Subpart B. Gasoline conservation tax.
"Subpart C. Lubricating oil.
"Subpart D. Special provisions applicable to petroleum products."

(2) The subpart heading for subpart C of such part III (as redesignated by subsection (a)) is amended to read as follows:

"Subpart C—Lubricating Oil

(3) The subpart heading for subpart D of such part III (as redesignated by subsection (a)) is amended to read as follows:

"Subpart D—Special Provisions Applicable to Petroleum Products"

(4) Subsections (a) and (b) of section 4082 are each amended by striking out "in this subpart" and inserting in lieu thereof "in this subpart and subpart B".

(5) Section 4083 is amended by striking out "section 4081" and inserting in lieu thereof "section 4081 or 4086".

(6) Section 4101 is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, 4086, or 4091".

(7) Section 4226 is amended by striking out subsection (e).

(e) Effective Date.—The amendments made by this section shall take effect on January 1, 1976.

Sec. 212. Credit Relating to Gasoline Conservation Tax.

(a) General Rule.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by redesignating section 42 as section 43 and by inserting after section 41 the following new section:

"Sec. 42. Allowances for Gasoline Conservation Tax.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the allowances for such year to which he is entitled under subsection (b).

"(b) Gasoline Conservation Tax Allowances.—

"(1) In general.—Subject to paragraph (2), an individual shall be entitled, for each month within the taxable year, to an allowance equal to—

"(A) the rate of tax in effect for such month under section 4086 (relating to gasoline conservation tax), multiplied by

"(B) 40.

"(2) Limitations.—An individual shall not be entitled to an allowance under paragraph (1) with respect to any month if—

"(A) such individual has not attained the age of 18 by the close of such month, or

"(B) such individual resides during any portion of such month outside of the United States.

"(c) Trusts and Estates.—A trust or estate shall not be entitled to the credit allowed under subsection (a)."

(b) Refund To Be Made Where Credit Exceeds Liability for Tax.—Section 6401(b) (relating to excessive credits) is amended—

(1) by inserting ", 42 (relating to allowances for gasoline conservation tax)," before "and 667 (b)"; and

(2) by striking out "and 39" and inserting in lieu thereof ", 39, and 42".

(c) Withholding Tax.—Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) Requirement of Withholding.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary or his delegate. The initial tables so prescribed shall be the same as the tables contained in this subsection as in effect on the day before the date of the enactment of the Energy Conservation and Conversion Act of 1975; except that the amounts set forth as amounts of income tax to be withheld shall reflect the amendments made by section 212 of such Act. The later tables so prescribed by reason of a change in the rate of tax under section 4086 shall only apply with respect to wages paid on and after the effective date of such change. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1)."

(d) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Allowances for gasoline conservation tax.
"Sec. 43. Overpayments of tax."

(2) Section 3402(c)(6) is amended by striking out "table 7 contained in subsection (a)" and inserting in lieu thereof "the table for an annual payroll period prescribed pursuant to subsection (a)".

(e) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after December 31, 1975.

(2) Withholding tax amendments.—The amendments made by subsection (c) and subsection (d)(2) shall apply with respect to wages paid after December 31, 1975.

Sec. 213. Special Motor Vehicles Fuels Conservation Taxes.

(a) In general.—Chapter 31 (relating to retailers excise taxes) is amended by redesignating subchapter F as subchapter G and by inserting after subchapter E the following new subchapter:

"Subchapter F—Special Motor Fuels Conservation Taxes

"Sec. 4051. Imposition of taxes.
"Sec. 4052. Cross reference."

"Sec. 4051. Imposition of Taxes

"(a) Special Motor Fuels.—In addition to any tax imposed by section 4041(b), there is hereby imposed a tax (determined under the table contained in subsection (c)) upon benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4041(a) or 4086)—

"(1) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat; or

"(2) used by any person as a fuel in a motor vehicle or motorboat, unless there was a taxable sale of such liquid under this section.

"(b) Noncommercial Aviation.—In addition to any tax imposed by section 4041(c), there is hereby imposed a tax (determined under the table contained in subsection (c)) upon any liquid (other than any product taxable under section 4086)—

"(1) sold by any person to an owner, lessee, or other operator of an aircraft, for use as a fuel in such aircraft in noncommercial aviation (as defined in section 4041(c)(2)); or

"(2) used by any person as a fuel in an aircraft in noncommercial aviation (as so defined), unless there was a taxable sale of such liquid under this section.

"(c) Rate of Tax.—

"In the case of any fuel sold or used:	The tax per gallon is:
During the period beginning on January 1, 1976, and ending on March 31, 1977	7 cents

During the period beginning on April 1, 1977, and ending on March 31, 1978	15 cents
During the period beginning on April 1, 1978, and ending on March 31, 1979	22 cents
During the period beginning on April 1, 1979, and ending on March 31, 1980	30 cents
After March 31, 1980	37 cents

"(d) Revision of Table by the President.—If, under section 215 of the Energy Conservation and Conversion Act of 1975, the President revises the table contained in subsection (c) such revised table shall apply, in lieu of the table contained in subsection (c), in determining the amount of the taxes imposed by its section.

"(e) Exemption for Farm Use.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under this section on any liquid sold for use or used on a farm for farming purposes, as determined in accordance with paragraphs (1), (2), and (3) of section 6420(c).

"(f) Registration.—If any liquid is sold by any person for use as a fuel in an aircraft, it shall be presumed, for purposes of subsection (b), that the tax imposed by such subsection applies to the sale of such liquid unless the purchaser is registered in such manner (and furnishes such information in respect of the use of the liquid) as the Secretary or his delegate shall by regulations prescribe.

"Sec. 4052. Cross Reference.

"For provisions to relieve purchaser of special motor fuels from special motor fuels conservation tax in the case of certain uses, see section 6428."

(b) Denial of Certain Exemptions.—

(1) Sections 4055, 4056, and 4057 are each amended by striking out "under this chapter" and inserting in lieu thereof "under section 4041".

(2) Section 4293 is amended by inserting after "chapters 31 and 32" the following: "(other than section 4051 and 4086)".

(c) Reduction of Existing Excise Tax on Special Fuels Used in Noncommercial Aviation.—

(1) In general.—Subsection (c) of section 4041 (relating to tax on special fuels used in noncommercial aviation) is amended—

(A) by striking out "7 cents" in paragraph (1) and inserting in lieu thereof "4 cents";

(B) by striking out paragraphs (2) and (3); and

(C) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(d) Technical and Conforming Amendments.—

(1) Paragraph (3) of section 4041(c) (as redesignated by subsection (c)) is amended by striking out "paragraphs (1) and (2)" and inserting in lieu thereof "paragraph (1)".

(2) Paragraph (3) of section 6421(e) is amended by striking out "4041(c)(4)" and inserting in lieu thereof "4041(c)(2)".

(3) The heading for subchapter G of chapter 31 (as redesignated by subsection (a)) is amended to read as follows:

"Subchapter G.—Special Provisions Applicable to Retailers Tax".

(4) The table of subchapters for chapter 31 is amended by striking out the last item and inserting in lieu thereof:

"Subchapter F. Special motor fuels conservation taxes.

"Subchapter G. Special provisions applicable to retailers tax".

(e) Effective Dates.—

(1) For subsections (a), (b), and (d).—amendments made by subsections (a), (b), and (d) shall take effect on January 1, 1976, except that no tax shall be imposed under section 4051 of the Internal Revenue Code of 1954 (as added by subsection (a)) with respect to the use by any person of any fuel sold to such person before January 1, 1976, if such sale would have been taxable under such section 4051 if it had occurred on January 1, 1976.

(2) For subsection (c).—The amendments made by subsection (c) shall apply with respect to sales or uses after December 31, 1975.

Sec. 214. Repayment of Gasoline and Special Fuels Conservation Taxes in Case of Certain Uses.

(a) General Rule.—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"Sec. 428. Repayment of Gasoline and Special Fuels Conservation Taxes in Case of Certain Uses.

"(a) Use for Farming Purposes.—

"(1) In general.—Except as provided in subsection (g), if—

"(A) any gasoline on which tax was imposed by section 4086, or

"(B) any fuel on the sale of which a tax was imposed by section 4051,

is used by any purchaser of such gasoline or fuel on a farm for farming purposes (within the meaning of section 6420(c)), the Secretary or his delegate shall pay (without interest) to such purchaser the amount determined under paragraph (2).

"(2) Amount of payment.—The amount to be paid under paragraph (1) to any purchaser shall be equal to the sum of—

"(A) the amount of the tax paid under section 4086 on the gasoline referred to in paragraph (1)(A), plus

"(B) the amount of the tax paid under section 4051 on the sale to such purchaser of the fuel referred to in paragraph (1)(B).

"(3) Special rule.—For purposes of this subsection, if gasoline on which tax was imposed under section 4086, or any other fuel on the sale of which tax was imposed under section 4051, is used on a farm by any person other than the owner, tenant, or operator of such farm, such owner, tenant, or operator shall be treated as the user and purchaser of such gasoline or other fuel.

"(b) Local Transit Purposes.—

"(1) In general.—Except as provided in subsection (g), if—

"(A) any gasoline on which tax was imposed by section 4086, or

"(B) any fuel on the sale of which a tax was imposed by section 4051,

was used by any purchaser of such gasoline or fuel during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, the Secretary or his delegate shall pay (without interest) to such purchaser an amount determined under paragraph (2).

"(2) Amount of payment.—The amount to be paid under paragraph (1) to any purchaser shall be equal to the—

"(A) sum of the amount of the tax paid under section 4086 on the gasoline referred to in paragraph (1)(A) plus the amount of the tax paid under section 4051 on the sale to such purchaser of the fuel referred to in paragraph (1)(B); multiplied by

"(B) the percentage which such purchaser's commuter fare revenue derived from scheduled service described in paragraph (1) during the calendar quarter was of his total passenger fare revenue derived from such scheduled service during such calendar quarter.

"(3) Limitation.—This subsection shall apply with respect to gasoline or fuel used by any purchaser during any calendar quarter only if at least 60 percent of the total passenger fare revenue derived during such quarter from scheduled service described in paragraph (1) by such purchaser was attributable to commuter fare revenue derived during such quarter by such purchaser from such scheduled service.

"(4) Commuter fare revenue.—For purposes of this subsection, the term 'commuter fare revenue' has the meaning given to such term by section 6421(d)(2).

"(c) Gasoline Used in Commercial Aviation.—Except as provided in subsection (g), if any gasoline on which tax was imposed by section 4086 is used by any purchaser of such gasoline as a fuel in an aircraft (other than an aircraft in noncommercial aviation, as defined in section 4041(c)(2)), the Secretary or his delegate shall pay (without interest) to such purchaser the amount of the tax which was paid under section 4086 on such gasoline.

"(d) Nontaxable Uses of Special Motor Fuels.—Except as provided in subsection (g), if tax has been imposed by subsection (a) or (b) of section 4051 on the sale of any fuel and the purchaser uses such fuel other than for a use taxable under subsection (a) or (b) of section 4051, or resells such fuel, the Secretary or his delegate shall pay to such purchaser an amount equal to the amount of the tax under section 4051 imposed on the sale of such fuel to him.

"(e) Time for Filing Claims; Period Covered.—Not more than one claim may be filed under subsection (a), (b), (c), or (d) by any person with respect to gasoline or any other fuel used during his taxable year. No claim shall be allowed under this section with respect to gasoline or any other fuel used by such person during any taxable year unless filed by such person not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A.

"(f) Applicable Laws.—

"(1) In general.—All provisions of law, including penalties, applicable in respect of the tax imposed by section 4051 or 4086 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds or overpayments of the tax so imposed.

"(2) Examination of books and witnesses.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(g) Income Tax Credit in Lieu of Payment.—

"(1) Persons not subject to income tax.—Payment shall be made under this section only to—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) Allowance of credit against income tax.—For allowance of credit against the tax imposed by subtitle A for certain uses of gasoline and other fuels, see section 39.

"(h) Regulations.—The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

"(i) Cross References.—

"(1) For civil penalty for excessive claims under this section, see section 6675.

"(2) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures).".

(b) Allowance of Credit for Certain Uses.—

(1) In general.—Subsection (a) of section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by adding after paragraph (4) the following new paragraph:

"(5) under section 6428 with respect to gasoline and special fuels used for certain purposes, or resold, during the taxable year (determined without regard to section 6428 (g))."

(2) Technical amendment.—Subsection (c) of section 39 is amended by striking out "or 6427" and inserting in lieu thereof "6427, or 6428" and by striking out "or 6427(f)" and inserting in lieu thereof "6427(f), or 6428(g)".

(c) Technical and Conforming Amendments.—

(1) The table of sections for subchapter B of chapter 65 is amended by adding at the end thereof the following new item:

"Sec. 6428. Repayment of gasoline and special fuels conservation taxes in case of certain uses."

(2) Section 6206 is amended—

(A) by striking out "AND 6427" in the section heading and inserting in lieu thereof "6427, AND 6428";

(B) by striking out "or 6427" each place it appears and inserting in lieu thereof "6427, or 6428"; and

(C) by inserting after "under section 6427)" the following: ", or by section 4051 or 4086 (with respect to payments under section 6428)".

(3) Section 6675 is amended—

(A) by striking out "or" after "highway motor vehicles)" in subsection (a);

(B) by inserting after "fuels not used for taxable purposes)" in subsection (a) the following "or 6428 (relating to repayment of gasoline and special fuels conservation taxes in case of certain uses)"; and

(C) by striking out "or 6427" in subsection (b) and inserting in lieu thereof "6427, or 6428".

(4) Sections 7210, 7603, and 7604(b) are each amended by inserting "6428(f)(2)," after "6427(e)(2),".

(5) Section 7604(c)(2) is amended by inserting "6428(f)(2)," after "6427(e)(2),".

(6) Section 7605(a) is amended—

(A) by striking out "6427(e)(2)" the first place it appears and inserting in lieu thereof "6427(e)(2), 6428(f)(2)"; and

(B) by striking out "or 6427(e)(2)" and inserting in lieu thereof "6427(e)(2), or 6428 (f)(2)".

(d) Effective Dates.—

(1) For subsections (a) and (c).—The amendments made by subsections (a) and (c) shall take effect on January 1, 1976.

(2) For subsection (b).—The amendments made by subsection (b) shall apply to taxable years ending after January 1, 1976.

Sec. 215. Presidential Revision of Gasoline and Special Fuels Conservation Tax Tables

(a) Presidential Authority.—The President may, after January 1, 1976, revise, in accordance with subsection (b), the gasoline conservation tax table (as defined in subsection (e)(1)) and special fuels conservation tax table (as defined in subsection (e)(2)).

(b) Method of Revision.—The President may revise both the gasoline conservation tax table and the special fuels conservation tax table by providing that the next increase in the rate of tax under each of such tables and each subsequent increase (if any) in the rate of tax under each of such tables will occur on—

(1) on the first day of the 6th calendar month preceding the day on which such next increase or subsequent increase, as the case may be, would occur under each of such tables, or

(2) on the first day of the 6th or 12th calendar month beginning after the day on which such next increase or subsequent increase, as the case may be, would occur under each of such tables.

A copy of any proposed revision described in paragraph (1) shall be delivered to the House of Representatives and the Senate before the 60th day before the day on which, under such proposed revision, the next increase in the rate of tax would occur under each of such tables; and a copy of any proposed revision described in paragraph (2) shall be delivered before the 60th day before the day on which the next increase in tax under each of such tables would occur without regard to the proposed revision.

(c) Proposed Revision Takes Effect.—

(1) In general.—Any proposed revision under subsection (b) shall take effect only if—

(A) the President, not later than the date prescribed by subsection (b), delivers a copy of such proposed revision to the House of Representatives and a copy to the Senate; and

(B) before the close of the 60-day period which begins on the day on which copies of such proposed revision are delivered to the House of Representatives and to the Senate, neither the House of Representatives nor the Senate adopts, by an affirmative vote of the majority of those present and voting in that House, a resolution of disapproval.

(2) Resolution of disapproval.—For purposes of this section, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the   does not favor the taking effect of the proposed revision under section 215 of the Energy Conservation and Conversion Act of 1975, transmitted to the Congress by the President on   ", the first blank space therein being filled with the name of the resolving House and the second blank space there being filled with the day and year.

(d) Procedure in Each House.—

(1) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Ways and Means. A resolution of disapproval in the Senate shall be referred to the Committee on Finance.

(2)(A) If the committee to which a resolution of disapproval has been referred has not reported it at the end of 7 calendar days after its introduction, it is in order to move further consideration of the resolution or to discharge the committee from further consideration of any other resolution of disapproval which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution of disapproval.

(3)(A) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(4)(A) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(5) Whenever the President transmits copies of the proposed revision to the Congress, a copy of such regulations shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(6) This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval described in subsection (c)(2); and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(e) Definitions.—For purposes of this section—

(1) Gasoline conservation tax table.—The term "gasoline conservation tax table" means the table contained in section 4086(a) of the Internal Revenue Code of 1954, or, if such table has been revised under this section, the most recent revised table.

(2) Special fuels conservation tax table.—The term "special fuels conservation tax table" means the table contained in section 4051(c) of such Code, or, if such table has been revised under this section, the most recent revised table.

Sec. 216. Technical Amendments With Respect to Certain Trust Funds.

(a) Airport and Airway Trust Fund.—Section 208 of the Airport and Airway Revenue Act of 1970 (49 U.S.C. 1742) is amended as follows:

(1) Subsection (b) is amended—

(A) by striking out "and" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and";

(C) by inserting after paragraph (3) the following new paragraph:

"(4) amounts determined by the Secretary of the Treasury to be equivalent to the taxes received in the Treasury after December 31, 1975, and before July 1, 1980—

"(A) under section 4086 of such Code with respect to gasoline used in aircraft; and

"(B) under section 4051(b) of such Code with respect to special fuels used in aircraft; but only to the extent that the rates of such taxes do not exceed 3 cents a gallon."; and

(D) by striking out "paragraphs (1), (2), and (3)" each place it appears in the last sentence and inserting in lieu thereof "paragraphs (1), (2), (3), and (4)".

(2) Subsection (f)(2) is amended by striking out "and" at the end of subparagraph (A), by inserting "and" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) the amounts paid after December 31, 1975, and before July 1, 1980, in respect of fuel used in aircraft under section 6428 of such Code (relating to repayment of gasoline and special fuels conservation taxes in the case of certain uses), but only to the extent that such payments do not exceed 3 cents for each gallon of gasoline or special fuels so used."

(3) Subsection (f)(3) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to so much of the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax) as is imposed at a rate in excess of 3 cents a gallon."

(b) Highway Trust Fund.—Paragraph (6) of section 209(f) of the Highway Revenue Act of 1956 is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to amounts equivalent to the credits so allowed to the extent that the credits so allowed are estimated by the Secretary of the Treasury to be attributable to the tax imposed by section 4086 of such Code (relating to gasoline conservation tax) or section 4051 of such Code (relating to special fuels conservation tax)."

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1976.

By Mr. VANIK:

On page 31, strike line 1 and substitute the following new paragraph,

" '(3) Tax Table. —

"If the domestic consumption of gasoline for the calendar year preceding the year in which the determination is made exceeds the domestic consumption of gasoline for 1973 by a percentage which is—		The total tax imposed by this section shall be the following cents per gallon
More than—	But not more than—	
0	1	5
1	2	7
2	3	9
3		10'

On page 31, strike line 1 and substitute the following new paragraph:

" '(3) Tax Table.—

"If the domestic consumption of gasoline for the calendar year preceding the year in which the determination is made exceeds the domestic consumption of gasoline for 1973 by a percentage which is—		The total tax imposed by this section shall be the following cents per gallon:
More than—	But not more than—	
0	1	10
1	2	15
2	3	25
3	---	35"

On page 94, line 4, strike out the words, "or subsidies";

On page 94, line 7, strike the words, "or subsidies";

On page 94, line 8, strike sub-paragraph (E) and reletter the subsection sub-paragraphs accordingly;

On page 94, line 14, strike the words, "and subsidies";

On page 95, after line 10, add the following new sentence: "No amounts in the Trust Fund shall be available for expenditures for programs of price guarantees for new energy sources or for research and demonstration of nuclear fission technology."

On page 95, after line 10, add the following new sentence: "No amounts in the Trust Fund shall be available for expenditures for research and demonstration of nuclear fission technology."

On page 116, strike lines 12 through 22 and add the following new subsection,

" '(g) Lessors.—No amortization deduction shall be allowed under this section with respect to any property of which a person is the lessor."

On page 119, strike lines 12 through 22 and add the following new subsection,

" '(g) Lessors.—No amortization deduction shall be allowed under this section with respect to any property of which a person is the lessor."

Strike page 126, line 24 through page 133, line 12.

By Mr. WYLIE:

Page 82, strike out line 20 and all that follows down through line 4 on page 83 and insert: "sum of 25 percent of the qualified solar heating and cooling equipment expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $8,000."

Page 122, strike out lines 23, 24, and 25, and insert:

"(B) Solar energy equipment.—The term 'solar energy equipment' means equipment—

"(i) which, when installed in or on a building, uses solar energy to heat or cool such building or provide hot water for use within such building and meets such criteria as the Secretary or his delegate shall by regulations prescribe;

"(ii) the original use of which commences with the taxpayer; and

"(iii) which has a useful life of at least 3 fixed years.

The Secretary or his delegate shall initially prescribe regulations under clause (i) not later than 2 years after the date of the enactment of this section.".

SENATE—*Thursday, May 15, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, from whom comes every good and perfect gift, grant to us a new mood for this new day. Create in this body a mood of expectancy, confidence, and achievement. In decisionmaking may we be neither impetuous nor dilatory. Granting us strength and courage to move forward as Thou dost show the way.

We beseech Thee to be especially near all who are on perilous duty on behalf of the Nation. Grant to the President and his counselors wisdom to perceive the course which upholds justice and truth and that righteousness which exalts a nation.

And to Thee shall be all thanksgiving and praise. Amen.

A DAY OF PRIDE

The VICE PRESIDENT. The chair recognizes the Senator from Montana, and the Chair states that he feels very proud to be an American today.

Mr. MANSFIELD. Mr. President, I must say that it is unusual to have the Presiding Officer of the Senate, the Vice President of the United States, presiding at this time in the morning. We are delighted to see you. We are impressed with your dedication to your responsibilities.

I join the distinguished Vice President in the remarks he has just made.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Montana yield time to me for a comment?

Mr. MANSFIELD. I yield to the Senator from West Virginia.

THE RETRIEVAL OF THE "MAYAGUEZ"

Mr. ROBERT C. BYRD. Mr. President, in respect of the military operation which took place yesterday and last night involving the retrieval of the U.S.-flag vessel the *Mayaguez*, I congratulate the President of the United States on the firmness with which he acted. I express my great pride in the Marines and in the various services that participated in the operation, and my gratitude that the operation was successful.

I also express my pride in the American people for the unity of support which they demonstrated in regard to this crisis.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, May 14, 1975, be approved.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be permitted to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

The Senator from North Carolina is recognized.

IN PRAISE OF THE PRESIDENT AND THE ARMED FORCES

Mr. HELMS. Mr. President, today is one of those moments in history when all Americans should lay aside political considerations, and stand united in praise of those gallant men of our armed services who have demonstrated to the world that the United States has not discarded its sense of honor.

The full details of the retrieval of a merchant ship, flying the U.S. flag, are not yet available. But we do know that America, in the finest traditions of a nation born in courage, honor, and self-respect, has met the challenge of an arrogant and unlawful seizure of property and U.S. citizens. The ship and its crew are on the way home.

Early reports indicate that there may have been casualties among the American Marines sent to retrieve the ship and its crew. If that sad report is true, then this Senator extends his deepest sympathy to their families. But to all of the gallant men involved in this episode, I offer the heartfelt gratitude of what I am confident is the vast majority of Americans who yet realize the value of national honor.

So, Mr. President, let me say again that this is a day to lay aside partisan politics, and extend a hand of gratitude and admiration to the President of the United States, who faced this crisis with courage and wisdom. He will be remembered in history for his conduct in this difficult episode. I, for one, am very proud of him today.

ORDER OF BUSINESS

The VICE PRESIDENT. Under the previous order, the Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HELMS. Is not the distinguished Senator from Virginia scheduled to be recognized at this time?

The VICE PRESIDENT. Yes; he is, but he is not in the Chamber.

Mr. HELMS. That being the case, Mr. President, I ask unanimous consent that the order be changed, so that I may proceed with a statement I have and that the distinguished Senator from Virginia may be recognized immediately thereafter.

The VICE PRESIDENT. Without objection, it is so ordered.

NATIONAL DEFENSE

Mr. HELMS. Mr. President, I shall be the first Senator of many who will address themselves this morning to a subject of vital importance to our Nation—the subject of national defense. Each Senator will address himself to a specific subject. In my own case, I should like to discuss the future of Portugal and the Azores in the NATO structure.

THE FUTURE OF PORTUGAL AND THE AZORES IN THE NATO STRUCTURE

Mr. HELMS. Mr. President, the fall of Vietnam has already taught us that when the circle of freedom grows smaller, it inevitably affects our basic interests, and those of the world. The events in the Gulf of Siam—and we should not dismiss them as merely an embarrassing incident—demonstrate graphically that weakness, lack of decision, and the failure to identify our goals take their toll of our leadership position. There are those who say that it does not matter to the American people whether Communists or warlords dominate a given group of Asian peasants.

That may be a very comfortable position, if one is willing to discard both courage and honor. It is one that gains easy popularity when our citizens are already fed up with the indecisiveness of a war protracted to support negotiations instead of victory. The fact is that the spread of communism and socialism, no matter under whose auspices, is a matter of direct concern. The principles of freedom cannot operate in an atmosphere of constraint. Our free market economy, for example, will be inevitably choked by the spread of nonfree market economies, and the inevitable decline of creativity and productivity that follows the application of the principles of socialism. Our opportunities for intellectual and cultural interchange will diminish with the suppression elsewhere of thinkers and artists who are sympathetic with our goals. Constraints on private property and the accumulation of private capital will mean the decline of family-oriented societies and free individualism which is so important to the maintenance of free choice and independence.

And of course, the growth of totalitarian power hostile to our system means the increase of the military threat against us, and the shrinking of the number of allies who will join with us in defense of freedom. In the long run, defense policy and foreign policy are inseparable. We have assumed for too long that defense can be subordinated to foreign policy goals. Yet our defenses are the ultimate expression of our sovereignty and independence; without power—even if we never have to use it—we can never achieve our goals. The more that we allow ourselves to believe that negotiations and treaties in themselves can bring peace, the closer we come to war and defeat. No document, no conference, no compromise can bring about stability unless we continually demonstrate our willingness to achieve and use superior defense capability. The days of the so-called "cold war" were the days of the United States unquestioned superiority in the world; the days of détente have been characterized by our loss of influence, power, and psychic ability to respond to challenge.

There is no question about it; our influence has been shrinking, while our foreign policy experts tell us that we can remain indifferent to changes throughout the world. One of the most critical developments in recent years has been our passive indifference to events in Portugal, the implications not only for the freedom of the Portuguese, but for the Portuguese role in NATO and the irreplaceable function of our bases in the Azores.

There is a widespread illusion even now that the recent elections in Portugal resulted in the defeat of the Communists and the triumph of so-called moderate political forces. Based upon these conclusions, it is predicted that Portugal has no intentions of leaving NATO and that the rights of our bases in the Azores—which expired a year ago February—will be renewed, although perhaps with certain prior restraints upon their use. Alternatively, it is argued that Portugal may become a third-world, nonalined country, whose loss will be scarcely felt to NATO; bases in Spain will replace the Azores bases, while the Portuguese contribution to NATO has been negligible in the past because of the African wars.

As a matter of fact, however, the Azores have a strategic location that cannot find a substitute. The mission of our bases there is not merely aircraft staging and refueling at a convenient station in the Atlantic. The Azores base is a center for antisubmarine warfare and ocean surveillance. It is widely reported that it employs top-secret sensor devices and wide-ranging spotter aircraft that monitor the movements of all Soviet shipping in the Atlantic, particularly submarines. It controls the sealanes to the strategic waterway of Gibraltar. With the growth of the Soviet submarine fleet to the largest in the world, the Azores bases are an important element in the defense of our eastern coastline, and in keeping open the international sealanes.

Moreover, the location of mainland Portugal itself is a strategic location; if Portugal were dominated by a hostile government, the consequences for both Europe and U.S. defenses could be tragic.

It is very important, therefore, that we understand the meaning of the recent elections in Portugal. It is one thing to point out that the Portuguese Communists, with a lavish expenditure of funds from outside Communist sources, won only 12.5 percent of the vote. On the other hand, the Socialist Party, with 37.3 percent, and the Popular Democrats, with 26.3 percent, together won nearly two-thirds of the vote. The right of center Social Democratic Center Party received about 8 percent.

But these returns cannot be interpreted on the basis of election returns in the United States. Portugal has had no political life for 40 years. The parties have barely gotten organized. The conservative Christian Democratic Party was proscribed from the elections, and its leader exiled on trumped up charges. Much of Portugal is rural, and the local citizens are not used to participating in national affairs. The press is largely controlled by radical left and Communist unions, and affords the political parties little opportunity to explain their goals and purposes in a straightforward manner. It is plain that the mass of people rejected the Communists, the one party whose aims were known. It is difficult to judge whether or not they really understood the subtleties of ideological differences in the remaining options.

Moreover, the elections were not elections for a legislature; they were elections for a constituent assembly that is supposed to write a new constitution—which will be accepted or rejected by the Armed Forces Movement.

What counts, therefore, is the amount of control exercised by the AFM and by the Communist Party—not the results of the electorate. The activities of the Communist Party are most significant. The Communist leader, Alvaro Cunhal, arrived in Portugal just a few days after the AFM coup on April 25, 1974. It is perhaps more than coincidence that Cunhal spent his exile mainly in Prague at the center for international operations set up by Soviet Politburo ideological specialist, Boris Ponomaraev. From the center, the theoretical journal, Peace and Freedom, is published in 18 languages, and operatives are trained in the techniques of party organization and labor union activity.

It is appropriate that this Communist operation be staged from Prague, for, in many ways, Czechoslovakia was a test case for the takeover of a free Western country. Like Portugal, Czechoslovakia was a country in which the moderates predominated. The Communists had the support of only 10 percent of the people. Yet through manipulation of the trade union movement and terrorizing the opposition, the Communists took over Czechoslovakia without a shot being fired.

The Czechoslovak model provides a remarkable analogy with the situation in Portugal. With the help of an estimated $100 million which the Soviets have poured into Communist activity in Portugal, Cunhal set up a strong, well disciplined organization which rapidly dominated the press, the unions, and many local official posts. By making the Communists very useful to the AFM, Cunhal won the respect and cooperation of the inexperienced officers. He was able to put over a special labor law consolidating all the unions into one big movement—rapidly taken over by the Communists. He was able to use his bully boys in Lisbon to prevent opposition parties from meeting and staging rallies. More important he is credited by many in instituting the rumor campaign designed to trigger the purported countercoup of March 11, 1975. Whether there was really a coup attempted or not is in dispute; at any rate it provided the excuse to purge the opposition and drove moderates such as General Spinola out of the country.

But more important, the purges which followed the coup silenced the opposition to the extreme radical economic policies which have included nationalization of the banks and major industries, and have forced owners and managers out of the country. Much of the leadership and business talent has already left the country, bringing whatever capital they could. At least 40,000 have settled in Brazil alone, buying homes and beginning permanent lives in exile. This fact alone has serious implications for the future growth and stability of Portugal.

It would be a mistake, therefore, to assume that the AFM has permanent control of the country. The revolution—assisted by the growth of Communist cells among the lower ranks of the armed forces at large—has brought about "democracy" in military life leading to a lack of discipline and an erosion of the command structure. The Socialists, although leading in the elections have simply not done their homework in terms of hard organizing and party discipline.

Moreover, the program of nationalization is already reaping a dividend of economic disruption, inflation, and mismanagement. An economic crisis could either bring social upheaval, or a plea to the socialist countries—such as Eastern Europe and the Soviet Union—to provide aid and economic cooperation. A nation that embarks upon a transition to a nonmarket economy inevitably is drawn away from the free market countries and into the Soviet orbit and influence.

We should, therefore, not make the old mistake of catering to the left Socialists in Portugal in the hopes that they will best the Communists in the long run. The Communists work outside the political process for their victory. The United States—all nations who believe in freedom—should instead seek out and support progressive elements that stand for private freedom and private decisionmaking. We should support those groups that stand for local autonomy and independence, and that are friendly to an anti-Soviet foreign policy. There is no reason why Portugal should slip outside the orbit of freedom and into economic disintegration and left-wing totalitarianism. If the United States is to have a positive foreign policy, we must unflinchingly adopt such goals.

I thank the Chair.

Mr. CRANSTON. Will the Senator yield?

Mr. HELMS. Yes, gladly.

Mr. CRANSTON. Mr. President, I applaud those Senators who have organized this debate. It is very timely that we have a consideration of where we stand on our foreign policy in the aftermath of Vietnam and now also the aftermath of the most recent incident involving that freighter, as we approach the time when we consider the military procurement bill. It seems to me very appropriate that we consider what foreign policy, what American interests, and what American security we are seeking to defend by the overall defense budget and this specific portion of it.

I have been discussing with other Senators hopes and plans for a full-scale debate of all that at the time we take up the military procurement bill.

Unfortunately, I only received word of this discussion that the Senator and others organized late yesterday afternoon and, therefore, was unable to be prepared and to try to bring some Senators that might have contrasting views to debate in a give and take on the Senate floor. I wish I had been aware of it earlier.

I suggest that the Senator and those who arranged this particular presentation, which apparently will not be so much in the form of a debate as statements by a series of Senators, consider joining with me and others to seek to arrange a full-scale debate, where once again we could have broader participation and perhaps participation by Senators with contrasting views to set one against another and consider, at the time that we take up the military procurement bill, whenever that may be, next week or later on some time soon.

Mr. CURTIS. Mr. President, will the distinguised Senator yield?

Mr. HELMS. Yes.

Mr. CRANSTON. Mr. President, could the Senator possibly respond to me before yielding?

Mr. CURTIS. Very well.

Mr. HELMS. Mr. President, I thank the able Senator for his comments. Speaking for myself, I am delighted to discuss the subject of national defense with him and other Senators at any time. I am advised that notice of this discussion was delivered, by hand, to the office of the Senator from California on Tuesday. I regret, of course, that the notice escaped his attention.

But I am delighted to see him here on the floor at 8:21 a.m. That demonstrates his diligence.

Mr. CRANSTON. I wish to say I was here at 8 o'clock and heard the whole matter. I will just add that when we seek to have such a discussion, if we can, at the time the vote on the procurement bill is taken up, I hope we can do it on the time of that bill and not be in this sort of straightjacket of 15 minutes to one Senator and 15 minutes to another, but have give and take so that different ideas can be tested one against another. I would like to work with the Senator to help arrange that.

Mr. HELMS. Very well.

I yield to the distinguished Senator from Nebraska.

THE NEED FOR A STRONG DEFENSE

Mr. CURTIS. Mr. President, I thank my distinguished friend. I congratulate him upon his statement. I congratulate him on his forthright position for the defense of the country.

I believe in the light of our disaster in Vietnam and other world factors that we should put as first priority improving and strengthening the defense of the United States of America. I believe that will save lives. I believe it will prevent war.

If the Senator will yield further, I join him in commending the President of the United States for his action in reference to the piracy by Cambodia of seizing a ship and American citizens on the high seas. The courageous and decisive action by President Ford will do more for the cause of liberty around the world than all of the diplomatic negotiations and conferences that have been held in the last few years and will be held in the next few years.

We have a responsibility not to be the world's bully but to be strong enough so we are respected. The nations of the world will respond to the United States when they realize what our position is, that it is sound and unwavering, and that they can depend upon it.

I do not suggest—in fact, I would oppose—any idea that the United States should go to war to correct every wrong around the world. We cannot do it. But we should never lend our influence to an injustice, and we should be strong enough so that when we take a position the freedom-loving people and the strong nations around the world will line up with us.

No one likes to bet on a losing horse. No one likes to buy stock in a company that is headed for bankruptcy. If we want ours, and if we want to preserve the peace of the world, we had better not be totally devoted to destroying our defense and adding to the welfare state, because if we do we will not have any liberty to enjoy.

The time has come for us to have a defense system that will give free men confidence everywhere, knowing that it will never be used to start a war, but will always be used in the cause of peace.

Again I commend my distinguished colleague, and I commend the President of the United States.

Historians will draw contrasts between this recent seizure and the seizure of the *Pueblo*. I shall not propose to do that. It will be done. History will render the verdict of what kind of actions preserve peace, save lives, and strengthen the United States and freedom around the world.

I thank the Senator.

Mr. HELMS. Mr. President, I thank the able Senator for his comments. I believe my time has expired.

Mr. HARRY F. BYRD, JR. Mr. President, I ask that the Chair notify me at the end of 10 minutes.

The able senior Senator from North Carolina has made an effective presentation of the importance of Portugal and the Azores to the free world. I commend also his assertion that in order to have an effective foreign policy the United States must have a strong defense policy.

I applaud the comments of the distinguished senior Senator from California, who urges a full-scale discussion over and beyond today's discussion as to what America's future role in the world should be. I think that is most important.

Today's discussion by some 16 Senators can set the focus for a subsequent and hopefully even more lengthy discussion of our entire foreign and defense policy.

Like the Senator from California, I would hope that could be done without time restraint. The Senator from Virginia dislikes to operate under time restraints, but the working of the Senate requires that that be done from time to time.

Mr. CRANSTON. Mr. President, will the Senator yield at that point a moment?

Mr. HARRY F. BYRD, JR. I yield to the Senator from California.

Mr. CRANSTON. I thank the Senator for those remarks, and I applaud his participation in today's debate. It was my hope, and I have discussed this with just a few other Senators up to this point, that we might at the time the military procurement bill comes up have some general debate before considering whatever amendment may be offered to it. It would seem to be appropriate at that time to have a discussion which would be free and without restraint, and there could hopefully be give and take rather than presentation of set statements.

Obviously there are many different viewpoints, and should be, and we have many answers to find to questions, in the aftermath of Vietnam and in light of the sizable defense budget and the great problems we face in the world.

So I hope that with the Senator's help such debate at that time can be arranged that it will be profitable from all points of view. I look forward to working with the Senator to that end.

Mr. HARRY F. BYRD, JR. Mr. President, there are varying points of view, and I, like the Senator from California, think it desirable that those varying points of view should be developed in the Senate. I personally would like to see a day or 2 days or 3 days set aside for a full discussion of the matters mentioned by the Senator from California.

I join with the Senator from Nebraska (Mr. CURTIS) in supporting the firm and resolute action taken yesterday by President Ford in saving the lives of American citizens in the Cambodian incident and in retrieving the American ship which was seized on the high seas by the Cambodain Government.

President Ford was faced with a very difficult decision. I think the action he took was appropriate, and one which is in the best interests of the United States. I commend the President.

THE AMERICAN ROLE: U.S. DEFENSE AND FOREIGN POLICY AFTER VIETNAM

Mr. HARRY F. BYRD, JR. Mr. President, with the tragedy of Vietnam fresh in the Nation's memory, the time is ripe for the United States to reexamine its global interests.

We must define our national commitments in the perspective of history with a clear understanding of American goals.

And we must clarify our national purposes, suitably tempered by the capability of the national economy and the Nation's will.

Recently Secretary of State Kissinger has suggested that the Congress is unduly interfering in foreign policy, and that congressional interference is undermining the flexibility needed by the executive branch to conduct its foreign diplomacy.

To a degree he is correct. But although the President is the Commander in Chief, under our Constitution the Congress also has a role to play in the Nation's conduct of international relations.

As recent history has taught us, a nation cannot hope to sustain a successful foreign policy without a consensus.

Our ability to maintain an adequate defense to deter any would-be aggressors and to assure global stability, and our ability to negotiate with firmness depend to a large degree upon our national unity of purpose.

But we cannot impose internal unity, as totalitarian systems do.

I note that Secretary Kissinger recently called for a new national partnership with Congress in which "we can strive for a consensus about our national goals and chart a common course."

I applaud those remarks. I stand ready to work with the Secretary to try to achieve an effective foreign policy—and the time to begin is now.

The United States must not permit disillusionment in Southeast Asia to cause a withdrawal from the world.

As a great power, America has major responsibilities.

Bitter experience has taught us that the United States cannot be a world policeman—or a world Santa Claus.

We must, then, look closely at all our commitments around the world—and be selective in the commitments which we choose to renew.

Today the free world is beset by troubles, with weakness and disorder apparent both between nations and within nations.

In Asia, the United States is being called a nation without morals. Thailand, South Korea, the Philippines, Taiwan, and Japan are unsure of our Nation's resolve.

In Europe, the United States and its NATO allies are confronted by one of the most awesome military machines ever created, the Warsaw Pact.

At the same time the cohesiveness of the NATO alliance is threatened because of the tragic situation in Cyprus, and the left-wing takeover in Portugal.

In the Middle East, the United States remains committed to helping Israel build a secure and peaceful relationship with her neighbors, but the political and military situation remains tenuous at best.

In Latin America, Secretary of State Kissinger has committed the Nation to a treaty terminating U.S. sovereignty over the Panama Canal, despite congressional opposition which is likely to prevail.

Overtures are being made to Cuba in which our Government appears ready to make unilateral concessions to Castro, thereby rejecting the Monroe Doctrine and accepting Soviet penetration of the Western Hemisphere.

As we look around the world, we see that power without resolve is no power at all.

Because of our country's preeminent military and political position among the nations of the world over the last 30 years the United States assumed many obligations and had others thrust upon it.

The values and goals which were threatened in this process, and the precedents which were established in defending our role in the international system produced expectations about our behavior, which in turn established the credibility of our posture.

Without this credibility—a credibility we see threatened today—we would not only lose the confidence of our allies, but perhaps even more far reaching, we would lose the credibility needed to deter any would-be aggressor.

History has taught us only too well that our international commitments have value only insofar as they are perceived to be credible by both our allies and our adversaries.

In the United States, popular dissatisfaction with what seemed to be an endless conflict in Vietnam led to an erosion of the domestic consensus over the conduct of our foreign policy.

The illusion of détente further dimmed popular awareness of existing military and political threats to the United States, and also contributed to an erosion in the Western alliance system.

Free nations around the world, confused by the ambiguities of détente, seem weakened in their sense of unity and common purpose.

A major danger of détente is that it tends to lull the United States into a false sense of security. Indeed, it tends to mislead the free world.

In an era that is said to reflect "entente, détente, and cooperation" among the globe's major power centers it is, of course, all too easy to misinterpret a potential adversary's intentions, and to allow judgment to become clouded by wishful thinking.

It is not sophisticated today to talk of a Communist threat. Yet, in my judgment, Russia remains committed to the destruction of the free world, although not necessarily by force.

Moscow has an advantage in this effort. While the United States does not seek to impose its values on others, the Russians have no hesitation about forcing other nations to toe the line.

Although we hear of the independence of the Communist nations of Eastern Europe, no one would seriously contend that Moscow does not remain the uncontested gondolier of Warsaw Pact diplomacy.

Lest anyone forget, in 1968 Soviet leader Breznev enunciated the Brezhnev doctrine when the Soviet Union invaded Czechoslovakia.

The Brezhnev doctrine according to the Soviets, gives Moscow the right to intervene at will in the internal affairs of its European satellite countries.

Russia, as I see it, is playing a shrewd game.

The Soviets have come to realize that in order to reach their goals they must utilize all the fundamental elements of national power: political power, economic power, and military power.

Over the years, they have cautiously but continuously expanded their control and influence over more of the world. In the process they have not only increased their elements of national power, but have become more skillful in using them.

Their scientific achievements have been great. They lack capital, management, and technological skills, but they recognize these deficiencies and are taking steps to rectify them. They hold out the hope of détente as a means of obtaining assistance in their technological difficulties, low interest rates, and long-term credits.

Most Americans are, of course, familiar with the United States-Soviet grain deal.

Not only did we let our products go too cheaply, but also the U.S. Government provided what was in effect a $300 million subsidy. And, on top of that, Russia borrowed the money from the U.S. Government to pay for the wheat. In other words, Russia bought our wheat with our money.

Melvin Laird, former counselor to President Nixon, stated flatly:

> The wheat deal was forged to save the Soviets from the results of a disastrous agricultural program.

In addition, we made it easier for them to spend for defense when we subsidized their domestic economy.

Another agreement with Russia in 1972 was the settlement of its debt to the United States.

At the end of World War II, after writeoffs, the Russian debt was set at $2.6 billion.

In 1972 the United States agreed to a settlement of this $2.6 billion debt for $722 million—or about 28 cents on the dollar.

But of that total, $674 million was contingent upon granting to the Russians of most-favored-nation status in tariffs, which the Congress has refused to do. That leaves only $48 million in assured repayment—which is less than 2 percent of the $2.6 billion debt.

Russia said, in effect: "We will pay the United States a small part of what we owe you—provided you give us special trade concessions, including long-term credits and subsidized interest rates provided by the American taxpayers."

This is not the way to do business with Moscow.

We have also permitted a technological drain to the Soviet Union. The Soviets are taking advantage of détente to obtain America's advanced computer science, a major factor in America's overall technological superiority.

Moreover, while the Russians are building a more solid economic base, they exacerbate economic troubles for the West.

Oil was the first economic weapon to be used against us. There seems little doubt that the Soviets influenced Arab action in establishing the oil embargo and drastically and repeatedly raising the price of oil.

This has resulted in hurting the economy of Western nations and aggravating the relationships among nations dependent on Middle East oil.

While I favor keeping open lines of communication between Washington and Moscow let us not make the mistake of relying on the Russian leaders to promote peace and stability.

Moscow has a long track record of doing just the opposite, and it would be foolish for us to suppose that she is going to change course.

Détente has, of course, been a bargain for Russia. But for the United States, frankly, I think détente is coming apart at the seams.

How did détente help us in Southeast Asia?

How is it helping us in the Middle East?

How is it helping us in Europe?

Where détente has been helpful, I think it has been helpful to the Soviet Union.

Although I feel the Soviets will avoid any action that might lead to general nuclear war, at the same time they will continue to maintain and improve nuclear capability and try to achieve nuclear superiority for political ends.

It is, therefore, essential that the United States never lose sight of the fact that while moods and methods, words and gestures may change in Moscow, the underlying goal of the Communist dictatorship remains constant. That goal is the world-wide domination of the Communist system.

If we forget this central fact, we imperil ourselves. Soviet theorists constantly reiterate that no matter what course may be dictated by the opportunities of the moment—and Moscow has changed course often—the ultimate goal remains the same.

Chairman Brezhnev made this clear in June 1972, when he said:

> Détente in no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an even sharper form of the confrontation between the two systems.

The United States cannot afford to accept a "détente" which paves the way for global domination by the Soviet Union.

In 1975, when our allies are questioning America's commitment to them, it is particularly important that we carefully evaluate the entire defense policy of the United States.

Most of us would prefer a world order based on justice rather than on might. But such an order, unfortunately, has not yet come.

Indeed, the only way we have to build a peace that is effective and lasting is to maintain a strong defense and to bargain realistically.

The implications of these facts for the current SALT negotiations are important to note.

If we are to attain nuclear stability, then we must insist upon strategic equality. We must maintain an adequate strategic defense as a vital element of our own national security and for the security of the free world.

I had reservations about the SALT–1 agreement, which gave the Soviet Union a strategic edge.

For this reason I joined in sponsorship of an amendment to the SALT–1 agreement, calling on United States negotiators to insist on equality with Russia in future agreements.

In a few months the President will be submitting to the Congress a second round arms limitation agreement with Russia, based on principles worked out at his meeting with Chairman Brezhnev at Vladivostok.

Not enough is known about this agreement to make a judgment at this point.

I have assured President Ford that I will keep an open mind about this agreement until it has been reduced to writing and submitted to the Congress for consideration.

But I am concerned about recent reports which indicate that the Russians may indeed not be willing to settle for strategic equality.

Defense Secretary Schlesinger recently announced that the Soviet Union has begun deploying a new class of large intercontinental ballistic missiles.

Although the ICBM's that were deployed carried only a single warhead, not the MIRV warheads, the Russian MIRV development is discouraging to those of us who want a slow-down in the arms race. It is also a warning signal against rushing into hasty agreements.

I agree with my colleague, Senator JACKSON, that it is time to put the Soviets to the test by urging an agreement under which both the United States and the Soviet Union can achieve mutual reductions in the total numbers of strategic delivery vehicles, and in the number of missiles capable of carrying MIRV to lower levels than those contained in the Vladivostok Agreement.

As we consider the proposals for national defense expenditures, let us be realistic. Let us bear in mind that the debate we will conduct here in the United States will have no parallel in the Soviet Union.

The leaders in Moscow are not subject to the kinds of constraints which are present in a democracy.

At the outset of the debate on the defense budget, let us also keep in mind that defense costs are not the reason for the enormous expansion of the Federal budget which has taken place in recent years.

The national defense budget is large. It has risen by 53 percent from 1964 to 1974.

But during the same period, to use just one example, appropriations for the Department of Health, Education, and Welfare increased six-fold.

Yet I do not believe we must write blank checks for the Pentagon. Waste, inefficiency, or unnecessary spending by the military are no more tolerable than such practices in any other department of the Government.

And while I wish that we did not have to spend one single dollar for military purposes, it is clear that peace has its price as well as its rewards.

I, for one, am convinced that in this dangerous nuclear age, readiness in defense is essential to the preservation of freedom.

In more concrete terms, this means that the United States cannot forsake its strategic research and development programs.

It means that we must have a strategic force sufficient to deter nuclear war and a conventional force including naval power second to none, adequate to discourage expansionism on the part of the Communist powers.

We need both—nuclear and conventional—because without the latter a future President will lack a conventional option. We must have an alternative to nuclear war.

For if, in this nuclear age, thermonuclear force is to remain the last and not the only resort, traditional diplomatic and military procedures are more important than ever before, and conventional forces must be ready to indicate the seriousness of a nation's intentions.

But conventional war itself can only be kept within limits if a nuclear war appears less attractive.

Let us also be aware that in this present age, an age of systemic conflict, a conflict of interest between the major powers exists, the desire for global peace notwithstanding.

The United States must, therefore, be capable of establishing political goals in which the question of national survival is not always the immediate issue.

This requires responsible and enlightened leadership, and it requires a public enlightened to the realities of a nuclear age.

Peace can only be preserved if we have the capacity to deal with crises before they lead to general war.

We cannot, therefore, allow wistfulness to cloud our judgment of prevailing power realities.

We must never lose sight of the fact that dollars spent for American defense are an investment in the world peace and stability, and that world peace and stability, in turn, are highly important to our own freedom and prosperity.

Despite the setbacks of recent weeks, our Nation remains strong.

If we have confidence in our institutions and pride in our Nation, we need be second to none.

My colleagues who join me here today, to discuss and assess U.S. foreign policy and our defense posture, will examine in some detail the various problems confronting the Nation militarily and politically around the world.

Let me therefore, conclude by observing one of the most important lessons of history I believe the United States must learn is that power and strength are of no avail if the United States lacks the necessary will to defend its vital interests and carry out its responsibilities as a major world power.

While we are ready to negotiate and seek peaceful solutions to the problems of the world, we have certain principles and interests that cannot be compromised.

The VICE PRESIDENT. The Senator asked to be notified when 10 of the 15 minutes have been used.

Mr. HARRY F. BYRD, JR. I reserve the remainder of my time.

The VICE PRESIDENT. The Senator from Texas (Mr. TOWER) is recognized for 15 minutes.

DEFENSE AND FOREIGN POLICY

Mr. TOWER. Mr. President, I think it is fortuitous that this day was selected by those of us who want to discuss defense and foreign policy in the wake of what has happened in Southeast Asia relative to the piratical act of the seizure of an unarmed American merchant vessel.

At the outset, I should like to say that I think the President acted with resolve, and acted expeditiously. I think if he had waited any appreciable amount of time longer the situation might have been such that we could not have retrieved this American vessel nor extricated its crew.

I am sure that the action of the President will receive the approbation of the American people. The immediate reactions I have gotten from my own State have been favorable.

I am also pleased to note that there has been a favorable bipartisan reaction on the part of Members of Congress. I think this is what we would expect of any President, be he Democrat or Republican, and I hope that in the eyes of the rest of the world this enhances confidence in the United States to react, and to react expeditiously, to a situation of this kind.

I think the President's actions will go a long way in restoring confidence on the part of our allies in the will and determination of the United States and at once convince our adversaries that we will not be lightly pushed around.

It is my purpose this morning to discuss the situation in the southern lateral of NATO.

I think that too often we become preoccupied with the European mainland, with the prospect of aggression against Western Europe, and we give too little thought to the vital flanks of NATO, the northern and southern flanks.

Looking briefly at the northern flank of NATO because of the vast buildup of Russian naval power it is feared that ultimately the Norwegian Sea will become a Russian lake and that Scandinavia will ultimately be Finlandized—that is to say, brought into an orbit of influence that is contrary to the best interests of the United States.

I shall leave it to others to discuss the northern flank of NATO and address myself to the southern flank which has shown a rapid deterioration in terms of the geographic and strategic position of the Western alliance.

We have seen what has happened in Portugal, and one of my colleagues has already addressed himself to that issue, and has done so very well.

We can take little heart in the fact that relatively moderate parties polled a majority of the Portuguese elections because the Portuguese Government is under the firm control of the junta that is essentially Marxist in its orientation.

This, of course, illuminates the fact that the Communists have planted clandestine infrastructures in virtually every country in this world and these clandestine infrastructures wield a power out of all proportion to their numbers because of the superior organization and discipline, and because of the support they receive from without.

I think we get a little bit naive sometimes around here in criticizing the activities of the United States in various countries, perhaps the activities of the CIA, and some of the covert actions that have taken place, without recognizing the fact that the Soviets have a whole network of clandestine infrastructures all over this world and that they do not respond to popular will.

They are not well-motivated revolutionaries; they are self-serving. Many of what we consider to be popular rebellions or revolutions that occur in various countries are by no means a reflection of the majority will of the people of those countries, but are a reflection of what the Soviets conceive to be their national interest.

They foment unrest and political chaos in these countries for their own purposes and having, as I noted earlier, superior organization in discipline in their clandestine infrastructures, they wield an influence out of all proportion to their numbers.

This is what we have seen happen in Portugal and, Mr. President, this could be repeated in various other countries in Europe, contrary to the vital interests of the free world.

Let us look at the southern lateral of NATO.

We know what has happened in Portugal, we know that there is now a climate of instability in Spain because the Franco government is not sufficiently institutionalized to weather the possible resignation or retirement of General Franco.

Looking beyond, France has already withdrawn from the command structure of NATO. The political situation in Italy, at best, if I could characterize it as such, is unstable. The Greeks have already invited us to abandon our homeporting facilities there, and we, ourselves, by an act of, I believe, foolishness—and I say that advisedly because I know that a Senator is not supposed to criticize the Senate—but we acted foolishly and contrary to the national interest in cutting off aid to Turkey.

In so doing, we have succeeded in almost driving from NATO one of our most valuable allies. It does not need be recounted that the Turks fought side by side with us in Korea some 25 years ago. They have remained steadfast, proclaimed their friendship, and our response has been, because of the domestic political situation, to kick the Turks, to drive them out of NATO.

Now, what does this mean to us?

Mr. President, let me say parenthetically that all of the mail I have gotten from my constituents on the watter of Turkey and our aid to Turkey has been contrary to my own position. Most of it has come from some very splendid people, Greek-American people who are good friends of mine and whose friendship I value. But the fact of the matter is, in a cause of this sort, we must act in what we preceive our national interest to be.

Let me recount for a moment. The government in Cyprus was overthrown under the aegis and impetus of a military junta in Greece which had been criticized and denounced roundly in the Senate of the United States. The Turks responded in what they conceived to be their responsibility to protect the interests of Turks nationals in Cyprus.

Maybe they responded wrongly. In my view, they did respond wrongly. They should not have committed military force to Cyprus. But I think we should look at the origin of the problem.

Now, because we did not like what the Turks did in Cyprus, we are going to cut off our noses to spite our faces.

Let us look at the strategic position of Turkey.

Turkey borders on the Soviet Union. It borders on Syria. It borders on Iraq. It occupies a strategic position in the eastern Mediterranean.

We have valuable bases there. The Turks provide us with vital intelligence. They control the Dardanelles, which is the vital sea passage from the Soviet Union into the Mediterranean. They keep us advised of Soviet naval movements. They can maintain a naval presence there, and we cannot.

So, Mr. President, I hope that the Senate will give early and favorable consideration to a restoration of aid to Turkey. It is in our vital national interest to do so.

I cannot understand how anyone who professes to be a partisan of Israel could support anything that comes before the Senate of the United States that pushes Turkey out of NATO, or pushes them away from their alliance to the United States.

The Turks do not want to be allied with the radical elements in the Middle East, but we can push them in that direction by our ill-advised action.

I submit, Mr. President, I have only covered a small part of the various aspects of the value of Turkey to the North Atlantic Alliance. We had better be concerned with what is going on there right now. We had better be concerned that we try to reestablish our friendships in that area.

We had better be concerned about Turkey because what, in effect, we are doing by our actions if we fail to reestablish the viability of our alliance with Turkey is to leave the 6th Fleet flapping in the breeze by itself out there in the Mediterranean. This is a matter of very serious consequence for the United States and for the free world.

Mr. President, I will again be critical of the Senate. I think we have dabbled too much in foreign policy. I think in our effort to regain prerogatives, that we have willingly delegated away to the executive branch over the past 40 years, we have gone in the wrong direction.

I would remind my colleagues of the case of the Curtiss-Wright Export Corp. versus the United States in 1936, when Justice Sutherland noted that the conduct of diplomacy is a necessary concomitant of nationality that would reside in the executive branch even in the absence of the specific constitutional authorization; and that the President must exercise extraordinary power in this area that he cannot exercise in terms of domestic matters.

The Senate, the Congress, cannot, on a day-to-day basis, formulate and implement foreign policy. We have done a dangerous bit of dabbling in foreign policy. We have done a dangerous bit of dabbling in foreign policy matters here in the Senate.

I will not address myself to the War Powers Act. I think it was a mistake, and I think it is an example of what we should not do.

Mr. President, I know that a lot of the actions we have taken have been in response to a popular disenchantment with our engagement in Southeast Asia. But let us remind ourselves that we acquiesced to what was going on in Southeast Asia for years, and by our acquiescence we, in effect, put our imprimatur of approval on what the administration was doing, whether it was this administration, the Nixon administration, the Johnson or the Kennedy administration. We put our imprimatur of approval on what was going on.

The VICE PRESIDENT. The time of the Senator from Texas has expired. The Senator from Utah.

Mr. CRANSTON. Will the Senator from Utah yield for 1 minute?

Mr. GARN. I yield.

Mr. CRANSTON. I had wanted to actively participate in this debate when I learned of it, but I did not learn of it in time to be able to do so and to get time to join with those who had requested time.

I think those who have organized and participated in this debate have made a real contribution to the beginning of the discussion of what we should be doing in foreign policy and in defense matters.

In order to be able to participate in this debate as well as future debates, which I hope we will have, I ask unanimous consent that I may have printed in the RECORD at this point, or immediately following the remarks of the Senator from Utah, a statement of my own concerning some aspects of the matters that are being discussed this morning.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

FOREIGN POLICY AND DEFENSE POSTURE

Mr. CRANSTON. Mr. President, the Nation is approaching its Bicentennial.

We find ourselves in an economic crisis brought on—at least in part—by our tremendous expenditures in tens of thousands of lives and unmeasurable hundreds of billions of dollars, to fight a war we should not have fought, could not win, and were unable to pay for.

Now we are, for the first time in more than 10 years, mostly free of the terrible burden of the war in Vietnam.

It is—at last—over.

Yet we are paying and will continue to pay to provide benefits to veterans who fought in that war—to pay the interest on the national debt which increased substantially as a result of that war—and now to assist the refugees rendered homeless by the outcome of that war.

And that was an outcome which, despite all our vast expenditures, and all our fancy and expensive weapons, all of our commitment of manpower, and all of the frequently repeated assurances of our defense advisers, we are unable to prevent.

There is an important lesson here.

Before we permit our overseas policies and actions—by accident or design—to involve us in another war we should not fight, we must reflect on our role in the world, our foreign policy objectives and the defense posture necessary to maintain that policy.

Then—and only then—will we be in a position to know how much we should spend on defense.

We must decide whether we are to be—as some would make us—the policemen of the world—or whether instead there are limits to our willingness to enter wars in corners of the globe where our national interests are limited or nonexistent.

And if we decide there are such limits—when previously we seemed to accept none—then we must question why we need three more Army divisions under arms than we had last year.

We must decide whether we will use our economic resources to provide military aid to existing regimes, however dictatorial, which they so often use to guard themselves against opposition from their own people, however justified that opposition may be in terms of freedom, when we cannot meet our own domestic needs.

And whether we will—as we apparently did—use secret funds hidden in our defense budget to support agents of our Government whose job it is to "destabilize" a democratically chosen government whose economic philosophy we resent.

We are the most powerful Nation in a nuclear world in which the possession of doomsday weapons is ever spreading.

We must decide whether our power imposes special responsibility to exercise restraint and judgment—even when sorely provoked by a little nation.

For, it is apparent that too often we win nothing by demonstrating our power except the universal hatred of the less powerful that a bully so often earns.

We must not again be rushed into a blind commitment to military action—as we were by the Tonkin Gulf resolution. We must first have clearly and carefully determined the facts, examined the alternatives, and weighed the costs.

We must not accept without debate the assumptions about foreign policy, national security, deterrence, global strategy and the role of the United States in the world—among other judgments—that are built into the defense budget.

I believe that all the funds requested can be rationalized only if all these assumptions and judgments are accepted.

If they are not, then substantial savings are presumably possible, without weakening at all our national security.

And, Mr. President, many of those assumptions and judgments are highly questionable.

That is why I am delighted with the suggestions of the Senator from Arizona (Mr. GOLDWATER) the Senator from Idaho (Mr. McCLURE), the Senator from North Carolina (Mr. HELMS), and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and other, that we engage in debate in this Chamber on these issues, before we authorize or appropriate funds for national defense.

I look forward to a considered discussion of our policy toward the arms race.

For I believe the endless escalation of the size, number, and cost of strategic weapons is the road to annihilation, not greater security.

The risks of further dispersion—of nuclear blackmail—of accident—of control by irrational persons, whether in or out of organized governments—all increase as the arms race goes on.

What good is our counterforce when the day arrives—as it soon may—when the possibility exists that we will suffer a nuclear strike without ever knowing who was responsible for it?

I want to hear discussed Secretary Schlesinger's expensive concept of "essential equivalence" in the strategic characteristics of our weapons posture.

I believe the Senate, if it considers the matter with due care, may include that this is a radical and dangerous departure from the Nixon concept of "sufficiency."

And I welcome the chance to hear Senators debate and examine the need for several of the weapons systems that the Secretary has asked for, and which he euphemistically calls modernization.

I would be delighted to hear a rational discussion of all of these issues take place.

But we may instead—as we did in this chamber yesterday—and in the Budget Committee in April, see our attempts at such a discussion clouded by a discussion of the kind that seems to occur whenever the DOD budget is discussed—and particularly when cuts are suggested:

Instead of debating whether the requested 18.5 percent increase in budget authority, or the 8.2 percent increase in outlays, is warranted, the DOD budget request has been too often treated as a given, as though these increases were already in place.

We were told yesterday that if we remove the pay and retirement caps in the defense function and still set the defense outlay level at $90.7 billion—as both houses did—we would have to lay off 700,000 to 800,000 military and civilian defense employees, and close bases all over the country.

Mr. President, I strongly disagree.

The same sort of assertion was made in reference to a different defense outlay number containing different assumptions in the mark-up session of the Senate Budget Committee. Then we were told we would have to lay off 175,000 persons.

I disagreed at that time, too.

Let us look at the facts and figures:

Neither the House Budget Committee analysis, nor the approach I suggested yesterday, which could get us to an even lower outlay level, requires massive reductions of in-place manpower.

Indeed, Mr. President, these levels do no require manpower cuts at all.

We have suggested a new approach to an examination of the defense budget, one which would require justification in terms of our strategic posture, foreign policy and assigned mission, to justify procurement and development of weapons systems.

The analysis which was presented yesterday—and this was stated explicitly—assumes we do not want to do away with procurement and we do not want to do away with research and development, and concludes that any total below an amount close to the Secretary's full request involves a major manpower cut.

Naturally, if we ignore the potential cuts in weapons procurement and research and development requests—and if we ignore the funds available for reprograming—or unexpended in the pipeline—and the defense stock funds—and the overallowance for inflation—and the request for civil defense—and for military construction—and for foreign military assistance—and for nuclear weapons production in the ERDA budget, which is a part of the national defense request—then we must cut civilian and military manpower to reach a lower outlay total.

But that was not the approach of the Budget Committees, and ignoring these potential cuts was not what I had in mind yesterday when I asked Senators to examine 18 questionable assumptions in the defense budget, which lead to increased expenditures.

The House Budget Committee allowed for removal of the pay and retirement caps, which would add $1.7 billion to the President's function 0.05 outlay request.

It then subtracted $1.4 billion in monetary assistance to Southeast Asia which was in the President's budget, but which the Congress has refused to appropriate.

It subtracted $1.8 billion to correct the "deflator" factor concealed in the defense budget, which compensated DOD for inflation at the rate of 15.1 percent when the actual rate was closer to 9 percent.

It next subtracted $900 million to be taken from the inventory replenishment fund, and various other funds all buried in the DOD budget.

Then it disallowed $1.3 billion of the real program growth requested by Schlesinger for fiscal year 1976. The House-Senate conference restored $500 million of this amount, leaving a reduction of only $800 million from the real program growth request.

Mr. President, this $800 million in outlays can be eliminated from the fiscal year 1976 budget without touching military or defense manpower, by cutting or delaying the following from the DOD request:

[In millions]

Outlays:	
AWACS	$285.6
Site defense	132.4
SAM–D	118.1
Sea launch cruise missile	101.8
XM 1 tank	53.2
Civil defense—nonpersonnel	72.0
Selective service	47.9
Total	811.0

In my separate views in the Senate Budget Committee's report, I went to some lengths to show how the DOD memo which was the source of the 175,000 number used a series of misleading hypotheses to reach its conclusion.

The memo certainly made no attempt to take into account the analysis being used by the House and Senate Budget Committees. This tactic—which tended to terminate the exploration of the defense budget in the Senate Budget Committee—must not be allowed to prevent serious consideration of the realities of the defense budget request.

I certainly believe that a serious and comprehensive debate on our national defense policy and budget is in order.

I hope we can achieve that debate. I am delighted that Senators which are participating in this morning's debate agree that an appropriate time to do so would be at the outset of the coming floor consideration of the military procurement bill.

The Senator from Virginia (Mr. HARRY F. BYRD, Jr.) responded to my proposals in this regard a few minutes ago, with the suggestion that that debate should go on for as many as 3 days.

I concur.

THE MILITARY BALANCE IN EUROPE

Mr. GARN. Mr. President, the subject of my remarks this morning is the question of the military balance in Europe, and the possibilities for force reductions in that area. Discussions and negotiations over troop and armament levels in Europe have been going on between the North Atlantic Treaty Organization and the Warsaw Pact since, roughly, the end of the Second World War. However, the negotiations entered a deeper, more formal phase in 1968, with the invitation from 14 NATO nations to the Soviet Union and other Eastern European nations to discuss force reductions in a setting isolated from such political questions as the reunification of Germany. Following this invitation, there was a period of diplomatic skirmishing, leading, eventually, to direct preliminary discussion in Vienna in January 1973, and to substantive negotiations beginning in October of that same year. These substantive negotiations have gone on intermittently since that time.

In these negotiations, the critical issue has been that of the military balance in Europe, rather than the issue of actual force reductions. From the beginning, the NATO nations have insisted that any reduction in forces be accomplished in a balanced manner, taking into account the area defined as subject to reductions, the nature of the forces present in Europe, and the logistical problems inherent in the geography of the two alliances. To explain this last point a bit further, Mr. President, the removal of an equal number of troops by the Soviet Union and the United States would have a grossly unbalanced impact on the military balance in Europe, given the fact that the Soviet Union is physically present in Europe, only a couple of hundred miles from the borders of NATO nations, while the United States is more than 3,000 miles away, across an ocean.

Consequently, the language of the NATO nations has always contained words similar to these, which I quote from the NATO Reykjavik Declaration of June 24, 1968:

> Mutual force reductions should be reciprocal and balanced in scope and timing.

Clearly the NATO nations have understood that the geography of the two alliances provides advantages to the Warsaw Pact nations which will require greater reductions in the East than the West, if a balance is to be maintained. This is a point that cannot be too strongly emphasized. In his joint communique with Secretary Leonid Brezhnev, following his 1972 trip to the Soviet Union, then-President Nixon omitted for the first time the word "balanced" from the language relating to force reductions; this omission gave rise to great concern among some officials here, and within the European Community.

Of course, the Warsaw Pact nations refuse to acknowledge these geographical and political considerations, and refuse to use the word "balanced" in discussing force reductions. In joint communiques, it is thus impossible to use the word, but the historical understanding must be maintained. For instance, in a joint statement issued by the NATO and Warsaw Pact nations on June 28, 1973, the word "balanced" does not appear in connection with force reductions. However, in a clarifying press statement, the head of the Netherlands delegation made plain the traditional understanding, in these words:

> This statement in fact presents the NATO concept of "balanced" as it has been defined in various NATO communiques. . . . We consider that the elements of the NATO concept of "balance" are satisfactorily covered in the communique agreed today.

I submit, Mr. President, that we must hold on to this essential concept, and not abandon it under any circumstances, lest we discover that we have given the whole game away.

It may be well, Mr. President, to discuss for a moment just what the game is. Why do we maintain troops and materiel in Europe, where the war ended 30 years ago? I believe that we do have compelling reasons for maintaining a presence in Europe, and I would like to discuss those reasons very briefly.

First, we have ties of a cultural, social and historic nature to the countries of Western Europe. We would be denying our nature to ignore these ties. It is impressive to me that the Atlantic community is virtually the only area of the world where free and democratic institutions still exist, and I believe that these institutions are the product of the cultural heritage we share.

Second, our presence in Europe acts as a stabilizing force, as the countries of Western Europe move toward greater economic, military and political integration. Our presence in Europe is evidence of our willingness to provide a substantial part of the defensive umbrella under which Europe can continue its development.

Third, Europe is the first line of America's defense, a point that we ignore at our peril. While this point may seem to be selfish only, in fact, this line of defense acts as a deterrent to Communist adventurism in Europe, to the advantage of our allies there. The alternative to a European defense is the concept of "Fortress America," a concept that is increasingly untenable in the world of modern technology.

Now, if the forces we keep in Europe are to perform their tasks, as just outlined, it is critical that they, taken together with the forces of our allies, be regarded by potential enemies as a credible force. Since we are interested in defense, these forces must be of such a nature as to deter adventurous impulses on the part of those whose interests lie in instability. Thus we must insist on the balance spoken of earlier, and any actions taken toward reductions in forces in Europe must maintain the balance.

At the present time, it can be argued that there exists a rough balance of forces in Europe, at least in that the NATO forces have the capability to offset Warsaw capabilities over a relatively brief period. I do not intend to discuss the actual makeup of the respective forces under arms in Europe; suffice it to say that the Warsaw Pact nations have a considerable numerical edge in virtually every category, while the NATO nations appear to have the edge in the quality of weapons and forces. A recent publication of the Stockholm International Peace Research Institute described the situation as follows:

> Even though there is no agreement about the current state of balance or imbalance, it might perhaps be possible to say that there is a rough parity between NATO and WTO (Warsaw Pact) conventional forces, all factors taken into account, although it is impossible to express this total conventional balance in numbers and/or percentages.

Though this is, of course, an untested assumption, and I might be inclined to think that it is a trifle optimistic, given the large reserves the Soviets have available so near the West German border, I will assume it to be roughly accurate for purposes of our discussion today.

In the real world, of course, balances are transitory things. The balance of forces in Europe is no different. For one thing, the quantity and quality of Warsaw Pact forces have been consistently upgraded over recent years, with an impact which has been noticed by many of the ministers of the nations closest to the action. Roy Mason, Britain's Minister of Defense, writing in the current issue of the NATO Review, acknowledges that—

> Freedom cannot be guaranteed if we ignore an existing threat such as is posed by the growing military strength of the Warsaw Pact.

I should emphasize, Mr. President, that actions taken on the NATO side can also change the balance. In recent years, we have seen amendments to authorization and appropriations bills which would require the removal of American troops from Europe in numbers up to 100,000 men. These would be unilateral withdrawals, taken independently of the wishes or plans of our NATO allies. Such a withdrawal would have a critical impact on the present precarious balance. On the contrary, Mr. President, I think there are very good arguments for increasing the number of American troops in Europe today.

One is that the worldwide military balance has been upset recently, even though there has been no major shift in troop levels in Europe. One factor contributing to the shift is the continued expansion of the Soviet Navy, and the continued growth of the Soviet strategic forces, especially medium- and long-range bombers.

A more important factor, however, is the loss of prestige the United States has suffered in other parts of the world, particularly the Mideast and Southeast Asia. By the way we brought the Indochina conflict to an end, we have demonstrated to the world a massive, almost fatal loss of will. The question will always be, not what firepower we have, but what we will do with it. Thoughtful observers in Europe are now beginning to ask themselves under what circumstances the United States would come to their aid. We must therefore make our position and our state of will clear beyond a doubt. Dr. Eugene V. Rostow, former Under Secretary of State for Political Affairs made precisely this point in a recent article in the Wall Street Journal. Says Dr. Rostow, summarizing the position of a foreign policy task force of the Coalition for a Democratic Majority:

> The best diplomatic signal the United States could give the world now would be a sharp increase in our defense program.

I ask unanimous consent that the article referred to be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOR AN ADEQUATE DEFENSE

(By Eugene V. Rostow)

The best diplomatic signal the United States could give the world now would be a sharp increase in our defense program. It will take more than brave words and summit meetings to restore the stability of the world political system. That condition obtains only when our friends and our adversaries are equally convinced that American treaties and other commitments, which are the only cement of the system, radiate genuine deterrent power. At the moment, it is a little difficult to be convincing on that point.

There is a paradox in the state of our opinion about foreign policy. Despite the flurry of bad news in recent months, our basic security position is strong—stronger than has been the case since 1949. The rising pressures of Soviet expansion, and the logic of the nuclear weapon, have forced China, Western Europe, Japan, and many other countries under threat to realize that their security interests and our own are "indivisible," as the French say, and will remain indivisible for the indefinite future. The world is becoming smaller, more interdependent, more dangerous, and more bipolar. We shall remain altogether capable of protecting our interests in that world, if we understand our position as it is, and do what is required to sustain it.

But we do not feel stronger. Quite the contrary. We are uncertain about our course, and are allowing our advantages to erode. Above all, we are bitterly divided, when we should be confronting our problems together with all the optimism, energy and good sense which have always characterized American policy at its best.

How can it be that our position is quite good, objectively, while our subjective perception of it is so melancholy and defeatist?

The explanation for the paradox is that the prevailing American view of world politics, still reeling under the shock of Korea and Vietnam, and attracted as always by nostalgia for the mythical Golden Age of American isolation, has been deeply confused by the misleading Nixon-Kissinger vocabulary for talking about foreign policy. Mr. Nixon did not end the "Cold War," achieve "detente," and substitute "negotiation for confrontation." A condition of "detente" with the Soviet Union has been an unremitting goal of our foreign policy since President Roosevelt's time. It has not been reached. There has been no improvement in our relations with the Soviet Union, save in the realms of public relations and wishful thinking. Soviet policy is exactly what it has been since 1944 or 1945, except that its pressures are greater and more diverse than ever, and more difficult to deal with, because they are backed by more force.

THE SOVIET EXPANSION

The Soviet Union continues to pursue policies of expansion which threaten our vital interests in many ways: our interests in access to raw materials; in strategic, naval, and space communication; and in the balance of power itself, through Soviet or Soviet proxy threats to nations whose political independence is vital to our own security, and nations to whose future we are committed for even deeper reasons of history, kinship, and honor. They press steadily to envelop NATO and Japan, and seek to gain power in many other regions of the world.

Soviet policies of expansion are based on a military array which is growing at the rate of 5% a year, in real terms. The Soviet armament effort has no parallel in modern history. Meanwhile, our own expenditure for defense is declining in real terms, and in many categories amounts to unilateral disarmament. It has fallen to the lowest point since the period just before the Korean war.

It follows, at a minimum, that we should build up our military capabilities in order to avert a catastrophic military imbalance. But the defense budget proposed by the Ford administration would keep our defense posture constant if the rate of inflation turns out to be no more than 10%, and all the other cost estimates on which the budget rests prove to be accurate. A static defense program is not enough, in view of the increasing pressures of Soviet policy, and the Soviet defense build-up. That build-up must be countered, if the basic security of the nation is to be assured, particularly by increases for the Navy, for our ready forces, and for research and development. The estimated costs of the increased capabilities recommended in the recent Task Force Statement issued by the Coalition for a Democratic Majority, would be of the order of $10 billion.

The goal of our nuclear policy is to prevent the use or the credible threat to use nuclear weapons in world politics. The heart of the matter is the concept of "second-strike capability," which must at all times be beyond the shadow of a doubt. Second-strike capability cannot be measured by counting the number of ground-based, air-based, and submarine-based launchers on each side, or the number of missiles which can be MIRVed. The key issue is and will remain whether the Soviets can have any reasonable expectation of being able to destroy so large a number of our weapons by a first strike as to create doubt about our second-strike capacity, or our willingness to respond to a nuclear attack as necessary. That question is addressed to the total number of warheads on each side, and the respective capabilities of all Soviet and American launchers.

This is the basic flaw in the Ford-Brezhnev "agreement to make an agreement" announced in Vladivostok. That understanding was addressed to the number of launchers and the number of missiles that could be MIRVed on each side. It tells us nothing about the number of warheads each missile might carry, and the number, yield, capacity, accuracy and range of the warheads themselves, however launched. The Soviet missiles that can be equipped with MIRVs have three to six times the payload of the corresponding American missiles. The result could be an ominous Soviet advantage in strategic warheads, and therefore uncertainty about the American second-strike.

The Vladivostok guidelines would build a dam across half the river. It is this gap which persuaded the C.D.M.'s Task Force to support continued research and development expenditure for the B-1 bomber, intended to replace the aging B-52. SALT I did not deal with missiles delivered by bombers at all. And the Vladivostok communique speaks only of missiles delivered by "strategic" bombers. The Soviets are making an impressive "medium" bomber capable of delivering missiles on many American and American-protected targets. We should therefore proceed with the B-1 pending an agreement that equitably and verifiably limits bombers and all other missile launchers.

The Soviets are building towards superiority in strategic forces, spending annually about twice as much on them as we do, while we have unilaterally frozen the level of our strategic forces.

The Secretary of State has asked, "What in the name of God is superiority? What do you do with it? How do you use it?" The Soviets can answer this question. They are squeezing their economy and their people for the sake of a military goal they believe has meaning today. It offers them the credible possibility of being able to make or to threaten selected strategic attacks against our military dispositions and our allies, while keeping enough warheads in reserve to discourage a reply on our side against either military or civilian targets. We can deny that such a capability, if achieved, would give them, at a minimum, an immense advantage in the diplomacy of blackmail they have practiced for more than 30 years?

The Task Force Statement therefore urges research and development expenditures on several aspects of our strategic weapons program. These proposals go beyond those of the administration, although they are modest when compared with the Soviet budget. Such action is indispensable if we are to insure that no American President should ever have to choose between yielding vital American interests or destroying the Soviet—and the American—people.

THE IMMEDIATE CHALLENGE

Critical as the problem of nuclear balance is, our greatest immediate challenge is to maintain an adequate U.S. military potential in the non-nuclear field. Thus far nuclear stalemate has given the Soviets the opportunity to inspire conventional wars and proxy wars—an opportunity which has become nearly a license with the decline since Korea of the will of the Western allies to insist on the enforcement of the United Nations Charter. The policy of deterrence must apply at the conventional as well as the nuclear level.

Comparing Soviet and American conventional military potential as a somber exercise. Soviet general purposes forces are increasing steadily in strength and mobility, backed by formidable sea power and air-lift capacity. The Soviet Union has 50%; and perhaps 100% more men under arms than the United States, 3.4 million (or about 4 million) for the Soviets to 2.2 million for the United States, depending on whether one lists border guards and internal security units among the Soviet forces, and how one deals with the high ratio of support to combat troops in all American formations. The Soviet Union has four times as many tanks as the United States, and as least five times our tank production rate. They are ahead of us three to one in artillery tubes, two to one in heavy mortars and 40% in tactical aircraft, which they are producing at double our own rate. Their air defenses are far greater both in home deployment and in mobile or transportable systems.

The Soviet Union's new blue water Navy is expanding at an astonishing pace. They have almost as many surface ships as we do, and over three times as many submarines, other than ballistic missile submarines. Here again, their building programs are far, far greater than our own.

On net the Task Force Statement concludes, "our conventional military resources are in many important respects inferior" to those of the Soviet Union. And our programs for revitalizing and restoring those resources are so modest "that we are falling further and further behind."

The statement does not recommend a crash program, seeking to catch up to the Soviets in every category, overnight. It does recommend an increase in expenditures, particularly for the Navy, for ready forces, and for certain critical weapons and weapons systems, designed "to maintain a prudent deterrent against aggression."

A MOOD OF SOMNAMBULISM

The most important problem of our foreign policy is that we and our allies seem to be in a mood of somnambulism similar to that which paralyzed France, Britain, and the United States during the thirties. If we and our allies had been able to wake up then, the Second World War, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today.

The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to face the issues, and undertake that debate.

Thus far, at least, resolve has been the missing factor in the politics of national defense. It is the key factor.

Mr. Rostow is Sterling Professor of Law at Yale University and former Under Secretary of State for Political Affairs from 1966 to 1969. He is also chairman of the Foreign Policy Task Force of the Coalition for a Democratic Majority. This article summarizes the Task Force's report, made on April 2.

Other members of the Task Force included Henry Fowler, former Secretary of the Treasury; Max M. Kampelman, former counsel to Vice President Humphrey; John P. Roche, former special assistant to President Johnson; Norman Podhoretz, editor of "Commentary"; Albert Shanker, president of the American Federation of Teachers; and Professors Jeane J. Kirkpatrick, Lucian W. Pye and Paul Seabury.

Mr. GARN. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a report from Europe by Mr. Anthony Lejeune, which appeared in the Richmond Times-Dispatch for April 8. This report underlines the point I made a moment ago about the questions which are now arising in the minds of Europeans about U.S. reliability.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOMINO THEORY BACK WITH A BANG: EUROPEANS ARE BEGINNING TO QUESTION RELIABILITY OF THE U.S.

(By Anthony Lejeune)

LONDON.—Israel is not alone among America's friends (or, for that matter, America's enemies) in being affected by what is now happening in Southeast Asia. The horrifying pictures, seen night after night on television, have had considerable impact in Europe too.

For what these pictures show—bluntly—is great numbers of people fleeing, dying and being trapped by a Communist army because America got tired of defending them.

Few Europeans are so hypocritical as to impute any kind of moral blame to America. America's allies, after all, had refused to share the burden. Indeed some went further, ostentatiously dissociating themselves from the whole long attempt to save Vietnam from the Communists.

The British government at least gave verbal support—but nothing more. When Dienbienphu was besieged, John Foster Dulles asked Britain to join in sending an allied relief expedition. The British government refused, no relief expedition was ever sent, and Dienbienphu fell, thus setting the pattern for everything which followed.

It is true, as most Europeans would readily admit, that America's expenditure of blood and treasure in Vietnam was quixotic, far exceeding any obligation. The Europeans themselves, ever since the end of World War II, have been the beneficiaries of American generosity on an unprecedented scale. They have no absolute right (and they know it) to rely on the United States indefinitely for a large part of their defense.

But that is not the point: The point is that the United States did undertake the defense of South Vietnam, repeatedly declared her intention of preventing a Communist victory, but finally gave in to a well-orchestrated and sustained political and military assault.

The time-factor was (as Europeans perhaps understood better than Americans) vital from the beginning. The Communists think in terms, not just of this year or next, but of generations. They are prepared to continue the struggle, now advancing, now making a tactical retreat, lying low for a while, then moving forward again, for as long as it takes—until they win. If their opponents have a shorter span of endurance, or simply of attention, the result is inevitable.

America's military mistake in Vietnam, as British experts often pointed out, was to expect a rapid win. It took 12 years for the British army to overcome the Communist threat in Malaya, and the problem there was much less difficult. In guerrilla warfare of this kind, the proper tactics—the only tactics with a real chance of success—involve slowly accumulated intelligence followed by gradual clear-and-hold operations.

The United States army, like the British army before, could have learned these tactics; but every war against the Communists is fought on two levels, military and political, and the capacity for political endurance was lacking—or was subverted.

What reason is there, Europeans ask, to suppose that the same thing would not happen in Europe? No doubt American forces and supplies will continue to be available, in the foreseeable future, as insurance against more complicated and protracted dangers. The threat to withdraw aid from Turkey, on what, with regard to the main conflict, are irrelevant political grounds, is in some ways even more disturbing to Europeans than the cut-off of aid from Vietnam.

Certainly the European members of NATO could, and arguably should, do more for themselves. Britain has just set a bad example by announcing new reductions in her defense spending, on top of all the previous cuts. But that, again, is not the point.

The domino theory has come back with a bang. America's allies need to know which domino America really would fight to save. What is negotiable? Who is expendable? Uncertainty could make the whole alliance start to crumble. Kissinger's next, and urgent, task must be somehow to reassure countries which, if they feel they can no longer rely on American help, may begin seeking their security elsewhere.

Mr. GARN. Mr. President, Dr. Rostow spoke of defense expenditures in general, but a strong case has been made by many of our NATO allies that forces on our side of the balance in Europe should be increased at this time. For instance, a recent article in the Canadian Defense Quarterly reported the position of the United Kingdom as follows:

> The U.K. view was that hopes of strengthening détente through MBFR were a dangerous illusion in the face of Russia's increasing conventional military superiority in Europe. Since Soviet forces remained usable as instruments of political influence, a commensurate increase in NATO forces was required rather than a reduction.

That there is today a widely perceived military imbalance is shown, I believe, by the action of the Cambodian Government in seizing a merchant ship belonging to a U.S. corporation. I am not talking about the domino theory—which must surely be established as a fact by now—but about the very real destabilization which has taken place in Southeast Asia following our withdrawal, and in other parts of the world. The fact is that unless some action is taken immediately to redress the imbalance, we can expect to see many more cases of adventurous nations "biting the tiger's tail," as Senator BUCKLEY puts it. Under these circumstances it is essential that we give clear signals to the rest of the world, and that we give them immediately. I am pleased that the President has taken such decisive action in the case of the Cambodian act of piracy with an American ship. This is certainly a clear and unmistakable signal to the world that we will not be pushed around by anyone.

In Europe, our signal should be unequivocal that any force reductions will be carried out only in accordance with the principle of balance so long insisted upon by the entire NATO alliance. That alliance is facing critical strains at the present time, and we should carefully avoid any unilateral or bilateral action which would increase those strains.

On the larger scale, we need to approach international diplomatic situations with more realism, and less of the naive idealism which has characterized our dealings with Communist nations in recent years. To quote again from the Rostow article included earlier:

> There has been no improvement in our relations with the Soviet Union, save in the realms of public relations and wishful thinking.

To make the point even more clearly, I would like to include in the RECORD at this point a Soviet view of détente, and an editorial comment on that view by the Wall Street Journal. The Soviet view was given by A. I. Sobolev, chief of the department of history of the international Communist movement at the Institute of Marxism-Leninism, and appeared in the Journal on April 30. The editorial appeared the same day. I ask unanimous consent that these two items be printed in the RECORD at this point.

There being no objection, the material

was ordered to be printed in the RECORD, as follows:

A SOVIET VIEW OF DÉTENTE

(By A. I. Sobolev)

(The following is a condensed version of an article from the Moscow periodical, Rabochity Klass I Sovremennyy Mir (Working Class and Contemporary World). Mr. Sobolev is chief of the Department of History of the International Communist Movement at the Institute of Marxism-Leninism. His article was translated by the Foreign Broadcast Information Service of the U.S. Department of Commerce and edited by this newspaper. An editorial on the subject appears today.)

The tremendous social, political and ideological changes taking place in the world are setting the revolutionary vanguard of the working class in capitalist countries many complex new problems requiring theoretical substantiation and a political revolution.

The intensity of social contradictions, the mass nature of the strike movement, the bitterness and scope of the struggle against the monopolies—all this shows that the working class is entering a new stage of the class struggle, which is developing in a situation of the further deepening of the general crisis of capitalism, the aggravation of all its contradictions, and fundamentally important changes in the international arena.

The general crisis has embraced all aspects of life of capitalist society—basis and superstructure, economy and policy, ideology and culture—and is exerting a constantly growing influence on the struggle of the classes.

What, then, are the chief characteristic features of the modern stage of the general crisis of capitalism?

First, the world system of socialism, which is developing in the ascendant and which is a decisive factor in world development, has taken shape and strengthened. World capitalism has suffered defeat in the great historical confrontation. Imperialism wanted to hold back the development of world socialism, weaken its economy, undermine the world Socialist system, disunite the Socialist countries, restore capitalist usages in them and overthrow socialism in Cuba, in Korea and in Vietnam. But imperialism was unable to overpower world socialism, to oust it or to weaken it. The world system of socialism has emerged strengthened from this confrontation, but the world system of capitalism—weakened.

Capitalism has just the historical initiative, which has firmly passed to the world system of socialism. This is a very important feature of the general crisis of capitalism.

COLONIALISM'S COLLAPSE

Second, under the influence of the change in alignment of forces in the world arena and under the blows of national liberation revolutions, the colonial system of imperialism has collapsed and dozens of new young states have been formed, many of which have embarked on the road of democratic development and become an active anti-imperialist force. The achievement of political independence by the peoples of Guinea-Bissau, Angola and Mozambique signifies the collapse of the last colonial empire.

Third, despite fierce resistance from monopoly capital, narrowing—in the final analysis steady, although uneven—of capitalism's sphere of domination and sphere of influence is taking place.

Fourth, all of the contradictions inherent in the capitalist mode of production have intensified and new ones have appeared as the result of the increasing antagonism between the scienitfic and technical revolution and conservative-anarchic forms of capitalist relations, the development of state monopoly capitalism and the rapid spread of international monopolies, which imparts to them an increasingly antipopular cosmopolitan nature.

Fifth, the crisis of capitalism's economic system is developing in ever increasing depth, and this crisis has very different forms of manifestation; economic instability, the slowing down of the rate of development, production slumps, currency and financial upheavals, the energy crisis and intensively developing inflation.

Sixth, the crisis of the political system of capitalist society has developed and intensified, which manifests itself in the growth of political instability, in the crisis of bourgeois to manage with old methods.

The uniqueness of present-day political life lies in the fact that the monopolists cannot always—by no means always—implement their reactionary fascist designs. There is now a different level of class activeness and class struggle of the people's masses. Reaction is afraid that the hasty use of fascist methods may lead to the defeat of its political mechanism. The popular democratic revolution in Portugal, the new victory of democracy in Greece, the successes of the left-wing forces in France and Italy, and the growth of the activeness of the working class in Japan and other countries are all an indicator of the intensification of the democratic, revolutionary trend.

The masses' struggle for the democratization of society is the main obstacle on the path of the reactionary circles of the capitalist countries. It is indicative that the democratic trend is developing not with the aim of preserving bourgeois democratism, but is proceeding along the lines of becoming real people's power.

Seventh, an ecological crisis has emerged and is gaining increasing force as an expression of the growing conflict between the monopolies' desire to utilize the achievements of the scientific-technical revolution for the purposes of obtaining maximum profits and the predatory utilization of natural resources and the geographical environment.

Eighth, a crisis of bourgeois ideology has emerged, which has several aspects. Capitalism is incapable of putting forward any concept of social progress whatsoever. Even the ideologists of capitalism cannot defend modern capitalism in a sufficiently well-argued manner.

Ninth, a crisis of the moral-ethical foundations of the capitalist society has emerged and is increasingly developing, which is expressed in even greater alienation of people and the growth of crime and violence.

On the whole, the present stage of the general crisis of capitalism is characterized by the further deepening of the chief contradiction of the epoch—that between socialism and capitalism—and the intensification of the world historic antagonism and rivalry between them. The capitalist system is increasingly becoming a threat to peace, democracy, freedom and social progress of mankind.

A relaxation of international tension is taking place, which the Soviet Union and the other Socialist countries are striving to make irreversible. The broad dissemination and recognition of the Leninist principle of peaceful coexistence between the states with opposite social systems is a major historical achievement of the CPSU, all the fraternal communist parties, the international working class and all revolutionary forces and opens up new, immeasurably more favorable prospects for the further struggle of the working class and all working people for peace and democracy, for national independence, fundamental revolutionary transformations and socialism.

Essentially the broad dissemination and forced recognition by the capitalist countries of the principle of peaceful coexistence is a new stage in the development of the world antagonism between socialism and capitalism and in the development of world revolutionary progress. A historic comparison is taking place within the framework of peaceful coexistence. that is, the advantages of socialism are being manifested increasingly fully, the economic competition between the Socialist and the capitalist countries is intensifying, more active use is being made of political methods to protect the interests of social progress, and an offensive ideological struggle is developing between the international working class, armed with Marxism-Leninism, and the monopoly bourgeois with its unscientific views.

INTERNATIONAL RELATIONS

On the one hand, peaceful coexistence is a specific but essentially basic form of the class struggle on the world arena between ascendant socialism and a capitalism which is going through a period of acute crisis, a leading form of solving the chief contradiction of the epoch. On the other hand, peaceful coexistence is an international legal norm of relations between states which presupposes the observance of such norms as the renunciation of interference in other countries' internal affairs, recognition of territorial inviolability and national sovereignty, and so forth.

The concept of peaceful coexistence under certain conditions has also become acceptable to that section of the dominant bourgeois which soberly appraises the historical realities which have taken shape: the change in the correlation of forces in the international arena in favor of world socialism and the growth of the economic potential and defense capability of the Socialist countries. Under the pressure of these historical circumstances, certain circles ih the leading capitalist countries have been forced to accept the principles of peaceful coexistence as an international legal norm. Of course, the bourgeois has its own understanding of this principle and would like to extract certain advantages from it.

In certain press organs the policy of peaceful coexistence is reduced only to the struggle for peace and is given a purely pacifist coloration. Certain circles are also spreading the thesis that peaceful coexistence is helping the imperialists to solve their own contradictions, and that it is primarily the imperialist circles which are interested in it.

It is essential to stress once more that the policy of peaceful coexistence is a specific and highly effective form of the class antagonism and historic rivalry between world socialism and world capitalism. This policy is an important integral part of the world revolutionary process.

It becomes increasingly difficult in the course of peaceful coexistence for capitalism to use various extraordinary measures (intensifying authoritarian power, speculating on the threat of war, slanderous arguments about the aggressive intentions of the Socialist countries and so forth) to solve their contradictions. That is why peaceful coexistence does not lead to the weakening of the contradictions of capitalism, but in the long run, if one can put it this way, locks capitalism's socioeconomic relations within the framework of its natural laws, on which soil its contradictions develop most fully.

NEW OPPORTUNITIES

Peaceful coexistence creates very favorable conditions for the development of the class struggle and for the rallying of the democratic forces and their offensive on the positions of the monopolies. Peaceful coexistence, proceeding from Lenin's position of denial of the export of revolution, at the same time creates ever greater difficulties for the export of armed counterrevolution, which opens up new opportunities for the development of the revolutionary struggle. The Communist parties of many countries are of the opinion that under the conditions of the Cold War, it was difficult to imagine the overthrow of the fascist regimes in Portugal and Greece, the rallying of the leftwing forces in a number of countries, the shift to the left of the axis of political life in France and Italy and so forth.

Under the conditions of peaceful coexistence the Socialist countries can render considerably greater aid to all peoples who are embarking on the path of revolutionary transformations, particularly the peoples of the developing countries. The expansion of aid to the peoples embarking on the path of social progress leads to the further alternation of the correlation of forces in the international arena in favor of the reovlutionary classes.

All this attests that from the world-historic viewpoint, the policy of peaceful coexistence firmly and consistently pursued by the CPSU and the other fraternal parties is a component part of the world strategy aimed at the consolidation of the forces of world socialism and at raising its prestige and revolutionary-transforming role.

WHATEVER HAPPENED TO DÉTENTE?

The North Vietnamese are using Soviet-supplied tanks and artillery to consolidate their grip on the South; and the Portuguese Communist Party, having polled 12% in elections there, is warning the non-Communist majority not to get the idea it should run the country. It would seem the moment to ask, whatever happened to détente?

If indeed the better question is not whatever was détente in the first place? The word has a vaguely comforting ring, but what is its meaning? Is it anything beyond atmospherics, the comforting word and the comforting exchange of heads of state?

Does détente mean military disarmament? Surely not on the Soviet side. They have proceeded with four new classes of intercontinental missiles, the building of a major navy, and increases in military manpower. Their total military spending has rapidly increased, while ours has failed even to keep pace with inflation and is steadily falling behind Soviet totals.

Does détente mean that in exchange for American trade and technology, the Soviets will pursue a less adventurist foreign policy? This, we take it, has been the sophisticated understanding of détente from the American side, certainly one subscribed to by businessmen promoting Soviet-American trade. But in the light of Vietnam and Portugal, any such bargain would seem to apply only to the long run—in which, as Lord Keynes said, we will all be dead.

What, for that matter does détente mean to the Soviets? This is at least somewhat clearer, as the accompanying A. I. Sobolev article attests. While Mr. Sobolev represents the hard-line Institute of Marxism-Leninism, Kremlinologists consider this article a soft-line one. But it makes abundantly clear that "peaceful coexistence" is in the end a tactic of class warfare.

The essence of Mr. Sobolev's argument is that since the capitalist world is so obviously collapsing, the smart thing for the Soviets to do is to let events take their course and pick up the pieces. The Soviets have found that a direct confrontation merely alerts the West to danger. Better for them to relax tensions, and work behind the scenes. As Mr. Sobolev says, "Under the conditions of peaceful coexistence the Socialist countries can render considerably greater aid to all peoples who are embarking on the path of revolutionary transformation."

What this means is clearly evident in Vietnam, where the Soviets poured in weapons used in gross violation of the Paris accords. It was the movement of Soviet-supplied tanks, artillery and anti-aircraft weapons into the Central Highlands that made the South Vietnamese position there militarily untenable, precipitating the withdrawal and subsequent psychological collapse. Lest anyone think Indochina is a special case, the Soviets have been similarly extravagant in supplying arms to Syria, and as they have in the past, will surely do so again for Egypt if President Sadat grows ready to dance to their tune.

Portugal is a more complicated case. We may never know the full explanation for the remarkable leftwing penetration of the military. When asked how the Communists finance their elaborate organization, Party Chief Alvaro Cunhal talks of buying ballpoint pens for 20 cents and selling them for 40 cents. Perhaps the electoral showing there may yet guide Portugal to what Communist thinkers call "bourgeois democracy," the kind in which elections decide who rules. But the nationalization of banks and Communist control of printing unions and much of the press might also yet lead to "people's democracy," the kind known in, say, East Germany.

Both events in Portugal and the Sobolev analysis underline the warnings issued a few weeks ago by The Economist: "The danger to the democracies of Europe no longer comes mainly from the risk of a direct Soviet invasion, although that risk could become a serious one again if the armies in Western Europe grow much weaker. It comes from the possibility that the Communist parties in a number of European countries may be able to climb to power, and then be undislodgeable from it, by breaking the rules of the democratic system."

So this is détente. Even this kind of détente, so long as we do not mislead ourselves about its meaning, is preferable to bristling hostility. But if on the Soviet side the relaxation of tension is merely tactical, obviously direct confrontation could quickly return if, when and where the Soviets find it convenient. Its convenience will be measured in terms of the "correlation of forces." If the U.S. is to live with this kind of détente, the first prerequisite is maintaining the military balance of power. Here the question ought to be not whether the administration's military budget is too much, but whether it is enough.

Beyond that, the U.S. needs to prepare for the kind of competition it faces. It should put aside squeamishness and stand ready to offer finances if doing so will promote democracy, though whether such financing will help or hurt is a decision to be made by indigenous leaders on the scene in Portugal or elsewhere. But the U.S. ought at least to voice rhetorical concern over threats to democracy; no U.S. President ought in present circumstances to give a state of the world address, as President Ford has just done, without mentioning Portugal. We should of course use what influence we have in places like Spain to promote orderly democratic development as an alternative to a leftwing coup. But we should also make clear to the Soviets that atmospherics and trade cannot go on oblivious to world events.

Mr. Sobolev's scenario is nowhere near as inevitable as Marxism-Leninism teaches him. The developing nations have in fact shown little tendency to develop into Communist states. The decline of the Western democracies is not irreversible; their long history includes many resurgences from sloughs of despond like the current one. But neither are such resurgences inevitable; it depends on a reawakening of courage and will in the West, on a determination to make the best of whatever opportunities for peace present themselves, but not to allow comforting slogans to obscure an actual world in which the dangers are very real.

Mr. GARN. Mr. President, as Mr. Sobolev indicates:

> The policy of peaceful coexistence is a specific and highly effective form of the class antagonism and historic rivalry between world socialism and world capitalism.

This is a matter that has never been in doubt in the Soviet Union, and has been doubted in the United States only by those who believe only what they wish to believe, and not what the Soviets have always said and done. It is also a point that is becoming clearer to everyone as time goes on.

The ideal place for us to begin to practice this realism would be at the Conference on Security and Cooperation in Europe. The initial phases of the conference are now concluding, and there is the intention to convene a 35-nation "supersummit" in Helsinki, Finland, later this year. There are issues of vital importance to be discussed in connection with European security and cooperation, some that are intimately bound up with the issue of force reductions. But if we approach the conference as we did the SALT talks, believing that all is sweetness and light in the Soviet Union, we will lose our shirts. I would argue that no conference should be held until after some agreement has been reached on force reductions. The anxiety of the Soviet Union to promote this conference suggests that such an approach might be more productive than all the years of talks that have gone on so far.

While I will not treat the CSCE in detail, I ask unanimous consent that four editorials on the subject be included at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Mar. 30, 1975]

WESTERN GOALS FOR A GRAND SUMMIT

Some time this summer or fall the world may be treated to the spectacle of 35 summiteers flying off to Helsinki for a grand conclusion to the Conference on Security and Co-operation in Europe (CSCE). If held, the gathering would invite comparisons and contrasts with the Congress of Vienna after the Napoleonic wars and the Versailles negotiations after World War I. There has never been a formal peace conference to end World War II, and there probably won't be one as long as Germany remains divided. But the CSCE would be the closest possible thing to it.

The Soviet objective in tenaciously promoting a European security conference has long been apparent. It is to gain a wider acceptance of Moscow's hegemony in Eastern Europe and to give East Germany a greater feeling of legitimacy. These are not matters on which the Western powers have been willing to give ground lightly. That the West is now preparing to send its heads of government to a meeting with the Warsaw Pact powers reflects the many changes that have taken place under the general heading of détente. West Germany has signed normalization treaties with the Soviet Union, Poland and East Germany. The NATO powers have extended diplomatic recognition to East Germany. The United States and the Soviet Union have put their bilateral summit meetings on an annual basis. These are important diplomatic developments, but they have not been accompanied by any liberalization in the Soviet system.

While this is one of the failings of détente, it is also one of the reasons Western nations may yet be able to turn the CSCE to their advantage. During preparatory negotiations in Geneva, some progress has been made in drafting agreements to pierce the Iron Curtain that literally still exists. The Russians have tentatively approved texts that would, if implemented, facilitate cross-Curtain emigration, visits, marriages, magazine and newspaper subscriptions and cultural exchange. While insisting on the inviolability of postwar frontiers, they have acknowledged West German yearnings by accepting the possibility, however remote, of peaceful border changes. Soviet bloc negotiators also have accepted exchanges of observers for NATO and Warsaw Pact maneuvers, though they are still balking at Western insistence on prior notification of such maneuvers.

Many pilots—including guarantees against radio jamming—will have to be clarified to the West's satisfaction before its heads of government should finally agree to go to Helsinki. The Russians will try to force the pace, not least because Soviet party chief Brezhnev wants to show Kremlin hardliners that his détente policies can achieve the European settlement that has long eluded Moscow. But unlike Mr. Brezhnev, the Western heads of government are answerable to all their people, not just a Politburo. If they allow their principles to be traduced by failing to obtain better human conditions in Europe, the CSCE will become the Soviet ploy cautious Westerners have always feared.

[From the New York Times, April 14, 1975]

Ending World War II

(By William Safire)

WASHINGTON.—In case you hadn't heard, World War II will soon be coming to its official end. The Russians won.

In Helsinki and then Geneva, delegations from 35 nations have been meeting for the past two years at the European Security Conference, preparing for the grand summit finale this summer at which the heads of state are to gather and make legitimate the Soviet conquest of Eastern Europe.

Naturally, the Soviet Union has long been looking forward to this triumph. To get the conference started, it agreed in 1971 to a four-power arrangement on Berlin, and in 1973 to exploratory talks on a mutual reduction of troops in Europe, which have led nowhere but seemed hopeful at the time.

Since the Soviets have been salivating at the chance to make their Iron Curtain a permanent division of Europe, one might think that the United States is extracting great concessions in return.

But all the Russians have been offering is "confidence-building measures," such as prior notification of military maneuvers, which have no real military meaning, and economic and scientific cooperation projects that the Soviets need more than we do. No quid pro quo there, unless you consider détente an end in itself.

The British, the Belgians and the Dutch—with some belated interest on the part of the United States—have been pressing for freer movement of people between East and West, placing in this basket freedom of contact between creative artists, specific guarantees of credentials for journalists, the opening of "reading rooms" to insure access to foreign periodicals, and agreements to make available television time for the airing of other countries' documentaries.

The Russians are turning aside demands for specifics, instead offering flabby language like "nations shall endeavor to encourage" human rights, which already exists in the United Nations Charter and permits the Communists to interpret it any way they choose.

When the West Germans wanted a provision saying that border changes could be made by peaceful agreement in the future—reunification is still their goal—the Soviets artfully put that in the "Sovereign Equality of States" section of the draft document, and not in the part about the "Inviolability of Frontiers" where it might have had some meaning.

The United States delegation is demoralized. Since our position has been to denigrate the importance of the whole conference, the United States delegation in Geneva is half headed by our Ambassador to Czechoslovakia, who has his hands full in Prague; his deputy in Geneva has returned to Washington and not been replaced, and the rest of the frustrated staff passes along this story:

When the American Secretary of State met in Geneva two months ago with Soviet Foreign Minister Gromyko, the European Security Conference was discussed at length; afterward, Mr. Gromyko gave a detailed briefing to the Soviet delegation on what had transpired. But the United States delegation was left in the dark and had to ask their Soviet counterparts what had gone on. That close-to-the-vest technique is exactly what led us up the garden path on the SALT negotiations.

President Ford, who plans to attend a NATO meeting soon, did not refer to the European Security Conference in his State of the World address; perhaps he felt that ignoring the problem—as he did Portugal—would make it go away. But if he is serious about making détente a two-way relationship," Mr. Ford should put a high price on any legitimization of Soviet victories.

First, no European security summit conference should be convened until the Soviets agree to much more than a token reduction of troops in Europe and a timetable for future withdrawals.

Next, a subject we should insist be put on the agenda for debate is the Brezhnev Doctrine, under which the Soviets claim the right to put in their tanks to crush uprisings against their puppet regimes. If that is not a matter of concern to "European Security" and relevant to the "Inviolability of Borders," what is?

Finally, the Soviets should be made to understand that their deeds—in providing North Vietnamese with the means of victory and extremist Arabs with hopes for a "final solution" to the Iraelis—speak louder than any protestations of détente. Linkage should live again: no deal in the Middle East, no deal in Europe.

Would demands for these quids pro quo scuttle the Helsinki Summit? Perhaps; at a time when the Soviet Union is riding high and the United States President is helpless against a large group of willful men in Congress, a two-year postponement of the biggest gathering of heads of state since Queen Elizabeth's coronation might not be a bad idea.

Thirty years have passed since V-E Day. America's power has dwindled from days of dominance through an era of parity to a stage of uncertainty. Why, at this worst moment, are we allowing ourselves to be drawn into a Supersummit at which the only purpose is to declare the Russians the victors of World War II?

[From the New York News, Mar. 23, 1975]

What's Up Their Sleeve?

The Soviet Union is applying all sorts of pressure on the U.S., Canada and West Europe for a swift, early-summer wind-up of the marathon European Security Conference.

Specifically, Moscow wants a full-dress summit session convoked on or about June 30, at which the heads of state would put the final okay on an agreement.

The Reds' desire for haste is understandable. They already appear to have gotten most of what they wanted, and hope to rush the proceedings to a conclusion before Western negotiators have second thoughts or look too closely at the empty bag the Russians are offering in return.

From all indications, the Soviet Union stands to gain a clear, free world-endorsed title to the lands and people conquered in World War II. The captive nations would be condemned to perpetual Communist bondage.

For its part, the Kremlin has only come up with some vague "concessions" on eased travel restrictions, wider cultural contacts and a freer flow of information between East and West. Even this is still up in the air—which is where the Soviets would like to leave it.

In short, it looks, feels, tastes and smells like a typical Moscow sucker play—all take and no give.

We would be fools to let ourselves be hustled by those con artists. And we would be even worse than fools if we signed any document that—directly or indirectly—certified the USSR's right to the fruits of its aggression.

[Washington Post, Mar. 24, 1975]

Was the Security Conference Worth It?

(By Peter Osnos)

GENEVA.—The prolonged and cumbersome negotiations of the 35-nation Conference on Security and Cooperation in Europe appear at last to be entering their final stages. Among the questions still to be answered is whether the exercise was worth it.

If Soviet Communist Party leader Leonid Brezhnev has his way, which is now virtually certain, the conference will climax in the coming months with a gathering in Helsinki of the heads of state or government of all the participating countries—virtually every nation in Europe, plus the United States and Canada.

The Helsinki summit should find President Ford around a table with Brezhnev, French President Valery Giscard d'Estaing, British Prime Minister Harold Wilson, Marshal Tito of Yugoslavia, Chancellor Helmut Schmidt of West Germany and dozens of others, including Pope Paul VI.

"Just imagine the nightmare of organizing this production," one Western ambassador observed the other day. "If we take a group photograph who is going to stand in the middle?"

But bringing together so many luminaries, it is generally agreed here, does have a potential significance of its own—an opportunity for some bilateral talks in a guaranteed atmosphere of good will since all the actual haggling will have gone on in advance.

It was Brezhnev and his Soviet colleagues, backed by their Eastern European allies, who long pushed for this conference and have been urging it toward a speedy conclusion at every opportunity. Once the end finally is at hand, Moscow is bound to present it as a major step toward reducing tensions in the world.

To some extent, the mood of Soviet jubilation may rub off on Western leaders.

The highlight, of course, will be the signing of the lengthy declaration under preparation in Helsinki and then Geneva since the summer of 1973 that contains affirmations of almost every principle honored by modern mankind—peace, sovereignty, equality and justice. The purpose of the document, as the name of the conference indicates, is to bring a greater measure of security in Europe and to enhance East-West cooperation.

There will be sections, still in various stages of drafting, on building mutual confidence through, for example, advance notification of military maneuvers; on expanding contacts in commerce, science, education and environment; and on improving the general flow of people and ideas across the ideological and political borders that divide Europe and East and West.

What apparently troubles many senior Western and neutral diplomats is that the prolonged bargaining has required so many compromises and modifications to satisfy the interests of all the participating states, that the net results on many of these points are inevitably vague and open to differing interpretations.

In the final analysis, they say, little of substance will have been changed.

Secretary of State Henry A. Kissinger remarked at a press conference last month that the discussions in Geneva "have become so abstruse and esoteric, reaching sometimes such issues as the placement of a comma, that it is hard to explain all of the issues now before the conference." That was no exaggeration.

For months, U.S. and Soviet officials pondered where the commas should go in a sentence on the conditions for peaceful changes in European frontiers—a matter of central importance to the West Germans who hope some day to reunify their country and to the Soviets who want the "inviolability" of borders guaranteed.

Once the effort was concluded, the sentence still had to be translated into the six different official languages of the conferences, each with its own grammar and syntax. Reconciling them all on the fine points may never be possible.

Even some of the more tangible provisions—aimed, for instance, at increasing the availability of Western newspapers and magazines in the Soviet Union and other Eastern European states—are hedged with references to each country's "modalities" for taking such actions. The carefully labored phrasing entails no obligations.

The participating states, says the paragraph on newspapers, "will encourage their competent firms and organizations to conclude agreements and contracts designed gradually to increase the quantities and the number of titles of newspapers and publications imported from the other participating states."

Other aspects of the human contacts area, such as family reunification and greater opportunities for travel and tourism, are addressed in similarly broad terms as desirable objectives rather than concrete plans.

It may turn out that one of the most substantive paragraphs in the declaration will be the one on working conditions for journalists, granting multiple entry visas for the first time to Western correspondents in the Soviet Union, the right of television reporters to bring in their own crews and other benefits. According to Western delegates, this approach was sold to the Soviets on the reasoning that the success of the conference will depend to a large extent on the way it is presented in the media. Hence, the sweeteners.

Specific military issues get comparably loose treatment. After months of deadlock on the important definition of confidence building measures, the Soviets agreed in the past few weeks to provide advance notification to all European states on maneuvers within limits still to be decided. But in this compromise, too, the notification, under the Soviet proposal, is to be on a strictly "voluntary basis."

The most downbeat Western assessment of the conference is that it has served the political and propaganda objectives of the Kremlin—namely the once-and-for-all recognition of the post-war division of Europe—without accomplishing the Western aim of exacting meaningful, binding concessions in the human rights area.

Other neutral and Western diplomats, however, regard that view as excessively gloomy. They say that the declaration will carry "considerable moral force" and that engaging the Soviets in any way on matters as sensitive as its internal controls on people and ideas is progress.

"These problems have been the subject of intensive discussion here," one Western ambassador said, "and there will be pledges of good intentions signed all around. Now if nothing happens, we can go to the Soviets and ask why not."

The orderly development of detente, according to this argument, can only be helped by dialogues of this kind.

But that does not resolve the thorny problem of how the results of the conference are to be monitored. The Soviets favor a permanent organization. The Western states say that adding an international bureaucracy would serve little purpose. They want another "high-level" meeting in several years to evaluate the results of the talks.

That subject remains to be thrashed out, along with a number of other points. Whereas some months ago there were delegates who thought no overall agreement could ever be reached, it is now accepted that a declaration will emerge, perhaps as early as June or July, and that the summit sought by Brezhnev will be convened.

Despite Western claims that a decision on whether a summit is justified must await the final bargaining, it is a foregone conclusion here that Ford, Schmidt, Wilson and the others see no reason to insult Brezhnev on this score.

It is just possible, however, that a summit could be blocked by one of the smaller states; Greece, for example, contends that Turkey's invasion of Cyprus last summer violated every noble tenet of the principles on security.

Since the conference runs on consensus, one objection from Athens, or any other European capital, would bring the summit preparations to a complete halt. And there would be nothing the Kremlin could do.

Mr. GARN. Mr. President, I am very pleased at the action of the President of the United States in the Cambodian situation. He certainly has given a clear signal to the world that we are not going to continue to allow our tail to be bitten. I am pleased that he did send in the troops. I am pleased that the ship and the American crew members have been rescued.

I hope that the Cambodians and the other Communists in Southeast Asia know that we are not going to continue to put up with it; that we are not going to back down; that if they do not stop it and leave us alone, we are going to step on them with a big, heavy foot. I am very pleased at what has transpired in the last 24 hours.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. GARN. I yield.

Mr. McCLURE. First, I commend the Senator for his perception of the problem and the contributions he is making in Congress in this as well as other fields.

I should like to ask a couple of questions in the time remaining, if the Senator will respond.

One question is with regard to the balance of forces in Europe. Are the NATO forces and the Warsaw Pact forces actually balanced in Europe now?

Mr. GARN. Certainly not in terms of actual numbers. In Central Europe, for example, the Warsaw Pact nations have some 871,000 men, and in NATO we have 777,000. They have some 17,000 battle tanks. We have approximately 7,000.

In addition, the Soviet Union has 39 complete divisions which can be activated and mobilized within a month; and the balance factor that must be considered in addition to the numbers I mentioned before is the proximity of their forces and the proximity of the Soviet Union, compared to our distance across an ocean.

Mr. McCLURE. If we seek force reductions in Europe, are there alternatives that we could pursue for force reductions in Europe?

Mr. GARN. There are several reductions that could be made, or alternatives. One that is constantly talked about by the Warsaw Pact nations is simply that we take out x number of troops and they take out x numbers of troops. I certainly cannot buy that. That would be mutual reductions, not balanced reductions, because it would maintain the superiority that they have at the present time.

The other alternative, which I would favor, would be asymmetrical reductions, whereby they would take out more than we, to correct the imbalance that now exists. Of course, we could have the alternative of reductions that would change the balance or improve it for one side or the other. As I have stated, we would want to improve it for our side.

Definitely, in my opinion, we must maintain at least the present balance that we have, and we must continue to talk about balanced reductions, not just mutual reductions.

Mr. CRANSTON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GARN. I yield.

Mr. CRANSTON. Much to my regret, I have to leave the Chamber in order to preside over a hearing of the Committee on Labor and Public Welfare.

I ask unanimous consent that two members of my staff, Bill Jackson and Hal Gross, may have the privilege of the floor until this debate on foreign policy and defense is completed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. The Senator from Utah has referred to the fact that the forces in Europe are not exactly balanced at the present time, that some imbalances exist at the present time. What would be the impact of a unilateral withdrawal on our part?

Mr. GARN. In light of what I have said in my remarks, I think it would be a great catastrophe if we unilaterally agreed to a greater imbalance in Europe, particularly in light of our recent withdrawal in Southeast Asia. The importance of giving a signal to the rest of the world that we will keep our commitments, that we will stand up for the agreements we have signed in NATO and other countries, is paramount in this country at this time.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The time of the Senator from Utah has expired.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for recognition of Senators be altered, to substitute Senator DOMENICI for Senator FONG, and that Senator FONG then be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered. The distinguished Senator from New Mexico (Mr. DOMENICI) is recognized.

Mr. DOMENICI. I thank the Senator from Idaho.

THE SEIZURE OF THE "MAYAGUEZ"

Mr. DOMENICI. Mr. President, I have some prepared remarks, but before I refer to them, I will take this occasion to commend the President of the United States for the action he has taken in the last few days with reference to the very serious problem that arose in Cambodia.

On May 12, the day before yesterday, I sent a telegram to the President of the United States. I told him I did not think any reason existed for us to tolerate the act perpetrated by Cambodia against the American men and the American vessel.

I urged him, as Commander in Chief, to take whatever steps were necessary to retrieve the ship and our men.

I further indicated to him that if anything was needed from Congress to support his action, this Senator was ready to act.

I indicated in that telegram that further delay appeared to risk the lives of American merchant marines and to erode the international integrity of America's traditional freedom of the seas, that this could lead only to continued harassment and challenge to America's position as leader of the free world.

Mr. President, I ask unanimous consent to have the telegram printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

[Telegram]

MAY 13, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

Mr. President: No reason exists for the United States to tolerate the act of piracy perpetrated by Cambodia against American men and an American vessel. I urge you as Commander-in-Chief to take whatever steps are necessary to retrieve the ship and our men. If anything is needed from Congress to support your action, this Senator is ready to act. Further delay appears to risk the lives of American merchant marines and erode the international integrity of America's traditional freedom of the seas. This can only lead to continued harassment and challenge to America's position as leader of the Free World.

PETE V. DOMENICI,
U.S. Senator.

AMERICAN FOREIGN POLICY AND NATIONAL DEFENSE

Mr. DOMENICI. Mr. President, I am pleased to take part in this discussion on American foreign policy and various national defense issues. Today is a most appropriate time to enter into this dialog, because we are facing a confused and troubled time in our Nation's history.

The central question that is on every concerned American's mind, is whether the United States will continue to lead the Western World, or whether our leadership will flounder on our own domestic disunity. There has been a breakdown in consensus among our people on the future role and interests of the United States in international affairs. Unless this consensus is restored, we face a bleak and uncertain future.

Not in recent history have our foreign commitments been subject to such criticism and questioning, both by our allies and the American public. These criticisms of our foreign posturings are not inconsequential. America has 492,000 troops in 29 countries throughout the world. We are associated with 4 regional defense alliances and we have contracted mutual assistance treaties with over 40 nations. This year, we are furnishing military and economic assistance to approximately 100 countries. Is the United States to continue this assistance? Are these commitments and agreements still in the national interest? Can the United States abandon our alliances, and if so, what will be the consequences?

For the last 30 years, there has been a bipartisan concensus that for the realistic implementation of collective security and deterrence, we should maintain military deployments in Europe and Asia. The U.S. force levels and overseas deployments are based on accomplishing two basic national security objectives: First, to act as a safeguard in preserving the United States as a free and independent nation and to protect our people, and second, to contribute to the security of other nations with whom we have treaties or whose security impacts on our security.

Our deployments in Western Europe form an interlocking network which is designed to forestall or withstand, any attack by the Warsaw Pact on NATO Europe. These deployments exist to give strength and credibility to the NATO alliance and they demonstrate the seriousness of our commitment. The continued freedom and independence of Western Europe is fundamental to our own physical security. Not only is Central Europe our own front line of defense, but even more important, we must never doubt that given our deep cultural and historical ties with Western Europe, our own society would suffer severely were these nations to fall under Soviet influence. If the NATO alliance does not remain intact, the resulting major imbalance in military power will be an intimidating factor in our political alinement for years.

Our deployments in Asia are directed by the rapidly changing events there. As a result of the termination of our involvement in South Vietnam and the opening of a new relationship with the People's Republic of China, we have been able to reduce our forces in Asia substantially. However, northeast Asia will continue to be an area of military concern, because it is one area where the interests of the United States, the U.S.S.R., the PRC, and Japan converge. We must continue to give visible evidence of the seriousness of our commitment to the stability of the region and to provide a credible ability to respond quickly and effectively to unforeseen events.

Secretary Schlesinger has presented the beneficial aspects of our foreign deployments in the most recent annual Defense Department report. With deployments of a general character, we are in a position to:

First, contribute immediately to collective security and the deterrence of attack in critical strategic area;

Second, lay the groundwork for reinforcements and provide a strong initial defense in the event of an attack;

Third, prevent major losses of territory and the terrible human and material costs of taking the counteroffenisve;

Fourth, keep the nuclear threshold high;

Fifth, project power into other areas so as to deter or respond to unforeseen contingencies; and

Sixth, stabilize relationships in these areas because of our presence as one of only two superpowers, and because of the great potential that lies in back of our presence.

Not only are our foreign deployments of specific strategic value, they also serve the purpose of sending a diplomatic signal to our allies and our adversaries, of the firmness of our commitments. If the United States casts an image of resolution, other nations will act accordingly; if the United States casts an image of recklessness, other nations will react in quite a different way.

The direction of American foreign policy is uncertain, because its source—public opinion—remains uncertain. I believe that one of the principles upon which this Nation is founded is that a fully informed electorate can govern itself wisely. This means that when the people are kept in the dark, then a vital part of democracy fails. A free and resolute people must be an informed people.

In a recent speech to the Los Angeles World Affairs Council, Prof. Eugene Rostow said the following:

> The only rightful source of American policy is an informed public opinion. No President, however gifted, can carry out an effective foreign policy without the support of public opinion—the crystallization of a sound public opinion in any democracy, and especially in our democracy, requires a frank dialogue between the government and the people—sustained, intense, detailed and thorough. It is nearly impossible for public opinion to understand the patterns beneath the flow of events unless our leaders trust the people, and explain the world with which they have to deal.

The American people have to be told more than ever before. They have to support whatever policy is created, and to support a policy, they have to understand its origins. The American people will support a responsible foreign policy, if they are trusted with full knowledge.

The problems we are facing today are problems of self-image. We must reaffirm our national values. Self-interest and principle are inextricably intertwined in the foreign policies of all nations, and at the present, both principle and self-interest point clearly toward a strong national defense posture for our country and a strong reaffirmation of our commitments to other nations.

No single major event—an attack on a Pearl Harbor as we had prior to World War II, or sinkings of our American ships such as before World War I—will occur, as some believe, to unite the citizens in a single cause and restore national balance. Americans are not going to get reunified by any one easy event like that, because that is not the game plan of those who wish to do away with our freedom. Our enemies will do nothing foolish like bomb Pearl Harbor. This means that we will have a more difficult time in bringing together Americans behind a single foregin policy.

We had, in addition, the luxury of time in previous wars. We could afford to be unprepared, then mobilize, and move to victory. The state of weapons back then permitted such a course of action. But, that luxury no longer exists. If we wait, and wait, until some "great" event galvanizes public opinion, then we will wait until our oblivion. The weapons of our era are too final to give us time to "gear up" and turn auto plants into tank plants, and shipyards into subyards. Our job, then, as opinion leaders and policymakers is let the American people know in advance why we have to be constantly prepared and why we have commitments overseas. The time when American foreign policy can be the exclusive province of a well-intentioned small group of experts is long gone. The American people now demand to know what our commitments are, why we have made them, and what these commitments might entail.

It seems to me that, this morning, we are beginning the processes that I am discussing here. It is my hope that this dialog with the American people will continue for months to come on all aspects of our foreign policy, that our leaders, from the President on down, will not be afraid to share it with them, and to be frank with them. There is no doubt in my mind as to what their response will be, given that set of facts.

Mr. GARN. Mr. President, will the Senator from New Mexico yield for a question?

Mr. DOMENICI. I am delighted to yield.

Mr. GARN. I wonder if the Senator is alarmed about the trend that appears to be taking place toward a new isolationism. Are the remarks of the Senator concerning public participation directed toward this area and the problem that appears to be occurring?

Mr. DOMENICI. There is no question in my mind that there is a growing feeling of isolationism among our people. Yes, my remarks are directed at the concern of which the Senator inquires.

It seems to me that history indicates that every time we have had serious problems at home we have made the wrong decision and turned our energies and our resources totally inward, which is a very natural kind of thing to do. When one is in trouble he wonders whether he ought to be doing anything for anyone other than himself.

History has clearly indicated that has only made the problem worse, whether it was an economic problem or whether it was a problem of aggression in far-off lands of a type we did not like.

So indeed I am concerned. In fact, I think the jury of American public opinion is out right now as to how much isolationism, total economic and military isolationism, they want.

That is precisely why I submit that if we are open and inform the public, and if it is an intelligent posture, we must trust an enlightened America and its media to help us. Then I think public opinion will lead to the opposite position from that of isolationism.

Mr. GARN. I thank the Senator. I agree completely with what he has said. I commend the Senator from New Mexico for his remarks.

Mr. DOMENICI. I thank the distinguished Senator from Utah.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. DOMENICI. I am delighted to yield.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Florida (Mr. Stone) be recognized at this time in place of the distinguished Senator from Nebraska (Mr. Curtis) and the distinguished Senator from Hawaii (Mr. Fong).

The PRESIDING OFFICER. Without objection, the Senator from Florida (Mr. Stone) is now recognized.

FOREIGN POLICY AND NATIONAL DEFENSE

Mr. STONE. Mr. President, under the illusion of détente with China, our President asked for accord and intervention to free the *Mayaguez* and its crew; and what our country heard in response was a thunderous silence.

For us to rely on the good will of Soviet adversaries in the face of repeated incidents worldwide and over recent years indicating with total clarity an attempt to weaken the free world or the West will invariably be seized upon to the height of folly on our part.

In the area of the Caribbean and Latin America, I wish to refresh the recollection of my colleagues as to a little incident that took place several years ago; and I would ask the question, in recalling that incident to my colleagues, Did or did not the Soviet Union introduce offensive missiles into Cuba? Were we or were we not on the verge of a nuclear war? Did we or did we not have to take the chance of putting in a blockade around an island 90 miles from our shores?

Did or did not the Soviet Russians admit that they had the missiles there, and assert that they had withdrawn those missiles? Did or did not the present regime in Cuba, with the assistance of the Soviets, train and launch a guerrilla movement under Che Guevara in Latin America? Are there or are there not urban guerrilla movements taking place right now in Latin America? Are or are not Americans being kidnapped and held hostage throughout Latin America? If the answer to those questions in our recollection, mind, and memory is yes, then we must ask ourselves, can it happen again? Or has it even stopped happening yet?

SOVIET PRESENCE IN THE CARIBBEAN

While it may be premature to gage the full impact of the recent "OKEAN"-type Soviet naval exercise, which included a simulated nuclear attack on the United States, one thing is unmistakenly certain, the erosion of the Monroe Doctrine in the Caribbean is accomplished fact.

Since the early 1960's, Moscow's principal espionage center in the Caribbean, was located in Cuba, which by that time had already become a base for operations of the Soviet Navy.

Just prior to the October 1962 missile crisis, Russia had supplied *Komar* and *Kronstadt* torpedo boats and sub chasers and after virtually taking control of the Cuban Navy, the real presence of the Soviet Navy in the Caribbean became manifest in 1969.

In July of that year, and specifically from July 11 to August 12, 1969, eight Soviet vessels manuevered in the Caribbean. This included one guided missile cruiser—*Gronzy*—one missile frigate, one guided missile destroyer, one submarine tender, two diesel submarines, one naval oiler, and one commercial tanker.

After this initial and powerful showing of the flag in an area that had been the exclusive domain of the United States and its allies, other visits followed to wit: May 8 to June 7, 1970 Soviet vessels visited Cienfuegos Bay in Cuba. This included for the first time an ECHO II-class nuclear powered guided missile submarine. It was in this instance that the United States showed its deep concern for the establishment of the Soviet submarine base at Cienfuegos Bay, Cuba.

Actually, what the Soviets sought was a life support facility where they could service nuclear powered attack submarines in the vicinity of their area of maneuvers without having to send crews and vessels all the way to the White sea ports in the Balkans. The base at Cienfuegos offered a tremendous advantage because it offered shelter to servicing operations from the prime eyes of our reconnaissance aircraft and vessels. In addition, it has a political purpose and specifically, that of the well-known salami tactics with which the Russians probed for the United States reaction to their piecemeal encroachment of the Caribbean Basin. The base at Cienfuegos is still manned by Soviet personnel. Other visits of the Soviet Navy to the Caribbean occurred from September 3, 1970 to January 8, 1971, involving nine ships. This included also an amphibious landing ship and a hydrographic survey ship. On November 30, 1970 to January 8, 1973, three vessels visited Cuba and again, the Cienfuegos Bay. February 10 to March 17, 1971, four vessels with another nuclear powered submarine visited Cienfuegos Cuba. From October 31, 1971 to January 23, 1972 five vessels visited Cienfuegos, Cuba; from March 7, 1972 to May 17, 1972, three vessels visited Cienfuegos, Cuba; and May 4, 1972 to May 15, 1972 two vessels, one including a diesel powered ballistic missile submarine visited the Bay of Nipe, Cuba, on November 23, 1972 to February 21, 1973, seven Soviet vessels including four ACI intelligence collecting vessels, maneuvered in the Caribbean waters south of Jamaica; August 1973 to October 1973, five vessels, including one atomic submarine, visited Cuba. April 1974 to June 1974, four Soviet Vessels visited Cuba. September to November, 1974, three Soviet vessels operated in the Caribbean. This group included a guided missile cruiser. February to April 1975, two guided missile destroyers and one tanker visited Cuba and toward the end of their maneuvers participated in the simulated attack against the United States.

In addition to the presence of the Soviet Navy in the Caribbean, one should take notice of the increasing presence of the Soviet Air Force in the area.

During the Missile Crisis of October, 1962, the Soviets had introduced long-range bombers on the island which were withdrawn after the Khrushchev-Kennedy Agreement. In 1970, using as its reason the airlifting of aid to earthquake-stricken Peru, the Soviet Air Force put in motion an exercise whereby several beartype lone-range aircraft stopped in Cuba on their way to Peru. The aid, thus given to Peru was minimal, but the experience gained by the Soviet air crews was incalculable.

This opened the area to increasing frequent reconnaissance flights by Russian aircraft which fly nonstop to Cuba to cooperate with the naval units operating in the area. Similar type aircraft participated in the recent naval exercise.

It is undeniable that this increased showing of its armed presence by the Soviets in the Caribbean has dealt our prestige a setback. The countries who recently gained their independence and which now form the Caribbean Union have shown increased hostility toward the United States, at least a part of which can be attributed to the Soviet armed presence in the area.

I would suggest to my colleagues, Mr. President, that several weeks ago it happened again, because for the first time in the history of this hemisphere the Soviet Union, in conducting its worldwide naval exercises called OKEAN 75, conducted naval and air maneuvers in the Caribbean. At least two major Soviet warships of the *Krivak* class based in Cuba conducted naval maneuvers in the Caribbean. At least two TU–95 Bear warplanes, based for that exercise in Cuba, maneuvered out of Cuba as a part of that Soviet naval exercise. For the first time in our history that took place. The Bear warplane is a nuclear missile-carrying capable warplane.

What is the significance of having a forward maintenance facility capable of taking care of Soviet nuclear submarines on the island of Cuba? What was the significance of having naval and air maneuvers conducted in the Caribbean by the Soviets for the first time? What was the significance of Fidel Castro saying, right after the visit of one of our colleagues—it might even have taken place during the visit; in fact, I think it did—that when the Soviets withdrew their missiles, he, Castro, disagreed, "but maybe they showed more maturity when they withdrew those offensive missiles." Put that in quotes, because there has been no verification of that fact. We hope it is a fact, or we trust it is.

The significance was not that the Soviet Union showed maturity. The Senator from Florida suggests that the significance was that we had an overwhelming naval and air capability in the area at the time, with the willpower to use it, and that in response to that overwhelming firepower and willpower the Soviets "showed maturity."

If we unilaterally weaken our will power or our fire power by conveying away from our control the Panama Canal or Guantanamo, or if, what is more to the point, we unilaterally weaken our military and defense capabilities and, in specific point, our naval capabilities, we would have to spread ourselves so thin that we no longer would possess the capability of persuading the Soviets to show maturity when and if they did attempt, with ever-willing allies, to reintroduce offensive capabilities on to the land territory of Cuba. I say the land territory of Cuba because the marine territory of Cuba does possess the Soviet offensive capability in the form and in the presence, frequently and repeatedly, of Soviet nuclear submarines.

Our Nation has shown itself an expert in willingness to go more than half way to accommodate the desires, the interests, the requests not merely of friends, not merely of allies, but on adversaries.

But when the point comes, as it did with the *Mayaguez*, that unilateral concessions approach the point of grovelling, and do nothing more than induce repeated aggression, at that point, if we possess our will power and our defense capabilities, we would be able to draw the line in the name not only of our national interests but of human freedom, human liberty, and even the preservation of peace in difficult circumstances.

So, in conclusion, the Senator from Florida would urge that our defense capabilities be maintained in the Caribbean and in the Latin American area not only for our own national interests, not only for our hemispheric interests and the interests of all the nations and peoples in this hemisphere, but in the interests of being able to draw a line in the name of peace and for the purpose of preserving peace and for the purpose, we hope, of increasing and enhancing freedom and liberty in this, our home hemisphere.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. Garn). Does the Senator yield?

Mr. STONE. I yield.

Mr. McCLURE. The Senator touched on this in his remarks, and I want to commend him for those remarks and his perception of the situation in the Caribbean. He is in a peculiarly sensitive portion of the country and, therefore, is able to feel and sense the threat because of his proximity in that area.

The Senator stated that there is still a threat from Soviet or Communist-inspired subversion in Latin America originating in Cuba; is that correct?

Mr. STONE. That is correct, and with the active assistance of the Soviets, without any question.

Mr. McCLURE. And yet the United States seems to be edging toward a policy of recognition of Cuba in the face of the continued overt acts of aggression inspired from that country.

Mr. STONE. That seems to be the case. I would reluctantly and regretfully admit that we seem to be edging in that direction. Two distinguished University of Miami professors published a book which was reviewed by the Miami News in an article several days ago. I ask unanimous consent that that article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Cuba Will Not Loosen Tie to Soviets, Two Profs Say

(By Humberto Cruz)

Lifting U.S. sanctions against Cuba will not weaken significantly Havana's ties with Moscow or force the Cuban government into a moderate stand, a new book by two experts on Soviet affairs says.

"The Soviet Union does not appear to see any such risks," wrote professors Leon Goure and Morris Rothenberg of the University of Miami. The authors of the newly-published monograph, "Soviet Penetration of Latin America," say Russia is more interested than Cuba in the resumption of Cuban ties with the U.S.

Goure is professor of international studies and director of Soviet studies at the U-M. Rothenberg, a research professor at U-M, is a former director of the office of intelligence research for the USSR and Eastern Europe and of the office of UN political affairs, both of the State Department.

"The question of proper policy toward the United States is sure to present continuous difficulties in Soviet-Cuban relations," they said.

"Castro has never been comfortable about coexistence, or detente. Moscow and Havana will continue to have different perceptions regarding the United States."

Because of Castro's heavy economic dependence on Moscow, the book says, he has been forced to follow Soviet dictates on international relations. Russia, the authors say, is more interested in building up opposition and hostility toward the United States in Latin America than in attaining "outright communist regimes."

"Detente is also considered by Moscow as a factor limiting U.S. freedom of action," the book says. To the Soviets, detente "does not apply to anti-imperialist struggles," but it does bar any "export of counter-revolution" by the United States.

Some of the main points made by the authors are that:

The Soviets believe that the continued existence of Cuba as a communist state tied to the Soviet bloc is a "safe bet."

The belief that the restoration of U.S. Cuban-trade could result in considerable political benefits for the U.S. is false because it doesn't take into account the extent to which Cuba's foreign trade has been "economically integrated into the Soviet bloc."

It is "very doubtful" that economic considerations play a large role in Havana's or Moscow's interest in the lifting of the sanctions anyway. What they want is the opportunity to spread Soviet influence throughout Latin America by gaining U.S. acceptance.

The prospects for large-scale U.S.-Cuban trade appear to be dim. The U.S. no longer has a sugar import quota from Cuba "and any imports would have to be at the expense of sugar sales from other Latin American countries," which are likely to object.

The book says there seems to be a decline in Latin America's fear of the Soviet Union and communism. Besides Cuba, 14 Latin countries trade with Russia, more than twice the number 10 years ago.

And the Soviets are taking advantage of this, says the book, by a "marked upgrading in the sophistication, training and linguistic ability" of Soviet diplomatic and intelligence personnel assigned to Latin America.

Mr. STONE. This article is to the effect that recognition, trade, aid, in their view as expert and informed objective scholars, would not to any substantial or major extent divert the foreign or domestic policy of the Republic of Cuba under its present regime from the Soviet bloc and its influence.

Mr. McCLURE. I think the Senator from Florida would agree with the Senator from Idaho that it would be in the interests of the United States to have formalized relations with a peaceful neighbor in Cuba. But I can understand the Senator from Florida saying that unilateral recognition without some kind of step on their part to reduce their aggressive actions would be counter to the best interests of the United States rather than to the supporting of the best interests of the United States.

Mr. STONE. The Senator from Florida would respond to the distinguished Senator from Idaho by saying not merely aggressive but repressive conduct.

Mr. McCLURE. I think the Senator for his statement. I hope some of the policymakers, in addition to those in the Chamber at this time, for the U.S. Government may heed his remarks.

Mr. STONE. I thank the Senator.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. STONE. I yield.

Mr. CURTIS. I commend our distinguished friend from Florida for speaking up in behalf of the defense of the United States.

I commend him for calling attention to the Senate and to the country of the situation with respect to Cuba.

I commend him for pointing out that for us to condone and extend recognition and trade to the center of communism in Central and South America would be a slap in the face of every freedom-loving country in that area. It would create doubt in the mind of all people as to which side the United States is on.

There are many lessons to be gained from Vietnam. One of them certainly is that the Communists anywhere on the face of the globe are not agrarian reformers. They are still cruel aggressors and the enemies of liberty, and I commend the distinguished Senator.

Mr. STONE. I thank the Senator.

The title of "agrarian reformers," I must respond for just one brief moment to the Senate, was beginning to be applied to the Khmer Rouge in a buildup of how peaceful, how agrarian, how anticity they had become and were becoming. It took their own overt action again to eliminate that nonsense, that PR, that is foisted upon us from time to time in an attempt to confuse who are our adversaries and who are our friends and allies.

It was best said, I believe, in the Old Testament when the injunction was given to mankind as follows:

> If I am not for myself, who will be for me? If I am only for myself, what am I And if not now, when?

The time, I am sure, is well overdue when this Nation recognizes who we are and how well we merit defending ourselves, who our friends are and, therefore, we should not merely consider ourselves, and that we must not and cannot postpone these defensive, appropriate, and meritorious actions.

The PRESIDING OFFICER (Mr. GARN). Under the previous order, the Senator from Nebraska is recognized for not to exceed 15 minutes.

IMPROVEMENT AND STRENGTHENING OF THE DEFENSE OF THE UNITED STATES

Mr. CURTIS. Mr. President, I am happy to join with my colleagues this morning in speaking out for the improvement and strengthening of the defense of the United States.

What would have happened in the last few days if the United States had not had the equipment, the weapons, and the trained manpower to compel Cambodia to return not only a vessel but 41 citizens of America?

I raise my voice in praise of President Gerald Ford. He is a much bigger man around the world today than he has ever been in his life because he has shown leadership, he has been positive, he has been firm, he has served the cause of peace. He put an end to aggression, and he has served notice upon a world that is discouraged about what happened in Vietnam, and many of them about to lose confidence in America, and now they know that America is not through, that America does not fall on its knees and surrender to communism.

President Gerald Ford acted in the interest of the people. He acted in the interest of saving lives. It was successful. Millions of thoughtful and patriotic people throughout the United States will applaud what he has done.

Free people around the world will approve and many enslaved people, likewise, will applaud, because they say: "Here is a nation that stands for something."

Mr. President, as I said a minute ago, one of the lessons of Vietnam, and there are many, is that the Communists are still aggressors.

Another lesson of Vietnam is this: To prolong a war that one cannot end is immoral, contrary not only to the interests of the country involved, but to all mankind and it results in the loss of life, increased loss of life, and the loss of liberty.

Mr. President, I believe, along with many of the well-qualified, ethical scholars, that the highest morality in wartime is the application of adequate force to reach the military objective in the shortest possible time with the least loss of life.

That was not done in Vietnam. We had a no-win policy. We had a policy of restraint. We have, also, some of the sorriest pages in our 200 years of glorious history as a Nation.

Mr. President, as we view the situation in the world today, it is incumbent upon us that we reassess our situation. We should decide who our friends are that can be helpful to the United States, and will be, and we should also decide to improve and strengthen the defense of America, not to make war but to preserve the peace.

The advocates of a strong defense were not responsible for the years and years and years and years of war in Vietnam. It was dragged out and restrained and all sorts of theories advanced other than victory by those who held different views.

I believe that what has happened in the last day or two gives the United States a new start in world leadership, but I also believe that even if we gave up all aspirations of world leadership—which we cannot, we cannot escape it—failure to improve the defense now endangers the very liberty of the citizens in every State in the Union.

Oh, an invading army does not have to reach us and conquer all the territory; they can take possession of the sea-lanes, the air, the communications systems, the trade routes, and thus influence and control the daily lives of people living in this Nation and other nations.

Mr. President, along with strengthening our national defense—and that should be of highest priority for the Congress of the United States—we should stop spending day after day with legislation to harass and hamper private enterprise that prolongs the recession. That is what such bills as the consumer advocate bill does.

Instead of that, we should turn our attention to making the United States a stalwart for peace in the world.

Somehow, if a nation's government is tilted toward the Communist world, we forgive all of their failures in domestic policy and say: "Well, we should have trade and aid and diplomatic exchanges."

If, on the other hand, a country is anti-Communist, if a country has a record of providing its citizens with human liberty, somehow there are those in the United States who will always say: "Well, here, they have not solved this problem, therefore, we better boycott them."

Mr. President, the American people are intelligent and they know there are sources in the State Department and there are voices raised in this forum and elsewhere which never have anything good to say about an anti-Communist government and never have anything bad to say about a government that plays hand in glove with the Communist conspiracy.

Mr. McCLURE. Will the Senator from Nebraska yield?

Mr. CURTIS. Just briefly, yes.

Mr. McCLURE. The Senator has touched on one problem that has rather intrigued me. I commend him for his statement because it brings out a point I think the American people ought to understand.

Does the Senator have any idea that the Soviet Union might not accept a military presence on a base even in a country with which they might have some political difference?

Mr. CURTIS. Oh, yes, sure they would.

Mr. McCLURE. Turning away from it.

Mr. CURTIS. Sure, they would. They would decide it on the basis of what is best for their country and to advance their sphere of influence.

Mr. McCLURE. At the same time, we are talking about relaxing tensions with Cuba, we seem to be pursuing the policy of turning our back on other valuable allies.

The Senator made some note of that. I commend him for that statement.

Mr. CURTIS. I thank the Senator.

On the one hand, while promoting closer ties with the Soviet Union and other Communist nations, these advocates tell us that we must not base our foreign policy on our perception of the internal policies of another nation. They tell us that even if the Soviets have a social system with which we disagree, we should formulate policy solely on the basis of our own interest and, therefore, should ignore how a nation treats its people, especially minorities.

On the other hand, when discussing nations such as Chile, Spain, Brazil, and South Africa, many of those who tell us to close our eyes to the internal policies of the Soviets, suddenly tell us that we have a moral obligation to repudiate these nations because their internal policies do not coincide with the "liberal" ideal.

I want to speak specifically about South Africa.

The South Africans have been proven allies in two world wars, in the Korean war, and the Berlin airlift.

They have always been on the side of the West. South Africa has a long record of constructive cooperation with the United States in many other fields of scientific research and in Antarctica. South Africa actively supported the U.S. space program by operating, with great efficiency, a deep space tracking station and it provides facilities for a missile tracking station.

The United States is actively pursuing détente with other countries whose domestic policies are unacceptable to the United States. Soviet warships are presently visiting Boston and an American missile frigate is in Leningrad. Yet the United States bars its naval vessels from entering South African ports.

Détente with the Soviet Union and China is not contingent upon U.S. approval or disapproval of the domestic policies of those countries. The same criteria should at the very least be applied to South Africa—or do different U.S. moral principles apply to large and to small countries?

The United States supplies vast amounts of arms to both sides in the Middle East conflict, and to a number of African and Latin American countries. Not all these countries have an equally favorable record of support for the U.S. cause. This makes the embargo on South Africa seem all the more discriminatory.

The 1963 United Nations resolution calling on all nations to refrain from selling "arms and ammunition" to South Africa is not mandatory. It does not fall within the purview of chapter VII of the charter. In announcing the United States' decision to place an embargo on U.S. arms sales to South Africa the U.S. Ambassador at the United Nations on August 2, 1963, reserved its freedom of action by stating:

> The Council should be aware that in announcing this policy the United States, as a nation with many responsibilities in many parts of the world, naturally reserves the right in the future to interpret this policy in the light of requirements for assuring the maintenance of international peace and security.

The United States has thus specifically reserved its freedom of action.

Now, Mr. President, we cannot have it both ways. If it is in our interest to close our eyes when Communists torture and kill millions and repress all dissent—just so we can maintain "good relations" with nations whose sworn intent is world domination and the end of freedom, then it surely is in our interest to have working relations with nations which want to be friends of the United States, pose no threat to anyone, but whose internal policies may not be particularly to our liking.

One such nation which fits the latter category is the Republic of South Africa.

In this colloquy, however, we are addressing the U.S. strategic position in the world and that is the matter I would like to address today.

I believe it is time for a reassessment of our policy of ignoring South Africa and here is why I feel that way.

The Republic of South Africa has an intrinsic strategic value deriving from its geographic location. A look at a map of the world would immediately substantiate this in the global, regional, and continental perspectives. The implications flowing from South Africa's physical positioning are extended by factors such as prevailing world politics, tensions, conflicts, and regional and local confrontations; the geographic location of oil producers and consumers; the emergence of the third world; the ethnic and cultural composition of the population of South Africa and the industrial development on the continent of Africa.

The strategic significance of South Africa's physical connection with the continent of Africa is enhanced by the high level of social and industrial development in the country. Its government is stable, its economic and scientific achievement is without peer on the continent.

The 28 million square mile area constituting the Indian Ocean is bordered by 40 countries containing the world's richest known supplies of fuel oils and minerals.

Africa has all of the world's 53 most important minerals, including 96 percent of the world's diamonds, 42 percent of its cobalt, 60 percent of its gold, 34 percent of its bauxite, 23 percent of its uranium. Much of this is located in southern Africa.

Already the United States imports 98 percent of her manganese, of which 54 percent comes from Africa; Zambia and Zaire provide the United States with 47 percent of her cobalt requirements; South Africa meets 24 percent of U.S. chrome requirements, and Madagascar provides 22 percent of U.S. graphite needs—and the list can be extended. The obvious route by which vast quantities of these minerals reach the U.S. ports is the Mozambique Channel/cape route.

The cape route is currently Western Europe's—and NATO's—most important supply route for oil: 57 percent of Western Europe's oil requirements are transported along it. Already 20 percent of the U.S. oil requirements from abroad are routed via the cape and this figure is expected to rise to 60 percent by the 1980's. Twenty-five percent of Europe's food supplies are also carried by this route.

The difference in distance between New York and the Persian Gulf around the cape and through the Panama Canal is 5,000 nautical miles in favor of the cape route.

More than 12,000 ships call at South African ports annually. In addition, 11,000 to 14,000 annually sail around the cape without call but still relying on South African facilities in cases of emergency and meteorological reports.

Even when the Suez Canal is in full operation again, the cape route will remain a major route for the very large crude oil carriers, particularly since there is the likelihood that, in times of conflict, the Suez Canal will be reclosed.

The cape route is, furthermore, predominantly a Western trading route. This is clearly demonstrated by the following:

> In April 1974, about 980 ships passed Cape Point and of these only 5.27% were Communist flagflyers—the others were merchant ships with cargo destined for the ports of Western nations. As a Western trading route, its security can, therefore, rightly be considered a Western responsibility.

On December 16, 1971, the U.N. General Assembly passed a resolution—resolution 2832 (XXVI)—designating the Indian Ocean as a "zone of peace" for all time, simultaneously calling for the elimination of all bases in the Indian Ocean.

The U.S.S.R. has consistently paid lipservice to this resolution while surreptitiously circumventing it: Since actively entering the Indian Ocean in 1968, the U.S.S.R. has acquired naval facilities in one form or the other in Ethiopia, Somalia, Kenya, Tanzania, Mauritius, North and South Yemen, Aden, Iran, Kuwait, India, Pakistan, Ceylon, and Singapore, with the potential of adding Madagascar and, eventually, Mozambique to this list. Some of these facilities are substantial.

In addition to these naval facilities, the U.S.S.R. is engaged in an active program in certain key areas of enlarging and expanding the naval facilities of the host country—facilities the Soviet Navy is freely able to use. This means that the U.S.S.R., despite her protestations, has de facto naval bases in the Indian Ocean.

Considering only combatant ships and excluding auxiliary and support ships and mine-clearing operations in Bangladesh, the number of ship-days accumulated by the Soviet Navy in the Indian Ocean rose from nil in 1967 to 529 in 1968, 1,670 in 1970, 2,387 in 1972, and 2,487 in 1973. The highest number of ship-days recorded by the U.S. Navy in this period was in 1973 with 1,410, or about a thousand less than the equivalent Russian figure.

The same period was marked by a progressive withdrawal from the ocean by the British Navy. Given the active penetration of the U.S.S.R. into the Indian Ocean since 1968, and more particularly the motives behind this active penetration, it would seem that the words of Adm. Elmo Zumwalt spoken when he was still Chief of U.S. Naval Operations, that the Indian Ocean "zone of peace" view is "a very dangerous concept," cannot lightly be dismissed, and that the development of Diego Garcia, by the United States on its own, is inadequate. Diego Garcia, of course a tiny, British-controlled island in the middle of the Indian Ocean.

These developments bring sharply in focus the importance for the United States and, indeed, also Western Europe, of the most vital naval station in the whole of the Southern Hemisphere—Simonstown near Cape Town, South Africa.

This facility is already fully equipped with routine facilities such as repairs, bunkering, refueling, and refitting. It boasts a synchrolift dock for handling submarines. Strategic reserves of ammunition are available for emergencies. Apart from that, the base is backed up by a sophisticated industrialized and technological society which is capable of providing for all the needs of such an establishment.

At Silver Mine, a few miles from the actual base, but an integral part of it, is a vast underground maritime communications center built into a hillside overlooking the ocean. This center is equipped with highly sophisticated electronic computer devices which chart the movements of every ship sailing in the Southern Hemisphere. The system not only pinpoints the exact geographical positions of ships, but also identifies them—country of origin, type, armaments carried, if any, et cetera.

Another aspect of this installation is its worldwide radio communications network which enables the defense force to keep in immediate contact with aircraft, ships, and submarines from South America to the Indian Ocean and as far as Antarctica.

These facilities, together with the country's support capability, make South Africa ideally suitable as a partner for maritime operations in the southern Indian and Atlantic Oceans.

Despite the facts which I have cited, it has been official U.S. policy to pretend that the Republic of South Africa is not of strategic importance to the United States.

And when Secretary Kissinger began a slight "tilt" toward South Africa, anguished cries went out from elements in the Congress, claiming that any military involvement with South Africa would represent a "moral betrayal" of our principles. These same elements tell us to forget what has happened in Southeast Asia. These same elements now want us to cut off aid to Chile and begin aid and trade to Cuba.

How long, Mr. President, will this dual standard be tolerated? I would suggest that recent world events make it absolutely essential for the survival of not only the United States but for the survival of our remaining allies—that we have complete reassessment of our strategic position in the world. That reassessment must be done in the light of reality and cannot ignore friendly nations again when we may very soon be dependent if we are to remain a world power.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STONE). The clerk will call the role.

The legislative clerk proceeded to call the roll.

Mr. FONG. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Hawaii (Mr. FONG) is recognized for not to exceed 15 minutes.

ASIA AND THE PACIFIC VITALLY IMPORTANT TO AMERICA'S NATIONAL SECURITY AND ECONOMIC WELL-BEING

Mr. FONG. Mr. President, it is with a deep sense of honor and responsibility that I participate in this valuable and timely discussion on the various aspects of our country's defense posture and its implications for our Nation's future security and economic well-being.

My remarks today will be primarily oriented to the Asia-Pacific area which is only natural for a Senator representing the mid-Pacific State of Hawaii.

To set my remarks in context, however, it is necessary to examine briefly the current situation worldwide in terms of foreign policy and national defense. These matters are very much interrelated and, as my remarks will show, reinforce my own view that the United States must strengthen its defense structure and forces and must strengthen our ties and alliances with freedom-loving nations around the globe.

No one who is concerned about the survival of freedom and freedom-loving peoples in this world can take any comfort from the events of the past 3 weeks.

LOSS OF 40 MILLION MORE PEOPLE TO COMMUNISM TRAGIC

The litany of countries and people who have fallen under the yoke of Communist regimes is a tragic and sobering one. South Vietnam with some 20 million people now Communist. Cambodia with 7½ million people now under Communist rule. Laos, with 3.3 million people, is for all practical purposes now within the Communist orbit.

On the other side of the world Portugal, once our staunch friend and ally, has now gone to the far left and, with Communists determined to take control in due time, the 8.6 million people of Portugal also appear doomed to Communist rule.

This is a grand total of nearly 40 million people who, within a very brief space of time have, or will have, fallen under Communist determination.

There are Americans who care not that peoples in other lands are now subject to the repressive and antifreedom Communist regimes. Besides, they say, these are just tiny countries of little importance to the United States.

But I say that these tragic events are of tremendous importance to the future of freedom in the world and to the security and economic well-being of the United States of America.

WORLD MORE DANGEROUS NOW THAN 2 MONTHS AGO

For the simple truth is that the world is now a far more dangerous place and the United States faces far greater problems in keeping the peace than it did just 2 months ago.

Portugal, for example, has already announced that it will not allow the United States to use air bases in the Azores in any airlift of military equipment to Israel such as was so crucial in the last outbreak of war in the Middle East. It was U.S. assistance, timely and quantitatively, which helped maintain the balance of power in the Middle East and thereby averted an eyeball to eyeball confrontation between the super powers—the Soviet Union and the United States.

Farther down the road, a Communist takeover in Portugal could inspire further Communist inroads in Spain, and it is not inconceivable that Communist regimes could control the entrance to the Mediterranean through the Straits of Gibraltar. The United States could find it no longer has access to the Mediterranean.

Back in the Pacific area, with Vietnam, Cambodia, and Laos behind the Bamboo Curtain, the danger to Thailand has increased manyfold. Undoubtedly, in Burma, Malaysia, Indonesia, and the Philippines, Communist insurgent forces have been given a great morale booster. And it is only logical and reasonable to expect that they would redouble their efforts and be additionally supplied with military arms and equipment now that North Vietnam will not be receiving such large quantities from the Soviet Union and the Peoples Republic of China.

With the loss of South Vietnam, Cambodia, and Laos to Communist forces and the resultant humiliation of the United States, the flashpoints of danger in the Far East have shot up quite a few notches. With the victory of North Vietnam, it is only logical and reasonable to assume that the Communist regime of North Korea has been immeasurably heartened and quite possibly emboldened to make new attacks on the 33.5 million free people of South Korea. Again, the war materiel from the Soviet Union and the Peoples Republic of China that had been planned for North Vietnam could well be diverted to North Korea, with all the potential for war that that would entail in the peninsula.

With the fall of South Vietnam, Cambodia, and Laos, the 36.3 million people of Thailand are in far greater peril than when its neighbors were still free. As the United States demonstrated in the case of South Vietnam that it is an unreliable ally, the Government of Thailand, which heretofore had allied itself with the United States felt compelled to request that all U.S. military forces leave Thailand. In order to stave off possible reprisals by its new Communist neighbors, Thailand judges itself unable to assist the United States in freeing the U.S. merchant ship *Mayaguez*, an unarmed vessel which was seized by Cambodian naval forces earlier this week.

Who now can truthfully say it does not matter to us in America whether all of Southeast Asia goes Communist. We did not have these incidents when Cambodia, Laos, and South Vietnam had regimes friendly to America.

I am relieved that President Ford's prompt and vigorous action brought about the safe release of the crew and recovery of our merchant ship, the *Mayaguez*, and also the release of the Thai fishermen. I pay highest tribute to our valiant military personnel for their courage and their sacrifice.

INCREASED JEOPARDY FOR UNITED STATES AND ALLIES

And so we see, Mr. President, how quickly and, for us, how adversely the turn of events in Southeast Asia has increased the jeopardy for U.S. interests in that area of the world.

As I have already pointed out, Mr. President, it is not only the U.S. interests which are in greater danger now than they were 2 months ago, it is other nations of the Far East such as Japan, Taiwan, Singapore, Australia, and New Zealand.

I would remind my colleagues that a U.S. merchant vessel is not the only ship whose right to peaceful navigation in international waters was violated by the new Communist regime of Cambodia. On May 4, a South Korean freighter was fired upon and nearly captured in the same area of the *Mayaguez*. On May 8, a Panamanian ship was stopped by a Cambodian gunboat. And in the same week, a Thai fishing boat was seized.

Hardly had the Communists taken over Cambodia when they instigated multiple acts of piracy against ships of free countries plying the waters off Cambodia in peaceful trade and commerce.

With North Vietnam, the Khmer Rouge, and the Pathet Lao no longer requiring such tremendous quantities of arms and ammunition, will their suppliers be tempted to instigate wars of liberation and insurgency to a greater degree than heretofore and perhaps in areas not now plagued by such internal Communist attacks?

Are the 110 million people of Japan in greater peril now than they were before?

Are the 16 million people of the Republic of China on Taiwan in greater peril than they were before?

Are the 41.5 million people of the Philippines in greater peril now than they were before?

With the debacle in Vietnam and with America having failed to keep its commitments in Southeast Asia, are the 3.3 million people of Israel in greater peril than before?

VIETNAM LOSS HAS REPERCUSSIONS IN MIDDLE EAST

Here is what an Associated Press dispatch said on May 12, just 3 days ago under a headline "United States Defeat Emboldens Palestinians":

> The defeat of American-backed governments in Indochina has boosted the morale of Palestinian guerrillas in their struggle against Israel.
>
> Today Vietnam, tomorrow Palestine, rejoiced the current cover of Palestine Revolution, the weekly organ of the Palestine Liberation Organization.
>
> The United States departure from Saigon and Phnom Penh was taken as a lesson throughout the Palestinian movement, from chieftain Yasir Arafat to machinegun toting guerrillas in remote hill camps.
>
> The lesson to them is that underdog revolutionaries can get what they want against seemingly overwhelming odds if they persist in the battle against American imperialism and its agents.
>
> Translated to the Middle East, that means renewed hope of beating the U.S.-backed forces of Israel.
>
> "Comrades, your victory over American imperialism and its agents in your country has given us limitless confidence to pursue and strengthen the struggle the same way you did." Arafat cabled the Viet Cong after their triumphant entry into Saigon.
>
> The end of the American presence in Indochina encourage (sic) some radical groups in the conviction that victory is possible only through combat, and that negotiations with Israel are pointless anyway.
>
> "The will to fight must be stronger than the will to bargain and capitulate," commented the weekly Al Hadaf, organ of the Popular Front for the Liberation of Palestine, in drawing lessons from the Vietnamese experience.

When our Secretary of State Henry Kissinger proposed a Middle East settlement calling for Israeli withdrawal from much of the Sinai Desert backed up by a pledge of support by the United States in the event that Egypt declaration of nonbelligerency proved to be temporary, Israel rejected the plan.

Why? Because Israel did not deem a pledge by the United States as sufficient guarantee in light of our failure to keep our pledges to South Vietnam.

So it is clear that the defeat of U.S.-supported countries in Southeast Asia has already had repercussions far from Indochina. The tremors of our debacle there are spreading like shocks of an earthquake around the world.

ASSESSING U.S. SITUATION TODAY

Mr. President, I received a letter from Dr. David N. Rowe, recently retired after 31 years on the faculty of Yale University, which summarizes very clearly where the United States of America is today. Professor Rowe told me that last March he made an extensive tour of Southeast and East Asia, visiting Taiwan, Manila, Singapore, Kuala Lumpur, Saigon, Hong Kong, Seoul, and Tokyo.

Here is what Professor Rowe wrote me:

> May I say, Senator, that in my opinion as a professional student of United States foreign policy and in particular of its Pacific relations, that the United States is today in mortal danger.
>
> We are, in fact, in my view, standing right on the edge of a precipice, and it will not take much to push us over the edge into national oblivion. This is because we have seemingly become convinced by the Communist propaganda and our own picture of our interests, that it doesn't matter that we are losing progressively and step by step. The Communists will not ever give us another Pearl Harbor, to arouse us into flame! Their policy is the opposite, namely to cut off our right arm one inch at a time, so that, lulled by the false idea that none of our losses is vitally dangerous, we will in the end succumb to their successive and steady detractions from our power and our will to use the power we have.
>
> The American people and their Congress are the center of this matter. The recent constitutional crisis of the Presidency has now given all too much power and influence to the Congress as to the control of foreign affairs, and with the national popular mood being what it is, we are paralyzed and unable to act. Unless this tendency is reversed, not only stopped, we are going to go down the drain of history. My children, and certainly their children, will live under Communist domination unless we stop and reverse the course of Communist aggression against free people.

Let me also cite, Mr. President, comments of Sir Robert Thompson, one of the few free world military leaders who was successful against Communist insurgents. It was Sir Robert who devised Britain's successful anti-insurgency campaign against local Chinese Communists in Malaya in 1950.

According to an interview in the Chicago Tribune of April 27, "Vietnam, Thompson insists, is the most recent proof of a disintegration of willpower that has made the Western Alliance a sitting duck for the communists."

Thompson is quoted directly as saying:

> The retreat of the United States before Moscow, like that of Napoleon, is going to litter the world with corpses. You have shown that you are not prepared to stand on fundamental issues—for instance, the sanctity of treaties. This is a blatant breach of an agreement by North Vietnam and you are letting them get away with it. . . . You have a Congress which has only one foreign policy line—that if you surrender the killing will stop.
>
> And you have a President in the position where he has no army, no air force, no navy, no money, and no message. Look at the map; you are in full retreat before Moscow at the present time. * * * Once a country goes communist it comes under the communist umbrella—and here's the point—forever! Forever! Their staying power is forever! Where's yours?

I also quote, Mr. President, from a letter I received from a gentleman who said he was an immigrant from World War II and who is now an American citizen:

> Not long ago after the second world war America donated to the world enemy Russia many countries in Europe, including my former country Lithuania. By this American action I lost my country, my freedom, my people, family and home. Threw me from country to country, treated me like a criminal, called me names, displaced person and foreigner. * * *
>
> All Asian and Europe minor countries do not trust America anymore, because America doesn't keep its word and can not protect his friends from communist aggression, no reason for them to fight because they lose anyway. * * *
>
> Thirty years ago America donated to communist Europe, today Asia, it will soon come tomorrow for America, because America can not fight and win against all the world, because they do not have any friends left. * * *

As for Vietnam and Cambodia, this man wrote me:

> This tragedy for these countries is going to end, but will begin for our country America. First, Middle East, Portuguese, Indonesia, Thailand, Philippines, Turkey, Greece and other free countries.
>
> These countries will automatically surrender to the communist if received pressure from them, because they know that America can not protect them from communist aggression and for them no reason to fight, lose anyway.

Then he asked the chilling question: "Has this Senator prepared plans for

American orphaned children and which country will accept our children?"

Indeed, Mr. President, which country will accept our orphans?

ONLY AMERICA CAN SAVE AMERICA; NO OTHER COUNTRY CAN

The plain fact of the matter is there is no country that can save America. We must save ourselves.

If we do not take the steps to insure our survival as a free nation, we cannot count on any other nation to guarantee life, liberty, and the pursuit of happiness for Americans.

FREE NATIONS MUST EXERT GREATER EFFORTS

Nevertheless, starting with the premise that free nations all over the world are in far greater peril today than they were 2 months ago, I believe every nation and every freedom-loving people must take steps against takeover by authoritarian regimes, be they Communist, Fascist, anarchist, or whatever.

Every nation and every freedom-loving people must rededicate itself to the defense of freedom against onslaught from whatever quarter.

THIRD WORLD COUNTRIES TAKE HEED

The so-called third world nations cannot remain oblivious to Communist gains and authoritarian triumphs in other countries. Outnumbering the United States in world forums like the United Nations and the Interparliamentary Union, the third world nations take a seeming delight in trying to embarrass and humiliate the United States. I say to the third world people: If the United States falls, you will have lost the greatest force for self-determination, independence, and liberty the world has ever known.

You of the third world know the United States does not threaten to take over your land or your government or your people. Had the United States been an expansionist power, the Philippines could still be U.S. territory, Japan today would be a U.S. colony, the former U.S. sector of West Germany would be today a European toehold for the United States, and Micronesia would be U.S. territory, too.

What territory has any Communist power given up? What neighbor of a Communist country sleeps easy at night?

The answer in both cases is "none."

Every nation and every freedom-loving people must become stronger economically, militarily, and morally. The task of defending freedom is so enormous and costly that the United States of America cannot do the job all alone.

We are hard-pressed just to take care of our own national economy and defense and to meet our solemn treaty agreements with NATO countries, with Middle East countries, with Japan, the Republic of China on Taiwan, the Republic of Korea, and the Philippines.

NO TIME FOR DEFENSE RETRENCHMENT

Because America's burden is heavy, because our national economy has been in trouble, and because America is no longer involved militarily in Southeast Asia is no excuse for defense retrenchment. On the contrary, the danger signals are flashing red for us all over the world.

As AFL–CIO President George Meany said in a recent speech:

> Every basic Communist tactic of seizing power is now on display throughout the world—naked aggression in Indochina; political blackmail in the Middle East; an outrageous putsch in Portugal; a heating up of the cold war in Korea, and a diplomatic and propaganda war in international institutions.
>
> Nobody, but nobody, with common sense can believe that the Mideast, Vietnam, Portugal, Greece, Turkey, the UN—nobody can believe that these are separate, dismembered developments that have no relation to our policies or to the over-all policies of the Communist world.

Now is the time for America to strengthen our national defense structure and forces. We must reevaluate our foreign policy and determine how we will prevent Uncle Sam from being pushed around, humiliated, and harassed any longer.

Prince Sihanouk, nominal leader of the Cambodian Communists, was quoted in the Paris newspaper, Le Monde, as saying:

> We did what they said we could never do. We defeated the Americans.

Like it or not, this is how the Communist world—and let's face it, how much of the rest of the non-U.S. world—interprets recent events in Southeast Asia. Such an attitude can evoke a spate of tests for America around the world to see how much farther we will fall back.

North Korea may instigate trouble against South Korea to see whether, in panic, the U.S. Congress will demand the withdrawal of all U.S. forces in the Republic of Korea.

We can expect further tests elsewhere—diplomatically, against the Philippines for example, to get the United States kicked out of our naval base at Subic Bay and out of our Air Force base at Clark Field.

Already, the fall of Cambodia has compelled the Thai Government to publicly announce the United States must quit all our bases in Thailand.

Will Japan come under pressure to close down the U.S. air and naval base on its territory? One-third of Japan's export market is in Southeast Asia. Will Communist control of Southeast Asia threaten Japan economically and politically?

The more friends America loses in the Far East and Pacific, the more forward bases we must abandon, the more difficult it will be for the United States to keep the sea lanes open for trade and commerce and the more difficult it will be for America to assist Japan and other now-free countries under our mutual security pacts.

All of these possibilities underscore for me the necessity for the United States to beef up our defense mix of forces in our own territory and under our own control.

To disarm or further weaken U.S. defenses would be the worst possible course of action for us to take in our ever-more dangerous and unstable world.

PACIFIC-FAR EAST PICTURE

Let me draw a picture of the Pacific-Far East and the U.S. defense posture there. Other Senators today will describe the situation in other parts of the world.

First of all, the Pacific ocean is enormous, the largest body of water on the face of the Earth.

Covering nearly 64 million square miles, it is twice as large as the Atlantic ocean.

Between Panama and the China Sea, it is 11,000 miles wide. But between Alaska and the Soviet Union on the Bering Strait, it is only a few miles wide.

More than one half of the world's population of 4 billion people live in the Pacific basin or in countries rimming the Pacific ocean. These include the United States with the west coast States of California, Washington, and Oregon directly on the ocean, likewise Alaska; and the State of Hawaii in the mid-Pacific ocean; 2,500 miles from the U.S. west coast. Included also in the Pacific nations are the People's Republic of China, Indonesia, Japan, Malaysia, the Republic of China, the Soviet Union, the Philippines, Vietnam, and various other nations.

From the time that men became waterborne on seagoing vessels, the oceans and seas of the world have been of tremendous importance to their economic life and progress.

Because trade and commerce among nations are so important—indeed are the lifeblood of a number of nations such as Japan—freedom of the seas has been a cardinal tenet of international relations.

At the same time, however, throughout history piracy and interdiction of sea-lanes have been practiced even as they were practiced this week off the coast of Cambodia.

FREEDOM OF THE SEAS VITAL TO U.S.

Freedom of the seas and uninterrupted shipping and commerce are of vital importance to the United States even though we have many natural resources and a fair degree of self-sufficiency.

According to the "Special Report—Critical Imported Materials," of the Council on International Economic Policy, published in December 1974, the United States is—

> Both a leading supplier and purchaser of internationally traded raw materials. About one-third of our exports and imports are non-manufactured. Our total trade in these commodities last year amounted to roughly $45 billion from which we realized a trade surplus of more than $1 billion.

The Council reports went on to say:

> We are a leading supplier of raw materials to Western Europe and Japan, as well as many less developed nations. The United States plays as important a role in international grain and oilseed trade as do the Persian Gulf countries in crude oil trade.

Further, the Council report stated:

> Over two-thirds of our industrial raw material imports come from Canada, Australia, South Africa and other developed countries. . . . While there is relatively little trade in minerals between Communist countries and the rest of the world, the United States relies on the USSR for significant amounts of two important items—platinum group metals and chromium.

According to the Council:

> On an overall basis, U.S. import dependence on . . . critical industrial materials (other than energy) is modest, about 15% of our consumption . . . our situation with respect to particular critical materials varies

> greatly: for example, we have exportable surpluses of phosphate but are totally dependent on foreign tin.

In analyzing our situation further, the Council said:

> The loss of supply could seriously hurt our economy, adversely affect our national security or reduce our foreign policy maneuverability. The lost supplies do not have to account for a large portion of our needs to be highly disruptive. For example, the crude oil embargo covered only 15% of our petroleum and 8% of our energy needs.

Department of Interior figures show the United States is wholly dependent on imports for more than half our needs of the basic raw materials used in our Nation's industrial economy. These are bauxite, chromium, manganese, tin, tungsten, and zinc. We are totally dependent on imports of tin, as I mentioned earlier.

TRADE AND COMMERCE PROVIDE JOBS FOR AMERICANS

When I speak of our Nation's economy, Mr. President, I am endeavoring to show that these materials are vital to keep our industries operating and to provide jobs for millions of Americans. With most of the materials imported and coming to the United States by ship, we begin to realize all the more how vital freedom of the seas and peaceful commerce and trade are to the livelihood of our people and the economic health of our Nation.

STRONG NAVY ESSENTIAL FOR TRADE BY SEA AND FOR SECURITY

One of the most successful means of preserving and protecting the freedom of the seas is to have a strong U.S. Navy, highly visible on the oceans and seas of the world.

A strong Navy requires refueling and repair facilities, supply replenishment areas, and a number of essential support services available at convenient locations around the world. Some of these are provided by foreign countries who consent to our ships making ports of call; others by our own facilities set up on forward bases with the consent of the host government.

A strong Navy is indispensable to America for security reasons. After all, we are a three-ocean nation—Atlantic, Pacific, and Arctic—and the seas are no longer protective moats for our homeland. On the contrary, the oceans serve as highways for submarines armed with intermediate-range ballistic missiles—mobile sealaunchers for nuclear bombs. With the advent of the nuclear submarines, the task of defending the United States shores and hinterland escalated enormously. So we must have a strong and versatile, modern, fast naval force to cope with the submarine threat.

From the end of World War II until the 1960's, the United States maintained virtually unquestioned naval supremacy. The Soviet Navy—except for submarines—generally ranked fourth, after the United States, British, and French navies. Because of the lack of a far-ranging fleet, the Soviet Government was unable to influence the Anglo-French Suez expedition in 1956, the U.S. naval forces landing in Lebanon in 1958, the U.S. naval quarantine which forced the Soviets to withdraw strategic weapons from Cuba in 1962.

SOVIET NAVAL BUILDUP

Since then, the Soviets have made prodigious efforts to remedy their deficiency on the high seas. In mid-1964, Soviet warships were ordered out of their traditional coastal areas and they set up a continual presence in the Mediterranean. Today, the Soviets average about 50 ships on station in the Mediterranean.

Along with the decision to "go to sea," the U.S.S.R. began ambitious shipbuilding programs, which have produced modern missile-equipped ocean-going ships: the KARA class cruiser, the MOSKVA class helicopter cruiser, and the KIEV class aircraft carrier. In addition, Soviet shipyards began producing the YANKEE class nuclear-powered ballistic missile submarine. Today, they have more modern nuclear submarines than our U.S. Navy.

SOVIET STRATEGIC AND CONVENTIONAL FORCES

On a broader spectrum, according to the Foreign Policy Task Force of the Coalition for a Democratic Majority, and I quote:

> The Soviets are well advanced in their campaign to control the Middle East and the Mediterranean basin. The achievement of this goal would decisively tip the worldwide military balance in favor of the Soviet Union, and its allies, and would leave us isolated in a bitter, hostile, and disillusioned world. . . .

Insofar as strategic forces are concerned, the task force said:

> Soviet strategic forces have been growing dramatically during the past decade, and this growth has continued unabated since the SALT I agreements of May 1972. The agreements foreseen at Vladivostok show little or no promise of slowing down this cancerous rate of growth. . . .

Further, the task force pointed out:

> While the Soviets build toward superiority in strategic forces, spending annually about twice as much on them as we do, we have unilaterally frozen the level of our strategic forces. Moreover, we have denied ourselves qualitative improvements that are within reach and are needed to implement our developing strategic doctrine. . . .

Pointing out that the nuclear stalemate that we have been able to maintain so far allows the Soviets the opportunity "to insure conventional wars and proxy wars" (like Vietnam), the task force then offered a sober comparison of American and Soviet conventional forces.

> The Soviet Union has half-again as many men under arms as the United States: 3.4 million to 2.2 million. . . . Direct comparisons are here even more difficult than in the strategic case, and there are great uncertainties about equipment, logistics, training and readiness. But we know that the Soviet and Warsaw pact armies are heavily equipped with tanks and artillery. The Soviet Union alone is estimated to have four times as many tanks as the United States (and five times the annual production rate, even after the projects U.S. step-up in 1975), three times as many artillery tubes and twice as many heavy mortars. While total numbers of Soviet tactical aircraft exceed those of the U.S. by about 40 per cent, they are believed to be producing such aircraft at double the U.S. rate. And their air defenses are not only far greater in their home (strategic) deployment but also in mobile or transportable systems (both missiles and artillery).
>
> At sea, the Soviets have moved rapidly from a coastal defense to a "blue water" navy, with almost as many surface combat ships as the United States, and over three times as many submarines (other than ballistic missile submarines). Here again, their building programs are far, far greater than our own. Their surface ships tend to be smaller, but emphasize speed and intense firepower, and they have been dramatically increasing their at-sea activity rates. They are ahead of the U.S. in surface-to-surface antiship missiles, and have nuclear antiship missiles, which we do not. In a direct conflict, these weapons could take a heavy toll of our fleet at the outset. The Soviets are behind us in endurance and in their ability to resupply their navy while it is under way. In aircraft carriers, with fifteen in service, the U.S. still enjoys a virtual monopoly, but the Soviets now have a program under way which has already produced one carrier and soon will produce another. They possess a formidable attack submarine fleet, although the U.S. currently has far greater antisubmarine resources and capabilities.

As a matter of fact, according to the task force:

> In terms of real defense capability, the United States is in many respects pursuing a course of unilateral disarmament, especially with regard to the Navy and other conventional forces. We are now spending a smaller fraction of our GNP on defense than has been the case for more than twenty years. Defense spending now takes only 26 cents of every federal tax dollar, compared with 45 cents in 1964—this was before the Vietnam buildup—and 57 cents in 1956. (This was when the U.S. was enjoying peace.)

The task force declared that:

> In the face of the Soviet military build-up and Soviet foreign policy, our defense budget is an invitation to disaster.

OUR DEFENSE BUDGET "AN INVITATION TO DISASTER"?

What makes our defense budget an "invitation to disaster"?

Gen. George Brown, Chairman of the Joint Chiefs of Staff and our top military adviser, has publicly declared that:

> We no longer possess that predominance of strategic power which, for over a quarter of a century has protected the peace of the free world and the security of the United States.

General Weyand, Army Chief of Staff, is struggling to provide our Nation with 16 combat divisions and supporting forces—the same as we had before Vietnam—with only 785,000 men and women in Army uniform.

Since 1968, we have cut our Army in half, while the Soviets added 20 combat divisions. Our Army strength now is almost 200,000 personnel below pre-Vietnam totals.

Admiral Holloway, Chief of Naval Operations, must make do with the lowest number of ships since 1939—2 years before Pearl Harbor.

General Jones, Air Force Chief of Staff, has some of the best trained personnel and some of the finest aircraft and equipment in the world, but he has less of both than at any other time since World War II.

Only our Marines have escaped drastic cutbacks. They remain at three active combat divisions under General Cushman.

The realities of our defense budget are that: All the resources added for the Indochina war—manpower and purchasing power—have been removed from the defense budget—and more. As I mentioned earlier, the defense burden on the economy measured against our gross national output of goods and services is the smallest since 1950, the year the Korean war began. In terms of labor force, it is the smallest since 1940, a year when we were woefully unprepared for the war thrust upon us 1 year later by Japan and Germany. The defense shares of public sector resources—manpower and dollars—are the lowest since before Pearl Harbor.

U.S. FORCES STRETCHED THIN IN ASIA-PACIFIC AREA

Certainly, Mr. President, from my personal observation, American defense forces are stretched very, very thin in the Asia-Pacific area. Last October, I visited some of our forward bases in Japan, including Okinawa, in Korea, and in Guam. I visited the Republic of China on Taiwan and talked with our military advisory leaders there. I visited the Trust Territory of the Pacific Islands, where it may be necessary to install bases on the island of Tinian and where we must retain our important missile testing facilities at Kwajalein.

While I was on Kwajalein last October, I witnessed the reentry of the first intercontinental ballistic missile ever launched from an airplane in flight, one of our huge cargo planes. It was a MIRV and it was right on targets in the Kwajalein lagoon corridor. Obviously, this adds an entirely new dimension to our strategic deterrent forces. If we can do this, however, it is only a matter of time until the Soviets can also do this.

So we face the prospect that ICBM's either from land launchers as far away as the Soviet Union or eventually from roving aircraft launchers can be targeted on key cities on the U.S. mainland and on our mid-Pacific defense establishment in Hawaii. But we know that our land and air launchers can retaliate in similar fashion.

What we will have is another stage of the nuclear stand-off, with continued likelihood that, because of the mutual destruction possible, the super powers will not resort to nuclear warfare. That leaves conventional warfare, against which we must be prepared and ready.

In conventional warfare, it is essential that we have forward bases and friendly countries in those forward areas. The *Mayaguez* incident proves that. Would we have retrieved the crew and our merchant vessel if we had not had an aircraft carrier and other naval vessels in the vicinity and trained personnel ready to carry out their assignments?

Returning now to our forces in the Western Pacific, in Japan, the American military presence has slowly declined, at first in response to political pressure, but recently because of defense fund cutbacks. We now have only a U.S. Navy installation at Yokosuka, a Marine air station at Iwakuni, and an Air Force base at Yokota. Air Force units continue to operate out of Okinawa, but no longer do we have nuclear weapons stored there or the U.S. Army units associated with Vietnam. The Marines still retain their base on Okinawa, providing capability for a modest landing force.

In Korea, we deactivated an Army division, leaving us with one division still there, plus several fighter squadrons. On Taiwan, the American presence is down from a high of over 9,000 to only 4,000 today, with further reductions in prospect before June 30 this year.

Our forces in the Philippines stand at 16,000, down from a 1969 high of 25,000.

In Thailand, from a high of 48,000 U.S. military personnel, we will be down to 19,500 by the end of June and, with the debacle in Cambodia and Vietnam, it appears we shall have to remove all our remaining personnel.

From a 1969 high of 764,000 U.S. military personnel in the Western Pacific, our forces there now total less than 140,000. Our Naval forces in the Western Pacific have been cut by about two-thirds, now consisting of three carrier task forces and three and one-third patrol squadrons.

Much of the reduction stems from U.S. withdrawal from the Vietnam war. But budgetary cutbacks have taken their toll, too.

WE NEED FORWARD BASES IN PACIFIC-ASIA AREA

There are those in the United States who say all U.S. military personnel and forces should be brought back from the Western Pacific. Of course, the question then arises: "Back to where?" Hawaii? We could certainly accommodate larger units there. And certainly our Pearl Harbor Shipyard facilities need beefing up so that our workforce and the capability of this vital yard can be kept at maximum efficiency.

Can we pull back our forces to Guam? Here we face limitations of land area and basic facilities.

Bases on Tinian would have to be constructed from scratch, as there is nothing there now that is usable for the Navy and Air Force with jet equipment, nuclear weapons, and so on. So Tinian as a forward base is some years down the road.

The next pullback area is the west coast of the U.S. mainland.

SIGNIFICANCE OF U.S. PRESENCE IN WESTERN PACIFIC

To my way of thinking, the military personnel we have in the Western Pacific are so relatively small that they do not pose a threat to any nation. Yet they are symbolic of America's deep interest in the free nations of Asia and of America's determination to keep sea lanes and air space open for trade, commerce, travel, and communication by the international community.

Our forces in the Western Pacific countries on bases with their consent serve much the same purpose as U.S. forces in Europe. They are tangible evidence of our desire to maintain the territorial integrity and independence of the host nations inviolate from any aggressor. They are all part of what we and our host countries hope will prove to be viable deterrents to war.

The farther from our shores we can keep war, the better. And the more nations we can help to survive aggression by Communist forces the better.

FREE NATIONS ON FRONT LINES IN WESTERN PACIFIC

Just as France, Belgium, the Netherlands, and West Germany are on the front line of European defense, so Japan, Korea, the Philippines, the Republic of China on Taiwan and other free countries are on the front lines of Asian-Pacific defense.

The capital of Seoul in South Korea is less than 30 miles from artillery fire from North Korea, and the Communist regime in the north has been very bellicose toward South Korea. Like North Vietnam, North Korea does not want to leave its southern neighbor alone. South Korea has done a remarkable job of building up its economy while strengthening its defenses. All it asks is that we keep our agreement to help her modernize her defense forces. This we should by all means do, for the South Korean forces will fight very hard to defend their country.

Taiwan is just a few short miles offshore from the People's Republic of China, which contends that Taiwan is one of its provinces and which has attacked Taiwan from time to time over the past 25 years. Taiwan has a well-trained and highly disciplined military force of more than 500,000 men, and they will fight to the end to defend the Republic of China. All the Republic of China forces want is a little easier credit terms on the military equipment they buy from us. The cost to the United States would be nominal and the benefits would far outweigh the nominal interest cost.

Japan, a fledgling democracy, is right in the heart of the Far East, having the People's Republic of China as its huge neighbor to the west, the Soviet Union as another neighbor. If Japan is lost to the free world, we shall have lost one of the four mightiest industrial powers on Earth.

So when we look at the situation objectively, without racial bias or rancor, we see that America's interest in freedom and self-determination and independence in the Asia-Pacific area is as important as our interest in Europe and the Middle East.

I agree with General Brown that:

> Military power in plain sight, close at hand and ready to fight, greatly influences perception on both sides. Any changes we make in the size and location of our forces anywhere in the Pacific will be taken as indicators of U.S. intent.
>
> We should not hastily cut back our military forces and bases in the Pacific. We need to continue our forward deployment strategy and security assistance.

It is inevitable, however, that as our overseas bases have dwindled, it is all the more imperative to maintain strong forces on bases on our own territory subject completely to our own jurisdiction and, in addition, to maintain a strong Navy able to patrol the oceans and serve as protectors of the freedom of the seas.

Although we all deplore the arms race that has been forced upon us by aggressive nations whose goal, so they have reminded us, is to dominate the world, still we in America know that we must provide for our own defense. There is no other country that will do it for us.

We need to signal to the rest of the world that we are concerned about Communist inroads in Southeast Asia, about the left-wing coup in Portugal, about the disarray of NATO's southern flank, and about the threatening consequences that flow from these events.

We can do that by taking firm steps to improve our national defense system.

NEED TO IMPROVE U.S. DEFENSES

The Foreign Policy Task Force which I have cited previously recommended, in its analysis, measures that would strengthen both our strategic and our conventional forces, at a cost of $8 to $10 billion. The reason I note their cost estimates is that I understand this Task Force is composed of 34 scholars and former Government officials described as "liberals and Democrats." I make this point clear so no one will think Republican hawks wrote the report.

There are undoubtedly many who would quarrel with their specific recommendations as to how to provide badly needed increments to our national security mix. But no one can quarrel with the fact that the dangers for our Nation have increased in the months since last January, when the President submitted his budget request.

If we can reverse our trend from what has been far too long unilateral disarmament and rebuild until we have unequivocally superior defenses—conventional as well as strategic—we will go a long way to restoring respect for the United States among friends as well as foe. Possibly we could recoup some of the loss of leadership we suffered in Southeast Asia.

By bolstering our national defenses promptly, effectively, and visibly, we shall certainly bolster America's diplomatic efforts toward peace around the world.

If we can accomplish this for $8 to $10 billion more, it would be money well spent. After all, $8 billion would mean an extra cost of not quite $58 a year per each American adult—$1.11 a week. A $10-billion cost would work out to not quite $72 a year per adult American—only $1.38 a week. Surely these costs would be bearable, particularly when our national security is involved.

AMERICAN PEOPLE SUPPORT STRONG DEFENSE

Let me read a postal card I just received from a person in New York City, I quote:

> Do *not* cut our Defense Budget, I beg you.
>
> Our people want Defense superior to Russia.
>
> Our survival as a nation is at stake.
>
> We look to our Senators to keep us a free people and not a slave state!
>
> Cut the budget elsewhere—not on Defense!"

On this same point, let me read from a letter I received from a gentleman from Arkansas:

> DEAR SENATOR FONG: It has been brought to our attention very vividly through the news media, magazines, radio, TV and word of mouth that Congress will very soon vote on the Defense Budget and probably to cut the Defense Budget very drastically. We think that this is the wrong move if we are to protect the United States. It is just as simple as that. We think there is no need to put out money for thousands of other projects within our own confines and not defend our shores. We believe that the front line has shrunk now to our own doorstep.
>
> There is no one of us asking for more taxes, but there are millions of us who would prefer to pay taxes in defense of our own country than to lose our national security and the preservation of our way of life and of the greatest government on the face of the earth.
>
> We sincerely hope that you will vote to maintain our Defense Budget at its highest level and possibly add to our national defense.

I truly believe that, if Congress and the administration would level with the American people about the world situation and about the state of our own defenses in the face of of growing peril, there would be an outpouring of support from the American people in favor of more funds for procurement, for modernization of our forces, and for research and development to make sure we remain technologically in the forefront on defense matters.

To paraphrase our late President John F. Kennedy, I believe the American people would bear any burden and make any sacrifice in order to preserve the United States as a free, independent country.

To convince them to bear that burden and to make that sacrifice, however, we in Congress and the administration must evolve policies that will command the respect and concurrence of the American people. We cannot have 535 Secretaries of State in Congress and we cannot pull the rug out from under the President and expect the American people to rally round.

I believe the American people would give Congress and the administration wholehearted support if we take steps to insure that the sea and air lanes will remain open so that peaceful trade and commerce can be carried on without piracy, without extortion, and without harassment.

We in the island State of Hawaii particularly know what it is to suffer when our shipping lifelines and our air transportation services are interrupted or cut off. Surface vessels bring in 98 percent of our consumer goods. Air carriers handle nearly 100 percent of our transport of people and sustain our vital tourist industry, one of our leading economic pillars.

Because of our cultural and ethnic ties with Far East and Pacific countries, we in Hawaii trade extensively with them. Every drop of crude oil imported into Hawaii—and this is our only source of energy—comes from Indonesia. We import food products from Japan, Korea, the Republic of China, Hong Kong, and the Philippines. We import cloth and finished garments from nations of the Far East, and many, many other agricultural and seafood products and manufactured goods.

Similarly, mainland United States carries on extensive trade with countries of the Pacific and Asia. We sell vast quantities of grains raised by American farmers and many different kinds of manufactured items. In 1974, U.S. exports to the Far East-South Asian region grew by a whopping 44 percent. Because of the various disruptions in trade, this growth is expected in 1975 to be about 23 percent, for a total of $29 billion, with Japan taking about 46 to 48 percent of the total.

As William J. Casey, Chairman and President of the Export-Import Bank noted:

> America's two-way trans-Pacific trade amounted to $34.8 billion in 1973. That was $2.6 billion more than our trade with the European Community.

AMERICA CANNOT IGNORE ASIA-PACIFIC AREA

So we in America cannot ignore the Asia-Pacific area nor can we turn our backs on those nations. International trade and commerce are vital to America's economic well-being and national security. Growing international trade and commerce mean more jobs for Americans, incentives for capital investment, dividends for stockholders, and badly needed taxes to help run our Government.

Healthy and harmonious trade relations help to strengthen the free nations of the Asia-Pacific region who are our best customers. The stronger they are, the better able they are to resist diplomatic pressure or blackmail and the better they can deter aggressive attacks on them.

With sufficient economic strength, all can do more to bolster their own defenses and thereby help to insure their survival.

WHAT THE BASIC ISSUE IS

After all, this is what the conflict all boils down to: whether we as free people have the will and the determination and the perseverance to remain strong and ready against communism or any other brand of totalitarianism and authoritarianism, whether from within or from without.

A custodian at a junior high school in California wrote to me last week and expressed the issue very succinctly. He wrote:

> I know something about the horrid communist form of gov't through people I have met. These people fled other countries and had terrible tales to tell. I believe in America. I believe in the Constitution and the bill of rights. Our country was founded on these great principles. . . . I love this great country and wouldn't want to live anywhere else. Would you? We need to be vigilant to make sure our freedoms are preserved.

When I receive letters and postal cards and wires such as I have in recent days, I am all the more determined to do all that I can to help insure the survival of our Republic and the precious freedoms we Americans enjoy.

I urge my colleagues to vote for more defense muscle and to formulate policies that will guide our Nation through the very dangerous months and years ahead. None of us would ever want history to record, after our service in Congress, the grim epitaph feared by reporter Bill Miller in the Manchester, N.H., Union Leader last February 22:

> Here Lies the United States of America,
> A Great Nation Which Almost Made It!
> Exit XX Century.

Mr. McCLURE. Mr. President, I ask unanimous consent that the time assigned to Senator THURMOND be reserved to the end of the list.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Under the previous order, the Senator from Arizona (Mr. FANNIN) is recognized for not to exceed 15 minutes.

BILATERAL RESPONSIBILITY OF DEFENSE COMMITMENTS

Mr. FANNIN. Mr. President, this morning, I am very pleased to have the privilege of talking on the bilateral responsibility of the defense commitments of the Free World.

I wish to discuss a situation which I feel is of immediate importance to the American people and the defense of the free world. The situation to which I refer is the lack of an adequate commitment on the part of many countries of the free world to share the responsibility of defense. The United States has carried the major burden of defense since World War II. Our immediate postwar responsibilities to our allies were immense given the wide-spread devastation.

The world situation has changed dramatically. Thirty years of varying degrees of prosperity have changed the world order. The commitments made and responsibilities assumed by the United States for an overwhelming share of the defense of the free world is no longer a viable solution to actual defense requirements. Events in recent years, and more pointedly, in recent days—in fact, presently happening—clearly illustrate the necessity of the other free nations of the world carrying a heavier load of that commitment.

There is no question that the defense of all free nations is essential to our own personal security. The interdependence of the free nations has never been more obvious. That interdependence necessitates a bilateral responsibility of defense commitments.

Mr. President, 30 years ago the United Nations was founded with great fanfare and naive hopes for the maintenance of future peace. That international institution was dedicated to the preservation of world peace; to the development of friendly relations between nations; to the promotion of principles of equal rights and self-determination; and to the cooperation of member nations in overcoming economic, social, and cultural problems.

The United Nations was, of course, established in this great country of ours. The United States today believes in these goals, the same goals established at that time.

These are noble goals. The United States subscribed to these goals in helping to establish the United Nations. The United States today believes in these goals. However, it has become increasingly obvious that the U.N. is a failure as an organization and that the original goals have been subverted. The nature of the U.N. has changed drastically, and I now believe that it not only is a waste of U.S. tax money to support the U.N., but it is contrary to our own national interest and that of the free world. It saddens us to come to that conclusion. This reality heightens the necessity of mutual dependence by free world countries.

Recent events in Western Europe and Asia have spurred a renewed interest on the part of free nations to review their defense postures. Mr. President, it is my opinion that the United States should work with these nations to assure them of our continuing support as a complement to their own sound, internal defense structure. It should not in any way be our purpose to abandon the free nations of the world who continue to view the United States as a country of military and moral strength.

Mr. President, it appears to me that the development of the relationships between the NATO countries is a healthy example in point. In cooperation with our NATO allies, we have devised a common strategy to meet changing conditions and realities. Within that common strategy, our allies are working with us to improve their force contributions, to get better results from their defense efforts and to help meet the special burdens falling on the United States as a result of stationing our forces in Europe. Europe has continued to increased its share of the defense burden as they should. For some time after World War II, we furnished a large share of NATO's troops and weapons until our allies could rearm themselves. At the present time, Europe provides 90 percent of the ground forces, 80 percent of the ships, and 75 percent of the aircraft deployed in Europe. Their defense expenditures increased 10 to 15 percent in constant prices between 1970 and 1973.

Their forces are for the most part being modernized and improved in accordance with agreed NATO priorities in whose formulation we have played a major role. Mr. President, this development with NATO is a healthy one which should serve as an example to other nations of the free world.

I especially would like to refer to some of the other areas of the world. The areas of the world which most concern me are Asia and the Middle East. Our involvement in Southeast Asia has brought heartache and bitterness to the inhabitants of these countries and to the American people. It should be clear that the remaining free nations of Asia have difficult days ahead in their own defense efforts. It is equally clear that the only true deterrence to Communist takeover in Asia is a strong determination to withstand aggression and the military capability to back up that determination. The United States should supplement those efforts but we cannot supplant them.

Japan must play a crucial role in the self-defense responsibilities in Asia. Today, however, Japan is dependent upon the United States for virtually its entire defense.

Mr. President, we know that this will continue for some time, but we also know that the Japanese have the ability to contribute a great deal more financially in providing an umbrella, not only in their area, but in many areas of the free world. We have had a relationship with Japan that has been in effect now since World War II. This relationship has proven the ability of a victor to assist a nation that has gone down to defeat in making an almost unbelievable comeback. Japan was a devastated nation, but one with great determination, and they have made an industrial comeback that has been the envy of most of the countries of the world. We have participated in that endeavor, being the greatest foreign contributor to their efforts in making this remarkable recovery.

But we have a responsibility to the American people to recognize the responsibility that the Japanese have to our Nation.

We have been successful in rebuilding and helping them to rebuild their industries which have become highly competitive with the United States in many parts of the world. It was inevitable that they would be competitive in parts of the world where we did not have the same advantages that accrue to the Japanese people.

We were, as a nation, very proud that they were able to step forth and fill some of the vacuum in areas where the needs were the greatest.

But it has gone beyond that to where we have been the recipient of a good share of their exports, and it is doubtful that this Nation can continue to accept the same conditions that exist today. That is why we have inaugurated a program of trade relationship through the trade bill that was recently passed, in order to have a better quid pro quo with other nations of the world such as Japan.

We want to continue the wonderful relationship we have, but this relationship of complete dependence must cease, and the Japanese must accept the burden of defense which their productive economy can sustain.

As we consider what has happened in our country, with the decline in many industries, we can begin with our industries that have suffered perhaps the most, our electronic and auto industries. This is not only true of the Japanese imports, but we can talk about the fact that almost 20 percent of the cars being sold in America today are imported cars. This is something that we must recognize as quite a barrier to employment in this country.

This is not on a quid pro quo exchange of goods. We allow cars to be imported with a 3.5-percent tariff imposed, and with few nontariff barriers. However, when we ship motor vehicles to other countries of the world we not only have higher tariffs in all those other countries, but we have very serious nontariff trade barriers.

If we are going to work with the countries of the world that are dependent upon us for their defense, then they must work with us to a far greater extent than they have in the past. No longer can we accept the responsibility of covering the seas, covering the different areas of the world with protective facilities. This is very true of the Middle East countries. We have been protecting their waters. It is evident from what has been covered this morning by our colleagues just what has happened as far as naval facilities the United States has today as compared with the Russians.

But, Mr. President, many free countries of the world would collapse if their supply of Middle East oil were cut off, this matter is involved in what has been happening as far as the naval facilities are concerned. As has been brought out this morning, we have not kept pace with the Russians in that regard.

But when we talk about the dependence of so many countries of the world on imports, we are quite dependent ourselves, but others are much more dependent. For example, Japan depends on oil for 75 percent of its total energy needs, of which 93 percent is imported from OPEC nations; 45 percent of the United Kingdom's energy is derived from petroleum, of which 87 percent is imported from OPEC nations. Germany, France, and Italy show a comparable dependence on Middle East oil. Germany—55 percent total energy from oil, 93 percent of oil from OPEC; France—66 percent total energy from oil, 94 percent of oil from OPEC; Italy—80 percent total energy from oil, 77 percent of oil from OPEC.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUCKLEY. Mr. President, I believe under the order I have 15 minutes.

The PRESIDING OFFICER. That is correct.

Mr. BUCKLEY. I will be glad to yield 2 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator is recognized for an additional 2 minutes.

Mr. FANNIN. Mr. President, to continue with the dependency we have and other nations of the world have on OPEC countries, I stated that Italy has 80 percent total dependence for its energy from oil, with 77 percent of the oil from OPEC nations.

These nations and others similarly situated would be devastated by a cutoff of Mideast oil. The Soviet Union's military buildup in the Mediterranean gives me great concern for the continuing availability of Mideast oil. Those nations whose dependence on Mideast oil is greater than that of the United States must share responsibility for assuring its continuing availability.

Mr. President, in this great country of ours we talk about the development of energy resources and what we will be able to do in the future. It is very evident that we could not come to the rescue of other nations of the world or free nations of the world as we have in the past when disaster struck. This is no longer possible. Our availability of petroleum products is going down and down, whereas our utilization has been increasing.

We have stopped that increase to a certain extent, but we have not been able to increase our development and exploration for oil. This development is partly due—and many of us recognize it as our own responsibility—to our lack of determination in many respects to develop other energy resources and to complete the facilities we need to make products available to this country.

Mr. President, my comments this morning were intended to illustrate what I believe is a realistic approach to the defense of the free world. The United States cannot view itself nor can other nations view the United States as the sole defender of freedom. Those who enjoy the blessings of freedom must realize the burdens which necessarily accompany the benefits. This policy has never been more clearly necessary than it is today.

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. BUCKLEY) is recognized for not to exceed 13 minutes.

THE NEED FOR THE MODERNIZATION OF THE U.S. STRATEGIC BOMBER FORCE

Mr. BUCKLEY. Mr. President, I thank the Senator from Arizona for his contribution to this morning's review of the various facets of our defense needs.

I would like to address my remarks to the need for the modernization of the U.S. strategic bomber force.

There have been several consistent threads of U.S. defense policy since the dawn of the nuclear age in 1945. Perhaps the most important of these has been the policy of deterring a nuclear war by maintaining a thoroughly credible posture for conducting such a war if it became necessary. To do this, we have elected to diversify the means of delivery between land, sea, and air-based systems so that unanticipated improvements in the defense capabilities of our adversaries against one mode of delivery will not nullify the credibility of our entire deterrent. Clearly, a strategic nuclear force which is not credible in its ability to respond to nuclear attack will not deter.

This policy of diversity in the means of delivery of nuclear weapons has been referred to as the nuclear "triad" and has been the subject of tense efforts by the Department of Defense and the Congress to keep the capabilities of our land-based missiles, our strategic bombers, and our submarine-launched ballistic missiles ahead of the technology for defending against it.

The present mainstay of our strategic bomber force is the B–52 Stratofortress. This eight-engined jet bomber was designed in 1948 to keep ahead of the only two means known at that time for defending against an attack by a bomber. By specifically designing the bomber to operate at high altitudes, it would be immune from the antiaircraft guns which the Soviet Union possessed in large numbers after World War II. Moreover, it could operate high and fast enough to be able to deal with the early jet fighters which the Soviets were deploying in the early 1950's in very large numbers, specifically the Mig-15 and the Mig-17.

Gradually, however, the technology changed insofar as the capabilities of the Soviet defense system against bombers was concerned. During the 1950's, the Soviets deployed large numbers of high altitude surface-to-air missiles including the SA–1 Guild and the SA–2 Guideline missile. These developments made high altitude attacks for which the B–52 was designed highly dangerous. Unless countered, such advances in Soviet defense technology would seriously impair the deterrent capability of the B–52 bomber force by reducing its ability to survive in a conflict.

This vulnerability has been offset through a number of expedients. The most important has been the modernization of 250 of the existing B–52 bomber force so as to improve their performance and survivability at low altitudes. At the present time, these aircraft are the heart of the U.S. strategic bomber force since they are the only ones which can survive under present Soviet air defenses; the balance of the B–52 force remaining vulnerable to the vast Soviet SA–2 and SA–5 air defense network.

I am confident that the bomber force we now possess is an effective contributor to our overall deterrence posture, and it has proven its durability and effectiveness in many of the important confrontations with the Soviet Union we have had in the past 2 decades. To cite only one of many examples, the B–52 force—along with the then much used B–47 medium bomber force—provided a striking display of strength along the periphery of the Soviet Union during the Cuban missile crisis. Placing the strategic bomber force on an airborne alert provided a highly visible display of Presidential resolve that contributed much to bring the crisis to an end.

It is important to note that there is no way that land-based missiles can be placed on the sort of visible alert that will telegraph the seriousness with which we view a particular prolonged crisis.

No element of the environment in which we live has changed more inexorably over the past several decades than has military technology. This has been particularly true since World War II where there has been a regular pattern of advances in the host of exotic technologies which are part of the development of strategic weapons. The regularity with which advances have been made in strategic nuclear forces and in defense technologies make it no longer possible to rely on the B–52, however modified for very much longer. It is imperative that the United States move on to a new generation strategic bomber force. Furthermore, we must keep in mind that it is not feasible, because of the complexity of modern weapons, to make a decision to develop a new weapon one day, and get the weapon in the hands of the troops on the next. It takes years.

The current strategic bomber now in advanced development, the B–1, has been in research since 1963, and it will not be available for deployment in significant numbers until the early 1980's. Thus, a decision to modernize the bomber force must be made well in advance of the deployment of new defense systems that will nullify the threat of our existing bombers as a credible deterrent force. Only by acting now can we maintain a high degree of confidence in our strategic nuclear deterrent.

Thus, there will be this keystone to maintaining the peace.

The nature of the long-term threat to the bomber force is perhaps better understood than is the threat to the ICBM force and the submarine launch ballastic missile force. For this reason it is possible to plan more confidently many years in advance to deal with the potential threats as they appear. As matters now stand, the B–1 will be better able to deal with the primary threats likely to emerge to its survival than any alternative or any existing bomber. These threats include:

Depressed trajectory submarine launch ballistic missile attacks against the airfields on which the B–1 is stationed—the B–1 can be airborne in the time which elapses between warning of an SLBM launch and the time of impact;

Low altitude antiaircraft artillery and missiles; because the B–1 can fly at high speeds at very low altitudes, its period of visibility to hostile missile and antiaircraft gunfire is so short as to make it extremely difficult to defeat; and

Manned interceptors such as the Mig-23 and the Mig-25; the B–1 is able to deal with threats of this kind more easily because of its reduced radar visibility, higher speed, and greater endurance than other existing aircraft.

On the other hand, the existing B–52/FB–111 bomber force will become increasingly vulnerable to these threats. Therefore, any long-term reliance on them will decrease necessarily the credibility of our airborne deterrent.

A loss of credibility in the bomber force would compel reliance on the land-based and the submarine forces. The ICBM force, on the other hand, is becoming increasingly threatened by high-yield accurate MIRV systems.

Now, in advanced development, the Soviet Union has such a preponderance of power in its giant missiles that even without the kind of accuracy we would require with our smaller missiles, they can develop kindred counterforce.

Also, we must anticipate that there are possibilities of advances in antisubmarine warfare technology which would, in turn, make our seemingly invulnerable submarine force a less than certain deterrent in the years ahead.

No one can be confident, Mr. President, in predicting what path technology will lead in the next decade or so, but it is unlikely to be more hospitable to the existing U.S. strategic force including all elements: bombers, missiles, and submarines. If we are to maintain our credibility with our adversaries in a political crisis; if we are to insure that any U.S. President has the confidence he needs to force any potential nuclear-armed adversary to back down in a crisis, we must have the most modern versatile and effective strategic nuclear force we can afford.

Mr. LAXALT. Mr. President, the Soviet Union now possesses a clear superiority in strategic nuclear forces. In my estimation, the current imbalance is likely to grow worse and in doing so will present this Nation with a clear and present danger.

The Defense Department has long adhered to the concept of the triad. To assure the survival of the United States, sufficiency if not superiority in manned bombers, intercontinental ballistic missiles—ICBM's—and submarine launched ballistic missiles—SLBM's—was once considered an absolute necessity. But now, according not only to Pentagon figures but to those of the International Institute for Strategic Studies as well, we appear to have lost our formerly overwhelming superiority in both ICBM's and SLBM's. While we still maintain a numerical preponderance in bombers, the utility of that superiority in the absence of strong support from the other parts of the triad is open to serious question.

According to the IISS, the U.S. Strategic Air Command now possesses 1,054 ICBM's, including Minuteman One, Two, and Three, and 54 leftover Titans. The Soviet Union has over 1,500 ICBM's including 288 of the massive SS–9's, and over 1,000 SS–11's.

According to Dr. Malcolm R. Curry, the new Director of Defense, Research, and Engineering:

> These missiles will provide the Soviets with carefully balanced new strategic forces which combine accuracy, high numbers of reentry vehicles, a hard target kill capability, and potential for ever increasing destruction.

As if our ICBM situation was not bad enough, we are currently beginning to lag the Soviet Union in SLBM's as well. Accordingly to IISS, the United States now possess 656 SLBM's in 41 Polaris-Poseidon submarines while the Soviet inventory includes more than 720 such missiles in more than 70 submarines. Although it should be pointed out that a number of the Soviet missiles are not of Polaris let alone Poseidon capability, the Soviet rate of construction of high quality Yankee class submarines has recently proceeded at an accelerate rate.

With respect to heavy bombers, although we still maintain a numerical advantage, the Soviets have upgraded their force. The new Backfire bomber, which possesses an operational capability for intercontinental flights superior to that of the heavy Bison bomber is now being equipped with air-to-surface standoff weapons. These bombers diversify the Soviet intercontinental attack force and increase its effectiveness. Their free fall bombs have a hard target capability and unlike missiles, they can be recalled or retargeted in flight. Bombers are also reusable and they have a poststrike reconnaissance capability which can be used in either conventional or nuclear warfare.

Mr. President, I realize that with the development of multiple-independently targeted reentry vehicles or MIRVS, the question of warhead numbers must figure into any strategic analysis. But recently, it has become apparent that the Soviets are drastically narrowing our superiority in this area as well. Together with their long acknowledged preponderance in megatonnage and throw-weight, it will soon be fair to say that across the board the United States is inferior to the Soviet Union in strategic capability.

A major reason for this, of course, is the recent cutbacks in real U.S. defense expenditures. In an era of détente, the Congress has seen fit to cutback sharply the percentage of real U.S. resources devoted to strategic forces. Needless to say, there have been no such cutbacks on the part of the Soviet Politboro.

The situation of Soviet as compared to U.S. expenditures was clearly outlined by Secretary Schlesinger in his statement of June 22, 1974. At that time, he said:

> In the next fiscal year, as a consequence of Congressional cuts and inflation, DOD expenditures will represent about 5% of total economic capacity or the lowest point since pre-Korea demobilization.

Hence, as measured on the basis of percentage of GNP, DOD's spending has been reduced by almost 50 percent since its Vietnam high, and it is even down by 30 percent as compared with the pre-Vietnam period. Moreover, as a percentage of total Government spending, including State and local, defense expenditures are now at their lowest point since before Pearl Harbor.

Meanwhile, the Soviets have not reduced but have actually increased their real expenditures by from 3 to 5 percent per year. While it is very difficult for us to calculate accurately precise figures on Soviet military expenditures, there is no doubt that such expenditures have risen dramatically of late.

Latest dollar projections developed by some of our intelligence agencies indicate that the Soviet Union is now outspending the United States on defense by 20 to 25 percent. In every meaningful category of defense expenditures, the Soviets now outspend us. Calculated in constant U.S. prices, the Soviet Union now outspends the United States by 25 percent in procurement, 20 percent in overall research and development, 20 percent in general purpose forces, and by better than 60 percent on strategic nuclear offensive forces.

It is alarming to say the least that the Soviets are continuing to acquire ever more lethal hardware while our own acquisitions remain stationary. But we must also ask ourselves to what uses will the Soviets put the preponderance of strategic power they currently possess. Needless to say, there are a number of possibilities.

Further erosion of our military capability could easily encourage the Soviet Union to brandish its own power in crisis areas. Soviet actions during the October 1973 Mideast war indicate their willingness to take risks with world peace and stability. We might well ask ourselves to what lengths they will go if our own resolve lacks the cold hardware which should accompany it.

At a time when the United States is actively engaged in various disarmament negotiations and summit meetings, we must remember that bargaining power is synonymous with military strength. Historically, as their military advantage has grown, the Soviets have exhibited a greatly reduced interest in serious negotiations.

Third countries, fearful for their own security, may find closer alinement with the Soviet Union to be a safer course. Lesser powers currently under the Soviet spell may be stirred to initiate brazen acts. Nuclear proliferation among allies and adversaries alike might also be further stimulated as a consequence of a perceived weakening of American posture.

Finally, we have all heard analyses which purport to indicate that the United States has lost the ability to act decisively in foreign policy. I for one, do not believe this for a minute and recent events off Cambodia appear to support this view. However, I can see how a foreign power not attuned to the finer nuances of our society could easily be misled into making a dangerous and possibly fatal mistake. The problem, of course, in the nuclear age is that such a mistake would be fatal not only for the aggressor but for a large portion of the industrialized world.

Mr. President, we are tempting fate. We are lulling ourselves to sleep with self-serving arguments about overkill and we are neglecting very serious dangers which the current imbalance in strategic forces and defense spending present for the very survival of our society. We must not allow such folly to continue.

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

OUR FUTURE AS A WORLD POWER

Mr. BARTLETT. Mr. President, when will the Congress admit its own limitations in the handling of foreign affairs? The answer to this question may be crucial to our future as a world power.

The disastrous chain of world events in recent weeks, highlighted by the fall of South Vietnam and Cambodia, have intensified doubts about America's foreign policy. While in the past, criticisms of our Nation's policies have been frequent and vocal, they were generally of a different type than the legitimate questions heard today. In the past, questions centered around the wisdom of our policies—today we are asked whether we have a policy at all. Formerly, others wondered why a specific policy was adopted—now the issue is "who makes foreign policy, the President, the Congress, or both, or neither one?" In earlier times, our manner of meeting a commitment too frequently was often challenged—in recent times, we have been challenged as to whether we have any such commitment.

The temptation in times like these is to designate a single factor, such as congressional ineptness for the outcome in Vietnam and Cambodia. For many years in the future, political scientists will be dissecting and diagnosing U.S. involvement in Southeast Asia and the ultimate debacle which occurred there. Years of analysis may be required to give the proper weight to all factors, but it is not too simplistic to say that congressional action ultimately contributed nothing in this area to preserve freedom or enhance our national power, influence, or prestige.

Regardless of analytical variations, one conclusion on which there is unamity is that we lost. Actually, what we lost is a matter of disagreement. Did we lose a war or just not win a war? Can anyone say that we did not lose national prestige? Though some may argue that prestige was lost by our entry into the Vietnam conflict, it can scarcely be argued that our prestige is not lower today as a result of the ultimate downfall of those we defended. Whether our national honor has been damaged might be subject to debate, but can anyone maintain that we have not lost creditability? Congressional vacillation, however well intended, has contributed to losses of prestige and creditability.

Has there been a real, or only an apparent, loss in our commitment to freedom? Who in Congress can make a case that our commitment is stronger than the commitment of Russia and China? While we debated, the Russians and Chinese were pouring in support to their allies—and the world knows it.

Regardless of our views as to what went wrong, few Americans enjoyed the sight of our Ambassador scurrying aboard a helicopter as Saigon prepared for surrender. We are not used to an ally's defeat for any reason, much less at least accelerated because of our failure to supply needed support. Congress literally fiddled while Vietnam burned. Let us hope that we have not become accustomed to our recent role. So that there may be no misunderstanding, my position is not that we should return to the role of world policeman nor is it my view that all world problems can be neatly categorized in packages of black or white. The point is that for at least a decade, American foreign policy in Southeast Asia has left much to be desired—and that growing congressional involvement has been part of the problem rather than part of the solution.

In the days and years ahead, we, as a nation and as a government, must attempt to salvage something of value from that war.

Certainly, various ingredients went into the downfall of Cambodia and South Vietnam. Many of these were out of control and must be left for the consciences of other countries, their peoples, and leaders.

No amount of finger pointing or breast-beating will rescue Vietnam or Cambodia from Communist domination. However, the role which Congress played there must be evaluated. For the future, there is one central issue to which these remarks are addressed: What is the proper role for Congress in foreign affairs?

Since the inception of the Republic, the question of Congress' role in foreign policy has been debated. The debates included a pronouncement by the U.S. Supreme Court, Charles Evans Hughes presiding, that congressional participation "in the exercise of the power over foreign policy is significantly limited. In this vast realm with its important, complicated and delicate problems, the President alone has the power to speak or listen as a representative of the Nation—in the field of negotiation the Senate cannot intrude and Congress itself is powerless to invade it." United States against Curtis Wright Corp.

President John Kennedy said:

> It is the President alone who must make the major decisions of our foreign policy.

However, to the contrary, our former colleague and a constitutional scholar, Senator Sam Ervin, said that:

> When the legislative branch ceases and desists from responsibily and effectively exercising its constitutional powers with respect to foreign affairs, the Republic will come to an end.

History reflects the occurrence of periodic shifts in the balance of power in foreign policy between the Congress and the Chief Executive.

But, for most of our nearly 200 years, the Congress has taken a back seat to the President. Most leaders of Congress have bragged in times of international crisis that political partisanship ends at the water's edge.

This unanimity of support for the ballooning of the Vietnam war was evident in the 88 to 2 vote in favor of the Gulf of Tonkin resolution. However, eventually widespread dissatisfaction by the people in an unpopular war prompted many Members of Congress to object to the war, President Johnson to decide against reelection, and President Nixon to gradually withdraw all American combat troops from South Vietnam.

From this devastating experience, most Americans wanted Congress to be a safety valve to the Presidency to prevent a repeat of sending Americans abroad in an unpopular war. So I believe most Americans agree enthusiastically in the constitutional requirement that only Congress can declare war or engage Americans in lengthy foreign military combat.

Thus, the War Powers Act of 1973 with the Church-Case amendment forbids the involvement of American troops in Southeast Asia. Overreaction and unconstitutionality may be determined from President Ford's use of troops in the evacuation of Americans and foreign nationals from Cambodia and South Vietnam; and from efforts to free the predominantly American crew and their American freighter, the *Mayaguez*.

So, born of an unpopular war, prodded by the illegal misuse of Presidential power in the Watergate scandals, and supported by a one-sided Democratic majority, Congress has succeeded in strongly asserting itself in foreign affairs during the last years.

Unfortunately, the results have at best been mixed, and probably more accurately, have been dismal.

In President Ford's April 10 speech, he enumerated a number of instances in which he believed Congress had gone too far, acting beyond its purview in attempting to define the tactics as well as the underlying strategy of U.S. foreign policy. An illustration given by the President was the Jackson-Vanik amendment in which the Congress, acting over the objections of our Secretary of State involving ourselves in the internal affairs of another nation, sought to enlarge Jewish emigration from the Soviet Union. Instead the Soviets restricted the flow of emigrants and abrogated an agreement which could have brought considerable economic benefit to this country. Nothing was gained and much was lost.

Nor has the congressional action in cutting off aid to Turkey brought us any closer to an equitable settlement of the Cyprus problem; instead it has weakened the eastern flank of NATO and soured, perhaps irreparably, our relations with two traditional and staunch allies standing between the Soviet Union and the Middle East—Turkey and Greece.

Most disconcerting to me was the inept handling by Congress of our affairs in Southeast Asia.

After the Paris accords of January 28, 1973, President Nixon's policy was a continuation of Vietnamization with sufficient military aid to South Vietnam to carry on an effective offensive-defensive war against North Vietnam. But the Congress reduced requested appropriations by 600 million and 700 million respectively in each of the fiscal years, reflecting a 50-percent average cut.

On January 28 of this year, President Ford sent an urgent message to Congress requesting an emergency supplemental military appropriation for South Vietnam and Cambodia. On April 16, Cambodia surrendered to the Khmer Rouge, and on April 29, the South Vietnamese surrendered to North Vietnam and the Vietcong—and by that time, neither House of Congress had voted on the President's requests for assistance.

The propriety of the request or the amount is now irrelevant, but it is relevant that the Congress stood by and let our two allies fall without a floor vote on that urgent Presidential request.

On the one hand, Congress had succeeded in asserting itself in regard to our foreign policy in Southeast Asia, but on the other, because Congress totally failed to enunciate a policy in regard to Vietnam and Cambodia, no one knew what our policy was. Our contributions which were most significant resulted from only negative actions and inactions. Establishing a foreign policy by default is inexcusable.

Congress has a valid role in foreign affairs. But the danger is that the collective ego of Congress will make it impossible for Congress to realize its own serious limitations. Certainly, control of the purse strings is a proper congressional role. Congress should be able to assist in the articulation of broad policy, but realistically it must either accept the policies of the President or adopt its own—it cannot play a major role in foreign affairs by endless dialog and handwringing.

The failure of Congress to declare a clear policy in Southeast Asia and to respond quickly to Presidential requests for emergency military aid raises the question of whether two committees of 534 Members can engage responsibly on a wide front in foreign affairs.

Proponents of Congress might point out that the Democratic caucuses of both the House and Senate spoke clearly on March 12 and 13, respectively, when each voted overwhelmingly against military aid to both Cambodia and South Vietnam. This raises the question whether a majority caucus rather than the entire membership of either body should decide such a vital question.

Should a caucus, subcommittee, or a full committee decide such a serious emergency question, or should it in any case go to the floor for full consideration by the entire membership?

Certainly I believe Congress failure to act was critical in the psychological impact of the losses of Cambodia and South Vietnam on our other allies around the world. I believe it is crucial that our foes as well as our allies see us stay to the bitter end rather than cutting the umbilical at the most perilous moment. Already we are seeing the inevitable reaction to our vacillation and lack of will.

The formerly discredited domino theory is taking on more respect as Laos teeters on the brink of Communist control while our allies in Thailand, the Philippines, and Taiwan have all begun a reassessment of their commitments with the United States. Our current problem with the now famous American freighter, the *Mayaguez,* is a fallout of the domino logic.

I do not know the precise role which Congress should play in foreign affairs. But we must begin a period of self-examination. Secretary Kissinger has called for a major reassessment of American foreign policy objectives and methods. This is essential.

Obviously, one of the questions which must be explored is whether Congress, made up of two committees, one with 100 members and another with 435, can effectively dance every dance in foreign affairs. By its very nature, foreign policy must have a definite firmness, yet a reasonable flexibility capable of quick formulation and clear articulation. Is Congress inherently limited in this role? I favor extending as much as possible the effective participation of Congress in foreign affairs.

Somehow, we must restore—through a partnership between the Executive and the Congress—an unfailing confidence by which foreign governments, friend and foe alike, as well as our own citizens, will know that when the President speaks that he speaks authoritatively for the entire country.

I wince each time I hear President Ford or Secretary Kissinger attempt to assure our allies of our constancy in fulfilling our foreign commitments. At this stage of our history, it appears to be a questionable pledge. It is not a lack of confidence in the commitment or will of President Ford, but doubts about the disposition of Congress. There is reason for Congress to have doubts about itself.

Perhaps such unanimity is impossible with the congressional and executive branches under control of opposing political parties. I do not think that is the case. Perhaps we should limit and carefully define the areas of congressional responsibility, and develop cooperative approaches with the administration in order to forge clear-cut foreign policies while, as in the past, we forget our partisan differences in most matters at the water's edge.

President Lincoln's call to his Congress was most appropriate to our problems of the last few years:

> The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, we must think anew and act anew. We must disenthrall ourselves and we shall save our country.

We must, like Lincoln, "rise" to this occasion, and hopefully, "we shall save our country."

Mr. McCLURE. Mr. President, I ask unanimous consent that 5 minutes of the time assigned to the Senator from Nevada (Mr. LAXALT) be assigned to the Senator from Nebraska (Mr. HRUSKA).

The PRESIDENT OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

The Senator from Nebraska is recognized for not to exceed 5 minutes.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield one-half minute.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that Mr. Coneely, a member of the staff of the Committee on Armed Services, be permitted the privilege of the floor during this colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, I yield 1 minutes to the Senator from Hawaii.

PROMOTION OF TOURIST TRAVEL

Mr. INOUYE. Mr. President, earlier this week, the House of Representatives passed H.R. 5357, and yesterday this measured was referred to the Committee on Commerce.

This morning, the Committee on Commerce, in executive session, unanimously voted to request that the committee be discharged from further consideration of this measure and that the Senate immediately consider the House-passed bill.

That portion of this bill which relates to domestic tourism is almost identical to the one that we passed unanimously last year. At that time, the House was not ready to consider it because of the lateness of the session. It is an important matter. It authorizes appropriations to the Secretary of Commerce for the promotion of tourism by the U.S. Travel Service. Much has been said about this, and we have had many hours of debate.

Mr. President, I ask unanimous consent that the Committee on Commerce be discharged from further consideration of H.R. 5357, a bill to authorize appropriations to the Secretary of Commerce for the promotion of tourism by the United States Travel Service, and that the Senate proceed to the immediate consideration of the bill.

The PRESIDING OFFICER. Without objection, the committee will be discharged from further consideration of the bill.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. INOUYE. Mr. President, I believe the following statistics clearly indicate how important tourism is to our economy:

First, 313,000 American jobs were created or supported through international tourism alone last year. Four million Americans work at tourism-related jobs.

Second, $4.7 billion was contributed to the U.S. economy by international tourists in 1974.

Third, every visitor arriving in the

United States from overseas last year was a "living $487 export."

Fourth, 14,123,047 tourists visited the United States in 1974, representing a "temporary population" larger than 48 of the 50 States.

Fifth, visitors coming to this Nation last year left about $340 million in local, State and Federal taxes to help support roadways, schools, welfare, et cetera.

Sixth, tourism within the United States is exceeded only by grocery purchases in terms of dollar expenditures. It is a $61 billion industry in this Nation.

Seventh, tourism is the No. 1 income producer in three States—Florida, Hawaii, and Nevada—and among the three top industries in 43 other States.

Eighth, more than 30 million international visitors are expected to join Americans in celebrating their Bicentennial during 1975–76.

Clearly, the tourism industry is vital to our economy. The same may be said for tourism's contribution to the quality of our life. Expert testimony today suggests that vacations, holidays, and leisure time are not only an integral part of the American life style, but equally important, they are necessary for good mental health.

Despite tourism's demonstrated value, the United States ranks 13th among the nations of the world in terms of funds spent to promote international tourism, and no money is authorized to be spent for domestic tourism promotion.

Recently, in a message to a conference of State travel officials, sponsored by the U.S. Travel Service, the President of the United States said:

> Never before has tourism had such an impact on so many of our national interests. It is a vital aspect of our nation's economy and, more than ever, an important factor in our relations with other countries. Tourism has growing value as a source of foreign currency. It can appreciably strengthen the vitality of our economy at a time when this is our primary national task.

Mr. President, H.R. 5357 is intended to help the United States capitalize on the many benefits tourism offers.

Specifically, the bill would authorize the following levels of funding for the U.S. Travel Service—the agency of Government charged with the promotion of tourism:

International tourism promotion—USTS

	Millions
1. Transition 1976	$5
2. Fiscal year 1977	25
3. Fiscal year 1978	30
4. Fiscal year 1979	30

Domestic tourism promotion—USTS

1. Transition 1976	$0.625
2. Fiscal year 1976	2.5
3. Fiscal year 1977	2.5
4. Fiscal year 1978	2.5

Mr. President, a 3-year extension of USTS' basic authorization under the International Travel Act of 1961, as amended, is not only justified by what the agency has accomplished, but is necessary if the domestic and foreign commerce of the United States is to be strengthened by encouraging foreign residents to visit the United States.

Recently, Mr. James A. Miller, vice president of the American Society of Travel Agents, Inc., very succinctly stated the need for USTS participation in domestic tourism promotion. He said:

> The major deficiency in the functioning of USTS since its establishment 15 years ago is that this agency has had no responsibility or authority in connection with the promotion of domestic tourism. As a result, the promotion of tourism to the United States by USTS has been severely handicapped and the role of the federal government in promoting tourism within the United States has been nonexistent.

Mr. President, I would hope that the funds USTS is authorized to receive to promote domestic tourism under this legislation would be used for promotional purposes, specifically to stimulate tourism in our country.

Mr. President, I urge that the Senate pass H.R. 5357.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

THE NEED FOR THE MODERNIZATION OF THE U.S. STRATEGIC BOMBER FORCE

Mr. HRUSKA. Mr. President, I wish to associate myself with the thoughtful remarks of the junior Senator from New York with regard to this country's absolute need for the B-1 bomber as a component of our strategic forces.

There are three basic reasons why the B-1 bomber is essential to the security of our Nation. First, it is a much-needed replacement for the B-52, a fine aircraft but which one day will be obsolete. Second, it is needed to counter advances the Soviet Union has made in its impressive strategic weapons arsenal. Finally, as a reusable and thus recallable weapon system, it can be a vital tool of diplomacy. Let me elaborate on each one of these points.

The B-52 first became operational in 1955. These early models have already been removed from the Air Force's inventory. The B-52's currently in use, the G and H models, were delivered to the Air Force between the years of 1958 and 1962. Their average age is over 15 years. Their extensive and very effective use during the Vietnam war has made it necessary to engage in extensive structural modifications to avoid the grounding of those bombers and to maintain their life into the 1980's. When we enter into the next decade, these bombers will be 20 years old. The technology which produced this bomber will be 20 to 30 years old. By contrast the B-1 bomber would be an up-to-date aircraft capable of coping with the technology of the 1980's.

For example, although the B-1 is but two-thirds the size of the B-52, its radar image is only about one-thirtieth of the B-52's. The B-1 would be able to penetrate to its target at two-thirds lower altitude and at a speed of 55 percent greater at this low altitude than that of the B-52's. These technological improvements are of the greatest importance to the success of whatever missions these bombers might be called upon to perform. Without these advantages we could very well be asking future airmen to fly one-way missions to their deaths.

Another advantage of the B-1 is its swing wing and the turbofan F-101 jet engines which allow it to take off in approximately one-half of the runway distance presently required by the B-52. As a result, these bombers could be much more widely dispersed. In fact, the Air Force has indicated that, in the United States, the B-1 would command more than three times the usable runways than can be used by the B-52. This potential for wide dispersability will make the B-1 more survivable in the case of the first strike by a hostile nuclear power.

Furthermore, the B-1 is hardened whereas the B-52 is not. This means that the B-1 will have far greater survivability in the case of radiation from a nuclear weapon explosion. Its stronger structure will increase its chances of withstanding the pressures which result from such an explosion.

Finally, the B-1 would be able to penetrate enemy air defenses. Thus, it would be far more effective than a "stand-off" bomber which would have less flexibility and less capability. While the B-52 armed with air-launched cruise missiles, would be able to attack targets without penetrating air defenses it could not perform a mission of reconnaissance or attack various targets of opportunity as could the B-1.

All of these advantages, and they are many, might not be necessary if it were not for the rapid and ominous build-up in the Soviet Union's weapons arsenal. Other speakers will give us some idea as to dimensions of this build-up and the threat it conveys not only to our own freedom and existence but also to those who look upon the United States as a friend and ally.

For the United States to allow itself to enter the 1980's without an advanced integrated weapons system, such as the TRIAD, would be an open invitation for certain elements of the Soviet Union leadership to consider the possibility of a first strike against our country. We must not dismiss the possibility of this happening. As the Soviets increase both their offense and defense capabilities, they might be tempted to try one knockout first strike against our strategic forces. The TRIAD system, with its mix of intercontinental missiles, submarine-launched missiles and strategic bombers is the best insurance we can have against such a surprise attack. This system would assure a potential aggressor that a first strike against our forces would insure their own immediate destruction.

My third point is one which some Senators in this Chamber may want to consider very carefully. The B-1 as a reusable and recallable weapon will give future Presidents of the United States added flexibility in deciding upon alternative courses of action.

Unlike the two other elements of the TRIAD system, the B-1 bomber can be used to demonstrate a national intent. With a missile the only decision to be made is whether to launch or not to launch it. The B-1 bomber, however, can be launched, directed, redirected and recalled all within a short period of time.

Thus, they can provide a President

with options for selective, controlled responses, including the use of nonnuclear weapons. The ability of a future President to have at his command these various options could mean the difference between a diplomatic success or a nuclear catastrophe.

As the Congress prepares to examine the question of the B–1, let us remember that the TRIAD system was not designed to be a tool of aggression. The underlying goal of TRIAD is that of deterrence. That goal, however, can only be achieved through the establishment of a complete defense system which has the offensive capability to make would-be aggressors reject aggression against our country as an unacceptable course of action.

Mr. President, the B–1 bomber will not be a panacea for all of our defense problems. It is not meant to be. What it will be, however, is an integral part of our TRIAD system, a system designed to help protect and preserve the free people of our country and those whose freedom depends upon our own.

The importance of the B–1 to our national defense posture cannot be stressed enough. It is an integral and essential component of our strategic forces. Although we have ceased military action in Southeast Asia, we have other commitments around the world that will require our attention, both military and diplomatic, in the years ahead. The B–1 is basic to that mission.

I have highlighted the basic arguments for the B–1, Mr. President, but I would not presume to advance the overall strategy of the Defense Department in this area at this time. To assist all persons who have an interest in gaining a better grasp of this subject, I ask unanimous consent to have printed in the RECORD, at the close of my remarks, two statements which were made last year before the Defense Appropriations Subcommittee on which I serve. They will be helpful to Senators in their consideration of this vital and important concern. One of the statements is by Admiral Moorer, Chairman of Joint Chiefs of Staff; the other is by Secretary of Defense Schlesinger.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BY ADM. THOMAS H. MOORER

I appreciate this opportunity to present my views on the military posture of the United States. In my opinion, no task assigned senior U.S. military leaders is more important than the duty of keeping the Congress and the American people fully informed on military matters. In the final analysis, our military posture and our national security can be no stronger than the determination of the American people to defend our Nation and its freedoms. This collective will is both developed and represented, in large measure, by Congressional attitudes and decisions. Your role in this process is vital.

In my prior assessments of the military balance and in the over 100 appearances before Congressional Committees, it has always been my intention to relate the military issue at hand to the actual and potential challenge facing the United States on the international scene. That remains my intention in this, my fourth assessment as Chairman of the Joint Chiefs of Staff.

The military posture of the United States can be judged meaningfully only by relatour military forces—both strategic and general purpose—to those of our most powerful potential adversary—the Soviet Union.

In this regard, the negotiation and signing of the Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty) and the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms (Interim Agreement) constituted first steps in our effort to restrain the obvious and destabilizing momentum of the USSR strategic force buildup and to establish some control over the deployment of significantly increased strategic forces by both the US and USSR. The force levels for the US and USSR established by the ABM Treaty are equivalent, but the numerical ICBM and SLBM force levels authorized for the Soviet Union by the Interim Agreement are larger than those authorized for the United States. Because of technological and other strategic offensive advantages possessed by the United States, this temporary imbalance was considered acceptable, particularly when weighed against the advantages of reaching some agreement on limiting strategic arms. In the Joint Resolution authorizing the acceptance of these agreements, however, you will recall that the Congress specified the President should seek a future agreement which "would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union." Compliance with this Congressional mandate is a primary objective of the current follow-on negotiations to conclude a permanent agreement.

I report to you today that aggressive modernization programs, which could place the United States in a position of strategic inferiority in the foreseeable years ahead, now are being undertaken by the Soviet Union. These programs, although aggresive, are within the terms of the Interim Agreement now in effect. If we are to maintain our relative position, we must continue the development and deployment of the strategic systems required by the President and must continue to insist upon the equivalence which the Congress so wisely has called for as an ultimate goal in our Strategic Arms Limitations negotiations.

With regard to the balance between the general purpose forces of the Soviet Union and the United States, I have noted with apprehension for the past several years that a major shift in the naval balance is taking place. The U.S. still has the edge with regard to the projection of our naval power as a result of the global reach of our fleets through our carrier and amphibious task forces. The USSR, however, is building a modern and increasingly powerful naval force capable of interdicting sea lines of communiaction and obstructing this projection of our military power across the oceans to assist our allies. The exact role of the new Soviet carrier force is not clear, but we may be sure that it portends a new era in the projection of seapower by the USSR.

The tactical air forces of the Soviet Union are in the midst of a major and significant modernization program. The program appears to be directed at overcoming the long-standing qualitative advantage held by U.S. tactical air forces in the ground attack role. The Soviet tactical air forces hold major quantitative and some qualitative advantages in the air superiority role.

The Soviet weapons and equipment observed in the Middle East, together with other evidence, clearly show that the large USSR ground forces also are being modernized with new tanks and new combat vehicles, as well as new and sophisticated combat support weapons and systems. Additionally, there are indications that the Soviet Union is developing air mobile units with ground attack helicopter support which, when combined with its new tanks and combat vehicles, will increase the tactical mobility and firepower of its ground forces.

The strategic programs of the Peoples Republic of China (PRC), by contrast, are proceeding somewhat slower than estimated last year. We still expect the Peoples Republic of China, however, to deploy by the end of this decade a small, but effective, ICBM force which will be capable of striking all of the Continental United States. PRC general purpose forces are being modernized, but also at a relatively slow rate—when compared with those of the US and USSR. Nevertheless, the Peoples Republic of China is continuing to increase its overall military power.

Events of the past few months in the Middle East once again have proven that the military balance must be assessed on the capabilities of potential adversaries rather than on their announced or estimated intentions. Intentions change much more quickly than capabilities and often change solely on the basis of the opportunities that a lack of opposing capability presents. Therefore, the only sound course of action for our future defense planning is to analyze, as best we can, the military balance between the United States and opposing forces based on the capabilities of existing forces projected over the next few years.

Before I turn to the first set of charts, I would like to remind you of the principal caveats.

First, the US force data are drawn from the currently projected Five Year Defense Program. USSR and PRC data are based on the latest intelligence estimates and projections. Both US force data and USSR estimates assume that the ABM Treaty and the Interim Agreement will remain in force for the next five years.

Second, the intelligence organizations can estimate with a fair degree of precision the forces our opponents will have operational in the next year or two. Beyond that point, the estimates become less certain.

Third, while the intelligence organizations cannot predict quantitative deployments very far into the future, they can provide a good indication of the kinds of weapons systems which may be deployed several years from now.

Finally, some degree of personal judgment cannot be avoided in comparing the military posture of one nation with another. Consequently, some of my colleagues may disagree with me on specific details, but I believe there is a general consensus within the Defense Department on the fundamental aspects of these comparisons. You will have, of course, other opportunities to discuss these matters when each of the Service Chiefs presents his report on the major programs of particular concern to his Service. For this reason, I will give somewhat more attention to the ongoing initiatives of the USSR and PRC than to those of the US.

STRATEGIC FORCES

I have emphasized in the past that no task is more important, from a military perspective, than that of developing, maintaining, and protecting a credible strategic deterrent. Detente, offering the opportunity for relaxation of tension, requires that we be strong enough to negotiate with confidence and to insure that our good will is not misconstrued as lack of will, thereby encouraging confrontation. This task presents many challenges because, in making an assessment of the military capabilities of our potential adversaries, we cannot afford to look only at the capabilities of those forces in being today. The long lead time of modern strategic weapon systems demands that we also devote our best efforts to the evaluation of the relative military balance as it is likely to evolve in the years ahead and as it is likely to be perceived in the eyes of our potential adversaries, our allies, and the rest of the world. If we are to maintain a credible strategic deterrent, actual military strength is essential, but the appearance of military strength cannot be neglected.

Significant US and USSR initiatives—strategic offensive systems

Shown on Chart 1 are the ongoing US and USSR strategic offensive initiatives which will have significant impact on the strategic balance. I will highlight these initiatives so that the dynamic nature of military balance for the foreseeable future can be fully understood.

REPORT OF THE SECRETARY OF DEFENSE
JAMES R. SCHLESINGER

Mr. Chairman and Members of the Committee:

It is my privilege to present to you the FY 1975 Defense Program and Budget. This is the first budget in a decade or more that does not include support of United States forces in combat. At the same time, it is a budget that must carry us, through maintenance of a military equilibrium, on the passage from the cold war toward a period of enduring peace. In such a difficult period of transition, I have a special duty to review with you the fundamental strategic issues that we face and the basis on which we are developing what we consider to be the lowest prudent peacetime defense posture.

Admiral Thomas H. Moorer, the Chairman of the Joint Chiefs of Staff, will present his customary report on our military posture. He will discuss in more detail than I shall here the current and developing balance of military power.

A. THE INTERNATIONAL SITUATION AND THE DEFENSE ESTABLISHMENT

Our defense budget proposals, of necessity, reflect our perspective on the United States role in the world. It is understandable, of course, that there will be divergencies in judgment among Americans on that role, and those divergencies will be reflected in different estimates of what the defense budget should be. As the Psalmist tells us, "Where there is no vision the people perish." Hence, I would like to share with you our vision.

The United States today, as opposed to the period before 1945, bears the principal burden of maintaining the worldwide military equilibrium which is the foundation for the security and the survival of the Free World. This is not a role we have welcomed; it is a role that historical necessity has thrust upon us. The burden of responsibility has fallen on the United States, and there is nobody else to pick up the torch if the United States fails to carry it.

In fulfilling this responsibility we recognize that we are dealing in a world which is militarily dominated by two states—ours and the Soviet Union. There is no other nation that possesses a military capability comparable to these two states. Consequently, in judging the military balance, and in deciding upon our own force posture, we do so primarily with the Soviet Union in mind.

This does not suggest that we are not hopeful with regard to the future peaceful evolution of world politics; quite the contrary. Considerable progress has been made during the last five years in improving the international political climate. The President has taken many important initiatives: opening up new lines of communication with the Soviet Union and with the Peoples' Republic of China, helping to settle long-standing disagreements between East and West such as Berlin, beginning in practical ways to put limits on armaments, and ending our military involvement in the hostilities in Indochina. There has been a new spirit of cooperation between East and West, reflected in these practical arrangements, that offers the possibility—as yet it is no more than that—of a more durable peace in the future. And as you know, United States force levels have declined substantially in the wake of these Presidential initiatives, and the share of our national resources committed to defense has been significantly reduced.

Neither am I suggesting that the difficulties in the international situation imply that there will be an unconstrained arms race or frequent confrontations between East and West. It is precisely to avoid these circumstances, and to put boundaries around arms competition, that we are engaged with the Soviet Union in SALT II. And it is to achieve a similar objective, through a more stable balance at lower force levels in Central Europe, that we and our NATO Allies are engaged in negotiations on Mutual and Balanced Force Reductions with the Warsaw Pact states.

While we pursue negotiations about mutual reductions of arms, in furtherance of detente, it is my judgment that we must maintain a worldwide military equilibrium. Short of that, we create the possibility of vacuums and temptations that could undermine detente and the hope for improved political relations with the East.

A policy requiring us to maintain our military strength and alliances while we are actively pursuing detente with the Soviet Union and the Peoples' Republic of China may appear to some as incongruous. We have a long tradition in this country of arming with great haste when war comes upon us, and disarming with even greater haste when the war is over; and we have tended, often, to view our relations with other nations in terms of absolutes—friend or foe, ally or adversary, cold war or detente.

Unfortunately, the real world is more complicated. Today, I hardly need argue that a feast and famine approach to national defense is no longer feasible, let alone desirable. Our experience in this century has amply demonstrated that satiating our military establishment in wartime and starving it in peacetime brings us neither peace nor long-term alleviation of the heavy burden of defense. In both blood and treasure, it will cost us less to maintain a reasonably stable level of defense effort until it is possible to achieve genuine mutual reductions in armaments.

The Soviet Union shows that it, at least, sees no inconsistency between detente and increasing military capabilities. We see continuing increases in Soviet budgets, forces and forward deployments. The Soviet Union is making significant improvements in its strategic nuclear forces and, in concert with its partners in the Warsaw Pact, maintains large and ready general purpose forces. These forces are, in fact, the most usable elements of their considerable and diversified military power. We would serve ourselves and our Allies poorly indeed if we relied solely on fond hopes or soft words while failing to take practical account of improving Soviet capabilities.

The Soviet Union has historically been a relatively prudent and sober power and I trust it will continue to be so. I hope that as a result of our mutual recognition that there is no good alternative to peaceful cooperation, we shall gradually achieve a world in which security is based upon something more than a balance of arms. But until such a time arrives we must recognize the need for a stable balance of military forces. As a minimum, we must keep a visible strategic nuclear balance, contribute to a balance of general purpose forces in central Europe where the bulk of Soviet and Warsaw Pact forces are arrayed against NATO, and together with our Allies maintain a balance of naval forces to ensure the freedom of the seas and the protection of our sea lines of communication, as has been the long tradition of the United States.

1. *The Strategic Nuclear Balance*

There have been two aspects in the development of Soviet strategic forces, one long-term and the other more recent, that affect our present strategic forces planning and the deterrent value of our strategic systems. The long-term and quite well known factor is that over many years the Soviets have been steadily closing the gap in nuclear capabilities between them and us.

For a period of time prior to 1960 the United States had a virtual nuclear monopoly. By 1960 it was perceived that our monopoly advantage would ebb; and, in fact, it not only began to ebb, but by 1966–67 the Soviet Union had a very substantial intercontinental counter deterrent. During the early 1960's it was stated quite clearly by President Kennedy—and also by a large majority of Americans in both parties—that the United States needed alternatives other than suicide or surrender, that it needed options which did not imply immediate escalation to major nuclear war.

If anything, the need for options other than suicide or surrender, and other than escalation to all our nuclear war, is more important for us today than it was in 1960, because of the growth of the capabilities possessed by other powers. These additional options do not include the option of a disarming first strike. Neither the USSR nor the United States has, or can hope to have, a capability to launch a disarming first strike against the other, since each of us possesses, and will possess for the foreseeable future, a devastating second-strike capability against the other. This almost certainly will deter the deliberate initiation of a nuclear attack against cities, for it would bring inevitable retaliatory destruction to the initiator. Thus, this basic deterrent remains intact.

A development of more recent years is the accelerated improvement in Soviet missile technology. The Soviet Union now has the capability in its missile forces to undertake selective attacks against targets other than cities. This poses for us an obligation, if we are to ensure the credibility of our strategic deterrent, to be certain that we have a comparable capability in our strategic systems and in our targeting doctrine, and to be certain that the USSR has no misunderstanding on this point.

It is true that in addition to retaliatory targeting against urban and industrial centers, our war plans have always included military targets. The purpose of having war plans whose dimensions are generally understood by potential foes is, first, to deter rash actions. But secondly, if deterrence fails, the war plans provide the National Command Authorities—the President and his advisers—with well thought-out, detailed sets of options.

In the past, most of those options—whether the principal targets were cities, industrial facilities, or military installations—have involved relatively massive responses. Rather than massive options, we now want to provide the President with a wider set of much more selective targeting options. Through possession of such a visible capability, we hope to reinforce deterrence by removing the temptation for an adversary to consider any kind of nuclear attack. Therefore, the changes we are making in our strategic planning this year are specifically intended to shore up deterrence across the entire spectrum of risk. We believe that by improving deterrence across the broad spectrum, we will reduce to an even lower point the probability of a nuclear clash between ourselves and other major powers.

But if, for whatever reason, deterrence fail, we want to have the planning flexibility to be able to respond selectively to the attack in such a way as to (1) limit the chances of uncontrolled escalation, and (2) hit meaningful targets with a sufficient accuracy-yield combination to destroy only the intended target and to avoid widespread collateral damage. If a nuclear clash should occur—and we fervently believe that it will not—in order to protect American cities and the cities of our allies, we shall rely into the wartime period upon reserving our "assured destruction" force and persuading, through intrawar deterrence, any potential foe not to attack cities. It is through these means that we hope to prevent massive destruction even in the cataclysmic circumstances of nuclear war.

This adjustment in strategic policy does not imply major new strategic weapon systems and expenditures. We are simply ensuring that in our doctrine, our plans, and our command and control we have—and are seen to have—the selectivity and flexibility to respond to aggression in an appropriate manner. We do not intend that the Soviet Union should have a wider range of options than we do.

Even after these adjustments to our present policy, there remains a serious potential problem for the future of our strategic policy and forces. In recent years, the USSR has been pursuing a vigorous strategic R&D program. This we had expected. But its breadth, depth, and momenum as now revealed comes as something of a surprise to us.

During the past year alone, the Soviets have tested four new ICBM's (the SS–X–16, SS–X–17, SS–X–18, and SS–X–19), and have developed their first MRV-submarine-launched missile. The new ICBM's are of especial interest. Three of the four have been flown with MIRV's, and all of them are being designed for increased accuracy. The very large SS–X–17 and SS–X–19 are considered as successors to the relatively light SS–11. They will have from three-to-five times the throw-weight of the earlier model SS–11's, which now constitute the bulk of the Soviet ICBM force. If all three new and heavier missiles are deployed, Soviet throw-weight in their ICBM force will increase from the current 6–7 million pounds to an impressive 10–12 million pounds.

This throw-weight, combined with increased accuracy and MIRV's could give the Soviets on the order of 7,000 one-to-two megaton warheads in their ICBM force alone. They would then possess a major one-sided counterforce capability against the United States ICBM force. This is impermissible from our point of view. There must be essential equivalence between the strategic forces of the United States and the USSR—an equivalence perceived not only by ourselves, but by the Soviet Union and third audiences as well. This was the essence of the SALT I agreements.

With these things in mind, we are seeking in SALT II to ensure that the principle of essential equivalence is upheld. We are also proposing in the FY 1975 budget several strategic R&D programs conducted within the SALT I agreements as hedges against the unknown outcome of SALT II and the uncertain actions of the USSR. The United States is prepared to reduce, stay level, or if need be increase our level of strategic arms, but in any case that level will be fixed by the actions of the Soviet Union. If the Soviet Union insists on moving ahead with a new set of strategic capabilities, we will be forced to match them. We would prefer, however, to reduce the present balance in such a way that strategic equivalence can be achieved at the lowest cost and least destabilizing level of forces.

2. *The NATO-Warsaw Pact balance*

There are some who feel that the United States entered indiscriminately into security commitments in the post-World War II period, and that it is time to review those commitments. I agree that we ought to review our commitments. But the worst thing of all would be if the United States, in reviewing commitments now believed by some to have been entered into indiscriminately in an earlier period, were to abandon these commitments indiscriminately—because many of those commitments are vital to our security, and to the place and role of the United States in the world today. We can retreat to the North American continent, and we can perhaps survive there indefinitely. But it would be a changed world, and one in which many of the better aspects of the American society would be increasingly subject to strain.

NATO is perhaps our most important commitment. I hardly need remind this Committee of the fundamental ties between the United States and Europe, or to recall for you all we have done in this century to help insure European freedom and vitality. Nor need I tell you that American and European interests in the larger issues of mankind are indivisible. It is for these larger reasons, as well as our own immediate national interests, that we have worked so hard, over so many years, under so many Administrations, both Democratic and Republican, to establish a solid foundation for Western security, and to help insure political stability and economic well-being.

As far as I am aware, there is no fundamental disagreement with these basic assumptions of our European policy. It is instead on certain manifestations of that policy about which there is disagreement—whether the NATO conventional forces are adequate for deterrence and defense, and whether the United States is bearing a disproportionate share of the collective defense burden of the Alliance.

It is precisely to these two aspects of our NATO policy that I have devoted so much attention in my discussions with the NATO Defense Ministers. My purpose has been to begin a process aimed at achieving over the next three years two fundamental security objectives necessary to sustain an adequate defense posture:

First, the construction of a satisfactory basis for maintaining an adequate overall NATO security posture for the long haul, including balanced forces with rational missions credible to our adversaries and ourselves.

Second, an equitable adjustment of burdens to put United States participation in NATO, and the United States military presence in Europe, on a solid, durable foundation acceptable both to the United States Congress and public, and to our Allies.

The objective of NATO strategy is deterrence, and the forces we field to achieve deterrence are both nuclear and conventional forces. The role of these forces has changed over time. In NATO's early days, the United States enjoyed a clear superiority in nuclear forces. This allowed early NATO strategy to be based on the "tripwire" concept, by which conventional ground forces in Europe were designed to serve primarily to trigger nuclear retaliation by the United States against a Warsaw Pact attack.

Now, as the Soviet Union reaches nuclear parity with the United States, deterrence will be strongly reinforced if there is a balance of conventional as well as of nuclear forces. This clearly does not mean that we no longer require a nuclear deterrent. Nor does it mean that the American nuclear commitment to the security of the Alliance has been outdated. The commitment is firm. But it does mean that our nuclear forces may no longer carry the same dominant weight in the balance of deterrence that they did in an earlier period, and this places a higher value on NATO's conventional military capabilities. Thus a strong conventional capability is more than ever necessary—not because we wish to wage conventional war but because we do not wish to wage any war.

I have discussed with our NATO Allies what I call the "NATO triad", which is different in concept from our strategic triad. It is based upon strategic forces primarily provided by the United States, tactical nuclear forces that would be available in the event that Western Europe started to be overrun, and a stalwart conventional capability. I believe that the European Allies are aware of the implications of nuclear parity, and are now more interested in a stalwart conventional capability than they have been since the inception of NATO in 1949. This new perception is vitally important because the decision to use nuclear weapons will be an agonizing decision not lightly entered into by anybody nor lightly concurred in by the member nations of NATO.

While many agree with the need and importance of conventional forces, there is controversy over the balance of military forces between NATO and the Warsaw Pact. It has sometimes been suggested that NATO does not have, and cannot afford to acquire, a conventional option which does more than serve as a trip-wire for nuclear war. I disagree. Our analysis suggests that NATO has the essential ingredients for such a balance. If the NATO countries do not falter in their defense programs, and if we can concert our defense efforts more effectively, there is no reason why NATO should not be able to achieve and sustain an adequate defense posture for the long haul.

NATO has fielded a large military force of high quality. It is a force of considerable strength. It continues to improve. In many respects it is not the equal of the Warsaw Pact force opposing it—for instance, in maneuver divisions and tanks. NATO's main reinforcements, those from the United States, are not so close as those of the Soviet Union. But NATO has some strengths of its own, such as tactical air forces, and the Warsaw Pact has some weaknesses and vulnerabilities, such as logistics and the uncertain reliability of some Pact members. NATO could give a good account of itself in defense, provided NATO gives itself the defensive weapons and military cohesion it needs. Of course, NATO is dependent on each member keeping up its individual efforts. All must do their fair share if the present disparities between NATO strength and that of the Warsaw Pact are not to become insuperable.

This realistic and positive assessment of NATO's conventional defense capabilities does not mean the existing correlation of forces between NATO and the Warsaw Pact is satisfactory for our security. While NATO does have substantial conventional defense capabilities—and it is important that the Soviet Union realize this—there remain objective disparities, and any Mutual and Balanced Force Reduction agreement must address these disparities if it is to enhance stability.

The second major objective I have pursued with our European Allies is the achievement of an equitable adjustment of the defense burden. In fairness, we should acknowledge at the outset that NATO defense has been far from a single-handed effort by the United States. Of the peacetime forces deployed in the European areas, our allies contribute approximately 90 percent of NATO's ground forces, 80 percent of the ships, and 75 percent of the aircraft. In the critical central region of Europe, the United States contributes only 23 percent of NATO's manpower—compared, for example, with the Soviet Union's share of 46 percent of Warsaw Pact manpower.

I am confident, from my meetings with the Defense Ministers, that the Allies do appreciate the need to achieve a more equitable sharing of the defense burdens. In fact, they have been moving in this direction for the past several years, as evidenced by the real increases in their defense budgets—increases that have occurred notwithstanding the process of detente, and at a time when our own defense budget and forces have shown substantial real reductions. I am hopeful that allied defense budgets will continue to increase overall during the next few years, although the present economic prospects in some countries are discouraging.

The Allies are of course also aware of the present Congressional requirement that full offset of the United States balance of payments deficit on defense account in FY 1974 be obtained and that compensatory reductions in United States forces stationed in Europe as part of our NATO commitment be made if offset arrangements are inadequate. I believe, although I cannot at this time promise, that offset arrangements with the Federal Republic of Germany and with our other Allies will fulfill the requirement of the law without requiring unilateral redeployment of United States forces from Europe. These arrangments will make an important contribution to the burden sharing objective we seek.

I do not intend, however, to rest our burden sharing objective on the Defense balance of payments account. The balance of payments accounts are only one indicator of the respective burdens being borne by each Ally. What we seek, as I have mentioned, is an adjustment of general burdens which will put United States participation in NATO, and the United States military presence in Europe, on a more solid footing.

But after a more equitable sharing of the defense burden, there is, frankly, no satisfactory alternative in the near term to the continued presence in Europe of substantial numbers of United States forces. Reductions in United States forces in Europe would be prudent only through successful negotiation with the Warsaw Pact. While we are seeking greater efficiencies in the use of our forces, and are working with our Allies to achieve a more efficient and effective allocation of our collective resources, early improvements of this nature are not likely to permit unilateral United States force reductions so long as the Warsaw Pact continues to improve its capabilities.

The Mutual and Balanced Force Reduction negotiations do hold out a real prospect for reductions. It is not a certain prospect, for we do not seek reductions at any cost, but only reductions that contribute to security in Europe. We and our NATO Allies have put forward proposals which would achieve both a more stable balance and reduced levels of forces and we hope progress can be made. Neither purpose would be served by mechanical reductions yielding a precarious correlation of forces. Both are served by the approach to negotiations being taken by us and our Allies.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order of recognition of the Senator from Ohio (Mr. TAFT) and the Senator from Virginia (Mr. WILLIAM L. SCOTT) be reversed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Virginia (Mr. WILLIAM L. SCOTT) is recognized for not to exceed 15 minutes.

Mr. WILLIAM L. SCOTT. Mr. President, I am interested in and concur with the thoughts expressed by the distinguished Senator from Nebraska with regard to the B-1 bomber.

It happens that Senator TAFT and I are on the Committee on Armed Services, and we both need to be present at that committee. That is why, when the Senator was not in the Chamber at the time, the order of our recognition was reversed. However, inasmuch as I have not commenced my remarks, if the distinguished Senator wishes, I will be glad to yield and permit him to proceed, whatever might be his pleasure.

Mr. TAFT. I thank the distinguished Senator, but I see no reason not to go ahead with the present arrangement. I am sure that I will learn a great deal, as we all will, by listening to the remarks of the distinguished Senator from Virginia.

Mr. WILLIAM L. SCOTT. The Senator is most kind.

DEFENSE SPENDING

Mr. WILLIAM L. SCOTT. Mr. President, I would like to discuss briefly a trend in defense spending which causes some concern, and that is the relationship between defense spending for manpower and operations and maintenance, compared with spending for investment which is defined as the sum of procurement, research and development, and military construction—or, to put it more simply, between defense spending for men and operations versus that for hardware.

My concern is that personnel related costs—obviously, we are concerned about the personnel in our Armed Forces—may price us out of the ability to wage war or to defend the country.

MANPOWER AND OPERATIONS AND MAINTENANCE VERSUS INVESTMENT SPENDING—FISCAL YEARS 1964–74

Let us look at some of the facts. Defense budget outlays in fiscal year 1964 were $50.8 billion and 10 years later, in fiscal year 1974, they were $78.4 billion, an increase in defense outlays for the 10-year period of $27.6 billion. Of that $27.6 billion increase, $26.2 billion went for manpower and operation and maintenance costs—$21 billion for manpower and $5.2 billion for operation and maintenance—and only $1.5 billion of the increase for all of investment. In other words, 95 percent of the increase in defense budget outlays between 1964 and 1974 have gone to manpower and operation and maintenance, and only 5 percent to investment.

Remember that investment is defined as all of military procurement, research and development, and military construction. Of course, when we realize that military construction in part relates to personnel, the difference in the spending for men and operations compared with that for hardware is even greater.

At this moment, Mr. President, the Committee on Armed Services is considering a military construction authorization bill of $3.9 billion, about 60 percent of which is related to personnel.

I might note here that the points made above can be dramatized even further by realizing that manpower costs reflect over 500,000 fewer military personnel in 1974 than in 1964.

Mr. President, I ask unanimous consent to have printed in the RECORD a table that indicates the amount spent by the Department of Defense for the years from 1954 through 1976 and breaks it down as to pay and operation and maintenance costs as well as investment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE OUTLAYS, FISCAL YEARS 1954–76

[In billions of dollars]

Fiscal year	Pay and operation and maintenance (O. & M.) costs	Investment, procurement, R. & D., and military construction	Total
1954	22.5	21.1	43.6
1955	20.3	17.1	37.4
1956	21.3	16.7	38.0
1957	21.9	18.3	40.2
1958	22.4	19.0	41.4
1959	23.3	20.4	43.7
1960	23.1	20.0	43.1
1961	24.1	20.5	44.6
1962	26.2	22.0	48.3
1963	26.8	22.7	49.5
1964	28.2	22.6	50.8
1965	29.3	17.8	47.1
1966	33.7	21.4	55.1
1967	41.1	27.2	68.3
1968	45.0	33.1	78.0
1969	49.0	29.7	78.7
1970	50.5	27.4	77.9
1971	49.8	25.7	75.5
1972	51.6	24.3	76.0
1973	53.0	21.8	74.8
1974	54.4	24.0	78.4
1975 (estimate)	60.6	24.2	85.8
1976 (estimate)	65.1	27.7	92.8

Mr. WILLIAM L. SCOTT. I also ask unanimous consent, Mr. President, and I think it would be of interest to the Senate, to have printed in the RECORD another table prepared by the Department of Defense that shows personnel costs as a percentage of the Department of Defense budget.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PERSONNEL COSTS AS PERCENT OF THE DOD BUDGET

[Outlays in billions of dollars]

	Fiscal year—						
	1954	1964	1968	1973	1974	1975	1976
DOD budget total (outlay)	43.6	50.8	78.0	73.8	78.4	84.8	92.8
Personnel costs:							
Military basic pay [1]	7.6	8.5	12.8	17.6	18.1	18.9	19.4
Military special pay and allowances	3.6	4.5	7.1	5.6	5.6	6.2	6.5
Civil service payroll	4.8	7.3	10.3	13.0	13.4	14.6	15.4
Family housing		.5	.4	.6	.7	.9	1.1
Military retired pay	.4	1.2	2.1	4.4	5.1	6.3	6.9
Total pay and allowances	16.4	22.0	32.6	41.2	43.0	46.8	[2] 49.2
Percent personnel costs	37.6	43.3	41.8	55.8	54.8	55.2	53.0
End military strength (in thousands)	3,302	2,685	3,547	2,252	2,161	2,129	2,100

[1] Basic pay plus items denominated in basic pay.

[2] Includes $1,200,000,000 contingency for 5 percent pay increase.

Mr. WILLIAM L. SCOTT. The first table provides data on defense manpower, on operation and maintenance, and on defense spending for the 10 years that I have referred to previously. It also has the estimates for 1975 and 1976. A third tabulation that I have shows the military and civilian pay raises since 1945. Mr. President, I ask unanimous consent to have it printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE—PAY AND PRICE INDICES INCREASES SINCE 1945

Effective date	Military and civilian pay increase: Regular military compensation [1] (percent)	Military and civilian pay increase: Classified civilian salaries (percent)	Pay and purchase price indices (fiscal year 1964–100): Fiscal year	Regular military compensation [1]	Classified civilian salaries	Purhcase price [2]
Jul. 1, 1945		15.9	1946	----------	50.2	----------
July 1, 1946	[3]23.7	14.2	1947	61.4	57.4	----------
July 1, 1948		11.0	1948	61.4	57.4	----------
Oct. 1, 1949	21.6	----------	1949	61.4	63.7	78.2
Oct. 28, 1949		4.1	1950	73.0	65.4	76.2
July 1, 1951		10.0	1951	76.2	66.3	83.2
May 1, 1952	10.9	----------	1952	77.5	72.9	83.1
March 1, 1955		7.5	1953	84.4	72.9	82.4
April 1, 1955	2.8	----------	1954	84.4	72.9	80.9
Jan. 1, 1958		10.0	1955	84.8	74.8	85.5
June 1, 1958	6.3	----------	1956	86.1	78.4	88.8
July 1, 1960		7.7	1957	86.1	78.4	94.8
Oct. 14, 1962		5.5	1958	86.5	82.3	96.2
Oct. 1, 1963	8.4	----------	1959	91.0	86.2	98.1
Jan. 5, 1964		4.1	1960	91.0	86.2	97.6
July 1, 1964		4.2	1961	91.0	92.9	99.3
Sept. 1, 1964	1.4	----------	1962	91.0	92.9	98.8
Sept. 1, 1965	6.4	----------	1963	92.8	96.5	99.4
Oct. 1, 1965		3.6	1964	100.0	100.0	100.0
July 1, 1966	2.8	2.9	1965	102.1	106.3	102.3
Oct. 1, 1967	4.5	4.5	1966	107.8	109.2	104.2
July 1, 1968	4.9	4.9	1967	112.0	113.2	106.8
July 1, 1969	9.1	9.1	1968	116.7	117.1	109.7
Jan. 1, 1970	6.0	6.0	1969	124.2	124.2	113.7
Jan. 1, 1971	6.0	6.0	1970	140.1	139.6	119.3
Nov. 14, 1971	13.1	----------	1971	148.5	148.0	126.3
Jan. 1, 1972	5.5	5.5	1972	173.3	156.5	131.0
Jan. 1, 1973	5.1	5.1	1973	193.2	164.8	136.6
Oct. 1, 1973	4.8	4.8	1974	208.4	174.9	152.2
Oct. 1, 1974	5.5	5.5	1975	222.6	184.3	184.5

---

[1] Regular military compensation is the sum of basic pay, quarters allowance, subsistence allowance, and the tax advantage on these allowances (which are not subject to income tax).

[2] Noncompensation component of the deflator for Federal purchases of goods and services. Source: 1949–74, Department of Commerce.

[3] This was a 23.7 percent increase in basic pay. The equivalent in RMC terms has not been computed.

Mr. WILLIAM L. SCOTT. This tabulation shows that there have been military and civilian pay raises each year since 1964.

This is one of the major reasons for the increase in personnel-related costs.

REASONS FOR INCREASED COST OF MANPOWER

I will not dwell on why personnel-related costs have gone up significantly in the past 10 years. The reasons should be sufficiently clear to all—military pay raises each and every year since 1964, a significant military pay raise in 1971 which went mainly to the junior officer and enlisted ranks, increases in military medical benefits, increasing costs of retired pay due mainly to increased numbers of retirees and along with the higher pay scales and automatic Consumer Price Index adjustments of retired pay, and so on.

Many of these increased benefits were related to the development of the all-volunteer army concept. I do not intend to discuss the desirability of the all-volunteer army, but I do feel that the effort to have an all-volunteer army has resulted in greater personnel-related costs.

SOME FACTS ON THIS PRESENT RETIREMENT SYSTEM

Let us look for a moment at some of the facts of the present miltiary retirement system as another illustration of the significant increase in the cost of military manpower.

Currently, there are over 1 million military retirees. It is estimated that there will be 1.8 million by fiscal year 2000. The fiscal year 1976 cost of retirement will be $6.9 billion, and by 1980 it is estimated to rise to $11 billion.

The liability of the retirement system is about $150 billion. Contrary to the concept that we have with regard to the civilian government employee, this is all unfunded liability, $150 billion. That means that the amount would have to be invested at 3.5 percent interest into the future to cover the current obligations of the system.

Military retired pay was less than 1 percent of the overall defense budget outlays in 1954. In fiscal year 1964, it was 2.4 percent. It will be over 7 percent of the total defense budget in the coming fiscal year 1976.

Retired pay has increased from $1.2 billion in 1964 to $6.9 billion in fiscal year 1976, an increase of $5.7 billion. This is almost a sixfold increase in 13 fiscal years.

It has been estimated, making reasonable pay and price index assumptions, that military retired pay disbursements will exceed $450 billion between 1976 and the year 2000. We are only talking about 25 years.

TRENDS IN INVESTMENT SPENDING

While some of these manpower cost increases may generally be understood, it might be well to review some of the defense investment spending over the years. In actual dollars, the investment portion of the defense budget has remained reasonably level over the past 20 years, except for the peak Vietnam war years from 1967 to 1970, when expenditures for aircraft, equipment, and other weaponry were high. This can be noted from the first table that I just put into the RECORD.

Investment spending has stayed roughly at the $22 billion level for fiscal year 1954 to 1974, with an average yearly variation from this figure of $2.25 billion, except for fiscal years 1967 to 1970, the peak Vietnam war years.

In terms of real purchasing power, however, defense investment spending has gone down significantly. The $21.1 billion in fiscal year 1954 would equal about $37 billion in 1974 prices; or, put differently, investment spending has been reduced from an effective $37 billion in fiscal year 1954, compared to $24 billion in fiscal year 1974.

REASONS FOR RELATIVELY STABLE INVESTMENT SPENDING—FISCAL YEAR 1954–74

Let us look at the reasons for the relatively stable investment spending between fiscal year 1954 and fiscal year 1974.

The Department of Defense has been able to keep its investment outlays relatively level for the past 20 years for two basic reasons. First, it has significantly reduced the quantities of weapons systems procured. For example, in the decade 1956–65 it procured more than 1,000 fixed wing aircraft per year whereas recent annual procurements have been about 500. Basically, technology, inflation, reduction in quantities procured, certain inefficiencies in the procurement process, revisions to specifications, have lead to a dramatic increase in the unit cost per weapons systems. The money that bought 100,000 fighter aircraft in World War II, when adjusted for inflation, would buy fewer than 1,000 F–14 fighters today.

A second reason that the Department has been able to keep its investment outlays relatively level for the past 20 years was through a significant falloff in strategic force investment. In earlier years, fiscal years 1956–62, the average strategic investment was about $25.3 billion per year—in fiscal year 1976 dollars. The period fiscal years 1956–62, of course, saw significant spending for such strategic systems as Minuteman, Polaris, B–52's and various tactical systems.

CONCLUSION

In conclusion, Mr. President, it seems clear that the predominant increases in the defense budget over the last 10 or even 20 years have been for manpower and not for investment which is defined as the so-called "hardware systems" and research and development. In my opinion, investment spending will have to be increased over the next 5 to 10 years as new generations of aircraft, ships, and strategic systems replace their older counterparts.

We cannot allow our equipment and materiel to become obsolete and inferior to that of any potential enemy.

For example, new tactical aircraft, the

F-14's, the F-15's, and the light weight fighters, will replace, among other aircraft, the F-4's, which are a mid-1950's technology.

Is is, therefore, not surprising to see investment spending increase from $21.8 billion in fiscal year 1973 to an estimated $27.7 billion in fiscal year 1976.

If any significant reductions are to be made in the defense budget, it must be done through cost cuts in manpower costs and not in investment. If significant cuts are to be made in manpower certain tough policy decisions must be addressed, such as our commitments to NATO, Korea, and other parts of the world.

We need to review the concept of defending the world from a superpower viewpoint, that is policing the world ourselves. We must urge greater participation by other free nations.

I am not willing to base our Nation's future security on détente nor to bankrupt our Nation by guaranteeing freedom to all people or giving them all keys to our Treasury.

We need a new understanding, under which all nations of the free world assume their fair share of the burden of remaining free.

U.S.-SOVIET NAVAL BALANCE

Mr. TAFT. Mr. President, I commend the distinguished Senator from Virginia for a very comprehensive analysis of the personnel versus capital investment problem that we have insofar as our national security needs are concerned.

It is particularly appropriate at this time, I think, that I should go on and discuss particularly the naval threat and the problems that I see in that area, because it does seem to me that in building up our fleet and naval weapons we are going in the direction the distinguished Senator has already indicated, of trying to get the armed services in a position where, with the minimum number of personnel, we feel that we are sufficiently equipped and that we have sufficiently advanced systems so that we are capable of defending ourselves and meeting our defense needs.

It is particularly appropriate, I think, too, to talk this morning about the naval situation, when we have just seen in the Cambodian conflict of the last few days the necessity of sea power in order to keep the sea lanes open. We have seen projections of sea power into an area where I hope we do not find repetitions of the need. But the existence of the capability to meet that threat is, in my opinion, far more likely to result in deterrence of additional incidents of this kind than would be the case if we do not keep ourselves adequately equipped and supplied to meet such situations.

Mr. President, I expressed myself some days ago on the subject of the United States-Soviet naval balance. As I noted at that time, the United States is essentially an island. While our overland connections to the north and to the south are not insignificant, over 60 percent of our border is shoreline. Our basic orientation has always been to the east and west, to the Atlantic and Pacific Oceans and the resources and markets that lie beyond them.

The sea is our lifeline. Our foreign trade, imports and exports, was worth over $139 billion in 1973; 45,795 foreign-flag ships entered our ports in that year; and an increasing percentage of the vital raw materials for our industries came from overseas, including over 84 percent of our bauxite, 64 percent of our chromite, 42 percent of our copper, 84 percent of our manganese, 92 percent of our nickel, and 36 percent of our petroleum. The importance of this trade, and the already startling degree to which we depend on imported natural resources increase each year.

In many ways our position on the sea in this century is similar to that of Britain in the 200 years preceding the First World War. If we are somewhat less dependent on imports and exports than was England, we nonetheless bear the same burden of maintaining the worldwide freedom and security of the seas that Britain bore before us. The American flag at the mast of an aircraft carrier has become the same symbol of power for peace, order, and commerce that the Union Jack on a cruiser was 70 years ago. Like Britain in the early part of the century, we face a challenge to our seapower—a challenge from a new naval power with strong interests in disrupting peace, order, and commerce we seek to protect. Then, the challenge was Imperial Germany, where the genius of Admiral Tirpitz and the Kaiser's drive for a "place in the Sun" sent dreadnoughts, battle cruisers, and U-boats down the ways at a pace which Britain was strained to match. Today, the challenge comes from Moscow, not Berlin, but its meaning for the dominant naval power, the United States, is much the same as it was then for Britain.

Since Admiral Zumwalt, then Chief of Naval Operations, stated the Soviet Navy was No. 1 in the world, there has been a great deal of inconclusive debate over the accuracy of his assertion. While his statement was relative to the ability of each navy to perform its assigned mission, most of the debate has been in terms of numbers and ship types. Yet even in those terms, a case can be made for the admiral's opinion. The Soviet Union currently has 1,062 naval vessels in commission; we have less than 500. They have 340 submarines to our 115. They have 54 major fleet units built since 1960 in commission, excluding submarines and amphibious ships; we have 66. But our slight numerical edge in those recent ships is partly offset by the fact that a large number of their major units are equipped with antiship missiles, a potent armament that not one of our major units presently carries. The Russians have, in addition, over 150 missile-armed attack boats.

The picture is even more clear if we look beyond ship numbers to capabilities. There are two Soviet naval capabilities which relate directly to the United States-Soviet naval balance: Their anticarrier capability and their submarine capability.

The Soviet answer to our aircraft carriers has not been to build carriers of their own; they are, indeed, building aircraft carriers, but they are not for fighting against our carriers. The Soviet answers to our carriers in their antiship missiles. The first Soviet antiship missile became operational in 1958; the "Styx" missile, which sank the Israeli destroyer *Eilat* in 1967, has been in the Soviet inventory since 1960. Today, the U.S.S.R. has at least seven different types of these missiles in service, some with a range in excess of 400 miles and some of a ballistic missile nature which is very difficult to defend against if at all possible to defend against.

Mr. HANSEN. Mr. President, will the Senator yield at that point?

Mr. TAFT. I would be glad to yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I wish to ask my distinguished colleague from Ohio if the Soviet Navy is really as technologically sophisticated as many people believe it is. Comparing it by American standards do we find that it is not all that sophisticated, maybe a little on the crude side?

Mr. TAFT. I thank the Senator for his question. I think we have got to face up to this because there is a lot of misunderstanding about it.

The Soviet ships are very impressive technologically, including by American standards. They are very heavily equipped with sophisticated electronics-specialized radars, jamming equipment, electronic deception and intelligence-gathering devices, and equipment for electronic counter-countermeasures. In some areas of naval technology the Soviets are superior: For example, their ships generally have better sea-keeping qualities than ours—that is to say, they are more stable in bad weather. I have already mentioned that the Soviets are far ahead of us in the field of antiship missiles.

The Soviets, we must remember, do things differently than we do: They do not just copy us. But that does not mean they do not do them well. For example, they coat their submarines with a rubberized material that absorbs sonar impulses. We do not even attemp that; yet, it works—it makes their submarines harder to detect. They also have a different approach to antisubmarine warware—they use narrow-band sonars, where we use wide band. This sometimes leads us to say, "We must be superior, because they are not doing what we do just the way we do it." That is a very dangerous vanity. There are sometimes better, or equally good, ways to do a job that are very different from our way. We sometimes underestimate Soviet capabilities because we do not see they are not trying to copy us; they have their own ideas as to how a job should best be done, and are doing it in a very impressive way.

Mr. HANSEN. If the Senator, Mr. President, will yield further, then it is fair to assume that the argument that is made by those who want to cut back on the Military Establishment and, particularly, to cut back in the sophistication and diversity in our naval armada are trying, in the Senator's judgment, to persuade us that our relative greater degree of sophistication insures us of defense superiority, while such a position is not warranted by the facts; is that a fair statement?

Mr. TAFT. I think the Senator has made a very fair statement and one that I hope that gets broad circulation because I think there is misunderstanding about this.

The Soviets are spending great amounts of money in this and great efforts. They have some techniques that are classified and in the intelligence area, but that, I think, presents a major threat that we have got to recognize.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. TAFT. I would be glad to yield to the distingushed Senator from Tennessee.

Mr. BROCK. The Senator has commented on funding by Congress. I would like to change his focus.

Let me say at the outset I very much share the concern of the Soviet naval threat, and I think it poses an enormous security hazard to the United States unless we are prepared to cope with it, and I think we fully can cope with it, but the question I have is more to the policies adopted afterward by the Department of Defense itself. Are they adequate? Are they responsive to the threat, the growing threat, of Soviet naval strength?

Mr. TAFT. I think the Senator raises a very good question. I am not entirely sure that they are. Particularly in the committee consideration of this year I was disturbed by the cutting back on research and development proposals of the Navy, which are minimal when we are talking about the overall amount of money involved that can be very, very key in meeting the technical threat.

Frankly, Senator, I am not certain. Certainly many of the leaders in the Department of Defense are aware of the Soviet challenge and are very concerned about it. The Secretary of the Navy, for instance, is very worried by the rapid advance in Soviet naval capabilities, and I am convinced he is doing his utmost, often under very difficult conditions, to insure that we respond to all aspects of the Soviet threats.

I have, let me say, great confidence in his ability. I am certain we will move to meet the Soviet challenge in all those areas where Secretary Middendorf can exercise a decisive input. I am not entirely, however, satisfied with the position of the whole Department of Defense.

In terms of Department of Defense response to certain projects, I think there is a certain lack of innovative thinking. One good example of what I mean is the surface effect ship program. I noted earlier that, whereas a modern submarine can do over 30 knots, our latest antisubmarine escort can make only 28. The surface effect ship is a concept which could give us an 80-knot antisubmarine ship. Yet this program has not really been pushed by DOD today. The Navy is all for it, but it seems to meet considerable resistance at higher levels. This is hard to understand, since a successful surface effects ship would enable us to jump ahead of the Soviets, instead of just trying to catch up to them.

Mr. BROCK. I appreciate the Senator's response because he has illustrated the reason I asked the question that I did, and that I had a similar concern with.

I do not think we are doing an adequate job, and I do not think it is in either the Defense Department or in Congress, and particularly in research and development. Let us face it, when you have to spend $1 billion for one submarine and over $1 billion for one aircraft carrier, and we are not doing any more in research and development, it does not do any good to have a submarine or a carrier that is not technologically superior and will be 10 years from now.

I am not concerned about today's defense. There is no question in my mind about the overall strategic superiority of the United States. But when I look at the explosion of Soviet expenditures in total defense and, particularly, in research and development, I do not think we are putting near enough into research and development.

We perhaps are putting more than we should in relation to hardware and not near enough into long-term research and development where we could achieve breakthroughs and where we could enhance or maybe assure the security of the United States.

Mr. TAFT. I think the Senator is absolutely correct. Let me give another example of one program which, if successful, would give us the means and would enable us to achieve a significant lead.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. McCLURE. Mr. President, I would ask unanimous consent that the time remaining that was assigned to the Senator from Nevada (Mr. LAXALT) be assigned to the Senator from Wyoming (Mr. HANSEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming is recognized.

Mr. TAFT. Mr. President, will the Senator yield me 2 or 3 minutes?

Mr. HANSEN. I would be happy to yield to my distinguished friend from Ohio.

Mr. TAFT. Another program which, if successful, would enable us to get a significant lead over the Soviets is the thrust augmented wing. This is an R. & D. program which holds very real promise of producing a VSTOL aircraft that would have performance comparable with that of a normal aircraft. Such a development would, in turn, enable us to put effective, high-power aircraft at sea on almost every ship in our Navy—every ship that now has a helicopter could become a small aircraft carrier. Yet, despite the enormous potential of such a development, DOD has been lukewarm about the whole project. Frankly, I think any program with the broad implications of the TAW should be pushed on a "crash" basis, in view of the developments of the Soviets.

Let me note also, Senator, in relation to the TAW, that in fiscal year 1975 even the small amount of money requested by DOD and approved by the Armed Services Committee—$19.3 million—was cut by the Senate Appropriations Committee by $10.7 million. I really find it hard to understand that action, and I certainly hope such a misunderstanding will not reoccur this year.

We do have the money that is asked for in the budget today, and I trust it will not be knocked out again by the Appropriations Committee. I am going to testify on it, but we have a plane ready to fly now, prototype ready to fly, that can take off absolutely straight up and land without the problems of the conventional VSTOL aircraft. We have the design. We have not really gone on to get to this flying stage yet and, it seems to me, we have developed this capability, and why we cannot go ahead with it now beats me.

I would note that the United States still has not deployed any anti-ship missiles.

Each of these missiles is a serious threat to an aircraft carrier. They can be launched from surface ships, submarines, or aircraft. Today, the Soviets have over 108 surface and 324 submarine launchers for long-range antiship missiles, and 598 surface plus 88 submerged launchers for shorter range SSM's.

To this one must add over 300 naval bomber aircraft carrying antiship missiles. This capacity means that the Soviet Union can launch simultaneously over 1,400 antiship missiles, each one of which has the potential capability of disabling an aircraft carrier. The United States today has 14 carriers; that is a ratio of 100 missiles per carrier, without the Soviets having to reload their missile launchers.

This extremely impressive—to me, frightening—capability to counter our aircraft carriers is matched by a Soviet capability to attack the sea lanes on which we depend. This "sea denial" capability is primarily a factor of the Soviet submarine fleet.

In total, the Soviets today possess about 340 submarines—the United States has 115. Of that total 68 are nuclear powered attack submarines—the kind used to attack shipping. Forty of those 68 carry antiship missiles. These are supported by about 230 conventional attack submarines, of which 28 carry antiship missiles.

To counter these almost 300 attack submarines, the United States today possesses 99 destroyers and 66 other escorts. Thus, the Soviets have about two submarines for each American antisubmarine escort ship. Yet, as Admiral of the Soviet fleet Gorshkov notes, in World War II for each German U-boat, there were 25 British and U.S. warships, and 100 aircraft, and for every German submariner at sea there were 100 British and American antisubmariners yet, nevertheless, this significant numerical superiority of defenders was insufficient to force the attackers to fully curtail their active operation.

We get some perspective on what the number of 300 attack submarines means if we look at the number the Germans had in World War II. I am certain every man in this Chamber remembers the dark days when the U-boats seemed to rule the Atlantic, when few allied convoys got through to England without heavy losses, and when it appeared that German naval power might well succeed in starving the British into surrender.

How many submarines did the Germans have in their battle for the Atlantic? When war broke out in September of 1939, Germany had a total of 57 submarines. Of these, only 39 were ocean-going attack submarines. Again, if war broke out today, the Soviets would have about 300—about 10 for each the Germans had.

The crucial phases of the U-boat war were conducted with very few boats. In June of 1940, the Germans had 19 U-boats at sea—two-thirds of their total operational boats. During that June, they sank 63 ships, totaling 355,431 tons.

In September of 1940, a year after the outbreak of war, Germany had only 27 attack submarines, 12 fewer than at the outbreak of the war. By February 1941, the Germans were down to 21. Yet during the following month of March, the Germans sank 43 ships, totaling 236,000 tons.

Again, I think this gives a useful perspective on what 300 Soviet submarines mean in terms of ability to cut the sea lanes.

These two Soviet capabilities—anti-carrier and sea denial—should, I believe, deeply concern every American. They should certainly worry every Member of the U.S. Senate. It is we who bear the responsibility of providing adequate material resources to counter these capabilities, to enable America to maintain the freedom of the seas on which she depends—just as the Secretary of Defense, the Secretary of the Navy, and the Chief of Naval Operations are responsible for using those resources in the proper manner to meet the specific threat. I can only hope that when history looks back upon this time, it will be able to say that all parties met their responsibilities.

There are several additional points that I believe should be made:

The aircraft carrier is still the only type of ship which can effectively project power ashore. That is why the Soviets are now building aircraft carriers—their first should be commissioned any day now. With all their cruisers and their missiles, and their long tradition of deriding aircraft carriers, the Soviets have been forced to realize that only an aircraft carrier can project naval power—through its aircraft—beyond an opponent's seacoast into the heart of his country.

It is true, however, that anti-ship missiles have increased the carrier's vulnerability in a naval engagement. This is a real problem. It is one that will require new ideas to solve—along with new types of ships and new ways of deploying our ships. The Navy, OSD, and the Congress will all have to take action to solve this potentially very serious problem. On the part of the Congress, that will mean voting above the current levels for R. & D. and ship procurement.

In order to meet the Soviet challenges in some cases we need to continue building the same types of ships we are building now. Submarines are a good example—our 688—class attack submarines are better than their Soviet equivalents, and our need is for more of them.

In other cases, we will need more ships of a basic type, but it is questionable whether the present designs are the best, in view of Soviet developments. For example, it is certain we will, in the future, need new aircraft carriers to replace existing ships which will have to be retired because of age. But instead of replacing them on a one-for-one basis with, say, *"Nimitz"*-class carriers, we might be much wiser to replace each retiring carrier with two or three smaller carriers designed for VSTOL aircraft. Such carriers are inherently less vulnerable to anti-ship missiles, because they can launch and receive aircraft even with extensive damage to the flight deck. More importantly, diversifying our striking power into greater numbers of ships is the single most effective way to thwart the Soviet anti-carrier capability.

But in many areas, we do need to develop whole new ship designs, weapon systems—and, I might add, fundamental concepts of how to fight a war at sea. The Soviets are highly innovative in all these areas, and we must be more imaginative and innovative than they are if we are not to lose command of the sea to them. One good example of an area where we need to innovate is anti-submarine warfare.

In World War II, a submarine had a maximum submerged speed of about 8 knots, and it could sustain that speed for only about 45 minutes. An escort vessel of the same period had a speed of 26–30 knots. Today, a Soviet *"Victor"*-class nuclear powered attack submarine can make over 30 knots, submerged, for days on end; but the new patrol frigate we are building for anti-submarine warfare will still go only about 28 knots—the same speed as a World War II escort, and slower than the submarine it is supposed to attack.

Another area where we need innovation is in small combatants, particularly fast missile boats. These boats—similar to PT boats, but armed with anti-ship missiles—are inexpensive yet powerful. They are particularly well suited to confined areas, such as the Persian Gulf and the Eastern Mediterranean. The Soviets have over 140 fast missile boats; China has about 80. The United States has two such craft, with two more building; the Navy has requested only 26. Our—the PHM—is superior to the Soviet and Chinese designs, being a hydrofoil boat; but the essence of employing such vessels is to use them in squadrons in large numbers. Because of the small numbers envisioned for our fleet, they will become, in effect, "high-mix" ships; ships which cannot be lost, hence, should not be risked. This illustrates a situation where we have the technical innovation, but lack the conceptual innovation needed to respond effectively to the Soviets.

In sum, we need a great deal of innovation to meet the Soviet challenge. At the same time, we need larger quantities of ships: And we must do a case-by-case analysis to determine whether we need more of what we have, or something new.

Finally, looking at DOD overall, I find a certain reluctance to relate the basic division of defense resources to our national requirements. We are, by nature, a seapower and an airpower, not a landpower; and we can only afford to maintain a large amount of landpower as a luxury, something done after we insure the unquestionable adequacy of our sea and airpower. Today, the adequacy of our seapower is very questionable; yet we see no move by DOD to shift resources, on a large scale, from land to seapower. I am afraid this reluctance stems more from fear of the internal conflict this would produce within DOD, than from a realistic assessment of America's grand strategy.

In short I am not certain DOD is doing enough to meet the Soviet naval challenge. It may be that we, in the Congress, should be pressing them to do more and to do it differently.

Mr. BROCK. Well, the Senator struck a responsive chord.

When I got out of the Navy in 1956, on my way out I went by Moffett Field and stopped to look at the test of the aircraft. In 1956, it was flying inside a hanger on a tether with a counterrotating prop. We are almost 20 years beyond that date and we have yet to develop that. We have the development, but we have not——

Mr. TAFT. The exciting thing about the plane that must be understood, it is not like the other aircraft.

Mr. BROCK. I know that.

Mr. TAFT. It is new and capable of performing in a comparable way in ordinary flight with any of our supersonic aircraft today. It is designed to do that and still have the distal capability.

Yet we are going very, very slowly on it. This is the kind of thing we have got to be doing to keep up with the Soviets and ahead of them in a technological way.

Mr. BROCK. I completely concur.

Mr. TAFT. I thank the Senator for his remarks.

I yield to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

THE RESTORATION OF CONFIDENCE IN AMERICA

Mr. HANSEN. Mr. President, millions of Americans today are proud of the courageous correct action President Ford has taken to retrieve the *Mayaguez*. This has done more to restore confidence in Washington and to repair the tarnished image of America worldwide than any event of the past year.

This country is solidly behind the President. The effect of that action has been to reestablish in significant degree world respect for the United States.

Mr. President, without the strong defense establishment maintained by the United States, it would have been impossible to even contemplate retrieving the *Mayaguez* by force. If the United States were not the most powerful nation in the world, the President would not have been able to make the decision he did to take positive action, as confidently or as expeditiously as he did. Obviously, no other nation stood ready to come to the rescue of the *Mayaguez*. The world knows that this is a powerful nation that views power as an obligation and not a privilege, and that has been pointed out a number of times on this floor today already. This is a Nation that does not abuse the power it has. The President could, because we have this power, with great confidence, order the action necessary to retrieve this American vessel, without fear of intervention by those who have chosen to ally themselves with the new, reckless and naive Government of Cambodia. The *Mayaguez* incident is further strong evidence against ever allowing the United States of America to become a second-rate military power.

I would like to take this occasion to compliment the distinguished Senator from Ohio for calling attention, specifically, to some of the illusions that I think all too many Americans suffer in these days Those illusions are believing, without facts to back the beliefs, that all is well, despite the fact that, in terms of real dollars, we have been cutting back on the military budgets of our country, in my opinion, for all too long.

Congress—and only Congress—can insure that America remains No. 1.

The President has the constitutional responsibility as commander in chief to see to the national security, We applaud along with Americans all over this country today—President Ford for his ability to act resolutely, courageously and quickly. In the long run, this kind of affirmative action will enhance world peace and promote respect for the rights of others.

America, by virtue of this action in Cambodia, serves notice on the rest of the world that we have been misjudged badly should our withdrawal from Indochina be thought indicative of a failure to stand for principle throughout the world.

The retaking of the *Mayaguez* and the recovery of its entire crew is the kind of definitive action, as all military history has proved time and again, that saves lives, makes less likely the possibility of war, and encourages respect for the rights of others.

Mr. President, I have been somewhat disturbed and saddened by some reports that came across in the media this morning of criticism of the President for not having consulted sufficiently with the leadership of the Congress. I have heard in recent days and weeks that there are those in this body and in the other body, and I think it includes people on both sides of the aisle, who have position papers prepared that anticipate the President's actions on significant issues that he will have to face so as to be ready with an immediate response no matter which side of an issue he comes down on, criticizing him and trying to undercut the leadership that he has displayed.

I do not know whether that is true or not. I could not state, as far as my personal knowledge is concerned, that it is true. But I say, Mr. President, as I read and follow what takes place, and the criticisms that are made from time to time by people who first attack the President from the right, and then from the left, it seems to me that there is some rather compelling evidence to indicate that that is the case.

If that is the situation, and I must admit that it seems that it could be, I am saddened by it. This would seem to me to illustrate a lack of responsibility, a lack of dedication and a lack of commitment to our country that ought to come first.

I believe, Mr. President, that putting such a high priority on personal political considerations does not serve our Nation well. We could all serve America better. In the long run it would be smarter politics, though I am certainly in no position to advise my colleagues as to the astuteness of a particular political position. But I do not think the typical American is as uncomprehending or as easily misled or deceived as some people seemingly conclude he is by virtue of the statements that they make.

These are tough times. They are times when we all know by virtue of the tragedy that occurred in Indochina, that America, more effectively to discharge the leadership role which it has, needs to have, first, a restoration of confidence in the minds of Americans in the leadership of America. Second, we need, as one people, to reassert the kind of decisive action, the ability to reach a conclusion and to take a course of action, that will command the respect and admiration of the rest of the world.

I am lecturing no one in particular, Mr. President. But I hope that despite the impending 1976 Presidential elections, it could be understood, that the more than 200 million Americans at home, in every hamlet and city of this country, want to have this country's actions and this country's future placed first and above every other consideration.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, I ask unanimous consent that 5 minutes of the time assigned to the Senator from South Carolina (Mr. THURMOND) be assigned to the Senator from Tennessee (Mr. BROCK) and the remainder of that time be assigned to Senator HELMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

A REESTABLISHMENT OF INTEGRITY

Mr. BROCK. Mr. President, I appreciate the generosity of the Senator from Idaho.

I would like to associate myself with the remarks of the Senator from Wyoming. I appreciate his candor and his courage in speaking forth. I thoroughly agree with what he has had to say. I must say that I woke up this morning with a prayer of thanksgiving for the President of the United States. I believe he took an enormously courageous step in reestablishing the integrity of this Nation after it has been much battered in recent weeks and years. I, for one, want to say that I not only appreciate his courage and his leadership, but I am deeply grateful that that man was in that office at that particular time to act in the interest of the American people.

We simply must learn the lesson of history. We have a talent for forgetting it. We made a horrible and unforgivable mistake about 6 years ago when another naval ship of the United States was seized. We lacked the ability, the will or whatever to respond. As a result, we had a major breach of our national security that has damaged this country extensively and will continue to do so in years to come.

This time we acted in a different fashion. National security was not involved in the direct sense of the ship. But national security was very much involved in the sense that this Nation is the only thing that stands between mankind and the return to the dark ages of slavery. It is about time we knew that, because the rest of the world understands it and understands it very clearly, both friend and foe alike.

A sense of relief has swept not only the people of the United States but the people of the free world at the reassertion of American will, integrity, and principle. It is a remarkable and refreshing thing to behold. I believe the President deserves our thanks and our prayers for his continued efforts in this regard.

I know the families of 39 or 40 men feel this way, but I think 220 million Americans feel the same way. I appreciate it.

I do believe there is one lesson to be learned, and that is this: We have allowed the lapse of our national security forces to the point where we could very quickly, in the next few years, come into fundamental jeopardy. We might not have saved those men. It was very close as to whether or not the *Coral Sea* and the attendant naval vessels could get there in time to save not just the ship, because that was not consequential, but 40 American lives, to act in the interest of American nationals wherever they might be.

We have allowed our Navy to become much weakened. We are at the lowest level of funding since 1951. It is about time somebody stopped talking about the increase in defense expenditures when we have had an absolute reduction in those expenditures for the last 5 consecutive years in constant dollars. That is a dangerous course to take. It is dangerous not just in Southeast Asia, but it is dangerous worldwide. If you want to look at a tinderbox, look to the Middle East where the 6th Fleet may be the only reason this country has not been involved in a war in that particular area. We were there when we had to be there, and we had the forces to be sure that other people were not there.

We do not have to look back before 1973 to remember the instance when the Soviet Union threatened to move in and the President decided as how they might have to climb over the 6th Fleet. They decided that was too high a mountain to climb.

Maybe we need to understand in this small instance just how essential the capacity for response to the national security is in an uncertain world. I hope and pray that the Congress will reconsider some of its actions to reduce not just our research and development, which I was discussing with the Senator from Ohio, but the hardware, the muscle, of our ability to maintain the peace. That is the fundamental question—not how to engage in war but how to maintain the peace. You do it through strength, through integrity, through action on principle rather than expediency. That is what the President of the United States demonstrated with great clarity in the last 24 hours. I, for one, am humbly and deeply grateful that we had a man of his integrity and capability in that office in these hours. For myself, I want to extend my gratitude to him.

Mr. HANSEN. Will the Senator yield?

Mr. BROCK. I yield.

Mr. HANSEN. I ask my distinguished colleague from Tennessee, while we do not yet know what the losses might have been in terms of American lives in retrieving the crew and this ship, does the Senator see a relevance in the decisiveness and the swiftness of our actions there, in terms of lives saved possibly elsewhere around the world—in Korea, or wherever? Is there some relevance in our response there and what could happen, or what might have happened otherwise?

Mr. BROCK. There is no question on that. The Senator's point is well taken.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I want to commend the distinguished Senator from Tennessee for his remarks. He has been preaching a sound gospel. The Senator from North Carolina wishes that the people of the entire country could have heard his fine presentation this morning. In fact, I wish that a few more Senators had been present here today to hear it.

Mr. BROCK. I thank the Senator for his remarks.

THE PANAMA CANAL

Mr. HELMS. Mr. President, the events of last evening which brought about the return of the freighter *Mayaguez* and the captured crewmen remind us once again—as the distinguished Senator from Tennessee and others have said today—that the only policy which brings us respect and admiration is a policy that firmly asserts our rights, and takes the necessary steps to see that those rights are protected. The freighter *Mayaguez* is only one ship. Yet it illustrates how important it is that international shipping be free from harassment, and, in this case, piracy.

If this is only one ship, then, think how important the Panama Canal is to world shipping and to the economy of the free world. It is roughly estimated that 70 percent of all goods entering or leaving the United States travel through the Panama Canal. And many other countries, such as Japan, depend upon the canal for efficient operation of their shipping and manufacturing operations.

Yet for over a decade, the U.S. State Department has been proposing a pusillanimous policy of surrendering our sovereignty over the canal to the Republic of Panama, a nation of less than 2 million people. For 10 years, the State Department has been promising that we will give up the canal, despite the strong opposition in the Congress and in the Nation to this irresponsible policy. Naturally this has unduly raised the hopes of the Panamanians. If you keep promising someone a handsome present, then naturally that someone gets irritable if it is not given right away. The State Department has merely fueled the fires of unreasonable aspirations.

The result of this ridiculous spectacle of the most powerful nation in the world promising to give away its own territory has not been gratitude, but an increase in Panamanian contempt toward the United States and stepped up threats to create riots and violence if the Congress does not capitulate. For example, Gen. Omar Torrijos, the Panamanian dictator, recently said that Panama had "reached the limit of its patience," in negotiations with us.

He went on further to say:

> The canal's operations could come to a total halt if the U.S. Congress refuses to approve a new treaty more acceptable to Latin American countries.

This, of course, is outright blackmail. And it is not an isolated example of the threats made by the Panamanian regime. Riots were staged just last year at the U.S. Embassy in Panama City, and the Panamanian Ambassadors to the U.N. and to the United States have continually made unscrupulous warnings containing the promise of violence if their demands are not met. Blackmail, Mr. President, that is what it is.

Indeed, this kind of behavior has been encouraged by the State Department. The original promise to surrender our sovereignty was made in 1964 after the Communists organized riots in the zone, and brought about an ignominious capitulation by our diplomats at that time.

Congress has demonstrated time and time again that it will not stand for the implementation of this State Department policy, this State Department giveaway of U.S. sovereignty in the Panama Canal. Yet the Secretary of State, Dr. Kissinger, goes right ahead as if Congress did not exist. Let it be said now, if the Secretary of State convinces the President to send down a treaty surrendering U.S. sovereignty, I am convinced that Congress—and under the Constitution, both Houses must pass on the disposal of territory and property—will reject that treaty. If the irascible leaders of the Panamanian dictatorship carry out their threats of violence, it will be our State Department that must assume the blame if the canal is closed down as a result of violence or guerrilla warfare. It is not Congress that is bringing about this confrontation; it is the Secretary of State and his policies in this regard.

Yet, Secretary Kissinger, just this weekend, once again promised the delegates to the meeting of the Organization of American States that the negotiations for a new canal are "almost completed."

The news accounts went on to say that Panamanian Foreign Minister Juan A. Tack is aware of the "strong opposition in the U.S. Congress," but that Ambassador Ellsworth Bunker will go to Panama later this month "to iron out the last outstanding problems before the treaty can be signed," and that failure to ratify it could cause a "very serious situation."

I say to Mr. Bunker that he had better come to Congress and do his ironing, because, under the Constitution, he does not have any authority to give away this property.

Let me say now that Congress will not allow itself to be blackmailed either by the U.S. Secretary of State or by the Foreign Minister of Panama.

The President of the United States should reject the dangerous course now being pursued by the State Department and heed the counsel of Congress. The world is on notice that Congress will not accept the treaty. Just as firm, decisive action brought about an immediate positive response in the Cambodian situation, a firm restatement of our rights in the Canal Zone would clear the air and lay the ground for building a desirable and constructive relationship with the Republic of Panama. We should make all necessary preparations for civil and military defense of the canal, but there is no reason whatsoever for an open adversary situation to develop with our Panamanian friends. As long as we play the role of "Uncle Sucker," we will be treated as prey for attack. But if we resume our former stature and firmly uphold our rights—so demonstrable in the courageous developments last night—we will be treated with respect and genuine cooperation.

Our position in the Canal Zone is proper and indisputable.

The United States, under the 1903 treaty, secured the grant in perpetuity of full sovereign control over the Canal Zone and title to all privately owned land and property in it, estimated by the Secretary of the Army on June 30, 1974, to have cost $166,362,173.

The total net investment of the U.S. taxpayers in the Canal enterprise, including defense, 1904–74, was $6,880,370,000.

Colombia, the sovereign of the Isthmus prior to November 3, 1903, has recognized the title to the Panama Canal as vested "entirely and absolutely in the United States." (Thomson-Urrutia Treaty of 1914–22.)

The validity of the U.S. title has been confirmed by the U.S. Supreme Court. (*Wilson* v. *Shaw*, 204–24 at 33–35.)

The United States has met its treaty obligations in its management of the Canal for the benefit of all nations, including those of Latin America.

Panama has been the greatest single beneficiary of the canal, which has given it the highest per capita income of all Central America.

Indeed, there is no reason why the 1903 treaty should be abrogated.

We are now entering a new era of diplomacy and foreign policy. The policies created 10 years ago, and now being implemented by Secretary Kissinger, are out of date. We have learned how important it is to stand up for our rights, and we should do so in the Canal Zone.

The PRESIDING OFFICER (Mr. GARY W. HART). Under the previous order, the Senator from Idaho is recognized for not to exceed 15 minutes.

Mr. McCLURE. Mr. President, I thank the Senator from North Carolina for a very clear statement. He is, as usual, very understandable, although oft stated, remain rather obscure. The Senator from North Carolina is not one of those, because he expresses himself very clearly and forcefully.

Mr. HELMS. I thank the Senator.

Mr. McCLURE. Mr. President, I ask unanimous consent that a statement by the Senator from South Carolina (Mr. THURMOND) be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Thurmond

The action of the new Communist regime in Cambodia against the United States and other countries' ships in the international waterways raises a very grave problem, not only in that part of the world, but in any other area dominated by the Communists. This irresponsible behavior of the Communist leadership of Cambodia reminds us once again of the necessity of permanent alertness against any similar action by the Communists any place else in the critical areas. I support fully any strong measures to be taken by the U.S. military forces to insure the freedom of navigation for our ships any place in the world.

The problem of freedom of waterways is indivisible; and, as far as our hemisphere is concerned, an important if not decisive link in our waterways is the Panama Canal—the control of which by the United States is the necessary prerequisite of our freedom of movement and viability of our defense establishment in the area of our vital economic and political influence. The significance of the Panama Canal for the defense system of our Pacific-Atlantic waterfront cannot be overestimated or overstated. I have stressed this many times and on many occasions. But the new provocative behavior of the Communists in Cambodia renews my concerns and forces me to stress once again the necessity for positive and uncompromising stand on our sovereignty rights in the Panama Canal Zone.

The waterways of the Atlantic would become very vulnerable and freedom of navigation extremely difficult to maintain if the Azores Islands and Madeira Island became the subject of control by a Communist controlled government hostile to us and attempting to disrupt freedom of movement to our merchant marine and naval forces. In this respect, recent developments in Portugal must be watched with great concern. The dominant control of political power in this country switched in recent months into the hands of inexperienced Marxist-oriented military officers who lead the country along the path of nationalized economy and Marxist ideology. The use of our base in the Azores is essential for our freedom of action in the Mediterranean area and became especially pronounced during our assistance operations to Israel in October, 1973. Without the base in the Azores these operations would have become prohibitively difficult if not impossible. My concern about the freedom of waterways extends to all parts of the world, but in particular, I invite the attention of the Senate to the key links in this very important problem—the Panama Canal and the Azores Islands.

Mr. McCLURE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Representative STEVE SYMMS, of Idaho's First Congressional District, together with newspaper articles appended thereto.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Will We Give Up the Panama Canal?

It is no secret that for some time now the U.S. State Department has advocated revising the status of the Panama Canal Zone. Since 1903, when the original treaty was signed, that status has remained unchanged. The treaty stipulated that the United States would have exclusive and perpetual sovereignty over the Canal Zone and its crucial waterway. But for some strange reason the State Department wants to change all that.

Just recently Assistant Secretary of State William D. Rogers cleared up the confusion by making the State Departments intentions crystal clear. He explained that their position "consists of recognizing Panama's full sovereignty over all its territory" (by which they falsely include the Canal Zone). He went on to warn that if the United States took any other stance "it could lead to a confrontation with Panama. We seek a modernized relationship with Panama in order to avert a confrontation which could threaten our strategic interests in the Canal," he said.

I would suggest to Mr. Rogers that the confrontation is taking place with Panama at this very moment and ours is a position of total surrender. It is a battle not of bullets and bombs, but of diplomatic wisdom and strength. And we are losing the battle by default.

Ever since the anti-American junta took power of the tiny country of Panama in 1968, dictator Torrijos has been threatening to march on the Canal Zone and seize it by military force. The purpose of this tactic is not to draw the United States into a war with Panama. That is the last thing they would want. No, they merely want to make fainthearted State Department officials shiver in their boots, in hopes of gaining various concessions in the process. It is obvious that their strategy of verbal intimidation is succeeding even more than they had hoped. So fearful is our State Department of a "confrontation" as they put it, that they are prepared to hand Panama practically the whole ball of wax as a gesture of appeasement.

It is not necessary to emphasize the importance of the Panama Canal to our national security, both strategically and economically. Any agreement on our part to relinquish our rightful control of this area and thus jeopardize our future access to the Canal would be a deadly mistake. I can think of few actions by the State Department that would be more irresponsible or contrary to the best interests of the people of this nation.

The State Department must be reminded of this fundamental fact—that the Panama Canal Zone is *not* Panamanian territory, it is United States territory exclusively. Giving back this land to Panama makes as much sense as returning the Louisiana Purchase to France or Alaska to the U.S.S.R. It is not a matter of State Department officials deciding on the correct position, for that is plainly obvious. It is simply a question of whether or not they will show enough courage and enough commitment to the people they represent to take that position.

Appeasement—Surrender the Panama Canal?

(By John Chamberlain)

The West has already lost its access to one strategic waterway, the Suez Canal.

If and when the Egyptians manage to clear and open the Suez with or without U.N. surveillance, the presence of a superior Soviet fleet in the eastern Mediterranean will certainly have an effect on its use. The West will send its ships through Suez on sufferance.

Yet with the handwriting on the wall in the Middle East, the U.S. seems ready to toss away its ownership rights to the 647 square miles of Panama Canal Zone territory which it bought from the newly emergent nation of Panama in 1903. The "tale of two canals" could end with the so-called Third World telling the ship-owning nations, the "developed countries," what they must do to get passage from one hemisphere to another without having, like Vasco Da Gama, Magellan and Sir Francis Drake of old, to round the Cape of Good Hope in one direction or Cape Horn in the other.

The loss of Suez is a fait accompli; we need not discuss that here. But the decision on Panama, while it may already have been settled in Secretary Henry Kissinger's mind, will have to be made in the U.S. Senate.

Will our congressmen be bluffed by Gen. Omar Torrijos, dictator of Panama, who has threatened to send 6,000 Panamanian guardsmen to occupy the Canal Zone by force if we fail to make a new treaty setting a date for ceding the canal territory to Panama as its "rightful" owner?

The "moral" right of Panama to the canal zone is certainly far from clear. The sovereign nation of Colombia, which is currently asking for its own "cut" in any change in Canal operations, has made it plain that it considers the zone was originally taken by President Theodore Roosevelt from Colombia, not from any Panamanian "nation."

Whether the U.S. instigated the revolution in which the Panamanians declared their independence of Colombia or not, the truth is that Teddy Roosevelt succeeded in making a "package" deal at the time. The presence of warships kept Colombia from retaking its dissident province of Panama.

In return for the help that was implicit in Roosevelt's waving of the Big Stick, the grateful Panamanians (as they were then) sold us the Canal Zone outright. It was a legitimate transaction, given the legitimacy of the Panama government. In case the whole business should now be judged illegitimate after 70 years of U.S. ownership, the canal should revert, not to Gen. Omar Torrijo's government, but to Colombia.

The U.S., in building the canal, certainly conferred a number of very desirable boons not only on Panama, but on the world in general. We did a great job eradicating yellow fever in the Canal Zone, and in Panama itself. We brought all of western Latin America—Ecuador, Peru, Chile, and the Pacific Ocean states of Central America—into a profitable relationship with Europe and the Atlantic and Gulf Coast cities of North America.

As Donald M. Dozer, an American historian who has specialized in U.S.-Latin American relations, points out, the economy of Panama showed the highest average annual increase in gross domestic product in the decade of the 1960s of any economy in the Western Hemisphere. Despite the almost universal world inflation, the U.S. has not raised canal tolls since 1914, when the waterway was first opened.

Aside from whatever original skulduggery accompanied the U.S. role in sustaining the Panamanian revolt against Colombia, we have nothing to apologize for in our administration of the Canal Zone. Prof. Dozer has suggested that, far from ceding the Canal Zone to a country that never legitimately owned it, we should admit it to the U.S. as the 51st state. Actually, we have the same right to be in the Canal Zone that we have to be in Hawaii, where we sustained the ousting of a native government.

Will Congress listen to Prof. Dozer? Probably not. The U.S., in common with the West in general, has totally given up on its power to protect its interests in a world that is openly contemptuous of our weakness.

[From the Miami Herald, Mar. 8, 1975]

Raid Blocks New Paper in Panama

PANAMA.—A planned new newspaper, "La Opinion Publica," may have been stillborn Friday as a result of government confiscation of all its editorial material.

Government officials, headed by Lorenzo Sanchez Galan, director of communications media for the Ministry of Government and Justice, Thursday raided the printer's offices and hauled away all the editorial material for Friday's first edition.

Asked why the material had been confiscated, a government official said it was for "administrative reasons."

Although theoretically government permission is not required to publish a newspaper, the publishers were told "this paper will not be published."

The publishers, "Centro de Estudios Nacionales S.A.," had complied with the law by notifying Minister of Government and Justice Ricardo A. Rodriguez Tuesday of their intention to publish "La Opinion Publica."

One of the raiders said the publishers "have challenged the government through 'The Miami Herald.' "

On Thursday, "The Miami Herald" published a report saying the new newspaper "is expected to test the government's assertion that there is freedom of the press here."

Up until Thursday evening, none of the largely government-controlled newspapers here had made any reference to the planned publication of "La Opinion Publica."

The paper was to have been printed by "Editora Verdad S.A.," whose proprietors are Ramon Jimenez, Alfredo Jimenez and Jose Salvador Munoz.

Early last year, Ramon Jimenez was detained briefly and forced to abandon plans to publish another newspaper to have been known as "Quiubo."

Thursday's raid therefore marks the second time in a year that the government has smashed attempts to publish an opposition newspaper.

If thwarted, the publishers, mostly attorneys, plan to test the legality of the government's action through the courts.

Unfortunately, the Panamanian judiciary are on their annual vacation until March 31.

"La Opinion Publica" had prepared articles critical of the government's attitude in the Panama Canal treaty negotiations and of new import duties, among other things.

On Tuesday, the publishers had applied for membership in the Inter American Press Association. Thursday they notified the IAPA of the government's action.

J. KILPATRICK

FEBRUARY 4, 1975.

WASHINGTON—An ominous little story appeared a couple of weeks ago in the Washington Post under a dateline of Panama City. It was headed "U.S.-Panama Accord Seen in Early 1975." This was Marlese Simons' lead:

"A U.S. concession to surrender jurisdiction over the Panama Canal Zone at the end of five years has led to confident predictions by an authoritative source that a new U.S.-Panama canal treaty would be ready for signature next year."

Very well. Let us sound the alarm bells and summon such able warriors as Congressman Dan Flood of Pennsylvania and Senator Jesse Helms of North Carolina. For the past 20 years, Flood has been raising Catonian cries in the House. Helms has made himself a Senate leader of the fight to prevent a giveaway of vital rights and property in the Canal Zone. This "concession to surrender" cannot possibly be approved.

We ought to understand, all of us, what is at stake in these negotiations, both as to the canal past, and as to the canal future.

Under the treaty of 1903 the U.S. acquired rights "in perpetuity" over a 10-mile-wide zone of Panamanian territory. The rights included all power and authority the United States would possess "if it were sovereign." By direct purchase from private owners, the United States also acquired title, in fee, to certain lands now involved.

In 1914, after a tremendous and costly feat of engineering, we opened the Panama Canal to the shipping of the world. For 60 years the Canal was operated without an increase in tolls. Some 70 per cent of the tonnage through the canal in recent years has originated in, or been destined for, the United States. Apart from its commercial value, the canal has had immeasurable strategic value also. Flood calls it "the jugular vein of this hemisphere," and the description is apt.

Panama has benefitted also. More than 40 per cent of Panama's foreign exchange earnings, according to a State Department paper last year, and nearly one-third of Panama's gross national product are directly or indirectly attributable to the presence of the canal.

What of the future? Panama now exists under the iron rule of General Omar Torrijos, who seized power in October of 1968. He is notoriously pro-Arab and pro-Communist. Before any surrender of jurisdiction is approved, we should ask ourselves how in the name of common sense the U.S. could benefit from Panamanian control. The prospect is for nationalization; the prospect is for Torrijos to do in Panama what General Nasser did in Suez.

Now, it is understandable that Panama chafes under the continued U.S. presence. Sen. Alan Cranston of California, who favors a new treaty, has asked how Americans might feel if the British still held perpetual rights along the Erie Canal. Doubtless the present situation is indeed a "source of conflict," and after 10 years of intermittent negotiations, Ambassador Ellsworth Bunker doubtless is correct in saying the Panamanians are "impatient."

But there comes a time when great powers must behave as great powers. Now every source of conflict can be removed. Some conflicts must be endured; they must be lived with. Not every wounded sensitivity can be soothed. When every reasonable and prudent concession to Panama has been made, a line has to be drawn; No more. And sorry about that.

The Treaty of 1903 is not engraved in stone. It has been twice amended, once in 1936, again in 1955. It is entirely possible that further amendments can be agreed to, relinquishing unneeded land for Panamanian development, further increasing payments to Panama, and providing for some Panamanian participation in administration of the Canal. But the rumors now afloat smack of appeasement; they smack of the same cockeyed judgment that gave us the wheat deal with the Soviet Union. That was called a victory for détente. One more such victory, and we are done for.

[From the Miami Herald, Mar. 24, 1975]

Canal Zone Workers Fret Over Future

PANAMA.—Recent statements by Brig. Gen. Omar Torrijos, Panama's military strongman, that the U.S. presence in the Panama Canal Zone would be eliminated in three years have created concern among Canal Zone employes.

Their concern and disquiet may be premature, but it also is attributed in part to the failure of Special Ambassador Ellsworth Bunker, chief U.S. negotiator for a new Panama Canal Treaty, to keep Canal Zone employees informed of progress on the negotiations as they relate to employment, as he had promised to do a year ago.

With Torrijos' statement that the 315-man Canal Zone police force would be eliminated upon ratification of any new treaty, the Canal Zone Police Union has called upon Bunker to give them some immediate answers.

If the police and other employees don't get the answers soon they plan to take their problem to the Panama Canal subcommittee of the House of Representatives. The committee, headed by Rep. Ralph Metcalfe (D., Ill.) is due in the Canal Zone April 2 for a four-day stay.

Bunker had promised in a statement a year ago that Canal Zone employees would be "taken care of" in the negotiations. "There are two ways you can interpret that," says Canal Zone Police Union President William R. Drummond.

According to a Panama Foreign Office spokesman, the phaseout of U.S. jurisdiction over the 550-square-mile Canal Zone is to take place during the three years after ratification.

Ratification may be some distance away however. Soures now indicate the negotiators may agree upon a new treaty by June but it still faces heavy going to gain U.S. Senate approval.

Another source close to the negotiations indicated that the Canal Zone police would be offered jobs in a security guard force for the Canal locks and piers. The salaries are less than police salaries, however.

Also to be phased out during the three-year period—a time frame confirmed by State Department sources in Washington—are other aspects of U.S. jurisdiction in the Zone including the courts, fire department, postal service and parts of the educational system.

This would affect about half of the 3,600 U.S. citizen employees of the Panama Canal Company and Canal Zone Government.

It is expected that at least minimal provisions will be made for relocating affected employees, either by placing them in other jobs or by repatriation to the United States.

A Panama Foreign Ministry spokesman says provisions for Canal Zone employees are likely to be modeled on those negotiated in 1967 which, among other things, provided that there would be no salary reduction.

Still, Canal Zone employee concerns that they will not be "taken care of" may be premature since their status is among the remaining third of the new treaty provisions yet to be negotiated.

Also still to be settled is the amount of compensation Panama is to receive and the duration of the new treaty.

"The Americans want something beyond the year 2000," says the Foreign Ministry spokesman, "and we want something less."

Panama has been demanding $100 million a year in compensation. It has not accepted a U.S. offer of $45 million annually which would include a $25 million annuity or rental and $20 million as a share in the Canal tolls, according to the Foreign Ministry spokesman.

U.S. Prepares To Recognize Panama Owns Canal Zone

WASHINGTON.—The United States is prepared to recognize Panama's full sovereignty over the U.S.-administered Canal Zone and share with Panama the operation and defense of the strategic waterway, a high State Department official said Thursday.

Assistant Secretary of State William D. Rogers also warned that a breakdown in the current negotiations, or rejection of an eventual negotiated treaty by the Senate, "could lead to a confrontation with Panama . . . and a real possibility that the canal would be closed in the process."

Rogers, Washington's top official for Latin American affairs, appeared Thursday before the Senate foreign relations subcommittee on Western Hemisphere affairs, chaired by Sen. Gale W. McGee, D-Wyo.

"Our negotiation stance . . . consists of recognizing Panama's full sovereignty over all its territory (the Canal Zone) and the attributes of partnership in both canal defense and operation," Rogers said.

Panama, in turn, would grant the United States "use rights" which Rogers said are "critical to continued and effective United States control of the canal operation."

Rogers' warning about a possible confrontation with Panama reflects State Department concern that the new treaty now being negotiated by veteran diplomat Ellsworth Bunker faces an uphill battle in Congress.

"There is no real alternative to negotiation and eventual ratification of a new treaty," Rogers told the subcommittee. "There is, in short, no real solution short of a total solution."

Rogers said that with the current negotiations, which began 11 years ago, "we seek a modernized relationship with Panama in order to avert a confrontation which could threaten our strategic interests in the canal."

Rogers said Panama had "demonstrated thus far that it recognizes a new treaty must accommodate United States interests, which include operation and defense of the canal by the United States for a reasonably extended period of time."

Two major issues have been deferred until the last stages of the negotiations—the duration of the new treaty and the question of a U.S. option to expand the canal, he said.

[From the Miami Herald, Mar. 8, 1975]

Raid Blocks New Paper in Panama

PANAMA.—A planned new newspaper, "La Opinion Publica," may have been stillborn Friday as a result of government confiscation of all its editorial material.

Government officials, headed by Lorenzo Sanchez Galan, director of communications media for the Ministry of Government and Justice, Thursday raided the printer's offices and hauled away all the editorial material for Friday's first edition.

Asked why the material had been confiscated, a government official said it was for "administrative reasons."

Although theoretically government permission is not required to publish a newspaper, the publishers were told "this paper will not be published."

The publishers, "Centro de Estudios Nacionales S.A.," had complied with the law by notifying Minister of Government and Justice Ricardo A. Rodriguez Tuesday of their intention to publish "La Opinion Publica."

One of the raiders said the publishers "have challenged the government through 'The Miami Herald.' "

On Thursday, "The Miami Herald" published a report saying the new newspaper "is expected to test the government's assertion that there is freedom of the press here."

Up until Thursday evening none of the largely government-controlled newspapers here had made any reference to the planned publication of "La Opinion Publica."

The paper was to have been printed by "Editora Verdad S.A.," whose proprietors are Ramon Jimenez, Alfredo Jimenez and Jose Salvador Munoz.

Early last year, Ramon Jimenez was detained briefly and forced to abandon plans to publish another newspaper to have been known as Quiubo."

Thursday's raid therefore marks the second time in a year that the government has smashed attempts to publish an opposition newspaper.

If thwarted, the publishers, mostly attorneys, plan to test the legality of the government's action through the courts.

Unfortunately, the Panamanian judiciary are on their annual vacation until March 31.

"La Opinion Publica" had prepared articles critical of the government's attitude in the Panama Canal treaty negotiations and of new import duties, among other things.

On Tuesday, the publishers had applied for membership in the Inter American Press Association. Thursday they notified the IAPA of the government's action.

[From the Miami Herald, Latin American edition, Mar. 21, 1975]

Envoy Rogers Predicts Senate OK for a Fair Panama Canal Package

(By Phil Gailey)

WASHINGTON.—A high-ranking State Department official predicted Thursday that Senate opposition to a new Panama Canal treaty can be overcome "when we present them with a package that is fair and protective of the interests of both countries."

William D. Rogers, assistant secretary of State for Inter-American Affairs, warned that if Congress rejects the new treaty currently being negotiated with Panama "it will be widely regarded in Latin America as a regrettable step backwards" in U.S. relations in the hemisphere.

Rogers made these remarks at a State Department briefing to report on his recent trip to Latin America.

Thirty-seven senators—three more than necessary to block a treaty—already have signed a resolution opposing any concessions on the question of U.S. sovereignty and jurisdiction over the Panama Canal and the 10-mile wide canal zone.

Rogers conceded that the Ford Administration faces "a very hard and challenging effort in the U.S. Senate." However, he predicted that some of the senators who signed the resolution will change their minds when they are presented with the specifics of a new treaty that protects U.S. interests in the canal.

"I'm confident that this treaty will commend itself not only to men of goodwill everywhere, but also to the Senate," Rogers said.

Rogers said the United States can no longer consider the canal issue a bilateral problem. It is also a major thorn in the side of Washington's relations in the hemisphere in general, he added.

Rogers returned Monday from a nine-day trip to seven countries in the hemisphere—Argentina, Uruguay, Chile, Peru, Brazil, Venezuela and Colombia.

The assistant secretary's trip was viewed here and in Latin America as an effort to smooth the way for Secretary of State Henry Kissinger, who plans to visit some of those same countries sometime in April.

The exact timing of Kissinger's trip, Rogers said, will depend on when he concludes his diplomatic efforts in the Middle East. An itinerary is still being worked out.

Based on his own experience, Rogers predicted that Kissinger will be "warmly received" in the countries he visits.

During his trip, Rogers said he discussed the canal issue, the controversial U.S. trade bill and Cuba with Latin officials.

Rogers said he found that interest in the prospects of normalizing relations with the Castro government was of less interest in some of the countries he visited than other matters on the U.S.-Latin agenda.

Asked if he found a consensus on the Cuba issue, Rogers said, "I can't say if there was or was not. The purpose of my trip was not to find a consensus. That will be one of the purposes of the secretary's trip. He has said he will consult other governments in the hemisphere on the matter when he makes his trip."

Rogers said Kissinger's Houston speech March 1, in which he indicated the United States is ready to support efforts within the Organization of American States to lift the political and economic sanctions against Cuba, was regarded in the hemisphere as a whole as "a carefully considered statement and a real contribution . . . not just rhetoric."

In that same speech, Kissinger also criticized Latin countries for participating in "tactics of confrontation between the developing and developed worlds."

Canada OK's Loan to Cuba

OTTAWA, CANADA.—The Canadian government has agreed to lend $100 million to the National Bank of Cuba to finance exports from Canada of such goods as railway equipment and ships as well as fish processing and paper plants, the Trade Department said Thursday.

Department officials said they were advised of the signing of a "memo of understanding" by message from Trade Minister Alastair Gillespie, who is in Havana with a 27-member Canadian trade mission.

The financing arrangements are being handled through the Canadian Export Development Corp.

The officials quoted Gillespie's cabled message as saying: "The memo covers a program of mutual interest in capital goods and services . . . to be completed within one year.

"The money will be made available to the Cuban bank by EDC in cooperation with Canadian chartered banks at internationally competitive rates of interest.

"Among projects being discussed are fish processing plants, paper moulding plants, railway cars, locomotives and ships for the transportation industry, power generation and engineering services."

[From the Miami Herald, Mar. 23, 1975]

After Canceling Canadian Firm Investors Welcome, Panama Boss Insists

(By Don Bohning)

Brig. Gen. Omar Torrijos, Panama's military strongman, has moved to reassure foreign investors that they are still welcome in Panama despite the cancellation of negotiations with Canadian Javelin Ltd. for exploitation of rich copper deposits in the country.

His government, Torrijos declared, "is neither confiscatory, nor anti-anyone . . . we are merely pro-Panamanian."

Torrijos cited the vast Cerro Colorado copper deposits, for which Canadian Javelin says it already had invested $25 million in exploration and preliminary engineering, and the Panama Canal as Panama's two principal resources.

"We do not wish both of our principal economic resources, the canal and the copper deposits of Cerro Colorado, to be in foreign hands unless they serve our national interests," Torrijos said in a statement last week.

"Our people profoundly believe they must control their own destiny. The mining potential is far more significant than the canal, which has been a divisive physical and social factor in Panama."

Torrijos promised that Canadian Javelin would be compensated and given a "generous indemnization, for the magnificent labor they performed . . .

"We do not, and will not, alienate foreign investors," said Torrijos. "Therefore, by cordial mutual consent, we expect to satisfy Javelin and its stockholders, many of whom are Panamians as well as North American."

To show its good faith, Torrijos said Panama will make an initial payment of $5 million to Javelin "while working out terms of a final agreement."

There is speculation the reason for the conciliatory Torrijos statement regarding Javelin and foreign investors is to allay fears that termination of the negotiations with Javelin had aroused.

In order to attract the foreign technology and capital necessary to exploit the Cerro Colorado deposits, it is essential that a satisfactory arrangement be reached with Canadian Javelin.

It's estimated that the exploitation of Cerro Colorado will require a $700-million investment.

Torrijos said Panama planned to contract the services of an internationally recognized financial institution to organize and manage financial aspects of the project and with a "universally recognized mining operator" for extraction and processing of the ore.

Torrijos said he is confident Panama can secure the financing necessary and that a special commission already had held initial discussions with "some of the world's most reputable mining companies."

In addition to his views on Canadian Javelin and Cerro Colorado, Torrijos also had more to say about the current U.S.-Panama negotiations for a new canal treaty and the Panamanian position.

He hinted again that negotiators may be discussing the relinquishment by the United States of control over the 10-mile wide Canal Zone within three years.

"We have reason to believe that within three years there will be no North American occupation of the Canal Zone, except for some 14 military bases we are willing to lease," Torrijos said.

It was the second time within a week Torrijos had suggested the three-year period of continued U.S. control of the Zone.

"It behooves the United States to act with justice towards Panama," Torrijos said of the negotiations. "The Canal Zone has become a symbol of the domination of a small nation by a powerful one—the last colonial enclave of the United States."

[From the Miami Herald, Apr. 11, 1975]

WILL FORD CEDE CANAL ZONE ON HIS OWN?

BALBOA, C.Z.—U.S. citizens working and living here are fearful that the Ford Administration may try an end run around Congress and cede control of the Canal Zone to Panama by executive order.

A canal administration spokesman termed the fear "totally unfounded," but many Americans here, their morale battered by successive claims of the Panamanian chief of government, Brig. Gen. Omar Torrijos, remain unconvinced.

Recently, Torrijos claimed that three years after ratification of a new Canal treaty currently being negotiated by Panama and the United States, all trace of U.S. jurisdiction over the 550-square-mile Canal Zone will have disappeared.

To the uncertainty which the talk of this short transition period has brought to about half the canal administration's 3,600 U.S.-citizen employes, mostly in jurisdictional fields such as the police, now has come the fear that the U.S. government may act before any treaty is ratified.

Attributing it, to sources "with a high degree of credibility," a Canal Zone civic council president, Douglas C. Schmidt, gave this scenario at recent hearings held here by the House Panama Canal Subcommittee.

"In May or June of this year, a new treaty will be signed by the chief executives of Panama and the United States.

"Jurisdiction or sovereignty over the Canal Zone has already been conceded.

"The treaty will not be ratified by the United States Congress until 1977," Schmidt told subcommittee chairman Rep. Ralph H. Metcalfe (D., Ill.) and member Matthew J. Rinaldo (R., N.J.).

The thinking here is that because of setbacks to U.S. foreign policy in Indochina, Portugal and the Middle East, there is little chance of a new treaty being ratified by Congress either this year or next.

To avoid the treaty becoming a political issue in next year's elections, ratification will be postponed until the new Congress convenes in 1977.

Such being the case, "a congressional committee will be asked to review treaty clauses during the interim prior to ratification in 1977," Schmidt said.

"With the consent of this congressional committee, by executive order, Canal Zone police, courts, postal and customs systems will be terminated effective with the signing of the treaty," Schmidt said.

The thinking here is that the United States (and particularly the State Department which few in the Canal Zone trust) beset with other world problems and facing pressure from Latin America on the canal issue, do not want an explosive situation developing in Panama.

Further, such a move would ease pressure on Torrijos to make good his promise to wrest control of the Canal Zone from the United States.

To support this view, Schmidt cited the case of France Field, a former Navy air station at the Atlantic end of the Canal Zone.

Under the Nixon Administration, legislation was proposed to Congress that would have granted Panama the right to use France Field to expand the congested Colon Free Zone.

"But when legislation regarding France Field was held up by Congress, the same objective was attained through the use of an obscure existing agreement dealing with furnishing sites for customs houses," Schmidt said.

France Field formally was turned over to Panama on March 14.

"What assurance can be given to (Canal) Company-government employes that, even in the absence of a new treaty, functions essential to U.S. citizens (that is, police, schools, customs, health facilities) will not be dissolved?" Schmidt asked.

A Panamanian union leader, Saturnin Mauge, President of Local 900, theorized to the subcommittee that the president could issue an executive order "re-renting the entire Canal Zone to Panama for the minimal cost of a dollar annually."

This could be done with the proviso that Panama would exercise jurisdiction as if it were the sovereign state, Mauge said.

"Such an executive order will receive congressional censure, but it will not need congressional approval and it may satisfy, temporarily the demands of Panama," Mauge said.

U.S. DEFENSE AND STRATEGIC POSTURE

Mr. McCLURE. Mr. President, the Senate has had the opportunity to hear this morning—and the Nation has had the opportunity to hear—the expression of a wide array of Senators discussing the foreign policy and defense policy decisions confronting this Nation. This was a rather remarkable group of statements by a very large segment of the Senate, expressing their deep concern over the matters that confront the United States and the policy decisions which must be made by this administration and this Congress.

I was particularly struck by the impressive breadth and detail with which the Senator from Hawaii addressed the questions of the Pacific Basin, and I commend to the entire country a careful reading of the extensive remarks which he prepared for the colloquy this morning.

There is a tendency on the part of the United States, in the post-Vietnam era, to turn away from the Pacific Basin. to turn away from an area of critical importance to the United States and toward the area where the great majority of the people in the United States found their heritage. Because most of us came as immigrants to these shores not from the Pacific Basin but from across the Atlantic, we are told that it is natural that we should look across the Atlantic for our ties and not across the Pacific for our important interests.

As the Senator from Hawaii clearly stated, nothing could be further from the truth; and I hope that in this era, as we turn away from the involvement in Vietnam, we do not lose sight of the remaining interests which the United States has in the Pacific and the reasons why that area is vital to the security of the United States and to the well-being of the American people.

It would be difficult to go back through the list of statements this morning and pick out individual remarks that highlighted the individual statements, because they are both concise and comprehensive.

I think the dialog, as it was, covered the entire range of foreign affairs and defense concerns of the U.S. I hope that the Senators who are not present this morning—unlike the Senator from Virginia and the Senator from North Carolina, the Senator from Wyoming and others who have been here throughout the colloquy, and the Senator from Florida, who participated earlier—will have the opportunity and will take the time to look at some of the thoughtful remarks made by my colleagues this morning.

During this discussion, a wide range of serious problems pertaining to the defense of the United States and our general strategic posture in the world have been clarified by distinguished Members of this body.

The interrelation of all aspects of defense in the free world precludes a discussion of such matters as the defense budget in isolation. All actions or inactions in any area have a perceptible effect upon every other. Abandoning a country or abrogating a treaty sends shockwaves through our entire alliance structure and tilts the delicate East-West balance of power. The loss of an ally or American forward base in one area of the world requires an examination of the resulting new vulnerability throughout our entire strategic posture.

Our strategic posture in the world must now be completely re-examined in light of the events in Indochina. The fall of Cambodia, and Vietnam to Communist military forces, and the weakening of Laos must not be casually dismissed. We need a new analysis of where we now stand and what the future options are. Ever since the surrender of President Minh to the North Vietnamese, we have had numerous appeals to take a new look to the future. Even those who wish to suspend any further discussion of what exactly transpired in Indochina should not object to such an assessment. We cannot now obliterate Vietnam from our national memory any more than we could casually dismiss the consequences of what was happening there during the past 10 years.

Many have contended that assisting Vietnam was unwise. Some public opinion polls in the United States demonstrate sympathy with that point of view. Nonetheless, both the duration and magnitude of the actual assistance which the United States provided the Republic of Vietnam remains as incontestable evidence of an American commitment to the independence of that nation. No silence on Vietnam now can eradicate the record of the amount of money spent, the American and Allied casualties suffered, or the supporting funding votes by the Congress for over a dozen years.

Through our assistance Vietnam became a powerful military ally. Bemoaning the facts will not help. We must face the fact that now this ally and much American equipment have been lost to the Communists. These are dramatic military and political changes which we must recognize and cope with.

The conflict, especially in the last 2 years after the consummation of the so-called Paris Peace Treaty, became quite simply a test of wills between Hanoi and Saigon with the ability to translate willpower into combat power in Moscow and Peking. Ho Chi Minh prophesied some years ago that:

> The people of the United States do not have the determination to persevere in the struggle in South East Asia.

Now the record clearly shows that while American support for South Vietnam was halved and then halved again in this 2-year period, material assistance to the North escalated dramatically. These aid cuts and the movement of 19 out of 20 North Vietnamese divisions to the South made the military triumph of Hanoi inevitable. We see the Vietnam experience as an example of how the Congress wages war. You can almost say that the hand of Congress set up the dominoes in their precarious position.

Obviously, the fates of Cambodians, Laotians, and Vietnamese were integrally tied together as all three countries fell in 1 month. Similarly the increased guerrilla warfare now taking place in both Thailand and Malaysia demonstrates an increased aggressiveness by the Communists in the area. Kim Il Sung, the Communist dictator in North Korea, recently met with Mao Tse-tung in China and made threatening comments about a resumption of aggression against our ally, the Republic of Korea. The dominoes are not so much falling as cascading. The Communists have seized three countries in the past month and greatly augmented support for their forces in two others. Both Thailand and the Philippines have publicly questioned the usefulness of their close relations with the United States. In a meeting over the past weekend in Kuala Lumpur senior officials of Indonesia, Malaysia, the Philippines, Thailand, and Singapore began serious consideration of veering from their close relations with the United States in favor of becoming neutralists.

Because of the unnecessary fall of Indochina, many countries quite justifiably have questioned America's credibility as a powerful and reliable ally. They even ask quite bluntly as Prime Minister Lee Kuan Yew did at the White House last week, about our determination to sustain countries resisting armed aggression. Consequently, any movements now to either abandon additional allies or arbitrarily slash our own potential military capabilities may be perceived abroad as evidence of increasing isolationism.

In an interview this past week Secretary of State Kissinger commented that we cannot expect the Soviet Union to police the world for us. While we do not seek to police the world ourselves, we certainly will not ask the Soviets to do it for us. But we must inquire of both the Soviets and the Chinese Communists just what they intended by supplying the very weapons of war that cause the instability requiring the intervention of a "policeman." If the détente policy so assiduously pursued by the Secretary of State means anything it should indicate that the Soviets and Chinese should reduce, rather than increase, support for their aggressive allies like North Vietnam.

The United States has conscientiously avoided threatening actions against Communist countries. Even at the height of the Vietnam war we never allowed our own or South Vietnamese ground forces to enter North Vietnam. And in some cases, such as Cuba, our policy has actually included preventing people forced from the country by a Communist dictatorship from attempting to liberate their homeland. Under the guise of first "peaceful coexistence" and then "détente" we have transformed a position of resistance, and isolation of communism, to one not only of cooperation but even extension of assistance. Yet where, I ask, is the evidence of similar détente in either the internal or external policies of the Soviet Union or Communist China?

One aspect of détente that we must once again carefully reexamine in the clear light of recent events is our trade policy with the Communist powers. Even prior to the rejection by the Soviets of last year's bill we had extended extraordinarily generous amounts of material and financial arrangements in numerous trade agreements. We allowed the Soviets to benefit from our great advances in computer technology. Such technology can be employed in anything from maintaining elaborate police state data banks on all citizens to the calculations of more accurate trajectories for nuclear missiles. We have allowed the sale of precision ball bearing grinders to the Soviets. These bearings are used in the guidance systems of rockets. We have sold entire productive processes in the form of complete plants and thereby provided both greater efficiency and capacity for the military industrial complex of the Soviet Union. And unlike our own industrial capacity which focuses on consumer goods, the Soviets have continued to devote an inordinate share of their industrial might into the production of war materials.

We also have transferred single copies of numerous productive processes, equipment and designs to Communist China so they also could more readily bridge the technological gap with the Free World. Both Russia and China have consistently been bailed out, by the United States, of their regular agricultural disasters which accompany their collectivized farming system. And last, and possibly most aggravating, we have often funded these transactions through long term loans at rates of interest far below what American citizens may pay here. We have spent money to build up the military might of the Soviet Union which could have been used by the American people to purchase needed consumer goods in this country. In short, we have used the greatest benefits of our free economy in order to salvage the programed debacles of the Marxist economic system. And we have done this at the expense of the American consumer.

What, may I ask, is the point of bestowing so much assistance upon countries that daily maintain they are our adversaries? By any objective standard we are weaker and less secure than we were when this entire process began. Both the Soviet Union and Communist China have continued to undermine our strategic posture and alliances around the world. They not only provided the critical escalation of military assistance necessary to unleash the massive North Vietnamese invasion, but in addition the last reporters leaving Phnom Penh noted with surprise both the number and quality of weapons supplied to the Khmer Rouge forces by their Communist allies. In Portugal, the Soviets have extended enormous amounts of financial and moral support for Cunhal's Communist Party which may yet seize total power and possibly fatally undermine the NATO alliance. In the Middle East the Soviets have consistently tried to foment trouble—carefully below, but just below, the level of large-power confrontation.

Far too little attention has been paid to these actions because they have all been covered by the fuzzy blanket called détente. The total collapse of our allies in Indochina at the hands of Moscow and Peking should tell us something about the real lesson of détente.

What precisely have we gained by détente that can possibly equal such tremendous losses. How much longer can we afford to continue with this increasingly suicidal policy? How many more alliances must be shattered, and how many allies must be destroyed before we recognize that an adversary relationship exists which we can no longer disguise with pleasant rhetoric or friendly handshakes.

The only benefit that defenders of détente can cite is that the superpowers have not launched nuclear war. But throughout the 1950's when we successfully contained communism and did not aid its growth, we also had no great power clashes. Only when we allowed the penetration of our own hemisphere by the Russian satellite in Cuba did we come close to the brink of nuclear war in October 1962. And only when we failed to act decisively against Communist advances in Indochina did we suffer enormous casualties and the first defeat for our country in history.

Our distinguished colleague, the Senator from Arizona (Mr. GOLDWATER) spoke the truth in 1964. And I believe this from the bottom of my heart: Had he been elected to the Presidency, South Vietnam would be a land of peace and freedom today. And more importantly, there are thousands of men who would be home with their families today instead of asleep in their graves.

The Western World is crumbling from within due to debilitating economic policies and political sabotage by legal Marxist parties. This, coupled with a failure to meet external Communist threats, may make questions of a nuclear exchange moot. We seem to help the Communists faster than they can help themselves. Possibly, in the end, like Saigon, the cities will be saved but the people and their liberties lost.

The United States has the capacity to reverse this disastrous trend. But we need to explain what has happened and acquire the willpower to make the necessary hard decisions. We can continue to negotiate with our adversaries, but the results of such agreements must really be reciprocal so that neither we nor our allies are increasingly endangered.

As we have said, the balance of alliances in the world and the strategic postures of the Communist and free worlds have become seriously altered in the past several years. Only by restoring the balance of forces in the world can we hope to have both stability and peace in the future. Should the Congress in the coming months withdraw American forces from either Europe or Asia we will further erode the fragile stability left in both continents and make mutually negotiated reductions impossible.

If the Congress unilaterally delays or eliminates our very modest programs for the development and production of the B–1 bomber, the Trident submarines, or Minuteman 111 missiles, future strategic negotiations with the Soviets will see us in an impossibly compromised position. The Russians have proceeded with tremendous buildups in all these areas and they allocate far more resources than we do to vital research and development for the future. Paper agreements will not save us from the consequences of a severely unfavorable strategic balance of forces in the world. We must learn from the Indochina experience that in the end persistance and military superiority lead to victory. Firepower and willpower are both needed. Popularity, paper agreements, and rhetoric have no influence on the final results. What happened in Southeast Asia could occur in a worldwide theater if the United States does not face the truth and prepare to meet it.

Mr. President, I ask unanimous consent that there be printed in the Record at this point an article in the U.S. News & World Report, dated May 12, 1975.

There being no objection, the article was ordered to be printed in the Record, as follows:

WITH SOUTH VIETNAM'S FALL—IS THAILAND THE NEXT DOMINO?

Bangkok.—The "domino theory"—sworn to by many people, scorned by others—will soon be tested here in Thailand.

Two dominoes, South Vietnam and Cambodia, have already fallen to the Communists. A third domino, Laos, if for all practical purposes controlled by Communists in Hanoi.

Now Thailand, once a staunch ally of the U.S. and a base for American air attacks on North Vietnam, is beginning to feel the heat as its neighbors collapse.

In faraway Washington, also, concern is felt about the domino impact of the Communist successes in Indo-China on Thailand and other Asian nations. Secretary of State Henry Kissinger underlined this concern at a news conference on April 29, saying:

"There is no question that the outcome in Indo-China will have consequences not only in Asia but in many other parts of the world.

"To deny these consequences is to miss the possibility of dealing with them. So, I believe there will be consequences. But I am confident that we can deal with them, and we are determined to manage and to progress along the road toward a permanent peace that we have sought, but there is no question that there will be consequences."

Thailand is already afflicted by Communist-run insurgencies in three separate areas—the Northeast, the North and in the Southern tip, along the border with Malaysia. China and, to a much greater extent, North Vietnam have given political support, some weapons and even training to the Thai rebels.

Once Hanoi has tightened its grip on the Indo-China peninsula, the flow of supplies across the Laotian and Cambodian borders is expected to increase. Some experts believe that recruiting inside Thailand will be made vastly easier by the Communist successes in Cambodia and South Vietnam.

OUTLASTING A WELCOME

Hoping to ease the anticipated pressure, Thailand already is moving to establish better relations with Hanoi and Peking. The Bangkok Government announced on May 1 that an "enormous withdrawal" of U.S. troops and planes would soon start. Up to 8,000 of the 25,000 U.S. servicemen there are expected to leave.

Hanoi earlier made it clear that it has little interest in a working relationship with Bangkok as long as U.S. forces are still on Thai soil.

Some diplomats believe it is already too late for Bangkok to mend its fences with North Vietnam. Says one:

"After all, Thailand provided bases from which Americans atacked the North Vietnamese. Thailand sent 'volunteers' to fight in Laos, at least 17,000 of them, and the 'Black Leopard' Division to fight Communists in South Vietnam. Hanoi isn't going to forget that easily or soon.

"Also, the Vietnamese Communists are somewhat to the left of the Chinese, and they will feel it important to throw their weight behind many revolutionary forces in Southeast Asia. Thailand is a made-to-order target for intensified insurgency—but without a direct invasion."

Some Thai officials hope that Peking, once it has diplomatic relations with Bangkok, will curb North Vietnam's expansionary designs. Other officials are not at all sure of that. Peking has diplomatic links with Burma and Malaysia—but radio stations in Southwest China continue to support "liberation movements" in both countries.

A RESTRICTED REBELLION

Communist insurgency in this country is relatively new—dating back only to the early 1960s. There has never been any fullscale uprising; fighting has been largely confined to light skirmishes between insurgent bands and police or local militia.

The bulk of Thailand's 120,000-man Army has never been put into the struggle, although units are based in the disaffected areas. Nevertheless, one rebel attack on an armoured cavalry post in the North recently cost the lives of 17 Thai soldiers. Another firefight, in the Northeast on April 24, resulted in the death of 12 people, including an Army colonel and a major.

The three areas of insurgency:

The North. In the rugged terrain along the border with Laos, Meo and other hill tribesmen have been in revolt since 1967. Although most of the weapons and other supplies come from Laos, Thai officials fear that China may send in supplies. through Northeast Burma.

The South. Poor plantation laborers and tin-mine workers form the backbone of the rebel organization. Some support is provided by ethnic Chinese Communists who are still dug in in jungle hideouts in neighboring Malaysia. Thai officials expect new weapons to be smuggled in by junk from Communist-controlled Cambodia.

The Northeast. This is by far the most dangerous of the insurrections. The rebels are Thai citizens but ethnic Laotians, most of them with relatives in the Communist Pathet Lao—a partner in the coalition Government in Vientiane. Some of the Thai rebels have been trained in Hanoi, and the Thai rebels have been trained in Hanoi, and supplies move easily across the Mekong River into Thailand. Laos is the "secure border area" that facilitates revolution in a neighboring country.

All told, the insurgents probably do not number more than 8,000 men under arms—3,000 in the North, 3,000 in the Northeast and 2,000 in the South, plus some Communist-led Moslem separatists in the deep South. The rebels probably can count on 10 times that number for support in nonmilitary activities.

In theory, the insurgents are all led by the illegal Communist Party of Thailand, but the propaganda and the ideology come from the "Voice of the People of Thailand," a radio station based at Kunming, China. A training camp called "Hoa Binh"—which, ironically, means peace—is in North Vietnam.

ATTRACTING RECRUITS

Recruiting, particularly in the North and Northeast, is relatively easy for trained Communist cadres. The people are poor and uneducated, and have long been neglected by the Government in Bangkok. And as the flow of weapons from North Vietnam increases, youths in the villages find the romance of taking up guns irresistible.

The Government, on the other hand, has difficulty recruiting officials to work in villages where living conditions are primitive, dialects are hard to learn and chances for promotion are few.

As a result, dealing with the rebels is left largely in the hands of the Thai military, which is in woeful shape. A senior officer explained:

"We are not in a position to defend ourselves. If the Khmer Rouge had kept going after taking Pnompenh, or if the Pathet Lao had crossed the Mekong River, they could have walked almost unhindered to Bangkok."

The Thai Armed Forces are also divided on the nature of the danger One group wants internal security to be given top priority; another group insists the military should be geared up to resist aggression from outside. A Thai general comments: "Why worry about being invaded by a large army when we can't even subdue the guerrillas operating inside the country?"

One thing stressed by officials in Bangkok: Thailand is not going to go Communist except at gunpoint. The question, then, is whether the country needs and can afford a bigger, more-effective military force.

Since 1965, the United States has given this country more than 600 million dollars' worth of military equipment, plus additional millions in "funded assets"—an arrangement by which the U.S. pays part of the cost of a frigate, for example, and the Thais pay the remainder. The U.S. also outfitted 20,000 Thai troops who served in Vietnam and 17,000 who fought in Laos.

Furthermore, the United States provided employment and profits when it began using

Thai air bases for the wars in Indo-China. A deepwater port with huge warehouses was built at Sattahip, along with an air base for B-52 bombers at nearby U Tapao.

Now U.S. protection is to be withdrawn within a year, unless Thai leaders change their minds, and the flow of military support seems certain to dry up. There is a degree of bitterness in Bangkok directed at the U.S. over its failure to do more in the last days of Vietnam and Cambodia. Deputy Prime Minister and Defense Minister Pramarn Adireksarn, for example, says the U.S. "can't be trusted." And referring to congressional restraints, Pramarn declared, "The U.S. cannot do what it promises, even if it wants to."

American military commanders believe that a U.S. pullout from Thailand is inevitable, no matter what the Thais finally decide they want. Nevertheless, suggestions are heard that a compromise might be worked out to keep some American forces here.

The U.S. Air Force now has eight tactical squadrons in Thailand—five of F-4 Phantoms, two of F-111s and one of A-7 Corsairs. In addition, there are 15 B-52s at U Tapao, plus support aircraft, totaling 350 planes.

Experts maintain that, with the exception of key bases at U Tapao and Sattahip, the Thai installations could be given up without damaging the U.S. military position. U Tapao would be designated home for a skeleton air force, and Sattahip would be the port for delivery of ammunition and supplies.

Sattahip, especially, is of strategic importance to the U.S., which is facing possible loss of facilities at Subic Bay in the Philippines.

DECISION IN WASHINGTON

The key to what happens may well rest in the hands of Congress. Without appropriated funds, the bases would have to be given back to Thailand.

On the Thai side, the decision depends to a large degree on the extent of hostile Communist activity along the nation's borders.

The Government wants to maintain some of its ties with America. It claims that the U.S. has pledged to honor its military commitments to Bangkok despite planned and future withdrawals of the American forces. With enemies on nearly every border, Thailand realizes it needs the U.S.—as friend and ally.

Mr. McCLURE. Mr. President, did the Senator from Florida wish some time?

Mr. STONE. No; I thank the Senator.

Mr. McCLURE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia has 5 minutes remaining of his time.

A RED-LETTER DAY IN THE OFFICIAL LIFE OF PRESIDENT FORD

Mr. HARRY F. BYRD, JR. Mr. President, in the judgment of the senior Senator from Virginia, Wednesday, May 14, 1975, was a red-letter day in the official life of President Gerald Ford.

The Senator from Virginia earlier commended President Ford for his firm and resolute action in retrieving an American ship which had been taken over on the high seas. I commended him for his action in saving the lives of 40 American crewmen.

If the President had temporized, if those crewmen had been taken to Cambodia, it would have been very difficult or impossible to have saved them if the Cambodian Government was determined that they would not be saved.

I commend the President for a second action that he took yesterday, May 14. The President and the Federal Reserve Board turned down New York City's request for financial assistance from the Federal Government. New York City, its mayor and the Governor of the great State of New York, came to Washington to seek Federal funds to bail out New York City for the excesses which, through the years, it has gone to in regard to the spending of public funds. If the Federal Government gets into the business of bailing out localities throughout the Nation which overspend, there will be no limit. It will be a quagmire without a bottom.

President Ford accurately asserted, I believe, that the loan "would provide no real solution, but would merely postpone New York City coming to grips with its problem."

The President was on sound ground, too, when he told the mayor of New York City—and this can apply to many other places as well—

> We must stop promising more and more services without knowing how we will cover their costs.

I think he would be on sound ground also in making that statement as it applies to the Federal Government, as it applies to the Congress of the United States, and, I might say, as it applies to his own administration. More and more programs are being advocated, both by Congress and by the administration without appropriate regard as to how those programs will be paid for.

I was most interested in the statement by Federal Reserve Board Chairman Arthur Burns, who told a group of New York Congressmen yesterday that no prudent man would lend New York City money in the city's current financial condition. The Federal Reserve Board turned down New York City's request for a loan.

I do not single out New York City for any reason of hostility. It is one of the great cities of the world. I like to go to New York City. It is a great city, a wonderful city.

But I think the politicians of that city, just as the politicians of other communities over the Nation, must realize that they cannot give in to all of the demands of the various pressure groups unless, they are willing to vote the taxes to pay the costs. They do not want to do that.

I think President Ford yesterday struck two important blows for the best interests of our Nation—in one case, of the taxpayers of our Nation; in the other case, in regard to the captured ship, he struck a blow for the best interests of our Nation in the matter of world opinion and the protection of American lives and property. I am happy to commend him for both of these actions.

Mr. HANSEN. Will the Senator from Virginia yield?

Mr. HARRY F. BYRD JR. I am happy to yield to my distinguished friend from Wyoming.

Mr. HANSEN. Mr. President, I compliment the distinguished Senator from Virginia. He is a realist. He is a person who understands what the economic facts of life are and I regret that there are not more who have his deep understanding and perception in both bodies of Congress.

The one underlying fact that I think underscores the preeminence of Americans throughout the world, the one basic reason that we have freedoms to the extent that we have them is that, among other things, in addition to a constitutional form of government, we have, by way of contrast with the rest of the world, the best free enterprise economy. It is that fact, and it is the burdens and responsibilities that that fact imposes upon government officials everywhere, that underscore precisely what my distinguished friend from Virginia has just been saying about New York City. It is an easy thing to be a great guy to everybody so long as one reaches into somebody else's pocket to take the money to pay the bill, or, provided one does not pay the bill at all. That has been pretty much a course that has been followed for all too long by our Nation's biggest city.

What we need to do, and what New Yorkers need to understand and most of them probably know, is that we have to pay sooner or later for what we receive. As quickly as the Congress of the United States can comprehend the logic of that fact, the better off we shall be.

The Senator from Virginia has often spoken on this subject and I know of no one better qualified than he to point out what the facts of life are.

We have a great country. It can be a greater country than it is today. It will be a greater country than it is today if it can be decided what we can do and what we cannot do, as has been pointed out by the Senator from Virginia.

I compliment him for his contribution.

Mr. HARRY F. BYRD, JR. I am grateful to my dear friend from Wyoming for his overly generous and kind comments.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from North Carolina.

Mr. HELMS. I, too, wish to compliment my able friend from Virginia. As always, his fiscal analysis is exactly right.

I might say that in my judgment the vast majority of American people are in total agreement with the Senator from Virginia. The vast majority of Americans understand the necessity for prudence; they understand that they cannot spend more than they take in for very long without getting into trouble. And they are aware of the fiscal irresponsibility of this Congress. They understand and appreciate the philosophy of the Senator from Virginia.

I commend him most highly for his comments, and I wish to be associated with his remarks.

Mr. HARRY F. BYRD, JR. I wish to say, "Thank you so much," to my distinguished friend from North Carolina for his very kind and generous comments.

Mr. President, during the course of the morning some 16 Members of the Senate have been discussing the Nation's foreign policy and defense posture in the aftermath of Vietnam.

A recent article in the quarterly review Modern Age, entitled "Power and

Purpose in American Foreign Policy," examines in some detail the questions that have been raised here this morning.

I believe the article from Modern Age will add to the debate this morning, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POWER AND PURPOSE IN AMERICAN FOREIGN POLICY

(By James E. Dornan, Jr., and Peter C. Hughes)

THE AMERICAN MISSION IN WORLD POLITICS

More than two hundred years ago, at the close of that period of American history which has been felicitously designated "the seedtime of the Republic," John Adams set down his thoughts on the historical significance of the American experience with republican government. "I always consider the settlement of America with reverence and wonder," he wrote, "as the opening of a grand scene and design in Providence for the illumination of the ignorant and the emancipation of the slavish part of mankind all over the earth." Adams was by no means alone in the view that the United States, as an almost-unique embodiment of social and civic virtue, was destined to make a major contribution to the political reformation of mankind. Such convictions have been prominent throughout the nation's history: statesmen with political outlooks as divergent as those of Hamilton and Wilson have beguiled themselves with the belief that the American system would become the political model for the entire world, and that American power might be the instrument for the establishment of representative government on the widest possible scale. The crusading spirit perhaps most fulsomely expressed in John Kennedy's inaugural address thus appears to have deep roots indeed in the nation's political character.

To such beliefs about the unique nature of the American polity can also be traced the origins of what George Kennan has called the "legalistic-moralistic" approach to foreign policy, in which American values and interests broadly interpreted become the primary standard for judging the behavior of other nations. As Kennan has emphasized, the United States has been particularly prone to judge international events from its own special perspective, and commonly has failed to consider adequately the legitimate views of other nations in the process. We have thus frequently been accused of exhibiting a narrow "absolutism" and a hypocritical moralism in our foreign relations.

These criticisms are not totally without foundation. Throughout its history the American nation has pursued foreign policy goals indistinguishable from those of other nations. Like others it has sought security, economic advantage, prestige, and influence in the international arena. Like others it has sought to protect advantage and influence once attained. And as they advanced the nation's interests American statesmen have often ignored or violated the canons of international law and morality. But so consistent and pervasive have been the assertions of higher purpose that most students of American diplomacy have concluded both that these claims have been more than mere rationalizations for other drives, and that they have had a significant impact upon the selection of end and means in American foreign policy as well. To that extent, American diplomacy does exhibit a pattern different from that of other nations.

In recent years many critics have come to consider the belief that the United States has a distinctive role to play in world politics to be deleterious to the development of a successful foreign policy. Even before the Vietnam War, there existed an ample literature urging a scaling down of American pretensions and a redefinition of the goals of American policy in more modest and prudent terms. As the nation's involvement in Vietnam deepened, that view became a concensus; and although even the academic critics of America's "crusading interventionism" by no means abandoned the view that the United States should play a large role in world politics, it became virtually *de rigueur* in the scholarly community to espouse the so-called "limitationist" viewpoint concerning the goals of American policy.

But it was not only in the intellectual community that opinion concerning the goals appropriate for American diplomacy began to change. Discontent with the seemingly endless war in Southeast Asia among the public at large clearly undermined the consensus over the means and ends of American foreign policy which had existed since the outbreak of World War II, and reawakened the urge toward withdrawal from an activist role in world affairs which had been dormant for nearly three decades.

Even after the withdrawal of the 500,000 American troops from Vietnam, however, the United States remains very much involved with the external world. Today America has 492,000 troops in some twenty-nine countries around the world. It is associated with four regional defense alliances and has contracted mutual assistance treaties with over forty nations. More than 900 additional treaties and agreements of every conceivable type bind us to dozens more, and to a host of international organizations and agencies as well. In 1975 the United States is furnishing military and/or economic assistance to approximately one hundred countries. Inadvertently and with the best intentions, Ronald Steel has pointed out, the United States has acquired an "accidental empire," one that embraces much of the world in a network of military pacts, economic ties, and political commitments. That "empire," it is now clear, cannot be readily abandoned, for the United States, like other great powers before it, has learned that it can no more ignore the obligations and commitments that have been both assumed and thrust upon it in the twentieth century than it could declare itself a great power by decree, as it attempted to do early in the nineteenth. Thus the debate engendered by the Vietnam War continues, now encompassing the broadest possible questions concerning America's role in world politics in the final decades of the twentieth century.

AMERICAN FOREIGN POLICY PRIOR TO WORLD WAR II

The current debate centering upon the extent, the methods and the purpose of American involvement in international politics is the inevitable culmination of the post-World War II revolution in America's relations with the outside world. Prior to the twentieth century, the internationalist and interventionist thrust implicit in the American self-vision from the nation's earliest days lay concealed behind a hardheaded realism in the choice of foreign policy objectives and in the actual conduct of diplomatic relations with other nations. Moreover, a fortuitous geographic position and the exigencies of international history had made possible a policy of isolationism or, more accurately, of non-alignment, which concealed from the American people the importance of an effective foreign policy.

Thus it was, as Charles Burton Marshall has noted, that the United States "came to maturity without having, in Whitman's phrase, to 'learn to chant the cold dirges of the baffled and sullen hymns of defeat'." Neither did the various international adventures of the early twentieth century or even Wilson's "great crusade" of 1917 mark any significant departure from the earlier tradition. There is little evidence to suggest that the nation as a whole fully appreciated the significance of the Spanish-American War, especially of the territorial acquisitions which followed in its wake; and surely neither Mr. Wilson nor his constituents viewed World War I as marking a permanent commitment by the United States to active participation in international politics. Indeed, for Wilson himself, as his critics are fond of noting, America fought the Great War out of a conviction that "the world must be made safe for democracy, and in order to usher in a new era in world history in which an institutionalized rule of law would replace war as the final arbiter of disputes among nations. The rapidity and fervor with which the nation reembraced isolationism when it became apparent that Wilson's dream bore little relationship to reality is fitting testimony to the twentieth-century strength of the tradition of nonalignment, however transmogrified in inspiration that tradition may have become since its origins.

FROM WORLD WAR II TO VIETNAM

It was not until after World War II that the United States came to believe that its own vital interests, not to mention its ultimate hopes and expectations for mankind, demanded an active role in world affairs. This was the ultimate significance of the much-discussed "revolution in American foreign policy" during which the vistas of United States policy expanded to encompass the entire globe. The contrast with the decade of the thirties was particularly sharp, as more than one commentator has observed:

"In the 1930's the United States had retracted into a pathological isolation: Americans had rejected even the noncompulsory jurisdiction of World Court, made the decision to retire from the Philippines, refused to build up fortifications on Guam, and abandoned their neutral rights at sea. . . . Yet during the following decade Americans fought a global war, led the mightiest coalition in history, became deeply involved politically in all parts of the earth, made the pivotal decisions that affected the future everywhere, and an American President bestrode the world like Caesar Augustus of old. In the light of its traditional foreign policy this sudden stupendous global influence of America constituted a veritable revolution. one of the most dramatic in history."

The consequences of this notable change in the operational pattern of America's relations with the external world have been many, and in fact are only beginning to be understood. But surely among the most important is one which until recently has been little observed: for the first time in its history, the United States has been compelled to act on the basis of its traditional, imperfectly examined and inadequately articulated understanding of international politics, and for the first time as well it has been forced to confront the consequences and implications of its classic definition of national purpose. Is the United States in its principles and behavior fundamentally different from the other national units which participate in international relations? Is the American political system the embodiment of the natural rights of man, and thus of a set of political values felt to be the legitimate political inheritance of all mankind? Is the United States destined to help other men to achieve that inheritance? And if so, by what means is it to accomplish this end?

Needless to say, this confrontation, which ultimately involves nothing less than the self-vision of the nation itself and the relationship between that vision and the nation's behavior in world affairs, would inevitably lead to errors at the level of design and reverses at the level of execution; and it was no less inevitable that these errors and reverses would stimulate a reaction at home. From the beginning of the nation's postwar involvement in international relations there have arisen frequent charges that our policy-makers have acted unwisely in one way or another, and dissatisfaction with the results of policy has also led from time to time to a questioning of the general sweep of the nation's global strategy itself.

Resistance to the postwar "revolution" in American policy, it is worth remembering, came from both ends of the political spectrum. The Henry Wallace Democrats of the middle and late '40's, rejecting the mounting evidence that Roosevelt's "grand design" for postwar cooperation with the Soviet Union was doomed to failure, bitterly denounced the gradual development of the containment policy, and anticipated as well the central thesis of later New Left critics in insisting that the United States bore the principal responsibility for the onset of the Cold War. Taft Republicans, on the other hand, although harboring few illusions concerning the goals of Soviet foreign policy, strongly opposed any advance military guarantees to the nations of Western Europe, while appearing to suggest at the same time that the United States ought to have done much more to prevent Mao's accession to power in China. The discontent in both camps was fed by the rather ambiguous outcome of the Korean War, and by public dissatisfaction with our initial efforts to "contain" communism in Asia during the Eisenhower-Dulles Administration. If American foreign policy during the Eisenhower years seemed to suffer—as critics of all political persuasions have charged—from a severe case of muscle paralysis, it is not only the faulty understanding of the nation's leaders which must be blamed: that faulty understanding clearly mirrored the state of mind of the nation at large. Indeed, there is little indication that matters have improved much in the interim.

To be sure, the Kennedy era was to have changed all this. The torch of leadership, we were told, had been passed to a new generation, more wise and more able than that which it had succeeded, and we could thenceforth anticipate a foreign policy at once relevant and efficacious. The rhetorical seeds of the 1961 Inaugural rather quickly fell on the stony ground of Cuba, Laos, and Vietnam, however; and it soon became apparent to most interested observers that the seemingly-vast military and economic power of the United States was succeeding neither in enhancing American security nor in promoting international order and stability. There was little if any improvement under Johnson. Much more comfortable with domestic than with foreign policy in any event, he quickly became totally immersed in the Vietnam conflict, and in the last analysis he proved unable to imbue American diplomacy with direction or coherence. Increasingly as the Johnson years wore on, a new kind of challenge to American foreign policy was heard. A growing body of criticism began to call into question the motives and intentions of our policy-makers, and professed to discern a widening gap between the desires of the national leadership and those of the people at large—or, at least, of the more informed and intelligent among them. The Vietnam adventure, it was said, represented still another manifestation of the "arrogance of power"; some opponents of the war directly asserted that the United States has assumed the imperial mantle recently laid aside by Britain and France. According to these critics, American foreign policy required a substantial redirection, and that could be only accomplished by altering the nation's political system itself. While there is no evidence that these views were ever accepted by more than a tiny minority of the American people, it does appear that the steady denunciation of our Asian policy which emanated from the political Left both fed popular dissatisfaction with the Vietnam War and contributed to a growing disenchantment among the public with our foreign policy generally.

THE NIXON YEARS

Both President Nixon and his National-Security-Adviser - become-Secretary-of-State believed (even before 1969) that popular discontent with Vietnam had undermined the consensus concerning America's role in the world which had sustained United States foreign policy since the 1940's. Both Nixon and Kissinger, in fact, believed that virtually all of the forces and factors which had shaped world politics during the first two postwar decades had ceased to be operative.

The principal changes were said to be six in number. First, Japan and the nations of Western Europe, the latter gradually drawing closer together economically and politically, have recovered from the ravages of World War II, and are capable once again of assuming major roles in the world political system. Second, the new nations of Africa and Asia have substantially matured since the early post-independence period, and now appear able to resist external aggression and hold their own in relations with bigger powers. Third, the one-time communist monolith has been shattered, replaced by a loosely organized bloc whose members quarrel as often as they cooperate. Fourth, U.S. military preeminence has given way to a condition of strategic parity between the U.S.S.R. and the United States, reducing American freedom of maneuver in crisis situations but simultaneously creating new possibilities for détente based on a "stable balance of terror." Fifth, the old "isms"—the once-vibrant ideologies which for twenty years animated the foreign policies of the great powers—have lost their vitality, and more traditional national goals such as security and economic progress have become the primary concerns both of the United States and the Soviet Union. Finally, our own foreign policy is now inhibited by serious internal constraints, one of the several aftermaths of the Vietnam War. Our citizens' "psychological resources" have been exhausted, their "moral strength" has been undermined, and the nation's ability to play a major role in world politics is therefore considerably diminished.

Mr. Nixon's world view thus combined both pessimism and optimism. Although the power of the United States is in decline, especially relative to that of the Soviet Union, other changes which are occurring in the world are more favorable to American interests, especially if the latter are more restrictively defined than in the past. A substantially reduced role for America in maintaining world security, Mr. Nixon believed, was both desirable and possible; moreover, for the first time since the end of World War II, there exists an opportunity to create a "new structure of relations" with our traditional adversaries and thereby achieve a "durable peace" which will survive at least until the end of this cantury. Particularly if the economies of the U.S. and the U.S.S.R. could be bound together through a series of interlocking agreements, the Soviets would have a "vested interest" in continually-improving relations with the West. Somewhat later, as events in the Middle East and the massive post-SALT Soviet military build-up aroused doubts about the assumed Soviet desire for a constructive relationship with the United States, administration spokesmen began to stress the necessity of avoiding nuclear war as the primary rationale for the policy of détente.

Mr. Nixon's efforts to redirect American foreign policy, of course, were considerably reinforced by the views of Mr. Kissinger. At least since 1965 Kissinger has believed that the Soviet Union and Communist China are basically satisfied and status-quo powers, increasingly anxious for cooperative relationships with the United States. His views on defense policy also strongly buttressed Mr. Nixon's new approach to American foreign policy. Since virtually the start of his academic career in the mid-fifties Kissinger has believed that the maintenance of a strategic balance between the two major powers is relatively easy when both sides possess invulnerable second-strike forces. He is also convinced that, beyond their deterrent effect, strategic nuclear weapons have very little operational significance for foreign policy. Precisely because of the awesome power of nuclear weapons, he has insisted, once a "stable" nuclear balance has been achieved no rational leader would be tempted either to launch an all-out war or to try to utilize strategic weapons to advance his nation's political interests. Hence, he has been relatively uninterested in the niceties of the nuclear balance and in the significance of numerical disparities in numbers of missiles deployed by the major powers. Finally, he has long argued that under conditions of nuclear stability thus defined the prospects for significant arms control agreements between the superpowers improve substantially. It was the combination of Mr. Kissinger's views on detente and on military strategy and Mr. Nixon's convictions concerning the possibilities of improved relations with the U.S.S.R. which constituted the driving force behind the Nixon Administration's national security policy.

The often-voiced charge that the Nixon Administration never adequately defined or articulated its foreign policy objectives is thus without merit. Virtually from the outset the administration made the achievement of detente with the U.S.S.R. its primary goal. Vital foreign policy tasks such as repairing strained relations with our European and Asian allies and restructuring the international trade and monetary systems, to say nothing of developing a coherent long-term strategy for dealing with the developing continents, were all sacrificed—and continue to be sacrificed—to the pursuit of improved relations with the Soviet Union. The "shocks" administered to Japan in 1971 and the pronounced deterioration in relations within the NATO Alliance during the first two years of the second Nixon Administration testified clearly to the new pecking order for adversaries and allies within that Administration's policy. At the same time, under the tutelage of Messrs. Nixon and Kissinger the United States renounced, even as an ultimate objective of policy, any intention to effect a fundamental change in the nature of the Soviet regime; indeed, not only great-power status but also a right to "natural expansions" in the Middle East and elsewhere were conceded to the Soviets. Even the much-heralded "opening" to China appears in retrospect to have been primarily designed to goad the Soviets more rapidly down the road to detente.

The Administration's efforts to redefine America's global interests can be similiarly understood. Many critics have suggested that the so-called Nixon Doctrine contained no clear standards defining the conditions under which the United States would use force to defend its interests abroad. Hence, they argued, it remained uncertain what policy the U.S. might follow if and when local defense forces proved inadequate in areas of American concern. Both Mr. Nixon and Mr. Kissinger, however, gave ample indication that they expected direct American involvement to be rarely necessary. The reason once again had to do with their views on the emergent relationship with the Soviet Union. If Soviet-American hostility is waning due to changes in Soviet ambitions, and if wise American diplomacy can be expected to lead to further improvements in relations between the two superpowers in the future, then America's fundamental security position is markedly improved. Not only is the danger of a military confrontation with the U.S.S.R. substantially diminished, but there is no longer any need to "contain Communism" through a complex array of treaties and alliances. As the Cold War passes, according to this view, American interests abroad shrink commensurately. Herein may lie the explanation for what was the Nixon Administration's apparent lack of concern over both the relative decline of American military power and the probable political consequences of that decline. In this respect the SALT agreements are the perfect strategic expression of the Nixon Doctrine itself.

THE ADEQUACY OF THE KISSINGER FOREIGN POLICY

The willingness of the Soviet Union to pursue policies of restraint, therefore, is a crucial element in the new grand design for American foreign policy. Unfortunately, thus far there have been few signs of any such willingness on the part of the U.S.S.R., and the argument that Soviet foreign policy objectives in their broadest definition have decisively changed is not a great deal more compelling now than when it was first raised not long after the revolution of 1917. At the very least, Soviet policies in the Middle East and South Asia ought to give one pause. It is worth observing in this connection that great powers do not necessarily require universalist ideologies to sustain policies aimed at global preeminence. As Thucydides taught us long ago, the interests of states tend to expand with their power, and few would quarrel with the proposition that the rise of Soviet power, especially in its military dimension, is one of the salient facts of current international history.

Even the various SALT agreements, frequently cited by the Administration as the principal evidence to date of a favorable trend in Soviet-American relations, contain no Soviet concessions. Although the U.S.S.R. has agreed to halt further antiballistic missile (ABM) construction and consented to build no more ballistic missile launchers after specified totals have been reached, there were no signs that they were contemplating extensive ABM construction in any event and no hard evidence—despite Nixon Administration claims to the contrary—that they had previously intended to add to their arsenal large numbers of missile launchers beyond the total permitted by SALT. Indeed, it would be extremely difficult for the U.S.S.R. to acquire more than the permitted number—950—of sea-launched ballistic missiles during the five-year life of the SALT I agreements under the best of circumstances. Overall the 1972 agreement allows the Soviets a 2414–1710 advantage in missile launchers of all types, and a throw-weight advantage of at least 4–1. The payload and launcher advantages guaranteed the Soviets by SALT I afford them a more-than-adequate foundation for progress toward clear strategic superiority over the United States. The United States, on the other hand, surrendered a highly-promising ABM system, accepted a freeze on offensive launcher systems which complicates our efforts to acquire an effective counterforce capability (*i.e.*, an ability to destroy such military targets as protected missile silos), and won no guarantee that our existing qualitative advantages would not be neutralized by future Soviet technological advances.

In fact, since SALT I was signed the Soviets have embarked upon a program of military development which is staggering in scope and intensity, and which will nullify any remaining American advantages within several years. First, they have continued to test and deploy missiles in their existing ICBM series, and have developed a new, more effective guidance system to improve the accuracy of all their missile systems. Second, they have developed a new launching system for their land-based missiles—the so-called "cold launch" or "pop-up" technique—which will enable them to install larger missiles in existing launchers and also to deploy more than one missile per silo (thus effectively and legally circumventing the effects of the limitations on missile size and on numbers of launchers contained in the SALT I agreement). Third, since 1972 they have tested no less than five new strategic missiles, four of the land-based and one of the sea-based variety, each possessing a larger throw-weight and greater accuracy than its predecessor. Fourth, the U.S.S.R. is proceeding very rapidly with a multiple warhead program, and should surpass the U.S. in numbers of warheads on land-based missiles later in this decade. These warheads will be larger and more counterforce-effective than our own. Finally, the Soviets are deploying two new types of missile-firing submarines, not to mention other major naval vessels such as aircraft carriers, missile cruisers, destroyers, and attack submarines for antisubmarine warfare purposes. They are also beginning to deploy a new bomber, the adjustable-wing, intercontinental range "Backfire," and they may be testing a new supersonic heavy bomber as well.

The agreement concluded by Messrs. Ford and Brezhnev at Vladivostok in November of 1974, should it become embodied in a formal SALT II accord, will have little or no constraining effect on the Soviets' drive to achieve military preeminence over the United States. Indeed, by permitting them to place multiple warheads on 1320 of their missiles it ensures that the Soviets will acquire ultimate superiority in numbers of warheads on land-based missiles as well as in other significant indices of strategic power.

It is thus uncertain in the extreme whether "nuclear parity" with the United States is or ever has been a Soviet objective. On the contrary, available evidence indicates that the U.S.S.R. is seeking superiority over the United States in every significant area of military power. The relevant question, of course, is *why*.

No one would suggest that a Soviet nuclear attack "out of the blue" is probable, either now or in the foreseeable future. What is far more likely is an effort by the U.S.S.R. to exploit its growing strategic advantage for political purposes. The historical record indicates that the Soviets aggressively attempted to exploit their military capability for political purposes even when they were substantially inferior to the United States in strategic striking power, especially during the Khrushchev era. Neither have they been reticent in calling attention, before a variety of audiences, to their existing margin of superiority in intercontinental ballistic missile launchers. Were the Soviets directly or tacitly to bring their strategic advantage to bear during an international crisis, the U.S.—or its allies—might readily be intimidated. Given existing strategic realities, any Western leader would hesitate to challenge a direct Soviet military threat when a vital interest of the U.S.S.R. was at stake, much less employ strategic weapons in the event of lower-level Soviet aggression.

It is for this reason that responsible observers, both here and abroad, have begun to question the credibility of the U.S. nuclear commitment to Europe. When the Soviets acquire a counterforce capability sufficient to threaten portions of the American strategic "triad," these doubts could be transformed into convictions. Under such conditions, the U.S. could lose its remaining power to influence the international behavior of the European powers, to say nothing of the course of events in other parts of the globe. Indications that the timing of the American initiative towards a Middle East ceasefire in 1973 was largely determined by Soviet pressure may be an ominous portent of the future.

Thus idle speculation concerning the likelihood of a Soviet military assault on Europe or of a direct intervention by the Soviets in the Middle East largely misses the point. The vital question concerns the political implications of present and probable future strategic states. As many commentators have observed, the precise military balance as measured by experts may be far less significant in this connection than such attention-getting factors as gross numbers of delivery vehicles, popularly regarded as the true index of military power. It is for these reasons that the Nixon Administration's military posture, variously termed "realistic deterrence" and "strategic sufficiency" must be judged seriously deficient.

Mr. Kissinger, however, has long doubted the efficacy of military power as a tool of diplomacy in the nuclear age, and such issues as these interest him far less than his "web of interest" strategy and the establishment of close personal relations between the Ford-Kissinger team and Soviet leadership. The validity of both approaches to the Soviet-American relationship is of course open to challenge. It is by no means certain that the kinds of economic agreements apparently contemplated will act as a constraint on Soviet efforts to expand her global power and influence, nor is there any reason to presume that these agreements will be of permanent duration. Least of all can it be assumed that pleasant personal relations between Ford and Brezhnev, or for that matter between Kissinger and Dobrynin, will be a significant factor in the Kremlin's policy calculations.

In any case, if the course of Soviet military development holds out little hope that detente has become a reality, neither is the political record very promising. While there is not space within the scope of this essay to analyze thoroughly the general course of international politics since SALT, even a capsule review of recent events is sufficient to indicate that the Soviets have no more sought to contribute to the "momentum of detente" within the political sphere than within the military arena.

There have been no serious concessions by the Soviets in any of the several ongoing negotiations with the Western powers on political and military issues. The talks on mutual force reductions in Europe are presently deadlocked, apparently awaiting the next American accommodations. The Conference on Security and Cooperation in Europe is also deadlocked, in this case over Western European insistence that the Soviets agree to permit more "human contacts" between their people and those of the West. As for other areas of potential political conflict between the two superpowers, the record speaks for itself. Not only were the Soviets intimately involved in the preparations for the Middle East War, but virtually to the day that the oil embargo was lifted they continued to urge the radical Arab states to maintain it in force. There is no evidence to indicate that they have supported Mr. Kissinger's efforts to move the opposing parties towards a mutually satisfactory settlement since the embargo ended. Brezhnev himself has repeatedly stated during the period since SALT I that the ideological and political struggle between the two powers will go on. In fact, at a conference of Eastern European party leaders in mid-1973 he explained that the precise purpose of the Soviet policy of detente with the Western powers was to buy time for the Soviets to acquire total strategic superiority over the West; at that point, he said, the U.S.S.R. would set about to achieve the reorganization of world politics on its terms, which has always been the ultimate objective of Soviet foreign policy.

There is, in short, no evidence whatsoever that there exists at present a true detente between the U.S. and the U.S.S.R., even if we define detente, in a minimum way, to mean acceptance by both the U.S. and the U.S.S.R. of the pre-SALT military balance as a permanent condition of international life. Much less is there a true detente if that word is defined more broadly as a situation in which both superpowers agree to pursue foreign policies which are essentially status-quo in nature.

A belief in the existence of detente between the superpowers has encouraged false hopes and has stimulated wishful thinking in the West. In the resulting euphoria, thoughtful and objective analysis of the military and political threats we confront from the U.S.S.R. in today's world has been rendered extraordinarily difficult. Even among those on the political Left whose enchantment with the U.S.S.R. has recently faded, there is little appreciation of the significance of the Russian military buildup; and in the highest councils of the present Administration the conviction that detente is a reality is deep-seated indeed. There are thus few obstacles in the path of the Soviet drive toward military and political preeminence.

TOWARD A MORE VIABLE FOREIGN POLICY

If there are a few signs that a true detente exists between the United States and the Soviet Union, on what basis should the United States attempt to conduct relations with the world's other superpower? Should the purpose of this nation's foreign policy in the 1970's be "victory over communism," as the then-leading (and still prominent) spokesman for American political conservatism, Senator Barry Goldwater, advocated a decade ago?" Or is the mere "containment" of the Soviet Union enough? Alternatively, should we drastically reduce American involvement with the outside world, as the "limitationists" advise, or perhaps even attempt a withdrawal to a Fortress America, relying upon our strategic nuclear forces to ensure our survival? To raise these questions is merely to ask what are the national interests of the United States, and how can they be best protected under contemporary conditions?

As with most issues of public policy, perhaps it is best to return to *what is*, to certain observable facts about the behavior of nations and about the universe of international politics. As the French scholar Raymond Aron has recently reminded us, only "a small power restricts its ambitions to physical survival and the preservation of its legal independence and its institutions." A great power, on the other hand, "over and above physical security, moral survival, and the well-being of its inhabitants, acts to achieve an (often) ill-defined purpose, which I should call the maintenance or creation of a favorable international environment." Isolationism in the United States, he adds, has been largely discredited because five times in the twentieth century in moments of profound crisis the United States has found it necessary to undertake a major military intervention in Europe and Asia. The issue, he suggests, is not what the United States might prefer to do, but what it has done and will continue to do: "The real question is whether nonalignment and the refusal of 'entangling alliances' would not give rise some day to crises from which once again, however much it wished to abstain, the American Republic would be incapable of standing aside."

In arguing that, whatever its formal doctrine, the United States would find a policy of isolationism impossible to maintain in practice, Aron is not succumbing to the determination of the power realists or the para-Marxists, who also assert—albeit for quite different reasons—that the United States is compelled to play a substantial role in world politics. Neither is he merely arguing, with Thucydides, that the interests of states tend to expand with their power. On the contrary, he is asserting that power is not the sole, and often not even the primary, determinant of human action, and therefore that the behavior of men and nations cannot be explained in terms of power alone:

"Drawing a distinction between physical security and the creation of an environment favorable to the expansion of the national values, though valid analytically, is rather hazardous. No great power defines its national interest simply as its physical security. Diplomats think and act within a world already structured by animosities, principles, or sympathies which cannot be reduced to calculations of strength or consideration of balance."

If this argument is correct—and the historical experience of all great nations goes far toward confirming it—it suggests at least the beginnings of an answer to the questions raised earlier concerning the purpose of American policy. Self-interest and principle are inextricably intertwined as motives for the foreign policies of all nations, although of course the mix will differ in each individual case; moreover, it is when the demands of self-interest and the demands of principle reinforce one another that policy tends to be most consistent and effective.

In the present instance, both principle and self-interest point clearly to a firm United States policy stand toward the Soviet Union. At the level of principle, it is difficult to maintain that the Soviet regime is morally superior to the American. Whatever may be the thrust of the changes which have occurred in the U.S.S.R. since Stalin, the Soviet regime remains a tightly-controlled, one-party dictatorship. All political dissent in the Soviet Union is carefully circumscribed, and respect for basic human freedom and dignity is virtually nonexistent. The United States, by way of contrast—and, more broadly speaking, the civilization of the West in general—embodies principles of politics which are eminently defensible on ethical grounds, however imperfectly some of those principles may be realized in practice. Thus the Western nations have the right and the obligation to defend their values and principles and the political systems based upon them, and indeed to extend their influence where it is possible and prudent to do so.

At the level of self-interest, it is clear that the threat to American interests abroad and even to our security and survival is increasing rather than diminishing. What is therefore required in response is a policy toward the U.S.S.R. based on a clear apprehension of current realities rather than on desires and dreams. In the words of Defense Secretary Schlesinger, "unless we are to plan only by our peace structure on the hard facts of the international environment rather than on gossamer hopes for the eminent perfectability of mankind. And whatever, the professed fears of Mr. Kissinger regarding the dangers of nuclear war, there *do* exist options for the United States other than holocaust or the supine acceptance of Soviet political and military supremacy.

To be sure, a realistic policy toward the U.S.S.R. cannot, under current circumstances, advocate a crusade to roll back the Iron Curtain or to bring down the Soviet regime by force. As Burke long ago taught us, prudence is the central virtue of politics, and in the nuclear age such a policy could result only in disaster. By the same token, the time has long since passed when we could attempt an international quarantine of the U.S.S.R., or even refuse to negotiate with the Soviets on the whole range of East-West issues. In any event there can be few objections raised against the concept of detente properly defined, or against a policy of detente properly pursued. What the United States requires is consistent firmness and realism in assessing Soviet intentions and policies and in devising responses to them.

Future arms controls agreements, for example, must be based on true equivalence, and must not proceed from the Kissinger assumption that one-sided agreements are satisfactory solely because they contribute to the "momentum of detente." Trade agreements likewise must contain equal economic advantages for both powers, and under no circumstances should strategic materials or military-related technology be transferred to the U.S.S.R. Finally, even arms control and economic agreements limited by these principles must be offered to the U.S.S.R. at a price. That price must be a demonstrated moderation in Soviet behavior, at home and abroad—in Europe and in the Middle East as well as on such issues as submarine deployments in Cuba and the emigration of dissident minority groups from the Soviet Union. Pressure on the U.S.S.R. emanating from Senator Jackson and elsewhere on the latter issue has already led to some modification of Soviet policies. If the Soviets are seriously interested in obtaining access to American technology, a consistent U.S. hard line on the emigration issue—which will serve to demonstrate to others our continuing moral commitment—might well lead to further changes in Soviet behavior. If not, nothing of consequence will have been lost, and an increased knowledge of Soviet intentions and flexibility will have been gained.

The same approach points the way to new directions for American policy elsewhere in the world. Clearly our alliance systems are in a state of disrepair, a consequence of the deliberate subordination of alliance interests to detente under the Nixon Doctrine. A foreign policy rooted in a clear understanding of current political realities would make the revitalization of NATO and the Japanese alliance a first order of business. Both the Europeans and Japan must be persuaded that we have no intention of "decoupling" American security interests from theirs. Beyond that, the firm United States position in Southeast Asia must be sustained, and efforts should be set in motion to create—under the inspiration of one of the more cogent aspects of the Nixon Doctrine—a NATO-style mutual defense arrangement among the noncommunist nations of the region, through which they can assist one another in dealing with local insuregencies and other threats.

It has obviously not been possible within the scope of the essay to specify in detail the kind of foreign policy which we believe necessary for the United States. Enough has been said, we hope, to indicate the nature of the approach. More than a decade ago, in one of his most illustrious books, a well-known professor of international relations wrote cogently of the relationship between power, principle, and world order:

"Whenever peace—conceived as the avoidance of war—has been the primary objective of a power or a group of powers, the international system has been at the mercy of the most ruthless member of the international community. Whenever the international order has acknowledged that certain principles could not be compromised even for the sake of peace, stability based on an equilibrium of forces was at least conceivable."

The professor was Henry A. Kissinger. The hour is now late. But there is still time for the United States to heed his warning, and to substitute for "detente at any price" the difficult decisions and sacrifices dictated by principled realism.

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Idaho.

MHD AND HELIUM

Mr. McCLURE. Mr. President, I observed with great interest the remarks of the distinguished majority leader regarding the potential use of magnetohydrodynamics—or MHD—for electric power generation. As the Senator from Montana pointed out, MHD offers us an opportunity to increase the efficiency of electric powerplants, while using our abundant domestic coal reserves.

I believe that it is essential, though, that we realize the importance of our helium supplies for this developing technology. Large-scale commercial development of MHD will require superconducting magnets, and these will require liquid helium. In fact, one of the leading U.S. experts on MHD, Dr. Kantrowitz, has estimated the MHD helium inventory for central station use at 40 million cubic feet per year. And, since this is a nonwasting use, an annual 10-percent makeup should be assumed for this inventory.

In addition to Dr. Kantrowitz's estimate, the Stanford Research Institute has prepared a detailed projection for helium use by magnetohydrodynamic generators. As the projection shows, a MHD capacity of 83,000 megawatts in the year 2010 would require an installed helium inventory of 41.5 million cubic feet, with substantial increases thereafter.

Mr. President, I ask unanimous consent that the SRI projection be printed in the RECORD.

There being no objection, the projection was ordered to be printed in the RECORD, as follows:

PROJECTED HELIUM REQUIREMENTS FOR MAGNETOHYDRODYNAMICS, 1985-2050

	Magnetohydrodynamic electrical generation capacity (thousands of megawatts)		Requirements for helium (millions of standard cubic feet)		
	Capacity	Average annual increment	Installed inventory[1]	Average annual inventory increase [1]	Average annual loss [2]
1985	3	0.6	1.5	0.3	0.2
1990	15	2.4	7.5	1.2	.8
1995	30	3.0	15	1.5	1.5
2000	51	4.2	25.5	2.1	2.6
2010	83	3.2	41.5	1.6	4.2
2020	129	4.6	64.5	2.3	6.5
2030	191	6.2	95.5	3.1	9.6
2040	272	8.1	136	4.1	13.6
2050	375	10.3	187.5	5.2	18.8

[1] Based on an inventory of 430,000 pounds of helium refrigerant for 83,000 megawatts capacity, or about 500 standard cubic feet per megawatts of capacity (5,000,000 standard cubic feet per 1,000 megawatts).

[2] Based on estimated current system losses approximating 10 percent per year.

Mr. McCLURE. This is just one more example of a conflict between the administration's stated goal for increased use of domestic energy resources and the actual policy decision which is resulting in the venting of helium to the atmosphere. I hope that in the coming decades we will not have to add MHD to the list of new energy technology which cannot move from R. & D. to commercial development due to a lack of helium.

I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes with statements therein limited to 5 minutes.

SENATE RESOLUTION 156—SUBMISSION OF A RESOLUTION AUTHORIZING AND DIRECTING THE COMMITTEE ON RULES AND ADMINISTRATION TO PREPARE A REVISION OF THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. ROBERT C. BYRD submitted the following resolution:

S. RES. 156

Resolved, That the Committee on Rules and Administration is authorized and directed to prepare a comprehensive codification and revision of the Standing Rules of the Senate which will—

(1) provide for an orderly and logical arrangement of the Standing Rules,

(2) incorporate therein rules of the Senate which presently are not, but properly should be, part of the Standing Rules, and

(3) omit provisions which are no longer applicable to the procedures and practices of the Senate.

Such revision shall not make any substantive change in the Standing Rules, or any other rule of the Senate incorporated therein, or make any other change which is inconsistent with the procedures and practices of the Senate.

SEC. 2. The Committee shall report the revision prepared pursuant to this resolution to the Senate as soon as practicable.

Mr. ROBERT C. BYRD. Mr. President, the Senate, since it adopted its first set of rules in the First Congress, has adopted or readopted its complete body of rules on only six other occasions; namely, on March 26, 1806, January 3, 1820, February 14, 1828; March 25, 1868; January 17, 1877; and lastly on January 11, 1884, 91 years ago. Of course, there have been many major amendments by piecemeal to that body of rules adopted in 1884.

The resolution that I have submitted today would authorize or direct the Committee on Rules and Administration to prepare a codification of the existing procedure of the Senate which is now set forth in the 44 standing rules found in the "Rules and Manual of the United States Senate," the two Legislative Reorganization Acts of 1946 and 1970, various amendments to the rules adopted from time to time in the form of Senate resolutions, certain orders adopted by the Senate which directly affect Senate procedure, and particular provisions of certain other laws.

As stipulated above, this body of parliamentary law by which the Senate operates is scattered among various documents, resolutions and laws, so that it is difficult to locate a particular procedure of the Senate expeditiously.

I have no desire or intention to amend the Senate procedure in this project; my sole purpose now is to pull together all the rules and regulations which provide the guidelines by which the Senate operates; and set them forth in numbered rules in an organized fashion according to subject matter and procedural steps. The present number of each rule will be given a new number only when absolutely necessary.

What I am proposing here is to eliminate some provisions of the rules and regulations which have become obsolete, and to change or omit certain words or phrases to make them meaningful according to current procedure of the Senate. For example, rule IX has not been used since the early part of this century, because it has no significance in present Senate procedure.

Some of the rules refer to officers no longer existing in the Senate; that is, rule I stipulates that—

> In the absence of the Vice President, and pending the election of a President pro tempore, the Secretary of the Senate, or in his absence the Chief Clerk, shall perform the duties of the Chair.

The Senate no longer has a Chief Clerk; he is now called the Assistant Secretary of the Senate.

There are many such changes which should be made to bring the written rules up to date.

SENATE JOINT RESOLUTION 82—RELATIVE TO A BEQUEST TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Mr. HARRY F. BYRD, JR. Mr. President, the late Walter Thurston of Orange, Va., a long-time Foreign Service officer, left one-half of his estate to the United States of America.

I send to the desk for appropriate reference a Senate joint resolution dealing with that bequest. I ask unanimous consent that the joint resolution and its preamble be printed in the RECORD at this point.

There being no objection, the joint resolution (S.J. Res. 82), with its preamble, was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 82

Whereas, the late Walter Thurston of Orange, Virginia, had been a Foreign Service Officer in the United States Department of State for many years preceding his death, rising to the rank of Ambassador; and,

Whereas, by his last will and testament he made a specific bequest of one-half of the residuary of his estate, amounting to $125,000, to the United States of America; and,

Whereas, it is the desire of the Secretary of State to use such amount for the purpose of furnishing the diplomatic reception rooms of the Department of State as a memorial to Walter Thurston: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State is authorized to make expenditures not exceeding $125,000, representing the amount bequeathed by Walter Thurston to the United States of America, for the purpose of furnishing or refurnishing the diplomatic reception rooms of the Department of State.

Mr. HARRY F. BYRD, JR. I further ask unanimous consent that a statement concerning this bequest, with an attached biographical sketch, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Allocation of Portion of the Estate of the Late Ambassador Walter Thurston to the U.S. Department of State for the Diplomatic Reception Rooms

The late distinguished Ambassador Walter Thurston, Orange County, Virginia, by the terms of his will expressed the wish that half of the residuum of his estate (estimated at $125,000) be given to the Treasury of the United States.

Mr. V. R. Shackelford, Jr., Orange, Virginia, Executor of the estate of Walter Thurston, and many of the Ambassador's closest friends and associates feel that because Walter Thurston devoted virtually all of his adult life to the work of the State Department and that he would have wished that this bequest be used for the benefit of the State Department.

Ambassador Thurston left no heirs. He began his State Department career in 1914 in Mexico at the age of 19. He rose rapidly through in career service serving eventually as American Ambassador to several countries and in high positions in the State Department in Washington, until he retired in 1953. He died in 1974. Thus, it will be seen that from the time that he was only 19 years of age until his retirement in 1953—a span of 39 years, he worked untiringly in the diplomatic service which he loved.

Executor Shackelford has stated "It has been suggested by some of Ambassador Thurston's former colleagues in the State Department that it would be appropriate for his bequest to the Treasury of the United States be used to assist the Fine Arts Committee of the Department of State in furnishing the Diplomatic Reception Rooms of the State Department."

"I knew Ambassador Thurston well while he was a resident of Orange County, Virginia, and feel that the use of the funds bequeathed by him to the Treasury of the United States of America for the foregoing purpose would conform with his wishes as to the ultimate disposition of the bequest."

As American Ambassador with such a long and distinguished career, it is believed that he would have been eminently interested in the Americana Project for furnishing the Diplomatic Reception Rooms in the new State Department building in Washington, because this is where all foreign Kings, Queens, Presidents, Prime Ministers, Foreign Ministers, Cabinet Officers, Parliamentarians and other foreign and American officials of the entire world are entertained.

No one would have been more aware of the importance of the dignified cultural and historical background for American official entertainment of distinguished foreign visitors than Ambassador Thurston.

A unique opportunity is presented by these rooms to display American history and our cultural heritage not only to foreign visitors but to the thousands of Americans who annually visit the Diplomatic Reception Rooms. The Rooms will play a prominent part in the Bicentennial years in Washington.

Therefore, it is felt by his friends and associates that nothing could constitute a more appropriate memorial to Walter Thurston than to use his bequest to the United States Government for the benefit of the State Department.

The Americana Project for furnishing the Diplomatic Reception Rooms has been underway since 1961 when the new State Department building was open. There are nine rooms, a city block and one-half in length. The Congress provided the funds for the building but no funds for the furnishings of the Diplomatic Reception Rooms.

Since 1961, by gifts and loans from generous American citizens, corporations, foundations, etc. the fifth greatest collection of Americana in the country has been assembled in the Diplomatic Reception Rooms at no cost to the taxpayer. The collection of American furniture, paintings and decorative objects in the Rooms are now valued at approximately $15,000,000. However, funds are still needed to pay for acquisitions and for architectural improvements. Ambassador Thurston's bequest to the United States Government in the amount of $125,000 would be sufficient to designate an important segment of this internationally renowned project as an appropriate memorial to Walter Thurston.

Attached is a detailed biographical sketch showing Walter Thurston's long distinguished diplomatic career in the service of the United States Department of State.

From State Department Biographical Register, 1954

Walter Thurston—born Colorado, December 5, 1895.

Military academy, private tutors.

Secretary to president of oil company in Mexico.

Clerk to State Department representatives in Mexico 1914–15, 1916.

In charge of American interests in Mexico City 3 months.

Appointed clerk at Guatemala March 26, 1917.

Special Agent of State Department in Guatemala December 22, 1917.

Secretary of Embassy, class four May 3, 1918.

Assigned to Guatemala June 1, 1918.

Class three March 14, 1919.

To State Department January 5, 1920.

Unassigned January-June 1920.

To State Department June 14, 1920.

To Berne July 19, 1920.

To San Jose, Costa Rica, November 16, 1920.

To London March 1, 1922.

Class two September 22, 1922.

Assigned to Managua January 31, 1923.

Foreign Service Officer–4 July 1, 1924.

Foreign Service Officer–3 February 24, 1925.

Consul at Sao Paulo July 15, 1925.

First Secretary at Lisbon Embassy December 13, 1926.

To State Department November 28, 1927.

Assistant Chief, Division of Latin American Affairs, State Department, April 17, 1929.

Foreign Service Officer–2 July 24, 1930.

Chief, Division of Latin American Affairs, State Department, October 11, 1930.

Representative of State Department, 6th Congress of International Chamber of Commerce, Washington, 1931.

Counselor of Embassy at Rio de Janeiro October 7, 1931.

To State Department November 10, 1934.

Counselor of Legation at Asuncion December 24, 1934.

To State Department May 28, 1936.

Counselor of Embassy at Madrid October 1, 1936.

Counselor of Embassy at Moscow April 14, 1939.

Foreign Service Officer–1 May 1, 1941.

Minister-Counselor at Moscow November 14, 1941.

Minister to El Salvador November 14, 1942.

Ambassador to El Salvador March 27, 1943.

Ambassador to Bolivia September 21, 1944.

Ambassador to Mexico May 4, 1946.

Career Minister November 14, 1946.

To State Department November 5, 1950.

Retired August 31, 1953.

Died March 24, 1974.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT

The Vice President laid before the Senate a message from the President of the United States transmitting the second annual report of the National Heart and Lung Advisory Council, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

Enclosed is the "Second Annual Report of the National Heart and Lung Advisory Council," prepared in accordance with the requirement of Public Law 92–423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

The National Heart and Lung Advisory Council has again prepared a thoughtful Report that addresses a number of important research policy questions. With regard to the Council's Report, there are recommendations that are in accord with the Administration's views (e.g., for inter-Council collaboration) as well as recommendations that are at variance with Administration policy (e.g., on the Council's proposed budget).

The Report indicates that "the Council has tried to estimate as realistically as possible the funds which are required to implement the National Program" of the National Heart and Lung Institute. The Council recommended funding levels without considering budget constraints. Therefore, it is not surprising that the budget recommendations of the Council considerably exceed those of the President's 1976 Budget, which must take fiscal constraints and competing national needs into consideration. It should be noted that the budget for the National Heart and Lung Institute has increased greatly in recent years: from $195 million in 1971 to $286 million in 1974, to $293 million proposed for 1976.

The Administration acknowledges the accomplishments of the National Program as described in the Council's Report, and continues to view the heart and lung program as an area of high priority. The Report of the Council merits serious consideration and is being carefully studied and evaluated. I am forwarding the Report to the Congress so that it is available for deliberations.

GERALD R. FORD.

THE WHITE HOUSE, *May 15, 1975*.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Vice President laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:44 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 6755. An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees; and

H.R. 6894. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 2, 4, 6, 12, 23, 24, 25, 26, 33, 34, 36, and 58 to the bill and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 9, and 37, and concurs therein, each with an amendment in which it requests the concurrence of the Senate; and that the House insists on its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON SS "MAYAGUEZ" SITUATION IN CAMBODIA—(S. DOC. NO. 94-56)

A communication from the President of the United States informing the Congress of actions taken by the United States in connection with the seizure by Cambodia of the merchant vessel SS *Mayaguez;* to the Committee on Foreign Relations, and ordered to be printed.

PROPOSED TRANSFER AUTHORITY FOR THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—(S. DOC. NO. 94-57)

A communication from the President of the United States transmitting a proposed transfer authority and an appropriation language change for the fiscal year 1975 for the Department of Health, Education, and Welfare (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

REPORT OF THE WATER RESOURCES COUNCIL

A letter from the Director of the Water Resources Council transmitting, pursuant to law, a report of the Council on the study of the water and related land resources of the Red River below Denison Dam, Arkansas, Louisiana, Oklahoma, and Texas (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED RESEARCH PROJECTS OF THE DEPARTMENT OF THE INTERIOR

Eight letters from the Acting Assistant Secretary of the Interior transmitting, pursuant to law, copies of proposed research projects (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE POSTMASTER GENERAL

A letter from the Postmaster General transmitting a draft of proposed legislation to authorize the Postal Service to give certain personnel the powers of special policemen, and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

PROPOSED LEGISLATION BY THE FEDERAL MARITIME COMMISSION

A letter from the Chairman of the Federal Maritime Commission transmitting a draft of proposed legislation to make public the financial reports of common carriers by water in interstate commerce and for other purposes (with accompanying papers); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

Four letters from the Secretary of the Navy transmitting a draft of proposed legislation to approve the sale of certain naval vessels and for other purposes (with accompanying papers); to the Committee on Armed Services.

PROPOSED DISTRIBUTION OF JUDGMENT FUNDS BY THE DEPARTMENT OF THE INTERIOR

A letter from the Acting Secretary of the Interior transmitting a proposed plan for the use and distribution of the Northern Tonto Apache judgment funds awarded in docket 22-J before the Indian Claims Commission (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services transmitting, pursuant to law, the semiannual stockpile report on the strategic and critical materials stockpiling program for the period July 1 to December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

PROPOSED RULEMAKING BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document entitled "Need Analysis for Student Financial Aid—Notice of Final Rulemaking" (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to strengthen and improve the program of National Research Service Awards, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE ARMY

A letter from the Secretary of the Army transmitting a draft of proposed legislation to eliminate or modify certan statutory reports to Congress (with accompanying papers); jointly, by unanimous consent, to the Committee on Armed Services, the Committee on Appropriations, and the Committee on Post Office and Civil Service.

Mr. RIBICOFF subsequently said: Mr. President, I ask unanimous consent that a communication from the Department of the Army, relative to the elimination or modification of certain statutory reports to Congress, be referred jointly to the committees on Armed Services, Appropriations, and Post Office and Civil Service.

The PRESIDING OFFICER. Is there objection. If not, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the Vice President:

A concurrent resolution adopted by the General Assembly of South Carolina memorializing the Congress to assure farmers and ranchers an equitable return on their farm and fiber products; to the Committee on Agriculture and Forestry.

Senate Joint Resolution No. 12 adopted by the Legislature of the State of Nevada; to the Committee on Banking, Housing and Urban Affairs:

"SENATE JOINT RESOLUTION NO. 12

"Senate joint resolution—Memorializing the Congress of the United States to provide a program of long-term, low interest loans to small businesses

"Whereas, The small businessman has, since the earliest days of this republic, been an integral and necessary part of our free enterprise economy; and

"Whereas, The maintenance of the free enterprise system is based upon free and open competition and the prevention of monopoly and oligopoly; and

"Whereas, In a large number of economic sectors, greater choice of products, more personalized treatment, greater convenience and often, a higher quality of goods and services is made possible because of the small businessman; and

"Whereas, The Congress recognized the importance and necessity of healthy small businesses by the passage in 1953 of the Small Business Act with the primary purpose to aid, counsel, assist and protect the interests of small business; and

"Whereas, A portion of the Small Business Administration's program is the making of direct loans; and

"Whereas, The present funds available for direct loans in this era of national recession is far from adequate to the needs of the many small businesses whose costs remain high because of inflation and fuel costs but whose sales are dropping because of recession; and

"Whereas, Conventional lending institutions either will not make small business loans or will make them only at present high interest rates that will destroy many small businesses; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That the legislature of the State of Nevada hereby respectfully memorializes the Congress of the United States to greatly expand the ability of the Small Business Administration to respond to the present dire needs of small businesses; and be it further

"*Resolved,* That such expansion include authority to make long-term, low interest loans to small businesses that will enable them to weather the present recessionary cycle; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives and to all member of the Nevada congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Committee on Appropriations, with amendments:

H.R. 6894. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 94–138).

By Mr. ALLEN, from the Committee on Agriculture and Forestry, with amendments:

S. 1662. A bill to amend the Food Stamp Act of 1964 (Rept. No. 94–139).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 4269. An act to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands (Rept. 94–140).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Marshall Jordan Breger, of Texas; Rodolfo Montejano, of California; Samuel D. Thurman, of Utah; Roger C. Cramton, of New York; Robert J. Kutak, of Nebraska; Revius O. Ortique, Jr., of Louisiana; and Glenn C. Stophel, of Tennessee; to be members of the Board of Directors of the Legal Services Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nomination of Vice Adm. Thomas R. Weschler, U.S. Navy, for appointment to the grade of vice admiral of the retired list and Rear Adm. Edward W. Cooke, U.S. Navy, for appointment to the grade of vice admiral. Also in the Navy are 56 officers for permanent promotion to the grade of rear admiral—list begins with Lando W. Zech, Jr.; in the Army there are 57 temporary appointments to the grade of brigadier general—list begins with Col. Jack N. Merritt; and, in the Air Force, Gen. Lucius D. Clay, Jr., to be placed on the retired list in that grade. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. In addition, there are 2,727 in the Navy and Reserve of the Navy for promotion to the grade of captain and below; in the Marine Corps there are 93 permanent appointments to the grade of second lieutenant; and, in the Air Force there are 1,276 appointments to the grade of first lieutenant and second lieutenant. Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's Desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Congressional Record of April 28, May 1, and May 5, 1975, at the end of the Senate proceedings.)

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 6755. An act to enable the United States to render assistance to, or in behalf of, certain migrants and refugees; to the Committee on Foreign Relations.

H.R. 6894. An act making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes; to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BELLMON:

S. 1746. A bill to provide additional credit facilities for farmers and other rural residents. Referred to the Committee on Agriculture and Forestry.

By Mr. CURTIS:

S. 1747. A bill to limit to 5 percent cost-of-living benefit increases under the old-age, survivors', and disability insurance and supplemental security income programs established by the Social Security Act through June 30, 1976. Referred to the Committee on Finance.

By Mr. HARTKE:

S. 1748. A bill to provide for the services of certain psychologists under the medicare and medicaid programs. Referred to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1749. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1980. Referred to the Committee on Commerce.

By Mr. JAVITS:

S. 1750. A bill to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse. Referred to the Committee on the Judiciary.

By Mr. JACKSON:

S. 1751. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON:

S. 1752. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments. Referred to the Committee on Interior and Insular Affairs.

By Mr. SCHWEIKER (for himself and Mr. Javits) (by request):

S. 1753. A bill to extend the National Health Service Corps and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON (for himself, Mr. Jackson, Mr. Randolph, and Mr. Hollings);

S. 1754. A bill to establish a uniform and comprehensive legal regime governing liability and compensation for damages and clean-up costs caused by oil pollution of the marine environment, and for other purposes. Referred to the Committee on Commerce, the Commitee on Interior and Insular Affairs, and the Committee on Public Works, jointly, by unanimous consent.

By Mr. MONDALE:

S. 1755. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of congressional primary and general elections. Referred to the Committee on Finance.

By Mr. SCHWEIKER (for himself and Mr. Javits) (by request);

S. 1756. A bill to extend appropriations authorizations for communicable disease and other control programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HARRY F. BYRD, JR.

S.J. Res. 82. A joint resolution relative to a bequest to the judgment of the United States of America. Referred to the Committee on Foreign Relations.

By Mr. GOLDWATER:

S.J. Res. 83. A joint resolution to authorize the designation of the 7-day period beginning June 23, 1975, and ending June 29, 1975, as "National Amateur Radio Week." Referred to the Committee on the Judiciary.

By Mr. JAVITS:

S.J. Res. 84. A joint resolution to authorize and request the President to proclaim October 1975 as "Hobby Month." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BELLMON:

S. 1746. A bill to provide additional credit facilities for farmers and other rural residents. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, the purpose of this bill is to revise the lending limits of the Farmers Home Administration for farm operating loans and farm ownership loans as well as the total indebtedness limit to adjust for increases in food and fiber production costs and land cost.

The need for the increase in Farmers Home Administration loan limits is unquestionable. The bill increases farm ownership loan limits to $200,000. The present $100,000 limit on farm ownership loans was established in 1970. Nationwide land costs have risen sharply since then. For instance, in Oklahoma, land values have increased 82 percent since November 1970 according to USDA's Economic Research Service. Land prices have increased 72 percent nationally according to ERS. A quarter section—160 acres—of farm land which is not an economic unit by itself, is now selling for as much as 60 percent more than the current $100,000 FHA farm ownership limit.

The total indebtedness limit of the FHA is $225,000 which is also outdated. Under current economic scales of production in farming, the bare minimum economic size farm unit needed to provide employment and income for a farm family to survive is around 640 acres in much of the grain belt. Such a unit would cost at least $350,000 and probably much more. This bill would increase the FHA total indebtedness limit from $225,000 to $350,000. Even with the higher limit a begininng farmer would likely need to rent some land. Increasing the farm ownership and total indebtedness limits would more realistically serve the

the needs of agriculture, especially young farmers who are trying to get started and who must buy some land in order to get into business.

Even more urgent is the increase in FHA operating loan limits from $50,000 to $100,000 to reflect the increases in operating cost that have occurred since the $50,000 limit was established in 1972.

Everyone who understands agriculture is aware of the increased cost of items the farmer needs for production. Fertilizer prices are up as much as 300 percent in some cases; fuel cost and machinery costs have doubled; and feed costs as well as most production costs have increased significantly. One does not even have to be a farmer or rancher to readily see that the cost of doing business has risen sharply since the last increase in the FHA operating loan limit.

It is now obvious that agriculture commodities will be one of the few products exported that has the capability of offsetting costs of oil imports. Yet the Government is being very short sighted in not providing the means of credit that is necessary for young farmers to start their own farming operating. The family farm has made the U.S. agriculture system second to none. If the U.S. Department of Agriculture does not give family farmers and ranchers the support that is necessary for stable production, ranchers and farmers cannot and will not be able to meet the world's growing demand for food.

Mr. President, I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1746

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that

Sec. 2. The Consolidated Farm and Rural Development Act is amended:

(a) By striking out the figures "$225,000 and $100,000" in section 305 and inserting in lieu thereof the figures "$350,000 and $200,000 respectively."

(b) By striking out the figure "$50,000" in section 313 and inserting in lieu thereof the figure "$100,000."

By Mr. HARTKE:

S. 1748. A bill to provide for the services of certain psychologists under the medicare and medicaid programs. Referred to the Committee on Finance.

PSYCHOLOGISTS UNDER MEDICARE

Mr. HARTKE. Mr. President, I am introducing a bill to amend titles XVIII, part B, and XIX of the Social Security Act, to include coverage of psychologists' services under the supplementary medical insurance component of the medicare and medicaid programs.

The intent of the Congress in enacting this legislation was to provide a comprehensive health program for our elderly and poor. It is estimated that in excess of 20 million people in the United States, 1 in 10, need help with some sort of mental or emotional disorder. Persons over 65 constitute 10 percent of the population, but occupy 29 percent of all public mental hospital beds. Ironically, the same age group accounts for only 2 percent of the outpatient services rendered for mental problems. These people are going untreated.

According to HEW testimony before the House Appropriations Committee, 50 percent of the elderly in nonpsychiatric institutions suffer mental disabilities; approximately 3 million noninstitutionalized elderly suffer moderate to severe "psychiatric" disorders. These people need and deserve professional help.

THE NEED AND PRECEDENT FOR RECOGNITION OF PSYCHOLOGISTS UNDER MEDICARE AND MEDICAID

My amendment does not ask the Congress to add any new costly service. It merely seeks to utilize qualified and available mental health manpower to provide services already covered and to meet needs we have already recognized. That there is a need for recognition of psychological services under medicare and medicaid can be well established by comparing our total psychiatric and psychological manpower in mental health delivery. Psychologists have been recognized as independent providers in other Federal programs and they are geographically distributed in such a manner as to assure access by those in need of the services they provide.

The Department of Health, Education, and Welfare has estimated the total professional manpower in health delivery services of psychologists and psychiatrists as follows: 28,332 physicians specializing in psychiatry or neurology—1972; and, 26,927 psychologists in health providing services on a part- or full-time basis—1970.

The American Psychiatric Association, in a 1970 survey, found that 63.8 percent of all psychiatrist time was spent in direct patient contact, 9.1 percent in consultation, 8.4 percent in teaching, 3.9 percent in research, and 14.8 percent in administration. The American Psychiatric Association estimates about 40 percent of all psychiatrists are board certified; 25 percent are foreign trained.

About 61.4 percent of the psychiatrists worked in two or more locations, and 31.7 percent worked in three or more places. Thus most psychiatrists have more than one job. Because of overlapping categories these rounded percentages will not add up to 100 percent.

An American Psychological Association study in 1972 reported similar findings for psychologists: 36 percent identified themselves as clinical psychologists; 19 percent were employed in hospital settings; 6 percent in medical schools, and 15 percent in clinics; 8 percent of the clinical psychologists were engaged in research, and 13 percent were engaged in management or administration; 2 percent were foreign trained.

Psychologists practice in nearly all health care settings, with frequency of practice being approximately equally distributed among private practice, outpatient clinic, and hospital based practice. In hospitals, psychologists may be on the professional staff or the affiliate staff or on the hospital salary payroll. Psychologists are part of most health maintenance organizations, and are involved in most Community Mental Health Centers, sometimes as program directors. They less commonly practice in Foundations for Medical Care, although they are included in such foundations in several States. In California, under legislation that allows single purpose HMO's psychologists have established the California psychological health plan to subcontract psychological services to organized health settings. This pattern shows evidence of potential spread to other parts of the United States.

Psychologists are on the staffs of all accredited medical schools in the United States, and will typically have clinical as well as teaching and research responsibilities in such facilities.

Fee or funding arrangements for psychological services are quite varied, being rather evenly divided between fee-for-service charges and indirect charges included under hospital costs or similar organized health settings. The fee-for-service billing by the psychologist is the most common practice for licensed psychologists functioning as independent professionals, and is probably the least expensive to the consumer in the long run, because it does not include overhead and other indirect expenses of an intermediary institution or professional referral.

Recognition of psychologists as independent qualified mental health service providers has recently been reflected by Charles C. Edwards, M.D., Assistant Secretary for Health, Education, and Welfare:

> The tradition that all service must be provided by a physician or under his guidance is now giving way to practical reality. As an example of this trend, as of January 1, 1975, all government employees' insurance plans will permit payments to psychologists, without requiring a physician's supervision. This more practical attitude should be encouraged by all of us.

A number of other Federal and State programs recognize psychologists as primary health providers.

The Rehabilitation Act of 1973—Public Law 93-112—recognizes psychologists who are licensed/certified according to State statute, along with physicians, for diagnostic and restorative services to beneficiaries.

CHAMPUS recognizes the autonomous practice of clinical psychology in its nationwide health benefits program which covers dependents of military personnel, retired military personnel, and other beneficiaries.

CHAMPVA is a new program for disabled veterans which recognizes psychologists as autonomous practitioners.

Community Mental Health Centers regulations provide that psychologists may serve as program directors.

Veterans' Administration provides that directors of VA mental hygiene clinics may be qualified psychologists or other mental professionals who will be responsible for the formation and general supervision of administrative activities inherent in the professional programs of the clinic.

Veterans' Administration regulations provide that psychologists and other health professionals licensed/certified by the State may provide services on a fee basis to outpatients through VA clinics.

The work incentive program—WIN—accepts professional evaluations by licensed/certified psychologists as well as physicians, as to evidence of determinable mental impairment.

Work injuries compensation of Federal employees coverage has been broadened so that the definitions of "physician" and "medical, surgical, and hospital services and supplies" include clinical psychologists. (Public Law 93–416)

The Social Security Bureau of Disability Insurance accepts the reports of psychologists without physician referral or endorsement as evidence of disability for social security benefits.

Health Maintenance Organization legislation (Public Law 93–222) includes clinical psychologists among providers of services.

Department of Defense includes psychologists in its policy which provides that—

> Any qualified health professional may command or exercise administrative direction of a military health care facility . . . without regard to the officer's basic health profession.

Some major health-insurance carriers have recognized the disadvantages of mandatory medical referral/supervision and have voluntarily included psychologists as autonomous providers of services in many of their contracts. These firms include, but are not limited to Aetna, Guardian, Liberty Mutual, Massachusetts Mutual, Occidental, Prudential, Travelers, and Teachers Insurance and Annuity Association—TIAA.

Already, 19 States have enacted legislation requiring private major medical health insurance plans to make direct payments to psychologists in the same manner as payments are made to physicians without prior referral or supervision in plans providing mental health coverage. Thirteen States give this kind of independent provider recognition to psychologists under their State medicaid plans.

The geographical distribution of psychology's service providers does not differ significantly by region from the 1970 population census. J. F. Whiting and Herbert Dorken in their article "Psychologists as Health Service Providers" write:

> Psychologist service providers are distributed throughout the United States in approximately the same way that the total population of consumers of psychological services are distributed. Geographic maldistribution, at least regionally, apparently does not apply to psychologists.

A nationwide study of the geographic distribution of psychiatrists shows that they are highly urbanized and heavily concentrated in about 10 States, with overall poor distribution in comparison with the general population.

COST AND UTILIZATION

The inclusion of psychological services under the medicare and medicaid programs would not be costly.

In addition to the simple fact that inclusion of psychologists as independent providers would simply put an end to unnecessary and costly referral, substantial evidence indicates that utilization of mental health benefits do not produce an unwarranted demand for services that will financially endanger a health insurance program. In fact, under programs where these psychological services have been provided, the utilization of mental health benefits reduces medical and surgical utilization; and the early availability of mental health treatment in outpatient facilities reduces the need for high cost institutional care.

At the present time, it has been estimated that in the United States we are spending approximately $3 billion a year for the diagnosis and treatment of mental conditions. The cost of undiagnosed, untreated conditions has been estimated at $24 billion annually, including $10 billion in lost wages, $2 billions in lost taxes, $2 billion in the transfer of spendable income, and $10 billion in improper diagnosis and ineffective treatment. The cost of untreated mental conditions is eight times the cost of direct services.

William Follette, chief psychiatrist, and Micholas A. Cummings, chief psychologist, both of the Kaiser Foundation Hospital and the Permanente Medical Group of San Francisco, Calif., have recently completed a study, yet unpublished, on utilization of psychological services in the Kaiser experience.

The Kaiser Foundation health plan in the northern California region is a group-practice prepayment plan, offering comprehensive hospital and professional services on a direct service basis. The composition of the subscribers is diverse, encompassing most socioeconomic groups. During the period of the study the psychiatric clinical staff in San Francisco consisted of psychiatrists, clinical psychologists, and other mental health service providers. Their 8-year followup of the program produces the following conclusions:

> Persons in emotional distress were significantly higher users of both inpatient and outpatient medical facilities as compared to the Health Plan average;
>
> There were significant declines in medical utilization in those emotionally distressed individuals who received psychotherapy as compared to a control group of matched emotionally distressed Health Plan members who were not accorded psychotherapy;
>
> These declines remained constant during the five years following the termination of psychotherapy;
>
> The most significant declines occurred in the second year after the initial interview, and those patients receiving one session only or brief psychotherapy (two to eight sessions) did not require additional psychotherapy to maintain the lower level of utilization for five years;
>
> Patients seen two years or more in regular psychotherapy demonstrated no over-all decline in total outpatient utilization inasmuch as psychotherapy visits tended to supplant medical visits. However, there was a significant decline in inpatient utilization in this long-term therapy group from an initial hospitalization rate several times that of the Health Plan average, to a level comparable to that of the general adult Health Plan population;
>
> During the entire period of the study, as well as in the insured years before and after the eight years of this study, the utilization of mental health services was consistently for inpatient (hospitalization) one-half per thousand insured, and nine per thousand insured for outpatient services. The average outpatient psychotherapy series remained at 6.6 visits;
>
> Sixteen years of prepayment experience demonstrates that there is no basis for the fear that an increased demand for psychotherapy will financialy endanger the system, for it is not the number of referrals received that will drive costs up, but the manner in which psychotherapy services are delivered that determines optimal cost-therapeutic effectiveness. The finding that one session only, with no repeated psychological visits could reduce medical utilization by 60% over the following five years, was surprising and totally unexpected. Equally surprising was the 75% reduction in medical utilization over a five year period in those patients initially receiving two to eight psychotherapy (brief sessions). The clinic procedure was to offer early and incisive intervention into the patient's crisis problem, get beneath the manifest symptoms to his/her real concerns and offer understanding and therapy within the very first session itself.

Review of the literature shows that mental conditions can result in the higher use of medical benefits and spuriously inflate the cost of health insurance contracts. It has also been found that appropriate intervention and treatment, can rehabilitate individuals with mental conditions into productive lives, reducing their burden on the welfare rolls and State hospital systems.

When comparing the cost of treatment for mental conditions, it becomes apparent that psychotherapy is the treatment of choice in the large majority of cases, with drug therapy running a second choice and hospitalization a third. However, the utilization of mental health services currently measured by dollar costs is just the reverse. Hospitalization tends to be overutilized and could be reduced by one-third. Medication, where prescribed, may be ineffective and too frequently used, avoiding the discovery of the patient's basic problem. Psychotherapy is an insurable benefit and appears to be the most effective way of intervening into mental behavioral conditions.

Failure to diagnose mental conditions and treat them puts an undue burden on the delivery of other health services. There is general agreement that about 60 percent of the patients going to family doctors for physical symptoms have a psychological problem which is either a primary problem or aggravates the physical conditions or interferes with effective treatment regimens.

Studies also indicate that high users of medical services are frequently emotionally disturbed, often suffering from mental depression. Other studies indicate that if appropriate recognition of mental conditions is made, medical utilization by these individuals can be reduced by as much as one-third, offsetting the cost of mental diagnosis and treatment. Studies further reveal that the general practice physician himself frequently does not recognize mental conditions, and, if he does, may not know how to refer the patient for appropriate help.

The cost of training the necessary manpower, the making of manpower available to various segments of the population and the cost of needed research must be borne in mind in calculating the cost of services. My amendment brings into the system a readily available manpower resource without reliance upon the primary physician as a referral source for mental conditions, a costly and inefficient way to get people into treatment.

As the single largest group health plan in the United States, as well as the plan with virtually unlimited mental disorder insurance, the experience of the civilian health and medical plan of the Uniformed services should be of particular interest.

The study of the CHAMPUS experience in 10 States which constitute the concentrated use of CHAMPUS in fiscal year 1973 reveals that the insured population under CHAMPUS was 3.26 million of which 1.87 percent utilized the mental disorder benefits. On a per capita basis these extensive mental health services were at an annual cost of $19.82—CHAMPUS cost $16.15 or on a monthly basis, $1.35—per capita.

The total mental health services absorbed 12.8 percent of the total health benefit funds before any adjustment for the savings they afforded from the decrease in utilization of physical health benefits, such as have been demonstrated in every program tracing the adjusted cost of mental health benefits.

The unadjusted percentage of the total health benefit funds utilized by CHAMPUS is nearly twice as high as most plans report. This is probably due to two factors; the nearly unlimited extent of the benefits and the special makeup of the patient population.

The 1974 hearings before the Senate Post Office and Civil Service Committee on the 1973 Federal Employees Health Benefit Act found Blue Cross and Aetna reporting much lower figures. Policies under these two plans provide coverage for about 80 percent of the insured under FEHBA. Aetna reported a mental disorder utilization experience of 1.2 percent and the Blues reported 1.1 percent.

Mental disorder cost for Blue Cross-Blue Shield represented an unadjusted 7.3 percent of total claims and have for several years remained in the 7-percent range. The plans cover over 5 million beneficiaries and based on 1972 utilization rates for mental health services, 65 percent of which were utilized by hospitalized inpatients, show a cost of less than $1 a month per capita.

Particularly significant here are 1971 Aetna cost figures which allocated 8.6 percent to mental disorder coverage; in 1972, with psychologists recognized directly, without physician referral, the cost dropped to 8.5 percent.

Dr. Mendel, in addressing the American Psychiatric Association convention in 1973, reported on prepaid experience with 6,000 welfare patients in southern California. Utilization averaged 5.8 percent of the population with only one case hospitalized. The psychiatric care cost 41 cents per member per month. The importance of this study is that it contradicts the conventional wisdom that the indigent population is a higher risk for coverage than the employed.

There is substantial variance in utilization among age groups, sex, type of enrollment, socioeconomic level, and type of coverage available. Such variance notwithstanding, the growing body of reports make it evident that meaningful mental health benefits are well within feasible limits. Indeed, there is some evidence, particularly from service in organized settings, that the provision of mental health coverage can reduce other health plan utilization. These findings speak clearly to the need for comprehensive mental health benefits with continuity of care and incentives to community based alternatives to hospital care.

Mr. President, I believe that it was the intent of the Congress to provide a comprehensive health program under both medicare and medicaid. This would, of course, include mental health benefits and we have a responsibility to provide the manpower necessary to effect the covered services. The evidence on cost and utilization established under these other programs, clearly indicates that adoption of my amendment to include psychologists services under titles XVIII and XIX would not only be effective in serving our intent but affordable as well.

QUALITY OF SERVICE

Finally, I would like to address the question of the quality of service provided by psychologists. Psychologists are licensed or certified by statute in 47 States and the District of Columbia. The three States without statutes—Missouri, Vermont, and South Dakota—presently have legislation pending.

The standard for licensing developed by the American Psychological Association consists of a doctoral degree, a comprehensive written and oral standard examination, as well as supervised experience.

The Council for the National Register of Health Service Providers in Psychology was established at the request of the Board of Directors of the American Psychological Association to the American Board of Professional Psychology. The National Register of Health Service Providers in Psychology, a voluntary listing, is designed to identify psychologists who are licensed or certified to practice in their States and who are health service providers.

Certification or licensure of psychologists under State law is not by specialty designation per se, no more than are physicians, dentists, or lawyers licensed by specialty practice under their applicable State laws. The Register is designed to complement such statutes by identifying those licensed/certified psychologists who are health service providers

The Council for the National Register has developed a very careful review process to assure that psychologists who are included in the Register will have had the minimum training and experience in the health services field. Specifically, to be included in the Register, the psychologists must have a doctorate degree from an accredited university—except for those "grandfathered" in—and must be licensed or certified by the boards of examiners of psychology in their States or the District of Columbia, and have a minimum of 2 years of supervised health service experience.

The Council for the National Register was established in recognition of the need for the development of a system by which various governmental, health services, other organizations, and individual consumers can identify psychologists who meet the standards of practice in their States and who have training and experience in the health services field. The National Register, working closely with the statutory State boards of examiners of psychologists throughout the country and with other public and professional organizations, identify psychologists who maintain the standards of their profession through State licensing and certification, and who are trained and experienced in the delivery of health services.

The first National Register of Health Service Providers in Psychology will be published in June of 1975. This Register, will identify psychologists throughout the country who meet the above mentioned standards, will assure the public, Government agencies, and others that the persons included meet the criteria established by the Council for the National Register, based on the professional standards of the American Psychological Association.

There are other safeguards within the profession of psychology to insure responsible professional service.

For 20 years the American Psychological Association with its affiliated State organizations has operated a system enforcing its code of ethical conduct.

Organized psychology is developing a system of professional standards review committees at the State level, fashioned to work along the lines of the Federal PSRO system, to review the quality, cost, and appropriateness of service beyond the strictures of ethical conduct. This system is currently operational in 43 States and the District of Columbia, and even at this early stage in its development, it is obvious that it is very effective in identifying and controlling excessive cost, overutilization, and questionable practices. It has also proved helpful in verifying the utility of conventional and innovative therapeutic techniques.

The psychological establishment has expressed support of peer review as an absolute necessity in the continuing development of mental health services as well as for insuring economical and responsible treatment for those who seek mental health services today. They view the Government's PSRO system with hope and believe that if properly developed, PSRO will be a mechanism for determining more effective and appropriate treatment procedures in an area of health service where many questions remain unanswered. Psychologists do not believe that a great deal can be accomplished for the future under a peer review system and a mental health delivery system which retards the effectiveness of an open relationship between the professions working in the mental health area. By assuring access to the different disciplines in mental health, thereby imposing on them the responsibility of working together to find better ways of treating emotional and mental disorders, through PSRO, the Congress will have established the groundwork for rapid future progress in mental health. By failing to adequately recognize the interdisciplinary nature of mental health service, the Congress will have not so much damaged the professional of psychology as it will have damaged the opportunities for better service to the public in the future.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1748

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 1861(r) of the Social Security Act is amended (1) by striking out "or (4)" and inserting in lieu thereof "(4)" and (2) by inserting before the period at the end thereof the following: ", or (5) a psychologist licensed or certified as such by a State but only for purposes of section 1861(s)(1) and section 1861(s)(2)(A) and section 1905(a)(5), (6), and only with respect to functions which he is legally authorized to perform as such by the State in which he performs them".

(2) The amendment made by subsection (a) shall apply only with respect to services performed on or after the date of enactment of this Act.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1749. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1980. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference, a bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1980. I ask unanimous consent that a letter of transmittal, and statement of purpose and need be printed in the RECORD, together with the text of the bill.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *April 22, 1975.*

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "To extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional five years, ending September 7, 1980," together with a statement of purpose and need in support thereof.

This proposed legislation has been reviewed by the Department in the light of Executive Order No. 11821 and has been determined not to be a major proposal requiring evaluation and certification as to its inflationary impact.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress.

Sincerely,

JOHN K. TABOR,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

(Statement of the Purposes and Need of the draft bill "To extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional five years, ending September 7, 1980.")

The draft bill would extend the life of title XII of the Merchant Marine Act, 1936, for an additional five years. Section 1214 of the Act now provides that the authority under that title shall expire on September 7, 1975.

Title XII of the Merchant Marine Act, 1936, authorizes the Secretary of Commerce, with the approval of the President, to provide war risk and certain marine and liability insurance for protection of vessels, cargoes, and crew life and personal effects, when commercial insurance cannot be obtained on reasonable terms and conditions. The purpose of title XII is to maintain the flow of the U.S. waterborne commerce, including the maintenance of essential transportation services for the Department of Defense.

War risk insurance was provided by the Government in both World War I and World War II and proved effective in protecting the civilian and military commerce of the United States, with total premium receipts in excess of losses paid.

Title XII of the Merchant Marine Act, 1936, was enacted with the outbreak of the Korean War in 1950. It was temporary legislation that would expire in five years. It has been extended at five year intervals since then.

Arrangements necessary to place Government war risk insurance in effect whenever its protection is needed to maintain the flow of the waterborne commerce of the United States have been in effect since 1950. This has been done through the issuance, for a fee, of binders under which Government war risk insurance will attach immediately upon termination of commercial war risk insurance through operation of the automatic termination clauses in the commercial policies. These clauses will terminate the commercial war risk policies (a) simultaneously with the outbreak of war (whether there is a declaration of war or not) between any of the following countries: the United States of America, the United Kingdom, France, the Union of Soviet Socialist Republics, and the Peoples Republic of China, or (b) simultaneously with the occurrence of any hostile detonation of any nuclear weapon of war, whether or not the vessel is involved.

Our binders give back-to-back coverage with the commercial policies. The coverage under the insurance ends 30 days after the insurance attaches. At that time the premiums for the insuring period will be fixed retroactively. Contracting at the end of this 30-day period for the ensuing period would be determined on the basis of the circumstances existing at that time.

We have not yet found it necessary to exercise all the authority that we have had for the past 24 years under title XII. We have authority under that title to issue war risk insurance on foreign-flag vessels which are engaged in the foreign commerce of the United States or which we determine are being operated in the interest of the national economy or national defense of the United States. The only foreign-flag vessels that are included in the program, however, are about 260 vessels of Pan-Hon-Lib registries (which are committed to be made available to the United States in the event of emergency and which are owned or controlled, directly or indirectly, by citizens of the United States) and about 40 other foreign-flag vessels that we have determined are being operated in the interest of the national defense or economy of the United States.

All American-flag vessels, of course, are eligible under our program, and about 800 such vessels are under binders.

S. 1749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1214 of title XII of the Merchant Marine Act, 1936 (46 U.S.C. 1294), is amended by striking out "September 7, 1975" and inserting in lieu thereof "September 7, 1980."

By Mr. JAVITS:

S. 1750. A bill to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse. Referred to the Committee on the Judiciary.

SINGLE PARENT ADOPTIONS

Mr. JAVITS. Mr. President, in the 92d Congress, I introduced legislation to amend the Immigration and Nationality Act so as to facilitate the adoption of orphan children from abroad by single American parents.

The act allows married Americans—and certain servicemen—to petition for immediate relative status for otherwise eligible orphans whom they wish to bring to this country for adoption. With increasing frequency however, and with the approval of State legislatures, more and more single people have been adopting children in this country and wish to do so abroad. The distinction in the Immigration and Nationality Act severely discriminates against such parents by requiring them either to go abroad to complete the adoption, or to apply for the children's admission as ordinary nonpreference immigrants—a process which could take years of waiting.

My bill was not enacted during the 92d Congress, but an identical measure introduced in the 93d Congress by Congressman KOCH of New York was passed by the House. The Koch bill, reintroduced this year, has already been passed—with a slight modification—by the House. The House amendment adds the requirement that prospective single parents be of good moral character. While I believe this addition is superfluous since all such prospective parents must be approved for adoption by State agencies anyway, I have added the new language to my original bill so that it now conforms exactly to the text of the House-passed bill. I send this bill to the desk and ask that it be appropriately referred.

By Mr. SCHWEIKER (for himself and Mr. JAVITS) (by request):

S. 1753. A bill to extend the National Health Service Corps and for other purposes. Referred to the Committee on Labor and Public Welfare.

NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF 1975

Mr. SCHWEIKER. Mr. President, I introduce, at the request of the administration, on behalf of myself and Senator JAVITS, a bill to extend the National Health Service Corps, and for other purposes.

The bill, entitled the "National Health Service Corps Amendments of 1975," would authorize the appropriation of $18 million for the program for an additional period of 4 fiscal years, 1975 through 1978.

It would provide the following changes in the program structure:

First. In order to encourage greater

use of the assisted community resources in the making of ancillary arrangements, the bill would authorize the Secretary to award one grant, not to exceed $10,000, to each assisted community, to enable the community to meet the costs of establishing medical practice management systems, and acquiring supplies or equipment.

Second. To encourage an assisted community to make these arrangements without, or at a cost in excess of, this grant, the bill would also enable the Secretary to make an early repayment of the community's investment from the fees collected for the health care provided by the Corps.

Under existing law the community is reimbursed for this investment. However, because the law now contemplates an immediate fixed division of fees between the Federal Government and the community, in relation to their contribution to the costs—including Corps salary costs—of providing health care services under the program, a community that has made a heavy initial investment in the program must wait a substantial period to recoup that investment. This delay in repayment acts as a substantial disincentive to many health shortage areas to undertake this initial investment.

Third. To encourage a shortage area to become independent of the Corps if it has the capacity to do so, the bill would authorize the Secretary to release to the area any right, title, or interest he may have in equipment or supplies used in connection with the Corps' provision of health care services.

There is precedent for vesting authority in the Secretary to waive accountability to the United States for equipment purchased with Federal assistance under grant programs—section 436 of the General Education Provisions Act, 20 U.S.C. 1232e, and Public Law 85–934, 72 Stat. 1793, 42 U.S.C. 1891 et seq.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That this Act may be cited as the "National Health Service Corps Amendments of 1975".**

EXTENSION OF AUTHORIZATION

SEC. 2. Section 329(h) of the Public Health Service Act is amended (1) by striking out "and" before "$25,000,000", and (2) by inserting before the period at the end thereof the following: ", and $18,000,000 for each of the next four fiscal years".

GRANT TO FACILITATE PROVISION OF HEALTH SERVICES

SEC. 3. Paragraph (2) of section 329(d) is redesignated as paragraph (3), and there is inserted a new paragraph (2) to read as follows:

"(2) (A) The Secretary may award a grant, not to exceed $10,000, to a public or nonprofit private entity to assist the entity in meeting, for an area determined under subsection (b) (1) to have a critical health manpower shortage, any costs of establishing medical practice management systems, or acquiring supplies or equipment. Not more than one such grant may be made with respect to any one such area.

"(B) In the case of any supplies or equipment leased or purchased with a grant under the preceding subparagraph, or leased or purchased by the Secretary under paragraph (1), the Secretary may, at such time or times as he deems appropriate, release to a public or nonprofit private entity all right, title, and interest of the United States, subject to such terms and conditions as he may impose to assure the continued use, for a reasonable period, of the supplies or equipment (or their equivalent) in the provision of health services within the area with respect to which they were leased or purchased."

APPLICATION OF FEES TO COMMUNITY COSTS

SEC. 4. The last sentence of section 329 (b) (2) (C) is amended to read as follows: "If, in aid of the provision of health care and services by personnel of the Corps assigned to an area under subparagraph (A), a public or nonprofit private entity enters into an agreement with the Secretary to provide any services, equipment, or facilities that the Secretary would otherwise be authorized or required to provide under this section in connection with that assignment, the Secretary may use, or provide for the use, of any funds collected under this subparagraph for payment to the entity of all or part of the cost of the services, equipment, or facilities so provided, on such basis over the period of the assignment as the Secretary deems appropriate. There shall be subtracted from that payment the amount of any grant awarded to the entity under subsection (d) (2). Any funds collected by the Secretary under this subparagraph, and not used for such payment, shall be deposited in the Treasury as miscellaneous receipts."

EFFECTIVE DATE

SEC. 5. This Act shall become effective with respect to appropriations for fiscal years ending after June 30, 1975.

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. RANDOLPH, and Mr. HOLLINGS):

S. 1754. A bill to establish a uniform and comprehensive legal regime governing liability and compensation for damages and cleanup costs caused by oil pollution of the marine environment, and for other purposes. Referred to the Committee on Commerce, the Committee on Interior anod Insular Affairs, and the Committee on Public Works, jointly, by unanimous consent.

NATIONAL OIL POLLUTION LIABILITY AND COMPENSATION ACT OF 1975

Mr. MAGNUSON. Mr. President, I introduce a bill to establish a uniform, comprehensive legal regime governing liability and compensation for damages and cleanup costs caused by oil pollution from vessels, offshore drilling operations, and shoreline oil handling facilities. I ask unanimous consent that it be referred jointly to the Committees on Commerce, Interior and Insular Affairs, and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

1. BACKGROUND

Mr. MAGNUSON. Mr. President, in March 1967, the 117,000 deadweight ton tanker *Torrey Canyon*, carrying 880,000 barrels of crude oil, ran aground on the Seven Stones Reef off Cornwall, England. However, the almost 19,000,000 gallons of oil which found its way into the English Channel affected more than the nations of Great Britain and France, and the ramifications of this disaster were more than just the destruction of wildlife, marine life, and the befouling of beaches. The wave of popular concern resulting from the *Torrey Canyon* mishap rudely awakened the international community to the dangers and problems associated with the carriage of oil and petroleum products by supertankers. It is to the dual problems of vessel liability for such incidents and compensation for the resulting damages that this bill, which I am introducing today, specifically addresses itself.

As can be seen from the following table, at the time of her grounding, the *Torrey Canyon* was only 1 of 34 tankers in the world which ranged between 100,000 and 150,000 deadweight; only 2 tankers in the world at that time were in a larger class. The average size of tankers being delivered in 1967 was 77,000 deadweight.

Mr. President, I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

WORLD TANKERS BY VESSEL SIZE

[In thousands of deadweight tons]

	10 to 60	60 to 80	80 to 100	100 to 150	150 to 200	200 to 250	Over 250
1967	2,544	109	86	34	1	1	------
1971	2,406	255	163	122	35	113	18

Mr. MAGNUSON. Mr. President, had the *Torrey Canyon* been afloat 4 years later, she would only have been numbered among the 288 largest tankers afloat. By 1971, the average size of tankers being delivered was 165,000 deadweight, one-third again the size of the *Torrey Canyon*. By June 1973, there were future scheduled deliveries of 315 tankers in the 225,000 to 300,000 deadweight class and 116 tankers over 300,000 deadweight. One tanker was close to 500,000 deadweight and plans were being considered for a 1,000,000 deadweight tanker.

To comprehend what deadweight tons means in terms of oil pollution, assume a 300,000 deadweight tanker lost its entire cargo—there is a potential spill of between 2,100,000 and 2,250,000 barrels, or over 88 million gallons of oil. Deadweight tonnage is the combined capacity of a vessel's cargo, stores, water, and fuel bunkers. Each deadweight ton—2,240 pounds—is between 7 and 7.5 barrels of oil or 294 to 314 gallons of oil—42 gallons to the barrel.

Obviously, such a spill could inflict untold ecological disaster upon the marine environment and result in incalculable property damage upon innocent third parties. It was to this latter question—pollution compensation—Mr. President, which the world turned after the grounding on Seven Stones Reef.

2. THE IMCO CONVENTIONS

It was in response to the *Torrey Canyon* grounding, and in the face of other possible disasters which an expanding tanker technology posed, that the Intergovernmental Maritime Consultative Organization—IMCO—a United Nations agency, met in Brussels in 1969. From that meeting came the International Convention on Civil Liability for Oil Pollution—the CLC. The CLC, speaks to the liability of shipowners whose vessels carry cargoes of "persistent oils"—for example, crude oil and animal and vegetable oils—in bulk. It establishes limits of liability—based on no-fault principles—for pollution damage to the territory or territorial sea of a party to the convention and these limits cover both the costs of cleanup and property damage.

In the CLC as drafted, the owner's limit of liability for each polluting incident was not to exceed the lesser of either $134 for each ton of the ship's tonnage or $14,000,000. Since that time, devaluation has taken place and a new official U.S. price has been adopted for gold, therefore, these amounts today are $160 per ton or $16,000,000.

It should be noted that these limits apply only if the owner is not at fault. Should the incident occur as the result of the actual fault or privity of the vessel owner or operator, he does not receive the benefit of these limits, but is subject to complete dollar liability for his acts.

However, under the CLC, the vessel owner may escape any liability for pollution if it is shown that the damage resulted from:

An act of war, hostilities, civil war, insurrection or a natural phenomenon of an exceptional, inevitable and irresistible character, or

Was wholly caused by an act or omission done with intent to cause damage by a third party, or

Was wholly caused by the negligence or other wrongful act of any government or other authority responsible for the maintenance of lights or other navigational aids in the exercise of that function? (Article III, paragraph 2.)

The shipowner may not be held liable if it is proven that the damage resulted from the negligence of a damaged person, or from an act of omission of a damaged person that was done with the intent to cause damage. In effect, he need not pay the damages of one who caused the accident.

To insure payment up to these limits, the CLC requires the owner of a ship which carries more than 2,000 tons of oil in bulk as cargo and which is registered in a nation party to the CLC to maintain insurance or financial security in the amount of the CLC's limits of liability. When this requirement is met, the vessel will be issued a certificate, and failure to produce a valid certificate will prevent the owner from operating his vessel in the oil trade.

A valid action for pollution damage brought against the shipowner requires that he establish a fund—in the amount of his maximum liability under the CLC—in the nation where the action is brought. The fund will be distributed in proportion to proven claims, and any remaining amounts are returned to the owner. In order to provide an incentive for the owner to minimize damage, the CLC allows the shipowner to stand on equal footing with other claimants to his fund for his expenses reasonably incurred or sacrifices reasonably made to prevent or minimize the pollution damage.

But the CLC did not go far enough to compensate those parties who suffered pollution damage. And the rapid growth in tanker size has far outstripped these inadequate limits of liability. As an illustration, assuming the owners of the *Torrey Canyon* had been able to take advantage of the limits of liability established by the CLC, they would have been held liable for only $8,000,000. In contrast, the claims of the British and French Governments for the *Torrey Canyon* cleanup totalled $16,000,000; settlement of these claims resulted in the payment of only $7,500,000.

To remedy this situation which damaged parties could face, to shift some of the economic burden of the carriage of oil from the shipowner to the cargo owner, and to provide incentive for shipowners to take more comprehensive measures to prevent oil spills. IMCO met again in 1971. The result of this meeting was the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage—The International Fund Convention.

As a supplement to the CLC, the International Fund Convention establishes a revolving fund which is provisioned by annual, mandatory contributions of cargo owners who receive more than 150,000 tons of crude or fuel oil at their facilities during a year. The total amount paid out of the International Fund and the CLC for any single incident cannot exceed $36,000,000. Before devaluation and the change in the official U.S. price for gold, the figure was $30,000,000. However, the terms of the International Fund Convention enable that amount to be raised to $72,000,000. The original figure had been $60,000,000.

Under the International Fund Convention, compensation is paid to any person suffering pollution damage if that person was unable to obtain full and adequate compensation under the CLC because: First, there was no liability under the CLC; second, although the vessel owner was liable for the damages under the CLC, he is financially unable to meet his obligations; or third, the proven damage claims exceed the shipowner's limit of liability under the CLC. But there is a proviso under the International Fund Convention that the damage must be from "persistent hydrocarbon mineral oils"—a narrower definition of "oil" than that found in the CLC which includes not only crude oil, but also animal and vegetable oils.

The International Fund, however, is not held responsible if the damages suffered were caused by: First, an act of war, hostilities, civil war or insurrection; second, oil which escaped from warships or other ships owned or operated by a nation and used at the time of the incident only on government noncommercial service; or third, it cannot be proven the damage was caused by the discharge or escape of oil from a ship. Furthermore, the International Fund may be proportionately relieved from liability if it is proven that the damages resulted either wholly or partially from an act or omission by the damaged party done with intent to cause damage, or from the negligence of the damaged party.

By the vessel owner's adherence to the CLC and certain international conventions which impose safety and pollution prevention standards, the owner or his guarantor can be indemnified for their CLC liability which exceeds the lesser of $120 per ton—formerly $100 per ton—or $10,000,000—originally established at $8,333,333. However, all the following conditions must be met: First, there is adequate insurance or other financial security to cover the limits set by the CLC; second, the pollution damage was not the result of the owner's willful misconduct; and third, the damage was not caused—partially or wholly—by the ship's failure to comply with certain international pollution prevention and safety conventions or applicable amendments thereto.

In any discussion of the CLC and the International Fund Convention, it is important to realize that the International Fund Convention will not become recognized without the prior acceptance of the CLC. In order for the CLC to take effect, eight nations, including five with not less than 1,000,000 gross tons of tanker tonnage, must have either ratified, accepted, approved or acceded to it. At this time, only seven nations have agreed to be bound by the CLC but only one has more than 1,000,000 tons of tanker tonnage.

For the International Fund Convention to become effective, First, the CLC must have come into force, second, in each signatory nation a total quantity of at least 750,000,000 tons of oil must have been received by cargo owners liable for contribution to the International Fund, and third, at least eight nations must have agreed to be bound by the International Fund Convention. Thus far, only Liberia has agreed to the terms of both the CLC and the International Fund Convention.

3. DOMESTIC LEGISLATION

At the same time that the world community was working together to resolve the oil pollution compensation and liability question on an international basis, the United States was taking domestic action to improve liability statutes applicable within its waters. But before reviewing these post-*Torrey Canyon* statutes and legislation, it is important to be cognizant of the few vessel liability statutes which existed prior to 1967.

The Limitation of Liability Act of 1851 (9 Stat. 635; 46 U.S.C. 181 et seq.) is clearly one of the most important and one of the most broadly applicable statutes in the annals of American admiralty law. It was originally enacted for the purpose of placing the American merchant marine on an equal footing—at least in terms of limitations of liability—with the British shipping industry. It was introduced at a time when incorporation, a universally accepted method today for limiting liability, was not being practiced. More importantly, it was not drafted at a time of concern about third party liability for oil pollution damage.

In essence, the Limitation of Liability Act states that the liability of the owner of any vessel—American or foreign—for damage done without his privity or knowledge, shall be limited to the value of the owner's interest in the vessel and "her freight then pending." The Supreme Court has interpreted the statute to mean that the value of the owner's interest is to be calculated after the collision, grounding or other damage-causing incident has taken place. If a vessel discharges its entire cargo of oil, but is totally destroyed, then in the absence of any later Federal statute which supersedes the Limitation of Liability Act, a damage claimant could recover nothing.

All that remained of the *Torrey Canyon* was a single lifeboat worth $50—the total amount of compensation which would have been required of its owners by the Limitation of Liability Act. It should be emphasized that unless a later Federal statute varies the terms of the Limitation of Liability Act, any recovery sought from the owner of a polluting vessel—whether based on a Federal or State statute or a common law action—is limited by the dictates of this 1851 law.

Although there were earlier statutes which prohibited the discharge of oil into the waters, it was not until 1966—a year before the *Torrey Canyon* grounding—that liability for oil pollution damage was addressed as a national problem. In that year, certain amendments to the Oil Pollution Act—the basic Federal oil pollution statute (43 Stat. 604; 33 U.S.C. 431 et seq.)—were enacted. These amendments required any person who discharged or permitted the discharge of oil into or upon U.S. navigable waters to remove the oil from the waters and adjoining shorelines. The Secretary of the Interior was authorized to remove or arrange for the removal of the oil if the polluter failed to carry out his legal responsibilities; the polluter would then be liable to the United States for all reasonably incurred costs and expenses of removal. However, under the 1966 amendments, property owners who were also damaged received no relief from the provisions of the Limitation of Liability Act.

Like the international community, the United States did not seriously consider the pollution consequences of a supertanker technically until the *Torrey Canyon's* destruction. In 1970, the Water Quality Improvement Act (Public Law 91-224) was enacted, which further amended the Federal Water Pollution Control Act (33 U.S.C. 466) and repealed the Oil Pollution Act, 1924, as amended (33 U.S.C. 431). The Water Quality Improvement Act—WQIA—extended a polluter's responsibility for the cleanup of oil to the contiguous zone of the United States and imposed strict liability upon the owners and operators of polluting vessels for the expenses incurred by the Federal Government in removing the spilled oil. To finance the Federal Government's initial cleanup, a revolving fund of $35,000,000 was established.

The upper limit of liability to the Government was set at the lesser of $100 per gross ton of the vessel or $14,000,000. But this limit would be removed if the discharge was the result of willful negligence or willful misconduct within the privity and knowledge of the owner, or operator; he would then be liable to the U.S. Government for the full amount of the removal costs—section 11(f)(1). Certain defenses to liability were allowed the owner or operator. If it could be shown that the discharge was caused solely by an act of God, an act of war, negligence on the part of the U.S. Government, an act or omission of a third party without regard to the third party's fault, or a combination of any of these causes, then liability would be avoided. It should be noted that a third party involved in the discharge of oil could face liability, but the third party also had access to defenses which are similar to those afforded to the vessel's owner and operator.

The WQIA also provided for evidence of financial responsibility to show that the limits of liability imposed for cleanup could be met. However, only vessels or barges over 300 gross tons using any port, place or the navigable waters of the United States had to offer such evidence.

Two years later, another piece of legislation—the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500)—was enacted. These amendments essentially incorporated the WQIA oil liability provisions and offered little change in existing oil pollution law. However, the 1972 amendments did subject those who discharged hazardous substances to the same limits of liability for cleanup as for those who discharged oil. The amendments also provided an option for the imposition of a greater civil penalty for the discharge of nonremovable hazardous substances than the civil penalty imposed for the discharge of oil.

It is important to understand that the WQIA and the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. 1151) established only liability to the Federal Government for removal of oil. Nothing has been done to improve the position of the injured property owner whose recovery of damages is still curtailed by the Limitation of Liability Act.

It was not until the passage of the Trans-Alaska Pipeline Authorization Act (Public Law 93-153) in 1973 that the ceiling imposed by the Limitation of Liability Act for the recovery of vessel-source oil pollution damages was lifted under certain conditions. Established in the Pipeline Act is a $100,000,000 Trans-Alaska liability fund, funded by a 5 cents per barrel fee levied upon the oil owners at the time his oil is loaded on a vessel.

Under Public Law 93-153, strict liability without regard to fault is placed on the owner and operator of the vessel—jointly and severally—and the liability fund for all damages—including cleanup—resulting from Alaska pipeline oil discharged by the vessel. This strict liability extends to damages and cleanup "sustained by any person or entity, public or private, including residents of Canada." Strict liability terminates once the oil has first been brought ashore at a point under the jurisdiction of the United States. There is exemption from liability if the damage was caused by an act of war, the negligence of the United States or other governmental agency, or the negligence of a party who is claiming damages. The ceiling for strict liability is $100 million with the vessel's owner and operator jointly and severally liable for the first $14 million of claims that are proven valid. The Liability Fund is responsible for the balance up to $100 million. Should the claims allowed exceed $100 million, the claims are to be reduced proportionately and the unpaid portion of any claim may be asserted and adjudicated under other applicable Federal or State law.

The "fund" concept has gained legislative acceptance and was incorporated into Public Law 93-153, the Deepwater Port Act of 1974, which was enacted into law on December 1974. In this statute, a $100 million Deepwater Port Liability Fund is established, funded by a fee of 2 cents for each barrel of oil loaded or unloaded at any deepwater port—the vessel's bunker fuel and Alaska pipeline oil is not subject to this fee. Liability of the vessel owner and operator under this bill is predicated upon the discharge of oil within the safety zone of any deepwater port, or anywhere beyond if transshipment to another vessel at the port is involved. Liability is imposed without regard to fault and encompasses both cleanup costs and damages, but does not exceed the lesser of $150 per gross ton or $20 million. As with earlier Federal statutes, unlimited liability is imposed if the discharge was the result of "gross negligence or willful misconduct within the privity or knowledge of the owner or operator."

Licensees of the deepwater ports also bear responsibility for the discharge of oil from the port itself and from a vessel, but only if the vessel is moored at the port when the polluting incident occurred. The licensee's liability does not exceed $50 million unless the damage was the result of "gross negligence or willful misconduct within the privity and knowledge of the licensee," and then there is no limitation on liability.

Licensees and vessel owners and operators are relieved from liability if it is proven that the discharge was caused solely by an act of war, or by the negligence of the Federal Government in establishing and maintaining aids to navigation.

Up to this point, the Deepwater Port Act of 1972 reflects previous legislative progress. This statute takes the final step by calling for strict liability for all proven oil pollution damages. The Deepwater Port Liability Fund would become liable, without regard to fault, for all cleanup costs and damages in excess of those actually compensated by a licensee or a vessel owner or operator. If the fund, the licensees, or the vessel owners and operators show that the damage was caused solely by the negligence of an injured party, there would be no liability to that party.

Another significant innovation in the Deepwater Port Act—which could lessen an injured party's cost of litigation—is the provision which allows the Attorney General to bring a class action on behalf of damaged citizens whom he feels would be more adequately represented as a class. Furthermore, the statute allows the Secretary of Transportation, as trustee of the natural resources of the marine environment, to recover damages on behalf of the public; compensation received in the public's name is to be used for the restoration and rehabilitation of the injured resources.

With the exceptions of the Trans-Alaska Pipeline Authorization Act and the Deepwater Port Act—which have only limited applicability—Federal statutes are still inadequate to deal with compensating individuals for oil pollution damage which could be caused by a supertanker.

Meanwhile, coastal States have also been legislating to protect their environmental interests. The most notable State statute has been the Florida Oil Spill Prevention and Pollution Control Act—Florida Laws 1970, c. 70–244. This statute, which recently was amended, imposed unlimited, no-fault liability on certain vessels for oil-spill damage to the State of Florida and private persons and also provided for the recovery of the State's cleanup costs. The Florida act withstood an attack before the Supreme Court in *Askew* v. *American Waterways Operators*, 411 U.S. 325 (1973), but the case served to point up the problems which might arise from the inaction of the Federal Government in improving liability laws—a number of State statutes, each with varying provisions.

Askew posed the question of whether, under the Water Quality Improvement Act, a State could impose its own requirements on vessels for the prevention and compensation of oil pollution. Here, the Supreme Court reiterated its earlier position in *Just* v. *Chambers*, 312 U.S. 383, 389 (1941):

> That a State, in the exercise of its police power, may establish rules applicable on land and water within its limits, even though these rules incidentally affect maritime affairs, provided that the state action does not "contravene any acts of Congress nor work any prejudice to the characteristic features of the maritime law, nor interfere with its proper harmony and uniformity in its international and interstate relatons" 411 U.S., at 339.

Unless the Congress enacts comprehensive legislation regarding compensation and liability for oil pollution damage, the Askew case may cause some confusion; some States may impose requirements so radically different from those of other States that maritime trade might be unduly hampered rather than fostered. Conversely, some States may enact no liability strictures at all and thereby possibly become havens for unsafe vessel operations. In the absence of any State or Federal statute allowing the recovery of damages resulting from the discharge of oil by vessels, an injured party's last report is to the common law actions of trespass, negligence, and nuisance. Again, it is especially important to recognize that any of the recoveries allowed under these tort actions will be limited by the value of the vessel and its freight after the accident.

According to legal commentators, trespass—causing an object to enter land—is generally actionable only when the trespass is the result of an intentional intrusion, negligence or an abnormally dangerous activity. But since courts have yet to declare the transportation of oil by vessel as an abnormally dangerous activity, a party damaged by the discharge of oil from a vessel can only base recovery on fault—that is, either negligence or intentional intrusion.

Leaving aside the difficulties inherent in proving negligence or intent, a successful action under the theory of trespass would result in the recovery of damages by people, such as property owners and aquacultural farmers, whose premises were actually invaded by oil. This recovery would not be just for damage to property, but also for lost business profits; once trespass liability is proven, an injured party may recover damages for all injuries which were the natural and probable consequence of the trespass. However, the property owner whose land was not damaged, but who lost business as the result of damaged, adjacent waters—for instance, a hotel owner whose hotel did not front on the water—would have difficulty in recovering under the theory of trespass unless some property interest in the adjacent waters could be asserted.

The most common tort theory for recovering oil pollution damages has been negligence, defined as "conduct which involves an unreasonably great risk of causing damage." To recover in a negligence action, it must be shown that a duty was owed to the claimant, that this duty was breached by the defendant, and that the damage done was a result of the defendant's act or his failure to perform an act. Property owners who are directly damaged by oil will have the best chance of recovery for property damage and lost business profits. But because the courts have held that the lost business profits and lowered property values of persons whose property has not been physically damaged by oil could not be foreseen by the negligent party, recovery is not allowed to people such as our nonbeachfront hotel owner whose property was not physically damaged.

The third theory of recovery for vessel oil pollution is nuisance, which legal commentators have called "a continuing or recurring interference with the use or enjoyment of property over a considerable period." Courts, however, have held that a nuisance suit may arise when "harm to a claimant has been instantaneous and substantial." Nuisance may be classified as private, public, or a hybrid of private and public. The private nuisance is a civil wrong based on the disturbance of private rights in land; action is brought by a private individual. Public nuisance—the interference with the rights of the public—is a criminal offense and recovery may be sought only by public officials. In the hybrid type of nuisance, the private individual must show that the damage done to him by the discharge of oil was distinct in kind from the damage suffered by the public at-large.

Again, the nonbeachfront property owner appears to be left without a remedy to recover his lost business profits. Obviously, waterfront property owners may recover for damages to their property; one case has even allowed recovery to this type of claimant even though the property was not invaded by oil. The court based its recovery on the impairment of the property owner's littorial or riparian rights—fishing, swimming and boating.

One other possible method of recovery—which is as yet untried—is under the maritime concept of unseaworthiness, proving that the discharge resulted from some defect in the vessel or its equipment. This area, though, has been limited in the past to recovering damages only for personal injury and cargo loss.

But before an action for property damages may be brought in either a State or Federal court, jurisdiction of the court over the proceedings must be established. In what is termed an in personam proceeding, an action is brought against the owner of the ship—either a "natural" person or a corporation—only if he is able to be personally served with process or, if he is beyond the reach of the process server, he voluntarily steps forward as a defendant. Without personal service of process upon the owner or his representatives, the court has no jurisdiction in an in personam proceeding.

The other maritime action, an in rem proceeding, results in the naming of the ship as defendant and the ship's seizure by the court. However, for in rem jurisdiction of the court to be established, the ship must be within the court's geographical boundaries. In either proceeding, if there is no jurisdiction, there cannot be an action for damages. This, in a sense, is another limitation of liability for the shipowner and a preclusion of the payment of any compensation to an injured party.

But litigation in any court, especially on a fault theory, is an expensive and time-consuming process which few damaged parties can afford to undertake.

SUMMARY

To fully comprehend the inadequacies of compensation offered by the CLC, the international fund, and Federal oil pollution liability statutes, imagine for a moment that instead of the *Torrey Canyon*, tankers ranging from 200,000 to 500,000 deadweight tons went ground on Seven Stones Reef in 1967. For this illustration, we will convert deadweight tons, which we said is roughly the cargo capacity of a vessel, into gross tonnage. Using our base figure for damages at $248 per gross ton—$16 million damages claimed against the *Torrey Canyon's* 117,000 deadweight tons or 64,400 gross tons—we come up with the following damage figures:

200,000 dwt tanker (110,000 gross tons)	$27, 280, 000
300,000 dwt tanker (165,000 gross tons)	40, 920, 000
400,000 dwt tanker (220, 000 gross tons)	54, 560, 000
500,000 dwt tanker (275,000 gross tons)	68, 200, 000

It must be remembered that these figures reflect 1967 costs; today, inflation would have taken these figures even higher. Clearly with the exceptions of the Trans-Alaska Pipeline Authorization Act and the Deepwater Port Act—available only in limited circumstances—international conventions and Federal statutes fall far short of providing adequate compensation for pollution damage.

Mr. President, over 7 years have passed since the *Torrey Canyon* went aground. In that time, the international community has drafted two international conventions concerning vessel liability and compensation—neither of which has gone into effect. Since 1967, the United States has essentially enacted three statutes—one which establishes liability only to the Federal Government for cleanup and the other two which establish compensation funds of limited applicability. In a time of increasing oil transportation by ships and in an era of a growing tanker technology, we are still being governed by the Limitation of Liability Act—a statute which was enacted over 120 years ago and which still purports to deal with a problem which was not even in existence at the time of its passage.

The time for action is getting shorter. In the past year, we have perhaps received a preview of what is to come: In August of 1974, another tanker, the *Metula,* went aground off Chile in the Straits of Magellan. This tanker, at 210,000 deadweight tons and carrying over 1,500,000 barrels of oil, transported almost twice the cargo of the *Torrey Canyon.*

About 15,000,000 gallons of her cargo leaked into the sea, contaminating 40 miles of coastline. Five months later, in January of this year, the 237,000 deadweight ton tanker *Showa Maru* grounded off Singapore, spilling almost 1,000,000 gallons of oil and polluting the waters of Singapore, Malaysia, and Indonesia. Within days of the *Showa Maru* grounding, the *Jakob Maersk,* carrying 28,500,000 gallons of crude oil, ran aground at the entrance to Leixoes, Portugal and exploded. Fortunately—if an accident of that magnitude can be fortunate—most of the unknown quantity of oil that entered the water burned, although some 20 miles of coastline was affected by the oil that was spilled. Finally, on April 4, 1975, the Liberian Tanker *Spartan Lady,* loaded with 5,900,000 gallons of oil broke in half and sank just 140 miles east of Atlantic City. The omnipresent danger of a supertanker spill is moving ever closer to our shores. What would have happened had the *Metula* or the *Showa Maru* grounded in Puget Sound, or off the coast of Maine, or off Miami Beach? It is unlikely that present laws would be adequate to compensate those whose property was damaged or those whose livelihood was taken away. We cannot afford tragedies of this nature upon our own shores to spur us to action. The time to respond is now—before disaster strikes.

Mr. President, when limits of liability are established, it is a determination of risk-taking, of deciding upon whose shoulders the economic burden shall fall for participation in a particular activity. Up until the present time, it has been decided that innocent parties—the property owner or the fisherman shall bear the costs of oil pollution damage. It is time to shift that economic responsibility to those who directly benefit from the carriage of oil by vessel—the shipowner, the oil industry, and the oil consumer.

If oil pollution damages are reflected in the price of oil, the consumer will have a better concept of its "true cost." Then, in the economic marketplace, he will be better informed in selecting which energy resource is the most attractive in terms of its cost and the benefits derived from its use.

In the bill which I offer today, we are shifting the economic burdens of oil pollution damage to those best able to bear them. This legislation will establish a National Oil Pollution Compensation Fund which will offer full compensation to those who have been damaged by oil pollution. This single, national compensation fund will solve other difficulties by creating uniform, national standards of compensation and limits of liability for oil pollution damages. The fund is to be provisioned by contributions from oil owners who will pay a certain fee per barrel of oil received. In this manner we shall more equitably allocate the risk occasioned by the carriage of oil by ship.

This bill will also create the National Oil Pollution Compensation and Liability Administration to manage the fund; other provisions of this legislation will establish quick and efficient administration remedies for adjudicating and settling claims, thereby avoiding the expensive and time-consuming method of recovering damages offered previously by litigation.

However, this bill speaks not only to the question of marine pollution from ships, but addresses itself to all sources of oil pollution, whether offshore oil rig, deepwater port or onshore refinery or storage facility. It is no longer wise to continue a piecemeal approach to this problem and a comprehensive statute which this bill offers is the best approach. To assist the Senate, the National Ocean Policy Study will be undertaking an analysis of the entire question of ocean contamination.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Oil Pollution Liability and Compensation Act of 1975".

DECLARATION OF POLICY

Sec. 2. (a) Findings.—The Congress finds and declares that—

(1) The damages and cleanup costs resulting from oil spills are matters of major national concern.

(2) The transportation, production, and handling of oil in, on, or near inland and ocean waters create environmental risks, and may impair the rights of shoreline property owners and harm the general health and welfare of citizens of the United States.

(3) Existing law with respect to liability and compensation for oil pollution damage is inconsistent, inadequate, incomplete, inefficient, and inequitable.

(4) The legal rules applicable to oil pollution liability and compensation need to be rationalized and reformed to assure that adequate and timely compensation is available for oil pollution from all sources.

(b) Purposes.—It is therefore declared to be the purpose of the Congress in this Act to—

(1) enact a comprehensive national law governing oil pollution liability and compensation;

(2) maximize the incentive for all persons producing, transporting, or handling oil to take all steps necessary or appropriate to prevent the discharge of oil into the marine environment;

(3) establish a strict liability standard for cleanup costs and damages resulting from the discharge of oil;

(4) create a single and all-inclusive compensation fund to pay for all cleanup and damages resulting from such a discharge;

(5) provide adequate funds and an expeditious procedure to compensate those injured by such a discharge; and

(6) provide for the restoration and rehabilitation of the natural resources of the marine environment.

DEFINITIONS

Sec. 3. As used in this Act, unless the context indicates otherwise, the term—

(1) "Administration" means the National Oil Pollution Liability and Compensation Administration;

(2) "Administrator" means the chief executive of the Administration;

(3) "barrel" means 42 United States gallons at 60 degrees Fahrenheit;

(4) "cleanup costs" means all actual costs, including, but not limited to, the costs of the Federal Government, of any State or local government, of any foreign governments, or of their contractors or subcontractors, incurred in (A) removing or attempting to remove, or (B) taking other measures to prevent, reduce, or mitigate damages to the public health or welfare, including but not limited to public and private property, shorelines, beaches, and the natural resources of the marine environment;

(5) "contiguous zone" means the entire zone established or to be established by the United States under article 24 of the Convention on the Territorial Sea and the Contiguous Zone (15 UST 1606; TIAS 5369) or otherwise by law or treaty;

(6) "damages" means all direct and proximate damages, except cleanup costs, suffered by any person on account of a discharge of oil, including—

(A) the value of any loss, at the time such loss is incurred, with respect to any real or personal property that are damaged or destroyed as a result of a discharge of oil;

(B) the cost of restoring, repairing or replacing any real or personal property that are damaged or destroyed by a discharge of oil; any income necessarily lost during the time such property is being restored, repaired, or replaced; and any reduction in the value of such property thereafter, by comparison with its value prior to such discharge;

(C) any loss of income resulting from any loss of real or personal property, including natural resources, that are damaged or destroyed by a discharge of oil, if the claimant can no longer engage in the occupation or business in which such property or resources are necessary, whether or not such property or resources can be restored, repaired, or replaced;

(D) any costs and expenses incurred by the Federal or any State government in the rehabilitation of natural resources that are damaged or destroyed by a discharge of oil;

(E) any loss to citizens of any use of real property or of natural resources as a result of a discharge of oil, if such property or resources are owned, managed, held in trust, or otherwise controlled by the Federal or any State government; and

(F) any injuries that are caused, directly or indirectly, to any person by a discharge of oil;

(7) "deepwater port" has the meaning set forth in section 3(10) of the Deepwater Port Act of 1974 (33 U.S.C. 1502(10));

(8) "discharge" includes, but is not limited to, any spilling, leaking, pumping, pouring, emptying, or dumping, regardless of whether it occurred intentionally or unintentionally;

(9) "facility" includes but is not limited to, any oil refinery, drilling platform, oil storage or transfer terminal, pipeline, or any appurtenances related to any of the foregoing, and that is used, or is capable of being used, to refine, drill for, pump, produce, store, handle, transfer, process, or transport oil; the term does not include a vessel or a deepwater port;

(10) "Fund" means the National Oil Pollution Compensation Fund;

(11) "licensee" means a person who holds a valid license for the ownership, construction, and operation of a deepwater port;

(12) "marine environment" means the navigable waters of the United States (including the lands therein and thereunder), the adjacent shorelines (including waters therein and thereunder), the waters of the contiguous zone, the waters within the safety zone around a deepwater port, and waters superjacent to the continental shelf of the United States; the fish, wildlife, and other living resources of such waters; and the recreational and scenic values of such waters and resources;

(13) "natural resources" means land, fish, wildlife, biota, air, water, and other such resources owned, managed, held in trust, or otherwise controlled by the Federal or any State government;

(14) "offshore facility" means any facility located in, on, or under the navigable waters of the United States or waters of the contiguous zone, or any facility utilized in oil exploration or production activities on the Outer Continental Shelf of the United States;

(15) "oil" means oil of any kind, except animal or vegetable oils, or in any form, including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil;

(16) "onshore facility" means any facility located, in, on, or under any land within the United States other than submerged land;

(17) "owner or operator" means (A) with respect to a vessel, any person owning, operating, or chartering by demise, such vessel; (B) with respect to an offshore or onshore facility, any person owning or operating such facility, whether by lease, contract, or other form of agreement; and (C) with respect to any abandoned facility, the person who owned or operated such facility immediately prior to such abandonment;

(18) "paragraph" means a paragraph of the subsection in which the term is used;

(19) "person" means an individual, a public or private corporation, partnership or other association, or a government entity;

(20) "safety zone" means the safety zone around a deepwater port as defined pursuant to section 10(d) of the Deepwater Port Act of 1974 (33 U.S.C. 1509(d));

(21) "section" means a section of this Act;

(22) "Secretary" means the Secretary of Transportation;

(23) "State" includes each of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Canal Zone;

(24) "subsection" means a subsection of the section in which the term is used;

(25) "transfer" or "transferred" includes, but is not limited to, both onloading and offloading between a facility and a vessel, and between vessels and facilities; and

(26) "vessel" means every description of watercraft or other contrivance that is used, or capable of being used as a means of transportation on water, whether self-propelled or not.

LIABILITY FOR DISCHARGES OF OIL

SEC. 3. (a) VESSELS.—(1) Notwithstanding any other provision of law and except as provided in subsection (c), the owner and operator of a vessel shall be jointly and severally liable, without regard to fault, for cleanup costs and damages which result from a discharge of oil into the marine environment from such vessel. Such liability shall not exceed $150 per gross ton or $20,000,000 whichever is less, except that if it can be shown—

(A) that such discharge was the result of gross negligence or willful misconduct, within the knowledge and privity of the owner or operator; or

(B) that such discharge was the result of a violation of applicable safety or construction standards;

such owner or operator shall be jointly and severally liable for the full amount of cleanup costs and damages.

(2) The owner or operator of a vessel carrying oil which has been transported through the trans-Alaska pipeline and loaded on such vessel at the terminal facilities of the pipeline, shall be jointly and severally liable, without regard to fault, subject to the limits and conditions contained in this subsection, to residents or the government of Canada for cleanup costs and damages resulting from the discharge of oil from such vessel.

(b) ONSHORE AND OFFSHORE FACILITIES AND DEEPWATER PORTS.—Notwithstanding any other provision of law and except as provided in subsection (c), the owner or operator of an onshore or offshore facility and the licensee of a deepwater port shall be jointly and severally liable, without regard to fault, for cleanup costs and damages which result from a discharge of oil into the marine environment from such a facility or port. Such liability shall not exceed—

(1) $50,000,000, in the case of an onshore facility;

(2) $50,000,000, in the case of an offshore facility;

(3) $100,000,000, in the case of a deepwater port.

If it can be shown that such damage was the result of gross negligence or willful misconduct, within the privity and knowledge of such an owner, operator, or licensee, such owner, operator, or licensee shall be jointly and severally liable for the full amount of cleanup costs and damages.

(c) DEFENSES.—Liability for costs and damages resulting from a discharge of oil shall not be imposed on any person pursuant to subsection (a) or (b), if the owner, operator, or licensee involved establishes that such discharge was caused solely—

(1) by an act of war, or as a proximate result of negligence on the part of the Federal Government in failing to maintain adequate aids to navigation; or

(2) by the negligence of the party damaged.

(d) SUBROGATION.—(1) In any case in which the owner or operator of a vessel is held liable, pursuant to subsection (a), for costs and damages resulting from a discharge of oil, such an owner or operator shall be subrogated, if such discharge was caused by negligence on the part of the owner or operator of an onshore or offshore facility or on the part of the licensee of a deepwater port, to the rights of any person who is entitled to recover any damages against such owner, operator, or licensee.

(2) In any case in which the owner or operator of an onshore or offshore facility, or in which the licensee of a deepwater port, is held liable, pursuant to subsection (b), for costs and damages resulting from a discharge of oil, such an owner, operator, or licensee shall be subrogated, if such discharge was the result of the unseaworthiness of a vessel or the negligence of a vessel's owner or operator, to the rights of any person who is entitled to recover any damages against the owner or operator of such vessel.

(3) The provisions of this section shall not in any way affect or limit in any way any rights that an owner or operator of a vessel, an onshore facility, an offshore facility, or a licensee or that the Fund may have against any third party whose acts may have caused or contributed to a discharge of oil.

(e) PROHIBITION.—Any agreement, the effect of which is to hold harmless any person or any Federal, State, or local government from liability for the discharge of oil, even if agreed to by a government entity, is contrary to public policy, void, and of no effect.

THE NATIONAL OIL POLLUTION LIABILITY AND COMPENSATION ADMINISTRATION

SEC. 4. (a) ESTABLISHMENT.—There is hereby established in the Department of Transportation an agency which shall be known as the National Oil Pollution Liability and Compensation Administration.

(b) OFFICERS.—(1) There shall be at the head of the Administration the Administrator of the National Oil Pollution Liability and Compensation Administration. The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level IV of the Executive Schedule pay rates (5 U.S.C. 5315). The Administrator shall report and be responsible to the Secretary, except that decisions of the Administrator shall not be subject to review, delay, reversal, or other action by the Secretary or any other officer or employee of the Department of Transportation.

(2) There shall be in the Administration a Deputy Administrator of the National Oil Pollution Liability and Compensation Administration. The Deputy Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule pay rates (5 U.S.C. 5316). The Deputy Administrator shall perform such functions as the Administrator shall from time to time assign or delegate, and shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

(3) There shall be in the Administration a General Counsel who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule pay rates (5 U.S.C. 5316).

(c) FUNCTIONS.—The Administrator shall—

(1) establish and maintain the Fund, in accordance with section 5;

(2) act as trustee of the natural resources

of the marine environment, in accordance with section 6;

(3) require financial responsibility, in accordance with the provisions of section 7;

(4) establish regulations and provide for the fair and expeditious settlement of claims, in accordance with section 8;

(5) provide public access to information and conduct public education programs, in accordance with section 9;

(6) submit an annual report, in accordance with section 10; and

(7) perform such other functions as are prescribed by law or by the Secretary.

(d) Powers.—In the performance of his functions, the Administrator is authorized to—

(1) appoint, fix the compensation, and assign the duties of such officers and other personnel as may be necessary or appropriate, and to delegate authority of the Administrator to any such personnel:

(2) utilize, with the consent of the agency concerned, the services or personnel, on a reimbursable basis or otherwise, of any Federal Government agency, of any State or local government agency, or of any organization, to perform such functions on behalf of the Administrator as are necessary or appropriate;

(3) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act;

(4) conduct such studies and investigations, obtain such date and information, and hold such meeting or public hearings as may be necessary or appropriate to facilitate the exercise of any authority granted to, or the performance of any function imposed on, the Administrator under this Act;

(5) enter into such contracts, agreements, and other arrangements as are deemed necessary or appropriate for the acquisition of material, information, or other asistance related to, or required by, the implementation of this Act; and

(6) issue and enforce orders during proceeding maintained pursuant to this Act including, but not limited to, issuing subpenas, administering oaths, compelling the attendance and testimony of witnesses and the production of books, papers, documents, and other evidence, and the taking of depositions.

THE NATIONAL OIL POLLUTION COMPENSATION FUND

Sec. 5. (a) Establishment.—There is established within the Administration a National Oil Pollution Compensation Fund. The Fund shall be a nonprofit corporate entity which may sue or be sued in its own name.

(b) Disbursements.—(1) Moneys in the Fund shall be disbursed for the following purposes and no others:

(A) administrative and personnel expenses of the Fund, after appropriation in an appropriation bill;

(B) cleanup costs resulting from the discharge of oil incurred (i) pursuant to section 311 of the Federal Water Pollution Control Amendments Act of 1972 (Public Law 92–500), (ii) pursuant to any State or local law, or (iii) by the owner or operator of a vessel or onshore or offshore facility or a licensee if it can be shown that such discharge was caused solely by an act of war or negligence on the part of the Federal Government in establishing and maintaining aids to navigation;

(C) all damages not actually compensated pursuant to section 3 of this Act, and for damages whenever the source of the discharge cannot be determined or is beyond the jurisdiction of the United States; and

(D) research into methods for preventing, containing, and removing discharges of oil into the marine environment.

(2) Payment of compensation by the fund shall be subject to the Fund acquiring by subrogation all rights of the claimant to recovery cleanup costs or damages from the discharger. The Fund shall diligently pursue recovery for any such subrogated rights.

(3) Notwithstanding the above, the Fund shall not be liable to pay cleanup costs and damages of any claimant whose negligence was the sole cause of the discharge.

(c) Fee Collection.—(1) The Funds shall be provisioned through the levy and collection by the Administration of a 5-cent-per-barrel fee imposed on the owner of oil (A) when the oil is loaded on or off a vessel at an onshore or offshore facility, (B) when the oil is transferred from a well to a pipeline or a vessel, or (C) when the oil is loaded on or off a vessel at a deepwater port. All moneys in the trans-Alaska pipeline liability fund and the deepwater port liability fund shall be placed in the Fund.

(2) The collection of the fee shall continue until the fund reaches $250,000,000 whereupon collection shall be suspended. The collections shall be resumed when the Fund is reduced below $200,000,000 and shall continue until the Fund again reached $258,000,000. All sums recovered by the Fund from the party or parties responsible for a discharge under the provisions of this Act shall be deposited in the Fund and included in calcualting the balance. All sums not needed for the purposes specified in subsection (b) of this section shall be prudently invested in income-producing securities issued by the United States and approved by the Secretary of the Treasury. Income from such securities shall be applied to the principal of the Fund.

(3) Each person liable to contribute to the Fund under this subsection shall keep such records and furnish such information as the Administrator shall prescribe in regulations. Collection will be at such times and such manner as shall be prescribed in such regulations.

(4) Whenever the money in the Fund is less than the claims for cleanup costs and damages for which it is liable under this section, the Fund shall borrow the balance required to pay such claims from the United States Treasury at an interest rate determined by the Secretary of the Treasury.

(d) Trustee of Natural Resources.—The Administrator; or the authorized representative of any State, shall act on behalf of the public as trustee of the natural resources of the marine environment to recover for damages to such resources. Sums recovered shall be applied to (1) the restoration and rehabilitation of such natural resources and (2) acquisition of equivalent natural resources by the appropriate agencies of Federal or State government.

FINANCIAL RESPONSIBILITY

Sec. 7. (a) General.—Each owner or operator of a vessel or an onshore or offshore facility and each licensee shall establish and maintain under rules and regulations prescribed by the Administrator, evidence of financial responsibility based on the tonnage of the vessel, the capacity of the facility or deepwater port, and other relevant factors. Financial responsibility may be established by any one, or a combination of, the following methods acceptable to the Administrator: (1) evidence of insurance, (2) surety bonds, (3) qualification as a self-insurer, or (4) other evidence of financial responsibility satisfactory to the Administrator.

(b) Direct Action.—Any claim for cleanup costs and damages by any claimant or by the Fund may be brought directly against the bond, the insurer, or any other person providing financial responsibility.

(c) Failure To Comply.—(1) Any person who fails to comply with the provisions of this section or any regulation issued hereunder shall be subject to a fine of not more than $25,000.

(2) The Secretary of the Treasury may refuse the clearance required by section 4197 of the Revised Statutes of the United States, as amended (46 U.S.C. 91), to any vessel subject to this section which has not furnished evidence of financial responsibility to the Administrator.

CLAIMS, SETTLEMENT, AND ADJUDICATION

Sec. 8. (a) Rules and Regulations.—The Administrator shall prescribe and may from time to time amend, regulations for the filing, processing, settlement, and adjudication of claims for cleanup costs and damages resulting from the discharge of oil into the marine environment.

(b) Procedure.—(1) Upon receiving information regarding a discharge of oil, the Administrator shall publish and distribute in the area of the discharge information and material on the filing of claims.

(2) Claims shall be filed with the Administrator not later than 2 years after the date of discovery of damage nor later than 6 years after the date of the incident which caused the damage. The Administrator shall prescribe appropriate forms and details for such claims, which shall include a provision requiring the claimant to make a sworn verification of the claim to the best of his knowledge. Each person's damage claims arising from one incident shall be stated in one form. Damages not included in the claim at the time compensation is made shall be deemed waived. Upon receipt of any claim, the Administrator shall as soon as practicable inform all affected parties of the claim.

(3) If the source of the discharge can be determined and liability is conceded, the claimant and the Administrator or the person responsible for the discharge may arrange a settlement which shall be final and binding upon the parties. If liability is not conceded or if a settlement on the amount of damages cannot be negotiated, any party may request a hearing before an Administrative Law Judge.

(4) If the source of the discharge is unknown or cannot be determined, the claimant and the Administrator shall attempt to arrange a settlement under procedures contained in regulations promulgated by the Administrator. If a settlement cannot be negotiated, the claim shall be submitted to an Administrative Law Judge.

(c) Administrative Hearings.—(1) The Administrator shall promulgate regulations for hearings before an Administrative Law Judge. The Administrative Law Judge shall have the power to administer oaths, and subpena the attendance and testimony of witnesses, the production of books, records, and other evidence relative or pertinent to the issues presented for determination.

(2) Upon receipt of a request for a hearing, the Administrative Law Judge shall promptly schedule a hearing to determine the amount and validity of the damage claim. The hearing shall be held in the area where the damage occurred.

(3) Upon a decision by the Administrative Law Judge and without a request for judicial review, the amount shall be certified to the Administrator who shall promptly disburse the award. Such decision shall not be reviewable by the Administrator or the Secretary.

(d) Judicial Review.—(1) Any person suffering legal wrong, or who is adversely affected or aggrieved by the decision of an Administrative Law Judge may, no later than 60 days after such decision is made, seek judicial review of such decision in the United States court of appeals for the circuit in which damage occurred or for the District of Columbia.

(2) In any case in which the person responsible for the discharge, or the Administration, seeks judicial review, attorneys' fees and court costs shall be awarded to the claimant if the decision of the Administrative Law Judge is affirmed.

(e) Class Actions.—(1) The Attorney

General may act on behalf of any group of damaged citizens the Administrator determines would be more adequately represented as a class in the recovery of claims under this section. Sums recovered shall be distributed to the members of such groups,

(2) If, within 90 days after a discharge of oil in violation of this Act has occurred, the Attorney General fails to act on behalf of a group who may be entitled to compensation in accordance with section 3 any member of such group may maintain a class action to recover such damages on behalf of such group. Failure of the Attorney General to act in accordance with this subsection shall have no bearing on any class action maintained in accordance with this subsection.

(3) In any case where the number of members of the class exceeds 1,000, publishing notice of the action in the Federal Register and in local newspapers serving the areas in which the damaged parties reside shall be deemed to fulfill the requirement for public notice established by rule 23(c) (2) of the Federal Rules of Civil Procedure.

(f) Representation.—The Administrator shall initially request the Attorney General to promptly institute court actions and to appear and represent the Administration or the Fund for all claims under this Act. Unless the Attorney General notifies the Administration that he will institute such action or will otherwise appear within a reasonable time attorneys appointed by the Administrator shall appear and represent the Administration.

PUBLIC ACCESS TO INFORMATION

Sec. 9. (a) General.—Copies of any communication, document, report, or information transmitted between any official of the Federal Government and any person concerning liability and compensation for damage resulting from the discharge of oil into the marine environment shall be made available to the public for inspection, and shall be available for the purpose of reproduction at a reasonable cost, to the public upon identifiable request.

(b) Release.—Nothing contained in this section shall be construed to require the release of any information of the kind described in subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

ANNUAL REPORT BY ADMINISTRATOR

Sec. 10. Within 6 months after the end of each fiscal year, the Administrator shall submit to the President of the Senate and the Speaker of the House of Representatives (1) a report on the administration of the fund during such fiscal year; (2) a summary of the management and enforcement activities of the Administration; and (3) recommendations to the Congress for such additional legislative authority as may be necessary to improve the management of the fund and the administration of the liability provisions under this Act.

RELATIONSHIP TO OTHER LAW

(a) State Law.—This Act shall not be interrupted to preempt the field of liability or to preclude any State from imposing additional requirements or liability for any discharge of oil resulting in damages or cleanup costs within the jurisdiction of any State.

(b) Double Recovery.—Any person who receives compensation for damages of cleanup costs pursuant to this Act shall be precluded from recovering compensation for the same damages or cleanup costs pursuant to any other State or Federal law. Any person who receives compensation for damages or cleanup costs pursuant to any other State or Federal law shall be precluded from receiving compensation for the same damages or cleanup costs under this Act.

(c) Court Jurisdiction.—The United States district courts shall have original jurisdiction of cases and controversies arising out of or in connection with liability for cleanup costs and damages resulting from a discharge of oil in the navigable waters or waters of the contiguous zone of the United States, or from a deepwater port subject to the jurisdiction of the United States, and proceedings with respect to any such case or controversy may be instituted in the judicial district in which any defendant resides or may be found, or in the judicial district in which the damages occurred.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 12. There is authorized to be appropriated for the administration of this Act $10,0000,000 for the fiscal year ending June 30, 1976; $2,500,000 for the transitional quarter ending September 30, 1976; $5,000,000 for the fiscal year ending September 30, 1977; and $5,000,000 for the fiscal year ending September 30, 1978.

Mr. JACKSON. Mr. President, today, I join my colleague, Senator Warren Magnuson, chairman of the Commerce Committee, in the introduction of the National Oil Pollution Liability and Compensation Act of 1975.

In January of 1969, well 21 on platform A located Union Oil's leased Federal parcel—P–0241—developed serious leaks which resulted in what has come to be known as the Santa Barbara Channel oil disaster. More than 100 miles of water, beach, and shoreline property were covered by the crude oil which for 10 days flowed from the well. It was the "Torrey Canyon" of offshore oil drilling and resulted in a Federal ban on oil drilling operations in the channel as well as several hundred million dollars in claims for cleanup costs and damages by Government and private parties. The State of California and local governments along the Santa Barbara coast filed damage claims with the Secretary of the Interior shortly after the blowout totaling $500 million. Numerous private claims were filed with the Secretary and lawsuits were instituted against Union Oil. In all, the three major lawsuits filed sought payment of $2.36 billion in damages and cleanup costs.

Mr. President, the Santa Barbara oil spill was the impetus for a number of changes in our Federal Outer Continental Shelf enforcement program—greater restrictions on well safety, increased expenditure on prevention methods and research, and more stringent enforcement of OCS production activities. The Senate Interior Committee, which I chair, has continually pressed for development and use of methods for preventing oil spills from OCS activities. But, despite our best efforts, accidents may still occur. Should such an undesirable and unfortunate event be experienced by innocent shoreline property owners and the public, I believe we must provide a more efficient and comprehensive method for compensating injured parties. The bill I am sponsoring today is aimed at this goal.

At present, the regulations issued by the Department of the Interior pursuant to the Outer Continental Shelf Lands Act makes lessees financially responsible for the "total removal" of pollution resulting from drilling and production operations. If the lessee fails to undertake the necessary cleanup measure, the regulations authorize and direct the Department's area supervisor to do so at the lessee's expense.

In addition, the Federal Water Pollution Control Act Amendments of 1972—FWQA—prohibits discharges of oil from drilling operations located within 3 miles of shore and authorizes Federal Government cleanup at the operator's expense unless the operator does so "properly."

However, neither the Interior Department regulations nor the FWQA provide for damage compensation to private parties; liability for such damages is left to "applicable law." What is "applicable law" is a question still not definitively answered by the courts. It is the position of the U.S. Government, with respect to operations on the OCS, that liability of its lessees for pollution damage to coastal waters and shorelines is to be determined by looking to the law of the adjacent coastal State in which the damage occurred. By virtue of the Outer Continental Shelf Lands Act, such State law is to be borrowed and applied as "Federal law" in Federal courts.

In theory, then, States may legislate liability and compensation rules for damages to their citizens, waters, beaches, natural resources, and the like caused by oil spills from OCS drilling operations. Yet, only a few States have enacted such laws. Without legislation, common law tort rules would apply to damage claims by fishermen, beach owners, boaters, et cetera. These rules are often vague and require, in most instances, time-consuming proof of fault. Quite often, few damaged parties have the financial resources to engage in an adversary court proceeding with large oil companies.

Quite clearly, this pattern of statutory and case law leaves the damaged property owner facing considerable uncertainty and offers him only the frequently delayed and very expensive court suit route for satisfaction of his claims. For example, it has taken nearly 5 years to settle the claims brought by State and local government against Union Oil in the Santa Barbara case. The statement by the Southern California Council of Local Governments on the Federal proposal for accelerated OCS oil and gas development, says:

> The Santa Barbara oil spill demonstrates the total inadequacy of present liability mechanisms to provide compensation for losses suffered by government, industry and private individuals.

One of the goals of the Senate Interior Committee in seeking enactment last year of S. 3221, the Energy Supply Act of 1974, was to reform the liability rules applicable to damage caused by oil pollution from OCS oil drilling and production operations. The report on S. 3221, says:

> The Committee believes that a comprehensive Federal statute governing liability for all ocean oil spill damages is badly needed. This law should cover OCS operations, tankers, deepwater ports and all other sources . . .

The bill which I am cosponsoring today begins the process of achieving this committee goal.

Mr. RANDOLPH. Mr. President, the risk of oil spills in our domestic waters and the seas near our coasts is a serious and increasing environmental problem. Expanded offshore oil drilling and the creation of deepwater ports for the transshipment of foreign oil carried in supertankers may substantially add to this risk. At the present, however, provisions establishing responsibility for cleanup costs and liability for damages resulting from oil spills are scattered among many Federal statutes. Each of those statutes provides a different test of liability and means for recovery.

The most recent, and I believe the best of these provisions, is contained in the Deepwater Port Act of 1974. Even that act, however, deals only with liability for damages and cleanup costs resulting from the discharge of oil transshipped through deepwater ports. Recognizing the problem of fragmented and inconsistent provisions for oil pollution liability and compensation, section 18(n) of the Deepwater Port Act directed a study of an uniform Federal law providing liability for cleanup costs and damages from oil spills from Outer Continental Shelf operations, deepwater ports, vessels, and other ocean related sources.

This study is proceeding, and I understand that the administration is expecting to submit its report and a proposed uniform oil spill liability law in the near future. The bill being introduced today represents an attempt by the Senate committees involved in this issue to draft such a comprehensive oil pollution liability bill.

I am joining Senators MAGNUSON and JACKSON in cosponsoring this bill to stimulate debate on the issues raised by this legislation. I am under no illusions that this bill represents the final answer to any of these issues. In fact, there are some provisions in this bill about which I have reservations. I and other members of the Committee on Public Works, particularly Senator MUSKIE, chairman of our Subcommittee on Environmental Pollution, will wish to examine the relationship between this bill and section 311 of the Federal Water Pollution Control Act. Section 311, originally included in the Water Quality Improvement Act of 1970, involved the establishment of several key principles in oil spill liability and we will wish to assure that this bill does no violence to those principles.

The debate over a comprehensive oil spill liability law is likely to last through this entire Congress. Not only will we be examining the legal principles involved in a proposed uniform law, comparing them to the principles which existing oil spill liability laws seek to implement, but we will be interested in actual operating experience under section 311, the recently enacted Deepwater Port Act, and the laws governing oil production on the Outer Continental Shelf.

I believe that the introduction of the National Oil Pollution Liability and Compensation Act of 1975 will contribute to that debate, and it is for that reason that I join in the introduction of this bill.

By Mr. MONDALE:

S. 1755. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of congressional primary and general elections. Referred to the Committee on Finance.

A MATCHING SYSTEM FOR PARTIAL PUBLIC FINANCING OF CONGRESSIONAL ELECTIONS

Mr. MONDALE. Mr. President, I am today introducing legislation to provide for partial public financing of primary and general elections for the House and Senate under a system in which small private contributions would be matched by Federal payments.

Under this system, once a candidate for the House or Senate succeeded in raising a modest threshold amount in small private contributions, those contributions and all additional small contributions would be matched on a 1-for-1 basis by the Treasury.

The matching system would apply in both primary and general elections. No candidates would be automatically eligible for Federal payments in the general election, and there would be no flat grants of Federal funds.

THE NEED FOR CONGRESSIONAL PUBLIC FINANCING

Last year, Congress took the historic step of establishing a system of public financing for Presidential primary and general elections.

Along with the limitation on large private contributions, that legislation assures that candidates for President will no longer have to rely on the support of large and powerful special interests to win election to the Nation's highest office. Candidates for the Presidency now know that they must be responsive to the needs of all the people. No longer must they make their peace with special economic interests in order to make the race for President.

But we stopped short of adopting public financing for our own campaigns. The need, however, is fully as great. All of us know the compromises and accommodations the system of unlimited private financing has sometimes forced. They should have no place in a truly democratic system.

We went part of the way last year by limiting the size of private contributions to congressional campaigns. But nothing has been done to replace these large private contributions. Campaigns are often expensive, and often legitimately so. The voters need to know how we stand on issues that concern them, and communication can be expensive.

The money must come from somewhere. If the limit on large private contributions leaves congressional candidates short of the funds needed to run a responsible campaign, pressures will grow to bend the rules. Ambiguities in the law will be seized upon, borderline contributions of money and services may be accepted.

The new Federal Election Commission cannot look over the shoulder of every candidate and every campaign treasurer. We must rely on self-enforcement to a large degree.

A system of partial public financing of congressional elections can relieve some of these pressures on candidates. It can help candidates meet the legitimate expenses of their campaigns, and stay within the law. It can make it possible for candidates to be honest if they want to be.

PROVISIONS OF THE BILL

The matching system for public financing of congressional elections I propose is modeled after the system for public financing of Presidential primaries Congress adopted last year, which in turn grew out of legislation I first introduced in the Senate with Senator RICHARD SCHWEIKER, and which was introduced in the House by Congressman JOHN BRADEMAS.

The bill I am introducing today has the following main features:

In a House race, candidates would have to raise $10,000 in amounts of $100 or less from each contributor to be eligible for matching, after which the qualifying amount and each additional contribution of $100 or less would be matched.

In a Senate race, candidates would have to raise 2 cents times the voting age population—but not less than $10,000—in amounts of $100 or less to qualify, and again the qualifying amount and each additional contribution of $100 or less would be matched.

Only contributions from residents of the State in which the election is held would be eligible for matching. Cash contributions could be matched as long as they are properly certified and adequate records are kept showing the date and amount of the contribution, and the name and address of the contributor. The matching system for public financing of Presidential primaries in present law allows only contributions made by a check or other "written instrument" to be matched, a provision which I believe unnecessarily limits the participation of many small contributors.

Although the matching system would apply in both the primary and general elections, a candidate would have to meet the threshold qualifying amount only once. If the qualifying amount were raised in the primary, therefore, contributions of $100 or less for the general election would continue to be matched on a 1-for-1 basis with no further test of eligibility.

The spending ceilings for all races would be the same as in existing law, and the maximum Treasury payment to any candidate would be one-half of the spending ceiling. This maximum payment level would of course be reached only if all contributions received were $100 or less.

In each House race, the maximum Treasury matching payments in 1976 would come to $38,500 in the primary, and another $38,500 in the general elections.

In Senate races, the maximum Treasury matching payments would range from $55,000 in the primary and $82,500 in the general election in the smallest States, to $637,824 in the primary and $956,736 in the general in California, the largest State.

The above amounts are based on the

estimated voting age population for 1976, and an assumed 10-percent cost-of-living escalator for 1975 over the base year of 1974. Complete spending ceiling estimates for all States and House districts for the 1976 election have been prepared by the Center for Public Financing of Elections. I ask unanimous consent that these estimates be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Mr. President, matching funds for congressional races would come from the existing $1 checkoff fund, and there would be no authorization for supplemental appropriations. Congressional races would get fourth priority for $1 checkoff funds after party conventions, the Presidential general election, and Presidential primaries. If it appeared that there would not be enough in the $1 checkoff fund to meet all congressional entitlements, I would support legislation to increase the $1 checkoff to $2.

I ask unanimous consent that a fact sheet giving more details on the bill be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

COMPARISON WITH KENNEDY-SCOTT CONGRESSIONAL PUBLIC FINANCING BILL (S. 564)

Mr. MONDALE. In many respects, Mr. President, the legislation I am introducing today parallels S. 564, introduced earlier this year by Senators KENNEDY and SCOTT and 28 cosponsors. The provisions dealing with congressional primary elections in the two bills are nearly identical, for example.

The main difference is in the treatment of general elections. The Kennedy-Scott bill provides for public financing of 100 percent of the general election costs of the two major party candidates, and proportionately smaller grants for minor and new party candidates. In this it follows very closely the system established in present law for public financing of Presidential general elections.

The bill I am introducing today, however, continues the matching system for primary elections, that is common to both bills, into the general election. For reasons which I will go into shortly, I believe this is preferable to the flat grant system of full public financing for congressional general elections the Kennedy-Scott bill would establish.

What is most important, however, is that a system of public financing of congressional elections be enacted as soon as possible. Senators KENNEDY and SCOTT and the other sponsors of S. 564 have made a strong case for their bill, and have done an excellent job of gathering support for it.

I believe the legislation I am proposing has features which could make congressional public financing more broadly acceptable and hasten its final enactment. This, however, is a matter for the full Congress to decide.

I have worked closely with the sponsors of the Kennedy-Scott bill on public financing legislation in the past, and I look forward to continuing our work together so that the best possible congressional public financing legislation can be enacted in time for the 1976 elections.

ADVANTAGES OF A MATCHING SYSTEM

A system which matches small private contributions with Federal payments has a number of advantages over plans which automatically give some set amount to candidates who gain the nomination of a particular party.

In a matching system, Treasury payments are related as closely as possible to a candidate's current strength. Party affiliation or performance in some past election is not a factor.

Matching does not lock in the present two-party system. It makes it possible for third party and independent candidates to compete without being put at an artificial disadvantage.

Matching preserves a role for the small private contributor, the citizen who wants to do more than simply vote for a candidate, but who may not be able to help as a volunteer.

Matching limits the cost of congressional public financing, since no more than 50 percent of the cost of congressional elections would be covered with public funds. In addition, the threshold qualifying amounts would screen out a large number of nonserious candidates.

Finally, a matching system represents a more deliberate and incremental change in the system of financing congressional elections. Since conditions vary greatly from one congressional district and State to another, it may be better not to depart too fundamentally from the present system until we develop more experience with congressional public financing. Matching permits some public financing in a way which builds on the existing system, and lays the foundation for greater public financing as experience with the system grows.

A BETTER TEST OF CURRENT STRENGTH

A system of public financing should not artificially prop up candidates who have no current or potential public support. Neither should it put obstacles in the way of candidates who do have broad strength with the public. Public funding should be related at least in a general way to public support.

The question is, How should public support—and eligibility for public funds—be tested?

The Kennedy-Scott bill says that in the general election, nomination by a political party is the best test. Others have suggested requiring a certain number of signatures on a petition.

I believe that requiring candidates to gather a significant number of small contributions from a large number of people—as my bill does—is the best and most workable test of a candidate's current and potential public support.

The test of nomination by a political party presents a number of problems, especially in congressional elections.

There are enormous variations in party strength in different States and congressional districts throughout the country. In many States and districts, one major party has overwhelming strength, while the other "major" party, as well as new and minor parties, have little public support. In other areas, independents outnumber the supporters of either major party.

Looking just at the 1974 congressional elections, 99 out of the 435 winning House candidates received 75 percent or more of the vote. These are essentially one-party districts, where the other major party puts up candidates who represent only nominal opposition. Four out of the thirty-four Senate races in 1974 were also won with more than 75 percent of the vote.

Should public funds be used to finance candidates who have little public support, simply because they gain the nomination of a major party? In my judgment, we should move cautiously here. One-party districts are not the democratic ideal, and effective competition is generally preferable. Often, however, one party is dominant simply because of the underlying political makeup of the district. The situation is usually not caused by an imbalance of financial resources, and would not be significantly altered by equalizing those resources.

And what of the independents, and the candidates of new and minor parties? Funding based on their performance in some past election may no longer reflect the current political situation, and retroactive reimbursement based on performance in the current election may come too late to help.

If election performance is not a workable standard, why not signatures on a petition?

There are two problems. First, individual signatures often do not represent much of a commitment to the candidate whose petition is being signed. In that sense, they are not a reliable indicator of public support. But second, if a very large number of signatures is required, meeting the requirement could be an expensive proposition in terms of money and time. To that extent, the signature requirement becomes merely a surrogate for a fundraising requirement, with little added but a time-consuming extra step.

Requiring that a candidate raise a threshold amount in small contributions is a relatively simple and workable way of measuring current and potential support. People are not likely to give even modest amounts to a potential candidate unless they have a significant commitment to that candidate, and if the candidate can get commitments of this sort from a large number of people, it indicates he or she is serious enough to warrant matching Federal support.

It could be argued that it is unfair to permit those who give larger amounts to a candidate to trigger larger Federal matching payments. This gives someone who contributes $100 to a candidate more "influence" than someone who contributes $10. But when the range of contributions is so narrow—only contributions up to $100 can be matched under my bill—it is hard to argue that the difference in impact from one contributor to another is very significant.

FAIRER TREATMENT OF THIRD PARTY AND INDEPENDENT CANDIDATES

In recent years, a growing number of Americans have begun identifying themselves as independents, rather than Republicans or Democrats. In the most recent Gallup poll, 30 percent said they were independents, more than the 23 percent identifying themselves as Republicans. Forty-seven percent identified themselves as Democrats.

Just 4 years ago, Democrats were 45 percent, Republicans were 29 percent, and independents only 26 percent.

A third party candidate was elected to the Senate from New York in 1970, and an independent was elected to the Senate from Virginia in that same year. Last year, an independent candidate was elected Governor of Maine.

A matching system treats an independent or third party candidate in exactly the same way all other candidates are treated. If they can raise the threshold qualifying amount in small contributions, they are eligible for matching.

In any system of flat grants, by contrast, distinctions must be made between the major party candidates and those of new and minor parties, or no party at all. It is difficult to make these distinctions in ways that will be defensible in all situations. Basing a minor or new party candidate's share of public money on performance in an election 2 or 6 years ago does not work well if the party was not in existence during the previous election, if its candidate did unusually well or unusually badly in the previous election, if the issues have changed, and so forth. Retroactive reimbursement based on performance in the current election may help some, but usually not much.

The formula now in place for Presidential general elections—which is also used in the Kennedy-Scott bill—is probably as good a formula as can be devised. In fact, it may work a good deal better for Presidential elections than it would for congressional elections. There is greater party stability in national Presidential elections than in State and local elections. The Republican and Democratic parties run a reasonably strong candidate with fairly broad public support every 4 years, so there is little difficulty in justifying equal public financing for each major party candidate. Serious minor and new party candidates are few, due largely to the electoral college system and to the difficulty of getting on the ballot in a sufficient number of States.

PRESERVES A ROLE FOR THE SMALL CONTRIBUTOR

Some have argued for a public financing system that would ban all private contributions, on the theory, apparently, how small—are tainted.

I do not share that view. Many people want to participate more in the political process, not less. They want to have some greater role in selecting their elected representatives than merely casting their vote. For many this can come from doing volunteer work for the candidates they support. But for many others—because of family, work, or other responsibilities—this is simply not possible.

They can, however, get some of this sense of participation by making a modest financial contribution. They are not trying to buy influence. They simply want to see good people elected, and they do not want to sit passively on the sidelines waiting for election day.

At a time when too many Americans already feel cut out of our political system, when they feel there is little they can do that has an impact on their Government, we should be very cautious in making changes which exclude citizens even more from the political process.

The tradition of voluntarism is a strong one in our politics. Over the years it has been one of the healthiest and most beneficial influences in our political system. It has given many Americans a sense of participation in their Government, and it has strengthened the ties between citizens and their elected representatives. Especially now, we should be doing all we can to encourage voluntarism, including voluntary small private contributions.

LOWER COST

Keeping a 1-for-1 matching system for congressional general elections, rather than providing for 100 percent Federal funding of these elections, will obviously reduce the cost to the Treasury.

My bill provides that no candidate may receive public funding equal to more than 50 percent of the spending ceiling in the primary or the general election. The extra 20 percent allowed for fundraising is not included for purposes of this limit.

Under the public financing system provided in my bill, the cost to the Treasury for House and Senate elections every 2 years would be approximately $74 million, divided as follows:

[In millions of dollars]

	Senate	*House*
Primaries	9	26
General elections	10	29
Total	19	55

This compares to the estimated $134 million cost of the Kennedy-Scott bill:

[In millions of dollars]

	Senate	*House*
Primaries	10	31
General elections	24	69
Total	34	100

The main differences in cost are accounted for by the fact that the general elections will cost less than half as much under my bill, and by the fact that the public funding entitlements are 20 percent higher under the Kennedy-Scott bill, because their bill adds the extra 20 percent allowed for fundraising to the public funding ceilings.

My bill provides that the amount needed for congressional public financing is to come from the $1 checkoff fund. If necessary, I would support increasing the checkoff to $2. Funding elections out of the checkoff will assure the American people an important role in determining the extent to which elections are funded with public money.

The percentage of taxpayers checking off $1 on their tax returns has increased dramatically since the option was introduced in 1972. In that first year, only 3 percent of taxpayers checked off a dollar. On the 1973 tax returns, the percentage was up to nearly 14 percent, and for the 1974 returns—which have just been filed—the percentage is over 23 percent. Furthermore H & R Block has found that over 41 percent of the taxpayers using their service in 25 major cities this year checked off $1 when the system was fully explained to them.

If the nationwide participation rate in the $1 checkoff can be increased to a little over 40 percent, there should be enough to cover the 4-year cost of Presidential elections—$70 million; party conventions—$5 million; and House and Senate elections—$148 million. At current income levels, a participation rate of 43 percent would raise $56 million a year—or $224 million over 4 years—enough to cover the estimated $223 million cost of funding all Presidential and congressional elections under the legislation I propose.

A MORE INCREMENTAL AND DELIBERATE APPROACH

Public financing promises to make important and fundamental changes in our political system. These changes are valuable and long overdue. Large private contributions from wealthy and powerful special interests have distorted our political process for too many years, and public financing can free both candidates and contributors from the burdens the old system of private financing imposed.

But it is still not clear what impact public financing will have on the role of parties, on the relative strengths of incumbents and challengers, on the participation of citizens in campaigns and on a number of other aspects of our political system.

Furthermore, there is no firm consensus on what form of public financing is best. Some prefer full public funding with no private contributions. Others, like myself, prefer matching. Others would like to see a voucher system, still others an expansion of tax incentives for private contributions.

Until we have more experience with public financing, there is some value in moving cautiously and deliberately. A matching system allows us to do this.

Matching builds on the present system. It does not displace private financing; rather, it encourages and gives more weight to modest private contributions. It helps diminish the impact of the big contributor, while strengthening the role of the small contributor.

Matching does not provide candidates with more support from the Government than they can get from the people. Candidates must earn what they get, and they get no more than they earn.

The impact of a matching system of public financing on political parties should be essentially neutral. In a system of 100 percent public financing, all financing comes from the Government and little role is left for the parties. In a matching system, however, room is left for the parties as well as for small contributors.

With a matching system, it is possible to increase the level of public funding with little difficulty as experience with the system is gained. Instead of a 1-for-1 match, for example, each dollar of private money could be matched with $2, $3, or $4 of public money. Matching could also be combined with modest "seed money" flat grants to cover campaign startup costs.

Matching is also similar in many ways to the voucher system that some prefer, and it would not be difficult to have a system which combined elements of both. Federal matching payments could be triggered by vouchers as well as by small private contributions, for example.

CONCLUSION

Public financing by itself will not transform our political system. But it can help make candidates as honest and responsive as they want to be, and as their constituents expect them to be. With public financing, a candidate must respond only to his conscience and his constituency. That is as it should be, and that is what I hope the legislation I propose will accomplish.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Campaign Financing Act of 1975".

SEC. 2. CONGRESSIONAL ELECTION CAMPAIGN FINANCING.

(a) In General.—Subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential Election Campaigns) is amended by adding at the end thereof the following new chapter:

"CHAPTER 97—CONGRESSIONAL ELECTION CAMPAIGN FUND

"Sec. 9061. Short title.
"Sec. 9062. Definitions.
"Sec. 9063. Eligibility for payments.
"Sec. 9064. Entitlement to payments.
"Sec. 9065. Qualified campaign expense limitations.
"Sec. 9066. Certification by Commission.
"Sec. 9067. Payments to eligible candidates.
"Sec. 9068. Examinations and audits; repayments.
"Sec. 9069. Reports to Congress; regulations.
"Sec. 9070. Participation by Commission in judicial proceedings.
"Sec. 9071. Judicial review.
"Sec. 9072. Criminal penalties.

"SEC. 9061. SHORT TITLE.

"This chapter may be cited as the 'Congressional Election Campaign Fund Act'.

"SEC. 9062. DEFINITIONS.—

"For purposes of this chapter—

"(1) The term 'authorized committee' means, with respect to a candidate for Federal office, any political committee which is authorized in writing by such candidate to incur expenses to further the nomination for election or election of such candidate. The authorization shall be addressed to the treasurer of such political committee, and a copy of the authorization shall be filed by such candidate with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(2) The term 'candidate' means an individual who seeks nomination for election or election to Federal office. For purposes of this paragraph, an individual is considered to seek nomination for election or election if he (A) takes the action necessary under the law of a State to qualify himself for nomination for election or election, (B) receives contributions or incurs qualified campaign expenses, or (C) gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.

"(3) The term 'Commission' means the Federal Election Commission established by section 310(a)(1) of the Federal Election Campaign Act of 1971.

"(4) Except as provided in sections 9063 and 9064, the term 'contribution'—

"(A) means a gift, subscription, loan, advance, or deposit of money, or anything of value, the payment of which is made on or after the beginning of the calendar year immediately preceding the calendar year in which the election in connection with which such gift, subscription, loan, advance, or deposit of money, or anything of value, is made, for the purpose of influencing the result of such election,

"(B) means a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose,

"(C) means funds received by a political committee which are transferred to that committee from another political committee, and

"(D) means the payment by any person other than a candidate, or his authorized committee, of compensation for the personal services of another person which are rendered to the candidate or committee without charge, but

"(E) does not include—

"(i) except as provided in subparagraph (D), the value of personal services rendered to or for the benefit of a candidate by an individual who receives no compensation from the candidate for rendering such service to or for the benefit of the candidate, or

"(ii) payments under section 9067.

"(5) The term 'Federal office' means the office of Senator or Representative.

"(6) The term 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to Federal office.

"(7) The term 'matching payment period' means the period beginning on the first day of the calendar year in which the primary election and general election for Federal office is held and ending on the date on which such general election is held.

"(8) The term 'political party' means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

"(9) The term 'primary election' means an election, including a runoff election, or a nominating convention or caucus held by a political party for the purpose of nominating a candidate for election to Federal office. If both an election and a nominating convention are held by a political party for the purpose of nominating a candidate for election to Federal office, then the election and convention shall be considered to be one primary election.

"(10) The term 'qualified campaign expense' means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value—

"(A) incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election or election, and

"(B) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which the expense is incurred or paid.

For purposes of this paragraph, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or committee.

"(11) The term 'Representative' means a Member of the House of Representatives, the Resident Commissioner from the Commonwealth of Puerto Rico, and the Delegates from the District of Columbia, Guam, and the Virgin Islands.

"(12) The term 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

"(13) The term 'voting age population' means the voting age population certified under section 608(g) of title 18, United States Code.

"SEC. 9063. ELIGIBILITY FOR PAYMENTS.

"(a) CONDITIONS.—To be eligible to receive payments under section 9067, a candidate shall, in writing—

"(1) agree to obtain and furnish to the Commission any evidence it may request of qualified campaign expenses,

"(2) agree to keep and furnish to the Commission any records, books, and other information it may request,

"(3) agree to an audit and examination by the Commission under section 9068 and to pay any amounts required to be paid under such section,

"(4) certify to the Commission that the candidate and his authorized committees will not incur qualified campaign expenses in excess of the limitation on such expenses under section 9065, and

"(5) certify to the Commission that the candidate is seeking nomination by a political party for election to a specific Federal office or election to such office.

"(b) PRIMARY ELECTION.—To be eligible to receive any payments under section 9067 for use in connection with his primary election campaign, a candidate must certify to the Commission that—

"(1) he is seeking nomination by a political party for election as a Representative and he and his authorized committees have received contributions in connection with that campaign from residents of the State in which such election is held which, in the aggregate, exceed $10,000; or

"(2) he is seeking nomination by a political party for election to the Senate and he and his authorized committees have received contributions in connection with that campaign from residents of the State in which such election is held which, in the aggregate, exceed the greater of—

"(A) $10,000, or

"(B) 2 cents multiplied by the voting age population of the State in which the election for such nomination is held.

"(c) GENERAL ELECTION.—To be eligible to receive any payments under section 9067 in connection with his general election campaign, a candidate must certify to the Commission that—

"(1) he is seeking election as a Representative and he and his authorized committees have received contributions in connection with that campaign from residents of the State in which such election is held which, in the aggregate, exceed $10,000; or

"(2) he is seeking election to the Senate and he and his authorized committees have received contributions in connection with that campaign from residents of the State in which such election is held which, in the aggregate, exceed the greater of—

"(A) $10,000, or

"(B) 2 cents multiplied by the voting age population of the State in which such election is held.

"(d) Amount of Contributions.—For purposes of determining the amount of contributions received by a candidate and his authorized committees under subsections (b) and (c)—

"(1) the term 'contribution' means a gift of money made—

"(A) by a written instrument which identifies the person making the contribution by full name and mailing address, or

"(B) in cash if the candidate and his authorized committees maintain records, in the form the Commission prescribes by regulations, which show the date and amount of each cash contribution and the full name and mailing address of the person making such contribution,

but does not include a subscription, loan, advance, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9062 (4);

"(2) no contribution from any person may be taken into account to the extent that it exceeds—

"(A) $100, when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his primary election campaign, and

"(B) $100, when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his general election campaign;

"(3) no contribution from any person may be taken into account if it is received before the first day of the calendar year immediately preceding the calendar year in which the primary or general election is held or after the date of such election; and

"(4) if a candidate is eligible to receive payments in connection with his primary election campaign under subsection (b), he is also eligible to receive payments in connection with his general election campaign under subsection (c) without regard to the amount of contributions he receives in connection with such general election campaign.

"(e) SEPARATE CONTRIBUTION ACCOUNTS.—For purposes of determining the amount of contributions received by a candidate and his authorized committees under subsections (b) and (c) and section 9064(a), each candidate shall establish a separate account for all contributions he and his authorized committee receive in connection with his primary election campaign and a separate account for all contributions received in connection with his general election campaign.

"SEC. 9064. ENTITLEMENT TO PAYMENTS.

"(a) IN GENERAL.—

"(1) PRIMARY ELECTION.—Every candidate who is eligible to receive payments under section 9063 in connection with his primary election campaign is entitled to payments under section 9067 in an amount equal to the aggregate amount of contributions from residents of the State in which such election is held which are received by such candidate in connection with such campaign.

"(2) GENERAL ELECTION.—Every candidate who is eligible to receive payments under section 9063 in connection with his general election campaign is entitled to payments under section 9067 in an amount equal to the aggregate amount of contributions from residents of the State in which such election is held which are received by such candidate in connection with such campaign.

"(b) AMOUNT OF CONTRIBUTIONS.—For purposes of determining the amount of contributions received by a candidate under subsection (a)—

"(1) the term 'contribution' means a gift of money made—

"(A) by a written instrument which identifies the person making the contribution by full name and mailing address, or

"(B) in cash if the candidate and his authorized committees maintain records, in the form the Commission prescribes by regulations, which show the date and amount of each cash contribution and the full name and mailing address of the person making such contribution.

but does not include a subscription, loan, advance, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9062(4):

"(2) no contribution from any person may be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his primary election or general election campaign; and

"(3) no contribution from any person may be taken into account if it is received before the first day of the calendar year immediately preceding the calendar year in which the primary or general election is held or after the date of such election.

"(c) LIMITATION.—The total amount of payments to which a candidate is entitled under subsection (a)(1) or (2) may not exceed 50 percent of the expenditure limitation applicable to such candidate for the specific campaign under section 608(c)(1)(C), (D), (E), or (F) of title 18, United States Code, as applicable.

"SEC. 9065. QUALIFIED CAMPAIGN EXPENSE LIMITATION.

"No candidate may knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable to such candidate for such campaign under section 608(c)(1)(C), (D), (E), or (F) of title 18, United States Code, as applicable.

"SEC. 9066. CERTIFICATION BY COMMISSION.

"(a) INITIAL CERTIFICATION.—Not later than 10 days after a candidate establishes his eligibility under section 9063 to receive payments under section 9067, the Commission shall certify to the Secretary for payment to such candidate under section 9067 payment in full of amounts to which such candidate is entitled under section 9064. The Commission shall make such additional certifications as may be necessary to permit candidates to receive payments for contributions under section 9067.

"(b) FINALITY OF DETERMINATIONS.—Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter are final and conclusive, except to the extent they are subject to examination and audit by the Commission under section 9068 and a judicial review under section 9071.

"SEC. 9067. PAYMENTS TO ELIGIBLE CANDIDATES.

"(a) ESTABLISHMENT OF ACCOUNT.—The Secretary shall maintain in the Presidential Election Campaign Fund established under section 9006(a), in addition to any account which he maintains under such section and section 9037, a separate account to be known as the Congressional Election Payment Account. The Secretary shall deposit into such Account, for use by each candidate who is eligible to receive payments under section 9063, the amount available after the Secretary determines that adequate amounts are available for payments under sections 9006(c), 9008(b)(3), and 9037(b).

"(b) Payments from the Congressional Election Payment Account.—Upon receipt of a certification from the Commission under section 9066, but not before the beginning of the matching payment period, the Secretary or his delegate shall, within 10 days after receiving such certification or after the beginning of the matching payment period, whichever is later, transfer the amount certified by the Commission from the Account to the candidate. In making such transfers, the Secretary or his delegate shall seek to achieve an equitable distribution of the funds available under subsection (a), and shall take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received.

"SEC. 9068. EXAMINATIONS AND AUDITS; REPAYMENTS.

"(a) EXAMINATIONS AND AUDITS.—After each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under section 9067.

"(b) REPAYMENTS.—

"(1) If the Commission determines that any portion of the payments made to a candidate from the Congressional Election Payment Account is in excess of the aggregate amount of payments to which such candidate is entitled under section 9064, it shall notify the candidate, and the candidate shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

"(2) If the Commission determines that any amount of any payment made to a candidate from the Congressional Election Payment Account was used for any purpose other than—

"(A) to defray the qualified campaign expenses of the candidate, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses, it shall notify such candidate of the amounts so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

"(3) Amounts received by a candidate from the Congressional Election Payment Account may be retained for the liquidation of all obligations to pay qualified campaign expenses incurred for a period not exceeding six months after the end of the matching payment period. After all obligations have been liquidated, that portion of any unexpended balance remaining in the candidate's accounts which bears the same ratio to the total unexpended balance as the total amount received from the Congressional Election Payment Account bears to the total of all deposits made into the candidate's accounts shall be promptly repaid to the Account.

"(c) NOTIFICATION.—No notification shall be made by the Commission under subsection (b) with respect to a matching payment period more than 3 years after the end of such period.

"(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary or his delegate under subsection (b) shall be deposited by him in the Congressional Election Payment Account.

"SEC. 9069. REPORTS TO CONGRESS; REGULATIONS

"(a) REPORTS.—The Commission shall, as soon as practicable after the end of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the candidates and their authorized committees for matching payment periods which end during that year,

"(2) the amounts certified by it under section 9066 for payment to each eligible candidate, and

"(3) the amount of payments, if any, required from candidates under section 9068, and the reasons for each payment required. Each report submitted pursuant to this section shall be printed as a Senate Document.

"(b) REGULATIONS, ETC.—The Commission is authorized to prescribe regulations in accordance with the provisions of subsection (c), to conduct examinations and audits (in addition to the examinations and audits required by section 9068(a)), to conduct investigations, and to require the keeping and submission of any books, records, and information which it determines to be necessary to carry out its responsibilities.

"(c) REVIEW OF REGULATIONS.—

"(1) The Commission, before prescribing any regulation under subsection (b), shall transmit a statement with respect to such regulation to the Senate and to the House of Representatives in accordance with the provisions of this subsection. Such statement shall set forth the proposed regulation and shall contain a detailed explanation and justification of such regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed regulation set forth in such statement no later than 30 legislative days after the receipt of such statement, then the Commission may not prescribe any such regulation. The Commission may not prescribe any such regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.

"SEC. 9070. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCE BY COUNSEL.—The Commission is authorized to appear in and defend against any action instituted under this section, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter XX and subchapter III of chapter 53 of such title.

"(b) RECOVERY OF CERTAIN PAYMENTS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made under section 9068 or 9609(b).

"(c) INJUNCTIVE RELIEF.—The Commission is authorized through attorneys and counsel described in subsection (a) to petition the courts of the United States for such injunctive relief as is appropriate to implement any provision of this chapter.

"(d) APPEAL.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 9071. JUDICIAL REVIEW.

"(a) REVIEW OF AGENCY ACTION BY THE COMMISSION.—Any agency action by the Commission made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

"(b) REVIEW PROCEDURES.—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551 (13) of title 5, United States Code, by the Commission.

"SEC. 9072. CRIMINAL PENALTIES.

"(a) EXCESS CAMPAIGN EXPENSES.—Violation of the provisions of section 9065 is punishable by a fine not to exceed $25,000, imprisonment for not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of section 9065 shall be fined not more than $25,000, imprisoned for not more than 5 years, or both.

"(b) UNLAWFUL USE OF PAYMENTS.—

"(1) No person who receives any payment under section 9067, or to whom any portion of any such payment is transferred, may knowingly and willfully use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(c) FALSE STATEMENTS, ETC.—

"(1) No person may knowingly and willfully—

"(A) furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this chapter, or include in any evidence, books, or information so furnished any misrepresentation of a material fact, or falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this chapter, or

"(B) fail to furnish to the Commission any records, books, or information requested by it for purposes of this chapter.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(d) KICKBACKS AND ILLEGAL PAYMENTS.—

"(1) No person may knowingly and willfully give or accept any kickback or any illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, if such person receives payments under section 9067.

"(2) Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate or his authorized committees shall pay to the Secretary for deposit in the Congressional Election Payment Account, an amount equal to 125 percent of the kickback or payment received."

(b) CLERICAL AMENDMENTS.—The caption and table of chapters for such subtitle H are amended to read as follows:

"SUBTITLE H—FINANCING OF FEDERAL ELECTION CAMPAIGNS

"Chapter 95. Presidential election campaign fund.

"Chapter 96. Presidential primary matching payment account.

"Chapter 97. Congressional election campaign fund."

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act apply with respect to elections which are held after January 1, 1976.

EXHIBIT 1

ESTIMATED 1976 CANDIDATE SPENDING LIMITS

State	Estimated voting age population[1]	Primary limit (8 cents multiplied by VAP or $100,000 plus inflation factor)[2]	Additional spending for fundraising (primary)[3]	Total primary spending limit	General election limit (12 cents multiplied by VAP or $150,000 plus inflation factor)[4]	Additional spending for fundraising (general)[3]	Party spending on candidates' behalf[5]	Total general election spending
U.S. SENATE								
Alabama	2, 389, 000	$210, 232	$42, 046	$252, 278	$315, 348	$63, 070	$105, 116	$483, 534
Alaska	207, 000	110, 000	22, 000	132, 000	165, 000	33, 000	44, 000	242, 000
Arizona	1, 421, 000	125, 048	25, 010	150, 058	187, 572	37, 514	62, 524	287, 610
Arkansas	1, 402, 000	123, 376	24, 675	148, 051	185, 064	37, 013	61, 688	283, 765
California	14, 496, 000	1, 275, 648	255, 130	1, 530, 778	1, 913, 472	382, 694	637, 824	2, 933, 990
Colorado	1, 687, 000	148, 456	29, 691	178, 147	222, 684	44, 537	74, 228	341, 449
Connecticut	2, 139, 000	188, 232	37, 646	225, 878	282, 348	56, 470	94, 116	432, 934
Delaware	385, 000	110, 000	22, 000	132, 000	165, 000	33, 000	44, 000	242, 000
Florida	5, 768, 000	507, 584	101, 517	609, 101	761, 376	152, 275	253, 792	1, 167, 443
Georgia	3, 229, 000	284, 152	56, 830	340, 982	435, 468	87, 094	142, 076	664, 638
Hawaii	565, 000	110, 000	22, 000	132, 000	165, 000	33, 000	44, 000	242, 000
Idaho	524, 000	110, 000	22, 000	132, 000	165, 000	33, 000	44, 000	242, 000
Illinois	7, 569, 000	666, 072	133, 214	799, 286	999, 108	199, 822	333, 036	1, 531, 966
Indiana	3, 576, 000	314, 688	62, 938	377, 626	472, 032	94, 406	157, 344	723, 782
Iowa	1, 947, 000	171, 336	34, 267	205, 603	257, 004	51, 401	85, 668	394, 073
Kansas	1, 580, 000	139, 040	27, 808	166, 848	208, 560	41, 712	69, 520	319, 792
Kentucky	2, 267, 000	199, 496	39, 899	239, 395	299, 244	59, 849	99, 748	458, 841
Louisiana	2, 428, 000	213, 664	42, 733	256, 397	320, 496	64, 099	106, 832	491, 427
Maine	707, 000	110, 000	22, 000	132, 000	165, 000	33, 000	44, 000	242, 000
Maryland	2, 771, 000	243, 848	48, 770	292, 618	366, 872	73, 374	121, 924	562, 170
Massachusetts	4, 031, 000	354, 728	70, 946	425, 674	532, 092	106, 418	177, 364	815, 874
Michigan	6, 029, 000	530, 552	106, 110	636, 662	795, 828	159, 166	265, 276	1, 220, 270

Footnotes at end of table.

EXHIBIT 1—Continued

ESTIMATED 1976 CANDIDATE SPENDING LIMITS—Continued

State	Estimated voting age population[1]	Primary limit (8 cents multiplied by VAP or $100,000 plus inflation factor)[2]	Additional spending for fundraising (primary)[3]	Total primary spending limit	General election limit (12 cents multiplied by VAP or $150,000 plus inflation factor)[4]	Additional spending for fundraising (general)[3]	Party spending on candidates' behalf[5]	Total general election spending
Minnesota	2,623,000	230,824	46,165	276,989	346,236	69,247	115,412	530,895
Mississippi	1,492,000	131,296	26,259	157,555	196,944	39,389	65,648	301,981
Missouri	3,299,000	290,312	58,062	348,374	435,468	87,094	145,165	667,718
Montana	489,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Nebraska	1,052,000	110,000	22,000	132,000	165,000	33,000	46,288	244,288
Nevada	384,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
New Hampshire	547,000	110,000	22,000	132,000	165,000	33,000	44,068	242,000
New Jersey	5,058,000	445,104	89,021	534,125	667,656	133,531	222,552	1,023,739
New Mexico	711,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
New York	12,663,000	1,114,344	222,869	1,337,213	1,671,516	334,303	557,172	2,562,991
North Carolina	3,639,000	320,232	64,046	384,278	480,348	96,070	160,116	736,534
North Dakota	425,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Ohio	7,257,000	638,616	127,723	766,339	957,924	191,585	319,308	1,468,817
Oklahoma	1,880,000	165,440	33,088	198,528	248,160	49,632	82,720	380,512
Oregon	1,576,000	138,688	27,738	166,426	208,032	41,606	69,344	318,982
Pennsylvania	8,279,000	728,552	145,710	874,262	1,092,828	218,566	364,276	1,675,670
Rhode Island	653,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
South Carolina	1,833,000	161,304	32,261	193,565	241,956	48,391	80,652	370,999
South Dakota	457,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Tennessee	2,828,000	248,864	49,773	298,637	373,296	74,659	124,432	572,387
Texas	8,019,000	705,672	141,134	846,806	1,058,508	211,702	352,836	1,623,046
Utah	730,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Vermont	316,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000
Virginia	3,350,000	294,800	58,960	353,760	442,200	88,440	147,400	678,040
Washington	2,387,000	210,056	42,011	252,067	315,084	63,017	105,028	483,129
West Virginia	1,236,000	110,000	22,000	132,000	165,000	33,000	54,384	252,384
Wisconsin	3,069,000	270,072	54,014	324,086	405,108	81,022	135,036	621,166
Wyoming	240,000	110,000	22,000	132,000	165,000	33,000	44,000	242,000

	Primary limit ($70,000 plus 10 percent inflation factor)[6]	Additional spending for fundraising (20 percent)	Total primary spending	General election limit ($70,000 plus 10 percent inflation factor)	Additional spending for fundraising (20 percent)	Party spending limit[7]	Total election spending
U.S. HOUSE							
Each congressional district	$77,000	$15,400	$92,400	$77,000	$15,400	$22,000	$114,400

[1] VAP figures based on estimate made by Department of Commerce, July 1, 1974, published in Federal Register, Feb. 18, 1975 (vol. 40, No. 33, pt. IV, p. 7080).

[2] Basic primary spending limit of 8 cents multiplied by VAP, or $100,000, whichever is greater, to be adjusted according to increases in Consumer Price Index. For purposes of 1976 projections, center chart assumes a 10-percent inflation factor as a reasonable estimate for 1975 over base year 1974.

[3] Additional spending allowed for fundraising in primary and general elections is 20 percent of basic spending limit.

[4] Basic general election spending limit of 12 cents multiplied by VAP, or $150,000, whichever is greater, to be adjusted according to increases in Consumer Price Index. For purposes of 1976 projections, center chart assumes a 10-percent inflation factor as reasonable estimate for average 1975 increase over 1974.

[5] In general election, State and National parties each can spend, on behalf of each party nominee, an amount determined by 2 cents multiplied by VAP, or $20,000, whichever is greater. (Chart assumes a 10-percent inflation factor.)

[6] In States with single congressional district, candidates for House subject to same limits as Senate candidates.

[7] In general election, National and State party organizations can each spend $10,000 on behalf of candidate. (Chart assumes a 10-percent inflation factor.)

EXHIBIT 2

FACT SHEET ON S. 1755, CONGRESSIONAL CAMPAIGN FINANCING ACT OF 1975

I. MAIN FEATURES

A. Establishes a matching system of partial public financing for House and Senate primary and general elections. Small private contributions are matched by Treasury payments on a 1 for 1 basis after an initial threshold qualifying amount is raised in small private contributions. The financing of both primary and general elections is modeled after the Presidential Primary public financing provisions of present law (Chapter 96 of Subtitle H of the Internal Revenue Code). Funding for the Congressional matching payments will come from the existing $1 Check-off Fund, and the program will be administered by the Federal Election Commission.

II. PRIMARY ELECTIONS

A. House—Candidates must raise $10,000 in amounts of $100 or less from private contributions to be eligible for matching, after which the qualifying amount and each additional contribution of $100 or less is matched by the Treasury on a 1 for 1 basis. Spending ceilings are the same as in existing law, with a maximum Treasury payment of one-half of the ceiling. For purposes of this 50% limitation, the extra 20% which present law allows for fundraising is not included in the spending ceiling. Assuming a 10% inflation factor, this means a maximum Treasury payment of $38,500 (one-half of $77,000).

B. Senate—Candidates must raise 2¢ times the voting age population (VAP) of the State, but not less than $10,000, in contributions of $100 or less in order to be eligible for matching. After that, the qualifying amount and each additional contribution of $100 or less is matched 1 for 1. Same spending ceilings as existing law, with maximum Treasury payments of one-half of the ceiling (not including the extra 20% for fundraising). This means a maximum Treasury matching payment ranging from $55,000 in the smallest states to $637,824 in California, the largest state (assuming a 10% increase for inflation.)

III. GENERAL ELECTION

A. Eligibility for matching payments—Same requirements for establishing eligibility for matching payments as in the primaries. However, a candidate must raise the threshold qualifying amount only once. If the qualifying amount is raised in the primary, therefore, contributions of $100 or less for the general election will continue to be matched on a 1 for 1 basis with no further requirements.

B. Matching payment ceilings—The matching payment ceilings are again one-half of the present spending ceilings, calculated without the extra 20% for fundraising. For Senate candidates, the General Election spending ceilings under existing law are higher—12¢ times the VAP with a minimum of $150,000 vas. 8¢ times the VAP and a $100,000 minimum for the primaries. This results in a maximum Treasury matching payment in the general election ranging from $82,500 in the smallest states to $956,736 in California (assuming a 10% inflation factor).

IV. FUNDING

A. Funded out of the $1 Check-off—Funds for congressional public financing would come from the existing $1 Check-off, with no authorization for supplemental appropriations. If the amount in the $1 Check-off Fund is not sufficient, the $1 Check-off could be increased to $2. Congressional elections would receive fourth priority for these funds, after party conventions, the Presidential general election, and Presidential primaries. Funds are to be distributed to Congressional candidates on an equitable basis, taking into account the order in which candidate certifications are received.

B. Cost—Estimated at $74 million every two years, divided as follows:

[In millions of dollars]

	Senate	*House*
Primaries	9	26
General elections	10	29
Total	19	55

V. OTHER PROVISIONS

A. Cash contributions may be matched—Cash contributions are eligible for matching if they are properly certified and if adequate records are kept showing the date and amount of each cash contribution and the full name and mailing address of the contributor.

B. Contributions must be from State residents—Only contributions from residents of the State in which the House and Senate election is held are eligible for matching.

C. Timing of matching payments—Contributions received after January 1 of the year preceeding the year of the election are eligible for matching, but matching payments may not begin before January 1 of election year. Contributions received after the date of the election may not be matched. Once the candidate raises the required threshold amount in small contributions, the Federal Election Commission has 10 days to certify the candidate's eligibility for matching payments. The Secretary of the Treasury then has another 10 days to make the payments for which the candidate is eligible.

D. Primary and general elections treated separately—The $100 limit on contributions that may be matched applies separately to primary and general elections, so that a single contributor may make a matchable $100 contribution for the primary, and another one of $100 for the general. For this purpose, separate accounts must be kept for the primary and general election. However, if a candidate does not use all the funds raised privately and the Treasury matching payments in the primary, unused funds may be carried over and used in the general election, subject to the general election spending limits.

E. Audits and repayments—The Federal Election Commission is required to conduct a detailed post-election audit and obtain repayments when necessary.

F. Criminal penalties—There are severe criminal penalties for exceeding the spending limits, and for unlawful use of payments, false statements to the Federal Election Commission, and kickbacks and illegal payments.

G. Effective date—the provisions of the bill apply to elections held after January 1, 1976.

By Mr. SCHWEIKER (for himself and Mr. JAVITS) (by request);

S. 1756. A bill to extend appropriations authorizations for communicable disease and other control programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. SCHWEIKER. Mr. President, due to my responsibility as the ranking Republican on the Senate Health Subcommittee I introduce, at the request of the administration, for myself and Senator JAVITS, a bill to extend appropriations authorizations for communicable disease and other control programs.

The bill would extend through fiscal year 1978, at an annual level of $34 million, the appropriations authorizations for the programs for the control of communicable and other diseases, rat infestation, and lead-based paint poisoning.

The statutory authority for these programs, all of which are administered by the Center for Disease Control of the Public Health Service, would be consolidated in a new section 315 of the Public Health Service Act, modeled primarily on the existing section 317. The bill as part of this consolidation would permit grants to States for the control of lead-based paint poisoning. Thus it would replace the authority in title I of the Lead-Based Paint Poisoning Prevention Act, which authorizes lead-based paint poisoning grants primarily at the local, not State, level.

In addition, the bill would repeal the health emergencies authority of section 317(e), and the venereal disease research and State formula grant authorities in section 318. The administration rationale is that: none of these authorities is presently funded; the health emergencies authority overlaps similar authority in section 311(c) of the Public Health Service Act; and the research authority duplicates National Institutes of Health. It is the Department's position that the flexible authority of the bill and vigorous action on the State level, not formula grants, are the most effective way to provide Federal assistance for the control of health problems. I disagree.

I am convinced, based on the hearing record before the Health Subcommittee, that they are incorrect.

The bill does not provide an extension of the authority for making grants to private organizations for lead-based paint poisoning screening, because HEW thinks it inappropriate for screening—or abatement—activities to be the responsibility of organizations which do not have continuing public health authority. As a sponsor of the Lead-Based Paint Poisoning Prevention Act—Public Law 91-695—and a sponsor of the 1975 amendments to the act to extend it and provide for direct funding of local programs, I cannot support the administration's position.

However, to avoid disruption of ongoing activities, 3 additional years of support under the Lead-Based Paint Poisoning Prevention Act would be permitted for private organizations which are now receiving screening grants. Similarly, grants to those few private organizations now receiving grants for rat control would be continued under the authority of section 314(e) as revised in the administration's proposed Health Services Amendments of 1975.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1756

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Control Programs Amendments of 1975".

COMMUNICABLE DISEASE AND OTHER CONTROL PROGRAMS

SEC. 2. (a) Section 317 of the Public Health Service Act is renumbered as 315 and is amended to read as follows:

"COMMUNICABLE DISEASE AND OTHER CONTROL PROGRAMS

"SEC. 315. (a) The Secretary may provide technical assistance to appropriate public authorities and scientific institutions for activities concerned with control programs.

"(b) The Secretary may make grants to States and, in consultation with the State health authority, to agencies and political subdivisions of States to assist in meeting the costs of control programs. In making a grant under this section, the Secretary shall give consideration to (1) the relative extent, in the area served by the applicant for the grant, of the problems with which the applicant's control programs are concerned, and (2) the design of the applicant's control programs.

"(c)(1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Except as provided in paragraph (2), such application shall be in such form, submitted in such manner, and contain such information, the Secretary shall by regulation prescribe.

"(2) An application for a grant shall—

"(A) set forth with particularity the objectives (and their priorities, as determined in accordance with such regulations as the Secretary may prescribe) of the applicant for each of the programs he proposes to conduct with assistance from a grant under this section, and

"(B) provide for the reporting to the Secretary of such information as he may require concerning (i) the problems, in the area served by the applicant, with which the control programs are concerned, and (ii) the control programs of the applicant.

"(3) Each recipient of a grant under this section shall keep such records as the Secretary shall prescribe including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant was given or used and the amount of that portion of the cost of the project or undertaking supplied by other sources, and other records as will facilitate an effective audit.

"(4) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of grants under this section that are pertinent to such grants.

"(5) Nothing in this section shall be construed to require any State or any agency or political subdivision of a State to have a venereal disease control program which would require any person who objects to any treatment provided under such a program to be treated or to have any child or ward of his treated under such a program.

"(6) All information obtained in connection with the examination, care, or treatment of any individual under any program which is being carried out with a grant made under this section shall not, without such individual's consent, be disclosed except as may be necessary to provide service to him. Information derived from any such program may be disclosed—

"(A) in summary, statistical, or other form, or

"(B) for clinical or research purposes, but only if the identity of the individuals diagnosed or provided care or treatment under such program is not disclosed.

"(d)(1) Payments under grants under this section may be made in advance on the basis of estimates or by way of reimbursement, with necessary adjustments on account of underpayments or overpayments, and in such installments and on such terms and conditions as the Secretary finds necessary to carry out the purposes of this section.

"(2) The Secretary, at the request of a recipient of a grant under this section, may reduce such grant by the fair market value of any supplies (including vaccines and other preventive agents) or equipment furnished to such recipient and by the amount of the pay, allowances, travel expenses, and any other costs in connection with the detail of an officer or employee of the Government to the recipient when the furnishing of such supplies or equipment or the detail of such an officer or employee is for the convenience of and at the request of such recipient and for the purpose of carrying out the programs with respect to which the grant under this section is made. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment, or in detailing the personnel, on which the reduction of such grant is based, but such amount shall be deemed a part of the grant to such recipient and shall, for the purposes of paragraph (1) of this subsection, be deemed to have been paid to such agency.

"(e) The Secretary shall submit to the President for submission to the Congress on March 1 of each year (1) a report on (A) the extent of controllable diseases, lead-based paint poisoning, and infestation by rats, and (B) the effectiveness of (i) activities assisted under grants under this section, and (ii) all Federal and other public and private activities, in controlling these problems, and (2) a plan for the coming fiscal year for the control of these problems.

"(f) Nothing in this section shall limit or otherwise restrict the use of funds which are granted to a State or to an agency or a political subdivision of a State under other provisions of Federal law and which are available for the conduct of control programs from being used in connection with programs assisted through grants under this section.

"(g) For purposes of this section, 'control programs' are programs designed and conducted to control communicable and other diseases, lead-based paint poisoning, or infestation by rats.

"(h) For purposes of this section, 'lead-based paint' means paint containing any lead.

"(i) For purposes of this section, 'State' includes territories and possessions of the United States.

"(j) There are authorized to be appropriated $34,000,000 for the fiscal year ending June 30, 1976, and for each of the two succeeding fiscal years, for grants under this section."

(b) Section 318 is repealed.

(c) Section 319 is renumbered as 316.

(d) Section 503(a) of the Lead-Based Paint Poisoning Prevention Act is amended by adding at the end the following new sentence: "Sums appropriated under section 315 of the Public Health Service Act shall be available for the period beginning July 1, 1976, and ending September 30, 1978, to continue assisting private nonprofit organizations in developing and carrying out programs for which grants were made under title I of this Act for the fiscal year 1975."

EFFECTIVE DATE

SEC. 3. This Act shall take effect on July 1, 1975.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 454

At the request of Mr. CHILES, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 454, a bill to amend the Occupational Safety and Health Act of 1970.

S. 1618

At the request of Mr. ABOUREZK, the Senator from Nevada (Mr. LAXALT), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 1618, the American Folklife Preservation Act.

S. 1726

At the request of Mr. ABOUREZK, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 1726, the Federal Commodity Insurance Act of 1975.

S. RES. 92

At the request of Mr. CLARK, the Senator from California (Mr. CRANSTON) was added as a cosponsor of Senate Resolution 92, a resolution directing standing committee of the Senate to identify laws in their jurisdictions which discriminate on the basis of sex and to make suggestions for changes which would be consistent with the principle of equal rights.

SENATE RESOLUTION 152

At the request of Mr. DOLE, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Resolution 152, a resolution requiring all standing committees of the Senate—other than the Committee on Appropriations and Budget—to conduct special oversight activities to their areas of jurisdiction and to report to the Senate thereon no later than December 31, 1975.

SENATE RESOLUTION 157—SUBMISSION OF A RESOLUTION AMENDING THE STANDING RULES OF THE SENATE WITH RESPECT TO SERVICES OF SENATORS AS CHAIRMEN OF COMMITTEES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. NELSON (for himself, Mr. HATFIELD, and Mr. GARY W. HART) submitted the following resolution:

S. RES. 157

Resolved, That paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(i) (1) Subject to the provisions of subparagraph (f) and clause (2) of this subparagraph, the chairman of each standing, special, and select committee of the Senate shall be that Senator who (A) is the member of the majority party with the longest period of continuous service on such committee, (B) is eligible to serve as chairman under the provisions of this paragraph, and (C) does not decline to serve as chairman. If two or more Senators who are members of the majority party have equal periods of continuous service on such committee, each such Senator shall be treated as meeting the requirement of clause (A) for purposes of eligibility for appointment as the chairman of such committee.

"(2) No Senator shall be appointed to serve as chairman of a standing, select, or special committee of the Senate unless he has been approved for such appointment by the Senators who are members of the majority party, under the rules and procedures established by such party. If the Senator who, under clause (1) but before the application of this clause, would be appointed the chairman of any such committee is not approved as provided in the preceding sentence, then, subject to the provisions of subparagraph (f), the chairman of such committee shall be that Senator, excluding any Senator or Senators who are not approved as provided in the preceding sentence, who (A) is the member of the majority party with the next longest period of continuous service on such committee, (B) fulfills the other requirements of clause (1), and (C) is approved as such chairman as provided in the preceding sentence.

"(3) Except as provided in clause (5), beginning with the 94th Congress, no Senator shall be eligible to serve as chairman of a standing, select, or special committee of the Senate for a period extending beyond the expiration of the Congress following the Congress in which he commences service as such chairman, except that—

"(A) a Senator whose service as chairman of any such committee commences during a session of a Congress which begins in an even-numbered year shall be eligible to serve as chairman of such committee until the expiration of the second Congress following the Congress in which he commences his service as such chairman, and

"(B) a Senator who is serving as chairman of any such committee at the expiration of a Congress and who is otherwise not eligible to serve as chairman of such committee during the following Congress may nevertheless continue to serve as chairman of such committee until that date in the following Congress on which the members of the majority party of such committee are initially elected.

"(4) Except as provided in clause (5), beginning with the 94th Congress, no Senator shall be eligible to serve as chairman of a standing, select, or special committee of the Senate during any Congress if he has served as chairman of such committee at any time during any of the six preceding Congresses, not counting any service as chairman of such committee during a Congress permitted by clause (3) (B). If, during any Congress, all Senators who are members of the majority party and who may serve as chairman of such committee under the provisions of subparagraph (f) have served as such chairman at some time during the six preceding Congresses, then the preceding sentence shall not apply with respect to the chairmanship of such committee during that Congress.

"(5) Notwithstanding the provisions of clauses (3) and (4), a Senator who is serving as chairman of a standing, select, or special committee of the Senate on the date on which this subparagraph takes effect shall be eligible to serve as chairman of that committee as long as his service as such chairman remains continuous, but (except as permitted in clause (3) (B)) not beyond the expiration of the 96th Congress."

SEC. 2. Rule XXIV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. The appointment of the chairmen of the committees of the Senate shall be governed by the provisions of paragraph 6(i) of rule XXV."

SEC. 3. The amendments made by this resolution shall take effect on the date on which this resolution is agreed to, except that the provisions of clauses (3) and (4) of paragraph 6(i) of rule XXV of the Standing Rules of the Senate (as added by this resolution) shall be applied on and after such date as if they had been in effect at the beginning of the 94th Congress.

Mr. HATFIELD. Mr. President, I am pleased to cosponsor, along with the distinguished junior Senator from Wisconsin (Mr. NELSON) and the junior Senator from Colorado (Mr. GARY W. HART), a resolution which would provide the rotation of committee chairmanships every 4 years.

For many years, the current seniority system has been subject to much criticism from both outside observers and from Members of this legislative body, because it rewards longevity instead of ability. I would be the first to say that most of our committee chairmen, because of their many years of service, are by far the best informed on the legislation coming before their respective committees. But, just as committee chairmen are experts in their respective fields, we also have excellent talent available from junior members which, in many cases, is underutilized. This resolution, if adopted, would move to open up some committees to a fresh perspective and should stimulate new ideas and concepts.

The current effort by many Members of this body to seek a fairer distribution of committee staff is a direct result of the fact that, up to now, committee chairmen have been relatively free to do what they please. The fact that a chairman has unlimited tenure tends to deaden their sensitivities to the needs of other committee members. Under this resolution, all committee chairmen would certainly be more cognizant of the needs of their fellow committee members, because they would know that at the end of 4 years they would also be sitting at the other end of the committee table.

If we are going to make this legislative body more responsive to the needs of the American people, then we are going to have to change some of our standard operating procedures. We must provide every Member of the Senate with the necessary tools to do their work as they were elected to do. We have to make every effort to insure that every Member of this body has an equal voice and role in shaping the legislation concerning the affairs of our Nation. A new feeling of vitality and life is now present in these Halls, and this resolution, if adopted, will be an additional step in making the U.S. Senate a more responsive arm of our Government.

I thank the Senator from Wisconsin (Mr. Nelson), for his leadership in bringing this proposal to the Senate for its consideration. I sincerely hope that the Senate Rules Committee will be able to hold hearings on this resolution as soon as it finishes its work on the items currently under consideration.

SENATE RESOLUTION 158—SUBMISSION OF A RESOLUTION TO CLARIFY THE INDIVIDUAL INCOME TAX REBATES

(Referred to the Committee on Finance.)

Mr. PACKWOOD submitted the following resolution:

S. Res. 158

Resolved, That the Senate of the United States intends that the individual income tax rebate provided by Title I of the Tax Reduction Act of 1975, Public Law 94–12 is not to be subject to State income tax; and that the rebates do not involve any reduction in the taxpayer's Federal income tax liability as such for 1974, nor do they constitute income to the taxpayer.

Mr. PACKWOOD. Mr. President, I am submitting a resolution today to reaffirm our intention that the States should not tax individual income tax rebates paid under the Tax Reduction Act of 1975. The need to reaffirm this has arisen because the attorney general of Oregon has recently decided that the Federal tax rebate will be made subject to Oregon State income tax. I think the action of Oregon is wrong, and it concerns me that other States may follow this example.

The recently passed Tax Reduction Act of 1975 (Public Law 94–12) provided for a rebate of individual income taxes totaling an estimated $8.1 billion. The purpose of this massive, one-shot rebate was to fight recession by infusing additional purchasing power into the economy. I believe the States are acting against the best interest of consumers and against the wishes of the Congress if they attempt to profit from the rebate payments.

As a cosponsor of the President's proposal to extend general revenue sharing, I respect the need of States for additional revenue. However, taxing the rebates is not the proper vehicle. In fact, I am afraid that an attempt by the States to profit from the rebates may weaken support for revenue sharing.

It is clear from the reports of both the House Ways and Means Committee and the Senate Finance Committee that the Congress did not intend the rebate to be subject to Federal income tax. The Ways and Means Committee report—House Report 94–19, at page 25—and the Finance Committee report—Senate Report 94–36, at page 27—stated that the rebate would not constitute income for Federal income tax purposes.

In addition, I believe that the Congress intended the rebates to not increase or decrease State tax revenues. A number of States allow a tax deduction for Federal income tax. For tax year 1974, Oregon allowed a deduction for Federal income taxes up to $3,000. The attorney general of Oregon has recently decided that the rebate will be treated as a reduction of Federal income taxes paid for 1974. This reduces the State tax deduction for Federal income taxes paid, by the amount of the rebate.

For example, prior to the Tax Reduction Act, an Oregon taxpayer with $12,000 income and $2,000 in Federal income tax would pay State income tax on $10,000. Assume this taxpayer received a $200 rebate. The Oregon decision is to treat the $200 rebate as a reduction of 1974 Federal income tax liability, reducing Federal taxes to $800 and leading to computation of State income tax on $10,200. This makes the rebate subject to State income tax.

Mr. President, I ask unanimous consent that a letter to me from Dr. Lawrence Woodworth, chief of staff of the Joint Committee on Internal Revenue Taxation, dated May 15, 1975, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Joint Committee on
Internal Revenue Taxation,
Washington, D.C., May 15, 1975.

Hon. Bob Packwood,
U.S. Senate,
Washington, D.C.

Dear Senator Packwood: You have asked me for an explanation of the way in which Congress intended the special refund of 1974 Federal income tax (contained in the Tax Reduction Act of 1975) to affect a taxpayer's State income tax liability.

As you know, the Tax Reduction Act provides for a refund on 1974 tax liability to be paid in one installment beginning in May 1975. It will generally equal 10 percent of tax liability up to a maximum of $200. However, each taxpayer will receive a refund of at least $100 (or the full amount of the tax liability if less than $100). The refund is to be phased down from the maximum $200 to $100 as the taxpayer's income rises from $20,000 to $30,000.

The Act provides that the taxpayer will be treated as if he had made an additional payment to the Treasury against his 1974 income tax liability. This constructive payment is treated as if made on the due date of the taxpayer's 1974 return. In effect, this constructive payment will in most cases be processed by the Internal Revenue Service as an overpayment of tax by the taxpayer and, as such, will be paid to him in the form of a refund of tax. In accord with the general rule that Federal income tax refunds do not constitute income, refunds received under the Act will likewise not constitute income for Federal income tax purposes to the taxpayers who receive them.

In the case of the treatment of the refunds for State income tax purposes, both the committee reports of the House Committee on Ways and Means and the Senate Finance Committee on the Tax Reduction Act contain the following statement:

"By deeming the amount of 1974 tax which is to be refunded under the bill as a payment of 1974 Federal income tax by the taxpayer on the due date of his return, the committee expects that for State income tax purposes, States will treat the Federal refund of this deemed payment as a refund of an overpayment of Federal income tax. Such treatment would also reflect the committee's view that the refunds under the bill do not involve any reduction in the taxpayer's Federal income tax liability as such for 1974." (H. Rept. 94–19, p. 25; S. Rept. 94–36, p. 27)

My understanding is that both committees intended this statement to mean that the special refund of Federal income tax for 1974 should not operate to increase, or to decrease, income tax collections by the States. Some States, for example, impose their tax as a flat percentage of the taxpayer's Federal income tax liability. In such jurisdictions, if the special Federal refunds could be interpreted as reflecting a reduction in the taxpayer's Federal income tax liability for 1974, the effect would be to reduce the taxpayer's State income tax liability and, in turn, State revenues. Congress intended that such a result should not occur.

Some States, by contrast, allow a taxpayer, in computing his State taxable income, to deduct Federal taxes paid by him during the year. In such jurisdictions, Congress intended that the special Federal refund should also not be interpreted as reducing the taxpayer's 1974 Federal tax liability so as to reduce his deduction (on his State return) for 1974 Federal income taxes paid. Such a reduction would, in effect, subject the special Federal refund to tax by the State. However, as I indicated above, Congress intended that the procedures for making the special refund should neither increase nor decrease a taxpayer's State income tax liability.

Sincerely yours,
Laurence N. Woodworth.

Mr. PACKWOOD. Mr. President, the letter states that the House Ways and Means Committee and the Senate Finance Committee intended for the income tax rebates to be free of State income tax.

The resolution I am submitting today does not attempt to alter the power of a State to establish its own income tax laws. It does, however, clarify to the States that we believe that they are acting contrary to the purpose of the Tax Reduction Act and against the best interests of the consumer and the economy if they subject the Federal income tax rebate to State income tax.

The resolution clarifies our intention that individual income tax rebates paid under the Tax Reduction Act of 1975 should not be subject to State income tax.

SENATE CONCURRENT RESOLUTION 39—SUBMISSION OF A CONCURRENT RESOLUTION TO ESTABLISH A "NATIONAL HALIBUT WEEK"

(Referred to the Committee on the Judiciary.)

Mr. MAGNUSON submitted the following concurrent resolution:

S. CON. RES. 39

Resolved, by the Senate (the House of Representatives concurring), That the President is authorized to issue a proclamation designating the seven-day period beginning June 2, 1975, and ending June 8, 1975, as "National Halibut Week," and calling upon the People of the United States to observe such week with appropriate ceremonies and activities.

Mr. MAGNUSON. Mr. President, I submit, for appropriate reference, a concurrent resolution authorizing and requesting the President of the United States to proclaim June 2 through June 8 as "National Halibut Week." In addition, this resolution calls upon the people of the United States to observe such week with appropriate ceremonies and activities.

Strong leadership is given annually to this celebration by the Halibut Fishermen's Wives Association, headquartered in my State. This year the association is being assisted by support from other concerned groups including the Fishing Vessel Owners Association, Deep Sea Fishermen's Union, Halibut Association of North America and the Northwest Fisheries Association.

In addition to focusing attention to the nutritional values and succulent taste of the Pacific halibut, this 21st annual celebration will offer an opportunity for those concerned to more closely examine the resource itself and the future of this hardy and historic fleet. The problem of foreign encroachment of this species has been of considerable concern to those in the industry for massive trawling activity by Japan and the Soviet Union fleets have made the management programs of the International Pacific Halibut Commission increasingly difficult.

The Pacific Northwest fishery for halibut is one of the most colorful and historic in our Nation, and it behooves all of our citizenry to be aware of its problems and exert effort to assure its continuance.

SENATE CONCURRENT RESOLUTION 40—SUBMISSION OF A CONCURRENT RESOLUTION DESIGNATING NOVEMBER 19 AS "NATIONAL PHI THETA KAPPA DAY"

(Referred to the Committee on the Judiciary.)

Mr. HATFIELD. Mr. President, today I am submitting a concurrent resolution designating November 19, 1975, as "National Phi Theta Kappa Day." This resolution is identical to House Concurrent Resolution 160, submitted by Representative BOB CASEY of Texas, on February 27, 1975. The resolution is now pending before the House Committee on Post Office and Civil Service.

One of the outstanding achievements of American higher education in recent years has been the tremendous growth in the number of junior colleges and the academic maturing of these institutions. As indicated in the resolution, Phi Theta Kappa has existed for more than half a century, providing recognition for academic achievement among junior college students. Some of the country's finest students are members of the more than 500 Phi Theta Kappa chapters.

I ask unanimous consent to have the resolution printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 40

Resolved by the Senate (the House of Representatives concurring),

Whereas on November 19, 1929, Phi Theta Kappa, the national fraternity, was recognized as the only honor fraternity for students attending junior colleges in the United States, and

Whereas Phi Theta Kappa was so recognized as an honor fraternity by the American Association of Junior Colleges, and

Whereas Phi Theta Kappa recognizes academic achievement among the student bodies on the campuses on which it is located, and

Whereas Phi Theta Kappa chapters now number over five hundred and are located in forty-five States: Now, therefore, be it Resolved by the Senate (the House of Representatives concurring), That the President is requested to issue a proclamation designating November 19, 1975, as "National Phi Theta Kappa Day", and calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

SENATE CONCURRENT RESOLUTION 41—SUBMISSION OF A CONCURRENT RESOLUTION ON UNITED STATES-LATIN AMERICAN RELATIONS

(Referred to the Committee on Foreign Relations.)

Mr. CHILES (for himself, Mr. BENTSEN and Mr. INOUYE), submitted the following concurrent resolution:

S. CON. RES. 41

Resolved by the Senate (the House of Representatives concurring), That this Concurrent Resolution may be cited as the "Latin American and Caribbean Foreign Policy Principles Resolution".

STATEMENT OF GENERAL PRINCIPLES

SEC. (a) Findings.—The Congress finds that

(1) the changing character of the international economic and political order presents the United States with serious problems as well as opportunities in its relations with developing countries. Rules which have governed international trade and investment since World War II are no longer adequate and thus there is a greater likelihood that unilateral and arbitrary actions by individual states will disrupt mutually beneficial relationships. These same changed conditions likewise create new opportunities to shape a just and equitable international order, a stable order in which the developed and developing countries share in the world's progress on an equitable basis;

(2) the United States relationship with the Western Hemisphere, the most advanced of the developing regions, is in many ways the testing ground for an evolving relationship with the entire developing world. The governments of Latin America have become important participants in world politics, expanding relationships with other developed and developing countries outside the hemisphere, and advancing new ideas and arrangements in international economics and politics;

(3) much of the strength of American foreign policy is derived from the capacity to recognize important changes in the domestic and international system and adapt the policy of the United States accordingly. In the face of these changes in hemispheric and world politics, there is a need for new policies based on mutual respect and to continue the dialogue to achieve successful adjustments of conflicting interest; and

(4) economic and human issues are the foundations of relations between nations of this hemisphere and that there is a need to focus attention on these in working toward improved policies and relations in this hemisphere in the future, even though important questions from the past still remain to be resolved.

(b) Policy.—Based upon the findings described in subsection (a) and consideration of the best interests of the United States, it is the sense of the Congress that the policy of the United States towards Latin America, the Caribbean and the developing world in general should be guided by the following principles:

(1) The inalienable right of every nation to determine the nature of its internal political and economic system free of outside interference;

(2) The primacy of the right of all people to the basic human rights of life, liberty, and personal security;

(3) The fact that the interests of the United States and those of the various countries of the hemisphere are neither identical nor irreconcilable, that there exist both common interests and conflicts of interests, and that it remains in the interests of all to negotiate differences and to seek practical solutions to problems;

(4) The parallel interests of the United States and other hemispheric nations in developing and maintaining non-exclusionary, non-discriminatory foreign economic policies with each other and with other governments;

(5) The continuing need to modify the policies, laws, and institutions affecting international economic and political relations to adjust to changing conditions and interests; and

(6) The unique nature of the Caribbean requires a tailoring of the general policies of the United States to that area of the hemisphere.

CONDITIONS AND POLICIES AFFECTING HUMAN RIGHTS

SEC. 3. (a) Findings.—The Congress finds that—

(1) it is a conviction of the people of the United States that if the freedom of one person is abridged the freedom of all persons is impaired;

(2) it is the sovereign right of each nation to determine the nature of its economic and political system but that it is also the concern of all peoples when conditions prevail which lead to arbitrary arrest and detention, harrassment, torture and the weakening of the right to fair trial and legal counsel;

(3) the values and ideals which have guided this nation's history require continuous expression in United States foreign policy and increasingly the commitment of the United States to certain basic human rights for all persons should become a matter of primary concern in our relations with other governments;

(4) international conventions, commissions and agreements are important vehicles for the affirmation of the right of all people

to the basic human rights of life, liberty, personal security and fair treatment and that for these conventions, commissions and agreements to adequately protect the rights of persons they require the vigorous and sustained support of individual governments, including the United States; and

(5) the degree of compliance to internationally agreed to standards of human conduct is a collective responsibility requiring the continuous international commitment of all the governments of the region.

(b) Policy.—It is the sense of the Congress that the United States should

(1) unequivocally maintain its adherence to the American Declaration of the Rights and Duties of Man and to the Universal Declaration of Human Rights and use every opportunity to demonstrate in public statements and in appropriate bodies its support for multilateral efforts to alleviate situations damaging to human rights;

(2) give full support to the Inter-American Commission on Human Rights of the Organization of American States and work with the other nations of this hemisphere to strengthen the Commission;

(3) insure that reports of violations of human rights and recommendations for their alleviation by such Commission are given full and careful consideration by the General Assembly of the Organization of American States, and

(4) urge all member states of the Organization of American States to permit access of such Commission and grant essential guarantees for the Commission in the course of its investigation and study as a means of assuring that the rights of persons are being upheld in all nations of the region.

ECONOMIC FLUCTUATIONS AND DISRUPTIONS

SEC. 4. (a) Findings.—The Congress finds that

(1) there is an overwhelming interest that all nations share in a stable and dynamic world economy in which each nation can look forward to the possibility of continuous improvement in the quality of life which would be facilitated by a fair and equitable world trading system, uniform standards governing access to supplies and markets, and reasonable and stable prices for commodities and terms of trade for both supplier and purchasing nations;

(2) policies on commodities are among the most critical issues in hemispheric and global economic relations today;

(3) it is in the interest of the United States to assure a well-functioning and stable price and supply system for commodities; and

(4) questions of reforming the rules of monetary, trade, energy, commodities, and investment relations are to a certain degree inter-related and successful adjustment of interests in the commodity system will have a favorable impact on negotiations in these other fields.

(b) Policy.—It is the sense of the Congress that the United States should

(1) reaffirm its commitment to seek structural changes in the institutions and rules guiding world trade practices which will be conducive to increasing world trade and furthering the trade potential of this hemisphere and stabilizing the supply and price of commodity resources of vital importance to the economies of this hemisphere both as imports and exports;

(2) support the elimination of special regional preferential trading arrangements which have the effect of creating discriminatory regional trade blocks and which are in violation of international agreements;

(3) seek expanded trade relations by strengthening the commitment of governments in the hemisphere and throughout the world to the General Agreement on Tariff and Trade and other international means of guiding trade policies toward a more open, equitable and nondiscriminatory world economy unhampered by embargoes, monopolistic pricing and other unilateral measures which may cause disruptions and drastic difficulties in the domestic economies of other nations; and

(4) the United States should seek to mitigate the difficulties to producer and consumer nations caused by commodity fluctuations seeking to negotiate trade issues in multi-lateral, bilateral or other groupings using commodity agreements, supply contract arrangements, or compensatory financing, as a means of advancing these negotiations;

(5) conduct a thorough review of commodity trade leading to recommendations of actions that can be taken in the near future of importance in Inter-American trade in order to effectuate the significant change in United States policy towards commodity trade recommended in this subsection and to demonstrate that new negotiated arrangements can work; and

(6) seek the establishment of international and regional mechanisms for the exchange of commodity supply and demand information to facilitate global progress in the development of means of dealing with commodity issues.

ECONOMIC SANCTIONS

SEC. 5. Findings.—The Congress finds that

(1) given the primacy in United States policy of a multilateral approach to international economic relations, it is nevertheless necessary that the United States have the policy instruments available to deal bilaterally with economic disputes which are not resolved by multilateral means. United States law must provide the authority to act in a reciprocal manner and to an equivalent degree when actions by other governments restrain supply or increase price in such a way as to markedly disrupt the national economy of the United States. In several areas of foreign economic policy, these authorities do not now exist.

(2) recent history has shown that punitive United States policies are not effective in contributing to the resolution of economic disputes and in many instances have simply stiffened the determination of foreign governments to maintain an uncompromising posture. This has been especially true in the case of economic sanctions which come into play when foreign governments expropriate without compensation property belonging to a United States company. Investment disputes have in many instances in recent years unnecessarily soured overall United States relations with particular countries, and in some cases, with entire regions as in Latin America. The transformation of an investment dispute into a political issue seems to have been stimulated in part by legislation requiring policy actions to be taken outside the domain of foreign investment policy as retaliation against expropriation by a foreign government.

(b) Policy.—

(1) Recognizing on the basis of past experience with investment disputes that these broader policy actions have proven ineffectual, it is the sense of the Congress that in general the authorities for United States policy responses to foreign government actions should be limited to the policy area of the dispute in question. United States actions in a trade dispute should be limited to trade policies, and United States actions in an investment dispute should be restricted to investment policy.

(2) It is the sense of the Congress that the legislation should be repealed that requires the United States to suspend bilateral assistance or vote against multilateral economic aid to countries expropriating without compensation property owned by a United States company and that the legislation that denies access to the generalized system of tariff preferences to countries expropriating without compensation property owned by a United States company should be modified to restrict its use to extreme cases. Instead, it would be more appropriate to use investment policies to respond to investment disputes.

(3) It is the sense of the Congress that every effort should be made to resolve trade disputes through negotiations, either multilaterally or by other means, and to avoid reaching the stage where legislative mechanisms come into play, but that in the event that these efforts do not resolve the dispute, the United States government should have the authority to use export controls and export credits as a means of fashioning an equivalent reciprocal response to embargoes and monopolistic pricing by foreign governments are damaging in the United States economy as a whole. The purpose of these carefully specified authorities should be (1) to give the United States government the policy leverage to bargain effectively with the foreign government to resolve the dispute, (2) to limit the use of these policy instruments to actions by other governments which have a significant impact on rates of growth, employment and inflation in the United States economy, and (3) to maintain the bounds of the trade dispute to the trade policy area. Consistent with these propositions, it is the sense of the Congress that the section of the Trade Act of 1974 be modified that denies access to the generalized system of tariff preferences to member States or the Organization of Petroleum Exporting Countries which have not withheld supplies of petroleum from the United States.

(4) It is the sense of the Congress that when negotiations have failed to yield a solution, each investment or trade dispute should be carefully reviewed and that specific recommendations should be made to the President concerning the particular United States government policy response to each dispute. Consultation should occur with appropriate Departments and Agencies of the United States and with the Congress. This process would permit the President to be highly selective in shaping United States policy and to tailor the United States response in both degree and kind to the particular character of the dispute in question.

(5) Recognizing the need to demonstrate true respect for the sovereignty of developing nations, it is the sense of the Congress that just as it is inappropriate to require the curtailment of economic assistance in cases of expropriation, it is generally inappropriate to deny or reduce economic assistance in cases of violations of human rights. This is unwise because such policies would perhaps deny aid to people whose needs are greater in conditions adverse to basic human rights. But at the same time, it is the sense of the Congress that consistent policy requires that United States economic development and military assistance not be increased when violations of human rights have been substantiated. For these purposes, United States policy should be guided by the findings and recommendations of the Inter-American Commission on Human Rights or the United Nations Commission on Human Rights. Nevertheless, in cases of extreme or repeated violations, the United States should review its military assistance credit and sales policies in light of these violations, given the possibility that arms can be used for repressive purposes, and perhaps also re-evaluate its overall policies with the country concerned.

MILITARY ASSISTANCE

SEC. 6. (a) Findings.—The findings that

(1) increases in the level of arms purchases throughout the world involve a significant drain on resources which could be better

used for development purposes and may increase the likelihood of conflict,

(2) several of the nations of Latin America have taken important joint initiatives in the Agreement of Ayacucho to restrict the level of purchases of offensive weapons,

(3) the availability of United States military equipment to governments in Latin America is an important dimension of United States relations with the governments of the hemisphere, and

(4) the legislative restrictions on arms sales to Latin America have not curtailed arms purchases by Latin American governments and have generated resentment and misunderstanding.

(b) Policy.—It is the sense of the Congress that

(1) the legislative restrictions on the kinds of military equipment sold to Latin America be repealed.

(2) the United States should cease to aggressively promote the sale of arms to developing nations and should encourage and, when appropriate, participate in efforts to develop sub-regional, regional, and global arms limitations agreements and agreements on military sales export credit levels among supplier or consumer nations or between supplier and consumer nations. All United States supply policies should be consistent with what the Latin American governments have agreed upon among themselves.

(3) arms transfers by the United States to developing countries should be to the greatest extent possible on a non-concessional basis.

DEVELOPMENT FINANCE

Sec. 7. (a) Findings.—The Congress finds that

(1) economic development and national economic policy is the responsibility of sovereign governments to determine and execute,

(2) there is a disparity between the relative abundance enjoyed by the people of the United States and the limited opportunities and resources available to millions of Latin Americans,

(3) the people of the United States wish to take actions internationally which will benefit less advantaged people in other countries,

(4) a foreign country whose economy is expanding has an increased capability to purchase more goods from the United States, and

(5) several Latin American nations are at a level of development so as to no longer require concessional loans and yet still have difficulty securing access to the capital market of the developed world at credit levels available to developed countries.

(b) Policy.—It is the sense of the Congress that

(1) the United States should continue its commitment to aid for development as being in the interest of the United States, and that assistance from the United States, bilaterally and through multilateral insttiutions, should be allocated in accordance with the objective of improving the quality of life of the least advantaged people of the developing world,

(2) development assistance is most efficiently and effectively transferred when both the donor and the recipient refrain from making contingent demands on the other not specifically related to the effective use of the resources, and

(3) the United States explore with other developed countries loan guarantee mechanisms which would permit access for those countries at the intermediate level of development to the capital markets of the developed countries on equal terms to developed countries.

FOREIGN DIRECT INVESTMENT

Sec. 8. (a) Finding.—The Congress finds that

(1) the governments of the developing world are increasingly intent on the ownership and to the extent possible, the operation and development of their natural resources,

(2) every state has the right to prescribe the conditions under which transnational corporations operate within their national jurisdiction, within the parameters of international norms,

(3) in a changing world the laws and regulations governing foreign direct investment cannot be expected to remain static and unchanging,

(4) transnational corporations are entitled to expect that if the rules under which they made their initial investments are changed, that the changes will be made in a fair and nondiscriminatory manner,

(5) it is generally the preference of host governments to resolve any problems with transnational corporations within their legal jurisdiction and at the same time the Congress notes the need to uphold international law,

(6) it is generally preferable that problems involving transnational corporations be settled without the direct involvement of the United States and the Congress notes increasing concern of some American transnational corporations with the punitive sanctions mandated by law which suspend bilateral assistance to those countries which expropriate American property without adequate effective, or prompt compensation, and

(7) the transnational enterprise is a complex entity whose operations make it difficult to establish national identity and legal jurisdiction over specific aspects of its operations and as such it may be unable to identify the legal authority to which it is responsible or it may be subject to unfair and discriminatory treatment or it may be in a position to take undue advantage of this situation.

(b) Policy. It is the sense of the Congress that the United States should

(1) continue to make positive efforts to resolve the outstanding differences between the positions of the United States and the Latin American governments in light of the findings of this section;

(2) seek the participation of the Congress in such efforts and discussions both to keep the Congress informed and to convey Congressional viewpoints;

(3) support the work of the United Nations Commission on Transnational Corporations, and the work of the Organization of Economic Cooperation and Development on foreign investment and multinational corporations;

(4) cooperate with Latin American governments and with the United Nations Commission on Transnational Corporations, the United Nations Information and Research Center on Transnational Corporations, and the Economic Commission on Latin America to collect and disseminate information on Transnational Corporations, including information relating to the terms of licensing agreements, restrictive business practices, and royalty payments, consistent with legitimate requirements for confidentiality; and

(5) seek through multilateral negotiations to clarify the legal rights and responsibilities of the transnational corporations to each state in which they operate.

TRANSFER OF SCIENCE AND TECHNOLOGY, INNOVATIONS AND CAPABILITIES

Sec. 9. (a) Findings.—The Congress finds that

(1) scientific knowledge and its effective application are important components, of economic and social development,

(2) every country has its own unique combination of labor, capital, and resources and that technology is best utilized when it takes these factor distributions into account,

(3) the United States has a great concentraction of scientists, research institutes, and technological capabilities and is therefore well-equipped to assist in the development of technologies which are useful to the developing world,

(4) the industrial and trade potential of the world are increased as the barriers to the free flow of science and technology are reduced, and

(5) Latin America is a major potential source of food for the rest of the world.

(b) Policy.—It is the sense of the Congress that

(1) the United States should assist in the transfer of science and technology and the development of scientific and technological capabilities within the hemisphere by establishing an institutional means of cooperating with counterpart Latin American and Caribbean institutions by providing information on technology and technological services. Technology which would be used to directly compete with industries in the United States either for domestic or foreign markets should be sold on a commercial basis.

(2) the United States should, in cooperation with Latin American and Caribbean governments, seek to establish regional Marine Research Centers in Latin America and the Caribbean in which scientists from member countries could jointly undertake marine research projects and studies, thereby strengthening local research and scientific capabilities, and contributing to the conservation and effective utilization of the region's marine resources.

(3) the United States should, in cooperation with Latin American and Caribbean governments, continue to move forward on agricultural consultative groups, support regional agricultural research centers in Latin America and the Caribbean in which scientists from member countries can jointly undertake agricultural research projects and studies.

CULTURAL POLICY

Sec. 10. (a) Findings.—The Congress finds that

(1) cultural and intellectual exchange between North and South America are important ways to improve the understanding of the different countries, culture, and people of the hemisphere, and

(2) the understanding of Latin America and the Caribbean by the United States and of the United States by other hemisphere nations could be much improved.

(b) Policy.—It is the sense of the Congress that

(1) outmoded restrictions on travel and cultural exchanges based on political criteria should be eliminated and that the United States should work with the governments of Latin America to improve and encourage a broader exchange of citizens from different sectors of society to enhance overall understanding and communication in the hemisphere.

(2) national cultural institutions and policies should seek to include an international component for the cultural enrichment of its people, and

(3) the United States should make available information, assistance, and support to those Latin American governments and institutions interested in establishing educational programs for the study of the United States as a means of creating better understanding of the United States in Latin America.

Mr. CHILES. Mr. President, today I am submitting in the Senate and Congressman Fascell is introducing in the House a concurrent resolution on United States-Latin American relations. Senator Lloyd Bentsen of Texas and Senator Dan Inouye of Hawaii are cosponsors of the resolution in the Senate.

We began work on this resolution following hearings held in the Senate Appropriations Subcommittee on Foreign Operations on December 13 of last year. Those hearings showed the difficulties but also the desirability of having a broad framework for our foreign policy toward Latin America and the developing world. It was mentioned by witnesses then that what the Congress does is generally fragmented because of actions by different committees and because of the many pieces of legislation that affect foreign policy. This resolution provides a framework for specific actions and attempts to give some consistency to our policies.

This resolution emphasizes economic and human rights issues in our relations with Latin America and points out that our policies toward Latin America are "in many ways the testing ground for an evolving relationship with the entire developing world."

The resolution offers a comprehensive framework for shaping U.S. foreign economic policy toward commodity producing countries in the new political and economic world we find ourselves in today.

It is not an Alliance for Progress where we are seeking a hemispheric consensus on internal reform and development; it is not a restatement of the special relationship with Latin America where we have said that Latin America is of special importance to us and then acted as if Latin America was unimportant to us; it is not a reaffirmation of the bygone days where we are givers and they are the receivers; and it is not the reassertion of a paternalistic grip on the hemisphere where our relations hinge on security and strategic considerations.

This resolution is born out of a concern for the economic consequences for our Nation of actions by foreign governments affecting the price and supply of commodities and raw materials of vital importance to us. We are living in a world where we are increasingly dependent on other countries for our own well-being. We are living in a world where economic policies are increasingly vital to survival and where it is not just the United States, Russia and China along with Western Europe and Japan that decide the fate of the world, but where any nation produces something the rest of the world needs has tremendous power.

Given these new realities, the question is, What kinds of policies make sense?

The kinds of policies we think make sense are the following:

First, a clear statement that economic relations are of primary importance to the United States and are at the center of our relations with the developing world.

Second, that all nations share an interest in shaping the world economy through negotiations between governments to avoid the economic fluctuations and disruptions caused by unilateral actions affecting the supply and price of resources. This resolution advocates a firm commitment by the United States to negotiations, multilaterally, bilaterally, or in other groups, as the principal way of dealing with trade issues. The resolution urges the use of commodity agreements, supply contract arrangements, and compensatory financing as means of making progress to avoid the inflationary results of recent raw material supply and price problems. It calls for a review of commodity trade to find actions that can be taken in the near term to achieve a breakthrough for negotiated rather than unilateral actions on commodities.

Third, it recognizes that punitive sanctions, especially those which come into play in cases of expropriation, have been ineffective in resolving investment disputes and have soured our relations not only with individual countries but in some cases with the entire region. Another source of tremendous friction in the hemisphere has been the section of the Trade Act which denies access to the U.S. market on the basis of the new generalized system of tariff preferences to members of OPEC that either withheld supplies or raised the price of oil. This, of course, included Venezuela and Ecuador as well as others when these countries had kept their supply commitments to the United States throughout the embargo.

These are crude policy tools which have tended to stiffen the determination of countries to resist settlement rather than provide incentives for negotiations. We advocate that these sanctions be repealed or modified.

Fourth, the problem with these sanctions has been that they tend to push the United States to react to actions taken by other governments with policies that have nothing to do with the dispute in question. What is needed is the capacity to respond in a reciprocal manner and to an equivalent degree to unilateral or cartel actions by other governments when negotiations fail to resolve an investment or a trade dispute.

We advocate that a trade policy be used to respond to a trade dispute and investment policies be used in an investment dispute rather than, as now, using trade and aid policies to respond to expropriation.

Each economic dispute is different and requires a different response. We are trying to get away from the old knee jerk policy response that is the same for each problem and argue for a more selective and finely tuned policy to fit each case. This way we are strengthening our negotiating hand by shaping more effective policy instruments and by creating greater incentives to negotiate. At the same time we are demonstrating to the commodity producing countries that we are not approaching these problems of mutual concern in a hostile frame of mind. Quite the contrary. We are trying to remove some of the most difficult issues in United States-Latin American relations to improve the context for future economic relations.

This resolution gives strong support to international accords and institutions protecting human rights and calls for their reinforcement by governments and the strengthening of the Inter-American Commission on Human Rights. The emphasis we give to human rights reflects the viewpoints in the Congress and recommends that the administration give the same priority to human rights as the Congress does. But we suggest that it would be best if aid were not turned on and off because of human rights any more than it should be turned on and off because of expropriation.

There are other recommendations in the areas of development finance, foreign investment, the transfer of science and technology, and cultural policy. These are broad suggestions which indicate some sensitivity to the problems and needs in these areas.

In developing the resolution we have conferred with officials in the State Department. I do not think the State Department would have drafted this quite this way, but they are supportive of this effort, and they believe it is a positive contribution to the development of our policy. The report of the Commission on United States-Latin American Relations was a useful point of departure for us and the Commission has been most encouraging and helpful.

We hope this resolution will be seriously considered in both Houses of Congress. I am pleased that Congressman Fascell's position as a ranking member of the International Relations Committee virtually assures that the resolution will receive a full and comprehensive hearing with a high likelihood of favorable action. I have talked with members of the Senate Foreign Relations Committee and will continue to do so to see how we can best move on the resolution here in the Senate.

In the meantime, individual actions will be taken on various bills and amendments to deal with the issues raised in this resolution, and we will be trying to advance the ideas in it as specific opportunities arise.

Mr. President, I ask unanimous consent that testimony from hearings on the Senate Appropriations Subcommittee on Foreign Operations dealing with the need for omnibus legislation in this field be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Question of Desirability of Omnibus Legislation: Senate Hearings of Appropriations Subcommittee on Foreign Operations, December 13, 1974

Senator Chiles. Many times the problems we have had with Latin America have not been so much that we have decided to do this or that and they have been annoyed with how we have come out, but that we have not focused at all on the issues of concern to them. A Commission report will be written and no one pays attention to it and it never gets acted on.

I don't propose to Congress that this report be adopted from one end to the other. I do not agree with all the recommendations, but it does serve to raise most of the issues and comes out with a position on most of these issues.

With this kind of a check list in a single report it may be a good idea to try to bring together, so Congress would have to focus on it in one piece of legislation, many of the authorities needed to deal with the various dimensions of inter-American economic relations dealt with by the Commission report and try to place them in some coherent context of an overall statement by the Congress of what U.S. policy should be toward Latin America. How desirable or feasible is this from the point of view of each of you here.

ACTION ON COMMISSION RECOMMENDATIONS

Ambassador Linowitz. Thank you, Senator.

My own feeling is this kind of an omnibus piece of legislation would make a great deal of sense since, as you say, we are doing a job of dealing in bits and pieces with some of these problems.

What I am not clear about is the practicality of undertaking that since my impression is so many of them are covered in various existing forms of legislation or are under the aegis of one committee or another. But as a general statement, I would think these are pieces of a whole and in trying to develop an approach within a certain context all the aspects have to be dealt with together, so I would hope this would make sense legislatively.

Mr. Rogers. I think Mr. Linowitz is quite right. It would be, I think, a very interesting exercise at the very least to attempt to take the Commission's recommendations which, as you say, in very large part require legislative effort for implementation—to take that list of recommendations and attempt to reduce them to statutory form in a proposed bill, in one comprehensive omnibus bill. This would be, I think, a very interesting demonstration of Congress' responsibility with respect to our United States-Latin American policy.

I think it would also help to educate us in the executive branch as to what we should be up here asking Congress for in the coming year. Obviously this is not something which should in any sense reduce our anxiety about the present trade bill and its necessity for United States-Latin American relations, nor should it divert the present legislative processes now underway with respect to the pending new AID legislation.

Beyond that, if it would not cause conflict with those legislative efforts now underway, I would very much like to see this kind of effort made.

Mr. Theberge. I think it would be useful to bring together the Commission's recommendations, at least those items upon which legislation is feasible, into one bill. It seems to me one of the major problems U.S. policy has had in the past is due to the fact the fragmentation of the committee system. You have so many policy items which are passed into law under the aegis of different committees, in different bills, different laws scattered around, and to bring together into one kind of coherent omnibus bill, a single piece of legislation, to the extent that that is feasible, I certainly would support it and I would hope we would be able to do that.

You raised the question of the feasibility of this. I leave that to you and the other Senators and Congressmen here but I would certainly support the concept.

Mr. Erb. I share the concern of the other panelists for the fragmented approach to developing country problems, Latin-American problems, that now characterize the legislative body of laws we have. But I am a little concerned about the possible impact of this approach on relations with other developing regions.

One of the Commission's findings that I believe is of great importance is found on page 11 of the report where they say the principle issues of U.S. policy toward Latin America are not peculiar to United States-Latin American relations but involve global economic and political relationships. That is certainly true in the resource field for example, where commodities of interest to us, bauxite, petroleum, coffee, involve interregional groupings of countries.

Tariff preference is another items which is designed for all developing countries. In the context of European communities approach to formation of what might be called the special communities of relationships with over 40 developing countries, I think any assessment of a United States-Latin American legislative package would have to take into account the possible reaction of foreign governments to this proposal and I think at a minimum the clear relationship to Latin American problems with other developing countries' problems should always be borne in mind and perhaps recognized explicitly in the drafting of any such legislative package.

Mr. CHILES. I ask unanimous consent that an article by Mike Haverstock, "End to Retaliatory Legislation Sought," describing attitudes of our business community toward existing economic sanctions be printed in the Record, and also that pages from the Appropriations Committee Report on Foreign Assistance for Fiscal Year 1975 dealing with assistance to autocratic governments be printed in the Record.

There being no objection, the material was ordered to be printed in the Record as follows:

End to Retaliatory Legislation Sought

(By Nathan Haverstock)

Beset by threats of nationalization in a score of countries overseas, American businessmen are calling for an end to U.S. legislation that provides for the automatic suspension of U.S. aid in all its many forms to countries that move to take over U.S. assets on grounds of overriding, local national interest.

The reasons for the paradoxical change of attitude by business leaders in this country toward retaliatory legislation are many and complex, among them:

A general disillusionment with the effectiveness of past U.S. impositions of aid cutoffs.

A feeling that across-the-board legislative enactments to protect U.S. interests more often hinder rather than help businessmen who are trying to work out solutions to particular problems in particular countries.

The considered opinion of business leaders in this country that the U.S. government and its overseas representatives are not well enough versed in business problems—or sympathetic enough to business—to be astute defenders of business interests in a complex and fast-changing overseas business environment.

More important perhaps than any of these is the growing realization that the U.S. simply cannot afford to jeopardize its global overseas business operations because of real or imagined legislative threats, and thus risk crippling shortages of energy and raw materials on which the U.S. economy depends. This threat looms large in the thinking of U.S. businessmen and the U.S. government in the wake of the much discussed energy crisis and the possibility of further nationalizations of American-owned oil companies in the Middle East.

But the problem is certainly not limited to the Middle East and oil. In a recent interview with the *Mexican-American Review*, Charles Robinson, president of the Marcona Corporation, a firm with a long and profitable record of operations in such countries as Peru, Chile, and Brazil, put it this way: "My concept of the world is that there is a rapid adjustment occurring in the relationships of developed vis-a-vis developing nations. . . . With our own declining natural resources base and our growing need for the sources of energy and raw materials to support our technologically sophisticated way of life, within ten years from now, I believe that the developing nations—which are providing more and more of the resources we need—may well be calling the shots on the use of resources we must have to survive as a nation and a viable economy."

In May of this year, 34 members of the Council of the Americas, whose corporate membership represents U.S. firms accounting for 90 percent of a U.S. investment of 16 billion dollars in Latin America, met with President Richard M. Nixon to exchange views on the future of U.S. business in Latin America. In a session lasting one hour and a half, corporate executives whose views are as diverse as those of General James M. Gavin, chairman of the Arthur D. Little Company; Maurice F. Granville, chairman of Texaco; A. S. Hart, executive vice president of Quaker Oats; Donald M. Kendall, chairman of Pepsico International; David Rockefeller, chairman of The Chase Manhattan Bank; and A. Thomas Taylor, chairman of Deltec International—sounded off on retaliatory legislation.

Their views, as summarized later by Henry R. Geyelin, executive vice president of the Council of the Americas, were that "U.S. business is most deeply concerned with past and potential expropriations without adequate compensation and by the restrictive features in some of the new (legislative) regulations (in Latin America)." On the other hand, Geyelin said, it is felt that "trigger-type mechanisms" and "automatic responses" to expropriations "have not proved successful and have inhibited negotiations for successful solutions or compromises."

In support of this thesis, Geyelin cited a 1970 survey of the Council's membership, which revealed that even back then—before the energy crisis and before the recent concern over the need to safeguard the overseas sources of vitally-needed resources—76 percent of U.S. businesses with Latin American operations were staunchly against retaliatory measures that had been passed by the U.S. Congress acting in what legislators thought were the interests of U.S. business. These measures included the Hickenlooper amendment to the Foreign Assistance Act of 1962 and similar provisions of the Sugar Act of the same year. These provisions of law were passed at a time when the U.S. was undertaking to provide one billion dollars per year, as the U.S. contribution to the new Alliance for Progress program.

These two provisions of law would have seemed to make it mandatory for the President to suspend all U.S. economic assistance, including participation in the price-supported U.S. sugar market, in the case of countries seizing U.S. assets—countries that do not indicate their willingness to negotiate adequate compensation within six months of such seizures. In practice, however, the President under the Hickenlooper amendment has been allowed some flexibility in the matter, and able, when he deems it in the U.S. national interest, to forego the imposition of such economic sanctions.

Last year, provisions similar to those of the Foreign Assistance Act and Sugar Act were given a new lease on life in amendments offered by Henry Gonzalez (Democrat-Texas). The Gonzalez amendment does not include any national interest alternative for the President—sanctions must be imposed short of an express willingness on the part of a country seizing U.S. assets to provide prompt and adequate compensation. Moreover, the Gonzalez amendment makes its mandatory for the U.S. government to vote against any new loan commitments at the international agencies—the World Bank and the Inter-American Development Bank, for example—for countries seizing U.S. companies.

In these regards the Gonzalez amendment restates in the form of law steps spelled out by the President himself in early 1972 in a message to Congress. The President made it clear at that time that his administration would take all of the steps written into law subsequently in the Gonzalez amendment in the case of countries failing to provide prompt and adequate compensation for U.S. takeovers, while at the same time acknowledging any country's indisputable right to nationalize foreign holdings, when this is recognized to be in the national interest. Interestingly, the Gonzalez amendment also spells out the willingness of a country taking over U.S. interests to submit its action to negotiation under the rules of the Convention for the Settlement of Investment Disputes, as an acceptable expression of interest in fair negotiation.

In an attempt to head off passage of the Gonzalez amendment in the Senate, José de Cubas, president and chairman of the Council of the Americas, wrote to J.W. Fulbright, chairman of the Senate Foreign Relations Committee in early September to argue that the Gonzalez amendment—lacking as it does specific language enabling the President to forego the imposition of sanctions—may prove more inflexible than the Hickenlooper amendment of the past. De Cubas also pointed out that to date Latin American nations have shown little enthusiasm about ratifying the Convention for the Settlement of Investment Disputes, and about the court it establishes under the aegis of the World Bank.

Shortly before the passage of the Gonzalez amendment in the House, Representative Charles W. Whalen, Jr. (Republican—Ohio) updated the findings of the 1970 Council of the Americas-supported survey on U.S. business attitudes toward retaliatory legislation. Whalen is a seven-year veteran of service in the House. Before coming to the Congress he was a professor of economics at the University of Dayton, specializing in international business issues.

Whalen's interest in retaliatory legislation was sparked by a trip earlier this year to five Latin American countries. In all five he found vocal opposition to such measures among American businessmen and embassy officials, and among both the private and government sectors of the countries visited. This response prompted the Ohio legislator to undertake his own in-depth survey of key U.S. businessmen whose firms have extensive operations in Latin America.

The results of Whalen's survey of the trustees of the Council of the Americas once again reflect a strong two-thirds majority opposition to retaliatory laws. Speaking as individuals, two businessmen responded as follows:

Charles F. Barber, chairman, American Smelting and Refining Co:

"However justifiable the Hickenlooper and Gonzalez amendments may originally have been in concept, experience has shown that such automatic trigger provisions do not either deter illegal exportations or facilitate settlements of investment disputes once unjust takings of U.S. property have occurred."

T. D. Lumpkin, president, Gulf Oil Company—Latin America:

"Having spent some thirty years in the international oil business I have some fairly strong convictions about any kind of legislation of imperialist type emanating from our Congress, such as the Hickenlooper and Gonzalez amendments. I think they are definitely counterproductive. Moreover, I think that any legislation which emanates from our Congress and which appears to be punitive against the developing countries of the Western Hemisphere represents a demonstration of petulance and frustration which a country such as ours can ill afford."

Those who favor the continuation of some form of legislative injunctions do so for fear, as one executive put it, that "outright repeal of (both amendments) . . . would be tantamount to an invitation to ignore the rights of U.S. citizens to their foreign holdings and would promote economic irresponsibility by (developing) countries." While this fear continues to figure as an important factor in the attitudes of a significant number of U.S. businessmen, there remains the majority position of those reached by the Whalen and Council of the Americas surveys.

Clearly U.S. businessmen with operations in Latin America feel that laws calling for the mandatory imposition of economic sanctions against countries seizing U.S. assets often preclude the possibility of the negotiation of an acceptable settlement. Such laws as the Hickenlooper and Gonzalez amendments, said one top corporate executive, provide some U.S. investors with "a false sense of security"—Uncle Sam will come to the rescue.

This has not occurred in the recent past, nor is it likely to occur in the future, as the U.S. faces up to possibly severe shortages of fuel and raw materials. For this compelling reason, American business is now becoming increasingly adamant about voicing opposition to retaliatory legislation that hasn't worked, in favor of some new answers, or possibly a revival of some old answers. As one businessman put it in his reply to Congressman Whalen's survey: "I personally am a strong believer in the rather old-fashioned practice of quiet, careful negotiations as a solution" to investment disputes—a view shared by an increasing number of his fellow corporate executives.

Senate Committee on Appropriations Report No. 94–39 on Foreign Assistance and Related Programs Appropriations Bill, 1975

ASSISTANCE TO AUTOCRATIC GOVERNMENTS

It is an unquestionable fact of political reality that by far the majority of states in the developing world are under authoritarian rule. The full spectrum of oppression is represented. In some cases, authoritarianism takes the form of a benevolent paternalism and, as such, is accorded legitimacy by the people. In others, however, the fullness of oppression is forestalled only by virtue of the very backwardness of the country. In these cases, limited transportation networks and means of communications serve to moderate the control the central government can exercise over the rural population.

In some countries, authoritarian rule follows upon the conviction of strong-willed and purposeful leaders that only strong measures can bring their people into the modern world. In sharp contrast, there are those who exercise dictatorial powers, not in service to the people, but in protection of the vested interests of a political and social life.

Many explanations have been propounded for the incidence of dictatorial forms of government in the developing world. It is said that the republican form of government requires a literate body-politic, and that this is absent in much of the developing world. We are also cautioned to remember that many of these countries have no democratic tradition and, in fact, had been under autocratic or colonial rule for centuries prior to independence. There are, moreover, in many of the developing countries, cultural and religious impediments to democratic government.

The unavoidable conclusion to be made from this account is that authoritarian rule is and has been the way of life for much of the world. It lies beyond the power and the responsibilities of the United States to insist that all nations adopt the democratic model as their form of government.

But, it is argued, dictatorships *are* dictatorships and dictatorships are inimical to American ideals. Those who hold this view fail to make distinctions between degrees of autocratic control and believe that the United States should suspend assistance to all authoritarian governments. This Committee cannot agree.

We believe that, for every reason given for cutting our ties to dictatorships, there are other, stronger arguments for continuing our relations with these states, even though their governments are repugnant to our ideals. To do otherwise, to sever all ties, would be to cut ourselves off from the peoples of these countries and to leave them under the dark night of oppression. We can stand afar and curse the darkness, or we can try to bring them light.

This Committee believes, furthermore, that conditions in much of the developing world are such that governments of men would be hard pressed to match the tyranny imposed by hunger, and poverty, and disease. The oppression exercised by these factors of human existence knows no constraints. They impose their will without regard to forms of government or ideals of men. The Committee, therefore believes that, if the most basic of human needs are to be met, the United States must establish relations with the people of all nations. The pursuit of pristine relations in an unsavory world would place hundreds of millions beyond the reach of our assistance.

This Committee does not subscribe to the view that opposition to dictatorships and the provision of assistance to needy peoples are mutually exclusive propositions. This is not to suggest that the United States fully embrace government unresponsive to the human needs of their peoples and disrespectful of the basic rights of all men. Surely, we, as a nation, can have the wisdom to conduct our relationships with discretion.

This will, of course, be more difficult than the blanket suspension of assistance to authoritarian governments. It will require a conscientious and systematic review of our assistance to such governments—a review which ensures that there is a calculable relationship between the provision of assistance and the improvement of the lives of the people. It will require that we ensure that our assistance does improve the lot of the people and is not used for the purpose of shoring-up unpopular dictatorial regimes. It will, finally, require that our assistance not be used, under the guise of security, to further oppression.

In opposition to those who would suspend assistance to all authoritarian governments, there are those, academicians and hard-headed realists, who declare that morality has no place in international affairs. They argue that the over-riding consideration in determining levels of assistance is the enhancement of our national security. Again, this Committee cannot agree.

Our national interest is, foremost, the preservation of our ideals and our form of government. This Committee does not believe that our interest is served by the support of dictatorial regimes in the name of stability. We believe that such short-sighted policies only forestall instability and assure that, when events do occur, they will happen with explosive impact. Most emphatically, we believe that, should we profane our ideals in the interest of short-term security, we would cause the erosion of our greatest strength—that of a nation guided by the dictates of reason and moral principles.

U.S. FOREIGN POLICY TOWARD LATIN AMERICA—A NEW APPROACH

Mr. BENTSEN. Mr. President, it is no exaggeration to state that hemisphere relations are at an alltime low. For those of us who have long been concerned about the slow but steady deterioration in relations with our neighbors, this is a matter of deep concern. A major explanation of this development is the orientation of our foreign policy toward détente with former adversaries. The pursuit of détente is a policy I strongly support but détente by itself does not constitute a foreign policy. It leaves out too much for the world is a sphere, not a triangle. We are now paying the price of this imbalance in our foreign policy, an imbalance which has resulted in neglect of pressing problems elsewhere around the globe, in particular pressing problems in this very hemisphere.

Ironically our closest neighbors have been the most neglected. In our concentration on big power diplomacy, we have lost sight of Latin America's and Canada's importance to us, not only strategically and economically, in terms of markets and sources of raw materials, but also as hemisphere neighbors and increasingly important members of the world community with problems and potential we cannot afford to ignore.

Our own national security is closely meshed with the political and economic development of the hemisphere. National security implies not only military strength and an adequate defense structure. It also includes the good will and trust of our neighbors. It includes the careful cultivation of attitudes that make unilateral solutions unattractive. It includes economic well-being for no nation is more insecure than one that is haunted by economic instability.

It is a paradox of this age, in which technological achievements have outstripped human insights, that we can travel in outer space to explore "the dark side of the Sun" and "the dark side of the Moon" while there are "dark" sides of our own planet that remain virtually unknown to us earthbound mortals.

We are ignorant of dramatic events within our own hemisphere that can affect our daily lives for years to come.

Unfortunately, we have not approached foreign affairs with the global perspective that is the gift of the astronauts. Our foreign policy has been fragmented and piecemeal. Our attention shifts from one trouble spot to another—always to the neglect of other areas, where time does not stand still.

We can move from the year of Europe to the age of Asia—and, I suppose, on to the afternoon of Africa—without accomplishing much more than providing good headline copy.

While events continue to move in other parts of the globe—when these events explode into crisis—we turn our attention to the neglected areas in an attempt to patch up the damage that was done while our backs were turned.

A prime example is our neglect of Latin America—the home of 270 million people, with the fastest growing population in the world. At the present rate, its population will reach 600 million by the end of this century. By all forecasts, the United States by that time will have only half as many people as Latin America—but 10 times the wealth.

And already the impoverished masses of Latin America are restless with the hopes and expectations of a better life. Few of these expectations are being met. Too many dreams are being deferred.

Sol Linowitz, our former Ambassador to the Organization of American States, once said:

> Coffee, sugar, and cocoa may be breakfast foods in the United States, but in Latin America . . . they are the stuff revolutions feed on.

Our backs have been turned on Latin America for too long.

From the time of the Monroe Doctrine, 150 years ago, we have viewed Latin America as our own special preserve. We have come to take it for granted. In recent years, we have lost track of what Latin America means to us, not just strategically and economically, in terms of trade and raw materials, but as a hemispheric neighbor and a growing member of the community of nations, with problems and potentials we cannot afford to ignore.

The good neighbor policy and the Alliance for Progress are now little more than slogans of the past. The slogan for today might well be summarized in the headlines: "Leftovers for Latin America."

But there are no such headlines. Reporting from Latin America is minimal—perhaps because public interest is minimal. And so we have the unbroken pattern: lack of interest results in lack of information, and vice versa.

Little has been done, by all the combined media for education, to dispel our widespread ignorance of the history and problems of Latin America. Although there are almost 9 million people in the United States now who have ethnic and linguistic ties to Latin America, how much do we really know about our neighbors to the south?

Our children grow up unable to communicate with Spanish-speaking neighbors just across the border or—or, in many cases, just across the street. They grow up with little awareness of the "other" Americans who share this hemisphere with us. Their history books tell them of the early explorations of the Spanish—and after that the entire South American continent sinks out of sight, like the Lost Atlantis.

Our study of history and politics is weighted heavily in the direction of Europe, which, although more remote geographically is closer to us by kinship. After all, the roots of our past are mainly in Europe.

But what of the future?

We live in an age of unparalleled change, and the habits of the past will not suffice for the challenges of the future. In Latin America, challenges abound, beginning with poverty, illiteracy, hunger, high birth rates and high mortality rates. There is the challenge of massive unemployment is an area where the tools for economic development are limited. There is the challenge of attracting capital to establish basic industries, to catch up with the technologicaly advanced world, and to build markets essential to a healthy economy. A further challenge lies in the need for land reform and agricultural modernization.

All these are challenges to the continent's ability to develop. But are these our challenges? What have they to do with us?

Simply this: Any threat to peace and stability in one part of the world threatens peace and stability everywhere. The future stability of the Western Hemisphere will depend on how effectively the Latin countries deal with their staggering problems.

So the question becomes: Can we continue to ignore our Latin neighbors? Can we continue to exclude them from our policy considerations while we court the favor of China and Japan, Russia, and the countries of Western Europe?

This may not be the intent of our foreign policy, but it has been the effect. Our closest neighbors feel alienated, left out of the total picture.

The geographic proximity of Latin America has inspired a misleading concept of "Pan-Americanism" which conceals formidable language and cultural barriers. These barriers are heightened by new political and economic trends and by rapidly developing problems that have created points of friction between us—problems that are not necessarily of our making, but for which we have offered no real solutions.

There is much that needs to be done to reform and strengthen our policy towards Latin America.

Statements of good intentions are not enough; reiteration of tired old slogans is not enough; benign neglect is not enough. Problems that are not necessarily of our making but for which we have offered no real solutions are creating points of friction between us. And new political and economic trends are emerging in Latin America which require a rethinking of some of our traditional policies toward that area.

The resolution which I am today cosponsoring with my distinguished colleagues will go a long way towards developing solutions for the increasingly pressing problems confronting hemisphere relations and stability. It is an historic document in that it is the first attempt to develop, through legislation, a framework for our foreign policy towards Latin America, a framework which will serve as a model for our policy towards the rest of the developing world.

Mr. President, one of the most striking features of this resolution is the means by which it was developed. It is the result of several months of close consultation between the Senate and House cosponsors and representatives of the executive branch—from the Department of State, from AID, from Treasury. This is how our foreign policy should be developed, Mr. President. This is what constitutes the spirit of cooperation which President Ford and Secretary Kissinger have so frequently called for and which I heartily endorse. This is what is meant by bipartisanship in foreign policy. The constructive relationship which produced this resolution can be continued and must be continued. It can and must be expanded to establish a productive working foreign policy partnership, a partnership where responsibility is shared and joint decisionmaking is promoted.

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT ACT OF 1975—S. 1730

AMENDMENT NO. 478

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1730) to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

ASSISTANCE TO CERTAIN MIGRANTS AND REFUGEES—S 1661

AMENDMENT NO. 479

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to the bill (S. 1661) to enable the United States to render assistance to or in behalf of certain migrants and refugees.

MILITARY PROCUREMENT AUTHORIZATION ACT—S. 920

AMENDMENT NO. 480

(Ordered to be printed and to lie on the table.)

Mr. JAVITS. Mr. President, I am submitting today an amendment to the military procurement authorization bill, S. 920, concerning the cost of manpower and certain manpower programs in the Department of Defense. The amendment calls on the Secretary of Defense to report back to the Congress and to make certain recommendations, for legislation where appropriate, that would improve manpower utilization and reduce, wherever possible, manpower costs in the Department of Defense.

I believe that this amendment is most timely; 53 percent, or $49.2 billion, of the fiscal year 1976 request for the Defense budget is devoted to manpower costs. It is obvious that 53 percent of the Defense budget for manpower programs is an extraordinarily high figure. I feel that the Secretary of Defense perhaps shares my concern and, accordingly, I have drafted my amendment in such a way that the Department of Defense and the Congress can cooperate in seeking ways to provide for manpower programs in the Department of Defense that are adequate for the Nation's defense needs but which are also as economical and efficient as possible.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD for the information of my colleagues.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 480

Add a new section at the end of the bill:

Six months after the enactment of this Act, the Secretary of Defense shall submit to the Congress a report, together with requests for legislation wherever appropriate, setting forth the measures he proposes to take to increase and improve manpower utilization and to reduce, if possible, manpower costs in the Department of Defense to include recommendations on the following:

1. How significantly to improve:

(a) the ratio of enlisted men to officers in the Armed Forces;

(b) the extent of the reduction of the number and size of headquarters and headquarter staffs serving in the Armed Forces throughout the world and thereby to increase combat strength, and interservice training, in common facilities and with common equipment, of trainees in all branches of the Armed Forces; and

2. How peacetime expansion of the combat arms of any of the services could be accomplished without increasing the number of military personnel in such services, or to give adequate reasons why any exception should be made; and

3. Review the experience with the performance of functions, such as facility maintenance, kitchen duties and personal services to officers of high rank, when performed by civilian contractors hired at extra expense, instead of by members of the Armed Forces; and

4. Review the experience with the payment of bonuses to enlistees selecting to serve in the combat arms of the Armed Forces or to others in the Armed Services; and

5. Review means to increase the length of service of enlistees in the Armed Forces; and the desirability of an enlistment bonus to those enlisting for an appreciably longer period of time; and

6. Review the costs of advertising and other publicity for recruitment of enlistees into the Armed Forces; and

7. Reduce the number and expense of dependents of members of the Armed Forces allowed at the expense of the Department of Defense to accompany members of the Armed Forces while serving overseas.

HEARING POSTPONEMENT

Mr. CHURCH. Mr. President, I wish to announce, for the information of the Senate and the public, the postponement of a hearing scheduled for May 22 before the Energy Research and Water Resources Subcommittee of the Senate Interior Committee.

The subject matter of the hearing was to examine the San Juan-Chama project in New Mexico. The hearing has been rescheduled for June 12, 1975, at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

ANNOUNCEMENT OF A SUBCOMMITTEE MARKUP SESSION ON S. 598

Mr. CHURCH. Mr. President, I wish to announce, for the information of the Senate and the public, the scheduling of a subcommittee markup session for May 22 before the Energy Research and Water Resources Subcommittee of the Senate Interior Committee.

The subject matter of the markup will be to continue examination of the Energy Research and Development Administration's authorization bill, S. 598.

The markup session will be held in room 3110 of the Dirksen Senate Office Building at 10 a.m.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE PARKS AND RECREATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JOHNSTON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Parks and Recreation Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for June 19, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding four bills which are presently before the subcommittee. The measures are S. 324 and S. 1486, to amend the National Trails System Act by designating the Potomac Heritage Trail located in portions of Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia, as a component of the National Trails System; S. 805, to provide for a study of the Dominguez-Escalanate Trail in New Mexico, Colorado, Utah, and Arizona; and S. 1390, to provide for a study of the Pacific Northwest Trail in Montana, Idaho, and Washington.

In addition, the subcommittee will receive formal testimony from the Department of the Interior on S. 327, legislation to amend the Land and Water Conservation Fund Act, as amended, and to establish a National Historic Preservation Fund. Although only the Department will testify on S. 327, any written statements which the subcommittee receives on that measure will be printed in the record of the hearing.

For further information regarding the hearings you may wish to contact Mr. James Beirne of the subcommittee staff on extension 47145. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Parks and Recreation Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

ACCOMPLISHMENTS OF THE U.S. ARMY

Mr. LAXALT. Mr. President, it is unfortunate, but true, that Americans tend to focus their attention and their energies on dealing with problems. This characteristic sometimes causes us to overlook many of our real accomplishments—our successes, if you will. Such has been the case with America and its Army.

In 3 years, the U.S. Army has gone from an essentially conscript force to an Army composed entirely of volunteers. And, it has done so not by taking the easy way out, lowering standards and taking every walk-in to a recruiting station, but by providing an honest opportunity for service and a challenge to the young men and women of America to measure up to higher entrance and retention standards. By any yardstick—educational level, traditional indicators of discipline, or readiness—today's Army is of higher quality than ever before.

Even while accomplishing what many considered to be an impossible task—becoming an all-volunteer force—not all the Army's energy has been directed at achieving strength goals. A substantial effort has been directed at the internal organization of the force with the result that many nice-to-have but not need-to-have activities have been dropped from the structure, duplicative headquarters have been eliminated, and excessive support forces have been converted into those combat forces so necessary to the winning of the first and most important battle.

The result of these efforts is an Army that promises to be the most efficient Army the United States has ever had in peacetime. It is an Army that will provide more return for the defense dollar than ever before. It is an Army of which all Americans may be proud. It is, in short, a success story.

BIGGER STAFFS MAY NOT BE THE ANSWER FOR SENATE

Mr. TALMADGE. Mr. President, there appeared in the Washington Evening Star of May 14 an excellent article by the syndicated columnist, Charles Bartlett, on the proposal for adding approximately 1,000 new staff members to the Senate payroll.

Mr. Bartlett takes the position that this action probably would make worse an already bad situation, which is the view I wholeheartedly share.

As my colleagues know, I am opposed to this proposal which is embodied in Senate Resolution 110, which is pending before the Committee on Rules and Administration. I had an opportunity to testify before the committee in opposition to this resolution. I do not think it is something we can afford at this time. Moreover, to add another bureaucratic layer on the Senate is certainly not needed.

I call Mr. Bartlett's column to the attention of the Senate and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Bigger Staffs May Not Be the Answer for Senate

(By Charles Bartlett)

There is mounting frustration in the Senate these days, the near-despair of men who feel swamped by pressures and events. The situation is building sentiment for a substantial enlargement of the senators' staffs.

This resort needs to be examined closely. Woodrow Wilson observed that men who attain government positions either grow or swell. "The trouble," he said, "is that the ones who swell don't explode."

An awesome array of unexploded talent has already accumulated on the Senate payroll. Doubling the committee staffs, as many propose, many merely double the explosive potential.

Sen. Herman Talmadge, D–Ga., has put the prospects bluntly: "We have got a lot of bright-eyed, idealistic young people right out of law school, seeking new worlds to conquer. They spend virtually all their time writing speeches and amendments for senators.

"If you double the staff, you will double the amendments and double the speeches. We will need a new calendar to get through the legislative year."

Or as one veteran Senate committee clerk, Pat Holt, puts it. "There are already too many staff members around the Hill who confuse themselves with senators and I hope the trend will not be encouraged."

The Justice's clerk makes the justice, someone once wrote. The growing tendency of the Senate is to let the lawmakers' clerks make the laws.

Senators do grow desperate because they are losing ground to the pressures.

At least a handful on the younger ones talk seriously from time to time of resigning their offices. Once an Olympian stronghold, the Senate has declined for many of its members into a miserable experience.

"We know we could do much more," one laments, "if the Senate were better organized."

The public's readiness to take pen in hand is one part of the problem. Personal staffs have been tripled over the past 20 years but the volume of mail has multiplied at least eight times. It is crucial to get those answers out because defeat is the price of diffidence.

So the substantive office chores, research which might inspire more original thinking, is more and more deferred to answering letters.

The senators' larger problem is that they are trying to perform like supermen in a chaotic setting. They want to be easier to visit than a county sheriff, quicker to answer letters than a lovesick schoolgirl, and more visible at home than the tallest building.

To meet the expectations which they generate in their campaigns, senators would need the ubiquity of the wind, the wisdom of Socrates and the endurance of a camel.

Lacking these qualities, they have relied more and more on hired talent. Barely able to keep their schedules, they do as little as possible for themselves. At least 21 have personal staffs of over 50 people.

The new idea is to let each senator hire at least two top-salaried persons to help him cope with committee work.

Under the Parkinson principle that work expands to fill the time available, the addition of 1,000 well-paid eager beavers will intensify the frenetic, disjointed atmosphere and make the representation more synthetic than it is already.

The Senators are not suffering from a lack of assistance. As Sen. Claiborne Pell, D-R.I., noted, visiting parliamentarians leave "big-eyed" at the resources available to the Senate.

New additions will only compound the confusion until Senate leaders come to grips with the anachronisms and rationalize their ways of doing business.

UNCLE SAM WOULD BE A WEAK OIL BARGAINER

Mr. FANNIN. Mr. President, many of us in the Congress have been arguing for years that the United States can no longer remain dependent on foreign countries for our domestic energy needs. I have supported this administration's programs for energy self-sufficiency and conservation as a sound basis for freeing ourselves from relying on high-cost oil from the Middle East and elsewhere.

Some of the schemes advocated by some of my colleagues to obtain energy independence strike me as being simplistic, shortsighted, rather foolish, and probably even counterproductive. One such idea is the proposal that the Federal Government act as the sole purchasing agent for all U.S. oil imports.

Mr. President, a recent New York Times article entitled "Uncle Sam Would Be a Weak Oil Bargainer" discusses this scheme and presents persuasive arguments against establishing a new Federal agency to purchase imported oil. Author John Lichtblau concludes that:

> The cost of imported oil would probably be higher under a Federal purchasing system than if brought in by private companies.

As Mr. Lichtblau points out, the OPEC cartel, on which we have become largely dependent for our foreign oil requirements, is a political as well as economic force which has the will and the ability to maintain pricing policy in a period of adversity. The most probable response of OPEC countries to an American import monopoly would be to confront it with an agreed export price above the prevailing world market price. One OPEC member would be inhibited from underselling its cartel partners because it could not do so secretly and because the opportunities for price cutting, which exists currently in a situation with so many possible contractual arrangements, would be terminated.

Mr. President, too often when confronted by a difficult and complicated problem the Congress reacts hastily by passing some kind of "emergency" legislation. Such measures do not usually make the problem disappear, they simply compound the crisis.

The problem of achieving oil independence for our Nation merits the most serious and careful examination by the Senate. We must avoid rash, ill-conceived, easy political solutions. Before this body acts on proposals for establishing a Government oil purchasing monopoly, we must weigh the consequences.

To this end I recommend to my colleagues Mr. Lichtblau's arguments, and I ask unanimous consent that the full text of his article published in the Sunday New York Times of April 20, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Uncle Sam Would Be a Weak Oil Bargainer

(By John H. Lichtblau)

Washington's running energy policy debate, which started some two years ago, has recently moved 'into high gear as the Administration and Congress try to come up with legislation to reduce our dependence on high-cost foreign oil. Some of the proposals are sensible, enforceable and well researched, such as the plan to establish a strategic oil storage reserve and the recognition that the existing price control on "old" oil produced under secondary recovery methods acts as a disincentive to the installation of new secondary recovery projects or the maintenance of existing ones.

However, some of the schemes currently being promoted lack any relation to the real world, both in terms of their effect and their administrability. Chief among these is the plan for a Federal Government agency to act as the sole purchasing agent for all United States oil imports. The oil, purchased under a secret competitive bidding system, would be resold to private companies. This scheme is incorporated in the alternative to the President's energy program proposed by the Democratic majority of the House Ways and Means Committee.

The avowed purpose of all these proposals is to lower the price of imported oil by forcing foreign oil suppliers—presumably state oil companies—to bid against each other in order to gain access to the United States market. Both the Ways and Means Committee proposal and the Church-Hart bill state explicitly that the legislation is designed to weaken the power of the Organization of Petroleum Exporting Countries.

I believe it is more likely to have exactly the opposite effect. OPEC is a very unusual international organization. It has gone from success to success, each more spectacular than the previous one, from the Teheran Agreement in February, 1971, to the gigantic price increase in December, 1973. Since then it has successfully withstood the diplomatic pressure of the United States and other major industrial countries to reduce oil prices and has also withstood the more serious market pressure of the last six to seven months as world demand declined and excess productive capacity started to mount in most OPEC countries.

There are several reasons for OPEC's continued ability to stand up to these pressures. One is that it is more than a cartel. It is also a political organization with an ideology: to bring about a more equal distribution of the world's wealth by transferring funds from the rich industrial nations to the less developed resource-producing nations. The long-term achievement of this goal has a higher priority than any short-term profit maximization, particularly since most OPEC nations are far richer today than they ever dreamed of being two years ago. Thus, they now have both the will and ability to maintain OPEC pricing policy in a period of adversity.

Another factor is that under the current conditions of high excess supply—OPEC's February, 1975, production was 21 per cent below that of September, 1973, the last pre-embargo month—OPEC's need for solidarity is greater than ever since a single serious break in the price discipline could conceivably bring the whole structure down. Once real intra-OPEC competition breaks out, it is likely to become uncontrollable and force oil prices all the way down to pre-Teheran Agreement levels. Since such a price decline would not result in any substantial increase in oil demand, at least for the first several years, the immediate effect would be a radical decline in earnings for all OPEC members.

Hence, OPEC's most likely reaction to an American import monopoly would be to confront it with a single export price or a series of agreed export prices. This is how a cartel could be expected to react. Thus, the proposed Federal oil import agency could well have the effect of strengthening OPEC's cartel policy, at least toward the United States. What is to prevent it from turning the tables and submitting a collective bid above the prevailing world market price? Our only options would then be to accept the bid or do without OPEC oil. They know we can't accept the second choice.

But suppose some OPEC member, for whatever reason, did want to increase its oil exports by underselling its cartel partners. It would have to do so secretly so as not to be branded a saboteur of the organization and risk the considerable political opprobrium that would follow. There would be plenty of opportunities for such deals right now. International oil companies and other importers would love to buy oil below the official tax-paid cost. They would have every incentive to keep such purchases a deep secret from their competitors. Furthermore, such discounts can be given to the private companies in many hidden ways such as longer payment terms, rebates on freight rates, favorable exchange rates or payment for service fees for operations the companies perform in the exporting countries. In some cases, and on a small scale, this sort of discounting is happening now.

A Federal agency, by contrast, would be structurally far less flexible to take advantage of such indirect price reductions. But more important, the OPEC member in question would run a much higher risk of having a confidential price reduction publicly disclosed if the purchaser is a United States Government agency than if it is a private commercial company. The Administration's recent record of preventing the leaking of classified information has not been exactly impressive. Furthermore, the granting of secret discounts for a Federal import agency would put a foreign state oil company at the political mercy of the United States Government, which under any number of conceivable conditions may want to leak that information or may be forced to disclose it.

But even assuming all these obstacles away, there is still the question whether a Federal purchasing agency could obtain oil at the lowest prices available to private companies. The Federal agency would often not know what the lowest prevailing world price for any type of crude oil or product really was, since it would not have the kind of international market intelligence which private oil importers have readily available, and it would not be able to take advantage of favorable spot price movements, since these require immediate responses. Thus, the cost of imported oil would probably be higher under a Federal purchasing system than if brought in by private companies.

Finally, the proposed scheme would be an administrative nightmare. It would be all but impossible for a single agency to act as the sole purchaser of nearly 4 million barrels daily of crude oil for well over 100 American refining companies with many different quality requirements and logistical problems. Crude oil may appear to be a fungible product to outsiders, but it is highly diverse to those who actually use it. The inclusion of some of 2.5 million barrels a day of imported refined products would, of course, add further to the problems of a single Federal import agency and could force many of the independent oil importers out of business.

GEN. ROBERT E. LEE

Mr. HARRY F. BYRD, JR. Mr. President, the Gazette, of Alexandria, Va., America's oldest daily newspaper, has been in the forefront of the effort to restore posthumously full rights of citizenship to Gen. Robert E. Lee. Through its coupon-write in campaign, it has received over 11,500 signatures, by latest count, in support of Senate Joint Resolution 23, a resolution I introduced early this session to accomplish restoration of Lee's full rights of citizenship.

When that resolution passed the Senate on April 10, 1975, it was cosponsored by 19 Senators.

Most recently, on May 5, 1975, the Gazette carried a story in tribute to Elmer O. Parker, the discoverer of the original oath of allegiance sworn to by Robert E. Lee in 1865. That discovery was made in 1970 among miscellaneous Civil War-era records in the National Archives. Without this monumental find, the effort to obtain for General Lee that which he sought for himself in writing almost 110 years ago could not have come as far as it has.

The Gazette article, by Steve Parker, makes quite clear the most important role Elmer Parker has had in this story.

Mr. William A. Collins is associate publisher of the Gazette. Mr. Terry Wooten is its editor.

I ask unanimous consent that the article published in the Alexandria Gazette entitled "His Faith in Lee Spurred Movement" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESTORATION OF CITIZENSHIP—HIS FAITH IN LEE SPURRED MOVEMENT

(By Steve Parker)

COLUMBIA, S.C.—One man's basic faith in General Robert E. Lee's integrity has spurred the current movement to restore the Confederate general's citizenship.

Elmer O. Parker, now retired and living in Columbia, searched for and found General Lee's oath of allegiance to the United States because of his trust in Lee.

While others believed the document did not exist, Parker did and his job as researcher in the National Archives gave him the opportunity to find it. After months of scouring through unsorted records and documents he discovered the document in 1970.

"The thing that puzzled me was why General Lee would ask other confederate soldiers and officers to take the oath if he wouldn't take it himself. His life was one of consistency and that just did not seem to fit into the nature of Lee," Parker said, explaining his belief in the oath's existence, "That is what sparked me to search for it.

"Still, you can imagine my eyes bugging out when I came across it," Parker said.

Parker's discovery revived the hopes of many that Lee might regain his citizenship. The discovery of the oath was considered essential since Lee's application for citizenship meant nothing without the accompanying oath of allegiance.

At the time that Parker made his find he probably was the only man who believed in the oath's existence. Parker pointed out that several historians stated the document did not exist.

"In a book, 'Pardon and Amnesty Under Lincoln and Johnson,' there is a chapter whch explains why Lee did not take an oath of allegiance." About 17 pages are devoted to the explanation, Parker said.

Another recognized historian, Dr. Douglas Freeman, made the same point in Volume Four of his "Life of Lee," Parker said.

But the document did exist. "It was buried in the archives," Parker said. "No one knew of its existence. It was filed in a container along with other miscellaneous papers where somebody had stuck it in 1865.

"Since the National Archives doesn't rearrange its records it remained there until I found it. Whether or not it was misfiled intentionally or not we'll never know," Parker added.

PARKER FOUND SIGNED OATH

"Until I came up with the oath of allegiance other gestures to restore Lee's citizenship were empty," Parker said.

Shortly after the document was found, Sen. Harry F. Byrd, I-Va., introduced his resolution before Congress.

The Gazette then picked up the campaign by running a coupon collecting signatures supporting the restoration of citizenship. More than 11,500 signatures from across the country and around the world have been received by the newspaper.

The Gazette campaign has been supported editorially by several other newspapers in the United States and some have even picked up publishing The Gazette coupon.

The restoration of Lee's citizenship has been supported by the Senate and is now waiting for action by the House.

"It would seem almost a perfunctory matter now to do what should have been done long ago," Parker said. "In my opinion Congress cannot only add to the honor of Lee but it can add to the honor of Congress by restoring his citizenship."

Lee would have regained his citizenship had he lived some 28 years longer than he did. Congress passed a law in 1898 restoring the citizenship of ex-Confederate soldiers who were alive at the time so that they might fight against Spain.

But, the 1898 law had no posthumous provision and so the deceased Lee was excluded.

Although Parker's discovery could have far-reaching effects for historians and supporters of Gen. Lee, it has had a minimal effect on Parker's life.

After his find, Parker worked three more years at the National Archives before retiring in 1973 and moving to South Carolina.

Parker wrote an account of his find for the National Archives journal and a Washington area television station and several newspapers reported the find, but personal recognition has been little for the man whose discovery could unite the United States and one of her great men in history.

MULTINATIONALS' VALUE

Mr. BUCKLEY. Mr. President, Mr. F. Perry Wilson, chairman of the board of Union Carbide Corp., has made a thought-provoking contribution to the discussion about the benefits which overseas investments by U.S. companies bring to the U.S. economy. Mr. Wilson's article appeared in the New York Times on March 11, 1975. Because of the relationship of this subject to many areas of interest to Congress, I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MULTINATIONALS' VALUE

(By F. Perry Wilson)

In "Conduct of the Corporation" Wilbert E. Moore observes that in some economic situations "nothing fails like success." His aphorism seems particularly appropriate to the position multinational corporations find themselves in these days. Despite—or perhaps as a result of—their economic success, they have become a focal point of criticism that is based on misconceptions, myths, and misinformation.

These corporations exist because they fill a need that requires worldwide coordination in an era of international interdependence and mutual cooperation. Coordination operates within national and international legal frameworks that include regulatory policies and financial-reporting requirements. The assertion that the biggest corporations are treated just like local retail merchants is patently absurd. In the United States alone, for example, the Union Carbide Corporation files some 7,000 separate tax returns and is subject to the jurisdiction of cities, counties, states and Federal agencies. The same extensive monitoring and auditing apparatus is part of the environment in which multinationals do business in virtually every country in the world.

Within this monitoring framework, they are not likely to pile up exorbitant profits at the expense of a host nation or to run roughshod over its national interests without incurring severe long-term penalties. Nevertheless, there are those who maintain that the sovereignty of nation-states is jeopardized by the power of multinationals. Yet, recent history is replete with examples of nations that expropriated with impunity the assets of foreign companies whose annual sales exceeded the nations' gross national products.

There are three other myths about American multinational corporations that persist despite a preponderance of data to the contrary. The myths are that they avoid taxes, export jobs and increase imports. In recent years, however, the Tariff Commission, Department of Commerce and others have found that American companies have increased exports by $3 billion and, in the process, *created* between 500,000 and 600,000 domestic jobs between 1966 and 1970.

Union Carbide's experience supports these findings. The company has conducted and published the results of a study of the social and economic impact of its foreign investments over two decades. It shows that Union Carbide's foreign investments from 1964 to 1973 produced a combined trade surplus (exports over imports) of more than $1.5 billion and in the process created 2,000 additional American jobs.

These positive contributions to the economy are the result of a "pull effect" exerted by the company's investments on exports, largely in the form of allied, intermediate and accessory products needed to complement the product lines of a foreign facility.

The charges that multinationals invest abroad to avoid taxes is similarly without foundation. Union Carbide's share of total income and withholding taxes paid to foreign governments by international affiliates between 1964 and 1973 totaled $484 million. This amounted to an average tax rate of 48 per cent—hardly an incentive to encourage foreign investment. Beyond that, to assume that all of the world's markets can be served by exports from the United States is to ignore completely the competitive realities of international business.

The socio-economic benefits of Union Carbide's investment in a host country are equally important aspects of its multinational operations. The company's foreign investments have a "push effect" on the economics of host countries. The infusion of capital and technology, the introduction of training programs, the addition of jobs and payroll dollars and the creation of thousands of management opportunities for local nationals cannot but help developing nations.

Multinationals have been extraordinarily successful in meeting the needs of the consumers of the world but, in the process, have failed to articulate their contributions to nation-state economies. Into this communications void rush those with ideological messages and global metaphors: Big is bad, small is good, and spaceship earth is now a wholly-owned subsidiary—and as always government intervention is their answer. But clever metaphors are no substitute for thorough understanding, sound empirical data and objective analyses.

"Nothing fails like success." The success of multinationals has attracted a good deal of attention; their failure has been in articulation.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on January 23, 1950, the then Deputy Under Secretary of State, Dean Rusk, testified in favor of Senate ratification of the United Nations Genocide Convention.

I believe that Mr. Rusk's statement of 25 years ago is equally pertinent and even more persuasive today:

> It is an inescapable fact that other nations of the world expect the United States to assert moral leadership in international affairs. The United States has a record of humanitarian diplomacy, beginning with the early days of the Republiic when President John Quincy Adams expressed the public sympathies of the American people with the Greeks in their struggle for independence from Turkish rule. The United States Government has remonstrated more than once with other governments regarding their persecution of the Jews: with Rumania in 1902 and with Tsarist Russian in 1891 and 1904. . . .
>
> It is a familiar role, therefore, for the United States to take the lead in raising moral standards of international society. And prevailing international conditions make it imperative that the United States continue to play this role.

Mr. President I urge the Senate to ratify the United Nations Convention on the Prevention and Punishment of Genocide.

RETIRED SENIOR VOLUNTEER PROGRAM

Mr. PACKWOOD. Mr. President, I have heard from a number of concerned individuals in Oregon who have written to me in their support for the activities of the Retired Senior Volunteer Programs—RSVP. Because of the importance of the work that these volunteer programs have accomplished, I wish to have printed in the RECORD today the statements of A. L. Kitterman, a member of the Quad-County RSVP Consortium and Elizabeth J. Farley, president of the Oregon Association of RSVP directors. They have strongly urged their retention of the action agency as responsible for training and administration. I ask unanimous consent that these letters be printed in the RECORD.

I also ask unanimous consent to have printed in the RECORD a letter from Lois Filipic, director of RSVP in Cleveland transmitting a resolution related to this matter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITY-COUNTY COMMISSION ON
AGING OF PORTLAND AND MULTNOMAH COUNTY,
Portland, Oregon, April 1, 1975.

Hon. BOB PACKWOOD,
U.S. Senator, Dirksen Office Building,
Washington, D.C.

DEAR MR. PACKWOOD: Would you please make our position on the retention of ACTION as administrative agency for R.S.V.P. known to the congress.

We believe that the proposed change would be detrimental to R.S.V.P. and its services to older people.

Our rationale is the same as that of the enclosed from the Ohio Directors Association and the Region V—RSVP Advisory Council.

If changes are necessary, we urge you then to encourage reformation of the ACTION Agency (as Senator Cranston has recommended) rather than dislocation of its volunteer programs.

Sincerely,

A. L. KITTERMAN,
Member Quad-County RSVP Consortium.

Enclosure.

REGION V—RSVP ADVISORY COUNCIL

Illinois—Eugene Verdu.
Indiana—Jeanette Elliott.
Michigan—Genevieve Rakacy
Minnesota—Larry P. White.
Ohio—Lois G. Filipic.
Wisconsin—Sam Romano.

POSITION STATEMENT

The Region V RSVP Advisory Council at its meeting on February 3rd, 1975 adopted a position in support of the retention of ACTION as the administrative agency for the Retired Senior Volunteer Programs for the following major reasons:

(1) ACTION's Administration of RSVP is extremely supportive of creating relevant retirement roles through meaningful volunteer activities for older persons. The success of this Program under ACTION is evidenced by the enrollment of 117,000 volunteers in 666 Programs. RSVP volunteers have volunteered 30,000,000 hours in the first 3½ years of this Program under ACTION.

(2) The accessibility and willingness of ACTION staff to support RSVP volunteers and local project staff made possible by the decentralization of the ACTION agency into 10 Regional offices and many state offices.

This structure has proved very responsive to the needs of a very rapidly growing Program.

(3) The willingness of ACTION to support and cooperate with other programs for the aging as evidenced by the Memorandum of Agreement negotiated between Dr. Arthur Fleming of the Administration on Aging and Mr. Victor Hruska, Director, Older Americans Volunteer Programs, ACTION, and the cooperation at the local level between Areawide Administrations on Aging and the local Retired Senior Volunteer Programs.

(4) The exceptional training for staff and the on-going training provided by ACTION.

The Region V RSVP Council represents 115 RSVP programs (20% of the programs in the United States) with almost 25,000 volunteers. The Council believes that any change in the administration of RSVP would be detrimental to the operation of RSVP and its service to older persons.

APRIL 29, 1975.

To: The Honorable Senator Bob Packwood

From: Oregon Association of Retired Senior Volunteer Program Directors, Elizabeth J. Farley, President

Re: Transfer of RSVP from ACTION to HEW

The following RSVP programs wish to make a statement concerning the retention of ACTION as the umbrella agency for the administration of Retired Senior Volunteer Programs.

Multnomah County—Aline Kitterman.
Columbia County—Edythe Haynes.
Benton County—Elizabeth J. Farley.
Washington County—Gerry Nutt.
Linn County—Peg Hatfield.
Clackamas County—Judy Smith.
Douglas County—Beverly Paulson.

ACTION has been supportive of the Oregon RSVP both on the state and the county level giving them the opportunity to be creative and flexible within their individual communities. The program directors have has been responsible for training with proerning body and feel free to call on them at any time for advice and support. ACTION has been responsible for traininig with professional value and expertise.

The only problem voiced by these directors is the finding of non-federal funds in our communities due to the "seed money" policy.

We strongly support the retention of ACTION as the administrative agency for the Retired Senior Volunteer Program.

We would appreciate your help in letting the proper committee people know of our support of ACTION.

RETIRED SENIOR VOLUNTEER
PROGRAM,
OHIO DIRECTORS ASSOCIATION,
January 30, 1975.

Dr. MICHAEL P. BALZANO,
Director, ACTION,
Washington, D.C.

DEAR DR. BALZANO: At the meeting of the RSVP Directors Association on January 29, 1975, the Association reaffirmed unanimously its strong support of the retention of ACTION as the administrative agency for RSVP. We urgently request that you, as the National Director of ACTION, make our position known to the Congress during the current hearings of the House Select Subcommittee on Education chaired by John Brademas.

RESOLUTION

ACTION has been and remains highly supportive of both the volunteer concept and the needs of the older American, particularly addressing itself to the need for meaningful activity following retirement.

ACTION provides excellent comprehensive training for new staff and exceptional ongoing training—with particular emphasis on local assessment of program need—including the needs of older persons, voluntarism and project management.

A formal Memorandum of Agreement between the U.S. Dept. of HEW (Administration on Aging) and ACTION has been signed. This agreement calls for increased cooperation and coordination in such areas as training, advocacy for the aging, and review and comment on planning. This agreement provided RSVP with the resources from both ACTION and the Commission on Aging in all States.

The most compelling reason for this request is our conviction that the quality of support provided by, and direct liaison with ACTION on the local level, are far superior to the support envisioned as possible under the administration of a tremendously larger agency in which our program would be a minor part. We believe that RSVP could not function successfully under the many diverse layers of management at the local, state and federal levels.

Sincerely,

LOIS FILIPIC,
Director RSVP, Cleveland.

FARM PRODUCTION COSTS

Mr. HUDDLESTON. Mr. President, on May 13 the USDA announced the findings of a survey conducted by the Statistical Reporting Service regarding the expenditure for living by farm families in 1973. The last such survey was conducted in 1955. The survey found the average size of a farm family was 3.53 members while in 1955 it had been 3.8 persons.

Expenditures for living averaged $10,786 for farm families in 1973 compared to $3,308 in 1955. The Statistical Reporting Service notes that in analyzing the survey results consideration should be given to the fact that net farm income in 1973 reached a record high of about $32 billion, almost double the 1972 level, which might have influenced usual expenditure patterns and relationships.

Mr. President, the May issue of the Soybean Digest contains an article regarding the increasing cost of producing corn and soybeans in the Midwest and South. It is dramatically pointed out that production costs have substantially risen in the past 12 months and at present stand higher than the protection provided the Nation's farmers by commodity loan levels.

Although farm income has increased in recent years and undoubtedly farmers' standards of living have increased, without question there will be serious erosion of this standard by rising input prices. In my opinion farm input price stability must be of upmost concern to this Congress.

Mr. President, I ask unanimous consent that the article "Production Costs on the Rise" published in the May 1975 Soybean Digest be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRODUCTION COSTS OF THE RISE

Anyone who has or plans to put any kind of a seed in the ground this spring realizes by now that it'll probably cost him a little more to do so. Costs, notably for things like fertilizer or machinery, have soared substantially in the past few years. The $5/bu soybean that seem impossible just a few seasons ago now is almost a must if soybean grower are to even recover their production costs. In fact, that low a price would cause many growers to lose money as would any corn price very much below $2/bu or a cotton price below about 45¢/lb, a small survey of some American Soybean Assn. members indicate.

With all the talk this spring about production costs in connection with the proposals for higher target prices, we decided to ask a sampling of ASA members what it costs them to produce a crop. They figure it will cost them about 15% more to produce soybeans in the South this year than it did a year ago and 12.7% more in the Midwest than it did in 1974. As expected, the variable costs for input items like seed, fertilizers, machinery, etc., are up the most—21.4% in the South and 19.4% in the Midwest.

Southern growers said they expected about the same percentage increase in costs to grow a cotton crop, but Midwest growers said it would require an even bigger percentage increase for them to grow corn in 1975—25.6% more than in 1974, primarily due to a 31.2% increase in the cost of the fertilizer they expect to put on each acre. Interestingly enough, these same Midwest growers plan to spend less per acre on fertilizer for soybeans this year. Enough said they'd cut back on fertilizer rates or put on no fertilizer at all that it offset fertilizer price increases for other farmers, a factor that also showed up somewhat in corn but not to the extent that it did for soybeans.

Although production costs are up sharply, Midwest growers are figuring they can bounce back enough from a rather poor year in 1974 that costs per bushel will be about the same in 1975. They list total costs of $142.66/a in 1974 when they averaged only 35 bu/a—a cost of $4.08/bu. This year they figure costs will climb to $160.71/a for soybeans, but they're looking for an average yield of 39.3 bu/a—an average cost of $4.06/bu.

Southerners also are looking for about a 3 bu/a boost in average yields, but that won't be enough to offset the higher production costs. Their land cost is somewhat cheaper than that in the Midwest, but their production costs for items like chemicals and machinery are higher and their overall average yield expectations are lower. Thus, Southern growers look for last year's $4.84/bu costs to jump to $4.99/bu this season.

Although there weren't quite enough returns in the ASA survey to run valid comparative tables of rice and cotton costs, USDA analysts are expecting those figures to be somewhat higher this year, too. Numbers from ASA returns correspond fairly closely with the USDA figures, but allowing $44/a for land costs, ASA members figured it should cost them $254.16/a for cotton—or 42.4¢/lb on a 600 lb/a yield.

There are plenty of other cost figures available. An Alabama extension specialist lists costs for soybeans at only $113/a but he allows only $15/a for land. On the other hand, he projects a cost of $5.68/bu with a yield of 20 bu/a. Iowa State Univ. figures parallel the ASA numbers generally except land and machinery cost figures are too conservative in ISU's $142.51/a cost for soybeans and $211.89/a for corn, according to the ASA survey. Minnnesota growers figured their costs at $6.05/bu in a survey of ASA members there last winter.

No matter who's providing the cost figures, you can probably bet pretty safely that they'll be up this year compared to past years. But all of the numbers from all of the universities and all of the USDA officials won't do you much good unless you translate them to your own operation. More than likely, you're already quite cost conscious after seeing the increases of the past few years, but if you're not, use some of the figures from ASA's survey as guidelines to compare with your own costs, and plot the costs and required crop prices on the graphs to determine profit.

Cost figures for the Midwest and for soybeans in the South are based on a Soybean Digest survey of a limited number of ASA members. The numbers listed in each category are AVERAGES of the figures reported by all respondents—some figures were much higher and some, of course, much lower. We did not attempt to asess what each member included in the various categories but used the figures listed. In some cases for example, farmers may have figured machinery and harvesting-storage categories together while others listed them separately as indicated. Some figure part of the carryover fertilizer as a soybean cost; others do not. Some allowed themselves a good cut for their own labor; others apparently figured their labor was pretty cheap as they indicated nothing for their own efforts. Although some cost figures appear a little too conservative and others perhaps a little high, the total is in line with cost figures from a number of other sources.

MIDWEST SOYBEAN AND CORN COSTS

[Cost per acre]

	Soybeans		Corn	
	1974	1975	1974	1975
Seed	$8.44	$9.94	$9.03	$12.03
Fertilizer	8.92	8.66	39.23	51.48
Herbicides and other pest control chemicals	8.32	10.26	9.65	11.98
Machinery (includes depreciation, fuel, repairs, etc.)	20.66	24.21	23.62	27.42
Harvesting, drying costs	6.04	7.53	13.39	17.12
Hired labor costs	4.29	5.79	4.53	5.60
Other variable costs	4.63	6.78	8.11	9.30
Total out-of-pocket costs	61.30	73.17	107.56	134.93
Land cost (cash rent or 7½ times land value)	70.44	75.71	70.44	75.71
Own labor costs	10.92	11.83	13.05	13.95
Total costs per acre	142.66	160.71	191.05	224.59
Expected yields (bushels per acre)	35.00	39.6	118.6	121.7
Cost per bushel	4.08	4.06	1.61	1.8

SOUTHERN SOYBEAN, COTTON AND RICE COSTS

[Costs per acre]

	Soybeans			Cotton	Rice
	ASA survey		USDA study[1]	USDA study[1]	USDA study[1]
	1974	1975			
Seed	$9.22	$10.11	$18.00	$8.75	$21.72
Fertilizer	8.77	12.31	12.56	24.35	36.51
Herbicides and other pest control chemicals	10.88	14.22	9.59	27.39	31.59
Machinery (includes depreciation, fuel, repairs, etc.)	26.43	31.69	31.90	79.47	44.81
Harvesting, drying costs	6.48	7.98	4.50	40.25	59.94
Hired labor costs	10.46	11.99	7.45	14.15	29.39
Other variable costs	6.75	7.64	5.65	10.56	6.34
Total out-of-packet costs	78.99	95.94	89.65	204.92	230.30
Land cost (cash rent or 7½ times land value	32.90	34.10			
Own labor costs	10.50	10.70			
Total cost per acre	122.39	140.74			
Expected yields (bushel per acre)	25.3	28.2			
Cost per bushel (or pound)	4.84	4.99			

[1] USDA costs for soybeans based on sandy and silt loam soil with 6-row equipment; for cottou costs are North Delta figures for solid planting on mixed soil with 6-row equipment; for rice costs are University of Arkansas figures for the Grand Prairie areas.

"IT'S ACTION, BUT IS IT AFFIRMATIVE?"

Mr. BUCKLEY. Mr. President, the New York Times Sunday Magazine, May 11, 1975, contained an article, "It's Action, But Is It Affirmative?" written by Sheila K. Johnson. The article, to quote words used in its introduction, tells "The saga of how Federal officials came to require that a public university add to its faculty: 0.19 women in engineering, 1.40 orientals in architecture, and 1.38 blacks in social welfare."

The "saga," of course, concerns the affirmative action programs, the officially sanctioned reverse discrimination programs that have been wreaking havoc in American colleges and universities for some time now. On two occasions—May 22, 1973, and September 17, 1974—I have had the opportunity to bring to the attention of Congress the follies and the dangers of this inherently discriminatory practice. "It's Action, But Is It Affirmative?" is a well-researched analysis of the program as it has affected the University of California at Berkeley campus. While reading it, I found myself wondering just how many more speeches and articles it will take to make the Congress and the President realize that there is blatant discrimination in these affirmative action programs and that simple justice demands that they be reexamined and changed so that they truly reflect Executive Order 11246 and the Civil Rights Act of 1964.

Mr. President, I commend the reading of this article to Senators and, therefore, ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

It's Action, But Is It Affirmative?

(By Sheila K. Johnson)

Berkeley.—The University of California's Berkeley campus—home of the Free Speech Movement, alma mater of Patty Hearst—has just earned another dubious distinction. On Feb. 18, it signed with the Department of Health, Education, and Welfare an affirmative-action plan that Peter E. Holmes, director of H.E.W.'s Office for Civil Rights, hailed as the most far-reaching plan his office has yet achieved with a university. Under the plan, Berkeley has agreed, on pain of losing some $13-million in Federal contracts, to eliminate discriminatory hiring practices during the next 30 years by filling at least 100 faculty positions with women and members of minorities.

Berkeley's plan—attacked by feminists as too little, too late, and deplored by others who argue that merit rather than past injustices should govern university hiring policies—will become the model for the University of California's eight other campuses. But it is also being closely scrutinized by other major state systems, such as the University of Wisconsin, to see what the future holds for them; and it may well be used by H.E.W. to extract further concessions from universities such as Columbia and Harvard, which signed earlier, less stringent affirmative-action plans with H.E.W. Prof. Joyce Kallgren, an assistant to one of Berkeley's vice chancellors and herself a Harvard Ph.D., says that, by comparison with Berkeley, Harvard has what amounts to a "sweetheart contract."

How Berkeley came to be such a paragon of compliance is a tale full of sound and fury; whether it is also a tale told by an idiot is something every reader will have to judge for himself or herself. The story really begins on Sept. 24, 1965, when President Lyndon Johnson signed Executive Order No. 112446, stating that all contractors and subcontractors who have contracts in excess of $10,000 with the Federal Government must agree, on penalty of losing those contracts, that they "will not discriminate against any employe or applicant for employment because of race, color, religion, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employes are treated during employment without regard to their race, color, religion, or national origin." On Oct. 13, 1967, President Johnson signed Executive Order No. 11375, which added the word "sex" to these lists of qualities against which an employer must not discriminate but in favor of which he must exercise affirmative action—a difficult double bind that has by no means been resolved.

It is one of life's little ironies that at the time President Johnson signed these two executive orders, many university types (myself included) loudly applauded his unilateral action and criticized businessmen and union officials who protested that they were interested only in hiring the best (we all knew what racist and sexist practices lay behind that claim). It did not dawn on me or the others that universities would soon be trying to fend off H.E.W.'s accusations against their own hiring policies with the same plaintive refrain. Johnson's executive orders assigned the Department of Labor the task of implementation, although the department was left free to delegate any part of its duties to other agencies in the executive branch. This is how the Department of Health, Education and Welfare became the compliance reviewer for the insurance industry, museums and art galleries, nonprofit organizations, and "medical, legal and educational services."

The initial impact of Executive Order 11246 came primarily in the building trades, where many predominantly white unions were forced to admit large numbers of blacks and Puerto Ricans. It is significant that complaints against universities did not begin to be lodged until after the second executive order had been signed; the push for affirmative action on the campuses has been spearheaded by, and has been chiefly of benefit to, women rather than minorities. On the Berkeley campus, one female activist who claims a large share of credit for calling in H.E.W.'s investigatory team is Isabel Marcus Pritchard, a 36-year-old third-year law student and coordinator of the League of Associated Women, a group of militant graduate students and professionals on the campus. Mrs. Pritchard was one of the plaintiffs in a complaint filed with H.E.W. by the league on April 29, 1971; her suit was based on various grievances against Berkeley's Department of Political Science, in which she was a graduate student for 12 years and which finally awarded her a Ph.D. in June, 1974.

Mrs. Pritchard, incidentally, possesses a collection of purloined copies of documents relating to H.E.W.'s negotiations with Berkeley that would be the envy of Daniel Ellsberg. When asked how she had obtained these documents, she smiled enigmatically and said, "Perhaps the university should give some thought to the fact that most of its lowly employees are women and not all of them are as happy as they may seem." Mrs. Pritchard leaked most of the documents, at strategic moments, to the university's student newspaper.

Floyd L. Pierce, a tall, light-skinned black who is the regional civil-rights director of H.E.W.'s Region 9, based in San Francisco, disputes Mrs. Pritchard's claim that H.E.W. was reluctant to investigate Berkeley until forced to do so by militant women. "We had our eye on Berkeley long before the League of Associated Women filed its suit," Pierce says, "both because we knew Berkeley set the pace for the entire California system, and because we knew that it was one of the top universities in the country." Whatever the case, Pierce first contacted the Berkeley campus in June, 1971, in order to conduct what is known as a "compliance review."

Dates play an important role in this story, because it was not until Dec. 4, 1971, that the Department of Labor issued a set of additional rulings which are known as Revised Order No. 4. Under these new rules, a Federal contractor with 50 or more employes and a contract in excess of $50,000 is not merely required to demonstrate that his employment practices are nondiscriminatory; he must provide the Department of Labor with a written affirmative-action program. Revised Order No. 4 also sets forth specific guidelines for analyzing a contractor's job classifications to determine "underutilization": "'Underutilization' is defined as having fewer minorities or women in a particular job classification than would reasonably be expected by their availability." And, for the first time, Revised Order No. 4 refers to "'members of an 'affected class' who, by virtue of past discrimination, continue to suffer the present effects of that discrimination" and who must be specifically included in an employer's written affirmative-action program.

In a gloss on the term "affected class" and with reference to its use of the term "minorities," the Department of Labor also noted that it defines minorities as Negroes, Spanish-surnamed individuals, American Indians and Orientals. It is these groups, and only these groups, that constitute what in India would be called "the scheduled castes" and that, together with women, are the targets of affirmative action. This is an important point to bear in mind when Jews worry that action in favor of a particular group can easily turn into action against a particular group (themselves): The Department of Labor argues that Jews are fully protected by the nondiscrimination requirements of the executive orders, which apply to everyone. At the same time, the department's restriction of the term "minorities" to only four groups also explains why its affirmative-action efforts have so far not extended to Armenian-Americans, Polish-Americans, Italian-Americans, or other ethnic categories.

But to return to the Berkeley story. Revised Order No. 4 propelled private universities such as Columbia and Harvard into producing written affirmative-action plans but, until Oct. 4, 1972, public institutions (such as Berkeley) were exempt from this new ruling.

Thus, when H.E.W. officials arrived on the Berkeley campus in June, 1971, they were ostensibly looking into Berkeley's hiring practices on the basis of some complaints they had received; but, by the time they delivered their findings to the university on Nov. 27, 1972, the ground had shifted radically and they not merely found Berkeley out of compliance with the executive order but demanded a written affirmative-action plan.

During the year-and-a-half that H.E.W. was investigating the Berkeley campus, university officials tried to supply the agency with the data it asked for; but, according to Robert Kerley, Vice Chancellor in charge of administration (that is, the university's nonacademic employes), "it was a bit like being in a ballgame against a team that was making up the rules as it went along." To make matters more confusing, H.E.W. was sending out a variety of players from Washington to look over the campus so that, according to Kerley, "we were constantly reeducating new officials about how a university is organized, what our job classifications are, and such matters as the difference between tenured and nontenured faculty."

After taking a year-and-a-half to reach its conclusions about Berkeley, H.E.W. demanded—as the regulations require—that the university respond to its findings within 30 days. The university requested a monthlong extension and, by Jan. 15, 1973, it had submitted an initial report concerning its past efforts at minority and female recruitment and its hopes and good intentions for the future. But, of course, this was far from the detailed affirmative-action program demanded by Revised Order No. 4. Specifically, this regulation requires an employer to analyze his work force to determine how many women and minorities are employed in each job category, and to compare the results with the availability pool in each job category in his particular area. For example, an automobile plant in Gary, Ind., might determine that 20 per cent of its assembly-linemen were black, whereas blacks constituted more than 50 per cent of the availability pool in and around Gary. In order to rectify this 30 per cent underutilization, the automobile plant would have to come up with specific hiring goals and a timetable for meeting them.

Beginning early in 1973, the Berkeley campus set about compiling similar information about all of its academic and nonacademic employees. Availability pools for typists, janitors, gardeners and the like were obtained from the Department of Labor (which gets them from the 1970 U.S. Census), but what is the relevant availability pool for research and teaching assistants (who are usually hired from among a department's graduate students), and what is the relevant availability pool for professors?

Since the basic qualification for almost all university professorships is a Ph.D., the university turned to statistics compiled by the National Research Council on the number of women who are awarded Ph.D.'s each year. However, since it was until recently illegal to inquire into a student's or an employee's ethnicity, no such statistics were available for the number of Ph.D.'s earned by blacks, Orientals, American Indians, or individuals with Spanish surnames. The university eventually used some admittedly inadequate statistics taken from a study by the American Council on Education, which surveyed the ethnicity of college and university faculty members in 1972–73.

These information-gathering and analyzing activities absorbed the time of approximately 10 university staff members, to say nothing of the hours put in by faculty members who wrote position papers, gave policy advice, and worked out complicated computer programs. Berkeley's negotiations with H.E.W. were further complicated by the fact that above its own administration there is yet another set of administrators for the University of California's nine campuses as a whole. Berkeley's administrators thus had to consult not only their own faculty members (who would ultimately have to implement the affirmative-action plan) but also university-wide administrators, who were concerned that anything Berkeley agreed to would automatically implicate the other campuses.

Despite these complications, and the impossibility of ever getting a faculty of almost 1,500 to reach unanimity on anything, Berkeley achieved a measure of consensus by mid-1973. The university was agreed that, while it would have to set specific goals and timetables for hiring women and minority professors, it would not point the finger at individual departments. The administration felt that setting goals department by department would be highly divisive (the chancellor doubtless had visions of angry department chairmen asking him, "Why us and not those bums down the hall?"); the faculty also wanted to avoid politicizing individual appointments. Berkeley's first affirmative-action program, submitted to H.E.W. on Aug. 27, 1973, therefore analyzed its academic work force in terms of divisions—for example, the humanities, the social sciences, and the physical sciences.

On Nov. 16, 1973, in an extremely strongly worded letter from Floyd Pierce, H.E.W. rejected Berkeley's plan, primarily because it had clustered its departments: "Unless the university submits an acceptable Affirmative Action Program within 30 days, I will have no alternative but to conclude that U.C.B. is unable to comply with its obligations as a Federal contractor. Until O.C.R. [the Office for Civil Rights] has been able to review your revised A.A.P. [Affirmative Action Program], we will respond to any request by a Federal agency that H.E.W. certify U.C.B.'s eligibility for contract award by asking that the proposed contract award date be delayed pending completion of our review."

This threat was carried out, so that in late 1973 and early 1974, some $2.8 million in Federal contracts was delayed, and various university departments—particularly in the sciences—became seriously worried about continuing their research projects and meeting their payrolls. As was the case at Columbia University a year earlier, H.E.W.'s move also tended to split the faculty, with the sciences insisting that H.E.W.'s demands be met, not only because they stood to lose more money but also because the minority and female availability pools in these fields are so small that they had little to fear from goals being set department by department.

On March 7, 1974, Vice Chancellor Robert Kerley signed a "conciliation agreement" with Floyd Pierce which had the effect of restoring the flow of Federal money to the university and which promised that the university would have an acceptable affirmative-plan by Sept. 30, 1974. Basically, having concluded that it would have to give way on the issue of analyzing its work force department by department, the university now set out to protect itself from having these goals rigidly applied. It convened some of the best minds in the statistics department and asked them to work out a statistical formula for determining whether a department's underutilization of women or minorities was the result of deliberate discrimination in hiring or whether, given the small size of many departments, it might be due to random chance. A P-value (the "P" stands for probability) was worked out for every department, and only where the probability of discrimination was high was an affirmative-action goal set.

When Berkeley's plan was made public, feminist critics such as Isabel Marcus Pritchard were quick to point out the insidious nature of the P-value test, and statistics professor Elizabeth Scott, who had served on the faculty committee that had helped devise the test, disowned it. Meanwhile law professor Michael Heyman, who became a Vice Chancellor only in August, 1974, and who had managed at that late date both to absorb the history of the previous three years and to write the new plan, waited for some word from H.E.W.

Finally, after more than three months of total silence, Heyman heard from the Washington office of H.E.W. that the P-value test and various other small points still made the plan unacceptable, and that a "show-cause" letter was in the works. Such a letter states that a Federal contractor is not in compliance with the executive orders and gives the contractor 30 days to "show cause" why he should not have his contracts cut off. Anxious not to put the university through yet another period when its Federal funds would be suspended, Heyman offered to fly to Washington to negotiate the university's differences with H.E.W. in person. He and Robert Kerley made several such trips last January, in the course of which the university abandoned the P-value test and agreed to straightforward department by department goals and timetables, while H.E.W. accepted the university's arguments that such timetables would have to be more flexible than those normally accorded to industry.

For example, a small department such as Scandinavian, with six professors, all but one of them with tenure and the oldest member in his 50's, may well require 17 years to hire a woman as an assistant professor.

With these compromises reached, the University of California at Berkeley and H.E.W. held a joint press conference on Feb. 18, at which they announced that Berkeley was now in full compliance with the Department of Labor's guidelines on affirmative action. Ever true to its bureaucratic mandate, however, H.E.W. insisted that since the university's Sept. 30 plan had not been acceptable, a show-cause letter must also be issued; and so there is a letter, also dated Feb. 18, charging that the university is not in compliance with Executive Order 11246. "Exactly how long was the university out of compliance?" asked Isabel Pritchard sarcastically. "Four hours? Four minutes? Don't try to tell me there was no collusion between H.E.W. and the university."

But what about the goals and timetables themselves—those scientifically computed figures that are supposed to usher in a millennium in equal opportunity? After insisting that the university measure its work force against the availability pools department by department, H.E.W. and other critics of the university were chagrined to find that most departments do not seriously underrepresent either women or minorities. It turns out there are really very few blacks with Ph.D's in classics. Orientals with Ph.D's in Spanish, or women with Ph.D.'s in forestry. In departments where the availability pools are so low that the "hires to parity" required are under one full person (for example, Berkeley's civil engineering department needs .19 woman to bring it into line with the availability pool), the university did not set a goal. It only set goals for those departments which need to hire one or more individuals.

If one adds up all the departmental goals, 31 departments would, over the next 30 years, be required to hire a total of 95.71 women; one department—social welfare—needs to hire 1.38 black faculty members; two departments—civil engineering and architecture respectively—need to hire 1.39 and department needs to hire any Spanish-surname or American Indian professors. It is as if an elephant, after prolonged gestation and prodigious labor, had given birth to a mouse.

Not surprisingly, almost no one is happy with these results. Feminists such as Isabel Pritchard are outraged and charge that the university has fiddled with the availability pools. Floyd Pierce looks pained when asked how it feels to have played midwife to a plan that calls for the hiring of 95.71 women and only 1.38 blacks: "Well, I personally don't like it, of course, but the availability figures just aren't there—and believe me, I looked for hard data with which to dispute the university. Women have just been getting Ph.D.'s a lot longer than blacks have been." A black male graduate student puts it more crudely: "Of course women are going to reap most of the benefits; after all, they're the ones sleeping with the men."

Even Michael Heyman has grave misgivings about the final results of his negotiations. "By writing it down in concrete terms—by being forced to engage in this numerology—we have succeeded in communicating to certain departments that they're off the hook. If the availability pool isn't there, then they needn't worry about hiring a woman or a minority individual. All of this is actually counterproductive to achieving real progress in equal opportunity."

The department with the greatest goal to meet is English, a large department with 71 professors, seven of them women, which is supposed to hire 14.56 more women in the next six years. Unfortunately, the department's chairman, Thomas Flanagan, is in a difficult position. For the past few years, he has had only two or three jobs a year to fill, and he says he will be lucky to have a *total* of 14 openings during the next six years. At the same time, it would be illegal, according to H.E.W.'s regulations, for Flanagan simply to earmark all of these positions for women. Revised Order Number 4 states that "goals may not be rigid and inflexible quotas which must be met, but must be targets reasonably attainable by means of applying every good faith effort." But then, as Paul Seabury, a Berkeley professor of political science, wrote three years ago in a famous article in Commentary, "if all that H.E.W. wishes is evidence that universities are bending over backward to be fair, why should it require them to have statistical goals at all? Do they know something no one else knows, about where fairness inevitably leads?"

The aspect of the affirmative-action plan that has met with the least faculty resistance is H.E.W.'s insistence that hiring procedures be broadened and formalized. In the bad old days, it is argued, professors were generally recruited via the "old boy system": A Berkeley professor called up a few of his friends at Harvard, Yale, Chicago and Columbia and asked them to recommend their best students. H.E.W. claims that such informal networks work to the disadvantage of women and minority applicants. Berkeley's affirmative-action plan therefore requires that all positions be widely advertised, not merely in the usual disciplinary bulletins but also in magazines like The Black Scholar and The Spokeswoman.

Such advertisements have produced a vast increase in the number of applications for any one job: Professor Flanagan reports that last year the English department received over 1,000 applications for three positions.

One drawback to all of this is the greatly increased cost. Advertising eats up about $500 for each position, with a total cost to the university of $35,000 this past year. Several departments have had to request extra funds from the chancellor in order to hire full-time secretaries just to process the welter of applications and their attendant paperwork. Berkeley's Chancellor Albert Bowker recently estimated that over-all compliance with the affirmative action requirements will cost the university approximately $400,000 this academic year.

It would be nice to know with certainty that the additional expense and effort will produce an improvement over the "old boy system," but this is by no means clear. When Professor Flanagan was asked whether the English department's broadened labor pool had resulted in his actually hiring someone from a school he might otherwise have overlooked, he shook his head. "No, and I didn't think it would work out that way. In some disciplines, such as statistics, you have to go to a very good graduate school in order to be any good. But it was at least conceivable to me that there might be a great Dickens critic sitting in the woods somewhere. However, Berkeley is a research university, and our department looks for candidates with research potential and sophistication. This means we end up hiring people from top schools—Chicago, Harvard, Johns Hopkins—with our same general outlook."

Aside from the disquieting possibility that statistics may not prove very much one way or another, there is a growing likelihood that they are altogether spurious. Feminist and black critics of the Berkeley plan argue that the availability pools of female and black Ph.D.'s are much larger than the current statistics show, and that these figures must be corrected. But the problems are really much more complex. The National Research Council, which compiled the statistics used by Berkeley on women, has recently begun collecting data about minorities. It found that in 1973, out of a total of 33,727 individuals who received Ph.D.'s, 976 were black, 2,429 were Oriental, 347 had Spanish surnames, and 149 were American Indians. However, of the 2,429 Orientals, only 320 were U.S. citizens; the others were presumbly Taiwanese, Hong Kong and Singapore Chinese, and Japanese. And among the 976 black Ph.D.'s, 760 were U.S. citizens, leaving approximately 200 Africans who obtained doctorates in this country.

If H.E.W. decides to count these noncitizen Ph.D.'s in the universities' availability pools, will it not risk being accused of providing equal opportunity for foreigners? Waite Madison, Chief of Higher Education in H.E.W.'s San Francisco office, acknowledges that "this is a problem we will have to deal with soon." His own feeling is that H.E.W. should not be counting noncitizens in the availability pools. But in that case noncitizens should also not be counted as minorities in the university's work force, as for example, several Japanese and Chinese professors and one Nigerian professor currently are.

The Spanish-surname category poses even greater difficulties. According to Floyd Pierce, the Labor Department prefers this broad definition to narrower constructions such as Chicano (Mexican-American), Puerto Rican, and Cuban-American because it is setting a national policy. "Here on the West Coast the Spanish-surname availability pool will include mostly Chicanos; in New York, it will consist of Puerto Ricans; and in Florida it will apply to Cubans." But of course, Spanish surnames are also found among individuals of Castilian descent as well as Sephardic Jews.

Professor John Polt, chairman of the department of Spanish and Portuguese, finds the whole Spanish-surname category absurd. "We had, at one time in this department, three instructors who were genuine Latin-Americans. One had a Serbian name, one had a Polish name, and one had a Hungarian name." Polt, whose own family name used to be Pollatschek and who had to flee Czechoslovakia in 1938, adds sardonically, "Hitler did this all so much better, you know. The Nuremberg laws computed exactly whether you were 100 per cent or half or 1/16th Jewish. With the H.E.W. system, who is ultimately to say whether you and I are black, Oriental or American Indian?" Already there is a documented case at Berkeley of a student who applied under his father's name and was refused admittance, but who then reapplied under his mother's (Spanish) surname and was admitted with a large grant.

Many professors at Berkeley hope that the whole affirmative-action program will just quietly fade away in the course of the next five years. Even those who cherish its purpose, if not its statistical means, believe that this would be desirable. Others see several different possible outcomes. One is that the whole statistical apparatus will break down under the weight of deliberate falsification. As it becomes clear that there are real advantages to be gained by being a member of a "scheduled caste," it seems likely that more and more individuals will discover a Cherokee ancestor in their background or will change their names to Ramirez. There are also numerous department chairmen at Berkeley who balk at filling out ethnic identity forms, either for their own departmental employes or for their job applicants. One chairman marked down his entire staff as black ("because they all looked rather tanned to me"); another reports that since there are exactly six categories on the form (the four minorities, Caucasian, and "other nonwhite"), he throws a die to determine which column to mark.

Still another possible outcome of H.E.W.'s affirmative-action efforts is that more ethnic Americans, Italian-Americans, or Armenian-Americans should not insist that their availability pools—as well as those of Negroes, Spanish-surnamed individuals, American Indians, and Orientals—be computed and that goals and timetables also be set for *their* proper representation in the universities and elsewhere. In this respect, it is an important precedent that Executive Order 11246 has already been amended once to include women. There is also no reason why the executive order could not be amended to include gays, spastics, paraplegics, blind and deaf individuals, persons over 50, or any number of other groups that have often been discriminated against in the labor market.

Finally, and perhaps the most likely outcome of affirmative action in the near future, there is the possibility that a reverse discrimination suit will be filed in the courts by a white male. Last year, the DeFunis case was declared moot by the Supreme Court because DeFunis was, in fact, admitted to the University of Washington Law School and graduated while his case was going through the courts. (DeFunis claimed he had been unconstitutionally denied admission to the University of Washington Law School because of a program which gave preference to minority applicants over better qualified white applicants.) However, Justice Douglas, who dissented on the finding of mootness, wrote with regard to the merits of the case, "the reservation of a proportion of the law school class for members of selected minority groups is fraught with [dangers], for one must immediately determine which groups are to receive such favored treatment and which are to be excluded, the proportions of the class that are to be allocated to each, and even the criteria by which to determine whether an individual is a member of a favored group."

What a reverse discrimination suit at the faculty level might look like is illustrated by the case of Guy Alitto, who has just received his Ph.D. in Chinese history from Harvard. Alitto (who is, incidentally, a third-generation Italian-American) was a student of Professor John Fairbank and two years ago, when he did some desultory, unsuccessful job-hunting, Fairbank advised him to wait until he had finished his dissertation. This spring, with his dissertation completed and under consideration by a university press, Alitto was interviewed for two jobs, both of which ultimately went to women who were just starting their dissertations—prima facie instances of individuals less qualified than he being hired on the basis of affirmative action. Alitto says he is not the suing type, but his diffidence has forced him to take a part-time job in provincial college in Taiwan.

Meanwhile, H.E.W. has printed copies of the Berkeley plan and some of the attendant correspondence leading up to its final approval. It is distributing these packets, upon request, to universities such as C.U.N.Y., Florida State, Wisconsin, and others. There is some lingering doubt, however, whether the Berkeley plan is fully satisfactory as a future guide. Although the Department of Labor has delegated H.E.W. the task of seeing that universities are in compliance with Executive Orders 11246 and 11375, it retains final jurisdiction; and it approved the Berkeley plan only reluctantly after conducting a 45-day review of its own. In a letter to Berkeley's Chancellor Bowker, dated April 14, 1975, Peter Holmes warned ominously, "The Director [of the Department of Labor's Office of Federal Contract Compliance] has indicated his concern for the manner in which goals for Ladder Faculty are expressed." Translated into plain English, this probably means that the Department of Labor, with its more industrial orientation, is unhappy over Berkeley's extended timetables.

The Departments of Labor and H.E.W. are themselves under pressure from feminist organizations which believe that the Government's actions in forcing universities to comply with the Executive Orders have been totally inadequate. The National Organization of Women and the Women's Equity Action League have a suit against the Departments of Labor and H.E.W. pending in the U.S. District Court for the District of Columbia. And Isabel Marcus Pritchard, as soon as she gets her law degree and passes the California bar exam, plans to devote herself to bringing suits against the University of California.

It would be nice to be able to end an article about affirmative action on an affirmative note. Unfortunately, the whole bureaucratic, legalistic muddle reminds one of nothing so much as "Alice in Wonderland," where the sentence comes first and the verdict afterward, people run to stay in the same place, words means what one chooses them to mean, and everything's got a moral, if only one can find it.

NO-FAULT AND EMERGENCY MEDICAL SERVICES

Mr. MAGNUSON. Mr. President, in my recent book, "How Much for Health," I pointed out that "thousands of auto accident victims are dying each year of 'recoverable injuries' because of deficiencies in the quality and delivery of emergency health services." I have here an article from the April 24 issue of the Washington Post that gives hope for a change. An auto accident victim's life was saved by the system for rapid delivery of quality emergency medical services in Maryland. If the accident had occurred in the man's home State of Virginia, he would be dead, because no such system exists in Virginia.

A national standards no-fault auto insurance law would help make services of this kind available in Virginia and all of the other States. The national standards for no-fault insurance must establish high medical benefits so that every person can afford the average of $613 a day that these services cost. If we assure that the hospitals and ambulance services will receive prompt and complete payment from no-fault benefits—instead of having to wait months or years for a court settlement—for all bills, they could afford to construct adequate facilities to furnish quality emergency medical services to auto accident victims.

The article shows how thousands of auto accident victims lives each year might be saved if Congress would pass a national standards no-fault auto insurance bill to provide the resources.

Mr. President, I ask unanimous consent that the article and the relevant passage from my book be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Man Who Survived Urges Trauma Unit for Virginia

(By Jane Rippeteau)

At midnight a year ago a black Lincoln Continental carrying two businessmen smashed head on at about 75 m.p.h. into an oak tree off Rte. 450 near Bowie.

Minutes later, two Maryland state troopers arrived, found William S. Wheeler near death inside the mangled wreckage, and summoned a Med-Evac helicopter to take him to the Maryland Institute for Emergency Medicine—the shock-trauma center in Baltimore.

Rescue technicians estimated Wheeler had six minutes to live.

Recovered now with little more than a right leg limp, Wheeler credits Maryland's system of split-second communication, transportation and ultra-modern emergency medical care with saving his life.

A resident of Fairfax County, Wheeler believes that had his accident occurred in his home state of Virginia, where no such system exists, he would be dead.

Using himself as an example of the near miracles performed at the shock trauma center, Wheeler has launched a campaign to have Maryland's rescue operation copied in Virginia.

But medical experts view his idea—line up one or two helicopters and get Gov. Mills Godwin to tell the Virginia state police to airlift victims to Baltimore—as a complicated and difficult task.

The difficulties include:

Cost. Victims brought to the Maryland trauma center are treated; then asked who they are and whether they can pay. The State of Maryland picks up the tab for those too poor to pay. Although officials at the trauma center have said they will accept Virginia victims, they say the State of Virginia must promise to pay the average $613 per day bill for its own indigents.

Distance. Although the trauma center is credited with saving the lives of dozens of critically injured accident victims each year, its success depends in part on how quickly the victim arrives at the center. Most places in Virginia, officials fear, are too far from Baltimore to get victims to the trauma center fast enough to save their lives.

Opposition. Some health officials, while recognizing the benefits of helicopter transportation and sophisticated treatment of accident victims, nevertheless view Wheeler's idea as only one aspect of more complicated, essential regional centers for trauma victims. In other areas where this has been done, some hospitals not designated have opposed the reorganization.

In Maryland, emergency medical care is coordinated on a statewide basis via a communications network linking doctors with policemen and rescue personnel at the scene of an accident. Helicopters are immediately available to evacuate critically injured victims, and five medical centers throughout the state have been designated as specialty centers for critical care.

In contrast, a survey of Northern Virginia police and rescue operations personnel shows that victims are usually rushed to the nearest hospital emergency room, regardless of its capabilities. Helicopters are rarely used to transport accident victims from the scene of an accident, and Virginia officials are not generally aware of a center's capabilities or availability.

"We have the facilities here, but we don't have a system. More lives will be saved here with a good coordinated system," said Dr. Douglas Koth, director of the Arlington Hospital emergency department and a vice chairman of the Metropolitan Washington Regional Medical Program (MWRMP).

The regional medical program has spent three years and $140,000 in federal funds, researching an emergency medical network for the metropolitan area. The group recently applied for a $1.9 million HEW grant that would go, in part, to evaluating area medical facilities to determine which are equipped to be designated as trauma receiving centers.

According to Dr. David R. Boyd, director of HEW's Division of Emergency Medical Services, lives can be saved merely through reorganizing existing medical facilities to make more efficient use of emergency rooms that are now bogged down with routine and nonemergency care.

Boyd advocates designating one emergency room in a regional area for use as a trauma receiving center, and other facilities as specialty care (like burn treatment) units. This leaves the rest of the area's hospitals to "go about the buisness of being a good community hospital."

Eighty percent of the persons using hospital emergency rooms, Boyd said, are not in need of emergency care. Another 15 percent, he said, are conventional emergencies, such as appendicitis cases and simple fractures.

Five percent of emergency room patients are critically injured, he said. Of these, probably half could not be saved. But many of the remaining 2.5 percent might be saved, he said, some of them dying in ambulances enroute to hospitals and some in hospitals where they are given inadequate care.

Forming a regional system is difficult, he said. "It causes a lot of anxiety because nobody wants to be the nontrauma center. (But) everybody's got to give up something for the community good."

Bill Wheeler, however, is impatient with the planning, which he says only signals more delays and lost lives.

"These boards will get the grants in July, and in a year or two we'll have the system," he said. "In the meantime, so many people are going to die. It (the trauma center in Baltimore) has been available for three years and they (Virginia police and rescue personnel) do not use it today. We need the helicopters and we need the governor (Mills Godwin) to tell the state police. The way to do it is to get it going today."

A spokesman for Gov. Godwin said that Del. Warren Barry had discussed Wheeler's suggestion with the governor, and that Godwin had requested more information about it.

Although the Virginia state police have two helicopters, neither are equipped as Med-Evacs, according to a police spokesman.

However, Eagle 1, a Med-Evac helicopter owned by the U.S. Park Police and called upon by Maryland jurisdictions to make emergency rescues, is available to assist in Northern Virginia. It is rarely called from Virginia, according to Lt. Richard Chittick, officer in charge of the park police aviation section.

"It's through ignorance," Chittick said. "Maryland jurisdictions are accustomed to having helicopters respond, Virginia jurisdictions are not."

Chittick said he could recall no recent time when Eagle I had been called to the scene of an accident in Northern Virginia, exclusive of U.S. parklands. He said he had been called "two or three times" recently to transport a patient from one hospital to another.

Chittick said that two-thirds of his rescue missions are in parklands, and the other one-third in Maryland. Ninety per cent of the rescued persons are flown to the Baltimore trauma center.

This is not so in Virginia.

"If there are bodies there and they are mangled and hurt, we call the rescue squad and they take them to the nearest hospital emergency room," said Sgt. Edward P. (Paul) Rockecharlie of the Virginia state police. Even the rescue squad knows of a better hospital further down the road, Rockecharlie said that for liability reasons "it would be a hell of a lot better to have (the victim) die in the nearest hospital emergency room than 15 miles down the road to other hospital."

According to figures provided by both states, as of April 9, 234 persons have died this year as a result of traffic accidents in Virginia. In Maryland, where there are about 23 per cent fewer licensed drivers, there were 168, or 28 per cent fewer, traffic fatalities in the same period. Last year, Maryland's traffic fatality toll of 735 was 30 per cent below Virginia's toll.

EXCERPTED FROM HOW MUCH FOR HEALTH

(By Senator Warren G. Magnuson and Elliot Segal)

Automobiles are, obviously, important to the American economy and the quality of American life. One has only to look at the turmoil caused by recent gasoline shortages to realize how central to living the automobile is in America today. But the automobile is also a killer. It is the number one cause of accidental death among people between the ages of 15 and 44, and it is a major killer of people of all ages (27 percent of persons aged 0–4; 49 percent of those aged 6–14; 72 percent of those aged 15–24; 57 percent of those aged 25–44; and 46 percent of those aged 45–65). For every person who is killed in a car accident, there are several who are so severely injured that they will not work or play, happily and without pain, for the rest of their days. The death and disability, the suffering and loss of income and enjoyment caused by motor vehicles, is enormous and unnecessary. We can and must take further steps to increase the safety of motor vehicle travel in the United States. We must create for ourselves, for the 2,000,000 Americans who are involved in motor vehicle accidents each year, an emergency health services system at least as good as the one the U.S. operated for wounded GI's in Vietnam. Thousands of auto accident victims are dying each year of "recoverable injuries" because of deficiencies in the quality and delivery of emergency health services. A recent study found that no rehabilitation program at all was suggested to 88.6 percent of seriously injured motor vehicle accident victims. We must create adequate rehabilitation services for the victims of motor vehicle accidents, so that they can be restored to a useful and productive life.

In 1972, there were 56,000 fatalities from motor vehicle accidents. The total cost, including human suffering and grief to the survivors of the deceased, is incalculable. The strictly financial loss, for one year's highway carnage, is estimated at $17.5 billion. That includes estimated wage losses, medical expenses, administrative and settlement costs, and property damage.

We are convinced that automobiles can and must be manufactured more safely. We are also convinced that we need a completely new system of treatment and compensation for the victims of traffic accidents, one that would save and restore lives and move quickly to replace the lost pay checks of the hospitalized motorist.

That new system is "no-fault" automobile insurance, although it might better be called "no-lawsuit" automobile insurance because it is your own insurance company that must pay you for your personal injury losses without a lawsuit to prove who was at fault. Instead of the complicated (and expensive) process of establishing negligence and freedom from contributory negligence and payment from liability insurance, we would go back to the oldest and best known form of insurance—one in which you buy insurance against loss to yourself and those close to you. Life insurance, fire insurance, theft insurance, and health insurance are all forms of "no-fault" insurance, and this should be the case for motor vehicle insurance. Today the American people spend $1.5 billion a year on lawyers' fees to fight over who was at fault in automobiles accidents. A no-fault auto insurance system would turn that money into emergency health services and and rehabilitation facilities for victims and into premium reductions for motorists.

The President of the American College of Emergency Physicians, Dr. James Mills, testified before the Senate Commerce Committee in 1973 that a nationwide no-fault auto insurance system would, by timely payment of all medical costs to victims, greatly improve the adequacy of emergency medical care. National no-fault should necessarily follow the law which Congress passed that same year providing grants to develop better methods of emergency care and training programs for emergency health personnel. Health professionals cannot be expected to wait twelve months or more to be paid (the average time it takes to settle an automobile negligence claim) and payment should not depend on whether the victim is found by a jury to have been "free from contributory negligence." The person who buys an auto insurance policy has the right to expect that his insurance company will pay for all the emergency facilities and equipment and personnel that it takes to save his life, and for all the communications equipment, mobile medical facilities, and modern transport that it takes to get his child into surgery quickly to assure full recovery, rather than condemnation to a lifetime as a cripple.

Under my plan to establish national no-fault motor vehicle insurance, every victim of an automobile accident anywhere in the United States will have the financial resources to pay for the best emergency transportation and medical services available. At the same time, every private hospital and ambulance service will be assured of timely payment on behalf of every such victim rather than only from those who are rich or who are eventually found eligible for compensation under today's outmoded liability insurance system.

A recent study in the State of Vermont found that "twenty-three percent (of highway victims) died of probably survivable injuries due to problems through the emergency care system" and that "almost half" of those who were taken from the scene of the accident alive but who died afterward "died of injuries that were either definitely or possibly survivable."

Just think what it could mean if, through a modern form of no-lawsuit compensation, we could save the lives of 23 percent of the highway victims who are "scheduled" to die in 1975 or 1976 or 1977. One of those lives could be yours—or that of a loved one.

The President of the Appalachian Regional Hospitals, Theodore P. Hipkins, testified before the Senate Commerce Committee that:

> . . . the principal advantage of a no-fault system of automobile insurance is that all parties involved in the system—the accident victim, the insurer, the state and agencies providing help and rehabilitative service—have positive incentives to restore the individual who is involved in an accident to maximum physical and occupational functions as rapidly as possible.

Compare that with the U.S. Department of Transportation's finding about the negligence-liability insurance system:

> The traditional (system) offers nothing to encourage and much to preclude the early introduction of rehabilitation . . . considerable time, energy, and expense must be devoted to controversy just when rehabilitation measures might most benefit the victim.

It is said to contemplate, but there are cases where auto accident victims shortsightedly fail to start rehabilitation programs because, if they recover and are, for example, able to walk again, the jury might not award them as big a damage verdict. In all too many cases these misguided victims never will walk again because it is probably too late for rehabilitation if they wait until the jury returns its verdict. A proper medical and rehabilitation services program must be started almost immediately and adhered to faithfully if it is to succeed. The biggest irony of all is that as much as one-half of that big damage verdict won't go to the victim—but to his lawyer.

It may well be that the single most significant contribution of nationwide no-fault insurance, once it becomes law, will be the improved availability and adequacy of rehabilitation services for victims.

Under my proposal, for the first time, every victim of an automobile accident will be able to afford and will be encouraged by both his own insurance company and the State agency in charge of vocational rehabilitation to use and take advantage of a complete range of medical and vocational rehabilitation services. Prompt referral, an accountability program, and incentives to victims to return to work all should be combined to reduce the tragic human waste that occurs when victims remain totally or partially disabled rather than resuming rewarding and productive lives.

Dr. Justus F. Lehmann, the Chairman of the Department of Rehabilitation Medicine at the University of Washington, wrote me that he and his colleagues were strongly in favor of no-fault insurance because: We see the terrible aftermath of automobile accidents which may ruin not only the life of an individual but also the future of entire families.

This bill can drastically change the dismal picture which is presented by these patients. The real problem is that the cost of getting these people back on their feet to work or to school is formidable. They end up on welfare . . . in many instances whole families are forced on the welfare payroll.

The President of the Blue Cross Association of America, Walter J. McNerney, testified before the Senate Commerce Committee that no-fault insurance: Will encourage quality of care, will give the consumer his choice, and will assist the public to get its money's worth out of every health care dollar.

It is also a way to cut down on the mental anguish and strain experienced by everyone who has been in an automobile accident. The victim will not have to worry about how his family is going to be able to meet the mortgage payments and buy food while he is convalescing. Freeing the victim from such economic anxieties means he can concentrate all his energies on getting well, and he will in fact recover more quickly and completely.

Surprisingly, in view of all these benefits, if the nation shifts to no-fault, the average motorist in every one of the fifty states will pay a lower annual insurance premium. An independent firm of actuaries, Milliman and Robertson, Inc., was retained by the U.S. Department of Transportation to prepare a cost estimate of my no-fault insurance bill. In every state, adoption of the federal standards set forth would mean a premium reduction. Under my proposal, all reasonable medical and rehabilitation services, wage loss compensation up to $15,000, reasonable amounts for replacement services, and a reasonable amount for death benefits would be assured.

HUMANITARIANISM IN SOUTHEAST ASIA

Mr. GOLDWATER. Mr. President, the city of Tucson in the State of Arizona, as represented by its mayor and city council, recently went on record as urging the President and the Congress to take the steps necessary to insure the humanitarian treatment of all South Vietnamese people and to report fully on 1,300 Americans still listed as missing in action during the Indochina war.

In a resolution relating to humanitarian treatment and evacuation of relatives and children of Vietnamese-American wives, the Arizona city officials expressed fear that the relatives have been placed in jeopardy because of recent events. It asked that a full report of all specific activities relating to the issue be made public.

The Tucson resolution on MIA's in Southeast Asia, in addition to drawing attention to the 1,300 MIA's mentioned 55 known prisoners of war who have not yet returned to this country.

About 400 of the men involved have been deprived of their civil rights because of "presumptive findings of death, too often based on inadequate or just lack of information."

The resolution called the attention of Congress to numerous pieces of legislation which "ease the agony of not knowing for families of those missing in Southeast Asia."

This resolution also asks that a full report be made public.

Mr. President, I ask unanimous consent that both of these memorial resolutions of the city of Tucson be printed in the Record.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

Resolution No. 9477

Relating to the humanitarian treatment and evacuation of relatives and children of Vietnamese-American wives and children fathered by American servicemen and civilians

To the President and the Congress of the United States of America:

Your memorialist respectfully represents that:

Whereas, there are relatives of Vietnamese-American wives whose lives are presently in jeopardy because of recent events in Vietnam; and

Whereas, there are many Vietnamese children whose fathers are American servicemen or civilians;

Therefore, your memorialist, the Mayor and Council of the City of Tucson, Arizona, prays:

That the President and Congress take the necessary steps to insure the humanitarian treatment of all South Vietnamese people during these uncertain times in Vietnam; and

That should these efforts fail, the President and Congress provide for the immediate, safe evacuation of relatives of Vietnamese-Americans and all children fathered by American soldiers or civilians while stationed in South Vietnam; and

That a full report of all specific activities now or in the future pursued relating to this urgent and pressing issue be made public.

The City Clerk is hereby directed to send copies of this memorial to the President of the United States, Gerald F. Ford, Senator Barry Goldwater, Senator Paul Fannin, Representative Morris K. Udall, Representative Sam Steiger, and Representative John Conlan.

Resolution No. 9465

Relating to the determination of the fate of Americans missing in Southeast Asia

To the President and the Congress of the United States of America:

Your memorialist respectfully represents that:

Whereas, there are 1300 Americans still missing in Southeast Asia, and that of these, 40 men from Arizona and 11 men from Tucson are Missing in Action; and

Whereas, 55 known POW's have not returned; and

Whereas, presumptive findings of Death, too often based on inadequate or just lack of information, has deprived over 400 of these men of their civil rights; and

Whereas, numerous pieces of Legislation pertaining to this subject have been introduced into the U.S. Congress and now demand the support of all legislators; and

Whereas, the President of the United States has promised the representatives of the families of those Missing in Action that everything possible will be done to determine the present status of these men;

Therefore, your memorialist, the mayor and council of the City of Tucson, Arizona, prays:

That the Congress give early and favorable consideration to all legislation pending before the Congress of the United States which eases the agony of not knowing for the families of those missing in Southeast Asia and which may in any way assure the earliest possible return to their homeland of any American held captive by Communist nations, and the President approve same; and

That the President fulfill his moral obligation to the Citizens of Tucson and all

Americans by establishing the needed priorities, and by pursuing this issue to the fullest in future diplomatic dialogues with all nations; and

That a full report of all specific activities now or in the future pursued relating to this urgent and pressing issue be made public.

The City Clerk is hereby directed to send copies of this memorial to the President of the United States, Gerald R. Ford, Senator Barry Goldwater, Senator Paul Fannin, Representative Morris Udall, Representative Sam Steiger, and Representative John Conlan.

THE U.S. FOREIGN SERVICE AND THE MIDDLE EAST

Mr. McGOVERN. Mr. President, in the course of a recent trip through the Middle East I encountered a remarkable number of thoughtful, dedicated individuals, foreign and American, official and nonofficial. Among these none impressed me more than the professional Foreign Service Officers who staff the United States embassies in the countries I visited—Egypt, Saudi Arabia, Lebanon, Jordan, Syria, Israel, and Iran.

In each of these countries I had the honor of meeting ranking officials of the host government and distinguished private citizens. With few exceptions these meetings were highly instructive. I also made it a practice—whenever possible before meeting officials of the host government—to arrange a briefing by the U.S. Embassy "country team." These briefings provided me not only with necessary background information for my meetings with officials of the host governments; they also provide, in most instances, a wide-ranging, highly professional analysis of the central issues in U.S. relations with the country concerned.

I noted particularly the active awareness of U.S. interests which characterizes the outlook of our professional Foreign Service Officers. We have often heard of the susceptibility of diplomats to "localitis," the tendency to become too much enamored of the countries to which they are accredited, or worse, of groups and factions within those countries. I saw little of this in the Middle East. While not lacking in regard and often affection for the host society, most of our professional Foreign Service Officers exhibit a level-headed awareness that their primary assignment is the advancement of the best interests of the United States.

I particularly appreciated the good judgment and good company of the individual "control officers" who advised and accompanied me on my visits and appointments. I call to the attention of Senators who travel officially abroad that the Embassy officers who accompany them are not only qualified to arrange transportation and appointments; they are also, in most cases, well-qualified to provide the congressional visitor with on-the-spot briefing, background, and sometimes perspective as well.

I discussed with our Foreign Service officers, among other subjects, their problems of communication with the State Department in Washington. The impression I received—to understate the matter—is that their observations and insignts are often given short shrift at the senior levels of the State Department and the National Security Council. The Foreign Service officers in the field were too professional to say it explicitly, but their comments added to other evidence that meaningful participation in the policymaking process is confined to the Secretary of State and a small group of intimate advisers.

One result of this exclusivity in policymaking is the frustration—and demoralization—of competent professionals in the field. Another—at least potentially—is the intellectual improvement of policymaking as a small group of experts at the top draw down the capital of their own considerable—but not unlimited—knowledge. One of the susceptibilities of gifted elites is their tendency to confine their serious consultations only to each other. I do not think this has become the established pattern in the making of our Middle East policy, but there does seem to be a trend.

The matter comes to the force at a time when the executive branch is engaged in a reassessment of its Middle East policy. The reason for the reassessment is the breakdown of the step-by-step approach to peace in the Middle East. It is not my intention to criticize or censure the arhcitects of that policy, because I believe it to have been based on a perfectly plausible hypothesis, which, however, did not work out in practice.

Nonetheless, the occasion for the review is not a triumph but a failure of policy. This being so, a certain modesty would seem in order on the part of the policymakers. More important still, it would seem appropriate to broaden the circle of consultation beyond the architects of the failed policy. The obvious first step is a much more liberal drawing upon the Foreign Service ranks. Beyond that, if the top policymakers ever felt really venturesome, they might even glean some nuggets of insight from the much-feared legislative branch.

That, however, is a topic for another day. At this time I wish only to recommend to the Secretary and his close advisers that they renew acquaintance with their talented minions in the field. I urge them to open their policy councils not only to the facts, but to the judgments and ideas which are generated from the staffs of our embassies abroad. Perhaps when the Secretary next travels abroad, instead of limiting himself to the customary "pep talks" to assemblages of American employees, he might consider asking for informal discussions with the country teams. He would, I have no doubt, find the experience instructive—and he might even enjoy it.

WHAT ABOUT THE VICTIMS?

Mr. BUCKLEY. Mr. President, Frank G. Carrington, executive director of Americans for Effective Law Enforcement, Inc., has written an excellent study of the victims of violent crime in the United States. "The Victims" for which I had the privilege of writing a foreward, is a detailed and quite compelling account of how victims of violent crime are ignored at the same time perpetrators of violent crime are often treated with compassion and understanding and even sympathy.

Perhaps nowhere has this strange reversal of values been more clearly seen than in the case of the riot in Attica Prison, New York, in September 1971. Much has been written about the hardened criminals who led that riot, and most of it has been written from a sympathetic point of view. Chief among these accounts, if the majority of favorable reviews is to be believed, is Tom Wicker's "A Time To Die." The May 1975 issue of that excellent magazine, Commentary, contains a refreshingly different review of Wicker's book, written by Michael Novak. It is not necessary to have read "A Time to Die" in order to appreciate Mr. Novak's considerable analytical skill, for the points he makes, while referring to specific incidents in the book, are sufficiently broad in nature to be applied to the conventional attitudes specified in Mr. Wicker's book.

Mr. Novak very successfully explodes many of the myths that have come to be associated with the more-compassionate-than-thou excesses of certain liberals when they write about criminals. Novak points out that Wicker, while devoting considerable space to those he perceived to be the heroes of the Attica riot—that is, the convicts who led the riot—practically ignored the plight of the prison-guard hostages and their families.

This is precisely the kind of attitude that Frank Carrington has written about in "The Victims." I highly recommend Mr. Carrington's book and the review written by Michael Novak, both of which are analytically and critically devastating to some of the more popular liberal myths about crime, criminals and victims.

Mr. President, I ask unanimous consent that both the foreword to Mr. Carrington's book and Mr. Novak's review as published in Commentary be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Foreword

(By Senator James L. Buckley)

When it comes to matters of law and order, I am very much an average American. I like to go about my business free from the fear that I may be assaulted or robbed. I like to know that my family and friends are safe on the streets and in our homes. I like to go to bed at night secure in the feeling that my life or property is not in danger.

But should my life or property be endangered by a criminal, I want to have a reasonable basis for believing that he will be apprehended, tried, and punished. I want nothing so much, in short, as to enjoy the blessings of liberty unmolested by those of evil heart and malevolent design. And, as is natural to those of us who have been born into this nation, I look to the law as the ultimate foundation of my freedom. But if for some reason the law is unable to protect me, I begin to get worried.

And I must say that in recent years I have begun to worry. I worry because between 1960 and 1973 serious crime rose by 158 percent while violent crime rose by 204 percent—

compared to a 15 percent increase in population. I worry because the risk of being a victim of one of these crimes has increased by 120 percent during the same period, and is still on the increase.

I worry because far too few criminals are arrested, far too few convicted, far too few sent to prison. I worry because, when prison sentences are imposed, prison life becomes a breeding ground for yet further crime. I worry because criminal trials are unnecessarily protracted, because appeals are far too open-ended, and because the entire process has been converted from a determination of guilt or innocence into a determination of the propriety of police behavior.

I worry because by such examples, the lawless in spirit are encouraged to become lawless in practice, and because the American people, in growing numbers, have begun to lose faith in their system of criminal justice. And as they begin to lose faith in this system, they also begin to lose faith in and become alienated from the basic structure of law and government established by the Constitution, among the fundamental purposes of which are "to establish Justice, insure domestic Tranquility, . . . and secure the blessing of Liberty to ourselves and our Posterity."

The basic purpose of government in a free society is to protect the lives, liberty, and property of its citizens. But, as Maurice Nadjari, New York State special prosecutor recently stated at a meeting of the International Association of Chiefs of Police, "Our system of criminal justice has broken down. . . . We are no longer capable of securing the people against crime." And, when national polls show that more than 40 percent of Americans are afraid to leave their homes and walk in their own neighborhoods at night for fear of being assaulted, one begins to question whether government is really fulfilling its most basic and important function, and to wonder whether a society can truly be called free if it does not also have freedom from such a fear.

Crime has become as significant a characteristic of modern day America as any other you are likely to name. Its recent rate of increase is starting, and its impact is pervasive. Where once many Americans living in the suburbs and smaller towns correctly felt they were relatively free of crime, now these suburbs and towns are experiencing increases in crime rates of more than two, and as much as four times those occurring in large cities. No longer is serious crime largely the province of big city streets; now it menaces nearly all of us, everywhere.

Reflected in the uncontrolled growth of crime is a relatively new phenomenon: the direct relationship between crime and narcotics addiction. Figures from New York City indicate that something like 50 percent of all robberies and burglaries are narcotics-related, and comparable figures could probably be adduced for most of our other large urban areas. While the availability of hard drugs has been reduced during the last several years, recent evidence indicates that larger amounts of these drugs are again being smuggled into our country, threatening a renewed outbreak and spread of this deadly social cancer.

The 120 percent increase in the per capita incidence of serious crimes during the last thirteen years means that now on the average at least one of every twenty-five Americans will become a direct victim of crime this year. And if you are black and live in the inner city, your chances of being a victim are greatly increased. The late Stanford University criminologist Herbert L. Packer found, through a study he did in 1970, that slum dwellers were at least one hundred times more likely to be victims of street crime as middle class whites living in the suburbs, although the odds are now increasing for suburban whites, too. Black Americans suffer from crime vastly out of proportion to their percentage of the population. Far from being a code word for racism, among what black Americans want most are more law and order in the form of more police protection, better law enforcement, and increased prosecution of criminals, to protect them from the daily terror and suffering of crime.

Figures released by the FBI for 1973 reveal that there were 8,638,400 major crimes *reported* in America, including 19,510 murders, 51,000 forcible rapes, 382,680 robberies, 416,270 aggravated assaults and 2,540,900 burglaries. These figures are so large that they may seem incomprehensible, but they take on some meaning when expressed in the following way: there were 16 serious crimes committed each minute, one violent crime every 36 seconds; a forcible rape was committed every 10 minutes, a robbery every 82 seconds; an aggravated assault was committed every 76 seconds, while a burglary occurred every 12 seconds and larceny or theft, every 7 seconds. These figures are even higher today.

But one cannot fully appreciate the meaning of these figures until they are understood and seen in human terms, in terms of the victims of these crimes: the store clerk murdered in a holdup, the young girl raped on her way home from school, the elderly widow whose purse and monthly social security funds were stolen, the young couple who returned to find their apartment ransacked and all their significant possessions taken, or the body of the slain policeman, ambushed by a self-styled revolutionary. Then too there are ancillary effects produced by crime: the costs, the fears, the suffering and hardships of children and other relatives of those killed or crippled by criminals. But the ultimate reality of crime can only be felt when it reaches out to touch us, or when we see the bodies or look into the faces of the victims of crime. The ultimate human toll that crime takes can never be measured.

It is to his enduring credit that Frank Carrington has, in *The Victims*, trenchantly brought the reality of crime, and the plight of its victims, to the fore and into public focus. All too often the victims of crime have become a vast class of forgotten Americans, overlooked in official proceedings and ignored by the public. Only recently has a sense of "victim consciousness" begun to develop, a sense of outrage over the plight of victims of crime, a concern for their rights, and a growing realization that ultimately we are all victims of crime—for, not only does the growth of violent death taint our whole society, but the increase and spread of crime engenders a fear that constantly overshadows nearly all us, denies us the right to venture forth at night for recreation or necessity, keeps us out of many areas of our cities, and raises the cost of goods and services which we all consume. *The Victims* promises to play a major role in the raising of that consciousness.

But *The Victims* is more than the story of crime and its victims. It is a thorough, extensively researched indictment of the way in which the American criminal justice system currently operates, a system that, in Carrington's words, "erects an elaborate thicket of contrived and artificial protections around the criminal accused, but that is unable to secure the right of non-criminals to go about their business in peace. . . ."

In the last decade or so, a growing zeal for the rights of those accused of crime and an increasing tendency to lay the blame for crime not so much on its perpetrators as on society, have combined to create such a severe imbalance in favor of the rights of those accused of crime over the rights of those victimized by crime and of the public at large, that we have seriously hurt our ability to deal with criminality while only marginally increasing the protection of the innocent. The search for truth and justice, the vindication of the suffering of the victims, the protection of the innocent—these goals have been largely subordinated to a singleminded preoccupation with the rights of the criminal. The system, under its present constraints, appears either unwilling or unable to punish the guilty, vindicate the victim, and protect the innocent.

The result has been, as Carrington demonstrates, that increasingly, crime pays—and pays increasingly well. Professor Gordon Tullock has made some extrapolations on the rationality of crime as a profession, and calculated that, on the basis of 1965 figures, if you commit a crime, your chances of being arrested are only one in seven, and if you are convicted, only one in sixty that you will be sent to prison. Available evidence indicates that one's odds are even better today. The Wall Street Journal editorialized on this fact in 1973.

"It pays because the average criminal no longer fears being punished, even if he is caught. Overworked police forces, crowded court calendars, misplaced social concern and a penologist reaction against imprisonment on the ground that it fails to rehabilitate, have given criminals the edge—and given society the short end of the stick."

In a lighter vein, I cannot help recalling in this regard the story of Willie Sutton, the dapper and ingenious bank-robber whose exploits during the Forties and Fifties put him on many a front page. Following what proved to be his final arrest and conviction, the sociologists, criminologists, psychologists, and psychiatrists decended upon him in hordes. They pinched and poked and prodded each and every aspect of his life, from toilet-training on, applying each and every available hypothesis they could contrive to explain his life of crime. Almost without exception, these hypotheses began with the assumption that Willie was somehow "abnormal," that his genetic endowment or environmental experience, or some combination of both, virtually compelled him to pursue a criminal career. After months of exasperating study and conflicting conclusions, it suddenly occurred to an enterprising young interviewer to ask a really intelligent question. "Willie," he inquired, "why do you rob banks?"—and clear as a bell, without so much as a moment's hesitation, Willie shot back: "Because that's where the money is."

That simple and honest explanation is worth a world of learned treatises on the cause of crime. Most of those who commit crime do so because they choose to do so; and they choose to do so because the potential rewards, relative to the risk of being captured and punished, are highly attractive. Their choice, on balance, is really quite a reasonable one.

This situation has developed, to a significant extent, as a result of key decisions by the Supreme Court made in the Sixties: in particular the now famous *Mapp* and *Miranda* cases, as well as several others dealing with the admissibility of evidence. These decisions have created a host of legal requirements and technicalities which have created grounds for endless delay and have permitted the release of countless patently guilty felons. They have established artificial, rigid and impractical requirements on the police and the courts which results in the disqualification of factual evidence that is clearly probative. This has converted criminal trials into trials of the evidence while criminals go free.

Senator McClellan's remarks were prophetic when he said in 1969 that the court's rulings threatened "to alter the nature of the criminal trial from a test of the defendant's guilt or innocence to an inquiry into the propriety of the policeman's conduct." The purpose of a trial, of course, is to determine whether the defendant is guilty, which is a question of fact and law. But where a disqualification of evidence on highly technical grounds results in the release of the guilty, we do an injustice to the public that is almost as grave as the conviction of an innocent man. Former Chief Justice Weintraub of the New Jersey Supreme Court aptly summarized the injustice which these rulings cause: "When the truth is suppressed and the criminal is set free, the pain of suppression is felt, not by the inanimate state or by some penitent policeman, but by the offender's next victim for whose protection we hold office." With case after case, *The Victims* demonstrates the absurd and tragic effects of these decisions.

How the idea got itself accepted that the effective application of the criminal law is somehow incompatible with due process for the .criminally accused is, I must confess, something of a mystery to me. By the same token, I cannot see why the prosecution of criminals cannot be carried out efficiently, and with justice, without endangering the civil liberties of the innocent, for current statistics make it clear that a law-abiding citizen runs a far greater risk of being victimized by a criminal who has been arrested and later released than he does of being unjustly convicted of a crime. This is not to deny that there are hard cases, or that the line between tolerable and intolerable police behavior is sometimes difficult to draw. We deal so often in the criminal law with what are ultimately questions of prudence, and they do not always lend themselves to mechanical resolution. I take it that we are all in favor of due process for the accused, and that we are all in favor of ordered liberty for society as a whole.

Unfortunately, there is no piece of constitutional litmus-paper that we can dip into the circumstantial vat to produce the desired constitutional result. It must be remembered, however, as Sidney Hook has pointed out, that "The potential victim has at least just as much a human right not to be violently molested, interfered with and outraged as the person accused of such crimes has to a fair trial and a skillful defense. As a citizen, most of the rights guaranteed me under the Bill of Rights become nugatory if I am hopelessly crippled by violence and all of them become extinguished if I am killed."

The fact that the commands of the courts have taken on an increasingly rarefied and lenient character has not escaped public attention. Never, I believe, certainly not within my own lifetime, has public esteem for the judicial process been lower; and few factors are so important in this loss of esteem as the widely held opinion that the courts are, as the saying goes, "soft" on criminals. A 1969 Gallup poll indicated that fully 75 percent of the American people felt that the courts did not deal harshly enough with criminals; and in a second poll two years later, in 1971, that sizeable percentage held firm. This is the essence of the crisis.

There are those, I know, who say that we cannot hope to remedy the problem of crime without a thorough overhauling of the nation's social and economic system—the assumption being that poverty, ignorance, and racial prejudice are the ultimate causes of crime. Those who so earnestly advance this argument never adequately explain why so much crime is committed by people who are neither poor nor unintelligent or who have never known a day of racial discrimination in their lives. Even if the assumption were correct, and I do not believe that it is, the ostensible "solutions" that follow in its wake are bound to be viewed by the law-abiding public as at best irrelevant to the immediate realities of crime with which they have to cope. It may be theoretically satisfying to some to explain criminal behavior in terms of inadequate education or economic opportunity, but that is a small comfort to a mother whose 15-year-old daughter is gang-raped on her way to school, as happened recently in Los Angeles. As former Supreme Court Justice Abe Fortas has remarked, we cannot wait until we have rebuilt society according to some utopian, reformist prescription before dealing with the all too commonplace everyday savagery of crime.

There is a peculiar softness to contemporary thought, the defining characteristics of which are the desire to avoid responsibility for the natural consequences of one's own behavior, and the refusal to recognize as legitimate any external constraint on the impulse of one's passions. The strength of this opinion is so great that we behold a widespread avoidance of those things which demand self-sacrifice or discipline, and a seeming unwillingness to impose restraints on others because one is unwilling to impose restraints on himself. This sentiment has had a devastating impact upon the criminal law by robbing society of the conviction that it has the right to demand certain standards of behavior and that it is entirely justified in imposing sanctions upon those who engage in anti-social conduct. This softness, this hesitation to impose rightful sanctions, bespeaks a fundamental lack of conviction in the ultimate foundations of the criminal law—a lack of conviction that the criminals are quick to detect and exploit. If the law is in any way tolerant or indulgent, criminals will be the first to discover the fact. And should they nevertheless run afoul of the law, they cannot help but form a cynical opinion about a legal system in which punishment, precisely because it is employed halfheartedly or irregularly, is thought of as being employed inequitably.

I believe the remarks of Sir Reginald Scholl, a former justice of the Supreme Court of Victoria, Australia, are directly to the point:

"Many years of experience in the criminal jurisdiction have convinced me of two things—that the deliberate wrongdoer . . . will go on planning and committing crimes so long as he thinks the law is weak and yielding enough to give him a chance to evade it, and that he will have no respect for a legal system which is marked by feebleness in the application of its sanctions. . . ."

While it cannot be conclusively proven that a certain series of decisions by the Warren Court led to a direct, related increase in crime, nonetheless, as Carrington is careful to point out, "it can be argued that the more criminally inclined individuals who are on the streets at liberty to prey upon others, the more crimes will be committed"—and key decisions of the Court "often required the wholesale release of patently guilty criminals and unquestionably made it much more difficult for the police to obtain admissible evidence of crime and for prosecutors to convict those accused of crime." In addition, he argues, with some force, that the liberal majority of the Court were pace-setting leaders instrumental in the creation of a widespread judicial and correctional climate of leniency and permissiveness, which may have encouraged the lawless to believe that they could get away with acts of crime with relative impunity.

Whatever the case may be, permissiveness and leniency seem to have become the order of the day. In every area Carrington documents their pervasiveness and harmful effects: low bail for repeater felons—with a corresponding increase in serious crimes committed by those out on bail; excessive plea bargaining for those charged with serious crimes; grants of time consuming pretrial and trial delays; seemingly endless appeals; overly lenient, short and concurrent sentences for repeater felons; early, permissive paroles for individuals who too often return immediately to crime; and the surrender or discipline in many prisons.

A recent criminal justice study done in Atlanta shows, for example, that of 278 adults arrested for assault, 103 were indicted, and 77 went to trial, 63 were convicted, and only 23 ended up in jail. National statistics indicate that nearly two-thirds of all crimes in our country are committed by "repeaters"—people with previous arrest records who go in and out of our criminal justice system as if it were a revolving door. And upwards of 35 percent of all persons awaiting trial are likely to be arrested again for a new offense while roaming free on bail! Carrington's wide ranging examination leaves little doubt that our criminal justice system is seriously crippled and that in large part this is a result of, in Fred Graham's words, a "self-inflicted wound."

Overcrowded courts, with their large backlog of cases, are an important part of the problem. Criminal cases can often take anywhere from six months to two years to be disposed of, and appeals may further delay or deny justice. Various pre-trial procedures which recent Supreme Court decisions have declared to be constitutionally mandated are significant contributing factors to this problem. As former Chief Justice Stanley Fuld of the New York Court of Appeals has observed, "These new procedures have added tremendously to the caseload of the trial courts and have substantially lengthened the time which elapses between arrest and trial." The courts find themselves in a Catch-22 situation: in order to speed up the disposition of cases, many judges become implicitly willing to allow plea bargaining or assign lenient sentences. As Manhattan District Attorney Robert Morgenthau recently noted. "The bigger the backlog, the lighter the sentences." Yet it is all but certain that excessive lieniency and permissiveness throughout the criminal justice system have contributed to increasing crime, if only by placing professional criminals back on the street sooner. But if every criminal defendant demanded a trial, the system would most likely collapse from its own weight. Thus, the courts are caught in a vicious circle of increasing crime. Before he left office, former Attorney General William Saxbe came to the conclusion that "Too many dangerous convicted offenders are placed back in society in one way or another, and that simply must stop. With so few dangerous offenders being jailed, something has got to be wrong somewhere. Much of the fault, as I see it, must rest with prosecutions and the courts." And so, we continue to suffer from the corrosive legacy of official permissiveness and of prejudice in favor of the rights of those accused of crime, as opposed to the rights of the actual and potential victims of crime, which legacy has been bequeathed to us by the Warren Court.

The frequent reversals by the Warren Court, combined with its penchant for rigid procedural requirements, have left many of us disturbed and confused as to what course to follow. The lower federal judges are confused; police officials are confused. Even learned professors are confused. Everyone, it seems, is confused—except the criminal. He knows that his chances of being arrested are fairly low; he knows that his chances of being convicted are yet lower; and he knows that, even if arrested and convicted, his chances of being imprisoned are lower still. He knows the restrictions which prevent the police from introducing relevant evidence at trial, and he knows that the present state of the law positively encourages the raising of constitutional objections against police behavior. He knows that these objections can be raised before, during or after trial; and, best of all, he knows that such objections are the surest way to obscure the fundamental question of his own guilt or innocence.

The criminal may have a better grasp of

the ultimate meaning of the Warren Court's revolution in criminal procedure than all our professors and judges combined. Indeed, the greatest book yet to be written on the subject of present-day criminal law would be the one revealing what criminals actually think of such cases as *Mapp* and *Miranda*, and the way in which their behavior is determined by them.

The right to counsel and the privilege against self-incrimination are noble rights indeed, but only a man of remarkable ideological fervor would insist that they can be protected only by rendering inadmissible virtually all voluntary statements not made in the presence of counsel. Similarly, only an ideological zealot would insist that the only way to prevent unlawful searches and seizures is to exclude from judicial consideration all evidence, however relevant, obtained by unlawful means.

In this context Mr. Carrington also quotes Sir Reginald Scholl, former Australian Consul General of the United States, whose wise observations I would repeat here:

"My general feeling on these matters [of the criminal justice system], if I may respectfully state it as a foreign lawyer, is that in your enthusiasm for liberalism at all costs you are, perceptibly more than we are in Australia, throwing the baby out with the bath water. It is no good making individual liberty so cast iron, by constitutional guarantees, that one's neighbors can rob one or rape one's daughter with a better chance of escaping justice than in other civilized countries. How stand life, liberty, and the pursuit of happiness in that situation? It is indeed an empty freedom, a vain individual liberty which is accompanied by a significantly increased risk to oneself or one's family of being the victim of crime. What is the real value of greater individual liberty, so called, if it is obtained at the price of making crime harder to detect and punish, and therefore safer to commit. What is the real value to a decent law-abiding citizen of being in less danger of possible abuse of power by the police but in greater danger of fraud, theft, violence, or death from criminals large or small, organized or unorganized?"

Clearly, our system of criminal justice is fast reaching an impasse. In light of Maurice Nadjari's opinion quoted earlier, perhaps it has already broken down to the point of abject failure. The proverbial wheels of justice have not merely ground to a halt; they have reversed themselves and begun to turn against the innocent victims, and society itself.

In such a situation, it is little wonder that our people are growing increasingly alienated from, and cynical about, their government and its leaders.

What, then, can we do?

Here, as with most of the ills which beset our society, there are no easy answers. But foremost in our efforts, I think, must be what Carrington proposes as our central task: we must develop a "victim consciousness" in our society, and reorient the thinking and the concerns of the criminal justice system towards the rights of the victims of crime, both actual and potential (who are all of us)—thereby restoring a balance to a system that is now weighted heavily in favor of the criminal. If the criminal justice system is once again to fulfill its primary tasks of protecting the innocent and securing justice and safety by punishing the criminal, this is the essential, primary change which must be made.

From such a change will flow many of the sound specific proposals which Carrington puts forward. High on the list, of course, is a substantial modification in the Exclusionary Rule and similar excessive restrictions and requirements imposed on the criminal justice system by the Supreme Court, such as the *Miranda* ruling. Certain recent decisions have already resulted in some minor modifications, and there is reason to believe that the High Court may take significant action along these lines in cases coming before it in the next year or two. In whatever modifications are made, however, it remains important that effective civil means of redress against questionable police actions be available to defendants. In addition, "police crime" is punishable by law. This ought to be protection enough without punishing society through the release of defendants that are clearly guilty.

Changes also have to be made in the system which will make justice more "swift and sure." The truth of the adage "Justice delayed is justice denied" is becoming more and more apparent every day. Judges are increasingly dismissing cases because of excessive delays. The irony is that usually it is not the fault of the prosecutor, but instead a result of the heavy load of court cases, or of legally authorized dilatory action on the part of defense lawyers, such as requests for continuances, postponements, and appeals. Lengthy delays can also result in the unavailability of witnesses and evidence. And when cases do come to trial, they now last an average of two or three times longer than they did litle more than a decade ago. Then there is the proliferation of post-conviction remedies, such as *habeas corpus*, that have resulted from Supreme Court decisions expanding the opportunities for appeals from state court convictions to the federal courts. Justice Harlan expressed it well when he wrote in *Mackey* v. *United States*: "No one, not criminal defendants, not the judicial system, not society as a whole, is benefited by a judgment providing that a man shall tentatively go to jail today, but tomorrow and everyday thereafter shall be subject to fresh litigation on issues already resolved." Carrington offers numerous proposals to speed up justice which are deserving of consideration and implementation.

Perhaps even more important than justice that is swift is justice that is sure and certain. Numerous studies have been made to assess the deterrent effect of sentences. Their dominant conclusion is that, far more than the severity of punishment (where the only real deterrent effect has been found in connection with the death penalty for murder—one of several compelling arguments, by the way, for its reasoned reimposition), the *certainty* of punishment has a significant deterrent effect on crime rates. And yet all too often, as Carrington points out with cases and statistics, legal technicalities let off patently guilty felons; light sentences are given for serious crimes as a result of plea bargaining; and convicts with histories of serious criminal activities are given lenient, seldom supervised paroles. For example, during the years 1963 through 1969, the number of persons arrested in New York on felonious narcotics charges (mainly dealers) increased by over 700 percent, while the number convicted more than tripled. At the same time, however, the number going to state prison remained the same and, therefore, the proportion going to prison dropped from 68 percent of those convicted to under 23 percent.

As *The Victims* advocates, we need increasingly to establish mandatory minimum sentences for particular crimes, circumstances, and such categories of criminals as repeater felons. Sentences need not always be long (which can sometimes be counterproductive) in order to be effective, but they do need to be certain.

I have long been a supporter of such legislation at the national level with regard to the use of handguns during the commission of a federal crime.

Carrington proposes that we undertake a careful study of the British criminal justice system, an idea which I also put forward several years ago. The status of civil liberty in England is in no wise poorer than in our own country; and in some respects, it may even be a good deal better. Yet, English criminal law has gotten along quite well without the exclusionary rule, and without a good many other procedural devices that our system in recent years has considered vital to the just resolution of the criminal process. The differences between English and American criminal practice suggest, at the very least, that there is more than one way of dealing fairly and efficiently with those accused of crime. And these differences are worth examining in detail.

A systematic comparative study of British and American criminal jurisprudence could prove of enormous value if conducted by dispassionate scholars. The United States and Great Britain share a common legal heritage. We hold in common fundamental concepts as to what is required to guarantee a fair trial and to safeguard the rights of the accused. And we share a bias in favor of the defendant in a criminal trial. For years after we won our independence our procedures remained virtually indistinguishable. But in time they began to diverge, and in recent years in most significant ways. Today the British are able to find a defendant innocent or guilty within a few months of his arrest; and a certain finality normally attaches upon conviction. In our country, years can elapse between arrest and the conclusion of a trial; and conviction merely marks the beginning of a procedural ballet which can continue virtually indefinitely. In England today, the incidence of crime is small in comparison with ours, and respect for the law and for the legal apparatus remains undiminished.

A comprehensive study of the kind Mr. Carrington and I recommend may suggest any number of improvements which we can make in our own procedures without sacrificing the substantial rights of the accused, and it may also be instructive in telling us what purely *local* developments in American life may have contributed to our current criminality. This study should cover not only such matters as the exclusionary rule, the right to counsel and the application of the privilege against self-incrimination, but also an examination of the ways in which criminal trials might be expedited and appeals streamlined, as well as comparative studies in the area of corrections and penal reform.

Last, but by no means least, I think it would be instructive to study the role of attorneys in criminal trials and to compare the way in which the adversary system affects the conduct and outcome of trials here and in Great Britain. A number of thoughtful observers in our country have expressed their deep concern that the adversary system is becoming an end in itself, that the ultimate goal of justice is being subordinated to political and theatrical gamesmanship. The courtroom in all too many cases has been turned into a kind of theater of the absurd. Judges are insulted, decorum is scoffed at, and the judicial process held up to ridicule. That such behavior should take place at all is scandalous; but that it should be directed or condoned by members of the Bar is, to me, absolutely intolerable. And I do not see that society is in any way obligated to confer a license to practice upon those whose behavior reveals a thoroughgoing contempt for everything that the law holds dear. Nor do I believe that it would be unjust for the courts or the Bar to remove the licenses of those who make a mockery of the very law whose protection they seek. We could, I believe, profit greatly by British example in this regard, and I commend such a project to the consideration of thoughtful men.

Perhaps central to the effort to create a change in public consciousness, as well as in judicial and other procedures, is Carrington's proposal to establish victims' rights commissions in every state of the Union. Be they publicly or privately supported, such commissions would not only assist the actual victims of crime through various legal and economic thickets in their attempts to vindicate their rights and secure justice, but would also aid the potential victims of crime in the future by proposing and supporting changes in the current criminal justice system which will restore a proper balance of rights within the system and which discourage future crime, thereby protecting the innocent. I am much intrigued and impressed by this proposal, and I commend its thoughtful consideration to lawmakers and public spirited citizens and organizations across our country.

The Victims shows us the serious state which our criminal justice system and our nation is in, and it issues a call and an agenda for action. The time to act is now. I hope that legislators and justices will not fail to note and take heed of its message. For crime in this nation cannot continue to rise as it has in the recent past; public esteem for the legal process cannot continue to fall. Unless we come to terms with the problem of crime, I fear that almost everything else we attempt to do will come to nought. A free civil society cannot exist where there is widespread fear of criminal assault; it cannot exist where justice is so long delayed that it is, in effect, denied; it cannot exist when the public believes that its legal system cannot protect the lives and liberties and property of the law-abiding. The danger in our time is less that the innocent will be punished than that the guilty will go free. And that, to my mind, is a far more serious injustice than any our system is likely to inflict upon one who may be wrongfully accused. The truth is that an innocent man has very little to fear from our criminal law; the difficulty and danger, if anything, are that the same might be said regarding the guilty man. And I believe that the public will not long tolerate a continuation of our present condition.

Level-headed common sense is required in dealing with the criminal element in our midst. That common sense was summed up with characteristic wit and economy by columnist and professor John Roche, who remarked: "The beginning of wisdom is to know who is going to shoot you if he gets the chance. From there you can go on to Plato and the classics." This is, I believe, essentially the spirit that animates public sentiment on the subject of crime. It is not a very sophisticated view, perhaps; but it is solid. Hard-headed, perhaps; but not necessarily harsh. And what is more, it is fully compatible with the protection of constitutional liberty—that of society as well as that of the accused.

Whatever else our system of criminal justice might be thought of as accomplishing, the one thing it can do, the one thing it ought to do, the one thing that the public has a right to expect it to do—is to find out who the criminals are. see to it that they are prosecuted, and discourage them by whatever means necessary from committing crime again. If it is argued that this central function cannot be performed consistently with the requirements of the Constitution, then it will not be long before the public begins to call for a new Constitution.

Which brings me to my final thought. In this day when disrespect for authority of all kinds—religious, parental, legal—is so pervasive; when allegiance to anything other than one's own passions is condemned as illegitimate; when "civil disobedience" is used as a defensive cloak for criminal behavior, let us not forget that, for all its failings, our nation and its rule of law are still robust and strong.

But let us also bear in mind that, for all its strengths, the rule of law can only abide so many attacks and that the delicate webbing of civilization can, like the veil of the temple, be rent, and with it, the world's last best hope for freedom. Let us resolve, then, to seek justice; justice for the accused, but justice also for the victims of crime, and for society. Let us resolve to be fair; but also firm. Let us resolve to stand by the fairest system of law that the world has ever known. And in our resolve, let us call to mind the words of Abraham Lincoln, who said: "Let every American, every lover of liberty, every well-wisher to his posterity, swear by the blood of the revolution, never to violate in the least particular the laws of the country; and never to tolerate their violation by others. . . . let every man remember that to violate the law is to trample on the blood of his father, and to tear the charter of his own and his children's liberty. . . . As the patriots of Seventy-Six did to the support of the Declaration of Independence, so to the support of the Constitution and laws, let every American pledge his life, his property, and his sacred honor."

Tom Wicker's Attica

(By Michael Novak)

It is not widely recognized that there is more than one kind of racial attitude among whites in America. Some whites have since birth had extensive dealings with blacks, in a wide variety of situations. Some have come to these dealings without any personal, familial, or cultural involvement in the institution of slavery. Some, like the French and the Hispanics, have come from cultures in which intermarriage between races is a fairly common circumstance. But if in the pluralism of white cultures there are demonstrably different historical experiences with black cultures, our social analysts have not sufficiently noticed the extent to which the interpretation of the meaning of race in America has become "Southernized." Not only do many of the most eminent blacks who have codified white-black relations derive from Southern culture—leaders as diverse as Martin Luther King, Jesse Jackson, and Vernon Jordan; many of our most outspoken white liberals, too, those who are, as it were, almost fixated on this issue, have been Southerners: men like Lyndon Johnson, Bill Moyers, Garry Wills, Larry King, Willie Morris, Ramsey Clark, and Tom Wicker.

American culture is too often examined from the perspective of Massachusetts southward and westward, and so to some extent the voices of Southerners contribute an important counterpoint in the national self-understanding. Yet on matters of race—and on moral questions, more generally—Southern perceptions of urban industrial society tend to distort reality in important ways.

It is characteristic of Southern liberals that they have come late to liberal attitudes on race; usually, they can date to the day and hour the time they first touched a black, embraced a black, or for the first time addressed a black as an individual like themselves. It is also characteristic that they approach the racial question in preeminently evangelical and moralistic terms. Finally, it is characteristic that, sensitive to the moral burden carried by every Southerner in entering the world of Northern white liberals, such Southerners almost unconsciously compensate by trying to give frequent evidences of their morality. The dominant symbols of morality in America are men of sterling character and impeccable family reputations—the "Massachusetts men" Arthur Schlesinger, Jr., speaks so fondly of—the members of "blue-ribbon" panels, the Yankee brahmins. A Southerner like Lyndon Johnson, or even Terry Sanford, or Jimmy Carter, or J. William Fulbright, or Sam Ervin, is necessarily insecure in his moral standing on the national stage. Being Southern is almost like bearing an Italian name: watchfulness is stimulated among the guardians of the narrow gates; one can feel their skepticism.

And for a Southerner who would aspire to true national eminence there is a further obstacle to clear: in learning the ways of the Northern middle class, the liberal professionals, one must also avoid too fawning an approval of "middle-class procedures," "middle-class mores," and "middle-class values." One must imitate the ways but learn to disdain the household gods; irreverence and skepticism are necessary proofs that one has caught the hang of it.

The way is made a little easier because the complexity and ambiguity of Northern industrial life have deprived even the guardians of our national moral symbols of their certainty as to what is right or wrong. The infusion of the fresh faith of converts is a Northern necessity, the justification for all those missionary forays down the years. And so they come: proper, neat, clean, highly purposive and moral young men to teach their jaded teachers the true faith again. Bill Moyers is the very voice of reason and virtue, Ramsey Clark the apostle, Tom Wicker the avenging scribe.

Their way has been especially smooth since the Kennedy era, and most of them, indeed, owe their national emergence to the Kennedy period. For that was the era when Lindisfarne and Camelot—the Celtic fires—replaced the mellower English abbeys as the sources of the nation's moral rhetoric. "Superman Comes to the Supermarket," Norman Mailer once perceived: the sudden wedding of arriviste professionals and moral fervor, when politics was seized from the hands of "mere politicos" and offered to the ambitions of the young, the tough, the willing, the new frontiersmen, the new generation come of age. As pragmatism, and wheeling-dealing, and new bureaucracies, and new techniques began to lose their moral luster, many "Kennedy liberals" moved rhetorically leftward: i.e., they escalated their moral fervor (which was the very reason for their entrance into public life, along with their ambition to be famous men) exactly in proportion as the programs they championed met the ironies and tragedies inherent in every form of politics. They espoused withdrawal, not so much from Vietnam as from "centrist" politics, from liberalism, from a sense of ambiguity and that humane cynicism that must line the stomach of every successful political practitioner, and they began to flirt with "raised consciousness," "radicalization," and "revolution." They did not *become* revolutionaries—or few did—but they denounced the "tough pragmatism" that was the backbone of the New Frontier, and in its place they embraced its high moral rhetoric, which for John Kennedy, at least, was only its outward magic: the poetry that gilds Irish crassness, the wit, the way with words, the famous blarney. They kept the blarney and abandoned the hardball. And, slowly, the Irish New Frontier gave way to political evangelism, the urban Irish toughness to Southern morality.

In their present state, the intellectual and moral underpinnings of what used to be the Northern Left have the consistency of hominy. Description, diagnosis, and analysis have been replaced by moral mush; outrage and sermonettes, doomsaying and paradisiacal vistas, have replaced pragmatic modesty. We are promised all—or nothing. "Middle" is a term of opprobrium. As one might imagine, in the background falls the splash of blood. For what the rhetorical revolutionaries cannot bring themselves to do, some who honor them do not hesitate to do.

The reception of Tom Wicker's odd account of Attica* demonstrates conclusively the lust of Northern liberals to drink the Southern cup, to charge again their anger, outrage, and moral passion. The explicit confessions of the text and the experience of renewed commitment expressed by the book's reviewers tell us more than we need to know about the intellectual and moral state of mind of those of whom we used to hope so much: the readers of books, the literate and enlightened Left.

Wicker writes of himself, everybody knows by now, in an unnecessary third person. In Norman Mailer's hands, the device allows for multiple personas, ironic distance, a self-mocking and psychoanalytic point of view. In Wicker, it is merely theatrical: Wicker himself as the subject of a novel. The aim may be modesty, the avoidance of the "I"; the net effect is that of television journalism: Wicker's story towers over Attica's as on television Roger Mudd is larger than the capitol.

The structure of *A Time to Die* is rather tightly chronological, although a reflective and personal dimension is added through flashbacks to Wicker's past, occasional disquisitions on prisons in the United States, and sundry philosophical views. The prose, meant to suggest Melville or Faulkner, actually suggests James Jones and the genre of the tough guy with the heart of gold.

On Friday, September 10, 1971, the book begins, Tom Wicker sat "in the executive dining room of the Geographic" with celebrities and men of power, whose names are listed for a full paragraph, enjoying "the best talk in Washington." Wicker "had a vivid sense of having come a long, long way" from his home town of Hamlet, North Carolina. There is a phone call, inviting him to Attica. He did not even know a riot had begun the day before; he hadn't paid attention to the story in the *Times*.

Former Nieman fellow, confident of President Kennedy, former Washington bureau chief of the New York *Times*, and now a thrice-weekly columnist and associate editor of the *Times*, Wicker is as the call arrives one of a dozen most influential figures in one of the most powerful industries in America, the merchants of communications. As a highly paid journalist and as twice now a writer of best-sellers, he is richer, better known, and of greater political potency than most senators and governors. This is the person chosen as one of the twenty-seven "neutral observers" who were permitted by New York State at the scene of the Attica riot, fourteen of them, including Wicker, invited specifically by the rioting inmates.

The most important information in Wicker's book is about Wicker himself. On what he says about Attica at least three preliminary points must be made. First, Wicker never gives us fair criteria by which we might measure "conditions" (the inmates' code word) at Attica. The only prison of which Wicker offers us a first-person account is Attica. Some of the features that appall him are common to all those institutions that Erving Goffman calls "total institutions"—asylums, hospitals, prep schools, convents, monasteries—and some are common to crowded, lower-class urban areas. We do not learn from Wicker that the average term of incarceration at Attica is only seven years, nor that it is one of the most modern prisons in the U.S.; only in the pictures and diagrams do we discover how large, ample, and generous with space it is.

Wicker is shocked that inmates receive only 50 cents a day for their work, without adding in the $10,000 per prisoner it costs the state to keep a roof over their heads, feed them, keep them warm, and maintain their health. He does not note that the prisoners' only complaint about their food is that they receive "too much pork" (a legitimate sore point to the Black Muslims); he does not note that every day after lunch the inmates are handed an apple and cookies for an afternoon snack. (One demand of the rioters was "for fresh fruit daily.") Wicker is not amazed, as the reader is, to find that each cell comes equipped with earphones, so that each inmate can listen to the radio and records without disturbing others.

He is outraged that each cell is closed, so that prisoners cannot look down the corridor without mirrors; he is not surprised, as the reader is, that hand mirrors are permitted, and not gratified that the prisoners are not permanently locked in tiers of open cages instead of private rooms. The grievances of the prisoners are shockingly trivial, and remind one far more of Auberon Waugh's complaints about boarding schools in England than the prison in Arkansas where so many grisly corpses were found or conditions in the mines and mills of Pennsylvania *circa* 1920. Wicke shows not a speck of a tough reporter's cynicism about the complaints of inmates. He calls their neat cells, their daily life, "the lowest condition of existence." Yet lack of personal liberty apart, the prisoners at Attica live better than a majority of people on this planet, not to mention most prisoners in history.

Secondly, Wicker's reporting gives us no clear sense of why the riot started. The prisoners were restive, he suggests, because they were the victims of injustice. Yet no one complained of having been improperly tried, sentenced, or jailed; nor even of illegal loss of life, injury, or brutal treatment. Indeed, compared to the brutality of homosexual rape, vendetta, debt "enforcement," and other violence among the inmates themselves, the incidents Wicker reports of "police brutality" seem well within the range of the expectable amount of intimidation the vastly outnumbered guards would have to insist upon in order to survive. No one complained of being *shot* by a guard. Wicker quotes the leader of the riot: "In all the years I've been in prison . . . I'd never seen guns in the yards. I'd never seen a gun fired from the tower. . . . You never think of the guns as a thing that of itself could cause harm." Prison society is not pleasant, and it can be improved, as no one more than the liberal Russell Oswald, the New York State Commissioner of Corrections, was working to accomplish. But having observed British police in Hong Kong, Italian police in Rome, and French police in Paris, knowing a little of police operations in Eastern Europe, Latin America, and Vietnam, I found the behavior of the guards at Attica even as described by Wicker rather high on the scale of humane conduct in their circumstances.

The prisoners shouted later that they wanted to be treated "AS MEN," in an appropriately upper-class voice. But it was precisely because they had failed to act accordingly, that they found themselves in Attica. They had shown by their proven crimes that they did not deserve the society of men. They were being treated as prisoners, at heavy expense to taxpayers, because they could no longer be trusted with adult male responsibilities. Wicker writes as if their rhetoric of oppression were legitimate; as if rates of recidivism were a failure of the state rather than of individuals themselves—as if the state could do what God himself did not do; make all men good.

Roger Starr has pointed out (COMMENTARY, March 1973) that the McKay Commission, appointed by the state to investigate Attica, "found no evidence" that the riot had been planned, but that it didn't look very hard for evidence. Well, why did it start? My own theory is gleaned indirectly from Wicker (and similar accounts). A concerted effort was going on in the prisons to fill the heads of not terribly bright, uneducated, and uncritical minds with revolutionary illusions. Talking revolution in the ghettos was not very rewarding; people were too smart and even on the meanest streets too many had it better than they ever had, in the South, or in Latin America, or wherever. Thousands were going to colleges, "getting out" and "moving up." In prison, the imagery at least had objective correlatives; inmates, by their own deeds, had indeed condemned themselves to a "police state," even if not the most terror-ridden in the world. Wicker quotes a letter from Sam Melville, the white ex-con "radical" bomber and bank robber, written a month before the riot: "I can't tell you what a change has come over t[he] brothers in Attica. So much more awareness and growing consciousness of themselves as potential revolutionaries, reading, questioning, rapping all the time." Most of the inmates were young; Champen, almost forty, was respected for his maturity. Herb Blyden, another leader, told the inmates in a D-yard speech: "They had never had a chance to rise in a racist and oppressive American . . . prison being no more than the actual representation of the life they were forced to lead even on the outside. . . . And we are the vanguard!" The inmates felt "liberated" by the mere capture of D-yard. It was a species of role-playing, a psychodrama, not meant to be taken seriously—surely, not meant to provoke counter-attack. No one boasted of being internally liberated, never again to commit crime; nor of having any revolutionary plan to help America or the rest of the "oppressed" world. They felt better in the sunlight and air of the familiar yard, with hostages. Revolution? Self-dramatization.

Finally, Wicker is ambivalently "charitable" toward Governor Rockefeller's refusal to go to Attica in person. In his long telephone conversation with the Governor, Wicker does not make, as he himself is obliged to recognize, a convincing case; the Governor has sound reasons which Wicker cannot meet. So Wicker then proceeds to whine and undercut by rhetoric what he could not meet with reason. The Governor, Wicker goes on in classical Southern rhetoric, ending every sentence with this phrase, prefers "the order of things." But Wicker himself in his newspaper columns is, when it suits him, America's leading champion of moral and constitutional "order." Order is not a "middle-class" concept but a condition absolutely essential to a government of laws; order is essential to the Bill of Rights, the Constitution, and democratic procedures. Unless human beings have internalized order, guards must be posted everywhere and everyone must be watched. Without order, neither democracy nor industry nor daily acts of trust are possible. Proper order is the basis for outrage over Watergate, for concern about CIA domestic surveillance, for worry over the rash of bombings, kidnappings, and taking of hostages on airlines and elsewhere. Without order, life is searches, force, a police state. Wicker doesn't have the courage to argue against Governor Rockefeller, or the intelligence to see precisely where the Governor's failure lay.

Rockefeller should *not* have talked to the inmates, as Wicker wanted, for the reasons the Governor gave: no deals with kidnappers and hostage-holders, no conferring of credibility on confused and illusory revolutionary theater. But Rockefeller should not have used surrogates to do the dirtiest work of the state. Rockefeller's habitual style is to do his deeds through hired agents. In a private citizen, the style is contemptible enough; in an executive officer, it is inexcusable. The broken figure of Commissioner Oswald is proof enough that the Governor burned up his subordinates to save himself. The fact that no one on the scene thought to have medical units ready to enter the prison yard after the troopers' assault indicates that the Governor could have played an important role as overall administrator of the restoration of order. If Rockefeller had been there, the citizens of New York would not have felt leaderless or suffered from his cowardice. Attica was about responsibility; the Governor failed his.

On Attica, then, Wicker sheds little useful light. The true story of *A Time to Die* is the story of Tom Wicker's testing as a man. There is no mistaking this as the dramatic center of the book. Wicker sees himself leaving for Attica already on page 6 as having an opportunity that "might make him think better of his work, even of his life," and as he leaves, his important lunch companions are "moving to and fro, talking no doubt of Michelangelo." Later, he recalls: "It had occurred to him within minutes of entering the prison . . . that perhaps the time had arrived for his life to be put to the challenge." Before Attica, "his fiction seemed no more promising than it had been a decade earlier. Nor did he think his newspaper work had had enough value to sustain his passionate desire to signify as a writer.

His personal life was breaking up and falling away. . . . [R]eflecting on Attica, he discovered that he had arrived at an age and time—his divorce, the shattering of the stability he had come to depend on, was a large part of it—when neither his profession nor his sense of self yielded him an essential feeling of worth. He liked and believed in his work; but its aloof, critical onlookers' ethic, valid professionally, could not sustain his life." Exhausted later, "he realized how tired he was, how old, how inadequate, how disappointed in himself." Later, in action: "He was caught up in the euphoria of decision, leadership, action. He felt bigger, stronger, better than he ever had. He thought he could handle anything, and he was prepared to try. He felt true to himself." Attica was therapy, Attica was a time of testing, Attica was real life.

By his own account, Wicker failed the challenge of Attica. His role, as one of the observers, was to see to it that "*Nobody gets killed*." But in the event—although he is still less than willing to face this squarely—what he and his fellow observers did was help to bring the massacre about. Instead of telling the inmates the truth about the troops outside, or challenging their illusions about what the state was prepared to do, or trying to persuade them to put their demands on a realistic basis which might have led to a peaceful settlement, Wicker and the other observers chose *not* to make recommendations, but rather to serve as conduits of the rioters' story to the outside world. When Commissioner Oswald says plaintively, "A committee as powerful as this ought to have been able to swing that group around to meeting with me on neutral grounds," he summarizes the observers' achievements fairly. The observers had been loath to swing the inmates on anything, had acted like nondirective therapists awaiting insight. What came instead was bloodshed.

The name of Wicker's hometown in North Carolina is Hamlet, and it is in the role of Hamlet that the reader sees his efforts to avert that bloodshed defeated, not by the cosmos, but by his own moral and intellectual flaws. Since these flaws are common to many "decent, liberal, progressive" persons in our midst, Wicker's greatest service is to have exhibited them—even if without full awareness of what he has done—for public judgment.

The most immediately striking of these flaws is the desire to have everything both ways. On the one hand Wicker represents himself as a naive person, a "middle-class product of a system he regarded as fundamentally rational." In this character he can express anger and outrage at every indication that society is not "fundamentally rational." On the other hand, he is a realist, too tough-minded to be a revolutionary, to believe in dramatic change; and whenever it suits his convenience, especially his professional convenience as a journalist, he can slip into this character too. Wicker doesn't *really* believe in reason and order; yes, he does. "Wicker, at one level, agreed with the skeptics. . . . On a more intellectual plane, however, Wicker found himself, as have so many liberals and intellectuals in times of challenge to liberalism and reason, unable to concede the futility of sensible conciliation of interests." He gives many little sermons on the inevitable corruption in human nature: "Well, there'll always be an Attica." Wicker "believed human nature would prevail over any system, that justice would flag and power assert itself in any company of men; and that in all societies, the fight for justice and a limit to power would go on, indomitably, inevitably, the cycle dominating the generations, the struggle never ceasing, the victory never won."

Is the cosmos indifferent, as indifferent as the silent Potomac that one day, fifteen years earlier, swept Wicker helplessly along and threw him over a 76-foot falls? Death and life seemed equally significant, then. Or does the cosmos favor progress through struggle? "He wanted to help men and things be better, for once, than they might have been. If he did not really believe that likely, he nevertheless hoped it could happen." Philosophically, Wicker has not decided if he is an existentialist, a progressive pragmatist, a stoic, a Scotch Calvinist. It's all mixed up. He pulls out whichever strand is rhetorically needed for his posture of the moment.

Secondly, Wicker's perspective on America is innocent of history: "Orangeburg, the cities' riots, the Tet offensive, the Chicago convention, My Lai, Cambodia, Kent State, Jackson State—these and other shocks to his conventional understanding of things had carried Tom Wicker, by September 1971, a long way from the comfortable place in the mainstream of action and acceptance that he once had relished. He had suffered professional and social opprobrium for his developing view of a society gone seriously astray from proclaimed ideals; his 'constituency' was made up substantially of alienated and protesting blacks, young people, the disadvantaged."

One marvels before anything else at the stance taken in this passage, in which one of America's most successful and influential journalists manages to turn himself into a lone prophet crying in the wilderness. (Is the "constituency" he refers to intended to describe readers of the *Times?*) More important, Wicker either displays ignorance of or vastly underestimates the bloodshed, violence, and continuing degradation experienced by the white immigrants who settled in the urban industrial centers—and even in rural towns like Batavia and Warsaw and, yes, Attica—and hence he sentimentalizes the sufferings of blacks. He forgets the bloodshed required to end child labor, to make labor organizing legal, to permit strikes, and to make strikes effective. He forgets the hundreds of thousands who perished in the mines or who were burned to ashes in the mills or mangled by machinery.

For example, exactly seventy-four years before Attica, on September 10, 1897, a sheriff's posse of seventy men armed with rifles fired on an unarmed group of "Hungarian" strikers at Lattimer, Pennsylvania, killing twenty-eight and wounding at least forty (many were dragged off by relatives and never became part of the official count). The New York *Times*, informed later that the shooting had not been provoked, editorialized on September 19, 1897: "Now this is merely incredible. . . . America's sheriff's posses do not behave in that way." George McGovern's doctoral thesis recounts the Rockefeller massacres of immigrant miners in Colorado in 1914. Eric Sevareid's autobiography tells of a massacre of strikers in St. Paul, Minnesota, when he was a reporter for the University of Minnesota *Daily*. In 1936, mounted troops bloodied heads and hired thugs tarred and feathered union organizers in Johnstown, Pennsylvania. Nor does all this show anything especially evil about America; the fate of peasants and serfs in Europe at the time of immigration was even worse.

Thirdly, Wicker has an easy solution to complicated moral problems: the exploited, especially if they are black, are always right. He attributes his virtue to the "class sense he had absorbed from his father, the obligation to side with the underdog, the downtrodden, the poor, and the exploited." Given Wicker's own stated "constituency," his source of power and his moral imperative coincide, which is convenient. But what if the "poor and the exploited" at Attica were in the wrong?

Could it have happened that way? What would the inmates have had to do to be wrong? "Honor and heritage required of him that he stand for the underdog, that the place of man was with the workers and the poor against the powerful and the greedy." But some workers see him, precisely, as one of the "powerful" and the "greedy." Coming out of prison the first day, "Wicker suddenly realized he had thought nothing at all about the hostages." He never visits correction officers or their families. The truly invisible people in his book, outside Wicker's vision, and deeply betrayed by him, are the working-class whites of the prison staff. They figure in his book exactly as he describes blacks in Hamlet during his youth: all he hears is their footsteps; all he vaguely feels is their presence.

Wicker is profoundly ambivalent about his own Southern heritage and about the liberalism for which he has exchanged it. Like many Southerners, he openly believes Southern liberals are better than Northern liberals—see to the heart of things quicker. Yet it is required that he disown the South. So on a troop train for ten days in 1946 with twenty-seven blacks and two other whites, "he set the face of his life away from the South." A convert to Northern liberalism, he keeps trying to prove himself worthy. He "envies" those, like William Kunstler, the radical attorney (a fellow observer at Attica), who are more to the Left than he. Above all, he admires men who have "paid the price," who have "earned their right" to liberalism; he always feels unworthy.

Wicker's most profound ambivalence, of course, concerns race. The first time he ever shook hands with a black was at the age of nineteen, at the university; his first human exchange with a black appears to have been on that troop train—a highly charged moment to him, a moment in which the direction of his life changed. "In 1946, he had made the great discovery that blacks were as human and individual as anyone. It was not much to learn, yet it was more than some people learn in a lifetime." It is difficult for those of us brought up in Northereastern industrial cities to believe Wicker can be serious. Our earliest fistfights were with blacks; we played ball with and against each other. We are not without our own forms of racism, but we have long since done blacks the honor of liking or disliking what we see in them, whether one by one or in solidarity. And we have tried to resist attributing all problems, including all the problems of the blacks themselves, to race alone.

Not so Wicker. "Racism, its consequences, the modern attack on it both legal and intellectual, and its endurance in so many forms had been the central public concern of Tom Wicker's life—and one that, in his life's pattern, had set him apart from many of his contemporaries and his peers." And again: "There had been no moment in his adult, professional life when 'the race question' had not been prominent in his mind and work. Its effect upon him and what he had written, he supposed, was responsible for his presence at Attica."

Thus on page after page, Wicker reduces the issues of Attica to race, to "whiteness," to "blackness." He seems to think of the Latino prisoners as black, and he slides over the whites among the inmates as a kind of embarrassment to the thesis he really wants to sell. "At the heart of the matter was the fear of blackness." Governor Rockefeller "did not appear to realize, even months later, the implications of two cardinal facts—that the attack force was all white and that the rebelling inmates were heavily black and Puerto Rican." But what *are* these implications? Europeans are not notoriously gentle to other Europeans. Officials have seized farmhouses at point of gun from penniless white farmers. Massacres have happened in every decade in American history, and as likely as not whites were the victims of whites. Only 54 percent of the inmates at Attica were black (9 percent were Latino), figures not inconsistent with crime rates among young males in New York State, particularly among the amateurs most likely to be caught.

To imagine every misunderstanding, hardship, injustice, and even brutality done to a black as prompted solely or chiefly by his race is a wretched disservice both to truth and to those who suffer. It is another form of putting them in their place. When in the intense emotion of parting from the inmates, Wicker was called "brother" by a black, and hugged him, "for the first time in his life he sensed that nothing racial stood between him and a human being who happened to be black." He felt himself free, for once . . . *free at last free at last*. . . ." Wicker's mystique of blackness and whiteness may possibly be Scotch-Irish and it is certainly Southern; it is not part of every white culture, and the emotion he describes here does not seem as attractive as he may imagine.

Even the most destructive form of Wicker's racism seems at first glance like exquisite sympathy. After a former prisoner, "G.I." Paris, spoke of "the conditions" in the prison and asked "You unnerstan'?," Wicker writes: "But how could the gap between 'the conditions' of G.I.'s life and his own—let alone those of the truly affluent—be really understood if it had not been lived? How could *he* fully know what 'the conditions' did. . . .?. He sensed the profound inadequacy of his understanding. . . ." How can this be? Wicker is not hesitant about understanding poor whites, or Vietnamese, or characters in fiction or in history books. Only when it comes to blacks and Latinos do his powers of understanding fail. But it is not necessary to *live* someone else's life in order to understand "the conditions" under which that life is lived. "Gaps" among humans can be crossed by understanding—indeed, with a little healthy cynicism, one can sometimes see others more clearly than they see themselves. It is condescending not to face others with the normal amount of cynicism.

Such cynicism deserts Wicker when it comes to blacks, but not as he deals with whites, especially when he believes them gullible or susceptible of emotional blackmail. Wicker's public detestation of threats of a "bloodbath" in Vietnam are well-known; one expects the "bloodbath" newspaper column yearly. Yet through four days of negotiation at Attica, Wicker and the other observers invoke the image of a "bloodbath" repeatedly in order to shock the Governor and state officials. They do not warn the inmates of a bloodbath, however; they protect the inmates' naiveté.

For 300 pages, Wicker tells us the inmates had no trust in the state; in the end he tells us they never wavered in their trust in the state, never imagined the troopers would come in shooting. And why should they? In earlier uprisings at Rochester and at Auburn the state sent troopers in with sticks rather than with guns. One might even argue that at Attica, too, instead of feeding the prisoners and allowing them to organize and to play at revolutionary theater, the state should immediately have sent in a large force without guns and taken back the prison, if not bloodlessly, at least with fewer dead. Why, then, did Wicker and the other observers—who knew that the state was serious—confirm the inmates in the illusions of revolutionary theater?

Underlying everything, more important to his tale than abstract discussion, is this failure to tell the inmates the truth. On Sunday, September 12, Wicker realizes no one has told the inmates about the guns outside, about the pressures for attack; no one has warned them that the state is serious. "If," he says to himself, "the faintest possibility existed that a blunt speech of warning might avoid calamity, he ought to take the microphone and state the truth as plainly as he could." Ashamed of his vulnerability as a Southerner, Wicker rationalizes. Time slips. "But the straw lay there to be grasped at . . . Wicker saw it clearly. He did not doubt the imperative to speak that had been placed upon him by the realization. . . . He knew what was expected of him, what he expected of himself. The moments passed. More hostages came forward. But he did not speak." These lines come at the end of a chapter. Even here, Wicker cannot bear to face his failure. He closes the quoted sentence with a qualifier: ". . . it seems." No seeming about it. He did not speak.

Later, he comes back to it:

"Obviously, a clear understanding of the real alternatives facing them might have made a great difference in D-yard that Sunday afternoon. "Why didn't someone say, 'Listen . . . their position is that they will not move another inch and they're going to come in with guns and shoot you people to death'?" Three years later, Roger Campen [an inmate leader] still was asking himself that question, and Tom Wicker could give no better answer than 'you should have known.' He knew that was hardly an answer at all."

And, still later, Wicker cannot accept the reassurance of his fellow observer, Congressman Herman Badillo: "We did all we could." Wicker was not sure about that. He had not spoken in D-yard the afternoon before. But that was his to live with, not Badillo's."

Great moral failures do not happen suddenly; a thousand small surrenders prepare the way. In Wicker's case it was a long series of surrenders to rhetoric—revolutionary rhetoric—that deprived him first of the ability to see the saving truth clearly and then the courage to speak it when lives were hanging in the balance.

Earlier, on first hearing the inmates' rhetoric, Wicker is fascinated as "a Southerner who responded to eloquence." When Herb Blyden assures his "rapt audience" that the prison is "no more than the actual presentation of the life they were forced to live on the outside," Wicker congratulates him warmly afterward, and writes: "He was a man who spoke with the cutting edge of an essential truth that his hearers knew from their lives to be a truth." Clarence Jones later tells Wicker "how much an institution like this is a microcosm of the outside society. . . . Malcolm X used to tell blacks they were all in prison—that America meant prison for blacks." Wicker in "his evasive Southern way" concedes the point of Clarence Jones and Malcolm X "without anything to do or say that would change or answer it." Instead of conceding, he might have asked Jones, the publisher of the *Amsterdam News*, if he were being rhetorical, self-pitying, or merely manipulative of a poor Southern boy.

The inmates continually boasted of their readiness to die, and "Wicker, at least, had taken it almost literally." Later, however, Champen "explained that the speeches were really dramatizing how bad conditions are." It turned out that 46.8 per cent of the inmates did not expect guns to be used. But Wicker accepted black rhetoric at face value: "The pig only answered to the knife; The Man only yielded to the gun. That was what the brothers believed, what life had taught most of them." Yet in the final test, despite the predictions that hundreds and possibly thousands would be killed, 43 died, counting the guard and two prisoners killed earlier by the inmates. A horrible waste, but nothing approaching the picture drawn by the inmates and spread by the observers. On the one side, of the 211 troopers who stormed D-yard, only 74 men actually fired; and on the other side, the inmates did not kill the hostages when D-yard was attacked. (This does not seem as hard to understand as Wicker makes out. About to be overwhelmed, suddenly choking with tear gas, those who held the hostages had a chance of surviving only if they did not murder; murder when immediate retribution is on its way is not impossible to deter.)

Wicker's attitude toward the leaders at Attica was as uncritical as his attitude toward their rhetoric. He did not know that two prisoners had been executed in some orderly fashion, and that the leaders had more reasons than he suspected for resisting any demand short of amnesty. The leaders played on the crowd like fundamentalist preachers, and the crowd passively responded. Wicker does not explore the dark side of the leaders' personalities; he does not seek out their moral or emotional weaknesses; he accepts them, not quite at face value, but as symbols of revolution, as metaphors for materials locked up in his own psyche. He rails several times at "normal citizens" who saw in these inmates only "murderers, thieves, and rapists," and not their decency and their impressive talents. But here Wicker has things exactly backward. It is he who trivializes the inmates by taking their illusions seriously, by being amazed at their talents, and by averting his eyes from their pathologies, their ignorance, and their flirtations with destruction.

Every human being has enormous capacity for evil and also for good: Wicker included. Cleaving to the "mortal rigor" his mother expected him to live up to, Wicker does not imagine that people like his mother—the mothers in Batavia, ordinary citizens—might be subtler than he. Of the troops at the prison he says, trying to be "charitable," that they were "unschooled in the subtleties of the situation." One wonders. Had they not understood the situation exactly, from the first? Did they not know that the sooner the assault was launched, the less bloodshed there was likely to be? Had they not done this before? Had they not already surmised full well that no "revolution" was beginning in Attica, and that meaner motives lay behind the posturing? Were they not thinking that, if further Atticas arose, they might be the next hostages? For all his "subtlety," Wicker by his own testimony was wrong at every step of the unfolding drama.

Indeed, it seems amazing that a professional journalist should have cared so little about, inquired so weakly into, the masses of people who are constantly at the edges of this text, almost never seen, but experienced as an ominous and hateful presence: the new niggers of America. Wicker hugged black inmates in his farewell he could not look the white hostages in the eye.

Nothing could better symbolize the distortions which the Southern perspective has introduced into our understanding of race relations. The North is not the South, nor the South the North. Attica is not the Arkansas State Prison; Cicero, Illinois, is not Birmingham, Alabama; South Boston is not Little Rock. The North is a different, harsher world, and blacks who were churchgoers and gentle in the South are often gravely wounded by the amoral, hostile, and fiercely competitive working world of Detroit, Chicago, Cleveland, Pittsburgh, Buffalo, Toledo, and New York. The whites they meet are not from Southern culture, do not have Southern guilts. The rules are different. The game is different. Ideology abounds.

The inmates picked the wrong game at Attica, the game of revolution, and forty-three human beings lost their lives. It is not a game limited to blacks: this particular disease is free of racial bias. Southernized, however, revolution signifies "the blacks"; "oppressed" means black; "minority" means black; "poor" means black; "underdog" means black. All problems are defined as racial problems. But racial mysticism, applied to Northern neighborhoods and towns, will not alleviate the scarcity of jobs; the abuse of the civil right to life and limb by muggings, robbery, and rape; the downward slide of stable communities; the economic competition; the bias of the media in dividing black from white; the scramble for scholarships and decent schools. Racial illusions kill; that is the lesson of Attica, and of Tom Wicker's book.

CLIFFORD DURR

Mr. SPARKMAN. Mr. President, Clifford Durr, a member of the Federal Communications Commission for 8 years during the Roosevelt and Truman administrations, died recently following a brief illness.

Clifford was born and reared in Montgomery, Ala. His education at the University of Alabama was interrupted by service in World War I. Following the war, he returned to the university to earn his degree and a Phi Beta Kappa key. He was elected a Rhodes scholar at Oxford University.

During his tenure on the Federal Communications Commission, Clifford Durr championed the use of broadcast frequencies for noncommercial educational use. He and his wife, Virginia, were active in many areas during their years in Washington, just as they were when they returned to Alabama.

Clifford was an outstanding attorney who had strong convictions and stood by them.

I ask unanimous consent that the obituary published in Tuesday's New York Times be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

CLIFFORD DURR, EX-FCC AIDE AND CIVIL RIGHTS LAWYER, DIES

WETUMPKA, ALA., May 12.—Clifford Judkins Durr, a former Federal Communications Commissioner and prominent civil liberties lawyer, died today at the age of 76.

Mr. Durr served on the F.C.C. from 1941 to 1948, during which he fought to establish the principle of reserving broadcasting frequencies for noncommercial educational use. He declined reappointment to the agency by President Truman in 1948. When Mr. Truman asked him why he turned the job down, he replied that he could not conscientiously administer the President's loyalty program.

Later, while briefly a private lawyer in Washington, Mr. Durr represented leading figures involved in various investigations, including the scientists J. Robert Oppenheimer and Edward U. Condon. When he returned to Montgomery in 1954 to practice law, he was for a time the only lawyer in the city who would take cases by blacks charging violations of civil rights.

It was Mr. Durr who arranged to have Rosa Parks, the black seamstress, released on bail in 1955 after she was charged with violating the city's bus segregation ordinance. This arrest led to the Montgomery bus boycott.

In 1972, shortly before his death, former President Lyndon B. Johnson wrote Mr. Durr, following a national conference on civil rights, "A long, long time ago, you taught me so much, by percept and example, about the dignity and opportunity to which each is entitled regardless of color, birthplace, ancestry, and all of the ways in which many have been ignored and disdained."

Mr. Durr was a native of Montgomery and attended the University of Alabama where, following a year's service at the close of World War I, he received his degree in 1919 along with a Phi Beta Kappa key. He was elected a Rhodes Scholar at Oxford and received his degree in jurisprudence in 1922.

In 1933, Mr. Durr entered government service as assistant general counsel of the Reconstruction Finance Corporation, which helped to recapitalize banks that had failed during the Depression. Later he became general counsel, then director, of the Defense Plant Corporation, an agency charged with putting American industry on a wartime footing.

After leaving government, Mr. Durr, instead of entering lucrative private practice in Washington, returned to Montgomery. When asked why he returned to the South, he would quote a line from Br'er Rabbit of the Uncle Remus fables; "De briars, dey may scratch sometimes, but it's my briar patch."

In 1966, Mr. Durr received the Albert and Florina Lasker award of the New York Civil Liberties Union.

He was married for 50 years to the former Virginia Foster, who was active in civil rights causes in Congress during the nineteen-thirties and forties and was a sister-in-law of Supreme Court Justice Hugo L. Black.

Also surviving are four daughters, Mrs. Walter A. Lyon of Harrisburg, Pa., Mrs. F. Sheldon Hackney of Princeton, N.J., Mrs. Virginia D. Parker of Washington and Mrs. Richard V. Colan of Birmingham; a sister, two brothers and nine grandchildren.

A MEMORIAL URGING THE PRESIDENT AND CONGRESS TO OPPOSE HANDGUN CONTROL PROPOSALS

Mr. GOLDWATER. Mr. President, the House of Representatives in Arizona recently adopted a resolution by an overwhelming vote urging the President and Congress to enforce the criminal laws rather than measures to control the use of handguns by honest citizens.

The House vote was 49 to 4 with 7 members not voting.

The resolution insisted individuals have a natural right to defend themselves against assault. It also pointed out that crime statistics only cover the use of firearms in crimes and do not disclose the many instances where the lawful possession or use of firerams for defense have prevented crimes.

Mr. President, I ask unanimous consent that the text of this resolution by the Arizona House of Representatives be printed in full in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE MEMORIAL 2002

A memorial urging the President and the Congress of the United States to oppose any handgun control proposals for Federal legislation

To the President and the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, defense of one's person against assault by another is a natural right recognized by every generation; and

Whereas, every individual's right to the possession of adequate weapons for his defense or the defense of his home and family is essential to the protection of this natural right; and

Whereas, the Bill of Rights of the Constitution of the United States and Article 2, Section 26 of the Constitution of the State of Arizona guarantee to its citizens the right to keep and bear arms; and

Whereas, the handgun is the most effective weapon for self-defense, and its mere posession frequently is sufficient to repel an invader or attacker; and

Whereas, crime statistics only cover the use of firearms in crimes and do not disclose the many instances where the lawful possession or use of firearms for defense have prevented crimes; and

Whereas, such legislation would deny a citizen the right to obtain weapons for self-defense, but would not prevent the acquisition of weapons by criminals or their misuse by criminals; and

Whereas, there are adequate laws now on the books to punish criminals for the misuse of firerams in crimes if properly enforced.

Wherefore your memorialist, the House of Representatives of the State of Arizona. prays:

1. That the President and the Congress of the United States take those steps necessary for the proper enforcement and judicial punishment of criminals, rather than consider legislation to curtail the right of honest citizens to acquire weapons for sport or self-defense.

2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Congressional delegation.

WALTER HELLER STRESSES IMPORTANCE OF A STRONG RECOVERY

Mr. HUMPHREY. Mr. President, I want to call the attention of my colleagues to an article by Walter Heller in the Wall Street Journal, of May 13, entitled "The Dangers of an Upturn." As always; Dr. Heller has an important message for us on the economy, and he presents it in clear, simple, and compelling terms. First Dr. Heller points out that—

> That much heralded business upturn, not far off, will be the economic non-event of 1975. For while business will turn up, unemployment will hang high and unused capacity will be huge.

Dr. Heller goes on to point out that the anticipated business upturn, welcome though it is, carries with it a danger:

> The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward direction of activity, will ignore the abysmal level of the economy and press their Holy War against inflation with recovery-aborting fervor.

Not only are the administration and

the Federal Reserve pursuing too restrictive a policy because of what Dr. Heller calls their hypnotism with "the fear of inflation," but Congress is doing less than it should to provide for a strong and sustained economic recovery. Dr. Heller feels, as I do, that the budget policy which Congress is pursuing is too restrictive. He recommends:

> Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as national unemployment exceeds a triggering level . . .

In general, I feel Congress has done an excellent job under difficult circumstances in its handling of the first congressional budget resolutions. However, I agree with Dr. Heller that the conference report on the budget resolutions which we will vote on today does not provide enough in the way of temporary emergency employment programs. Fortunately, there will be an opportunity for reconsideration of these budget resolutions in September. I only hope that we will heed Dr. Heller's warning that we not relax at the first signs of recovery. As Dr. Heller puts it so well:

> The dawn will break cold and grey for the unemployed. The jobless rate will hover near 9 percent throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

I ask unanimous consent that Walter Heller's article from the Wall Street Journal of May 13 be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE DANGERS OF AN UPTURN

(By Walter W. Heller)

That much heralded business upturn, not far off, will be the economic non-event of 1975. For while *business* will turn up, unemployment will hang high and unused capacity will be huge. The great danger is that Messrs. Burns and Simon, gaining aid and comfort from the upward *direction* of activity, will ignore the abysmal *level* of the economy and press their Holy War against inflation with recovery-aborting fervor.

Right now, we are in the darkness that comes just before the dawn. Unemployment is still rising, to a peak between 9% and 10%. Much consumer demand is being met from inventories instead of new production. Prospects for autos and housing range from feeble to anemic. Plant and equipment outlays are still being marked down.

But as the 1975 tax cuts pour into the economy, as inventories are drawn down and production steps up to meet the consumer demand, and as the pace of government spending (especially on defense) picks up, the economy should begin a rebound. Starting by July or August, it should carry real GNP upward at a 6%-7% pace in the second half of the year.

Still and all, the dawn will break cold and grey for the unemployed. The jobless rate will hover near 9% throughout 1975. And this year's rebound will not become next year's recovery unless the forces that are turning the economy around are buttressed by monetary and fiscal policies for sustained expansion.

Before tossing our hats in the air at the first signs of an upswing, we should reflect a moment on the path of the stimulants that will bring it about:

Tax cuts. After pumping money into the economy this quarter at a $50 billion annual rate, the injections will drop to a $15 billion rate in succeeding quarters. (In contrast, the 1964 tax cut, in today's terms, would have produced a sustained $26 billion rate of injection.)

Budget stimulus. Even assuming expenditures in the neighborhood of $365 billion in fiscal 1976 and continuation of about $12 billion of the tax cuts next year, the budget will swing significantly toward restriction (by some $10 billion to $15 billion in full-employment terms between the first half of 1975 and the first half of 1976) at a time when recovery is still in its early stages.

Money supply. After the temporary current spurt in money supply growth, the Federal Reserve will be tempted to go back to its "standard" 6% growth target. If it does, this alone could condemn us to a paltry 4%-5% rate of increase in real GNP in 1976.

Inventories. The big spur to production implicit in the drop in inventory liquidation rates from a peak of perhaps $20 billion to the neighborhood of zero by the end of the year is hardly likely to be sustained via inventory accumulation in 1976.

THE WHIPLASH OF RHETORIC

Yet under the whiplash of the Ford-Simon-Burns rhetoric, even the *prospect* of an upturn is being used to mobilize the nation's continuing fears of inflation in a campaign against more expansionary budgetary and monetary policy. The upturn itself will give aid and comfort to that campaign. The forces then arrayed against vigorous policies for expansion would indeed be formidable:

The Federal Reserve, still smarting from charges of election-year overexpansion in 1972, will let its deep-seated anti-inflationary bias be its guide.

The White House, following its inherent economic conservatism, seems ready to settle for a mild expansion and slow absorption of the unemployed.

Congress intimidated by scare-talk about deficits and inflation and determined to demonstrate its fiscal responsibility under the new budget procedures, is likely to be imprudently "prudent." That is, in guarding against the distant threat of renewed inflation, it seems unwilling to deal boldly with today's deep recession.

This dangerously timid and restrictive mood—which, if it persists, could lead us from the 1974-75 recession, after a brief spurt, into a 1976 stagnation—seems to be rooted in neglect of some factors and misperception of others.

First, in its blind preoccupation with inflation, it seems to forget that (a) the ferocious inflation of 1973-74 is rapidly ebbing, (b) there is no reason to expect the forces that generated over one-half of that inflationary upsurge—two years of disastrous crop failures, a quintupling of oil prices and dollar devaluation—to recur during the expansion of the mid-1970s, and (c) a miserly monetary policy and restrictive fiscal policy would blunt both the upswing and productivity that can help us subdue inflation in the short run and the expansion of savings and capital spending that can forestall shortages in the longer run.

Second, in assessing the economy's capacity to absorb stimulus, we seem to forget that (a) this recession is twice as deep as any previous postwar recession, (b) while real GNP has dropped 8% in the past 18 months, potential GNP has also been rising (by 6%, if we use trend growth), thereby idling about $200 billion of our annual productive capacity, and (c) American industry is now operating at only two-thirds of capacity. It remains a chilling reality that three consecutive years of 7% real growth would still leave unemployment at more than 6% and that present policies provide no assurance that even 7% growth will be maintained in 1976.

Third, even the redoubtable John Dunlop, in expressing the fear that bottlenecks in primary processing industries will abort recovery, seems to forget (a) that operating rates in primary processing industries are running below 70%, and (b) that many of the 1973-74 shortages reflected a frenzied flight into commodities—partly protective, partly speculative—as much as, perhaps more than, a genuine scarcity of materials for productive use, and (c) that many of these materials are only now being disgorged in 1975's massive inventory liquidation. True, that inventory liquidation makes the huge idle capacity today somewhat deceptive. But inventory gorging and hoarding also blew the bottleneck problem in 1973-74 out of all proportion.

Fourth, two major misapprehensions about the budget continue to plague the country and inhibit the Congress. One myth is that the huge federal budget is somehow the result of government profligacy. The facts are that (a) nearly $60 billion of the projected 1976 deficit is due simply to the ravages of recession (about $45 billion of reduced revenues and $15 billion of increased unemployment costs) and (b) the $4 billion overestimate of offshore oil lease revenues and a $6 billion or so under-estimate of domestic expenditures bring Mr. Ford's deficit to some $70 billion—small wonder that Republican Senator Bellmon angrily accuses the White House of "phony" budget numbers.

A companion myth is that civilian spending is the main source of upthrust in the federal budget today. But it is defense purchases, already running several billion dollars above projections, that are programmed (according to the Special Analyses section of Mr. Ford's budget) to rise some $25 billion, at annual rates, in the next five quarters. Leaving aside the energy program and the rise in unemployment benefits, the Ford budget for fiscal 1976 projects an 11% increase in defense expenditures, 9% for income security, 6% for health and zero for education, manpower, and social services.

THE COST OF STAGNATION

Fifth, those who shrink from vigorous expansionary policies are also forgetting the huge costs of continued stagnation, not only in the human terms of intolerably high unemployment and intolerable losses of output, but in terms, already mentioned, of the productivity advances and capital formation foregone in a stagnating economy.

Is this an argument for pulling out all the stops? No, but it is an argument for stopping all the pulls—the downward pulls of niggardly monetary policy, a fading tax cut and parsimonious budget policy.

The Fed should lose no time in assuring the country that it will accommodate expansion, even if this means going beyond the newly declared 5% to 7½% monetary growth range, as it surely does.

The Congress should move promptly to make crystal clear, preferably by early reenactment, that the $12 billion to $13 billion of tax cuts beyond the rebate, Social Security payments and housing credit *will* continue in 1976.

Congressional spending and deficit targets should be adjusted to allow an added $5 billion to $10 billion for recovery programs targeted to areas of high unemployment and effective only as long as national unemployment exceeds a triggering level, e.g., expanded unemployment compensation and public service jobs and a new program of counter-cyclical assistance to hard-hit state and local governments, all of which would gradually self-destruct as the economy regains its health.

A year from now will be plenty of time for another look at expansionary polices. Even if we follow a resolute program of expansion, one that would boost real GNP at an 8% annual rate, we would still find the U.S. economy in mid-1976 with 7½%–8% unemployment, with output running some $125 billion below its potential, and with shortages and bottlenecks still no threat. That will give us plenty of time to review the bidding and determine whether, when, and how restraint should be applied. To do it at the first sign of an economic upturn would be an abject confession of economic bankruptcy.

The danger of an upturn, then, is that the Burns-Simon axis will mistake the warm and gentle zephyrs of the rebound for the gathering winds of a new inflation—to be leaned against in the best (or worst) Fed tradition and to be used as a club against bold congressional action. The consequence? The rebound may never become a recovery. If the White House and the Fed, hypnotized by the fear of inflation, quickly turn from expansion to restriction, they will snatch defeat from the jaws of victory.

NATIONAL SCIENCE FOUNDATION CURRICULUMS

Mr. LAXALT. Mr. President, the Senate recently passed the National Science Foundation authorization bill (S. 1539) and I, as a member of the Committee on Labor and Public Welfare which considered the legislation, concurred in the vote. However, during the course of hearings on S. 1539 the committee received testimony which revealed that NSF was aggressively marketing and promoting their social science curriculums. My colleagues on the committee and I agree that this is a most unhealthy situation. While we recognize that it is in the public interest to aid in the development of social science curriculum, it is definitely not our intention to continence the promotion of the material by NSF using Federal funds to "sell" the programs. This obviously places the private curricula development sector at a disadvantage. Therefore, at my request the following language was inserted into the committee report before the legislation was reported:

> Notwithstanding current controversies, this committee does not seek to pass on the merits of any specific NSF effort to develop or implement social science curriculum at the elementary level. It does, however, very strongly disapprove of any attempt to subsidize the marketing or promotion of such curricula in such a way as to give them a competitive advantage over curricula developed by the private sector. NSF should make its curricula available to local school districts, but it should not attempt to in any way influence the view of those local boards as to the desirability of such curricula.

I, and the rest of the committee members, will monitor the activities of the NSF very closely in the coming year. We hope that they will continue producing high quality curriculum for consideration by the education community, but do not want the Foundation to market their programs with Federal funds.

DOMESTIC ENERGY SUPPLIES

Mr. BENTSEN. Mr. President, few issues facing this country are as critical as the need to develop a comprehensive, coordinated plan for achieving energy self-sufficiency. It is vital to every aspect of our national life, from the economy on. But it takes money to achieve self-sufficiency: Money for loans, money for investment. And, given the state of our capital markets, that may be hard to come by.

Last week, I presided over Committee on Finance hearings into this problem. Two of the administration's leading officials—Secretary of the Treasury William Simon and Assistant Secretary of State Thomas Enders—testified on this issue.

In addition, experts testified on two new and promising sources of energy—coal gasification and the conversion of solid waste into fuel.

Mr. President, I would like to briefly discuss with my colleagues some of the important points raised during these hearings.

Any comprehensive energy program must focus both on increasing domestic energy supplies and decreasing wasteful use of energy. Traditional fuels such as oil, natural gas, and coal are our primary sources of energy and they will be for some years to come. But we must develop new alternative domestic sources of energy to meet our future needs and reduce our reliance on foreign sources of oil. We need an all-out program, with both private and public participation, to produce energy from alternative sources. Coal gasification and solid waste conversion are two promising areas.

Indeed, our country has a wealth of synthetic energy alternatives which we must now attempt to tap.

We are the Saudi Arabia of the world when it comes to coal reserves. According to the National Academy of Sciences there are 3.3 trillion tons of coal in proved reserves and undiscovered resources in the United States.

And the techcnology already exists to convert this coal into a sulfur-free naural gas—into the energy equivalent of 12 trillion barrels of oil.

The big problem is making this process economically and environmentally feasible. We must make every effort to overcome these obstacles, but it will take money.

It takes a tremendous capital outlay to purchase the new equipment for converting coal into gas, and companies are reluctant to make the tremendous investment required because of the fear that the Arab oil-producing countries will undercut them.

Considering the control the Arabs currently exercise on the energy market, I must say the reluctance of companies to make these large-scale investments in coal gasification is understandable.

What are we talking about here? What will it take to overcome the economic and environmental hurdles and begin large-scale production of gasified coal?

Although the technology for coal gasification exists, there are a lot of uncertainties regarding operability, yield efficiencies, and metallurgy.

With respect to the environment, synthetic fuel projects in general require significant supplies of water. For example, water supplies will be a significant factor in decisions to build synthetic fuel plants in the Rocky Mountain States. Ranchers and farmers in States like Colorado and Wyoming have voiced strong concern that coal gasification, coal liquefaction, and oil shale projects will deplete already scarce water resources. A 1973 study by the National Academy of Sciences concluded that not enough water exists for large-scale conversion of coal to other energy forms in the West.

And, coal gasification, of course, involves extensive mining operations and waste disposal problems, with all the environmental concerns they raise. In addition, there has been little experience in regard to actual investment of operating costs of large plants. There are some estimates that gasified coal will cost as much as $3 to $4 a thousand cubic feet. And, since no commercial-sized plants are in operation now in this country, it is not clear whether this price can be significantly reduced over time through technological innovations and the adoption of economies of scale.

The combination of these factors results in high economic and technical risks.

This is where Government can and must help, both with such intangibles as the moral support provided by a constant commitment to the development of synthetic fuels, and with more concrete financial backing.

To this end, I have already introduced legislation to establish an Energy Development Fund. It would provide loan guarantees for developing synthetic fuels, including gasified coal and solid waste conversion.

These loan guarantees would not represent any direct financial outlays by the Federal Government. They would simply encourage companies to embark on expensive energy development projects by offering them protection against Arab-created price fluctuations.

Besides such selective loan guarantees, Government could also make long-term purchase commitments to private industries working through such new avenues to meet our energy needs.

My proposed Energy Development Fund will help private industry meet the cost of developing synthetic fuels. Under my proposal companies would generally be required to provide 25% of the cost of the project. They could then obtain loan guarantees from the Energy Development Fund for the remaining cost. Liability, of course, would be limited to facilities.

Very selective purchasing commitments for synthetic fuels could be made at the discretion of the Board of Directors of the Energy Development Fund. A minimal tariff of only 1 cent per barrel of imported oil would be imposed to raise the necessary operating and startup expenses of the bank. And the Secretary of the Treasury would be authorized to borrow any additional funds that may be needed for the program.

I think it is important that Government assist private industry in meeting the enormous costs of developing synthetic fuels, because the support is not going to come from anywhere else.

Potential investors are concerned that

some of the oil-producing nations which can produce oil for as little as 20 cents a barrel, may again sell petroleum to the United States at low prices and drive synthetic fuels out of the market, bankrupting those who had invested in such facilities.

My proposal would help spread the risk of investment in the production of these synthetic fuels which are important to achieving long-term energy self-sufficiency.

However, the proposal also recognizes that we cannot develop a viable synthetic fuel industry unless private companies retain some of the risk and some of the incentives for efficiency and the adoption of cost-effective technologies. That is why the companies themselves would have to come up with 25 percent of the cost. And, when you are dealing with billions of dollars—that will insure the cost effectiveness.

Another promising energy alternative which we examined during the Finance Committee hearings last week is conversion of organic solid waste to fuel.

This is still highly experimental, but one Environmental Protection Agency report predicts that this process could be producing the equivalent of several hundred thousand barrels of oil per day by 1980. It would also save cities across the country large sums currently spent on municipal waste disposal.

It is encouraging to note here that methane and electricity are already being successfully generated by pilot plants in such places as St. Louis, Baltimore, and San Diego County.

Using solid waste as an energy source offers several distinct benefits:

It replaces the use of fossil fuels;

It produces low sulfur oxide emissions because solid waste has a low sulfur content;

It helps alleviate the solid waste disposal problem and reduces the amount of land needed for disposal sites; and

It is a readily available domestic source of energy.

Cities and counties throughout the country are facing a serious problem in the disposal of solid waste. Traditionally cities have relied on open dumps, incinerators, or landfills to dispose of municipal waste.

But open dumps pollute air and water, constituting a very real health hazard. Incinerators also pose air pollution problems. Landfills are objectionable to local residents for obvious reasons.

A resource recovery system such as solid waste conversion will help reduce the environmental problems associated with solid waste disposal.

Further experience with existing solid waste conversion plants will demonstrate whether this process is economically and environmentally feasible.

My proposed energy development fund will offer loan guarantees to private businesses or municipalities to encourage the development of projects for converting solid waste into fuel.

Closely related to the conversion of organic solid waste into energy is the process of recycling solid waste materials into useful products as a means of conserving energy.

In most cases the use of recycled materials results in considerable energy savings when compared to the use of virgin materials. For example, producing steel from scrap requires only 25 percent of the electricity that is needed to produce the same amount of steel from raw materials. It is estimated that production of a ton of aluminum from natural resources requires over 30 times the energy output needed to deliver an equivalent ton from recycled sources.

Furthermore, there is generally a reduction in air pollution, water pollution, and waste generation when recycled materials are used in place of raw materials in production processes, according to the Environmental Protection Agency.

Congress is now examining various tax incentives to promote solid waste recycling.

While I believe government has a role to play in providing the necessary economic and regulatory climate and in some cases direct incentives and loan guarantees—the principal responsibility for developing this Nation's energy resources should be by private enterprise not government. I spent 16 years running my own business before returning to Washington as a Member of the Senate. I have seen nothing since returning to convince me that government can develop energy resources any more quickly or efficiently or at a lower price to the consumer than private industry. Energy legislation should be directed at strengthening the ability of private industry to do the job, not weakening its ability.

We must begin now to examine our energy needs, coordinate resource development and consolidate our conservation efforts.

In only this way can we insure that our Nation will never again be caught unprepared by another energy crisis.

The House of Representatives is now formulating comprehensive energy legislation. This legislation includes major modifications of our tax laws to both reduce energy consumption and encourage energy production. All tax legislation must originate in the House of Representatives but hopefully, the House will soon complete action and send the energy bill to the Senate.

Congress must formulate a national energy policy. It will be a difficult task, but our Nation has successfully faced equally difficult tasks many times in the past. We can successfully do so again.

THE NEED FOR A STRONG NATIONAL DEFENSE FORCE

Mr. GOLDWATER. Mr. President, recently the National Guard Association of Arizona held its 1975 annual conference in Flagstaff, Ariz., and unanimously went on record as favoring Federal expenditures necessary to keep the defense of the United States superior to that of its possible adversaries.

The Guard Association also urged the Congress to enact legislation providing for the establishment of a national cemetery in the State of Arizona and support for commissary and post exchange stores used by the Federal and National Guard personnel.

In its resolution on defense funds the Guard said "détente" has only eased but not removed the tensions existing between the United States, the U.S.S.R. and the People's Republic of China. It expressed fear that a "sagging" national economy might influence Congress to cut back unnecessarily on the defense budget.

Mr. President, I ask unanimous consent that the text of these resolutions be printed in the RECORD in their entirety.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION

Relating to the establishment of a national cemetery in Arizona

Whereas, the State of Arizona is one of the few states which does not have a National Cemetery within its boundaries; and

Whereas, many residents of Arizona who have served with distinction in the Armed Forces of the United States have expressed a desire to be buried in Arizona; and

Whereas, residents of many other states who have served in the military installations in Arizona and others who have returned as veterans or retired in Arizona, have expressed a desire to be buried here; and

Whereas, a deceased veteran who desires to be buried in a National Cemetery must be transported to another state for burial, thereby causing great hardship for his survivors;

Now, therefore, be it resolved, by the National Guard Association of Arizona, in Annual General Conference Assembled this 26th day of April, 1975 at Flagstaff, Arizona, that the Congress of the United States be and it is hereby earnestly requested and urged to enact legislation providing for the establishment of a National Cemetery in the State of Arizona; and

Be it further resolved, that the President of this Association be and he hereby is authorized and directed to send a copy of this resolution to each member of Congress from Arizona, the National Guard Bureau and the National Guard Association of the United States.

Know all men by these presents:

That the National Guard Association of Arizona at the Annual General Conference of the Association Assembled at Flagstaff, Arizona, on the 26th day of April, 1975, adopted the following resolution:

RESOLUTION

Relating to continued congressional support for commissary and post exchange benefits to military personnel

Whereas, Détente has only somewhat eased and has not completely removed the competition and tensions between the United States and the Union of Soviet Socialist Republics and Communist China; and

Whereas, the National Security of the United States depends heavily on a strong, efficient, well trained, and well equipped Military Force; and

Whereas, a "sagging" National Economy will probably influence Congress to cut back on unnecessary Defense Budget expenditures; and

Whereas, certain benefits incident to military service such as use of Commissary and Post Exchange stores by active duty military personnel and National Guard personnel should continue to be available to members of the military as a benefit incident to service;

Now, therefore, be it resolved, by the National Guard Association of Arizona, in Annual Conference Assembled this 26th day of April, 1975, in Flagstaff, Arizona, that the Congress of the United States be and it is hereby earnestly requested and urged to support the Military Forces of the United States by authorizing the maximum necessary federal expenditures to keep the National Defense of the United States superior to that of her enemies; and

Be it further resolved, that the Congress of the United States be and it is hereby earnestly requested and urged to support with federal expenditures such necessary benefits to military service as Commissary and Post Exchange Stores for use by Federal and National Guard personnel; and

Be it further resolved, that the President of this Association be and he hereby is authorized and directed to send a copy of this Resolution to the President of the United States, the Secretary of Defense, the Secretaries of the Army and the Air Force, each member of the Congress from Arizona, the National Guard Bureau and the National Guard Association of the United States.

CONGRESSMAN McFALL ADDRESSES CALVIN BULLOCK FORUM ON NATION'S ECONOMIC POLICY

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an excellent speech given last week by the Honorable John J. McFall, the distinguished majority whip of the House of Representatives.

Speaking before the Calvin Bullock Forum in New York, Congressman McFall made a careful and most informative presentation of congressional actions to improve the state of our economy. He told the story as I think it should be told:

> This new ninety-fourth Congress produced more significant legislation in its first ten weeks than any other new Congress in forty years. This is because the economic crisis today demands action and because the Congress acted late last year to facilitate action. Procedural reforms made it possible for the new Congress to get organized beginning last December. All through this session, we have been at least a month ahead of other new Congresses.

Certainly, the new Congress has taken a decisive step to stimulate economic activity by enacting promptly the net $22.8 billion Tax Reduction Act, which will bolster consumer incomes and encourage them to increase their spending. This reduction, I might add, is a modest one in terms of the economy's needs and was the minimum essential to promote economic recovery. As Congressman McFall points out in his remarks:

> It is well to note that in terms of real impact on the economy, this current tax cut packs less punch than the $12-billion tax cut of 1964. To make an equal impact today, the 1975 tax cut would have to be at least $26 billion.

This year, for the first time ever, Congress has been able to formally set target ceilings on Federal spending, deficit, and other totals in 1976. Last year we passed a historic piece of legislation, the Congressional Budget Act, which has provided us a formalized system of budget control.

With respect to the deficit in fiscal 1976, the majority whip notes:

> The deficit is expected to be $69.5 billion . . . Our House Budget Committee estimates that this is exactly the deficit that would result from President Ford's budget, when his estimates are recomputed on a more realistic basis. The spending total will be somewhere between $368.2 billion as voted by the House and $365 billion as voted by the Senate.

At the Joint Economic Committee we have conducted extensive hearings on financing the deficit projected for fiscal 1976. Most of the witnesses at our hearings believe if the fiscal policies we adopt this year are appropriate, and if the Federal Reserve is cooperative, an even larger deficit could be financed in the money markets without undue disruption. Remember, the recession is the single largest contributor to the budget deficit because of reduced incomes and correspondingly low Federal tax revenues. The only way to avoid such deficits in the future is to provide enough support to the economy now to insure a vigorous recovery leading to sustainable growth in the years ahead.

While we have had some recent evidence that the economy may be bottoming out, there is no equal assurance that unemployment has yet reached its peak, or that it will drop quickly once the recovery takes hold. Congressman McFall states:

> Congress is now working on legislation that will create about 2.3 million new jobs, after you eliminate the overlap between the programs. This includes 760,000 jobs expected to be generated by the tax cut. Other jobs bills (enacted or moving through Congress) will create the others.

I have mentioned only a sample of the many actions Congress has taken to bring our economy back on a steadier, more hopeful course. Congressman McFall's speech represents the kind of leadership in economic policy that we must show in the Congress.

Mr. President, I ask unanimous consent that Congressman McFall's remarks be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Remarks of Congressman John J. McFall, Majority Whip of the House of Representatives, to the Calvin Bullock Forum, New York, May 9, 1975

It's a pleasure to be with you this afternoon. I appreciate this opportunity to address the Calvin Bullock Forum.

I understand that the symbol of this forum is a miniature replica of Lord Nelson's dress sword. So today, we have the sword meeting the Whip.

I want to tell you a little bit about that title—so that you don't take it too literally—and, more importantly, about the job of the Majority Whip in the House of Representatives.

Originally, the "whipper-in" was a fox-hunt official who kept the hounds from leaving the pack. The term was first applied to the rounding up of one's legislative colleagues by Edmund Burke, when he saw it going on in Parliament one day in 1769.

Today, the stock in trade of the modern Whip's office is information. Not inside or exclusive information, but plain, straightforward, unbiased information. Our clientele is the Democratic Membership of the House, all 289 of them. To each Member we provide a one-page summary of every bill that comes to the House floor. We give them a daily schedule and other procedural information through a simultaneous telephone call to all Members' offices. Periodically, we issue speech cards and checklists summarizing legislative accomplishments. And finally, the Whip organization, which includes a Chief Deputy Whip, three Deputies, and twenty zone whips, acts as a sounding board, bridging the gap between the Speaker, who is the top official of the House, and the Democratic Membership at large.

Another part of my own duties is serving as assistant Floor leader to the number two official of the House, Majority Leader Thomas P. O'Neill, Jr.

On major legislation, when there is some controversy, the Whip organization will make vote counts in advance. We can see which Members are undecided and take the opportunity to ask them to vote with the Leadership.

But basically, information is the important thing with the Whip's office, as I am sure it is here on Wall Street where stocktraders depend heavily upon it.

I want to share with you one bit of information that interests us both: New York state taxpayers paid $36.8 billion in federal incomes taxes for the year ending June 30, 1974. That is the largest state share in the nation, almost $12 billion more than California, if that is any consolation. It is 13.7 percent of the total $269 billion in fiscal 1974 federal income tax revenues.

So I want to assure you that we know and appreciate your contribution here in New York.

Since you are in the nation's top taxpaying state, I am sure that you would have more than passing interest in the Ways and Means Committee which originates all tax legislation. Many of the things I am going to be talking about today relate to that committee, and I wanted you to know that you can keep a good watch on Ways and Means by reading your Wall Street Journal. Its reporters do an excellent job of finding out what's going on in the committee, even when it is meeting in closed session. Sometimes, even those of us in the Whip's office read the Journal to find out what Ways and Means did the day before.

Today has turned out to be a special day for the economy. It is the day that the first of those 78 million tax rebate checks are being delivered—and spent. (Wave rebate stub)

The tax rebates, and the lower withholding tables that went into effect May 1, will pump $16 million into the economy in the form of spendable income to consumers. These are part of the landmark Tax Reduction Act passed by the Congress and signed by the President six weeks ago. In addition, the act provides $4.75 billion in business tax cuts designed to encourage growth and expansion.

Altogether, this is a net $22.8 billion Tax Reduction Act, providing $24.8 billion in cuts and $2 billion in new revenues.

Having been elected Speaker pro tempore while Speaker Albert was on a presidential mission to China, I was privileged to sign the tax cut bill on behalf of the House before it went to the President.

This tax cut is designed by Congress as a massive response to some of the most severe economic conditions we have faced since the great depression. Industrial production is down more than 12 percent since September. We are trying to tune up the great American economic engine, to get productivity headed upward again and the Dow-Jones industrial average along with it.

It is well to note that in terms of real impact on the economy, this current tax cut packs less punch than the $12-billion tax cut of 1964. To make an equal impact today, the 1975 tax cut would have to be least $26 billion. So this is not an irresponsible or an over-stimulative tax cut.

As a Member of the House Appropriations Committee for thirteen years now, I can assure you that Congress has always been deeply concerned about fiscal responsibility. And this year Congress is better equipped than ever to exercise federal budget control.

The landmark Congressional Budget Act of 1974 is being put into effect this year—a year early—because our economic situation today demands it. As a result, both the House and the Senate last week voted to set target ceilings on federal spending, deficit and other totals for fiscal 1976. It was the first time ever that Congress had taken such action as part of a formalized system of budget control.

By law, the House and Senate must resolve their differences and settle on a first budget resolution by May 15. Its figures will be subject to review by a second budget resolution in September.

A House-Senate conference is at this very moment working out differences in the two bills. By the end of the day, they should have a final bill that is very close to President Ford's overall figures. We expect the bill to come to the House floor next Wednesday. The deficit is expected to be $69.5 billion, which is a little less than the House and a little more than the Senate. Our House Budget Committee estimates that this is exactly the deficit that would result from President Ford's budget, when his estimates are recomputed on a more realistic basis. The spending total will be somewhere between $368.2 billion as voted by the House and $365 billion as voted by the Senate.

President Ford's proposed budget for fiscal 1976 has been revised, either by action of the President or by the effect of court decisions, so that it now projects spending of $355 billion and a deficit of $60 billion. Our House Budget Committee, however, feels that even these figures are understated. The committee estimates that royalties from offshore oil leases will be $4 billion less than the Administration estimates. The committee also estimates that subsidies and welfare payments will be $1 billion more than the Administration estimates. Finally, the committee assumes that the tax cut will be extended through June 30, 1976, thereby reducing the Administration's revenue estimates by $4.4 billion. If the committee's projections prove out, the Administration spending total will rise to $360 billion and the deficit to $69.5 billion.

Both figures are comparable to those in the House and Senate budget resolutions. So we are really all in the same ballpark.

Let me tell you a little story here about numbers games. Last year—way back in October, 1974—there was a great hue and cry about holding Federal expenditures for fiscal 1975 below the magic $300-billion mark. President Ford even made an address to the Congress asking for a $300 billion spending ceiling, and the cry was taken up in some quarters on Capitol Hill.

I was one of those who said it would be impossible to keep outlays at that level. I told that to the President when I was at the White House. I said: "Look at our commitments and our uncontrollable costs. We can't do it." He said: "I know, I just want to keep it from going very much over $305 billion," I said: "We can't even do that. It'll go at least to $308 billion or $309 or more."

Well, wiser heads prevailed on Capitol Hill. On October 11, the House passed a resolution calling for a $300 billion target ceiling on fiscal 1975 expenditures. The Senate made some parliamentary flourishes with the bill, but they never did pass it.

I just checked the current estimates on fiscal 1975 spending with two months left in the fiscal year: $325 billion. And a deficit of $41 billion, $21 billion more than was estimated in October.

Just to show you how things can change—forty-eight hours ago when I was going over this speech, that deficit figure was $45 billion. Then Secretary of the Treasury Simon announced that tax revenues were turning out to be $4 billion higher than expected. Let's wait and see. There's nothing that says it can't change again.

So I have seen these numbers games before. What we need to do now, when we play this numbers game again this year, is to look at some of the determinations that are going to have to be made before we can talk seriously about a final budget figure. It is a good thing that this first budget resolution sets target figures only, subject to revision later in the year.

Let's talk a little bit about those determinations. I am working on one of them right now. I am a member of a House-Senate conference which is working out differences in a $5.9-billion emergency jobs appropriation bill. The bill would provide funds for 310,000 public service jobs, and for public works which would generate another 600,000 jobs. The Senate also wants to include $700 million for railroad track and roadbed maintenance. Most of this is subject to authorizing legislation, and there is some question as to how much the railroads can actually put to immediate use. It would seem to me that one possible solution is to provide $40 million so that the roadbed maintenance can get into the summer. That would give Congress plenty of time to consider authorizing legislation for the entire program.

This emergency jobs bill is figured into our Budget Committee estimates, but it provides more than what the President requested. It is possible that he may veto it. So this is certainly an "iffy" expenditure. We still have to find out one way or another what is going to happen with this bill before we can arrive at a final budget figure.

Another determination that we have to make is on a $5 billion local public works bill now being prepared by the House Public Works Committee. This bill would provide 250,000 jobs, and it is strongly supported by Speaker Albert. I am a co-sponsor of the bill, and I have testified on behalf of it. Again, this bill is included in House Budget Committee estimates but not in the President's budget request. So that is something else we have to get decided.

The House budget deficit figure of $70 billion is made contingent on future tax legislation. The first budget resolution contemplates a $3-billion increase in tax revenues and a corresponding drop in the deficit. Increased collections, as estimated by Mr. Simon, account for $2 billion of that but the other $1 billion is to come from tax loophole plugging. Some of the candidates mentioned were the Domestic International Sales Corporation, the minimum tax, gasoline taxes, state and local bonds and others.

But it remains to be seen what kind of legislation the Ways and Means Committee will actually draft. In that connection, I should say that a major new tax bill is next on the Ways and Means agenda, after the energy bill is officially reported. This new tax bill, besides its loophole plugging and other revenue producing features, is also expected to extend the 1975 tax cut into 1976 and perhaps beyond.

Several other major determinations are pending. The House has already voted to eliminate the President's five-percent cap on social security, federal and military retirement, federal pay and other payments tied to the cost-of-living index. That would add $2.7 billion to fiscal 1976 outlays.

A housing bill, which would subsidize interest rates for middle-income homebuyers, is now in House-Senate conference. It is expected to cost $1.9 billion and to stimulate the construction of 400,000 homes. That would mean 250,000 new jobs in the construction industry. The mortgages would average $30,000, and the aggregate mortgage amount could not exceed $12 billion. Eligible middle-income homebuyers could have their choice of a six-percent interest rate for three years or a seven-percent rate for the life of the mortgage.

Another item pending is the extension of the public service jobs program through fiscal 1976. The Budget Committee recommends an additional 140,000 jobs costing an additional $1.9 billion. That would bring these jobs to 450,000 in fiscal 1976. Now, the Education and Labor Committee, which has legislative jurisdiction over this program, is currently marking up a bill which would increase that figure to 700,000 for fiscal 1976.

Another major unresolved item is energy. The President is counting on $7 billion of energy tax revenues in his budget request; the Budget Committee has deleted it altogether. Major energy bills are being readied for floor consideration, but we will not be able to determine the effects on the budget until we have enacted a national energy program.

A school lunch bill which the House has recently passed would cost $455 million that is accounted for neither in our House budget recommendations, nor in the President's.

Finally, there is always the annual tradeoff between defense and international assistance and the human resources programs in the budget—such items as health, education and veterans.

So these are some of the things that must be determined before we can arrive at final budget figures. Now, I don't mean this to sound especially complicated or unusual. What I have been describing to you is the annual tug-of-war over national priorities between the Congress and the President. The form is somewhat different this year, thanks to the Congressional Budget Act, but the objective is just the same. The Constitution entrusts the legislature and executive with joint responsibility for national policymaking, with the understanding that the two sides must wrangle and work together to achieve it.

So this is par for the course, but I just wanted you to know what the course is in Washington. The important thing, I think, is that Congress will adopt target ceilings. That way we will know about what to expect for the coming year. The money market especially will know how much federal borrowing to expect.

I cannot agree with those who say that the financing of the federal deficit will crowd businesses out of the financial markets. A number of eminent economists have told the Congressional Joint Economic Committee that the money markets can handle federal requirements without undue disruption. The big reason for this is that private borrowing has fallen off sharply during the recession. In fact, some economists think that federal borrowing is performing a useful replacement function by taking up the slack. The money market, like any other market, cannot flourish if it is underutilized.

Walter Heller, Chairman of Economic Advisers under Presidents Kennedy and Johnson, now of the University of Minnesota, testified recenty to the Joint Economic Committee (March 12). He said:

"Sources ranging from impeccable to unimpeachable seem to agree that, with a responsive Federal Reserve, the huge deficit can be managed at low interest rates, with little displacement of private investment, and without rekindling inflation."

Less than a month ago, (April 13) the New York Times quoted Roger Klein, economist for the Securities Industry Association, as saying:

"There will be no interest rate problem in 1975. Private demand for credit is weak and falling, and the government is just filling the vacuum."

Congressman Brock Adams, the Chairman of our House Budget Committee, has received statements from thirteen leading bankers and financial experts—the overwhelming majority to the effect that a deficit as high as $70 billion or $80 billion for fiscal 1976 could be financed with little adverse impact on the money markets.

Let me give you a couple of excerpts of these statements—which, by the way, formed the basis for an article by Hobart Rowen, financial editor of the Washington Post. (April 16)

Richard W. Everett, vice president of Chase Manhattan, wrote Chairman Adams:

". . . the deficit could be substantially larger than proposed—say by $10 billion or $15 billion—without generating new inflationary pressures."

Walter E. Hoadley, executive vice president of the Bank of America, said:

"We are not pessimistic about the ability . . . to meet even the huge projected deficits for the next year or two. We are increasingly concerned, however, that such deficits not be continued . . ."

No one wants deficits of this magnitude to continue. I certainly do not. I am sure that no Member of Congress wants to see deficits of this size any longer than absolutely necessary.

The Chairman of the Joint Economic Committee, Senator Hubert H. Humphrey, summarized the situation this way on the Senate floor:

"If the fiscal policies we adopt this year are appropriate and if monetary policy is cooperative, the deficits will not continue. The main cause of the deficit, after all, is the high level of unemployment and the low level of taxable personal and corporate income. As soon as the economy begins to grow vigorously, incomes will rise and the deficit will diminish. Recovery and high employment are the *only* way we will get rid of the deficit."

Other factors in the deficit, I would add, are the heavy drain of unemployment benefits and, of course, the tax cut itself. The House Budget Committee considers that each percentage point of unemployment costs $16 billion—$14 billion in lost tax revenues and $2 billion in unemployment benefits.

George Meany, President of the AFL–CIO, testified before a House subcommittee that: "The problem is not the budget and the budget deficit. The problem is jobs."

The tax cut is essentially an investment in our economy. We expect to recoup the loss after the tax cut pulls us out of this downward cycle, and we are headed once again toward sustained economic growth, rising employment and increased taxpaying potential.

There is concern in Washington that the money supply will not be permitted to expand sufficiently to accommodate the economic stimulus generated by the tax cut. Several weeks ago Congress passed a resolution calling upon the Federal Reserve to permit adequate growth of the money supply and to bring interest rates down.

As the result of this resolution, Dr. Arthur Burns, Chairman of the Federal Reserve Board, appeared before the Senate Banking Committee, and, for the first time ever, projected future monetary intentions of the Board. Previously, of course, the Fed had never announced its future plans in advance.

Dr. Burns said that the Fed plans to permit the money supply to grow by five percent to 7.5 percent through March, 1976. This indicates a more liberal policy on the part of Fed. However, most of the economists who have testified before the committee have favored a growth rate approximating eight or ten percent. Their fear is that insufficient money growth will inhibit and even obstruct the forces of recovery that have been set in motion by the tax cut.

The Banking and Budget Committees in both Houses are also concerned with recent Treasury Department bond offerings in the long-term market. The committees point out that private demand is greatest in the long-term market and interest rates are high. They say that Treasury offerings should be concentrated in the short-term market where private demand is slack and interest rates are correspondingly lower.

These are serious questions, and the appropriate committees of Congress are going to be keeping close watch on them.

Unemployment remains a major problem, as the April jobless rate of 8.9 percent amply demonstrates. The figure is a thirty-year high. It means that 8.2 million persons are out of work. In the construction industry, unemployment is 19 percent.

Congress is now working on legislation that will create about 2.3 million new jobs, after you eliminate the overlap between the programs. This includes 760,000 jobs expected to be generated by the tax cut. Other jobs bills, including those I have described, will create the others.

In the financial field, a House-Senate conference is resolving differences on a Securities Reform Act which will make some major revisions in the securities industry. The best known of these is the statutory prohibition on fixed brokerage commissions, a practice almost as old as the stock exchange itself. The bill would also end the limitation on stock market membership by 1978 or 1979, with compensation to current seatholders. It would also curtail the advantages of a broker trading for himself or an affiliate or a managed account. And it would direct the SEC to promote the development of a national stock trading system with various markets linked by a communications network.

Conferees have met two or three times already. They will meet again on May 13. Whether they can finish then, or whether it will go beyond that, remains to be seen.

In the field of energy, both Houses have cleared a landmark strip mining bill for the President.

Energy, of course, is central to our economic and national well being, and we have been working hard since this Congress opened to develop a national energy program. Major elements of this program are going to come from the Ways and Means Committee and the Interstate and Foreign Commerce Committee.

Yesterday the Ways and Means Committee made most of the major decisions on its tax bill, and the committee is expected to report the final bill on Monday.

The major features of the Ways and Means bill are (1) an industrial fuel tax on natural gas and oil beginning in 1977 to get business and industry to convert to coal and nuclear plants, (2) a tax on fuel-inefficient cars beginning with the 1978 model year, (3) import quotas on foreign oil beginning this year with a system that allows private refiners and marketers to bid for shares of the quota, with part of the quota reserved for small refiners and marketers, (4) duties on imported crude oil and petroleum products, (5) a three-cent per gallon gasoline tax beginning in 1976 and rising to 23 cents within a few years, (6) up to $150 in tax credits in home insulation and a ten percent investment tax credit for business installing insulation or solar energy systems, and a series of similar tax incentives, and (7) an energy trust fund financed by revenues from this bill to be used for development of more efficient use of energy.

The Commerce Committee is still working on its bill, but it is going in the same direction as Ways and Means on oil imports, fuel-efficient cars, and other matters. Commerce is also considering standby emergency authorities, including rationing; establishment of a National Civilian Strategic Petroleum Reserve; fuel allocation; and presidential requests for decontrol of domestic oil and natural gas prices. The committee is hoping that it can get at least some parts of this legislation reported within the next two weeks.

In Congress, more emphasis is developing on achieving major fuel savings in gasoline consumption. That is where the big usage is, including a lot of non-essential driving, and that is where we must look for massive energy conservation. The Federal Energy Administration estimates that if we improve automobile mileage efficiency by forty percent, we could save 640,000 barrels of oil a day. If we increased car occupancy to an average of two per vehicle, we would save another 350,000 barrels a day.

Despite all the virtues of mass transit, for example, the energy savings is not in that field. The Transportation Appropriations Subcommittee which I chair held hearings on mass transit just this week. Testimony brought out the fact that if we double ridership on our mass transit systems—something that is virtually impossible in itself—we would save about 40,000 to an absolute maximum of 160,000 barrels of oil a day. Our energy needs in this country are about 17 million barrels a day, about half for transportation. So the savings from mass transit, even if we could do the impossible, are infinitesimal.

One witness said that ridership had gone up six percent nation-wide last year, and he was excited about that. You can see how far we are from doubling ridership.

The cities are asking us to give them money to build mass transit systems; they say they will save us energy. We are spending $4.5 billion to build the one in Washington, $2 billion in Atlanta, $1.3 billion in Baltimore. I am a believer and supporter of mass transit, and I think it can be justified on many grounds—but not saving energy. It just isn't there.

That's why we have to find some way to require better gas mileage out of cars—through better engines, smaller cars, revised shifting systems. I understand that Chevrolet now has a Monza with a five-speed gearbox. We can no longer afford big cars with automatic transmissions that require V–8 engines to get them up to freeway speeds. Of course, we have helped some by cutting the speed limit from 70 to 55, but we still need ways to improve mileage per gallon.

In other energy developments, the House has created a select committee to recommend a single national policy on offshore drilling. I have myself introduced a bill to create a National Energy and Conservation Corporation—to be called Ampower—similar to the Tennessee Valley Authority. It would lease tracts for offshore drilling to all comers, and it would do the exploration for the very smallest entrepreneurs. Primarily, Ampower would provide competition in the marketplace, which is the traditional American way to bring oil and gas prices down.

The Ways and Means Committee will have several other important matters before it. I have already mentioned the new tax bill. The committee has reported a bill providing health insurance for the unemployed, which is now being considered by the Commerce Committee. Ways and Means hopes to have a comprehensive national health insurance bill out perhaps by next year. Hearings are now being held on the financing of the social security system and on the Supplemental Security Income program. Hearings on trade with the Soviet Union will begin next week. And a new unemployment benefits bill is being marked up.

On another front, the House Judiciary Committee is working on legislation to repeal the fair trade laws. If a bill is reported, the committee expects it to be on the House floor by June. Two bills which would strengthen anti-trust laws are also under consideration by the committee, and an energy conglomerate investigation has just reached the planning stages.

If all this sounds like a lot, it is. This new Ninety-fourth Congress produced more significant legislation in its first ten weeks than any other new Congress in forty years.

This is because the economic crisis today demands action and because the Congress acted late last year to facilitate action. Procedural reforms made it possible for the new Congress to get organized beginning last December. All through this session, we have been at least a month ahead of other new Congresses.

There are encouraging signs today that our economy may be rallying for the upward climb ahead of us. There is more consumer buying going on; some industrial orders are up; prices are no longer beset with the runaway inflation of a year ago. And the stock market seems to be holding on to some of its gains.

So we have good reason to be hopeful. But we must work to make sure that we stay on the road to economic recovery. In this undertaking, our business and financial community has a major role. Without their leadership and participation, there can be no long-lasting, wide-spread, full-fledged return to prosperity. That is our goal. Let's work together to achieve it.

MS. OSTA UNDERWOOD SELECTED BY SECRETARY WEINBERGER AS CHAIRPERSON OF COMMITTEE

Mr. BAKER. Mr. President, in May of 1972, a unique Federal Advisory Committee was chartered by the Secretary of Health, Education, and Welfare, entitled the Secretary's Committee on the Rights and Responsibilities of Women. Its purpose is to advise the HEW Secretary on policies, programs, and other activities of the Department relating to the status of women.

I am most pleased that Secretary Weinberger has selected by constituent and long-standing associate, Osta Underwood of Nashville, Tenn., to be chairperson of the committee. As a former national president of the Federation of Business and Professional Women who has been actively involved in many aspects of the efforts to improve the status of women in society, Osta Underwood will competently provide strong leadership to this group.

Mr. President, I ask unanimous consent that a statement made by my distinguished colleague Senator BROCK on the occasion of Ms. Underwood's swearing-in on April 25, 1975, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BILL BROCK

One of the most important issues being considered in the nation today is that of the rights and responsibilities of women. It is important not just to the most under utilized asset this nation has, American women, but to all of us as a people.

Thus, HEW Secretary, Caspar Weinberger deserves our strongest praise for chartering this Federal Advisory Committee, the Secretary's Committee on the Rights and Responsibilities of Women, to provide continuing expertise, and a driving force on this important subject.

As the ranking minority member of the Senate committee which oversees the operation of the Federal Advisory Committee Act, I am particularly pleased that Secretary Weinberger has invited me and other members of both the Senate and House of Representatives to the swearing in today of a remarkable Tennessean, Osta Underwood, to fill the Chair, and the other distinguished members to fill other positions of this group. The new committee is an outstanding example of the fulfillment of the high purposes of both the Federal Advisory Committee Act and of this Administration's firm commitment to the enhancement of the rights and responsibilities of the women of this country. They have a large task before them, one which we have only begun, but one which we all must pursue to its fruition.

Because of the quality reflected in them, I expect to see this outstanding committee provide strong leadership nationally in behalf of women's rights and responsibilities, and also in the participation of the United States in International Women's Year. Such a goal deserves our strong and unqualified support.

GOOD-BYE, GREAT BRITAIN

Mr. GOLDWATER. Mr. President, I believe most Members of the Senate realize that I am not exactly an admirer of Britain's John Maynard Keynes. He could easily be the man who has caused more economic trouble throughout the world than any other individual.

Be that as it may, I was amused at a lead editorial in the Wall Street Journal for May 29 entitled, "Good-bye, Great Britain." The editorial starts out with the quote, "Steady as She Sinks," and points out that this was the cover story on the April 25 issue of the Economist, Britain's weekly journal of news and opinion.

The Journal's editorial pointed out that there was not much news and the fact that Britain's economy was sinking could be traced as a consequence of the "welfare-state-manic-Keynesian syndrome."

Britain's current contribution to the world, according to the Journal, is to reveal the ultimate consequences of economic and social policies rapidly gaining ascendency in the United States. The Economist is the publication which believes that the State must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy—do they not—the Journal asks. It added:

> Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes . . .
>
> The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country . . .
>
> Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

This is such an incisive and intelligent editorial that I strongly feel that all Members should read it. I therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD. as follows:

[From the Wall Street Journal, Apr. 29, 1975]

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

LANDSAT AND EROS—TWO OF OUR BEST INVESTMENTS

Mr. ABOUREZK. Mr. President, today I had the privilege of testifying before the Senate Appropriations Subcommittee on the Interior on the necessity of providing an additional $2 million to the Interior EROS program. Essentially, the money would be used for a quick-look receiving antenna and a digital processing unit at the EROS Data Center in Sioux Falls, S. Dak.

As anyone who is even casually aware of our programs in space knows, the earth resource observation system and the NASA LANDSAT program have been the space success stories of the last 4 years. As one expert has put it, these programs have put the whole earth under a microscope. And the things we have learned are as vast as space itself. The other day I was informed that because of the capability which we have acquired through LANDSAT, officials in the upper Northwest region of the United States were actually able to avert a flood. Over and over again, our earth resources satellite has proved its value in land use planning and agricultural research.

At the Appropriations Subcommittee hearings, I was preceded by an expert in this field, Dr. Robert N. Colwell, the Associate Director of the Space Sciences Laboratory of the University of California. Rarely have I had the privilege of reading such excellent testimony on our earth resources observation programs. Dr. Colwell offers an extremely knowledgeable view of EROS and the LANDSAT satellite and has come to the same conclusion that I have—namely that there is a need to provide EROS with the necessary funds for the quick-look antenna and the digital processing unit.

Mr. President, I ask unanimous consent that the statement by Dr. Colwell be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ROBERT N. COLWELL

Mr. Chairman and Members of the Subcommittee: It is indeed a pleasure for me to address this Committee relative to needs at the EROS Data Center for rapidly processing LANDSAT data into products of suitably high quality for use in making inventories of natural resources. My remarks will be based both on my familiarity with present EROS data products and on experience which I have had during the past 35 years in developing improved methods for making inventories, (by means of remote sensing and associated field work) of such natural resources as timber, forage, soils, water and minerals. As your Committee well knows, these are among the natural resources that are of primary concern to personnel in the U.S. Department of the Interior.

The term "inventory", as used in my presentation, will pertain to the act of determining the amount and quality of each of the above-mentioned resource types present in each portion of the area that is of interest from the resource management standpoint. The term "LANDSAT" will pertain to the recently renamed family of unmanned spacecraft that are especially designed to acquire remote sensing data of a type that will facilitate the inventory of natural resources. Hence that term will include spacecraft previously referred to as ERTS–A (ERTS–1); ERTS–B (ERTS–2); ERTS–C (ERTS–3) and EOS (ERTS–4). Hereafter, in my presentation, these vehicles will be referred to respectively as LANDSAT 1, 2, 3 and 4. The emphasis that will be placed in my remarks on the above mentioned needs as they exist specifically at the Interior Department's EROS Data Center in Sioux Falls, South Dakota, is occasioned by the fact that the capability for making inventories of various natural resources (largely with the aid of LANDSAT data) is being concentrated to an increasing extent within that Center.

The importance of maximizing the Interior Department's capability for making timely accurate resources inventories can be clearly conveyed to a Committee as knowledgeable as yours merely by my setting forth the following brief 5-part statement of facts:

(1) whether on a local, regional, national or global basis, the demand for most natural resources is rapidly increasing at the time when their supply is rapidly dwindling and/or their quality is rapidly deteriorating;

(2) it therefore is becoming increasingly important for the Interior Department, and all other resource management agencies, to manage as intelligently as possible those natural resources with which they have been entrusted;

(3) an essential step leading to the intelligent management of such resources is that of making accurate resource inventories at suitably frequent intervals, (a process known as "monitoring");

(4) because of some very remarkable technological developments that have occurred in the field of remote sensing since the dawning of the space age, such inventories usually can best be made in the future by using, as the primary data input, remote sensing data acquired from spacecraft of the LANDSAT type, and

(5) because of the dynamic nature of certain natural resources, the inventories need to be made as promptly as possible following acquisition of the LANDSAT data.

The specific examples dealt with in the remainder of my presentation seek to document the extent to which the quality of the Interior Department's "quick-look" resource inventories, and therefore the effectiveness of its resource management activities, need to be improved through the development of capabilities at the EROS Data Center for rapidly processing LANDSAT data into products of suitably high quality for use in making such inventories.

It is to be emphasized that the improvements about which I will be speaking are not those that conceivably might be made within the LANDSAT vehicles, themselves, nor even within their on-board remote sensing systems. Instead I will speak solely of improvements that need to be made on the ground with respect to the quality and speed of processing of LANDSAT-acquired remote sensing data, once telemetered to the earth and recorded on magnetic tape in digital form. Furthermore, the particular improvements about which I will be speaking are not those that conceivably might be made through the use of very time consuming and laborious processing techniques, beneficial though they might be for certain purposes. Instead, I will address myself solely to improvements that need to be made in order to improve data analysis capabilities in the short term, i.e. within the first few hours after the receipt of remote sensing data from a LANDSAT vehicle, the better to monitor changes that have occurred in certain resource attributes since the last previous resource inventory was made.

The improvements would be of two major types in that they would be designed to provide either (1) better visual displays, or (2) better computer-compatible tapes.

SPECIFIC EXAMPLES

The examples which follow deal with most of the types of natural resources for which the Interior Department has either major or very significant management responsibility throughout the United States.

1. FOREST AND RANGE RESOURCES

A. Monitoring the health and vigor of timber stands

Such damaging agents as fire, insects and pathogens can destroy entire timber stands in large forest areas unless these agents are quickly detected and suppressed. Although it often is not feasible to accomplish the necessary detection by means of LANDSAT data, great improvements are being made in this regard. Specifically: (1) the thermal infrared sensor that will be employed beginning with LANDSAT 3 will offer greatly improved opportunities for monitoring forest fires and (2) the comparative analysis of remote sensing data acquired sequentially (e.g. at 9-day intervals by means of the LANDSAT 1 and 2 vehicles operated in tandem) offers promise for the early detection of insert and disease problems in timber stands. In the above instances, as in the others described in this paper, the LANDSAT data must be made available quickly and in a form of sufficient quality to permit the necessary interpretations to be made.

B. Planning rehabilitation measures following damage to timber stands

Experience with LANDSAT–1 data has demonstrated the ability of such data, properly processed, to provide information needed in planning the rehabilitation of forest lands that have been damaged by fire or other agents. Often the need for obtaining such information promptly after the damage has occurred is exceedingly great in order that effective rehabilitation measures can be implemented at a reasonable cost. Specifically: (1) the time to reseed a forest burn is while there is still a "fluff" of ash on the burned area (i.e. before rain and wind can convert the area from a highly receptive seedbed to a very hostile one), and (2) the time to control insect and disease depradations is before the next generation of insects or pathogens can be produced in the already damaged trees and thus infest large numbers of nearby healthy trees.

C. Monitoring range readiness on annual grasslands

The Interior Department, primarily through its Bureau of Land Management, controls livestock grazing each year on millions of acres of annual grasslands. If, in any given year, grazing on these lands is permitted to occur before the annual grass species have matured their seed, there is a strong likelihood that few annuals will be present the following year. The result would, of course, be a tremendous decrease in animal carrying capacity of the rangeland, not only in that year but very likely for many years thereafter. On the other hand if, in any given year, the grazing on these lands is deferred until the annual grasses have dried out and lost most of their nutritive value, the grazing livestock may do very poorly.

It follows that, each year, there is a requirement for monitoring the development of range grasses, area-by-area, throughout these vast annual grasslands, in order to determine the time of optimum range-readiness in each part of the area. The distribution of grazing livestock can then be governed accordingly throughout the grazing season. The time of optimum range readiness on such lands varies markedly from year-to-year, depending upon the amount and distribution of moisture and on certain other climatic factors. Consequently LANDSAT data, properly enhanced and promptly made available for analysis, is of great potential value to the range manager.

2. AGRICULTURAL RESOURCES

A. Monitoring the Health and Vigor of Agricultural Crops

Although the damage done to timber stands by insects and pathogens can be very great, the damage which they inflict each year on agricultural crops is far greater. In many instances the key to reducing these losses, on agricultural crops, just as on timber stands, is early detection of the presence of the damaging organism so that control can be effected promptly in the infested areas before the insects or pathogens are allowed to reach epiphytotic proportions. Again it often is not feasible to accomplish the necessary detection by means of LANDSAT data. Great improvements in this detection capability are anticipated soon, however, as a result of improvements in spatial and spectral resolution that will be provided by the sensors that are to be mounted on future LANDSAT vehicles. For these potential improvements, like most of the previously mentioned ones, to be realized, however, there again is the need for LANDSAT data to be made available quickly and in a form of sufficient quality to permit the necessary interpretations to be made.

B. Monitoring Crop Development as an Aid in Crop Forecasting

Very substantial economic benefits can result if it is possible to forecast accurately the total production of each type of agricultural crop in a vast agricultural basin. In recent years, such great progress has been made in developing this capability through the proper use of LANDSAT data that many former skeptics are now looking forward to the time when crop forecasts in this country, and perhaps even on a global basis, might routinely be made through the use of LANDSAT data as the primary data input. For any given crop type, two components of inventory are involved: Crop yield per unit area and crop acreage devoted to that type of crop. Total yield would be the product of these 2 factors. Because of the interest in this possibility, it is probable that every member of your Committee already is well aware of the acronym "LACIE" (for Large Area Crop Inventory Experiment) which, beginning with the present growing season, will investigate on a very large scale the feasibility of making such crop forecasts, primarily through quick analysis of LANDSAT data.

3. MONITORING WATER RESOURCES

A. Water Supply Parameters

Something as mundane as a rainstorm can be a blessing or a curse depending on the amount of water flow that occurs from the watershed in a specified period of time, and in relation to the capacity of the channels in which the water must flow. Among the parameters that are of great significance in estimating the amount of water that will be yielded in a given period of time are (1) the total area of the watershed; (2) the amount of precipitation falling on each portion of it; (3) the degree of "wetness" of the soil (in each portion of the watershed) that already existed when the precipitation began to fall; and (4) where applicable, the areal extent, depth and water content of snow already present in each portion of the area. The dynamic nature of the events involved here is such that "real time" information, such as that obtainable from LANDSAT data is far more valuable than information derived more accurately but over such a long period of time that it is too late to be relevant.

Here, again, is a primary instance in which there is need for the analyst to be provided with LANDSAT data as promptly as possible after acquisition of the data by the LANDSAT sensors and in a form that is suitable for analysis. No inference is intended here that all of the above parameters are adequately estimated merely from the LANDSAT data, for this certainly is not the case. However, through comparative analysis of both multiband and multidate LANDSAT data, supplemented as necessary with limited amounts of ground data, the analyst is finding it possible to estimate water supply and probable water runoff values far more accurately than was heretofore possible within the same time constraints.

B. Water Demand Parameters

Mention already has been made, under the discussion of agricultural applications, of the fact that crop type and the rate of crop development often can best be monitored with the aid of LANDSAT data, promptly received and analyzed. Such analyses can readily be supplemented with ground observations as to the water requirements per unit field area, of each type of crop at each stage of its development. It follows that estimates of present water use and forecasts of near-future water demand can be accurately made with the aid of LANDSAT data. Since as much as 80 per cent of the total water demand commonly is for the growing of agricultural crops, this use of LANDSAT data potentially constitutes an important step toward our improving estimates in the future of the total water demand, area-by-area. The value of the forecasts of water demand diminishes, however, if a long period of time elapses between the acquisition of LANDSAT data and the analysis of such data. Consequently a justification exists in this instance, as in each of the previous ones, for making rapid estimates of the water demand of agricultural crops, area-by-area and season-by-season. This in turn emphasizes the requirement for improved means of providing LANDSAT data to the analysis in a highly interpretable form and as promptly as possible.

What has just been said for *agricultural* demands for water can be applied with only slight modification to the demands placed on water supplies for *industrial* and *domestic* use. Thus it is seen that, by combining improved information regarding water *supply* (as discussed in the preceding section) with improved information on water demand, LANDSAT data can do much to improve our ability to manage water resources.

C. Water Transport Parameters

The ability of stream channels, canals and reservoirs to accommodate water supplies in specified amounts is a final aspect worthy of mention in the context of this discussion. The "monitoring" of reservoir levels, stream flow, and canal flow in relation to both the capacity of each to accommodate water and the need likely to be imposed on it as a result of various supply and demand factors, is yet another potentially important application of LANDSAT data, quickly processed and quickly analyzed. As in each of the other instances, we are imposing unnecessary requirements on a LANDSAT system, however, if we insist that this kind of information be provided solely from an analysis of LANDSAT data. Nevertheless, we already have progressed far enough in this area to be quite certain that the information desired can be more quickly and accurately obtained by using LANDSAT data to the fullest (and then providing supplemental data from other sources, as necessary) than if the entire effort were to be made without our using the LANDSAT data.

4. MONITORING SEA ICE CONDITIONS

There is general agreement that one of the major sources of petroleum products in the near future will be the area north of the Brooks Range in Alaska, bounded on the north by Prudhoe Bay and the Beaufort Sea. In at least 3 respects there is great interest in the possibility of accurately monitoring sea ice conditions in these northern waters on a "real time" basis: (1) in relation to the shipping of supplies into the area as necessary for large scale development of the oil fields: (2) in relation to the shipping of petroleum products out of the area by sea; and (3) in relation to the conduct and interpretation of seismic tests as necessary to make the oil drilling operations more efficient. As in the previous examples, there is great potential for using LANDSAT data as the primary data input in monitoring sea ice conditions in and around this area. The effectiveness of such data again depends, however, on the ability to provide the analyst with LANDSAT data promptly and in an adequate analyzable form.

5. CONCLUSION

If time were to permit, much more discussion could be given relative to the topic that was assigned to me for presentation today. Nevertheless the following conclusions seem warranted, even from the limited presentation that has now been made:

A. In virtually no case can we expect to obtain, entirely from an analysis of LANDSAT data, all of the information that is needed in order to better monitor and manage the natural resources that are of primary concern to the U.S. Department of Interior.

B. In virtually every case, however, we would do well to consider the likelihood that the information desired might better be obtained through the use of LANDSAT data in conjunction with various kinds of ancillary data than by any other means.

C. Because of the dynamic nature of most of the earth's natural resources, an ability to quickly monitor changes occurring those resources, and thereby to react quickly with appropriate management measures is of paramount importance.

D. It follows from the foregoing that an aggregation of the individual requirements resource type-by-resource type, for rapid processing of LANDSAT data results in a very sizable total requirement for our developing such a capability.

E. Even at the present time we know enough about how we could exploit a capability for the rapid analysis of LANDSAT data that we can predict cost-effective returns almost immediately from the expenditure of funds to develop such a capability at the EROS Data Center.

In view of the foregoing, I would like to be numbered among those who advocate to your Committee the appropriation of funds at the earliest possible data, for developing a capability at the EROS Data Center that will permit the rapid processing of LANDSAT Data into products of sufficiently high quality to permit men and machines to extract from the information of great potential value in relation to the real-time management of natural resources. I join some very eminent colleagues in the remote sensing profession in making this recommendation. Furthermore I make the recommendation unequivocally, and despite the fact that (since it was not within my purview to do so), I have not described here the specific hardware developments that would be required to bring this capability into being. Suffice it to say in this regard that no great technological "break-through" would be required to bring about these developments. I also join my colleagues in the assertion that the sooner these developments can be brought into being the sooner the dollar savings made possible by them can begin to be realized.

Your attention to my presentation on this very important topic has been greatly appreciated.

THE PLUTONIUM TIME-BOMB

Mr. PERCY. Mr. President, I call to the attention of the Senate a column by James Reston titled "The Second Nuclear Age" that appeared in the New York Times on May 11.

Mr. Reston draws quite clearly the threat now facing world society in what he calls the "second nuclear age." In the second nuclear age, the technology and the materials with which to build bombs will inevitably become available to most national governments. In the second nuclear age, the chances that the ability to build bombs or to release deadly nuclear materials to terrorize entire cities and countries becomes a grotesque reality. In the second nuclear age, man will live under a more immediate threat of nuclear disaster.

Recently the Committee on Government Operations held 3 days of hearings on the U.S. nuclear export policy and the need for safeguards to protect nuclear materials and facilities in all countries from diversion or theft. We found that four major departments and agencies have direct roles in determining whether a nuclear export is in the national interest. One witness characterized this situation as a "shell game."

In his column Mr. Reston refers to the critical need for developing new international approaches to the nuclear proliferation problem. I share this sense of urgency, and ask unanimous consent that Mr. Reston's column be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

The Second Nuclear Age

By James Reston

Washington.—In the last few days, with scarcely a wink of attention from the world, the experts on disarmament have been meeting at Geneva to discuss the problems of what they call "the second nuclear age."

They define "the first nuclear age" as the period when the United States and the Soviet Union monopolized nuclear weapons, and the second nuclear age as the period, now beginning, when more and more nations are now acquiring the materials for making nuclear bombs.

In the first age, mutual genocide could be avoided if the United States and the Soviet Union could reach bilateral safeguards, but as nuclear reactors spread across the world to meet the growing economic and industrial need for nuclear energy, additional problems of controlling nuclear weapons and nuclear wastes have become infinitely more complex.

For example, Dr. Fred. Ikle, the director of the U.S. Arms Control and Disarmament Agency, who represented the United States at the Geneva meeting, is convinced that new international institutions will be needed, not only to monitor and supervise the flow of nuclear materials by governments and responsible private power companies, but to prevent the theft of these materials by criminals or political outlaws.

He estimates that within twenty years the fissionable material in foreign transit at any given time will be enough to make 20,000 nuclear bombs. He notes that three-fifths of the people now living in the world were not born when the first nuclear explosion took place, and have grown to accept the present wholly inadequate system of mutual deterrence and control as normal and even satisfactory. Most of the time, they don't even think about it.

"The truth is," Dr. Ikle says, "that we are basically defenseless in the United States against threats of nuclear attack that could come from a great many different sources rather than from one or two clearly identifiable potential adversaries . . .

"Imagine the morning after a nuclear explosive has destroyed half an American city. How are we going to apply our theories of mutual deterrence, of first strike and second strike, if we cannot tell whose nuclear explosive it was? Or even if we could tell, but it turned out to be an organization such as might exist in the future—an organization with dedicated people but no clearly defined national territory."

All this seems, even in the present disorganized states of the world, to be grotesquely alien and remote, but Dr. Ikle notes that war by accident or miscalculation is likely to be a greater danger in the second nuclear age than war by deliberate design, and that an even more likely danger would be nuclear blackmail by political desperadoes.

For example, political outlaws armed with stolen nuclear waste materials, let alone nuclear weapons, could hold entire cities hostage by threatening to pollute the area with atomic wastes unless their political demands were met.

Even if there were mutual confidence between the United States and the Soviet Union, which is not exactly the case, they could not by themselves control this menace. It requires at least a form of international control well beyond anything yet imagined, let alone discussed.

Since nuclear reactors to produce energy require a technology that yields the material necessary to build nuclear bombs, and since every advance in technology is past centuries was eventually used for war, the need for another major effort to take this problem by the throat is obvious and urgent.

Some technical advances have been made to improve the effectiveness of detection by the international atomic energy agency in Vienna. For example:

Tamper-resistant seals to insure inspectors of nuclear materials that, in their absence, doors, vaults or containers have not been tampered with.

Secure cameras to inform inspectors of any removal of fissionable material or nuclear waste.

Neutron detectors to monitor the power level of a reactor or the movement of irradiated fuel into or out of an area.

Devices for detecting whether enriched uranium has been carried through doorways or onto loading docks at uranium enrichment facilities.

But as Dr. Iklé notes, these tamper-resistant devices, while helpful, are detection systems only—burglar alarms rather than locks. What is needed, first of all, and urgently, is a general recognition of the fact that the world has indeed moved into a wholly different kind of nuclear age, that nothing is going to stop the spread of nuclear reactors, that the most dangerous material mankind has ever fashioned will gradually spread all over the world, and that bilateral agreements between governments will certainly not control it.

It is ironic and tragic that this problem which requires the cooperation of so many nations and industries within nations, is coming to the fore precisely when the fevers of nationalism and mistrust, even within the Western alliance, are so obvious.

Dr. Iklé's hope, however, is that, precisely because this is such a dangerous problem for all nations, they will finally see in this common danger a subject for renewed consultation and cooperation.

CANADIAN OIL AND MINNESOTA

Mr. HUMPHREY. Mr. President, no issue is of more vital concern to my State of Minnesota than the planned cutback by the Canadian Government of oil exports to the United States. Minnesota is heavily dependent on Canadian oil, and we must have a quick resolution of the important questions surrounding this proposed cutback if homeowners, business, and industry in our State are to be able to plan for the future.

I was pleased to testify this past Monday at hearings held by the Federal Energy Administration on the allocation of Canadian crude. Another of those testifying was my colleague, the senior Senator from Minnesota, who has been working diligently on finding a solution to this pressing problem. A recent editorial in the St. Paul Pioneer-Press stressed the importance of this issue for Minnesota, and the work which Senator Mondale has been doing in attempting to seek a solution.

Mr. President, I ask unanimous consent that the editorial from the St. Paul Pioneer-Press be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record. as follows:

[From the St. Paul Pioneer Press, May 13, 1975]

Canadian Oil Talks

The Federal Energy Administration at last is listening to the concerns of northern states that are almost totally dependent on Canadian oil for fuel. It took complaints verging on threats of session to get the administration to recognize that Canada's plans to shut off imports are more than a minor inconvenience in this part of the country.

Refineries in Minnesota and Wisconsin get 75 to 90 percent of their crude oil from Canada and Canada has begun a program to phase out its exports. Washington kept its eye unswervingly on the big picture as Canadian officials spelled out their position. Apparently someone close to President Ford be-

lieves all oil goes into a giant mixmaster somewhere near the Grand Canyon and then is redistributed, equitably, of course, in 55-gallon drums. 'Taint so.

Sen. Walter Mondale of Minnesota has been most persistent in pressuring the Administration to recognize the Canadian move as the crisis it is for northern states. It has been he rather than the State Department who has been most ardent in pursuing talks with Canada on the subject.

Mondale's goal is straight forward: he wants the Energy Administration to take over allocating Canadian oil during the phaseout period to assure that those refineries that **need it most get it; in the long run, he believes, as do we, that some sort of swap arrangement could be made to provide Alaskan oil to Canada and keep Canadian crude flowing into the northern states.**

The whole approach makes sense and we're glad the FEA has started hearings; those fellows have been staring at the big picture so long they can no longer see the obvious without help.

CAB DENIES REDUCED AIR FARES FOR YOUTHS AND ELDERLY

Mr. PERCY. Mr. President, the Civil Aeronautics Board recently rejected a one-third discount fare for youths, families, and the elderly which had been proposed by Trans World Airlines. The proposal of TWA was for only a 9-month period. The youth and senior citizen fares would have applied on a one-way standby basis, while family fares would have required round trip transportation with reservation provisions.

TWA cited the present decline in air travel combined with escalating costs as proof that air carriers must use every possible method of increasing revenues.

Nonetheless, the CAB suspended TWA's proposal, and it is highly unlikely that the proposal will be allowed to take effect at all.

Mr. President, for many years, I have advocated reduced air fares for youths and the elderly. The past years have not been good ones for the airlines. Their planes have been flying at less than full capacity. Their costs have been up, and their revenues have been down. Providing reduced fares for selected groups not only makes good economic sense for the airlines, since such a program would fill seats that otherwise would be empty, but reduced fares also help two segments of our society with reduced monetary resources but with increased free time to avail themselves of air travel.

The CAB's refusal in this case, which is consistent with its actions in the past, is yet another example of a regulatory agency preventing the companies which they regulate from attempting to provide new solutions to deal with the problems which they face.

We have seen the railroads slowly strangled to death by over regulation. The ICC takes nearly a decade to act on merger proposals. The result is a railroad in bankruptcy.

Are we now going to see another regulatory agency force the airlines to abandon methods which will benefit the airlines and their customers? I am afraid so.

There has been great concern over our regulatory agencies and their effect on American business. The President has called for a close study of regulatory agencies, and the Congress is about to begin an intensive review. This action by the CAB, which closes the door on a plan designed to increase airline ridership and revenues, at reduced cost to the customers, is a perfect example of the urgent need for this review.

THE FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1974

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate a speech on the Forest and Rangeland Renewable Resources Conference, by Robert E. Wolf, Assistant Chief of the Environmental Policy Division of the Congressional Research Service, and excerpts of a speech given by Under Secretary of Agriculture, J. Phil Campbell, at the 1975 meeting of the Forest Farmers Association.

Mr. President, Mr. Wolf, who worked with the members of the Committee on Agriculture and Forestry and its staff in developing this law, highlights its purpose in his address.

Under Secretary Campbell, in his remarks, discusses what the Department is now doing to carry out the provisions of the act with regard to the development of the Assessment and Renewable Resources Program on America's forest and rangeland.

I have high hopes that when the December 31, 1975, deadline arrives we will get from the President a first-rate assessment of our forest and rangeland resources, along with a comprehensive program to utilize, manage, and protect these resources wisely. The Department and the Forest Service, insofar as I can determine, have been making a special effort to involve the States, along with the private sector, in accordance with the provisions of this act, in the conduct of this assessment and program development.

One of the goals of this act, in requiring that the first assessment and renewable resources program be completed in an 18-month period, is to bring before the Congress and the American people a better idea of the things we need to know if we are going to secure the benefits that the 1.5 billion acres of forest and rangeland can provide us with, in perpetuity.

Therefore, when Congress receives these documents in early 1976, it will be looking not only at what we, as a nation, ought to do between now and 1980, to improve the management of these resources, but also what improvements will be needed to make the second assessment and program development effort in 1980 even better.

Hopefully, 1976 will be the beginning of a new era of "Constructive Conservation"—man working with man, and man working with nature.

The fact that we have been blessed, as a people, with lands and resources that are so rich and productive, increases our obligation to use, manage, and protect them wisely.

This act gives us the ways and means to accomplish this objective. I am encouraged by the steps already being taken in this regard and I believe we can achieve the goals set forth in the Forest and Rangeland Renewable Resources Planning Act of 1974, of which I am proud to say, I was the chief sponsor.

I ask unanimous consent that the address of Mr. Robert Wolf, and the excerpts from the speech of the Under Secretary of Agriculture, Mr. Campbell, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REALIZING RENEWABLE RESOURCE OPPORTUNITIES

(By Robert E. Wolf)

Our Nation has come a long ways, as the phrase goes, from the era in our beginning when we had so much and our problem was that we did not know how to go about getting to it. We still have more of many renewable and non-renewable resources than many other nations. We also have the highest consumptive rate of any nation. We are feeling the pressure and the pinch of constant conflicts over competition for resources and uses. There is wide debate over the wisdom of some of our use styles.

It would perhaps be well to set the stage by detailing the changes that have taken place—but this would take all the time and it would not deal with the issues we confront. It is sufficient to say that we, as most other peoples, have had more concern for the present than we have for the future when it comes right down to decision making time. Faith and hope interact with fear. We usually decide that if man made it to today, he will make it on into the tomorrows.

This 40th North American Wildlife and Resources Conference is really the proper place to talk about resources. North American wildlife started our Nation on its way. It was the fur traders—the Voyageurs—and the once insatiable market for fur that opened the vista of resources beyond imagination. It was the search for beaver, the otter, the lynx, the mink, the moose, the caribou, the buffalo, and the deer, plus the plumage of countless birds that first excited and kindled interest in the majestic forests, the endless plains and the riches they held.

So if, in this era of chemically fabricated furs we face problems with some of our other resources, it is perhaps because we thought that our supply of renewable resources could always be willed to meet whatever the demand.

It would be inaccurate to suggest, however, that we don't think about the future, or care about what it will be like. It simply is hard for us to apply as much consideration to what may occur in 3, 4, 5, or 10 decades ahead, as we do to the very immediate year or two ahead. Nor would I imply that we have never tried to look ahead. The shelves are full of studies that forecast the future. We dust them off regularly and use them when we want to prove the wisdom of a not too ancient seer.

Last year Congress enacted and President Ford signed Public Law 93–378. It is now codified in Title 16 of the U.S. Code as sections 1601–1610. It carries the formidable title of the "Forest and Rangeland Renewable Resources Planning Act of 1974." Some people refer to it as the "Humphrey-Rarick Act" for the principal Senate and House sponsors. Others have developed the shorthand title—"The Resources Planning Act" and this is what it is all about.

Before the ink was hardly dry some were calling it the most significant resources law to be enacted in 25 years. It is pleasing and reassuring to have this accolade fall on the ears. It is comforting. I would suggest, however, that if we do not use the Act to meet its purpose, it will become just another pile of legislative sand blown away by the winds of time.

What is this Act about? It applies to the 1.5 billion acres of forested land and rangeland, private and public, and the renewable resources on them. Trees, grasses and other plants, animals, birds and fish, the water and the soil. What does the Act do about them?

In the past we have had inventories of specific resources and most of them have been narrowly single resource and single use based. For example, the forest inventory of the United States dwells almost exclusively with the timber resource. The Resource Act calls for inventories to be fundamental and comprehensive. Each resource will be inventoried. All inventories will be related. The result should produce a 2-part integrated Assessment—one for tree covered lands and one for rangelands. Having defined the lands and their resources, the next part of the process will be to assess the "State of the Resources", looking at the patterns of use. This will involve analyzing where we now are and where are our patterns of resources and uses taking us. This will raise key questions for us to answer in making decisions. Is this where we want to go? Is this where we should be heading and why?

The Act requires that the Assessment be Nationally available so that the States and the private sector can also utilize it for their decision making. On the Federal side, the Assessment is to be the basis for the Forest Service in the U.S. Department of Agriculture to develop a Renewable Resource Program covering the 187,000,000 acres it administers, its extensive programs of research and its important State and Private cooperative activities.

The Program is to have a long range focus and prescribe a series of annual actions that are recommended for the decade ahead to meet both short and long range opportunities.

Let us consider a couple of salient points. The first Assessment and Program is due December 31, 1975. It will, of necessity, rely largely on existing information. The Committees on Agriculture and Forestry which reported this bill were motivated by two thoughts. One is that it was essential to promptly get at the task. The other was that the first Assessment and Program would illuminate problems that would improve the second effort due at the end of 1979. Thus the first Assessment and Program will be used only until 1980. The first decade long Assessment starts in 1980. What will be happening between now and 1980 will be important. However, a most significant point is that this is a learning period, recognizing that developing an integrated renewable resource Assessment and Program is easier said than achieved.

The Program in the Act applies only to the Forest Service. The Act neither discourages nor forbids other Federal agencies from developing a similar Program based on the lands they administer and their renewable resource responsibilities. It was believed that the best results would be obtained by making a concentrated Program effort for one major agency and to determine later whether the Act should be broadened. Rather than impose coordinating machinery, it was hoped, given the same broad body of information in the Assessment, that other Federal agencies, as well as private and State agencies, looking at their lands, resources and authorities would be able to consider courses of action.

Those who think that there should be a coordinated Program should carefully note that each class of lands—public lands, Federal and State—not only has its own set of characteristics, but also each set of owners and managers may have distinctive operating policies. The Act should thus be viewed as one that encourages exploration of the best ways to set National Policy and thus to reach National Goals.

Let us turn to what will happen after December 31, 1975 when the First National Assessment and the Forest Service Program are completed. Section 7 of the Act covers "National Participation." The President will transmit both documents, with recommendations, to the Congress. Congress may accept them or modify them and adopt a Statement of Policy. It is contemplated in the Act that the Congress will hold public hearings. In any event, the Statement of Policy becomes the document that will be used in farming Forest Service budget requests for the period ahead.

The Act thus defines a new approach to framing budgets. The President is required with each budget, to the extent that it recommends a course which fails to meet the established policy, to set forth the reasons for asking the Congress to approve the lesser programs or policies presented.

As many of you know, the Constitution requires that Congress authorize appropriate funds needed for the Federal government. Presidents have developed a tendency to view the recommended budget as presented to Congress as the best budget that has ever been presented. Time and again Presidents contend that their budgets cannot be even moderately revised. The fact is that a President's proposed budget is a recommendation, not a command. This Act will require a more candid expression of the strengths and weaknesses of each proposed renewable resources budget, weighing the consequences of its adoption on these resources as well as the other important considerations that both the Congress and the President must weigh.

The Resources Planning Act is closely tied to the just enacted Congressional Budget and Impoundment Control Act. Together they seek to improve both the methods by which policies are fashioned and the ways in which budgets are planned.

There are a number of other significant and special features to the Act which are important. Time will not permit discussing all. One will be touched—the goals in Sec. 8 of the Act. This sets the year 2000 as the target year when the renewable resources of the National Forest System shall be in an operating posture whereby all backlogs of needed restorative treatment have been reduced to a current basis and the major portion of planned intensive multiple-use, sustained-yield management procedures shall be installed and operating on an environmentally-sound basis.

In the Act the Congress deferred reaching judgments on what should be done, where it should be done and how much should be done. It did, however, decide when it should be done by the device of setting a target year as the time guide.

There was a great deal of Executive effort made to soften this section but it was one of the points on which the Congress had very strong views. Fundamental to achieving a sense of national direction is the determination of critical dates. On the other hand, Congress avoided prejudging the "what, where and when" of the National effort until the Assessment and Program with recommendations are before it for decision.

What then is this Act all about? It seeks, by combining realism and optimism, to meet opportunities. The 1.5 billion acres of Forest and Rangeland is a tremendously diverse but amazingly vigorous renewable resource base. Over much of our history it has been viewed as the boundless land and resource base capable of providing us with all that we need. To suggest that our use of resources has been well above sustained yield levels and that there have been strenuous use conflicts would hardly border on heresy. Time and again short term needs have overwhelmed long term considerations.

To realize the full potential of our renewable resource opportunities requires that we come together to define them and work together to achieve the goals we have set.

At the root of our problems are two differing points of view. One is that demand will "create" the needed supply. Economists point this out, telling us that price rises will define the need and influence demand and supply. This is true. When our supply was far above demand, whatever the price impact, it did not assure future supplies. Nor is it likely that one can establish that the theories of economics have determined the world's human population. The sheer growth in the number of people has placed a stress on our renewable resources no matter what the economic condition of the society. In our own case, it is clear that our generally affluent condition has not resulted in an ample future supply of renewable resources.

But even if one accepts the effects that economics has, there are other considerations that must be recognized in dealing with renewable resources.

Over the past few centuries as our population has exploded. Man has always been able to find a new geographic frontier to extract needed resources. The "voyageur" of the 21st Century is going to have to focus on the ecological relationships, recognizing that there are biologic limits. But even more than that there are opportunities that can only be secured if we appreciate what the outer limits are and recognize that reaching potential outputs takes time.

The laws of nature were here a bit before the economists. There are interrelationships between these renewable resources that are well beyond economists' capacity to regulate. Three are also levels of output that cannot be exceeded by pouring on more greenbacks.

Finally there are combinations of natural changes. Man is one of these nature changers. He influences the condition of resources and their ability to renew themselves or to reach a certain level. It matters little to the salmon whether the effluent of a paper mill, a log drive, dam construction, or 40 days and nights of rain and floods have wiped out the spawning grounds in a river. The grassy plant seeking to grow on the range does not survive better because a domesticated horse is there rather than a wild horse. None of these plants feel any better or worse upon discovering that it was man who brought the horse here rather than natural forces creating a land bridge with Eurasia. The young Douglas fir seedling seeking to grow on a harsh South-facing slope in Oregon is little comforted by knowing that man's logging, rather than a lightning fire, made this site a hotbox. Nor does a tree feel any better when it is gnawed, bucked and hauled by a beaver for its food and shelter than it does when a power saw sends it on its way to become a combination of plywood, lumber and paper.

What this legislation seeks to do is help us bring to bear on our social, economic and esthetic needs for renewable resources, the best knowledge we can assemble. It aims to help us establish the relations between our resources, the condition of our resources, and the capability of our resources.

In one sense there is nothing new in this Resources Planning Act. In a variety of ways we have been seeking to do all of these things. What is new in this Act is that it designs the policy machinery to turn our hopes into reality and our plans into achievements.

Excerpts From a Talk By J. Phil Campbell

Any picture of a prosperous America must include a healthy timber industry, Under Secretary of Agriculture J. Phil Campbell told the 1975 Southern Forestry Conference of the Forest Farmers Association in Myrtle Beach, S.C. today (May 8).

"The role of the Southern forest farmer in any projection of the future can hardly be exaggerated," Mr. Campbell said. "Farmers and other nonindustrial owners own three out of five acres of all our commercial timberland in this country. And nearly half of these lands are in the South."

Describing this private ownership as "this country's greatest potential reservoir of wood wealth," Mr. Campbell said this potential must be put to use not only to maintain present wood supplies but to meet increased needs of the future.

"This will require the concerted efforts of the forest farmer, the industry and government at all levels," the second-ranking official of the U.S. Department of Agriculture said. "We realize that there are many other competing investment possibilities.

"The Congress has chosen to continue the Federal investment partnership—the Forestry Incentives Program. We expect to have an excellent program with the $15 million available this year—well above the $9 million in Federal funds that went into the work last year."

The Southern 15 States represented by the Forest Farmers Association will have more than $9.8 million of these funds available, Mr. Campbell said. He noted that 84 percent of the tree planting under Forestry Incentives were carried out in the South.

The Under Secretary also noted that the Forestry Incentives program generated an estimated 360,000 man-days of employment in rural areas in 1974.

He congratulated the association for its efforts in behalf of the program.

Mr. Campbell also discussed other USDA programs affecting the forest farmers.

"Funding was approved recently for the Rural Community Fire Protection Program," he said. "This is a three-year pilot program to provide technical and financial assistance to rural communities of under 10,000 population to help organize, train and equip local forces for fire protection and suppression.

"Funding for 1975 is $3.5 million—and almost $1 million of this is earmarked for the 15 Southern States represented in the association.

"In research, the Combined Forest Pest Research and Development Program is well underway, with four USRA agencies, under the leadership of a program director, allocated $9.3 million this year to find new control methods for the Douglas fir tussock moth, the gypsy moth and the southern pine beetle. Some $2.5 million of this is being directed to the southern pine beetle.

"Many State governments, university people and private organizations are also involved. Together we should be able to find solutions as we have found them in the past for other forest problems."

Turning to the Forest and Rangeland Renewable Resources Planning Act of 1974, the Under Secretary invited members of the association to comment on draft assessment and program documents expected to be issued Aug. 15.

"As you know, this act calls for an assessment of all renewable resources in the United States," Mr. Campbell said, "as well as a long-range program for Forest Service activities.

"The two documents are in preparation and must be submitted to the Congress by the end of the year. They will be due again in later years.

"Although the program will not dictate policy for private lands, it will greatly affect State and private forestry, in the sense that it covers Forest Service cooperative programs in those areas. The assessment and program are goal-oriented, stressing ways to meet America's future needs for all products and services from forest and rangeland.

"You will have a very definite place in any such program that is proposed. We know that we must increasingly look to the private sector to meet national needs.

"We need your help in determining the future availability and use of this country's forest resources. You have helped in the past. Now you have an even greater opportunity to help in setting goals.

"This is the first time that a Federal agency has been given a Congressional mandate to develop a long-range plan for forestry's future. We're excited about blazing this new trail and we invite your assistance."

Forestry, Mr. Campbell said, has a great future in America.

Today, he observed, the United States industrial complex consumes about 215 million tons of raw wood material each year—roughly equal to the combined production of all metals, cement and plastics.

"The nation's dependence on wood will not subside in the future," the Under Secretary said. "Rather, it will increase dramatically.

"The Forest Farmers Association has a vital role to play in efforts to meet the timber needs of tomorrow. The Southern lands you represent might very well be described as the wood basket of the nation—both for the present and the future."

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, while attending the Canadian-United States Interparliamentary Meeting in Quebec City, Canada, I was unable to participate in the rollcall votes on Friday, April 25 regarding H.R. 4481, emergency employment appropriations and H.R. 6096, Vietnam contingencies. For the record, I would like to indicate how I would have voted had I been present:

Votes on H.R. 4481, emergency employment appropriations

Vote No. 150, Johnston unnumbered amendment, "nay."

Vote No. 151, Final passage of H.R. 4481. emergency employment appropriations, "yea."

Vote on H.R. 6096, Vietnam contingencies

Vote No. 152, Conference report on H.R. 6096, Vietnam contingencies, "yea."

Mr. President, while attending the United Nations Law of the Sea Conference in Geneva, Switzerland, I was unable to participate in the rollcall votes on May 1 regarding S. 621, to prohibit for 90 days the lifting of price controls on domestic oil. For the record, I would like to indicate how I would have voted had I been present:

Votes on S. 621, oil pricing

Vote No. 159, Schweiker Amendment No. 351, "nay."

Vote No. 160, Jackson unnumbered amendment, "nay."

Vote No. 161, Final passage of S. 621, oil pricing, "nay."

Mr. President, while being honored as the National Fisheries Institute's Man of the Year, I was unable to participate in the rollcall votes on May 14 regarding S. 200, to establish an Agency for Consumer Advocacy. For the record, I would like to indicate how I would have voted had I been present:

Votes on S. 200, consumer advocacy

Vote No. 175, Helms amendment No. 418, "yea."

Vote No. 176, Modified Pearson amendment No. 433, "yea."

Vote No. 177, Taft amendment No. 439, "nay."

THE MIDDLE EAST CONFLICT

Mr. ABOUREZK. Mr. President, those who have sought to warn that the Palestinian problem lies at the heart of the current Middle East conflict, and that Israeli refusal to deal flexibly with this problem poses great danger both to the search for peace and to the interests of Israel herself, have been subject to virtually unanimous criticism from those who claim to support the State of Israel. Despite this criticism, the view that the rights of the Palestinians must be dealt with by Israel has gathered strength over the past 2 years.

While it is rare that an Israeli who dissents from his government's policies on the Palestinian question gains attention in this country, an article by Amos Kenan making such a dissent was published in the New York Times on May 15, 1975. In the interest of settling the Middle East conflict, to avoid further bloodshed there, and the danger of the United States being drawn into such conflict, I ask unanimous consent that Mr. Kenan's article be printed in the Record in hopes that my colleagues in the Congress will better understand what needs to be done to bring about a durable peace in the Middle East.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, May 15, 1975]

Israel's "Inflexible Stand"

(By Amos Kenan)

A stubborn war of eight years between the Arab world and the movement for the return to Zion, today embodied by the State of Israel, is on the brink of ending. It would be a pity and a crime if it took another war to convince the parties involved to come to peaceful resolution.

Israel has always said that the Arab world will not discuss frontiers with her; instead the dialogue is always about her right to exist. Now, however, when the Arab world seems ready at last to accept an independent, Jewish political state in the Middle East the Israelis are not responding positively to this extended hand. Almost all the Arab leaders are ready to grant legitimacy to a Jewish state, given Israeli territorial concessions. Yet the Israeli Government maintains an inflexible stand in not being willing to give up conquered territories.

The spark that will ignite the next war is in the West Bank and the Gaza Strip. This is what lies behind the failure of Secretary of State Kissinger's recent mission seeking a new Egyptian-Israeli accord. This is why a Geneva conference may be doomed in advance. This is also the reason for the offensive Israel is now initiating, through the American news media, against the Ford Administration.

An international consensus has developed on the question of Israel's frontiers. The Soviet Union, the United States, Western Europe, and Arab countries in direct confrontation with Israel, are willing to grant legitimacy to a Jewish state and even to guarantee the security of Israel's frontiers, provided that Israel withdraws from the territories conquered in June, 1967.

Even the Palestine Liberation Organization has indicated a willingness to recognize Israel, provided that she withdraws from occupied territories and recognizes the Palestinians. The trouble is that no Government in Israel today appears capable of delivering the necessary goods.

It doesn't matter if Yitzhak Rabin thinks one way or the other; the fact is that neither he nor anyone in a position to take over as Prime Minister could convince the public of the necessity for withdrawal.

Any government that tried to convince the Israeli public would be immediately toppled by an angry public, which would accuse that government of selling out. Within Israeli public opinion the extremists rule; the Government is too weak to force them out. Because of its weakness the Government has not in any way prepared the public to accept withdrawal and concessions.

Mr. Kissinger failed because of the Israelis. The Israelis demanded that the Arab world settle for an Israeli promise of only small-scale, insignificant withdrawal. The Arabs were not born yesterday; they, of course, wanted to know what would come next. This, the Israelis were unwilling to tell. Now, many Israelis feel that if they could force Mr. Kissinger out of office and isolate Mr. Ford they could clear the way for postponing a settlement and perhaps for a fresh round of fighting.

A withdrawal from the West Bank has only one meaning for most Israelis: the creation of a Palestinian state. Israelis generally are not willing to recognize the Palestinians and, of course, they are not willing to accept a Palestinian state bordering theirs.

Until now, Israelis could claim in their defense that Palestinian ideology and tactics rendered dialogue impossible. A shift, however, has recently occurred. Even the P.L.O. appears to be willing to recognize Israel under certain conditions. Now, many Israelis argue that this new readiness to recognize Israel is only tactical and lacks long-range credibility.

The view of the Middle East by Israeli political leadership and public opinions bears little relationship to the view of much of the rest of the world. This disparity has led to Israeli isolation. Isolation breeds despair and may lead to war.

The October, 1973, war may at least have taught some Israelis the necessity of making concessions to Egypt and Syria. Not many Israelis are as yet prepared to make concessions to the Palestinians. Certain Israelis believe that their state should initate a new war soon; they believe that Israel would win and would thereby occupy additional Arab territory. According to this reasoning, Israel could thereafter return the newly acquired territory and hold onto the desired West Bank and Gaza Strip.

Another war in the Middle East would be a historical and political catastrophe for all concerned. Even a military victory would in reality be a defeat for Israel. The increased bitterness and calamity of fighting and loss of life would make peaceful negotiation even more difficult. It is a moral obligation of the American public generally and the American-Jewish public most especially to prevent so deadly a gamble by Israel.

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT

Mr. PERCY. Mr. President, Washington is full of pens crafting commentary on both large and small events affecting our Nation. Some authors use their literary instruments as lances to pinion politicians and appointees. Others use them as brushes to paint history. Some pens bring us sorrow and others happiness. Certainly the pen of Art Buchwald has brought much laughter to this city with its bittersweet satire. Yet on May 6 in the Washington Post, Mr. Buchwald's column brought a tear rather than a smile.

Once again he has effectively identified a foible in our character. Without further comment, Mr. President, I ask unanimous consent that Mr. Buchwald's column be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Look West, Miss Liberty, and Shine Your Light

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families.

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and great-grandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that."

"It's not the same thing," the statue said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, 'Welcome. We're glad you came,' most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate bridge, perhaps the people will be ashamed of the way they've behaved."

The Statue of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, 'Send these, the homeless, tempest-tossed to me, I lift my lamp beside the golden door.' "

THE DEMOCRATIC FUTURE: BEYOND THE GREAT SOCIETY

Mr. MONDALE. Mr. President, there are few people in this country who know more about our governmental processes, our political system, and our national priorities than Joseph A. Califano, Jr.

As my colleagues know, Joe Califano has had a distinguished career in the service of this country. He has served as special assistant to the general counsel of the Department of the Army, special assistant to the Secretary of the Army, and special assistant to the Secretary and Deputy Secretary of Defense.

From 1965 to 1969, Joe Califano was special assistant to the President of the United States. His work in the White House gave him an unparalleled perspective on the domestic needs of this country and on the programs of the Great Society.

Joe Califano also has performed invaluable service for the Democratic Party. As its general counsel and as one of its most intelligent and respected young leaders, Joe Califano has helped shape the programs and goals of our party.

Because of Joe Califano's broad experience in Government and in politics, I was particularly anxious to read his article in the April–May issue of the Democratic Review, entitled "The Democratic Future: Beyond the Great Society."

Joe Califano discusses our current economic difficulties, comments on the current state of our national institutions, and notes a mood of public cynicism and despair. He outlines a future agenda for the Democratic Party, based upon his thoughtful assessment of our current situation, and sounds a call to action we must all heed.

I encourage my colleagues to share with me the thoughts of a dedicated public servant and experienced political leader. We can all benefit from the reflections of a citizen with a unique perspective. Mr. President, I heartily recommend this article—as well as Mr. Califano's forthcoming book "A Presidential Nation" to be published in September by W. W. Norton & Co.—to my colleagues in the Senate and to the American people.

Mr. President, I ask unanimous consent that the article entitled "The Democratic Future: Beyond the Great Society" from the Democratic Review by Mr. Joseph A. Califano, Jr. be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEMOCRATIC FUTURE BEYOND THE GREAT SOCIETY

(By Joseph Califano)

Like the future of the Nation it seeks to govern, the future of the Democratic party is deeply clouded. The self-confident rhetoric of Presidential aspirants and Congressional leaders belies the busy uncertainty with which they confront economic chaos and institutional degeneration among a people tormented by political agnosticism and pockets of despair.

Whether the Democratic Party can lead the American people out of this valley depends on how they confront these problems. The first step in this journey is realistically to face the economic and institutional condition of our Nation and the psychological condition of our people.

THE ECONOMIC SITUATION; DEALING WITH THE SHRINKING PIE

The central economic foundation of the Great Society programs (at least until the Vietnam War began to drain our resources) was more for everyone: for the individuals and institutions of the private sector, for the federal government that moved from a bureaucracy operating less than 50 domestic social programs to one operating some 500, and for state and local governments. During its most productive years, the Johnson Administration financed a significant portion of the Great Society programs; at the same time, additional funds flowed to the private sector and individual citizens in the form of lower federal taxes, increased profits and higher wages. The lubricant of economic plenty greased the political wheels that ran so smoothly between the executive and legislative branches during the 89th Congress. It was not then necessary to redistribute wealth in absolute terms. Although the disadvantaged and the lower middle class received the bulk of the newly created wealth, the material condition of the rich and the upper middle class was simultaneously enhanced.

Since 1974, however, the people have been served from a shrinking economic pie. More important, for an extended period in the future, the economy is not likely to expand at a sufficiently rapid rate to increase the standard of living of the less advantaged without a true redistribution of wealth, a taking from the affluent. The present economic situation alone portends high unemployment, higher taxes for fewer public services, and perhaps inflationary pressures, for at least five years and possibly longer. The high cost of energy and the need to respond to legitimate environmental concerns are likely to inhibit our ability to recover to a growth rate of the four per cent to six per cent level that marked the later 1960's; for an extended period a growth rate of two per cent is much more likely.

This economic condition visits upon American society an urgent need for all sorts of efficiencies. The automobile industry must produce more efficient cars in a way that will preserve scarce energy and financial resources and environmental values. The educational community must learn to perform its critically important work at a significantly improved cost-benefit ratio. Less costly ways must be found to house millions of Americans. Mass transportation will have to substitute for individual transportation even if that means less comfortable transit; health care services must be provided at more reasonable levels of expense, even if that means more egalitarian medical treatment. If not in a Constitutional sense, certainly in human terms the demand for more efficiency threatens individual as well as economic freedom.

It is no mean task to impose such efficiencies on a self-centered society with the tradition of personal freedom and plenty that has characterized the American nation for generations. But that is a task that must be discussed and undertaken with a candor that has not yet characterized the rhetoric of our Democratic leaders. The absolute redistribution of resources required at home and abroad today demands that the Democratic Party abandon the rhetoric of too much government, too much planning, and too much control. In many areas, we need more of each for the common welfare.

For, clouded as the economic and social horizons are at home, the Democratic Party must recognize that the world situation is even more darkly overcast. With six per cent of the world's population, the American people have for years consumed roughly 40 per cent of the world's resources. Depending on how the Arab nations deploy their new wealth, the Middle East oil situation may redress that imbalance to some extent. But, alone, that situation is unlikely to alleviate world social and economic pressures for global redistribution of wealth.

The alternatives for this Nation are either to step up the economic and social development of poor nations—and dedicate a decidedly more significant proportion of our wealth to that effort—or, to maintain a "fortress America" posture to protect our own standard of living, by force if required. For the rest of this century, a combination of both postures seems necessary. If so, the rhetoric of gun boat diplomacy is as unbecoming for aspiring political leaders as the rhetoric of slashing defense budgets. The same principle that is intoned to justify American intervention in the Middle East to prevent "strangulation" of the West by an oil embargo can also be invoked by underdeveloped nations in moral justification for an assault on the United States (and the West) to obtain food for their starving millions.

Moreover, it is not possible without substantial danger to our national security, to reduce defense spending sufficiently to return the United States to an economic horn of plenty situation adequate to avoid the collective need to take from the "haves" to assist the "have-nots."

These economic and geopolitical realities must be confronted with a clear recognition of the central psychological and political roadblock to adequate program funding after the halcyon days of the Great Society ended in 1966. Contrary to our perception at that time, the more material resources put at the disposal of individual Americans, the more selfish they became. The new "haves" created by the success of Great Society economic policies did not wish to share more with the "have-nots" whose dwindling numbers reduced their political power in a majoritarian democracy.

The guns and butter approach Johnson adopted in January 1966, pinched the economic euphoria of the American electorate in late 1967 and 1968. As a matter of economic resources, sufficient funds were available to finance both the Great Society programs and the war in Vietnam. What was lacking was a willingness of the American people, for a variety of reasons, to do both at the same time when the price was material self-sacrifice on an individual basis. While much of the anti-war feeling was morally motivated, this reality of human nature played a significant role in the middle class opposition to the war in Southeast Asia.

The genius of welfare state capitalism has been its ability to create and maintain an environment of plenty. Its inability to continue to perform at this extraordinary level presents its severest test. To appreciate the difficulty of the task ahead, one need not look only at Johnson's difficulties in funding Great Society programs against the demands of war. An example relatively unaffected by the emotion that surrounds discussion of Vietnam is its experience in attempting to redistribute power during the 1960's. When the Johnson Administration attempted to redistribute power by taking from one group and giving to another, it met its most trenchant opposition. The community action agencies of the war on poverty were bitterly opposed by most governors and mayors and a large number of congressmen and senators. Those programs represented a diversion of power over local conditions from the existing governmental structures to new social and political groupings.

So it was with the civil rights legislation. The Voting Rights Act of 1965 injected large numbers of blacks into the American electorate. To this day, cities in the South are annexing white suburbs to dilute the recently acquired voting power of black Americans. Enforcement of the equal employment provisions of the 1964 Civil Rights Act met with less opposition than was expected during the mid-1960's because there were so many new jobs that other Americans did not feel the squeeze of economic change at that time. An attempt to maintain such a vigorous level of enforcement in the present economic climate would likely face tenacious resistance. It is no accident that the vicious cutting edge of racial strife is forged by those groups that perceive themselves as vying for the same piece of economic pie as black Americans. The middle- and lower-middle income white ethnics have invariably displayed the greatest intransigence in the national quest for racial equality.

CAN THE INSTITUTIONS BE MADE TO WORK?

The Democratic Party must seek to improve our economic condition against a backdrop of institutional decay and confusion. The economic recession has sharply curtailed the ability of large aggregations of corporate wealth to assist in the resolution of social problems and in some industries, like automobile manufacture, significant permanent shifts of private sector resources are underway. Other institutions of society, central to its ability to fulfill social and human needs, are in serious structural trouble.

Decentralization and fragmentation of governmental power are essential to the preservation of individual freedom. But the 25,000 cities and counties and the 50 states are indeed relics of another age. Environmental problems pay little attention to state and city boundaries inspired in less mobile and pre-industrial times and perpetuated by petty political maneuvering. Air moves in air sheds and water in rivers that run through many states. The inefficiencies of local government as it is now organized are far too expensive in the context of urgent economic and social needs.

The operation of the court systems of the federal government can as often as not serve the cause of injustice. Increasingly over the past decade it has become apparent that on the civil side, the federal courts are available only to the wealthy individual and institution. Each time Supreme Court Chief Justice Warren Burger speaks of the inadequate salaries, staffs, number and physical facilities of federal judges, any lawyer practicing in the federal courts can cite personal experiences to support his conclusions. If anything, the Chief Justice has understated the problem. And federal courts are the major leagues of the criminal justice system in America.

The sound and fury of the House revolution is progressive music to the ears of frustrated reformers. But the Congress will remain relatively inept in the performance of its legislative, oversight and appropriations functions unless it redraws its committee jurisdictional lines and makes a vast investment in computers and analytical technology and adequate staffing. (The appointment of Alice Rivlin to head the Congressional Budget Office staff is an encouraging step in the right direction.) Some inefficiencies will necessarily be present in collegiate bodies like the House and Senate. But that is no excuse for the failure of those bodies to bring themselves to an informed state of readiness to deal with national and international problems.

Every Presidential commission that studied the executive branch during the Johnson and Nixon administrations was appalled at its chaotic organization. So were most men and women who served on the White House staff and in the executive departments and agencies during the past 15 years. Yet, the sweetheart contract among special interest groups, committee and subcommittee chairmen jealous of their jurisdictions, and executive branch civil servants protecting their own fiefdoms, continues to be honored at the cost of inexcusable inefficiency and inadequate public services.

Many Democrats are aware of the deficiencies of our present institutional condition. Rep. Richard Bolling has proposed a major reordering of the committee structure of the House. Sen. Abraham Ribicoff of Connecticut is well aware of the incoherent organization of the executive branch and the repeatedly held hearings on the subject. Years ago as a congressman, Sen. John Culver contrasted the use of modern technology by the Congress and the Executive. Sen. Philip Hart has reported on the structural inefficiencies of concentrated industries. Our party must begin to heed such warnings, and stop treating them like other voices in other rooms. It must encourage and enforce basic institutional and structural change in America if it is to earn its rightful place as the governing political party in the years ahead.

Institutional change is no task for the meek or the political amateur. During the Johnson years, it took monumental investments of Presidential time and political capital to effect two major executive reorganizatins (creating the Departments of Housing and Urban Development and Transportation) and a few minor ones.

PUBLIC CYNICISM AND DESPAIR

The inherent difficulties in achieving true redistribution of wealth and basic institutional changes are aggravated by the environment of citizen cynicism and despair in which those objectives must be pursued. Today, many Americans perceive the Democratic Congress, with its bevy of Presidential aspirants, as playing a shell game of one-upmanship with the Ford Administration; and their view of Ford is not much better. A poll of 23,000 high school students across the Nation in 1974 reflected that 81 per cent thought "elected representatives lack honor and integrity."

The race to the television cameras of the Democratic Congressional leadership and the Republican White House to announce "new" (and not well-considered) economic programs in January 1975 affords more than adequate justification for the popular feeling that both parties are still playing political fiddles while the towering infernos of inflation, recession and social decline blaze away. This widespread concern is certainly understandable when the White House fire department does a complete economic policy turnabout in less than a month, and the House of Representatives fire brigade takes off on a 10-day recess after getting their television coverage.

In this environment of cynicism and despair, the Democratic miniconvention in Kansas City in 1974 can be seen less as a Herculean effort to paper over perceived slights and balance narrow interests for a greater common good, than as a weekend glimpse of perpetual internecine political bickering, with each faction striving for status and personal advantage. While the American people awaited relief from the economic misery of the mid-1970's, they watched the Democratic politicians fight for procedural advantages to support their Presidential preferences and ideological biases.

The revolution in communications may further fuel this ambiance of despair. In the late sixties and early seventies, the glories of distant war faded against the grotesque reality of living color bloodshed in every American home. So, too, we must recognize that the American Nation will witness the depression of the 1970's in hues of human misery just as sharp—and closer to home. Democratic politicans, so conscious of the significance of television to the fulfillment of their own ambitions, must take stock of its impact on the American people they seek to govern. The video cameras have already begun to supply nightly news shows with tapes of thousands of unemployed Americans in large cities breaking down the doors of federal office buildings to get their hands on scarce public employment jobs.

The snowballing recessionary effect of unemployment often comes less from economic factors than psychological ones. When one man in a neighborhood loses his job, each family in that neighborhood becomes deeply concerned that its breadwinner will be next. The cumulative expression of those concerns—belt tightening, increasing savings at the expense of spending—can accelerate economic decline and convert such concerns into self-fulfilling prophecies. But we have yet to experience the impact of color television dramatizations of the statistics of recession and inflation. As evening news shows vividly portray the lines for food and jobs, the evictions, the bankruptcies and the demonstrations, the leverage of self-fulfilling psychological reactions on economic conditions will be geometrically increased.

There is a little comfort in the fact that the depression of the mid-70's has not yet been marked by the domestic violence of the mid- and late-1960's. This may be a symptom less of confidence than of despair. De Tocqueville has observed that when oppression once accepted as inevitable seems capable of change, it becomes intolerable. For that reason, he concluded that in a democratic society, reformers rarely survive their reforms. The same conditions inspire hope tend to incite turmoil. In situations like the one our Nation now faces, the superficially submissive reaction of the American people, including the 41 per cent of black teenagers unemployed as the year 1975 began, certainly does not reflect satisfaction or hope.

BEYOND THE GREAT SOCIETY

Aside from the tragedy of war, most Americans remember the Great Society years in flashes of numbers of programs passed and unprecedented economic growth and material affluence. Indeed, Johnson and the Democrats are largely responsible for the numbers-game characterization. But that was not how Johnson spoke when he unveiled his concept at the University of Michigan on May 22, 1964. There he established our success in "the pursuit of the happiness of our people" as "the test of our success as a Nation."

The speech is a testament to the loftiest communal instincts of the early Christians, with full recognition of the importance of individual achievement and satisfaction against a background of material egalitarianism. It abounds with phrases about using our wealth to enhance the development of individual talents and the quality of our civilization, and to satisfy the human "desire for beauty and the hunger for community." There was an early Presidential expression of concern about the pursuit of economic growth and material affluence for its own sake:

> Your imagination, your initiative, and your indignation will determine whether we build a society where progress is the servant of our needs, or a society where old values and new visions are burdened under unbridled growth.

The speech did discuss material needs of people, focusing on the cities, the environment and the classroom. But its explicit thrust was a call to the American Nation to establish a society "where men are more concerned with the quality of our goals than with the quantity of our goods," and to fulfill "a destiny where the meaning of our lives matches the marvelous products of our labor." At Ann Arbor, Johnson sought "a society where the demands of morality and the needs of the spirit can be realized in the life of the Nation." He hoped future generations would look back at a time when man "turned the exploits of his genius to the full enrichment of his life."

The Great Society years did not measure up to those standards. Indeed, haunted by war, materialism and political agnosticism, they sometimes seemed to offer evidence in support of Thomas Hardy's pessimistic conclusion that "all things merge in one another—good into evil, generosity into justice, religion into politics."

Measured by those same standards, the Democratic Party of the 1970's may be destined to fail the American Nation. Perhaps as never before in its history, the American people are concerned with truly fundamental human issues. Against this concern, the activities of their political leaders seem like inadequate tinkering with statutes and regulations. While the people wonder when life begins and when death occurs, the politicians debate the price of pharmaceuticals and fight for the location of new hospitals in their districts. While the people seek purpose in their lives and their society, the Congress and Executive, and the mayors and governors, offer a crisis-oriented instant political pragmatism. While men worry about their ability to provide food and shelter for their families, their political leaders still speak in the rhetoric of an economy of plenty. While our society is still plagued by a distorted distribution of wealth, the House Ways and Means Committee dots the *i's* and crosses the *t's* of tax reform.

There is structural and economic change coming in America, and coming more rapidly than most leaders realize. It is astonishing that the unprecedented accumulated family riches of Nelson Rockefeller can be exposed to public view without one significant voice being raised to ask how an economically pressed Democratic society can abide estate and gift tax laws that permit the genetic acquisition of such staggering wealth. After the human tragedy of secret diplomacy in Southeast Asia, we not only tolerate, but consider indispensable, six more years of even more secret diplomacy. Against a chorus of rhetorical concerns about an imperial Presidency, the Congress heaps unprecedented power over economic affairs and energy on a reluctant executive.

The values of the Great Society described at Ann Arbor were the values of men who have sought such societies since the beginning of time. They are in essence the values of Plato's *Republic* and Moore's *Utopia*. They are, I believe, the values that most Americans seek. But our political leaders, both Democrat and Republican, have provided few thoughful ways of achieving those values. They are indeed busy passing hundreds of laws, making thousands of speeches, and attempting to satisfy the immediate and often transient needs of our people. But, as Thoreau said, "It is not enough to be busy . . . the question is what are we busy about?"

> Unless our Democratic leaders get busy about true economic redistribution and basic institutional change, and until they abandon their political agnosticism and resist the fashionable temptation for instant cures, the American people may decide that neither they nor their Republican opponents deserve to lead our Nation.

SURVEY OF EXPORTS INDICATES BUDGET DEFICIT CAN BE FINANCED

Mr. HUMPHREY. Mr. President, last month I wrote a large number of economists and financial experts, seeking their advice on the financial aspects of the budget deficit, and on monetary and debt management policy. On April 30, during debate on the budget resolution, I placed in the Record the replies which I had received as of that date. I have since received a number of additional replies—all of them extremely helpful—and I ask that they be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. The first question on which I asked these experts to comment was the following:

> Can the financial markets handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

Of the 28 individuals who have responded to my inquiry, the overwhelming majority answered this question in the affirmative. They stressed that these deficits are coming from recession and high unemployment. At the same time, private credit demands have fallen sharply because of this same recession. There is no "vicious" competition for credit. Rather, Federal credit demands are filling a vacuum created by the drop in private borrowing.

The following are typical of the replies I received to this question:

Robert M. Solow, professor of economics, Massachusetts Institute of Technology:

> Every professional study I have seen of the likely state of the capital markets in 1975–76 concludes that they will be able to handle the Treasury's needs without seriously choking off private demands for credit. This includes analyses done by the professional staff of the Treasury and the Federal Reserve. The volume of personal saving will be very high and business financing needs will be quite low.

Guy E. Noyes, senior vice president and economist, Morgan Guaranty Trust:

> Based on our analysis of prospective demands for credit from the private sector in calendar 1975, it is our tentative judgment that there will not literally be any "crowding out" of private borrowings this year as a consequence of Treasury debt offerings, even if the Treasury's new money needs in 1975 total $75 billion to $80 billion, as now seems likely. Room for the large volume of Treasury financing seems likely to exist because of the marked softening now in evidence in private credit demands.

George Perry, senior fellow, Brookings:

> These prospective deficits need not cause any special problems for financial markets or put upward pressure on private interest rates. Such financial developments this year will depend primarily on the conduct of monetary policy by the Federal Reserve, and, to a lesser extent, on the conduct of debt management policy by the Treasury. The real issue is not whether financial markets can handle the deficit, but whether the Federal Reserve will accommodate the expansion in the economy that is needed.

Robert V. Roosa, former Undersecretary of the Treasury:

> The financial markets should have no problem in FY 75; a deficit of up to $75 billion in FY 76 could be gingerly "fitted in" without either inducing a shortage of private credit or causing a disturbing rise in longer term interest rates will probably be unavoidable at times as the bunching of Treasury requirements may not coincide with the short term ready availability of funds.

Robert R. Nathan, Robert R. Nathan Associates, Inc.:

> There is no doubt whatever but that Federal deficits of $50 billion this fiscal year and $75 billion or somewhat more next fiscal year can be financed without interfering with private financial demands or pushing long-term interest rates to levels hampering recovery. The aggregate credit demands are now inadequate to absorb savings forthcoming as recovery begins and broadens.

Walter Heller, professor of economics, University of Minnesota:

> The financial markets can handle the deficits, given only a willingness of the Federal Reserve to finance economic expansion.

Robert Eisner, professor of economics, Northwestern University:

> Given the unfortunately sharply depressed state of the economy, there seems little doubt that financial markets can handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. The paradox which most critics seem to miss is that the major cause of the deficit is a relative decline in tax revenues due to the recession. The very situation which creates the deficit, sluggish private business, thus reduces private demand for credit.

Otto Eckstein, professor of economics, Harvard University:

> The deficits for fiscal 1975 and 1976 can be handled without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. Private credit demands are always weak in recession, and this is the deepest recession since the War.

Allen H. Meltzer, professor of economics and social science, Carnegie-Mellon University:

> The financial markets can handle the federal deficits contemplated at the present time. The deficits will be financed at higher interest rates. . . . The deficit, however, will not prevent economic recovery. The deficit encourages economic recovery but shifts a larger share of rising output into government programs and away from capital investment and housing.

A number of those who wrote me added a cautionary note with respect to the future. They stressed that large Federal deficits must not continue once a vigorous recovery is underway. For example, Frank Schiff, vice president and chief economist for the Committee for Economic Development, while agreeing with those cited above that "the financing of deficits of the size you mentioned should be possible without severe strains on private credit markets" added:

> A very determined effort must be made to assure that fiscal actions taken today will not overshoot their mark in the future. Thus, anti-recessionary tax reductions should by and large be of a one-time or temporary character, and stimulative government expenditure programs should wherever possible be designed to terminate when they are no longer needed to support the recovery.

I agree with that. The emergency fiscal programs which we adopt to deal with the recession should be designed to phase out as full employment is restored. The budget policy which Congress has been debating is a policy of budget balance at full employment. We must stick with that policy.

Not everyone whom I consulted agreed that the contemplated fiscal 1976 budget deficit could be handled without serious damage to the economy. Two of the 28 respondents flatly took issue with this view. Albert H. Cox, Jr., vice president of Merrill Lynch, wrote:

> Deficits of $45 billion and $65 billion in fiscal years 1975 and 1976, respectively, can be financed without the degree of "crowding out" that would seriously threaten recovery, given our projections of weak private demand for funds. However, the Congress is flirting with potential financial and economic trouble should it permit a deficit of $75 billion or more in fiscal 1976. That could blunt or even prevent recovery because of its adverse effects on interest rates, housing and other industries.

Beryl W. Sprinkel, executive vice president of the Harris Bank wrote:

> In my judgment, a deficit of $75 billion in fiscal 1976 is too large if we want to avoid serious damage to the economy. I recommend that the Congress hold its spending ceiling to about $350 billion at most and therefore plan for a deficit of less than $60 billion.

Several others who responded to my letter expressed great concern about the prospective deficit, but for a particular—and, to me, very disturbing—reason. They argued that while the deficits ought to be manageable, psychological factors were creating tensions in the credit markets. That is, marketing participants are basing their investment decisions not on the underlying economic reality, but on fear.

For example, Henry H. Fowler, former Secretary of the Treasury and now a partner in Goldman, Sachs, wrote:

> Indeed, the best evidence available to me seems to indicate that the supply of savings being generated in the economy now and over the next twelve months should be adequate to finance an economic recovery without undue strain on our credit markets. If this is true, then why has there been strain in the financial markets over the last six weeks? There is a cause that is difficult to understand and impossible to forecast, yet to me all too clearly at work in our financial markets. That cause is expectation and fear.

James J. O'Leary, vice chairman, U.S. Trust Co., wrote:

> With regard to your specific questions, it is now clear that the size of the deficit which is emerging has had a perverse psychological effect on the long-term capital markets. The pertinent question is not whether Federal deficits of $45–50 billion in fiscal

> 1975 and approximately $75 billion in fiscal 1976 can be financed without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. The fact is that the long-term capital markets fear that such deficits cannot be financed without having such adverse effects. The larger the Federal deficit is expected to become, the more intense the fear will become. Financial markets behave today on the basis of expectations of the future.

Why are the market participants fearful? Of what are they afraid? Several persons who responded to my letter argued that statements by public officials have served to stir up and exacerbate these fears. Alfred P. Johnson, vice president of the Investment Company Institute, wrote:

> Repeated statements from the Treasury on the potential economic and financial problems that might flow from a Federal deficit larger than it deemed appropriate has tended to "scarce" the market, rather than create a dialogue that might improve the coordination of fiscal, monetary, and debt management policies.

Leonard J. Santow of the Schroder Capital Corp., wrote:

> Comments made by several public officials have been a factor of consequence inducing borrowers to rush in to raise money which in turn has caused investors to be reluctant purchasers of intermediate and longer term debt obligations. Huge budget deficit and financing estimates have repeatedly been dropped on the debt markets, with each estimate larger than the previous one. These estimates have apparently been used to convince Congress of the adverse market and economic consequences of making the deficit excessively large. Of course, by their comments they have the power to create the disorderly market conditions which they predicted could happen. It is too bad that these people have not taken a different approach to this whole problem by coming up with new programs and proposals when it was clear that Congress would not accept what had initially been proposed.

Robert H. Parks, executive vice president of Advest Institutional Services was even more outspoken:

> The financial markets can easily handle the upcoming Treasury financing provided (a) the Federal Reserve is sufficiently accommodative and (b) Mr. Simon gets more professional counsel on elementary economic and financial matters and (c) Mr. Simon carefully guards his comments regarding the quality of and prospects for Treasury instruments.
>
> I sometimes wonder what the market for New York City bonds would look like if Mayor Beame were to downgrade these securities as Mr. Simon knocks Treasury issues. The irony is that economic fundamentals are favorable to the outlook for Treasury securities.

In sending my letter to economists and financial experts, I was not simply taking a public opinion poll. I requested, and received, thoughtful and complete individual answers. I would like to thank each of the persons who took time to answer my letter. They have performed a real public service.

While I was not simply taking a poll, it is possible, in a rough way, to categorize the replies I received. Twenty of the 28 respondents felt they could answer "yes" to my first question, that is, yes, the deficit can be financed without seriously interfering with private credit demands. Only five clearly took the opposite view. As I have noted, several among these five acknowledged that the necessary funds ought to be available but stressed the psychological factors—the fears—which are governing the credit markets.

Congress must not be captive to those fears. We in Congress have two responsibilities:

First, we must provide enough temporary fiscal stimulus to put this recession firmly behind us; and

Second, we must maintain a control over the budget which will insure a balancing of the budget as full employment is regained.

I believe Congress is doing a good job on both counts.

EXHIBIT 1

APRIL 24, 1975.

HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

Senator HUMPHREY: I have enclosed two essays on the money and capital markets bearing directly and in detail on your three questions incorporated in your letter to me of April 16th. Here are brief answers to your questions:

(1) The financial markets can easily handle the upcoming Treasury financing provided (a) the Federal Reserve is sufficiently accommodative and (b) Mr. Simon gets more professional counsel on elementary economic and financial matters and (c) Mr. Simon carefully guards his comments regarding the quality of and prospects for Treasury instruments.

I sometimes wonder what the market for New York City bonds would look like if Mayor Beame were to downgrade these securities as Mr. Simon knocks Treasury issues. The irony is that economic fundamentals are favorable to the outlook for Treasury securities.

(2) and (3) The Federal Reserve and the Treasury should together follow what I would dub a "double twist" operation. This entails Treasury sales focusing on short issues and Fed open market purchases, to the extent possible, on intermediate and longer term agency and Treasury issues.

The Federal Reserve and the Administration have pursued a joint policy of economic overkill, pushing the economy into the worst recession by far in postwar history. The danger still exists of an inadequately expansionary monetary policy to produce economic recovery despite postwar record slack in labor and capital. Having killed capital formation cyclically, the United States now runs the risk, in the event of insufficient monetary stimulus, of killing capital formation secularly. This would represent one giant step towards economic stagflation.

I thank you for asking for my counsel, and I hope the attached materials are helpful in getting answers to very difficult questions.

If you are interested, I would be delighted to explore these problems in more depth with you.

Sincerely,

ROBERT H. PARKS,
Executive Vice President, Chief Economist, Advest Institutional Services.

MAY 2, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

DEAR HUBERT: By the time your letter of April 16 caught up with me, the deadline had passed, and the floor debate was about over. Since my *Wall Street Journal* article dealt so directly with the questions in your letter, I hope that it may have served your purposes. The answers are quite clear:

The financial markets *can handle* the deficits, given only a willingness of the Federal Reserve to finance economic expansion.

The present policies of the Federal Reserve do *not* seem adequately accommodative. All the scare-mongering about unmanageable deficits, inflation, and crowding out suggest that the Fed will be parsimonious in providing funds for expansion. And parsimony, unlike economy, will be very costly.

The Treasury should certainly restrict itself primarily to short-term borrowing. This is no time to "lengthen the debt."

With warmest regards,

WALTER W. HELLER.

MAY 2, 1975.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: In response to your letter concerning the Federal budget situation and outlook, I welcome the opportunity to set forth briefly my views on the specific questions you have raised.

First, as you are aware, no one can be certain of the impact on the credit and capital markets of a $45 to $50 billion budget deficit in fiscal 1975 and approximately a $75 billion deficit in fiscal 1976, since the current Federal fiscal situation is unprecedented and past experience can offer no guide to the future. To be sure, flow of funds projections, such as the Bankers Trust Company and others have made, tend to suggest that the financial markets can handle a huge increase in Government borrowing without undue strains in the credit and capital markets. However, this seems possible only if a gradual and relatively restrained economic recovery is assumed and only by making some other important assumptions with respect to the prospective investment policies and patterns of commercial banks and of other large institutional investors; the commercial banks, for example, will have to add up to $40 billion this year to their holdings of Government securities, whereas the most they have acquired in any one year previously in the postwar period is less than $10 billion.

Moreover, I would point out that the role played by market psychology must not be underestimated in assessing the prospects. Projections of the prospective supply and demand for credit and capital can be significantly affected by the liquidity preferences and changing dispositions and reactions of borrowers and lenders, and by expectations, as we have already seen in recent weeks. Unquestionably, the record volume of corporate bond offerings thus far this year, and the recent firming of long-term rates that has occurred, reflects some anticipatory borrowing by businesses concerned over the possibility of increasing competition for funds from the Treasury later in the year. While I am hopeful that the financial markets can continue to absorb the massive offerings of Treasury securities without impinging more seriously on the financing needs of other sectors of the credit and capital markets, and without sharply pushing up interest rates, I doubt that this may be accomplished without periodic congestion in the markets.

Although I expect money market rates will firm in the course of the year as the recession bottoms out, they are not likely to reach levels so high as to abort the recovery, provided the Congress does not significantly add to Government spending programs thereby strengthening inflationary expectations, and provided the monetary authorities continue to pursue an appropriate policy.

Given the huge Federal budget deficits in sight, and the still very depressed state of the American economy, Federal Reserve policy obviously must remain accommodative until a business upturn is well under way. This does not, however, mean that monetary policy should turn toward more aggressive ease in the period ahead. The monetary aggregates, after lagging earlier, have been growing comparatively rapidly the past few months, and it should be kept in mind that monetary policy operates with a lag; whatever policy the Federal Reserve pursues during the coming months will probably not have its major impact on the economy until sometime in the spring of 1976. In light of the already stimulative fiscal policy, there is a real risk that a too expansionary credit policy could lay the base for more inflation later on, as well as serve to unsettle the financial markets.

As regards the desirable pattern of Treasury financing, even though private demands for credit at this point are heavily concentrated in the bond markets, I would urge that, to the extent possible, the Treasury endeavor to continue to do some of its heavy borrowing at intermediate and longer-term and not limit itself to short-term financing. For the Treasury to confine its financing to the short end of the market would limit its flexibility in managing the public debt and could present difficult refinancing problems as this huge amount of debt will have to be rolled over continuously.

As a final comment, I would like to say that although the recession is a matter of grave concern for everyone, it would be most unfortunate if the Congress becomes impatient with the progress of the recovery and attempts to hasten the business recovery by enacting more new spending programs and by pressing the Federal Reserve into becoming overly expansionary. Such action could only result in giving inflation a second wind that would spell trouble for the financial markets and for the economy in general not only late this year and next, but perhaps for some years to come.

I trust these comments prove helpful.

Very truly yours,

D. E. Woolley.

May 1, 1975.

Hon. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: I am sorry to be somewhat late in responding to your letter of April 16 but my heavy travel schedule plus appearing before Senator Proxmire's Banking Committee has made it impossible for me to reply sooner. I am hopeful that my remarks will be helpful.

(1) In my judgment, a deficit of $75 billion in fiscal 1976 is too large if we want to avoid serious damage to the economy. Deficits must be financed either from savings or from newly created money. If a $75 billion deficit is financed largely from savings, it will inevitably bring upward pressure on interest rates and choke off funds going into housing and capital spending. If, on the other hand, most of the debt is financed with new money, serious double digit inflation would begin again by late 1976 or early 1977. Therefore, I recommend that the Congress hold its spending ceiling to about $350 billion at most and therefore plan for a deficit of less than $60 billion.

(2) In my judgment, the long-term growth in the money supply should be in line with growth in the potential capacity of the economy to produce real goods and services. This was the guideline suggested by the joint monetary resolution which you sponsored and I think it is correct. Therefore, on average, most of the time growth in the money supply should be between 3% and 4% per year. However, this year it is clear that somewhat more stimulus should be provided in order to reverse the recession and encourage economic expansion and employment. It is my judgment that in this next year monetary growth should be in the 4% to 6% range. I thoroughly disagree with those who believe that we should have double digit monetary expansion for the simple reason that an attempt to move from high rates of monetary growth to low rates of monetary growth would inevitably snub the recovery. I prefer a sustainable rate of improvement which is possible if we avoid go-stop economic policies. Present policy, in my judgment, is adequately accommodative even though it was much too tight from mid-1974 through January of this year.

(3) Almost certainly the great bulk of the deficit will be financed in the short and intermediate term area. This is unfortunate because it will mean that the Federal government must frequently refinance maturing issues. I would hope that at least some effort will be made to sell some long-term bonds so that maturities are not unduly shortened.

I am enclosing a copy of the testimony which I presented before the Senate Banking Committee on Tuesday since it discusses in some detail most of the issues raised in your excellent inquiry.

Sincerely,

Beryl W. Sprinkel.

May 5, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: In reply to your letter of April 16 let me indicate very briefly my views in answer to the questions you have raised.

1. Given the unfortunately sharply depressed state of the economy, there seems little doubt that financial markets can handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. The paradox which most critics seem to miss is that the major cause of the deficit is a relative decline in tax revenues due to the recession. The very situation which creates the deficit, sluggish private business, thus reduces private demand for credit. What is more, either a cut in taxes or an increase in government expenditures directly creates after-tax income, some of which can be expected to be saved and hence meet private demands for credit. Indeed, to the extent greater tax cuts or increased government expenditures would not stimulate spending for goods and services, they would go immediately into saving and hence satisfying the private demand for credit.

2. The Federal Reserve should certainly pursue a monetary policy which accommodates an appropriately stimulatory fiscal policy. Further, the Federal Reserve should itself work to stimulate the economy by additional measures to ease credit and increase the quantity of money. This should mean that the Federal Reserve should be increasing M1 at an annual rate of 10%, which would merely equal the desired growth in the money value of gross national product on the assumption of a sharp drop in the rate of inflation. To begin to make a dent in our critical unemployment, we should move to at least a six percent rate of real growth in GNP as quickly as possible. Even if the rate of price inflation comes down to four percent, simple arithmetic suggests that a 10 percent rate of growth in M1 would merely leave money growing at the same rate as the value of transactions in goods and services. If inflation were greater, contrary to most monetarists' views an even greater rate of increase in the money supply would be necessary if monetary policy were not to prove unduly restrictive in a period when our major concern should be recovery in employment and output. Our monetary policy has not been adequately accommodative, as those who set it have persisted in undue concern over possible future inflation, when gross national product is running at rates of perhaps $250 billion per year below capacity and unemployment is of course at its highest since the end of the Great Depression.

3. It is generally wise for the Treasury to borrow in accordance with its own needs and not distort financial markets by concentrating at the short end, thus building up concerns for future financing. However, this should presume a cooperative Federal Reserve policy. The Fed itself should be buying (or on other occasions selling) goals and securities at all longevities and should do what it can, in such buying, to reduce the spread between long and short term rates. This spread might be further reduced by salutory removal of government restrictions prohibiting interest payments on demand deposits and limiting interest paid on savings accounts and investments in saving and loan associations. It is absurd to have a situation in which holdings of liquid assets or savings in the form readily available to most Americans receive limited or no return while large investors take advantage of high yields. These restrictions also tend to reduce sharply funds available for mortgage loans in particular and other long term loans to smaller borrowers in general.

It is time for leaders to stand up to the nonsense being spouted to confuse and frighten the public with regard to deficits and public debt. A public deficit is the direct counterpart of private surplus. What the government owes, other than to its own agencies, trust funds and Federal Reserve banks, is directly held by private investors. To reduce the public debt is hence to reduce private savings. A larger deficit is both a consequence of a more depressed economy and a tool for ending that depression. Given the state of the economy, efforts to reduce or hold down the deficit can only further constrict economic activity.

In the longer run, a balanced growth of the economy implies growth in all kinds of assets and debt, both private and public. If eventually our economy were to settle to a percent rate of real growth and a very trivial 2 percent rate of inflation, for example, that 6 percent annual growth in the money value of gross national product would imply a 6 percent growth in the gross public debt if the debt were to remain in a constant ratio to GNP. Since the total gross public debt is in the neighborhood of $500 now, that implies a deficit of $30 billion per year employment and full employment growth. With the recession and consequent loss of output and public revenue even a passive fiscal and debt policy would call for a far larger current Treasury deficit. To the extent that we endeavor actively to stimulate the economy we should be prepared to run a much higher deficit.

Administrative statements and policies have been far too restrictive and have contributed in a major way to the very difficult current situation of our economy. The Congress, if it is to assert appropriate economic policy, should be far bolder in defying restrictions set by the Administration and the misguided policies which it is following.

Sincerely,

Robert Eisner,
William R. Kenan Professor, Chairman.

May 5, 1975.

Senator Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: I hope you will forgive me for giving short answers to the questions in your letter of April 16. I think my views are fairly representative of professional opinion, and I expect others who reply to you will provide documentation and discussion.

1. Every professional study I have seen of the likely state of the capital markets in 1975–76 concludes that they will be able to handle the Treasury's needs without seriously choking off private demands for credit. This includes analyses done by the professional staff of the Treasury and the Federal Reserve. The volume of personal saving will be very high and business financing needs will be quite low. The Secretary of the Treasury's published remarks to the contrary, if they have been correctly reported, suggest a fundamental lack of understanding of the nature of the question. If real interest rates do rise enough to limit private investment to such an extent that the recovery from the recession is inadequate, that is a sign that more stimulus, not less, is required.

2. In my opinion, Federal Reserve policy is now insufficiently expansionary. I would like to see more aggressive ease right now when the economy could clearly use it. If the expected upturn comes in the second half of the year, the Fed's willingness to accommodate expansion could be critically important, including its willingness to supply reserves to help finance the federal deficit while permitting corporations to improve their balance sheets and finance new capital expenditures. The talk emanating from the Federal Reserve suggests an unwillingness to do so. The notion of holding the growth of M_1 to an annual rate of 6 per cent while the hoped-for recovery is trying to push nominal GNP up at almost twice that rate is madness. One hopes that when the time comes the Fed will let the economy live. That will be the critical time.

3. I hope the debt management people in the Treasury will make their decisions keeping in mind the need for corporations to restore some liquidity by shifting debt to the longer end of the spectrum. That may well require the Treasury to borrow short more than it likes to.

Sincerely yours,

Robert M. Solow.

April 28, 1975.

Hon. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: In response to your request of April 16, I have the following very brief comments to make.

First, there is no doubt whatever but that Federal deficits of $50 billion this fiscal year and $75 billion or somewhat more next fiscal year can be financed without interfering with private financial demands or pushing long-term interest rates to levels hampering recovery. The aggregate credit demands are now inadequate and are likely to continue inadequate to absorb savings forthcoming as recovery begins and broadens. We need stimulative fiscal policies which in turn will bring expanded economic activity. This will have two favorable consequences on financial markets, namely, a gradual reduction in Federal deficits due to rising revenues and an increase in savings as profits and personal incomes rise. Finally, with respect to interest rates, if we can pursue expansionist but anti-inflationary policies through some wage and price policies and guidelines, we will have lower long-term interest rates even with huge deficits.

Second, the Federal Reserve policy should now be an expansionary one and if the growth of money supply becomes excessive a year or two hence that is the time to slow the rate of increase in the money supply. I still believe that the present monetary policies do not sufficiently accommodate the financial markets in accordance with the best interests of a sound and healthy economy.

Third, concerning the duration of borrowing, the Treasury will need in time to lengthen its portfolio but in the immediate months ahead short and mid-term instruments should be favored. There will be interest rate advantages to this policy and until we demonstrate our serious determination to fight inflation we should avoid heavy long-term borrowing by the government.

I hope these comments will be helpful.

Sincerely,

Robert R. Nathan.

April 23, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: I appreciate the chance to add my views to the welter of conflicting advice you must now be getting. I hope you and the other members of the Committee are able to do something about this mess we are in, and even that my statement is helpful.

Sincerely,

Edward M. Gramlich,
Senior Fellow.

April 23, 1975.

Senator Hubert H. Humphrey,
Chairman, Joint Economic Committee,
Washington, D.C.

Dear Senator Humphrey: International monetary policy issues are absorbing so much of my time and energies as to leave me very little for the questions which you raise about domestic monetary and credit policies, crucial as they obviously are at this juncture. I would be inclined to answer "Probably Yes" to all three of your questions, but with more conviction about the first than about the other two—particularly the second—and in full awareness that others are far better qualified than I to deserve being heard on these matters.

I enclose a recent paper expressing my qualms about current policy trends and policy advice, and my conviction that what I call "infession" calls for an agonizing reappraisal of those which have been most successful since the war, but are likely to prove totally inadequate to deal with the problems that now face us.

I have not the slightest doubt that we *must* and *shall* act *fast* to fight the inhuman scourge of depression and unemployment, even at the risk of refueling inflationary forces *later on*. But I am equally convinced that if we do not devise new policies in time, these forces will soon emerge again and lead again inevitably either to a worse depression or to a major collapse of our monetary and financial structure (even calling possibly, two or three years from now, for some sort of "monetary purge" such as resorted to by the Dutch and the Belgians, and advocated in France by Mendes-France, immediately following the war).

This danger may be made more acute by the prospect that Mid-East OPEC countries may continue to spend and invest elsewhere, and particularly in Europe, most of the dollars with which every country in the world—and not only we—settles its deficits with them. I disagree most strongly in this respect—as does Fred Bergsten—with Secretary Simon's view that we do not have to worry any longer about the so-called "dollar overhang."

With very best wishes for success in your challenging task,

Yours sincerely,

Robert Triffin.

April 25, 1975.

Sen. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: This is in reply to your letter of April 16 requesting judgments as to deficit-financing problems.

It is our conviction at Morgan Guaranty Trust that no one can know with certainty what degree of money and capital-market pressure will arise in connection with the financing of the Treasury's unprecedentedly large deficit. Based on our analysis of prospective demands for credit from the private sector in calendar 1975, it is our tentative judgment that there will not literally be any "crowding out" of private borrowings this year as a consequence of Treasury debt offerings, even if the Treasury's new money needs in 1975 total $75 billion to $80 billion, as now seems likely. Room for the large volume of Treasury financing seems likely to exist because of the marked softening now in evidence in private credit demands. I would stress that this is something we cannot be certain about, but it is our working assumption as of the moment. Such an accommodation of combined Treasury-private financing needs seems possible without any radical shift by the Federal Reserve from the sort of monetary policy it is now pursuing. This is not to say, however, that the task of the Federal Reserve in the months ahead will be an easy one. Credit markets are very fragile and nervous and can react adversely to a policy stance on the part of the Fed that they sense to be less accommodative or, on the other hand, too accommodative, i.e., inflationary.

Major questions do exist, however, about the possible occurrence of serious frictions in money and capital markets beyond calendar 1975 if the Treasury's needs for new money remain as large as is implied by the deficit figure of $75 billion for fiscal 1976 which you cite in your letter. We are assuming that calendar year 1976 will witness a fairly strong expansion of private credit demands, and such an expansion—it seems to us—can be accommodated without outsized increases in monetary aggregates and without steep escalation of interest rates only if the Treasury's money needs are in the process of diminishing. This again is a matter of judgment, but in shaping the budget for fiscal year 1976 and fiscal year 1977, we would be strongly inclined to lean as far as possible in the direction of limiting the size of the budget deficit. Otherwise, an uncomfortably large risk will prevail that interest rates will again climb steeply and weaken or abort the recovery or that to prevent such weakening or abortion the Federal Reserve will have to be excessively accommodative to a degree that nurtures inflation. We would put a high premium on fiscal restraint by the Congress and the Administration from this point on and would particularly urge that new programs with indefinite life spans be avoided in responding to the current recession problem. Keeping stimulus temporary and measured is critically important if we are to avoid a repetition of the national bias toward excessive pressure on real resources that has been so destabilizing in the past decade.

Finally, it seems to us highly important that both monetary policy and debt-management policy remain flexible to adapt to changing conditions. The Federal Reserve seems intent on trying to accommodate recovery without recreating sloppy money conditions. We applaud that objective and believe that the Board and the Federal Open Market Committee should retain full discretion in deciding how to shift policy to the changing signals transmitted by money and capital markets and the economy. Likewise, the Treasury should tailor particular offerings to the changing technical conditions of markets. This will undoubtedly mean a very heavy volume of short-term debt offerings, but we would certainly urge that the Treasury be left free to tap the intermediate-term and longer-term markets if that seems appropriate from time to time.

Sincerely,

Guy E. Noyes.

April 22, 1975.

Senator Hubert Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: In reply to your questions of April 16, here are my comments.

(1) The deficits of fiscal 1975 and 1976 can be handled without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. Private credit demands are always weak in recession, and this is the deepest recession since the War. To justify this basic assertion requires rather elaborate econometric work. Data Resources has done several studies of this issue and I enclose copies of them.

(2) Monetary policy should be accommodating to any sign of recovery over the next year. It would not be desirable, from a long run point of view, to have the Federal Reserve overkill on the side of ease, overloading the banking system with liquidity which provides a loss of monetary control in the upswing, and which creates the excesses of overly cheap credit during the upswing phase. We suffered from this phenomenon most recently in the period 1970–72 but there were similar episodes in the 1960's. These are the moments when excessive company mergers are developed by overly abundant credit available to promoters, when the stock market is driven to unreasonable levels, and when real estate developers are sucked into the faulty projects by overanxious institutional lenders.

But while we are not looking for a replay of the past, an accommodating monetary policy does mean that the money supply increase by at least 8% over the next 18 months, and that interest rates drop further than they have so far. The Federal Reserve made a serious error both in overstaying a policy of extreme toughness in the summers of 1973 and 1974, and in then dragging its feet in letting interest rates decline. The Federal funds rate should immediately be lowered below 5%, indeed at least to 4½%. If interest rates have already reached their peak for this recession, as the financial press generally reports, the Federal Reserve will quickly get in the way of recovery.

(3) The Treasury might be able to do a little long-run financing if it did not act like a bull in a china shop. But if it accompanies some modest long-term issues with threats of financial disaster, it will ruin its own market.

If there is any question of upsetting the long-term bond market through Treasury issues, they should be held off. In this regard, the issuance of agency securities also requires review.

As for the size of the deficit itself, it must be noted that the recession is inducing a revenue loss substantially in excess of $50 billion. Even if the government pursued restrictive policies, the deficit would be only modestly smaller than it actually will be. If we wish to avoid enormous deficits, we must avoid the policies that create the recessions. This deficit was created not by the current Congress, but by the monetary policies of the last four years, the fiscal policies of the Vietnam War and the 1971–72 bloom, the Russian wheat sale, and OPEC. Nor will these deficits stop until we have regained general economic stability and a reasonable control over our own affairs.

Sincerely,

Otto Eckstein.

April 23, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: On returning after an absence of several days I found on my desk this morning your request for a statement of views on certain critical economic issues. I regret that there is no longer time to prepare a specific reply.

However, many of the key issues are touched on in the enclosed text which I delivered in Topeka on Friday, April 18. Also enclosed is an earlier, more direct statement on the same issues. I hope this can be of help.

Respectfully yours,

Albert M. Wojnilower.

April 24, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee, New Senate Office Building, Washington, D.C.

Dear Senator Humphrey: Thank you for the opportunity to respond to the questions raised in your letter dated April 16. It should be emphasized that the opinions expressed are my own and do not necessarily reflect the views of the organization or the industry with which I am associated.

Question 1. Can the financial markets handle deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

Answer. Federal deficits of the size described above are manageable and interest rates need not rise before recovery is clearly underway, assuming at least three conditions are met. First, expectations of interest rate increases do not result in hikes which become imbedded in the interest rate structure. Second, fiscal, monetary, and debt management policies are coordinated and designed to implement the achievement of economic growth, full employment, reasonable price stability, and other goals in the policy-mix. Third, economic recovery—when it actually materializes—does not proceed at too rapid a pace. The importance of maintaining the first of these two conditions may be illustrated by drawing on recent experience.

Since mid-February, long-term interest rates have risen and the capital markets have been generally under pressure. These developments have been influenced by a heavy corporate calendar, special strains within the municipal market, and current and prospective Treasury requirements. More recently, however, two additional factors have come to the fore.

During the past seven weeks or so, market participants have jumped to two conclusions. They have interpreted the leveling off of the Federal funds rate (at about 5.4 percent) as a signal that the monetary authorities move toward credit ease has slowed down. At the same time, their pessimism concerning the economy's chance for a near-term revival has turned to optimism. The combined effect of these two expectational factors has produced investor expectations of future increases in interest rates which, in turn, have influenced their current approach to the market. In brief, the thought (the expectation) has given rise to the deed (the increase in long-term rates).

Upward pressures on interest rates were also reinforced by a late-March Treasury offering of $1.25 billion of long-term Government bonds. The modest contribution that this offering may have made toward lengthening the average maturity of the Federal debt was more than offset by the disturbance and uncertainty created in the bond market.

Finally, repeated statements from the Treasury on the potential economic and financial problems that might flow from a Federal deficit larger than it deemed appropriate has tended to "scare" the market, rather than create a dialogue that might improve the coordination of fiscal, monetary, and debt management policies.

It should be stressed that expectations, unless validated by events, will change. If, for example, market participants are excessively optimistic about a strong near-term revival in the economy or overly pessimistic about the degree of monetary ease that is likely to materialize, current upward pressure on interest rates will diminish. If, on the other hand, total economic activity and private credit demands pick-up soon and sharply, then the Federal Reserve might feel compelled to limit credit availability. In this latter case, interest rate increases which flowed from changes in the demand and supply of credit would reinforce and be superimposed on those associated with expectations.

It is my personal view that the economy will experience a modest pick-up in the near-term but that private demands for credit will not be especially pressing until the first part of 1976. There is little evidence at this point that consumers are going to spend heavily on new cars, homes, and other "big-ticket", credit-creating items. Businesses, moreover, may be less pressed to improve their liquidity positions by issuing bonds by the second half of this year. Borrowing to finance capital equipment, moreover, seems unlikely to accelerate quickly, although short-term business borrowing may rise along with inventory expansion. In total, private credit demands are likely to remain moderate for some months to come. At the same time, personal savings will be high and Federal Reserve policy should remain accommodative. These forces should permit economic expansion to develop and progress before it must engage in another possible bout with tight credit.

Knowledgeable people of good will may come to different conclusions about future trends in financial markets and the problems and opportunities that may arise. If the country has learned any economic lesson from the experience of the past several years, it is that longer-term forecasts (regardless of the source) are to be taken with a large grain of salt. Economic policy-makers at the national level, as well as market participants—might do well, therefore, to base current decisions on what is happening now and what is likely to happen in the period immediately ahead.

At the moment, economic expansion is still a vision rather than a reality. Consumer and business spending are sluggish. Plant capacity is substantially under-utilized. And unemployment is approaching 9.0 percent. Is this the kind of environment in which credit will tighten and interest rates rise significantly in the near-term? If it is, there is something basically wrong with the nation's economic policies, as well as our economic and financial structure.

Question 2. Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue. Is present policy adequately accommodative?

Answer. The Federal Reserve should pursue an expansionary monetary policy until such time as labor and capital resources are more fully utilized or until inflationary pressures or balance of payments considerations clearly take precedent. Continued monetary expansion is likely to be appropriate for the forseeable future because of the need to finance Government and private debt and to rebuild liquidity in the financial system. In the current economic environment, liquidity is likely to be absorbed without contributing unduly to inflationary pressures; even inflationary expectations are likely to be outweighed by the "real" deflationary forces presently at work.

In formulating *current* monetary policy it is to be hoped that the Federal Reserve does not look too far down the road in an effort to anticipate real or imaginary problems. As the coach of the Washington Redskins says: "The Time Is Now." It is also to be hoped that the monetary authorities do not get "gunshy" after only a couple of months of significant growth in the money supply. There is, after all, some catching up to do.

Since mid-1974, monetary growth in current dollars has increased at only a 3.0 percent rate. When the money stock is adjusted for inflation, moreover, the growth rate for recent years becomes negative. At the end of March 1975, for example, the money supply was about $24 billion lower than the level at the end of 1972.

The impact of inflation is also evident when the money supply is related to Gross National Product (both variables in current dollars). At the end of 1st quarter 1975, the ratio of money supply to GNP was 16.3 percent compared with 21.2 percent at the end of 1972, and 34.3 percent at the end of 1st quarter 1964.

The ratio of the money supply to GNP has been declining for many years because the growth of liquid assets has enabled the public to use the money stock more efficiently. The abrupt and sharp increase in the inflation rate during 1973 and 1974, however, almost certainly created special complications. With current dollar GNP rising sharply, the demand for money to finance transactions correspondingly rose. In order to get people to part with money (the ultimate in liquidity) very high interest rates were required. Slow growth in the money stock, a high rate of turnover of that stock, and high interest rates, are all part of the same piece. The ratio of money supply to GNP may still not be at the irreducible minimum. Under present economic conditions, however, the current level appears far from optimum.

I believe the Federal Reserve should be more accommodative in its monetary policies and—for the time being—err on the side of ease. There is no question, however, that the Federal Reserve is faced with a difficult task in its effort to aid in the attainment of a variety of policy goals. Inflationary pressures, both expected and real, could be rekindled by inept public policies.

Ideally, monetary and fiscal stimulus should seek to get the economy moving again and then gradually scale down such efforts to allow the private sector room to maneuver. This means planning and prudence with respect to Federal spending and deficits. The Federal Reserve may well be reluctant to err on the side of ease now, if it feels it may be locked-in to financing huge deficits down the road. This again gets back to the urgency of the need to coordinate monetary, fiscal and debt management policies. They must all pull in the same direction. Otherwise, it is like a driver of a car who simultaneously steps on the accelerator and the brake. The car will go nowhere. And the driver (the public) may be thrown through the windshield.

Question 3. Do you feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long and short-term rates is so large?

Answer. Given the size of Treasury financing requirements between now and mid-1976, it will certainly have to concentrate most of its offerings in the short-term area. There may be times when, either because of a gap in a certain maturity range or a lull in the financial market, intermediate issues and even long-term bond offering may be appropriate.

Essentially, the Treasury will have to tailor its offerings to opportunities in the marketplace. At the same time, it must recognize the implications of its actions on broad economic policy objectives. In the absence of such considerations, it is within the realm of possibility that the Treasury might sell long-term obligations and force the Federal Reserve to buy long-term Governments in order to stabilize financial markets. This kind of wheelspinning would obviously serve no useful purpose.

I trust these comments will be helpful to you. If I can be of any further service, please contact me.

Sincerely,

ALFRED P. JOHNSON.

APRIL 21, 1975.

Senator HUBERT H. HUMPRHEY,
Chairman, Joint Economic Committee,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: Your letter of April 16 has just arrived today, as I prepare to leave my office for ten days of congested travel. Consequently this must be a brief "impressionistic" reply to questions which deserve more detailed responses.

The scale of Federal deficits you mention seems to me about right for the fiscal stimulus needed. If the results in rising employment and incomes are even greater than expected, the deficit will shrink as tax receipts rise later in Fiscal 1976, with some corresponding reduction in the burden of borrowing. On any projections with which I am familiar, a deficit of about $70 billion for FY 76 should be manageable. Difficulty increases after that point. So that although $75 billion probably falls within the zone of manageability, given skillful timing in relation to market developments, a planned deficit of $80 billion or higher could create sizable rate increases—unless the Federal Reserve were to resort to the World War II practice of pegging the rate curve. That, in these times, could in turn have grave inflationary consequences.

To be explicit, in brief, my replies to your specific questions are:

(1) The financial markets should have no problem in FY 75; a deficit of up to $75 billion in FY 76 could be gingerly "fitted in" without either inducing a shortage of private credit or causing a disturbing rise in longer terms interest rates. Some increase in short term rates will probably be unavoidable at times as the bunching of Treasury requirements may not coincide with the short term ready availability of funds.

(2) The most appropriate monetary policy would be a continuation of the present accommodative easing. In my view, the Federal Reserve, after various aberrations, has been doing a superb job since the autumn of 1974.

(3) Unavoidably, the Treasury will have to concentrate its borrowing in the short-term area, but there should not be any predetermined rigidity about this. From time to time, depending on a close sensing of a balance between private demands and market availabilities, there will be opportunities to place debt at various points along the maturity scale, including even the long term area. While there is no particular "right" maturity pattern for the Government debt, my experience suggests that it is always wise to take advantage of opportunities for lengthening whenever they can be seized, provided the quantities and interest rates are so determined that they do not add appreciably to pressures on the market when a given operation is carried out.

As your study of these matters proceeds, I suspect there will be other opportunities to explore further the central questions of debt management which have, so often in the past been disregarded in the broader consideration of fiscal policy. I hope there will be an opportunity for me to participate more nearly adequately at some later stage.

With all good wishes,

Sincerely,

ROBERT V. ROOSA.

APRIL 23, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

DEAR HUBERT: With very large deficits in prospect this year and next, largely as a result of the very depressed state of output and incomes in the economy, the interest in how these deficits will impact financial markets is understandable. These prospective deficits need not cause any special problems for financial markets or put upward pressure on private interest rates. Such financial developments this year will depend primarily on the conduct of monetary policy by the Federal Reserve, and, to a lesser extent, on the conduct of debt management policy by the Treasury. The real issue is not whether financial markets can handle the deficit, but whether the Federal Reserve will accommodate the expansion in the economy that is needed.

The tax reductions passed by the Congress, together with the eventual end of inventory liquidation, give us an excellent chance of resuming a healthy rate of economic expansion by the second half of this year if monetary policy is prepared to provide the bank reserves needed to keep interest rates from rising. If monetary policy does accommodate the desired expansion in the economy, then financial markets can absorb the federal deficit and all private credit demands.

As it is difficult to anticipate the precise growth rate in various monetary aggregates that would be consistent with accommodating expansion in this way, I believe the Federal Reserve should pursue an interest rate oriented policy during this period. At present, short-term interest rates are none too low for a period of deep recession and maintaining short rates on a plateau somewhat below present levels would be an appropriate response to present economic conditions.

Since private business borrowers have a particular need to convert some of their short-term borrowing to long-term borrowing this year, it would be especially helpful to the private sector if the Treasury did not use this same occasion to lengthen its own debt. The Treasury could be most helpful in accommodating private sector needs by issuing only short-term debt.

It is vitally important that one arm of policy could not fight the other at a time when the economy needs all the help it can get. Having gotten a prompt response from fiscal policy, I hope we can look forward to monetary and debt management policies aimed at keeping interest rates down.

Sincerely yours,

GEORGE L. PERRY.

APRIL 24, 1975.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Thank you for yours of April 16 to Mr. Donald Regan regarding federal budget deficits and their economic impact. As you know, in late February we forwarded to you an earlier analysis of these questions.

In Mr. Regan's absence (he is at our annual stockholders meeting in Seattle), and in view of your tight time schedule, I have been asked to briefly update our thinking, in response to the three key questions that you asked, as follows:

(1) Deficits of $45 billion and $65 billion in fiscal years 1975 and 1976, respectively, can be financed without the degree of "crowding out" that would seriously threaten recovery, given our projections of weak private demand for funds. However, the Congress is flirting with potential financial and economic trouble should it permit a deficit of $75 billion or more in fiscal 1976. That could blunt or even prevent recovery because of its adverse effects on interest rates, housing, and other industries.

For the fiscal period beginning in mid-1976, financial and economic disaster is probable if the deficit does not fall sharply. That means not only a recovery in tax receipts, but a flat trend in total federal spending. Thus passage of new federal spending programs, in our judgment, would be extremely unwise and risky during this crucial economic period.

At the present time, bond and money markets are behaving poorly, and interest rates are rising, because of great apprehension about these deficits. The most constructive thing that the Congress could do is to declare its intention of holding the deficits down to $45 and $60 billion, or less. Such a development would tend to remove the single biggest potential roadblock to economic recovery, and lower unemployment, in the economic picture today.

(2) Monetary policy should remain on a moderate course if we are to avoid another period of disastrous inflation. Money supply should be guided along a growth path of around 6 percent annually, and it should not be permitted to grow faster. This means that the federal deficit must be held toward the lower end of the range of forecasts for fiscal 1976 and that it must drop very sharply in the fiscal period beginning in July 1976. Otherwise, upward pressure on monetary expansion will become highly inflationary once again.

(3) The Treasury is likely to do the great bulk of its financing on a short-term basis, as it has done so far this year. We do look for a substantial decline in long-term interest rates on the assumption that the Congress acts to keep the deficits on the low end of forecasts. If such a decline in long rates takes place, there may be some opportunities for the Treasury to do modest financing in the maturity range beyond two years.

Mr. Regan and I discussed the contents of this letter, which he has approved, by phone this morning. He asked me to express our appreciation for the continuing opportunity to provide our views to you on these crucial economic questions.

Sincerely,

Albert H. Cox, Jr.

April 24, 1974.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Humphrey: I am glad to respond to your letter of April 16. Perhaps the most effective way to do so is to enclose a copy of the talk I gave last week in New York City on the subject: "How to Resume Healthy Economic Growth—a Prescription." It is broader than the questions you have raised, but within that broader approach it does discuss the issues and questions you have posed. It is highly important for me that you view my thinking on fiscal and monetary policy within the broader framework I have used in my talk.

With regard to your specific questions, it is now clear that the size of the deficit which is emerging has had a perverse psychological effect on the long-term capital markets. The pertinent question is *not* whether Federal deficits of $45–50 billion in fiscal 1975 and approximately $75 billion in 1976 can be financed without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery. The fact is that the long-term capital markets *fear* that such deficits cannot be financed without having such adverse effects. The larger the Federal deficit is expected to become, the more intense the fear will become. Financial markets behave today on the basis of *expectations* of the future. The prevailing expectation in financial markets here and abroad is that the huge deficit in fiscal 1976, probably followed by another large deficit in fiscal 1977, will be financed heavily in the banks and will bring on a new round of inflation sooner or later. It is this fear which has contributed heavily to the rise of bond yields and other long-term rates. This fear also underlies the persistent deterioration of the foreign exchange value of the dollar.

Under these circumstances, it seems to me that Congress will serve the public interest best if it tries to hold the deficit on the low side and if it avoids Federal expenditure actions which will keep the deficit high next year when the economy is recovering.

Sincerely,

James P. O'Leary.

April 23, 1975.

Senator Hubert H. Humphrey,
Chairman, Joint Economic Committee,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: I have enclosed some thoughts on the three questions that you addressed to me in your letter. In my judgment, the fact that these questions are being asked, and therefore thought about, is a major step in the right direction.

If I can be of further assistance, please feel free to contact me.

Sincerely yours,

Leonard J. Santow.

April 25, 1975.

Senator Hubert H. Humphrey,
Chairman, Joint Economic Committee,
Dirksen Office Building, Washington, D.C.

Dear Senator Humphrey: I am pleased to respond to your letter of April 16 requesting some discussion of the 1975 deficit.

Let me respond, first, to your three questions.

The financial markets can handle the federal deficits contemplated at the present time. The deficits will be financed at higher interest rates. Interest rates have already advanced from the lows of January and February. The precise level of interest rates will depend upon the size of the deficit, the rate of economic recovery, the way in which the deficit is financed, and the anticipated rate of inflation. The larger the deficit, the higher will be the interest rate. The more the debt is financed by issuing bonds to the public, the higher is the interest rate. The deficit, however, will not prevent economic recovery. The deficit encourages economic recovery but shifts a larger share of rising output into government programs and away from capital investment and housing.

Your second question asks for the appropriate Federal Reserve policy in the light of current conditions. The appropriate Federal Reserve policy is to finance a deficit in such a way as to achieve full employment and long run price stability. During the current period of recession, the Federal Reserve should bring the growth rate of the money stock, currency and demand deposits to 5½%. The 5½% growth rate is measured from the same month of the preceding year. Once the growth rate of the money stock is brought to 5½%, the rate of increase should be maintained. If the financing of the deficit raises interest rates, interest rates should be permitted to rise to whatever level is required to finance the deficit. As the recession abates and employment rises, the growth rate of the money stock should be cut gradually from 5½% to the rate consistent with long-term price stability. I judge that the latter is in the neighborhood of 3 to 4%.

A high rate of monetary expansion in 1975 will leave a larger money stock in 1976. The amount of price increase in 1976 and 1977 depends on the money stock. The larger the money stock, the larger will be the rise in prices in subsequent years.

Restoring a 5½% growth rate to the money stock implies that the money stock will average $293 billion in May. To achieve an average $293 billion in May would require a $5 billion increase from the levels prevailing from early April. This is a substantial increase and would have a salutary effect on employment and real output without raising the long-term rate of inflation.

I do not believe that any important issue depends on the average maturity of the debt.

I hope these answers are helpful to you and your committee.

Sincerely yours,

Allan H. Meltzer.

April 30, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

Dear Senator Humphrey: I appreciate the invitation to respond to your inquiry of April 16. My delay in replying has been occasioned by a minor misdirection of the letter.

My initial comment is that, since neither your introductory remarks nor the first of your questions presuppose any governmental policy directed toward anti-inflation objectives, nor the presence of any inherent functional constraints on inflation, it follows that federal deficits of the size suggested in your letter, or even of a greater size, could be accommodated by the financial markets in the year and a quarter ahead. The interest rate levels at which this might be accomplished, however, cannot be meaningfully predicted. In the end, rate levels always hinge on the psychological mood of the public. This mood will be conditioned by prevailing fears of inflation in both domestic and international commodity and financial markets; and by the varying uncertanties that always cloud those markets.

In view of the variables that are shaping the developing economic situation, the Federal Reserve will have to follow a flexible and adaptive monetary policy during the five quarters ahead. But empirical evidence offers no ground to conclude that present monetary policy is either more or less than adequately accommodative of the economy's current financing needs. Presumably the public interest in a stable dollar will continue to play a role in shaping Federal Reserve policy.

Concerning your second question, the Treasury is not now starting afresh a deficit financing program. On the contrary, it is vigorously extending a deficit financing pattern that has endured for nearly five decades. Restriction of current borrowing to short-term maturities on the sole ground of a cheaper interest rate would challenge accepted thinking as to prudent and effective coordination of debt management with monetary policy. The relatively short average maturity of outstanding Treasury debt is already a matter of serious concern to the private financial community. Furthermore, while the current wide differential between short and long-term interest rates may partly reflect business demand for bond financing, it also reflects investors' appraisal of potential inflation costs to holders of long-term bonds. The latter element would hardly seem eradicable by any fresh Treasury emphasis on short-term borrowing. Indeed, it would seem more likely to reinforce it.

Taking a pragmatic perspective on the Treasury's immediate problem, historical business cycle records suggest a probable slackening, at least temporarily, in aggregate demands for business financing, including some cumulative paydown of business debt to commercial banks through the first half of fiscal 1976. Since this should also remain a slack period in demands for housing finance, there should be no problem in these months regarding market absorption of financing generated by prospective deficit.

Since it is important to the public that governmental concern about inflationary trends show no abatement, Treasury emphasis on long-term financing, even though it be somewhat more expensive than short-term financing, could serve the purpose of reassuring public and private financial opinion that governmental concern remains very much alive. Furthermore, such a financing policy would help to avoid undue buildup of additional short-term Treasury debt and any further shortening of the average maturity of the total public indebtedness of the U.S. Government. These are developments which, if carried beyond the limit of public tolerance, could culminate in a financial crisis.

Should forces favoring economic recovery gain evident vigor by the second half of fiscal 1976, resurgence of private credit demands would be associated with them. A development of this kind, of course, would give rise to some upsurge in federal revenues, some reduction in federal deficits, and some curtailment in Treasury borrowing. In such conditions, the existing differential between short and long-term interest rates could virtually disappear and largely eliminate any problem of maturity choice on grounds of cost disparity.

Sincerely yours,

RALPH A. YOUNG.

MAY 2, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: This is to acknowledge your letter of April 16th in which you asked that I make a brief statement concerning my views on three questions pertaining mainly to the financing of the Federal deficit and the appropriate posture of monetary policy.

This is a highly complex subject, and I thought, therefore, that you might be interested in seeing a copy of the enclosed talk which I am giving in Washington next Monday. I believe this talk answers all of the questions in your letter and elaborates on some other matters concerning the current fiscal and monetary situation.

Sincerely,

HENRY KAUFMAN.

APRIL 29, 1975.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: I am glad to respond to your request for a statement of my views on the implications of federal deficits in fiscal years 1975 and 1976. Please note that my comments are made in a purely personal capacity and do not necessarily represent those of the Committee for Economic Development.

My replies to the specific questions you raised are as follows:

(1) Can the financial markets handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

This question can only be answered in the context of given assumptions about the desired and feasible course of the economy in fiscal years 1975 and 1976 and about the sources of the deficits that would be generated in such an economic setting.

Two sources of the current and prospective deficits must be clearly distinguished. One part of the deficit is produced by weakness in overall economic activity and the resultant shortfalls in tax receipts and increases in outlays for unemployment compensation, food stamps, etc. Most of the current deficit and a significant portion of the prospective deficit are of this character. This type of deficit does not "crowd out" private credit demands but by and large tends to substitute for it.

A second component of the prospective deficits is produced by active measures of fiscal stimulus, including tax cuts and added expenditures. To the extent that these measures succeed in expanding incomes and output, they should result in only temporary additions to the deficit and, over time, actually help to reduce or eliminate the overall deficit.

In my judgment, a *failure* to adopt such active measures of fiscal stimulus in the present setting of severe underutilization of resources (and to accept the resultant temporary enlargement of federal deficits) would in all probability be more adverse to a healthy expansion in private credit demands than energetic though prudent use of such measures. Without adequate fiscal stimulus, the recovery is not likely to get off the ground. Credit and capital demands would thus be significantly weakened. This would not only be the case because of reductions in the volume of credit needed to support current economic activity but also because the prospect of prolonged economic stagnation would tend to result in further substantial cutbacks in investment plans. These developments, moreover, would on balance be likely to add to the long-term prospects for inflation, since long-continued shortfalls in capital investment can be expected to lead to serious capacity and supply bottlenecks once the economy returns to high employment.

A corollary of these observations is that a healthy rate of economic recovery is a basic prerequisite for sound growth in private credit demands. I believe that under present circumstances, the policy program best calculated to achieve such a recovery in a manner consistent with an orderly pattern of private credit flows must involve a combination of vigorous fiscal and monetary stimuli. An attempt to achieve the desired results by monetary expansion alone would have far smaller chances of success than this approach and would carry much greater risks of accelerated inflation and potential disruptions in credit markets.

Attainment of a reasonable pace of economic recovery may well require deficits of the general order of magnitude you cite. The House Budget Committee, for example, estimates that if the unemployment rate is to be reduced from its present level of 8.7 percent to approximately 7.4 percent by the end of fiscal year 1976, a fiscal program involving a $73.2 billion deficit in fiscal 1975 must be adopted. Both the Committee's economic goal and its estimate of the deficit needed to achieve the goal strike me as a reasonable basis for fiscal planning. These estimates will, of course, have to be continuously reevaluated in the light of unfolding experience.

The available information on prospective sources and uses of funds in capital and credit markets suggests that the financing of deficits of the size you mentioned should be possible without severe strains on private credit markets, assuming monetary policy is relatively accommodative. Factors that are likely to alleviate potential pressures on capital and credit markets over the coming year include the relatively rapid pace of inventory liquidation, continuing cutbacks in capital spending plans, and the prospect that OPEC and other foreign funds will add significantly to capital supply.

Of course, the capital and credit markets may well be affected by pressures that are not purely related to the requirements for financing current economic activity. For example, once a significant economic recovery begins to get underway, business firms may in some cases seek to raise relatively large amounts of funds in excess of current needs to make up for the serious past losses in liquidity and to build up an added liquidity cushion for the future. The "bunching" of Treasury borrowing requirements as a result of the need to pay out the tax rebate within a short period of time and of other factors is also a potential source of strain in the financial markets. Finally, expectations of an early upturn in interest rates, and even more importantly, of a renewed trend toward accelerated inflation, could lead to severe pressures on private credit markets.

The solution to these problems, however, does not lie in the adoption of fiscal policies that would permit only an anemic rate of economic recovery. Instead, if the recovery goal associated with the deficit levels cited is considered appropriate, then it should be incumbent on the Federal Reserve to accommodate such deficits at approximately the present levels of short-term interest rates. In the final analysis, in other words, it will be up to the Federal Reserve to make certain that the fiscal program needed for an adequate recovery can be implemented without undue pressures on private financial markets.

At the same time, it is of the utmost importance—both for the economy and the proper functioning of the financial markets—that the monetary and fiscal authorities provide convincing evidence that the recovery program will not be associated with a renewed acceleration of inflation. This means, for one thing, that the Federal Reserve will have to make clear it will be prepared to shift promptly from an accommodative to a restrictive position once the accumulation of liquidity threatens to become excessive. Moreover, a very determined effort must be made to assure that fiscal actions taken today will not overshoot their mark in the future. Thus, anti-recessionary tax reductions should by and large be of a one-time or temporary character, and stimulative government expenditure programs should wherever possible be designed to terminate when they are no longer needed to support the recovery. Congress should also develop prompter and more effective procedures for varying tax rates in both directions if this should become necessary at a future point. In addition, I believe there is a need to adopt a wide range of anti-inflationary structural measures to help overcome potential supply bottlenecks, increase the incentives for capital investment, and strengthen the functioning of our competitive system.

(2) Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue? Is present policy adequately accommodative?

As already indicated, I believe that the appropriate policy for the Federal Reserve over the next several quarters should be to accommodate credit demands without allowing significant increases in short term interest rates. This is likely to require relatively high rates of expansion in monetary aggregates. At least over some periods, the rate of expansion in money supply may have to exceed an annual rate of 10 percent (as has in fact been the case recently.) At the same time, I do not believe that the Federal Reserve should be held to any rigid money supply target. Rather, the need is for flexible adaptations in the use of monetary instruments to provide adequate support for a vigorous rate of economic recovery. Among other things, this may well call for Federal Reserve operations in a wider range of instruments than has been customary.

Since Federal Reserve policy decisions are only published with a time lag, I am not in a good position to determine whether current policy is adequately accommodative. It seems clear that the policy was not sufficiently accommodative in the latter part of 1974 and at the very beginning of 1975. While there has been a substantial acceleration in the growth of monetary aggregates in the recent past, the current behavior of interest rates does raise questions as to whether the Federal Reserve intends to make a sufficiently sustained and vigorous contribution to the promotion of economic recovery in the months ahead.

(3) Do you feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long ánd short term rates is so large?

In general, I believe that the Treasury should restrict itself to short-term borrowing in the near-term future. Given the existing pressures on long-term rates, it would seem unwise to engage in Treasury debt financing that would place added pressures on long-term markets. In the current economic setting, the goal of creating a financial climate conducive to a vigorous recovery should receive priority over the objective of preventing a further attrition in the average maturity of the debt.

Thank you for this opportunity to express my views on these issues.

Sincerely,

FRANK W. SCHIFF.

APRIL 30, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

MY DEAR HUBERT: This letter is in response to yours of April 16th, requesting a brief statement of my views on three specific questions:

(1) Can the financial markets handle federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

(2) Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue? Is present policy adequately accommodative?

(3) Do you feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long- and short-term rates is so large?

which are relevant to the debate on pending Congressional resolutions on the fiscal 1976 budget.

These questions are posed in a very narrow time frame. And understandably so. For the highest priority at this point has to be placed on the execution of policies of fiscal and monetary stimulus that will break the most severe and cumulative decline in jobs and production since the enactment of the Employment Act of 1946.

But your questions should also be considered and acted upon in the context of a somewhat longer perspective than the next twelve months.

The resulting fiscal and monetary policy mix should be designed to accomplish much more than instantaneous economic recovery, namely, sustained growth at healthy levels with a continuing decline in inflation over a number of years ahead.

We will be emerging from our *most inflationary recession* by a wide margin.

The excessive inflation of 1973–74, with its resulting abnormally high interest rates, is the key cause of the present dismal state of economic affairs. A substantial contributing factor was the excessive fiscal and monetary stimulus in 1972–73.

Short sighted policies designed *only* to give us an explosive economic recovery could lead to a rekindling of inflation and excessive interest rates, followed by another business slump that may cause unemployment and idle resources to reach an even higher level than we are likely to experience in the present downturn.

I wish to associate myself with the principal thrust of a perceptive paper presented by Professor John Lintner of Harvard University at a colloquium conducted by the Conference Board on April 8–9 on "Answers To Inflation and Recession: Economic Policies For a Modern Society". In his paper on "Savings and Investment For Future Growth 1975–6 and Beyond", Professor Lintner stated:

"But important issues involving levels of government spending and whether monetary policy should be still more stimulative remain to be resolved. Large new spending proposals are awaiting action in the Congress, and many observers are urging that the Federal Reserve must take immediate and strong further action to raise the recently sluggish growth rates of M_1 and M_2 up to double-digit levels. In my view it is critically important that further decisions on spending and monetary policy be made in such a way as to insure that the pace and pattern of the ensuing recovery be consistent with *continuing* declines in the rate of inflation not only throughout this year and next but in later years as well."

My answers to your specific questions on near term fiscal and monetary policies must be conditioned by these longer term considerations.

As to question 1, an assured "yes" or "no" seems to me unacceptable. The question deals with the performance of financial markets and their reactions to given budget deficits. In assessing market reactions, particularly financial markets, the psychological factors are sometimes as important as the physical situation.

Suppose the question were reframed to ask will the savings likely to be generated now and over the twelve months beginning July 1 be physically adequate to meet the specified federal budget deficits and reasonably anticipated private demands for credit without forcing interest rates to levels which will prevent an economic recovery.

I could accept an answer to the effect that the chances of significant "crowding out" and of substantial increases in interest rates before the middle of next year would be small, given a monetary policy that was not unduly restrictive.

But taking the question as posed, it would be my view that *there are substantial risks* that a federal budget deficit of $75 billion for fiscal 1976 could seriously interfere with private demands for credit and might force interest rates to levels that would handicap the increases in production and job creation in the private sector in the years ahead that the nation sorely needs.

Let me review my reasons.

Fiscal policy for fiscal year 1976 already promises to be the most stimulative in our post war history, and indeed it should be in this kind of economic environment. But, there appears to be a real danger that even when revenues increase with a growing economy, they may not rise fast enough to close the gap on ever increasing growth in federal spending. I have some serious questions about the ability of the federal deficit to self-destruct over the next few years. We may find ourselves in late 1976 or 1977 with a deficit that would be adding excessive stimulus to an expanding economy, just as was the case in 1973, when the economy least needed it.

To me, current behavior in our money and bond markets is the manifestation of this fear.

In a fundamental sense, the bond market has chosen to ignore dramatic declines in both short-term interest rates and inflation rates over the last four to five months. Indeed, the best evidence available to me seems to indicate that the supply of savings being generated in the economy now and over the next twelve months should be adequate to finance an economic recovery without undue strain on our credit markets. If this is true, then why has there been strain in the financial markets over the last six weeks? There is a cause that is difficult to understand and impossible to forecast, yet to me all too clearly at work in our financial markets. That cause is *expectation* and fear.

Expectations and fear of ever larger federal spending, more borrowing, and the potential for future inflationary consequences are having a forceful impact on the bond market. These expectations can create such an uncertain environment that they may seriously impact the willingness of borrowers and lenders to make decisions that are necessary for a sustained economic recovery. I believe that the recent behavior of the financial market is the manifestation of fear over the prospect of ultimate severe consequences resulting from anticipated excesses in economic policy. Some may even argue that these expectations, fears and uncertainties are potentially as inhibiting a factor to a broadly-based and sustainable economic recovery as are fundamental imbalances of supply and demand in the credit market.

It is not for me to judge whether or not these expectations or fears are warranted, induced by official statements or prompted by past experiences.

But I would be remiss in not pointing out to you that these expectations and fears exist and are a factor that could arrest sustained long range job creating healthy growth.

They can be successfully countered only by action of the Congress showing its convincing awareness of the dangers of rekindling inflation in late fiscal 1976 and 1977 and a determination in dealing with proposals for further increases in federal spending to assure that the pace and pattern of recovery is consistent with continuing declines in the rate of inflation.

Holding the level of the fiscal 1976 budget deficit somewhat below the $75 billion figure, an effective demonstration that the new Congressional Budget Control Act will, in fact, produce responsible congressional fiscal policy, and a restriction on further increases in spending (not covered dollar for dollar by increased taxes) to items like extensions of unemployment benefits which will automatically go off as the private economy recovers and jobs are created—these are the positive acts in the present situation that would diminish the expectations and fears referred to and couple near term economic recovery with sustained long term healthy growth.

Question 2, concerning appropriate present and near term monetary policy of the Federal Reserve also ought to be answered with a long-term perspective.

For the longer run health of the economy and the sustainability of the ensuing economic recovery, it is important that the Federal Reserve be successful in occupying the middle ground between restraint and stimulus. Current rates of growth of the monetary aggregates seem to underlie the success of the Federal Reserve in occupying this ground. I have come to have little confidence in our ability to fine-tune this economy. Unfortunately, neither our policy tools nor our knowledge are so perfect as to allow us to start and stop the economy at a moment's notice. It is because of this view that I think we ought to try and avoid the excessive swings in monetary policy that have characterized our recent economic history. Thus a policy of moderate expansion at this point seems entirely reasonable and appropriate to me.

What is moderate expansion at this point? Given our present excess human and plant capacity, there is little risk of rekindling inflation and some positive benefits in permitting somewhat more rapid growth in the money supply for the near term than has characterized the past six months. But as the economy then gains momentum, reducing the margins of underutilized resources, monetary policy should take the kind of stance that will prevent the excesses of 1972–73 being duplicated again in late 1976 or 1977. It should be remembered that, staying too long in 1972–73 with a rate of money supply growth that was appropriate when instituted in 1970–71, was a contributing factor to inflation getting out of hand.

It should be emphasized that total reliance should not be placed on monetary policy alone to bring any temporary unsustainable rate of real economic growth back to a sustainable pattern as excess plant capacity and unemployment is absorbed in the coming upswing. Ideally in that situation fiscal policy should also move toward restraint, allowing a somewhat easier monetary policy to be followed thereby, resulting in more funds for investment to avoid strained capacity.

Question 3 involves a tactical question of debt management. I would be reluctant to fasten any hard and fast rule on a Treasury process that should retain flexibility and a concern for a balanced debt structure that preserves the options of the debt managers.

In the best interest of economic stabilization and to aid a recovery, it would ideally be most desirable to have the Treasury concentrate its near term borrowing in short-term securities. As you so accurately point out, the current shape of the yield curve seems to imply that the financial markets want more short term securities. Most of the Treasury financing is short-term in maturity, as evidenced by the declining average maturity of the federal debt. Fiscal year 1976 is likely to be no exception. In the interest of flexibility, however, the Treasury will be required to issue some longer term securities in its debt management program. It is my belief that this can be accomplished in the financial markets in an orderly fashion provided the longer-term borrowing is distributed over the entire fiscal year, and takes into some account the conditions in the longer term private market. There is so much Treasury financing to be done in the next fiscal year that it seems most important to ensure that the Treasury has as many options open to it as possible to finance the deficit.

May I suggest that the full text of Professor Lintner's paper, and the other papers and comments included in the colloquium conducted by the Conference Board, referred to above, would be, in my judgment, of considerable value to your Committee. I am sure that the Conference Board will be pleased to make them available to you and your Committee for further deliberations on the key questions which you have posed, as well as the many additional questions which confront our nation in dealing with this unprecedented mix of inflation with recession.

In conclusion, I am greatly appreciative of your request for my comments and, more importantly, for the leadership you are providing in bringing objective analysis to this most difficult dilemma.

Very sincerely yours,

HENRY H. FOWLER.

THE HOUSING BILL

Mr. MONDALE. Mr. President, within the next few days, the Congress will be sending a housing bill to the White House. Now that House and Senate conferees have agreed on an acceptable measure, approval of the conference report should soon be readily forthcoming.

This is an important bill, Mr. President. It will stimulate housing construction; it will provide employment to thousands of idle workers; it will lead to general economic recovery.

By its terms, the legislation agreed upon by the conferees will offer a potential homeowner three options. First, the bill will provide 6-percent mortgage loans, with interest rates increasing to current market rates over a 6-year period. Second, the bill will provide for a program of mortgage loans at a 7-percent level for the duration of the mortgage. Finally, the bill will provide a $1,000 downpayment aid for use by the new homebuyer.

These are important features of the bill. I have been an enthusiastic supporter of these features of the bill since their original introduction many months ago by the distinguished chairman of the Banking, Housing and Urban Affairs Committee (Mr. PROXMIRE). I testified at the Housing Subcommittee hearings on the bill in favor of these provisions.

But, Mr. President, I would like to call my colleagues' attention to another aspect of the bill. This is the provision designed to give much-needed and long-awaited help to thousands of American families who are in danger of losing the homes they now have.

There are more than 8 million unemployed workers in this country at the present time. Many of these are heads of households. Millions of these unemployed workers own homes and must meet mortgage payments. Yet, as their unemployment continues, their unemployment benefits decrease or disappear, and no prospect for employment appears, these workers face a desperate situation.

They can no longer meet mortgage payments, and foreclosure looms on the horizon.

It was in recognition of this problem that, nearly 2 years ago, I introduced legislation designed to help the homeowner faced with foreclosure. Several days ago, as the Senate considered the new housing bill, I added a foreclosure relief provision to the bill as an amendment.

I am pleased to report that the House-Senate conferees have included my emergency relief provision in the conference report.

By its terms, the measure reported by the conference committee will provide payments of up to $250 per month, for up to 2 years, to homeowners faced with foreclosure because of a substantial loss of income due to unemployment or underemployment due to our current economic conditions. The provision is designed with safeguards to insure against abuse and to protect public funds.

This will cost money, of course, but I can think of no better way to spend Federal money than to help thousands of American families save their homes. Also, in the long run, the Government will get the money back—in repayments and interest.

Mr. President, I was very disturbed to hear rumors to the effect that the President might veto this bill. This Congress has been repeatedly accused of doing too little about our economic problems. Over and over again, we hear calls to action.

This bill is action. It will provide jobs, it will provide shelter, it will stimulate the housing industry, it will stimulate related industries, it will greatly enhance the prospects for rapid economic recovery.

A veto of this bill will expose the criticism of Congress for what it is—rubbish. We are doing something. We are doing something constructive. Now, we will see if the President will allow us to act.

But, the effects of a veto go beyond charges and countercharges about congressional action. A veto of this bill will mean that thousands of American families will lose their homes in the coming months. A veto of this bill will be a cruel, thoughtless blow to thousands of American families.

I only wish the President could read my mail on this subject before he decides whether to veto this bill. I wish he could read the letters from hundreds of Minnesotans who are literally terrified at the prospect of foreclosure. I wish he could listen to their calls for help.

Mr. President, I implore President Ford to sign the housing bill when it reaches his desk. For millions of American families, it is their last hope.

WOMAN OF A GENERATION

Mr. FANNIN. Mr. President, yesterday Justice Lorna Lockwood resigned from the Arizona Supreme Court after a long and distinguished legal career. She is a remarkable woman who served the cause of justice and the State of Arizona with energy, devotion and wisdom. I know that she has many friends and admirers in the legal profession around the Nation who will be sorry to learn that she has had to leave the bench because of failing health.

Mr. President, the Arizona Republic today carried an editorial paying tribute to Justice Lockwood. I would like to concur in the sentiments expressed in the editorial and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Arizona Republic, May 15, 1975]

WOMAN OF A GENERATION

Lorna Lockwood was the first woman superior court judge in Arizona, the first woman Supreme Court justice in Arizona, and the first woman in the United States to be chief justice of a state Supreme Court. She had all the qualifications required to become the first woman on the United States Supreme Court, and was in fact considered for that exalted position. But the political timing was wrong.

Yesterday Justice Lockwood announced her resignation from the court because of failing health. Gov. Castro will appoint her successor, taking a name from a list of candidates approved by the state judicial selection committee.

Lorna was destined for a legal career from birth. Her father, Alfred G. Lockwood, was a giant of the state judiciary, reaching (as his daughter did later) the post of chief justice. She was hearing about legal briefs when most Arizona girls were playing jacks.

Justice Lockwood's chief contribution to the bench was a creative mind. In a profession bound by precedent, she was unafraid of new concepts that could contribute to the administration of justice.

One fine example of her willingness to ignore the hoary past was a decision on sovereign immunity. Before this decision, a person injured by the state could sue only with the consent of the state.

Justice Lockwood broke with this version of the old adage that the king could do no wrong, and permitted a suit to be brought against the state without the state's consent. She once held that personal damages could be assessed against a manufacturer in another state, thus reducing the colonial status which so long held Arizona in vassalage to the East.

A Phoenix lawyer recalls the first case he argued under Lorna Lockwood when she was a trial judge. He had six precedents supporting him; the opposing lawyer had only one.

Judge Lockwood looked at the cases, felt the one precedent was better than the six, and so ruled. To her fertile mind precedents were a means of securing justice, not of obstructing it.

Earlier this year Justice Lockwood was designated Woman of the Year by the Phoenix Advertising Club. It is a cumulative award, based on a total effort rather than a single year's accomplishments.

In the legal field, at least, Lorna Lockwood is entitled to be called the woman of her generation in Arizona.

RESETTLING THE VIETNAM REFUGEES

Mr. MONDALE. Mr. President, even though the refugee situation is far from settled, recognition of the need to take affirmative action to help these unfortunate war victims has been spurred by recent actions of the Senate and House of Representatives.

Momentum is being given to the resettlement efforts by substantial backing from individual citizens, private voluntary relief agencies, and the press. Because of this outpouring of support from generous individuals from every walk of life, nearly 14,000 South Vietnamese refugees have found new homes and a fresh beginning in this country.

I ask unanimous consent that an editorial from the Minneapolis Tribune, entitled "Resettling the Vietnam Refugees" be printed in the RECORD as an example of the support that is being exhibited during this very difficult period.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RESETTLING THE VIETNAM REFUGEES

To their credit, Minnesota Sens. Mondale and Humphrey joined 24 colleagues from both parties in a letter endorsing legislation to aid Vietnam refugees in or on their way to the United States. The letter, sent to chairmen of the Senate Appropriations and Foreign Relations committees, says that "it would be a tragedy if our response to the plight of the refugees was determined by a few vocal opponents while the majority remained silent in their support."

That observation is particularly apt. A Tribune survey last week of the Minnesota delegation in the House and Senate showed that constituent mail on the issue is generally opposed to refugee resettlement, but that the volume of letters is low. The situation requires senators and representatives to act on their convictions without waiting for broad support by voters and to act against the wishes of the minority whose views have been expressed so far.

Authorization and appropriation bills were approved in the House last week and are expected to be voted on on the floor in the next few days. The Senate ought to move with similar promptness. Both houses should avoid being distracted by some of the arguments raised in opposition.

One criticism is that the $507 million requested by the administration, or even the $405 million in the House bill, is too high. Since no one can tell yet what amounts ultimately will be needed, it might be better to appropriate less than $400 million with the understanding that supplemental funds will be needed later.

Other criticisms center on the number of refugees—perhaps 120,000—and the fact that among them are people who bribed their way out or might be considered unworthy of assistance for other reasons.

One point about the numbers is that they may well be reduced. The nonrecriminatory approach taken so far by the new government in Saigon is likely to make some refugees want to return; if so, the United States should help make that possible. The other point is proportion: The United States accepted more than 600,000 Cuban refugees after Fidel Castro came to power. To talk now about rejecting a fifth of that number, after incomparably greater American involvement in Vietnam than in Cuba, ought to be unthinkable. Whatever the small impact on unemployment, concern for jobs—as AFL–CIO president George Meany forthrightly observed—cannot override the obligation to refugees.

Maybe some of the refugees are underserving. To make that judgment, one has to decide, after 15 years and more of pervasive American influence in South Vietnam, who corrupted whom. For now, that strikes us as a moot question. The main question is whether the United States will, as the 26 senators urged, "find homes, jobs and a fresh start for those whose lives have been shattered. . . ." The answer should be yes.

LIMITING THE USE OF NATURAL GAS IN IRRIGATION SYSTEMS

Mr. CURTIS. Mr. President, the Federal Power Commission indicated recently that it may limit the use of natural gas in irrigation systems. Irrigation systems located near natural gas pipelines rely almost completely on this fuel for operation. Curtailing the natural gas supply for irrigation use is therefore detrimental to agriculture in regions serviced by natural gas pipelines.

At this point in our Nation's economic life, we cannot afford to harm our agricultural industry in any way. The revenue generated by farm production is crucial not only for farmers, but for the whole of our economy as well.

Mr. President, I am strongly opposed to the limitation of the use of natural gas in irrigation systems. I wholeheartedly support the actions proposed within Legislative Resolution 41 of the Nebraska State Legislature. I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

LEGISLATIVE RESOLUTION 41

Whereas, Agriculture is the most important sector in the economy of the State of Nebraska; and

Whereas, the use of irrigation systems by agriculture producers and farmers generally is regarded as a critical factor to the development of Agriculture and hence the economy of the State of Nebraska; and

Whereas, the Federal Power Commission has recently suggested that it may curtail the use of natural gas for irrigation use, notwithstanding the fact that this could cause severe and irreparable harm to Agriculture and notwithstanding the fact President Ford has repeatedly said that Agriculture should be in a high priority for using the nation's energy resources; and

Whereas, revenue generated by farm production is a significant determinant of the export equation and is thus directly tied to the balance of payments for the entire economy of the United States.

Now, therefore, be it resolved by the members of the Eighty-Fourth Legislature of Nebraska, first session:

1. That the Legislature of the State of Nebraska urge the President to work with the Congress in an effort of mutual cooperation to prevent the implementation of curtailment programs affecting the supply of natural gas for irrigation use.

2. That an urgent plea be made that the members of the Nebraska Congressional delegation in Washington, D.C. make a special effort to secure passage of remedial legislation and executive action to effectuate such legislation.

3. That during the time the President and the Congress are working toward a legislative resolve of this critical issue, the Federal Power Commission refrain from the imposition of natural gas curtailment programs for irrigation use.

4. That this resolution of the Governor of Nebraska and the Nebraska Legislature be made known to the Honorable President Gerald Ford, President of the United States, and also the members of the Nebraska Congressional delegation, as well as to the commissioners of the Federal Power Commission.

I, Vincent D. Brown, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 41, which was passed by the Legislature of Nebraska in Eighty-Fourth Legislature, First Session, on the eighth day of May, 1975.

SOLAR ENERGY

Mr. MONDALE. Mr. President, one of our most promising alternative energy sources is the Sun. Unfortunately, the development of solar energy has been retarded by lack of attention, inadequate research and development funding, and an apparent attempt by companies that deal in other energy technologies to downgrade its possibilities. All this was spelled out recently by Senator GAYLORD NELSON of Wisconsin in a statement opening hearings by the Senate Small Business Committee on Solar Energy. I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ENERGY RESEARCH AND DEVELOPMENT AND SMALL BUSINESS

(By Senator GAYLORD NELSON)

The Senate Small Business Committee today opens a series of hearings on the role of small business in energy research and development. We expect this study to continue for several months.

Solar power has breathtaking potentials for the country at large and for the American small business community.

Sunlight is our most abundant energy resource. If we were now able to collect and convert to human use just one-half of one percent of all the energy that reaches the surface of the continental United States from the sun in a year, we would have three and a half times our total national energy consumption of 1974, from all sources. We would have well over 100 percent of the high-side estimates of total national energy consumption in the year 2000.

Abundance is only one of the advantages of solar energy.

Solar power is clean. The air and water pollution associated with burning fossil fuels and the radiation dangers associated with nuclear energy are absent in the various solar energy technologies. One solar technology—bio-conversion of waste matter to methane—even helps solve another pollution problem, municipal waste disposal.

Solar power is everywhere. While not all sections of the country and the world have equal amounts of energy intake from the sun, or isolation, sunlight is far more equally and universally available than any other energy source. Even in Maine, it is possible to make significant reductions in home heating bills through the use of solar heating technology. In Florida and the Southwest, the sun has been powering domestic hot water systems since early in the century. Before long it will be powering home cooling systems as well.

Solar power is inexhaustible. Unlike oil and coal and uranium, it will last as long as our star and our planet.

Solar power cannot be cornered by anyone. No OPEC or other cartel can cut off the supply of sunlight. No giant corporation can raise the price of "raw" insolation. And small business, through innovation and competition, can reduce the prices of the products we shall need to convert sunshine into the various forms of energy that power our society.

PALEY COMMISSION REPORT

Way back in 1952, the President's Materials' Policy Commission—the Paley Commission—pointed out that in 1950 this country consumed, every day, 540,000 more barrels of oil than it produced, resulting in net imports of 540,000 barrels a day. By 1975, the Commission predicted, our net imports of oil would reach 2½ million barrels a day. The Commission's prophecy was in fact rather low. Our current net imports of oil are 6 million barrels a day. The Commission of course had hedged its forecast by warning that its estimate of U.S. domestic production of 11.2 million barrels a day in 1975 might be high, and that warning has come true. Currently U.S. production is under 9 million barrels a day.

In its celebrated and still-frequently-consulted final report, *Resources for Freedom*, the Paley Commission discussed two possible alternative energy sources: nuclear electric power and solar energy development. More space was devoted in the report to the solar option than the nuclear option. Great promise as well as great problems were mentioned in connection with each of these alternative energy sources; but as I read the report, it seems fair to say that the Paley Commission expressed more hope for a significant solar contribution than a significant nuclear contribution to the Nation's energy system by 1975. I will put the excerpts in the record of this hearing, and you can draw your own conclusion.

Somehow, the country took a different approach. After the Paley Commission closed up shop, development of nuclear electric power proceeded apace. But work on solar power was almost totally neglected. By 1973, our cumulative expenditures of Federal funds for "the peaceful atom"—nuclear electric research, development and demonstration—were over $5 billion, with private investment by big business in still larger amounts. But Federal spending for solar R, D & D by that year was only about $1 million or less, and private investment was in small amounts, mostly by small business and individual inventors.

Since 1973, the country has been waking up rather rapidly to great promise of the solar option. A recent Federal Energy Administration (FEA) press release—numbered E–75–1000 and dated March 29, 1975—tells us that in the 19-month period from July 1973 through January 1975—

"To push solar energy development, 14 Federal agencies have sponsored 171 solar projects at a cost of 25.2 million dollars."

Right now, in the light of hindsight, it is sad—indeed tragic—to compare that $25.2-million, 19-month expenditure by 14 Federal agencies, in the mid-1970s, with the $38.5 million in Federal spending for nuclear electric power research in Fiscal Year 1954 alone. But that is water over the dam—or unconverted sunlight into the sunset, to use a more apt metaphor.

In these hearings, we are more interested in looking ahead than to the past. But some analysis of past Federal spending patterns and priorities, the results they produced and the mistakes or omissions they included, will help us in planning better courses for the future.

QUESTIONS FOR DISCUSSION

To provide a focus for discussion at the sessions today and tomorrow, the committee has circulated to witnesses and published in the *Congressional Record* (May 8, 1975, page S 7732) some 16 questions for which we shall be seeking answers. But the thrust of all 16 may be restated more briefly in just five short questions:

Solar energy: how much can be converted to human use?

How much can be provided by small business?

How soon?

Why not more?

Why not sooner?

It is necessary to ask the last two questions because the answers we have been getting to the first three are so varied, so low, and so stretched out into the future.

In a summary form, the answers most of the experts and officials have been giving us to the first three questions are:

Not much.

Not much.

Not soon.

But lately the estimates have started to go up, rapidly and dramatically.

For example, a joint solar energy panel of the National Science Foundation (NSF) and the National Aeronautics and Space Administration (NASA) in late 1972 estimated that wind energy conversion—one of the oldest, simplest and most promising solar energy technologies—would provide 1 percent of our electricity by 2000. In early 1975, the NSF was reported to believe that 25 percent of our electricity could be wind generated by 2000.

The NSF/NASA solar panel report of 1972 estimated that photovoltaic electricity—generated by solar cells of the same general type long used on spacecraft—would account for under 3 percent of our electricity needs in 2000. But now the New York Times Magazine reports a new NSF estimate that photovoltaic generation will provide over 9 percent of our electricity in 2000.

The estimated time of arrival at significant solar contributions to our national energy system is also being pushed forward.

In 1974, the General Electric Company, after making a half-million-dollar study financed with public funds through the NSF, estimated that only 1.6 percent of all national energy requirements for building heating and cooling could be met by solar systems by 2000. Westinghouse Corp. and TRW, Inc., makers of similar studies on identical grants, thought it might be 3.04 percent and 3.56 percent, respectively. TRW thought the solar contribution could reach 5.77 percent of all building heating and cooling energy by 2000, if a 25 percent tax credit incentive were provided.

But NSF, early this year, estimated that we could be approaching 4 percent by 1985—some 15 years earlier than the year Westinghouse thought we could top 3 percent and GE thought we would still be under 2 percent.

It is interesting to compare the country's actual past accomplishment in nuclear energy—accomplishment to which the high technology and industrial strengths of General Electric and Westinghouse made significant contributions—with the forecasts those two companies have made for future accomplishment in solar heating and cooling of buildings.

The "peaceful atom" as a source of electricity jumped from zero to six percent in 20 years or less. Why, then, are GE and Westinghouse now predicting that in 25 years, starting now, solar energy will provide only 2 to 4 percent of total energy used for building heating and cooling, a far simpler technology than nuclear electric power generation?

The suspicion is almost unavoidable that these and other absurdly low estimates of the solar contribution during the next 25 years are projections not of what the estimators think this country could do, if it put forward anything like the money and effort that went into nuclear development or moon shots, but rather what they hope is the most the country will do. Not because doing so little is in the best interests of the great majority of Americans and other peoples of the world, but because doing more could possibly threaten existing investment in older technologies.

Such threat may in fact be present in any rapid development of solar technologies; but the task of policy makers in the Government and private sector alike should be to find ways to make transition as painless as possible, not to arrest or unduly delay a transition that is already long overdue.

THE SOLAR POTENTIAL

To assist me in comparing the estimates that have been made by various experts and agencies of our national potential for solar energy development, the committee staff, aided by my own staff, has prepared a table. It was also inserted in the *Congressional Record* of May 8 and will be included in this record, if one adds up the more optimistic estimates of the contribution that solar energy might be making in the year 2000, through various technologies and in various energy functions, and then reduces the total by one-third, the solar input to our energy system would still be close to three times our current annual oil imports from all the OPEC countries.

Because that achievement would mean so much to the preservation of our standard of living and our growth expectations, tempered by the new conservation ethic, we should strive to do no less. In fact, it should be our national goal to do more.

SMALL BUSINESS ROLE

While solar power development is worth pursuing solely in the interests of avoiding energy crises and to provide a safer basis for economic growth, it has another and special interest to this committee. Some of the solar technologies—heating and cooling of buildings especially—are extremely well suited to small business, at every level from manufacturing systems and systems components to installing and maintaining them.

Unfortunately, what this committee has been hearing from the small business pioneers of solar energy development is that, until very recently, solar energy has been tragically ignored and underrated by the American people and their Government. Now that, at long last, solar energy is "in," and destined to become very big, it is the small business pioneer that are being ignored and underrated.

COMMENDATION FOR THE PRESIDENT IN REGAINING SS "MAYAGUEZ"

Mr. BAKER. Mr. President, I commend President Ford for the action taken toward regaining the SS *Mayaguez* and her crew.

I believe that the President's conduct in this matter was a careful mix of caution, diplomatic initiative and appropriate use of armed force pursuant to an entirely lawful and desirable purpose. In the wake of our disengagement from Southeast Asia, I think that firmness particularly was required in the face of an act of aggression directed against an unarmed U.S. merchant vessel in the course of passage on an established trade route. The precedent established by the President's action, I believe, will serve the Nation well in the difficult times ahead.

The President chose wisely and well and, in my judgment, acted within the scope of his constitutional and statutory authority within the framework of the War Powers Resolution. I believe that the Nation and the Congress fully support the President's exemplary conduct.

REMEMBERING THE CASUALTIES AT KOH TANG ISLAND

Mr. GLENN. Mr. President, all Americans share the feeling of relief and pleasure that the *Mayaguez* crewmen and ship have been rescued.

But amid the euphoria surrounding this welcome event, it is important to remember that a few have died or been wounded so that others could be rescued.

The Marines sent to the ship and Koh Tang Island performed a very difficult mission representing the United States in the best "Semper Fidelis" tradition of the corps.

While many families receive the good news that loved ones are safe, others are receiving casualty notices. It is important that we remember both groups as we celebrate the successful conclusion of the *Mayaguez* incident.

"MAYAGUEZ" UNDERWAY

Mr. DOLE. Mr. President, all of us in this body are, of course, relieved at the news that the merchant ship *Mayaguez* is, at this moment, underway on its own power, manned by its own crew.

The fact that America will act with measured force and in timely fashion to insure the safety of her citizens has been asserted once again by the bravery, and the sacrifice, of U.S. military. We are all saddened by the news of casualties among the Marines who went in to the small island of Koh Tang to rescue the crew. Our sympathies extend to their families and friends and to their comrades in arms, and no words of gratitude any of us can summon would measure up to the debt each of us owes to these brave men.

TOO EARLY FOR GENERALIZATION

Mr. President, close as we are to the disappointing conclusion to our long involvement in Southeast Asia, it is too soon to attempt any major generalizations about the impact of this incident on the way in which other nations view the United States. I am hopeful that it will help erase any doubts that may have arisen about American resolve to use force when force is required and justified to protect American interests.

I believe it has done much to allay any misgivings that may have been entertained in this country or elsewhere about any of the recent congressional actions to limit Presidential ability to respond in an emergency. The President did respond. He did so and at the same time consulted with Congress and made such reports as required under the legislation passed in 1973, the War Powers Act.

I will admit, too, Mr. President, that it is a good and an accustomed feeling to find near unanimity among my colleagues for the first time since the early days of my experience in the Congress, over an American use of military force, however limited it may have been.

Though there seems to be an irreducible minimum of my colleagues who are prepared to criticize any assertive action this country may take in defense of its own interests, and who do so now in regard to this action, the overwhelming majority of American citizens from all walks of life, have shown enthusiasm in their support for these actions.

FORD MOVED DELIBERATELY

I believe President Ford did what he had to do. He moved deliberately after trying diplomacy first. But the first military engagements, which most of us learned about early yesterday, were motivated by the need to prevent the transfer of the American crew members to the Cambodian mainland. Any delay or overcautiousness in that decision would have led to far greater complications. With Americans on the mainland, the analogy to the *Pueblo* situation would have been complete and our ability to take effective action to secure their release would have been severely restricted.

Only timely, prudent and firm action by the President in consultation with the National Security Council and the Congress prevented the repetition of that situation which would have been a tragedy for the crewmen and an ambarrassment for the Nation.

AMERICA'S RESPONSE TO THREAT

Mr. President, this was one, rather isolated and in some people's mind perhaps a minor incident. But in my view, it is an example of how America must respond to any threat to her own interest. We cannot allow ourselves to be at the mercy of the whims and vagaries of small nations that may entertain illusions about our will or about their own abilities to confront us.

For, if we yield to small nations, or show indecision when they confront us, or accept the counsel of those who would have us be overcautious in dealing with them, then the message of our unwillingness to act in our own best interest will not be lost on larger nations, friendly or hostile.

We are strong. We are a guarantor still of world peace. We are what we are and we cannot be defensive or apologetic about acting to protect ourselves, our citizens or our interests.

The President, I believe, did what he had to do. And the vast majority of Congress, in giving him their enthusiastic support did what they ought to do.

ON CAMBODIAN AREA MILITARY ACTION

Mr. NELSON. Mr. President, there is no doubt about the popularity of the President's decision to recapture the *Mayaguez* by force. Reaction around the Congress is near unanimous. I have no doubt the public response is the same. Hardly even a muted voice of doubt has been raised. After all our honor and dignity were at stake.

Nevertheless the real question still remains: Was our Government's action the right one? Did it serve the best interests of the Nation? I think not. Neither congressional nor public popularity is a reliable test of the soundness of important policy decisions. This is especially so in emotional and emergency situations.

What vital national interest was at stake to justify such a precipitate and violent response? Was our ship in contested waters? Was it justifiable to land our Marines in Thailand without that government's consent? Did we need to sacrifice any of the lives of our soldiers, endanger the ship's crew and bomb a Cambodian airport in order to settle this dispute? The answer, I think, is no. We did not even bother to give the negotiating process a fair trial.

Of course it is an offensive challenge to any sovereign nation for its ships to be intercepted on the high seas. Nonetheless it is not a novel event. It happens from time to time in all parts of the world. It occurs with great regularity off the coast of South America where fishing boats are intercepted and hauled into port from as far as 150 miles into international waters.

Ironically, news reports state that our Government received a Cambodian statement offering return of the ship but the military action was already under way.

These incidents are matters for negotiations not force. The test of the strength and maturity of a superpower is better measured by its restraint in minor incidents such as this rather than a demonstration of the power the world already knows we have at our command.

Thus I dissent from the conventional wisdom that tells us we must prove our virility and maintain our credibility by responding with violence wherever and whenever we may be challenged, however minor the insult.

THE "MAYAGUEZ" INCIDENT

Mr. BROOKE. Mr. President, the reports that the *Mayaguez* crew and ship have been rescued is extremely good news. That members of our Armed Forces perished in effecting that rescue brings deep sorrow not only to the families and loved ones of these men but to all Americans. Their death is a stark reminder, as if we needed another, that the resort to force always extracts a high toll.

The evidence is still inconclusive as to the exact nature of the incident. And before intelligent evaluations can be made as to the wisdom of the decision to resort to force, much more information is needed. I state this not by way of criticism of the President's action. I, for one, presume that it came only after a careful evaluation of the options available. I do believe, however, that a thorough inquiry into the decision to use force is in order, both to provide the American people with the relevant facts and to allow us to determine what actions can be taken to forestall similar events occurring in the future.

Such an inquiry, to be truly useful, requires careful attention to facts, rather than fragmentary reports and suppositions. Therefore, I have today submitted a list of questions to the Secretary of State regarding the *Mayaguez* affair. I ask unanimous consent that my letter to the Secretary be placed in the Record at this point.

The *Mayaguez* incident raises several larger issues.

First, I am convinced that we must restore any lost credibility. And we must do so in a much more sophisticated manner than simply emphasizing our military capabilities. While the latter may be necessary under extreme circumstances, it cannot be allowed to assume the predominant position it has in the past. Sophisticated diplomacy, a diplomacy indicating our recognition of our lessened preeminence in the international system and our inability to dictate the course of history, will become increasingly important as we seek to maintain the stability necessary for the protection of our vital interests.

Second, the manner in which the *Mayaguez* incident was handled by the Executive indicates that some improvement has taken place in the communication patterns between the Executive and the Congress. Nevertheless, expressions by some of the congressional leadership that they were merely informed rather than consulted indicates that further improvements are still needed. Moreover, the Congress has yet to institute adequate communications channels to enable the leadership to keep the membership sufficiently informed on the general aspects of evolving crisis situations. While one recognizes that a certain degree of confidentiality must be maintained, it is self-evident that a greater degree of communication is necessary within the Congress as well as between the Congress and the Executive.

The *Mayaguez* incident indicates that a respite from the entanglements of world politics will not be forthcoming for our country. Our position in the world means that we will be called upon to shoulder continued burdens that will tax our strength and endurance. We cannot avoid such burdens. But we can begin to reassess the manner in which we will respond to them and, hopefully, evolve the capacity to limit the number of situations wherein force rather than diplomacy characterizes our response.

Mr. President, I ask unanimous consent to have printed in the Record a letter I have addressed to the Secretary of State today.

There being no objection, the letter was ordered to be printed in the Record, as follows:

May 15, 1975.

Hon. Henry A. Kissinger,
The Secretary of State,
Washington, D.C.

Dear Mr. Secretary: I am relieved to learn of the successful rescue of the Mayaguez crew and the ship. However, as you know, I deeply regret the deaths of several members of the armed forces. Their deaths are one more stark reminder that the resort to force always has a high price.

While I presume that the decision to use force was made after careful consideration of all available options, I am convinced that a thorough study must be made of the factors that led to that decision and subsequent events. Therefore, I would appreciate receiving an early response to the following questions:

1. Did the Mayaguez violate any territorial or sovereign rights of Cambodia?

2. What was the basis for our government's claim of the illegality of the seizure of the Mayaguez by the Cambodians? Specifically:

a. Was the island off of which it was seized a recognized possession of the Cambodian government?

b. How far off the island was the Mayaguez when it was seized?

c. What are the recognized limits of territorial control of waters off the islands in the area?

d. Do the Cambodians claim a 12-mile limit?

e. Does the U.S. government recognize only a 3-mile limit?

3. What cargo was the Mayaguez carrying at the time of its seizure?

4. What was the port of origin and the destination for this specific voyage of the Mayaguez?

5. What was the purpose of the Mayaguez's voyage?

6. Was the Mayaguez an armed ship?

7. What had been the scope of our intelligence gathering operations in the area where the seizure took place? Was the Mayaguez in any way connected with such operations?

8. Was the Mayaguez in prior contact with the U.S. government aircraft or ships prior to the seizure? If so, what was the extent and nature of those contacts and for how long had they been established prior to the seizure?

9. What was the specific and detailed time frame and sequence of such events from the point of seizure, the demand for the return of the ship and crew, the requests for third party help and the time of the first U.S. attack?

10. When did the United States government first receive notice of the seizure, and what attempts were made at that time to communicate with Cambodian officials to register our protest and indicate our intentions to do what was necessary to obtain the release of the crew and its ship?

11. What attempts were made to obtain the intercession of third parties including the United Nations to effect a diplomatic resolution of the incident? Exactly who was contacted, what was requested of each, and what was the timing of those contacts in relationship to the decision to resort to force and the actual use of force?

12. What, if any, communications were received, directly or indirectly, from the Cambodian government pror to their radio announcement that they would be willing to return the Crew and the ship? What, if any, communications did we try to forward to that government prior to that announcement and prior to the use of force?

13. What exactly precipitated the initial attacks on the Cambodian naval vessels? Specifically:

a. Was there a Cambodian attempt to move the crew or the Mayaguez after the ship had been anchored off Tang Island?

b. How many of our reconnaissance craft had been fired upon and hit prior to our resort to force?

c. Were the Cambodian patrol craft that were destroyed or disabled moving toward the Mayaguez when they were interdicted?

d. Had the crew of the Mayaguez been removed from the Mayaguez prior to the time we initiated our use of force?

14. What were the targets of our attacks on the mainland? Did our attacks serve any immediate purpose directly related to the rescue of the crew and the ship or were they primarily punitive in nature?

15. What are the details regarding the deaths and injuries of members of our armed forces?

16. Had there been other reported incidents of harassment of other vessels by Cambodia prior to the seizure of the Mayaguez? If so, why weren't instructions sent to all U.S. flag vessels to divert from the area?

17. How many combat forces and how many ships were actually involved in the rescue operations?

18. How many combat forces were landed on the Mayaguez and on Tang Island?

19. Were troops transported from Thailand for the operation contrary to the express requests of the Thai government? What communications were received from the Thai government in reference to the incident and the potential and now actual use of U.S. bases in Thailand as staging areas? What was the U.S. reply to Thai requests?

20. What was the degree of resistance encountered on Tang Island? How much ammunition was expended by our forces?

21. What were the number of U.S. and Cambodian casualties?

22. Exactly how were the crew members of the Mayaguez recovered? Were any of them harmed in any way? Were the crew members released by the Cambodians or were they actually rescued?

While my questions are many, I believe immediate answers will greatly facilitate the understanding necessary to make judgments both as to the wisdom of our response to the immediate incident and the manner in which we might prepare ourselves to respond to similar incidents in the future. I look forward to receiving your earliest reply.

Sincerely,

Edward W. Brooke.

BARBAROUS PIRACY

Mr. HATHAWAY. Mr. President, I share with my colleagues and many Americans the joy of knowing that the merchant ship *Mayaguez* and her crew are now free.

Soon, we in the Senate and the public at large can expect to be told the whole story behind the ship's seizure; what diplomatic efforts were made to obtain the ship's release from the Cambodian Government, and the role the military played in wresting the ship and its men from the Gulf of Siam.

While waiting for this knowledge, I wish to bring to the attention of my colleagues an article which appeared in this morning's New York Times by columnist Anthony Lewis.

The writer makes some points that I consider vital to the issue of our foreign policies, particularly those concerning the nations of Southeast Asia. I ask unanimous consent that the article be printed in the Record.

I also ask unanimous consent to have printed in the Record the text of a telegram to the President from Robert V. Moss, president, United Church of Christ.

There being no objection, the material was ordered to be printed in the Record, as follows:

Barbarous Piracy

(By Anthony Lewis)

The diplomacy of violence: That is still, then, to be our trademark. Once again an American Government shows that the only way it knows how to deal with frustration is by force. And the world is presumably meant to be impressed.

The Khmer Rouge were wrong and foolish to seize the American merchant ship Mayaguez, if the facts were as stated in Washington. They violated necessary norms of international behavior. We had reason to be concerned, especially about the fate of the crew.

But using a sledgehammer to crack a nut is self-defeating for nations as for individuals. Violent escalation of the conflict could hardly be expected to achieve the immediate aim of the crew's release; to the contrary, it might heighten the danger. More broadly, the military action showed a lack of that perspective expected of a great power—the perspective, in this case, recent history.

Imagine that in 1775 and for years after an enormously powerful state equipped with futuristic weapons had intervened in our Revolutionary War. From bases in Canada it rained destruction on the thirteen colonies. A million Americans, a third of the population, fled their homes; 300,000 were casualties.

When the war was finally over, how might the victorious Americans have felt about that foreign state? If one of its ships had sailed into what were claimed to be Americans waters, might we have been tempted to board and seize the vessel?

A comparison between America in 1775 and Cambodia in 1975 is not so far-fetched. The peasant society of Cambodia—today is hardly more advanced, technologically, than eighteenth-century America. Cambodia was just as defenseless against B–52's as the thirteen colonies would have been.

American planes dropped 250,000 tons of bombs on Cambodia between 1969 and Aug. 15, 1973, when Congress prohibited all U.S. military action in, over or on the waters adjoining Indochina. Between a third and a half of Cambodia's 7.5 million people became refugees. John Swain of The London Sunday Times, one of the correspondents recently evacuated, described the physical damage he saw as follows:

"The entire countryside has been churned up by American B–52 bomb craters, whole towns and villages razed. So far, I have not seen one intact pagoda. . . . The war damages here [Kompong Chhnang], as everywhere else we saw, is total. Not a bridge is standing, hardly a house. I am told most villagers spent the war years living semi-permanently underground in earth bunkers to escape the bombing."

With that background, Americans should be slow to point a finger of moral disapproval at the Khmer Rouge. Nor can we rightly take a lofty position on the need to respect law. Washington has not reacted with force when Ecuador seized U.S. fishing boats more distant from shore than the Mayaguez was. And the American bombing of Cambodia was itself of dubious constitutionality.

The United States also bears a heavy responsibility for the political character of Cambodia today. If we had not invaded the country in 1970 and then intervened massively in her civil war, Prince Sihanouk would doubtless have returned to power soon with a left-leaning but more traditional regime. The Khmer Rouge movement would not have developed as it has, in all its hardened zeal. Most of the human suffering of the war would have been avoided.

The Khmer Rouge inherited a ruined nation. We are rightly horrified by accounts of the harsh measures taken. But after what has been done to them, are the Cambodians really to be blamed if they are xenophobic?

Those Americans who had a part in the savagery of our policy toward Cambodia over the years should be particularly slow to utter deploring pieties now. Secretary of State Kissinger, a principal author of the policy, has described events in Cambodia as "barbarous," "inhuman," "very tragic" and "an atrocity of major proportions." A man so steeped in the blood of Cambodians should have the shame to remain silent.

And now the insensitivity is in deeds as well as words. Once again we have to show the world how tough we are: The attitude of the teen-ager proving his manhood did not end with Richard Nixon's Presidency. Demonstrative violence is in fact a central element in Henry Kissinger's diplomatic philosophy. But how long must it be our country's?

How disheartening, too, to see the Mayaguez affair evoke from Congress the old jingo talk and calls for Presidential action. Senator Clifford Case, co-author of the 1973 ban on military action in Indochina, lived down to his reputation as a pusillanimous liberal by telling President Ford that he could ignore the law. Have we learned nothing from Vietnam about law and the Presidency? Have we forgotten that America had the world's respect when she stood for patience and magnanimity in human affairs?

Text of Telegram to President Gerald R. Ford

My conscience requires me to make the following statement for communication to the members of the United Church of Christ and to the public at large:

If the United States is to have one shred of moral integrity left to it, we, the people of this country, must rise up and denounce our government's senseless use of military force against Cambodia. There is no justification for using force of arms to solve a problem that could be handled in a civilized manner through diplomatic channels and the force of world opinion. It is imperative that each of us demand an immediate end to the attacks being made by our armed forces in Cambodia. Even now we should utilize the United Nations and any other diplomatic channels that are open to Cambodia to redress the actions of the President and his military advisers which have placed this nation in an untenable situation.

Robert V. Moss,
President, United Church of Christ.

PRESIDENT FORD ACTS IN "MAYAGUEZ" RECOVERY WITH EFFECTIVE RESULTS

Mr. RANDOLPH. Mr. President, on Tuesday morning, May 13 I released the following statement, as follows:

The seizure of the *Mayaguez* by the Cambodians is an act of piracy, as correctly described by President Ford. I support his instruction to the State Department to demand the immediate release of the ship which flies the flag of the United States.

Until all the facts surrounding the seizure are known, I do not advocate a particular course of action. However, aggressive diplomatic efforts to secure release of the vessel and her crew must be pursued.

Mr. President, on this morning, I released a second statement, as follows:

Americans approve of the successful recovery of the *Mayaguez* and its crew. I believe President Ford acted properly and that the military operation was necessary.

Our President has exercised his constitutional authority with effective results.

LABOR-MANAGEMENT COMMITTEES

Mr. JAVITS. Mr. President, at this time of economic recession and gloomy forecasts, every effort must be made not only to improve the present conditions but also for us to inform each other on successful efforts at economic development in the country. Thus, I wish to bring to the attention of my colleagues the situation in my State of New York, in Chautauqua County and the city of Jamestown. For some years, that area of New York had been in a troubled condition economically. With persistently high unemployment rates and a declining industrial base, it typified the problems of many such areas in the industrialized Northeast which were losing out to competition in other parts of the country. In Jamestown in particular, the reputation for troublesome labor relations made the location of new industry there especially difficult. Symptomatic of the conditions there was that one of the largest industrial plants in the Northeast, the Art Metal factory, lay vacant for many years.

That situation has dramatically changed. The unemployment rate in the Jamestown area has been reduced from an average of around 10 percent approximately 3 years ago, to an average unemployment rate of approximately 5 percent in recent months, that is, from significantly higher than the national average to significantly lower. For the first time in 20 years there has been a consistent increase in the number of persons employed in manufacturing. Productivity has increased in virtually every industry participating directly in the Jamestown effort. And the labor climate, as illustrated by the number of peacefully negotiated labor contracts and the amount of time lost to strikes, has improved dramatically. Last year Jamestown was designated an All-American city, a title it richly deserves.

I have had the honor to be closely associated with the Jamestown effort, and can assure my colleagues that while these changes have been dramatic, they have not come without bad work.

Three years ago, the mayor of Jamestown, Stanley Lundine, caused to be formed the labor-management committee of the Jamestown area, with my own and other cooperation, to assess the area's problems and to provide constructive solutions in the context of fruitful labor-management dialog. This committee has been the spearhead for economic improvement in the area As its latest achievement, the county and the city together have now been designated as a pilot demonstration project for economic development by Governor, former Representative, Hugh Carey.

The important thing about the Jamestown experience is that it is exportable. formed the labor-management committee of the Jamestown area, with my own and other cooperation, to assess the area's That experience—which includes a coordinated effort under the labor-management committee of skill upgrading, quality of work improvement, leadership training, and a concerted attempt to improve labor-management relations—has gained press attention and has also begun to be implemented in at least one other community, Buffalo, N.Y. My own personal view is that at a time when nonfarm productivity has been declining for 2 years in a row, such an effort as is taking place in my State can make a major contribution toward reversing this very unhealthy trend.

I ask unanimous consent to have printed in the RECORD a copy of the executive order from the Governor making this designation, and some newspaper articles describing the project. I also ask unanimous consent to print in the RECORD an abbreviated 3-year report of the Jamestown Area Labor-Management Committee. I cannot recommend strongly enough to my colleagues that they study carefully the Jamestown Labor-Management Committee experience as a model for constructive economic development and labor-management cooperation in their own constituency.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, N.Y., March 21, 1975.

Hon. STANLEY N. LUNDINE,
Office of the Mayor,
Jamestown, N.Y.

DEAR MAYOR LUNDINE: At a time of National Economic stress, the resources of New York State must be applied to restoring the economic vitality of our State. Over the past several years, the Jamestown Labor-Management Committee has demonstrated the ability to stimulate growth in the area's manufacturing economy after years of decline and unstable labor relations. National recognition for these achievements has been given by the United States Economic Development Administration which awarded the Committee a national demonstration grant to assist the efforts of the Committee in furthering its program of economic revitalization.

Moreover, in cooperation with the City of Jamestown, Chautauqua County has established a highly successful industrial development program which has resulted in substantial new investment within the County.

In order to assure the necessary cooperation of appropriate State agencies with the efforts of the City of Jamestown and Chautauqua County, I hereby designate the Jamestown-Chautauqua County "New Economic Process" as a pilot demonstration project of the State of New York and direct appropriate State agencies to assist the Committee in carrying out its program in a timely and well-executed fashion.

I have asked David W. Burke, Secretary to the Governor, to coordinate State efforts in this pilot project by informing all pertinent State agencies of the objectives of this program.

I wish every success to this project so that it may serve as an example to other areas of the State as a means for stimulating industrial growth and productivity.

Sincerely,

HUGH L. CAREY.

[From the Washington Post, May 4, 1975]

LABOR-MANAGEMENT PARLEYS REVERSE STAGNATION TREND

(By Hobart Rowen)

JAMESTOWN, N.Y.—Joe Mason, the burly directing business agent of the International Association of Machinists, District 65, is on his feet addressing the largest dinner meeting in the three-year history of the Jamestown Area Labor Management Committee.

He is in a good mood, as is the crowd of about 150 union leaders and business executives.

Ed Rohrbach, president of Hopes Windows, a division of Roblin Hopes Industries, Inc., leans over to whisper: "Three years ago, you never could have got these fellows to sit down to dinner, or even mingle in the same room. And when you sit down to dinner together, it's hard to get mad at each other."

Rohrbach—cochairman of the committee with Mason—observed that the top people were present: presidents of the companies and their chief personnel men, and presidents of the local in-shop unions and shop stewards.

To the outsider getting a first look, the Jamestown experiment is a heartwarming and hopeful prototype. The succesful effort to improve productivity while boosting the quality and satisfaction of work has put this small western New York community back on its feet.

The main inspiration for the Jamestown effort, all agree, came from Mayor Stanley N. Lundine, serving a third two-year term.

Elected first at the age of 29 in 1969, Lundine concluded there was little hope of restoring Jamestown's once noted and highly skilled manufacturing base unless the area's reputation for a "bad" labor climate could be altered.

Lundine persuaded the presidents of 15 local manufacturers and the unions representing their workers to sit down together and hammer out issues.

"That first one was a rough, tough session," Mason recalls. "My own guys were very suspicious. They figured I must be looking for a political job somewhere. But I persuaded them to trust me, and I promised I'd be the first to haul out if it didn't work."

The companies involved range from international conglomerate TRW's Marlin-Rockwell division and large local outfits such as Blackstone Corp., a radiator manufacturer, to smaller producers of metal glass products and the furniture for which Jamestown has long been famous.

Cooperating unions include Mason's IAMAW, the United Auto Workers and smaller ones such as the International Association of Bridge Structural & Ornamental Iron Workers.

By treating each other as human beings with a shared problem, the Jamestown leaders—with the guidance of a professional coordinator, James Schmatz—have found that cooperation is a positive force for good, not a cop-out.

In-plant committees pay attention to the "quality of work" concept, which strives to make individual jobs more challenging and to upgrade the skills of those on the payroll.

From 1969 to 1971, there had been a net loss of 2,100 manufacturing jobs out of nearly 20,000. Unemployment stood near 10 per cent of a total work force of around 60,000 at the end of 1971, far above the national rate of just under 6 per cent.

Jamestown had come to symbolize strikes, bad industrial relations and inefficient management.

But the positive approach of the Labor Management Committee reversed a disastrous trend toward economic stagnation. Between 1972 and 1974, manufacturing jobs rose by 1,100 and, by the third quarter of 1973, the unemployment rate had dropped to 4.2 per cent.

What is Jamestown's secret? "The key word is 'communication'," Rohrbach says. "Both sides—and we don't even like to use the word 'side' anymore—decided that all our problems are common problems."

A coup for the committee was the recent decision of the Cummins Engine Co. to locate an operation in Jamestown, a move especially satisfying because Cummings—with a potential for 1,500 new jobs—will begin operations in a facility that has been idle since 1969.

Declining productivity nationwide is a worry in Washington. Economist Edward M. Bernstein calculates that, in every quarter since the first in 1973, productivity in the private non-farm economy has declined and the cumulative decrease since then is 4.5 per cent, a spectacular departure from the long-term increase of 2.1 per cent.

Secretary of Labor John T. Dunlop, concerned by this recession-induced decline in productivity, recently pointed out that employees are more likely to cooperate with management's efforts to change wasteful practices when they are consulted on matters of timing, job security and sharing in the gains.

There was a time, of course, when "productivity" was a dirty word in labor circles, because it was synonymous with "speed-up." But, says Jamestown's Mason: "The myth is behind us. We're in a new era."

[From the Buffalo Courier-Express, Mar. 25, 1975]

PILOT LABOR RELATIONS PROJECT SET

ALBANY.—Gov. Hugh L. Carey announced on Monday that a new economic development program in Jamestown and Chautauqua County will be used as a pilot project for the state.

Carey said the program will combine and expand the work of the Jamestown Labor-Management Committee, which in past years has promoted union and management relations and simulated manufacturing in the city, and the Chautauqua County industrial development project, which was described as having already brought "substantial new investment" to the county.

Although the state will put no money into the program directly, it will provide the economic expertise of its agencies, a spokesman for the governor said.

The spokesman said citizens committees will be formed to study specific economic problems. He said the program will also key on manpower projects, labor and management relations and an areawide economic plan.

The state will be examining the program for adaptation in other areas.

HISTORY OF THE JAMESTOWN AREA LABOR-MANAGEMENT COMMITTEE

The Labor-Management Committee of Jamestown has been the principal force for dramatic change from serious economic decline to exciting potential for opportunity and growth. We believe it is a model of an effective community instrument to deal with economic problems and to improve job opportunity. Our experience has demonstrated that cooperation between management and unions, and participation of all parties involved in manufacturing, can contribute significantly to the achievement of economic gains.

The Quality of Work approach to increasing productivity and job satisfaction is proving to be of enormous importance in the local economy, and the skills development program created an exciting opportunity for many persons in the Chautauqua County area work force. The Labor-Management Committee approach has proven to be very effective for influencing the type of change which will occur in a community's economy.

At the end of 1971, Jamestown's industrial economy was in deep trouble. Unemployment was reaching 10% of the work force. There has been a steady decline in the number of manufacturing jobs over an eighteen year period. Art Metal, one of the areas largest manufacturers, had recently been closed due to insolvency and it's new one million square foot manufacturing facility lay vacant.

Industries developments in Jamestown and Chautauqua County had been largely unsuccessful. Efforts to attract new business had been rejected with the comment that the area had a bad labor climate. There had been some long and sometimes bitter strikes at Art Metal and Blackstone Corporation, and serious work stoppages in other plants in the area. The wood furniture industry, which had once been the bulwark of the economy in Jamestown, was slowly moving south. Early in the summer of 1971, Chautauqua Hardware had been insolvent and the workers had gone two weeks without receiving a paycheck. Several others were on the brink of collapse.

Mayor Stanley N. Lundine became convinced that the restoration of the existing manufacturing economy was the key to any economic progress.

Mayor Lundine convened meetings with key labor and industrial leaders in the area. As a result of these preliminary meetings in early 1972, the Jamestown Area Labor-Management Committee was formed. With the assistance of the Federal Mediation & Conciliation Service; Ray Anderson, a local labor lawyer; Sam Nalbone, and several others, first meetings were convened for the purpose of affecting fundamental change in Jamestown's economy.

The first joint meeting of the Labor-Management Committee of Jamestown was held in February 1972. Never before had these people, who represented the workers in the organized plants in the area and the managers of these enterprises sat together in one room. There was a spirited dialogue and government advisors, serving as third party moderators, felt that real progress was beginning to be made when one union representative stood up and said, "The trouble with this town is that you manufacturers have been keeping business out of here for years." The result of that sometimes stormy meeting was a resolve to work together toward common goals.

The companies affiliated with the Labor-Management Committee range from huge manufacturers owned by international conglomerates such as Marlin-Rockwell, Division of TRW: large locally based companies such as Blackstone Corporation, the largest non-captive radiator manufacturer; to very small but significant local industries. There are generally four different types of manufacturing endeavors:

1. fabricated steel
2. engineering products
3. glass and ceramics
4. wood furniture

The unions representing these workers range from the International Association of Machinists and Aerospace Workers, which has locals in most of the manufacturing companies, to the United Auto Workers, which has one large local, and the International Association of Bridge, Structural and Ornamental Iron Workers, which is with a relatively small Jamestown plant.

Following the dialogue of the first meeting of the Labor-Management Committee in the early spring of 1972, and the intensive investigation of common purpose which resulted, four principal goals were originally established for this newly formed organization:

1. improved labor relations
2. manpower development
3. assistance to industrial development programs
4. productivity gains in existing industries

Productivity was singled out as the most important objective of the committee. It was clearly stated that the productivity goal must be broadly defined and that there should be no job loss in any plant as a result of achieving productivity gains.

The breadth of the definition was the only factor which allowed labor leaders to accept this primary objective. For example, reduction in absenteeism or the elimination of the waste of materials during the manufacturing of products were primary productivity objectives. Unions had come to regard the word productivity as equated with speed-up, time and motion approaches which were so distasteful to their members. The automation phobia with its attendant loss of jobs—and union members—had not been a major factor in Jamestown because of the job-shop nature of the industries. But, the attitudes found elsewhere were certainly prevalent with the labor in southwestern New York State.

Upon analysis, the labor leaders came to the difficult conclusion that in the long term, productivity was and must be the primary goal. The only way to improve the business conditions existing from manufacturers about the high New York State taxes and other costs of doing business in this area had to be offset by higher levels of productivity. Furthermore, the best way to attract new industry and to deal with the new threats of increasing foreign competition, was to prove that Jamestown was a productive place to do business because of a good labor relations atmosphere.

Armed with an array of projects and concepts, representatives from the Jamestown Area Labor-Management Committee went to Washington to see if some assistance could be obtained for the Jamestown project. Joe Mason, labor co-chairman and business agent for the machinists union, and Wally Dixon, vice president of the AVM Corporation, made several attempts to gain outside financial assistance for the Jamestown project. During the period, interest in the Jamestown Committee was expressed by a great number of federal officials and agencies including the National Commission on Productivity, the Department of Labor, the Economic Development Administration, and the Bureau of Labor Statistics. The prospects for federal assistance were continually persuaded without success. The one source of real inspiration and assistance to the Labor-Management Committee was Senator Jacob Javits. The Senator was a speaker at a dinner sponsored by the committee in November 1972 which was attended by more than 300 union workers and management employees at all levels.

Javits praised the program of the Labor-Management Committee and called it the type of innovative approach, "which is essential if our country is to survive as a great economic power". He pointed to Japan and Germany, which had significant gains in productivity in recent years; he pointed out that U.S. absenteeism in the automobile industry is up 100% in the past ten years; fixed hours and relentless assembly-line methods prevail in most U.S. industries; wage and salary incentives are the exception; worker participation in work situation decisions is discouraged; and, not surprisingly, a recent survey showed that 25% of workers under 30 are dissatisfied with their jobs.

At the end of the first year, the Jamestown Area Labor-Management Committee could look to some definite achievement. There had not been a single strike in the manufacturing community during the last year. Chautauqua Hardware had been reorganized and negotiated a new labor contract with wages directly tied to productivity increases. The Labor-Management Committee had been influential in dealing with the emerging energy crisis by negotiating additional allocations of gas for a couple of Jamestown plants which wanted to expand but were subject to certain restriction. Attention was being given to these efforts by national publications such as Newsweek, in an article outlines "Closing the Productivity Gap" and the Wall Street Journal. The committee has served to give the manufacturing community a common purpose, and new levels of trust and understanding were beginning to be built.

Finally, the efforts of Mayor Lundine and leaders of the committee were successful, and a small federal grant became a reality. The Economic Development Administration allocated $22,500 which was matched by $7,500 in local funds to implement the policies and programs to the Labor-Management Committee. In June of 1973, Dr. James McDonnell was recruited to implement the policies and programs of the Labor-Management Committee. Almost simultaneously, the National Commission of Productivity agreed to fund a demonstration program whereby Dr. Eric L. Trist of the Management and Behavioral Science Center, Wharton School, University of Pennsylvania, could assist the Jamestown project in achieving its productivity objective.

1974 was a year of dramatic change in the Jamestown area. This was the first year that the Labor-Management Committee was actually fully in operation throughout the year. A program was developed to facilitate progressive change One of the keys to this program for 1974 has been the inplant committees. These labor-management committees were organized within individual plants and workers, as well as managers, were represented on these committees. The in-plant committees were designed to discuss any particular problem, outside of the direct collective bargaining issues, which were of interest to the Labor-Management Committee. Several of the programs of the Jamestown Area Labor-Management Committee have begun as a result of needs that were identified in the in-plant committees. These programs have included skills training programs, Quality of Work programs, middle management training programs, leadership training programs, annual meetings and conferences, as well as monthly meetings of the Labor-Management Committee with speakers to discuss topics of mutual interest. The most dramatic impact of the Labor-Management program, however, came from outside people. For the first time in at least fifty years, Jamestown attracted a major new industry to join it's existing manufacturing companies. Cummins Engine, among the most progressive manufacturers in the world, decided to move into the one million square foot plant formerly the defunct Art Metal Corporation. This operation has a potential for 1,500 employees. One of the major reasons for Cummins Engine locating in the Jamestown area was the community attitude toward progressive work systems and Quality of Work.

At the same time, less dramatic and equally important changes were taking place in many of the member companies. For instance, Blackstone Corporation announced a major multi-million dollar expansion program. Crawford Furniture enlarged it's operation. Many other companies were expanding employment opportunities. The twenty year slide in the number of jobs in the Jamestown industrial scene was finally reversed. There was an absolute increase in the number of persons employed in manufacturing. The unemployment rate had been reduced from 10% of the work force in March of 1972 to 4.2% in September of 1974.

The program which was designed to achieve the broad productivity goal was a changing and flexible series of approaches based on input from in-plant committees, as well as the overall committee. Several components emerged that were of overriding importance. The most important of which are:

1. Quality of Work
2. Skill development
3. Leadership training
4. Improved labor relations

These elements of the Labor-Management Committee program were not the soul, but the most important aspects of the dramatic change which was occurring. They comprised the heart of the Jamestown experience. A total of ten plants have had in-plant activities. Individual projects have been started in the Quality of Work program, in labor relations, and productivity incentives are being worked out in two of the plants where these programs are taking place. Jamestown Quality of Work endeavors are designed to bring about higher levels of productivity and also increase satisfaction of the workers; both by redesigning the in-plant system and by improving the community system in which this work takes place. The most advanced experiment in plant level change in the Jamestown area has taken place in Falconer Plate Glass Company with Bob Keidel, an associate of Dr. Trist, acting as advisor. This glass processing company has 250 employees and is in a highly competitive market. The program will result in reduced scrap, increased safety and a share of increased profits. Jim Schmatz, the Labor-Management Coordinator, is also working with several other companies including Jamestown Manufacturing Corporation to establish advanced Quality of Work projects.

Another of the programs which developed out of the in-plant labor-management committees is the skill development program of the Jamestown Area Labor-Management Committee. Rather than concentrating on the orientation of the unemployed, the program tended to focus on the upgrading of the skill base of those already employed. The first successful skill development program was conducted in 1974 for the wood industry. Six of the twelve furniture industries engaged in the manufacture of high quality wood furniture identified two key skills as sticker-molder and double entenoner. The in-plant committees recognized that the loss of these skills meant the loss of industry. On the basis of this need, a group of companies and union leaders formed as a task force, establishing a skill development program. Some of these dealt with the issue of seniority and aptitudes. Others involved contractual barriers to effective training programs. Each problem has been solved by the task force that designed the program, working in cooperation with the in-plant labor-management committees.

The other skill development programs which are under way are in response to the changing technology impacting on the local industry. The next major program will be conducted in the fabricated metal industry, which is the largest single employer in the Jamestown area.

The educational requirements of a successful economic program have not been confined to the skill development area. The Jamestown Area Labor-Management Committee, through in-plant committees, has also identified the need to have management courses for first line supervision, communication courses for union stewards, and joint labor-management opportunities for contract administration and grievance processes. The New York State School of Industrial & Labor Relations has assisted the committee in meeting this need. Jamestown Community College is also involved, along with Federal Mediation & Conciliation Service. Specific courses are designed to either help the situation within the particular company, or an entire industry, or all of the different industries in the community.

In addition to the need to improve the Quality of Work and the training availability in the Jamestown Area, the Labor-Management Committee concluded that information on specific subjects would be conducive to establishing improved labor relations. Accordingly, the Labor-Management Committee holds dinner meetings, often with a specific speaker on a particular topic of interest. For example, William Kilberg, solicitor for the United States Department of Labor recently explained the safety requirements of OSHA. Dr. Phillip Ross of the University of Buffalo lectured on new developments in labor relations. Paul Yeager, regional director of the F.M.C.S. spoke to the groups on the new era of collective bargaining. These meetings give the committee members and their guests an opportunity to develop improved social relations, as well as to acquaint them with the specific trends in the labor relations field.

Several problems have been encountered from the beginning of the Jamestown Labor-Management project. One has been the repeated attempt of some interested residents to expand the activity of the committee beyond the industrial focus. One of the essential reasons for success in the program has been the rejection of the idea that it should broaden itself to solve labor relations and economic problems in unrelated areas. The in-plant committees, which are the core of the program, are also very fragile and are affected by numerous factors outside the scope of the program itself. Several times, the break up or elimination of a particular committee has been threatened by failure to communicate the real objective and the impact of the Labor-Management Committee. The understanding of the rank and file as to the need for collaboration is part of the process. To the extent that any labor leader that is involved in such a committee has difficulty with rank and file resistance, the entire program is jeopardized.

Unique problems confronted by the committee involved the potential loss on important industries of the Jamestown area. The methods that have been used to approach and solve these problems are confidential; however, the technique has been to use the base of labor-management cooperation that is already present in the form of the Labor-Management Committee.

The Jamestown Area Labor-Management Committee represents companies totaling a work force of more than 11,000 men and women. The membership in the program has included 30 companies and 60 plants. Not only has the unemployment rate been reduced from an average of around 10% at the commencement about three years ago to an average unemployment rate of about 5% in recent months; but the absolute number of manufacturing jobs in the Jamestown area has increased significantly.

Productivity has increased in virtually every plant that has aggressively undertaken a new program. In Chautauqua Hardware Corporation, for example, the productivity per employee has increased by more than 80% in the last two and a half years. The skills-upgrading program just concluded with 162 graduates from 15 companies and has involved numerous others in planning, instruction and implementation. The wood furniture products skill development project graduated 22 representatives from six different plants in the fall of 1974.

During the last three years, every labor contract in the manufacturing companies in the Jamestown area has been negotiated. There have been only five minor strikes in this period with a total time loss of 41 days. In the three years prior to the establishment of the committee, there were eight strikes with a total time loss of 302 days.

Cummins Engine Company expansion in the Jamestown area is providing an excellent new opportunity in the largest manufacturing concern built in New York State since World War II. Blackstone Corporation has undertaken a major expansion program, and many other local manufacturers have expanded production capabilities.

The attitudes of labor and management is demonstrated by their direct support and direct participation in the committee and are extremely positive. Over 1000 representatives have been, and continue to work in the program of the Labor-Management Committee. Every major unionized company and every union is represented and participating. Every possible community resource has been mobilized as never before and labor and management are cooperating to use these resources to their mutual benefit.

SMALL BUSINESS WEEK

Mr. NELSON. Mr. President, May 19 begins Small Business Week and, as chairman of the Senate Committee on Small Business, I want to take this opportunity to recognize the importance of small business to the Nation's economy, employment, and well-being.

For years, many Americans have felt intuitively that small businesses are the backbone of our economy, its major employer, and an important element of the necessary cement that holds our society together.

EFFORTS TO IMPROVE SMALL BUSINESS VISIBILITY

However, a major problem of smaller enterprises is that their needs are neglected or ignored by Government officials who move the levers of power, impose regulatory requirements, and send out forms with which business persons must sit down and grapple. We who have served on the Committee on Small Business over the years have found a general lack of knowledge about the great contributions made by the multitude of small businesses.

Some extraordinary efforts by our committee over the past few years have produced better information to define the vital segment of our economy classified as "Small Business."

We know, for instance, that there are nearly 13 million U.S. business enterprises, divided as to form of organization, as follows:

	1972
Total businesses	12,989,298
Corporations	1,540,815
"Subchapter S" corporations	283,679
Partnerships	992,012
Proprietorships	10,172,792

Source: Preliminary Statistics of the Internal Revenue Service.

Approximately 3 million of this total are agricultural and about 1 million are self-employed professional practitioners such as doctors, lawyers, and architects. The balance are in the so-called commercial trades and businesses. Each of these units are "in business," and are obliged to operate in a businesslike manner to remain in existence.

VALUE OF SMALL BUSINESS

The millions of firms that make up the Nation's small business community are infinitely diverse. Each of them has different problems. But they all have some things in common—they employ people at a time when unemployment is high and they work with consumers at a time when consumer confidence is low.

Our committee's recent hearings verified from both the Small Business Administration and Commerce Department data that enterprises defined as "small business" provide between 52 and 53 percent of the jobs in the private labor force.

We found, further, that over the past 25 years, three-quarters of the 18½ million jobs created in the United States have been in distribution, retailing, and service trades in which smaller businesses predominate.

This is a time when our economy is in trouble. Unemployment in the economy is close to 9 percent and the gross national product plunged 10.4 percent in the first quarter of 1975. This was accompanied by a 40-percent drop in profits over the past half year—the worst slump in profits since the 1930's. As a consequence, there has been a shortfall at the rate of nearly a quarter of a billion dollars a year in the use of our country's resources.

Small businesses can help solve these problems if they are given an even break. Small and independent business is one of the best sources of employment. Also, since smaller firms often meet the consumers face to face in their own neighborhoods, they must sell their merchandise at the lowest competitive prices. By doing this they help fight inflation.

EMPLOYMENT AND INNOVATION

Studies also show that smaller firms tend to retain employees through recessions—they are willing to sacrifice profit for stability, because they realize that trained and loyal personnel are important to their businesses.

Another dimension of the small business value in furnishing jobs is the creation of new products and services.

We know that individual inventors and firms defined as "small business" consistently account for more than half of the inventions and innovations that move the economy forward.

For example, Edwin Land started as a solitary inventor during the 1930's. His talents built a company whose sales and employment grew at compound rates of 13.4 and 7.5 percent between 1945 and 1965. Texas Instruments was a small company reorganized by a group of men who worked for the Navy during World War II. Its first public stock issue was under the "Regulation A" small business exemption. The company's sales and jobs grew at compound rates of 28.9 and 10 percent respectively, during the two decades after World War II.

Companies such as these are keeping the United States competitive in world markets and building and maintaining an industrial base—and consequent employment—in this country.

SMALL BUSINESS AND MOTIVATION

No small businessman quits his business at 5 every day to drive home. If he were content to draw a salary, he would not be drawing a salary very long. He takes the problems of his business and of the whole economy home with him. He must make decisions, but he must make those judgments in the best interest of his employees, his consumers, and his community—because he depends upon the goodwill of all of them. He is not "here today and gone tomorrow," but has roots in his locality for years, if not for generations.

With his or her reputation at stake, as well as capital at risk, the small businessperson has the incentive to do a better job, to render an extra service, and to be just little more helpful to everyone.

PROBLEMS MOUNTING FOR THE SMALLER FIRM

Despite all the obvious benefits of small businesses to the Nation, the trends are moving heavily against the little man. The 1974–75 recession has been the worst since the Great Depression, and as shown in our committee's hearings in February, small firms historically are hurt first and worst by economic downturns.

Tax burdens—Federal, State, and local—as well as associated paperwork requirements are becoming heavier and harder for small enterprises to bear. Regulatory requirements which seem to increase every year are increasingly onerous.

Our recent hearings on "Small Business Tax Needs" confirmed that while smaller firms pay effective tax rates at or even above the statutory rate of 48 percent, 1 of every 5 large companies pays taxes at less than 43 percent, and the 100 largest corporation, year after year, pay between 25 and 30 percent.

The "Statistical Abstract of the United States," published last year, showed that the share of the national economy accounted for by the largest 200 companies has been steadily increasing while the share of small- and especially medium-size business has been shrinking.

Mergers numbering between 4,000 to 6,000 a year are creating ever larger corporations with which the public and the Government must deal. For instance, last year, the nation's 3rd largest oil company, Mobil Oil, acquired the nation's fourth largest retailer, Marcor.

In 1973, Fortune registered only 140 companies with sales of over $1 billion. In 1974, it listed 167.

Corporations with over $1 billion in assets derived 38 percent of manufacturing profits in 1960. This had climbed to 53 percent in 1970 and 56 percent in 1972. And in 1973, Fortune reported that the 500 largest industrial corporations in this country accounted for 65 percent of total U.S. sales and 79 percent of total manufacturing sector profits.

Those and similar figures mean that 500 chief executive officers are in a position ultimately to control the resources represented by annual sales of over $667 billion, or about twice the size of the Federal Government's budget. Many of these corporate giants are larger than many independent countries.

Our Nation in many ways pioneered the world's most successful economic system: free private enterprise. This system has been able to provide adequate income for most of our citizens because it has allowed the resourceful individual to found a small business which could take root and grow into a big business. We must not now careen downhill into "the corporate state." We must ask ourselves whether such concentrations of economic power are good for our economy and our way of life, or whether they are changing the character of the American system.

In my view, the best way to pull the Nation out of the economic doldrums and redress the balance in our economy is to enhance and develop the opportunities of our small and independent businesses—from the convenience store down at the corner to the franchise outlet at the crossroads, to the builders, distributors and smaller manufacturers across the land. We in Government need to listen to and heed the advice of general business organizations such as the National Federation of Independent Business and the National Small Business Association; to groups representing specific industries such as the National Home Furnishings Association National Association of Small Business Investment Companies, the National Association of Wholesalers, and the National Society of Public Accountants; and to the regional groups like the Smaller Business Association of New England, the Independent Business Association of Wisconsin, the Smaller Manufacturers Council of Pittsburgh and the Council of Small Enterprises of Cleveland.

AN ANCHOR OF OUR LIBERTIES

It will only be through a concerted effort of the Congress of the United States, the executive branch to a great extent, the courts, and the State and local governments of this country that we will see a renewal of small- and medium-sized independent business, and a consequent move away from oligopoly—and its final form, monopoly—toward a more open, diversified, and competitive society.

Democracy works best in a type of capitalistic society where entry and exit to and from the marketplace are relatively easy. Capitalism won't work well if the sheer size of corporations and the burdens of Government regulation make it difficult to sustain any sort of new enterprise or competition.

MEANING OF SMALL BUSINESS WEEK

So, in my view the good health of the "small business" segment of the economy is enormously important if we want to overcome our current problems and achieve long-term stability. Small business is the heart and soul, as well as the "backbone," of our economy.

The preservation and viability of our democracy and the free private enterprise system depends on the health of small business, their establishment, growth, and independence; their new ideas, energy, new economic opportunity, and economic growth. If we are serious about creating jobs and improving the economy, we must help new, small and independent business survive, grow, and prosper.

As we proceed into Small Business Week, I hope that Members of this body and people in every geographic area and walk of life will take a few minutes to observe Small Business Week in a meaningful way by recognizing the importance of small enterprise and making a commitment to reinforce the position of small and independent business in American life.

HATHAWAY'S CRITICS OMIT PERTINENT FACTS

Mr. HANSEN. Mr. President, during the recent confirmation hearings of former Gov. Stanley K. Hathaway of Wyoming, there have been unfortunate misrepresentations of Hathaway's record and philosophy on environmental issues. I ask unanimous consent that a newspaper article which appeared on May 14, 1975 in the Denver Post, be printed in the Record. This article points out some of the distortions of Governor Hathaway's record and philosophy.

There being no objection, the article was ordered to be printed in the Record, as follows:

Hathaway's Critics Omit Pertinent Facts

(By Leonard Larsen)

Washington.—Environmentalist critics who charged that a document supporting the nomination of Stan Hathaway as Interior secretary contained distortions of the record have opened themselves to the same charge.

In a "review" released Monday of Hathaway's testimony before the Senate Interior Committee—accompanied by a plea that the Hathaway nomination be rejected—officials of the Environmental Defense Fund (EDF) omitted several Hathaway responses.

As contained in the actual transcript of the Hathaway confirmation hearings, the answers of the former Wyoming governor —not contained in the EDF review—showed him emphatically in support of the reclamation objectives of the strip-mining bill now awaiting signature or veto by President Ford.

Leading the initial attack on the Hathaway document—a glowing report of "The Hathaway Administration and the Environment, 1967–1974"—were two Denver officials of the EDF, Katherine Fletcher, staff scientist, and George W. Pring, director of the Denver office.

Their analysis of that document, the EDF officials told the Senate Interior Committee in a prepared statement last week, "discloses a pattern of seriously misleading statements, exaggeration and selective omissions."

That analysis was used extensively by Sen. Floyd Haskell, D-Colo., in his questioning of Hathaway before the committee last week.

Monday Haskell announced he would oppose the Hathaway nomination, not on environmental grounds but because of the Hathaway document which, he said, was "misleading" and untruthful.

Haskell said he hadn't seen the EDF "review" of the Hathaway testimony released earlier Monday but that he had been satisfied with the previous "analysis." Throughout his formal statement announcing his opposition to Hathaway, Haskell incorporated the EDF arguments as his own.

A reading of the EDF "review" alongside the actual transcript of the Hathaway confirmation hearings—in only the area of strip-mining legislation—shows the EDF vulnerable in the areas of distortion in which its officials accused Hathaway.

The "review" itself is prefaced with the assurance by the EDF that it was "compiled after a careful examination of the transcript of the nominee's testimony."

In the portion of the "review" devoted to the strip-mining legislation, the EDF offers another assurance that "the hearing record is particularly complete on the subject of Mr. Hathaway's analysis of the federal strip-mine bill, and the question of his willingness to refrain from leasing coal while the regulations under the act are promulgated."

Omitted from the EDF "review" of the Hathaway testimony, however, is a response by the former governor in which he praised the bill for its potential in "protecting the environment."

PASSAGE OMITTED

Also omitted was a passage of the actual transcript in which Hathaway said he would favor imposition of standards contained in the bill, even if the measure is vetoed by the President.

Left in the "review" were Hathaway's acknowledgements that he had "qualifications" about the bill concerning its economic impact, and if the impact were deemed to be adverse, it was possible he would recommend a presidential veto.

In the EDF "review" of the Hathaway testimony, the transcript is quoted as saying he would give a "qualified yes" to support of the strip-mining bill, adding that "the qualifications and reservations are with respect to the economics of the situation and with respect to the productivity of the coal."

The EDF "review" of Hathaway's response ends there, picking up with a question from Sen. James Abourezk, D-S.D., in which Abourezk says:

"I do not understand your answer . . ."

HATHAWAY COMMENT

Actually, before Abourezk's remark, Hathaway discussed the strip-mining bill at some length, including this passage as contained in the transcript but not in the EDF "review:"

"Let me say this. As I analyze it from my experience as a governor in a mineral producing state that has a strip mining law, that has great mineral reserves, I like the bill. I think it is workable.

"Administratively, I think it gets at the thrust of the problem of protecting the environment and making it possible to use more coal for this country's needs at the same time.

"With respect to the rehabilitation with impact aid to the states impacted by coal development and the possibility of correcting some of the abuses of the past, I think that is fine.

"I like the research provisions of it."

QUESTIONS ASKED

In a later exchange with Abourezk during the same day of testimony—May 6—Hathaway was asked several times if he would impose strip-mining standards as "stringent" as those in the pending strip-mining bill, even if the bill is eventually vetoed by the President.

At one point in the exchange the "review" portrays Hathaway as answering, "Senator, I really do not know how to answer that question. . . ."

Omitted from the "review" is the followup Hathaway comment that "You are asking if one man can implement rules and regulations that may or may not be in the law. Perhaps we would have to extend the (leasing) moratorium to find out exactly what we could do."

In another portion of the same exchange, Abourezk asks Hathaway whether he would follow existing standards of the Interior Department in setting strip-mining standards or follow those in the pending bill.

PARTIAL QUOTE

The "review" published by the EDF has Hathaway answering only, "I have not had an opportunity to review the standards the Interior Department now has."

In fact, according to the hearing transcript, Hathaway continued:

"There has been a moratorium. They have not been issuing leases. I have not had an opportunity to review that.

"Let me say as a matter of philosophy, Senator, I have read the bill and I think it is very similar to the one we have in the state of Wyoming.

"I think Wyoming would qualify under the bill with some very minor adjustments. Philosophically, I am compatible with the regulations in that bill as it respects environmental protection."

Also omitted was Hathaway's comment that "if I had the authority, I would come as close to the standards in that bill as I could."

CUBAN LEGISLATION

Mr. HARRY F. BYRD, JR. Mr. President, on May 7, I introduced a number of amendments to S. 935 introduced by the senior Senator from Massachusetts, Mr. Kennedy.

In commenting on Senator Kennedy's legislation which would repeal the embargo on trade with Cuba, I implied that the Kennedy proposal would permit taxpayer assistance to Cuba.

Senator Kennedy has written me such is not the actual purpose and provision of S. 935.

While I oppose the removing of the embargo against Cuba without appropriate concessions from Castro, I do not want to imply a purpose to S. 935 which the author says is not there and am glad to make these comments for the Record.

EDITORIAL OPINION ON THE FARM BILL

Mr. TALMADGE. Mr. President, I have just read a copy of an editorial which appears in today's edition of the Atlanta Constitution, pointing out the central mistake of the President's veto of the farm bill.

Because the newspaper crystallizes the issue so well, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

THE FARM VETO

It is unfortunate that the House failed to override President Ford's veto of an emergency bill to raise farm price supports—a measure which Georgia Sen. Herman Talmadge endorsed and struggled to get passed.

It appeared that the Senate would override Ford's veto, but that became academic when the House failed by 40 votes to override it.

The bill was designed to safeguard farmers against a drastic economic squeeze if they reap big, price-depressing crops this fall which now appears likely. It would have raised 1975 support target prices and crop support loan rates for wheat, feed grains, and cotton, and also increased support levels for soybeans and milk.

President Ford, in vetoing the bill, said it would add $1.8 billion to the federal deficit in the year ahead and push retail food prices higher. But. Sen. Talmadge said Ford acted on "bad advice from poor advisers who used faulty logic."

The President was wrong in vetoing the measure, although he acted with good intentions. For one thing, it is not clear at all that the temporary price supports for farmers would have pushed retail food prices higher—especially not if there were an abundant harvest.

And, although federal budget deficits are in general very bad news, assistance to U.S. farmers is one of the best reasons possible to risk deficit financing. Farmers, as a group have been hard-pressed economically in recent years and their costs of producing crops are continuing to rise.

The farming industry is the central cog in the production of food, and it must be based on stable economic conditions if the farmers are going to take the big risks involved in producing sufficient quantities of food for Americans at reasonable prices.

President Ford, fortunately, is not totally unmindful of the farmers' present difficulties and has pledged to use existing administrative authority to raise crop support loan rates for wheat, corn, and soybeans if market prices continue to decline.

That may not be sufficient, but for now that's the best farmers can hope for.

THE U.S. FOREST SERVICE FISCAL YEAR 1976 BUDGET

Mr. PACKWOOD. Mr. President, today I have presented my comments and recommendations on the U.S. Forest Service fiscal year 1976 budget and transition quarter through September 30, 1976, to the Senate Appropriations Subcommittee on Interior. For the benefit of my colleagues and those who will read this testimony, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BEFORE THE U.S. SENATE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON INTERIOR BY SENATOR BOB PACKWOOD

Mr. Chairman and Committee Members: No one doubts the seriousness of meeting our Nation's housing needs in the years to come. The administration and congress have both set their sights on this goal.

At the current Congressionally endorsed rate for yearly housing starts, our nation's housing goal is 26 million new housing starts by 1985. The Senate Committee on Banking, Housing, and Urban Affairs, upon which I serve, has extensively studied this complex subject and reported programs to the Senate designed to revitalize the housing market by making new homes easier to purchase.

America's housing supply is inextricably tied to the price and supply of lumber. My home State of Oregon is widely recognized as a major source of public and privately owned timber resources which ultimately fuel our ever expanding housing industry.

Among the public agencies which steward our public lands, the United States Forest Service does an outstanding job. The Forest Service should be commended for the enormous undertaking it assumes each year in managing 191 million acres of our country's most productive lands. The 155 National Forests, 19 National Grasslands, 17 Land Utilization Projects and 26 National Research Areas, which compose the National Forest System pose an ominous task of well disciplined resource management. The amount and diversity of land uses within the National Forest System is widely known, as the following table shows:

NATIONAL FOREST SYSTEM 1975

Protection and management:	
	Million Acres
Forest land	187. 3
National grasslands	3. 8
Land utilization projects, purchase units, research and experimental areas	429, 450 acres
Total land base	
Comprising:	
Billion Board Feet	
Standing timber	$1, 007. 0
Annual timber harvest	11. 0
Receipts:	
	Million
Timber sales	$459. 9
Grazing fees	7. 8
Mineral receipts	9. 3
Recreation admission	7. 1
Land uses	1. 6
Total receipts	485. 7
Returned to States	119. 5

The National Forest System is a well spring for timber and forest products and the basis for thousands of different livelihoods. Over 13 billion board feet of timber was produced in 1974 with receipts approaching one half billion dollars in 1974.

The economic and social importance of adequately funding the National Forest Service is easily documented:

1. The 1974 base income of $487.5 million, of which 65% accrued to the general fund, 25% directly to the States and counties in which NFS lands are located, and 10% for road construction and improvement.

2. The NFS land base of 191 million acres represents 10 percent of the area of the continental United States. Nearly 24 percent of this land is in areas presently experiencing economic distress. Local economies and employment is often supported in part or solely from the economic development of these forest resources.

3. Dependence on the expected annual yield of 13.1 billion board feet from NFS land for 1975 is expected to increase as quality timber on private land is depleted.

4. Nearly 3.12 million head of domestic livestock (mature animals) are grazed on National Forests and Grasslands, or roughly 7.95 million animal unit months grazed. Without wise management of these rangelands, our country's livestock industry would be further set back from its already depressed levels.

5. NFS lands provide about 390 million acre feet of high quality water annually. Nearly all western towns and cities and many in the east have municipal water supplies that are protected and enhanced by the protection of these upland basins and ranges. In addition, about 20 million acres of western lands are irrigated from these supplies.

6. NFS lands provide essential habitats for millions of forest animals and fowl, and the opportunity for many varied healthful outdoor recreation activities.

A well budgeted program for the National Forest Service is good for the Nation, good for Oregon and good for stable, long-term job opportunities. My home State depends to a great degree on forestry and a successful housing market.

Mr. Chairman, it would certainly be easy to recommend emphatically the full budget capability and more for the Forest Service. What out-lying lumber milling town wouldn't be encouraged by such a recommendation from myself in Oregon?

However, I believe it would be irresponsible to push ahead for further Forest Service funding. Our Nation's economy is threatened already by an overwhelming and growing Federal deficit and soaring interest rates. Indeed, the state of the Nation's housing industry is quite dependent upon the mortgage interest rate, which in turn, affects the strength of the forest products industry. Indeed, my recommendation for increased Federal spending could be counter-productive by further down-turning the state of the housing market.

I wholeheartedly affirm the Forest Service budget as recommended to this committee with, however, some crucial increases totaling $17.9 million for:

	Million
Reforestation and timber stand improvement	$9. 0
Accelerated range study program	6. 5
Humphrey-Rarick act forest and rangeland renewable resources planning program	1. 2
Insect and disease control research	1. 2
Total suggested increase	17. 9

REFORESTATION AND TIMBER STAND IMPROVEMENT

As of the end of fiscal year 1974, 3.3 million acres were reported in need of reforestation and 9.0 million acres in need of timber stand improvement. The long-term economic stability for our Nation's forest industry through annual maintenance of reforestation needs is well established. The jobs of the next decades that will be lost from less than adequate reforestation and timber stand improvement can be avoided.

I propose the Forest Services full budget capability in the areas of reforestation and timber stand improvement, so that our Nation's forest lands can again grow with the prosperity of more jobs and forest products to meet our future housing needs.

DISTRIBUTION OF AN ADDITIONAL $9,000,000 FOR REFORESTATION AND TIMBER STAND IMPROVEMENT IN FISCAL YEAR 1976

[Amount in millions of dollars]

Appropriation program	President's budget 1976		Packwood additional recommendation	
	Acres	Amount	Acres	Amount
Reforestation	191, 255	$28, 712	8, 745	$5, 816
Timber stand improvement	208, 559	14, 688	12, 111	3, 185
Genetic tree improvement		2, 571		
Nursery operation and development		715		
Total	399, 814	46, 686	20, 856	9, 000

DISTRIBUTION OF AN ADDITIONAL $9,000,000 FOR REFORESTATION AND TIMBER STAND IMPROVEMENT IN FISCAL YEAR 1976

Amount in millions of dollars]

Appropriation program	Total President's budget and recommended additions	
	Acres	Amount
Reforestation	200,000	$34,528
Timber stand improvement	220,670	17,872
Genetic tree improvement		2,571
Nursrey operation and development		715
Total	420,670	55,686

Proposed reforestation and timber stand improvement program in the State of Oregon if an additional $9,000,000 is added to the President's budget in fiscal year 1976

Program:	*FY 1976*
Reforestation—Acres	14,900
Timber Stand Improvement—Acres	46,120

Needless to say, this increase will not nearly fulfill our present reforestation needs, but it will move us well ahead to a yearly maintained reforestation program.

At the same time, private industry should be given every incentive to reforest annually. Of the 3.3 million acres to be replanted, 955,000 is to be financed by deposits from timber purchases. The remaining 2,368,000 acres should be considered seriously by Congress as an investment if replanted and a further loss of timber and jobs each year it is not.

ACCELERATED RANGE STUDY PROGRAM

Rangeland is the largest single category of land in the United States and has no alternative for contributing food to man than by way of grazing animals. Ranges are unique resources in providing forage for animal consumption since they revegetate naturally.

Range covers more than one billion acres of land within the continental United States, on nearly 54 percent of the total acreage. Increased use of rangelands for grazing can be expected due to a number of reasons:

Higher priced livestock feeds;

Increased exports of agricultural products; and

Reduced supplies of available livestock grains.

Considering these circumstances and the continuing rise in demand for red meat products, the Department of Agriculture prepared a viewpoint on accelerated meat production from rangelands entitled, "Opportunities to Increase Red Meat Production from Ranges in the United States."

"To present for consideration a report on cost effective opportunities to increase red meat production from America's ranges by a program of research, education, extension cooperation and action, giving consideration for environmental values and contributing in rural development."

The accelerated Range Program is a full agency effort which involves the National Forest Service in developing and managing NFS lands for grazing and multiple use; cooperation with state and private forest programs; and research on forest and related eco-systems—to maximize rangeland grazing, while concurrently studying the ecology of one rangelands to ensure its protection.

Even considering low demand estimate results, range grazing requirements are anticipated to increase 18 percent by 1980 and 24 percent by 1985. The high demand estimate, based on increasing beef consumptive habits, and overall higher livestock feed prices, is for a 40 percent increase by 1980 and by 55 percent by 1985.

Almost regardless of the competitive prices of other livestock feeds, the competitive cost position of range should be improved. Intensive management of all of the available range area could result in production of 566 million animal unit months, although this degree of increased production is not now needed. This is particularly valuable since this goal could be reached within the multiple use context.

Properly managed, most range eco-systems can be grazed without undue stress of alternative resource uses for watershed protection, wildlife habitat, timber production and recreation while dramatically increasing range animal unit month benefits.

A program to study range management is vitally needed to accommodate our range needs for the future. The NFS has proposed an accelerated range study program intended to serve the national requirements for forage by 2020, at a minimal cost for the first year of $6.5 million.

The program would provide for:

Restoration of NFS ranges; more forage;

Increase technological assistance to non-UFS;

More grazing;

Increased income to ranching communities;

Enhanced range and wildlife environment; and

Creation of two validation areas.

This program will start the necessary research upon rangeland management and production. I wholeheartedly recommend this valuable program for funding in fiscal year 1976, together with a great expression of interest in this type of intensive management by:

The Western Governor's Conference;

National Cattleman's Association;

American Wool Growers;

National Wildlife Federation;

National Association of Conservation Districts;

American Farm Bureau Federation;

Wildlife Management Institute; and

Professional Society of Range Management.

HUMPHREY-RARICK FOREST AND RANGELAND RESOURCES PLANNING ACT

This Act is intended to insure that the United States has an adequate supply of forest resources for the future, and maintains the quality of the environment. The Act contains two major requirements:

1. The FS must periodically submit to Congress a Renewable Resource Assessment, and;

2. A long-range Renewable Resource Program Assessment.

These assessments must be thorough and detailed in considering all forest, range and related land resources in the United States.

The enormous task of inventoring, analyzing and discussing this great amount of land places a tremendous managerial responsibility upon the Forest Service. If Congress and the Nation expect an up-to-date and accurate report, we simply must increase the minimum funding for this program for fiscal year 1976 through 1979 (when the long-range assessment is due) by $1.2 million. The Forest Service budget line item for this appropriation is Forest Resources Evaluation.

Program and appropriation, forest resource, economic research, forest resources evaluation:	*Millions*
President's budget	$5,559
Adding $1.2 million unbudgeted	6,759

The importance of adequate funding for the Resources Planning Act has deep implications for the Congressional budget process. The fiscal year 1977 budget proposal will be greatly based on the first year assessment of the program called for in the Act. Eventually, the Act will lead to long-term planning for appropriations in line with forest and rangeland resources objectives.

The Nation's renewable resources are too important to our economy, and our country's well being to not be fully studied. The $1.2 million increase I have recommended for the fiscal year 1976 and transition quarter is a step in that direction.

FOREST INSECT AND DISEASE CONTROL

The loss of prime timber from insect and disease attack is a sad fact that is growing in threatening degrees. Both in out-right tree loss and reduced timber growth on existing stands, forest pests are devastating impacts upon our environment.

Research on alternative pesticide programs, silviculture management and forest stand improvement are urgently needed.

Whether the Forest Service is battling the mountain or Douglas-Fir pine beetle in the Pacific Northwest, or the gypsy moth and spruce budworm in New England, the nation has a large interest in our success.

Target data on biological, environmental and economic factors is essential to make accurate pest control decisions. Certainly the technical expertise, detection and evaluation capabilities to safely combat forest pests is worth the price. Our country's forests have been nurtured for too long to be irretrievably lost to decay and defoliation. I firmly recommend this increase in forest insect and disease control.

Mr. Chairman: For the convenience of those who are interested in the Forest Service's spending in Oregon, I would like to have the following estimates included in my testimony for the record, together with the appropriate budget tables for the forest service upon which this hearing has centered.

Again, I sincerely thank you for the opportunity to testify today, and offer my recommendations for your consideration during this committee's upcoming deliberations.

TABLE 1.—FOREST SERVICE BUDGET INCREASES, RECOMMENDED BY SENATOR BOB PACKWOOD, MAY 15, 1975

Appropriated program	1975 budget obligations	1976 President's budget	Amount change over 1975	Packwood recommended increase	Amount of increase for Oregon
Reforestation and timber stand improvement	$51,262,000	$46,686,000	−$4,576,000	$9,000,000	$740,000
Accelerated range study program	0	0	0	6,500,000	[1] 2,300,000
Humphrey-Rarick renewable resource	3,918,000	5,559,000	+1,641,000	1,200,000	400,000
Insect and disease control	11,462,000	11,579,000	+117,000	1,200,000	967,000
Total				17,900,000	4,407,000

---

[1] Approximately.

TABLE 2.—FOREST SERVICE SPENDING IN OREGON

Appropriation project	Obligated 1974	Estimated 1975	Estimated 1976	Change 1975 to 1976
Forest land management:				
Protection and management	$34,833,303	$36,585,000	$40,591,400	$+4,006,000
Fighting forest fires	15,957,277	(1)	(1)	(1)
Forest insect and disease control	2,231,753	882,000	601,000	−281,000
Cooperative law enforcement	299,641	387,000	564,200	−43,000
Forest research	4,974,158	5,804,600	5,296,400	121,800+
State and private forestry cooperation	890,300	914,300	925,300	11,000+
Subtotal, forest protection and utilization	59,186,432	44,572,900	48,388,300	3,815,400+
Construction and land acquisition	2,624,432	1,827,100	3,904,000	2,076,900+
Forest roads and trails	22,902,551	26,860,300	26,764,400	95,900—
Youth conservation corps	138,773	247,600	230,000	17,000—
Klamath Indian land acquisition		49,000,000		49,000,000—
Tree planting assistance to States	77,670	62,700	60,700	2,000—
Recreation facilities construction and operation	$205,167	$71,000	$196,200	$125,200+
Brush disposal	9,385,981	10,335,500	11,169,500	834,000+
Forest land restoration	1,082	7,000	3,000	4,000—
Payments to counties, national grasslands	1,945	1,945	1,945	0
Payments to States, national forests	42,471,875	41,139,360	41,212,000	+72,000
Surveys and investigations, Soil Conservation Service	37,846	38,200	45,000	+6,800
Watershed and flood prevention	92,609	362,400	188,500	−173,900
Watershed planning	13,472	15,400	15,600	+200
Resource conservation and development program	31,561	28,600	27,800	−800
Trust funds:				
Cooperative work, Forest Service	14,255,693	15,741,900	22,163,700	+6,421,800
Federal aid highways	[1] 1,491,488	5,128,000	7,467,000	+2,339,000
Oregon total	152,918,488	195,439,905	161,837,643	+[2] 15,397,700

[1] Not yet distributed to States for fiscal year 1975 and 1976.

[2] Not including the $49,000,000 Klamath Indian land payment.

TABLE 3.—U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE NATIONWIDE ACTIONS ON BUDGET ESTIMATES FOR FISCAL YEAR 1976

[Forest Service appropriations, 1976. President Ford's budget for 1976 was presented to Congress on Feb. 3, 1975. The following shows the amounts for 1975 and the Budget estimate for 1976]

Appropriation item and projects	1975 Appropriation Act[1] (1)	1975 increased pay costs (2)	1975 adjusted base for 1976 (1+2) (3)	1976 increase or decrease: Pay costs (4)	GSA space (5)	Program (6)	Total 1976 President's budget (3—6) (7)
APPROPRIATED FUNDS							
Forest protection and utilization:							
Forest land management:							
National forest protection and management:							
Timber resource management:							
(a) Sales administration and management	$83,950,000	$2,625,000	$86,575,000	$1,335,000	$55,000	$10,159,000	$98,124,000
(b) Reforestation and stand improvement	50,079,000	1,183,000	[1] 51,262,000	253,000	171,000	−5,000,000	46,686,000
Recreation use	46,828,000	1,294,000	48,122,000	542,000	31,000	2,435,000	51,130,000
Wildlife and fish habitat management	9,190,000	269,000	9,459,000	164,000	30,000	1,707,000	11,360,000
Rangeland management	17,391,000	479,000	17,870,000	158,000		404,000	18,432,000
Soil and water management	16,051,000	455,000	16,506,000	176,000	39,000	398,000	17,119,000
Minerals management	3,601,000	112,000	3,713,000	168,000		3,062,000	6,943,000
Forest fire protection	36,257,000	945,000	37,202,000	337,000	54,000	311,000	37,904,000
General land management activities	26,337,000	647,000	26,984,000	564,000	14,000	3,947,000	31,509,000
Total, national forest protection and management	289,684,000	8,009,000	297,693,000	3,697,000	394,000	17,423,000	319,207,000
Deduct from rangeland management above Cooperative range improvements—permanent (receipts) appropriation	700,000		700,000				700,000
National forest protection and management appropriated in the Appropriation Act	288,984,000	8,009,000	296,993,000	3,697,000	394,000	17,423,000	318,507,000
Fighting forest fires	4,275,000		[2] 4,275,000				4,275,000
Forest insect and disease control	11,242,000	220,000	11,462,000	82,000	35,000		11,579,000
Cooperative law enforcement[3]	1,618,000	14,000	1,632,000	34,000	13,000	2,257,000	3,936,000
Total, forest land management	306,119,000	8,243,000	314,362,000	3,813,000	442,000	19,680,000	338,297,000
Forest research:							
Forest and range management research:							
Trees and timber management research	14.089.000	446.000	14.535.000	167.000	36.000	−287.000	14.451.000
Forest watershed management research	8.294.000	233.000	8.527.000	45.000	10.000	−1.300.000	7.282.000
Wildlife, range, and fish habitat research	5.071.000	153.000	5.224.000	60.000	12.000	−100.000	5.196.000
Forest recreation research	1.218.000	33.000	1.251.000	13.000	3.000		1.267.000
Surface environment and mining	2.200.000	64.000	2.264.000	26.000	8.000		2.298.000
Total, forest and range management research	30.872.000	929.000	31.801.000	311.000	69.000	−1.687.000	30.494.000
Forest protection research:							
Fire and atmospheric science research	8.046.000	167.000	8.213.000	67.000	19.000		8.299.000
Forest insects and disease research	17.346.000	537.000	17.883.000	217.000	45.000		18.145.000
Total, forest protection research	25.392.000	704.000	26.096.000	284.000	64.000		26.444.000
Forest products and engineering research:							
Forest products utilization research	9,981,000	316,000	10,297,000	159,000	10,000	681,000	11,147,000
Forest engineering research	1,590,000	39,000	1,629,000	11,000	3,000		1,643,000
Total, forest products and engineering research	11,571,000	355,000	11,926,000	170,000	13,000	681,000	12,790,000
Forest resource economics research:							
Forest resources evaluation	3,804,000	114,000	3,918,000	111,000	14,000	1,516,000	5,559,000
Forest economics and marketing research	3,763,000	108,000	3,871,000	44,000	9,000		3,924,000
Total, forest resource economics research	7,567,000	222,000	7,789,000	155,000	23,000	1,516,000	9,483,000
Total, forest research	75,402,000	2,210,000	77,612,000	920,000	169,000	510,000	79,211,000
State and private forestry cooperation:							
Cooperation in forest fire control	25,088,000	47,000	[1] 25,135,000	7,000	36,000	−4,921,000	20,257,000
Cooperation in forest tree planting	333,000	3,000	336,000	1,000			337,000
Cooperation in forest management and processing	5,568,000	22,000	5,590,000	8,000	7,000		5,605,000
General forestry assistance	3,649,000	74,000	3,723,000	32,000	68,000	200,000	4,023,000
Total, State and private forestry cooperation	34,638,000	146,000	34,784,000	48,000	111,000	−4,721,000	30,222,000
Total, forest protection and utilization	416,159,000	10,599,000	426,758,000	4,781,000	722,000	15,469,000	447,730,000

Footnotes at end of table.

TABLE 3.—U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE NATIONWIDE ACTIONS ON BUDGET ESTIMATES FOR FISCAL YEAR 1976—Continued

[Forest Service appropriations, 1976. President Ford's budget for 1976 was presented to Congress on Feb. 3, 1975. The following shows the amounts for 1975 and the Budget estimate for 1976]

Appropriation item and projects	1975 Appropriation Act[1] (1)	1975 increased pay costs (2)	1975 adjusted base for 1976 (1+2) (3)	1976 increase or decrease: Pay costs (4)	1976 increase or decrease: GSA space (5)	1976 increase or decrease: Program (6)	Total 1976 President's budget (3—6) (7)
Construction and land acquisition:[4]							
Development of recreation-public use areas	4,833,000	88,000	4,921,000	14,000		—4,379,000	556,000
Water resource development construction	2,194,000	40,000	2,234,000	14,000		—1,609,000	639,000
Construction for fire, administration, and other purposes	1,718,000	30,000	1,748,000	59,000		658,000	2,465,000
Research construction	3,939,000	18,000	3,957,000			—3,957,000	
Pollution abatement	16,648,000	248,000	16,896,000	183,000		—7,789,000	9,290,000
Land acquisition, Weeks Act	1,576,000	5,000	1,581,000	6,000		—62,000	1,525,000
Total, construction and land acquisition	30,908,000	429,000	31,337,000	276,000		—17,138,000	14,475,000
Forest roads and trails:[5]							
Construction	128,722,064	2,789,000	131,511,064	684,000	295,000	—19,634,064	112,856,000
Maintenance	39,145,000	925,000	40,070,000	230,000	99,000	2,945,000	43,344,000
Total	167,867,064	3,714,000	171,581,064	914,000	394,000	—16,689,064	156,200,000
Transfer from roads and trails for States (10 percent fund)—permanent appropriation	—47,003,064		—47,003,064			—971,936	—47,975,000
Forest roads and trails appropriated in the Appropriation Act	120,864,000	3,714,000	124,578,000	914,000	394,000	—17,661,000	108,225,000
Acquisition of lands for national forests, special acts	161,000		161,000				161,000
Acquisition of lands to complete land exchanges	39,310		39,310			—3,900	35,410
Acquisition of lands, Klamath Indians	49,000,000		49,000,000			—49,000,000	
Cooperative range improvements	700,000		700,000				700,000
Assistance to States for tree planting	1,344,000	11,000	1,355,000	4,000			1,359,000
Construction and operation of recreation facilities	1,260,000		1,260,000			2,414,000	3,674,000
Youth Conservation Corps	10,240,000	152,000	10,392,000	8,000			10,400,000
Total, appropriated funds	630,675,310	14,905,000	645,580,310	5,983,000	1,116,000	—65,919,900	586,759,410
ALLOCATED FUNDS							
Watershed and flood prevention, SCS	10,792,000	103,000	10,895,000	147,000	132,000	—5,657,000	5,517,000
Watershed planning, S3S	657,000	19,000	676,000	27,000	12,000	—30,000	685,000
Resource conservation and development, SCS	840,000	4,000	844,000	6,000	4,000	—33,000	821,000
River basin surveys and investigations, SCS	1,742,000	54,000	1,796,000	75,000	44,000	—93,000	1,822,000
Salaries and expenses, ARS	513,000	12,000	525,000	16,000		—12,000	529,000
Oregon and California grant lands	3,600,000		3,600,000		54,000	146,000	3,800,000
Manpower training activities (Job Corps)	24,820,000	525,000	25,345,000	698,000	7,000	—73,000	25,977,000
Land and water conservation fund	30,741,000	143,000	30,884,000	193,000	124,000	—1,226,000	29,980,000
Appalachian regional development programs, executive	62,000		62,000				62,000
Federal-aid highway trust fund	16,244,000		16,244,000			—244,000	16,000,000
Salaries and expenses, ASCS (naval stores)	100,000		100,000	3,000			103,000
Total, allocated funds	90,111,000	860,000	9,0971,000	1,170,000	377,000	—7,222,000	85,296,000

[1] Includes following rescissions now pending: R75-10—Reforestation and stand improvement, $10,000,000; R75-9—Cooperation in forest fire control, $4,921,000.

[2] Excludes proposed supplemental of $100,000,000 for fighting forest fires.

[3] Following is a comparison between fiscal years 1975 and 1976 on an obligation basis: Cooperative law enforcement: 1975, $4,426,684; 1976 President's budget, $3,936,000.

[4] Following is a comparison between fiscal years 1975 and 1976 on an obligation basis:

	1975 (includes unobligated balance carried forward from fiscal year 1974)	1976 President's budget
Construction and land acquisition:		
Development of recreation-public use areas	$3,276,548	$4,046,000
Water resources development construction	2,552,720	639,000
Construction for fire, administration, and other purposes	1,769,293	2,465,000
Research construction	3,582,933	3,375,000
Pollution abatement	24,466,159	9,290,000
Land acquisition, Weeks Act	1,591,504	1,525,000
Total, construction and land acquisition	37,239,157	21,340,000

Note: Fiscal year 1976 includes following amounts appropriated in fiscal year 1975 which were deferred: Recreation-public use areas, $3,490,000; research construction, $3,375,000.

[5] Amounts shown are not obligations but cash requirements to liquidate obligations. The obligational authority authorized for use in 1976 is $110,600,100. Following is a comparison between fiscal years 1975 and 1976 on an obligation basis:

	1975	1976 President's budget
Forest roads and trails:		
Construction	$119,036,000	$115,194,000
Maintenance	40,070,000	43,344,000
Total	159,106,000	158,538,000
Roads and Trails for States (10% Fund)	—47,003,064	—47,975,000
Net obligations from appropriated funds	112,102,936	110,563,000

SENATOR HATHAWAY TESTIMONY ON SOLAR ENERGY

Mr. MUSKIE. Mr. President, my colleague from Maine, Mr. HATHAWAY presided this week at hearings on solar energy before the Select Committee on Small Business.

His opening remarks of Wednesday were for me most useful in summarizing the views of the small business community on the possibilities for, and roadblocks to, development of this alternative source of energy.

To share his statement with my colleagues, I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

OPENING STATEMENT FOR SENATOR WILLIAM D. HATHAWAY, HEARINGS ON ENERGY RESEARCH AND DEVELOPMENT AND SMALL BUSINESS, PART 1. SOLAR ENERGY, SENATE COMMITTEE ON SMALL BUSINESS, MAY 14, 1975

It gives me great pleasure to continue the hearings that Senator McIntyre and Chairman Nelson began yesterday.

Today we will look into the problem of small business and Federal energy research with witnesses from the Administration.

Yesterday we heard of the problems that small business faces with respect to solar heating and cooling from manufacturers, installers, and researchers. Now we will hear how the Administration proposes to help develop the national solar energy industry.

Our witnesses today come from the newly created Energy Research and Development Administration, the Federal Energy Administration, and the Department of Housing and Urban Development.

ERDA is the lead agency with respect to solar energy research, development, and demonstration. It has assumed these duties from the National Science Foundation.

Together with the Department of Housing and Urban Development, ERDA will spend about $300 million in the next four years to help solar heating and cooling. HUD will concentrate on solar home heating, and ERDA will conduct research and follow-up.

Through its procedures, ERDA will be able to bring small business into the development of solar energy, or it will be able to effectively shut it out.

ERDA, for instance, could write its proposals in such a way that only large corporations could bid.

We know this is not the case; one company in Virginia has already received a large grant from the ERDA procurement office. However, we want to make sure that ERDA continues with this record and does not fall back upon the ability of the Federal bureaucracy to feed research into large corporations or universities, exclusively.

Dr. John Teem will be the witness for the Energy Research and Development Administration. We look forward to his testimony.

We will also hear this morning from the Department of Housing and Urban Development which has authority for residential development of solar energy. Mr. Michael H. Moskow will represent the Department. He is Assistant Secretary of Policy Development and Research.

We will also have Donald Craven, an assistant administrator from the Federal Energy Administration, who will describe the FEA input into solar energy development.

At the hearings held yesterday, we heard from three small businessmen and how they believe solar energy should be developed.

Our first witness, Dr. Jerry Plunkett of Denver, Colorado, testified that a bias against small business exists in the Federal research establishment. He made several strong recommendations for development of solar energy by small business, including retraining the biases of the Federal bureaucrats who work for the gentlemen we will hear from today.

Dr. Plunkett, as President of Materials Consultants, Inc., has worked for several years to try to develop solar energy but has run smack against the Federal Government.

Our second witness yesterday, James Piper, the President of Piper Hydro, Anaheim, California, not only discussed the institutional constraints in developing solar energy with Federal help, but when to the extent of making positive recommendations on the National Plan for Solar Heating and Cooling that the Energy Research and Development Administration will tell us about today.

I think the most telling point in Mr. Piper's testimony was the figures he suggested that ERDA use for solar energy. ERDA plans to spend about $300 million to construct about 4,000 units to be heated and cooled by solar energy.

Mr. Piper suggests that this number could be jumped to almost 130,000 units, including multi-family dwellings that are not considered in the ERDA interim report—with *NO* increase in Federal funding.

Piper, as a small businessman, also suggested that the Energy Research and Development Administration should consider loans rather than direct grants for the development of solar energy. He suggested that the Federal Government should not be funding companies to compete with established solar energy companies. Nor, he said, should the government be funding companies that can roll research and development costs into rate basis as the utilities do today.

Our third witness yesterday, Barney Menditch, suggested that education is the most important point in the development of solar energy.

Menditch runs an air-conditioning and heating contracting firm, and suggested that code development and manuals to show contractors how to install solar energy would encourage builders to use systems that could be rapidly available.

In my home state, Maine, there has been considerable interest in solar energy. The *Maine Times*, a weekly newspaper has suggested development of solar energy, and a company in East Holden manufactures wind-powered systems.

Clearly, solar energy is something we should be developing. I hope our witnesses this morning will be able to inform us how the Federal Government will help to do it.

EXCELSIOR SPRINGS: ALL-AMERICA CITY

Mr. SYMINGTON. Mr. President, earlier this year, one of the fine cities of Missouri, Excelsior Springs, was named an All-America City by the National Municipal League. Excelsior Springs received the award for achievements demonstrating the importance and vitality of local civic activism in effective self-government and action by citizens in their home communities for rebuilding confidence in our total system.

The 12 communities chosen displayed a wide range of local improvements and citizens' confidence in civic interaction. The story of Excelsior Springs typifies the type of constructive involvement necessary within all cities for an ever better America. Both the city and the National Municipal League are to be congratulated for this worthwhile recognition.

I ask unanimous consent that the article detailing the accomplishment of Excelsior Springs from the April "National Civic Review" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXCELSIOR SPRINGS, MISSOURI

Excelsior Springs is in western Missouri, 30 miles northeast of Kansas City. Until mid-century, the small town thrived as a health spa—a resort whose economy depended on its natural reservoir of mineral water. As claims about possible "cures of the waters" evaporated, the community suffered fast decline. In rapid succession, clinics, baths, hotels and rooming houses shut down. As City Manager Bob Campbell observed, "From a peak of over 2,000 employees, in a few short years there were none. Excelsior Springs' economy was as dry and barren as the Great Salt Flats."

All indications were that Excelsior Springs' lifeline had run its oourse. Many citizens, however, were not content to let it quietly slip away. While they had no overall game plan, they were rooted in the community and were determined to revive it. The success or failure of the town depended on their ability to establish a new economic base, improve basic services and respond to social needs.

With these goals firmly in mind, things began to happen. A coalition of citizen groups made breakthroughs in developing new jobs. Their work resulted in the creation of an industrial park, several plant expansion programs and the opening of a job corps for women. The bottom line read: 1,400 new jobs in the community and a favorable climate for new industry and business.

Other citizens laid the groundwork for long-needed service improvements. Cooperation, citizen education and hard work led to overwhelming voter approval of tax increases for multi-million dollar programs vital to the city's future. The accomplishments included construction of a new high school, development of a sewer improvement program, initiation of a massive street repair project, and building of a new hospital facility.

Aware of the community's responsibility to the disadvantaged and elderly, citizens sought to ease their situation. A food program initiated by a housewife provided hot meals daily for 200 elderly residents, including those unable to leave their homes. Also, a high-rise apartment complex for the elderly was completed after much delay, and 50 units of low-income housing units were opened.

A tax increase was approved to pay for an active, year-round, park and recreation program. Over 5,000 people participate yearly in a variety of programs. Two new recreational areas were opened to accommodate expanded needs.

This small town is now thriving. People are no longer afraid to discuss the community's future. Instead, civic improvements have created a confidence which makes citizens demand more from it. Bob Campbell put it best: "The important thing is that all their efforts were in the community good, and when we put it all together, like the proverbial ants, we moved a mountain."

SENATOR CRANSTON'S FINANCIAL DISCLOSURE

Mr. CRANSTON. Mr. President, it has been my custom at the time when rule 41 requires public disclosure of honoraria to make full disclosure of my financial situation. Therefore I ask unanimous consent that the following documents be printed at this place in the RECORD:

First, financial statement as of May 5, 1975.

Second, real estate owned as of May 5, 1975.

Third, 1974 honoraria received.

Fourth, 1974 Federal income tax return.

Fifth, 1974 California income tax return.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 5, 1975.

Financial statement of Alan Cranston

Bank accounts:	
COMMERCIAL	
Wells Fargo, San Francisco, Calif	$124.
First Western, Los Angeles, Calif	1,799.
SAVINGS	
Wells Fargo, San Francisco, Calif	8,118.
Westdale, Los Angeles, Calif	5,000.
Westdale, Los Angeles, Calif	20,064.
Total	35,105.
RECEIVABLE—LOANS AND ACCOUNTS	
Lee Fairbrother (sister-in-law)	7,500.
Bernard and Patricia Snyder (niece)	4,000.
Ervle Bivens (sale of lot)	900.
Cecil Weintraub (sale of ranch)	27,889.
Jeffrey Edmonds (trust, sale of lot and building)	16,137.
Total	56,426.
MISCELLANY	
Beneficial interest in a blind trust	10,500.
Personal property	7,500.
Art objects	2,242.
Cash value of insurance	7,500.
Total	17,742.
Net value of real estate	431,183.
PAYABLE—PERSONAL LOAN	
Eleanor C. Fowle (sister)	13,200.
Net worth	527,260.
RETIREMENT FUNDS	
U.S. Government (cash value)	20,019.20

State of California—monthly annuity of $1,184.

REAL ESTATE OWNED, ALAN CRANSTON, MAY 5, 1975

Description, address and title	Market value	Mortgage due to	Mortgage amount	Net value
Lot and building, 501 San Mateo, San Bruno, Calif. (self, wife).	60, 000	Wells Fargo, San Francisco.	$28, 000	$32, 000
Lot and building, 215 Main St., Los Altos, Calif. (self).	65, 000	do	29, 500	35, 000
Lot and building, 163–165 Main St., Los Altos, Calif. (¼ self).	25, 000			25, 000
Lot and building, 206 Redwood Ave., Fort Bragg, Calif. (⅓ self, wife).	20, 000			20, 000
Lot and building, 318–324 University Ave., Palo Alto, Calif. (½ self).	62, 500			62, 500
Lot and building, 482–490 San Mateo Ave., San Bruno, Calif. (½ self).	62, 500			62, 500
Ranch, Star Route, Smartsville, Calif. (½ self, wife).	25, 000			25, 000
Subdivision No. 2, Thornwood Dr., Sacramento, Calif. (self, wife).	26, 000			26, 000
Co-op apartment, garage (No. 112), 2700 Virginia Ave., NW., Washington, D.C. (self, wife).	146, 500	Watergate, Inc., c/o Cafritz, Washington, D.C.	43, 500	103, 000
Land, Freeway Vineyard Properties, Sherman Oaks, Calif. (1/60 self, wife).	5, 245			5, 245
Land, Simi-Moorpark Prop., Sherman Oaks, Calif. (1/100 self, wife).	13, 515			13, 515
Land and building, Wilshire Growth Prop., Los Angeles, Calif. (1/40 self).	3, 462			3, 463
Land, 5-Area Prop., Los Angeles, Calif. (1/100 self, wife).	5, 000			5, 000
Condominium, 1147 La Verne Way, Palm Springs, Calif. (self, wife).	35, 000	Keystone S. & L., Westminster, Calif.	26, 750	8, 250
Total	554, 722		127, 750	431, 183

Date, payer, description of service (e.g., speech, article), and amount or value:

January 1974, Retail Clerks of America, Article for January issue of Advocate, $1,000.

January 22, 1974, National Association of Homebuilders, Speech, 30th Annual Convention, Houston, Texas, $1,500.

January 28, 1974, Dealer Banker Association, Speech, 2nd Annual Convention, San Diego, $1,000.

February 4, 1974, American Bankers Assn., Speech, Nat'l Trust Conference, San Francisco, $1,000.

March 6, 1974, Hotel Restaurant Employees and Bartenders Int'l. Union, Speech, Legislative Conference, DC, $1,000.

U.S. INDIVIDUAL INCOME TAX RETURN, 1974

Name: Alan and Geneva Cranston.

Present home address: 1147 LaVerne Way, Palm Springs, CA 92262.

County of residence: Riverside.

Your social security number, [redacted]; spouse's social security no., [redacted].

Occupation: Yours, U.S. Senator; spouse's, housewife.

8. Presidential Election Campaign Fund: Do you wish to designate $1 of your taxes for this fund?—Yes.

If joint return, does your spouse wish to designate $1?—Yes.

INCOME

9. Wages, salaries, tips, and other employee compensation: $42,500.00.

10a. Dividends: $762.06, 10b. less exclusion $100, balance, $662.06.

11. Interest income: $5,046.91.

12. Income other than wages, dividends, and interest: $26,817.25.

13. Total: $75,026.22.

14. Adjustments to income: $4,337.16.

15. Subtract line 14 from line 13 (adjusted gross income): $70,689.06.

TAX, PAYMENTS AND CREDITS

16. Tax, check if from: Schedule G, $18,501.00.

18. Income tax: $18,501.00.

20. Total: $18,501.00.

21a. Total Federal income tax withheld: $11,057.08.

22. Total: $11,057.08.

23. If line 20 is larger than line 22, enter balance due IRS: $7,443.92.

OTHER DEPENDENTS

(a) Name: Kim Cranston.

(b) Relationship: son.

(c) Months lived in your home. If born or died during year, write B or D. 1 mo.

(d) Did dependent have income of $750 or more? Yes.

(e) Amount you furnished for dependent's support. If 100% write ALL: $2,714.

(f) Amount furnished by others including dependent: $1,429.76.

27. Total number of dependents listed in column: 1.

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

28. Business income or (loss): $4,500.00.

29. Net gain or (loss) from sale or exchange of capital assets: $4,506.88.

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc.: $17,810-.37.

38. Total: $26,817.25.

ADJUSTMENTS TO INCOME

41. Employee business expense: $4,337.16.

43. Total adjustments: $4,337.16.

TAX COMPUTATION

44. Adjusted gross income: $70,689.06.

45 (a). If you itemize deductions, check here and enter total from Schedule A, line 41 and attach Schedule A: $15,183.10.

46. Subtract line 45 from line 44: $55,505-.96.

47. Multiply total number of exemptions claimed on line 7, by $750: $2,250.00.

48. Taxable income: $53,255.96.

FOREIGN ACCOUNTS

Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? No.

MEDICAL AND DENTAL EXPENSES

1. One-half (but not more than $150) of insurance premiums for medical care: $150.00.

2. Medicine and drugs: $46.00.

3. Enter 1% of line 15, Form 1040: $706.89.

5. Enter balance of insurance premiums for medical care not entered on line 1: $196.68.

6. Enter other medical and dental expenses: a. Doctors, dentists, nurses, etc.: $895.80.

c. Other: Eyeglasses: $57.00.

7. Total: $1,149.48.

8. Enter 3% of line 15, Form 1040: $2,120.67.

10. Total: $150.00.

TAXES

11. State and local income: $2,629.16.

12. Real estate: $2,569.51.

13. State and local gasoline: $29.00.

14. General sales: $401.88.

16. Other: Sales Tax—Auto: $112.50.

17. Total: $5,742.05.

INTEREST EXPENSE

18. Home mortgage: $2,759.45.

19. Other: See schedule: $3,825.84.

20. Total: $6,585.29.

CONTRIBUTIONS

(See instructions on page 11 for examples)

21b. Other cash contributions: $933.

24. Total contributions: $933.00.

MISCELLANEOUS DEDUCTIONS

Excess office expenses: $823.38.

Entertainment: $914.38.

Safe deposit box: $35.00.

34. Total: $1,772.76.

SUMMARY OF ITEMIZED DEDUCTIONS

35. Total medical and dental: $150.00.

36. Total taxes: $5,742.05.

37. Total interest: $6,585.29.

38. Total contributions: $933.00.

40. Total miscellaneous: $1,772.76.

41. Total deductions: $15,183.10.

DIVIDEND INCOME

1. Gross dividends (including capital gain distributions) and other distributions on stock:

No. natural gas, (W), $98.

Idaho Power, (W), $229.68.

So. Bell Telephone, (W), $225.

Wash. Water & Power, (W), $209.38.

(Note—These distributed to Geneva Cranston from estate of her mother, May McMath.)

2. Total of line 1: $762.06.

6. Dividends before exclusion: $762.06.

INTEREST INCOME

7. Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness. (List payers and amounts)

Wells Fargo. S.F. No. 36034–7, $400.99.

West Dale, La.: 029–700049, $1,562.43. 029–301092, $141.86.

Downey, 01039345, $152.72.

Downey, 01039387, $184.97.

I.R.S. Tax Overpayment: $125.07.

Bernie & Patricia Snyder, Note: $207.96.

Ervle Bivens, Note, $8.34.

Cecil Weintraub, Note, $2,222.88.

Blind Trust Savings Account, Employee ID. No. 95–6386048 $39.69.

8. Total interest income: $5,046.91.

Schedule of senatorial expenses and reimbursements

Reimbursements:	
Travel	$1, 054. 80
Office	14, 973. 64
Total reimbursements	16, 028. 44
Expenses:	
Travel	2, 391. 96
Office	14, 973. 64
Cost of living, Washington, D.C.	*3, 000. 00
Total expenses	20, 365. 60
Excess expenses over reimbursements	4, 337. 16

* See attached affidavit.

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 177 days during the taxable year, and my deductible living expenses while in such travel status amounted to $3,000.00.

ALAN CRANSTON.

Schedule of other interest expense

Eleanor Fowle Note	$750. 75
Subdivision Bonds-Thornwood Estates	330. 90

Keystone S & G Westminster	1,802.06
IRS (Sunnyvale)	602.03
Senate Motor Leasing	340.10
Total	3,825.84

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

(Sole Proprietorship)

A. Principal business activity: Honor Aria; product speaking.

B. Business name: Alan Cranston.

D. Business address: Old Senate Bldg., Washington, D.C.

E. Indicate method of accounting: (1) Cash.

F. Were you required to file Form W-3 or Form 1096 for 1974?: No.

G. Was an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1974?: No.

H. Method of inventory valuation: Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories? N/A.

1. Gross receipts or sales: $4,727.55.

5. Total income: $4,727.55.

19. Other business expenses: (b) Travel, $227.55.

20. Total deductions: $227.55.

21. Net profit or (loss): $4,500.00.

CAPITAL GAINS AND LOSSES

SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 6 MONTHS

1. Stock held less than 6 months in blind trust—employee identification No. 95-6386948: $1,273.69.

3. Enter net gain or (loss): $1,273.69.

5. Net short-term gain or (loss): $1,273.69.

PART II—LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD MORE THAN 6 MONTHS

Installment sale—Black Ranch Principle received—$4,110. 62 x 55.2890 gross profit					$2,272.00
Stock held more than 6 months in blind trust—employee ID. No. 95-6386948					2,665.38
Sale of lot:	1959	1974	9,000	7,471	1,529.00
Sale of copper:		1974	259	259	0

11. Net gain or (loss): $6,466.38.

13. Net long-term gain or (loss): $6,466.38.

SUMMARY OF PARTS I AND II

14. Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here: $7,740.07.

15. If line 14 shows a gain—(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller: $3,233.19.

(b) Subtract line 15(a) from line 14: $4,506.88.

RENT AND ROYALTY INCOME

(a) Kind and location of property if residential, also write "R": See Form 4831; (b) Total amount of rents, $42,859.16; (d) Depreciation (explain below) or depletion (attach computation), $4,161.88; (e) Other expenses (Repairs, etc.—explain below), $27,952.94.

2. Net income or (loss) from rents and royalties: $10,744.34.

INCOME OR LOSSES FROM PARTNERSHIPS, ESTATES OR TRUSTS, SMALL CORPORATIONS

See attached schedule: (d) Income or (loss); $7,066.03.

1. Totals: $7,066.03.

2. Income or (loss): $7,066.03.

Total of parts I, II, and III: $17,810.37.

RENTAL INCOME

Property A 215 Main St., Los Altos, Ca.

Property B 163-65 Main St. Los Altos, Ca. (ownership ¼).

Property C 318-24 University Ave., Palo Alto, Ca. (ownership ½).

Property D 206 Redwood Ave., Ft. Bragg, Ca. (ownership ⅓).

Property E (Total from page 2, sked. 4831).

2. Rents received: Property A, $12,679.63; Property B, $2,611.34; Property C, $12,566.71; Property D, $1,898.10; $13,103.58.

3. Total; column (b) $42,859.16.

EXPENSES

6. Cleaning; Property D, $5.

9. Insurance: Property A, $992; Property B, $168.41; Property D, $286.06.

10. Interest: Property A, $2,423.33.

13. Management fees: Property A, $633.97; Property B, $130.57; Property C, $609.16; Property D, $94.90.

15. Repairs:

Maintenance: Property A, $92.50; Property B, $110.97; Property C, $355.22; Property D, $77.91.

Roof: Property 3, $2,740.

Remodeling: Property C, $1,267.32.

Air conditioning work: Property C, $421.23.

Remodel allowance to tenant: Property C, $1,000.

Painting: Property D, $514.15.

18. Taxes and licenses: Property A, $3,682.63; Property B, $973.55; Property C, $2,738.26; Property D, $345.54.

20. Utilities: Property C, $38.66.

21. Other (list):

Lease fees: Property C, $540.

Downtown Association: Property C, $156.87; Property D, $10.

22. Total expenses: Property A, $7,824.43; Property B, $1,383.50; Property C, $9,866.72; Property D, $1,315.56; Property E, $7,562.73.

23. Total expenses: $27,952 94.

RENT INCOME

Property E 501 San Mateo Ave., San Bruno, CA.

Property F 482-490 San Mateo Ave., San Bruno, CA (ownership ½).

2. Rents received: Property A, $5,658.69; Property B, $7,444.89.

3. Total: $13,103.58.

EXPENSES

9. Insurance: Property A, $478; Property B, $1,008.29.

10. Interest: Property A, $2,097.51.

13. Management fees: Property A, $282.93; Property B, $372.25.

15. Repairs (list): Maintenance, Property A, $45.

18. Taxes and licenses: Property A, $1,542.23; Property B, $1,234.37.

21. Other (list): Percent rent refund, Property A, $415.15; lease fees, Property B, $87.

22. Total expenses: Property A, $4,860.82; Property B, $2,701.91.

23. Total expenses: $7,562.73.

PT. III.—SCHEDULE FOR DEPRECIATION CLAIMED ON SCHEDULE E, PT. II, COL. (D)

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
27. Other depreciation:						
215 Main St.	Various	12,846.00	7,920.00	S/L	30	428.00
Improvements	11	4,533.00	4,533.00	S/L		0
Do	1970	2,506.00	2,005.00	S/L	5	501.20
163-165 Main St.	Mar. 26, 1969	6,075.00	956.88	S/L	28	200.69
318-24 University Ave.	October 1957, Mar. 26, 1969	23,205.50	7,497.22	S/L	28	614.83
Improvements	1960	333.25	333.25			0
Do	1965	162.00	162.00			0
Do	1966	187.50	187.50			
206 Redwood Ave.	(1)	(1)	(1)	(1)	(1)	
501 San Mateo	Various	31,500	23,205.00	S/L	25	1,260.00
	do	13,290	11,065.00	200 DB	15	296.81
	do	3,000	1,898.00	200 DB	15	147.00
482-490 San Mateo	October 1957, Mar. 26, 1969	20,113.25	4,676.06	S/L	28	605.35
Improvements	1967	250.00	112.50	S/L	10	25.00
Do	Feb. 1, 1968	125.00	81.25	S/L	5	25.00
Air-conditioning	Oct. 1, 1968	205.00	66.80	S/L	10	20.50
Do	July 1970	375.00	143.75	S/L	10	37.50
28. Total						4,161.88

(1) Fully depreciated.

SCHEDULE TO SUPPORT SCHEDULE "E"

	EI Number	Income (loss)
Partnerships:		
Krag Partnership Ltd	95-615238	(253.41)
Simi-Moorpark Prop Ltd	95-6230970	(2,955,00)
Freeway Vineyard	95-6230969	(383.00)
Wilshire Boulevard growth	95-6318918	(500.00)
Five Area Prop	95-6323158	0
Estates: Estate of Carol D. Cranston	94-625066	11,157.44
Total		7,066.03

INCOME AVERAGING

TAXABLE INCOME AND ADJUSTMENTS

1. Taxable income: (a) Computation year, 1974, $53,256; (b) 1st preceding base period year, 1973, $33,317; (c) 2d preceding base period year, 1972, $46,477; (d) 3d preceding base period year, 1971, $22,577; (e) 4th preceding base period year, 1970, $34,826.

5. Adjusted taxable income or base period income: (a) Computation year, 1974, $53,256; (b) 1st preceding base period year, 1973, $33,317; (c) 2d preceding base period year, 1972, $46,477; (d) 3d preceding base period year, 1971, $22,577; (e) 4th preceding base period year, 1970, $34,826.

COMPUTATION OF AVERAGABLE INCOME

6. Adjusted taxable income from line 5, column (a): $53,256.

7. 30% of the sum of line 5, columns (b), (c), (d), and (e): $41,159.

8. Averagable income (line 6 less line 7): $12,097.

COMPUTATION OF TAX

9. Amount from line 7: $41,159.

10. 20% of line 8: $2,419.

11. Total (add lines 9 and 10): $43,578.

13. Total (add lines 11 and 12): $43,578

14. Tax on amount on line 13: $13,857.

15. Tax on amount of line 11: $13,857.

16. Tax on amount of line 9: $12,696.

17. Difference (line 15 less line 16): $1,161.

18. Multiply the amount on line 17 by 4: $4,644.

19. Total (add lines 14 and 18): $18,501.

21. Tax (add lines 19 and 20): $18,501.

UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS

1. 1974 tax (from Form 1040, line 20): $18,856.

5. Balance (line 1 less line 4): $18,856.

6. Enter 80% of the amount shown on line 5: $15,085.

7. Divide amount on line 6 by the number of installments required for the year (see Instruction B) Enter the result in appropriate columns: Apr. 15, 1974, $3,771; June 15, 1974, $3,771; Sept. 15, 1974, $3,771; Jan. 15, 1975, $3,771.

8. Amounts paid on estimate for each period and tax withheld: Apr. 15, 1974, $2,764; June 15, 1974, $2,764; Sept. 15, 1974, $2,764; Jan. 15, 1975, $2,764.

10. Total (add line 8 and line 9): Apr. 15, 1974, $2,764; June 15, 1974, $2,764. Sept. 15, 1974, $2,764; Jan. 15, 1975, $2,764.

11. Underpayment (line 7 less line 10), or Overpayment (line 10 less line 7): Apr. 15, 1974, $1,007; June 15, 1974, $1,007; Sept. 15, 1974, $1,007; Jan. 15, 1975, $1,007.

Exceptions Which Avoid the Penalty (See Instruction D)

(Farmers and fishermen see Instruction H for special exception.)

12. Total amount paid and withheld from January 1 through the installment date indicated: Apr. 15, 1974, $2,764; June 15, 1974, $5,528; Sept. 15, 1974, $8,292; Jan. 15, 1975, $11,056.

13. Exception No. 1, prior year's tax 1973 tax: 25% of 1973 tax, $2,519; 50% of 1973 tax, $5,038; 75% of 1973 tax, $7,558; 100% of 1973 tax, $10,077.

INDIVIDUAL CALIFORNIA INCOME TAX

Name: Alan & Geneva Cranston, 1147 La Verne Wy, Palm Spg, Ca. 92262.

Your [redacted].

Spouse's [redacted].

Ocupation: U.S. Senator.

FILING STATUS

2. Married filing joint return (even if only one had income).

EXEMPTION CREDITS

6. Personal: $50.

9. Total exemption credits: $50.

10. Wages, salaries, tips and other employee compensation: $42,500.00

11. Dividends—before federal exclusion. Enter total (if over $400, complete and attach Schedule B(540)): $762.06.

12. Interest. Enter total (if over $400, complete and attach Schedule B(540): $5,046.91.

13. Income other than wages, dividends and interest (from line 48): $27,217.06.

14. Total (add lines 10, 11, 12 and 13): $75,526.03.

15. Adjustments to income (from line 54): $4,337.16.

16. Adjusted gross income (subtract line 15 from line 14): $71,188.87.

17. Deductions: Itemized (from line 61) OR Standard ($1,000 if line 1 or 3 checked—$2,000 if line 2, 4 or 5 checked): $12,586.94.

18. Taxable income (subtract line 17 from line 16) Compute tax from Tax Rate Schedule—Enter tax on line 19: $58,601.93.

19. Tax from tax rate schedule: $4,696.21.

20. Total exemption credits: $50.00.

21. Tax liability: $4,646.21.

23. Net tax liability: $4,646.21.

25. Total tax liability: $4,646.21.

28. 1974 California estimated tax payments: $2,020.

30. Total prepayment credits: $2,020.

31. If line 25 is larger than line 30, enter balance due. If it is equal to line 30, enter zero. Pay in full and mail with return to: FRANCHISE TAX BOARD, SACRAMENTO, CA. 95867. PAY IN FULL $2,626.21.

OTHER INCOME

39. Business income (or loss) (attach Schedule C(540)): $4,500.

40. Net gain (or loss) from sale or exchange of capital assets (attach Schedule D (540)): $4,906.69.

43. Rents and royalties: $10,744.34.

44. Partnerships: $7,066.03.

48. Total: $27,217.06.

ADJUSTMENTS TO INCOME

51. Employee business expenses: $4,337.16.

54. Total adjustments: $4,337.16.

ITEMIZED DEDUCTIONS

55. Total deductible medical and dental expenses (from Schedule A(540), line 10): $150.

57. Total taxes (from Schedule A(540), line 21): $3,145.89.

58. Total interest expense (from Schedule A(540), line 25): $6,585.29.

59. Total contributions (from Schedule A (540), line 29): $933.

60. Total miscellaneous deductions (from Schedule A(540), line 40): $1,772.76.

61. Total itemized deductions: $12,586.94.

RECONCILIATION TO FEDERAL RETURN

Dividend exclusion: $100.

Calif. capital gain incr.: $399.81.

ITEMIZED DEDUCTIONS

1. One half (but not more than $150) of insurance premiums for medical care: $150.

10. Total: $150.

TAXES

14. Real estate: $2,569.51.

15. State and local gasoline: $29.

16. General sales: $401.88.

17. Auto license—Excess of registration and weight fees: $33.

20. Other: Auto sales tax, $112.50.

21. Total taxes: $3,145.89.

INTEREST EXPENSES

22. Home mortgage: $2,759.45.

24. See schedules: $3,825.84.

25. Total: $6,585.29.

CONTRIBUTIONS

26. See schedule: $933.

29. Total: $933.

39. Other: Excess office expenses, $823.38.

Entertainment: $914.38.

Safe deposit box: 35.

40. Total: $1,772.76.

DIVIDEND INCOME

Gross dividends and other distributions on stock—List payers and amounts:

No. natural gas (w): $98.

Idaho Power (w): $229.68.

S. Bell Telephone (w): $225.

Wash. Water & Power (w): $209.38.

Total dividends: $762.06.

Taxable dividends: $762.06.

INTEREST INCOME

Interest income—list payers and amounts:

Wells Fargo: $400.99.

Westdale, L.A.: $1,562.43.

Westdale, L.A.: $141.86.

Downey, $152.72.

Downey, $184.97.

I.R.S. overpayment: $125.07.

Bernie & Patricia Synder note: $207.96.

Ervle Bivens Note: $8.34.

Cecil Weintraub note: $2,222.88.

Blind trust savings account: $39.69.

Total interest income. $5,046.91.

PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION

Principal business activity: honoraria; product, speaking.

Business name: none.

C. Federal employer identification number: none.

Indicate method of accounting: cash.

Were Forms 591, 592, 596 and 599, for the calendar year filed (if required)? No.

Method of valuation: none.

1. Gross receipts or sales: $4,727.55.

3. Gross profit: $4,727.55.

5. Total income: $4,727.55.

19. Other business expenses (specify): (a) Travel, $227.55.

(h) Total other business expenses, $227.55.

20. Total deductions, $227.55.

21. Net profit (or loss): $4,500.00.

CAPITAL GAINS AND LOSSES

Assets held 1 year or less

1. Stock in blind trust No. 95–6386948: $1,273.69.

4. Net gain or loss: $1,273.69.

Assets held more than 1 year but not more than 5 years

5. Blind trust No. 95–6386948: $2,665.38.

8. Net gain or loss, combine lines 5, 6 and 7: $2,665.38.

Assets held more than 5 years

9. Sale of lot: b. Date acquired (mo., day, yr.), 1959; c. Date sold (mo., day, yr.), 1974; d. Gross sales price, $9,000; e. Cost or other basis as adjusted, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale, $7,471; f. Gain or loss (d. less e.), $1,529.00.

Sale of copper: d. Gross sales price, $259; e. Cost or other basis as adjusted, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale, $259.

Installment sale—Black Ranch, 1974 principal=$4,110.62 × 55.28% gross profit: $2,272.00.

12. Net gain or loss: $3,801.00

Summary of capital gains and losses

13. Enter amount from line 4: $1,273.69.

14. Enter 65% of the amount on line 8: $1,732,50.

17. Combine the amounts shown on lines 13, 14, 15 and 16: $4,906.69.

18. If line 17 shows a gain, enter here and on page 2, Part II of Form 540 or 540NR: $4,906.69.

RENT AND ROYALTY INCOME

(a). Kind and location of property: from Form 4831, (b). Total amount of rents, $42,859.16; (d). Depreciation (explain in Part V) or depletion (attach computation), $4,161.88; (e). Other expenses (explain in Part IV), $27,952.94.

1. Totals: (b). Total amount of rents, $42,859.16; (d). Depreciation (explain in Part V) or depletion (attach computation), $4,161.88; (e). Other expenses (explain in Part IV), $27,952.94.

2. Net income (or loss): $10,744.34.

INCOME OR LOSSES FROM PARTNERSHIPS AND ESTATES OR TRUSTS

(a). Name and address: see schedule, (d). Partnerships income, $7,066.03.

Totals: $7,066.03.

THE UNITED STATES AND THE UNITED NATIONS

Mr. PERCY. Mr. President, for 4 days over the past 2 weeks, the Committee on Foreign Relations has been holding a series of hearings on "the United States and the United Nations." The list of distinguished witnesses announced by the chairman of the committee on April 29, 1975, in the CONGRESSIONAL RECORD, have presented stimulating and interesting statements that I commend to every Member of the U.S. Senate.

I, therefore, ask unanimous consent to have printed in the Record the prepared statements of the following witnesses to date:

May 7—*The U.S. Role in the U.N.: the Vision and the Reality:*

Harold E. Stassen, Member of the U.S. Delegation to the United Nations Conference on International Organization, San Francisco 1945.

Henry Cabot Lodge, former U.S. Representative to the United Nations.

Arthur Goldberg, former U.S. Representative to the United Nations.

Charles W. Yost, former U.S. Representative to the United Nations. (No prepared statement.)

May 8—*The U.N. in the Seventies:*

The U.S. Role Today: Senator J. W. Fulbright, former Chairman, Committee on Foreign Relations; sponsor of the Fulbright Resolution of 1943.

Is the U.N. Working?:

Richard N. Gardner, Henry L. Moses, Professor of Law and International Organization, Columbia University.

Abraham Yeselson, Chairman, Political Science Department, Rutgers University; author, *A Dangerous Place: The United Nations as a Weapon in International Politics.*

Joseph Segel, Chairman, Board of Directors, United Nations Association; U.S. Alternate Representative to the 29th U.N. General Assembly.

C. Maxwell Stanley, President, Stanley Foundation.

Wednesday, May 14—*The Impact of Détente:*

William F. Buckley, Jr., Editor-in-Chief, the National Review; Alexander Dallin, Professor of Government and History, Stanford University.

The Impact of the Third World:

Richard A. Falk, Professor of International Law and Practice, Princeton University.

Thursday, May 15—*The United Nations: Other Visions:*

Buckminster Fuller, Architect.

Richard Scammon, Elections Research Center (No prepared statement).

Bruno V. Bitker, Chairman, American Bar Association Advisory Committee on World Peace through Law, Milwaukee, Wisconsin.

Pauline Frederick, former U.N. corespondent for NBC.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement of Harold E. Stassen

Honorable Chairman, Members of the Committee: Responding to your invitation to testify at this hearing on the subject "The United States Role in the United Nations: The Vision and the Reality", may I first of all commend the Committee for addressing itself to this subject at this critical hour in the conduct of our foreign relations.

The very serious adverse consequences in recent years arising out of our foreign relations are in my view a direct result of an excess of unilateral, bilateral, and individualistic conduct of our foreign affairs.

These unfortunate results are causing some tendency to turn inward and to increase isolationist sentiments.

What we need urgently is a turn toward a greater use of open multilateral and United Nations' centering of the conduct of our foreign policy.

These latter methods may at first seem more difficult, but in the modern world they are the only sound road toward true progress.

The unilateral, bilateral, and individualistic methods may at first seem easier and more productive, but they nearly always lead to tragedy and disaster.

The United States should take the lead in making the United Nations more adequate, rather than bypassing and downgrading it.

When we drafted and signed the United Nations Charter in San Francisco thirty years ago, we anticipated that it would need modernizing and strengthening in the future. Such improvement is overdue.

My own views in this respect were expressed in a national broadcast on NBC on July 5, 1945.

The late distinguished Senators Tom Connally and Arthur Vandenberg, both former Chairmen of this Committee, and both also signers of the United Nations Charter, had similar views.

Before proceeding to give my views on the needed improvement of the Charter, may I make a few concise points of overall perspective.

There will be a continuing need for the United States to be militarily very powerful and very alert.

The United Nations organization as now established is inadequate, but it nevertheless represents humanity's best hope for future world peace.

With the many far reaching events of the past three decades, it is probable that if there had not been any United Nations organization, there would have been a catastrophic third world war before this date.

May I now give a summary of my recommendations for modernizing, improving and strengthening the United Nations Charter for the decades ahead. A few years ago I drafted a complete proposed Charter for study purposes. It has now been updated, and I will provide a copy to the Committee for review by its staff.

The major revisions from the present Charter are as follows:

1. Change the concept of the organization to universal inclusion of all humanity, and toward that end, revise the preamble, and open the membership.
2. Set up a new Central Council of Ministers with weighted voting to effectively reflect and act for the world situation, and to stand between the veto power in the Security Council and the one-state, one-vote assembly.
3. Create a new World Court of Equity, as an additional court, with broader and special jurisdiction to add to the functioning of the judicial decision side of world affairs.
4. Add two additional organized methods for reaching settlements of international disputes, through the establishment of a World Board of Arbitration and a World Panel of Mediators, and provide for a notification of the Secretary-General of all pending disputes.
5. Require the ratification of three-fourths of an expanded list of major permanent members to become effective. The expanded list includes Japan, India, Brazil, and the two German Governments, as well as France, the United Kingdom, China, the USSR, and the United States of America.
6. Formally take sovereignty over those areas of the sea bed and of outer space which are outside of national sovereign jurisdiction.
7. Initiate affirmative objectives and methods for the safe-guarding of the environment against pollution, and for the fuller enjoyment of life by all humanity of all races.
8. Establish a new substantial regular method of financing the organization through a one percent duty on all international movement of tangible goods, materials, and machinery.
9. Provide for a United Nations Peace Force which is distinct, well-prepared, elite, and not composed of national units.

It will, of course, take several years to make such changes in the Charter, but even the beginning of the process will have a constructive effect.

It is urged, respectfully, that this Committee take a leading role in bringing about a new United States leadership toward strengthening and modernizing the United Nations, and toward a larger use of multilateral methods and principles in the conduct of the foreign policy and foreign relations of the United States.

May I also suggest that there should be too deep a feeling of gloom about the present situation. In a very real sense, our country is continuing to suffer from the traumatic consequences of the tragic assassination of President John F. Kennedy. Such an event has a penetrating and pervasive effect upon our country. We will come through this period, but it takes time and understanding.

Our founding principles of individual freedom and of the worth and dignity of each person, are as valid today as they were two centuries ago, and their application with intelligence and integrity to all humanity on this earth, under God, continues to be the best road to world peace with justice.

Statement of Henry Cabot Lodge

One self-evident fact about the world is that its most difficult and dangerous problems—be they of health, or economics, or energy, or pollution, or, of course, of war and peace—can only be solved on an international basis. Individual nation-states—even as big as the United States and the Soviet Union—cannot successfully cope with these problems alone.

Yet one self-evident paradox about the world is that the United Nations—the international organization created precisely for the purpose of finding international solutions—often receives a massive vote of no confidence in various American opinion polls, even though a majority does not want to abandon it. Consider these figures: in 1951 only 43% of the American people, according to the Gallup poll, were satisfied with the progress of the United Nations. In 1959, the Gallup poll showed that an all-time high of 87% thought the U.N. was doing a good job. But in 1971 this had fallen to a low of 35%. Ambassador Scali, in 1973, spoke of a poll indicating that only 34% of the American people thought the U.N. was doing an effective job. At U.N. headquarters in New York the number of visitors fell from 1,116,000 in 1967 to 765,000 in 1972—a record low. And in 1973 the number was 13% lower. A recent poll of the new 94th Congress by the United Nations Association shows that only 15% of our congressmen thought that the U.N. was helpful to our international relations. This critical attitude of people in the world's biggest and most powerful country is a deadly serious threat to the U.N.—and to our hope for peace.

I therefore ask you to consider the United Nations—its successes, its failures and its future prospects.

Herewith my list of U.N. pluses and minuses:

In the past twenty-five years the U.N. has given important help in these situations: the withdrawal of Soviet troops from Iran in 1947; the communist withdrawal from Greece in 1949; resisting the aggression in Korea in 1950; the cease-fires and withdrawals in the Middle East in 1956 and 1957 and again in 1973; cease-fire or truces in Indonesia, Kashmir, Cyprus; ending outside interference in Lebanon's internal affairs in 1958; preventing the Congo from becoming a cause of confrontation between the great powers in 1960; ushering the erstwhile colonies of Africa into the family of nations; and creating a new U.N. emergency force October 25, 1973, which was followed on October 27 by Egyptian-Israeli meetings for the first time in seventeen years. The new UNEF differs from the one created in 1956 in that it can only be removed by a vote of the Security Council and that Poland, a communist power, is to be a member. These are improvements, even though the road is still full of boulders.

Now for another big plus:

The first priority at the U.N. is peace and security. The second, far ahead of any other, should be economic and social development. Along these lines, the United Nations Development Program, by pre-investment surveys and technical education, has advanced the fundamentals of a good life: food, shelter, health and education. Because it is done "multilaterally" (many nations working together) rather than "bilaterally" (the United States working with one country alone) $1 of input by the United States generates more than $6 worth of actual development work. Thus, our proportion gets smaller and the recipient nations' proportion gets greater because the U.N. Development Program (which includes such worthwhile "specialized agencies" as the World Health Organization and the Children's Fund) gets more and more people "into the act". Much, but not all, of our own bilateral AID program for economic and social development abroad could, I believe, be channeled through U.N. agencies, with advantage to us and to the recipient nation.

So much for the pluses. Here are some undeniable minuses:

With the advantage of hindsight, one can now say that much trouble would have been avoided if, before the French left Indochina, we had used the United Nations in the early 1950's, somewhat as the U.N. acted in the Congo in 1960—as an international presence to prevent the area from becoming the cause of big power involvement. The U.N. later did nothing about Vietnam: because it lacked the tools and the will. Also, the communist powers, notably North Vietnam and the Soviet Union, opposed bringing the Vietnam question into the U.N.

To go on with the minuses, in 1956 the Soviet aggression against Hungary could not be stopped by any method short of a war. In 1968 Czechoslovakia could not be protected against a Soviet take-over. In 1971, the U.N. did not make a determined effort to persuade the government of Pakistan to cease its brutal behavior towards East Pakistanis. Nor did the U.N. prevent—or try to prevent—India from invading East Pakistan. These are all U.N. failures. In all candor can we doubt that these failures would have occurred even if there had been no U.N.?

There are other defects: voting does not correspond with the ability to carry out the things which are voted; there is an alarming tendency not to consider questions on their merits, but to vote as blocs; the lateness in starting the meetings; the windiness of the oratory; the lack of germaneness and the much too lengthy so-called "debates" all make a bad impression.

There can today in our U.N. of 132 members be little confidence that even if a clear and unambiguous case of aggression came before the Security Council or General Assembly, a majority of the members would treat it as such and would come to the aid of the victim.

Finally, I cite the vote (105 to 4 with 20 abstentions) at the last session which recognized the PLO as the sole representative of the Palestine people and gave Mr. Arafat honors proper to a chief of state—an outrageous event which, understandably, infuriated so many people that some are talking about the U.S. withdrawing from the U.N. I do not think it would be wise to withdraw. This suggestion reminds me of the man who stuck his head out of the window, found the weather was insufferably hot, and proceeded to break the thermometer. The cure for the U.N.'s trouble is not to leave it, but to reform it.

The members of the U.N. should wholeheartedly work for a rapid growth in its effectiveness. They should change the U.N. so that voting more nearly corresponds with the ability to carry out the things which are voted. Many detailed changes are proposed in the Report of the President's Commission on the Twenty-Fifth Anniversary of the U.N. published in 1971. I cite a few: small states should renounce their right to vote and become associate members; if any state pays less than one-tenth of one per cent of the U.N. budget, it would become an associate member; the United States would commit itself in electing members of the Security Council to place primary emphasis on the contributions which the candidate can make; half of the ten elected seats in the Security Council would be rotated among the larger states.

A nation like Japan would always be a member of the Security Council. Members should rededicate themselves and strengthen their determination actually to suppress aggression—which, after all, is what the U.N. is all about, and which so many have forgotten. Remember Churchill's words that peace is not promoted by throwing small nations to the wolves. I have no illusions about the difficulty of bringing about these changes, but I believe that an eloquent effort to do so is very much worth making.

Since 1945, it is said, there have been fourteen international and twenty-four civil wars—all with substantial casualties. The world is still a dangerous place. We need the U.N.

THE U.S. ROLE IN THE U.N.: VISION AND REALITY

(By Arthur J. Goldberg*)

I thank this distinguished Committee for the opportunity to present my views on this important subject.

The United States in relation to the United Nations expects too much and demands too little. This dichotomy requires an explanation.

The people of this country expect the UN to fulfill its great goal—to save succeeding generations from the scourge of war.

This great concept of the unity of nations to keep the peace and achieve universal economic justice was born out of the optimism of victory in World War II. It reflected the conception that the World War II partners of different political systems and widely divergent ideologies would submerge their differences in the interests of international peace, security, and progress and would yield enough of their sovereignty to enable the world organization to take effective and collective action to these ends.

Regrettably, the optimism of the Charter turned out to be excessive.

American expectations also were founded on a lack of appreciation of what was already under way when the victorious powers met in San Francisco to adopt the UN Charter—the end of colonialism and the emergence of more new nations than those assembled in the Opera House.

The majority of the nations which met in San Francisco to adopt the UN Charter were of the West; the Communist block was in the minority, and the third world was virtually non-existent. Thus, in the early days of the United Nations, it is not too much to say that we and our Western allies ran the show.

Although we had advance warning as a result of experiences with the Soviet Union during World War II, we did not anticipate the hostile attitude of the Soviets and their satellites at the UN; and we certainly did not foresee the intense resentment of the new nations to colonial powers and the fact that they regarded us to be one. After all, we were in the vanguard to free India from British rule and Indonesia from Dutch domination, and the same was true of some other countries.

I need not detail what is a matter of record, the declining influence of the United States in the United Nations as a result of these developments.

We lost our majority in the General Assembly to the third world and to the Communist block, which has all too often exploited the grievances, justified or without warrant, of the new nations, newly freed from colonialism.

Life at the United Nations, therefore, has become increasingly difficult for the Representatives of the United States to the United Nations. All of them have smarted under attacks, some justified and some unjustified, against the United States. And all, I am sure, nostalgically recall the halcyon days when the United States and its allies were the UN majority.

Our response to this change is understandable, if not always wise. This response is the product of frustration. Why should the United States be singled out for attacks which, by our lights, the Soviets on many counts merit far more than we?

We, like all nations, are a proud country, and properly so; nations, like people, do not relish insults, even of a rhetorical kind. We may console ourselves by the old saying—sticks and stones may break your bones but words will never hurt you—but we do not like to be called bad names. Nations, like persons, are human after all.

Dr. Patrick Moynihan, who, according to press reports, will be our next Representative to the UN, has recently written an article for Commentary Magazine in which he says, in effect, that we have been delinquent in not facing up to these attacks forthrightly, rebutting them and putting our policies in proper context. My friend and former colleague, Dr. Moynihan, is mistaken in this regard. Every American Representative to the UN from its beginnings has attempted to do this.

After reading Dr. Moynihan's article, I reviewed my own speech-making at the UN—a painful task in light of the number of the speeches I delivered during three years of tenure. Upon re-reading this record, I found that it is replete with the exercise by me of my right to reply—replies addressed not only to the Communist block but to a great many of the third world nations as well.

But the problem extends beyond rhetorical exchanges. These, however distasteful, can be lived with, particularly since the General Assembly constitutionally can only recommend. It is the Security Council which decides and there we have a veto.

But the General Assembly and some of the specialized agencies of the UN, such as Unesco, recently have gone beyond words. They have been taking action in violation of the UN Charter and this, along with other shortcomings and failures of the UN, warrants a reassessment by us of American attitudes towards the world organization.

I have come to the conclusion, expressed in my opening sentence, that we must moderate our expectations as to the UN's capacities to make and keep the peace in this troubled world and ensure economic and social justice. We must accept the UN for what it is—a useful instrument to implement a political consensus, by the superpowers in particular; a forum to ventilate grievances by the third world; and an agency to study and promote economic and social progress. The United Nations is not a world government, and, though important and at times helpful in keeping the peace and providing economic and social aid and assistance, its capacities, even in these areas, are limited.

---

* Permanent Representative of the United States to the United Nations, 1965–1968.

But while moderating undue expectations, we must also insist upon observance by all nations of the fundamental provision of the UN Charter when action is taken.

We must not demand too little of the UN and its specialized agencies, while recognizing the limitations of the United Nations.

Specifically, we have the right to demand that all member states refrain from unconstitutional action—action contrary to the explicit provisions of the Charters of the United Nations and its agencies.

Let me illustrate by a simple example: There is a movement under way to deny Israel its proper place in the General Assembly and in the specialized agencies.

Action of this character is plainly unconstitutional and contrary to the Charter. Under Chapter Two of the Charter,(a member of the United Nations "may be expelled from the exercise of the rights and privileges of membership in the General Assembly (only) upon the recommendation of the Security Council." This is a very plain provision. One need not be an international lawyer or jurist to interpret it. The General Assembly is simply without power to exclude a member from its deliberations until and unless the Security Council so recommends.

The United States, therefore, has every right to insist that this provision not be annulled by a majority at the Assembly. The United States and a few Western powers did vote against the exclusion of South Africa from last year's General Assembly deliberations. I hold no brief for South Africa; its apartheid policy is utterly abhorent to me, as I made clear during my tenure at the UN. But South Africa, notwithstanding, like all member states, is entitled to constitutional due process, and it was denied.

In any event, Israel does not practice apartheid. The Security Council has made no finding that Israel has not complied with Resolution 242, the bedrock of a Middle East settlement. No ground, therefore, exists for Israel's exclusion from the General Assembly or the specialized agencies of the UN.

The United States, if it is faithful to the UN Charter, has the right, therefore, to demand that the proposal to deny Israel its proper place in the Assembly be abandoned as unconstitutional. And, to make this demand creditable, the United States should make it clear, before this proposal gains further momentum, that, if Israel is unlawfully denied its proper seat in the Assembly, the United States will not only vote against but, if the Assembly notwithstanding persists, will not participate in the Assembly deliberations. (It goes almost without saying that we should keep our Security Council seat, not repeating the great Soviet mistake at the time of the Korean conflict.)

I believe that a firm declaration to this effect by the United States, not by way of threat but by a simple statement of intention, would suffice to bring home to all concerned that we are serious about observance of the Charter provisions about the rights of members which, like the franchise in our democracy, goes to the very basis of the UN's existence. But if such action by the United States does not appear likely to ensure Charter compliance, we should also make it clear that we are prepared to take the further step of freezing our pro-rata contribution to Assembly expenses if Israel is illegally denied its seat in the Assembly.

Under ordinary circumstances, I am not a great advocate of swinging a big stick; but the United Nations will not survive if its basic law is violated by a majority in a matter of transcendent importance, such as the rights of members.

There is another thing we have a right to demand. We have a right to insist that the Secretary General forthrightly declare against this and other egregious violations of the Charter. The Secretary General is the principal executive officer of the United Nations. He is its leader and in a very real sense is the custodian of the Charter. A timely declaration by the Secretary General on occasion may offend the majority or the minority, depending upon the circumstances, but a Secretary General should not attempt to please the majority, or us, or anyone else where the integrity of the Charter is at issue.

It is far more likely that the United Nations will sustain irreparable harm from excessive caution on the part of the Secretary General than from courage in insisting on compliance by all member states with the fundamental law of the organization.

I conclude by reiterating my thesis. American foreign policy towards the UN should lower its sights about unrealistic objectives and raise them about essential demands. Both the United Nations and the United States will be better served by such a policy.

STATEMENT OF SENATOR J. W. FULBRIGHT, FORMER CHAIRMAN, COMMITTEE ON FOREIGN RELATIONS

Mr. Chairman, I appreciate the invitation to testify before this great Committee on this most important issue.

As you know, since my first year in the Congress in 1943 I have had a deep and continuing interest in persuading our own country as well as other countries to discuss and to negotiate, rather than use force, to resolve differences which arise from time to time.

The experiences which we and the world have suffered in the intervening years have strengthened my conviction that there is no rational alternative to the principles and procedures of the United Nations. The development of the hydrogen bomb has removed any doubt from rational minds that the periodic breakdown of the old international system of sovereign states, precariously balanced in a chaotic and lawless arena, is no longer good enough. Incineration by nuclear weapons just is not glamorous or appealing, even to the most romantic of our cold warriors, so I again repeat there is no rational alternative to the U.N.

I wish to commend Senators Symington and Percy for their reports to this Committee on their service in the 29th Session of the U.N. General Assembly. I was pleased that both of these distinguished Senators concluded that the U.N. should be supported more vigorously by the U.S. I especially commend Senator Percy for suggesting this review by this Committee of the United Nations and its work.

I should like to suggest that Americans especially should be patient and understanding with the U.N. Our own Congress is about as near to or similar to the U.N. as any significant political institution in the world. For 200 years, it has survived some tough trials and many tribulations, but it still functions to our advantage. The analogy is not close, nor conclusive; it simply suggests that discussion and compromise is the only known alternative to oppression and bloodshed, so I hope we will not abandon the U.N. but on the contrary, we should seek to use it and strengthen it.

One example of our neglect is our failure to respond in any way to the creation of the United Nations University to be established in Japan. The Japanese Government, I am informed, has pledged $100 million to the University, but the United States has so far taken no action whatever.

It will not be my purpose this morning to suggest any sweeping changes in the United Nations Charter or any of our other international institutions.

Rather it will be my purpose to urge a sweeping change in the U.S. Government's attitude towards, and its use of, these institutions.

Never before has it been clearer that the unilateral and bilateral diplomacy that has been our tool in recent years is not adequate to cope with regional and world-wide problems. The debacles in Southeast Asia demonstrate vividly the limits of such action, hopefully for all times. As I have said so many times, the United States cannot be the policeman of the world. The only alternative is collective action and multilateral diplomacy—the principal arena for which is the United Nations.

This, of course, is what we had intended the U.N. to perform when we joined the United Nations. It is as hard to pinpoint just where or when we began to shun involving the U.N. in our problems as it is to fix a date for our involvement in Vietnam or the time of the shift of power from the legislative to the executive branch. But it seems to me to be of the same pattern. Just as the executive branch was gradually freezing the Congress out of the foreign policy making process, so was it equally determined not to tolerate any scrutiny of its policies and actions by the United Nations.

This is a far cry from the late 1940's and early 1950's when foreign aid legislation contained provisions ending these programs whenever the United Nations could take over and when our mutual security treaties contained a standard article: "This Treaty does not affect . . . the responsibility of the United Nations for the maintenance of international peace and security."

Some will argue that the coolness that has developed on our part towards the United Nations was a response to the growth and unmanageability of the institution, particularly the General Assembly. But that is somewhat like the chicken and egg argument. Did the General Assembly become what it has because its recommendations were being ignored or did we start ignoring it because it would not do our bidding and dared criticize our actions? I rather favor the former explanation because it opens the way to corrective action on our part through a change in our attitude toward the United Nations.

I may have become somewhat preachy about the United States having to stop trying to remake the world in its own image but I believe this attitude was a factor leading to our present isolated stance in the United Nations.

As soon as we sensed that we were losing control over the United Nations and that member nations did not buy our view of the world and what should be done, we abandoned the U.N. as a major channel for American foreign policy and chose to take upon ourselves the responsibility for maintaining international peace and security.

What, however, would have happened if our attitude had been to try to put ourselves in the shoes of the developing and nonaligned countries? Could we not have avoided the polarization of the General Assembly and our subsequent isolation from the mainstream of world opinion? Was "the tyranny of the majority" that is now so decried a product of our own making? A backward glance would seem to be in order.

The United Nations was intended to be the world's instrument for peaceful change but our nay-saying of recent times has thwarted that purpose.

Long-term frustrations over the developing countries' inability to produce change through the United Nations in the areas of economic development, human rights and disarmament, no doubt played a role in producing the bloc-voting now noted. When one recalls, for example, that questions relating to South Africa have been considered by the General Assembly since 1946 without an appreciable change in conditions there, one can understand the frustration of the majority that vented itself in the vote to suspend South Africa's membership. Perhaps the Charter of Economic Rights and Duties was a reaction to the developed countries unwillingness and/or inability to devote even 1% of their gross national product to the development of others, and similar wealth-sharing proposals. I regret the use of gross national product as a criterion, as it is a very poor one. This is not to approve of these actions but to place them in the perspective of past General Assembly recommendations that led nowhere. I may add that I have grave reservations about bilateral development assistance.

The General Assembly has always served as a forum of world public opinion and an arena for moral judgments. Condemnation is a part of its functions. Indeed, the United States in the cold war days and at other times has used it in this fashion. The assumption, however, that the moral weight of world opinion expressed through the General Assembly, would have a moderating effect on the deplorable events and practices has not been borne out by events. As the United Nations ages and long-term problems continue on the agenda year after year without solution, the temptation to the majority to do something drastic just for the sake of "doing" may get progressively greater. The unenforceability of General Assembly resolutions is one member's protection but another member's frustration. In sum, after almost 30 years of resoluting to no avail the pressures for bending the provisions of the Charter and the Rules of Procedure have temporarily become too great.

Perhaps as a result of their inexperience, the newly independent nations have a much more relaxed or liberal view of the charter than the Western bloc. The United States especially seems to be cast in the role of a "strict constructionalist." This was not always so, as the U.S. is now often and rightly being reminded. At the height of the Stalinist period of the Cold War, frustrated by interminable Soviet vetoes in the Security Council, we took a very wide view of the Charter and led a move to shift power from the Security Council to the General Assembly through the adoption of the "uniting for Peace Resolution" of 1950 which stated that—

"If the Security Council, because of lack of unanimity of the permanent members, fails to exercise its primary responsibility for the maintenance of international peace and security in any case where there appears to be a threat to the peace, breach of the peace, or act of aggression, the General Assembly shall consider the matter immediately with a view to making appropriate recommendations to Members for collective measures, including in the case of a breach of the peace or act of aggression the use of armed force when necessary, to maintain or restore international peace and security."

At that time, this resolution was questioned by some as being a disguised amendment to the United Nations Charter and every possible legal argument was advanced by the United States to support the position that the General Assembly did have the power to adopt such a far-reaching resolution. In a way, the shoe is on the other foot now, and it is not becoming of us to be holier than thou and preachy about the Rules of Procedure and the United Nations Charter generally. The Charter, as our own Constitution, should be regarded as a living charter.

Similarly, the shoe would seem to be on the other foot as far as the "automatic majority" is concerned. As Ambassador Malik was quick to point out the U.S. invented the automatic majority. "I was a victim of the tyranny of the majority during the Cold War at the U.N.," he said recently.

Aside from the Charter of Economic Rights and Duties, the tyranny of the majority most deplored was the suspension of South Africa, the invitation to the Palestinian Liberation Front to address the General Assembly and its subsequent acceptance as an "observer" at the U.N. These issues all involve in some way the concept of the universality of the United Nations. If the "town meeting of the world" view of the United Nations has any validity, then it should be acceptable to hear from representatives of liberation movements. And indeed, they have been heard for years in various General Assembly committees—from Puerto Rico to Southwest Africa to the Portuguese colonies and elsewhere.

The suspension of South Africa, on the other hand, flies in the face of the principle of universality and the Charter. In this connection, I have to note with regret the vigorous battle waged by the United States last year at the General Assembly to keep the Lon Nol government seated and deny any role to the Khmer Rouge and Prince Sihanouk. We won our case by a vote of 56 to 54. What a phyrric victory! This exemplifies what I mean by changing our attitudes and adjusting to rising forces. We should view the United Nations as the forum where all sides can be heard and direct communications between antagonists should be feasible. Nothing tragic would have occurred if Prince Sihanouk or his representatives had been heard at the General Assembly meeting. On the other hand, perhaps some good might have come out of trying to bring the parties together. But, we did not want anyone to interfere with us in Southeast Asia.

Among other attitudes that I would like to see change is the image of the "poor loser" that we have acquired. We are taking ourselves too seriously at the United Nations. It seems to me that the Great Power role has gone to our head and we have not learned to take the brickbats and setback philosophically and the tail-tweaking with good humor. When opposed, we pick up our marbles and go off to play by ourselves, making the situation only worse.

Again I submit that a case can be made for arguing that we brought the "automatic majority" upon ourselves.

The change in attitude is all the more important now that the United States Government, or at any rate the legislative branch of it, is looking toward the United Nations to help deliver humanitarian assistance to Southeast Asia. This should be the first step in turning to the United Nations for the solution of other problems in the political arena, such as the Middle East, as I have long advocated.

The hour is most appropriate for a return to greater reliance on multilateral institutions and processes for easing the world's growing pains and bringing about peaceful change. The United States should seize the opportunity positively, constructively, and with a sensitive appreciation of other nations' needs and yearnings. After all, we were revolutionaries ourselves once, committed to undoing the status quo.

It is essential that we distinguish clearly between the United Nations as envisioned by the framers of the Charter in 1945, and the organization that actually functions in New York today. The one represents the UN *idea*—the conception of a responsible, effective international peacekeeping organization. The other—the UN as it operates today—is something quite different—it represents the abandonment of the original UN idea.

I emphasize the "abandonment" not the "failure" of the original UN idea, because a plan cannot be said to have failed when no serious effort was ever made to implement it. The essentially powerless, and sometimes irresponsible, assemblage of nations which is the UN today is not the result of any inherent defect in the UN Charter or the conception on which it is based. It is rather the result of our deep mistrust of the UN idea, of our fear and refusal almost from the outset to put even a small measure of our trust in international institutions.

We are all aware of the contempt in which the Soviet Union held the UN in the immediate aftermath of World War II. But we are less aware of the negative attitude of the Truman Administration, which almost certainly would have given the world organization short shrift but for the "automatic majorities" which enabled us in those days to use the world body for our own purposes. Dean Acheson, who was perhaps the principal architect of American foreign policy in the early post-war years, told an interviewer in 1970: "I never thought the United Nations was worth a damn. To a lot of people it was a Holy Grail, and those who set store by it had the misfortune to believe their own bunk."

As one who did then, and still does, believe that "bunk," I contend that there is nothing more important in our foreign policy—nothing more essential to our national interest—than a renewed, belated effort to breathe life into the now enfeebled world organization. This is not, I emphasize, to place our trust in the UN as it operates today; it is rather to make a concerted effort to revive and implement the original UN idea.

The way to do this is by making the Security Council and other UN organs the central forum of our foreign relations, particularly on matters of pressing import like the Middle East. I would think it most important to conduct the prospective Geneva conference under clearly delineated UN auspices. But more important still the UN can play a central role in the solution of the Arab-Israel conflict—through the use of permanent international forces to patrol demilitarized zones; UN teams to inspect and oversee compliance by both sides with the terms of a settlement; and finally by providing appropriate guarantees of the overall settlement.

I am well aware of the low esteem in which the UN is held by Israel and perhaps others, but a UN guarantee would also be a great power guarantee, more specifically a Soviet-American guarantee, and that, one hopes, would inspire some measure of confidence. The point is that the great nations can vest power in the UN by lending it a measure of their own.

Even without the immediate cooperation of others there is much else the United States could do to breathe life into the United Nations. We could make it national policy to appoint men or women of eminence and power—with the prestige of the late Adlai Stevenson or the late Senator Robert Taft—as our representatives in the United Nations. We could make it national policy to refrain from using our veto in the Security Council.

We could make it known to other great powers that the United Nations is our preferred forum for negotiations on arms control and other crucial issues. And we could take the lead in negotiating those long-neglected agreements called for by Article 43 of the Charter, under which members would "make available to the Security Council . . . armed forces, assistance and facilities" to deal with threats to and breeches of the peace.

There is very little in international affairs about which I feel certain but there is one thing of which I am quite certain: the necessity of fundamental change in the way nations conduct their relations with each other. There is nothing in the human environment, as Adlai Stevenson once reminded us, to prevent us from bringing about such fundamental change. Even the great "realist" of the World War II period, Winston Churchill, recognized the importance of the UN idea. In his famous speech at Fulton, Missouri in 1946, remembered for its reference to the "iron curtain" which had rung down across the continent of Europe, Churchill called as well for a new, cooperative world order. He called for a "good understanding on all points with Russia under the general authority of the United Nations Organization," and he called too for the arming of the new world body with an international force. Speaking of the United Nations, he said: "We must make sure that its work is fruitful, that it is a reality and not a sham, that it is a force for action, and not merely a frothing of words, that it is a true temple of peace in which the shields of many nations can some day be hung up, and not merely a cockpit in a tower of Babel."

Churchill's call made sense in 1946, and it still makes sense. Now as then the idea of an effective world peacekeeping organization is something much more than a visionary ideal; it is an immediate, practical necessity.

STATEMENT OF RICHARD N. GARDNER BEFORE THE FOREIGN RELATIONS COMMITTEE ON "THE UNITED STATES AND THE UNITED NATIONS" MAY 8, 1975

I am deeply grateful for this opportunity to testify in your hearings in "The United States and the United Nations," the first comprehensive hearings on the United Nations which this Committee has held in twenty years.

This morning you have asked us to answer your question "Is the United Nations Working?" My answer to that question is a qualified yes. The United Nations is working in the sense that it is providing indispensible services to its member nations, including the United States, in peacekeeping and economic cooperation.

My qualification is that the United Nations is not working as well as it should and that most of the explanation for this fact can be found in the behavior of its members. As a former British Ambassador to the United Nations once remarked: "There is nothing fundamentally wrong with the United Nations—except its members." We should ask not only whether the United Nations is working, but whether its members, including the United States, are working as hard as they should to enable the world organization to perform the tasks assigned to it under the Charter.

I.

Before getting to these questions, it may be helpful to set down a few basic assumptions about the relation of the United Nations to the U.S. national interest. The ultimate objective of United States foreign policy is to promote the "life, liberty and pursuit of happiness" of the American people. It is increasingly clear that this objective can only be achieved in an international environment congenial to America interests. At the end of the Second World War the United States sought to promote such an environment by creating an institutionalized world order based on the United Nations, the Bretton Woods organizations and GATT. With the onset of the Cold War, the focus of American foreign policy became the creation of a new balance of power to contain the Soviet Union and Communist China. In the thirty years since World War II, "balance of power politics" and "world order politics" have contended for supremacy in U.S. foreign policy-making, with the former steadily gaining ground over the latter.

The capacity of the United States government to promote the "life, liberty and pursuit of happiness" of the American people still requires the maintenance of a power balance. But the greatest threat to our future security and welfare lies in the disintegration of the international order. We talk of a "structure of peace," yet seldom in history have so many existing structures fallen apart. The United Nations system of collective security has broken down, the Bretton Woods financial system has broken down, the GATT system of open and nondiscriminatory trade has broken down, the established arrangements for supplying the world's food and energy needs have broken down, the traditional law of the sea has broken down, and essential arrangements for population control and environmental protection have yet to be created.

As the world enters the last quarter of the twentieth century, it is more than ever necessary for the United States to re-examine its foreign policy priorities. In this decisive quarter century, the survival of human civilization as we have known it will depend on mankind's capacity to fashion a new international order—specifically, on improved international arrangements to cope with such interrelated problems as population, food, environment, energy, mass poverty, unemployment, inflation and depression, social and political instability, proliferating nuclear and conventional weapons and escalating terrorism and international conflict.

The collapse of the international order cannot be blamed on the United States or any single nation or group of nations. The clash of ideologies, the multiplication of sovereign states, the intensification of nationalism, the drastic changes in the economic balance, the revolutionary changes in science and technology—these developments have combined to shatter the old order before we have been able to build a new one. The United States has been neglectful of "world order politics," but the record of most other countries has been as bad or worse.

Yet the responsibility of the United States is a special one. Viet Nam and "covert operations" notwithstanding, the concept of a community of nations working within a framework of law to promote security, welfare and human rights is an important part of the American tradition. The U.S. contribution—political, economic, scientific and managerial—remains absolutely essential to the building of a global order. The creation of new international structures to replace the collapsing old ones will be impossible in the absence of United States leadership.

The central preoccupation of United States foreign policy from now on ought to be the building of effective international machinery to manage mankind's common problems. Unfortunately, in a divided world of competitive nation-states, we cannot dispense entirely with "balance of power politics" in favor of "world order politics." But we will need to demonstrate the same degree of commitment to "world order politics" that we have demonstrated to "balance of power politics" if we are to have any hope that the latter will one day prove unnecessary.

A commitment of this kind has been notably lacking in recent Administrations, both Republican and Democratic, despite much use of "world order" rhetoric. U.S. foreign policy has favored short-term considerations over long-term interests, bilateral diplomacy over multilateral institutional-building, and political and military responses over economic and functional cooperation. To mention but one example of distorted priorities, we spent thousands of lives and billions of dollars in defense of "national security" in Viet Nam, while neglecting the much greater threat to national security from our growing dependence on Middle East oil.

II.

Let us now look at the central question of today's hearings: "Is the United Nations Working?" To begin with, we need to distinguish between what is said at the United Nations and what is done by the United Nations. The United Nations is really two systems—a rhetorical system, in which delegates come to the General Assembly and other forums to debate and make political recommendations which have no binding force, and an action system, in which peacekeeping and economic cooperation programs of practical importance provide essential services to member countries. I do not suggest that the rhetorical system is of no importance, but I do suggest that it is of much less importance than the action system and that the American people would have a more balanced appreciation of the United Nations if they focused more on the latter and less on the former.

Let us take peacekeeping in the Middle East as a specific example. Although recent debates in the United Nations have made many Americans wonder whether support for Israel and support for the United Nations are mutually compatible, the fact remains that the peacekeeping operations of the United Nations in the Middle East are very important to Israel as well as to the United States. When Secretary of State Kissinger undertook his extraordinary bilateral diplomacy in the wake of the October 1973 war, he found out that there was literally no way of getting a disengagement of the opposing armies without the interposition of United Nations forces. When the negotiations took place on the United Nations Disengagement Observer Force in Syria, it was Israel that wanted a more numerous force with a stronger mandate, and the final arrangements for the force ended up reflecting Israel's point of view much more than Syria's. The United Nations forces in Syria, I should add, have suffered a 10 percent casualty rate in the first year of operations. The members of the United Nations who are supplying these forces, countries with no direct interest in the Middle East, are thus making a very direct contribution to the maintenance of peace in the area for which we should all be grateful.

It should also be noted with respect to the United Nations Forces in the Middle East that, for the first time, they include a contingent from Eastern Europe and that, also for the first time, the Soviet Union is paying its share of the cost. This also represents progress.

Looking toward the future, it seems overwhelmingly likely that a final Middle East settlement will have to involve demilitarized zones and United Nations forces to provide security for all the parties involved.

To generalize the peacekeeping point: in the foreseeable future, the world will need to make increasing use of United Nations peacekeeping forces to monitor ceasefire agreements, patrol borders, supervise elections, and generally to assure adherence to the non-use of force, self determination and non-intervention in internal affairs.

Now let me turn to the other majority activity of the United Nations, which is in the field of economic and social cooperation.

In the world of 1975, with the rich nations facing double-digit inflation and rising unemployment, with the poorest nations facing economic stagnation and misery for increasing numbers of their population, and with the sharp confrontation between developed and developing countries over oil, over other vital raw materials, and over almost every economic issue, the cynic reviewing the past thirty years of UN economic experience might be tempted to ask whether ever in human history so many have negotiated over so much with such meager results.

Yet such a conclusion would not be entirely fair to the United Nations and its members. Preoccupation with present difficulties should not blind us to a number of solid achievements. It is too often forgotten that the principal preoccupation of economists at the end of the Second World War was that there would be a massive depression and unemployment on the scale of 1929. Not only did this not occur, but the global product (in very round figures) grew from $400 billion a year to over $4 trillion between 1945 and 1975. Even allowing for inflation and population growth, this still represents on the average at least a doubling of real income per capita. To be sure, this increase has been very unevenly distributed—the citizens of Europe, North America and Japan (and some more fortunate developing countries such as the major oil producers, Brazil, Turkey, Malaysia and South Korea) have seen their per capita real incomes grow by two to three times or more, while the peoples of the Indian sub-continent and of most of Africa have seen little, if any, improvement in their average condition. Moreover, the benefits of progress, as we all know, were very unevenly shared within as well as between countries.

Allowing for all the qualifications, however, the overall record of economic betterment is without precedent in the history of the world. While it would be an over-simplification to give all the credit to the United Nations system of economic institutions, it is clear that the "founding fathers" of the system must have done something right.

The International Monetary Fund, the International Bank for Reconstruction and Development and the General Agreement on Tariffs and Trade,[1] to take only the most obvious examples, have provided vitally needed negotiating forms, rules of the game and (in the case of the first two) significant financial resources to cope with monetary, development and trade problems. The World Bank group alone is now providing close to $4 billion a year in resources to developing countries.

Similarly, the United Nations Development Program, together with related UN funds for population, environment, children, etc., have made an enormous difference in helping to develop the human and material resources of developing countries. The specialized and affiliated agencies of the United Nations system such as WHO, ILO, FAO and UNESCO have unquestionably been an aid to countries not only in their traditional research and standard-setting activities but in their roles as executing agencies for technical and pre-investment aid. Although the United Nations was originally established primarily as a peace and security agency, some 90 percent of the $1.5 billion annual budget of the UN system (exclusive of lending by the Fund and Bank) is now devoted to economic cooperation.

But the role of the United Nations as a catalyst for constructive change cannot be judged entirely in terms of technical negotiations and lending operations. One of the most important but least appreciated functions of the UN system is in influencing the political process within member states. The great global conferences held by the United Nations on environment, population, and food, for example, unquestionably helped to marshal scientific evidence, mobilize public opinion, focus the attention of political leaders on hitherto neglected problems and thus significantly influence national policies.

In general, the agencies of the United Nations system have helped articulate the common interest of nations and helped conciliate the adversary interests. They have encouraged governments to take a more international approach and have strengthened the hands of outward-looking leaders in dealing with domestic political opposition. They have taken responsibility for compromises in situations where national leaders could not have taken responsibility alone. Thanks to them, nations have followed better economic policies than they otherwise would have done. In short, these institutions, if not the agencies of world government, have certainly been instruments of a better world economic order.

It is a useful exercise to ask where we would be today had we had no United Nations economic system—no institutions for trade and monetary cooperation, for economic development aid, agriculture, population and environment, for the establishment of safety standards in air and ocean transport, for exchanging weather information, for allocating radio frequencies. Bad as our situation now is, it would have been immeasurably worse—quite possibly beyond repair.

III.

Let me turn now to the problems that the United States and Israel faced at the last General Assembly. The first thing that has to be said about the last General Assembly is that the basic cause of our problem at the UN is not the UN itself. It is the increasing divergence between the United States and the majority of mankind on fundamental issues. I would not agree with those who say that the UN majority is always right—indeed its "double standard" on Middle East, economic and human rights questions is often deplorable—but it is an unhappy fact that United States leadership has been badly damaged by Viet Nam, Watergate, economic mismanagement and neglect of Third World interests. So if that UN reflection is ugly, it's not the mirror that's to blame.

The PLO vote is an example. People have said to me, "Isn't it absurd what the United Nations did on the PLO; these two-bit countries, this one-nation, one-vote thing has to be stopped." Yet how many of these people realize that the invitation to Yasir Arafat was voted by 105 to 4 with 20 abstentions? In other words, on the vote the United States and Israel were only able to get two countries—Bolivia and the Dominican Republic—to support them. Bolivia and the Dominican Republic!

Some people propose a weighted voting system at the United Nations, based on population, economics, education or what have you. Yet a prorating of power by these criteria would not have altered the PLO vote in Korea, disarmament issues and human would have made it worse. The only conclusion that can be drawn from the United Nations mirror is that an overwhelming majority of governments representing an overwhelming majority of mankind is not sympathetic to Israel's diplomatic position and believes that the Palestine Liberation Organization should be associated in the United Nations with the search for a Middle East solution.

What was really damaging to Israel was not anything that happened at the United Nations in recent months—I daresay the publicity given those events and the UNESCO votes stirred worldwide opinion in her favor—but rather the support that the PLO had garnered before it got to the UN. Even the UN resolution recognizing the PLO as the sole representative of the Palestinian people did not fundamentally change Israel's political situation—acceptance of the PLO had already been accomplished at the Arab summit in Rabat, partly as a result of Israel's refusal to make a deal with Hussein.

The political isolation of the United States and Israel is one part of the problem at the United Nations; another is the fact that for the past six years—and some would argue it's been longer than that—the US Government has assigned precious little priority to strengthening the United Nations.

Of course, there have been notable exceptions—United States initiatives in the area of environment, population or narcotics have been impressive. But during the Nixon Administration the attitude at the highest levels was one of malign neglect, of weakening the UN rather than strengthening it as an institution. The tone was set early by President Nixon himself when he scrawled on one memo concerning a UN agency: "The hell with this outfit, let's gut it."

Now I don't mean to imply that the United Nations is above criticism. One need only look at the recent report on the deterioration of the Secretariat by former Ambassador Seymour M. Finger, at the lack of coordination between UN agencies and programs, and at the need for reforms in decision-making procedures (not by weighted voting, by the way, but by conciliation and use of small committees with weighted representation). But these and other cracks in the mirror are also due to faulty policies of member governments, including our own, and can be remedied by them. Let's not be like the father I know who neglected his son for years and then complained when the boy was booked on a narcotics charge: "I always knew that kind would never amount to anything."

Some people are now calling for US withdrawal from the UN. Former Senator Peter Dominick wants us to leave the General Assembly and columnist William Buckley says we should sit there but not vote. I submit that such proposals are unsatisfactory because they have not been thought through.

For the United States to withdraw from the United Nations would be, in the words of a friend from Israel, "desertion of the battlefield under fire." United States withdrawal certainly would not serve Israel's interests; it would leave Israel without the protection of a United States veto in the Security Council. Remember that those United Nations peacekeeping forces under the Council's direction are very important to Israel's interests.

It would be equally foolish to withdraw from the General Assembly or not to exercise our right to vote on items like the UN budget, UN personnel policy, Israel's right to exist, a Mideast settlement, the role of the Palestinians, the future of the UN presence in our and Israel's favor—if anything, it rights. The "Fortress Security Council" strategy simply won't work, for the simple reason that the ten elected seats are held mainly by developing countries. If we try to write off the Assembly, they have the votes to block action in the Council.

The remedy for our present UN difficulties is not to downgrade our UN participation but to upgrade it. We need a whole new approach to the UN system which would include the following elements:

A new commitment to international institution-building at the top levels of the US Government;

The strengthening of our UN Mission and Assembly delegations;

Much greater use of our diplomatic

---

[1] GATT is technically not a UN agency, but was created as a result of a UN conference and functions in close cooperation with the other agencies of the United Nations system.

strength in support of UN positions we believe in;

Involvement of our European allies and the Soviet Union in the search for a Middle East settlement which will guarantee Israel's security essentially within its 1967 borders;

A more imaginative approach to the "world economic bargain" that needs to be struck with the developing countries;

And a serious search for UN decision-making reforms of the kind referred to earlier.

IV.

I suggested earlier that the need for multilateral agreement and multilateral management would be increasingly with us during the last quarter of the twentieth century. But, of course, need alone is not enough. Most national leaders around the world do not have to be persuaded that it would be much better to approach key problems on a multilateral basis, usually a global one; the question that troubles them is whether international rules and organizations can be made to work. Unless some major structural weaknesses can be dealt with more effectively, even the existing responsibilities of existing international agencies will slowly wither away, and new responsibilities, however badly needed, will simply not be given either to old or new agencies.

Since the structural problems are political in origin, to remedy them will require not just technical ingenuity but an act of political will on the part of key member-states. The deficiencies of international institutions that governments cite as reasons for bypassing them are of the government's own making. Some acts of creative statesmanship are needed to break out of the vicious circle. To paraphrase a slogan of the peace movement: "All we are saying is, give the international organizations a chance."

The most obvious structural problem is in the decision-making process. How to equilibrate voting power, not just with national sovereignty but with responsibility for implementing decisions, is a riddle that continues to plague the international agencies. It is understandable that large and middle-sized powers will not grant significant authority to a General Assembly where countries representing less than ten percent of the population of the total membership and less than four percent of the budget can take decisions by a two-thirds majority. It is equally obvious that the "principle of unanimity" under which any one country can veto action is not a recipe for progress.

Fortunately, there are a number of methods that have been developed to assure that influence in decision-making bears a reasonable relationship to power in the real world and to the responsibility for implementing decisions. Weighted voting is the most obvious, but the assigning of differential voting rights is often non-negotiable. Other approaches deserve greater attention: "double majorities" (requiring a majority of all the members plus a majority of specially defined categories of members); "weighted representation" (delegating decision-making to a small committee in which the countries that are most important in the particular subject matter have more than their normal proportion of seats); "bicameralism" (in which decisions must first be adopted by a small committee with weighted representation and then by the membership as a whole); and "conciliation" (deferring a vote for a "cooling-off period" of further negotiations at the request of a specified minority of countries).

Obviously no one decision-making formula will be applicable across the board. Different structures are required for different functions—what is appropriate in a new oceans agency may not be appropriate in multilateral development assistance. Moreover, the decision-making reforms that are needed will not always adjust power in the same direction. The United States will justifiably seek "a GATT within the GATT" where decisions can be taken by the key trading nations on some special voting basis rather than on one-nation one-vote formula among 86 contracting parties. At the same time, it can reasonably be asked to concede a greater voice in the IMF and World Bank to Japan and the Arab countries, whose voting power does not adequately reflect their financial power. To be sure, changes in outmoded or unreasonable decision-making arrangements may be opposed initially by the countries that presently have more than their fair share of influence. The challenge to multilateral diplomacy—and one that has not been seriously faced so far—is to persuade the countries that are overendowed with power in a particular institution that a fairer sharing is needed to save the institution from creeping irrelevance and make it more effective on matters of interest to them.

A related but separate structural problem is how to improve present arrangements for creating, adapting, interpreting and enforcing international law—what some would call the "normative process." The development of new rules of law has become both more cumbersome and more politicized—we need only contrast the highly political 90-member preparatory committee that was used for the current Law of the Sea negotiations with the small and expert International Law Commission that prepared the texts for the Law of the Sea conventions of 1958. While the membership explosion of the U.N. system makes it politically impossible to return completely to the old ways of doing things, the common interest of all countries in the orderly development of new rules of international law suggests that greater use of small and expert bodies should be made in the preparatory stage of law-making conferences.

Once the rules have been created, we need better arrangements for adapting them in the light of rapid and possibly unforeseen changes in political, economic or scientific circumstances. The traditional amendment process is as unsatisfactory a means for modernizing treaties on oil pollution from tankers as it is for modernizing the GATT provisions on nontariff barriers. A possible formula here is the delegation of power to small and expert groups to promulgate changes in the rules, subject to an "opting out" privilege for countries that do not wish to accept the changes. With respect to interpretation and application of the rules, we will need to have greater resort, in such diverse contexts as trade and environmental protection, to fact-finding, conciliation and arbitration by disinterested third parties. Finally, we will need to find better ways of enforcing the rules, as by multilateral action that denies benefits and applies punishments. As has been noted, where essential community interests are threatened, as for example in hijacking, marine pollution or the withholding of vital raw materials, action may need to be taken not only against those who ratify the rules and then break them but against those who refuse to accept the rules at all.

A third structural problem that must be mentioned is the crisis in morale and effectiveness that now afflicts the international civil service. Though a few international agencies may be exempt from this generalization, in most of them the concepts of independence and efficiency have been badly eroded by political pressures, particularly the excessive emphasis given to the concept of "equitable geographical distribution." If the vitality of the international agencies is to be assured, more must be done to apply standards of excellence in recruitment, promotion and selection out. Greater efforts should be made to fill senior positions with outstanding persons from the professional, scientific and business worlds, rather than predominantly, as is now the case, the persons on loan from member-governments. As with the other structural problems, what is required here is a change in national behavior resulting from a new perception by key governments of their enlightened self-interest.

A final structural problem is how to coordinate and rationalize the fragmented system of international agencies. Governments are encountering increasing difficulties in coping with the proliferating conference schedule and the bewildering variety of secretariats that deal with separate pieces of a total problem. The need here is not just to cut overlapping and wasteful activities, but to clarify responsibility for taking and implementing decisions. It involves both functional coordination (e.g., the respective responsibilities for balance of payments adjustment between IMF, GATT and OECD), and regional coordination (e.g., the division of functions on air pollution between the U.N. institutions and agencies like NATO, OECD, and the Council of Europe). Once again, the problem is fundamentally political, since the proliferation is partly the result of "forum shopping" by governments which wish to promote a favorable outcome, and partly the result of the launching of special purpose programs (e.g., on population, environment, and narcotics) financed by voluntary contributions from governments which feel they cannot achieve their objectives within the U.N.'s central policy and budget process.

A generation ago the central problem was to create new institutions where none existed; today it is to get several hundred functional and regional commissions, boards, committees and secretariats to work together effectively. Perhaps the most difficult obstacle in the way of the objective is the projection into the international organizations of the fragmented system of "portfolio government" that still characterizes most of the major countries. Governments will have to do a better job of coordinating themselves if the functional approach is to produce a coherent system of international institutions. The special session of the General Assembly on economic issues scheduled for September of this year provides a useful opportunity for governments to clarify their objectives and improve their internal processes for the achievement of this purpose.

V.

Now let me close by suggesting some fundamental things the United States should be doing in the United Nations and multilateral institutions generally.

One obvious and pressing need is to take a hard look at the way the American government is organized to cope with the present sweep of multilateral negotiations. Multilateral diplomacy increasingly cuts across the interests of many domestic departments. The effort to resolve foreign policy conflicts between agencies has led during the past decade to excessive concentration of power in the White House. The new practice of having cabinet officers like the Secretary of State and Secretary of the Treasury double as assistants to the President, with responsibility for directing policy in certain areas, offers a new opportunity to coordinate our approach to different multilateral negotiations, achieve consistent solutions to structural problems, involve the necessary disciplines and interest groups and in the policy process, and exploit potential "trade-offs" between different negotiating sectors. The staff of the National Security Council (NCS) could be used more than it has been to achieve these objectives. Alternatively, a new senior White House aide could be appointed to discharge this responsibility.

Moreover, for many of the multilateral negotiations discussed earlier, we could establish an interagency task force as a sub-group of the NSC, with a supporting staff in the executive department most directly concerned with the subject matter. The model could be the NSC interagency task force on the law of the sea and the new office established in the State Department for the law of the sea negotiations. It would also be useful for many of the ongoing negotiations to appoint an outstanding professional from within the government or from private life to serve as Ambassador-at-Large to direct the U.S. negotiating team. Regular congressional consultation and private-sector involvement through a working (not ceremonial) public advisory group—as is now the case on the law of the sea—could assure a more open and democratic policy-making process.

It is people, of course, not just boxes on organizational charts, that determine the effectiveness of a nation's policy process. Our ambassadors to the United Nations and other international agencies should be individuals with broad experience and deep substantive knowledge; their staffs should consist of the best talent our country can make available, not only from the foreign service but from the business, academic, professional and scientific communities. We will know we are serious about our "world order business" when we stop using positions in our missions and delegations to international agencies for political payoffs, and start applying the same requirements of excellence here that we apply in negotiations with the Russians and Chinese. Another test of our seriousness will be the extent to which we include in the very top structure of decision-making—in the White House and the key executive departments—persons experienced in and committed to the multilateral approach.

Third, we need to put a new emphasis on world order issues in our bilateral negotiations with former adversaries, nonaligned nations, and old allies. In particular, this would mean using our negotiating leverage to encourage the Russians and Chinese to take a more affirmative position on such matters as the law of the sea, international programs to curb population growth, U.N. peacekeeping and U.N. financing, and the reform of the decision-making processes along the lines mentioned earlier. This will be a difficult and long-term effort, but there will be a growing number of people in both countries who understand the necessity of tackling such issues in a cooperative and non-dogmatic way; we could strengthen their hand by the right kinds of initiatives. For example, we have created a dozen U.S.-U.S.S.R. bilateral commissions as the result of the summit meetings: we could use the SALT Commission to explore the possibilities of mutual nonintervention by the superpowers in Third-World areas and of limiting the spread of nuclear and conventional arms; we could seek support for global health and population programs in the bilateral health commission; and we could press in the environmental commission for Soviet cooperation in global efforts to curb whaling, protect ocean fisheries, and regulate land-based sources of marine pollution. We could place a similar priority on world order issues in our relations with the European countries and Japan both bilaterally and in regional forums like NATO and OECD. And we could work harder to strike a "world order bargain" with the developing countries—showing more interest in their priorities in order to encourage their support for ours.

Most important of all, we need a more principled approach to the conduct of foreign policy. Instead of citing the U.N. Charter and other sources of international law when it suits our short-term interest and ignoring them when it does not, we would recognize our long-term interest in strengthening the norms and processes of a civilized world community. We would make a greater effort to use our armed force and economic power consistently with multilateral undertakings and with other sources of international law, submitting disputes wherever possible to third-party settlement. We would resort to unilateral action only in very exceptional circumstances where multilateral processes were clearly unavailable, and any unilateral action on our part would be carried out in a manner calculated to promote the restoration of multilateral processes. To be specific, we would abolish the CIA's "dirty tricks" department, avoid the excesses of unilateralism that characterized our Vietnam and Dominican interventions, do more to strengthen multilateral processes in foreign economic policy, and show a really objective concern with human rights questions on a global basis—whether within the borders of former adversaries, neutrals, allies or in our own society. This does not mean unilateral disarmament or ignoring valid concerns of national security. It does mean recognizing that national security can only be promoted from now on by achieving a better balance between traditional preoccupations with power relationships and emerging requirements of global order.

Implicit in all these recommendations is a redefinition of our foreign policy objectives. We would make it clear that a "structure of peace" cannot be achieved merely by maintaining a precarious balance between five power centers—that it requires strengthened international institutions at the global and regional levels in which all interested nations have a chance to participate. By making "world order business" our central preoccupation we could help rebuild support for our foreign policy at home and abroad by identifying our purposes more closely with those of the rest of mankind. By demonstrating a commitment to constructive internationalism, we could find common ground between generations as well as political parties.

Were we to commit ourselves fully to the multilateral approach, were we to enlist the energies of our Congress and our citizens, were we to exploit to the full what leverage we still have with other nations, we might begin, very gradually, to deflect the divisive tendencies of nationalism that are now emerging and to exploit the latent possibilities for strengthening the international system. Some may object that a generation of arduous and possibly futile negotiations on specific functional problems is not a very inspiring prospect to put before a democratic electorate. The road to world order is indeed a long and hard one, but since the short cuts do not lead anywhere we have no choice but to take it.

BIOGRAPHICAL NOTE ON RICHARD N. GARDNER

Richard N. Gardner, Professor of Law and International Organization at Columbia University, served as Deputy Assistant Secretary of State for International Organization Affairs from 1961 to 1965. He is currently the United States member and the rapporteur of the Group of High Level Experts which Secretary-General Kurt Waldheim has appointed to propose structural changes in the United Nations system of economic cooperation.

Born in New York City, July 9, 1927, Professor Gardner is a veteran of World War II. He graduated from Harvard College, where he majored in economics and received a B.A. degree magna cum laude in 1948. In 1951 he received an LL.B. from the Yale Law School, where he served as Note Editor of the Yale Law Journal. Professor Gardner was awarded a Doctor of Philosophy degree in Economics in 1954 by Oxford University, which he attended as a Rhodes Scholar. He is a member of Phi Beta Kappa.

In 1953–54, Professor Gardner served as Teaching Fellow in International Legal Studies at Harvard Law School. He practiced law in New York City with the firm of Coudert Brothers from 1954 to 1957. In 1957 he joined the faculty of Columbia University as Associate Professor of Law, and he became a full Professor in 1960. Professor Gardner left his post as Professor of Law at the Columbia Law School to join the Kennedy Administration in April, 1961.

Professor Gardner received the Arthur S. Flemming Award for 1963 as one of the ten outstanding young men in the Federal Government.

As Deputy Assistant Secretary for International Organization Affairs, he was concerned with the international organization aspects of numerous foreign policy problems, including disarmament, outer space, trade, and aid to less developed countries. He served as a member of the U.S. delegation to sessions of the U.N. General Assembly and also as a U.S. delegate to meetings of various U.N. Specialized Agencies including the International Labor Organization, the World Health Organization, and the Food and Agriculture Organization. He was Vice-Chairman of the U.S. delegation to the U.N. Conference on Trade and Development (UNCTAD) is 1964. After his return to Columbia University in 1965 he served as Senior Advisor to U.S. Ambassador to the U.N. Arthur J. Goldberg.

From 1969–73 he was the U.S. member of the Board of Trustees of the United Nations Institute for Training and Research (UNITAR) and is currently a member of the U.S. Government's Advisory Committee on the Law of the Sea, in which capacity he is participating in the Law of the Sea Conference. In 1970–71 he served as a member of President Nixon's Commission on International Trade and Investment Policy. He is a Vice President of the American Society of International Law. He served as a consultant to Maurice Strong, Executive Director of the United Nations Environment Program. He participated as a member of the U.N. Secretariat at Stockholm in the drafting of the new U.N. machinery for environmental cooperation. He is also serving as the North-American director of a project on its "Energy Crisis and Relations with Developing Countries" for the Trilateral Commission, a group of leading citizens from Europe, Japan and North America.

Professor Gardner is the author of four books: *Sterling-Dollar Diplomacy; In Pursuit of World Order; Blueprint for Peace;* and *The Global Partnership: International Agencies and Economic Development.* He is currently on a Guggenheim Foundation Fellowship developing material for a book on "Strategies for the Development of International Organizations 1975–2000."

THE U.N. IN THE SEVENTIES: IS THE U.N. WORKING?

(Statement to the Senate Foreign Relations Committee, May 8, 1975, by Abraham Yeselson, chairman, Political Science Department, University College, Rutgers—the State University, New Brunswick, N.J.)

It is difficult for me to respond to the question of how well the United Nations is working in the 1970s without saying a few words about the perspective from which I approach the subject. I see the United Nations as an arena for combat. States use the

Organization to advance national conflict positions, and their estimates of its utility depend upon the extent to which it serves those ends. The starting point of analysis, therefore, is: "Who brings what issue to the United Nations and why?"

From this viewpoint, I can state that the United Nations is working, but not in the interests of international peace or of the foreign policy of the United States. Generally speaking, the countries which now dominate the Organization use it against colonialism, Apartheid in South Africa, Israel, and to support certain approaches to the economic problems of the developing world. These issues, with some additions, such as Puerto Rico, the Panama Canal Zone and South Korea will continue to monopolize debate in the United Nations. That list may be supplemented in the future by Chinese attacks against the Soviet Union, Taiwan, or Hong Kong.

The purpose in all cases is national advantage and the effect is to embitter relations between the parties. Clearly, the United Nations is now an instument useful primarily to the developing countries and Communist States although it will be less valuable for the Soviet Union than for China.

Although the United States is now a direct or indirect target of majorities in the United Nations, this country retains considerable influence, and is still capable of avoiding defeats on some issues. This was demonstrated on items concerning the status of troops in South Korea and the legitimacy of the Lon Nol government during the 29th General Assembly. Nevertheless, the speech by Ambassador John Scali on December 6, 1974 to the Assembly reflects real dilemmas for the United States in the United Nations.

A normal, instinctive reaction to assaults in the United Nations is to reduce support for the Organization. After all, it is hardly reasonable to buy the club which is used to bash in one's head. But financial contributions are minimal in proportion to our wealth or national budget, and the void will be filled by others, especially the oil-wealthy Arab States. Retreat could also take the form of reducing the amount and quality of diplomatic input, and by official denunciations of the Organization.

I would oppose such steps. It is precisely because the United Nations is used as a weapon that we must invest important diplomatic capital there. When certain States used the Assembly during the last Special Session to define world economic issues as a confrontation between the wealthy industralized nations and the developing world, the possibility of a cooperative approach to very real and tragic problems is diminished. We must counter such tactics while explaining publicly and privately the reasons behind the American position. The P.L.O. issue was raised to block peace negotiations in Geneva and by Secretary of State Henry Kissinger. It is imperative that we stand against such attacks against the peace and retain maximum flexibility of action.

If it is our calculation that explusion of South Africa will result in an even greater repression of blacks and contribute to the possibility of racial war in Africa, it is necessary to make those points while retaining the ability to use our influence constructively. On a less obvious level, some developing countries and especially Communist China are initiating issues and employing debating tactics in order to force the United States and the Soviet Union apart, thereby threatening the development of détente. Only an alert and close attention to such maneuvers in the United Nations can frustrate these designs.

These are formidable tasks. As part of the new minority, we must attempt to prevent dangerous issues from being politicized in the United Nations. Inside and without the Organization we must exert our efforts to prevent adoption of resolutions which rigidify positions and create obstacles to negotiations. We must impress others with the dangers which flow from public polemics. It will be argued that the United States did not show this concern about abuse of the United Nations during the first twenty years of the Cold War. That charge was repeated again and again during the debate which followed Ambassador Scall's speech. This perception does not alter the necessity of acting in the manner I have described. It just makes the job that much more difficult.

Obviously, this government faces hard problems. We romanticized the role of the United Nations and majority rule, especially when the Organization implemented American foreign policy. It will be extraordinarily difficult now to rationalize continued involvement in an Organization which sponsors wars, passes one-sided or unenforceable resolutions, provides forums for international insult instead of diplomacy, and is guilty of the most outrageous examples of selective justice. Perhaps it will be impossible for the American people to overcome disillusion and they will demand withdrawal from the world body. Because such action is inimical to our interests and those of world peace, I urge you, Ambassador Daniel Moynihan, and other responsible officials to publicize honestly and soberly the reasons for our continued participation. By recognizing the United Nations as a dangerous weapon, you will be better able to discount its pernicious effects. You will be less discouraged in your support for quiet diplomacy, mediation, efforts to avert nuclear or environmental catastrophes, and contribute better to social and economic justice for the peoples of the world. Clearer perception of the World Organization will facilitate the search for appropriate means of accomplishing these ends, which reality and good sense demand, and which must be pursued in spite of the uses made of the United Nation.

STATEMENT BY JOSEPH M. SEGEL BEFORE THE COMMITTEE OF FOREIGN RELATIONS

"Is the UN working?"

I would have to answer: Yes, when its member nations allow it to work.

That, in a nutshell, is the problem with the UN.

It has no sovereignty. It has virtually no authority. It is simply a place where the representatives of 138 sovereign nations can either work together, or make trouble, as their governments so direct.

Fortunately, they work together more often than they make trouble.

Unfortunately, the public does not know this. It is the trouble that makes the front page.

The constructive work of the UN is done mostly in the specialized agencies and voluntary organizations. There are about two dozen of them that are integral parts of the UN system—such as the World Health Organization, the Food and Agriculture Organization, the International Civil Aviation Organization, the Universal Postal Union, the International Atomic Energy Agency, the Environment Program, the Fund for Population Activities and UNICEF. It is in these groups that men and women of goodwill, from all parts of the world, are allowed to work together with a minimum of interference from their national governments, and thus things get done.

This is the real UN—nations united, and people united, in cooperative work for the common good. But it is a UN that very few people know about.

It is through these specialized agencies and voluntary organizations that many things have been accomplished, and are being accomplished, which are taken for granted. Such as the elimination of vaccinations for smallpox, thanks to a UN program that has wiped out the dreaded disease in all but three countries. Being able to mail a letter with U.S. postage and have it delivered anywhere in the world. Expediting relief to the victims of major earthquakes, floods and other natural disasters. Flying and landing safely in any country because a UN agency made English the common language for all commercial pilots and control towers around the world. Training farmers in developing countries to increase their agricultural production. Providing population control education where it is most needed. Coordinating worldwide research findings on cancer. And so forth.

This is indeed just a small sampling of what goes on at the UN. The UN Environment Program alone, which is only about three years old, has 150 different projects underway. And many of these projects are vital to the future protection of the air and oceans we share with the other nations of the world.

The common ingredient in all of these activities is international cooperation. It flourishes in its natural habitat—the UN. Yet all too often it is stifled by the short-sighted attitudes of national governments.

Take the International Court of Justice, for example. It is hardly ever mentioned these days. This is a body of exceptionally distinguished jurists who certainly could be depended upon to render a fair and impartial decision in any international dispute. The problem is that very few national leaders want a fair and impartial decision. They just want to win. And they have the power to do as they please.

And then we have the General Assembly. It has become a big headache for the United States. We created the concept of one nation—one vote, and now it is coming back to haunt us. We made the most of the majority we virtually controlled during the early years of the UN, often forcing the Soviet Union to cast a veto in the Security Council to protect its vital interests, and now the tables are turned. But, it's not really the Soviet bloc that's giving us our problems in the General Assembly. It's now the "third world" in its various incarnations, treating us like a Gulliver rendered helpless by dozens of Lilliputians.

So, what shall we do? Walk away from the General Assembly, as some suggest? Continue participating in the debate, but voluntarily suspend our voting? Or, should we come out fighting with new vigor and try to change the world with a new brand of fiery rhetoric?

I respectfully submit that none of these proposed solutions is a practical answer. Leaving the General Assembly or voluntarily suspending our voting would surely be cutting off our nose to spite our face. It would further isolate us in the world and do great damage to our relations with many countries. Moreover, although the General Assembly is still primarily an advisory body, there are many resolutions which we would want to support because they are harmonious with our interests and reflect positions and principles which are important to our society.

In fact, if you look at our votes in the last General Assembly, it is interesting to note that we joined in adopting 125 resolutions (90 by consensus), while voting against only 17 resolutions and abstaining on 32 others. So, we were not always on the losing side, but the resolutions we voted against received the lion's share of the publicity. Most of the constructive actions we supported received virtually no attention for the press and thus are not known to the public.

Sure, we took some brickbats at that session, but it was nothing compared to what was experienced by the Soviets and China as a result of their mutual vituperative attacks on each other. We conducted ourselves with restraint and actually succeeded in stimulating constructive debate on several issues. Those who continually resorted to fiery rhetoric generally embarrassed their allies and hardened the positions of their adversaries.

No, the solution is not more confrontation. The only useful solution is conciliation. We have much to offer the rest of the world, and they have much to offer us. There is no need to belabor the concept of interdependence. It is now well understood by most national leaders. The time has come to sit down and seriously negotiate away our differences.

This brings me to the Security Council.

The Security Council is working, and working well.

Yes, we have to cast a veto sometimes, but that underscores the fact that nothing gets done by the Security Council unless we approve. Thus our minority interest is more than adequately protected. This is a good system, because it forces compromise when something has to be done.

If nothing else is ever accomplished through the UN, the value of the peacekeeping actions established by the Security Council have been worth every nation's total investment in the UN for the past thirty years and perhaps for the next hundred years. That's just about what the little war in Vietnam cost us, to say nothing about the tragic loss of life and other consequences. In both Cyprus and the Middle East, the alternatives to UN peacekeeping could easily have led to the ultimate tragedy, a nuclear conflict.

Of course, peacekeeping is not the same as peacemaking. Peacemaking is primarily what the UN was established for—preventing conflicts before they start, or if that can't be done, stopping the breach of peace by means of an internationally supervised peace force. The UN provides the framework within which this can be accomplished. What is needed to bring it about is the political will and leadership which the United States is in a unique position to supply.

Can we afford not to move in this direction?

TESTIMONY OF C. MAXWELL STANLEY TO THE COMMITTEE ON FOREIGN RELATIONS

My name is C. Maxwell Stanley. I am a professional engineer and Chairman of the Board of Directors of Stanley Consultants, Inc., international consultants in engineering, architecture, planning and management, having over 500 employees. I am also a founder and now Chairman of the Board of Directors of HON INDUSTRIES INC., a leading manufacturer of metal office furniture and material handling equipment, having over 1,800 employees.

For more than a quarter of a century, I have been deeply concerned with the foreign policy of this country, particularly as it relates to the role of international organization in achieving world peace and security and managing serious problems confronting the world community. I have been actively involved in several private organizations urging a more enlightened U.S. foreign policy including expanded use and strengthening of the United Nations. I have traveled widely and have participated in a variety of international conferences concerned with world organization.

In addition, I am co-founder and President of The Stanley Foundation which, for years, has encouraged study and education on the strengthening of international organization. In this capacity, I have chaired over 40 national and international gatherings including 15 Strategy for Peace Conferences, 9 Conferences on the United Nations of the Next Decade, 6 Conferences on United Nations Procedures and numerous seminars. I have written and spoken extensively on these matters and have authored the book, "Waging Peace, A Businessman Looks at United States Foreign Policy."

These activities have involved formal and informal exchanges regarding international organization, especially the United Nations, with diplomats, civil servants and elected officials of many governments and with concerned scholars and businessmen from the private sector. My testimony is based upon this background.

I speak as an individual. I am firmly committed to the belief that in today's world there must be effective mechanisms and organization on the world level to manage the critical problems we face: (1) assuring peace and security, (2) achieving a tolerable and workable resource/population balance, (3) protecting and enhancing the environment, (4) accelerating economic and social development, (5) improving the world economic order and (6) perhaps most fundamental of all, expanding human rights. None of these problems begins or ends at national boundaries.

Mr. Chairman, answers to your topical question, "Is the United Nations Working?" are dependent upon the appraiser's viewpoint and the criteria used to judge U.N. performance. They are also dependent upon the functions being appraised and upon the relative weight assigned to short-term and longer-term needs and objectives. You may receive both strong affirmative and strong negative replies to that simple question. But I believe an objective answer must be some mixture of yes, no and maybe.

Appraisal of the United Nations is more credible and relevant if viewed in the evolving historical perspective. Ours is a world in limbo between a battered, centuries old political system and a fledgling new world order, more responsive to the demands of peace, security, justice, progress and human dignity. The system that has served nations for centuries is beleaguered by its inability to adequately deal with the issues and problems of the post World War II era. This nation-state political system originated long before the revolution of science and technology of the last half century and the overdue but sudden collapse of Western colonialism in the 1950s and 1960s. New and exceedingly complex international issues have been tabled; dealing with them is more difficult in a world crowded with over 140 nation-states. While the evolution of a new world order is apparent to most scholars, many statesmen and some politicians, its parameters are indistinct and its pace of emergence is highly speculative. Progress in no small measure depends upon the performance of the United Nations—our only major international organization.

The nation-state system model does not fully describe reality. While nation-states are still the leading actors on the world stage, the cast of characters is becoming more transnational. The actions or inactions of nations are no longer self-contained. The 30-year existence of the United Nations demonstrates that nations recognize the need for regional, multi-national and international institutions to facilitate cooperation. But the traumas of an increasingly interdependent world are also symbolized in the United Nations. Its inadequacies clearly reflect that the United Nations is an instrument of the nation-state system lacking institutional autonomy and authority and employed—sometimes eagerly, sometimes reluctantly—by nation-states to enhance national interests and international cooperation. Because the Charter fully protects members' sovereign rights, the United Nations acts only with their concurrence, particularly that of major powers.

The United Nations, serving as a primitive bridge between the nation-state political system and a more effective political order, has dual roles. Its immediate role is aiding and abetting the cooperation of nation-states to manage international crises and solve global problems—a role that cannot be over-emphasized. Today's stakes are high, avoiding debilitating war and assuring quality of life—and perhaps survival. The longer range but equally important role of the United Nations is fostering an emerging international political system tailored for tomorrow.

APPRAISAL—IMMEDIATE ROLE

In applying your question, "Is the United Nations Working?" to its immediate role, my answer is a qualified but definite affirmative. Yes, because United Nations work is successful in more areas than it is not. Yes, because its accomplishments are substantial even though its failures are more spectacular and thus more newsworthy. Yes, because its successes occur despite significant barriers: lack of independent authority, marginal funding and failure of many nations, including our own, to consistently assign high priority to the U.N.'s work.

Normally, two functions of the United Nations are appraised, economic and political. I add a third role, the United Nations more recent focus upon the world's important transnational problems. How well is the United Nations working in these three areas?

For nearly three decades, the United Nations and its family of specialized agencies have performed immensely important and useful tasks in the areas of economic and social development. Although these activities only slightly touch our affluent country, they are vital to the developing nations. In the long run, world development is very important to every nation from an economic as well as security perspective. The long roster of U.N. activities includes the Economic and Social Council (ECOSOC), United Nations Development Programme (UNDP), Food and Agriculture Organization (FAO), World Health Organization (WHO), World Meteorology Organization (WMO), United Nations Educational, Scientific and Cultural Organization (UNESCO), International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Labour Organization (ILO) and others. To these should be added ongoing and ad hoc units dealing with human rights, population, trade agreements, disaster relief and other matters. The significant contributions made by the United Nations through such organizations are well documented. The importance of these activities is generally recognized but poorly publicized. Valuable assistance has enabled many less developed countries, most of which are ex-colonial territories, to initiate the difficult processes of economic and social development. Despite fund limitations, errors of judgment and lack of coordination, U.N. activities in the economic area are working.

In the political area, the answer to your question is more ambivalent. The United Nations has not fulfilled the early dreams of its advocates. War has not been avoided nor has security been assured universally. During nearly three decades, however, the General Assembly, the Security Council and/or the Secretary General of the United Nations have performed more than 120 tasks as a third party.[*] These have been endeavors to contain or resolve potential or actual disputes, provide the good offices of the Secretary General or supervise and assure peaceful self-determination and decolonization actixities. Well-known actions include the posting of U.N. observers following the first Middle East war in 1948, supervising the cease-fire in the India-Pakistan conflict of 1949 and again in 1966, deploying the first U.N. Emergency Force in 1956 following the Suez crisis, dispatching observers to Lebanon in 1958, using military assistance to maintain order in the Congo in 1960, employing a U.N. force in Cyprus in 1964 and more recently, authorizing the UNEF and the U.N. disengagement observer force now helping to keep peace in the Middle East. While some of these actions have been controversial, each has served a useful peacekeeping or peacemaking purpose and demonstrated the U.N.'s ability to act when serious confrontations between the major powers are not involved.

---

[*] UNITAR News, Vol. 5, No. 1, 1973

The other half of the U.N. peace and security role relates to arms control and disarmament which the General Assembly consistently emphasizes. The United Nations in 1961, endorsed and continues to support, the Geneva disarmament talks—Conference of the Committee on Disarmament (CCD)—and is now advocating the convening of a World Disarmament Conference (WDC) to focus attention, not only upon disarmament itself, but also upon revision of mechanisms to deal with the problem. While U.N. efforts to reduce armaments have been unsuccessful due to adamant opposition of the major nuclear powers, several significant treaties aimed at limiting extension of armaments, have come into force under U.N. sponsorship. These include: the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water (1963; the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space (1967); the Treaty on the Non-Proliferation of Nuclear Weapons (1970); and the Seabed Arms Control Treaty (1972).

While the United Nations has made important contributions in the area of peacekeeping, peacemaking and arms control, its overall performance in these areas is far less than desired. The United Nations has not found a way to prevent or resolve conflicts involving any degree of potential great power confrontation, the Non-Proliferation Treaty has not gained wide acceptance and efforts of the General Assembly to prod the superpowers towards arms reduction have been notably unsuccessful. Progress towards a World Disarmament Conference is strongly opposed by the United States and China. It is, therefore, unrealistic to say the United Nations is working well in the political area related to peace and security. Although the United Nations has only marginally performed this political role, the continuation and, hopefully, expansion, of the role is essential to progress toward lifting the burden of heavy armaments from the backs of taxpayers, while advancing non-military procedures to deal with inevitable conflicts and controversies between nations.

The United Nations is now undertaking a third important function: focusing world attention upon pending global problems and sensitizing world opinion to cope with them. Periodic meetings of the United Nations Conference for Trade and Development (UNCTAD) have emphasized the importance of better trade mechanisms. The 1972 Stockholm Conference on the Human Environment initiated global action to protect and enhance the earth's environment. It also crystallized action in many nations to protect the biosphere and led to the establisment in Nairobi of the United Nations Environmental Programme. In 1974 both the World Population Conference in Bucharest and the World Food Conference in Rome emphasized the importance of resource/population balance. Population stabilization principles articulated in Bucharest are finding their way into the policies of many governments. The new World Food Council in Rome under the direction of John Hannah, former director of AID, focuses ongoing attention on world food supplies. Currently the resumed Third U.N. Conference on the Law of the Seas is meeting in Geneva in an effort to reach accord on the complex and difficult problems of managing the oceans, man's common heritage. Resources were the concern at the Lima Conference of the United Nations Industrial Organization (UNIDO) and the Tokyo Conference sponsored by the Economic and Social Council (ECOSOC). Next year the United Nations will convene Habitat: A Conference on Human Settlements in Vancouver to consider the mounting problems of urbanization. The complex and controversial issue of a more effective economic order was emphasized at the Sixth Special and the 29th Regular Session of the General Assembly and will be considered again at the forthcoming 7th Special Session. United Nations commissions such as the Group of Eminent Persons investigating multinational enterprises are studying special problems. Such U.N. initiatives compel even reluctant nations to face crucial issues. The United Nations is serving the world community well by alerting and educating it to mounting global problems and by providing an opportunity for traditional diplomacy to function in conference settings.

On balance, the United Nations performs its immediate role reasonably well; its weakest area is political action concerned with peace and security. Effective international organization is essential today. If the United Nations were suddenly eliminated, some alternative institution would have to be created quickly. If the United Nations were given stronger economic and political support and higher priority by the powerful nations of the world—particularly the Soviet Union and the United States—its near term contributions would be even more signficant.

APPRAISAL—LONGER RANGE ROLE

Evaluation of the longer range role of the United Nations—fostering a more adequate international political system—is less specific but on the whole, favorable for the following reasons:

1. Despite diversity and disunity among nation-states, the United Nations is now 30 years of age. It has outlived prior efforts to establish a universally accepted international body to facilitate the cooperation of nations. This continued existence demonstrates the need for it.

2. The General Assembly provides a forum where any nation, large or small, powerful or weak, can voice its aspirations, concerns and complaints. Even the superpowers are challenged to defend their positions. The United Nations debate brings a desirable and healthy oppenness to international affairs.

3. Alternative approaches to world problems are repeatedly offered by the U.S. system: multilateral action, non-military initiative and third party intervention. These are important alternatives to the traditional exercise of unlimited national sovereignty, divisive power balances and ultimate resort to armed force.

4. The United Nations, with its family of specialized agencies, promotes and in the final analysis, tests methods of cooperation among nation-states. By providing a wide range of experience, successful as well as frustrating, it demonstrates the weaknesses of the United Nations and points the way to needed reforms and improvements. The result has been an ongoing evolutionary process of study and improveemnt of organizational procedures within the United Nations.

5. Finally, the United Nations serves as a vehicle for member states to rise occasionally above narrow national interest and act in the common long-term interests of the world community.

Mr. Chairman, I am convinced that the United Nations should be credited with performing both its immediate and longer range roles tolerably well and I have answered your question with a qualified but definite, yes.

MAKING THE UNITED NATIONS WORK BETTER

Before I close, however, I want to emphasize the importance of making the United Nations work better, and urge the United States to do more to make it work better.

Many citizens of the United States, including some in official positions, are disenchanted with the United Nations. We no longer command, for our proposals to the General Assembly, the strong voting majority we marshalled in its early years. The enlarged United Nations now reflects world opinion: no nation or group can dominate. The "tyranny of the majority" became irresponsible in the 29th General Assembly when South Africa was deprived of a vote, Palestinian leader Yassir Arafat was accorded Head of State honors and the Charter of Economic Rights and Duties of States was adopted by an overwhelming vote despite protests and negative votes or abstention of many developed nations. Such events quite properly alarm and annoy most Americans.

But each of these explosive and widely publicized events was the result of a smoldering unresolved problem: degrading apartheid in South Africa, the festering Palestinian refugee situation and the futile and rebuffed efforts of the developing world to gain greater stake and voice in international economic affairs. Have we overlooked the fact that these events, however embarrassing, allowed Ambassador John Scali to set the stage for frank and fruitful debate regarding the United Nations in the closing days of the General Assembly?

Such experiences demonstrate again the importance of cooperation rather than confrontation if global problems are to be dealt with effectively. The United States and other developed nations cannot achieve desired objections if they ignore, dismiss or neglect the major concerns of the developing world: development, the remnants of colonialism—Rhodesia and Namibia, for instance—and apartheid in South Africa. The United States and other industrial nations need the resources, the markets and the political support of the less developed nations. Nor can the developing nations gain greater benefits and participation in the world economic order if they disregard or scoff at such problems as resource/population balance, environmental protection and enhancement, terrorism and peace and security. They need the monetary and technological assistance of the developed countries. Without cooperation and compromise, verbal confrontation will rule the General Assembly and essential U.N. programs will stagnate.

Unfortunately, the last several administrations of the United States government, obsessively burdened by our tragic intervention in Vietnam, assigned a dangerously low priority to the United Nations. We flouted U.N. sanctions against Rhodesia by continued importation of chrome. We are reducing our funding of specialized agencies despite an implied commitment to them as our assessed contribution to the U.N. general budget was lowered from 31.2 to 25 percent. We thwart U.N. efforts to limit or reduce armaments by such actions as opposition to the World Disarmament Conference and lukewarm reaction to nuclear free zones. But we maintain, in company with the Soviet Union, a massive arms race that convinces the world of our complete disinterest in disarmament. Presidents, including Gerald Ford, make major foreign policy addresses with little or no mention of the United Nations. Our State Department has a studied practice of bypassing the United Nations as it emplements our foreign policy. Exceptions occur only when all else seems to fail. Examples include the current U.N. Emergency Force in the Middle East and recent proposals to channel humanitarian aid to Vietnam through the United Nations.

Despite our leadership in the U.N. Law of the Seas Conference and World Population Conference, our posture at other recent U.N. conferences touching upon aspects of the world's economic order, has been one of blunt confrontation. Unfortunately, both the low priority assigned to the U.N. and this recent hard line, are creating a neo-isolationist image and one that appears to oppose the legitimate efforts of the developing world to upgrade itself.

Certainly U.S. economic interests must be protected. But this will not be accomplished by denying or disregarding political, economic and social changes in the world, including change in the very nature of power. It is time to recognize that even as a most powerful nation, we cannot control or dominate the world's economic and political developments. We can, however, greatly influence change by active participation and constructive cooperation.

In conclusion, the United Nations is working tolerably well considering that it is not a perfect institution, but rather an institution of 138 imperfect nations. The United Nations is what the nation-states made it and we should remember that the United States had a major role in writing the U.N. Charter. The United Nations as the only global organization we have today, must be allowed and helped to better perform its roles. To do this, it must be used and strengthened.

Along with a vast constituency across the country, I express the hope that the Congress and the Administration will cooperatively provide strong leadership to the United Nations by deed as well as word. The priority given the United Nations should be raised and procedures within our government to deal with U.N. matters should be improved. Do not underestimate the interest and the support that would surface if our government would give the United Nations the higher priority in foreign affairs that it deserves. Now is the time to press forward to achieve a United Nations that can better serve mankind. Now is the time to respond to the heritage that inspired us to play the leading role in creating the United Nations. Until we do this, there is little hope for a sane, sound world order capable of enhancing peace with freedom, justice and progress adequate to cope with the many threatening global problems.

Statement to Committee on Foreign Relations by Wm. F. Buckley, Jr., May 14, 1975

Mr. Chairman, gentlemen: A communication from your Committee, signed by the chairman, advises me in language most civil, but tilting rather toward sternness than permissiveness, that I am to address you for ten minutes in a prepared statement.

Last night I gave some thought as to how I might best serve your purposes under these circumstances. Needless to say, I should be happy to answer any questions you subsequently put to me. But to compress an analysis of the impact of détente on the policy of the United States in the United Nations is taking, and requires a most stringent economy of language. I have decided therefore to give you a pastiche. In order to introduce it I need very little commentary. In order to give you the connective tissue that brings the narrative together, I require only a sentence or two.

Accordingly, I begin. The preliminary data are that I was appointed a public member of the United States Delegation to the 28th General Assembly during that summer in which, it is recorded, President Nixon made other, perhaps even graver, mistakes.

I was induced to accept this appointment by being advised that I would represent the United States in the so-called Third Committee—the Human Rights Committee.

I move without further ado in medias res. There I am, at my first 3rd Committee Meeting. I go back to my office and address a memorandum to the U.S. Ambassador, copy to the Secretary of State. I excerpt from that memorandum.

"The policy of detente with the Soviet Union and with China governs the activity of the State Department, and the State Department obviously will move in ways consistent with that policy.

"United States participation in the United Nations is in part a direct expression of United States foreign policy, in part it is an expression of the United States' contribution to strategic ideals of peace, justice, and freedom. It is not, in my opinion, inconsistent for the United States to express itself cordially to the representatives of the Soviet Union in Washington and in Moscow . . . while at the same time representatives of the United States, in public debates on strategic questions having to do with human rights, maintain a dogged position seeking to reaffirm the ideals of the United Nations.

. . . The purpose of the extra political agencies of the U.N. is ultimately diplomatic. When the committee talks about the necessity of freedom of information, it votes for improved communications, which in turn lead to the encouragement of democratic and libertarian impulses. When the committee talks about the right of emigration, or the right to practice ones' religion, it argues for pressures upon totalitarian entities which lure them towards the open society which is the most reliable friend of stability and equilibrium.

". . . The genius of the committees, and of the public member conception, lies surely in the effort slightly to distinguish between the direct agents of the State Department and the slightly detached agents that constitute the delegation.

". . . Accordingly, unless I am instructed to do otherwise, I plan, as the U.S. member in the Committee on Human Rights, to feel free to discuss human rights even if the inference can be drawn from what I say that I also believe in human rights within the Soviet Union. . . ."

I concluded the memorandum with vows to a most tactful performance of my duties as I saw them, and was advised most tactfully the next day by the U.S. Ambassador, for whom I have the highest respect, that any such approach would in fact stand in the way of the tactical demands of détente.

A Second Act (I choose arbitrarily from a number that would serve). I am, as public delegate, instructed to deliver a short speech on how the United Nations might appropriately celebrate the 25th anniversary of the passage of the Universal Declaration on Human Rights. I wrote attempting to conform to the State Department cabled instructions, a few paragraphs, the relevant ones of which I quote:

"Mr. Chairman, on the occasion of the 25th anniversary of the promulgation of the Universal Declaration of Human Rights, what is there to say this side of the cant which I have to spare you? I plead inexperience in the art of saying nothing with much wind, and surely if we find, on meditating the thirty Articles in the Declaration, that there ought to be thirty-one, we should consider recommending an article that declares that all men were born free of preeminent political rhetoric, but that everywhere, man is, in respect of this freedom, in chains.

"My government desires to make one or two observations, some of them concrete, some ceremonial.

"The Human Rights document is the best-known and therefore the weight catalogue of human rights in the world today.

". . . The Declaration has been useful to several countries that have sought to devise bills of rights of their own. By consulting the UN Declaration of Human Rights, they can at least count those rights they have left out.

"My government desires to call attention, on the 25th Anniversary of the Declaration, to a few of the enumerated rights which are conspicuously transgressed upon "(I proceeded to enumerate these, as suggested in the telegram from the State Department. And I concluded:)

"Now, Mr. President, the world is divided not between those who say they do not believe in torture and those who say that they do believe in torture. Rather it is divided between those who practice torture and those who do not practice torture. Indeed, the world is divided not between those who say they believe in human rights and those who say they do not believe in human rights, but between those who grant human beings human rights and those who do not grant human beings human rights. . . . So that this organization is committed, for instance, to the proposition that there is a right to leave one's country. And yet we have not heard more profuse compliments paid to the Declaration of Human Rights than by some who maintain huge fortifications calculated to prevent perforce the exercise of that right.

"The United Nations was not designated as a military juggernaut at the service of the Human Rights Committee to ensure that signatories practice those rights they praise. But, Mr. President, surely it would mark the solemnity of the occasion if, on the 25th anniversary of the Declaration next December 10th, those nations that systematically deny human rights associated with the United Nations Declarations should gracefully absent themselves from this chamber for one day?"

I was advised, most gracefully and warmly, that my short analysis, whatever its great references merits to the contrary notwithstanding, were inconsistent with détente; and, accordingly, pleading the urgency of business elsewhere, I arranged for an aide to read a speech recalling in copious detail the oratory that had celebrated the promulgation of the United Nations Declaration 25 years ago.

Mr. Chairman, the time having elapsed, I close with a paragraph. A fantasy from a journal I wrote at the end of my term as a public member. I take the liberty of reminding you that I am at your disposal to draw out the implications of this statement.

I wrote:

"Wednesday. While sitting at the chair of the Plenary, attending to a few administrative details in the session following the day of the formal closing, a bulletin came in, and the place was in pandemonium. It appears that the military attached to the UN to give technical advice on world disarmament have staged a successful coup and have taken over the General Assembly, the Security Council, and the Secretariat. In due course the UN colonels will issue their instructions, but already it is disclosed that the Soviet Union will not be permitted to talk about disarming, without disarming; the Chinese may not speak about human rights without granting human rights; the Arabs will not be permitted to speak about the plight of the Less Developed Countries without foreswearing the cartelization of their oil; the Africans may not talk about racism until after subduing the leaders of Uganda, the Central African Republic, and Burundi, for a starter; and, just to prove that the colonels are not above a bill of attainer, Jami Barooday may not speak at all, on any subject, for ninety days—after which he will be put on probation, and permitted to increase the length of his speeches by one minute per month, until he reaches the maximum of ten minutes, except that at the first mention of Zionist responsibility for World War I, he has to start all over again. The countries of East Europe must wear red uniforms when they appear on the floor before rising to speak, must seek explicit and public permission from the delegate of the Soviet Union. A scientific tabulation will be made, under the colonels' supervision, of the compliance of individual countries with the provisions of the Universal Declaration of Human Rights, and each country's delegate will be required to wear on his lapel his nation's ranking on that scale, which will range from 100 to 0. Any country with a ranking of less than 75 will not be permitted to speak on the subject of human rights."

Mr. Chairman: Please forgive the unorthodox testimony. I hope you will see the purpose in my electing to address you in this form. Thank you.

The United Nations and the Soviet-American Relationship

(Statement by Alexander Dallin, Stanford University)

The change in Soviet-American relations which is suggested by the term, détente, did not come about thanks to the United Nations. Nor has it fundamentally affected the functioning of the UN. It is, however, one among several trends which have produced a new situation and new attitudes at the United Nations.

The following statement attempts to sketch the evolution of, first, United States, and second, Soviet attitudes and policies toward the UN; and then to identify some elements of symmetry and some major divergencies in the two powers' approach to the United Nations.

THE UNITED STATES AND THE U.N.

American attitudes toward the UN have drifted from elation to frustration. The initial expectation that the United Nations would be an essential instrument for the maintenance of peace, seemed to be reinforced by the comfortable sense, during the early years, that the United States had the support of the majority of member states. Though even then the U.S. chose not to go through the UN with significant political initiatives (such as the Truman Doctrine and the Marshall Plan), in its first decade the UN was a welcome instrument—first and foremost, in the pursuit of the "cold war." UN action in the Korean War was but the most dramatic example of this function. It also marked the end of an era in which the U.S. had a clearcut preponderance among the members of the General Assembly, the sympathy of the Secretary-General, and a majority of Security Council members—stymied only from time to time by the use, or the prospect of the use, of the veto by the Soviet Union.

From the mid-fifties on, American attitudes were affected by important changes on the world scene. Many of these—such as decolonization, development, and disarmament—were issues that found reflection at the UN. The balance of votes gradually became more uncertain, as new states were admitted to membership in considerable numbers, and some of the erstwhile followers of the American lead began to assert a more independent foreign policy.

American disillusionment was due perhaps, most of all, to the failure of the UN to play a part it had never been intended to perform. Its effectiveness as a collective security and peacekeeping organ was always predicated on agreement among the Permanent Members of the Security Council. It was not intended as an instrument that either superpower could wield against the other. It had no effective force of its own, and only modest authority.

As crisis after crisis arose, the UN proved unable to articulate—let alone enforce—its collective will; it was not centrally involved in the resolution of these crises; it served at times as a convenient forum, an intermediary, or a scapegoat for the protagonists. Thus, no meaningful action ensued from the UN debates on Soviet intervention in Hungary (1956) and Czechoslovakia (1968). Similarly, American intervention in Cuba (the Bay of Pigs incident) and the Dominican Republic led to no UN action. In the Cuban Missile Crisis of 1962, the United Nations had only a marginal role. In the Middle East, it was unable to secure implementation of its Resolution of November 22, 1967. In the Indochina fighting, the role of the United Nations was nil.

On the other hand, the major accomplishments of recent years in reducing international tensions, resolving great-power conflicts, and reaching agreements to limit the arms race and reduce the risks of war, have been achieved almost entirely outside the framework of the UN. The easing of the troublesome German problem (including the Soviet and Polish treaties with the FRG, and the Berlin accords) was the result of bilateral contracts. Similarly, the shift in United States policy toward the People's Republic of China came about without reference to the UN; the U.S. effort to seat the Republic of China (Taiwan) as a second Chinese delegation failed (1971).

The setback sustained by the United States in this connection illustrates the general weakening of American influence at the United Nations. Since 1970 the U.S. has occasionally chosen to use its veto power. The still unfamiliar role of the U.S. as a loser—and at times, a poor loser, at that—may be expected to continue and may in turn reinforce domestic resentment of the UN. This is particularly likely to happen if the U.S. mission chooses to isolate itself, erroneously lumping together all "others" as if they constituted a homogeneous bloc, rather than seeking consensus and compromise on disputed issues, or even taking advantage of tensions among nations outside the U.S. alliance system. It is a form of political color blindness to perceive an identity of interests and policies among all "Third World" nations or between Soviet Bloc and neutralist states. The temptation to pursue a policy of benign neglect toward the United Nations is likely to weaken, rather than to strengthen, the American position, and to play into the hands of its adversaries. But the recent drift does add poignancy to the warning once voiced by the late Adlai Stevenson, that "the crisis of our loyalty to the United Nations is still ahead of us."

It remains true, nonetheless, that the United Nations has been insignificant in the improvement of Soviet-American relations. This has been dramatized by the various "summit" meetings of the last three years. The "General Principles" and declarations adopted on these occasions make virtually no reference to the UN. Even where the accords have direct consequences for other powers or require their later concurrence, negotiations are conducted bilaterally between the Soviet Union and the United States. And where of necessity other powers must be involved in the negotiation of new accords (such as European Security and MBFR) conferences are scheduled outside the UN system. There is no reason to think that disputes between the United States and the USSR which cannot be resolved bilaterally could be more successfully negotiated at or through the UN.

THE SOVIET UNION AND THE UN

The Soviet attitude toward the United Nations was, from the outset, rooted in a more hardheaded assessment of its potential role in the postwar world. Experience and ideology reinforced each other in including considerable suspicion, to begin with. There was the backlog of bitter hostility to the League of Nations, which had always been perceived as an inimical agency. Soviet membership in the League (1934–39) scarcely increased Moscow's enthusiasm for a repeat performance: the fundamental aim of "collective security" was not served; and in 1939 the USSR found itself expelled from the League for its attack on Finland.

Still, as a principal partner of the victorious coalition in World War II, Stalin evidently concluded that (a) the price of refusing to join the new world organization would exceed the costs and risks of membership; (b) maximally, the UN could serve as a useful vehicle to gain friends and influence people; (c) minimally, the Soviet Union could make sure that there were structural guarantees (notably, the veto power in the Security Council, and the weakness of other UN organs) against possible UN action detrimental to the USSR. Since he expected the majority to be hostile to the Soviet Union, Stalin was intent on having an impotent UN.

Soviet expectations were validated by the experience of the first postwar decade, within the United Nations as well as outside it.[1] Soviet policy toward the UN has always tended to be a function of general Soviet foreign-policy perspectives. Thus, at the height of the "cold war," general Soviet self-isolation also meant a virtual withdrawal from UN activities. In turn, when Moscow adopted a strategy of "peaceful coexistence," the UN too appeared as one more promising arena for Soviet initiatives. Now it was Moscow's turn, for a time, to abandon realism for euphoria.

In broad strokes, Krushchev's vision was a Soviet camp gaining in power and coersion; a capitalist world rent by internal conflicts and crises; and the "Third World," as a matter of self-interest, aligning itself with the Soviet Union in an "anti-imperialist" coalition and gradually transforming itself in the Soviet image. While in many respects this forecast proved to be woefully erroneous, the emergence of the new nation-states did seem to confirm the vision. In terms of membership, issues, style, and structure, the new nations brought about the most basic changes the United Nations has experienced. But by 1960–64 the Soviet Union, though stronger than ever, found itself in considerable difficulties, in and out of the UN.

Krushchev's improvised but insistent demand that the UN be reorganized so as to reflect the new realities—giving equal representation to the three blocs of states, Western, communist, and neutral—yielded nothing but frustration and failure. Moreover, experience showed that his underlying hope (the "neutrals" lining up with the USSR) was, at worst, a gross miscalculation and, at best, premature and only partly true. By the time Khrushchev was ousted from power, he had precipitated a major constitutional and financial crisis within the UN. He had brought about no organizational changes—other than an increasing instinct on the part of other powers not to raise issues at the UN that were apt to provoke a recurrence of such Soviet behavior.[2]

Since the mid-1960's, then, Soviet foreign policy (including the UN) has reverted to a less hectic mode of lesser risk-taking. The "troika" proposals were quietly shelved; indeed, current Soviet writings on the UN totally ignore them. There has been a significant Soviet retreat from the extravagant expectations regarding the "Third World." While Moscow need no longer fear the United Nations as an "imperialist" tool directed against the Soviet Union, the Organization offers the Soviet leaders scant prospect of assuming a commanding or controlling posi-

---

Footnotes at end of article.

tion. The result is a generally supportive but fairly modest and rigid Soviet estimate of the UN's potential. Moscow has been winning it more but enjoying it less.

The explicit Soviet approach to the UN is thoroughly conservative. Moscow seems more conscious than ever of its own status—as a major power, a part of the world "establishment," possessor of the veto, achiever of strategic parity with the U.S., model and mentor for one and all.[3] The Soviet Union makes clear that the UN is a voluntary association of sovereign states; it cannot "act as a kind of super-state." Hence Moscow rejects all arguments that point precisely to the lack of such authority as the source of the UN's ineffectiveness. By the same token, it rejects all calls for revision of the United Nations Charter. It seeks to refute all criticism of the veto; it insists on the prerogatives of the Security Council as the sole body empowered to find threats to peace, to determine the appropriate action, and if needed to direct and control UN peacekeeping operations. This leaves the door open for any of the Permanent Members to veto such a decision, but this is presumably a necessary price to pay for the Soviet Union's assurance that it can estop any action if and when this is deemed important.[4]

Moscow sees the UN as variable in its effects—at times welcome, at times embarrassing, and at times frustrating to the USSR. A new factor which has complicated the Soviet posture is the Chinese presence. If in recent years there has been a general "new civility" and frequently a measure of restraint at United Nations gatherings, the Sino-Soviet exchanges at the UN have been marked by striking vituperation, unmitigated accusations and countercharges. Moscow does not mind acknowledging that it finds the Chinese obstructive. It cannot respond to the challenge to demonstrate its revolutionary commitment before an assembly whose professed values are those of parliamentary give-and-take. It has also learned that it cannot afford to absent itself (as it did from the Stockholm Conference on the Human Environment) lest it abandon the field to the Chinese. On occasion Soviet proposals seem calculated in large measure to show up the Chinese (and their Albanian friends), to force them to take a public stand and thereby to isolate them from other member-states.

It is another unspoken Soviet axiom that the UN must be kept out of all Soviet Bloc affairs, internal as well as interstate. Hence a firm stand in defense of "domestic jurisdiction" (which, it is true, does not keep the USSR from voting for the condemnation of *apartheid*); its uncompromising opposition to all efforts to give greater stress to "human rights" within the UN framework; and insistence on controls, e.g., over foreign satellite television transmissions to the USSR.

There are evidently some areas of disagreement among Soviet observers and practitioners concerned with the UN. A close reading of Soviet comments, e.g., shows differences regarding the nonpolitical aspects of UN work. While some observers stress the socio-economic and scientific-technological programs and agencies, the traditional and still predominant Soviet view has been to insist that the principal aim of the UN is to strengthen peace and security; in this perspective, any effort to put more emphasis on or resources into other activities amounts to an attempt to sidetrack the political functions of the UN and must be resisted. It is likely that this disagreement relates to varying estimates of the "Third World." The dominant Soviet view apparently no longer puts great stock in the UN as a bridge to the underdeveloped nations, whereas some observers do see benefits from such a linkage.[5]

In its public pronouncements the Soviet Union has in recent years made itself a champion of the UN. There is reason to think that, given the multiple reservations it harbors, this is at least partly intended to dramatize the contrast between Soviet faith, optimism, and commitment, and the increasingly grudging and negative American stance. Soviet commentary has also stressed the adoption by the UN of various Soviet-sponsored declarations that amount to pious generalities, such as the condemnation of colonialism, the use of force, or the forcible seizure of territory—behavior already outlawed by the UN Charter or other sources of international law. Given the impossibility of enforcing such resolutions, such Soviet initiatives of purely declaratory pronouncements smack of "grandstanding."

Leaving aside tactical and ideological differences, however, the Soviet Union, not unlike the United States, sees the UN as a desirable but distinctly limited, "supplementary" or "subordinate" instrumentality in the pursuit of its national policies.

THE UNITED STATES AND THE U.S.S.R.: THE PLACE OF THE UN

There has been a qualitative improvement in Soviet-American relations over the last several years. If one searches for reasons to explain this development, a variety of factors suggest themselves: the substantial growth in Soviet economic and strategic power; the change in outlook and priorities of the Soviet leadership; the Sino-Soviet conflict, with all its implications for Soviet security, ideology, and perception of friend and foe, and the opportunities for Sino-American *rapprochement;* a keener Soviet recognition of economic, technological, and managerial shortcomings, some of which may be remediable by increased intercourse with the West; a shared awareness of the common interest in reducing the risks of war and stabilizing the international environment; the increasing self-isolation of the United States from its erstwhile friends and allies, and the effects of the Vietnam War. This list could be elaborated and extended; the point is merely to suggest that none of the relevant variables includes the United Nations. It is difficult to envisage scenarios in which the UN would play a major part in influencing the superpowers' relationship.

Soviet insistence on "strict construction" of the Charter, too, makes virtually certain that the UN will not significantly aid in the resolution of conflicts involving either or both superpowers. What is likely to be recognized as functional and desirable by both sides is the role of the UN as a forum for the airing of positions; as a locus of formal and informal meetings, explorations, and contacts (including those made through third parties); and as an impartial outsider whenever both parties to a conflict seek such a face-saving "out." In all these cases the UN serves as an agency facilitating solution, agreement, or negotiation; in none does it make a significant autonomous input affecting either the Soviet Union or the United States.[6]

There is one area, however, in which the experience of the United Nations has come to exert an influence of its own, and to do so asymmetrically—far more on the USSR than on the U.S. It is one which neither side planned and which the Soviet delegates would in fact be likely to deny. This is the growing frequency with which the U.S. and the Soviet Union take similar or parallel positions on particular issues, or even jointly sponsor new programs or resolutions, or intuitively tend to respond to new situations in similar fashion.

The phenomenon has been particularly striking whenever large numbers of member states have lined up on the other side of the argument. And perhaps even to a greater extent than the facts warrant, some observers—earlier, the Yugoslavs; more recently, the Chinese—profess to see all manner of collusion or at least convergence between the two global rivals. As a Yugoslav observer reported on a General Assembly session, for instance, a few years ago:

"A series of proposals were advanced concerning ways of promoting the role of the United Nations. . . . Almost as a rule, the superpowers unanimously opposed all [such] proposals. . . . The latest General Assembly session has clearly outlined the contours of a new type of constellation in the present phase of activity of the UN, with the superpowers on one side and all the remaining world on the other." [7]

The New China News Agency routinely reports on the "Superpowers' collusion" and the "Small and Medium-Sized Countries [which] condemn the two superpowers."

In the perception of "Third-World" nations, it is particularly in connection with economic development programs that both Russia and America—whatever the differences between them—have shown rather identical reluctance to provide the kinds and quantities of assistance these nations demand. Both have sought to minimize or deny the political leverage and the economic claims of "developing" countries. The Secretary-General has remarked on "the contrast in the positions of the more developed and the less developed countries." It is often said that the global cleavage is no longer between East and West but rather between North and South: if so, then to the many have-nots the two superpowers symbolize the "have's."

This attitued is at times reciprocated, too. There is more symbolism than may be at first apparent in the anecdote which Lincoln P. Bloomfield relates. He recalls sitting in the UN Delegates' Lounge with a senior Soviet delegate. "As the noise got louder and the crowd thicker, he suddenly looked up and burst out: 'We simply cannot do business in this place.' " [8]

One area in which common Soviet and American positions have invited comment and at times bitter criticism from other member states is arms control. In two instances in particular (the drafts of the Non-Proliferation Treaty and of the Seabed Treaty) the U.S. and the USSR faced the UN membership with a joint proposal, worked out directly between them, and then requiring considerable renegotiation, bargaining, and amendment to secure the support of other interested parties.

The Soviet Union has been especially sensitive to charges of "collusion" with the archimperialists. It has gone out of its way to denounce and dispell them. But one cannot escape the impression that in fact, over recent years, a *modus operandi* has evolved in which, despite their profound divergencies, Soviet and American U.N. representatives have come to know how to deal with each other, have (over some ten years) sought to avoid exacerbating verbal bouts, have in fact at times worked out compromises behind the scenes, and have probably quite unwittingly come to share certain likes and dislikes, as well as some general perceptions of the international scene.

Some observers might go further and argue that both delegations have given evidence of a sort of acculturation or "adaptive behavior." They might point, e.g., to an abstention from voting in the Security Council rather than have a negative vote recorded as a veto; recourse to "consensus procedure" under which no formal vote is taken; and informal understandings not to speak on a given issue before the Security Council or the General Assembly. Such instances do illustrate the acceptance of tacit or explicit "rules of the game" by adversary participants. There is, however, no evidence that the styles of interaction at the U.N. have any tangible impact on Soviet or American policy-makers back home.

Footnotes at end of article.

TRENDS AND PRIORITIES

The current priorities of both the U.S. and the U.S.S.R. are, in different ways, being contested at home; and future reversals of their policies cannot be ruled out. Nonetheless, one may assume that in broad features a continuation of present trends is likely. If so, one may hazard the guess that the United Nations is unlikely to have any major influence on the relationship of the two major powers; and that they are unlikely to rely on the U.N. in the development of their mutual relations.

In this fundamental regard, then, the situation remains unchanged. What has changed, in addition to the balance of power, is the diminution of "ideological" elements in Soviet conduct. It is true that the Soviet approach to the U.N. is still officially justified in orthodox Leninist terms as a way of "continuing the worldwide class struggle by other means." But there is a remarkable hiatus between doctrinal rationalizations and revolutionary rhetoric, on the one hand, and Soviet insistence on the plenitude of national sovereignty and on various conventions of "bourgeois" diplomacy, on the other.

Especially in the past decade, traditional communist categories such as the "two-camp" view of the world, so thoroughly at odds with the one-world conception of the UN, have been further confounded and empirically contradicted—most dramatically, by the Sino-Soviet split. The assumption of a reasonably pragmatic approach is increasingly likely to provide a realistic guide to Soviet behavior in the UN. This is not to suggest that the Soviet Union is likely to acknowledge such a trend; nor that there do not remain serious preconceptions and blinders impeding a fuller understanding.

The U.S. outlook has similarly lost some of its phobic qualities, with the Kissinger diplomacy in regard to both Moscow and Peking; the termination of the Vietnam War; the recognition of Soviet-American strategic parity; the perception of mutual benefit from various joint endeavors with the USSR; and Soviet rejection of the trade bill stipulating conditions for the award of most-favored-nation status to the USSR.

There are some elements of symmetry in the two powers' view of the United Nations. Both have sought to use, or refrain from using, the UN when it has suited their purposes. Both have adopted their conduct and policies to the changing mood and membership of the UN, but both have been frustrated by the numerical preponderance of small and underdeveloped nations. Both have viewed the United Nations as an instrument of limited utility. Authoritative texts on both sides ignore the UN as a significant agency for peace. Both have displayed mixed attitudes containing elements of self-righteousness as well as assertions of idealism. Both are dubious of the UN's ability to solve serious crises. Both have sought to keep down UN budgets, programs, and staffs. And both believe that things would be worse if there were no UN.

On the other hand, there are profound differences between Soviet and American perceptions and behavior. In style and rhetoric these are fairly self-evident. In recent years U.S. disillusionment with the UN has been more severe and the American response at times more hostile. And yet the Soviet Union goes further in its own determination to take no chances to let the UN be used against itself or its friends.

The United Nations is not prepared to assist significantly in the resolution of differences involving one or both superpowers. Its role, in this regard, is likely to be, at best, one of keeping the two apart or away from the foci of conflict, substituting its own presence. The UN can be expected to perform some constructive tasks in conflict-management—as a buffer, a scapegoat, a broker, or a receiver—assuming the principles seek a paceful way out. If either of the superpowers does not, the UN cannot stop it.

The enforcement of UN decisions relating to war and peace remains a divisive yet critical issue. Effective efforts for collective security require a mechanism for the enforcement of decisions, and such procedures have never been fully regularized. UN action, such as the dispatch of observers or the raising of peacekeeping forces, has been essentially *ad hoc*, with varying degrees of success and acrimony.

Action presupposes great-power consensus on what constitutes a threat to peace and who is at fault. Soviet spokesmen candidly acknowledge that the struggle between "the forces of progress and those of reaction" still "underlies our analysis of UN activities in a particular situation of conflict." UN decisions therefore must "assist national liberation movements and promote social progress without . . . taking sides with reactionary forces (as defined by the USSR)."[9] In doctrine, this gap is unbridgeable. In practice, however, the Soviet Union has at times acquiesced in UN peacekeeping missions, though it has usually refused to contribute to their costs. Efforts to formulate rules for the supervision, operation financing, and direction of UN forces have been stalled for many years.[10]

Soviet support of the peacekeeping operation in the Middle East after the October 1973 war may or may not be an indication of a change in outlook. Soviet commentators have in fact pointed out that the prior Soviet-American détente made possible the relatively rapid Security Council action ending the Middle Eastern conflict, which (they remark) would have been far more dangerous at the height of the "cold war."[11]

The adoption of groundrules governing the use of peacekeeping forces is a prerequisite for increased UN effectiveness in regard to conflicts not involving the Permanent Members themselves. Conditions for UN peacekeeping may be improving. Thus, not only the Middle Eastern precedent, but also the breakdown of the "tight bipolar system" of international alliances, and the reaction to the fighting in Indochina make more likely that in future local conflicts both the U.S. and the USSR will prefer to stay out and use third parties such as the UN. It remains true that even under such conditions the superpowers frequently back opposing parties or come to view the effects of UN action (as in the Congo) in opposite ways, leading to a drastic erosion of the original consensus that makes a UN mission possible. The attitude of the People's Republic of China may, in turn, make agreement more difficult if it suspects "Soviet-American colusion." In its entire history the UN has only rarely been able to constrain any combatant nation. It has never constrained any of the major powers. It must be recognized that it can do least where it would be needed most.

Moscow has evidently learned what may not be fully understood in this country: to turn one's back on the UN is precisely what one's worst enemies would wish. If the United States cannot "control" the UN, it cannot afford to ignore it either, in a world in which interdependence has become proverbial.

Détente may have led both American and Soviet delegates to the UN sometimes—not always—to tone down their remarks and to avoid some rough edges. This has meant some sacrifice in playing to the galleries or the public back home. Essentially this is a question of tactics. The real work at the UN is apt to be done behind the scenes. Ultimately, what is needed is not grandstanding but effectiveness. Politics is the art of the possible, and it would be a disservice to expect more of the UN than its structure allows. It would also be foolish to use it for less than it can provide.

FOOTNOTES

[1] For an authoritative summary, dealing with the general topic of this statement, see Robert G. Wesson, "The United Nations in the World Outlook of the Soviet Union and the United States," in Alvin Z. Rubinstein and George Ginsburgs, eds., *Soviet and American Policies in the United Nations* (New York, 1971), ch. I. For an earlier and more detailed discussion, see Alexander Dallin, *The Soviet Union at the United Nations* (New York, 1962).

[2] On the Khrushchev period as well as the policy of his successors, see particularly George A. Brinkley, "The Soviet Union and the United Nations: The Role of the Developing Countries," *Review of Politics*, January 1970, pp. 91–123. The Soviet treatment of the same problem is in A. Ia. Nekrasov, *SSSR i razvivaiushchiesia strany v OON* (Moscow, 1971).

[3] In most unrevolutionary fashion, Soviet statements stress not only the prerogatives of national sovereignty but also the fact that the UN "does not replace traditional forms of interstate contacts." See, e.g., Anatoly Gromyko, "The United Nations: Ways to Increase its Effectiveness," in Edwin H. Fedder, ed., *The United Nations: Problems and Prospects* (St. Louis, 1971), pp. 1–3; and V. F. Petrovski, "Sovetskie uchenye o meste i roli OON v sovremennom mire," *Voprosy istorii*, 1972, no. 5, pp. 79–80.

[4] See, in addition, the authoritative collection, *OON: Itogi, tendentsii, perspektivy* (Moscow, 1970); Boris Prokof'ev, *OON—25 let* (Moscow, 1970); G. K. Efimov, *General' naia assambleia OON* (Moscow, 1969); V. Viktorov, "Worldwide Forum of Nations," *International Affairs* (Moscow), 1972, no. 10; N. Kapchenko, "World Developments and the United Nations," *ibid.*, 1973, no. 12; V. Fedorov, "The UN Charter and International Security," *ibid.*, 1974, no. 9. The official Soviet position is contained in the letter from Foreign Minister Gromyko to the UN Secretary-General, July 4, 1972; reprinted in *ibid.*, 1972, no. 10, pp. 119–20.

Contrast, e.g., with Francis Wilcox and Carl Marcy, *Proposals for Changes in the United Nations* (Washington, D.C. 1955); President's Commission for the Observance of the 25th Anniversary of the United Nations [Lodge Commission], *Report* (Washington, D.C., 1971); United Nations Association USA, *Controlling Conflicts in the 1970s* and *The United Nations in the 1970s* (New York, 1969, 1972); Richard N. Gardner, ed., *The United States and the United Nations: Can We Do Better?* (New York, 1972); Charles W. Yost, *The Insecurity of Nations* (New York, 1968).

[5] A Soviet discussion of foreign aid argues that "the socialist countries are in no position" fully to finance the development of certain African states, who consider such support essential. Forgetting about the traditional dogma that imperialist aid is *ipso facto* exploitative, Soviet writers now recommend that Western assistance be in fact stepped up, as it were supplementing communist aid programs. David Morison, "USSR and Third World, III," *Mizan*, XII, 135; cited in Morton Schwartz, "The USSR and Leftist Regimes in Less-Developed Countries," *Survey* (London), No. 87 (Spring 1973). The same point is made in Y. Tomilin, "The United Nations and International Détente," *International Affairs* (Moscow), 1974, no. 3, p. 36.

[6] The relative importance of informal contacts at the UN may in fact decrease over time, as (1) the détente makes for more direct contacts between the principals, and (2) other (bilateral and multilateral) institutions and conferences proliferating outside the United Nations make communication between the superpowers easier, regardless of the UN.

[7] M. Barisic, "The United Nations and the

Super Powers," *Review of International Affairs* (Belgrade), No. 450 (January 5, 1969); cited in Brinkley, p. 121.

[8] Lincoln P. Bloomfield, in *Problems of Communism* (Washington, D.C.), March-April 1973, p. 64.

A recent Soviet article recognizes that "some non-aligned countries have expressed the fear that an understanding between the two powers [U.S. and USSR] could be detrimental to the interests of the 'Third World.' " Their efforts, in effect, to monitor U.S.-Soviet talks "cannot be considered as constructive." (Tomilin, *loc. cit.*, p. 35.)

[9] Gromyko, *loc. cit.*, p. 9; also Prokof'ev, p. 75; E.S. Krivchikova, *Vooruzhennye sily OON* (Moscow, 1965); and Iu.Ia. Mikheev, *Primenenie prinuditel'nykh mer po ustavu OON* (Moscow, 1967).

[10] One stumbling block is the relative role of the Secretary-General and the Security Council in the operational supervision of a peace-keeping force. See the letters of Soviet Ambassador Malik and U.S. Ambassador Bush to the Secretary-General, March 17 and 30, 1972 (Documents A/8669 and A/8676).

[11] See, e.g., Tomilin, *loc. cit.*, p. 36.

THE U.N. IN THE SEVENTIES: THE IMPACT OF THE THIRD WORLD

(Statement of Prof. Richard A. Falk, Princeton University, submitted to the Committee on Foreign Relations of the United States Senate in connection with participation as a witness in hearings devoted to "the United States and the United Nations.")

There is no doubt that the United Nations has become something very different than what its founding members had in mind when they assembled in 1944 at San Francisco to draft the Charter of this new institutional attempt at overcoming the hazards of life in a world of sovereign states. Of course, by itself, this process of change is neither beneficial nor detrimental; it is, however, inevitable given the depth of change going on in the world as a whole. Indeed, the capacity of the Charter to accommodate these changes in global setting is an impressive achievement. As Secretary General Kurt Waldheim notes: "It is not surprising that the United Nations itself has been transformed—indeed, it is the fact that it *has* changed which demonstrates that the Founders were right to give us a framework for collective action and not a precise constitution. For the the United Nations reflects the realities of the world. Many of these are unpleasant and even frightening. But it would be when the United Nations did *not* reflect these realities that we should become alarmed." [1] Not everyone agrees with the two-part analysis contained in Mr. Waldheim's statement: first, that the United Nations *does* indeed reflect the realities of the world it inhabits; second, that it *should* reflect these realities. And it is for this reason that controversy emerges, especially among Americans who were largely calling the tune in the early years of the United Nations and have increasingly become less influential in determining what happens. Frequently in recent years the United States Government seems at odds with the substance of UN positions.

This change in the United States position within the Organization, although central to the concerns of this hearing, should not be exaggerated. Probably no state other than the United States could probably have succeeded in stopping the United Nations from taking an adverse position on a policy such as that pursued by this country for so long in Indochina. Only American opposition to the admission of China to the United Nations could have kept that issue unresolved for more than twenty years after an effective change in political power took place in Peking. The United States today continues to be the most influential and significant Member of the Organization, exerting a far more pervasive influence across the board of UN activities than any other state and plays an incomparably greater role than its main geopolitical rival the Soviet Union. In adjusting, therefore, to our loss of influence, we should still appreciate its extent.

Sometimes, especially in spectacular issues of the day it is difficult to grasp the persistence of American leadership within the United Nations, and it is true, that such leadership will not endure if we ourselves lose confidence in its existence. It is, indeed, in the context of Third World claims that the whole issue of the American role is most problematic, and deserves the closest scrutiny. These claims of Asian, African, and Latin American states are directed at reforming the international order as it has evolved over several centuries. If not asserted within the United Nations, then they would be asserted elsewhere, perhaps in a harsher, more destructive form. The Indian nuclear explosion of August 1974 is an ominous warning, even if not so intended, of this possibility. I believe that it is our interest as a country to understand these claims and to do our best to promote reforms in the world system that will facilitate their orderly and peaceful satisfaction. Such a course of reform will require both a renewal of the vision of America as a beneficiary of mankind and an assertion of leadership within our country to enable Americans to adopt an enlightened view of national self-interest that conveys the central truth of our age—that the security and prosperity of the United States depend increasingly on progress toward a just and peaceful world. The wisdom of this perspective is as follows: what's good for the world is good for the United States. To grasp such a reality from the apex of the geopolitical pyramid is not an easy matter. It presupposes a larger measure of humility and empathy than has been evident in governing attitudes of our leaders than has been evident in recent years. It is within this wider context that I would like to consider the impact of the Third World on the United Nations, which means, especially, on the General Assembly. One should approach this topic with the standard caveat—namely, that the label "Third World" covers a whole range of economic, political, psychological, and cultural diversities, even antagonisms. Accordingly, for many purposes it is more misleading than illuminating to lump together the countries of Asia, Africa, and Latin America. At the same time, these countries perceive themselves for a variety of purposes as a group, a perception made more impressive because it overcomes an underlying, undeniable diversity. It is, then, as a group that the Third World has mobilized its membership on a series of widely noticed issues that have appeared on the global agenda in the 1970's and that give substance and credibility to this session of these hearings.

Prior to the 1970's Americans were frequently disillusioned by the inability of the United Nations to implement the great purposes proclaimed in its Charter, especially those of keeping the peace and mobilizing the community of nations against military aggression. This disillusionment arose primarily because the United Nations was regarded as enfeebled. It could rarely act. It did little.

Defenders of the Organization pointed out that it was unrealistic to expect very much from the United Nations, given its miniscule budget, its lack of police or military capabilities, and its dependence on Great Power unanimity to reach decisions in the Security Council. These realists argued, in effect, "Why blame the United Nations for being unable to accomplish more than it was intended to do," i.e. very little. Of course, the realists had a point. On the other hand, if so little was intended, then why did the Charter promise so much in the way of peace and justice? The answer is that the draftsmen wanted to have the best of both worlds: lofty rhetoric in response to world public opinion clamoring for a reliable peace system, but no significant dilution of sovereign prerogatives. Thus, the weakness of the United Nations as an independent actor was built into its very structure, as was inevitable disappointment for those who read the Charter as a series of promises to future generations on the great questions of war and peace. In earlier years, then, the liberals' dilemma was that the United Nations was a well-intentioned experiment, but one too feeble to maintain world peace. Hence, they sought to marshal public support for the United Nations in order to strengthen the organization's ability to realize its potential.

Toward the end of 1974, however, the direction of criticism suddenly swerved sharply. Now, far from complaining that the United Nations was doing too little, its former supporters were concerned that the Organization was doing too much, and that its activities were in fact doing harm to world order values. It seems important to take account of this harsh new line of criticism, to analyze its character and interpret its significance. First, however, let us appreciate that the United Nations activity now being criticized falls in the category of *symbolic* rather than *substantive* activity. The United Nations remains a weak actor when it comes to battalions, but it has an until now improperly understood capacity to shift the balance of legitimacy in ongoing international conflicts and controversies.[2] It is because this symbolic role does have a certain *potency* that there has been a sudden upsurge of serious concern in the United States over what the United Nations does and doesn't do. It can hardly be accidental that last November the largest demonstration in the history of New York City was occasioned by a symbolic event—namely, giving the leader of the Palestine Liberation Organization a forum to say within the halls of the General Assembly what he had been repeatedly saying in many other parts of the world, including Moscow—a locus of material power incomparably greater than that possessed by the United Nations. U.S. Ambassador John Scali, in a widely noticed speech delivered in the General Assembly on December 6, 1974, summed up the present mood when he noted that ". . . many Americans are questioning their belief in the United Nations. They are deeply disturbed." [3]

A series of actions taken by the 29th Session of the General Assembly in the fall of 1974 offended a broad spectrum of American public opinion. Among the most significant of these were:

The suspension of South Africa from all rights of participation in the General Assembly Session;

The invitation to the Palestinian Liberation Organization to take part in the General Assembly debate on the Middle East conflict, and the related treatment of its leader, Yasir Arafat, as virtually a Head of State;

A series of parliamentary rulings by the Algerian President of the Assembly that restricted Israel's right to fully present its case during the debate on the Middle East, as well as parallel actions in UNESCO that withheld funds from Israeli cultural projects;

The adoption of a much heralded Charter of Economic Rights and Duties of States, despite vigorous opposition by the United States to several key provisions.[4]

Perhaps even more serious than this bill of particulars, however, was the growing American perception of the General Assembly as a

---

Footnotes at end of article.

generally hostile arena. For many Americans, this hostility had been epitomized several years ago by the sight of African delegates dancing in the aisles of the Assembly after the 1972 vote granting the People's Republic of China full rights to represent the state of China in the United Nations. While such feelings may be considered paranoid by some, these Americans, who apparently included President Nixon, were convinced that the joy of the Africans had less to do with the issue of Chinese representation than it did with the feelings of potency that came from gaining a Third World diplomatic victory over the United States. In fact, it does not seem unreasonable to imagine that such victory celebrations are made all the more ardent by the Third World's inability to challenge the United States in more direct geopolitical ways. In particular, the failure to protect the Indochinese peoples from the American military onslaught has over the years undoubtedly provoked a subconscious sense of guilt and powerlessness on the part of countries who themselves have struggled to assert a national identity after decades of colonial servitude. A further confirmation of this conjecture is the extent to which leaders of the South Vietnese liberation forces, such as Madame Nguyen Thi Binh, have been hailed and cheered (reportedly more than any Head of State) at principal Third World conferences of the non-aligned bloc during the last three years.

It is worth noting that, even after all the years of the Cold War, the negative American reading of recent United Nations actions is directed not at the Soviet bloc or even at the socialist Members of the United Nations, but at the Third World. Clearly, the capacity of Asian, Africa, and Latin American countries to control the General Assembly agenda and to dominate the debate and resolution process is at the heart of American disenchantment. This disenchantment deepened as the Afro-Asian ranks at the United Nations swelled in the 1960's, and has intensified still further in response to greater Third World solidarity in opposition to American policy on such critical issues as the comparative equities in the Middle East, the status of foreign investment, the use of coordinated economic pressure on the developed world (e.g., OPEC actions since late 1973), asd the overall insistence on a new international economic order that reflects the demands of the poorer, less industrialized countries. Ambassador Scali warned that "the pursuit of mathematical majorities can be a particularly sterile form of international activity" and, further, that "[p]aper triumphs are, in the end, expensive even for the voters."[5] In effect, Scali was arguing that without support from states with *actual* power, the formal claims of the General Assembly are rantings and ravings. In the background, however, lurked, I believe, a growing anxiety about a shift in *real* power. The oil weapon employed by OPEC since 1973 had been more than "a paper triumph" for the Third World, even if only a small portion of Asia, Africa, and Latin America received benefits from the confrontation. The shift in influence and wealth had been dramatic. Third World solidarity had seemingly paid off both in relation to the Arab-Israeli conflict and with respect to prospects for restructuring the world economy. Therefore, just as the African dance after the China vote might have been partly bravado, Scali's denunciations of the Assembly seem more like a political gesture than an exercise in diplomacy. Although the Assembly has no aircraft carriers or missiles, its judgments increasingly represent more than mere rhetoric because of the inceasingly formidable strength of the social forces that stand behind that rhetoric. Scali's speech appears to be associated with the threat diplomacy directed at OPEC by American leadership inside and outside of government, conjuring up military scenarios about seizing Arab oil in either the Persian Gulf or Libya.[6] Beneath the denunciations lies a growing American anxiety that "the barbarians are at the gates," that "the West" or "Western civilization" is under siege and the world is running out of critical resources needed to fuel growth-oriented market industrial economies.[7] Thus, the anger directed at the United Nations is part of a wider loss of confidence by American leadership in its capacity to cope with a series of difficult challenges. These American outbursts can be seen partly as expressions of frustration because the tide is turning, and partly as exhortations to stem the tide. Just as the Third World in general and the Palestinians in particular symbolize the barbarians at the gates, so the United Nations serves as a temporary scapegoat, along with OPEC, for focusing American anger and for distracting attention from more structural issues related to a crisis in world capitalism.[8]

A somewhat more academic and narrower critique of the United Nations, especially of the General Assembly, contends that the Organization is worse than nothing, that it is "a dangerous place" where the formal action consistently contravenes the high purposes of the Charter.[9] Indeed, the authors of one study assert that "the United Nations contributes about as much to peace as a battleship or an atomic bomb. Disputes are brought to the United Nations in order to weaken an opponent, strengthen one's side, prepare for war, and support a war effort."[10] This perception emerges, they argue, if one examines "the objectives of those who [have] used the organization."[11] Their evidence is drawn from a wide range of instances, but their argument seeks mainly to establish the extent to which the United Nations operates as an anti-Israeli force rather than as an objective organization bent on fulfilling the purposes of its Charter. Here, the main complaint against the United Nations is partly ideological, partly normative. On an ideological level the critique arises out of opposition to the pursuit of Third World goals in United Nations arenas; on a normative level the critique emphasizes the gap between the Charter as organic instrument and the United Nations as political actor.[12] As such, however, the complaint is irrelevant. The United Nations is inevitably a political actor that cannot be constrained by any underlying constitutional document, Although its actions may be influenced, if not determined, by constitutional guidelines. To complain about the politicization of the United Nations represents either a confusion or, more likely, a substantive dissent from the kind of political positions that are ascendant at a given time. Who can seriously maintain that in the early Cold War years the United Nations was not every bit as political an actor as it was during the 29th General Assembly? The United Nations political character in those earlier years was highlighted by the Korean operation. Indeed, at that time the United Nations provided a global cover for a military operation that was to all intents and purposes an American undertaking.

I would argue that the main organs of the United Nations will either be truly *impotent* or they will actively pursue political ends. If those political ends are perceived as abhorrent to the purposes of peace and justice in the world, then it is reasonable to conclude that the Organization is a dangerous place. However, criteria of peace and justice must be set forth with some clarity and objectivity to enable such a judgment. In my view, the recent swing of sentiment on principal issues is cumulatively in the direction of peace and justice, although not necessarily on each and every issue in question. This judgment rests heavily on my assumption that the world's primary need, at present, is for the redistribution of dignity and wealth, both to alleviate poverty and to build the kind of participatory system that can contribute to the formation of a world social movement designed to achieve drastic global reform.[13]

It should be understood that this approval of Assembly action is based on what I feel it is possible to expect within an intergovernmental context. Of course, many governments from the Third World which are most progressive on an international stage pursue contradictory policies toward their own people. Therefore, there is an element of hypocrisy in such posturing and some mixed effects arising from so-called policies of redistribution. Is social justice really enhanced when purchasing power is transferred from taxpayers in industrial democracies to sheiks on the Persian Gulf? I think it is possible to endorse the progressive demands now being made on the international level, while calling attention to the failure of governments to implement these same demands within their own domestic societies.

The United States has a reputation for wild fluctuations of mood with respect to world policy.[14] In recent decades, these fluctuations often centered upon the two major post-war experiments to create world political institutions that could be entrusted with a mandate to maintain world peace. In many respects, Woodrow Wilson was the prime champion of the League idea, and yet the United States Senate refused to ratify the treaty of participation. Similarly, with the United Nations, it was American promotion of the UN idea that accounted for holding the preparatory conference in San Francisco and locating the Organization itself in New York, rather than elsewhere. Other governments, as well, felt that in light of the League experience it was important to make the UN seem like a part of the United States, and not something remote and alien in character. Through the years the United States has been by far the largest single contributor to the work of the Organization. Nevertheless, there is no doubt that this positive attitude was partially conditioned upon the existence and expectation of favorable political winds. Up through the Korean War, even until the early 1960's, the United States could command support in the United Nations for any position, or at least avoid an adverse decision about which it seriously cared. Thus, both the tenor of debate and the formal actions of the political organs accorded roughly with American foreign policy references.

The watershed of pro-American sentiment within the United Nations was perhaps the Stanleyville Operation of December 1964, the occasion of a joint American-United Kingdom-Belgium airlift in the Congo to rescue the thousands of Europeans and North Americans stranded in the midst of a civil war and held hostage by one side. In retrospect, what was most revealing was the depth of African suspicion about American intentions, and the corresponding American attitude of apparent disbelief that its proclaimed humanitarian motives could be seriously questioned in a public forum. The American delegate in the Security Council, then Adlai Stevenson, protested American innocence. ". . . the sole aim of my government has been and is to assist in the rescue of innocent civilians endangered by rebel activities in violation of international law."[15] At that time there was a far greater tendency to accept Ambassador Stevenson's words on their face than would be the case today—by 1974, American credibility has been much more seriously damaged especially by a decade of military intervention in Indochina and by a series of CIA disclosures substantiating allegations of covert operations ranging from assassination plots to the "destabilization" of constitutionally elected governments. Nevertheless, even in

---

Footnotes at end of article.

1964 Africa's angry reaction suggested a deeper Third World opposition to any developed country's use of force in a Third World region, regardless of pretext. Also, and not unreasonably, the African participants in the debate saw the operation as an attempt by Europeans and North Americans to tip the balance in an ongoing civil war in order to satisfy their own diplomatic goals and economic greed, as well as to remind recently independent African countries that while colonialism may have collapsed as a formal system, new geopolitical forms of imperialism had emerged to take its place. My point is that in the years since Stanleyville there has been an intensification of these psychological trends, abetted by certain other factors such as the loss of American prestige as a consequence of defeat in Indochina, the rise of world social crises in relation to famine and poverty, the collapse of the liberal economic ideology based on prospects for indefinite economic growth, the increasing articulation of a Third World position that is anti-Soviet as well as anti-American, the success of OPEC strategy and the possibility of its extension to other sectors of North-Souh economic relations, the addition of India, another Third World country, to the nuclear club, and the political success achieved by the Palestinian Liberation Organization through recourse to international terroristic tactics. Although there are some counter-trends, these factors have all been components in the weakening of America's relative world position. The weakening has been underscored by severe economic setbacks for all advanced industrial countries including the United States, involving inflation, rising unemployment, and declines in total economic output.

It is in this wider setting of world developments that we should appreciate the recent upsurge of negative American attitudes toward the United Nations. In China's first major address in the United Nations, delivered on 3 October 1972 by its chief delegate Ambassador Chioa Kuan-Hua, the following passage appears near the end:

"The World is at a crossroads and so is the United Nations. If the United Nations is to regain its prestige and play its due role, it must conform to the trend of the world, truly express the just demands of large numbers of its members and the people of the world, act strictly in accordance with the purposes and principles of the UN Charter and free itself from the manipulation and control by the big powers." [16]

The events of the last session of the General Assembly definitely move symbolically in the direction advocated by China and supported by the overwhelming majority of member governments. Mr. Chiao Kuan-Hua went on to warn that unless the United Nations did so move "it would be very difficult" for it "to avoid eventually taking the old path of The League of Nations." [17]

What is at stake, then, is very fundamental: first, how do we interpret the forces of history? Second, how do we understand the American relationship to these forces? Third, how does the United States Government express this understanding in its role as a leading member of the United Nations?

I would emphasize the close links between the questions posed in the United Nations arena, and other controversies involving America's political identity:

What do we do about the American covert operations program in foreign societies?

What do we do with our surplus food capacity in a world confronted by massive shortages and large-scale famine?

What do we do about the OPEC challenge?

What do we do to safeguard our "security" in terms of defense spending, arms sales and transfer, and arms control?

The approaching Bicentennial year itself reconsider the whole issue of American political identity. It could be a time of national renewal and rediscovery. Our roots are progressive and revolutionary, dependent on the politics of change and conscious of the link between true independence and dignity. Such renewal and rediscovery would lead Americans, I am convinced, to celebrate rather than bemoan the cumulative drift of initiative in the United Nations. The choice narrows, I think, to girding ourselves to ward off the barbarians at the gates, or to joining those governments and social forces seeking a more equitable and durable system of world order.

Thus, I think the debate on United Nations activity is crucial for the posture we take toward the future of world order. As yet, the Third World itself, including the Chinese, have provided only a negative vision based on what Houari Boumedienne of Algeria has called "a dialectic of struggle." [18] But more than confrontation, more even than redistribution, is needed. A positive vision of how to construct an equitable system of world order must be shaped in the years ahead, soliciting the active participation of all major cultures and ideologies throughout the world.[19] The General Assembly can play a major positive role in this process by providing a forum within which the main lines of inter-governmental consensus on global reform can take shape. It may be naive to envisage such a role, at present, as governments are generally locked into the logic of the state system and are not likely to actively formulate the case for a post-statal system. Such analysis is too commonsensical, akin to arguing the flatness or stillness of the earth. The future is likely to mix many elements of the present, to become centrally guided for practical reasons no matter what governments prefer, and officials who rise to prominence in some countries may begin to be imbued with a wider sense of loyalty and identification. One day, national leaders may even find it "realistic" to believe that the future of their countries can only be secured by genuine commitments to the well-being of the world as a whole.[20]

Of course, this is a dream, but we desperately need dreams to awaken us from a dangerous form of sleep. On a more optimistic note, there seems to be some slight indication that the pendulum of official American perceptions may be swinging back from the strident denunciation of the Organization following the last session of the General Assembly. In this regard, it seems appropriate to call attention to a speech made by the Undersecretary of State for Political Affairs, Joseph J. Sisco, to the World Affairs Council in San Diego on January 23, 1975:

"We overestimated the potential of the United Nations at its birth in 1945. We tended to view the creation of this institution as synonymous with solutions to the problems. We know better today. At the same time, we must exercise care not to underestimate its positive contributions to peace. The United Nations is not an entity apart from its membership. The U.N.'s imperfections mirror the imperfections of the world in which the United Nations operates." [21]

It is only necessary to add that what constitutes an imperfection depends upon the eye of the beholder: Undersecretary Sisco's important point is the extent to which the political organs of the United Nations inevitably mirror the priorities of the majority of governments that comprise its 138 state membership. From this it follows that the more political the organ, the more direct the mirroring effect. Hence, of course, the General Assembly will reflect the sentiments of the Third World. And it is equally true that such political majorities are not coordinated with ratios of economic or military power in the world. Indeed, it may be a healthy compensation for such imbalances, especially if some controversies can be resolved on the terrain of symbolic action—legitimacy struggles—instead of on the battlefield.

A caveat is in order. It remains uncertain whether an assembly of governments can develop a set of policies designed to promote human and planetary interests as a whole. As matters now stand, governments seem too short-sighted and selfish to cooperate for the general good; furthermore, many governments do not even represent their national citizenry as a whole, but pursue the interests of a dominant class, race, religion, ruling group, or sub-national region. Perhaps governments can be sufficiently reformed from within so as to represent both wider interests of humanity and the particular interests of their own society. However, the prospects are not now bright, and until such changes occur it is necessary to be skeptical about the positive potential for global reform that can be achieved within any intergovernmental framework, including even that of the United Nations.

Therefore, I am urging that this Committee see the United Nations in the broader setting of global concerns. It is partly a matter of appreciating its fundamental character as a forum for communication, where claims and controveries are aired, and partly a matter of grasping its growing stature as a quasi-legislative body that can mobilize public opinion around certain positions. Beyond this, the political organs of the United Nations, especially the General Assembly, may help build a global understanding of the need for longer-range planning and vastly augmented mechanisms for global coordination that presently exist. In reevaluating the role of the United Nations, let us not lose sight of these fundamental purposes served by the Organization, even if some of us find ourselves disappointed by some recent positions taken in the General Assembly with respect to current controversies. Our most basic national interest is to strengthen the draft toward a global process of decision that the United Nations represents, and we should not be diverted from this priority. Secretary General Kurt Waldheim is surely correct when he says ". . . the *achievements* of the United Nations are nothing compared with its *potentialities*." [22]

FOOTNOTES

[1] Kurt Waldheim, "The United Nations—A Reflection of the Realities of the Modern World," *Review of International Affairs*, No. 594, Jan. 5, 1975, pp. 3–4, at p. 3.

[2] For discussion of this role see I. Claude, "Collective Legitimization as a Political Function of the United Nations," 20 *International Organization* 367 (1966).

[3] American statement reprinted as Scali, "U.S. Warns that Present Voting Trends May Overshadow Positive Achievements of the United Nations," 72 *Bull. State Dep't*. 114, at 116 (1975).

[4] For an official attack see speech by Sen. Charles Percy, also delivered on December 6, 1974, in his capacity as U.S. Representative to the General Assembly. Percy, "U.S. Votes Against Charter of Economic Rights and Duties of States," 72 *Bull. State Dep't* 146 (1975).

[5] Scali *supra* note 2, at 115, 116.

[6] The most widely noticed argument in academic circles is that put forward by Professor Robert C. Tucker of Johns Hopkins University. See Tucker, "Oil: the Issue of American Intervention, 59 *Commentary* 21 (1975); the most direct official statement was a carefully qualified assertion by Secretary of State Henry Kissinger in the course of an interview with the editors of *Business Week Magazine*. "I'm not saying that there's no circumstance where we would not use force. But it is one thing to use it in the case of a dispute over price; it's another where there is actual strangulation of the industrialized world." Interview text re-

printed in "Secretary Kissinger Interviewed for *Business Week Magazine*," 72 *Bull. State Dep't* 97, 101 (1975).

[7] As Kissinger put it in the same interview, "The political problem is that the whole Western world, with the possible exception perhaps of the United States, is suffering from political malaise, from inner uncertainty and a lack of direction." *Id.* at 99. Elsewhere Kissinger said, "[T]he aspect of contemporary life that worries me most is the lack of purpose and direction of so much of the Western world." "Secretary Kissinger Interviewed for 'Bill Moyers' Journal," 72 *Bull. State Dep't* 165, at 166 (1975). The fragility of the West is also expressed by critics of a military approach to the OPEC challenge. For instance, Zbigniew Brzezinski writes: ". . . the threat of military action is simply not credible . . . an American failure, following an abortive intervention, could mean the disintegration of the West." Brzezinski, "Recognizing the Crisis," 17 *Foreign Policy* 63, at 69 (1974–75). Pro-interventionists argue to the exactly opposite effect.

[8] On this theme see G. Barraclough, "The Great World Crisis I" in *The N.Y. Rev. of Books*, January 23, 1975, at 20–29; F. Ajami, "Scenarios of Doom: Scapegoating and Backlash Politics" (unpublished mimeo., Jan. 1975).

[9] A. Yeselson and A. Gaglione, *A Dangerous Place: The United Nations as a Weapon in World Politics* (1974).

[10] *Id.* at X.

[11] *Id.* at 196.

[12] This argument is developed at some length in R. Falk, "The United Nations: Various Systems of Operations, *The United Nations in International Politics* 184–230 (L. Gordenker, ed., 1971).

[13] R. Falk, *A Study of Future Worlds* (1975).

[14] See the rather intriguing conclusion that there is a predictible cycle of introversion (twenty-one years) and extroversion (twenty-seven years) in American foreign policy reached by Frank Klingberg, in "The Historical Alternation of Moods in American Foreign Policy," 4 *World Politics* 239 (1952).

[15] As quoted in R. Falk, *Legal Order in a Violent World* at 331 (1968) for account of Stanleyville Operation see *id.* 324–335.

[16] Text of speech reprinted in *Peking Review*, No. 41, Oct. 13, 1972, 4–10; quoted passage at 10.

[17] *Ibid.*

[18] Text of Boumedienne speech reprinted in "Petroleum, Raw Materials and Development," Algerian Memorandum to Special Session of U.N. General Assembly, April 1974, III, at VIII.

[19] For some instances see F. Northrop, *The Taming of Nations* (1952); *On the Creation of a Just World Order* (S. Mendlovitz, ed., 1975).

[20] See suggestion by the development economist, John P. Lewis, that the political energy for global reform is most likely to come from above, indeed, from within the bureaucracy itself. Lewis, "Oil, Other Scarcities and the Poor Countries," 27 *World Politics* 63, at 86 (1974); for an argument that reform will come from below, see F. Ajami, *The Global Populists: Third-World Nations and World-Order* (Princeton University, Center of International Studies, Research Monograph No. 41, May 1974).

[21] See J. Sisco, "America's Foreign Policy Agenda: Towards the Year 2000," 72 *State Department Bulletin* 182, at 186 (1975).

[22] Waldheim, note 1, p. 4.

STATEMENT OF PAULINE FREDERICK (ROBBINS) BEFORE THE COMMITTEE ON FOREIGN RELATIONS OF THE UNITED STATES SENATE ON MAY 15, 1975, ON "THE UNITED NATIONS: OTHER VISIONS."

Mr. Chairman and Members of the Foreign Relations Committee of the United States Senate:

I appreciate the opportunity to appear before you today.

When I attended The American University here in Washington, quite a few years ago, and subsequently covered the State Department as a journalist, I felt rather close to the processes by which our foreign policy was made and implemented.

In the nearly thirty years since, during which I have been reporting on the United Nations in New York, an invitation to an official Washington function connected with the UN has seemed like a bid to enter a foreign land. There have been only three such occasions including this one today. The first was for a so-called UN dinner at the Pan American Union where, according to the dictates of protocol, the members of the Washington diplomatic corps outranked the United Nations ambassadors. The second was to attend a dinner at the White House for the United Nations Secretary-General who soon thereafter became less than welcome in the mansion because of his pleas against the bombing of Asians, of which he was one.

The reverse traffic has not eased this sense of alienation. In recent years, particularly, when the President and Secretary of State have gone to the United Nations, one could have the impression the purpose was mainly ritualistic—a public relations bow to what some in this city, I fear, regard as an anachronism. These visitations have aroused little belief that the United States was reaffirming the full commitment it made in 1945 in San Francisco to the treaty known as the United Nations Charter.

When the President comes to the UN these days, there are the usual courtesy calls on the Secretary-General and the Presidents of the Security Council and the General Assembly. There is a more or less pro forma speech about peace, sometimes including criticism of UN members adjudged less high-minded than the United States. This is followed by a handshake with delegates (excluding representatives of governments not recognized by Washington) and lunch hosted by the Secretary-General. Then the chief executive flies back to the White House.

If the official call is timed for the opening of the General Assembly—which it usually is—the Secretary of State is left behind in New York to pursue a routine inaugurated by one of his predecessors. He moves across the street to the United States Mission, and down the street to the Waldorf Towers, followed by the State Department press corps. In these quarters, isolated from the UN, he holds mini-summit talks with delegates who need American help, or can be persuaded that they do, in the interest of shoring up loyalty to the United States. These talks are always described as "useful." Publicity is thereby focused on American bilateral relations while the activities in the assembly hall receive scant notice, if any—unless there are harsh words for the UN host country. And so it can appear to the American public, and to the world, that the United States rather than the United Nations is meeting in New York.

Of course, this procedure may reduce the travelling time abroad for the Secretary of State, since he is able to take advantage of the presence of world leaders in New York to pursue bilateralism. It can also emphasize to delegates and the American people that the UN does not have high priority with Washington foreign policy makers. A recent President high-lighted this fact when, on learning that other chiefs of state would attend UN anniversary ceremonies to be climaxed with an evening concert by distinguished artists (which he, too, should have attended) invited the visting dignitaries to a state dinner at the White House the very same evening and sent an official plane to New York to bring them to Washington. At least one government leader went home rather than make the embarrassing choice between the U.S. and the UN.

In the aftermath of Indochina there is much discussion about reassessing American foreign policy. This could mean reaffirming the bilateral power-balancing used with some success in the last century to maintain the status quo of similar cultures in a limited geographical area—but applied more recently with disastrous consequences. Or reassessment could mean recognition of the interdependence today of all nations with different systems when the economic, social and political ills of some can afflict the stability of all. Obviously the vastly interconnected human problems of the present cannot be resolved by force because war, like pestilence in a closely-knit community, can now be epidemic. Therapy can be found, however, in the institution so largely of American creation and so frequently disparaged by its principal sponsor—the United Nations.

The direction the United States takes from now on rests, as in the past, with you gentlemen here in Washington—in the Executive branch and in the Congress. I say "gentlemen" with due deliberation because no women have had decisive roles in plotting a course which has related so heavily on intervention in other countries. Nor have the American people had any determining voice, judging by the lack of official interest in a recent Gallup Poll showing that 75 percent of them do not want the United States to give up its membership in the United Nations. This expression of opinion would imply that a majority of Americans would not object to constructive participation in this organization. One reason why the United Nations was located in New York was to make it accessible to delegates travelling by steamship. I respectfully suggest that it is long since time for the United States to get off the steamship dock and onto a changing world where time and tide wait for no nation.

It might be well to clarify here a mistaken notion found all too frequently—even in Washington. It is that the United Nations is a kind of world government that can legislate peace, if it only wants to. Of course this is not true. The United Nations, in effect, is machinery that can be set in motion only by its member governments. Consequently, when the UN is blamed for what it does, or fails to do, it is a scapegoat for the behavior of the governments which belong to it.

I suppose it is only natural for skeptics to ask, "What can the United Nations do for the United States—How many divisions does the Secretary-General have?" Of course, the answer is "none"—that is, if what is meant are divisions to fight. But the Secretary-General does have something more valuable—peace-keeping forces that have stood between hostile armies and saved the world from even more conflict than it would otherwise have experienced.

Since October 1973 until this day, the men in blue U.N. berets have separated the fighters of Israel and Egypt, and Israel and Syria, thereby giving the parties time to try to negotiate. Twelve nations are taking part in this peace-keeping—for the first time eastern Europe is involved and the Soviet Union is helping to pay a peace-keeping bill for the first time. From 1956 to 1967, U.N. peace-keepers made possible a lull in the battles of the Middle East, and from 1949 to 1956 a U.N. truce, watched over by U.N. observers, helped to shield the area from any major confrontation.

For nearly a decade U.N. peace-keepers stood between hostile Greek and Turkish communities on the island of Cyprus. They have now resumed their positions after last year's violent outside intervention. A U.N. emergency force was in the Congo for four years, during which Secretary-General Dag Hammarskjold gave his life in trying to bring peace to a nation which had become a battlefield for outside rival interests. And the presence of U.N. representatives have helped to prevent, tamp down and even end hostilities, at various times in such far-flung areas as Kashmir, West Irian, Yemen, Lebanon and Greece.

In view of the tendency today for overarmed nations to fight first and talk last, this U.N. record is unique. It should convince the United States that there can be security in an international peace force—even a small one. Since the United States has so much to lose by war, would it not be more realistic to help create a permanent and enlarged international peace force rather than continuing to expand national war power (already strong enough to destroy the world) to compete with the Soviet Union? It would, undoubtedly, be much cheaper for the American taxpayers.

Some members of Congress seem to be more concerned about what the United Nations costs than what it does. Last year the American assessments for the upkeep of the organization and its specialized agencies, as well as voluntary contributions for human development and disaster relief through the U.N., all came to something less than half a billion dollars. By contrast, the Pentagon estimates that $5 billion worth of American military equipment was left behind on the withdrawal from Indochina, after a war that cost at least $160 billion, not counting the human toll. Just one item in the arms race—the projected B–1 bomber fleet—is estimated to run between $50 and $75 billion.

Of course, the arms cost figures never cover the waste of so much of the earth's resources in non-productive output at a time when even the American living style is threatened by shortages. Moreover, those who cavil about alloting millions to the United Nations while endorsing billions for military purposes ignore the millions in return to the American economy from the mere presence of the United Nations in the United States.

The United Nations is going beyond peacekeeping to try to uncover the sources of war, in the hope that this scourge may someday be controlled. U.N. agencies are looking into causes of human misery, frustration and futility which can trigger violence. These include scarcities of food, energy and raw materials, inequitable distribution of the earth's bounty, instability of prices, dislocation of finance and trade, overpopulation, social justice, the arms race and the unmastered explosion of technology. Since these problems respect no boundaries, they cannot be diagnosed and treated on a bilateral basis. They are multilateral in scope and, consequently, demand multinational attention which the U.N. can provide.

These needs of the human race have come to particular focus in the United Nations because of the influx of many new members from Africa and Asia. These countries have entered the organization directly from their colonial liberation. If their demands sometimes sound impatient and angry, it is because their exploitation by white colonists is so recent. We Americans could probably have understood them better 200 years ago.

The challenge for the United States now is how to respond to the heretofore underprivileged who would turn around the world which has been going so well for the rest of us. There are those who say, in effect: "Pay no attention to the upstarts in that worthless UN. Let's go about our bilateral business as usual." There are those who say, in effect: "Go into the UN and give them hell, and if they try to gang up on us, gang right back." Finally, there are those who say: "The world has changed, the United States is no longer an isle unto itself; it is now part of a global community (whether we Americans like it or not) dependent and interdependent. Our responsibility, therefore, is to help fashion a new civilized society from new conditions."

It is to be hoped that the would-be resigners and the "shouters back" are in the minority. There was too much of that, to no avail, during the cold war to anticipate a repetition with equanimity. Since the United States has decided that the better part of international wisdom is détente with the Soviet Union, it could be valuable, also, to reach a détente with the Third World. If we were to lower our voices to a dialogue it ought to be possible to adjust the new economic order espoused by the developing nations so that the United States could participate in a constructive consensus, rather than developing a reputation as an isolated "nay sayer" to the world's poor.

If you gentlemen in Washington reach the conclusion that understanding adjustment is more conducive to international harmony than rhetorical confrontation in the interest of the United States, it would seem to follow that American representatives in international parleys should be selected for their status and ability to confirm this image. Men—and women (I say hopefully)—who are chosen for the United Nations should be of rank at least comparable to that of their peers from other nations. For instance, the Soviet Union's UN Permanent Representative at the United Nations, Yakov Malik, is a Deputy Foreign Minister and the delegates Moscow sent to the UNESCO executive meeting to engineer the decisions that caused so much anger in this country was none other than the widely experienced Ambassador Valerian Zorin.

Furthermore, at least the head of the American delegation should be assured some tenure in the interest of self-confidence and standing among other delegates. Although the American ambassador is supposed to serve at the pleasure of the President, the sudden firing of this person, sometimes without prior notice, scarcely enhances the prestige or influence of the delegation as well as the United States. Furthermore, since there are 137 other ambassadors at the United Nations whose cultivation is essential to good international relations, Congress should increase the American representative's entertainment allowance so that a highly qualified person does not have to weigh personal resources as a condition for taking the post.

Of course, the United Nations is not perfect. Nor is the United States Government—or you Members of Congress would have little to do. Both are subject to human frailties. Since there is no thought of discarding democracy for another system because it is flawed, why should a United Nations designed on a democratic pattern be judged by harsher standards? The best American talent and most dedicated persons should be enlisted to help improve the UN if our aim is peace.

Mr. Chairman and Members of the Committee, in summary, my vision of the United States and the United Nations prompts these suggestions:

That the United States accept its role as a regular member of the family of nations instead of its domineering parent;

That the United States join in building an effective international peace-keeping force to reduce the use of national war power as an instrument of national policy, inasmuch as the protection of one nation now requires the protection of all.

That the United States recognize that the causes of international violence are found in economic decay, social injustice and political unrest, and offer its full cooperation to work with other nations to eradicate these conditions;

That the United States select only its most qualified and outstanding citizens to represent it in international gatherings and organizations;

That the United States spend more money and resources in the search for peace while reducing its commitment to the arms race.

An American statesman, Adlai Stevenson, once said: "The United Nations is not and must never be a weapon for the United States. It is a genuine international organization which can only really be effective if it is not dominated by us. . . . The danger exists that those who are afraid and lack assurance would like to avoid the free exchange of conflicting ideas, of concepts and of technology, particularly if from the time matters do not go just as we might wish. However, it is we who evolve best in this free forum because it is our natural habitat, and if we have the courage to go ahead and the boldness to stand the test of an open society, if we have the courage to build, even something which is not perfect from our point of view, I can foresee only a more significant dialogue, a progressive lessening of tensions and, finally, the predominance of a better set of ideas."

It has been said that some Americans fear the inability of their country to make peace more than its ability to make war. I dare to hope that there is no less talent in this nation for dealing with the human problems confronting us all than there is in any other nation. I suggest that we summon up the courage to try it.

CONCLUSION OF MORNING BUSINESS

Mr. **RIBICOFF**. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. **RIBICOFF**. What is the order of business?

The **PRESIDING OFFICER**. Morning business is completed.

CONSUMER PROTECTION ACT OF 1975

The **PRESIDING OFFICER**. Under the previous order, the Senate will now resume consideration of S. 200, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

The Senate resumed the consideration of the bill.

MAKING BIG GOVERNMENT BIGGER—S. 200—AGENCY FOR CONSUMER ADVOCACY

Mr. **HARRY F. BYRD, JR.** Mr. President, as we debate today the Agency for Consumer Advocacy—ACA—legislation, S. 200, I am confident that every Senator agrees that protecting the interest of the American consumer is both a laudable goal and a necessary function of government. For as the able Senator from Alabama (Mr. ALLEN) has so eloquently argued, "the interests of consumers are an essential part of the public interest and need to be safeguarded."

It is, therefore, not easy to oppose legislation with such a high-sounding title. But I believe that the goals of the legislation have received far more attention that the proposed means. We must look beyond the highly touted cosmetic name of this bill.

However noble the intentions of the act now being proposed, I fear that the ultimate result of this newly recommended vast, sprawling bureaucracy would be contrary to its expressed purpose.

This legislation would make big government bigger. Big government does not mean better government.

The American consumer, in contrast to what many argue, has not been a neglected figure in our society. No other political system has the interest of consumer so inextricably linked to its economic and political process than our own.

The interests of the American consumer have a long history in our Government. We have Federal, State, and local agencies to serve consumer needs.

In the Federal Government alone, we have over 75 agencies, departments, and bureaus involved in some hundreds of functions directly affecting consumer affairs.

In response to a request from the Senator from Ohio (Mr. TAFT) the Congressional Research Service of the Library of Congress detailed the number and cost of Federal consumer protection programs. That report noted:

> Broadly speaking, almost every activity of the Federal Government touches upon the American consumer. Therefore, we have attempted to choose those activities most directly related to consumer protection while at the same time trying to be as inclusive as possible.

The Library of Congress then puts the current cost of consumer interest activities at many billions of dollars.

We have the Federal Trade Commission, with broadly defined consumer protection responsibilities; we have the Securities and Exchange Commission, the Interstate Commerce Commission, and the Federal Communications Commission. There is a National Commission on Consumer Finance, a National Bureau of Standards, a National Highway Safety Bureau, and more.

The Department of Agriculture has a Consumer and Marketing Service; the National Transportation Safety Board has an Office of Consumer Services, and the President has a Committee on Consumer Interests.

The 92d Congress established the Consumer Product Safety Commission, with the broadest powers ever delegated by Congress to an independent regulatory agency. This Commission has the authority to set safety standards for consumer products that present unreasonable risks of injury to the American public.

Congress has passed the Flammable Fabrics Act, the Hazardous Substances Act, the National Traffic and Motor Vehicle Safety Act, the Fair Package and Labeling Act, the Fair Credit Report Act, and more.

During the 93d Congress, the Senate passed legislation which would compel manufacturers to repair or replace faulty car parts, appliances, and other items, if there is a warranty to do so.

Legislation to give the Federal Trade Commission more power to regulate misleading advertising also passed the Senate in the 93d Congress.

In short, the U.S. Congress has shown a very serious and active interest in consumer affairs, and it will continue to do so.

But why is it then—if we have such a wide array of consumer programs—why is it then necessary to have a new superagency?

The proponents of the ACA legislation tell us that the existing regulatory agencies and programs have failed.

Yet if this is so, if the agencies Congress established are not doing the job they were intended to do, it is our responsibility to see that the situation is corrected. At a time when confidence in Government is low, Congress must assert its responsibilities—not abrogate them.

Congressional responsibility does not end merely with the enactment of legislation. As a representative and deliberative body, Congress has the mandate and the power to guarantee that the functions of the Federal regulatory agencies Congress created are carried out.

If the present regulatory agencies are inefficient and unresponsive, the answer to the problem is more congressional oversight—not less; and we would have less oversight with this new Agency, let there be no doubt about that.

Unfortunately, we seem to have reached a point now where many Members in Congress respond to a problem by creating more bureaucracy, by further centralizing Government power in the executive agencies.

Indeed, my observation is that Congress, basically, has only two responses to any given problem—more Government control and more Government spending.

This is an attitude we can no longer afford.

At a time when the Federal debt is approaching a half-trillion dollar mark and inflation is rampant, we just cannot afford to throw away the taxpayers' money on a program of questionable merit.

The interests of American consumers, as I discussed earlier, are already widely represented at all levels of our Government. We, therefore, do not need to create a new agency with the power to oversee the functions of other Government agencies. That responsibility belongs to Congress. And we cannot discharge this responsibility with the creation of a new Government agency at additional expense to the taxpayers of this Nation.

Piling bureaucracy on top of bureaucracy has never solved problems in the past and I do not believe that it will in the future—particularly a proposal for an agency that would have overlapping costs and jurisdiction with already existing agencies.

Unless we start to realize that there are other solutions to problems than more spending and more big Government, we will never get the cost of living under control.

We talk about consumers. We have a lot of legislation which we say is for the benefit of consumers.

I believe the best thing the Senate of the United States and the Congress of the United States can do for the consumer is to stop passing foolish legislation that drives up the cost of everything the consumer has to buy.

The legislation we have passed in regard to automobiles has already increased the cost of an automobile by $600, and if the new regulations go into effect—and I think they should be held in abeyance for a while—it will add another $600 to the cost of automobiles.

It is little wonder that the Gallup poll shows the people of this country have very little confidence in the wisdom of Congress. I do not blame them.

Consumers need better government, not more government. This bill, S. 200, will generate hundreds of new Federal jobs. It has been estimated that the ACA will employ up to 500 lawyers. That may be fine for unemployed lawyers, but it is not at all fine for the hard-working taxpayers of this country.

If this is to be a "lawyers' relief" bill, then let us say so. But do not delude the taxpayers who must suffer under the burden of supporting this newest legion of Government regulators who will swell the already bloated Federal ranks still further.

At a time when people across the Nation give evidence of opposition to further Federal regulation of their lives, and are adamant in their support for accountability of public officials, S. 200 proposes to give them a massive Federal bureaucracy which is virtually accountable to no one. Even the courts are denied the opportunity to review the actions of the proposed new agency.

I seriously question whether many of the supporters of this legislation have carefully inspected its potential—not only for good, but for abuse, as well. I think too many people are dazzled by the high-sounding phrases which are used to extoll the ACA concept, without considering the price they must pay both as consumers and as citizens who will be giving up a little more of their individual liberties to the Federal bureaucrats.

I am reminded of the words of Mr. Justice Louis Brandeis, who wrote in 1928:

> Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficient. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.

We would do well to heed these words.

I shall oppose passage of this legislation, not because I desire consumer protection less, but because I desire good government more.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

AMENDMENT NO. 403

Mr. BUMPERS. Mr. President, I would like to call up amendment No. 403, and I ask that the Senator from South Carolina (Mr. THURMOND) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, strike the last five words in line 25, and on page 16, strike lines 1 through 12, and insert in lieu thereof the following: "Where the Administrator did not intervene or otherwise participate in a Federal agency proceeding or activity, the Administrator shall not be permitted to initiate a judicial proceeding with respect to such agency proceeding or activity unless the court shall first have determined that initiation of such a proceeding by the Administrator would advance the interests of justice. In advance of the initiation of such a proceeding by the Administrator, he shall file a statement setting forth the reasons why he did not intervene or otherwise participate in the Federal agency proceeding or activity out of which the contemplated judicial proceeding arises, for the court's consideration in connection with its determination whether the initiation of such judicial proceeding would advance the interests of justice.".

Mr. BUMPERS. Mr. President, I shall take a few minutes to explain the amendment.

There are three possible situations which may arise which give the Administrator of the Agency the right to appeal to the district court.

In the first instance, where the Administrator has participated in the hearing before the Agency, he has, as a matter of right, a right to appeal to the district court. The two subsequent situations are where the Administrator did not participate in the hearings, and, third, did not participate in the hearings but filed a petition for a review or reconsideration under the rules of the Agency.

The way the bill is now written the Administrator has the right in all three instances to appeal to the Federal court, but in the second two instances where he did not participate in the hearing below, or where he did not participate but did ask for a rehearing or petitioned for reconsideration, he must file a statement with the Federal court giving the reasons why he did not participate at the Agency level. Then the court must find that to prohibit the Administrator from initiating or intervening at the court level would impede the ends of justice. My amendment simply changes the lanuage to say he must do all of those things, but the onus on the court is alleviated slightly in that the court would only have to find that the intervention or initiation of such an action by the Administrator would advance the ends of justice.

It occurs to me that this is a small, narrow amendment, but it is one that is more in keeping with the traditional rule of law on the exhaustion of administrative remedies. Frankly, I do not think the Administrator ought to have total rights without some justification where he has not participated below. This is a very narrow amendment.

Mr. RIBICOFF. Mr. President, as manager of the bill I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. BROCK. Mr. President, I ask unanimous consent to be permitted to submit an unprinted amendment at this point.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The amendment will be stated.

The legislative clerk read as follows:

On page 9, line 13, after "functions." insert the following new sentence: "An agency shall not be required to provide such services, personnel, or facilities to the Adminstrator where to do so would seriously affect in an adverse manner the agency's ability to carry out its responsibilities, including any responsibility the agency has to protect the public health or safety."

Mr. BROCK. Mr. President, the purpose of the amendment was well stated in a letter to the chairman of the Committee on Labor and Public Welfare from the Secretary of the Department of Health, Education, and Welfare, in which he pointed out that the bill, as written might, by requiring the donation of agency personnel to the ACA, so limit the professional talent that they had available for their routine and regular tasks relating to health and safety that they would be unable to fulfill that function.

What I am trying to do by this amendment is to safeguard us from so deleting those personnel as to damage the ability of the existing regulatory agency to perform their functions relating to health and safety.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from Tennessee is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 385

Mr. HATHAWAY. Mr. President, I call up my amendment No. 385 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, beginning on line 6, strike all through line 7 on page 25.

On page 38, after line 12, insert a new subsection as follows:

"(2) In administering this Act, the Administrator shall take steps to assure that information required by the Agency is obtained with as little burden as possible upon small business enterprises required to furnish information under section 10.".

On page 38, line 13, strike "(2)" and insert "(3)".

On page 38, line 17, strike "(3)" and insert "(4)".

On page 38, line 21, strike "(4)" and insert "(5)".

On page 39, line 3, strike "(5)" and insert "(6)".

Mr. HATHAWAY. Mr. President, I do not intend to press this amendment, but I shall say a few words about it. This amendment pertains to the exemption which small business has from the powers of the Administrator to require data. I understand that there would be, I suppose I could say, overwhelming objection to my amendment because there is a great deal of pressure from the small business community, much of which I suppose is justified, to the effect that if the small businesses were not exempt from the Administrator's power to require small businesses to furnish information via interrogatories, depositions and whatnot, it would be too costly for many small businesses to bear.

I agree that it probably would be, although I must say that the definition of small business contained on page 24 of the bill, even as modified by the Senator from Louisiana, makes many of these businesses that qualify for this exemption quite substantial, and they probably could afford the cost of disclosing this information.

Mr. President, I am very mindful of the fact that the small business community is already burdened with a considerable amount of governmental red tape, filling out forms for the Federal, State, and local governments. This is a great burden to them and has been throughout the years, even though we have made some efforts to ease this burden.

But I am also mindful of the fact that one of the most important aspects of S. 200 is the information gathering aspect of it. One of the most essential ingredients which a consumer can have when he goes into the marketplace is information about what he is purchasing. The free enterprise system does not amount to much if the buyer does not have the information that he needs when he enters the marketplace. It was for that reason that I offered this amendment in the first place.

Even though the provision on page 25 which requires the Administrator to report within 18 months on the effectiveness of this exemption for small business has been stricken by amendment, I understand that the Administrator nevertheless will be filing a report with the Congress every year. I would hope that the Administrator would go into some detail with respect to how this particular provision, this exemption, for small business is working.

I had a modification of my amendment that would allow the administrator to obtain information from small businesses if he were willing to pay the cost that would be incurred by the business involved, but there was objection to that. As we all know, Mr. President, under the rule that prevails, no one can modify his amendment except by unanimous consent.

At the close of my remarks I will insert the modification of my amendment that I was going to present so that the Administrator can consider it in the recommendations that he makes to the Congress—hopefully as soon as possible—with respect to how this particular exemption is working. I am sure that we can work out a satisfactory arrangement so that the Administrator would not be prevented from getting very essential information from the multitude of small businesses that we have throughout this Nation. We should be mindful of the fact that under the definition of small business, which is in the bill, a tremendous amount of information is going to be withheld from the Administrator.

If we could devise some kind of procedure whereby the individual small businessman would not be hurt financially, I think we should bend our efforts toward that goal, so that all the information it would be possible for the Administrator to assemble would be available to the public. The consumer would then be armed with all the information he needed when he went into the marketplace.

The modification of Mr. HATHAWAY's amendment is as follows:

On page 24, line 22 after "information." insert the following: "Notwithstanding this paragraph, if a small business refuses to voluntarily provide data or information requested by the Administrator pursuant to paragraph (1), the Administrator may require the production of such data or information, provided the Administrator pays the cost incurred by the small business in providing such information."

Mr. RIBICOFF. Mr. President, I commend the distinguished Senator from Maine for his deep concern with all the problems of the consumer and of small business.

Other Senators also have deep concern about this; and when the distinguished Senator from Maine talked with me, I thought there was a formula by which we could work out an amendment that would be acceptable and that the manager of the bill would have been willing to accept. However, another Member of this body has refused to grant unanimous consent for the change; and under the circumstances, there is no way I can accept the amendment of the distinguished Senator from Maine. I commend him for his efforts.

Mr. HATHAWAY. I thank the Senator. I thank the distinguished Senator from Connecticut, the floor manager of the bill, for his cooperation in this regard.

Mr. President, I withdraw my amendment No. 385.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 409

Mr. McCLELLAN. Mr. President, I call up my amendment No. 409.

The PRESIDING OFFICER. (Mr. GLENN). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. McCLELLAN) proposes an amendment numbered 409.

The amendment is as follows:

On page 4, line 22, after "Advocacy." strike out all through line 16 on page 5 and insert in lieu thereof the following:

"(b) (1) The Agency shall be headed by a three-member Commission appointed by the President, by and with the advice and consent of the Senate, for a term of four years, coterminous with the term of the President. Members of the Commission shall be appointed from among persons who, by reason of their training, experience, and attainments, are especially qualified to represent the interests of consumers. Not more than two members of the Commission may be members of the same political party. The President shall designate one of the members of the Commission to serve as its Chairman.

"(2) All authorities, duties, and functions granted to the Administrator by this Act shall be exercised in accordance with the provisions of this section.

"(c) (1) The functions and powers of the Agency shall be vested in the Commission. The Chairman of the Commission shall be the Administrator of the Agency.

"(2) The Commission may from time to time delegate such of its functions as it deems appropriate.

"(3) The Administrator shall exercise all executive and administrative functions of the Commission, including (A) the appointment and supervision of personnel employed by the Agency, other than personnel employed regularly and full time in the immediate offices of Commissioners other than the Chairman, (B) the distribution of business among such personnel and among administrative units of the Agency, and (C) the use and expenditure of funds.

"(4) (A) In carrying out any of his functions under the provisions of this Act, the Administrator shall be governed by general policies of the Commission and by such decisions, findings, and determinations as the Commission may by law be authorized to make.

"(B) The Commission shall have the authority to revise budget estimates prepared by the Administrator and to determine the distribution of appropriated funds according to major programs and purposes.

"(d) (1) A member may continue to serve until his successor has qualified. No person shall serve as a member of the Commission for more than two terms. In the event of a vacancy in the membership of the Commission, the President shall, as soon as practicable after the date of such vacancy, nominate an individual to serve as a member of the Commission for the remainder of the term for which his predecessor was appointed. Members of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(2) Any vacancy in the Commission shall not affect its powers. Two members of the Commission shall constitute a quorum. The Commission shall have an official seal which shall be judicially noticed. In the event that more than one vacancy occurs, the remaining member shall act as Chairman.".

On page 5, line 17, strike out "(b)" and insert in lieu thereof "(e)".

On page 5, line 21, strike out "(c)" and insert in lieu thereof "(f)".

On page 5, strike out lines 23 and 24.

On page 33, line 4, strike out "Administrator" and insert in lieu thereof "Chairman".

On page 35, line 24, strike out "Administrator" and insert in lieu thereof "Chairman".

On page 36, strike out lines 1 through 4.

On page 36, line 5, strike out "(a)" and insert in lieu thereof "(b)".

On page 36, line 7, strike out "paragraphs:" and insert in lieu thereof "paragraph:".

On page 36, strike out lines 10 and 11.

Mr. McCLELLAN. Mr. President, the change that my amendment would make is simple. It is not complicated, but the effect would be important and constructive. The amendment would replace the single, all powerful Administrator with a three-man, bipartisan Commission to direct the policies of the Agency for Consumer Advocacy.

Given the broad, and often competing interests of the consumer, my amendment would give promise at least, if not insure, that careful discretion would be exercised before bringing to bear the sweeping powers of this new agency.

Thus, under section 3(c) (1), all functions and powers of the Agency are vested in the Commission, which is in turn directed to establish the policies and tend to the substantive, budgetary, and personnel matters of the Agency.

One of the commissioners, designated by the President as Chairman of the Agency, also will serve as the Agency's Administrator. In that capacity, he is expected to exercise those executive and administrative Agency functions which are delegated to him by the Commission. Accordingly, sections 3(c) (4) (A) and (B) provide that the Administrator's authority, duties and functions are to be exercised in accordance with policies, decisions, findings and determinations of the Commission. To manage the day to day operations of the Agency, the Administrator is authorized in section 3(c) (3) to perform various functions and subdelegate responsibilities in line with his own power.

The three members of the Commission are to be appointed by the President, with the advice and consent of the Senate, from among persons who are especially qualified to represent the interests of consumers. Commissioners are authorized to serve for a term of 4 years, coterminous with the term of the President.

Should a vacancy occur in the Commission, it is expected that the President will nominate a replacement as soon thereafter as possible, so that the Agency can continue working at maximum effectiveness. In the event that more than one vacancy occurs at the same time, the amendment provides for the remaining member to act as Chairman.

Mr. President, for the past several years, the American people and their Representatives in Congress have been actively concerned with improving the protection of consumers in the marketplace.

Indeed, the Senate has on three recent occasions, in 1970, 1972, and 1974 considered legislation to create a Consumer Protection Agency similar to the one envisioned by S. 200, the bill now before us. The Senate passed such legislation in 1970. Three years ago, a bill was sent to the floor of the Senate by the Committee on Government Operations, of which I was chairman during the processing of the bill. However, the session ended before a final vote was taken. In the 93d Congress, S. 707 failed after four attempts to invoke cloture.

I supported the creation of a Consumer Protection Agency during the 91st Congress. And, during the 92d Congress, as chairman of the Committee on Government Operations, I supported efforts to send the measure to the floor so the entire Senate could work its will upon this proposed legislation.

Mr. President, I agreed to support the bill, to help get it out of committee and get it to the floor of the Senate, on condition that the provision which I have just submitted as an amendment to this bill would be retained in that bill. It had been adopted as an amendment by the Committee on Government Operations.

Nevertheless, Mr. President, I sincerely believe that I would be betraying my conscience and the trust imposed in me by the people of Arkansas if I failed to emphasize that this bill has serious defects and is no more satisfactory than S. 707, the measure which the Senate debated at great length last year.

Under the terms of S. 200, an independent Agency for Consumer Advocacy would be established with unprecedented and sweeping powers to represent the interests of consumer powers that supersede those of other agencies. Even more seriously, the ACA would be headed by an Administrator not subject to effective supervision or answerable for his basic decision to any official elected by the people.

The bill would enthrone a single and absolute czar to rule the entire consumer domain without restriction or review of his actions by any other responsible authority in Government. The Administrator would have the power to intervene or participate in any regulatory action or activity of other governmental agencies, which in his judgment, would substantially affect the interests of consumers.

Mr. President, that is my concern. I do not believe that one man should be given the power to make that determination. If we are to have this kind of agency and have the Government perform specifically a function such as this, under law enacted by Congress, I believe that more than one man should exercise final discretion as to what action should be taken.

The proposed act defines a consumer as "any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes."

So broad is this definition that it would allow the Administrator to interject himself into every nook and cranny of Government and business because there would be no area where a consumer interest could not be established. In fact, Mr. President, under this bill, the Administrator could inject himself into every businessman's action that involved any merchandise or services embraced in the definition here of what is a consumer.

Thus, Mr. President, S. 200 as presently drafted, goes far beyond the consumer legislation which we have considered in the past. In vivid contrast—and to meet some of the same objections I raise today—S. 3970 provided for a three-member commission to administer the Consumer Protection Agency.

Mr. President, this is not a small matter we are dealing with. If we are really sincere and want to protect the American consumer and if that is the genuine purpose of it, and to be fair and just to those who provide the goods and services to the American consumer as well, I can see no objection to having this discretion placed in a commission of three rather than in one. Certainly, that is generally the pattern of our Government in matters of this importance—not a one-man decision, but we have a board, usually a bipartisan board or commission, to make these decisions and to exercise such discretion. I can see no compelling need to depart from that practice in this bill.

The dangers implicit in establishing a single, autonomous arbitor of consumer interests are not imaginary. They are real and clear for all to see. No element of American enterprise that deals with the consumer in any form or fashion would be free from the Consumer Protection Agency's scrutiny.

The Administrator could have the power of life-or-death over any business that stirs his displeasure, by making available its alleged violations of the law. This is far too much discretion to be lodged in one man.

However innocent a provider of goods and services may be, the fact that the consumer agency takes action against him is an advertisement to all of his patrons, to everyone to whom he is providing the services, it is in effect a notice to them that there is something wrong with the provider—the manufacturer or seller. I do not think that decision should be made or the power lodged in one man to take action that would cast a cloud of that discrediting effect over the operation of any business or service.

Even other Federal agencies and departments would be stripped of their independence if the consumer czar perceives a consumer interest in their operations. The language of the proposed legislation is so broad and unlimited that the Administrator will have the power to seriously disrupt, if not pervert, many of the regulatory operations of Government that now exist and are now prescribed by law.

Clearly, such a concept of one-man rule is totally repugnant to our democratic traditions and completely foreign to our system of Government, which is pluralistic in nature and subject to checks and balances.

Mr. President, there are many bad features in this bill, but the very basic principle of it is the conferring of power and to confer that on one man solely in his discretion to act, is dangerous. Suppose one is for the bill and for everything else that it undertakes to do, what is the objection to having a commission, a three-man, bipartisan commission, make the policy decisions and vital determinations? I cannot see any real objection to it.

Those who oppose it may have their reasons, but, Mr. President, we have too much abuse of discretion in Government today, in officials and in agencies and heads of agencies, that are not responsible directly to the people, or to the elected officials of the people.

It is for these reasons, Mr. President, that I submit an amendment which calls for the substitution of a bipartisan, three-member commission to direct the Agency for Consumer Advocacy rather than entrusting such all-encompassing powers in the hands of one man.

Not only would my amendment forestall arbitrary one-man action in the field of consumer affairs, it would bring the Agency for Consumer Advocacy into line with the other governmental agencies that work in this field.

The Federal Trade Commission that is supposed to protect consumers, has five Commissioners. The Federal Power Commission, designed to protect consumers, has five Commissioners. The Federal Maritime Commission has five members. The Interstate Commerce Commission has 11 members. The Civil Aeronautics Board has five members and the Federal Communications Commission has seven Commissioners.

Under these circumstances, I cannot understand why the proponents of this bill seek to vest all power in a single individual—especially in view of the fact that only 3 years ago, similar legislation provided for a three-member bipartisan commission. I have not seen or heard of any event that would cause this method of administration to be abandoned.

My amendment will return to the system that was acceptable in 1972 and is designed to prevent the creation of a monolithic, undemocratic structure with its clear and present danger of arbitrary, capricious, and unprecedented authority exercised at the whims and desires of a single Government official who is responsible to no one.

I solicit and urge the support of my colleagues for this important amendment.

Mr. President, it is indeed lamentable that the bill now before us does not contain language allowing the Agency for Consumer Advocacy to intervene in labor disputes which substantially affect the interests of consumers. Again, Mr. President, we are enacting class legislation. We are excluding from the provisions of the bill something that should be in it. We are excluding from the bill the most effective organization and interest in the country that has the greatest impact on the prices paid by consumers—that is organized labor. Unions have the power to strike, Mr. President, to force up wages and to force up prices. Yet we must not bother them; they are a selected, favored group. They are politically powerful. That is the reason for this preference being shown them. We may just as well say it plainly and factually. That is the truth; they are excluded because of their political power and influence.

They can do almost anything under the authority and great powers that they have today—almost anything that will have an impact on wages and prices and on what the consumer has to pay for goods and services.

Mr. President, they have tremendous political power, I know. I have faced it in elections, one after another, and I know how potent they are. But it is wrong, Mr.

President, to deliberately place them in a class of exclusion where the law does not apply to them equitably, as we are undertaking to make it apply in all other areas of commerce, goods and services.

I can think of no issue that has a more substantial effect on the interests of consumers than strikes and other forms of labor unrest.

Surely it cannot be seriously contended that consumer interests are not affected by wage increases and fringe benefits which are ultimately passed along to the consumer. Nevertheless, the giant labor unions have issued their ultimatum—they want an Agency for Consumer Advocacy to protect consumers from everyone but organized labor. Indeed, in their arrogance, AFL–CIO spokesmen have stated previous to past Senate consideration of consumer legislation, that increased labor costs must not be subject to ACA review or the AFL–CIO would oppose the entire legislation.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. McCLELLAN. I yield.

Mr. CURTIS. What would be the situation if the Secretary of Agriculture, exercising his duties of fixing support prices and market prices, took action in reference to milk prices and classifications and milk sheds that would result in an increase of cost to the consumer. Would this legislation grant to the Administrator authority to intervene, delay, and litigate such decisions?

Mr. McCLELLAN. Well, the Department of Agriculture is not excluded from actions of the Secretary exercising those powers. I do not find that it is excluded anywhere in this bill.

The farmer's interest is discriminated against. He can be subjected to actions taken or by the Administrator named in this bill. But the labor organizations, who force up the price of the machinery he has to buy, are exempt.

It is a discrimination in the economy of our country, a flagrant discrimination against the farmer.

I daresay, if labor organizations were not excluded from this bill, it would not get 25 votes in the Senate.

But labor dominates legislation. It is dominating on the floor of the Senate today.

Mr. CURTIS. Mr. President, I ask the Senator to yield for one more question.

The very purpose of agricultural programs is to increase the income of farmers.

Mr. McCLELLAN. Surely, and the very purpose of a strike is to increase the income of a worker.

Mr. CURTIS. If we pass this legislation, how on earth could any Secretary of Agriculture administer an agricultural program? Because they could intervene and at every level; they could keep them in court from now on. This bill is not only anticonsumer, in that it is going to affect his costs a lot more; it has the potential to create chaos in every department of Government.

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator, and I agree with his views.

Mr. President, I ask unanimous consent to have printed in the RECORD immediately following my remarks a very interesting and a very potent article that appears in this month's Reader's Digest entitled "Too Much Government by Decree."

The headline further states, Mr. President:

> To an increasing extent, we are being ruled by arbitrary edicts issued by unelected Washington bureaucrats—with results ranging from absurd to tragic.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

(See exhibit 1.)

Mr. McCLELLAN. Mr. President, I challenge any Member of the Senate to read that article and be able to deny the substantial truths that it reveals. Yet we are creating another agency—one, even more powerful. This article lists many abuses that are going on today, some of them cynical, some of them tragic, by bureaucrats, over which we have retained no control or supervision, or to whom we have delegated powers that are arbitrary; and they are acting arbitrarily under them to the injury and detriment of our people and our economy.

Mr. President, I wish that Senators would have the opportunity to read this article to which I have referred—some Senators may have already read it, but I wish they would have the opportunity to read it and deliberate on it just a few moments before they cast their vote against this amendment.

Then why, Mr. President, do we not exempt the farmer and say that the actions taken to increase his costs shall not be subject to review?

I will tell you why: because this is class legislation and because there is greater political power on the side of labor than there is on the side of the farmer today. That is exactly why we cannot get labor organizations included. This is a bare-faced example of the hypocrisy and arrogance of the labor barons, barons to which this body should not succumb.

For an example of the crushing effect of labor disputes upon innocent consumers, we need look no further than the lengthy east and gulf coast dock strike which paralyzed much of our economy during the winter of 1971–72.

My people, Mr. President, my farmers suffered severely from that work stoppage.

Farmers throughout our Nation—and in Arkansas particularly—were hard hit by their inability to move their produce to market. Related industries such as packers, processors, and distributors felt the paralyzing effects of this work stoppage. Widespread unemployment resulted. Farming communities were faced with economic recession.

They lost a great deal of their products, Mr. President.

Our competitive position in international markets was severely damaged. Each day the strike lasted, the situation became more and more intolerable.

Yet unions are to be exempt.

The Government refuses to exercise any supervision or control. Let the consequences be what they will. We dare not touch this sacred cow.

Yet, an AFL–CIO spokesman can declare that the unions "do not regard labor relations as having a consumer interest."

Mr. President, does the farmer's production have a consumer interest?

One is labor that generally produces manufactured products, and the other is labor that goes out in the field and with the sweat of the brow produces the bread we eat. But they are different classes, Mr. President, when we legislate.

I can conceive of few areas that have a greater effect on the distribution and the price paid for almost everything of concern to American consumers than labor relations.

The past should be our guide to the action that we should take now. With our economy in disarray, with inflation a cancer eating at the strength of our economy, we cannot afford the arrogance of this little group of self-styled labor leaders who place their own welfare above that of the majority of the American people.

I find it difficult to understand how the sponsors of S. 200 can justify the creation of an agency to poke about into almost every decision taken by business and governmental agencies while excluding an area of such paramount importance to consumers as are strikes and other labor disruptions. To do so, it seems to me, smacks of outright prolabor sympathies and blatant antibusiness bias.

Mr. President, I doubt that this amendment will pass. I doubt that it will, but I wanted to make this record. I wanted to state the facts as I see them.

When the consequences of this legislation become apparent, and when the arbitrary actions are being felt, when we become conscious of them, I would like for the record to reflect what I believe about this bill and what its consequences are going to be if we do not provide greater restraints than are now in the bill.

The least we can do, Mr. President, is to put the discretion in a three-man bipartisan board and not leave it to one man to decide against whom he will make charges and proceed and against whom he will not. It is un-American, Mr. President, to place such powers and such discretion where they can be so arbitrarily used.

Exhibit 1

Too Much Government by Decree!

(By John Barron)

The decree from the Environmental Protection Agency (EPA) fell upon Bostonians like an edict from some ancient king. Beginning March 1, 1975, no one might park on a downtown street between 7 and 10 a.m. Forty percent of all spaces in Boston's parking garages must be kept empty during the same hours. Employers must eliminate one fourth of all employe parking spaces. By making it difficult, if not impossible, for Boston workers to drive to their jobs, the Washington bureaucrats who handed down these sweeping orders hoped to reduce air pollution.

Boston community leaders were appalled. "We cannot eliminate the car until there is a viable alternative," declared Mayor Kevin White. Businessmen predicted serious economic loss and unemployment, as well as personal hardship and traffic chaos. Nevertheless, the EPA all last year stubbornly proclaimed its determination to compel Bostonians to do what it wanted, regardless of the consequences. Repeatedly it warned employers that they were liable to a year's imprisonment and a $25,000 fine if they disobeyed. Threatened with Congressional intervention, the EPA finally, last February, modified its Draconian decrees and granted the city more time to gird for their effects. Grateful for the reprieve, Boston Chamber of Commerce executive William F. Chouinard nonetheless said, "I hate to think what might have happened if we had not fought like hell."

MASS MEDDLING

Even though postponed, the orders arrogantly visited upon Boston are symptomatic of an insidious change which is occurring in governmental processes. Traditionally, Americans have been governed according to laws enacted by elected representatives answerable to voters. Today, Americans increasingly find their lives regulated by decrees emanating from bureaucrats who are, in effect, accountable to no one.

The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the *Federal Register* needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Random examination of the *Register* suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Navel-Orange Regulation 311, for instance, prescribes how many oranges may be shipped from California and Arizona counties during a specific one-week period. Contractors in Allegheny County, Pa., are informed that their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary *Register* regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Consumer advocate Ralph Nader points out that senseless or incompetent rulings by federal regulatory agencies drive up prices by suppressing competition, stifling innovation and perpetuating inefficiency. A Senate subcommittee estimates that private business spends $18 billion annually on paperwork demanded by federal bureaucrats, while the General Accounting Office calculated that 1973 paperwork cost the government itself $15 billion. But the gravest consequence of all this bureaucratic meddling carries no price tag. It is eloquently summed up by Sen. Sam Ervin (D., N.C.), Congress' leading constitutional authority, who retired this year after presiding over the Senate Watergate investigation. "Government by bureaucratic decree threatens freedom itself," Ervin declares. "The pursuit of no goal justifies the destruction, or even the erosion, of freedom."

Few Americans would dispute that abolishing racial discrimination, promoting industrial and consumer safety, and cleaning up the environment are worthy goals. The trouble is that Congress has created vast new bureaucracies with sweeping powers to pursue such goals as they see fit. All too often, the results are tragic.

BUSINESS BUSTER

Marlin Toy Products, Inc., in Horicon, Wis., used to provide jobs for 85 of the town's 1400 residents. Its most profitable products were two popular toys designed for babies. One was a transparent plastic sphere containing artificial birds and tiny, bright-colored plastic pellets. The other was a similar sphere containing pellets and artificial butterflies. When the spheres rolled, the birds or butterflies fluttered the pellets rattled and a child enjoyed motion, color and sound.

In November 1972, the Food and Drug Administration (FDA), then responsible for safety, suddenly informed Marlin that the toys were unsafe, reasoning that, if a sphere broke, a child might be tempted to eat the pellets.

Since Marlin first marketed the toys in 1962, millions of Americans had purchased them. Not one had complained to the company of any harmful results. The toys had already passed three rigorous safety tests—Marlin's, an insurance company's and a department store's. Nevertheless, Marlin agreed promptly to recall all the spheres and remove the pellets. Within a month, the FDA said it was satisfied and promised to remove the toys from the next published list of banned products.

Marlin proceeded to manufacture hundreds of thousands of the toys, hoping to recover, through the 1973 holiday sales, the losses from the 1972 recalls. But in September 1973 the newly formed Consumer Product Safety Commission (CPSC) issued a "Special Holiday List" of dangerous toys whose sale was prohibited—including the toys Marlin had redesigned months before to FDA satisfaction.

Not until early December did frantic company and Wisconsin officials succeed in getting CPSC to acknowledge that it had made an "editorial error." It was too late. Stores all over the country had canceled toy orders, and Marlin had lost at least $1.2 million. Today the company is on the verge of collapse.

"ARBITRARY . . . CAPRICIOUS"

Congress in 1970 created the Occupational Safety and Health Administration (OSHA), endowing it with authority to dictate work rules to virtually every segment of American business, from the corporate giants of Detroit to mom-and-pop shops at rural crossroads. OSHA inspectors can walk into any business unannounced, search the premises without a warrant and levy fines without a hearing or trial. Industry and labor alike recognize that there are industrial hazards which require intelligent remedies, but too often OSHA simply makes a nitpicking nuisance of itself. Consider:

In Newport Beach, Calif., an OSHA inspector visited Blackie's Boatyard, where owner Arsene "Blackie" Gadarian and six workers repair small craft. Pointing to a man without a life jacket who was working in a boat tied to the pier, the inspector asked, "What would happen if he fell in the water?"

"He would stand up," Gadarian replied. "The water's only three feet deep all along the pier." Still, the inspector thought there should be a ladder at the pier's end. Gadarian said he would nail up a ladder.

Three weeks later, OSHA formally notified Gadarian that he had violated its ladder regulation—Section 1501.84(c)(4)—and was liable to a fine of as much as $1000. When Gadarian asked to see the rule, OSHA sent his a 248-page document a month later. Nowhere could Gadarian discover any reference to ladders. Asked for clarification, OSHA sent a 48-page supplement saying only that a ladder must be installed in the vicinity of a dock where boats are repaired.

Because Gadarian already had four ladders near his pier, he decided to appeal the fine. OSHA set the fine at only $15, but Gadarian refused to pay.

A battery of government lawyers assembled to argue the OSHA case before a specially appointed federal hearing examiner and a flock of other federal officials. Gadarian, helped by his wife, acted as his own lawyer. The proceedings lasted four hours before Gadarian's innocence was certified. Gadarian's wife would not let him buy a transcript of the proceedings. It cost $500.

OSHA can be just as foolishly autocratic in dealing with big matters as with little. At a cost $100,000 annually, the Continental Can Corp. effectively safeguards its employes from noise by providing comfortable ear protectors and insisting that they be worn. OSHA itself admits that the protectors reduce the noise level well below federal standards. Nevertheless, OSHA demanded two years ago that Continental Can "engineer" noise abatement by building sound shields around thousands of machines at a cost of $33.5 million—contending that some workers might be too "ignorant or obstinate" to wear the ear protectors. Continental contested the OSHA decree.

After reviewing 1000 pages of testimony, Judge Robert N. Burchmore last October issued what added up to a searing indictment of both the judgment and the competence of OSHA. A government "expert" had claimed that sound shields could be designed and installed in two months. The court ruled that after seven more years of research it *might* be feasible to install them. OSHA had had to admit that it had found not a single employe who was not wearing the ear protectors. Judge Burchmore dismissed the OSHA ruling calling it "arbitrary to the point of capriciousness."

PASSION AND THE POLICE

The Equal Employment Opportunities Commission (EEOC) was created to ensure that employers should not discriminate against minorities in hiring and promotions. But the EEOC now ranges far beyond this stated mission; its flagrant excesses have provoked outspoken criticism from even longtime champions of minority causes.

Late last year, for example, the EEOC issued an astonishing set of decrees against the police department of Houston, Texas. By EEOC's own admission, this department has had, in recent years, a commendable record of employing minority personnel, who presently compose about 40 percent of the force. But the Houston police require that applicants have a high-school diploma, and they refuse to hire convicted criminals, people dishonorably discharged from the armed services, and those with a history of defaulting on debts.

The EEOC asserted that the ratio of individuals convicted of crimes, dishonorably discharged from the military, or marked as bad credit risks, is higher among blacks and other minorities than among whites. Therefore, ruled the agency, the Houston police department is guilty of racial discrimination and must cease investigating the backgrounds of prospective officers. It threatened legal action unless the Houston police opened their ranks to convicts, those with dishonorable discharges from the armed services, those who had not completed high school.

"If we do not even have the right to ask a man if he has been convicted, we could turn over the department to a bunch of criminals, the very element we're supposed to fight!" exploded Chief Carrol Lynn. "Hire a convicted kidnaper, burglar, rapist, murderer as a policeman? My God!" Houston's leading black newspaper, *Forward Times*, published a full-page editorial ridiculing EEOC and defending the police. To all protests, the EEOC has so far responded with bureaucratic contempt for common sense.

Meanwhile, EEOC's real business often goes unattended. It has a backlog of 100,000 cases, and now takes an average of 28 months to process a complaint. In their passion to pursue their mandate, EEOC investigators frequently fail to get facts straight. As a result, the EEOC general counsel has to return to the field as "unsuitable for litigation" between 80 and 90 percent of the cases submitted to his office. Yet this is the bureaucracy that has the power to impose racial and sexual quotas at all levels of business, and to drag any employer into a costly lawsuit at will.

THE SINGLE MOST POWERFUL

But the Congressional creation that threatens to grow into the most fearsome bureaucratic monster of all is the Environmental Protection Agency. Under a pervasive umbrella of power conferred by the National Environmental Policy Act, the Clean Air Amendments, the Water Pollution Control Act and the Noise Control Act, EPA has claimed for itself authority unprecedented in American peacetime history. Indeed, Prof. Irving Kristol of New York University recently wrote: "If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over the individual lives than Congress or the Executive or state and local government." Professor Kristol does not exaggerate. Consider:

EPA asserts the right to veto construction of virtually anything that might generate a substantial volume of traffic. Thus, unless Congress intercedes, as of January 1, 1976, local communities may not permit development of a major shopping center, hotel, stadium or factory without approval from Washington.

In Gary, Ind., the U.S. Steel Corp. tried to meet EPA requirements by building two new installations of non-polluting furnaces. But initially their output was limited by factors beyond the company's control: a power failure that damaged its furnaces, the coal strike and a construction strike. So U.S. Steel last fall asked EPA permission to keep its one remaining open-hearth installation in operation six months more. It was told that the installation could be kept open for three months with a $2300 fine for each day of operation. Instead, the company closed the installation, and hundreds of workers are losing their jobs as a result.

An infestation of deadly tussock moths in 1972 defoliated 174,000 acres of magnificent Washington and Oregon forests. To prevent further ravages, state officials and conservationists pleaded with EPA to allow a carefully controlled spraying of DDT. EPA stubbornly refused even a temporary removal of its ban against DDT. Unchecked, the multiplying moths by the summer of 1973 had afflicted 700,000 acres of timber. Faced with Congressional uproar and a lawsuit, EPA in February 1974 relented and authorized use of DDT. Helicopters sprayed the forest, and the infestation ended. But the devastation inflicted by doctrinaire bureaucrats endures.

ULTIMATE REMEDY

Nearly two centuries ago, the people of Boston started one of history's most important revolutions in the name of freedom. In the years since, millions of Americans have risked their lives to preserve that freedom. It is inconceivable that we will now sit back passively and allow it to be lost to bureaucratic usurpation.

The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power that it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent. Finally, broad national policies required to protect consumers, workers, minorities and the environment should be implemented through specific legislation rather than bureaucratic fiat.

If the people don't like the results, then—in the next election—they can remove the members of Congress responsible. That is why the American system has always provided that power must be exercised by elected representatives instead of by bureaucrats who have earned the vote of no one. If freedom is to survive, power must *remain* in the hands of elected representatives.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays on this amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his request for the yeas and nays temporarily?

Mr. McCLELLAN. Yes.

Mr. ROBERT C. BYRD. Senator, go ahead.

Mr. CURTIS. I want to be recognized under the bill.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the McClellan amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I yield myself 10 minutes.

This bill ought to be labeled the anticonsumers bill. Should through misfortune this proposal become law, it will increase the cost of most articles that consumers buy. There is no way that you can add to the regulations, there is no way that you can put more requirements on those who manufacture, distribute, and sell merchandise, without increasing the cost.

The cost to the U.S. Government is going to be great. It is stated in the report it will take a few million dollars to run this agency. That is the small part of the Government cost.

When a department of Government, whether it be the Department of Treasury or of Agriculture or the CAB or anyone else, defends itself against the administrator its budget is going to have to be increased materially. You spread that clear across the Government and you have a proposal to increase the size of Government, to further harass the productive forces of our country, and add to the tremendous cost of Government, add to the regulations that strangle free enterprise.

In addition to that, Mr. President, the enactment of this legislation will produce chaos in Government. A few days ago I read the principal parts of a letter from the Department of Treasury prepared by Stephen S. Gardner. I have another communication that I think ought to go into the Record.

I think we have reached a point where there are not going to be any minds changed as to how we will vote on this bill.

The pressure is on. But let every Senator realize what he is doing.

Here is a letter that shows how the passage of this bill can create absolute chaos in our tax collecting system, that can destroy the confidentiality of individuals' private businesses that all through the years the Internal Revenue Service has been so successful in protecting, the complete information that belongs to citizens.

The letter is dated May 12, 1975, addressed to me.

This is in further reference to my letter of May 7, 1975 with respect to S. 200, a bill "To establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes."

As stated, the Department is strongly opposed to the extent to which the Agency for Consumer Advocacy (ACA) could interject itself into the Department's affairs. More specifically, our concerns arise from section 6(c)(1) of the bill which would permit the ACA to act as an advocate providing representation for consumers before Federal agencies and in Federal courts ostensibly at all levels.

The definition of "interest of consumers" at section 14(11) of S. 200 which includes the health, safety or economic concerns of consumers gives the ACA the broadcast guideline as to what a consumer interest is with respect to the ACA's authority to participate in agency proceedings. However, a determination by the ACA that the result of an agency proceeding or activity may substantially affect an interest of consumers, or that ACA intervention is necessary to represent adequately an interest of consumers, is deemed not to be a final agency action (section 21(b)(2)) and, therefore, is not subject to judicial review.

Accordingly, the ACA will be granted broad power to interfere with the Department's internal operations and there is no assurance that the ACA will have either the ability, foresight or restraint to represent properly the whole of consumers since it seems that the health and safety concerns of one segment of the consumer population may directly conflict with the economic concerns of another segment. Thus, the role of the ACA will be one of both advocate and judge for competing consumer interests. Under the circumstances, I want to detail more specifically our views on the effect the proposed legislation could have on the Internal Revenue Service and the Bureau of Alcohol, Tobacco and Firearms, two of the Department's key functional offices.

There are several areas of particular concern to the Internal Revenue Service. Under section 6(a)(1) of the bill, the Administrator may intervene or otherwise participate for purposes of representing an interest of consumers whenever he determines that the result of an IRS proceeding or activity may substantially affect an interest of consumers. Presumably this right to intervene or participate in IRS activities could be exercised at any level of activity, including the audit process. Not only could intervention of the Administrator seriously impede effective administration of the Internal Revenue Code, it could easily result in violation of taxpayers' rights to confidentiality with respect to their tax affairs provided for by section 6103 of the Code and implementing Executive orders.

Under section 6(c) of the bill, the Administrator would be given certain rights to initiate or intervene in Federal court proceedings involving the review of IRS action which he determines may substantially affect consumer interests. The subsection provides that the Administrator's rights to take judicial action or intervene in a proceeding are to be the same as those of any "aggrieved" person. For example, in the case of a corporate taxpayer which decides against contesting in court an IRS determination which has a substantial effect on the cost of its products, the Administrator could initiate a court proceeding to review the IRS determination. Once again, through intervention in judicial proceedings to resolve tax disputes, the administration of Federal tax laws could be seriously impaired.

Section 10(c) of the bill provides that nothing in the Act shall be construed to provide for or authorize IRS or any other agency to disclose to the Administrator "solely from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return . . . or copy thereof, or any book containing any abstracts or particulars thereof," except as provided by law.

This definition, which is taken from section 7213 of the Code, is much too limited to adequately protect taxpayer privacy. Read literally, section 10(c) would not protect anything except an income tax return and then only certain information actually on the return. It would not protect other returns and vitally important documents, such as audit reports and other information collected by IRS. This limited protection would be contrary to the Administration's taxpayer privacy proposal in the 93rd Congress and the current strong sentiment for limiting the use of tax returns for any purpose by other agencies of Government.

Mr. President, the letter goes on to discuss in some detail the chaos that would result from this legislation in reference to the Bureau of Alcohol, Tobacco and Firearms taxation.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DEPUTY SECRETARY
OF THE TREASURY,
Washington, D.C., May 12, 1975.

Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: This is in further reference to my letter of May 7, 1975 with respect to S. 200, a bill "To establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes."

As stated, the Department is strongly opposed to the extent to which the Agency for Consumer Advocacy (ACA) could interject itself into the Department's affairs. More specifically, our concerns arise from section 6(c)(1) of the bill which would permit the ACA to act as an advocate providing representation for consumers before Federal agencies and in Federal courts ostensibly at all levels.

The definition of "interest of consumers" at section 14(11) of S. 200 which includes the health, safety or economic concerns of consumers gives the ACA the broadest guidelines as to what a consumer interest is with respect to the ACA's authority to participate in agency proceedings. However, a determination by the ACA that the result of an agency proceeding or activity may substantially affect an interest of consumers, or that ACA intervention is necessary to represent adequately an interest of consumers, is deemed not to be a final agency action (section 21(b)(2)) and, therefore, is not subject to judicial review.

Accordingly, the ACA will be granted broad power to interfere with the Department's internal operations and there is no assurance that the ACA will have either the ability, foresight or restraint to represent properly the whole of consumers since it seems that the health and safety concerns of one segment of the consumer population may directly conflict with the economic concerns of another segment. Thus, the role of the ACA will be one of both advocate and judge for competing consumer interests. Under the circumstances, I want to detail more specifically our views on the effect the proposed legislation could have on the Internal Revenue Service and the Bureau of Alcohol, Tobacco and Firearms, two of the Department's key functional offices.

There are several areas of particular concern to the Internal Revenue Service. Under section 6(a)(1) of the bill, the Administrator may intervene or otherwise participate for purposes of representing an interest of consumers whenever he determines that the result of an IRS proceeding or activity may substantially affect an interest of consumers. Presumably this right to intervene or participate in IRS activities could be exercised *at any level of activity*, including the audit process. Not only could intervention of the Administrator seriously impede effective administration of the Internal Revenue Code, it could easily result in violation of taxpayers' rights to confidentiality with respect to their tax affairs provided for by section 6103 of the Code and implementing Executive orders.

Under section 6(c) of the bill, the Administrator would be given certain rights to initiate or intervene in Federal court proceedings involving the review of IRS action which he determines may substantially affect consumer interests. The subsection provides that the Administrator's rights to take judicial action or intervene in a proceeding are to be the same as those of any "aggrieved" person. For example, in the case of a corporate taxpayer which decides against contesting in court an IRS determination which has a substantial effect on the cost of its products, the Administrator could initiate a court proceeding to review the IRS determination. Once again, through intervention in judicial proceedings to resolve tax disputes, the administration of Federal tax laws could be seriously impaired.

Section 10(c) of the bill provides that nothing in the Act shall be construed to provide for or authorize IRS or any other agency to disclose to the Administrator "solely from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return . . . or copy thereof, or any book containing any abstracts or particulars thereof," except as provided by law.

This definition, which is taken from section 7213 of the Code, is much too limited to adequately protect taxpayer privacy. Read literally, section 10(c) would not protect anything except an income tax return and then only certain information actually on the return. It would not protect other returns and vitally important documents, such as audit reports and other information collected by IRS. This limited protection would be contrary to the Administration's taxpayer privacy proposal in the 93rd Congress and the current strong sentiment for limiting the use of tax returns for any purpose by other agencies of Government.

The Bureau of Alcohol, Tobacco and Firearms (ATF) also administers and enforces various statutes and regulations which have an effect upon the interest of consumers. In our view the proposed new agency would subject ATF investigations, internal operations, and administrative proceedings to an unprecedented degree of interference by an agency unacquainted with the intricacies of the alcohol, tobacco, firearms and explosives industries.

When all of the broad powers of the proposed legislation are considered together, it is conceivable that the ACA could indirectly manage many of ATF's activities from beginning to end. For example, the ACA could under section 6(d) petition ATF to initiate an investigation under the Federal Alcohol Administration Act; participate in internal ATF decisions on whether to initiate or settle permit action under section 6(b); intervene as a party in a permit proceeding under section 6(a)(2); direct the scope of ATF discovery during such proceeding under section 6(f); and, finally, evaluate the overall performance of ATF under section 4(d)(4).

While there may be a need for greater participation by consumers in the decision-making processes, it does not follow that the remedy is the creation of yet another Federal agency which would control and dominate existing agencies at virtually every stage of the administrative and judicial process.

In summary, it is our belief that the provisions of this bill which would create an agency of Government to regulate other agencies of Government and laws to require compliance with other laws, are faulty in concept and would neither insure proper representation of the consumer nor foster efficient and effective Government.

In view of the need to expedite this report, it has not been possible to obtain the customary clearance by the Office of Management and Budget prior to its submission.

Sincerely yours,

STEPHEN S. GARDNER.

Mr. CURTIS. Mr. President, I wish it were possible to persuade 51 percent of the Senators not to pass this bill.

I am afraid that is not true, I hope I am wrong.

But let there be no misunderstanding, there is not the slightest chance of this legislation helping any consumer. It is a bill to strangle of the productive forces of the country and it will render many processes of Government confusing and, in fact, inoperative.

How in the world can the Secretary of Agriculture take an action which supports farm prices and admittedly raises the cost to consumers?

How can they ever do that without expecting months and years of intervention in court action?

What is going to happen when here is the Department of the Treasury which says they can make public anything but the tax return, that includes all the audit, the background papers, and everything else?

This is the most anticonsumer bill that anybody could concoct in the number of printed pages in this bill.

The expense that the Government agencies will have to put out to protect themselves from this agency will be enormous.

Do not forget, Mr. President, that this bill not only gives the power of a czar to a single administrator, he can delegate those powers to private parties, to militant crusading groups. He can not only delegate his power, he can transfer his funds.

That is too much power for Mr. Nader or anybody else, but if one votes for this bill, one votes for a provision that permits the power and authority in this bill to be carried out by a private person, or a private group, and have the taxpayers funds turned over to them.

Mr. President, I do not impugn the motives of anyone. Many fine Senators and Congressmen favor this legislation. I do not impugn their motives at all. But I am thoroughly convinced that those people and those forces over the country that would like to see the American private enterprise further strangled, that would like to see the Government of the United States bogged down with more expense, more regulation and rendered ineffective, will rejoice at the passage of this bill.

I would hope that the authors of this bill would move to recommit it.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. PERCY. Mr. President, while the distinguished Senator from Nebraska is still on the floor, I would first like to thank him for not impugning the motives of his colleagues. I believe we all deeply believe in the free enterprise system. We believe we have one of the greatest economies in the world. We believe it was built as a result of labor and management finding a way to live and work together. It is truly a consumer economy. Every businessman knows the only way really to prosper in his business is to serve the interest of the consumer.

I have said many times before that I think probably 95 to 97 percent of the businesses have that underlying motive.

But we do have a small percentage, 3 to 5 percent, possibly, at most, where the fast-buck artist thrives and where the integrity of business principles that we believe in, are not adhered to. Every day we can pick up the paper and see evidences of abuses and scandals.

Most people are honest, but we do have police forces to protect people.

I hope very much to meet my distinguished colleague here in the Chamber 3 years from now and let us hold each other accountable. The Committee on Government Operations intends to have very close oversight over this agency.

I would not be true to my former colleagues in business to whom I have said many times that no responsible businessman, no good businessman, no business that is offering good value, high quality products at reasonable prices to anyone, has anything to fear from this bill.

Certainly, we limit the amount of money and we limit its authority. This agency does not have regulatory authority. It is an advocate. It can be a spokesman. But there are very real limitations placed upon its authority. We have endeavored to protect the integrity of business and to protect the sanctity of what I consider the private province that we should not get into.

If this bill becomes law, I cannot imagine President Ford having the responsibility of appointing the first administrator, selecting anyone or nominating anyone, as the case would be, who would not have a balanced view. The President is not after a witch hunt. He is not out to persecute business. He is not out to destroy the free economic system that we have. Certainly, he knows that we would look very carefully at the quality of the man.

My distinguished colleague from Nebraska, whom I highly respect, has talked to certain of the concerns that all of us on the committee have evidenced through the years in putting this legislation together. It was for these reasons that we put in the unusual provision that the Comptroller General, before the end of 3 years, shall make an audit of this operation, shall look at its benefits, its cost, and its impositions, real or alleged, to the American business community, and report back direct to the Congress. The authorization is limited for that period of time.

I think the concerns expressed by my distinguished colleague are concerns that many of us have felt. But we feel that we have built into this particular bill, S. 200, enough protective devices, enough checks and balances, so I will be able to look my colleague in the face 3 years from now and say, "I think this agency has served well the consumer of this country; has served the producers well, and has served the free enterprise system well."

If I am wrong in that regard, I hope the Comptroller General will point it out.

Mr. CURTIS. Mr. President, I yield myself 5 additional minutes.

I would like to ask my distinguished friend from Illinois a few questions.

What products does the Senator predict will cost the consumer less if we pass this legislation?

Mr. PERCY. The question is what would the cost be to the consumer?

Mr. CURTIS. No. What products will cost the consumer less if we pass this legislation?

Mr. PERCY. I am not so sure that we are just going after cost, but cost would be a factor. I would tend to think probably over a period of time pharmaceutical costs might be brought down with a stronger advocacy voice. Both FDA and committees of the Congress which are dealing with this issue in the context of requiring prescriptions to give the generic name of a particular drug.

Certainly, the consumer advocate might have taken cognizance years ago of the need to have smaller, more efficient automobiles, with less horsepower. Now we are running pell-mell, we are spending hundreds of millions of dollars, tooling on a crash basis, to try to produce smaller automobiles across the board.

We should have seen this trend some time ago.

For instance, I do not think it is necessary to have speedometers on a car which go up to 160 miles per hour. Nor engines which allow cars to approach such homicidal speeds. I think at one time I had a speedometer that went up to 140 miles an hour. I do not have the need or intention to drive a car 140 miles an hour, especially when the national speed limit is 55 miles an hour.

I have corresponded with all of my friends in the autmobile field over a period of years to address this problem. Reducing engine size would save dollars and would save lives.

Those are the kinds of areas, looking at it from the standpoint of the consumer, where I think we can probably find improvements in product price.

Mr. CURTIS. Is the Senator saying that the price of automobiles will come down?

Mr. PERCY. The cost would come down if we had smaller engines.

Mr. CURTIS. I mean for the same product, would the cost come down?

If we manage our economy and tell the purchaser and the seller what they can buy and sell, of course, we can force the price down because it will be a much smaller article. But I do not happen to believe in the omnipotence of Government to regulate the economy.

Mr. PERCY. Again, I would like to point out there is no regulatory authority in this agency. This is not a managed economy.

Mr. CURTIS. This is an agency to force all Government agencies to speed up the regulation and strangling of the economy.

I would like to ask my friend how these regulations will lower the price of pharmaceuticals he referred to. Is the Senator proposing a price control system? Upon what thesis does the Senator predict that the passage of this bill will lower the cost of pharmaceuticals?

Mr. PERCY. I would presume if we can get greater acceptance of prescribing generic drugs, that alone would be a tremendous cost saving to the consumer. I think most of us realize that.

Mr. CURTIS. Mr. President, that is injecting a decision of Government that it should be the generic name of drugs. Not all drugs are alike. Not all drugs with the same chemical components are alike. You can print a recipe of how to bake a cake and give it to thousands of people. They will not all win first place at the State fair or the county fair. There are other things to drugs besides the chemical contents.

Any honest doctor will tell you that some formula, some process, can be given to patients and it will help restore them to health; that another drug company can use exactly the same chemical formula, and the side reactions will be such that it will be dangerous to give it.

We destroy the creativity, the individuality, of America when we use the force of Government to regulate to the point that tells buyers and sellers of drugs that they have to use a certain system.

The PRESIDING OFFICER (Mr. BELLMON). The Senator's 5 minutes have expired.

Mr. CURTIS. I yield myself 5 additional minutes.

That is the very thing we are battling today. This is the reason why there is a difference in the prices of named drugs and generic drugs: Most of the responsible drug companies have a long-range and very beneficial research program. They bring in remedies, new drugs, that restore people to health. Of course, somebody can take their work and set up to manufacture that drug in a back room and do it cheaper. However, like the recipe for cakes, not every cake will be alike.

It would be granting a bonus to the mass producer of somebody else's idea. I am not saying that we should stop that. I think the competitive forces in the marketplace are all right. But what I am opposed to is Government power used to force the end of name drugs in this country. It is wrong.

Mr. President, we have an admission here that this is a gigantic bill for a managed economy. Again, the question remains unanswered: How are you going to collect taxes, if the administrator can intervene and take the IRS to court at every point? How are you going to protect the confidentiality of tax returns or tax information, when the only thing protected is the return itself, and all they have to do is bring out the audit?

Mr. President, one would have to believe in the omnipotence of big government, big enough to strangle everything in the country, to support the concept of this bill, and I do not accept any such notion.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield.

Mr. BROCK. I understand the Senator's concern, but it is important to point out that this bill is somewhat changed from that of last year. One of the changes I bring to the Senator's attention is section 24, which does undertake to recognize and deal with, in a corrective sense, the impact of current Government—policies, laws, regulations, and the like—on the consumer.

What we require in section 24 of the bill, in the interest of consumer protection, is that, prior to the final promulgation of such regulation, it must be published in the Federal Register for public hearing and comment—the ultimate cost, true consumer cost, and the benefits of such regulation.

I think the Senator will agree with me that any of the actions of Government to which he has just referred—safety standards and all the rest—have been presented as if they were of no cost to the American people, when in fact they are of enormous cost. It is priced at the market, rather than in the form of taxes.

Heretofore, the Government has never undertaken a program to require of itself a justification process of anticipated benefits weighed against ultimate costs to the American consumer. I hope the Senator understands that this is part of the bill and does support that part of the bill.

Mr. CURTIS. The Senator realizes that in some aspects there are definite improvements in this bill. I think some of them are in that category.

I also believe that we should keep in mind that every time the Government goes to grade its own papers, many goood people disagree. The Government engages in business enterprise, and each businessman throughout the country will point out how the Government's estimate of cost expenditures is never the same yardstick that he must use.

Mr. BROCK. But the Senator from Illinois pointed out in his colloquy with the Senator from Nebraska that in this bill we also require a continuing audit by the General Accounting Office, independently of the agency's own analysis, to verify whether or not they are in fact accurate. We even have improved that section on the floor of the Senate. The Senator from Connecticut supported a strengthening amendment to require a continuing, specific audit of all these actions by the General Accounting Office, to verify whether or not we are getting an honest evaluation.

Mr. CURTIS. I do not think we will need a public service job program if we keep on having enough groups to audit the auditors, and so on. I believe the measure has a number of features that merit our consideration.

I thank the distinguished Senator for his comment.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. McCLURE. Mr. President, I commend the Senator for his statement. We should also recognize the contribution that the Senator from Tennessee made in authoring amendments which call for some check upon the regulatory agencies.

Mr. CURTIS. Very much so. We are very appreciative of that and recognize their value.

Mr. McCLURE. I cannot help being struck by the arguments made by many proponents of the bill that this is a much-improved bill over that of last year. The Senator from Nebraska might be willing to give them another year, to see if they could improve it more.

Mr. CURTIS. I would be more generous than that. I would be delighted to give them 20 years. [Laughter.]

Mr. McCLURE. Perhaps if we gave them 20 years more, it would be twice as good, before we pass it.

I was struck by an earlier argument, a few moments ago, that, somehow, if we had had a consumer advocate in the United States, we would have smaller cars today. Apparently, the assumption was that small cars were not available to the American public. I believe that Henry J. Kaiser marketed a car in his own name. It was a small car, and the public did not want it. I think George Romney wanted to market a small car, but the public did not want it.

I assume that if we had had a consumer advocate then, somehow, he would have ordered the public to buy the small cars or would have ordered the producers to produce only small cars, or in some way would have controlled us or influenced our judgment in the marketplace, else this result would not have occurred.

Will the Senator agree that the people have had the choice and have not exercised it?

Mr. CURTIS. Yes, they have had the choice.

If we move in the direction of this bill and what some of its sponsors advocate, we shall rapidly reach that glorious state of other socialistic countries, where somebody else decides what is best for the consumer and he lives in drab circumstances, without any choice of merchandise, and the Utopia turns out to be only illusory.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, I know that we have had difficulty getting attendance during the long debate. I only say, in addition to what I said a while ago, that the implications and far-reaching effect of the legislation that we are here enacting pose a danger that we shall have no chance to do anything about it until after a lot of damage is done. I hope my colleagues will think seriously about placing all of this unrestrained power in one man. There can be no good reason, in my judgment, why it should not be placed in a bipartisan commission.

Mr. PERCY. Mr. President, if the Senator will yield briefly, I know that the Senator is concerned about the possibility of this single Administrator having too much power and the fact that he is appointed for a period of 4 years and, therefore, it would be difficult to remove him. We do provide in the bill that the Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office, which does cover a multitude of situations.

Mr. McCLELLAN. That would not permit him to be removed for pursuing the wrong policy.

Mr. PERCY. I think if it were considered malfeasance—that is, following a policy contrary to the spirit and intent of the bill.

Mr. McCLELLAN. I mean where there is discretion.

Mr. PERCY. If he were inefficient or ineffective, he could be removed.

Mr. McCLELLAN. And that does not go to policy. He could be efficient and still not support Government policy.

Mr. PERCY. This is a standard that has been applied for a number of years for most commissioners of regulatory agencies. I think we were impressed in the committee, as we looked at this, with the Ash Council report of several years back that favored a single administrator.

As the distinguished Senator knows, the split responsibility has been tried on previous occasions. It does not work as effectively as we would like to see it work.

I only ask the distinguished Senator whether the committee system would work as well in the Senate if we had to have a committee headed by three Senators, two from one party and one from another, and every single decision that the committee makes, and the procedures, had to be voted on by those three before it could act.

Mr. McCLELLAN. Oh, Mr. President, that is not analogous at all. In the Senate, there is no dictator. Not even the chairman of a committee can carry any part of the powers that are delegated in this bill, constituted in the Administrator of this agency. The Senate is a democratic body and this is a one-man show, a one-man power.

Mr. PERCY. The Senator from Arkansas has served on some committees where the chairman is quite powerful.

Mr. RIBICOFF. Amendment 409 should be rejected.

In 1971, the Ash Council made a study of the administrative agencies and recommended that they be headed by single administrators apponted by the President. The Council cited three reasons for its recommendations:

First, the authority and responsibility attending the single administrator form should enable the agencies to attract and retain the most highly qualified administrators and executive staffs.

Second, unambiguous placement of authority for agency policy and operations in a single administrator should increase accountability to both the Congress and the President.

Third, agency work should be expedited by utilizing more effective administrative techniques made possible by one-man management of agency activities.

The Commission is patterned after the arrangement to administer the law enforcement assistance program in 1968. This organization turned out to be ineffective. Charles Rogovin, appointed by President Nixon in March 1969, to head the agency, quit—in frustration—15 months later and denounced the troika arrangement as unworkable. Henry Ruth, director of LEAA's National Institute of Law Enforcement and Criminal Justice, resigned at the same time urging that the law be amended to make it more efficient. This year the administration abandoned the troika arrangement and recommended that it be replaced by a single administration. Congress agreed. See Public Law 93-83, section 101.

The PRESIDING OFFICER (Mr. BELLMON). The question is on agreeing to the amendment of the Senator from Arkansas. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Illinois (Mr. STEVENSON), the Senator from Florida (Mr. STONE), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY) is absent on official business.

I further announce that, if present and voting, the Senator from Florida (Mr. STONE) would vote "nay."

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 40, nays 48—as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—40

Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Buckley
Bumpers
Byrd,
Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Hartke
Helms
Hollings
Hruska
Huddleston
Johnston
Long
McClellan
McClure
Montoya
Nunn
Pearson
Roth
Scott,
William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Tower
Young

NAYS—48

Abourezk
Baker
Brock
Brooke
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Weicker
Williams

NOT VOTING—11

Bayh
Gravel
Javits
Laxalt
Mathias
Randolph
Stevenson
Stone
Symington
Thurmond
Tunney

So Mr. McCLELLAN's amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment of Mr. McCLELLAN was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STONE. Mr. President, a delay in returning to the Capitol following a speaking engagement caused me to miss voting on amendment No. 409 of the Senator from Arkansas (Mr. McCLELLAN). I oppose this amendment and would have voted no.

AMENDMENT NO. 405

Mr. DOLE. Mr. President, I call up amendment No. 405 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposed amendment numbered 405.

The amendment is as follows:

On page 37, delete lines 5 through 11 and insert in lieu thereof the following:

(b) Nothing in this Act shall be construed to authorize the Administrator to intervene or participate in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops, including, but not limited to, such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loan, and payment programs; Public Law 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I yield to the Senator from New York for a unanimous-consent request.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that Janet Bollen of my staff be granted the privileges of the floor during the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, this is a very limited amendment which exempts, in part, the producers of agricultural commodities.

I think it might be well to read the amendment. It is very brief. It states that—

Nothing in this Act shall be construed to authorize the Administrator to intervene or participate in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops, including, but not limited to, such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loans, and payment programs; Public Law 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds.

Mr. President, I also ask unanimous consent that the Senator from North Dakota (Mr. YOUNG), the Senator from Arizona (Mr. FANNIN), the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA) be added as cosponsors to amendment No. 405; and also the senior Senator from Kansas (Mr. PEARSON) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator will suspend. The Senate is not in order.

The Senator may proceed.

Mr. DOLE. Mr. President, I have called up amendment No. 405 to make all Federal proceedings—and I want to make it very clear I am talking only about Federal proceedings—and activities that directly affect farmers exempt from the jurisdiction of the Agency for Consumer Advocacy. This amendment would not exempt proceedings related to what is the greatest factor in the consumer's food budget—the expenses related to operations after commodities leave the farm.

The amendment I propose would prohibit the Administrator of the Agency from intervening or participating in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops. Without intending to be all-inclusive, the amendment specifically lists certain activities intended to be exempt from ACA intervention. They include: Proceedings and activities relating to the initial sale by producers of raw agricultural commodities; Commodity Credit Corporation price support procurement, loan, and payment programs; Public Law 480 and other export programs; Federal crop insurance; soil conservation, and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds.

This farm exemption is essential. There are numerous examples of Government interventions prompted by well-intentioned consumer-oriented efforts that have had a detrimental impact on the agricultural industry. These examples, while intended to help consumers in the short run, have been harmful in the long run to public, national, and consumer interests.

Among these examples, I will refer in a moment to the soybean embargo of 1973, the "export prior approval system" instituted last year, and the beef price freeze of 1973.

I am aware that some language is included in the pending bill which is intended to protect legitimate interests of food producers. The language, in my opinion, unfortunately, is not adequate, however. It is not as comprehensive nor as precise nor as effective as the language which was accepted last year when I offered a substitute to S. 707, and as the language of the amendment I propose today. I believe it to be of critical importance that this language of Amendment No. 415 be included in S. 200.

NONFARM FOOD COSTS NOT EXEMPTED

At the same time, there are undoubtedly many Federal proceedings and activities not directly affecting agricultural producers in which greater consumer representation is warranted.

A recent USDA report showed farm-to-retail price spreads for February 1975 to be 22 percent higher than those a year earlier. During that period, the farmer's share of food prices has been sliding downward month after month. This has been a repetition of a cycle familiar to every farmer: "When farm prices go up, they eventually go down, but when most other prices go up, they just keep climbing."

The fact of the matter is that farm prices are subject to strong and constant competitive pressures. Intervention in this finely tuned and sensitive market mechanism would be counterproductive for consumers, just as it has been in the past. But there are other areas where I would greatly welcome the participation of an agency for consumer advocacy.

The Wall Street Journal, for example, recently ran an investigative report on the meat industry's "yellow sheet" and possible manipulations of wholesale prices for beef. There have been charges of kickbacks to organized crime for shipments of food commodities into New York and other large metropolitan areas. It is clear to me that strong action is needed in these and similar cases.

There is a need for action by consumer representatives as might be taken by ACA, first to inform the public and to clarify common myths about profit margins in the food industry, from farm to retail shelf. And there is an urgent need to pursue the shady or illegal operations of a few, to sharply delineate these from the efficiency and high standards of the majority of those in the food processing, distribution, and retailing industries and, in general, to build consumer awareness as it protects consumer interests.

INTERVENTION IN AGRICULTURE COUNTERPRODUCTIVE

But intervention by the Federal Government in those areas directly affecting the actual production of agricultural commodities is almost invariably counterproductive. Many cases of Government interference with agriculture can be cited that were initiated with the goal of protecting consumers from higher food prices. Yet consumers did not benefit to any appreciable degree and the interests of the public, the Nation, and ultimately consumers themselves have suffered.

Earlier I mentioned the soybean embargo of 1973, the "export prior approval system" of last year and the beef price freeze of 1973.

In 1973, there was great concern that we would "run out" of soybeans and that the high prices for soybeans would force prices up for foods derived from this excellent protein source. So an embargo on soybean exports was instituted. As expected, soybean prices plummeted and farmers suffered.

But I would challenge anyone to show how consumer food prices declined as a result. Farm prices declined and farmers were deprived of income, but consumers did not benefit.

At the same time, our trade balance declined due to loss of export sales. Our reputation as a reliable supplier in the world food market was shattered.

In short, farmers, the public and the Nation as a whole suffered and in the long run, consumers did also because of the harm to the economy. Although the embargo action was taken on behalf of consumers, I cannot find how it benefitted them.

EXPORT RESTRICTIONS DO NOT HELP CONSUMERS

A similar situation took place last year. Out of concern that our grain market was oversold, a prior approval requirement was placed on export sales. Again, the goal was to protect consumers from higher food prices.

As with soybeans in 1973, farm prices for wheat have plummeted. Even though the prior approval system has not specifically prohibited any export sales, it is common knowledge in the wheat trade that many foreign buyers have been discouraged from making wheat purchases in the United States because of the requirement. So the public and the Nation as a whole have suffered again because of the harm done to our trade balance.

And even though farm prices for wheat have declined more than 30 percent—in fact, I think it is nearer 40 percent at this point—I have yet to see any benefit to consumers through a substantial decline in bread prices.

The most recent calculations from the Department of Agriculture indicate the farm value of wheat in a loaf of bread at 4.4 cents in March. This compares to an average price of 37.3 cents per loaf. These calculations are based on an average price of $3.54 per bushel for wheat which is at least 50 cents higher than what most farmers in Kansas have been getting for their wheat.

When the farm value of wheat in a 37-cent loaf of bread is less than a nickel, it is hard for me to understand how any consumer advocate could expect to benefit consumers by intervening to reduce farm exports. Yet last year major sponsors of the predecessor of this bill stated that exports of farm commodities would be a major concern of the agency for consumer advocacy.

FARM PRICES DOWN BUT NOT CONSUMER PRICES

Another example of how consumer intervention has hurt agricultural producers is the beef price freeze of 1973. Again, in the apparent interest of consumers and under pressure from Congress, the cost of living council imposed price controls and a price freeze on the meat industry in order to maintain "favorable prices for food." The immediate result was the destruction of the incentive for cattlemen and other livestock producers to bring their animals to market. A beef shortage developed immediately. The economic dislocations which occurred in the livestock industry at that time have had repercussions which are still being felt today.

The PRESIDING OFFICER. Will the Senator suspend? There is a great deal of noise in the Chamber and we cannot hear.

The Chair directs the Sergeant at Arms to maintain order in the gallery and in the corridor outside the Senate floor so that the Senate may continue its business.

Mr. DOLE. Mr. President, as a result of the 1973 beef price freeze, there has been an oversupply of cattle on the market. The oversupply has led to depression level prices in the livestock market for over a year and only now are we beginning to see some recovery in the industry.

While the price freeze in 1973 certainly resulted in lower prices for cattle, I have been unable to see any comparable declines in the price of meat for consumers. However, the loss of income to cattlemen has been detrimental to the economy as a whole and that certainly has been contrary to the public interest.

Mr. President, the conclusion that this Senator reaches is that Federal actions directly affecting the production of agricultural commodities which were intended to reduce food prices for consumers have not benefited consumers at all. In fact, they have been contrary to the public interest and the ultimate interests of consumers.

ACA WOULD REPEAT BLUNDERS

It is my strong belief and many others share this view that without their exemption, the Agency for Consumer Advocacy would risk repeating the many mistakes that have been made regarding farm production in the past.

IMPACT OF ACA INDIRECT

The sponsors of S. 200 have defended the impact of ACA on agriculture by saying that the agency would have no direct control over Federal actions related to agricultural production. While technically true, this does not adequately reflect the role ACA is intended to play.

In a colloquy with the junior Senator from Kansas on the predecessor of this bill, S. 707, last year, the senior Senator from Connecticut stated:

> The administrator of ACA would not be able to interrupt or otherwise participate in private sales or negotiations relating to agriculture. The ACA would no more be able to interrupt, delay or halt the export sales of agriculture commodities than any other private party such as the millers and bakers who tried to limit export sales of wheat last spring. The administrator of ACA would only be able to participate in Federal proceedings concerning agriculture in the same respect as any other private party, consumer group or business enterprise would be able to do.

I do not quarrel with this statement. However, it has been clearly stated by the Senator from Connecticut and others that farm exports would be a matter of prime interest for ACA.

The result would be that by creating ACA, we will create another voice in the Government calling for intervention in export sales and other matters directly affecting farm production. While ACA would have no direct control over exports or other Federal actions regarding agriculture, the existence of this powerful voice in the Government with a large amount of resources to back it up is bound to have a detrimental impact on farmers.

As in the case of small businesses, farmers would not have the time or money to come to Washington to defend their interests in Federal proceedings by countering the recommendations that could be expected to come from ACA. Therefore, I strongly believe that this exemption for farmers should be adopted.

MILK PRICES AND ACA TARGET

Milk marketing orders is another area directly affecting farm production that would certainly be a target of ACA.

The indications are that milk prices through milk marketing orders and price supports would be a major concern of ACA. In view of consumer protests of milk prices increases resulting from USDA milk marketing orders, it could be expected that ACA would strongly and vigorously oppose any USDA action increasing milk prices. Such opposition would be a repetition of shortsighted action apparently intended to help consumers but ultimately detrimental to the public as a whole and to the long-term interests of consumers.

Opposition to higher dairy prices totally disregards an even more important consumer interest—the supply of dairy products, and that is where I believe the crux of the question is, and that is a question of supply, whether it be wheat, soybeans, dairy products, or whatever.

The supply of food is clearly paramount to consumers.

When farmers do not receive an income adequate to cover their cost of production, they are forced out of business. Having an agency for consumer advocacy publicly pressing for lower price supports and milk marketing orders would undoubtedly result in many dairy producers being forced out of business with the consequent result of a lower supply of milk, and even a lower supply of milk is going to mean higher prices.

This is an example where no matter how well intentioned this new Agency might be, it would, in the long run, be detrimental to the consumer interests.

Supporters of S. 200 may argue that the bill already includes a provision requiring ACA to consider the consumer's interest in an adequate supply of food and the interests of farmers in an adequate level of income and production. It is clear in my mind that this provision is totally inadequate. First of all, an adequate supply of food is contingent upon farmers having enough income to stay in business. While ACA is charged with considering farm income, there is no assurance in this bill that I can find that ACA will have any expertise to realistically evaluate the farm costs of production or the income requirements of agricultural producers. That expertise is vested in the Department of Agriculture.

I might add, I am not certain it is all vested there, or whether much is vested there.

No consumer interest would be served by allowing ACA to participate in dairy producer-related proceedings or any other farmer-related proceeding. On the contrary, the probable harmful impact ACA would have on farm production would undoubtedly be contrary to the long-term interests of consumers and the public.

Not only could ACA intervene directly in proceedings and activities related directly to dairy and other farm production, but the Agency could pursue court review of any milk marketing order or other action initiated by the Department of Agriculture. A court review could delay implementation of a milk marketing order for months. During the delay, many dairy producers could be forced out of business and the supply of milk production would be decreased. In addition, the number of producers would be reduced if dairy farmers are forced out of business. The decline in numbers leads to concentration in the dairy industry and a resulting decline in competition.

Mr. President, I feel strongly that in view of the particular considerations of agricultural producers the exemption provided by this amendment should be adopted.

I understand, and I understand the philosophy of those managing the bill on the floor, that this exemption might raise a number of questions. There are some who would say that there are already several provisions in the bill that give special recognition and consideration to farmers. It is my view that they are really of no effect. They have been watered down. They are, in effect, meaningless.

I believe, when we talk about food prices and supply and incentives to farmers, and when we talk about in some way encouraging the farmer to produce so we can stabilize prices in this country, we cannot be counterproductive by creating some agency that would, in effect, exert every effort to drive down the price the farmer receives.

The Senator from Kansas is a member of the Committee on Agriculture and Forestry and has attempted to limit the exemption to apply directly to the farmer, directly to farmer-related transactions. As I suggest in my statement, there may be a great number of areas where the ACA has a very proper role, whether it is the packer, the processor, the manufacturer, the distributor, labor costs, or whatever. But I respectfully suggest that if the farmer cannot make enough profit to stay in business, he is going to do something else. When he does something else, it is going to reduce the supply. When the supply is reduced, the price will go up. Or we will have extra imports. And then we will be at the mercy of some other country on whether or not we have enough milk, dairy or cheese or some other food products. So, Mr. President, I sincerely hope that the amendment will be adopted.

I recall in the early 1960's when there was a great deal of dumping of grain on the market. Every time the price of corn would go up, the Secretary of Agriculture would find some corn out of condition that would drive the price the farmer received down, but it never really affected the price of food for the consumers.

The Presiding Officer at this moment is a farmer and understands that when prices go up for farmers, it does not take long for the price to go up in the supermarkets. When the prices fall for the farmers, the prices stay up in the supermarkets. For that reason, there is a primary and very important role for the ACA.

This Senator is convinced that it is in the best interest of the consumer and it is consistent with the philosophy of this bill which the Senator from Kansas will vote for, that this exemption be included.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I do not question the sincerity of the Senator from Kansas. His contributions to this bill last year and this year have been many.

I do believe on page 37, in section (b), that we have written into this bill that in considering the consumer's interest for an adequate supply of food, the ACA must consider the interest of farmers in maintaining an adequate level of income and production.

I do not know whether the Senator from Kansas was in the Chamber yesterday when we adopted the Percy amendment calling upon the Administrator to take into account the adequancy of supply as well as price. What concerns me in this amendment, and concerns me deeply, is the health and safety factor, when you say that in no way can the intervenor participate in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops.

If my memory serves me correctly, and the distinguished Senator from Mississippi is in the Chamber, last year the Congress adopted a substantial program to recompense the poultry growers of Mississippi, because of their poultry ingesting poisonous feed.

I recall a few years ago there was a contamination of large flocks of sheep in Utah from nerve gas.

There is not a year that goes by where there is not called to the attention of the people of this country contamination in the slaughtering of cattle or poultry, the spoilage and misgrading of beef, vegetables, and fruits.

To me, it seems incredible that we should exclude intervention by the administrator to protect the health and safety of the consumers.

I am sure that there is not a legitimate farmer who is trying to do a job who wants to sell contaminated food on the market. Yet from time to time there does come on the market contaminated food, misgraded food, or poisoned food.

By adopting the amendment of the

Senator from Kansas we make it impossible for the administrator to intervene in matters of such grave importance to the health and safety of the consumers of this country.

Mr. DOLE. Mr. President, I appreciate the comments of the distinguished Senator from Connecticut and understand his feelings with reference to the amendment. I do think we protect the health and safety of consumers through the FDA and other regulatory agencies. But this Senator is not certain how the ACA might become involved in that particular example. I might add that that bill mentioned by the chairman never did pass the Congress. I believe it was stymied in the House.

In any event, what the Senator from Kansas is really concerned about is this: Let us say the Secretary of Agriculture decided to raise price supports for wheat or corn. I understand this would be a Federal action. The ACA could intervene and state that he is raising the support prices too high and that it will reflect in higher prices to consumers. Some of us think the Secretary of Agriculture does not raise the support prices high enough in the first place. So we are pressuring the Secretary to raise the support prices. The ACA is suggesting he not raise the support prices. In the meantime, the farmer is suffering from lower prices and less income.

I do not want to do violence to the bill. There may be some who would like to do violence to the bill. I would only suggest that my amendment has been rather tightly drawn to restrict itself to those activities where the farmer is directly involved. It is not the intention of the Senator from Kansas to go far afield and try to exempt everything that touches agriculture.

Mr. RIBICOFF. As I see it, it could very well be that the Administrator would intervene for higher prices if it meant a more adequate supply of food.

As I would conceive the Administrator's role when it came to the question of adequacy of supply and price, if he was doing his job he should present to the Secretary of Agriculture both sides of the question, the impact upon the consumer of higher prices and, at the same time, the need of the consumer for more agricultural products. It is an issue that is not clear cut. This is an ongoing debate. To do the job for the consumer, the advocate, in my opinion, would have to present both sides of the question.

I can foresee many issues presented in which the advocate would not take the side because there is a balance for the benefit of the people of this country as to which decision is the proper decision. To do his job properly, I would hope he would present both sides of the question and let this information be used by the agency to make the proper decision as, really, an advocate giving information without in any way indicating where the agency or the bureau should be going.

Mr. DOLE. Let me say, though not particularly in response to that, that it raises a question almost right down the line, whether it is price support, loan programs, or payment programs. I can understand the consumer's interest in the payment program that is going to add a burden to the consumer, to the taxpayer.

We get into export programs. If it had not been for agriculture in these past few years we would not have had any balance-of-payments surplus. We would have had a total deficit. Last year, for example, exports of farm commodities were about $22 billion and imports about $10 billion, leaving a plus of about $11 billion. If the ACA is under the impression that if we export wheat, export soybeans, or export anything it may raise the price at home, again it will be counterproductive to the interests of the farmer and, this Senator believes, to the economy.

Mr. RIBICOFF. May I say to the Senator from Kansas, who is a member of the Committee on Finance with this Senator, that I am aware of that point. As one of the representatives at the GATT negotiations, I can assure the Senator from Kansas that I would be just as concerned with the agricultural phases of the negotiations as I would be with the industrial side of the negotiations.

Also, once Congress takes an action through legislation, I cannot see the advocate intervening when Congress has laid down the policy, whether it be price supports or export-import policy, or trade.

Mr. DOLE. I do not intend to belabor this matter. I think we understand that the exemption will be voted up or down.

In any event, section 6(c) of the bill authorizes appeals by the ACA to the courts, to the extent that any person, if aggrieved, would, by law, have such right. In the case of the statutes I mentioned, it is my concern that the ACA would have the authority to appeal the agency action directly to court, without first exhausting the administrative remedies available.

I raise this specific reference to marketing orders, which is not of interest as much to the Senator from Kansas as it is to other Senators in this body from large milk-producing States.

It seems to me that in the case of some statutes, such as those relating to the milk marketing orders, there is a specific administrative proceeding provided for review of an agency order, and completion of such proceedings is a prerequisite of the right of those subject to the act to appeal.

Does the ACA have a greater right than some other party, or are they bound by the same review proceedings, or can they go directly to court, without exhausting the administrative remedy?

Mr. RIBICOFF. My response to the Senator is that he raises a complex question that would take a great deal of wisdom on the part of the advocate.

Personally, it seems to me that if a milk marketing order were excessive against a consumer, it would be the duty of the advocate to give all the facts—what the impact of that milk marketing order would be upon the consumers who consume the milk. It would be his duty, too, to indicate what the impact of that milk marketing order would be on the producers of the milk. I think he would have to give information and gather information as to what would happen to the producers of the milk if this milk marketing order was not granted. Would a certain number of dairy farmers go out of business? Would this lessen the supply?

I do not know what the advocate would do in any given circumstances; but I hope that when he got into these complex problems affecting the economy of the producers and the consumer, he would have the wisdom to supply all the evidence and allow the agency charged with the decision to make its own decision.

It should be borne in mind that the advocate would not hand down any order. The advocate would not hand down any regulation. The advocate really would present the facts to the agency that had the responsibility of handing down the regulation and handing down the order.

Mr. DOLE. The troublesome part to the Senator from Kansas is that it seems to me that we are creating an agency and we say throughout the bill that they have the same right as any other party; but in this case it would appear that we are giving them more rights than any other party, because they do not have to exhaust the administrative remedies but can go directly to court. In the case of milk marketing orders, if they first had to exhaust their administrative remedies before going to court, that would be one thing. I hope that is the intent of the law. It seems to me that it should be; if not, perhaps we can clarify it through this colloquy.

Mr. RIBICOFF. My understanding of the act is that the administrator would have to exhaust his administrative remedies and could not go directly to court. He would not have any greater right than any individual who is aggrieved. His rights would not be greater; and for the legislative history of this bill, I state that right here and now. It is my understanding of the act that his rights would not be greater than those of an aggrieved party, and he would have the obligation to exhaust his administrative remedies.

Mr. DOLE. I thank the distinguished Senator. That will be most helpful.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. GRIFFIN. Mr. President, as the Senator from Kansas knows, I am not an enthusiastic supporter of the proposed legislation. First of all, I think there are already plenty of Federal agencies charged with the responsibility of protecting the consumer. The trouble is not a shortage or lack of agencies to protect consumers but rather that some of the established agencies are not doing an effective job.

It is necessary to prod existing agencies into doing a better job, and that ought to be the thrust of our effort. But there is no need to create more agencies.

Second, I am opposed to this particular measure as it has been modified and amended because now, instead of being a consumer protection bill, it has been turned into special interest protection legislation. I refer in particular to the broad outright exemption in this bill of labor union activities which affect consumers. It is incredible and outrageous to entitle this bill as "Consumer Protection" when it actually exempts, on a special interest basis, labor unions and their activities.

Of course, the bill also exempts broadcasters. And now the Senator from Kansas has proposed an interesting amendment to exempt farmers as well.

I must admit that I am torn somewhat as to whether to vote for the amendment. Perhaps if he would accept a few technical amendments to his amendment, we might get the bill in such shape that all of us could vote for it.

For example, we might go on and exempt dentists and doctors and perhaps retailers and manufacturers. Indeed, if we just wrote into the bill a few more exemptions, everyone would be exempt.

Mr. DOLE. This is merely a technical amendment that I have offered. [Laughter.]

This is so technical and I hope it will be approved. However, knowing that it will not be approved without a yea-and-nay vote, and knowing that one of the "yea" votes is about to leave town, I am ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Illinois (Mr. STEVENSON), the Senator from Missouri (Mr. SYMINGTON), the Senator from Nebraska (Mr. CANNON), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 55, nays 34, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—55

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Ford
Garn
Hansen
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGovern
Mondale
Montoya
Muskie
Nelson
Nunn
Pearson
Proxmire
Randolph
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Talmadge
Tower
Young

NAYS—34

Abourezk
Biden
Brooke
Case
Clark
Cranston
Fong
Glenn
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Javits
Kennedy
McIntyre
Metcalf
Morgan
Moss
Packwood
Pastore
Pell
Percy
Ribicoff
Roth
Schweiker
Scott, Hugh
Stone
Taft
Weicker
Williams

NOT VOTING—10

Bayh
Cannon
Goldwater
Gravel
Mathias
McGee
Stevenson
Symington
Thurmond
Tunney

So Mr. DOLE's amendment was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 444

Mr. WILLIAM L. SCOTT. Mr. President, I call up my amendment No. 444 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Virginia (Mr. WILLIAM L. SCOTT) proposes an amendment numbered 444.

Mr. WILLIAM L. SCOTT's amendment (No. 444) is as follows:

> On page 12, line 23, strike out "and".
>
> On page 12, immediately below line 26, insert the following:
>
> "(16)(A) recommend to the Attorney General that the Attorney General intervene in any civil proceeding in a Federal court involving the review or enforcement of a Federal agency action if the Administrator determines that such action substantially affects the interests of consumers;
>
> "(B) the Attorney General shall have standing to obtain, in the manner prescribed by law, judicial review of any Federal agency action reviewable under law;
>
> "(C) the participation of the Attorney General in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.".
>
> On page 13, line 5, strike out "as of right" and insert in lieu thereof the following: "as provided by paragraph (16) of section 5(b)".
>
> Beginning on page 15, line 1, strike out through line 8 on page 17 and insert in lieu thereof the following:
>
> "(c) Appearances by the Agency under this Act shall be in the name of the United States and shall be made by the Attorney General or representatives he may designate.".
>
> On page 17, line 9, strike out "(f)" and insert in lieu thereof "(d)".
>
> On page 17, line 21, strike out "(g)" and insert in lieu thereof "(e)".
>
> On page 17, line 24, strike out "(h)" and insert in lieu thereof "(f)".
>
> On page 18, line 5, strike out "(i)" and insert in lieu thereof "(g)".
>
> On page 18, line 18, strike out "(j)" and insert in lieu thereof "(h)".
>
> On page 40, beginning with line 24, strike out through line 7 on page 42.
>
> On page 42, line 8, strike out "(2)" and insert in lieu thereof "Sec. 21.".
>
> On page 12, line 26, strike out the period and insert in lieu thereof a semicolon and the word "and".

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that the name of the Senator from Arizona (Mr. FANNIN) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. I ask unanimous consent that Mr. James Carty of my staff be accorded the privilege of the floor during the consideration of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, the substance of this amendment——

The PRESIDING OFFICER. The Senate is not in order. Senators will please take their seats or retire to the cloakrooms.

The Senator from Virginia may proceed.

Mr. WILLIAM L. SCOTT. Mr. President, the substance of this amendment is to provide that the Attorney General shall be in charge of lawsuits with regard to the Agency for Consumer Advocacy in the same manner that the Attorney General is in charge of lawsuits for all other Government agencies.

By having one chief legal officer for the entire Government, it makes for uniformity in decisions around the country. When the Solicitor General considers the request of the various Government agencies for appeals to the Circuit Court of Appeals, he very carefully determines whether or not certiorari should be requested in an effort to get uniformity of decisions in the circuits.

I think statistics will indicate that the record of the Solicitor General and the Attorney General in obtaining certiorari from the Supreme Court is much higher than that of the private litigant because he is trying to obtain interpretations of the law that will not be in conflict among the circuits. That is for the purpose of obtaining as much uniformity as he can obtain.

Mr. President, I do not have prepared remarks to make during the consideration of this bill, but I would like to go over the amendment and what it provides and compare it with what is in the bill.

It seems reasonable to me that we look at this bill and know what we are talking about before we vote on final passage of the bill.

I would call the attention of the Senators to page 12 where I would add a new paragraph at the bottom of this page numbered (16)(A) beginning with the words "recommend to the Attorney General"—but we have to go back to the beginning to better understand this. Let us take a look at the beginning of section 5(b) on page 11 which says:

> The functions of the Administrator shall be to—

And it lists a whole lot of things. My proposed amendment would add a new paragraph—

> (16) (A) recommend to the Attorney General that the Attorney General intervene in any civil proceeding in a Federal court involving the review or enforcement of a Federal agency action if the Administrator determines that such action substantially affects the interests of consumers;

He can recommend but he cannot bring a suit himself. But he can recommend to the Attorney General, as the chief legal officer of the Government, that suit be brought or that the Attorney General intervene in an action.

> (B) the Attorney General shall have standing to obtain in the manner prescribed by law, judicial review of any Federal agency action reviewable under law;

This is the fact as it exists today with regard to any other Government agency. The law specifically provides that the Solicitor General of the United States must personally determine that an appeal is warranted before an appeal can be taken to the circuit court of appeals or a petition shall be filed by the Government for a writ of certiorari.

Under this act, as written, the Administrator makes that decision. We like to think that the Solicitor General of the United States is an individual who is learned in the law. But I do not find anything in this bill—and the floor managers, I hope, will correct me if I am wrong—saying that the Administrator need be a lawyer at all. But he makes the determination as to whether to intervene in a suit, whether to file a suit in the courts, whether to take an appeal to the circuit court or, indeed, how to handle a lawsuit.

Now, (C) of my proposed amendment states—

> the participation of Attorney General in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

In addition, on page 13, line 5, this amendment would strike out the words "as of right" and insert in lieu thereof the following:

> as provided by paragraph (16) of section 5(b).

Then, beginning on page 15, and this would be striking a considerable portion of the bill relating to the right of the administrator as far as lawsuits are concerned, the amendment would strike out lines 1 through 8 on page 17 and insert in lieu thereof the following:

> (c) Appearances by the Agency under this Act shall be in the name of the United States and shall be made by the Attorney General or representatives he may designate.

This is again giving the Attorney General the same right under this act as he has under existing law and as he has with regard to all of the Government agencies.

In the absence of my amendment—and I am reading now from page 15 of the bill—

> (1) The Administrator may, as of right, and in the manner prescribed by law, initiate any civil proceeding in a Federal court which involves the review of a Federal agency action that the Administrator determines may substantially affect an interest of consumers.

I was interested a few moments ago in the colloquy between the Senator from Kansas (Mr. DOLE) and the floor manager of the bill that the Administrator would do whatever was reasonable, and he would have some limitations. But that is not what this says. It says that the Administrator may initiate any civil proceedings in a Federal court which involve the review of a Federal agency's action that the Administrator determines may substantially affect an interest of consumers.

Then, continuing to quote from the bill, page 15—

> If the Administrator did not intervene or otherwise participate in the Federal agency proceeding or activity out of which such agency action arose, the Administrator, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration.

In other words, he can say to the Administrator:

> I want you to have a rehearing. If you do not do this the way I feel you should do it, then I am going to take you to court.

To me this is too much authority for one agency to have over another agency—

> Such petition shall be filed within sixty days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Administrator may immediately initiate a judicial review proceeding if the Federal agency does not finally act upon such petition within sixty days after the filing thereof, or at such earlier time as may be necessary to preserve the Administrator's right to obtain effective judicial review of the Federal agency action. Where the Administrator did not intervene or otherwise participate in the Federal agency proceeding or activity out of which the judicial proceeding arises, the court shall determine whether the Administrator's initiation of such judicial proceeding pursuant to this subsection would impede the interests of justice. When the Administrator initiates a judicial proceeding arising out of a Federal agency proceeding or activity in which he did not intervene or otherwise participate, he shall file a statement setting forth the reasons why he did not so intervene or otherwise participate in such proceeding or activity, for the court's consideration in connection with whether the initiation of such proceeding would impede the interests of justice.
>
> (2) The Administrator may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of a Federal agency action that the Administrator determines may substantially affect an interest of consumers.
>
> (3) The initiation or other participation of the Administrator in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.
>
> (d) When the Administrator determines it to be in the interest of consumers, he may request the Federal agency concerned to initiate such proceeding, or to take such other action, as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Administrator of the reasons therefor and such notification shall be a matter of public record.

Occurrences by the agency under this act shall be in its own name and shall be made by qualified representatives designated by the administrator.

My amendment provides that appearances by the agency under this act shall be in the name of the United States, and that is the Government we live under that represents all of us, instead of in the name of the administrator, the proceedings would be filed in the name of the United States and shall be made by the Attorney General or representative he may designate.

Mr. President, if we have the head of this proposed new agency hiring his own lawyers, intervening on his own, we could very well have a case of the United States versus the United States, and which one would be the real United States?

To me, it just does not make any sense to split our Government, to have an appeal taken from an administrative agency and have one representative representing the people, the consumer, and another representing the people, the United States.

I am glad to yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I want to thank the Senator from Virginia for the extremely constructive amendment.

I share his concern that this bill may create something that just simply gets out of hand. It is my understanding that he believes—as someone who has worked in the Justice Department understands—the most orderly way of assuring due process, of assuring that our courts are not unnecessarily clogged, and of assuring that an agency does not engage in frivolous activities, is by the kind of review that makes sure there is some basis of setting or intervening in a given procedure or appealing from a given conclusion.

It happens, Mr. President, that I have been reading an article by Professor Brozen of the University of Chicago entitled "The Impact of FTC Advertising Policies on Competition," and I think in one sentence he highlights the dangers that we need be concerned with in connection with the ACA.

In this particular case, he is talking about the enormous costs and the anticompetitive impact of the tendency of the FTC now to require of advertisers new and arbitrary standards of substantiation of advertising claims, in which the victim is presumed guilty unless he can establish his innocence and the normal remedies available to someone who is the victim of advertising fraud are ignored.

In any event, Professor Brozen says:

> The costs imposed by the FTC's tendency to rush into issuing some proposed complaints too hastily as a consequence of the zeal of its staff.

I can see an extremely zealous staff accumulating around this extraordinary empire with a blank check to look after the consumer interest, and I can see that we would really upset the normal flow of our regulatory procedures.

We would accomplish nothing but the addition of an extraordinary layer of delay that, of course, would have to be picked up and paid for by the consumer.

Of course, one of the difficulties, it seems to me, about this whole legislation is in arriving at any sort of consensus as to what a consumer interest is.

I have looked through here (S. 200). There is a definition of the consumer that covers the waterfront, but nothing that provides any guidance as to what a consumer interest is so that the administrator can focus some sort of judgment.

I suspect we have no such definition because it is impossible to identify the consumer interest.

Mr. WILLIAM L. SCOTT. Mr. President, if the Senator will yield, I am sure he will want to address his question to the floor managers of the bill, but he did refer to my having worked at the Department of Justice.

I am sure there are far better lawyers within this body, but I did work there for 21 years and did get a feeling for how the Department of Justice operates. After that, I was then in private practice of law, and I used to tell a client when he would suggest what the law was, if he were a layman, that just as a matter of principle, I never argued law with a layman. Is this administrator going to be a layman?

There is no requirement that he be a lawyer and yet he would take precedence insofar as this bill is concerned over the Attorney General of the United States.

I will let the distinguished Senator finish his statement.

Mr. BUCKLEY. I thank my friend from Virginia.

I wish to follow up, at his suggestion, the invitation to ask the sponsors of the bill—we have the Senator from Illinois and the Senator from Connecticut here—some questions to help me get a feel for what a consumer interest is.

I might ask, Mr. President, whether the construction of the Alaskan pipeline is in the consumer's interest. Is there an answer there on which an administrator could hang his hat?

Mr. RIBICOFF. Well, yesterday we adopted an amendment by the Senator from Alaska which would take out, like we did a few minutes ago—agriculture—the Alaska pipeline, from the jurisdiction of the ACA.

Mr. BUCKLEY. I thank the Senator. I had forgotten we had accomplished that yesterday.

But it does indicate that the more scrutiny given this bill, the more need for specific exemptions seem to arise, because, of course, when we speak of the Alaska pipeline, there is no single identifiable interest. There is a tremendous interest in preserving the integrity of the environment, and also a tremendous interest in larger supplies of secured oil.

May I ask whether the deregulation of the price of natural gas is in the consumer interest?

Mr. RIBICOFF. I would say it is.

Mr. BUCKLEY. It is in the consumer interest.

But would the Senator agree there are a number of people in this body who claim it would be a fraud on the consumer to allow the marketplace to establish the price?

Mr. RIBICOFF. There are people who take every position and have every point of view on every question in this body. But on page 34 of the bill we do define what an interest of consumers would be under this act. Under definitions, section 14, subsection 11.

Mr. BUCKLEY. Well, yes, but that really is no guidance to an interest of the consumer. That is the whole galaxy of factors that go into consumer choice, but it certainly provides no guidance as to where an administrator should come in with his olympian judgment and to make a decision that is, for all intents and purposes, not subject to review.

In the case of natural gas, I do know there are those in this body who believe deregulation is essential for the incentives required to discover more gas so that some will be available in the State of Connecticut and the State of New York.

Mr. RIBICOFF. May I say that the consumer advocate is not a regulator or an ordermaker. He is an advocate whose job it is to intervene, to represent the consumer interest by giving the facts that would affect a consumer.

There is a difference of opinion, and I would assume that the consumer advocate, in a question such as the Senator from New York addresses to us, would come into the Federal Power Commission and present the facts of the situation.

I do not see him necessarily taking a side. He might present the facts as to what the cost of deregulation would be to the consumer.

On the other hand, he might present the facts to indicate that what we have is a shortage of gas and it could affect the interests of the consumer to pay a higher price to have a larger supply of gas.

He presents the facts to the Federal Power Commission and the Federal Power Commission is going to make the regulation or make the decision. The consumer advocate, under no circumstances, hands down a regulation or hands down a decision.

Mr. BUCKLEY. But the Senator from Connecticut, Mr. President, is suggesting that we could have a single individual really be this impartial. I believe this defies experiences with human nature. We have very little control over how the consumer administrator will actually discharge his responsibilities. So long as he is in good faith, he is locked in.

Mr. RIBICOFF. All I can say is what we are trying to create here is an agency for 220 million people, to make the facts known to the agency charged with the responsibility to regulate, to give the facts that they might not get under ordinary circumstances because the average consumer is voiceless and helpless.

It is up to the Federal Power Commission under these circumstances to make the decision. The decision is not being made by the consumer's advocate but by the Federal Power Commission. You can rest assured that the gas companies will certainly present their point of view to the Federal Power Commission. I would assume that on a matter as large as this and as important as this there would be groups presenting the other point of view. However, there are many agencies in which only one side is ever presented. Here is an opportunity for someone to present the other side or view. I would hope that the consumer advocate would come into a deregulation case and present the facts as they would affect the consumer on both sides. Maybe under those circumstances we could get both sides of the question, and impartially.

I cannot guarantee that the wisdom of this consumer advocate is going to be all-knowing, and that it will conform with my concept or the Senator's concept. He is appointed by the President. He is subject to confirmation. Everyone, whether he be a U.S. Senator, a President, a member of the Cabinet or a member of a regulatory agency, would hope that the appointments by the President would be a wise one. Sometimes they are unwise.

Mr. BUCKLEY. Mr. President, I appreciate what the Senator from Connecticut is saying. I would also hope that in every instance we have perfect wisdom in the positions of responsibility. One of the things that concerns me here is that we do not seem to have the in-built checks and balances that we have in normal commissions, for example, where we have several members, or people who are accountable to the President for a review of how the decisionmaking process operates. I do believe that the objectives of the sponsors of this bill could better be achieved by seeing to it that the FPC automatically will have opportunity for consumer groups to present their case before it. I believe that is important. I believe too many of our existing agencies designed to protect health, and one thing and another, have failed to do so.

The Senator from Connecticut makes a large point of the fact that the Administrator cannot regulate. No; he cannot regulate directly, but he certainly has powers within this bill—powers to get information, powers to start proceedings, powers to intervene—that will, in effect, provide him powers to shape the direction of regulation in accordance with his own perception of where the consumer interest lies. I believe the example we have gone through suggests there is no such thing as the consumer interest.

Let us take the safety regulations in which we have the power in a bureaucracy to take care of the safety of people who purchase automobiles.

The automobile is something that appeals to a whole spectrum of consumer tastes. There are considerations of size, power, conservation, and safety.

We have seen that, with all the hearings in the world, we have recently experienced the atrocity of ignition interlock seatbelts, something that 9 out of 10 consumers in this country would have declared was not in their interest. Nevertheless, this was, of course, forced upon them. I feel we are inviting precisely this kind of impact.

Mr. RIBICOFF. May I add that we did not have a consumer advocate, and the interlock was ordered by the agency without the help of a consumer advocate. So it is not a consumer advocate that caused the interlock.

May I point this out: the Congress acted on the interlock and got it out of the regulation. When Congress makes a decision there is nothing for the advocate to act upon.

I know the Senator from New York has been pushing for congressional action on deregulation of natural gas. I understand from the Commerce Committee that a bill to that effect will come to the floor after recess. As far as I can see, once there is congressional action on an issue, there is nothing upon which the advocate would act. He cannot replace the intent of the Congress and the executive in their passage of laws. It is only in the entire process of a regulatory agency activities that the advocate comes in to represent interests of consumers.

On the matter of interlock, it could very well be that a consumer advocate could realize the foolishness. For a long time I have been the advocate of highway safety. I voted against the interlock because I thought it was sheer, arrant nonsense. I have had my own personal experiences with the interlock, and I did not like them. The interlock did not make sense.

Why should it be assumed that the consumer advocate would be a man without commonsense? Maybe he could have been a deterrent to the Highway Safety Agency to make sure that they did not come up with an interlock mechanism.

Mr. PERCY. Will the Senator from New York yield for a comment?

Mr. BUCKLEY. I yield.

Mr. PERCY. I do not believe the distinguished Senator was in the Chamber yesterday when the Senator from Illinois offered an amendment which was accepted by the manager of the bill, to provide that the administrator in considering consumer interest would be required to consider the matter of price but also, and equally important, the question of availability and supply.

The very question that the distinguished Senator raises on deregulation of natural gas would cause him to look not just at price, but cause him to look at those incentives required to get an adequate supply which, eventually, when the supply comes onstream, helps to bring price down and satisfies the overall balanced need of the consumer. It does no good at all to have an artificially low price if the price is so low that it does not adequately provide the supply that is needed.

We put that into the bill to make absolutely certain that price is not the sole consideration; that supply was a matter that should be considered by the administrator as well.

Mr. BUCKLEY. Mr. President, I appreciate the clarification of the Senator from Illinois, but I believe no matter how many criteria we write into the bill, the fatal defect of this proposal is that we narrow it down to one person who ultimately makes the judgment as to how they are to be weighed.

The Senator from Connecticut stated in the case of the interlock regulation, I believe, that the administrator would "give his side of the equation." I am not at all certain that his side of the equation will be my side of the equation or the side of the Senator from Connecticut. One of the things that concerns me in terms of this unified approach, which results from capture, is that if the President is not wise in his choice, or the Senate not wise in its confirmation of that choice, we have somebody who might try to impose his vision of where the consumer interest truly lies on the whole sweep of the American economy. I think this kind of concentration in itself is dangerous.

This is why, Mr. President, that I not only will be voting against this bill, but why I urge that the very sensible amendment offered by the Senator from Virginia be adopted. It will at least put the normal judicial machinery of this Government in some sort of position outside the agency itself which could be subject to capture just as the FCC has, the ICC, and the rest. It will have that other layer of judgment to safeguard the consumer from the excessive zeal that possibly could creep into this agency.

Mr. RIBICOFF. If the Senator from New York has no further queries, I should like to respond to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. I have a few remarks, if the Senator will permit me, before his response.

Mr. President, I appreciate the contribution of the Senator from New York, and I appreciate his support with respect to this amendment.

I believe that we should reflect upon the nature of the regulatory agencies that we are talking about before which the consumer advocate would appear.

It is a rather broad brush. He could appear before congressional committees, and even if the Federal Pay Board would ask for an increase or a decrease in congressional salaries, I suppose he would have a right to represent the consumer.

The Senator from New York is interested in the abortion question. If there were something on abortion, I expect that the advocate could appear and represent the consumer. I do not know what the consumer's point of view would be on something like that, because my mail is fairly evenly divided and people feel very strongly both ways on issues of this nature.

We are talking about agencies such as the Federal Power Commission, the Federal Trade Commission, the Civil Aeronautics Board, the Federal Food and Drug Administration, and other administrative bodies and agencies, and they were created in the public interest. The word "consumer" was not in general use at the time they were created but they were created to represent the public good, and I submit that they were created to represent the consumer. Under the definition in this bill, "consumer" includes every human being. We are all consumers, but we do not necessarily think alike, not even in this body. We are debating the matter, and we have a difference of opinion. People of good will often can disagree in matters of judgment. No single consumer point of view is possible, in my opinion.

These agencies were created for the purpose of specialization, for the purpose of holding hearings, for the purpose of listening to all sides in a given matter and arriving at a decision in the public interest—in the interest of the consumer. That is the purpose.

The public interest and the consumer interest are the same, because we are talking about all the people of the country, in either event, when we are talking about the consumer or the general public.

It is general law that you do not upset a decision of these administrative boards or agencies except when they act arbitrarily or capriciously. They are quasi-judicial. I do not believe it would be wise for Congress to have a consumer advocate or a special interest administrator looking over the shoulder of these experts and taking them to court when he disagrees with them, appealing to the circuit court, going on up, and seeking certiorari of the Supreme Court. To me, he would be meddling.

I have used the phrase "common law barratry" with respect to someone who stirs up strife and litigation. It seems to be a reasonable phrase to use in reference to the administration under this bill. Here is somebody purporting to represent the consumer, the American Government, people in general, and he is representing a special interest group. I believe that he would represent a special interest group and he would be interceding with those agencies that are responsible for protecting the public interest, and he probably would have less expertise in a given field than the specialists in a particular administrative agency. I continue to think about the question of barratry and the stirring up of litigation. I believe it is contrary to good administration; I believe it is contrary to the best interests of public policy in this country.

Mr. President, does the Senator wish to make further comment?

Mr. BUCKLEY. Mr. President, I agree with the statements of the Senator from Virginia, and I agree that his amendment should be adopted.

Mr. WILLIAM L. SCOTT. I appreciate the Senator's good wishes.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, it should be kept in mind that in this bill we have retained and assured an independent advocate. If it is left to the Attorney General, he loses his independence.

It also should be kept in mind that the Attorney General represents most of the agencies from which an appeal would be taken, so there would be a conflict on behalf of the Attorney General. Would he be representing a regulatory agency on one side and the consumer advocate on the other side? For the life of me, I do not know how any lawyer, even the

Attorney General, can represent two sides to a controversy.

It has been said that this is an exception, that all other agencies are represented in litigation by the Attorney General. I name the following agencies which handle their own litigation and are not represented by the Attorney General: the FTC, the ICC, the FPC, the EEOC, and the NLRB.

Mr. President, I oppose this amendment.

Mr. WILLIAM L. SCOTT. Mr. President, I do not know where the distinguished Senator gets his information; but my assistant, who is sitting next to me, was an attorney with the Federal Trade Commission before coming here, and he assures me that the Department of Justice does handle the Federal Trade Commission cases in the courts. This was the first agency the distinguished Senator mentioned.

I have seen memorandums to the effect that the Attorney General has plenary authority to settle lawsuits, either through law or Executive order. He has the right to represent the United States in all cases.

We do not have a library in the Chamber, but I am satisfied that the statement with respect to the first agency, at least, that the Senator mentioned is erroneous.

Mr. RIBICOFF. I disagree with the Senator and I think that my staff has as much qualification as his staff.

I am informed that last year, in the Federal Trade Commission Warranty Act, the Federal Trade Commission was given the authority to handle its own litigation, not through the Attorney General. I am sure that that act can be procured by a member of the Senator's staff, if he calls the Library of Congress.

Mr. FANNIN. Mr. President, I am pleased to cosponsor the amendment introduced by Senator WILLIAM L. SCOTT to insure that all Federal litigation initiated pursuant to the authority to be granted to the proposed Consumer Protection Agency be conducted under the supervision and control of the Attorney General of the United States.

S. 200, if enacted in its present form, would authorize the Administrator of the proposed Agency for Consumer Advocacy to select and designate those attorneys who would represent the Agency in court proceedings involving consumer interests.

S. 200, in my opinion, would grant to the Administrator unparalleled power and discretion in complex and orderly judicial proceedings. It would provide a radical departure from sound and well established procedures for the conduct of litigation involving Federal agencies.

According to current procedures the officials of the Department of Justice, under the direction of the Attorney General, conduct all litigation in which the United States, an agency or official thereof is a party or has an interest. This procedure has been followed, with few exceptions, for over a century in our country, and there is no reason, in logic or in law, to depart from an effective procedure which has worked well in the American justice system.

As has been ably demonstrated by my distinguished colleague from Virginia, S. 200 raises the important issue of who should have control of Government litigation. I am in complete agreement with his contention that division of the control of litigation, as the present bill proposes, would result in unnecessary duplication of effort and waste of resources, with attendant increase in costs, confusion and uncertainty—all to the detriment of the consumer that S. 200 is supported to protect. The public should know and reasonably expect that their rights will be most ably and consistently represented in the judicial process by a single agency with overall direction and authority, and with a staff of highly trained and experienced legal professionals, eminently qualified to conduct litigation and to fight court battles involving consumer problems and controversies.

For these reasons I urge my colleagues to vote for the amendments offered by the Senator from Virginia (Mr. WILLIAM L. SCOTT).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. PERCY. Mr. President, I should like to make a few general comments.

Certainly, we do have instances in which agencies of Government can go into court on their own. We have the cases of the EEOC, the NLRB, the SEC, in which, under certain circumstances, they can try their own cases.

I believe the distinguished Senator from Virginia is well aware that a tremendous caseload exists in the Attorney General's office; that when the Attorney General would be faced with a sense of priority—whether he is going to work on organized crime, whether he is working on drug trafficking cases, whether he is working on problems of antitrust which involve grave public issues—there would be a question as to whether or not the Agency for Consumer Advocacy cases would be properly scheduled and timed so that something really could be accomplished.

We have situations in which civil suits are filed against the Government. Would the Attorney General be able to give priority over the administrator's cases as against suits actually filed against the Government, or litigation of the Senate and the House, or contempt proceedings or, as I have mentioned, drug traffic violations?

In the case of the Housing Act of 1968, it was evident that there was fraud all over the country involving collusion among labor unions, builders, brokers, and realtors; and within a period of 6 months to a year, we had seven or eight grand juries convene simultaneously for the purpose of bringing proceedings. If we had had an advocate for the consumer, he could have detected this national pattern. He could have worked to prevent it. If he had moved rapidly enough, we think we could have saved literally hundreds of millions of dollars for the Federal Government. But if he had to wait for the Attorney General to move before he could join in court actions, he might be of no help whatever.

So I find it necessary to oppose the amendment, but I do so with appreciation for the point of view expressed by my distinguished colleague.

I also wish to say, in response to the colloquy that my colleague from Virginia had with our colleague from New York, that the Senator from Illinois has had, for the past 5 or 6 years, even since the introduction of this idea, with his own staff and working, sometimes, with other Members of the Senate such as Senator RIBICOFF, undertaken to role-play, in a sense.

The Senator from Illinois has gone out and, for a number of years, has looked at types of abuses that seem apparent within the field of business, commerce, and industry. He has attempted to work with the regulatory agencies now authorized to act in these cases to see why action was not taken by them and to see what could be done to speed up that action. We did so in the hearing aid industry. We worked with FTC and with the Food and Drug Administration, and worked directly with the industry, both the retail dealers in their association and the manufacturers in their association.

As a result of this, government should soon take action. A regulatory agency is going to be moved forward and the industry is going to take voluntary action. But we found that, had there been no advocate for it, there would not have been adequate action.

I assure my distinguished colleague that we have very, very carefully looked at this. The Senator from Illinois has worked with about a dozen industries, now, to see and test the idea and how it would work. The Senator from Illinois is absolutely convinced that this measure will be in the best interests of the responsible elements of the business community, which comprise, in my judgment, 95 percent or more of the business community. We wish to stamp out abuses that are a discredit to the free enterprise system.

Certainly, the right of the administrator to intervene in court and to bring action is, we feel, a power that is needed in order to carry out his duties and his responsibilities. So I respectfully oppose the amendment of my distinguished colleague.

Mr. WILLIAM L. SCOTT. Mr. President, I certainly respect the right of the distinguished Senator from Illinois to his point of view. He is the floor manager for the Republican side of the aisle. We have a difference of opinion. I do not feel that the adoption of this bill is in the public interest. As far as having court representation, in my own State of Virginia, at the present time, there is a conflict as to who is going to represent the consumer agency. I talked last night by telephone with a member of the State Legislature, who is on the Courts of Justice Committee in the General Assembly in Virginia. He told me about the difficulties they are having within my own State on this very problem.

It may be that the distinguished Senator from Connecticut and I have a difference because, in my opinion, the Attorney General does have the right to represent the Government in all lawsuits. But there are times when the Solicitor General, even before the circuit courts and before the Supreme Court, gets an attorney from another agency who is expert in a particular field to represent the appointed special assistants to the Attorney General and does represent the Attorney General, even though they are not on the regular staff of the agency.

I believe that this is a good amendment. I hope that the Senate does see fit to adopt it.

Before yielding to the distinguished Senator from Idaho, Mr. President, I ask for the yeas and nays. I am not sure there is a sufficient number of Senators in the Chamber.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Will the Senator from Virginia yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to the distinguished Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I cannot help but be struck by two facts. The Senator from Virginia speaks from many, many years of experience, not just in the Halls of Congress, but also in the Federal Government agency where he served with distinction for many years, in the very field to which he now addresses himself. I think if we get into the question of background and expertise and knowledge, the Senator from Virginia certainly ought to win the debate on that ground alone.

I think the strength of his argument can be demonstrated not only by the confusion that now exists in the State of Virginia concerning who shall represent consumers. I can also attest to some confusion in my own State of Idaho, several years ago, when I was in the State legislature, under a rather unique circumstance in which the legislature and the State administration were at odds with the attorney general. We broke down the concept that the attorney general represented all State agencies and started the business of allowing each of the State agencies to have independent legal representation.

We are now seeking to reverse that. The newly elected attorney general in the State of Idaho has pointed to the loss of control and, more importantly, perhaps, the extreme growth of expense in representation of State agencies by independent counsel in each of the agencies. So we are trying in Idaho to undo now what was done some 15 years ago, precisely as the Senator from Virginia is seeking to do in this amendment.

Mr. WILLIAM L. SCOTT. If the Senator will yield. I ask the distinguished Senator whether or not, under the system where each agency had its own counsel, it resulted in delay and confusion in the court; whether, having one central chief lawyer, regardless of the name by which he goes, that did not result in a speedier process as to the court?

Mr. McCLURE. I say to the distinguished Senator from Virginia, that is precisely correct. I think that is one of the great strengths of this amendment. I am glad to support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH.), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. McGEE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from South Carolina (Mr. THURMOND) is necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 24, nays 67, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—24

Allen
Bartlett
Buckley
Byrd,
Harry F., Jr.
Curtis
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Packwood
Scott,
William L.
Stevens
Taft
Talmadge
Tower
Young

NAYS—67

Abourezk
Baker
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stone
Symington
Weicker
Williams

NOT VOTING—8

Bayh
Gravel
Johnston
McGee
Metcalf
Stevenson
Thurmond
Tunney

So Mr. WILLIAM L. SCOTT's amendment (No. 444) was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment of Mr. WILLIAM L. SCOTT was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, may I have the attention of the Senate at this time?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. The hour is getting a little late. We have been in since 8 o'clock this morning, as many Members who participated in the roundrobin are well aware.

I was wondering if we can get a show of hands as to how many amendments will still be offered.

Mr. DOLE. One very quickly.

Mr. MANSFIELD. Will there be a rollcall vote on any of the amendments?

Mr. BROCK. There is a possibility of one rollcall, I might advise the Senator.

Mr. MANSFIELD. Two rollcalls. So that is about three amendments.

On that basis then I would hope that the Members would not use up too much time and we could probably finish the bill tonight, but I would hope we could do it around 6 o'clock. It has been a long day. I thank the Senator very much.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

UNANIMOUS-CONSENT REQUEST FOR A VOTE ON FINAL PASSAGE NOT LATER THAN 6:15 P.M.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the final vote on the pending business occur not later than the hour of 6:15 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Reserving the right to object, I did not hear the question.

Mr. MANSFIELD. The final vote to occur not later than the hour of 6:15 tonight.

The PRESIDING OFFICER. Without objection, rule XII is waived, and the unanimous consent request is agreed to.

Mr. McCLURE. The one item that has not yet been covered in the colloquy, I think it might be well to at least expose for the record one fact which will——

Mr. WILLIAM L. SCOTT. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senators take their seats so that the Senator from Idaho may be heard?

The Senator may proceed.

Mr. McCLURE. I thank the Chair.

The one question that will come back to haunt the Senate in the future will be the question of the cost of this agency.

The bill carries with it an authorizing level of $15 million in the first year, $20 million in the second year, and $25 million the third year.

I think even the most ardent supporters of this bill would be among the first to say that in comparative importance and comparative complexity of issues, this commission will have greater responsibility than will the Consumer Product Safety Commission. The Consumer Product Safety Commission had its first partial year authorization outlay of $13.5 million, the second year that outlay grew to nearly $35 million, and the third year that actually grew to $37 million.

There is pending legislation for authorization for appropriations for that Consumer Product Safety Commission for the fiscal year 1976, $51 million; for the fiscal year 1977, $60 million; and for fiscal year 1978, $68 million.

I ask if it is a realistic expectation that the Consumer Safety Commission, or the ACA as we now call it, will be limited by $15, $20 and $25 million, which is less than half the amounts being sought for the Consumer Product Safety Commission.

Mr. President, I am concerned about the increasing tendency of my colleagues to sponsor legislation which would create independent agencies of the Federal Government which in final effect and in final form, will be accountable to no one. These agencies will not be accountable either to the executive branch in whose domain they will lie or, to the legislative branch which has created them. Instead these so-called independent agencies will have the force and effect of a fourth arm of the Government. Our Constitution, a most remarkable document for its wisdom and simplicity, provides for three branches of Government—a legislative, a judicial, and an executive. The Constitution provides for checks and balances precisely so that no one branch of Government will be completely independent. The fourth branch of Government, would be extraconstitutional and completely outside the thinking of our Founding Fathers.

S. 200 is a bill to establish "an independent Consumer Protection Agency," another appendage to the fourth arm of the Federal Government. As I read through the bill and the report, it became abundantly clear to me that the Agency for Consumer Advocacy would not be accountable to the legislative branch which created it.

What the proponents of S. 200 are attempting to do here is no different from what was done in the creation of the Occupational Safety and Health Administration, the Consumer Product Safety Commission, and in the creation of the Legal Services Corporation. I have stated before and I repeat with conviction today, that Idahoans are not enthusiastic about another incursion of the Federal bureaucracy into their lives. They have had a recent experience with the nightmare called OSHA. Various calls and surveys have shown that they have had about as much Government interference in their lives as they can take. They want to make their own decisions. They consider themselves responsible adults, even if their Government does not. Most certainly, my constituents do not want an institutionalized consumer advocate to protect their interests. Idahoans are people who do not see themselves as the mere components of groups but as individuals.

My constituents are aware that the Constitution itself provides for the best consumer protection agency—this Senate and our colleagues in the House of Representatives who are accountable to the citizens of this country. They are going to wonder why they must pay a whole new group of people—why they must support with their tax dollars a whole new Federal bureaucracy. And what will it protect? No two people are consumers of the same products in the same amount at the same time with the same effect. This means that a new body will tell them what their own priorities should be.

The Consumer Protection Agency is a fraud and a sham which is being perpetrated upon my constituents. The Agency will not protect consumers but will, in the long run, only work against their interests. These are truths which the proponents of the bill have dismissed as mere "technicalities." But these "technicalities" strike at the heart of the proposal.

It is in the real public interest to oppose legislation which creates a federally funded lobby for a special interest group.

The CPA will not be responsive to the executive department in which we will ostensibly place it. Section 3A of S. 200 reads as follows:

> The agency shall be directed and administered by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate for a term coterminous with the term of the President, not to exceed four years. The Administrator shall be an individual who, by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. . . . On the expiration of his term, the Administrator shall continue in office until he is reappointed or his successor is appointed and qualifies. The Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

I have no quarrel with a provision that an Administrator of the Consumer Protection Agency have sufficient expertise although it is a little difficult to qualify that expertise. If it is to be procedural, we need someone practiced in advocacy proceeding on behalf of everyone. We will first look forward to his identification of the nonconsumer.

If it is to be a substantive qualification, we would presumably need to find someone who has indulged in more than average consumption. The only certainty is that this Administrator need not be responsive nor responsible to the President who appoints him. In his letter on the same legislation last year, Mr. Ash wrote as follows:

> The Administration strongly opposes the establishment of S. 707 of a fixed term of office for the CPA Administrator, a term of four years coterminous with that of the President. Such rigidity and insulation from the authority of the President for what the bill itself terms a "non-regulatory agency" would not be only unprecedented for a purely Executive agency but also highly inappropriate and detrimental to the proper functioning of the Executive branch of which CPA, of course, would be a part.
>
> As Chief Officer of the Executive branch, the President is responsible and accountable to both the Congress and the American people for its effective operation.
>
> The term specifications now contained in S. 707 would seriously hamper the President in the proper discharge of his Constitutional duties.
>
> We note that as the bill is now drafted the Administrator would have to meet certain qualifications and would be subject to Senate confirmation. We consider that such safeguards are fully adequate. It is of great importance that the language requiring a four-year term coterminous with that of the President and limited grounds for removal be deleted from Section 5(b)(1) of the bill.

I would like to point out that while Mr. Ash's letter refers to last year's bill, the language of this section is substantively unchanged. This recommendation has been ignored by the proponents of the bill. As I read through the majority report, I find only a restatement and a continual restatement of the proposition that the CPA should be an independent agency under the influence of no one. Independence from pressure groups is not the same thing as independence from legitimate executive direction, nor can it be considered responsive government.

Section 4D of the bill provides that the Administrator shall prepare and submit simultaneously to the Congress and the President an annual report. This annual report will be comprehensive compendium of information concerning recent developments in the area of consumer affairs. The report, however, will be more than just a mere compendium, for it will be an analysis and review of the activities of other Federal agencies. The bill specifically provides in section 4D(3) that the Administrator shall include in his report "the assistance given the Agency by other Federal agencies in carrying out the purposes of this act." And, in section 4D(4) it is provided that the Administrator shall recount "the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers and the prospective result of alternative consumer protection programs."

The Constitution contemplates that Congress shall be responsible for the agencies it creates and exercise a legitimate oversight function in reviewing the performance of Federal Government agencies. To this extent, Congress has created GAO as an investigatory branch to help us determine whether existing agencies are, in fact, acting in the public interest as they are charged by statute. Now, however, we find that a fourth branch of government—this CPA, this so-called independent agency—is to assume the oversight responsibilities which properly belong in the Congress. Moreover, these oversight responsibilities are limited to determining whether existing agencies are acting not in the public interest but in the interest of consumers as defined by the Administrator of CPA.

This raises the question as to whether the CPA will work at cross-purposes with other existing agencies. The supposition is apparently that those agencies are not now acting in the public interest which would indicate a more direct action.

This self-executing oversight responsibility is made even more outrageous by the provision for the handling of consumer complaints in section 10 of the bill. Section 7(a) provides that when a consumer complaint is filed, the ACA shall refer that complaint to the appropriate Federal, State, or local agency which has enforcement responsibility. Then, the act specifically provides "Federal agencies shall keep the Administrator informed to the greatest practicable extent of any action which they are taking on complaints transmitted by the Administrator pursuant to this section."

In addition, as long as these complaints are not anonymous they shall be maintained in a public documents room. In addition to the complaint itself, the response, if any, from the Federal agency will also be included. I submit that this is a form of blackmail in which the agencies will be required to divert their interests to answering every single consumer complaint which is referred to them by the ACA. I suggest that this is not in the public interest.

If we were to look, for example, at the work of the Bureau of Consumer Protection within the Federal Trade Commission, we would find that cases are being investigated and prosecutions brought every day against unscrupulous businessmen. But these investigations are begun not on the basis of anonymous complaints nor on the basis of one or two general accusations. Rather, the impetus for an investigation by the Bureau of Consumer Protection comes from repeated complaints of abuses by one party or by one group. If the Federal Trade Commission were required to investigate in detail every single complaint which comes into its office, I suggest that it would be necessary to increase the staff and budget of that agency by at least tenfold in order to accommodate the ACA Administrator. This would not only create a bureaucratic morass but also make the ACA an authoritarian agency, not a coordinate agency of the Federal Government. Further, such a provision makes the ACA a very visible monitor of events within other Federal Government agencies on behalf of a special interest and does not take into account the public interest which Congress must consider in its legitimate oversight capacity.

It is an interesting anomaly that the proponents of this legislation argue that congressional oversight of existing agencies is ineffective; and, therefore, the agencies do not act in the public interest. This argument ignores the provision of the bill which provides appropriations for the next 3 years for the ACA. As Senator Ervin originally pointed out last year that—

> If we are to believe the proponents of this bill that legislative oversight is totally ineffective in controlling agency actions, then we shall have a CPA which is absolutely free of any control and responsibility. Until fiscal year 1977 when new authorizations must be sought from the Senate Committees on Government Operations and Commerce, it answers to no one but its appropriations committee whom it is authorized to lobby along with other members of Congress.

Not even the judicial branch will have the authority to curb the power of the ACA. The ACA Administrator and his fellow bureaucrats within this new agency have the absolute power to determine what is in the interest of the consumers. As the minority report points out, anything and everything is fair game for the ACA. A consumer who does not agree with an ACA action will be told that the agency's action is in his—the consumer's interest: end of argument.

The bill states:

> For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect the interests of consumers or that his intervention in any proceeding is necessary to represent adequately the interests of consumers shall be deemed not to be a final agency action.

What this legally means is simply this: No one may ever challenge the Administrator's determination that his involvement is in the interests of consumers. The real clincher, however, is the explicit provision that the ACA Administrator's determination of what is in the interests of consumers is not reviewable in court by anyone.

The effect of the ACA, then is to deny the three existing constitutionally mandated branches of Government the authority to engage in any oversight activity with respect to the ACA. Not only are the three branches of Government forbidden from engaging in their lawful and constitutionally required activity, but not even a consumer can challenge an ACA determination of what is the consumer's interest. As I stated, my constituents are not individuals who either need or desire some Government bureaucracy to determine what is in their best interest. S. 200 will not even provide them the opportunity to challenge this big brotherism.

Accountability is the hallmatrk of good government. Under our Constitution, checks and balances were prudently provided so that no one branch of Government would have undue authority. This legislation upsets this balance. Mr. President, I will not support a measure which by its very provisions upsets the Constitution.

Mr. President, I reserve the remainder of my time and yield the floor.

MODIFIED AMENDMENT NO. 425

Mr. BROCK. Mr. President, I was going to offer my amendment No. 425, but I have talked to the Senator from Connecticut and the majority staff and they have suggested a modification. With his permission I ask unanimous consent to submit the modified language as suggested by the Senator from Connecticut on amendment No. 425.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. I withdraw my objection.

The PRESIDING OFFICER. The amendment with be stated.

The legislative clerk read as follows:

> On page 44, line 20 strike the word "impact." and insert in lieu thereof: "impact, for the agency's consideration in connection with the promulgation of such rules."

Mr. BROCK. Mr. President, the purpose of this amendment is to make it absolutely clear that not only is the agency to prepare a cost-benefit statement, but it must take into account the results of that study in the promulgation of those rules which are related to that particular study.

In other words, I do not want them just to make studies that have nothing to do with the rules they put out. I want the studies to relate to the specific rule and be a part of the decision process by which they determine to implement that particular rule.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment, No. 425 as modified, was agreed to.

Mr. CASE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BROCK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

MODIFIED AMENDMENT NO. 458

Mr. BROCK. Mr. President, I was prepared to offer amendment No. 458 which gave certain additional safeguards and exemptions to small business. A substitute has been proposed again by the manager of the bill, and with permission I would like unanimous consent to send to the desk a modification of my amendment No. 458.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

> On page 38, line 2 strike "Act" and insert in lieu thereof the following: "Act, including section 24 of the Act".

Mr. BROCK. Mr. President, all this says is that in determining these cost-benefit analyses, prior to the decision to implement the various regulations, we should take into account the special needs and problems of small business.

This is in an effort to put at the front of the bill the need of taking account of the particular problems now besetting the American small business community.

Mr. RIBICOFF. Mr. President, I have discussed this with the Senator from Tennessee. His interpretation is correct and, as manager of the bill, I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment No. 458 as modified, was agreed to.

AMENDMENT NO. 426

Mr. BROCK. Mr. President, I now call up my amendment No. 426.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Tennessee (Mr. BROCK) proposes an amendment No. 426.

The amendment is as follows:

> On page 4, line 13, strike out the following: "in order to determine which Government programs" and insert in lieu thereof "and to prevent the adoption of Government programs which".

Mr. BROCK. Mr. President, this amends the section of the bill which states its purposes and in particular the purpose of the establishment of the policy regarding cost-benefit statements.

On page 4, it states that it is the purpose of this act to establish a means for estimating in advance the costs and benefits of Federal legislation or rules that have substantial economic impact, and it strikes out the words "in order to determine which Government programs" and inserts "and to prevent the adoption of Government programs which entail unreasonable or excessive costs."

That is simply a restatement of intention of section 24, that this Government must accommodate the same process that its taxpayers use in every aspect of their lives. That is, to calculate the true cost and benefits of our chosen course of action so that the American people know what the true consumer cost is going to be, and so that if the costs are deemed to be excessive, we in the Congress can react, should that occasion require it.

Mr. RIBICOFF. Mr. President, this amendment is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 426) was agreed to.

AMENDMENT NO. 423

Mr. BROCK. Mr. President, I call up my amendment No. 423.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposes an amendment numbered 423.

The amendment is as follows:

On page 47, line 8, strike out the period at the end thereof and insert "and section 1905 of title 18, United States Code.".

Mr. BROCK. Mr. President, I ask unanimous consent to send a modification to the desk on which I would like to have a colloquy with the Senator from Connecticut, if I may.

The PRESIDING OFFICER. Is there objection?

Mr. RIBICOFF. There is objection.

The PRESIDING OFFICER. Objection is heard.

Mr. BROCK. That is the suggested change by the Senator's staff.

Mr. RIBICOFF. I withdraw my objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is so modified.

The amendment, as modified, is as follows:

On page 47, line 8, strike out the period at the end thereof and insert "and other applicable law.".

Mr. BROCK. Mr. President, the purpose of the amendment as originally drawn was to see that privacy was guaranteed as it is intended to be under section 1905 of title 18 United States Code and the Freedom of Information Act. The act as written, I do not think, was particularly clear.

The Senator from Connecticut has suggested instead of specifically saying section 1905 of the United States Code, there be substituted the phrase.—"or any other law," and that is a more inclusive amendment.

I ask the Senator if he does not intend that this include section 1905 of title 18 United States Code as I originally wrote it, or any other law that is designed to protect the privacy of the individual.

Mr. RIBICOFF. That is correct. The Senator states what was intended by this act.

It is acceptable to the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, (No. 423) as modified, was agreed to.

Mr. BROCK. Mr. President, during the committee consideration of S. 200, I offered an amendment to create a new section 24, which had as its purpose to provide for the preparation of consumer cost assessments in connection with proposals for regulations or legislation by Federal agencies. These amendments were unanimously approved by the committee with considerable interest and enthusiasm.

The background for the proposal of this new section to the Consumer Protection Agency bill is well-known to many Members. During the second session of the 93d Congress, many members of the Government Operations Committee became aware of the cumulative high cost of Government regulations on the American consumer.

This followed close on the heels of Senate consideration of my initial proposal, the Budget Control Act of 1974. Many members of the Government Operations Committee were firmly convinced that, in light of the enormous inflationary conditions, that a major source of origin of inflation, was the Congress through its lack of ceiling on the enactment of new legislative proposals and the executive agencies themselves as well as the regulatory agencies, which had for many years gone without sufficient oversight into the effectiveness and implementation of programs.

During that second session of the 93d Congress, several Senators on the Government Operations Committee, Senator PERCY, Senator ALLEN among them, came forward with proposals in the area of reform of the regulatory agencies. In addition, the administration itself proposed the creation of a commission to study and make recommendations on how regulatory agencies might focus more sharply on their initial legislative mandates.

What all the members of the Government Operations Committee were searching for was a means to cut down on the cost of Government to the American taxpayer. While many of the plans for the commission had been shelved during the final moments of the 93d Congress, on November 28, the President recognizing the national concern with the status of regulatory agencies as well as his own executive offices, published Executive Order 11821. This was the first major step in our effort to require decisionmaking in Government to reflect the impact of Government regulations on the cost to consumers.

Many members of the Government Operations Committee as well as other Members of the Senate then waited through the intervening months to determine what the effects of this new requirement on the Federal bureaucracy would be. This new requirement was so novel to the ordinary bureaucrat that we have now taken the process of all these intervening months to attempt to explain through OMB how agencies are to comply with this new requirement. In fact, during this period, agencies have attempted to comply with this new requirement and, while they were not made public, inflation impact statements have been made in the energy program of the President, in the publication of new regulations for regulatory agencies by the Agriculture Department, by the Environmental Protection Agency, and by other major agencies.

Why, then, was there this need for this particular amendment to S. 200? One of the constraints of an Executive order is that it is enforceable, only within executive offices of the President and not extendable to independent agencies. Thus, major segments of the Government were excluded from complying with this new requirement.

Many of the frustration that were felt by other members of the Government Operations Committee were expressed by Senator NUNN during the recent hearings into proposals to create a National Center on the Quality of Work Life and Productivity. Senator NUNN asked time and time again where these cost-benefit statements were, where the regulations were to be, and what he reasons for the interminable delay were? Evidently, a major element of the delay originates in the attempt by executive offices as well as independent agencies to obtain exemption from the requirement to file under these new regulations.

Another area of difficulty in implementing the Executive order lies in the lack of direction as to what constitutes for any particular agency the phrase "substantial economic impact." A dialog on what constitutes this phrase still continues between the Office of Management and Budget and the other agencies. It was after this delay of many months and in order to make permanent the requirement that the American taxpayers know how much their Government costs them that I introduced my amendment to S. 200 in Committee. The amendment was accepted with the understanding that some minor drafting modifications may be necessary in order to properly incorporate them into the text of the bill. These minor modifications, however, have resulted in substantial revision to the language intent and effect of the amendment, so as to question significantly the amendment's effectiveness for its intended purpose. Thus it has been my purpose to bring before the Senate the minimal amendments that I believe necessary to make the cost-benefit assessment provisions of the bill effective and salutary, without unduly hampering the operation of Government agencies in the carrying out of their statutory responsibilities.

I believe the policies, law, and regulations of this Government have been more responsible for inflation, recession, shortages, and unemployment than any other element or combination of element in our society. This was not the intent of congressional, administration, or agency actions; for they were well intentioned. It was their effort, for they were not justified in terms of their true and ultimate costs in relation to their presumed benefits.

It is this inadequacy which I seek to address, and which I hope in this action in can resolve.

Mr. BROCK. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "How the

Customer Is Wronged by Washington," from Nation's Business, March 1975, and also a second article entitled "Guaranteed Annual Income for Consultants" as it appeared in the Washington Monthly of May 1975.

There being no objection, the articles were ordered to be printed in the Record, as follows:

How the Customer Is Wronged by Washington

When "Red" (Billy J.) McCombs reads about auto workers laid off in droves, his blood boils. He doesn't wonder why auto sales have plunged—and Detroit assembly lines have ground to a halt.

He says he knows.

"It's Congress," states the 47-year-old six-footer, president of Hemphill-McCombs Ford, San Antonio, Texas.

"Congrses dictated the safety and emission standards that have added so much to cost. And that's only the tip of the iceberg. Trying to meet these standards has taken up all the time of some very capable engineers in Detroit for the past four years.

They had to lay aside driveability, economy and a lot of other things car buyers want. Congress, in its own great wisdom, decided to tell the American people what kind of cars they can own. And many Americans don't want them.

"Also, we've got a lot of people who can't afford to buy them."

Hemphill-McCombs Ford is on the edge of the central business district in downtown San Antonio. Its typical customer, says President McCombs, is "a middle-class guy in the $10,000 to $15,000 a year bracket."

It's one of the nation's bigger Ford dealers. In a normal year, it sells about $20 million worth of new and used autos and trucks.

"I know this business," says Red McCombs, "and Congress priced us out of the market."

Only Detroit's rebate offers broke the sales logjam, he states.

WASHINGTON WAKING UP?

Recently, Sen. William Proxmire (D.-Wisc.) discussed the high cost of complying with safety and environmental laws.

When they were enacted, he said, "they had an inflationary effect, and we didn't recognize that at the time.

"Now, the consumer has to pay for it."

"I think we should, in many cases, do exactly what we are doing," he continued. But, he added, government should "be fair and honest with the American people in doing so."

President Ford, too, is for candor.

"I will require," he told Congress last fall, "that all major legislative proposals, regulations and rules emanating from the Executive branch of the government will include an inflation impact statement that certifies we have fully weighed the effect on the nation."

He asked Congress to please do the same. Then he extended an invitation.

Let's get together, he said, "to identify and eliminate existing federal rules and regulations that increase costs to the consumer without any good reason in today's economic climate."

The President's Council of Economic Advisers estimates that federal regulation of just a few industries—airlines, railroads, truckers, natural gas producers, banks and savings and loan firms—may add as much as $13 billion a year to their costs. It urges that controls be cut back drastically.

The woods are full of other examples.

Take the case of railway fusees.

Until 1970, Army Ordnance bought these signal flares from U.S. firms. Bristol Flare Corp. for example, supplied them for years to Picatinny Arsenal.

"Then," says President Reba Goebig, "we got a letter saying we'd have to be inspected. The Army explained why. It seems an ammunition factory in West Virginia had exploded. This was a safety precaution."

Her firm had offered to supply the Army 111,150 fusees at 49 cents each. Total price: $54,463.50.

But the Bristol, Pa., firm flunked the inspection.

That upset Mrs. Goebig. "We're inspected all the time," she says, "by railroad inspectors, underwriters, insurance companies—and we never have any problem."

No other U.S. fusee-maker passed either.

"The trouble," says Charles W. Gardner, vice president, Standard Railway Fusee Corp., Boonton, N.J., "is that the Army expected us to meet standards drawn up for munitions makers. It would cost us a fortune—and the standards just don't apply.

"We don't make explosives. We're a flammable-solid industry. The Army misclassified us."

So the order went to a Canadian firm. It charged the Army 59 cents a fusee. Total price: $65,578.50.

This, like auto safety and antipollution standards, is what Washington University economist Murray L. Weidenbaum, in his new book, "Government-Mandated Price Increases" (American Enterprise Institute for Public Policy Research, Washington, D.C.), calls "a neglected aspect of inflation."

It has hit Detroit, of course, like a ton of bricks.

PINTO'S COST ZOOMS

"The design and manufacture of the 1973 automobile," Prof. Weidenbaum points out, "was subject to 44 government standards and regulations involving about 780 separate test points which must be met on each car."

Detroit has a basketful of figures to show what federal meddling has added to auto prices. [See "What's Ahead for the Auto."]

Lee Iacocca, president, Ford Motor Co., recalls a prediction he made in 1970—that the price of the $2,000 Pinto, Ford's answer to VW, would rise $1,000 in five years, with half the increase resulting from inflation and half from government standards.

At the time, some critics said the forecast was too gloomy. In fact, Mr. Iacocca's estimate proved too cheery.

"We were off by 10 bucks and 12 months," he confesses. "The actual increase has been $1,010—in only four years."

None of that increase, about $500 of which is due directly or indirectly to the cost of complying with Washington's notion of what an auto should do, is added profit for Ford.

Other industries, too, are victims of regulation.

"Every time that the Consumer Product Safety Commission imposes a standard which is more costly to attain," Prof. Weidenbaum points out, "some product costs will tend to rise. The same holds true for the activities of the Environmental Protection Agency, the Food and Drug Administration—and so forth. The point being made here should not be misunderstood.

"What is at issue is not the worth of the objectives of these agencies. Rather it is that the public does not get a 'free lunch.' . . .

"Although the costs of government regulation are not borne by the taxpayer directly, in large measure they show up in higher prices of the goods and services that consumers buy."

THE CUSTOMER IS WRONGED

Are Americans willing to pay the prices?

"I get a little discouraged," says gag writer Robert Orben. "After all these years, we finally have a chicken in every pot—and now we can't afford to turn on the stove."

And we ain't seen nothing yet, experts warn.

For example, it's been estimated that meeting antipollution goals will cost at least $112 billion in a single 10-year span—from 1972 to 1981.

In fact, probably much more.

That estimate was made by the U.S. Council on Environmental Quality in 1973. Since then, double-digit inflation has run up the tab by many billions more.

One of EPA's grandiose plans for America means, among other things, higher food bills. To comply with it, canners of fruits and vegetables will spend $250 million for waste treatment systems by the end of this year.

Other EPA plans on the drawing board may make them double that investment.

Most of the nation's 2,200 canners are small. EPA, the National Canning Association says, may put about 400 of them out of business.

A Midwestern canner who prefers that his name not be used—"We try not to look for trouble," he says—explains why.

He packs, in a year, about $5.5 million worth of corn, beans and other canned foods. The plant employs 70 people year-round and about 225 at the peak of the season. Recently, he was told to build a new lagoon or holding pond for waste water—or shut down.

"We needed only about 40 or 50 acres," he says. "But we're hemmed in by highways and railroads. The only land near us was a 155-acre farm. The owners wouldn't sell. They knew they had us over a barrel. They said they'd trade the farm, however, for one about twice the size.

"Luckily, we found a 288-acre farm a mile or so away. But we had to pay $330,000 for it. Now, to contour the land and put in a lagoon will cost us $200,000.

"We paid for the farm by borrowing from an insurance company. Now we're looking for another $200,000."

The book value of his plant is $750,000.

Will he pass on the waste system's $530,000 cost to his customers?

"Well," he says, "the competition will determine how much you get for a can of corn. But our competitors are all saddled with added costs, too. They have to be passed on, eventually."

A NEW BREED

EPA, of course, is only one of many federal agencies that ride herd on U.S. employers.

The Occupational Safety and Health Administration, the Consumer Product Safety Commission, the Equal Employment Opportunity Commission and EPA, however, represent a new breed.

In the past, Prof. Weidenbaum points out, Congress set up agencies that focused on regulating a specific industry—like the Interstate Commerce Commission or the Civil Aeronautics Board.

"The more recent regulatory efforts," he says, "are not so limited. They cut across virtually every branch of private industry."

Congress is spending more and more money on federal inspectors to keep an eagle eye on business. In 1972, it anted up $1.3 billion; this year, fiscal 1975, the tab is $2.8 billion.

Federal regulatory agencies now have a staff of some 63,000—the rough equivalent of five U.S. Army airborne divisions.

Their impact is pervasive—sometimes contradictory.

After Sen. Edmund Muskie's Clean Air Act became law, many Eastern utilities had to switch from coal to oil. That's an added cost which, ultimately, shows up as higher electric bills for homeowners. But it was that—or EPA would blow the whistle.

Then came the Arab oil embargo.

A new bureau, the Federal Energy Office, dashed off an S.O.S. to many of the same utilities. The message: Please switch back to coal.

Northeast Utilities, Berlin, Conn., estimated it would cost $20 million to convert eight of its oil-fired units back to coal—without the scrubbers needed to meet EPA's air quality standards.

With scrubbers, the expense was $150 million.

UNHAPPY COUPLERS

But costs seldom trouble federal officials.

Not long ago, the Department of Transportation issued a directive—HM-109 amended. It calls for a new safety device on pressurized tank cars. In a collision, it's meant to prevent couplers from puncturing tank cars full of liquefied, compressed gas that could burn or explode.

DOT's solution: Install a heavy metal shield at both ends of the car.

The Association of American Railroads argued against it. Its tests show that vibration, or wind blast, might tear loose the 750-pound shields and hurl them in the path of the cars behind.

DOT asked representatives of 19 railroads and shippers what they thought of the shields. All turned thumbs down. They opted for a better coupler, easier to install, less expensive and, in the opinion of AAR, safer.

DOT said No.

Cost to install shields on some 18,000 cars: $27 million, plus labor charges. Deadline—Dec. 31, 1977.

Each year, tank car owners must file reports on the progress of their "retrofit" program.

Thus, DOT does its bit to add to another major cost of doing business—filling out federal forms.

In 1965, a House committee estimated that form-filling alone costs the public $20 billion a year. In addition, Sen. Thomas J. McIntyre (D.-N.H.) says, government spends $18 billion to "print, shuffle and sort" the paper the public fills out.

The cost, he adds, "must necessarily be passed on to you and me, to the consumer."

At least some of the paperwork is a waste of time. As well as money.

John J. Lennon, president, Nettco Corp., Everett, Mass., points out why. Last July, he got an invitation he couldn't refuse.

GREETINGS

It was a letter from the Federal Trade Commission.

"The first paragraph was very beautifully phrased," he says. "It said: 'Your company has been introduced into the FTC financial reporting program.' That sounds like a letter from the draft board."

Purpose of the program, the letter explained, is to provide many user agencies with timely information on the state of the economy. Then came the hooker—Filing is required by law—"without exception."

The form is FTC Form MG-3.

"It's filled out quarterly," Mr. Lennon says. "And to do it properly, you have to take inventory—to find out how much money you've made. Now we're a small firm, employing about 40 people. We make fluid agitation equipment—mixers—for all kinds of industrial users. Like paint and varnish manufacturers, paper mills or chemical companies.

"We take inventory once a year. To do it, we have to shut down the plant for three or four days. Then we go out in the warehouse and count the stuff—raw castings, gear boxes, oil seals and so on—one by one."

Large corporations, he points out take inventory on the computer. Nettco Corp. doesn't have one.

Mr. Lennon told FTC he couldn't provide good figures.

"But I was threatened with legal action," he says, "if I didn't fill out the form. Of course, the information is valueless. And even if it were based on an accurate inventory, it would be valueless.

"We're in a category known as 'machinery, except electrical.'

"Total sales for that industry—for the fourth quarter of 1973—were almost $20 billion.

"Our sales were a fraction of one-thousandth of 1 per cent of the total! So our figures would be meaningless."

The dollar total for what it costs a firm like Nettco to fill out forms that Washington wants may not be very large. But for a big corporation, it's big sugar.

Douglas H. Springer, vice president, financial planning, Campbell Soup Co., recalls the era of federal price controls from mid-1971 to early 1974.

UNPLEASANT DIVERSION

"I have a department of about 30 people," he says.

"At the height of controls, half our time was spent on federal paperwork. It cost us about $500,000 a year. But worst of all was what it kept us from doing.

"Normally, we would have put that time into finding ways to cut costs and keep prices down. Washington diverted us from that objective."

Like Mr. Springer, many experts say we may be spending our money in the wrong place.

They ask: Is the $3 billion a year invested in motor vehicle seat belts and pollution controls well spent?

Much of it may not be, National Safety Council statistics indicate.

Nearly four out of 10 persons killed in auto accidents—38 per cent—are pedestrians, bike-riders or motorcyclists, the Council says. None would be saved by seat belts, shoulder harnesses or air bags.

Also, removing roadside hazards "might eliminate as many as one-quarter of all motor vehicle fatalities," says Prof. Roger LeRoy Miller, University of Miami School of Law. "The costs of altering such roadside hazards are small—compared to the costs of making the cars themselves safer, in crashes."

Furthermore, he adds: "Safer roads help drivers of all vehicles, not just new ones."

Moral: When weighing a costly safety standard, don't ask the wrong question.

One frequently posed, in Congress, is this: "Are you more concerned with saving dollars than saving lives?"

Rephrase it, Prof. Miller urges. Put it this way: "What's the best way to spend the money?"

Unfortunately, that's not a question Washington seems to ask often. The American Iron and Steel Institute cites a classic case:

Take a modern mill, with two electric furnaces, that turns out 630,000 tons of steel a year.

To remove the first 87.8 per cent of dust from its smokestacks costs 4 cents a pound. The next 9.5 per cent costs 46 cents a pound. Squeezing out another tenth of 1 per cent would cost $33.26 a pound.

But EPA once proposed standards that would have required steel mills to do just that. (It later modified the proposal.)

LOOK BEFORE YOU LEAP

Should federal agencies be required to put a price tag on their edicts?

At their last session, several Congressmen said they thought so.

One was Rep. Vernon W. Thomson (R.-Wisc.). "We all recognize," he told his colleagues, "that the mammoth federal budget has contributed mightily to inflationary pressures in the economy."

What often isn't realized, he added, is that some laws and most administrative rulings also impose tremendous costs. Not all are bad or wasteful, he said—many provide real benefits. But Americans should know what they'll have to pay for them.

He introduced a "look before you leap" bill. It would require that the real cost to the public of any law or regulation be calculated—and published—before it is imposed on them.

Some on Capitol Hill thought this was an idea whose time had come. But possibly not the voters.

Rep. Thomson was defeated when he ran for reelection.

GUARANTEED ANNUAL INCOME FOR CONSULTANTS

(By Robert Samuelson)

President Ford in his economic speech, October 8, 1974:

"Hereafter, I will require that all major legislative proposals, regulations, and rules emanating from the Executive Branch of the Government will include an Inflation Impact Statement that certifies we have carefully weighed the effect on the nation."

In my business—the news business—you either take advantage of other people's problems, or you're finished. You might as well hock your typewriter and hang up your green eyeshade.

That's how I came to hear Max's story. Max drifted into the office late one Thursday afternoon. He was a mess. There were deep trenches under his eyes, his hair had been combed by the wind, and his face bore the scars of a trembling razor. He was 30, but looked 45.

A man in Max's shape needs a drink. I rescued a cup from the trash and poured out the last of my scotch.

"I think I'm just about at the end of the line," Max said in a whisper.

It was late, and I was in no mood for self-indulgent melodrama. But, as I said, we get paid to listen.

"Why don't you tell me about it," I said, mustering what sympathy I could manage.

Max was a government lawyer, a GS-14 or GS-15—I forget which—working in the White House. I knew the type immediately: one of those earnest young men, confident of their own abilities, who had enlisted with Uncle Sam convinced that they could simultaneously satisfy their ambitions and their social conscience.

Max pointed towards his vinyl briefcase. I opened it and on top were two official documents. They had identical heading: "Inflation Impact Statements." The first was an Executive Order from the White House, dated November 27. The second was a memorandum from the Office of Management and Budget, dated January 28.

As I read the documents, their gist became clear. Each department and agency would prepare an "inflation impact statement" for all its major programs. They didn't really have to be followed—only prepared. It was sort of an institutional consciousness-raising exercise. Narrow-minded, agency-oriented bureaucrats would be made to see the wider implications of their actions. Advance public confession would curb sinning.

Max took off his aviator glasses and, with weary resignation, rubbed his eyes.

"There's a scandal here," he said, casually spilling out a phrase that's supposed to make any reporter salivate. I didn't because I figured that Max was either flattering himself or taking me for a sap. I hadn't been born yesterday, and I had seen cases like his before: a bureaucrat with an identity crisis, trying to cleanse his soul by running to the press.

But I let Max trace the dreary chronology. It started back in October when the President asked his speech-writers for some ideas about how to flesh out his anti-inflation address—you know, the one with the WIN buttons. Somebody remembered a memo with the idea for inflation impact statements, like those environmental things. The idea sounded attractive, looked respectable, and blended well with Republican anti-inflationary rhetoric. No one thought much about it. It was just one paragraph in the speech, and the President was scheduled to go on TV in just a few hours.

And these inflation impact statements did have cosmetic appeal. When it came to creating higher prices, I knew the government was a principal sinner. Across the federal landscape, it was a cinch to spot dozens of programs which helped push consumer prices upward. The Interstate Commerce Commission limited truck and railroad competition; that propped up freight rates. The Civil Aeronautics Board made it a crime for airlines to cut fares. The Davis-Bacon Act had the effect of requiring building contractors to use only high-cost union workers. Medicare and Medicaid procedures made Ross Perot a billionaire and contributed to spiraling health costs.

New horrors were being hatched daily, but I wasn't naive enough to think that analysis—no matter how it was labeled—would make much difference. Politics determined the fate of most government programs and regulations. Pieces of paper alone wouldn't change the political situation. Sure, the environmental impact statement said that the Alaska pipeline would make life miserable for the caribou, and that didn't end up preventing the pipeline from being built. Most bureaucrats knew what they were doing. If they went ahead with a controversial program, they usually had compelling reasons: pressure from important interest groups, their own sense of mission, or just an unmistakable mandate from Congress to do something that was blatantly inflationary. Analysis alone wouldn't eliminate these pressures.

I wasn't dismissing all analysis as useless, but my experience was that people only used information when it recommended what they wanted to do anyway. If it didn't, they'd just come up with some conflicting information, making just the opposite points. Such reports weren't hard to find. Somebody—a budget analyst at OMB or a congressional subcommittee or the faceless researchers at the GAO—would be encouraged to produce another study. If a program was popular enough—like the Alaska pipeline—all the analysis in the world was useless.

So, the inflation impact statements were an idea that looked good and sounded nice. But that's all. I didn't need Max to tell me this, especially when I still had hopes of getting out of the office in time to beat the rush-hour traffic. But he did anyway.

"You see this," he said, motioning toward the second of his official-looking documents. It was one from OMB, and it carried the enticing title of Circular A-107. "It's the rules each governmental department is supposed to follow in drawing up its own rules for writing inflation impact statements. Nothing in government can be done without rules, so we have rules to write rules. The paperwork just expands geometrically. First the President makes his proposal back in October. It's just one paragraph in a long speech. Then, two months later, the White House gets around to issuing an executive order on how to implement the paragraph. The executive order runs two pages."

He waived the first document at me, and I verified his arithmetic.

"Two months after that, OMB issues its circular explaining the executive order. That's four pages." He was a genius at numbers. "And that's just the beginning. Of the nearly 100 agencies which received Circular A-107, dozens responded by requesting exemptions. Do you have any idea how much paper is involved in the American Battle Monuments Administration requesting an exemption and OMB granting it?"

I didn't, but I was shrewd enough not to let on.

"OMB is still wading through the exemptions. And the departments that don't get them will then have to write up departmental regulations which will probably run 10 to 20 pages each. Multiply that by all the departments and agencies, and we've already got a mountain of pulp. And we haven't even gotten to the statements yet."

It was a familiar tale. Inflation would be forgotten, as everyone worried about coping with the nuisance and the nuances of the inflation impact statements. Most shrewd government lawyers would probably try to limit the number of statements their departments would have to produce by putting a ceiling—say, $50 million—on the kind of actions that required statements. But they had to be careful. The executive order, which didn't expire until the end of 1976, demanded statements, and anybody who didn't like what your agency was doing—for *whatever* reason—could take you to court on the pretext that your impact statement wasn't adequate. Suits meant delays. Like paperwork, they cost money and took time. In the end, the courts would probably support the agencies, but, even if they did, they still couldn't restore all the time and effort that fighting the suit required.

All this was pretty routine to somebody in my business. I didn't need Max in my office, drinking the last of my scotch, as the rush-hour traffic piled up eight floors below my single, sooty window. I had had enough. It was time to get home.

"That's all very interesting, Max," I said, "but what the hell does all that have to do with you?" And by implication—what the hell does all this have to do with me?

It took a while for Max to answer. And before he did, he stared at the scotch bottle a long time, as if somehow that would make it less empty. Finally, he got it out: "The whole thing was my idea, but I didn't realize that it would lead to this." To prove it, he reached into his vinyl briefcase and came out with a dog-eared xerox of a memo on White House stationery.

I didn't know what to say, so I just took the xerox and laid it softly on my desk, next to an empty Coke bottle. I knew what to expect next—a long monologue about guilt and responsibility, the sort of thing that people came to expect from Daniel Ellsberg on Vietnam.

But Max to his credit, was made of sterner stuff. He came back to the point. "It wouldn't be so bad," he said, "but I know what's going to end up happening. You see, there are limits to honest analysis. You can safely say that something's inflationary, but you don't necessarily put a finger on it. But we demand that everything be precise, so these reports are going to be filled with a lot of dubious statistics."

I could tell that Max had learned a lot since his first days in the White House, when he wrote the memo that set everything in motion.

"What's going to happen," Max said, "is that a lot of the agencies won't be able to handle the extra work load and will have to farm it out. The consultants will have a field day. Each time an agency will have to produce an impact statement it'll mean an $80,000 fee for a consulting firm. Multiply that by a couple of thousand statements a year and you've added a couple of hundred million to the federal budget—all in the name of fighting inflation."

"You know what consultants remind me of?" Max asked suddenly. "Seagulls swarming around a mountain of garbage. Except in government it's all the studies, reports, and evaluations that somebody has said must be done, but nobody really gives a damn about."

Something about the seagulls and the garbage cheered up Max, because suddenly he looked relieved. I was glad, because I couldn't do much for him. "Look," I said, "there's no story here. This kind of stuff goes on everyday in government. But I will give you some free advice. Call in sick tomorrow. Take a few days off. The government won't collapse. Western civilization won't end."

I drove him home. He said he'd think about it.

Mr. BROCK. Mr. President, I have one last amendment. I will try to disburden the Senate of my labors.

Before I call up that amendment——

Mr. FORD. Mr. President, will you ask the distinguished Senator from Tennessee to put on his microphone? He might say something we might want to hear.

Mr. BROCK. The Senator is very kind. I am not sure that will be the case or not.

Mr. FORD. At least we will hear it.

Mr. BROCK. I express my gratitude to the Senator from Connecticut and the Senator from Illinois, the managers of the bill for the majority and minority. They have labored long and hard on this bill and they have been more than gracious in accommodating the Senator from Tennessee. We still have remaining disagreements in a couple of area, but the Senators have been very kind in working with the Senator from Tennessee.

Mr. RIBICOFF. If the Senator will yield, I take this opportunity to thank the Senator and all the members of the committee, including the distinguished Senator from Alabama, who is strongly opposed to the bill, for their continued courtesy and cooperation whether they were for or against this bill.

I do appreciate the outstanding work done on this bill by the Senator from Tennessee. Many of his efforts have improved this bill. As a matter of fact, I would say one of the most important features of the bill was inserted by the Senator from Tennessee, which requires cost and benefit assessment agreements by the agency. I want to thank him for his outstanding contributions throughout the consideration of this legislation.

Mr. BROCK. I thank the Senator.

AMENDMENT NO. 434

Mr. President, may I now call up my amendment No. 434 and ask for its immediate consideration?

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposes an amendment No. 434.

The amendment is as follows:

Section 16(a) of the bill be amended by adding the following immediately after the word "Administration," on line 20 of page 36: "to the drug regulatory functions of the Food and Drug Administration under the Federal Food, Drug and Cosmetic Act, as amended,".

Mr. BROCK. Mr. President, I call up this amendment, and I understand the disagreement that others will have with it. But I do it because I am very deeply concerned about the impact that this legislation has upon the access to and the viability of lifesaving drugs as a result of the passage of the Agency for Consumer Advocacy. The Food and Drug Administration has disappointed a lot of us on a lot of occasions. They have been extremely slow in doing essential work in the process of licensing and approving lifesaving drugs that are so essential to so many individuals who are beset by illness.

The comment has been made, and I think there is validity to it, that under our current laws and procedures it would be absolutely impossible to approve penicillin. Maybe that creates a certain interest on my part, because I have some members of my family who may not have survived were it not for that particular drug.

I just do not understand why the FDA takes as long as it does to do what it does. But the thing that bothers me is that here, with an agency that is already slow in approving new drugs, new lifesaving products, we now impose a further intervention between the decision and the ultimate resolution of the problem where the product becomes available for the saving of human life.

I think the bill as written puts ACA in a position of requiring a professional judgment that they simply do not have. I do not believe they have or can acquire the competence to make medical judgments—sophisticated, scientific judgments—on the quality of new proposed lifesaving drugs.

I just feel that somehow we ought to keep the ACA from intervening.

Mr. STONE. Will the Senator yield for one question?

Mr. BROCK. Yes.

Mr. STONE. Does the Senator from Tennessee believe that a consumer advocate would be on the side of slowing down the release of a needed drug? Would it not be just as conceivable that a consumer advocate, learning of the existence of a needed drug or pharmaceutical through pressures and complaints from those who would be patients or users, would be able to take the side of accelerating the release of the drug?

Mr. BROCK. This Senator certainly has the greatest respect for the Senator from Florida. The problem is that the intervention process, itself, is a delay process. It does stall and preclude resolution. I have argued the same point against some other amendments today, so I understand the logic of the Senator. What bothers me here is not a mechanical problem relating to railroads, highway safety, aircraft safety, radar, that sort of thing. This is a question that relates to life itself, and the efficacy of new life supporting or sustaining drugs. I just do not know how this agency can get into either acting for or against them. I just do not know if it really should intervene in that process. We have enormous, exquisite, and precise systems which may be too bulky in the FDA now. As a result, products are not coming into the marketplace with anything like the speed which our technology has afforded us.

I really and truly worry that ACA, without the competence and without the capacity to acquire competence, could take actions that might have a deleterious effect upon the national health. That, to me, is not logical. I just wish there was a way to work this out. I know the Senator has to oppose it. I understand the logic of his opposition, but I wish we could work it out.

Mr. RIBICOFF. May I say to the distinguished Senator that one of the most important places where the consumer has to be protected is in the area of the safety and purity of drugs. I would say, having been a former Secretary of Health, Education, and Welfare, if there has been one agency that has had more problems, it is the Food and Drug Administration. Just within the last few weeks, we had the problem of defective pacemakers. This incident showed great neglect on the part of FDA. If there had been a consumer's advocate who could have pointed to the fact that there was another good pacemaker devised by the U.S. Navy, we would not have had to recall thousands and thousands of pacemakers. If there is one particular agency that needs the oversight of a consumer advocate, it is the Food and Drug Administration.

While I have accepted a number of amendments that have been introduced by the distinguished Senator from Tennessee, I would say I am as strongly opposed to this amendment as to any other amendment that has been offered during the consideration of this bill.

Mr. BROCK. I say to the Senator that I understand that, and I understand his concern. Obviously, we happen to disagree on this point.

Last year, I was worried about the consumer protection bill, and I opposed it on the ground that I thought perhaps the fundamental thing to do was to reform the regulatory agencies. In this bill, we are not going to do that, and the Senator from Tennessee is going to vote for this bill, as the Senator from Connecticut knows.

Now we come to the point where the Senator says that where there is scandal and where there is a problem, the place where we need the most protection, is the FDA. But I do not think the ACA is competent to give us the kind of protection the Senator and I want. I think we desperately need a reform of the agency itself.

Mr. RIBICOFF. FDA should not only be reformed. If there is also an agency that should have a consumer advocate to monitor its activities, it is the FDA.

I note that the Senator from Massachusetts, who has been deeply involved in the whole field of drugs, has come into the Chamber. I have been reading, day by day, of the problems of the Food and Drug Administration that come within the purview of his committee.

Earlier in the day I accepted an amendment devised by the Senator from Tennessee, in which he made sure that none of the agencies would be unable to discharge their own responsibilities because of unduly burdensome requests by the Administrator under section 4(c) for services, personnel, and the like.

Mr. BROCK. That was with respect to the demands on personnel.

Mr. RIBICOFF. This is certainly part of it. I was glad to accept that amendment. But I do not see how we can accept this amendment. I do not believe that Senators could accept the amendment and go back and face their constituents and say that we were exempting from the ACA's jurisdiction the safety and purity of the drugs that all of us consume. If there is one place in our entire system where we must have a consumer advocate to protect the American people, it is in the area of the safety and purity of the drugs used by every American consumer.

Mr. BROCK. The Senator and I have already discussed this. We do not know who the agency Administrator is going to be. We do not know whether he is going to be competent or not. We hope he will be; but, as the Senator pointed out, he may not be. We have made mistakes in the past, and we may do so again.

I do not have any fundamental disagreement with what the Senator is saying, but I just do not understand why we cannot do something to avoid what is happening today, to keep it from happening, to avoid the delay and the continued debilitation of the research that is occurring in this area.

Mr. RIBICOFF. I refer the Senator to the wisdom and the commonsense expressed by the Senator from Florida, who is now presiding over the Senate. If a drug was essential and there was a delay in licensing it, one of the duties of the Administrator would be to petition the FDA to get some action on that drug. If a qualified scientist felt that there was a need for a certain drug, and there was a delay, he could call this fact to the attention of the ACA. The ACA could encourage the FDA to give priority to that particular drug, so as to make sure there would be no loss of life or damage to the health of any people because of delay at the FDA.

Mr. PERCY. Mr. President, will the Senator yield for a comment?

Mr. BROCK. I yield.

Mr. PERCY. Mr. President, as the Senator from Tennessee knows, in the State of Illinois we have a great many pharmaceutical companies. To this date, I have not received a request from a single drug company or a pharmaceutical company to be exempted from the law.

Mr. BROCK. Neither have I.

Mr. PERCY. The distinguished Senator is aware that some years ago we had a case that was well-publicized when the GAO discovered that FDA had approved a flu vaccine, produced by about 10 pharmaceutical companies, even though it was about only 1 percent of the potency that was required to do any good whatsoever. The cost of that vaccine, administered all over the country to 60 million people, exceeded $65 million. Not only did it do no good whatsoever, but also, it was literally dangerous because it had to be injected and might have caused some injury. This was a case in which it was readily admitted. The FDA recognized that there was a breakdown.

To say that we are going to exclude that particular industry totally from the impact of this act would be wrong.

I repeat: I have not heard any request from a pharmaceutical company in Illinois to have any special exemption provided for it. I think they recognize that mistakes are made sometimes. They were not consciously made, that I know of. These are some of the finest companies in my State. I think they are willing to take their chances along with all other companies. I consider the management reputable and able; and they would have no concern that I know of with respect to a fair and evenhanded administration of this agency.

Mr. BROCK. I say to the Senator that I have not talked to anybody in a drug company. I do not know what their attitude would be. I am not worried about the drug companies. I am not worried about the FDA. I am bone-tired of the incompetence of the FDA. I am bone-weary of the delay after delay after delay. I do not understand how adding one more incompetent to an existing incompetent is going to arrive at a competency that I cannot see.

I do not argue with the Senator. I understand the position of both Senators. I would be prepared to accommodate it and change if I could see any way to achieve consumer protection with some competent regulation. I do not see it in this agency. If the Senator wants to talk about NIH or somebody else, that is fine.

Perhaps this is the wrong place to offer this amendment. The Senators may be right in that regard. But somehow, someday, somewhere the Senate has to face up to the question of what we are going to do about the problem of an agency that is not responding adequately to the public need.

Mr. JAVITS and Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. Stone). The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I will say this on my own time, or the Senator can keep the floor, if he wishes.

Senator Kennedy and I are very cognizant of this problem. Senator Kennedy is chairman of the subcommittee, and I hope he will speak about this. He is seeking recognition. I am the ranking member of the committee.

There is no question about the deficiencies in the FDA. I think the Senator was right. But I would have to oppose this amendment very strongly, as one of the coauthors of the bill, for the very point made by Senator Ribicoff. My own experience as an Attorney General and in this field for years has been that of all the fields in which these problems arise, aside from auto repairs and TV—the usual—this is a key place. Many people are being taken, and they are the people who can least afford it—the poor and the old.

Therefore, the intercession of the consumer agency may do something which we have been trying to do, which is to open up this agency. Right now, the Senator happened to catch us at a moment when we are going at it hammer and tongs, because we have an enormous amount of material which has been testified to openly by employees of the agency, which puts the agency right on the spot. Indeed, they, themselves, have appointed a review panel of very eminent people in order to review their record, and so forth, to see whether they are really handling matters as they should.

So when the Senator said—I do not wish to denigrate his effort here, which is entirely creditable—that this may not be the place to offer his amendment, he is right. I think we have to ride herd on this agency. It urgently needs it. But this is not the way to do it, because it really needs the intercession of this consumer concept about as much as any other agency that I know of in the field.

The PRESIDING OFFICER. The Senator from Massachusetts sought recognition earlier.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on final passage occur not later than 5:45 this afternoon.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN PROGRAMS

Mr. HOLLINGS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1542.

The PRESIDING OFFICER (Mr. Stone) laid before the Senate the amendment of the House of Representatives to the bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes as follows:

Strike out all after the enacting clause, and insert: That funds are hereby authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:

(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $240.000,000;

(b) payment of obligations incurred for operating differential subsidy, $315,936,000;

(c) expenses necessary for research and development activities, $12,232,000;

(d) reserve fleet expenses, $4,242,000;

(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $11,500,000; and

(f) financial assistance to State marine schools, $5,808,000.

Sec. 2. In addition to the amounts authorized by section 1 of this Act, there are authorized to be appropriated for the fiscal year 1976 such additional supplemental amounts for the activities for which appropriations are authorized under section 1 of this Act as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

Sec. 3. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273 (f)), is amended by striking the figure "$5,000,000,000", and inserting in lieu thereof the figure "7,000,000,000".

Sec. 4. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385 (a)), is amended by striking the figure "$600", and inserting in lieu thereof "$1,200".

Mr. HOLLINGS. Mr. President, on behalf of the Senator from Louisiana (Mr. Long), I move that the Senate disagree to the House amendments to S. 1542, the Maritime Appropriation Authorization Act of 1975, and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to; and the Presiding Officer appointed Mr. Magnuson, Mr. Long, Mr. Hollings, Mr. Beall, and Mr. Griffin conferees on the part of the Senate.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. Hatfield). The Chair, on behalf of the Vice President, appoints the following Senators to the United Nations International Women's Year Conference, to be held in Mexico City, June 23–July 4, 1975: the Senator from Indiana (Mr. Bayh) and the Senator from Illinois (Mr. Percy).

CONSUMER PROTECTION ACT OF 1975

The Senate continued with the consideration of the bill (S. 200) to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I strongly support the position of the floor manager on this legislation as it is directed toward this particular amendment.

As the Senator from New York has pointed out, our Subcommittee on Health has had a series of hearings along with the Subcommittee on Administrative Practice and Procedure on the functioning and administration of the Food and Drug Administration. We have found that there have been some delays; as a matter of fact, there has frequently been a serious underutilization of professionals in the Food and Drug Administration which has resulted in many delays. In our hearings we heard from 11 different witnesses who had been working in their areas of special competency and who, because they disagreed with certain FDA policies, were transferred out of their areas of expertise and turned out, sometimes just to twiddle their thumbs. These were the charges, the allegations by some very distinguished people who have worked and are working in the FDA.

Dr. John Nestor, who was responsible for keeping MER-29—a drug which caused cataracts—off the market, is still being vastly underutilized.

Dr. Verrett, who was the one who blew the whistle on the danger of cyclamates and their impact on malformation in chicken embryos, now has very little work to do in her fields of expertise.

We have found this to be the case in a number of other instances at the FDA. In fact, the Secretary of HEW has even appointed a special panel to review many of the problems involving the Bureau of Drugs at the FDA. I think that there may be delays taking place and all of us deplore it. I think, however, that to a very significant extent these have been because of the maladministration of the FDA in recent times.

I would like to read from the record of our Health and Administrative Practice Subcommittee after the testimony of those 11 professional employees, all of whom appeared under protective subpenas:

> On August 15, these subcommittees received profoundly disturbing testimony from 11 professional staff members of the Food and Drug Administration. These witnesses testified under oath that their recommendations to approve new drugs were never questioned, but their recommendations to disapprove drugs were almost always questioned; that it was difficult and unpleasant to argue to delay the marketing of new drugs; that many of them were removed from the review of products they were trying to keep off the market; that many of them were transferred out of their areas of maximum expertise, a transfer which usually followed their taking a stand in opposition to a particular drug; that industry pressure apparently influences the drug review process.

Those were our conclusions, stemming from very serious accusations. Those are being investigated now by an independent panel with our complete help and support, and with the support of the FDA. Those are serious allegations.

Finally, I would point out a number of specific examples at the FDA in which the consumers have a very, very profound interest: For example, the approval of the Dalkon shield, the intrauterine device that women use and which has been most popular. It was approved by the FDA and it has only been through the activities of various consumer groups that this device has been investigated by the FDA and actually withdrawn, with regard to a particular multifilament guard in the Dalkon shield. That has affected hundreds of thousands of women, hospitalized thousands of them. I believe that with the withdrawal of that particular item and the modifications that have been made, and under our medical devices legislation, we may be more certain that that product may be safe. But it was really brought to the attention of the Food and Drug Administration as a result of consumer activity.

As to DES, diethylstilbestrol, and its relationship to a cancer-causing morning after pill which can result in vaginal cancer in the daughters of women who have taken that, Dr. Herbst in New York has found more than 229 cases. This danger again, was developed as a result of efforts outside the FDA. Slo-K which is a drug which causes intestinal ulcers was discussed in our hearings—I could mention a number of these kind of cases involving matters of consumer health and safety.

I want to make the point that a consumer agency should have an extraordinary role, I believe, in pursuing consumer interests at the Food and Drug Administration. I think its jurisdiction in that area should be maintained.

I agree with the Senator from Tennessee in his desire to expedite the action in the FDA to insure early approval or disapproval of various drugs, but we cannot forget that some delay has proven to be a health benefit to the American people. Thalidomide, for example, was delayed in the United States, at a time when there was great pressure from industry to move ahead on this, and that delay saved hundreds, thousands of children in the United States from being malformed.

I think there is a very important consumer interest. I think that there have been administrative problems and difficulties in the Food and Drug Administration, and many of these are being reviewed now within FDA, as well as by an HEW outside panel.

Finally, I believe that there is a gross underutilization of some very effective, dedicated and, I think, extremely courageous individuals at the FDA. I should be glad to give an even longer list of those employees, time permitting. But I think these points should be made, and I hope that this amendment will not be adopted.

Mr. BROCK. Mr. President, I have listened with a great deal of interest, particularly to the Senator from New York and the Senator from Massachusetts, and I am delighted with their activities. I commend them. I wish them well. I guess my frustration stems from the fact that I have not seen anything happen—nothing. The report of the Senator from Massachusetts indicates an enormous frustration on the part of the committee itself, a frustration that I think a lot of people in this country share. I just do not know where else to address the issue. I do not know how else we can point up a problem that is enormous and pervasive.

I understand that the Senator from Alaska has an amendment, and if I call for a record vote, I shall pre-empt him and his amendment. So I shall not do that. But I hope that the assurances of the Senator from Massachusetts and the Senator from New York will be followed with very specific action on the part of Congress to see that this problem is corrected.

I hope the assurances of the Senator from Connecticut are met, that this agency will understand that the needs of the consumers can be met by removing some of the unwarranted bureaucratic snarls and delays that inhibit the access to lifesaving drugs on occasion, which are absolutely essential. I know the need for caution. I understand that thoroughly.

Mr. KENNEDY. Will the Senator yield?

Mr. BROCK. I yield.

Mr. KENNEDY. We also had hearings on the allegations of drug lag in the United States because of the very elaborate protective systems which have been developed in FDA, which often result in denying opportunities for the entrance of new drugs. I can tell the Senator from Tennessee, in spite of the many administrative delays within FDA and HEW at this time, the case has not really been made that important and lifesaving drugs which are available in other countries are being denied to Americans. That may be very little satisfaction; we should be out in front.

But with the best expertise that we could hear on this subject, we have concluded that we are not into a situation where a number of really lifesaving or very important drugs are being used elsewhere but not here.

We have shared much of the frustration of the Senator from Tennessee and we have been very much involved in the functionings of the Food and Drug Administration. We certainly welcome whatever ideas and suggestions he will have about how that important agency can work more effectively. But I believe that eliminating this Consumer Advocacy Agency from the kind of participation which would be included in this legislation will, really, not help do the job faster or better.

Mr. BROCK. I appreciate the Senator's comment. I very much hope that the increased participation by an agency that I think has probably less competence than the FDA in this area will not compound and expand our present frustration.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Is all remaining time on the amendment yielded back?

The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was rejected.

Mr. STEVENS. Mr. President, I send to the desk an amendment to the Dole amendment (No. 405), and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Alaska (Mr. STEVENS) proposes an amendment to the Dole amendment (No. 405), as follows:
>
> On page 1, line 4, before the word "agricultural", strike "or"
>
> On page 1, line 4, after "crops," insert "or raw fish products,"

The PRESIDING OFFICER. The consideration of this amendment will require unanimous consent.

Mr. STEVENS. I shall ask unanimous consent. I wish to explain the amendment first.

Mr. MANSFIELD. Ask it now.

Mr. STEVENS. I ask unanimous consent that it be in order to consider my amendment at this time.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, and I shall not object, I wonder if the Senator would explain, under the reservation, what the amendment does.

Mr. STEVENS. I shall be happy to do so.

Normally producers of raw agricultural commodities would include producers of raw fish products. The way this amendment is phrased, it states "including, but not limited to" these items.

We have had a question raised as to whether the Dole amendment actually covers raw fish products, not processed but raw fish products brought in by fishermen at sea. My amendment would make certain that the normal definition of agricultural commodities, which includes commodities of the seas and fishermen's products, apply here.

I again ask unanimous consent that it be in order to take up this amendment at this time.

Mr. DOLE. Mr. President, reserving the right to object, I can only say that was the intent of the Senator from Kansas, and I therefore withdraw my reservation. It was the intent to cover raw fish products. If that is all the amendment does, on that basis I have no objection.

Mr. STEVENS. It does not change the effect. But since the question has been raised, we wanted to make certain that raw fish products have been included.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment will be considered.

Mr. GOLDWATER. Mr. President, because we are about to pass this bill, I would like to just speak very briefly against it, to explain, if I can, my objection to it.

Mr. STEVENS. Mr. President, will the Senator allow me to have my amendment voted on? It has been taken up.

Mr. GOLDWATER. Surely.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

Mr. RIBICOFF. Just a moment. Mr. President, I want to state that I do not agree with this amendment, and I oppose it. On behalf of the committee, I cannot accept it. I did not like the Dole amendment; I was against that, and I am against this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, I have been rather amused these past few minutes to sit here and listen to the debate between the distinguished Senator from Tennessee and others who oppose his amendment.

We are hearing everybody condemn an agency of Government, the FDA. I am not competent to say whether this condemnation is proper or not; I have to believe my colleagues.

I would point out that we have a Post Office Department that is not doing anything and an Environmental Protection Agency that is slowly stopping building in this country. We have all kinds of welfare programs in serious trouble, and we are told the FDA is not working. And here we are creating another organization.

Mr. President, the President of the United States has recently pointed out that one of the great threats to our form of government, one of the great threats to our economic system, is the growing power of bureaucracy in Washington. I have argued that point for 22 years on this floor.

Mr. President, I am one of the few men in this body—I see in the Chamber my friend from Chicago (Mr. Percy) who is another, and a few others here—who have ever been in business, who understand what it is to put up with a Federal Government riding herd on a businessman day after day after day.

I dare say that the passage of this act, if it becomes law, will bankrupt more small businesses than could ever bankrupt themselves without the help of the agency.

I think it is time that Congress stopped passing laws that create agencies to solve problems.

Now we have trouble with the FDA. What is wrong with this body looking at the FDA and, if it is not doing the job, redesigning it so it will?

I have heard no legislation like that. If anything, we have probably increased the membership of the FDA. We have increased their budget, and still we have been told that they are not doing a good job.

So, Mr. President, I am going to oppose this proposal as I have opposed every new governmental organization since I have been in the Senate.

I think we are just writing the end to the American free enterprise system, and we are slowly writing the end to our Democratic-Republican form of government, when we transfer the power of this Government into the hands of a few people, so that eventually it can wind up in the hands of one.

I do not want my grandchildren ever looking back on their grandfather and saying, "He did not do anything to help us."

I am going to vote against this bill.

LABOR-MANAGEMENT EXEMPTION UNDER S. 200

Mr. DOLE. Mr. President, before we leave our discussion of the features of this bill, I would like to reflect and expand on some observations made in a colloquy between the distinguished Senator from New York (Mr. Javits) and myself on page 14054 of the Record of May 13 which relate to labor-management negotiations.

The relevant subject of that discussion was the extent of the so-called labor exemption in S. 200, and whether such exemption would contemplate inclusion of proceedings under the Davis-Bacon Act. We jointly concluded that it did not—and in fact, Senator Javits indicated that in his judgment the exemption would neither apply to any requirements in accordance with the provisions of the sister Walsh-Healey Public Contracts Act.

I would just like to complete that particular conception by pointing out that the Service Contract Act of 1965 falls in this same category of labor laws, and accordingly, should be considered within the proper jurisdiction of any Agency for Consumer Advocacy. So at least in these three instances—that is Davis-Bacon, Walsh-Healey, and Service Contract—there should be no question as to the ACA's capacity to participate.

To elaborate on this, it would be useful to point out that each of these three acts involves only administrative proceedings of the Department of Labor, and has nothing to do with private collective bargaining negotiations. Davis-Bacon relates to determinations of prevailing wage rates for Government construction; Walsh-Healey pertains to establishment of minimum wage rates for Government contractors producing nonconstruction materials, supplies, articles, and equipment; and the Federal Service Contract Act fills in the gap by providing wage protection for employees working under service contracts let by Government agencies.

In speaking with the Director of Wage Determination at the Department of Labor on this, I was informed that his staff of 35 was responsible for making the respective wage determinations for more than 3,000 separate counties nationwide. As a result, he simply does not have the manpower to conduct the desired individual surveys, and is often forced to accept the rates quoted by local unions, which I understand are very efficient in supplying this information.

Perhaps as one consequence of that staffing problem, the published wage determinations often turn out to exceed the actual prevailing rates. This finding was borne out in a 1970 General Accounting Office study which concluded that Federal construction costs—at least on Davis-Bacon projects—had been 5 to 15 percent higher than necessary for that reason.

Such cost overruns do, of course, have a dramatic effect on inflation—and a corresponding impact on both the national economy as a whole and on each and every consumer. Therefore, I am pleased to have the reassurance from the distinguished Senator from New York that we may soon have an Agency for Consumer Advocacy which can assist labor unions in supplying wage data to the Department of Labor—thus making both their jobs easier and perhaps their findings more accurate.

By that I mean that the ACA would have standing to intervene in the prevailing wage determinations process after making the fundamental showing that the activity may "substantially affect an interest of consumers." With just Davis-Bacon work accounting for about $40 billion of the total $135 billion spent each year for construction, I would think that the consumer interest would be unquestioned.

The ACA could not only make a worthwhile contribution to the wage data-gathering process, but could also step in to review the Department of Labor statistics which show the basis for prevailing rate determinations. Moreover, it would be entirely appropriate for the Administrator to initiate a challenge to any figures which he thought were too high to the Wage Appeals Board, which hands down a final binding decision.

In a recent edition of "National Journal Reports," it was noted from a special study of Davis-Bacon that the act might be costing American taxpayers somewhere between the total amounts expended for the Federal judiciary and for the whole legislative branch. George Shultz, when he was Secretary of Labor, estimated that the Government could be wasting more than $4 billion a year because of high wage rate determinations.

The point here is that whenever the Government spends more than it has to for construction, goods, or services, it is fueling inflation and prejudicing the interests of consumers at the same time. Therefore, this whole area of wage rate determinations should be one in which the ACA takes an especially active role to insure that past excesses are not repeated.

I am pleased that my distinguished colleague from New York—who must be considered an authority on the scope and intent of S. 200—agrees with me on this, and that we are establishing for the purpose of legislative history that the ACA should vigorously pursue this watchdog activity. I know, too, that many economists and contractors who would prefer that Davis-Bacon be repealed will find it most refreshing that—whatever other objections they may have about creation of a new consumer bureaucracy—the ACA may pay its way just by conscientiously policing the implementation of the three laws which I have discussed.

NATIONAL EMERGENCY CONSIDERATIONS UNDER THE LABOR EXEMPTION

Mr. President, it is my understanding that the present so-called "labor exemption" applies generally only to National Labor Relations Board and Federal Mediation and Conciliation Service activities. That being the case, national emergency determinations—which do not materially involve either of these Federal panels—would not seem to fall within the scope of the exemption as it now stands.

I think it is important that we clarify this and make it clear that such proceedings are properly within the purview of ACA interest.

Just to insure that there is no question on this, let me point out that whenever the President believes that a threatened or actual strike may or does pose a danger to the national health or safety, he may appoint an ad hoc board of inquiry to investigate the dispute. This board is in no way associated with the NLRB or FMCS and is selected by the President strictly on the basis of the arbitration experience of the appointees.

The only involvement of the labor board is that of conducting the "final offer" election, which is purely mechanical in nature. That is, once the employer makes a final offer in one of these national emergency matters, the employees then vote by secret ballot.

It seems to me there can be no doubt the Senator from Ohio is correct when he asserts that a national emergency situation necessarily affects the consumer interest. Something of that scope ceases to be a private matter, and instead affects the entire public.

Accordingly, with the understanding that this is strictly an administrative procedure not within the jurisdiction of any Federal board engaged in resolving private disputes, there is presented an area in which the ACA Administrator should properly participate.

For that reason, it is my understanding that this participation by ACA—relating to public sector negotiations—would be taken permitted under the bill already.

Mr. President, there is perhaps confusion in this area, and I believe, based on the responses by the distinguished Senator from New York on page 14054 of the RECORD of May 13, that the comments by the junior Senator from Kansas may be of some help as to what the legislative intent is if ever considered by the court, because the bill does appear to be ambiguous. The statements that I have made were based on the Davis-Bacon Act and certain other labor laws, including title II of the NLRA relating to national emergencies, to which this Senator does not believe the labor exemption applies.

AMENDMENT NO. 464

Mr. President, I send to the desk amendment No. 464 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 464, as follows:

On page 16, line 12, after the period, insert the following: "Notwithstanding any other provision of this subsection, the Administrator may not initiate any civil proceeding in a Federal court involving the review of an independent regulatory agency action, activity, or proceeding which has resulted in a final decision by unanimous vote of the members participating in such action, activity, or proceeding.

LIMITATION ON POWER OF ACA TO INITIATE JUDICIAL REVIEW OF AGENCY ACTION

Mr. DOLE. Mr. President, the amendment I propose would, under certain limited circumstances, restrict the power of the Administrator of the ACA to initiate judicial review of the action of independent regulatory agencies. Specifically, it provides that the Administrator may not initiate an appeal of an action by a multiheaded independent regulatory agency if the final decision of the agency was reached by a unanimous vote of the members of the board or commission who participated in the proceeding.

The rationale behind this amendment is simple. The Congress has, over the years, established several specialized administrative agencies which perform adjudicative and rulemaking functions within a restricted area of economic activity. Examples of such agencies are the Federal Trade Commission—with authority over certain trade practices and antitrust laws—the Federal Communications Commission—with jurisdiction over radio, television, and common carrier communications matters—and the Securities and Exchange Commission—which oversees trading activities with respect to offerings of corporate debt and equity securities.

Congress established these agencies—whose members are appointed by the President and are subject to Senate confirmation—in order that a governmental body would be able to develop expertise in various technical matters, such as interstate transportation, electronic communication, and interstate power. To a large extent, these agencies have developed such expertise within their respective areas of regulatory jurisdiction.

It would seem anomalous to permit the Agency for Consumer Advocacy to override the well-considered unanimous expert judgment of one of these other Government agencies by initiating an appeal of a unanimous-agency action. Do we want the sole Administrator of a multifaceted Government agency to have the power to appeal the unanimous decision of all five members of the Federal Trade Commission, or the Federal Power Commission, or the Securities and Exchange Commission, or the Civil Aeronautics Board? Should the sole Administrator's perception of the "public" or "consumer" interest be regarded as superior to the collective judgment of seven members of the Federal Communications Commission, of three members of the Federal Maritime Commission, of seven members of the Federal Reserve Board, or of all 11 members of the Interstate Commerce Commission? Surely, the ACA should not be expected to develop the requisite expertise in matters of technical rule making or adjudication which would render the judgment of its Administrator superior to the unanimous collective judgment of the primary Government agency charged with jurisdiction over these matters.

For example, if the Federal Trade Commission decided, by a unanimous vote, not to find a merchant guilty of "bait and switch" marketing tactics, the provision I propose would prohibit the ACA Administrator from initiating an appeal of that agency action. Similarly, if the Securities and Exchange Commission reached a unanimous decision on a rule with respect to secondary offerings of securities, the ACA would not be able to initiate judicial review of the matter.

Mr. President, the multiheaded independent regulatory agencies were established as an arm of the Congress to deal in a precise fashion with technical regulatory matters which Congress could not deal with on a day-to-day basis. We have seen fit to set up these agencies so that Congress does not get bogged down in the nuances of rulemaking and adjudication. We should not, therefore, allow the ACA to supplant its less-informed judgment on these matters for that of the primary agency if that agency is unanimous in its judgment.

Surely, the interest of the consumer will be more than adequately met if the independent agency of primary jurisdiction is unanimous in its judgment that its final decision conforms to the statutory standard we have established—that independent agency actions be in "the public interest."

The amendment I propose would not prohibit the Administrator from intervening in judicial review of a unanimous agency action which had been appealed by another party to the agency proceeding. It would merely prohibit one Government agency, the ACA, from initiating an appeal of the unanimous action of another, more expert Government regulatory agency.

And it seems entirely appropriate to me that where one of these agencies by unanimous decision has made a finding or determination, then in that event, the ACA should not ride roughshod over that commission or that regulatory body.

Mr. RIBICOFF. May I say that I have to oppose this amendment. Often decisions in these agencies are approved unanimously, but they really reflect the research and the point of view of one man. The amendment could really torpedo the consumer advocate if it chooses to take a position opposite to that of the agency.

I am opposed to amendment 464.

Mr. PERCY. Mr. President, I would have to oppose the amendment. Where we have a single administrator, as in EPA or the FDA, unanimous would be one.

Mr. DOLE. I limit this to multiheaded agencies which is a term of art describing regulatory agencies headed by a board or commission.

Mr. PERCY. The Administrator, more importantly, however, should be able to look with discretion at the judgment rendered. Many times the Senate, with 100 Members, unanimously approves something which later is determined to have been faulty and is reversed.

I think the Administrator ought to be able to carefully look at it. Certainly the Federal Maritime Commission many times reaches unanimous decisions. But in the "sweetheart" arrangements between the Federal Maritime Commission and the shipping industry, I think we have to be very careful to take a hard look at whether the decisions are decisions made that really benefit the consumer or are very much anti-consumer and, therefore, should be subject to challenge.

Therefore, for that reason, I respectfully would have to oppose the amendment.

Mr. DOLE. I appreciate the comments, and do not intend to press the amendment. Since these commissions are appointed by Congress and since we have oversight authority, I would hope we would never permit any "sweetheart" arrangements or similar arrangement by any one of the commissions or boards to which I referred or that we get so bogged down that we do not have time to give proper oversight.

This amendment merely prevents one agency, ACA, from initiating an appeal from the unanimous action of another agency.

What I would suggest is that we would have some agreement on how far the ACA can go. Since the ACA is going to be so busy, as the distinguished Senator from Connecticut and the distinguished Senator from Illinois have said, and since there are enough areas to look at, perhaps, the ACA will not be appealing many unanimous decisions. Maybe they should in some areas. But it is my belief we should not have one Federal agency quarreling with another Federal agency unless there is some good reason for it.

Mr. President, I will accept a voice vote on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. DOLE. Mr. President, on second thought, I will withdraw the amendment because I am not certain of what the result may be. [Laughter.]

But in so doing, I wish to say that, based on the inclusion of my farm exemption amendment this afternoon, this Senator intends to vote for final passage of this bill. And I would also say if the content of that amendment should be changed or diluted subsequent to the vote this afternoon, this Senator and possibly others would question whether a veto that might be made by the White House could be overridden in the Senate.

The PRESIDING OFFICER. The amendment is withdrawn.

Who yields time?

AMENDMENT NO. 456

Mr. GRIFFIN. Mr. President, I call up amendment No. 456.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. GRIFFIN) proposes amendment numbered 456.

The amendment is as follows:

Strike out all after the enacting clause except sections 24 and 25, which should be renumbered accordingly.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, this is a very simple amendment. It would preserve the one good section of this bill which would actually help the consumer. I refer to the so-called Brock amendment adopted by the committee. It is a very good "tail" that is kind of wagging the "dog," as I view the shape of this legislation.

Instead of being consumer protection legislation, what we have before us now is special interest protection legislation. So many special interest exemptions have been adopted that this bill now is really a joke—a cruel joke—on the consumer.

As the bill stands now, I hope and expect that the President will veto it if it reaches his desk in this form. If it is vetoed, I hope and believe the veto can be sustained.

In view of those circumstances, I believe it would be useful to adopt my amendment which would make it possible for the Brock provision to become law.

What it does is to require a cost and benefit assessment statement to be issued before an existing Federal agency issues new regulations.

One thing the consumer really needs is some relief from actions of Federal regulatory agencies which actually add costs and push prices up. Instead of creating a new bureaucracy, my amendment would require existing Federal agencies to consider the impact upon consumers of regulatory actions they propose to take.

The Brock provision in this bill—which would be preserved by my amendment—should be enacted into law.

I hope therefore that my amendment will be adopted.

Mr. BROCK. I thank the Senator for his support.

Mr. RIBICOFF. Mr. President, I appreciate the solicitousness of the Senator from Michigan. There are two appealing features of the amendment if it were adopted: We would get rid of the gun control amendment, and the amendment on agriculture and that would have great appeal to me. But this amendment would kill the rest of the bill as well, and I am confident that the Senate will reject the Griffin amendment.

Mr. PERCY. Mr. President, I do not think it will come as a surprise to the Senator from Michigan that the Senator from Illinois would oppose this amendment.

I think it an appropriate time to announce that today two more American corporations have announced their unqualified support now for S. 200

The first is MCA, the parent corporation of Universal Pictures, whose chairman is Lew Wasserman, and whose president is Mr. Sheinberg. MCA is the 279th largest corporation in the United States with sales of $642 million.

Also Supermarkets General, the parent of Pathmark, one of the 10 largest grocery chains in the Nation, with headquarters in Ridgewood, N.J. The president of Supermarkets General is Milton Perlmutter, and the president of Pathmark is John O. Whitney, both highly respected business leaders. Supermarkets General now joins other outstanding food chains such as Jewel, Stop-and-Shop, and Kings Supermarkets in their endorsement of S. 200.

Finally, Mr. President, a representative of another segment of the business community, the National Association of Mutual Agents, has recently expressed strong endorsement of the Consumer Protection Agency bill, S. 200.

I ask unanimous consent that their statement be incorporated in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AGENCY FOR CONSUMER ADVOCACY

The National Association of Mutual Insurance Agents believes that Federal Regulatory Agencies make decisions everyday which have substantial impact on all citizens. The individual consumer rarely has an opportunity to involve himself in the decision making process. An Agency for Consumer Advocacy would speak for the interests of the consumer before Federal Agencies and the Federal Courts and provide the public with information about consumer matters.

The Board of Directors of the National Association of Mutual Insurance Agents, assembled at its Midyear Meeting on April 13, 1975, in San Juan, Puerto Rico, therefore resolves that:

1. The Congress pass S. 200, the Consumer Protection Act of 1975, a bill that:

a. Creates an Agency for Consumer Advocacy (ACA);

b. Provides someone in Washington to speak for consumers in the halls and hearing rooms of the Federal Government;

c. Requires the Agency for Consumer Advocacy to take the views of small business into account in setting its priorities, and requires ACA to solicit advice from small business before promulgating any rules or regulations under the Act;

d. Requires the General Accounting Office (GAO) to review all ACA activities and provide a full report to Congress within three years of the date of enactment, with an evaluation of ACA's effectiveness and recommendations for any modifying legislation;

e. Denies the ACA any power to regulate the activities of businesses; and

f. Provides for a small business exemption (fewer than 25 employees) from interrogatories.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. PERCY. I will be happy to yield.

Mr. HELMS. Does the Senator have a list of corporations that do not favor this bill?

Mr. PERCY. No, but I think the Senator is well aware that the bill has been opposed by a great many trade lobbyists and trade associations.

I will leave it to the distinguished Senator, my colleague, to list those that oppose it. They are very numerous.

I would like, however, to point out that for a 10-day period last year when Senator Buckley was quite willing to debate the Senator from Illinois on this issue, there was not a single businessman who could be found who would publicly debate against this bill. Finally, they sent a paid lobbyist, a lawyer for the trade association, but they could not find a businessman who would publicly oppose it.

I think the Senator knows well the steam is out of the opposition now, and the number of companies supporting it publicly and advocating it publicly is growing every day.

Mr. HELMS. I thank the Senator.

Mr. President, I want to associate myself with the remarks of the distinguished Senator from Arizona (Mr. Goldwater) made earlier today in this chamber. I share his view that the death of the free enterprise system may be imminent.

I regret that companies such as those mentioned by the Senator from Illinois have given endorsement to this bill; and I sincerely believe that sooner or later they, too, will regret having done so. I further regret that not enough businessmen have spoken up and opposed this legislation publicly.

I agree with the Senator from Illinois on that point. Furthermore, I predict that many, many of the Senators in this Chamber who will vote for this legislation on final passage today—if it is not vetoed by the President, if a veto is not sustained by the Senate, and the bill becomes law—will in future years survey the damage done to the free enterprise system by the passage of this legislation. Perhaps, then, they too will regret that this bill was passed.

I thank the Chair.

Mr. FORD. Mr. President, throughout my public life I have been an advocate of consumer protection—not merely a verbal advocate, but one who sponsored and supported legislation, especially to protect those least able to protect themselves.

As a State senator, Lieutenant Governor, and Governor, I have maintained the need for consumer protection, whereby those such as the elderly and others in low-income groups did have an umbrella of security against fraud, misrepresentation, and abuse.

And I continue to do so.

The legislation before us today can be a useful tool to further this philosophy. But in all cases, consumer protection programs and/or agencies have a twofold role:

First, to protect the people in this country against unfair and unethical tactics.

Second, and just as important, they must not be the foundation for harassment and disruption to the legitimate business community.

So I want to state now that I believe the agency we are attempting to create should enter upon its new endeavors with these two facts in mind.

Let me emphasize that if such a new agency becomes a negative force or one of improper harassment, I will personnally sponsor legislation to abolish it.

I say this in all sincerity. As I have said in the past, too often, programs and agencies conceived by the Congress, with the best of intent, have become uncontrollable and so self-centered that they have failed to carry out or follow the intent of Congress.

I think we have an obligation to support consumer protection through S. 200, but with the strongest degree of oversight possible. This agency can either get off on the right foot, or the wrong foot. It is fair warning to say there will be only one opportunity—only one option.

Mr. JAVITS. Mr. President, I shall be very brief. The Senator from Wyoming (Mr. Hansen) wishes to speak.

I oppose this amendment. It has taken years to get to the point we are, including cloture, and the refinements of this measure. The significance of what Senator Percy has said because of the attrition. I have had, too, extensive correspondence—I am sorry Mr. Brock is not here—with people in the cosmetic and drug business who are very concerned about this measure, an extensive correspondence as to the effect on the bill of gradually chiseling away an instrument which could be fair to them as well.

I could hardly see us running all this down the drain after such a long period of time when this has come through the desire of the great majority of our legislators for this kind of legislation to just dump it and to adopt this amendment. I hope it is not adopted.

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the leadership on the other side of the aisle.

I ask unanimous consent that there be a 10-minute limitation on each of the two rollcall votes that remain today with the warning bells to sound after the first 2½ minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, I associate myself with the remarks made by the distinguished Senator from Arizona. I shall support the amendment proposed by the Senator from Michigan Mr. Griffin).

I do not think there is any question but what there are adequate regulatory bodies already in existence to see that the best interests of all consumers—and that includes every last single American—will be cared for.

If we need more money, if we need more men and muscle to see that the job is done properly, I think that is where we should be making our investment in dollars and in legislative effort now.

I do not agree at all that this extra layer on top of all the layers we already have is required, in any event, and I think that the real test as to the direction this country is taking will be determined by the willingness of this Congress to try to address every problem that is known to man and to try to persuade voters that there are not any problems that people have that cannot be handled with effective and carefully drawn legislation. Certainly, this is not that kind of leigslation, in my judgment.

I just think it is a sad day for America that we are trying to beguile a lot of Americans into believing that this will be in their best interests.

My prediction is that the cost that will be imposed upon all of us as we add layer upon layer upon layer of extra bureaucracy will add only to the total cost that we all must face.

I shall support the amendment by the Senator from Michigan and I shall vote against the bill on final passage.

Mr. PERCY. Mr. President, I should merely like to state while the Senator from Wyoming and the Senator from Arizona are in the Chamber, once again, that out of respect for their deep concern the managers of the bill and the Government Operations Committee have written into the bill a required audit, to be undertaken by the Comptroller General of the United States before the end of 3 years to determine absolutely whether or not this has been in the balanced interests of producers and consumers alike.

That is the time to take a good, hard look at it. The very fact we are going to have an audit and the very fact it is hanging over the heads of this new agency, I think will keep it in line.

I hope 3 years from now we will be able to all agree that this has been a good move for the consumer.

Inasmuch as these are the final comments, I would like, Mr. President, to particularly commend my distinguished colleague, Senator Ribicoff, for his leadership, and Senator Javits for his leadership in this area, and to Senators Magnuson, Cranston, Weicker, Pearson, and Brock or their valuable assistance, and to Richard Wegman, Brian Conboy, Paul Hoff, Matt Schneider, Claude Alexander, Martha Weisz, Michael Pertschuk and Stuart Statler who has advised me personally, for the magnificent staff work done over a period of years on this effort, to bring this to the point where I think the Senate of the United States will today overwhelmingly support this measure.

Mr. HANSEN. Mr. President, I point out to my good friend from Illinois that the proposal to have the GAO audit the effectiveness of this law 3 years hence, too, shall cost the taxpayers money.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from Illinois (Mr. STEVENSON), are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY), is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), and the Senator from South Carolina (Mr. THURMOND), are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 24, nays 66, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—24

Allen
Bartlett
Bellmon
Buckley
Byrd,
Harry F., Jr.
Curtis
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Nunn
Scott,
William L.
Sparkman
Stennis
Talmadge
Tower
Young

NAYS—66

Abourezk
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stone
Symington
Taft
Weicker
Williams

NOT VOTING—9

Baker
Bayh
Gravel
Johnston
McGee
Metcalf
Stevenson
Thurmond
Tunney

So Mr. GRIFFIN's amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WEICKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPLANATION OF VOTE AGAINST S. 200

Mr. STENNIS. Mr. President, earlier today I voted against S. 200, a bill which, according to its advocates, would protect the interests of consumers and represent them before other Federal agencies and Federal courts. If this bill were in fact a bill to help consumers, I would have voted for it—naturally. Unfortunately, the title of the bill does not accurately reflect the provisions in the bill. In other words, the bill has a good name, but what it provides for is atrocious.

First of all, we have many Federal regulatory agencies to protect the interests of consumers. If these agencies are not performing their proper functions, we should take the necessary actions to see that they do perform their intended function—not create another agency to oversee them. This is the job of Congress.

It now often takes an agency of our Government months to render a decision on a pending matter. In my opinion, this new consumer agency will result in still further delays. Many times this waiting period is in fact costing the consumer money. Establishing this agency will only compound this problem.

Today, it takes longer in our Nation to obtain approval to build a nuclear power plant than almost anywhere in the world. We need these plants desperately, but I believe that this new agency would extend this already lengthy period even longer.

Our energy problems are acute. We have to move on these matters expeditiously. But, every agency which deals with energy already can have its plans held up by this new agency—thus worsening our energy situation.

I am convinced that this Nation is overregulated today. If there were less regulation, there might well be less inflation. The President has recognized this and is urging that Congress deregulate to some extent. I believe that many other people are realizing this, too.

Mr. President, this bill seeks to do a good thing—represent and protect consumers. How it seeks to do this though is where the problem lies. Creating another agency, however, is not the way. This agency would have more power and authority than any other we have ever created. There is no guarantee that it will perform its duties any differently than the other agencies do.

The U.S. Government Manual takes up 800 pages listing all the departments, agencies and commissions and their duties. I know of no consumer interest that is not protected by one of these agencies.

We should be interested in improving on what we have. Creating this new agency will compound the problem we already have—too much control by the Government.

If we are truly interested in better protecting the consumer, let us do our jobs here in the Congress. Here is where the buck should stop—not at a bureaucrat's desk.

I hope this bill does not become law.

Mr. BUCKLEY. Mr. President, we have before us today S. 200, a bill to create a new Federal agency with the alleged purpose of protecting the interests of consumers. Proponents of the bill say that such legislation is necessary because the market is full of unscrupulous businessmen who take advantage of the unwary, naive consumer and because the existing regulatory agencies have been captured by the very industries they are supposed to regulate, and are therefore unresponsive to the interests of the consumers.

I do not believe that most American businessmen are doing everything in their power to swindle the American consumer, as many "consumer advocates" would have us believe. Most businessmen are responsible and are interested in establishing a good reputation with consumers by offering them good service, quality products, and competitive prices. Those who are interested in taking unfair advantage of consumers comprise a very small minority and they are not apt to remain in business very long. In a free marketplace, the businessman must offer consumers what they demand or else he loses the public demand for his product, faces declining profits, and eventually goes out of business. There are "fly-by-night" operators who fleece the unwary, but they should be dealt with directly. Only with the protection of government can an established firm that is not satisfying consumer desires remain in business.

Nor do I believe that the American consumer is as naive and gullible as the consumer advocates indicate. If the average American is intelligent enough to vote, he is certainly smart enough to know which items to pick up at the grocery store. A 1970 editorial in the Wall Street Journal aptly points out the sophistication of the American consumer. It states:

> For from being gullible, Americans by and large are probably the most sophisticated and demanding consumers in the world, well prepared by good education and long exposure to competitive claims to cope with a free market.

I am, however, in total agreement with the "capture theory" of regulation which consumer advocates, led by Ralph Nader, have recently articulated. This is something that has long concerned economists such as George Stigler and Yale Brozen. Mr. Nader is correct that, too often, existing regulatory agencies do indeed work against the interests of consumers—by prohibiting price decreases, by limiting competition, by encouraging through various means the production of inferior quality goods and services, and so on.

The idea of shielding consumers from this kind of regulatory abuse appeals to me, but I do not believe that creating another Government agency—or what amounts to a superagency—to be a watchdog over these other agencies is the solution.

How can one reasonably conceive that because public regulation in the past has failed, the addition of yet more regulation will now succeed? The new agency would have the function of policing other agencies and offices of government. But who would police the new agency? And how long would it be before we needed yet another agency to police the Consumer Protection Agency?

The way of reform, it seems to me, is to make sure that the existing agencies, which are designed to protect specific, identifiable consumer interests, be reformed so that we may be sure that those interests are adequately represented. This kind of reform is procedural in nature, and does not require the formation of a new, expensive layer of bureaucracy under a czar having unprecedented powers.

The only way to truly benefit the consumer is to remove and reform those regulations and procedures which work against the consumers' interests. The Congress should move quickly to create a National Commission to study possibilities for regulatory reform and their potential impact on the consumer.

The problem with the proposal for an Agency for Consumer Advocacy is that it presupposes that there is an identifiable consumer interest to be protected, but nothing is further from the truth. There are competing interests—in an automobile they include price, gasoline economy, size, and safety. A consumer czar is apt to seize on one at the expense of another, and deny consumers what they clearly want. As an example of the kind of excessive zeal that would only be multiplied under an ACA, I need only cite the late unlamented requirement that every automobile be equipped with an ignition interlock safety belt system. It took an act of Congress to liberate the outraged consumer from this one.

Under S. 200, the Administrator would be allowed to arbitrarily choose which consumer interest he would represent, and his decisions would be subject to no one's review. Because of the infinite variety of consumer interests and the absence of review, the Administrator could not possibly represent all consumers, because their interests are infinitely variable. The best he could possibly do would be to represent one group of interests against another. While protecting some consumers or interests, the Administrator would in all likelihood be harming others.

Mr. President, the central problem underlying all of this is that there can be no one, unique definition of the consumer interest. In the economics of a free society, a fundamental principle is that individual consumers put different values on the same commodities. While S. 200 offers a jurisdictional definition of subject areas which affect the bill, there is no attempt in the legislation to define what is and what is not in the interests of consumers.

For me this is a fundamental defect. While I fully appreciate the difficulty facing the drafters of this legislation, I do think it is imperative that the Senate make an attempt to define the terms about which this bill purports to speak. Indeed, part of the problem with the existing regulatory agencies is that, although they have been established to protect the "public interest," there has never been, in all of these acts, any definition of the public interest. It has always been up to the agency to determine what actions are in the public interest. Congress has not told these agencies precisely what it is that they are to be protecting. It is no wonder, then, that they have failed so miserably.

I would not want this problem to arise under an ACA. It would be an abuse of our responsibility to delegate to the administrator the authority to decide what is and what is not in the "interest of consumers" without first coming to grips ourselves with the definitional problems.

Although the problem of a definition is fundamental, it is not the only problem in the bill. There are several others which I would like to address briefly.

The new superagency would have the right to intervene in the affairs, negotiations, decisions, rules, and regulations of all other regulatory agencies if it felt it to be in the interest of consumer protection. The Agency would not even be limited to formal activities of other agencies, but would be empowered to monitor all informal activities of the various Federal agencies. The effect of this involvement would be to discourage Federal agencies from informed dealings that expedite their more routine business. The inevitable result will be increased delays in decisionmaking, and increased costs to be passed on to the consumer.

The ACA could also intervene in judicial proceedings to review other Federal agency action; and it would have the right to seek judicial overthrow of any agency decisions with which it disagrees, even when the ACA were not a party to the original proceedings. Appeals taken by the ACA will force the courts to arbitrate technical and policy questions in disputes between the ACA and other Federal agencies. The Federal courts are not equipped to rule on such questions and have been reluctant to do so in the past. And the result could very likely be a net reduction in the amount of consumer protection achievable at the Federal level, especially if the ACA were to take the view that informal negotiations are a form of conspiracy.

S. 200 would also grant the ACA very broad powers to collect and disclose sensitive information. It could require individuals or businesses to provide the data that the Administrator determines he needs where he finds the consumer interest to be substantially affected. More than that, virtually all information, including trade secrets and confidential information voluntarily surrendered to another agency with a written agreement insuring confidential treatment, could be obtained by the ACA for its own use if such information would have been available to the agency without the pledge of confidentiality. The ACA would be able to acquire trade secrets from any agency that has subpena power; and, the ACA would be able to request that a host agency exercise this subpena power on behalf of the ACA in any host agency proceeding or activity, including informal agency activities in which the ACA intervenes or participates.

What makes this unprecedented power to collect information so pernicious is the Administrator's wide discretion to release sensitive material. After engaging in a "fishing expedition" into the records of other agencies and private industry, the Administrator, in his sole discretion, may decide to release information when he deems it to be necessary to protect the health or safety of the public. He could go so far as to disclose trade secrets and other private information, to undertake products comparisons under test procedures and guidelines which he alone determines to be appropriate, and to release the results. And if he is found to have been imprudent in his determinations, he must only issue an apology. This is hardly a meaningful safeguard considering the irreparable damage that can be done to a business through such an action.

The Administrator would be empowered by S. 200 to damage or destroy businesses engaged in practices that have never even been prohibited by law. This seems to me to be an obvious violation of due process. And an apology is hardly consolation to an enterprise which has unjustly been put out of business.

Finally, let me express my reservations with the whole concept of creating an agency such as the ACA. An ACA would certainly increase both the cost of government and the cost of doing business. The cost would only begin with the budget of the new agency. The array of agencies and departments with which it could intervene would have higher costs—not only because of delays in their proceedings, but also because of such activities as the acquisition and assembly of information for the new agency, the carrying out of testing for the new agency, and fighting lawsuits against the new agency. Who would pay the higher costs? It is the consumers who would pay—in their roles as taxpayers and as purchasers of goods and services.

Also, there are a great number of consumer representatives already functioning throughout our Government. In a 1969 study for the President, Virginia Knauer found that there were 413 units of the Federal Government involved in 938 consumer-related activities. Surely the Government has already committed an impressive amount of resources to consumer protection; and rather than creating another bureaucratic monster, we should determine whether such units are functioning adequately, and if not, what could be done to improve them.

In approving S. 200, the Congress would be creating an unnecessary bureaucratic nightmare, and would significantly increase the already heavy and always growing financial burden on the taxpayers and consumers of our Nation. I urge that my colleagues oppose the bill.

Mr. **MUSKIE**. Mr. President, I urge my colleagues to support the Consumer Protection Act of 1975, legislation which would establish an agency in the Federal Government charged with protecting the interests of American consumers.

Contrary to some opinion, consumers are not a special interest—each of us is a consumer, from company presidents to housewives, from the self-employed to the wage earner.

But the term "consumer" has taken on connations which have tended to cloud the purpose of the Consumer Protection Agency and to draw unnecessarily harsh lines of support and opposition.

This legislation before us today has taken 6 years of work by Congress. As a cosponsor of this legislation, I believe it is unfortunate that we have not acted sooner.

But we have also benefited from this period by refining further the specific provisions of this bill. We have considered the problems raised by earlier provisions, and made needed improvements.

Now, we have a bill that achieves the delicate balance of the rights of people directly affected. It provides a strong voice for consumer interests, insuring that every individual has access to adequate remedies. And it provides enough procedural safeguards so that no business need fear arbitrary harassment or bureaucratic caprice.

In the years that Congress considered this legislation, consumers have become more aware of their rights in the marketplace. They are more alert now, and expect Government to be responsive.

Enactment of this bill will be a major step toward more responsive government at a time when the economic needs of the American people are foremost.

Mr. MONTOYA. Mr. President, there has been debate over the past few days which, if read in a certain light, may suggest that the bill we are debating is designed to benefit a certain group—the consumers—at the expense of another group—the business community, both large and small.

This is erroneous on two counts, and we ought to clear up the matter. First, we ought to recognize that everyone in this country is a consumer to one degree or another. Businessmen and nonbusinessmen, elderly and young—all are consumers to one degree or another. Thus, in seeking a means to effectively improve the lot of the consumer, we are striving to improve the lot of all.

Second, we should recognize that this bill is not directed against the business community. In that respect, I deplore some of the language of the committee report. At points it does appear as if the author of the report was choking back with some difficulty a real distrust, a suspicion of the business community in general. I believe language of that sort should have been removed from the report, but I am satisfied that it has not infected the bill itself. In any event, I want to say forcibly that I do not believe that we in the Congress need to base this or any other piece of legislation on a philosophical basis which holds that businessmen are not to be trusted any more than we want to base our criminal codes on a finding that the people of America are, by nature, criminally inclined. Businessmen as a group are honest and forthright and have every reason to be.

My real point here, however, is that this act is not another OSHA. We are not proposing standards or codes that the Agency for Consumer Advocacy is going to impose on the country. Nor are we establishing another Federal Energy Administration which will involve itself in the day-to-day operations of an entire industry from the largest company to the smallest retail outlet.

The focus of this bill is in the city of Washington. The focus of this bill is in those impenetrable bureaucracies downtown. The intent of this bill is to make those bureaucracies responsive to the consumer interest, which, in my mind, is exactly equivalent to the public interest. I say that because we are, as I noted a moment ago, all consumers. Every member of the public is a consumer.

The bill establishes an Agency for Consumer Advocacy which will have as its responsibility the effective presentation to Federal agencies and departments of the interest which consumers have in a regulatory proceeding, or in a decision to change the status of some parcel of public land, for example. One might ask at this point a very good question: Why is such an agency necessary?

The answer is that the consumer, compared with special interests, is unorganized and too often unrepresented before the specialized multitude of Federal agencies, boards, commissions, and regulatory organizations.

Just look at the city of Washington from the vantage point of Capitol Hill. All down Pennsylvania Avenue, throughout the southwest, in parts of downtown and along K Street, in Foggy Bottom and in Bethesda and Germantown and other suburbs there are hundreds of office buildings housing hundreds of Government agencies. Then look at the Connecticut Avenue area and in the new office buildings that have gone up steadily since the early 1960's in the area northwest of the White House. There you have the offices of law firms and specialized associations promoting causes of every description. Now ask what happens between the people in the Government office building and in the law firms and the associations? They talk to each other, and they often establish close working relationships. There is nothing inherently sinister about this. But now ask where the consumer fits into this picture, and the answer is that he is not even in the city.

What we are faced with is a serious problem: How to insure that the voice of the consumer, of the public, is heard before the Federal Trade Commission, or the Interstate Commerce Commission, or the Securities and Exchange Commission, in the Department of Interior or Agriculture when those agencies engage in decision making which effects every citizen in this land.

The problem is increased by the fact that consumers are not organized into associations with teams of experienced lawyers and lobbyists. It is not through evil design or through unforgivable negligence that this situation has come to exist, and I am not casting aspersions on any of the law firms or the special interest associations. They have reason to be in Washington, too. I am simply arguing that the consumer interest, the public interest, has to make its presence felt before the boards and agencies and commissions of this Government. That is the rationale behind this bill.

I realize that many persons have been concerned about one provision or another in this consumer protection bill. Many persons first became acquainted with it as S. 707 of the 93d Congress. That bill was, as many of you remember, debated extensively, and many amendments were adopted. Those amendments improved the bill, and S. 200 which is now before us, has a far more benign face than did its older sister, S. 707. I think it would be helpful if the differences in the two bills were spread in full upon the record and I ask unanimous consent that the primary differences between the two bills be printed in the RECORD.

There being no objections, the material was ordered to be printed in the RECORD, as follows:

MAJOR DIFFERENCES BETWEEN S. 707 AS INTRODUCED AND S. 200 AS REPORTED BY THE COMMITTEE

(*1*) *Consumer Council*—

S. 707, provided for a Council of Consumer advisors, in the Executive Office of the President, to set priorities on consumer matters and review impact of Federal programs.

S. 200 deletes the Council entirely.

(*2*) *State and local proceedings*—

S. 707 authorized the consumer agency to intervene or participate in State or local agency or court proceedings, on request of State officials or the State or local agency or court.

S. 200 denies ACA such authority, but specifically empowers the ACA to communicate with, provide information to, or provide assistance requested by any Federal, State or local agency or court.

(*3*) *Grant Program*—

S. 707 authorized grants to State and local public agencies to promote consumer interests and education. It provided for $20 million in the first fiscal year and $40 million in the second fiscal year after enactment.

S. 200 contains no grant program.

(*4*) *Name of agency*—

S. 707 designated Consumer Protection Agency (CPA) as name of the Agency.

S. 200 designates Agency for Consumer Advocacy (ACA) as name of the Agency.

(*5*) *Budget By-Pass*—

S. 707 provided that the Administrator's proposed budget estimates, and recommendations or testimony on legislation be submitted to Congress at the same time they are submitted to Office of Management and Budget.

S. 200 deletes this provision.

(*6*) *Informal proceedings*—

S. 707 provided that the Administrator of the Consumer Protection Agency could "as of right participate" in informal agency proceedings which substantially affect consumers. It was understood that the participation would be equal to that of others.

S. 200 does not require agencies to allow ACA to participate in their informal proceedings simultaneously or equally with others. ACA may present "written and oral submissions", and Federal agencies must give "full consideration" to such ACA submissions.

(*7*) *Subpoenas*—

S. 707 required the Federal host agency to issue subpoenas under its authority where the consumer agency was intervening or participating in an agency proceeding or activity.

S. 200 limits host agency issuance of subpoenas requested by ACA to agency proceedings.

(*8*) *Judicial review*—

S. 707 allowed consumer agency, where it did not participate below, to seek judicial review unless the court determined it would be detrimental to the interests of justice. S. 707 also required the Administrator to petition the agency for reconsideration prior to seeking judicial review of an agency decision whenever the Federal agency's laws *required* such petition, and the Administrator had not participated at the agency level.

S. 200 requires the court to make a determination as to whether or not the ACA's institution of a proceeding in court would impede the interests of justice. When initiating such appeal the Administrator must state his reasons for not participating at the agency level. S. 200 also requires the Administrator to petition the agency for reconsideration before initiating an appeal whenever such a petition is *authorized* by agency laws and the Administrator had not participated in the proceeding at the agency level.

(9) *Interrogatories—small business—*

S. 707 contained no exemption from the interrogatory section for small businesses.

S. 200 exempts from the interrogatory section, except in the case of an imminent and substantial danger to health or safety, any business with assets under $7½ million, net worth under $2½ million, and average annual net income under $250,000.

(10) *Access to agency records—*

S. 707 allowed the consumer agency full access to Federal agency records, with exceptions only for national security information, policy recommendations, and administrative and personnel records.

S. 200 imposes much more stringent limitations on ACA access. In addition to the original protections, it prohibits ACA from obtaining trade secrets which an agency could obtain only by agreeing to keep them confidential. It prohibits ACA from obtaining prosecutorial recommendations from law enforcement agencies. It prohibits ACA access to bank examination reports to the same extent other agencies are denied access to such information. And it prohibits ACA access to information which would disclose the financial condition of individuals who are customers of financial institutions.

(11) *Farmers—*

S. 707 did not include farmers within the definition of consumers.

S. 200 redefines consumers to include farmers, and specifically directs the Administrator to promote the interests of farmers "in obtaining a full supply of goods and services at a fair and equitable price". It also contains a provision requiring the Administrator to consider the interests of both farmers and consumers before intervening in any Department of Agriculture proceeding.

(12) *Protection for Small Business—*

S. 707 contained no special protection for small business.

S. 200 requires ACA to take the views of small business into account in setting ACA's priorities, and requires ACA to solicit advice from small business before promulgating any rules or regulations under the Act.

(13) *Exemptions—*

S. 707 contained no explicit provision barring the consumer agency from participating in labor-management relations cases before the NLRB, although accompanying committee report stated such cases would be exempt.

S. 200 adopts the labor-management exemption contained in the bill passed by the House in 1974.

(14) *GAO Review—*

S. 707 contained no provision for GAO review.

S. 200 requires GAO to review all of ACA's activities, and provide a full report to Congress within three years of the date of enactment, with an evaluation of ACA's effectiveness and recommendations for any modifying legislation.

(15) *Consumer Complaints—*

S. 707 permitted the ACA to place anonymous complaints in the public document room but allowed the withholding of such complaints if the Administrator determines that the complaint is frivilous, or that publication is detrimental to the complainant or that for good cause the complaint should be withheld.

S. 200 provides that no unsigned complaint shall be placed in the public document room.

(16) *Limitations on Disclosures—*

S. 707 prohibited the ACA from publicly disclosing any trade secret or other confidential commercial or financial information obtained from a person unless disclosure is necessary to protect health or safety.

S. 200 puts the ACA in the same position as any other government agency, in this respect, by making the provisions of the Freedom of Information Act applicable to the ACA. Under the Freedom of Information Act, the ACA *may* withhold such information from the public.

(17) *Cost and Benefit Assessment Statements—*

S. 707 contained no provision for the preparation of cost and benefit assessment statements by Federal agencies.

S. 200 provides for the preparation of cost and benefit assessment statements by Federal agencies issuing rules or proposing legislation which have a substantial economic impact.

Mr. MONTOYA. I would like to draw special attention to the section exempting small businesses from interogatories from the Agency for Consumer Advocacy. There is far too much federally required paperwork for small businesses as it is. I tried to ease that burden last year by sponsoring legislation to allow businesses to file only one report per year to social security rather than four, as is now required, but more needs to be done. At the very least, we must not add to that burden, and I am pleased that S. 200 represents a marked improvement over S. 707 in that respect.

A final point we ought to consider is whether there is some other way of accomplishing the goal S. 200 attempts to accomplish. One can begin with a look at the Congress. We have, as every Senator knows, a responsibility to review the actions of the various Federal boards and agencies to insure that they are administering the laws the way the Congress intended. This responsibility is called "oversight," and it occupies a large portion of our time. As chairman of one Appropriations Subcommittee, for example, I have held extensive oversight hearings in each of the past 3 years on the operation of the Internal Revenue Service. I have found much to praise, but also much to criticize, and I have pressed the Commissioner of IRS very hard to reform his Agency's practices in such a way as to make sure that the average taxpayer knows what his rights are and that the average taxpayer is not bullied by overzealous tax agents. Some of my reforms have been adopted administratively. Others are the subject of five bills I have introduced.

There needs to be more oversight, but the Congress cannot keep its finger on every pulse in this city. Our responsibilities are broad and include more than oversight. I think we have to recognize that we cannot do it all. Therefore, it is entirely appropriate that we delegate some of this authority to an agency.

Another way of accomplishing some of the reform we seek would be to abolish those agencies which seem to have forgotten their public trust and to reconstitute them with new members and newly defined responsibilities. We should do this. But the enormity of the task is staggering. It will take time. It will take more Congresses than I will be here. And to do it all at once would, obviously, throw the Government into chaos. Something needs to be done in a more timely fashion to insure that consumer interests are represented before Federal agencies and whatever we do must be done in an orderly fashion. I believe this bill accomplishes those goals and it is for that reason that I support it.

Mr. RIBICOFF. Mr. President, the Senator from California (Mr. TUNNEY) will be unable to attend today's session because he is chairing important hearings for the Senate Aging Committee on the crushing impact of inflation on our Nation's elderly and what the rising costs of housing, medical care, utility rates, food, and transportation, has done to their limited incomes.

I would like to point out that Senator TUNNEY has been a strong and consistent supporter of this consumer protection bill since he came to the U.S. Senate in 1970. He is a cosponsor of S. 200 and his support on Tuesday helped break the filibuster paving the way for passage of this important bill.

Mr. BAKER. Mr. President, I agree with the view that Federal agencies administering programs which affect the interests of consumers do not always receive adequate information regarding how their decisions will impact on consumers in the marketplace. While affected industries generally have financial resources which enable them to effectively represent their viewpoint before Federal agencies, groups representing the consumer interest are few and far between and are not usually well-staffed and well-financed in comparison.

Because of the importance of insuring that all aspects of an issue are fully explored before action is taken by Federal agencies which may impact on the lives of millions of Americans, I favor the creation of a mechanism within the Federal structure to advocate varying consumer interests before the executive departments and agencies; and I, therefore, intend to vote for S. 200.

I do believe that there is room, however, for considerable disagreement between proponents of the Agency for Consumer Advocacy concept with regard to questions of the proper function of the Agency, the powers that should be delegated to it, and the relationship between the ACA and other advocates representing a particular point of view before Federal agencies.

The severe economic situation with which we are now confronted has prompted calls from the President, Members of Congress, Federal, State, and local government officials, and representatives of Federal regulation and its impact upon consumers, business, and the economy. In light of the overall impact on the economy which the increasing size of the Federal Government is likely to have, and in light of the evidence from all sides which indicates that Federal regulatory actions in many areas have increased business and consumer costs, I believe we must be extremely cautious in increasing the powers of the Federal Government and in fashioning any new Federal agency.

It is for this reason, that I would prefer the approach suggested by Sentor TAFT of establishing Offices of Consumer Representation within each executive department and regulatory agency which would function under the coordination of the Office of Consumer Affairs. It seems to me that Senator Taft's proposal would accomplish the goal of S. 200 of providing representation of consumer viewpoints before Federal agencies while eliminating the increased costs, bureaucracy, and disruption inherent in establishment of a new agency. I regret, therefore, that the Senate has not chosen to accept Senator Taft's substitute proposal.

My decision to vote in favor of S. 200 is based upon three specific improvements which are included in this measure, and which were not present in S. 707, considered by the Senate last year. S. 200 provides that the Agency for Consumer Advocacy may make use of a host agency's subpena power only in formal proceedings in which the agency is participating. The Agency for Consumer Advocacy will, therefore, be able to participate on an equal basis with other parties. S. 707, as considered last year, would have granted to the ACA the use of a host agency's subpena power in any agency proceeding, formal or informal, and would have granted to the ACA rights in excess of those enjoyed by other advocates.

The second change which has been made in S. 200 would exempt from the section authorizing the Administrator to issue interrogatories small businesses with assets under $7.5 million and net worth under $2.5 million, and average annual net income under $250,000. While I still believe it valid to question the necessity of granting the ACA any interrogatory power, either direct or derivative, in light of the other information-gathering authority contained in the bill, the modifications made in S. 200 will relieve small businesses, who are least able to afford it, of the burden of having to devote time and limited resources to responding to requests for information from still another Federal agency.

I also strongly support the amendment included in the bill which requires Federal agencies to prepare cost and benefit assessment statements before issuing rules or proposing legislation which will have a substantial economic impact. This one amendment to the bill may have more beneficial impact for consumers in the long run than the establishment of the Consumer Advocacy Agency itself. By focusing attention upon the actual cost of Federal regulation, consumers will, for the first time, have an opportunity to make decisions for themselves as to the desirability of continued and increased regulation by the Federal Government of all aspects of their lives.

I retain strong reservations about the broad grant of access to the Agency for Consumer Advocacy to information and files in the possession of other Government agencies. I do not believe that this section of the bill contains adequate safeguards for trade secrets and other confidential information, and I believe that it is possible that this section will have the result of discouraging the voluntary cooperation of businesses on which Federal agencies have relied in the past in order to avoid the need for time-consuming subpena authority. In addition, by granting the ACA access to information beyond that allowed other advocates of special interest in Federal agency activities and proceedings, I fear that the bill will give the ACA an inherent advantage and, thus, result in a weakening of the administrative procedures and judicial processes of the United States.

I am hopeful that the concerns which I have expressed will be considered further by the Senate and the House of Representatives as this measure advances in the legislative process. I believe, however, that S. 200 possesses the potential for insuring full consideration by Federal agencies and departments of the viewpoints of consumers, as well as providing consumers with invaluable information on the ultimate costs and benefits of Federal regulatory activities.

Mr. HANSEN. Mr. President, there is no need for an Agency for Consumer Advocacy. Moreover, the legislation creating this agency in its current form will wreak havoc with the economic and social fabric of this Nation.

Mr. President, there are presently enough Federal agencies to protect the American consumer. A 1961 report by the House Government Operations Committee found 253 consumer protection and advancement activities in 33 Federal agencies and departments. A more recent survey found that the number of agencies and departments involved had increased to 39, and in 1969 Virginia Knauer stated that a study for the President "found that 413 units of the Federal Government were administering 938 consumer-related activities." Accordingly, it appears that the Government has committed an impressive number of units and activities to consumer protection. Before the Congress creates the proposed new agency, it should determine whether the present activities are inadequate.

If the present activities are inadequate, then Congress should focus its attention on what can be done to make them adequate. My point is, let us look at what we already have. If we find that all these existing consumer agencies are not doing the job, then we owe it to the Nation to either make them work or eliminate them. Clearly, the answer to the consumers' problems is not the creation of yet another agency.

The supporters of this legislation contend that this new Agency is needed because consumers are not represented before the existing regulatory agencies. Apparently their solution is to create another agency before which consumers will not appear and have that agency appear before the old agencies as a consumer.

The trouble I have with this philosophy is that the extremely complicated subject of what is the "consumer interest" will not be formulated by consumers but determined by the mandate of this new, all-knowing Agency.

Ralph Nader and other well-intentioned consumer advocates argue that the Agency formulation of what is called "the consumer interest" and the advocacy of this formulated consumer interest is necessary to represent consumers because the existing regulatory agencies have been captured by the industries they sought to regulate.

Assuming the truth of this argument, it does not lead me to believe that the creation of yet another agency will solve this problem. Milton Friedman has addressed this subject. He says:

> You might expect Nader and his associates to draw the obvious conclusion that there is something innate in the political process that produces this result (the alleged capture theory); that, imperfect as it is, the market does a better job of protecting the consumer than the political process. But, no, their conclusion is very different; establish stronger agencies instructed more explicitly and at greater length to do good and put people like us in charge, and all will be well.

Mr. President, assuming the present regulatory agencies are not doing their job or are captured by those they seek to regulate, the creation of a new agency to solve this problem will only result in yet another agency becoming captured and, accordingly, not accomplishing its purpose.

Mr. President, if we are serious about helping the consumer, I reiterate, let us make the existing 413 regulatory units do the job for which they were created.

This is the approach President Ford has recommended. In an April 17, 1975, statement, the President urged the Congress to enact a number of specific legislative proposals, including the Regulatory Review Commission. This proposal would make the present regulatory system more responsive to the consumer interest. Making the existing system work is certainly a better approach than creating another layer of regulatory bureaucracy.

What the consumers of this country really want from their Government is greatly reduced Federal spending, and the removal, rather than the addition, of restraints and unnecessary controls on the private sector. These actions would help bring about the one thing most desired by consumers: reduced inflation and lower prices.

Mr. BUMPERS. Mr. President, I intend to vote in favor of S. 200, the bill to establish the Agency for Consumer Advocacy.

I reached this decision after careful consideration of the many arguments both for and against this approach to giving consumers better representation before our Federal agencies. I am convinced that many of our regulatory agencies have not been fullfilling their responsibilities in protecting the interests of consumers. Special-interest groups can afford to employ well-paid counsel to represent them, but often the general public, all of whom, of course, are included within the word "consumers," have interests which are not adequately represented. In theory, the staffs of our various Federal agencies and departments should supply this lack, and I am sure that some diligent and loyal staff members of administrative agencies have in fact worked toward this end in the past. But some have not. This new Agency would not have the power to promulgate any binding regulations, but simply would be allowed to intervene as an advocate before other Federal agencies and departments in support of consumer interests.

In addition, there are two features of S. 200 that have helped me quiet misgivings I have had about this concept. For one thing, small businesses are exempted from section 10, which gives the Agency power to direct interrogatories to businesses about activities that affect the interest of consumers. Small business, in my view, should be fostered and encouraged by governmental action, because it can provide a useful competitive check upon the larger conglomerations of industrial power.

Furthermore, an entirely new concept has been added to the bill this session that I believe to be promising. Section 24 would require every existing Federal agency and department, before it issues a proposed rule or regulation, to formulate a cost and benefit assessment statement. The purpose of this statement would be to make explicit consideration by the agency of costs and benefits that would be occasioned by the issuance of its proposed rule, as opposed to those costs and benefits that would accrue if the rule were not issued. Industry, labor, and the general public alike in this country have long suffered from an excess of duplicative and suffocating economic regulations.

Section 24 of this bill would be a warning signal to all Federal agencies not to issue new rules and regulations without first carefully considering the costs and benefits that such rules and regulations would produce. This approach, I trust, will cause the Federal Government to be much more careful in the future about increasing the level of regulation of private and business activity.

Mr. President, I point out also that the ACA, under S. 200, would be a temporary agency only. Funds are authorized to be appropriated for its operation for a period of only 3 fiscal years. I am by no means committed to vote to renew the life of this Agency at the expiration of this initial term, and if the Agency's contribution to the welfare of consumers is not substantial, I would find it impossible to do so.

Mr. GLENN. Mr. President, when we vote on final passage of S. 200, I intend to vote for the bill. The legislation is an important consumer protection measure. I view establishment of the Agency for Consumer Advocacy, however, as merely part of a larger effort toward the reform of Federal regulatory agencies which, in my opinion, in many instances have failed to carry out the functions assigned to them. In fact, if the regulatory agencies had been properly doing the consumer representation job that is their mandate, it is questionable whether the ACA would be necessary today. This unsettled situation has had an adverse effect on the businesses which are regulated and upon the American public.

We need to take a hard look at our regulatory system, a look which already has bipartisan support — emphasizing how important it has become. The President has proposed a "regulatory summit" to consider problems in this area, and recently I reported to the Senate on behalf of the Senate Committee on Government Operations a resolution which provides for an in-depth study of our whole regulatory system by the Senate Committee on Government Operations and the Senate Commerce Committee. This reassessment is vital, for it strikes at the root problem.

I think it would be wrong to look upon the establishment of an Agency for Consumer Advocacy as a final solution to the problems in this area. Indeed, the passage of S. 200 must not permit us to take our eye off the real problem, the reform of the regulatory agencies themselves.

The bill provides a 3-year life for the ACA during which time the other proposed legislation should provide an ample look at the basic regulatory problem, with an evaluation of the ACA at the end of that time. The Agency now appears to be essential for adequate representation of consumer interests during this interim time period while we reassess our regulatory system.

If, in light of this overall reassessment, the Agency for Consumer Advocacy is found to be unnecessary or does not work well during the 3-year life span provided for in the bill, I will not be able to support its continuation.

Mr. MATHIAS. I wish to engage the distinguished managers of S. 200 in a brief but important colloquy on the question of the low-income consumer's relationship to the proposed Agency for Consumer Advocacy.

I know that Senator RIBICOFF as the sponsor of one of the most forward looking welfare reform proposals before the 92d Congress, is keenly aware that the problems and adversities of low-income consumers are daily reminders that they are poor; that they lack the power and resources in the marketplace of their more affluent fellow citizens.

S. 200, which I am cosponsoring, contains a finding that the interests of the American consumer are inadequately represented and protected within the Federal Government and that such representation and protection are essential to the fair and efficient functioning of a free-market economy. As a result of this finding, S. 200 establishes an Agency for Consumer Advocacy as an independent agency within the executive branch to represent the interest of consumers before Federal agencies and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the interests of consumers.

My question is this: Is it the expectation of the manager and principal sponsors of S. 200 that the Agency for Consumer Advocacy will vigorously represent the interests of low-income consumers to at least the same extent that the ACA will represent more affluent consumers?

Mr. RIBICOFF. The Senator from Maryland is absolutely correct.

Mr. MATHIAS. Given the fact that the low-income consumer's needs are not being adequately met by the present marketing and distribution system, that the poor lack the necessary cash with which to make quantity purchases of food; that the low-income consumer, by virtue of being poor, does not have access to credit under the standards imposed by most reputable businesses; that the poor pay more for lower quality produce; and if they can buy furniture or hard goods at all, that these purchases are usually at exorbitant prices on credit terms which leave them even deeper in debt, does the floor manager expect that the proposed ACA, particularly, under sections 6, 7, 8, and 9 of the bill shall devote special attention to the needs and interests of the low-income consumer?

Mr. RIBICOFF. I most certainly do.

Mr. MATHIAS. I anticipated receiving the answers which the distinguished manager has given. For the purpose of establishing legislative history, however, I did wish to have this exchange with the managers to make it clear that the ACA is being established for all consumers and will not become an agency to represent the needs and interests of solely the middle class and more affluent citizenry.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from South Carolina (Mr. THURMOND). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from California (Mr. TUNNEY) is absent on official business.

On this vote, the Senator from California (Mr. TUNNEY) is paired with the Senator from Louisiana (Mr. JOHNSTON).

If present and voting, the Senator from California would vote "yea" and the Senator from Louisiana would vote "nay."

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) and the Senator from Alaska (Mr. GRAVEL) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "yea."

The result was announced—yeas 61, nays 28, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—61

Abourezk
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mathias
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stone
Weicker
Williams

NAYS—28

Allen
Bartlett
Bellmon
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Curtis
Eastland
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
Long
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Symington
Taft
Talmadge
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—

Mansfield, for.

NOT VOTING—9

Baker
Bayh
Gravel
Johnston
McGee
Metcalf
Stevenson
Thurmond
Tunney

So the bill (S. 200) was passed, as follows:

S. 200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Protection Act of 1975".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; that regulations have been adopted and statutes have been enacted by the Federal Government without first securing available information as to the estimated costs and benefits of such regulations and statutes; and that vigorous representation and protection of the interests of consumers are essential to the fair and efficient functioning of a free market economy. Each year, as a result of this lack of effective representation before Federal agencies and courts, consumers suffer personal injury, economic harm, and other adverse consequences in the course of acquiring and using goods and services available in the marketplace. Federal programs which fail to provide benefits that are commensurate with the costs thereof may be a factor in the economic problems of the United States.

(b) The Congress therefore declares that—

(1) A governmental organization to represent the interests of consumers before Federal agencies and courts could help the agencies in the exercise of their statutory responsibilities in a manner consistent with the public interest and with effective and responsive government. It is the purpose of this Act to protect and promote the interests of the people of the United States as consumers of goods and services which are made available to them through commerce or which affect commerce by so establishing an independent Agency for Consumer Advocacy.

(2) It is the purpose of the Agency for Consumer Advocacy to represent the interests of consumers before Federal agencies and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the interests of consumers. The authority of the Agency to carry out this purpose shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

(3) It is the purpose of this Act to promote protection of consumers with respect to the—

(A) safety, quality, purity, potency, healthfulness, durability, preference, reparability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

(B) preservation of consumer choice and a competitive market;

(C) price and adequacy of supply of goods and services;

(D) prevention of unfair or deceptive trade practices;

(E) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

(F) furnishing of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit;

(G) protection of the legal rights and remedies of consumers; and

(H) providing of estimates of the costs and benefits of programs and activities established by Federal Government regulations and legislation.

(4) It is the purpose of section 24 of this Act to establish a means for estimating in advance the costs and benefits of Federal legislation or rules that have substantial economic impact, and to prevent the adoption of Government programs which entail unreasonable or excessive costs.

(5) This Act should be so interpreted by the executive branch and the courts so as to implement the intent of Congress to protect and promote the interests of consumers, and to achieve the foregoing purposes.

ESTABLISHMENT

SEC. C. (a) There is hereby established as an independent agency of the United States within the executive branch of the Government the Agency for Consumer Advocacy. The Agency shall be directed and administered by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, for a term coterminous with the term of the President, not to exceed four years. The Administrator shall be an individual who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers. There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, powers, and duties as may be prescribed from time to time by the Administrator and shall act for, and exercise the powers of, the Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator. On the expiration of his term, the Administrator shall continue in office until he is reappointed or his successor is appointed and qualifies. The Administrator may be removed by the President for inefficiency, neglect of duty or malfeasance in office.

(b) No employee of the Agency while serving in such position may engage in any business, vocation, other employment, or have other interests, inconsistent with his official responsibilities.

(c) There shall be in the Agency a General Counsel who shall be appointed by the Administrator.

(d) The Administrator is authorized to appoint within the Agency not to exceed five Assistant Administrators.

POWERS AND DUTIES OF THE ADMINISTRATOR

SEC. 4. (a) The Administrator shall be responsible for the exercise of the powers and the discharge of the duties of the Agency, and shall have the authority to direct and supervise all personnel and activities thereof.

(b) In addition to any other authority conferred upon him by this Act, the Administrator is authorized, in carrying out his functions under this Act, to—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for Grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) appoint advisory committees composed of such private citizens, including consumers and business representatives, and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act, and pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees or otherwise serving at the request of the Administrator compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants: *Provided,* That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Administrator may prescribe;

(4) promulgate, in accordance with the applicable provisions of the Administrative Procedure Act, title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act, and assure fairness to all persons affected by the Agency's actions, and to delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, on such terms as the Administrator may deem appropriate, with any agency or instrumentality of the United States, with any State, or any political subdivision thereof, or with any person;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of

section 3679(b) of the Revised Statutes (31 U.S.C. (b));

(8) adopt an official seal, which shall be judicially noticed;

(9) establish such regional offices as the Administrator determines to be necessary to serve the interests of consumers;

(10) conduct conferences and hearings and otherwise secure data and expression of opinion;

(11) accept unconditional gifts or donations of services, money or property, real, personal. or mixed, tangible or intangible;

(12) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(13) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) Upon request made by the Administrator, each Federal agency is authorized and directed to make its services, personnel, and facilities available to the greatest practicable extent within its capability to the Agency in the performance of its functions. An agency shall not be required to provide such services, personnel, or facilities to the Administrator where to do so would seriously affect in an adverse manner the agency's ability to carry out its responsibilities, including any responsibility the agency has to protect the public health or safety.

(d) The Administrator shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include a description and analysis of—

(1) the activities of the Agency, including its representation of the interests of consumers before Federal agencies and Federal courts;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Agency by other Federal agencies in carrying out the purposes of this Act.

(4) the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers, and the prospective results of alternative consumer protection programs;

(5) the appropriation by Congress for the Agency, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Agency for each of the next three fiscal years; and

(6) the extent of participation by consumers in Federal agency activities, and the effectiveness of the representation of consumers before Federal agencies, together with recommendations for new legislation, new budget authority for the Agency, and administrative actions to deal with problems discussed in the report, to protect and represent the interests of consumers more effectively, and to carry out the purposes of this Act.

FUNCTIONS OF THE AGENCY

SEC. 5. (a) The Agency shall, in the performance of its functions, advise the Congress and the President as to matters affecting the interests of consumers; and shall protect and promote the interests of the people of the United States as consumers of goods and services made available to them through the trade and commerce of the United States.

(b) The functions of the Administrator shall be to—

(1) represent the interests of consumers before Federal agencies and courts to the extent authorized by this Act;

(2) conduct and support research, studies, and testing to the extent authorized in section 9 of this Act;

(3) submit recommendations annually to the Congress and the President on measures to improve the operation of the Federal Government in the protection and promotion of the interests of consumers;

(4) obtain information and publish and distribute material developed in carrying out his responsibilities under this Act in order to inform consumers of matters of interest to them, to the extent authorized in this Act;

(5) receive, transmit to the appropriate agencies and persons, and make publicly available consumer complaints to the extent authorized in section 7 of this Act.

(6) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal agencies;

(7) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(8) keep the appropriate committees of Congress fully and currently informed of all the Agency's activities, when asked or on his own initiative;

(9) publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(10) encourage the adoption and expansion of effective consumer education programs;

(11) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(12) encourage the development of informal dispute settlement procedures involving consumers;

(13) encourage meaningful participation by consumers in the activities of the Agency;

(14) promote the consumer interests of farmers in obtaining a full supply of goods and services at a fair and equitable price;

(15) coordinate its activities with the activities of other executive departments and agencies with respect to consumers; and

(16) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

REPRESENTATION OF CONSUMERS

SEC. 6. (a)(1) Whenever the Administrator determines that the result of any Federal agency proceeding or activity may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers, as provided in paragraph (2) or (3) of this subsection. In any proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The Administrator shall comply with Federal agency statutes and rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with laws and agency rules of procedure of general applicability governing the conduct thereof. The intervention or participation of the Administrator in any Federal agency proceeding or activity shall not affect the obligation of the Federal agency conducting such proceeding or activity to assure procedural fairness to all participants.

(2) Whenever the Administrator determines that the result of any Federal agency proceeding which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice, or which is conducted on the record after opportunity for any agency hearing, or which provides for public notice and opportunity for comment, may substantially affect an interest of consumers, he may as of right intervene as a party or otherwise participate for the purpose of representing an interest of consumers in such proceeding.

(3) With respect to any Federal agency proceeding not covered by paragraph (2) of this subsection, or any other Federal agency activity, which the Administrator determines may substantially affect an interest of consumers, the Administrator may participate by presenting written or oral submissions, and the Federal agency shall give full consideration to such submissions of the Administrator. Such submissions shall be presented in an orderly manner and without causing undue delay. Such submission need not be simultaneous with that of any other person.

(b) At such time as the Administrator determines to intervene or participate in a Federal agency proceeding under subsection (a)(2) of this section, he shall issue publicly a written statement setting forth his findings under subsection (a)(1), stating concisely the specific interest of consumers to be protected. Upon intervening or participating he shall file a copy of his statement in the proceeding.

(c) To the extent that any person, if aggrieved, would by law have such right, the Administrator shall have the right, in accordance with the following provisions of this subsection, to initiate or participate in any Federal court proceeding involving a Federal agency action—

(1) The Administrator may, as of right, and in the manner prescribed by law, initiate any civil proceeding in a Federal court which involves the review of a Federal agency action that the Administrator determines may substantially affect an interest of consumers. If the Administrator did not intervene or otherwise participate in the Federal agency proceeding or activity out of which such agency action arose, the Administrator, before initiating a proceeding to obtain judicial review, shall petition such agency for rehearing or reconsideration thereof, if the statutes or rules governing such agency specifically authorize rehearing or reconsideration. Such petition shall be filed within sixty days after the Federal agency action involved, or within such longer period as may be allowed by applicable procedures. The Administrator may immediately initiate a judicial review proceeding if the Federal agency does not finally act upon such petition within sixty days after the filing thereof, or at such earlier time as may be necessary to preserve the Administrator's right to obtain effective judicial review of the Federal agency action. Where the Administrator did not intervene or otherwise participate in a Federal agency proceeding or activity, the Administrator shall not be permitted to initiate a judicial proceeding with respect to such agency proceeding or activity unless the court shall first have determined that initiation of such a proceeding by the Administrator would advance the interests of justice. In advance of the initiation of such a proceeding by the Administrator, he shall file a statement setting forth the reasons why he did not intervene or otherwise participate in the Federal agency proceeding or activity out of which the contemplated judicial proceeding arises, for the court's consideration in connection with its determination whether the initiation of such judicial proceeding would advance the interests of justice.

(2) The Administrator may, as of right, and in the manner prescribed by law, intervene or otherwise participate in any civil

proceeding in a Federal court which involves the review or enforcement of a Federal agency action that the Administrator determines may substantially affect an interest of consumers.

(3) The initiation or other participation of the Administrator in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.

(d) When the Administrator determines it to be in the interest of consumers, he may request the Federal agency concerned to initiate such proceeding, or to take such other action, as may be authorized by law with respect to such agency. If the Federal agency fails to take the action requested, it shall promptly notify the Administrator of the reasons therefor and such notification shall be a matter of public record.

(e) Appearances by the Agency under this Act shall be in its own name and shall be made by qualified representatives designated by the Administrator.

(f) In any Federal agency proceeding in which the Administrator is intervening or participating pursuant to subsection (a)(2) of this section, the Administrator is authorized to request the Federal agency to issue, and the Federal agency shall, on a statement or showing (if such statement or showing is required by the Federal agency's rules of procedure) of general relevance and reasonable scope of the evidence sought, issue such orders, as are authorized by the Federal agency's statutory powers, for the copying of documents, papers, and records, summoning of witnesses, production of books and papers, and submission of information in writing.

(g) The Administrator is not authorized to intervene or participate in proceedings or activities of State or local agencies and State courts, or to engage directly or indirectly in lobbying activities before State or local agencies, or the Congress, in the manner prohibited by section 1913 of title 18, United States Code.

(h) Nothing in this section shall be construed to prohibit the Administrator from communicating with, or providing information requested by any Federal, State, or local agencies and State courts at any time and in any manner consistent with law or agency rules.

(i) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers. Each Federal agency shall issue rules determining the circumstances under which the Administrator may be allowed to make simultaneous submissions under subsection (a)(3) of this section. Any additional rules adopted pursuant to the requirements of this subsection shall be published in proposed and final form in the Federal Register.

(j) The Administrator is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. The Administrator shall notify the principal sponsors of any such petition within a reasonable time after receipt of any such petition of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If the Administrator declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

(k) The Administrator may not intervene or otherwise participate in any Federal agency proceeding or activity or in any civil proceeding in a Federal court, if such intervention, initiation, or participation is intended to restrict or limit, or have the effect of restricting or limiting, the manufacture, sale, or possession of firearms, antique firearms, ammunition, or components of ammunition. As used in this paragraph, "firearm" means any firearm as defined in section 921(a)(3) of title 18 of the United States Code. As used in this paragraph, "antique firearm" shall mean any antique firearm as defined in section 921(a)(16) of title 18 of the United States Code. As used in this paragraph, "ammunition" means any ammunition, or components of ammunition, including fixed cartridges and shells, primers, bullets, propellants, cartridge cases, and shells designed for use in any firearm. As used in this paragraph, "ammunition, or components of ammunition", shall also mean commercially manufactured blackpowder, percussion caps, safety and pyrotechnic fuses quills, quick and slow matches and friction primers, intended to be used solely for sporting, recreation, or cultural purposes in antique firearms as defined in section 921 (a)(16) of title 18 of the United States Code, or in antique devices as exempted from the term "destructive device" in section 921 (a)(4) of title 18 of the United States Code.

CONSUMER COMPLAINTS

SEC. 7. (a) Whenever the Administrator receives from any person any complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a State or Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to any Federal, State, or local agency which has the authority to enforce any relevant law or to take appropriate action. Federal agencies shall keep the Administrator informed to the greatest practicable extent of any action which they are taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Administrator shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) The Administrator shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all consumer complaints of any significance which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless the Administrator, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to take with respect to the complaint;

(3) the complainant's identity is to be protected when he has requested confidentiality. Whenever the complainant requests that his identity be protected, the Administrator shall place an appropriate designation on the complaint before making it available to the public;

(4) no unsigned complaints shall be placed in the public documents room.

CONSUMER INFORMATION AND SERVICES

SEC. 8. (a) In order to carry out the purposes of this Act the Administrator shall develop on his own initiative, and, subject to the other provisions of this Act, gather from other Federal agencies and non-Federal sources, and disseminate to the public in such manner, at such times, and in such form as he determines to be most effective, information, statistics, and other data including, but not limited to matter concerning—

(1) the functions and duties of the Agency;

(2) consumer products and services;

(3) problems encountered by consumers generally, including annual reports on interest rates and commercial and trade practices which may adversely affect consumers; and

(4) notices of Federal hearings, proposed and final rules and orders, and other pertinent activities of Federal agencies that affect consumers.

(b) All Federal agencies which, in the judgment of the Administrator, possess information which would be useful to consumers are authorized and directed to cooperate with the Administrator in making such information available to the public.

STUDIES

SEC. 9. The Administrator is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interest of consumers.

INFORMATION GATHERING

SEC. 10. (a)(1) The Administrator is authorized, to the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, to obtain data by requiring any person engaged in a trade, business, or industry which substantially affects interstate commerce and whose activities he determines may substantially affect an interest of consumers, by general or specific order setting forth with particularity the consumer interest involved and the purposes for which the information is sought, to file with him a report or answers in writing to specific questions concerning such activities and other related information. Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subject to its provisions. The Comptroller General shall, prior to issuance of any request for information pursuant to this section by the Administrator, promptly review such requests to assure that it does not impose an undue burden upon persons receiving such request. In the event the Comptroller General determines that the Administrator's request for information shall impose an undue burden upon the person receiving such request, the Comptroller General and the Administrator shall make every reasonable effort to modify such request so as to alleviate such burden prior to issuance of said request.

(2) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record; or

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any agency proceeding against the person to whom the interrogatory is addressed if the proceeding is pending at the time the interrogatory is requested.

(3) In the event of noncompliance with any interrogatories or requests submitted to any person by the Administrator pursuant to paragraph (1), any district court of the United States within the juridiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Administrator. The district court of the United States shall issue such an order upon petition by the Administrator or on a motion to quash, and upon the Administrator's carrying the burden of proving in court that such order is for information that may substantially affect the health or safety of consumers or may be necessary in the discovery of consumer fraud or substantial economic injury to consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory or request is addressed shows that answering such interrogatory or request will be unnecessarily or excessively burdensome.

(4) The Administrator shall not have the power to require the production or disclosure of any data or other information under this subsection from any small business. For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $7,500,000; or does not have net worth in excess of $2,500,000; or at the time of proposed discovery by the Administrator does not have more than the equivalent of one hundred and fifty full-time employees. Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data or information. Notwithstanding this paragraph, the Administrator shall have the power, pursuant to paragraph (1), to obtain information from a small business if necessary to prevent imminent and substantial danger to the health or safety of consumers and the Administrator has no other effective means of action.

(b) Upon written request by the Administrator, each Federal agency is authorized and directed to furnish or allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy and prosecutorial recommendations by Federal agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions which is not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions;

(6) information which would disclose the financial condition of individuals in section 552(b)(4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Administrator, for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of the agency's function.

Before granting the Administrator access to trade secrets and commerical or financial information described in section 552(b)(4) of title 5, United States Code, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall, notwithstanding section 21(b), afford him a reasonable opportunity, not to exced ten working days after receipt of such notice, to comment or seek injunctive relief. Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed. Where access to information is denied to the Administrator by a Federal agency pursuant to this subsection, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

(c) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954 (26 U.S.C. 7213), nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator, solely from an income tax return, the amount or source of income, profits, losses, expenditures, or any particular thereof, or to permit any Federal income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, or copy thereof, or any book containing any abstracts or particulars thereof, to be seen or examined by the Administrator, except as provided by law.

LIMITATION OF DISCLOSURES

SEC. 11. (a) Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by any officer or employee of the Agency.

(b) No officer or employee of the Agency shall disclose to the public or to any State or local agency any information which was received solely from a Federal agency when such agency has notified the Administrator that the information is within the exceptions stated in section 552(b) of title 5, United States Code, and the Federal agency has determined that the information should not be made available to the public; except that if such Federal agency has specified that such information may be disclosed in a particular form or manner, such information may be disclosed in such form or manner.

(c) The following additional provisions shall govern the release of information by the Administrator pursuant to any authority conferred by this Act, except information released through the presentation of evidence in a Federal agency or court proceeding pursuant to section 6—

(1) The Administrator, in releasing information concerning consumer products and services, shall determine that (A) such information, so far as practicable, is accurate, and (B) no part of such information is prohibited from disclosure by law. The Administrator shall comply with any notice by a Federal agency pursuant to section 11(b) that the information should not be made available to the public or should be disclosed only in a particular form or manner.

(2) In the dissemination of any test results or other information which directly or indirectly disclose product names, it shall be made clear that (A) not all products of a competitive nature have been tested, if such is the case, and (B) there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

(3) Notice of all changes in, or any additional information which would affect the fairness of information previously disseminated to the public shall be promptly disseminated in a similar manner.

(4)(A) Where the release of information is likely to cause substantial injury to the reputation or good will of a person, the Administrator shall notify such person of the information to be released and afford him a reasonable opportunity, not to exceed ten working days after receipt of such notice, to comment or seek injunctive relief, unless immediate release is necessary to protect the health or safety of the public. Whenever notice is served by mail, such notice shall be considered to be received three days after the date on which it is mailed. The district courts of the United States shall have jurisdiction over any action brought for injunctive relief under this subsection, or under section 10(b)(7).

(B) Nothing in this paragraph shall affect the rights of the public to obtain information under section 552 of title 5, United States Code.

(d) In any suit against the Administrator to obtain information pursuant to the provisions of section 552 of title 5, United States Code, where the sole basis for the refusal to produce the information is that another Federal agency has specified that the documents not be disclosed in accordance with the provisions of subsection (b) of this section, the other Federal agency shall be substituted as the defendant, and the Administrator shall thereafter have no duty to defend such suit.

NOTICE

SEC. 12. (a) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by the Administrator, notify him of any proceeding or activity at such time as public notice is given.

(b) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon specific request by the Administrator, promptly provide him with—

(1) a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concerning such subject; and

(2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency and which would facilitate the Administrator's timely and effective intervention or participation under section 6 of this Act.

(c) Nothing in this section shall affect the authority or obligations of the Administrator or any Federal agency under section 10(b) of this Act.

SAVINGS PROVISIONS

SEC. 13. (a) Nothing in this Act shall be construed to affect the duty of the Administrator of General Services to represent the interests of the Federal Government as a consumer pursuant to section 201(a)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(4)).

(b) Nothing in this Act shall be construed to relieve any Federal agency of any responsibility to protect and promote the interests of consumers.

(c) Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the Administrator as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

(d) Nothing in this Act shall be construed to affect the duty of the Small Business Administration to aid, counsel, assist, and protect the interests of small business concerns, pursuant to section 631(a) of the Small Business Act of 1958 (15 U.S.C. 631(a)), and the Small Business Administration remains the sole executive advocate for the interests of small business concerns.

DEFINITIONS

SEC. 14. As used in this Act, unless the context otherwise requires—

(1) "Administrator" means the Administrator of the Agency for Consumer Advocacy;

(2) "Agency" means the Agency for Consumer Advocacy;

(3) "agency action" includes the whole or part of an agency "rule," "order," "license," "sanction," "relief," as defined in section 551 of title 5, United States Code, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency process, or phase thereof, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal;

(5) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing", as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, agricultural, or household purposes;

(8) "Federal agency" or "agency" means "agency" as defined in section 551 of title 5, United States Code. The term shall include the United States Postal Service, the Postal Rate Commission, and any other authority of the United States which is a corporation and which receives any appropriated funds, and, unless otherwise expressly provided by law, and Federal agency established after the date of enactment of this Act, but shall not include the Agency for Consumer Advocacy;

(9) "Federal court" means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the Virgin Islands, the United States Customs Court, the United States Court of Customs and Patent Appeals, the United States Tax Court, and the United States Court of Claims:

(10) "individual" means a human being;

(11) "interest of consumers" means any health, safety, or economic concern of consumers, including but not limited to the factors enumerated in section 2(b)(3), involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

(12) "participation" includes any form of submission;

(13) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(14) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(15) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

CONFORMING AMENDMENT

SEC. 15. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Administrator, Agency for Consumer Advocacy."

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(100) Deputy Administrator, Agency for Consumer Advocacy."

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(135) General Counsel, Agency for Consumer Advocacy.

"(136) Assistant Administrators, Agency for Consumer Advocacy (5)."

EXEMPTIONS

SEC. 16. (a) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the military weapons program of the Energy Research and Development Administration, to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113), or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

(b) Nothing in this Act shall be construed to authorize the Administrator to intervene or participate in any proceeding or activity directly affecting producers of livestock, poultry, agricultural crops, or raw fish products, including, but not limited to, such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loan, and payment programs; Public Law 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds.

(c) Notwithstanding the preceding provisions of this Act, the Administrator shall not intervene in any agency or judicial proceeding or activity with respect to the grant or enforcement of any right-of-way, permit, lease, or other authorization that is necessary for, or related to, the routing or construction of any oil or natural gas pipeline system located in whole or in part in the State of Alaska, or the enforcement of any environmental law relating to routing or construction of any oil or natural gas pipeline located in whole or in part in the State of Alaska.

SEX DISCRIMINATION

SEC. 17. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a person alleging discrimination.

FAIRNESS FOR SMALL BUSINESS

SEC. 18. (a) It is the sense of the Congress that small business enterprises should have their varied needs considered by all levels of government in the implementation of the procedures provided for throughout this Act, including section 24 of the Act.

(b)(1) In order to carry out the policy stated in subsection (a), the Small Business Administration (A) shall to the maximum extent possible provide small business enterprises with full information concerning the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various agencies in connection with such provisions, and (B) shall, as part of its annual report, provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(2) To the extent feasible, the Administrator shall seek the views of small business in connection with establishing the Agency's priorities, as well as the promulgation of rules implementing this Act.

(3) In administering the programs provided for in this Act, the Administrator shall respond in an expeditious manner to the views, requests, and other filings by small business enterprises.

(4) In implementing this Act, the Administrator shall, insofar as practicable, treat all businesses, large or small, in an equitable fashion; due consideration shall be given to the unique problems of small business so as not to discriminate or cause unnecessary hardship in the administration or implementation of the provisions of this Act.

(5) For the purposes of this section, the term "small business" shall have the same meaning as provided in section 10(a)(4) of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 19. There are authorized to be appropriated to carry out the provisions of this Act, except section 24, not to exceed $8,500,000 for the period from the date of enactment to September 30, 1976, not to exceed $15,000,000 for the fiscal year ending September 30, 1977, not to exceed $20,000,000 for the fiscal year ending September 30, 1978, and not to exceed $25,000,000 for the fiscal year ending September 30, 1979. Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning October 1, 1979, shall be referred in the Senate to the Committee on Government Operations and to the Committee on Commerce.

EVALUATION BY THE COMPTROLLER GENERAL

SEC. 20. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act by the Agency for Consumer Advocacy.

(b) Not less than thirty months nor more than thirty-six months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a), which shall contain, but not be limited to, the following:

(1) an evaluation of the effectiveness of the Agency's consumer representation activities;

(2) an evaluation of the effect of the activities of the Agency on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;

(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives of this Act as set forth in section 2.

(c) Copies of the report shall be furnished to the Administrator of the Agency for Consumer Advocacy, the chairmen of the Senate Committees on Commerce and on Government Operations, and the chairman of the Committee on Government Operations of the House of Representatives.

(d) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by the Agency shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.

MISCELLANEOUS PROVISIONS

SEC. 21. (a) Nothing in this Act could be construed to limit the discretion of any Federal agency or court, within its authority, including a court's authority under rule 24 of the Federal Rules of Civil Procedure, to grant the Administrator additional participation in any proceeding or activity to the extent that such additional participation may not be as of right, or to provide additional notice to the Administrator concerning any agency proceeding or activity.

(b) (1) No act or omission by the Administrator or any Federal agency relating to the Administrator's authority under sections 6 (a), (d), (f), (i), and (j), 7, 10, 11, and 12 of this Act shall affect the validity of an agency action or be subject to judicial review: *Provided,* That—

(A) the Administrator may obtain judicial review to enforce his authority under sections 6 (a), (d), (f), (i), and (j), 10, and 12 of this Act: *Provided,* That he may obtain judicial review of the Federal agency determination under section 6(f) of this Act only after final agency action and only to the extent that such determination affected the validity of such action;

(B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

(C) any person who is substantially and adversely affected by the Administrator's action pursuant to section 6(f), 10(a), or 11 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

(2) For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect an interest of consumers or that his intervention in any proceeding is necessary to represent adequately an interest of consumers shall be deemed not to be a final agency action.

(3) The Administrator's determination, pursuant to subsections 6(a)(2), 6(a)(3), and 6(d), that an agency action may substantially affect an interest of consumers shall be subject to review during judicial review of a final agency action.

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 22. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Agency and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Agency.

(b) (1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to this section shall be without reduction in classification or compensation for one year after such transfer.

PUBLIC PARTICIPATION

SEC. 23. (a) After reviewing its statutory authority and rules of procedure, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

(1) petition the agency for action;

(2) receive notice of agency proceedings;

(3) file official complaints (if appropriate) with the agency;

(4) obtain information from the agency; and

(5) participate in agency proceedings for the purpose of representing their interests. Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner that is designed to inform, and that is able to be understood by, the general public.

COST AND BENEFIT ASSESSMENT STATEMENTS

SEC. 24. (a) In furtherance of the purpose and policy of section 2(b)(4) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact, for the agency's consideration in connection with the promulgation of such rules. Each such statement shall be short and concise and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule. Before releasing any cost and benefit assessment statement to the public, such agency shall transmit to the Comptroller General such assessment and any appendix there to which indicates the assumption made regarding the means and attendant costs of compliance with the proposed rule including any manufacturers' costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

(c) Each such agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extensions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, shall furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United State Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code, and other applicable law.

(f) The President shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Office of Management and Budget, the General Accounting Office, and the Agency for Consumer Advocacy. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93-637 (88 Stat. 2193; 15 U.S.C. 57a (b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act, and shall issue regulations implementing this subsection within one hundred and eighty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 14 of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code;

(2) the term "legislation" or "law" means a statute of the United States or any amendment thereto;

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such nonquantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action; and

(4) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section. The Comptroller General shall, if he determines that the assumptions contained in any statement submitted to it pursuant to subsection (a) of this section are inaccurate, incomplete, or unjustified so report to the committees of the Senate and House of Representatives having jurisdiction over any Federal department or agency that prepared such statement.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency responsible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section. There are authorized to be appropriated to carry out the provisions of this section not to exceed $2,000,000 for each of the fiscal years 1976, 1977, and 1978.

BUDGET REPORTS

SEC. 25. (a) The Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall each transmit annually to the Congress a report containing an estimate of the amount of funds expected to be allocated for each fiscal year to any office representing consumer interests located within any department or agency other than the Agency for Consumer Advocacy.

(b) Such estimate shall be included in any committee report accompanying any bill making appropriations for the Agency for Consumer Advocacy.

EFFECTIVE DATE

SEC. 26. (a) This Act, other than section 24 of this Act, shall take effect on January 1, 1976, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 27. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 200.

Mr. PERCY. Mr. President, this is a satisfying and landmark day for the consumers of this country. Not only has the Senate at last passed the bill to create a consumer agency, but it has done so in decisive fashion.

The creation of this agency is the first priority of those who have fought for a better deal for American consumers—those men and women who buy the products and pay the bills.

I think the President and others who have been hesitant about the bill will read the overwhelming Senate vote as a clear signal that the day of the consumer is at hand. I hope, after carefully considering the provisions of the bill as finally passed, that the President will look upon it as balanced and fair to producer and consumer alike.

The new agency will be an advocate for the consumer in the decisionmaking process of Federal departments and regulatory agencies. In the past, I have said that the consumer's voice in such deliberations has rarely been heard above a whisper. Now I trust that the new voice of the consumer will not be shrill or irresponsible, but rather firm and thoughtful.

The purpose of the consumer agency is not to be negative or harrassing. Instead it is designed to present the consumer's case in such a way that responsible businesses and government agencies can live with and applaud. I believe its most important goal will be to help restore the weakened confidence of the individual in the products he buys and the representation he receives.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, much credit belongs to many Members of the Senate and to members of the committee; but before giving credit to the members of the committee, I especially call attention to the outstanding work done by many members of our respective staffs: Dick Wegman, Matt Schneider, Paul Hoff, Mike Pertschuk, Claudia Ingram, Brian Corboy, Stuart Statler, Martha Weisz, Lyle Ryter.

They have been hard-working; they have been patient; they have been knowledgeable. I do not think any group of Senators could have been served by a more outstanding group of men and women who have given so much of their time and dedication.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. JAVITS. First, I endorse fully everything that Senator RIBICOFF has said, which is richly deserved. I think the staff will appreciate this, too.

This is one case in which the people who managed this bill and the work done on the floor really deserve that kind of staff. They worked unbelievably hard; they knew the bill; they knew the changes they wanted to make or had to make; they knew the evidence.

The staff really did perform superbly what a staff should do, which is to translate into legislative language and organization a great piece of work. It is much more sophisticated, I say to my colleague, than most of the staff praise we give.

Mr. RIBICOFF. They worked very closely with us.

I do want to take this opportunity to thank the ranking minority member, the Senator from Illinois (Mr. PERCY), and the Senator from New York (Mr. JAVITS).

Mr. LONG. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. LONG. Mr. President, I congratulate the Senator from Connecticut, the distinguished manager of the bill, for the magnificent job he did on the floor of the Senate.

As one who voted against the bill, I think it is appropriate for me to say that no one ever did a better job of managing a bill than the Senator from Connecticut did on this occasion. He was extremely effective, as he always is. Even when he found himself in difference with the other Senator, he exhibited his customary form of being opposed to amendments without being disagreeable in any respect whatever. We all admire the Senator for the magnificent job he has done in shepherding this bill through the Senate.

What the final fate of the bill will be, no one can predict at this point; but if it can be enacted, it will be because of the fantastic leadership that the Senator from Connecticut has provided for this measure.

Mr. RIBICOFF. Mr. President, I thank the chairman.

I do not want these proceedings to be finished without paying tribute to the No. 1 counter of all times in the U.S. Senate, the distinguished Senator from California (Mr. CRANSTON).

All I can say is that no man who has a tough fight on his hands could ever win that fight without ALAN CRANSTON by his side. I wish that I had his skill and his patience and the use of his black pencil and tally sheet. He is the indispensable man to victory and I comment to my colleagues that if they are ever in a tough fight, they should not start it unless they have ALAN CRANSTON by their side. I want to pay tribute to Alan for his outstanding work.

Mr. CRANSTON. I thank the Senator very very much for that comment. It was a great pleasure to work with him on this measure. I know how long he has worked. His leadership has been all that Senator LONG has said and more. I think it is tremendous what he has accomplished here, along with Senator PERCY, Senator JAVITS, and others.

Mr. RIBICOFF. I thank the Senator and I yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I too, commend the distinguished Senator from Connecticut (Mr. RIBICOFF) not only for his great skill in bringing this measure to final passage, but also for the tremendous dedication to this cause that he has demonstrated over a period of several years now.

At all times, he has demonstrated a complete understanding and shown every courtesy to other Senators, no matter whether they were in a position to support his side on a particular amendment or otherwise. It is a pleasure for a member of the leadership to work with a Senator who knows so well how to manage a bill once it is before the Senate, and who cooperates at all times with the leadership. He is most cooperative, most courteous, and most understanding.

I say, too, that I voted against this bill. I did vote for cloture and if the President should veto it and it comes before the Senate, as a member of the leadership, I shall vote to override the President's veto. I have stated my position heretofore to the distinguished manager of the bill and he full understands that.

Also, I commend the manager of the bill on the other side of the aisle, and all Senators who have participated, and certainly, members of the staff.

I join in what the distinguished senior Senator from Connecticut has said—I have said it here before—that the Senator from California (Mr. CRANSTON) is the best nose counter in the Senate. I always feel a little more confident of my own position if I find that ALAN CRANSTON is on the same side that I am on a particular issue. He, too, is a most helpful individual, and a fine team player and Senator.

Mr. CRANSTON. Will the Senator yield long enough for me to say thank you to the distinguished majority whip, who is so effective in all his ways and more? I am extremely grateful.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. RIBICOFF. I express my appreciation to the new members of the committee—Senator GLENN, who worked so hard; Senator CHILES, who made so many contributions. I want to pay special tribute to my colleague from Connecticut (Mr. WEICKER) who is a new member on this committee. He is dedicated, he is candid. We always know where he stands. He is consistent and he has made many significant contributions to this measure. His contributions in behalf of the consumer are many and a special tribute should be paid to my colleague (Mr. WEICKER) for his help—his assistance in making the passage of this bill possible.

Mr. PERCY. Mr. President, I have already commented on the yeoman work of my distinguished colleagues Mr. RIBICOFF and Mr. JAVITS, and the magnificent staff work. I think we might also pay particular tribute to those leaders of industry and organized labor, those heads of firms and corporations that have closely analyzed the provisions of this bill and have seen fit to stand up against the opinions of their own peers and forthrightly and courageously proclaim their support for this measure. We have given the names of these companies and we express deep appreciation to them.

Finally, I think we should pay great tribute to those many citizens who represent consumer interests who have worked ceaselessly with us to make this a fair, balanced measure that will serve the interest of all consumers. The Consumer Federation of America, the National Consumers League, Congress Watch, Public Citizen, and other groups have worked painfully through the years in the field to help insure that there is a balance in the legislative processes between producer and consumer. We are deeply indebted to so many of them for their patience and for their faith and for the fact that the Senate of the United States has now finally acted with their full support all the way through.

Mr. JAVITS. Will the Senator yield to me?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from New York.

Mr. JAVITS. I wish to express my deep gratitude for his association to my beloved colleague from Connecticut (Mr. RIBICOFF) and my beloved friend from Illinois (Mr. PERCY) for the consumation of this great work. I believe it is now refined to the point where it will not only become law, but where it will become a law which will be a matter of satisfaction to both the country and Congress.

There is a great expression which says that when something is everybody's business—to wit, all Government departments—it is nobody's business. I think the extraordinary gifted service rendered to the country today by the Senate through the managers of the bill has been a very, very fine achievement in the history of consumers' rights so much looked for in this country. I congratulate my colleagues, Mr. RIBICOFF and Mr. PERCY.

OVERSEAS CITIZENS VOTING RIGHTS ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar No. 115, S. 95.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 95) to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens outside the U.S.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–121), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSES

The primary purpose of the bill is to assure the right of otherwise qualified private U.S. citizens residing outside the United States to vote for President and the Congress in their State of last voting domicile even though these citizens may not be able to prove that they intend to retain that State as their domicile for other purposes.

A citizen voting under the bill must state his intent to retain his prior State as his voting residence and voting domicile for purposes of voting in Federal elections. The citizen could vote under the bill only if he has not registered to vote and is not voting in any other State or territory or possession of the United States.

The bill would implement this substantive right by the adoption of uniform absentee registration and voting procedures covering these citizens in Federal elections. One of the most important of these provisions is section 5(c) of the bill requiring election officials to mail out balloting material as promptly as possible after receipt of a properly completed application.

The bill would also assure that Federal, State, and local taxation would not in itself be a deterrent to voting in Federal elections.

The provision is not meant to create any new tax exemption for the citizen outside the United States. It is designed only to assure that he will not be subjected to any Federal, State, or local tax liability *solely* by exercising his right to register and vote absentee in Federal elections.

The committee was satisfied that American citizens outside the United States should be assured the right to vote in congressional as well as in presidential elections. It was plain from testimony in the hearings that Americans outside the United States possess both the necessary interest and the requisite information to participate in the selection of Senators and Congressmen back home.

Congress is concerned with the common legislative welfare of the entire Nation, along with the specific legislative interests of each district. There is no doubt that the local inhabitants of the district may not have the same interests as citizens outside the United States. The local citizens may be more interested in regional farm prices, the closing of a naval base, or construction of a new highway. Yet the citizen outside the United States also has his congressional interests. The citizen outside the country may be more interested, for example, in the exchange rate of the dollar, social security benefits, or the energy situation.

It is apparent, moreover, that the local citizen and the oversea citizen share a number of common national interests, such as Federal taxation, defense expenditures (for example, U.S. troops stationed overseas), inflation, and the integrity and competence of our National Government.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 95

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Overseas Citizens Voting Rights Act of 1975".

CONGRESSIONAL FINDINGS AND DECLARATIONS

SEC. 2. (a) The Congress hereby finds that in the case of United States citizens outside the United States—

(1) State and local residency and domicile requirements are applied so as to restrict or precondition the rights of such citizens to vote in Federal elections;

(2) State and local election laws are applied to such citizens so as to deny them sufficient opportunities for absentee registration and balloting in Federal elections;

(3) State and local election laws are applied in Federal elections so as to discriminate against such citizens who are not employees of a Federal or State Government agency, or who are not dependents of such employees; and

(4) Federal, State, and local tax laws are applied in some cases so as to give rise to Federal, State, and local tax liability for such citizens solely on the basis of their voting in Federal elections in a State, thereby discouraging such citizens from exercising the right to vote in Federal elections;

(b) The Congress further finds that the foregoing conditions—

(1) deny or abridge the inherent constitutional right of citizens to vote in Federal elections;

(2) deny or abridge the inherent constitutional right of citizens to enjoy their free movement to and from the United States;

(3) deny or abridge the privileges and immunities guaranteed under the Constitution to citizens of the United States and to the citizens of each State;

(4) in some instances have the impermissible purpose or effect of denying citizens the right to vote in Federal elections because of the method in which they may vote;

(5) have the effect of denying to citizens the equality of civil rights and due process and equal protection of the laws that are guaranteed to them under the fourteenth amendment to the Constitution; and

(6) do not bear a reasonable relationship to any compelling State interest in the conduct of Federal elections.

(c) Upon the basis of these findings, Congress declares that in order to secure, protect, and enforce the constitutional rights of citizens outside the United States it is necessary—

(1) to require the uniform application of State and local residency and domicile requirements in a manner that is plainly adapted to secure, protect, and enforce the right of such citizens to vote in Federal elections;

(2) to establish uniform standards for absentee registration and balloting by such citizens in Federal elections;

(3) to eliminate discrimination, in voting in Federal elections, against such citizens who are not employees of a Federal or State Government agency, and who are not dependents of such employees; and

(4) to require that Federal, State, and local tax laws be applied so as not to give rise to Federal, State, and local tax liability for such citizens solely on the basis of their voting in Federal elections in a State.

DEFINITIONS

SEC. 3. For the purposes of this Act, the terms—

(1) "Federal election" means any general, special, or primary election held solely or in part for the purpose of selecting, nominating, or electing any candidate for the office of President, Vice President, Presidential elector, Member of the United States Senate, Member of the United States House of Representatives, Delegate from the District of Columbia, Resident Commissioner of the Commonwealth of Puerto Rico, Delegate from Guam, or Delegate from the Virgin Islands;

(2) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands;

(3) "United States" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands, but does not include American Samoa, the Canal Zone, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States; and

(4) "citizen outside the United States" means a citizen of the United States residing outside the United States whose intent to return to his State and election district of last domicile may be uncertain, but who does intend to retain such State and election district as his voting residence and domicile for purposes of voting in Federal elections and has not established a domicile in any other State or any other territory or possession of the United States, and who has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State.

RIGHT OF CITIZENS RESIDING OVERSEAS TO VOTE IN FEDERAL ELECTIONS

SEC. 4. No citizen outside the United States shall be denied the right to register for, and to vote by, an absentee ballot in any State, or election district of a State, in any Federal election solely because at the time of such election he does not have a place of abode or other address in such State or district, and his intent to return to such State or district may be uncertain, if—

(1) he was last domiciled in such State or district prior to his departure from the United States;

(2) he has complied with all applicable State or district qualifications and requirements concerning registration for, and voting, by, absentee ballots (other than any qualification or requirement which is inconsistent with this Act);

(3) he intends to retain such State or district as his voting residence and voting domicile for purposes of voting in Federal elections;

(4) he does not maitain a domicile, and is not registered to vote and is not voting in any other State or election district of a State or territory or in any territory or possession of the United States; and

(5) he has a valid Passport or Card of Identity and Registration issued under the authority of the Secretary of State.

ABSENTEE BALLOTS FOR FEDERAL ELECTIONS

SEC. 5. (a) Each State shall provide by law for the registration or other means of qualification of all citizens outside the United States and entitled to vote in a Federal election in such State pursuant to section 4 who apply, not later than thirty days immediately prior to any such election, to vote in such election.

(b) Each State shall provide by law for the casting of absentee ballots for Federal elections by all citizens outside the United States who—

(1) are entitled to vote in such State pursuant to section 4;

(2) have registered or otherwise qualified to vote under section 5(a);

(3) have submitted properly completed applications for such ballots not later than seven days immediately prior to such election; and

(4) have returned such ballots to the appropriate election official of such State not later than the time of closing of the polls in such State on the day of such election.

(c) In the case of any such properly completed application for an absentee ballot received by a State or election district, the appropriate election official of such State or district shall as promptly as possible, and in any event, no later than—

(1) seven days after receipt of such a properly completed application, or

(2) seven days after the date the absentee ballots for such election have become available to such official,

whichever date is later, mail the following by airmail to such citizen:

(A) an absentee ballot;

(B) instructions concerning voting procedures; and

(C) an airmail envelope for the mailing of such ballot.

(d) Such absentee ballots, envelopes, and voting instructions provided pursuant to this Act and transmitted to citizens outside the United States, whether individually or in bulk, shall be free of postage to the sender including airmail postage, in the United States mail.

(e) Ballots executed by citizens outside the United States shall be returned by priority airmail wherever practicable, and such mail may be segregated from other forms of mail and placed in special bags marked with special tags printed and distributed by the Postal Service for this purpose.

ENFORCEMENT

SEC. 6. (a) Whenever the Attorney General has reason to believe that a State or election district undertakes to deny the right to register or vote in any election in violation of section 4 or fails to take any action required by section 5, he may institute for the United States, or in the name of the United States, an action in a district court of the United States, in accordance with sections 1391 through 1393 of title 28, United States Code, for a restraining order, a preliminary or permanent injunction, or such other order as he deems appropriate.

(b) Whoever shall deprive or attempt to deprive any person of any right secured by this Act shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(c) Whoever knowingly or willfully gives false information as to his name, address, or period of residence for the purpose of establishing his eligibility to register, qualify, or vote under this Act, or conspires with another individual for the purpose of encouraging the giving of false information in order to establish the eligibility of any individual to register, qualify, or vote under this Act, or pays or offers to pay or accepts payment either for registration to vote or for voting shall be fined not more than $10,000, or imprisoned not more than five years, or both.

SEVERABILITY

SEC. 7. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected.

EFFECT ON CERTAIN OTHER LAWS

SEC. 8. (a) Nothing in this Act shall—

(1) be deemed to require registration in any State or election district in which registration is not required as a precondition to voting in any Federal election, or

(2) prevent any State or election district from adopting or following any voting practice which is less restrictive than the practices prescribed by this Act.

(b) The exercise of any right to register or vote in Federal elections by any citizen outside the United States, and the retention by him of any State or district as his voting residence or voting domicile solely for this purpose, shall not affect the determination of his place of residence or domicile for purposes of any tax imposed under Federal, State, or local law.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. (a) Section 2401(c) of title 39, United States Code (relating to appropriations for the Postal Service) is amended—

(1) by inserting after "title" a comma and the following: "the Overseas Citizens Voting Rights Act of 1975,"; and

(2) by striking out "Act." at the end and inserting in lieu thereof "Acts.".

(b) Section 3627 of title 39, United States Code (relating to adjustment of Postal Service rates) is amended by striking out "or under the Federal Voting Assistance Act of 1955" and inserting in lieu thereof "under the Federal Voting Assistance Act of 1955, or under the Overseas Citizens Voting Rights Act of 1975,".

EFFECTIVE DATE

SEC. 10. The provisions of this Act shall take effect with respect to any Federal election held on or after January 1, 1976.

ORDER FOR RECESS TO 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF MR. PERCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. PERCY be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 1661 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of Mr. PERCY's remarks tomorrow, the Senate proceed to the consideration of S. 1661, a bill to enable the United States to render assistance to or on behalf of certain migrants and refugees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I ask the Chair, is the refugee appropriation bill ready?

The PRESIDING OFFICER. It has been reported.

Mr. ROBERT C. BYRD. Very well.

The PRESIDING OFFICER. It is on the calendar.

Mr. ROBERT C. BYRD. Is it on the calendar?

The PRESIDING OFFICER. It will be on tomorrow's calendar.

Mr. ROBERT C. BYRD. Very well.

I ask unanimous consent, Mr. President, that upon the disposition of the refugee authorization bill the Senate proceed to the consideration of the refugee appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM CLOSE OF BUSINESS TOMORROW TO 11 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 11 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM DAY TO DAY

Mr. ROBERT C. BYRD. The purpose I ask unanimous consent that when the Senate completes its business each day over the period of the next week and the first week following the recess it stand in recess until the appropriate convening hour for the following day.

Mr. GRIFFIN. Mr. President, reserving the right to object, I wonder what the purpose of that is.

Mr. ROBERT C. BYRD. Mr. President, of that, Mr. President, is the same as the purpose has been for our continuing in a legislative day since April 21, 1975.

There is a measure, Senate Resolution 110, relating to additional committee employees, coming over under the rule that we would hope would not come up at the close of morning business at this time. It is hoped that the Committee on Rules and Administration can attend to the matter that is embraced therein without the Senate taking up this measure as coming over under the rule.

Mr. GRIFFIN. Let me say to the acting majority leader that I agree with the reasoning. However, I think that he would also agree with me that the restriction or the request could affect other Senators and their rights beyond the one measure that he is concerned about. I think I would feel a little bit more comfortable if we might take it one week at at time, at least.

Mr. ROBERT C. BYRD. Very well.

Mr. GRIFFIN. Will the acting majority leader do that?

Mr. ROBERT C. BYRD. Yes; I limit my request to next week, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 920

Mr. ROBERT C. BYRD. Mr. President, the following agreement which I shall seek unanimous consent for has been cleared with the leadership on both sides of the aisle, with the distinguished chairman of the Committee on Armed Services, and with various Senators, among whom, I believe, is the distinguished Senator from Arizona (Mr. GOLDWATER). If the Senators will permit me to proceed with this complicated request, I shall try to cover all the points that have been tentatively agreed to up to now.

Mr. President, I ask unanimous consent, with respect to the military procurement authorization bill (S. 920), that the bill be taken up, if possible, by Wednesday of next week, May 21, 1975, and no later than Thursday of next week, May 22, 1975.

That no amendments be in order during next week, but merely that debate proceed thereon.

Provided further, that on Monday, June 2, 1975, following the recess, the Senate resume consideration of the military procurement authorization bill, with no votes thereon to occur on that Monday.

Provided further, that the first vote on any amendment to that bill occur no later than 12 noon on Wednesday, June 4, 1975.

Provided further, that with paragraph 3 of rule XII being waived, a vote on passage occur no later than 6 p.m. on Friday, June 6, 1975.

Provided further, that the time for debate during Monday and Tuesday of the week following the recess, June 2 and June 3, be controlled by the Senator from Mississippi (Mr. STENNIS) and the minority leader or his designee.

Provided further, that there be a limitation on the time for debate on Monday and Tuesday of that week, June 2 and June 3, of not to exceed 10 hours.

Provided further, that beginning with Wednesday, June 4, 1975, there be a limitation on the time for debate of 8 hours, to be divided as follows: 5 hours under the control of Mr. STENNIS and 3 hours under the control of the Senator from Massachusetts (Mr. KENNEDY).

That the following amendments be called up in the order stated and under the time limitation stated with regard to each:

That on a ceiling amendment there be a 2-hour limitation, to be equally divided in accordance with the usual form.

That a possible second ceiling amendment be limited to one hour.

That an amendment labeled as a counter-force amendment be limited to 4 hours.

That it be in order to call for a live quorum on that amendment without the time for the quorum call being charged against either side.

That there be a time limitation on the Minuteman III amendment of 1½ hours.

That there be a time limitation on the site defense amendment of 1½ hours.

That there be a time limitation on the B-1 bomber amendment of 2 hours.

That there be a time limitation on the AWACS amendment of 2 hours.

That there be a time limitation on the SLCM amendment of 1 hour.

That there be a time limitation on the AABNCP amendment of 1 hour.

That there be a time limitation on the SAM-D amendment of 2 hours.

That there be a time limitation on the C-141 stretch-out amendment of 1 hour.

That there be a time limitation on the F-15 amendment of 2 hours.

That there be a time limitation on the patrol frigates amendment of 1 hour.

That there be a time limitation on the Sanguine/Seafarer amendment of 1 hour.

That there be a time limitation on the shipbuilding overruns of 1 hour.

That there be a time limitation on the war reserves for allies amendment of 1 hour.

That there be a time limitation on the overall military and civilian manpower levels amendment of 1 hour.

That there be a time limitation on the amendment providing for an increase from 13 to 16 divisions of 1 hour.

That there be a time limitation on the amendment with respect to an increase from 22 to 26 tactical air wings of 1 hour.

That there we a time limitation on the Feed and Forage Act amendment of 1 hour.

That there be a time limitation on any other amendment of 1 hour.

That there be a time limitation on any amendment to an amendment of 30 minutes.

That there be a time limitation on any debatable motion or appeal or point of order, should the Chair wish to submit such point of order to the Senate for discussion, of 20 minutes.

The time on all amendments, debatable motions, appeals, and points of order to be equally divided and controlled in accordance with the usual form.

Provided further that no amendment be in order after the hour of 6 p.m. on Wednesday, June 4, 1975, unless such amendment has been presented in writing to the desk by that hour.

Provided further that the agreement be in the usual form with the exception as to germaneness of any of the amendments that I have specified, it being my understanding that they are all germane. But if there is any question of germaneness on any one of those amendments I have specified under the agreement, that that specified amendment be in order. But beyond those amendments that have been specified here in this agreement, no amendment not germane is to be in order.

Mr. GOLDWATER. Mr. President, reserving the right to object, and I will not object, I can understand very well the difficulties that my leaders on the other side are having. I think it is very unfortunate that we have had to agree to a very complicated series of stipulations.

The President is going to attend the NATO summit meeting on May 28, and this meeting starts the 26th. In addition, he is going to go to negotiations on MBFR and the SALT talks starting on June 2.

Now here is this country, after achieving what I believe to be worldwide acclaim last night on an action by the President, going into very important negotiations, and this body will not have taken any action at all on the authorization for weapons for the coming year. I think this is wrong. I think those people who are purposely prolonging this are doing an injustice to our country and to the cause of peace across the world.

This is a matter that could be easily disposed of in 4 days, and we have indicated a willingness to do this. But this is the will of the leadership, and I recognize full well their problems, the problems of the leadership, and they have been courteous enough to discuss this with me.

Whatever personal problems that are involved with me, forget about completely, because the important thing is to get this bill passed without any serious changes.

I know attempts are going to be made to unilaterally disarm this country. I do not think there is strength in this body to do it.

I might say I am very happy to have on our side this time the Senator from California (Mr. CRANSTON) whom I recognize as a real fighter in the matter of the B-1, because that is going to be one of the most important and key votes we will take.

So I will not object to this although common sense says to do it.

Mr. JAVITS. Mr. President, reserving the right to object——

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. JAVITS. Reserving the right to object—does the Senator want me to yield to him?

Mr. STENNIS. Well, the Senator may go ahead. I shall await my time.

Mr. JAVITS. Mr. President, I shall just take a minute. I had no idea that this unanimous consent was coming up. I do not expect to object, but I see there is a hierarchy of amendments which are going to be called in order which is quite extensive.

I introduced an amendment today for printing on the manpower problems of the Armed Forces, and I would like to have it listed as one of the amendments which will be considered. I need three-quarters of an hour on my side, and whatever time Senator STENNIS would wish on his side.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished chairman of the Armed Services Committee if he has any objection to listing this amendment?

Mr. STENNIS. No, no objection.

Mr. ROBERT C. BYRD. Could we include it as the second amendment listed under the Manpower Act? Would that be agreeable?

Mr. JAVITS. I thank my colleagues very much.

I assume, because I heard the request, and I think it was a brilliant performance, the Senator will have to make it clear as to how these breakdown times for amendments are to fit into the global time on different days for debate, but I am sure he will do that.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I ask the Senator to yield to me. He may keep the floor.

Mr. ROBERT C. BYRD. Yes.

Mr. STENNIS. Mr. President, it is not a matter of personal disappointment, it is a matter of official disappointment though, that we were not able to get an agreement here to really start debate on this military authorization bill on Tuesday of next week. The voting would then take place when the wheels of the Senate had turned enough to bring about an amendment. But that matter has been fully discussed, and even though we had gotten it on the calendar, with understanding if not agreement it would have the priority for next week, it could not be carried out through unanimous consent.

I pause on that point for just a minute because the whole tone of things here all year has been to get these hearings completed on these large bills, especially those that had money figures in them, to get them considered, get them marked up, and get them reported, and to comply with the budget requirements of the Budget Committee, and the authorization bills especially to get them here on the floor and get them considered and enacted into law so that the appropriation bills could move. I know that is the general idea of the leadership.

We tried. We worked hard on this bill, which was written by the committee. I did not write it; it was written by the committee after many, many votes. Six days, I think, were required in marking it up, trying to meet the deadline, and to still have a sound bill. I think it is sound, and one, I believe, that will pass here unimpaired. I do not say that emotionally but I say that humbly because on examination it is going to be found that these very matters have been gone into thoroughly. But you have to take the next best thing you can on these agreements in a large bill. So I hope that this can be agreed to.

These amendments are listed here, and it will be of great advantage to all, I think, to know what is coming up and approximately when, and also to have the nongermane amendments left out.

All these that have been mentioned here are germane on the merits.

We can take our time and energy here and in conference on these nongermane amendments and not accomplish anything because of the House rules, if for no other reason. Also, it is going to be a great help to all to require these amendments to be filed in writing so they can really be examined by the membership and by the staff.

I think once we get matters moving and get to the voting, we will move very rapidly. There is an end time here of not later than June 6, at 6 p.m.

I want to say, in pushing this bill's passage, I, of course, was not trying to cut off anyone in debate. I was not dodging around about foreign policy.

We have had foreign policy in all these debates. One year we took seven weeks to pass the bill with no filibuster. We have had a great deal of foreign policy, and we will have it every year, although we do try to stay out of the jurisdiction of the Committee on Foreign Relations.

So I welcome the debate. I want to see how much life they have, how much suggestion they have, and if there was a resolution here, the Committee on Foreign Relations that covered these matters, I would be delighted to have it debated at the same time, as far as that is concerned. I even have a preference for a few days.

But this is an important bill in that we must pass it and I think this arrangement is the second best way we could have gotten at it.

Of course, I say this with all deference to everyone who has been working on it. The Senator from Arizona is a very valuable member of our committee and the Senate. I appreciate his attitude in foregoing an important mission he was going on representing the President of the United States. It is an important mission, especially in that capacity, but, as I understood, he is going to stay here, and I appreciate everyone's attitude of cooperation.

Under all those circumstances, I think the leadership, too, is working out all arrangements and I think it will work all right once it is voted.

Mr. ROBERT C. BYRD. Mr. President, I ask the following questions:

One, I understand that I may have misstated the request with respect to votes on amendments on Wednesday, June 4.

I stated there would be no votes on amendments on Monday, June 2; there would be no votes at all on June 2. I meant to say that votes on amendments would begin no later than 12 noon on Wednesday, June 4, which makes it possible, if the general debate has run its course prior to that time, to call up amendments and possibly have a vote on them on Tuesday, but certainly with no vote to occur on the first ceiling amendment no later than 12 noon on Wednesday.

Did I state my request?

The PRESIDING OFFICER. That is the prior statement of the Senator.

Mr. ROBERT C. BYRD. My next question is this: Did I ask that the agreement be in the usual form?

The PRESIDING OFFICER. The Senator asked the agreement to in the usual form.

Mr. ROBERT C. BYRD. Very well.

Finally, I want to be sure, because the distinguished Senator from Mississippi entered into the agreement with the understanding that the agreement would be in the usual form as to, particularly, germaneness, and also with the understanding that no amendments would be in order after 6 p.m. on Wednesday, June 4, unless they have been submitted to the desk by that time.

The PRESIDING OFFICER. The Chair would observe that the Senator from West Virginia never finally obtained a time limitation on the amendment by the Senator from New York who requested three-quarters of an hour for his side.

Mr. ROBERT C. BYRD. Yes, but first of all, I want to be sure that I locked in that part of the agreement requiring amendments, before there would be in order after 6 p.m. on Wednesday, June 4, that they be submitted to the desk for printing by the hour of 6 p.m. on that date.

The PRESIDING OFFICER. The Senator so stated.

Mr. ROBERT C. BYRD. Now, as to the amendment by the distinguished Senator from New York, I believe I understood the Senator to ask for 45 minutes on his side on that amendment.

Mr. JAVITS. Let us make it one and a half hours, unless Senator STENNIS wants less time.

Mr. STENNIS. I would be satisfied with 30 minutes. The subject matter would be up already. Make it just 30 minutes.

Mr. JAVITS. Very well, one and one-quarter hours.

Mr. ROBERT C. BYRD. One and a quarter hours, with 30 minutes allotted to Senator STENNIS and 45 to the Senator from New York.

Mr. JAVITS. I thank the Senator.

Mr. ROBERT C. BYRD. And, of course, under the agreement in the usual form, the Senator is in control of the time on general debate and he yields such time to any other Senator for any debatable motion or appeal.

Mr. STENNIS. If the Senator will yield, to be sure we understand, the general time on the bill is in the control of the respective Senators named and can be allotted in part to any other amendment.

Mr. ROBERT C. BYRD. Yes, under the agreement.

Mr. STENNIS. Very well.

Mr. ROBERT C. BYRD. Mr. President, that completes my request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I wish to thank the distinguished Senator from Mississippi for his graciousness in working out this agreement. I know it is not exactly what he wished, but still it does provide a great deal that is helpful to him in his responsibilities. The germaneness of amendments, the printed amendment requirement, and the time limit that insures we will finally conclude does contrast to a time which I recall when the Senator was compelled to be on the floor for, I think, 33 consecutive days and with great tenacity, determination, and eloquence he held forth and prevailed in most of his views.

Now, less time will be required.

I thank also the distinguished majority whip and majority leader for their cooperation in working all this out. It represents further help.

Senator KENNEDY and I are delighted at the outcome of something we have devoted a great deal of time to. I trust Senators we did not have time to reach before it was finally put together will understand that under Senator KENNEDY's control, there is time to be allocated to anybody who feels he did not get enough time for some amendments he may have in mind and more time for it than we were aware of.

Mr. KENNEDY. Mr. President, I join my colleague, Senator CRANSTON, in expressing appreciation to the leadership, to Senator MANSFIELD and Senator BYRD, for their willingness to sit down with us on a number of different occasions in the development of this proposal, and also share a sense of appreciation with the chairman of the Armed Services Committee.

All of us have enormous respect, even at the times when on occasion we do differ, for the extraordinary amount of time, deliberation, and effort that the Senator from Mississippi devotes to this legislation.

As all, I am sure understand, there is no piece of legislation that really is more important than the legislation devoted toward the security of our country. Certainly, there is no one as knowledgeable as the chairman of that committee.

It seems to me that with this agreement a number of us will attempt on both sides of the aisle to give some serious consideration to many of the basic and fundamental tenets of a defense policy and the implications of the defense policy or foreign policy and trying to provide some degree of the framework for the various different amendments which will be considered.

It is certainly our intention, I know, speaking for the Senator from California and myself and a number of other Senators who have joined us, to try over the period of the Monday and Tuesday, and perhaps as well next week when the Senate will initially consider this legislation, to enter into a full discussion about some of these basic tenets of our defense policy of this Nation in meeting our responsibilities here at home and to our allies in other parts of the world. We intend this to be a serious and thoughtful discussion. We intend to invite those who have different and divergent views to participate with us in this undertaking. We are hopeful that with this additional time we will be able to give these various amendments our best judgment and the best of our ability in developing the best and strongest possible cases for placing these amendments before the Senate for consideration and deliberation so that the Members of this body will be able to become even better informed about these measures and make their own best judgment as to what is in the security, not only the security in terms of armament but also security involving the allocations of resources of this country.

I do feel that the leadership, by framing this proposal, has really permitted an orderly way of proceeding on these different issues and grouping some of these matters which are related, which I think will be of help and assistance to the members in their consideration of these various items.

It has been the intention of Senator CRANSTON, myself, and the others that we will be able to focus on the different general issues that fall under various categories and permit discussion and debate, and then to move on into other various weapons systems, and to proceed in what we would hope would be an orderly fashion.

We are very appreciative of the support we have received from our colleagues in developing what we think is an orderly process and procedure to begin this debate and also to conduct the debate.

I believe all of us are extremely mindful that any time that we enter into a consent agreement such as this, every member of this body sacrifices some of his privilege.

We want to indicate at the outset that with the period of time that we have been allocated, the three hours, obviously we have every intention of making that time available to any of our colleagues on either side of the aisle, really on either side of the issue, if it is necessary, so that we can permit the kind of informed discussion and debate which we think is of such importance to the future of our country, and which we think is of such importance to effective legislating by this body.

Again, I thank the Chairman and thank the leadership for working out these agreements.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MANSFIELD and myself, I wish to express appreciation to the distinguished Chairman of the Committee on Armed Services (Mr. STENNIS), to the distinguished Senator from Massachusetts (Mr. KENNEDY), to the distinguished Senator from California (Mr. CRANSTON), to the distinguished minority leader (Mr. HUGH SCOTT), to the distinguished minority whip (Mr. GRIFFIN), to the distinguished Senator from Arizona (Mr. GOLDWATER), and also to all other Senators who participated in this agreement through the Senators I have named. Both sides gave a little here and gave a little there and made it possible for this agreement to be effectuated.

Again, on behalf of Mr. MANSFIELD and myself I express our personal appreciation and gratitude.

I am sure the Chair has no question concerning the agreement, or the Parliamentarian, if I may address the question through the Chair.

The PRESIDING OFFICER. The Chair is advised that the Parliamentarian has no questions.

Mr. ROBERT C. BYRD. I thank the Chair and the Parliamentarian.

RECESS UNTIL 9:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, finding no additional notes in my pockets, I move, in accordance with the previous order, if there be no further business to come before the Senate, that the Senate stand in recess until the hour of 9:45 a.m. tomorrow.

The motion was agreed to; and at 6:55 p.m. the Senate recessed until Friday, May 16, 1975, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate May 15, 1975:

RENEGOTIATION BOARD

Christoper U. Sylvester, of North Dakota, to be a member of the Renegotiation Board, vice Daniel Eldred Rinehart, resigned.

IN THE MARINE CORPS

Gen. Earl E. Anderson, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of general.

EXTENSIONS OF REMARKS

THE FLAG LADY'S TRIUMPH

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MADDEN. Mr. Speaker, it was exactly 8 years ago Friday that I brought to the attention of my colleagues a constituent of mine from Munster, Ind. Today, Mrs. Mary Lou Kieswetter is known across the breadth of our land as "The Flag Lady."

I am calling attention to her again because we will be observing, within a few days, two very important holidays—both of which will mark personal triumphs for Mrs. Kieswetter and her tireless pursuit of restoring patriotism as a way of life in America.

On May 26, we will be celebrating Memorial Day. On July 4, we will be celebrating the 199th anniversary of our Nation's birth—signaling the start of this Nation's 200th year of existence and the year-long Bicentennial observance.

Memorial Day will be an especially significant occasion for Mrs. Kieswetter who, in her efforts to instill a better sense of patriotism among her fellow citizens, founded the National Council for the Encouragement of Patriotism to achieve that purpose.

One of her council's endeavors has been to proclaim U.S. 41—a major national road which begins at the Nation's northernmost border at Copper Harbor, Mich., and winds through eight States to its end destination at Miami, Fla.—as the "Highway of Flags."

The Governor's of the eight States—Michigan, Wisconsin, Illinois, Indiana, Kentucky, Tennessee, Georgia, and Florida—have issued proclamations to that effect.

For the last several years, Mrs. Kieswetter and her organization have been raising donations to erect a monument in Highland, Ind.—one of the countless communities which are situated along the "Highway of Flags."

That memorial, built with donated money and labor, will be officially dedicated as a tribute to our Nation's banner and U.S. servicemen on Memorial Day.

The dedication ceremonies will feature Brig. Gen. David W. Winn, deputy commander of the 22d North American Air Defense Command Region. General Winn was a 5-year prisoner of war during the Vietnam war and has received numerous citations for valor while imprisoned in North Vietnam. A command pilot, he holds the Silver Star, the Distinguished Flying Cross, the Air Medal, and a Purple Heart.

A second ceremony will be conducted at the newly dedicated memorial on July 3, the eve of the anniversary of our Nation's birth. This ceremony will involve thousands of patriotic citizens living along the Highway of Flags. The project is entitled "Spirit of 1776–1976—American Unity Project 41."

The July 3 ceremony will begin shortly when a group of Boy Scouts in Copper Harbor step off the first strides of a long journey, carring a flag. A similar journey will be started in Miami Beach. At each town along the way of the two march routes, the flags will be handed over to other groups and this will be repeated until both flags are delivered at the Highway of Flags Memorial—it will be a march that will link the borders of our Nation into a single chain of patriotic expression.

These are great accomplishments for Mrs. Kieswetter. Starting out as a lone voice in the wilderness, she has demonstrated once again what a single person can perform if gifted with the proper ingredients of success—a firm dedication of purpose, an unrelenting spirit and a sense of unyielding determination.

When I first spoke about Mrs. Kieswetter 8 years ago, her son, Jim, had just gone to Vietnam. Upon his departure, she made a deep and personal reappraisal of her feelings about her country and made a commitment to patriotism. Thus began her one-woman crusade to promote the American flag as a symbol of American patriotism.

Her son served 4 years with the U.S. Navy and was sent into Vietnam waters three time. He is now married and has two children. He is employed by the Inland Steel Co. and is a part-time student at Purdue University's Calumet Campus.

She outlined her feelings in an emotional essay entitled, "You Bet I'm a Flag Waver" which has been published in numerous publications.

On the occasion of the Flag Lady's personal triumphs, I include it in the RECORD. The article follows:

YOU BET I'M A FLAG WAVER

(By Mary Lou Kieswetter)

The rat-a-tat-tat of a drummer's stick; the clash of brass cymbals; the twirling of silver batons, and a brilliantly dressed, fast stepping color guard marching down the middle of Any Street U.S.A., are the appetizers that stimulate my hungry heart for a nourishing feast of patriotism. The chemistry of my anatomy has lacked this ingredient for a near disastrous length of time and my system is suffering from "patriotic decay".

I want to feel my heart race, a mist to cloud my eyes, and the tightness of that "lump in my throat" make speaking impossible for a moment. I crave to know that good old-fashioned spirit of patriotism. Let me see visions of Betsy Ross, Washington, Jefferson, and Nathan Hale, as I watch a parade pass by.

If I become so stirred that I shout "Three cheers for the red, white and blue," don't jeer me, join me, and let the world know you're proud to be an American!

Why can't Americans let loose emotionally and allow their fervor for flag and country to ripple forth as do the red and white stripes of our beautiful American flag? Because somewhere along the curbside of every parade Americans are brainwashed into believing it "corny" to become wrapped up constitutionally with a 3 x 5 red, white and blue piece of cloth. A complacent attitude towards our fifty stars seems the socially accepted way to respond. God forgive you who have allowed this apathy to destroy our national heritage. A heritage so desired by those who conceive to destroy it, that they strive continuously to unravel our red, white and blue braid of unity and endeavor to steal our precious privilege of living free. We modern Americans take so far granted the inheritance we have been given, that we have become negligent of the realization that we have been intrusted to preserve this heritage for those yet unborn. It is an awesome responsibility.

No one is born patriotic. Patriotism must be instilled through constant introduction to the subject just as we are taught our religion. The cross and the flag are the two symbols we as Americans may still share, regardless of our race, creed, color, financial status or political views. We enter the house of worship to acknowledge our belief in God. The American flag is displayed to educate those around us that we love our country and its many freedoms.

How do we preserve our heritage for future generations? It would be simple if Mason jars could be filled and labeled with "Blood shed while the Star Spangled Banner was written" or "Tears and sweat from those who fought at Flanders Field, Corregidor and Pearl Harbor". But the accomplishments of the past cannot be bottled and placed on a shelf for the future generations to open. Our national heritage must be preserved within the capsule of the human heart with enough dedicated character to subject its overflow into our nation's young people.

Heritage is preserved through citizenry. We are citizens. We must set the example for our children to become "good citizens". The demonstration of strong faith in democracy and undivided devotion to our country must be made prevalent. The youth of our nation is Uncle Sam's strongest weapon against defeat. Each generation must endeavor to rekindle in its youth the allegiance to our flag, reverence for those in our nation's past and a spirit of loyalty and cooperation with the administration in office, regardless of personal political sympathies.

Count the flags displayed on your street this Memorial Day. Will you be proud of the number? Total the flagpoles you find standing naked of their Stars and Stripes on Flag Day, Ashamed? I am. Numerate your blessings on the Fourth of July, our nation's birthday, for your material accomplishment could not be totaled if the first blessing of being born an American hadn't been given to you. You bet I'm a flag waver!—And when I place my hand over my heart as that glorious American flag is raised or passes by, I feel very near to God; and that's a pretty good place to be in these troubled days. Try it!

HON. KEN KEATING

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, Ken Keating's passing last week after a long, varied, and immensely successful career has taken from us a man who had earned the respect and admiration of everyone who ever had the pleasure to know him.

It was my privilege to work closely with him during his service as a U.S. Senator and also during his two ambassadorial appointments.

His constituents and his countrymen benefited greatly from the selfless service and devotion to duty.

Kenneth Keating will be sorely missed. He will always be remembered as the one who publicized the fact that the Soviet Union was installing missiles in Cuba—a fact he publicized with great diligence and with the end result that the missiles were ultimately removed.

I know we all convey our condolences and our sorrow to the family of this fine and distinguished gentlemen.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizens organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mr. Donald Middleton, currently the regional director for Manhattan and Staten Island in the New York City Office of Neighborhood Services, previously, the executive director of the Economic Opportunity Council of Nassau County, was one of the witnesses at the hearing that day. He spoke of a free surplus food program instituted in Nassau County which substantially aided the elderly, but was phased out when the food stamp program was instituted. I think Mr. Middleton's remarks would be of benefit to my colleagues in the House, and I ask that his testimony be printed in the RECORD at the conclusion of my remarks.

The testimony is as follows:

SENIOR CITIZENS AND THE ECONOMY

Mr. MIDDLETON. My name is Don Middleton, and I'm a candidate for the office of Trustee in the March 18th election in Babylon Village.

I currently serve as Regional Director for Manhattan and Staten Island in the New York City Office of Neighborhood Services. I'm a former assistant professor at Fordham University Graduate School of Social Services at Lincoln Center. Prior to that, I served as Executive Director of the Economic Opportunity Council of Nassau County.

I would like to describe a program which I helped develop in Nassau County six years ago this month. A program which was too successful. A program which cut to the heart of one of the greatest problems facing our senior citizens particularly in these times of economic disaster and hunger. A program which could serve as a model for new legislation to create jobs for the elderly, improve their nutrition and, last, but, perhaps, most important, to provide hope.

Hope that they haven't been forgotten and hope that they won't go hungry at a time in life when they should be enjoying the greater benefits of everything a still generally abundant society should be providing for them but isn't.

I'd like everyone to take a trip back down recent memory lane to the early spring of 1969.

By the spring of 1969, frustrated expectations within the poor neighborhoods of our cities had reached fever pitch. Central cities had burned for three summers.

Here on Long Island, while there weren't any riots, frustration was as great as it was in any center city. The great promise of the poverty program continued unfulfilled. The Civil Rights movement moved too often with too much "Deliberate speed".

The elderly poor were still the least visible of the "Invisible poor". Scattered, isolated, unorganized and politically mute, the elderly poor were often further disadvantaged because they refused to accept the welfare stigma. They refused with pride to accept handouts.

For those who had no other alternative but to accept welfare, Governor Rockefeller and the State Legislature he controlled passed a Welfare Cutback Bill which was the most regressive piece of anti-poor, anti-elderly legislation that had ever been passed in New York State. The cutbacks were to take effect in July of 1969.

In April, 1969, Al Lowenstein, recently elected Democratic Congressman from Nassau County and Member of the House Agriculture Committee and Eugene Nickerson, the County Executive and candidate for Governor, indicated an interest in using the county's monies that would be left over in the budget as a result of the state-mandated welfare cutback to greatly expand the tiny free surplus food distribution program that had been conducted in Nassau during the prior two years. Nickerson pledged publicly that no one would go hungry in Nassau County as a result of state welfare cuts. A small task force of top level county officials, representatives of the poverty program, civil rights groups and senior citizen groups began working on a plan to expand the county's free surplus food distribution program. These plans led eventually to the establishment of the Long Island People's Association and to the creation of a one-year program which was cited before the United States Senate Select Committee on Hunger and Human Needs as the only effective poor people's food program in the nation.

To many Americans, the existence of hunger implied a doubt as to the ability of our system to solve any of the great problems facing our nation. Mr. Nickerson committed his administration to offsetting the Rockefeller-engineered welfare cuts and to assuring food for any hungry person in Nassau County, particularly for the elderly. Following a series of meetings between Nickerson and our hunger task force, a decision was made to greatly expand the free surplus food program through a new consumer controlled corporation, the Long Island People's Association.

The program intended eventually to develop multi-purpose cooperatives. The plan called for establishing a network of thirty food distribution storefronts. A county-owned warehouse would be used for the food storage and distribution. Some 125 employees would be needed to run the program. The poverty program was charged with the responsibility of recruiting the unemployed and welfare recipients for these positions. Through a combined training effort, these people were employed, trained and ready to go to work on July 5th, when the stores were officially opened.

The food program that had existed in the county before this time had served only 2,000 cases per month and had distributed limited amounts of food through local armories, et cetera on a once a month basis. Within four months, our LIPA Program was serving eighty-five percent of the eligible caseload, approximately 50,000 people, and was distributing more than 500,000 pounds of food per month. The jobs that had been created for welfare recipients and the unemployed nearly made up for the cost of the program itself.

And then during the first week of May, 1970, Nixon got into the act. Nixon, realizing the political viability of the issue, pledged his administration "To put an end to hunger in America for all days." As part of this pledge, he chose to force through executive order approximately 400 counties nationally to convert by July, 1970 from free surplus food programs to food stamp programs.

The impact in Nassau which was one of the selected counties would be devastating. The entire LIPA Program would go out of existence. The hope that food distribution centers would be converted eventually to community controlled, mutil-purpose cooperatives would be destroyed.

Nickerson, at that time, hard-running for Governor, attacked Nixon and demanded that Rockefeller intercede to forestall the July implementation of the Food Stamps Program. Working with Lowenstein, we lobbied to create a six-word loophole in the Food Stamp Act in order to allow our county to conduct both food distribution programs and food stamps programs at the same time. Through other poverty programs around the county, we applied pressure to the members of the House Agriculture Committee.

Moreover, Nickerson announced that the poor people of Nassau would be polled through the thirty food distribution storefronts as to whether or not they wished to go on the Food Stamps Program or whether they wished to continue receiving free surplus foods. The results of the poll showed that on a nine to one basis, they preferred surplus food. Food stamps were felt to be degrading in that recipients had to identify themselves publicly as such at the bank where they purchased the stamps and again when they redeemed them at shopping centers.

Realizing the feelings of those to be most effected by the food stamps, Nixon, nevertheless, proceeded with the implementation plans.

Meanwhile, all of our lobbying attempts failed. We were successful in having a bill introduced in the State Assembly to forestall implementation. The bill, having been introduced only by Democrats, died in Committee. We weren't even able to obtain a cosponsor in the Senate.

In July, 1970, the Food Stamps Program was implemented in Nassau County. More than fifty percent of the participants in the surplus food program refused to buy food stamps. In the long run, the efforts of LIPA may have actually hurt the elderly poor. On the other hand, the brief taste of dignity may well have resulted in many intangible but, nevertheless, real accomplishments for the elderly poor of Nassau County.

What is the lesson in all this? The lesson is that the federal government can't do the job alone. Senior citizens must become actively involved in helping concerned legislators such as Congressman Downey to forge a working partnership, a partnership which could lead to the re-creation of legislation to establish surplus food co-op centers, to provide jobs and to assure a dignified service which will not publicly label those it serves. A program which will assure senior citizens of decent, balanced nutrition and hope that through working together we'll build a better tomorrow.

A STATEMENT BY KENNETH JERNIGAN

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MINK. Mr. Speaker, as a member of the Education and Labor Committee, the Select Subcommittee on Education, and the Elementary, Secondary and Vocational Education Subcommittee, I have become aware of the barriers encountered by our blind citizens who attempt to secure employment as teachers in both elementary and secondary schools. During our consideration of H.R. 69 in the 93d Congress, I had the privilege to introduce an amendment designed to prohibit discrimination against the blind in employment as teachers. While this amendment was adopted by the full House when it approved H.R. 69, it was not accepted in our conference with the Senate because of the view of some that the problem has a remedy under existing law.

Mr. Speaker, even though my amendment was not included in the conference report on the Elementary and Secondary Education Act Amendments of 1974, I am in hopes that the basic principle of prohibiting discrimination against the blind in this field will be recognized by responsible officials. I am convinced that the blind have amply demonstrated that blindness, itself, does not prevent an otherwise qualified individual from performing the duties of a teacher.

The National Federation of the Blind, an organization which I have been proud to assist in advocating opportunities for the blind, has recently concluded legal proceedings to secure teaching positions, for the blind in the public schools of Denver, Colo. Mr. Speaker, the settlement of this case will indeed have national implications. Not only has the Denver school district agreed to revise the visual requirements section of its personnel standards, but also it will affirmatively seek to recruit blind persons as teachers in the schools. This will be done through the National Federation of the Blind and its appropriate committees and divisions.

Mr. Speaker, in the hope that the Denver decision will serve as a model for the schools of the Nation, I ask permission to insert in the Record the court's order, judgment and decree, together with a statement by Dr. Kenneth Jernigan, president of the National Federation of the Blind and an article from the Rocky Mountain News concerning this case.

[In the U.S. District Court in and for the District of Colorado, Civil Action No. C–5134]

ORDER, JUDGMENT AND DECREE

Judith A. Miller and National Federation of the Blind of Colorado, Inc., a Colorado Non-Profit Corporation, Plaintiffs, against Louis J. Kishkunas, individually, and as Superintendent of School District No. 1 in the city and county of Denver, State of Colorado, Robert C. Crider, Theodore J. Hackworth, Jr., James C. Perrill, Frank K. Southworth, Bernard Valdez, Omar D. Blair, and

Katherine W. Schomp, individually, and as members of the Board of Education of School District No. 1, and School District No. 1 in the city and county of Denver, State of Colorado, Defendants.

This matter coming on before the Court upon the Stipulation executed by and between the parties through their attorneys of record and dated April 17, 1975; and

The Court having examined said Stipulation and having reviewed the files herein and being familiar with this matter, does hereby approve the Stipulation; and

Doth Order, Adjudge, and Decree as follows:

1. The school district, by and through its Superintendent, shall continue to carry out and shall formalize and adopt a program of affirmatively interviewing and recruiting, through colleges and universities of the State of Colorado, blind students majoring in education and encouraging them to make application to the School District for employment upon receiving their Teachers Certificate from the State Board of Education.

2. The School District, in an effort to extend its recruitment program to certified teachers in Colorado and nationwide, will utilize the services available through the National Federation of the Blind of Colorado, Inc., its parent organization, National Federation of the Blind, Inc., and such other private and public associations and entities as may be beneficial in the recruitment of qualified blind and visually handicapped teachers.

3. The Plaintiff, National Federation of the Blind of Colorado, Inc., and on behalf of the National Federation of the Blind, Inc., will provide the school district, upon request, personnel of the federations or membership from the federations to aid and assist the school district in its recruiting efforts including the services of the teachers division and students division of the federation.

4. The school district will continue to review national studies concerning the hiring of blind and visually handicapped teachers.

5. The vision impairment section of the "Health Standards for Employment" promulgated in December, 1972, by the school district, shall be re-written and promulgated in the following language:

"17. Vision impairments—shall not serve as a basis for denying employment, unless it is shown that the particular disability prevents the performance of the work involved."

6. The recruitment policies and program of the school district are designed and shall be affirmatively utilized to ensure that the school district shall seek the best qualified applicants for all positions of employment and will in the future treat qualified individuals who are blind or visually handicapped on the same terms and conditions as the able-bodied, unless it is shown that the particular disability prevents the performance of the work involved.

7. Nothing contained herein shall be construed to be an admission or finding that the school district presently or in the past has practiced discriminatory policies of hiring blind or visually handicapped teachers.

Dated at Denver, Colorado this 21st day of April, 1975.

A STATEMENT BY KENNETH JERNIGAN

Today's Federal court order is a major landmark for the blind in our efforts to achieve first-class citizenship in society and equality of employment.

Two aspects of the order are precedent-setting and national in scope. We have won similar cases involving the right of the blind to teach in public schools but all previous cases have been decided in state courts and, therefore, have no legal implication for similar cases in other states. Today's decision will serve as a clear message to school districts throughout the nation and, indeed, for the public at large.

Today's order is also historic since, for the first time the blind themselves, through their own organization, the National Federation of the Blind, have been officially recognized by the courts as the responsible group for assisting with the recruitment and hiring of blind persons in implementing the agreement.

We are appreciative of the fine legal representation Attorney Robert Keating provided in resolving this case. I would also like to recognize Judy Miller and our leadership in Colorado for their dedication in seeing the case through to conclusion.

TEACHER WINS RIGHT FOR BLIND TO WORK IN DENVER SCHOOLS

(By Tom Rees)

Miss Judith A. Miller, a University of Colorado graduate, carrying a teaching certificate from the Colorado Department of Education, applied for a job as a teacher in the Denver public school system in 1970.

She was turned down because she is blind.

Subsequent attempts at employment were rebuffed.

Monday, under a settlement arrived at in Denver U.S. District Court, the school district's doors opened to blind teachers.

Miss Miller said she'll reapply for the teaching post this week.

"Her application will be happily accepted," Supt. Louis Kishkunas said.

Miss Miller and the National Federation of the Blind of Colorado Inc. sued the school district in June 1973 charging the school board with violating her constitutional rights for failure to hire her because she is blind.

U.S. Dist. Judge Hatfield Chilson vacated the trial set for April 7 when attorneys for both sides informed him they were working on a settlement.

On Monday, the judge approved a settlement which directs the school district to:

—Interview and recruit through Colorado colleges and universities blind students majoring in education.

—Utilize the services of the National Federation of the Blind of Colorado in recruiting qualified blind and visually handicapped teachers.

—Continue reviewing national studies concerning the hiring of blind and visually handicapped teachers.

—Abolish its rule that no one with less than 20–40 vision or with a disease that could threaten vision will be allowed to teach in Denver schools.

Monday's settlement was hailed by Kenneth Jernigan, president of the National Federation of the Blind, as a "major landmark for the blind in our efforts to achieve first-class citizenship in society and equality of employment opportunity."

He noted that the federation has won similar cases in state courts, but that these victories have no legal implication in other states.

"Today's decision will serve as a clear message to school districts throughout the nation and, indeed, for the public at large," Jernigan said Monday.

Miss Miller, 28, who is president of the Denver chapter of the Federation of the Blind of Colorado, said the court order is "a milestone in bringing about equality of opportunity for the blind.

"The case here has served well as an example to others throughout America of how enlightened people can take so unenlightened a position," she said.

Miss Miller said that since Kishkunas came to Denver in August 1973, he has been active in trying to change the school district's policy regarding blind teachers.

Contacted Monday to Florida, where he's attending a National Association of School Boards convention, Kishkunas said he was pleased by the settlement.

"I was awfully uncomfortable in an adversary position. We should be working in the same direction. Now, we're on a path where we're working toward the same goals," Kishkunas said.

"I can think of a lot of situations where the blind can satisfy the requirements for a job," he said.

Miss Miller said she'd like to return to teaching at the secondary level in the areas of speech, English, or social studies. She's a graduate of Denver public schools and completed her student teaching in Denver's East High School. She taught for two years in Walnut Hills Elementary School in the Cherry Creek School District. She has been unemployed since the suit was filed, working as a volunteer for the federation.

ISRAEL CELEBRATES ITS 27TH BIRTHDAY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. MAZZOLI. Mr. Speaker, congratulations are in order today as Israel celebates its 27th birthday as an independent world nation.

But the country's birthday comes at a time of great uncertainty in the Middle East. Tension and unrest mark the area. The threat of war—while diminished—has not faded entirely.

However, a glance at the history books reveals very quickly that uncertainty and turmoil are not new to the Jewish people, who have struggled since Biblical times to maintain their national identity against invaders and persecutors.

The State of Israel itself—established almost 1,900 years after the Romans defeated the last Jewish army in 73 A.D.—is the most convincing testimony to the success of the Jews in preserving their character and their culture over the centuries.

Even though troubles have beset the nation of Israel since its founding 27 years ago, it has not been distracted or prevented from making significant achievements during these years.

European, African, and Middle Eastern cultures have all contributed to the Israeli society, making it a "melting pot" much like our own United States. Almost half of Israel's population comes from North Africa and the Middle East. Another 10 percent is comprised of Arab Christians, Druzes, and Moslems.

Europeans, Americans, Latins, and the first generation of Israeli-born Jews make up the remainder of a society which draws upon the strengths of several cultures for its vitality and energy.

This vital population has quite literally made the desert bloom in building a vibrant urban and industrial society where, heretofore, swamps, deserts, and eroded hills were to be seen. Arid and barren lands have been reborn into productive farmland. As a result, Israel now grows three-quarters of its food within its borders.

In another area, educational opportunities may be pursued in Israel's 5,000 schools. These include seven major universities and 52 colleges, as well as numerous religious colleges and institutes specializing in other subjects.

The state of Israel has gone beyond its own borders to share its technology with developing nations in Africa, Asia, and Latin America. This has been done either through the United Nations or at the invitation of the governments involved.

Hopeful signs such as these are often drowned out by rumblings of war from the Middle East. The grim truth is that renewed hostilities could—and possibly would with the proliferation of sophisticated weaponry in the Arab world—wipe out all this progress and these notable achievements.

Were this unthinkable event to occur, all the world—not just Israel and the Jewish people—would be the loser.

A prominent feature of the Jewish Passover service is the hope expressed by all that the Passover will be celebrated "next year in Jerusalem."

I can only add to this poignant sentiment my own hope that the Passover will be celebrated "next year in Jerusalem in peace."

A PLACE TO DIE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. EDGAR. Mr. Speaker, on May 2 of this year, Mr. PEPPER and Mr. KOCH invited Members of the House to cosponsor a package of 49 bills which seeks to accomplish the following six objectives:

First. To make long-term care more readily available to all older Americans and to develop at-home alternatives to nursing homes for those who do not require the full range of nursing home services;

Second. To establish higher minimum Federal standards for nursing homes participating in medicare and medicaid;

Third. To improve nursing home inspection, enforcement, and auditing procedures;

Fourth. To require accountability by nursing homes;

Fifth. To provide financial incentives for good patient care and to encourage the development and rehabilitation of high standard nursing home facilities by loans and interest subsidies; and

Sixth. To provide training in geriatrics and training for physicians, nurses, aides, and orderlies in the special needs of nursing home patients.

In an effort to encourage my colleagues to add their much-needed support to this package of critical legislation, I am inserting an article by Loretta Schwartz which appears in the May issue of Philadelphia magazine and which I feel will be of interest. Ms. Schwartz's excellent article does much to illustrate and emphasize the urgency for corrective legislation. Ms. Schwartz quotes a resident of a nursing home as saying:

There is an old prophecy that says, "There will come a time when the living will envy the dead." For me, that time has come.

Life does not have to be like this for our older Americans and we, colleagues, are the people in a position to do something about it.

The article follows:

A PLACE TO DIE

(By Loretta Schwartz)

The Colonial Gardens Nursing Home is neither colonial nor gardeny nor, in any sense, homey. It is a 53-year-old brick building on a dismal block of Seventh Street near Poplar with an annex of two converted row houses across an alleyway. But 141 old people call Colonial Gardens home.

At age 78, Roy Brown was one of them. That was before April 5th, 1972, when he died of multiple injuries to his head and face, the result of having been knocked down a flight of stairs by James Wright, one of the home's employees, a few weeks earlier.

Then on December 17th, 1973, Robert McManus was taken from Colonial Gardens to Hahnemann Hospital after being severely burned from the waist down. McManus claimed that two of the home's employees intentionally put him into a tub of scalding water.

On December 27th, 1974, the Police Department Rescue Squad took 94-year-old Thomas Vitale from Colonial Gardens to the emergency room at Hahnemann Hospital. They left no report to explain what had happened to him and Vitale, who spoke only Italian, wasn't able to tell them.

One thing was clear, though. The old man had been badly scalded on his legs, feet, testicles and back.

That same day Mrs. Carmella Domenick, Vitale's daughter, says she received a phone call from a man who said he was from Colonial Gardens Nursing Home but refused to identify himself further. He told Mrs. Domenick that her father had been admitted to the hospital with a "little red mark" on his leg.

"I went to him," Mrs. Domenick says, "and I couldn't bear to look at him. The skin on his legs had turned black; sores were all over his feet above the ankles and bandages were soaked with pus and blood."

She asked him, in Italian, what had happened.

"My dear daughter," he said, "two men lifted me into a tub of boiling water and my screams could be heard everywhere. Dear God, only God can know how it hurt me!!" Then, Mrs. Domenick says, "his hand came up in a fist and he began to cry."

For some time before Vitale's scalding he had complained to his children about the care he was getting, telling them he wasn't getting enough to eat. But they hadn't taken him seriously. Then, several months later, Mrs. Domenick noticed a number of bruises on the left side of her father's body. When employees told her that he had fallen, she believed them—but by now she was beginning to worry.

Thomas Vitale was not taken to Hahnemann on the day he was burned. Carmella Domenick says, "he wasn't entered until his burns became infected. The doctors told me at the time that if gangrene set in, they would have to amputate."

The problem never came up. At 9:40 a.m. on January 29th, Thomas Vitale died. He had been under the care of Dr. Sheldon Bender, who is Colonial Gardens' physician, but because Bender was not on duty at the time, the death certificate was filled out by Dr. Roberto Florentini. The original death certificate, however, did not mention anything about burns—Florentini went strictly by the information listed, he says, on the victim's chart. Death was attributed to heart failure, a natural enough cause of death in a 94-year-old man.

Mrs. Domenick contacted a lawyer. She did not consider her father's death "natural." Certainly, she reasoned, the heart stops; the patient dies. But what about contributing causes? *Why* did the heart stop?

Dr. Bender insisted that death was due to natural causes. "This is ridiculous," he said. "His daughter's making a big thing out of this. All he had were a few burns on his feet. He died of a heart problem."

But what about his back and testicles? Hadn't they been burned, too?

They hadn't, Dr. Bender said, unaware that photographs taken at Hahnemann Hospital prior to Vitale's death show the full extent of the burns. And when Thomas Vitale's grandson requested a Medical Examiner's inquest, a corrected death certificate was issued which cited thermal burns as a cause of death.

Preventing such deaths and monitoring activities at Colonial Gardens has, at best, been difficult. Dorothy Popert, supervisor of Licensure and Standards for the State Department of Public Welfare in the Philadelphia area, says, "If we drop in unannounced, they block us as much as they can. When we announce our visits they clean the place up before we get there."

But sometimes unannounced visits do take place. According to the written report of Department of Welfare officials who visited the home on March 3rd of last year, roaches were found throughout the facility in patients' bedside cabinets, water pitchers, food trays, urinals, as well as in patients' drawers and on walls and floors. Twenty patients were found to be incontinent, with no linens available to change them; the kitchen was locked, and no juices were available for patients during the night. There was no physician's documentation of an eye injury resulting in the loss of a patient's eye, and there was a strong odor of urine throughout the facility.

Follow-up visits on May 9th, 10th, 13th and 14th revealed additional deficiencies: patients with cradle cap (a fungus infection of the scalp), a fire exit locked, inadequate staff, many medication errors with unlicensed personnel administering medicines without a physician's orders and without having been recorded for a period of *several months*. These are only a small sampling of an extensive continuous pattern of deficiencies observed during special recorded visits.

It is unclear how, despite such findings, Colonial Gardens has been able to continue operating. But *Philadelphia Magazine* did learn that David Rosenwald, the home's administrator, is a lawyer and a brother of Common Pleas Court Judge Edward Rosenwald. Their sister, Jean Beloff, is a member of the State Board of Examiners of Nursing Home Administrators—a division of the State Bureau of Professional and Occupational Affairs—which licenses operations from barbers to nursing home administrators in Pennsylvania. Vincent Fumo, former commissioner of the Bureau, was once politically allied with Jean Beloff's son, Lee. (In fact, following the November 1972 election, Lee Beloff and Fumo were charged, along with others, in an election rigging case. The charges were later dropped.)

When Roy Brown died following his fall in 1972 and the State Board of Examiners of Nursing Home Administrators began to conduct an investigation into the administration of Colonial Gardens, David Rosenwald's sister, Jean Beloff, herself the owner of the Harlee Manor Nursing Home in Delaware County, was on that board. An informal hearing took place in March 1973, almost a year after Brown's death, and early in 1974, almost a year after the hearing, Colonial Gardens was absolved—with a written suggestion that it take greater care in its hiring practices.

Joseph Mulroy, executive director of the Medical Center of Beaver County, Inc., was, during the Colonial Gardens investigation, the head of the State Board of Examiners of Nursing Home Administrators. "Vince Fumo controlled everything in that Bureau," he says, referring to the State Bureau of Professional and Occupational Affairs. "He was on every board. I think that our board did not act in a prudent manner in relation to this case. We needed legal counsel, but whenever we needed a ruling, we had to use State legal counsel, and they always ended up agreeing with Fumo."

When questioned, Vincent Fumo said he didn't remember the incident.

If life is difficult for those at Colonial Gardens, death, too, has been without dignity. In April of 1974, John Hasyn, an undertaker employed by Colonial Gardens, was accused of improperly burying the remains of six Colonial Gardens residents in plastic and cellophane bags in a single grave—along with 24 stillborn babies from Jefferson Hospital. Vincent Fumo defended him.

A hearing to determine whether Colonial Gardens' license should be revoked and federal funding permanently discontinued was scheduled for January 21st of this year, but that hearing was cancelled so that Isadore Shrager, the attorney for the home (as well as for Democratic City Committee), could attend the Shapp inauguration. The hearing was rescheduled for February 25th, but it was postponed again until April.

Shrager, who has been representing the home off and on for about 15 years, says that he has never been inside the place, but that he is assured by Rosenwald that the complaints against the home are unfair. Much of what goes on in nursing homes is unfair—but to residents, not businessmen.

The nursing home industry really began in 1935 with the enactment of the Social Security Act, grew rapidly after World War II and continued to accelerate after the advent of Medicare and Medicaid in 1965. It has grown to the point at which the United States Senate's Special Committee on Aging calls long-term care for older Americans "the most troubled and troublesome component of our entire health care system."

Senator Charles Percy, a member of the U.S. Subcommittee on Long-Term Care, says, "I can understand why the New York Stock Exchange is promoting nursing home stock. But I think it is a matter of business to the Senate of the United States to determine whether the profit that the homes are making is an unreasonable profit and whether this profit is coming out of the hides of old people."

Actually, even the so-called non-profit homes have come increasingly under government scrutiny. All "non-profit" means, in essence, is that the homes by law do not produce profits for tax purposes and do not return cash dividends to their owners. But the non-profit nursing home has some important advantages. It does not pay income tax, and depending upon the state in which it is located, may not be required to pay property taxes or various other taxes. In a recent book on nursing homes, Mary Adelaide Mendelson points out that "with guaranteed government revenue and the growing elderly population and the shortage of nursing home facilities that exist, there is, as a Wall Street expert said, 'No way not to make money in this business.'"

THE CROWN NURSING HOME, a private profit-making organization, is a dark brown four-story brick building with a small green iron fence near Broad and Snyder in South Philadelphia. Perhaps in preparation for the regular monthly visit of the Nursing Home ombudsmen in January 1975, a new coat of wax almost covered the floor—but there was still dirt around the edges.

The ombudsmen, little old ladies who volunteered time as visitors to the aged, some not more than ten years away from nursing home age themselves, were struggling up the stairs to the second floor so that they could visit the less fortunate. One ombudsman, a woman with arthritis who seemed to be in pain, said she hoped they would fix the broken elevator soon. But she fought on, as did the others—not relatives of the Crown residents, but women whose own children were grown, whose parents were, in most cases, dead—women who now had time to just sit for a few moments holding a stranger's hand. There were no other visitors, no radios or televisions in the rooms to help the residents wait out their lives, and no bed curtains or doors on the bathrooms for privacy.

An official in the DPW's Division of Licensure says that there have not been too many complaints about the Crown Nursing Home. "Most of the people who live there have no families," she says, "so there's no one to complain. But there has been a large employee turnover, and reports from the staff are not good." Nor were the reports filed by the Medicare and Medicaid programs' state surveyors. At the time of their inspection bathroom and kitchen equipment were consistently found to be unclean, a patients' activity schedule wasn't posted, a current fire inspection report was not available and the building's only elevator, which is essential for the safe exit of non-ambulatory patients, had been "under contract for repair" since October 1973.

Crown Nursing Home currently receives a "skilled care" government payment of $20 per day per person for Medicaid patients. "Skilled care" is defined as "qualified professional supervision for patients in need of 24-hour-a-day supervision." But Crown's owner, Bertha Zweig, asked Mickey McCullough, a social worker at Albert Einstein Medical Center in charge of transferring patients to long-term care facilities, for "sweet little old ladies who can take care of themselves."

AT THE SARAH ALLEN Nursing Home, located at Preston and Parrish Streets in North Philadelphia, a tiny bald-headed woman, her wheelchair pushed in front of a counter, pokes at the plate of food in front of her. Her sightless blue eyes roll toward the ceiling as she breaks off tiny pieces of fish and brings them up to her mouth, one at a time, sucking at them toothlessly. A male aide suddenly takes the plate away and the old woman begins feeling around the edge of the counter where the plate had been, her fingers searching for the fish. Unable to find it, she tilts her face up and begins sucking air like an infant. But she does not cry. She is at the other end of life and perhaps she has learned that crying won't help.

The smell of feces and urine wafts through the corridors like an ill wind and even a casual observer wants to cry out *why?* Why the odor of human waste? Why the unenforced regulations?

There is a tendency to say that reporters only look at the worst and fail to give credit to the many fine nursing homes, so we went to the best.

The Uptown Home for the Aged, located on Bustleton Avenue in Northeast Philadelphia, seems to be everything that a geriatric care facility should be. It is housed in a fairly new, beige-hued four-story building that occupies the better part of a block in a pleasant neighborhood—a building which appears to be a virtual country club for the elderly. Modern, color-coordinated and immaculately clean, its walls are covered with art, its floors carpeted.

Because just about all of its residents are Jewish, kosher food is prepared in two kitchens, and these, like all of the other facilities—the large auditorium, the brightly colored dining rooms, the lounges, the library and even the synagogue right on the premises—indicate that no expense has been spared to make Uptown a comfortable final place for the elderly. Visitors come from all over the country just to see it; people often wait years to live in it.

The Uptown Home for the Aged is a model home, unusual in every aspect except, perhaps, its personnel.

Neil McGuffin, a former staff member of the Uptown Home and a Temple University graduate, kept extensive notes on his activities at the home for four months. Then, running into difficulties after informing a family directly about what he considered the inappropriate administration of drugs to one of the residents, he resigned.

"Most people on the second and third floors fear the fourth floor," McGuffin says, referring to the level on which the senile and incontinent are quartered. "It's used as a threat by some of the staff members. They say, 'If you don't take your medicine, we'll put you on the fourth floor.'

"Some of the aides nicknamed patients 'Fatso' or 'Pack Rat' or 'Goggles.' These people were in a horrible situation: first, they're diagnosed as having 'organic brain syndrome,' so if they complain, no one listens. But, at the same time, if they fail to follow orders, they're punished—sometimes thrown roughly into their beds or left unchanged if they wet themselves.

"Once, I asked a licensed practical nurse for the definition of 'incontinent.' She answered. 'It's when you wet your bed on purpose.'"

A physician who works part-time at the home explains it this way: "The nurses I've seen there are good. The problem is that the aides or orderlies there are not always good, and all it takes is a couple of bad ones to make life miserable. These people are often from another culture; they are not always in sympathy with the residents and they do not always treat them like human beings. Still, it is the best home around, and if I had to put my parents in an institution, I'd put them here."

Agatha Tunney, head nurse at the home, defends it. "No one can be responsible for everyone on the staff," she says, "but I can say without a doubt that 85% of our people are dedicated." And she tells of an incident when the home *did* have a case of abuse, when three aides were trying to turn over an exceptionally heavy woman. "A fairly new employee reached out and slapped the patient's hand. Two other aides who worked with her beat the *bejesus* out of that aide and then they called the supervisor, who told me she was never so delighted in her life." Tunney says that the aide was discharged.

One of the problems with nursing homes is that orderlies and aides are, for the most part, the lowest-paid staffers of any institution, and small salaries do not always attract high-quality personnel. In the staff cafeteria, for example, a sign reads, "Due to many thefts, we may check all bags."

But it's not only the low-paid orderlies and aides who sometimes fail to understand the needs of the patients.

Samuel Cooper, a 74-year-old, reasonably healthy gentleman, was just a little apprehensive when he entered the small, gold-carpeted office on the ground floor at the Uptown Home. Cooper (not his real name) sat down and waited while a short, gray-haired woman who identified herself only as Mrs. Rose reviewed his bankbooks, Social Security and Medicare. Then, not smiling, she looked up.

"There's a contribution forthcoming. Five thousand dollars from the family for the building fund. The building is up but it's for the mortgage."

"Does everyone pay it?"

"That's right."

Mrs. Rose then discussed funeral arrangements for her prospective resident—she did not ask him about himself beyond that—and then she showed him to a second-floor bedroom. When asked about the third and fourth floors, the woman retorted, "The other floors don't concern you." And when asked a question about the staff members of the Uptown Home, she said, "Listen, you're not buying the place."

That was, of course, true, although Mr. Cooper *would* be paying the large donation, plus rent. And Mrs. Rose did not mention, as Cecil Frank, administrator of the home, would later tell *Philadelphia Magazine*, that the amount of the contribution is negotiable. According to Frank, only those families with money are asked to pay a donation, and he points out that a great many people at the Uptown Home are there without any donation ever having been paid on their behalf.

Whatever it is that is operational there, the home seems to offer a considerably better environment than any of the other nursing homes visited.

Many people do live happily for years at the Uptown Home. One little lady who lives on the second floor and uses it as she would a hotel, says, "Thank God there are places like this."

Good or bad, constantly escalating longevity assure nursing homes of one thing: *they* will call the shots for a long time to come. And those of us who are forced to put our elderly parents into nursing homes—or stand by and watch them enter on their own accord—are often plagued by guilt. A nursing home automatically has negative connotations: it marks the termination of an era, the end of the road for the people to whom we owe our very existence. Nursing homes remind us of our own mortality, and we wonder: what will happen to us? Strangely enough, no one really believes that he or she will end up in a geriatric care facility, and some go as far as to say that they would rather die. But when the time comes, of course, they wouldn't.

People are living longer. But not productively. There are only so many jobs—not even enough for people *under* retirement age. So ready or not, you retire at age 65 to make room for somebody else. They keep you alive, but they won't let you do anything. "Enjoy life," they say, "you've earned it." And that's the problem. How do you break the old habit of earning, of having something important to do every day? You're told that the incidence of psychopathology, depression and suicide rises with age. But is that because of age, or because of how age is handled? Why is less than 1% of the entire budget of the National Institute of Mental Health spent on aging?

Nobody *has* to stop working. A person can work as long as he or she can find an employer. Senior citizens are discriminated against in hiring; no one wants the elderly. Nobody wants all that experience and knowledge that was good enough for 50 years.

And because nobody wants old people hanging around the house, they either wander aimlessly through the stores, looking at the prices of things they can't afford, or sit quietly on park benches, or struggle onto buses, hunched over like tired flowers that have gathered in their petals. No one wants old people puttering around. No one wants to be reminded that life is a chronological progression toward death. It is estimated that 25% of all the people in nursing homes don't have to be there except that they have nowhere else to go.

Harry is one of them. He came to America in 1922, and back then he worked as a salesman, saved his money and then bought a little grocery store on South 4th Street. That's where he met Margaret, his wife.

"You know how it is," he says, "a girl came in and bought a couple of rolls. She had long dark hair rolled up in a bun. I was a greenhorn, she was American-born—but we clicked, just like that. She was lovely," he laughs, outlining a female shape with his hands.

"One night last year, Margaret's phlebitis flared up. Six hours later she was dead."

And shortly after that, Harry, who was still a handsome, energetic man with blue eyes, wavy hair and a moustache, had a heart attack.

His children became frightened. They didn't want him living alone. His daughter came into town and sold his furniture while Harry watched. Then he signed his money over, gave up his apartment—and along with it, apparently, his will to live.

"I used to walk with Margaret from Front and Callowhill all the way down to Broad and Snyder," Harry sighs. "Now many a day I want to go back to Front and Callowhill and throw myself into the river.

"Who am I? Who do I belong to? I live in an old age home. There's an old prophecy," Harry says as he lights a cigarette, "that says, 'There will come a time when the living will envy the dead.' For me, that time has come."

If Harry wishes he were dead, it is not just because he lives in a nursing home. It's because he has nothing to do. In that respect, he may be considered lucky—at least he's not worried about the care he's getting.

Right now substantive New York State studies of nursing homes are revealing widespread abuses of service—profiteering, administrative inadequacy, legislative deficiency and political corruption along with mistreatment of patients. In Philadelphia, too, many homes which should be meeting the physical, social and intellectual needs of the elderly have become brutal, profit-making storage bins for our surplus stock.

When Philadelphians try to point with pride to their handling of the elderly, there isn't much to talk about. But one facility that is generally mentioned is the Philadelphia Geriatric Center, home for over 850 residents on Old York Road in the Olney section of Philadelphia. The complex includes York House North, York House South, the Abraham and Helen Weiss Institute and the Hospital and Home for the Jewish Aged—all sponsored by the Federation of Jewish Agencies. Gretchen Neidermayer, assistant director of the Nursing Home Ombudsman Project, calls the complex "the best Philadelphia can offer."

But the Horns are talking about leaving the place; it has not turned out to be all they expected it to be. On the second floor, wheelchairs and geriatric chairs line the corridors—their home looks like a hospital ward. They have had no visitors since they moved in six weeks ago. Bessie, wearing an orange sweater and a black and white dress with a kerchief on her head, holds her husband's arm tightly as she pleads with him.

"It's time to go home. Take me home. What did I do so bad that I have to stay in this place?"

But Julius can't take Bessie home.

"Our house has prospects to be sold," he says, sitting on a bench in the corridor with his arm around his wife. "I signed it over to the home. So where are we going to go? I just about had enough money to cover getting in here, what with my savings and my Social Security. When they sell the house I'll have given them everything."

Bessie gets up but she doesn't get far. "Where are you going, Mrs. Horn?" a black aide shouts. "Don't let her leave that chair, Mr. Horn!"

"She ran away from here once," Julius explains, "and went to our house at 4900 North Franklin Street, where we lived for 30 years. When she couldn't get in, she went to our daughter-in-law's on 7th Street. The home sent down a man to bring her back. Then they locked her up in a chair so she wouldn't be able to go out by herself. They have a key, and when she has to go to the bathroom they let her up.

"That's how they've been keeping her."

The Horns' new home is Room 206. It consists of two single metal hospital beds on opposite sides of the room, a few pieces of blue metal furniture and a sink. There is no private bath or private toilet. This is what Julius Horn, through fear of infirmity, has signed over everything he owned to possess.

"Have you had your television chained down yet, Mr. Horn?" a social worker asks. "Better see to that—or it's sure to be stolen."

Suddenly Bessie starts packing. She wraps her clock, her toothbrush, her cup and a little plastic souvenir of Florida in her kerchief. "It's time to go home," she tells her husband, "to play our records and dance."

Out in the corridor someone shouts, "I'm watching you, Mrs. Horn!"

Actually, very few residents ever leave nursing homes alive. That is the nature of them; they are the last stop, a place for people who have longevity, but very little else to look forward to.

And the need for nursing homes in Pennsylvania is so great that there are already about 1,600 people living in unsafe, unlicensed boarding houses or in mental institutions waiting for admission to nursing homes which in the end may not be much better.

Right now, there are six Federal agencies that deal with aging in the United States. Ironically, the fragmentation among these agencies has become so severe that rather than increasing innovative approaches to the problems of the aged, they are actually limiting them more fixedly to institutionalized care.

The answer to this problem is not yet clear, but perhaps it can begin to be found in a sign carried by an old man at a senior citizens' rally. It read, "Love us—we've loved you all our lives."

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency director, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans as well as by the various public officials who were also in attendance.

Mr. John M. O'Shea, president of the Suffolk County Senior Citizens' Council was a witness at the hearing. He spoke of specific problems senior citizens encounter and asked for support in resolving these difficulties. I think the remarks of Mr. O'Shea would be instructional to my colleagues in the House, and accordingly I insert his testimony to be printed in the RECORD:

SENIOR CITIZENS AND THE ECONOMY

Mr. O'SHEA: Mr. Congressman, there is no such thing as a free lunch. We pay. Senior citizens pay all our lives. We pay for Social Security. We pay for pensions, and, now, we ask you to exclude Social Security and pensions as income.

We ask you, Mr. Congressman, to allow us to speak. I want these people to speak. That's why I'm going to be brief. I want you to speak. We want to speak, you and me. We want to speak, and I know the Congressman will listen to us.

We need a bill in Washington, Mr. Congressman, earmarked only for senior citizens. Get a bill there, and earmark it only for senior citizens.

Mr. Congressman, when you were on the legislature, I spoke many times before you. You were always courteous, aware of the situation and concerned for senior citizens. So I don't dare tell you or try to make you aware. You are aware of our concerns and our troubles.

But, you see, too, there are a few things, and I must make you laugh. This actually is on the books of New York State. If you reach the age and when you reach the age of seventy-five years old—the ladies will love it—and if you have a big-game hunting license, you don't have to pay anymore. That's the kind of help we are getting.

Now, thank God, we have this man here listening to us.

Now, seriously, in New York State, we need automobiles for safety sake. If there is an accident with this lady here, we have to get help. We need the automobile. New York State and other states have passed no-fault insurance which is excellent. This should cut our bills down. It doesn't cost anything. Now, we need it nationally because, if I drive in Connecticut or in New Jersey, I have to pay to cover myself, and it's more money on our premiums. So we need no-fault insurance nationally. This is important.

And I think we will leave with you our concept. We are covered by Social Security, and thank God we are.

Senator Buckley and Mr. Senator Humphrey and four or five others have a bill in the Senate, and I'd like you to support it in the Congress. It reads that there should be a price index of consumer goods in the Labor Department, and, every three months, it should be adjusted. If the prices go up, Social Security should go up, too. There was a clause that says if it goes down, nobody loses. That was a good thing.

Thank you for being so tolerant.

DICK SMITH, NATIONAL CHAIRMAN, YOUNG REPUBLICAN FEDERATION DIES

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. FREY. Mr. Speaker, just last week a close friend of mine, a young man of 35, died of a heart attack in Florida. Dick Smith had been involved with me in State politics in Florida for some time and was serving as the national chairman of the Young Republican Federation. He literally had grown up in politics, working in every phase of campaigning. During my first campaign in 1967 and 1968, he traveled up from south Florida to spend time knocking on doors for my election.

It is hard to believe that someone so vital, so involved, so interested in the welfare of our Nation, is no longer with us. However, in the short time he was here, he contributed much to this country and left many friends of all political philosophies throughout our State and the country. He will be missed but the good he has done will be long remembered.

SUN CITY, ARIZ.

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Thursday, May 15, 1975

Mr. FANNIN. Mr. President, one of the most dynamic communities in our Nation is Sun City, Ariz. It is the home of thousands of senior citizens who believe that when you retire from your career you do not have to retire from an active life.

In the May 7, 1975, edition of the Sun City Citizen newspaper was an interesting column by Ernie Mehl regarding the unusual Scout troop in Sun City.

Mr. President, I request unanimous consent to have this article printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE BRIGHTER SIDE

(By Ernie Mehl)

The Sun City Citizen has for long made the claim that, compared to communities comparable in population, Sun City residents give more in money and services to charitable projects than any other. From time to time this column will be devoted to those Sun Citians, men and women, who have gone far beyond the extra mile to aid not only their fellow townsmen but those reaching out beyond our community. If any of our readers know of such instances we would appreciate their informing us. This is not a selfish community despite what some may think and the Sun City Citizen intends to prove it.

It is herewith reported that at the first meeting held recently at the Fairway Center with 21 men in attendance the first Scout troop in Sun City's history and probably the most unique in the nation was given the baptismal name of Sun City Scouter.

Mel Shikes, who has served Scouting for more than 51 years and has been given just about every award which can be achieved, presided. I asked Mel whether the members were prepared for the inevitable question.

He grinned. "Oh sure," he nodded. "Are we prepared to help old ladies across the street." He left the inference that there would be no concentrated attempt to find old ladies in this sort of dilemma but anyone who has had any experience in the fascinating adventure of Scouting knows that a Scout is always prepared. No matter what his age.

It, was, said this former resident of Eastern Massachusetts, including Boston, a most encouraging beginning in an engaging and unprecedented venture which, he added, is expected to be given the blessings of National Scout headquarters.

Of the 21 men present three were former Scouters who served professionally in this field. Two were from Ohio, the remainder from 19 different states. And all, of course, were more than 50 years of age and this is what makes this a movement which could only happen in Sun City.

One of the 21, Henry Gorgidian, is just completing his 60th year in Scouting service. Another Bill Melone, a former clothing manufacturer, designed the shirt worn by Boy Scouts and Scout officials. He also conceived the plan of materially reducing the inventory on scout shirts, which for years had been numbered as to size, from fourteen to three by labeling them as small, medium and large.

A number of those at the first session wore their Scout badges, five appeared in Scout uniforms. What surprised Mel somewhat was the fact that those who wore uniforms had on long trousers instead of shorts.

"In Boston," he said, "we almost always wore the shorts instead of long pants. Even in winter when it gets pretty cold. I didn't realize until I came to Arizona that short pants could be a menace on camping trips."

Such a risk, he explained, that he now includes a pair of pliers in the kit he always takes with him. "You've no idea how painful it is to sit down on a cactus. That's why I keep the pliers handy. You have to do some digging."

Since that meeting Mel has received a number of phone calls from other Scouters living here who had previous commitments and expressed their regret in being unable to attend. He has gotten letters from others.

Once a Scouter always a Scouter. There's something about the fun of it that gets into your blood and for many this feeling never entirely leaves.

But why, I asked Mel, a troop in Sun City. "For one thing, companionship," he answered. "People with something in common getting together. You know there is tremendous talent in Sun City. We'd like to utilize this talent. We plan to help on specific projects involving young Scouters. At our meeting we had three top officials of the Theodore Roosevelt Central Arizona conference here. Our troop will be chartered and we feel pretty sure there will be no objection from national headquarters."

There will be four or five meetings a year with the next planned for sometime in September at the Heard Scout Pueblo camp in South Mountains. Some 500 to 600 Scouters can be accommodated there. That should be a gala event with a cookout included on the program.

Mel Shikes is a glowing example of what happens when the scouting program ingratiates itself into a person. He has had about every job the program offers from Scoutmaster to district chairman and camp leader. He is a mason and still likes to dabble in the bricklaying profession. He is an organ technician and works at that part-time. Like his father before him he is an expert swimmer and a member of the Swim Club. A member of the Sun City Players.

"I don't have much spare time," Mel agrees. "But that's what I want. To be active." He mentioned that on one outing with Scout youngsters there was the climb of a mountain. Mel took his physical examination before the start and the doctor couldn't believe that he owned to the age of sixty-seven. "You have the body of a man of thirty," he said.

His den is pretty well crowded with awards, including the most prized of all, the Silver Beaver. Another for 50 years of service.

Even his wife Selma, has not been unnoticed. She was given a certificate from the Phoenix district as a Scouter's wife and that conveys far more than it might appear.

When their daughter was young Selma busied herself in the program of the Brownies.

As you would know the first meeting began with the pledge of allegiance to the flag. Then came all sorts of conversation, plans for the future, suggestions.

And just good, plain fellowship. What more would anyone want.

NATIONAL TRANSPORTATION WEEK

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mrs. SULLIVAN. Mr. Speaker, Members of the Congress of the United States do not require instruction on the importance of transportation to the Nation and the people we serve because we know that the transportation industry vitally affects almost every aspect of our national life and of our ability to serve our constituents. It is certainly appropriate, however, to call to the Members' attention the fact that this is National Transportation Week, to salute the men and women who devote their efforts to the improvement of transportation, and to encourage them toward greater accomplishments.

National Transportation Week is sponsored by the Traffic Clubs International and the National Defense Transportation Association, with participation also by shipper and business groups and by the U.S. Department of Transportation. It is always a major event in the business life of St. Louis and of Missouri, because of the key roles transportation firms in my city and State play in the movement of goods and passengers across America and throughout the world.

Mr. Ralph Percival, an executive of Fly-Wagner Moving and Storage in Bridgeton, Mo. was chairman of National Transportation Week observance last year of the Traffic Club of St. Louis, Inc.; this year he is Missouri State chairman of the observance. I congratulate him for the dedicated effort he has invested in this annual project to bring to the consciousness of the residents of our State the tremendous importance of the railroads, airlines, trucking companies, van lines, pipelines, and waterways industries in the lives of every citizen.

The unique and dramatic stainless steel arch which rises on the grounds of the Jefferson National Expansion Memorial on the St. Louis waterfront symbolizes the historic position of St. Louis and of Missouri as the Gateway to the West. Missouri is, of course, a gateway of commerce in all directions—to the North and South and East as well as to the West. From the days following the Louisiana Purchase, and the start of the Lewis and Clark expedition from the spot where the Gateway Arch now stands, St. Louis and Missouri have constituted the heart of the national transportation systems of this country. And transportation, in turn is the lifeblood of our economic strength.

As chairman of the House Committee on Merchant Marine and Fisheries, I am acutely conscious of the necessity for improving all aspects of our transportation system, and particularly those relating to waterways commerce under the jurisdiction of my committee. As a Member of the House of Representatives from St. Louis, I am particularly proud of the vitality of the transportation systems which serve my city and of the outstanding work done by the men and women in this field. In addition to Mr. Percival as Missouri State chairman of National Transportation Week, I therefore want to express my appreciation and congratulations to Mr. Paul J. Koenig, district manager of ITOFCA, Inc., president of the Traffic Club of St. Louis, Inc., and to the officers, directors, and committee chairmen of the club for making this week so successful in spotlighting the contributions of their great industry to the metropolitan area of St. Louis, to the State of Missouri, and to the entire Nation.

RETHINKING THE MILITARY BUDGET

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HILLIS. Mr. Speaker, defense spending has been the subject of great debate. As one who believes that a strong defense posture is necessary for the maintenance of peace, I was pleased to read an editorial in the May 13 edition of the Wall Street Journal which holds that many Members of Congress are beginning to realize the continued need for adequate defense spending. So that my colleagues may have the opportunity to read this editorial, a copy follows below:

RETHINKING THE MILITARY BUDGET

At a recent private meeting some 30 liberal House and Senate staff members acknowledged that their bosses are disassociating themselves, to a degree at least, from earlier efforts to slash defense spending. A proposal to trim the U.S. force in South Korea has been shelved. A co-sponsor of a move last year to reduce U.S. forces overseas by 100,000 has discarded that idea. And liberals who earlier talked about trimming at least $11 billion from the defense budget are now talking in terms of cutting only $4 billion or $5 billion.

No doubt this change in thinking had something to do with the unexpectedly modest cuts both the House and Senate Armed Services committees made in the Pentagon's weapons procurement budget last week. They still cut $3.7 billion and $5.5 billion, respectively, but part of that was military aid that will no longer be needed for Vietnam.

The explanation, of course, is that events in Vietnam and Cambodia have engendered the new approach. We could expect Senators Goldwater and others who have consistently argued that America needs to remain military strong to point up the need for continued military strength in the face of the Communist capture of Vietnam and Cambodia. But it would seem that those events also have given pause to some of the Pentagon's traditional foes as well. We hope it is not a transistory phenomenon.

Many of the Congressmen who once described U.S. armed forces strength as excessive also once assured us that a Communist takeover of South Vietnam posed no serious threat to the U.S. or its allies. They consistently ridiculed what they called the "discredited Eisenhower-Dulles domino theory." And they insisted that a Communist takeover of Indochina would not embolden Russia or China since the "insurgents" represented purely nationalistic Communist movements.

So it is encouraging to read Senator Mondale's comment, for example, that, "It's very important not to signal the Russians and others that we're giving up."

We would hope that this turn-about is not simply a policy of the moment, to be followed by renewed Pentagon budget-cutting once memories of Hanoi's aggression are not quite so vivid.

It could be that some of these politicians have begun to perceive that Communist aggression is not really an invention of the military-industrial complex. That doesn't mean the defense budget should be sacrosanct, or that waste should not be trimmed from military outlays. But it does suggest that refusal to vote sufficient funds for weapons procurement and research and development, in the name of an elusive detente, is irresponsible and dangerous.

UPON INTRODUCING A RESOLUTION IN SUPPORT OF THE PRESIDENT

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ROUSSELOT. Mr. Speaker, I am today introducing a resolution in support of the President's prompt decisive leadership to secure the release of the U.S. merchant vessel, the SS *Mayaguez*, and its men.

The seizing of this unarmed vessel and its crew by the Cambodian Communists while the SS *Mayaguez* was in the course of innocent passage on an established trade route was an act of armed aggression which could not be accepted or ignored, and I am grateful that we have a President who took the action necessary to free the vessel and its crew.

The telegrams and phone calls from constituents in my district were overwhelmingly in favor of the President responding quickly and firmly to the situation. The following telegram which I received yesterday from Mr. and Mrs. Gary White of Glendora, Calif., is an example of the views that have been communicated to me by my constituency:

> Under no circumstances should we wait, get our men and ship out immediately.

The President did just that, but not until after he had made efforts which went unanswered to secure the release of the ship and its men through diplomatic means. In my opinion, the use of military forces to obtain the release of our ship and its crew was necessary, and I commend the President for making this difficult decision on behalf of the citizens of the United States demonstrating that this act of armed aggression would not be tolerated.

The full text of the resolution I am introducing today follows:

RESOLUTION

Whereas the House of Representatives condemns the act of armed aggression on an unarmed U.S. merchant vessel, the SS *Mayaguez*, by the Cambodian communists while this vessel was in the course of innocent passage on an established trade route; and

Whereas, the President made efforts to secure the release of this vessel and its crew through diplomatic means, and such requests went unanswered: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the President took the necessary action in the exercise of his Constitutional powers within the framework of the War Powers Resolution (Public Law 93-148) to secure the release of the ship and its men, and the House of Representatives supports his decision and prompt response to the incident to demonstrate that this act of armed aggression would not be tolerated by the citizens of the United States.

PRESERVING DOCUMENTS AND FEDERAL RECORDS—A STATEMENT BY CONGRESSMAN EDWARD MEZVINSKY

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. BRADEMAS. Mr. Speaker, as sponsor of the Presidential Recordings and Materials Preservation Act of 1974, I wish to commend Speaker ALBERT and Majority Leader O'NEILL for their having appointed to serve as one of the four congressional members of the National Study Commission on Records and Documents of Federal Officials, which was created by the act, our distinguished colleague, the Honorable EDWARD MEZVINSKY of Iowa.

Members of the House, indeed, the American people, became familiar with the outstanding ability and dedication of Congressman MEZVINSKY during the impeachment proceedings last year conducted by the Committee on the Judiciary, of which he is a member.

Mr. Speaker, during consideration of the Presidential Recordings and Materials Preservation Act, I became convinced of the need to establish a commission to study all aspects of the question of the handling and disposition of the papers of all Federal officials, elected and appointed.

Moreover, as the Member of the House of Representatives who serves on the National Historical Publications and Records Commission, I have been impressed by the variety and difficulty of problems arising out of the question of the handling of the papers of Federal officials.

Accordingly, I was gratified when Congress, in writing the Presidential Recordings and Materials Preservation Act, created the National Study Commission on Records and Documents of Federal Officials.

Mr. Speaker, it seems to me essential that the work of this Commission be undertaken expeditiously. The law creating the Commission mandates that the final report and recommendations of the Commission be submitted to Congress and the President by March 31, 1976, a date set in the law in order to give the 94th Congress an opportunity to consider and enact any relevant legislation.

All four of the congressional appointees to the National Study Commission have now been named.

Unfortunately, however, President Ford has so far failed to nominate the three persons whom the statute requires that he name, all of whom are subject to Senate confirmation.

Mr. Speaker, in a most thoughtful article in the Washington Post of May 15, 1975, Congressman MEZVINSKY analyzes the important work of the Commission and calls attention to the need for the President speedily to meet his responsibility to nominate persons to the Commission.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD Congressman MEZVINSKY's article:

PRESERVING DOCUMENTS AND FEDERAL RECORDS

(I will name the presidental appointees to the "Public Documents Commission" as quickly as possible.—President Ford, Dec. 19, 1974.)

President Ford gave that assurance nearly five months ago upon enactment of the Presidential Recording and Materials Preservation Act. In signing the bill, which created the National Study Commission on Federal Records and Documents of Federal Officials, the President also accepted Congress' decree rejecting his agreement with former-President Nixon regarding the disposition of Nixon's White House papers and tapes. But while the congressional members of the commission, and those of designated professional organizations of historians and archivists, have been named, President Ford has yet to name the three presidential appointees who require presidential appointees who require confirmation by the Senate. Because one of the President's appointees is to serve as chairman of the commission, Mr. Ford's procrastination has paralyzed the commission before it had a chance to even begin its important work.

Although the concept has neither been set by law nor tested in the courts, every President from George Washington through Lyndon Johnson has regarded materials accumulated while in office as his personal property, to use or dispose of as he saw fit. Indeed, Richard Nixon is attempting to perpetrate that tradition through a current court challenge to the constitutionality of the law which denies him such absolute control of presidential records.

The notion that Presidents own presidential papers has led to erratic treatment of these primary historical documents: some have been lost; some stolen; some sold for profit; many given to the public, of which some have been sealed for years; and some destroyed.

Because the public attention focused on this issue is largely due to the Watergate scandal, it is instructive to recall the fate of Warren G. Harding's presidential papers. Following his death, as Harding's reputation was sinking into the Teapot Dome scandal, his wife, Florance, set about burning much of his correspondence as part of a campaign of destruction and suppression aimed at preventing further degradation of her husband's name. Although some of Harding's papers that were spared the torch are now accessible to the public, one collection, held by the Library of Congress, is sealed until the year 2000.

The Harding papers present an extreme case, but this is far from the sole instance of abuse of the traditional discretionary right of Presidents and their heirs to dispose of presidential papers. In recent years, such documents have received better treatment; the papers of Hoover through Johnson are deposited (with restrictions on their use stipulated by the Presidents) in the presidential library system of the National Archives. But there is no law requiring preservation of such documents or in any way prohibiting a recurrence of the Harding-like pilferage.

It was the absence of legal guidelines governing this area that required Congress to protect the Nixon papers and tapes. Having intervened in this particular case, Congress could then have retreated, leaving the disposition of future presidential papers to future Presidents and relying on future Congresses to step in if and when circumstances demanded. Instead, Congress decided to seek a responsible national policy for the control, disposition and preservation of papers, tapes and other documents prepared by and for Presidents and other federal officials, including congressmen. Toward this end, the Presidential Recording and Materials Preservation Act established an independent, 17-member commission to study problems with respect to the records of federal officials and make specific recommendations for legislation and other appropriate rules and procedures regarding such documents.

The task before the commission is immense and the goal is twofold: (1) to preserve federal records to the maximum possible extent and (2) to assure the broadest and earliest practicable accessibility to these documents. But these can be conflicting aims and this fact accentuates the complexity of the questions before the commission. While proposals for quick public examination of presidential papers are generally applauded, such provisions could serve to stifle the keeping of records or encourage their destruction. With this in mind, the commission must consider whether restrictions are necessary to ensure that events of historical significance are recorded and preserved. If restrictions are deemed necessary, the commission must determine how to balance the need for confidentiality with the public's right to know. Furthermore, in considering restrictions on access to presidential papers, the commission will have to determine who will stipulate such restrictions. If it is left to the President to decide what will and will not become public, would we encourage the Chief Executive to purge his papers in order to present history with a partial, sanitized record of an administration?

In our concern for preserving the accuracy of the historical record, the commission must also resolve the question of whether an ex-President has the right to delegate literary rights of political scientists and discriminating against others.

CENTRAL ISSUE

A central issue in all of these questions is the yet to be resolved definition of the term *presidential papers.* To what extent are materials prepared by the White House staff to be included in this category? Can presidential papers be separated, as some suggest, into groupings designed *personal, public* and *political?* What safeguards are necessary to protect individual privacy and prevent political exploitation of sensitive papers?

Clearly, it seems that each issue raised in the complicated maze looming before the commission leads to another equally important question. As a House appointee to the commission, I am eager to begin work on the challenging and demanding task before us. But, unfortunately, we cannot begin.

The law establishing the commission requires that its final report and recommendations be submitted to Congress and the President by March 31, 1976, with the hope that necessary legislation might be approved before the close of the 94th Congress.

The burden is clearly on President Ford to move swiftly to fulfill his five-month-old pledge to select the presidential appointees "as quickly as possible."

KEMP TAKES LEAD ON FREE ECONOMY SOLUTIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ASHBROOK. Mr. Speaker, I would like to commend my good friend and colleague, Congressman JACK KEMP, for his valuable contributions in attempting to straighten out our current economic situation. Especially important is the lead he has taken on the problem of capital formation.

Federal borrowing is drying up the capital market. Approximately $0.60 out of every dollar being borrowed today is by the Federal sector. This leaves little money to lend out for mortgages or to finance business expansion and industrial growth.

KEMP warns that "we are not investing enough of our gross national product in new plants and machinery and equipment to upgrade our current industrial capacity." If this continues, our standard of living will become static and we will fall behind our world competitors.

Following is a thought-provoking article on Congressman KEMP's economic views from the April 16, 1975, edition of the Buffalo Courier-Express:

KEMP CALLS INVESTMENT KEY TO ECONOMIC GAINS

(By Peter C. Andrews)

"One of the most incredible statistics of today's economy" said Rep. Jack Kemp recently "is the fact that well over 40 per cent of private income—corporate, business and personal—is being devoted to government at the state, federal and local level."

"When you add that to the fact that one out of every six people is working for the government at some level—a figure which has doubled in the last 12 to 14 years—you come to a point where you can see we are starting to consume in the public sector so much that we are starting to interfere with the production of wealth," he said.

"The only real way to increase the standard of living in America is to increase the amount of capital invested per capita," said the Hamburg Republican. He explained his economic views at a recent breakfast meeting with reporters at the National Press Club.

"As a nation, we are not investing enough of our gross national product in new plants and machinery and equipment to upgrade our current industrial capacity. To that extent we have fallen behind our competitors in the world.

Last year we reinvested somewhere between 10 and 11 per cent of our GNP, while Japan's figure was 34 per cent, West Germany's 23 per cent, France's 24 per cent and even Britain's was higher than the United States," he said.

"In order to finance this year's deficit the Federal Reserve last month expanded the money supply at a rate of 15 per cent—and all of us who have any familliarity with economics realize that an increase in the money supply without a corresponding increase in productivity means inflation. It is not just the too many dollars in the equation, it is the too few goods that we also have to be concerned about."

"We have to stimulate savings, investment and capital formation to handle that other side of the equation—the stimulation of our economy to produce more goods."

"This is one of the great mistakes in the debate on energy—we have talked so much about conservation of energy, which is important, but there are not enough people talking about increasing production."

"It is incredible today that because of the regulatory agencies, it is against the law to lower the prices of certain services in our society—transportation for one. The strongest defense of the Civil Aeronautics Board comes from the presidents of such outfits as United Airlines who do not want World Airways and other competing firms to lower the prices on established air routes.

The CAB allows British Airways to service more domestic markets than we allow Pan American to service. The Export-Import Bank loaned Air France money at 6 percent interest because the airline wanted to buy a 707 from Seattle—because we want to stimulate exports—while Pan Am is paying 12 per cent for their money. Bcss Linco trucking lines in Buffalo cannot go the most direct route to Philadelphia because of the Interstate Commerce Commission.

"I am not suggesting we have a return to 18th century cutthroat competition—it is not a question of that—but these regulatory agencies should be promoting competition rather than inhibiting it. Last year the ICC made over 475,000 individual decisions as to routes and rates, what can be carried, what the profit can be etc. etc. Imagine that type of bureauracy making a decision equal to the market place forces of competition!"

Kemp's answer to our economic problems is a program of fiscal restraint coupled with the deregulation of those agencies which are hindering free competition in the U.S.

He said estimates of what these regulations cost the consumer annually range from $20- to $30 billion, in addition to artifically created shortages such as the natural gas shortage in Western New York. He said this was caused by the Federal Power Commission, which, since 1954, set the price of natural gas at such a low point that it stimulated consumption without stimulating production.

Today we are buying gas from Communist Algeria at four times the price of natural gas sold in interstate commerce, under the price allowed by the FPC, he continued.

I recognize there is no way the budget is going to be balanced this year for many reasons, but we ought to move to reduce the size of that deficit—it is out of control, absolutely out of control to the point where the bond market is being jeopardized and major financings are being called off. If the federal government is financing $170 billion in the 18 months, where is the money going to come from to finance the private sector?

"I think that capital formation is the most serious emergency that our country faces today. Where are we going to find the capital necessary to raise the standard of living, to make sure there is money available for the thrift institutions to loan out for mortgages, and to finance the industrial growth? There has not been a major expansion of our steelmaking capacity in the United States in the last 10 years."

With that Kemp deplored the direction that many members of the Republican Party seem to be taking now—the abandonment of the basic laws of economics. "I can win as an independent," he said, "but I think the President should not give up on his programs—I think he should draw the line and fight—and I just hate to see the party drifting away from these principles."

Kemp said there were some other Republicans who felt the way he did. They are an increasingly vocal reminder to the President and the rest of the Republican party that it appears to be losing some of its original constituency.

FORD TO NEW YORK: "LET THEM EAT CAKE"

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ROSENTHAL. Mr. Speaker, Americans from all parts of the country must join in deploring the tragic and shortsighted decision of the administration to refuse emergency funds to New York City to bridge its cash flow gap.

The Federal Reserve Board, with a portfolio of $87 billion, has purchased $200 million worth of District of Columbia subway bonds. To shore up a mismanaged and overextended Franklin National Bank, the Board futilely spent $1.8 billion. The Treasury urged and Congress supported a $250 million loan guarantee to the Lockheed Aerospace Corp. to avoid the rippling effect of a corporate bankruptcy. But for the greatest metropolis in the Nation, facing an unprecedented fiscal crisis largely of Federal creation, the administration felt a loan was inappropriate. An administration spokesman instead, in a statement reminiscent of Marie Antoinette's "Let them eat cake," suggested that New Yorkers institute long-range economies, secure additional State aid and borrow money from the city's banking community. The administration's decision may not cause a revolution but it may precipitate a disaster from which no part of this Nation will be immune.

As an example of the sort of constructive thinking needed during these parlous times, I commend to my colleagues the fifth installment in the series of editorials in the New York Times on "The State of the City." While recommending taking a long-term view of New York's problem, the editors of the Times stress the need for "process planning" so there will be sufficient flexibility to cope also with immediate crises, such as the one now affecting the city's budget and cash flow. The editorial follows:

STATE OF THE CITY: PLANNING THE FUTURE

With New York's immediate problems, the long view may seem like a luxury. But the quality of the city's future depends greatly on the quality of its planning. Today planning means hard decisions about policy and goals; it is a determination of the city's optimum destiny based on its assets and liabilities.

The old notion of a Master Plan that would neatly plot an ideal and orderly physical future in static land use diagrams has turned out to be a chimera; what has followed is a good deal messier and more confusing but infinitely more aware and humane. Abstract dogma has been replaced by the concept of process planning, which allows for flexibility and change, recognizing the physical environment as the definitive factor in the way we live and work.

Planing is one area in New York in which municipal vision and action have been joined to the perception of problems. But New York's plans and the planning process, like so much else, are in crisis now. From the need for housing and parks to the realization of city-size, multi-use developments such as Manhattan Landing and the comprehensive Harlem Task Force plan, they are linked to the general state of the economy and the city's fiscal straits. What is ultimately affected is not only New York's function and appearance, but its existence as a viable metropolis.

A NEW CITY

We are, in fact. building a different kind of city from that of ten years ago, using the same set of developers but a different set of rules. In some ways, it is a distinctly better city. New York has transformed conventional restrictive zoning into some of the most progressive and provocative zoning policies in the world. The result is a kind of preventive planning, or the setting of objectives and standards in advance of development, based on the ability to see trends and potential consequences and to guide them constructively.

This new zoning has recognized the aspects of the city to be prized and protected, and the strengths on which we must build. In many cases, it has kept these assets from being destroyed. Special zoning districts have been established that deal with the particularized needs of such diverse areas as the Clinton and Yorkville neighborhoods in Manhattan and Atlantic Avenue in Brooklyn. They provide an incentive both to conservation and to compatible, constructive development. They cherish the neighborhood, once pulled apart by bulldozer renewal, and respect unique city character and function.

Other zoning innovations encourage open space, scenic view and natural area preservation, and provide services and amenities. Planners call these procedures incentive zoning, because builders get bonuses for carrying out its special features; the cynics call it tradeoff. It is indeed tradeoff—a realistic, legitimate tradeoff of private interest for public good, a way of reaching a balance between the sanctity of property and the protection of the public environment.

SOME OLD PROBLEMS

If there are planning successes, however, there are also dismal failures. For the renascence of downtown Brooklyn, there is the horror of the South Bronx, proving again that physical renewal cannot cure the deeper, unresolved problems of urban pathology. These are subjects for continuing concern and effort.

Housing and transportation are among the more stunning examples of design and planning bankruptcy. Even in the so-called luxury field, New York has some of the most shoddily designed housing in the world. The city's recently proposed set of incentive zoning rules for housing quality that would "trade off" bonuses for changes in building design (respect for neighborhood scale, rooftop recreation space, landscaped open areas and features to encourage security) needs to be instituted speedily. The relatively recent device of tax abatement to reduce luxury rents—one pathetically small attempt to encourage housing construction that does not even touch its broad social needs—is now up for renewal; the planners are proposing to tie that benefit at least to improved urban design standards.

In transportation planning, the record has been abysmal. The city and state must get on with a modified Westway for the rebuilding of the West Side Highway. The need is as much for balanced transportation and the servicing of the central business district as for mass transit; it must not be an either-or proposition. A chance for improvement of the bordering communities must be part of any reckoning of costs and benefits.

LAND USE AND LANDMARKS

Other actions are needed. Revision of the present complex methods of making land use decisions, a matter basic to intelligent planning, should be part of City Charter reform. There is an equal need for sweeping changes in the city's building bureaucracties, where the best plans are frustrated by gelatinous delays and persistent payoffs.

In another area, the Landmarks Commission has made a cautious, but impressive record of designation to promote New York's architectural and cultural assets, particularly in the recognition of historic districts which provide neighborhood stability and environmental enrichment. But there are serious flaws in the landmarks law that need swift and skillful correction by the Corporation Counsel. The appeal on the adverse decision on Grand Central Terminal is crucial to the city and the nation. New York is in the difficult position now of testing preservation legislation, much as zoning law was tested in the 1920's.

It is not lack of necessary sensibility for the present and the past that is at issue in New York. On that score, the city is doing well. Nor is it basically a question of such matters as the highly publicized controversy over the decentralized community planning boards, which confuse and delay projects in some areas and contribute enormously to neighborhood design and controls in others. This is essentially a constructive process.

The threat facing the city today goes much deeper than vision or mechanics. It is that most planning projects have been brought to a standstill by the state of the economy and the municipal fiscal crisis. Even funds for essential studies are drying up.

The price for this will be great, and it will be paid in the future. Without continuing development to carry out the planners' schemes, there must be a shift in planning priorities. There is a pressing need for things that can be done during the lull in building activity. A coordinated, city-wide traffic plan, for example, and appropriate uses for the waterfront (there has been total silence since last year's preliminary waterfront study) should be at the top of the list.

Policies must be pursued—for the policies that determine land use, density, design quality, building types, housing, transportation, recreational, park and cultural facilities, the relationships of buildings to spaces, of people to places, are what seal a city's fate. To deal with metropolitan form and function is not to chase the lost dream of the City Beautiful. It is to shape the tough and inescapable realities that control New York's efficiency, livability, well-being and style.

AMENDMENTS TO H.R. 6860, THE ENERGY CONSERVATION AND CONVERSION ACT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. VANIK. Mr. Speaker, next week the House will consider H.R. 6860, the Energy Conservation and Conversion Act of 1975, which was recently ordered reported from the Ways and Means Committee. Although I supported the motion to report this legislation from committee, I feel there are several areas of the bill which can be significantly strengthened. In this regard, I may offer several amendments to H.R. 6860 when it comes to the floor next week. I will include them in the proper place for printing under the rule.

A TRIBUTE TO DR. JOSEPH MANCH, BUFFALO'S SUPERINTENDENT OF SCHOOLS ON HIS RETIREMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. KEMP. Mr. Speaker, many of the good citizens of Buffalo, N.Y., will gather in our city's Statler-Hilton Hotel on this coming Tuesday, the 20th day of May, 1975, to pay tribute to an uncommon man.

He is Dr. Joseph Manch who, during most of his 65 years, has dedicated his life to public school education and, as the Buffalo Evening News editorialized, has demonstrated a "genuine love of children, high standards of personal integrity and innate decency and humanity."

On June 30, Dr. Manch will retire as superintendent of Buffalo schools after 18 years at the post. That length of tenure, it has been duly noted, makes him our Nation's senior, large city superintendent.

It is not easy to eulogize Dr. Manch because his contributions to our community and country have not been easy nor simple. They have been extraordinary.

To those of us who perceive his innovative contributions, he was a pioneer, leading others in the development of comprehensive high schools which offer both academic and vocational skills, for early childhood programs and the sharing of his personal talents of poetry and photography.

To some critics, Dr. Manch was a threat to the status quo, or a barrier to new paths to learning. He has not been ignored. He once was a champion wrestler, a boxer, and a football player, he has always been positive in the forthright expression of his beliefs and his sensitivity.

Such positiveness has manifested itself in his administrative leadership throughout the years as well as through his creative writing and poetry.

Dr. Manch was born on New Year's Day in Lumza, Poland, the son of a rabbi.

His family brought him to western New York when he was 6 months old. He is, except for the brief period of infancy, a native of the community he has served so well.

He attended Buffalo public schools and graduated with honors from the University of Buffalo in 1932.

Dr. Manch was a $5 a day substitute teacher before he earned a regular assignment as an English high school teacher. He served as guidance director,

director of pupil personnel services and assistant superintendent before accepting the superintendent's responsibilities in 1957.

He has always had a listed telephone number throughout his public career. On an early, snowy morning, he has received as many as 50 telephone calls from persons wanting to know if schools would be open. He has been accessible to all, including kindergarten students as well as his pupils' grandparents.

He has been married for 41 years to his charming wife, Dorothy. They have two sons, an attorney and a physician, and a 4-year-old grandson.

When Joe Manch finally decided to retire, he sent some of his friends, including me, I am proud to say, a poem he had written. It said:

> DEAR JACK:
>
> I thought perhaps you'd like to know
> That I've decided it's time to go.
> I told the Board I want some time
> To take more photos and write more rime,
> To travel more and have some fun,
> Like playing with my bright grandson.
> I'm leaving at the end of June,
> And that, by gosh, is pretty soon.
> Eighteen years is a good long while—
> I'm happy to end it with a smile.
> I know I'll see you here and there,
> For now I can go anywhere.

Mr. Speaker, the people whom I have the honor to represent, Joe's other friends and I, personally, wish him and his dear wife a long and happy journey.

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mrs. PETTIS. Mr. Speaker, yesterday we approved legislation allocating almost half a billion dollars for emergency assistance for the Indochina refugees. Many of my constituents are adamantly opposed to this use of tax money at a time when so many of our citizens are in need of help. They are concerned that the refugees will not be dispersed throughout the Nation, but will instead settle in large groups in a few areas, much as the Cuban refugees did in Florida. I fully understand and sympathize with these fears. Particularly in California, which is absorbing the initial influx of the refugees and which has an unemployment rate appreciably above the national average, these concerns are well-founded.

Every effort must be made to distribute the Vietnamese throughout the country in a manner which does not exacerbate employment or welfare problems in any one area. We have reasonable assurances from the Federal agencies involved in the resettlement program that this policy will be followed. It is up to us in the Congress to keep a close watch on the situation to be certain these assurances are carried through.

This was for me, as it was for us all, a hard decision. In the end, however, I do not believe we can simply send the refugees back, knowing they would face possible execution and certain persecution. Our Nation can make a place for them, just as we have for other groups in the past. It is my hope that place can be created with as little turmoil as possible.

WE MUST SIMPLIFY OUR COMPLEX FEDERAL INCOME TAX FORMS AND LAWS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. KASTEN. Mr. Speaker, another April 15 has come and gone. We note its departure with a mixture of relief, frustration and anger. It is not merely the outlay of money which upsets us. Most of us are willing to pay our fair share of the costs of Government. It is the mental anguish that so many of us endure in trying to comply with our tax laws. It is my hope that by the time April 15, 1976 is upon us, Congress will have enacted legislation to remedy the problems each of us faces in completing his tax return. I therefore strongly support House Concurrent Resolution 270 which provides that it is the sense of Congress that the Internal Revenue Service should simplify Federal income tax forms. Congress should also take understandable and that State and local governments which impose income taxes should to the extent possible model their income tax forms on the Federal income tax forms. Congress should also take whatever legislative action is necessary to simplify the language of the Internal Revenue Code so that it will be easily understandable to the average citizen.

These are not new problems. Since the modern income tax law was enacted in 1913, there has been a steady growth in its complexity. Each exemption, exclusion, deduction or other special feature that has been enacted over the years has contributed to the intricacies of the Internal Revenue Code and to the complexity of the forms and instructions provided for taxpayer compliance. Many of the complexities can be attributed to congressional efforts to increase equity among different groups of taxpayers, to relieve undue hardship, to provide incentives for certain courses of actions or to bring tax avoidance under control.

The result has been that the Internal Revenue Code has turned into a nightmare which even confounds tax experts. For an example of obfuscatory language at its height—or depth, depending on your viewpoint—section 1348(b)(1) states:

> The term "earned income" means any income which is earned income within the meaning of section 401(c)(2)(C) or section 911(b), except that such term does not include any distribution to which section 72(m)(5), 402(a)(2), or 403(a)(2)(A) applies for any deferred compensation within the meaning of section 404.

Is it any wonder that Judge Learned Hand once said:

> In my own case the words of such an act as the Income Tax, for example, merely dance before my eyes in a meaningless procession: cross-reference to cross-reference, exception upon exception—couched in abstract terms that offer no handle to seize hold of—leave in my mind only a confused sense of some vitally important, but successfully concealed, purport, which it is my duty to extract, but which is within my power, if at all, only after the most inordinate expenditure of time.

The complexities of the income tax forms result from the complexities of the income tax laws. Schedule R, Retirement Income Credit Computation, is so complicated that many elderly taxpayers are said to consistently overpay their taxes because they either forgo using it, even though entitled to, or make errors in the computations required.

The Internal Revenue Service—IRS—has taken some steps in recent years to simplify income tax forms and instructions. IRS has eliminated the income limitations required for filing the 1040A short form; it has eliminated the requirement to list charitable contributions for which the taxpayer has cancelled check or receipts; it has eliminated the requirement to list names and dates when claiming payment to doctors, dentists, and hospitals; it has decreased the 1040A package by four pages; and it has attempted to shorten and improve the instructions.

IRS Commissioner Donald Alexander has urged congressional legislative action so that further simplifications can be accomplished. In a recent interview he referred to several changes in the tax law which would simplify returns and make it easier for people to understand what they are supposed to do. He said that the retirement income credit was too complicated and should be supplanted by an age credit. He believes there are too many ways of classifying people for tax purposes. He said:

> For instance, widows get special treatment for two years after the death of the husband, but then they revert to single taxpayer or head of household. Should we have a tax system that tries to draw such fine distinctions?

The complexity of tax forms and of the instructions accompanying them drives people to seek assistance in their preparation. Literally thousands of commercial preparation services spring up each year before April 15. It is big business—annually extracting some $700 million from taxpayers. Most of these firms and individuals are honest and competent, but studies have shown that returns prepared by commercial services have a high error rate, and that some preparers have used unscrupulous methods in obtaining business.

If the taxpayer seeks free assistance from IRS, he again may fall in the incompetence trap. Year after year, investigative reporters and public interest groups have found that different offices of IRS give different results from the same basic information. This year the staff of the House Ways and Means Oversight Subcommittee found that IRS offices had a 25 percent error rate when answering typical taxpayer questions in a random test. Worst of all IRS will not stand behind its own advice. This policy places the taxpayer in the unenviable position of being penalized for errors made by the agency imposing the penalty—how unfair can you get? To give IRS its due, it is proceeding, albeit slowly, to upgrade the training of its taxpayer service personnel.

Congress, too, has begun to move on the problem of simplification and should make real progress when tax reform legislation is taken up later this year. One proposal, which has been developed over a number of years, would simplify the tax laws by removing from the Internal Revenue Code those provisions which either are no longer used at all in computing current taxes or are little used and are of minor importance. It has been popularly referred to as the "deadwood" bill. It repeals or makes amending deletions in approximately 1,000 sections of the Code. It makes other simplifying changes, such as the substitution of the term "ordinary income" for "gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231." The provisions of this bill were tentatively approved last year by the Ways and Means Committee in drafting the tax reform bill of 1974.

The Ways and Means Committee included other simplification provisions in its tentative decisions. The committee decided to repeal certain itemized deductions, such as those for the gasoline tax, dividend exclusion, and the sick-pay exclusion and replace them with a "simplification deduction." The committee also tentatively decided to reduce the number of optional tax tables, basing the new tables on taxable income rather than on adjusted gross income, and extending their use to taxpayers with taxable incomes up to $20,000. The committee also decided to increase permanently the standard deduction and the low-income allowance. Increasing the standard deduction enables many taxpayers to switch from the tedious process of completing the long form to the relatively simple short form. It also eliminates the necessity for elaborate recordkeeping to substantiate deductions which have been itemized. An increase in the low-income allowance eliminates the necessity for many lower income individuals to file a tax return at all.

The Ways and Means Committee also decided to restructure the present retirement income credit and convert it to a tax credit for the elderly. In so doing, most of the complicated features of current law have been removed, which should greatly increase the use of this benefit by the elderly.

These proposals by the Ways and Means Committee are all changes which will modify our present tax structure in a minor way to accomplish simplification. Other congressional proposals would completely overhaul our tax system to rid it of its current complexity. Congress should take a careful look at both approaches, but it must take action.

The greatest inequity we have in the tax system is the complexity of the system, itself. It is time to face up to the problems confronting the average American in attempting to comply with the complicated provisions of our tax laws.

FOCUSING ON THE MALPRACTICE CRISIS

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HASTINGS. Mr. Speaker, our colleague, Congressman H. John Heinz, III, of Pennsylvania, in a speech before the Pennsylvania Medical Society, recently discussed reasons why he believes that the Federal Government should not involve itself in the medical malpractice crisis unless absolutely necessary. The responsibility for resolving this problem should lie primarily with the States, Mr. Heinz said.

The first part of his remarks appeared in yesterday's Record. I include the text of this portion of Mr. Heinz's remarks in the Record:

REMARKS BY HON. H. JOHN HEINZ, III

In each State where a crisis exists, legislation to rectify the problem is being considered. Over 200 bills on malpractice insurance have been introduced in State legislatures since January 1.

Four States—Arkansas, Idaho, Indiana, and Wisconsin—have already enacted legislation guaranteeing availability of insurance. Similar legislation is pending in at least 10 other States, including California, Massachusetts, and New York.

A Federal program enacted now would fail to recognize individual problems in individual states. It would also cut short valuable state initiatives which could result in a synthesis of many approaches or in the development of others not yet tried.

Finally, regulation of the insurance industry has always been a state government responsibility. The Federal Government should not preempt that responsibility unless absolutely necessary. For instance, if insurance becomes unavailable and a state fails to act, or if it acts unsuccessfully to resolve the crisis, temporary Federal intervention would be warranted at two levels:

One, a joint underwriting pool composed of all insurors writing personal liability in that state;

Two, Federal reinsurance in the crisis state on all claims paid above an established amount—perhaps $200,000.

Admittedly, this is a stop-gap approach that merely guarantees availability of insurance without addressing any of the basic causes of the problem. But these temporary measures would keep Federal meddling to a minimum while providing the time needed for the residents of a State, working through their public officials and in cooperation with both health care providers and insurors, to solve their medical liability insurance crisis the way they believe makes the most sense.

But I would sound one clear warning—solving this crisis is a State responsibility, and no State legislature, including the one assembled here in Harrisburg, should labor under the illusion that Congress will bail them out. Congress should not and will not relieve the States of their solemn responsibility. With this fact in mind, I urge the Pennsylvania State Legislature to act with wisdom and dispatch to solve this crisis.

So you can see that I believe strongly in State responsibility for solving the medical malpractice mess. But let me add a few words about a special responsibility—yours.

Only the medical profession itself, and particularly you, the chosen leaders of that profession, can improve the quality of care delivered by both physicians and hospital personnel. Let's be frank. Malpractice does occur in this country. An estimated 75% of alleged malpractice events occur in hospitals. Often these are poorly managed hospitals, understaffed by inadequately trained personnel. As the leaders of the health care team, it's your responsibility to help improve the quality of care delivered in hospitals.

Furthermore, let me say the unspeakable: Doctors are not gods. Like politicians, you are often too human. We all make mistakes. Some doctors are incompetent. Thank God there are so very few. But these few must be weeded out to protect the many. Yet in most states, neither state medical boards of examiners, nor state medical societies have sufficient power to police your profession.

The Secretary's Commission on Medical Malpractice found that state boards generally limited themselves to policing cases of criminal or moral misconduct rather than monitoring patient-care quality. In fact, as recently as 1972, only 15 states allowed a physician's license to be challenged on the basis of professional incompetency. What's more, only in eight states did medical boards have the power to act against a practitioner whose license had been revoked in another state.

Malpractice proven to be the result of not simply human error, but of sheer incompetence or gross negligence must be punished and dealt with decisively. Such a physician deserves to have his license revoked, temporarily or permanently, in a fair but expeditious open proceeding. The responsibility lies squarely with you to assure that these few physicians cannot visit their negligence or incompetence on still other unsuspecting patients.

The disciplinary mechanisms proposed by the Pennsylvania medical society — and spelled out in Pennsylvania house bill 805—are a step in the right direction. But I urge you to press as well for a new, tough State-administered program of medical licensure, continuing education and relicensure. Such a program would be combined with necessary machinery, manpower and financing to swiftly identify, discipline and rehabilitate or bar from practice those few unworthy physicians which stain the good reputation of your profession.

Such changes in the law are clearly in the public interest, since they would protect patients against irresponsible practitioners. But these changes would benefit all other physicians as well. Not only would they help control malpractice occurrence, checking both high insurance premiums and hassles over insurance coverage, but these improvements would strengthen public respect for your profession.

You and I know that there are those who will not rest until total control of health care resides in Washington. The current crisis in medical liability protection is seized by some as still another opportunity to remake our health care system over to their own liking. These politicians would have the Federal giant jump in with a massive untried scheme of federally administered no-fault insurance or a national arbitration program for all malpractice claims.

Both these proposals would explosively increase Federal meddling in the day-to-day practice of medicine. Federal boards would investigate malpractice claims and assess judgments on the merits of the claims.

Even more disturbing, however, would be the mandating of Federal, medical licensing and relicensing programs for all physicians in America—to be administered by still another bureaucracy with the power to regulate—and even to ban—the practice of medicine by an individual physician.

I know you find this approach as alien to American values and as alien to the American way of life as I do. Your strong leadership in swiftly and fairly disciplining negligent or incompetent colleagues would do more than merely improve the quality of American health care.

Just as importantly, it would stop dead those who would use this crisis to advance radical schemes to tear down and rebuild American medicine.

I welcome the opportunity to work side-by-side with you to protect and strengthen our voluntary, private health care system. It has given generously to our great country. With our close cooperation, mutual respect and understanding, it can continue to do so.

MESSAGE TO VAN CORTLANDT JEWISH CENTER

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. BINGHAM. Mr. Speaker, late last month I had occasion to address a group of deeply concerned citizens in the Bronx, N.Y., about the current situation in the Middle East. Since this is a topic of concern to many of my colleagues, I include the text of my remarks at this point in the RECORD.

VAN CORTLANDT JEWISH CENTER

I deeply regret that I cannot be with you in person this year to clerebrate the State of Israel's birthday. But I join with you in saluting the occasion.

These are grim times for Israel, so it is especially important today that Israel's friends and supporters join together in the long battle for survival.

In many ways Israel is stronger and more powerful today than ever before. Yet this brave little democracy faces dangers that are unprecedented.

For years the threat from the Arab world was not a particularly menacing one. The Arabs were quarreling among themselves and their resources were not very substantial. Today, the Arabs have achieved a greater degree of unity and have acquired enormous influence because of their stranglehold on so much of the world's oil. The power of this oil has enabled them virtually to isolate Israel diplomatically. The Western European nations and Japan have been cowed into abandoning their earlier support of Israel. The United States is virtually the only friend Israel has left, and even in America the power of oil has made the Arab boycott a much more effective and formidable instrument of economic warfare than it was.

Back of the Arabs stands the looming power of the Soviet Union, which has supplied Egypt and Syria and others with huge amounts of sophisticated weapons. While I do not believe the Soviet Union wants to see Israel destroyed, the Soviets do not want peace in the Middle East either. Happy to fish in troubled waters, they will continue to be a menace.

These are familiar dangers. But just recently a new threat has arisen—a very serious threat indeed.

Suddenly, after years of support from the White House, Israel is confronted with a President who speaks coldly of Israel in a CBS interview, who has ordered a "reappraisal" of U.S. policies in the Middle East in such a manner and at such a time as to imply that the reappraisal is aimed mainly at Israel, brought about by the Administration's annoyance that Israel would not give in to Egypt in the latest round of negotiations.

Officially, Henry Kissinger said he blamed neither side for the failure of the talks, and he said the same thing to the House International Relations Committee in closed session. But to the media he leaked word that Israel was responsible for the failure. This under cover campaign to picture Israel as stubborn and intransigent, together with the stalling of talks on further military and economic assistance, has clearly been an effort to pressure Israel into accepting a one-sided deal with Egypt.

Israel was prepared to give up the Sinai passes and the oil fields in return for non-belligerence on the part of Egypt. Even this was a risky stance, for how could Israel be sure that Sadat would keep his word or that Sadat would remain in power? But Israel was prepared to take that risk.

But Egypt refused to offer non-belligerence. Egypt in effect offered nothing in return for Israel's surrender of the oil fields and the passes. Apparently, Kissinger argued that Israel should nevertheless go along in the hope that Egypt would behave better thereafter. But that, in my judgment, is appeasement, and appeasement never works. Israel was right to insist on a two-way deal.

There are many of us in the Congress that are unhappy about the Administration's present attitude and are making our unhappiness known.

In recent years the Congress has consistently been stronger than the Administration in its support of Israel. For example, the bill that I introduced in 1972 to provide Israel with many millions of dollars of help in absorbing the refugees from the Soviet Union was a Congressional initiative which was not supported by the Administration. Just last Monday I testified before the subcommittee in charge, asking for a continuation of the program, and again the Administration was silent.

The Administration has also proposed no action to counteract the Arab boycott. A wishy-washy law enacted in 1968 merely states that the U.S. opposes the boycott. I believe that a bill should be passed which would make it unlawful for American businesses to cooperate with the boycott. I expect soon to report such a bill out of the subcommittee on International Trade and Commerce which I chair, and I hope it will be enacted into law.

The Administration is currently sitting on requests from Israel for additional arms and for very large amounts of economic aid. In my view it is absolutely imperative that such aid be provided, so that Israel may have the wherewithal to defend themselves and to overcome their present difficult economic problems. I will, you may be sure, do whatever I can to see that the Congress acts accordingly.

On this 27th birthday of the State of Israel, we know that Israel must and will survive. Let us hope and pray that on the birthdays to come the skies will be brighter and let us rededicate ourselves to that goal.

TRIBUTE TO EMLYN JONES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ANDERSON of California. Mr. Speaker, active participation by the citizenry in community affairs symbolizes the very spirit by which this country was built.

On May 22, a man who exemplifies this spirit will retire from Pacific Telephone Co. after 42 years of faithful service, not only to his profession, but to his community as well.

Emlyn L. Jones, was raised in the Los Angeles area where he received his early education, graduating from Los Angeles High School in 1934—after already completing 5 years employment with Pacific Telephone. Continuing his academic life at Occidental College and his employment with Pacific Telephone, he earned his bachelor of arts degree in English in 1938.

Progressing unselfishly and untiring with Pacific Telephone through the years, Em served as district manager at three separate Pacific Telephone district offices—San Pedro, Compton, and the Inglewood office from which he is retiring.

Mr. Speaker, when I think of Em Jones, I think of the spirit that built this country. He knows the meaning of hard work, and the perception it takes to reach and achieve the goal he was striving toward.

His energetic activities with the Inglewood Rotary Club, and his active leadership role in the Inglewood Chamber of Commerce, are reminiscent of those who molded our Nation; those who had a vigorous and vibrant attitude toward working for community betterment.

I am sure Em's wife, Ellen, and his children, Emlyn, Jr., David, and Margie, join us in congratulating a truly fine American.

Mr. Speaker, the spirit of Em Jones, his congenial manner, and his active quest to aid fellow human beings are all qualities which were admired in every era of American history—and are qualities which will be admired on May 22 as we pay tribute to Em Jones.

TRIBUTE TO AMERICAN SOKOL

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HELSTOSKI. Mr. Speaker, today we live in an age wrought with domestic anxiety and international tension. In every direction we turn, it seems as if another crisis waits to confront the spirit and fiber of the American people. Today, however, I would like to take a moment to pay tribute to an organization which for over 100 years has played a vital role in building a better America.

As a result of its fine record in preserving physical fitness, the American Sokol Educational and Physical Culture Organization has earned an important place among American service groups. Since 1865, American Sokol has played a dynamic role in instilling the principles of freedom, friendship, and truth throughout the Nation, and in promoting a strong bond of brotherhood among men and women in all parts of the country.

Furthermore, Mr. Speaker, I would like to take a moment to commend the Little Ferry, N.J., Sokol in particular. In view of the fact that I have the honor of representing Little Ferry in Congress, I have had the opportunity to witness firsthand many of the outstanding contributions Little Ferry Sokol members have made to their community. For over

75 years, the men and women of Little Ferry Sokol have inspired their friends and neighbors through their tireless pursuit of personal fulfillment.

Mr. Speaker, in conclusion, I would like to commend American Sokol once again, and particularly the members of the Little Ferry chapter, for their many outstanding accomplishments. As William "Pop" Zabransky, Jr., a long-time member of Little Ferry Sokol, said to me a short time ago:

> If the people of the world could adopt the principles and ideals of Dr. Miroslav Tyrs, the founder of the Sokol, there would be a better understanding of mankind on Earth today.

CHILLICOTHE'S HOSPITAL DAY

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HARSHA. Mr. Speaker, as this Nation moves toward the 200th anniversary of its birth, we are reminded again and again of the great contributions and sacrifices American men and women have made in the cause of their fellow beings—both here and abroad.

This noble tradition of "giving" has never ceased—although in the crush of headlines heralding the seamier side of man and his works we tend to forget that the "average" man and woman—if there is such a thing as "average"—spends much of his and her time in behalf of others.

At "Hospital Day" at the Chillicothe, Ohio, Veterans' Hospital earlier this month, Veterans' Affairs Administrator Richard L. Roudebush covered some of the record achievements of Ohioans in the noble pursuit of voluntary service to the most deserving of those who, themselves, contributed so much to America—our hospitalized veterans.

I would like to include Dick Roudebush's remarks in the RECORD—as a tribute to all who give themselves willingly to the causes of this country in their service to others.

Mr. Roudebush's remarks follow:

REMARKS OF THE HONORABLE RICHARD L. ROUDEBUSH

I don't know of any hospital in the Veterans Administration system that has an observance that exceeds your annual Hospital Day event in size, enthusiasm or diversity of activity.

I don't know of any VA hospital where staff, veterans organizations and hospital friends go so all-out to stage an annual celebration to proclaim that they are proud of their facility and want the world to know it.

I don't know of any community that participates in an event more wholeheartedly than Chillicothe participates in this one.

And I don't know of any day celebrated anywhere within the system that is looked forward to so much, that is as colorful, is as much fun and is as beneficial and valuable as Hospital Day is right here.

You do me great honor by having me here to visit with you on this great day and you are also providing me a great deal of personal satisfaction and pleasure.

This day has many functions and I congratulate those who are responsible for the way it has been planned and is being staged It is a unique, attractive and tasteful combination of religious, patriotic, athletic, social and informational activities. It is a day that gives recognition to the work of the hospital and to the very considerable talent, energy and dedication of staff, employees and volunteers . . . people who are here making a contribution every day of the year.

This is a day dedicated to healing and to making this a better hospital. It is a day that ultimately belongs to the patients because everything we do here at this observance has as its objective a stronger institution, greater support on the part of the community, better morale and a generally more effective and more pleasant place to receive treatment.

So I would like to extend a special greeting to those who are patients here, to wish them better health and to assure them that those of us who are in positions of leadership in VA are constantly seeking to improve our hospitals and to provide better patient care.

I know of nothing that is as important to veterans as the right to good medical treatment and I know of nothing we do that is as important as making that treatment possible.

I salute those who are responsible for the effective way this hospital functions. I include administration, professional staff and the many other employees whose performance has given the Chillicothe VA Hospital a deserved reputation for competence.

To you who are residents of this area and good friends of the hospital, let me say that your interest and that of people throughout this part of Ohio means more than you can know. It is impossible for a facility of this kind to achieve any appreciable degree of success without public backing, and this is something your hospital here has traditionally had in large amounts.

Among those who are its best friends are members of veterans' organizations. I express special appreciation to them for their long hours, hard work and constant moral support.

This is a day to give particular thanks to the American Legion, since this is the Legion's year to oversee the planning and direction of this observance. You have done a good job and I am sure that other participating organizations and individuals join me in commending your effort.

The task of officially recognizing the work of volunteers at this hospital is one that I am delighted to have. To me the people who give our hospitals and our patients so much of their time and effort . . . and so much love and kindness . . . are among the elite of America. Their generosity and their good citizenship are an example and an inspiration to us all.

It is no secret that the VA hospital system could not function at its present level without volunteers. There are more than 106,000 of them helping in various jobs in our 171 hospitals and more than 200 clinics.

This year they will give more than ten million hours of their time. They will give much more than time, of course, because these good people do more than just log hours. They give of their hearts and minds and muscles to make hospital existence more pleasant and recovery more rapid for thousands of patients.

At the Chillicothe Hospital you have some 450 volunteers who make it their business to give assistance on a regular basis. I am sure there is no one here who would seriously contend that the hospital could function as well without them, or that it could even approach the current level of operation.

Among those we honor today are 2 volunteers who have worked for ten thousand hours. This is the equivalent of working five years fulltime, a magnificent gift to make to this hospital.

Others have given five thousand volunteer hours, two and one-half years of fulltime work. And others are being honored for various other smaller, but significant, periods of volunteer activity.

To all of today's honorees, I express the gratitude that all of us in VA feel for your service and the admiration that we all feel for you as individuals who have felt an obligation to help meet the needs of others and have so freely and unstintingly assisted them.

We know that there must have been many days when it would have been easier not to do your valuable work here. We know there must have been many times when hot weather, cold weather, wet weather or just generally being under the weather made showing up here a real ordeal. We know that there have been times when your own comfort and your own needs were sacrificed for those of patients.

We know these things and we appreciate you all the more for them. We hope you will continue to be the vital resource to this hospital that you have been.

The Chillicothe VA Hospital has an illustrious past and I believe it has a great future. I am glad you have chosen as the theme for this year's Hospital Day "The Best Is Ahead," because it is both accurate and appropriate.

When the first patients were admitted here more than fifty years ago, there was great need for such an institution to care for ill veterans of World War I.

Today . . . with the final chapter of our war in Southeast Asia just written and with veterans of other wars needing care in increasing numbers . . . this hospital is just as vital to VA and to the American people as it was then.

The character of the hospital has changed and will continue to change. But what will not change is the place of importance it holds within the VA system and the hope it holds for veterans of this area who need its services.

Where the emphasis was once on psychiatric care, we now have and are continuing to develop capability in other treatment. While long-term hospitalization was once the prospect for those admitted here, better techniques and more skillful treatment now provide a much more hopeful future for patients in this hospital.

Just ten years ago, there were only two thousand outpatient clinic visits annually here. This year there will be eighteen times that number and the figure will grow in years to come as more veterans avail themselves of this more convenient and less disrupting mode of treatment, as new techniques make outpatient treatment appropriate to more medical conditions and as facilities are improved.

The Columbus outpatient clinic now complements the work of this hospital and makes care and service more convenient and more complete for veterans in this part of Ohio. It is part of the story of your success.

The construction and renovation projects which have been in progress here for some time and which are scheduled to continue for several more years are more than just necessary physical improvements.

They are evidence of the importance of the hospital as part of a network of hospitals providing unique and diverse services that add up to total health care delivery for veterans, and they are a commitment to the future of the Chillicothe hospital.

Yes, "The Best is Ahead" and this is a good occasion . . . with so many friends of the hospital present . . . on which to proclaim it.

I have enjoyed my brief visit with you here this afternoon. I appreciate the hospitality you have shown me and I, again, express gratitude to the staff, to volunteers and to the people of this community for what you are doing here.

Ever since I have been with VA, and long before, I have been told that there is nothing quite like Hospital Day in Chillicothe. Today you have made a believer of me. Today you have shown me what was meant by that statement.

THE FOOD ASSISTANCE POLICY GAME

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mrs. SCHROEDER. Mr. Speaker, today I am introducing a bill to create an Office of Food Administrator. Forty-two of my colleagues are joining me as cosponsors on the bill.

The bill, a companion measure to S. 881 introduced by Senator MARK HATFIELD of Oregon, would create a Cabinet level position for a Food Administrator charged with development of coordinated foreign and domestic food policies. This Administrator would be appointed by the President, with the advice and consent of the Senate.

To point to the need for such an office, I recommend to my colleagues the following food assistance policy game. This game can be played in a variety of settings, for example, while waiting in Bangladesh for food-for-peace shipments to arrive, while waiting in line at the local food stamp office to be certified, while explaining to consumers why food prices keep going up, or to the farmers why farm prices keep going down.

FOOD ASSISTANCE POLICY GAME

1. The United States sent 42% of all Food for Peace aid last year, FY '74, to:

a. All Latin American countries combined.
b. South Vietnam and Cambodia.
c. All African countries combined.

2. Who allocates Food for Peace program funds?

a. Defense.
b. Agriculture.
c. National Security Council.
d. State/AID.
e. Office of Management and Budget.
f. Treasury.
g. Commerce.
h. All of the above.

3. According to the latest figures, how much of the 5.5 million tons of Food for Peace aid committed for this year, FY '75, has actually been shipped?

a. 100 percent.
b. 85 percent.
c. 60 percent.
d. 50 percent.
e. 39 percent.

4. Who would you call with a question about food aid?

a. Agriculture.
b. State/AID.
c. Commerce.
d. Defense.
e. Domestic Council.
f. Council of Economic Advisors.
g. Treasury.
h. National Security Council.
i. Council on International Economic Policy.
j. Office of Management & Budget.
k. All of the above.

5. How many of the 40 million Americans who are eligible for food aid are actually receiving it?

a. all of them.
b. about ¾.
c. about ½.
d. practically no one.

6. What has Secretary Butz indicated that he *would not* like to do with the Food Stamp program?

a. give it to HEW.
b. retain and improve it.
c. give it to Senators Humphrey and McGovern.

7. There are — domestic food assistance programs?

a. 4.
b. 8.
c. 15.
d. more than 20.

8. Secretary Butz has made which of the following statements in regard to food policy?

a. "This is not a welfare department."
b. "A good poker player never shows his hand too soon."
c. "A tool in the kit of American diplomacy."
d. all of the above.

Scoring: 1. b, 2. h, 3. e, 4. k, 5. c, 6. b, 7. d, 8. d.

TOO MUCH GOVERNMENT BY DECREE

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. LATTA. Mr. Speaker, day after day, week after week, and year after year a takeover of representative government in the United States has been taking place by unelected and unknown bureaucrats without Congress lifting more than a little finger to stop it. As a matter of fact, the oversight functions of the Congress in this area have been almost nonexistent. It is time for Congress to take a look at what is going on in some of the agencies it has created and to correct the untold number of abuses of power which have been taking place. The May issue of Reader's Digest contains an article by John Barron, entitled, "Too Much Government by Decree," which makes reference to many of the abuses I have in mind. Since many of the Members may not have seen this article, I wish permission to include it with these remarks. The article follows:

TOO MUCH GOVERNMENT BY DECREE!

(By John Barron)

The decree from the Environmental Protection Agency (EPA) fell upon Bostonians like an edict from some ancient king. Beginning March 1, 1975, no one might park on a downtown street between 7 and 10 a.m. Forty percent of all spaces in Boston's parking garages must be kept empty during the same hours. Employers must eliminate one fourth of all employe parking spaces. By making it difficult, if not impossible, for Boston workers to drive to their jobs, the Washington bureaucrats who handed down these sweeping orders hoped to reduce air pollution.

Boston community leaders were appalled. "We cannot eliminate the car until there is a viable alternative," declared Mayor Kevin White. Businessmen predicted serious economic loss and unemployment, as well as personal hardship and traffic chaos. Nevertheless, the EPA all last year stubbornly proclaimed its determination to compel Bostonians to do what it wanted, regardless of the consequences. Repeatedly it warned employers that they were liable to a year's imprisonment and a $25,000 fine if they disobeyed. Threatened with Congressional intervention, the EPA finally, last February, modified its Draconian decrees and granted the city more time to gird for their effects. Grateful for the reprieve, Boston Chamber of Commerce executive William F. Chouinard nonetheless said, "I hate to think what might have happened if we had not fought like hell."

MASS MEDDLING

Even though postponed, the orders arrogantly visited upon Boston are symptomatic of an insidious change which is occurring in governmental processes. Traditionally, Americans have been governed according to laws enacted by elected representatives answerable to voters. Today, Americans increasingly find their lives regulated by decrees emanating from bureaucrats who are, in effect, accountable to no one.

The stream of bureaucratic dictates pouring out of Washington has turned into a flood. In 1973, the *Federal Register* needed 35,591 pages to publish all the new decrees and decisions; last year it required 45,422 pages. Random examination of the *Register* suggests how far the bureaucracy has thrust itself into the ordinary business of ordinary people. Naval-Orange Regulation 311, for instance, prescribes how many oranges may be shipped from California and Arizona counties during a specific one-week period. Contractors in Allegheny County, Pa., are informed that their bricklayers must be paid $9.25 an hour, whereas bricklayers in Adams and York counties, in another part of the state, can receive $7.65. Arbitrary *Register* regulations may nullify a union contract, require a corporation to spend millions on new equipment, or deny a town the right to approve a new shopping center.

Consumer advocate Ralph Nader points out that senseless or incompetent rulings by federal regulatory agencies drive up prices by suppressing competition, stifling innovation and perpetuating inefficiency. A Senate subcommittee estimates that private business spends $18 billion annually on paperwork demanded by federal bureaucrats, while the General Accounting Office calculated that 1973 paperwork cost the government itself $15 billion. But the gravest consequence of all this bureaucratic meddling carries no price tag. It is eloquently summed up by Sen. Sam Ervin (D., N.C.), Congress' leading constitutional authority, who retired this year after presiding over the Senate Watergate investigation. "Government by bureaucratic decree threatens freedom itself," Ervin declares. "The pursuit of no goal justifies the destruction, or even the erosion, of freedom.'

Few Americans would dispute that abolishing racial discrimination, promoting industrial and consumer safety, and cleaning up the environment are worthy goals. The trouble is that Congress has created vast new bureaucracies with sweeping powers to pursue such goals as they see fit. All too often, the results are tragic.

Business Buster. Marlin Toy Products, Inc., in Horicon, Wis., used to provide jobs for 85 of the town's 1400 residents. Its most profitable products were two popular toys designed for babies. One was a transparent plastic sphere containing artificial birds and tiny, bright-colored plastic pellets. The other was a similar sphere containing pellets and artificial butterflies. When the spheres rolled, the birds or butterflies fluttered, the pellets rattled and a child enjoyed motion, color and sound.

In November 1972, the Food and Drug Administration (FDA), then responsible for product safety, suddenly informed Marlin that the toys were unsafe, reasoning that, if a sphere broke, a child might be tempted to eat the pellets.

Since Marlin first marketed the toys in 1962, millions of Americans had purchased them. Not one had complained to the company of any harmful results. The toys had already passed three rigorous safety tests—Marlin's, an insurance company's and a department store's. Nevertheless, Marlin agreed promptly to recall all the spheres and remove the pellets. Within a month, the FDA said it was satisfied and promised to remove the toys from the next published list of banned products.

Marlin proceeded to manufacture hundreds of thousands of the toys hoping to recover, through the 1973 holiday sales, the losses from the 1972 recalls. But in September 1973 the newly formed Consumer Product Safety Commission (CPSC) issued a "Special Holiday List" of dangerous toys whose sale was prohibited—including the toys Marlin had redesigned months before to FDA satisfaction.

Not until early December did frantic company and Wisconsin officials succeed in getting CPSC to acknowledge that it had made an "editorial error." It was too late. Stores all over the country had canceled toy orders, and Marlin had lost at least $1.2 million. Today the company is on the verge of collapse.

"ARBITRARY . . . CAPRICIOUS"

Congress in 1970 created the Occupancy Safety and Health Administration (OSHA), endowing it with authority to dictate work rules to virtually every segment of American business, from the corporate giants of Detroit to mom-and-pop shops at rural crossroads. OSHA inspectors can walk into any business unannounced, search the premises without a warrant and levy fines without a hearing or trial. Industry and labor alike recognize that there are industrial hazards which require intelligent remedies, but too often OSHA simply makes a nitpicking nuisance of itself. Consider:

In Newport Beach, Calif., an OSHA inspector visited Blackie's Boatyard, where owner Arsene "Blackie" Gadarian and six workers repair small craft. Pointing to a man without a life jacket who was working in a boat tied to the pier, the inspector asked, "What would happen if he fell in the water?"

"He would stand up," Gadarian replied. "The water's only three feet deep all along the pier." Still, the inspector thought there should be a ladder at the pier's end. Gadarian said he would nail up a ladder.

Three weeks later, OSHA formally notified Gadarian that he had violated its ladder regulation—Section 1501.84(c)(4)—and was liable to a fine of as much as $1000. When Gadarian asked to see the rule, OSHA sent him a 248-page document a month later. Nowhere could Gadarian discover any reference to ladders. Asked for clarification, OSHA sent a 48-page supplement saying only that a ladder must be installed in the vicinity of a dock where boats are repaired.

Because Gadarian already had four ladders near his pier, he decided to appeal the fine, OSHA set the fine at only $15, but Gadarian refused to pay.

A battery of government lawyers assembled to argue the OSHA case before a specially appointed federal hearing examiner and a flock of other federal officials. Gadarian, helped by his wife, acted as his own lawyer. The proceedings lasted four hours before Gadarian's innocence was certified. Gadarian's wife would not let him buy a transcript of the proceedings. It cost $500.

OSHA can be just as foolishly autocratic in dealing with big matters as with little. At a cost of $100,000 annually, the Continental Can Corp. effectively safeguards its employes from noise by providing comfortable ear protectors and insisting that they be worn. OSHA itself admits that the protectors reduce the noise level well below federal standards. Nevertheless, OSHA demanded two years ago that Continental Can "engineer" noise abatement by building sound shields around thousands of machines at a cost of $33.5 million—contending that some workers might be too "ignorant or obstinate" to wear the ear protector. Continental contested the OSHA decree.

After reviewing 1000 pages of testimony, Judge Robert N. Burchmore last October issued what added up to a searing indictment of both the judgment and the competence of OSHA. A government "expert" had claimed that sound shields could be designed and installed in two months. The court ruled that after seven more years of research it *might* be feasible to install them. OSHA had had to admit that it had found not a single employe who was not wearing the ear protectors. Judge Burchmore dismissed the OSHA ruling, calling it "arbitrary to the point of capriciousness."

Passion and the Police. The Equal Employment Opportunities Commission (EEOC) was created to ensure that employers should not discriminate against minorities in hiring and promotions. But the EEOC now ranges far beyond this stated mission; its flagrant excess have provoked outspoken criticism from even longtime champions of minority causes.

Late last year, for example, the EEOC issued an astonishing set of decrees against the police department of Houston, Texas. By EEOC's own admission, this department has had, in recent years, a commendable record of employing minority personnel, who presently compose about 40 percent of the force. But the Houston police require that applicants have a high-school diploma, and they refuse to hire convicted criminals, people dishonorably discharged from the armed services, and those with a history of defaulting on debts.

The EEOC asserted that the ratio of individuals convicted of crimes, dishonorably discharged from the military, or marked as bad credit risks, is higher among blacks and other minorities than among whites. Therefore, ruled the agency, the Houston police department is guilty of racial discrimination and must cease investigating the backgrounds of prospective officers. It threatened legal action unless the Houston police opened their ranks to convicts, those with dishonorable discharges from the armed services, those who had not completed high school.

"If we do not even have the right to ask a man if he has been convicted, we could turn over the department to a bunch of criminals, the very element we're supposed to fight!" exploded Chief Carrol Lynn. "Hire a convicted kidnaper, burglar, rapist, murderer as a policeman? My God!" Houston's leading black newspaper, *Forward Times*, published a full-page editorial ridiculing EEOC and defending the police. To all protests, the EEOC has so far responded with bureaucratic contempt for common sense.

Meanwhile, EEOC's real business often goes unattended. It has a backlog of 100,000 cases, and now takes an average of 28 months to process a complaint. In their passion to pursue their mandate, EEOC investigators frequently fail to get facts straight. As a result, the EEOC general counsel has to return to the field as "unsuitable for litigation" between 80 and 90 percent of the cases submitted to his office. Yet this is the bureaucracy that has the power to impose racial and sexual quotas at all levels of business, and to drag any employer into a costly lawsuit at will.

THE SINGLE MOST POWERFUL

But the Congressional creation that threatens to grow into the most fearsome bureaucratic monster of all is the Environmental Protection Agency. Under a pervasive umbrella of power conferred by the National Environmental Policy Act, the Clean Air Amendments, the Water Pollution Control Act and the Noise Control Act, EPA has claimed for itself authority unprecedented in American peacetime history. Indeed, Prof. Irving Kristol of New York University recently wrote: "If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress or the Executive or state and local government." Professor Kristol does not exaggerate, Consider:

EPA asserts the right to veto construction of virtually anything that might generate a substantial volume of traffic. Thus, unless Congress intercedes, as of January 1, 1976, local communities may not permit development of a major shopping center, hotel, stadium or factory without approval from Washington.

In Gary, Ind., the U.S. Steel Corp. tried to meet EPA requirements by building two new installations of non-polluting furnaces. But initially their output was limited by factors beyond the company's control: a power failure that damaged its furnaces, the coal strike and a construction strike. So U.S. Steel last fall asked EPA permission to keep its one remaining open-hearth installation in operation six months more. It was told that the installation could be kept open for three months with a $2300 fine for each day of operation. Instead, the company closed the installation, and hundreds of workers are losing their jobs as a result.

An infestation of deadly tussock moths in 1972 defoliated 174,000 acres of magnificent Washington and Oregon forests. To prevent further ravages, state officials and conservationists pleaded with EPA to allow a carefully controlled spraying of DDT. EPA stubbornly refused even a temporary removal of its ban against DDT. Unchecked, the multiplying moths by the summer of 1973 had afflicted 700,000 acres of timber. Faced with Congressional uproar and a lawsuit, EPA in February 1974 relented and authorized use of DDT. Helicopters sprayed the forest, and the infestation ended. But the devastation inflicted by doctrinaire bureaucrats endures.

Ultimate Remedy. Nearly two centuries ago, the people of Boston started one of history's most important revolutions in the name of freedom. In the years since, millions of Americans have risked their lives to preserve that freedom. It is inconceivable that we will now sit back passively and allow it to be lost to bureaucratic usurpation.

The remedy lies in Congress, which created the problem in the first place. Congress should reappraise each federal agency, with a view to outright abolition of those that have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power that it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent. Finally, broad national policies required to protect consumers, workers, minorities and the environment should be implemented through specific legislation rather than bureaucratic fiat.

If the people don't like the results, then—in the next election—they can remove the members of Congress responsible. That is why the American system has always provided that power must be exercised by elected representatives instead of by bureaucrats who have earned the vote of no one. If freedom is to survive, power must *remain* in the hands of elected representatives.

INTERNAL REVENUE SERVICE'S CONSCIENCE FUND

HON. JOE SKUBITZ

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. SKUBITZ. Mr. Speaker, a constituent of mine residing in Coffeyville, Kans., has advised me that he desires to return his tax rebate check of $119, which he received from Uncle Sam. He is one of hundreds of thousands of Americans who works for his living, supports his family, and pays his bills and taxes. All these people ask is that their Government use their hard-earned dollars wisely and live within its revenues just as they are required to do. My constituent just does not buy the philosophy that we have the right to live beyond our means and charge it to future generations because they cannot vote or defend themselves.

Mr. Speaker, I made inquiry to find out how my constituent could return his rebate check, and would you believe it—the only avenue open is to send it to the Internal Revenue Service's "Conscience Fund." I thought that fund was created for those who could not sleep nights because they had gypped the Government in past years. Perhaps the Congress which made possible this legislation, and the President who signed it, should do a little soul searching.

NEW COURTROOM AND OFFICE FACILITIES FOR THE SUPREME COURT OF OHIO

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. WYLIE. Mr. Speaker, on Thursday, May 8, it was my privilege to attend the ceremonies by which the new courtroom and office facilities for the Supreme Court of Ohio were dedicated. The principle speaker for the occasion was the Honorable Erwin N. Griswold who gave a very substantive and noteworthy talk. I congratulated him on his talk and asked his permission to have it printed in the CONGRESSIONAL RECORD. I suppose Mr. Griswold's excellent talk could be expected as he does have impressive credentials.

The Honorable C. William O'Neill, chief justice of the Supreme Court of Ohio introduced him as follows:

INTRODUCTION BY HON. C. WILLIAM O'NEILL

Dean Erwin N. Griswold is a native Ohioan. He was born and educated through high school in Cleveland. He received his undergraduate degree from Oberlin College and a Bachelor of Law Degree and Doctor of Juridical Sciences Degree from the Harvard Law School. He practiced law briefly in Cleveland, served for a short time on the staff of the Solicitor General of the United States, became a professor of law at Harvard Law School, and eventually served many years as Dean of that law school. He was appointed by the President of the United States as Solicitor General. In that capacity, he argued all of the Government's cases in the United States Supreme Court. Dean Griswold has written many books and articles on the law. He has received honorary degrees from a large number of the finest universities in the world—at least one from Australia, one from Oxford, England, and one from Edinburg, Scotland and at least two from Canada as well as many from the leading universities and colleges of this country. The Dean is presently serving as a member of the President's commission to investigate the CIA under the chairmanship of Vice President Nelson Rockefeller. Dean Griswold is a scholar, teacher, administrator, author, and a lawyer's lawyer. He is presently a member of the law firm of Jones, Day, Reavis, and Pogue with offices in Cleveland, Washington, D. C., and Los Angeles. Dean Griswold's office is in Washington, D. C. I am pleased to present Dean Griswold to this distinguished audience.

INFLATION—LEGAL STYLE

(By Ervin N. Griswold)

Mr. Chief Justice, Justices of the Supreme Court of Ohio, other members of the Bench, Mr. Howland, President of the Ohio State Bar Association, other members of the Association, Ladies and Gentlemen:

It is a happy privilege to be with you on this auspicious occasion. It is a little hard, though, to know just what word to use to describe the occasion. Considering that we are in the bottom five floors of a forty-two story building, it can hardly be called a launching. We are happily above ground, so we shall not be engaged in mining. Whatever word we use, though, this ceremonial inauguration of the new quarters for the Supreme Court of the Great State of Ohio, is a memorable event, for the Court and for the bar.

As one who has always been proud that he is a native of Ohio, and as one who always expected to spend his life practicing law in Ohio, and knows he would have enjoyed it if he had done so, I am glad that the Court has these new and improved facilities. But I still have nostalgia for the old court room. My father was admitted to practice there, in 1901, nearly seventy-four years ago. I was admitted there, in 1929. Chief Justice Carrington T. Marshall swore me in. I well remember, too, Chief Justice Weygandt. My first contact with him was when I was a student at Shaw High School, in East Cleveland, and he was a respected referee at football games. And Chief Justice Kingsley A. Taft was a law school classmate of mine, and served with me on the Board of Volume 41 of the Harvard Law Review. I have also known a number of other judges of the court. Alas, though, I have never had a case there, so, to my regret, I cannot claim to have any standing at your bar.

The administration of justice in our system is not done by the judges alone, but by the judges with the assistance of the bar, and with participation, in appropriate cases, by laymen, as jurors. This is "judge and company," as it was called long ago. It is appropriate, therefore, that this gathering includes the bench and the bar, as a symbol of the partnership which will in years to come advance the law in this state. Lawyers who are on the bench, and lawyers who are in practice, will perform their functions here, and both roles are, I believe essential to the proper administration of justice, and the sound development of the law.

In my remarks this evening, I want to say a few things, not too seriously, about certain tendencies which may be found among lawyers and other governmental officers in our society, which, perhaps, we should be aware of, and guard against. I have called my talk "Inflation—Legal Style," and the last two words of that title are the significant ones. I am not going to deal with rising prices, and business cycles, and other such things that I know nothing about, and can only grin and bear. The type of inflation to which I refer this evening is, perhaps, endemic in human nature, and not limited to those of us who are lawyers. It is the tendency of those who exercise power in one form or another, to expand the powers which we have, all in good faith, of course, but nevertheless presenting problems worthy of consideration. It is also a tendency which is facilitated by our language which makes it easy to use a bigger, or stronger, or more grandiose or encompassing word to express an idea which is perhaps more accurately described in more modest terms.

Let me give two simple examples of what I have in mind:

The first can be put briefly, in a single sentence, which is: The word "madame" was originally the word used to address a queen. Our language has escalated it somewhat.

Let me give another example, which still annoys me. When I went to law school I received an LL.B. degree. That seemed appropriate to me, and I still hold that degree. The doctor's degree in medicine and the doctor of philosophy, seemed to me to be different, and, indeed, higher degrees, representing longer study, and more research. But six or eight years ago some one got the idea that lawyers should lift themselves by their own bootstraps and call themselves doctors, too. So the J.D. degree has swept the country. To me that is rather deceptive, and I wish that the profession might have stood out against it. But the powers of inflation were too great, and nearly every law school has adopted the J.D. degree. I can only hope that we will all continue to be aware that this is really a case of legal inflation, where we are all engaged in patting ourselves on the back.

The basic idea was expressed by then Chief Judge Cardozo more than fifty years ago, in jurisprudential terms, when, in his great lectures on The Nature of the Judicial Process he referred to "The tendency of a principle to expand itself to the limit of its logic . . ." Lawyers and judges are always seeking to build on cases—to push the law farther and farther, not always being aware that there are competing principles, and that sound decision may require the tempering of logic in one direction in order to meet the demands of logic based on another relevant principle. As Oliver Wendell Holmes, Jr., said nearly a hundred years ago: "The Life of the law has not been logic; it has been experience." One of the things we learn from experience is that nearly always premises are stated too broadly, so that if we proceed in purely logical terms we will come to unsound conclusions.

Let me give some further illustrations of what I have in mind. We have recently been through a period which has been called "The Imperial Presidency." President Nixon used to talk about the "institution of the Presidency," and I have no doubt that he sincerely believed that the President's powers must be very broad, not for the sake of the President, but in the national interest. And they should be broad—but not too broad. That is where the non-inflationary approach comes in.

In a number of fields, President Nixon sought to push the powers of the President further than they had ever been pushed before. If we start from the premise of the independent executive, and think in terms of the "institution of the Presidency" as something analogous to the divine right of kings, limited in time but otherwise rather comprehensive, it is easy to come to the conclusion that Presidential powers are, and of right ought to be, rather comprehensive.

On this basis, President Nixon inflated his powers in the area of foreign affairs. Domestically, with respect to the expenditure of moneys appropriated by Congress, he took a very broad position as to his powers on impoundment. He said, in effect, that the Constitution gave him the executive power, and that that meant that he could determine, by his own constitutional prerogative, whether appropriated moneys should be expended or not. One may have some sympathy with him on this. The Congress has long failed, in my judgment, to act very responsibly in the appropriations area. It is only very recently that it has come up with any machinery which will have any real tendency to match expenditures against receipts; and it remains to be seen whether the new Congressional Budget Act will in fact produce an adequate responsibility in Congress. The difficulty really arises because Congress does not have any one place where the hard choices must be consciously made. Revenue raising is handled by one set of committees, affected by varying sets of interests; and expenditures go through different committees, with great pressures from many quarters to spend more and more, regardless of the revenues available and the effect on the economy. In Congress the basic inflationary force—and it is devastatingly inflationary—is to push farther and farther in spending, without an adequate check to meet the obligation to raise revenue to meet the expenditures.

The Nixon White House sought to deal with this by expanding the impoundment power. That, it seems to me, was legal inflation of the sort to which I am referring tonight.

There was another area where President Nixon engaged in legal inflation, and that was with respect to what has been called "executive privilege." Starting with the premise that the Constitution gave him the executive power, he asserted the conclusion that that gave him complete control of everything in the executive branch, including the power to refuse to disclose any paper or recording held in the executive branch, or to prevent testimony about internal matters by any officers or employee of the executive branch. This, too, was, in my opinion, a clear case of legal inflation of the sort to which I am referring this evening.

One of the many unfortunate things about these contentions is the fact that there is appropriate room in our governmental system for both impoundment and executive privilege, when properly limited or qualified. President Nixon's premises had sound elements in them, but were too broadly stated. There are circumstances, resulting from changes in conditions, or other unforeseen circumstances, including sheer inability to make expenditures despite bona fide effort, where impoundment is not only valid but may be required. And in the area of executive privilege, there are circumstances where executive privilege may be appropriately claimed, as Chief Justice Burger recognized in his opinion in *Nixon* v. *United States*. Like all questions worthy of discussion, these are questions of degree. The problem arises when they are pushed by a sort of doctrinaire logic to an ultimate extreme. That is the sort of intellectual inflation to which lawyers sometimes seem to be prone. In our profession we should always take care not to get ourselves so far out on a limb that the temptation to cut it off behind us will be irresistable.

What about the legislative branch? Dnes it engage in legal inflation of the sort to which I have been referring tonight? I have already mentioned the inability of Congress for many years to devise a means for keeping some sort of thoughtful and effective control on over-all expenditures. But there are other ways, I think, where Congress and other legislative bodies tend to push things to their logical extremes. An illustration may be found in cetrain Congressional and legislative investigations, where there is little control by the legislative body, and an energetic or ambitious legislator may seek to make all he can out of his investigatory opportunity. The first Senator McCarthy was, of course, a clear example of this, and he went so much too far that he was finally called to account. But it is hard to get a legislative body to undertake to control one of its own members.

There is another example, I think, in the aftermath of Watergate. There are bills before Congress, instigated by a legitimate and genuine concern for the problems arising out of executive action in the Watergate affair, which would in fact, in my opinion, make it impossible for the executive branch to operate effectively. There is a bill pending before the Senate which would set up a Congressional counsel with power, only slightly qualified, to take over prosecutions from the Attorney General, and to start lawsuits to require executive officers to obey the law, or intervene in any suit brought by others for that purpose. This statute, if enacted in the form of the present bill, would, in my opinion, be a clear violation of the separation of powers since it would give the Congress too much and too direct power over essentially executive functions. It is as much over the line in that direction, it seems to me, as President Nixon's claim of unlimited impoundment power was in the other.

My hope would be that this statute will not pass in anything like its present form. If it does, it will be a clear example, I think, of the sort of legal inflation which is the subject of my talk tonight.

So far I have said nothing about the courts. Do they engage in legal inflation, too? Well, I am a guest here tonight, and clearly within the jurisdiction of the Supreme Court of Ohio, and anything bordering on contempt of court is very far from my thoughts. So I will confine my observations to the Federal courts. There, particularly in the highest tribunal, there are clear signs, I think, of legal inflation.

There is, for example, the process by which the first eight Amendments to the Federal Constitution—or most of them, or some of them, on some basis never made clear—have been found to be applicable to the states through, or implicit in, or somehow under the Fourteenth Amendment to the Constitution. This may well be a useful objective, but it still remains hard for me to see how it can be found in either the language or the history of the Fourteenth Amendment except by the process of legal inflation to which I have been referring tonight.

Then there is the First Amendment itself. It is fine and noble. "Congress shall make no law abridging the freedom of speech, or of the press." I honor that and value that as much as any one. Yet how it has been built upon. We have the First Amendment, and the penumbra of the First Amendment. By that process, the First Amendment is found to support a right of privacy, in the case of *Griswold* v. *Connecticut*. That may be a good idea, but how can it be found in the First Amendment, or any place else in the Constitution? And building on this, we find that the States have no power over abortion, surely a startling proposition explainable only in terms of legal inflation.

From the freedom of speech protected by the First Amendment, we are told that there is a freedom to hear, and this protects a man in what he has in his own library. Again, it seems a good idea, very likely sustainable under the Fourth Amendment, relating to searches and seizures. But it was rested on the First Amendment—surely a considerable expansion of its terms. There are even members of the Court who feel that Congress has no power to prevent the importation of concededly obscene matter, and no power to prevent the transmission of such matter through the mails, because of this right to receive, which is said to be based on the First Amendment. So far that view has not prevailed. But the forces of inflation are hard to confine when once the expansion process is commenced.

There is another area to which I will refer, and then I will be done. Over the years many doctrines have been developed to limit the area within which courts will operate. In order (1) to keep the courts within their proper sphere in terms of the separation of powers, and (2) in order to conserve judicial time so that the courts may resolve controversies between man and man, and between the citizen and his government. These doctrines, in the federal system, go by such names as case and controversy, justiciability, reviewability, mootness, laches, ripeness, exhaustion of administrative remedy, and standing.

In recent years, however, most of these doctrines, though left standing, have become mere shells. In addition to enormous expansion of judicial action in these areas, new doctrines have been developed which greatly increase the scope of judicial action. These include collateral attack, and more recently, the great extension of class actions.

As far as standing is concerned, the situation is little short of being a judicial joke. Any small group of people can call themselves Citizens for a Better Environment, and have standing to raise almost any question that may appeal to them. If you think I exaggerate, take the case of five students at George Washington University Law School, who, as a class exercise, called themselves SCRAP, meaning Students Cooperating for Review of Administrative Practices, and they were held to have standing to raise the question of the validity of an order of the Interstate Commerce Commission allowing an across the board increase in freight rates, the contention being that the increase was invalid since it would discourage the shipment of recyclable materials, and no environmental impact statement had been filed.

Well, what is wrong with that? The problem is a rather fundamental one. How far should the courts be taking over the operation of the details of running the government? The courts are ill-equipped to handle the day to day operation of government affairs. And that function was never assigned to them by the Constitution. Yet there is today very little that some court somewhere will not undertake. Many governmental decisions are immediately attacked in the courts, and more and more governmental activity is delayed pending consideration in the courts. More and more, we are becoming a government by the judiciary, and I suggest that that is not really desirable in a democracy,—and not good for the courts either. The function of the courts is to decide real controversies, affecting the lives and interests of real people who are directly affected by the matter in dispute. They are not the place to decide more general and abstract questions, in which some person or group has an "interest." Such matters should be decided by legislative bodies, or by administrative officers in the executive branch, with review by the courts only at the instance of a person who is really hurt. Unless this is recognized, the courts will be undertaking an ever enlarging and inflated role in the operation of the government, and will eventually bog down through sheer inability to handle all of the questions which they have undertaken to resolve.

In this talk, I have talked in semi-seriousness about a concept of legal inflation. My remarks have been very general, and have been designed to stimulate thought rather than to assert any ultimate conclusion. As we consider these questions, it is comforting to recall that the Supreme Court of Ohio has been sitting in this city for close to a hundred and seventy-five years, and that it has served the people of this state well, and it has served the legal profession well. Let us hope that these fine new quarters will assist its members in performing their important task. And let us tender our respects to the court and wish its justices well as they undertake their important public duties here. Perhaps the day will come when we can look back and say that the only inflation here was in the cost incurred in providing their excellent and useful building.

MEMO TO NETWORKS: HERE'S A FORMAT FOR DOCUMENTARY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. SYMMS. Mr. Speaker, the last issue of TV Guide—May 3—included a blunt article by the political columnist, Kevin Phillips, which said bluntly what most Americans have been saying for years, namely that it was the liberal elite which involved this country in a "no-win" war in Vietnam and then worked hand-in-glove with the liberal media until matters became worse and worse.

The plain fact is that if we had taken decisive action against the North Vietnamese Communists years ago a great many lives would be saved and we would not have Communist rule in all of Indochina today.

I should like to insert this article which should be read by all Members of Congress in the Record at this time.

I should also like to include the recent statement of the Chairman of the American Conservative Union, M. Stanton Evans, which makes the same point that Mr. Phillips and many others are saying:

Memo to Networks: Here's a Format for a Documentary

(By Kevin Phillips)

From mid-March to mid-April, you've carried documentaries on lawyers, Israel, the Internal Revenue Service, the "myth" of IQ, and several minipieces on Vietnam. But there has been no major program looking into the genesis and dynamics of U.S. collapse in Indochina.

Maybe the subject is too embarrassing. Here's a one-hour format you might consider, though. I have tentatively labeled the program, "A Decade of Disaster." Instead of going back to 1945 or 1961, it begins 10 years ago when Lyndon Johnson announced the big U.S. buildup in South Vietnam.

My plan is not just to chart the growth of the U.S. commitment, rehash stale battles or show three different kinds of helicopter gunships. That's not the key. The film clips I'd use show the people who planned the war. I don't mean the Pentagon generals or hawkish senators like Barry Goldwater or Strom Thurmond . . . hell, their ideas and strategies were never used. I mean the "best and brightest," as David Halberstam called them—the gray-flannel geniuses from Ivy League colleges, foundations and think tanks who thought they could fight the world's first slide-rule-and-computer war.

One picture says everything: Newsweek ran it several years ago with the title: "A Council of War in Honolulu, 1966." All the liberal Hannibals, Clausewitzes and Robert E. Lees were gathered around one table: Secretary of State Dean Rusk, former president of the Rockefeller Foundation; Defense Secretary Robert McNamara, former president of the Ford Motor Company, now president of the World Bank; Presidential Assistant McGeorge Bundy, former Harvard dean, now president of the Ford Foundation; and—sitting under a photo of a guided missile—Mr. New Priorities himself, John Gardner, then Secretary of Health, Education, and Welfare, now chairman of Common Cause.

It's hard to believe some of the stuff these people actually said about controlled Southeast Asian application of limited power, pacification, favorable body counts and that kind of nonsense. I'd intersperse their tragic reassurances with clips of Goldwater, Thurmond and others saying that you can't fight a war with one hand tied behind your back, and that we ought either to a) bomb Hanoi and mine the waters off Haiphong, or b) get out. Seven, eight years later, the audio-video contrast between official mush and hard-boiled strategic realism is a grabber . . . it makes you think of all the people that would be alive today if we'd bombed Hanoi back in 1967.

To explain why we hung weak instead of tough, I've gone back to the domestic situation in 1967–68—to the call for "reordered priorities" and vast additional urban, welfare, educational and research outlays; to the draft-card burnings and campus riots; and—most of all—to the breed of politician who paid more attention to the Harvard faculty and The New York York Times than to the reports of soldiers up to their hips in the mud and leeches of Asian war.

But there's another reason this documentary is different: it focuses on the role of television in the first war in which TV coverage played a critical role in home-front disenchantment and Congressional disarmament. It was analyzed by Edward Jay Epstein in a three-part 1973 TV GUIDE series. First, the 1965–66 network news programs painted a rosy picture of U.S. military success in the Rusk-McNamara type of limited warfare. Then by 1967, coverage was changing, and by 1968 and the spring Tet offensive, network news programs were becoming defeatist—exaggerating military reversals and painting a woeful picture that hit hard at U.S. public opinion. This unprecedented erosion of home-front psychology merits a clip or two of analysis.

I'm not forgetting the politicians. My script shows how so many changed their stripes for the most political reasons—how so many "doves" of 1971–72 were backing limited-war tactics and full Vietnam appropriations right up until Richard Nixon entered the White House. Here contrasting clips are devastating: you see Senator X saying one thing in 1967 or 1968, supporting LBJ war policy down the line, voting for level after level of troop buildup. And then in 1971 or 1972, you see this same senator, mouthing withdrawal lines to cheering antiwar demonstrators with Viet Cong flags and Ho Chi Minh posters.

Next, we try to get back to the technical context again—the impact and ramifications of flawed planning. Video graphs show the deficit finance used to pay for domestic programs and Southeast Asian war, a practice which launched the inflationary tide that began in the late '60s. Also, as isolationism took hold and social welfare spending soared, we can chart the diminishing outlays of the early '70s—in constant 1975 dollars, today's annual military spending (about $86 billion) is way below the $125 billion equivalent of 1968. The video graph is depressingly vivid. As the defense share of the Federal budget drops from 48 per cent (1964) to 27 per cent (1975), a world map in the background shows the year-by-year loss of U.S. military bases, retreat of U.S. power and simultaneous advance of Soviet might.

No documentary of collapsing U.S. power would be complete without interviewing Ernest Lefever of the Brookings Institution about his study of how CBS News in 1972–73 presented only the case against national preparedness. [*In a recent report to stockholders, CBS denied the validity of the Lefever study.—Ed.*] Even Walter Cronkite admits it. In November, he told Gannett News Service: "There are always groups in Washington expressing views of alarm over the state of our defenses. We don't carry these stories. The story is that there are those who want to cut defense spending."

Oh, sure, we'll be current, with clips of men like Nelson Rockefeller, Henry Kissinger and George Meany telling how Congress is responsible for the betrayal and bloodbath in South Vietnam.

But what I'm really interested in is using film juxtapositions to create a portrait of the real shame and national tragedy—to show Rep. Bella Abzug chewing gum and grinning during President Ford's speech and then cut in with a clip of Arlington cemetery; to show the sleek crowd at this year's Academy Awards applauding the Viet Cong and then flash to a shot of bloody refugee bodies on the road to Xuan-loc; to show politicians on TV news shows belaboring defense spending and then shift to graphs of steadily increasing Soviet military superiority.

If anything, the title "Decade of Disaster" is inadequate. How about "Anatomy of a Betrayal"?

ACU Chairman Says Vietnam "Recriminations" Necessary

Washington, D.C.—American Conservative Union Chairman M. Stanton Evans issued the following statement on the CBS opinion series "Spectrum":

The disgrace in Indochina is now complete, and those who created it are painfully anxious to cover their tracks against political and historical judgment.

To this end, various commentators are arguing that there should be no recriminations about the twin disasters in Cambodia and Vietnam. We should simply draw the veil across the bleeding corpse and go on about our business.

That people with much to answer for should take this attitude is understandable, but the American nation and the families of the American dead have a different interest in the matter. They're entitled to know who lost Vietnam and why, to insure that this grotesque performance is not repeated.

Foremost among those responsible for the confusion of American strategy in Vietnam are the functional agents of the opposition. It is incredible that while Americans were fighting and dying overseas, our nation should have witnessed orgies of affection for the enemy; aimed at sapping the national will to resist. That scenario emphatically is not to be forgotten.

Also to be remembered, in slightly different context, are those who got us into this war in the first place, on a basis that made it impossible to win. These were the liberal theorists of limited warfare, who decided that we should fight a static defensive struggle, leaving the initiative to the enemy—a perfect formula for perpetual involvement. Compounding this original "no win" strategy was the liberal-prompted overthrow of President Ngo Dinh Diem, which led to chaos and provoked the heavy influx of American troops to fill the resulting vacuum.

Finally, we must not omit the strategists of detente. These include the Democratic authors of our involvement and their Republican successors headed by Henry Kissinger. Under this perculiar doctrine, we were supposed to fight the Communists in Vietnam while supplying equipment and technology to their masters in the Kremlin. Others also contributed to the debacle, but these will do for starters. If we are to avoid a repetition of this horror, the people and concepts responsible for it should be fully understood. Recriminations are therefore very much in order and we should waste no time in getting to them.

FARE CHANGE NOTIFICATION ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ANDERSON of California. Mr. Speaker, on behalf of myself and Congressman GENE SNYDER, I am today introducing a bill designed to give consumers increased notice of changes in airline fares.

Under present law, air carriers must file tariffs incorporating proposed changes in fares 30 days before the effective date of the change. The proposed changes become effective unless suspended and investigated by the Board.

This procedure has frequently led to a Board decision on the eve of the effective date of a proposed change. When the Board has disallowed a proposed change, there has been confusion, and underpayments or overpayments by passengers.

To remedy these problems the attached bill would require tariffs to be filed 45 days before their effective date, and require a Board decision on suspension 15 days before the effective date. As a result, fare changes would be definite at least 15 days before they took effect.

I urge my colleagues to join with me in supporting this needed legislation.

LEGISLATION ADOPTED BY DISTRICT OF COLUMBIA COUNCIL AND SENT TO SPEAKER ON APRIL 30, 1975

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. DIGGS. Mr. Speaker, on May 6 I submitted for the CONGRESSIONAL RECORD a list of the first seven acts adopted by the Council of the District of Columbia. At this time I would like to bring that list up-to-date by submitting a short summary of the last four acts adopted by the Council.

As previously explained, most acts of the Council take effect 30 legislative days after being transmitted to the Speaker and to the President of the Senate, unless vetoed by both bodies by adopting a concurrent resolution. In this instance act 1–8 is an exception in that it is a budget act and, therefore, is submitted to the President and must be enacted by Congress in the manner of any appropriation bill.

The House Committee on the District of Columbia has reports of the Council accompanying these acts (except act 1–8), and my staff will be happy to make any information contained therein available to any Member upon request.

I include the following:

ACTS ADOPTED BY COUNCIL

Act 1–8: This is a supplemental budget that was signed by the Mayor on April 8 and submitted to the President for further submission to Congress. Budget Acts are not submitted to the Speaker for 30 day layover, as other Council acts, but must be enacted by Congress in the manner of any appropriation bill.

Act 1–9: This act changes the authorization ceiling of $85,000 to "such sums as may be necessary" for the D.C. Rent Control Commission. (D.C. Code 45–1623(f))

Act 1–10: This act requires landlords to credit tenants with an interest payment of not less than 5 percent per annum on security deposits and to protect the tenants' right to the return of the deposit. Prince Georges and Arlington counties have similar regulations.

Act 1–11: Permits a notation on a driver's license or a special identification card, that the license holder has signed an anatomical gift card.

ACTS ENACTED—TITLE AND DATE SIGNED BY MAYOR

Act No. 1–8: Sponsor, Tucker. 1975 Supplemental Appropriation Request Act (April 8, 1975) (Bill No. 10).

Act No. 1–9: Sponsor, Winter. To amend the District of Columbia Rent Control Act of 1973 to eliminate the ceiling on appropriations (April 18, 1975) (Bill No. 37). Transmittal date Apr. 30.

Act No. 1–10: Sponsor, Wilson. To amend the Housing Regulations regarding security deposits (April 18, 1975) (Bill No. 8). Transmittal date Apr. 30.

Act No. 1–11: Sponsor, J. Moore. To amend the Motor Vehicle Regulations and to provide for the identification of organ donors (April 21, 1975) (Bill No. 19). Transmittal date Apr. 30.

A TRIBUTE TO LOCAL VOLUNTEER FIREMAN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. DERWINSKI. Mr. Speaker, too often we take for granted the dedication and service performed by the members of local volunteer fire departments.

Of special significance, is the celebration of the Worth, Ill., Volunteer Fire Department on May 18, of their 50th year of service to the community.

The current force, composed of 49 men and 1 woman, are all volunteers who not only sacrifice their time but their lives. Under the leadership of Chief George H. Williams, the firemen not only perform at fires, but answer calls from persons in distress such as midnight calls for the ambulance to aid heart attack victims and traffic accident victims who owe their lives to the prompt response of the fire department ambulances.

These volunteers are committed to continually learning about the latest in firefighting techniques. Three members of the force are qualified as paramedics, and several are certified as emergency medical technicians.

A bit of interesting history of the first department, established in 1925, was that it was composed of 12 men under the direction of the first fire chief, William Little. At the time, the department served a populous of 400, as compared to the present population of the village of Worth of approximately 13,000.

One of the proudest achievements of the force is a member-built fire station completed in 1960. All the materials for the station were contributed by local businessmen.

The first firetruck for the newly organized fire department, was purchased by the Worth Booster Club. The modern, efficient fire department now operates six pieces of equipment, including four firetrucks, ambulance, and the chief's car.

May I point out, that the services rendered by the volunteer firefighters to the community exhibits the great spirit and dedication that volunteers in all areas willingly provide.

I wish to salute the members of the Worth Fire Department who demonstrate the great community spirit that contributes to the strength of the Nation.

THE DEATH OF MR. KIVIE KAPLAN

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. MOAKLEY. Mr. Speaker, it is with great sadness that I rise to mourn the passing of Mr. Kivie Kaplan, the national president of the NAACP.

Mr. Kaplan devoted the major portion of his adult life to the cause of civil rights. He joined the NAACP in 1932, and was a member of this worthy organization for over four decades. During that time, Mr. Kaplan helped to build the NAACP into one of the largest and most respected organizations in the Nation. Since 1966, Mr. Kaplan served as president of the NAACP.

I would like to insert, at this point, in the RECORD, an article from the Boston Globe which pays tribute to Kivie Kaplan:

NAACP PRESIDENT KIVIE KAPLAN DIES

Kivie Kaplan, 71, national president of the NAACP and a crusader for civil rights, died yesterday morning at LaGuardia Airport in New York. He was en route to a meeting of the Union of American Hebrew Congregations when he was stricken with a heart attack.

Mr. Kaplan, of 280 Boylston st., Chestnut Hill, joined with Rev. Martin Luther King Jr. in organizing civil rights marches in the South, and donated both his time and his wealth to Jewish and black philanthropies.

He is generally credited with building the struggling NAACP into what he later called "the oldest, largest, most feared and most respected civil rights organization" with more than 500,000 general members and 53,000 life members.

Thomas I. Atkins, executive director of the Boston branch of the NAACP, said last night in Detroit: "Mr. Kaplan provided a very vital link between the black and Jewish communities. No one ever met Kivie without having been given a pitch for social justice.

"Kivie was a very, very important guy to this country and we've lost him. Those of us who are left can do no better than to finish what he gave his life to do."

The NAACP designated 1963, the 100th anniversary of the Emancipation Proclamation, as "Kivie Kaplan Honorary Membership Year," calling him their "super salesman" of life memberships. Mr. Kaplan bought a $500 life membership for every new member of his family.

Born in Roxbury, he left English High School when he was 17. In the late 1920s he and his two brothers founded Colonial Tanning Co. at 195 South St., which expanded to seven factories and became the largest patent leather tanner in the world.

He sold the firm to Allied Kid of Boston in 1965, and devoted himself to his philanthropies.

Mr. Kaplan once explained how he became interested in the NAACP and Jewish charitable groups. "I was in Miami Beach. A Negro drove us around to see the sights and we happened to pass a hotel with a sign: 'No Jews or dogs allowed.'" The driver told him that blacks were not permitted on the streets after 8 p.m. or allowed to swim in the ocean. "I was 28 years old at the time. I went home and joined the NAACP."

In 1966 he called the Boston school system the most segregated in the country, saying: "We have just as much work to do in the North as we have in the South."

Mr. Kaplan was a member of the NAACP for 41 years, and was unanimously elected to the first of eight terms as president in 1966. Before that, he was National Life Membership chairman, a member of the Board of Directors, the Boston Executive Committee and the Budget Committee.

Mr. Kaplan donated money for the construction of the following facilities and many were named after him:

The admissions office of Newton-Wellesley Hospital, the Kaplan Wing and Kaplan Building of Jewish Memorial Hospital; Kaplan Lincoln Hall at Brandeis University; the reception hall at Boston Dispensary Rehabilitation Institute; the Kaplan Building at NAACP Boston headquarters; the Kaplan Religious Action Center of the Union of American Hebrew Congregations in Washington.

Mr. Kaplan was honorary treasurer, a director and chairman of the Endowment Fund Committee of Jewish Memorial Hospital, a member of the Finance Committee and Board of Trustees of the Newton-Wellesley Hospital; and a member of the National Panel of Arbitrators of the American Arbitration Assn.

He was also a past board member and cochairman of the Newton Community Chest, member of the Social Action Commission and vice chairman of the Union of American Hebrew Congregations, past member of the National Health Planning Committee of the Council of Jewish Federations and Welfare Funds, and treasurer of the B'nai B'rith Vocational Commission.

Mr. Kaplan was the recipient of the Modern Community Developers first annual Averell Harriman Equal Housing Opportunity Award and the Temple Reyim Brotherhood "Man of the Year" Award.

He also received many honorary degrees.

Among his other affiliations, he was on the board of the Hebrew Free Loan Society, a member of the Executive Committee and Board of Trustees of Combined Jewish Appeal and cofounder and life trustee of Temple Emanuel, Newton.

Mr. Kaplan leaves his wife, Emily (Rogers); a son, Edward of Amherst; and two daughters, Mrs. Sylvia Grossman of Brookline and Mrs. Jean Green of Newton.

Services will be tomorrow at Temple Israel in Brookline.

THE CELEBRATION OF THE POLISH CONSTITUTION DAY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. FLORIO. Mr. Speaker, during the month of May, an historical event, Polish Constitution Day, is celebrated by many Polish communities in the free world, especially here in the United States. This is one of the most important national holidays. The significance of this holiday is likewise important not only to the Polish-American people but for all Americans because it closely parallels events in our history of which we are very proud.

In the late 1700's, Russia, Prussia, and Austria had annexed huge sections of Polish territory. In the face of possible decimation by the foreign powers, all of the forces in Poland united behind a new constitution which was greatly influenced by the political movements in America. This was the greatest singular event which led to the transformation of Poland into a modern state.

The Polish people have never waned in their desire to free their country from outside domination, and yet even today this tragic intervention persists. One cannot help but admire the perseverance and dedication to which the Polish people have strived to achieve a political system based on freedom and equality. Our Polish American friends should be recognized for their efforts to continue this tradition as exemplified in their celebration of Polish Constitutional Day.

AS WE LEAVE VIETNAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. HAMILTON. Mr. Speaker, the American involvement in Southeast Asia is at long last about over, and all of us feel a variety of emotions: sadness as we see the collapse of a country we have supported for over a decade; relief that the end has finally come; sympathy for the human suffering; and depression that the United States ever got involved in Vietnam and that we spent so much in men and money. Most of us are drained from the Vietnam experience, and we want most of all to forget about Indochina. A few observations may be appropriate as we close a tragic chapter in American history.

The events in Indochina give us an opportunity to reconsider what really are the national interests of this country and to evolve policies which support them. We should emerge from the tragedy of Vietnam with a clearer understanding of this Nation's world role and a healthier realism about the limits of American power. Surely the end has come to the era of American omnipresence and the idea that we can control events everywhere. Among other things, this means we should not make massive commitments of American prestige and power in situations where the national interest of the United States is not vital, and it means we should focus our efforts instead on the mainlines of American interest in Europe, the Middle East, and Japan. It also means a role something less than the world's policeman, something less than bearing every burden and fighting every foe in defense of freedom, but something more than a retreat into fortress America and the isolationism of the past. Our task is to avoid excessive commitments without swinging toward a dangerous withdrawal from our responsibilities in the world. The United States must, of course, remain militarily strong; but it should rely less on its military strength and more on the attraction of a free, open, and prosperous country that is strong enough and confident enough not to impose its will upon others and to allow diversity in the world's political and economic systems.

There just is no reason for Americans to feel a sense of defeatism because of the events in Indochina. Although some commentators think that the United States is in danger of collapsing as a world power, the world prestige and stature of the United States is not entwined in the fate of Cambodia and Vietnam. The collapse of Cambodia and South Vietnam may be a defeat for our allies, but it was not a defeat for the United States. We did all any friend could reasonably be expected to do in support of an ally. In the final analysis, we could not save Vietnam for the South Vietnamese. Only they could do that. Although battered, our political system emerges from Vietnam intact, and our national priorities, long distorted by the war, can be reestablished. Our overall power continues without challenge, and we remain the only military superpower in the non-Communist world. The bulk of U.S. diplomatic relations continue on a normal course, and there are no immediately threatening crises. Neither the Soviet Union nor China has been tempted to exploit the deterioration of American authority. Our economic power is awesome and will be enhanced as we end the drain of resources to Indochina. Likewise, our cultural power has established an influence in the world of the arts, theater, and publishing that is as pervasive as it is underrated. In short, Americans have no reason to lose confidence.

So I disagree with those who contend that the failure in Indochina is a sweeping setback for American foreign policy. The United States does not really have any vital interest in Southeast Asia, and other nations will not conclude that because we are refusing to continue resistance there we will not resist in other areas of the world where we do have vital interests.

This is not the time to search for scapegoats or to engage in a fruitless debate on who lost Indochina. Frankly, I have been disappointed by statements of President Ford and Vice President ROCKEFELLER encouraging that kind of discussion. The Vice President has suggested that Indochina will be a political issue in 1976, and the President has consistently suggested that the Congress has frustrated efforts to meet our commitments. The impact of these words is to politicize the failure in Indochina and to downgrade confidence in America's dependability and strength. My view is that the Congress in recent years has understood the American national interest better, and certainly more realistically, than recent Presidents. The Congress has also better understood that no foreign policy will work unless the American people understand and support it.

How we leave Vietnam is important. We should acknowledge our responsibilities and our mistakes—the initial involvement in Indochina, in the continuation of the war in the face of staggering human and material costs, and even in the events since the Paris accords. We can claim that we did the best for an ally that we could. We should do all we can to bind up the wounds of war. Hopefully, we will be willing to learn from our errors, shake off any sense of defeatism, put Vietnam behind us, and move on with even greater striving toward the ideals of the Nation which have made us both a strong and compassionate people.

Now is the time to begin to restore perspective on the real American national interests and to revive confidence in American ability and will.

THE HANDICAPPED VERSUS THE ARCHITECTURAL BARRIER

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. ABDNOR. I am pleased to reintroduce today a concurrent resolution making it the sense of Congress that all units of government expeditiously remove the many architectural barriers existing in our public places to the handicapped. Twenty-nine of my colleagues join with me in this effort.

For years this country has had a valuable asset that we have ignored—our handicapped fellow citizens. There are courageous individuals who could indeed give us a lesson. I am asking this Congress to commit itself to make changes long overdue, and in anticipation of the Bicentennial.

This resolution calls on administrators and directors of public facilities to utilize discretionary funds to remove architectural barriers to the handicapped. I hasten to note that these barriers are but physical manifestations of attitudinal barriers to our handicapped. Too long we have been insensitive to the needs of our physically disabled citizens. I am gratified that in recent years there has been significant awareness of these needs. It is now our turn to formalize this sensitivity.

As the Bicentennial approaches, it is time for this Congress to revolutionize our way of thinking about the handicapped. It is time to see our handicapped citizens as they are—courageous participants in a society that can and should be sensitive to their particular needs.

The following are those that have joined in this effort to move toward removing existing barriers to the handicapped:

COSPONSORS

Glenn M. Anderson, Les AuCoin, Edward P. Beard, Michael T. Blouin, Don Bonker, Clair W. Burgener, Shirley Chisholm, William S. Cohen, Thomas J. Downey, Joshua Eilberg, Bill Frenzel, Michael Harrington, Ken Hechler, Jack F. Kemp, and William M. Ketchum.

Robert J. Lagomarsino, Clarence D. Long, John Melcher, Donald J. Mitchell, Parren J. Mitchell, John E. Moss, Richard L. Ottinger, Albert H. Quie, Patricia Schroeder, William F. Walsh, Henry A. Waxman, G. William Whitehurst, Bob Wilson, and Leo C. Zeferetti.

CONCURRENT RESOLUTION

Whereas the approach of the bicentennial anniversary of the founding of this country calls all of us to reaffirm the principles attendant that foundation and guiding our growth as a nation; and

Whereas the Constitution stipulates that the purposes of our Government include the promotion of the general welfare; and

Whereas Members of this Congress have sworn to uphold and defend this most basic document and statement of principles; and

Whereas our handicapped fellow citizens have rights, not because of their disabilities, but rights which belong to all our citizens; and

Whereas many existing public buildings and facilities have architectural barriers to access and enjoyment by our handicapped fellow citizens; and

Whereas this country, as in no other time in its history, has the resources to provide for the well-being of all its citizens: Now therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress—

(1) that the constitutional officers of the United States of America, administrators of institutions supported with public moneys, and administrative officers of this Congress, should immediately survey facilities under their direction for all architectural barriers to the handicapped;

(2) that said officers and administrators should make available moneys from their discretionary funds for the removal of architectural barriers to the handicapped; and

(3) that all other governmental units should be encouraged to make similar provisions for the handicapped citizens who reside under their jurisdiction.

THE CAPITAL SHORTAGE: JOBS ARE AT STAKE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. KEMP. Mr. Speaker, on February 5, 29 colleagues and I released a statement on alternative economic policies, expressing free enterprise solutions to our Nation's economic problems, a statement which we endorsed wholeheartedly.

The principles enumerated in that statement are being now carried forth in the form of legislation.

Next Wednesday, May 21, a number of us—in addition to Members on both sides of the aisle, who did not sign the February 5 statement will introduce the Jobs Creation Act. That bill is designed to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy. This will be primarily accomplished through the removal of existing disincentives to capital formation now found in our Nation's tax laws.

It is encouraging to those of us who are active in this struggle to restore America to its once great economic status in the world community to learn daily of efforts being made by private citizens to aid in that restoration. In the main these are efforts to show the fallacies inherent in the anticapitalist mentality which has pervaded far too much of our thinking and our lawmaking in recent decades and to show the way in which economic growth—in real, not inflated terms—can be assured through accelerating an increase in the per capita investment of capital.

Between 1956 and 1974, per capita investment in the United States fell by over 17 percent, while per capita investment in the other industrialized nations of the world grew. In no small measure, this capital investment decline—and the reasons for it—brought about many of the reversals in the economy—away from prosperity and toward recession. Government policies were at the core of this decline including expansionist fiscal and monetary policies and excessive Government reguations.

This Nation will do something constructive and remedial about this capital shortage problem only when there is sufficient public awareness of the consequences of inadequate investment—loss of jobs and income, decline in productivity and dividends.

Thankfully, important steps are being taken to increase public understanding of this issue.

Mr. Donald I. Rogers, a noted commentator on financial issues, recently wrote an informative column on this subject, and I think it merits the attention of all my colleagues. This article—which illustrates the detrimental impact on the jobs market of inadequate capital investment—follows:

THE CAPITAL SHORTAGE: JOBS ARE AT STAKE

(By Donald I. Rogers)

NEW YORK.—The U.S. is running low on capital. At stake is your job.

As a percentage of its economy, America has less growth capital available than almost all other industrialized countries. Chase Manhattan Bank, the nation's third largest, estimates that we are under-investing in our economy by $400 million each day, and will continue to do so for the next 10 years unless profound changes are made.

If those changes aren't made—in attitudes and in laws—the U.S. will be a second-rate country, or lower, within a decade, as its capital formation declines, warns Chase.

What is this "capital formation" that in America has slowed to a trickle? It is the savings of individuals. It is also that portion of corporate earnings which becomes available for re-investment after paying all costs. Those are the only sources of capital and if either the ability or incentive to save is inhibited, there is less capital formation.

If earnings of corporations are curbed, there is less capital available. If the amount of cash distributed to stockholders who own the tools of the corporations is reduced, there is less capital to go into new "capital formation."

Here is the gloomy assessment of the situation by Reginald H. Jones, chairman of General Electric Co.: "Business has been drifting deeper in debt and has neither the means nor the incentive to meet the capital requirements of the future." Corporate balance sheets, he said, haven't been worse since the 1930s.

Chase Manhattan economists say that while capital formation is dwindling, capital needs in the U.S. are soaring. In the next 10 years, they say, we will require twice as much capital as in the last decade, when we trailed the world in growth, and it will take a greater effort to achieve it than was required to fight World War II and as much boldness and imagination.

While Chase sees the need for $4.1-trillion to build and rebuild the nation's required industrial capacity (We're two years behind Japan and losing ground rapidly) "We will be lucky" if there is as much as $2.6-trillion available, leaving us a shortfall of $1.5-trillion.

With a capital deficiency of $1.5-trillion. Americans cannot maintain their standard of living. It begins to show: Our industrial plant is seriously deficient, far behind much of the rest of the world; we have fallen behind in financing the search for more energy sources (and Congress has further stifled that search by killing the oil depletion tax allowance for explorers); we have failed to meet our transportation needs and our air, rail and maritime systems are in dire need of an infusion of fresh capital.

What does it mean to you? It means your job, your income. It takes $25,000 to $30,000 in capital investment to create just one job in American industry. Less capital, fewer jobs; no capital, no jobs.

The unpleasant truth is that the rest of the industrialized world is leaving us far behind.

In real economic growth as a percentage of annual increase, the U.S. ranked 18th out of the 20 nations with "advanced economies," according to the Organization for Economic Cooperation and Development, for the entire decade 1960–70.

Like Ireland, the U.S. had a real growth of 4 percent. Only Luxembourg with 3.3 percent and Great Britain with 2.8 percent, were lower. Leading the list was Japan with 11.1 percent. Following in order were Greece, Portugal, Yugoslavia, France, Italy, Canada, Finland, Australia, Netherlands, Norway, Belgium, Denmark, West Germany, Austria and Iceland, the latter with 4.3 percent.

Where did we go wrong? Some of our problem may accrue from the fact that we are one of the few nations that does not choose its leaders from the ranks of business men. Lawyers, not business leaders, dominate our legislative bodies.

Solution is achievable, mostly through revision of the tax laws: Provide inducement for people to save, say a lower tax on interest payments; liberalize depreciation allowances on machines and equipment; give preferential tax treatment to corporate earnings retained for investment and include the service industries; bring the capital gains tax provisions at least to a par with other countries; determine one fiscal and monetary policy and stick with it; do away with controls that restrict or impede the free market economy.

It is business that provides our jobs, our well-being. It is time we paid some attention to it. Maybe it is being poorly led, and that's something else we should be thinking about, before it's too late.

U.S. ARMS IN THE MIDEAST

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. MAZZOLI. Mr. Speaker, the failure of Secretary of State Kissinger's step-by-step peace initiatives precipitated a fundamental reevaluation of our policy in the Mideast which is still underway.

During this period of reassessment, the administration led the Congress to believe it would enter into no new arms agreements affecting the countries of the Middle East. The administration's Mideast policy, or so I thought, was to do nothing to change the military status quo or the balance of power in the area.

The reevaluation of Mideast policy has had the effect of holding up action on Israel's request for $1.8 billion in U.S. military aid.

In the past week, however, the administration announced two major arms agreements with the Arab Kingdom of Jordan. The rationale in each case was that these were not new commitments, but merely consummations of previous-concluded agreements.

From this, I can only conclude that the administration will follow its "balance-of-power" policy when convenient to do so, and make exceptions to it when that is convenient.

But, Mr. Speaker, the blunt truth is: Either we have a suspension of arms deliveries to the region, or we do not. There is no middle ground.

The arms agreements with Jordan are immensely significant. The collapse of U.S.-initiated negotiations among the belligerent Mideast nations has increased regional tensions.

Now that the United States is supplying Jordan with an arms rebuilding facility and an air defense system, Jordan will likely participate in any future Mideast conflict where it did not participate in the 1973 war. Jordan's leaders have said that the lack of air defense capabilities limited Jordan's role in 1973.

The supply of arms to both sides of a conflict is a dangerous policy. This can only heighten tensions and increase the possibility of war.

In general, world peace is not served by the proliferation of sophisticated armaments, whether the supplier is the United States, the Soviet Union, Great Britain, or France—and whether the recipient is Jordan, Egypt, or Israel.

Problems, capable of being solved by peaceful means, are encouraged to be solved militarily when countries possess military capabilities.

In a narrower view, if we supply the Arab nations with arms, we commit ourselves to supplying Israel with weapons too—if we are to maintain a "balance-of-power" in our foreign policy.

This is ill-considered, bellicose, and morally bankrupt as a policy.

But, if we refuse the one we can then refuse the other. This still maintains a "balance-of-power" in our foreign policy.

And, this is thoughtful, pacific, and morally correct as a policy.

LOU FREY INTERNS

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. FREY. Mr. Speaker, this week 10 high school juniors from the ninth Congressional District in Florida are in Washington as part of the Lou Frey intern program.

Accompanied by Marilyn and Chuck Leatherberry of Melbourne, these students will be meeting with Representatives and Senators as well as touring the monuments and landmarks unique to our Nation's Capital.

This program offers these young people a chance to observe our Government in action and to see how our system functions or if it functions?

After returning to Florida, the Interns will share their observations and experiences with civic groups and their respective high schools.

The Lou Frey Interns are: Stanley Tims, John Fay, Russell Peoples III, Clare-Marie Hannon, Sinchai DeLong, Carla Hammon, Barry McConnell, Jim Cassady, Ted Pennington, and David Adair.

I welcome these young people to Washington and hope that this experience will better enable them to become tomorrow's leaders.